NOTICE OF CORRECTION

FOR
CITY OF PEORIA
Peoria County, Illinois
$3,755,000* General Obligation Bonds, Series 2018A

Pricing On

February 5, 2018

Referencing the Official Statement dated January 23, 2018, for the above referenced bond issue:

THE MINIMUM BID ON THE BID FORM AND NOTICE OF SALE SHOULD READ:

(BID FORM)

For the $3,755,000* General Obligation Bonds, Series 2018A of the City of Peoria, Peoria County, Illinois, as described in the annexed Official Notice of Sale, which is expressly made a part of this bid, we will pay you $______________________ (no less than **$3,717,450**) for Bonds bearing interest as follows (each rate a multiple of 1/8 or 1/100 of 1%). **The discount is subject to adjustment allowing the same $__________ gross spread per $1,000 bond as bid herein.**

(NOTICE OF SALE)

All interest rates must be in multiples of one-eighth or one one-hundredth of one percent (1/8 or 1/100 of 1%), and not more than one rate for a single maturity shall be specified. The rates bid for the January 1, 2029 through 2038 maturities shall be in non-descending order in relation to the January 1, 2028 maturity. The differential between the highest rate bid and the lowest rate bid shall not exceed three percent (3%). All bids must be for all of the Bonds, must be for not less than **$3,717,450**.

Revised February 1, 2018

For additional information please contact Speer Financial, Inc., Suite 4100, One North LaSalle Street, Chicago, Illinois 60602; telephone (312) 346-3700; FAX (312) 346-8833.

New Issue
Date of Sale: February 5, 2018
Between 11:15 and 11:30 A.M., C.S.T.
(Open Speer Auction)

Investment Ratings:
Moody's Investors Service... A2 (Stable)
S&P Global Ratings ... AA- (Stable)

Official Statement

*Subject to compliance by the City with certain covenants, in the opinion of Chapman and Cutler LLP, Bond Counsel ("Bond Counsel"), under present law, interest on the Bonds is excludable from gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the federal alternative minimum tax for individuals and corporations, but such interest is taken into account in computing an adjustment used in determining the federal alternative minimum tax for certain corporations. Interest on the Bonds is not exempt from present State of Illinois income taxes. See "**TAX EXEMPTION**" herein for a more complete discussion.*

CITY OF PEORIA
Peoria County, Illinois
$3,755,000* General Obligation Bonds, Series 2018A

Dated: Date of Delivery **Book-Entry** **Due January 1, 2019-2038**

The $3,755,000* General Obligation Bonds, Series 2018A (the "Bonds") are being issued by the City of Peoria, Peoria County, Illinois (the "City"). Interest is payable semiannually on January 1 and July 1 of each year, commencing July 1, 2018. Interest is calculated based on a 360-day year of twelve 30-day months. The Bonds will be issued using a book-entry system. The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Bonds. The ownership of one fully registered Bond for each maturity will be registered in the name of Cede & Co., as nominee for DTC and no physical delivery of Bonds will be made to purchasers. The Bonds will mature on January 1 in the following years and amounts.

AMOUNTS*, MATURITIES, INTEREST RATES, PRICES OR YIELDS AND CUSIP NUMBERS

Principal Amount*	Due Jan. 1	Interest Rate	Yield or Price	CUSIP(1) Number	Principal Amount*	Due Jan. 1	Interest Rate	Yield or Price	CUSIP(1) Number
$155,000	2019	_____%	_____%	________	$180,000	2029	_____%	_____%	________
135,000	2020	_____%	_____%	________	185,000	2030	_____%	_____%	________
135,000	2021	_____%	_____%	________	195,000	2031	_____%	_____%	________
140,000	2022	_____%	_____%	________	210,000	2032	_____%	_____%	________
145,000	2023	_____%	_____%	________	215,000	2033	_____%	_____%	________
150,000	2024	_____%	_____%	________	225,000	2034	_____%	_____%	________
155,000	2025	_____%	_____%	________	240,000	2035	_____%	_____%	________
165,000	2026	_____%	_____%	________	255,000	2036	_____%	_____%	________
165,000	2027	_____%	_____%	________	260,000	2037	_____%	_____%	________
170,000	2028	_____%	_____%	________	275,000	2038	_____%	_____%	________

Any consecutive maturities may be aggregated into term bonds at the option of the bidder, in which case the mandatory redemption provisions shall be on the same schedule as above.

OPTIONAL REDEMPTION

Bonds due January 1, 2019-2027, inclusive, are not subject to optional redemption. Bonds due January 1, 2028-2038, inclusive, are callable in whole or in part on any date on or after January 1, 2027, at a price of par plus accrued interest. See **"OPTIONAL REDEMPTION"** herein.

PURPOSE, LEGALITY AND SECURITY

Bond proceeds will be used (i) for various capital improvements, and (ii) to pay the costs of issuing the Bonds. See **"THE PROJECT"** herein.

In the opinion of Bond Counsel, Chapman and Cutler LLP, Chicago, Illinois, the Bonds are valid and legally binding upon the City and are payable from any funds of the City legally available for such purpose, and all taxable property in the City is subject to the levy of taxes to pay the same without limitation as to rate or amount, except that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws affecting creditors' rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion.

This Official Statement is dated January 23, 2018, and has been prepared under the authority of the City. An electronic copy of this Official Statement is available from the www.speerfinancial.com web site under "Debt Auction Center/Competitive Official Statement Sales Calendar". Additional copies may be obtained from Mr. James Scroggins, Finance Director/Comptroller, 419 Fulton Street, Suite 106, Peoria, Illinois 61602, or from the Municipal Advisors to the City:

Speer Financial, Inc.
INDEPENDENT MUNICIPAL ADVISORS • ESTABLISHED 1954
ONE NORTH LASALLE STREET, SUITE 4100 • CHICAGO, ILLINOIS 60602
Telephone: (312) 346-3700; Facsimile: (312) 346-8833
www.speerfinancial.com

**Subject to change.*

(1) CUSIP numbers appearing in this Official Statement have been provided by the CUSIP Service Bureau, which is managed on behalf of the American Bankers Association by S&P Global Ratings. The City is not responsible for the selection of CUSIP numbers and makes no representation as to their correctness on the Bonds or as set forth on the cover of this Official Statement.

For purposes of compliance with Rule 15c2-12 of the Securities and Exchange Commission, this document, as the same may be supplemented or corrected by the City from time to time (collectively, the “Official Statement”), may be treated as an Official Statement with respect to the Bonds described herein that is deemed near final as of the date hereof (or the date of any such supplement or correction) by the City.

The Official Statement, when further supplemented by an addendum or addenda specifying the maturity dates, principal amounts and interest rates of the Bonds, together with any other information required by law or deemed appropriate by the City, shall constitute a “Final Official Statement” of the City with respect to the Bonds, as that term is defined in Rule 15c2-12. Any such addendum or addenda shall, on and after the date thereof, be fully incorporated herein and made a part hereof by reference. Alternatively, such final terms of the Bonds and other information may be included in a separate document entitled “Final Official Statement” rather than through supplementing the Official Statement by an addendum or addenda.

No dealer, broker, salesman or other person has been authorized by the City to give any information or to make any representations with respect to the Bonds other than as contained in the Official Statement or the Final Official Statement and, if given or made, such other information or representations must not be relied upon as having been authorized by the City. Certain information contained in the Official Statement and the Final Official Statement may have been obtained from sources other than records of the City and, while believed to be reliable, is not guaranteed as to completeness. THE INFORMATION AND EXPRESSIONS OF OPINION IN THE OFFICIAL STATEMENT AND THE FINAL OFFICIAL STATEMENT ARE SUBJECT TO CHANGE, AND NEITHER THE DELIVERY OF THE OFFICIAL STATEMENT OR THE FINAL OFFICIAL STATEMENT NOR ANY SALE MADE UNDER EITHER SUCH DOCUMENT SHALL CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE CITY SINCE THE RESPECTIVE DATES THEREOF.

References herein to laws, rules, regulations, ordinances, resolutions, agreements, reports and other documents do not purport to be comprehensive or definitive. All references to such documents are qualified in their entirety by reference to the particular document, the full text of which may contain qualifications of and exceptions to statements made herein. Where full texts have not been included as appendices to the Official Statement or the Final Official Statement, they will be furnished on request. This Official Statement does not constitute an offer to sell, or solicitation of an offer to buy, any securities to any person in any jurisdiction where such offer or solicitation of such offer would be unlawful.

BOND ISSUE SUMMARY

This Bond Issue Summary is expressly qualified by the entire Official Statement, including the Official Notice of Sale and the Official Bid Form, which are provided for the convenience of potential investors and which should be reviewed in their entirety by potential investors.

Issuer:	City of Peoria, Peoria County, Illinois.
Issue:	$3,755,000* General Obligation Bonds, Series 2018A.
Dated Date:	Dated as of the date of delivery, expected to be on or about February 26, 2018.
Interest Due:	Each January 1 and July 1, commencing July 1, 2018.
Principal Due:	Due each January 1, commencing January 1, 2019-2038, as detailed on the front page of this Official Statement.
Optional Redemption:	Bonds due January 1, 2019-2027, inclusive, are not subject to optional redemption. Bonds due January 1, 2028-2038, inclusive, are callable in whole or in part on any date on or after January 1, 2027, at a price of par plus accrued interest. See **"OPTIONAL REDEMPTION"** herein.
Authorization:	Pursuant to the home rule powers of the City and a bond ordinance adopted by the City Council of the City on December 12, 2017, as supplemented by the Notification of Sale of the Bonds authorized therein and executed in connection with the sale of the Bonds.
Security:	In the opinion of Bond Counsel, Chapman and Cutler LLP, Chicago, Illinois, the Bonds are valid and legally binding upon the City and are payable from any funds of the City legally available for such purpose, and all taxable property in the City is subject to the levy of taxes to pay the same without limitation as to rate or amount, except that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws affecting creditors' rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion.
Ratings:	The Bonds have been rated "A2" (Stable) by Moody's Investors Service, and "AA-" (Stable) by S&P Global Ratings, a Division of the McGraw-Hill Companies, New York, New York.
Purpose:	Bond proceeds will be used (i) for various capital improvements, and (ii) to pay the costs of issuing the Bonds. See "**THE PROJECT**" herein.
Tax Exemption:	Chapman and Cutler LLP, Chicago, Illinois, will provide an opinion as to the federal tax exemption of the interest on the Bonds as discussed under **"TAX EXEMPTION"** in this Official Statement. Interest on the Bonds is not exempt from present State of Illinois income taxes.
Bank Qualification:	The Bonds **are not** "qualified tax-exempt obligations" under Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.
Paying Agent/Bond Registrar:	City of Peoria, Office of City Comptroller, Peoria, Illinois.
Delivery Date:	The Bonds are expected to be delivered on or about February 26, 2018.
Book-Entry Form:	The Bonds will be registered in the name of Cede & Co. as nominee for The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository of the Bonds. See **APPENDIX B** herein.
Denomination:	$5,000 or integral multiples thereof.
Municipal Advisor:	Speer Financial, Inc., Chicago, Illinois.

**Subject to change.*

CITY OF PEORIA
Peoria County, Illinois

James E. Ardis III
Mayor

City Council

Beth Akeson	Elizabeth Jensen	Timothy D. Riggenbach
Denis Cyr	Denise Moore	Sid Ruckriegel
Chuck Grayeb	Jim Montelongo	W. Eric Turner
	Zachary M. Oyler	

Officials

Beth A. Ball *City Clerk*	Patrick Urich *City Manager*	Patrick A. Nichting *City Treasurer*

James R. Scroggins
Finance Director/City Comptroller

Donald Leist, Esq.
Corporation Counsel

AUTHORIZATION, PURPOSE AND SECURITY

The $3,755,000* General Obligation Bonds, Series 2018A (the "Bonds"), are being issued pursuant to the home rule powers of the City of Peoria, Peoria County, Illinois (the "City"), under Section 6, Article VII of the 1970 Constitution of the State of Illinois. The Bonds are issuable pursuant to a bond ordinance adopted by the City Council of the City on the 12th day of December, 2017, as supplemented by a Notification of Sale of the Bonds, authorized therein and executed in connection with the sale of the Bonds (together, the "Bond Ordinance").

Bond proceeds will be used (i) for various capital improvements, and (ii) to pay the costs of issuing the Bonds. See "**THE PROJECT**" herein. The Bonds constitute valid and legally binding full faith and credit general obligations of the City, and are payable from any funds of the City legally available for such purpose, and all taxable property in the City is subject to the levy of taxes to pay the same without limitation as to rate or amount. The Bond Ordinance provides for the levy of ad valorem taxes, unlimited as to rate or amount, upon all taxable property within the City in amounts sufficient to pay, as and when due, all principal of and interest on the Bonds. The Bond Ordinance will be filed with the County Clerk of Peoria County, Illinois, and will serve as authorization to said County Clerk to extend and collect the property taxes as set forth in the Bond Ordinance.

**Subject to change.*

RISK FACTORS

The purchase of the Bonds involves certain investment risks. Accordingly, each prospective purchaser of the Bonds should make an independent evaluation of the entirety of the information presented in this Official Statement and its appendices and exhibits in order to make an informed investment decision. Certain of the investment risks are described below. The following statements, however, should not be considered a complete description of all risks to be considered in the decision to purchase the Bonds, nor should the order of the presentation of such risks be construed to reflect the relative importance of the various risks. There can be no assurance that other risk factors are not material or will not become material in the future.

Finances of the State of Illinois

The State of Illinois (the "State") has experienced adverse fiscal conditions resulting in significant shortfalls between the State's general fund revenues and spending demands. In addition, the underfunding of the State's pension systems has contributed to the State's poor financial health. The State operated without a fully enacted budget for fiscal years ending June 30, 2016 and June 30, 2017. In July of 2017, the General Assembly met in a special session and enacted a budget for the fiscal year ended June 30, 2018 ("State Fiscal Year 2018"). Nonetheless, legislators have partially addressed a substantial backlog of unpaid bills by issuing $6 billion of general obligation debt in October, 2017, but have yet to address significant pension liabilities. There may continue to be delays in payments of bills and the State's backlog of unpaid bills may continue to grow.

State Actions

As part of the State's budget process, legislation was passed which made changes in the Local Government Distributive Fund ("LGDF"). There will be a 10% reduction in LGDF payments in State Fiscal Year 2018. Also beginning in State Fiscal Year 2018, 2% of home rule sales tax collections will be retained as an administrative fee by the Illinois Department of Revenue (the "Department"). Many elements of local government finance, including the issuance of debt and the levy of property taxes, are controlled by State government. Past and future actions of the State may affect the overall financial condition of the City, the taxable value of property within the City, and the ability of the City to levy property taxes. For example, Illinois legislators have introduced proposals to modify the Property Tax Extension Limitation Law, including freezing property taxes (the "Property Tax Freeze Proposal"). If the Property Tax Freeze Proposal or similar legislation were to become law, such reform may freeze the City's local property tax revenue. The City cannot predict whether, or in what form, any such change may be enacted into law, nor can the City predict the effect of any such change on the City's finances.

Local Economy

The financial health of the City is in part dependent on the strength of the local economy. Many factors affect the local economy, including rates of employment and economic growth and the level of residential and commercial development. It is not possible to predict to what extent any changes in economic conditions, demographic characteristics, population or commercial and industrial activity will occur and what impact such changes would have on the finances of the City.

Declining Equalized Assessed Valuations

The amount of property taxes extended for the City is determined by applying the various operating tax rates and the bond and interest tax rate levied by the City to the City's Equalized Assessed Valuation ("EAV"). The City's EAV could decrease for a number of reasons including, but not limited to, a decline in property values or large taxpayers moving out of the City. Declining EAVs and increasing tax rates could reduce the amount of taxes the City is able to receive.

Loss or Change of Bond Rating

The Bonds have received credit ratings from S&P Global Ratings, a Division of the McGraw-Hill Companies ("S&P"), New York, New York and Moody's Investors Service ("Moody's"), New York, New York. The ratings can be changed or withdrawn at any time for reasons both under and outside the City's control. Any change, withdrawal or combination thereof could adversely affect the ability of investors to sell the Bonds or may affect the price at which they can be sold.

Secondary Market for the Bonds

No assurance can be given that a secondary market will develop for the purchase and sale of the Bonds or, if a secondary market exists, that such Bonds can be sold for any particular price. The Underwriter is not obligated to engage in secondary market trading or to repurchase any of the Bonds at the request of the owners thereof.

Prices of the Bonds as traded in the secondary market are subject to adjustment upward and downward in response to changes in the credit markets and other prevailing circumstances. No guarantee exists as to the future market value of the Bonds. Such market value could be substantially different from the original purchase price.

Continuing Disclosure

A failure by the City to comply with the Undertaking for continuing disclosure (see **"CONTINUING DISCLOSURE"** and **"THE UNDERTAKING"** herein) will not constitute an event of default on the Bonds. Any such failure must be reported in accordance with Rule 15c2-12 (the "Rule") adopted by the Securities and Exchange Commission (the "Commission") under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and may adversely affect the transferability and liquidity of the Bonds and their market price.

Suitability of Investment

The interest rate borne by the Bonds is intended to compensate the investor for assuming the risk of investing in the Bonds. Each prospective investor should carefully examine this Official Statement and its own financial condition to make a judgment as to its ability to bear the economic risk of such an investment, and whether or not the Bonds are an appropriate investment for such investor.

Future Changes in Laws

Various state and federal laws, regulations and constitutional provisions apply to the City and to the Bonds. The City can give no assurance that there will not be a change in, interpretation of, or addition to such applicable laws, provisions and regulations which would have a material effect, either directly or indirectly, on the City, or the taxing authority of the City. For example, many elements of local government finance, including the issuance of debt and the levy of property taxes, are controlled by state government. Future actions of the State may affect the overall financial conditions of the City, the taxable value of property within the City, and the ability of the City to levy property taxes or collect revenues for its ongoing operations.

Bankruptcy

The rights and remedies of the Bondholders may be limited by and are subject to the provisions of federal bankruptcy laws, to other laws or equitable principles that may affect the enforcement of creditors' rights, to the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against local governments. The various opinions of counsel to be delivered with respect to the Bonds will be similarly qualified.

THE CITY

General Description

The City was incorporated in 1845 and is a home rule unit of local government under the 1970 Illinois Constitution. The City is located on the Illinois River midway between Chicago and St. Louis and is the largest urban area within the Peoria-Pekin Metropolitan Statistical Area. According to the 2000 Census, the City had a population of 112,936. According to the 2010 Census the City's population is currently 115,007, ranking as the seventh largest city in the State of Illinois (the "State").

Government and Administration

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.

Labor Relations

The City currently employs 679 permanent, full-time staff, including 82 management employees, 2 elected officials and 595 labor union employees in nine separate labor unions. Recent contracts with the unions have been for terms ranging from two to three years.

The Peoria Police Benevolent Association (the "PPBA") currently represents 219 employees. The current contract between the City and the PPBA expires on December 31, 2019.

The Peoria Firefighters, IAFF Local 50, currently represents 200 employees. The current contract between the City and the IAFF expires on December 31, 2021.

AFSCME Local Union 3464 currently represents 128 employees. The current contract between the City and Local 3464 expires on December 31, 2018.

The City has a multi-union contract between the City of Peoria and five unions. These unions are: Teamsters, Chauffeurs and Helpers, Local Union 627; Laborers' International Union of North America, Local Union 165; Mid-Central Illinois District Council of Carpenters, Local Union 183; International Brotherhood of Painters & Allied Trades, Local Union 157; United Association of Steamfitters, Local Union 353. These unions currently represent 40 employees as follows: Teamsters – 25 employees; Laborers - 9 employees; Carpenters – 2 employees; Painters - 3 employees; Steamfitters - 1 employee. The current contract with these unions expire on November 30, 2018.

The International Brotherhood of Electrical Workers, Local Union 51, represents 8 employees. The contract expires on November 30, 2018.

Economic Profile and Development

Built on a base of heavy manufacturing, the City's primary economic activity has long been associated with the manufacturing of earthmoving equipment, such as Caterpillar, Inc. ("Caterpillar") and Komatsu-America International Co. Prominent manufacturing firms in other industrial classifications include Keystone Steel & Wire Company and O'Brien Steel.

The City consistently ranks favorably in business publications for its opportunity and business climate. This includes being named in Forbes' top 10 "Best Cities to Start a Business" (2015). Forbes' cites the City's affordable housing, inexpensive commercial real estate and numerous organizations available to assist start-up businesses as a contributing factor to these rankings. In addition, the City was named an All-America City by the National Civic League in 2013, the City's fourth such designation in the history of the award.

Prior to the 1970's, Caterpillar and other related manufacturing businesses were the primary employment base for the City. However, manufacturing has given way to the services and trade sectors such as health services, insurance, retail, logistics and telemarketing. The City continues to expand its greatest area of diversification, the medical and technical fields, which provide more than two out of every three jobs. Included are companies such as Supply Chain Services & Solutions (SC^2), Advanced Technology Services, CSE Software, Supply Chain Services International (SCSI), G&D Integrated, Maui Jim, Hinduja Global Solutions, Multi-Ad Services, Inc., and RLI Corp. The National Center for Agriculture Research, USDA's largest agricultural research lab, and Biotechnology Research and Development Corporation, the first company in the United States to provide a link between the private sector and federal labs and resources, are located in the City.

Northwoods Mall and the Shoppes at Grand Prairie lead the regional center for retail commerce. Other major shopping centers include Campustown, Evergreen Square, Glen Hollow, Knoxville Square, Midtown Plaza, Metro Center, Northpoint, Sheridan Village, Westlake, Prairie Point Shopping Center and Willow Knolls Court. The Shoppes at Grand Prairie (the "Shoppes"), a 500,000 square-foot retail center, which opened in 2003, is anchored by Bergner's and Dick's Sporting Goods. One out lot houses the AMC Grand Prairie 18 theater, an eighteen-screen state-of-the-art theater which includes an IMAX theater. New restaurants, shops, and national retail stores continue to locate around the Shoppes, including a new Hy-Vee supermarket. Over the past three years, the Westlake Shopping Center has undergone a multi-million dollar renovation and has added national retailers such as Fresh Market, Five Guys Burgers, Ulta and Ross.

The City currently has three growth cells that consist of property annexed to the City in the north and northwest sections of the City. The City tries to facilitate development in these growth cells by providing certain infrastructure improvements. In autumn 2003, a Super Wal-Mart opened in Growth Cell 2. In March 2008, a Super Menard's opened adjacent to the Super Wal-Mart. In 2012, an Aldi and a new state-of-the-art branch of the Peoria Public Library opened. In 2015, the Louisville Slugger Sports Complex opened in northwest Peoria, just north of the Shoppes. This $18 million complex, includes 10 all-weather baseball/softball fields and a 120,000 square foot dome that will allow year-round play. Robust and aggressive programming at the Complex will draw athletes and teams from across the Midwest. As a result of the Complex's opening, a new 115 room Holiday Inn Hotel & Suites was constructed nearby and opened in September 2016. The northern portion of Peoria is one of the fastest growing areas in the City with ongoing retail, commercial and residential development projects.

In 2004, the City established "Renaissance Park," an area in the heart of the City that ties together Caterpillar, the University of Illinois College of Medicine, Bradley University, the National Center for Agricultural Utilization and Research, UnityPoint-Methodist, and OSF Saint Francis Medical Center. Renaissance Park seeks to capture and cultivate the medical and technical research companies born from the area's institutional partners. Successes in Renaissance Park include:

- The $13.6 million Peoria NEXT Innovation Center opened in 2007, providing an incubator location for start-up medical and technical businesses.

- Comprehensive Prosthetics and Orthotics Services purchased a building next door and have invested $1.6 million in improvements and created over 40 new skilled jobs.

- Main Street Commons, a $24 million residential building, was constructed on Main Street.

- Bradley University continues to invest in its campus, spending over $100 million to construct the Renaissance Coliseum, build the Markin Family Student Recreation Center and completely renovate Westlake Hall. Ground was recently broken on the $85 million Convergence Center which will house the Colleges of Business and Engineering. The project is set to open in the Fall of 2019.

The area has also become home to a number of small, locally-owned retail, restaurant and art businesses, including Studios on Sheridan, The Art Garage, Blue, Broken Tree Coffee, Las Delicias, and Urban Artifacts.

Between January 1, 2000 and December 31, 2014, the City, through its Economic Development Department (the "Department"), has leveraged $684 million in private non-residential investment from the Enterprise Zone. This effort stimulated 1,001 Enterprise Zone projects, created 6,773 new jobs and retained 12,985 jobs. Since 2005, the Department has helped stimulate the purchase of homes within the City by ceding the City's annual allocation of Private Activity Bond Volume Cap funds to first-time homebuyer programs. 840 homes within the City have been purchased totaling $70.5 million.

The Peoria Civic Center, which opened in 1982, has served as a catalyst for growth in the hotel, restaurant, and retail industries. The Civic Center is a three-building complex which includes an Arena, Exhibit Hall and Theater. In 2006, a major expansion and renovation of the Civic Center Exhibit Hall and Arena was completed. This $55 million expansion increased the square footage of the Civic Center from 700,000 to 900,000 square feet. New concessions and restrooms were added and existing facilities were upgraded. Currently operated by a private management company (SMG), the Civic Center hosts sporting events, conventions, exhibits and a variety of performing arts. The Civic Center is the home of the Rivermen hockey team. Hotel, restaurant and amusement (HRA) taxes are collected by the City to provide for adequate funding of capital improvements of the Civic Center.

Within the next 10-20 years, a substantial investment will be made in over 5,000 acres within the City's older areas, to bring the combined sewer overflows into compliance with IEPA and USEPA requirements. From 2007 to date, the City has invested in excess of $4.0 million in engineering and legal fees to create a long term control plan. As of this date, the City and USEPA are in negotiations on the final plan which will begin upon IEPA and USEPA approvals. While the final costs are not known, it is anticipated that the total project implementation costs will be between $105,000,000 and $261,000,000.

Educational Institutions

The City has the largest public school district in the metropolitan area with Peoria School District Number 150 (the "District"). The District has twelve primary schools, nine middle schools, three senior high schools, one alternative high school, one magnet school (K-8), one gifted school (grades 5-8), one early education center, one developmental center for the profoundly handicapped, and one school for special education. Total enrollment for the 2016-2017 school year was 13,218. The District employs approximately 2,413, of which 1,087 are full-time equivalent certified teachers and 1,326 full-time and part-time additional personnel.

While the large majority of students residing in the City attend the District, the Dunlap School District 323 located in the northernmost part of the City has an enrollment of 4,556 students. During the past few years, the City has annexed a large portion of land north of the City. This land is being developed for residential and commercial purposes. Over 87% of the equalized assessed valuation of the Dunlap School District is within the City.

The City is the home of Bradley University, an independent, privately endowed, coeducational institution that was founded in 1897 as Bradley Polytechnic Institute by Lydia Moss Bradley as a memorial to her children and husband, Tobias. It became a four-year college in 1920 and in 1946 became a university and began offering graduate programs. Bradley has been nationally recognized for its graduate and undergraduate programs in fields such as engineering and business and by *The Princeton Review, Entrepreneur* and *Forbes* magazines. Bradley has an enrollment of approximately 5,400. In the 2015 edition of U.S. News and World Report, Bradley University was ranked as 4th among Midwestern comprehensive universities in America's Best Colleges.

Illinois Central College ("ICC") is the regional community college that has its main campus in East Peoria. Over the past two years, ICC has made a significant investment in its Peoria "north" campus, the converted former George A. Zeller Mental Health Center. ICC's current enrollment is approximately 9,700 full-time and part-time students. ICC employs approximately 1,716 full and part-time personnel. In 2007 the community launched Peoria Promise. Peoria Promise provides an opportunity for qualifying City high school graduates to receive a scholarship covering full time tuition and books utilized in securing a degree or certificate at ICC. The program strives to develop quality young professionals and retain them in this area.

The University of Illinois College of Medicine – Peoria (UICOMP) is also located in the City. The UICOMP campus includes a $12 million Peoria Cancer Center. In 2017, UICOMP welcomed its first class of first year medical students to add to its previous offerings for years two through four. UICOMP also houses a world class cancer research center.

In 2016, Methodist College renovated a former electronics store in northern Peoria into their new school facility. The new property has allowed Methodist College to dramatically increase enrollment as well as offer new courses for Certified Nursing Assistants, Medical Office Assistants and Social Workers.

Eureka College, with an approximate enrollment of 700 students, is located 20 miles to the northeast in Eureka, Illinois. Other Peoria institutions of higher learning include Robert Morris University, Midstate College, Methodist College and OSF College of Nursing.

Recreational Facilities

The Pleasure Driveway and Park District of Peoria (the "Park District"), organized in 1894, was the first park system formed in Illinois. The Park District's boundaries encompass approximately 60 square miles in Peoria County with park and open space holdings in the City, Peoria Heights, West Peoria, and outlying townships of approximately 9,000 acres. Much of the land was acquired through matching grants from the federal Land and Water Conservation Fund, the Illinois Open Space Land Acquisition and Development program and many generous gifts and donations. The numerous facilities are located on 82 park sites and include over 284 recreation facilities.

The RiverPlex, which opened in 2001, is a public/private partnership among the Park District, the City and OSF with contributions by the Bielfeldt Foundation. (Also see "Riverfront Development" herein). The facility is owned and maintained by the Park District on land leased from the City. The multi-purpose activity arena is managed and operated solely by the Park District and can be used for basketball, volleyball or tennis courts, an indoor soccer facility or in-line hockey rink, golf hitting nets for lessons, special events or sports classes. OSF and the Park District manage the Family Fitness and Wellness Center including the Family Aquatic Center, an indoor/outdoor pool. The OSF Managed/Clinical Space provides clinical outpatient rehabilitation programs, wellness programs and classes. The City provided land, parking areas and utilities/infrastructure.

In addition to being one of the oldest and largest park districts in the state, the Park District has also been recognized as an outstanding example of what parks and recreation should be like. The Park District is a three-time winner of the National Recreation and Park Association's Gold Medal Award.

The City recently acquired 72 acres of land for conservation and park space. This property known as Connaughton's Rocky Glen Park has two waterfalls, indigenous plants, and a main ravine with steep walls and exposed sandstone. This property will be held as a State of Illinois Land and Water Conservation site.

Medical Institutions

The City is considered the regional medical center for Central Illinois with four major hospitals, a Veterans Administration Clinic (the "V.A. Clinic") and the University of Illinois College of Medicine. The University of Illinois Cancer Research Center is a 34,000 square foot $12 million state-of-the-art research center which opened in the fall of 2011. The City Council approved $2 million in TIF funds as the City's contribution to this project in 2008. In the spring of 2011, a new V.A. Clinic opened in northern Peoria. The facility has state of the art equipment and expands the services it provides to veterans.

OSF Hospital, located in Renaissance Park, completed its $87 million expansion which is the largest in the City's history in 2010, adding 440,000 square feet to its existing facility, and recently completed a $34 million, 1,800 car parking deck, a $2.6 million LifeFlight hangar at the City's airport and a $4.3 million helipad at the hospital. In 2012, OSF broke ground on the new $50 million Jump Simulation Center. The facility was completed in 2014 and provides state-of-the-art medical training and research opportunities.

UnityPoint-Methodist continues to upgrade and update its downtown facility, implementing a $350 million plan to completely replace the 350-bed hospital. The new campus will replace outdated buildings with an all-digital facility and will include 100% private facilities.

Cullinan Medical I completed construction on property in Southtown of a 50-bed long term acute care center in the heart of the City with overall private investment of $25 million. The facility, known as Kindred Care Center, opened in the fall of 2009 and brought approximately 100 diverse new jobs to the City.

In 2008, the Peoria Surgical Group completed construction of the Illinois Medical Center, a physician's complex with a private investment of $15 million. This complex is located on the University of Illinois College of Medicine Peoria (UICOMP) Campus.

The City's medical facilities are among the top twenty-five non-manufacturing employers in the area.

Peoria Urban Enterprise Zone (PUEZ)

Peoria's Enterprise Zone is a specially designated area in which tax incentives and direct financial assistance can be provided to firms locating in commercial/industrial areas adjacent to the Illinois River, Pioneer Industrial Park, Mt. Hawley Industrial Park, West Main Street Corridor, and several parcels in the Targeted Growth Area.

In December 2014, the City of Peoria, Peoria County, Village of Peoria Heights and the City of West Peoria submitted a joint application to the State of Illinois for a new multi-jurisdictional Enterprise Zone. The new Enterprise Zone, named the Peoria Urban Enterprise Zone (PUEZ), was approved in the summer of 2015 and certified by the State of Illinois in December 2015 and includes a total of 15 square miles. The City of Peoria's maximum allowable miles in the PUEZ is 10 square miles. The City has designated 5.61 square miles in the PUEZ and has 4.39 square miles remaining for additional parcels.

The Peoria Urban Enterprise Zone became active on January 1, 2016. On June 14, 2016 City Council approved a proposed amendment to the PUEZ requested by Peoria County to include the Village of Bartonville, Village of Bellevue, and the Village of Mapleton. Subsequently, all participating jurisdictions in the PUEZ and the State of Illinois approved the proposed PUEZ amendment. Additional amendments to the PUEZ from the City of Peoria includes adding the Northwoods Mall area, Western Ave., the vacant Butternut Factory, and the Pierson Hills housing complex.

The new PUEZ has incentivized over $200 million in private investment in Peoria's commercial, multi-family housing, and industrial corridors. The City of Peoria has seen an emergence of developments in the Warehouse District, Riverfront and Downtown Districts, and in commercial corridors such as University St., Junction City, Metro Center, and West Main St.

Riverfront and Downtown Development

Beginning in 1992, the City's downtown redevelopment efforts have focused on the revitalization of the riverfront culminating in a united effort on the part of private developers, the Park District, the Economic Development Council, and the City. Other significant contributions include pledged grants from Caterpillar and The Bielfeldt Foundation.

Major riverfront development projects include the following:

- The City and Lakeview Museum approved a redevelopment agreement for the Peoria Riverfront Museum (PRM) and Caterpillar Visitor's Center that has been built on the site of the former Sears Building. The total project cost was approximately $130 million. The $77 million PRM building opened in 2012 and has over 86,000 square feet and includes galleries devoted to fine arts, folk art and Central Illinois history, the IHSA Peak Performance Center, the first interpretive center for the Illinois River, a hands-on gallery for tots and kids, a state-of-the-art planetarium and a theater. A 132 car underground parking garage connects the PRM with the Caterpillar Visitor's Center allowing access to the facilities year round without being affected by inclement weather. Related infrastructure improvements, street upgrades and additional private and complementary uses are also planned for this 7.2 acre site along the Illinois River. The County placed a referendum question on the April 7, 2009 ballot for a 0.25% sales tax to fund the museum project. The referendum passed. Peoria County sold its $32,000,000 General Obligation Alternate Revenue Bonds, on December 8, 2010, to partially fund the construction.

- The RiverPlex, a public/private venture completed in 2001 continues to be a draw to the riverfront. The 115,000 square foot project includes an indoor and outdoor aquatic center, a clinical rehabilitation area, indoor soccer field, basketball courts and wet/dry playground. The Bielfeldt Foundation contributed $5,000,000 to this project. The City provided funding for parking and adjacent access ways.

- The Gateway Building provides meeting rooms and activity space for public and private use. Funding was provided by the City and a $1,200,000 donation from Caterpillar.

Other completed projects include the renovation of the Spirit of Peoria riverboat and Landings Entertainment Center, Riverfront Visitors Center, and the downtown segment of the bicycle and walking trail. Two pleasure boat marinas are included in the Riverfront area for transient boaters. Finally, CityLink's Transit Center, which opened in 2003, was a cooperative effort with the Greater Peoria Mass Transit District and has resulted in the construction of a permanent facility and bus transfer site.

Business Development District

The City has identified the area generally located between William Kumpf, Fayette, Jefferson and Monroe as a Business District to be known as the Hospitality Improvement Zone Business District (the "Business District"). The area is approximately 43.5 acres in size and consists of 51 contiguous tax parcels and public rights-of-way.

The Hospitality Improvement Zone Business District Development is intended to stimulate economic growth and development within the Business District in order to generate hotel and sales tax revenues for the City, provide employment opportunities for residents and support Peoria's hospitality industry. The development of the Hospitality Improvement Zone Business District is an essential and proper public purpose that will benefit the entire community.

The projects being undertaken with respect to the Hospitality Improvement Zone Business District involve upgrades to existing hotels and development of new hotels and mixed-use commercial development to support prior public investment in the Peoria Civic Center. The proposed project will be developed in phases as sites become available and as individual property owners elect to make improvements to existing buildings. Implementation of the Hospitality Improvement Zone Business District Development Plan is expected to involve multiple developers and/or property owners.

In November 2011, the City entered a redevelopment agreement with EM Properties (the "Developer"). As a result, the Developer has renovated and redeveloped the Hotel Pere Marquette, with 286 rooms, and constructed a Courtyard Inn and Suites with 116 rooms, expanding it with a new tower for a total of approximately 400 rooms. The new hotel is a full service Marriott and includes: a swimming pool, a business center and day spa; a 466 space parking deck that includes 15,500 square feet of commercial space on the ground floor; and an elevated, temperature controlled connector between the hotel, the garage and the Peoria Civic Center. This is the largest hotel in Illinois between Chicago and St Louis metropolitan areas. The Marriott Pere Marquette renovation was completed and opened in June 2013. The Marriott Courtyard opened in June 2014.

Funding for the $100 million project came from: (1) a $29 million grant from the City to the Developer, which was funded with 2012A Taxable General Obligation Bonds, (2) a $7 million loan from the City to the Developer, and (3) approximately $64 million in private funding secured by the Developer.

In addition to the Marriott project, the City entered into a redevelopment agreement with Hawkeye Hotels of Iowa City to acquire a completely renovate the Four Points Sheraton Hotel. The $16 million project will return 325 rooms to the downtown market as well as create a new restaurant.

Tax Increment Financing Districts

The City has developed twelve Tax Increment Financing Districts (each, a "TIF"). The TIFs help these areas redevelop and the value of these areas has increased each year since the TIFs began. The redeveloped areas create jobs and vitality in the districts.

Hospitality Improvement Zone (HIZ) TIF

The Hospitality Improvement Zone ("HIZ") Tax Increment Redevelopment Project Area ("HIZ TIF") was designated in November 2008. The main objectives are to redevelop and build new hotels, revitalizing the Downtown and provide parking and public improvements. The area occupies approximately 43.5 acres and consists of 51 contiguous tax parcels and public rights-of-way. Even with the introduction of the Marriott hotels, there is a need for additional hotels in the vicinity of the Peoria Civic Center to support its convention functions. Several of the existing hotels are older properties and improvements are needed to allow them to successfully compete with facilities in other communities. The HIZ TIF was developed to provide incentives to developers to redevelop or build a new hotel to support the Peoria Civic Center.

Midtown TIF

The Midtown Plaza TIF was created in March 1999, expires in 2022 and covers 9.5 acres. It is located on Knoxville Avenue between Nebraska Avenue and Richmond Avenue. The main objectives are to eliminate blight and provide commercial business and service facilities.

Utilizing proceeds from tax increment financing bonds, the City and the David Joseph Companies partnered to develop Midtown Plaza. Space for a shopping center anchor and an additional 8,000 square feet of adjoining retail is also part of the Midtown development. The City coordinated the acquisition of 63 separate parcels to complete this $15 million project, which is now open and operational. There are several restaurants and commercial businesses located in the Plaza.

Central Business District TIF

The Central Business District TIF, which covers 92 acres, was created in December 1986 and expires in 2021. It is located in the Central Business District and Downtown portions of the Riverfront. The main objectives are to eliminate blight, revitalize the Downtown/Riverfront and provide parking and public improvements.

The Peoria Riverfront Museum and Caterpillar Visitors Center, representing $120 million in public and private investment, opened in 2012. This private investment was assisted with $3.7 million in public dollars, which were utilized for property acquisition, facility construction and infrastructure improvements. The City also entered into a contract with Randolph and Associates for design of Water Street and infrastructure improvements in conjunction with the Museum block. These improvements were completed in 2011.

Stadium TIF

The Stadium TIF, which covers 7.5 acres, was created in December 2000 and expires in 2023. It is bounded by Jefferson Street, Oak Street, Adams Street and rear property lines of properties on the southwest side of Oak Street. The main objectives are to eliminate blight and develop a stadium.

In the fall of 2000, the City Council approved a development agreement for the construction of a new minor league baseball stadium, to be located in the downtown area of the City, adjacent to the Riverfront and Southtown Redevelopment areas. This private/public project resulted in the construction of a professional minor league stadium providing many of the amenities of a major league stadium. Features include approximately 6,500 permanent seats and approximately 1,000 lawn berm seats, as well as sixteen luxury suites in the upper level, a covered concourse with concession stands and restrooms, a video board, and a playground area behind left field. Opening day at O'Brien Field was May 24, 2002.

Northside Riverfront TIF

The Northside Riverfront TIF, which covers 105 acres, was created in March 1995 and expires in 2018. It is located on I-74 to Spring Street, between Adams and the Illinois River. The main objectives are to improve the overall environment and rehabilitate and expand the PMP Fermentation Plant. This TIF is anchored by PMP Fermentation and the project consists of two plant buildings.

Northside Business Park TIF

The Northside Business Park TIF, which covers 214 acres, was created in December 2000 and expires in 2023. It is generally bounded by Jefferson Street, Spring Street, the Illinois River and Park Avenue. The main objectives are to eliminate blight, expand O'Brien Steel, install an s-curve, eliminate Adams Street ROW through the Project Area and establish two-way traffic on Jefferson Street through the Project Area. A further objective is to more clearly delineate between industrial and residential uses and to provide commercial/retail opportunities in the area.

In 2000, the City entered into a redevelopment agreement with O'Brien Steel, which purchased $1.6 million in processing equipment to expand its processing capabilities. Its shipping area was expanded to Wisconsin during 2006. O'Brien Steel currently employs 160. O'Brien Steel completed all of their development obligations and the City made its final TIF payment to O'Brien Steel in 2009.

In February 2011, the City entered into a supplementary redevelopment agreement with O'Brien Steel to expand their facility to accommodate industry growth. O'Brien constructed a 70,000 sq. ft. industrial warehouse building which is located between Caroline and Spring Streets, on the river side of Adams Street. O'Brien designed, bid and constructed infrastructure improvements along Caroline Street. In an effort to beautify the neighborhood and comply with neighborhood requests, O'Brien enhanced the infrastructure and made streetscape improvements. The new manufacturing facility and warehouse cost an estimated $15,000,000.

Warehouse District TIF

The Warehouse District TIF, located south of Peoria's downtown business district, is a mixed area of old industrial lofts, one story industrial buildings and vacant lots. The City envisions this area to be developed as a mixed-use residential and commercial neighborhood. Investors are eyeing old industrial lofts for residential development. The street level space can become viable commercial and retail space. Artists and artisans have already located in this area.

In September of 2009, the City entered into a redevelopment agreement with D & B Developers, LLC. The Redeveloper reconstructed the old Peoria Post Office building located at 601 S.W. Water St. The existing warehouse was converted into a modern two story office building that has 19 offices, 2 conference rooms, 1 board room, and a common area with 76 cubicles. A new employee lounge and a training room that seats approximately 50 people, were also constructed. Other features include an exterior deck that faces Water Street and a "green habitat" entrance way. The Redeveloper also designed and constructed Walnut Street according to City specifications/requirements. The project was completed in 2013 at an estimated cost of $5,130,000.

In 2011, the City was awarded a TIGER II grant issued by the U.S. Department of Transportation. The grant includes $10 million for the redevelopment of the side streets throughout the Warehouse District, a project that calls for adding new residential and commercial activity south of downtown. In total, the City has invested nearly $25 million in local, state and federal funds to completely rebuild the streets in the Warehouse District.

The earliest agreements in the Warehouse District were between the City and La Ville de Maille, LLC for the renovation of two buildings in the District: 820 and 826 SW Adams. Both have been completely renovated and house small retail and office operations such as Sugar (a pizza restaurant), Ear in the Envelope (an art supplier) and The Nest co-working space. With the aid of a state historic tax credit created in 2012, the City has seen excellent development activity in the area. Since 2015, the City has entered into five redevelopment agreements that have resulted in nearly $30 million in investment:

Project	Address	Project Budget	# Residential Units	Commercial Square Footage
Murray Place	100 Walnut	$15,000,000	30	35,000
Persimmon Lofts	1028 SW Adams	$ 4,800,000	43	1,900
Cooperage 214	214 Pecan	$ 6,391,844	18	6220
Union Hotel	803-805 Main	$ 500,000	1	4,000
Winkler Lofts	733 SW Washington	$ 3,300,000	26	0
Totals..................................		$29,991,844	118	47,120

Eagle View TIF

The Eagle View TIF encompasses over 544 acres, is bounded by the Illinois River, I-474 and Adams Street and is adjacent to a large number of residential units. The plan outlines opportunities for industrial development in an area near Darst and Clark north of I-474. The plan also calls for a large conservation area along the Illinois River, which is known for viewing eagles as well as for fishing and hiking. In 2014, the City completed the acquisition and clean-up of a 5 acre industrial property along SW Adams Street. The property is being marketed for development.

East Village Growth Cell TIF

In April 2011, the City approved the East Village Growth Cell TIF. This area includes OSF Saint Francis Medical Center and the surrounding East Bluff and Near Northside neighborhoods. The area is in need of some housing rehabilitation, infrastructure improvements and commercial redevelopment. Creation of a TIF in this area can provide an important financial tool to promote reinvestment in this area.

By promoting reinvestment in the area, property values should increase, thus expanding the tax base and helping to keep rates competitive. City officials have determined that, without direct municipal involvement and financial assistance, planning objectives for this area cannot be met. To encourage new investment in the East Village Growth Cell, the City has implemented tax increment financing (TIF) as a financial tool to facilitate redevelopment. This decision was based in part on a recommendation contained in the Glen Oak Zone Action Plan, which identified TIF as a valuable tool to implement the City's goals. The City has entered into redevelopment agreements to construct a new Burger King franchise on Knoxville ($2 million), the renovation of an office building on Fayette for Northwestern Mutual ($1.9 million) and the transformation of a historic church into Obed & Isaac microbrewery and restaurant ($3.2 million).

South Village Growth Cell TIF

In April 2013, the City approved the South Village Growth Cell TIF. The project area contains approximately 672 acres, and is generally east of Western Avenue, north of Adams Street, west of McArthur Highway, and south of Martin Luther King Drive. The success of this effort will depend upon cooperation between private investors and local government. Public and private development efforts have not yet been able to stimulate the comprehensive revitalization of the South Village. The adoption of this Redevelopment Area Plan and Program will facilitate implementation of the South Village planning program to stimulate redevelopment and rehabilitation in this area, which otherwise could not reasonably be anticipated to occur without the adoption of this Redevelopment Area Plan and Program. Through public investment, the area will become attractive to private investment. In 2016, the City entered into a redevelopment agreement with South Side Bank to invest $600,000 to turn 2139 SW Adams Street into the Minority Business Development Center.

Downtown Conservation TIF

In June 2013, the City approved the Downtown Conservation TIF, which has a redevelopment area of approximately 84 acres. The improved land consists of residential, commercial, office, governmental, institutional, and recreational uses. The boundaries include City Hall, the Peoria County Courthouse, the Twin Towers, and Caterpillar office buildings. This area captured most of the downtown areas that were currently not in a TIF and also removed 52 parcels from the Central Business District TIF and placed them in the Downtown Conservation TIF. Of the 52 parcels, nine are owned by either the City or Public Building Commission and hence pay no taxes.

River Trail TIF

In November 2013, the City approved the River Trail TIF. The goal of the TIF was to encourage residential development along the Illinois River. This TIF also required an amendment to the Northside Riverfront TIF to remove three parcels, including the parcel that is slated to become the River Trail TIF. The project area is approximately 19.5 acres. The project area contained heavy industrial uses including railroad operations. Following the discontinuation of the railroad uses, the City acquired the property and redeveloped portions of the property as Riverfront Park. City staff is working with a housing developer seeking to build 144 market-rate apartment units within the TIF. A Redevelopment Agreement for this project was approved by the City Council.

Targeted Growth Area

The City has entered into intergovernmental agreements with the Greater Peoria Sanitary and Sewage Disposal District and Peoria County for City financed sewer extensions and cooperative efforts relative to the planning and permitting process in the Targeted Growth Area.

Planning efforts envision 800 acres of light industrial development, complemented by 472 acres of residential development, for an area generally bounded by Illinois Route 6 and Allen Road. Immediate planning efforts are also focused on the extension of Pioneer Parkway to connect with a proposed intersection at Illinois Route 6.

Current development activity in the growth cell along Allen Road includes a Super Menards, SUDS, and Prairie Point Shopping Center. Additional road extensions and new streets are also under construction to accommodate warehouse and industrial development adjacent to the new Wal-Mart.

Transportation

Highway transportation is provided by Illinois Routes 6, 8, 9, 26, 29, 40, 74, 89, 90, 91, 98, 116; U.S. Routes 24 and 150; and Interstates 39, 74, 155 and 474. The Greater Peoria Regional Airport (the "Airport"), operated by the Greater Peoria Regional Airport Authority (GPRA), provides 28 departures daily serving over 55,000 passengers annually. Three air cargo and package express services are available. The Airport serves as the largest regional air hub outside of O'Hare International Airport in Chicago, in terms of passenger flights per day and runway size. The airport's two runways are 10,104 feet and 8,000 feet in length. The Airport completed construction of a $28 million, 120,000 square foot commercial terminal facility in 2011.

Mt. Hawley airport is another general aviation airport operated by the GPRA. Additional air facilities are located at the Pekin airport. There are also approximately 11 rail carriers and 48 motor carriers serving the City.

Interstate 74 Upgrade

Major upgrades to Interstate 74 began in 2002 and were completed in November 2006. These upgrades extended from Sterling Avenue on the west, to the Pinecrest Interchange on the east side of the river. The upgrade included new entrance and exit ramps for the downtown area, removal, replacement or rehabilitation of all existing bridges and new highway lighting. The cost of these major improvements was $460 million and was the largest construction project in Illinois outside of Chicago.

Employment

The following tables show employment by industry and by occupation for the City, Peoria County (the "County") and the State as reported by the U.S. Census Bureau 2011-2015 American Community Survey 5-year estimated values.

Employment by Industry*(1)*

	The City		The County		The State	
Classification	Number	Percent	Number	Percent	Number	Percent
Agriculture, Forestry, Fishing and Hunting, and Mining	179	0.4%	749	0.9%	64,380	1.1%
Construction	1,649	3.2%	4,220	4.9%	313,232	5.1%
Manufacturing	8,154	16.1%	13,888	16.2%	765,301	12.6%
Wholesale Trade	795	1.6%	1,788	2.1%	184,522	3.0%
Retail Trade	5,384	10.6%	9,307	10.9%	668,523	11.0%
Transportation and Warehousing, and Utilities	1,945	3.8%	3,544	4.1%	358,122	5.9%
Information	613	1.2%	1,421	1.7%	123,286	2.0%
Finance and Insurance, and Real Estate and Rental and Leasing	2,412	4.8%	4,608	5.4%	446,219	7.3%
Professional, Scientific, and Management, and Administrative and Waste Management Services	5,448	10.7%	8,610	10.1%	695,791	11.4%
Educational Services and Health Care and Social Assistance	15,253	30.1%	22,957	26.8%	1,396,976	23.0%
Arts, Entertainment and Recreation and Accommodation and Food Services	5,060	10.0%	7,444	8.7%	551,219	9.1%
Other Services, Except Public Administration	2,230	4.4%	4,326	5.1%	288,602	4.7%
Public Administration	1,624	3.2%	2,777	3.2%	230,053	3.8%
Total	50,746	100.0%	85,639	100.0%	6,086,226	100.0%

Note: (1) Source: U.S. Bureau of the Census, American Community Survey 2011 to 2015 estimates.

Employment by Occupation*(1)*

	The City		The County		The State	
Classification	Number	Percent	Number	Percent	Number	Percent
Management, Business, Science and Arts	20,822	41.0%	32,612	38.1%	2,241,849	36.8%
Service	10,346	20.4%	15,817	18.5%	1,057,682	17.4%
Sales and Office	11,866	23.4%	21,165	24.7%	1,493,597	24.5%
Natural Resources, Construction, and Maintenance	2,294	4.5%	6,070	7.1%	444,435	7.3%
Production, Transportation, and Material Moving	5,418	10.7%	9,975	11.6%	848,663	13.9%
Total	50,746	100.0%	85,639	100.0%	6,086,226	100.0%

Note: (1) Source: U.S. Bureau of the Census, American Community Survey 2011 to 2015 estimates.

Caterpillar Inc. is the largest employer in the City and the region. In the Peoria area, Caterpillar has five separate facilities: East Peoria (track type tractors); Mapleton (foundry); Mossville (diesel and natural gas engines); Morton (parts warehouse); and Peoria (office building).

Major Regional Employers*(1)*

Location	Name	Business/Service	Approximate Employees
Peoria	Caterpillar, Inc.	Construction Machinery and Equipment	13,100(2)
Peoria	OSF St. Francis Medical Center	Hospital	6,000
Peoria	Unity Point Health	Hospital	3,283
Peoria	Peoria School District 150	Education	2,413
East Peoria	Illinois Central College	Higher Education	1,950
Peoria	Keystone Steel and Wire	Steel Production	1,300
Peoria	Peoria Park District	Recreation	1,300(3)
Peoria	Advanced Technology Services	Computer Maintenance and Repair	1,073
Peoria	CEFCU	Credit Union	834
Peoria	Par-a-dice Hotel and Casino	Hotel and Casino	800
Pekin	Pekin Hospital	Hospital	800
Peoria	Komatsu American Corp.	Trucks and Bus Bodies	560
Pekin	Pekin Insurance	Insurance Company	550
Peoria	Eaton Corporation	Electrical and Aerospace Manufacturing	550
Peoria	Peoria Civic Center	Convention and Entertainment Facility	600
Peoria	ADM Corn Processing	Corn Based Fuel	500
Peoria	Maui Jim, Inc.	Sun Glasses	500
Peoria	RLI Corporation	Insurance Company	450
Morton	Matcor Metal Fabrication, Inc.	Metal Fabrication	400
Morton	Morton Industries	Tube Bending and Fabricating	400
Peoria	National Center for Agricultural Utilization Research	Agricultural Research	400
Peoria	Vonachen Group	Healthcare	400

Notes: (1) Source: 2017 Illinois Manufacturers Directory, 2017 Illinois Services Directory, Quad Cities Chamber and a selective telephone survey.

(2) On April 19, 2017, Caterpillar announced plans to move its global headquarters from the City to Deerfield, Illinois, by the end of 2017. A small number of employees were initially relocated. Caterpillar has also announced its intentions to utilize the current headquarters building in the City as company offices and that the City and surrounding area will continue to have the largest number of Caterpillar employees in the world.

(3) Includes approximately 162 full time employees. The remaining employees are part-time and seasonal.

Unemployment Rates

Annual Average Unemployment Rates*(1)*

Calendar Year	The City	The County	The State
2008	5.9%	5.7%	6.3%
2009	11.4%	11.0%	10.2%
2010	10.6%	10.5%	10.4%
2011	9.4%	9.2%	9.7%
2012	8.7%	8.4%	9.0%
2013	9.9%	9.6%	9.1%
2014	7.8%	7.6%	7.1%
2015	6.9%	6.8%	5.9%
2016	6.9%	6.8%	5.9%
2017(2)	5.4%	5.1%	4.7%

Notes: (1) Source: Illinois Department of Employment Security.

(2) Preliminary for October 2017.

Housing

The U.S. Census Bureau 5-year estimates reported that the median value of the City's owner-occupied homes was $123,800. This compares to $126,600 for the County and $173,800 for the State. The following table represents the five year average market value of specified owner-occupied units for the City, the County and the State at the time of the 2011-2015 American Community Survey.

Value of Specified Owner-Occupied Units*(1)*

	The City		The County		The State	
Value	Number	Percent	Number	Percent	Number	Percent
Under $50,000	3,336	12.8%	4,928	10.0%	240,110	7.6%
$50,000 to $99,999	7,164	27.5%	13,513	27.4%	518,898	16.3%
$100,000 to $149,999	5,160	19.8%	10,749	21.8%	533,593	16.8%
$150,000 to $199,999	4,167	16.0%	8,166	16.6%	527,923	16.6%
$200,000 to $299,999	3,912	15.0%	7,389	15.0%	648,006	20.4%
$300,000 to $499,999	1,639	6.3%	3,265	6.6%	473,931	14.9%
$500,000 to $999,999	445	1.7%	961	1.9%	188,536	5.9%
$1,000,000 or more	268	1.0%	318	0.6%	46,708	1.5%
Total	26,091	100.0%	49,289	100.0%	3,177,705	100.0%

Note: (1) Source: U.S. Bureau of the Census, American Community Survey 5-year estimates 2011 to 2015.

Mortgage Status*(1)*

	The City		The County		The State	
Value	Number	Percent	Number	Percent	Number	Percent
Housing Units with a Mortgage	16,725	64.1%	31,024	62.9%	2,104,166	66.2%
Housing Units without a Mortgage	9,366	35.9%	18,265	37.1%	1,073,539	33.8%
Total	26,091	100.0%	49,289	100.0%	3,177,705	100.0%

Note: (1) Source: U.S. Bureau of the Census, American Community Survey 5-year estimates 2011 to 2015.

Growth in the Tax Base

Substantial building activity has been characteristic of the City. The table below shows the value of building permits within the City.

City Building Permits*(1)*
(In thousands of dollars)

	Residential(2)		Commercial(3)		All	
Year	Number	Value	Number	Value	Other	Total
2008	242	59,542	40	131,906	135,889	327,337
2009	134	32,149	28	23,921	93,852	149,922
2010	153	37,341	29	52,771	121,040	211,152
2011	147	35,162	36	116,482	93,750	245,394
2012	212	52,182	29	30,318	102,762	185,262
2013	166	39,827	15	25,505	105,993	171,325
2014	160	41,281	18	25,879	113,650	180,810
2015	123	34,755	33	84,977	145,228	264,960
2016	84	21,083	27	22,580	135,661	179,324
2017	31	7,754	13	13,897	66,214	87,865

Notes: (1) Source: City of Peoria.
(2) Residential includes new duplex and triplex, new single family dwellings and new townhomes.
(3) Commercial includes new multi-family and new commercial.

Income

The U.S. Census Bureau 5-year estimates reported that the City had a median family income of $60,524. This compares to $65,788 for the County and $71,546 for the State. The following table represents the distribution of family incomes for the City, the County and the State at the time of the 2011-2015 American Community Survey.

Family Income*(1)*

	The City		The County		The State	
Income	Number	Percent	Number	Percent	Number	Percent
Under $10,000..........	2,213	8.2%	2,657	5.7%	137,468	4.4%
$10,000 to $14,999.....	1,172	4.3%	1,573	3.4%	83,523	2.7%
$15,000 to $24,999.....	2,480	9.2%	3,501	7.5%	219,861	7.0%
$25,000 to $34,999.....	2,539	9.4%	3,957	8.5%	247,041	7.9%
$35,000 to $49,999.....	3,167	11.7%	5,583	12.0%	372,279	11.9%
$50,000 to $74,999.....	4,490	16.6%	8,956	19.2%	572,734	18.3%
$75,000 to $99,999.....	3,769	14.0%	7,392	15.9%	460,502	14.7%
$100,000 to $149,999...	4,172	15.4%	7,918	17.0%	554,220	17.7%
$150,000 to $199,999...	1,527	5.7%	2,631	5.7%	234,835	7.5%
$200,000 or more.......	1,479	5.5%	2,397	5.1%	242,220	7.8%
Total................	27,008	100.0%	46,565	100.0%	3,124,683	100.0%

Note: (1) Source: U.S. Bureau of the Census, American Community Survey 5-year estimates 2011 to 2015.

The U.S. Census Bureau 5-year estimates reported that the City had a median household income of $45,552. This compares to $51,147 for the County and $57,574 for the State. The following table represents the distribution of household incomes for the City, the County and the State at the time of the 2011-2015 American Community Survey.

Household Income*(1)*

	The City		The County		The State	
Income	Number	Percent	Number	Percent	Number	Percent
Under $10,000..........	5,102	10.8%	6,276	8.2%	343,101	7.2%
$10,000 to $14,999.....	2,775	5.9%	3,684	4.8%	217,426	4.5%
$15,000 to $24,999.....	5,850	12.4%	8,593	11.3%	477,279	10.0%
$25,000 to $34,999.....	5,378	11.4%	8,386	11.0%	449,729	9.4%
$35,000 to $49,999.....	6,260	13.3%	10,145	13.3%	610,069	12.7%
$50,000 to $74,999.....	7,515	15.9%	13,794	18.1%	851,656	17.8%
$75,000 to $99,999.....	5,570	11.8%	9,834	12.9%	609,496	12.7%
$100,000 to $149,999...	5,263	11.1%	9,694	12.7%	676,505	14.1%
$150,000 to $199,999...	1,668	3.5%	2,865	3.8%	272,382	5.7%
$200,000 or more.......	1,858	3.9%	2,862	3.8%	278,745	5.8%
Total................	47,239	100.0%	76,133	100.0%	4,786,388	100.0%

Note: (1) Source: U.S. Bureau of the Census, American Community Survey 5-year estimates 2011 to 2015.

Retailers' Occupation, Service Occupation and Use Tax*(1)*

Calendar Year	Municipal Tax Distributions(2)	Annual Percent Change + (-)	Home Rule Sales Tax	Total
2007	$21,702,563	0.8%	$23,081,852	$44,784,416
2008	21,799,161	0.4%	23,018,143	44,817,304
2009	20,205,912	(7.3%)	21,070,433	41,276,344
2010	21,070,676	4.3%	21,745,243	42,815,919
2011	21,514,447	2.1%	22,662,276	44,176,724
2012	22,634,692	5.2%	22,913,001	45,547,693
2013	21,614,065	(4.5%)	22,348,979	43,963,044
2014	21,603,345	0.0%	21,896,378	43,499,722
2015	21,954,524	1.6%	21,950,524	43,905,048
2016	21,591,790	(1.7%)	23,355,885	44,947,675
Growth from 2007 to 2016		(0.5%)		

Notes: (1) Source: Illinois Department of Revenue.
(2) Tax Distributions are based on records of the Illinois Department of Revenue relating to the 1% municipal portion of the Retailers' Occupation, Service Occupation and Use Tax, collected on behalf of the City, less a State administration fee. The municipal 1% includes tax receipts from the sale of food and drugs, which are not taxed by the state.
(3) The 2007 percentage is based on a 2006 sales tax of 21,524,073 for Municipal Tax.

Sales Tax Receipts by Kind of Business*(1)*

(For the 12 months ended December 31, 2016)

	Municipal Tax(2)	Proportional Share	Home Rule Sales Tax	Total
General Merchandise	$ 2,571,770	11.9%	$ 3,350,868	$ 5,922,638
Food	3,646,901	16.9%	2,639,379	6,286,281
Drinking and Eating Places	2,515,585	11.7%	3,996,136	6,511,721
Apparel	921,168	4.3%	1,501,678	2,422,846
Furniture, Household & Radio	1,332,496	6.2%	2,139,683	3,472,179
Lumber Building and Hardware	1,221,796	5.7%	1,963,122	3,184,918
Automotive and Filling Stations	4,352,015	20.2%	1,510,333	5,862,348
Drugs and other Retail	2,756,894	12.8%	3,014,147	5,771,042
Agriculture and Extractive	1,844,481	8.5%	2,569,317	4,413,798
Manufactures	428,685	2.0%	671,222	1,099,907
TOTAL	$21,591,790	100.0%	$23,355,885	$44,947,677

Notes: (1) Source: State of Illinois, Department of Revenue.
(2) The amount returned to the City is equal to 1% of taxable sales made at businesses within the corporate limits of the City.

THE PROJECT

Bond proceeds will be used for various capital improvements in and for the City, including but not limited to, sewer and storm water improvements and sidewalk, curb, gutter and road infrastructure, and to pay the costs of issuing the Bonds.

DEBT INFORMATION

After the issuance of the Bonds, the City will have outstanding $165,880,000 (subject to change) of general obligation debt, $3,585,000 of special assessment bonds, $1,415,000 motor fuel tax revenue refunding bonds, and $993,721 of other debt excluding post closure landfill costs, worker's compensation claims, compensated absences, OPEB and general liability claims. Much of the City's general obligation debt is paid from non-property tax sources. See **APPENDIX C** for further details of the City's outstanding debt.

The City expects to issue approximately $9,500,000 of additional bonds in calendar year 2018.

General Obligation Bonds*(1)*
(By Issue)

Issue	Amount Outstanding
Series 2009A	$ 2,305,000
Series 2010A	1,185,000
Series 2010C	12,910,000
Series 2010D	18,620,000
Series 2011A	2,400,000
Series 2011B	5,290,000
Series 2012A	29,280,000
Series 2012B	9,690,000
Series 2013A	9,355,000
Series 2014A	8,520,000
Series 2014B	9,860,000
Series 2015A	5,455,000
Series 2015B	10,335,000
Series 2015C	7,600,000
Series 2015D	2,000,000
Series 2016A	9,090,000
Series 2016B	18,915,000
Series 2016C	3,070,000
The Bonds	3,755,000(2)
Total Outstanding	$165,880,000

Notes: (1) Source: the City.
(2) Subject to change.

General Obligation Debt*(1)*
(Principal Only)

Calendar Year	Total Outstanding	The Bonds(2)	Total(2)	Cumulative Retirement(2) Amount	Percent
2019	$ 11,535,000	$ 155,000	$ 11,690,000	$ 11,690,000	6.90%
2020	12,955,000	135,000	13,090,000	24,780,000	14.62%
2021	12,235,000	135,000	12,370,000	37,150,000	21.91%
2022	11,815,000	140,000	11,955,000	49,105,000	28.97%
2023	12,400,000	145,000	12,545,000	61,650,000	36.37%
2024	13,185,000	150,000	13,335,000	74,985,000	44.23%
2025	13,945,000	155,000	14,100,000	89,085,000	52.55%
2026	14,345,000	165,000	14,510,000	103,595,000	61.11%
2027	14,710,000	165,000	14,875,000	118,470,000	69.88%
2028	15,405,000	170,000	15,575,000	134,045,000	79.07%
2029	6,140,000	180,000	6,320,000	140,365,000	82.80%
2030	6,485,000	185,000	6,670,000	147,035,000	86.73%
2031	8,415,000	195,000	8,610,000	155,645,000	91.81%
2032	6,415,000	210,000	6,625,000	162,270,000	95.72%
2033	1,480,000	215,000	1,695,000	163,965,000	96.72%
2034	1,540,000	225,000	1,765,000	165,730,000	97.76%
2035	880,000	240,000	1,120,000	166,850,000	98.42%
2036	920,000	255,000	1,175,000	168,025,000	99.11%
2037	970,000	260,000	1,230,000	169,255,000	99.84%
2038	0	275,000	275,000	169,530,000	100.00%
Total	$165,775,000	$3,755,000	$169,530,000		

Notes: (1) Source: The City. Mandatory redemption amounts are shown for term bonds.
(2) Subject to change.

Detailed Overlapping Bonded Debt*(1)*
(As of December 11, 2017)

	Outstanding Bonds(2)	Applicable to the City Percent(3)	Amount
Schools:			
School District Number 62 (Pleasant Valley)	$ 250,000	44.49%	$ 111,230
School District Number 150 (City of Peoria)(4)	127,250,039	97.71%	124,341,777
School District Number 310 (Limestone)	3,090,000	6.18%	191,000
Community Unit School District Number 321 (Chillicothe)	8,669,164	1.56%	135,603
School District Number 323 (Dunlap)	45,455,000	87.53%	39,786,324
School District Number 325 (Peoria Heights)	5,480,000	11.06%	606,249
Community College District Number 514 (Illinois Central College)(4)	29,770,000	29.15%	8,679,290
Total Schools			$173,851,472
Others:			
County of Peoria(5)	$ 67,735,000	60.33%	$ 40,864,393
Metropolitan Airport Authority of Peoria	43,463,000	54.77%	23,806,344
Pleasure Driveway and Park District	1,975,000	95.63%	1,888,694
Total Others			$ 66,559,431
Total Overlapping Debt			$240,410,902

Notes: (1) Source: Peoria County.
(2) All capital appreciation bonds are listed at their original principal value.
(3) Based on 2016 equalized assessed valuations, the most recent available.
(4) Includes principal amount of lease obligations to the Public Building Commission of Peoria.
(5) Excludes Debt Certificates.

Statement of Bonded Indebtedness*(1)*

	Amount Applicable	Ratio to Equalized Assessed	Ratio to Estimated Actual	Per Capita (2010 Census 115,007)
Assessed Valuation of Taxable Property, 2016	$2,103,985,511	100.00%	33.33%	$18,294.41
Estimated Actual Value, 2016	$6,311,956,533	300.00%	100.00%	$54,883.24
City Direct Bonded Debt	$ 169,530,000	8.06%	2.69%	$ 1,474.08
Overlapping Debt: (2)				
Schools	$ 173,851,472	8.26%	2.75%	$ 1,511.66
All Others	66,559,431	3.16%	1.05%	578.74
Total Overlapping Bonded Debt	$ 240,410,902	11.43%	3.81%	$ 2,090.40
Total Net Direct & Overlapping Debt	$ 409,940,902	19.48%	6.49%	$ 3,564.49

Notes: (1) Source: Peoria County.
(2) As of December 11, 2017.

PROPERTY ASSESSMENT AND TAX INFORMATION

The 2016 Equalized Assessed Valuation of the City consists of 63.76% residential, 0.04% farm and railroad, 33.5% commercial and 2.53% industrial and mineral.

Equalized Assessed Valuation*(1)*

	Levy Years				
Property Class	2012	2013	2014	2015	2016
Residential	$1,285,156,970	$1,257,973,094	$1,276,404,821	$1,294,074,770	$1,341,576,525
Farm	849,376	852,639	889,791	857,000	889,667
Commercial	632,765,590	635,194,437	660,877,071	679,177,241	704,824,459
Industrial	47,399,522	48,043,311	50,985,576	52,889,073	53,315,180
Railroad	2,202,435	2,493,757	2,686,767	3,078,303	3,379,680
Total(2)	$1,968,373,893	$1,944,557,238	$1,991,844,026	$2,030,076,387	$2,103,985,511
Percent Change	(1.23%)	(1.21%)	2.43%	1.92%	3.64%

Notes: (1) Source: Peoria County Clerk.
(2) Percentage based on 2011 EAV of $1,992,980,826.

Direct Tax Rates Per $100 of Equalized Assessed Valuation*(1)*

	Levy Years				
	2012	2013	2014	2015	2016
City Tax Rates:					
Corporate	$0.15761	$0.13691	$0.07572	$0.05441	$0.03184
Bonds and Interest	0.00000	0.00000	0.00000	0.09979	0.09618
Municipal Retirement	0.21180	0.23009	0.23759	0.15759	0.14375
Library	0.44434	0.44548	0.44050	0.43966	0.43032
Fire Pension	0.31422	0.28318	0.30648	0.32447	0.33811
Police Pension	0.27826	0.31600	0.33672	0.34907	0.36375
Street and Bridge	0.00000	0.00000	0.00000	0.05912	0.05875
Social Security	0.00000	0.00000	0.00000	0.07778	0.08869
Total City Rates	$1.40623	$1.41166	$1.39701	$1.56189	$1.55139

Note: (1) Source: Peoria County Clerk.

Overall Tax Rate Per $100 of Equalized Assessed Valuation*(1)*

	Levy Years				
	2012	2013	2014	2015	2016
City of Peoria	$1.40623	$1.41166	$1.39701	$1.56189	$1.55139
Peoria County (including Greater Peoria Mass Transit and Soil and Water)	1.00810	1.02082	1.02624	1.03277	1.05551
Peoria Township	0.14200	0.14481	0.14677	0.14742	0.14895
City of Peoria School District No. 150	4.98318	5.06458	5.17185	5.28414	5.28294
Peoria Airport Authority	0.18635	0.18990	0.19146	0.21120	0.21516
Pleasure Driveway and Park District of Peoria	0.76620	0.79141	0.80657	0.82884	0.82432
Junior College District Number 514	0.46343	0.47228	0.46543	0.49301	0.49032
Total	$8.95549	$9.09546	$9.20533	$9.55927	$9.56859

Note: (1) Source: Peoria County Clerk.

