City of Pekin

REGULAR COUNCIL MEETING MONDAY, FEBRUARY 9, 2015
5:30 P.M.

	1	2
1.0 CALL TO ORDER		
2.0 PLEDGE OF ALLEGIANCE *Mayor Pro Tem John Abel*		
3.0 ROLL CALL *Clerk to Call the Roll*		
4.0 APPROVAL OF AGENDA ***ACTION:*** *Motion to approve the meeting agenda.* ***VOTE REQUIRED***		
5.0 APPROVAL OF MINUTES ***ACTION:*** *Motion to approve minutes of the Regular Council Meeting January 26, 2015.* ***VOTE REQUIRED***		
6.0 PUBLIC INPUT ON AGENDA ITEMS, PUBLIC COMMENTS AND QUESTIONS *Speakers to state name. Speakers may address the Council on any topic.*		
7.0 CONSENT AGENDA		
7.1 Receive and File Monthly Reports: Liquor Commission Minutes dated November 6, 2015; Human Rights Committee Minutes dated October 22, 2014; Building Department Inspections and Zoning November 2014 and December 2014.		
7.2 Receive and File: Annual Financial Statements for the year ended April 30, 2014 and Library Financial Statements for the year ended April 30, 2014.		
ACTION: *Motion to approve all items listed on the Consent Agenda by Omnibus Vote.* ***VOTE REQUIRED TO APPROVE CONSENT AGENDA***		
8.0 COMMUNICATIONS, PETITIONS, REPORTS		
9.0 NEW BUSINESS		
10.0 ANY OTHER BUSINESS TO COME BEFORE THE COUNCIL **10.1** Staff **10.2** Council # **10.3** Press Time		
11.0 EXECUTIVE SESSION 65 ILCS 120/2 (c) 6. Lease of Municipally Owned Property		
12.0 ADJOURN **No Vote Required**		

Column 1 Key:

DG Darin Girdler City Manager

Column 2 Key:

1 **A Prosperous Community.** To promote and sustain a balanced economy that supports expansion and retention of family-wage jobs.

2 **A Safe Community.** To protect community life and property by providing effective, principled police and fire services.

3 **A Strong Foundation.** To improve and maintain existing infrastructure and leverage opportunities for new infrastructure.

4 **A High Quality of Life.** To support or provide services that improve the quality of life for Pekin's residents.

5 **An Effective Government.** To deliver effectively the services that Pekin's residents want, need, and are willing to support.

COUNCIL ADJOURNED AT 7:10 P.M.
Sue E. McMillan
City Clerk

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PROCEEDINGS OF THE REGULAR MEETING
OF THE CITY COUNCIL OF THE CITY OF PEKIN, ILLINOIS,
HELD IN THE COUNCIL CHAMBERS OF CITY HALL
111 SOUTH CAPITOL STREET
ON MONDAY, FEBRUARY 9, 2015 AT 5:30 O'CLOCK P.M.
JOHN P. ABEL * MAYOR PRO TEM * PRESIDING

PRESENT: COUNCIL MEMBERS, ABEL, GILLESPIE, GOLDEN, ORRICK, HENDRICKS, AND MCCABE
ABSENT: MAYOR BARRA

****

As provided by Resolution No. 69-13/14, Council Member Abel was appointed in the absence of Mayor Barra as Mayor Pro Tem.

The **Pledge of Allegiance** was led by Mayor Pro Tem Abel.

Mayor Pro Tem Abel recognized Leadership Academy participants in attendance.

Roll was called. All members were physically present except Mayor Laurie Barra. A quorum was present.

AGENDA
Motion by Council Member Gillespie, seconded by Council Member Orrick that the **agenda be approved as presented.** On roll call vote all present voted Aye.

MINUTES
Motion by Council Member Hendricks, seconded by Council Member Gillespie that the **minutes of the Regular City Council Meeting of January 26, 2015 be approved as written.** On roll call vote, all present voted Aye.

PUBLIC INPUT
Ann Witzig voiced her opinion to Council on the following matters: She did not feel the City was delivering effective service that Pekin residents want, need or are willing to support in regards to the Court Street Improvements. Ms. Witzig questioned how the City could allow the State to walk away from a heavily damaged road. She spoke in non support of the City being a Home Rule municipality. She stated she was not impressed with the uptown and that Main Street could not even find members for their committee. She expressed opposition to blocking off streets at the riverfront as a means to deter dumping.

Larry Wolfer asked if Public Input included questions from the public. He questioned disbursements in the October Treasurers Report and why the Treasurer could not give a full report of expenditures for the Wastewater Treatment Plant Project. It was Mr Wolfer’s opinion that “trickery” was being used by the Treasurer in regards to Solid Waste shortage listed in an October report. Attorney Burt Dancey expressed concerned with Mr. Wolfer’s veiled attack on Mr. Wolf’s credibility.

Bob Bramham spoke in non support of reducing Court Street from 4 to 2 lanes. He questioned who came up with the idea. Mr. Bramham was told Hanson Engineering submitted a plan. The study included preparing for the jurisdictional transfer from the State in connection with a $30 million funding for the Veterans Drive South at Council’s direction. The goals were to reduce long term maintenance costs, improve road conditions and improve pedestrian access and safety. There was no decision to be made yet and the public had the opportunity to comment.

CONSENT AGENDA
Motion by Council Member McCabe, seconded by Council Member Hendricks that the **CONSENT AGENDA be approved as presented.** The following was presented for consideration of the Consent Agenda items by Omnibus Vote.

7.1 Receive and File Monthly Reports: Liquor Commission Minutes dated November 6, 2015; Human Rights Committee Minutes dated October 22, 2014; Building Department

Inspections and Zoning November 2014 and December 2014.
7.2 Receive and File: Annual Financial Statements for the year ended April 30, 2014 and Library Financial Statements for the year ended April 30, 2014.

Council Member Golden questioned if the Council would be discussing the Audits. In response he was reminded there would not be a presentation by Willock, Warning & Company. The audits could be discussed directly with Auditor Jim Warning. On roll call vote, Ayes, Gillespie, Orrick, McCabe, Hendricks, Abel; Nay, Golden. Motion Carried.

ANY OTHER BUSINESS TO COME BEFORE THE COUNCIL

Council Member Golden questioned the sense in spending money and time on a study before the City would take possession of Court Street from the State. Member Golden referred to the 1995 City ADA transition plan that sidewalks did not conform. He read from IDOT guidelines in regards to receiving property and nonconformity of sidewalks once roadways were accepted. It was his opinion costs estimate for maintenance and discussion of first responders were appropriate. It was Council Member Golden's opinion there should not be a sense of urgency when the State Highway had been in deplorable conditions for a long time and that there were issues that needed to be addressed.

Council Member Orrick voiced his concern that the hospital area contained in the plan for Court Street change was down to 3 lanes. He questioned safety, traffic flow, and speed. He felt the possible $6 million dollars left from the $30 million funding should not be the determining factor and that Court Street was fine.

Council Member Gillespie added his remarks regarding previous traffic safety of Court Street from 14th Street out to the eastern limits. He thanked the Street Department for their efforts in removing the snow from the streets after the last weather event.

Council Member McCabe advised the public that the Court Street project was in the planning stage. He encouraged Council, staff and the public to continue to seek more money from PPUATS and to think long range.

Mayor Pro Tem Abel informed the Public that the Council would have the opportunity to review comments received on the Court Street Study from Hanson Engineering possibly some time in March.

EXECUTIVE SESSION

Motion by Council Member Golden, seconded by Council Member Orrick, that the Council move to Executive Session at 6:10 p.m. to discuss 65 ILCS 120/2 (c) (6.) Lease of Municipally Owned Property. On roll call vote, all present voted Aye.

No further business to come before the Council, motion by Council Member Orrick, seconded by Council Member Golden that Council adjourn. Motion carried voice vote. Mayor Pro Tem Abel adjourned the meeting in open session.

COUNCIL ADJOURNED AT 6:25 P.M.

Sue E. McMillan
City Clerk

LIQUOR COMMISSION MINUTES
THURSDAY, NOVEMBER 6, 2014 AT 4:00 P.M.
CITY HALL CONFERENCE ROOM
111 SOUTH CAPITOL STREET
PEKIN, ILLINOIS 61554

Liquor Commissioner Barra called the meeting to order at 4:00 p.m.

PLEDGE of ALLEGIANCE led by Liquor Commission Member Hanley.

ROLL CALL
The following members were present for roll call: Liquor Commissioner Laurie Barra, Fire Chief Kurt Nelson, Liquor Commission Member Buster Hanley, Liquor Commission Member Dale Vonderheide, and Deputy Liquor Commissioner Rick VonRohr.

Absent: Police Chief Greg Nelson.
Also present: Attorney Burt Dancey – Corporation Counsel and City Clerk Sue E. McMillan.

APPROVAL OF AGENDA
Motion made by Liquor Commissioner Barra to approve the Agenda for November 6, 2014, seconded by Member Kurt Nelson. On roll call vote all present voted Aye. Motion carried.

NEW BUSINESS

JO'S SEAFOOD & STEAK GRILL, INC
DBA JO'S SEAFOOD AND STEAK GRILL
2307 COURT STREET
PEKIN, ILLINOIS 61554

Deputy Liquor Commissioner VonRohr presented the new application for a Class A liquor license. City Clerk McMillan explained the corrections made to the application and confirmed that the Certificate of Liability for dram coverage to confirm the insurance proposal in file was received by fax prior to the meeting. Manager and Chef Oliver Valenzuela, was present. There was no other discussion.

Member Kurt Nelson made a motion to approve the Liquor License of Jo's Seafood & Steak Grill, Inc. dba Jo's Seafood & Steak Grill, seconded by Member Hanley. On roll call vote all present voted Aye. Motion carried.

Police Chief Greg Nelson entered the meeting at 4:10 p.m.

PUBLIC INPUT/COMMENTS/QUESTIONS
There was no one present for Public Comments.
Mr. Valenzuela expressed his appreciation to the Liquor Commission for approval of the liquor license which he felt would add to people supporting the restaurant.

ANY OTHER BUSINESS
Deputy Liquor Commissioner VonRohr asked the status of the warning to CDZE, Inc. dba The High Note at 431 ½ Court Street. Attorney Dancey advised the Commission that he would visit the High Note that evening

before proceeding with written notice of the revocation of the license. He would confirm with Manager Dyan Davis that the Final Order from the State Liquor Commission to pay $500 for the violation to the State Liquor Code and an additional $100.00 for a dishonored check were paid and that a current Certificate of Liquor Liability was reissued for the licensee cancelled insurance. Fire Chief Nelson asked that the landline phone which was turned off for non payment, be checked in order for the required alarm system to work.

There was no further business. Liquor Commissioner Barra made a motion to adjourn.

Meeting adjourned at 4:15 P.M.

Next Regular Meeting Thursday, November 20, 2014 at 4:00 P.M. It was noted that the Commission did not anticipate any business and would possibly cancel the regular meeting for November 20, 2014.

Respectfully submitted

Sue McMillan
City Clerk

City of Pekin
Human Rights Committee
October 22, 2014
Minutes

I. Welcome and introductions – Meeting called to order by Michelle Moul at 7:36am. Present: Telesia Crnkovich, Melinda Figge, Bill Fleming, Lynn Johnson, Michelle Moul, and Becky Saban. Also present: Pamela Anderson.

II. Approval of minutes – On a motion by Saban, second by Figge, the minutes from the September 25th meeting were approved as distributed.

III. Correspondence and feedback – None.

IV. Old Business

A. Community Reads – In event has gone very well so far. A total of 257 books were ordered (plus some high school classes are reading it.) Attendance at some of the events has been lower than expected.

B. Night Out Against Crime – Everything is set.

C. All the Little Snow Angels – Linda Seth is working with District 108, St. Joseph, South Pekin, Rankin, North Pekin/Marquette Heights, and Head Start. Everything is falling into place. The Speakeasy Art Center will have an art show on December 5th (Christmas on Court). Our "meet the author" reception will be there from 5:00 to 7:00pm. On a motion by Figge, second by Saban, this project was approved as presented.

D. Come Together Sign – Pamela is working through IDOT to get permission to put the sign up next to the Welcome to Pekin sign on eastbound Route 9, just over the bridge. She hopes to have the sign installed in the next week.

V. New Business

a. 2015 Diversity Fair – The date has been set for May 16, 2015.

b. *Bridges out of Poverty* – By next month Pamela should be a certified trainer in this program

c. *A Lesson Before Dying* – A book discussion was led by Saban

VI. Other business to come before the committee

A. Committee members – Telesia Crnkovich announced her resignation, as she will be leaving for a new assignment in Texas with the FBOP.

B. Committee advisory members - none

C. City staff – Pamela reported on board recruitment tools she has acquired from ongoing NFP training from the Community Foundation of Central Illinois.

D. Public – none

E. Press – none

IV. Adjournment – Meeting adjourned at 8:30

BUILDING DEPARTMENT REPORTS
INSPECTIONS & ZONING
November '2014

	PERMITS	VALUE	FEES
BUILDING DEPT	23	$ 5,379,748.00	$ 2,106.80
ELECTRIC DEPT	21	$ 15,156.00	$ 602.00
HVAC DEPT	34	$ 71,842.00	$ 1,167.00
PLUMBING DEPT	41	$ .00	$ 1,036.00
STORM SEWER PERMITS	0		$ .00
STORM WATER PERMITS	1		$ 20.00
SEWER PERMITS	8		$ 440.00
SEWER TAP RES	1		$ 1,600.00
SEWER TAP COMM	0		$ .00
DEPARTMENT TOTAL	**129**	**$ 5,466,746.00**	**$ 6,971.80**

TOTAL CODE ENFORCEMENT COMPLAINTS - 61

Respectfully submitted,

Ronald Sieh, Building Inspector

Mark O. Reeder

Mark Reeder, Electrical Inspector

Dave VanDyke, HVAC Inspector

D. Shallenberger

Dave Shallenberger, Deputy Code Enforcement Officer

BUILDING DEPARTMENT REPORTS
INSPECTIONS & ZONING
December '2014

	PERMITS	VALUE	FEES
BUILDING DEPT	15	$ 272,260.00	$ 5,604.00
ELECTRIC DEPT	16	$ 6,242.00	$ 1,892.00
HVAC DEPT	14	$ 26,850.00	$ 280.00
PLUMBING DEPT	33	$ .00	$ 609.00
STORM SEWER PERMITS	1		$ 100.00
STORM WATER PERMITS	2		$ 120.00
SEWER PERMITS	4		$ 265.00
SEWER TAP RES	1		$ 1,600.00
SEWER TAP COMM	0		$ .00
DEPARTMENT TOTAL	**86**	**$ 305,352.00**	**$ 10,470.00**

TOTAL CODE ENFORCEMENT COMPLAINTS - 46

Respectfully submitted,

Ronald Sieh, Building Inspector

Mark O. Reeder

Mark Reeder, Electrical Inspector

Dave VanDyke, HVAC Inspector

D. Shallenberger

Dave Shallenberger, Deputy Code Enforcement Officer

BUILDING REPORT 2014

MONTH	DWELLINGS 1		GARAGES 2		MULTI-FAMILY 3		COMMERCIAL 4		COMMERCIAL REMODELING 5		RESIDENTIAL REMODELING 6		MISC. 7		RESIDENTIAL DEMOLITIONS 8		COMMERCIAL DEMOLITIONS 9		BUILDING DOLLARS	BLDG PERMITS
JANUARY	2.00	$358,064	2.00	$36,210					9.00	$2,482,503	17.00	$448,504	2.00	$950	2.00	$0			$3,326,231	34.00
FEBRUARY	1.00	$167,355							4.00	$33,970	5.00	$23,200	1.00	$2,500					$227,025	11.00
MARCH	1.00	$175,260							6.00	$64,274	10.00	$309,920	4.00	$3,882	3.00	$0	1.00	$0	$553,336	25.00
APRIL	5.00	$669,663	4.00	$34,300			1.00	$9,200	7.00	$462,050	23.00	$294,260	31.00	$73,602	2.00	$0	2.00	$0	$1,543,075	75.00
MAY	3.00	$605,230	3.00	$20,999					9.00	$81,683	33.00	$986,604	44.00	$76,036			1.00	$0	$1,770,552	93.00
JUNE	2.00	$341,637	4.00	$49,385					7.00	$6,418,015	15.00	$79,011	36.00	$69,335	4.00	$0	1.00	$0	$6,957,383	69.00
TOTAL 6 MO.	14.00	$1,808,217	13.00	$91,509	0.00	$0	1.00	$9,200	42.00	$3,090,510	103.00	$2,039,288	118.00	$154,470	11.00	$0	5.00	$0	$14,150,577	296.00
JULY	4.00	$672,089	3.00	$44,000					3.00	$277,360	20.00	$112,354	39.00	$70,365	2.00	$0			$1,176,168	71.00
AUGUST	3.00	$308,293	3.00	$49,400			4.00	$638,000	5.00	$56,650	17.00	$338,093	26.00	$35,139	6.00	$0	1.00	$0	$1,425,575	65.00
SEPTEMBER	4.00	$840,000	4.00	$42,950					9.00	$366,500	22.00	$234,416	27.00	$94,978	2.00	$0	1.00	$0	$1,578,844	69.00
OCTOBER	1.00	$175,609	2.00	$26,500					10.00	$434,993	14.00	$124,853	33.00	$59,335			3.00	$0	$821,290	63.00
NOVEMBER	1.00	$191,335	2.00	$8,316					7.00	$5,140,100	6.00	$26,125	6.00	$13,872			1.00	$0	$5,379,748	23.00
DECEMBER																			$0	0.00
TOTAL 6 MO.	13.00	$2,187,326	14.00	$171,166	0.00	$0	4.00	$638,000	34.00	$6,275,603	79.00	$835,841	131.00	$273,689	10.00	$0	6.00	$0	$10,381,625	291.00
YEAR	27	$3,995,543	27.00	$262,675	0.00	$0	5.00	$647,200	76.00	$9,366,113	182.00	$2,875,129	249.00	$428,159	21.00	$0	11.00	$0	$24,532,203	587.00

