

CITY OF PERU, ILLINOIS
ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
APRIL 30, 2024

CITY OF PERU, ILLINOIS

**Table of Contents
For the Year Ended April 30, 2024**

	PAGE
INDEPENDENT AUDITORS' REPORT	1-3
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)	4-10
BASIC FINANCIAL STATEMENTS:	
Government-wide Financial Statements:	
Statement of Net Position (Statement A)	11
Statement of Activities (Statement B)	12
Fund Financial Statements:	
Balance Sheet – Governmental Funds (Statement C)	13-14
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds (Statement D)	15-16
Statement of Net Position – Proprietary Funds (Statement E)	17
Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds (Statement F)	18
Statement of Cash Flows – Proprietary Funds (Statement G)	19
Statement of Fiduciary Net Position (Statement H)	20
Statement of Changes in Fiduciary Net Position (Statement I)	21
NOTES TO BASIC FINANCIAL STATEMENTS	22-69
REQUIRED SUPPLEMENTARY INFORMATION:	
General Fund:	
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual (Schedule A-1)	70-76
Illinois Municipal Retirement Fund:	
Schedule of Changes in the City's Net Pension Liability and Related Ratios (Schedule B-1)	77-78
Schedule of City Contributions (Schedule B-2)	79

CITY OF PERU, ILLINOIS

**Table of Contents
For the Year Ended April 30, 2024**

	PAGE
REQUIRED SUPPLEMENTARY INFORMATION (Continued):	
Police Pension Fund:	
Schedule of Changes in the City’s Net Pension Liability and Related Ratios (Schedule B-3).....	80-81
Schedule of City Contributions (Schedule B-4).....	82
Schedules of Investment Returns (Schedule B-5)	83
Firemen’s Pension Fund:	
Schedules of Changes in the City’s Net Pension Liability and Related Ratios (Schedule B-6).....	84-85
Schedule of City Contributions (Schedule B-7).....	86
Schedules of Investment Returns (Schedule B-8)	87
Retiree Health Plan:	
Schedule of Changes in the City’s Net OPEB Liability and Related Ratios (Schedule B-9).....	88
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION.....	89-91
OTHER INFORMATION:	
Non-major Special Revenue Funds:	
Combining Balance Sheet (Schedule C-1)	92-93
Combining Schedule of Revenues, Expenditures And Changes in Fund Balances (Schedule C-2).....	94-95
Drug Enforcement Fund:	
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual (Schedule C-3)	96
Garbage Fund:	
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual (Schedule C-4)	97

CITY OF PERU, ILLINOIS

Table of Contents
For the Year Ended April 30, 2024

PAGE

OTHER INFORMATION (Continued):

Non-major Special Revenue Funds (Continued):

Motor Fuel Tax Fund:

Schedule of Revenues, Expenditures, and Changes
in Fund Balance – Budget and Actual (Schedule C-5)98

TIF District No. 2 (Industrial Park) Fund:

Schedule of Revenues, Expenditures, and Changes
in Fund Balance – Budget and Actual (Schedule C-6)99

TIF District No. 3 Fund:

Schedule of Revenues, Expenditures, and Changes
in Fund Balance – Budget and Actual (Schedule C-7)100

TIF District No. 4 (Downtown) Fund:

Schedule of Revenues, Expenditures, and Changes
in Fund Balance – Budget and Actual (Schedule C-8)101

TIF District No. 5 (Peru Mall) Fund:

Schedule of Revenues, Expenditures, and Changes
in Fund Balance – Budget and Actual (Schedule C-9)102

MVP TIF Fund:

Schedule of Revenues, Expenditures, and Changes
in Fund Balance – Budget and Actual (Schedule C-10)103

Community Development Assistance Program Fund:

Schedule of Revenues, Expenditures, and Changes
in Fund Balance – Budget and Actual (Schedule C-11)104

Fiduciary Funds:

Pension Trust Funds:

Combining Statement of Fiduciary Funds (Schedule D-1)105
Combining Statement of Changes in Fiduciary Net Position (Schedule D-2)106

CITY OF PERU, ILLINOIS

**Table of Contents
For the Year Ended April 30, 2024**

	PAGE
SUPPLEMENTAL INFORMATION	
Schedule of Assessed Valuations, Rates, Extensions and Collections (Schedule E).....	107
OTHER REQUIRED REPORTING	
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	108-109
Independent Auditors' Report on Compliance with the Illinois Tax Increment Allocation Redevelopment Act	110-111

INDEPENDENT AUDITORS' REPORT



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Independent Auditors' Report

To the Chairman and Members
of the City Council
City of Peru, Illinois

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Peru, Illinois, as of and for the year ended April 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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, each major fund, and the aggregate remaining fund information of the City of Peru, Illinois, as of April 30, 2024, 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.

We did not audit the financial statements of Police Pension and Firemen's Pension Funds, which represent 100 percent and 100 percent, respectively, of the assets, and net position of the Fiduciary Funds as of April 30, 2024, and the respective changes in financial position for the year then ended. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Fiduciary Funds, is based solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Peru, Illinois, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibility of Management 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Peru, Illinois' ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions.

Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and Government Auditing Standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison information, and the pension data schedules and OPEB and related notes 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 City of Peru, Illinois' basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

Supplemental Information

Management is responsible for the supplemental information included in the annual report. The supplemental information is comprised of the schedules of assessed valuations, tax rates, tax extensions and tax collections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the supplemental information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the supplemental information and consider whether a material inconsistency exists between the supplemental information and the basic financial statements, or the supplemental information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the supplemental information exists, we are required to describe it in our report.

Report on Summarized Comparative Information

We previously audited City of Peru, Illinois' April 30, 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 20, 2023. The summarized comparative information presented herein as of and for the year ended April 30, 2023 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 21, 2024 on our consideration of the City of Peru, Illinois' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Peru, Illinois' internal control over financial reporting and compliance.

Mack & Associates, P.C.

Mack & Associates, P.C.
Certified Public Accountants

Morris, Illinois
October 21, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

CITY OF PERU, ILLINOIS

Management's Discussion and Analysis - Unaudited For the Year Ended 2024

The management of the City of Peru, Illinois provides the following information as an introduction, overview and analysis of the City's financial statements for the year ended April 30, 2024.

Please read this analysis in conjunction with the City's financial statements. The first two financial statements are government-wide statements that account for all activities within the City. The individual fund financial statements that follow delve into the City's major funds in more detail.

Financial Highlights

- The City's overall net position increased \$7,966,117 to \$127,786,090 during fiscal year 2024. Of this amount, the net position of the governmental activities increased \$4,337,201 and the net position of the business-type activities increased \$3,628,916.
- Revenues of the City's governmental activities increased 3.7%, or \$930,784 from fiscal year 2023 to fiscal year end 2024. The grant received for Master Builder Way road construction within the MVP TIF District accounts for 2.4% of that increase. The revenues of the business-type of activities increased nearly 5.0%, or \$1,646,538 due to an increase in utility services.
- Total program expenses of the City's governmental activities increased \$2,427,726 which is attributable to the Master Builder Way roadway development costs. These costs were offset by nearly 50% with grant receipts in revenue.

Using This Annual Report

The annual report consists of a series of financial statements and other information, as follows:

Management's Discussion and Analysis introduces the basic financial statements and provides an analytical overview of the City's financial statements.

Government-wide Financial Statements consist of a Statement of Net Position and a Statement of Activities. These provide information about the activities of the City of Peru, Illinois as a whole and present an overview of the City's finances.

Fund Financial Statements tell how governmental services were financed in the short term as well as what remains for future spending. Fund financial statements report the City of Peru, Illinois' operations in more detail than the government-wide financial statements by providing information about the most significant funds.

Notes to Financial Statements provide additional information essential to a full understanding of the data provided in the basic financial statements.

Required Supplementary Information further explains and supports the financial statements with a comparison of the City's General Fund budget for the year, the City's schedule of changes in the net pension liability and related ratios, schedule of city contributions, schedules of investment returns and schedule of funding progress for the retiree health plan.

Other Information provides detailed information about the nonmajor special revenue funds, private purpose and pension trust funds and assessed property tax valuations, rates, extensions and collections.

CITY OF PERU, ILLINOIS

Management's Discussion and Analysis - Unaudited For the Year Ended 2024

Reporting the City's Financial Activities

Government-wide Financial Statements

One of the most important questions asked about the City's finances is, "Is the City as a whole better off as a result of the fiscal year's activities or did they set us back?" The Statement of Net Position and the Statement of Activities report information that helps to answer this question. The statements include all assets, deferred outflows of resources, liabilities and deferred inflows of resources using an accrual basis of accounting, and an economic measurement focus of our resources, which is similar to the accounting used by most private sector companies. The current fiscal year's revenues and expenses are reported, regardless of when cash is received or paid.

The Statement of Net Position is the most comprehensive way to evaluate a city's financial standing. It presents financial information on the City's assets in total, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in the City's net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The Statement of Activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will not result in cash flows until future fiscal years.

The Statement of Net Position and the Statement of Activities report two kinds of activities: Governmental activities include public safety, public works, culture and recreation, general government, health and welfare, and payments under intergovernmental agreements. Sales taxes finance almost all these activities. Business type activities also referred to as the Enterprise Funds include the Utility Fund, the Landfill Fund and the Airport Fund. These activities are financed primarily by user charges.

Fund Financial Statements

The City has three kinds of funds:

Governmental funds account for most of the City's basic services. These focus on how money flows into and out of those funds and the balances at year-end that are available for spending. Governmental funds include the General Fund and the Special Revenue Funds. These funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund financial statements provide a detailed, short-term view of the City's general governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the short term to finance the City's programs.

The required financial statements for governmental funds include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balance.

CITY OF PERU, ILLINOIS

Management's Discussion and Analysis - Unaudited For the Year Ended 2024

Fund Financial Statements – (Continued)

Proprietary funds account for the City's Enterprise and Internal-Service Funds. These funds report on services for which the City charges customers for the service it provides. Proprietary funds are reported in the same way all activities are reported in the Statement of Net Position and the Statement of Activities, except for Internal Service Funds, which are combined with Governmental Activities on the Statement of Net Position. The major difference between the proprietary funds and the business type activities included in the government-wide statements is the detail and additional information, such as cash flows, provided in the proprietary fund statements.

The Enterprise Funds include the Utility Fund, the Landfill Fund, and the Airport Fund, each considered to be a major fund of the City. The Internal Service Fund is used to account for the City's health insurance premiums and claims. The City is responsible for ensuring the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The financial statements required for proprietary funds include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Fund Net Position as well as a Statement of Cash Flows.

The city is the trustee, or fiduciary, for assets that belong to others. These funds include the Police and Firemen's Pension Trust that are held by the State of IL and a minimal amount of custodial funds held locally to manage retiree payroll and active participant's contributions. The City is responsible for ensuring the assets reported in the fiduciary funds are used only for their intended purposes and by those to whom the assets belong. The city excludes these activities from the government-wide financial statements because it cannot use these assets to finance its operations. The financial statement required for fiduciary funds include a Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position. 100% of the city's levied property taxes go to the pension funds. Property taxes are not used for operational spending.

The government-wide financial statements and the governmental fund financial statements are reconciled within the Basic Financial Statements section.

CITY OF PERU, ILLINOIS

**Management’s Discussion and Analysis - Unaudited
For the Year Ended 2024**

Government-wide Financial Analysis:

As noted earlier, net position may serve over time as a useful indicator of financial position. The analyses that follow focus on the changes in the net position for governmental and business type activities.

	Governmental Activities		Business-type Activities		Total Primary Government	
	2024	2023	2024	2023	2024	2023
<u>Assets</u>						
Current and other assets	\$ 18,362,248	\$ 17,730,993	22,939,918	23,454,089	41,302,166	41,185,082
Capital assets	58,387,760	55,361,525	72,030,386	71,203,069	130,418,146	126,564,594
Total assets	76,750,008	73,092,518	94,970,304	94,657,158	171,720,312	167,749,676
Deferred Outflows	5,859,673	7,173,765	1,727,216	2,162,328	7,586,889	9,336,093
<u>Liabilities</u>						
Current liabilities	1,825,748	1,973,199	2,551,932	2,993,599	4,377,680	4,966,798
Long-term liabilities	34,764,612	35,702,163	6,308,014	8,240,338	41,072,626	43,942,501
Total liabilities	36,590,360	37,675,362	8,859,946	11,233,937	45,450,306	48,909,299
Deferred inflows	5,422,742	6,331,543	648,063	2,024,954	6,070,805	8,356,497
<u>Net Position</u>						
Net investment in capital assets	39,524,671	35,601,783	66,828,993	64,546,750	106,353,664	100,148,533
Restricted	5,861,151	6,528,469	1,068,433	1,529,263	6,929,584	8,057,732
Unrestricted	(4,789,243)	(5,870,874)	19,292,085	17,484,582	14,502,842	11,613,708
Total net position	\$ 40,596,579	\$ 36,259,378	87,189,511	83,560,595	127,786,090	119,819,973

The amount by which the City’s assets and deferred outflows exceed its liabilities and deferred inflows is called net position. At year-end, the City’s net position was \$127,786,091. Of that amount, \$106,353,664 was invested in capital assets, net of related debt, and depreciation related to those assets. There were \$6,929,584 of net assets restricted for purposes specified by external restrictions, constitutional provisions, debt agreements or enabling legislation. The remaining \$14,502,842 was unrestricted.

CITY OF PERU, ILLINOIS

**Management's Discussion and Analysis - Unaudited
For the Year Ended 2024**

Government-wide Financial Analysis – (Continued):

	Governmental Activities		Business-type Activities		Total Primary Government	
	2024	2023	2024	2023	2024	2023
Revenues:						
Program revenues:						
Charges for services	\$ 4,998,244	\$ 5,073,602	33,858,224	32,775,959	38,856,468	37,849,561
Operating grants and contributions	1,183,577	831,584	50,000	-	1,233,577	831,584
Capital grants			139,258	140,301	139,258	140,301
General revenues:						
Property taxes, levied for general purposes	1,844,877	1,668,893	-	-	1,844,877	1,668,893
Sales tax	7,509,144	7,201,633	-	-	7,509,144	7,201,633
Income tax	1,648,773	1,542,258	-	-	1,648,773	1,542,258
Home rule sales tax	4,984,422	4,788,714	-	-	4,984,422	4,788,714
Hotel/motel tax	753,700	659,190	-	-	753,700	659,190
Telecommunications tax	119,688	131,503	-	-	119,688	131,503
Local use tax	373,707	400,792	-	-	373,707	400,792
Cannabis use tax	112,832	15,581	-	-	112,832	15,581
Video gaming tax	473,379	435,447	-	-	473,379	435,447
Replacement tax	456,658	681,354	-	-	456,658	681,354
Motor Fuel tax	434,631	522,424			434,631	522,424
Interest income	443,649	251,033	483,031	174,664	926,680	425,697
Other	486,583	689,072	360,695	153,746	847,278	842,818
Total revenues	<u>25,823,864</u>	<u>24,893,080</u>	<u>34,891,208</u>	<u>33,244,670</u>	<u>60,715,072</u>	<u>58,137,750</u>
Program expenses:						
General government	6,260,309	6,374,911	-	-	6,260,309	6,374,911
Public safety	6,834,175	7,564,347	-	-	6,834,175	7,564,347
Public works	4,814,750	6,259,159	-	-	4,814,750	6,259,159
Health and welfare	1,404,796	1,325,847	-	-	1,404,796	1,325,847
Culture & recreation	1,297,375	1,450,963	-	-	1,297,375	1,450,963
Payments under intergov't agreements	554,890	458,215	-	-	554,890	458,215
Interest on long-term debt	432,714	446,462	-	-	432,714	446,462
(Gain)/Loss on disposal of capital assets	(112,346)	34,486	-	-	(112,346)	34,486
Utility Fund	-	-	30,656,350	30,928,842	30,656,350	30,928,842
Landfill	-	-	97,245	164,147	97,245	164,147
Airport	-	-	508,697	530,337	508,697	530,337
Total expenses	<u>21,486,663</u>	<u>23,914,389</u>	<u>31,262,292</u>	<u>31,623,326</u>	<u>52,748,955</u>	<u>55,537,716</u>
Change in net position	<u>4,337,201</u>	<u>978,691</u>	<u>3,628,916</u>	<u>1,621,344</u>	<u>7,966,117</u>	<u>2,600,035</u>
Net position, beginning of year	<u>36,259,378</u>	<u>35,280,688</u>	<u>83,560,595</u>	<u>81,939,251</u>	<u>119,819,973</u>	<u>117,219,939</u>
Net position, end of year	<u>\$ 40,596,578</u>	<u>36,259,378</u>	<u>87,189,511</u>	<u>83,560,595</u>	<u>127,786,089</u>	<u>119,819,973</u>

CITY OF PERU, ILLINOIS

Management's Discussion and Analysis - Unaudited For the Year Ended 2024

Government-wide Financial Analysis – (Continued):

The City of Peru, Illinois' change in net position in total for the primary government was \$7,966,118 during fiscal year 2024. The net position related to government activities and business type activities increased \$4,337,201 and 3,628,916, respectively. Both contributors of net position were impacted positively with revenues increasing \$930,784 and \$1,646,538 and the expenses decreasing \$2,427,726 and \$361,034 for the government and business activities, respectively.

The expenses for governmental activities decreased to \$21,486,633 compared to \$23,914,389 last year. This differential is due to the large expenditure in FY23 for the newly created TIF property related to the GAF manufacturing plant. Although it was a significant expense in FY2023 of \$4.7 million, those costs will be recouped with future revenues from the TIF incremental tax receipts and potential sale of additional property for further development. Expenses for business type activities decreased to \$31,262,292 from \$31,623,326 last year.

Government related expenses of \$4,998,244 were paid by those who directly benefitted from the programs or paid for by other governments and organizations which subsidized certain programs. \$1,183,577 was paid with operating grants. The City paid the remaining "public benefit" portion of the governmental activities with sales taxes, (some of which could only be used for certain programs) and with interest investment income and other miscellaneous receipts.

Individual Major Fund Analysis

Governmental Fund Highlights

As the City of Peru, Illinois completed the year, its total governmental funds reported a combined fund balance of \$12,314,121 which is \$705,784 greater than the total fund balance at April 30, 2023. The fund balance of the General Fund alone at April 30, 2024 was \$10,676,631. This represented an increase of \$433,292 or 4.2%.

Proprietary Fund Highlights

The net position of the Utility Fund at April 30, 2024 was \$77,405,981. This represented an increase of \$3,878,483 during the year. The increase is due to charges for utility services in the city exceeding normal operating expenses by \$3,214,459. The cost of electricity is variable based on demand, hydroelectric performance, and load factors. This increase in position does not reflect the outflow of resources to invest in capital items. In the Utility Fund, capital assets exceeded depreciation by \$62,602,456. Depreciation expense was \$3,417,554 in FY24 related to the Utility Fund assets.

The net position balance of the Landfill Fund on April 30, 2024, was \$1,071,497. This represented a decrease of (\$35,633) from 2023, consistent with prior years. The Landfill is in the later stages of the closure process. Landfill revenue is primarily generated from monthly assessments on utility bills.

The net position balance of the Airport Fund on April 30, 2024 was \$8,712,033. This represented a decrease of (\$213,934) from the prior year. Airport revenue is generated from T-hanger rentals, renting of surrounding farmland, and corporate hangar land leases. Airport projects are dependent on funds from the Department of Aeronautics (both Federal and State). Depreciation is the largest expense for the Airport. Depreciation expense for the year ended April 30, 2023 was \$224,411.

CITY OF PERU, ILLINOIS

Management's Discussion and Analysis - Unaudited For the Year Ended 2024

Capital Assets and Debt Administration

Capital Assets

The City's capital assets include land, land improvements, buildings, machinery and equipment, infrastructure, and construction in progress. Although capital assets used for governmental activities are not considered financial resources, and, therefore, are not reported in the fund, they totaled \$58,387,760 (net of accumulated depreciation) at April 30, 2024. Significant capital activity included the 2023 Street Program (1,073,336), Leaf Vac (\$304,097), Sunset Park Playground (\$116,110), Sunset Park Lighting (\$99,800), and Body Cameras/Video Equipment (\$100,191).

Capital assets' values for business type activities totaled \$72,030,386 (net of accumulated depreciation) at April 30, 2024. Significant capital expenditures within the Utility Fund were the completion of several projects including the NE Watermain PHI, Pohar Crossing utilities and the MVP utility infrastructure. The Utility Fund purchased a new Vactor Truck (\$522,806). Airport Fund completed projects included the Runway Extension PHII and Corporate Hangar Utility Improvements.

Long-term Debt

At April 30, 2024, the City had \$17,351,840 of general obligation bonds, outstanding notes, and leases payable for governmental activities. Business type activities had \$5,118,252. The City currently holds a Moody's Investor Services issued Aa3 rating. Moody's noted that although the local economy is somewhat limited, the city's is well balanced with healthy reserves. Additional information on the City's debt can be found in Note 5 of this report.

Economic Factors and Next Year's Budget and Rates

Sales taxes generated continue to be the City's primary governmental revenue source. The city receives 1% of the State sales tax collected under the State of Illinois' Retailer's Occupation Tax legislation and an additional 1% sales tax on certain goods from local Home Rule Ordinances. Fiscal year 2024 total sales tax revenue reached an unprecedented high of nearly \$12.7M, a 6% increase over FY2023 of \$11.9M. Inflation and consistently strong purchasing continued to drive the increase. Combined sales tax and home-rule sales taxes increased an unprecedented 6.36% from 2023 to 2024. To date FY2025, we are trending up 4% over FY2024; however, this trend may not continue due to deceleration of inflation.

FY24 recognized the greatest interest rate earning potential for cash investments in the past 20 years. As a result, interest income for the city was nearly \$1M in total, a 118% increase over FY2023. As a municipality, majority of our cash investments are short-term; therefore, with the recent .5% decrease in the interest rate by the Federal Reserve, we will likely not sustain this revenue into the second half of FY2025. This was the first rate cut in four years.

Property taxes continue to be allocated exclusively to public safety pensions. Increased equalized assessed values, new developments, and a strong sales tax base allow the City to keep property tax rates as one of the lowest in the County.

If you have questions about this report or need additional financial information, contact the City of Peru Council, 1901 4th Street, Peru, Illinois 61354.

BASIC FINANCIAL STATEMENTS

Statement of Net Position

April 30, 2024

(With Comparative Figures for April 30, 2023)

	Primary Government			
	Governmental Activities	Business-type Activities	Totals	
			2024	2023
ASSETS				
Cash and cash equivalents	\$ 10,609,343	9,373,221	19,982,564	18,927,757
Investments	1,392,922	8,284,011	9,676,933	9,363,864
Receivables:				
Property taxes	2,197,291	-	2,197,291	2,016,301
Sales taxes	1,861,193	-	1,861,193	1,699,200
Telecommunications taxes	29,346	-	29,346	32,645
Home rule sales taxes	1,187,040	-	1,187,040	1,131,629
Motor fuel taxes	35,592	-	35,592	35,159
State income taxes	467,001	-	467,001	444,118
Replacement taxes	75,559	-	75,559	129,210
Accounts receivable	105,029	2,976,192	3,081,221	3,844,145
Other	91,234	-	91,234	7,239
Prepaid expenses	204,310	1,234,922	1,439,232	1,430,875
Guaranteed deposits	-	156,659	156,659	-
Inventory	-	109,527	109,527	124,778
Internal balances	106,388	(106,388)	-	-
Restricted cash and cash equivalents	-	911,774	911,774	1,147,329
Restricted investments	-	-	-	381,934
Capital assets, net of accumulated depreciation	58,387,760	72,030,386	130,418,146	126,564,594
Total assets	76,750,008	94,970,304	171,720,312	167,280,777
DEFERRED OUTFLOWS OF RESOURCES				
Bond refunding loss	-	92,608	92,608	168,657
Asset retirement obligation	-	360,000	360,000	365,000
Pension-related deferred outflows	5,859,673	1,274,608	7,134,281	8,802,436
Total deferred outflows	5,859,673	1,727,216	7,586,889	9,336,093
LIABILITIES				
Accounts payable	1,385,976	1,885,463	3,271,439	3,528,858
Accrued interest payable	192,565	39,358	231,923	190,645
Salaries and benefits payable	247,207	-	247,207	185,382
Refundable customer deposits	-	627,111	627,111	593,014
Long-term liabilities:				
Due within one year:				
Notes payable	155,239	230,328	385,567	382,600
General obligation bonds payable	1,165,000	1,190,000	2,355,000	1,695,000
Lease payable	62,751	26,901	89,652	124,493
Compensated absences	309,020	91,142	400,162	413,981
Due in more than one year:				
Notes payable	652,430	1,842,625	2,495,055	2,880,622
General obligation bonds payable	16,641,249	1,838,141	18,479,390	20,992,722
Lease payable	186,420	73,398	259,818	340,624
Asset retirement obligation	-	375,000	375,000	375,000
Compensated absences	511,415	38,107	549,522	737,958
Net OPEB liability	476,711	158,903	635,614	680,785
Net pension liability	14,604,377	134,470	14,738,847	15,009,717
Estimated post-closure care	-	308,999	308,999	308,999
Total liabilities	36,590,360	8,859,946	45,450,306	48,440,400
DEFERRED INFLOWS OF RESOURCES				
Succeeding year property tax	2,027,291	-	2,027,291	1,846,301
Deferred grant revenue	-	-	-	117,621
Deferred impact fees	-	-	-	1,096,074
Pension-related deferred inflows	3,395,451	648,063	4,043,514	5,296,501
Total deferred inflows	5,422,742	648,063	6,070,805	8,356,497
NET POSITION				
Net investment in capital assets	39,524,671	66,828,993	106,353,664	100,148,533
Restricted for:				
Debt service	-	1,068,433	1,068,433	1,529,263
Public safety services	233,986	-	233,986	243,944
Streets and public improvements	555,871	-	555,871	354,618
Urban renewal purposes	802,003	-	802,003	688,783
Economic development	95,151	-	95,151	35,698
Other purposes	4,174,140	-	4,174,140	5,205,426
Unrestricted	(4,789,243)	19,292,085	14,502,842	11,613,708
Total net position	\$ 40,596,579	87,189,511	127,786,090	119,819,973

The Notes to Basic Financial Statements are an integral part of this statement.