Tax Extensions and Collections*(1)*

Levy Year	Coll. Year	Taxes Extended(1)	Total Collections Amount	Total Collections Percent
2011	2012	$28,093,058	$27,918,556	99.38%
2012	2013	27,679,864	27,667,602	99.96%
2013	2014	27,449,919	27,323,847	99.54%
2014	2015	27,826,260	27,495,829	98.81%
2015	2016	31,707,560	31,618,602	99.72%
2016	2017(2)	32,730,970	32,219,608	98.44%

Notes: (1) Source: The City. Includes Peoria Public Library.
(2) In collection. As of December 19, 2017.

Principal Taxpayers*(1)*

Taxpayer Name	Business/Service	2016 EAV(2)
Caterpillar Inc.	Earthmoving Equipment	$ 24,891,790
OSF Healthcare System	Hospitals	15,652,362
Pere Marquette Hotel LLC	Hotel	15,200,930
MCRIL LLC	Shopping Center	13,148,740
Northwoods Dev. Co.	Shopping Mall	9,250,660
PV Peoria LLC	Real Property	7,888,620
Willow Knolls Ltd	Real Estate	7,871,860
Wal-Mart	Retail Superstore	7,242,100
Komatsu America Corp	Real Property	5,870,400
Kroger Limited Partnership	Real Property	5,780,820
Total		$112,798,282
Ten Largest Taxpayers as Percent of City's 2016 EAV ($2,103,985,511)		5.36%

Notes: (1) Source: The County.
(2) Many of the taxpayers listed contain multiple parcels and it is possible that some parcels and their valuations have been overlooked. The 2016 EAV is the most current available.

REAL PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION PROCEDURES

Summary of Property Assessment, Tax Levy and Collection Procedures

A separate tax to pay the principal of and certain interest on the Bonds will be levied on all taxable real property within the City. The information under this caption describes the current procedures for real property assessments, tax levies and collections in the County. There can be no assurance that the procedures describes herein will not change.

Tax Levy and Collection Procedures

Local assessment officers determine the assessed valuation of taxable real property and railroad property not held or used for railroad operations. The Illinois Department of Revenue (the "Department") assesses certain other types of taxable property, including railroad property held or used for railroad operations. Local assessment officers' valuation determinations are subject to review at the county level and then, in general, to equalization by the Department. Such equalization is achieved by applying to each county's assessments a multiplier determined by the Department. The purpose of equalization is to provide a common basis of assessments among counties by adjusting assessments toward the statutory standard of 33-1/3% of fair cash value. Farmland is assessed according to a statutory formula which takes into account factors such as productivity and crop mix. Taxes are extended against the assessed values after equalization.

Property tax levies of each taxing body are filed in the office of the county clerk of each county in which territory of that taxing body is located. The county clerk computes the rates and amount of taxes applicable to taxable property subject to the tax levies of each taxing body and determines the dollar amount of taxes attributable to each respective parcel of taxable property. The county clerk then supplies to the appropriate collecting officials within the county the information needed to bill the taxes attributable to the various parcels therein. After the taxes have been collected, the collecting officials distribute to the various taxing bodies their respective shares of the taxes collected. Taxes levied in one calendar year are due and payable in two installments during the next calendar year. Taxes that are not paid when due, or that are not paid by mail and postmarked on or before the due date, are subject to a penalty of 1-1/2% per month until paid. Unpaid property taxes, together with penalties, interest and costs, constitute a lien against the property subject to the tax.

Exemptions

The Illinois Property Tax Code, as amended (the "Property Tax Code"), exempts certain property from taxation. Certain property is exempt from taxation on the basis of ownership and/or use, including, but not limited to, public parks, not-for-profit schools, public schools, churches, not-for-profit hospitals and public hospitals. In addition, the Property Tax Code provides a variety of homestead exemptions, which are discussed below.

An annual General Homestead Exemption provides that the EAV of certain property owned and used for residential purposes ("Residential Property") may be reduced by the amount of any increase over the 1977 EAV, up to a maximum reduction of $6,000 for tax year 2012 and thereafter.

The Homestead Improvement Exemption applies to Residential Property that has been improved and to properties that have been rebuilt in the two years following a catastrophic event, as defined in the Property Tax Code. The exemption is limited to $75,000 for up to four years, to the extent the assessed value is attributable solely to such improvements or rebuilding.

The Senior Citizens Homestead Exemption annually reduces the EAV on residences owned and occupied by senior citizens. Beginning with tax year 2013, the maximum exemption is $5,000.

The Senior Citizens Assessment Freeze Homestead Exemption freezes property tax assessments for homeowners who are 65 and older and receive a household income not in excess of the maximum income limitation. The maximum income limitation is $55,000 for assessment year 2008 through assessment year 2017. Beginning in assessment year 2018, the maximum income limitation is $65,000. This exemption grants to qualifying senior citizens an exemption equal to the difference between (a) the current EAV of the residence and (b) the EAV of a senior citizen's residence for the year prior to the year in which he or she first qualifies and applies for the exemption, plus the EAV of improvements since such year.

Beginning January 1, 2015 purchasers of certain single family homes and residences of one to six units located in certain targeted areas (as defined in the applicable section of the Property Tax Code) can apply for the Community Stabilization Assessment Freeze Pilot Program. To be eligible the purchaser must meet certain requirements for rehabilitating the property, including expenditures of at least $5 per square foot, adjusted by the Consumer Price Index ("CPI"). Upon meeting the requirements, the assessed value of the improvements is reduced by (a) 90% in the first seven years, (b) 65% in the eighth year and (c) 35% in the ninth year. The benefit ceases in the tenth year. The program will be phased out by June 30, 2029.

The Natural Disaster Homestead Exemption (the "Natural Disaster Exemption") applies to homestead properties containing a residential structure that has been rebuilt following a natural disaster occurring in taxable year 2012 or any taxable year thereafter. A natural disaster is an occurrence of widespread or severe damage or loss of property resulting from any catastrophic cause including but not limited to fire, flood, earthquake, wind, or storm. The Natural Disaster Exemption is equal to the EAV of the residence in the first taxable year for which the taxpayer applies for the exemption minus the base amount. To be eligible for the Natural Disaster Exemption, the residential structure must be rebuilt within two years after the date of the natural disaster, and the square footage of the rebuilt residential structure may not be more than 110% of the square footage of the original residential structure as it existed immediately prior to the natural disaster. The Natural Disaster Exemption remains at a constant amount until the taxable year in which the property is sold or transferred.

Three exemptions are available to veterans of the United States armed forces. The Veterans with Disabilities Exemption for Specially-Adapted Housing exempts up to $100,000 of the Assessed Valuation of property owned and used exclusively by veterans with a disability, their spouses or unmarried surviving spouses. Qualification for this exemption requires the veteran's disability to be of such a nature that the federal government has authorized payment for purchase of specially adapted housing under the U.S. Code as certified to annually by the Illinois Department of Veterans Affairs or for housing or adaptations donated by a charitable organization to such disabled veteran.

The Standard Homestead Exemption for Veterans with Disabilities provides an annual homestead exemption to veterans with a service-connected disability based on the percentage of such disability. If the veteran has a (a) service-connected disability of 30% or more but less than 50%, the annual exemption is $2,500, (b) service-connected disability of 50% or more but less than 70%, the annual exemption is $5,000, and (c) service-connected disability of 70% or more, the property is exempt from taxation.

The Returning Veterans' Homestead Exemption is available for property owned and occupied as the principal residence of a veteran in the assessment year, and the year following the assessment year, in which the veteran returns from an armed conflict while on active duty in the United States armed forces. This provision grants a one-time, two-year homestead exemption of $5,000.

Finally, the Homestead Exemption for Persons with Disabilities provides an annual homestead exemption in the amount of $2,000 for property that is owned and occupied by certain disabled persons who meet State-mandated guidelines.

Property Tax Extension Limitation Law

Local governments, including the City, can issue limited tax bonds in lieu of general obligation bonds that have otherwise been authorized by applicable law.

The Property Tax Extension Limitation Law (the "Limitation Law") limits the amount of the annual increase in property taxes to be extended for certain Illinois non-home rule units of government. In general, the Limitation Law restricts the amount of such increases to the lesser of 5% or the percentage increase in the Consumer Price Index during the calendar year preceding the levy year. Currently, the Limitation Law applies only to and is a limitation upon all non-home rule taxing bodies in Cook County, the five collar counties (DuPage, Kane, Lake, McHenry and Will) and several downstate counties.

Home rule units, including the City, are exempt from the limitations contained in the Limitation Law. If the Limitation Law were to apply in the future to the City, the limitations set forth therein will not apply to any taxes levied by the City to pay the principal of and interest on the Bonds.

Illinois legislators have introduced several proposals to modify the Limitation Law, including freezing property taxes and extending tax caps to all taxing bodies in the State. In particular, the House passed Senate Bill 851 ("Senate Bill 851") on November 8, 2017. Senate Bill 851 provides that for levy years 2017 and 2018, for taxing districts (including home rule units) with a majority of EAV in Cook and the collar counties (Lake, McHenry, Kane, DuPage and Will Counties), other than qualified school districts, the extension limitation under the Limitation Law will be 0% or the rate of increase approved by voters. In addition, Senate Bill 851 allows county boards for counties other than Cook and the collar counties, to submit to their voters at the general primary or general election in 2018, the question of whether to subject all taxing districts (including home rule units) with a majority of EAV in their county, other than qualified school districts, to the provisions of the Limitation Law and an extension limitation under the Limitation Law of 0% or the rate of increase approved by voters for levy years 2018 and 2019. Senate Bill 851 is subject to a vote of concurrence by the Senate and approval from the Governor prior to being enacted into law. If Senate Bill 851 or similar legislation were to become law, such reform may have a material impact on the finances of the City. The City cannot predict whether, or in what form, any change to the Limitation Law, including Senate Bill 851, may be enacted into law, nor can the City predict the effect of any such change on the City's finances.

Truth in Taxation Law

Legislation known as the Truth in Taxation Law (the "Truth in Taxation Law") limits the aggregate amount of certain taxes which can be levied by, and extended for, a taxing district to 105% of the amount of taxes extended in the preceding year unless specified notice, hearing and certification requirements are met by the taxing body. The express purpose of the Truth in Taxation Law is to require published disclosure of, and hearing upon, an intention to adopt a levy in excess of the specified levels. The provisions of the Truth in Taxation Law do not apply to levies made to pay principal of and certain interest on the Bonds.

FINANCIAL INFORMATION

Financial Reports

The City's financial statements are audited annually by certified public accountants. The City's financial statements are completed on a modified accrual basis of accounting consistent with generally accepted accounting principals applicable to governmental entities. The City received the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association of the United States and Canada for its Comprehensive Annual Financial Report for the Fiscal Year Ended December 31, 2015. The City has received this award for sixteen consecutive years. See **APPENDIX A** for more detail.

No Consent or Updated Information Requested of the Auditor

The tables contained in this **"FINANCIAL INFORMATION"** section (the "Excerpted Financial Information") are from the audited financial statements of the City, including the audited financial statements for the fiscal year ended December 31, 2016 (the "2016 Audit"), which was approved by formal action of the City Council and attached to this Official Statement as **APPENDIX A**. The City has not requested the Auditor to update information contained in the Excerpted Financial Information or the 2016 Audit; nor has the City requested that the Auditor consent to the use of the Excerpted Financial Information or the 2016 Audit in this Official Statement. Other than as expressly set forth in this Official Statement, the financial information contained in the Excerpted Financial Information and 2016 Audit has not been updated since the date of the 2016 Audit. The inclusion of the Excerpted Financial Information and 2016 Audit in this Official Statement in and of itself is not intended to demonstrate the fiscal condition of the City since the date of the 2016 Audit. Questions or inquiries relating to financial information of the City since the date of the 2016 Audit should be directed to the City.

Summary Financial Information

The following tables are summaries and do not purport to be the complete audits, copies of which are available upon request. See **APPENDIX A** for the City's 2016 audited financial statements.

Statement of Net Position
Primary Government
Governmental Activities

	Audited as of December 31				
	2012	2013	2014	2015	2016
ASSETS:					
Current Assets:					
Cash and Cash Equivalents	$ 43,545,179	$ 27,962,946(1)	$ 28,485,037	$ 18,851,645	$ 15,392,004
Restricted Cash With Trustee	2,163,346	1,866,843	49,509,034(2)	783,239	481,620
Investments	10,390,202	11,684,379	13,297,341	13,398,081	9,800,771
Taxes Receivable:					
Property Taxes	33,809,100	33,323,100	31,759,600	36,062,500	37,734,900
Corporate Personal Property Replacement Taxes	978,409	1,234,068	1,070,330	1,011,761	1,143,236
State Sales and Income Taxes	9,776,836	8,798,490	8,866,030	9,465,754	8,887,680
Home Rule Sales Taxes	6,371,197	6,164,241	6,148,124	6,162,299	6,798,914
Hotel, Restaurant and Amusement Taxes	848,875	840,522	1,002,080	1,044,061	1,042,889
Utility Taxes	1,695,637	1,706,365	2,236,963	2,055,710	1,957,168
Local Motor Fuel Taxes	93,876	94,171	103,367	77,337	234,292
Government Grants and Reimbursements Receivable	1,662,726	15,588,763(1)	10,158,316	896,604	1,271,231
Riverboat Gaming Revenue Receivable	598,416	515,812	494,260	1,303,576	396,769
Loans Receivable, net	351,865	358,063	462,842	364,948	692,465
Other Receivables, net	2,473,682	2,691,227	3,856,632	6,847,587	3,048,729
Receivable, Garbage Fee	897,453	1,672,555	1,651,378	1,884,295	0
Accrued Interest Receivable, net	904,838	1,089,315	1,283,653	372,061	749,218
Special Assessments Receivable	277,254	260,717	234,478	161,987	271,411
Inventory, Prepaid Items, and Other	961,854	857,533	555,689	532,207	1,511,980
Total Current Assets	$ 117,800,745	$ 116,709,110	$ 161,175,154	$ 101,275,652	$ 91,415,277
Noncurrent Assets:					
Cash and Cash Equivalents Held for Capital Projects	$ 31,147,148	$ 11,024,540	$ 7,524,608	$ 7,193,094	$ 12,610,247
Investments Held for Capital Projects	0	0	3,340	0	0
Restricted Cash and Investments with Trustee	41,819,174	49,879,079(2)	0	0	0
Loans Receivable, net	7,285,041	7,145,899	7,492,435	7,204,702	6,435,516
Special Assessment Receivable	5,442,888	4,570,429	3,978,725	3,500,380	3,232,912
Unamortized Bond Issue Costs	0	0	0	0	0
Net Pension Assets	15,132,828	13,794,490	12,206,150	0	0
Capital Assets:					
Not Depreciated:					
Land	12,967,264	13,164,358	15,983,525	18,223,073	19,949,185
Construction In Progress	23,781,576	33,107,616	8,973,345	6,035,736	9,817,514
Depreciated:					
Infrastructure	321,868,804	343,879,135	403,110,869	427,888,727	445,849,343
Buildings and Land Improvements	113,442,236	113,448,010	114,509,628	114,758,809	115,434,791
Major Equipment and Vehicles	27,262,076	28,167,701	29,831,893	29,876,875	31,271,714
Media Assets	16,581,267	17,231,141	17,407,535	17,597,709	18,057,260
Accumulated Depreciation	(249,951,676)	(264,367,684)	(282,335,478)	(300,461,027)	(320,766,981)
Total Capital Assets	$ 265,951,547	$ 284,630,277	$ 307,481,317	$ 313,919,902	$ 319,612,826
Total Noncurrent Assets	$ 366,778,626	$ 371,044,714	$ 338,686,575	$ 331,818,078	$ 341,891,501
Total Assets	$ 484,579,371	$ 487,753,824	$ 499,861,729	$ 433,093,730	$ 433,306,778
DEFERRED OUTFLOWS OF RESOURCES:					
Deferred Charge on Refunding	$ 186,130	$ 59,506	$ 0	$ 0	$ 1,753,978
Pension Related Amounts	0	0	0	31,050,253	88,985,922
Total Net Position and Deferred Outflows	$ 484,765,501	$ 487,813,330	$ 499,861,729	$ 464,143,983	$ 524,046,678

Notes: (1) The City's cash and cash equivalents decreased due to payment for construction of a road project (Orange Prairie and Washington Street) for which reimbursement had not yet been received.
(2) Treated as non-current asset in 2013 and prior years.

Statement of Net Position
Primary Government
Governmental Activities
(Continued)

	Audited as of December 31				
	2012	2013	2014	2015	2016
LIABILITIES:					
Accounts Payable	$ 8,258,386	$ 9,074,234	$ 61,402,085	$ 9,092,939	$ 6,307,595
Accrued Payroll	1,957,958	2,113,758	2,162,375	3,894,554	2,244,255
Accrued Interest	326,839	298,437	267,503	236,477	216,916
Matured Bonds Payable	0	0	0	0	1,565,741
Other Payables	10,262	20,821	0	0	2,349
Claims and Losses Due and Payable	0	0	0	0	280,832
Estimated Payable for Claims and Losses Incurred But Not Reported	2,241,435	2,413,942	594,077	574,392	100,000
Unearned Revenue - Other	2,175,539	1,720,344	1,301,367	1,072,627	1,030,171
Tax Rebates Payable	9,144	14	0	0	0
Accrued Compensated Absences	4,468,501	4,576,528	4,712,619	4,817,207	5,018,177
Voluntary Separation Incentive Termination Benefits, Current	310,000	0	0	0	0
Bonds and Loans Payable, Current Portion	929,913	977,137	1,039,822	1,024,245	1,003,279
Other Long-Term Obligations, Current Portion	47,500	48,220	55,890	61,040	61,517
Total Current Liabilities	$ 20,735,477	$ 21,243,435	$ 71,535,738	$ 20,773,481	$ 17,830,832
LONG-TERM LIABILITIES:					
Accrued Compensated Absences	$ 4,759,756	$ 4,923,429	$ 4,872,082	$ 5,058,217	$ 5,431,410
Net Other Post Employment Benefit (OPEB) Obligation	42,843,434	50,211,206	57,811,234	66,146,292	74,482,354
Illinois Municipal Retirement Fund Net Pension Obligation	1,522,870	1,717,323	1,753,438	0	0
Workers Compensation Claims Payable	607,816	577,184	1,616,008	2,300,984	3,092,558
General Liability Claims Payable	660,158	277,914	567,061	11,037,984	12,557,335
Bonds and Loans Payable, Net Bond Premium	252,486,700	250,052,559	199,653,881	195,853,369	191,917,796
Other Long-Term Obligations, Noncurrent	473,370	640,933	521,385	612,986	606,328
Net Pension Liability	0	0	1,387,839	247,841,073 (1)	338,267,915 (1)
Total Long Term Liabilities	303,354,104	308,400,548	268,182,928	528,850,905	626,355,696
Total Liabilities	$324,089,581	$ 329,643,983	$ 339,718,666	$ 549,624,386	$ 644,186,528
Deferred Inflows of Resources					
Property Taxes	$ 0	$ 21,764,200	$ 19,049,800	$ 36,062,500	$ 37,734,900
Pension Related Amounts	0	0	0	$704,746	$1,700,674
Unavailable Revenue	22,238,800	0	0	0	0
Due to Fiduciary Fund - Property Taxes	11,570,300	11,558,900	12,709,800	0	0
Deferred Charge on Refunding	0	0	121,103	678,696	0
Total	$ 33,809,100	$ 33,323,100	$ 31,880,703	$ 37,445,942	$ 39,435,574
NET POSITION:					
Investment in Capital Assets, Net of related Debt	$191,648,334	$ 210,260,982	$ 231,881,361	$ 236,299,594	$ 243,466,295
Restricted For:					
Law Enforcement	517,547	423,477	357,060	360,051	331,305
Education	200,910	206,171	212,087	219,269	222,533
Recreation	332,603	339,694	349,158	352,501	314,532
Tourism	1,479,993		2,000,136	1,937,924	405,559
Debt Service	10,019,896	3,605,713	4,951,919	6,962,248	5,801,083
TIF Redevelopment	8,399,409	9,267,940	5,218,586	5,689,317	5,350,451
Grants and Loans	1,095,774	768,583	886,892	995,622	948,677
Peoria Public Library	1,019,506	1,019,506	1,019,506	1,019,503	1,000,279
Landfill Operations					247,660
Riverfront Development	91,743	15	17	40	0
Employees' Pension Benefits	0	0	0	0	8,121
Capital Projects	10,203,008	8,948,246	7,311,689	3,971,017	4,189,453
Library Endowment, non-spendable				521,848	512,779
Unrestricted	(96,661,910)	(111,474,073)	(125,926,051)	(381,255,279) (1)	(422,374,151) (1)
Total Net Position	126,866,820	124,846,247	128,262,360	(122,926,345)	(159,575,424)
Total Liabilities and Net Position and Deferred Inflows	$484,765,501	$ 487,813,330	$ 499,861,729	$ 464,143,983	$ 524,046,678

Note: (1) Increase due to the inclusion of pension liabilities per GASB Statement No. 68.

General Fund
Balance Sheet

	Audited Years Ending December 31				
	2012	2013	2014	2015	2016
ASSETS:					
Cash	$16,387,607	$12,216,813	$ 7,842,944	$ 5,708,658	$ 4,010,143
Investments	5,557,237	4,979,113	7,006,834	7,389,861	5,822,961
Taxes Receivable:					
Property Taxes	3,156,900	2,769,700	1,627,400	1,209,100	779,700
Corporate Personal Property Replacement Taxes	978,409	1,234,068	1,070,330	1,011,761	1,143,236
State Sales and Income Taxes	9,724,853	8,771,027	8,835,535	9,435,669	8,858,553
Home Rule Sales Taxes	6,371,197	6,164,241	6,148,124	6,162,299	6,798,914
Hotel, Restaurant and Amusement Taxes	848,875	840,522	881,830	918,774	917,742
Utility Taxes	1,695,637	0	592,025	436,554	509,153
Governmental Grants and Reimbursements Receivable	922,450	496,403	81,845	66,679	128,857
Loans Receivable, net	7,000,000	7,000,000	7,274,993	6,937,643	6,867,590
Interfund Loan Receivable	1,369,952	9,097,028	8,304,728	7,488,391	6,647,287
Other Receivables, Net	1,948,610	1,520,552	1,720,073	1,829,409	1,770,845
Accrued Interest Receivable	13,879	28,304	254,479	361,879	741,534
Due From Other Funds	2,003,186	3,469,920	11,318,349	26,978,745	17,469,189
Inventory and Other	928,685	857,533	555,689	532,207	604,060
Total Assets	$58,907,477	$59,445,224	$63,515,178	$76,467,629	$63,069,764
LIABILITIES:					
Accounts Payable	$ 1,927,977	$ 1,803,374	$ 1,984,392	$ 2,995,576	$ 3,067,064
Accrued Payroll	1,791,134	2,009,308	2,045,990	3,767,813	2,087,401
Claims and Losses Due and Payable	360,162	386,951	494,077	474,392	280,832
Due to Other Funds	1,293,674	1,363,389	0	11,984,677	3,747,236
Unearned Revenue- Property Taxes	0	0	2,290,468	0	0
Unearned Revenue - Other	1,337,909	1,124,607	0	717,702	606,704
Tax Rebates Payable	9,144	14	959,530	0	0
Other Payables	5,641	3,313	928	0	2,349
Total Liabilities	$ 6,725,641	$ 6,690,956	$ 7,775,385	$19,940,160	$ 9,791,586
DEFERRED INFLOWS OF RESOURCES:					
Unavailable Revenue - Property Taxes	$ 3,156,900	$ 2,769,700	$ 1,627,400	$ 1,209,100	$ 779,700
Unavailable Revenue - Intergovernmental and Loans	7,924,331	7,400,461	7,436,118	7,295,813	7,747,907
Unavailable Revenue - Other	0	0	0	105,131	0
Total Deferred Inflows of Resources	$11,081,231	$10,170,161	$ 9,063,518	$ 8,610,044	$ 8,527,607
FUND BALANCE:					
Nonspendable:					
Inventories	$ 928,685	$ 857,533	$ 555,689	$ 532,207	$ 604,060
Advances	0	9,097,028	8,304,728	7,488,391	6,647,287
Restricted:					
Education	200,910	206,171	212,087	219,269	222,533
Recreation	332,603	339,694	349,158	352,501	314,532
Law Enforcement	382,254	283,169	287,490	287,490	263,959
Assigned:					
Debt Service	5,095,491	5,980,914	6,206,395	6,023,098	6,323,393
Other Post Employment Benefits	12,768,423	7,869,937	12,487,965	17,133,977	21,033,209
Encumbrances	0	0	939,947	0	0
Purchases on Order	1,075,551	737,322	0	0	0
Unassigned	20,316,688	17,212,339	17,332,816	15,880,492	9,341,598
Total Fund Balance	$41,100,605	$42,584,107	$46,676,275	$47,917,425	$44,750,571
Total Liabilities, Deferred Inflows of Resources and Fund Balance	$58,907,477	$59,445,224	$63,515,178	$76,467,629	$63,069,764

Statement of Activities
Government Activities
Net (Expenses) Revenues and Changes in Net Position

	Audited Fiscal Years Ended December 31				
	2012	2013	2014	2015	2016
Net Expenses: Functions/Programs (1)					
Primary Government					
Governmental Activities					
Elective Offices, Boards, Commissions and Agencies	$ (1,882,152)	$ (2,276,126)	$ (2,128,498)	$ (2,042,274)	$ (2,030,351)
City Administration	(6,843,305)	(6,787,260)	(6,132,866)	(7,481,096)	(9,043,975)
Police	(34,469,902)	(39,630,154)	(41,453,029)	(56,025,133)	(58,259,214)
Fire	(30,551,816)	(32,205,803)	(34,700,681)	(39,736,557)	(50,008,948)
Public Works	(15,768,817)	(6,491,062)	(21,314,373)	(18,439,401)	(20,827,805)
Community Development	(6,356,838)	(10,252,684)	(6,319,218)	(7,040,507)	(10,693,863)
Public Safety	(3,486,159)	(4,092,697)	(1,513,070)	(4,023,186)	(4,368,987)
General Government	(22,230,128)	(12,856,010)	2,237,272	(12,924,863)	(4,503,552)
Library	(11,074,057)	(9,702,511)	(8,501,473)	(9,356,951)	(6,956,945)
Interest On Long-Term Debt	(10,107,766)	(10,415,956)	(10,136,289)	(8,277,949)	(6,794,449)
Total Primary Government	$(142,770,940)	$(134,710,263)	$(129,962,225)	$(165,347,917)	$(173,488,089)
General Revenues					
Property Taxes	$ 34,953,410	$ 35,044,553	$ 34,119,990	$ 31,563,865	$ 36,360,562
Corporate Personal Property Replacement Taxes	6,438,641	7,366,584	7,156,827	6,849,754	7,048,472
State Sales Taxes, Unrestricted	24,637,340	23,764,815	23,960,185	24,634,202	24,505,549
State Income Tax Allocation, Unrestricted	10,196,314	11,090,291	10,891,399	12,435,605	11,048,815
Home Rule Sales Taxes	22,898,395	22,336,809	21,961,547	22,203,898	23,621,957
Special Service Area Sales Taxes	0	0	0	0	763
Hotel, Restaurant and Amusement Taxes	8,695,857	8,819,495	8,980,044	9,230,491	10,564,482
Riverboat Gaming Revenue	3,510,234	3,353,151	3,162,509	3,157,614	2,991,308
Utility Taxes	12,269,259	12,050,962	12,035,216	11,188,083	10,766,282
Grants and Contributions Not Restricted to Specific Programs	12,311	95,427	155,528	993,780	0
Interest/ Investment Income	2,627,602	1,217,095	1,212,675	561,728	471,322
Franchise Fees, Based on Gross Receipts	2,474,896	2,354,192	2,299,617	3,267,973	166,317
Gain on Sale of Capital Assets	38,300	0	0	0	0
Other	6,724,001	5,196,316	7,442,801	4,384,498	7,640,656
Total General Revenues	$ 135,476,560	$ 132,689,690	$ 133,378,338	$ 130,471,491	$ 135,186,485
Change in Net Position as Originally Reported:	$ (7,294,380)	$ (2,020,573)	$ 3,416,113	$ (34,876,426)	$ (38,301,604)
Change in Net Position as Restated:	$ (7,294,380)	$ (2,020,573)	$ 3,416,113	$ (34,876,426)	$ (38,301,604)
Net Assets Beginning as Originally Reported	0	0	0	0	(122,926,345)
Prior Period Adjustments	0	0	0	0	1,652,525
Net Position - Beginning, As Restated	$ 134,161,200	$ 126,866,820	$ 124,846,247	$ (88,049,919) (2)	(121,273,820)
Net Position - Ending, As Restated	$ 126,866,820	$ 124,846,247	$ 128,262,360	$(122,926,345)	$(159,575,424)

Notes: (1) Expenses Less Program Revenues (Charges for Services, Operating Grants and Contributions, Capital Grants and Contributions).
(2) As restated.

General Fund
Revenues and Expenditures

	Audited Years Ending December 31				
	2012	2013	2014	2015	2016
REVENUES:					
Property Taxes	$ 5,712,125	$ 3,811,650	$ 3,368,729	$ 1,658,390	$ 1,363,832
Corporate Personal Property Replacement Taxes	3,086,302	3,619,035	3,405,760	2,849,454	2,852,919
State Sales Taxes	24,339,855	23,595,268	23,850,181	24,512,792	24,385,127
State Income Tax Allocation	10,701,076	12,014,569	10,891,399	12,435,605	11,048,815
Home Rule Sales Taxes	22,898,395	22,336,809	21,883,999	21,943,713	23,347,159
Hotel, Restaurant and Amusement Taxes	8,591,718	8,215,396	7,640,952	8,134,128	9,396,323
Utility Taxes	12,269,259	3,812,297	4,025,874	3,598,409	3,509,481
Governmental Grants and Reimbursements	2,299,206	1,633,679	767,643	442,680	706,740
Licenses and Permits	2,406,554	1,941,178	2,138,318	2,684,807	3,325,420
Service Charges/Fines/Fees	9,166,421	8,151,190	8,264,555	7,351,219	9,072,832
Loan Repayment	44,176	30,055	507,406	304,348	103,056
Rental	119,795	99,893	153,216	163,399	171,966
Interest	63,560	62,438	53,269	870,368	178,074
Other	2,222,041	2,593,570	2,633,439	2,425,994	2,678,755
Total Revenues	$103,920,483	$91,917,027	$89,584,740	$89,375,306	$92,140,499
EXPENDITURES:					
Current:					
Elective Offices/Board/Commissions/Agencies	$ 1,854,416	$ 1,886,180	$ 1,880,751	$ 1,541,076	$ 1,575,000
City Administration	5,812,366	4,639,954	4,631,088	5,527,560	7,125,740
Police	27,122,085	28,807,320	27,688,377	29,196,764	29,858,548
Fire	20,765,910	21,554,259	21,358,923	23,196,994	22,433,340
Public Works	12,693,141	13,756,210	14,446,791	15,248,949	14,720,674
Community Development	5,321,586	5,525,896	4,735,392	5,115,673	5,669,833
Public Safety	4,712,515	3,756,991	3,983,899	4,092,427	4,440,116
General Government	9,903,002	2,784,557	2,911,920	2,808,276	2,929,978
Library	619,565	794,127	649,703	774,189	442,203
Total Expenditures	$ 88,804,586	$83,505,494	$82,286,844	$87,501,908	$89,195,432
Excess of Revenues Over Expenditures	$ 15,115,897	$ 8,411,533	$ 7,297,896	$ 1,873,398	$ 2,945,067
OTHER FINANCING SOURCES (USES), NET:	(16,441,503)	(6,928,031)	(3,205,728)	(632,248)	(6,111,921)
Net Change in Fund Balances	$ (1,325,606)	$ 1,483,502	$ 4,092,168	$ 1,241,150	(3,166,854)
Fund Balance, Beginning of Year	42,426,211	41,100,605	42,584,107	46,676,275	47,917,425
Fund Balance, End of the Year (1)	$ 41,100,605	$42,584,107	$46,676,275	$47,917,425	$44,750,571

Note: (1) The City's General Fund fund balance policy is to target a fund balance equal to three months of expenditures.

General Fund
Budget and Interim Financial Information

	2017 Original Budget	Unaudited 11 Months Ended November 30 (Unaudited)	2018 Original Budget
REVENUES:			
Local Sources			
Current Levy............................	$ 669,788.00	$ 642,359.21	$ 375,000.00
Other Local Sources......................	44,561,284.00	38,223,444.79	45,350,500.00
State Sources............................	39,213,321.00	33,134,801.00	36,983,200.00
Licenses & Permits.......................	2,966,300.00	2,139,917.00	2,996,200.00
Fines & Forfeitures......................	2,184,000.00	1,508,975.00	1,491,300.00
Fees & User Charges......................	5,643,500.00	3,688,960.00	4,949,700.00
Grant Revenue............................	423,376.00	342,006.00	246,942.00
Miscellaneous Revenue....................	1,644,300.00	1,317,220.00	1,532,900.00
Available Revenues.......................	97,305,869.00	80,997,683.00	93,925,742.00
Transfer From Other Funds................	3,151,000.00	83,500.00	681,000.00
TOTAL SOURCES............................	$100,456,869.00	$81,081,183.00	$94,606,742.00
EXEPENDITURES:			
Personnel Services.......................	$ 62,688,802.00	$53,270,910.00	$58,822,035.00
Contractual Services.....................	11,112,982.00	9,074,401.00	9,594,739.00
Supplies & Materials.....................	3,839,325.00	3,040,977.00	3,312,770.00
Support To Other Agencies................	2,792,234.00	2,762,265.00	2,643,161.00
Employee Benefits........................	11,549,099.00	12,190,401.00	11,106,099.00
Total Operating Expenditures.............	$ 91,982,442.00	$80,338,954.00	$85,478,804.00
Transfer to Other Funds..................	$ 7,969,088.00	$ 2,560,044.00	$ 7,505,158.00
TOTAL USES...............................	$ 99,951,530.00	$82,898,998.00	$92,983,962.00
INCREASE (DECREASE) IN FUND BALANCE.......	$ 505,339.00	$(1,817,815.00)	$ 1,622,780.00

Budget Summary

The City approved its 2018-2019 Biennial Budget on December 5, 2017. The City undertook a holistic review of its budgeted revenues and expenditures for this two year budget period. Beginning with fiscal year 2018, the City has created a Stormwater/Sewer Utility Fund as well as implemented a Stormwater Utility Fee. The City will now account for all stormwater and sewer related maintenance items within this enterprise fund, rather than in its general fund. The new Stormwater Utility Fee will also provide a funding source for the anticipated Combined Sewer Overflow (CSO) improvements as required by the United States Environmental Protection Agency. The City increased its residential garbage fee in order to support the residential trash collection and to repay the general fund for years of subsidy. The City also increased its Amusement Tax by 1%, which went into effect on January 1, 2018. On the expense side, the City reduced its workforce, froze the budget for contractual services and supplies and held liabilities and worker's compensation costs nearly flat. The City has budgeted for general fund surpluses in both fiscal year 2018 and 2019.

REGISTRATION, TRANSFER AND EXCHANGE

See also **APPENDIX B** for information on registration, transfer and exchange of book-entry bonds. The Bonds will be initially issued as book-entry bonds.

The City shall cause books (the "Bond Register") for the registration and for the transfer of the Bonds to be kept at the office maintained for the purpose by the Bond Registrar in Peoria, Illinois. The City will authorize to be prepared, and the Bond Registrar shall keep custody of, multiple bond blanks executed by the City for use in the transfer and exchange of Bonds.

Any Bond may be transferred or exchanged, but only in the manner, subject to the limitations, and upon payment of the charges as set forth in the Bond Ordinance. Upon surrender for transfer or exchange of any Bond at the principal office maintained for the purpose by the Bond Registrar, duly endorsed by, or accompanied by a written instrument or instruments of transfer in form satisfactory to the Bond Registrar and duly executed by the registered owner or such owner's attorney duly authorized in writing, the City shall execute and the Bond Registrar shall authenticate, date and deliver in the name of the registered owner, transferee or transferees (as the case may be) a new fully registered Bond or Bonds of the same maturity and interest rate of authorized denominations, for a like aggregate principal amount.

The execution by the City of any fully registered Bond shall constitute full and due authorization of such Bond, and the Bond Registrar shall thereby be authorized to authenticate, date and deliver such Bond, provided, however, the principal amount of outstanding Bonds of each maturity authenticated by the Bond Registrar shall not exceed the authorized principal amount of Bonds for such maturity less Bonds previously paid.

The Bond Registrar shall not be required to transfer or exchange any Bond following the close of business on the 15th day of the month next preceding any interest payment date on such Bond (known as the record date) nor to transfer or exchange any Bond after notice calling such Bond for redemption has been mailed, nor during a period of 15 days next preceding mailing of a notice of redemption of any Bonds.

The person in whose name any Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes under the Bond Ordinance, and payment of the principal of or interest on any Bonds shall be made only to or upon the order of the registered owner thereof or such owner's legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

No service charge shall be made for any transfer or exchange of Bonds, but the City or the Bond Registrar may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Bonds, except in the case of the issuance of a Bond or Bonds for the unredeemed portion of a Bond surrendered for redemption.

TAX EXEMPTION

Federal tax law contains a number of requirements and restrictions which apply to the Bonds, including investment restrictions, periodic payments of arbitrage profits to the United States, requirements regarding the proper use of bond proceeds and the facilities financed therewith, and certain other matters. The City has covenanted to comply with all requirements that must be satisfied in order for the interest on the Bonds to be excludable from gross income for federal income tax purposes. Failure to comply with certain of such covenants could cause interest on the Bonds to become includible in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds.

Subject to the City's compliance with the above-referenced covenants, under present law, in the opinion of Bond Counsel, interest on the Bonds is excludable from the gross income of the owners thereof for federal income tax purposes, and is not included as an item of tax preference in computing the federal alternative minimum tax for individuals and corporations, but interest on the Bonds is taken into account, however, in computing an adjustment used in determining the federal alternative minimum tax for certain corporations.

In rendering its opinion, Bond Counsel will rely upon certifications of the City with respect to certain material facts within the City's knowledge. Bond Counsel's opinion represents its legal judgment based upon its review of the law and the facts that it deems relevant to render such opinion and is not a guarantee of a result.

The Internal Revenue Code of 1986, as amended (the "Code"), includes provisions for an alternative minimum tax ("AMT") for corporations in addition to the regular corporate tax in certain cases. The AMT, if any, depends upon the corporation's alternative minimum taxable income ("AMTI"), which is the corporation's taxable income with certain adjustments. One of the adjustment items used in computing the AMTI of a corporation (with certain exceptions) is an amount equal to 75% of the excess of such corporation's "adjusted current earnings" over an amount equal to its AMTI (before such adjustment item and the alternative tax net operating loss deduction). "Adjusted current earnings" would include certain tax-exempt interest, including interest on the Bonds. The AMT for corporations is repealed for taxable years beginning after December 31, 2017.

Ownership of the Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, corporations subject to the branch profits tax, financial institutions, certain insurance companies, certain S corporations, individual recipients of Social Security or Railroad Retirement benefits and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry tax-exempt obligations. Prospective purchasers of the Bonds should consult their tax advisors as to applicability of any such collateral consequences.

The issue price for original issue discount (as further discussed below) and market discount purposes (the "OID Issue Price") for each maturity of the Bonds is the price at which a substantial amount of such maturity of the Bonds is first sold to the public (excluding bond houses and brokers and similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The OID Issue Price of a maturity of the Bonds may be different from the price set forth, or the price corresponding to the yield set forth, on the cover page hereof.

If the OID Issue Price of a maturity of the Bonds is less than the principal amount payable at maturity, the difference between the OID Issue Price of each such maturity, if any, of the Bonds (the "OID Bonds") and the principal amount payable at maturity is original issue discount.

For an investor who purchases an OID Bond in the initial public offering at the OID Issue Price for such maturity and who holds such OID Bond to its stated maturity, subject to the condition that the City complies with the covenants discussed above, (a) the full amount of original issue discount with respect to such OID Bond constitutes interest which is excludable from the gross income of the owner thereof for federal income tax purposes; (b) such owner will not realize taxable capital gain or market discount upon payment of such OID Bond at its stated maturity; (c) such original issue discount is not included as an item of tax preference in computing the alternative minimum tax for individuals and corporations under the Code, but is taken into account in computing an adjustment used in determining the alternative minimum tax for certain corporations under the Code, as described above; and (d) the accretion of original issue discount in each year may result in an alternative minimum tax liability for corporations or certain other collateral federal income tax consequences in each year even though a corresponding cash payment may not be received until a later year. Based upon the stated position of the Illinois Department of Revenue, under Illinois income tax law, accreted original issue discount on such OID Bonds is subject to taxation as it accretes, even though there may not be a corresponding cash payment until a later year. Owners of OID Bonds should consult their own tax advisors with respect to the state and local tax consequences of original issue discount on such OID Bonds.

Owners of Bonds who dispose of Bonds prior to the stated maturity (whether by sale, redemption or otherwise), purchase Bonds in the initial public offering, but at a price different from the OID Issue Price or purchase Bonds subsequent to the initial public offering should consult their own tax advisors.

If a Bond is purchased at any time for a price that is less than the Bond's stated redemption price at maturity or, in the case of an OID Bond, its OID Issue Price plus accreted original issue discount (the "Revised Issue Price"), the purchaser will be treated as having purchased a Bond with market discount subject to the market discount rules of the Code (unless a statutory *de minimis* rule applies). Accrued market discount is treated as taxable ordinary income and is recognized when a Bond is disposed of (to the extent such accrued discount does not exceed gain realized) or, at the purchaser's election, as it accrues. Such treatment would apply to any purchaser who purchases an OID Bond for a price that is less than its Revised Issue Price. The applicability of the market discount rules may adversely affect the liquidity or secondary market price of such Bond. Purchasers should consult their own tax advisors regarding the potential implications of market discount with respect to the Bonds.

An investor may purchase a Bond at a price in excess of its stated principal amount. Such excess is characterized for federal income tax purposes as "bond premium" and must be amortized by an investor on a constant yield basis over the remaining term of the Bond in a manner that takes into account potential call dates and call prices. An investor cannot deduct amortized bond premium relating to a tax-exempt bond. The amortized bond premium is treated as a reduction in the tax-exempt interest received. As bond premium is amortized, it reduces the investor's basis in the Bond. Investors who purchase a Bond at a premium should consult their own tax advisors regarding the amortization of bond premium and its effect on the Bond's basis for purposes of computing gain or loss in connection with the sale, exchange, redemption or early retirement of the Bond.

There are or may be pending in the Congress of the United States legislative proposals, including some that carry retroactive effective dates, that, if enacted, could alter or amend the federal tax matters referred to above or affect the market value of the Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to bonds issued prior to enactment. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal tax legislation. Bond Counsel expresses no opinion regarding any pending or proposed federal tax legislation.

The Internal Revenue Service (the "Service") has an ongoing program of auditing tax-exempt obligations to determine whether, in the view of the Service, interest on such tax-exempt obligations is includible in the gross income of the owners thereof for federal income tax purposes. It cannot be predicted whether or not the Service will commence an audit of the Bonds. If an audit is commenced, under current procedures the Service may treat the City as a taxpayer and the Bondholders may have no right to participate in such procedure. The commencement of an audit could adversely affect the market value and liquidity of the Bonds until the audit is concluded, regardless of the ultimate outcome.

Payments of interest on, and proceeds of the sale, redemption or maturity of, tax-exempt obligations, including the Bonds, are in certain cases required to be reported to the Service. Additionally, backup withholding may apply to any such payments to any Bond owner who fails to provide an accurate Form W-9 Request for Taxpayer Identification Number and Certification, or a substantially identical form, or to any Bond owner who is notified by the Service of a failure to report any interest or dividends required to be shown on federal income tax returns. The reporting and backup withholding requirements do not affect the excludability of such interest from gross income for federal tax purposes.

Ownership of the Bonds may result in other state and local tax consequences to certain taxpayers. Bond Counsel expresses no opinion regarding any such collateral consequences arising with respect to the Bonds. Prospective purchasers of the Bonds should consult their tax advisors regarding the applicability of any such state and local taxes.

CONTINUING DISCLOSURE

The City will enter into a Continuing Disclosure Undertaking (the "Undertaking") for the benefit of the beneficial owners of the Bonds to send certain information annually and to provide notice of certain events to the Municipal Securities Rulemaking Board (the "MSRB") pursuant to the requirements of Section (b)(5) of Rule 15c2-12 (the "Rule") adopted by the Securities and Exchange Commission (the "Commission") under the Securities Exchange Act of 1934. No person, other than the City, has undertaken, or is otherwise expected, to provide continuing disclosure with respect to the Bonds. The information to be provided on an annual basis, the events which will be noticed on an occurrence basis and a summary of other terms of the Undertaking, including termination, amendment and remedies, are set forth below under **"THE UNDERTAKING."**

A failure by the City to comply with the Undertaking will not constitute a default under the Bond Ordinance and beneficial owners of the Bonds are limited to the remedies described in the Undertaking. See **"THE UNDERTAKING - Consequences of Failure of the City to Provide Information"**. Certain failures by the City to comply with the Undertaking must be reported to the MSRB in accordance with the Undertaking and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

Bond Counsel expresses no opinion as to whether the Undertaking complies with the requirements of Section (b)(5) of the Rule.

In the previous five years, the City has never failed to comply, in all material respects, with any previous undertakings in a written contract or agreement specified in subsection (b)(5)(i) of Rule 15c2-12, except to the extent that the following is deemed to be material.

In the last five years, there have been numerous rating actions reported by Moody's Investors Service ("Moody's), S & P Global Ratings and Fitch Ratings affecting the municipal bond insurance companies, some of which have or had insured bonds previously issued by the City (the "Insured City Bonds"). Due to widespread knowledge of these rating actions, material event notices were not filed by the City at such times. On September 5, 2014, however, the City submitted a material event notice to the MSRB's Electronic Municipal Market Access ("EMMA") system, which contained information regarding the current ratings of such municipal bond insurance companies with respect to each of its outstanding Insured City Bonds. In addition, Moody's upgraded many of the City's outstanding bonds, as a result of its recalibration of US Municipal Ratings to its Global Rating Scale on April 16, 2010. Due to widespread knowledge of such recalibration, material event notices were not filed by the City. Moreover, because a material event notice was submitted by the City to the MSRB's EMMA system on March 7, 2014, in a timely manner, with respect to Moody's downgrade of the City's outstanding bonds, which included all of its then outstanding bonds affected by such recalibration, the City has not subsequently filed a material event notice with respect to such recalibration.

With respect to the City's Continuing Disclosure Undertaking for its Special Tax Refunding Bonds (Weaver Ridge Special Service Area), Series 2006 (the "2006 SSA Bonds"), the City: (1) did not file its audited financial statements for fiscal years 2012 and 2013 by the deadlines thereunder; (2) filed its annual financial information for fiscal year 2012 55 days after the deadline thereunder; (3) did not file in a timely manner notice of a downgrade by S&P Global Ratings on November 17, 2011, of the insured rating of the 2006 SSA Bonds from "BB-" to "B+"; and (4) did not file in a timely manner notice of an upgrade by S&P Global Ratings on April 2, 2015, of the insured rating of the insurer of the 2006 SSA Bonds from "B+" to "AA". Although the audited financial statements for fiscal years 2012 and 2013 were available by the deadlines under continuing disclosure agreements for the City's other bonds, such statements were not linked to the CUSIP numbers for the 2006 SSA Bonds. On March 30, 2015, the City filed with EMMA: (1) the information necessary to link the CUSIP numbers for the 2006 SSA Bonds to such audited financial statements; and (2) notice of the downgrade of the 2006 SSA Bonds as described above. On March 17, 2016, the City filed with EMMA the notice of the upgrade of the insurer of the 2006 SSA Bonds as described above.

With respect to the City's Continuing Disclosure Undertaking for its General Obligation Bonds, Series 2005A (the "2005A Bonds"), the City inadvertently omitted certain tables defined as Annual Financial Information, when making its annual filings. The tables inadvertently omitted were found under the heading "Description of the Bonds" in the 2005A Bonds Final Official Statement.

The City did not file its 2015 Comprehensive Annual Financial Report ("CAFR") within the period specified by its Continuing Disclosure Undertakings. Failure to file material events notices were filed on July 28, 2016. The 2015 CAFR was filed with EMMA on October 17, 2016. The City did not file its 2016 CAFR within the time period specified by its Continuing Disclosure Undertaking. Failure to file material events notice was filed on December 11, 2017. The 2016 CAFR was filed on August 30, 2017.

THE UNDERTAKING

The following is a brief summary of certain provisions of the Undertaking of the City and does not purport to be complete. The statements made under this caption are subject to the detailed provisions of the Undertaking, a copy of which is available upon request from the City.

Annual Financial Information Disclosure

The City covenants that it will disseminate its Annual Financial Information and its Audited Financial Statements, if any (as described below) to the MSRB in an electronic format and accompanied by identifying information as prescribed by the MSRB within 210 days after the last day of the City's fiscal year (currently December 31.) If Audited Financial Statements are not available when the Annual Financial Information is filed, the City will file unaudited financial statements. The City will submit Audited Financial Statements to the MSRB's EMMA system within 30 days after availability to the City.

"Annual Financial Information" means:

1. The tables under the headings of "**Retailers' Occupation, Service Occupation and Use Tax"** and **"Sales Tax Receipts by Kind of Business"** within this Final Official Statement;
2. All of the tables under the heading "**DEBT INFORMATION"** within this Final Official Statement;
3. All of the tables under the heading "**PROPERTY ASSESSMENT AND TAX INFORMATION"** within this Final Official Statement; and
4. All of the tables under the heading **"FINANCIAL INFORMATION" (Excluding Budget and Interim Financial Information)** within this Final Official Statement.

"Audited Financial Statements" means financial statements of the City as audited annually by independent certified public accountants. Audited Financial Statements are expected to continue to be prepared according to Generally Accepted Accounting Principles as applicable to governmental units (i.e., as subject to the pronouncements of the Governmental Accounting Standards Board and subject to any express requirements of State law).

Reportable Events Disclosure

The City covenants that it will disseminate in a timely manner (not in excess of ten business days after the occurrence of the Reportable Event) notice of any of the following events (each, a "Reportable Event") to the MSRB in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the Commission at the time of delivery of such information.

1. Principal and interest payment delinquencies
2. Non-payment related defaults, if material
3. Unscheduled draws on debt service reserves reflecting financial difficulties
4. Unscheduled draws on credit enhancements reflecting financial difficulties
5. Substitution of credit or liquidity providers, or their failure to perform
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security
7. Modifications to the rights of security holders, if material
8. Bond calls, if material, and tender offers
9. Defeasances
10. Release, substitution or sale of property securing repayment of the securities, if material
11. Rating changes
12. Bankruptcy, insolvency, receivership or similar event of the City *
13. The consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material.

* *This event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the City in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City.*

Consequences of Failure of the City to Provide Information

The City shall give notice in a timely manner to the MSRB of any failure to provide disclosure of Annual Financial Information and Audited Financial Statements when the same are due under the Undertaking.

In the event of a failure of the City to comply with any provision of the Undertaking, the beneficial owner of any Bond may seek mandamus or specific performance by court order, to cause the City to comply with its obligations under the Undertaking. A default under the Undertaking shall not be deemed a default under the Bond Ordinance, and the sole remedy under the Undertaking in the event of any failure of the City to comply with the Undertaking shall be an action to compel performance.

Amendment; Waiver

Notwithstanding any other provision of the Undertaking, the City by resolution or ordinance authorizing such amendment or waiver, may amend the Undertaking, and any provision of the Undertaking may be waived, if:

(a) (i) The amendment or the waiver is made in connection with a change in circumstances that arises from a change in legal requirements, including, without limitation, pursuant to a "no-action" letter issued by the Commission, a change in law, or a change in the identity, nature, or status of the City, or type of business conducted; or

(ii) The Undertaking, as amended, or the provision, as waived, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(b) The amendment or waiver does not materially impair the interests of the beneficial owners of the Bonds, as determined by parties unaffiliated with the City (such as Bond Counsel).

In the event that the Commission or the MSRB or other regulatory authority approves or requires Annual Financial Information or notices of a Reportable Event to be filed with a central post office, governmental agency or similar entity other than the MSRB or in lieu of the MSRB, the City shall, if required, make such dissemination to such central post office, governmental agency or similar entity without the necessity of amending the Undertaking.

Termination of Undertaking

The Undertaking shall be terminated if the City shall no longer have any legal liability for any obligation on or relating to repayment of the Bonds under the Bond Ordinance. The City shall give notice to the MSRB in a timely manner if the provision described in this paragraph is applicable.

Additional Information

Nothing in the Undertaking shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in the Undertaking or any other means of communication, or including any other information in any Annual Financial Information or Audited Financial Statements or notice of occurrence of a Reportable Event, in addition to that which is required by the Undertaking. If the City chooses to include any information from any document or notice of occurrence of a Reportable Event in addition to that which is specifically required by the Undertaking, the City shall have no obligation under the Undertaking to update such information or include it in any future disclosure or notice of occurrence of a Reportable Event.

Dissemination of Information; Dissemination Agent

When filings are required to be made with the MSRB in accordance with the Undertaking, such filings are required to be made through its EMMA system for municipal securities disclosure or through any other electronic format or system prescribed by the MSRB for purposes of the Rule.

The City may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under the Undertaking, and may discharge any such Agent, with or without appointing a successor Dissemination Agent.

OPTIONAL REDEMPTION

The Bonds due January 1, 2019-2027, inclusive, are not subject to redemption. The Bonds due January 1, 2028-2038, are callable in whole or in part on any date on or after January 1, 2027, at a price of par plus accrued interest.

The Bond Registrar will give notice of redemption, identifying the Bonds (or portions thereof) to be redeemed, by mailing a copy of the redemption notice by first class mail not less than thirty (30) days nor more than sixty (60) days prior to the date fixed for redemption to the registered owner of each Bond (or portion thereof) to be redeemed at the address shown on the registration books maintained by the Bond Registrar. Unless moneys sufficient to pay the redemption price of the Bonds to be redeemed at the option of the City are received by the Bond Registrar prior to the giving of such notice of redemption, such notice may, at the option of the City, state that said redemption will be conditional upon the receipt of such moneys by the Bond Registrar on or prior to the date fixed for redemption. If such moneys are not received, such notice will be of no force and effect, the City will not redeem such Bonds, and the Bond Registrar will give notice, in the same manner in which the notice of redemption has been given, that such moneys were not so received and that such Bonds will not be redeemed. Otherwise, prior to any redemption date, the City will deposit with the Bond Registrar an amount of money sufficient to pay the redemption price of all the Bonds or portions of Bonds which are to be redeemed on the date.

Subject to the provisions for a conditional redemption described above, notice of redemption having been given as described above and in the Bond Ordinance, the Bonds or portions of Bonds so to be redeemed will, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the City shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest. Upon surrender of such Bonds for redemption in accordance with said notice, such Bonds will be paid by the Bond Registrar at the redemption price.

LITIGATION

There is no litigation of any nature now pending or threatened restraining or enjoining the issuance, sale, execution or delivery of the Bonds, or in any way contesting or affecting the validity of the Bonds or any proceedings of the City taken with respect to the issuance or sale thereof. There is no litigation now pending, or to the knowledge of the City, threatened against the City that is expected to materially impact the financial condition of the City.

CERTAIN LEGAL MATTERS

Certain legal matters incident to the authorization, issuance and sale of the Bonds are subject to the approving legal opinion of Chapman and Cutler LLP, Chicago, Illinois, as Bond Counsel (the "Bond Counsel"), who has been retained by, and acts as, Bond Counsel to the City. Bond Counsel has not been retained or consulted on disclosure matters and has not undertaken to review or verify the accuracy, completeness or sufficiency of this Official Statement or other offering material relating to the Bonds and assumes no responsibility for the statements or information contained in or incorporated by reference in this Official Statement, except that in its capacity as Bond Counsel, Chapman and Cutler LLP has, at the request of the City, reviewed only those sections of this Official Statement involving the description of the Bonds, the security for the Bonds (excluding forecasts, projections, estimates or any other financial or economic information in connection therewith), and the description of the federal tax exemption of interest on the Bonds. This review was undertaken solely at the request and for the benefit of the City and did not include any obligation to establish or confirm factual matters set forth herein.

OFFICIAL STATEMENT AUTHORIZATION

This Official Statement has been authorized for distribution to prospective purchasers of the Bonds. All statements, information, and statistics herein are believed to be correct but are not guaranteed by the consultants to the City to be correct, and all expressions of opinion, whether or not so stated, are intended only as such.

RATINGS

The City has received a rating of "A2" (Stable) from Moody's Investors Service and "AA-" (Stable) from S&P Global Ratings. The City has supplied certain information and material concerning the Bonds and the City to the rating services shown on the cover page, including certain information and materials which may not have been included in this Official Statement, as part of its applications for investment ratings on the Bonds. A rating reflects only the views of the rating agency assigning such rating and an explanation of the significance of such rating may be obtained from such rating agency. Generally, each such rating service bases its rating on such information and material, and also on such investigations, studies and assumptions that it may undertake independently. There is no assurance that any such rating will continue for any given period of time or that it may not be lowered or withdrawn entirely by such rating service if, in its judgment, circumstances so warrant. Any such downward change in or withdrawal of such rating may have an adverse effect on the secondary market price of the Bonds. An explanation of the significance of the investment rating may be obtained from the applicable rating agency: Moody's Investors Service, 7 World Trade Center at 250 Greenwich Street, New York, New York 10007, telephone 212-553-1658 and S&P Global Ratings, 55 Water Street, New York, New York 10041, telephone 212-438-2000. The City will provide appropriate periodic credit information to each such rating service to maintain the ratings on the Bonds.

UNDERWRITING

The Bonds were offered for sale by the City at a public, competitive sale on February 5, 2018. The best bid submitted at the sale was submitted by ____________________ (the "Underwriter"). The City awarded the contract for sale of the Bonds to the Underwriter at a price of $___________. The Underwriter has represented to the City that the Bonds have been subsequently re-offered to the public initially at the yields or prices set forth in the addendum to this Official Statement.

MUNCIPAL ADVISOR

The City has engaged Speer Financial, Inc. as municipal advisor (the "Municipal Advisor") in connection with the issuance and sale of the Bonds. The Municipal Advisor is a Registered Municipal Advisor in accordance with the rules of the MSRB and the Commission. The Municipal Advisor will not participate in the underwriting of the Bonds. The financial information included in this Official Statement has been compiled by the Municipal Advisor. Such information does not purport to be a review, audit or certified forecast of future events and may not conform with accounting principles applicable to compilations of financial information. The Municipal Advisor is not a firm of certified public accountants and does not serve in that capacity or provide accounting services in connection with the Bonds. The Municipal Advisor is not obligated to undertake any independent verification of or to assume any responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement, nor is the Municipal Advisor obligated by the Undertaking.

CERTIFICATION

We have examined the Official Statement dated January 23, 2018, for the $3,755,000* General Obligation Bonds, Series 2018A, believe it to be true and correct and will provide to the purchaser of the Bonds at the time of delivery a certificate confirming to the purchaser that this Official Statement, both as of its date and as of the date of delivery of the Bonds, including any addenda thereto, does not contain any untrue statement of a material fact, and does not omit to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading.

/s/ **JAMES R. SCROGGINS**
Finance Director/Comptroller
CITY OF PEORIA
Peoria County, Illinois

**Subject to change.*

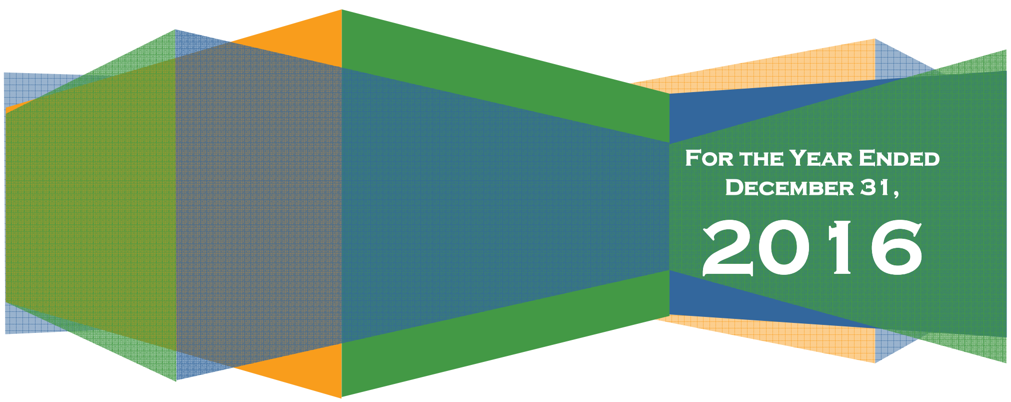
APPENDIX A

CITY OF PEORIA
PEORIA COUNTY, ILLINOIS

FISCAL YEAR 2016 AUDITED FINANCIAL STATEMENTS

The fiscal year 2016 audited financial statements ("2016 Audit") of the City contained in this Appendix has been approved by formal action of the City. The City has not requested the Auditor to update information contained in the 2016 Audit, nor has the City requested that the Auditor consent to the use of the 2016 Audit in this Official Statement. Other than as expressly set forth in this Official Statement, the financial information contained in the 2016 Audit has not been updated since the date of 2016 Audit. The inclusion of the 2016 Audit in this Official Statement in and of itself is not intended to demonstrate the fiscal condition of the City since the date of the 2016 Audit.

CITY OF
PEORIA
ILLINOIS



Comprehensive Annual Financial Report

CITY OF PEORIA, ILLINOIS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Year Ended December 31, 2016

Prepared by:
James R. Scroggins
Finance Director/Comptroller

Shaun Schoonover
Finance Manager

Patricia A. Mason
Accounting Coordinator

Angela M. Washington
Accountant

Sherry L. Thomas
Accountant

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CITY OF PEORIA **Office of the City Manager**

Peoria All-America City 2013

August 24, 2017

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 nine months (per extension) of the close of each fiscal year, a complete set of financial statements presented in conformance with Generally Accepted Accounting Principles (GAAP) and audited in accordance with Generally Accepted Auditing Standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the City of Peoria, Illinois for the year ended December 31, 2016.

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.

CliftonLarsonAllen LLP, a firm of licensed certified public accountants, has audited the City of Peoria, Illinois' financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Peoria for the fiscal year ended December 31, 2016, 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 unmodified opinion that the City of Peoria's financial statements for the fiscal year ended December 31, 2016, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

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

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

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with the letter. The MD&A for the City of Peoria, Illinois can be found immediately following the report of the independent auditors on page 4.

PROFILE OF THE CITY OF PEORIA

The City of Peoria was chartered on April 12, 1845 and is a home rule unit of government under the 1970 Illinois Constitution. The City is located on the Illinois River, midway between Chicago and St. Louis and is the largest urban area within the Peoria-Pekin Metropolitan Statistical Area. According to the 2010 Census, the City has a population of 115,007, ranking as the seventh largest city in the State of Illinois. This 2010 City population constituted a 1.83% increase compared with the 112,936 City population recorded in the 2000 census.

The City is governed by a City Council elected on a non-partisan basis composed of ten Council members and a Mayor. Five of the Council members are elected from districts, while the other five and the Mayor are elected at large. Council members serve four-year terms with elections staggered every two years. The City Clerk and City Treasurer are also elected at large. A professional City Manager, hired by and accountable to the City Council, supervises day-to-day operations of the City.

The City provides public safety, (police, fire and emergency medical) highway and street maintenance, public improvements, planning and zoning, and general administrative services. The City has no proprietary fund. The Peoria Civic Center Authority and the Springdale Cemetery Management Authority are discretely presented component units. The Civic Center operates as a convention, sports, and entertainment facility. The Springdale Cemetery Management Authority operates and maintains the Springdale Cemetery. Additional information on these legally separate entities can be found in Notes 1, 2, 6, & 14 in the notes to financial statements.

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

Budget-to-actual comparisons are provided in this report for each governmental fund for which an annual appropriated budget has been adopted. For the General Fund, this comparison is presented on page 146 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 147.

LOCAL ECONOMY

Built on a base of heavy manufacturing and best known as the "home" of Caterpillar Inc., Peoria's primary economic activity has long been associated with the manufacturing of earthmoving equipment, such as Caterpillar and Komatsu-America International Co. Other prominent manufacturing firms in other industrial classifications include Keystone Steel & Wire Company and O'Brien Steel. In January 2017, Caterpillar Inc. announced that they were moving 300 executive positions to Chicago, but stated that 12,000 jobs will remain in the greater Peoria region and that Caterpillar will remain a huge presence as an employer and as a civic philanthropic leader.

While manufacturing continues to play an integral part in the City of Peoria's economy, 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 work with the other services and trade sectors to expand and diversify the workforce. As part of this continual effort the City Council authorized the creation of the Medical & Technology District along the West Main Street corridor. 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. The Healthcare industry is the largest employment sector in greater Peoria. There are over 700 healthcare related businesses that employ over 32,000 people, approximately 18% of jobs in the greater Peoria area.

The City of Peoria is also home to the Cancer Research Center at the University of Illinois College of Medicine at Peoria which is located near downtown Peoria. This two story state of the art facility features 20,000 square feet of laboratory and office space. With extensive space for basic and clinical research, plus increased opportunities for collaboration across medical disciplines, the Cancer Research Center will permit the University of Illinois College of Medicine to consolidate its strengths in cancer research, education and treatment and enhance Peoria's reputation as both a regional and national center for medical services and research.

In 2013, the Jump Trading Simulation & Education Center (Jump) opened. The facility is a collaboration between OSF Healthcare and the University of Illinois College of Medicine at Peoria. The Jump is an incubator where collaboration and innovation lead the transformation of health care worldwide.

In addition to the growth in the health service industry, the City has focused on drawing visitors to the Peoria area. 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. At the completion of the expansion, it became apparent that there was a need for additional and improved hotel space in the downtown area. The City Council authorized the creation of the Hospitality Improvement Zone Tax Increment Financing District and the overlapping Business Development District in order to promote the public interest, encourage private investment, and enhance the tax base of the City's business districts. In 2008, the City entered into a hotel redevelopment agreement within the Hospitality Improvement Zone (HIZ) TIF District with EM Properties, Ltd to rehabilitate and expand the Hotel Pere Marquette. The multi-year project concluded in 2014 included construction of a new Marriott Courtyard Hotel, significant improvements to the adjoining Pere Marquette Hotel, demolition of the Pere Marquette parking deck and construction of a new parking deck, plus construction of an elevated walkway linking all three buildings to the Peoria Civic Center.

The City entered into a redevelopment agreement with the Lakeview Museum of Arts and Sciences and Caterpillar Inc., for the construction of a museum block. The agreement outlines the development of a 5.3-acre parcel of real estate located in the heart of downtown. In the fall of 2012, the Peoria Riverfront Museum, a $60 million project and the Caterpillar Visitor Center, a $35 million private development opened to the general public.

In February 2014, the City Council approved an annexation agreement and redevelopment agreement Twenty Four Corp, LLC for the construction of a sports complex, known as the Louisville Slugger Sports Complex. The complex contains 10 little league/softball fields, concession stands and an 85-foot tall, 124,800 sq. ft. dome. In addition to the complex, the agreement also includes the construction of a new hotel which was completed in late 2016.

The completion of this project will be yet another regional draw attracting visitors from far and wide.

The City continues to be the regional shopping venue of choice. According to the sales tax collections reported by the Illinois Department of Revenue for the tri-county region, the City of Peoria continues to generate over half of the regional sales taxes, while having 29% of the regional population.

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

LONG-TERM FINANCIAL PLANNING

Unassigned Fund Balance is the residual amount of Fund Balance in the General Fund. It represents the resources available for future spending. An appropriate level of Unassigned Fund Balance should be maintained in the General Fund in order to cover unexpected expenditures and revenue shortfalls.

Unassigned Fund Balance may be accessed in the event of unexpected expenditures up to minimum established level upon approval of a budget amendment by the City Council. In the event of projected revenue short falls, it is the responsibility of the Finance Director to report to the City Council on a quarterly basis and shall be recorded in the minutes.

The General Fund Balance Policy establishes a minimum Unassigned Fund Balance equal to 25% of General Fund expenditures. In the event the balance drops below the established minimum level, the City's governing body will develop a plan to replenish the fund balance to the established minimum level within five years.

The City Council undertook two strategic planning sessions in 2015 that provided direction to the organization and guided governance of the City throughout this past year. The City Council identified a desired state for the City 15 years into the future. This vision is the City Council's preferred future, a declarative statement of what the current policy makers of the City seek to achieve. The statement is defined by value-based principles that seek to explain the vision. The City of Peoria's vision statement for 2030 is:

> ***Peoria 2030 is a safe, beautiful, and growing city. Peoria 2030 has a vibrant downtown, and a choice of great neighborhoods with character. Peoria 2030 has a strong economy, and connectivity within the city and to the world. Peoria 2030 has a culture of educational excellence, responsibility, and accountability.***

The policy makers and management team then collaborated on a plan to realize the vision. A series of 5-year goals were developed with clear objectives and specific statements to

provide meaning to the citizens for why each goal is important. The five goals established by the City Council are:

Financially Sound City Government, Effective City Organization
Customer focused, cost effective and efficient municipal services

Grow Peoria: Businesses, Jobs and Population
Businesses and residents finding Peoria as a desirable place to locate and expand and live

Attractive Neighborhoods with Character: Safe and Livable
Safe, Beautiful Neighborhoods – a preferred place to live

Vibrant Downtown: Riverfront/ Central Business District/ Warehouse District
The destination for the region, the core of the City

On December 8, 2015, the City Council adopted the 2016-2017 Biennial Budget for the City of Peoria. This is the second biennial budget adopted by the City. While the adopted budget is for two years, the City Council is presented with a five year projection for information purposes. The 2016-2017 Biennial Budget incorporates the strategic plan determined by the City Council.

RELEVANT FINANCIAL POLICIES

The City is self-insured for first party property, third party liability and workers compensation claims. The City, however, did purchase an excess policy for General and Automobile Liability and Public Official Liability effective Spring 2006 and most recently renewed this policy with supplemental coverage in May 2011. In addition, the City is self-insured regarding the provision of health and dental benefits for employees and retirees. The City maintains stop loss insurance for specific and aggregate healthcare claims. In January 2012, the City converted from the City's self-insured plan to an insured Medicare advantage plan for most retirees age 65 and over.

The City of Peoria sponsors a single-employer defined benefit pension plan for both police and fire personnel. Each year, an independent actuary engaged by the City and the Pension Plans calculates the amount of the annual contribution that the City of Peoria must make to each pension plan to ensure that the plan will be able to fully meet its obligations to retired employees on a timely basis. As a matter of policy, the City fully funds each year's annual required contribution to the pension plans as determined by the Illinois Department of Insurance actuary based upon State Statute. As a result of the City's conservative funding policy, the Peoria Police Pension Fund was 58.0% funded and the Peoria Firefighters Pension Fund was 55.0%, funded as of the January 1, 2016 valuation provided by the Illinois Department of Insurance. The remaining unfunded amount is being systematically funded over 47 years, which started July 1, 1993 as part of the annual required contribution calculated in accordance with State Statute by the actuary for the Illinois Department of Insurance.

The City of Peoria also provides pension benefits to its non-public-safety employees. These benefits are provided through a statewide plan managed by the Illinois Municipal Retirement Board. The City of Peoria has no obligation in connection with the employee pension benefits offered through this plan beyond the City's contractual payment of 15.79% of payroll for 2015 and 15.69% for 2016.

The City of Peoria also provides post-retirement health and dental benefits for certain retirees and their dependents. These benefits are financed on a pay-as-you-go basis. Commencing with the fiscal reporting year ending December 31, 2007, GASB 45 required the City to report an annual liability in the financial statements in connection with an employer's obligation to provide these other post-employment benefits.

Additional data for the City of Peoria's pension arrangements and post-employment benefits can be found in Note 10 and Note 15 in the notes to the financial statements.