BUILDING REPORT 2014

MONTH	DWELLINGS 1		GARAGES 2		MULTI-FAMILY 3		COMMERCIAL 4		COMMERCIAL REMODELING 5		RESIDENTIAL REMODELING 6		MISC. 7		RESIDENTIAL DEMOLITIONS 8		COMMERCIAL DEMOLITIONS 9		BUILDING DOLLARS	BLDG PERMITS
JANUARY	2.00	$358,064	2.00	$36,210					9.00	$2,482,503	17.00	$448,504	2.00	$950	2.00	$0			$3,326,231	34.00
FEBRUARY	1.00	$167,355							4.00	$33,970	5.00	$23,200	1.00	$2,500					$227,025	11.00
MARCH	1.00	$175,260							6.00	$64,274	10.00	$309,920	4.00	$3,882	3.00	$0	1.00	$0	$553,336	25.00
APRIL	5.00	$669,663	4.00	$34,300			1.00	$9,200	7.00	$462,050	23.00	$294,260	31.00	$73,602	2.00	$0	2.00	$0	$1,543,075	75.00
MAY	3.00	$605,230	3.00	$20,999					9.00	$81,683	33.00	$986,604	44.00	$76,036			1.00	$0	$1,770,552	93.00
JUNE	2.00	$341,637	4.00	$49,385					7.00	$6,418,015	15.00	$79,011	36.00	$69,335	4.00	$0	1.00	$0	$6,957,383	69.00
TOTAL 6 MO.	14.00	$1,808,217	13.00	$91,509	0.00	$0	1.00	$9,200	42.00	$3,090,510	103.00	$2,039,288	118.00	$154,470	11.00	$0	5.00	$0	$14,150,577	296.00
JULY	4.00	$672,089	3.00	$44,000					3.00	$277,360	20.00	$112,354	39.00	$70,365	2.00	$0			$1,176,168	71.00
AUGUST	3.00	$308,293	3.00	$49,400			4.00	$638,000	5.00	$56,650	17.00	$338,093	26.00	$35,139	6.00	$0	1.00	$0	$1,425,575	65.00
SEPTEMBER	4.00	$840,000	4.00	$42,950					9.00	$366,500	22.00	$234,416	27.00	$94,978	2.00	$0	1.00	$0	$1,578,844	69.00
OCTOBER	1.00	$175,609	2.00	$26,500					10.00	$434,993	14.00	$124,853	33.00	$59,335			3.00	$0	$821,290	63.00
NOVEMBER	1.00	$191,335	2.00	$8,316					7.00	$5,140,100	6.00	$26,125	6.00	$13,872			1.00	$0	$5,379,748	23.00
DECEMBER	1.00	$182,726	1.00	$11,000					4.00	$24,150	5.00	$41,765	4.00	$12,619					$272,260	15.00
TOTAL 6 MO.	13.00	$2,187,326	14.00	$182,166	0.00	$0	4.00	$638,000	38.00	$6,299,753	84.00	$877,606	135.00	$286,308	10.00	$0	6.00	$0	$10,653,885	306.00
YEAR	27	$3,995,543	27.00	$273,675	0.00	$0	5.00	$647,200	80.00	$9,390,263	187.00	$2,916,894	253.00	$440,778	21.00	$0	11.00	$0	$24,804,463	602.00

CITY OF PEKIN, ILLINOIS

ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED APRIL 30, 2014

CITY OF PEKIN, ILLINOIS
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 2014

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CITY OF PEKIN, ILLINOIS
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 2014

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WILLOCK WARNING & CO., P.C.
CERTIFIED PUBLIC ACCOUNTANTS

23 OLT AVENUE
PEKIN, ILLINOIS 61554

TELEPHONE (309) 347-3152
FAX (309) 347-3153

INDEPENDENT AUDITOR'S REPORT

To the City Council
City of Pekin, Illinois

Report on the Financial Statements
We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Pekin, Illinois, as of and for the year ended April 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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

Auditor's Responsibility
Our responsibility is to express opinions on these financial statements based on our audit. We 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.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall 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, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Pekin, Illinois as of April 30, 2014, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters
Required Supplementary Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require the budgetary comparison information and schedule of funding progress-defined benefit pension plan on pages 40-44 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 was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Pekin, Illinois' basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

The statistical sections have not been subjected to the auditing procedures applied in the audit in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated November 19, 2014 on our consideration of the City of Pekin, Illinois' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering City of Pekin, Illinois' internal control over financial reporting and compliance.

Willock Warning & Co, PC

Willock Warning & Co., PC
Pekin, Illinois
November 19, 2014

CITY OF PEKIN, ILLINOIS
STATEMENT OF NET POSITION
APRIL 30, 2014

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Unit
ASSETS				
Current assets:				
Cash	$26,514,357	$ 2,418,143	$ 28,932,500	$ 300,424
Investments	5,239,000	-	5,239,000	-
Receivables:				
Taxes	6,507,236	-	6,507,236	-
Accounts and other	440,428	514,408	954,836	116,120
Accrued interest	14,833	-	14,833	-
Inventories	147,647	627,467	775,114	-
Prepaid items	202,800	-	202,800	-
Total current assets	39,066,301	3,560,018	42,626,319	416,544
Noncurrent assets:				
Capital assets:				
Land and improvements	13,836,063	1,264,194	15,100,257	-
Construction in progress	-	34,035,539	34,035,539	-
Other capital assets, net of accumulated depreciation and amortization	32,046,793	17,320,344	49,367,137	204,978
Total capital assets, net of depreciation and amortization	45,882,856	52,620,077	98,502,933	204,978
Developer agreement receivable	750,960	-	750,960	-
Loans receivable	1,338,241	4,229,549	5,567,790	-
Total noncurrent assets	47,972,057	56,849,626	104,821,683	204,978
Total assets	$87,038,358	$ 60,409,644	$ 147,448,002	$ 621,522

The notes to the financial statements are an integral part of this statement.

CITY OF PEKIN, ILLINOIS
STATEMENT OF NET POSITION
APRIL 30, 2014

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Unit
LIABILITIES				
Current liabilities:				
Accounts payable and accrued expenses	$ 1,335,642	$ 452,481	$ 1,788,123	$ 81,889
Licenses and property escrow payable	12,652	-	12,652	-
Accrued interest payable	19,539	48,974	68,513	-
Loan payable-bank	-	-	-	115,326
Current portion of general obligation bonds payable	290,000	300,000	590,000	-
Current portion of loans payable	78,212	1,488,765	1,566,977	-
Unearned revenue	-	-	-	202,800
Total current liabilities	1,736,045	2,290,220	4,026,265	400,015
Noncurrent liabilities:				
Compensated absences	3,323,932	-	3,323,932	-
Post employment benefit obligations	2,481,371	-	2,481,371	-
General obligation bonds, noncurrent portion	1,410,000	5,950,000	7,360,000	-
Loans payable, noncurrent portion	521,788	30,082,114	30,603,902	-
Total noncurrent liabilities	7,737,091	36,032,114	43,769,205	-
Total liabilities	9,473,136	38,322,334	47,795,470	400,015
DEFERRED INFLOWS OF RESOURCES				
Unavailable property taxes	2,395,772	-	2,395,772	-
Unavailable revenues	848,339	-	848,339	-
Total deferred inflows of resources	3,244,111	-	3,244,111	-
Total liabilities and deferred inflows of resources	12,717,247	38,322,334	51,039,581	400,015
NET POSITION				
Net investment in capital assets	43,582,856	16,451,987	60,034,843	89,652
Restricted for:				
Public safety	76,631	-	76,631	-
Library	661,585	-	661,585	-
Tax increment financing district	3,928,316	-	3,928,316	-
Motor fuel tax projects	3,050,616	-	3,050,616	-
HUD development projects	1,153,671	-	1,153,671	-
Capital projects	17,971,717	-	17,971,717	-
Unrestricted	3,895,719	5,635,323	9,531,042	131,855
Total net position	$ 74,321,111	$ 22,087,310	$ 96,408,421	$ 221,507

The notes to the financial statements are an integral part of this statement.

CITY OF PEKIN, ILLINOIS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED APRIL 30, 2014

		Program Revenues			Net (Expense) Revenue and Changes in Net Assets			
					Primary Government			
Functions/Programs:	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	Component Unit
Primary Government								
Governmental activities:								
General government	$ 2,011,498	$ 188,307	$ -	$ -	$ (1,823,191)	$ -	$ (1,823,191)	$ -
Public safety	18,907,337	1,142,491	195,595	-	(17,569,251)	-	(17,569,251)	-
Public lands	673,628	226,152	1,583	-	(445,893)	-	(445,893)	-
Zoning	629,690	198,059	-	-	(431,631)	-	(431,631)	-
Public works	253,990	-	-	-	(253,990)	-	(253,990)	-
Streets	3,147,492	32,306	306,885	-	(2,808,301)	-	(2,808,301)	-
Sanitation	2,087,761	54,735	68,740	-	(1,964,286)	-	(1,964,286)	-
Planning and development	292,577	-	-	21,121,245	20,828,668	-	20,828,668	-
Library	1,354,014	46,116	42,618	-	(1,265,280)	-	(1,265,280)	-
Tourism	577,221	-	-	-	(577,221)	-	(577,221)	-
Residential and public improvements/donations	289,464	-	-	629,236	339,772	-	339,772	-
Unallocated, interest on long-term debt	62,543	-	-	-	(62,543)	-	(62,543)	(2,490)
Total governmental activities	30,287,215	1,888,166	615,421	21,750,481	(6,033,147)	-	(6,033,147)	(2,490)
Business-type activities:								
School bus	3,868,212	3,743,867	-	-	-	(124,345)	(124,345)	-
Sewerage	3,191,198	3,359,919	-	-	-	168,721	168,721	-
Other	730,888	470,583	-	44,537	-	(215,768)	(215,768)	-
Total business-type activities	7,790,298	7,574,369	-	44,537	-	(171,392)	(171,392)	-
Total primary government	$ 38,077,513	$ 9,462,535	$ 615,421	$ 21,795,018	(6,033,147)	(171,392)	(6,204,539)	(2,490)
Component unit:								
TPCCC	$ 1,671,288	$ 1,640,681	$ -	$ -				(30,607)
General revenues:								
Taxes:								
Property taxes					6,561,068	-	6,561,068	-
Income taxes					3,255,822	-	3,255,822	-
Sales taxes					11,571,711	-	11,571,711	-
Other taxes					3,705,607	-	3,705,607	-
Franchise fees					603,002	-	603,002	-
Investment earnings					166,772	129,832	296,604	1,753
Other					241,462	44,030	285,492	-
Transfers					178,126	(178,126)	-	-
Total general revenues and transfers					26,283,570	(4,264)	26,279,306	1,753
Changes in net position					20,250,423	(175,656)	20,074,767	(31,344)
Net position, beginning of year					54,040,625	22,262,966	76,303,591	252,851
Adjustment to net position					30,063	-	30,063	-
Net position, end of year					$ 74,321,111	$ 22,087,310	$ 96,408,421	$ 221,507

The notes to the financial statements are an integral part of this statement.

CITY OF PEKIN, ILLINOIS
BALANCE SHEET
GOVERNMENTAL FUNDS
APRIL 30, 2014

	General Fund	Library Fund	TIF 1 Central Business District	Nonmajor Governmental Funds	Total
ASSETS					
Cash	$ 559,720	$ 726,645	$ 3,929,346	$ 21,373,528	$26,589,239
Investments	5,239,000	-	-	-	5,239,000
Due from other funds	38,184	-	-	-	38,184
Receivables:					
Property taxes	1,300,242	1,095,530	-	-	2,395,772
Accounts, fees, and other taxes	4,411,114	-	-	110,084	4,521,198
Loans	-	-	108,497	1,229,744	1,338,241
Developer agreement	240,000	-	-	510,960	750,960
Prepaid items	202,800	-	-	-	202,800
Total assets	$ 11,991,060	$1,822,175	$ 4,037,843	$ 23,224,316	$41,075,394
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE					
Liabilities:					
Cash overdraft	$ -	$ -	$ -	$ 18,450	$ 18,450
Accounts payable	136,498	3,758	1,030	162,704	303,990
Accrued wages	545,900	29,118	-	5,035	580,053
Due to other funds	-	32,184	-	-	32,184
Other liabilities	12,652	-	-	-	12,652
Total liabilities	695,050	65,060	1,030	186,189	947,329
DEFERRED INFLOWS OF RESOURCES					
Unavailable property taxes	1,300,242	1,095,530	-	-	2,395,772
Unavailable revenues	337,379	-	-	510,960	848,339
Total deferred inflows of resources	1,637,621	1,095,530	-	510,960	3,244,111
Total liabilities and deferred inflows of resources	2,332,671	1,160,590	1,030	697,149	4,191,440
FUND BALANCES					
Nonspendable	442,800	-	108,497	-	551,297
Restricted	76,631	661,585	3,928,316	22,176,004	26,842,536
Assigned	-	-	-	369,613	369,613
Unassigned	9,138,958	-	-	(18,450)	9,120,508
Total fund balances	9,658,389	661,585	4,036,813	22,527,167	36,883,954
Total liabilities, deferred inflows of resources, and fund balance	$ 11,991,060	$1,822,175	$ 4,037,843	$ 23,224,316	$41,075,394

The notes to the financial statements are an integral part of this statement.

CITY OF PEKIN, ILLINOIS
RECONCILIATION OF TOTAL GOVERNMENTAL
FUND BALANCES TO NET POSITION OF GOVERNMENTAL ACTIVITIES
APRIL 30, 2014

Total governmental fund balances	$ 36,883,954
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.	45,882,856
Internal service funds are used by management to charge the costs of certain activities, such as vehicle maintenance and insurance, to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	(329,740)
Accrued interest receivable is not a financial resource and, therefore, not reported in the funds	14,883
Liabilities, including bonds payable, are not payable in the current period and therefore are not reported in the funds:	
General obligation bonds payable	(1,700,000)
Loan payable	(600,000)
Compensated absences	(3,323,932)
Accrued interest payable	(19,539)
Post employment benefit obligations	(2,481,371)
Differences between interfund borrowings involving fiduciary funds are not reported in the funds	(6,000)
Net position of governmental activities	$ 74,321,111

The notes to the financial statements are an integral part of this statement.

CITY OF PEKIN, ILLINOIS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED APRIL 30, 2014

	General Fund	Library Fund	TIF 1 Central Business District	Nonmajor Governmental Funds	Total
Revenues:					
Taxes	$ 22,024,566	$ 1,201,391	$ 595,513	$ 1,272,738	$ 25,094,208
Licenses and permits	272,271	-	-	-	272,271
Intergovernmental	425,773	42,618	-	21,897,511	22,365,902
Fees and charges for services	1,514,207	46,116	-	-	1,560,323
Fines and collections	517,325	-	-	-	517,325
Investment earnings	71,967	4,067	14,799	61,106	151,939
Reimbursements and restitutions	141,249	-	-	-	141,249
Other revenues	122,894	65,781	1,691	51,096	241,462
Total revenues	25,090,252	1,359,973	612,003	23,282,451	50,344,679
Expenditures:					
Current:					
General government/administrative	1,850,538	-	7,840	163,528	2,021,906
Public safety	18,709,652	-	-	-	18,709,652
Public lands and buildings	444,063	-	-	-	444,063
Zoning and inspection	652,434	-	-		652,434
Public works	242,896	-	-	-	242,896
Highways and streets	1,859,641	-	-	715,001	2,574,642
Sanitation	1,890,052	-	-	-	1,890,052
Planning and development	-	-	289,972	2,605	292,577
Library services	-	1,226,623	-	-	1,226,623
Tourism	-	-	-	578,317	578,317
Residential and public improvements/donations	-	-	-	531,207	531,207
Capital outlay	862,720	170,055	-	2,715,061	3,747,836
Debt service:					
Principal	275,000	-	-	-	275,000
Interest	43,004	-	-	-	43,004
Total expenditures	26,830,000	1,396,678	297,812	4,705,719	33,230,209
Excess (deficiency) of revenues over expenditures	(1,739,748)	(36,705)	314,191	18,576,732	17,114,470
Other finances sources (uses):					
Transfers in	178,126	-	-	-	178,126
Transfers out	(1,318,577)	-	-	-	(1,318,577)
Loan proceeds	-	-	-	600,000	600,000
Total other financing sources (uses)	(1,140,451)	-	-	600,000	(540,451)
Net change in fund balances	(2,880,199)	(36,705)	314,191	19,176,732	16,574,019
Fund balances, beginning of year	12,538,594	698,290	3,722,622	3,350,435	20,309,941
Fund balances, end of year	$ 9,658,395	$ 661,585	$4,036,813	$ 22,527,167	$ 36,883,960

The notes to the financial statements are an integral part of this statement.

CITY OF PEKIN, ILLINOIS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED APRIL 30, 2014

Net change in fund balances-governmental funds	$ 16,574,019
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 ($3,741,933) exceeded depreciation ($1,777,752) in the current period.	1,964,181
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:	
Compensated absences	(691,839)
Post employment beneifts	454,266
The issuance of bond principal is a financing source in the governmental funds but increases the noncurrent liabilities in the statement of net position. The repayment of bond principal is a financing use in the governmental funds but reduces the noncurrent liabilities in the statement of net position. Also, in the statement of activities, interest is accrued on outstanding bonds whereas in the governmental funds an interest expenditure is reported when due. The following is the detail of the net effect of these differences in the treatment of noncurrent liabilities and related items:	
Issuance of bank loan	(600,000)
Repayment of bond principal	275,000
Interest	(19,539)
Interest receivables related to governmental fund investments are reported in the statement of net position at the time they are earned without regard to the date of receipt by the City.	14,833
Internal service funds are used by management to charge the costs of certain activities, such as vehicle maintenance and insurance, to individual funds. The net income of the internal service funds is reported with governmental activities.	2,279,502
Change in net position of governmental activities	$ 20,250,423

The notes to the financial statements are an integral part of this statement.

