

CITY OF PERU, ILLINOIS
ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
APRIL 30, 2022

CITY OF PERU, ILLINOIS

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For the Year Ended April 30, 2022**

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INDEPENDENT AUDITORS' REPORT



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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, 2022, 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, 2022, 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.

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 Auditor's 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 other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other 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, 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 18, 2021. The summarized comparative information presented herein as of and for the year ended April 30, 2021 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 7, 2022 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 7, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

CITY OF PERU, ILLINOIS

Management's Discussion and Analysis - Unaudited For the Year Ended 2022

The management of the City of Peru, Illinois provides the following information as an introduction, overview and analysis of the City's financial statements for the year ended April 30, 2022.

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

Financial Highlights

- The City's net position increased \$11,505,001 to \$116,413,571 2022 from \$104,908,570 in 2021. Of this amount, the net position of the governmental activities increased \$6,820,232 and the net position of the business-type activities increased \$4,684,769.
- Revenues of the City's governmental activities increased 6.07%, or \$1,372,426 from fiscal year 2021 to fiscal year 2022.
- Program expenses of the City's governmental activities increased 3.23%, or \$536,705 from fiscal year 2021 to fiscal year 2022.

Using This Annual Report

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

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

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

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

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

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

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

CITY OF PERU, ILLINOIS

Management's Discussion and Analysis - Unaudited For the Year Ended 2022

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 or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information which helps answer this question. These statements include all assets, deferred outflows of resources, liabilities and deferred inflows of resources using the accrual basis of accounting and the economic resources measurement focus, which is similar to the accounting used by most private sector companies. All of the current year's revenues and expenses are taken into account, regardless of when cash is received or paid.

The Statement of Net Position presents financial information on all of the City's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the different 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. Property tax and state and federal grants finance most of these activities.

Business type activities 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 near future to finance the City's programs.

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

Proprietary funds account for the City's Enterprise and Internal-Service Funds. These funds report 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.

CITY OF PERU, ILLINOIS

**Management’s Discussion and Analysis - Unaudited
For the Year Ended 2022**

Overview of the Financial Statements – (Continued)

Fund Financial Statements – (Continued)

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 self-insured 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 and a Statement of Cash Flows.

The City is the trustee, or fiduciary, for assets that belong to others. These funds include the Police and Fireman’s Pension Trust Funds. 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.

Reconciliations between the government-wide financial statements and the governmental fund financial statements follow the governmental fund financial statements.

Government-wide Financial Analysis:

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

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Primary Government</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
<u>Assets</u>						
Current and other assets	\$ 16,553,932	18,272,931	27,329,449	24,855,555	43,883,381	43,128,486
Capital assets	50,148,304	43,548,159	66,388,134	65,108,843	116,536,438	108,657,002
Total assets	<u>66,702,236</u>	<u>61,821,090</u>	<u>93,717,583</u>	<u>89,964,398</u>	<u>160,419,819</u>	<u>151,785,488</u>
Deferred Outflows	<u>3,075,853</u>	<u>2,789,643</u>	<u>988,273</u>	<u>1,147,379</u>	<u>4,064,126</u>	<u>3,937,022</u>
<u>Liabilities</u>						
Current liabilities	2,477,004	3,129,212	4,821,647	4,201,838	7,298,651	7,331,050
Long-term liabilities	25,991,037	26,778,803	7,377,604	9,220,547	33,368,641	35,999,350
Total liabilities	<u>28,468,041</u>	<u>29,908,015</u>	<u>12,199,251</u>	<u>13,422,385</u>	<u>40,667,292</u>	<u>43,330,400</u>
Deferred inflows	<u>6,059,948</u>	<u>6,272,850</u>	<u>1,343,134</u>	<u>1,210,690</u>	<u>7,403,082</u>	<u>7,483,540</u>
<u>Net Position</u>						
Net investment in capital assets	35,074,145	28,965,218	58,471,363	55,766,734	93,545,508	84,731,952
Restricted	5,573,391	6,461,008	1,521,414	1,714,179	7,094,805	8,175,187
Unrestricted	<u>(5,397,436)</u>	<u>(6,996,358)</u>	<u>21,170,694</u>	<u>18,997,789</u>	<u>15,773,258</u>	<u>12,001,431</u>
Total net position	<u>\$ 35,250,100</u>	<u>28,429,868</u>	<u>81,163,471</u>	<u>76,478,702</u>	<u>116,413,571</u>	<u>104,908,570</u>

CITY OF PERU, ILLINOIS

**Management’s Discussion and Analysis - Unaudited
For the Year Ended 2022**

Government-wide Financial Analysis – (Continued):

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 \$116,413,571. Of that amount, \$93,545,508 was invested in capital assets, net of related debt, and depreciation related to those assets. There were \$7,094,805 of net assets restricted for purposes specified by external restrictions, constitutional provisions, debt agreements or enabling legislation. The remaining \$15,773,258 was unrestricted.

	Governmental Activities		Business-type Activities		Total Primary Government	
	2022	2021	2022	2021	2022	2021
Revenues:						
Program revenues:						
Charges for services	\$ 4,565,712	4,505,004	33,833,557	33,245,546	38,399,269	37,750,550
Operating grants and contributions	725,027	2,231,634	-	-	725,027	2,231,634
Capital grants	-	-	21,800	210,058	21,800	210,058
General revenues:						
Property taxes, levied for general purposes	684,019	732,936	-	-	684,019	732,936
Sales tax	7,195,303	6,554,149	-	-	7,195,303	6,554,149
Income tax	1,538,589	1,337,336	-	-	1,538,589	1,337,336
Home rule sales tax	4,570,100	4,049,244	-	-	4,570,100	4,049,244
Hotel/motel tax	459,319	298,389	-	-	459,319	298,389
Telecommunications tax	138,253	154,509	-	-	138,253	154,509
Local use tax	395,443	463,142	-	-	395,443	463,142
Cannabis use tax	15,860	8,415	-	-	15,860	8,415
Video gaming tax	405,574	225,267	-	-	405,574	225,267
Replacement tax	604,402	287,107	-	-	604,402	287,107
Interest income	55,614	91,099	136,930	154,527	192,544	245,626
Other	2,634,401	1,676,959	130,649	129,217	2,765,050	1,806,176
Total revenues	<u>23,987,616</u>	<u>22,615,190</u>	<u>34,122,936</u>	<u>33,739,348</u>	<u>58,110,552</u>	<u>56,354,538</u>
Program expenses:						
General government	5,191,569	6,016,660	-	-	5,191,569	6,016,660
Public safety	6,164,648	5,749,975	-	-	6,164,648	5,749,975
Public works	2,788,369	2,603,041	-	-	2,788,369	2,603,041
Health and welfare	1,149,821	1,105,591	-	-	1,149,821	1,105,591
Culture & recreation	1,057,735	615,717	-	-	1,057,735	615,717
Payments under intergov't agreements	362,838	282,303	-	-	362,838	282,303
Interest on long-term debt	452,404	257,390	-	-	452,404	257,390
Utility Fund	-	-	28,981,684	28,506,791	28,981,684	28,506,791
Landfill	-	-	43,315	69,454	43,315	69,454
Airport	-	-	413,168	436,155	413,168	436,155
Total expenses	<u>17,167,383</u>	<u>16,630,678</u>	<u>29,438,167</u>	<u>29,012,400</u>	<u>46,605,551</u>	<u>45,643,078</u>
Change in net position before transfers	<u>6,820,233</u>	<u>5,984,512</u>	<u>4,684,769</u>	<u>4,726,948</u>	<u>11,505,001</u>	<u>10,711,460</u>
Transfers, net	<u>-</u>	<u>(44,916)</u>	<u>-</u>	<u>44,916</u>	<u>-</u>	<u>-</u>
Change in net position	<u>6,820,233</u>	<u>5,939,596</u>	<u>4,684,769</u>	<u>4,771,864</u>	<u>11,505,001</u>	<u>10,711,460</u>
Net position, beginning of year	<u>28,429,868</u>	<u>22,490,272</u>	<u>76,478,702</u>	<u>71,706,838</u>	<u>104,908,570</u>	<u>94,197,110</u>
Net position, end of year	<u>\$ 35,250,101</u>	<u>28,429,868</u>	<u>81,163,471</u>	<u>76,478,702</u>	<u>116,413,571</u>	<u>104,908,570</u>

The City of Peru, Illinois’ change in net position of governmental activities was \$6,820,233 during the year. Revenues for governmental activities increased \$1,372,426 over the prior year.

CITY OF PERU, ILLINOIS

Management's Discussion and Analysis - Unaudited For the Year Ended 2022

Government-wide Financial Analysis – (Continued):

The cost of all governmental activities this year was \$17,167,384 compared to \$16,630,678 last year. However, as shown in the Statement of Activities on page 12, the amount taxpayers ultimately financed for these activities was only \$11,876,645 because some of the cost was paid by those who directly benefitted from the programs (\$4,565,712) or by other governments and organizations which subsidized certain programs with operating grants and contributions (\$725,027).

The City paid the remaining “public benefit” portion of the governmental activities with property tax (some of which could only be used for certain programs) and with other receipts, such as interest, sales tax and miscellaneous receipts.

City of Peru, Illinois' net position of business type activities increased \$4,684,769 during the year. Revenues for business type activities increased \$383,588 over the prior fiscal year and the total expenses increased \$425,767.

Individual Major Fund Analysis

Governmental Fund Highlights

As the City of Peru, Illinois completed the year, its governmental funds reported a combined fund balance of \$11,276,343, which is \$1,162,244 less than the \$12,438,587 total fund balance at April 30, 2021.

The fund balance of the General Fund at April 30, 2022 was \$9,646,295. This represented a decrease of \$276,222 during the year due to expenditures exceeding revenues.

Proprietary Fund Highlights

The net position of the Utility Fund at April 30, 2022 was \$70,774,646. This represented an increase of \$4,923,369 during the year. The increase is due to regular Utility Fund operating income. Charges for utility services in the City exceeded normal operating expenses by \$4,917,130. The cost of electricity is a variable based on demand, hydroelectric performance, and load factors. The increase in position does not reflect the outflow of resources to invest in capital items in the Fund. Capital improvements exceeded depreciation by \$56,882,797. Capital improvements for the year ended April 30, 2022 included \$2,630,118 of sewer separation work and North Peoria water main of \$999,665. The AMI meter system included additions of \$1,499,378.

The net position balance of the Landfill Fund at April 30, 2022 was \$1,238,914. This represented an increase of \$17,756 from the prior year. The Landfill is in the later stages of the closure process. Landfill revenue is primarily generated from monthly assessments (on utility bills). The increase is a cash balance increase that will be used to help fund closure needs.

The net position balance of the Airport Fund at April 30, 2022 was \$9,149,911. This represented a decrease of (\$256,356) from the prior year. Airport revenue is generated from T-hanger rentals, renting of surrounding farm land, and corporate land leases. Airport projects are dependent on funds from the Department of Aeronautics (both Federal and State). Depreciation is the largest expense for the Airport. Depreciation expense for the year ended April 30, 2022 was \$228,455.

CITY OF PERU, ILLINOIS

Management's Discussion and Analysis - Unaudited For the Year Ended 2022

Budgetary Highlights

The City exceeded the budgeted amount in the General and Garbage Funds for the year ended April 30, 2022. More information is presented in Note 17 to the financial statements.

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. Capital assets for governmental activities totaled \$50,148,304 (net of accumulated depreciation/amortization) at April 30, 2022. Capital assets for business type activities totaled \$66,388,134 (net of accumulated depreciation) at April 30, 2022. See Note 4 to the financial statements for more information about the City's capital assets.

Long-term Debt

At April 30, 2022, the City had \$15,074,159 of general obligation bonds and outstanding notes for governmental activities. Business type activities had \$7,916,771 of outstanding notes, general obligation bonds and revenue bonds, net of discounts and premiums at April 30, 2022.

Moody's Investors Service increased the City's debt rating from A1 to AA3. Moody's noted increased reserves, stronger financial policies, and following through with previously-stated financial goals as the key factors underlying the increase. Additional information on the City's debt can be found in Note 5 of this report.

As of April 30, 2022, the City's general obligation debt limitation was \$27,192,650. The general obligation debt limitation is based on the assessed taxable valuation of the most recent property tax levy. Additional information on the City's debt limitation can be found in Note 6 of this report.

Economic Factors and Next Year's Budget and Rates

Sales tax generation continues to be the City's primary governmental revenue source. The City receives 1% sales tax under the State of Illinois' Retailer's Occupation Tax legislation and an additional 1% sales tax from local Home Rule ordinances. Even with an estimated increase over 2021, combined sales tax for the year ending April 30, 2022 exceeded the budget at just over \$7M, an increase of \$679,707 over last year. Inflation continues to drive the increase. Utility Fund revenues continue to grow.

Motor Fuel, Hotel/Motel and Video Gaming income from taxes were up 9%, 8% and 5%, respectively, over 2021.

Property taxes continue to be allocated exclusively to public safety pensions. Taxpayers with a median home value of \$120,000 saw a slight increase of \$3.79 in total of their city tax line item for calendar year 2022. Increased equalized assessed values, new developments, and a strong sales tax base have allowed for the City to keep property tax rates low. The estimate of the equalized assessed value forecasts an increase of 2.41% in the City-wide equalized assessed value for the year ending April 30, 2023.

CITY OF PERU, ILLINOIS

**Management's Discussion and Analysis - Unaudited
For the Year Ended 2022**

Contacting the City's Financial Management

This financial report is designed to provide a general overview of the City's finances. If you have questions about this report or need additional financial information, contact the City Council, 1901 4th Street, Peru, Illinois 61354.

BASIC FINANCIAL STATEMENTS

Statement of Net Position

April 30, 2022

(With Comparative Figures for April 30, 2021)

	Primary Government			
	Governmental Activities	Business-type Activities	Totals	
			2022	2021
<u>ASSETS</u>				
Cash and cash equivalents	\$ 9,166,927	15,971,496	25,138,423	22,466,174
Investments	1,523,465	4,497,588	6,021,053	8,345,485
Receivables:				
Property taxes	1,675,961	-	1,675,961	1,572,722
Sales taxes	1,735,354	-	1,735,354	1,643,039
Telecommunications taxes	33,308	-	33,308	38,402
Home rule sales taxes	1,126,373	-	1,126,373	1,070,179
Motor fuel taxes	34,546	-	34,546	33,895
State income taxes	505,765	-	505,765	420,694
Replacement taxes	144,443	-	144,443	75,371
Accounts receivable	-	2,616,380	2,616,380	2,818,285
Other	216,461	-	216,461	435,554
Prepaid expenses	202,874	1,198,676	1,401,550	1,403,483
Accrued interest	-	12,017	12,017	25,517
Inventory	-	302,946	302,946	466,972
Internal balances	188,455	(188,455)	-	-
Restricted cash and cash equivalents	-	811,345	811,345	760,862
Restricted investments	-	698,052	698,052	927,800
Net pension asset	-	1,409,404	1,409,404	617,654
Capital assets, net of accumulated depreciation	50,148,304	66,388,134	116,536,438	108,657,002
Total assets	66,702,236	93,717,583	160,419,819	151,779,090
<u>DEFERRED OUTFLOWS OF RESOURCES</u>				
Bond refunding loss	-	244,708	244,708	320,758
Asset retirement obligation	-	370,000	370,000	375,000
Pension-related deferred outflows	3,075,853	373,565	3,449,418	3,241,264
Total deferred outflows	3,075,853	988,273	4,064,126	3,937,022
<u>LIABILITIES</u>				
Cash overdrafts	39,781	45,162	84,943	109,231
Accounts payable	1,185,921	2,377,000	3,562,921	4,039,056
Accrued interest payable	139,879	71,575	211,454	181,557
Salaries and benefits payable	165,554	-	165,554	157,722
Refundable customer deposits	-	584,668	584,668	589,759
Long-term liabilities:				
Due within one year:				
Notes payable	147,027	230,328	377,355	230,328
General obligation bonds payable	520,000	1,125,000	1,645,000	1,685,000
Compensated absences	278,842	78,915	357,757	338,397
Due in more than one year:				
Notes payable	959,941	2,303,281	3,263,222	2,533,609
General obligation bonds payable	13,447,191	4,258,162	17,705,353	19,476,113
Asset retirement obligation	-	375,000	375,000	375,000
Compensated absences	433,819	238,128	671,947	550,383
Net OPEB liability	609,100	203,033	812,133	1,053,410
Net pension liability	10,540,986	-	10,540,986	11,691,836
Estimated post-closure care	-	308,999	308,999	318,999
Total liabilities	28,468,041	12,199,251	40,667,292	43,330,400
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Succeeding year property tax	1,503,961	-	1,503,961	1,400,722
Pension-related deferred inflows	4,555,987	1,343,134	5,899,121	6,076,420
Total deferred inflows	6,059,948	1,343,134	7,403,082	7,477,142
<u>NET POSITION</u>				
Net investment in capital assets	35,074,145	58,471,363	93,545,508	84,731,952
Restricted for:				
Debt service	-	1,521,414	1,521,414	1,714,179
Public safety services	1,468,320	-	1,468,320	1,520,246
Streets and public improvements	756,966	-	756,966	1,704,922
Urban renewal purposes	583,272	-	583,272	435,376
Economic development	105,315	-	105,315	157,712
Other purposes	2,659,518	-	2,659,518	2,642,752
Unrestricted	(5,397,436)	21,170,694	15,773,258	12,001,431
Total net position	\$ 35,250,100	81,163,471	116,413,571	104,908,570

