

CITY OF PERU, ILLINOIS
ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
APRIL 30, 2021

CITY OF PERU, ILLINOIS

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For the Year Ended April 30, 2021**

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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 Financial Statements

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, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, 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, 2021 and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Comparative Data

We previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the City of Peru, Illinois, for the year ended April 30, 2020, which are presented for comparison purposes with the accompanying financial statements. In our report dated October 26, 2020, we expressed unmodified opinions on the respective financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedule, schedules of changes in the net pension liability and related ratios, schedules of city contributions, schedules of investment returns, schedule of changes in the net OPEB liability for the retiree health plan, and notes to required supplementary information 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 general fund and non-major fund financial statements and schedules, the fiduciary fund combining and individual fund financial statements, and the Schedule of Assessed Valuations, Tax Rates, Tax Extensions, and Tax Collections are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

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

The Schedule of Assessed Valuations, Tax Rates, Tax Extensions, and Tax Collections has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 18, 2021 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 18, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

CITY OF PERU, ILLINOIS

Management's Discussion and Analysis - Unaudited For the Year Ended April 30, 2021

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, 2021.

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 \$10,771,460 to \$104,908,570 in 2021 from \$94,197,110 in 2020. Of this amount, the net position of the governmental activities increased \$5,939,596 and the net position of the business-type activities increased \$4,771,864.
- Revenues of the City's governmental activities increased 17.09%, or \$3,054,810 from fiscal year 2020 to fiscal year 2021.
- Program expenses of the City's governmental activities decreased 5.88%, or \$1,105,839 from fiscal year 2020 to fiscal year 2021.

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 April 30, 2021

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 April 30, 2021**

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.

	Governmental Activities		Business-type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
<u>Assets</u>						
Current and other assets	\$ 18,272,931	15,696,872	24,855,555	24,804,334	43,128,486	40,501,206
Capital assets	43,548,159	26,209,068	65,108,843	61,613,014	108,657,002	87,822,082
Total assets	61,821,090	41,905,940	89,964,398	86,417,348	151,785,488	128,323,288
Deferred Outflows	2,789,643	4,704,192	1,147,379	1,130,113	3,937,022	5,834,305
<u>Liabilities</u>						
Current liabilities	3,129,212	2,291,695	4,201,838	4,412,908	7,331,050	6,704,603
Long-term liabilities	26,778,803	17,193,927	9,220,547	10,211,119	35,999,350	27,405,046
Total liabilities	29,908,015	19,485,622	13,422,385	14,624,027	43,330,400	34,109,649
Deferred inflows	6,272,850	4,634,238	1,210,690	1,216,596	7,483,540	5,850,834
<u>Net Position</u>						
Net investment in capital assets	28,965,218	26,187,175	55,766,734	50,980,707	84,731,952	77,167,882
Restricted	6,461,008	4,769,286	1,714,179	2,993,915	8,175,187	7,763,201
Unrestricted	(6,996,358)	(8,466,189)	18,997,789	17,732,216	12,001,431	9,266,027
Total net position	\$ 28,429,868	22,490,272	76,478,702	71,706,838	104,908,570	94,197,110

CITY OF PERU, ILLINOIS

**Management’s Discussion and Analysis - Unaudited
For the Year Ended April 30, 2021**

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 \$104,908,570. Of that amount, \$84,731,952 was invested in capital assets, net of related debt, and depreciation related to those assets. There were \$8,175,187 of net assets restricted for purposes specified by external restrictions, constitutional provisions, debt agreements or enabling legislation. The remaining \$12,001,431 was unrestricted.