Statement of Activities
Year Ended April 30, 2024
(With Comparative Figures for the Year Ended April 30, 2023)

	Program Revenues				Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Totals	
							2024	2023
Primary government:								
Governmental activities:								
General government	\$ 6,260,309	4,023,857	1,183,577	-	(1,052,875)	-	(1,052,875)	(1,411,950)
Public safety	6,834,175	10,013	-	-	(6,824,162)	-	(6,824,162)	(7,542,187)
Public works	4,814,750	-	-	-	(4,814,750)	-	(4,814,750)	(6,259,159)
Health and welfare	1,404,796	964,374	-	-	(440,422)	-	(440,422)	(405,782)
Culture and recreation	1,297,375	-	-	-	(1,297,375)	-	(1,297,375)	(1,450,963)
Payments under intergovernmental agreements	554,890	-	-	-	(554,890)	-	(554,890)	(458,215)
Unallocated interest on long-term debt	432,714	-	-	-	(432,714)	-	(432,714)	(446,462)
Total governmental activities	21,599,009	4,998,244	1,183,577	-	(15,417,188)	-	(15,417,188)	(17,974,718)
Business-type activities:								
Utility fund	30,656,350	33,738,519	50,000	-	-	3,132,169	3,132,169	1,726,793
Landfill	97,245	39,812	-	-	-	(57,433)	(57,433)	(125,387)
Airport	508,697	79,893	-	139,258	-	(289,546)	(289,546)	(308,472)
Total business-type activities	31,262,292	33,858,224	50,000	139,258	-	2,785,190	2,785,190	1,292,934
Total primary government	\$ 52,861,301	38,856,468	1,233,577	139,258	(15,417,188)	2,785,190	(12,631,998)	(16,681,784)
General revenues:								
Property taxes, levied for general purposes					\$ 1,844,877	-	1,844,877	1,668,893
Sales tax					7,509,144	-	7,509,144	7,201,633
Income tax					1,648,773	-	1,648,773	1,542,258
Home rule sales tax					4,984,422	-	4,984,422	4,788,714
Hotel/motel tax					753,700	-	753,700	659,190
Telecommunications tax					119,688	-	119,688	131,503
Local use tax					373,707	-	373,707	400,792
Cannabis use tax					112,832	-	112,832	15,581
Video gaming tax					473,379	-	473,379	435,447
Replacement tax					456,658	-	456,658	681,354
Motor fuel tax					434,631	-	434,631	522,424
Interest income					443,649	483,031	926,680	425,697
Fines and penalties					90,748	-	90,748	88,020
Telecom tower proceeds					64,632	-	64,632	74,266
Other					331,203	360,695	691,898	680,532
Total General revenues					19,642,043	843,726	20,485,769	19,316,304
Special items:								
Gain/loss on disposal of capital assets					112,346	-	112,346	(34,486)
Change in net position					4,337,201	3,628,916	7,966,117	2,600,034
Net position, beginning of year					36,259,378	83,560,595	119,819,973	117,219,939
Net position, end of year					\$ 40,596,579	87,189,511	127,786,090	119,819,973

The Notes to Basic Financial Statements are an integral part of this statement.

Balance Sheet - Governmental Funds

April 30, 2024

(With Comparative Figures for April 30, 2023)

	General Fund	Non-major Governmental Funds	Total Governmental Funds	
			2024	2023
<u>ASSETS</u>				
Cash and cash equivalents	\$ 8,027,184	1,719,357	9,746,541	9,462,494
Investments	1,392,922	-	1,392,922	1,441,489
Receivables:				
Property taxes	1,105,789	1,091,502	2,197,291	2,016,301
Sales taxes	1,861,193	-	1,861,193	1,699,200
Telecommunications taxes	29,346	-	29,346	32,645
Home rule sales taxes	1,187,040	-	1,187,040	1,131,629
Motor fuel taxes	-	35,592	35,592	35,159
State income taxes	467,001	-	467,001	444,118
Replacement taxes	75,559	-	75,559	129,210
Accounts	-	105,029	105,029	122,851
Other	91,234	-	91,234	7,239
Due from other funds	106,388	-	106,388	297,579
Prepaid expenses	204,310	-	204,310	222,194
Total assets	<u>\$ 14,547,966</u>	<u>2,951,480</u>	<u>17,499,446</u>	<u>17,042,108</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</u>				
Liabilities:				
Overdraft payable	\$ -	222,488	222,488	73,598
Accounts payable	1,385,976	-	1,385,976	1,579,924
Salaries and benefits payable	247,207	-	247,207	185,382
Due to other funds	-	-	-	391,276
Total liabilities	<u>1,633,183</u>	<u>222,488</u>	<u>1,855,671</u>	<u>2,230,180</u>
Deferred inflows of resources:				
Succeeding year property tax	935,789	1,091,502	2,027,291	1,846,301
Unavailable revenues	1,302,363	-	1,302,363	1,357,290
Total deferred inflows	<u>2,238,152</u>	<u>1,091,502</u>	<u>3,329,654</u>	<u>3,203,591</u>
Fund balances:				
Non-spendable:				
Prepaid expenses	204,310	-	204,310	222,194
Parkside school	535,958	-	535,958	517,607
Assigned - municipal pool	134,443	-	134,443	100,000
Committed - motel tax	1,827,104	-	1,827,104	948,053
Restricted for:				
Public safety services	-	233,986	233,986	243,944
Streets and public improvements	-	555,871	555,871	354,618
Urban renewal purposes	-	802,003	802,003	688,783
Economic development	-	95,151	95,151	35,698
Other purposes	4,001,173	172,967	4,174,140	5,205,426
Unassigned	3,973,643	(222,488)	3,751,155	3,292,014
Total fund balances	<u>10,676,631</u>	<u>1,637,490</u>	<u>12,314,121</u>	<u>11,608,337</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 14,547,966</u>	<u>2,951,480</u>	<u>17,499,446</u>	<u>17,042,108</u>

The Notes to Basic Financial Statements are an integral part of this statement.

Balance Sheet - Governmental Funds
April 30, 2024
(With Comparative Figures for April 30, 2023)

	<u>2024</u>	<u>2023</u>
Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position:		
Total governmental fund balances	\$ 12,314,121	11,608,337
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in government activities are not current financial resources, and, therefore, are not report in the funds. The cost of capital assets is \$93,625,130 and the accumulated depreciation is \$35,237,370.	58,387,760	55,361,525
Other long-term assets are not available to pay current year expenditures and, therefore, are recognized as deferred inflows of resources in the governmental funds.	1,302,363	1,357,290
Accrued interest payable	(192,565)	(134,295)
Pension-related deferred outflows of resources and deferred inflows of resources are not due and payable in the current year and, therefore, are not reported in the governmental funds, as follows:		
Deferred outflows of resources	5,859,673	7,173,765
Deferred inflows of resources	(3,395,451)	(4,485,242)
Internal services are used to charge the costs of insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position.	1,085,290	1,080,161
Long-term liabilities are not due and payable in the current year and, therefore, are not reported as liabilities in the governmental funds.		
General obligation bonds	(16,295,000)	(16,830,000)
Bond premium	(1,511,249)	(1,634,570)
Notes payable	(807,669)	(959,941)
Lease payable	(249,171)	(335,231)
Compensated absences	(820,435)	(893,875)
Net OPEB liability	(476,711)	(510,589)
Net pension liability / asset	<u>(14,604,377)</u>	<u>(14,537,957)</u>
Net position of governmental activities	<u>\$ 40,596,579</u>	<u>36,259,378</u>

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
Year Ended April 30, 2024
(With Comparative Figures for the Year Ended April 30, 2023)

	General Fund	Non-major Governmental Funds	Total Governmental Funds	
			2024	2023
Revenues:				
Taxes	\$ 17,105,260	844,643	17,949,903	16,781,609
Intergovernmental revenue	1,640,235	434,631	2,074,866	2,035,362
Licenses and permits	2,350,542	-	2,350,542	2,619,911
Fines and penalties	66,790	23,958	90,748	88,020
Charges for services	10,013	964,374	974,387	942,225
Interest income	410,224	24,155	434,379	248,324
Cell tower proceeds	64,632	-	64,632	74,266
Other	307,384	23,819	331,203	526,786
Total revenues	21,955,080	2,315,580	24,270,660	23,316,503
Expenditures:				
Current:				
General government	4,778,983	86,015	4,864,998	4,672,262
Public safety	5,982,175	29,167	6,011,342	7,030,609
Public works	2,392,039	-	2,392,039	2,061,511
Health and welfare	490,999	913,797	1,404,796	1,325,847
Culture and recreation	1,104,775	192,600	1,297,375	1,518,748
Debt service:				
Principal	687,272	-	687,272	667,027
Interest	432,714	-	432,714	452,046
Capital outlay	5,951,907	242,527	6,194,434	10,032,164
Payments under intergovernmental agreements	-	554,890	554,890	458,215
Total expenditures	21,820,864	2,018,996	23,839,860	28,218,429
Excess (deficiency) of revenues over (under) expenditures	134,216	296,584	430,800	(4,901,926)
Other financing sources (uses):				
Proceeds from the sale of capital assets	274,984	-	274,984	95,202
Proceeds from the sale of bonds	-	-	-	4,815,000
Premium on bonds sold	-	-	-	293,130
Transfers from other funds	24,092	-	24,092	81,983
Transfers to other funds	-	(24,092)	(24,092)	(81,983)
Total other financing sources (uses)	299,076	(24,092)	274,984	5,203,332
Changes in fund balances	433,292	272,492	705,784	301,406
Fund balances, beginning of year	10,243,339	1,364,998	11,608,337	11,306,931
Fund balances, end of year	\$ 10,676,631	1,637,490	12,314,121	11,608,337

The Notes to Basic Financial Statements are an integral part of this statement.

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
Year Ended April 30, 2024
(With Comparative Figures for the Year Ended April 30, 2023)

	2024	2023
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds to the Statement of Activities		
Net change in fund balances - total governmental funds	\$ 705,784	301,406
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures, while governmental activities report depreciation expense to allocate those expenditures over the life of the assets. Capital outlay expenditures exceeded depreciation expense in the current year as follows:		
Expenditures for capital assets	5,637,980	7,632,793
Depreciation expense	(2,551,976)	(2,289,884)
Loss on Disposal of Assets	-	(129,688)
Governmental funds report debt payments as expenditures and debt issuances as revenue. However, in the statement of activities, debt payments and debt issuances are not reported as expenditures and revenue:		
Issuance of general obligation bonds	-	(4,815,000)
Issuance of lease payable	-	(381,150)
Bond premium	-	(293,130)
Principal payments on debt	687,272	667,027
Principal payments on leases	59,241	45,919
Amortization of bond premium	123,321	90,751
Because some revenues will not be collected for several months after the City's year end, they are not considered available revenues and are recognized as deferred inflows of resources in the governmental funds.	(54,927)	62,402
Internal service funds are used to charge the costs of insurance to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.	5,129	(7,323)
The current year pension and OPEB contributions and other changes are reported as expenditures in the governmental funds but are reported as deferred outflows of resources in the Statement of Net Position.	(224,301)	4,168,657
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 the governmental funds as follows:		
Accrued interest payable	(58,270)	5,584
Compensated absences	73,440	(181,214)
Change in OPEB liability	33,878	98,511
Change in pension liability	(66,420)	(3,996,971)
Change in net position of governmental activities	<u>\$ 4,337,201</u>	<u>978,690</u>

Statement of Net Position - Proprietary Funds
April 30, 2024
(With Comparative Figures for April 30, 2023)

	Enterprise Funds			Total		Internal Service Fund
	Utility Fund	Landfill Fund	Illinois Valley Regional Airport Operations Fund	2024	2023	Self Insurance Fund 2024
ASSETS						
Current assets:						
Cash and cash equivalents	\$ 9,374,555	412,053	-	9,786,608	8,854,001	1,085,290
Investments	7,814,011	470,000	-	8,284,011	7,922,375	-
Accounts receivable, net	2,971,485	3,347	1,360	2,976,192	3,721,294	-
Due from other funds	200	-	-	200	201,961	-
Prepaid expenses	1,220,328	93	14,501	1,234,922	1,208,681	-
Inventory	109,527	-	-	109,527	124,778	-
Total current assets	21,490,106	885,493	15,861	22,391,460	22,033,090	1,085,290
Non-current assets:						
Restricted assets:						
Restricted cash and cash equivalents	685,131	226,643	-	911,774	1,147,329	-
Restricted investments	-	-	-	-	381,934	-
Guaranteed deposits	156,659	-	-	156,659	-	-
Total restricted assets	841,790	226,643	-	1,068,433	1,529,263	-
Total non-current assets	841,790	226,643	-	1,068,433	1,529,263	-
Capital assets:						
Land	1,902,579	210,000	5,315,000	7,427,579	7,427,579	-
Construction in progress	1,522,782	-	39,761	1,562,543	3,184,733	-
Buildings and land improvements	17,190,904	369,037	2,849,497	20,409,438	20,272,604	-
Machinery and equipment	52,424,457	119,337	-	52,543,794	51,886,732	-
Infrastructure	81,591,557	-	13,671,977	95,263,534	89,963,766	-
Total capital assets at cost	154,632,279	698,374	21,876,235	177,206,888	172,735,414	-
Less: Accumulated depreciation	92,029,823	427,775	12,718,904	105,176,502	101,532,345	-
Total capital assets	62,602,456	270,599	9,157,331	72,030,386	71,203,069	-
Total assets	84,934,352	1,382,735	9,173,192	95,490,279	94,765,422	1,085,290
DEFERRED OUTFLOWS OF RESOURCES						
Bond refunding loss	92,608	-	-	92,608	168,657	-
Asset retirement obligation	360,000	-	-	360,000	365,000	-
Pension related deferred outflows	1,274,608	-	-	1,274,608	1,628,671	-
Total deferred outflows of resources	1,727,216	-	-	1,727,216	2,162,328	-
LIABILITIES						
Current liabilities:						
Cash overdrafts	-	-	413,387	413,387	395,301	-
Accounts payable	1,835,452	2,239	47,772	1,885,463	1,948,934	-
Deferred impact fees	-	-	-	-	1,096,074	-
Accrued interest payable	39,358	-	-	39,358	56,350	-
Compensated absences	91,142	-	-	91,142	151,458	-
Due to other funds	106,588	-	-	106,588	108,264	-
Refundable customer deposits	627,111	-	-	627,111	593,014	-
Notes payable	230,328	-	-	230,328	230,328	-
General obligation bonds payable	1,190,000	-	-	1,190,000	1,160,000	-
Lease payable	26,901	-	-	26,901	27,315	-
Total current liabilities	4,146,880	2,239	461,159	4,610,278	5,767,038	-
Non-current liabilities:						
Compensated absences	38,107	-	-	38,107	106,606	-
Notes payable	1,842,625	-	-	1,842,625	2,072,953	-
General obligation bonds payable	1,838,141	-	-	1,838,141	3,063,152	-
Lease payable	73,398	-	-	73,398	102,571	-
Asset retirement obligation	375,000	-	-	375,000	375,000	-
Net pension liability	134,470	-	-	134,470	471,760	-
Net OPEB liability	158,903	-	-	158,903	170,196	-
Estimated post-closure care	-	308,999	-	308,999	308,999	-
Total non-current liabilities	4,460,644	308,999	-	4,769,643	6,671,237	-
Total liabilities	8,607,524	311,238	461,159	9,379,921	12,438,275	-
DEFERRED INFLOWS OF RESOURCES						
Deferred grant revenue	-	-	-	-	117,621	-
Pension-related deferred inflows	648,063	-	-	648,063	811,259	-
Total deferred inflows of resources	648,063	-	-	648,063	928,880	-
NET POSITION						
Net investment in capital assets	57,401,063	270,599	9,157,331	66,828,993	64,546,750	-
Restricted	841,790	226,643	-	1,068,433	1,529,263	-
Unrestricted	19,163,128	574,255	(445,298)	19,292,085	17,484,582	1,085,290
Total net position	\$ 77,405,981	1,071,497	8,712,033	87,189,511	83,560,595	1,085,290

The Notes to Basic Financial Statements are an integral part of this statement.

Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds
Year Ended April 30, 2024
(With Comparative Figures for the Year Ended April 30, 2023)

	Enterprise Funds			Total Proprietary Funds		Internal Service Fund
	Utility Fund	Landfill Fund	Illinois Valley Regional Airport Operations Fund	2024	2023	Self Insurance Fund 2024
Operating revenues:						
Charges for services	\$ 33,572,321	39,812	7,693	33,619,826	32,504,472	1,673,315
Other charges and rentals	166,198	-	72,200	238,398	271,487	-
Total operating revenues	33,738,519	39,812	79,893	33,858,224	32,775,959	1,673,315
Operating expenses:						
General and administrative	3,366,263	90,053	329,401	3,785,717	3,923,225	4,755
Power and generating plant	17,047,325	-	-	17,047,325	16,881,024	-
Distribution system	3,035,506	-	-	3,035,506	4,148,443	-
Hydroelectric plant	900,404	-	-	900,404	655,362	-
Street lighting	13,258	-	-	13,258	100,107	-
Truck expenses	231,913	-	-	231,913	233,962	-
Pumping and purification	2,505,833	-	-	2,505,833	1,892,471	-
Sewerage system, disposal plant	6,004	-	-	6,004	601,214	-
Insurance premiums and claims	-	-	-	-	-	1,672,701
Depreciation	3,417,554	7,192	224,411	3,649,157	3,418,213	-
Airport improvement	-	-	(45,115)	(45,115)	(395,545)	-
Total operating expenses	30,524,060	97,245	508,697	31,130,002	31,458,476	1,677,456
Operating income (loss)	3,214,459	(57,433)	(428,804)	2,728,222	1,317,483	(4,141)
Non-operating revenues (expenses):						
Interest income	461,098	21,800	133	483,031	174,664	9,270
Rental income	88,426	-	30,481	118,907	96,777	-
Farm income	-	-	43,998	43,998	42,769	-
Grant revenues	50,000	-	139,258	189,258	140,301	-
Miscellaneous	196,790	-	1,000	197,790	14,200	-
Interest expense	(132,290)	-	-	(132,290)	(164,850)	-
Total non-operating revenues (expenses)	664,024	21,800	214,870	900,694	303,861	9,270
Change in net position	3,878,483	(35,633)	(213,934)	3,628,916	1,621,344	5,129
Net position, beginning of year	73,527,498	1,107,130	8,925,967	83,560,595	81,939,251	1,080,161
Net position, end of year	\$ 77,405,981	1,071,497	8,712,033	87,189,511	83,560,595	1,085,290

The Notes to Basic Financial Statements are an integral part of this statement.

Statement of Cash Flows - Proprietary Funds
Year Ended April 30, 2024
(With Comparative Figures for the Year Ended April 30, 2023)

	Utility Fund	Landfill Fund	Illinois Valley	Total Proprietary Funds	
			Regional Airport Operations Fund	2024	2023
Cash flows from operating activities:					
Receipts from customers	\$ 33,398,929	57,646	168,108	33,624,683	31,763,219
Payments to employees	(1,841,649)	-	-	(1,841,649)	(1,712,834)
Payments to suppliers	(26,016,489)	(97,822)	64,599	(26,049,712)	(26,732,329)
Net cash provided by (used in) operating activities	5,540,791	(40,176)	232,707	5,733,322	3,318,056
Cash flows from noncapital financing activities:					
Internal advances	(81,866)	-	-	(81,866)	(89,531)
Proceeds from grants	50,000	-	139,258	189,258	140,301
Net cash provided by (used in) noncapital financing activities	(31,866)	-	139,258	107,392	50,770
Cash flows from capital and related financing activities:					
Capital assets acquired	(11,811,089)	-	(433,720)	(12,244,809)	(8,426,577)
Principal payments on notes payable	(460,656)	-	-	(460,656)	(230,328)
Proceeds from leases	-	-	-	-	(129,886)
Principal payments on G.O. bonds payable	(2,355,021)	-	-	(2,355,021)	(1,160,010)
Principal payments on revenue bonds payable	26,901	-	-	26,901	27,315
Interest payments	(164,507)	-	-	(164,507)	(180,075)
Deferred bond cost on bond refunding	152,100	-	-	152,100	76,051
Net cash provided by (used in) capital financing activities	(14,612,272)	-	(433,720)	(15,045,992)	(10,023,510)
Cash flows from investing activities:					
Rental and miscellaneous sale income	285,216	-	61,622	346,838	140,889
Interest received	472,310	21,005	133	493,448	185,081
Net sales (purchases) of investments	9,336,235	(274,191)	-	9,062,044	(452,794)
Net cash provided by (used in) investing activities	10,093,761	(253,186)	61,755	9,902,330	(126,824)
Net change in cash and cash equivalents	990,414	(293,362)	-	697,052	(6,781,508)
Cash and cash equivalents, beginning of year	9,069,272	932,058	-	10,001,330	16,782,838
Cash and cash equivalents, end of year	\$ 10,059,686	638,696	-	10,698,382	10,001,330
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	\$ 3,214,459	(57,433)	(428,804)	2,728,222	1,317,483
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:					
Depreciation	3,417,554	7,192	224,411	3,649,157	3,418,213
Effects of changes in operating assets and liabilities:					
(Increase) decrease in accounts receivable	(382,033)	17,834	88,215	(275,984)	(1,021,086)
(Increase) decrease in prepaid expenses	(35,332)	(1)	(1,443)	(36,776)	(10,535)
(Increase) decrease in inventory	193,419	-	-	193,419	178,168
(Increase) decrease in deferred outflows of resources	(901,043)	-	-	(901,043)	(1,255,106)
Increase (decrease) in cash overdrafts	-	-	309,876	309,876	291,790
Increase (decrease) in accounts payable	(491,085)	2,232	40,452	(448,401)	(384,930)
Increase (decrease) in compensated absences	(187,794)	-	-	(187,794)	(58,979)
Increase (decrease) in refundable customer deposits	42,443	-	-	42,443	8,346
Increase (decrease) in deferred inflows of resources	(695,071)	-	-	(695,071)	(531,875)
Increase (decrease) in estimates post-closure care	-	(10,000)	-	(10,000)	(10,000)
Increase (decrease) in net OPEB liability	(44,130)	-	-	(44,130)	(32,837)
Increase (decrease) in net pension liability	1,409,404	-	-	1,409,404	1,409,404
Net cash provided by (used in) operating activities	\$ 5,540,791	(40,176)	232,707	5,733,322	3,318,056

The Notes to Basic Financial Statements are an integral part of this statement.

Statement of Fiduciary Net Position - Fiduciary Funds
April 30, 2024
(With Comparative Figures for April 30, 2023)

		<u>Pension Trust Funds</u>	
		<u>2024</u>	<u>2023</u>
	<u>ASSETS</u>		
Cash and cash equivalents		\$ 12,126,576	3,249,884
Investments		6,458,027	14,373,618
Other receivables		305	-
Accrued interest		59	1,471
Total assets		<u>\$ 18,584,967</u>	<u>17,624,973</u>
	<u>NET POSITION</u>		
Held in trust for pension benefits		<u>\$ 18,584,967</u>	<u>17,624,973</u>

The Notes to Basic Financial Statements are an integral part of this statement.