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

Statement of Activities
Year Ended April 30, 2022
(With Comparative Figures for the Year Ended April 30, 2021)

	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	
							2022	2021
Primary government:								
Governmental activities:								
General government	\$ 5,191,569	3,674,415	725,027	-	(792,127)	-	(792,127)	(129,797)
Public safety	6,164,648	23,431	-	-	(6,141,217)	-	(6,141,217)	(5,713,881)
Public works	2,788,369	-	-	-	(2,788,369)	-	(2,788,369)	(2,603,041)
Health and welfare	1,149,821	867,866	-	-	(281,955)	-	(281,955)	(291,910)
Culture and recreation	1,057,735	-	-	-	(1,057,735)	-	(1,057,735)	(615,717)
Payments under intergovernmental agreements	362,838	-	-	-	(362,838)	-	(362,838)	(282,303)
Unallocated interest on long-term debt	452,404	-	-	-	(452,404)	-	(452,404)	(257,390)
Total governmental activities	17,167,384	4,565,712	725,027	-	(11,876,645)	-	(11,876,645)	(9,894,040)
Business-type activities:								
Utility fund	28,981,684	33,702,264	-	-	-	4,720,580	4,720,580	4,625,213
Landfill	43,315	39,005	-	-	-	(4,310)	(4,310)	(30,234)
Airport	413,168	92,288	-	21,800	-	(299,080)	(299,080)	(151,775)
Total business-type activities	29,438,167	33,833,557	-	21,800	-	4,417,190	4,417,190	4,443,204
Total primary government	\$ 46,605,551	38,399,269	725,027	21,800	(11,876,645)	4,417,190	(7,459,455)	(5,450,836)
General revenues:								
Property taxes, levied for general purposes					\$ 684,019	-	684,019	732,936
Sales tax					7,195,303	-	7,195,303	6,554,149
Income tax					1,538,589	-	1,538,589	1,337,336
Home rule sales tax					4,570,100	-	4,570,100	4,049,244
Hotel/motel tax					459,319	-	459,319	298,389
Telecommunications tax					138,253	-	138,253	154,509
Local use tax					395,443	-	395,443	463,142
Cannabis use tax					15,860	-	15,860	8,415
Video gaming tax					405,574	-	405,574	225,267
Replacement tax					604,402	-	604,402	287,107
Motor fuel tax					648,873	-	648,873	725,595
Interest income					55,614	136,930	192,544	245,626
Fines and penalties					129,089	-	129,089	103,213
Telecom tower proceeds					74,493	-	74,493	71,430
Other					1,781,946	130,649	1,912,595	905,938
Total general revenues					18,696,877	267,579	18,964,456	16,162,296
Change in net position					6,820,232	4,684,769	11,505,001	10,711,460
Net position, beginning of year					28,429,868	76,478,702	104,908,570	94,197,110
Net position, end of year					\$ 35,250,100	81,163,471	116,413,571	104,908,570

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

Balance Sheet - Governmental Funds

April 30, 2022

(With Comparative Figures for April 30, 2021)

	General Fund	Non-major Governmental Funds	Total Governmental Funds	
			2022	2021
<u>ASSETS</u>				
Cash and cash equivalents	\$ 6,408,335	1,671,140	8,079,475	9,876,181
Investments	1,523,465	-	1,523,465	1,703,087
Receivables:				
Property taxes	1,030,197	645,764	1,675,961	1,572,722
Sales taxes	1,735,354	-	1,735,354	1,643,039
Telecommunications taxes	33,308	-	33,308	38,402
Home rule sales taxes	1,126,373	-	1,126,373	1,070,179
Motor fuel taxes	-	34,546	34,546	33,895
State income taxes	505,765	-	505,765	420,694
Replacement taxes	144,443	-	144,443	75,371
Other	131,990	84,471	216,461	422,697
Due from other funds	280,878	-	280,878	279,370
Prepaid expenses	202,874	-	202,874	215,693
Total assets	<u>\$ 13,122,982</u>	<u>2,435,921</u>	<u>15,558,903</u>	<u>17,351,330</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</u>				
Liabilities:				
Overdraft payable	\$ -	39,781	39,781	5,720
Accounts payable	1,158,048	27,905	1,185,953	2,075,285
Salaries and benefits payable	165,554	-	165,554	157,722
Due to other funds	-	92,423	92,423	92,423
Total liabilities	<u>1,323,602</u>	<u>160,109</u>	<u>1,483,711</u>	<u>2,331,150</u>
Deferred inflows of resources:				
Succeeding year property tax	858,197	645,764	1,503,961	1,400,722
Unavailable revenues	1,294,888	-	1,294,888	1,180,871
Total deferred inflows	<u>2,153,085</u>	<u>645,764</u>	<u>2,798,849</u>	<u>2,581,593</u>
Fund balances:				
Non-spendable:				
Prepaid expenses	202,874	-	202,874	215,693
Parkside school	466,374	-	466,374	466,374
Assigned - municipal pool	132,108	-	132,108	132,108
Committed - motel tax	816,975	-	816,975	816,975
Restricted for:				
Public safety services	1,264,628	203,692	1,468,320	1,520,246
Streets and public improvements	-	756,966	756,966	1,704,922
Urban renewal purposes	-	583,272	583,272	435,376
Economic development	-	105,315	105,315	157,712
Other purposes	2,605,316	54,202	2,659,518	2,642,752
Unassigned	4,158,020	(73,399)	4,084,621	4,346,429
Total fund balances	<u>9,646,295</u>	<u>1,630,048</u>	<u>11,276,343</u>	<u>12,438,587</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 13,122,982</u>	<u>2,435,921</u>	<u>15,558,903</u>	<u>17,351,330</u>

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

Balance Sheet - Governmental Funds
April 30, 2022
 (With Comparative Figures for April 30, 2021)

	2022	2021
Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position:		
Total governmental fund balances	\$ 11,276,343	12,438,587
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 \$82,267,883 and the accumulated depreciation is \$32,119,579.	50,148,304	43,548,159
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.	1,294,888	1,180,871
Accrued interest payable	(139,879)	(102,617)
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	3,075,853	2,789,643
Deferred inflows of resources	(4,555,987)	(4,865,730)
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.	1,087,484	1,007,626
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	(12,535,000)	(13,060,000)
Bond premium	(1,432,191)	(1,522,941)
Notes payable	(1,106,968)	-
Compensated absences	(712,661)	(543,973)
Net OPEB liability	(609,100)	(747,921)
Net pension liability / asset	(10,540,986)	(11,691,836)
Net position of governmental activities	<u>\$ 35,250,100</u>	<u>28,429,868</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, 2022
(With Comparative Figures for the Year Ended April 30, 2021)

	General Fund	Non-major Governmental Funds	Total Governmental Funds	
			2022	2021
Revenues:				
Taxes	\$ 14,775,100	513,343	15,288,443	13,670,817
Intergovernmental revenue	1,329,429	648,873	1,978,302	3,244,336
Licenses and permits	2,186,348	-	2,186,348	2,125,476
Fines and penalties	73,775	55,314	129,089	103,213
Charges for services	23,431	867,866	891,297	849,775
Interest income	51,370	3,764	55,134	90,837
Cell tower proceeds	74,493	-	74,493	71,430
Other	1,738,687	23,259	1,761,946	776,521
Total revenues	20,252,633	2,112,419	22,365,052	20,932,405
Expenditures:				
Current:				
General government	4,760,552	53,751	4,814,303	4,920,138
Public safety	5,679,002	130,690	5,809,692	5,628,352
Public works	2,071,709	-	2,071,709	2,320,949
Health and welfare	298,659	851,162	1,149,821	1,105,591
Culture and recreation	1,057,735	-	1,057,735	725,362
Debt service:				
Principal	525,000	-	525,000	481,731
Interest	415,142	-	415,142	154,935
Capital outlay	6,848,024	1,600,000	8,448,024	18,692,340
Payments under intergovernmental agreements	-	362,838	362,838	282,303
Total expenditures	21,655,823	2,998,441	24,654,264	34,311,701
Excess (deficiency) of revenues over (under) expenditures	(1,403,190)	(886,022)	(2,289,212)	(13,379,296)
Other financing sources (uses):				
Proceeds from the sale of capital assets	20,000	-	20,000	200
Proceeds from the sale of bonds	1,106,968	-	1,106,968	13,520,000
Premium on bonds sold	-	-	-	1,584,830
Transfers from other funds	-	-	-	63,948
Transfers to other funds	-	-	-	(108,864)
Total other financing sources (uses)	1,126,968	-	1,126,968	15,060,114
Changes in fund balances	(276,222)	(886,022)	(1,162,244)	1,680,818
Fund balances, beginning of year	9,922,517	2,516,070	12,438,587	10,757,769
Fund balances, end of year	\$ 9,646,295	1,630,048	11,276,343	12,438,587

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, 2022
(With Comparative Figures for the Year Ended April 30, 2021)

	2022	2021
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	\$ (1,162,244)	1,680,818
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	8,196,791	18,749,298
Depreciation expense	(1,596,646)	(1,410,207)
Governmental funds report debt payments as expenditures and debt issuances as revenue. However, in the statement of activities, debt payments and debt issuances are not reported as expenditures and revenue:		
Issuance of general obligation bonds	-	(13,520,000)
Issuance of note payable	(1,106,968)	-
Bond premium	-	(1,584,830)
Principal payments on debt	525,000	481,731
Amortization of bond premium	90,750	61,889
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.	114,017	152,570
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.	79,858	482,422
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.	595,953	(3,487,604)
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	(37,262)	(102,455)
Compensated absences	(168,688)	(43,504)
Change in OPEB liability	138,821	(174,718)
Change in pension liability	1,150,850	4,654,186
Change in net position of governmental activities	<u>\$ 6,820,232</u>	<u>5,939,596</u>

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

Statement of Net Position - Proprietary Funds
 April 30, 2022
 (With Comparative Figures for April 30, 2021)

	Enterprise Funds			Total		Internal Service Fund
	Utility Fund	Landfill Fund	Illinois Valley Regional Airport Operations Fund	2022	2021	Self Insurance Fund 2022
ASSETS						
Current assets:						
Cash and cash equivalents	\$ 15,401,769	569,727	-	15,971,496	11,582,367	1,087,452
Investments	4,497,588	-	-	4,497,588	6,642,398	-
Accounts receivable, net	2,589,452	21,530	5,398	2,616,380	2,818,285	-
Other receivables, net	-	-	-	-	12,857	-
Prepaid expenses	1,184,996	89	13,591	1,198,676	1,187,790	-
Inventory	302,946	-	-	302,946	466,972	-
Total current assets	23,976,751	591,346	18,989	24,587,086	22,710,669	1,087,452
Non-current assets:						
Restricted assets:						
Restricted cash and cash equivalents	679,208	132,137	-	811,345	760,862	-
Restricted investments	153,217	544,835	-	698,052	927,800	-
Accrued interest	11,212	795	10	12,017	25,517	-
Total restricted assets	843,637	677,767	10	1,521,414	1,714,179	-
Net pension asset	1,409,404	-	-	1,409,404	617,654	-
Total non-current assets	2,253,041	677,767	10	2,930,818	2,331,833	-
Capital assets:						
Land	1,902,579	210,000	5,315,000	7,427,579	7,427,579	-
Construction in progress	923,207	-	66,321	989,528	2,751,498	-
Buildings	16,318,263	359,597	1,750,727	18,428,587	18,428,587	-
Machinery and equipment	52,549,227	835,488	413,295	53,798,010	51,985,814	-
Land improvements	1,191,690	9,440	1,007,586	2,208,716	2,208,716	-
Infrastructure	71,127,914	-	13,393,620	84,521,534	80,003,444	-
Total capital assets at cost	144,012,880	1,414,525	21,946,549	167,373,954	162,805,638	-
Less: Accumulated depreciation	87,130,083	1,129,306	12,726,431	100,985,820	97,696,795	-
Total capital assets	56,882,797	285,219	9,220,118	66,388,134	65,108,843	-
Total assets	83,112,589	1,554,332	9,239,117	93,906,038	90,151,345	1,087,452
DEFERRED OUTFLOWS OF RESOURCES						
Bond refunding loss	244,708	-	-	244,708	320,758	-
Asset retirement obligation	370,000	-	-	370,000	375,000	-
Pension related deferred outflows	373,565	-	-	373,565	451,621	-
Total deferred outflows of resources	988,273	-	-	988,273	1,147,379	-
LIABILITIES						
Current liabilities:						
Cash overdrafts	-	-	45,162	45,162	103,511	-
Accounts payable	2,326,537	6,419	44,044	2,377,000	1,963,771	(32)
Accrued interest payable	71,575	-	-	71,575	78,940	-
Compensated absences	78,915	-	-	78,915	75,529	-
Due to other funds	188,455	-	-	188,455	186,947	-
Refundable customer deposits	584,668	-	-	584,668	589,759	-
Notes payable	230,328	-	-	230,328	230,328	-
General obligation bonds payable	1,125,000	-	-	1,125,000	1,160,000	-
Total current liabilities	4,605,478	6,419	89,206	4,701,103	4,388,785	(32)
Non-current liabilities:						
Compensated absences	238,128	-	-	238,128	269,278	-
Notes payable	2,303,281	-	-	2,303,281	2,533,609	-
General obligation bonds payable	4,258,162	-	-	4,258,162	5,418,172	-
Asset retirement obligation	375,000	-	-	375,000	375,000	-
Net OPEB liability	203,033	-	-	203,033	305,489	-
Estimated post-closure care	-	308,999	-	308,999	318,999	-
Total non-current liabilities	7,377,604	308,999	-	7,686,603	9,220,547	-
Total liabilities	11,983,082	315,418	89,206	12,387,706	13,609,332	(32)
DEFERRED INFLOWS OF RESOURCES						
Pension-related deferred inflows	1,343,134	-	-	1,343,134	1,210,690	-
NET POSITION						
Net investment in capital assets	48,966,026	285,219	9,220,118	58,471,363	55,766,734	-
Restricted	843,637	677,767	10	1,521,414	1,714,179	-
Unrestricted	20,964,983	275,928	(70,217)	21,170,694	18,997,789	1,087,484
Total net position	\$ 70,774,646	1,238,914	9,149,911	81,163,471	76,478,702	1,087,484

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, 2022
(With Comparative Figures for the Year Ended April 30, 2021)