	Governmental Activities		Business-type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program revenues:						
Charges for services	\$ 4,505,004	4,007,991	33,245,546	31,400,433	37,750,550	35,408,424
Operating grants and contributions	2,231,634	333,783	-	422,237	2,231,634	756,020
Capital grants	-	-	210,058	-	210,058	-
General revenues:						
Property taxes, levied for general purposes	732,936	1,066,115	-	-	732,936	1,066,115
Sales tax	6,554,149	6,303,939	-	-	6,554,149	6,303,939
Income tax	1,337,336	1,012,602	-	-	1,337,336	1,012,602
Home rule sales tax	4,049,244	4,002,916	-	-	4,049,244	4,002,916
Hotel/motel tax	298,389	381,804	-	-	298,389	381,804
Telecommunications tax	154,509	175,513	-	-	154,509	175,513
Local use tax	463,142	360,252	-	-	463,142	360,252
Cannabis use tax	8,415	1,685	-	-	8,415	1,685
Video gaming tax	225,267	235,353	-	-	225,267	235,353
Replacement tax	287,107	229,850	-	-	287,107	229,850
Interest income	91,099	189,409	154,527	349,144	245,626	538,553
Other	1,676,959	1,403,359	129,217	127,846	1,806,176	1,531,205
Total revenues	<u>22,615,190</u>	<u>19,704,571</u>	<u>33,739,348</u>	<u>32,299,660</u>	<u>56,354,538</u>	<u>52,004,231</u>
Program expenses:						
General government	6,016,660	6,981,019	-	-	6,016,660	6,981,019
Public safety	5,749,975	6,058,406	-	-	5,749,975	6,058,406
Public works	2,603,041	2,493,139	-	-	2,603,041	2,493,139
Health and welfare	1,105,591	1,066,515	-	-	1,105,591	1,066,515
Culture & recreation	615,717	812,049	-	-	615,717	812,049
Payments under intergov't agreements	282,303	319,281	-	-	282,303	319,281
Interest on long-term debt	257,390	6,109	-	-	257,390	6,109
Utility Fund	-	-	28,506,791	28,044,062	28,506,791	28,044,062
Landfill	-	-	69,454	78,011	69,454	78,011
Airport	-	-	436,155	698,901	436,155	698,901
Total expenses	<u>16,630,678</u>	<u>17,736,517</u>	<u>29,012,400</u>	<u>28,820,974</u>	<u>45,643,078</u>	<u>46,557,491</u>
Change in net position before transfers	<u>5,984,512</u>	<u>1,968,054</u>	<u>4,726,948</u>	<u>3,478,686</u>	<u>10,711,460</u>	<u>5,446,740</u>
Transfers, net	<u>(44,916)</u>	<u>(49,165)</u>	<u>44,916</u>	<u>49,165</u>	<u>-</u>	<u>-</u>
Change in net position	<u>5,939,596</u>	<u>1,918,889</u>	<u>4,771,864</u>	<u>3,527,851</u>	<u>10,711,460</u>	<u>5,446,740</u>
Net position, beginning of year	<u>22,490,272</u>	<u>20,571,383</u>	<u>71,706,838</u>	<u>68,178,987</u>	<u>94,197,110</u>	<u>88,750,370</u>
Net position, end 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>

The City of Peru, Illinois’ change in net position of governmental activities was \$5,939,596 during the year. Revenues for governmental activities increased \$3,054,810 over the prior year.

CITY OF PERU, ILLINOIS

Management's Discussion and Analysis - Unaudited For the Year Ended April 30, 2021

Government-wide Financial Analysis – (Continued):

The cost of all governmental activities this year was \$16,630,678 compared to \$17,736,517 last year. However, as shown in the Statement of Activities on page 12, the amount taxpayers ultimately financed for these activities was only \$9,894,040 because some of the cost was paid by those who directly benefitted from the programs (\$4,505,004) or by other governments and organizations which subsidized certain programs with operating and capital gains and contributions (\$2,231,634).

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 \$4,771,864 during the year. Revenues for business type activities increased by \$1,439,688 over the prior fiscal year and the total expenses increased \$191,426.

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 \$12,438,587, which is \$1,680,818 more than the \$10,757,769 total fund balance at April 30, 2020.

The fund balance of the General Fund at April 30, 2021 was \$9,922,517. This represented an increase of \$793,368 during the year. The City expected a deficit for the period. The cost of the Police building redevelopment project exceeded \$12.8 million during the year.

Proprietary Fund Highlights

The net position of the Utility Fund at April 30, 2021 was \$65,851,277. This represented an increase of \$4,887,336 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 \$4,916,685. 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 assets exceeded depreciation by \$55,401,977. Capital improvements for the year ended April 30, 2021 included \$2,332,661 of sewer separation work.