CITY OF PEKIN, ILLINOIS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
APRIL 30, 2014

	Business-type Activities-Enterprise Funds				Governmental Activities
	School Bus Fund	Sewerage Fund	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
ASSETS					
Current assets:					
Cash and cash equivalents	$1,666,512	$ 1,822,637	$ -	$ 3,489,149	$ 275,238
Due from other funds	-	-	40,438	40,438	-
Accounts receivable	513,240	-	1,168	514,408	30,694
Fuel and parts inventory, at cost	-	574,763	52,704	627,467	147,647
Total current assets	2,179,752	2,397,400	94,310	4,671,462	453,579
Noncurrent assets:					
Loans receivable	-	-	4,229,549	4,229,549	-
Capital assets:					
Land and improvements	-	73,000	1,191,194	1,264,194	-
Buildings	671,318	-	794,276	1,465,594	-
Equipment	-	28,928,861	196,981	29,125,842	73,521
Vehicles	1,134,931	-	-	1,134,931	-
Construction in progress	-	34,035,539	-	34,035,539	
Capitalized loan costs	-	280,773	-	280,773	-
Less accumulated depreciation and amortization	(476,165)	(12,933,079)	(1,277,552)	(14,686,796)	(56,688)
Total capital assets, net	1,330,084	50,385,094	904,899	52,620,077	16,833
Total noncurrent assets	1,330,084	50,385,094	5,134,448	56,849,626	16,833
Total assets	3,509,836	52,782,494	5,228,758	61,521,088	470,412
LIABILITIES					
Current liabilities:					
Cash overdraft	-	-	1,071,006	1,071,006	331,670
Accounts payable	9,559	247,056	58,249	314,864	310,860
Accrued wages	97,060	35,369	5,003	137,432	2,966
Other liabilities	-	-	185	185	137,773
Accrued interest	-	48,974	-	48,974	-
Due to other funds	40,438	-	-	40,438	6,000
Noncurrent liabilities:					
Portion payable within one year:					
General obligation bonds	-	300,000	-	300,000	-
IEPA loans	-	1,101,301	-	1,101,301	-
Bank loan	-	-	387,464	387,464	-
Portion payable after one year:					
General obligation bonds	-	5,950,000	-	5,950,000	-
IEPA loans	-	28,816,789	-	28,816,789	-
Bank loan	-	-	1,265,325	1,265,325	-
Total liabilities	147,057	36,499,489	2,787,232	39,433,778	789,269
NET POSITION					
Net investment in capital assets	1,330,084	14,217,004	904,899	16,451,987	16,833
Unrestricted (deficit)	2,032,695	2,066,001	1,536,627	5,635,323	(335,690)
Total net position	$3,362,779	$ 16,283,005	$2,441,526	$ 22,087,310	$ (318,857)

The notes to the financial statements are an integral part of this statement.

CITY OF PEKIN, ILLINOIS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED APRIL 30, 2014

	Business-type Activities-Enterprise Funds				Governmental Activities
	School Bus Fund	Sewerage Fund	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
Operating revenues, charges for services	$ 3,743,867	$ 3,359,919	$ 470,583	$ 7,574,369	$ 6,723,049
Operating expenses:					
Personnel costs	2,328,113	885,175	149,504	3,362,792	132,583
Supplies	9,415	33,236	800	43,451	-
Cost of fuel and parts sold	-	-	-	-	839,306
Insurance claims and premiums paid	-	-	-	-	4,400,813
Other services and charges	1,367,911	1,105,339	460,098	2,933,348	386,977
Depreciation	162,773	846,638	35,942	1,045,353	3,479
Total operating expenses	3,868,212	2,870,388	646,344	7,384,944	5,763,158
Operating income (loss)	(124,245)	489,531	(175,761)	189,425	959,891
Nonoperating revenues (expenses):					
Grants	-	-	44,537	44,537	-
Investment earnings	5,623	24,976	99,233	129,832	1,034
Interest expense	-	(320,810)	(84,544)	(405,354)	-
Gain on disposition of fixed assets	44,030	-	-	44,030	-
Total nonoperating revenues (expenses)	49,653	(295,834)	59,226	(186,955)	1,034
Change in net position before transfers	(74,692)	193,697	(116,535)	2,470	960,925
Transfers in (out)	(63,478)	(114,648)	-	(178,126)	1,318,577
Change in net position	(138,170)	79,049	(116,535)	(175,656)	2,279,502
Net position, beginning of year	3,500,949	16,203,956	2,558,061	22,262,966	(2,598,359)
Net position, end of year	$ 3,362,779	$ 16,283,005	$ 2,441,526	$ 22,087,310	$ (318,857)

The notes to the financial statements are an integral part of this statement.

CITY OF PEKIN, ILLINOIS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED APRIL 30, 2014

	Business-type Activities-Enterprise Funds				Governmental Activities
	School Bus Fund	Sewerage Fund	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
Cash flows from operating activities:					
Receipts from services	$ 4,335,094	$ 3,379,799	$ 473,132	$ 8,188,025	$ 6,693,462
Payments for personnel costs	(2,338,122)	(897,870)	(148,525)	(3,384,517)	(143,394)
Payments to vendors and suppliers	(1,336,681)	(2,060,789)	(464,799)	(3,862,269)	(5,661,773)
Net cash provided (used) by operating activities	660,291	421,140	(140,192)	941,239	888,295
Cash flows from noncapital financing activities:					
Grant receipts	-	-	44,537	44,537	-
Transfers to other funds	(63,478)	(114,648)	-	(178,126)	1,318,577
Net cash provided (used) by noncapital financing activities	(63,478)	(114,648)	44,537	(133,589)	1,318,577
Cash flows from capital related activities:					
Proceeds from capital debt issuance	-	9,494,441	2,000,000	11,494,441	-
Purchase and construction of capital assets	(57,601)	(9,423,393)	(230,407)	(9,711,401)	-
Principal paid on capital debt	-	(694,024)	(347,211)	(1,041,235)	-
Interest paid on capital debt	-	(322,029)	(84,544)	(406,573)	-
Proceeds from sale of capital assets	111,500	-	-	111,500	-
Net cash used by capital related activities	53,899	(945,005)	1,337,838	446,732	-
Cash flows from investing activities:					
Redemption of investments	-	240,000	-	240,000	-
Net loans provided	-	-	(1,863,600)	(1,863,600)	-
Interest income	5,623	24,976	99,233	129,832	1,034
Net cash provided (used) by investing activities	5,623	264,976	(1,764,367)	(1,493,768)	1,034
Net increase (decrease) in cash	656,335	(373,537)	(522,184)	(239,386)	2,207,906
Cash (overdraft) balance, beginning of year	1,010,177	2,196,174	(548,822)	2,657,529	(2,264,338)
Cash (overdraft) balance, end of year	$ 1,666,512	$ 1,822,637	$ (1,071,006)	$ 2,418,143	$ (56,432)

The notes to the financial statements are an integral part of this statement.

CITY OF PEKIN, ILLINOIS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED APRIL 30, 2014

	School Bus Fund	Sewerage Fund	Nonmajor Enterprise Funds	Total Enterprise Funds	Governmental Activities Internal Service Funds
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	$ (124,345)	$ 489,531	$ (175,761)	$ 189,425	$ 959,891
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation and amortization	162,773	846,638	35,942	1,045,353	3,479
Changes in assets and liabilities:					
(Increase) decrease in receivables	591,227	19,880	2,549	613,656	(29,587)
(Increase) decrease in inventories	-	-	(10,215)	(10,215)	5,946
Increase in due from other funds	-	-	(40,438)	(40,438)	-
Increase (decrease) in accounts payable	207	(922,214)	46,487	(875,160)	(38,347)
Increase (decrease) in accrued wages	(10,009)	(12,695)	979	(21,725)	(10,811)
Decrease in other liabilities	-	-	(95)	(95)	(2,276)
Increase in due to other funds	40,438	-	-	40,438	-
Net cash provided (used) by operating activities	$ 660,291	$ 421,140	$ (140,192)	$ 941,239	$ 888,295
Noncash capital activities:					
Gain on disposition of fixed assets	$ 44,030	$ -	$ -	$ 44,030	$ -

The notes to the financial statements are an integral part of this statement.

CITY OF PEKIN, ILLINOIS
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
APRIL 30, 2014

	Pension Trust Funds	Accounts Payable/Payroll Imprest Agency Funds
ASSETS		
Cash	$ 283,522	$ 68,400
Investments, at market value:		
Money market accounts	973,381	-
Corporate obligations	2,633,226	-
U.S. Government and Agency obligations	12,527,604	-
State and municipal obligations	734,424	-
Equity funds	7,014,557	-
Equity mutual funds	25,456,064	-
Accrued interest income	70,663	-
Prepaid expenses	517	-
Total assets	49,693,958	68,400
LIABILITIES		
Current liabilities:		
Accounts payable	9,745	-
Undistributed assets	-	68,400
Total liabilities	9,745	68,400
NET POSITION		
Restricted-held in trust for pension benefits	$ 49,684,213	$ -

The notes to the financial statements are an integral part of this statement.

CITY OF PEKIN, ILLINOIS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION TRUST FUNDS
FOR THE YEAR ENDED APRIL 30, 2014

	Pension Trust Funds
ADDITIONS:	
Contributions:	
Employer	$ 3,467,603
Plan members	837,487
Total contributions	4,305,090
Investment income:	
Net realized gains on investment sales and net appreciation in fair market value of investments	3,090,556
Interest/dividends	1,853,317
Total investment income	4,943,873
Less investment expenses	(168,596)
Net investment income	4,775,277
Total additions	9,080,367
DEDUCTIONS:	
Benefits	5,017,649
Administrative expenses	53,399
Total deductions	5,071,048
Change in net position	4,009,319
Net position, beginning of year	45,674,894
Net position, end of year	$ 49,684,213

The notes to the financial statements are an integral part of this statement.

NOTE 1 - **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

A. General Statement

The City of Pekin (the "City") is a municipal corporation governed by an elected mayor and six-member council. It operates under the City Manager form of government.

The City's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for governmental agencies through its pronouncements (Statements and Interpretations). Governmental agencies are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements. Although the City has the option to apply FASB pronouncements issued after that date to its business-type activities and enterprise funds, the City has chosen not to do so. The more significant accounting policies established in GAAP and used by the City are discussed below.

In June 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Statement No. 34, 'Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments'. Some of the significant changes in the Statement include the following:

(1) The financial statements include:

Financial statements prepared using full accrual accounting for all of the City's activities.

(2) A change in the fund financial statements to focus on the major funds.

These and other changes are reflected in the accompanying financial statements (including notes to the financial statements).

B. Financial Reporting Entity

As required by accounting principles generally accepted in the United States, these financial statements present the City and its component unit, an entity for which the City is considered to be financially accountable. A discreet component unit is reported in a separate column in the government-wide statements to emphasize it is legally separate from the City.

Discreet Component Unit-The Tazewell/Pekin Consolidated Communications Center (TPCCC) provides police and fire communication services to the City as well as Tazewell County and other communities within the county. The governing board includes the City's mayor and chief of police. The City provides the majority of funding and provides office space and accounting services to TPCCC. Complete financial statements for TPCCC may be obtained at it's administrative office.

NOTE 1 - continued

C. Government-wide and Fund Financial Statements

The basic financial statements include both government-wide (based on the City as a whole) and fund financial statements. While the previous reporting model emphasized fund types (the total of all funds of a particular type), in the new reporting model the focus is on either the City as a whole or major individual funds (within the fund financial statements). The focus is on both the City as a whole and the fund financial statements, including the major individual funds of the governmental and business-type categories, as well as the fiduciary funds, (by fund type) and the component unit. Both the government-wide and fund financial statements (within the basic financial statements) categorize primary activities as either governmental or business-type.

In the government-wide Statement of Net Position, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, and (b) are reflected, on a full accrual, economic resource basis, which incorporates long-term assets and receivables as well as long-term debt and obligations. The City generally first uses restricted assets for expenses incurred for which both restricted and unrestricted assets are available. The City may defer the use of restricted assets based on a review of the specific transaction.

The government-wide Statement of Activities reflects both the gross and net cost per functional category that are otherwise being supported by general government revenues. The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants, and contributions. The program revenues must be directly associated with the function or a business-type activity. 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 and (2) grants and contributions that are restricted to meeting the operation of a particular function or activity. Taxes and other items not properly included among program revenues are reported as general revenues. The City does not allocate indirect expenses. The operating grants include operating-specific grants.

In the fund financial statements, financial transactions and accounts of the City are organized on the basis of funds. The operation of each fund is considered to be an independent fiscal and separate accounting entity, with a self-balancing set of accounts recording cash and/or other financial resources together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. The fund statements are presented on a current financial resource and modified accrual basis of accounting. This is the manner in which these funds are normally budgeted. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statement's governmental column, a reconciliation is presented which briefly explains the adjustment necessary to reconcile the fund financial statements to the governmental column of the government-wide financial statements.

NOTE 1 - continued

The City's fiduciary funds (which have been redefined and narrowed in scope) are presented in the fund financial statements by type (pension and agency). Since by definition these assets are being held for the benefit of a third party (other local governments, private parties, pension participants, etc.) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements. The following is a brief description of the specific funds used by the City.

1. **Governmental Funds**
   Governmental Funds are those through which most governmental functions typically are financed.

   a. General Fund
   The General Fund is the primary operating fund of the City. This fund is used to account for all financial transactions and resources except those required to be accounted for in another fund. Revenues are derived primarily from property and other local taxes, state and federal distributions, licenses, permits, charges for services, and interest income.

   b. Special Revenue Fund
   The Special Revenue Fund accounts for revenue derived from specific sources (other than major capital projects) that are restricted by legal and regulatory provisions to finance specific activities. The Library Fund and the TIF 1 Central Business District Fund are major funds for reporting purposes.

   c. Capital Projects Fund
   The Capital Project Fund accounts for all financial resources used for the acquisition or construction of major capital facilities not being financed by proprietary funds.

2. **Proprietary Funds**
   Proprietary Funds are used to account for activities that are similar to those often found in the private sector. All assets, liabilities, equities, revenues, expenses, and payments relating to the government's business activities are accounted for through proprietary funds. The measurement focus is on determination of operating income, financial position, changes in net position and cash flows. Operating revenues include charges for services. Operating expenses include costs of services as well as, materials, contracts, personnel, and depreciation. All revenues and expenses not meeting these definitions are reported as nonoperating revenues and expenses. In accordance with Governmental Accounting Standards Board (GASB) Statement No. 20, the City has elected to follow GASB statements issued after November 30, 1989, rather than the Financial Accounting Standards Board, in accounting for enterprise funds and business-type activities.

   a. Enterprise Fund or Business Funds
   The Enterprise Fund accounts for operations that are financed in a manner similar to private business enterprises, where the intent is that costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The School Bus Fund and the Sewerage Fund are considered major funds for reporting purposes.

NOTE 1 - continued

b. Internal Service Funds

The Internal Service Funds are used to finance and account for services and commodities provided by designated departments to other departments of the City. The following are the City's internal service funds:

Vehicle Maintenance Fund-To account for the costs of fuel, repairs, and maintenance of City-owned vehicles.

Employees Benefit Fund-To account for the premiums and medical claims of all covered City employees and their covered dependents.

3. Fiduciary Funds

Fiduciary Funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, and other governments. The Fiduciary Funds of the City are the Police and Fire Pension Trust Funds and the Payroll Imprest Agency Fund. For accounting measurement purposes, the Pension Trust Funds are accounted for in essentially the same manner as proprietary funds. The Pension Trust Funds account for the assets of the City's pension plans. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operation. Fiduciary funds are not included in the government-wide financial statements.

D. Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using the current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet in the funds statements. Long-term assets and long-term liabilities are included in the government-wide statements. Operating statements of the governmental funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The government-wide statements of net position and statements of activities, all proprietary funds, and private purpose trust funds and pension trust funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these activities are either included on the statement of net position or on the statement of fiduciary net position. Proprietary fund-type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets.

The statements of net position, statements of activities, financial statements of the Proprietary Funds and Fiduciary Funds (except for agency funds) are presented on the accrual basis of accounting. Under this method of accounting, revenues are recognized when earned and expenses are recorded when liabilities are incurred without regard to receipt or disbursement of cash. Real and personal property taxes are recognized in the period for which levied, provided the City has an enforceable legal claim to the resources. Grants, shared revenues, and contributions are recognized when all eligibility requirements have been met.

NOTE 1 - continued

The fund financial statements of the General, Special Revenue, Capital Projects, and agency funds are maintained and reported on the modified accrual basis of accounting using the current financial resources measurement focus. Under this method of accounting, revenues are recognized in the period in which they become measurable and available. With respect to real and personal property taxes revenue and other local taxes, the term "available" is limited to collection within ninety days of the fiscal year-end. Levies made prior to the fiscal year-end but which are not available are deferred. Interest income is recorded as earned. Federal and State reimbursement-type grants are recorded as revenue when related eligible expenditures are incurred. Expenditures, other than accrued interest on long-term debt, are recorded when the fund liability is incurred.

E. Capital Assets

Capital assets are recorded as expenditures of the General, Special Revenue, and Capital Project Funds and as assets in the government-wide financial statements to the extent the City's capitalization thresholds are met. GASB Statement No. 34 requires the City to report and depreciate new infrastructure assets effective May 1, 2004. Infrastructure assets include roads, sidewalks, underground pipes, traffic lighting, etc. These infrastructure assets are the largest asset class of the City. Pursuant to GASB Statement No. 34, the City has reported infrastructure assets acquired or constructed since 1978. These assets have been recorded at historical cost at the date of acquisition or construction less accumulated depreciation.

Depreciation is recorded on general fixed assets on a governmental-wide basis using the straight-line method and the following estimated useful lives:

Buildings	50-years
Equipment and Furniture	5-20 years
Vehicles	5-10 years
Library Books	10-years
Streets and Sidewalks	50-years
Lighting	20-years

To the extent the City's capitalization threshold of $5,000 is met, capital outlays of the proprietary funds are recorded as fixed assets and depreciated over their estimated useful lives in both the funds basis and the governmental-wide basis using the straight-line method and the following estimated useful lives:

Buildings	25-years
Land Improvements	20-years
Machinery and Equipment	7-15 years
Vehicles	5-10 years

All fixed assets are valued at historical cost or estimated historical cost if actual cost was not available. Donated fixed assets are valued at their estimated fair market value on the date donated.

