

CITY OF PERU, ILLINOIS
ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
APRIL 30, 2025

CITY OF PERU, ILLINOIS

**Table of Contents
For the Year Ended April 30, 2025**

	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, 2025**

	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
Firefighter'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, Impound and Equipment 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, 2025**

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

Midwest Nexus TIF 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 Net Position (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, 2025**

	PAGE
SUPPLEMENTAL INFORMATION	
Schedule of Assessed Valuations, Tax Rates, Tax Extensions, and Tax 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



116 E. Washington Street
Suite One
Morris, Illinois 60450

Phone: (815) 942-3306
Fax: (815) 942-9430
www.mackcpas.com

TAWNYA R. MACK, CPA
LAURI POPE, CPA

GATE MOULTON, CPA
MADISON SCHEEL, CPA
CHRIS CHRISTENSEN
JESSIKA MCGARVEY

CERTIFIED PUBLIC ACCOUNTANTS

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, 2025, 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, 2025, 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 Firefighter'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, 2025, 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, 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 21, 2024. The summarized comparative information presented herein as of and for the year ended April 30, 2024 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 November 3, 2025, 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
November 3, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

CITY OF PERU, ILLINOIS

Management's Discussion and Analysis - Unaudited For the Year Ended 2025

The City of Peru, Illinois, is pleased to present this Management's Discussion and Analysis (MD&A) for the fiscal year ended April 30, 2025. This narrative provides an accessible overview of the City's financial activities and performance. Its purpose is to offer a comprehensive and analytical perspective from management, and we encourage readers to consider it in conjunction with the accompanying basic financial statements and notes. Financial statements A and B 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 and minor funds in more detail.

Financial Highlights

- The City's overall net position increased \$2.7 million or 2% to \$130,442,288 during fiscal year 2025. Of this amount, the net position of the governmental activities increased \$2.0 million, and the net position of the business-type activities increased \$.65 million.
- Revenues of the City's governmental activities increased 3.3%, or \$857,079 from fiscal year 2024 to fiscal year end 2025. FY2025 recognized \$845,124 more in combined sales tax receipts over FY24 which accounts for the overall increase indicating a vibrant local economy. The business-type activities' revenues remained flat from FY24, even with a 3% increase in usage rates within the Utility Fund.
- Expenses of the City's governmental activities increased 14.5% or \$3.2 million and 9.9% or \$3.1 million also for the business-type activities. Please note, these expense increases exclude the impact of capital outlay and depreciation. Both government and business-type activities' increases are mostly attributable to the change in the net pension obligation of the IMRF employees which accounts for nearly \$3 million of the combined increase. While these adjustments increase reported expenses, they do not represent immediate cash outflows but rather reflect the long-term cost of pension benefits earned by employees during the year. The other main contributor is a \$1.5 million increase in costs of large power purchases.

Using This Annual Report

This report is designed to provide a complete picture of the City's financial standing and is organized as follows:

- **Management's Discussion and Analysis (MD&A):** Provides a narrative overview and analysis of the City's financial performance.
- **Government-wide Financial Statements:** The *Statement of Net Position* and the *Statement of Activities* offer consolidated information about the activities of the city as a whole and presents an overview of the City's finances.
- **Fund Financial Statements:** These statements provide more details within the major individual funds of specific governmental services and how they were financially supported in the short term and what remains for future spending in the long term.
- **Notes to Financial Statements:** These notes offer essential context and detail for the information presented in the statements.

CITY OF PERU, ILLINOIS

Management's Discussion and Analysis - Unaudited For the Year Ended 2025

Using This Annual Report – (continued)

- **Required Supplementary Information:** This section includes budgetary comparisons and other data to support 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, contributions and investments and related ratios.
- **Other Information:** This provides detailed information about the nonmajor special revenue funds, private purpose and pension trust funds and assessed property tax valuations, rates, extensions and collections.

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.

CITY OF PERU, ILLINOIS

Management's Discussion and Analysis - Unaudited For the Year Ended 2025

Fund Financial Statements – (Continued)

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

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.

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.

CITY OF PERU, ILLINOIS

**Management’s Discussion and Analysis - Unaudited
For the Year Ended 2025**

Government-wide Financial Analysis – (Continued):

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Primary Government</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
<u>Assets</u>						
Current and other assets	\$ 21,404,503	\$ 18,362,248	19,443,729	22,939,918	40,848,232	41,302,166
Capital assets	60,258,557	58,387,760	77,009,922	72,030,386	137,268,479	130,418,146
Total assets	81,663,060	76,750,008	96,453,651	94,970,304	178,116,711	171,720,312
Deferred Outflows	5,388,213	5,859,673	1,273,967	1,727,216	6,662,180	7,586,889
<u>Liabilities</u>						
Current liabilities	1,864,865	1,825,748	3,914,882	2,551,932	5,779,747	4,377,680
Long-term liabilities	36,441,738	34,764,612	5,416,088	6,308,014	41,857,826	41,072,626
Total liabilities	38,306,603	36,590,360	9,330,970	8,859,946	47,637,573	45,450,306
Deferred inflows	6,139,665	5,422,742	559,366	648,063	6,699,031	6,070,805
<u>Net Position</u>						
Net investment in capital assets	42,927,883	39,524,671	73,288,067	66,828,993	116,215,950	106,353,664
Restricted	8,533,766	5,861,151	884,675	1,068,433	9,418,441	6,929,584
Unrestricted	(8,856,643)	(4,789,243)	13,664,540	19,292,085	4,807,897	14,502,842
Total net position	\$ 42,605,006	\$ 40,596,579	87,837,282	87,189,511	130,442,288	127,786,090

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 \$130.4 million. Of that amount, \$116.2 million is invested in capital assets, net of related debt and depreciation related to those assets. There was \$9.4 million of net assets restricted for purposes specified by external restrictions, constitutional provisions, debt agreements or enabling legislation. The remaining \$4.8 million was unrestricted. Although our unrestricted assets decreased just under \$10 million from 2024; our net investment in capital assets increased by nearly \$10 million.

CITY OF PERU, ILLINOIS

**Management’s Discussion and Analysis - Unaudited
For the Year Ended 2025**

Government-wide Financial Analysis – (Continued):

	Governmental Activities		Business-type Activities		Total Primary Government	
	2025	2024	2025	2024	2025	2024
Revenues:						
Program revenues:						
Charges for services	\$ 5,188,972	\$ 4,998,244	33,871,897	33,858,224	39,060,869	38,856,468
Operating grants and contributions	564,918	1,183,577	145,000	50,000	709,918	1,233,577
Capital grants			-	139,258	-	139,258
General revenues:						
Property taxes, levied for general purposes	2,160,938	1,844,877			2,160,938	1,844,877
Sales tax	8,053,643	7,509,144			8,053,643	7,509,144
Income tax	1,758,710	1,648,773			1,758,710	1,648,773
Home rule sales tax	5,159,631	4,984,422			5,159,631	4,984,422
Hotel/motel tax	742,914	753,700			742,914	753,700
Telecommunications tax	107,275	119,688			107,275	119,688
Local use tax	281,277	373,707			281,277	373,707
Cannabis use tax	271,425	112,832			271,425	112,832
Video gaming tax	495,535	473,379			495,535	473,379
Replacement tax	310,531	456,658			310,531	456,658
Motor Fuel tax	447,286	434,631			447,286	434,631
Interest income	474,324	443,649	773,469	483,031	1,247,793	926,680
Other	663,564	486,583	207,612	360,695	871,176	847,278
Total revenues	<u>26,680,943</u>	<u>25,823,864</u>	<u>34,997,978</u>	<u>34,891,208</u>	<u>61,678,921</u>	<u>60,715,072</u>
Program expenses:						
General government	10,139,037	6,260,309			10,139,037	6,260,309
Public safety	7,149,287	6,834,175			7,149,287	6,834,175
Public works	3,793,842	4,814,750			3,793,842	4,814,750
Health and welfare	1,140,296	1,404,796			1,140,296	1,404,796
Culture & recreation	1,316,391	1,297,375			1,316,391	1,297,375
Payments under intergov't agreements	663,073	554,890			663,073	554,890
Interest on long-term debt	587,966	432,714			587,966	432,714
(Gain)/Loss on disposal of capital assets	(10,032)	(112,346)			(10,032)	(112,346)
Transfers	(107,344)		107,344		-	-
Utility Fund			33,672,488	30,656,350	33,672,488	30,656,350
Landfill			97,084	97,245	97,084	97,245
Airport			473,291	508,697	473,291	508,697
Total expenses	<u>24,672,516</u>	<u>21,486,662</u>	<u>34,350,207</u>	<u>31,262,292</u>	<u>59,022,723</u>	<u>52,748,955</u>
Change in net position	<u>2,008,427</u>	<u>4,337,202</u>	<u>647,771</u>	<u>3,628,916</u>	<u>2,656,198</u>	<u>7,966,118</u>
Net position, beginning of year	<u>40,596,579</u>	<u>36,259,377</u>	<u>87,189,511</u>	<u>83,560,595</u>	<u>127,786,090</u>	<u>119,819,972</u>
Net position, end of year	<u>42,605,006</u>	<u>40,596,579</u>	<u>87,837,282</u>	<u>87,189,511</u>	<u>130,442,288</u>	<u>127,786,089</u>

The City of Peru, Illinois’ change in net position in total for the primary government was \$2.7 million during fiscal year 2025 compared to \$8 million in 2024. The net position related to government activities and business type activities increased \$2 million and .6 million, respectively. Although combined expenses increased over \$3 million for both government and business activities of 14.5% and 9.8%, respectively, both activities contributed positively to net position with revenues increasing 3.3% and .3%.

CITY OF PERU, ILLINOIS

Management's Discussion and Analysis - Unaudited For the Year Ended 2025

Government-wide Financial Analysis – (Continued):

The \$3 million increase in expenses for governmental activities from \$21.4 million to \$24.7 is due to the net pension obligation of our IMRF employees within the General Fund. Expenses for business type activities also increased \$3 million to \$34.3 million from \$31.3 last year. \$1.5 million was expended due to increased cost of large power and the remaining increase is due to overall utility fund operational costs which also includes a net pension obligation adjustment.

Government related service revenue of \$5.1 million was paid by those who directly benefit from the programs or paid for by other governments and organizations which subsidized certain programs and \$.5 million was paid with operating grants. The city paid the remaining “public benefit” portion of governmental activities with sales taxes which increased 6.7% over fiscal year 2024, (some of which could only be used for certain programs) and with interest investment income which increased 6.9% 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 \$13.6 million which is \$1.2 million greater than the total fund balance at April 30, 2024. The fund balance of the General Fund alone at April 30, 2025 was \$12.5 million compared to \$10.6 which represents a 17% increase.

Proprietary Fund Highlights

The net position of the Utility Fund at April 30, 2025 was \$78.3 compared to \$77.4 in 2024, an increase just under \$1 million compared to a \$3.8 million increase in fiscal year 2024. The utility fund operating revenues remained flat with increases in the cost of electricity which 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 \$64 million compared to \$57.4 million in 2024. This represents an increase in Utility Fund capital asset investments of 11%.

The net position balance of the Landfill Fund on April 30, 2025, remained consistent at \$1 million. 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 decreased slightly from the prior year to \$8.4 million. 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 at \$230,000 in fiscal year 2025.

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 not reported in the fund, they totaled \$60.3 million (net of accumulated depreciation) at April 30, 2025. Total capital additions including leases and construction in progress were \$4.5 million during fiscal year 2025. Significant capital activity included the completion of Master Builder Way (\$2.7M total) 2024 Street Program and an additional MFT portion for Water St. (\$1.5M), completion of IVRD Renovation (\$.5M total), continued progress of 3 major projects: Plank Rd widening

CITY OF PERU, ILLINOIS

Management's Discussion and Analysis - Unaudited For the Year Ended 2025

Capital Assets and Debt Administration – (continued)

(\$.8M), Pedestrian Bridge ITEP Grant property acquisitions (\$.6M) and Washington Park OSLAD Grant work (\$.4M)

Capital asset values for business type activities totaled \$73 million (net of accumulated depreciation) at April 30, 2025. The most significant capital expenditure was the Rt. 6 Watermain and Sewer Separation project totaling nearly \$5M to date and nearing completion. Other significant projects and expenditures within the Enterprise Funds include Utility System Upgrades (\$1M), 5TH & 10TH St Watermain (\$.8M) UV Replacement (\$.4M), and a Bucket Truck (\$.25M).

Long-term Debt

Total City-wide debt obligation has decreased \$2.7 million during fiscal year 2025. At April 30, 2025, the City had \$16 million of general obligation bonds, outstanding notes, and leases payable for governmental activities, down \$1.3 million from 2024. Business type activities had \$3.7 million down \$1.4 million from 2024. 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 2025 total sales tax revenue reached an unprecedented high exceeding \$13 million, nearly a 7% increase over FY2024. Inflation coupled with consistently strong purchasing over several years continues to drive the increase in revenue. This robust growth is a testament to the strength of our local economy and continued consumer confidence. To date FY2026, we are trending up 7% yet again.

FY25 also recognized significant earnings from cash investments. Interest rates remained the highest we've experienced over the past 20 years. As a result, interest income for the city was \$1.25M in total, a 3.5% increase over FY2024 even with a decrease in available cash balances. As a municipality, majority of our cash investments are short-term; therefore, with the recent decrease in the interest rate by the Federal Reserve coupled with a decrease in our cash reserves, we will likely not sustain this revenue into FY2026.

Property taxes continue to be allocated exclusively to public safety pensions. Increased equalized assessed values have allowed our tax rate to be even less than last year at .3123 compared to .3183. That means a resident pays only 31.23 cents for every \$100 of EAV, equalized assessed value. Specifically, if your home has a fair market value of \$300,000, it has an EAV of \$100,000 and you will pay taxes of \$312.30 to the City's Police and Fire Pension Trust Funds. A strong sales tax base allows the City to keep property tax rates as one of the lowest in LaSalle 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, 2025
(With Comparative Figures for April 30, 2024)

	Primary Government			
	Governmental Activities	Business-type Activities	Totals	
			2025	2024
<u>ASSETS</u>				
Cash and cash equivalents	\$ 11,653,519	7,857,019	19,510,538	19,982,564
Investments	1,344,287	5,639,305	6,983,592	9,676,933
Receivables:				
Property taxes	3,779,543	-	3,779,543	2,197,291
Sales taxes	1,986,120	-	1,986,120	1,861,193
Telecommunications taxes	26,862	-	26,862	29,346
Home rule sales taxes	1,232,061	-	1,232,061	1,187,040
Motor fuel taxes	35,767	-	35,767	35,592
State income taxes	433,774	-	433,774	467,001
Replacement taxes	64,028	-	64,028	75,559
Accounts receivable	107,611	3,838,484	3,946,095	3,081,221
Other	407,591	-	407,591	91,234
Prepaid expenses	199,177	1,250,201	1,449,378	1,439,232
Guaranteed deposits	-	-	-	156,659
Inventory	-	108,208	108,208	109,527
Internal balances	134,163	(134,163)	-	-
Restricted cash and cash equivalents	-	884,675	884,675	911,774
Capital assets, net of accumulated depreciation	60,258,557	77,009,922	137,268,479	130,418,146
Total assets	81,663,060	96,453,651	178,116,711	171,720,312
<u>DEFERRED OUTFLOWS OF RESOURCES</u>				
Bond refunding loss	-	16,557	16,557	92,608
Asset retirement obligation	-	355,000	355,000	360,000
Pension-related deferred outflows	5,388,213	902,410	6,290,623	7,134,281
Total deferred outflows	5,388,213	1,273,967	6,662,180	7,586,889
<u>LIABILITIES</u>				
Accounts payable	1,376,817	3,255,177	4,631,994	3,271,439
Accrued interest payable	178,471	22,467	200,938	231,923
Salaries and benefits payable	309,577	-	309,577	247,207
Refundable customer deposits	-	637,238	637,238	627,111
Long-term liabilities:				
Due within one year:				
Notes payable	158,352	230,328	388,680	385,567
General obligation bonds payable	1,205,000	1,230,000	2,435,000	2,355,000
Lease payable	84,204	28,365	112,569	89,652
Compensated absences	366,615	143,800	510,415	400,162
Due in more than one year:				
Notes payable	494,078	1,612,297	2,106,375	2,495,055
General obligation bonds payable	15,312,928	577,182	15,890,110	18,479,390
Lease payable	76,112	43,683	119,795	259,818
Asset retirement obligation	-	375,000	375,000	375,000
Compensated absences	614,458	74,322	688,780	549,522
Net OPEB liability	806,542	268,847	1,075,389	635,614
Net pension liability	17,323,449	523,265	17,846,714	14,738,847
Estimated post-closure care	-	308,999	308,999	308,999
Total liabilities	38,306,603	9,330,970	47,637,573	45,450,306
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Succeeding year property tax	3,609,543	-	3,609,543	2,027,291
Deferred impact fees	-	18,720	18,720	-
Pension-related deferred inflows	2,530,121	540,646	3,070,767	4,043,514
Total deferred inflows	6,139,664	559,366	6,699,030	6,070,805
<u>NET POSITION</u>				
Net investment in capital assets	42,927,883	73,288,067	116,215,950	106,353,664
Restricted for:				
Debt service	-	884,675	884,675	1,068,433
Public safety services	151,293	-	151,293	233,986
Streets and public improvements	555,894	-	555,894	555,871
Urban renewal purposes	925,434	-	925,434	802,003
Economic development	269,058	-	269,058	95,151
Other purposes	6,632,087	-	6,632,087	4,174,140
Unrestricted	(8,856,643)	13,664,540	4,807,897	14,502,842
Total net position	\$ 42,605,006	87,837,282	130,442,288	127,786,090