The net position balance of the Landfill Fund at April 30, 2021 was \$1,221,158. This represented a decrease of (\$23,512) 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, 2021 was \$9,406,267. This represented a decrease of (\$91,960) from the prior year. Airport revenue is generated from T-hanger rentals, renting of surrounding farmland, and 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, 2021 was \$229,694.

CITY OF PERU, ILLINOIS

Management's Discussion and Analysis - Unaudited For the Year Ended April 30, 2021

Budgetary Highlights

The City exceeded the budgeted amount in the General and Garbage Funds for the year ended April 30, 2021. 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 \$43,548,159 (net of accumulated depreciation/amortization) at April 30, 2021. Capital assets for business type activities totaled \$65,108,843 (net of accumulated depreciation) at April 30, 2021. See Note 4 to the financial statements for more information about the City's capital assets.

Long-term Debt

At April 30, 2021, the City had \$14,582,941 of general obligation bonds for governmental activities. Business type activities had \$9,342,109 of outstanding notes, general obligation bonds and revenue bonds, net of discounts and premiums at April 30, 2021.

Moody's Investors Service increased the City's debt rating from A1 to AA3 in 2019. 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, 2021, the City's general obligation debt limitation was \$23,444,303. 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 is the largest revenue source for the city's General Fund. Uncertainties with the COVID-19 pandemic compelled the city to budget a 15% decrease in fiscal year 2021. Sales tax revenue outperformed expectations and previous fiscal years. The collection of the new internet sales tax and higher than expected inflation drove the strong performance in fiscal year 2021. The city budgeted sales tax to be flat in fiscal year 2022. Auto sales and other logistical issues lingering from the pandemic will likely offset the first full fiscal year of internet sales tax. Utility revenues continue to grow steadily. Large commercial customers have a disproportionate impact on utility revenues. Commercial users bounced back quicker than expected from pandemic related challenges. The city forecasts a 3% increase across the major utility revenues.

The city expects Motor Fuel, Motel/Hotel, Video Gaming, and Income taxes to be up 3%-5% due to closer to normal forecasts for the tourism, travel, and night life sectors. The pandemic impacted these sectors in fiscal year 2021 and expectations is these circumstances will improve modestly from the previous year.

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 \$2.75 in their city tax line item for calendar year 2021. The city expects a similar increase for calendar year 2022. Improving equalized assessed value, 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 expects an increase of 1.14% in the City-wide equalized assessed value for the year ending April 30, 2022.

CITY OF PERU, ILLINOIS

**Management's Discussion and Analysis - Unaudited
For the Year Ended April 30, 2021**

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, 2021

(With Comparative Figures for April 30, 2020)