	Enterprise Funds			Total Proprietary Funds		Internal Service Fund
	Utility Fund	Landfill Fund	Illinois Valley Regional Airport Operations Fund	2022	2021	Self Insurance Fund 2022
Operating revenues:						
Charges for services	\$ 33,355,158	39,005	9,283	33,403,446	32,972,276	1,488,067
Other charges and rentals	347,106	-	83,005	430,111	273,270	-
Total operating revenues	33,702,264	39,005	92,288	33,833,557	33,245,546	1,488,067
Operating expenses:						
General and administrative	2,962,470	36,123	184,713	3,183,306	3,410,724	317,549
Power and generating plant	17,607,361	-	-	17,607,361	17,598,730	-
Distribution system	2,478,580	-	-	2,478,580	2,266,298	-
Hydroelectric plant	225,992	-	-	225,992	178,797	-
Street lighting	62,719	-	-	62,719	186,968	-
Truck expenses	163,403	-	-	163,403	140,768	-
Pumping and purification	1,680,299	-	-	1,680,299	1,585,179	-
Sewerage system, disposal plant	545,931	-	-	545,931	528,147	-
Insurance premiums and claims	-	-	-	-	-	1,091,140
Depreciation	3,058,379	7,192	228,455	3,294,026	2,825,317	-
Total operating expenses	28,785,134	43,315	413,168	29,241,617	28,720,928	1,408,689
Operating income (loss)	4,917,130	(4,310)	(320,880)	4,591,940	4,524,618	79,378
Non-operating revenues (expenses):						
Interest income	114,863	22,066	1	136,930	154,527	480
Rental income	71,026	-	12,811	83,837	79,767	-
Farm income	-	-	42,769	42,769	49,028	-
Grant revenues	-	-	21,800	21,800	210,058	-
Miscellaneous	16,900	-	(12,857)	4,043	422	-
Interest expense	(196,550)	-	-	(196,550)	(291,472)	-
Total non-operating revenues (expenses)	6,239	22,066	64,524	92,829	202,330	480
Income (loss) before transfers	4,923,369	17,756	(256,356)	4,684,769	4,726,948	79,858
Operating transfers in (out)	-	-	-	-	44,916	-
Change in net position	4,923,369	17,756	(256,356)	4,684,769	4,771,864	79,858
Net position, beginning of year	65,851,277	1,221,158	9,406,267	76,478,702	71,706,838	1,007,626
Net position, end of year	\$ 70,774,646	1,238,914	9,149,911	81,163,471	76,478,702	1,087,484

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

Statement of Cash Flows - Proprietary Funds

Year Ended April 30, 2022

(With Comparative Figures for the Year Ended April 30, 2021)

	Utility Fund	Landfill Fund	Illinois Valley Regional Airport Operations Fund	Total Proprietary Funds	
				2022	2021
Cash flows from operating activities:					
Receipts from customers	\$ 33,828,107	38,656	176,465	34,043,228	33,298,534
Payments to employees	(1,681,619)	-	-	(1,681,619)	(1,695,846)
Payments to suppliers	(24,232,843)	(39,708)	(206,871)	(24,479,422)	(25,353,216)
Net cash provided by (used in) operating activities	7,913,645	(1,052)	(30,406)	7,882,187	6,249,472
Cash flows from noncapital financing activities:					
Internal advances	1,509	-	-	1,509	56,692
Proceeds from grants	-	-	21,800	21,800	210,058
Net cash provided by (used in) noncapital financing activities	1,509	-	21,800	23,309	266,750
Cash flows from capital and related financing activities:					
Capital assets acquired	(4,534,198)	-	(34,118)	(4,568,316)	(6,321,147)
Principal payments on notes payable	(230,328)	-	-	(230,328)	(230,328)
Proceeds from issuance of debt	-	-	-	-	1,145,000
Principal payments on G.O. bonds payable	(1,195,010)	-	-	(1,195,010)	(1,579,870)
Principal payments on revenue bonds payable	-	-	-	-	(250,000)
Interest payments	(203,915)	-	-	(203,915)	(332,102)
Deferred bond cost on bond refunding	76,050	-	-	76,050	42,936
Net cash provided by (used in) capital financing activities	(6,087,401)	-	(34,118)	(6,121,519)	(7,525,511)
Cash flows from investing activities:					
Rental and miscellaneous sale income	87,926	-	42,723	130,649	129,217
Interest received	128,363	22,066	1	150,430	154,527
Asset retirement obligation	-	-	-	-	(375,000)
Net sales (purchases) of investments	2,273,225	101,328	-	2,374,553	4,173,966
Net cash provided by (used in) investing activities	2,489,514	123,394	42,724	2,655,632	4,082,710
Net change in cash and cash equivalents	4,317,267	122,342	-	4,439,609	3,073,421
Cash and cash equivalents, beginning of year	11,763,707	579,522	-	12,343,229	9,269,808
Cash and cash equivalents, end of year	\$ 16,080,974	701,864	-	16,782,838	12,343,229
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	\$ 4,917,130	(4,310)	(320,880)	4,591,940	4,524,618
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:					
Depreciation	3,058,379	7,192	228,455	3,294,026	2,825,317
Effects of changes in operating assets and liabilities:					
(Increase) decrease in accounts receivable	130,934	(349)	84,177	214,762	86,552
(Increase) decrease in prepaid expenses	(10,356)	3	(533)	(10,886)	(663,788)
(Increase) decrease in inventory	164,026	-	-	164,026	31,349
(Increase) decrease in deferred outflows of resources	78,056	-	-	78,056	314,798
Increase (decrease) in cash overdrafts	-	-	(58,349)	(58,349)	(28,605)
Increase (decrease) in accounts payable	370,093	6,412	36,724	413,229	(159,461)
Increase (decrease) in compensated absences	(27,764)	-	-	(27,764)	(41,991)
Increase (decrease) in refundable customer deposits	(5,091)	-	-	(5,091)	(33,564)
Increase (decrease) in deferred inflows of resources	132,444	-	-	132,444	(5,906)
Increase (decrease) in estimates post-closure care	-	(10,000)	-	(10,000)	-
Increase (decrease) in net OPEB liability	(102,456)	-	-	(102,456)	71,364
Increase (decrease) in net pension liability	(791,750)	-	-	(791,750)	(671,211)
Net cash provided by (used in) operating activities	\$ 7,913,645	(1,052)	(30,406)	7,882,187	6,249,472

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

Statement of Fiduciary Net Position - Fiduciary Funds
 April 30, 2022
 (With Comparative Figures for April 30, 2021)

		Pension Trust Funds	
		2022	2021
	<u>ASSETS</u>		
Cash and cash equivalents		\$ 4,165,923	1,066,019
Investments		12,614,110	16,001,885
Accrued interest		5,673	30,647
Total assets		<u>\$ 16,785,706</u>	<u>17,098,551</u>
	<u>NET POSITION</u>		
Held in trust for pension benefits		<u>\$ 16,785,706</u>	<u>17,098,551</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, 2022
(With Comparative Figures for the Year Ended April 30, 2021)

	Pension Trust Funds	
	2022	2021
Additions:		
Contributions:		
Employer contributions	\$ 1,965,160	1,930,231
Plan member contributions	215,016	198,912
Total contributions	2,180,176	2,129,143
Net investment income:		
Net change in fair value of investments	(2,040,618)	2,595,879
Investment income	728,902	194,959
Total investment income	(1,311,716)	2,790,838
Less: Investment expense	45,468	42,715
Net investment income	(1,357,184)	2,748,123
Total additions	822,992	4,877,266
Deductions:		
Administrative	8,205	6,242
Benefit payments, including member refunds	1,127,632	1,350,972
Total deductions	1,135,837	1,357,214
Changes in net position	(312,845)	3,520,052
Net position, beginning of year	17,098,551	13,578,499
Net position, end of year	\$ 16,785,706	17,098,551

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, 2022**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. The Financial Reporting Entity

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

B. Basis of Presentation

Government-wide Financial Statements

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

Notes to Basic Financial Statements
For the Year Ended April 30, 2022

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	\$ 50,148,304	66,388,134	116,536,438
Less:			
Notes payable	(1,106,968)	(2,533,609)	(3,640,577)
General obligation bonds payable	(13,967,191)	(5,383,162)	(19,350,353)
Net investment in capital assets	<u>\$ 35,074,145</u>	<u>58,471,363</u>	<u>93,545,508</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, 2022

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

B. Basis of Presentation – (Continued)

Fund Financial Statements

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

The City reports the following major fund:

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

The City reports the following major proprietary funds:

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

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

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

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

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

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

Notes to Basic Financial Statements
For the Year Ended April 30, 2022

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, 2022

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, 2022

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 bases. 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 2020 property tax levy (\$1,499,178) are used to finance the operating budget of the fiscal year ending April 30, 2022. Although the 2021 property tax levy receivable has been recorded, the related revenue (\$1,503,961) is deferred in both the government-wide and fund financial statements. Recognition of revenue is deferred until the year it is intended to finance.

During the fiscal year ending April 30, 2022, the City had determined TIF No. 4 had a surplus of \$73,708 which was remitted to the LaSalle County Treasurer to be distributed to other municipalities within the TIF District. Property tax revenue has been reduced by this surplus.

Notes to Basic Financial Statements
For the Year Ended April 30, 2022

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, 2022, 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, 2022**

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

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, 2022

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

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

Deferred Outflows / Inflows of Resources

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

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

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

Compensated Absences

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

The estimated current and long-term portions of the liability for vested vacation and sick leave benefits attributable to the City's governmental funds is recorded in the Statement of Net Position. The amounts attributable to proprietary funds are charged to expense and a corresponding liability in the applicable fund. All compensated absences are valued at the employee's hourly rate as of April 30, 2022.

Notes to Basic Financial Statements
For the Year Ended April 30, 2022

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

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

Long-term Liabilities

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

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

Pensions

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

Other Post-Employment Benefits (OPEB)

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

E. Fund Equity

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

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

1. Non-spendable:

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

Notes to Basic Financial Statements
For the Year Ended April 30, 2022

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 \$2,484,320 of restricted home rule sales tax receipts, \$111,805 of restricted Cemetery reserve donations, as well as \$60,143 restricted for recreational purposes and \$3,250 restricted for COVID-19 expenditures.

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.

CITY OF PERU, ILLINOIS

Notes to Basic Financial Statements
For the Year Ended April 30, 2022

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.

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 \$25,864,825, including petty cash. Bank balances totaled \$26,456,467. Cash on hand was \$1,500.

At year-end, the carrying amount of the City's trust fund deposits was \$4,165,923. Bank balances also totaled \$4,165,923.

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, 2022, all of the City's uninsured deposits were fully collateralized.

Investments

As of April 30, 2022, 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	\$ 6,677,589	6,452,589	225,000	-	-
Mutual funds	41,516	41,516	-	-	-
Total	\$ 6,719,105	6,494,105	225,000	-	-

**Notes to Basic Financial Statements
For the Year Ended April 30, 2022**

NOTE 2: CASH AND CASH EQUIVALENTS – (CONTINUED)

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.

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.

CITY OF PERU, ILLINOIS

Notes to Basic Financial Statements
For the Year Ended April 30, 2022

NOTE 3: FAIR VALUE MEASUREMENTS – (CONTINUED)

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

	Balance at April 30, 2022	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	\$ 6,677,589	-	6,677,589	-
Mutual funds	41,516	41,516	-	-
Total investments	\$ 6,719,105	41,516	6,677,589	-

The fair value of certificates of deposit at April 30, 2022, 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.

NOTE 4: CHANGES IN CAPITAL ASSETS

Capital asset activity for governmental activities for the year ended April 30, 2022 was as follows:

	Balance as of April 30, 2021	Additions	Deletions	Balance as of April 30, 2022
Capital assets not being depreciated:				
Land	\$ 1,593,436	-	-	1,593,436
Construction in progress	17,760,789	108,784	(17,745,740)	123,834
Total capital assets not being depreciated	19,354,225	108,784	(17,745,740)	1,717,270
Capital assets being depreciated:				
Buildings	6,629,216	16,862,190	-	23,491,405
Machinery and equipment	5,729,458	1,461,689	-	7,191,147
Land improvements	472,138	-	-	472,138
Infrastructure	41,886,056	7,509,868	-	49,395,923
Total capital assets being depreciated	54,716,867	25,833,746	-	80,550,613
Total capital assets	74,071,092	25,942,531	(17,745,740)	82,267,883
Less accumulated depreciation:				
Buildings	2,228,608	169,209	-	2,397,817
Machinery and equipment	4,776,810	269,490	-	5,046,300
Land improvements	421,641	10,764	-	432,405
Infrastructure	23,095,873	1,147,184	-	24,243,057
Total accumulated depreciation:	30,522,932	1,596,647	-	32,119,579
Total capital assets being depreciated, net	24,193,934	24,237,100	-	48,431,034
Governmental activities capital assets, net	\$ 43,548,159	24,345,884	(17,745,740)	50,148,304

CITY OF PERU, ILLINOIS

Notes to Basic Financial Statements
For the Year Ended April 30, 2022

NOTE 4: CHANGES IN CAPITAL ASSETS – (CONTINUED)

Depreciation for governmental activities in the current fiscal year was \$1,596,647 and was allocated as follows:

General government	\$ 525,030
Public safety	354,957
Public works	<u>716,660</u>
Total depreciation – governmental activities	<u>\$ 1,596,647</u>

Construction in progress at April 30, 2022 is the result of the Schweickert Ice House and the Washington Park Tennis Courts.

Significant capital additions for the year included an Aerial Fire Truck (\$1,149,806), the Police Station (\$16,727,676), the Schweickert Band Shell (\$134,514), North Peoria St. reconstruction (\$4,870,223), and other road projects (\$2,639,645).

Capital asset activity for business-type activities for the year ended April 30, 2022 was as follows:

	<u>Balance as of April 30, 2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance as of April 30, 2022</u>
Capital assets not being depreciated:				
Land	\$ 7,427,579	-	-	7,427,579
Construction in progress	2,751,497	776,286	(2,538,255)	<u>989,528</u>
Total capital assets not being depreciated	<u>10,179,076</u>	<u>776,286</u>	<u>(2,538,255)</u>	<u>8,417,107</u>
Depreciable capital assets:				
Buildings	18,428,587	-	-	18,428,587
Machinery and equipment	51,985,814	1,812,196	-	53,798,010
Land improvements	2,208,716	-	-	2,208,716
Infrastructure	80,003,444	4,518,090	-	<u>84,521,534</u>
Total depreciable capital assets:	<u>152,626,561</u>	<u>6,330,286</u>	<u>-</u>	<u>158,956,847</u>
Total capital assets	<u>162,805,637</u>	<u>7,106,572</u>	<u>(2,538,255)</u>	<u>167,373,954</u>
Less accumulated depreciation:				
Buildings	8,422,093	353,551	-	8,775,644
Machinery and equipment	46,337,843	971,784	-	47,309,627
Land improvements	1,789,097	73,710	-	1,862,807
Infrastructure	41,147,762	1,889,981	-	<u>43,037,742</u>
Total accumulated depreciation	<u>97,696,794</u>	<u>3,289,026</u>	<u>-</u>	<u>100,985,820</u>
Total capital assets being depreciated, net	<u>54,929,767</u>	<u>3,041,260</u>	<u>-</u>	<u>57,971,027</u>
Business-type activities capital assets, net	<u>\$ 65,108,843</u>	<u>3,817,546</u>	<u>(2,538,255)</u>	<u>66,388,134</u>

CITY OF PERU, ILLINOIS

Notes to Basic Financial Statements
For the Year Ended April 30, 2022

NOTE 4: CHANGES IN CAPITAL ASSETS – (CONTINUED)

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

Utility	\$ 3,053,379
Landfill	7,192
Airport	<u>228,455</u>
Total depreciation – business type activities	<u>\$ 3,289,026</u>

Construction in progress at April 30, 2022 includes multiple water main projects and a runway extension. All projects are projected to be completed in the following fiscal year.

Significant capital additions for the year included North Peoria water main (\$999,665), a sewer separation project (\$2,630,118), an AMI Meter System (\$1,499,378), North Peoria lighting (\$309,333), Grant Street water main (\$304,339), Well #5 rehab (\$177,782), Water Street water main (\$369,243), Pohar Crossing (\$133,759), and a 2021 Line Truck (\$188,600).