MAJOR INITIATIVES

The Federal Government has ordered the City of Peoria to develop a long-term plan to reduce the incidence of overflows from combined storm/sanitary sewers, which discharge untreated sewage into the Illinois River during heavy rains and snow melt events. The City is currently experiencing between 20-30 combined sewer overflow events per year. The City must bring that number down as close to zero as possible.

The City has proposed to the Federal Government a solution that would be 100% green, utilizing the latest technologies to infiltrate the stormwater before it gets into the sewer system. The City has the right types of soils needed to infiltrate 37 million gallons in a triggering storm event. It is achievable to use green stormwater infrastructure to capture this runoff. The costs of this unfunded mandate range from $160 million to $230 million. At this time, it is anticipated that most of the capital construction costs of the combined sewer program will be funded through sewer rates.

However, maintenance costs on green stormwater infrastructure are significant as well. Drainage issues occur all across the City, not just within the CSO area. For these reasons, the City is reviewing a stormwater utility. A stormwater utility removes all of the costs of wet weather management and bills property owners, even non-property tax paying owners, a fee based upon their impervious area. The One Water Committee has been formed with business leaders, environmentalists, and citizens interested in this issue. The committee has reviewed a wet weather program and made recommendations on a model program that would cost $12.1 million annually without any CSO expenses in the program. City staff

business leaders, environmentalists, and citizens interested in this issue. The committee has reviewed a wet weather program and made recommendations on a model program that would cost $12.1 million annually without any CSO expenses in the program. City staff has reviewed the program and reduced it to $8.3 million, coupled with $5.0 million of CSO maintenance expenses.

This unfunded mandate will add hundreds of millions of dollars of expenses to the City over the next two decades. While establishing a utility will reduce some current operational funding in the General Fund and Sewer Fund, it will still be a significant expense. The Federal consent decree is not final, and due to changes in the Federal Government it is unknown when this mandate is likely to occur.

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, 2015. This was the sixteenth 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.

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

Respectfully submitted,

F. Patrick Urich
City Manager

James R. Scroggins
Finance Director/Comptroller

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Peoria

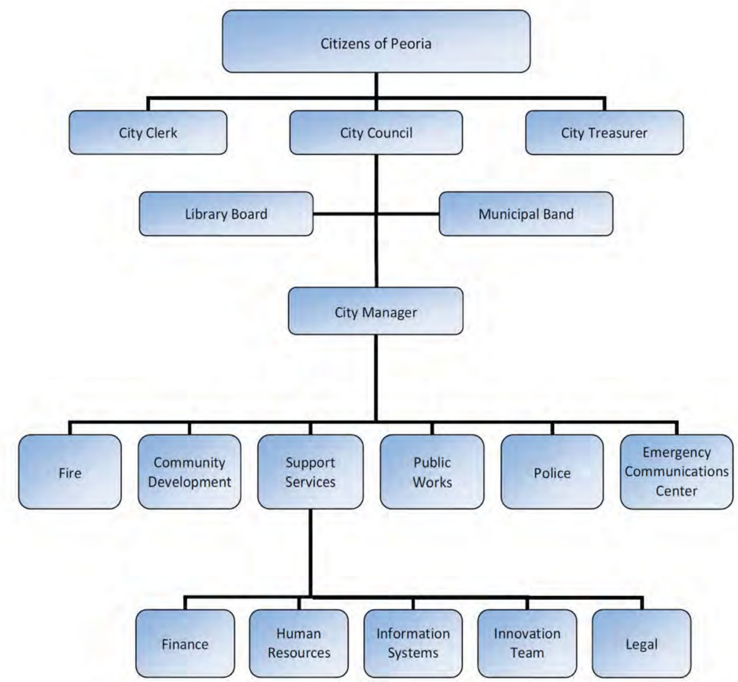
Illinois

For its Comprehensive Annual Financial Report for the Fiscal Year Ended

December 31, 2015

Executive Director/CEO

2015
CITY-WIDE ORGANIZATIONAL CHART



CITY OF PEORIA, ILLINOIS
ELECTED OFFICIALS

As of November 24, 2015	As of December 31, 2016
Mayor	**Mayor**
James E. Ardis III	James E. Ardis III
City Council Members	**City Council Members**
Beth A. Akeson	Beth A. Akeson
Chuck Grayeb	Chuck Grayeb
Denise Moore	Beth Jensen
Casey L. Johnson	Casey L. Johnson
Timothy D. Riggenbach	Jim Montelongo
Elizabeth Jensen	Denise Moore
Ryan M. Spain	Timothy D. Riggenbach
Jim Montelongo	Sid Ruckriegel
W. Eric Turner	W. Eric Turner
Sid Ruckriegel	
City Clerk	**City Clerk**
Beth A. Ball	Beth A. Ball
City Treasurer	**City Treasurer**
Patrick A. Nichting	Patrick A. Nichting

CliftonLarsonAllen
CliftonLarsonAllen LLP
www.CLAconnect.com

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Peoria, Illinois, as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Foreign Fire Insurance Board, which represents less than 1% of the assets, net position/fund balance, and revenues of the governmental activities and aggregate remaining fund information, respectively. We did not audit the Police Pension Fund of Peoria and Firemen's Pension Fund of Peoria, which represent 84%, 96%, and 39%, respectively, of the assets, net position/fund balance, and revenues of the aggregate remaining fund information. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Foreign Fire Insurance Board, Police Pension Trust Fund, and Firemen's Pension Trust Fund, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the aggregate discretely presented component units were not audited in accordance with *Government Auditing Standards.*

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

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

Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Peoria, Illinois, as of December 31, 2016, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter - Restatements

As discussed in Note 16 to the financial statements, beginning net position for governmental activities and beginning fund balances for the Capital Improvements Fund and the Aggregate Remaining Funds have been restated to correct errors in previously reported receivables, deferred outflows of resources, accounts payable, and capital assets. Our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit for the year ended December 31, 2016 was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Peoria's basic financial statements. The combining and individual fund statements and schedules for the year ended December 31, 2016, introductory section, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund statements and schedules listed in the table of contents is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended December 31, 2016 and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit, the reports of other auditors, and the procedures performed as described above, the combining and individual fund statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole for the year ended December 31, 2016.

The City's basic financial statements for the year ended December 31, 2015 (not presented herein), were audited by other auditors whose report thereon dated October 11, 2016, expressed unmodified opinions on the respective financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information. The report of the other auditors dated October 11, 2016, stated that the supplementary information for the year ended December 31, 2015 was subjected to the auditing procedures applied in the audit of the 2015 basic financial statements and certain additional auditing procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those basic financial statements or the those basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America and, in their opinion, was fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended December 31, 2015.

The introductory section and the statistical section listed in the table of contents have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Governmental Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated REPORT DATE on our consideration of City of Peoria's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the result 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* in considering City of Peoria's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Peoria, Illinois
August 24, 2017

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, 2016. 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 i thru viii of this report. All monetary amounts in this analysis, unless otherwise indicated, are expressed in millions of dollars.

Financial Highlights: Primary Government

- Net position (deficit), assets plus deferred outflows of resources minus liabilities plus deferred inflows of resources, of the City of Peoria was ($159.6) million at December 31, 2016.
- As of December 31, 2016, the City of Peoria's governmental funds reported combined fund balances of $48.7 million, a decrease of $6.4 million in comparison with the prior year.
- The $9.3 million unassigned general fund balance as of December 31, 2016 was equivalent to 10% of total general fund expenditures.
- The City's total outstanding debt decreased $4.0 million during 2016. The City issued $9.7 million in General Obligation Variable Rate Demand Bonds, Series 2016A, to redeem $3.9 of the City's outstanding General Obligation Variable Rate Bonds, 2012C and $5 million in new money for infrastructure improvements. The City issued $19.1 million in General Obligation Refunding Bonds, Series 2016B, to advance refund a portion of the City's outstanding General Obligation Library Bonds, Series 2008A. The City also issued $3.1 million in General Obligation Bonds, Series 2016C, which will be used to construct a combined sewer overflow (CSO) pilot program and also for storm water, sidewalks, and road infrastructure.

Overview of the Financial Statements

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

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

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

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

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

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

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

The Police & Fire Pension Trust Funds, classified as fiduciary funds, are presented in separate statements. All fiduciary funds are excluded from government-wide statements.

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

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

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

The City of Peoria has presented forty-four (44) 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 balances for the General Fund, Illinois Municipal Retirement Fund, Capital Improvements Fund, and the Police and Fire Pension Levy Fund, all of which are considered to be major funds. 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 schedules* elsewhere in this report. Basic governmental fund financial statements can be found on pages 20 - 27 of this report.

Proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among an entity's various functions. The City maintains one proprietary fund. The Internal Service Fund statements can be found on pages 28 - 30 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the City of Peoria's own programs. The accounting used for fiduciary funds is similar to accounting for proprietary funds. The Police Pension Trust Fund and Firemen's Pension Trust Fund, all classified as fiduciary funds, are reported separately from the City's government-wide statements in pages 31 - 32 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 33 - 107 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary 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 supplementary information regarding budgetary comparisons, pension funding, and OPEB funding can be found in pages 108 - 123 of this report.

Combining schedules referred to earlier in connection with non-major governmental funds are presented immediately following the Required Supplementary Information section. Combining and individual funds schedules plus statistical data are located on pages 124 - 232 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 and b) included retroactive infrastructure reporting for fiscal years 1980-2001 in annual financial statements commencing with the fiscal year ending December 31, 2006.

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

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

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

The City currently depreciates capital assets.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The City primary government's net position was a deficit of ($159.6) million at December 31, 2016. *Restricted net position* represents resources that are subject to external usage restrictions. The City's ($422.4) million deficit balance for *unrestricted net position* represents additional future resources required to fulfill municipal government's obligations to citizens and creditors.

A significant portion of the City's total assets (73.6%) are comprised of capital assets (e.g., land, buildings, equipment, and infrastructure). The City of Peoria uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt in the Net Position section below, it should be noted that resources to repay the debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

A summary of the City's Net Position at December 31, 2016 is presented below:

City of Peoria's Net Position
($ Millions)

	Governmental Activities 2016	Governmental Activities 2015
Current & Other Assets	$ 113.7	$ 119.2
Capital Assets	319.6	313.9
Total Assets	433.3	433.1
Deferred Outflows of Resources	90.7	31.0
Long-Term Liabilities	626.4	528.8
Other Liabilities	17.8	20.7
Total Liabilities	644.2	549.5
Deferred Inflows of Resources	39.4	37.5
Net Position:	$ (159.6)	$ (122.9)
Net Investment in Capital Assets	243.5	236.3
Restricted	19.3	22.1
Unrestricted	(422.4)	(381.3)
Total Net Position	$ (159.6)	$ (122.9)

Normal Impact Factors: Net Position

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

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

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

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

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

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

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

Governmental Activities. Significant administrative decisions and major economic fluctuations impacted the City of Peoria's 2016 governmental activities. Highlights included:

- $4.8 million net increase in total property taxes. $1.2 million was a result of the levy for road improvements. $2.2 million was a result of the levy for bond debt service. Approximately $1 million was the result of the increase in police and fire pensions.

- $2.7 million decrease in governmental grants and reimbursements. Major road construction projects included Washington Street improvements from Hamilton Street to Macarthur Highway, the Warehouse Complete Streets project and the Orange Prairie Road extension continue to wind down. As a result of this, the grants and reimbursements continue to decrease as the major road projects near completion.

- $10.3 million increase in fire department expenditures. The majority of this increase was the $11.4 million increase in fire pension expense recorded as part of the GASB 68 entry to record net pension liability.

- $11.1 million decrease in general governmental expenditures. 2015 expenditures included $9.2 million of general obligation expenditures for the Louisville Slugger complex and the Holiday Inn at Grand Prairie.

- $117.3 million combined total Police, Fire and Public Safety (Emergency Communications and Inspections) expenses represented 55% of total 2016 governmental activities expenses (not including capital outlay and debt service). These expenses were relatively flat compared to 2015.

- The City paid $64.9 million in gross wages to City employees in 2016, which was relatively flat compared to 2015. This was a result of 2016 payroll step and COLA increases combined with the retro pay in 2015 for police as the contract was finalized.

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

	Governmental Activities 2016	Governmental Activities 2015
Revenues:		
Program Revenues:		
Charges for Services	$ 24.1	$ 21.1
Operating Grants & Contibutions	7.5	4.0
Capital Grants & Contributions	5.9	12.1
General Revenues		
Property Taxes	36.3	31.6
State Taxes	35.5	37.0
Hotel, Restaurant, & Amusement Taxes	10.6	9.2
Other Taxes & Fees	44.7	46.7
Other Revenues	8.1	6.0
Total Revenues	172.7	167.7
Expenses:		
Elected Officials	2.0	2.3
City Administration	9.4	7.5
Police	59.4	56.8
Fire	50.8	40.5
Public Works	41.8	39.2
Community Development	12.6	9.5
Library	9.6	9.6
Public Safety (excluding Police & Fire)	7.1	6.3
General Government	11.5	22.6
Other Expenses	6.8	8.3
Total Expenses	211.0	202.6
Increase (Decrease) in Net Position	(38.3)	(34.9)
Beginning Net Position, 1/1	(122.9)	(88.0)
Prior Period Adjustments	1.6	-
Ending Net Position 12/31	$ (159.6)	$ (122.9)

Normal Impacts: Changes in Net Position

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

Revenues:

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

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

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

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

Expenses:

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

Increase in Authorized Personnel – changes in service demand may cause the Council to increase/decrease authorized staffing.

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

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

Financial Analysis of the Government's Funds

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

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

As of the end of the current fiscal year, the City of Peoria's governmental funds reported combined ending fund balances of $48.7 million. Essentially, all fund balance are non-spendable (e.g. inventories, advances and endowments), restricted (e.g. per statutes, bond ordinances, grants and intergovernmental agreements), committed or assigned (e.g. per City's intent to for specific purpose) and consequently unavailable for discretionary spending.

The General Fund is the chief operating fund of the City of Peoria. At the end of the current fiscal year, the unassigned General Fund balance was $9.3 million while total fund balance reached $44.7 million. As a measure of the general fund liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures (e.g. 12/31/16 total fund balance in the General Fund represented 50.2% of 2016 general fund expenditures).

The City's total General Fund balance decreased $3.2 million overall during 2016.

- Significant General Fund balance increases in 2016 included:

  a) $1.4 million increase in home rule sales tax revenue. The home rules sales tax was increased by .25% on 7/1/16.

  b) $1.3 million increase in hotel, restaurant, and amusement taxes. The hotel tax was increased by 2% on 1/1/16 with the additional funds dedicated to road improvements.

  c) $1.7 million increase in service charges/fines/fees. Nearly $1 million of the increase was due to the higher fees for rental registration that went into effect on 1/1/16.

- Significant General Fund balance decreases in 2016 included:

  a) $3.8 million decrease in transfers in. A large transfer in was received from Capital in 2015 that did not reoccur in 2016.

  b) $1.4 million decrease in state income tax allocation.

  c) $1.7 million increase in transfers out. $800 thousand was transferred to the local road fund as a result of the increased Hotel Tax that was allocated for roads.

The City's combined Capital Improvements (Capital / Local Motor Fuel Tax / Riverfront) Fund restated balance decreased $1.9 million in 2016. This fund balance decrease was primarily due to:

- $6.9 million decrease in grants and other governmental reimbursements as road construction projects including Washington Street improvements from Hamilton Street to Macarthur Highway, the Warehouse Complete Streets project and the Orange Prairie Road were near completion. The grants and reimbursements continue to decrease as the major road projects near completion.

- $1.3 million increase in local motor fuel taxes. Local motor fuel was raised from 2 cents per gallon to 5 cents per gallon in 2016.

- $1.2 million increase in property taxes. The road and bridge levy was added in 2016.

The City's 2016 employer portion of total pension benefits costs for permanent City employees increased $1.1 million due to the combined effects of:

- $0.6 million increase in firemen's pension fund contributions. Annually the State of Illinois Department of Insurance provides an actuarial calculation of the annual required contribution needed in order for the fund to be 90% funded by 2041. The City levies the appropriate amount as determined by the Department of Insurance.

- $0.5 million increase in police pension fund contributions. Annually the State of Illinois Department of Insurance provides an actuarial calculation of the annual required contribution needed in order for the fund to be 90% funded by 2041. The City levies the appropriate amount as determined by the Department of Insurance.

For payment of future debt service, the City currently maintains $4.7 million restricted fund balances in all bond debt service funds, $0.9 million restricted fund balances in tax increment financing project funds, $0.4 million restricted fund balances in the capital improvements fund, and $6.3 million assigned fund balance in the General Fund.

The City continues to abate property tax levies relating to general obligation bonds debt service, with the exception of the 2016(B) Library G.O. Bond, the 2010(A) G.O. Bond, the 2011(A) G.O. Bond, and the 2015(B) G.O. Bond due to the City's traditional reliance upon alternative funding sources. Primary debt service funding sources for general obligation bonds include utility taxes, sewer fees, property tax increment, plus hotel, restaurant and amusement (H.R.A.) taxes.

General Fund Budgetary Highlights

The City strives for activity-based budgeting. Department budgets have been formatted to measure performance outcome for each activity.

General Fund budgetary highlights included:

- $5.5 million increase in total final budget estimated revenues compared with the prior year. Local home rule sales tax budget has been increased by $2.3 million to reflect the .25% increase that went into effect on 7/1/16.
- State municipal sales tax has been increased by $.5 million.
- Hotel tax was increased by 2%, which was anticipated to produce an additional $800 thousand.
- $5.6 million decrease in total final budget expenditures in comparison with the prior year.

Capital Asset and Debt Administration

Capital assets. As of December 31, 2016, the City maintained $319.6 million in capital assets (net of depreciation) representing a 1.8% 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:

- $10.8 million increase in road construction additions, including the Sheridan Road improvements, the University Street improvements, and Northmoor Street improvements.
- $5.5 million in sewer improvements and rehabilitation additions.
- $1.1 million in sidewalk improvements and additions.

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

	Governmental Activities 2016	Governmental Activities 2015
Land & Improvements	$ 21.7	$ 20.3
Buildings	50.8	53.7
Vehicles & Equipment	5.6	5.8
Library Media	3.8	3.8
Infrastructure	227.9	224.3
Construction In Progress	9.8	6.0
Total	$ 319.6	$ 313.9

Additional information regarding the City's capital assets is located in Note 6 on pages 76 - 78 of this report.

Long-term debt. Excluding bond premiums and discounts, the City of Peoria owed total bonded debt of $184.9 million at December 31, 2016; $180.4 million of the preceding total comprised of debt backed by the full faith and credit of the government plus $4.0 million comprised revenue bonds secured by specific revenues. The remaining $.5 million is comprised of special service area debt for which the government is liable in the event of default by the property owners subject to the assessment.

Standard & Poor's Rating Service has currently assigned an "AA-" rating for the City's general obligation bonds. Moody's Investor Service has currently assigned an "Aa3" rating for the City's general obligation bonds.

The City issued $9.7 million in General Obligation Variable Rate Demand Bonds, Series 2016A, to redeem $3.9 of the City's outstanding General Obligation Variable Rate Bonds, 2012C and $5 million in new money for infrastructure improvements.

The City issued $19.1 million in General Obligation Refunding Bonds, Series 2016B, to advance refund a portion of the City's outstanding General Obligation Library Bonds, Series 2008A.

The City also issued $3.1 million in Taxable General Obligation Bonds, Series 2016C, which will be used to construct a combined sewer overflow (CSO) pilot project on Adams Street between Pecan Street and Persimmon Street, storm water, sidewalks, and road infrastructure.

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
($ Millions)

	Governmental Activities 2016	Governmental Activities 2015
General Obligation Bonds	$ 180.4	$ 184.5
Special Service Area Bonds	0.5	1.1
Revenue Bonds	4.0	4.4
Total	$ 184.9	$ 190.0

Additional information on the City of Peoria's long-term debt can be found in Note 5 on pages 66 - 76 of this report.

Economic Conditions and Next Year's Budgets

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

In preparation of the City's 2016/2017 Biennial Budget, the City used an online educational tool to obtain public input on our budget issues, called the Peoria Budget Challenge (www.peoriabudgetchallenge.org). This tool put citizens into the role of City Council members. Revenue and expense options were explored, and respondents could choose from many options to raise revenues or cut expenses. From April 9 to May 10, the City received 1,425 responses to the tool. Only 40% of the respondents were able to balance the budget. Support existed from respondents to cut expenses, invest in infrastructure, and raise revenues.

The 2016/2017 Biennial Budget includes a strong response to the citizens' concerns regarding infrastructure. The Council approved increases in the property tax levy of $3.2 million dollars, an increase in the local motor fuel tax of $0.03, equating to $1.2 million and an increase to the City's Local Hotel Tax of 2.00%, equating to $800,000 for a total of $5.2 million of additional revenues to be dedicated to infrastructure improvements.

Also included in the 2017 Budget was an increase in the Local Home Rule Sales Tax of 0.25% which is anticipated to add another $3.8 million in revenues in the General Fund. The additional Home Rule Sales Tax will provide funds for operations as the City's economy slowly recovers from the Great Recession of 2008.

The Federal Government has ordered the City of Peoria to develop a long-term plan to reduce the incidence of overflows from combined storm/sanitary sewers, which discharge untreated sewage into the Illinois River during heavy rains and snow melt events. The City is currently experiencing between 20-30 combined sewer overflow events per year. The City must bring that number down as close to zero as possible. This unfunded mandate will add hundreds of millions of dollars of expenses to the City over the next two decades. The Federal consent decree is not final. Due to the changes in the EPA, it is unknown when this mandate may occur.

In 2013, the City Council declined the option to purchase the water utility. The City's next water utility purchase option will be in 2018 with subsequent options every 5 years thereafter. Negotiations are underway to require some form of American Water Company payment to the City during the 5 year time period.

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 POSITION
DECEMBER 31, 2016

	Total Primary Government - Governmental Activities	Component Units: Peoria Civic Center Authority	Component Units: Springdale Cemetery Management Authority
ASSETS			
Current Assets:			
Cash and Cash Equivalents	$ 15,392,004	$ 4,654,449	$ 99,332
Restricted Cash and Investments with Trustee	481,620	-	-
Restricted Cash and Investments	-	-	263,633
Investments	9,800,771	-	320,104
Taxes Receivable, Net:			
Property Taxes	37,734,900	-	-
Corporate Personal Property Replacement Taxes	1,143,236	-	-
State Sales and Income Taxes	8,887,680	-	-
Home Rule Sales Taxes	6,798,914	-	-
Hotel, Restaurant, and Amusement Taxes	1,042,889	-	-
Utility Taxes	1,957,168	-	-
Local Motor Fuel Taxes	234,292	-	-
Governmental Grants and Reimbursements Receivable	1,271,231	-	210,449
Riverboat Gaming Revenue Receivable	396,769	-	-
Loans Receivable, Net	692,465	-	-
Contributions Receivable	-	-	-
Other Receivables, Net	3,048,729	1,175,653	38,390
Accrued Interest Receivable, Net	749,218	-	-
Special Assessments Receivable	271,411	-	-
Due From Primary Government	-	1,341,487	-
Inventory, Prepaid Items, and Other	1,511,980	423,213	37,601
Total Current Assets	91,415,277	7,594,802	969,509
Noncurrent Assets:			
Cash, Cash Equivalents, and Investments Held for Capital Projects	12,610,247	-	-
Loans Receivable, Net	6,435,516	-	-
Contributions Receivable	-	-	-
Other Receivable	-	186,112	39,372
Special Assessments Receivable	3,232,912	-	-
Capital Assets:			
Not Depreciated:			
Land	19,949,185	10,247,918	65,604
Construction-in-Progress	9,817,514	-	171,787
Depreciated:			
Infrastructure	445,849,343	-	-
Buildings and Land Improvements	115,434,791	157,478,792	1,717,835
Major Equipment and Vehicles	31,271,714	13,052,510	426,008
Media Assets	18,057,260	-	168,486
Accumulated Depreciation	(320,766,981)	(114,964,491)	(1,149,700)
Total Capital Assets	319,612,826	65,814,729	1,400,020
Total Noncurrent Assets	341,891,501	66,000,841	1,439,392
Total Assets	433,306,778	73,595,643	2,408,901
DEFERRED OUTFLOWS OF RESOURCES			
Pension Related Amounts	88,985,922	-	-
Deferred Charge on Refunding	1,753,978	-	-
Total Deferred Outflows of Resources	90,739,900	-	-

See accompanying Notes to Basic Financial Statements.

	Total Primary Government - Governmental Activities	Component Units: Peoria Civic Center Authority	Component Units: Springdale Cemetery Management Authority
LIABILITIES			
Current Liabilities:			
Accounts and Claims Payable	$ 6,307,595	$ 237,351	$ 16,684
Matured Bonds Payable	1,565,741	-	-
Accrued Payroll	2,244,255	-	-
Accrued Interest	216,916	-	-
Other Payables	2,349	416,746	8,132
Advance Ticket Sales	-	2,849,859	-
Claims and Losses Due and Payable	280,832	-	-
Estimated Payable for Claims and Losses Incurred but Not Reported	100,000	-	-
Unearned Revenue, Other	1,030,171	821,303	311,489
Accrued Compensated Absences	5,018,177	-	-
Bonds and Loans Payable, Current Portion	1,003,279	350,077	-
Other Long-Term Obligations, Current Portion	61,517	-	-
Total Current Liabilities	17,830,832	4,675,336	336,305
Long-Term Liabilities:			
Accrued Compensated Absences	5,431,410	-	-
Bonds and Loans Payable, Net Bond Premium	191,917,796	584,170	-
Other Long-Term Obligations, Noncurrent	606,328	-	-
Net Other Postemployment Benefits Obligation	74,482,354	-	-
Net Pension Liability	338,267,915	-	-
Workers Compensation Claims Payable	3,092,558	-	-
General Liability Claims Payable	12,557,335	-	-
Unearned Revenue and Deposits	-	618,558	-
Total Long-Term Liabilities	626,355,696	1,202,728	-
Total Liabilities	644,186,528	5,878,064	336,305
DEFERRED INFLOWS OF RESOURCES			
Subsequent Year's Property Taxes	37,734,900	-	-
Pension Related Amounts	1,700,674	-	-
Total Deferred Inflows of Resources	39,435,574	-	-
NET POSITION			
Net Investment in Capital Assets	243,466,295	64,880,482	1,400,020
Restricted for:			
Debt Service	5,801,083	-	-
Employee Benefits	8,121	-	-
TIF Redevelopment	5,350,451	-	-
Education	222,533	-	-
Recreation	314,532	-	-
Tourism	405,559	-	-
Law Enforcement	331,305	-	-
Grants and Loans	948,677	-	-
Landfill Operations	247,660	-	-
Library Operations, $512,779 Nonexpendable	1,513,058	-	-
Capital Improvements and Equipment	4,189,453	-	-
Cemetery, $208,112 Nonexpendable	-	-	263,633
Unrestricted	(422,374,151)	2,837,097	408,943
Total Net Position	$ (159,575,424)	$ 67,717,579	$ 2,072,596

CITY OF PEORIA, ILLINOIS
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2016

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net Revenue (Expense) and Changes in Net Position: Total Primary Government Governmental Activities	Component Units: Peoria Civic Center Authority	Component Units: Springdale Cemetery Management Authority
Primary Government							
Governmental Activities:							
Elective Offices, Boards, Commissions, and Agencies	$ 2,031,343	$ -	$ 992	$ -	$ (2,030,351)	$ -	$ -
City Administration	9,455,331	3,106	408,250	-	(9,043,975)	-	-
Police	59,420,246	496,180	664,852	-	(58,259,214)	-	-
Fire	50,781,926	383,803	389,175	-	(50,008,948)	-	-
Public Works	41,785,670	11,239,321	3,920,330	5,798,214	(20,827,805)	-	-
Community Development	12,593,708	10,541	1,842,844	46,460	(10,693,863)	-	-
Public Safety	7,062,559	2,646,898	46,674	-	(4,368,987)	-	-
General Government	11,488,235	6,804,388	180,295	-	(4,503,552)	-	-
Library	9,565,930	2,483,002	37,092	88,891	(6,956,945)	-	-
Interest and Other Fiscal Charges	6,794,449	-	-	-	(6,794,449)	-	-
Total Primary Government	$ 210,979,397	$ 24,067,239	$ 7,490,504	$ 5,933,565	(173,488,089)	-	-
Component Units							
Peoria Civic Center Authority	$ 23,721,041	$ 17,087,354	$ -	$ -	-	(6,633,687)	-
Springdale Cemetery Management Authority	784,542	343,346	101,173	220,056	-	-	(119,967)
Total Component Units	$ 24,505,583	$ 17,430,700	$ 101,173	$ 220,056	-	(6,633,687)	(119,967)
General Revenues							
Property Taxes					36,360,562	-	-
Corporate Personal Property Replacement Taxes					7,048,472	-	-
State Sales Taxes, Unrestricted					24,505,549	-	-
State Income Tax Allocation, Unrestricted					11,048,815	-	-
Home Rule Sales Taxes					23,621,957	-	-
Special Service Area Sales Taxes					763	-	-
Hotel, Restaurant, and Amusement Taxes					10,564,482	-	-
Gaming Revenue					2,991,308	-	-
Utility Taxes					10,766,282	-	-
Subsidy from City of Peoria					-	2,361,632	225,454
Interest/Investment Income (Expense)					471,322	454	13,222
Franchise Fees, Based on Gross Receipts					166,317	-	-
Other					7,640,656	-	13,964
Total General Revenues					135,186,485	2,362,086	252,640
Change in Net Position					(38,301,604)	(4,271,601)	132,673
Net Position - Beginning of Year, as Previously Reported					(122,926,345)	71,989,180	1,939,923
Prior Period Adjustments					1,652,525	-	-
Net Position - Beginning of Year, as Restated					(121,273,820)	71,989,180	1,939,923
Net Position - End of Year					$ (159,575,424)	$ 67,717,579	$ 2,072,596

See accompanying Notes to Basic Financial Statements.

CITY OF PEORIA, ILLINOIS
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2016

	General Fund	Illinois Municipal Retirement Fund	Capital Improvement Fund	Police and Fire Pension Levy Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS						
Cash and Cash Equivalents	$ 4,010,143	$ 721,096	$ 2,048,305	$ 6	$ 20,697,730	$ 27,477,280
Cash and Investments with Trustee	-	-	-	-	481,620	481,620
Investments	5,822,961	-	684,652	-	1,780,391	8,288,004
Taxes Receivable:						
Property Taxes	779,700	2,994,400	1,272,900	14,620,200	18,067,700	37,734,900
Corporate Personal Property Replacement Taxes	1,143,236	-	-	-	-	1,143,236
State Sales and Income Taxes	8,858,553	-	-	-	29,127	8,887,680
Home Rule Sales Taxes	6,798,914	-	-	-	-	6,798,914
Hotel, Restaurant, and Amusement Taxes	917,742	-	-	-	125,147	1,042,889
Utility Taxes	509,153	-	1,448,015	-	-	1,957,168
Local Motor Fuel Taxes	-	-	234,292	-	-	234,292
Governmental Grants and Reimbursements Receivable	128,857	-	673,539	-	468,835	1,271,231
Riverboat Gaming Revenue Receivable	-	-	396,769	-	-	396,769
Loans Receivable, Net	6,867,590	-	260,007	-	384	7,127,981
Other Receivables, Net	1,770,845	-	110,742	-	1,047,176	2,928,763
Accrued Interest Receivable, Net	741,534	-	2,163	-	3,089	746,786
Special Assessments Receivable	-	-	3,504,323	-	-	3,504,323
Due from Other Funds	17,469,189	130,462	2,648,785	-	4,362,739	24,611,175
Inventory and Prepaid Items	604,060	-	907,920	-	-	1,511,980
Advances to Other Funds	6,647,287	-	-	-	-	6,647,287
Total Assets	$ 63,069,764	$ 3,845,958	$ 14,192,412	$ 14,620,206	$ 47,063,938	$ 142,792,278

See accompanying Notes to Basic Financial Statements.

CITY OF PEORIA, ILLINOIS
BALANCE SHEET (CONTINUED)
GOVERNMENTAL FUNDS
DECEMBER 31, 2016

	General Fund	Illinois Municipal Retirement Fund	Capital Improvement Fund	Police and Fire Pension Levy Fund	Nonmajor Governmental Funds	Total Governmental Funds
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE						
Liabilities:						
Accounts Payable	$ 3,067,064	$ 492,381	$ 851,776	$ -	$ 1,089,168	$ 5,500,389
Matured Bonds Payable	-	-	75,440	-	1,490,301	1,565,741
Accrued Payroll	2,087,401	13,005	9,893	-	133,956	2,244,255
Claims and Losses Due and Payable	280,832	-	-	-	-	280,832
Due to Other Funds	3,747,236	-	12,227,682	-	10,690,661	26,665,579
Unearned Revenue, Other	606,704	-	84,430	-	218,076	909,210
Advances from Other Funds	-	6,647,287	-	-	-	6,647,287
Other Payables	2,349	-	-	-	-	2,349
Total Liabilities	9,791,586	7,152,673	13,249,221	-	13,622,162	43,815,642
Deferred Inflows of Resources:						
Subsequent Year's Property Taxes	779,700	2,994,400	1,272,900	14,620,200	18,067,700	37,734,900
Unavailable Revenue - Special Assessments	-	-	3,232,912	-	-	3,232,912
Unavailable Revenue - Intergovernmental and Loans	7,747,907	-	-	-	624,106	8,372,013
Unavailable Revenue - Other	-	-	971,121	-	-	971,121
Total Deferred Inflows of Resources	8,527,607	2,994,400	5,476,933	14,620,200	18,691,806	50,310,946
Fund Balance:						
Nonspendable:						
Inventory and Prepaid Items	604,060	-	907,920	-	-	1,511,980
Advances	6,647,287	-	-	-	-	6,647,287
Library Endowments	-	-	-	-	512,779	512,779
Restricted:						
Debt Service	-	-	379,141	-	5,638,858	6,017,999
Employee Benefits	-	-	-	-	8,121	8,121
TIF Redevelopment	-	-	-	-	5,350,451	5,350,451
Education	222,533	-	-	-	-	222,533
Recreation	314,532	-	-	-	-	314,532
Tourism	-	-	-	-	405,559	405,559
Law Enforcement	263,959	-	67,346	-	-	331,305
Grants and Loans	-	-	947,631	-	1,046	948,677
Library Operations	-	-	-	-	1,000,279	1,000,279
Landfill Operations	-	-	-	-	247,660	247,660
Capital Improvements and Equipment	-	-	-	-	5,964,561	5,964,561
Assigned:						
Debt Service	6,323,393	-	-	-	-	6,323,393
Employee Benefits	-	-	-	6	-	6
Other Postemployment Benefits	21,033,209	-	-	-	-	21,033,209
Unassigned	9,341,598	(6,301,115)	(6,835,780)	-	(4,379,344)	(8,174,641)
Total Fund Balance	44,750,571	(6,301,115)	(4,533,742)	6	14,749,970	48,665,690
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	$ 63,069,764	$ 3,845,958	$ 14,192,412	$ 14,620,206	$ 47,063,938	$ 142,792,278

See accompanying Notes to Basic Financial Statements.

CITY OF PEORIA, ILLINOIS
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO NET POSITION OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2016

Total Governmental Fund Balances	$ 48,665,690
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	319,612,826
Receivables are reported as a deferred inflow of resources in the funds if they are not available for use in the current period.	
Unavailable Revenue - Intergovernmental and Loans	8,372,013
Unavailable Revenue - Other	971,121
Special assessments receivable are reported as a deferred inflow of resources in the funds if they are not available for use in the current period.	3,232,912
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:	
Bond Premiums	(6,954,075)
Interest Payable on Debt is not Reported in the Funds if Payments are Due Subsequent to Reporting Date	(216,916)
Other Postemployment Benefits Obligation	(74,482,354)
Net Pension Liability	(338,267,915)
Workers' Compensation Claims Payable	(3,092,558)
General Liability Claims Payable	(12,557,335)
Accrued Compensated Absences	(10,449,587)
Bonds and Loans Payable	(185,967,000)
Landfill Closure and Postclosure Care Costs	(667,845)
Certain deferred outflows of resources and deferred inflows of resources are not due and payable in the current year and, therefore, are not reported in the governmental funds, as follows:	
Deferred Outflows of Resources, Pension Related	88,985,922
Deferred Outflows of Resources, Charges on Refunding	1,753,978
Deferred Inflows of Resources, Pension Related	(1,700,674)
The Internal Service Fund is used by management to charge the costs of self-funding the City's health insurance benefit plans. The assets and liabilities of the Internal Service Fund are included in governmental activities in the statement of net position:	
Internal Service Fund, Net Position	3,186,373
Net Position of Governmental Activities	$ (159,575,424)

See accompanying Notes to Basic Financial Statements.

CITY OF PEORIA, ILLINOIS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2016

	General Fund	Illinois Municipal Retirement Fund	Capital Improvements Fund
REVENUES			
Property Taxes	$ 1,363,832	$ 3,171,694	$ 1,237,776
Corporate Personal Property Replacement Taxes	2,852,919	726,153	-
State Sales Taxes	24,385,127	-	-
State Income Tax Allocation	11,048,815	-	-
Home Rule Sales Taxes	23,347,159	-	-
Special Service Area Sales Taxes	-	-	-
Hotel, Restaurant, and Amusement Taxes	9,396,323	-	-
Local Motor Fuel Taxes	-	-	2,162,742
Gaming Revenue	-	-	2,991,308
Utility Taxes	3,509,481	-	7,256,801
Governmental Grants and Reimbursements	706,740	-	1,073,125
Licenses and Permits	3,325,420	-	(1,262)
Service Charges/Fines/Fees	9,072,832	-	82,631
Special Assessments	-	-	166,317
Loan Repayment	103,056	-	61,163
Rental	171,966	-	24,723
Interest	178,074	2,769	76,784
Other	2,678,755	-	546,180
Total Revenues	92,140,499	3,900,616	15,678,288
EXPENDITURES			
Current:			
Elective Offices, Boards, Commissions, and Agencies	1,575,000	126,565	-
City Administration	7,125,740	582,573	412,771
Police	29,858,548	258,061	581,721
Fire	22,433,340	56,891	318,090
Public Works	14,720,674	928,753	545,044
Community Development	5,669,833	261,066	293,070
Public Safety	4,440,116	594,560	635,323
General Government	2,929,978	6,522	641,648
Library	442,203	512,746	-
Capital Outlay	-	-	9,823,277
Debt Service:			
Principal	-	-	64,245
Interest and Other Fiscal Charges	-	215,248	11,194
Total Expenditures	89,195,432	3,542,985	13,326,383
Excess (Deficiency) of Revenues Over Expenditures	2,945,067	357,631	2,351,905
OTHER FINANCING SOURCES (USES)			
Issuance of Bonds	-	-	-
Bond Premium	-	-	-
Payment to Refunded Bond Escrow Agent	-	-	-
Proceeds from Sale of Capital Assets	-	-	3,100
Transfers In	2,300,785	565,568	3,291,552
Transfers Out	(8,412,706)	-	(7,520,254)
Total Other Financing Sources (Uses)	(6,111,921)	565,568	(4,225,602)
Net Change in Fund Balance	(3,166,854)	923,199	(1,873,697)
Fund Balance - Beginning of Year, as Previously Reported	47,917,425	(7,224,314)	(2,179,166)
Prior Period Adjustments	-	-	(480,879)
Fund Balance - Beginning of Year, as Restated	47,917,425	(7,224,314)	(2,660,045)
Fund Balances - End of Year	$ 44,750,571	$ (6,301,115)	$ (4,533,742)

See accompanying Notes to Basic Financial Statements.

Police and Fire Pension Levy Fund	Nonmajor Governmental Funds	Total Governmental Funds
$ 13,555,806	$ 17,031,454	$ 36,360,562
2,637,400	832,000	7,048,472
-	120,422	24,505,549
-	-	11,048,815
-	274,798	23,621,957
-	763	763
-	1,168,159	10,564,482
-	-	2,162,742
-	-	2,991,308
-	-	10,766,282
-	5,680,173	7,460,038
-	-	3,324,158
-	12,029,501	21,184,964
-	-	166,317
-	1,625	165,844
-	-	196,689
903	193,922	452,452
-	274,992	3,499,927
16,194,109	37,607,809	165,521,321
-	69,030	1,770,595
-	661,124	8,782,208
8,392,780	501,434	39,592,544
7,801,323	435,906	31,045,550
-	9,609,994	25,804,465
-	5,970,401	12,194,370
-	877,797	6,547,796
-	1,638,177	5,216,325
-	5,857,243	6,812,192
-	11,948,419	21,771,696
-	12,884,000	12,948,245
-	8,021,091	8,247,533
16,194,103	58,474,616	180,733,519
6	(20,866,807)	(15,212,198)
-	31,850,000	31,850,000
-	3,049,549	3,049,549
-	(25,691,583)	(25,691,583)
-	-	3,100
-	23,197,259	29,355,164
-	(13,422,204)	(29,355,164)
-	18,983,021	9,211,066
6	(1,883,786)	(6,001,132)
-	16,595,990	55,109,935
-	37,766	(443,113)
-	16,633,756	54,666,822
$ 6	$ 14,749,970	$ 48,665,690

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, 2016

Net Change in Fund Balances, Governmental Funds		$ (6,001,132)
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	$ 21,771,696	
Depreciation Expense	(20,759,553)	
Donated Infrastructure Assets	3,794,554	4,806,697
The net effect of various miscellaneous transactions involving capital assets is to decrease net position:		
Proceeds from Sale of Capital Assets	(3,100)	
Net Gain on Sale of Capital Assets	3,100	-
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:		
Grants and Intergovernmental		10,609
Other		865,990
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:		
Net Change in Long-Term Special Assessment Receivable	(158,043)	
Bad Debt Expense	(109,425)	(267,468)
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items:		
Debt issued or Incurred:		
Issuance of General Obligation Bonds	(31,850,000)	
Premium on Issued Bonds	(3,049,549)	
Payment to Refund Principal Portion of Debt	23,995,000	
Principal Repayments:		
General Obligation and Revenue Bonds	12,884,000	
Other Debt	64,245	
Change in Accrued Interest Payable	19,561	
Amortization of Bond Premium	1,906,843	
Net Change in Deferred Amount on Refunding	1,223,263	5,193,363
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:		
Change in:		
Compensated Absences	(574,163)	
Landfill Closure and Postclosure Care Costs	6,181	
Other Postemployment Benefits Obligation	(8,336,062)	
Pension Expense	(33,487,101)	
Workers' Compensation Payable	(791,574)	
General Liability Payable	(1,519,351)	(44,702,070)
Internal Service Fund, Change in Net Position		1,792,407
Change in Net Position of Governmental Activities		$ (38,301,604)

See accompanying Notes to Basic Financial Statements.

CITY OF PEORIA, ILLINOIS
STATEMENT OF NET POSITION
GOVERNMENTAL ACTIVITIES – INTERNAL SERVICE FUND
DECEMBER 31, 2016

ASSETS	
Cash	$ 524,971
Investments	1,512,767
Other Receivables, Net	119,966
Accrued Interest Receivable	2,432
Due from Other Funds	2,054,404
Total Assets	4,214,540
LIABILITIES	
Accounts and Claims Payable	807,206
Estimated Payable for Claims and Losses Incurred but not Reported	100,000
Unearned Revenue	120,961
Total Liabilities	1,028,167
NET POSITION, UNRESTRICTED	$ 3,186,373

See accompanying Notes to Basic Financial Statements.

CITY OF PEORIA, ILLINOIS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
GOVERNMENTAL ACTIVITIES – INTERNAL SERVICE FUND
YEAR ENDED DECEMBER 31, 2016

OPERATING REVENUES	
Charges for Services	$ 13,403,805
Miscellaneous	450,509
Total Operating Revenues	13,854,314
OPERATING EXPENSES, OTHER SERVICES, AND CHARGES	12,079,088
OPERATING INCOME	1,775,226
NONOPERATING INCOME, INVESTMENT EARNINGS	17,181
Change in Net Position	1,792,407
Total Net Position - Beginning of Year	1,393,966
Total Net Position - End of Year	$ 3,186,373

See accompanying Notes to Basic Financial Statements.

CITY OF PEORIA, ILLINOIS
STATEMENT OF CASH FLOWS
GOVERNMENTAL ACTIVITIES – INTERNAL SERVICE FUND
YEAR ENDED DECEMBER 31, 2016

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from Employees and Employer	$ 13,441,889
Cash Received from Other Operating Revenue	450,509
Cash Payments for Claims	(12,546,275)
Net Cash Provided by Operating Activities	1,346,123
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES, PAYMENTS TO OTHER FUNDS	(1,431,716)
CASH FLOWS FROM INVESTING ACTIVITIES	
Sale of Investments	248,603
Investment Income	17,238
Net Cash Provided by Investing Activities	265,841
NET INCREASE IN CASH AND CASH EQUIVALENTS	180,248
Cash and Cash Equivalents - Beginning of Year	344,723
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 524,971
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating Income	$ 1,775,226
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Increase in Other Receivables	(32,650)
Decrease in Accounts Payable	(467,187)
Increase in Unearned Revenue	70,734
Net Cash Provided by Operating Activities	$ 1,346,123

See accompanying Notes to Basic Financial Statements.

CITY OF PEORIA, ILLINOIS
STATEMENT OF FIDUCIARY NET POSITION
PENSION TRUST FUNDS
DECEMBER 31, 2016

ASSETS	
Cash and Cash Equivalents	$ 3,280,549
Receivables:	
Plan Members' Contributions	99,515
Accrued Interest and Dividends	609,070
Total Receivables	708,585
Other Assets, Prepaids	15,500
Investments, at Fair Value:	
Money Market Mutual Funds	10,029,383
U.S. Government Obligations	33,179,981
U.S. Government Agencies	6,970,254
State and Local Obligations	2,532,395
Mutual Funds	121,158,895
Corporate Bonds	48,338,438
Stocks	42,204,512
Insurance Contracts	11,979,458
Total Investments, at Fair Value	276,393,316
Total Assets	280,397,950
LIABILITIES	
Accounts Payable and Accrued Payroll Taxes	125,808
NET POSITION RESTRICTED FOR PENSIONS	$ 280,272,142

See accompanying Notes to Basic Financial Statements.

CITY OF PEORIA, ILLINOIS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION TRUST FUNDS
YEAR ENDED DECEMBER 31, 2016

ADDITIONS	
Contributions:	
Plan Members' Contributions	$ 3,811,216
Employer Contributions	16,194,103
Other Income	6,143
Total Contributions	20,011,462
Investment Income:	
Net Appreciation in Fair Value of Investments	9,701,268
Dividends	2,906,713
Interest	2,623,895
Total Investment Income	15,231,876
Less: Investment Expenses	(697,532)
Net Investment Income	14,534,344
Total Additions	34,545,806
DEDUCTIONS	
Benefits Paid	26,899,687
Administrative Expenses	305,119
Total Deductions	27,204,806
NET INCREASE IN NET POSITION RESTRICTED FOR PENSIONS	7,341,000
Beginning of Year	272,931,142
END OF YEAR	$ 280,272,142

See accompanying Notes to Basic Financial Statements.

CITY OF PEORIA, ILLINOIS
NOTES BASIC TO FINANCIAL STATEMENTS
DECEMBER 31, 2016

NOTE 1 FINANCIAL REPORTING ENTITY, MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND BASIS OF PRESENTATION, AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. 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.

These financial statements have been prepared in conformity with the accounting principles generally accepted in the United States of America (GAAP) that apply to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

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

The City has developed criteria based on Section 2100 to determine whether other entities are component units of the City. Component units are legally separate organizations for which the elected officials of the City of Peoria are financially accountable. The City of Peoria would be considered financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will (significantly influence the programs, projects, activities, or level of services performed or provided by the organization) on the organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the City of Peoria (i.e., entitled to or can access the organization's resources, is legally obligated or has otherwise assumed the obligation to finance deficits of, or provide financial support to the organization, or is obligated in some manner for the debt of the organization).

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

NOTE 1 FINANCIAL REPORTING ENTITY, MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND BASIS OF PRESENTATION, AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Financial Reporting Entity (Continued)

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

1. 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.

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 these individual component units may be obtained at the following addresses:

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

City of Peoria Designated Zone Organization

The City of Peoria Designated Zone Organization (DZO) is a nonprofit 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.

NOTE 1 FINANCIAL REPORTING ENTITY, MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND BASIS OF PRESENTATION, AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Financial Reporting Entity (Continued)

1. Blended Component Units (Continued)

City of Peoria Designated Zone Organization (Continued)

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 Street
Peoria, Illinois 61602

Peoria Foreign Fire Insurance Board

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

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

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

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

NOTE 1 FINANCIAL REPORTING ENTITY, MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND BASIS OF PRESENTATION, AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Financial Reporting Entity (Continued)

1. Blended Component Units (Continued)

Peoria Foreign Fire Insurance Board (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 Street
Peoria, Illinois 61602

2. 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 "2016 Intergovernmental Agreement Between the City of Peoria and the Peoria Civic Center Authority," establishes a consistent mechanism for a flow of funds from the City to the Civic Center in order to provide funding for operations and capital improvements. This is accomplished by allocating hotel, restaurant and amusement (HRA) taxes levied by the City to the Civic Center in a stipulated formula. Under this agreement the City has the responsibility to fund deficits of the Civic Center. The City also appoints a voting majority of the Civic Center's governing body. Therefore, the Civic Center is reported as a component unit of the City.

The Civic Center has a fiscal year-end of August 31.

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

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

NOTE 1 FINANCIAL REPORTING ENTITY, MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND BASIS OF PRESENTATION, AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Financial Reporting Entity (Continued)

2. Discretely Presented Component Units (Continued)

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, thereby making Springdale fiscally dependent on the City. Additionally, the City has an equity interest in the joint agreement as ownership of the Cemetery land was conveyed to the City as part of the terms to effectuate the intergovernmental agreement. In addition to ownership of the Cemetery land, the City can impose its will on Springdale. However, per the terms of the agreement, operating surpluses shall be retained for the betterment of Springdale Cemetery. Based on these criteria, Springdale is reported as a component unit of the City.

Springdale has a fiscal year-end of December 31, is considered a special-purpose government engaged only in business type activities.

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

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

3. 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.

NOTE 1 FINANCIAL REPORTING ENTITY, MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND BASIS OF PRESENTATION, AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-Wide and Fund Financial Statements

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

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

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

C. Measurement Focus, Basis of Accounting, and Basis of Presentation

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

NOTE 1 FINANCIAL REPORTING ENTITY, MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND BASIS OF PRESENTATION, AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting, and Basis of Presentation (Continued)

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

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

1. Governmental Funds

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.

NOTE 1 FINANCIAL REPORTING ENTITY, MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND BASIS OF PRESENTATION, AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting, and Basis of Presentation (Continued)

1. Governmental Funds (Continued)

Illinois Municipal Retirement Fund

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

Capital Improvements Fund

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

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.

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

Special Revenue Funds

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

Debt Service Funds

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

Capital Projects Funds

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

NOTE 1 FINANCIAL REPORTING ENTITY, MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND BASIS OF PRESENTATION, AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting, and Basis of Presentation (Continued)

2. Proprietary Fund

The proprietary fund (only proprietary fund the City maintains is the internal service fund) distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal on-going operations. Operating expenses for the proprietary fund include the cost of sales and services and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

Internal Service Fund

The Healthcare Fund was established to account for the activities of the City's self-insured health plan provided for its employees and retirees.

3. 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 type:

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.

D. Summary of Significant Accounting Policies

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

1. 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.

NOTE 1 FINANCIAL REPORTING ENTITY, MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND BASIS OF PRESENTATION, AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Summary of Significant Accounting Policies (Continued)

2. Receivables

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

3. 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.

4. Capital Assets

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

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during construction is not capitalized for governmental funds.

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

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

	Years
Land Improvements	15
Buildings	15 - 40
Machinery and Equipment	3 - 10
Vehicles	5 - 7
Media	10
Infrastructure Assets	15 - 40

NOTE 1 FINANCIAL REPORTING ENTITY, MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND BASIS OF PRESENTATION, AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Summary of Significant Accounting Policies (Continued)

5. Deferred Outflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. In the City's government-wide statements, deferred outflows of resources consist of unrecognized items not yet charged to pension expense related to the net pension liability and contributions paid by the employer after the measurement date of the net pension liability but before the end of the employer's reporting period. The City's government-wide statements also show a deferred charge on refunding of the difference between the carrying value of the refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

6. Deferred Inflows of Resources

In addition to liabilities, the statement of net position and balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The governmental funds report unavailable revenues from three sources: special assessments, intergovernmental revenue, and loans and other. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The City also has deferred inflows of resources related to revenue recognition. This occurs because property tax receivables are recorded in the current year, but the revenue will be recorded in the subsequent year. In the City's government-wide statements, the property tax revenues are shown as a deferred inflow. Also, the unamortized portion of the difference between the expected and actual experience change in assumptions and economic demographics related to pensions are recorded in the government-wide statements as a deferred inflow of resources.

NOTE 1 FINANCIAL REPORTING ENTITY, MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND BASIS OF PRESENTATION, AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Summary of Significant Accounting Policies (Continued)

7. Interfund Transactions

Transactions which constitute reimbursements to a fund for expenditures initially made from it which are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the reimbursed fund.

Transactions which constitute the transfer of resources from a fund receiving revenues to a fund through which the revenues are to be expended, are separately reported in the respective fund's operating statements.

Activity between funds that is representative of lending/borrowing arrangements at the end of the fiscal year is referred to as "due to/from other funds" in the fund financial statements. Noncurrent portions of long-term interfund loan receivables are reported as advances within the funds and in the General Fund are offset equally by a fund balance nonspendable account which indicates that they do not constitute expendable or available financial resources and, therefore, are not available for appropriation.

8. Long-Term Liabilities

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

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

NOTE 1 FINANCIAL REPORTING ENTITY, MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND BASIS OF PRESENTATION, AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Summary of Significant Accounting Policies (Continued)

9. 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.

10. Pensions

For purposes of measuring the net pension liability, deferred inflows and outflows of resources related to pensions, pension expense, information about the fiduciary net position of the Illinois Municipal Retirement Fund (IMRF) and the Police and Firemen's Pension Funds of Peoria, and additions to/deductions from these fiduciary net positions has been determined on the same basis as they are reported by IMRF and the Police and Firemen's Pension Funds. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

11. Budgetary Data – Primary Government

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

The legal level of control is the fund level. Transfers of budgeted line items within funds can be approved by the Comptroller. Budget increases by means of an emergency or supplemental appropriation require proceedings and approval of the City Council, in the same manner as the original budget. The original budget and the amended budget are both reflected in the fund schedules of revenue, expenditures, and changes in fund balance – budget to actual in the required supplementary information and supplementary information.

All unencumbered appropriations lapse at year-end.

NOTE 1 FINANCIAL REPORTING ENTITY, MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND BASIS OF PRESENTATION, AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Summary of Significant Accounting Policies (Continued)

12. 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 re-appropriated in the succeeding year.

The City had encumbrances in the General Fund, Illinois Municipal Retirement Fund, Capital Improvements Fund, and nonmajor governmental funds of $159,949, $-0-, $1,080,770, and $1,967,294, respectively.

13. Fund Balance

In the governmental fund financial statements, fund balances are classified as follows:

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

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

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

Assigned
Amounts constrained by the City's intent to use them for a specific purpose. It is the City's policy that the authority to assign fund balance has been delegated by the City Council to the City Manager through the budget process.

NOTE 1 FINANCIAL REPORTING ENTITY, MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND BASIS OF PRESENTATION, AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Summary of Significant Accounting Policies (Continued)

13. Fund Balance (Continued)

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

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

14. Net Position

Net position represents the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets and retainage payable as of December 31, 2016. Net investment in capital assets excludes unspent debt proceeds. Unspent debt proceeds for the 2014A General Obligation Bond Project Fund, 2016A General Obligation Bond Project Fund, and the 2016C General Obligation Bond Project Fund were $155,690, $1,663,474, and $991,549, respectively. Net position is reported as restricted when there are limitations imposed on their use through enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

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

15. 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

A. 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 AI/PI, and repurchase agreements for securities listed above, provided the transaction is structured so that the City obtains control over the underlying securities and a Master Repurchase Agreement has been signed with the banker or dealer.

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

The investment policy excludes those investments held by trustees which are set aside to decrease City debt in conjunction with advance refunding agreements which will be invested in accordance with appropriate bond documents.

As of December 31, 2016, the City had the following cash and investments:

Cash and Cash Equivalents - Statement of Net Position	$ 28,002,251
Restricted Cash and Investments Held by Trustee - Statement of Net Position	481,620
Investments - Statement of Net Position	9,800,771
Total	$ 38,284,642
Deposits	$ 27,497,720
Non-negotiable Certificates of Deposit	9,742,000
Repurchase Agreements	549,371
Mutual Funds	473,373
Illinois Funds	22,178
Total	$ 38,284,642

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

A. Deposits and Investments – Primary Government, Excluding Pension Trust Funds (Continued)

1. Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. As a means of limiting its exposure to fair value losses arising from rising interest rates, the City's investment policy limits the City's investments to maturities of three years from the date of purchase. Reserve or capital improvement project monies are limited to maturities of five years. As of December 31, 2016, the City had the following investment maturities:

		Investment Maturities (In Years)	
	Fair Value	Less than 1	1 - 3
Illinois Funds	$ 22,178	$ 22,178	$ -
Investments Held by Trustee:			
First American Treasury Obligation Fund - Class D Mutual Fund	473,373	473,373	-
Total	$ 495,551	$ 495,551	$ -

The City categorizes its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The City has the following recurring fair value measurements as of December 31, 2016:

Level 2 Inputs of $473,373 – including mutual funds.

Illinois Funds – The fair value of the City's position in this fund is equal to the value of the City's fund shares. The portfolio is regulated by oversight of the Treasurer of the state of Illinois and private rating agencies. The portfolio has AAAm ratings from Standard and Poor's. The assets of the fund are mainly invested in securities issued by the United States government or agencies related to the United States. Assets of the fund not invested in United States government securities are fully collateralized by pledged securities. The time to maturity of the investments in this external investment pool averages less than one year. The carrying amount of these deposits at December 31, 2016 was $22,178.

2. Custodial Credit Risk

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% 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.

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

A. Deposits and Investments – Primary Government, Excluding Pension Trust Funds (Continued)

2. Custodial Credit Risk (Continued)

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, 2016, $29,118 of the City's bank balances, including certificates of deposit and money market accounts of $42,589,996 were exposed to custodial credit risk. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

3. Concentration of Credit Risk

Concentration risk is the risk associated with having more than 5% 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% of the City's total investment portfolio be invested in a single security type or with a single financial institution. There were no investments in any organization that represents 5% or more of the City's investments.

4. 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 from brokers/dealers that were selected based on credit-worthiness and who qualify under Securities and Exchange Commission Rule 15C3-1.

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

Investment Type	Standard & Poor's	Moody's	Balance
Illinois Funds	AAAm	Not Rated	$ 22,178
Investments Held by Trustee:			
First American Treasury Obligation Fund - Class D Mutual Fund	AAAm	Aaa	473,373

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

B. 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 stock.

1. Police Pension Fund (Fund)

The deposits and investments of the plan are held separately from those of the City. The investment policy is adopted by the plan's Board of Trustees and can be amended by a majority vote of the Board of Trustees.

The plan's investment policy authorizes the pension fund to invest in securities permitted in the Illinois Compiled Statutes (40 ILCS 511-113 .2). The statutes authorize the Pension Fund to invest in 1) interest bearing obligations of the United States of America; 2) interest bearing obligations to the extent they are fully guaranteed or insured by the United States of America; 3) interest bearing bonds, notes, debentures or other similar obligations of agencies of the United States of America; 4) interest bearing savings accounts or certificates of deposit issued by federally chartered banks or savings and loan associations, state of Illinois chartered banks or savings and loan associations, or credit unions to the extent the investments are insured by agencies or instrumentalities of the federal government; 5) interest bearing bonds of the state of Illinois; 6) pooled interest bearing accounts managed by the Illinois Public Treasurer's Pool; 7) interest bearing bonds or tax anticipation warrants of any county, township or municipal corporation of the state of Illinois; 8) direct obligations of the state of Israel subject to certain limitations as defined in the statute; 9) money market mutual funds managed by investment companies that are registered under the federal Investment Company Act of 1940 and Illinois Securities Law of 1953 and are diversified, open-ended management investment companies provided the money market portfolio is limited to bonds, notes, certificates of indebtedness, treasury bills or other securities guaranteed by the full faith and credit of the United States of America; bonds, notes, debentures or other similar obligations of the United States of America or its agencies; or certain short-term obligations of corporations; 10) corporate bonds managed through an investment advisor that must be rated as investment grade by one of the two largest rating services at the time of purchase and if subsequently downgraded below investment grade, must be liquidated from the portfolio within 90 days after being downgraded by the manager; 11) general accounts of life insurance companies authorized to transact business in Illinois; 12) separate accounts managed by life insurance companies authorized to transact business in Illinois that are comprised of diversified portfolios consisting of common or preferred stock, bonds, money market instruments or real estate or loans upon real estate secured by a first or second mortgage; 13) mutual funds managed by an investment company as defined

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

B. Deposits and Investments – Pension Trust Funds (Continued)

1. Police Pension Fund (Fund) (Continued)

and registered under the Federal Investment Company Act of 1940 and Illinois Securities Law of 1953; that have been in operation for at least five years; that have total net assets of $250 million or more; and that are comprised of diversified portfolios consisting of common or preferred stock, bonds, money market instruments; 14) common and preferred stock authorized for investments of trust funds under the laws of the state of Illinois that meet certain requirements detailed in the statutes. During the year the following changes to the investment policy were approved by the Board of Trustees: target, minimum, and maximum allocations for broad asset classes in the Fund's portfolio were adopted, additional guidelines and restrictions applying to Core Private Real Estate managers, and the removal of the guidelines and restrictions over global equity managers.

The plan's investment policy establishes the following target allocation across asset classes:

Asset Class	Target Allocation
Fixed Income	35 %
U.S. Equity	30 %
International Equity	20 %
Real Estate	10 %
Global Tactical	5 %

The book value of total equities may not exceed 55% for mutual funds, separate account of an insurance company, or separate accounts of a money manager. This is in addition to the 10% equity investment allowed in Section 1-113.2 and 1-113.3 of 40 ILCS 5 through equity mutual funds and equity separate accounts. In addition, the plan must comply with state statutes which dictate that individual holdings must meet certain criteria, and no individual investment held (with the exception of the United States Government and agencies securities) may exceed 5% of the invested assets in total.

Long-Term Expected Rate of Return

Determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of the arithmetic real rates of return for each major asset class included in the plan's target asset allocation as of December 31, 2016 are summarized in the following table:

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

B. Deposits and Investments – Pension Trust Funds (Continued)

1. Police Pension Fund (Fund) (Continued)

Asset Class	Rate of Return
Fixed Income	2.0 %
U.S. Equity	5.6 %
International Equity	5.9 %
Real Estate	5.4 %
Global Tactical	4.0 %

The plan's investment policy requires that an independent investment consultant evaluate the plan's investments on a monthly basis and provide written reports to the trustees. The policy also requires the various investment managers provide written reports to the plan sponsor and consultant on a quarterly basis detailing performance for the most recent period as well as the current outlook of the equity and fixed income markets.

Concentrations

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. There were no investments in any one organization that represent 5% or more of the plan's investments.

Rate of Return

For the year ended December 31, 2016, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 5.77%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Deposit with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of a bank failure, the plan's deposits may not be returned to it. The plan's investment policy does not address custodial credit risk for deposits with financial institutions. The plan's past practice is for 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 plan's cash and cash equivalents at December 31, 2016 consisted of deposits with financial institutions. Flow-through FDIC insurance is available for the plan's deposits with financial institutions.

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

B. Deposits and Investments – Pension Trust Funds (Continued)

1. Police Pension Fund (Fund) (Continued)

Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the plan will not be able to recover the value of its investments that are in possession of an outside party. To limit its exposure, the plan has a third-party custodian acting as the plan's agent to safe-keep the assets of the plan.

Interest Rate Risk

Interest rate risk is the risk that the market value of securities in the portfolio will fall due to changes in the market interest rates. The plan limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for operating funds and maximizing yields for funds not needed for expected current cash flows. The plan's investment policy does not limit the maximum maturity length of investments.

As of December 31, 2016, the Fund had the following investments:

Type of Investment	Fair Value/ Carrying Amount	Average Credit Quality/ Ratings (1)	Weighted Average Years to Maturity (2)
Money Market Funds	$ 7,429,295	Aaa-mf	0.10
State and Local Obligations	769,819	Aaa to A2	6.03
U.S. Government Notes and Bonds,			
Explicitly Guaranteed	16,385,687	N/A	3.55
U.S. Government Agencies	6,162,966	Aaa	8.81
Corporate Bonds	26,671,160	Aaa to Ba1	5.26
Mutual Funds - Equities	71,426,153	N/A	N/A
Real Estate Insurance Contracts	11,979,458	A1	N/A
Common and preferred stocks	14,241,214	N/A	N/A
Total Investments	$ 155,065,752		

(1) Ratings are provided where applicable to indicate associated credit risk. Obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk. The U.S. government agencies investments that were not rated by Moody's included Federal Home Loan Mortgage Corporation Gold Participant Certificate Securities, Federal Home Loan Mortgage Corporation Multiclass Certificates, Federal National Mortgage Association Pass-Through Certificates, Small Business Administration bonds, and Vendee Mortgage Trust Securities.

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

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

B. Deposits and Investments – Pension Trust Funds (Continued)

1. Police Pension Fund (Fund) (Continued)

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The plan's investment policy does not specifically address credit risk for investments, except for the corporate bonds and compliance with state statutes. Corporate bonds must be rated as investment grade by one of the two largest rating agencies at the time of purchase. Subsequently, if a domestic corporate bond security is downgraded below investment grade by one of the two largest rating agencies, the security must be liquidated from the portfolio within 90 days after the downgrade.

Fair Value Measurements

The plan categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The framework uses a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. Level 1 inputs are quotes prices in active markets for identical assets or liabilities; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Valuation Techniques

Following is a description of the valuation techniques used for assets and liabilities measured at fair value on a recurring basis.

- Mutual funds and marketable equity securities: Valued at the closing quoted price in an active market.
- Corporate bonds and municipal obligations: The investment grade corporate bonds and municipal obligations held by the plan generally do not trade in active markets on the measurement date. Therefore, these securities are valued using inputs including yields currently available on comparable securities of issuers with similar credit ratings, recent market price quotations (where observable), bond spreads, and fundamental data relating to the issuer.
- U.S. government and U.S. government agency securities: Valued by a pricing service using models that incorporate market observable data such as reported sales of similar securities, broker quotes, yields, bids, offers, and reference data.

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

B. Deposits and Investments – Pension Trust Funds (Continued)

1. Police Pension Fund (Fund) (Continued)

Fair value measurements recorded on a recurring basis at December 31, 2016 were as follows:

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Assets:				
Investments by Fair Value Level:				
Mutual Funds	$ 63,358,364	$ -	$ -	$ 63,358,364
Marketable Equity Securities	14,241,214	-	-	14,241,214
Corporate Bonds	-	26,671,160	-	26,671,160
Municipal Obligations	-	769,819	-	769,819
U.S. Government Agency Securities	-	6,162,966	-	6,162,966
U.S. Government Securities	-	16,385,687	-	16,385,687
Total Investments by Fair Value Level	$ 77,599,578	$ 49,989,632	$ -	127,589,210
Real Estate Fund (NAV)				11,979,458
Collective Investment Fund				8,067,789
Money Market Funds*				7,429,295
Total Investments				$ 155,065,752

*Money market funds are recorded at cost and are not based on Level 1, 2, or 3 inputs.

The following table sets forth additional disclosures of the plan's investments whose fair value is estimated using net asset value (NAV) per share (or its equivalent) as of December 31, 2016.

Investment	Fair Value	Unfunded Commitment	Redemption Frequency	Redemption Notice Period
Real Estate Fund (a)	$ 11,979,458	$ -	N/A	N/A
Collective Investment Trust (b)	$ 8,067,789	$ -	N/A	N/A

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

B. Deposits and Investments – Pension Trust Funds (Continued)

1. Police Pension Fund (Fund) (Continued)

(a) This type includes one real estate fund that invests primarily in owned real estate, such as office buildings, industrial buildings, shopping centers, retail stores, and similar commercial property. The fair value of the investment in this type has been determined using the NAV per share (or its equivalent) of the plan's ownership interest. The plan may redeem all or a portion of this investment upon notice to Principal Life Insurance Company (Principal). When payment is made pursuant to such a notice, the amount to be paid will be generally determined and paid within seven business days of the notice, subject to Principal's right to defer a payment. Principal reserves the right to defer payments for a period as is necessary, up to three years. Such deferment will be based on unstable or disorderly market or investment conditions which do not allow for an orderly investment transfer. The deferment may include, but not be limited to, situations where regular banking has been suspended or when an emergency or other circumstances beyond Principal's control does not allow for the orderly disposal and liquidation of securities or other assets. Due to the illiquid nature of the assets in which the real estate fund is invested, Principal also reserves the right to defer payments that would exceed the amount of cash and other liquid assets held, reduced by amounts committed to purchase properties or needed for operating expenses. If payments are deferred, when made they will be paid on a prorated basis in relation to the total amount of payment requests. There were no restrictions on redemption as of the plan's measurement date of December 31, 2016.

(b) This type includes one collective investment trust fund that investments primarily in common stock and short-term investments. The strategy of the collective investment trust is managed using a proprietary quantitative investment process to emphasize securities with relatively low expected volatility. The fair value of the investment in this type has been determined using the NAV per share (or its equivalent) of the plan's ownership interest of the fund's assets. The plan may redeem all or a portion of this investment upon notice to State Street Global Advisors. When payment is made pursuant to such notice, the amount to be paid will be generally determined and paid within three business days of the transaction date. There were no restrictions on redemption as of the plan's measurement date of December 31, 2016.

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

B. Deposits and Investments – Pension Trust Funds (Continued)

2. Firemen's Pension Fund (Fund)

The deposits and investments of the plan are held separately from those of the City. The investment policy is adopted by the plan's Board of Trustees and can be amended by a majority vote of the Board of Trustees.

The plan's investment policy authorizes the pension fund to invest in securities permitted in the Illinois Compiled Statutes (40 ILCS 5/1-113.2). The statutes authorize the Pension Fund to invest in 1) interest bearing obligations of the United States of America; 2) interest bearing obligations to the extent they are fully guaranteed or insured by the United States of America; 3) interest bearing bonds, notes, debentures or other similar obligations of agencies of the United States of America; 4) interest bearing savings accounts or certificates of deposit issued by federally chartered banks or savings and loan associations, state of Illinois chartered banks or savings and loan associations, or credit unions to the extent the investments are insured by agencies or instrumentalities of the federal government; 5) interest bearing bonds of the state of Illinois; 6) pooled interest bearing accounts managed by the Illinois Public Treasurer's Pool; 7) interest bearing bonds or tax anticipation warrants of any county, township or municipal corporation of the state of Illinois; 8) direct obligations of the state of Israel subject to certain limitations as defined in the statute; 9) money market mutual funds managed by investment companies that are registered under the federal Investment Company Act of 1940 and Illinois Securities Law of 1953 and are diversified, open-ended management investment companies provided the money market portfolio is limited to bonds, notes, certificates of indebtedness, treasury bills or other securities guaranteed by the full faith and credit of the United States of America; bonds, notes, debentures or other similar obligations of the United States of America or its agencies; or certain short-term obligations of corporations; 10) corporate bonds managed through an investment advisor that must be rated as investment grade by one of the two largest rating services at the time of purchase and if subsequently downgraded below investment grade, must be liquidated from the portfolio within 90 days after being downgraded by the manager; 11) general accounts of life insurance companies authorized to transact business in Illinois; 12) separate accounts managed by life insurance companies authorized to transact business in Illinois that are comprised of diversified portfolios consisting of common or preferred stock, bonds, money market instruments or real estate or loans upon real estate secured by a first or second mortgage; 13) mutual funds managed by an investment company as defined and registered under the Federal Investment Company Act of 1940 and Illinois Securities Law of 1953; that have been in operation for at least five years; that have total net assets of $250 million or more; and that are comprised of diversified portfolios consisting of common or preferred stock, bonds, money market instruments; 14) common and preferred stock authorized for investments of trust funds under the laws of the state of Illinois that meet certain requirements detailed in the statutes. During the year there were no changes to the investment policy.