	Primary Government			
	Governmental Activities	Business-type Activities	Totals	
			2021	2020
<u>ASSETS</u>				
Cash and cash equivalents	\$ 10,883,807	11,582,367	22,466,174	15,217,332
Investments	1,703,087	6,642,398	8,345,485	13,693,222
Receivables:				
Property taxes	1,572,722	-	1,572,722	1,512,563
Sales taxes	1,643,039	-	1,643,039	1,533,607
Telecommunications taxes	38,402	-	38,402	43,407
Home rule sales taxes	1,070,179	-	1,070,179	861,473
Motor fuel taxes	33,895	-	33,895	30,534
State income taxes	420,694	-	420,694	253,731
Replacement taxes	75,371	-	75,371	28,916
Accounts receivable	-	2,818,285	2,818,285	2,904,837
Other	422,697	12,857	435,554	179,227
Prepaid expenses	215,693	1,187,790	1,403,483	750,121
Accrued interest	-	25,517	25,517	25,517
Inventory	-	466,972	466,972	498,321
Internal balances	186,947	(186,947)	-	-
Restricted cash and cash equivalents	-	760,862	760,862	2,446,844
Restricted investments	-	927,800	927,800	521,554
Net pension asset	-	617,654	617,654	-
Capital assets, net of accumulated depreciation	43,548,159	65,108,843	108,657,002	87,822,082
Total assets	61,814,692	89,964,398	151,779,090	128,323,288
<u>DEFERRED OUTFLOWS OF RESOURCES</u>				
Bond refunding loss	-	320,758	320,758	363,694
Asset retirement obligation	-	375,000	375,000	-
Pension-related deferred outflows	2,789,643	451,621	3,241,264	5,470,611
Total deferred outflows	2,789,643	1,147,379	3,937,022	5,834,305
<u>LIABILITIES</u>				
Cash overdrafts	5,720	103,511	109,231	132,116
Accounts payable	2,075,285	1,963,771	4,039,056	4,037,668
Accrued interest payable	102,617	78,940	181,557	119,570
Salaries and benefits payable	157,722	-	157,722	129,559
Refundable customer deposits	-	589,759	589,759	623,323
Long-term liabilities:				
Due within one year:				
Notes payable	-	230,328	230,328	252,221
General obligation bonds payable	525,000	1,160,000	1,685,000	475,000
Revenue bonds payable	-	-	-	625,000
Compensated absences	262,868	75,529	338,397	310,106
Due in more than one year:				
Notes payable	-	2,533,609	2,533,609	2,763,937
General obligation bonds payable	14,057,941	5,418,172	19,476,113	6,538,042
Asset retirement obligation	-	375,000	375,000	-
Compensated absences	281,105	269,278	550,383	577,161
Net OPEB liability	747,921	305,489	1,053,410	807,328
Net pension liability	11,691,836	-	11,691,836	16,399,579
Estimated post-closure care	-	318,999	318,999	318,999
Total liabilities	29,908,015	13,422,385	43,330,400	34,109,649
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Succeeding year property tax	1,400,722	-	1,400,722	1,341,563
Pension-related deferred inflows	4,865,730	1,210,690	6,076,420	4,509,271
Total deferred inflows	6,266,452	1,210,690	7,477,142	5,850,834
<u>NET POSITION</u>				
Net investment in capital assets	28,965,218	55,766,734	84,731,952	77,167,882
Restricted for:				
Debt service	-	1,714,179	1,714,179	2,993,915
Public safety services	1,520,246	-	1,520,246	1,001,157
Streets and public improvements	1,704,922	-	1,704,922	973,882
Urban renewal purposes	435,376	-	435,376	334,480
Economic development	157,712	-	157,712	81,831
Other purposes	2,642,752	-	2,642,752	2,364,441
Unrestricted	(6,996,358)	18,997,789	12,001,431	9,279,522
Total net position	\$ 28,429,868	76,478,702	104,908,570	94,197,110

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

Statement of Activities

Year Ended April 30, 2021

(With Comparative Figures for the Year Ended April 30, 2020)

	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	
							2021	2020
Primary government:								
Governmental activities:								
General government	\$ 6,016,660	3,655,229	2,231,634	-	(129,797)	-	(129,797)	(3,439,889)
Public safety	5,749,975	36,094	-	-	(5,713,881)	-	(5,713,881)	(6,024,876)
Public works	2,603,041	-	-	-	(2,603,041)	-	(2,603,041)	(2,493,139)
Health and welfare	1,105,591	813,681	-	-	(291,910)	-	(291,910)	(300,440)
Culture and recreation	615,717	-	-	-	(615,717)	-	(615,717)	(811,010)
Payments under intergovernmental agreements	282,303	-	-	-	(282,303)	-	(282,303)	(319,281)
Unallocated interest on long-term debt	257,390	-	-	-	(257,390)	-	(257,390)	(6,109)
Total governmental activities	16,630,678	4,505,004	2,231,634	-	(9,894,040)	-	(9,894,040)	(13,394,743)
Business-type activities:								
Utility fund	28,506,791	33,132,004	-	-	-	4,625,213	4,625,213	3,663,447
Landfill	69,454	39,220	-	-	-	(30,234)	(30,234)	(36,343)
Airport	436,155	74,322	-	210,058	-	(151,775)	(151,775)	(625,408)
Total business-type activities	29,012,400	33,245,546	-	210,058	-	4,443,204	4,443,204	3,001,696
Total primary government	\$ 45,643,078	37,750,550	2,231,634	210,058	(9,894,040)	4,443,204	(5,450,836)	(10,393,047)
General revenues:								
Property taxes, levied for general purposes					\$ 732,936	-	732,936	1,066,115
Sales tax					6,554,149	-	6,554,149	6,303,939
Income tax					1,337,336	-	1,337,336	1,012,602
Home rule sales tax					4,049,244	-	4,049,244	4,002,916
Hotel/motel tax					298,389	-	298,389	381,804
Telecommunications tax					154,509	-	154,509	175,513
Local use tax					463,142	-	463,142	36,252
Cannabis use tax					8,415	-	8,415	1,685
Video gaming tax					225,267	-	225,267	235,353
Replacement tax					287,107	-	287,107	229,850
Motor fuel tax					725,595	-	725,595	381,731
Interest income					91,099	154,527	245,626	538,553
Fines and penalties					103,213	-	103,213	114,348
Telecom tower proceeds					71,430	-	71,430	66,490
Other					776,721	129,217	905,938	968,636
Transfers					(44,916)	44,916	-	-
Total general revenues					15,833,636	328,660	16,162,296	15,839,787
Change in net position					5,939,596	4,771,864	10,711,460	5,446,740
Net position, beginning of year					22,490,272	71,706,838	94,197,110	88,750,370
Net position, end of year					\$ 28,429,868	76,478,702	104,908,570	94,197,110