NOTE 5: LONG-TERM LIABILITIES

Long-term liability activity for the year ended April 30, 2022, was as follows:

	Balance at April 30, 2021	Additions	Deductions	Balance at April 30, 2022	Due Within One Year
Governmental Activities					
Notes Payable	\$ -	1,106,968	-	1,106,968	147,027
General Obligation Bonds Payable	13,060,000	-	525,000	12,535,000	520,000
Bond Premium/(Discount), Net	1,522,942	-	90,751	1,432,191	-
Compensated Absences (Note 1)	543,971	431,558	262,868	712,661	278,842
Net OPEB Liability (Note 8)	747,921	-	138,821	609,100	-
Net Pension Liability (Asset) (Note 7)	11,691,836	-	1,150,850	10,540,986	-
Total Governmental Activities	<u>\$ 27,566,670</u>	<u>1,538,526</u>	<u>2,168,290</u>	<u>26,936,906</u>	<u>945,869</u>
Business-Type Activities					
General Obligation Bonds Payable	\$ 6,390,000	-	1,160,000	5,230,000	1,125,000
Bond Premium/(Discount), Net	188,172	-	35,010	153,162	-
Notes Payable	2,763,937	-	230,328	2,533,609	230,328
Asset Retirement Obligation	375,000	-	-	375,000	-
Compensated Absences (Note 1)	344,807	47,765	75,529	317,043	78,915
Net OPEB Liability (Note 8)	305,489	-	102,456	203,033	-
Net Pension Liability (Asset) (Note 7)	(617,654)	-	791,750	(1,409,404)	-
Estimated Postclosure Care (Note 11)	318,999	-	10,000	308,999	-
Total Business-Type Activities	<u>\$ 10,068,750</u>	<u>47,765</u>	<u>2,405,073</u>	<u>7,711,442</u>	<u>1,434,243</u>

Notes to Basic Financial Statements
For the Year Ended April 30, 2022

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, 2022 was \$4,245,000.

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, 2022 was \$8,045,000.

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, 2022 was \$4,490,000 in the governmental funds and was \$985,000 in the business-type funds.

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

Year Ending April 30,	G.O. Bonds - Governmental			G.O. Bonds - Business Type		
	Principal	Interest	Total	Principal	Interest	Total
2023	\$ 520,000	420,813	940,813	1,125,000	135,825	1,260,825
2024	535,000	404,013	939,013	1,160,000	102,725	1,262,725
2025	555,000	386,713	941,713	1,190,000	68,625	1,258,625
2026	570,000	368,713	938,713	1,230,000	33,550	1,263,550
2027	585,000	350,113	935,113	125,000	14,500	139,500
2028-2032	3,265,000	1,425,865	4,690,865	400,000	62,250	462,250
2033-2037	3,885,000	811,575	4,696,575	-	-	-
2038-2040	2,620,000	193,700	2,813,700	-	-	-
Total	<u>\$ 12,535,000</u>	<u>4,361,505</u>	<u>16,896,505</u>	<u>5,230,000</u>	<u>417,475</u>	<u>5,647,475</u>

CITY OF PERU, ILLINOIS

**Notes to Basic Financial Statements
For the Year Ended April 30, 2022**

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, 2022 was \$1,106,968.

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, 2021 was \$2,533,609.

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
2023	\$ 147,027	24,224	171,251	230,328	-	230,328
2024	152,272	18,979	171,251	230,328	-	230,328
2025	155,239	16,012	171,251	230,328	-	230,328
2026	158,352	12,899	171,251	230,328	-	230,328
2027	161,482	9,769	171,251	230,328	-	230,328
2028-2032	332,596	9,905	342,501	1,151,640	-	1,151,640
2033	-	-	-	230,328	-	230,328
Total	\$ 1,106,968	91,788	1,198,756	2,533,609		2,533,609

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, 2022

NOTE 6: LEGAL DEBT MARGIN

Legal debt margin is the percent of the City's assessed valuation which is subject to debt limitation. The statutory debt limitation for the City is 8.625%. The City's legal debt margin is as follows as of April 30, 2022:

Assessed valuation (2021) - Including TIF Districts		<u>\$ 315,277,098</u>
Statutory debt limitation (8.625%)		\$ 27,192,650
Outstanding debt:		
General obligation bonds	\$ 17,765,000	
Notes payable	3,640,577	
Total	<u>21,405,577</u>	
Less amounts not included in the debt limitation:		
Illinois EPA loans	<u>(2,533,609)</u>	
Total	<u>(2,533,609)</u>	
Total debt applicable to the debt limitation		<u>18,871,968</u>
Legal debt margin		<u>\$ 8,320,682</u>

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	\$ (3,810,612)	(1,409,404)	(5,220,016)
Police Pension	13,144,974	-	13,144,974
Firemens Pension	1,206,624	-	1,206,624
Total net pension liabilities (asset)	<u>\$ 10,540,986</u>	<u>(1,409,404)</u>	<u>9,131,582</u>
Deferred outflows related to pensions:			
IMRF	\$ 1,010,010	373,565	1,383,575
Police Pension	1,783,124	-	1,783,124
Firemens Pension	282,719	-	282,719
Total deferred inflows	<u>\$ 3,075,853</u>	<u>373,565</u>	<u>3,449,418</u>
Deferred inflows related to pensions:			
IMRF	\$ 3,631,435	1,343,134	4,974,569
Police Pension	670,047	-	670,047
Firemens Pension	254,505	-	254,505
Total deferred outflows	<u>\$ 4,555,987</u>	<u>1,343,134</u>	<u>5,899,121</u>
Pension Expense (Benefit):			
IMRF	\$ (1,334,685)	(493,651)	(1,828,336)
Police Pension	1,657,979	-	1,657,979
Firemens Pension	132,045	-	132,045
Total pension expense	<u>\$ 455,339</u>	<u>(493,651)</u>	<u>(38,312)</u>

Notes to Basic Financial Statements
For the Year Ended April 30, 2022

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, 2022

NOTE 7: DEFINED BENEFIT PENSION PLANS – (CONTINUED)

Illinois Municipal Retirement Fund – (Continued)

Membership

As of December 31, 2021, the City’s plan membership consisted of the following:

Retirees and beneficiaries	87
Inactive, non-retired members	32
Active members	<u>53</u>
Total	<u><u>172</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 2021 and the fiscal year ended April 30, 2022 are summarized below. The City also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Member contribution rate	4.50%
City contribution rate - 2021	9.65%
City contribution rate - 2022	6.71%
City contributions - 2021	\$ 357,015
City contributions - fiscal year 2022	\$ 331,564

Net Pension Liability (Asset)

The City’s net pension liability (asset) was measured as of December 31, 2021. 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, 2022

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, 2021:

- The Actuarial Cost Method used was Entry Age Normal.
- The Asset Valuation Method used was 5-Year smoothed market, 20% corridor.
- The Inflation Rate was assumed to be 2.50%.
- Salary Increases were expected to be 3.35% to 14.25%, 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 2017 valuation according to an experience study from years 2014 to 2016.
- The IMRF-specific rates for Mortality (for non-disabled retirees) were developed from an IMRF-specific mortality table with fully generational projection scale MP-2017 (base year 2015). The IMRF-specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience.
- For Disabled Retirees, an IMRF-specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustments that were applied for non-disabled lives.
- For Active Members, an IMRF-specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.
- 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, 2021:

<u>Asset Class</u>	<u>Portfolio Target Percentage</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	39%	1.90%
International Equity	15%	3.15%
Fixed Income	25%	(0.60)%
Real Estate	10%	3.30%
Alternative Investments	10%	1.70-5.50%
Cash Equivalents	<u>1%</u>	(0.90)%
Total	<u>100%</u>	

**Notes to Basic Financial Statements
For the Year Ended April 30, 2022**

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, 2021 valuations, the expected rate of return on plan investments is 7.25%, the municipal bond rate is 1.84%, and the resulting single discount rate is 7.25%

Changes in Net Pension Liability (Asset)

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (Asset) (A) - (B)
Balances at December 31, 2020	\$ 29,702,641	31,990,249	(2,287,608)
Changes for the year:			
Service Cost	326,752	-	326,752
Interest on the Total Pension Liability	2,111,038	-	2,111,038
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	758,479	-	758,479
Changes of Assumptions	-	-	-
Contributions - Employer	-	357,015	(357,015)
Contributions - Employees	-	205,105	(205,105)
Net Investment Income	-	5,304,591	(5,304,591)
Benefit Payments, including Refunds of Employee Contributions	(1,496,510)	(1,496,510)	-
Other (Net Transfer)	-	261,966	(261,966)
Net Changes	<u>1,699,759</u>	<u>4,632,167</u>	<u>(2,932,408)</u>
Balances at December 31, 2021	<u>\$ 31,402,400</u>	<u>36,622,416</u>	<u>(5,220,016)</u>

Notes to Basic Financial Statements
For the Year Ended April 30, 2022

NOTE 7: DEFINED BENEFIT PENSION PLANS – (CONTINUED)

Illinois Municipal Retirement Fund – (Continued)

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

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Total Pension Liability	\$ 35,059,183	31,402,400	28,502,160
Plan Fiduciary Net Position	36,622,416	36,622,416	36,622,416
Net Pension Liability (Asset)	<u>\$ (1,563,233)</u>	<u>(5,220,016)</u>	<u>(8,120,256)</u>

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

For the year ended April 30, 2022, the City recognized pension benefit of \$1,828,336. At April 30, 2022, 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	\$ 573,543	11,882
Changes in assumptions	-	100,885
Net difference between projected and actual earnings on pension plan investments	721,218	4,861,802
Contributions subsequent to the measurement date	88,814	-
Total	<u>\$ 1,383,575</u>	<u>4,974,569</u>

\$88,814 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, 2022. 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
2022	\$ (714,529)
2023	(1,386,307)
2024	(977,039)
2025	(601,933)
2026	-
Thereafter	-
	<u>\$ (3,679,808)</u>

Notes to Basic Financial Statements
For the Year Ended April 30, 2022

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, 2022, the City’s plan membership consisted of the following:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	20
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	3
Active members	<u>24</u>
Total	<u><u>47</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, 2022

NOTE 7: DEFINED BENEFIT PENSION PLANS – (CONTINUED)

Police Pension Plan – (Continued)

Cost of Living Adjustment

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

Disability Benefits

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

Pre-Retirement Death Benefit

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

Termination Benefits

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

Basis of Accounting

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

Notes to Basic Financial Statements
For the Year Ended April 30, 2022

NOTE 7: DEFINED BENEFIT PENSION PLANS – (CONTINUED)

Police Pension Plan – (Continued)

Contributions

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

Investments

The following was the Board's adopted asset allocation policy as of April 30, 2022:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Cash	0-100%	0.00%
Equities/Mutual Funds	0-45%	3.32-8.78%
Fixed Income	30-100%	1.00%

All investments in the plan are stated at fair value. Fair value is based on quoted market prices at April 30, 2022.

Investment Type	Fair Value	Investment Maturities (in years)			
		Less Than One	1-5	6-10	11-15
Certificates of Deposits	\$ 1,329,667	755,753	573,914	-	-
Mutual Funds	7,534,563	7,534,563	-	-	-
U.S. Tres. & Agencies	578,193	578,193	-	-	-
Annuities	3,171,687	3,171,687	-	-	-
Total	\$ 12,614,110	12,040,196	573,914	-	-

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 (9.3%), Brown Capital Management Small Companies Mutual Fund (5.0%), Vanguard Equity Income (7.8%), Pimco Income International (7.6%), and Delaware Ivy MidCap (5.5%).

Rate of Return

For the year ended April 30, 2022, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was unknown. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Notes to Basic Financial Statements
For the Year Ended April 30, 2022

NOTE 7: DEFINED BENEFIT PENSION PLANS – (CONTINUED)

Police Pension Plan – (Continued)

Net Pension Liability

The components of the net pension liability of the Plan at April 30, 2022, were as follows:

Total Pension Liability	\$ 26,883,982
Plan Fiduciary Net Position	<u>13,739,008</u>
Net Pension Liability	<u>\$ 13,144,974</u>

Plan fiduciary net position as a percentage of the total pension liability was 51.10% at April 30, 2022.

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of May 1, 2021, updated to April 30, 2022, using the following actuarial assumptions.

Inflation	2.50%
Salary increases, attributable to inflation	Service based
Discount rate	6.25%
Investment rate of return	6.25%

Mortality rates were based on PubS-2010 Mortality Table, projected 5 years past the valuation date with MP-2020. 10% of active deaths are assumed to be in the line of duty. Assumptions for retirement age, disability rate, and termination rate are based upon the 2017 actuarial experience study performed by the State of Illinois Department of Insurance.

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

**Notes to Basic Financial Statements
For the Year Ended April 30, 2022**

NOTE 7: DEFINED BENEFIT PENSION PLANS – (CONTINUED)

Police Pension Plan – (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 6.25%. 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, 2021	\$ 26,305,245	13,942,940	12,362,305
Changes for the year:			-
Service Cost	510,436	-	510,436
Interest on the Total Pension Liability	1,644,791	-	1,644,791
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	(578,447)	-	(578,447)
Changes of Assumptions	-	-	-
Contributions - Employer	-	1,732,462	(1,732,462)
Contributions - Employees	-	190,104	(190,104)
Net Investment Income	-	(1,120,790)	1,120,790
Benefit Payments, including Refunds of Employee Contributions	(998,043)	(998,043)	-
Other (Net Transfer)	-	(7,665)	7,665
Net Changes	<u>578,737</u>	<u>(203,932)</u>	<u>782,669</u>
Balances at April 30, 2022	<u>\$ 26,883,982</u>	<u>13,739,008</u>	<u>13,144,974</u>

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 6.25%, 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 (5.25%)	Current Discount Rate (6.25%)	1% Increase (7.25%)
Net Pension Liability/(Asset)	\$ 17,118,907	13,144,974	9,911,411

Notes to Basic Financial Statements
For the Year Ended April 30, 2022

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, 2022, the City recognized pension expense of \$1,657,979. At April 30, 2022, 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	\$ 522,185	670,047
Changes in assumptions	412,342	-
Net difference between projected and actual earnings on pension plan investments	848,597	-
Total	<u>\$ 1,783,124</u>	<u>670,047</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
2023	\$ 496,239
2024	459,881
2025	(54,402)
2026	307,767
2027	(96,408)
Thereafter	-
Total	<u>\$ 1,113,077</u>

Notes to Basic Financial Statements
For the Year Ended April 30, 2022

NOTE 7: DEFINED BENEFIT PENSION PLANS – (CONTINUED)

Firemen’s Pension Plan

Plan Description

Administration

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

Membership

As of April 30, 2022, the City’s plan membership consisted of the following:

Inactive Plan Members or Beneficiaries	
Currently Receiving Benefits	3
Active members	<u>4</u>
Total	<u><u>7</u></u>

Benefits Provided

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

Normal Retirement Benefits

Tier 1 employees are those 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 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, 2022

NOTE 7: DEFINED BENEFIT PENSION PLANS – (CONTINUED)

Firemen's Pension Plan – (Continued)

Benefits Provided – (Continued)

Cost of Living Adjustment – (Continued)

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

Disability Benefits

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

Pre-Retirement Death Benefit

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

Termination Benefits

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

Notes to Basic Financial Statements
For the Year Ended April 30, 2022

NOTE 7: DEFINED BENEFIT PENSION PLANS – (CONTINUED)

Firemen’s Pension Plan – (Continued)

Basis of Accounting

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

Contributions

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

Investments

The following was the Board’s adopted asset allocation policy as of April 30, 2022:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Rate of Return</u>
Cash	5.00%	0.5%
Fixed Income	65.00%	1.0%
Equities	30.00%	5.0%
Total	<u>100.00%</u>	

All investments in the plan are stated at fair value. Fair value is based on quoted market prices at April 30, 2022.

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (in years)</u>			
		<u>Less Than One</u>	<u>1-5</u>	<u>6-10</u>	<u>10+</u>
Pooled funds	\$ 2,690,597	2,690,597	-	-	-
Total	\$ 2,690,597	2,690,597	-	-	-

Concentrations

It is unknown if the Plan held investments in any one organization that represent 5 percent or more of the Pension Plan’s fiduciary net position.