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NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

B. Deposits and Investments – Pension Trust Funds (Continued)

2. Firemen's Pension Fund (Fund) (Continued)

The plan's investment policy establishes the following target allocation across asset classes:

Asset Class	Minimum	Maximum
Equities (Separate Account)	20.00 %	55.00 % *
Equity Mutual Funds	-	10.00 *
Fixed Income	30.00	78.00
Cash	2.00	20.00

* Or legal limit as required by Illinois state statute. Total maximum equity effective July 1, 2011 is 60% (65% July 1, 2012).

The book value of total equities may not exceed 55% for mutual funds, separate account of an insurance company, or separate accounts of a money manager. This is in addition to the 10% equity investment allowed in Section 1-113.2 and 1-113.3 of 40 ILCS 5 through equity mutual funds and equity separate accounts. In addition, the plan must comply with state statutes which dictate that individual holdings must meet certain criteria, and no individual investment held (with the exception of the United States Government and agencies securities) may exceed 5% of the invested assets in total.

Long-Term Expected Rate of Return

Determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of the arithmetic real rates of return for each major asset class included in the plan's target asset allocation as of December 31, 2016 are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return
U.S. Large Cap Equity	9.04 %
U.S. Mid Cap Equity	9.54
U.S. Small Cap Equity	10.04
REITS	8.00
Non-U.S. Developed Equity	8.75
Emerging Markets	10.54
Fixed Income	4.48
Cash	3.38

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

B. Deposits and Investments – Pension Trust Funds (Continued)

2. Firemen's Pension Fund (Fund) (Continued)

The Fund's investment policy requires that investment managers provide monthly reports of all transactions and valuations to the Treasurer. The performance of these managers is reviewed and monitored by an independent, third-party consultant.

Concentrations

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. There were no significant investments (other than U.S. government and agencies' securities and mutual funds) in any one organization that represent 5% or more of the plan's investments.

Rate of Return

For the year ended December 31, 2016, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 5.29%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of a bank failure, the plan's deposits may not be returned to it. The Fund's deposit policy related to this risk provides that all deposits, certificates of deposit investments, and repurchase agreements be guaranteed at 110% of market value of principal and accrued interest by the U.S. government obligations (excluding Collateralized Mortgage Obligations (CMOs), Real Estate Mortgage Investment Conduits (REMICs), and other Principal Only (POs) or Interest Only (IOs) obligations secured with mortgages), insured by the Federal Deposit Insurance Corporation (FDIC), or fully collateralized with securities held by an independent, third party with whom the plan has a current custodial agreement. 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 be used to ensure replacement on checking and money market accounts in case of a financial institution's default.

The Fund's cash and cash equivalents at December 31, 2016 consisted of deposits with financial institutions. Deposits with financial institutions are covered by FDIC insurance up to $250,000. At December 31, 2016, all deposits with financial institutions were insured by the FDIC.

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

B. Deposits and Investments – Pension Trust Funds (Continued)

2. Firemen's Pension Fund (Fund) (Continued)

Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the plan will not be able to recover the value of its investments that are in possession of an outside party. To limit its exposure, the plan has a third-party custodian acting as the plan's agent to safe-keep the assets of the plan.

Interest Rate Risk

Interest rate risk is the risk that the market value of securities in the portfolio will fall due to changes in the market interest rates. The plan limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for operating funds and maximizing yields for funds not needed for expected current cash flows. The plan's investment policy does not limit the maximum maturity length of investments.

As of December 31, 2016, the Fund had the following investments:

Type of Investment	Fair Value/ Carrying Amount	Average Credit Quality/ Ratings (1)	Weighted Average Years to Maturity (2)
Money Market Funds	$ 2,600,088	N/A	0.11
State and Local Obligations	1,762,576	Aaa to Aa2	2.36
U.S. Government Notes and Bonds,			
Explicitly Guaranteed	16,794,294	N/A	6.40
U.S. Government Agencies	807,288	Aaa	8.24
Corporate Bonds	21,667,278	Aaa to Baa3	4.39
Mutual Funds - Equities	49,732,742	N/A	N/A
Common and Preferred Stocks	27,963,298	N/A	N/A
Total Investments	$ 121,327,564		

(1) Ratings are provided where applicable to indicate associated credit risk. Obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk. The U.S. government agencies investments that were not rated by Moody's included Federal Home Loan Mortgage Corporation Gold Participation Certificate Securities, Federal Home Loan Mortgage Corporation Multiclass Certificates, Federal National Mortgage Association Pass-Through Certificates, and Government National Mortgage Association Fixed Income Securities.

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

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

B. Deposits and Investments – Pension Trust Funds (Continued)

2. Firemen's Pension Fund (Fund) (Continued)

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The plan's investment policy does not specifically address credit risk for investments, except for the corporate bonds and compliance with state statutes. Corporate bonds must be rated as investment grade by one of the two largest rating agencies at the time of purchase. Subsequently, if a domestic corporate bond security is downgraded below investment grade by one of the two largest rating agencies, the security must be liquidated from the portfolio within 90 days after the downgrade.

Fair Value Measurements

The plan categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The framework uses a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. Level 1 inputs are quotes prices in active markets for identical assets or liabilities; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Valuation Techniques

Following is a description of the valuation techniques used for assets and liabilities measured at fair value on a recurring basis.

- Mutual funds and marketable equity securities: Valued at the closing quoted price in an active market.
- Corporate bonds and municipal obligations: The investment grade corporate bonds and municipal obligations held by the plan generally do not trade in active markets on the measurement date. Therefore, these securities are valued using inputs including yields currently available on comparable securities of issuers with similar credit ratings, recent market price quotations (where observable), bond spreads, and fundamental data relating to the issuer.
- U.S. government and U.S. government agency securities: Valued by a pricing service using models that incorporate market observable data such as reported sales of similar securities, broker quotes, yields, bids, offers and reference data.

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

B. Deposits and Investments – Pension Trust Funds (Continued)

2. Firemen's Pension Fund (Fund) (Continued)

Fair value measurements recorded on a recurring basis at December 31, 2016 were as follows:

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Assets:				
Investments by Fair Value Level:				
Mutual Funds	$ 49,732,742	$ -	$ -	$ 49,732,742
Marketable Equity Securities	27,963,298	-	-	27,963,298
Corporate Bonds	-	21,667,278	-	21,667,278
Municipal Obligations	-	1,762,576	-	1,762,576
U.S. Government Agency Securities	-	807,288	-	807,288
U.S. Government Securities	-	16,794,294	-	16,794,294
Total Investments by Fair Value Level	$ 77,696,040	$ 41,031,436	$ -	118,727,476
Money Market Funds*				2,600,088
Total Investments				$ 121,327,564

*Money market funds are recorded at cost and are not based on Level 1, 2, or 3 inputs.

C. Deposits and Investments – Discretely Presented Component Units

1. 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.

Custodial Credit Risk – Deposits

The Civic Center does not have a deposit policy for custodial credit risk. As of August 31, 2016, $4,229,012 of the Civic Center's bank balance of $4,479,012 was exposed to custodial credit risk.

Reconciliation to statement of net position:

	Carrying Amount
Cash on Hand	$ 74,556
Demand Deposits and Money Market Accounts	4,579,893
	$ 4,654,449
Cash and Cash Equivalents	$ 4,654,449

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

C. Deposits and Investments – Discretely Presented Component Units (Continued)

2. Springdale Cemetery Management Authority

The Illinois Compiled Statutes 30 ILCS 235/Public Funds Investment Act allows for the investment in municipal bonds, U.S. government or Illinois obligations, insured deposits or other investments of state or national banks, Federal National Mortgage Association obligations, Illinois Funds, and agreements collateralized by securities or mortgages in an amount at least equal to the fair value of the funds deposited.

Custodial Credit Risk

The Authority does not have a custodial credit risk policy. As of December 31, 2016, the carrying amount of the Authority's deposits (including checking, savings and certificates of deposit) was $360,348 and the bank balance was $364,461. The Authority also had cash on hand of $2,617. None of the bank balance of $364,461 was exposed to custodial credit risk.

Interest Rate Risk

The Authority does not have an investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The Authority's investments in mutual funds are not exposed to interest rate risk.

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. The mutual funds are not exposed to credit risk.

Custodial Credit Risk

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

Concentration Risk

The Authority does not have a concentration risk policy. The Authority's investments in mutual funds are not exposed to concentration risk.

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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 recognized as a receivable in the period in which the City has an enforceable lien on the property. However, recognition of the revenue in the governmental funds is deferred until the period for which the property taxes are levied and budgeted for and/or are available. Property tax revenue recorded in the governmental funds by the City for the year ended December 31, 2016 represents installments of the 2015 property taxes which were received during 2016.

The amount of the property tax receivable unavailable at year-end represents the tax levied for 2016, for which an enforceable lien exists as of January 1, but is levied for the 2017 budget and will be collected from taxpayers in June and September 2017.

NOTE 4 RESTRICTED CASH AND CASH AND INVESTMENTS HELD BY TRUSTEE

In accordance with the appropriate bond ordinances, as of December 31, 2016, the City has paid to its respective paying agents the following amounts included as restricted cash and investments held by trustee:

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. $473,373 of cash and investments in the WeaverRidge Debt Service Fund, a Debt Service Fund, is held by the paying agent, as trustee, for future debt service and/or for making any required payments to be rebated to the federal government in accordance with provisions of the bond document.

The refunding bond escrow agent held $8,247 of cash and investments in the 2016A General Obligation Bond Debt Service Fund.

NOTE 5 LONG-TERM DEBT – PRIMARY GOVERNMENT

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

Issue	Amount Issued	Outstanding December 31, 2016
1998C Taxable Riverfront Village general obligation bonds issued to finance improvements to an existing parking lot, construction of an elevated plaza in the Riverfront Area, and to pay the cost of issuing the bonds; interest at 5.70% to 6.05%	$ 1,225,000	$ 120,000
2008A general obligation bonds issued to finance improvements to the existing Lincoln, McClure, and Main Street branch libraries and to erect a building to be used as a north side branch library; interest at 3.00% to 5.00%	28,000,000	1,335,000
2009A general obligation bonds issued to refund a portion of previously issued bonds; interest at 2.00% to 5.00%	17,645,000	3,210,000
2010A general obligation bonds issued to advance refund a portion of previously issued bonds; interest at 2.00% to 4.00%	2,420,000	1,395,000
2010C taxable general obligation bonds (Build America & Recovery Zone Bonds) issued for capital improvements; interest at 2.00% to 6.40%	15,490,000	13,335,000
2010D general obligation bonds issued to refund a portion of previously issued bonds; interest at 2.00% to 5.00%	24,310,000	21,620,000
2011A general obligation bonds issued to currently refund a portion of previously issued bonds; interest at 2.00% to 3.00%	4,060,000	2,695,000
2011B general obligation bonds issued to advance refund a portion of previously issued bonds; interest at 3.00% to 4.00%	5,290,000	5,290,000
2012A taxable general obligation bonds issued to finance the Pere Marquette Hotel redevelopment project; interest at 2.25% to 4.75%	31,655,000	30,130,000
2012B general obligation refunding bonds issued to advance refund a portion of previously issued bonds; interest at 1.50% to 3.00%	9,995,000	9,755,000

NOTE 5 LONG-TERM DEBT – PRIMARY GOVERNMENT (CONTINUED)

Issue	Amount Issued	Outstanding December 31, 2016
2013A general obligation bonds issued to advance refund a portion of previously issued bonds; interest at 2.00% to 4.00%	$ 9,555,000	$ 9,355,000
2013C taxable general obligation bonds issued to advance refund a portion of previously issued bonds; interest at 0.75% to 1.65%	4,860,000	1,200,000
2013D taxable motor fuel tax revenue bonds issued to currently refund a portion of previously issued bonds; interest at 1.22% to 3.50%	2,505,000	1,680,000
2014A general obligation bonds issued to pay the cost of construction infrastructure improvements; interest at 3% to 4%	9,660,000	8,910,000
2014B general obligation refunding bonds issued to currently refund a portion of the City's outstanding General Obligation Bonds, Series 2005A, due January 1, 2016 and 2009-2021 and to pay the costs of issuing the 2014B Bonds; interest at 2.5% to 4%	11,320,000	9,860,000
2015A general obligation refunding bonds issued to currently refund the City's outstanding general obligation refunding bonds, 2005B, due January 1, 2016 through 2021 and to pay the costs of issuing the 2015A Bonds; interest at 2% to 5%	12,935,000	7,985,000
2015B general obligation refunding bonds issued to currently advance refund a portion of the City's outstanding general obligation bonds, series 2007A due January 1 2017-2027 and to pay the cost of issuing the 2015B Bonds; interest at 3% to 5%	12,060,000	11,215,000
2015C taxable general obligation bonds issued currently to pay the cost of constructing infrastructure improvements, including land acquisition, for an athletic campus and sports complex in the City, to fund capitalized interest and to pay the costs of issuing the 2015C bonds; interest at 4% to 5%	7,600,000	7,600,000
2015D taxable general obligation bonds issued to currently pay the cost of constructing infrastructure improvements, including land acquisition, for a Holiday Inn hotel in the City, to fund capitalized interest and to pay the costs of issuing the 2015D bonds; interest rate at 3% to 5%	2,000,000	2,000,000

NOTE 5 LONG-TERM DEBT – PRIMARY GOVERNMENT (CONTINUED)

Issue	Amount Issued	Outstanding December 31, 2016
2016A variable rate general obligation demand bonds issued to redeem the City's outstanding Taxable Variable Rate General Obligation Capital Improvement Bonds, Series 2012C, for capital improvement projects and to pay the costs of issuing the 2016A bonds; interest rate is equal to the weekly rate determined by the remarketing agency having due regard for the prevailing financial market conditions, but not to exceed the maximum rate of 5% or 1.03% as of December 31, 2016	$ 9,710,000	$ 9,710,000
2016B general obligation refunding bonds issued to advance refund a portion of the City's outstanding general obligation library bonds, series 2008A due January 1, 2019-2028 and to pay the cost of issuing the 2016B bonds; interest at 2% to 5%	19,070,000	18,915,000
2016C taxable general obligation bonds issued to construct a combined sewer overflow (CSO) pilot program on Adams Street between Pecan Street and Persimmon Street and storm water, sidewalks and road infrastructure, and to pay the costs of issuing the 2016C bonds; interest rate at 3.0% to 3.5%	3,070,000	3,070,000
Total General Obligation Bonds	$ 244,435,000	$ 180,385,000

In 2016, the City issued $9,710,000 Variable Rate General Obligation Demand Bonds, Series 2016A, with interest rates varying based on the weekly rate provisions, and $19,070,000 General Obligation Refunding Bonds, Series 2016B with interest rates ranging from 2% to 5%. The proceeds of the 2016A Bonds were used to redeem the City's outstanding Taxable Rate General Obligation Capital Improvement Bonds, Series 2012C, due January 5, 2017 through 2031, construct public capital infrastructure improvements, and to pay the costs of issuing the Bonds.

The proceeds of the 2016B Bonds will be used to advance refund a portion of the City's outstanding General Obligation Library Bonds, Series 2008A, due January 1 2019-2028, and to pay the cost of issuing the Bonds. Those proceeds were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 2008A Bonds. This transaction resulted in a reduction of payments of $2,001,201 and an economic gain of $1,701,242.

NOTE 5 LONG-TERM DEBT – PRIMARY GOVERNMENT (CONTINUED)

In 2016, the City issued $3,070,000 Taxable General Obligation Bonds, Series 2016C, with an interest rate ranging from 3% to 3.5%. The proceeds of the 2016C Bonds will be used to pay the cost of constructing a combined sewer overflow pilot program on Adams Street between Pecan Street and Persimmon Street and storm water, sidewalks, and road infrastructure, and to pay the costs of issuing the 2016C bonds.

A. 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% due in annual payments beginning December 1, 1998 through December 1, 2015. As of December 31, 2016, the City had been advanced $2,484,812. The purpose of this loan was to purchase the acquisition site and pay certain relocation costs to the current owners of the acquisition site pursuant to the Peoria, Illinois, Northside Riverfront Redevelopment Area Tax Redevelopment Plan.

Of the $2,500,000 available, no more than $1,800,000 could be used to fund the cost of the Acquisition Site (the Acquisition Loan); and no more than $700,000 could be used to fund the Relocation Costs (the Relocation Loan); and no more than $400,000 of the Relocation Loan could be used for relocation to the current owners of Parcel 1 as defined in the Redevelopment Agreement; and no more than $300,000 of the Relocation Loan could be used for relocation to the current owners of Parcel 2 as defined in the Redevelopment Agreement. The City is required, for a period of 23 years commencing with the date of the adoption of the Northside Riverfront Redevelopment Area, to promptly deposit the incremental real estate taxes when received as follows: 50% into the "Principal and Interest Account - Acquisition Loan" and 50% 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.

NOTE 5 LONG-TERM DEBT – PRIMARY GOVERNMENT (CONTINUED)

B. 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% of revenue. Total principal and interest remaining on the bonds is $538,125, payable through 2017. For the current year, principal and interest paid and total special taxes revenues were $595,125 and $73,908, respectively.

C. Wal-Mart Promissory Note

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

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.

D. Special Assessment Bonds

In 2006, the City issued $5,200,000 of Radnor Road/Alta Road/Wilhelm Road and Bridge Improvements Special Assessment Bonds with interest rates of 5.00% to 5.65% 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) with an interest rate of 5.85% 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.

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NOTE 5 LONG-TERM DEBT – PRIMARY GOVERNMENT (CONTINUED)

E. Postclosure Costs – Landfill

State and federal laws and regulations require the City/County to perform certain postclosure maintenance and monitoring functions at City/County Landfill #1 for 30 years after the facility stops accepting waste and are certified for closure by the Illinois Environmental Protection Agency. The City of Peoria and County of Peoria have an agreement to split these postclosure costs equally. The City will report these expenditures to the extent that they will be liquidated with expendable available resources. Expenditures net of additions in the amount of ($6,181) were recognized in 2016. The balance due reported represents the estimate of what it would cost to perform all postclosure care as of December 31, 2016 over 30 years for Landfill #1, which discontinued accepting waste in 1998. Actual cost may be higher or lower due to inflation, changes in technology, or changes in regulations.

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

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

	Balance December 31, 2015	Additions	Deletions	Balance December 31, 2016	Current Portion	Long-Term Portion
General Obligation Bonds	$ 184,460,000	$ 31,850,000	$ (35,925,000)	$ 180,385,000	$ -	$ 180,385,000
Special Assessment Bonds	4,394,500	-	(399,000)	3,995,500	410,500	3,585,000
Special Service Area Bonds	1,080,000	-	(555,000)	525,000	525,000	-
Loans Payable	1,125,745	-	(64,245)	1,061,500	67,779	993,721
Subtotal	191,060,245	31,850,000	(36,943,245)	185,967,000	1,003,279	184,963,721
Bond Premium	5,811,369	3,049,549	(1,906,843)	6,954,075	-	6,954,075
Total Bonds and Loans Payable, Net	196,871,614	34,899,549	(38,850,088)	192,921,075	1,003,279	191,917,796
Landfill Closure and Postclosure Care Costs	674,026	274,170	(280,351)	667,845	61,517	606,328
Compensated Absences	9,875,424	6,048,241	(5,474,078)	10,449,587	5,018,177	5,431,410
Total Long-Term Liabilities	$ 207,421,064	$ 41,221,960	$ (44,604,517)	$ 204,038,507	$ 6,082,973	$ 197,955,534

Compensated absences are generally liquidated by the General Fund. The City is a home-rule municipality and, accordingly, is not subject to any constitutional debt limit.

NOTE 5 LONG-TERM DEBT – PRIMARY GOVERNMENT (CONTINUED)

F. Repayment

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

	1998C Taxable Riverfront Village General Obligation Bonds	
Year Ending December 31,	Principal	Interest
2017	$ -	$ 3,630
2018	120,000	3,630
2019	-	-
2020	-	-
2021	-	-
2022 - 2026	-	-
2027 - 2031	-	-
2032 - 2036	-	-
Total	$ 120,000	$ 7,260

	2008A General Obligation Bonds		2009A General Obligation Bonds	
Year Ending December 31,	Principal	Interest	Principal	Interest
2017	$ -	$ 33,375	$ -	$ 69,400
2018	1,335,000	33,375	905,000	122,963
2019	-	-	650,000	94,938
2020	-	-	685,000	65,625
2021	-	-	720,000	30,500
2022 - 2026	-	-	250,000	6,250
2027 - 2031	-	-	-	-
2032 - 2036	-	-	-	-
Total	$ 1,335,000	$ 66,750	$ 3,210,000	$ 389,676

	2010A General Obligation Bonds		2010C Taxable General Obligation Bonds	
Year Ending December 31,	Principal	Interest	Principal	Interest
2017	$ -	$ 26,000	$ -	$ 402,461
2018	210,000	48,588	425,000	795,573
2019	220,000	41,325	430,000	776,118
2020	225,000	33,538	445,000	754,999
2021	240,000	24,800	445,000	732,415
2022 - 2026	500,000	20,200	2,685,000	3,257,195
2027 - 2031	-	-	8,905,000	1,606,888
2032 - 2036	-	-	-	-
Total	$ 1,395,000	$ 194,451	$ 13,335,000	$ 8,325,649

NOTE 5 LONG-TERM DEBT – PRIMARY GOVERNMENT (CONTINUED)

F. Repayment (Continued)

	2010D General Obligation Bonds	
Year Ending December 31,	Principal	Interest
2017	$ -	$ 475,156
2018	3,000,000	875,313
2019	100,000	799,063
2020	100,000	796,500
2021	100,000	793,688
2022 - 2026	18,320,000	2,174,019
2027 - 2031	-	-
2032 - 2036	-	-
Total	$ 21,620,000	$ 5,913,739

	2011A General Obligation Bonds		2011B General Obligation Bonds	
Year Ending December 31,	Principal	Interest	Principal	Interest
2017	$ -	$ 39,688	$ -	$ 204,900
2018	295,000	75,688	-	204,900
2019	305,000	67,425	-	204,900
2020	315,000	58,125	-	204,900
2021	335,000	48,375	-	204,900
2022 - 2026	1,445,000	88,425	5,290,000	142,650
2027 - 2031	-	-	-	-
2032 - 2036	-	-	-	-
Total	$ 2,695,000	$ 377,726	$ 5,290,000	$ 1,167,150

	2012A Taxable General Obligation Bonds		2012B General Obligation Bonds	
Year Ending December 31,	Principal	Interest	Principal	Interest
2017	$ -	$ 631,681	$ -	$ 144,375
2018	850,000	1,251,675	65,000	288,263
2019	955,000	1,225,663	65,000	287,288
2020	1,050,000	1,194,275	65,000	286,313
2021	1,150,000	1,158,525	65,000	285,338
2022 - 2026	7,600,000	5,049,245	345,000	1,398,675
2027 - 2031	13,525,000	2,974,144	9,150,000	348,750
2032 - 2036	5,000,000	118,750	-	-
Total	$ 30,130,000	$ 13,603,958	$ 9,755,000	$ 3,039,002

	2013A General Obligation Bonds	
Year Ending December 31,	Principal	Interest
2017	$ -	$ 144,950
2018	-	289,900
2019	-	289,900
2020	-	289,900
2021	950,000	280,400
2022 - 2026	4,305,000	1,268,550
2027 - 2031	4,100,000	72,000
2032 - 2036	-	-
Total	$ 9,355,000	$ 2,635,600

NOTE 5 LONG-TERM DEBT – PRIMARY GOVERNMENT (CONTINUED)

F. Repayment (Continued)

Year Ending December 31,	2013C Taxable General Obligation Bonds Principal	2013C Taxable General Obligation Bonds Interest	2013D Taxable General Obligation Bonds Principal	2013D Taxable General Obligation Bonds Interest
2017	$ -	$ 9,900	$ -	$ 25,016
2018	1,200,000	9,900	265,000	46,878
2019	-	-	270,000	40,174
2020	-	-	275,000	32,691
2021	-	-	285,000	24,327
2022 - 2026	-	-	585,000	20,273
2027 - 2031	-	-	-	-
2032 - 2036	-	-	-	-
Total	$ 1,200,000	$ 19,800	$ 1,680,000	$ 189,359

Year Ending December 31,	2014A General Obligation Bond Project Principal	2014A General Obligation Bond Project Interest	2014B General Obligation Bonds Principal	2014B General Obligation Bonds Interest
2017	$ -	$ 167,800	$ -	$ 192,825
2018	390,000	329,750	-	385,650
2019	405,000	317,825	3,035,000	329,325
2020	415,000	305,525	3,635,000	200,300
2021	430,000	292,850	3,190,000	63,800
2022 - 2026	2,370,000	1,221,800	-	-
2027 - 2031	2,880,000	701,000	-	-
2032 - 2036	2,020,000	123,400	-	-
Total	$ 8,910,000	$ 3,459,950	$ 9,860,000	$ 1,171,900

Year Ending December 31,	2015A General Obligation Bonds Principal	2015A General Obligation Bonds Interest	2015B General Obligation Bonds Principal	2015B General Obligation Bonds Interest
2017	$ -	$ 199,625	$ -	$ 253,525
2018	2,530,000	336,000	880,000	485,050
2019	2,280,000	215,750	930,000	439,800
2020	2,375,000	99,375	1,000,000	391,550
2021	800,000	20,000	1,030,000	340,800
2022 - 2026	-	-	6,010,000	866,700
2027 - 2031	-	-	1,365,000	20,475
2032 - 2036	-	-	-	-
Total	$ 7,985,000	$ 870,750	$ 11,215,000	$ 2,797,900

Year Ending December 31,	2015C Taxable General Obligation Bonds Principal	2015C Taxable General Obligation Bonds Interest	2015D Taxable General Obligation Bonds Principal	2015D Taxable General Obligation Bonds Interest
2017	$ -	$ 170,968	$ -	$ 44,015
2018	-	341,935	-	88,030
2019	-	341,935	-	88,030
2020	290,000	336,135	80,000	86,710
2021	305,000	324,235	80,000	84,070
2022 - 2026	1,710,000	1,425,075	445,000	376,585
2027 - 2031	2,085,000	1,037,828	550,000	276,990
2032 - 2036	2,605,000	489,875	685,000	128,875
2037 - 2041	605,000	15,125	160,000	4,000
Total	$ 7,600,000	$ 4,483,111	$ 2,000,000	$ 1,177,305

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NOTE 5 LONG-TERM DEBT – PRIMARY GOVERNMENT (CONTINUED)

F. Repayment (Continued)

Year Ending December 31,	2016A Taxable Variable Rate General Obligation Demand Bonds Principal	2016A Taxable Variable Rate General Obligation Demand Bonds Interest	2016B Taxable General Obligation Bonds Principal	2016B Taxable General Obligation Bonds Interest
2017	$ -	$ 100,013	$ -	$ 444,975
2018	620,000	94,159	-	889,950
2019	675,000	87,254	1,370,000	869,400
2020	705,000	80,018	1,450,000	819,850
2021	725,000	72,568	1,545,000	752,225
2022 - 2026	4,105,000	239,805	9,630,000	2,432,500
2027 - 2031	2,880,000	53,972	4,920,000	229,900
2032 - 2036	-	-	-	-
2037 - 2041	-	-	-	-
Total	$ 9,710,000	$ 727,789	$ 18,915,000	$ 6,438,800

Year Ending December 31,	2016C Taxable General Obligation Bonds Principal	2016C Taxable General Obligation Bonds Interest
2017	$ -	$ 57,546
2018	105,000	95,686
2019	115,000	92,386
2020	120,000	88,861
2021	125,000	85,186
2022 - 2026	680,000	366,756
2027 - 2031	795,000	255,811
2032 - 2036	925,000	117,226
2037 - 2041	205,000	3,588
Total	$ 3,070,000	$ 1,163,046

Year Ending December 31,	2006 Special Assessment Bonds Principal	2006 Special Assessment Bonds Interest	2007A Special Assessment Bonds Principal	2007A Special Assessment Bonds Interest
2017	$ 305,000	$ 213,870	$ 105,500	$ 6,172
2018	320,000	197,705	-	-
2019	335,000	180,745	-	-
2020	355,000	162,990	-	-
2021	375,000	144,175	-	-
2022 - 2026	2,200,000	387,025	-	-
2027 - 2031	-	-	-	-
2032 - 2036	-	-	-	-
Total	$ 3,890,000	$ 1,286,510	$ 105,500	$ 6,172

Year Ending December 31,	PMP Promissory Note Principal	PMP Promissory Note Interest	WeaverRidge Special Service Area Bonds Principal	WeaverRidge Special Service Area Bonds Interest
2017	$ -	$ 30,000	$ 525,000	$ 13,125
2018	922,213	30,000	-	-
2019	-	-	-	-
2020	-	-	-	-
2021	-	-	-	-
2022 - 2026	-	-	-	-
2027 - 2031	-	-	-	-
2032 - 2036	-	-	-	-
Total	$ 922,213	$ 60,000	$ 525,000	$ 13,125

NOTE 5 LONG-TERM DEBT – PRIMARY GOVERNMENT (CONTINUED)

F. Repayment (Continued)

	Wal-Mart Promissory Note		Total Long-Term Bonds and Notes Payable	
Year Ending December 31,	Principal	Interest	Principal	Interest
2017	$ 67,779	$ 7,661	$ 1,003,279	$ 4,112,652
2018	71,508	3,933	14,508,721	7,324,494
2019	-	-	12,140,000	6,789,244
2020	-	-	13,585,000	6,288,180
2021	-	-	12,895,000	5,763,177
2022 - 2026	-	-	68,475,000	20,741,728
2027 - 2031	-	-	51,155,000	7,577,758
2032 - 2036	-	-	11,235,000	978,126
2037 - 2041	-	-	970,000	22,713
Total	$ 139,287	$ 11,594	$ 185,967,000	$ 59,598,072

G. 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.

NOTE 6 CAPITAL ASSETS

A summary of the changes in capital assets follows:

	Cost			
	Balance as of December 31, 2015, as Restated	Additions	Deletions	Balance as of December 31, 2016
Not Depreciated:				
Land	$ 18,223,073	$ 1,726,112	$ -	$ 19,949,185
Construction-in-Progress	6,035,736	3,781,778	-	9,817,514
Depreciated:				
Land Improvements	7,228,942	-	-	7,228,942
Buildings	107,529,867	675,982	-	108,205,849
Machinery and Equipment	8,402,689	81,000	-	8,483,689
Vehicles	21,474,186	1,358,586	(44,747)	22,788,025
Media	17,597,709	868,403	(408,852)	18,057,260
Infrastructure	428,774,954	17,074,389	-	445,849,343
Total	$ 615,267,156	$ 25,566,250	$ (453,599)	$ 640,379,807

The December 31, 2015 balance for infrastructure above has been restated due to a prior period adjustment. See Note 16 to the financial statements.

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NOTE 6 CAPITAL ASSETS (CONTINUED)

	Accumulated Depreciation				Net Capital Assets as of December 31, 2016
	Balance as of December 31, 2015	Additions	Deletions	Balance as of December 31, 2016	
Not Depreciated:					
Land	$ -	$ -	$ -	$ -	$ 19,949,185
Construction-in-Progress	-	-	-	-	9,817,514
Depreciated:					
Land Improvements	5,106,226	410,682	-	5,516,908	1,712,034
Buildings	53,812,915	3,588,682	-	57,401,597	50,804,252
Machinery and Equipment	7,607,475	275,031	-	7,882,506	601,183
Vehicles	16,480,165	1,390,694	(44,747)	17,826,112	4,961,913
Media	13,793,332	832,859	(408,852)	14,217,339	3,839,921
Infrastructure	203,660,914	14,261,605	-	217,922,519	227,926,824
Total	$ 300,461,027	$ 20,759,553	$ (453,599)	$ 320,766,981	$ 319,612,826

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

Governmental Activities:	
Police	$ 472,616
Fire	943,987
Public Works	15,013,489
Public Safety	128
General Government	2,147,767
Library	2,181,566
Total Depreciation Expense	$ 20,759,553

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

	Peoria Civic Center Authority			
	Balance as of August 31, 2015	Additions	Deletions	Balance as of August 31, 2016
Historical Cost:				
Not Depreciated:				
Land	$ 10,247,918	$ -	$ -	$ 10,247,918
Construction-in-Process	38,311	557,211	(595,522)	-
Depreciated:				
Land Improvements	7,761,468	59,898	-	7,821,366
Building and Improvements	149,315,407	342,019	-	149,657,426
Furniture, Fixtures, and Equipment	12,858,905	193,605	-	13,052,510
Total Cost	180,222,009	1,152,733	(595,522)	180,779,220
Accumulated Depreciation:				
Land Improvements	6,729,625	238,702	-	6,968,327
Building and Improvements	90,626,376	5,300,672	-	95,927,048
Furniture, Fixtures, and Equipment	11,610,711	458,405	-	12,069,116
Total Accumulated Depreciation	108,966,712	5,997,779	-	114,964,491
Net Land, Building, and Equipment	$ 71,255,297	$ (4,845,046)	$ (595,522)	$ 65,814,729

NOTE 6 CAPITAL ASSETS (CONTINUED)

Springdale Cemetery Management Authority

	Balance as of December 31, 2015	Additions	Deletions	Balance as of December 31, 2016
Cost:				
Assets Depreciated:				
Maintenance Building	$ 406,586	$ -	$ -	$ 406,586
Building Improvements	404,634	-	-	404,634
Land Improvements	906,615	-	-	906,615
Furniture and Equipment	384,238	48,270	(6,500)	426,008
Computer Software	168,486	-	-	168,486
Assets Not Depreciated,				
Land	65,604	-	-	65,604
Construction-in-Process	-	171,787	-	171,787
Total Cost	$ 2,336,163	$ 220,057	$ (6,500)	$ 2,549,720

	Balance as of December 31, 2015	Additions	Deletions	Balance as of December 31, 2016	Net Capital Assets as of December 31, 2016
Accumulated Depreciation:					
Maintenance Building	$ 120,554	$ 10,819	$ -	$ 131,373	$ 275,213
Building Improvements	113,291	12,065	-	125,356	279,278
Land Improvements	357,632	37,827	-	395,459	511,156
Furniture and Equipment	350,942	14,724	(6,500)	359,166	66,842
Computer Software	127,272	11,074	-	138,346	30,140
Land	-	-	-	-	65,604
Construction-in-Process	-	-	-	-	171,787
Total Accumulated Depreciation	$ 1,069,691	$ 86,509	$ (6,500)	$ 1,149,700	$ 1,400,020

NOTE 7 RECEIVABLES

On April 12, 2012, the City entered into a loan agreement with a Hotel developer for $7,000,000. The proceeds of the loan were to be used for renovation of Pere Marquette Hotel in downtown Peoria. Terms of the loan required 23 equal annual payments of principal in the amount of $304,348, plus accrued interest at a rate of 7% thereon, commencing on April 12, 2015. The loan matures on April 12, 2037. As of December 31, 2016, the City's loan receivable balance was $6,695,652.

On July 19, 2014, the City entered into a loan agreement with a Construction Company (J.P. Companies) for $300,000. The proceeds of the loan were to be used for Sullivan/Hunt redevelopment. Terms of the loan required repayment of 85% of the amount of the Tax Rebate Obligation from a previous development agreement, commencing on July 19, 2014. The loan matures in 2021. As of December 31, 2016, the City's loan receivable balance was $171,938.

NOTE 7 RECEIVABLES (CONTINUED)

The City has received grant funds from the U.S. Department of Commerce and Economic Development Administration for the purpose of providing loans to existing or emerging businesses to further economic development and create new jobs in the community. At December 31, 2016, the City had future principal receipts under these notes as follows:

Fiscal Year Ending December 31,	Amount
2017	$ 42,524
2018	41,603
2019	43,298
2020	35,894
2021	13,338
Thereafter	83,350
Total	$ 260,007

The City grants money to City residents for home repairs. If the City resident sells their home within a certain period of time, they are required to pay the money back. The City records a loan receivable once the resident's home is sold. As of December 31, 2016, the receivable balance was $384, net of an allowance of $19,094.

Other current receivables as of December 31, 2016 consist of the following:

Charges for Services and Reimbursements	$ 3,227,263
Franchise Fees	268,440
Other Fines and Fees	106,543
Miscellaneous Taxes	218,797
Total Other Current Receivables (Gross)	3,821,043
Less: Allowance for Uncollectible Accounts	772,314
Total Other Current Receivables (Net)	$ 3,048,729

NOTE 8 OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES

The individual fund interfund receivable and payable balances as of December 31, 2016 are as follows:

	Due from Other Funds	Due to Other Funds
Major Funds:		
General Fund	$ 17,469,189	$ 3,747,236
Illinois Municipal Retirement Fund	130,462	-
Capital Improvements Fund	2,648,785	12,227,682
Nonmajor Governmental Funds	4,362,739	10,690,661
Internal Service Fund	2,054,404	-
Total	$ 26,665,579	$ 26,665,579

NOTE 8 OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES (CONTINUED)

Advances to and from other funds as of December 31, 2016 were as follows:

	Advances to Other Funds	Advances from Other Funds
Major Funds:		
General Fund	$ 6,647,287	$ -
Illinois Municipal Retirement Fund	-	6,647,287
Total	$ 6,647,287	$ 6,647,287

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 advanced funds are to pay the remaining 2011-2012 early retirement incentive balance due to the Illinois Municipal Retirement Fund. The interfund receivables and payables are scheduled to be collected in the subsequent year whereas the interfund advances are not.

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	$ 2,300,785	$ 8,412,706
Illinois Municipal Retirement Fund	565,568	-
Capital Improvements Fund	3,291,552	7,520,254
Nonmajor Governmental Funds	23,197,259	13,422,204
Total	$ 29,355,164	$ 29,355,164

Transfers are used to (1) move revenues from the fund collecting them to the fund that statute or budget expects 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.

Accounting principles generally accepted in the United States of America require disclosure of certain information concerning individual funds including deficit fund balances or deficit net position of individual funds.

NOTE 8 OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES (CONTINUED)

As of December 31, 2016, the following funds had deficit balances:

Fund	Deficit
Major Funds:	
Illinois Municipal Retirement Fund	$ (6,301,115)
Capital Improvements Fund	(4,533,742)
Nonmajor Funds:	
Multi-County MEG Grant Fund	(8)
Home Investment Partnership Program Fund	(200)
Refuse Collection Fund	(4,097,596)
Sewer Fund	(269,682)
2016A General Obligation Bond Debt Service Fund	(11,858)

Deficits in the Illinois Municipal Retirement Fund will be eliminated through future incremental property tax receipts. Deficits in the Capital Improvements Fund will be eliminated by the reduction or freezing of capital projects. Deficits in the Refuse Collection Fund will be eliminated by increasing the charges for future services.

NOTE 9 SELF-INSURANCE – PRIMARY GOVERNMENT

The City is exposed to various risks of loss related to torts, theft of, and damage to assets, natural disasters, workers' compensation and medical and dental claims of its employees and their dependents. The City currently reports all of its risk management activities in its General Fund and Internal Service Fund.

Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported. Claims liabilities that are due and payable are recorded in the General Fund with the remaining claims liabilities reported in the governmental activities of the statement of net position. The City is not covered by excess liability insurance for workers' compensation claims. The City has coverage for medical and hospital when the covered individual claims exceed $225,000 and a maximum aggregate benefit of $1,000,000.

NOTE 9 SELF-INSURANCE – PRIMARY GOVERNMENT (CONTINUED)

During 2016, the City obtained a one-year contract renewal for major general liability coverage with an insurance carrier.

The City's major liability insurance coverages include:

- $1,000,000/$3,000,000 limits for general liability
- $1,000,000/$3,000,000 limits for employment practices, employment benefits, law enforcement, and public officials liability
- $1,000,000 limit for auto liability
- $10,000,000 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.

GASB 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, 2016, the estimate of health and dental claims incurred but not reported amounted to $100,000. The unpaid reported claims of $579,740 for health and dental claims are due and are included in accounts payable on the financial statements in the Internal Service Fund.

Changes in the health insurance claims liability which include unpaid reported claims and amounts incurred but not reported in fiscal years 2016 and 2015 were:

Balance - December 31, 2014	$ 1,515,777
Current Year Claims and Changes in Estimates	8,527,076
Claims Paid	(9,028,527)
Balance - December 31, 2015	1,014,326
Current Year Claims and Changes in Estimates	7,824,743
Claims Paid	(8,159,329)
Balance - December 31, 2016	$ 679,740

Changes in the workers' compensation liability which include unpaid reported claims and amounts incurred but not reported in fiscal years 2016 and 2015 were:

Balance - December 31, 2014	$ 2,102,140
Current Year Claims and Changes in Estimates	3,211,189
Claims Paid	(2,564,170)
Balance - December 31, 2015	2,749,159
Current Year Claims and Changes in Estimates	4,975,616
Claims Paid	(4,367,410)
Balance - December 31, 2016	$ 3,357,365

NOTE 9 SELF-INSURANCE – PRIMARY GOVERNMENT (CONTINUED)

Changes in the general liability which include unpaid reported claims and amounts incurred but not reported in fiscal years 2016 and 2015 were:

Balance - December 31, 2014	$ 575,006
Current Year Claims and Changes in Estimates	10,682,097
Claims Paid	(192,902)
Balance - December 31, 2015	11,064,201
Current Year Claims and Changes in Estimates	3,028,510
Claims Paid	(1,519,351)
Balance - December 31, 2016	$ 12,573,360

Of the $3,357,365 of workers' compensation liability, $264,807 is reported in the General Fund as due and $3,092,558 is reported in governmental activities as noncurrent. Of the $12,573,360 of general liability, $16,025 is reported in the General Fund as due and $12,557,335 is reported in governmental activities as noncurrent.

NOTE 10 PENSION PLANS

A. Plan Descriptions

1. Illinois Municipal Retirement Fund (IMRF)

The City's defined benefit pension plan, a multi-employer agent plan, for regular employees provides retirement and disability benefits, postretirement increases, and death benefits to plan members and beneficiaries. The City's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of a multi-employer public pension fund. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section of this document. Details of all benefits are available from IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly of the state of Illinois. IMRF issues a publicly available Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. The report is available for download at www.imrf.org.

NOTE 10 PENSION PLANS (CONTINUED)

A. Plan Descriptions (Continued)

2. Police Pension Plan Fund of Peoria

The Police Pension Fund of Peoria was established by municipal ordinance on June 1, 1877, to provide retirement, death, and disability benefits to the City's policemen or their beneficiaries. Although this is a single-employer pension plan, the defined benefits, as well as the employee and minimum employer contributions levels, are mandated by Illinois Compiled Statutes (40 ILCS 5/3) and may be amended only by the Illinois legislature.

The Board of Trustees is the administrator of the plan that was established by the City in accordance with the City Charter and Illinois Compiled Statutes. The Board of Trustees includes two City appointees, one elected retiree and two elected active police officers.

3. Firemen's Pension Fund of Peoria

The Firemen's Pension Fund of Peoria was established by municipal ordinance on June 24, 1895, to provide retirement, death, and disability benefits to the City's firemen or their beneficiaries. Although this is a single-employer pension plan, the defined benefits, as well as the employee and minimum employer contributions levels, are mandated by Illinois Compiled Statutes (40 ILCS 5/4) and may be amended only by the Illinois legislature.

The Board of Trustees is the administrator of the Fund that was established by the City in accordance with the Illinois Compiled Statutes. The Board of Trustees includes two City appointees, one elected retiree and two elected active firefighters.

NOTE 10 PENSION PLANS (CONTINUED)

B. Benefits Provided

1. IMRF

IMRF has three benefit plans. The vast majority of IMRF members participate in the Regular Plan (RP). The Sheriff's Law Enforcement Personnel (SLEP) plan is for sheriffs, deputy sheriffs, and selected police chiefs. Counties could adopt the Elected County Official (ECO) plan for officials elected prior to August 8, 2011 (the ECO plan was closed to new participants after that date).

All three IMRF benefit plans have two tiers. Employees hired before January 1, 2011 are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1.66% of the final rate of earnings for the first 15 years of service credit, plus 2.00% for each year of service credit after 15 years to a maximum of 75.00% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after 10 years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1.66% of the final rate of earnings for the first 15 years of service credit, plus 2.00% for each year of service credit after 15 years to a maximum of 75.00% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the lesser of:

- 3% of the original pension amount, or
- One-half of the increase in the Consumer Price Index of the original pension amount.

NOTE 10 PENSION PLANS (CONTINUED)

B. Benefits Provided (Continued)

2. Police Pension Fund

The Police Pension Plan provides retirement benefits as well as death and disability benefits. Policemen hired prior to January 1, 2011, are entitled to a specific set of retirement benefits. Employees under this tier attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive a monthly retirement benefit of one-half of the monthly salary attached to the rank held by the officer on the last day of service or for one year prior to the last day, whichever is greater. The monthly pension shall be increased by one-twelfth of 2.5% of such monthly salary for each additional month over 20 years of service through 30 years of service, to a maximum of 75% of such monthly salary. Employees with at least 8 years but less than 20 years of credited service may retire at or after age 60 and receive a reduced retirement benefit. The Police Pension Plan also provides for annual pension increases for beneficiaries as described in the Illinois Compiled Statutes, which is generally 3% of the original pension granted or 3% of the pension amount, depending on the individual's date of retirement.

Survivor benefits vary based on the timing of the participant's death. For duty related deaths, the benefit allowed for survivors is 100% of the salary earned at the time of death. For retirement and disability deaths, the benefit allowed to survivors is 100% of the benefit being received at the time of death. For survivors of participants who die in service, but not in the line of duty, the benefit is based on the years of service the participant had.

Under Illinois Public Act 096-1495, retirement benefits were revised for new officers hired on or after January 1, 2011. The normal retirement age for this tier of officers is 55, with an early retirement age of 50. Officers who enter into early retirement receive a 6% reduction for each year they retire prior to age 55. The salary used for retirement will be computed using an average salary representing the highest earning 8 consecutive years during the last 10 years of service. The salary amount is also limited to a ceiling of $106,800 with annual increases based on the consumer price index-u. Annual cost of living adjustments will be equal to the lesser of 3% or one-half of the annual unadjusted percentage increase of the consumer price index-u. Survivor benefits will be limited to two-thirds of the deceased pensioner's benefits at his or her date of death.

NOTE 10 PENSION PLANS (CONTINUED)

B. Benefits Provided (Continued)

3. Firemen's Pension Fund

The Firemen's Pension Plan provides retirement benefits as well as death and disability benefits. Firefighters hired prior to January 1, 2011, are entitled to a specific set of retirement benefits. Employees under this tier attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive a monthly retirement benefit of one-half of the monthly salary attached to the rank held in the fire service at the date of retirement. The monthly pension shall be increased by one-twelfth of 2.5% of such monthly salary for each additional month over 20 years of service through 30 years of service, to a maximum of 75.0% of such monthly salary. Employees with at least 10 years but less than 20 years of credited service may retire at or after age 60 and receive a reduced retirement benefit. The monthly pension of a firefighter who retired with 20 or more years of service after January 1, 1977, shall be increased annually, following the first anniversary date of retirement or upon reaching at least the age of 55, by 3% of the original pension and 3% compounded annually thereafter.

Survivor benefits vary based on the timing of the participant's death. For duty-related deaths, the benefit allowed for survivors is 100% of the salary earned at the time of death. For retirement, disability, and nonduty-related deaths, the benefit allowed for survivors is the greater of 54% of the participant's salary at the time of death or 100% of the benefit allowed if the participant had retired.

Under Illinois Public Act 096-1495, retirement benefits were revised for new firefighters hired on or after January 1, 2011. The normal retirement age for this tier of firefighters is 55, with an early retirement age of 50. Firefighters who enter into early retirement receive a 6% reduction for each year they retire prior to age 55. The salary used for retirement will be computed using an average salary representing the highest earning 8 consecutive years during the last 10 years of service. The salary amount is also limited to a ceiling of $106,800 with annual increases based on the consumer price index-u. Annual cost of living adjustments will be equal to the lesser of 3% or one-half of the annual unadjusted percentage increase of the consumer price index-u. Survivor benefits will be limited to two-thirds of the deceased pensioner's benefits at his or her date of death.

NOTE 10 PENSION PLANS (CONTINUED)

C. Employees Covered by Benefit Terms

As of December 31, 2015 and January 1, 2016 for the IMRF and Police and Firemen's Pension Plans, respectively, the following employees were covered by the benefit terms:

	IMRF			
	Regular	Elected County Officials	Police Pension Fund of Peoria	Firemen's Pension Fund of Peoria
Retirees and Beneficiaries Currently Receiving Benefits	620	1	242	207
Inactive Plan Members Entitled to but Not Yet Receiving Benefits	234	-	22	4
Active Plan Members	327	-	216	195
Total	1,181	1	480	406

D. Contributions

1. IMRF

As set by statute, the City's Regular Plan Members are required to contribute 4.5% of their annual covered salary. ECO employees participating in IMRF are required to contribute 7.5% of their covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The City's annual contribution rates for calendar year 2015 were 15.79% and 0% for RP and ECO, respectively. For the fiscal year ended December 31, 2016, the City contributed $3,321,215 to the plans. The City also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

2. Police Pension Fund

Covered employees are required to contribute 9.91% of their salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without interest. The City of Peoria is required to contribute the remaining amounts necessary to finance the plan at an actuarially determined rate. Effective January 1, 2011, Illinois Public Act 096-1495 changed the funding requirements to amortize the unfunded actuarial liability over a 30-year closed period with a target funding of 90% by 2040. For the year ended December 31, 2016, the City's contribution was 38.5% of covered payroll. For the fiscal year ended December 31, 2016, the City contributed $8,392,780 to the plan. The City's contributions are funded by property taxes levied for such purposes and an allocated share of replacement taxes collected by the City.

NOTE 10 PENSION PLANS (CONTINUED)

D. Contributions (Continued)

2. Police Pension Fund (Continued)

The current legislation also requires actuarial gains and losses experienced from investment returns to be recognized using a five-year smoothing method. The actuarially determined contribution presented in the Schedule of Employer Contributions is derived from the actuarial valuation by the plan's actuary. The actual employer contribution is based on the actuarially determined employer contribution calculated by the Illinois Department of Insurance's actuary based on the funding requirements of Illinois Public Act 096-1495, as described above, and approved by the City of Peoria for funding purposes.

3. Firemen's Pension Fund

Covered employees are required to contribute 9.455% of their salary to the Firemen's Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without interest. The City of Peoria is required to contribute the remaining amounts necessary to finance the plan at an actuarially determined rate. Effective January 1, 2011, Illinois Public Act 096-1495 changed the funding requirements to amortize the unfunded actuarial liability over a 30-year closed period with a target funding of 90% by 2040. For the year ended December 31, 2016, the City's contribution was 44.7% of covered payroll. For the fiscal year ended December 31, 2016, the City contributed $7,801,323 to the plan. The City's contributions are funded by property taxes levied for such purposes and an allocated share of replacement taxes collected by the City.

The current legislation also requires actuarial gains and losses experienced from investment returns to be recognized using a five-year smoothing method. The actuarially determined contribution presented in the Schedule of Employer Contributions is derived from the actuarial valuation by the plan's actuary. The actual employer contribution is based on the actuarially determined employer contribution calculated by the Illinois Department of Insurance's actuary based on the funding requirements of Illinois Public Act 096-1495, as described above, and approved by the City of Peoria for funding purposes.

NOTE 10 PENSION PLANS (CONTINUED)

E. Net Pension Liability

The City's net pension liability for the IMRF was measured as of December 31, 2015. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

For the Police and Firemen's Pension Funds, the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2015, updated to December 31, 2015.

Actuarial Assumptions:

1. IMRF

The following are the methods and assumptions used to determine total pension liability at December 31, 2015:

- The Actuarial Cost Method used was Entry Age Normal.
- The Asset Valuation Method used was Market Value of Assets.
- The Inflation Rate was assumed to be 2.75%.
- Salary Increases were expected to be 3.75% to 14.50%, including inflation.
- The Investment Rate of Return was assumed to be 7.47% for RP and 7.50% for ECO.
- Projected Retirement Age was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2014 valuation according to an experience study from years 2011 to 2013.
- The IMRF-specific rates for Mortality (for nondisabled retirees) were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience.
- For Disabled Retirees, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustments that were applied for nondisabled lives.
- For Active Members, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

NOTE 10 PENSION PLANS (CONTINUED)

E. Net Pension Liability (Continued)

1. IMRF (Continued)

- The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Portfolio Target Percentage	Long-Term Expected Real Rate of Return
Equities	38 %	7.39 %
International Equities	17	7.59
Fixed Income	27	3.00
Real Estate	8	6.00
Alternatives	9	N/A
Private Equity	N/A	8.15
Hedge Funds	N/A	5.25
Commodities	N/A	2.75
Cash Equivalents	1	2.25
Total	100 %	

2. Police Pension Fund

The total pension liability was determined by an actuarial valuation as of January 1, 2015, updated to December 31, 2015, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary Increases	4.00% - 11.00%
Investment Rate of Return	6.75%

Mortality Rates

The RP-2000 Combined Healthy Annuitant Mortality Table with Blue Collar Adjustment for Males and Females, projected to 2015 using Scale AA, was used for active employees and pensioners. The RP-2000 Disabled Retiree Annuitant Mortality Table, projected to 2015 using Scale AA, was used for disabled police officers.

NOTE 10 PENSION PLANS (CONTINUED)

E. Net Pension Liability (Continued)

2. Police Pension Fund (Continued)

Long-Term Expected Rate of Return

Determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of the arithmetic real rates of return for each major asset class included in the plan's target asset allocation as of December 31, 2015 are summarized in the following table:

Asset Class	Portfolio Target Percentage	Long-Term Expected Real Rate of Return
Fixed Income	35 %	2.0 %
U.S. Equity	30	5.6 %
International Equity	20	5.9 %
Global Tactical	5	4.0 %
Real Estate - Core	10	5.4 %
Total	100 %	

3. Firemen's Pension Fund

The total pension liability was determined by an actuarial valuation as of January 1, 2015, updated to December 31, 2015, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary Increases	4.00% - 12.00%
Investment Rate of Return	6.75%

Mortality Rates

The RP-2000 Combined Healthy Annuitant Mortality Table with Blue Collar Adjustment for Males and Females, projected to 2015, was used for active employees and pensioners. The RP-2000 Disabled Retiree Annuitant Mortality Table, projected to 2015, was used for disabled firefighters.

NOTE 10 PENSION PLANS (CONTINUED)

E. Net Pension Liability (Continued)

3. Firemen's Pension Fund (Continued)

Long-Term Expected Rate of Return

Determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of the arithmetic real rates of return for each major asset class included in the plan's target asset allocation as of December 31, 2015, are summarized in the following table:

Asset Class	Portfolio Target Percentage	Long-Term Expected Real Rate of Return
Equities	20 %	N/A
U.S. Large Cap Equity	N/A	9.04 %
U.S. Mid Cap Equity	N/A	9.54 %
U.S. Small Cap Equity	N/A	10.04 %
Fixed Income	30	4.48 %
Non-U.S. Developed Equity	N/A	8.75 %
Emerging Markets	N/A	10.54 %
REITS	-	8.00 %
Cash	2	3.38 %

F. Discount Rate

1. IMRF

Discount rates of 7.47% and 7.50% for RP and ECO, respectively, were used to measure the total pension liability. The projection of cash flow used to determine these discount rates assumed that the plan members' contributions will be made at the current contribution rates, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The discount rates reflect:

a. The long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and

NOTE 10 PENSION PLANS (CONTINUED)

F. Discount Rate (Continued)

1. IMRF (Continued)

b. The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

c. For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.50%, the municipal bond rate is 3.57%, and the resulting single discount rate is 7.47% for RP and 7.50% for ECO.

2. Police and Firemen's Pension Funds

The discount rate used to measure the total pension liability for the Police and Firemen's Pension Funds was 6.75%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the plans' fiduciary net positions were projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rates of return on the pension plans' investments were applied to all periods of projected benefit payments to determine the total pension liability.

G. Changes in Net Pension Liability

1. IMRF

	Regular		
	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A)-(B)
Balances - December 31, 2015	$ 199,770,413	$ 181,067,000	$ 18,703,413
Changes for the Year:			
Service Cost	2,144,857	-	2,144,857
Interest on the Total Pension Liability	14,565,127	-	14,565,127
Differences Between Expected and Actual Experience of the Total Pension Liability	67,190	-	67,190
Changes of Assumptions	222,020	-	222,020
Contributions - Employer	-	3,253,495	(3,253,495)
Contributions - Employees	-	993,750	(993,750)
Net Investment Income	-	13,449,388	(13,449,388)
Difference Between Projected and Actual Investment Income	-	(9,310,270)	9,310,270
Benefit Payments, including Refunds of Employee Contributions	(12,244,879)	(12,244,879)	-
Administrative Expenses	-	427,834	(427,834)
Other (Net Transfer)	-	9,569	(9,569)
Net Changes	4,754,315	(3,421,113)	8,175,428
Balances - December 31, 2016	$ 204,524,728	$ 177,645,887	$ 26,878,841

NOTE 10 PENSION PLANS (CONTINUED)

G. Changes in Net Pension Liability (Continued)

1. IMRF (Continued)

The changes in net pension liability above are the aggregated information of the Regular Plan and the Elected County Official Plan. Disaggregated information for the Elected County Official's Plan as of December 31, 2015 is not available and is not material to the City's financial statements.

H. Police Pension Fund

	Police Pension Fund		
	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A)-(B)
Balances - December 31, 2014	$ 287,805,164	$ 162,000,492	$ 125,804,672
Changes for the Year:			
Service Cost	5,674,027	-	5,674,027
Interest	19,336,470	-	19,336,470
Differences Between Expected and Actual Experience	(705,419)	-	(705,419)
Changes of Assumptions	22,350,503	-	22,350,503
Contributions - Employer	-	7,858,832	(7,858,832)
Contributions - Member	-	1,821,130	(1,821,130)
Net Investment Income	-	283,989	(283,989)
Benefit Payments, Including Refunds of Member Contributions	(14,025,942)	(14,025,942)	-
Administrative Expenses	-	(239,695)	239,695
Other Changes	-	(6,639,711)	6,639,711
Net Changes	32,629,639	(10,941,397)	43,571,036
Balances - December 31, 2015	$ 320,434,803	$ 151,059,095	$ 169,375,708

NOTE 10 PENSION PLANS (CONTINUED)

I. Firemen's Pension Fund

	Firemen's Pension Fund		
	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A)-(B)
Balances - December 31, 2014	$ 236,338,944	$ 133,005,956	$ 103,332,988
Changes for the Year:			
Service Cost	5,422,677	-	5,422,677
Interest	15,919,124	-	15,919,124
Differences Between Expected and Actual Experience	(948,750)	-	(948,750)
Changes of Assumptions	18,912,421	(475,512)	19,387,933
Contributions - Employer	-	7,153,055	(7,153,055)
Contributions - Member	-	1,604,147	(1,604,147)
Contributions - Buy Back	86,500	86,500	-
Net Investment Income	-	(1,485,243)	1,485,243
Benefit Payments, Including Refunds of Member Contributions	(11,845,503)	(11,845,503)	-
Administrative Expenses	-	(127,903)	127,903
Other	-	(6,043,450)	6,043,450
Net Changes	27,546,469	(11,133,909)	38,680,378
Balances - December 31, 2015	$ 263,885,413	$ 121,872,047	$ 142,013,366

J. Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability, calculated using a discount rate of 7.47% for IMRF's RP plan, and 6.75% for both the Police and Firemen's Pension Funds, as well as what the plan's net pension liability would be if it were calculated using discount rates that are 1.00% lower or 1.00% higher:

	1% Decrease		Current Discount		1% Increase	
	Rate	NPL	Rate	NPL	Rate	NPL
IMRF	6.47 %	$ 51,685,197	7.47 %	$ 26,878,841	8.47 %	$ 6,285,126
Police Pension Fund	5.75	214,620,136	6.75	169,375,708	7.75	132,122,192
Firemen's Pension Fund	5.75	178,126,890	6.75	142,013,366	7.75	112,444,564

The analysis above for IMRF is the aggregated information of the Regular Plan and Elected County Official Plan. Disaggregated information was not available.

NOTE 10 PENSION PLANS (CONTINUED)

K. Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

1. IMRF

For the year ended December 31, 2016, the City recognized pension expense of $6,138,139. At December 31, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred Amounts Related to Pensions	Deferred Outflows of Resources	Deferred Inflows of Resources
Deferred Amounts to be Recognized in Pension Expense in Future Periods:		
Differences Between Expected and Actual Experience	$ 86,569	$ 345,713
Changes of Assumptions	2,475,079	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	8,444,490	-
Total Deferred Amounts to be Recognized in Pension Expense in future Periods	11,006,138	345,713
Pension Contributions Made Subsequent to the Measurement Date	3,321,215	-
Total Deferred Amounts Related to Pensions	$ 14,327,353	$ 345,713

$3,321,215 reported as deferred outflows of resources related to pensions resulting from the City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2017.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

Year Ending December 31,	Net Deferred Outflows/Inflows of Resources
2016	$ 4,295,945
2017	2,308,281
2018	2,194,145
2019	1,862,054
Total	$ 10,660,425

NOTE 10 PENSION PLANS (CONTINUED)

K. Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions (Continued)

2. Police Pension Fund

For the year ended December 31, 2016 the City recognized pension expense of $21,685,356. On December 31, 2016 the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred Amounts Related to Pensions	Deferred Outflows of Resources	Deferred Inflows of Resources
Deferred Amounts to be Recognized in Pension Expense in Future Periods:		
Differences Between Expected and Actual Experience	$ -	$ 564,336
Changes in Assumptions	22,166,953	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	10,501,156	-
Total Deferred Amounts to be Recognized Expense in Future Periods	32,668,109	564,336
Pension Contributions Made Subsequent to the Measurement Date	8,392,780	-
Total Deferred Amounts Related to Pensions	$ 41,060,889	$ 564,336

$8,392,780 reported as deferred outflows of resources related to pensions resulting from the City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2017.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

Year Ending December 31,	Net Deferred Outflows/Inflows of Resources
2017	$ 8,588,379
2018	8,588,379
2019	8,588,379
2020	6,338,636
Total	$ 32,103,773

CITY OF PEORIA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2016

NOTE 10 PENSION PLANS (CONTINUED)

K. Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions (Continued)

3. Firemen's Pension Fund

For the year ended December 31, 2016 the City recognized pension expense of $17,111,426. On December 31, 2016 the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred Amounts Related to Pensions	Deferred Outflows of Resources	Deferred Inflows of Resources
Deferred Amounts to be Recognized in Pension Expense in Future Periods:		
Differences Between Expected and Actual Experience	$ -	$ 790,625
Changes in Assumptions	15,760,350	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	10,036,007	-
Total Deferred Amounts to be Recognized Expense in Future Periods	25,796,357	790,625
Pension Contributions Made Subsequent to the Measurement Date	7,801,323	-
Total Deferred Amounts Related to Pensions	$ 33,597,680	$ 790,625

$7,801,323 reported as deferred outflows of resources related to pensions resulting from the City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2017.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

Year Ending December 31,	Net Deferred Outflows/Inflows of Resources
2017	$ 5,678,114
2018	5,678,115
2019	5,678,115
2020	4,977,443
2021	2,993,945
Total	$ 25,005,732

NOTE 11 COMMITMENTS – PRIMARY GOVERNMENT

A. Peoria Civic Center Authority

The intergovernmental agreement between the City and the Peoria Civic Center Authority (the Civic Center) titled "2016 Intergovernmental Agreement Between the City of Peoria and the Peoria Civic Center Authority" was entered into on August 9, 2016 and replaced the previous 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, 2016, the City recognized $1,350,208 as subsidies to the Civic Center.

B. 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, 2016, the City recognized $592,500 as subsidies to the Convention Bureau. These amounts have been reflected as expenditures within the General Fund.

C. Arts Partners

Per City Council agreement, effective August 2002, 2.5% of restaurant taxes are being distributed to the nonprofit organization, Arts Partners. During the year ended December 31, 2016, the City recognized $100,000 as subsidies to the organization.

D. 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, 2016, the City recognized $775,505 as subsidies to this fund.

E. General Fund

The City entered into an agreement with Illinois Central College (ICC) for the usage of 355 parking spaces. ICC paid an advance for these spaces for a 20-year period. The remaining advance as of December 31, 2016 was $484,372 and the City recognized $193,750 as revenue in the current year.

NOTE 11 COMMITMENTS – PRIMARY GOVERNMENT (CONTINUED)

F. Various Contract Commitments

The City has commitments of $3,448,557 on various contracts for public works purposes to be expended after year-end.

NOTE 12 CONDUIT DEBT OBLIGATIONS

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

As of December 31, 2016, there were no bonds outstanding.

NOTE 13 CONTINGENCIES

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

NOTE 14 OTHER COMPONENT UNIT DISCLOSURES

A. Peoria Civic Center Authority of Peoria, Illinois

All disclosures for the Civic Center are as of and for the year ended August 31, 2016.

1. 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.

NOTE 14 OTHER COMPONENT UNIT DISCLOSURES (CONTINUED)

A. Peoria Civic Center Authority of Peoria, Illinois (Continued)

2. Long-Term Debt

Long-term debt consists of a secured note payable to a bank in the original amount of $1,100,000, requiring monthly installments of $9,167 plus interest at LIBOR plus 1.75% per year, which at August 31, 2016 was 2.24%, with final payment due March 1, 2022, and a capital lease for a scoreboard and a portion of a suite remodel, requiring monthly principal payments of $20,006 plus interest at LIBOR plus 1.75% per year, which at August 31, 2016 was 2.24%, with final payment due December 2017. The scoreboard acquired under this lease was capitalized at an original cost of $1,279,948 and has accumulated depreciation of $1,097,098 at August 31, 2016. The suite remodel was part of a larger project whose total capitalized cost was $1,151,721 and has accumulated depreciation of $652,642 at August 31, 2016.

Future maturities of long-term debt are as follows:

Year Ending August 31,	Principal	Interest	Total
2017	$ 350,077	$ 26,069	$ 376,146
2018	190,028	16,850	206,878
2019	110,004	12,546	122,550
2020	110,004	8,531	118,535
2021	110,004	4,516	114,520
2022	64,130	781	64,911
Total	$ 934,247	$ 69,293	$ 1,003,540

3. 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.

B. Springdale Cemetery Management Authority

1. 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.

CITY OF PEORIA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2016

NOTE 14 OTHER COMPONENT UNIT DISCLOSURES (CONTINUED)

B. Springdale Cemetery Management Authority (Continued)

1. Capital Assets (Continued)

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

	Years
Buildings and Improvements	39
Land Improvements	20
Software, Furniture, and Equipment	3 - 7

2. Unearned Revenue

Unearned revenue as of December 31, 2016 consists of pre-need service revenue that has not yet been earned as the service has not yet been performed.

3. Restricted Net Position

This includes resources that the Authority is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties. When both restricted and unrestricted resources are available for use, it is the Authority's policy to use restricted resources first, then unrestricted resources when they are needed. Restricted net position as of December 31, 2016 amounted to $263,633 and is comprised of amounts endowed to the Cemetery, earnings on which are designated to be used for purposes specified by the donor, such as purchase and placement of flowers on individual graves.

4. In-Kind Contributions and Donated Services

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

5. Risk Management

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

NOTE 15 OTHER POSTEMPLOYMENT BENEFITS

A. Plan Description

The City sponsors a single-employer health care plan that provides self-insured medical, prescription drugs, and dental benefits to all active and pre-65 retired employees and their eligible dependents. For post-65 retired employees, the City offers a fully-insured Medicare Supplement Plan. Policemen and firefighters must be a minimum of age 50 with 20 or more years of service to be eligible for retiree benefits. All other employees must be a minimum of age 60 with five or more years of service to be eligible for retiree benefits. Eligible retirees and their dependents receive health care coverage through a PPO plan. The plan is a pay-as-you-go contributory health insurance program with post-65 and pre-65 retiree's contributions making up 80% and 85%, respectively, of the funding (less age/service discounts). The City's contributions are established by the Joint Labor/Management Healthcare Committee, which was established in 1994 by various unions representing City employees and representative nonunion City employees. The Committee is made up of 16 voting members appointed by these parties. The provisions of this plan may only be modified upon the unanimous agreement of all of the voting members of the Committee and approval by the City Council. The plan does not issue separate financial statements.

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 under age 65 receive a 20% 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.

B. Funding Policy

The City establishes and amends contribution requirements.

The current funding policy of the City is to pay health claims as they occur, pay as you go. Under GASB Statement No. 45, the City recognizes the cost of postemployment health care benefits in the year in which the employee services are provided and reports the accumulated liability from prior years. The City has assigned funds to pay for future OPEB obligations. These assigned funds are held in the General Fund and do not qualify as OPEB plan assets.

NOTE 15 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

B. Funding Policy (Continued)

The required contribution is based on projected pay-as-you-go financing. The General Fund has assigned fund balance of $21,033,209 for other postemployment benefits.

Resources of the General Fund, the Peoria Public Library Fund, and Peoria Township will be used to liquidate the combined net other postemployment benefits obligation for the City of Peoria, Peoria Public Library, and Peoria Township.

C. Annual OPEB Cost and Net OPEB Obligation

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

Annual Required Contribution	$ 9,130,736
Interest on Net OPEB Obligation	2,547,602
Adjustment to Annual Required Contribution	(2,161,951)
Annual OPEB Cost	9,516,387
Contributions and Payments Made	(1,180,325)
Increase in Net OPEB Obligation	8,336,062
Net OPEB Obligation - Beginning of Year	66,146,292
Net OPEB Obligation - End of Year	$ 74,482,354

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2016 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, 2016	$ 9,516,387	12.41 %	$ 74,482,354
December 31, 2015	9,516,387	12.41	66,146,292
December 31, 2014	10,038,860	24.29	57,811,234

NOTE 15 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

D. Funded Status and Funding Progress

As of December 31, 2015, the most recent valuation date, the plan was 0% funded. The actuarial accrued liability for benefits was $82.8 million and the actuarial value of assets is none resulting in an unfunded actuarial accrued liability (UAAL) of $82.8. The covered payroll (annual payroll of active employees covered by the plan) was $64.9 million, and the ratio of the UAAL to the covered payroll was 127.7%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the health care cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

E. Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and included the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the December 31, 2015 actuarial valuation, the projected unit credit method was used. The actuarial assumptions included a 4.5% investment rate of return (net of administrative expenses) which is based on the expected long-term investment return of the employer's own investments used to pay plan benefits, discount rate of 4.5%, salary scale of 3.5%, general inflation rate of zero, and an annual health care cost trend rate of 10.0% reduced by decrements of 0.5% annually to an ultimate rate of 5.0%. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The amortization of UAAL is done over a period of 30 years.

NOTE 16 RESTATEMENTS

During the year, the City determined it had incorrectly recorded capital assets, accounts receivable, and accounts payable in a prior fiscal year. It was determined the primary governmental activities for the year ended December 31, 2015 was understated by $443,114 and the aggregate remaining funds were overstated by $443,113. Additionally, the City determined it had incorrectly recorded deferred outflows of resources in a prior fiscal year. It was determined the primary governmental activities for the year ended December 31, 2015 was understated by $1,209,411. Furthermore, the City determined it had incorrectly recorded capital expenditures in a prior fiscal year. It was determined the Capital Improvements Fund was overstated by $480,879 and the aggregate remaining funds were understated by $480,879.