NOTE 1 - continued

Maintenance, repairs, and minor equipment are charged to operations when incurred. Expenses that materially change capacities or extend useful lives are capitalized. Upon sale or retirement of land, buildings, and equipment, the cost and related accumulated depreciation, if applicable, are eliminated from the respective accounts and any resulting gain or loss is included in the results of operations.

F. Inventory
The funds having material inventory are the Airport Fund (enterprise) with fuel and the Vehicle Maintenance Fund (internal service) with fuel and vehicle parts. Inventories of fuel and vehicle parts in these funds are valued at cost on a first-in, first-out basis which approximate market value. Inventory is recorded using the consumption method.

G. Compensated Absences
The City accrues compensated absences (vacation and sick leave benefits) when vested. The governmental funds' compensated absences liabilities are recorded as noncurrent liabilities in the government-wide financial statements and total $3,323,932.

H. Property Tax Revenue, Receivables, and Deferred Revenue
Property tax revenues are recorded on the "deferred method". Because of the extraordinarily long period of time between the levy date and the receipt of tax distributions from the Tazewell County Treasurer, the property taxes are not "available" to finance current year expenditures. The 2013 tax levy adopted December 2013 is recorded as property taxes receivable and deferred inflow of resources on the balance sheets of governmental type funds. Taxes for this levy are due in two installments-June 2 and September 1, 2014. Collections are distributed by the County Treasurer in July through December, 2014. The lien date for uncollected taxes is January 1, 2015.

I. Capital Lease Obligations
As of April 30, 2014 the City was not a party to any capital lease arrangements.

J. Employees Benefits
The City has established an internal service fund to account for its medical self-insurance program. The purpose of this fund is to pay medical insurance claims of the City employees and their covered dependents. The private insurance carrier determines premium payments to be made by the City. Annual claims are paid from accumulated premium payments, and claims exceeding a fixed amount per employee are paid by a private insurance carrier.

K. Interfund Receivables and Payables
During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as "due to and from other funds". Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Position.

NOTE 1 - continued

L. Equity Classification

Government-Wide Statements

Equity is classified as net position and displayed in three components:

a. Net investment in capital assets-consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.
b. Restricted net position-consists of net assets with constraints placed on the use either by (1) external grops such as creditors, grantors, contributors, or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
c. Unrestricted net position-all other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt".

Fund Financial Statements

Governmental fund equity is classified as fund balance.

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

a. Nonspendable - amounts that cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.
b. Restricted - amounts that can be spent only for specific purposes because of the City Charter, City Code, State or Federal laws, or externally imposed conditions by grantors or creditors.
c. Committted - amounts that can be used only for specific purposes determined by formal action by City Council ordinance or resolution.
d. Assigned - amounts that are designated by a committee of the City Council for a particular purpose but are not spendable until there is a majority vote approved by the City Council.
e. Unassigned - all amounts not includable in other spendable classifications.

See Note 8 for the Governmental Fund Balance classifications.

The City uses restricted/committed amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents or contracts that prohibit doing this, such as a grant agreement requiring dollar for dollar spending. Additionally, the City would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

The City has a formal fund balance policy.

NOTE 2 - **DEPOSITS AND INVESTMENTS**

Custodial Credit Risk-Deposits:
Custodial credit risk is the risk that, in the event of a bank failure, the City's deposits may not be returned to it. The City has a deposit policy for custodial credit risk.

As of April 30, 2014, the carrying amount of the City's deposits totaled $31,425,344 with the bank balances totaling $32,160,885. The insured and collateral status of the bank balances, by category of risk, were ad follows:

Insured or collateralized with securities held by the City or its agent in the City's name	$ 32,160,885

Custodial Credit Risk-Investments:
Custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of April 30, 2014, all of the City's investments of $2,094 were in external investment pools.

State statutes authorize the City to make deposits in interest bearing depository accounts in federally insured and/or state chartered banks and savings and loan associations, or other financial institutions as designated by ordinances, and to invest available funds in direct obligations of, or obligations guaranteed by, the United States Treadury or agencies of the United States, money market mutual funds whose portfolios consist of governmental securities, Illinois Funds Money Market Fund, and annuities.

A reconciliation of cash, cash equivalents and investments as shown in the financial statements is as follows:

Cash	$ 2,076,921
Deposits with financial institutions	32,160,885
Investments	2,094
	$ 34,239,900
Government-wide financial statement of net position:	
Cash and cash equivalents	$ 28,932,500
Investments	5,239,000
	$ 34,171,500
Statement of fiduciary net position:	
Cash and cash equivalents	$ 68,400

NOTE 3 - **RECEIVABLES**

Taxes receivable at April 30, 2014 consisted of the following:

	General Fund	Tourism Fund	Motor Fuel Tax Fund	Capital Project Fund	Total
Sales/use taxes	$ 2,512,443	$ 14,445	$ -	$ -	$ 2,526,888
Income tax	1,037,221	-	-	-	1,037,221
Telecommunication tax	213,432	-	-	-	213,432
Replacement tax	223,042	-	-	-	223,042
Gasoline taxes	22,243	-	62,854	22,243	107,340
Total	$ 4,008,381	$ 14,445	$ 62,854	$ 22,243	$ 4,107,923

Developer agreement receivables due in more than one year consisted of the following:

Governmental Funds:	
General Fund	$ 240,000
Capital Project Fund	510,960
Total	$ 750,960

Loan receivables due in more than one year consisted of the following:

Governmental Funds:	
TIF/Central Business District Fund	$ 108,497
HUD Metro Development Fund	1,229,744
Business-Type Funds:	
Economic Development Fund	4,229,549
Total	$ 5,567,790

NOTE 4 - **CAPITAL ASSETS**

The following is a summary of changes in capital assets for the year ended April 30, 2014:

	Balance April 30, 2013	Additions	Deletions	Balance April 30, 2014
Governmental Activities:				
Capital assets not being depreciated:				
Land	$13,451,212	$ 401,684	$ -	$ 13,852,896
Capital assets being depreciated:				
Buildings	11,647,644	251,528	-	11,899,172
Infrastructure	22,076,144	2,762,395	-	24,838,539
Machinery and equipment	4,136,774	65,243	-	4,202,017
Vehicles	10,966,365	190,021	-	11,156,386
Library books	2,053,329	87,895	-	2,141,224
Total capital assets being depreciated	50,880,256	3,357,082	-	54,237,338
Less accumulated depreciation for:				
Buildings	3,447,908	231,672	-	3,679,580
Infrastructure	4,269,036	577,098	-	4,846,134
Machinery and equipment	3,269,277	167,907	-	3,437,184
Vehicles	7,838,776	706,617	-	8,545,393
Library books	1,604,629	94,458	-	1,699,087
Total accumulated depreciation	20,429,626	1,777,752	-	22,207,378
Total capital assets being depreciated, net	30,450,630	1,579,330	-	32,029,960
Governmental activities capital assets, net	$43,901,842	$ 1,981,014	$ -	$ 45,882,856
Business-Type Activities:				
Capital assets not being depreciated:				
Land	$ 249,884	$ -	$ -	$ 249,884
Construction in progress	24,742,913	9,292,626	-	34,035,539
Total capital assets not being depreciated	24,992,797	9,292,626	-	34,285,423
Capital assets being depreciated:				
Land improvements	936,039	78,271	-	1,014,310
Buildings	1,407,993	57,601	-	1,465,594
Machinery and equipment	31,342,939	282,904	(2,500,000)	29,125,843
Vehicles	1,238,731	-	(103,800)	1,134,931
Total capital assets being depreciated	34,925,702	418,776	(2,603,800)	32,740,678
Less accumulated depreciation for:				
Land improvements	781,661	16,442	-	798,103
Buildings	491,525	27,003	-	518,528
Machinery and equipment	11,997,334	834,930	-	12,832,264
Vehicles	407,224	164,053	(36,300)	534,977
Total accumulated depreciation	13,677,744	1,042,428	(36,300)	14,683,872
Total capital assets being depreciated, net	21,247,958	(623,652)	(2,567,500)	18,056,806
Capital assets being amortized:				
Loan closing costs	-	280,773	-	280,773
Accumulated amortization	-	(2,925)	-	(2,925)
Total capital assets being amortized, net	-	277,848	-	277,848
Business-type activities, capital assets, net	$46,240,755	$ 8,946,822	$ (2,567,500)	$ 52,620,077

NOTE 4 - continued

Depreciation and amortization expenses was charged to the functions of the government as follows:

Governmental Activities		
General government	$	158,032
Public safety		478,259
Highways and streets		560,126
Sanitation		153,981
Public lands		236,640
Library services		174,086
Public works		11,941
Zoning		4,687
	$	1,777,752
Business-Type Activities:		
Sewerage	$	846,638
School bus		162,773
Airport		35,942
	$	1,045,353

NOTE 5 - **INDIVIDUAL FUND DISCLOSURES**

Deficit balances in governmental funds at April 30, 2014 include:

TIF South Industrial Park Conservation Area	$	18,450

The excess of actual expenditures over final budget for year ended April 30, 2014 were:

General Fund (public safety costs)	$	447,553
Library Fund (capital outlay)		98,268
Tourism Fund (developer agreement costs)		532,784
HUD Metro Development Fund (public improvements, costs)		158,094
TIF South Industrial Park Conservation Area Fund (no budget)		2,605

Interfund receivables/payables at April 30, 2014 were as follows:

	Interfund Receivable	Interfund Payable
General Fund	$ 38,184	$ -
Library Fund	-	32,184
Insurance Service Fund	-	6,000
Pekin Airport Fund	40,438	-
School Bus Fund	-	40,438
	$ 78,622	$ 78,622

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

	Transfers In	Transfers Out
Governmental activities:		
General Fund	$ 178,126	$ 1,318,577
Internal Service Fund:		
Vehicle maintenance fund	1,318,577	-
Business-type activities:		
Sewerage Fund	-	114,648
School Bus Fund	-	63,478
Total	$ 1,496,703	$ 1,496,703

Transfers were made to reimburse the General Fund for administrative expenses incurred on behalf of the Sewerage and School Bus Funds.

NOTE 6 - OPERATING LEASES

The City has entered into three operating leases for school buses with terms in excess of one year. These agreements contain purchase options but it is the City's intent to not exercise those purchase options after the five year lease terms. The lease cost for the buses for fiscal year ended April 30, 2014 was $629,631. Future minimum lease payment for the buses are as follows:

Year Ending April 30,	Amount
2015	$ 611,309
2016	593,490
2017	576,175
Total	$ 1,780,974

The City expended approximately $29,700 for other office equipment and machinery operating leases during the year. The leases contain cancellation provisions and are subject to annual appropriations.

NOTE 7 - LONG-TERM DEBT

The following is a summary of changes in long-term debt for the year ended April 30, 2014:

	Balance April 30, 2013	Additions	Retirements/ Forgiveness	Balance April 30, 2014	Due Within One Year
Governmental activities:					
General Obligation Bonds:					
Series 2012	$ 1,975,000	$ -	$ (275,000)	$ 1,700,000	$ 290,000
Bank loan payable	-	600,000	-	600,000	78,212
Business-type activities:					
General Obligation Bonds:					
Series 2010	6,540,000	-	(290,000)	6,250,000	300,000
Illinois EPA loans	23,046,900	9,775,214	(2,904,024)	29,918,090	1,101,301
Bank loan payable	-	2,000,000	(347,211)	1,652,789	387,464
	$ 31,561,900	$ 12,375,214	$ (3,816,235)	$ 40,120,879	$ 2,156,977

NOTE 7 - continued

A brief description of the above long-term debt obligations is as follows:
Governmental activities:
General Obligation Bonds:

Series 2012 - The City issued $1,875,000 in general obligation bonds on December 4, 2012 to finance the construction of streets and street improvements and the acquisition of machinery and equipment. Bonds are payable over a seven year period beginning in 2013. Annual principal payments range from $195,000 to $315,000. The interest rate is 2%. Bond payments are made from the General Fund. $ 1,975,000

Debt Service:
The annual debt service requirements to maturity, including principal and interest, for the Series 2012 bonds as of April 30, 2014 are as follows:

Year Ending April 30,	Principal	Interest	Total
2015	$ 290,000	$ 31,100	$ 321,100
2016	295,000	25,250	320,250
2017	300,000	19,300	319,300
2018	305,000	13,250	318,250
2019	315,000	7,050	322,050
2020	195,000	1,950	196,950
Total	$ 1,700,000	$ 97,900	$ 1,797,900

Bank Loan Payable:
On September 13, 2013, the City borrowed $600,000 from Morton Community Bank for the purpose of making certain infrastructure improvements. The loan is a promissory note, payable at 3% annually. The note is payable over a seven year period, with annual principal and interest payments of $96,461.52 until maturity, September 13, 2020. Loan payments are made from the Tourism Fund. $ 600,000

Debt Service:
The annual debt service requirements to maturity, including principal and interest, for the loan as of April 30, 2014 are as follows:

Year Ending April 30,	Principal	Interest	Total
2015	$ 78,212	$ 18,250	$ 96,462
2016	80,590	15,872	96,462
2017	83,005	13,457	96,462
2018	85,566	10,896	96,462
2019	88,169	8,293	96,462
2020	90,851	5,611	96,462
2021	93,607	2,855	96,462
Total	$ 600,000	$ 75,234	$ 675,234

NOTE 7 - continued

Business-type activities:

General Obligation Bonds:

Series 2010 - The City issued $7,110,000 in general obligation bonds on August 23, 2010 to pay for a portion of the construction costs to the wastewater treatment plant and improvements to the sanitary sewer system. Bonds are payable over an eighteen year period beginning in 2011. Annual principal payments range from $285,000 to $475,000. The interest rates range from 1.0% to 6.15%. The bonds qualify under Internal Revenue Code Section 54AAA ("Qualified Build America Bonds") which provides for a 35% reduction in interest costs to the City. Bond payments are made by the Sewerage Fund . $ 6,250,000

Capital Loans-State of Illinois Water Pollution Control Loan Program

The City is authoized to borrow funds from the State of Illinois Water Pollution Control Loan Program Fund for the purpose of improving the City's sewerage system. The maximum approved amount to be borrowed is $40,616,000. As of April 30, 2014, $32,872,114 of the loans had been disbursed to the City for construction costs to the sewerage system. The length of repayment is twenty years beginning March, 2014. Interest rates range from 1.25% to 2.295%. Annual debt service costs, upon full implementation of capital costs and borrowed funds, are estimated to be $1,925,000. The Illinois EPA had not released final debt service costs on the loans ad of the date of this report. Loan payjents are to be made from the Sewerage Fund. $ 29,918,090

Debt Service:

The annual estimated debt service requirements to maturity, including principal and interest, for the Series 2010 bonds and the Illinois EPA loans as of April 30, 2014 are as follows:

Year Ending April 30,	Principal	Interest	Total
2015	$ 1,401,301	$ 574,643	$ 1,975,944
2016	1,704,004	714,449	2,418,453
2017	1,727,704	684,752	2,412,456
2018	1,766,842	653,609	2,420,451
2019	1,796,426	621,285	2,417,711
2020-2024	9,502,165	2,574,881	12,077,046
2025-2029	10,504,124	1,563,384	12,067,508
2030-2035	7,765,524	464,896	8,230,420
Total	$36,168,090	$ 7,851,899	$44,019,989

Bank Loan Payable:

On May 31, 2013, the City borrowed $2,000,000 from Morton Community Bank for the purpose of making loans to an economic developer to use for infrastructure improvements at several retail locations. The loan is a promissory note, payable at 3% monthly. The note is payable monthly with principal and interest payments of $35,979.04 until maturity, June 1, 2018. Loan payments are made from the Economic Development Fund. $ 1,652,789

NOTE 7 - continued

Debt Service:
The annual debt service requirements to maturity, including principal and interest, for the loan as of April 30, 2014 are as follows:

Year Ending April 30,	Principal	Interest	Total
2015	$ 387,464	$ 44,284	$ 431,748
2016	399,249	32,499	431,748
2017	411,392	20,356	431,748
2018	423,905	7,843	431,748
2019	30,779	77	30,856
Total	$ 1,652,789	$ 105,059	$ 1,757,848

NOTE 8 - GOVERNMENTAL FUND BALANCES

The fund balances of the Governmental Funds, as shown on Statement 3, are comprised of the following:

	General Fund	Library Fund	TIF 1 Central Business District Fund	Nonmajor Governmental Funds	Total
Nonspendable:					
Prepaid items	$ 202,800	$ -	$ -	$ -	$ 202,800
Developer agreement receivable	240,000	-	-	-	240,000
Loans	-	-	108,497	-	108,497
Total nonspendable	442,800	-	108,497	-	551,297
Restricted:					
Library services	-	661,585	-	-	661,585
Federal/State regulations	76,631	-	3,928,316	22,176,004	26,180,951
Total restricted	76,631	661,585	3,928,316	22,176,004	26,842,536
Assigned:					
Special purposes	-	-	-	369,613	369,613
Unassigned	9,138,958	-	-	(18,450)	9,120,508
Total fund balance	$ 9,658,389	$ 661,585	$ 4,036,813	$ 22,527,167	$ 36,883,954

NOTE 9 - ILLINOIS MUNICIPAL RETIREMENT FUND

Plan Description

The City of Pekin's defined benefit pension plan for regular employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The City's plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. 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 financial report that includes financial statements and required supplementary information. That report may be obtained online at www.imrf.org.

Funding Policy

As set by statute, the City's regular plan members are required to contribute 4.5 percent of their annual 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 employer annual required contribution rate for calendar year 2013 was 13.92 percent. 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 the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

NOTE 9 - continued

Annual Pension Cost
For 2013, the City's annual pension costs was $682,852.

THREE-YEAR TREND INFORMATION FOR THE REGULAR PLAN

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/2013	$ 682,852	100%	$ -
12/31/2012	714,920	100%	-
12/31/2011	544,169	100%	-

The required contribution for 2013 was determined as part of the December 31, 2011, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2011, included a) 7.5 percent investment rate of return (net of administrative and direct investment expenses), b) projected salary increases of 4.0 percent a year, attributable to inflation, c) additional projected salary increases ranging from 0.4 percent to 10.0 percent per year depending on age and service, attributable to seniority/merit, and d) post retirement benefit increases of 3 percent annually. The actuarial value of the City's regular plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20 percent corridor between the actuarial and market value of assets. The City's regular plan's unfunded actuarial accrued liability at December 31, 2011 is being amortized as a level percentage of projected payroll on an open 30-year basis.