Notes to Basic Financial Statements
For the Year Ended April 30, 2022

NOTE 7: DEFINED BENEFIT PENSION PLANS – (CONTINUED)

Firemen’s Pension Plan – (Continued)

Rate of Return

For the year ended April 30, 2022, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was unknown. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net Pension Liability

The components of the net pension liability of the Plan at April 30, 2022, were as follows:

Total Pension Liability	\$	4,253,322
Plan Fiduciary Net Position		3,046,698
Net Pension Liability	\$	<u>1,206,624</u>

Plan fiduciary net position as a percentage of the total pension liability was 71.63% at April 30, 2022.

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of May 1, 2021, updated to April 30, 2022, using the following actuarial assumptions.

Inflation	2.50%
Salary increases, attributable to inflation	Service based
Discount rate	5.00%
Investment rate of return	5.00%

Mortality rates were based on PubS-2010 Mortality Table, projected 5 years past the valuation date with MP-2020. 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 the 2017 actuarial experience study performed by the State of Illinois Department of Insurance.

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. For 2022, the inflation rate assumption of the investment advisor was not available. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

**Notes to Basic Financial Statements
For the Year Ended April 30, 2022**

NOTE 7: DEFINED BENEFIT PENSION PLANS – (CONTINUED)

Discount Rate

The discount rate used to measure the total pension liability was 5.00%. 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, 2021	\$ 4,155,096	3,155,611	999,485
Changes for the year:			-
Service Cost	120,142	-	120,142
Interest on the Total Pension Liability	210,522	-	210,522
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	(102,849)	-	(102,849)
Changes of Assumptions	-	-	-
Contributions - Employer	-	232,698	(232,698)
Contributions - Employees	-	24,912	(24,912)
Net Investment Income	-	(236,394)	236,394
Benefit Payments, including Refunds of Employee Contributions	(129,589)	(129,589)	-
Administrative expense	-	(540)	540
Net Changes	98,226	(108,913)	207,139
Balances at April 30, 2022	\$ 4,253,322	3,046,698	1,206,624

Notes to Basic Financial Statements
For the Year Ended April 30, 2022

NOTE 7: DEFINED BENEFIT PENSION PLANS – (CONTINUED)

Firemen’s Pension Plan – (Continued)

Sensitivity of Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the City, calculated using the discount rate of 5.00%, 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 (4.00%)</u>	<u>Current Discount Rate (5.00%)</u>	<u>1% Increase (6.00%)</u>
Net Pension Liability	\$ 1,780,037	1,206,624	734,732

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

For the year ended April 30, 2022, the City recognized pension expense of \$132,045 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	\$ -	251,925
Changes in assumptions	47,668	2,580
Net difference between projected and actual earnings on pension plan investments	235,051	-
Total	<u>\$ 282,719</u>	<u>254,505</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>
2023	\$ (28,954)
2024	433
2025	(2,167)
2026	58,902
2027	-
Thereafter	-
Total	<u>\$ 28,214</u>

**Notes to Basic Financial Statements
For the Year Ended April 30, 2022**

NOTE 8: OTHER POST-EMPLOYMENT BENEFITS

Plan Description

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

Membership

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

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	9
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	-
Active Plan Members	<u>69</u>
Total	<u><u>78</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.

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, 2022 were \$51,172.

Net OPEB Liability

At April 30, 2022, the City had a net OPEB liability for the plan, determined as follows:

Total OPEB Liability	\$ 812,133
Plan Fiduciary Net Position	<u>-</u>
Net OPEB Liability	<u><u>\$ 812,133</u></u>

Changes of assumptions reflect a change in the discount rate from 1.83% for the fiscal year ending April 30, 2021 to 3.98% for the fiscal year ending April 30, 2022.

Of the net OPEB liability, \$609,100 was reported under Governmental Activities, while \$203,033 was reported under Business-type Activities.

Notes to Basic Financial Statements
For the Year Ended April 30, 2022

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

Actuarial Assumptions

The Total OPEB Liability was determined by an actuarial valuation as of May 1, 2021, rolled forward to April 30, 2022, using the following actuarial assumptions:

- Inflation at 2.50%
- Salary increases at 2.50%
- Discount rate of 3.98%
- Initial Trend Rate of 7.00%
- Ultimate Trend Rate of 4.00%
- 54 years to Ultimate Trend Rate
- For all lives, mortality rates were RP-2000 Combined Healthy Mortality Tables projected to the valuation date using Projection Scale AA.

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 3.98%. 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, 2022, the City recognized an OPEB benefit of \$188,555. Of this amount, \$141,416 was allocated to Governmental Activities, while \$47,139 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)
Balances at April 30, 2021	\$ 1,053,410	-	1,053,410
Changes for the year:			-
Service Cost	23,961	-	23,961
Interest	19,249	-	19,249
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	-	-	-
Changes of Assumptions	(233,315)	-	(233,315)
Benefit Payments	(51,172)	-	(51,172)
Administrative expense	-	-	-
Net Changes	(241,277)	-	(241,277)
Balances at April 30, 2022	\$ 812,133	-	812,133

Notes to Basic Financial Statements
For the Year Ended April 30, 2022

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 3.98%, 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 (2.98%)	Current Discount Rate (3.98%)	1% Increase (4.98%)
Net OPEB Liability	\$ 910,564	812,133	727,889

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

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

	1% Decrease (3.00-6.00%)	Current Healthcare Cost Trend Rate (4.00-7.00%)	1% Increase (5.00-8.00%)
Net OPEB Liability	\$ 714,637	812,133	927,266

NOTE 9: INTERFUND BALANCES

Due to and due from other funds exists between funds at April 30, 2022 to record payroll, benefits, and other expenses paid by the General Fund to be reimbursed by the Nonmajor Special Revenue Funds and the Utility Fund. See detail on interfund balances below:

	<u>Due To Other Funds</u>	<u>Due From Other Funds</u>
General Fund	\$ -	280,878
Special Revenue:		
TIF District #3	92,423	-
Utility Fund	188,455	-
Total	<u>\$ 280,878</u>	<u>280,878</u>

NOTE 10: 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 \$1,700,000 to the General Fund to operate within the City during the year ended April 30, 2022. The phone company, gas company and cable company paid \$303,280 to the City.

Notes to Basic Financial Statements
For the Year Ended April 30, 2022

NOTE 11: 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 City has designated a money market account with a balance of \$124,338 at April 30, 2022 for post closure care costs.

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 12: DEFICIT BALANCE

At April 30, 2022, the TIF District No. 3 Fund and the Peru Mall TIF District No. 5 Fund had a deficit fund balance of \$60,702 and \$12,697. Both deficits will be eliminated by future growth within the TIF Funds.

NOTE 13: 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 14: 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.

NOTE 15: 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.

CITY OF PERU, ILLINOIS

**Notes to Basic Financial Statements
For the Year Ended April 30, 2022**

NOTE 16: COMMITTED CONSTRUCTION

At April 30, 2022, the City had the following construction contracts outstanding:

Project	Total Contract Amount	Portion at April 30, 2022	
		Completed	Committed
Wenzel Road Improvements (LaSalle +)	\$ 300,000	-	300,000
Tennis Court Rehabilitation	332,672	-	332,672
General Fund Street Program 2022	984,902	-	984,902
Sewer Separation	1,738,691	1,646,057	92,634
Wenzel Road Water Main	133,759	-	133,759
Water Street Water Main	1,388,251	250,797	1,137,454
Pohar Crossing Water Improvements	950,000	-	950,000
Total	\$ 5,828,275	1,896,854	3,931,421

NOTE 17: BUDGET APPROPRIATIONS

Actual expenditures exceeded appropriations for the year ended April 30, 2022 in the following funds:

Fund	Actual Expenditures	Budgeted Appropriations	Variance
General Fund	\$ 21,655,823	17,926,720	3,729,103
Garbage Fund	851,162	820,000	31,162
Motor Fuel Tax Fund	1,600,000	1,500,000	100,000
Peru Industrial Park TIF Fund	216,134	210,750	5,384
TIF District No. IV Fund	108,505	103,400	5,105
Peru Mall TIF Fund	5,713	-	5,713

NOTE 18: EMPLOYEE HEALTH INSURANCE PROGRAM

Effective January 1, 2018, employee health benefits are provided by the City under a self-insurance program with a plan year-end of December 31. Administration of the Plan is outsourced to a third party provider. Health insurance claims under the plan were \$1,091,140 for the year ended April 30, 2022, and the City paid \$317,549 in administration fees during the year.

NOTE 19: CONTRACTS AND AGREEMENTS

Operating Lease

The City leases equipment under an agreement with John Deere Financial. The lease is for 60 months, beginning October 20, 2017, and requires monthly payments of \$3,864. Under the lease, the City paid \$46,367 during the year ended April 30, 2022. Future minimum lease payments are \$19,320 for the year ending April 30, 2023.

Cell Tower

During the year ended April 30, 2022, the City executed an agreement with American Towers Corp. for a 50-year extension of the easement for a plot of City land occupied by a cell tower owned by American Towers Corp. The agreement became effective March 19, 2018, and the City received \$1,275,000 upon execution. During the year ended April 30, 2022 the City received \$74,493 under this agreement.

Notes to Basic Financial Statements
For the Year Ended April 30, 2022

NOTE 19: CONTRACTS AND AGREEMENTS – (CONTINUED)

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, 2022 was \$20 per capita. The City also receives \$1,000 monthly for providing accounting and human resources functions for IVRD.

Parkside Obligation

The City has an existing intergovernmental agreement with Peru Elementary School District #124 under which the City imposed a 1% sales tax increase, and abated 50% of the tax collected for the purpose of assisting the District in financing needed improvements to its Parkside School facility. One half of the additional sales tax collected is pledged for payment of the related Parkside Bonds. Any amounts received in excess of the scheduled debt service may be retained by the City. During the year ended April 30, 2022, the City received and remitted \$1,559,264 to the District under this agreement.

Northern White Sands and OmniTrax

The City has an agreement with Northern White Sands (NWS) and OmniTrax (OT) for extension of the City's watermain to serve the NWS and OT properties at Plank Road. NWS and OT are to reimburse the City for the cost of such extension, including all engineering, inspection, construction, and related expenses. The City received \$346,763 under this agreement during the year ended April 30, 2022.

Sales Tax Rebates

The City has agreements with various local businesses under which the City rebates 50% of the sales taxes generated by the businesses, up to \$6.7 million. Under these agreements, the City paid all sales tax rebates under this agreement as of April 30, 2022.

NOTE 20: SUBSEQUENT EVENTS

Management evaluated subsequent events through April 30, 2022, the date the financial statements were available to be issued. On June 21, 2022, the City issued General Obligation Refunding Bonds, Series 2022 for \$4,815,000. No other amounts were required to be recorded or disclosed in the financial statements as of April 30, 2022 as a result of events occurring between May 1, 2022 and November 7, 2022.

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Year Ended April 30, 2022
(With Comparative Figures for the Year Ended April 30, 2021)

	2022			2021	
	Appropriations		Actual	Over (Under) Final Budget	Actual
	Original	Final			
Revenues:					
Taxes:					
Property tax	\$ 171,500	170,700	170,676	(24)	171,718
Sales tax	6,337,000	7,059,800	7,081,286	21,486	6,401,579
State income tax	1,150,000	1,457,400	1,538,589	81,189	1,337,336
Hotel/motel tax	405,000	428,100	459,319	31,219	298,389
Video gaming tax	247,500	400,000	405,574	5,574	225,267
Telecommunications tax	165,000	143,600	138,253	(5,347)	154,509
Local use tax	390,500	390,500	395,443	4,943	463,142
Cannabis use tax	10,000	10,000	15,860	5,860	8,415
Home rule sales tax	3,999,914	4,542,714	4,570,100	27,386	4,049,244
Total taxes	12,876,414	14,602,814	14,775,100	172,286	13,109,599
Intergovernmental revenue:					
Replacement tax	214,000	422,200	604,402	182,202	287,107
State grants and reimbursements	20,000	66,500	62,975	(3,525)	448,544
Federal grants and reimbursements	-	662,100	662,052	(48)	1,783,090
Total intergovernmental revenue	234,000	1,150,800	1,329,429	178,629	2,518,741
Licenses and permits:					
Contractor licenses	15,200	15,200	19,825	4,625	25,500
Liquor licenses	5,000	23,500	11,520	(11,980)	12,605
Franchise fees	1,998,377	1,998,377	2,001,709	3,332	1,954,251
Other licenses	80,150	95,350	97,558	2,208	84,545
Building permits	28,500	48,500	51,175	2,675	44,807
Pull tab license fees	1,000	1,000	-	(1,000)	893
Inspection fees	5,000	5,000	4,561	(439)	2,875
Total licenses and permits	2,133,227	2,186,927	2,186,348	(579)	2,125,476
Fines and penalties:					
Court fines	37,500	37,500	39,072	1,572	42,957
Zoning ordinance fines	2,650	2,650	2,300	(350)	1,100
False alarm fines	4,000	4,000	5,750	1,750	3,500
Parking fines	3,750	3,750	865	(2,885)	710
Adjudication fines	25,000	25,000	22,818	(2,182)	24,548
Other fines	-	-	2,970	2,970	-
Total fines and penalties	72,900	72,900	73,775	875	72,815
Charges for services:					
Fire services	28,955	28,955	11,431	(17,524)	24,094
Illinois Valley Regional Dispatch	12,000	12,000	12,000	-	12,000
Total charges for services	40,955	40,955	23,431	(17,524)	36,094
Income from investments	76,000	39,100	51,370	12,270	84,658
Other revenues:					
Cemetery income	40,500	40,500	40,000	(500)	48,150
Reimbursements	16,650	16,650	28,856	12,206	34,807
Recreation Receipts	2,500	33,100	33,150	50	-
Rental income	12,600	12,600	13,958	1,358	13,577
Telcom tower rent	80,000	80,000	74,493	(5,507)	71,430
Donations	50,500	1,032,800	1,033,945	1,145	200,118
Miscellaneous	403,150	491,950	588,778	96,828	462,084
Total other revenues	605,900	1,707,600	1,813,180	105,580	830,166
Total revenues	\$ 16,039,396	19,801,096	20,252,633	451,537	18,777,549

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, 2022
(With Comparative Figures for the Year Ended April 30, 2021)

	2022			2021	
	Appropriations		Actual	Over (Under) Final Budget	Actual
	Original	Final			
Expenditures:					
General government:					
General and administrative:					
Salaries	\$ 929,090	976,790	996,809	20,019	848,472
Group insurance	184,700	40,900	189,288	148,388	198,783
Unemployment insurance	3,500	3,500	8,383	4,883	7,680
Workers' compensation insurance	11,750	11,750	6,314	(5,436)	11,548
Social Security contribution	61,732	61,732	74,750	13,018	63,107
IMRF contribution	82,100	82,100	78,147	(3,953)	84,203
Equipment: Maintenance	18,000	38,700	36,332	(2,368)	24,384
Auditing service	47,500	47,500	47,376	(124)	42,581
Engineering service	60,000	60,000	100,294	40,294	46,494
Legal service	135,500	109,300	170,921	61,621	138,384
Code enforcement	8,550	8,550	2,430	(6,120)	6,143
Administration hearing	4,000	4,000	4,000	-	3,666
Postage	10,500	10,500	9,708	(792)	9,366
Telephone	1,250	1,250	76	(1,174)	645
Publishing and advertising	45,000	45,000	57,385	12,385	38,885
COVID-19 expense	-	-	4,651	4,651	60,674
Education, dues, and mileage	57,000	57,000	37,886	(19,114)	22,841
Utilities	35,000	91,500	33,453	(58,047)	33,453
Motel tax economic development	-	-	25	25	-
General insurance	30,000	5,300	49,034	43,734	40,031
Other contractual services	50,850	50,850	45,387	(5,463)	53,933
Operating supplies	44,600	44,600	42,958	(1,642)	33,425
Maintenance agreements	38,500	16,500	15,495	(1,005)	13,674
Community relations	33,000	33,000	13,520	(19,480)	24,513
Sales tax rebates	125,000	253,500	-	(253,500)	452,908
Obligation payment - Parkside	1,560,000	1,560,000	1,559,264	(736)	1,560,369
Economic development	120,000	120,000	135,967	15,967	128,290
Economic support grant	-	45,200	45,152	(48)	275,000
Donations	85,500	131,200	130,671	(529)	103,828
Bad debt	5,000	5,000	778	(4,222)	6,082
Rentals	50,000	-	-	-	-
Prior year litigation write-off	-	-	-	-	(63,906)
Miscellaneous	54,500	103,800	187,304	83,504	92,474
Total general and administrative	3,892,122	4,019,022	4,083,758	64,736	4,361,930
City cemetery:					
Salaries	107,000	138,800	142,791	3,991	101,254
Group insurance	30,500	30,500	27,634	(2,866)	27,844
Dental Insurance	600	600	478	(122)	616
Workers' compensation insurance	5,000	5,000	3,924	(1,076)	4,225
Social Security contribution	8,000	8,000	10,378	2,378	7,333
IMRF contribution	9,200	9,200	10,073	873	8,378
Clothing allowance	350	350	369	19	100
Maintenance:					
Buildings	500	500	5,782	5,282	415
Equipment	7,500	7,500	6,765	(735)	8,051
Vehicles	500	500	204	(296)	-