	Governmental Activities
Net Position - Beginning of Year, As Previously Reported	$ (122,926,345)
Adjustment for Accounts Receivable	443,114
Adjustment for Accounts Payable	(886,227)
Adjustment for Capital Assets	886,227
Adjustment for Deferred Outflows of Resources	1,209,411
Net Position - Beginning of Year, As Restated	$ (121,273,820)

	Capital Improvements Fund
Fund Balance - Beginning of Year, As Previously Reported	$ (2,179,166)
Adjustment for Capital Expenditures	(480,879)
Fund Balance - Beginning of Year, As Restated	$ (2,660,045)

	Aggregate Remaining Funds
Fund Balance - Beginning of Year, As Previously Reported	$ 9,371,676
Adjustment for Capital Expenditures	480,879
Adjustment for Accounts Receivable	443,114
Adjustment for Accounts Payable	(886,227)
Fund Balance - Beginning of Year, As Restated	$ 9,409,442

CITY OF PEORIA, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – GENERAL FUND
YEAR ENDED DECEMBER 31, 2016

	General Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Property Taxes	$ 1,341,731	$ 1,341,731	$ 1,363,832	$ 22,101
Corporate Personal Property Replacement Taxes	3,459,574	3,459,574	2,852,919	(606,655)
State Sales Taxes	24,458,800	24,458,800	24,385,127	(73,673)
State Income Tax Allocation	11,800,000	11,800,000	11,048,815	(751,185)
Home Rule Sales Taxes	24,534,092	24,534,092	23,347,159	(1,186,933)
Hotel, Restaurant, and Amusement Taxes	8,412,500	8,412,500	9,396,323	983,823
Utility Taxes	3,933,400	3,933,400	3,509,481	(423,919)
Governmental Grants and Reimbursements	303,076	769,744	706,740	(63,004)
Licenses and Permits	2,411,655	2,896,355	3,325,420	429,065
Service Charges/Fines/Fees	7,792,379	11,283,279	9,072,832	(2,210,447)
Loan Repayment	-	-	103,056	103,056
Rental	101,000	101,000	171,966	70,966
Interest	91,500	91,500	178,074	86,574
Other	4,468,900	2,548,900	2,678,755	129,855
Total Revenues	93,108,607	95,630,875	92,140,499	(3,490,376)
EXPENDITURES				
Current:				
Elective Offices, Boards, Commissions, and Agencies	1,372,551	1,604,883	1,575,000	29,883
City Administration	18,387,828	7,272,639	7,125,740	146,899
Police	27,200,726	29,071,329	29,858,548	(787,219)
Fire	20,599,502	22,141,992	22,433,340	(291,348)
Public Works	13,562,939	14,411,164	14,720,674	(309,510)
Community Development	4,194,233	4,740,880	5,669,833	(928,953)
Public Safety	3,823,467	4,249,278	4,440,116	(190,838)
General Government	93,765	3,533,328	2,929,978	603,350
Library	-	493,141	442,203	50,938
Debt Service:				
Interest and Fiscal Charges	-	-	-	-
Total Expenditures	89,235,011	87,518,634	89,195,432	(1,676,798)
Excess (Deficiency) of Revenues Over Expenditures	3,873,596	8,112,241	2,945,067	(5,167,174)
OTHER FINANCING SOURCES (USES)				
Transfers In	2,366,000	2,366,000	2,300,785	(65,215)
Transfers Out	(8,231,303)	(8,326,303)	(8,412,706)	(86,403)
Total Other Financing Sources (Uses)	(5,865,303)	(5,960,303)	(6,111,921)	(151,618)
Net Change in Fund Balance	$ (1,991,707)	$ 2,151,938	(3,166,854)	$ (5,318,792)
Fund Balance - Beginning of Year			47,917,425	
Fund Balance - End of Year			$ 44,750,571	

CITY OF PEORIA, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – ILLINOIS MUNICIPAL RETIREMENT FUND
YEAR ENDED DECEMBER 31, 2016

	Illinois Municipal Retirement Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Property Taxes	$ 4,777,947	$ 4,777,947	$ 3,171,694	$ (1,606,253)
Corporate Personal Property Replacement Taxes	1,084,444	1,084,444	726,153	(358,291)
State Sales Taxes	-	-	-	-
State Income Tax Allocation	-	-	-	-
Home Rule Sales Taxes	-	-	-	-
Hotel, Restaurant, and Amusement Taxes	-	-	-	-
Utility Taxes	-	-	-	-
Governmental Grants and Reimbursements	-	-	-	-
Licenses and Permits	-	-	-	-
Service Charges/Fines/Fees	-	-	-	-
Loan Repayment	-	-	-	-
Rental	-	-	-	-
Interest	-	-	2,769	2,769
Other	-	-	-	-
Total Revenues	5,862,391	5,862,391	3,900,616	(1,961,775)
EXPENDITURES				
Current:				
Elective Offices, Boards, Commissions, and Agencies	-	171,134	126,565	44,569
City Administration	-	787,719	582,573	205,146
Police	-	348,934	258,061	90,873
Fire	-	76,924	56,891	20,033
Public Works	-	1,255,802	928,753	327,049
Community Development	-	352,997	261,066	91,931
Public Safety	-	803,927	594,560	209,367
General Government	6,706,522	-	6,522	(6,522)
Library	-	693,304	512,746	180,558
Debt Service:				
Interest and Fiscal Charges	-	-	215,248	215,248
Total Expenditures	6,706,522	4,490,741	3,542,985	1,378,252
Excess (Deficiency) of Revenues Over Expenditures	(844,131)	1,371,650	357,631	(1,014,019)
OTHER FINANCING SOURCES (USES)				
Transfers In	844,131	844,131	565,568	(278,563)
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	844,131	844,131	565,568	(278,563)
Net Change in Fund Balance	$ -	$ 2,215,781	923,199	$ (1,292,582)
Fund Balance - Beginning of Year			(7,224,314)	
Fund Balance - End of Year			$ (6,301,115)	

CITY OF PEORIA, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – POLICE AND FIRE PENSION LEVY FUND
YEAR ENDED DECEMBER 31, 2016

	Police and Fire Pension Levy Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Property Taxes	$ 13,673,049	$ 13,673,049	$ 13,555,806	$ (117,243)
Corporate Personal Property Replacement Taxes	2,637,399	2,637,399	2,637,400	1
State Sales Taxes	-	-	-	-
State Income Tax Allocation	-	-	-	-
Home Rule Sales Taxes	-	-	-	-
Hotel, Restaurant, and Amusement Taxes	-	-	-	-
Utility Taxes	-	-	-	-
Governmental Grants and Reimbursements	-	-	-	-
Licenses and Permits	-	-	-	-
Service Charges/Fines/Fees	-	-	-	-
Loan Repayment	-	-	-	-
Rental	-	-	-	-
Interest	-	-	903	903
Other	-	-	-	-
Total Revenues	16,310,448	16,310,448	16,194,109	(116,339)
EXPENDITURES				
Current:				
Elective Offices, Boards, Commissions, and Agencies	-	-	-	-
City Administration	-	-	-	-
Police	8,453,103	8,453,103	8,392,780	60,323
Fire	7,857,345	7,857,345	7,801,323	56,022
Public Works	-	-	-	-
Community Development	-	-	-	-
Public Safety	-	-	-	-
General Government	-	-	-	-
Library	-	-	-	-
Debt Service:				
Interest and Fiscal Charges	-	-	-	-
Total Expenditures	16,310,448	16,310,448	16,194,103	116,345
Excess (Deficiency) of Revenues Over Expenditures	-	-	6	6
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balance	$ -	$ -	6	$ 6
Fund Balance - Beginning of Year			-	
Fund Balance - End of Year			$ 6	

CITY OF PEORIA, ILLINOIS
SCHEDULE OF CHANGES IN THE FUND'S NET PENSION LIABILITY AND RELATED RATIOS
POLICE PENSION FUND OF PEORIA
FISCAL YEARS ENDED DECEMBER 31, 2016 AND 2015

	2015	2014
Total Pension Liability:		
Service Cost	$ 5,674,027	$ 5,251,316
Interest	19,336,470	18,171,879
Differences Between Expected and Actual Experience	(705,419)	-
Changes in Assumptions	22,350,503	-
Contributions - Buy Back	-	24,328
Benefit Payments, Including Refunds of Plan Member Contributions	(14,025,943)	(13,496,601)
Net Change in Total Pension Liability	32,629,638	9,950,922
Total Pension Liability - Beginning	287,805,165	277,854,243
Total Pension Liability - Ending	$ 320,434,803	$ 287,805,165
Plan Fiduciary Net Position:		
Employer Contributions	$ 7,858,832	$ 7,819,927
Member Contributions	1,821,130	1,877,977
Contributions - Buy Back	-	24,328
Net Investment Income	283,989	6,523,587
Benefit Payments, Including Refunds of Plan Member Contributions	(14,025,942)	(13,496,601)
Administrative Expenses	(239,695)	(185,810)
Other Changes	-	4,376
Net Change in Plan Fiduciary Net Position	(4,301,686)	2,567,784
Plan Fiduciary Net Position - Beginning	162,000,492	152,792,997
Receivable Adjustment	(6,639,711)	6,639,711
Plan Fiduciary Net Position - Ending	$ 151,059,095	$ 162,000,492
Fund's Net Pension Liability	$ 169,375,708	$ 125,804,673
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	47.14%	56.29%
Covered-Employee Payroll	$ 18,376,690	$ 17,693,091
Fund's Net Pension Liability as a Percentage of Covered-Employee Payroll	921.69%	711.04%

Year Ended December 31, 2015 - Plan Net Position as of the beginning of the year for 2015 has been restated by $6,639,711 to remove the employer receivable contribution. There was a change with respect to the actuarial assumptions related to the mortality assumption. It included $7,144,252 that was the result of updating the mortality table for 2014 to better reflect anticipated mortality experience in the future. There was also a change with respect to the discount rate with the lowering of the rate from 6.75% to 6.14%.

Additional years will be added to this schedule until 10 years of data is presented.

CITY OF PEORIA, ILLINOIS
POLICE PENSION FUND OF PEORIA
SCHEDULE OF FUND CONTRIBUTIONS
DECEMBER 31, 2016

Fiscal Year	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered-Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
2016	$ 11,782,708	$ 8,392,780	$ 3,389,928	$ 21,816,024	38.50 %
2015	10,789,431	7,858,832	2,930,599	18,376,690	42.77
2014	8,000,452	7,819,927	180,525	17,693,091	44.20
2013	7,744,750	6,471,829	1,272,921	18,628,745	34.74
2012	5,936,531	5,061,727	874,804	17,254,113	29.34
2011	4,773,412	5,199,707	(426,295)	16,736,677	31.07
2010	4,204,204	4,609,645	(405,441)	16,494,393	27.95
2009	2,660,990	3,898,651	(1,237,661)	16,723,267	23.31
2008	2,529,390	3,428,237	(898,847)	16,061,815	21.34
2007	2,285,435	3,230,855	(945,420)	15,241,498	21.20

The actuarially determined contribution and recognized employer contribution are presented in accordance with GASB Statement No. 25 for fiscal years 2013 and prior.

The actuarially determined contribution and recognized employer contribution are presented in accordance with GASB Statement No. 67 for fiscal years 2014 and 2015.

N/A - information not available

CITY OF PEORIA, ILLINOIS
POLICE PENSION FUND OF PEORIA
SCHEDULE OF INVESTMENT RETURNS
DECEMBER 31, 2016

Fiscal Year	Annual Money-Weighted Rate of Return, Net of Investment Expense
2015	0.02 %
2014	4.14 %

Additional years will be added to this schedule until 10 years of data is presented.

CITY OF PEORIA, ILLINOIS
SCHEDULE OF CHANGES IN THE FUND'S NET PENSION LIABILITY AND RELATED RATIOS
FIREMEN'S PENSION FUND OF PEORIA
FISCAL YEARS ENDED DECEMBER 31, 2016 AND 2015

	2015	2014
Total Pension Liability:		
Service Cost	$ 5,422,677	$ 5,269,553
Interest	15,919,124	15,307,714
Differences Between Expected and Actual Experience	(948,750)	-
Changes of Assumptions	18,912,421	-
Contributions - Buy Back	86,500	-
Benefit Payments, Including Refunds of Plan Member Contributions	(11,845,503)	(11,499,439)
Net Change in Total Pension Liability	27,546,469	9,077,828
Total Pension Liability - Beginning	236,338,944	227,261,116
Total Pension Liability - Ending	$ 263,885,413	$ 236,338,944
Plan Fiduciary Net Position:		
Employer Contributions	$ 7,153,055	$ 6,601,502
Member Contributions	1,604,147	1,580,125
Contributions - Buy Back	86,500	-
Net Investment Income	(1,485,243)	5,224,390
Benefit Payments, Including Refunds of Plan Member Contributions	(11,845,503)	(11,499,439)
Change of Assumptions	(475,512)	-
Administrative Expenses	(127,903)	(105,120)
Net Change in Plan Fiduciary Net Position	(5,090,459)	1,801,458
Plan Fiduciary Net Position - Beginning	133,005,956	131,204,498
Receivable Adjustment	(6,043,450)	-
Plan Fiduciary Net Position - Ending	$ 121,872,047	$ 133,005,956
Fund's Net Pension Liability	$ 142,013,366	$ 103,332,988
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	46.18%	56.28%
Covered-Employee Payroll	$ 16,966,124	$ 15,950,315
Fund's Net Pension Liability as a Percentage of Covered-Employee Payroll	837.04%	647.84%

Year Ended December 31, 2015 - Plan Net Position as of the beginning of the year for 2015 has been restated by $6,043,450 to remove the employer receivable contribution. There was a change with respect to the discount rate with the lowering of the rate from 6.75% to 6.10%.

Additional years will be added to this schedule until 10 years of data is presented.

CITY OF PEORIA, ILLINOIS
FIREMEN'S PENSION FUND OF PEORIA
SCHEDULE OF FUND CONTRIBUTIONS
DECEMBER 31, 2016

Fiscal Year	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency	Covered-Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
2016	$ 10,909,974	$ 7,801,323	$ 3,108,651	$ 17,443,131	44.70 %
2015	9,790,315	7,153,055	2,637,260	16,966,124	42.16
2014	8,825,900	7,193,534	1,632,366	15,950,315	45.10
2013	7,510,977	7,317,319	193,658	15,155,298	48.28
2012	6,815,026	6,463,705	351,321	14,659,650	44.09
2011	6,814,550	6,745,308	69,242	14,071,164	47.94
2010	5,681,839	5,641,164	40,675	13,575,743	41.55
2009	5,067,851	5,040,842	27,009	14,202,691	35.49
2008	4,852,115	4,844,783	7,332	13,204,082	36.69
2007	4,307,276	4,296,580	10,696	12,643,538	33.98

The actuarially determined contribution and recognized employer contribution are presented in accordance with GASB Statement No. 25 for fiscal years 2013 and prior.

The actuarially determined contribution and recognized employer contribution are presented in accordance with GASB Statement No. 67 for fiscal years 2014 and 2015.

N/A - information not available

CITY OF PEORIA, ILLINOIS
FIREMEN'S PENSION FUND OF PEORIA
SCHEDULE OF INVESTMENT RETURNS
DECEMBER 31, 2016

Fiscal Year	Annual Money-Weighted Rate of Return, Net of Investment Expense
2015	(1.14)%
2014	4.41 %

Additional years will be added to this schedule until 10 years of data is presented.

CITY OF PEORIA, ILLINOIS
OTHER POSTEMPLOYMENT BENEFIT PLAN
DECEMBER 31, 2016

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded (Over-funded) AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
12/31/2015	$ -	$ 82,810,757	$ 82,810,757	- %	$ 64,859,194	127.7 %
12/31/2013	-	88,000,000	88,000,000	-	60,575,779	145.3 %
12/31/2011	-	99,500,000	99,500,000	-	61,400,000	162.1 %

CITY OF PEORIA, ILLINOIS
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
ILLINOIS MUNICIPAL RETIREMENT FUND
FISCAL YEARS ENDED DECEMBER 31, 2016 AND 2015

	2015	2014
Total Pension Liability:		
Service Cost	$ 2,144,857	$ 2,208,213
Interest on the Total Pension Liability	14,565,127	13,828,139
Difference Between Expected and Actual Experience of the Total Pension Liability	67,190	(864,403)
Changes of Assumptions	222,020	7,169,988
Benefit Payments, Including Refunds of Employee Contributions	(12,244,879)	(11,685,199)
Net Change in Total Pension Liability	4,754,315	10,656,738
Total Pension Liability - Beginning	199,770,413	189,113,675
Total Pension Liability - Ending (A)	$ 204,524,728	$ 199,770,413
Plan Fiduciary Net Position:		
Contributions - Employer	$ 3,253,495	$ 2,936,574
Contributions - Employees	993,750	921,332
Net Investment Income	13,449,388	10,635,946
Difference Between Projected and Actual Investment Income	(9,310,270)	-
Benefit Payments, Including Refunds of Employee Contributions	(12,244,879)	(11,685,199)
Administrative Expenses	427,834	-
Other	9,569	(15,074)
Net Change in Plan Fiduciary Net Position	(3,421,113)	2,793,579
Plan Fiduciary Net Position - Beginning	181,067,000	178,273,421
Plan Fiduciary Net Position - Ending (B)	$ 177,645,887	$ 181,067,000
Net Pension Liability - Ending (A) - (B)	$ 26,878,841	$ 18,703,413
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	86.86%	90.64%
Covered Valuation Payroll	$ 20,561,718	$ 19,510,671
Net Pension Liability as a Percentage of Covered Valuation Payroll	130.72%	95.86%

Additional years will be added to this schedule until 10 years of data is presented.

CITY OF PEORIA, ILLINOIS
SCHEDULE OF EMPLOYER CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND
FISCAL YEAR ENDED DECEMBER 31, 2016

Fiscal Year Ended December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actuarial Contribution as a Percentage of Covered Valuation Payroll
2016	$ 3,246,695	$ 3,253,495	$ (6,800)	$ 20,561,718	15.79 %
2015	3,051,469	3,052,087	(618)	19,510,671	15.64

Additional years will be added to this schedule until 10 years of data is presented.

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 and Police and Fire Pension Levy Fund, as presented in the Required Supplementary Information.

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

	Final Budget	Actual	Overage
Major:			
General Fund	$ 87,518,634	$ 89,195,432	$ 1,676,798
Nonmajor:			
State and Local Auto Theft Enforcement Grant Fund	-	3,576	3,576
Refuse Collection Fund	7,108,105	8,716,551	1,608,446
Sewer Fund	1,800,000	1,829,269	29,269
FICA Medicare Fund	-	2,194,243	2,194,243
Tourism Reserve Fund	1,000,000	2,334,581	1,334,581
Knoxville Junction Special Service Area Fund	-	115,010	115,010
2007-A Special Assessment Bond Debt Service Fund	121,548	122,048	500
2008A General Obligation Bond Debt Service Fund	2,360,350	2,501,544	141,194
2012A General Obligation Bond Debt Service Fund	2,032,113	2,032,363	250
2015C General Obligation Bond Debt Service Fund	-	341,929	341,929
2015D General Obligation Bond Debt Service Fund	-	88,024	88,024
2016A General Obligation Bond Debt Service Fund	-	117,514	117,514

The 2016A General Obligation Bonds were issued after the City Council had adopted the fiscal year 2016 original budget.

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

Fund	Budget Deviation
Special Revenue Funds:	
Community Development Block Grant Fund	Budget is for the length of the project not the calendar year.
Multi-County MEG Grant Fund	Budget is for the length of the grant not the calendar year.
Home Investment Partnership Program Fund	Budget is for the length of the project not the calendar year.
Peoria Foreign Fire Insurance Board	Formal budget is not adopted by this blended component unit.
Westlake Special Service Area Fund	Formal budget not adopted; fund created in 2014. Will be budgeted in future years with historical data.
Youthbuild Grant Fund	Budget is for the length of the grant not the calendar year.
Capital Projects Funds	Budgets adopted on a project-length budget.

Valuation Date: Actuarially determined contribution rates are calculated as of January 1, one year prior to the end of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine Contribution Rates:

Funding Method:	Entry Age Normal through 2015; Projected Unit Credit beginning 2016
Amortization Method:	Normal Cost, plus an additional amount (determined as a level percentage of payroll) to bring the plan's funded ratio to 90% by the end of fiscal year 2040.
Actuarial Asset Method:	Invested gains and losses are recognized over a 5-year period
Interest Rate:	6.75%
Healthy Mortality Rates – Male:	RP-2000 Combined Healthy Mortality with a Blue Collar Adjustment
Healthy Mortality Rates – Female:	RP-2000 Combined Healthy Mortality with a Blue Collar Adjustment
Disability Mortality Rates – Male:	RP-2000 Disabled Retiree Mortality
Disability Mortality Rates – Female:	RP-2000 Disabled Retiree Mortality
Salary Increases	Service-related table with rates grading from 9% to 4% at 30 years of service
Payroll Growth	4.50%
Tier 2 Cost-of Living Adjustment	1.25%
Marital Status:	80% of members are assumed to be married; male spouses are assumed to be three years older than female spouses
Other Information:	The actuarial assumptions used for determining the above amounts are based on experience for all Article 3 funds for the state of Illinois in aggregate. The Department of Insurance has approved the above actuarial assumptions. Contact the Department of Insurance for complete experience tables.

CITY OF PEORIA, ILLINOIS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FIREMEN'S PENSION FUND OF PEORIA
DECEMBER 31, 2016

Valuation Date: Actuarially determined contribution rates are calculated as of January 1, one year prior to the end of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine Contribution Rates:

Funding Method:	Entry Age Normal through 2015; Projected Unit Credit beginning 2016
Amortization Method:	Normal Cost, plus an additional amount (determined as a level percentage of payroll) to bring the plan's funded ratio to 90% by the end of fiscal year 2040.
Actuarial Asset Method:	Invested gains and losses are recognized over a 5-year period
Interest Rate:	6.75%
Healthy Mortality Rates – Male:	RP-2000 Combined Healthy Mortality with a Blue Collar Adjustment
Healthy Mortality Rates – Female:	RP-2000 Combined Healthy Mortality with a Blue Collar Adjustment
Disability Mortality Rates – Male:	RP-2000 Disabled Retiree Mortality.
Disability Mortality Rates – Female:	RP-2000 Disabled Retiree Mortality.
Salary Increases:	Service-related table with rates grading from 9% to 4% at 30 years of service
Payroll Growth:	4.50%
Tier 2 Cost-of Living Adjustment:	1.25%
Marital Status:	80% of members are assumed to be married; male spouses are assumed to be three years older than female spouses
Other Information:	The actuarial assumptions used for determining the above amounts are based on experience for all Article 3 funds for the state of Illinois in aggregate. The Department of Insurance has approved the above actuarial assumptions. Contact the Department of Insurance for complete experience tables.

CITY OF PEORIA, ILLINOIS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
ILLINOIS MUNICIPAL RETIREMENT FUND
DECEMBER 31, 2016

Valuation Date: Actuarially determined contribution rates are calculated as of December 31 each year, which are 12 months prior to the beginning of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine Contribution Rates:

Funding Method:	Aggregate entry age normal
Amortization Method:	Level percentage of payroll, closed
Remaining Amortization Period:	28-year closed period
Actuarial Valuation Method:	5-year smoothed market; 20% corridor
Wage Growth:	4%
Price Inflation:	3%, approximate; no explicit price inflation assumption is used in this valuation
Salary Increases:	4.40% to 16%, including inflation
Investment Rate of Return:	7.50%
Retirement Age:	Experience-based table of rates that are specific to the type of eligibility condition; last updated for the 2011 valuation pursuant to an experience study of the period 2008 to 2010.
Mortality:	RP-2000 Combined Healthy Mortality Table, adjusted for mortality improvements to 2020 using projection scale AA. For men, 120% of the table rates were used. For women, 92% of the table rates were used. For disabled lives, the mortality rates are the rates applicable to nondisabled lives set forward 10 years.
Other Information:	There were no benefit changes during the year.

CITY OF PEORIA, ILLINOIS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2016

	Special Revenue Funds			
	Peoria Public Library Fund	Motor Fuel Tax Fund	Community Development Block Grant Fund	State and Local Auto Theft Enforcement General Fund
ASSETS				
Cash and Cash Equivalents	$ 3,322,023	$ 8,154	$ 23,281	$ -
Cash and Investments with Trustee	-	-	-	-
Investments	-	1,780,391	-	-
Property Taxes Receivable	6,695,200	-	-	-
State Sales and Income Taxes	-	-	-	-
Hotel, Restaurant, and Amusement Taxes Receivable	-	-	-	-
Governmental Grants and Reimbursements Receivable	-	272,828	81,607	-
Loans Receivable, Net	-	-	-	-
Other Receivables, Net	-	437,888	285,449	-
Accrued Interest Receivable	-	3,089	-	-
Due from Other Funds	-	3,453,563	-	-
Total Assets	$ 10,017,223	$ 5,955,913	$ 390,337	$ -
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE				
Liabilities:				
Accounts Payable	$ 86,639	$ 421,941	$ 118,276	$ -
Matured Bonds Payable	-	-	-	-
Accrued Payroll	94,494	2,273	17,950	-
Due to Other Funds	-	2,512,502	167,468	-
Unearned Revenue, Other	40,750	-	-	-
Advances from Other Funds	-	-	-	-
Total Liabilities	221,883	2,936,716	303,694	-
Deferred Inflows of Resources:				
Subsequent Year's Property Taxes	6,695,200	-	-	-
Unavailable Revenue - Intergovernmental and Loans	2,219	342,528	86,643	-
Total Deferred Inflows of Resources	6,697,419	342,528	86,643	-
Fund Balance (Deficit):				
Nonspendable:				
Library Endowments	512,779	-	-	-
Restricted:				
Debt Service	-	-	-	-
Employee Benefits	-	-	-	-
TIF Redevelopment	-	-	-	-
Tourism	-	-	-	-
Grants and Loans	-	-	-	-
Library Operations	1,000,279	-	-	-
Landfill Operations	-	-	-	-
Capital Improvements and Equipment	1,584,863	2,676,669	-	-
Unassigned	-	-	-	-
Total Fund Balance (Deficit)	3,097,921	2,676,669	-	-
Total Liabilities, Deferred Inflows of Resources, and Fund Balance (Deficit)	$ 10,017,223	$ 5,955,913	$ 390,337	$ -

	Special Revenue Funds						
	Multi-County MEG Grant Fund	Home Investment Partnership Program Fund	Solid Waste Fund	Refuse Collection Fund	Sewer Fund	Peoria Foreign Fire Insurance Board	Westlake Special Service Area Fund
ASSETS							
Cash and Cash Equivalents	$ -	$ 165,635	$ 375,235	$ 140,343	$ 151,453	$ 224,083	$ 124,902
Cash and Investments with Trustee	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-
Property Taxes Receivable	-	-	-	-	-	-	40,000
State Sales and Income Taxes	-	-	-	-	-	-	-
Hotel, Restaurant, and Amusement Taxes Receivable	-	-	-	-	-	-	-
Governmental Grants and Reimbursements Receivable	14,236	100,164	-	-	-	-	-
Loans Receivable, Net	-	384	-	-	-	-	-
Other Receivables, Net	-	-	-	31,531	292,308	-	-
Accrued Interest Receivable	-	-	-	-	-	-	-
Due from Other Funds	-	-	-	608,105	66,007	-	-
Total Assets	$ 14,236	$ 266,183	$ 375,235	$ 779,979	$ 509,768	$ 224,083	$ 164,902
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE							
Liabilities:							
Accounts Payable	$ 14,236	$ 72,143	$ 51,790	$ 110,004	$ 139,790	$ -	$ -
Matured Bonds Payable	-	-	-	-	-	-	-
Accrued Payroll	-	1,820	-	-	8,361	-	-
Due to Other Funds	-	-	75,785	4,767,283	631,299	-	-
Unearned Revenue, Other	-	-	-	-	-	-	-
Advances from Other Funds	-	-	-	-	-	-	-
Total Liabilities	14,236	73,963	127,575	4,877,287	779,450	-	-
Deferred Inflows of Resources:							
Subsequent Year's Property Taxes	-	-	-	-	-	-	40,000
Unavailable Revenue - Intergovernmental and Loans	8	192,420	-	288	-	-	-
Total Deferred Inflows of Resources	8	192,420	-	288	-	-	40,000
Fund Balance (Deficit):							
Nonspendable:							
Library Endowments	-	-	-	-	-	-	-
Restricted:							
Debt Service	-	-	-	-	-	-	-
Employee Benefits	-	-	-	-	-	-	-
TIF Redevelopment	-	-	-	-	-	-	-
Tourism	-	-	-	-	-	-	-
Grants and Loans	-	-	-	-	-	-	-
Library Operations	-	-	-	-	-	-	-
Landfill Operations	-	-	247,660	-	-	-	-
Capital Improvements and Equipment	-	-	-	-	-	224,083	124,902
Unassigned	(8)	(200)	-	(4,097,596)	(269,682)	-	-
Total Fund Balance (Deficit)	(8)	(200)	247,660	(4,097,596)	(269,682)	224,083	124,902
Total Liabilities, Deferred Inflows of Resources, and Fund Balance (Deficit)	$ 14,236	$ 266,183	$ 375,235	$ 779,979	$ 509,768	$ 224,083	$ 164,902

CITY OF PEORIA, ILLINOIS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (CONTINUED)
DECEMBER 31, 2016

	Special Revenue Funds				Special Revenue Funds			Debt Service Funds			
	Youthbuild Grant Fund	FICA Medicare Fund	Tourism Reserve Fund	Innovation Grant Fund	Sports Complex Special Service Area Fund	Holiday Inn Special Service Area Fund	Knoxville Junction Special Service Area Fund	WeaverRidge Debt Service Fund	General Obligation Bonds Debt Service Master Fund	2006 Special Assessment Bond Debt Service Fund	2007-A Special Assessment Bond Debt Service Fund
ASSETS											
Cash and Cash Equivalents	$ -	$ 138,975	$ 137,300	$ 305,107	$ 154,527	$ 5,734	$ 10	$ -	$ 1,414,571	$ 3,276,993	$ 18,311
Cash and Investments with Trustee	-	-	-	-	-	-	-	473,373	-	-	-
Investments	-	-	-	-	-	-	-	-	-	-	-
Property Taxes Receivable	-	1,847,500	-	-	162,500	76,800	151,100	-	2,003,500	-	-
State Sales and Income Taxes	-	-	-	-	-	-	-	-	-	-	-
Hotel, Restaurant, and Amusement Taxes Receivable	-	-	125,147	-	-	-	-	-	-	-	-
Governmental Grants and Reimbursements Receivable	-	-	-	-	-	-	-	-	-	-	-
Loans Receivable, Net	-	-	-	-	-	-	-	-	-	-	-
Other Receivables, Net	-	-	-	-	-	-	-	-	-	-	-
Accrued Interest Receivable	-	-	-	-	-	-	-	-	-	-	-
Due from Other Funds	-	-	147,072	-	-	-	-	-	-	-	-
Total Assets	$ -	$ 1,986,475	$ 409,519	$ 305,107	$ 317,027	$ 82,534	$ 151,110	$ 473,373	$ 3,418,071	$ 3,276,993	$ 18,311
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE											
Liabilities:											
Accounts Payable	$ -	$ 392	$ 3,960	$ 30,981	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Matured Bonds Payable	-	-	-	-	-	-	-	-	1,195,000	-	-
Accrued Payroll	-	-	-	9,022	-	-	-	-	-	-	-
Due to Other Funds	-	130,462	-	86,732	-	-	-	15,248	-	-	-
Unearned Revenue, Other	-	-	-	177,326	-	-	-	-	-	-	-
Advances from Other Funds	-	-	-	-	-	-	-	-	-	-	-
Total Liabilities	-	130,854	3,960	304,061	-	-	-	15,248	1,195,000	-	-
Deferred Inflows of Resources:											
Subsequent Year's Property Taxes	-	1,847,500	-	-	162,500	76,800	151,100	-	2,003,500	-	-
Unavailable Revenue - Intergovernmental and Loans	-	-	-	-	-	-	-	-	-	-	-
Total Deferred Inflows of Resources	-	1,847,500	-	-	162,500	76,800	151,100	-	2,003,500	-	-
Fund Balance (Deficit):											
Nonspendable:											
Library Endowments	-	-	-	-	-	-	-	-	-	-	-
Restricted:											
Debt Service	-	-	-	-	-	-	-	458,125	219,571	3,276,993	18,311
Employee Benefits	-	8,121	-	-	-	-	-	-	-	-	-
TIF Redevelopment	-	-	-	-	-	-	-	-	-	-	-
Tourism	-	-	405,559	-	-	-	-	-	-	-	-
Grants and Loans	-	-	-	1,046	-	-	-	-	-	-	-
Library Operations	-	-	-	-	-	-	-	-	-	-	-
Landfill Operations	-	-	-	-	-	-	-	-	-	-	-
Capital Improvements and Equipment	-	-	-	-	154,527	5,734	10	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-	-
Total Fund Balance (Deficit)	-	8,121	405,559	1,046	154,527	5,734	10	458,125	219,571	3,276,993	18,311
Total Liabilities, Deferred Inflows of Resources, and Fund Balance (Deficit)	$ -	$ 1,986,475	$ 409,519	$ 305,107	$ 317,027	$ 82,534	$ 151,110	$ 473,373	$ 3,418,071	$ 3,276,993	$ 18,311

CITY OF PEORIA, ILLINOIS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (CONTINUED)
DECEMBER 31, 2016

	Debt Service Funds				Debt Service Funds						
	2008A Library General Obligation Bond Debt Service Fund	2010D General Obligation Bond Debt Service Fund	2011B General Obligation Bond Debt Service Fund	2012A General Obligation Bond Debt Service Fund	2012B General Obligation Bond Debt Service Fund	2012C General Obligation Bond Debt Service Fund	2013A General Obligation Bond Debt Service Fund	2013D General Obligation Bond Debt Service Fund	2015C General Obligation Bond Debt Service Fund	2015D General Obligation Bond Debt Service Fund	2016A General Obligation Bond Debt Service Fund
ASSETS											
Cash and Cash Equivalents	$ 454,625	$ 1,278	$ 4,934	$ 127,966	$ 12,406	$ 8	$ 2,724	$ 427,443	$ 1,625	$ 1,709	$ 21,332
Cash and Investments with Trustee	-	-	-	-	-	-	-	-	-	-	8,247
Investments	-	-	-	-	-	-	-	-	-	-	-
Property Taxes Receivable	2,269,200	-	-	-	-	-	-	-	-	-	-
State Sales and Income Taxes	-	-	-	-	-	-	-	-	-	-	-
Hotel, Restaurant, and Amusement Taxes Receivable	-	-	-	-	-	-	-	-	-	-	-
Governmental Grants and Reimbursements											
Receivable	-	-	-	-	-	-	-	-	-	-	-
Loans Receivable, Net	-	-	-	-	-	-	-	-	-	-	-
Other Receivables, Net	-	-	-	-	-	-	-	-	-	-	-
Accrued Interest Receivable	-	-	-	-	-	-	-	-	-	-	-
Due from Other Funds	-	-	-	-	-	-	-	-	-	-	-
Total Assets	$ 2,723,825	$ 1,278	$ 4,934	$ 127,966	$ 12,406	$ 8	$ 2,724	$ 427,443	$ 1,625	$ 1,709	$ 29,579
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE											
Liabilities:											
Accounts Payable	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 6,136
Matured Bonds Payable	-	-	-	-	-	-	-	260,000	-	-	35,301
Accrued Payroll	-	-	-	-	-	-	-	-	-	-	-
Due to Other Funds	-	-	-	38,174	-	-	-	-	-	-	-
Unearned Revenue, Other	-	-	-	-	-	-	-	-	-	-	-
Advances from Other Funds	-	-	-	-	-	-	-	-	-	-	-
Total Liabilities	-	-	-	38,174	-	-	-	260,000	-	-	41,437
Deferred Inflows of Resources:											
Subsequent Year's Property Taxes	2,269,200	-	-	-	-	-	-	-	-	-	-
Unavailable Revenue - Intergovernmental and Loans	-	-	-	-	-	-	-	-	-	-	-
Total Deferred Inflows of Resources	2,269,200	-	-	-	-	-	-	-	-	-	-
Fund Balance (Deficit):											
Nonspendable:											
Library Endowments	-	-	-	-	-	-	-	-	-	-	-
Restricted:											
Debt Service	454,625	1,278	4,934	89,792	12,406	8	2,724	167,443	1,625	1,709	-
Employee Benefits	-	-	-	-	-	-	-	-	-	-	-
TIF Redevelopment	-	-	-	-	-	-	-	-	-	-	-
Tourism	-	-	-	-	-	-	-	-	-	-	-
Grants and Loans	-	-	-	-	-	-	-	-	-	-	-
Library Operations	-	-	-	-	-	-	-	-	-	-	-
Landfill Operations	-	-	-	-	-	-	-	-	-	-	-
Capital Improvements and Equipment	-	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-	(11,858)
Total Fund Balance (Deficit)	454,625	1,278	4,934	89,792	12,406	8	2,724	167,443	1,625	1,709	(11,858)
Total Liabilities, Deferred Inflows of Resources, and Fund Balance (Deficit)	$ 2,723,825	$ 1,278	$ 4,934	$ 127,966	$ 12,406	$ 8	$ 2,724	$ 427,443	$ 1,625	$ 1,709	$ 29,579

CITY OF PEORIA, ILLINOIS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (CONTINUED)
DECEMBER 31, 2016

	Capital Projects Funds				Capital Projects Funds			
	TIF Project Fund	City of Peoria Designated Zone Organization	2014A General Obligation Bond Project Fund	2015C General Obligation Bond Project Fund	2015D General Obligation Bond Project Fund	2016A General Obligation Bond Project Fund	2016C General Obligation Bond Project Fund	Total Nonmajor Governmental Funds
ASSETS								
Cash and Cash Equivalents	$ 6,844,322	$ 8	$ 155,690	$ -	$ -	$ 1,663,474	$ 991,549	$ 20,697,730
Cash and Investments with Trustee	-	-	-	-	-	-	-	481,620
Investments	-	-	-	-	-	-	-	1,780,391
Property Taxes Receivable	4,821,900	-	-	-	-	-	-	18,067,700
State Sales and Income Taxes	29,127	-	-	-	-	-	-	29,127
Hotel, Restaurant, and Amusement Taxes Receivable	-	-	-	-	-	-	-	125,147
Governmental Grants and Reimbursements Receivable	-	-	-	-	-	-	-	468,835
Loans Receivable, Net	-	-	-	-	-	-	-	384
Other Receivables, Net	-	-	-	-	-	-	-	1,047,176
Accrued Interest Receivable	-	-	-	-	-	-	-	3,089
Due from Other Funds	82,500	5,492	-	-	-	-	-	4,362,739
Total Assets	$ 11,777,849	$ 5,500	$ 155,690	$ -	$ -	$ 1,663,474	$ 991,549	$ 47,063,938
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE								
Liabilities:								
Accounts Payable	$ 32,880	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,089,168
Matured Bonds Payable	-	-	-	-	-	-	-	1,490,301
Accrued Payroll	36	-	-	-	-	-	-	133,956
Due to Other Funds	643,268	5,500	-	-	-	1,616,940	-	10,690,661
Unearned Revenue, Other	-	-	-	-	-	-	-	218,076
Advances from Other Funds	-	-	-	-	-	-	-	-
Total Liabilities	676,184	5,500	-	-	-	1,616,940	-	13,622,162
Deferred Inflows of Resources:								
Subsequent Year's Property Taxes	4,821,900	-	-	-	-	-	-	18,067,700
Unavailable Revenue - Intergovernmental and Loans	-	-	-	-	-	-	-	624,106
Total Deferred Inflows of Resources	4,821,900	-	-	-	-	-	-	18,691,806
Fund Balance (Deficit):								
Nonspendable:								
Library Endowments	-	-	-	-	-	-	-	512,779
Restricted:								
Debt Service	929,314	-	-	-	-	-	-	5,638,858
Employee Benefits	-	-	-	-	-	-	-	8,121
TIF Redevelopment	5,350,451	-	-	-	-	-	-	5,350,451
Tourism	-	-	-	-	-	-	-	405,559
Grants and Loans	-	-	-	-	-	-	-	1,046
Library Operations	-	-	-	-	-	-	-	1,000,279
Landfill Operations	-	-	-	-	-	-	-	247,660
Capital Improvements and Equipment	-	-	155,690	-	-	46,534	991,549	5,964,561
Unassigned	-	-	-	-	-	-	-	(4,379,344)
Total Fund Balance (Deficit)	6,279,765	-	155,690	-	-	46,534	991,549	14,749,970
Total Liabilities, Deferred Inflows of Resources, and Fund Balance (Deficit)	$ 11,777,849	$ 5,500	$ 155,690	$ -	$ -	$ 1,663,474	$ 991,549	$ 47,063,938

CITY OF PEORIA, ILLINOIS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (DEFICITS)
YEAR ENDED DECEMBER 31, 2016

	Special Revenue Funds				Special Revenue Funds						
	Peoria Public Library Fund	Motor Fuel Tax Fund	Community Development Block Grant Fund	State and Local Auto Theft Enforcement General Fund	Multi-County MEG Grant Fund	Home Investment Partnership Program Fund	Solid Waste Fund	Refuse Collection Fund	Sewer Fund	Peoria Foreign Fire Insurance Board	Westlake Special Service Area Fund
REVENUES											
Property Taxes	$ 6,505,482	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 40,003
Corporate Personal Property Replacement Taxes	473,708	-	-	-	-	-	-	-	-	-	-
State Sales Taxes	-	-	-	-	-	-	-	-	-	-	-
Home Rule Sales Taxes	-	-	-	-	-	-	-	-	-	-	274,798
Special Service Area Sales Taxes	-	-	-	-	-	-	-	-	-	-	-
Hotel, Restaurant, and Amusement Taxes	-	-	-	-	-	-	-	-	-	-	-
Governmental Grants and Reimbursements	125,983	2,485,037	1,910,586	-	56,935	369,452	-	106,077	-	166,202	-
Service Charges/Fines/Fees	123,375	20,614	(130,674)	-	-	-	470,427	6,394,970	5,150,789	-	-
Loan Repayment	-	-	525	-	-	1,100	-	-	-	-	-
Interest	11,538	29,165	-	-	-	-	1,292	3,758	1,430	713	-
Other	27,851	211,866	-	-	-	5,250	-	(1,007)	513	-	-
Total Revenues	7,267,937	2,746,682	1,780,437	-	56,935	375,802	471,719	6,503,798	5,152,732	166,915	314,801
EXPENDITURES											
Current:											
Elective Offices, Boards, Commissions, and Agencies	-	-	-	-	-	-	-	-	-	-	-
City Administration	-	-	-	-	-	-	-	-	-	-	-
Police	-	-	-	3,576	56,943	-	-	-	-	-	-
Fire	-	-	-	-	-	-	-	-	-	161,258	-
Public Works	-	29,132	-	-	-	-	-	8,716,551	184,838	-	-
Community Development	-	-	1,158,058	-	-	375,802	-	-	-	-	-
Public Safety	-	-	373,973	-	-	-	-	-	-	-	-
General Government	-	-	-	-	-	-	282,357	-	303,566	-	330,517
Library	5,545,818	-	-	-	-	-	-	-	-	-	-
Capital Outlay	868,403	2,022,540	242,791	-	-	-	-	-	1,340,865	-	-
Debt Service:											
Principal	-	-	-	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-	-	-	-
Total Expenditures	6,414,221	2,051,672	1,774,822	3,576	56,943	375,802	282,357	8,716,551	1,829,269	161,258	330,517
Excess (Deficiency) of Revenues Over Expenditures	853,716	695,010	5,615	(3,576)	(8)	-	189,362	(2,212,753)	3,323,463	5,657	(15,716)
OTHER FINANCING SOURCES (USES)											
Issuance of Bonds	-	-	-	-	-	-	-	-	-	-	-
Bond Premium	-	-	-	-	-	-	-	-	-	-	-
Payment to Refunded Bond Escrow Agent	-	-	-	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	608,105	-	-	-
Transfers Out	(844,131)	-	(5,615)	-	-	-	(75,785)	-	(2,756,013)	-	-
Total Other Financing Sources (Uses)	(844,131)	-	(5,615)	-	-	-	(75,785)	608,105	(2,756,013)	-	-
Net Change in Fund Balance	9,585	695,010	-	(3,576)	(8)	-	113,577	(1,604,648)	567,450	5,657	(15,716)
Fund Balance (Deficit) - Beginning of Year, as Previously Reported	3,088,336	1,943,893	-	3,576	-	(200)	134,083	(2,492,948)	(837,132)	218,426	140,618
Prior Period Adjustments	-	37,766	-	-	-	-	-	-	-	-	-
Fund Balance (Deficit) - Beginning of Year, as Restated	3,088,336	1,981,659	-	3,576	-	(200)	134,083	(2,492,948)	(837,132)	218,426	140,618
Fund Balance (Deficit) - End of Year	$ 3,097,921	$ 2,676,669	$ -	$ -	$ (8)	$ (200)	$ 247,660	$ (4,097,596)	$ (269,682)	$ 224,083	$ 124,902

CITY OF PEORIA, ILLINOIS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (DEFICITS) (CONTINUED)
YEAR ENDED DECEMBER 31, 2016

	Special Revenue Funds				Special Revenue Funds			Debt Service Funds			
	Youthbuild Grant Fund	FICA Medicare Fund	Tourism Reserve Fund	Innovation Grant Fund	Sports Complex Special Service Area Fund	Holiday Inn Special Service Area Fund	Knoxville Junction Special Service Area Fund	WeaverRidge Debt Service Fund	General Obligation Bonds Debt Service Master Fund	2006 Special Assessment Bond Debt Service Fund	2007-A Special Assessment Bond Debt Service Fund
REVENUES											
Property Taxes	$ -	$ 1,565,407	$ -	$ -	$ -	$ 17,362	$ 115,011	$ -	$ 2,008,390	$ -	$ 121,548
Corporate Personal Property Replacement Taxes	-	358,292	-	-	-	-	-	-	-	-	-
State Sales Taxes	-	-	-	-	-	-	-	-	-	-	-
Home Rule Sales Taxes	-	-	-	-	-	-	-	-	-	-	-
Special Service Area Sales Taxes	-	-	-	-	206	557	-	-	-	-	-
Hotel, Restaurant, and Amusement Taxes	-	-	775,505	-	221,587	5,174	-	-	-	-	-
Governmental Grants and Reimbursements	55,901	-	-	404,000	-	-	-	-	-	-	-
Service Charges/Fines/Fees	-	-	-	-	-	-	-	-	-	-	-
Loan Repayment	-	-	-	-	-	-	-	-	-	-	-
Interest	3	102	92	157	171	2	9	5	10,414	31,775	187
Other	-	-	26,619	-	-	-	-	-	-	-	-
Total Revenues	55,904	1,923,801	802,216	404,157	221,964	23,095	115,020	5	2,018,804	31,775	121,735
EXPENDITURES											
Current:											
Elective Offices, Boards, Commissions, and Agencies	-	69,030	-	-	-	-	-	-	-	-	-
City Administration	-	251,624	-	404,000	-	-	-	-	-	-	-
Police	-	440,915	-	-	-	-	-	-	-	-	-
Fire	-	274,648	-	-	-	-	-	-	-	-	-
Public Works	-	462,284	-	-	-	-	-	-	-	-	-
Community Development	56,196	114,043	2,334,581	-	-	-	115,010	-	-	-	-
Public Safety	-	264,872	-	-	-	-	-	-	-	-	-
General Government	-	5,402	-	-	-	-	-	9,156	1,050	-	500
Library	-	311,425	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-	-	-
Debt Service:											
Principal	-	-	-	-	-	-	-	555,000	6,845,000	290,000	109,000
Interest and Fiscal Charges	-	-	-	-	-	-	-	40,125	2,961,881	228,370	12,548
Total Expenditures	56,196	2,194,243	2,334,581	404,000	-	-	115,010	604,281	9,807,931	518,370	122,048
Excess (Deficiency) of Revenues Over Expenditures	(292)	(270,442)	(1,532,365)	157	221,964	23,095	10	(604,276)	(7,789,127)	(486,595)	(313)
OTHER FINANCING SOURCES (USES)											
Issuance of Bonds	-	-	-	-	-	-	-	-	-	-	-
Bond Premium	-	-	-	-	-	-	-	-	-	-	-
Payment to Refunded Bond Escrow Agent	-	-	-	-	-	-	-	-	-	-	-
Transfers In	9	278,563	-	-	-	-	-	73,908	9,852,985	-	-
Transfers Out	-	-	-	-	(67,437)	(17,361)	-	-	(2,000,000)	-	-
Total Other Financing Sources (Uses)	9	278,563	-	-	(67,437)	(17,361)	-	73,908	7,852,985	-	-
Net Change in Fund Balance	(283)	8,121	(1,532,365)	157	154,527	5,734	10	(530,368)	63,858	(486,595)	(313)
Fund Balance (Deficit) - Beginning of Year, as Previously Reported	283	-	1,937,924	889	-	-	-	988,493	155,713	3,763,588	18,624
Prior Period Adjustments	-	-	-	-	-	-	-	-	-	-	-
Fund Balance (Deficit) - Beginning of Year, as Restated	283	-	1,937,924	889	-	-	-	988,493	155,713	3,763,588	18,624
Fund Balance (Deficit) - End of Year	$ -	$ 8,121	$ 405,559	$ 1,046	$ 154,527	$ 5,734	$ 10	$ 458,125	$ 219,571	$ 3,276,993	$ 18,311

CITY OF PEORIA, ILLINOIS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (DEFICITS) (CONTINUED)
YEAR ENDED DECEMBER 31, 2016

	Debt Service Funds			
	2008A Library General Obligation Bond Debt Service Fund	2010D General Obligation Bond Debt Service Fund	2011B General Obligation Bond Debt Service Fund	2012A General Obligation Bond Debt Service Fund
REVENUES				
Property Taxes	$ 2,338,944	$ -	$ -	$ -
Corporate Personal Property Replacement Taxes	-	-	-	-
State Sales Taxes	-	-	-	-
Home Rule Sales Taxes	-	-	-	-
Special Service Area Sales Taxes	-	-	-	-
Hotel, Restaurant, and Amusement Taxes	-	-	-	-
Governmental Grants and Reimbursements	-	-	-	-
Service Charges/Fines/Fees	-	-	-	-
Loan Repayment	-	-	-	-
Interest	10,950	239	54	606
Other	-	-	-	-
Total Revenues	2,349,894	239	54	606
EXPENDITURES				
Current:				
Elective Offices, Boards, Commissions, and Agencies	-	-	-	-
City Administration	-	-	-	-
Police	-	-	-	-
Fire	-	-	-	-
Public Works	-	-	-	-
Community Development	-	-	-	-
Public Safety	-	-	-	-
General Government	-	-	-	250
Library	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Principal	1,395,000	2,620,000	-	750,000
Interest and Fiscal Charges	1,106,544	1,055,112	204,900	1,282,113
Total Expenditures	2,501,544	3,675,112	204,900	2,032,363
Excess (Deficiency) of Revenues Over Expenditures	(151,650)	(3,674,873)	(204,846)	(2,031,757)
OTHER FINANCING SOURCES (USES)				
Issuance of Bonds	19,070,000	-	-	-
Bond Premium	3,019,857	-	-	-
Payment to Refunded Bond Escrow Agent	(21,774,412)	-	-	-
Transfers In	-	3,675,113	204,900	2,247,047
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	315,445	3,675,113	204,900	2,247,047
Net Change in Fund Balance	163,795	240	54	215,290
Fund Balance (Deficit) - Beginning of Year, as Previously Reported	290,830	1,038	4,880	(125,498)
Prior Period Adjustments	-	-	-	-
Fund Balance (Deficit) - Beginning of Year, as Restated	290,830	1,038	4,880	(125,498)
Fund Balance (Deficit) - End of Year	$ 454,625	$ 1,278	$ 4,934	$ 89,792

	Debt Service Funds						
	2012B General Obligation Bond Debt Service Fund	2012C General Obligation Bond Debt Service Fund	2013A General Obligation Bond Debt Service Fund	2013D General Obligation Bond Debt Service Fund	2015C General Obligation Bond Debt Service Fund	2015D General Obligation Bond Debt Service Fund	2016A General Obligation Bond Debt Service Fund
REVENUES							
Property Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Corporate Personal Property Replacement Taxes	-	-	-	-	-	-	-
State Sales Taxes	-	-	-	-	-	-	-
Home Rule Sales Taxes	-	-	-	-	-	-	-
Special Service Area Sales Taxes	-	-	-	-	-	-	-
Hotel, Restaurant, and Amusement Taxes	-	-	-	-	-	-	-
Governmental Grants and Reimbursements	-	-	-	-	-	-	-
Service Charges/Fines/Fees	-	-	-	-	-	-	-
Loan Repayment	-	-	-	-	-	-	-
Interest	130	161	34	1,638	530	77	18
Other	-	-	-	-	-	-	-
Total Revenues	130	161	34	1,638	530	77	18
EXPENDITURES							
Current:							
Elective Offices, Boards, Commissions, and Agencies	-	-	-	-	-	-	-
City Administration	-	-	-	-	-	-	-
Police	-	-	-	-	-	-	-
Fire	-	-	-	-	-	-	-
Public Works	-	-	-	-	-	-	-
Community Development	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-
General Government	-	13,098	-	-	(6)	(6)	56,876
Library	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-
Debt Service:							
Principal	60,000	-	-	260,000	-	-	-
Interest and Fiscal Charges	289,650	4,191	289,900	55,154	341,935	88,030	60,638
Total Expenditures	349,650	17,289	289,900	315,154	341,929	88,024	117,514
Excess (Deficiency) of Revenues Over Expenditures	(349,520)	(17,128)	(289,866)	(313,516)	(341,399)	(87,947)	(117,496)
OTHER FINANCING SOURCES (USES)							
Issuance of Bonds	-	-	-	-	-	-	-
Bond Premium	-	-	-	-	-	-	-
Payment to Refunded Bond Escrow Agent	-	(3,917,171)	-	-	-	-	-
Transfers In	349,650	3,951,362	289,900	315,154	68,335	18,932	105,638
Transfers Out	-	(9,427)	-	-	-	-	-
Total Other Financing Sources (Uses)	349,650	24,764	289,900	315,154	68,335	18,932	105,638
Net Change in Fund Balance	130	7,636	34	1,638	(273,064)	(69,015)	(11,858)
Fund Balance (Deficit) - Beginning of Year, as Previously Reported	12,276	(7,628)	2,690	165,805	274,689	70,724	-
Prior Period Adjustments	-	-	-	-	-	-	-
Fund Balance (Deficit) - Beginning of Year, as Restated	12,276	(7,628)	2,690	165,805	274,689	70,724	-
Fund Balance (Deficit) - End of Year	$ 12,406	$ 8	$ 2,724	$ 167,443	$ 1,625	$ 1,709	$ (11,858)

CITY OF PEORIA, ILLINOIS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICITS) (CONTINUED)
YEAR ENDED DECEMBER 31, 2016

	Capital Projects Funds				Capital Projects Funds			
	TIF Project Fund	City of Peoria Designated Zone Organization	2014A General Obligation Bond Project Fund	2015C General Obligation Bond Project Fund	2015D General Obligation Bond Project Fund	2016A General Obligation Bond Project Fund	2016C General Obligation Bond Project Fund	Total Nonmajor Governmental Funds
REVENUES								
Property Taxes	$ 4,319,307	$ -	$ -	$ -	$ -	$ -	$ -	$ 17,031,454
Corporate Personal Property Replacement Taxes	-	-	-	-	-	-	-	832,000
State Sales Taxes	120,422	-	-	-	-	-	-	120,422
Home Rule Sales Taxes	-	-	-	-	-	-	-	274,798
Special Service Area Sales Taxes	-	-	-	-	-	-	-	763
Hotel, Restaurant, and Amusement Taxes	165,893	-	-	-	-	-	-	1,168,159
Governmental Grants and Reimbursements	-	-	-	-	-	-	-	5,680,173
Service Charges/Fines/Fees	-	-	-	-	-	-	-	12,029,501
Loan Repayment	-	-	-	-	-	-	-	1,625
Interest	72,543	83	1,886	-	-	13,347	813	193,922
Other	3,900	-	-	-	-	-	-	274,992
Total Revenues	4,682,065	83	1,886	-	-	13,347	813	37,607,809
EXPENDITURES								
Current:								
Elective Offices, Boards, Commissions, and Agencies	-	-	-	-	-	-	-	69,030
City Administration	5,500	-	-	-	-	-	-	661,124
Police	-	-	-	-	-	-	-	501,434
Fire	-	-	-	-	-	-	-	435,906
Public Works	33,068	-	-	-	-	184,121	-	9,609,994
Community Development	1,811,096	5,615	-	-	-	-	-	5,970,401
Public Safety	238,952	-	-	-	-	-	-	877,797
General Government	-	-	-	(15)	-	538,816	96,616	1,638,177
Library	-	-	-	-	-	-	-	5,857,243
Capital Outlay	499,900	-	(75,125)	-	-	5,036,705	2,012,340	11,948,419
Debt Service:								
Principal	-	-	-	-	-	-	-	12,884,000
Interest and Fiscal Charges	-	-	-	-	-	-	-	8,021,091
Total Expenditures	2,588,516	5,615	(75,125)	(15)	-	5,759,642	2,108,956	58,474,616
Excess (Deficiency) of Revenues Over Expenditures	2,093,549	(5,532)	77,011	15	-	(5,746,295)	(2,108,143)	(20,866,807)
OTHER FINANCING SOURCES (USES)								
Issuance of Bonds	-	-	-	-	-	9,710,000	3,070,000	31,850,000
Bond Premium	-	-	-	-	-	-	29,692	3,049,549
Payment to Refunded Bond Escrow Agent	-	-	-	-	-	-	-	(25,691,583)
Transfers In	82,000	1,075,658	-	-	-	-	-	23,197,259
Transfers Out	(2,616,667)	(1,070,166)	(39,962)	(898)	(1,571)	(3,917,171)	-	(13,422,204)
Total Other Financing Sources (Uses)	(2,534,667)	5,492	(39,962)	(898)	(1,571)	5,792,829	3,099,692	18,983,021
Net Change in Fund Balance	(441,118)	(40)	37,049	(883)	(1,571)	46,534	991,549	(1,883,786)
Fund Balance (Deficit) - Beginning of Year, as Previously Reported	6,720,883	40	118,641	883	1,571	-	-	16,595,990
Prior Period Adjustments	-	-	-	-	-	-	-	37,766
Fund Balance (Deficit) - Beginning of Year, as Restated	6,720,883	40	118,641	883	1,571	-	-	16,633,756
Fund Balance (Deficit) - End of Year	$ 6,279,765	$ -	$ 155,690	$ -	$ -	$ 46,534	$ 991,549	$ 14,749,970

CITY OF PEORIA, ILLINOIS
COMBINING BALANCE SHEET SCHEDULE
ALL TIF PROJECT ACCOUNTS
DECEMBER 31, 2016

	Southtown TIF Project	Downtown TIF Project	Northside TIF Project	Midtown Plaza TIF Project	Northside Business Park TIF Project	Downtown Stadium TIF Project	Eagle View TIF Project	Warehouse District TIF Project	Hospitality Improvement Zone TIF Project	East Village Growth Cell TIF Project	Downtown Conservation TIF Project
ASSETS											
Cash and Cash Equivalents	$ 614	$ 2,029,728	$ 407,377	$ 271,720	$ 666,246	$ 64,690	$ 206,127	$ 469,055	$ 37,870	$ 461,268	$ 176,367
Property Taxes Receivable	-	1,736,600	143,200	74,200	183,100	313,100	121,800	508,200	1,232,400	321,000	112,800
State Sales Taxes Receivable	-	-	-	-	-	-	-	-	29,127	-	-
Due from Other Funds	-	-	-	82,000	-	-	-	-	-	-	-
Total Assets	$ 614	$ 3,766,328	$ 550,577	$ 427,920	$ 849,346	$ 377,790	$ 327,927	$ 977,255	$ 1,299,397	$ 782,268	$ 289,167
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE											
Liabilities:											
Accounts Payable	$ -	$ 4,678	$ -	$ -	$ -	$ -	$ -	$ 5,383	$ -	$ 16,409	$ -
Accrued Payroll	-	-	-	-	-	-	-	-	-	-	-
Due to Other Funds	-	93,268	-	350,000	-	-	-	-	-	200,000	-
Total Liabilities	-	97,946	-	350,000	-	-	-	5,383	-	216,409	-
Deferred Inflows of Resources:											
Subsequent Year's Property Taxes	-	1,736,600	143,200	74,200	183,100	313,100	121,800	508,200	1,232,400	321,000	112,800
Fund Balance:											
Restricted:											
Debt Service	-	767,945	53,097	3,482	-	62,992	-	-	41,798	-	-
TIF Redevelopment	614	1,163,837	354,280	238	666,246	1,698	206,127	463,672	25,199	244,859	176,367
Total Fund Balance	614	1,931,782	407,377	3,720	666,246	64,690	206,127	463,672	66,997	244,859	176,367
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	$ 614	$ 3,766,328	$ 550,577	$ 427,920	$ 849,346	$ 377,790	$ 327,927	$ 977,255	$ 1,299,397	$ 782,268	$ 289,167

CITY OF PEORIA, ILLINOIS
COMBINING BALANCE SHEET SCHEDULE
ALL TIF PROJECT ACCOUNTS (CONTINUED)
DECEMBER 31, 2016

	South Village TIF Project	River Trail TIF Project	Eliminations	Total
ASSETS				
Cash and Cash Equivalents	$ 2,053,260	$ -	$ -	$ 6,844,322
Property Taxes Receivable	75,500	-	-	4,821,900
State Sales Taxes Receivable	-	-	-	29,127
Due from Other Funds	500	500	(500)	82,500
Total Assets	$ 2,129,260	$ 500	$ (500)	$ 11,777,849
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE				
Liabilities:				
Accounts Payable	$ 6,410	$ -	$ -	$ 32,880
Accrued Payroll	36	-	-	36
Due to Other Funds	-	500	(500)	643,268
Total Liabilities	6,446	500	(500)	676,184
Deferred Inflows of Resources:				
Subsequent Year's Property Taxes	75,500	-	-	4,821,900
Fund Balance:				
Restricted:				
Debt Service	-	-	-	929,314
TIF Redevelopment	2,047,314	-	-	5,350,451
Total Fund Balance	2,047,314	-	-	6,279,765
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	$ 2,129,260	$ 500	$ (500)	$ 11,777,849

CITY OF PEORIA, ILLINOIS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – ALL TIF PROJECT ACCOUNTS
YEAR ENDED DECEMBER 31, 2016

	Southtown TIF Project	Downtown TIF Project	Northside TIF Project	Midtown Plaza TIF Project
REVENUES				
Property Taxes	$ -	$ 1,678,052	$ 137,615	$ 28,325
State Sales Taxes	-	-	-	-
Hotel, Restaurant, and Amusement Taxes	-	-	-	-
Interest	17,158	20,914	4,472	413
Other	-	-	-	-
Total Revenues	17,158	1,698,966	142,087	28,738
EXPENDITURES				
Current:				
City Administration	-	500	500	500
Public Works	108	31,827	-	-
Community Development	-	655,775	-	-
Public Safety	-	-	-	-
Capital Outlay	(22,481)	109,937	-	-
Total Expenditures	(22,373)	798,039	500	500
Excess (Deficiency) of Revenues Over Expenditures	39,531	900,927	141,587	28,238
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	82,000
Transfers Out	(744,165)	(766,558)	(136,292)	(110,000)
Total Other Financing Sources (Uses)	(744,165)	(766,558)	(136,292)	(28,000)
Net Change in Fund Balance	(704,634)	134,369	5,295	238
Fund Balance - Beginning of Year	705,248	1,797,413	402,082	3,482
Fund Balance - End of Year	$ 614	$ 1,931,782	$ 407,377	$ 3,720

CITY OF PEORIA, ILLINOIS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – ALL TIF PROJECT ACCOUNTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2016

	Northside Business Park TIF Project	Downtown Stadium TIF Project	Eagle View TIF Project	Warehouse District TIF Project	Hospitality Improvement Zone TIF Project	East Village Growth Cell TIF Project	Downtown Conservation TIF Project	South Village TIF Project	Eliminations	Total
REVENUES										
Property Taxes	$ 177,235	$ 305,941	$ 93,960	$ 385,954	$ 1,186,568	$ 186,707	$ 98,331	$ 40,619	$ -	$ 4,319,307
State Sales Taxes	-	-	-	-	120,422	-	-	-	-	120,422
Hotel, Restaurant, and Amusement Taxes	-	-	-	-	165,893	-	-	-	-	165,893
Interest	5,843	1,135	1,501	6,330	3,195	4,244	1,249	6,089	-	72,543
Other	-	-	-	3,900	-	-	-	-	-	3,900
Total Revenues	183,078	307,076	95,461	396,184	1,476,078	190,951	99,580	46,708	-	4,682,065
EXPENDITURES										
Current:										
City Administration	500	500	500	500	500	500	500	500	-	5,500
Public Works	-	-	-	-	-	-	-	1,133	-	33,068
Community Development	32,918	151,440	-	260,805	-	555,429	-	154,729	-	1,811,096
Public Safety	-	-	-	-	-	-	-	238,952	-	238,952
Capital Outlay	76	-	-	282,475	-	-	-	129,893	-	499,900
Total Expenditures	33,494	151,940	500	543,780	500	555,929	500	525,207	-	2,588,516
Excess (Deficiency) of Revenues Over Expenditures	149,584	155,136	94,961	(147,596)	1,475,578	(364,978)	99,080	(478,499)	-	2,093,549
OTHER FINANCING SOURCES (USES)										
Transfers In	-	-	-	-	-	200,000	-	744,165	(944,165)	82,000
Transfers Out	-	(153,438)	-	-	(1,450,379)	-	-	(200,000)	944,165	(2,616,667)
Total Other Financing Sources (Uses)	-	(153,438)	-	-	(1,450,379)	200,000	-	544,165	-	(2,534,667)
Net Change in Fund Balance	149,584	1,698	94,961	(147,596)	25,199	(164,978)	99,080	65,666	-	(441,118)
Fund Balance - Beginning of Year	516,662	62,992	111,166	611,268	41,798	409,837	77,287	1,981,648	-	6,720,883
Fund Balance - End of Year	$ 666,246	$ 64,690	$ 206,127	$ 463,672	$ 66,997	$ 244,859	$ 176,367	$ 2,047,314	$ -	$ 6,279,765

CITY OF PEORIA, ILLINOIS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2016
(WITH COMPARATIVE FIGURES FOR THE YEAR ENDED DECEMBER 31, 2015)

	2016			2015
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Property Taxes	$ 1,341,731	$ 1,341,731	$ 1,363,832	$ 1,658,390
Corporate Personal Property Replacement Taxes	3,459,574	3,459,574	2,852,919	2,849,454
State Sales Taxes	24,458,800	24,458,800	24,385,127	24,512,792
State Income Tax Allocation	11,800,000	11,800,000	11,048,815	12,435,605
Home Rule Sales Taxes	24,534,092	24,534,092	23,347,159	21,943,713
Hotel, Restaurant, and Amusement Taxes	8,412,500	8,412,500	9,396,323	8,134,128
Utility Taxes	3,933,400	3,933,400	3,509,481	3,598,409
Governmental Grants and Reimbursements	303,076	769,744	706,740	442,680
Licenses and Permits	2,411,655	2,896,355	3,325,420	2,684,807
Service Charges/Fines/Fees	7,792,379	11,283,279	9,072,832	7,351,219
Loan Repayment	-	-	103,056	304,348
Rental	101,000	101,000	171,966	163,399
Interest	91,500	91,500	178,074	870,368
Other	4,468,900	2,548,900	2,678,755	2,425,994
Total Revenues	93,108,607	95,630,875	92,140,499	89,375,306
EXPENDITURES				
Current:				
Elective offices, Boards, Commissions, and Agencies	1,372,551	1,604,883	1,575,000	1,541,076
City Administration	18,387,828	7,272,639	7,125,740	5,527,560
Police	27,200,726	29,071,329	29,858,548	29,196,764
Fire	20,599,502	22,141,992	22,433,340	23,196,994
Public Works	13,562,939	14,411,164	14,720,674	15,248,949
Community Development	4,194,233	4,740,880	5,669,833	5,115,673
Public Safety	3,823,467	4,249,278	4,440,116	4,092,427
General Government	93,765	3,533,328	2,929,978	2,808,276
Library	-	493,141	442,203	774,189
Total Expenditures	89,235,011	87,518,634	89,195,432	87,501,908
Excess of Revenues Over Expenditures	3,873,596	8,112,241	2,945,067	1,873,398
OTHER FINANCING SOURCES (USES)				
Transfers In	2,366,000	2,366,000	2,300,785	6,065,190
Transfers Out	(8,231,303)	(8,326,303)	(8,412,706)	(6,697,438)
Total Other Financing Sources (Uses)	(5,865,303)	(5,960,303)	(6,111,921)	(632,248)
Net Change in Fund Balance	$ (1,991,707)	$ 2,151,938	(3,166,854)	1,241,150
Fund Balance - Beginning of Year			47,917,425	46,676,275
Fund Balance - End of Year			$ 44,750,571	$ 47,917,425

General Fund

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

Special Revenue Funds

Funds used to account for revenues from specific taxes or other earmarked revenue sources which, by federal or state statute, or local ordinance are restricted to finance particular functions or activities of the City.

Following are the individual Special Revenue Funds:

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

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

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

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

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

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

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

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

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

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

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.

Westlake Special Service Area Fund: The fund is used to collect and disburse the special service taxes collected in the Westlake Shopping Center.

Youthbuild Grant Fund: This fund is used to collect and disburse federal Youthbuild Grant proceeds. All expenditures of this fund must be for grant eligible activities.

FICA/Medicare Fund: This fund is used to account for the employer and employee payments to FICA and Medicare.

Tourism Reserve Fund: This fund is used to account for the portion of hotel, restaurant, and amusement taxes allocated for tourism in accordance with the intergovernmental agreement between the City of Peoria, the Peoria Arts Convention and Visitors Bureau, and the Peoria Civic Center.

Innovation Grant Fund: This fund is used to account for the activities related to the Bloomberg Philanthropies' Innovation Teams Program Grant. The Grant funds dedicated i-teams for up to three years to provide support to agency leaders and staff through a data-driven process to assess problems, generate responsive new interventions, develop partnerships, and deliver measurable results.

Sports Complex Special Service Area: This fund is used to collect and disburse the special service taxes collected at the Sports Complex.

Holiday Inn Special Service Area: This fund is used to collect and disburse the special service taxes collected at the Holiday Inn located at 7601 N Orange Prairie Rd, Peoria, Illinois 61615.

Knoxville Junction Special Service Area: This fund is used to collect and disburse the special service taxes collected in the Knoxville Junction.