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

Statement of Activities
Year Ended April 30, 2025
(With Comparative Figures for the Year Ended April 30, 2024)

	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	
							2025	2024
Primary government:								
Governmental activities:								
General government	\$ 10,139,037	4,205,982	564,918	-	(5,368,137)	-	(5,368,137)	(1,052,875)
Public safety	7,149,287	10,015	-	-	(7,139,272)	-	(7,139,272)	(6,824,162)
Public works	3,793,842	-	-	-	(3,793,842)	-	(3,793,842)	(4,814,750)
Health and welfare	1,140,296	972,975	-	-	(167,321)	-	(167,321)	(440,422)
Culture and recreation	1,316,391	-	-	-	(1,316,391)	-	(1,316,391)	(1,297,375)
Payments under intergovernmental agreements	663,073	-	-	-	(663,073)	-	(663,073)	(554,890)
Unallocated interest on long-term debt	587,966	-	-	-	(587,966)	-	(587,966)	(432,714)
Total governmental activities	<u>24,789,892</u>	<u>5,188,972</u>	<u>564,918</u>	<u>-</u>	<u>(19,036,002)</u>	<u>-</u>	<u>(19,036,002)</u>	<u>(15,417,188)</u>
Business-type activities:								
Utility fund	33,672,488	33,743,696	145,000	-	-	216,208	216,208	3,132,169
Landfill	97,084	41,478	-	-	-	(55,606)	(55,606)	(57,433)
Airport	473,291	86,723	-	-	-	(386,568)	(386,568)	(289,546)
Total business-type activities	<u>34,242,863</u>	<u>33,871,897</u>	<u>145,000</u>	<u>-</u>	<u>-</u>	<u>(225,966)</u>	<u>(225,966)</u>	<u>2,785,190</u>
Total primary government	<u>\$ 59,032,755</u>	<u>39,060,869</u>	<u>709,918</u>	<u>-</u>	<u>(19,036,002)</u>	<u>(225,966)</u>	<u>(19,261,968)</u>	<u>(12,631,998)</u>
General revenues:								
Property taxes, levied for general purposes					\$ 2,160,938	-	2,160,938	1,844,877
Sales tax					8,053,643	-	8,053,643	7,509,144
Income tax					1,758,710	-	1,758,710	1,648,773
Home rule sales tax					5,159,631	-	5,159,631	4,984,422
Hotel/motel tax					742,914	-	742,914	753,700
Telecommunications tax					107,275	-	107,275	119,688
Local use tax					281,277	-	281,277	373,707
Cannabis sales and use tax					271,425	-	271,425	112,832
Video gaming tax					495,535	-	495,535	473,379
Replacement tax					310,531	-	310,531	456,658
Motor fuel tax					447,286	-	447,286	434,631
Interest income					474,324	773,469	1,247,793	926,680
Fines and penalties					74,633	-	74,633	90,748
Telecom tower proceeds					62,694	-	62,694	64,632
Other					526,237	207,612	733,849	691,898
Total general revenues					<u>20,927,053</u>	<u>981,081</u>	<u>21,908,134</u>	<u>20,485,769</u>
Special items:								
Gain/Loss on disposal of capital assets					10,032	-	10,032	112,346
Transfers					107,344	(107,344)	-	-
Change in net position					<u>2,008,427</u>	<u>647,771</u>	<u>2,656,198</u>	<u>7,966,117</u>
Net position, beginning of year					<u>40,596,579</u>	<u>87,189,511</u>	<u>127,786,090</u>	<u>119,819,973</u>
Net position, end of year					<u>\$ 42,605,006</u>	<u>87,837,282</u>	<u>130,442,288</u>	<u>127,786,090</u>

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

Balance Sheet - Governmental Funds
April 30, 2025
(With Comparative Figures for April 30, 2024)

	General Fund	Non-major Governmental Funds	Total Governmental Funds	
			2025	2024
<u>ASSETS</u>				
Cash and cash equivalents	9,640,516	1,957,083	11,597,599	9,746,541
Investments	1,344,287	-	1,344,287	1,392,922
Receivables:				
Property taxes	1,160,509	2,619,034	3,779,543	2,197,291
Sales taxes	1,986,120	-	1,986,120	1,861,193
Telecommunications taxes	26,862	-	26,862	29,346
Home rule sales taxes	1,232,061	-	1,232,061	1,187,040
Motor fuel taxes	-	35,767	35,767	35,592
State income taxes	433,774	-	433,774	467,001
Replacement taxes	64,028	-	64,028	75,559
Accounts	-	107,611	107,611	105,029
Other	407,591	-	407,591	91,234
Due from other funds	134,163	-	134,163	106,388
Prepaid expenses	199,177	-	199,177	204,310
Total assets	<u>\$ 16,629,088</u>	<u>4,719,495</u>	<u>21,348,583</u>	<u>17,499,446</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</u>				
Liabilities:				
Overdraft payable	\$ -	1,033,987	1,033,987	222,488
Accounts payable	1,376,817	-	1,376,817	1,385,976
Salaries and benefits payable	309,577	-	309,577	247,207
Total liabilities	<u>1,686,394</u>	<u>1,033,987</u>	<u>2,720,381</u>	<u>1,855,671</u>
Deferred inflows of resources:				
Succeeding year property tax	990,509	2,619,034	3,609,543	2,027,291
Unavailable revenues	1,427,779	-	1,427,779	1,302,363
Total deferred inflows	<u>2,418,288</u>	<u>2,619,034</u>	<u>5,037,322</u>	<u>3,329,654</u>
Fund balances:				
Non-spendable:				
Prepaid expenses	199,177	-	199,177	204,310
Parkside school	554,181	-	554,181	535,958
Assigned - municipal pool	144,356	-	144,356	134,443
Committed - motel tax	1,738,898	-	1,738,898	1,827,104
Restricted for:				
Public safety services	-	151,293	151,293	233,986
Streets and public improvements	-	555,894	555,894	555,871
Urban renewal purposes	-	925,434	925,434	802,003
Economic development	-	269,058	269,058	95,151
Other purposes	6,433,305	198,782	6,632,087	4,174,140
Unassigned	3,454,489	(1,033,987)	2,420,502	3,751,155
Total fund balances	<u>12,524,406</u>	<u>1,066,474</u>	<u>13,590,880</u>	<u>12,314,121</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 16,629,088</u>	<u>4,719,495</u>	<u>21,348,583</u>	<u>17,499,446</u>

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

Balance Sheet - Governmental Funds
April 30, 2025
 (With Comparative Figures for April 30, 2024)

	2025	2024
Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position:		
Total governmental fund balances	\$ 13,590,880	12,314,121
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 \$98,210,175 and the accumulated depreciation is \$37,887,828.	60,258,557	58,387,760
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.	1,427,779	1,302,363
Accrued interest payable	(178,471)	(192,565)
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	5,388,213	5,859,673
Deferred inflows of resources	(2,530,121)	(3,395,451)
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.	1,089,907	1,085,290
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	(15,130,000)	(16,295,000)
Bond premium	(1,387,928)	(1,511,249)
Notes payable	(652,430)	(807,669)
Lease payable	(160,316)	(249,171)
Compensated absences	(981,073)	(820,435)
Net OPEB liability	(806,542)	(476,711)
Net pension liability / asset	(17,323,449)	(14,604,377)
Net position of governmental activities	<u>\$ 42,605,006</u>	<u>40,596,579</u>

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, 2025
(With Comparative Figures for the Year Ended April 30, 2024)

	General Fund	Non-major Governmental Funds	Total Governmental Funds	
			2025	2024
Revenues:				
Taxes	\$ 17,981,970	1,050,382	19,032,352	17,949,903
Intergovernmental revenue	875,449	447,286	1,322,735	2,074,866
Licenses and permits	2,427,074	-	2,427,074	2,350,542
Fines and penalties	62,172	12,461	74,633	90,748
Charges for services	10,015	972,975	982,990	974,387
Interest income	433,868	27,185	461,053	434,379
Cell tower proceeds	62,694	-	62,694	64,632
Other	386,094	13,723	399,817	331,203
Total revenues	22,239,336	2,524,012	24,763,348	24,270,660
Expenditures:				
Current:				
General government	5,869,331	111,707	5,981,038	4,864,998
Public safety	6,139,093	30,042	6,169,135	6,011,342
Public works	2,550,790	-	2,550,790	2,392,039
Health and welfare	191,102	949,194	1,140,296	1,404,796
Culture and recreation	1,316,391	-	1,316,391	1,297,375
Debt service:				
Principal	710,239	610,000	1,320,239	687,272
Interest	409,460	192,600	602,060	432,714
Capital outlay	3,401,500	459,443	3,860,943	6,194,434
Payments under intergovernmental agreements	-	663,073	663,073	554,890
Total expenditures	20,587,906	3,016,059	23,603,965	23,839,860
Excess (deficiency) of revenues over (under) expenditures	1,651,430	(492,047)	1,159,383	430,800
Other financing sources (uses):				
Proceeds from the sale of capital assets	10,032	-	10,032	274,984
Transfers from other funds	186,313	-	186,313	24,092
Transfers to other funds	-	(78,969)	(78,969)	(24,092)
Total other financing sources (uses)	196,345	(78,969)	117,376	274,984
Changes in fund balances	1,847,775	(571,016)	1,276,759	705,784
Fund balances, beginning of year	10,676,631	1,637,490	12,314,121	11,608,337
Fund balances, end of year	\$ 12,524,406	1,066,474	13,590,880	12,314,121

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, 2025
(With Comparative Figures for the Year Ended April 30, 2024)

	2025	2024
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	\$ 1,276,759	705,784
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	4,644,298	5,637,980
Depreciation expense	(2,769,395)	(2,551,976)
Loss on Disposal of Assets	(4,106)	-
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:		
Principal payments on debt	1,320,239	687,272
Principal payments on leases	88,855	59,241
Amortization of bond premium	123,321	123,321
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.	125,416	(54,927)
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.	4,617	5,129
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.	393,870	(224,301)
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	14,094	(58,270)
Compensated absences	(160,638)	73,440
Change in OPEB liability	(329,831)	33,878
Change in pension liability	(2,719,072)	(66,420)
Change in net position of governmental activities	<u>\$ 2,008,427</u>	<u>4,337,201</u>

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

Statement of Net Position - Proprietary Funds
April 30, 2025
(With Comparative Figures for April 30, 2024)

	Enterprise Funds			Total		Internal Service Fund
	Utility Fund	Landfill Fund	Illinois Valley Regional Airport Operations Fund	2025	2024	Self Insurance Fund 2025
ASSETS						
Current assets:						
Cash and cash equivalents	7,251,258	1,105,113	-	8,356,371	9,786,608	1,089,907
Investments	5,639,305	-	-	5,639,305	8,284,011	-
Accounts receivable, net	3,828,822	5,146	4,516	3,838,484	2,976,192	-
Due from other funds	-	666	-	666	200	-
Prepaid expenses	1,235,676	102	14,423	1,250,201	1,234,922	-
Inventory	108,208	-	-	108,208	109,527	-
Total current assets	18,063,269	1,111,027	18,939	19,193,235	22,391,460	1,089,907
Non-current assets:						
Restricted assets:						
Restricted cash and cash equivalents	884,675	-	-	884,675	911,774	-
Guaranteed deposits	-	-	-	-	156,659	-
Total restricted assets	884,675	-	-	884,675	1,068,433	-
Total non-current assets	884,675	-	-	884,675	1,068,433	-
Capital assets:						
Land	1,902,579	210,000	5,315,000	7,427,579	7,427,579	-
Construction in progress	7,948,291	-	-	7,948,291	1,562,543	-
Buildings and land improvements	17,251,609	369,037	2,862,233	20,482,879	20,409,438	-
Machinery and equipment	47,597,291	-	-	47,597,291	52,543,794	-
Land improvements	-	-	-	-	-	-
Infrastructure	83,471,930	-	13,716,115	97,188,045	95,263,534	-
Total capital assets at cost	158,171,700	579,037	21,893,348	180,644,085	177,206,888	-
Less: Accumulated depreciation	90,368,594	314,750	12,950,819	103,634,163	105,176,502	-
Total capital assets	67,803,106	264,287	8,942,529	77,009,922	72,030,386	-
Total assets	86,751,050	1,375,314	8,961,468	97,087,832	95,490,279	1,089,907
DEFERRED OUTFLOWS OF RESOURCES						
Bond refunding loss	16,557	-	-	16,557	92,608	-
Asset retirement obligation	355,000	-	-	355,000	360,000	-
Pension related deferred outflows	902,410	-	-	902,410	1,274,608	-
Total deferred outflows of resources	1,273,967	-	-	1,273,967	1,727,216	-
LIABILITIES						
Current liabilities:						
Cash overdrafts	-	-	499,352	499,352	413,387	-
Accounts payable	3,197,802	-	57,375	3,255,177	1,885,463	-
Accrued interest payable	22,467	-	-	22,467	39,358	-
Compensated absences	143,800	-	-	143,800	91,142	-
Due to other funds	134,829	-	-	134,829	106,588	-
Refundable customer deposits	637,238	-	-	637,238	627,111	-
Notes payable	230,328	-	-	230,328	230,328	-
General obligation bonds payable	1,230,000	-	-	1,230,000	1,190,000	-
Lease payable	28,365	-	-	28,365	26,901	-
Total current liabilities	5,624,829	-	556,727	6,181,556	4,610,278	-
Non-current liabilities:						
Compensated absences	74,322	-	-	74,322	38,107	-
Notes payable	1,612,297	-	-	1,612,297	1,842,625	-
General obligation bonds payable	577,182	-	-	577,182	1,838,141	-
Lease payable	43,683	-	-	43,683	73,398	-
Asset retirement obligation	375,000	-	-	375,000	375,000	-
Net pension liability	523,265	-	-	523,265	134,470	-
Net OPEB liability	268,847	-	-	268,847	158,903	-
Estimated post-closure care	-	308,999	-	308,999	308,999	-
Total non-current liabilities	3,474,596	308,999	-	3,783,595	4,769,643	-
Total liabilities	9,099,425	308,999	556,727	9,965,151	9,379,921	-
DEFERRED INFLOWS OF RESOURCES						
Deferred impact fees	18,720	-	-	18,720	-	-
Pension-related deferred inflows	540,646	-	-	540,646	648,063	-
Total deferred inflows of resources	559,366	-	-	559,366	648,063	-
NET POSITION						
Net investment in capital assets	64,081,251	264,287	8,942,529	73,288,067	66,828,993	-
Restricted	884,675	-	-	884,675	1,068,433	-
Unrestricted	13,400,300	802,028	(537,788)	13,664,540	19,292,085	1,089,907
Total net position	\$ 78,366,226	1,066,315	8,404,741	87,837,282	87,189,511	1,089,907

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, 2025
 (With Comparative Figures for the Year Ended April 30, 2024)