Statement of Changes in Fiduciary Net Position - Fiduciary Funds
Year Ended April 30, 2024
(With Comparative Figures for the Year Ended April 30, 2023)

	Pension Trust Funds	
	2024	2023
Additions:		
Contributions:		
Employer contributions	\$ 903,951	2,006,628
Plan member contributions	219,142	211,709
Total contributions	1,123,093	2,218,337
Net investment income:		
Net change in fair value of investments	860,279	(527,146)
Investment income	423,207	628,437
Total investment income	1,283,486	101,291
Less: Investment expense	21,028	42,171
Net investment income	1,262,458	59,120
Total additions	2,385,551	2,277,457
Deductions:		
Administrative	7,754	6,592
Benefit payments, including member refunds	1,417,803	1,431,598
Total deductions	1,425,557	1,438,190
Changes in net position	959,994	839,267
Net position, beginning of year	17,624,973	16,785,706
Net position, end of year	\$ 18,584,967	17,624,973

The Notes to Basic Financial Statements are an integral part of this statement.

NOTES TO BASIC FINANCIAL STATEMENTS

**Notes to Basic Financial Statements
For the Year Ended April 30, 2024**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Peru, Illinois (City) operates under a council form of government, which is governed by a Board of Alderpersons and a Mayor. The City provides the following services: public safety (police and fire), highways and streets, sanitation, garbage, culture-recreation, public improvements, planning and zoning and general administrative services. The City also operates a public utility company, a landfill, and a municipal airport.

The financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States (GAAP) as applied to government units. The Government Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting principles and policies utilized by the government are described below.

A. The Financial Reporting Entity

For financial reporting purposes, the City of Peru, Illinois has included all funds, organizations, agencies, boards, commissions and authorities. The City has also considered all potential component units for which it is financially accountable and other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the City's financial statements to be misleading or incomplete. GASB has set forth criteria in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of the City to impose its will on that organization or (2) the potential for the organization to provide specific benefits to or impose specific financial burdens on the City. The City has no component units which meet GASB criteria.

B. Basis of Presentation

Government-wide Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government. As a general rule, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

Notes to Basic Financial Statements
For the Year Ended April 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

B. Basis of Presentation – (Continued)

Government-wide Financial Statements – (Continued)

The Statement of Net Position presents the City’s nonfiduciary assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference reported as net position. Net position is reported in the following categories.

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. Net investment in capital assets is calculated as follows:

	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total Primary Government</u>
Capital assets, net of accumulated depreciation	\$ 58,387,760	72,030,386	130,418,146
Less:			
Notes payable	(807,669)	(2,072,953)	(2,880,622)
General obligation bonds payable	(17,806,249)	(3,028,141)	(20,834,390)
Leases payable	(249,171)	(100,299)	(349,470)
Net investment in capital assets	<u>\$ 39,524,671</u>	<u>66,828,993</u>	<u>106,353,664</u>

- a. Restricted net position – consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments, or (2) law through constitutional provisions or enabling legislation.
- b. Unrestricted net position – all other net position that does not meet the definition of “restricted” or “net investment in capital assets.” Unrestricted net position may be subject to constraints imposed by management, which can be removed or modified.

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

Notes to Basic Financial Statements
For the Year Ended April 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

B. Basis of Presentation – (Continued)

Fund Financial Statements

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

The City reports the following major fund:

General Fund – The General Fund is the general operating fund of the City and is always classified as a major fund. All general tax revenues from general and other revenues not allocated by law or contractual agreement to some other fund are accounted for in this fund. From the Fund are paid the general operating expenditures, the fixed charges and the capital improvement costs not paid from other funds.

The City reports the following major proprietary funds:

Utility Fund – The Utility Fund is used to account for the revenues and expenses associated with providing electrical power, water and sewer services to the residents of the City. Financing is provided by electric, water and sewer user charges.

Landfill Fund – The Landfill Fund is used to account for the revenues and expenses associated with maintaining the landfill site. Financing is provided by landfill charges.

Illinois Valley Regional Airport Operations Fund – The Illinois Valley Regional Airport Operations Fund is used to account for the revenues and expenses associated with operating and maintaining the regional airport. Financing is provided by fuel sales and rental income.

Additionally, the City reports an internal service fund, which accounts for health insurance provided to other departments or agencies of the City on a cost-reimbursement basis.

The City also reports fiduciary funds which focus on net position and changes in net position. The City's fiduciary funds include the Police Pension Trust Fund and the Firemen's Pension Trust Fund.

The City's fiduciary funds are presented in the fiduciary fund financial statements by type. 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.

Notes to Basic Financial Statements
For the Year Ended April 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

B. Basis of Presentation – (Continued)

Fund Financial Statements – (Continued)

During the course of operations the government has activity between funds for various purposes. Any residual balances outstanding at year-end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In the fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

C. Measurement Focus and Basis of Accounting

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenue to be available if it is collected within 60 days after year-end.

Property taxes are recorded as revenue when levied for budgetary purposes. Penalties and interest, court fees, and miscellaneous revenues are recorded when received in cash because they are generally not measurable until actually received. Intergovernmental revenue and interest income are accrued when their receipt occurs soon enough after the end of the accounting period so as to be both measurable and available. Sales, income, and motor fuel taxes are considered “measurable” when in the hands of intermediary collecting governments and are recognized as revenue at that time.

Notes to Basic Financial Statements
For the Year Ended April 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

C. Measurement Focus and Basis of Accounting – (Continued)

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, principal and interest on long-term debt, claims and judgments and compensated absences are recognized as expenditures only when payment is due. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt are reported as other financing sources.

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

Under terms of grant agreements, the City funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net position available to finance the program. It is the City's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants and then by general revenues.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Fund Equity

The following accounting policies are followed in preparing the financial statements:

Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, all short-term cash investments that are highly liquid (including restricted assets) are considered to be cash equivalents. Cash equivalents are readily convertible to known amounts of cash and include cash in checking and money market accounts and any certificates of deposit with an original maturity date of twelve months or less.

Notes to Basic Financial Statements
For the Year Ended April 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Fund Equity – (Continued)

Investments

State statutes authorize the government to invest in the following:

1. Commercial banks
2. Savings and loan institutions
3. Obligations of the US Treasury and US Agencies
4. Obligations of the States and their political subdivisions
5. Credit union shares
6. Repurchase agreements
7. Commercial paper rated within the three highest classifications by at least two standard rating services
8. Illinois Public Treasurer's Investment Pool

The Police and Firefighters' Pension Trust Funds may invest in other investments including general and special accounts of life insurance companies, mutual funds, bank managed funds and equities.

Investments are reported at fair value which is determined using selected basis. Securities traded on a national or international exchange are valued at last reported sales price at current exchange rates, and investments that do not have established markets are reported at estimated fair value.

Restricted cash and cash equivalents consist of monies for assets the City has set aside to meet all required payments for debt principal and interest in accordance with bond ordinances and any monies whose purpose is restricted as to use.

Property Taxes

Property tax receivable is recognized in the fund financial statements on the levy or lien date. The City's property tax is levied on or before the last Tuesday in December each year on all taxable real property located in the City. Property taxes attach as an enforceable lien on property as of January 1. Taxes are typically due and payable in two installments in June and September at the County Collector's office. The City receives significant distributions of tax receipts within one month of these due dates.

Property taxes generated from the 2022 property tax levy (\$1,844,877) are used to finance the operating budget of the fiscal year ending April 30, 2024. Although the 2023 property tax levy receivable has been recorded, the related revenue (\$2,027,291) is deferred in both the government-wide and fund financial statements. Recognition of revenue is deferred until the year it is intended to finance.

Notes to Basic Financial Statements
For the Year Ended April 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Fund Equity – (Continued)

Customer Accounts Receivable and Unbilled Usage

Accounts receivable are recorded in the Enterprise Funds at the time the service is billed. Unbilled usage for service consumed between periodic scheduled billing dates is estimated and is recognized as revenue in the period in which the service is provided. Accounts receivable are uncollateralized consumer obligations which generally require payment within fifteen days from the invoice date. Accounts receivable are stated at the invoice amount plus accrued interest. Unpaid accounts over one day past due bear interest at 5.00%. Account balances with invoices over thirty days old are considered delinquent. Payments of accounts receivable are applied to the specific invoices identified on the customer's remittance advice or, if unspecified, to the earliest unpaid invoices.

The carrying amount of accounts receivable is reduced by a valuation allowance that reflects management's best estimate of amounts that will not be collected. The allowance for doubtful accounts is based on management's assessment of the collectability of specific customer accounts and the aging of the accounts receivable. If there is a deterioration of a major customer's credit worthiness or actual defaults are higher than the historical experience, management's estimates of the recoverability of amounts due to the City could be adversely affected. All accounts or portions thereof deemed to be uncollectible or to require excessive collection costs are written off to the allowance for doubtful accounts.

Due From and Due to Other Funds

During the course of its operations, the City has numerous transactions among funds. To the extent certain transactions between funds had not been paid or received as of April 30, 2024, balances of interfund amounts receivable or payable have been reported in the fund financial statements. Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Position. Any residual balances outstanding between governmental activities and business type activities are reported in the government-wide financial statements as "internal balances."

**Notes to Basic Financial Statements
For the Year Ended April 30, 2024**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Fund Equity – (Continued)

Capital Assets

Capital assets purchased or acquired are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Capital assets are defined by the City as assets with an initial, individual cost in excess of the following thresholds and estimated useful lives in excess of one year.

Land	\$ 1
Buildings and building improvements	10,000
Infrastructure	20,000
Land improvements	10,000
Machinery and equipment	5,000

Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Buildings and building improvements	15-50 years
Infrastructure	10-50 years
Land improvements	5-20 years
Machinery and equipment	5-25 years

In addition to the assets reported above, the City reports intangible right-to-use assets. These assets, as defined by GASB Statement No. 87, Leases, are for lease contract of non-financial equipment assets.

Impairment of Long-lived Assets

The City reviews long-lived assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of carrying amount or the fair value less costs to sell.

Notes to Basic Financial Statements
For the Year Ended April 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Fund Equity – (Continued)

Deferred Outflows / Inflows of Resources

In addition to assets and liabilities, the Statement of Net Position and the fund Balance Sheets sometimes report separate sections for deferred outflows / inflows of resources. These separate financial statement elements represent a consumption / acquisition of net position that applies to a future year(s) and so will not be recognized as an outflow (expense / expenditure) or inflow (revenue) of resources until then.

Deferred outflows of resources consist of bond refunding loss, items not yet charged to pension expense and contributions from the City after the measurement date but before the end of the City's reporting period.

Deferred inflows of resources consist of property tax receivable and other receivables not collected within sixty days after year-end. Deferred inflows of resources in the Statement of Net Position consist of succeeding year property tax and tax increment financing receivables that will not be recognized as revenue until the year for which they are levied and unamortized portion of the net difference between projected and actual earning on IMRF's investments.

Compensated Absences

City employees are granted sick leave and vacation days. Full-time, permanent employees are granted vacation benefits in varying amounts to specified maximums depending on tenure with the City. Generally, after one year of service, employees are entitled to all accrued vacation leave upon termination. Vacation leave must be taken within one year of the employee's anniversary date or it is lost. Eligible employees who have attained at least 50 years of age; are immediately eligible to retire with an IMRF, an Illinois Downstate Police Pension, or a Firefighters' Pension; retire in good standing with the City; and provide not less than 60 days advance written notice of their retirement can, upon retirement, buy back 100% of the employee's accrued sick leave days for the purpose of off-setting the cost of continued health insurance coverage provided by the City. Retired employees can buy back sick time for 50% in cash as well.

The estimated current and long-term portions of the liability for vested vacation and sick leave benefits attributable to the City's governmental funds is recorded in the Statement of Net Position. The amounts attributable to proprietary funds are charged to expense and a corresponding liability in the applicable fund. All compensated absences are valued at the employee's hourly rate as of April 30, 2024.

Notes to Basic Financial Statements
For the Year Ended April 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Fund Equity – (Continued)

Long-term Liabilities

In the government-wide and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental or business type activities column in the Statement of Net Position and the Proprietary Fund Statement of Net Position.

In the governmental fund financial statements, the face amount of debt issued is reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Pensions

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

Other Post-Employment Benefits (OPEB)

For purposes of measuring the net OPEB liability and OPEB expense, information about the fiduciary net position of the Retiree Insurance Plan and additions to / deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The net pension liability attributable to the governmental activities will be paid primarily by the General Fund.

E. Fund Equity

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The government itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

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

1. Non-spendable:

This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact.

Notes to Basic Financial Statements
For the Year Ended April 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

E. Fund Equity – (Continued)

2. Restricted:

This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grants, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. Amounts restricted in the General Fund for “Other Purposes” include \$3,076,753 of restricted home rule sales tax receipts, \$535,958 restricted for Parkside Bond Obligations, \$313,904 restricted for 2020/2021 Bond Reserve Obligations, \$14,981 restricted for Downtown Surplus, \$6,819 restricted for Past Elected Officials, and \$52,758 restricted for recreational purposes.

3. Committed:

This classification includes amounts that can be used only for the specific purposes determined by a formal action of the government’s highest level of decision-making authority. The governing council is the highest level of decision-making authority for the government that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

4. Assigned:

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

5. Unassigned:

This classification includes the residual fund balance for the General Fund and includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government’s policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

**Notes to Basic Financial Statements
For the Year Ended April 30, 2024**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

F. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, gains, losses, and other changes in fund equity during the reporting period. Actual results could differ from those estimates.

G. Reclassifications

Certain amounts presented in prior year data may have been reclassified in order to be consistent with the current year presentation.

NOTE 2: CASH AND CASH EQUIVALENTS

The City's investment policy allows it to invest in any type of security allowed for in Illinois statutes regarding the investment of public funds. The policy states that investments shall be made that reflect the cash flow needs of the type being invested. In general, the City may invest in obligations of the United States of America, or its agencies, or obligations guaranteed by full faith and credit of the same and certain time deposits and short-term obligations of the United States of America or its agencies or guaranteed by the full faith and credit of the same and certain time deposits and short-term obligations as defined in the Public Fund Investment Act.

At year-end, the carrying amount of the City's deposits was \$20,894,338, including petty cash. Bank balances totaled \$21,102,055. Cash on hand was \$1,700.

At year-end, the carrying amount of the City's trust fund deposits was \$12,126,576. Bank balances also totaled \$12,126,576.

Custodial Credit Risk - Cash

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's investment policy allows that funds on deposit in excess of FDIC limits must be secured by some form of collateral, witnessed by a written agreement and held at an independent, third party institution in the name of the City. As of April 30, 2024, \$1,981,863 of the City's deposits were uncollateralized.

CITY OF PERU, ILLINOIS

Notes to Basic Financial Statements
For the Year Ended April 30, 2024

NOTE 2: CASH AND CASH EQUIVALENTS – (CONTINUED)

Investments

As of April 30, 2024, the City's investments were as follows:

	Fair Value	Remaining Maturity			
		Less Than One Year	1-5 Years	6-10 Years	11-15 Years
Certificates of deposit	\$ 9,624,175	6,899,059	2,725,116	-	-
Mutual funds	52,758	52,758	-	-	-
Total	\$ 9,676,933	6,951,817	2,725,116	-	-

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates.

As a means of limiting its exposure to fair value losses arising from rising interest rate, the City's investment policy states to the extent possible, the City shall attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the City shall not directly invest in securities maturing more than five years from the date of purchase. Reserve funds may be invested in securities exceeding five years if the maturity of such investments is made to coincide as nearly as practicable with the expected use of the funds.

Custodial Credit Risk

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to indirect investments in securities through the use of mutual funds or governmental investment pools such as Illinois Funds. The City's investment policy requires that all security transactions entered into by the City shall be conducted on a delivery-versus-payment (DVP) basis. Securities shall be held by an independent third party custodian designated by the treasurer and evidenced by safekeeping receipts and a written custodial agreement.

**Notes to Basic Financial Statements
For the Year Ended April 30, 2024**

NOTE 3: FAIR VALUE MEASUREMENTS

For disclosure purposes, the City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The City's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

Investments measured at fair value on a recurring basis are disclosed below:

	Balance at April 30, 2024	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Certificates of deposit	\$ 9,624,175	-	9,624,175	-
Mutual funds	52,758	52,758	-	-
Total investments	\$ 9,676,933	52,758	9,624,175	-

The fair value of certificates of deposit at April 30, 2024, was determined primarily based on level 2 inputs. The City estimates the fair value of these investments using other inputs such as interest rates and yield curves that are observable at commonly quoted intervals.

CITY OF PERU, ILLINOIS

**Notes to Basic Financial Statements
For the Year Ended April 30, 2024**

NOTE 4: CHANGES IN CAPITAL ASSETS

Capital asset activity for governmental activities for the year ended April 30, 2024 was as follows:

	Balance as of April 30, 2023	Additions	Deletions	Balance as of April 30, 2024
Capital assets not being depreciated:				
Land	\$ 3,721,543	-	(59,769)	3,661,774
Construction in progress	722,078	3,469,883	-	4,191,961
Total capital assets not being depreciated	<u>4,443,621</u>	<u>3,469,883</u>	<u>(59,769)</u>	<u>7,853,735</u>
Capital assets being depreciated:				
Buildings	24,397,441	77,109	-	24,474,550
Machinery and equipment	6,584,781	1,017,652	-	7,602,433
Land improvements	2,449,089	1,073,336	-	3,522,425
Infrastructure	50,171,989	-	-	50,171,989
Total capital assets being depreciated	<u>83,603,300</u>	<u>2,168,097</u>	<u>-</u>	<u>85,771,397</u>
Total capital assets	<u>88,046,921</u>	<u>5,637,980</u>	<u>(59,769)</u>	<u>93,625,132</u>
Less accumulated depreciation:				
Buildings	2,773,876	528,601	-	3,302,477
Machinery and equipment	3,807,910	487,296	-	4,295,206
Land improvements	447,811	118,200	-	566,011
Infrastructure	25,655,799	1,417,879	-	27,073,678
Total accumulated depreciation:	<u>32,685,396</u>	<u>2,551,976</u>	<u>-</u>	<u>35,237,372</u>
Total capital assets being depreciated, net	<u>50,917,904</u>	<u>(383,879)</u>	<u>-</u>	<u>50,534,025</u>
Governmental activities capital assets, net	<u>\$ 55,361,525</u>	<u>3,086,004</u>	<u>(59,769)</u>	<u>58,387,760</u>

Depreciation for governmental activities in the current fiscal year was \$2,551,976 and was allocated as follows:

General government	\$ 839,173
Public safety	567,340
Public works	<u>1,145,463</u>
Total depreciation – governmental activities	<u>\$ 2,551,976</u>

Construction in progress at April 30, 2024 is the result of the General Fund Street Program and Plank Road widening project.

Significant capital additions for the year included the 2023 Street Program (\$1,073,336), Leaf VAC (\$304,097), Sunset Park Playground (\$116,110), lighting for Sunset Park (\$99,800), and Body Cameras/Video Equipment/Licenses (\$100,191).

CITY OF PERU, ILLINOIS

**Notes to Basic Financial Statements
For the Year Ended April 30, 2024**

NOTE 4: CHANGES IN CAPITAL ASSETS – (CONTINUED)

Capital asset activity for business-type activities for the year ended April 30, 2024 was as follows:

	Balance as of April 30, 2023	Additions	Deletions	Balance as of April 30, 2024
Capital assets not being depreciated:				
Land	\$ 7,427,579	-	-	7,427,579
Construction in progress	3,184,733	1,018,637	(2,640,828)	1,562,542
Total capital assets not being depreciated	<u>10,612,312</u>	<u>1,018,637</u>	<u>(2,640,828)</u>	<u>8,990,121</u>
Depreciable capital assets:				
Buildings and land improvements	20,272,604	136,833	-	20,409,437
Machinery and equipment	51,887,890	657,062	-	52,544,952
Infrastructure	89,962,394	5,299,768	-	95,262,162
Total depreciable capital assets:	<u>162,122,888</u>	<u>6,093,663</u>	<u>-</u>	<u>168,216,551</u>
Total capital assets	<u>172,735,200</u>	<u>7,112,300</u>	<u>(2,640,828)</u>	<u>177,206,672</u>
Less accumulated depreciation:				
Buildings and land improvements	10,701,249	427,470	-	11,128,719
Machinery and equipment	45,745,327	939,528	-	46,684,855
Infrastructure	45,085,555	2,277,158	-	47,362,712
Total accumulated depreciation	<u>101,532,131</u>	<u>3,644,156</u>	<u>-</u>	<u>105,176,286</u>
Total capital assets being depreciated, net	<u>60,590,757</u>	<u>2,449,507</u>	<u>-</u>	<u>63,040,265</u>
Business-type activities capital assets, net	<u>\$ 71,203,069</u>	<u>3,468,144</u>	<u>(2,640,828)</u>	<u>72,030,386</u>

Depreciation expense was charged to business-type activities as follows:

Utility	\$ 3,412,554
Landfill	7,192
Airport	<u>224,411</u>
Total depreciation – business type activities	<u>\$ 3,644,156</u>

Construction in progress at April 30, 2024 includes multiple water main projects, road projects and a sewer projects. All projects are projected to be completed in the following fiscal year.

Significant capital additions for the year included NE Watermain PHI (\$1,339,606), MVP Utility Infrastructure Project (\$2,075,050), POHAR Crossing Utilities (\$1,439,703), Runway Extension (\$278,357), and Corporate Hangar Utility Improvements (\$125,634). The POHAR Crossing Utilities and MVP Utility Infrastructure Project had been included in construction in progress at April 30, 2023 as the projects had not been complete. The capital additions for these projects include that amount that had previously been record in construction in progress and costs to complete the project incurred in the year ending April 30, 2024.

CITY OF PERU, ILLINOIS

Notes to Basic Financial Statements
For the Year Ended April 30, 2024

NOTE 5: LONG-TERM LIABILITIES

Long-term liability activity for the year ended April 30, 2024, was as follows:

	Balance at April 30, 2023	Additions	Deductions	Balance at April 30, 2024	Due Within One Year
Governmental Activities					
Notes Payable	\$ 959,941	-	152,272	807,669	155,239
General Obligation Bonds Payable	16,830,000	-	535,000	16,295,000	1,165,000
Lease Payable - Right-to-use assets	335,231	-	86,060	249,171	62,751
Bond Premium/(Discount), Net	1,634,570	-	123,321	1,511,249	-
Compensated Absences (Note 1)	893,875	189,083	262,523	820,435	309,020
Net OPEB Liability (Note 8)	510,589	-	33,878	476,711	-
Net Pension Liability (Asset) (Note 7)	14,537,957	66,420	-	14,604,377	-
Total Governmental Activities	\$ 35,702,163	255,503	1,193,054	34,764,612	1,692,010
Business-Type Activities					
Notes Payable	\$ 2,303,281	-	230,328	2,072,953	230,328
General Obligation Bonds Payable	4,105,000	-	1,160,000	2,945,000	1,190,000
Lease Payable - Right-to-use assets	129,886	-	29,587	100,299	26,901
Bond Premium/(Discount), Net	118,152	-	35,011	83,141	-
Asset Retirement Obligation	375,000	-	-	375,000	-
Compensated Absences (Note 1)	258,064	22,643	151,458	129,249	38,107
Net OPEB Liability (Note 8)	170,196	-	11,293	158,903	-
Net Pension Liability (Asset) (Note 7)	471,760	-	337,290	134,470	-
Estimated Postclosure Care (Note 12)	308,999	-	-	308,999	-
Total Business-Type Activities	\$ 8,240,338	22,643	1,954,967	6,308,014	1,485,336

CITY OF PERU, ILLINOIS

**Notes to Basic Financial Statements
For the Year Ended April 30, 2024**

NOTE 5: LONG-TERM LIABILITIES – (CONTINUED)

General Obligation Bonds

On February 28, 2017, the City issued General Obligation Refunding Bonds, Series 2017 in the amount of \$6,605,000, set to mature May 1, 2025, due in annual principal installments of \$50,000 to \$1,110,000, with semi-annual interest of 1.00% to 3.00%. The bonds were issued to refund General Obligation Bonds, Series 2009. Payments on these bonds are made from the Utility Fund using operating revenues. The balance outstanding as of April 30, 2024 was \$2,185,000.

On June 24, 2020, the City issued General Obligation Bonds, Series 2020 in the amount of \$8,810,000, set to mature January 1, 2040, due in annual principal installments of \$305,000 to \$590,000 with semi-annual interest of 2.45% to 4.00%. The bonds were issued to finance capital improvements. Payments on these bonds are paid through the General Fund using operating revenues. The balance outstanding as of April 30, 2024 was \$7,395,000.