CITY OF PEORIA, ILLINOIS
PEORIA PUBLIC LIBRARY FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2016
(WITH COMPARATIVE FIGURES FOR THE YEAR ENDED DECEMBER 31, 2015)

	2016 Original Budget	2016 Final Budget	2016 Actual	2015 Actual
REVENUES				
Property Taxes	$ 6,565,050	$ 6,565,050	$ 6,505,482	$ 6,320,916
Corporate Personal Property Replacement Taxes	473,708	473,708	473,708	465,948
Governmental Grants and Reimbursements	118,187	118,187	125,983	161,041
Service Charges/Fines/Fees	106,404	106,404	123,375	124,750
Interest	2,623	2,623	11,538	5,997
Other	28,680	28,680	27,851	21,614
Total Revenues	7,294,652	7,294,652	7,267,937	7,100,266
EXPENDITURES				
Current:				
Library:				
Personal Services	3,593,634	3,593,634	3,357,531	3,410,320
Contractual Services	1,711,947	1,711,947	1,829,053	1,811,402
Supplies and Materials	171,840	171,840	359,234	326,920
Capital Outlay	973,100	973,100	868,403	822,142
Total Expenditures	6,450,521	6,450,521	6,414,221	6,370,784
Excess of Revenues Over Expenditures	844,131	844,131	853,716	729,482
OTHER FINANCING USES				
Transfers Out	(844,131)	(844,131)	(844,131)	(779,554)
Net Change in Fund Balance	$ -	$ -	9,585	(50,072)
Fund Balance - Beginning of Year			3,088,336	3,138,408
Fund Balance - End of Year			$ 3,097,921	$ 3,088,336

CITY OF PEORIA, ILLINOIS
MOTOR FUEL TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2016
(WITH COMPARATIVE FIGURES FOR THE YEAR ENDED DECEMBER 31, 2015)

	2016 Original Budget	2016 Final Budget	2016 Actual	2015 Actual
REVENUES				
Governmental Grants and Reimbursements	$ 2,856,300	$ 2,856,300	$ 2,485,037	$ 3,683,255
Service Charges/Fines/Fees	-	-	20,614	14,410
Interest	50,000	50,000	29,165	42,500
Other	526,203	526,203	211,866	376,920
Total Revenues	3,432,503	3,432,503	2,746,682	4,117,085
EXPENDITURES				
Current:				
Public Works	-	-	29,132	38,727
Capital Outlay	3,600,000	3,600,000	2,022,540	9,049,711
Total Expenditures	3,600,000	3,600,000	2,051,672	9,088,438
Net Change in Fund Balance	$ (167,497)	$ (167,497)	695,010	(4,971,353)
Fund Balance - Beginning of Year, as Previously Reported			1,943,893	6,915,246
Prior Period Adjustments			37,766	-
Fund Balance - Beginning of Year, as Restated			1,981,659	6,915,246
Fund Balance - End of Year			$ 2,676,669	$ 1,943,893

CITY OF PEORIA, ILLINOIS
COMMUNITY DEVELOPMENT BLOCK GRANT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
YEAR ENDED DECEMBER 31, 2016
(WITH COMPARATIVE FIGURES FOR THE YEAR ENDED DECEMBER 31, 2015)

	2016	2015
REVENUES		
Governmental Grants and Reimbursements	$ 1,910,586	$ 1,393,675
Service Charges/Fines/Fees	(130,674)	129,169
Loan Repayment	525	1,115
Other	-	25
Total Revenues	1,780,437	1,523,984
EXPENDITURES		
Current:		
Community Development:		
Project Costs	303,622	223,557
Rehabilitation	360,911	220,244
Payments to Subrecipients	493,525	346,283
Public Safety	373,973	452,539
Capital Outlay	242,791	163,487
Total Expenditures	1,774,822	1,406,110
Excess of Revenues Over Expenditures	5,615	117,874
OTHER FINANCING USES		
Transfers Out	(5,615)	(117,874)
Net Change in Fund Balance	-	-
Fund Balance - Beginning of Year	-	-
Fund Balance - 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, 2016
(WITH COMPARATIVE FIGURES FOR THE YEAR ENDED DECEMBER 31, 2015)

	2016			2015
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Governmental Grants and Reimbursements	$ -	$ -	$ -	$ 47,142
EXPENDITURES				
Current:				
Police:				
Personnel	-	-	-	9,116
Contractual	-	-	3,576	40,952
Travel	-	-	-	302
Commodities	-	-	-	501
Other	-	-	-	44
Total Expenditures	-	-	3,576	50,915
Net Change in Fund Balance	$ -	$ -	(3,576)	(3,773)
Fund Balance - Beginning of Year			3,576	7,349
Fund Balance - End of Year			$ -	$ 3,576

CITY OF PEORIA, ILLINOIS
MULTI-COUNTY MEG GRANT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (DEFICIT)
YEAR ENDED DECEMBER 31, 2016
(WITH COMPARATIVE FIGURES FOR THE YEAR ENDED DECEMBER 31, 2015)

	2016	2015
REVENUES		
Governmental Grants and Reimbursements	$ 56,935	$ 56,943
EXPENDITURES		
Police	56,943	56,943
Net Change in Fund Balance	(8)	-
Fund Balance - Beginning of Year	-	-
Fund Balance (Deficit) - End of Year	$ (8)	$ -

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CITY OF PEORIA, ILLINOIS
HOME INVESTMENT PARTNERSHIP PROGRAM FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (DEFICIT)
YEAR ENDED DECEMBER 31, 2016
(WITH COMPARATIVE FIGURES FOR THE YEAR ENDED DECEMBER 31, 2015)

	2016	2015
REVENUES		
Governmental Grants and Reimbursements	$ 369,452	$ 652,639
Loan Repayment	1,100	1,000
Other	5,250	7,750
Total Revenues	375,802	661,389
EXPENDITURES		
Current:		
Community Development:		
Administration	49,884	38,000
Public Services	270,603	270,077
Payments to Subrecipients	55,315	353,512
Total Expenditures	375,802	661,589
Net Change in Fund Balance	-	(200)
Fund Balance (Deficit) - Beginning of Year	(200)	-
Fund Balance (Deficit) - End of Year	$ (200)	$ (200)

(152)

CITY OF PEORIA, ILLINOIS
ILLINOIS MUNICIPAL RETIREMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (DEFICIT)
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2016
(WITH COMPARATIVE FIGURES FOR THE YEAR ENDED DECEMBER 31, 2015)

	2016 Original Budget	2016 Final Budget	2016 Actual	2015 Actual
REVENUES				
Property Taxes	$ 4,777,947	$ 4,777,947	$ 3,171,694	$ 4,632,165
Corporate Personal Property Replacement Taxes	1,084,444	1,084,444	726,153	1,063,181
Interest	-	-	2,769	2,055
Total Revenues	5,862,391	5,862,391	3,900,616	5,697,401
EXPENDITURES				
Current:				
Elective Offices, Boards, Commissions, and Agencies	-	171,134	126,565	202,674
City Administration	-	787,719	582,573	840,208
Police	-	348,934	258,061	674,163
Fire	-	76,924	56,891	324,772
Public Works	-	1,255,802	928,753	1,394,314
Community Development	-	352,997	261,066	311,555
Public Safety	-	803,927	594,560	835,238
General Government	6,706,522	-	6,522	23,131
Library	-	693,304	512,746	768,218
Debt Service:				
Interest and Fiscal Charges	-	-	215,248	240,015
Total Expenditures	6,706,522	4,490,741	3,542,985	5,614,288
Excess (Deficiency) of Revenues Over Expenditures	(844,131)	1,371,650	357,631	83,113
OTHER FINANCING SOURCES				
Transfers In	844,131	844,131	565,568	779,554
Net Change in Fund Balance	$ -	$ 2,215,781	923,199	862,667
Fund Balance (Deficit) - Beginning of Year			(7,224,314)	(8,086,981)
Fund Balance (Deficit) - End of Year			$ (6,301,115)	$ (7,224,314)

CITY OF PEORIA, ILLINOIS
SOLID WASTE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2016
(WITH COMPARATIVE FIGURES FOR THE YEAR ENDED DECEMBER 31, 2015)

	2016 Original Budget	2016 Final Budget	2016 Actual	2015 Actual
REVENUES				
Service Charges/Fines/Fees	$ 407,350	$ 407,350	$ 470,427	$ 481,095
Interest	-	-	1,292	630
Total Revenues	407,350	407,350	471,719	481,725
EXPENDITURES				
General Government	367,300	367,300	282,357	348,977
Excess of Revenues Over Expenditures	40,050	40,050	189,362	132,748
OTHER FINANCING USES				
Transfers Out	(141,000)	(141,000)	(75,785)	(137,957)
Net Change in Fund Balance	$ (100,950)	$ (100,950)	113,577	(5,209)
Fund Balance - Beginning of Year			134,083	139,292
Fund Balance - End of Year			$ 247,660	$ 134,083

CITY OF PEORIA, ILLINOIS
REFUSE COLLECTION FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (DEFICIT)
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2016
(WITH COMPARATIVE FIGURES FOR THE YEAR ENDED DECEMBER 31, 2015)

	2016 Original Budget	2016 Final Budget	2016 Actual	2015 Actual
REVENUES				
Governmental Grants and Reimbursements	$ 116,000	$ 116,000	$ 106,077	$ 139,457
Service Charges/Fines/Fees	6,384,000	6,384,000	6,394,970	5,920,253
Interest	-	-	3,758	808
Other	-	-	(1,007)	-
Total Revenues	6,500,000	6,500,000	6,503,798	6,060,518
EXPENDITURES				
Current:				
City Administration	-	-	-	46
Public Works	7,108,105	7,108,105	8,716,551	6,840,143
Total Expenditures	7,108,105	7,108,105	8,716,551	6,840,189
Deficiency of Revenues Over Expenditures	(608,105)	(608,105)	(2,212,753)	(779,671)
OTHER FINANCING SOURCES				
Transfers In	608,105	608,105	608,105	-
Net Change in Fund Balance	$ -	$ -	(1,604,648)	(779,671)
Fund Balance (Deficit) - Beginning of Year			(2,492,948)	(1,713,277)
Fund Balance (Deficit) - End of Year			$ (4,097,596)	$ (2,492,948)

CITY OF PEORIA, ILLINOIS
SEWER FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (DEFICIT)
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2016
(WITH COMPARATIVE FIGURES FOR THE YEAR ENDED DECEMBER 31, 2015)

	2016 Original Budget	2016 Final Budget	2016 Actual	2015 Actual
REVENUES				
Service Charges/Fines/Fees	$ 4,679,401	$ 4,679,401	$ 5,150,789	$ 4,394,877
Interest	-	-	1,430	2,699
Other	-	-	513	-
Total Revenues	4,679,401	4,679,401	5,152,732	4,397,576
EXPENDITURES				
Current:				
Public Works	-	-	184,838	170,342
General Government	-	-	303,566	942,528
Capital Outlay	1,800,000	1,800,000	1,340,865	2,408,530
Total Expenditures	1,800,000	1,800,000	1,829,269	3,521,400
Excess of Revenues Over Expenditures	2,879,401	2,879,401	3,323,463	876,176
OTHER FINANCING USES				
Transfers Out	(2,860,760)	(2,860,760)	(2,756,013)	(2,961,258)
Net Change in Fund Balance	$ 18,641	$ 18,641	567,450	(2,085,082)
Fund Balance (Deficit) - Beginning of Year			(837,132)	1,247,950
Fund Balance (Deficit) - End of Year			$ (269,682)	$ (837,132)

CITY OF PEORIA, ILLINOIS
PEORIA FOREIGN FIRE INSURANCE BOARD
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
YEAR ENDED DECEMBER 31, 2016
(WITH COMPARATIVE FIGURES FOR THE YEAR ENDED DECEMBER 31, 2015)

	2016	2015
REVENUES		
Governmental Grants and Reimbursements	$ 166,202	$ 169,313
Interest	713	735
Total Revenues	166,915	170,048
EXPENDITURES		
Fire	161,258	242,347
Net Change in Fund Balance	5,657	(72,299)
Fund Balance - Beginning of Year	218,426	290,725
Fund Balance - End of Year	$ 224,083	$ 218,426

CITY OF PEORIA, ILLINOIS
WESTLAKE SPECIAL SERVICE AREA FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
YEAR ENDED DECEMBER 31, 2016
(WITH COMPARATIVE FIGURES FOR THE YEAR ENDED DECEMBER 31, 2015)

	2016	2015
REVENUES		
Property Taxes	$ 40,003	$ 80,004
Home Rule Sales Taxes	274,798	260,185
Total Revenues	314,801	340,189
EXPENDITURES		
General Government	330,517	315,516
Net Change in Fund Balance	(15,716)	24,673
Fund Balance - Beginning of Year	140,618	115,945
Fund Balance - End of Year	$ 124,902	$ 140,618

CITY OF PEORIA, ILLINOIS
YOUTHBUILD GRANT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
YEAR ENDED DECEMBER 31, 2016
(WITH COMPARATIVE FIGURES FOR THE YEAR ENDED DECEMBER 31, 2015)

	2016	2015
REVENUES		
Governmental Grants and Reimbursements	$ 55,901	$ 214,396
Interest	3	-
Total Revenues	55,904	214,396
EXPENDITURES		
Community Development	56,196	214,113
Excess (Deficiency) of Revenues Over Expenditures	(292)	283
OTHER FINANCING SOURCES		
Transfers In	9	-
Net Change in Fund Balance	(283)	283
Fund Balance - Beginning of Year	283	-
Fund Balance - End of Year	$ -	$ 283

CITY OF PEORIA, ILLINOIS
FICA MEDICARE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2016
(WITH COMPARATIVE FIGURES FOR THE YEAR ENDED DECEMBER 31, 2015)

	2016			2015
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Property Taxes	$ -	$ -	$ 1,565,407	$ -
Corporate Personal Property Replacement Taxes	-	-	358,292	-
Interest	-	-	102	-
Total Revenues	-	-	1,923,801	-
EXPENDITURES				
Current:				
Elective Offices, Boards, Commissions, and Agencies	-	-	69,030	-
City Administration	-	-	251,624	-
Police	-	-	440,915	-
Fire	-	-	274,648	-
Public Works	-	-	462,284	-
Community Development	-	-	114,043	-
Public Safety	-	-	264,872	-
General Government	-	-	5,402	-
Library	-	-	311,425	-
Total Expenditures	-	-	2,194,243	-
Deficiency of Revenues Over Expenditures	-	-	(270,442)	-
OTHER FINANCING SOURCES				
Transfers In	-	-	278,563	-
Net Change in Fund Balance	$ -	$ -	8,121	-
Fund Balance - Beginning of Year			-	-
Fund Balance - End of Year			$ 8,121	$ -

CITY OF PEORIA, ILLINOIS
TOURISM RESERVE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2016
(WITH COMPARATIVE FIGURES FOR THE YEAR ENDED DECEMBER 31, 2015)

	2016			2015
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Hotel, Restaurant, and Amusement				
Taxes	$ 1,000,000	$ 1,000,000	$ 775,505	$ 929,677
Interest	-	-	92	28
Other	-	-	26,619	96,398
Total Revenues	1,000,000	1,000,000	802,216	1,026,103
EXPENDITURES				
Community Development	1,000,000	1,000,000	2,334,581	1,088,315
Net Change in Fund Balance	$ -	$ -	(1,532,365)	(62,212)
Fund Balance - Beginning of Year			1,937,924	2,000,136
Fund Balance - End of Year			$ 405,559	$ 1,937,924

CITY OF PEORIA, ILLINOIS
INNOVATION GRANT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2016
(WITH COMPARATIVE FIGURES FOR THE YEAR ENDED DECEMBER 31, 2015)

	2016			2015
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Governmental Grants and Reimbursements	$ 500,000	$ 500,000	$ 404,000	$ 293,078
Interest	-	-	157	-
Total Revenues	500,000	500,000	404,157	293,078
EXPENDITURES				
City Administration	500,000	500,000	404,000	292,189
Net Change in Fund Balance	$ -	$ -	157	889
Fund Balance - Beginning of Year			889	-
Fund Balance - End of Year			$ 1,046	$ 889

CITY OF PEORIA, ILLINOIS
SPORTS COMPLEX SPECIAL SERVICE AREA FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2016
(WITH COMPARATIVE FIGURES FOR THE YEAR ENDED DECEMBER 31, 2015)

	2016			2015
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Special Service Area Sales Taxes	$ -	$ -	$ 206	$ -
Hotel, Restaurant, and Amusement Taxes	-	-	221,587	-
Interest	-	-	171	-
Total Revenues	-	-	221,964	-
EXPENDITURES				
Community Development	-	-	-	-
Excess of Revenues over Expenditures	-	-	221,964	-
OTHER FINANCING USES				
Transfers Out	-	-	(67,437)	-
Net Change in Fund Balance	$ -	$ -	154,527	-
Fund Balance - Beginning of Year			-	-
Fund Balance - End of Year			$ 154,527	$ -

CITY OF PEORIA, ILLINOIS
HOLIDAY INN SPECIAL SERVICE AREA FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2016
(WITH COMPARATIVE FIGURES FOR THE YEAR ENDED DECEMBER 31, 2015)

	2016			2015
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Property Taxes	$ -	$ -	$ 17,362	$ -
Special Service Area Sales Taxes	-	-	557	-
Hotel, Restaurant, and Amusement Taxes	-	-	5,174	-
Interest	-	-	2	-
Total Revenues	-	-	23,095	-
EXPENDITURES				
Community Development	-	-	-	-
Excess of Revenues over Expenditures	-	-	23,095	-
OTHER FINANCING USES				
Transfers Out	-	-	(17,361)	-
Net Change in Fund Balance	$ -	$ -	5,734	-
Fund Balance - Beginning of Year			-	-
Fund Balance - End of Year			$ 5,734	$ -

CITY OF PEORIA, ILLINOIS
KNOXVILLE JUNCTION SPECIAL SERVICE AREA FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2016
(WITH COMPARATIVE FIGURES FOR THE YEAR ENDED DECEMBER 31, 2015)

	2016			2015
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Property Taxes	$ -	$ -	$ 115,011	$ -
Interest	-	-	9	-
Total Revenues	-	-	115,020	-
EXPENDITURES				
Community Development	-	-	115,010	-
Net Change in Fund Balance	$ -	$ -	10	-
Fund Balance - Beginning of Year			-	-
Fund Balance - End of Year			$ 10	$ -

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:

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

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

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

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

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

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

2011B General Obligation Bond Debt Service Fund: This fund is used to account for the accumulation of resources for the repayment of principal and interest on the City's 2011B General Obligation Bonds.

2012A General Obligation Bond Debt Service Fund: This fund is used to account for the accumulation of resources for the repayment of principal and interest on the City's 2012A General Obligation Bonds.

2012B General Obligation Bond Debt Service Fund: This fund is used to account for the accumulation of resources for the repayment of principal and interest on the City's 2012B General Obligation Bonds.

2012C General Obligation Bond Debt Service Fund: This fund is used to account for the accumulation of resources for the repayment of principal and interest on the City's 2012C General Obligation Bonds.

2013A General Obligation Bond Debt Service Fund: This fund is used to account for the accumulation of resources for the repayment of principal and interest on the City's 2013A General Obligation Bonds.

2013D General Obligation Bond Debt Service Fund: This fund is used to account for the accumulation of resources for the repayment of principal and interest on the City's 2013D General Obligation Bonds.

2015C General Obligation 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 2015C General Obligation Bonds.

2015D General Obligation 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 2015D General Obligation Bonds.

2016A General Obligation 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 2016A General Obligation Bonds.

CITY OF PEORIA, ILLINOIS
WEAVERRIDGE DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2016
(WITH COMPARATIVE FIGURES FOR THE YEAR ENDED DECEMBER 31, 2015)

	2016 Original Budget	2016 Final Budget	2016 Actual	2015 Actual
REVENUES				
Property Taxes	$ 150,000	$ 150,000	$ -	$ 80,000
Interest	-	-	5	-
Total Revenues	150,000	150,000	5	80,000
EXPENDITURES				
Current:				
General Government	15,400	15,400	9,156	15,062
Debt Service:				
Principal	555,000	555,000	555,000	520,000
Interest and Fiscal Charges	40,125	40,125	40,125	67,000
Total Expenditures	610,525	610,525	604,281	602,062
Deficiency of Revenues Over Expenditures	(460,525)	(460,525)	(604,276)	(522,062)
OTHER FINANCING SOURCES				
Transfers In	437,600	437,600	73,908	464,400
Net Change in Fund Balance	$ (22,925)	$ (22,925)	(530,368)	(57,662)
Fund Balance - Beginning of Year			988,493	1,046,155
Fund Balance - End of Year			$ 458,125	$ 988,493

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, 2016
(WITH COMPARATIVE FIGURES FOR THE YEAR ENDED DECEMBER 31, 2015)

	2016 Original Budget	2016 Final Budget	2016 Actual	2015 Actual
REVENUES				
Property Taxes	$ 2,000,000	$ 2,000,000	$ 2,008,390	$ -
Interest	2,200	2,200	10,414	1,478
Total Revenues	2,002,200	2,002,200	2,018,804	1,478
EXPENDITURES				
Current:				
General Government	-	-	1,050	372,340
Debt Service:				
Principal	6,845,000	6,845,000	6,845,000	9,978,926
Interest and Fiscal Charges	2,983,685	2,983,685	2,961,881	2,886,808
Total Expenditures	9,828,685	9,828,685	9,807,931	13,238,074
Deficiency of Revenues Over Expenditures	(7,826,485)	(7,826,485)	(7,789,127)	(13,236,596)
OTHER FINANCING SOURCES (USES)				
Issuance of Bonds	-	-	-	24,995,000
Bond Premium	-	-	-	2,544,747
Payment to Refunded Bond Escrow Agent	-	-	-	(27,337,141)
Transfers In	7,755,386	7,755,386	9,852,985	13,040,734
Transfers Out	-	-	(2,000,000)	-
Total Other Financing Sources (Uses)	7,755,386	7,755,386	7,852,985	13,243,340
Net Change in Fund Balance	$ (71,099)	$ (71,099)	63,858	6,744
Fund Balance - Beginning of Year			155,713	148,969
Fund Balance - End of Year			$ 219,571	$ 155,713

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, 2016
(WITH COMPARATIVE FIGURES FOR THE YEAR ENDED DECEMBER 31, 2015)

	2016			2015
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Property Taxes	$ 129,280	$ 129,280	$ -	$ -
Interest	-	-	31,775	9,721
Other	207,000	207,000	-	2,088,190
Total Revenues	336,280	336,280	31,775	2,097,911
EXPENDITURES				
Debt Service:				
Principal	290,000	290,000	290,000	275,000
Interest and Fiscal Charges	228,370	228,370	228,370	242,120
Total Expenditures	518,370	518,370	518,370	517,120
Excess (Deficiency) of Revenues Over Expenditures	(182,090)	(182,090)	(486,595)	1,580,791
OTHER FINANCING SOURCES				
Transfers In	312,500	312,500	-	-
Net Change in Fund Balance	$ 130,410	$ 130,410	(486,595)	1,580,791
Fund Balance - Beginning of Year			3,763,588	2,182,797
Fund Balance - End of Year			$ 3,276,993	$ 3,763,588

CITY OF PEORIA, ILLINOIS
2007-A SPECIAL ASSESSMENT BOND DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2016
(WITH COMPARATIVE FIGURES FOR THE YEAR ENDED DECEMBER 31, 2015)

	2016			2015
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Property Taxes	$ 128,013	$ 128,013	$ 121,548	$ 126,425
Interest	-	-	187	137
Total Revenues	128,013	128,013	121,735	126,562
EXPENDITURES				
Current:				
General Government	-	-	500	500
Debt Service:				
Principal	109,000	109,000	109,000	109,000
Interest and Fiscal Charges	12,548	12,548	12,548	18,925
Total Expenditures	121,548	121,548	122,048	128,425
Net Change in Fund Balance	$ 6,465	$ 6,465	(313)	(1,863)
Fund Balance - Beginning of Year			18,624	20,487
Fund Balance - End of Year			$ 18,311	$ 18,624

CITY OF PEORIA, ILLINOIS
2008A LIBRARY GENERAL OBLIGATION BOND DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2016
(WITH COMPARATIVE FIGURES FOR THE YEAR ENDED DECEMBER 31, 2015)

	2016			2015
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Property Taxes	$ 2,360,350	$ 2,360,350	$ 2,338,944	$ 2,267,495
Interest	-	-	10,950	6,865
Total Revenues	2,360,350	2,360,350	2,349,894	2,274,360
EXPENDITURES				
Debt Service:				
Principal	1,240,000	1,240,000	1,395,000	1,150,000
Interest and Fiscal Charges	1,120,350	1,120,350	1,106,544	1,166,350
Total Expenditures	2,360,350	2,360,350	2,501,544	2,316,350
Deficiency of Revenues Over Expenditures	-	-	(151,650)	(41,990)
OTHER FINANCING SOURCES (USES)				
Issuance of Bonds	-	-	19,070,000	-
Bond Premium	-	-	3,019,857	-
Payment to Refunded Bond Escrow Agent	-	-	(21,774,412)	-
Total Other Financing Sources (Uses)	-	-	315,445	-
Net Change in Fund Balance	$ -	$ -	163,795	(41,990)
Fund Balance - Beginning of Year			290,830	332,820
Fund Balance - End of Year			$ 454,625	$ 290,830

CITY OF PEORIA, ILLINOIS
2010D GENERAL OBLIGATION BOND DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2016
(WITH COMPARATIVE FIGURES FOR THE YEAR ENDED DECEMBER 31, 2015)

	2016			2015
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Interest	$ -	$ -	$ 239	$ 38
EXPENDITURES				
Debt Service:				
Principal	2,620,000	2,620,000	2,620,000	70,000
Interest and Fiscal Charges	1,055,112	1,055,112	1,055,112	1,056,513
Total Expenditures	3,675,112	3,675,112	3,675,112	1,126,513
Deficiency of Revenues Over Expenditures	(3,675,112)	(3,675,112)	(3,674,873)	(1,126,475)
OTHER FINANCING SOURCES				
Transfers In	3,675,113	3,675,113	3,675,113	1,126,513
Net Change in Fund Balance	$ 1	$ 1	240	38
Fund Balance - Beginning of Year			1,038	1,000
Fund Balance - End of Year			$ 1,278	$ 1,038

CITY OF PEORIA, ILLINOIS
2011B GENERAL OBLIGATION BOND DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2016
(WITH COMPARATIVE FIGURES FOR THE YEAR ENDED DECEMBER 31, 2015)

	2016			2015
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Interest	$ -	$ -	$ 54	$ 41
EXPENDITURES				
Debt Service:				
Interest and Fiscal Charges	204,900	204,900	204,900	204,900
Deficiency of Revenues Over Expenditures	(204,900)	(204,900)	(204,846)	(204,859)
OTHER FINANCING SOURCES				
Transfers In	204,900	204,900	204,900	204,900
Net Change in Fund Balance	$ -	$ -	54	41
Fund Balance - Beginning of Year			4,880	4,839
Fund Balance - End of Year			$ 4,934	$ 4,880

CITY OF PEORIA, ILLINOIS
2012A GENERAL OBLIGATION BOND DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (DEFICIT)
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2016
(WITH COMPARATIVE FIGURES FOR THE YEAR ENDED DECEMBER 31, 2015)

	2016			2015
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Interest	$ -	$ -	$ 606	$ 458
EXPENDITURES				
Current:				
General Government	-	-	250	250
Debt Service:				
Principal	750,000	750,000	750,000	650,000
Interest and Fiscal Charges	1,282,113	1,282,113	1,282,113	1,296,738
Total Expenditures	2,032,113	2,032,113	2,032,363	1,946,988
Deficiency of Revenues Over Expenditures	(2,032,113)	(2,032,113)	(2,031,757)	(1,946,530)
OTHER FINANCING SOURCES				
Transfers In	2,032,113	2,032,113	2,247,047	1,750,266
Net Change in Fund Balance	$ -	$ -	215,290	(196,264)
Fund Balance (Deficit) - Beginning of Year			(125,498)	70,766
Fund Balance (Deficit) - End of Year			$ 89,792	$ (125,498)

CITY OF PEORIA, ILLINOIS
2012B GENERAL OBLIGATION BOND DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2016
(WITH COMPARATIVE FIGURES FOR THE YEAR ENDED DECEMBER 31, 2015)

	2016			2015
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Interest	$ -	$ -	$ 130	$ 92
EXPENDITURES				
Debt Service:				
Principal	60,000	60,000	60,000	60,000
Interest and Fiscal Charges	289,650	289,650	289,650	290,550
Total Expenditures	349,650	349,650	349,650	350,550
Deficiency of Revenues Over Expenditures	(349,650)	(349,650)	(349,520)	(350,458)
OTHER FINANCING SOURCES				
Transfers In	349,650	349,650	349,650	351,000
Net Change in Fund Balance	$ -	$ -	130	542
Fund Balance - Beginning of Year			12,276	11,734
Fund Balance - End of Year			$ 12,406	$ 12,276

CITY OF PEORIA, ILLINOIS
2012C GENERAL OBLIGATION BOND DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (DEFICIT)
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2016
(WITH COMPARATIVE FIGURES FOR THE YEAR ENDED DECEMBER 31, 2015)

	2016			2015
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Interest	$ -	$ -	$ 161	$ 93
EXPENDITURES				
Current:				
General Government	20,000	20,000	13,098	42,174
Debt Service:				
Principal	305,000	305,000	-	295,000
Interest and Fiscal Charges	19,150	19,150	4,191	16,688
Total Expenditures	344,150	344,150	17,289	353,862
Deficiency of Revenues Over Expenditures	(344,150)	(344,150)	(17,128)	(353,769)
OTHER FINANCING SOURCES (USES)				
Payment to Refunded Bond Escrow Agent	-	-	(3,917,171)	-
Transfers In	344,150	344,150	3,951,362	321,688
Transfers Out	-	-	(9,427)	-
Total Other Financing Sources (Uses)	344,150	344,150	24,764	321,688
Net Change in Fund Balance	$ -	$ -	7,636	(32,081)
Fund Balance (Deficit) - Beginning of Year			(7,628)	24,453
Fund Balance (Deficit) - End of Year			$ 8	$ (7,628)

CITY OF PEORIA, ILLINOIS
2013A GENERAL OBLIGATION BOND DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2016
(WITH COMPARATIVE FIGURES FOR THE YEAR ENDED DECEMBER 31, 2015)

	2016			2015
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Interest	$ -	$ -	$ 34	$ 25
EXPENDITURES				
Debt Service:				
Interest and Fiscal Charges	289,900	289,900	289,900	289,900
Deficiency of Revenues Over Expenditures	(289,900)	(289,900)	(289,866)	(289,875)
OTHER FINANCING SOURCES				
Transfers In	289,900	289,900	289,900	289,900
Net Change in Fund Balance	$ -	$ -	34	25
Fund Balance - Beginning of Year			2,690	2,665
Fund Balance - End of Year			$ 2,724	$ 2,690

CITY OF PEORIA, ILLINOIS
2013D GENERAL OBLIGATION BOND DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2016
(WITH COMPARATIVE FIGURES FOR THE YEAR ENDED DECEMBER 31, 2015)

	2016			2015
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Interest	$ -	$ -	$ 1,638	$ 1,205
EXPENDITURES				
Debt Service:				
Principal	260,000	260,000	260,000	255,000
Interest and Fiscal Charges	55,154	55,154	55,154	59,667
Total Expenditures	315,154	315,154	315,154	314,667
Deficiency of Revenues Over Expenditures	(315,154)	(315,154)	(313,516)	(313,462)
OTHER FINANCING SOURCES				
Transfers In	315,154	315,154	315,154	314,667
Net Change in Fund Balance	$ -	$ -	1,638	1,205
Fund Balance - Beginning of Year			165,805	164,600
Fund Balance - End of Year			$ 167,443	$ 165,805

CITY OF PEORIA, ILLINOIS
2015C GENERAL OBLIGATION BOND DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2016
(WITH COMPARATIVE FIGURES FOR THE YEAR ENDED DECEMBER 31, 2015)

	2016			2015
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Interest	$ -	$ -	$ 530	$ 197
EXPENDITURES				
Current:				
General Government	-	-	(6)	6
Debt Service:				
Interest and Fiscal Charges	-	-	341,935	67,437
Total Expenditures	-	-	341,929	67,443
Deficiency of Revenues Over Expenditures	-	-	(341,399)	(67,246)
OTHER FINANCING SOURCES				
Issuance of Bonds	-	-	-	341,935
Transfers In	-	-	68,335	-
Total Other Financing Sources	-	-	68,335	341,935
Net Change in Fund Balance	$ -	$ -	(273,064)	274,689
Fund Balance - Beginning of Year			274,689	-
Fund Balance - End of Year			$ 1,625	$ 274,689

CITY OF PEORIA, ILLINOIS
2015D GENERAL OBLIGATION BOND DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2016
(WITH COMPARATIVE FIGURES FOR THE YEAR ENDED DECEMBER 31, 2015)

	2016			2015
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Interest	$ -	$ -	$ 77	$ 61
EXPENDITURES				
Current:				
General Government	-	-	(6)	6
Debt Service:				
Interest and Fiscal Charges	-	-	88,030	17,361
Total Expenditures	-	-	88,024	17,367
Deficiency of Revenues Over Expenditures	-	-	(87,947)	(17,306)
OTHER FINANCING SOURCES				
Issuance of Bonds	-	-	-	88,030
Transfers In	-	-	18,932	-
Total Other Financing Sources	-	-	18,932	88,030
Net Change in Fund Balance	$ -	$ -	(69,015)	70,724
Fund Balance - Beginning of Year			70,724	-
Fund Balance - End of Year			$ 1,709	$ 70,724

CITY OF PEORIA, ILLINOIS
2016A GENERAL OBLIGATION BOND DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (DEFICIT)
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2016
(WITH COMPARATIVE FIGURES FOR THE YEAR ENDED DECEMBER 31, 2015)

	2016 Original Budget	2016 Final Budget	2016 Actual	2015 Actual
REVENUES				
Interest	$ -	$ -	$ 18	$ -
EXPENDITURES				
Current:				
General Government	-	-	56,876	-
Debt Service:				
Interest and Fiscal Charges	-	-	60,638	-
Total Expenditures	-	-	117,514	-
Deficiency of Revenues Over Expenditures	-	-	(117,496)	-
OTHER FINANCING SOURCES				
Transfers In	-	-	105,638	-
Net Change in Fund Balance	$ -	$ -	(11,858)	-
Fund Balance - Beginning of Year			-	-
Fund Balance (Deficit) - End of Year			$ (11,858)	$ -

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.

TIF Project Fund:

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

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

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

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

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

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

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

East Village Growth Cell TIF Project Account: This account is used to account for tax increment financing revenues restricted for improvements with the East Village Growth Cell Tax Increment Financing District.

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

South Village TIF Project Account: This account is used to account for tax increment financing revenues restricted for improvements within the South Village Tax Increment Financing District.

River Trail TIF Project Account: This account is used to account for tax increment financing revenues restricted for improvements within the River Trail Tax Increment Financing District.

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

2014A General Obligation Bond Project Fund: This fund is used to monitor the bond funds which are used for public benefit infrastructure expenditures.

2015C General Obligation Bond Project Fund: This fund is used to monitor the bond funds which are used for the construction of a sports complex located on Orange Prairie Road.

2015D General Obligation Bond Project Fund: This fund is used to monitor the bond funds which are used for the construction of the Holiday Inn located at 7601 N Orange Prairie Rd, Peoria, Illinois 61615.

2016A General Obligation Bond Project Fund: This fund is used to monitor the bond funds which are used for construction of public capital infrastructure improvement expenditures.

2016C General Obligation Bond Project Fund: This fund is used to monitor the bond funds which are used for the construction of a combined sewer overflow pilot program on Adams Street.

CITY OF PEORIA, ILLINOIS
CAPITAL IMPROVEMENTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
YEAR ENDED DECEMBER 31, 2016
(WITH COMPARATIVE FIGURES FOR THE YEAR ENDED DECEMBER 31, 2015)

	2016	2015
REVENUES		
Property Taxes	$ 1,237,776	$ 50,109
Local Motor Fuel Taxes	2,162,742	831,480
Riverboat Gaming Revenue	2,991,308	3,157,614
Utility Taxes	7,256,801	7,589,674
Governmental Grants and Reimbursements	1,073,125	7,961,550
Licenses and Permits	(1,262)	-
Service Charges/Fines/Fees	82,631	429,586
Special Assessments	166,317	-
Loan Repayment	61,163	102,218
Rental	24,723	47,986
Interest	76,784	76,445
Other	546,180	244,099
Total Revenues	15,678,288	20,490,761
EXPENDITURES		
Current:		
Elective Offices, Boards, Commissions, and Agencies	-	9,152
City Administration	412,771	377,487
Police	581,721	568,697
Fire	318,090	319,434
Public Works	545,044	437,775
Community Development	293,070	192,012
Public Safety	635,323	325,988
General Government	641,648	258,421
Capital Outlay	9,823,277	10,526,057
Debt Service:		
Principal	64,245	60,896
Interest and Fiscal Charges	11,194	14,543
Total Expenditures	13,326,383	13,090,462
Excess of Revenues Over Expenditures	2,351,905	7,400,299
OTHER FINANCING SOURCES (USES)		
Proceeds from Sale of Capital Assets	3,100	7,800
Transfers In	3,291,552	1,219,345
Transfers Out	(7,520,254)	(12,724,243)
Total Other Financing Sources (Uses)	(4,225,602)	(11,497,098)
Net Change in Fund Balance	(1,873,697)	(4,096,799)
Fund Balance - Beginning of Year, as Previously Reported	(2,179,166)	1,917,633
Prior Period Adjustment	(480,879)	-
Fund Balance - Beginning of Year, as Restated	(2,660,045)	1,917,633
Fund Balance - End of Year	$ (4,533,742)	$ (2,179,166)

CITY OF PEORIA, ILLINOIS
TIF PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
YEAR ENDED DECEMBER 31, 2016
(WITH COMPARATIVE FIGURES FOR THE YEAR ENDED DECEMBER 31, 2015)

	2016	2015
REVENUES		
Property Taxes	$ 4,319,307	$ 3,808,247
State Sales Taxes	120,422	121,410
Hotel, Restaurant, and Amusement Taxes	165,893	166,686
Service Charges/Fines/Fees	-	33,744
Interest	72,543	54,823
Other	3,900	-
Total Revenues	4,682,065	4,184,910
EXPENDITURES		
Current:		
City Administration	5,500	-
Public Works	33,068	30,702
Community Development	1,811,096	1,031,006
Public Safety	238,952	45,152
Capital Outlay	499,900	272,606
Total Expenditures	2,588,516	1,379,466
Excess of Revenues Over Expenditures	2,093,549	2,805,444
OTHER FINANCING SOURCES (USES)		
Transfers In	82,000	-
Transfers Out	(2,616,667)	(2,511,284)
Total Other Financing Sources (Uses)	(2,534,667)	(2,511,284)
Net Change in Fund Balance	(441,118)	294,160
Fund Balance - Beginning of Year	6,720,883	6,426,723
Fund Balance - End of Year	$ 6,279,765	$ 6,720,883

CITY OF PEORIA, ILLINOIS
SOUTHTOWN TIF PROJECT ACCOUNT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
YEAR ENDED DECEMBER 31, 2016
(WITH COMPARATIVE FIGURES FOR THE YEAR ENDED DECEMBER 31, 2015)

	2016	2015
REVENUES		
Property Taxes	$ -	$ 72,000
Service Charges/Fines/Fees	-	33,744
Interest	17,158	21,244
Total Revenues	17,158	126,988
EXPENDITURES		
Current:		
Public Works	108	693
Community Development	-	5,886
Capital Outlay	(22,481)	148,112
Total Expenditures	(22,373)	154,691
Excess (Deficiency) of Revenues Over Expenditures	39,531	(27,703)
OTHER FINANCING USES		
Transfers Out	(744,165)	(2,000,000)
Net Change in Fund Balance	(704,634)	(2,027,703)
Fund Balance - Beginning of Year	705,248	2,732,951
Fund Balance - End of Year	$ 614	$ 705,248

CITY OF PEORIA, ILLINOIS
DOWNTOWN TIF PROJECT ACCOUNT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
YEAR ENDED DECEMBER 31, 2016
(WITH COMPARATIVE FIGURES FOR THE YEAR ENDED DECEMBER 31, 2015)

	2016	2015
REVENUES		
Property Taxes	$ 1,678,052	$ 1,532,096
Interest	20,914	16,443
Total Revenues	1,698,966	1,548,539
EXPENDITURES		
Current:		
City Administration	500	-
Public Works	31,827	30,009
Community Development	655,775	704,730
Capital Outlay	109,937	70,012
Total Expenditures	798,039	804,751
Excess of Revenues Over Expenditures	900,927	743,788
OTHER FINANCING USES		
Transfers Out	(766,558)	(769,358)
Net Change in Fund Balance	134,369	(25,570)
Fund Balance - Beginning of Year	1,797,413	1,822,983
Fund Balance - End of Year	$ 1,931,782	$ 1,797,413

CITY OF PEORIA, ILLINOIS
NORTHSIDE TIF PROJECT ACCOUNT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
YEAR ENDED DECEMBER 31, 2016
(WITH COMPARATIVE FIGURES FOR THE YEAR ENDED DECEMBER 31, 2015)

	2016	2015
REVENUES		
Property Taxes	$ 137,615	$ 135,918
Interest	4,472	3,757
Total Revenues	142,087	139,675
EXPENDITURES		
City Administration	500	-
Excess of Revenues Over Expenditures	141,587	139,675
OTHER FINANCING USES		
Transfers Out	(136,292)	(209,086)
Net Change in Fund Balance	5,295	(69,411)
Fund Balance - Beginning of Year	402,082	471,493
Fund Balance - End of Year	$ 407,377	$ 402,082

CITY OF PEORIA, ILLINOIS
MIDTOWN PLAZA TIF PROJECT ACCOUNT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
YEAR ENDED DECEMBER 31, 2016
(WITH COMPARATIVE FIGURES FOR THE YEAR ENDED DECEMBER 31, 2015)

	2016	2015
REVENUES		
Property Taxes	$ 28,325	$ 111,222
Interest	413	292
Total Revenues	28,738	111,514
EXPENDITURES		
City Administration	500	-
Excess of Revenues Over Expenditures	28,238	111,514
OTHER FINANCING SOURCES (USES)		
Transfers In	82,000	-
Transfers Out	(110,000)	(110,000)
Total Other Financing Sources (Uses)	(28,000)	(110,000)
Net Change in Fund Balance	238	1,514
Fund Balance - Beginning of Year	3,482	1,968
Fund Balance - End of Year	$ 3,720	$ 3,482

CITY OF PEORIA, ILLINOIS
NORTHSIDE BUSINESS PARK TIF PROJECT ACCOUNT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
YEAR ENDED DECEMBER 31, 2016
(WITH COMPARATIVE FIGURES FOR THE YEAR ENDED DECEMBER 31, 2015)

	2016	2015
REVENUES		
Property Taxes	$ 177,235	$ 183,319
Interest	5,843	3,196
Total Revenues	183,078	186,515
EXPENDITURES		
Current:		
City Administration	500	-
Community Development	32,918	33,335
Capital Outlay	76	11,966
Total Expenditures	33,494	45,301
Net Change in Fund Balance	149,584	141,214
Fund Balance - Beginning of Year	516,662	375,448
Fund Balance - End of Year	$ 666,246	$ 516,662

CITY OF PEORIA, ILLINOIS
DOWNTOWN STADIUM TIF PROJECT ACCOUNT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
YEAR ENDED DECEMBER 31, 2016
(WITH COMPARATIVE FIGURES FOR THE YEAR ENDED DECEMBER 31, 2015)

	2016	2015
REVENUES		
Property Taxes	$ 305,941	$ 301,950
Interest	1,135	913
Total Revenues	307,076	302,863
EXPENDITURES		
Current:		
City Administration	500	-
Community Development	151,440	149,465
Total Expenditures	151,940	149,465
Excess of Revenues Over Expenditures	155,136	153,398
OTHER FINANCING USES		
Transfers Out	(153,438)	(152,038)
Net Change in Fund Balance	1,698	1,360
Fund Balance - Beginning of Year	62,992	61,632
Fund Balance - End of Year	$ 64,690	$ 62,992

CITY OF PEORIA, ILLINOIS
EAGLE VIEW TIF PROJECT ACCOUNT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
YEAR ENDED DECEMBER 31, 2016
(WITH COMPARATIVE FIGURES FOR THE YEAR ENDED DECEMBER 31, 2015)

	2016	2015
REVENUES		
Property Taxes	$ 93,960	$ 38,632
Interest	1,501	654
Total Revenues	95,461	39,286
EXPENDITURES		
Current:		
City Administration	500	-
Net Change in Fund Balance	94,961	39,286
Fund Balance - Beginning of Year	111,166	71,880
Fund Balance - End of Year	$ 206,127	$ 111,166

CITY OF PEORIA, ILLINOIS
WAREHOUSE DISTRICT TIF PROJECT ACCOUNT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
YEAR ENDED DECEMBER 31, 2016
(WITH COMPARATIVE FIGURES FOR THE YEAR ENDED DECEMBER 31, 2015)

	2016	2015
REVENUES		
Property Taxes	$ 385,954	$ 287,022
Interest	6,330	3,999
Other	3,900	-
Total Revenues	396,184	291,021
EXPENDITURES		
Current:		
City Administration	500	-
Community Development	260,805	99,455
Capital Outlay	282,475	39,183
Total Expenditures	543,780	138,638
Net Change in Fund Balance	(147,596)	152,383
Fund Balance - Beginning of Year	611,268	458,885
Fund Balance - End of Year	$ 463,672	$ 611,268

CITY OF PEORIA, ILLINOIS
HOSPITALITY IMPROVEMENT ZONE TIF PROJECT ACCOUNT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
YEAR ENDED DECEMBER 31, 2016
(WITH COMPARATIVE FIGURES FOR THE YEAR ENDED DECEMBER 31, 2015)

	2016	2015
REVENUES		
Property Taxes	$ 1,186,568	$ 912,017
State Sales Taxes	120,422	121,410
Hotel, Restaurant, and Amusement Taxes	165,893	166,686
Interest	3,195	1,476
Total Revenues	1,476,078	1,201,589
EXPENDITURES		
Current:		
City Administration	500	-
Community Development	-	38,135
Total Expenditures	500	38,135
Excess of Revenues Over Expenditures	1,475,578	1,163,454
OTHER FINANCING USES		
Transfers Out	(1,450,379)	(1,270,802)
Net Change in Fund Balance	25,199	(107,348)
Fund Balance - Beginning of Year	41,798	149,146
Fund Balance - End of Year	$ 66,997	$ 41,798

CITY OF PEORIA, ILLINOIS
EAST VILLAGE GROWTH CELL TIF PROJECT ACCOUNT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
YEAR ENDED DECEMBER 31, 2016
(WITH COMPARATIVE FIGURES FOR THE YEAR ENDED DECEMBER 31, 2015)

	2016	2015
REVENUES		
Property Taxes	$ 186,707	$ 149,561
Interest	4,244	2,417
Total Revenues	190,951	151,978
EXPENDITURES		
Current:		
City Administration	500	-
Community Development	555,429	-
Total Expenditures	555,929	-
Excess (Deficiency) of Revenues Over Expenditures	(364,978)	151,978
OTHER FINANCING SOURCES		
Transfers In	200,000	-
Net Change in Fund Balance	(164,978)	151,978
Fund Balance - Beginning of Year	409,837	257,859
Fund Balance - End of Year	$ 244,859	$ 409,837

CITY OF PEORIA, ILLINOIS
DOWNTOWN CONSERVATION TIF PROJECT ACCOUNT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
YEAR ENDED DECEMBER 31, 2016
(WITH COMPARATIVE FIGURES FOR THE YEAR ENDED DECEMBER 31, 2015)

	2016	2015
REVENUES		
Property Taxes	$ 98,331	$ 64,798
Interest	1,249	330
Total Revenues	99,580	65,128
EXPENDITURES		
City Administration	500	-
Net Change in Fund Balance	99,080	65,128
Fund Balance - Beginning of Year	77,287	12,159
Fund Balance - End of Year	$ 176,367	$ 77,287

CITY OF PEORIA, ILLINOIS
SOUTH VILLAGE TIF PROJECT ACCOUNT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
YEAR ENDED DECEMBER 31, 2016
(WITH COMPARATIVE FIGURES FOR THE YEAR ENDED DECEMBER 31, 2015)

	2016	2015
REVENUES		
Property Taxes	$ 40,619	$ 19,712
Interest	6,089	102
Total Revenues	46,708	19,814
EXPENDITURES		
Current:		
City Administration	500	-
Public Works	1,133	-
Community Development	154,729	-
Public Safety	238,952	45,152
Capital Outlay	129,893	3,333
Total Expenditures	525,207	48,485
Deficiency of Revenues Over Expenditures	(478,499)	(28,671)
OTHER FINANCING SOURCES (USES)		
Transfers In	744,165	2,000,000
Transfers Out	(200,000)	-
Total Other Financing Sources (Uses)	544,165	2,000,000
Net Change in Fund Balance	65,666	1,971,329
Fund Balance - Beginning of Year	1,981,648	10,319
Fund Balance - End of Year	$ 2,047,314	$ 1,981,648

CITY OF PEORIA, ILLINOIS
CITY OF PEORIA DESIGNATED ZONE ORGANIZATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
YEAR ENDED DECEMBER 31, 2016
(WITH COMPARATIVE FIGURES FOR THE YEAR ENDED DECEMBER 31, 2015)

	2016	2015
REVENUES		
Interest	$ 83	$ 33
EXPENDITURES		
Community Development	5,615	1,580
Deficiency of Revenues Over Expenditures	(5,532)	(1,547)
OTHER FINANCING SOURCES (USES)		
Transfers In	1,075,658	1,405,337
Transfers Out	(1,070,166)	(1,403,767)
Total Other Financing Sources (Uses)	5,492	1,570
Net Change in Fund Balance	(40)	23
Fund Balance - Beginning of Year	40	17
Fund Balance - End of Year	$ -	$ 40

CITY OF PEORIA, ILLINOIS
2014A GENERAL OBLIGATION BOND PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
YEAR ENDED DECEMBER 31, 2016
(WITH COMPARATIVE FIGURES FOR THE YEAR ENDED DECEMBER 31, 2015)

	2016	2015
REVENUES		
Interest	$ 1,886	$ 7,545
EXPENDITURES		
Current:		
General Government	-	729,358
Capital Outlay	(75,125)	237,904
Total Expenditures	(75,125)	967,262
Excess (Deficiency) of Revenues Over Expenditures	77,011	(959,717)
OTHER FINANCING USES		
Transfers Out	(39,962)	-
Net Change in Fund Balance	37,049	(959,717)
Fund Balance - Beginning of Year	118,641	1,078,358
Fund Balance - End of Year	$ 155,690	$ 118,641

CITY OF PEORIA, ILLINOIS
2015C GENERAL OBLIGATION BOND PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
YEAR ENDED DECEMBER 31, 2016
(WITH COMPARATIVE FIGURES FOR THE YEAR ENDED DECEMBER 31, 2015)

	2016	2015
REVENUES		
Interest	$ -	$ 898
EXPENDITURES		
General Government	(15)	7,267,524
Excess (Deficiency) of Revenues Over Expenditures	15	(7,266,626)
OTHER FINANCING SOURCES (USES)		
Issuance of Bonds	-	7,258,065
Bond Premium	-	9,444
Transfers Out	(898)	-
Total Other Financing Sources (Uses)	(898)	7,267,509
Net Change in Fund Balance	(883)	883
Fund Balance - Beginning of Year	883	-
Fund Balance - End of Year	$ -	$ 883

CITY OF PEORIA, ILLINOIS
2015D GENERAL OBLIGATION BOND PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
YEAR ENDED DECEMBER 31, 2016
(WITH COMPARATIVE FIGURES FOR THE YEAR ENDED DECEMBER 31, 2015)

	2016	2015
REVENUES		
Interest	$ -	$ 503
EXPENDITURES		
General Government	-	1,890,718
Deficiency of Revenues Over Expenditures	-	(1,890,215)
OTHER FINANCING SOURCES (USES)		
Issuance of Bonds	-	1,911,970
Bond Premium	-	(20,184)
Transfers Out	(1,571)	-
Total Other Financing Sources (Uses)	(1,571)	1,891,786
Net Change in Fund Balance	(1,571)	1,571
Fund Balance - Beginning of Year	1,571	-
Fund Balance - End of Year	$ -	$ 1,571

CITY OF PEORIA, ILLINOIS
2016A GENERAL OBLIGATION BOND PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
YEAR ENDED DECEMBER 31, 2016
(WITH COMPARATIVE FIGURES FOR THE YEAR ENDED DECEMBER 31, 2015)

	2016	2015
REVENUES		
Interest	$ 13,347	$ -
EXPENDITURES		
Current:		
Public Works	184,121	-
General Government	538,816	-
Capital Outlay	5,036,705	-
Total Expenditures	5,759,642	-
Deficiency of Revenues Over Expenditures	(5,746,295)	-
OTHER FINANCING SOURCES (USES)		
Issuance of Bonds	9,710,000	-
Transfers Out	(3,917,171)	-
Total Other Financing Sources (Uses)	5,792,829	-
Net Change in Fund Balance	46,534	-
Fund Balance - Beginning of Year	-	-
Fund Balance - End of Year	$ 46,534	$ -

CITY OF PEORIA, ILLINOIS
2016C GENERAL OBLIGATION BOND PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
YEAR ENDED DECEMBER 31, 2016
(WITH COMPARATIVE FIGURES FOR THE YEAR ENDED DECEMBER 31, 2015)

	2016	2015
REVENUES		
Interest	$ 813	$ -
EXPENDITURES		
Current:		
General Government	96,616	-
Capital Outlay	2,012,340	-
Total Expenditures	2,108,956	-
Deficiency of Revenues Over Expenditures	(2,108,143)	-
OTHER FINANCING SOURCES		
Issuance of Bonds	3,070,000	-
Bond Premium	29,692	-
Total Other Financing Sources	3,099,692	-
Net Change in Fund Balance	991,549	-
Fund Balance - Beginning of Year	-	-
Fund Balance - End of Year	$ 991,549	$ -

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 POSITION
DECEMBER 31, 2016

	Police Pension Fund of Peoria	Firemen's Pension Fund of Peoria	Total
ASSETS			
Cash and Cash Equivalents	$ 10,000	$ 3,270,549	$ 3,280,549
Receivables:			
Plan Members' Contributions	51,227	48,288	99,515
Accrued Interest and Dividends	321,622	287,448	609,070
Total Receivables	372,849	335,736	708,585
Other Assets, Prepaids	9,099	6,401	15,500
Investments, at Fair Value:			
Money Market Mutual Funds	7,429,295	2,600,088	10,029,383
U.S. Government Obligations	16,385,687	16,794,294	33,179,981
U.S. Government Agencies	6,162,966	807,288	6,970,254
State and Local Obligations	769,819	1,762,576	2,532,395
Mutual Funds	71,426,153	49,732,742	121,158,895
Corporate Bonds	26,671,160	21,667,278	48,338,438
Stocks	14,241,214	27,963,298	42,204,512
Insurance Contracts	11,979,458	-	11,979,458
Total Investments, at Fair Value	155,065,752	121,327,564	276,393,316
Total Assets	155,457,700	124,940,250	280,397,950
LIABILITIES			
Accounts Payable and Accrued Payroll Taxes	77,024	48,784	125,808
NET POSITION RESTRICTED FOR PENSIONS	$ 155,380,676	$ 124,891,466	$ 280,272,142

CITY OF PEORIA, ILLINOIS
COMBINING SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION
YEAR ENDED DECEMBER 31, 2016

	Police Pension Fund of Peoria	Firemen's Pension Fund of Peoria	Total
ADDITIONS			
Contributions:			
Plan Members' Contributions	$ 2,161,968	$ 1,649,248	$ 3,811,216
Employer Contributions	8,392,780	7,801,323	16,194,103
Other Income	87	6,056	6,143
Total Contributions	10,554,835	9,456,627	20,011,462
Investment Income:			
Net Appreciation in Fair Value of Investments	6,137,405	3,563,863	9,701,268
Dividends	1,427,549	1,479,164	2,906,713
Interest	1,307,154	1,316,741	2,623,895
Total Investment Income	8,872,108	6,359,768	15,231,876
Less: Investment Expenses	(359,142)	(338,390)	(697,532)
Net Investment Income	8,512,966	6,021,378	14,534,344
Total Additions	19,067,801	15,478,005	34,545,806
DEDUCTIONS			
Benefits Paid	14,582,197	12,317,490	26,899,687
Administrative Expenses	164,023	141,096	305,119
Total Deductions	14,746,220	12,458,586	27,204,806
NET INCREASE	4,321,581	3,019,419	7,341,000
NET POSITION RESTRICTED FOR PENSIONS			
Beginning of Year	151,059,095	121,872,047	272,931,142
End of Year	$ 155,380,676	$ 124,891,466	$ 280,272,142

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.

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

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

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

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

	Fiscal Year 2007	2008	2009
Governmental activities/primary government:			
Net investment in capital assets	$ 185,488,430	$ 194,265,042	$ 177,077,761
Restricted	61,923,893	75,633,071	63,707,057
Unrestricted	(132,053,264)	(151,816,167)	(138,035,376)
Total governmental activities/primary government net position	$ 115,359,059	$ 118,081,946	$ 102,749,442

Source: City of Peoria comprehensive annual financial reports for fiscal years 2007 through 2016.

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

Trend:

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

In 2011, the $18,990,226 increase in net position included:
a) $10,098,950 increase in restricted net position for capital projects.
b) $ 2,027,404 increase in unrestricted net position from new natural gas utility tax revenue.

Restatement:

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

2011 Net Position:
In 2012, the City adopted GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities* , which restated the beginning net position of the Governmental Activities for items previously reported as assets. Unrestricted net position decreased $2,242,369.

2014 Net Position:
In 2015, the City adopted GASB Statement Nos. 68 and 71, resulting in a $216,312,279 decrease in December 31, 2014 net position. Unrestricted net position decreased $216,312,279 to recognize net pension liabilities and pension related deferred outflows of resources.

2015 Net Position:
In 2016, the City recorded prior period adjustments producing a $1,652,525 increase in December 31, 2015 net position. These adjustments were to move capital related expenditures and revenue between the State MFT Fund and the Capital Improvements Fund. Also, deferred charge on refundings was restated.

Business-Type Activities:
The City has no business-type activities.

Table I

Fiscal Year 2010	2011	2012	2013	2014	2015	**2016**
Restated	Restated			Restated	Restated	
$ 184,710,991	$ 186,383,801	$ 191,648,334	$ 210,260,982	$ 231,881,361	$ 236,299,594	**$ 243,466,295**
36,374,406	23,938,124	31,880,396	26,059,338	22,307,050	22,029,340	**19,332,432**
(103,672,054)	(73,918,356)	(96,661,910)	(111,474,073)	(342,238,330)	(381,255,279)	**(422,374,151)**
$ 117,413,343	$ 136,403,569	$ 126,866,820	$ 124,846,247	$ (88,049,919)	$ (122,926,345)	**$ (159,575,424)**

City of Peoria

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

	Fiscal Year 2007	2008	2009
Expenses			
Governmental activities:			
Elected Offices, Boards, Commissions, and Agencies	$ 2,184,194	$ 2,118,174	$ 2,177,766
City Administration	7,828,057	8,185,595	8,197,849
Police	37,110,409	37,876,713	36,273,295
Fire	27,816,247	28,353,632	31,575,786
Public Works	27,924,254	28,535,894	30,208,619
Community Development	26,926,080	14,753,676	14,723,262
Public Safety	10,534,455	10,196,053	10,768,011
General Government	17,584,981	19,793,924	16,545,136
Library	7,874,572	9,882,250	11,308,891
Interest on Long-Term Debt	7,698,934	7,468,578	8,844,508
Total governmental activities/primary government expenses	$ 173,482,183	$ 167,164,489	$ 170,623,123
Program Revenues			
Governmental activities:			
Charges for services:			
Elected offices, boards, commissions, and agencies	$ -	$ -	$ -
City administration	-	-	-
Police	883,111	839,168	558,810
Fire	520,862	709,022	564,471
Public works	5,522,356	5,546,259	5,229,957
Community development	-	-	-
Public safety	4,177,942	3,921,530	2,792,610
General government	12,348,131	11,839,748	11,951,363
Library	122,818	128,679	129,540
Operating grants and contributions:			
Elected offices, boards, commissions, and agencies	-	-	-
City administration	-	-	-
Police	1,095,196	805,850	786,354
Fire	191,955	257,520	186,799
Public works	-	4,999	-
Community development	7,844,074	6,436,062	8,810,036
Public safety	-	-	-
General government	(12,121)	-	-
Library	104,065	65,283	51,760
Capital grants and contributions			
Elected offices, boards, commissions, and agencies	-	-	-
City administration	-	-	-
Police	-	-	-
Fire	-	-	-
Public works	-	-	186,166
Community development	13,333	13,333	10,000
Public safety	-	-	124,693
General government	9,391,351	7,385,886	1,121,888
Library	151,184	143,026	160,220
Total governmental activities/primary government program revenues	42,354,257	38,096,365	32,664,667
Net (expense) revenue:			
Total governmental activities/primary government net expense	$ (131,127,926)	$ (129,068,124)	$ (137,958,456)

(Continued)

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Table II

			Fiscal Year			
2010	2011	2012	2013	2014	2015	**2016**
Restated	Restated			Restated	Restated	
$ 1,807,517	$ 2,038,876	$ 1,882,152	$ 2,276,126	$ 2,128,498	$ 2,335,352	**$ 2,031,343**
4,649,988	3,389,721	6,843,305	6,787,260	6,132,866	7,481,096	**9,455,331**
36,717,097	38,335,139	38,516,002	43,174,401	42,634,035	56,819,398	**59,420,246**
31,747,002	32,400,123	32,080,101	33,400,729	35,378,534	40,529,566	**50,781,926**
24,460,125	24,073,194	30,999,642	36,101,530	38,186,520	39,156,002	**41,785,670**
17,055,003	17,018,270	12,420,353	13,378,793	8,507,556	9,544,855	**12,593,708**
10,265,084	7,778,795	5,829,511	5,910,780	4,224,466	6,257,645	**7,062,559**
23,810,131	22,512,282	30,812,306	24,494,522	13,045,363	22,612,339	**11,488,235**
9,284,492	11,059,026	11,362,496	9,972,628	8,810,410	9,642,742	**9,565,930**
8,316,083	9,493,691	10,107,766	10,415,956	10,136,289	8,277,949	**6,794,449**
$ 168,112,522	$ 168,099,117	$ 180,853,634	$ 185,912,725	$ 169,184,537	$ 202,656,944	**$ 210,979,397**
$ -	$ -	$ -	$ -	$ -	$ -	**$ -**
-	-	-	-	-	-	**3,106**
597,217	605,675	698,323	540,538	489,498	429,384	**496,180**
511,084	501,192	493,568	412,896	436,789	437,800	**383,803**
4,970,342	5,060,544	11,587,937	12,317,497	12,431,860	13,082,006	**11,239,321**
-	-	-	-	-	129,169	**10,541**
2,594,265	2,377,782	2,309,697	1,818,083	2,711,396	2,230,107	**2,646,898**
15,374,543	11,966,230	5,249,428	4,389,254	5,515,593	4,705,147	**6,804,388**
98,307	119,577	128,276	135,705	138,197	124,750	**2,483,002**
-	-	-	-	-	293,078	**992**
-	-	-	-	-	-	**408,250**
1,155,061	1,980,971	3,347,777	3,003,709	691,508	364,881	**664,852**
254,738	524,903	1,034,717	782,030	241,064	355,209	**389,175**
-	-	-	30,155	400,461	613,862	**3,920,330**
10,822,497	8,649,820	6,063,515	3,126,109	2,188,338	2,375,179	**1,842,844**
-	-	-	-	-	4,352	**46,674**
-	2,248,247	1,222,559	2,728,878	3,698,686	-	**180,295**
82,199	100,553	42,223	16,225	26,981	17,520	**37,092**
-	-	-	-	-	-	**-**
-	-	-	-	-	-	**-**
-	-	-	-	-	-	**-**
-	98,882	-	-	-	-	**-**
517,220	4,426,709	3,642,888	17,262,816	4,039,826	7,020,733	**5,798,214**
5,000	5,000	-	-	-	-	**46,460**
579,939	324,942	33,655	-	-	-	**-**
8,712,785	16,677,425	2,110,191	4,520,380	6,068,356	4,982,329	**-**
105,477	139,147	117,940	118,187	143,759	143,521	**88,891**
46,380,674	55,807,599	38,082,694	51,202,462	39,222,313	37,309,027	**37,491,308**
$ (121,731,848)	$ (112,291,518)	$ (142,770,940)	$ (134,710,263)	$ (129,962,224)	$ (165,347,917)	**$ (173,488,089)**

City of Peoria

Changes In Net Position - continued
Last Ten Fiscal Years
(accrual basis of accounting)
(Unaudited)

	Fiscal Year			
	2007	2008	2009	2010
				Restated
General Revenues and Other Changes in Net Position:				
Governmental activities/primary government:				
Taxes:				
Property taxes	$ 27,481,171	$ 29,047,046	$ 32,964,520	$ 34,408,536
Corporate personal property replacement taxes	8,306,487	7,690,109	6,777,042	7,116,213
State sales taxes, unrestricted	23,514,047	23,807,678	21,951,915	22,983,019
State income tax allocation, unrestricted	10,545,996	11,456,986	9,848,758	9,473,829
Home rule sales taxes	23,199,949	23,100,548	21,074,331	21,750,896
Special Service Area Sales Taxes	-	-	-	-
Hotel, restaurant and amusement taxes	8,120,176	8,253,017	7,640,779	7,913,576
Local motor fuel taxes	893,078	855,599	764,720	843,494
Gaming revenue	4,005,969	3,594,362	3,528,968	3,536,729
Utility taxes	8,795,630	8,629,442	8,406,435	9,535,439
Grants and contributions not restricted to specific programs	3,508,181	3,350,085	3,163,376	3,141,811
Interest/Investment Income	4,363,118	2,384,392	1,053,232	1,125,035
Franchise Fees, based on gross receipts	2,189,184	2,306,679	2,249,178	2,178,794
Other	5,916,355	7,315,068	3,202,698	3,480,454
Total governmental activities/primary government	130,839,341	131,791,011	122,625,952	127,487,825
Change in net position:				
Total governmental activities/primary government	$ (288,585)	$ 2,722,887	$ (15,332,504)	$ 5,755,977

Source: City of Peoria comprehensive annual financial reports for fiscal years 2007 through 2016.

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

Trend:

In 2009, the $15,332,504 decrease in net position included:
a) $4,447,880 decrease in state-shared revenues resulting from national economic recession.
b) $4,264,610 increase in total long-term debt.
c) $4,625,034 aggregate revenues decrease in home rule sales tax, license fees, intergovernmental reimbursements, interest earnings.

In 2011, the $18,990,226 increase in net position included:
a) $12,093,500 increase in State of Illinois reimbursements for Orange Prairie Road Extension and Washington Street Improvements.
b) $ 2,027,404 new local natural gas utility tax revenues.

Restatement:

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

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

2015 Beginning Net Position:
In 2015, the City adopted GASB Statement Nos. 68 and 71, resulting in a $216,312,279 decrease in 2015 beginning net position.

Business-Type Activities:
The City has no business-type activities.

Table II

		Fiscal Year			
2011	2012	2013	2014	2015	**2016**
Restated			Restated	Restated	
$ 35,411,598	$ 34,953,409	$ 35,044,553	$ 34,119,990	$ 31,563,865	**$ 36,360,562**
6,663,610	6,438,641	7,366,584	7,156,827	6,849,754	**7,048,472**
23,425,790	24,637,340	23,764,815	23,960,185	24,634,202	**24,505,549**
9,252,638	10,196,314	11,090,291	10,891,399	12,435,605	**11,048,815**
22,662,416	22,898,395	22,336,809	21,961,547	22,203,898	**23,621,957**
-	-	-	-	-	**763**
8,514,746	8,695,857	8,819,495	8,980,044	9,230,491	**10,564,482**
-	-	-	-	-	**-**
3,492,315	3,510,234	3,353,151	3,162,509	3,157,614	**2,991,308**
12,026,499	12,269,259	12,050,962	12,035,216	11,188,083	**10,766,282**
2,968,278	12,311	95,427	155,528	993,780	**-**
2,156,553	2,627,602	1,217,095	-	561,728	**471,322**
2,290,351	2,474,896	2,354,192	2,299,617	3,267,973	**166,317**
2,416,950	6,762,301	5,196,316	8,655,476	4,384,498	**7,640,656**
131,281,744	135,476,560	132,689,690	133,378,337	130,471,491	**135,186,485**
$ 18,990,226	$ (7,294,380)	$ (2,020,573)	$ 3,416,113	$ (34,876,426)	**$ (38,301,604)**

City of Peoria

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

	Fiscal Year		
	2007	2008	2009
General Fund:			
Nonspendable	$ -	$ -	$ -
Restricted	-	-	-
Committed	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
Reserved	7,968,830	8,704,989	8,371,893
Unreserved - Designated	12,570,433	12,828,231	12,847,709
Unreserved - Undesignated	9,665,019	11,078,502	4,595,390
Total General Fund	$ 30,204,282	$ 32,611,722	$ 25,814,992
All Other Governmental Funds:			
Nonspendable	$ -	$ -	$ -
Restricted	-	-	-
Committed	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
Reserved	27,925,865	26,265,107	25,208,159
Unreserved - Designated, reported in:			
Special Revenue Funds	1,502,394	1,665,130	2,002,018
Capital Project Funds	17,213,173	32,740,696	26,235,774
Unreserved - Undesignated, reported in:			
Special Revenue Funds	1,648,746	1,731,009	1,818,615
Debt Service Funds	-	-	-
Capital Project Funds	11,514,801	10,948,360	5,390,826
Total All Other Government Funds	$ 59,804,979	$ 73,350,302	$ 60,655,392

Source: City of Peoria comprehensive annual financial reports for fiscal years 2007 through 2016.

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

Trend:
In 2008, $15,952,763 total fund balance increase included:
a) $8,893,013 increase in total bond proceeds
b) $2,912,701 decrease in General Fund employee benefits costs
c) $1,565,874 increase in total real estate tax revenues

In 2009, $19,491,640 total fund balance decrease included:
a) $10,902,137 decrease in total bond proceeds
b) $4,447,881 decrease in total state-shared revenues

In 2010, $14,021,978 total fund balance increase included:
a) $6,282,185 increase in total governmental grants and reimbursements
b) $3,410,335 decrease in gross payroll wages
c) $3,382,390 increase in total local tax revenues

Restatement of 2011 Beginning Fund Balances:
In 2011, the City recorded prior period adjustments producing an $8,369,653 net increase in 2011 beginning fund balances.

Table III

			Fiscal Year			
2010	2011	2012	2013	2014	2015	**2016**
	Restated				Restated	
$ -	$ 672,059	$ 928,685	$ 9,954,561	$ 8,860,417	$ 8,020,598	$ 7,251,347
-	306,681	915,767	829,034	848,735	859,260	**801,024**
-	16,233,211	-	-	-	-	**-**
-	7,815,947	18,939,465	14,588,173	19,634,307	23,157,075	**27,356,602**
-	17,398,313	20,316,688	17,212,339	17,332,816	15,880,492	**9,341,598**
8,103,056	-	-	-	-	-	**-**
12,859,791	-	-	-	-	-	**-**
4,371,850	-	-	-	-	-	**-**
$ 25,334,697	$ 42,426,211	$ 41,100,605	$ 42,584,107	$ 46,676,275	$ 47,917,425	**$ 44,750,571**
$ -	$ 439,196	$ 498,803	$ 516,905	$ 523,863	$ 521,848	$ 1,420,699
-	62,094,179	87,695,699	74,592,284	25,730,915	21,018,792	**20,010,653**
-	-	-	-	-	-	**-**
-	15,650,492	10,572,062	7,656,615	968,520	-	**6**
-	(2,083,145)	(770,426)	(9,302,137)	(9,734,488)	(14,348,130)	**(17,516,239)**
47,103,244	-	-	-	-	-	**-**
1,961,529	-	-	-	-	-	**-**
19,684,749	-	-	-	-	-	**-**
1,382,947	-	-	-	-	-	**-**
-	-	-	-	-	-	**-**
5,025,196	-	-	-	-	-	**-**
$ 75,157,665	$ 76,100,721	$ 97,996,138	$ 73,463,667	$ 17,488,810	$ 7,192,510	**$ 3,915,119**

City of Peoria

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

	Fiscal Year		
	2007	2008	2009
Revenues:			
Taxes	$ 110,856,534	$ 112,840,425	$ 110,789,222
Gaming revenue	4,005,969	3,594,362	764,720
Governmental grants and reimbursements	13,939,383	12,798,543	13,087,732
Licenses and Permits	3,378,864	3,374,273	2,048,933
Charges for services	22,385,539	21,916,812	21,426,996
Special assessments	272,989	359,175	466,684
Loan repayments	381,881	327,345	154,784
Interest	4,350,633	2,364,386	1,039,034
Other	4,458,484	5,764,935	3,164,042
Total Revenues	164,030,276	163,340,256	152,942,147
Expenditures:			
Elected offices, boards, commissions, agencies	2,065,825	1,962,117	2,064,338
City administration	7,473,952	7,682,868	7,758,944
Police	34,817,519	35,794,392	35,105,004
Fire	25,210,684	26,125,716	27,796,965
Public works	26,712,420	26,812,501	28,156,412
Community development	23,387,350	13,672,424	13,818,411
Public safety	9,062,108	9,285,483	9,932,649
General government	9,470,644	8,549,659	10,286,382
Library	6,549,961	7,011,868	7,249,289
Capital outlay	23,355,246	22,400,879	17,812,988
Debt service:			
Principal	11,068,939	8,618,657	8,676,500
Interest	7,550,153	8,356,302	9,334,280
Total Expenditures	186,724,801	176,272,866	177,992,162
Excess of Revenues (under) Expenditures	(22,694,525)	(12,932,610)	(25,050,015)
Other Financing Sources (Uses):			
Proceeds from issuance of bonds	19,905,000	28,000,000	17,645,000
Premium on issued bonds	47,197	798,013	250,876
Payment to refunding bond escrow agent	-	-	(17,665,354)
Proceeds from sale of property	1,475,958	87,360	8,275
New loan proceeds	-	-	5,319,578
Proceeds from note payable	-	-	-
Transfers in	25,355,043	28,416,782	21,422,476
Transfers out	(25,355,043)	(28,416,782)	(21,422,476)
Total Other Financing Sources (Uses)	21,428,155	28,885,373	5,558,375
Net Change in Fund Balances	$ (1,266,370)	$ 15,952,763	$ (19,491,640)
Debt service as a percentage of noncapital expenditures	11.4%	11.0%	11.2%

Source: City of Peoria comprehensive annual financial reports for fiscal years 2007 through 2016.