Funding Status and Funding Progress
As of December 31, 2013, the most recent actuarial valuation date, the regular plan was 67.78 percent funded. The actuarial accrued liability for benefits was $12,126,763 and the actuarial value of assets was $8,219,323, resulting in an underfunded actuarial accrued liability (UAAL) of $3,907,440. The covered payroll for calendar year 2013 (annual payroll of active employees covered by the plan) was $4,905,548 and the ratio of the UAAL to the covered payroll was 80 percent.

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 liability for benefits.

NOTE 10 - **POLICE PENSION FUND**

The following information regarding the police pension fund is the most recent data available from actuarial reports dated April 30, 2012:

A. Plan Description:

All of the City's full-time police employees participate in the City of Pekin Police Pension Fund, (PPF) a single-employer, defined benefit pension plan. The payroll for employees covered by the PPF for the year ended April 30, 2012 was $3,433,325. Current membership in the PPF is comprised of the following:

	April 30, 2012
Retirees and beneficiaries currently receiving benefits	52
Terminated plan members entitled to but not yet receiving benefits	2
Active employees	53

Pension Benefits:

Employees age 50 or over who have at least 20 years of creditable service and are no longer in service as police officers are entitled to a pension of one-half of the salary attached to the rank held on the last day of service. The pension is increased by 2 percent of such salary for each additional year over 20 years of service through 30 years of service, and 1 percent of such salary for each additional year over 30 years of service, to a maximum of 75 percent of such salary

Disability Benefits:

If a covered employee, as a result of an act of duty, is found to be disabled for service in the policy department, the employee shall be granted a disability pension of 65 percent of the salary attached to the rank held at the date of suspension of duty. If the disability is the result of any cause other than an act of duty, the disability pension is 50 percent of salary.

Separation Benefits:

A covered employee who is separated from service having at least 8 years but less than 20 years of creditable service is entitled upon attainment of age 60 to a pension of 2.5 percent of the salary attached to the rank held on the last day of service for each year of creditable service.

B. Related Party Transactions

There were no securities of the City of Pekin or related parties included in the PPF's assets.

C. Funding Status

The present value of total pension obligations to be borne by the City of Pekin Police Pension Fund was:

Total present value of pension obligations	$	42,204,694
Accumulated assets		24,165,275
Unfunded liability		18,039,419

NOTE 10 - continued

The annual tax levy necessary to meet the annual requirements of the Police Pension Fund at April 30, 2012 was:

Normal costs based on the annual payroll of active participants at April 30, 2012	$ 516,255
Amount necessary to amortize the unfunded accrued liability of $18,039,419	752,727
Interest for one year	88,829
Total amount of tax levy necessary to arrive at the annual requirements of the fund	$ 1,357,811

SUMMARY OF ACTUARIAL INFORMATION

Funding method used-Projected Unit Credit
Amortization method used-30-year period, 90 percent amoritzation target
Interest rate assumption-7.0 percent
Mortality rate assumption-1971 Group Annuity
Decrement assumption other than mortality-Experience Tables
Salary progression assumption-5.5 percent
Status of social security in assumption-None

The attained age at the time of disability or retirement, sex, annual salary or pension, and completed years of service of each individual participant as of the date of the valuation balance sheet is used in calculating the liabilities of the fund.

NOTE 11 - **FIRE PENSION FUND**

The following information regarding the fire pension fund is the most recent data available from actuarial reports dated April 30, 2013:

A. Plan Description

All of the City's full-time employees participate in the City of Pekin Fire Pension Fund, (FPF) a single employer, defined benefit pension plan. The payroll for employees covered by the FPF for the year ended April 30, 2013 was $3,578,801. Current membership in the FPF is comprised of the following:

	April 30, 2013
Retirees and beneficiaries currently receiving benefits	65
Terminated plan members entitled to but not yet receiving benefits	5
Active employees	70

Pension Benefits:

Employees age 50 or over who have at least 20 years of creditable service and are no longer in service as firefighters are entitled to a monthly pension of one-half of the monthly salary attached to the rank held at the date of retirement. The pension is increased by 1/12 of 2.5 percent of such monthly salary for each additional month over 20 years of service through 30 years of service, to a maximum of 75 percent of such monthly salary.

Disability Benefits:

If a covered employee, as a result of an act of duty, or an occupational disease, is found to be disabled for service in the fire department, the employee shall be granted a disability pension of 65 percent of the salary attached to the rank held at the date of removal from the City's payroll. If the disability is the result of any cause and the employee has a minimum of 7 years of creditable service, the disability pension is 50 percent of monthly salary.

Separation Benefits:

A covered employee who is separated from service having at least 10 years but less than 20 years of creditable service is entitled upon attainment of age 60 to a pension based on the monthly salary attached to the rank held on the date of separation of service according to a schedule ranging from 10 years service (15.0 percent of salary) to 19 years service (45.6 percent of salary).

B. Related Party Transactions

There were no securities of the City of Pekin or related parties included in the FPF's assets.

C. Funding Status

The present value of total pension obligations to be borne by the City of Pekin Fire Pension Fund was:

Total present value of pension obligations	$ 48,214,440
Accumulated assets	20,220,253
Unfunded liability	27,994,187

NOTE 11 - continued

The annual tax levy necessary to meet the annual requirements of the Fire Pension Fund at April 30, 2013 was:

Normal costs based on the annual payroll of active participants at April 30, 2013	$ 652,989
Amount necessary to amortize the unfunded accrued liability of $27,994,187	1,201,883
Interest for one year	129,841
Total amount of tax levy necessary to arrive at the annual requirements of the fund	$ 1,984,713

SUMMARY OF ACTUARIAL INFORMATION

Funding method used-Projected Unit Credit Cost Method
Amortization method used-30-year period, 90 percent amortization target
Investment Return Assumption-7.0 percent
Mortality Rate Assumption-RP2000 Mortality Table adjusted for future mortality improvement using 1-year setback after 15 years
Salary progression assumption-5.5 percent
Status of social security in assumption-None

The attained age at the time of disability or retirement, sex, annual salary or pension, and contemplated years of service of each individual participant as of the date of the valuation balance sheet is used in calculating the liabilities of the fund.

NOTE 12 - **RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City belongs to the Illinois Municipal League Risk Management Fund, a public entity risk pool currently operating as a common risk management and insurance program for approximately 709 member governmental units.

The City pays an annual premium for it's general insurance and worker's compensation insurance coverage.

Settled claims resulting from the above-mentioned risks did not exceed insurance coverage in the past three years.

NOTE 13 - **POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS**

All police, fire, and IMRF eligible retirees are entitled to receive the same health insurance benefits they had as active employees. (Plan A).

A summary of the plan benefits is as follows:
PPO In-Network Benefits:
 Claims paid at 100 percent after meeting deductible provisions;
 Deductible - $200 per individual per year/$400 per family per year;
 Prescription Plan - 20% up to maximum of $10/$20/$35 co-pay;
 Maximum out-of-pocket costs per year - $1,000 per person and $2,000 per family.
Out-of-Network Benefits:
 Claims paid at 80 percent after meeting deductible provisions;

The police and fire retirees each have trust funds that receive monthly contributions from active police and fire employees to supplement costs. Retirees contribute to these same funds through deductions from their pensions.

The City's anticipated costs to provide health insurance benefits to eligible retirees has been estimated at $2,481,371 and is recorded as a noncurrent liability in the government-wide financial statements.

NOTE 14 - **CONDUIT DEBT**

From time to time, the City has issued various types of revenue bonds on behalf of private sector and nonprofit entities for the acquisition and/or construction of facilities deemed to be in the public interest. The bonds are secured by the property and revenues of those entities, and are payable solely from the resources of those entities. The City is not obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the financial statements.

As of April 30, 2014 there were two series of revenue bonds outstanding. The principal amount payable was approximately $2,107,274.

NOTE 15 - **CONTINGENCIES**

The City is party to various legal proceedings which normally occur in government operations. These legal proceedings are not likely to have a material adverse impact on the affected funds of the City and accordingly, no provision for losses has been recorded.

NOTE 16 - **SUBSEQUENT EVENTS**

On May 12, 2014 the City Council passed Ordinance No. 2699-1415, which provides for the issuance of general obligation bonds not to exceed $6 million. The proceeds of the bond issuance will be used to finance a portion of the construction costs associated with the renovation of the library building. Total construction costs are not known as of the date of this report.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF PEKIN, ILLINOIS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED APRIL 30, 2014

	Budgeted Amounts Original and Final	Actual	Variance Over (Under)
Revenues:			
Taxes	$ 22,554,152	$ 22,024,566	$ (529,586)
Licenses and permits	202,755	272,271	69,516
Intergovernmental	346,280	425,773	79,493
Fees and charges for services	1,277,128	1,514,207	237,079
Fines and collections	422,700	517,325	94,625
Investment earnings	82,000	71,967	(10,033)
Reimbursements and restitutions	96,800	141,249	44,449
Other revenues	1,252,750	122,894	(1,129,856)
Total revenues	26,234,565	25,090,252	(1,144,313)
Expenditures:			
General government/administrative	1,897,427	1,850,538	(46,889)
Public safety	17,271,370	18,709,652	1,438,282
Public lands and buildings	524,375	444,063	(80,312)
Zoning and inspection	653,463	652,434	(1,029)
Public works	296,878	242,896	(53,982)
Highways and streets	2,937,835	1,859,641	(1,078,194)
Sanitation	1,693,985	1,890,052	196,067
Capital outlay	789,110	862,720	73,610
Debt service:			
Principal	275,000	275,000	-
Interest	43,004	43,004	-
Total expenditures	26,382,447	26,830,000	447,553
Deficiency of revenues over expenditures	(147,882)	(1,739,748)	(1,591,866)
Other financing sources (uses):			
Transfers in	178,126	178,126	-
Transfers out	-	(1,318,577)	1,318,577
Total other financing sources (uses)	178,126	(1,140,451)	(1,318,577)
Net change in fund balance	$ 30,244	(2,880,199)	$ (2,910,443)
Fund balance, beginning of year		12,538,594	
Fund balance, end of year		$ 9,658,395	

The notes to the required supplementary information are an integral part of this schedule.

CITY OF PEKIN, ILLINOIS
LIBRARY FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED APRIL 30, 2014

	Budgeted Amounts Original and Final	Actual	Variance Over (Under)
Revenues:			
Property taxes	$ 1,095,530	$ 1,094,075	$ (1,455)
Replacement taxes	93,000	107,316	14,316
Charges for services	51,130	46,116	(5,014)
Intergovernmental	34,650	42,618	7,968
Investment earnings	6,600	4,067	(2,533)
All other revenues	17,500	65,781	48,281
Total revenues	1,298,410	1,359,973	61,563
Expenditures:			
Library services:			
Personnel costs	788,230	806,898	18,668
Books, programs and services	174,480	168,858	(5,622)
Other services and charges	229,050	250,867	21,817
Capital outlay	106,650	170,055	63,405
Total expenditures	1,298,410	1,396,678	98,268
Net change in fund balance	$ -	(36,705)	$ (36,705)
Fund balance, beginning of year		698,290	
Fund balance, end of year		$ 661,585	

The notes to the required supplementary information are an integral part of this schedule.

CITY OF PEKIN, ILLINOIS
TIF 1 CENTRAL BUSINESS DISTRICT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED APRIL 30, 2014

	Budgeted Amounts Original and Final	Actual	Variance Over (Under)
Revenues:			
Property taxes	$ 480,000	$ 520,340	$ 40,340
Sales taxes	570,000	75,173	(494,827)
Investment earnings	14,700	14,799	99
Other income	-	1,691	1,691
Total revenues	1,064,700	612,003	(452,697)
Expenditures:			
Administration	8,875	7,840	(1,035)
Redevelopment:			
Reimbursements to School District-real estates taxes	75,000	173,922	98,922
Redevelopment grants	-	34,225	34,225
Property improvements and maintenance	512,000	69,874	(442,126)
Redevelopment consulting fees	4,500	11,951	7,451
Total expenditures	600,375	297,812	(302,563)
Net change in fund balance	$ 464,325	314,191	$ (150,134)
Fund balance, beginning of year		3,722,622	
Fund balance, end of year		$4,036,813	

The notes to the required supplementary information are an integral part of this schedule.

CITY OF PEKIN, ILLINOIS
SCHEDULE OF FUNDING PROGRESS
DEFINED BENEFIT PENSION PLAN - IMRF

Actuarial Valuation Date	12/31/13	12/31/12	12/31/11
Actuarial Value of Assets (a)	$ 8,219,323	$ 6,276,091	$ 5,034,198
Actuarial Accrued Liability (AAL)-Entry Age (b)	$ 12,126,763	$ 11,014,457	$ 10,556,268
Unfunded AAL (UAAL) (b-a)	$ 3,907,440	$ 4,738,366	$ 5,522,070
Funded Ratio (a/b)	67.78%	56.98%	47.69%
Covered Payroll (c)	$ 4,905,548	$ 4,782,214	$ 4,603,800
UAAL as a Percentage of Covered Payroll ((b-a) / c)	79.65%	99.08%	119.95%

The notes to the required supplementary informatin are an integral part of this schedule.

NOTE 1 - BUDGETARY ACCOUNTING

In 1996 the City Council adopted budget procedures established by law which replaced the former appropriation ordinances process. The budget, unlike the replaced annual appropriations ordinance, is required to be adopted before the beginning of the fiscal year to which it applies. Unexpended budget items lapse each year.

The budget may be changed in almost any manner and without public hearings at any time during the year pursuant to a two-thirds vote of the Council members. Further, they may delegate the power, by the same vote, to make changes within an appropriation to a budget officer.

NOTE 2 - BUDGETARY BASIS OF ACCOUNTING

The budget for all governmental funds is prepared on the accrual basis of accounting; therefore, the budget comparison with actual is presented in accordance with generally accepted accounting principles.

NOTE 3 - EXCESS OF EXPENDITURES OVER APPROPRIATIONS

The excess of actual expenditures over final budget for year ended April 30, 2014 for major funds were:

General Fund (public safety costs)	$ 447,553
Library Fund (capital outlay)	98,268
Tourism Fund (developer costs)	532,784
HUD Metro Development Fund (public improvement costs)	158,094
TIF South Industrial Park Conservation Area Fund (no budgeted amount)	2,605

OTHER SUPPLEMENTARY INFORMATION

CITY OF PEKIN, ILLINOIS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED APRIL 30, 2014

	Final Budget	Actual	Variance Over (Under)
Revenues:			
Property taxes	$ 4,899,236	$ 4,946,653	$ 47,417
Replacement taxes	1,315,416	1,273,065	(42,351)
Income taxes	3,118,000	3,255,822	137,822
State sales, use, and gaming taxes	6,350,000	6,085,935	(264,065)
Local sales and use taxes	4,280,000	4,035,132	(244,868)
Local food/beverage tax	1,058,000	1,036,454	(21,546)
Local packaged liquor tax	186,000	181,859	(4,141)
Local motor fuel taxes	317,500	291,704	(25,796)
Telecommunication tax	1,030,000	917,942	(112,058)
Intergovernmental	346,280	425,773	79,493
Franchise fees	514,000	603,002	89,002
Fire protection fees	455,100	465,249	10,149
Charges for services	158,000	174,681	16,681
Fines and collections	422,700	517,325	94,625
Parking lot rentals	8,500	9,650	1,150
Other rentals and sale of property	141,528	261,625	120,097
Licenses and permits	202,755	272,271	69,516
Reimbursements and restitutions	96,800	141,249	44,449
Investment earnings	82,000	71,967	(10,033)
Other revenues	1,252,750	122,894	(1,129,856)
Total revenues	26,234,565	25,090,252	(1,144,313)
Expenditures:			
General government	2,216,831	2,184,269	(32,562)
Streets	2,979,035	1,873,821	(1,105,214)
Police	9,174,689	9,928,354	753,665
Fire	8,502,891	9,217,824	714,933
Public works	322,278	266,316	(55,962)
Zoning and inspection	656,363	652,932	(3,431)
Public lands and buildings	784,375	790,973	6,598
Sanitation	1,745,985	1,915,511	169,526
Total expenditures	26,382,447	26,830,000	447,553
Deficiency of revenues over expenditures	(147,882)	(1,739,748)	(1,591,866)
Other financing sources (uses):			
Transfers in	178,126	178,126	-
Transfers out	-	(1,318,577)	1,318,577
Total other financing sources (uses):	178,126	(1,140,451)	(1,318,577)
Net change in fund balance	$ 30,244	(2,880,199)	$ (2,910,443)
Fund balance, beginning of year		12,538,594	
Fund balance, end of year		$ 9,658,395	

CITY OF PEKIN, ILLINOIS
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL
FOR THE YEAR ENDED APRIL 30, 2014

	Final Budget	Actual	Variance Over (Under)
General government:			
Administrative:			
Personnel costs	$ 357,031	$ 411,196	$ 54,165
Supplies	1,050	761	(289)
Other services and charges	41,717	21,376	(20,341)
Capital outlay	100	2,319	2,219
Total administrative	399,898	435,652	35,754
Legal:			
Other services and charges	276,000	237,294	(38,706)
City Clerk:			
Personnel costs	172,074	179,089	7,015
Supplies	700	333	(367)
Other services and charges	9,984	9,416	(568)
Total city clerk	182,758	188,838	6,080
Finance/Treasurer:			
Personnel costs	225,133	236,243	11,110
Supplies	5,050	3,390	(1,660)
Other services and charges	22,822	13,518	(9,304)
Capital outlay	1,000	709	(291)
Total finance	254,005	253,860	(145)
Personnel:			
Personnel costs	91,734	120,057	28,323
Supplies	1,000	568	(432)
Other services and charges	13,830	870	(12,960)
Total personnel	106,564	121,495	14,931
Information technology:			
Personnel costs	249,704	248,526	(1,178)
Supplies	1,600	331	(1,269)
Other services and charges	207,900	198,744	(9,156)
Capital outlay	300	-	(300)
Total information technology	459,504	447,601	(11,903)