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, 2022
(With Comparative Figures for the Year Ended April 30, 2021)

	2022			2021	
	Appropriations		Actual	Over (Under) Final Budget	Actual
	Original	Final			
Expenditures (continued):					
General government (continued):					
City cemetery (continued):					
Telephone	\$ 750	750	884	134	770
Utilities	1,800	1,800	7,470	5,670	1,945
Landscaping	13,500	13,500	9,352	(4,148)	12,963
Equipment rental	500	500	-	(500)	-
Contractual services	500	500	1,355	855	-
General insurance	3,200	3,200	3,152	(48)	3,148
Operating supplies	7,850	7,850	20,154	12,304	9,388
Automotive fuel and oil	2,050	2,050	5,841	3,791	2,811
Total city cemetery	199,300	231,100	256,606	25,506	189,241
Public buildings & grounds:					
Salaries	14,500	14,500	21,777	7,277	9,398
Workers' compensation insurance	320	320	353	33	307
Social security contribution	1,045	1,045	1,666	621	727
Maintenance:					
Buildings	25,000	25,000	5,218	(19,782)	25,125
Equipment	550	550	1,072	522	6,693
Grounds	37,500	95,400	101,857	6,457	48,324
Telephone	6,000	6,000	5,844	(156)	5,867
Utilities	14,000	14,000	19,296	5,296	15,947
Landscaping	40,000	40,000	65,701	25,701	77,774
General insurance	675	675	753	78	652
Land purchase and demolition	135,000	65,600	65,560	(40)	-
Other contractual services	47,500	47,500	49,296	1,796	81,399
Operating supplies	3,500	3,500	16,663	13,163	3,963
Property taxes	15,000	42,800	54,380	11,580	12,103
Miscellaneous expense	1,000	1,000	10,752	9,752	23,735
Total public buildings & grounds	341,590	357,890	420,188	62,298	312,014
Total general government	4,433,012	4,608,012	4,760,552	152,540	4,863,185
Public safety:					
Police department:					
Salaries	2,385,400	2,385,400	2,421,639	36,239	2,174,817
Group insurance	570,000	570,000	422,520	(147,480)	476,899
Dental Insurance	11,000	11,000	9,369	(1,631)	9,358
Worker's compensation	43,000	43,000	37,886	(5,114)	43,568
Social Security contribution	45,000	45,000	50,397	5,397	42,792
IMRF contributions	16,750	16,750	16,448	(302)	14,450
Uniform allowance	23,000	23,000	25,691	2,691	26,145
Leads Line Rental	12,500	12,500	10,109	(2,391)	14,255

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, 2022
(With Comparative Figures for the Year Ended April 30, 2021)

	2022			Over (Under) Final Budget	2021
	Appropriations		Actual		Actual
	Original	Final			
Expenditures (continued):					
Public safety (continued):					
Police department (continued):					
Maintenance:					
Buildings	\$ 3,000	3,000	3,502	502	1,852
Equipment	15,000	15,000	64,234	49,234	27,338
Vehicles	80,000	80,000	94,347	14,347	55,218
Legal service	30,000	30,000	3,932	(26,068)	32,254
Employment testing	500	500	2,396	1,896	300
Postage	1,000	1,000	684	(316)	849
Telephone	10,000	10,000	19,966	9,966	8,628
Code red services	15,000	15,000	5,337	(9,663)	15,000
Dues	3,000	3,000	513	(2,487)	1,275
Training	25,000	25,000	6,165	(18,835)	22,274
Utilities	25,000	25,000	89,898	64,898	22,263
General insurance	85,000	85,000	61,455	(23,545)	61,387
Special Programs Expense	15,000	15,000	8,984	(6,016)	4,808
Other contractual services	50,000	50,000	62,647	12,647	27,187
Pension contribution	1,000,000	1,000,000	1,000,000	-	1,000,000
Operating supplies	50,000	50,000	53,851	3,851	28,176
Automotive fuel & oil	55,000	55,000	67,572	12,572	49,275
Computer software	2,500	2,500	14,655	12,155	2,043
Police Station Financing	-	-	-	-	279,082
Community relations	500	500	675	175	275
ESDA Expenses	5,000	5,000	11,812	6,812	4,328
Miscellaneous Expense	6,000	6,000	13,863	7,863	6,942
Total police department	4,583,150	4,583,150	4,580,547	(2,603)	4,453,038
Fire department:					
Salaries	544,100	507,500	510,309	2,809	525,769
Group insurance	111,000	111,000	90,889	(20,111)	104,209
Dental Insurance	1,500	1,500	1,902	402	1,441
Workers' compensation insurance	49,500	49,500	35,588	(13,912)	43,148
Social Security contribution	17,850	17,850	16,033	(1,817)	17,357
IMRF contribution	800	800	927	127	1,009
Uniform allowance	1,500	1,500	948	(552)	846
Maintenance:					
Building	85,000	8,600	9,147	547	15,219
Equipment	16,500	16,500	29,126	12,626	19,615
Vehicles	60,000	89,300	100,105	10,805	134,159
Legal service	15,000	15,000	3,946	(11,054)	-
Telephone	7,500	7,500	4,919	(2,581)	6,480
Dues	650	650	2,631	1,981	693
Training	6,200	6,200	10,802	4,602	4,141
Turnout gear	10,000	10,000	7,144	(2,856)	21,772
Utilities	17,500	17,500	20,828	3,328	17,147

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, 2022
(With Comparative Figures for the Year Ended April 30, 2021)

	2022			2021	
	Appropriations		Actual	Over (Under) Final Budget	Actual
	Original	Final			
Expenditures (continued):					
Public safety (continued):					
Fire department (continued):					
General insurance	\$ 41,500	41,500	39,640	(1,860)	39,597
Other contractual services	10,500	10,500	10,507	7	10,443
Operating supplies	21,500	21,500	21,441	(59)	23,841
Medical services	16,500	16,500	8,404	(8,096)	5,240
Automotive fuel and oil	8,850	8,850	15,004	6,154	9,394
Pension contribution	165,000	165,000	150,000	(15,000)	150,000
Miscellaneous	1,000	1,000	8,215	7,215	855
Total fire department	1,209,450	1,125,750	1,098,455	(27,295)	1,152,375
Total public safety	5,792,600	5,708,900	5,679,002	(29,898)	5,605,413
Public works:					
Service garage:					
Salaries	150,000	150,000	137,752	(12,248)	147,166
Group insurance	35,000	35,000	71,940	36,940	32,816
Dental Insurance	700	700	391	(309)	717
Workers' compensation insurance	5,000	5,000	3,924	(1,076)	4,784
Social security contribution	11,500	11,500	10,150	(1,350)	10,729
IMRF contribution	15,025	15,025	11,379	(3,646)	15,230
Operating supplies	-	-	100	100	-
General insurance	4,320	4,320	4,220	(100)	4,215
Miscellaneous	250	250	313	63	565
Total service garage	221,795	221,795	240,169	18,374	216,222
Sidewalks and crossings:					
Maintenance	2,500	2,500	16,161	13,661	1,029
Curb project	200,000	-	-	-	202,695
Total sidewalks and crossings	202,500	2,500	16,161	13,661	203,724
Streets and alleys:					
Salaries	623,950	623,950	630,410	6,460	651,667
Group insurance	72,000	115,200	101,143	(14,057)	104,068
Dental Insurance	1,200	1,200	1,796	596	1,098
Workers' compensation insurance	36,500	36,500	30,091	(6,409)	33,925
Social security contribution	47,150	47,150	46,782	(368)	48,488
IMRF contribution	60,000	60,000	49,154	(10,846)	59,684
Uniform allowance	2,050	2,050	1,090	(960)	1,647
Maintenance:					
Buildings	135,000	194,600	195,228	628	12,278
Equipment	20,500	41,300	46,921	5,621	19,772
Vehicles	25,000	71,300	73,586	2,286	33,867
Streets	200,000	222,600	224,150	1,550	502,067
Engineering service	15,000	49,100	49,099	(1)	27,183
Legal expense	2,500	2,500	4,825	2,325	432

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, 2022
(With Comparative Figures for the Year Ended April 30, 2021)

	2022			2021	
	Appropriations		Actual	Over (Under) Final Budget	Actual
	Original	Final			
Expenditures (continued):					
Public works (continued):					
Streets and alleys (continued):					
Telephone	\$ 6,500	6,500	7,696	1,196	6,719
Utilities	17,500	17,500	39,303	21,803	23,618
General insurance	31,000	31,000	22,908	(8,092)	22,882
Rentals	4,500	4,500	-	(4,500)	3,900
Other contractual services	25,000	25,000	29,718	4,718	57,885
Maint. supplies - streets	25,000	25,000	42,728	17,728	27,741
Maint. supplies - snow removal	150,000	81,400	81,366	(34)	197,098
Operating supplies	65,000	65,000	51,223	(13,777)	(1,424)
Automotive fuel and oil	52,000	75,100	81,334	6,234	62,364
Education and meetings	2,850	2,850	2,825	(25)	2,809
Miscellaneous Expense	1,000	1,000	2,003	1,003	1,235
Total streets and alleys	1,621,200	1,802,300	1,815,379	13,079	1,901,003
Total public works	2,045,495	2,026,595	2,071,709	45,114	2,320,949
Health and welfare:					
Other contractual services	291,508	291,508	298,659	7,151	283,244
Total health and welfare	291,508	291,508	298,659	7,151	283,244
Culture and recreation:					
Public parks:					
Salaries	299,690	223,290	226,415	3,125	297,994
Group insurance	4,600	31,400	31,110	(290)	45,752
Dental Insurance	1,065	1,065	506	(559)	1,244
Workers' compensation insurance	8,000	8,000	6,388	(1,612)	7,789
Social Security contribution	22,050	22,050	16,775	(5,275)	21,962
IMRF contribution	16,704	16,704	11,087	(5,617)	16,497
Uniform allowance	500	500	135	(365)	867
Maintenance:					
Buildings	15,000	15,000	3,170	(11,830)	1,576
Equipment	55,500	32,600	45,315	12,715	45,403
Vehicles	500	500	4,446	3,946	3,568
Grounds	50,500	248,700	250,489	1,789	83,661
Engineering service	2,000	46,200	46,200	-	962
Utilities	26,500	26,500	28,128	1,628	24,559
General insurance	8,500	8,500	8,721	221	8,712
Other contractual services	63,500	63,500	76,355	12,855	81,410
Operating supplies	50,000	93,600	96,172	2,572	31,408
Automotive fuel and oil	4,500	4,500	7,171	2,671	5,055
Band concerts	8,500	8,500	-	(8,500)	-
Landscaping	40,000	10,600	10,572	(28)	4,800
Camp Stipends	12,500	12,500	13,615	1,115	11,490
Events	135,000	135,000	167,161	32,161	29,792
Miscellaneous	1,750	1,750	7,804	6,054	861
Total culture and recreation	826,859	1,010,959	1,057,735	46,776	725,362

**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, 2022
(With Comparative Figures for the Year Ended April 30, 2021)**

	2022			2021	
	Appropriations		Actual	Over (Under) Final Budget	Actual
	Original	Final			
Expenditures (continued):					
Debt service:					
Bond interest	\$ 200,000	412,746	412,746	-	151,745
Bond principal	778,713	525,000	525,000	-	460,000
Note principal	85,000	-	-	-	21,731
Note interest	6,800	6,800	2,396	(4,404)	3,190
Total debt service	1,070,513	944,546	940,142	(4,404)	636,666
Capital outlay:					
Land / property	50,000	-	-	-	110,100
Equipment and computers	201,500	97,400	30,910	(66,490)	337,666
Vehicles	195,000	349,300	1,388,577	1,039,277	167,473
Improvements	1,750,000	2,703,000	2,695,189	(7,811)	5,272,883
Construction	25,000	186,500	2,733,348	2,546,848	12,804,218
Total capital outlay	2,221,500	3,336,200	6,848,024	3,511,824	18,692,340
Total expenditures	16,681,487	17,926,720	21,655,823	3,729,103	33,127,159
Excess of revenues over expenditures	(642,091)	1,874,376	(1,403,190)	(3,277,566)	(14,349,610)
Other financing sources (uses):					
Proceeds from the sale of cap. assets	-	20,000	20,000	-	200
Proceeds from the sale of bonds	-	-	-	-	13,520,000
Premium on bonds sold	-	-	-	-	1,584,830
Transfers in	10,000	49,900	-	(49,900)	50,948
Loan Proceeds	-	-	1,106,968	1,106,968	-
Transfers out	-	-	-	-	(13,000)
Total other financing sources (uses)	10,000	69,900	1,126,968	1,057,068	15,142,978
Net change in fund balance	\$ (632,091)	1,944,276	(276,222)	(2,220,498)	793,368
Fund balance, beginning of year			9,922,517		9,129,149
Fund balance, end of year			\$ 9,646,295		9,922,517

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,						
	2021	2020	2019	2018	2017	2016	2015
TOTAL PENSION LIABILITY							
Service cost	\$ 326,752	348,606	342,197	309,047	341,978	375,371	371,022
Interest on the total pension liability	2,111,038	2,051,559	2,041,536	1,960,569	1,968,674	1,953,304	1,930,726
Benefit changes	-	-	-	-	-	-	-
Differences between expected and actual experience	758,479	161,123	(838,847)	359,000	(142,457)	(652,022)	(538,284)
Assumption changes	-	(287,295)	-	802,953	(819,368)	(32,116)	-
Benefit payments and refunds	(1,496,510)	(1,388,823)	(1,430,878)	(1,428,996)	(1,451,875)	(1,463,477)	(1,464,907)
Net Change in Total Pension Liability	1,699,759	885,170	114,008	2,002,573	(103,048)	181,060	298,557
Total Pension Liability - Beginning	29,702,641	28,817,471	28,703,463	26,700,890	26,803,938	26,622,878	26,324,321
Total Pension Liability - Ending (a)	\$ 31,402,400	29,702,641	28,817,471	28,703,463	26,700,890	26,803,938	26,622,878
PLAN FIDUCIARY NET POSITION							
Employer contributions	\$ 357,015	378,413	253,023	375,958	352,860	476,523	423,193
Employee contributions	205,105	159,148	152,503	150,954	151,618	158,243	156,572
Pension Plan Net Investment Income	5,304,591	4,094,359	4,852,403	(1,562,355)	4,408,747	1,640,312	117,884
Benefit Payments and Refunds	(1,496,510)	(1,388,823)	(1,430,878)	(1,428,996)	(1,451,875)	(1,463,477)	(1,464,907)
Other	261,966	114,360	(656,229)	451,124	(374,669)	(157,226)	482,191
Net Change in Plan Fiduciary Net Position	4,632,167	3,357,457	3,170,822	(2,013,315)	3,086,681	654,375	(285,067)
Plan Fiduciary Net Position - Beginning	31,990,249	28,632,792	25,461,970	27,475,285	24,388,604	23,734,229	24,019,296
Plan Fiduciary Net Position - Ending (b)	\$ 36,622,416	31,990,249	28,632,792	25,461,970	27,475,285	24,388,604	23,734,229
EMPLOYER'S NET PENSION LIABILITY (ASSET) (a-b)	\$ (5,220,016)	(2,287,608)	184,679	3,241,493	(774,395)	2,415,334	2,888,649
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	116.62%	107.70%	99.36%	88.71%	102.90%	90.99%	89.15%
Covered Valuation Payroll	\$ 3,699,632	3,510,078	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	-141.10%	-65.17%	5.49%	96.74%	-24.82%	68.78%	83.62%

*Schedule to be built prospectively from 2015

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

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

Notes to Schedules:

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

Methods and assumptions used to determine the 2021 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): 22-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 17 years for most employers (five employers were financed over 18 years; one employer was financed over 19 years; two employers were financed over 20 years; three employers were financed over 26 years; four employers were financed over 27 years; and one employer was financed over 28 years).
Asset valuation method	5-year smoothed market; 20% corridor
Wage growth	3.25%
Inflation	2.50%
Salary increases	3.35% to 14.25% 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 2017 valuation pursuant to an experience study of the period 2014 - 2016.