	Enterprise Funds			Total Proprietary Funds		Internal Service Fund
	Utility Fund	Landfill Fund	Illinois Valley Regional Airport Operations Fund	2025	2024	Self Insurance Fund 2025
Operating revenues:						
Charges for services	\$ 33,581,019	41,478	7,983	33,630,480	33,619,826	1,778,908
Other charges and rentals	162,677	-	78,740	241,417	238,398	-
Total operating revenues	33,743,696	41,478	86,723	33,871,897	33,858,224	1,778,908
Operating expenses:						
General and administrative	3,700,537	90,772	258,489	4,049,798	3,785,717	5,177
Power and generating plant	18,705,627	-	-	18,705,627	17,047,325	-
Distribution system	4,264,846	-	-	4,264,846	3,035,506	-
Hydroelectric plant	746,797	-	-	746,797	900,404	-
Street lighting	17,170	-	-	17,170	13,258	-
Truck expenses	146,320	-	-	146,320	231,913	-
Pumping and purification	2,499,949	-	-	2,499,949	2,505,833	-
Sewerage system, disposal plant	14,330	-	-	14,330	6,004	-
Insurance premiums and claims	-	-	-	-	-	1,782,385
Depreciation	3,498,815	6,312	231,916	3,737,043	3,649,157	-
Airport improvement	-	-	(17,114)	(17,114)	(45,115)	-
Total operating expenses	33,594,391	97,084	473,291	34,164,766	31,130,002	1,787,562
Operating income (loss)	149,305	(55,606)	(386,568)	(292,869)	2,728,222	(8,654)
Non-operating revenues (expenses):						
Interest income	722,928	50,424	117	773,469	483,031	13,271
Rental income	107,733	-	33,652	141,385	118,907	-
Farm income	9,360	-	45,507	54,867	43,998	-
Grant revenues	145,000	-	-	145,000	189,258	-
Miscellaneous	11,360	-	-	11,360	197,790	-
Interest expense	(78,097)	-	-	(78,097)	(132,290)	-
Total non-operating revenues (expenses)	918,284	50,424	79,276	1,047,984	900,694	13,271
Income (loss) before transfers	1,067,589	(5,182)	(307,292)	755,115	3,628,916	4,617
Operating transfers in (out)	(107,344)	-	-	(107,344)	-	-
Change in net position	960,245	(5,182)	(307,292)	647,771	3,628,916	4,617
Net position, beginning of year	77,405,981	1,071,497	8,712,033	87,189,511	83,560,595	1,085,290
Net position, end of year	\$ 78,366,226	1,066,315	8,404,741	87,837,282	87,189,511	1,089,907

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

Statement of Cash Flows - Proprietary Funds

Year Ended April 30, 2025

(With Comparative Figures for the Year Ended April 30, 2024)

	Utility Fund	Landfill Fund	Illinois Valley Regional Airport Operations Fund	Total Proprietary Funds	
				2025	2024
Cash flows from operating activities:					
Receipts from customers	\$ 32,896,486	39,679	83,567	33,019,732	33,624,683
Payments to employees	(2,222,882)	-	-	(2,222,882)	(1,841,649)
Payments to suppliers	(25,653,260)	(93,020)	(145,729)	(25,892,009)	(26,049,712)
Net cash provided by (used in) operating activities	5,020,344	(53,341)	(62,162)	4,904,841	5,733,322
Cash flows from noncapital financing activities:					
Internal advances	(78,903)	(666)	-	(79,569)	(81,866)
Proceeds from grants	145,000	-	-	145,000	189,258
Net cash provided by (used in) noncapital financing activities	66,097	(666)	-	65,431	107,392
Cash flows from capital and related financing activities:					
Capital assets acquired	(8,685,105)	-	(386,401)	(9,071,506)	(12,244,809)
Principal payments on notes payable	(230,328)	-	-	(230,328)	(460,656)
Principal payments on G.O. bonds payable	(1,220,959)	-	-	(1,220,959)	(2,355,021)
Principal payments on leases	(28,251)	-	-	(28,251)	26,901
Interest payments	(94,988)	-	-	(94,988)	(164,507)
Deferred bond cost on bond refunding	76,051	-	-	76,051	152,100
Net cash provided by (used in) capital financing activities	(10,183,580)	-	(386,401)	(10,569,981)	(15,045,992)
Cash flows from investing activities:					
Rental and miscellaneous sale income	119,093	-	79,159	198,252	346,838
Interest received	722,928	50,424	117	773,469	493,448
Net sales (purchases) of investments	2,331,365	470,000	369,287	3,170,652	9,062,044
Net cash provided by (used in) investing activities	3,173,386	520,424	448,563	4,142,373	9,902,330
Net change in cash and cash equivalents	(1,923,753)	466,417	-	(1,457,336)	697,052
Cash and cash equivalents, beginning of year	10,059,686	638,696	-	10,698,382	10,001,330
Cash and cash equivalents, end of year	\$ 8,135,933	1,105,113	-	9,241,046	10,698,382
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	\$ 149,305	(55,606)	(386,568)	(292,869)	2,728,222
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:					
Depreciation	3,498,815	6,312	231,916	3,737,043	3,649,157
Effects of changes in operating assets and liabilities:					
(Increase) decrease in accounts receivable	(857,337)	(1,799)	(3,156)	(862,292)	(275,984)
(Increase) decrease in prepaid expenses	(15,348)	(9)	78	(15,279)	(36,776)
(Increase) decrease in inventory	1,319	-	-	1,319	193,419
(Increase) decrease in deferred outflows of resources	372,198	-	-	372,198	(901,043)
Increase (decrease) in cash overdrafts	-	-	85,965	85,965	309,876
Increase (decrease) in accounts payable	1,362,350	(2,239)	9,603	1,369,714	(448,401)
Increase (decrease) in compensated absences	88,873	-	-	88,873	(187,794)
Increase (decrease) in refundable customer deposits	10,127	-	-	10,127	42,443
Increase (decrease) in deferred inflows of resources	(107,417)	-	-	(107,417)	(695,071)
Increase (decrease) in deferred impact fees	18,720	-	-	18,720	-
Increase (decrease) in estimates post-closure care	-	-	-	-	(10,000)
Increase (decrease) in net OPEB liability	109,944	-	-	109,944	(44,130)
Increase (decrease) in net pension liability	388,795	-	-	388,795	1,409,404
Net cash provided by (used in) operating activities	\$ 5,020,344	(53,341)	(62,162)	4,904,841	5,733,322

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

Statement of Fiduciary Net Position - Fiduciary Funds
April 30, 2025
(With Comparative Figures for April 30, 2024)

	Pension Trust Funds	
	2025	2024
<u>ASSETS</u>		
Cash and cash equivalents	\$ 3,047,832	12,126,576
Investments	16,657,121	6,458,027
Other receivables	-	305
Accrued interest	-	59
Total assets	<u>\$ 19,704,953</u>	<u>18,584,967</u>
<u>NET POSITION</u>		
Held in trust for pension benefits	<u>\$ 19,704,953</u>	<u>18,584,967</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, 2025
(With Comparative Figures for the Year Ended April 30, 2024)

	Pension Trust Funds	
	2025	2024
Additions:		
Contributions:		
Employer contributions	\$ 940,820	903,951
Plan member contributions	250,958	219,142
Total contributions	1,191,778	1,123,093
Net investment income:		
Net change in fair value of investments	1,077,530	860,279
Investment income	371,179	423,207
Total investment income	1,448,709	1,283,486
Less: Investment expense	23,844	21,028
Net investment income	1,424,865	1,262,458
Total additions	2,616,643	2,385,551
Deductions:		
Administrative	6,103	7,754
Benefit payments, including member refunds	1,490,554	1,417,803
Total deductions	1,496,657	1,425,557
Changes in net position	1,119,986	959,994
Net position, beginning of year	18,584,967	17,624,973
Net position, end of year	\$ 19,704,953	18,584,967

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, 2025**

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 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, 2025

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:

	Governmental Activities	Business- Type Activities	Total Primary Government
Capital assets, net of accumulated depreciation	\$ 60,258,557	77,009,922	137,268,479
Less:			
Notes payable	(652,430)	(1,842,625)	(2,495,055)
General obligation bonds payable	(16,517,928)	(1,807,182)	(18,325,110)
Leases payable	(160,316)	(72,048)	(232,364)
Net investment in capital assets	<u>\$ 42,927,883</u>	<u>73,288,067</u>	<u>116,215,950</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, 2025

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 Firefighter'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, 2025

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, 2025

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, 2025

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 2023 property tax levy for the City and TIF Districts (\$2,027,291) are used to finance expenditures of the fiscal year ending April 30, 2025. Although the 2024 property tax levy receivable has been recorded, the related revenue (\$3,609,543) 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, 2025

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, 2025, 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."

Inventories

Inventories of materials and supplies are stated at the lower of cost or market, based upon an annual physical count of quantities on hand. Inventories are recorded as an asset for all enterprise funds at cost using the first in, first out method.

**Notes to Basic Financial Statements
For the Year Ended April 30, 2025**

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, 2025

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. Employees may carry forward up to 80 hours of unused vacation leave into the following year, and additional time may be carried over with approval on a case-by-case basis. Eligible employees who reached retirement age based on the applicable plan; 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, 2025.

Notes to Basic Financial Statements
For the Year Ended April 30, 2025

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 Firefighter'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, 2025

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 \$5,931,970 of restricted home rule sales tax receipts, \$121,979 restricted for the Washington Park project, \$312,904 restricted for 2020/2021 Bond Reserve Obligations, \$6,826 restricted for Past Elected Officials, and \$59,626 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, 2025

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.

H. Change in Accounting Standards

During the year ended April 30, 2025, the City implemented GASB 101 – Compensated Absences which establishes recognition and measurement guidance for compensated absences, including criteria for when liabilities should be recognized and how they should be measured. Implementation of this standard did not result in a restatement of beginning balances or a prior period adjustment, as the impact was not material to the financial statements. The government's accounting for compensated absences continues to be consistent with the recognition and measurement criteria established under this standard.

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 \$20,395,213, including petty cash. Bank balances totaled \$20,713,719. Cash on hand was \$1,700.

At year-end, the carrying amount of the City's trust fund deposits was \$3,047,832. Bank balances also totaled \$3,047,832.

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, 2025, \$1,588,713 of the City's deposits were uncollateralized.

CITY OF PERU, ILLINOIS

Notes to Basic Financial Statements
For the Year Ended April 30, 2025

NOTE 2: CASH AND CASH EQUIVALENTS – (CONTINUED)

Investments

As of April 30, 2025, 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	\$ 6,923,966	5,917,421	1,006,545	-	-
Mutual funds	59,626	59,626	-	-	-
Total	<u>\$ 6,983,592</u>	<u>5,977,047</u>	<u>1,006,545</u>	<u>-</u>	<u>-</u>

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.

Concentration of Credit Risk

The City has diversified its Certificates of Deposit holdings through the use of a Safekeeping account with Vinings Sparks. As a result, none of the City's investment balance is subject to concentration of credit risk.

**Notes to Basic Financial Statements
For the Year Ended April 30, 2025**

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, 2025	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	\$ 6,923,966	-	6,923,966	-
Mutual funds	59,626	59,626	-	-
Total investments	\$ 6,983,592	59,626	6,923,966	-

The fair value of certificates of deposit at April 30, 2025, 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, 2025**

NOTE 4: CHANGES IN CAPITAL ASSETS

Capital asset activity for governmental activities for the year ended April 30, 2025, was as follows:

	Balance as of April 30, 2024	Additions	Deletions	Balance as of April 30, 2025
Capital assets not being depreciated:				
Land	\$ 3,661,774	-	-	3,661,774
Construction in progress	4,191,961	1,872,395	(3,619,830)	2,444,526
Total capital assets not being depreciated	<u>7,853,735</u>	<u>1,872,395</u>	<u>(3,619,830)</u>	<u>6,106,300</u>
Capital assets being depreciated:				
Buildings	24,474,550	508,896	-	24,983,446
Machinery and equipment	7,602,433	845,618	(59,788)	8,388,263
Land improvements	3,522,425	765,729	-	4,288,154
Infrastructure	50,171,989	4,271,490	-	54,443,479
Total capital assets being depreciated	<u>85,771,397</u>	<u>6,391,733</u>	<u>(59,788)</u>	<u>92,103,342</u>
Total capital assets	<u>93,625,132</u>	<u>8,264,128</u>	<u>(3,679,618)</u>	<u>98,209,642</u>
Less accumulated depreciation:				
Buildings	3,302,477	529,972	-	3,832,449
Machinery and equipment	4,295,206	616,795	(55,682)	4,856,319
Land improvements	566,011	130,939	-	696,950
Infrastructure	27,073,678	1,491,689	-	28,565,367
Total accumulated depreciation:	<u>35,237,372</u>	<u>2,769,395</u>	<u>(55,682)</u>	<u>37,951,085</u>
Total capital assets being depreciated, net	<u>50,534,025</u>	<u>3,622,338</u>	<u>(4,106)</u>	<u>54,152,257</u>
Governmental activities capital assets, net	<u>\$ 58,387,760</u>	<u>5,494,733</u>	<u>(3,623,936)</u>	<u>60,258,557</u>

Depreciation for governmental activities in the current fiscal year was \$2,769,395 and was allocated as follows:

General government	\$ 910,668
Public safety	615,675
Public works	<u>1,243,052</u>
Total depreciation – governmental activities	<u>\$ 2,769,395</u>

Construction in progress at April 30, 2025, is the result of the Pedestrian Bridge, Washington Park and Plank Road widening project.

Significant capital additions for the year included the 2024 Street Program (\$1,308,068), Master Builder Way (\$2,704,153), 28th Street Park Playground (\$170,921), and IVRD/Fire Renovation (\$197,846).

CITY OF PERU, ILLINOIS

**Notes to Basic Financial Statements
For the Year Ended April 30, 2025**

NOTE 4: CHANGES IN CAPITAL ASSETS – (CONTINUED)

Capital asset activity for business-type activities for the year ended April 30, 2025, was as follows:

	Balance as of April 30, 2024	Additions	Deletions	Balance as of April 30, 2025
Capital assets not being depreciated:				
Land	\$ 7,427,579	-	-	7,427,579
Construction in progress	1,562,542	6,611,185	(225,436)	7,948,291
Total capital assets not being depreciated	<u>8,990,121</u>	<u>6,611,185</u>	<u>(225,436)</u>	<u>15,375,870</u>
Depreciable capital assets:				
Buildings and land improvements	20,409,437	73,441	-	20,482,878
Machinery and equipment	52,544,952	381,975	(5,328,476)	47,598,451
Infrastructure	95,262,162	1,924,696	-	97,186,858
Total depreciable capital assets:	<u>168,216,551</u>	<u>2,380,112</u>	<u>(5,328,476)</u>	<u>165,268,187</u>
Total capital assets	<u>177,206,672</u>	<u>8,991,297</u>	<u>(5,553,912)</u>	<u>180,644,057</u>
Less accumulated depreciation:				
Buildings and land improvements	11,128,719	417,821	-	11,546,540
Machinery and equipment	46,684,855	930,793	(5,274,387)	42,341,261
Infrastructure	47,362,712	2,383,622	-	49,746,334
Total accumulated depreciation	<u>105,176,286</u>	<u>3,732,236</u>	<u>(5,274,387)</u>	<u>103,634,135</u>
Total capital assets being depreciated, net	<u>63,040,265</u>	<u>(1,352,124)</u>	<u>(54,089)</u>	<u>61,634,052</u>
Business-type activities capital assets, net	<u>\$ 72,030,386</u>	<u>5,259,061</u>	<u>(279,525)</u>	<u>77,009,922</u>

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

Utility	\$ 3,493,129
Landfill	7,191
Airport	<u>231,916</u>
Total depreciation – business type activities	<u>\$ 3,732,236</u>

Construction in progress at April 30, 2025, includes multiple water main projects, road projects and sewer projects. All projects are projected to be completed in the following fiscal year.

Significant capital additions for the year included MVP TIF Utility Infrastructure (\$1,884,044), JR Subdivision Utilities (\$211,260), UV Replacement (\$394,138), 5th & 10th Street Watermain (\$832,819), and a Bucket Truck (\$242,000).