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

Restatement of 2011 Beginning Fund Balances:
In 2011, the City recorded prior period adjustments producing an $8,369,653 net increase in 2011 beginning fund balances.

Fiscal Year 2010	2011 Restated	2012	2013	2014	2015	**2016**
$ 114,596,444	$ 118,158,046	$ 121,358,799	$ 122,154,688	$ 119,909,506	$ 118,937,378	**$ 126,079,624**
3,536,729	3,492,315	3,510,234	3,229,684	2,849,342	3,157,614	**2,991,308**
21,927,936	33,323,459	14,721,653	17,023,909	16,892,815	15,215,169	**7,460,038**
2,516,900	2,597,899	2,408,440	1,942,447	2,138,718	2,684,807	**3,324,158**
20,069,485	19,543,740	18,339,319	18,223,694	19,142,846	18,879,103	**21,184,964**
778,741	185,749	359,132	(25,984)	107,033	-	**166,317**
150,998	154,868	232,259	155,223	616,905	1,123,346	**165,844**
1,119,080	2,302,857	2,569,959	1,170,248	861,617	372,534	**452,452**
3,255,681	5,658,012	6,726,287	5,392,587	7,737,697	5,472,375	**3,696,616**
167,951,994	185,416,945	170,226,082	169,266,496	170,256,479	165,842,326	**165,521,321**
1,987,560	1,937,261	2,047,017	2,295,478	2,091,400	1,752,902	**1,770,595**
7,657,199	3,360,440	6,862,338	6,716,345	5,989,729	7,037,490	**8,782,208**
34,014,508	35,801,837	34,989,102	38,190,758	37,343,061	38,406,314	**39,592,544**
27,463,584	29,734,147	27,666,439	29,753,246	28,954,466	31,236,602	**31,045,550**
23,090,210	23,439,561	19,543,226	24,476,899	23,842,646	24,160,952	**25,804,465**
15,680,834	16,723,085	12,438,977	12,441,478	8,075,891	9,405,927	**12,194,370**
9,570,742	7,761,710	5,753,224	7,128,150	5,717,578	5,751,344	**6,547,796**
13,624,131	10,475,320	32,077,467	18,920,621	7,951,195	15,014,787	**5,216,325**
6,916,950	8,814,034	7,680,877	8,119,596	6,785,264	7,091,049	**6,812,192**
38,538,261	23,671,645	22,638,689	31,222,632	35,068,703	23,480,437	**21,771,696**
8,724,038	10,072,238	11,072,123	12,178,913	71,801,662	13,423,822	**12,948,245**
8,787,893	10,088,401	10,757,611	10,998,273	11,171,810	7,935,515	**8,247,533**
196,055,910	181,879,679	193,527,090	202,442,389	244,793,405	184,697,141	**180,733,519**
(28,103,916)	3,537,266	(23,301,008)	(33,175,893)	(74,536,926)	(18,854,815)	**(15,212,198)**
43,715,000	9,350,000	46,150,000	16,920,000	21,405,000	34,595,000	**31,850,000**
2,119,576	646,087	283,771	347,535	1,245,865	2,534,007	**3,049,549**
(3,836,533)	(4,064,361)	-	(7,046,086)	-	(27,337,141)	**(25,691,583)**
127,851	195,925	437,048	5,475	3,371	7,800	**3,100**
-	-	-	-	-	-	**-**
-	-	-	-	-	-	**-**
26,081,501	25,101,415	30,469,594	25,282,277	27,596,312	27,333,494	**29,355,164**
(26,081,501)	(25,101,415)	(33,569,594)	(25,282,277)	(27,596,312)	(27,333,494)	**(29,355,164)**
42,125,894	6,127,651	43,770,819	10,226,924	22,654,236	9,799,666	**9,211,066**
$ 14,021,978	$ 9,664,917	$ 20,469,811	$ (22,948,969)	$ (51,882,690)	$ (9,055,149)	**$ (6,001,132)**
11.1%	12.7%	12.8%	13.6%	38.9%	13.2%	**14.2%**

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

Fiscal Year	Property Tax Levy Year	Residential Property	Commercial Property	Industrial Property	Farm Property	Railway Property	Total Taxable Assessed Value	% Change in Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value
2017	**2016**	**$ 1,341,577**	**$ 704,824**	**$ 53,315**	**$ 890**	**$ 3,380**	**$ 2,103,985**	**3.64%**	**1.5514**	**$ 6,312,587**
2016	2015	1,294,075	679,177	52,889	857	3,078	2,030,076	1.92%	1.5619	6,090,838
2015	2014	1,276,405	660,877	50,985	890	2,687	1,991,844	2.43%	1.3970	5,976,129
2014	2013	1,257,973	635,194	48,043	853	2,494	1,944,557	-1.21%	1.4062	5,834,255
2013	2012	1,285,157	632,766	47,400	849	2,202	1,968,374	-1.23%	1.4096	5,905,712
2012	2011	1,299,455	642,415	48,130	1,028	1,953	1,992,981	-0.95%	1.3911	5,979,540
2011	2010	1,324,615	636,251	48,667	866	1,657	2,012,057	1.43%	1.3865	6,036,774
2010	2009	1,306,278	627,211	47,966	840	1,360	1,983,655	1.95%	1.3861	5,951,561
2009	2008	1,276,338	619,746	47,804	809	1,055	1,945,752	5.34%	1.2707	5,837,839
2008	2007	1,215,582	583,533	46,167	860	886	1,847,028	7.63%	1.2822	5,541,640

Source: Peoria County Clerk (Tax Computation Reports)

Notes

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

(2) Excludes increased assessed valuation of Redevelopment Areas: Central Business District, Downtown Stadium, Downtown Conservation, Eagle View, East Village Growth Cell, Hospitality Improvement Zone, Midtown Plaza, Northside Business Park, Northside Riverfront, River Trail, Southtown (expired in 2013), South Village Growth Cell, and the Warehouse District:
2000 - $36,526,430; 2001 - $41,810,950; 2002 - $55,839,360; 2003 - $54,516,320; 2004 - $56,357,000; 2005 - $57,355,710; 2006 - $60,044,570;
2007 - $65,372,705; 2008 - $64,149,850; 2009 - $68,998,930; 2010 - $68,499,960; 2011 - $67,479,260; 2012 - $67,193,840; 2013 - $62,012,080;
2014 - $41,256,550, 2015 - $46,399,880; 2016 - $50,676,880

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

City of Peoria

Table VI

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

Fiscal Year	Property Tax Levy Year	City Direct Tax Rate, By Fund: General Fund	Bond & Interest	Illinois Municipal Retirement Fund	Library Fund	Library General Obligation Bonds	Street & Bridge	Social Security	Firemen' Pension Fund	Police Pension Fund
2017	**2016**	**0.0318**	**0.0962**	**0.1438**	**0.3214**	**0.1089**	**0.0588**	**0.0887**	**0.3381**	**0.3638**
2016	2015	0.0544	0.0998	0.1576	0.3234	0.1163	0.0591	0.0778	0.3245	0.3491
2015	2014	0.0757	0.0000	0.2376	0.3242	0.1163	0.0000	0.0000	0.3065	0.3367
2014	2013	0.1369	0.0000	0.2301	0.3288	0.1167	0.0000	0.0000	0.2832	0.3160
2013	2012	0.1576	0.0000	0.2118	0.3312	0.1132	0.0000	0.0000	0.3142	0.2783
2012	2011	0.2532	0.0000	0.2262	0.3337	0.1065	0.0000	0.0000	0.2748	0.2152
2011	2010	0.2205	0.0000	0.2369	0.3306	0.1003	0.0000	0.0000	0.2839	0.2189
2010	2009	0.3363	0.0000	0.2249	0.3324	0.0566	0.0000	0.0000	0.2401	0.1963
2009	2008	0.3225	0.0000	0.2425	0.3430	0.0962	0.0000	0.0000	0.2184	0.1636
2008	2007	0.3395	0.0000	0.2450	0.3367	0.0000	0.0000	0.0000	0.1924	0.1571

Fiscal Year	Total Direct Tax Rate	Overlapping Rates: School District No.150	Peoria County	Peoria Township	Park District	Airport Authority	ICC Junior College	Mass Transit District	Total Tax Rate
2017	**1.5514**	**5.2829**	**0.8244**	**0.1490**	**0.8243**	**0.2152**	**0.4903**	**0.2311**	**9.5686**
2016	1.5619	5.2841	0.8053	0.1474	0.8288	0.2112	0.4930	0.2274	9.5593
2015	1.3970	5.1719	0.8053	0.1468	0.8066	0.1915	0.4654	0.2210	9.2053
2014	1.4062	5.0646	0.8053	0.1448	0.7914	0.1899	0.4723	0.2155	9.0955
2013	1.4096	4.9832	0.8053	0.1420	0.7662	0.1864	0.4634	0.2029	8.9555
2012	1.3911	4.9315	0.7998	0.1355	0.7335	0.1858	0.4624	0.1905	8.8487
2011	1.3865	4.9307	0.8003	0.1329	0.7183	0.1883	0.4462	0.1797	8.7874
2010	1.3861	4.8811	0.8050	0.1333	0.7178	0.1873	0.4702	0.1737	8.7548
2009	1.2707	4.5951	0.8074	0.1312	0.7025	0.1747	0.4411	0.1685	8.4065
2008	1.2822	4.4605	0.8158	0.1318	0.6979	0.2324	0.4490	0.1688	8.2270

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.

City of Peoria

Table VII

Principal Property Taxpayers [1] [2] [3]
Current Year and Nine Years Ago
(Unaudited)

	2016 (Taxable Assessed Valuation $2,103,985,511)			2007 (Taxable Assessed Valuation $1,847,028,461)		
Taxpayer	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.	$ 54,622,489	1	2.60%	$ 21,849,080	1	1.18%
OSF Healthcare System	15,674,032	2	0.74%			
Pere Marquette / Marriot	15,200,930	3	0.72%			
MCRIL LLC (Shoppes at Grand Prairie)	13,148,740	4	0.62%	15,320,370	2	0.83%
Northwoods Development Co	9,250,660	5	0.44%	9,108,220	3	0.49%
PV Peoria LLC (Prairie Vista Apartments)	7,888,620	6	0.37%	4,930,060	10	0.27%
Willow Knolls Ltd	7,871,860	7	0.37%	7,434,020	4	0.40%
Illinois American Water	7,342,200	8	0.35%			
Wal-Mart Real Estate Business Trust	7,242,100	9	0.34%	7,399,520	6	0.40%
Komatsu America Corp	5,870,400	10	0.28%			
Gateway Taylor, Inc.				6,868,200	7	0.37%
PMP Fermentation Products				7,407,370	5	0.40%
Downtown Baseball Stadium				5,389,050	8	0.29%
Lexington House Corporation (Becker)				5,020,690	9	0.27%
	$ 144,112,031		6.85%	$ 90,726,580		4.91%

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

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

[2] Every effort has been made to seek out and report the largest taxpayers.
However, many of the taxpayers listed contain multiple parcels and it is possible that some parcels and their valuations have been overlooked.

[3] Wal-Mart Real Estate Business Trust was formerly listed as Wal-Mart Stores.

City of Peoria

Table VIII

Property Tax Levies And Collections
Last Ten Fiscal Years
(Unaudited)

			Collected Within the Fiscal Year of the Levy			Total Collections to Date	
Fiscal Year Ended December 31,	Property Tax Levy Year	Taxes Levied for the Fiscal Year	Amount	Percentage of Levy	Collections in Subsequent Years	Amount	Percentage of Levy
2016	**2015**	**$ 36,598,047**	**$ 36,297,876**	**99.18%**	$ -	**$ 36,297,876**	**99.18%**
2015	2014	32,171,549	31,482,659	97.86%	-	31,482,659	97.86%
2014	2013	33,706,874	33,121,833	98.26%	-	33,121,833	98.26%
2013	2012	34,172,736	34,035,536	99.60%	-	34,035,536	99.60%
2012	2011	34,446,246	34,256,911	99.45%	-	34,256,911	99.45%
2011	2010	34,359,956	34,033,488	99.05%	-	34,033,488	99.05%
2010	2009	33,764,221	33,593,128	99.49%	-	33,593,128	99.49%
2009	2008	32,560,276	32,353,860	99.37%	-	32,353,860	99.37%
2008	2007	29,028,516	28,378,969	97.76%	-	28,378,969	97.76%
2007	2006	27,214,920	26,854,818	98.68%	-	26,854,818	98.68%

Source: Peoria County Treasurer

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

City of Peoria

Table IX

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	**2016**
General Merchandise	$ 390,938	$ 391,718	$ 380,143	$ 378,851	$ 348,278	$ 383,073	$ 349,304	$ 339,363	$ 329,893	**$ 257,177**
Food	221,889	214,735	222,521	229,184	269,468	279,978	281,002	288,103	300,296	**364,690**
Drinking and Eating Places	226,625	226,676	218,259	225,876	234,314	239,747	240,392	241,465	253,485	**251,558**
Apparel	100,587	99,906	89,305	92,305	124,771	97,425	95,815	91,117	90,673	**92,117**
Furniture, H.H., and Radio	177,355	167,054	147,190	144,841	143,882	142,295	135,458	128,024	135,063	**133,250**
Lumber, Bldg, Hardware	139,757	130,046	117,211	115,644	113,695	116,716	118,969	123,666	123,722	**122,180**
Automotive and Filling Stations	404,877	411,187	368,643	402,814	399,213	486,041	430,288	436,073	447,140	**435,202**
Drugs & Miscellaneous Retail	254,004	255,395	253,201	274,731	284,326	287,762	283,856	277,988	276,043	**275,689**
Agriculture and All Others	228,694	251,212	193,786	205,011	192,551	190,707	180,397	186,418	183,026	**184,448**
Manufacturers	25,530	31,985	30,331	37,810	40,946	39,726	45,924	48,118	56,141	**42,868**
Total	$ 2,170,256	$ 2,179,916	$ 2,020,591	$ 2,107,068	$ 2,151,445	$ 2,263,469	$ 2,161,406	$ 2,160,334	$ 2,195,482	**$ 2,159,179**
City direct sales tax rate	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	**2.75%**
Number of Taxpayers	3,089	2,582	2,446	2,490	2,452	2,417	2,418	2,318	2,351	2,333

Sources: Illinois Department of Revenue (Standard Industrial Classification (SIC) Code Reporting) via website [www.revenue.state.il.us]

Notes:

City direct sales tax rate 2003-2008 includes 1.00% Municipal Sales Tax Rate and 1.50% Home Rule Sales Tax Rate.

In 2008, the local effects of a national economic decline contributed to the 16% decrease in the Number of Taxpayers.

City direct sales tax rate 2009 includes 1.00% Municipal Sales Tax Rate and 1.50% Home Rule Sales Tax Rate. Also, during 2009, the Hospitality Improvement Zone was created. Taxpayers located within this area pay an additional 1.00% Business Development Tax. The number of taxpayers within this area is a small percentage of the total.

Effective July 1, 2016, the City's Home Rule Sales Tax Rate was increased from 1.50% to 1.75%.

City of Peoria

Table X

Ratios of Outstanding Debt by Type (1) (2) (3) (4) (5) (6) (7) (8) (9) (10)
Last Ten Fiscal Years
(dollars in thousands, except per capita)
(Unaudited)

	Governmental Activities				Total Primary Government			
Fiscal Year	General Obligation Bonds	Revenue & Special Assessment Bonds	Special Service Area Bonds	Long-Term Loans & Notes Payable	Total Outstanding Debt	Debt % of Taxable Property Value	Debt % of Personal Income	Debt Per Capita
2016	**$ 178,705**	**$ 5,676**	**$ 525**	**$ 1,061**	**$ 185,967**	**9.16%**	**5.77%**	**1,606**
2015	184,460	4,395	1,080	1,126	191,060	9.59%	5.77%	1,650
2014	188,700	4,779	1,600	1,291	196,370	9.86%	5.94%	1,707
2013	238,090	5,148	2,080	1,413	246,731	12.91%	7.59%	2,183
2012	239,220	5,507	2,530	1,528	248,785	12.64%	8.23%	2,163
2011	203,270	5,851	2,950	4,349	216,420	10.86%	7.66%	1,882
2010	207,450	5,961	3,335	5,767	222,513	11.06%	7.88%	1,935
2009	174,115	6,069	3,685	7,385	191,254	9.64%	6.83%	1,578
2008	181,175	6,796	4,015	2,476	194,462	9.99%	6.21%	1,605
2007	160,325	7,491	4,315	2,950	175,081	9.48%	5.88%	1,445

Source:
City of Peoria comprehensive annual financial reports for the fiscal years 2007 through 2016.

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

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

(2) See Table XIV for personal income and population data.

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

(4) In 2007, the City issued $18,800,000 Series 2007(A) General Obligation Bonds for major infrastructure improvements.
(4) In 2007, the City issued $1,105,000 Series 2007(A) Special Assessment Bonds for North Allen Road intersection improvements.

(5) In 2008, the City issued $28,000,000 Series 2008(A) General Obligation Library Bonds for construction of a new Peoria Public Library north branch plus major renovations to three existing Library branches.

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

(7) From 2010-2014, the City issued $60,470,000 aggregate total General Obligation Bonds relating to the economic refunding of the 2005 A General Obligation Bonds. The 2005 A General Obligation Bonds in the amount of $59,640,000 were called on January 1, 2015.

(8) In 2012, the City issued $31,655,000 Series 2012 A Taxable General Obligation Bonds for the Hotel Pere Marquette and Marriott Courtyard project.

(9) In 2014, the City issued $9,660,000 Series 2014 A General Obligation Bonds for major infrastructure improvements.

(10) In 2015, the City issued $7,600,000 Series 2015 C Taxable General Obligation bonds for the Louisville Slugger Sports Complex.
(10) In 2015, the City issued $2,000,000 Series 2015 D Taxable General Obligation bonds for the Hotel project in conjunction with the Louisville Slugger Sports Complex.

Business-Type Activities:
The City has no business-type activities.

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

Fiscal Year	Population	Assessed Value (Thousands)	General Bonded Debt Outstanding: General Obligation Bonds	Less Amount Available in Debt Service	Net General Bonded Debt	Percentage of Actual Property Value	Debt Per Capita	Debt Limit	Total Net Debt Applicable to Limit	Legal Debt Margin
2016	**115,828**	**$ 2,103,985**	**$ 178,705**	**$ 9,446**	**$ 169,259**	**8.04%**	**$ 1,461.30**	**$210,399**	**$37,370**	**$173,029**
2015	115,828 (4)	2,030,076	184,460	8,437	176,023	8.67%	1,519.69	203,008	39,300	163,708
2014	115,007	1,991,844	188,700	12,697	176,003	8.84%	1,530.37	199,184	23,805	175,379
2013	115,007	1,944,557	242,365	50,732	191,633	9.85%	1,666.27	194,456	24,865	169,591
2012	115,007	1,968,374	239,220	55,050	184,170	9.36%	1,601.38	196,837	25,845	170,992
2011	115,007	1,992,981	203,270	43,772	159,498	8.00%	1,386.85	199,298	26,685	172,613
2010	115,007 (3)	2,012,057	207,450	37,164	170,286	8.46%	1,480.66	201,206	27,400	173,806
2009	121,170	1,983,655	174,115	16,333	157,782	7.95%	1,302.15	198,365	28,000	170,365
2008	121,170	1,945,752	181,175	17,844	163,331	8.39%	1,347.95	194,575	28,000	166,575
2007	121,170 (2)	1,847,028	160,325	15,944	144,381	7.82%	1,191.56	184,703	0	184,703
2006	118,135	1,716,118	151,325	17,796	133,529	7.78%	1,130.31	171,612	0	171,612

Notes:

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

(2) Includes 3,035 additional population identified during 2007 Special Census
(3) Includes 6,163 population decrease identified during 2010 United States Census
(4) From the Economic Development Council for Central Illinois website [www.greaterpeoriaedc.org]

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 2016:

Assessed Value (from County Report)	$2,103,985
Debt Limit (10% of assessed value)	210,399
Debt Applicable to Limit:	
General Obligation Bonds	178,705
Less: Amount set aside for repayment of GO Debt	(9,446)
Gross Total Debt Applicable to Limit	169,259
Less: Debt With Alternative Repayment Sources	(131,889)
Net Total Debt Applicable to Limit	37,370
Legal Debt Margin	$173,029

Direct and Overlapping Governmental Activities Debt (1)
As of December 31, 2016
(Unaudited)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable To City	City's Estimated Share of Overlapping Debt
County of Peoria	$ 72,340,000	60.47%	$ 43,743,998
Greater Peoria Airport Authority	46,215,000	55.20%	25,510,680
Pleasure Driveway and Park District	5,650,000	94.98%	5,366,370
Weaverridge Special Service Area	1,080,000	100.00%	1,080,000
School District No. 62, Pleasant Valley	530,000	45.53%	241,309
School District No. 150, City of Peoria	122,146,509	97.84%	119,508,144
School District No. 310, Limestone	5,025,000	6.57%	330,143
School District No. 321, Chillicothe IVC	8,503,731	1.58%	134,359
School District No. 323, Dunlap	60,915,000	87.47%	53,282,351
School District No. 325, Peoria Heights	6,670,000	10.88%	725,696
School District No. 514, Illinois Central College	33,440,000	29.23%	9,774,512
Subtotal - Overlapping Debt	362,515,240		259,697,561
City of Peoria Direct Debt	185,967,000	100.00%	185,967,000
Total Direct and Overlapping Debt	$ 548,482,240		$ 445,664,561

Sources: City of Peoria Official Bond Statements for Series 2016B General Obligation Refunding Bonds.

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

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

City of Peoria

Table XIII

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

Downtown Parking Revenue Bonds

Fiscal Year	Net Parking Revenues	Incremental Property Taxes	UDAG Loan Repayments	Interest Revenue	Net Available Revenue	Debt Service Principal	Debt Service Interest	Coverage
2016	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**N/A**
2015	-	-	-	-	-	-	-	N/A
2014	-	-	-	-	-	-	-	N/A
2013	-	-	-	-	-	-	-	N/A
2012	-	-	-	-	-	-	-	N/A
2011	-	-	-	-	-	-	-	N/A
2010	-	-	-	-	-	-	-	N/A
2009	306	696	-	-	1,002	600	19	1.62
2008	431	653	-	5	1,089	580	38	1.76
2007	431	589	-	14	1,034	565	53	1.67

Special Assessment Bonds

Fiscal Year	Special Assessment Collections	Capitalized Interest	Pledged Property Taxes	Interest Revenue	Net Available Revenue	Debt Service Principal	Debt Service Interest	Coverage
2016	$ 105	$ -	$ 366	$ 56	527	$ 399	$ 241	**0.82**
2015	256	-	2,088	10	2,354	384	261	3.65
2014	290	-	654	62	1,007	369	280	1.55
2013	339	-	501	120	960	359	299	1.46
2012	110	-	400	47	556	344	317	0.84
2011	618	-	312	96	1,026	111	324	2.36
2010	110	-	185	53	347	108	330	0.79
2009	125	279	-	60	464	121	337	1.01
2008	115	279	-	40	434	115	311	1.02
2007	-	55	-	-	55	-	55	1.00

Local Motor Fuel Tax Revenue Bonds

Fiscal Year	Local Motor Fuel Tax Revenue	Net Available Revenue	Debt Service Principal	Debt Service Interest	Coverage
2016	$ 1,190	1,190	$ 260	$ 55	**3.78**
2015	829	829	255	60	2.63
2014	804	804	250	63	2.57
2013	757	757	60	44	7.25
2012	-	-	-	-	-
2011	-	-	-	-	-
2010	-	-	-	-	-
2009	-	-	-	-	-
2008	-	-	-	-	-
2007	-	-	-	-	-

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

Net Parking Revenues do not include depreciation expense.

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

The City increased Local Motor Fuel Tax from $.02 to $.05 effective 01/01/2016.

Demographic and Economic Statistics
Last Ten Fiscal Years
(Unaudited)

Fiscal Year Ended December 31	Population [1]	Personal Income (Thousands)	Per Capita Personal Income [5]	Median Age [4]	School Enrollment [2]	Unemployment Rate [3]
2016	**115,828**	**$ 3,224,304**	**$ 27,837**	**38.7**	**13,297**	**7.0%**
2015	115,828	3,224,304	27,837	38.7	13,675	7.0%
2014	115,007	3,312,202	28,800	33.8	13,782	7.9%
2013	115,007	3,306,681	28,752	33.7	13,976	10.0%
2012	115,007	3,022,614	26,282	37.9	14,042	9.1%
2011	115,007	2,879,545	25,038	38.8	14,266	9.9%
2010	115,007	2,823,997	24,555	38.1	13,021	11.0%
2009	121,170	2,799,633	23,105	37.7	13,825	11.3%
2008	121,170	3,132,366	25,851	37.6	13,642	6.2%
2007	121,170	2,979,570	24,590	36.0	13,961	5.0%

Sources:

(1) Special Census Data for 2007 - 2009
United States Census data for 2010 - 2014; Economic Development Council for Central Illinois [www.greaterpeoriaedc.org] for 2015

(2) Peoria School District # 150 Illinois Report Card

(3) Unemployment Data Per the IL Department of Employment Security [www.ides.illinois.gov]
Economic Development Council for Central Illinois [www.greaterpeoriaedc.org] for 2015

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

(5) Per Capita Income from the Economic Development Council for Central Illinois website [www.greaterpeoriaedc.org]

Principal Employers
Current Year and Nine Years Ago
(Unaudited)

	2016	2007
Employee Ranges	Employer	Employer
More Than 15,000 Employees	Caterpillar Tractor Company	Caterpillar Tractor Company
More than 1,500 Employees	Unity Point Methodist	Methodist Medical Center
	OSF St. Francis Medical Center	OSF St. Francis Medical Center
	Peoria School District No. 150	Peoria School District No. 150
	Bradley University	
	Children's Hospital of Illinois	
1,000 to 1,500 Employees	Keystone Steel and Wire Company	Keystone Steel and Wire Company
	County of Peoria	County of Peoria
	Peoria Air Guard 182nd Airlift Wing	Peoria Air Guard 182nd Airlift Wing
	Advanced Technology Services	
	Illinois Central College	
500 to 1,000 Employees	HGS (fka: Affina, LLC)	HGS (fka: Affina, LLC)
	AmerenCILCO	Advanced Technology Services
	Citizens Equity Federal Credit Union (CEFCU)	AmerenCILCO
	City of Peoria	Bradley University
	Peoria Journal Star	Citizens Equity Federal Credit Union (CEFCU)
	Supply Chain (SC2)	City of Peoria
	US Postal Service	Illinois Central College
	Wal-Mart Stores	Peoria Journal Star
	Kroger	Proctor Hospital
	Hy-Vee	Supply Chain (SC2)
	Vonachon Services Inc.	US Postal Service
	Komatsu Mining Systems	Wal-Mart Stores
	National Center of Agriculture Research	

Sources: Economic Development Council of Central Illinois (greaterpeoriaedc.org)
and City of Peoria comprehensive annual financial reports for fiscal year 2007.

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

Function/Program	2007	2008	2009	2010	2011	2012	2013	2014	2015	**2016**
Elected Offices, Commissions & Agencies										
City Council	1	1	1	1	1	1	1	1	1	**1**
City Clerk	4	4	4	4	4	4	4	4	4	**4**
City Treasurer	6	6	6	6	6	6	6	6	6	**6**
Election Commission	4	3	3	3	3	3	3	3	0	**0**
City Administration										
City Manager	9	8	7	11	9	6	4	4	10	**10**
Finance	19	19	19	18	17	14	14	14	15	**15**
Human Resources	6	6	6	6	6	6	6	6	6	**6**
Information Systems	18	18	18	18	17	13	14	14	14	**13**
Legal	8	8	8	8	8	7	7	7	7	**7**
Police	287	290	290	256	247	243	248	254	254	**257**
Fire	210	216	216	214	207	211	211	211	212	**213**
Public Works	106	106	105	97	97	80	80	79	85	**84**
Community Development										
Economic Development	5	5	5	0	3	1	3	3	0	**0**
Planning and Growth Management	19	19	19	18	18	12	14	14	14	**15**
YouthBuild (Workforce Development)	25	14	19	19	19	9	1	1	1	**0**
Public Safety										
Inspection Services	50	50	50	43	11	20	20	20	23	**23**
Emergency Services	41	41	40	38	36	36	36	36	36	**36**
Library	72	74	72	67	74	86	83	84	73	**73**
Total	890	888	888	827	783	758	755	761	761	**763**

Sources: City's annual Budget Books, Organizational Summary by Department, Original Budget Data.
City's actual employee counts for Library and Election Commission.

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

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

Function/Program	Fiscal Year 2007	2008	2009	2010
Police:				
Total Number of Calls For Service	85,249	82,656	81,144	78,815
Total Number of Arrests	10,648	9,393	8,425	7,463
--Adult arrest - Misdemeanor and Felony	10,070	8,686	7,765	6,739
--Juvenile arrest - Misdemeanor and Felony	578	707	660	724
Property Crime	5,263	4,907	5,518	5,286
Traffic Violations	31,828	30,195	23,480	20,611
Total Parking Violations	25,945	22,971	18,460	16,616
--Peoria Police Department	4,365	3,518	1,900	1,403
--Peoria Parking Enforcement	21,580	19,453	16,560	15,213
Number of Commissioned Police Officers	247	250	250	217
Fire:				
Total Number of Alarms	14,396	14,726	16,159	16,752
--Fire Calls	570	528	646	654
--Emergency Medical Services	9,346	9,737	11,317	12,222
--Hazardous Materials Calls	423	358	422	432
--Rescue or Other Calls	4,057	4,103	3,774	3,444
Total Number of Inspections	3,438	3,546	3,397	1,935
--Fire and Life Safety	2,702	2,804	2,577	1,125
--Hazardous Materials	736	742	820	810
Number of Commissioned Firefighters	201	206	205	199
Public Works:				
# Parking Decks & Lots Maintained	11	13	21	21
Street Resurfacing (# Linear Miles)	73	82	33	0
Storm Sewer Maintenance (# Linear Feet)	450	450	250	394
# Street Signs & Signals Maintenance Calls	8,762	8,525	8,605	8,700
Inspections:				
# Construction Permits Issued (1)	365	282	162	176
Library:				
Number of Materials Loaned	778,175	848,604	891,905	819,192
Door Count	535,721	561,369	589,979	405,712
Computer Usage	95,803	97,153	104,031	49,476

Source: City Departments and Annual Budget Documents; City of Peoria's internet website (www.ci.peoria.il.us)

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

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

Related Supplemental Data:	Fiscal Year 2007	2008	2009	2010
(1) New Residential/Commercial Construction				
Dollar Value of Construction	$ 191,743,336	$ 191,448,160	$ 56,070,700	$ 89,839,112

Table XVII

Fiscal Year					
2011	2012	2013	2014	2015	**2016**
78,619	76,337	71,040	69,125	68,789	**69,743**
7,074	7,146	5,912	6,101	5,814	**5,583**
6,505	6,708	5,577	5,634	5,321	**5,229**
569	438	335	467	493	**354**
5,573	5,137	4,544	4,968	4,545	**4,550**
20,130	17,652	15,985	13,417	12,857	**9,631**
16,206	15,812	9,709	6,699	11,497	**6,327**
1,247	1,871	1,360	1,290	1,104	**686**
14,959	13,941	8,349	5,409	10,393	**5,641**
214	214	217	224	224	**229**
17,733	18,118	18,344	18,648	19,094	**19,552**
651	702	565	539	516	**585**
14,013	14,369	14,625	14,679	15,420	**16,053**
270	259	233	264	222	**237**
2,799	2,788	2,921	3,166	2,936	**2,677**
3,030	2,451	2,881	2,920	2,633	**2,712**
2,207	1,456	2,148	2,361	2,034	**2,057**
823	995	733	559	599	**655**
201	205	207	201	196	**201**
21	24	24	24	25	**25**
0	1	1	15	31	**26**
185	300	4,650	7,200	5,037	**2,785**
8,700	13,719	1,295	1,590	1,625	**1,624**
204	250	177	177	147	**98**
1,070,264	1,332,637	1,326,874	1,242,037	1,099,275	**1,075,331**
473,462	729,668	796,253	759,889	714,726	**712,414**
89,657	111,907	124,300	113,285	105,342	**96,134**

Fiscal Year					
2011	2012	2013	2014	2015	**2016**
$ 151,096,126	$ 79,700,283	$ 62,323,198	$ 67,581,585	$ 90,372,712	**$ 36,067,900**

City of Peoria **Table XVIII**

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

Function/Program	2007	2008	2009	2010	2011	2012	2013	2014	2015	**2016**
Police:										
Stations	1	1	1	1	1	1	1	1	1	**1**
Sub Stations	1	1	1	1	1	1	1	1	1	**1**
Marked vehicles	102	93	92	90	92	94	95	95	95	**95**
Unmarked Vehicles	84	86	88	88	86	84	88	88	88	**90**
Fire:										
Stations	12	12	12	12	12	12	12	12	12	**12**
Engine (Pumpers) Companies	17	17	17	17	17	17	17	17	17	**17**
Truck Companies	6	6	6	6	6	6	6	6	6	**6**
Rescue Squads	3	3	3	3	3	3	3	3	3	**3**
Public Works:										
Heavy-Duty Trucks (GVW 27,000-42,000)	43	43	44	46	45	45	45	45	45	**45**
Trucks (GVW 10,100- 25,000)	33	33	30	27	27	26	26	26	26	**26**
Streets (Center Lane Miles)	458	458	463	463	467	468	480	470	474	**495**
Street Lights	10,231	10,231	10,387	10,712	10,700	10,800	9,580	9,215	9,215	**9,230**
Traffic Signals / Flashers	272	279	280	279	256	256	263	267	271	**302**
Library:										
Facilities (including Bookmobile)	7	7	7	6	6	6	6	6	6	**6**

Source: City Departments

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

The Fire Department assets include both frontline and reserve vehicles.

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

Water/Wastewater facilities are privately owned.

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

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

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

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

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

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

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

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

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

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

CHANGE IN NET POSITION
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 Position for the City's two discretely presented component units are not presented in this statistical section.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

NET POSITION
Assets plus deferred outflows of resources minus liabilities plus deferred inflows of resources 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 Position for the City's two discretely presented component units are not presented in this statistical section.

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

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

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

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

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

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

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

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

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

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

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

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

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

TAX YEAR
The year in which property taxes are levied. For example, property taxes are levied by the City Council for the 2016 fiscal year in December 2015. Therefore, the property tax year for these levies is 2015. These taxes would be collected in calendar year 2016 during the 2016 fiscal period.

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

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

171 YEARS
OF SERVICE TO
OUR COMMUNITY

Incorporated – April 21, 1845

Peoria

All-America City

1953 | 1966 | 1989 | 2013

www.peoriagov.org

APPENDIX B
BOOK-ENTRY ONLY SYSTEM

1. The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Bonds (the "Securities"). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for each maturity of the Securities, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

2. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the w York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a S&P Global Ratings rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Bond Registrar and request that copies of notices be provided directly to them.

6. Redemption notices shall be sent to DTC. If less than all of the Securities within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Principal, premium and interest payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or the Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal or interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to the City or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

10. The City may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

11. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the accuracy thereof.

APPENDIX C

Outstanding General Obligation Debt*(1)*

(Principal Only)

	Outstanding Bonds												
Cal. Year	Series 2009A (1-1)	Series 2010A (1-1)	Series 2010C (1-1)	Series 2010D (1-1)	Series 2011A (1-1)	Series 2011B (1-1)	Series 2012A (1-1)	Series 2012B (1-1)	Series 2013A (1-1)	Series 2014A (1-1)	Series 2014B (1-1)	Series 2015A (1-1)	Series 2015B (1-1)
2019	$ 650,000	$ 220,000	$ 430,000	$ 100,000	$ 305,000	$ 0	$ 955,000	$ 65,000	$ 0	$ 405,000	$3,035,000	$2,280,000	$ 930,000
2020	685,000	225,000	445,000	100,000	315,000	0	1,050,000	65,000	0	415,000	3,635,000	2,375,000	1,000,000
2021	720,000	240,000	445,000	100,000	335,000	0	1,150,000	65,000	950,000	430,000	3,190,000	800,000	1,030,000
2022	250,000	245,000	470,000	100,000	345,000	4,620,000	1,250,000	65,000	0	440,000	0	0	1,085,000
2023	0	255,000	485,000	5,170,000	355,000	0	1,350,000	70,000	0	455,000	0	0	1,140,000
2024	0	0	490,000	4,605,000	365,000	670,000	1,550,000	70,000	450,000	475,000	0	0	1,205,000
2025	0	0	515,000	6,085,000	380,000	0	1,650,000	70,000	0	490,000	0	0	1,260,000
2026	0	0	725,000	2,360,000	0	0	1,800,000	70,000	3,855,000	510,000	0	0	1,320,000
2027	0	0	745,000	0	0	0	1,950,000	2,100,000	4,100,000	530,000	0	0	1,365,000
2028	0	0	1,925,000	0	0	0	2,200,000	7,050,000	0	555,000	0	0	0
2029	0	0	2,000,000	0	0	0	2,400,000	0	0	575,000	0	0	0
2030	0	0	2,075,000	0	0	0	2,600,000	0	0	600,000	0	0	0
2031	0	0	2,160,000	0	0	0	4,375,000	0	0	620,000	0	0	0
2032	0	0	0	0	0	0	5,000,000	0	0	645,000	0	0	0
2033	0	0	0	0	0	0	0	0	0	675,000	0	0	0
2034	0	0	0	0	0	0	0	0	0	700,000	0	0	0
2035	0	0	0	0	0	0	0	0	0	0	0	0	0
2036	0	0	0	0	0	0	0	0	0	0	0	0	0
2037	0	0	0	0	0	0	0	0	0	0	0	0	0
2038	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	$2,305,000	$1,185,000	$12,910,000	$18,620,000	$2,400,000	$5,290,000	$29,280,000	$9,690,000	$9,355,000	$8,520,000	$9,860,000	$5,455,000	$10,335,000

	Outstanding Bonds					
Cal. Year	Series 2015C (1-1)	Series 2015D (1-1)	Series 2016A (1-1)	Series 2016B (1-1)	Series 2016C (1-1)	Total Outstanding
2019	$ 0	$ 0	$ 675,000	$ 1,370,000	$ 115,000	$ 11,535,000
2020	290,000	80,000	705,000	1,450,000	120,000	12,955,000
2021	305,000	80,000	725,000	1,545,000	125,000	12,235,000
2022	315,000	85,000	755,000	1,660,000	130,000	11,815,000
2023	330,000	85,000	790,000	1,785,000	130,000	12,400,000
2024	340,000	90,000	820,000	1,920,000	135,000	13,185,000
2025	355,000	90,000	850,000	2,060,000	140,000	13,945,000
2026	370,000	95,000	890,000	2,205,000	145,000	14,345,000
2027	385,000	100,000	920,000	2,365,000	150,000	14,710,000
2028	400,000	105,000	460,000	2,555,000	155,000	15,405,000
2029	415,000	110,000	480,000	0	160,000	6,140,000
2030	435,000	115,000	500,000	0	160,000	6,485,000
2031	450,000	120,000	520,000	0	170,000	8,415,000
2032	470,000	125,000	0	0	175,000	6,415,000
2033	495,000	130,000	0	0	180,000	1,480,000
2034	520,000	135,000	0	0	185,000	1,540,000
2035	545,000	145,000	0	0	190,000	880,000
2036	575,000	150,000	0	0	195,000	920,000
2037	605,000	160,000	0	0	205,000	970,000
2038	0	0	0	0	0	0
Total	$7,600,000	$2,000,000	$9,090,000	$18,915,000	$3,070,000	$165,775,000

Note: (1) Source: The City. Mandatory redemption amounts are shown for term bonds.

APPENDIX D
PROPOSED FORM OF OPINION OF BOND COUNSEL

[LETTERHEAD OF CHAPMAN AND CUTLER LLP]

[TO BE DATED CLOSING DATE]

We hereby certify that we have examined certified copy of the proceedings (the *"Proceedings"*) of the City Council of the City of Peoria, Peoria County, Illinois (the *"City"*), passed preliminary to the issue by the City of its fully registered General Obligation Bonds, Series 2018A (the *"Bonds"*), to the amount of $__________, dated the date hereof, due serially on January 1 of the years and in the amounts and bearing interest as follows:

2019	$________	_____%
2020	________	_____%
2021	________	_____%
2022	________	_____%
2023	________	_____%
2024	________	_____%
2025	________	_____%
2026	________	_____%
2027	________	_____%
2028	________	_____%
2029	________	_____%
2030	________	_____%
2031	________	_____%
2032	________	_____%
2033	________	_____%
2034	________	_____%
2035	________	_____%
2036	________	_____%
2037	________	_____%
2038	________	_____%

the Bonds due on or after January 1, 2028, being subject to redemption prior to maturity at the option of the City as a whole or in part in any order of their maturity as determined by the City (less than all of the Bonds of a single maturity to be selected by the Bond Registrar), on January 1, 2027, or on any date thereafter, at the redemption price of par plus accrued interest to the redemption date, as provided in the Proceedings, and we are of the opinion that the Proceedings show lawful authority for said issue under the laws of the State of Illinois now in force.

We further certify that we have examined the form of bond prescribed for said issue and find the same in due form of law, and in our opinion said issue, to the amount named, is valid and legally binding upon the City and is payable from any funds of the City legally available for such purpose, and all taxable property in the City is subject to the levy of taxes to pay the same without limitation as to rate or amount, except that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws affecting creditors' rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion.

It is our opinion that, subject to the City's compliance with certain covenants, under present law, interest on the Bonds is excludable from gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the alternative minimum tax for individuals and corporations under the Internal Revenue Code of 1986, as amended, but is taken into account in computing an adjustment used in determining the federal alternative minimum tax for certain corporations. Failure to comply with certain of such City covenants could cause interest on the Bonds to be includible in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds. Ownership of the Bonds may result in other federal tax consequences to certain taxpayers, and we express no opinion regarding any such collateral consequences arising with respect to the Bonds.

We express no opinion herein as to the accuracy, adequacy or completeness of any information furnished to any person in connection with any offer or sale of the Bonds.

In rendering this opinion, we have relied upon certifications of the City with respect to certain material facts within the City's knowledge. Our opinion represents our legal judgment based upon our review of the law and the facts that we deem relevant to render such opinion and is not a guarantee of a result. This opinion is given as of the date hereof and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

APPENDIX E

EXCERPTS OF FISCAL YEAR 2016 AUDITED FINANCIAL STATEMENTS RELATING TO THE CITY'S PENSION PLANS

NOTE 1 FINANCIAL REPORTING ENTITY, MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND BASIS OF PRESENTATION, AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting, and Basis of Presentation (Continued)

1. Governmental Funds (Continued)

Illinois Municipal Retirement Fund

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

Capital Improvements Fund

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

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.

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

Special Revenue Funds

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

Debt Service Funds

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

Capital Projects Funds

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

NOTE 1 FINANCIAL REPORTING ENTITY, MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND BASIS OF PRESENTATION, AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting, and Basis of Presentation (Continued)

2. Proprietary Fund

The proprietary fund (only proprietary fund the City maintains is the internal service fund) distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal on-going operations. Operating expenses for the proprietary fund include the cost of sales and services and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

Internal Service Fund

The Healthcare Fund was established to account for the activities of the City's self-insured health plan provided for its employees and retirees.

3. 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 type:

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.

D. Summary of Significant Accounting Policies

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

1. 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.

NOTE 1 FINANCIAL REPORTING ENTITY, MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND BASIS OF PRESENTATION, AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Summary of Significant Accounting Policies (Continued)

9. 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.

10. Pensions

For purposes of measuring the net pension liability, deferred inflows and outflows of resources related to pensions, pension expense, information about the fiduciary net position of the Illinois Municipal Retirement Fund (IMRF) and the Police and Firemen's Pension Funds of Peoria, and additions to/deductions from these fiduciary net positions has been determined on the same basis as they are reported by IMRF and the Police and Firemen's Pension Funds. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

11. Budgetary Data – Primary Government

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

The legal level of control is the fund level. Transfers of budgeted line items within funds can be approved by the Comptroller. Budget increases by means of an emergency or supplemental appropriation require proceedings and approval of the City Council, in the same manner as the original budget. The original budget and the amended budget are both reflected in the fund schedules of revenue, expenditures, and changes in fund balance – budget to actual in the required supplementary information and supplementary information.

All unencumbered appropriations lapse at year-end.

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

B. 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 stock.

1. Police Pension Fund (Fund)

The deposits and investments of the plan are held separately from those of the City. The investment policy is adopted by the plan's Board of Trustees and can be amended by a majority vote of the Board of Trustees.

The plan's investment policy authorizes the pension fund to invest in securities permitted in the Illinois Compiled Statutes (40 ILCS 511-113 .2). The statutes authorize the Pension Fund to invest in 1) interest bearing obligations of the United States of America; 2) interest bearing obligations to the extent they are fully guaranteed or insured by the United States of America; 3) interest bearing bonds, notes, debentures or other similar obligations of agencies of the United States of America; 4) interest bearing savings accounts or certificates of deposit issued by federally chartered banks or savings and loan associations, state of Illinois chartered banks or savings and loan associations, or credit unions to the extent the investments are insured by agencies or instrumentalities of the federal government; 5) interest bearing bonds of the state of Illinois; 6) pooled interest bearing accounts managed by the Illinois Public Treasurer's Pool; 7) interest bearing bonds or tax anticipation warrants of any county, township or municipal corporation of the state of Illinois; 8) direct obligations of the state of Israel subject to certain limitations as defined in the statute; 9) money market mutual funds managed by investment companies that are registered under the federal Investment Company Act of 1940 and Illinois Securities Law of 1953 and are diversified, open-ended management investment companies provided the money market portfolio is limited to bonds, notes, certificates of indebtedness, treasury bills or other securities guaranteed by the full faith and credit of the United States of America; bonds, notes, debentures or other similar obligations of the United States of America or its agencies; or certain short-term obligations of corporations; 10) corporate bonds managed through an investment advisor that must be rated as investment grade by one of the two largest rating services at the time of purchase and if subsequently downgraded below investment grade, must be liquidated from the portfolio within 90 days after being downgraded by the manager; 11) general accounts of life insurance companies authorized to transact business in Illinois; 12) separate accounts managed by life insurance companies authorized to transact business in Illinois that are comprised of diversified portfolios consisting of common or preferred stock, bonds, money market instruments or real estate or loans upon real estate secured by a first or second mortgage; 13) mutual funds managed by an investment company as defined

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

B. Deposits and Investments – Pension Trust Funds (Continued)

1. Police Pension Fund (Fund) (Continued)

and registered under the Federal Investment Company Act of 1940 and Illinois Securities Law of 1953; that have been in operation for at least five years; that have total net assets of $250 million or more; and that are comprised of diversified portfolios consisting of common or preferred stock, bonds, money market instruments; 14) common and preferred stock authorized for investments of trust funds under the laws of the state of Illinois that meet certain requirements detailed in the statutes. During the year the following changes to the investment policy were approved by the Board of Trustees: target, minimum, and maximum allocations for broad asset classes in the Fund's portfolio were adopted, additional guidelines and restrictions applying to Core Private Real Estate managers, and the removal of the guidelines and restrictions over global equity managers.

The plan's investment policy establishes the following target allocation across asset classes:

Asset Class	Target Allocation
Fixed Income	35 %
U.S. Equity	30 %
International Equity	20 %
Real Estate	10 %
Global Tactical	5 %

The book value of total equities may not exceed 55% for mutual funds, separate account of an insurance company, or separate accounts of a money manager. This is in addition to the 10% equity investment allowed in Section 1-113.2 and 1-113.3 of 40 ILCS 5 through equity mutual funds and equity separate accounts. In addition, the plan must comply with state statutes which dictate that individual holdings must meet certain criteria, and no individual investment held (with the exception of the United States Government and agencies securities) may exceed 5% of the invested assets in total.

Long-Term Expected Rate of Return

Determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of the arithmetic real rates of return for each major asset class included in the plan's target asset allocation as of December 31, 2016 are summarized in the following table:

Asset Class	Rate of Return
Fixed Income	2.0 %
U.S. Equity	5.6 %
International Equity	5.9 %
Real Estate	5.4 %
Global Tactical	4.0 %

The plan's investment policy requires that an independent investment consultant evaluate the plan's investments on a monthly basis and provide written reports to the trustees. The policy also requires the various investment managers provide written reports to the plan sponsor and consultant on a quarterly basis detailing performance for the most recent period as well as the current outlook of the equity and fixed income markets.

Concentrations

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. There were no investments in any one organization that represent 5% or more of the plan's investments.

Rate of Return

For the year ended December 31, 2016, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 5.77%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Deposit with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of a bank failure, the plan's deposits may not be returned to it. The plan's investment policy does not address custodial credit risk for deposits with financial institutions. The plan's past practice is for 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 plan's cash and cash equivalents at December 31, 2016 consisted of deposits with financial institutions. Flow-through FDIC insurance is available for the plan's deposits with financial institutions.

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

B. Deposits and Investments – Pension Trust Funds (Continued)

1. Police Pension Fund (Fund) (Continued)

Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the plan will not be able to recover the value of its investments that are in possession of an outside party. To limit its exposure, the plan has a third-party custodian acting as the plan's agent to safe-keep the assets of the plan.

Interest Rate Risk

Interest rate risk is the risk that the market value of securities in the portfolio will fall due to changes in the market interest rates. The plan limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for operating funds and maximizing yields for funds not needed for expected current cash flows. The plan's investment policy does not limit the maximum maturity length of investments.

As of December 31, 2016, the Fund had the following investments:

Type of Investment	Fair Value/ Carrying Amount	Average Credit Quality/ Ratings (1)	Weighted Average Years to Maturity (2)
Money Market Funds	$ 7,429,295	Aaa-mf	0.10
State and Local Obligations	769,819	Aaa to A2	6.03
U.S. Government Notes and Bonds,			
Explicitly Guaranteed	16,385,687	N/A	3.55
U.S. Government Agencies	6,162,966	Aaa	8.81
Corporate Bonds	26,671,160	Aaa to Ba1	5.26
Mutual Funds - Equities	71,426,153	N/A	N/A
Real Estate Insurance Contracts	11,979,458	A1	N/A
Common and preferred stocks	14,241,214	N/A	N/A
Total Investments	$ 155,065,752		

(1) Ratings are provided where applicable to indicate associated credit risk. Obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk. The U.S. government agencies investments that were not rated by Moody's included Federal Home Loan Mortgage Corporation Gold Participant Certificate Securities, Federal Home Loan Mortgage Corporation Multiclass Certificates, Federal National Mortgage Association Pass-Through Certificates, Small Business Administration bonds, and Vendee Mortgage Trust Securities.

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

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

B. Deposits and Investments – Pension Trust Funds (Continued)

1. Police Pension Fund (Fund) (Continued)

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The plan's investment policy does not specifically address credit risk for investments, except for the corporate bonds and compliance with state statutes. Corporate bonds must be rated as investment grade by one of the two largest rating agencies at the time of purchase. Subsequently, if a domestic corporate bond security is downgraded below investment grade by one of the two largest rating agencies, the security must be liquidated from the portfolio within 90 days after the downgrade.

Fair Value Measurements

The plan categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The framework uses a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. Level 1 inputs are quotes prices in active markets for identical assets or liabilities; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Valuation Techniques

Following is a description of the valuation techniques used for assets and liabilities measured at fair value on a recurring basis.

- Mutual funds and marketable equity securities: Valued at the closing quoted price in an active market.
- Corporate bonds and municipal obligations: The investment grade corporate bonds and municipal obligations held by the plan generally do not trade in active markets on the measurement date. Therefore, these securities are valued using inputs including yields currently available on comparable securities of issuers with similar credit ratings, recent market price quotations (where observable), bond spreads, and fundamental data relating to the issuer.
- U.S. government and U.S. government agency securities: Valued by a pricing service using models that incorporate market observable data such as reported sales of similar securities, broker quotes, yields, bids, offers, and reference data.

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

B. Deposits and Investments – Pension Trust Funds (Continued)

1. Police Pension Fund (Fund) (Continued)

Fair value measurements recorded on a recurring basis at December 31, 2016 were as follows:

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Assets:				
Investments by Fair Value Level:				
Mutual Funds	$ 63,358,364	$ -	$ -	$ 63,358,364
Marketable Equity Securities	14,241,214	-	-	14,241,214
Corporate Bonds	-	26,671,160	-	26,671,160
Municipal Obligations	-	769,819	-	769,819
U.S. Government Agency Securities	-	6,162,966	-	6,162,966
U.S. Government Securities	-	16,385,687	-	16,385,687
Total Investments by Fair Value Level	$ 77,599,578	$ 49,989,632	$ -	127,589,210
Real Estate Fund (NAV)				11,979,458
Collective Investment Fund				8,067,789
Money Market Funds*				7,429,295
Total Investments				$ 155,065,752

*Money market funds are recorded at cost and are not based on Level 1, 2, or 3 inputs.

The following table sets forth additional disclosures of the plan's investments whose fair value is estimated using net asset value (NAV) per share (or its equivalent) as of December 31, 2016.

Investment	Fair Value	Unfunded Commitment	Redemption Frequency	Redemption Notice Period
Real Estate Fund (a)	$ 11,979,458	$ -	N/A	N/A
Collective Investment Trust (b)	$ 8,067,789	$ -	N/A	N/A

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

B. Deposits and Investments – Pension Trust Funds (Continued)

1. Police Pension Fund (Fund) (Continued)

(a) This type includes one real estate fund that invests primarily in owned real estate, such as office buildings, industrial buildings, shopping centers, retail stores, and similar commercial property. The fair value of the investment in this type has been determined using the NAV per share (or its equivalent) of the plan's ownership interest. The plan may redeem all or a portion of this investment upon notice to Principal Life Insurance Company (Principal). When payment is made pursuant to such a notice, the amount to be paid will be generally determined and paid within seven business days of the notice, subject to Principal's right to defer a payment. Principal reserves the right to defer payments for a period as is necessary, up to three years. Such deferment will be based on unstable or disorderly market or investment conditions which do not allow for an orderly investment transfer. The deferment may include, but not be limited to, situations where regular banking has been suspended or when an emergency or other circumstances beyond Principal's control does not allow for the orderly disposal and liquidation of securities or other assets. Due to the illiquid nature of the assets in which the real estate fund is invested, Principal also reserves the right to defer payments that would exceed the amount of cash and other liquid assets held, reduced by amounts committed to purchase properties or needed for operating expenses. If payments are deferred, when made they will be paid on a prorated basis in relation to the total amount of payment requests. There were no restrictions on redemption as of the plan's measurement date of December 31, 2016.

(b) This type includes one collective investment trust fund that investments primarily in common stock and short-term investments. The strategy of the collective investment trust is managed using a proprietary quantitative investment process to emphasize securities with relatively low expected volatility. The fair value of the investment in this type has been determined using the NAV per share (or its equivalent) of the plan's ownership interest of the fund's assets. The plan may redeem all or a portion of this investment upon notice to State Street Global Advisors. When payment is made pursuant to such notice, the amount to be paid will be generally determined and paid within three business days of the transaction date. There were no restrictions on redemption as of the plan's measurement date of December 31, 2016.

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

B. Deposits and Investments – Pension Trust Funds (Continued)

2. Firemen's Pension Fund (Fund)

The deposits and investments of the plan are held separately from those of the City. The investment policy is adopted by the plan's Board of Trustees and can be amended by a majority vote of the Board of Trustees.

The plan's investment policy authorizes the pension fund to invest in securities permitted in the Illinois Compiled Statutes (40 ILCS 5/1-113.2). The statutes authorize the Pension Fund to invest in 1) interest bearing obligations of the United States of America; 2) interest bearing obligations to the extent they are fully guaranteed or insured by the United States of America; 3) interest bearing bonds, notes, debentures or other similar obligations of agencies of the United States of America; 4) interest bearing savings accounts or certificates of deposit issued by federally chartered banks or savings and loan associations, state of Illinois chartered banks or savings and loan associations, or credit unions to the extent the investments are insured by agencies or instrumentalities of the federal government; 5) interest bearing bonds of the state of Illinois; 6) pooled interest bearing accounts managed by the Illinois Public Treasurer's Pool; 7) interest bearing bonds or tax anticipation warrants of any county, township or municipal corporation of the state of Illinois; 8) direct obligations of the state of Israel subject to certain limitations as defined in the statute; 9) money market mutual funds managed by investment companies that are registered under the federal Investment Company Act of 1940 and Illinois Securities Law of 1953 and are diversified, open-ended management investment companies provided the money market portfolio is limited to bonds, notes, certificates of indebtedness, treasury bills or other securities guaranteed by the full faith and credit of the United States of America; bonds, notes, debentures or other similar obligations of the United States of America or its agencies; or certain short-term obligations of corporations; 10) corporate bonds managed through an investment advisor that must be rated as investment grade by one of the two largest rating services at the time of purchase and if subsequently downgraded below investment grade, must be liquidated from the portfolio within 90 days after being downgraded by the manager; 11) general accounts of life insurance companies authorized to transact business in Illinois; 12) separate accounts managed by life insurance companies authorized to transact business in Illinois that are comprised of diversified portfolios consisting of common or preferred stock, bonds, money market instruments or real estate or loans upon real estate secured by a first or second mortgage; 13) mutual funds managed by an investment company as defined and registered under the Federal Investment Company Act of 1940 and Illinois Securities Law of 1953; that have been in operation for at least five years; that have total net assets of $250 million or more; and that are comprised of diversified portfolios consisting of common or preferred stock, bonds, money market instruments; 14) common and preferred stock authorized for investments of trust funds under the laws of the state of Illinois that meet certain requirements detailed in the statutes. During the year there were no changes to the investment policy.

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

B. Deposits and Investments – Pension Trust Funds (Continued)

2. Firemen's Pension Fund (Fund) (Continued)

The plan's investment policy establishes the following target allocation across asset classes:

Asset Class	Minimum	Maximum
Equities (Separate Account)	20.00 %	55.00 % *
Equity Mutual Funds	-	10.00 *
Fixed Income	30.00	78.00
Cash	2.00	20.00

* Or legal limit as required by Illinois state statute. Total maximum equity effective July 1, 2011 is 60% (65% July 1, 2012).

The book value of total equities may not exceed 55% for mutual funds, separate account of an insurance company, or separate accounts of a money manager. This is in addition to the 10% equity investment allowed in Section 1-113.2 and 1-113.3 of 40 ILCS 5 through equity mutual funds and equity separate accounts. In addition, the plan must comply with state statutes which dictate that individual holdings must meet certain criteria, and no individual investment held (with the exception of the United States Government and agencies securities) may exceed 5% of the invested assets in total.

Long-Term Expected Rate of Return

Determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of the arithmetic real rates of return for each major asset class included in the plan's target asset allocation as of December 31, 2016 are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return
U.S. Large Cap Equity	9.04 %
U.S. Mid Cap Equity	9.54
U.S. Small Cap Equity	10.04
REITS	8.00
Non-U.S. Developed Equity	8.75
Emerging Markets	10.54
Fixed Income	4.48
Cash	3.38

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

B. Deposits and Investments – Pension Trust Funds (Continued)

2. Firemen's Pension Fund (Fund) (Continued)

The Fund's investment policy requires that investment managers provide monthly reports of all transactions and valuations to the Treasurer. The performance of these managers is reviewed and monitored by an independent, third-party consultant.

Concentrations

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. There were no significant investments (other than U.S. government and agencies' securities and mutual funds) in any one organization that represent 5% or more of the plan's investments.

Rate of Return

For the year ended December 31, 2016, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 5.29%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of a bank failure, the plan's deposits may not be returned to it. The Fund's deposit policy related to this risk provides that all deposits, certificates of deposit investments, and repurchase agreements be guaranteed at 110% of market value of principal and accrued interest by the U.S. government obligations (excluding Collateralized Mortgage Obligations (CMOs), Real Estate Mortgage Investment Conduits (REMICs), and other Principal Only (POs) or Interest Only (IOs) obligations secured with mortgages), insured by the Federal Deposit Insurance Corporation (FDIC), or fully collateralized with securities held by an independent, third party with whom the plan has a current custodial agreement. 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 be used to ensure replacement on checking and money market accounts in case of a financial institution's default.

The Fund's cash and cash equivalents at December 31, 2016 consisted of deposits with financial institutions. Deposits with financial institutions are covered by FDIC insurance up to $250,000. At December 31, 2016, all deposits with financial institutions were insured by the FDIC.

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

B. Deposits and Investments – Pension Trust Funds (Continued)

2. Firemen's Pension Fund (Fund) (Continued)

Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the plan will not be able to recover the value of its investments that are in possession of an outside party. To limit its exposure, the plan has a third-party custodian acting as the plan's agent to safe-keep the assets of the plan.

Interest Rate Risk

Interest rate risk is the risk that the market value of securities in the portfolio will fall due to changes in the market interest rates. The plan limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for operating funds and maximizing yields for funds not needed for expected current cash flows. The plan's investment policy does not limit the maximum maturity length of investments.

As of December 31, 2016, the Fund had the following investments:

Type of Investment	Fair Value/ Carrying Amount	Average Credit Quality/ Ratings (1)	Weighted Average Years to Maturity (2)
Money Market Funds	$ 2,600,088	N/A	0.11
State and Local Obligations	1,762,576	Aaa to Aa2	2.36
U.S. Government Notes and Bonds,			
Explicitly Guaranteed	16,794,294	N/A	6.40
U.S. Government Agencies	807,288	Aaa	8.24
Corporate Bonds	21,667,278	Aaa to Baa3	4.39
Mutual Funds - Equities	49,732,742	N/A	N/A
Common and Preferred Stocks	27,963,298	N/A	N/A
Total Investments	$ 121,327,564		

(1) Ratings are provided where applicable to indicate associated credit risk. Obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk. The U.S. government agencies investments that were not rated by Moody's included Federal Home Loan Mortgage Corporation Gold Participation Certificate Securities, Federal Home Loan Mortgage Corporation Multiclass Certificates, Federal National Mortgage Association Pass-Through Certificates, and Government National Mortgage Association Fixed Income Securities.

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

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

B. Deposits and Investments – Pension Trust Funds (Continued)

2. Firemen's Pension Fund (Fund) (Continued)

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The plan's investment policy does not specifically address credit risk for investments, except for the corporate bonds and compliance with state statutes. Corporate bonds must be rated as investment grade by one of the two largest rating agencies at the time of purchase. Subsequently, if a domestic corporate bond security is downgraded below investment grade by one of the two largest rating agencies, the security must be liquidated from the portfolio within 90 days after the downgrade.

Fair Value Measurements

The plan categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The framework uses a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. Level 1 inputs are quotes prices in active markets for identical assets or liabilities; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Valuation Techniques

Following is a description of the valuation techniques used for assets and liabilities measured at fair value on a recurring basis.

- Mutual funds and marketable equity securities: Valued at the closing quoted price in an active market.
- Corporate bonds and municipal obligations: The investment grade corporate bonds and municipal obligations held by the plan generally do not trade in active markets on the measurement date. Therefore, these securities are valued using inputs including yields currently available on comparable securities of issuers with similar credit ratings, recent market price quotations (where observable), bond spreads, and fundamental data relating to the issuer.
- U.S. government and U.S. government agency securities: Valued by a pricing service using models that incorporate market observable data such as reported sales of similar securities, broker quotes, yields, bids, offers and reference data.

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

B. Deposits and Investments – Pension Trust Funds (Continued)

2. Firemen's Pension Fund (Fund) (Continued)

Fair value measurements recorded on a recurring basis at December 31, 2016 were as follows:

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Assets:				
Investments by Fair Value Level:				
Mutual Funds	$ 49,732,742	$ -	$ -	$ 49,732,742
Marketable Equity Securities	27,963,298	-	-	27,963,298
Corporate Bonds	-	21,667,278	-	21,667,278
Municipal Obligations	-	1,762,576	-	1,762,576
U.S. Government Agency Securities	-	807,288	-	807,288
U.S. Government Securities	-	16,794,294	-	16,794,294
Total Investments by Fair Value Level	$ 77,696,040	$ 41,031,436	$ -	118,727,476
Money Market Funds*				2,600,088
Total Investments				$ 121,327,564

*Money market funds are recorded at cost and are not based on Level 1, 2, or 3 inputs.

C. Deposits and Investments – Discretely Presented Component Units

1. 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.

Custodial Credit Risk – Deposits

The Civic Center does not have a deposit policy for custodial credit risk. As of August 31, 2016, $4,229,012 of the Civic Center's bank balance of $4,479,012 was exposed to custodial credit risk.

Reconciliation to statement of net position:

	Carrying Amount
Cash on Hand	$ 74,556
Demand Deposits and Money Market Accounts	4,579,893
	$ 4,654,449
Cash and Cash Equivalents	$ 4,654,449

NOTE 7 RECEIVABLES (CONTINUED)

The City has received grant funds from the U.S. Department of Commerce and Economic Development Administration for the purpose of providing loans to existing or emerging businesses to further economic development and create new jobs in the community. At December 31, 2016, the City had future principal receipts under these notes as follows:

Fiscal Year Ending December 31,	Amount
2017	$ 42,524
2018	41,603
2019	43,298
2020	35,894
2021	13,338
Thereafter	83,350
Total	$ 260,007

The City grants money to City residents for home repairs. If the City resident sells their home within a certain period of time, they are required to pay the money back. The City records a loan receivable once the resident's home is sold. As of December 31, 2016, the receivable balance was $384, net of an allowance of $19,094.

Other current receivables as of December 31, 2016 consist of the following:

Charges for Services and Reimbursements	$ 3,227,263
Franchise Fees	268,440
Other Fines and Fees	106,543
Miscellaneous Taxes	218,797
Total Other Current Receivables (Gross)	3,821,043
Less: Allowance for Uncollectible Accounts	772,314
Total Other Current Receivables (Net)	$ 3,048,729

NOTE 8 OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES

The individual fund interfund receivable and payable balances as of December 31, 2016 are as follows:

	Due from Other Funds	Due to Other Funds
Major Funds:		
General Fund	$ 17,469,189	$ 3,747,236
Illinois Municipal Retirement Fund	130,462	-
Capital Improvements Fund	2,648,785	12,227,682
Nonmajor Governmental Funds	4,362,739	10,690,661
Internal Service Fund	2,054,404	-
Total	$ 26,665,579	$ 26,665,579

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NOTE 8 OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES (CONTINUED)

Advances to and from other funds as of December 31, 2016 were as follows:

	Advances to Other Funds	Advances from Other Funds
Major Funds:		
General Fund	$ 6,647,287	$ -
Illinois Municipal Retirement Fund	-	6,647,287
Total	$ 6,647,287	$ 6,647,287

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 advanced funds are to pay the remaining 2011-2012 early retirement incentive balance due to the Illinois Municipal Retirement Fund. The interfund receivables and payables are scheduled to be collected in the subsequent year whereas the interfund advances are not.

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	$ 2,300,785	$ 8,412,706
Illinois Municipal Retirement Fund	565,568	-
Capital Improvements Fund	3,291,552	7,520,254
Nonmajor Governmental Funds	23,197,259	13,422,204
Total	$ 29,355,164	$ 29,355,164

Transfers are used to (1) move revenues from the fund collecting them to the fund that statute or budget expects 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.

Accounting principles generally accepted in the United States of America require disclosure of certain information concerning individual funds including deficit fund balances or deficit net position of individual funds.

NOTE 8 OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES (CONTINUED)

As of December 31, 2016, the following funds had deficit balances:

Fund	Deficit
Major Funds:	
Illinois Municipal Retirement Fund	$ (6,301,115)
Capital Improvements Fund	(4,533,742)
Nonmajor Funds:	
Multi-County MEG Grant Fund	(8)
Home Investment Partnership Program Fund	(200)
Refuse Collection Fund	(4,097,596)
Sewer Fund	(269,682)
2016A General Obligation Bond Debt Service Fund	(11,858)

Deficits in the Illinois Municipal Retirement Fund will be eliminated through future incremental property tax receipts. Deficits in the Capital Improvements Fund will be eliminated by the reduction or freezing of capital projects. Deficits in the Refuse Collection Fund will be eliminated by increasing the charges for future services.

NOTE 9 SELF-INSURANCE – PRIMARY GOVERNMENT

The City is exposed to various risks of loss related to torts, theft of, and damage to assets, natural disasters, workers' compensation and medical and dental claims of its employees and their dependents. The City currently reports all of its risk management activities in its General Fund and Internal Service Fund.

Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported. Claims liabilities that are due and payable are recorded in the General Fund with the remaining claims liabilities reported in the governmental activities of the statement of net position. The City is not covered by excess liability insurance for workers' compensation claims. The City has coverage for medical and hospital when the covered individual claims exceed $225,000 and a maximum aggregate benefit of $1,000,000.

NOTE 9 SELF-INSURANCE – PRIMARY GOVERNMENT (CONTINUED)

During 2016, the City obtained a one-year contract renewal for major general liability coverage with an insurance carrier.

The City's major liability insurance coverages include:

- $1,000,000/$3,000,000 limits for general liability
- $1,000,000/$3,000,000 limits for employment practices, employment benefits, law enforcement, and public officials liability
- $1,000,000 limit for auto liability
- $10,000,000 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.

GASB 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, 2016, the estimate of health and dental claims incurred but not reported amounted to $100,000. The unpaid reported claims of $579,740 for health and dental claims are due and are included in accounts payable on the financial statements in the Internal Service Fund.

Changes in the health insurance claims liability which include unpaid reported claims and amounts incurred but not reported in fiscal years 2016 and 2015 were:

Balance - December 31, 2014	$ 1,515,777
Current Year Claims and Changes in Estimates	8,527,076
Claims Paid	(9,028,527)
Balance - December 31, 2015	1,014,326
Current Year Claims and Changes in Estimates	7,824,743
Claims Paid	(8,159,329)
Balance - December 31, 2016	$ 679,740

Changes in the workers' compensation liability which include unpaid reported claims and amounts incurred but not reported in fiscal years 2016 and 2015 were:

Balance - December 31, 2014	$ 2,102,140
Current Year Claims and Changes in Estimates	3,211,189
Claims Paid	(2,564,170)
Balance - December 31, 2015	2,749,159
Current Year Claims and Changes in Estimates	4,975,616
Claims Paid	(4,367,410)
Balance - December 31, 2016	$ 3,357,365

NOTE 9 SELF-INSURANCE – PRIMARY GOVERNMENT (CONTINUED)

Changes in the general liability which include unpaid reported claims and amounts incurred but not reported in fiscal years 2016 and 2015 were:

Balance - December 31, 2014	$ 575,006
Current Year Claims and Changes in Estimates	10,682,097
Claims Paid	(192,902)
Balance - December 31, 2015	11,064,201
Current Year Claims and Changes in Estimates	3,028,510
Claims Paid	(1,519,351)
Balance - December 31, 2016	$ 12,573,360

Of the $3,357,365 of workers' compensation liability, $264,807 is reported in the General Fund as due and $3,092,558 is reported in governmental activities as noncurrent. Of the $12,573,360 of general liability, $16,025 is reported in the General Fund as due and $12,557,335 is reported in governmental activities as noncurrent.