Mortality For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustments that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

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,							
	2022	2021	2020	2019	2018	2017	2016	2015
TOTAL PENSION LIABILITY								
Service Cost	\$ 510,436	516,119	494,137	488,046	516,255	497,584	497,584	465,221
Interest	1,644,791	1,601,745	1,526,302	1,383,707	1,310,354	1,254,499	1,163,231	1,113,269
Changes of benefit terms	-	-	25,471	-	-	-	-	-
Difference between expected and actual experience	(578,447)	(313,347)	260,742	487,986	802,033	-	(141,302)	-
Changes of assumptions	-	-	-	924,349	364,789	-	820,153	-
Benefit payments, including refunds of employee contributions	(998,043)	(1,222,158)	(1,020,925)	(996,402)	(974,000)	(922,022)	(875,938)	(808,454)
Net Change in Total Pension Liability	578,737	582,359	1,285,727	2,287,686	2,019,431	830,061	1,463,728	770,036
Total Fiduciary Pension Liability - Beginning	26,305,245	25,722,886	24,437,159	22,149,473	20,130,042	19,299,981	17,836,253	17,066,217
Total Fiduciary Pension Liability - Ending (a)	\$26,883,982	26,305,245	25,722,886	24,437,159	22,149,473	20,130,042	19,299,981	17,836,253
PLAN FIDUCIARY NET POSITION								
Contributions - employer	\$ 1,732,462	1,700,895	1,545,674	1,388,128	1,248,667	998,985	858,792	827,242
Contributions - employee	190,104	174,592	177,092	170,234	162,422	165,650	161,858	159,044
Net investment income	(1,120,790)	2,415,039	91,528	406,268	581,388	561,341	(35,566)	296,638
Benefit payments, including refunds of employee contributions	(998,043)	(1,222,158)	(1,020,925)	(996,402)	(974,000)	(922,022)	(875,938)	(808,454)
Administrative expense	(7,665)	(5,634)	(6,212)	(6,225)	(4,650)	(9,884)	(7,800)	(11,407)
Net Change in Plan Fiduciary Net Position	(203,932)	3,062,734	787,157	962,003	1,013,827	794,070	101,346	463,063
Plan Fiduciary Net Position - Beginning	13,942,940	10,880,206	10,093,049	9,131,046	8,117,219	7,323,149	7,221,803	6,758,740
Plan Fiduciary Net Position - Ending (b)	\$13,739,008	13,942,940	10,880,206	10,093,049	9,131,046	8,117,219	7,323,149	7,221,803
EMPLOYER'S NET PENSION LIABILITY (ASSET) (a-b)	\$13,144,974	12,362,305	14,842,680	14,344,110	13,018,427	12,012,823	11,976,832	10,614,450
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	51.10%	53.00%	42.30%	41.30%	41.22%	40.32%	37.94%	40.49%
Covered Valuation Payroll	\$ 1,918,305	1,761,776	1,787,003	1,717,800	1,638,971	1,671,550	1,633,280	1,545,527
Net Pension Liability as a Percentage of Covered Valuation Payroll	685.24%	701.70%	830.59%	835.03%	794.30%	718.66%	733.30%	686.79%

*Schedule to be built prospectively from 2015

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
2022	\$ 1,049,704	1,732,462	(682,758)	1,918,305	90.31%
2021	1,117,430	1,700,895	(583,465)	1,761,776	96.54%
2020	1,137,948	1,545,674	(407,726)	1,787,003	86.50%
2019	1,114,980	1,388,128	(273,148)	1,717,800	80.81%
2018	1,006,366	1,248,667	(242,301)	1,638,971	76.19%
2017	779,239	998,985	(219,746)	1,671,550	59.76%
2016	779,239	858,792	(79,553)	1,633,280	52.58%
2015	733,166	827,242	(94,076)	1,545,527	53.52%

Notes to Schedules:Valuation Date:

May 1, 2021

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 2022 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	6.50%
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
Decrement 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 33 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,	2022	2021	2020	2019	2018	2017	2016	2015
Annual money-weighted rate of return, net of investment expense	N/A	N/A	0.58%	4.00%	N/A	N/A	N/A	4.25%

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

	Year Ended April 30,							
	2022	2021	2020	2019	2018	2017	2016	2015
TOTAL PENSION LIABILITY								
Service Cost	\$ 120,142	117,497	113,075	105,892	115,145	104,199	104,199	94,645
Interest	210,522	206,180	201,740	190,188	191,682	181,129	175,915	168,809
Changes of benefit terms	-	-	7,453	-	-	-	-	-
Difference between expected and actual experience	(102,849)	(110,279)	(108,638)	(87,249)	(185,623)	-	(168,668)	-
Changes of assumptions	-	-	-	143,006	(15,481)	-	159,828	-
Benefit payments, including refunds of employee contributions	(129,589)	(128,815)	(129,689)	(126,265)	(126,447)	(126,184)	(125,574)	(136,226)
Net Change in Total Pension Liability	98,226	84,583	83,941	225,572	(20,724)	159,144	145,700	127,228
Total Pension Liability - Beginning	4,155,096	4,070,513	3,986,572	3,761,000	3,781,724	3,622,580	3,476,880	3,349,652
Total Pension Liability - Ending (a)	<u>\$ 4,253,322</u>	<u>4,155,096</u>	<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>	<u>3,476,880</u>
PLAN FIDUCIARY NET POSITION								
Contributions - employer	\$ 232,698	229,336	211,446	202,102	183,694	150,671	130,312	124,483
Contributions - employee	24,912	24,319	24,636	23,155	22,484	22,102	21,538	21,023
Net investment income	(236,394)	333,086	54,368	98,864	34,975	58,102	51,158	50,576
Benefit payments, including refunds of employee contributions	(129,589)	(128,815)	(129,689)	(126,265)	(126,447)	(126,184)	(125,574)	(136,226)
Administrative expense	(540)	(608)	(469)	(1,208)	(425)	(300)	(100)	(11,056)
Net Change in Plan Fiduciary Net Position	(108,913)	457,318	160,292	196,648	114,281	104,391	77,334	48,800
Plan Fiduciary Net Position - Beginning	3,155,611	2,698,293	2,538,001	2,341,353	2,227,072	2,122,681	2,045,347	1,996,547
Plan Fiduciary Net Position - Ending (b)	<u>\$ 3,046,698</u>	<u>3,155,611</u>	<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>	<u>2,045,347</u>
EMPLOYER'S NET PENSION LIABILITY (ASSET) (a-b)	<u>\$ 1,206,624</u>	<u>999,485</u>	<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>	<u>1,431,533</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	71.63%	75.95%	66.29%	63.66%	62.25%	58.89%	58.60%	58.83%
Covered Valuation Payroll	\$ 263,480	257,208	260,561	244,897	237,800	233,755	227,795	217,826
Net Pension Liability as a Percentage of Covered Valuation Payroll	457.96%	388.59%	526.64%	591.50%	596.99%	665.08%	658.44%	657.19%

*Schedule to be built prospectively from 2015

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

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

Notes to Schedules:

Valuation Date:

May 1, 2021

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 2022 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	5.75%
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
Decrement 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 12.50% to 3.50% at 31 years of service.
Inflation	2.50%
Tier 1 cost-of-living-adjustment	3.00%
Tier 2 cost-of-living adjustment	1.25%
Marital status	80% of members are assumed to be married; male spouses are assumed to be 3 years older than female spouses.
Other information	The actuarial assumptions used for determining the above amounts are based on experience for all Article 4 funds for the State of Illinois in aggregate. The Department of Insurance has approved the above actuarial assumptions. Contact the Department of Insurance for complete experience tables.

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

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

Required Supplementary Information
Retiree Health Plan
Schedule of Changes in the City's Net OPEB Liability and Related Ratios*

	Year Ended April 30,			
	2022	2021	2020	2019
TOTAL OPEB LIABILITY				
Service Cost	\$ 23,961	17,433	16,086	14,430
Interest	19,249	24,082	24,685	26,422
Changes of benefit terms	-	42,226	-	-
Difference between expected and actual experience	-	-	-	-
Changes of assumptions	(233,315)	206,649	34,163	37,882
Benefit payments	(51,172)	(44,308)	(40,758)	(37,739)
Net Change in Total OPEB Liability	(241,277)	246,082	34,176	40,995
Total OPEB Liability - Beginning	1,053,410	807,328	773,152	732,157
Total OPEB Liability - Ending (a)	<u>\$ 812,133</u>	<u>1,053,410</u>	<u>807,328</u>	<u>773,152</u>
Covered Valuation Payroll	\$ 6,439,704	6,282,638	6,127,786	5,492,235
Net OPEB Liability as a Percentage of Covered Valuation Payroll	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, 2022	3.98%
Fiscal year ending April 30, 2021	1.83%
Fiscal year ending April 30, 2020	2.85%
Fiscal year ending April 30, 2019	3.21%
Fiscal year ending April 30, 2018	3.63%

Benefit Payments:

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

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

Notes to Required Supplementary Information
For the Year Ended April 30, 2022

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, 2022, was adopted on April 12, 2021, and was amended on April 25, 2022.

For the year ended April 30, 2022, expenditures of the General Fund, Garbage Fund, Motor Fuel Tax Fund, and TIF Funds II, IV, and V exceeded the amended budget by \$3,729,103 \$31,162, \$100,000, \$5,384, \$5,105, and \$5,713.

NOTE 2: PENSIONS

Police Pension

Changes of Assumptions

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, 2022

NOTE 2: PENSIONS – (Continued)

Police Pension – (Continued)

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

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

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

Firemen’s Pension

Changes of Assumptions

For measurement date April 30, 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, 2022

NOTE 2: **PENSIONS** – (Continued)

Firemen's Pension – (Continued)

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

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

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

OTHER INFORMATION

CITY OF PERU, ILLINOIS
NONMAJOR FUNDS

SCHEDULE C-1

Combining Balance Sheet

April 30, 2022

(With Comparative Figures for April 30, 2021)

	Totals		Special Revenue Funds			
			Drug Enforcement Impound and Equipment Fund	Garbage Fund	Motor Fuel Tax Fund	Recreation Fund
	2022	2021				
<u>Assets</u>						
Cash and cash equivalents	\$ 1,671,140	2,462,134	203,692	-	722,420	-
Receivables:						
Property taxes	645,764	588,620	-	-	-	-
Motor fuel taxes	34,546	33,895	-	-	34,546	-
Other	84,471	192,754	-	84,471	-	-
Total assets	\$ 2,435,921	3,277,403	203,692	84,471	756,966	-
<u>Liabilities</u>						
Overdraft payable	\$ 39,781	5,720	-	30,269	-	-
Accounts payable	27,905	74,570	-	-	-	-
Due to other funds	92,423	92,423	-	-	-	-
Total liabilities	160,109	172,713	-	30,269	-	-
<u>Deferred Inflows of Resources</u>						
Property taxes levied for subsequent years	645,764	588,620	-	-	-	-
Total deferred inflows of resources	645,764	588,620	-	-	-	-
<u>Fund Balances</u>						
Restricted for:						
Public safety services	203,692	255,618	203,692	-	-	-
Streets and public improvements	756,966	1,704,922	-	-	756,966	-
Urban renewal purposes	583,272	435,376	-	-	-	-
Economic development	105,315	157,712	-	-	-	-
Other purposes	54,202	37,436	-	54,202	-	-
Unassigned	(73,399)	(74,994)	-	-	-	-
Total fund balance (deficit)	1,630,048	2,516,070	203,692	54,202	756,966	-
Total liabilities, deferred inflows, and fund balances	\$ 2,435,921	3,277,403	203,692	84,471	756,966	-

CITY OF PERU, ILLINOIS
NONMAJOR FUNDS

SCHEDULE C-1
(CONTINUED)

Combining Balance Sheet
April 30, 2022
(With Comparative Figures for April 30, 2021)

	Peru Industrial Park TIF Fund	TIF District No. 3 Fund	TIF District No. 4 Fund	Peru Mall TIF Fund	Community Development Assistance Prog. Fund
<u>Assets</u>					
Cash and cash equivalents	\$ 594,838	38,131	30,196	-	81,863
Receivables:					
Property taxes	367,828	96,013	181,923	-	-
Motor fuel taxes	-	-	-	-	-
Other	-	-	-	-	-
Prepaid expenses	-	-	-	-	-
Total assets	<u>\$ 962,666</u>	<u>134,144</u>	<u>212,119</u>	<u>-</u>	<u>81,863</u>
<u>Liabilities</u>					
Overdraft payable	\$ -	-	-	9,512	-
Accounts payable	11,566	6,410	6,744	3,185	-
Due to other funds	-	92,423	-	-	-
Total liabilities	<u>11,566</u>	<u>98,833</u>	<u>6,744</u>	<u>12,697</u>	<u>-</u>
<u>Deferred Inflows of Resources</u>					
Property taxes levied for subsequent years	367,828	96,013	181,923	-	-
Total deferred inflows of resources	<u>367,828</u>	<u>96,013</u>	<u>181,923</u>	<u>-</u>	<u>-</u>
<u>Fund Balances</u>					
Restricted for:					
Public safety services	-	-	-	-	-
Streets and public improvements	-	-	-	-	-
Urban renewal purposes	583,272	-	-	-	-
Economic development	-	-	23,452	-	81,863
Other purposes	-	-	-	-	-
Unassigned	-	(60,702)	-	(12,697)	-
Total fund balance (deficit)	<u>583,272</u>	<u>(60,702)</u>	<u>23,452</u>	<u>(12,697)</u>	<u>81,863</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 962,666</u>	<u>134,144</u>	<u>212,119</u>	<u>-</u>	<u>81,863</u>

CITY OF PERU, ILLINOIS
NONMAJOR FUNDS

SCHEDULE C-2

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Year Ended April 30, 2022
(With Comparative Figures for the Year Ended April 30, 2021)

	Totals		Special Revenue Funds		
	2022	2021	Drug Enforcement	Garbage	Motor
			Impound and Equipment Fund	Fund	Fuel Tax Fund
Revenues:					
Taxes	\$ 513,343	561,218	-	-	-
Intergovernmental	648,873	725,595	-	-	648,873
Fines and penalties	55,314	30,398	55,314	-	-
Charges for services	867,866	813,681	-	867,866	-
Income from investments	3,764	6,179	191	62	3,171
Other	23,259	17,785	23,259	-	-
Total revenues	2,112,419	2,154,856	78,764	867,928	652,044
Expenditures:					
General government	53,751	56,953	-	-	-
Public safety	130,690	22,939	130,690	-	-
Health and welfare	851,162	822,347	-	851,162	-
Capital Outlay	1,600,000	-	-	-	1,600,000
Payments under intergovernmental agreements	362,838	282,303	-	-	-
Total expenditures	2,998,441	1,184,542	130,690	851,162	1,600,000
Excess (deficiency) of revenues over (under) expenditures	(886,022)	970,314	(51,926)	16,766	(947,956)
Other financing sources (uses):					
Transfers from other funds	-	13,000	-	-	-
Transfers to other funds	-	(95,864)	-	-	-
Total other financing sources (uses)	-	(82,864)	-	-	-
Net change in fund balance	(886,022)	887,450	(51,926)	16,766	(947,956)
Fund balance (deficit), beginning of year	2,516,070	1,628,620	255,618	37,436	1,704,922
Fund balance (deficit), end of year	\$ 1,630,048	2,516,070	203,692	54,202	756,966