CITY OF PERU, ILLINOIS

Notes to Basic Financial Statements
For the Year Ended April 30, 2025

NOTE 5: LONG-TERM LIABILITIES

Long-term liability activity for the year ended April 30, 2025, was as follows:

	Balance at April 30, 2024	Additions	Deductions	Balance at April 30, 2025	Due Within One Year
Governmental Activities					
Notes Payable	\$ 807,669	-	155,239	652,430	158,352
General Obligation Bonds Payable	16,295,000	-	1,165,000	15,130,000	1,205,000
Lease Payable - Right-to-use assets	249,171	-	88,855	160,316	84,204
Bond Premium/(Discount), Net	1,511,249	-	123,321	1,387,928	-
Compensated Absences (Note 1)	820,435	160,638	-	981,073	366,615
Net OPEB Liability (Note 8)	476,711	329,831	-	806,542	-
Net Pension Liability (Asset) (Note 7)	14,604,377	2,719,072	-	17,323,449	-
Total Governmental Activities	\$ 34,764,612	3,209,541	1,532,415	36,441,738	1,814,171
Business-Type Activities					
Notes Payable	\$ 2,072,953	-	230,328	1,842,625	230,328
General Obligation Bonds Payable	2,945,000	-	1,190,000	1,755,000	1,230,000
Lease Payable - Right-to-use assets	100,299	-	28,251	72,048	74,322
Bond Premium/(Discount), Net	83,141	-	30,960	52,181	-
Asset Retirement Obligation	375,000	-	-	375,000	-
Compensated Absences (Note 1)	129,249	88,873	-	218,122	74,322
Net OPEB Liability (Note 8)	158,903	109,944	-	268,847	-
Net Pension Liability (Asset) (Note 7)	134,470	388,795	-	523,265	-
Estimated Postclosure Care (Note 11)	308,999	-	-	308,999	-
Total Business-Type Activities	\$ 6,308,014	587,612	1,479,539	5,416,087	1,608,972

CITY OF PERU, ILLINOIS

**Notes to Basic Financial Statements
For the Year Ended April 30, 2025**

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, 2025, was \$1,110,000.

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, 2025, was \$7,050,000.

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, 2025, was \$3,875,000 in the governmental funds and was \$645,000 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. Payments on these bonds will be paid through the TIF Fund using property tax revenue. The balance outstanding as of April 30, 2025, was \$4,205,000.

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

Year Ending	G.O. Bonds - Governmental			G.O. Bonds - Business Type		
	Principal	Interest	Total	Principal	Interest	Total
April 30,						
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	1,345,000	230,550	1,575,550	135,000	8,250	143,250
2030	1,395,000	295,488	1,690,488	140,000	42,000	182,000
2031-2035	4,405,000	1,055,763	5,460,763	-	-	-
2036-2040	4,245,000	449,235	4,694,235	-	-	-
Total	<u>\$ 15,130,000</u>	<u>3,535,149</u>	<u>18,665,149</u>	<u>1,755,000</u>	<u>110,300</u>	<u>1,865,300</u>

CITY OF PERU, ILLINOIS

Notes to Basic Financial Statements
For the Year Ended April 30, 2025

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, 2025 was \$652,430.

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, 2025 was \$1,842,625.

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
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	-	-	-	230,328	-	230,328
2031-2033	-	-	-	690,984	-	690,984
Total	<u>\$ 652,430</u>	<u>32,573</u>	<u>685,003</u>	<u>1,842,625</u>	<u>-</u>	<u>1,842,625</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, 2025
John Deere	12/31/2022	60 months	\$ 1,073	3.25%	\$ 59,500	31,871
John Deere	10/31/2022	60 months	1,551	3.25%	86,000	43,203
John Deere	8/31/2022	60 months	539	3.25%	29,900	14,029
John Deere	1/15/2023	60 months	2,097	2.25%	111,404	41,136
First Western New Equipment	6/10/2022 2/27/2023	60 months 36 months	550 2,161	7.00% 3.25%	27,947 66,399	12,714 17,363
Total					<u>\$ 381,150</u>	<u>160,316</u>

Notes to Basic Financial Statements
For the Year Ended April 30, 2025

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 \$31,871 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 \$43,203 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 \$14,029 and will be paid out of the General Fund.

D. John Deere Equipment

On January 15, 2024, 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 \$41,136 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 \$12,714 and will be paid out of the General Fund.

F. New Equipment Exmark Laser

On February 27, 2024, 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 \$17,363 and will be paid out of the General Fund.

CITY OF PERU, ILLINOIS

**Notes to Basic Financial Statements
For the Year Ended April 30, 2025**

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	40,177
John Deere	12/28/2022	60 months	1,073	3.25%	59,500	31,871
Total					<u>\$ 144,000</u>	<u>72,048</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 \$40,177 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 \$31,871 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 estimated remaining useful lives of the water wells is 75 years.

CITY OF PERU, ILLINOIS

**Notes to Basic Financial Statements
For the Year Ended April 30, 2025**

NOTE 6: LEGAL DEBT MARGIN

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

NOTE 7: DEFINED BENEFIT PENSION PLANS

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

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Net Pension Liabilities:			
IMRF	\$ 1,569,796	523,265	2,093,061
Police Pension	15,258,403	-	15,258,403
Firemens Pension	495,250	-	495,250
Total net pension liabilities (asset)	<u>\$ 17,323,449</u>	<u>523,265</u>	<u>17,846,714</u>
Deferred outflows related to pensions:			
IMRF	\$ 2,707,230	902,410	3,609,640
Police Pension	2,468,458	-	2,468,458
Firemens Pension	212,525	-	212,525
Total deferred outflows	<u>\$ 5,388,213</u>	<u>902,410</u>	<u>6,290,623</u>
Deferred inflows related to pensions:			
IMRF	\$ 1,621,936	540,646	2,162,582
Police Pension	660,387	-	660,387
Firemens Pension	247,798	-	247,798
Total deferred inflows	<u>\$ 2,530,121</u>	<u>540,646</u>	<u>3,070,767</u>
Pension Expense (Benefit):			
IMRF	\$ 2,140,373	(161,501)	1,978,872
Police Pension	1,406,881	-	1,406,881
Firemens Pension	(101,584)	-	(101,584)
Total pension expense	<u>\$ 3,445,670</u>	<u>(161,501)</u>	<u>3,284,169</u>

Notes to Basic Financial Statements
For the Year Ended April 30, 2025

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, 2025

NOTE 7: DEFINED BENEFIT PENSION PLANS – (CONTINUED)

Illinois Municipal Retirement Fund – (Continued)

Membership

As of December 31, 2024, the City’s plan membership consisted of the following:

Retirees and beneficiaries	96
Inactive, non-retired members	37
Active members	<u>63</u>
Total	<u><u>196</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 2024 and the fiscal year ended April 30, 2025 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.

City contribution rate - 2024	4.38%
City contribution rate - 2025	5.65%
City contributions - 2024	\$ 225,809
City contributions - fiscal year 2025	\$ 241,976

Net Pension Liability

The City’s net pension liability (asset) was measured as of December 31, 2024. 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, 2025

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, 2024:

- 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, 2024:

<u>Asset Class</u>	<u>Portfolio Target Percentage</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	33.5%	4.35%
International Equity	18.0%	5.40%
Fixed Income	24.5%	5.20%
Real Estate	10.5%	6.40%
Alternative Investments	12.5%	4.85-6.25%
Cash Equivalents	<u>1.0%</u>	3.80%
Total	<u>100%</u>	

CITY OF PERU, ILLINOIS

**Notes to Basic Financial Statements
For the Year Ended April 30, 2025**

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, 2024 valuations, the expected rate of return on plan investments is 7.25%, the municipal bond rate is 4.08%, and the resulting single discount rate is 7.25%.

Changes in Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (Asset) (A) - (B)
Balances at December 31, 2023	\$ 33,934,965	33,397,084	537,881
Changes for the year:			
Service Cost	384,720	-	384,720
Interest on the Total Pension Liability	2,399,401	-	2,399,401
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	426,439	-	426,439
Changes of Assumptions	-	-	-
Contributions - Employer	-	225,809	(225,809)
Contributions - Employees	-	229,493	(229,493)
Net Investment Income	-	3,319,374	(3,319,374)
Benefit Payments, including Refunds of Employee Contributions	(2,064,270)	(2,064,270)	-
Other (Net Transfer)	-	(2,119,296)	2,119,296
Net Changes	<u>1,146,290</u>	<u>(408,890)</u>	<u>1,555,180</u>
Balances at December 31, 2024	<u>\$ 35,081,255</u>	<u>32,988,194</u>	<u>2,093,061</u>

Notes to Basic Financial Statements
For the Year Ended April 30, 2025

NOTE 7: DEFINED BENEFIT PENSION PLANS – (CONTINUED)

Illinois Municipal Retirement Fund – (Continued)

Sensitivity of Net Pension Liability 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	\$ 39,012,919	35,081,255	31,924,922
Plan Fiduciary Net Position	32,988,194	32,988,194	32,988,194
Net Pension Liability (Asset)	<u>\$ 6,024,725</u>	<u>2,093,061</u>	<u>(1,063,272)</u>

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

For the year ended April 30, 2025, the City recognized pension expense of \$2,853,831. At April 30, 2025, 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	\$ 582,493	-
Changes in assumptions	-	1,674
Net difference between projected and actual earnings on pension plan investments	2,942,136	2,160,908
Contributions subsequent to the measurement date	85,011	-
Total	<u>\$ 3,609,640</u>	<u>2,162,582</u>

\$85,011 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, 2025. 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
2025	\$ 774,674
2026	1,233,746
2027	(439,726)
2028	(206,647)
2029	-
Thereafter	-
	<u>\$ 1,362,047</u>

Notes to Basic Financial Statements
For the Year Ended April 30, 2025

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, 2025, the City’s plan membership consisted of the following:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	21
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	4
Active members	<u>23</u>
Total	<u><u>48</u></u>

Benefits Provided

The Police Pension Plan provides retirement benefits as well as disability, termination and death benefits.

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, 2025

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% 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% 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% 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, 2025

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% 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 eligible assets to the Investment Fund in a prior year.

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.

All investments in the plan are stated at fair value. Fair value is based on quoted market prices at April 30, 2025.

Investment Type	Fair Value	Investment Maturities (in years)			
		Less Than One	1-5	6-10	11-15
Pooled Investments - IPOPIF	\$ 9,815,937	9,815,937	-	-	-
U.S. Treasury & Agencies	109,257	109,257	-	-	-
Insurance Annuities	3,423,102	3,423,102	-	-	-
Total	\$ 13,348,296	13,348,296	-	-	-

Notes to Basic Financial Statements
For the Year Ended April 30, 2025

NOTE 7: DEFINED BENEFIT PENSION PLANS – (CONTINUED)

Police Pension Plan – (Continued)

***Investment Policy* – (Continued)**

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.

Concentrations

Significant investments, other than U.S. Government guaranteed obligations and guaranteed annuity contracts, in any one organization that represents 5% or more of the Fund's investments are American Century Focused Dynamic Growth Mutual Fund (8.3%), Vanguard Equity Income (8.2%), and Pimco Income Institutional (6.9%).

Rate of Return

For the year ended April 30, 2025, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 6.3%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of bank's failure, the Fund's deposits may not be returned to them. The Fund's investment policy requires all bank balances to be covered by federal depository insurance.

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.

Notes to Basic Financial Statements
For the Year Ended April 30, 2025

NOTE 7: DEFINED BENEFIT PENSION PLANS – (CONTINUED)

Police Pension Plan – (Continued)

Custodial Risk Credit

Custodial Credit Risk Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Fund will not be able to recover the value of its investments that are in possession of an outside party. To limit its exposure, the Fund requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment (DVP) basis with the underlying investments held by a third party acting as the Fund's agent separate from where the investment was purchased in the Fund's name. The money market mutual funds and equity mutual funds are not subject to custodial credit risk.

Fair Value Measurements

The Fund has the following recurring fair value measurements as of April 30, 2025. The U.S. Treasury obligations, negotiable certificates of deposits, corporate bonds, preferred securities, mutual funds, and equity securities are valued using quoted prices in active markets for identical assets (Level 1 inputs).

Net Pension Liability

The components of the net pension liability of the Plan at April 30, 2025, were as follows:

Total Pension Liability	\$ 31,496,268
Plan Fiduciary Net Position	<u>16,237,865</u>
Net Pension Liability	<u>\$ 15,258,403</u>

Plan fiduciary net position as a percentage of the total pension liability was 51.55% at April 30, 2025.

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of May 1, 2024, updated to April 30, 2025, 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, unadjusted, with generational improvements using projection scale 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 2022 actuarial experience study performed for the Illinois Police Officers' Pension Investment Fund.

Notes to Basic Financial Statements
For the Year Ended April 30, 2025

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 weighing 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 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.

For the purpose of this valuation, the expected rate of return on pension plan investments is 6.50%. The municipal bond rate is 4.64% (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)	\$ 20,097,380	15,258,403	11,363,246

CITY OF PERU, ILLINOIS

Notes to Basic Financial Statements
For the Year Ended April 30, 2025

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, 2024	\$ 28,984,796	15,281,297	13,703,499
Changes for the year:			
Service Cost	351,524	-	351,524
Interest on the Total Pension Liability	1,866,537	-	1,866,537
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	1,534,143	-	1,534,143
Changes of Assumptions	-	-	-
Contributions - Employer	-	874,938	(874,938)
Contributions - Employees	-	225,249	(225,249)
Net Investment Income	-	1,101,367	(1,101,367)
Benefit Payments, including Refunds of Employee Contributions	(1,240,732)	(1,240,732)	-
Other (Net Transfer)	-	(4,254)	4,254
Net Changes	<u>2,511,472</u>	<u>956,568</u>	<u>1,554,904</u>
Balances at April 30, 2025	<u>\$ 31,496,268</u>	<u>16,237,865</u>	<u>15,258,403</u>

Notes to Basic Financial Statements
For the Year Ended April 30, 2025

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, 2025, the City recognized pension expense of \$1,406,881. At April 30, 2025, 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	\$ 1,827,854	192,816
Changes in assumptions	-	467,571
Net difference between projected and actual earnings on pension plan investments	640,604	-
Total	<u>\$ 2,468,458</u>	<u>660,387</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
2026	\$ 760,563
2027	356,388
2028	283,707
2029	407,413
2030	-
Thereafter	-
Total	<u>\$ 1,808,071</u>

Notes to Basic Financial Statements
For the Year Ended April 30, 2025

NOTE 7: DEFINED BENEFIT PENSION PLANS – (CONTINUED)

Firefighter’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, 2025, 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	1
Active members	<u>4</u>
Total	<u><u>10</u></u>

Benefits Provided

The Firefighter’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, 2025

NOTE 7: DEFINED BENEFIT PENSION PLANS – (CONTINUED)

Firefighter'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% 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% 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% 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, 2025

NOTE 7: DEFINED BENEFIT PENSION PLANS – (CONTINUED)

Firefighter'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 Firefighter'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% 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. 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 \$158,263 and the bank balances totaled \$158,263.

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, 2025, 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 \$3,308,825 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, 2025

NOTE 7: DEFINED BENEFIT PENSION PLANS – (CONTINUED)

Firefighter’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, 2025, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 9.9%. 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, 2025, were as follows:

Total Pension Liability	\$	3,962,338
Plan Fiduciary Net Position		3,467,088
Net Pension Liability	\$	<u>495,250</u>

Plan fiduciary net position as a percentage of the total pension liability was 87.50% at April 30, 2025.

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of May 1, 2024, updated to April 30, 2025, 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, 2025

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, 2024	\$ 3,801,138	3,303,671	497,467
Changes for the year:			
Service Cost	73,315	-	73,315
Interest on the Total Pension Liability	243,720	-	243,720
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual			
Experience of the Total Pension Liability	93,987	-	93,987
Changes of Assumptions	-	-	-
Contributions - Employer	-	65,882	(65,882)
Contributions - Employees	-	25,709	(25,709)
Net Investment Income	-	321,648	(321,648)
Benefit Payments, including Refunds of			
Employee Contributions	(249,822)	(249,822)	-
Administrative expense	-	-	-
Net Changes	<u>161,200</u>	<u>163,417</u>	<u>(2,217)</u>
Balances at April 30, 2025	<u>\$ 3,962,338</u>	<u>3,467,088</u>	<u>495,250</u>

Notes to Basic Financial Statements
For the Year Ended April 30, 2025

NOTE 7: DEFINED BENEFIT PENSION PLANS – (CONTINUED)

Firefighter’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	\$ 970,800	495,250	99,877

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

For the year ended April 30, 2025, the City recognized pension expense of \$101,584 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	\$ 212,525	62,892
Changes in assumptions	-	164,051
Net difference between projected and actual earnings on pension plan investments	-	20,855
Total	<u>\$ 212,525</u>	<u>247,798</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>
2026	\$ (122,240)
2027	25,231
2028	(864)
2029	20,095
2030	42,505
Thereafter	-
Total	<u>\$ (35,273)</u>

**Notes to Basic Financial Statements
For the Year Ended April 30, 2025**

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, 2024, the following employees and retirees were covered by the benefit terms:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	11
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	-
Active Plan Members	<u>86</u>
Total	<u><u>97</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, 2025, were \$513,081.