On February 24, 2021, the City issued General Obligation Refunding Bonds, Series 2021 in the amount of \$5,855,000, set to mature May 1, 2036, due in annual principal installments of \$240,000 to \$375,000, with semi-annual interest of 2.00% to 3.00%. A portion of the proceeds of the Bonds will be deposited with Zions Bancorporation, National Association, Chicago, Illinois, the refunding agent for the Refunded Bonds at closing, in a non-interest bearing account, in an amount of \$1,185,000. The bonds were issued to refund General Obligation Bonds, Series 2010. Payments on these bonds are made from the General Fund and Utility Funds using operating revenues. The balance outstanding as of April 30, 2024 was \$4,085,000 in the governmental funds and was \$760,000 in the business-type funds.

On June 7, 2022, the City issued General Obligation Bond, Series 2022 in the amount of \$4,815,000, set to mature on January 1, 2031, due in annual principal installments of \$610,000 to \$770,000, with semi-annual interest of 4.00%. The bonds were issued to finance capital improvements. The balance outstanding as of April 30, 2024 was \$4,815,000.

Annual debt service requirements to maturity for general obligation bonds are as follows:

Year Ending April 30,	G.O. Bonds - Governmental			G.O. Bonds - Business Type		
	Principal	Interest	Total	Principal	Interest	Total
2025	\$ 1,165,000	579,313	1,744,313	1,190,000	68,625	1,258,625
2026	1,205,000	536,913	1,741,913	1,230,000	33,550	1,263,550
2027	1,245,000	492,913	1,737,913	125,000	14,500	139,500
2028	1,290,000	474,288	1,764,288	125,000	12,000	137,000
2029	630,000	230,550	860,550	135,000	8,250	143,250
2030-2034	5,735,000	1,470,188	7,205,188	140,000	42,000	182,000
2035-2039	3,245,000	574,348	3,819,348	-	-	-
2040	1,780,000	33,050	1,813,050	-	-	-
Total	\$ 16,295,000	4,391,562	20,686,562	2,945,000	178,925	3,123,925

CITY OF PERU, ILLINOIS

Notes to Basic Financial Statements
For the Year Ended April 30, 2024

NOTE 5: LONG-TERM LIABILITIES – (CONTINUED)

Notes Payable

On June 23, 2021, the City obtained a \$1,106,968 note from Central Bank Illinois for the purchase of a fire truck. The note will mature August 1, 2028, at a rate of 1.95% and requires annual payments of \$171,251, which includes both principal and interest. Payments are made from the General Fund of the City. The balance outstanding as of April 30, 2024 was \$807,669.

On December 31, 2012, the City obtained an Illinois EPA Sewer Separation Project loan totaling \$4,491,398. The loan will mature April 30, 2033, has an interest rate of 0% and requires semi-annual payments of \$115,164. Payments are made from the Utility Fund from operating revenues. The balance outstanding as of April 30, 2024 was \$2,072,953.

A summary of the annual notes payable principal and interest requirements to maturity is as follows:

Year Ending April 30,	Notes Payable - Governmental			Notes Payable - Business Type		
	Principal	Interest	Total	Principal	Interest	Total
2025	\$ 155,239	16,012	171,251	230,328	-	230,328
2026	158,352	12,899	171,251	230,328	-	230,328
2027	161,482	9,769	171,251	230,328	-	230,328
2028	164,675	6,576	171,251	230,328	-	230,328
2029	167,921	3,329	171,250	230,328	-	230,328
2030-2033	-	-	-	921,312	-	921,312
Total	<u>\$ 807,669</u>	<u>48,585</u>	<u>856,254</u>	<u>2,072,953</u>	<u>-</u>	<u>2,072,953</u>

Leases Payable

Lease agreements are summarized as follows:

Governmental Activities:

Description	Date	Payment Terms	Payment Amount	Interest Rate	Total Lease Liability	Balance April 30, 2024
John Deere	12/31/2022	60 months	\$ 1,073	3.25%	\$ 59,500	43,507
John Deere	10/31/2022	60 months	1,551	3.25%	86,000	60,113
John Deere	8/31/2022	60 months	539	3.25%	29,900	19,942
John Deere	1/15/2023	60 months	2,097	2.25%	111,404	65,086
First Western	6/10/2022	60 months	550	7.00%	27,947	18,250
New Equipment	2/27/2023	36 months	2,161	3.25%	66,399	42,273
Total					<u>\$ 381,150</u>	<u>249,171</u>

**Notes to Basic Financial Statements
For the Year Ended April 30, 2024**

NOTE 5: LONG-TERM LIABILITIES – (CONTINUED)

A. John Deere 310SL Backloader

On December 31, 2022, the City entered into a lease agreement with John Deere Financial for a 310SL Backloader in the amount of \$59,500. The lease has an interest rate of 3.25% and matures on November 28, 2027. The lease has a current balance of \$43,507 and will be paid out of the General Fund.

B. John Deere 544 P Wheel Loader

On October 31, 2022, the City entered into a lease agreement with John Deere Financial for a 544 P Wheel Loader in the amount of \$86,000. The lease has an interest rate of 3.25% and matures on September 27, 2027. The lease has a current balance of \$60,113 and will be paid out of the General Fund.

C. John Deere 50G Compact Excavator

On August 31, 2022, the City entered into a lease agreement with John Deere Financial for a 50G Compact Excavator in the amount of \$29,900. The lease has an interest rate of 3.25% and matures on July 30, 2027. The lease has a current balance of \$19,942 and will be paid out of the General Fund.

D. John Deere Equipment

On January 15, 2023, the City entered into a lease agreement with John Deere Financial for a 324L Four Wheel Drive Loader, HH80C Hydraulic Hammer, and a SB78D Snow Blower in the amount of \$111,404. The lease has an interest rate of 2.25% and matures on January 13, 2027. The lease has a current balance of \$65,086 and will be paid out of the General Fund.

E. First Western Diamond Machine

On June 10, 2022, the City entered into a lease agreement with First Western Equipment Finance for a Diamond Machine in the amount of \$27,947. The lease has an interest rate of 7.0% and matures on May 10, 2027. The lease has a current balance of \$18,250 and will be paid out of the General Fund.

F. New Equipment Exmark Laser

On February 27, 2023, the City entered into a lease agreement with New Equipment Leasing for an Exmark Laser in the amount of \$66,399. The lease has an interest rate of 3.25% and matures on January 27, 2026. The lease has a current balance of \$42,273 and will be paid out of the General Fund.

CITY OF PERU, ILLINOIS

**Notes to Basic Financial Statements
For the Year Ended April 30, 2024**

NOTE 5: LONG-TERM LIABILITIES – (CONTINUED)

Business Type:

Description	Date	Payment Terms	Payment Amount	Interest Rate	Total Lease Liability	Balance April 30, 2024
John Deere	10/27/2022	60 months	\$ 1,524	3.25%	\$ 84,500	56,792
John Deere	12/28/2022	60 months	1,073	3.25%	59,500	43,507
Total					<u>\$ 144,000</u>	<u>100,299</u>

A. John Deere 310SL Backhoe Loader

On October 27, 2022, the City entered into a lease agreement with John Deere Financial for a 310SL Backhoe Loader in the amount of \$84,500. The lease has an interest rate of 3.25% and matures on September 27, 2027. The lease has a current balance of \$56,792 and will be paid out of the Utility Fund.

B. John Deere 310SL Backhoe Loader

On December 28, 2022, the City entered into a lease agreement with John Deere Financial for a 310SL Backhoe Loader in the amount of \$59,500. The lease has an interest rate of 3.25% and matures on November 28, 2027. The lease has a current balance of \$43,507 and will be paid out of the Utility Fund.

Asset Retirement Obligation

The City has recognized an asset retirement obligation (ARO) and related deferred outflow of resources in connection with its obligation to seal and abandon five water wells at the end of their estimated useful lives in accordance with state requirements. The ARO was measured using historical costs for similar abandonments, adjusted for inflation through the end of the year and engineering estimates. The useful life of the water wells is 75 years.

NOTE 6: LEGAL DEBT MARGIN

The City is a home rule municipality and is not subject to a statutory debt limitation. As a result, it does not have a legal debt margin.

CITY OF PERU, ILLINOIS

Notes to Basic Financial Statements
For the Year Ended April 30, 2024

NOTE 7: DEFINED BENEFIT PENSION PLANS

The City's totals for pension-related amounts are reported in the accompanying financial statements as follows:

	Governmental Activities	Business-Type Activities	Total
Net Pension Liabilities:			
IMRF	\$ 403,411	134,470	537,881
Police Pension	13,703,499	-	13,703,499
Firemens Pension	497,467	-	497,467
Total net pension liabilities (asset)	<u>\$ 14,604,377</u>	<u>134,470</u>	<u>14,738,847</u>
Deferred outflows related to pensions:			
IMRF	\$ 3,823,822	1,274,608	5,098,430
Police Pension	1,760,431	-	1,760,431
Firemens Pension	275,420	-	275,420
Total deferred outflows	<u>\$ 5,859,673</u>	<u>1,274,608</u>	<u>7,134,281</u>
Deferred inflows related to pensions:			
IMRF	\$ 1,944,188	648,063	2,592,251
Police Pension	975,321	-	975,321
Firemens Pension	475,942	-	475,942
Total deferred inflows	<u>\$ 3,395,451</u>	<u>648,063</u>	<u>4,043,514</u>
Pension Expense (Benefit):			
IMRF	\$ (291,231)	(97,077)	(388,308)
Police Pension	1,738,786	-	1,738,786
Firemens Pension	(104,848)	-	(104,848)
Total pension expense	<u>\$ 1,342,707</u>	<u>(97,077)</u>	<u>1,245,630</u>

Notes to Basic Financial Statements
For the Year Ended April 30, 2024

NOTE 7: DEFINED BENEFIT PENSION PLANS – (CONTINUED)

Illinois Municipal Retirement Fund

Plan Description

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

Benefits Provided

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

All three IMRF benefit plans have two tiers. Employees hired before January 1, 2011, are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 – 2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the *lesser* of:

- 3% of original pension amount
- ½ of the increase in the Consumer Price Index of the original pension amount.

Notes to Basic Financial Statements
For the Year Ended April 30, 2024

NOTE 7: DEFINED BENEFIT PENSION PLANS – (CONTINUED)

Illinois Municipal Retirement Fund – (Continued)

Membership

As of December 31, 2023, the City’s plan membership consisted of the following:

Retirees and beneficiaries	95
Inactive, non-retired members	37
Active members	<u>56</u>
Total	<u><u>188</u></u>

Contributions

As set by statute, the City’s Regular plan members are required to contribute a percent of their annual covered salary. The statute requires the City to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The required contribution rates and actual City contributions for calendar year 2023 and the fiscal year ended April 30, 2024 are summarized below. 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.

Member contribution rate	4.50%
City contribution rate - 2023	4.21%
City contribution rate - 2024	4.38%
City contributions - 2023	\$ 189,617
City contributions - fiscal year 2024	\$ 197,381

Net Pension Liability (Asset)

The City’s net pension liability (asset) was measured as of December 31, 2023. The total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date.

Notes to Basic Financial Statements
For the Year Ended April 30, 2024

NOTE 7: DEFINED BENEFIT PENSION PLANS – (CONTINUED)

Illinois Municipal Retirement Fund – (Continued)

Actuarial Assumptions

The following are the methods and assumptions used to determine total pension liability at December 31, 2023:

- The Actuarial Cost Method used was Aggregate Entry Age Normal.
- The Asset Valuation Method used was 5-Year smoothed market, 20% corridor
- The Inflation Rate was assumed to be 2.25%.
- Salary Increases were expected to be 2.75% to 13.75%, including inflation.
- The Investment Rate of Return was assumed to be 7.25%.
- Projected Retirement Age was from the Experience-based Table of Rates, specific to the type of eligibility condition. Last updated for the 2020 valuation pursuant to an experience study of the period 2017 to 2019.
- For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020.
- For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.
- For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.
- The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table as of December 31, 2023:

<u>Asset Class</u>	<u>Portfolio Target Percentage</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	34.5%	5.00%
International Equity	18%	6.35%
Fixed Income	24.5%	4.75%
Real Estate	10.5%	6.30%
Alternative Investments	11.5%	6.05-8.65%
Cash Equivalents	<u>1%</u>	3.80%
Total	<u>100%</u>	

Notes to Basic Financial Statements
For the Year Ended April 30, 2024

NOTE 7: DEFINED BENEFIT PENSION PLANS – (CONTINUED)

Illinois Municipal Retirement Fund – (Continued)

Single Discount Rate

A single discount rate of 7.25% was used to measure the total pension liability. The projection of cash flow used to determine this single discount rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate.

The single discount rate reflects:

1. The long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and
2. The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For purposes of the December 31, 2023 valuations, the expected rate of return on plan investments is 7.25%, the municipal bond rate is 3.77%, and the resulting single discount rate is 7.25%.

Changes in Net Pension Liability (Asset)

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (Asset) (A) - (B)
Balances at December 31, 2022	\$ 32,616,254	30,729,216	1,887,038
Changes for the year:			
Service Cost	367,781	-	367,781
Interest on the Total Pension Liability	2,307,996	-	2,307,996
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual			
Experience of the Total Pension Liability	578,359	-	578,359
Changes of Assumptions	(3,984)	-	(3,984)
Contributions - Employer	-	189,617	(189,617)
Contributions - Employees	-	206,370	(206,370)
Net Investment Income	-	3,421,205	(3,421,205)
Benefit Payments, including Refunds of			
Employee Contributions	(1,931,441)	(1,931,441)	-
Other (Net Transfer)	-	782,117	(782,117)
Net Changes	<u>1,318,711</u>	<u>2,667,868</u>	<u>(1,349,157)</u>
Balances at December 31, 2023	<u>\$ 33,934,965</u>	<u>33,397,084</u>	<u>537,881</u>

Notes to Basic Financial Statements
For the Year Ended April 30, 2024

NOTE 7: DEFINED BENEFIT PENSION PLANS – (CONTINUED)

Illinois Municipal Retirement Fund – (Continued)

Sensitivity of Net Pension Liability (Asset) to Changes in the Discount Rate

The following presents the plan’s net pension liability (asset), calculated using a Single Discount Rate of 7.25%, as well as what the plan’s net pension liability (asset) would be if it were calculated using a Single Discount Rate that is 1.00% lower or 1.00% higher.

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Total Pension Liability	\$ 37,739,275	33,934,965	30,890,451
Plan Fiduciary Net Position	33,397,084	33,397,084	33,397,084
Net Pension Liability (Asset)	<u>\$ 4,342,191</u>	<u>537,881</u>	<u>(2,506,633)</u>

Pension Expense and Deferred Outflows / Inflows of Resources Related to Pensions

For the year ended April 30, 2024, the City recognized pension income of \$388,308. At April 30, 2024, the City reported deferred outflows and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 613,934	-
Changes in assumptions	-	2,829
Net difference between projected and actual earnings on pension plan investments	4,413,205	2,589,422
Contributions subsequent to the measurement date	<u>71,291</u>	<u>-</u>
Total	<u>\$ 5,098,430</u>	<u>2,592,251</u>

\$71,291 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended April 30, 2024. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

Calendar Year Ending December 31,	Net Deferred Outflows of Resources
2024	\$ 534,230
2025	842,858
2026	1,301,930
2027	(244,129)
2028	-
Thereafter	<u>-</u>
	<u>\$ 2,434,889</u>

Notes to Basic Financial Statements
For the Year Ended April 30, 2024

NOTE 7: DEFINED BENEFIT PENSION PLANS – (CONTINUED)

Police Pension Plan

Plan Description

Administration

The Plan is a single-employer defined benefit pension plan administered by the Plan’s Board of Trustees which consists of: two members appointed by the City, two active members of the Police Department elected by the membership and one retired member of the Police Department elected by the membership. The Plan is established and administered as prescribed by “Article 3 Police Pension Fund – Municipalities 500,000 and Under” of the Illinois Pension Code.

Membership

As of April 30, 2024, the City’s plan membership consisted of the following:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	20
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	3
Active members	<u>23</u>
Total	<u><u>46</u></u>

Benefits Provided

The Police Pension Plan provides retirement benefits as well as disability, termination and death benefits in two tiers depending on when a participant enters a plan.

Normal Retirement Benefits

Tier 1 employees are those who have attained the age of 50 with 20 or more years of creditable service. These employees are entitled to receive an annual retirement benefit of one-half of the annual salary attached to the rank, held on the last day of service plus 2.50% of annual salary for each year of service over 20 years, up to a maximum of 75.00% of salary. The minimum monthly benefit is \$1,000 per month. Tier 2 employees are those who have attained the age of 50 with 10 or more years of creditable service. These employees receive 2.50% per year of service times the average salary for the eight consecutive years prior to retirement times the number of years of service. The maximum benefit is 75.00% of average salary. The minimum monthly benefit is \$1,000 per month. For tier 2 participants, the salary is capped at \$106,800 as of 2011, indexed annually, not to exceed 3.00%.

Notes to Basic Financial Statements
For the Year Ended April 30, 2024

NOTE 7: DEFINED BENEFIT PENSION PLANS – (CONTINUED)

Police Pension Plan – (Continued)

Cost of Living Adjustment

Cost of living adjustments for Tier 1 employees include an annual increase equal to 3.00% per year after age 55. Those that retire prior to age 55 receive an increase of 1/12 of 3.00% for each full month since benefit commencement upon reaching age 55. Tier 2 employees receive an annual increase each January 1 equal to 3.00% per year or one-half of the annual unadjusted percentage increase in the consumer price index-u for the 12 months ending with the September preceding each November 1, whichever is less, of the original pension after the attainment of age 60 or first anniversary of pension start date whichever is later.

Disability Benefits

Disabled retirees receive a maximum of: a) 65.00% of salary attached to the rank held by the member on the last day of service, and; b) the monthly retirement pension that the member is entitled to receive if he or she retired immediately. Eligibility for total and permanent disabilities is determined by the Board of Trustees. For non-service connected disabilities, a benefit of 50.00% of salary attached to rank held by the member on last day of service.

Pre-Retirement Death Benefit

For service incurred deaths, the benefit includes 100% of salary attached to the rank held by the member on the last day of service. For non-service incurred deaths, the benefit includes a maximum of: a) 54.00% of salary attached to the rank held by the member on the last day of service, and; b) the monthly retirement pension earned by the deceased member at the time of death, regardless of whether death occurs before or after age 50. For non-service deaths with less than 10 years of service, a refund of member contributions is provided.

Termination Benefits

Employees with less than 10 years of service receive a refund of member contributions. Employees with 10 or more years of service receive either the termination benefit, payable upon reaching age 60, provided contributions are not withdrawn, or a refund of member contributions. The termination benefit is 2.50% of annual salary held prior to termination times creditable service.

Basis of Accounting

The financial statements are prepared using the accrual basis of accounting. Employee and employer contributions are recognized when due, pursuant to formal commitments, as well as statutory or contractual requirements. Benefits and refunds are recognized when due, and payable in accordance with the terms of the plan. Administrative costs are paid from investment earnings.

Notes to Basic Financial Statements
For the Year Ended April 30, 2024

NOTE 7: DEFINED BENEFIT PENSION PLANS – (CONTINUED)

Police Pension Plan – (Continued)

Contributions

Covered employees are required to contribute 9.91% of their base salary to the Police Pension Plan. The City is required to contribute the remaining amount necessary for the payment of Normal (current year's) Cost and amortization of the accrued past service liability required to achieve 90.00% funding by 2040.

Investments

The Illinois Police Officers' Pension Investment Fund (IPOPIF) is an investment trust fund responsible for the consolidation and fiduciary management of the pension assets of Illinois suburban and downstate police pension funds. IPOPIF was created by Public Act 101-0610, and codified within the Illinois Pension Code, becoming effective January 1, 2020, to streamline investments and eliminate unnecessary and redundant administrative costs, thereby ensuring assets are available to fund pension benefits for the beneficiaries of the participating pension funds. Participation in IPOPIF by Illinois suburban and downstate police pension funds is mandatory. Investments of the Fund are combined in a commingled external investment pool and held by IPOPIF. A schedule of investment expenses is included in IPOPIF's annual report. For additional information on IPOPIF's investments, please refer to their annual report, which can be obtained from IFPIF at 456 Fulton Street, Suite 402 Peoria, Illinois 61602 or at www.ipopif.org. The Fund transferred all 72% of eligible assets to the Investment Fund in May 2023.

Investment Policy

IPOPIF's current investment policy was adopted by the Board of Trustees on December 17, 2021. IPOPIF is authorized to invest in all investments allowed by Illinois Compiled Statutes (ILCS). The IPOPIF shall not be subject to any of the limitations applicable to investments of pension fund assets currently held by the transferor pension funds under Sections 1-113.1 through 1-113.12 or Article 3 of the Illinois Pension Code.

Rate of Return

For the year ended April 30, 2024, the annual money-weighted rate of return on pension plan investments, net of pension plan expense, was unknown. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

All investments in the plan are stated at fair value. Fair value is based on quoted market prices at April 30, 2024.

Notes to Basic Financial Statements
For the Year Ended April 30, 2024

NOTE 7: DEFINED BENEFIT PENSION PLANS – (CONTINUED)

Police Pension Plan – (Continued)

Investment Type	Fair Value	Investment Maturities (in years)			
		Less Than One	1-5	6-10	11-15
Mutual Funds	\$ 8,949,396	8,949,396	-	-	-
U.S. Tres. & Agencies	125,577	125,577	-	-	-
Annuities	3,337,323	3,337,323	-	-	-
Total	\$ 12,412,296	12,412,296	-	-	-

In accordance with its investment policy, the Fund limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for operating funds and maximizing yields for funds not needed for expected current cash flows. The investment policy does not limit the maximum maturity length of investments in the Fund.

Rate of Return

For the year ended April 30, 2024, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was unknown. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Deposits with Financial Institutions

The Fund retains all its available cash with one financial institution. Available cash is determined to be that amount which is required for the current expenditures of the Fund. The excess of available cash is required to be transferred to IPOPIF for purposes of the long-term investment for the Fund. At year-end, the carrying amount of the Fund's cash on hand totaled \$2,868,695 and the bank balances totaled \$2,868,695.

Credit Risk

The Fund limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing in obligations guaranteed by the United States Government, securities issued by agencies of the United States Government that are explicitly or implicitly guaranteed by the United States Government, and municipalities of the State of Illinois.

Custodial Risk Credit

For deposits, the Fund's investment policy limits the exposure to custodial credit risk by requiring all deposits in excess of FDIC insurable limits to be secured with collateralization pledged by the applicable financial institution equal to at least 100% of the value of the deposit. At April 30, 2024, the entire amount of the bank balance of the deposits was covered by federal depository or equivalent insurance.

Notes to Basic Financial Statements
For the Year Ended April 30, 2024

NOTE 7: DEFINED BENEFIT PENSION PLANS – (CONTINUED)

Police Pension Plan – (Continued)

Investments

At year-end the Fund has \$8,949,396 invested in IPOPIF, which is measured at the Net Asset Value (NAV) per share as determined by the pool. The pooled investments consist of the investments as noted in the target allocation table available at www.ipopif.org. The fund also has insurance annuity contracts held at year end with a fair market value of \$3,337,323. The annuity contracts have interest rates of 2.1% and 3%.

Contributions

Participants are required to contribute 9.91% of their base salary to the Police's Pension Plan. The City is required to contribute the remaining amount necessary for payment of Normal (current year's) Cost and amortization of the accrued past service liability.

Net Pension Liability

The components of the net pension liability of the Plan at April 30, 2024, were as follows:

Total Pension Liability	\$ 28,984,796
Plan Fiduciary Net Position	<u>15,281,297</u>
Net Pension Liability	<u>\$ 13,703,499</u>

Plan fiduciary net position as a percentage of the total pension liability was 52.72% at April 30, 2024.

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of May 1, 2023, updated to April 30, 2024, using the following actuarial assumptions.

Inflation	2.50%
Salary increases, attributable to inflation	Service based
Discount Rate	6.50%
Investment rate of return	6.50%

Mortality rates were based on PubS-2010 Mortality Table, projected 5 years past the valuation date with MP-2020. 10% of active deaths are assumed to be in the line of duty. Assumptions for retirement age, disability rate, and termination rate are based upon the 2023 actuarial experience study performed for the Illinois Police Officers' Pension Investment Fund.

Notes to Basic Financial Statements
For the Year Ended April 30, 2024

NOTE 7: DEFINED BENEFIT PENSION PLANS – (CONTINUED)

Police Pension Plan – (Continued)

Actuarial Assumptions – (Continued)

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

Discount Rate

The discount rate used to measure the total pension liability was 6.50%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the Long-Term Expected Rate of Return on Pension Plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

For the purpose of this valuation, the expected rate of return on pension plan investments is 6.50%. The municipal bond rate is 4.42 percent (based on the daily rate closest to, but not later than the measurement date of the S&P Municipal Bond 20 Year High Grade Rate Index). The resulting single discount rate is 6.50%.