SCHEDULE 5
(continued)

CITY OF PEKIN, ILLINOIS
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL
FOR THE YEAR ENDED APRIL 30, 2014

	Final Budget	Actual	Variance Over (Under)
Non-departmental:			
Supplies	-	2,276	2,276
Other services and charges	220,098	166,550	(53,548)
Debt service-principal	275,000	275,000	-
Debt service-interest	43,004	43,004	-
Capital outlay	-	12,699	12,699
Total non-departmental	538,102	499,529	(38,573)
Total general government	2,216,831	2,184,269	(32,562)
Streets:			
Personnel costs	1,109,117	1,313,827	204,710
Supplies	17,250	13,614	(3,636)
Other services and charges	1,811,468	532,200	(1,279,268)
Capital outlay	41,200	14,180	(27,020)
Total streets	2,979,035	1,873,821	(1,105,214)
Police:			
Personnel costs	6,021,461	7,006,369	984,908
Supplies	33,114	17,442	(15,672)
Other services and charges	2,856,804	2,694,261	(162,543)
Capital outlay	263,310	210,282	(53,028)
Total police	9,174,689	9,928,354	753,665
Fire:			
Personnel costs	5,669,952	6,520,388	850,436
Supplies	67,150	51,887	(15,263)
Other services and charges	2,622,889	2,419,305	(203,584)
Capital outlay	142,900	226,244	83,344
Total fire	8,502,891	9,217,824	714,933
Public works:			
Personnel costs	206,289	219,674	13,385
Supplies	1,300	1,351	51
Other services and charges	89,289	21,871	(67,418)
Capital outlay	25,400	23,420	(1,980)
Total public works	322,278	266,316	(55,962)

CITY OF PEKIN, ILLINOIS
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL
FOR THE YEAR ENDED APRIL 30, 2014

	Final Budget	Actual	Variance Over (Under)
Zoning and inspection:			
Personnel costs	539,350	518,753	(20,597)
Supplies	2,150	2,909	759
Other services and charges	111,963	130,772	18,809
Capital outlay	2,900	498	(2,402)
Total zoning and inspection	656,363	652,932	(3,431)
Public land and buildings:			
Personnel costs	189,257	220,636	31,379
Supplies	25,000	15,202	(9,798)
Other services and charges	310,118	208,225	(101,893)
Capital outlay	260,000	346,910	86,910
Total public land and buildings	784,375	790,973	6,598
Sanitation:			
Personnel costs	874,033	987,570	113,537
Supplies	3,100	5,598	2,498
Other services and charges	816,852	896,884	80,032
Capital outlay	52,000	25,459	(26,541)
Total sanitation	1,745,985	1,915,511	169,526
Total general fund	$ 26,382,447	$ 26,830,000	$ 447,553

CITY OF PEKIN, ILLINOIS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
APRIL 30, 2014

	Special Revenue					
	Tourism Fund	HUD Metro Development Fund	Motor Fuel Tax Fund	TIF South Ind Park Conservation Area Fund	Capital Projects Fund	Total
ASSETS						
Cash	$366,010	$ 10,546	$ 2,990,005	$ -	$18,006,967	$ 21,373,528
Receivables:						
Accounts, fees and other taxes	14,445	-	69,854	-	25,785	110,084
Loans	-	1,229,744	-	-	-	1,229,744
Developer agreement	-	-	-	-	510,960	510,960
Total assets	$380,455	$1,240,290	$ 3,059,859	$ -	$18,543,712	$ 23,224,316
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE						
LIABILITIES:						
Cash overdraft	$ -	$ -	$ -	$ 18,450	$ -	$ 18,450
Accounts payable	10,029	82,397	9,243	-	61,035	162,704
Accrued wages	813	4,222	-	-	-	5,035
Total liabilities	10,842	86,619	9,243	18,450	61,035	186,189
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenues	-	-	-	-	510,960	510,960
Total liabilities and deferred inflows of resources	10,842	86,619	9,243	18,450	571,995	697,149
FUND BALANCES						
Restricted	-	1,153,671	3,050,616	-	17,971,717	22,176,004
Assigned	369,613	-	-	-	-	369,613
Unassigned	-	-	-	(18,450)	-	(18,450)
Total fund balances	369,613	1,153,671	3,050,616	(18,450)	17,971,717	22,527,167
Total liabilities, deferred inflows of resources, and fund balance	$380,455	$1,240,290	$ 3,059,859	$ -	$18,543,712	$ 23,224,316

CITY OF PEKIN, ILLINOIS
COMBINING STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED APRIL 30, 2014

	Special Revenue					
	Tourism Fund	HUD Metro Development Fund	Motor Fuel Tax Fund	TIF South Ind Park Conservation Area Fund	Capital Projects Fund	Total
Revenues:						
Taxes:						
Motel tax	$ 157,158	$ -	$ -	$ -	$ -	$ 157,158
Motor fuel	-	-	841,706	-	273,874	1,115,580
Intergovernmental	-	629,236	147,030	-	21,121,245	21,897,511
Investment earnings	1,884	1,207	12,765	-	45,250	61,106
Other revenues	586	32,669	5,841	-	12,000	51,096
Total revenues	159,628	663,112	1,007,342	-	21,452,369	23,282,451
Expenditures:						
Current:						
General government/administrative	23,729	135,933	-	-	3,866	163,528
Tourism/development	578,317	-	-	-	-	578,317
Public works-streets	-	-	715,001	-	-	715,001
Planning and development	-	-	-	2,605	-	2,605
Residential and public improvements/ donations	-	531,207	-	-	-	531,207
Capital outlay	574,394	-	-	-	2,140,667	2,715,061
Total expenditures	1,176,440	667,140	715,001	2,605	2,144,533	4,705,719
Excess (deficiency) of revenues over expenditures	(1,016,812)	(4,028)	292,341	(2,605)	19,307,836	18,576,732
Other financing sources:						
Loan proeeds	600,000	-	-	-	-	600,000
Net changes in fund balances	(416,812)	(4,028)	292,341	(2,605)	19,307,836	19,176,732
Fund balances (deficit), beginning of year	786,425	1,157,699	2,758,275	(15,845)	(1,336,119)	3,350,435
Fund balances (deficit), end of year	$ 369,613	$ 1,153,671	$ 3,050,616	$ (18,450)	$ 17,971,717	$ 22,527,167

CITY OF PEKIN, ILLINOIS
TOURISM SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED APRIL 30, 2014

	Final Budget	Actual	Variance Over (Under)
Revenues:			
Motel tax	$ 155,000	$ 157,158	$ 2,158
Investment earnings	3,300	1,884	(1,416)
Penalties and interest	-	586	586
Total revenues	158,300	159,628	1,328
Expenditures:			
Administrative	23,156	23,729	573
Regional dues	68,000	55,000	(13,000)
Development grants	40,000	12,201	(27,799)
Public relations/promotions	12,500	11,116	(1,384)
Developer agreements	-	500,000	500,000
Capital expenditures-infrastructure	500,000	574,394	74,394
Total expenditures	643,656	1,176,440	532,784
Deficiency of revenues over expenditures	(485,356)	(1,016,812)	531,456
Other financing sources:			
Loan proceeds	-	600,000	600,000
Net change in fund balance	$ (485,356)	$ (416,812)	$ (68,544)

CITY OF PEKIN, ILLINOIS
HUD METRO DEVELOPMENT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED APRIL 30, 2014

	Final Budget	Actual	Variance Over (Under)
Revenues:			
Federal grants	$ 494,311	$ 629,236	$ 134,925
Program income	50,000	32,669	(17,331)
Investment earnings	-	1,207	1,207
Total revenues	544,311	663,112	118,801
Expenditures:			
General government	144,996	135,933	(9,063)
Residential housing rehabilitation	220,550	208,768	(11,782)
General public improvements	-	241,742	241,742
Public facility projects/public contributions	143,500	80,697	(62,803)
Total expenditures	509,046	667,140	158,094
Net change in fund balance	$ 35,265	(4,028)	$ (39,293)
Fund balance, beginning of year		1,157,699	
Fund balance, end of year		$ 1,153,671	

SCHEDULE 10

CITY OF PEKIN, ILLINOIS
MOTOR FUEL TAX SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED APRIL 30, 2014

	Final Budget	Actual	Variance Over (Under)
Revenues:			
Motor fuel taxes	$ 830,000	$ 841,706	$ 11,706
Intergovernmental	147,000	147,030	30
Investment earnings	17,200	12,765	(4,435)
Other revenue	15,000	5,841	(9,159)
Total revenues	1,009,200	1,007,342	(1,858)
Expenditures:			
Street construction and maintenance	920,000	715,001	(204,999)
Net change in fund balance	$ 89,200	292,341	$ 203,141
Fund balance, beginning of year		2,758,275	
Fund balance, end of year		$ 3,050,616	

CITY OF PEKIN, ILLINOIS

SCHEDULE 11

TIF SOUTH INDUSTRIAL PARK CONSERVATION AREA FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE

BUDGET AND ACTUAL

FOR THE YEAR ENDED APRIL 30, 2014

	Final Budget	Actual	Variance Over (Under)
Revenues	$ -	$ -	$ -
Expenditures	-	2,605	2,605
Net change in fund balance	$ -	(2,605)	$ (2,605)
Fund balance (deficit), beginning of year		(15,845)	
Fund balance (deficit), end of year		$ (18,450)	

CITY OF PEKIN, ILLINOIS
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED APRIL 30, 2014

	Final Budget	Actual	Variance Over (Under)
Revenues:			
Local motor fuel tax	$ 317,500	$ 273,874	$ (43,626)
Intergovernmental grants	9,700,000	21,121,245	11,421,245
Developer agreement payment	-	12,000	12,000
Investment earnings	-	45,250	45,250
Total revenues	10,017,500	21,452,369	11,434,869
Expenditures:			
Administrative costs	2,500	3,866	1,366
Capital outlay-land acquisition and construction	9,925,000	2,140,667	(7,784,333)
Total expenditures	9,927,500	2,144,533	(7,782,967)
Net change in fund balance	$ 90,000	19,307,836	$ 19,217,836
Fund balance (deficit), beginning of year		(1,336,119)	
Fund balance, end of year		$ 17,971,717	

CITY OF PEKIN, ILLINOIS
COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
APRIL 30, 2014

	Economic Development Fund	Pekin Airport Fund	Total
ASSETS			
Current assets:			
Accounts receivable	$ -	$ 1,168	$ 1,168
Due from other fund	-	40,438	40,438
Fuel inventory	-	52,704	52,704
Total current assets	-	94,310	94,310
Noncurrent assets:			
Loans receivable	4,229,549	-	4,229,549
Capital assets:			
Land and improvements	-	1,191,194	1,191,194
Buildings	-	794,276	794,276
Equipment	-	196,981	196,981
Less accumulated depreciation	-	(1,277,552)	(1,277,552)
Total capital assets (net of accumulated depreciation)	-	904,899	904,899
Total noncurrent assets	4,229,549	904,899	5,134,448
Total assets	4,229,549	999,209	5,228,758
LIABILITIES			
Current liabilities:			
Cash overdraft	383,932	687,074	1,071,006
Accounts payable	51,856	6,393	58,249
Accrued wages	2,438	2,565	5,003
Other liabilities	-	185	185
Noncurrent liabilities:			
Portion payable within one year:			
Bank loan payable	387,464	-	387,464
Portion payable after one year:			
Bank loan payable	1,265,325	-	1,265,325
Total liabilities	2,091,015	696,217	2,787,232
NET POSITION			
Net investment in capital assets	-	904,899	904,899
Unrestricted	2,138,534	(601,907)	1,536,627
Total net position	$ 2,138,534	$ 302,992	$ 2,441,526

CITY OF PEKIN, ILLINOIS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED APRIL 30, 2014

	Economic Development Fund	Pekin Airport Fund	Total
Operating revenues, charges for services	$ 256,644	$ 213,939	$ 470,583
Operating expenses:			
Personnel costs	68,975	80,529	149,504
Supplies	154	646	800
Other services and charges	243,434	216,664	460,098
Depreciation	-	35,942	35,942
Total operating expenses	312,563	333,781	646,344
Operating loss	(55,919)	(119,842)	(175,761)
Nonoperating revenues (expenses):			
Grants	-	44,537	44,537
Investment earnings	99,233	-	99,233
Interest expense	(84,544)	-	(84,544)
Total nonoperating revenues	14,689	44,537	59,226
Change in net position	(41,230)	(75,305)	(116,535)
Net position, beginning of year	2,179,764	378,297	2,558,061
Net position, end of year	$2,138,534	$ 302,992	$ 2,441,526

CITY OF PEKIN, ILLINOIS
STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED APRIL 30, 2014

	Economic Development Fund	Pekin Airport Fund	Total
Cash flows from operating activities:			
Receipts from services	$ 256,644	$ 216,488	$ 473,132
Payments for personnel costs	(68,228)	(80,297)	(148,525)
Payments to vendors and suppliers	(201,580)	(263,219)	(464,799)
Net cash used by operating activities	(13,164)	(127,028)	(140,192)
Cash flows from noncapital financing activities:			
Grant receipts	-	44,537	44,537
Cash flows from capital related activities:			
Purchase of capital assets	-	(230,407)	(230,407)
Proceeds from bank loan	2,000,000	-	2,000,000
Principal paid on bank loan	(347,211)	-	(347,211)
Interest paid on bank loan	(84,544)	-	(84,544)
Net cash provided (used) by capital related activities	1,568,245	(230,407)	1,337,838
Cash flows from investing activities:			
Interest income	99,233	-	99,233
Net loans provided	(1,863,600)	-	(1,863,600)
Net cash used by investing activities	(1,764,367)	-	(1,764,367)
Net decrease in cash	(209,286)	(312,898)	(522,184)
Cash (overdraft), beginning of year	(174,646)	(374,176)	(548,822)
Cash (overdraft), end of year	$ (383,932)	$ (687,074)	$ (1,071,006)
Reconciliation of operating loss to net cash used by operating activities:			
Operating loss	$ (55,919)	$ (119,842)	$ (175,761)
Adjustments to reconcile operating loss to net cash used by operating activities:			
Depreciation	-	35,942	35,942
Changes in assets and liabilities:			
Decrease in receivables	-	2,549	2,549
Increase in due from other fund	-	(40,438)	(40,438)
Increase in fuel inventory	-	(10,215)	(10,215)
Increase in accounts payable	42,008	4,839	46,847
Increase in accrued wages	747	232	979
Decrease in other liabilities	-	(95)	(95)
Net cash used by operating activities	$ (13,164)	$ (127,028)	$ (140,192)

CITY OF PEKIN, ILLINOIS
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
APRIL 30, 2014

	Vehicle Maintenance Fund	Employees Benefits Fund	Total
ASSETS			
Current assets:			
Cash and cash equivalents	$ -	$ 275,238	$ 275,238
Accounts receivable	1,734	28,960	30,694
Fuel and parts inventory, at cost	147,647	-	147,647
Total current assets	149,381	304,198	453,579
Noncurrent assets:			
Capital assets:			
Equipment	73,521	-	73,521
Less accumulated depreciation	(56,688)	-	(56,688)
Total capital assets, net of accumulated depreciation	16,833	-	16,833
Total assets	166,214	304,198	470,412
LIABILITIES			
Current liabilities:			
Cash overdraft	331,670	-	331,670
Accounts payable	26,977	283,883	310,860
Accrued wages	2,966	-	2,966
Accrued retiree benefit premiums	-	137,773	137,773
Due to other funds	-	6,000	6,000
Total current liabilities	361,613	427,656	789,269
NET POSITION			
Net investment in capital assets	16,833	-	16,833
Unrestricted (deficit)	(212,232)	(123,458)	(335,690)
Total net position	$ (195,399)	$ (123,458)	$ (318,857)

CITY OF PEKIN, ILLINOIS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED APRIL 30, 2014

	Vehicle Maintenance Fund	Employees Benefits Fund	Total
Operating revenues, charges for services	$ 861,213	$ 5,861,836	$ 6,723,049
Operating expenses:			
Personnel costs	132,583	-	132,583
Cost of fuel and parts sold	839,306	-	839,306
Insurance claims and premiums paid	-	4,400,813	4,400,813
Other services and charges	20,905	366,072	386,977
Depreciation	3,479	-	3,479
Total operating expenses	996,273	4,766,885	5,763,158
Operating income (loss)	(135,060)	1,094,951	959,891
Nonoperating revenues:			
Investment earnings	-	1,034	1,034
Change in net position before transfer	(135,060)	1,095,985	960,925
Transfer in	1,318,577	-	1,318,577
Change in net position	1,183,517	1,095,985	2,279,502
Net position, beginning of year	(1,378,916)	(1,219,443)	(2,598,359)
Net position, end of year	$ (195,399)	$ (123,458)	$ (318,857)

SCHEDULE 18

CITY OF PEKIN, ILLINOIS
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED APRIL 30, 2014

	Vehicle Maintenance Fund	Employees Benefit Fund	Total
Cash flows from operating activities:			
Receipts from services	$ 860,586	$ 5,832,876	$ 6,693,462
Payments for personnel costs	(143,394)	-	(143,394)
Payments to vendors and suppliers	(909,114)	(4,752,659)	(5,661,773)
Net cash provided (used) by operating activities	(191,922)	1,080,217	888,295
Cash flows from noncapital financing activities:			
Transfer from other fund	1,318,577	-	1,318,577
Cash flows from investing activities:			
Interest income	-	1,034	1,034
Net increase in cash	1,126,655	1,081,251	2,207,906
Cash (overdraft) balance, beginning of year	(1,458,325)	(806,013)	(2,264,338)
Cash (overdraft) balance, end of year	$ (331,670)	$ 275,238	$ (56,432)
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	$ (135,060)	$ 1,094,951	$ 959,891
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	3,479	-	3,479
Changes in net assets and liabilities:			
Increase in accounts receivable	(627)	(28,960)	(29,587)
Decrease in inventories	5,946	-	5,946
Increase (decrease) in accounts payable	(54,849)	16,502	(38,347)
Decrease in accrued wages	(10,811)	-	(10,811)
Decrease in accrued retiree benefit premiums	-	(2,276)	(2,276)
Net cash provided (used) by operating activities	$ (191,922)	$ 1,080,217	$ 888,295