Net OPEB Liability

At April 30, 2025, the City had a net OPEB liability for the plan, determined as follows:

Total OPEB Liability	\$ 1,075,389
Plan Fiduciary Net Position	<u>-</u>
Net OPEB Liability	<u><u>\$ 1,075,389</u></u>

Changes of assumptions reflect a change in the discount rate from 4.42% for the fiscal year ending April 30, 2024 to 4.64% for the fiscal year ending April 30, 2025.

Of the net OPEB liability, \$806,542 was reported under Governmental Activities, while \$268,847 was reported under Business-type Activities.

Notes to Basic Financial Statements
For the Year Ended April 30, 2025

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

Actuarial Assumptions

The Total OPEB Liability was determined by an actuarial valuation as of April 30, 2024, updated to April 30, 2025, using the following actuarial assumptions:

- Inflation at 2.50%
- Salary increases at 2.50%
- Discount rate of 4.64%
- Initial Trend Rate of 6.75%
- Ultimate Trend Rate of 4.00%
- 50 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 4.64%. 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, 2025, the City recognized an OPEB benefit of \$513,081. Of this amount, \$384,811 was allocated to Governmental Activities, while \$128,270 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, 2024	\$ 635,614	-	635,614
Changes for the year:			
Service Cost	21,495	-	21,495
Interest	45,570	-	45,570
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual			
Experience	408,507	-	408,507
Changes of Assumptions	34,209	-	34,209
Benefit Payments	(70,006)	-	(70,006)
Administrative expense	-	-	-
Net Changes	<u>439,775</u>	<u>-</u>	<u>439,775</u>
Balances at April 30, 2025	<u>\$ 1,075,389</u>	<u>-</u>	<u>1,075,389</u>

CITY OF PERU, ILLINOIS

Notes to Basic Financial Statements
For the Year Ended April 30, 2025

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 4.64%, 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 (3.64%)	Current Discount Rate (4.64%)	1% Increase (5.64%)
Net OPEB Liability	\$ 1,196,134	1,075,389	971,872

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 (3.00-5.75%)	Current Healthcare Cost Trend Rate (4.00-6.75%)	1% Increase (5.00- 7.75%)
Net OPEB Liability	\$ 963,905	1,075,389	1,205,834

NOTE 9: INTERFUND BALANCES

Due to and due from other funds exists between funds at April 30, 2025, 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:

	Due to Other Funds	Due from Other Funds
General Fund	\$ -	134,163
Landfill Fund	-	666
Utility Fund	134,929	-
Total	<u>\$ 134,929</u>	<u>134,829</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 \$134,929.

**Notes to Basic Financial Statements
For the Year Ended April 30, 2025**

NOTE 10: TRANSFERS

During the year ended April 30, 2025, the City made a transfer from the Drug Enforcement Impound and Equipment Fund to the General Fund in the amount of \$107,344 for current year expenditures.

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 \$1,768,573 to the General Fund to operate within the City during the year ended April 30, 2025. The phone company, gas company and cable company paid \$195,395 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.

NOTE 13: DEFICIT BALANCE

At April 30, 2025, the MVP TIF District Fund had a deficit fund balance of \$1,016,487 and the Midwest Nexus TIF District Fund had a deficit fund balance of \$17,500. The deficits will be eliminated by future growth within the MVP TIF Fund and the Midwest Nexus TIF District Fund.

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, 2025

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, 2025, the City had the following construction contracts outstanding:

Project	Total Contract Amount	Portion at April 30, 2025	
		Completed	Committed
Plank Road widening	\$ 2,875,373	110,634	2,764,739
Washington Park OSLAD	1,323,449	36,528	1,286,921
4th Street Water & Sewer	4,782,631	4,621,961	160,670
Sewer Separation Area 2 Phase 1	2,135,534	-	2,135,534
South Water Tower Painting	879,227	-	879,227
Total	\$ 11,996,214	4,769,123	7,227,091

NOTE 18: BUDGET APPROPRIATIONS

Actual expenditures exceeded appropriations for the year ended April 30, 2025 in the following funds:

Fund	Actual Expenditures	Budgeted Appropriations	Variance
Drug Enforcement, Impound, and Equipment Fund	\$ 30,042	15,000	15,042
Garbage Fund	949,194	615,743	333,451
Motor Fuel Tax Fund	459,443	300,000	159,443
TIF District No. 2 Fund	269,265	269,054	211
TIF District No. 3 Fund	119,712	95,947	23,765
TIF District No. 4 (Downtown) Fund	348,060	289,690	58,370
TIF District No. 5 (Peru Mall) Fund	6,960	6,829	131
MVP TIF Fund	815,883	812,186	3,697
Midwest Nexus TIF Fund	17,500	-	17,500

**Notes to Basic Financial Statements
For the Year Ended April 30, 2025**

NOTE 19: EMPLOYEE HEALTH INSURANCE PROGRAM

Effective January 1, 2022, employee health benefits are provided by the City through IPBC, Intergovernmental Personnel Benefit Co-op, a cooperative agency established in 1979 under Illinois law to help local government entities manage employee benefits more efficiently. Health insurance claims under the plan were \$1,625,446 for the year ended April 30, 2025, and the City paid \$5,177 in administration fees during the year.

NOTE 20: CONTRACTS AND AGREEMENTS

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, 2025 was \$24.95 per capita and a monthly CAD fee of \$3,530.

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, 2025, the City received and remitted \$1,559,469 to the District under this agreement.

NOTE 21: ACCOUNTING CHANGES

Change in Accounting Estimates

For the year ended April 30, 2024, the City changed estimate of accounts receivable for the Garbage Fund and Utility Fund. The changes is being applied prospectively, beginning May 1, 2021. The effect of this change is an increase of \$30,588 in governmental activities accounts receivable and a corresponding increase in fund balances and an increase of \$775,780 in business-type activities accounts receivable and a corresponding increase in net position.

During the year ended April 30, 2025, the City implemented GASB 101 – Compensated Absences. No changes in accounting estimates were needed. Implementation of this standard did not result in a restatement of beginning balances or a prior period adjustment, as the impact was not material to the financial statements.

**Notes to Basic Financial Statements
For the Year Ended April 30, 2025**

NOTE 22: SUBSEQUENT EVENTS

Management evaluated subsequent events through April 30, 2025, 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, 2025, as a result of events occurring between May 1, 2025. and November 3, 2025.

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Year Ended April 30, 2025
(With Comparative Figures for the Year Ended April 30, 2024)

	2025			2024	
	Appropriations		Actual	Over (Under) Final Budget	Actual
	Original	Final			
Revenues:					
Taxes:					
Property tax	\$ 1,114,361	1,114,361	1,110,556	(3,805)	1,074,688
Sales tax	7,230,885	7,230,885	8,053,643	822,758	7,564,071
State income tax	1,500,000	1,500,000	1,758,710	258,710	1,648,773
Hotel/motel tax	839,971	839,971	742,914	(97,057)	753,700
Video gaming tax	473,088	473,088	495,535	22,447	473,379
Telecommunications tax	127,138	127,138	107,275	(19,863)	119,688
Pull Tab License Fees	-	-	1,004	1,004	-
Local use tax	364,846	364,846	281,277	(83,569)	373,707
Home rule tax - parkside	2,399,572	2,399,572	2,579,816	180,244	2,492,211
Home rule tax - infrastructure	2,399,572	2,399,572	2,579,815	180,243	2,492,211
Other misc use tax	180,000	180,000	271,425	91,425	112,832
Total taxes	16,629,433	16,629,433	17,981,970	1,352,537	17,105,260
Intergovernmental revenue:					
Replacement tax	471,584	471,584	310,531	(161,053)	456,658
State grants and reimbursements	1,050,475	500,475	563,929	63,454	1,182,820
Federal grants and reimbursements	-	-	989	989	757
Total intergovernmental revenue	1,522,059	972,059	875,449	(96,610)	1,640,235
Licenses and permits:					
Contractor licenses	25,000	25,000	27,800	2,800	21,700
Liquor licenses	8,000	8,000	37,510	29,510	68,475
Franchise fees	2,122,133	2,122,133	2,245,808	123,675	2,094,287
Other licenses	55,000	55,000	30,469	(24,531)	98,312
Building permits	30,000	30,000	75,102	45,102	60,468
Inspection fees	5,000	5,000	10,385	5,385	7,300
Total licenses and permits	2,245,133	2,245,133	2,427,074	181,941	2,350,542
Fines and penalties:					
Court fines	25,000	25,000	33,127	8,127	29,687
Zoning ordinance fines	500	500	7,128	6,628	8,530
Parking fines	2,000	2,000	490	(1,510)	1,880
Adjudication fines	28,000	28,000	21,427	(6,573)	21,193
Total fines and penalties	55,500	55,500	62,172	6,672	66,790
Charges for services:					
Fire services	10,000	10,000	10,015	15	10,013
Misc. Fire Services	500	500	-	(500)	-
Total charges for services	10,500	10,500	10,015	(485)	10,013
Investment income:					
Income from investments	200,000	200,000	433,868	233,868	410,224
Motel tax interest	5,000	5,000	-	(5,000)	-
Total Investment Income	205,000	205,000	433,868	228,868	410,224
Other revenues:					
Cemetery income	45,000	45,000	39,600	(5,400)	54,550
Reimbursements	10,000	10,000	31,234	21,234	70,111
Recreation receipts	30,000	30,000	39,447	9,447	41,519
Professional agreements	18,449	18,449	-	(18,449)	-
City property rent	18,750	18,750	39,096	20,346	32,958
Telcom tower rent	75,000	75,000	62,694	(12,306)	64,632
Donations	5,000	5,000	21,411	16,411	14,245
Miscellaneous	476,868	476,868	215,306	(261,562)	94,001
Total other revenues	679,067	679,067	448,788	(230,279)	372,016
Total revenues	\$ 21,346,692	20,796,692	22,239,336	1,442,644	21,955,080

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, 2025
(With Comparative Figures for the Year Ended April 30, 2024)

	2025			2024	
	Appropriations		Actual	Over (Under) Final Budget	Actual
	Original	Final			
Expenditures:					
General government:					
General and administrative:					
Salaries	\$ 1,199,694	1,199,694	1,221,992	22,298	1,191,691
Group insurance	831,935	831,935	944,657	112,722	251,047
Dental Insurance	21,656	21,656	23,695	2,039	438
Unemployment insurance	10,000	10,000	16,152	6,152	12,173
Workers' compensation insurance	5,347	5,347	4,851	(496)	5,698
Social Security contribution	92,010	92,010	89,364	(2,646)	57,799
IMRF contribution	44,259	60,964	53,128	(7,836)	61,539
Maintenance	39,800	39,800	36,944	(2,856)	39,776
Auditing service	52,755	52,755	34,438	(18,317)	47,804
Engineering service	100,000	100,000	57,642	(42,358)	96,636
Legal service	75,000	75,000	12,246	(62,754)	19,580
Bank fees	750	750	2,005	1,255	686
Code enforcement	12,000	12,000	6,477	(5,523)	9,104
Administration hearing	4,000	4,000	4,000	-	4,000
Postage	15,000	15,000	14,265	(735)	14,925
Telephone	7,456	7,456	13,404	5,948	1,855
Publishing and advertising	70,000	70,000	46,191	(23,809)	63,677
Education, dues, and mileage	59,300	59,300	23,683	(35,617)	39,110
Utilities	33,453	33,453	33,453	-	33,453
Liability insurance	33,150	33,150	32,893	(257)	29,953
Other contractual services	171,054	171,054	178,586	7,532	128,871
Operating supplies	41,000	41,000	35,041	(5,959)	41,291
Maintenance agreements	11,820	11,820	15,284	3,464	9,675
Community relations	2,000	2,000	1,852	(148)	1,982
Parkside School Bond	1,558,612	1,558,612	1,546,933	(11,679)	1,555,685
Economic development	66,500	66,500	90,738	24,238	59,748
Donations	30,000	30,000	41,400	11,400	32,830
IVRD contribution	236,020	236,020	250,806	14,786	228,697
Property liability share	90,000	90,000	49,037	(40,963)	79,867
Bad debt	750	750	-	(750)	-
Miscellaneous	10,750	10,750	12,098	1,348	19,553
Total general and administrative	4,926,071	4,942,776	4,893,255	(49,521)	4,106,193
City cemetery:					
Salaries	148,206	148,206	149,826	1,620	127,443
Group insurance	-	-	-	-	24,272
Dental Insurance	-	-	-	-	1,018
Workers' compensation insurance	2,443	2,443	2,216	(227)	2,906
Social Security contribution	11,338	11,338	11,322	(16)	9,571
IMRF contribution	7,292	7,292	4,596	(2,696)	3,978
Clothing allowance	2,055	2,055	804	(1,251)	620
Maintenance:					
Buildings	2,000	2,000	11,544	9,544	42,159
Equipment	8,000	8,000	5,488	(2,512)	12,608
Vehicles	1,500	1,500	126	(1,374)	1,029

**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, 2025
(With Comparative Figures for the Year Ended April 30, 2024)**

	2025			2024	
	Appropriations		Actual	Over (Under) Final Budget	Actual
	Original	Final			
Expenditures (continued):					
General government (continued):					
City cemetery (continued):					
Telephone	\$ 1,409	1,409	1,546	137	1,425
Utilities	4,822	4,822	8,337	3,515	6,464
Landscaping	15,000	15,000	54	(14,946)	42,307
Contractual services	4,000	4,000	3,184	(816)	3,707
Liability insurance	3,360	3,360	3,334	(26)	3,036
Operating supplies	7,000	7,000	5,235	(1,765)	5,814
Automotive fuel and oil	9,000	9,000	9,129	129	6,725
Total city cemetery	<u>227,425</u>	<u>227,425</u>	<u>216,741</u>	<u>(10,684)</u>	<u>295,082</u>
Public buildings & grounds:					
Salaries	195,912	195,912	205,929	10,017	185,379
Workers' compensation insurance	3,878	3,878	3,415	(463)	1,647
Social security contribution	1,217	1,217	15,761	14,544	14,189
Maintenance:					
Buildings	20,000	20,000	26,481	6,481	28,582
Equipment	38,000	38,000	5,968	(32,032)	3,772
Grounds	175,000	175,000	270,424	95,424	165,032
Telephone	4,670	4,670	5,049	379	4,723
Utilities	17,034	17,034	18,504	1,470	17,936
Landscaping	110,000	110,000	48,129	(61,871)	82,059
Liability Insurance	696	696	791	95	629
Engineering	25,000	25,000	18,289	(6,711)	34,019
Other contractual services	130,000	130,000	103,082	(26,918)	115,704
Operating supplies	8,000	8,000	4,441	(3,559)	9,254
Property taxes	4,800	4,800	7,217	2,417	4,539
Miscellaneous expense	20,000	20,000	25,855	5,855	19,576
Total public buildings & grounds	<u>754,207</u>	<u>754,207</u>	<u>759,335</u>	<u>5,128</u>	<u>687,040</u>
Total general government	<u>5,907,703</u>	<u>5,924,408</u>	<u>5,869,331</u>	<u>(55,077)</u>	<u>5,088,315</u>
Public safety:					
Police department:					
Salaries	3,118,151	3,118,151	3,188,144	69,993	2,700,794
Group insurance	-	-	-	-	418,535
Dental Insurance	-	-	-	-	12,010
Worker's compensation	69,622	69,622	62,492	(7,130)	74,197
Social Security contribution	39,501	76,897	77,839	942	62,325
IMRF contributions	17,404	17,404	14,831	(2,573)	10,870
Uniform allowance	31,000	31,000	28,552	(2,448)	31,162
Leads Line Rental	12,000	12,000	8,028	(3,972)	11,570

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, 2025
(With Comparative Figures for the Year Ended April 30, 2024)