Sensitivity of Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the City, calculated using the discount rate of 6.50%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1.00% lower or 1.00% higher.

	1% Decrease (5.50%)	Current Discount Rate (6.50%)	1% Increase (7.50%)
Net Pension Liability/(Asset)	\$ 18,012,770	13,703,499	10,209,014

CITY OF PERU, ILLINOIS

Notes to Basic Financial Statements
For the Year Ended April 30, 2024

NOTE 7: DEFINED BENEFIT PENSION PLANS – (CONTINUED)

Police Pension Plan – (Continued)

Changes in Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at April 30, 2023	\$ 27,183,082	14,497,368	12,685,714
Changes for the year:			
Service Cost	476,552	-	476,552
Interest on the Total Pension Liability	1,759,740	-	1,759,740
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	738,852	-	738,852
Changes of Assumptions	-	-	-
Contributions - Employer	-	812,252	(812,252)
Contributions - Employees	-	194,336	(194,336)
Net Investment Income	-	955,936	(955,936)
Benefit Payments, including Refunds of Employee Contributions	(1,173,430)	(1,173,430)	-
Other (Net Transfer)	-	(5,165)	5,165
Net Changes	<u>1,801,714</u>	<u>783,929</u>	<u>1,017,785</u>
Balances at April 30, 2024	<u>\$ 28,984,796</u>	<u>15,281,297</u>	<u>13,703,499</u>

Notes to Basic Financial Statements
For the Year Ended April 30, 2024

NOTE 7: DEFINED BENEFIT PENSION PLANS – (CONTINUED)

Police Pension Plan – (Continued)

Pension Expense and Deferred Outflows / Inflows of Resources Related to Pensions

For the year ended April 30, 2024, the City recognized pension expense of \$1,738,786. At April 30, 2024, the City reported deferred outflows and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 803,127	351,893
Changes in assumptions	-	623,428
Net difference between projected and actual earnings on pension plan investments	957,304	-
Total	<u>\$ 1,760,431</u>	<u>975,321</u>

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

Year Ending April 30,	Net Deferred Outflows of Resources
2025	\$ 114,123
2026	476,292
2027	72,117
2028	(564)
2029	123,142
Thereafter	-
Total	<u>\$ 785,110</u>

Notes to Basic Financial Statements
For the Year Ended April 30, 2024

NOTE 7: DEFINED BENEFIT PENSION PLANS – (CONTINUED)

Firemen’s Pension Plan

Plan Description

Administration

The Plan is a single-employer defined benefit pension plan administered by the Plan’s Board of Trustees which consists of: two members appointed by the City, two active members of the Fire Department elected by the membership and one retired member of the Fire Department elected by the membership. The Plan is established and administered as prescribed by “Article 3 Firefighter’s Pension Fund – Municipalities 500,000 and Under” of the Illinois Pension Code.

Membership

As of April 30, 2024, the City’s plan membership consisted of the following:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	5
Inactive Plan Members Not Yet Receiving Benefits	-
Active members	<u>4</u>
Total	<u><u>9</u></u>

Benefits Provided

The Firemen’s Pension Plan provides retirement benefits as well as disability, termination, and death benefits.

Normal Retirement Benefits

Tier 1 employees are those hired prior to January 1, 2011 who have attained the age of 50 with 20 or more years of creditable service. These employees are entitled to receive an annual retirement benefit of one-half of the annual salary attached to the rank, held on the last day of service plus 2.50% of annual salary for each year of service over 20 years, up to a maximum of 75.00% of salary. The minimum monthly benefit is \$1,159 per month. Tier 2 employees are those hired on or after January 1, 2011 who have attained the age of 50 with 10 or more years of creditable service. These employees receive 2.50% per year of service times the average salary for the eight consecutive years prior to retirement times the number of years of service. The maximum benefit is 75.00% of average salary. The minimum monthly benefit payment is \$1,159 per month.

Cost of Living Adjustment

Cost of living adjustments for Tier 1 employees include an annual increase equal to 3.00% per year after age 55. Those that retire prior to age 55 receive an increase of 1/12 of 3.00% for each full month since benefit commencement upon reaching age 55. Cost of living adjustments for Tier 1 disabled retirees includes an annual increase equal to 3.00% per year of the original benefit amount beginning at age 60. Those that become disabled prior to age 60 receive an increase of 3.00% of the original benefit amount for each year since benefit commencement upon reaching age 60.

Notes to Basic Financial Statements
For the Year Ended April 30, 2024

NOTE 7: DEFINED BENEFIT PENSION PLANS – (CONTINUED)

Firemen’s Pension Plan – (Continued)

Benefits Provided – (Continued)

Cost of Living Adjustment – (Continued)

Tier 2 employees receive an annual increase each January 1 equal to 3.00% per year or one-half of the annual unadjusted percentage increase in the consumer price index-u for the 12 months ending with the September preceding each November 1, whichever is less, of the original pension after the attainment of age 60 or first anniversary of pension start date whichever is later.

Disability Benefits

Disabled retirees receive a maximum of: a) 65.00% of salary attached to the rank held by the member on the last day of service, and; b) the monthly retirement pension that the member is entitled to receive if he or she retired immediately. Eligibility for total and permanent disabilities is determined by the Board of Trustees. For non-service connected disabilities, a benefit of 50.00% of salary attached to rank held by the member on last day of service.

Pre-Retirement Death Benefit

For service incurred deaths, the benefit includes 100% of salary attached to the rank held by the member on the last day of service. For non-service incurred deaths, the benefit includes a maximum of: a) 54.00% of salary attached to the rank held by the member on the last day of service, and; b) the monthly retirement pension earned by the deceased member at the time of death, regardless of whether death occurs before or after age 50.

Termination Benefits

Employees with less than 10 years of service receive a refund of member contributions. Employees with 10 or more years of service receive either the termination benefit, payable upon reaching age 60, provided contributions are not withdrawn, or a refund of member contributions. The termination benefit is based on the monthly salary attached to the member’s rank at separation from service.

Notes to Basic Financial Statements
For the Year Ended April 30, 2024

NOTE 7: DEFINED BENEFIT PENSION PLANS – (CONTINUED)

Firemen’s Pension Plan – (Continued)

Basis of Accounting

The financial statements are prepared using the accrual basis of accounting. Employee and employer contributions are recognized when due, pursuant to formal commitments, as well as statutory or contractual requirements. Benefits and refunds are recognized when due, and payable in accordance with the terms of the plan. Administrative costs are paid from investment earnings.

Contributions

Covered employees are required to contribute 9.455% of their base salary to the Firemen’s Pension Plan. The City is required to contribute the remaining amount necessary for the payment of Normal (current year’s) Cost and amortization of the accrued past service liability required to achieve 90.00% funding by 2040.

Investments

The Illinois Firefighters' Pension Investment Fund (IFPIF) is an investment trust fund responsible for the consolidation and fiduciary management of the pension assets of Illinois suburban and downstate firefighter pension funds. IFPIF was created by Public Act 101-0610, and codified within the Illinois Pension Code, becoming effective January 1, 2020, to streamline investments and eliminate unnecessary and redundant administrative costs, thereby ensuring assets are available to fund pension benefits for the beneficiaries of the participating pension funds. Participation in IFPIF by Illinois suburban and downstate firefighter pension funds is mandatory. Investments of the Fund are combined in a commingled external investment pool and held by IFPIF. A schedule of investment expenses is included in IFPIF's annual report. For additional information on IFPIF's investments, please refer to their annual report as of June 30, 2022. A copy of that report can be obtained from IFPIF at 1919 South Highland Avenue, Building A, Suite 237, Lombard, IL 60148 or at www.ifpif.org. The fund transferred all eligible assets to the Investment Fund in November 2021.

Deposits. The Fund retains all its available cash with one financial institution. Available cash is determined to be that amount which is required for the current expenditures of the Fund. The excess of available cash is required to be transferred to IFPIF for purposes of the long-term investment for the Fund. At year-end, the carrying amount of the Fund’s cash on hand totaled \$308,485 and the bank balances totaled \$308,485.

Custodial Credit Risk. For deposits, the Fund 's investment policy limits the exposure to custodial credit risk by requiring all deposits in excess of FDIC insurable limits to be secured with collateralization pledged by the applicable financial institution equal to at least 100% of the value of the deposit. At April 30, 2024, the entire amount of the bank balance of the deposits was covered by federal depository or equivalent insurance.

Investments. At year-end the Fund has \$2,995,127 invested in IFPIF, which is measured at the Net Asset Value (NAV) per share as determined by the pool. The pooled investments consist of the investments as noted in the target allocation table available at www.ifpif.org.

Notes to Basic Financial Statements
For the Year Ended April 30, 2024

NOTE 7: DEFINED BENEFIT PENSION PLANS – (CONTINUED)

Firemen’s Pension Plan – (Continued)

Investments – (Continued)

Investment Policy. IFPIF's current investment policy was adopted by the Board of Trustees on June 17, 2022. IFPIF is authorized to invest in all investments allowed by Illinois Compiled Statutes (ILCS). The IFPIF shall not be subject to any of the limitations applicable to investments of pension fund assets currently held by the transferor pension funds under Sections 1-113.1 through 1-113.12 or Article 4 of the Illinois Pension Code

Rate of Return

For the year ended April 30, 2024, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was unknown. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net Pension Liability

The components of the net pension liability of the Plan at April 30, 2024, were as follows:

Total Pension Liability	\$ 3,801,138
Plan Fiduciary Net Position	3,303,671
Net Pension Liability	<u>\$ 497,467</u>

Plan fiduciary net position as a percentage of the total pension liability was 86.91% at April 30, 2024.

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of May 1, 2023, updated to April 30, 2024, using the following actuarial assumptions.

Inflation	2.50%
Salary increases, attributable to inflation	Service based
Discount rate	6.50%
Investment rate of return	6.50%

Mortality rates were based on the PubS-2010 Employee mortality, unadjusted, with generational improvements with the most recent projection scale (currently Scale MP-2021). 20% of active deaths are assumed to be in the line of duty. Assumptions for retirement age, disability rate, and termination rate are based upon a 2021 experience study performed for the Illinois Firefighters' Pension Investment Fund.

Notes to Basic Financial Statements
For the Year Ended April 30, 2024

NOTE 7: DEFINED BENEFIT PENSION PLANS – (CONTINUED)

Discount Rate

The discount rate used to measure the total pension liability was 6.50%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Pension Plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the Long-Term Expected Rate of Return on Pension Plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

Changes in Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at April 30, 2023	\$ 3,564,570	3,127,605	436,965
Changes for the year:			
Service Cost	65,074	-	65,074
Interest on the Total Pension Liability	227,985	-	227,985
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	187,882	-	187,882
Changes of Assumptions	-	-	-
Contributions - Employer	-	91,699	(91,699)
Contributions - Employees	-	24,806	(24,806)
Net Investment Income	-	303,934	(303,934)
Benefit Payments, including Refunds of Employee Contributions	(244,373)	(244,373)	-
Administrative expense	-	-	-
Net Changes	236,568	176,066	60,502
Balances at April 30, 2024	<u>\$ 3,801,138</u>	<u>3,303,671</u>	<u>497,467</u>

Notes to Basic Financial Statements
For the Year Ended April 30, 2024

NOTE 7: DEFINED BENEFIT PENSION PLANS – (CONTINUED)

Firemen’s Pension Plan – (Continued)

Sensitivity of Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the City, calculated using the discount rate of 6.50%, as well as what the City’s net pension liability would be if it were calculated using a discount rate that is 1.00% lower or 1.00% higher.

	<u>1% Decrease (5.50%)</u>	<u>Current Discount Rate (6.50%)</u>	<u>1% Increase (7.50%)</u>
Net Pension Liability	\$ 958,019	497,467	115,016

Pension Expense and Deferred Outflows / Inflows of Resources Related to Pensions

For the year ended April 30, 2024, the City recognized pension benefit of \$104,848 related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 161,040	147,840
Changes in assumptions	-	328,102
Net difference between projected and actual earnings on pension plan investments	<u>114,380</u>	<u>-</u>
Total	<u>\$ 275,420</u>	<u>475,942</u>

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

<u>Year Ending April 30,</u>	<u>Net Deferred Inflows of Resources</u>
2025	\$ (176,564)
2026	(115,495)
2027	31,976
2028	5,881
2029	26,840
Thereafter	<u>26,840</u>
Total	<u>\$ (200,522)</u>

Notes to Basic Financial Statements
For the Year Ended April 30, 2024

NOTE 8: OTHER POST-EMPLOYMENT BENEFITS

Plan Description

In addition to the benefits described in Note 7, the City provides a Retire Health Care Plan (OPEB Plan), which is a single-employer defined benefit post-employment health care plan that covers eligible retired employees of the City. The Plan, which is administered by the City, allows employees who retire and meet retirement eligibility requirements under the applicable retirement plan to continue medical insurance coverage as a participant in the City's plan. For purposes of applying Paragraph 4 under Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other than Pensions, the Plan does not meet the requirements for an OPEB plan administered through a trust.

Membership

As of April 30, 2022, the following employees and retirees were covered by the benefit terms:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	10
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	-
Active Plan Members	<u>78</u>
Total	<u><u>88</u></u>

Benefits Provided

A retired employee and his or her spouse are eligible to continue health insurance identical to active employees if they meet the eligibility requirements under the applicable Plan. The retiree is responsible for paying the entire monthly premium for health coverage and that of any covered spouse or eligible dependents. Medicare is assumed to become primary upon attainment of age 65.

Contributions

The City is not required to and currently does not advance fund the cost of benefits that will become due and payable in the future. Active employees do not contribute to the plan until retirement. However, retiree health coverage is implicitly more expensive than active health coverage. The City's implicit contributions for the fiscal year ending April 30, 2024 were \$23,942.

Net OPEB Liability

At April 30, 2024, the City had a net OPEB liability for the plan, determined as follows:

Total OPEB Liability	\$ 635,614
Plan Fiduciary Net Position	<u>-</u>
Net OPEB Liability	<u><u>\$ 635,614</u></u>

Changes of assumptions reflect a change in the discount rate from 4.14% for the fiscal year ending April 30, 2022 to 4.42% for the fiscal year ending April 30, 2024.

Of the net OPEB liability, \$476,710 was reported under Governmental Activities, while \$158,904 was reported under Business-type Activities.

Notes to Basic Financial Statements
For the Year Ended April 30, 2024

NOTE 8: OTHER POST-EMPLOYMENT BENEFITS – (CONTINUED)

Actuarial Assumptions

The Total OPEB Liability was determined by an actuarial valuation as of April 30, 2022, updated to April 30, 2024, using the following actuarial assumptions:

- Inflation at 2.50%
- Salary increases at 2.50%
- Discount rate of 4.42%
- Initial Trend Rate of 7.25%
- Ultimate Trend Rate of 4.00%
- 52 years to Ultimate Trend Rate
- For all lives, mortality rates were PubG-2010 Mortality Tables projected to the valuation date using Projection Scale MP-2019.

Discount Rate

Given the City’s decision not to fund the program, all future benefit payments were discounted using a high-quality municipal bond rate of 4.42%. The high-quality municipal bond rate was based on the date closest but not later than the measurement date of the S&P Municipal Bond 20-Year High Grade Rate Index as published by S&P Dow Jones Indices. The S&P Municipal Bond 20-Year High Grade Rate Index consists of bonds in the S&P Municipal Bond Index with a maturity of 20 years. Eligible bonds must be rated at least AA by Standard & Poor’s Ratings Services, Aa2 by Moody’s, or AA by Fitch. If there are multiple ratings, the lowest is used.

OPEB Expense

For the year ended April 30, 2024, the City recognized an OPEB benefit of \$23,942. Of this amount, \$17,957 was allocated to Governmental Activities, while \$5,985 was allocated to Business-type Activities.

Changes in the Net OPEB Liability

	Total OPEB Liability (A)	Plan Fiduciary Net Position (B)	Net OPEB Liability (A) - (B)
	<u> </u>	<u> </u>	<u> </u>
Balances at April 30, 2023	\$ 680,785	-	680,785
Changes for the year:			
Service Cost	11,146	-	11,146
Interest	27,262	-	27,262
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	(67,513)	-	(67,513)
Changes of Assumptions	(16,066)	-	(16,066)
Benefit Payments	-	-	-
Administrative expense	-	-	-
Net Changes	<u>(45,171)</u>	<u>-</u>	<u>(45,171)</u>
Balances at April 30, 2024	<u>\$ 635,614</u>	<u>-</u>	<u>635,614</u>

CITY OF PERU, ILLINOIS

Notes to Basic Financial Statements
For the Year Ended April 30, 2024

NOTE 8: OTHER POST-EMPLOYMENT BENEFITS – (CONTINUED)

Sensitivity of Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the City, calculated using the discount rate of 4.42%, as well as what the City’s net OPEB liability would be if it were calculated using a discount rate that is 1.00% lower or 1.00% higher.

	1% Decrease (3.42%)	Current Discount Rate (4.42%)	1% Increase (5.42%)
Net OPEB Liability	\$ 695,831	635,614	582,738

Sensitivity of Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the net OPEB liability of the City, calculated using the current healthcare cost trend rates, as well as what the City’s net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1.00% lower or 1.00% higher.

	1% Decrease (3.00-6.25%)	Current Healthcare Cost Trend Rate (4.00-7.25%)	1% Increase (5.00- 8.25%)
Net OPEB Liability	\$ 573,359	635,614	707,325

NOTE 9: INTERFUND BALANCES

Due to and due from other funds exists between funds at April 30, 2024 to record payroll, benefits, and other expenses paid by the General Fund to be reimbursed by the Nonmajor Special Revenue Funds, the Utility Fund, and the Illinois Valley Regional Airport Operations Fund. See detail on interfund balances below:

	<u>Due To Other Funds</u>	<u>Due From Other Funds</u>
General Fund	\$ -	106,388
Utility Fund	106,588	200
Total	<u>\$ 106,588</u>	<u>106,588</u>

Interfund balances have been eliminated in the government-wide financial statements with the exception of balances between governmental and business-type activities which total \$106,588.

NOTE 10: TRANSFERS

During the year ended April 30, 2024, the City made a transfer from the Police Enforcement Fund to the General Fund in the amount of \$24,092.

**Notes to Basic Financial Statements
For the Year Ended April 30, 2024**

NOTE 11: FRANCHISE AGREEMENTS

The City has franchise agreements with several utility companies which give them exclusive rights to operate within the City. The most significant franchise agreement is between the General Fund and the Utility Fund. The Utility Fund paid \$1,623,750 to the General Fund to operate within the City during the year ended April 30, 2024. The phone company, gas company, and cable company paid \$281,506 to the City.

NOTE 12: ESTIMATED CLOSURE AND POST CLOSURE CARE COSTS

The City is the owner of two municipal landfills and one landscape compost site. The City stopped accepting waste, other than landscape waste at the compost site, in October 1994.

The Environmental Protection Agency (EPA) certified closure for the two municipal landfills during the year ended April 30, 2001. To comply with federal and state regulations for the closed municipal landfill sites, the City was required to monitor both landfills for a minimum post-closure period of 15 years. It is estimated that post closure care will require annual costs of approximately \$50,000 for the next fiscal years. The City has demonstrated that it is capable of meeting this financial obligation by using a financial test as required by the EPA.

The landscape waste compost site will require approximately \$219,000 in closure costs in compliance with the Illinois EPA financial responsibility requirements. The liability would be paid from the general landfill reserve.

As of April 30, 2024, the City hired a legal firm to assist with reclassification of the municipal landfills and landscape compost site.

NOTE 13: DEFICIT BALANCE

At April 30, 2024, the TIF District No. 3 Fund and the MVP TIF District Fund had a deficit fund balance of \$18,138 and \$204,350. Both deficits will be eliminated by future growth within the TIF Funds.

NOTE 14: RISK MANAGEMENT

The City is exposed to various risks of losses related to tort immunity, damage to and destruction of assets; errors and omissions and natural disasters for which the City carries commercial insurance. It is the policy of the City to purchase commercial insurance for the risks of loss in the following areas: comprehensive general liability, auto liability, property, public official and employee liability, and employee excess liability. There have been no significant reductions in insurance coverage, and settlement amounts have not exceeded insurance coverage for the prior three years.

NOTE 15: CONTINGENCIES

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the government expects such amount, if any, to be immaterial.

CITY OF PERU, ILLINOIS

Notes to Basic Financial Statements
For the Year Ended April 30, 2024

NOTE 16: RISKS AND UNCERTAINTIES

The Pension Trust Funds invest in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of the investment securities will occur in the near term. Such changes could materially affect the amounts reported in the Statement of Net Position available for benefits.

NOTE 17: COMMITTED CONSTRUCTION

At April 30, 2024, the City had the following construction contracts outstanding:

Project	Total Contract Amount	Portion at April 30, 2024	
		Completed	Committed
IVRD/Fire Station Renovation	\$ 449,700	235,839	213,861
General Fund Street Program 2024	1,111,454	242,627	868,827
Master Builder Way	2,472,595	2,188,838	283,757
GAF - Utilities Extensions	1,860,325	1,753,771	106,554
Total	\$ 5,894,074	4,421,075	1,472,999

NOTE 18: BUDGET APPROPRIATIONS

Actual expenditures exceeded appropriations for the year ended April 30, 2024 in the following funds:

Fund	Actual Expenditures	Budgeted Appropriations	Variance
General Fund	\$ 21,820,864	20,834,165	986,699
Garbage Fund	913,797	909,175	4,622
Drug Enforcement, Impound, and Equipment Fund	29,167	27,181	1,986
TIF District No. 3 Fund	93,061	90,903	2,158
TIF District No. 4 (Downtown) Fund	269,923	170,277	99,646
TIF District No. 5 (Peru Mall) Fund	6,598	6,322	276

NOTE 19: EMPLOYEE HEALTH INSURANCE PROGRAM

Effective January 1, 2018, employee health benefits are provided by the City under a self-insurance co-operative program with a plan year-end of December 31. Administration of the Plan is outsourced to a third party provider. Health insurance claims under the plan were \$1,027,007 for the year ended April 30, 2024, and the City paid \$4,755 in administration fees during the year.

Notes to Basic Financial Statements
For the Year Ended April 30, 2024

NOTE 20: CONTRACTS AND AGREEMENTS

Operating Lease

The City leases equipment under an agreement with John Deere Financial. The lease is for 60 months, beginning October 20, 2017, and requires monthly payments of \$3,864. Under the lease, the City paid \$19,320 during the year ended April 30, 2024.

Cell Tower

During the year ended April 30, 2024, the City executed an agreement with American Towers Corp. for a 50-year extension of the easement for a plot of City land occupied by a cell tower owned by American Towers Corp. The agreement became effective March 19, 2018, and the City received \$1,275,000 upon execution. During the year ended April 30, 2023 the City received \$74,266 under this agreement.

Illinois Valley Regional Dispatch

The City contracts with Illinois Valley Regional Dispatch (IVRD) for 911 emergency telecommunications services. Representatives from the Cities of Peru, LaSalle, Oglesby, and Mendota make up the IVRD board as founding members of the entity. The City began contracting with IVRD in September of 2016 and pays IVRD a per capita fee set annually. The fee for the year ended April 30, 2024 was \$20 per capita. The City also receives \$1,000 monthly for providing accounting and human resources functions for IVRD.

Parkside Obligation

The City has an existing intergovernmental agreement with Peru Elementary School District #124 under which the City imposed a 1% sales tax increase, and abated 50% of the tax collected for the purpose of assisting the District in financing needed improvements to its Parkside School facility. One half of the additional sales tax collected is pledged for payment of the related Parkside Bonds. Any amounts received in excess of the scheduled debt service may be retained by the City. During the year ended April 30, 2024, the City received and remitted \$1,556,145 to the District under this agreement.

Building Materials Manufacturing Corporation

The City has an agreement with Building Materials Manufacturing Corporation (GAF) for the extension of the City's utilities and construction of Master-Builder Way. GAF will reimburse the City for costs related to the acquisition of land and for costs of such extension, including all engineering, inspection, construction, and related expenses. During the year ended April 30, 2024, the City received \$0 under this agreement.

**Notes to Basic Financial Statements
For the Year Ended April 30, 2024**

NOTE 21: SUBSEQUENT EVENTS

Management evaluated subsequent events through April 30, 2024, the date the financial statements were available to be issued. No amounts were required to be recorded or disclosed in the financial statements as of April 30, 2024 as a result of events occurring between May 1, 2024 and October 21, 2024.