NOTE 10 PENSION PLANS

A. Plan Descriptions

1. Illinois Municipal Retirement Fund (IMRF)

The City's defined benefit pension plan, a multi-employer agent plan, for regular employees provides retirement and disability benefits, postretirement increases, and death benefits to plan members and beneficiaries. The City's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of a multi-employer public pension fund. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section of this document. Details of all benefits are available from IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly of the state of Illinois. IMRF issues a publicly available Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. The report is available for download at www.imrf.org.

NOTE 10 PENSION PLANS (CONTINUED)

A. Plan Descriptions (Continued)

2. Police Pension Plan Fund of Peoria

The Police Pension Fund of Peoria was established by municipal ordinance on June 1, 1877, to provide retirement, death, and disability benefits to the City's policemen or their beneficiaries. Although this is a single-employer pension plan, the defined benefits, as well as the employee and minimum employer contributions levels, are mandated by Illinois Compiled Statutes (40 ILCS 5/3) and may be amended only by the Illinois legislature.

The Board of Trustees is the administrator of the plan that was established by the City in accordance with the City Charter and Illinois Compiled Statutes. The Board of Trustees includes two City appointees, one elected retiree and two elected active police officers.

3. Firemen's Pension Fund of Peoria

The Firemen's Pension Fund of Peoria was established by municipal ordinance on June 24, 1895, to provide retirement, death, and disability benefits to the City's firemen or their beneficiaries. Although this is a single-employer pension plan, the defined benefits, as well as the employee and minimum employer contributions levels, are mandated by Illinois Compiled Statutes (40 ILCS 5/4) and may be amended only by the Illinois legislature.

The Board of Trustees is the administrator of the Fund that was established by the City in accordance with the Illinois Compiled Statutes. The Board of Trustees includes two City appointees, one elected retiree and two elected active firefighters.

NOTE 10 PENSION PLANS (CONTINUED)

B. Benefits Provided

1. IMRF

IMRF has three benefit plans. The vast majority of IMRF members participate in the Regular Plan (RP). The Sheriff's Law Enforcement Personnel (SLEP) plan is for sheriffs, deputy sheriffs, and selected police chiefs. Counties could adopt the Elected County Official (ECO) plan for officials elected prior to August 8, 2011 (the ECO plan was closed to new participants after that date).

All three IMRF benefit plans have two tiers. Employees hired before January 1, 2011 are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1.66% of the final rate of earnings for the first 15 years of service credit, plus 2.00% for each year of service credit after 15 years to a maximum of 75.00% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after 10 years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1.66% of the final rate of earnings for the first 15 years of service credit, plus 2.00% for each year of service credit after 15 years to a maximum of 75.00% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the lesser of:

- 3% of the original pension amount, or
- One-half of the increase in the Consumer Price Index of the original pension amount.

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NOTE 10 PENSION PLANS (CONTINUED)

B. Benefits Provided (Continued)

2. Police Pension Fund

The Police Pension Plan provides retirement benefits as well as death and disability benefits. Policemen hired prior to January 1, 2011, are entitled to a specific set of retirement benefits. Employees under this tier attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive a monthly retirement benefit of one-half of the monthly salary attached to the rank held by the officer on the last day of service or for one year prior to the last day, whichever is greater. The monthly pension shall be increased by one-twelfth of 2.5% of such monthly salary for each additional month over 20 years of service through 30 years of service, to a maximum of 75% of such monthly salary. Employees with at least 8 years but less than 20 years of credited service may retire at or after age 60 and receive a reduced retirement benefit. The Police Pension Plan also provides for annual pension increases for beneficiaries as described in the Illinois Compiled Statutes, which is generally 3% of the original pension granted or 3% of the pension amount, depending on the individual's date of retirement.

Survivor benefits vary based on the timing of the participant's death. For duty related deaths, the benefit allowed for survivors is 100% of the salary earned at the time of death. For retirement and disability deaths, the benefit allowed to survivors is 100% of the benefit being received at the time of death. For survivors of participants who die in service, but not in the line of duty, the benefit is based on the years of service the participant had.

Under Illinois Public Act 096-1495, retirement benefits were revised for new officers hired on or after January 1, 2011. The normal retirement age for this tier of officers is 55, with an early retirement age of 50. Officers who enter into early retirement receive a 6% reduction for each year they retire prior to age 55. The salary used for retirement will be computed using an average salary representing the highest earning 8 consecutive years during the last 10 years of service. The salary amount is also limited to a ceiling of $106,800 with annual increases based on the consumer price index-u. Annual cost of living adjustments will be equal to the lesser of 3% or one-half of the annual unadjusted percentage increase of the consumer price index-u. Survivor benefits will be limited to two-thirds of the deceased pensioner's benefits at his or her date of death.

NOTE 10 PENSION PLANS (CONTINUED)

B. Benefits Provided (Continued)

3. Firemen's Pension Fund

The Firemen's Pension Plan provides retirement benefits as well as death and disability benefits. Firefighters hired prior to January 1, 2011, are entitled to a specific set of retirement benefits. Employees under this tier attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive a monthly retirement benefit of one-half of the monthly salary attached to the rank held in the fire service at the date of retirement. The monthly pension shall be increased by one-twelfth of 2.5% of such monthly salary for each additional month over 20 years of service through 30 years of service, to a maximum of 75.0% of such monthly salary. Employees with at least 10 years but less than 20 years of credited service may retire at or after age 60 and receive a reduced retirement benefit. The monthly pension of a firefighter who retired with 20 or more years of service after January 1, 1977, shall be increased annually, following the first anniversary date of retirement or upon reaching at least the age of 55, by 3% of the original pension and 3% compounded annually thereafter.

Survivor benefits vary based on the timing of the participant's death. For duty-related deaths, the benefit allowed for survivors is 100% of the salary earned at the time of death. For retirement, disability, and nonduty-related deaths, the benefit allowed for survivors is the greater of 54% of the participant's salary at the time of death or 100% of the benefit allowed if the participant had retired.

Under Illinois Public Act 096-1495, retirement benefits were revised for new firefighters hired on or after January 1, 2011. The normal retirement age for this tier of firefighters is 55, with an early retirement age of 50. Firefighters who enter into early retirement receive a 6% reduction for each year they retire prior to age 55. The salary used for retirement will be computed using an average salary representing the highest earning 8 consecutive years during the last 10 years of service. The salary amount is also limited to a ceiling of $106,800 with annual increases based on the consumer price index-u. Annual cost of living adjustments will be equal to the lesser of 3% or one-half of the annual unadjusted percentage increase of the consumer price index-u. Survivor benefits will be limited to two-thirds of the deceased pensioner's benefits at his or her date of death.

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NOTE 10 PENSION PLANS (CONTINUED)

C. Employees Covered by Benefit Terms

As of December 31, 2015 and January 1, 2016 for the IMRF and Police and Firemen's Pension Plans, respectively, the following employees were covered by the benefit terms:

	IMRF			
	Regular	Elected County Officials	Police Pension Fund of Peoria	Firemen's Pension Fund of Peoria
Retirees and Beneficiaries Currently Receiving Benefits	620	1	242	207
Inactive Plan Members Entitled to but Not Yet Receiving Benefits	234	-	22	4
Active Plan Members	327	-	216	195
Total	1,181	1	480	406

D. Contributions

1. IMRF

As set by statute, the City's Regular Plan Members are required to contribute 4.5% of their annual covered salary. ECO employees participating in IMRF are required to contribute 7.5% of their covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The City's annual contribution rates for calendar year 2015 were 15.79% and 0% for RP and ECO, respectively. For the fiscal year ended December 31, 2016, the City contributed $3,321,215 to the plans. The City also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

2. Police Pension Fund

Covered employees are required to contribute 9.91% of their salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without interest. The City of Peoria is required to contribute the remaining amounts necessary to finance the plan at an actuarially determined rate. Effective January 1, 2011, Illinois Public Act 096-1495 changed the funding requirements to amortize the unfunded actuarial liability over a 30-year closed period with a target funding of 90% by 2040. For the year ended December 31, 2016, the City's contribution was 38.5% of covered payroll. For the fiscal year ended December 31, 2016, the City contributed $8,392,780 to the plan. The City's contributions are funded by property taxes levied for such purposes and an allocated share of replacement taxes collected by the City.

NOTE 10 PENSION PLANS (CONTINUED)

D. Contributions (Continued)

2. Police Pension Fund (Continued)

The current legislation also requires actuarial gains and losses experienced from investment returns to be recognized using a five-year smoothing method. The actuarially determined contribution presented in the Schedule of Employer Contributions is derived from the actuarial valuation by the plan's actuary. The actual employer contribution is based on the actuarially determined employer contribution calculated by the Illinois Department of Insurance's actuary based on the funding requirements of Illinois Public Act 096-1495, as described above, and approved by the City of Peoria for funding purposes.

3. Firemen's Pension Fund

Covered employees are required to contribute 9.455% of their salary to the Firemen's Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without interest. The City of Peoria is required to contribute the remaining amounts necessary to finance the plan at an actuarially determined rate. Effective January 1, 2011, Illinois Public Act 096-1495 changed the funding requirements to amortize the unfunded actuarial liability over a 30-year closed period with a target funding of 90% by 2040. For the year ended December 31, 2016, the City's contribution was 44.7% of covered payroll. For the fiscal year ended December 31, 2016, the City contributed $7,801,323 to the plan. The City's contributions are funded by property taxes levied for such purposes and an allocated share of replacement taxes collected by the City.

The current legislation also requires actuarial gains and losses experienced from investment returns to be recognized using a five-year smoothing method. The actuarially determined contribution presented in the Schedule of Employer Contributions is derived from the actuarial valuation by the plan's actuary. The actual employer contribution is based on the actuarially determined employer contribution calculated by the Illinois Department of Insurance's actuary based on the funding requirements of Illinois Public Act 096-1495, as described above, and approved by the City of Peoria for funding purposes.

NOTE 10 PENSION PLANS (CONTINUED)

E. Net Pension Liability

The City's net pension liability for the IMRF was measured as of December 31, 2015. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

For the Police and Firemen's Pension Funds, the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2015, updated to December 31, 2015.

Actuarial Assumptions:

1. IMRF

The following are the methods and assumptions used to determine total pension liability at December 31, 2015:

- The Actuarial Cost Method used was Entry Age Normal.
- The Asset Valuation Method used was Market Value of Assets.
- The Inflation Rate was assumed to be 2.75%.
- Salary Increases were expected to be 3.75% to 14.50%, including inflation.
- The Investment Rate of Return was assumed to be 7.47% for RP and 7.50% for ECO.
- Projected Retirement Age was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2014 valuation according to an experience study from years 2011 to 2013.
- The IMRF-specific rates for Mortality (for nondisabled retirees) were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience.
- For Disabled Retirees, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustments that were applied for nondisabled lives.
- For Active Members, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

NOTE 10 PENSION PLANS (CONTINUED)

E. Net Pension Liability (Continued)

1. IMRF (Continued)

- The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Portfolio Target Percentage	Long-Term Expected Real Rate of Return
Equities	38 %	7.39 %
International Equities	17	7.59
Fixed Income	27	3.00
Real Estate	8	6.00
Alternatives	9	N/A
Private Equity	N/A	8.15
Hedge Funds	N/A	5.25
Commodities	N/A	2.75
Cash Equivalents	1	2.25
Total	100 %	

2. Police Pension Fund

The total pension liability was determined by an actuarial valuation as of January 1, 2015, updated to December 31, 2015, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary Increases	4.00% - 11.00%
Investment Rate of Return	6.75%

Mortality Rates

The RP-2000 Combined Healthy Annuitant Mortality Table with Blue Collar Adjustment for Males and Females, projected to 2015 using Scale AA, was used for active employees and pensioners. The RP-2000 Disabled Retiree Annuitant Mortality Table, projected to 2015 using Scale AA, was used for disabled police officers.

NOTE 10 PENSION PLANS (CONTINUED)

E. Net Pension Liability (Continued)

2. Police Pension Fund (Continued)

Long-Term Expected Rate of Return

Determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of the arithmetic real rates of return for each major asset class included in the plan's target asset allocation as of December 31, 2015 are summarized in the following table:

Asset Class	Portfolio Target Percentage	Long-Term Expected Real Rate of Return
Fixed Income	35 %	2.0 %
U.S. Equity	30	5.6 %
International Equity	20	5.9 %
Global Tactical	5	4.0 %
Real Estate - Core	10	5.4 %
Total	100 %	

3. Firemen's Pension Fund

The total pension liability was determined by an actuarial valuation as of January 1, 2015, updated to December 31, 2015, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary Increases	4.00% - 12.00%
Investment Rate of Return	6.75%

Mortality Rates

The RP-2000 Combined Healthy Annuitant Mortality Table with Blue Collar Adjustment for Males and Females, projected to 2015, was used for active employees and pensioners. The RP-2000 Disabled Retiree Annuitant Mortality Table, projected to 2015, was used for disabled firefighters.

NOTE 10 PENSION PLANS (CONTINUED)

E. Net Pension Liability (Continued)

3. Firemen's Pension Fund (Continued)

Long-Term Expected Rate of Return

Determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of the arithmetic real rates of return for each major asset class included in the plan's target asset allocation as of December 31, 2015, are summarized in the following table:

Asset Class	Portfolio Target Percentage	Long-Term Expected Real Rate of Return
Equities	20 %	N/A
U.S. Large Cap Equity	N/A	9.04 %
U.S. Mid Cap Equity	N/A	9.54 %
U.S. Small Cap Equity	N/A	10.04 %
Fixed Income	30	4.48 %
Non-U.S. Developed Equity	N/A	8.75 %
Emerging Markets	N/A	10.54 %
REITS	-	8.00 %
Cash	2	3.38 %

F. Discount Rate

1. IMRF

Discount rates of 7.47% and 7.50% for RP and ECO, respectively, were used to measure the total pension liability. The projection of cash flow used to determine these discount rates assumed that the plan members' contributions will be made at the current contribution rates, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The discount rates reflect:

a. The long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and

CITY OF PEORIA, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2016

NOTE 10 PENSION PLANS (CONTINUED)

F. Discount Rate (Continued)

1. IMRF (Continued)

b. The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

c. For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.50%, the municipal bond rate is 3.57%, and the resulting single discount rate is 7.47% for RP and 7.50% for ECO.

2. Police and Firemen's Pension Funds

The discount rate used to measure the total pension liability for the Police and Firemen's Pension Funds was 6.75%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the plans' fiduciary net positions were projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rates of return on the pension plans' investments were applied to all periods of projected benefit payments to determine the total pension liability.

G. Changes in Net Pension Liability

1. IMRF

	Regular		
	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A)-(B)
Balances - December 31, 2015	$ 199,770,413	$ 181,067,000	$ 18,703,413
Changes for the Year:			
Service Cost	2,144,857	-	2,144,857
Interest on the Total Pension Liability	14,565,127	-	14,565,127
Differences Between Expected and Actual Experience of the Total Pension Liability	67,190	-	67,190
Changes of Assumptions	222,020	-	222,020
Contributions - Employer	-	3,253,495	(3,253,495)
Contributions - Employees	-	993,750	(993,750)
Net Investment Income	-	13,449,388	(13,449,388)
Difference Between Projected and Actual Investment Income	-	(9,310,270)	9,310,270
Benefit Payments, including Refunds of Employee Contributions	(12,244,879)	(12,244,879)	-
Administrative Expenses	-	427,834	(427,834)
Other (Net Transfer)	-	9,569	(9,569)
Net Changes	4,754,315	(3,421,113)	8,175,428
Balances - December 31, 2016	$ 204,524,728	$ 177,645,887	$ 26,878,841

NOTE 10 PENSION PLANS (CONTINUED)

G. Changes in Net Pension Liability (Continued)

1. IMRF (Continued)

The changes in net pension liability above are the aggregated information of the Regular Plan and the Elected County Official Plan. Disaggregated information for the Elected County Official's Plan as of December 31, 2015 is not available and is not material to the City's financial statements.

H. Police Pension Fund

	Police Pension Fund		
	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A)-(B)
Balances - December 31, 2014	$ 287,805,164	$ 162,000,492	$ 125,804,672
Changes for the Year:			
Service Cost	5,674,027	-	5,674,027
Interest	19,336,470	-	19,336,470
Differences Between Expected and Actual Experience	(705,419)	-	(705,419)
Changes of Assumptions	22,350,503	-	22,350,503
Contributions - Employer	-	7,858,832	(7,858,832)
Contributions - Member	-	1,821,130	(1,821,130)
Net Investment Income	-	283,989	(283,989)
Benefit Payments, Including Refunds of Member Contributions	(14,025,942)	(14,025,942)	-
Administrative Expenses	-	(239,695)	239,695
Other Changes	-	(6,639,711)	6,639,711
Net Changes	32,629,639	(10,941,397)	43,571,036
Balances - December 31, 2015	$ 320,434,803	$ 151,059,095	$ 169,375,708

NOTE 10 PENSION PLANS (CONTINUED)

I. Firemen's Pension Fund

	Firemen's Pension Fund		
	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A)-(B)
Balances - December 31, 2014	$ 236,338,944	$ 133,005,956	$ 103,332,988
Changes for the Year:			
Service Cost	5,422,677	-	5,422,677
Interest	15,919,124	-	15,919,124
Differences Between Expected and Actual Experience	(948,750)	-	(948,750)
Changes of Assumptions	18,912,421	(475,512)	19,387,933
Contributions - Employer	-	7,153,055	(7,153,055)
Contributions - Member	-	1,604,147	(1,604,147)
Contributions - Buy Back	86,500	86,500	-
Net Investment Income	-	(1,485,243)	1,485,243
Benefit Payments, Including Refunds of Member Contributions	(11,845,503)	(11,845,503)	-
Administrative Expenses	-	(127,903)	127,903
Other	-	(6,043,450)	6,043,450
Net Changes	27,546,469	(11,133,909)	38,680,378
Balances - December 31, 2015	$ 263,885,413	$ 121,872,047	$ 142,013,366

J. Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability, calculated using a discount rate of 7.47% for IMRF's RP plan, and 6.75% for both the Police and Firemen's Pension Funds, as well as what the plan's net pension liability would be if it were calculated using discount rates that are 1.00% lower or 1.00% higher:

	1% Decrease		Current Discount		1% Increase	
	Rate	NPL	Rate	NPL	Rate	NPL
IMRF	6.47 %	$ 51,685,197	7.47 %	$ 26,878,841	8.47 %	$ 6,285,126
Police Pension Fund	5.75	214,620,136	6.75	169,375,708	7.75	132,122,192
Firemen's Pension Fund	5.75	178,126,890	6.75	142,013,366	7.75	112,444,564

The analysis above for IMRF is the aggregated information of the Regular Plan and Elected County Official Plan. Disaggregated information was not available.

NOTE 10 PENSION PLANS (CONTINUED)

K. Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

1. IMRF

For the year ended December 31, 2016, the City recognized pension expense of $6,138,139. At December 31, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred Amounts Related to Pensions	Deferred Outflows of Resources	Deferred Inflows of Resources
Deferred Amounts to be Recognized in Pension Expense in Future Periods:		
Differences Between Expected and Actual Experience	$ 86,569	$ 345,713
Changes of Assumptions	2,475,079	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	8,444,490	-
Total Deferred Amounts to be Recognized in Pension Expense in future Periods	11,006,138	345,713
Pension Contributions Made Subsequent to the Measurement Date	3,321,215	-
Total Deferred Amounts Related to Pensions	$ 14,327,353	$ 345,713

$3,321,215 reported as deferred outflows of resources related to pensions resulting from the City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2017.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

Year Ending December 31,	Net Deferred Outflows/Inflows of Resources
2016	$ 4,295,945
2017	2,308,281
2018	2,194,145
2019	1,862,054
Total	$ 10,660,425

NOTE 10 PENSION PLANS (CONTINUED)

K. Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions (Continued)

2. Police Pension Fund

For the year ended December 31, 2016 the City recognized pension expense of $21,685,356. On December 31, 2016 the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred Amounts Related to Pensions	Deferred Outflows of Resources	Deferred Inflows of Resources
Deferred Amounts to be Recognized in Pension Expense in Future Periods:		
Differences Between Expected and Actual Experience	$ -	$ 564,336
Changes in Assumptions	22,166,953	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	10,501,156	-
Total Deferred Amounts to be Recognized Expense in Future Periods	32,668,109	564,336
Pension Contributions Made Subsequent to the Measurement Date	8,392,780	-
Total Deferred Amounts Related to Pensions	$ 41,060,889	$ 564,336

$8,392,780 reported as deferred outflows of resources related to pensions resulting from the City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2017.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

Year Ending December 31,	Net Deferred Outflows/Inflows of Resources
2017	$ 8,588,379
2018	8,588,379
2019	8,588,379
2020	6,338,636
Total	$ 32,103,773

NOTE 10 PENSION PLANS (CONTINUED)

K. Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions (Continued)

3. Firemen's Pension Fund

For the year ended December 31, 2016 the City recognized pension expense of $17,111,426. On December 31, 2016 the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred Amounts Related to Pensions	Deferred Outflows of Resources	Deferred Inflows of Resources
Deferred Amounts to be Recognized in Pension Expense in Future Periods:		
Differences Between Expected and Actual Experience	$ -	$ 790,625
Changes in Assumptions	15,760,350	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	10,036,007	-
Total Deferred Amounts to be Recognized Expense in Future Periods	25,796,357	790,625
Pension Contributions Made Subsequent to the Measurement Date	7,801,323	-
Total Deferred Amounts Related to Pensions	$ 33,597,680	$ 790,625

$7,801,323 reported as deferred outflows of resources related to pensions resulting from the City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2017.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

Year Ending December 31,	Net Deferred Outflows/Inflows of Resources
2017	$ 5,678,114
2018	5,678,115
2019	5,678,115
2020	4,977,443
2021	2,993,945
Total	$ 25,005,732

NOTE 15 OTHER POSTEMPLOYMENT BENEFITS

A. Plan Description

The City sponsors a single-employer health care plan that provides self-insured medical, prescription drugs, and dental benefits to all active and pre-65 retired employees and their eligible dependents. For post-65 retired employees, the City offers a fully-insured Medicare Supplement Plan. Policemen and firefighters must be a minimum of age 50 with 20 or more years of service to be eligible for retiree benefits. All other employees must be a minimum of age 60 with five or more years of service to be eligible for retiree benefits. Eligible retirees and their dependents receive health care coverage through a PPO plan. The plan is a pay-as-you-go contributory health insurance program with post-65 and pre-65 retiree's contributions making up 80% and 85%, respectively, of the funding (less age/service discounts). The City's contributions are established by the Joint Labor/Management Healthcare Committee, which was established in 1994 by various unions representing City employees and representative nonunion City employees. The Committee is made up of 16 voting members appointed by these parties. The provisions of this plan may only be modified upon the unanimous agreement of all of the voting members of the Committee and approval by the City Council. The plan does not issue separate financial statements.

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 under age 65 receive a 20% 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.

B. Funding Policy

The City establishes and amends contribution requirements.

The current funding policy of the City is to pay health claims as they occur, pay as you go. Under GASB Statement No. 45, the City recognizes the cost of postemployment health care benefits in the year in which the employee services are provided and reports the accumulated liability from prior years. The City has assigned funds to pay for future OPEB obligations. These assigned funds are held in the General Fund and do not qualify as OPEB plan assets.

NOTE 15 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

B. Funding Policy (Continued)

The required contribution is based on projected pay-as-you-go financing. The General Fund has assigned fund balance of $21,033,209 for other postemployment benefits.

Resources of the General Fund, the Peoria Public Library Fund, and Peoria Township will be used to liquidate the combined net other postemployment benefits obligation for the City of Peoria, Peoria Public Library, and Peoria Township.

C. Annual OPEB Cost and Net OPEB Obligation

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

Annual Required Contribution	$ 9,130,736
Interest on Net OPEB Obligation	2,547,602
Adjustment to Annual Required Contribution	(2,161,951)
Annual OPEB Cost	9,516,387
Contributions and Payments Made	(1,180,325)
Increase in Net OPEB Obligation	8,336,062
Net OPEB Obligation - Beginning of Year	66,146,292
Net OPEB Obligation - End of Year	$ 74,482,354

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2016 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, 2016	$ 9,516,387	12.41 %	$ 74,482,354
December 31, 2015	9,516,387	12.41	66,146,292
December 31, 2014	10,038,860	24.29	57,811,234

NOTE 15 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

D. Funded Status and Funding Progress

As of December 31, 2015, the most recent valuation date, the plan was 0% funded. The actuarial accrued liability for benefits was $82.8 million and the actuarial value of assets is none resulting in an unfunded actuarial accrued liability (UAAL) of $82.8. The covered payroll (annual payroll of active employees covered by the plan) was $64.9 million, and the ratio of the UAAL to the covered payroll was 127.7%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the health care cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

E. Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and included the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the December 31, 2015 actuarial valuation, the projected unit credit method was used. The actuarial assumptions included a 4.5% investment rate of return (net of administrative expenses) which is based on the expected long-term investment return of the employer's own investments used to pay plan benefits, discount rate of 4.5%, salary scale of 3.5%, general inflation rate of zero, and an annual health care cost trend rate of 10.0% reduced by decrements of 0.5% annually to an ultimate rate of 5.0%. 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.

CITY OF PEORIA, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – ILLINOIS MUNICIPAL RETIREMENT FUND
YEAR ENDED DECEMBER 31, 2016

	Illinois Municipal Retirement Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Property Taxes	$ 4,777,947	$ 4,777,947	$ 3,171,694	$ (1,606,253)
Corporate Personal Property Replacement Taxes	1,084,444	1,084,444	726,153	(358,291)
State Sales Taxes	-	-	-	-
State Income Tax Allocation	-	-	-	-
Home Rule Sales Taxes	-	-	-	-
Hotel, Restaurant, and Amusement Taxes	-	-	-	-
Utility Taxes	-	-	-	-
Governmental Grants and Reimbursements	-	-	-	-
Licenses and Permits	-	-	-	-
Service Charges/Fines/Fees	-	-	-	-
Loan Repayment	-	-	-	-
Rental	-	-	-	-
Interest	-	-	2,769	2,769
Other	-	-	-	-
Total Revenues	5,862,391	5,862,391	3,900,616	(1,961,775)
EXPENDITURES				
Current:				
Elective Offices, Boards, Commissions, and Agencies	-	171,134	126,565	44,569
City Administration	-	787,719	582,573	205,146
Police	-	348,934	258,061	90,873
Fire	-	76,924	56,891	20,033
Public Works	-	1,255,802	928,753	327,049
Community Development	-	352,997	261,066	91,931
Public Safety	-	803,927	594,560	209,367
General Government	6,706,522	-	6,522	(6,522)
Library	-	693,304	512,746	180,558
Debt Service:				
Interest and Fiscal Charges	-	-	215,248	215,248
Total Expenditures	6,706,522	4,490,741	3,542,985	1,378,252
Excess (Deficiency) of Revenues Over Expenditures	(844,131)	1,371,650	357,631	(1,014,019)
OTHER FINANCING SOURCES (USES)				
Transfers In	844,131	844,131	565,568	(278,563)
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	844,131	844,131	565,568	(278,563)
Net Change in Fund Balance	$ -	$ 2,215,781	923,199	$ (1,292,582)
Fund Balance - Beginning of Year			(7,224,314)	
Fund Balance - End of Year			$ (6,301,115)	

CITY OF PEORIA, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – POLICE AND FIRE PENSION LEVY FUND
YEAR ENDED DECEMBER 31, 2016

	Police and Fire Pension Levy Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Property Taxes	$ 13,673,049	$ 13,673,049	$ 13,555,806	$ (117,243)
Corporate Personal Property Replacement Taxes	2,637,399	2,637,399	2,637,400	1
State Sales Taxes	-	-	-	-
State Income Tax Allocation	-	-	-	-
Home Rule Sales Taxes	-	-	-	-
Hotel, Restaurant, and Amusement Taxes	-	-	-	-
Utility Taxes	-	-	-	-
Governmental Grants and Reimbursements	-	-	-	-
Licenses and Permits	-	-	-	-
Service Charges/Fines/Fees	-	-	-	-
Loan Repayment	-	-	-	-
Rental	-	-	-	-
Interest	-	-	903	903
Other	-	-	-	-
Total Revenues	16,310,448	16,310,448	16,194,109	(116,339)
EXPENDITURES				
Current:				
Elective Offices, Boards, Commissions, and Agencies	-	-	-	-
City Administration	-	-	-	-
Police	8,453,103	8,453,103	8,392,780	60,323
Fire	7,857,345	7,857,345	7,801,323	56,022
Public Works	-	-	-	-
Community Development	-	-	-	-
Public Safety	-	-	-	-
General Government	-	-	-	-
Library	-	-	-	-
Debt Service:				
Interest and Fiscal Charges	-	-	-	-
Total Expenditures	16,310,448	16,310,448	16,194,103	116,345
Excess (Deficiency) of Revenues Over Expenditures	-	-	6	6
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balance	$ -	$ -	6	$ 6
Fund Balance - Beginning of Year			-	
Fund Balance - End of Year			$ 6	

CITY OF PEORIA, ILLINOIS
SCHEDULE OF CHANGES IN THE FUND'S NET PENSION LIABILITY AND RELATED RATIOS
POLICE PENSION FUND OF PEORIA
FISCAL YEARS ENDED DECEMBER 31, 2016 AND 2015

	2015	2014
Total Pension Liability:		
Service Cost	$ 5,674,027	$ 5,251,316
Interest	19,336,470	18,171,879
Differences Between Expected and Actual Experience	(705,419)	-
Changes in Assumptions	22,350,503	-
Contributions - Buy Back	-	24,328
Benefit Payments, Including Refunds of Plan Member Contributions	(14,025,943)	(13,496,601)
Net Change in Total Pension Liability	32,629,638	9,950,922
Total Pension Liability - Beginning	287,805,165	277,854,243
Total Pension Liability - Ending	$ 320,434,803	$ 287,805,165
Plan Fiduciary Net Position:		
Employer Contributions	$ 7,858,832	$ 7,819,927
Member Contributions	1,821,130	1,877,977
Contributions - Buy Back	-	24,328
Net Investment Income	283,989	6,523,587
Benefit Payments, Including Refunds of Plan Member Contributions	(14,025,942)	(13,496,601)
Administrative Expenses	(239,695)	(185,810)
Other Changes	-	4,376
Net Change in Plan Fiduciary Net Position	(4,301,686)	2,567,784
Plan Fiduciary Net Position - Beginning	162,000,492	152,792,997
Receivable Adjustment	(6,639,711)	6,639,711
Plan Fiduciary Net Position - Ending	$ 151,059,095	$ 162,000,492
Fund's Net Pension Liability	$ 169,375,708	$ 125,804,673
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	47.14%	56.29%
Covered-Employee Payroll	$ 18,376,690	$ 17,693,091
Fund's Net Pension Liability as a Percentage of Covered-Employee Payroll	921.69%	711.04%

Year Ended December 31, 2015 - Plan Net Position as of the beginning of the year for 2015 has been restated by $6,639,711 to remove the employer receivable contribution. There was a change with respect to the actuarial assumptions related to the mortality assumption. It included $7,144,252 that was the result of updating the mortality table for 2014 to better reflect anticipated mortality experience in the future. There was also a change with respect to the discount rate with the lowering of the rate from 6.75% to 6.14%.

Additional years will be added to this schedule until 10 years of data is presented.

CITY OF PEORIA, ILLINOIS
POLICE PENSION FUND OF PEORIA
SCHEDULE OF FUND CONTRIBUTIONS
DECEMBER 31, 2016

Fiscal Year	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered-Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
2016	$ 11,782,708	$ 8,392,780	$ 3,389,928	$ 21,816,024	38.50 %
2015	10,789,431	7,858,832	2,930,599	18,376,690	42.77
2014	8,000,452	7,819,927	180,525	17,693,091	44.20
2013	7,744,750	6,471,829	1,272,921	18,628,745	34.74
2012	5,936,531	5,061,727	874,804	17,254,113	29.34
2011	4,773,412	5,199,707	(426,295)	16,736,677	31.07
2010	4,204,204	4,609,645	(405,441)	16,494,393	27.95
2009	2,660,990	3,898,651	(1,237,661)	16,723,267	23.31
2008	2,529,390	3,428,237	(898,847)	16,061,815	21.34
2007	2,285,435	3,230,855	(945,420)	15,241,498	21.20

The actuarially determined contribution and recognized employer contribution are presented in accordance with GASB Statement No. 25 for fiscal years 2013 and prior.

The actuarially determined contribution and recognized employer contribution are presented in accordance with GASB Statement No. 67 for fiscal years 2014 and 2015.

N/A - information not available

CITY OF PEORIA, ILLINOIS
POLICE PENSION FUND OF PEORIA
SCHEDULE OF INVESTMENT RETURNS
DECEMBER 31, 2016

Fiscal Year	Annual Money-Weighted Rate of Return, Net of Investment Expense
2015	0.02 %
2014	4.14 %

Additional years will be added to this schedule until 10 years of data is presented.

CITY OF PEORIA, ILLINOIS
SCHEDULE OF CHANGES IN THE FUND'S NET PENSION LIABILITY AND RELATED RATIOS
FIREMEN'S PENSION FUND OF PEORIA
FISCAL YEARS ENDED DECEMBER 31, 2016 AND 2015

	2015	2014
Total Pension Liability:		
Service Cost	$ 5,422,677	$ 5,269,553
Interest	15,919,124	15,307,714
Differences Between Expected and Actual Experience	(948,750)	-
Changes of Assumptions	18,912,421	-
Contributions - Buy Back	86,500	-
Benefit Payments, Including Refunds of Plan Member Contributions	(11,845,503)	(11,499,439)
Net Change in Total Pension Liability	27,546,469	9,077,828
Total Pension Liability - Beginning	236,338,944	227,261,116
Total Pension Liability - Ending	$ 263,885,413	$ 236,338,944
Plan Fiduciary Net Position:		
Employer Contributions	$ 7,153,055	$ 6,601,502
Member Contributions	1,604,147	1,580,125
Contributions - Buy Back	86,500	-
Net Investment Income	(1,485,243)	5,224,390
Benefit Payments, Including Refunds of Plan Member Contributions	(11,845,503)	(11,499,439)
Change of Assumptions	(475,512)	-
Administrative Expenses	(127,903)	(105,120)
Net Change in Plan Fiduciary Net Position	(5,090,459)	1,801,458
Plan Fiduciary Net Position - Beginning	133,005,956	131,204,498
Receivable Adjustment	(6,043,450)	-
Plan Fiduciary Net Position - Ending	$ 121,872,047	$ 133,005,956
Fund's Net Pension Liability	$ 142,013,366	$ 103,332,988
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	46.18%	56.28%
Covered-Employee Payroll	$ 16,966,124	$ 15,950,315
Fund's Net Pension Liability as a Percentage of Covered-Employee Payroll	837.04%	647.84%

Year Ended December 31, 2015 - Plan Net Position as of the beginning of the year for 2015 has been restated by $6,043,450 to remove the employer receivable contribution. There was a change with respect to the discount rate with the lowering of the rate from 6.75% to 6.10%.

Additional years will be added to this schedule until 10 years of data is presented.

CITY OF PEORIA, ILLINOIS
FIREMEN'S PENSION FUND OF PEORIA
SCHEDULE OF FUND CONTRIBUTIONS
DECEMBER 31, 2016

Fiscal Year	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency	Covered-Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
2016	$ 10,909,974	$ 7,801,323	$ 3,108,651	$ 17,443,131	44.70 %
2015	9,790,315	7,153,055	2,637,260	16,966,124	42.16
2014	8,825,900	7,193,534	1,632,366	15,950,315	45.10
2013	7,510,977	7,317,319	193,658	15,155,298	48.28
2012	6,815,026	6,463,705	351,321	14,659,650	44.09
2011	6,814,550	6,745,308	69,242	14,071,164	47.94
2010	5,681,839	5,641,164	40,675	13,575,743	41.55
2009	5,067,851	5,040,842	27,009	14,202,691	35.49
2008	4,852,115	4,844,783	7,332	13,204,082	36.69
2007	4,307,276	4,296,580	10,696	12,643,538	33.98

The actuarially determined contribution and recognized employer contribution are presented in accordance with GASB Statement No. 25 for fiscal years 2013 and prior.

The actuarially determined contribution and recognized employer contribution are presented in accordance with GASB Statement No. 67 for fiscal years 2014 and 2015.

N/A - information not available

CITY OF PEORIA, ILLINOIS
FIREMEN'S PENSION FUND OF PEORIA
SCHEDULE OF INVESTMENT RETURNS
DECEMBER 31, 2016

Fiscal Year	Annual Money-Weighted Rate of Return, Net of Investment Expense
2015	(1.14)%
2014	4.41 %

Additional years will be added to this schedule until 10 years of data is presented.

CITY OF PEORIA, ILLINOIS
OTHER POSTEMPLOYMENT BENEFIT PLAN
DECEMBER 31, 2016

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded (Over-funded) AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
12/31/2015	$ -	$ 82,810,757	$ 82,810,757	- %	$ 64,859,194	127.7 %
12/31/2013	-	88,000,000	88,000,000	-	60,575,779	145.3 %
12/31/2011	-	99,500,000	99,500,000	-	61,400,000	162.1 %

CITY OF PEORIA, ILLINOIS
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
ILLINOIS MUNICIPAL RETIREMENT FUND
FISCAL YEARS ENDED DECEMBER 31, 2016 AND 2015

	2015	2014
Total Pension Liability:		
Service Cost	$ 2,144,857	$ 2,208,213
Interest on the Total Pension Liability	14,565,127	13,828,139
Difference Between Expected and Actual Experience of the Total Pension Liability	67,190	(864,403)
Changes of Assumptions	222,020	7,169,988
Benefit Payments, Including Refunds of Employee Contributions	(12,244,879)	(11,685,199)
Net Change in Total Pension Liability	4,754,315	10,656,738
Total Pension Liability - Beginning	199,770,413	189,113,675
Total Pension Liability - Ending (A)	$ 204,524,728	$ 199,770,413
Plan Fiduciary Net Position:		
Contributions - Employer	$ 3,253,495	$ 2,936,574
Contributions - Employees	993,750	921,332
Net Investment Income	13,449,388	10,635,946
Difference Between Projected and Actual Investment Income	(9,310,270)	-
Benefit Payments, Including Refunds of Employee Contributions	(12,244,879)	(11,685,199)
Administrative Expenses	427,834	-
Other	9,569	(15,074)
Net Change in Plan Fiduciary Net Position	(3,421,113)	2,793,579
Plan Fiduciary Net Position - Beginning	181,067,000	178,273,421
Plan Fiduciary Net Position - Ending (B)	$ 177,645,887	$ 181,067,000
Net Pension Liability - Ending (A) - (B)	$ 26,878,841	$ 18,703,413
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	86.86%	90.64%
Covered Valuation Payroll	$ 20,561,718	$ 19,510,671
Net Pension Liability as a Percentage of Covered Valuation Payroll	130.72%	95.86%

Additional years will be added to this schedule until 10 years of data is presented.

CITY OF PEORIA, ILLINOIS
SCHEDULE OF EMPLOYER CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND
FISCAL YEAR ENDED DECEMBER 31, 2016

Fiscal Year Ended December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actuarial Contribution as a Percentage of Covered Valuation Payroll
2016	$ 3,246,695	$ 3,253,495	$ (6,800)	$ 20,561,718	15.79 %
2015	3,051,469	3,052,087	(618)	19,510,671	15.64

Additional years will be added to this schedule until 10 years of data is presented.

CITY OF PEORIA, ILLINOIS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
POLICE PENSION FUND OF PEORIA
DECEMBER 31, 2016

Valuation Date: Actuarially determined contribution rates are calculated as of January 1, one year prior to the end of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine Contribution Rates:

Funding Method:	Entry Age Normal through 2015; Projected Unit Credit beginning 2016
Amortization Method:	Normal Cost, plus an additional amount (determined as a level percentage of payroll) to bring the plan's funded ratio to 90% by the end of fiscal year 2040.
Actuarial Asset Method:	Invested gains and losses are recognized over a 5-year period
Interest Rate:	6.75%
Healthy Mortality Rates – Male:	RP-2000 Combined Healthy Mortality with a Blue Collar Adjustment
Healthy Mortality Rates – Female:	RP-2000 Combined Healthy Mortality with a Blue Collar Adjustment
Disability Mortality Rates – Male:	RP-2000 Disabled Retiree Mortality
Disability Mortality Rates – Female:	RP-2000 Disabled Retiree Mortality
Salary Increases	Service-related table with rates grading from 9% to 4% at 30 years of service
Payroll Growth	4.50%
Tier 2 Cost-of Living Adjustment	1.25%
Marital Status:	80% of members are assumed to be married; male spouses are assumed to be three years older than female spouses
Other Information:	The actuarial assumptions used for determining the above amounts are based on experience for all Article 3 funds for the state of Illinois in aggregate. The Department of Insurance has approved the above actuarial assumptions. Contact the Department of Insurance for complete experience tables.

CITY OF PEORIA, ILLINOIS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FIREMEN'S PENSION FUND OF PEORIA
DECEMBER 31, 2016

Valuation Date: Actuarially determined contribution rates are calculated as of January 1, one year prior to the end of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine Contribution Rates:

Funding Method:	Entry Age Normal through 2015; Projected Unit Credit beginning 2016
Amortization Method:	Normal Cost, plus an additional amount (determined as a level percentage of payroll) to bring the plan's funded ratio to 90% by the end of fiscal year 2040.
Actuarial Asset Method:	Invested gains and losses are recognized over a 5-year period
Interest Rate:	6.75%
Healthy Mortality Rates – Male:	RP-2000 Combined Healthy Mortality with a Blue Collar Adjustment
Healthy Mortality Rates – Female:	RP-2000 Combined Healthy Mortality with a Blue Collar Adjustment
Disability Mortality Rates – Male:	RP-2000 Disabled Retiree Mortality.
Disability Mortality Rates – Female:	RP-2000 Disabled Retiree Mortality.
Salary Increases:	Service-related table with rates grading from 9% to 4% at 30 years of service
Payroll Growth:	4.50%
Tier 2 Cost-of Living Adjustment:	1.25%
Marital Status:	80% of members are assumed to be married; male spouses are assumed to be three years older than female spouses
Other Information:	The actuarial assumptions used for determining the above amounts are based on experience for all Article 3 funds for the state of Illinois in aggregate. The Department of Insurance has approved the above actuarial assumptions. Contact the Department of Insurance for complete experience tables.

CITY OF PEORIA, ILLINOIS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
ILLINOIS MUNICIPAL RETIREMENT FUND
DECEMBER 31, 2016

Valuation Date: Actuarially determined contribution rates are calculated as of December 31 each year, which are 12 months prior to the beginning of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine Contribution Rates:

Funding Method:	Aggregate entry age normal
Amortization Method:	Level percentage of payroll, closed
Remaining Amortization Period:	28-year closed period
Actuarial Valuation Method:	5-year smoothed market; 20% corridor
Wage Growth:	4%
Price Inflation:	3%, approximate; no explicit price inflation assumption is used in this valuation
Salary Increases:	4.40% to 16%, including inflation
Investment Rate of Return:	7.50%
Retirement Age:	Experience-based table of rates that are specific to the type of eligibility condition; last updated for the 2011 valuation pursuant to an experience study of the period 2008 to 2010.
Mortality:	RP-2000 Combined Healthy Mortality Table, adjusted for mortality improvements to 2020 using projection scale AA. For men, 120% of the table rates were used. For women, 92% of the table rates were used. For disabled lives, the mortality rates are the rates applicable to nondisabled lives set forward 10 years.
Other Information:	There were no benefit changes during the year.

Special Revenue Funds

Funds used to account for revenues from specific taxes or other earmarked revenue sources which, by federal or state statute, or local ordinance are restricted to finance particular functions or activities of the City.

Following are the individual Special Revenue Funds:

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

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

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

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

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

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

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

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

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

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

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.

Westlake Special Service Area Fund: The fund is used to collect and disburse the special service taxes collected in the Westlake Shopping Center.

Youthbuild Grant Fund: This fund is used to collect and disburse federal Youthbuild Grant proceeds. All expenditures of this fund must be for grant eligible activities.

FICA/Medicare Fund: This fund is used to account for the employer and employee payments to FICA and Medicare.

CITY OF PEORIA, ILLINOIS
ILLINOIS MUNICIPAL RETIREMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (DEFICIT)
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2016
(WITH COMPARATIVE FIGURES FOR THE YEAR ENDED DECEMBER 31, 2015)

	2016			2015
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Property Taxes	$ 4,777,947	$ 4,777,947	$ 3,171,694	$ 4,632,165
Corporate Personal Property Replacement Taxes	1,084,444	1,084,444	726,153	1,063,181
Interest	-	-	2,769	2,055
Total Revenues	5,862,391	5,862,391	3,900,616	5,697,401
EXPENDITURES				
Current:				
Elective Offices, Boards, Commissions, and Agencies	-	171,134	126,565	202,674
City Administration	-	787,719	582,573	840,208
Police	-	348,934	258,061	674,163
Fire	-	76,924	56,891	324,772
Public Works	-	1,255,802	928,753	1,394,314
Community Development	-	352,997	261,066	311,555
Public Safety	-	803,927	594,560	835,238
General Government	6,706,522	-	6,522	23,131
Library	-	693,304	512,746	768,218
Debt Service:				
Interest and Fiscal Charges	-	-	215,248	240,015
Total Expenditures	6,706,522	4,490,741	3,542,985	5,614,288
Excess (Deficiency) of Revenues Over Expenditures	(844,131)	1,371,650	357,631	83,113
OTHER FINANCING SOURCES				
Transfers In	844,131	844,131	565,568	779,554
Net Change in Fund Balance	$ -	$ 2,215,781	923,199	862,667
Fund Balance (Deficit) - Beginning of Year			(7,224,314)	(8,086,981)
Fund Balance (Deficit) - End of Year			$ (6,301,115)	$ (7,224,314)

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
419 Fulton Street
Peoria, Illinois 61602

OFFICIAL BID FORM
(OPEN SPEER AUCTION)

February 5, 2018
Speer Financial, Inc.

Members of the City Council:

For the $3,755,000* General Obligation Bonds, Series 2018A of the City of Peoria, Peoria County, Illinois, as described in the annexed Official Notice of Sale, which is expressly made a part of this bid, we will pay you $____________________ (no less than **$3,717,450**) for Bonds bearing interest as follows (each rate a multiple of 1/8 or 1/100 of 1%). **The discount is subject to adjustment allowing the same $__________ gross spread per $1,000 bond as bid herein.**

MATURITIES* – JANUARY 1

$155,000	2019	$180,000	2029
135,000	2020	185,000	2030
135,000	2021	195,000	2031
140,000	2022	210,000	2032
145,000	2023	215,000	2033
150,000	2024	225,000	2034
155,000	2025	240,000	2035
165,000	2026	255,000	2036
165,000	2027	260,000	2037
170,000	2028	275,000	2038

Any consecutive maturities may be aggregated into term bonds at the option of the bidder, in which case the mandatory redemption provisions shall be on the same schedule as above.

The Bonds are to be executed and delivered to us in accordance with the terms of this bid accompanied by the approving legal opinion of Chapman and Cutler LLP. The City will pay for the legal opinion. The underwriter agrees to **apply for CUSIP numbers within 24 hours** and pay the fee charged by the CUSIP Service Bureau and will accept the Bonds with the CUSIP numbers as entered on the Bonds.

As evidence of our good faith, if we are the winning bidder, we will wire transfer the amount of **TWO PERCENT OF PAR** (the "Deposit") **WITHIN TWO HOURS** after the bid opening time to the City's good faith bank and under the terms provided in the Official Notice of Sale for the Bonds. Alternatively, we have wire transferred or enclosed herewith a check payable to the order of the Treasurer of the City in the amount of the Deposit under the terms provided in the Official Notice of Sale for the Bonds.

Form of Deposit (Check One)

Prior to Bid Opening:
Certified/Cashier's Check [ ]
Wire Transfer [ ]

Within **TWO hours** of Bidding:
Wire Transfer [ ]

Amount: $75,100

Account Manager Information

Name ____________________

Address ____________________

By ____________________

City ____________ State/Zip ____________

Direct Phone (______) ____________________

FAX Number (______) ____________________

E-Mail Address ____________________

Bidders Option Insurance
We have purchased insurance from:

Name of Insurer
(Please fill in)

____

Premium: ____________

Maturities: (Check One)

[__] ____________ **Years**

[__] All

The foregoing bid was accepted and the Bonds sold pursuant to an ordinance of the City adopted on the 12th day of December, 2017, as supplemented by a notification of sale, on February 5, 2018, and receipt is hereby acknowledged of the good faith Deposit which is being held in accordance with the terms of the annexed Official Notice of Sale.

CITY OF PEORIA, PEORIA COUNTY, ILLINOIS

____
Mayor

---------------------- NOT PART OF THE BID ----------------------
(Calculation of true interest cost)

Gross Interest	$
Less Premium/Plus Discount	$
True Interest Cost	$
True Interest Rate	%
TOTAL BOND YEARS	43,630.89
AVERAGE LIFE	11.619 Years

Subject to change.

OFFICIAL NOTICE OF SALE

$3,755,000*
CITY OF PEORIA
Peoria County, Illinois
General Obligation Bonds, Series 2018A

(OPEN SPEER AUCTION)

The City of Peoria, Peoria County, Illinois (the "City"), will receive electronic bids on the SpeerAuction ("*SpeerAuction")* website address "www.SpeerAuction.com" for its $3,755,000* General Obligation Bonds, Series 2018A (the "Bonds"), on an all or none basis between 11:15 A.M. and 11:30 A.M., C.S.T., February 5, 2018. To bid, bidders must have: (1) completed the registration form on the SpeerAuction website, and (2) requested and received admission to the City's sale (as described below). Award will be made or all bids rejected by the Designated Officials of the City on that date. The City reserves the right to change the date or time for receipt of bids. Any such change shall be made not less than twenty-four (24) hours prior to the revised date and time for receipt of the bids for the Bonds and shall be communicated by publishing the changes in the Amendments Page of the SpeerAuction webpage and through *Thomson Municipal News*.

The Bonds are valid and legally binding upon the City and are payable from any funds of the City legally available for such purpose, and all taxable property in the City is subject to the levy of taxes to pay the same without limitation as to rate or amount, except that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws affecting creditors' rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion.

Bidding Details

Bidders should be aware of the following bidding details associated with the sale of the Bonds.

(1) All bids must be submitted on the SpeerAuction website at www.SpeerAuction.com. **No telephone, telefax or personal delivery bids will be accepted.** The use of SpeerAuction shall be at the bidder's risk and expense and the City shall have no liability with respect thereto, including (without limitation) liability with respect to incomplete, late arriving and non-arriving bid. Any questions regarding bidding on the SpeerAuction website should be directed to Grant Street Group at (412) 391-5555 x 370.

(2) Bidders may change and submit bids as many times as they like during the bidding time period; provided, however, each and any bid submitted subsequent to a bidder's initial bid must result in a lower true interest cost ("TIC") with respect to a bid, when compared to the immediately preceding bid of such bidder. In the event that the revised bid does not produce a lower TIC with respect to a bid the prior bid will remain valid.

(3) If any bid in the auction becomes a leading bid two (2) minutes prior to the end of the auction, then the auction will be automatically extended by two (2) minutes from the time such bid was received by SpeerAuction. The auction end time will continue to be extended, indefinitely, until a single leading bid remains the leading bid for at least two minutes.

(4) The last valid bid submitted by a bidder before the end of the bidding time period will be compared to all other final bids submitted by others to determine the winning bidder or bidders.

(5) During the bidding, no bidder will see any other bidder's bid, but bidders will be able to see the ranking of their bid relative to other bids (i.e., "Leader", "Cover", "3rd" etc.)

(6) On the Auction Page, bidders will be able to see whether a bid has been submitted.

Rules of SpeerAuction

Bidders must comply with the Rules of SpeerAuction in addition to the requirements of this Official Notice of Sale. To the extent there is a conflict between the Rules of SpeerAuction and this Official Notice of Sale, this Official Notice of Sale shall control.

ESTABLISHMENT OF ISSUE PRICE – 10% Test to Apply if Competitive Sale Requirement is not Met and Winning Bidding does not elect to apply the Hold the Offering Proce Rule:

(a) The winning bidder shall assist the City in establishing the issue price of the Bonds and shall execute and deliver to the City at Closing an "issue price" or similar certificate setting forth the reasonably expected initial offering price to the public or the sales price or prices of the Bonds, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit A, with such modifications as may be appropriate or necessary, in the reasonable judgment of the City and Bond Counsel. All actions to be taken by the City under this Notice of Sale to establish the issue price of the Bonds may be taken on behalf of the City by the City's municipal advisor identified herein and any notice or report to be provided to the City may be provided to the City's municipal advisor.

(b) The City intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining "competitive sale" for purposes of establishing the issue price of the Bonds) will apply to the initial sale of the Bonds (the "competitive sale requirements") because:

**Subject to change.*

(1) the City shall disseminate this Notice of Sale to potential underwriters in a manner that is reasonably designed to reach potential underwriters;

(2) all bidders shall have an equal opportunity to bid;

(3) the City may receive bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and

(4) the City anticipates awarding the sale of the Bonds to the bidder who submits a firm offer to purchase the Bonds at the highest price (or lowest interest cost), as set forth in this Notice of Sale.

Any bid submitted pursuant to this Notice of Sale shall be considered a firm offer for the purchase of the Bonds, as specified in the bid form.

(c) In the event that the competitive sale requirements are not satisfied, the City shall so advise the winning bidder. Subject to the winning bidder electing the hold-the-offering price-rule described below, the City shall treat the first price at which 10% of a maturity of the Bonds (the "10% test") is sold to the public as the issue price of that maturity, applied on a maturity-by-maturity basis (and if different interest rates apply within a maturity, to each separate CUSIP number within that maturity). The winning bidder shall advise the City if any maturity of the Bonds satisfies the 10% test as of the date and time of the award of the Bonds. The City will not require bidders to comply with the "hold-the-offering-price rule" and therefore does not intend to use the initial offering price to the public as of the sale date of any maturity of the Bonds as the issue price of that maturity, unless the winning bidder elects to comply with the hold-the-offering-price rule. Bids will not be subject to cancellation in the event that the competitive sale requirements are not satisfied. Bidders should prepare their bids on the assumption that all of the maturities of the Bonds will be subject to the 10% test in order to establish the issue price of the Bonds, unless the winning bidder elects to comply with the hold-the-offering-price rule.

(d) Until the 10% test has been satisfied as to each maturity of the Bonds, the winning bidder agrees to promptly report to the City the prices at which the unsold Bonds of that maturity have been sold to the public; this reporting obligation shall only extend to the Closing Date if the competitive sale requirements are satisfied. If the competitive sale requirements are not satisfied or the winning bidder has not elected to apply the hold-the-offering-price rule, that reporting obligation shall continue, whether or not the Closing Date has occurred, until the 10% test has been satisfied as to the Bonds of that maturity or until all Bonds of that maturity have been sold. In the event the winning bidder elects to apply the hold-the-offering-price rule to a maturity or maturities of the Bonds, the reporting obligation described immediately above shall only continue to the Closing Date with respect to such maturity or maturities.

(e) By submitting a bid, each bidder confirms that: (i) any agreement among underwriters, any selling group agreement and each retail distribution agreement (to which the bidder is a party) relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such retail distribution agreement, as applicable, to report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it until it is notified by the winning bidder that either the 10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the public, if and for so long as directed by the winning bidder and as set forth in the related pricing wires, and (ii) any agreement among underwriters relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter that is a party to a retail distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such retail distribution agreement to report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it until it is notified by the winning bidder or such underwriter that either the 10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the public, if and for so long as directed by the winning bidder or such underwriter and as set forth in the related pricing wires.

(f) **The City is not requiring the application of the hold-the-offering price rule (defined in (g) below) to the Bonds. The Winning Bidder may elect in its final bid form to apply the hold-the-offering price rule to any or all maturities of the Bonds.**

(g) The City may determine to treat (i) the first price at which 10% of a maturity of the Bonds is sold to the public as the issue price of that maturity and/or (ii) if the winning bidder elects to apply the hold-the-offering-price rule, as described below, the initial offering price to the public as of the sale date of any maturity of the Bonds as the issue price of that maturity (the "hold-the-offering-price rule"), in each case applied on a maturity-by-maturity basis (and if different interest rates apply within a maturity, to each separate CUSIP number within that maturity). The winning bidder may, in its discretion, agree to apply the hold-the-offering-price rule. The City is not requiring the Bonds be subject to the hold-the-offering price rule. If the winning bidder so elects to apply the hold-the-offering price rule to any maturity of the Bonds, which election will be made in the report of the final interest rates and prices of the Bonds agreed to between the winning bidder and City, the winning bidder shall (i) confirm that the underwriters have offered or will offer the Bonds to the public on or before the date of award at the offering price or prices (the "initial offering price"), or at the corresponding yield or yields, set forth in the bid submitted by the winning bidder and (ii) agree, on behalf of the underwriters participating in the purchase of the Bonds, that the underwriters will neither offer nor sell unsold Bonds of any maturity to which the hold-the-offering-price rule shall apply to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

(1) the close of the fifth (5th) business day after the sale date; or

(2) the date on which the underwriters have sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

(h) Sales of any Bonds to any person that is a related party to an underwriter shall not constitute sales to the public for purposes of this Notice of Sale. Further, for purposes of this Notice of Sale:

(i) "public" means any person other than an underwriter or a related party,

(ii) "underwriter" means (A) any person that agrees pursuant to a written contract with the City (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the public),

(iii) a purchaser of any of the Bonds is a "related party" to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

(iv) "sale date" means the date that the Bonds are awarded by the City to the winning bidder.

Rules

(1) A bidder ("Bidder") submitting a winning bid ("Winning Bid") is irrevocably obligated to purchase the Bonds at the rates and prices of the winning bid, if acceptable to the City, as set forth in the related Official Notice of Sale. Winning Bids are not officially awarded to Winning Bidders until formally accepted by the City.

(2) Neither the City, Speer Financial, Inc., nor Grant Street Group (the "Auction Administrator") is responsible for technical difficulties that result in loss of Bidder's internet connection with SpeerAuction, slowness in transmission of bids, or other technical problems.

(3) If for any reason a Bidder is disconnected from the Auction Page during the auction after having submitted a Winning Bid, such bid is valid and binding upon such Bidder, unless the City exercises its right to reject bids, as set forth herein.

(4) Bids which generate error messages are not accepted until the error is corrected and bid is received prior to the deadline.

(5) Bidders accept and agree to abide by all terms and conditions specified in the Official Notice of Sale (including amendments, if any) related to the auction.

(6) Neither the City, Speer Financial, Inc., nor the Auction Administrator is responsible to any bidder for any defect or inaccuracy in the Official Notice of Sale, amendments, or Official Statement as they appear on SpeerAuction.

(7) Only Bidders who request and receive admission to an auction may submit bids. SpeerAuction and the Auction Administrator reserve the right to deny access to SpeerAuction website to any Bidder, whether registered or not, at any time and for any reason whatsoever, in their sole and absolute discretion.

(8) Neither the City, Speer Financial, Inc., nor the Auction Administrator is responsible for protecting the confidentiality of a Bidder's SpeerAuction password.

(9) If two bids submitted in the same auction by the same or two or more different Bidders result in same True Interest Cost, the first confirmed bid received by SpeerAuction prevails. Any change to a submitted bid constitutes a new bid, regardless of whether there is a corresponding change in True Interest Cost.

(10) Bidders must compare their final bids to those shown on the Observation Page immediately after the bidding time period ends, and if they disagree with the final results shown on the Observation Page they must report them to SpeerAuction within 15 minutes after the bidding time period ends. Regardless of the final results reported by SpeerAuction, Bonds are definitively awarded to the winning bidder only upon official award by the City. If, for any reason, the City fails to: (i) award Bonds to the winner reported by SpeerAuction, or (ii) deliver Bonds to winning bidder at settlement, neither the City, Speer Financial, Inc., nor the Auction Administrator will be liable for damages.

The City reserves the right to reject all proposals, to reject any bid proposal not conforming to this Official Notice of Sale, and to waive any irregularity or informality with respect to any proposal. Additionally, the City reserves the right to modify or amend this Official Notice of Sale; however, any such modification or amendment shall not be made less than twenty-four (24) hours prior to the date and time for receipt of bids on the Bonds and any such modification or amendment will be announced on the Amendments Page of the SpeerAuction webpage and through *Thomson Municipal News*.

The Bonds will be in fully registered form in the denominations of $5,000 and integral multiples thereof in the name of Cede & Co. as nominee of The Depository Trust Company ("DTC"), New York, New York, to which principal and interest payments on the Bonds will be paid. Individual purchases will be in book-entry only form. Interest on each Bond shall be paid by check or draft of the Bond Registrar to the person in whose name such bond is registered at the close of business on the fifteen day of the month in which an interest payment date occurs. The principal of the Bonds shall be payable in lawful money of the United States of America at the principal office maintained for the purpose by the Bond Registrar in Peoria, Illinois. Semiannual interest is due January 1 and July 1 of each year commencing July 1, 2018, and is payable by the City of Peoria, Office of City Comptroller, Peoria, Illinois (the "Bond Registrar"). The Bonds are dated the date of delivery, expected to be on or about February 26, 2018.

If the winning bidder is not a direct participant of DTC and does not have clearing privileges with DTC, the Bonds will be issued as Registered Bonds in the name of the purchaser. At the request of such winning bidder, the City will assist in the timely conversion of the Registered Bonds into book-entry bonds with DTC as described herein.

MATURITIES* – JANUARY 1

$155,000	2019	$180,000	2029
135,000	2020	185,000	2030
135,000	2021	195,000	2031
140,000	2022	210,000	2032
145,000	2023	215,000	2033
150,000	2024	225,000	2034
155,000	2025	240,000	2035
165,000	2026	255,000	2036
165,000	2027	260,000	2037
170,000	2028	275,000	2038

Any consecutive maturities may be aggregated into term bonds at the option of the bidder, in which case the mandatory redemption provisions shall be on the same schedule as above.

Bonds due January 1, 2019-2027, inclusive, are not subject to optional redemption. Bonds due January 1, 2028-2038, inclusive, are callable in whole or in part and on any date on or after January 1, 2027, at a price of par and accrued interest. If less than all the Bonds are called, they shall be redeemed in any order of maturity as determined by the City and within any maturity by lot.

All interest rates must be in multiples of one-eighth or one one-hundredth of one percent (1/8 or 1/100 of 1%), and not more than one rate for a single maturity shall be specified. The rates bid for the January 1, 2029 through 2038 maturities shall be in non-descending order in relation to the January 1, 2028 maturity. The differential between the highest rate bid and the lowest rate bid shall not exceed three percent (3%). All bids must be for all of the Bonds, must be for not less than **$3,717,450**.

Award of the Bonds: The Bonds will be awarded on the basis of true interest cost, determined in the following manner. **True interest cost shall be computed by determining the annual interest rate (compounded semi-annually) necessary to discount the debt service payments on the Bonds from the payment dates thereof to the dated date and to the bid price.** For the purpose of calculating true interest cost, the Bonds shall be deemed to become due in the principal amounts and at the times set forth in the table of maturities set forth above. In the event two or more qualifying bids produce the identical lowest true interest cost, the winning bid shall be the bid that was submitted first in time on the SpeerAuction webpage.

The Bonds will be awarded to the bidder complying with the terms of this Official Notice of Sale whose bid produces the lowest true interest cost rate to the City as determined by the City's Municipal Advisor, which determination shall be conclusive and binding on all bidders; *provided*, that the City reserves the right to reject all bids or any non-conforming bid and reserves the right to waive any informality in any bid. Bidders should verify the accuracy of their final bids and compare them to the winning bids reported on the SpeerAuction Observation Page immediately after the bidding.

The discount, if any, is subject to pro rata adjustment if the maturity amounts of the Bonds are changed, allowing the same dollar amount of profit per $1,000 bond as submitted on the Official Bid Form. The dollar amount of profit must be written on the Official Bid Form for any adjustment to be allowed, and is subject to verification.

**Subject to change.*

The true interest cost of each bid will be computed by SpeerAuction and reported on the Observation Page of the SpeerAuction webpage immediately following the date and time for receipt of bids. These true interest costs are subject to verification by the City's Municipal Advisor, will be posted for information purposes only and will not signify an actual award of any bid or an official declaration of the winning bid. The City or its Municipal Advisor will notify the bidder to whom the Bonds will be awarded, if and when such award is made.

The winning bidder will be required to make the standard filings and maintain the appropriate records routinely required pursuant to MSRB Rules G-8, G-11 and G-32. The winning bidder will be required to pay the standard MSRB charge for Bonds purchased. In addition, the winning bidder who is a member of the Securities Industry and Financial Markets Association ("SIFMA") will be required to pay SIFMA's standard charge per bond.

The winning bidder is required to wire transfer from a solvent bank or trust company to the City's good faith bank the amount of **TWO PERCENT OF PAR** (the "Deposit") **WITHIN TWO HOURS** after the bid opening time as evidence of the good faith of the bidder. Alternatively, a bidder may submit its Deposit upon or prior to the submission of its bid in the form of a certified or cashier's check on, or a wire transfer from, a solvent bank or trust company for **TWO PERCENT OF PAR** payable to the Treasurer of the City. The City reserves the right to award the Bonds to a winning bidder whose wire transfer is initiated but not received within such two hour time period provided that such winning bidder's federal wire reference number has been received. In the event the Deposit is not received as provided above, the City may award the Bonds to the bidder submitting the next best bid provided such bidder agrees to such award.

The Deposit of the successful bidder will be retained by the City pending delivery of the Bonds and all others will be promptly returned. Should the successful bidder fail to take up and pay for the Bonds when tendered in accordance with this Notice of Sale and said bid, said Deposit shall be retained as full and liquidated damages to the City caused by failure of the bidder to carry out the offer of purchase. Such Deposit will otherwise be applied on the purchase price upon delivery of the Bonds. No interest on the Deposit will accrue to the purchaser.

If a wire transfer is used for the Deposit, it must be sent according to the following wire instructions:

Amalgamated Bank of Chicago
Corporate Trust
30 North LaSalle Street
38th Floor
Chicago, IL 60602
ABA # 071003405
Credit To: 3281 Speer Bidding Escrow
RE: City of Peoria, Peoria County, Illinois
bid for $3,755,000* General Obligation Bonds, Series 2018A

Contemporaneously with such wire transfer, the bidder shall send an email to biddingescrow@aboc.com with the following information: (1) indication that a wire transfer has been made, (2) the amount of the wire transfer, (3) the issue to which it applies, and (4) the return wire instructions if such bidder is not awarded the Bonds. The City and any bidder who chooses to wire the Deposit hereby agree irrevocably that Speer Financial, Inc. ("Speer") shall be the escrow holder of the Deposit wired to such account subject only to these conditions and duties: (i) if the bid is not accepted, Speer shall, at its expense, promptly return the Deposit amount to the unsuccessful bidder; (ii) if the bid is accepted, the Deposit shall be forwarded to the City; (iii) Speer shall bear all costs of maintaining the escrow account and returning the funds to the bidder; (iv) Speer shall not be an insurer of the Deposit amount and shall have no liability except if it willfully fails to perform, or recklessly disregards, its duties specified herein; and (v) income earned on the Deposit, if any, shall be retained by Speer.

The City covenants and agrees to enter into a written agreement or contract, constituting an undertaking (the "Undertaking") to provide ongoing disclosure about the City for the benefit of the beneficial owners of the Bonds on or before the date of delivery of the Bonds as required under Section (b)(5) of Rule 15c2-12 (the "Rule") adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934. The Undertaking shall be as described in the Official Statement, with such changes as may be agreed in writing by the Underwriter.

The Underwriter's obligation to purchase the Bonds shall be conditioned upon the City delivering the Undertaking on or before the date of delivery of the Bonds.

The winning bidder shall provide a certificate, in form as drafted by or acceptable to Bond Counsel, to evidence the issue price of each maturity of the Bonds, form of which certificate is available upon request.

By submitting a bid, any bidder makes the representation that it understands Bond Counsel represents the City in the Bond transaction and, if such bidder has retained Bond Counsel in an unrelated matter, such bidder represents that the signatory to the bid is duly authorized to, and does consent to and waive for and on behalf of such bidder any conflict of interest of Bond Counsel arising from any adverse position to the City in this matter; such consent and waiver shall supersede any formalities otherwise required in any separate understandings, guidelines or contractual arrangements between the bidder and Bond Counsel.

*Subject to change.

Bonds will be delivered to the successful purchaser against full payment in immediately available funds as soon as they can be prepared and executed, which is expected to be on or about February 26, 2018. Should delivery be delayed beyond sixty (60) days from the date of sale for any reason beyond the control of the City except failure of performance by the purchaser, the City may cancel the award or the purchaser may withdraw the good faith deposit and thereafter the purchaser's interest in and liability for the Bonds will cease.

The Official Statement, when further supplemented by an addendum or addenda specifying the maturity dates, principal amounts, and interest rates of the Bonds, and any other information required by law or deemed appropriate by the City, shall constitute a "Final Official Statement" of the City with respect to the Bonds, as that term is defined in the Rule. Any such addendum or addenda shall, on and after the date thereof, be fully incorporated herein and made a part hereof by reference. Alternatively, such final terms of the Bonds and other information may be included in a separate document entitled "Final Official Statement" rather than through supplementing the Official Statement by an addendum or addenda. By awarding the Bonds to any underwriter or underwriting syndicate, the City agrees that, no more than seven (7) business days after the date of such award, it shall provide, without cost to the senior managing underwriter of the syndicate to which the Bonds are awarded, up to 100 copies of the Final Official Statement to permit each "Participating Underwriter" (as that term is defined in the Rule) to comply with the provisions of such Rule. The City shall treat the senior managing underwriter of the syndicate to which the Bonds are awarded as its designated agent for purposes of distributing copies of the Final Official Statement to each Participating Underwriter. Any underwriter executing and delivering an Official Bid Form with respect to the Bonds agrees thereby that if its bid is accepted by the City it shall enter into a contractual relationship with all Participating Underwriters of the Bonds for purposes of assuring the receipt by each such Participating Underwriter of the Final Official Statement.

By submission of its bid, the senior managing underwriter of the successful bidder agrees to supply all necessary pricing information and any Participating Underwriter identification necessary to complete the Official Statement within 24 hours after award of the Bonds. Additional copies of the Final Official Statement may be obtained by Participating Underwriters from the printer at cost.

The City will, at its expense, deliver the Bonds to the purchaser in New York, New York, through the facilities of DTC and will pay for the bond attorney's opinion. At the time of closing, the City will also furnish to the purchaser the following documents, each dated as of the date of delivery of the Bonds: (1) the unqualified opinion of Bond Counsel, that the Bonds are lawful and enforceable obligations of the City in accordance with their terms and are payable from ad valorem taxes levied against all taxable property of the City without limitation as to rate or amount, except that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws affecting creditors' rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion (2) the opinion of Bond Counsel that the interest on the Bonds is exempt from federal income taxes as and to the extent set forth in the Official Statement for the Bonds; and (3) a no litigation certificate executed by the City.

The City **does not intend** to designate the Bonds as "qualified tax-exempt obligations" pursuant to the small issuer exception provided by Section 265(b) (3) of the Internal Revenue Code of 1986, as amended.

The City has authorized the printing and distribution of an Official Statement containing pertinent information relative to the City and the Bonds. Copies of such Official Statement or additional information may be obtained from Mr. James Scroggins, Finance Director/Comptroller, 419 Fulton Street, Suite 106, Peoria, Illinois 61602,or an electronic copy of this Official Statement is available from the www.speerfinancial.com web site under "Debt Auction Center/Competitive Sales Calendar" from the Municipal Advisors to the City, Speer Financial, Inc., One North LaSalle Street, Suite 4100, Chicago, Illinois 60602, telephone (312) 346-3700.

/s/ **JAMES R. SCROGGINS**
Finance Director/Comptroller
CITY OF PEORIA
Peoria County, Illinois