	2025			Over (Under) Final Budget	2024
	Appropriations		Actual		Actual
	Original	Final			
Expenditures (continued):					
Public safety (continued):					
Police department (continued):					
Maintenance:					
Buildings	\$ 30,000	30,000	17,583	(12,417)	14,208
Equipment	6,000	6,000	32,662	26,662	36,403
Computers	28,000	28,000	-	(28,000)	-
Vehicles	80,000	80,000	68,342	(11,658)	80,723
Legal service	6,500	6,500	20,996	14,496	12,821
Employment testing	500	500	-	(500)	-
Postage	650	650	628	(22)	615
Telephone	23,000	23,000	32,658	9,658	23,030
Code red services	15,000	15,000	4,952	(10,048)	5,015
Dues	1,500	1,500	3,680	2,180	3,085
Meetings/Education & Safety	10,000	10,000	9,228	(772)	13,869
Utilities	84,000	84,000	101,373	17,373	83,298
Liability insurance	65,514	65,514	65,008	(506)	59,196
Special Programs Expense	5,000	5,000	6,483	1,483	3,428
Other contractual services	79,000	79,000	98,667	19,667	78,146
Pension contribution	878,256	878,256	874,957	(3,299)	812,252
Operating supplies	24,000	24,000	38,886	14,886	24,223
Automotive fuel & oil	75,000	75,000	57,284	(17,716)	57,977
Computer software	12,000	12,000	38,007	26,007	11,271
Community relations	675	675	575	(100)	575
ESDA Expenses	1,000	1,000	2,321	1,321	-
Miscellaneous Expense	7,500	7,500	5,400	(2,100)	11,632
Total police department	4,720,773	4,758,169	4,859,576	101,407	4,653,230
Fire department:					
Salaries	641,902	641,902	749,157	107,255	654,375
Group insurance	-	-	-	-	52,171
Dental Insurance	-	-	-	-	1,498
Workers' compensation insurance	23,594	23,594	22,297	(1,297)	23,259
Social Security contribution	19,257	19,257	31,691	12,434	25,077
IMRF contribution	822	822	920	98	848
Uniform allowance	1,500	1,500	5,446	3,946	747
Maintenance:					
Building	10,000	10,000	30,702	20,702	20,227
Equipment	35,000	35,000	35,919	919	53,437
Computers	29,500	29,500	6,394	(23,106)	-
Vehicles	140,000	140,000	119,562	(20,438)	189,393
Maintenance agreements	-	-	1,375	1,375	-
Legal service	4,000	4,000	6,442	2,442	328
Telephone	6,503	6,503	8,925	2,422	5,875
Dues	1,500	1,500	1,218	(282)	2,424
Education/Meetings	12,500	12,500	28,145	15,645	-
Training	5,000	5,000	4,186	(814)	10,945
Turnout gear	25,000	25,000	21,752	(3,248)	47,935
Utilities	19,451	19,451	23,962	4,511	22,404

**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, 2025
(With Comparative Figures for the Year Ended April 30, 2024)**

	2025			2024	
	Appropriations		Actual	Over (Under) Final Budget	Actual
	Original	Final			
Expenditures (continued):					
Public safety (continued):					
Fire department (continued):					
Liability insurance	\$ 42,259	42,259	41,932	(327)	38,183
Other contractual services	20,000	20,000	12,189	(7,811)	18,793
Operating supplies	28,000	28,000	29,328	1,328	35,090
Medical services	20,000	20,000	9,856	(10,144)	10,282
Automotive fuel and oil	20,000	20,000	18,880	(1,120)	18,659
Pension contribution	66,105	66,105	65,883	(222)	91,699
Miscellaneous	10,000	10,000	3,356	(6,644)	5,296
Total fire department	1,181,893	1,181,893	1,279,517	97,624	1,328,945
Total public safety	5,902,666	5,940,062	6,139,093	199,031	5,982,175
Public works:					
Service garage:					
Salaries	163,517	163,517	165,427	1,910	164,107
Group insurance	-	-	(1,248)	(1,248)	14,635
Dental Insurance	-	-	-	-	308
Workers' compensation insurance	2,771	2,771	2,426	(345)	2,584
Social security contribution	12,509	12,509	12,222	(287)	11,946
IMRF contribution	8,045	8,045	7,935	(110)	7,033
Operating supplies	250	250	370	120	147
Liability insurance	4,498	4,498	4,463	(35)	4,064
Miscellaneous	1,370	1,370	195	(1,175)	-
Total service garage	192,960	192,960	191,790	(1,170)	204,824
Streets and alleys:					
Salaries	810,796	810,796	773,366	(37,430)	777,702
Group insurance	52,092	52,092	38,478	(13,614)	91,268
Dental Insurance	-	-	-	-	986
Workers' compensation insurance	23,185	23,185	20,425	(2,760)	23,630
Social security contribution	62,026	62,026	57,172	(4,854)	57,289
IMRF contribution	39,891	39,891	34,046	(5,845)	31,983
Uniform allowance	4,000	4,000	2,646	(1,354)	2,982
Maintenance:					
Buildings	15,000	15,000	16,572	1,572	29,399
Equipment	55,000	55,000	43,627	(11,373)	51,646
Vehicles	90,000	90,000	68,799	(21,201)	100,071
Streets	1,800,000	725,000	885,703	160,703	292,899
Curbs/Sidewalks	95,000	95,000	37,738	(57,262)	47,831
Engineering service	40,000	40,000	15,207	(24,793)	111,703
Legal expense	9,000	9,000	15,109	6,109	9,408
Telephone	10,000	10,000	13,020	3,020	10,786
Utilities	30,000	30,000	38,513	8,513	37,218
Liability insurance	24,421	24,421	24,232	(189)	22,066
Rentals	2,500	2,500	2,733	233	572
Other contractual services	15,000	15,000	6,813	(8,187)	10,664
Maint. supplies - streets	50,000	50,000	39,481	(10,519)	51,085
Maint. supplies - snow removal	176,000	176,000	99,156	(76,844)	281,398
Operating supplies	45,000	45,000	35,851	(9,149)	45,869

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Year Ended April 30, 2025
(With Comparative Figures for the Year Ended April 30, 2024)

	2025			2024	
	Appropriations		Actual	Over (Under) Final Budget	Actual
	Original	Final			
Expenditures (continued):					
Public works (continued):					
Streets and alleys (continued):					
Automotive fuel and oil	\$ 100,000	100,000	83,146	(16,854)	88,934
Education and meetings	-	-	3,549	3,549	3,205
Miscellaneous Expense	9,800	9,800	3,618	(6,182)	6,621
Total streets and alleys	3,558,711	2,483,711	2,359,000	(19,487)	2,187,215
Total public works	3,751,671	2,676,671	2,550,790	(20,657)	2,392,039
Health and welfare:					
Salaries	161,325	161,325	162,880	1,555	154,608
Social Security contribution	12,341	12,341	12,431	90	11,798
IMRF contribution	7,937	7,937	7,779	(158)	6,620
Other contractual services	18,931	18,931	8,012	(10,919)	8,641
Total health and welfare	200,534	200,534	191,102	(9,432)	181,667
Culture and recreation:					
Public parks:					
Salaries	231,344	231,344	247,252	15,908	225,086
Group insurance	-	-	-	-	27,779
Dental Insurance	-	-	-	-	800
Workers' compensation insurance	4,341	4,341	3,854	(487)	4,793
Social Security contribution	17,698	17,698	18,303	605	16,620
IMRF contribution	11,382	11,382	7,458	(3,924)	5,656
Uniform allowance	1,370	1,370	1,604	234	239
Maintenance:					
Buildings	99,600	99,600	92,883	(6,717)	50,131
Equipment	43,000	43,000	49,071	6,071	44,021
Vehicles	2,000	2,000	7,062	5,062	2,283
Grounds	125,000	125,000	190,737	65,737	119,997
Engineering service	5,000	5,000	(578)	(5,578)	6,114
Event publishing/advertising	8,000	8,000	14,661	6,661	7,701
Utilities	39,681	39,681	33,944	(5,737)	31,727
Liability insurance	9,298	9,298	9,226	(72)	8,401
Other contractual services	99,000	99,000	77,025	(21,975)	95,573
Operating supplies	55,000	55,000	52,908	(2,092)	57,567
Automotive fuel and oil	8,000	8,000	12,820	4,820	3,003
Band concerts	5,000	5,000	6,995	1,995	8,435
Telephone/internet/cable	1,200	1,200	2,156	956	135
Landscaping	4,000	4,000	9,030	5,030	6,053
Camp Stipends	20,000	20,000	21,142	1,142	18,696
Events	342,550	392,550	447,259	54,709	358,965
Miscellaneous	3,300	3,300	11,579	8,279	5,000
Total culture and recreation	1,135,764	1,185,764	1,316,391	130,627	1,104,775

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, 2025
(With Comparative Figures for the Year Ended April 30, 2024)

	2025			2024	
	Appropriations		Actual	Over (Under) Final Budget	Actual
	Original	Final			
Expenditures (continued):					
Debt service:					
Bond principal	\$ 555,000	555,000	555,000	-	535,000
Bond interest	386,713	386,713	386,713	-	404,013
Note principal	155,239	155,239	155,239	-	152,272
Note interest	22,814	22,814	22,747	(67)	28,701
Total debt service	1,119,766	1,119,766	1,119,699	(67)	1,119,986
Capital outlay:					
Land / property	25,000	25,000	26,600	1,600	358,524
Equipment and computers	589,033	272,456	148,125	(124,331)	282,423
Vehicles	594,962	594,962	500,704	(94,258)	807,026
Improvements	2,683,000	2,524,377	2,264,720	(259,657)	3,935,771
Construction	1,400,000	430,500	461,351	30,851	568,163
Total capital outlay	5,291,995	3,847,295	3,401,500	(445,795)	5,951,907
Total expenditures	23,310,099	20,894,500	20,587,906	(201,370)	21,820,864
Excess of revenues over expenditures	(1,963,407)	(97,808)	1,651,430	1,644,014	134,216
Other financing sources (uses):					
Sale of fixed assets	-	-	10,032	10,032	274,984
Transfers in	2,350,000	78,969	186,313	107,344	24,092
Total other financing sources (uses)	2,350,000	78,969	196,345	117,376	299,076
Net change in fund balance	\$ 386,593	(18,839)	1,847,775	1,761,390	433,292
Fund balance, beginning of year			10,676,631		10,243,339
Fund balance, end of year			\$ 12,524,406		10,676,631

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,				
	2024	2023	2022	2021	2020
TOTAL PENSION LIABILITY					
Service cost	\$ 384,720	367,781	337,553	326,752	348,606
Interest on the total pension liability	2,399,401	2,307,996	2,225,327	2,111,038	2,051,559
Benefit changes	-	-	-	-	-
Differences between expected and actual experience	426,439	578,359	404,994	758,479	161,123
Assumption changes	-	(3,984)	-	-	(287,295)
Benefit payments and refunds	(2,064,270)	(1,931,441)	(1,754,020)	(1,496,510)	(1,388,823)
Net Change in Total Pension Liability	1,146,290	1,318,711	1,213,854	1,699,759	885,170
Total Pension Liability - Beginning	33,934,965	32,616,254	31,402,400	29,702,641	28,817,471
Total Pension Liability - Ending (a)	\$ 35,081,255	33,934,965	32,616,254	31,402,400	29,702,641
PLAN FIDUCIARY NET POSITION					
Employer contributions	\$ 225,809	189,617	279,395	357,015	378,413
Employee contributions	229,493	206,370	180,823	205,105	159,148
Pension Plan Net Investment Income	3,319,374	3,421,205	(4,741,951)	5,304,591	4,094,359
Benefit Payments and Refunds	(2,064,270)	(1,931,441)	(1,754,020)	(1,496,510)	(1,388,823)
Other	(2,119,296)	782,117	142,553	261,966	114,360
Net Change in Plan Fiduciary Net Position	(408,890)	2,667,868	(5,893,200)	4,632,167	3,357,457
Plan Fiduciary Net Position - Beginning	33,397,084	30,729,216	36,622,416	31,990,249	28,632,792
Plan Fiduciary Net Position - Ending (b)	\$ 32,988,194	33,397,084	30,729,216	36,622,416	31,990,249
EMPLOYER'S NET PENSION LIABILITY (ASSET) (a-b)	\$ 2,093,061	537,881	1,887,038	(5,220,016)	(2,287,608)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	94.03%	98.41%	94.21%	116.62%	107.70%
Covered Valuation Payroll	\$ 5,155,477	4,503,967	4,012,958	3,699,632	3,510,078
Net Pension Liability as a Percentage of Covered Valuation Payroll	40.60%	11.94%	47.02%	-141.10%	-65.17%

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,				
	2019	2018	2017	2016	2015
TOTAL PENSION LIABILITY					
Service cost	\$ 342,197	309,047	341,978	375,371	371,022
Interest on the total pension liability	2,041,536	1,960,569	1,968,674	1,953,304	1,930,726
Benefit changes	-	-	-	-	-
Differences between expected and actual experience	(838,847)	359,000	(142,457)	(652,022)	(538,284)
Assumption changes	-	802,953	(819,368)	(32,116)	-
Benefit payments and refunds	(1,430,878)	(1,428,996)	(1,451,875)	(1,463,477)	(1,464,907)
Net Change in Total Pension Liability	114,008	2,002,573	(103,048)	181,060	298,557
Total Pension Liability - Beginning	28,703,463	26,700,890	26,803,938	26,622,878	26,324,321
Total Pension Liability - Ending (a)	\$ 28,817,471	28,703,463	26,700,890	26,803,938	26,622,878
PLAN FIDUCIARY NET POSITION					
Employer contributions	\$ 253,023	375,958	352,860	476,523	423,193
Employee contributions	152,503	150,954	151,618	158,243	156,572
Pension Plan Net Investment Income	4,852,403	(1,562,355)	4,408,747	1,640,312	117,884
Benefit Payments and Refunds	(1,430,878)	(1,428,996)	(1,451,875)	(1,463,477)	(1,464,907)
Other	(656,229)	451,124	(374,669)	(157,226)	482,191
Net Change in Plan Fiduciary Net Position	3,170,822	(2,013,315)	3,086,681	654,375	(285,067)
Plan Fiduciary Net Position - Beginning	25,461,970	27,475,285	24,388,604	23,734,229	24,019,296
Plan Fiduciary Net Position - Ending (b)	\$ 28,632,792	25,461,970	27,475,285	24,388,604	23,734,229
EMPLOYER'S NET PENSION LIABILITY (ASSET) (a-b)	\$ 184,679	3,241,493	(774,395)	2,415,334	2,888,649
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	99.36%	88.71%	102.90%	90.99%	89.15%
Covered Valuation Payroll	\$ 3,364,672	3,350,776	3,119,891	3,511,589	3,454,635
Net Pension Liability as a Percentage of Covered Valuation Payroll	5.49%	96.74%	-24.82%	68.78%	83.62%

**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
2024	\$ 225,810	225,809	1	5,155,477	4.38%
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%

Estimated based on contribution rate of 4.38% and covered valuation payroll of \$5,155,477.

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 2024 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 14 years for most employers (five employers were financed over 15 years; one employer was financed over 16 years; two employers were financed over 17 years; one employer was financed over 20 years; three employers were financed over 23 years; four employers were financed over 24 years and one employer was financed over 25 years).
Asset valuation method	5-year smoothed market; 20% corridor
Wage growth	2.75%
Inflation	2.25%
Salary increases	2.85% 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 2023 valuation pursuant to an experience study of the period 2020 - 2022.
Mortality	For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 108%) and Female (adjusted 106.4%) 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-2021. 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-2021.