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Year Ended April 30, 2024
(With Comparative Figures for the Year Ended April 30, 2023)

	2024			2023	
	Appropriations		Actual	Over (Under) Final Budget	Actual
	Original	Final			
Revenues:					
Taxes:					
Property tax	\$ 170,000	1,073,951	1,074,688	737	1,026,583
Sales tax	7,188,661	7,563,661	7,564,071	410	7,139,231
State income tax	1,200,000	1,648,773	1,648,773	-	1,542,258
Hotel/motel tax	700,000	700,000	753,700	53,700	659,190
Video gaming tax	413,337	413,337	473,379	60,042	435,447
Telecommunications tax	130,970	130,970	119,688	(11,282)	131,503
Local use tax	380,000	380,000	373,707	(6,293)	400,792
Cannabis use tax	20,000	20,000	112,832	92,832	15,581
Home rule tax - parkside	2,319,781	2,489,781	2,492,211	2,430	2,394,357
Home rule tax - infrastructure	2,319,781	2,489,781	2,492,211	2,430	2,394,357
Total taxes	14,842,530	16,910,254	17,105,260	195,006	16,139,299
Intergovernmental revenue:					
Replacement tax	520,000	520,000	456,658	(63,342)	681,354
State grants and reimbursements	30,000	1,030,000	1,182,820	152,820	168,445
Federal grants and reimbursements	-	-	757	757	663,139
Total intergovernmental revenue	550,000	1,550,000	1,640,235	90,235	1,512,938
Licenses and permits:					
Contractor licenses	20,000	20,000	21,700	1,700	26,025
Liquor licenses	35,000	35,000	68,475	33,475	7,970
Franchise fees	2,104,468	2,104,468	2,094,287	(10,181)	1,974,632
Other licenses	65,000	65,000	98,312	33,312	119,662
Building permits	28,500	28,500	60,468	31,968	288,872
Inspection fees	5,000	5,000	7,300	2,300	202,750
Total licenses and permits	2,257,968	2,257,968	2,350,542	92,574	2,619,911
Fines and penalties:					
Court fines	28,334	28,334	29,687	1,353	25,965
Zoning ordinance fines	300	300	8,530	8,230	400
False alarm fines	4,575	4,575	5,500	925	5,150
Parking fines	2,415	2,415	1,880	(535)	2,250
Adjudication fines	28,695	28,695	21,193	(7,502)	28,146
Total fines and penalties	64,319	64,319	66,790	2,471	61,911
Charges for services:					
Fire services	10,500	10,500	10,013	(487)	11,160
Illinois Valley Regional Dispatch	-	-	-	-	11,000
Misc. Fire Services	500	500	-	(500)	-
Total charges for services	11,000	11,000	10,013	(987)	22,160
Investment income:					
Income from investments	151,610	401,610	410,224	8,614	241,284
Total Investment Income	151,610	401,610	410,224	8,614	241,284
Other revenues:					
Cemetery income	35,000	35,000	54,550	19,550	56,300
Reimbursements	5,000	5,000	70,111	65,111	17,017
Recreation receipts	5,000	5,000	41,519	36,519	25,791
City property rent	12,800	12,800	32,958	20,158	13,268
Telcom tower rent	89,927	89,927	64,632	(25,295)	74,266
Donations	5,000	5,000	14,245	9,245	1,806
Miscellaneous	33,133	33,133	94,001	60,868	367,121
Total other revenues	185,860	185,860	372,016	186,156	555,569
Total revenues	\$ 18,063,287	21,381,011	21,955,080	574,069	21,153,072

CITY OF PERU, ILLINOIS
GENERAL FUND

SCHEDULE A-1
(CONTINUED)

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Year Ended April 30, 2024
(With Comparative Figures for the Year Ended April 30, 2023)

	2024			2023	
	Appropriations		Actual	Over (Under) Final Budget	Actual
	Original	Final			
Expenditures:					
General government:					
General and administrative:					
Salaries	\$ 1,100,460	1,100,460	1,114,302	13,842	925,833
Group insurance	216,422	216,422	251,047	34,625	215,030
Dental Insurance	121,993	121,993	157,694	35,701	61,847
Unemployment insurance	3,510	3,510	12,173	8,663	10,220
Workers' compensation insurance	4,947	4,947	5,698	751	5,820
Social Security contribution	85,471	85,471	57,799	(27,672)	66,306
IMRF contribution	103,236	103,236	61,539	(41,697)	78,025
Maintenance	28,694	28,694	39,776	11,082	43,045
Auditing service	51,050	51,050	47,804	(3,246)	42,883
Engineering service	60,000	60,000	96,636	36,636	58,672
Legal service	6,200	6,200	19,580	13,380	115,072
Code enforcement	14,454	14,454	9,104	(5,350)	9,636
Administration hearing	4,000	4,000	4,000	-	4,165
Postage	12,011	12,011	14,925	2,914	11,733
Telephone	873	873	1,855	982	-
Education/Meetings	15,000	15,000	686	(14,314)	-
Publishing and advertising	62,652	62,652	63,677	1,025	68,104
Education, dues, and mileage	40,935	40,935	39,110	(1,825)	29,910
Utilities	33,453	33,453	33,453	-	33,453
Liability insurance	30,000	30,000	29,953	(47)	29,995
Other contractual services	123,188	123,188	48,236	(74,952)	52,965
Operating supplies	36,319	36,319	41,291	4,972	43,297
Maintenance agreements	6,800	6,800	9,675	2,875	7,664
Community relations	-	-	1,982	1,982	1,047
Parkside School Bond	1,557,789	1,557,789	1,555,685	(2,104)	1,556,145
Economic development	65,000	65,000	59,748	(5,252)	65,284
Economic support grant	80,000	80,000	-	(80,000)	-
Donations	20,000	20,000	32,830	12,830	58,246
Bad debt	-	-	-	-	752
Miscellaneous	37,235	37,235	19,553	(17,682)	34,687
Total general and administrative	3,921,692	3,921,692	3,796,861	(124,831)	3,629,836
City cemetery:					
Salaries	122,841	122,841	127,443	4,602	116,992
Group insurance	31,791	31,791	24,272	(7,519)	30,377
Dental Insurance	1,410	1,410	1,018	(392)	1,385
Workers' compensation insurance	4,000	4,000	2,906	(1,094)	4,440
Social Security contribution	9,397	9,397	9,571	174	8,795
IMRF contribution	7,370	7,370	3,978	(3,392)	5,530
Clothing allowance	350	350	620	270	137
Maintenance:					
Buildings	500	500	42,159	41,659	-
Equipment	7,500	7,500	12,608	5,108	13,495
Vehicles	1,500	1,500	1,029	(471)	2,268
New Equipment	20,000	20,000	-	(20,000)	-

**CITY OF PERU, ILLINOIS
GENERAL FUND**

**SCHEDULE A-1
(CONTINUED)**

**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Year Ended April 30, 2024
(With Comparative Figures for the Year Ended April 30, 2023)**

	2024			2023	
	Appropriations		Actual	Over (Under) Final Budget	Actual
	Original	Final			
Expenditures (continued):					
General government (continued):					
City cemetery (continued):					
Telephone	\$ 919	919	1,425	506	1,068
Utilities	4,048	4,048	6,464	2,416	6,440
Landscaping	15,000	15,000	42,307	27,307	8,750
Equipment rental	500	500	-	(500)	-
Contractual services	3,000	3,000	3,707	707	2,582
General insurance	3,200	3,200	3,036	(164)	3,040
Operating supplies	8,000	8,000	5,814	(2,186)	13,185
Automotive fuel and oil	9,146	9,146	6,725	(2,421)	8,710
Total city cemetery	250,472	250,472	295,082	44,610	227,194
Public buildings & grounds:					
Salaries	183,280	183,280	185,379	2,099	31,805
Workers' compensation insurance	1,000	1,000	1,647	647	541
Social security contribution	2,546	2,546	14,189	11,643	2,433
Maintenance:					
Buildings	10,000	10,000	28,582	18,582	124,749
Equipment	7,000	7,000	3,772	(3,228)	9,649
Grounds	75,000	75,000	165,032	90,032	91,678
Telephone	6,000	6,000	4,723	(1,277)	5,800
Utilities	16,000	16,000	17,936	1,936	18,731
Landscaping	70,000	70,000	82,059	12,059	119,962
General insurance	750	750	629	(121)	630
Engineering	-	-	34,019	34,019	-
Other contractual services	100,000	100,000	115,704	15,704	79,991
Operating supplies	3,000	3,000	9,254	6,254	6,953
Property taxes	13,000	13,000	4,539	(8,461)	12,180
Miscellaneous expense	65,000	65,000	19,576	(45,424)	10,848
Total public buildings & grounds	552,576	552,576	687,040	134,464	515,950
Total general government	4,724,740	4,724,740	4,778,983	54,243	4,372,980
Public safety:					
Police department:					
Salaries	2,305,641	2,305,641	2,700,794	395,153	2,494,714
Group insurance	381,299	381,299	418,535	37,236	481,738
Dental Insurance	11,521	11,521	12,010	489	11,312
Worker's compensation	50,000	50,000	74,197	24,197	54,468
Social Security contribution	31,539	31,539	62,325	30,786	53,527
IMRF contributions	17,218	17,218	10,870	(6,348)	12,194
Uniform allowance	24,000	24,000	31,162	7,162	28,783
Leads Line Rental	12,000	12,000	11,570	(430)	11,039

CITY OF PERU, ILLINOIS
GENERAL FUND

SCHEDULE A-1
(CONTINUED)

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Year Ended April 30, 2024
(With Comparative Figures for the Year Ended April 30, 2023)

	2024				2023
	Appropriations		Actual	Over (Under) Final Budget	Actual
	Original	Final			
Expenditures (continued):					
Public safety (continued):					
Police department (continued):					
Maintenance:					
Buildings	\$ 30,000	30,000	14,208	(15,792)	31,500
Equipment	5,000	5,000	36,403	31,403	43,867
Computers	6,000	6,000	-	(6,000)	-
Vehicles	80,000	80,000	80,723	723	101,720
Legal service	6,500	6,500	12,821	6,321	7,455
Employment testing	3,000	3,000	-	(3,000)	3,200
Postage	800	800	615	(185)	557
Telephone	20,000	20,000	23,030	3,030	20,978
Code red services	15,000	15,000	5,015	(9,985)	5,011
Dues	3,000	3,000	3,085	85	5,098
Meetings/Education & Safety	15,000	15,000	13,869	(1,131)	26,705
Utilities	88,600	88,600	83,298	(5,302)	90,989
Liability insurance	65,000	65,000	59,196	(5,804)	59,280
Special Programs Expense	10,000	10,000	3,428	(6,572)	9,490
Other contractual services	60,000	60,000	78,146	18,146	71,776
Pension contribution	1,000,000	812,252	812,252	-	1,769,732
Operating supplies	23,000	23,000	24,223	1,223	29,696
Automotive fuel & oil	75,000	75,000	57,977	(17,023)	71,710
Computer software	12,000	12,000	11,271	(729)	10,920
Community relations	675	675	575	(100)	400
ESDA Expenses	3,000	3,000	-	(3,000)	10,799
Miscellaneous Expense	10,000	10,000	11,632	1,632	8,830
Total police department	4,364,793	4,177,045	4,653,230	476,185	5,527,488
Fire department:					
Salaries	589,984	589,984	654,375	64,391	629,009
Group insurance	67,594	67,594	52,171	(15,423)	135,842
Dental Insurance	1,831	1,831	1,498	(333)	1,584
Workers' compensation insurance	35,000	35,000	23,259	(11,741)	30,948
Social Security contribution	16,979	16,979	25,077	8,098	20,671
IMRF contribution	800	800	848	48	633
Uniform allowance	1,500	1,500	747	(753)	1,438
Maintenance:					
Building	275,000	275,000	20,227	(254,773)	41,322
Equipment	20,000	20,000	53,437	33,437	29,898
Computers	1,500	1,500	-	(1,500)	-
Vehicles	80,000	80,000	189,393	109,393	142,975
Legal service	700	700	328	(372)	1,379
Telephone	5,210	5,210	5,875	665	5,007
Dues	1,500	1,500	2,424	924	563
Training	5,000	5,000	10,945	5,945	12,146
Turnout gear	10,000	10,000	47,935	37,935	22,289
Utilities	14,840	14,840	22,404	7,564	18,888

**CITY OF PERU, ILLINOIS
GENERAL FUND**

**SCHEDULE A-1
(CONTINUED)**

**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Year Ended April 30, 2024
(With Comparative Figures for the Year Ended April 30, 2023)**

	2024			2023	
	Appropriations		Actual	Over (Under) Final Budget	Actual
	Original	Final			
Expenditures (continued):					
Public safety (continued):					
Fire department (continued):					
Liability insurance	\$ 42,000	42,000	38,183	(3,817)	38,238
Other contractual services	15,000	15,000	18,793	3,793	11,043
Operating supplies	30,000	30,000	35,090	5,090	28,030
Medical services	17,000	17,000	10,282	(6,718)	28,905
Automotive fuel and oil	23,136	23,136	18,659	(4,477)	20,691
Pension contribution	150,000	91,699	91,699	-	236,896
Miscellaneous	10,000	10,000	5,296	(4,704)	13,192
Total fire department	1,414,574	1,356,273	1,328,945	(27,328)	1,471,587
Total public safety	5,779,367	5,533,318	5,982,175	448,857	6,999,075
Public works:					
Service garage:					
Salaries	148,253	148,253	164,107	15,854	142,357
Group insurance	25,000	25,000	14,635	(10,365)	13,897
Dental Insurance	600	600	308	(292)	319
Workers' compensation insurance	3,000	3,000	2,584	(416)	3,617
Social security contribution	11,341	11,341	11,946	605	10,529
IMRF contribution	8,895	8,895	7,033	(1,862)	8,174
Operating supplies	400	400	147	(253)	199
Clothing Allowance	250	250	-	(250)	-
Liability insurance	4,000	4,000	4,064	64	4,070
Miscellaneous	-	-	-	-	216
Total service garage	201,739	201,739	204,824	3,085	183,378
Sidewalks and crossings:					
Maintenance	20,000	20,000	27,162	7,162	26,804
Curb project	100,000	100,000	20,669	(79,331)	15,974
Total sidewalks and crossings	120,000	120,000	47,831	(72,169)	42,778
Streets and alleys:					
Salaries	687,904	687,904	777,702	89,798	717,722
Group insurance	63,963	63,963	91,268	27,305	59,886
Dental Insurance	1,710	1,710	986	(724)	1,558
Workers' compensation insurance	35,000	35,000	23,630	(11,370)	31,872
Social security contribution	52,138	52,138	57,289	5,151	52,891
IMRF contribution	40,893	40,893	31,983	(8,910)	40,059
Uniform allowance	3,000	3,000	2,982	(18)	2,601
Maintenance:					
Buildings	5,000	5,000	29,399	24,399	17,251
Equipment	40,000	40,000	51,646	11,646	70,441
Vehicles	80,000	80,000	100,071	20,071	101,560
Streets	200,000	300,000	292,899	(7,101)	327,510
Engineering service	40,000	40,000	111,703	71,703	52,588
Legal expense	1,073	1,073	9,408	8,335	1,108

**CITY OF PERU, ILLINOIS
GENERAL FUND**

**SCHEDULE A-1
(CONTINUED)**

**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Year Ended April 30, 2024
(With Comparative Figures for the Year Ended April 30, 2023)**

	2024			2023	
	Appropriations		Actual	Over (Under) Final Budget	Actual
	Original	Final			
Expenditures (continued):					
Public works (continued):					
Streets and alleys (continued):					
Telephone	\$ 8,229	8,229	10,786	2,557	9,386
Utilities	26,721	26,721	37,218	10,497	38,411
Liability insurance	25,000	25,000	22,066	(2,934)	22,097
Rentals	5,000	5,000	572	(4,428)	2,232
Other contractual services	12,000	12,000	10,664	(1,336)	15,347
Maint. supplies - streets	25,000	25,000	51,085	26,085	41,161
Maint. supplies - snow removal	150,000	280,000	281,398	1,398	53,954
Operating supplies	45,000	45,000	45,869	869	58,745
Automotive fuel and oil	118,000	118,000	88,934	(29,066)	111,442
Education and meetings	2,670	2,670	3,205	535	2,450
Miscellaneous Expense	4,000	4,000	6,199	2,199	3,083
Total streets and alleys	1,672,301	1,902,301	2,139,384	237,083	1,835,355
Total public works	1,994,040	2,224,040	2,392,039	167,999	2,061,511
Health and welfare:					
Other contractual services	501,543	501,543	490,999	(10,544)	442,577
Total health and welfare	501,543	501,543	490,999	(10,544)	442,577
Culture and recreation:					
Public parks:					
Salaries	223,404	223,404	225,086	1,682	245,725
Group insurance	27,944	27,944	27,779	(165)	26,346
Dental Insurance	878	878	800	(78)	828
Workers' compensation insurance	8,000	8,000	4,793	(3,207)	6,503
Social Security contribution	17,126	17,126	16,620	(506)	18,237
IMRF contribution	13,432	13,432	5,656	(7,776)	8,545
Uniform allowance	750	750	239	(511)	342
Maintenance:		-			
Buildings	10,000	10,000	50,131	40,131	1,819
Equipment	15,000	15,000	44,021	29,021	55,841
Vehicles	500	500	2,283	1,783	1,673
Grounds	100,000	100,000	119,997	19,997	215,464
Engineering service	-	-	6,114	6,114	57,157
Event publishing/advertising	-	-	7,701	7,701	-
Utilities	37,715	37,715	31,727	(5,988)	31,901
Liability insurance	8,500	8,500	8,401	(99)	8,413
Other contractual services	80,153	80,153	95,573	15,420	81,778
Operating supplies	50,000	50,000	57,567	7,567	79,159
Automotive fuel and oil	11,157	11,157	3,003	(8,154)	8,583
Band concerts	8,500	8,500	8,435	(65)	15,285
Telephone/internet/cable	-	-	135	135	-
Landscaping	25,000	25,000	6,053	(18,947)	37,567
Camp Stipends	16,379	16,379	18,696	2,317	15,749
Events	339,800	339,800	358,965	19,165	387,189
Miscellaneous	6,125	6,125	5,000	(1,125)	5,535
Total culture and recreation	1,000,363	1,000,363	1,104,775	104,412	1,309,639

CITY OF PERU, ILLINOIS
GENERAL FUND

SCHEDULE A-1
(CONTINUED)

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Year Ended April 30, 2024
(With Comparative Figures for the Year Ended April 30, 2023)

	2024			2023	
	Appropriations		Actual	Over (Under) Final Budget	Actual
	Original	Final			
Expenditures (continued):					
Debt service:					
Bond principal	\$ 535,000	535,000	535,000	-	520,000
Bond interest	403,013	403,013	404,013	1,000	420,813
Note principal	155,239	155,239	152,272	(2,967)	147,027
Note interest	16,012	16,012	28,701	12,689	31,233
Total debt service	1,109,264	1,109,264	1,119,986	10,722	1,119,073
Capital outlay:					
Land / property	25,000	341,000	358,524	17,524	49,000
Equipment and computers	628,734	323,734	282,423	(41,311)	407,161
Vehicles	428,000	733,000	807,026	74,026	252,859
Improvements	2,880,000	3,775,000	3,935,771	160,771	800,930
Construction	30,000	568,163	568,163	-	2,918,408
Total capital outlay	3,991,734	5,740,897	5,951,907	211,010	4,428,358
Total expenditures	19,101,051	20,834,165	21,820,864	986,699	20,733,213
Excess of revenues over expenditures	(1,037,764)	546,846	134,216	(412,630)	419,859
Other financing sources (uses):					
Sale of fixed assets	-	275,000	274,984	(16)	95,202
Transfers in	1,800,000	-	24,092	24,092	81,983
Total other financing sources (uses)	1,800,000	275,000	299,076	24,076	177,185
Net change in fund balance	\$ 762,236	821,846	433,292	(388,554)	597,044
Fund balance, beginning of year			10,243,339		9,646,295
Fund balance, end of year			\$ 10,676,631		10,243,339

Required Supplementary Information
 Illinois Municipal Retirement Fund - Regular Plan
 Schedule of Changes in the City's Net Pension Liability and Related Ratios*

	Calendar Year Ended December 31,				
	2023	2022	2021	2020	2019
TOTAL PENSION LIABILITY					
Service cost	\$ 367,781	337,553	326,752	348,606	342,197
Interest on the total pension liability	2,307,996	2,225,327	2,111,038	2,051,559	2,041,536
Benefit changes	-	-	-	-	-
Differences between expected and actual experience	578,359	404,994	758,479	161,123	(838,847)
Assumption changes	(3,984)	-	-	(287,295)	-
Benefit payments and refunds	(1,931,441)	(1,754,020)	(1,496,510)	(1,388,823)	(1,430,878)
Net Change in Total Pension Liability	1,318,711	1,213,854	1,699,759	885,170	114,008
Total Pension Liability - Beginning	32,616,254	31,402,400	29,702,641	28,817,471	28,703,463
Total Pension Liability - Ending (a)	\$ 33,934,965	32,616,254	31,402,400	29,702,641	28,817,471
PLAN FIDUCIARY NET POSITION					
Employer contributions	\$ 189,617	279,395	357,015	378,413	253,023
Employee contributions	206,370	180,823	205,105	159,148	152,503
Pension Plan Net Investment Income	3,421,205	(4,741,951)	5,304,591	4,094,359	4,852,403
Benefit Payments and Refunds	(1,931,441)	(1,754,020)	(1,496,510)	(1,388,823)	(1,430,878)
Other	782,117	142,553	261,966	114,360	(656,229)
Net Change in Plan Fiduciary Net Position	2,667,868	(5,893,200)	4,632,167	3,357,457	3,170,822
Plan Fiduciary Net Position - Beginning	30,729,216	36,622,416	31,990,249	28,632,792	25,461,970
Plan Fiduciary Net Position - Ending (b)	\$ 33,397,084	30,729,216	36,622,416	31,990,249	28,632,792
EMPLOYER'S NET PENSION LIABILITY (ASSET) (a-b)	\$ 537,881	1,887,038	(5,220,016)	(2,287,608)	184,679
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	98.41%	94.21%	116.62%	107.70%	99.36%
Covered Valuation Payroll	\$ 4,503,967	4,012,958	3,699,632	3,510,078	3,364,672
Net Pension Liability as a Percentage of Covered Valuation Payroll	11.94%	47.02%	-141.10%	-65.17%	5.49%

*Schedule to be built prospectively from 2015

Required Supplementary Information
Illinois Municipal Retirement Fund - Regular Plan
Schedule of Changes in the City's Net Pension Liability and Related Ratios*

	Calendar Year Ended December 31,				
	2018	2017	2016	2015	2014
TOTAL PENSION LIABILITY					
Service cost	\$ 309,047	341,978	375,371	371,022	-
Interest on the total pension liability	1,960,569	1,968,674	1,953,304	1,930,726	-
Benefit changes	-	-	-	-	-
Differences between expected and actual experience	359,000	(142,457)	(652,022)	(538,284)	-
Assumption changes	802,953	(819,368)	(32,116)	-	-
Benefit payments and refunds	(1,428,996)	(1,451,875)	(1,463,477)	(1,464,907)	-
Net Change in Total Pension Liability	2,002,573	(103,048)	181,060	298,557	-
Total Pension Liability - Beginning	26,700,890	26,803,938	26,622,878	26,324,321	-
Total Pension Liability - Ending (a)	\$ 28,703,463	26,700,890	26,803,938	26,622,878	-
PLAN FIDUCIARY NET POSITION					
Employer contributions	\$ 375,958	352,860	476,523	423,193	-
Employee contributions	150,954	151,618	158,243	156,572	-
Pension Plan Net Investment Income	(1,562,355)	4,408,747	1,640,312	117,884	-
Benefit Payments and Refunds	(1,428,996)	(1,451,875)	(1,463,477)	(1,464,907)	-
Other	451,124	(374,669)	(157,226)	482,191	-
Net Change in Plan Fiduciary Net Position	(2,013,315)	3,086,681	654,375	(285,067)	-
Plan Fiduciary Net Position - Beginning	27,475,285	24,388,604	23,734,229	24,019,296	-
Plan Fiduciary Net Position - Ending (b)	\$ 25,461,970	27,475,285	24,388,604	23,734,229	-
EMPLOYER'S NET PENSION LIABILITY (ASSET) (a-b)	\$ 3,241,493	(774,395)	2,415,334	2,888,649	-
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	88.71%	102.90%	90.99%	89.15%	N/A
Covered Valuation Payroll	\$ 3,350,776	3,119,891	3,511,589	3,454,635	N/A
Net Pension Liability as a Percentage of Covered Valuation Payroll	96.74%	-24.82%	68.78%	83.62%	N/A

*Schedule to be built prospectively from 2015

**Required Supplementary Information
Illinois Municipal Retirement Fund
Schedule of City Contributions**

Calendar Year	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2023	\$ 189,617	189,617	-	4,503,967	4.21%
2022	269,269	279,395	(10,126)	4,012,958	6.96%
2021	357,014	357,015	(1)	3,699,632	9.65%
2020	378,035	378,413	(378)	3,510,078	10.78%
2019	253,023	253,023	-	3,364,672	7.52%
2018	375,957	375,958	(1)	3,350,776	11.22%
2017	352,860	352,860	-	3,119,891	11.31%
2016	476,523	476,523	-	3,511,589	13.57%
2015	423,193	423,193	-	3,454,635	12.25%

Notes to Schedules:

Valuation Date: Actuarially determined contribution rates are calculated as of December 31 each year, which is 12 months prior to the beginning of the fiscal year in which contributions are reported.