CITY OF PEKIN, ILLINOIS
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
PENSION TRUST FUNDS
APRIL 30, 2014

	Police Pension Fund	Fire Pension Fund	Total
ASSETS			
Cash	$ 207,699	$ 75,823	$ 283,522
Investments, at market value:			
Money market accounts	413,696	559,685	973,381
Corporate obligations	1,412,091	1,221,135	2,633,226
U.S. Treasury and Agency obligations	7,073,315	5,454,289	12,527,604
State and municipal obligations	335,708	398,716	734,424
Equity funds	3,351,819	3,662,738	7,014,557
Equity mutual funds	14,781,037	10,675,027	25,456,064
Accrued interest income	70,663	-	70,663
Prepaid expenses	517	-	517
Total assets	27,646,545	22,047,413	49,693,958
LIABILITIES			
Current liabilities:			
Accounts payable	6,305	3,440	9,745
NET POSITION			
Restricted-held in trust for pension benefits	$ 27,640,240	$ 22,043,973	$ 49,684,213

SCHEDULE 20

CITY OF PEKIN, ILLINOIS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
PENSION TRUST FUNDS
FOR THE YEAR ENDED APRIL 30, 2014

	Police Pension Fund	Fire Pension Fund	Total
ADDITIONS:			
Contributions:			
Employer	$ 1,444,877	$ 2,022,726	$ 3,467,603
Plan members	457,179	380,308	837,487
Total contributions	1,902,056	2,403,034	4,305,090
Investment income:			
Net realized gains on investment sales and net appreciation in fair market value of investments	1,664,949	1,425,607	3,090,556
Interest/dividends	1,068,663	784,654	1,853,317
Total investment income	2,733,612	2,210,261	4,943,873
Less investment expenses	(77,583)	(91,013)	(168,596)
Net investment income	2,656,029	2,119,248	4,775,277
Total additions	4,558,085	4,522,282	9,080,367
DEDUCTIONS:			
Benefits	2,224,176	2,793,473	5,017,649
Administrative expenses	32,706	20,693	53,399
Total deductions	2,256,882	2,814,166	5,071,048
Change in net position	2,301,203	1,708,116	4,009,319
Net position, beginning of year	25,339,037	20,335,857	45,674,894
Net position, end of year	$27,640,240	$22,043,973	$49,684,213

SUPPORTING SCHEDULES

UNAUDITED STATISTICAL INFORMATION

CITY OF PEKIN, ILLINOIS
GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION*
LAST TEN FISCAL YEARS

SCHEDULE A

Year Ended April 30,	General Government	Public Safety	Highways and Streets	Sanitation	Library Services	Tourism	Zoning and Inspection	Debt Service	Public Land and Buildings	Public Works	Planning and Development	Capital Outlay	Total
2005	$ 1,768,134	$ 11,463,165	$ 2,118,021	$ 2,052,959	$ 984,015	$ 61,538	$ 355,188	$ 185,293	$ 533,335	$ 127,606	$ 2,501,056	$ 2,505,552	$ 24,655,862
2006	2,001,121	12,002,561	2,090,545	1,583,104	925,567	75,318	319,550	592,030	598,617	115,871	2,057,890	1,145,986	23,508,160
2007	1,601,064	12,955,743	2,873,107	1,482,562	950,476	56,942	390,833	980,546	750,801	148,087	1,159,219	3,574,997	26,924,377
2008	1,776,954	13,806,681	2,850,716	1,705,853	1,008,530	61,890	451,477	968,992	767,345	218,113	886,332	1,394,868	25,897,751
2009	1,421,801	14,345,011	3,626,573	1,869,204	1,058,861	107,291	458,952	1,231,356	847,601	254,135	2,781,391	2,009,831	30,012,007
2010	1,588,525	14,887,305	3,031,362	1,905,143	1,059,727	85,224	521,935	909,337	740,231	260,223	2,264,592	631,528	27,885,132
2011	1,752,354	15,658,256	2,582,900	1,863,561	1,105,317	141,268	519,373	882,457	872,608	298,627	896,267	778,354	27,351,342
2012	1,858,236	16,115,989	2,656,052	1,871,409	1,125,396	104,016	505,918	1,855,239	918,618	363,238	2,767,976	838,964	30,981,051
2013	2,729,386	16,742,100	2,011,529	1,608,399	1,033,907	111,595	656,515	324,194	735,194	235,711	3,028,606	2,182,475	31,399,725
2014	2,021,906	18,709,652	2,574,642	1,890,052	1,226,623	578,317	652,434	318,004	444,063	242,896	823,784	3,747,836	33,230,209

*Includes General, Special Revenue and Capital Project Funds.
Source: Statement of Revenues, Expenditures, and Changes in Fund Balance 2005-2014.

This schedule is unaudited-see the accountant's report regarding this information.

CITY OF PEKIN, ILLINOIS
GENERAL REVENUES BY SOURCE
ALL GOVERNMENTAL FUND TYPES*
LAST TEN FISCAL YEARS

Year Ended April 30,	Taxes	Licenses and Permits	Intergovernmental	Fees and Charges for Services	Fines and Collections	Investment Earnings	Other Revenues	Total
2005	$ 20,170,613	$ 278,885	$ 880,397	$ 811,698	$ 359,889	$ 233,979	$ 271,163	$ 23,006,624
2006	20,854,387	276,348	1,188,403	1,182,499	410,201	468,236	805,731	25,185,805
2007	22,302,399	262,043	1,088,752	1,959,556	415,275	841,065	2,277,694	29,146,784
2008	23,352,920	290,739	485,555	1,106,192	362,158	753,664	573,760	26,924,988
2009	22,965,632	234,724	1,503,090	1,410,119	409,925	382,949	604,110	27,510,549
2010	23,224,827	231,856	611,306	1,192,604	657,508	375,821	794,835	27,088,757
2011	23,901,372	200,997	1,134,451	1,302,437	633,763	381,544	286,437	27,841,001
2012	24,690,100	227,653	3,088,267	1,198,655	509,842	210,670	310,472	30,235,659
2013	25,734,197	235,960	794,200	1,355,899	497,713	157,226	875,574	29,650,769
2014	25,094,208	272,271	22,365,902	1,560,323	517,325	151,939	382,711	50,344,679

*Includes General, Special Revenue and Capital Project Funds.
Source: Statement of Revenues, Expenditures, and Changes in Fund Balance: 2005-2014.

This schedule is unaudited-see the accountant's report regarding this information.

SCHEDULE C

CITY OF PEKIN, ILLINOIS
TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS

Year Ended April 30,	Property Taxes	Road and Bridge Tax	State Income Tax	State Sales/Use Gaming Taxes	Local Sales Tax	Food/Bev Tax	Packaged Liquor Tax	Local Motel Tax	Replacement Tax	State Motor Fuel Tax	Local Motor Fuel Tax	Foreign Fire Tax	Telecom. Tax	Total
2005	$ 5,113,299	$ 41,484	$ 2,359,185	$ 5,764,304	$ 2,883,772	$ -	$ -	$ 114,210	$ 894,377	$ 1,007,363	$ 716,744	$ 21,922	$ 1,253,953	$ 20,170,613
2006	5,211,430	47,432	2,618,891	5,399,625	3,269,159	-	-	140,786	1,343,376	976,137	687,546	25,459	1,160,005	20,879,846
2007	5,541,916	45,826	2,920,181	5,623,272	3,904,885	-	-	159,037	1,348,701	982,373	629,942	25,073	1,146,266	22,327,472
2008	5,738,892	46,957	3,189,883	5,700,610	4,262,912	-	-	162,007	1,482,914	945,211	594,124	23,561	1,231,410	23,376,481
2009	5,870,419	90,182	2,981,635	5,636,165	4,230,405	-	-	172,514	1,296,845	899,216	594,294	-	1,193,957	22,965,632
2010	6,197,568	85,503	2,611,283	5,318,971	4,200,862	905,008	165,258	95,025	1,125,851	854,452	562,248	-	1,102,798	23,224,827
2011	6,223,214	62,635	2,620,092	5,679,693	4,268,935	918,592	172,699	89,515	1,398,073	856,521	549,012	-	1,062,391	23,901,372
2012	6,393,404	55,478	2,888,651	5,891,284	4,421,659	981,727	176,765	150,152	1,247,997	840,776	599,806	-	1,042,401	24,690,100
2013	6,360,513	56,421	3,225,988	6,511,681	4,490,284	1,054,203	182,552	147,786	1,320,629	811,866	582,238	-	990,036	25,734,197
2014	6,499,529	61,539	3,255,822	6,161,108	4,035,132	1,036,454	181,859	157,158	1,380,381	841,706	565,578	-	917,942	25,094,208

Source: Annual Financial Reports 2005-2014..

This schedule is unaudited-see the accountant's report regarding this information.

CITY OF PEKIN, ILLINOIS
SCHEDULE OF 2013 TAX LEVY AND ESTIMATED COLLECTION IN 2014

Assessed valuation: $ 442,481,325

	Levy	Rate	Extension	Estimated Collection
Taxes assessed:				
Corporate	$ 642,072	.14808	$ 642,092	$ 635,671
IMRF	658,170	.15179	658,179	651,597
Fire pension	2,190,515	.50518	2,190,518	2,168,613
Police pension	1,482,458	.34189	1,482,474	1,467,649
Library	1,095,530	.25266	1,095,545	1,084,590
	$ 6,068,745	1.39960	$ 6,068,826	6,008,137
City's 50% share of Road and Bridge Tax levied by Township's within the City limits				42,015
				$6,050,152

This schedule is unaudited-see the accountant's report regarding this information.

SCHEDULE E

CITY OF PEKIN, ILLINOIS

SCHEDULE OF PROPERTY TAXES LEVIED AND COLLECTED FOR LATEST THREE (3) YEAR PERIOD

	2010 Levy				2011 Levy				2012 Levy			
Assessed valuation		$ 451,888,805				$ 446,705,014				$ 444,960,213		
Taxes assessed:	Levy	Rate	Extension	Total Collection	Levy	Rate	Extension	Total Collection	Levy	Rate	Extension	Total Collection
Corporate	$1,256,007	.28496	$1,256,024	$1,254,194	$ 123,335	.02831	$ 126,276	$ 123,280	$ 904,050	.20850	$ 904,065	$ 901,212
IMRF	-	-	-	-	754,150	.17305	771,884	753,846	639,718	.14754	639,740	637,720
Fire pension	2,221,363	.50398	2,221,403	2,218,172	2,300,000	.52777	2,354,101	2,291,072	1,956,641	.45125	1,956,639	1,950,462
Police pension	1,366,304	.30998	1,366,305	1,364,318	1,650,000	.37862	1,688,822	1,643,607	1,398,545	.32254	1,398,547	1,394,135
Library	1,048,325	.23822	1,048,338	1,048,440	1,064,500	.24464	1,091,209	1,062,491	1,095,530	.25266	1,095,545	1,093,759
Prior year adjustment	-	(.00079)	(3,477)	(3,470)	-	-	-	-	-	-	-	-
	$5,891,999	1.333635	$5,888,593	5,881,654	$5,891,985	1.35239	$ 6,032,292	5,874,296	$ 5,994,484	1.32849	$ 5,994,536	5,977,288
City's 50% share of Road and Bridge Tax levied by Townships within City limits				55,478				56,421				61,539
				$5,937,132				$ 5,930,717				$6,038,827

This schedule is unaudited-see the accountant's report regarding this information.

SCHEDULE F

CITY OF PEKIN, ILLINOIS
POLICE PENSION AND FIRE PENSION FUNDS
SCHEDULE OF FUNDING PROGRESS
LAST TEN FISCAL YEARS

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) Entry Age	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a % of Covered Payroll
POLICE PENSION FUND:						
4/30/13	INFORMATION NOT AVAILABLE FOR FISCAL YEAR ENDED 4/30/13.					
4/30/12	$ 24,165,275	$ 42,204,694	$ 18,039,419	57.3%	$ 3,433,325	525.42%
4/30/11	23,212,083	41,964,757	18,752,674	55.3%	$ 3,269,927	573.49%
4/30/10	21,220,112	37,724,433	16,504,321	56.3%	3,219,123	512.70%
4/30/09	19,136,989	35,556,321	16,419,332	53.8%	3,347,537	490.49%
4/30/08	20,969,340	33,647,827	12,678,487	62.3%	3,263,096	388.54%
4/30/07	20,303,661	32,896,806	12,593,145	61.7%	3,023,780	416.47%
4/30/06	18,923,821	28,268,185	9,344,364	66.9%	2,874,491	325.08%
4/30/05	17,634,193	30,157,842	12,523,649	58.47%	2,728,251	459.04%
4/30/04	17,259,200	28,606,668	11,347,468	60.33%	2,632,320	431.08%
FIRE PENSION FUND:						
4/30/13	$ 20,220,253	$ 48,214,440	$ 27,994,187	41.94%	$ 3,578,801	782.22%
4/30/12	18,986,284	45,638,564	26,652,280	41.60%	3,499,291	761.65%
4/30/11	17,850,399	44,271,251	26,420,852	40.32%	3,408,144	775.23%
4/30/10	15,963,616	44,005,491	28,041,875	36.3%	3,284,976	853.64%
4/30/09	13,682,722	42,749,824	29,067,102	32.0%	3,022,445	961.71%
4/30/08	15,707,222	39,302,791	23,595,569	39.96%	2,839,776	830.90%
4/30/07	15,200,255	37,490,700	22,290,445	40.54%	2,882,426	773.32%
4/30/06	13,812,012	33,400,183	19,588,171	41.4%	2,699,849	725.53%
4/30/05	12,538,583	34,115,286	21,576,703	36.75%	2,488,770	866.96%
4/30/04	11,867,118	32,634,687	20,767,569	36.36%	2,397,089	866.37%

This schedule is unaudited-see the accountant's report regarding this information.

CITY OF PEKIN, ILLINOIS
POLICE AND FIRE PENSION FUNDS
STATEMENT OF REVENUES AND OTHER RECEIPTS AND EXPENDITURES
LAST TEN FISCAL YEARS

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
POLICE PENSION FUND										
Revenues and other receipts:										
Property taxes	$ 1,394,587	$ 1,643,607	$ 1,366,304	$ 1,341,941	$ 1,115,209	$ 841,313	$ 985,094	$ 913,213	$ 888,570	$ 795,284
Replacement taxes	50,290	48,825	45,384	38,788	35,743	31,967	33,882	30,542	26,008	26,000
Payroll deductions/member contributions	457,179	368,708	360,876	361,849	330,171	331,027	328,452	385,141	286,590	284,377
Investment earnings (losses)	2,733,612	2,050,455	825,344	2,266,822	2,493,686	(1,291,720)	1,020,839	1,610,107	1,665,983	576,308
Total revenue and other receipts	4,635,668	4,111,595	2,597,908	4,009,400	3,974,809	(87,413)	2,368,267	2,939,003	2,867,151	1,681,969
Expenditures:										
Benefit payments	2,224,176	2,155,772	2,133,601	1,920,492	1,803,038	1,657,895	1,615,569	1,465,744	1,380,307	1,279,161
Other services and charges	110,289	156,400	136,776	96,937	88,648	87,043	87,019	93,419	131,447	93,584
Total expenditures	2,334,465	2,312,172	2,270,377	2,017,429	1,891,686	1,744,938	1,702,588	1,559,163	1,511,754	1,372,745
Change in net position	$ 2,301,203	$ 1,799,423	$ 327,531	$ 1,991,971	$ 2,083,123	$ (1,832,351)	$ 665,679	$ 1,379,840	$ 1,355,397	$ 309,224
FIRE PENSION FUND										
Revenues and other receipts:										
Property taxes	$ 1,951,094	$ 2,291,072	$ 2,221,363	$ 2,170,512	$ 1,804,667	$ 1,458,161	$ 1,519,422	$ 1,458,345	$ 1,368,553	$ 1,361,370
Replacement taxes	71,632	63,617	52,891	55,882	48,671	48,065	53,007	44,652	39,380	39,796
Payroll deductions/member contributions	380,308	342,039	326,254	314,324	320,935	333,368	315,441	338,429	272,209	250,244
Investment earnings (losses)	2,210,261	1,783,113	798,944	1,813,808	2,464,692	(1,745,248)	661,570	1,462,852	1,383,298	709,021
Total revenues and other receipts	4,613,295	4,479,841	3,399,452	4,354,526	4,638,965	94,346	2,549,440	3,304,278	3,063,440	2,360,431
Expenditures:										
Benefit payments	2,793,473	2,672,625	2,533,251	2,393,060	2,285,627	2,049,254	1,968,109	1,842,947	1,717,434	1,643,907
Other services and charges	111,706	97,818	90,141	74,683	72,444	69,592	74,364	73,088	64,887	52,749
Total expenditures	2,905,179	2,770,443	2,623,392	2,467,743	2,358,071	2,118,846	2,042,473	1,916,035	1,782,321	1,696,656
Change in net position	$ 1,708,116	$ 1,709,398	$ 776,060	$ 1,886,783	$ 2,280,894	$ (2,024,500)	$ 506,967	$ 1,388,243	$ 1,281,119	$ 663,775

Source: City of Pekin, Illinois Annual Financial Statements: 2005-2014.

This schedule is unaudited-see the accountant's report regarding this information.

CITY OF PEKIN, ILLINOIS
MISCELLANEOUS STATISTICS
APRIL 30, 2014

Date of Incorporation		August 21, 1849
Form of Government		Council-Manager
Area		15.9 square miles
Miles of Streets		213 miles
Number of Street Lights		1,680
Fire Protection:		
Number of Stations		3
Number of Firemen and Officers		53
Police Protection:		
Number of Stations		1
Number of Policemen and Officers		56
Sewers:		
Sanitary Sewers		116 miles
Storm Sewers		71 miles
Combination		38 miles
New Residential Building Permits Issued		27
Library:		
Number of Volumes		114,087
Employees:		
Administrative		22
Union		324
	Total	346

This schedule is unaudited-see the accountant's report regarding this information.