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,				
	2025	2024	2023	2022	2021
TOTAL PENSION LIABILITY					
Service Cost	\$ 351,524	476,552	569,049	510,436	516,119
Interest	1,866,537	1,759,740	1,677,434	1,644,791	1,601,745
Changes of benefit terms	-	-	-	-	-
Difference between expected and actual experience	1,534,143	738,852	215,940	(578,447)	(313,347)
Changes of assumptions	-	-	(935,141)	-	-
Benefit payments, including refunds of employee contributions	(1,240,732)	(1,173,430)	(1,228,182)	(998,043)	(1,222,158)
Net Change in Total Pension Liability	2,511,472	1,801,714	299,100	578,737	582,359
Total Fiduciary Pension Liability - Beginning	28,984,796	27,183,082	26,883,982	26,305,245	25,722,886
Total Fiduciary Pension Liability - Ending (a)	<u>\$ 31,496,268</u>	<u>28,984,796</u>	<u>27,183,082</u>	<u>26,883,982</u>	<u>26,305,245</u>
PLAN FIDUCIARY NET POSITION					
Contributions - employer	\$ 874,938	812,252	1,769,732	1,732,462	1,700,895
Contributions - employee	225,249	194,336	187,582	190,104	174,592
Net investment income	1,101,367	955,936	35,820	(1,120,790)	2,415,039
Benefit payments, including refunds of employee contributions	(1,240,732)	(1,173,430)	(1,228,182)	(998,043)	(1,222,158)
Administrative expense	(4,254)	(5,165)	(6,592)	(7,665)	(5,634)
Net Change in Plan Fiduciary Net Position	956,568	783,929	758,360	(203,932)	3,062,734
Plan Fiduciary Net Position - Beginning	15,281,297	14,497,368	13,739,008	13,942,940	10,880,206
Plan Fiduciary Net Position - Ending (b)	<u>\$ 16,237,865</u>	<u>15,281,297</u>	<u>14,497,368</u>	<u>13,739,008</u>	<u>13,942,940</u>
EMPLOYER'S NET PENSION LIABILITY (ASSET) (a-b)	<u>\$ 15,258,403</u>	<u>13,703,499</u>	<u>12,685,714</u>	<u>13,144,974</u>	<u>12,362,305</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	51.55%	52.72%	53.33%	51.10%	53.00%
Covered Valuation Payroll	\$ 2,272,947	1,961,009	1,892,856	1,918,305	1,761,776
Net Pension Liability as a Percentage of Covered Valuation Payroll	671.30%	698.80%	670.19%	685.24%	701.70%

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

	Year Ended April 30,				
	2020	2019	2018	2017	2016
TOTAL PENSION LIABILITY					
Service Cost	\$ 494,137	488,046	516,255	497,584	497,584
Interest	1,526,302	1,383,707	1,310,354	1,254,499	1,163,231
Changes of benefit terms	25,471	-	-	-	-
Difference between expected and actual experience	260,742	487,986	802,033	-	(141,302)
Changes of assumptions	-	924,349	364,789	-	820,153
Benefit payments, including refunds of employee contributions	(1,020,925)	(996,402)	(974,000)	(922,022)	(875,938)
Net Change in Total Pension Liability	1,285,727	2,287,686	2,019,431	830,061	1,463,728
Total Fiduciary Pension Liability - Beginning	24,437,159	22,149,473	20,130,042	19,299,981	17,836,253
Total Fiduciary Pension Liability - Ending (a)	<u>\$ 25,722,886</u>	<u>24,437,159</u>	<u>22,149,473</u>	<u>20,130,042</u>	<u>19,299,981</u>
PLAN FIDUCIARY NET POSITION					
Contributions - employer	\$ 1,545,674	1,388,128	1,248,667	998,985	858,792
Contributions - employee	177,092	170,234	162,422	165,650	161,858
Net investment income	91,528	406,268	581,388	561,341	(35,566)
Benefit payments, including refunds of employee contributions	(1,020,925)	(996,402)	(974,000)	(922,022)	(875,938)
Administrative expense	(6,212)	(6,225)	(4,650)	(9,884)	(7,800)
Net Change in Plan Fiduciary Net Position	787,157	962,003	1,013,827	794,070	101,346
Plan Fiduciary Net Position - Beginning	10,093,049	9,131,046	8,117,219	7,323,149	7,221,803
Plan Fiduciary Net Position - Ending (b)	<u>\$ 10,880,206</u>	<u>10,093,049</u>	<u>9,131,046</u>	<u>8,117,219</u>	<u>7,323,149</u>
EMPLOYER'S NET PENSION LIABILITY (ASSET) (a-b)	<u>\$ 14,842,680</u>	<u>14,344,110</u>	<u>13,018,427</u>	<u>12,012,823</u>	<u>11,976,832</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	42.30%	41.30%	41.22%	40.32%	37.94%
Covered Valuation Payroll	\$ 1,787,003	\$ 1,717,800	1,638,971	1,671,550	1,633,280
Net Pension Liability as a Percentage of Covered Valuation Payroll	830.59%	835.03%	794.30%	718.66%	733.30%

**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
2025	\$ 949,017	874,938	74,079	2,272,947	38.49%
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%

Notes to Schedules:

Valuation Date: May 1, 2024
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 2024 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,	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Annual money-weighted rate of return, net of investment expense	6.30%	N/A	N/A	N/A	N/A	0.58%	4.00%	N/A	N/A	N/A

Required Supplementary Information

Firefighter's Pension Fund

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

	Year Ended April 30,				
	2025	2024	2023	2022	2021
TOTAL PENSION LIABILITY					
Service Cost	\$ 73,315	65,074	126,261	120,142	117,497
Interest	243,720	227,985	213,894	210,522	206,180
Changes of benefit terms	-	-	-	-	-
Difference between expected and actual experience	93,987	187,882	(169,286)	(102,849)	(110,279)
Changes of assumptions	-	-	(656,205)	-	-
Benefit payments, including refunds of employee contributions	(249,822)	(244,373)	(203,416)	(129,589)	(128,815)
Net Change in Total Pension Liability	161,200	236,568	(688,752)	98,226	84,583
Total Pension Liability - Beginning	3,801,138	3,564,570	4,253,322	4,155,096	4,070,513
Total Pension Liability - Ending (a)	<u>\$ 3,962,338</u>	<u>3,801,138</u>	<u>3,564,570</u>	<u>4,253,322</u>	<u>4,155,096</u>
PLAN FIDUCIARY NET POSITION					
Contributions - employer	\$ 65,882	91,699	236,896	232,698	229,336
Contributions - employee	25,709	24,806	24,127	24,912	24,319
Net investment income	321,648	303,934	23,300	(236,394)	333,086
Benefit payments, including refunds of employee contributions	(249,822)	(244,373)	(203,416)	(129,589)	(128,815)
Administrative expense	-	-	-	(540)	(608)
Net Change in Plan Fiduciary Net Position	163,417	176,066	80,907	(108,913)	457,318
Plan Fiduciary Net Position - Beginning	3,303,671	3,127,605	3,046,698	3,155,611	2,698,293
Plan Fiduciary Net Position - Ending (b)	<u>\$ 3,467,088</u>	<u>3,303,671</u>	<u>3,127,605</u>	<u>3,046,698</u>	<u>3,155,611</u>
EMPLOYER'S NET PENSION LIABILITY (ASSET) (a-b)	\$ 495,250	497,467	436,965	1,206,624	999,485
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	87.50%	86.91%	87.74%	71.63%	75.95%
Covered Valuation Payroll	\$ 271,909	262,359	255,177	263,480	257,208
Net Pension Liability as a Percentage of Covered Valuation Payroll	182.14%	189.61%	171.24%	457.96%	388.59%

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

	Year Ended April 30,				
	2020	2019	2018	2017	2016
TOTAL PENSION LIABILITY					
Service Cost	\$ 113,075	105,892	115,145	104,199	104,199
Interest	201,740	190,188	191,682	181,129	175,915
Changes of benefit terms	7,453	-	-	-	-
Difference between expected and actual experience	(108,638)	(87,249)	(185,623)	-	(168,668)
Changes of assumptions	-	143,006	(15,481)	-	159,828
Benefit payments, including refunds of employee contributions	(129,689)	(126,265)	(126,447)	(126,184)	(125,574)
Net Change in Total Pension Liability	83,941	225,572	(20,724)	159,144	145,700
Total Pension Liability - Beginning	3,986,572	3,761,000	3,781,724	3,622,580	3,476,880
Total Pension Liability - Ending (a)	<u>\$ 4,070,513</u>	<u>3,986,572</u>	<u>3,761,000</u>	<u>3,781,724</u>	<u>3,622,580</u>
PLAN FIDUCIARY NET POSITION					
Contributions - employer	\$ 211,446	202,102	183,694	150,671	130,312
Contributions - employee	24,636	23,155	22,484	22,102	21,538
Net investment income	54,368	98,864	34,975	58,102	51,158
Benefit payments, including refunds of employee contributions	(129,689)	(126,265)	(126,447)	(126,184)	(125,574)
Administrative expense	(469)	(1,208)	(425)	(300)	(100)
Net Change in Plan Fiduciary Net Position	160,292	196,648	114,281	104,391	77,334
Plan Fiduciary Net Position - Beginning	2,538,001	2,341,353	2,227,072	2,122,681	2,045,347
Plan Fiduciary Net Position - Ending (b)	<u>\$ 2,698,293</u>	<u>2,538,001</u>	<u>2,341,353</u>	<u>2,227,072</u>	<u>2,122,681</u>
EMPLOYER'S NET PENSION LIABILITY (ASSET) (a-b)	<u>\$ 1,372,220</u>	<u>1,448,571</u>	<u>1,419,647</u>	<u>1,554,652</u>	<u>1,499,899</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	66.29%	63.66%	62.25%	58.89%	58.60%
Covered Valuation Payroll	\$ 260,561	244,897	237,800	233,755	227,795
Net Pension Liability as a Percentage of Covered Valuation Payroll	526.64%	591.50%	596.99%	665.08%	658.44%

**Required Supplementary Information
Firefighter'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
2025	\$ 37,871	65,882	(28,011)	271,909	24.23%
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%

Notes to Schedules:

Valuation Date:

May 1, 2024

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 2024 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
Firefighter's Pension Fund
Schedule of Investment Returns

Fiscal year ending April 30,	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Annual money-weighted rate of return, net of investment expense	9.90%	N/A	N/A	N/A	N/A	2.22%	4.08%	1.44%	2.95%	1.93%

Required Supplementary Information

Retiree Health Plan

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

	Year Ended April 30,						
	2025	2024	2023	2022	2021	2020	2019
TOTAL OPEB LIABILITY							
Service Cost	\$ 21,495	11,146	12,644	23,961	17,433	16,086	14,430
Interest	45,570	27,262	31,198	19,249	24,082	24,685	26,422
Changes of benefit terms	-	-	-	-	42,226	-	-
Difference between expected and actual experience	408,507	-	(5,832)	-	-	-	-
Changes of assumptions	34,209	(16,066)	(98,498)	(233,315)	206,649	34,163	37,882
Benefit payments	(70,006)	(67,513)	(70,860)	(51,172)	(44,308)	(40,758)	(37,739)
Net Change in Total OPEB Liability	439,775	(45,171)	(131,348)	(241,277)	246,082	34,176	40,995
Total OPEB Liability - Beginning	635,614	680,785	812,133	1,053,410	807,328	773,152	732,157
Total OPEB Liability - Ending (a)	1,075,389	635,614	680,785	812,133	1,053,410	807,328	773,152
Covered Valuation Payroll	\$ 6,908,907	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	15.57%	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, 2025	4.64%
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, 2025. 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, 2025

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, 2025, was adopted on April 24, 2024, and was amended on June 16, 2025.

NOTE 2: PENSIONS

Police Pension

Changes of Assumptions

For measurement date April 30, 2025, there were no changes.

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, 2025

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 Mortality 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.

Firefighter's Pension

Changes of Assumptions

For measurement date April 30, 2025, there were no changes.

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, 2025**

NOTE 2: PENSIONS – (Continued)

Firefighter'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 Mortality 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
NON-MAJOR FUNDS

SCHEDULE C-1

Combining Balance Sheet

April 30, 2025

(With Comparative Figures for April 30, 2024)

	Totals		Special Revenue Funds			
			Drug Enforcement Impound and Equipment Fund	Garbage Fund	Motor Fuel Tax Fund	TIF District No. 2 (Industrial Park) Fund
	2025	2024				
<u>Assets</u>						
Cash and cash equivalents	\$ 1,957,083	1,719,357	151,293	91,171	520,127	925,434
Receivables:						
Property taxes	2,619,034	1,091,502	-	-	-	382,193
Motor fuel taxes	35,767	35,592	-	-	35,767	-
Accounts	107,611	105,029	-	107,611	-	-
Total assets	<u>\$ 4,719,495</u>	<u>2,951,480</u>	<u>151,293</u>	<u>198,782</u>	<u>555,894</u>	<u>1,307,627</u>
<u>Liabilities</u>						
Overdraft payable	\$ 1,033,987	222,488	-	-	-	-
Accounts payable	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-
Total liabilities	<u>1,016,487</u>	<u>222,488</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Deferred Inflows of Resources</u>						
Property taxes levied for subsequent years	2,619,034	1,091,502	-	-	-	382,193
Total deferred inflows of resources	<u>2,619,034</u>	<u>1,091,502</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>382,193</u>
<u>Fund Balances</u>						
Restricted for:						
Public safety services	151,293	233,986	151,293	-	-	-
Streets and public improvements	555,894	555,871	-	-	555,894	-
Urban renewal purposes	925,434	802,003	-	-	-	925,434
Economic development	269,058	95,151	-	-	-	-
Other purposes	198,782	172,967	-	198,782	-	-
Unassigned	(1,033,987)	(222,488)	-	-	-	-
Total fund balance (deficit)	<u>1,066,474</u>	<u>1,637,490</u>	<u>151,293</u>	<u>198,782</u>	<u>555,894</u>	<u>925,434</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 4,719,495</u>	<u>2,951,480</u>	<u>151,293</u>	<u>198,782</u>	<u>555,894</u>	<u>1,307,627</u>

CITY OF PERU, ILLINOIS
NON-MAJOR FUNDS

SCHEDULE C-1
(CONTINUED)

Combining Balance Sheet
April 30, 2025
(With Comparative Figures for April 30, 2024)

	Special Revenue Funds				
	TIF District No. 3 Fund	TIF District No. 4 (Downtown) Fund	TIF District No. 5 (Peru Mall) Fund	MVP TIF Fund	Midwest Nexus TIF Fund
<u>Assets</u>					
Cash and cash equivalents	\$ 61,288	139,297	68,473	-	-
Receivables:					
Property taxes	196,073	659,241	51,621	1,329,906	-
Motor fuel taxes	-	-	-	-	-
Accounts	-	-	-	-	-
Total assets	<u>\$ 257,361</u>	<u>798,538</u>	<u>120,094</u>	<u>1,329,906</u>	<u>-</u>
<u>Liabilities</u>					
Overdraft payable	\$ -	-	-	1,016,487	17,500
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,016,487</u>	<u>17,500</u>
<u>Deferred Inflows of Resources</u>					
Property taxes levied for subsequent years	196,073	659,241	51,621	1,329,906	-
Total deferred inflows of resources	<u>196,073</u>	<u>659,241</u>	<u>51,621</u>	<u>1,329,906</u>	<u>-</u>
<u>Fund Balances</u>					
Restricted for:					
Public safety services	-	-	-	-	-
Streets and public improvements	-	-	-	-	-
Urban renewal purposes	-	-	-	-	-
Economic development	61,288	139,297	68,473	-	-
Other purposes	-	-	-	-	-
Unassigned	-	-	-	(1,016,487)	(17,500)
Total fund balance (deficit)	<u>61,288</u>	<u>139,297</u>	<u>68,473</u>	<u>(1,016,487)</u>	<u>(17,500)</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 257,361</u>	<u>798,538</u>	<u>120,094</u>	<u>1,329,906</u>	<u>-</u>

CITY OF PERU, ILLINOIS
NON-MAJOR FUNDS

SCHEDULE C-2

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Year Ended April 30, 2025
(With Comparative Figures for the Year Ended April 30, 2024)

	Totals		Special Revenue Funds			
			Drug Enforcement Impound and Equipment Fund	Garbage Fund	Motor Fuel Tax Fund	TIF District No. 2 (Industrial Park) Fund
	2025	2024				
Revenues:						
Taxes	\$ 1,050,382	844,643	-	-	-	383,586
Intergovernmental	447,286	434,631	-	-	447,286	-
Fines and penalties	12,461	23,958	12,461	-	-	-
Charges for services	972,975	964,374	-	972,975	-	-
Income from investments	27,185	24,155	134	2,034	12,180	9,110
Other	13,723	23,819	13,723	-	-	-
Total revenues	2,524,012	2,315,580	26,318	975,009	459,466	392,696
Expenditures:						
General government	111,707	86,015	-	-	-	25,570
Public safety	30,042	29,167	30,042	-	-	-
Health and welfare	949,194	913,797	-	949,194	-	-
Debt service	802,600	192,600	-	-	-	-
Capital outlay	459,443	242,527	-	-	459,443	-
Payments under intergovernmental agreements	663,073	554,890	-	-	-	243,695
Total expenditures	3,016,059	2,018,996	30,042	949,194	459,443	269,265
Excess (deficiency) of revenues over (under) expenditures	(492,047)	296,584	(3,724)	25,815	23	123,431
Other financing sources (uses):						
Transfers to other funds	(78,969)	(24,092)	(78,969)	-	-	-
Total other financing sources (uses)	(78,969)	(24,092)	(78,969)	-	-	-
Net change in fund balance	(571,016)	272,492	(82,693)	25,815	23	123,431
Fund balance (deficit), beginning of year	1,637,490	1,364,998	233,986	172,967	555,871	802,003
Fund balance (deficit), end of year	\$ 1,066,474	1,637,490	151,293	198,782	555,894	925,434

CITY OF PERU, ILLINOIS
NON-MAJOR FUNDS

SCHEDULE C-2
(CONTINUED)

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Year Ended April 30, 2025
(With Comparative Figures for the Year Ended April 30, 2024)