Methods and assumptions used to determine the 2023 contribution rate:

Actuarial cost method	Aggregate entry age normal
Amortization method	Level percent of pay, closed
Remaining amortization period	Non-Taxing bodies: 10 year rolling period. Taxing bodies (Regular, SLEP, and ECO groups): 20-year closed period Early Retirement Incentive Plan Liabilities: a period up to 10 years selected by the employer upon adoption of ERI. SLEP supplemental liabilities attributable to Public Act 94-712 were financed over 15 years for most employers (five employers were financed over 16 years; one employer was financed over 17 years; two employers were financed over 18 years; one employer was financed over 21 years; three employers were financed over 24 years; four employers were financed over 25 years and one employer was financed over 26 years).
Asset valuation method	5-year smoothed market; 20% corridor
Wage growth	2.75%
Inflation	2.25%
Salary increases	2.75% to 13.75% including inflation
Investment rate of return	7.25%
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2020 valuation pursuant to an experience study of the period 2017 - 2019.
Mortality	For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.

Other Information:

Notes: There were no benefit changes during the year.

Required Supplementary Information

Police Pension Fund

Schedule of Changes in the City's Net Pension Liability and Related Ratios*

	Year Ended April 30,				
	2024	2023	2022	2021	2020
TOTAL PENSION LIABILITY					
Service Cost	\$ 476,552	569,049	510,436	516,119	494,137
Interest	1,759,740	1,677,434	1,644,791	1,601,745	1,526,302
Changes of benefit terms	-	-	-	-	25,471
Difference between expected and actual experience	738,852	215,940	(578,447)	(313,347)	260,742
Changes of assumptions	-	(935,141)	-	-	-
Benefit payments, including refunds of employee contributions	(1,173,430)	(1,228,182)	(998,043)	(1,222,158)	(1,020,925)
Net Change in Total Pension Liability	1,801,714	299,100	578,737	582,359	1,285,727
Total Fiduciary Pension Liability - Beginning	27,183,082	26,883,982	26,305,245	25,722,886	24,437,159
Total Fiduciary Pension Liability - Ending (a)	<u>\$ 28,984,796</u>	<u>27,183,082</u>	<u>26,883,982</u>	<u>26,305,245</u>	<u>25,722,886</u>
PLAN FIDUCIARY NET POSITION					
Contributions - employer	\$ 812,252	1,769,732	1,732,462	1,700,895	1,545,674
Contributions - employee	194,336	187,582	190,104	174,592	177,092
Net investment income	955,936	35,820	(1,120,790)	2,415,039	91,528
Benefit payments, including refunds of employee contributions	(1,173,430)	(1,228,182)	(998,043)	(1,222,158)	(1,020,925)
Administrative expense	(5,165)	(6,592)	(7,665)	(5,634)	(6,212)
Net Change in Plan Fiduciary Net Position	783,929	758,360	(203,932)	3,062,734	787,157
Plan Fiduciary Net Position - Beginning	14,497,368	13,739,008	13,942,940	10,880,206	10,093,049
Plan Fiduciary Net Position - Ending (b)	<u>\$ 15,281,297</u>	<u>14,497,368</u>	<u>13,739,008</u>	<u>13,942,940</u>	<u>10,880,206</u>
EMPLOYER'S NET PENSION LIABILITY (ASSET) (a-b)	<u>\$ 13,703,499</u>	<u>12,685,714</u>	<u>13,144,974</u>	<u>12,362,305</u>	<u>14,842,680</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	52.72%	53.33%	51.10%	53.00%	42.30%
Covered Valuation Payroll	\$ 1,961,009	1,892,856	1,918,305	1,761,776	1,787,003
Net Pension Liability as a Percentage of Covered Valuation Payroll	698.80%	670.19%	685.24%	701.70%	830.59%

Required Supplementary Information

Police Pension Fund

Schedule of Changes in the City's Net Pension Liability and Related Ratios*

	Year Ended April 30,				
	2019	2018	2017	2016	2015
TOTAL PENSION LIABILITY					
Service Cost	\$ 488,046	516,255	497,584	497,584	465,221
Interest	1,383,707	1,310,354	1,254,499	1,163,231	1,113,269
Changes of benefit terms	-	-	-	-	-
Difference between expected and actual experience	487,986	802,033	-	(141,302)	-
Changes of assumptions	924,349	364,789	-	820,153	-
Benefit payments, including refunds of employee contributions	(996,402)	(974,000)	(922,022)	(875,938)	(808,454)
Net Change in Total Pension Liability	2,287,686	2,019,431	830,061	1,463,728	770,036
Total Fiduciary Pension Liability - Beginning	22,149,473	20,130,042	19,299,981	17,836,253	17,066,217
Total Fiduciary Pension Liability - Ending (a)	<u>\$ 24,437,159</u>	<u>22,149,473</u>	<u>20,130,042</u>	<u>19,299,981</u>	<u>17,836,253</u>
PLAN FIDUCIARY NET POSITION					
Contributions - employer	\$ 1,388,128	1,248,667	998,985	858,792	827,242
Contributions - employee	170,234	162,422	165,650	161,858	159,044
Net investment income	406,268	581,388	561,341	(35,566)	296,638
Benefit payments, including refunds of employee contributions	(996,402)	(974,000)	(922,022)	(875,938)	(808,454)
Administrative expense	(6,225)	(4,650)	(9,884)	(7,800)	(11,407)
Net Change in Plan Fiduciary Net Position	962,003	1,013,827	794,070	101,346	463,063
Plan Fiduciary Net Position - Beginning	9,131,046	8,117,219	7,323,149	7,221,803	6,758,740
Plan Fiduciary Net Position - Ending (b)	<u>\$ 10,093,049</u>	<u>9,131,046</u>	<u>8,117,219</u>	<u>7,323,149</u>	<u>7,221,803</u>
EMPLOYER'S NET PENSION LIABILITY (ASSET) (a-b)	<u>\$ 14,344,110</u>	<u>13,018,427</u>	<u>12,012,823</u>	<u>11,976,832</u>	<u>10,614,450</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	41.30%	41.22%	40.32%	37.94%	40.49%
Covered Valuation Payroll	\$ 1,717,800	1,638,971	1,671,550	1,633,280	1,545,527
Net Pension Liability as a Percentage of Covered Valuation Payroll	835.03%	794.30%	718.66%	733.30%	686.79%

**Required Supplementary Information
Police Pension Fund
Schedule of City Contributions**

Fiscal Year Ending April 30,	Actuarially Determined Contribution	Contributions in Relation to Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2024	\$ 919,748	812,252	107,496	1,961,009	41.42%
2023	982,424	1,769,732	(787,308)	1,892,856	93.50%
2022	1,049,704	1,732,462	(682,758)	1,918,305	90.31%
2021	1,117,430	1,700,895	(583,465)	1,761,776	96.54%
2020	1,137,948	1,545,674	(407,726)	1,787,003	86.50%
2019	1,114,980	1,388,128	(273,148)	1,717,800	80.81%
2018	1,006,366	1,248,667	(242,301)	1,638,971	76.19%
2017	779,239	998,985	(219,746)	1,671,550	59.76%
2016	779,239	858,792	(79,553)	1,633,280	52.58%
2015	733,166	827,242	(94,076)	1,545,527	53.52%

Notes to Schedules:

Valuation Date:

May 1, 2023

Actuarially determined contribution rates are calculated as of May 1, one year prior to the end of the year in which contributions are reported.

Methods and assumptions used to determine 2023 contribution rates:

Actuarial cost method	Entry Age Normal Cost Method
Amortization method	Normal cost, plus an additional amount (determined as a level percentage of payroll) to bring the plan's funded ratio to 90% by the end of fiscal year 2040.
Actuarial asset method	Investment gains and losses are recognized over a 5-year period.
Interest rate	6.80%
Healthy mortality rates - male	RP-2014 Healthy Annuitant with Blue Collar Adjustment, males
Healthy mortality rates - female	RP-2014 Healthy Annuitant with Blue Collar Adjustment, females
Disability mortality rates - male	115% of RP-2014 Healthy Annuitant with Blue Collar Adjustment, males
Disability mortality rates - female	115% of RP-2014 Healthy Annuitant with Blue Collar Adjustment, females
Decrements other than mortality	Experience tables
Rate of service-related deaths	10.00%
Rate of service-related disabilities	60.00%
Salary increases	Service-related table with rates grading from 11.00% to 3.50% at 30 years of service.
Inflation	2.50%
Tier 1 cost-of-living adjustment	3.00%
Tier 2 cost-of-living adjustment	1.25%
Marital status	80% of members are assumed to be married; male spouses are assumed to be 3 years older than female spouses.
Other information	The actuarial assumptions used for determining the above amounts are based on experience for all Article 3 funds for the State of Illinois in aggregate. The Department of Insurance has approved the above actuarial assumptions. Contact the Department of Insurance for complete experience tables.

Required Supplementary Information
Police Pension Fund
Schedule of Investment Returns

Fiscal year ending April 30,	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Annual money-weighted rate of return, net of investment expense	N/A	N/A	N/A	N/A	0.58%	4.00%	N/A	N/A	N/A	4.25%

Required Supplementary Information
Firemen's Pension Fund
Schedule of Changes in the City's Net Pension Liability and Related Ratios*

	Year Ended April 30,				
	2024	2023	2022	2021	2020
TOTAL PENSION LIABILITY					
Service Cost	\$ 65,074	126,261	120,142	117,497	113,075
Interest	227,985	213,894	210,522	206,180	201,740
Changes of benefit terms	-	-	-	-	7,453
Difference between expected and actual experience	187,882	(169,286)	(102,849)	(110,279)	(108,638)
Changes of assumptions	-	(656,205)	-	-	-
Benefit payments, including refunds of employee contributions	(244,373)	(203,416)	(129,589)	(128,815)	(129,689)
Net Change in Total Pension Liability	236,568	(688,752)	98,226	84,583	83,941
Total Pension Liability - Beginning	3,564,570	4,253,322	4,155,096	4,070,513	3,986,572
Total Pension Liability - Ending (a)	<u>\$ 3,801,138</u>	<u>3,564,570</u>	<u>4,253,322</u>	<u>4,155,096</u>	<u>4,070,513</u>
PLAN FIDUCIARY NET POSITION					
Contributions - employer	\$ 91,699	236,896	232,698	229,336	211,446
Contributions - employee	24,806	24,127	24,912	24,319	24,636
Net investment income	303,934	23,300	(236,394)	333,086	54,368
Benefit payments, including refunds of employee contributions	(244,373)	(203,416)	(129,589)	(128,815)	(129,689)
Administrative expense	-	-	(540)	(608)	(469)
Net Change in Plan Fiduciary Net Position	176,066	80,907	(108,913)	457,318	160,292
Plan Fiduciary Net Position - Beginning	3,127,605	3,046,698	3,155,611	2,698,293	2,538,001
Plan Fiduciary Net Position - Ending (b)	<u>\$ 3,303,671</u>	<u>3,127,605</u>	<u>3,046,698</u>	<u>3,155,611</u>	<u>2,698,293</u>
EMPLOYER'S NET PENSION LIABILITY (ASSET) (a-b)	\$ 497,467	436,965	1,206,624	999,485	1,372,220
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	86.91%	87.74%	71.63%	75.95%	66.29%
Covered Valuation Payroll	\$ 262,359	255,177	263,480	257,208	260,561
Net Pension Liability as a Percentage of Covered Valuation Payroll	189.61%	171.24%	457.96%	388.59%	526.64%

Required Supplementary Information
Firemen's Pension Fund
Schedule of Changes in the City's Net Pension Liability and Related Ratios*

	Year Ended April 30,				
	2019	2018	2017	2016	2015
TOTAL PENSION LIABILITY					
Service Cost	\$ 105,892	115,145	104,199	104,199	94,645
Interest	190,188	191,682	181,129	175,915	168,809
Changes of benefit terms	-	-	-	-	-
Difference between expected and actual experience	(87,249)	(185,623)	-	(168,668)	-
Changes of assumptions	143,006	(15,481)	-	159,828	-
Benefit payments, including refunds of employee contributions	(126,265)	(126,447)	(126,184)	(125,574)	(136,226)
Net Change in Total Pension Liability	225,572	(20,724)	159,144	145,700	127,228
Total Pension Liability - Beginning	3,761,000	3,781,724	3,622,580	3,476,880	3,349,652
Total Pension Liability - Ending (a)	<u>\$ 3,986,572</u>	<u>3,761,000</u>	<u>3,781,724</u>	<u>3,622,580</u>	<u>3,476,880</u>
PLAN FIDUCIARY NET POSITION					
Contributions - employer	\$ 202,102	183,694	150,671	130,312	124,483
Contributions - employee	23,155	22,484	22,102	21,538	21,023
Net investment income	98,864	34,975	58,102	51,158	50,576
Benefit payments, including refunds of employee contributions	(126,265)	(126,447)	(126,184)	(125,574)	(136,226)
Administrative expense	(1,208)	(425)	(300)	(100)	(11,056)
Net Change in Plan Fiduciary Net Position	196,648	114,281	104,391	77,334	48,800
Plan Fiduciary Net Position - Beginning	2,341,353	2,227,072	2,122,681	2,045,347	1,996,547
Plan Fiduciary Net Position - Ending (b)	<u>\$ 2,538,001</u>	<u>2,341,353</u>	<u>2,227,072</u>	<u>2,122,681</u>	<u>2,045,347</u>
EMPLOYER'S NET PENSION LIABILITY (ASSET) (a-b)	<u>\$ 1,448,571</u>	<u>1,419,647</u>	<u>1,554,652</u>	<u>1,499,899</u>	<u>1,431,533</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	63.66%	62.25%	58.89%	58.60%	58.83%
Covered Valuation Payroll	\$ 244,897	237,800	233,755	227,795	217,826
Net Pension Liability as a Percentage of Covered Valuation Payroll	591.50%	596.99%	665.08%	658.44%	657.19%

**Required Supplementary Information
Firemen's Pension Fund
Schedule of City Contributions**

Fiscal Year Ending April 30,	Actuarially Determined Contribution	Contributions in Relation to Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2024	\$ 28,817	91,699	(62,882)	262,359	34.95%
2023	45,058	236,896	(191,838)	255,177	92.84%
2022	66,007	232,698	(166,691)	263,480	88.32%
2021	80,469	229,336	(148,867)	257,208	89.16%
2020	88,295	211,446	(123,151)	260,561	81.15%
2019	113,933	202,102	(88,169)	244,897	82.53%
2018	116,386	183,694	(67,308)	237,800	77.25%
2017	107,448	150,671	(43,223)	233,755	64.46%
2016	107,448	130,312	(22,864)	227,795	57.21%
2015	116,506	124,483	(7,977)	217,826	57.15%

Notes to Schedules:

Valuation Date:

May 1, 2023

Actuarially determined contribution rates are calculated as of May 1, one year prior to the end of the year in which contributions are reported.

Methods and assumptions used to determine contribution 2023 rates:

Actuarial cost method	Entry Age Normal Cost Method
Amortization method	Normal cost, plus an additional amount (determined as a level percentage of payroll) to bring the plan's funded ratio to 90% by the end of fiscal year 2040.
Actuarial asset method	Investment gains and losses are recognized over a 5-year period.
Interest rate	7.125%
Healthy mortality rates - male	RP-2014 Healthy Annuitant with Blue Collar Adjustment, males
Healthy mortality rates - female	RP-2014 Healthy Annuitant with Blue Collar Adjustment, females
Disability mortality rates - male	115% of RP-2014 Healthy Annuitant with Blue Collar Adjustment, males
Disability mortality rates - female	115% of RP-2014 Healthy Annuitant with Blue Collar Adjustment, females
Decrements other than mortality	Experience tables
Rate of service-related deaths	20.00%
Rate of service-related disabilities	80.00%
Salary increases	Service-related table with rates grading from 12.78% to 4.25% at 8 years of service.
Inflation	2.50%
Tier 1 cost-of-living-adjustment	3.00%
Tier 2 cost-of-living adjustment	1.25%
Marital status	80% of members are assumed to be married; male spouses are assumed to be 3 years older than female spouses.
Other information	The actuarial assumptions used for determining the above amounts are based on experience for all Article 4 funds for the State of Illinois in aggregate. The Department of Insurance has approved the above actuarial assumptions. Contact the Department of Insurance for complete experience tables.

Required Supplementary Information
Firemen's Pension Fund
Schedule of Investment Returns

Fiscal year ending April 30,	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Annual money-weighted rate of return, net of investment expense	N/A	N/A	N/A	N/A	2.22%	4.08%	1.44%	2.95%	1.93%	2.66%

Required Supplementary Information

Retiree Health Plan

Schedule of Changes in the City's Net OPEB Liability and Related Ratios*

	Year Ended April 30,					
	2024	2023	2022	2021	2020	2019
TOTAL OPEB LIABILITY						
Service Cost	\$ 11,146	12,644	23,961	17,433	16,086	14,430
Interest	27,262	31,198	19,249	24,082	24,685	26,422
Changes of benefit terms	-	-	-	42,226	-	-
Difference between expected and actual experience	-	(5,832)	-	-	-	-
Changes of assumptions	(16,066)	(98,498)	(233,315)	206,649	34,163	37,882
Benefit payments	(67,513)	(70,860)	(51,172)	(44,308)	(40,758)	(37,739)
Net Change in Total OPEB Liability	(45,171)	(131,348)	(241,277)	246,082	34,176	40,995
Total OPEB Liability - Beginning	680,785	812,133	1,053,410	807,328	773,152	732,157
Total OPEB Liability - Ending (a)	635,614	680,785	812,133	1,053,410	807,328	773,152
Covered Valuation Payroll	\$ 6,522,421	6,363,337	6,439,704	6,282,638	6,127,786	5,492,235
Net OPEB Liability as a Percentage of Covered Valuation Payroll	9.75%	10.70%	12.61%	16.77%	13.17%	14.08%

*Schedule to be built prospectively from 2019

Notes to Schedule:*Covered Payroll:*

Covered payroll is projected to the measurement date based on actual covered payroll as of the valuation date using applicable salary increase assumptions.

Changes of assumptions:

Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

Fiscal year ending April 30, 2024	4.42%
Fiscal year ending April 30, 2023	4.14%
Fiscal year ending April 30, 2022	3.98%
Fiscal year ending April 30, 2021	1.83%
Fiscal year ending April 30, 2020	2.85%
Fiscal year ending April 30, 2019	3.21%
Fiscal year ending April 30, 2018	3.63%

Benefit Payments:

The plan sponsor did not provide actual net benefits paid by the Plan for the fiscal year ending on April 30, 2021. Expected net benefit payments produced by the valuation model for the same period are shown in the table above.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

Notes to Required Supplementary Information
For the Year Ended April 30, 2024

NOTE 1: BUDGETS AND BUDGETARY ACCOUNTING

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

The City prepares an annual operating budget which includes all funds and is prepared on a basis consistent with the financial statement presentation. The budget is used to control spending limits within the financial statement presentation. The budget is used to control spending limits within the City funds. The budget lapses at the end of each fiscal year. The City does not utilize an encumbrance system. The City follows detailed procedures in establishing the budget data reflected in the financial statements, and the budget for the following fiscal year is always adopted in the quarter ahead of year-end close. The budget for the year ended April 30, 2024, was adopted on May 8, 2023, and was amended on April 22, 2024.

NOTE 2: PENSIONS

Police Pension

Changes of Assumptions

For measurement date April 30, 2024, there were no changes.

For measurement date April 30, 2023, amounts reported as changes of assumptions resulted from the following changes:

- The discount rate was updated from 6.25% to 6.50%
- Based on the results of the 2022 experience study performed for the Illinois Police Officers' Pension Investment Fund, the mortality, retirement, disability and termination rate tables were updated.
- As a result of the same study, the salary increase rates were also updated.

For measurement date April 30, 2022, there were no changes.

For measurement date April 30, 2021, there were no changes.

For measurement date April 30, 2020, amounts reported as changes of assumptions resulted from the following changes:

- The surviving spouse benefit for non-line of duty death was updated to mirror Tier 1 benefits, whereby Tier 2 surviving spouses will now receive 54% of final average salary, even prior to achieving vesting at 10 years of service.
- The pensionable salary cap increased retroactive to 2011 to alleviate safe harbor concerns, updating the annual adjustment to be CPI-U. The 3% annual growth cap remains in place.
- The final average salary was increased from averaging the highest consecutive 96 of the last 120 months of salary to averaging the highest consecutive 48 of the last 60 months of salary.

For measurement date April 30, 2019, amounts reported as changes of assumptions resulted from an update of the mortality rates to reflect the PubS-2010 tables.

Notes to Required Supplementary Information
For the Year Ended April 30, 2024

NOTE 2: PENSIONS – (Continued)

Police Pension – (Continued)

For measurement date April 30, 2018, amounts reported as changes of assumptions resulted from the following changes:

- The interest rate was decreased from 6.50% to 6.25%
- The termination and disability rates were updated to the rates determined in the State of Illinois Department of Insurance experience study dated October 5, 2017.
- The percentage of active deaths and disablements assumed to occur in the line of duty were updated to 10% and 60%, respectively, in accordance with the experience study.

For measurement date April 30 2016, amounts reported as changes of assumptions resulted from updating the mortality table to better reflect anticipated mortality experience in the future. The Healthy Lives Mortality assumption was updated from the RP-2000 Combined Healthy Mortality Table with a blue collar adjustment to the RP-2000 Combined Healthy Mortality table with a blue collar adjustment, projected to the valuation date using Scale BB. Similarly, the Disabled Lives Morality assumption was updated from the RP-2000 Disabled Mortality Table to the RP-2000 Disabled Mortality Table, projected to the valuation date using Scale BB.

Firemen's Pension

Changes of Assumptions

For measurement date April 30, 2024, there were no changes.

For measurement date April 30, 2023, amounts reported as changes of assumptions resulted from the following changes:

- The discount rate was updated from 5.00% to 6.50%.
- Based on the results of the 2021 experience study performed for the Illinois Firefighters' Pension Investment Fund, the mortality, retirement, and termination rate tables were updated.
- As a result of the same study, the salary increase rates were also updated.

For measurement date April 30, 2022, there were no changes.

For measurement date April 30, 2021, there were no changes.

For measurement date April 30, 2020, amounts reported as changes of assumptions resulted from the following changes:

- The surviving spouse benefit for non-line of duty death was updated to mirror Tier 1 benefits, whereby Tier 2 surviving spouses will now receive 54% of final average salary, even prior to achieving vesting at 10 years of service.
- The pensionable salary cap increased retroactive to 2011 to alleviate safe harbor concerns, updating the annual adjustment to be CPI-U. The 3% annual growth cap remains in place.
- The final average salary was increased from averaging the highest consecutive 96 of the last 120 months of salary to averaging the highest consecutive 48 of the last 60 months of salary.

Notes to Required Supplementary Information
For the Year Ended April 30, 2024

NOTE 2: **PENSIONS** – (Continued)

Firemen’s Pension – (Continued)

For measurement date April 30, 2019, amounts reported as changes of assumptions resulted from an update of the mortality rates to reflect the PubS-2010 tables.

For measurement date April 30, 2018, amounts reported as changes of assumptions resulted from the following changes:

- The retirement, termination, and disability rates were updated to the rates determined in the State of Illinois Department of Insurance experience study dated October 5, 2017.
- The salary increase rates were updated in accordance with the experience study.
- The percentage of active deaths and disablements assumed to occur in the line of duty were updated to 20% and 80%, respectively, in accordance with the experience study.

For measurement date April 30 2016, amounts reported as changes of assumptions resulted from updating the mortality table to better reflect anticipated mortality experience in the future. The Healthy Lives Mortality assumption was updated from the RP-2000 Combined Healthy Mortality Table with a blue collar adjustment to the RP-2000 Combined Healthy Mortality table with a blue collar adjustment, projected to the valuation date using Scale BB. Similarly, the Disabled Lives Morality assumption was updated from the RP-2000 Disabled Mortality Table to the RP-2000 Disabled Mortality Table, projected to the valuation date using Scale BB.