CITY OF PERU, ILLINOIS
NONMAJOR FUNDS

SCHEDULE C-2
(CONTINUED)

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Year Ended April 30, 2022
(With Comparative Figures for the Year Ended April 30, 2021)

	Special Revenue Funds					Community Development Assistance Prog. Fund
	Recreation Fund	Peru Industrial Park TIF Fund	TIF District No. 3 Fund	TIF District No. 4 Fund	Peru Mall TIF Fund	
Revenues:						
Taxes	\$ -	363,778	93,516	56,049	-	-
Intergovernmental	-	-	-	-	-	-
Fines and penalties	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Income from investments	-	252	29	43	-	16
Other	-	-	-	-	-	-
Total revenues	-	364,030	93,545	56,092	-	16
Expenditures:						
General government	-	22,019	11,926	14,093	5,713	-
Public safety	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Payments under intergovernmental agreements	-	194,115	74,311	94,412	-	-
Total expenditures	-	216,134	86,237	108,505	5,713	-
Excess (deficiency) of revenues over (under) expenditures	-	147,896	7,308	(52,413)	(5,713)	16
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Net change in fund balance	-	147,896	7,308	(52,413)	(5,713)	16
Fund balance (deficit), beginning of year	-	435,376	(68,010)	75,865	(6,984)	81,847
Fund balance (deficit), end of year	\$ -	583,272	(60,702)	23,452	(12,697)	81,863

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, 2022
 (With Comparative Figures for the Year Ended April 30, 2021)

	2022			2021	
	Original Budget	Final Budget	Actual	Over (Under) Final Budget	Actual
Revenues:					
Drug enforcement	\$ 17,500	39,300	39,267	(33)	12,983
Impound fees	18,500	18,500	16,047	(2,453)	17,415
Other revenue	22,500	22,500	23,259	759	17,785
Income from investments	500	500	191	(309)	431
Total revenues	59,000	80,800	78,764	(2,036)	48,614
Expenditures:					
Drug enforcement	22,500	115,800	115,837	37	17,032
Impound	500	500	-	(500)	-
Other expenditures	15,000	15,000	14,853	(147)	5,907
Total expenditures	38,000	131,300	130,690	(610)	22,939
Excess (deficiency) of revenues over (under) expenditures	21,000	(50,500)	(51,926)	(1,426)	25,675
Other financing sources (uses):					
Transfers to other funds	(10,000)	(10,000)	-	10,000	-
Net change in fund balance	\$ 11,000	(60,500)	(51,926)	8,574	25,675
Fund balance, beginning of year			255,618		229,943
Fund balance, end of year			203,692		255,618

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, 2022
(With Comparative Figures for the Year Ended April 30, 2021)

	2022			2021	
	Original Budget	Final Budget	Actual	Over (Under) Final Budget	Actual
Revenues:					
Monthly garbage charges	\$ 819,900	819,900	867,866	47,966	813,681
Income from investments	100	100	62	(38)	82
Total revenues	820,000	820,000	867,928	47,928	813,763
Expenditures:					
Scavenger contract	820,000	820,000	850,580	30,580	821,808
Forgiveness of debt	-	-	582	582	539
Total expenditures	820,000	820,000	851,162	31,162	822,347
Excess (deficiency) of revenues over (under) expenditures	-	-	16,766	16,766	(8,584)
Other financing sources (uses):					
Transfers from other funds	-	-	-	-	13,000
Net change in fund balance	\$ -	-	16,766	16,766	4,416
Fund balance, beginning of year			37,436		33,020
Fund balance, end of year			54,202		37,436

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, 2022
(With Comparative Figures for the Year Ended April 30, 2021)

	2022			2021	
	Original Budget	Final Budget	Actual	Over (Under) Final Budget	Actual
Revenues:					
Motor fuel tax allotments	\$ 395,000	422,100	422,713	613	386,354
Rebuild Illinois grant	-	226,200	226,160	(40)	339,241
Income from investments	5,500	5,500	3,171	(2,329)	5,445
Total revenues	400,500	653,800	652,044	(1,756)	731,040
Expenditures:					
Annual street maintenance projects	1,500,000	1,500,000	1,600,000	100,000	-
Total expenditures	1,500,000	1,500,000	1,600,000	100,000	-
Excess (deficiency) of revenues over (under) expenditures	\$ (1,099,500)	(846,200)	(947,956)	(101,756)	731,040
Fund balance, beginning of year			1,704,922		973,882
Fund balance, end of year			756,966		1,704,922

CITY OF PERU, ILLINOIS
RECREATION FUND

SCHEDULE C-6

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Year Ended April 30, 2022
(With Comparative Figures for the Year Ended April 30, 2021)

	2022			2021	
	Original Budget	Final Budget	Actual	Over (Under) Final Budget	Actual
Total revenues	\$ -	-	-	-	-
Total expenditures	-	-	-	-	-
Other financing sources (uses):					
Transfers (to) other funds	-	-	-	-	(50,948)
Total other financing sources (uses)	-	-	-	-	(50,948)
Net change in fund balance	<u>\$ -</u>	<u>-</u>	-	<u>-</u>	(50,948)
Fund balance, beginning of year			-		50,948
Fund balance, end of year			<u>-</u>		<u>-</u>

CITY OF PERU, ILLINOIS
 PERU INDUSTRIAL PARK TIF FUND

SCHEDULE C-7

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
 Year Ended April 30, 2022
 (With Comparative Figures for Year Ended April 30, 2021)

	2022			2021	
	Original Budget	Final Budget	Actual	Over (Under) Final Budget	Actual
Revenues:					
Property taxes	\$ 367,500	367,500	363,778	(3,722)	360,502
Income from investments	250	250	252	2	167
Total revenues	<u>367,750</u>	<u>367,750</u>	<u>364,030</u>	<u>(3,720)</u>	<u>360,669</u>
Expenditures:					
Administration fees	15,000	15,000	22,019	7,019	21,721
Developer payments	45,750	45,750	48,514	2,764	48,261
Intergovernmental agreements	150,000	150,000	145,601	(4,399)	144,875
Total expenditures	<u>210,750</u>	<u>210,750</u>	<u>216,134</u>	<u>5,384</u>	<u>214,857</u>
Excess (deficiency) of revenues over (under) expenditures	<u>157,000</u>	<u>157,000</u>	<u>147,896</u>	<u>(9,104)</u>	<u>145,812</u>
Other financing sources (uses):					
Transfers to other funds	-	-	-	-	(44,916)
Net change in fund balance	<u>\$ 157,000</u>	<u>157,000</u>	<u>147,896</u>	<u>(9,104)</u>	<u>100,896</u>
Fund balance, beginning of year			<u>435,376</u>		<u>334,480</u>
Fund balance, end of year			<u>583,272</u>		<u>435,376</u>

**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Year Ended April 30, 2022
(With Comparative Figures for the Year Ended April 30, 2021)**

	2022			2021	
	Original Budget	Final Budget	Actual	Over (Under) Final Budget	Actual
Revenues:					
Property taxes	\$ 95,000	95,000	93,516	(1,484)	93,517
Income from investments	20	20	29	9	21
Total revenues	95,020	95,020	93,545	(1,475)	93,538
Expenditures:					
Administration fees	12,500	12,500	11,926	(574)	11,842
Developer reimbursement	28,500	28,500	27,828	(672)	27,823
Intergovernmental agreements	-	46,500	46,483	(17)	46,399
Total expenditures	41,000	87,500	86,237	(1,263)	86,064
Excess (deficiency) of revenues over (under) expenditures	\$ 54,020	7,520	7,308	(212)	7,474
Fund balance (deficit), beginning of year			(68,010)		(75,484)
Fund balance (deficit), end of year			(60,702)		(68,010)

**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Year Ended April 30, 2022
(With Comparative Figures for the Year Ended April 30, 2021)**

	2022			2021	
	Original Budget	Final Budget	Actual	Over (Under) Final Budget	Actual
Revenues:					
Property taxes	\$ 100,000	56,000	56,049	49	107,199
Income from investments	15	15	43	28	17
Total revenues	100,015	56,015	56,092	77	107,216
Expenditures:					
Administration fees	8,500	8,500	12,062	3,562	14,157
Developer reimbursement	500	500	2,031	1,531	2,249
Intergovernmental agreements	500	94,400	94,412	12	14,945
Total expenditures	9,500	103,400	108,505	5,105	31,351
Excess (deficiency) of revenues over (under) expenditures	\$ 90,515	(47,385)	(52,413)	(5,028)	75,865
Fund balance, beginning of year			75,865		-
Fund balance, end of year			23,452		75,865

**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
 Year Ended April 30, 2022
 (With Comparative Figures for the Year Ended April 30, 2021)**

	2022			2021	
	Original Budget	Final Budget	Actual	Over (Under) Final Budget	Actual
Revenues:					
Property taxes	\$ -	-	-	-	-
Total revenues	-	-	-	-	-
Expenditures:					
Legal and professional fees	-	-	5,713	5,713	6,984
Total expenditures	-	-	5,713	5,713	6,984
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>-</u>	(5,713)	<u>(5,713)</u>	(6,984)
Fund balance (deficit), beginning of year			(6,984)		-
Fund balance (deficit), end of year			<u>(12,697)</u>		<u>(6,984)</u>

CITY OF PERU, ILLINOIS
 COMMUNITY DEVELOPMENT ASSISTANCE PROGRAM FUND

SCHEDULE C-11

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
 Year Ended April 30, 2022
 (With Comparative Figures for the Year Ended April 30, 2021)

	2022			2021	
	Original Budget	Final Budget	Actual	Over (Under) Final Budget	Actual
Revenues:					
Income from investments	\$ -	-	16	16	16
Total revenues	-	-	16	16	16
Expenditures:					
Miscellaneous expenditures	-	-	-	-	-
Total expenditures	-	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	\$ -	-	16	16	16
Fund balance, beginning of year			81,847		81,831
Fund balance, end of year			81,863		81,847

CITY OF PERU, ILLINOIS
PENSION TRUST FUNDS

SCHEDULE D-1

Combining Statement of Fiduciary Net Position
April 30, 2022
(With Comparative Figures for April 30, 2021)

	Police Pension Fund	Firemen's Pension Fund	Totals	
			2022	2021
<u>Assets</u>				
Cash and cash equivalents	\$ 1,119,225	3,046,698	4,165,923	1,066,019
Investments	12,614,110	-	12,614,110	16,001,885
Accrued interest	5,673	-	5,673	30,647
Total assets	<u>\$ 13,739,008</u>	<u>3,046,698</u>	<u>16,785,706</u>	<u>17,098,551</u>
<u>Net position</u>				
Held in trust for pension benefits	<u>\$ 13,739,008</u>	<u>3,046,698</u>	<u>16,785,706</u>	<u>17,098,551</u>
Total net position	<u>\$ 13,739,008</u>	<u>3,046,698</u>	<u>16,785,706</u>	<u>17,098,551</u>

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

SCHEDULE D-2

**Combining Statement of Changes in Fiduciary Net Position
Year Ended April 30, 2022
(With Comparative Figures for the Year Ended April 30, 2021)**

	Police Pension Fund	Firemen's Pension Fund	Totals	
			2022	2021
Additions:				
Contributions:				
Employer contributions	\$ 1,732,462	232,698	1,965,160	1,930,231
Plan member contributions	190,104	24,912	215,016	198,912
Total contributions	1,922,566	257,610	2,180,176	2,129,143
Net investment income:				
Net change in fair value of investments	(1,781,639)	(258,979)	(2,040,618)	2,595,879
Investment income	697,190	31,712	728,902	194,959
Total investment income	(1,084,449)	(227,267)	(1,311,716)	2,790,838
Less: investment expense	36,341	9,127	45,468	42,715
Net investment expense	(1,120,790)	(236,394)	(1,357,184)	2,748,123
Total additions	801,776	21,216	822,992	4,877,266
Deductions:				
Administrative	7,665	540	8,205	6,242
Benefit payments, including member refunds	998,043	129,589	1,127,632	1,350,972
Total deductions	1,005,708	130,129	1,135,837	1,357,214
Changes in net position	(203,932)	(108,913)	(312,845)	3,520,052
Net position, beginning of year	13,942,940	3,155,611	17,098,551	13,578,499
Net position, end of year	\$ 13,739,008	3,046,698	16,785,706	17,098,551

SUPPLEMENTAL INFORMATION

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

	Tax Year					
	2016	2017	2018	2019	2020	2021
Assessed valuations	\$ 281,798,594	288,584,987	289,436,622	268,684,066	271,818,004	276,192,319
Tax rates:						
Garbage	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Library	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Recreation	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Police Pension	0.2637	0.2565	0.2694	0.2672	0.2772	0.2867
Firemen's Pension	0.0298	0.0290	0.0304	0.0302	0.0313	0.0324
Library Building Construction	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Liability Insurance	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Totals	0.2935	0.2855	0.2998	0.2974	0.3085	0.3190
Tax extensions:						
Police Pension	\$ 609,637	639,260	668,563	695,888	729,715	764,944
Firemen's Pension	68,803	72,150	75,459	78,545	82,387	86,349
Total	678,440	711,410	744,022	774,433	812,102	851,293
Plus: Road & Bridge*	160,907	172,163	173,000	171,000	172,000	172,000
Total Extensions	839,347	883,573	917,022	945,433	984,102	1,023,293
Tax Collections	\$ 837,802	882,101	916,430	951,949	985,835	-

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

	Tax Year		
	2019	2020	2021
Assessed Valuations:			
TIF II	\$ 6,313,638	6,486,651	6,534,702
TIF III	3,550,709	3,390,207	3,476,055
TIF IV	25,830,051	26,028,581	26,574,052
TIF V	2,533,300	2,499,970	2,499,970
Tax Extensions:			
TIF II	357,244	363,754	367,828
TIF III	95,101	93,510	96,014
TIF IV	108,738	131,356	186,616
TIF V	-	-	-
Total	\$ 561,083	588,620	650,459
Collections**	\$ 561,218	513,343	-

**The City remitted a TIF surplus of \$73,708 to the LaSalle County Treasurer for the tax year 2020 for TIF IV. Collections are net of TIF surplus refunded.

OTHER REQUIRED REPORTING



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CERTIFIED PUBLIC ACCOUNTANTS

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business type activities, each major fund, and the aggregate remaining fund information of the City of Peru, Illinois, as of and for the year ended April 30, 2022, 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 7, 2022.

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 7, 2022.

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 7, 2022



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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 Financial Statements

We have audited the basic financial statements of the City of Peru, Illinois, as of and for the year ended April 30, 2022, and the related notes to the financial statements, and have issued our report thereon dated October 24, 2022.

We have also audited the City of Peru, Illinois' compliance with the provisions of subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Allocation Redevelopment Act (Illinois Public Act 85-1142).

Opinion

In our opinion, the City of Peru, Illinois complied, in all material respects, with the compliance requirements of subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Allocation Redevelopment Act (Illinois Public Act 85-1142) for the year ended April 30, 2022.

Basis of Opinion

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Allocation Redevelopment Act (Illinois Public Act 85-1142) has occurred. An audit includes examining, on a test basis, evidence about the City of Peru, Illinois' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance with subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Allocation Redevelopment Act (Illinois Public Act 85-1142). However, our audit does not provide a legal determination of the City of Peru, Illinois' compliance.

Responsibility of Management

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to the City of Peru, Illinois' Tax Increment Financing District.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance with the provisions of subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Allocation Redevelopment Act (Illinois Public Act 85-1142) based on our audit.

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

Mack & Associates, P.C.

Mack & Associates, P.C.
Certified Public Accountants

Morris, Illinois
November 7, 2022