OTHER REPORTS

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CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the City Council
City of Pekin, Illinois

We have audited, in accordance with the 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, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Pekin, Illinois, as of and for the year ended April 30, 2014, and the related notes to the financial statements, which collectively comprise City of Pekin, Illinois' basic financial statements, and have issued our report thereon dated November 19, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Pekin, Illinois' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Pekin, Illinois' internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Pekin, Illinois' internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters
As part of obtaining reasonable assurance about whether the City of Pekin, Illinois' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Purpose of this Report
The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purposes.

Willock Warning & Co, PC

Willock Warning & Co., P.C.
Pekin, Illinois
November 19, 2014

WILLOCK WARNING & CO., P.C.
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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

To the City Council
City of Pekin, Illinois

Report on Compliance for Each Major Federal Program
We have audited the City of Pekin, Illinois' compliance with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement that could have a direct and material effect on each of the City of Pekin, Illinois' major federal programs for the year ended April 30, 2014. The City of Pekin, Illinois' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility
Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility
Our responsibility is to express an opinion on compliance for each of the City of Pekin, Illinois' major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Pekin, Illinois' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City of Pekin, Illinois' compliance.

Opinion on Each Major Federal Program
In our opinion, the City of Pekin, Illinois, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended April 30, 2014.

Report on Internal Control Over Compliance

Management of the City of Pekin, Illinois, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of Pekin, Illinois' internal control over compliance with the types of requirements that could have a material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Pekin, Illinois' internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Pekin, Illinois, as of and for the year ended April 30, 2014, and the related notes to the financial statements, which collectively comprise the City of Pekin, Illinois' basic financial statements. We issued our report thereon dated November 19, 2014, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Willock Warning & Co, PC

Willock Warning & Co., P.C.
Pekin, Illinois
November 19, 2014

CITY OF PEKIN, ILLINOIS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED APRIL 30, 2014

Federal Grantor/Pass-through Grantor/Program	Federal CFDA Number	Federal Expenditures
U.S. Department of Housing and Urban Development:		
Direct Programs:		
Community Development Block Grant	14.218	$ 484,554
Home Investment Partnership Program	14.239	$ 144,682
U.S. Environmental Protection Agency:		
Capitalization Grants for Clean Water State Revolving Funds	66.202	$ 4,283,385
U.S. Department of Transportation:		
Federal Aviation Administration:		
Pass-through program from the Illinois Department of Transportation, Division of Aeronautics:		
Airport Improvement Program	20.106	$ 5,851
U.S. Department of Homeland Security:		
Disaster Grants - Public Assistance	97.036	$ 71,297

See accompanying notes to schedule of expenditures of federal awards.

CITY OF PEKIN, ILLINOIS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED APRIL 30, 2014

NOTE A - **BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City of Pekin, Illinois and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

The Community Development Block Grant and the Home Investment Partnership Program are reported in the financial statements in the HUD Metro Development Fund, a nonmajor governmental fund.

The Environmental Protection Agency Capitalization Grants for Clean Water State Revolving Funds are reported in the financial statements in the Sewerage Fund, a major proprietary fund.

The Federal Aviation Administration Grant is reported in the financial statements in the Airport Fund, a nonmajor proprietary fund.

The U.S. Department of Homeland Security grant is reported in the General Fund of the financial statements and was the result of public assistance received through the Federal Emergency Management Agency due to tornado damages incurred in November, 2013.

NOTE B - **GRANT YEARS OF PROGRAMS-U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT DIRECT PROGRAMS:**

Expenditures of the direct programs were made from the following program years:

	Community Development Block Grant	Home Investment Pnshp. Program
Program year 2012	$ 484,554	$ 144,682

NOTE C - **PROJECT GRANTS**

Environmental Protection Agency:
Federal grant funds expended for sewer expansion costs during fiscal year 2014 was $4,283,385. Funds for the project were processed through the State of Illinois EPA Water Pollution Control Loan Program.

Federal Aviation Administration:
Expenditures of the Airport Improvement Program in the amount of $5,851 were made from grant year 2013.

CITY OF PEKIN, ILLINOIS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED APRIL 30, 2014

SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an unqualified opinion on the financial statements of the City of Pekin.

2. No significant deficiencies in internal control were disclosed during the audit of the financial statements.

3. No instances of noncompliance material to the financial statements of the City of Pekin, which would be required to be reported in accordance with Government Auditing Standards, were disclosed during the audit.

4. No significant deficiencies in internal control over major federal award programs were disclosed during the audit.

5. The auditor's report on compliance for the major federal award programs for the City of Pekin expresses an unqualified opinion on all major federal programs.

6. Audit findings that are required to be reported in accordance with Section 510 (a) of OMB Circular A-133 are reported in this Schedule.

7. The program tested as major programs included:
   CFDA No. 66.458 - U.S. Environmental Protection Agency - Capitalization Grants for Clean Water State Revolving Loans.

8. The threshold used for distinguishing between Type A and B programs was $300,000.

9. The City of Pekin qualified as a low-risk auditee based on the following criteria:
   a) Single audits were performed in accordance with Circular A-133 for each of the last two-years;
   b) The auditor's opinions on the financial statements and Schedule of Federal Awards were unqualified;
   c) There were no deficiencies in internal control that constituted material weaknesses under Government Auditing Standards;
   d) None of the federal programs had audit findings involving:

      - internal control deficiencies identified as material weaknesses;
      - noncompliance with the provisions of laws, regulations and grant agreements that have a material effect on Type A programs; or
      - known or likely questioned costs greater than 5 percent of the total federal awards expended for a Type A program during the year.

CITY OF PEKIN, ILLINOIS

PEKIN PUBLIC LIBRARY FUND

FINANCIAL STATEMENTS

APRIL 30, 2014

CITY OF PEKIN, ILLINOIS

PEKIN PUBLIC LIBRARY FUND

TABLE OF CONTENTS

WILLOCK WARNING & CO., P.C.
CERTIFIED PUBLIC ACCOUNTANTS

23 OLT AVENUE
PEKIN, ILLINOIS 61554

TELEPHONE (309) 347-3152
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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of Pekin Public Library
and To the Honorable Mayor and City Council
City of Pekin, Illinois

Report on the Financial Statements
We have audited the accompanying financial statements of the Pekin Public Library Fund of the City of Pekin, Illinois as of and for the year ended April 30, 2014, as listed in the table of contents.

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

Auditor's Responsibility
Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

Opinion
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Pekin Public Library Fund as of April 30, 2014 and the changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis of Matter
As discussed in Note 1, the financial statements present only the Pekin Public Library Fund and do not purport and do not, present fairly the financial position of the City of Pekin, Illinois as of April 30, 2014, and the changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Willock Warning & Co, PC

Willock Warning & Co., PC
Pekin, Illinois
October 23, 2014

STATEMENT 1

CITY OF PEKIN, ILLINOIS

PEKIN PUBLIC LIBRARY FUND

BALANCE SHEET

APRIL 30, 2014

ASSETS	
Current assets:	
Cash and cash equivalents:	
Operating	$ 61,526
Endowment	250,151
Capital development	414,968
Receivable-property taxes	1,095,530
Total current assets	1,822,175
Fixed assets:	
Land	86,080
Building and improvements	2,908,434
Furniture, fixtures, and equipment	711,937
Books	2,141,224
Total, at cost	5,847,675
Less accumulated depreciation	(3,126,603)
Total fixed assets	2,721,072
Total assets	$ 4,543,247
LIABILITIES AND FUND BALANCE	
Current liabilities:	
Accounts payable	$ 3,758
Accrued wages	29,118
Deferred tax revenue	1,095,530
Due to General Fund	32,184
Total current liabilities	1,160,590
Fund balance:	
Restricted	3,382,657
Total liabilities and fund balance	$ 4,543,247

The notes to the financial statements are an integral part of this statement.

CITY OF PEKIN, ILLINOIS

PEKIN PUBLIC LIBRARY FUND

STATEMENT OF REVENUES AND EXPENSES

YEAR ENDED APRIL 30, 2014

Operating revenues:	
Real estate taxes	$ 1,094,075
Replacement taxes	107,316
State per capita grant	42,618
Charges for services, fees, etc.	46,116
Other	15,144
Total operating revenues	1,305,269
Operating expenses:	
Salaries	577,567
Payroll taxes	120,480
Group health insurance	105,276
Workers' compensation insurance	3,575
Books, periodicals, cassettes, etc.	124,018
Circulation system	23,294
ISP costs	3,573
Equipment rental, supplies, postage	41,111
Program costs	17,973
Repairs and maintenance	64,756
Utilities	68,305
Telephone	2,772
Insurance	15,309
Dues and subscriptions	2,006
Travel and conferences	5,818
Outside services	6,903
Miscellaneous	7,867
Equipment purchases	36,792
Grant expenditures	36,019
Total operating expenses	1,263,414
Excess of operating revenues over operating expenses	41,855

The notes to the financial statements are an integral part of this statement.

STATEMENT 2
(continued)

CITY OF PEKIN, ILLINOIS

PEKIN PUBLIC LIBRARY FUND

STATEMENT OF REVENUES AND EXPENSES

YEAR ENDED APRIL 30, 2014

Other revenues (expenses):	
Investment earnings-operations	1,886
Investment earnings-endowments	944
Investment earnings-capital development	1,237
Gifts and memorials	50,637
Capital development expenditures	(133,263)
Deficiency of other revenues over other expenses	(78,559)
Deficiency of operating and other revenues over operating and other expenses	(36,704)
Other adjustments:	
Add capitalization of capital development expenditures	127,059
Add capitalization of books	87,895
Less depreciation of fixed assets	(183,801)
Net deficiency of operating and other revenues over operating and other expenses and other adjustments	$ (5,551)

The notes to the financial statements are an integral part of this statement.

CITY OF PEKIN, ILLINOIS

PEKIN PUBLIC LIBRARY FUND

STATEMENT OF CHANGES IN FUND BALANCE

YEAR ENDED APRIL 30, 2014

Fund balance, beginning of year	$ 3,388,208
Net deficiency of operating and other revenues over operating and other expenses and other adjustments	(5,551)
Fund balance, end of year	$ 3,382,657

The notes to the financial statements are an integral part of this statement.

CITY OF PEKIN, ILLINOIS

PEKIN PUBLIC LIBRARY FUND

STATEMENT OF REVENUES AND EXPENDITURES-BUDGET AND ACTUAL

YEAR ENDED APRIL 30, 2014

	Budget	Actual	Variance Over (Under)
Operation revenues:			
Real estate taxes	$ 1,095,530	$ 1,094,075	$ (1,455)
Replacement taxes	93,000	107,316	14,316
State per capita grant	34,650	42,618	7,968
Charges for services, etc.	51,130	46,116	(5,014)
Other	5,500	15,144	9,644
Total operating revenues	1,279,810	1,305,269	25,459
Operating expenditures:			
Salaries	565,000	577,567	12,567
Payroll taxes	116,230	120,480	4,250
Group health insurance	102,500	105,276	2,776
Workers compensation insurance	4,500	3,575	(925)
Books, periodicals, etc.	121,480	124,018	2,538
Circulation system	23,100	23,294	194
ISP costs	3,500	3,573	73
Equipment rental, supplies, and postage	38,000	41,111	3,111
Program costs	13,000	17,973	4,973
Repairs and maintenance	53,000	64,756	11,756
Utilities	66,300	68,305	2,005
Telephone	1,900	2,772	872
Insurance	16,500	15,309	(1,191)
Dues and subscriptions	2,000	2,006	6
Travel and conferences	4,700	5,818	1,118
Outside services	6,500	6,903	403
Miscellaneous	5,500	7,867	2,367
Equipment purchases	31,500	36,792	5,292
Grant expenditures	34,650	36,019	1,369
Total operating expenditures	1,209,860	1,263,414	53,554
Excess of operating revenues over operating expenditures	69,950	41,855	(28,095)

The notes to the financial statements are an integral part of this statement.

CITY OF PEKIN, ILLINOIS

PEKIN PUBLIC LIBRARY FUND

STATEMENT OF REVENUES AND EXPENDITURES

BUDGET AND ACTUAL

YEAR ENDED APRIL 30, 2014

	Budget	Actual	Variance Over (Under)
Other revenues (expenditures):			
Investment earnings-operations	2,200	1,886	(314)
Investment earnings-endowments	1,400	944	(456)
Investment earnings-capital development	3,000	1,237	(1,763)
Gifts and memorials	12,000	50,637	38,637
Capital development expenditures	(75,150)	(133,263)	58,113
Purchases from gifts and endowments	(13,400)	-	(13,400)
Deficiency of other revenue over other expenditures	(69,950)	(78,559)	80,817
Deficiency of operating and other revenues over operating and other expenditures	$ -	$ (36,704)	$ (36,704)

The notes to the financial statements are an integral part of this statement.

NOTE 1 - **SIGNIFICANT ACCOUNTING POLICIES**

Reporting Entity

The Pekin Public Library Fund is a separate fund of the City of Pekin, Illinois. It is included in the governmental activities in the Statement of Net Position and Statement of Activities of the City of Pekin's financial statements. These financial statements present only the Library Fund and are not intended to present fairly the financial position and results of operations of the City of Pekin in conformity with accounting principles generally accepted in the United States of America.

Operations of the Pekin Public Library (the "Library") are governed by nine officials, appointed by the Mayor and the City of Pekin with approval of the City Council, designated as the Board of Trustees.

Basis of Presentation

For many years, the primary focus of local governmental financial statements has been summarized fund-type information on a current financial resource basis. This approach has been modified by Government Accounting Standards Board (GASB) Statement No. 34 and the City of Pekin's financial statements present two kinds of statements, each with a different view of the City's finances. These changes affect the Pekin Public Library's financial statement in several ways:

1. The balance sheet of the Library no longer reports fixed assets as a separate account group apart from the operating assets;
2. Books purchased within the past ten years have been capitalized and added to the fixed assets. Library books are considered to have a useful life of greater than one year and, therefore, are subject to annual depreciation charges;
3. Accumulated depreciation on previous years' fixed assets has been calculated and recorded on the balance sheet.
4. The Statement of Revenues and Expenses (Statement 2) includes the current year charge for depreciation of fixed assets.

Basis of Accounting

The accrual basis of accounting, under which expenditures are recorded when the liability is incurred and revenues are recorded when earned regardless of the timing of related cash flows, is followed.

NOTE 1 - continued

Cash and Cash Equivalents

Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Fixed Assets

Fixed assets include land, building and improvements, equipment, and books with an initial useful life of one year or greater. Assets are recorded at historical cost. The cost of normal repairs and maintenance that do not add to the value of the asset or materially extend the life of the asset are not capitalized.

Depreciation has been provided using the straight-line method over the estimated useful lives of the respective assets. The estimated useful lives for each fixed asset type are as follows:

Building and improvements	50 years
Furniture, fixtures and equipment	20 years
Books	10 years

Budget

The City of Pekin's annual budget and appropriations ordinances cover all funds of the City, including the Library, and is prepared on the accrual basis. Therefore, the statement of revenues and expenditures-budget and actual has been prepared on a basis consistent with and comparable to the legally adopted budget.

NOTE 2 - PROPERTY TAXES

Property tax revenues are recorded on the "deferred method". Because of the extraordinarily long period of time between the levy date and the receipt of tax distributions from the Tazewell County Treasurer, the property taxes are not "available" to finance current year expenditures. The tax levy for 2013, to be collected in June and September, 2014, is shown on the balance sheet as property taxes receivable with a related credit to deferred tax revenue.

The property taxes for 2012 were collected June through September, 2013 and received by the Library in July, September, and November, 2013. These taxes have been recorded as real estate tax revenue in the financial statements.

NOTE 3 - CHANGES IN FIXED ASSETS

The following is a summary of the changes in fixed assets during the year:

	Balance 4/30/2013	Additions (Retirements)	Balance 4/30/2014
Land	$ 86,080	$ -	$ 86,080
Building and improvements	2,799,291	109,143	2,908,434
Furniture, fixtures and equipment	694,020	17,917	711,937
Books	2,053,329	87,895	2,141,224
Total	$ 5,632,720	$ 214,955	$ 5,847,675

NOTE 4 - EXPENDITURES FROM SPECIAL ACCOUNTS

During the year the following expenditures were charged to line items that were budgeted as purchases from Gifts and Endowments:

Books, cassettes, and CD's	$ 3,711
Conferences and meetings	520
Program costs	3,818
Supplies	1,533
Total	$ 9,582

NOTE 5 - RESTRICTED FUND BALANCE

Governmental fund equity is classified as fund balance. In the governmental fund financial statements, fund balances are classified as follows:

- **Nonspendable** - Amounts that cannot be spent either because they are in nonspendable form or because they are legally or contactually required to be maintained intact.
- **Restricted** - Amounts that can be spent only for specific purposes because of municipal, state or federal laws, or externally imposed conditions by grantors or creditors.
- **Committed** - Amounts that can be used only for specific purposes determined by formal action by Board ordinance or resolution.
- **Assigned** - Amounts that are designated by a committee of the Board for a particular purpose but are not spendable until there is a majority vote approved by the Board.
- **Unassigned** - All amounts not includable in other spendable classifications.

The Library's fund balance is characterized as Restricted. The Restricted Fund Balance is comprised of the following:

NOTE 5 - continued

	Restricted Fund Balance at April 30, 2014
1. Reserve for future capital development projects. The reserve is divided into three categories and has a limit placed upon it totaling $4,600,000.	$ 414,968
2. The Library Board has created several endowment funds from the proceeds of bequests received throughout the years. None of the funds have legal restrictions or conditions imposed on their use. The Board has established certain criteria for the expenditure of the funds.	250,151
3. Remaining use of funds for library purposes	2,717,538
Total	$ 3,382,657

NOTE 6 - SUBSEQUENT EVENTS

On May 12, 2014, the Pekin City Council passed Ordinance Number 2699-1415, which provides for the issuance of general obligation bonds not to exceed $6 million. The bond funds will be used to finance a portion of the construction costs associated with the renovation of the library building. Total construction costs are not known as of the date of this report.

On June 24, 2014, the Library received a beneficiary distribution of $420,000 from a local charitable trust.