OTHER INFORMATION

CITY OF PERU, ILLINOIS
NONMAJOR FUNDS

SCHEDULE C-1

Combining Balance Sheet

April 30, 2024

(With Comparative Figures for April 30, 2023)

	Totals		Special Revenue Funds			
			Drug Enforcement Impound and Equipment Fund	Garbage Fund	Motor Fuel Tax Fund	TIF District No. 2 (Industrial Park) Fund
<u>Assets</u>						
Cash and cash equivalents	\$ 1,719,357	1,287,884	233,986	67,938	520,279	802,003
Receivables:						
Property taxes	1,091,502	946,052	-	-	-	383,301
Motor fuel taxes	35,592	35,159	-	-	35,592	-
Accounts	105,029	122,851	-	105,029	-	-
Due from other funds	-	194,855	-	-	-	-
Total assets	<u>\$ 2,951,480</u>	<u>2,586,801</u>	<u>233,986</u>	<u>172,967</u>	<u>555,871</u>	<u>1,185,304</u>
<u>Liabilities</u>						
Overdraft payable	\$ 222,488	73,598	-	-	-	-
Accounts payable	-	6,456	-	-	-	-
Due to other funds	-	195,697	-	-	-	-
Total liabilities	<u>222,488</u>	<u>275,751</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Deferred Inflows of Resources</u>						
Property taxes levied for subsequent years	1,091,502	946,052	-	-	-	383,301
Total deferred inflows of resources	<u>1,091,502</u>	<u>946,052</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>383,301</u>
<u>Fund Balances</u>						
Restricted for:						
Public safety services	233,986	243,944	233,986	-	-	-
Streets and public improvements	555,871	354,618	-	-	555,871	-
Urban renewal purposes	802,003	688,783	-	-	-	802,003
Economic development	95,151	35,698	-	-	-	-
Other purposes	172,967	112,428	-	172,967	-	-
Unassigned	(222,488)	(70,473)	-	-	-	-
Total fund balance (deficit)	<u>1,637,490</u>	<u>1,364,998</u>	<u>233,986</u>	<u>172,967</u>	<u>555,871</u>	<u>802,003</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 2,951,480</u>	<u>2,586,801</u>	<u>233,986</u>	<u>172,967</u>	<u>555,871</u>	<u>1,185,304</u>

CITY OF PERU, ILLINOIS
NONMAJOR FUNDS

SCHEDULE C-1
(CONTINUED)

Combining Balance Sheet

April 30, 2024

(With Comparative Figures for April 30, 2023)

	TIF District No. 3 Fund	TIF District No. 4 (Downtown) Fund	TIF District No. 5 (Peru Mall) Fund	MVP TIF Fund	Community Development Assistance Prog. Fund
<u>Assets</u>					
Cash and cash equivalents	\$ -	47,545	47,606	-	-
Receivables:					
Property taxes	198,253	453,779	52,430	3,739	-
Motor fuel taxes	-	-	-	-	-
Accounts	-	-	-	-	-
Other	-	-	-	-	-
Due from other funds	-	-	-	-	-
Total assets	<u>\$ 198,253</u>	<u>501,324</u>	<u>100,036</u>	<u>3,739</u>	<u>-</u>
<u>Liabilities</u>					
Overdraft payable	\$ 18,138	-	-	204,350	-
Accounts payable	-	-	-	-	-
Due to other funds	-	-	-	-	-
Total liabilities	<u>18,138</u>	<u>-</u>	<u>-</u>	<u>204,350</u>	<u>-</u>
<u>Deferred Inflows of Resources</u>					
Property taxes levied for subsequent years	198,253	453,779	52,430	3,739	-
Total deferred inflows of resources	<u>198,253</u>	<u>453,779</u>	<u>52,430</u>	<u>3,739</u>	<u>-</u>
<u>Fund Balances</u>					
Restricted for:					
Public safety services	-	-	-	-	-
Streets and public improvements	-	-	-	-	-
Urban renewal purposes	-	-	-	-	-
Economic development	-	47,545	47,606	-	-
Other purposes	-	-	-	-	-
Unassigned	(18,138)	-	-	(204,350)	-
Total fund balance (deficit)	<u>(18,138)</u>	<u>47,545</u>	<u>47,606</u>	<u>(204,350)</u>	<u>-</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 198,253</u>	<u>501,324</u>	<u>100,036</u>	<u>3,739</u>	<u>-</u>

CITY OF PERU, ILLINOIS
NONMAJOR FUNDS

SCHEDULE C-2

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Year Ended April 30, 2024
(With Comparative Figures for the Year Ended April 30, 2023)

	Totals		Special Revenue Funds			
	2024	2023	Drug Enforcement	Garbage	Motor	TIF District No. 2
			Impound and Equipment Fund	Fund	Fuel Tax Fund	(Industrial Park) Fund
Revenues:						
Taxes	\$ 844,643	642,310	-	-	-	364,210
Intergovernmental	434,631	522,424	-	-	434,631	-
Fines and penalties	23,958	26,109	23,958	-	-	-
Charges for services	964,374	920,065	-	964,374	-	-
Income from investments	24,155	7,040	174	789	9,149	11,287
Other	23,819	45,483	19,169	-	-	-
Total revenues	2,315,580	2,163,431	43,301	965,163	443,780	375,497
Expenditures:						
General government	86,015	299,282	-	-	-	24,508
Public safety	29,167	31,534	29,167	-	-	-
Health and welfare	913,797	883,270	-	913,797	-	-
Debt service	192,600	209,109	-	-	-	-
Capital outlay	242,527	5,603,806	-	-	242,527	-
Payments under intergovernmental agreements	554,890	458,215	-	-	-	237,769
Total expenditures	2,018,996	7,485,216	29,167	913,797	242,527	262,277
Excess (deficiency) of revenues over (under) expenditures	296,584	(5,321,785)	14,134	51,366	201,253	113,220
Other financing sources (uses):						
Bond proceeds	-	4,815,000	-	-	-	-
Bond premium	-	293,130	-	-	-	-
Transfers to other funds	(24,092)	(81,983)	(24,092)	-	-	-
Total other financing sources (uses)	(24,092)	5,026,147	(24,092)	-	-	-
Net change in fund balance	272,492	(295,638)	(9,958)	51,366	201,253	113,220
Fund balance (deficit), beginning of year	1,364,998	1,660,636	243,944	121,601	354,618	688,783
Fund balance (deficit), end of year	\$ 1,637,490	1,364,998	233,986	172,967	555,871	802,003

CITY OF PERU, ILLINOIS
NONMAJOR FUNDS

SCHEDULE C-2
(CONTINUED)

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Year Ended April 30, 2024
(With Comparative Figures for the Year Ended April 30, 2023)

	TIF District No. 3 Fund	TIF District No. 4 (Downtown) Fund	TIF District No. 5 (Peru Mall) Fund	MVP TIF Fund	Community Development Assistance Prog. Fund
Revenues:					
Taxes	\$ 126,221	279,758	72,635	1,819	-
Intergovernmental	-	-	-	-	-
Fines and penalties	-	-	-	-	-
Charges for services	-	-	-	-	-
Income from investments	356	2,012	388	-	-
Other	-	-	-	4,650	-
Total revenues	126,577	281,770	73,023	6,469	-
Expenditures:					
General government	13,236	32,627	6,598	9,046	-
Public safety	-	-	-	-	-
Health and welfare	-	-	-	-	-
Debt service	-	-	-	192,600	-
Capital Outlay	-	-	-	-	-
Payments under intergovernmental agreements	79,825	237,296	-	-	-
Total expenditures	93,061	269,923	6,598	201,646	-
Excess (deficiency) of revenues over (under) expenditures	33,516	11,847	66,425	(195,177)	-
Other financing sources (uses):					
Bond proceeds	-	-	-	-	-
Bond premium	-	-	-	-	-
Transfers to other funds	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Net change in fund balance	33,516	11,847	66,425	(195,177)	-
Fund balance (deficit), beginning of year	(51,654)	35,698	(18,819)	(9,173)	-
Fund balance (deficit), end of year	\$ (18,138)	47,545	47,606	(204,350)	-

CITY OF PERU, ILLINOIS
 DRUG ENFORCEMENT, IMPOUND AND EQUIPMENT FUND

SCHEDULE C-3

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
 Year Ended April 30, 2024
 (With Comparative Figures for the Year Ended April 30, 2023)

	2024			2023	
	Original Budget	Final Budget	Actual	Over (Under) Final Budget	Actual
Revenues:					
Drug enforcement	\$ 10,895	10,895	5,703	(5,192)	9,890
Impound fees	12,666	12,666	18,255	5,589	16,219
Other revenue	24,402	24,402	19,169	(5,233)	45,483
Income from investments	153	153	174	21	194
Total revenues	<u>48,116</u>	<u>48,116</u>	<u>43,301</u>	<u>(4,815)</u>	<u>71,786</u>
Expenditures:					
Drug enforcement	11,229	11,229	-	(11,229)	7,486
Other expenditures	15,952	15,952	29,167	13,215	24,048
Total expenditures	<u>27,181</u>	<u>27,181</u>	<u>29,167</u>	<u>1,986</u>	<u>31,534</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 20,935</u>	<u>20,935</u>	14,134	<u>(6,801)</u>	40,252
Fund balance, beginning of year			<u>243,944</u>		<u>203,692</u>
Fund balance, end of year			<u>\$ 233,986</u>		<u>243,944</u>

CITY OF PERU, ILLINOIS
 GARBAGE FUND

SCHEDULE C-4

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
 Year Ended April 30, 2024
 (With Comparative Figures for the Year Ended April 30, 2023)

	2024			2023	
	Original Budget	Final Budget	Actual	Over (Under) Final Budget	Actual
Revenues:					
Monthly garbage charges	\$ 914,904	914,904	964,374	49,470	920,065
Income from investments	-	-	789	789	16
Total revenues	<u>914,904</u>	<u>914,904</u>	<u>965,163</u>	<u>50,259</u>	<u>920,081</u>
Expenditures:					
Scavenger contract	909,175	909,175	912,144	2,969	881,107
Forgiveness of debt	-	-	1,653	1,653	2,163
Total expenditures	<u>909,175</u>	<u>909,175</u>	<u>913,797</u>	<u>4,622</u>	<u>883,270</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 5,729</u>	<u>5,729</u>	51,366	<u>45,637</u>	36,811
Fund balance, beginning of year			<u>121,601</u>		<u>84,790</u>
Fund balance, end of year			<u>\$ 172,967</u>		<u>121,601</u>

CITY OF PERU, ILLINOIS
MOTOR FUEL TAX FUND

SCHEDULE C-5

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Year Ended April 30, 2024
(With Comparative Figures for the Year Ended April 30, 2023)

	2024			2023	
	Original Budget	Final Budget	Actual	Over (Under) Final Budget	Actual
Revenues:					
Motor fuel tax allotments	\$ 414,988	414,988	434,631	19,643	409,344
Rebuild Illinois grant	-	-	-	-	113,080
Income from investments	2,955	2,955	9,149	6,194	3,709
Total revenues	<u>417,943</u>	<u>417,943</u>	<u>443,780</u>	<u>25,837</u>	<u>526,133</u>
Expenditures:					
Annual street maintenance projects	<u>300,000</u>	<u>300,000</u>	<u>242,527</u>	<u>(57,473)</u>	<u>928,481</u>
Total expenditures	<u>300,000</u>	<u>300,000</u>	<u>242,527</u>	<u>(57,473)</u>	<u>928,481</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 117,943</u>	<u>117,943</u>	<u>201,253</u>	<u>83,310</u>	<u>(402,348)</u>
Fund balance, beginning of year			<u>354,618</u>		<u>756,966</u>
Fund balance, end of year			<u>\$ 555,871</u>		<u>354,618</u>

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Year Ended April 30, 2024
(With Comparative Figures for Year Ended April 30, 2023)

	2024			2023	
	Original Budget	Final Budget	Actual	Over (Under) Final Budget	Actual
Revenues:					
Property taxes	\$ 386,220	386,220	364,210	(22,010)	367,952
Income from investments	670	670	11,287	10,617	2,551
Total revenues	<u>386,890</u>	<u>386,890</u>	<u>375,497</u>	<u>(11,393)</u>	<u>370,503</u>
Expenditures:					
Administration fees	24,238	24,238	24,508	270	23,138
Developer payments	35,117	35,117	32,693	(2,424)	33,444
Intergovernmental agreements	215,072	215,072	205,076	(9,996)	208,410
Total expenditures	<u>274,427</u>	<u>274,427</u>	<u>262,277</u>	<u>(12,150)</u>	<u>264,992</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 112,463</u>	<u>112,463</u>	113,220	<u>757</u>	105,511
Fund balance, beginning of year			<u>688,783</u>		<u>583,272</u>
Fund balance, end of year			<u>\$ 802,003</u>		<u>688,783</u>

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Year Ended April 30, 2024
(With Comparative Figures for the Year Ended April 30, 2023)

	2024			2023	
	Original Budget	Final Budget	Actual	Over (Under) Final Budget	Actual
Revenues:					
Property taxes	\$ 100,814	100,814	126,221	25,407	96,046
Income from investments	78	78	356	278	148
Total revenues	<u>100,892</u>	<u>100,892</u>	<u>126,577</u>	<u>25,685</u>	<u>96,194</u>
Expenditures:					
Administration fees	13,116	13,116	13,236	120	12,535
Developer reimbursement	29,278	29,278	27,379	(1,899)	27,884
Intergovernmental agreements	48,509	48,509	52,446	3,937	46,727
Total expenditures	<u>90,903</u>	<u>90,903</u>	<u>93,061</u>	<u>2,158</u>	<u>87,146</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 9,989</u>	<u>9,989</u>	<u>33,516</u>	<u>23,527</u>	<u>9,048</u>
Fund balance (deficit), beginning of year			<u>(51,654)</u>		<u>(60,702)</u>
Fund balance (deficit), end of year			<u>\$ (18,138)</u>		<u>(51,654)</u>

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Year Ended April 30, 2024
(With Comparative Figures for the Year Ended April 30, 2023)

	2024			2023	
	Original Budget	Final Budget	Actual	Over (Under) Final Budget	Actual
Revenues:					
Property taxes	\$ 187,670	187,670	279,758	92,088	178,312
Income from investments	117	117	2,012	1,895	302
Total revenues	<u>187,787</u>	<u>187,787</u>	<u>281,770</u>	<u>93,983</u>	<u>178,614</u>
Expenditures:					
Administration fees	21,315	21,315	32,627	11,312	22,658
Developer reimbursement	2,058	2,058	36,877	34,819	1,960
Intergovernmental agreements	146,904	146,904	200,419	53,515	141,750
Total expenditures	<u>170,277</u>	<u>170,277</u>	<u>269,923</u>	<u>99,646</u>	<u>166,368</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 17,510</u>	<u>17,510</u>	11,847	<u>(5,663)</u>	12,246
Fund balance, beginning of year			<u>35,698</u>		<u>23,452</u>
Fund balance, end of year			<u>\$ 47,545</u>		<u>35,698</u>

CITY OF PERU, ILLINOIS
TIF DISTRICT NO. 5 (PERU MALL) FUND

SCHEDULE C-9

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Year Ended April 30, 2024
(With Comparative Figures for the Year Ended April 30, 2023)

	2024			2023	
	Original Budget	Final Budget	Actual	Over (Under) Final Budget	Actual
Revenues:					
Property taxes	\$ -	-	72,635	72,635	-
Income from investments	-	-	388	388	-
Total revenues	-	-	73,023	73,023	-
Expenditures:					
Legal and professional fees	6,322	6,322	6,598	276	6,122
Total expenditures	6,322	6,322	6,598	276	6,122
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (6,322)</u>	<u>(6,322)</u>	66,425	<u>72,747</u>	(6,122)
Fund balance (deficit), beginning of year			<u>(18,819)</u>		<u>(12,697)</u>
Fund balance (deficit), end of year			<u>\$ 47,606</u>		<u>(18,819)</u>

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Year Ended April 30, 2024
(With Comparative Figures for the Year Ended April 30, 2023)

	2024			2023	
	Original Budget	Final Budget	Actual	Over (Under) Final Budget	Actual
Revenues:					
Developer fees	\$ 1,471	1,471	-	(1,471)	-
Property taxes	-	-	1,819	1,819	-
Miscellaneous revenue	-	-	4,650	4,650	-
Total revenues	1,471	1,471	6,469	4,998	-
Expenditures:					
Engineering	-	-	-	-	25,844
Legal and professional fees	8,679	8,679	8,865	186	207,025
Debt service	192,600	192,600	192,600	-	209,109
Reimbursable to City-GF	1,800,000	1,800,000	181	(1,799,819)	-
Capital outlay	-	-	-	-	4,675,325
Total expenditures	2,001,279	2,001,279	201,646	(1,799,633)	5,117,303
Excess (deficiency) of revenues over (under) expenditures	(1,999,808)	(1,999,808)	(195,177)	1,804,631	(5,117,303)
Other financing sources (uses):					
Bond proceeds	-	-	-	-	4,815,000
Bond premium	-	-	-	-	293,130
Total other financing sources (uses)	-	-	-	-	5,108,130
Net change in fund balance	\$ (1,999,808)	(1,999,808)	(195,177)	1,804,631	(9,173)
Fund balance (deficit), beginning of year			(9,173)		-
Fund balance (deficit), end of year			\$ (204,350)		(9,173)

CITY OF PERU, ILLINOIS
COMMUNITY DEVELOPMENT ASSISTANCE PROGRAM FUND

SCHEDULE C-11

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Year Ended April 30, 2024
(With Comparative Figures for the Year Ended April 30, 2023)

	2024				2023
	Original Budget	Final Budget	Actual	Over (Under) Final Budget	Actual
Revenues:					
Income from investments	\$ -	-	-	-	120
Total revenues	-	-	-	-	120
Expenditures:					
Miscellaneous expenditures	-	-	-	-	-
Total expenditures	-	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-	120
Other financing sources (uses):					
Transfers to other funds	-	-	-	-	(81,983)
Net change in fund balance	\$ -	-	-	-	(81,863)
Fund balance, beginning of year			-		81,863
Fund balance, end of year			\$ -		-

CITY OF PERU, ILLINOIS
PENSION TRUST FUNDS

SCHEDULE D-1

Combining Statement of Fiduciary Net Position
April 30, 2024
(With Comparative Figures for April 30, 2023)

	Police Pension Fund	Firemen's Pension Fund	Totals	
			2024	2023
<u>Assets</u>				
Cash and cash equivalents	\$ 11,818,091	308,485	12,126,576	3,249,884
Investments	3,462,900	2,995,127	6,458,027	14,373,618
Receivables	305	-	305	-
Accrued interest	-	59	59	1,471
Total assets	<u>\$ 15,281,296</u>	<u>3,303,671</u>	<u>18,584,967</u>	<u>17,624,973</u>
<u>Net position</u>				
Held in trust for pension benefits	<u>\$ 15,281,296</u>	<u>3,303,671</u>	<u>18,584,967</u>	<u>17,624,973</u>
Total net position	<u>\$ 15,281,296</u>	<u>3,303,671</u>	<u>18,584,967</u>	<u>17,624,973</u>

CITY OF PERU, ILLINOIS
PENSION TRUST FUNDS

SCHEDULE D-2

Combining Statement of Changes in Fiduciary Net Position
Year Ended April 30, 2024
(With Comparative Figures for the Year Ended April 30, 2023)

	Police Pension Fund	Firemen's Pension Fund	Totals	
			2024	2023
Additions:				
Contributions:				
Employer contributions	\$ 812,252	91,699	903,951	2,006,628
Plan member contributions	194,336	24,806	219,142	211,709
Total contributions	1,006,588	116,505	1,123,093	2,218,337
Net investment income:				
Net change in fair value of investments	625,900	234,379	860,279	(527,146)
Investment income	345,917	77,290	423,207	628,437
Total investment income	971,817	311,669	1,283,486	101,291
Less: investment expense	14,158	6,870	21,028	42,171
Net investment expense	957,659	304,799	1,262,458	59,120
Total additions	1,964,247	421,304	2,385,551	2,277,457
Deductions:				
Administrative	6,889	865	7,754	6,592
Benefit payments, including member refunds	1,173,430	244,373	1,417,803	1,431,598
Total deductions	1,180,319	245,238	1,425,557	1,438,190
Changes in net position	783,928	176,066	959,994	839,267
Net position, beginning of year	14,497,368	3,127,605	17,624,973	16,785,706
Net position, end of year	\$ 15,281,296	3,303,671	18,584,967	17,624,973

SUPPLEMENTAL INFORMATION

**Assessed Valuations, Tax Rates, Tax Extensions
and Tax Collections**

	2018	2019	2020	2021	2022	2023
Assessed valuations	\$ 289,436,622	268,684,066	271,818,004	276,192,319	288,470,374	309,416,109
Tax rates:						
Garbage	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Library	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Recreation	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Police Pension	0.2694	0.2672	0.2772	0.2867	0.2920	0.2960
Firemen's Pension	0.0304	0.0302	0.0313	0.0324	0.0330	0.0223
Library Building Construction	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Liability Insurance	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Totals	0.2998	0.2974	0.3085	0.3190	0.3249	0.3183
Tax extensions:						
Police Pension	\$ 668,563	695,888	729,715	764,944	808,945	870,259
Firemen's Pension	75,459	78,545	82,387	86,349	91,304	65,530
Total	744,022	774,433	812,102	851,293	900,249	935,789
Plus: Road & Bridge*	170,061	171,718	170,676	169,955	170,737	170,000
Total Extensions	917,022	945,433	982,102	1,023,293	1,070,986	1,105,789
Tax Collections	\$ 916,430	951,949	985,835	1,026,583	1,074,688	-

* The City's share of Township funds equals one-half of the extension of the City's assessed valuations within each Township.

	2019	2020	Tax Year 2021	2022	2023
Assessed Valuations:					
TIF II	\$ 6,313,638	6,486,651	6,534,702	6,572,231	6,907,592
TIF III	3,550,709	3,390,207	3,476,055	3,947,143	4,961,004
TIF IV	25,830,051	26,028,581	26,574,052	27,776,369	30,019,942
TIF V	2,533,300	2,499,970	2,499,970	3,465,705	2,737,961
Tax Extensions:					
TIF II	357,244	363,754	367,828	364,331	383,301
TIF III	95,101	93,510	96,014	125,864	198,253
TIF IV	108,738	131,356	186,616	283,424	453,779
TIF V	-	-	-	72,578	52,430
Total	\$ 561,083	588,620	650,459	846,197	1,087,763
Collections**	\$ 561,218	513,343	642,310	842,824	-

OTHER REQUIRED REPORTING



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CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' 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 Chairman and Members of the City Council
City of Peru, 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, each major fund, and the aggregate remaining fund information of the City of Peru, Illinois, as of and for the year ended April 30, 2024, and the related notes to the financial statements, which collectively comprise City of Peru, Illinois' basic financial statements and have issued our report thereon dated October 21, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Peru, Illinois' internal control over financial reporting (internal control) as a basis for designing 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 Peru, Illinois' internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Peru, 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.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Peru, 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 financial statements. 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*.

We noted certain matters that we reported to the management of City of Peru, Illinois, in a separate letter dated October 21, 2024.

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 purpose.

Mack & Associates, P.C.

Mack & Associates, P.C.
Certified Public Accountants

Morris, Illinois
October 21, 2024



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CERTIFIED PUBLIC ACCOUNTANTS

**Independent Auditors' Report
On Compliance with Illinois Municipal Code
Subsection (q) Section 11-74.4-3 of Public Act 85-1142**

To the Honorable Mayor and
Board of Commissioners
City of Peru, Illinois

Report on the Audit of Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Peru, Illinois, as of and for the year ended April 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated October 21, 2024.

Basis for Opinions

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

Compliance with laws, regulations, contracts and grants applicable to the City of Peru, Illinois, is the responsibility of the City of Peru, Illinois' management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement we performed tests on the City of Peru, Illinois' compliance with provisions of Subsection (q) of Section 11-74.4-3 of Public Act 85-1142. However, the objective of our audit of the financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

However, the results of our tests disclosed no instances of noncompliance with Section 11-74.4-3 of Public Act 85-1142.

Responsibility of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. This includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Village's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

This report is intended solely for the information and use of the City Council, management, State of Illinois, and others within the City and is not intended to be and should not be used by anyone other than those specified parties.

Mack & Associates, P.C.

Mack & Associates, P.C.
Certified Public Accountants

Morris, Illinois
October 21, 2024