	Special Revenue Funds				
	TIF District No. 3 Fund	TIF District No. 4 (Downtown) Fund	TIF District No. 5 (Peru Mall) Fund	MVP TIF Fund	Midwest Nexus TIF Fund
Revenues:					
Taxes	\$ 198,400	437,362	27,288	3,746	-
Intergovernmental	-	-	-	-	-
Fines and penalties	-	-	-	-	-
Charges for services	-	-	-	-	-
Income from investments	738	2,450	539	-	-
Other	-	-	-	-	-
Total revenues	199,138	439,812	27,827	3,746	-
Expenditures:					
General government	13,906	34,488	6,960	13,283	17,500
Public safety	-	-	-	-	-
Health and welfare	-	-	-	-	-
Debt service	-	-	-	802,600	-
Capital Outlay	-	-	-	-	-
Payments under intergovernmental agreements	105,806	313,572	-	-	-
Total expenditures	119,712	348,060	6,960	815,883	17,500
Excess (deficiency) of revenues over (under) expenditures	79,426	91,752	20,867	(812,137)	(17,500)
Other financing sources (uses):					
Transfers to other funds	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Net change in fund balance	79,426	91,752	20,867	(812,137)	(17,500)
Fund balance (deficit), beginning of year	(18,138)	47,545	47,606	(204,350)	-
Fund balance (deficit), end of year	\$ 61,288	139,297	68,473	(1,016,487)	(17,500)

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, 2025
 (With Comparative Figures for the Year Ended April 30, 2024)

	2025			2024	
	Original Budget	Final Budget	Actual	Over (Under) Final Budget	Actual
Revenues:					
Drug enforcement	\$ 500	500	1,763	1,263	5,703
Impound fees	10,000	10,000	10,698	698	18,255
Other revenue	20,000	20,000	13,723	(6,277)	19,169
Income from investments	180	180	134	(46)	174
Total revenues	<u>30,680</u>	<u>30,680</u>	<u>26,318</u>	<u>(4,362)</u>	<u>43,301</u>
Expenditures:					
Drug enforcement	-	-	14,500	14,500	-
Other expenditures	15,000	15,000	15,542	542	29,167
Total expenditures	<u>15,000</u>	<u>15,000</u>	<u>30,042</u>	<u>15,042</u>	<u>29,167</u>
Excess (deficiency) of revenues over (under) expenditures	<u>15,680</u>	<u>15,680</u>	<u>(3,724)</u>	<u>(19,404)</u>	<u>14,134</u>
Other financing sources (uses):					
Transfers to other funds	-	(78,969)	(78,969)	-	(24,092)
Net change in fund balance	<u>\$ 15,680</u>	<u>(63,289)</u>	<u>(82,693)</u>	<u>(19,404)</u>	<u>(9,958)</u>
Fund balance, beginning of year			<u>233,986</u>		<u>243,944</u>
Fund balance, end of year			<u>\$ 151,293</u>		<u>233,986</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, 2025
 (With Comparative Figures for the Year Ended April 30, 2024)

	2025			2024	
	Original Budget	Final Budget	Actual	Over (Under) Final Budget	Actual
Revenues:					
Monthly garbage charges	\$ 965,181	965,181	972,975	7,794	964,374
Income from investments	300	300	2,034	1,734	789
Total revenues	<u>965,481</u>	<u>965,481</u>	<u>975,009</u>	<u>9,528</u>	<u>965,163</u>
Expenditures:					
Scavenger contract	615,722	615,722	945,402	329,680	912,144
Forgiveness of debt	21	21	3,792	3,771	1,653
Total expenditures	<u>615,743</u>	<u>615,743</u>	<u>949,194</u>	<u>333,451</u>	<u>913,797</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 349,738</u>	<u>349,738</u>	25,815	<u>(323,923)</u>	51,366
Fund balance, beginning of year			<u>172,967</u>		<u>121,601</u>
Fund balance, end of year			<u>\$ 198,782</u>		<u>172,967</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, 2025
(With Comparative Figures for the Year Ended April 30, 2024)

	2025			2024	
	Original Budget	Final Budget	Actual	Over (Under) Final Budget	Actual
Revenues:					
Motor fuel tax allotments	\$ 442,580	442,580	447,286	4,706	434,631
Income from investments	3,000	3,000	12,180	9,180	9,149
Total revenues	<u>445,580</u>	<u>445,580</u>	<u>459,466</u>	<u>13,886</u>	<u>443,780</u>
Expenditures:					
Bank fees	-	-	80	80	-
Annual street maintenance projects	300,000	300,000	459,363	159,363	242,527
Total expenditures	<u>300,000</u>	<u>300,000</u>	<u>459,443</u>	<u>159,443</u>	<u>242,527</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 145,580</u>	<u>145,580</u>	23	<u>(145,557)</u>	201,253
Fund balance, beginning of year			<u>555,871</u>		<u>354,618</u>
Fund balance, end of year			<u>\$ 555,894</u>		<u>555,871</u>

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Year Ended April 30, 2025
(With Comparative Figures for Year Ended April 30, 2024)

	2025			2024	
	Original Budget	Final Budget	Actual	Over (Under) Final Budget	Actual
Revenues:					
Property taxes	\$ 376,043	376,043	383,586	7,543	364,210
Income from investments	5,000	5,000	9,110	4,110	11,287
Total revenues	<u>381,043</u>	<u>381,043</u>	<u>392,696</u>	<u>11,653</u>	<u>375,497</u>
Expenditures:					
Administration fees	25,611	25,611	25,570	(41)	24,508
Developer payments	33,782	33,782	36,615	2,833	32,693
Intergovernmental agreements	209,661	209,661	207,080	(2,581)	205,076
Total expenditures	<u>269,054</u>	<u>269,054</u>	<u>269,265</u>	<u>211</u>	<u>262,277</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 111,989</u>	<u>111,989</u>	123,431	<u>11,442</u>	113,220
Fund balance, beginning of year			<u>802,003</u>		<u>688,783</u>
Fund balance, end of year			<u>\$ 925,434</u>		<u>802,003</u>

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Year Ended April 30, 2025
(With Comparative Figures for the Year Ended April 30, 2024)

	2025			2024	
	Original Budget	Final Budget	Actual	Over (Under) Final Budget	Actual
Revenues:					
Property taxes	\$ 130,322	130,322	198,400	68,078	126,221
Income from investments	150	150	738	588	356
Total revenues	<u>130,472</u>	<u>130,472</u>	<u>199,138</u>	<u>68,666</u>	<u>126,577</u>
Expenditures:					
Administration fees	13,833	13,833	13,906	73	13,236
Developer reimbursement	28,291	28,291	34,535	6,244	27,379
Intergovernmental agreements	53,823	53,823	71,271	17,448	52,446
Total expenditures	<u>95,947</u>	<u>95,947</u>	<u>119,712</u>	<u>23,765</u>	<u>93,061</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 34,525</u>	<u>34,525</u>	79,426	<u>44,901</u>	33,516
Fund balance (deficit), beginning of year			<u>(18,138)</u>		<u>(51,654)</u>
Fund balance (deficit), end of year			<u>\$ 61,288</u>		<u>(18,138)</u>

CITY OF PERU, ILLINOIS
TIF DISTRICT NO. 4 (DOWNTOWN) FUND

SCHEDULE C-8

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Year Ended April 30, 2025
(With Comparative Figures for the Year Ended April 30, 2024)

	2025			2024	
	Original Budget	Final Budget	Actual	Over (Under) Final Budget	Actual
Revenues:					
Property taxes	\$ 288,848	288,848	437,362	148,514	279,758
Income from investments	1,000	1,000	2,450	1,450	2,012
Total revenues	<u>289,848</u>	<u>289,848</u>	<u>439,812</u>	<u>149,964</u>	<u>281,770</u>
Expenditures:					
Administration fees	31,472	31,472	32,306	834	32,627
Developer reimbursement	52,023	52,023	2,182	(49,841)	36,877
Intergovernmental agreements	206,195	206,195	313,572	107,377	200,419
Total expenditures	<u>289,690</u>	<u>289,690</u>	<u>348,060</u>	<u>58,370</u>	<u>269,923</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 158</u>	<u>158</u>	91,752	<u>91,594</u>	11,847
Fund balance, beginning of year			<u>47,545</u>		<u>35,698</u>
Fund balance, end of year			<u>\$ 139,297</u>		<u>47,545</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, 2025
(With Comparative Figures for the Year Ended April 30, 2024)

	2025			2024	
	Original Budget	Final Budget	Actual	Over (Under) Final Budget	Actual
Revenues:					
Property taxes	\$ 74,995	74,995	27,288	(47,707)	72,635
Income from investments	100	100	539	439	388
Total revenues	<u>75,095</u>	<u>75,095</u>	<u>27,827</u>	<u>(47,268)</u>	<u>73,023</u>
Expenditures:					
Legal and professional fees	<u>6,829</u>	<u>6,829</u>	<u>6,960</u>	<u>131</u>	<u>6,598</u>
Total expenditures	<u>6,829</u>	<u>6,829</u>	<u>6,960</u>	<u>131</u>	<u>6,598</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 68,266</u>	<u>68,266</u>	20,867	<u>(47,399)</u>	66,425
Fund balance (deficit), beginning of year			<u>47,606</u>		<u>(18,819)</u>
Fund balance (deficit), end of year			<u>\$ 68,473</u>		<u>47,606</u>

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Year Ended April 30, 2025
(With Comparative Figures for the Year Ended April 30, 2024)

	2025			2024	
	Original Budget	Final Budget	Actual	Over (Under) Final Budget	Actual
Revenues:					
Property taxes	\$ 3,881	3,881	3,746	(135)	1,819
Miscellaneous revenue	-	-	-	-	4,650
Total revenues	<u>3,881</u>	<u>3,881</u>	<u>3,746</u>	<u>(135)</u>	<u>6,469</u>
Expenditures:					
Legal and professional fees	9,198	9,198	9,300	102	8,865
Debt service	802,600	802,600	802,600	-	192,600
Reimbursable to City-GF	388	388	3,983	3,595	181
Total expenditures	<u>812,186</u>	<u>812,186</u>	<u>815,883</u>	<u>3,697</u>	<u>201,646</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (808,305)</u>	<u>(808,305)</u>	<u>(812,137)</u>	<u>(3,832)</u>	<u>(195,177)</u>
Fund balance (deficit), beginning of year			<u>(204,350)</u>		<u>(9,173)</u>
Fund balance (deficit), end of year			<u>\$ (1,016,487)</u>		<u>(204,350)</u>

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Year Ended April 30, 2025
(With Comparative Figures for the Year Ended April 30, 2024)

	2025			2024	
	Original Budget	Final Budget	Actual	Over (Under) Final Budget	Actual
Revenues:					
Miscellaneous revenue	\$ -	-	-	-	-
Total revenues	-	-	-	-	-
Expenditures:					
Legal and professional fees	-	-	17,500	17,500	-
Total expenditures	-	-	17,500	17,500	-
Excess (deficiency) of revenues over (under) expenditures	\$ -	-	(17,500)	(17,500)	-
Fund balance (deficit), beginning of year			-		-
Fund balance (deficit), end of year			\$ (17,500)		-

CITY OF PERU, ILLINOIS
PENSION TRUST FUNDS

SCHEDULE D-1

Combining Statement of Fiduciary Net Position
April 30, 2025
(With Comparative Figures for April 30, 2024)

	Police Pension Fund	Firefighter's Pension Fund	Totals	
			2025	2024
<u>Assets</u>				
Cash and cash equivalents	\$ 2,889,569	158,263	3,047,832	12,126,576
Investments	13,348,296	3,308,825	16,657,121	6,458,027
Receivables	-	-	-	305
Accrued interest	-	-	-	59
Total assets	<u>\$ 16,237,865</u>	<u>3,467,088</u>	<u>19,704,953</u>	<u>18,584,967</u>
<u>Net position</u>				
Held in trust for pension benefits	<u>\$ 16,237,865</u>	<u>3,467,088</u>	<u>19,704,953</u>	<u>18,584,967</u>
Total net position	<u>\$ 16,237,865</u>	<u>3,467,088</u>	<u>19,704,953</u>	<u>18,584,967</u>

**CITY OF PERU, ILLINOIS
PENSION TRUST FUNDS**

SCHEDULE D-2

**Combining Statement of Changes in Fiduciary Net Position
Year Ended April 30, 2025
(With Comparative Figures for the Year Ended April 30, 2024)**

	Police Pension Fund	Firefighter's Pension Fund	Totals	
			2025	2024
Additions:				
Contributions:				
Employer contributions	\$ 874,938	65,882	940,820	903,951
Plan member contributions	225,249	25,709	250,958	219,142
Total contributions	1,100,187	91,591	1,191,778	1,123,093
Net investment income:				
Net change in fair value of investments	821,575	255,955	1,077,530	860,279
Investment income	295,322	75,857	371,179	423,207
Total investment income	1,116,897	331,812	1,448,709	1,283,486
Less: investment expense	13,883	9,961	23,844	21,028
Net investment expense	1,103,014	321,851	1,424,865	1,262,458
Total additions	2,203,201	413,442	2,616,643	2,385,551
Deductions:				
Administrative	5,900	203	6,103	7,754
Benefit payments, including member refunds	1,240,732	249,822	1,490,554	1,417,803
Total deductions	1,246,632	250,025	1,496,657	1,425,557
Changes in net position	956,569	163,417	1,119,986	959,994
Net position, beginning of year	15,281,296	3,303,671	18,584,967	17,624,973
Net position, end of year	\$ 16,237,865	3,467,088	19,704,953	18,584,967

SUPPLEMENTAL INFORMATION

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

	2018	2019	2020	2021	2022	2023	2024
Assessed valuations	\$ 289,436,622	268,684,066	271,818,004	276,192,319	288,470,374	309,416,109	332,502,959
Tax rates:							
Garbage	0.0000	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	0.0000
Recreation	0.0000	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	0.2904
Firefighter's Pension	0.0304	0.0302	0.0313	0.0324	0.0330	0.0223	0.0219
Library Building Construction	0.0000	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	0.0000
Totals	0.2998	0.2974	0.3085	0.3190	0.3249	0.3183	0.3123
Tax extensions:							
Police Pension	\$ 668,563	695,888	729,715	764,944	808,945	870,259	912,716
Firefighter's Pension	75,459	78,545	82,387	86,349	91,304	65,530	68,700
Total	744,022	774,433	812,102	851,293	900,249	935,789	981,416
Plus: Road & Bridge*	170,061	171,718	170,676	169,955	172,000	170,000	170,000
Total Extensions	917,022	945,433	982,102	1,023,293	1,064,686	1,105,789	1,151,416
Tax Collections	\$ 916,430	951,949	985,835	1,026,583	1,074,688	1,110,556	-

* 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	2024
Assessed Valuations:						
TIF II	\$ 6,313,638	6,486,651	6,534,702	6,572,231	6,907,592	7,149,363
TIF III	3,550,709	3,390,207	3,476,055	3,947,143	4,961,004	5,064,467
TIF IV	25,830,051	26,028,581	26,574,052	27,776,369	30,019,942	32,787,419
TIF V	2,533,300	2,499,970	2,499,970	3,465,705	2,737,961	2,737,961
Tax Extensions:						
TIF II	357,244	363,754	367,828	364,331	383,301	382,193
TIF III	95,101	93,510	96,014	125,864	198,253	196,073
TIF IV	108,738	131,356	186,616	283,424	453,779	659,241
TIF V	-	-	-	170,962	52,430	51,621
Total	\$ 561,083	588,620	650,459	944,581	1,087,763	1,289,128
Collections**	\$ 561,218	513,343	642,310	842,824	1,050,382	-

OTHER REQUIRED REPORTING



116 E. Washington Street
Suite One
Morris, Illinois 60450

Phone: (815) 942-3306
Fax: (815) 942-9430
www.mackcpas.com

TAWNYA R. MACK, CPA
LAURI POPE, CPA

CATE MOULTON, CPA
MADISON SCHEEL, CPA
CHRIS CHRISTENSEN
JESSIKA MCGARVEY
OLIVIA SMITH

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, 2025, 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 November 3, 2025.

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 November 3, 2025.

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
November 3, 2025



116 E. Washington Street
Suite One
Morris, Illinois 60450

Phone: (815) 942-3306
Fax: (815) 942-9430
www.mackcpas.com

TAWNYA R. MACK, CPA
LAURI POPE, CPA

CATE MOULTON, CPA
MADISON SCHEEL, CPA
CHRIS CHRISTENSEN
JESSIKA MCGARVEY
OLIVIA SMITH

CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditors' Report on Compliance with the Illinois Tax Increment Allocation Redevelopment Act

Honorable Mayor and
Members of the City Council
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, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated November 3, 2025.

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 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 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.

This report is intended solely for the information and use of the City Board, 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
November 3, 2025