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

Balance Sheet - Governmental Funds

April 30, 2021

(With Comparative Figures for April 30, 2020)

	General Fund	Non-major Governmental Funds	Total Governmental Funds	
			2021	2020
<u>ASSETS</u>				
Cash and cash equivalents	\$ 7,414,047	2,462,134	9,876,181	7,869,164
Investments	1,703,087	-	1,703,087	2,470,612
Receivables:				
Property taxes	984,102	588,620	1,572,722	1,512,563
Sales taxes	1,643,039	-	1,643,039	1,533,607
Telecommunications taxes	38,402	-	38,402	43,407
Home rule sales taxes	1,070,179	-	1,070,179	861,473
Motor fuel taxes	-	33,895	33,895	30,534
State income taxes	420,694	-	420,694	253,731
Replacement taxes	75,371	-	75,371	28,916
Other	229,943	192,754	422,697	166,370
Due from other funds	279,370	-	279,370	267,595
Prepaid expenses	215,693	-	215,693	226,119
Total assets	<u>\$ 14,073,927</u>	<u>3,277,403</u>	<u>17,351,330</u>	<u>15,264,091</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</u>				
Liabilities:				
Overdraft payable	\$ -	5,720	5,720	-
Accounts payable	2,000,715	74,570	2,075,285	1,914,436
Salaries and benefits payable	157,722	-	157,722	129,599
Due to other funds	-	92,423	92,423	92,423
Total liabilities	<u>2,158,437</u>	<u>172,713</u>	<u>2,331,150</u>	<u>2,136,458</u>
Deferred inflows of resources:				
Succeeding year property tax	812,102	588,620	1,400,722	1,341,563
Unavailable revenues	1,180,871	-	1,180,871	1,028,301
Total deferred inflows	<u>1,992,973</u>	<u>588,620</u>	<u>2,581,593</u>	<u>2,369,864</u>
Fund balances:				
Non-spendable:				
Prepaid expenses	215,693	-	215,693	226,119
Parkside school	466,374	-	466,374	890,844
Assigned - municipal pool	132,108	-	132,108	132,108
Committed - motel tax	816,975	-	816,975	839,126
Restricted for:				
Public safety services	1,264,628	255,618	1,520,246	1,001,157
Streets and public improvements	-	1,704,922	1,704,922	973,882
Urban renewal purposes	-	435,376	435,376	334,480
Economic development	-	157,712	157,712	81,831
Other purposes	2,605,316	37,436	2,642,752	2,364,441
Unassigned	4,421,423	(74,994)	4,346,429	3,913,781
Total fund balances	<u>9,922,517</u>	<u>2,516,070</u>	<u>12,438,587</u>	<u>10,757,769</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 14,073,927</u>	<u>3,277,403</u>	<u>17,351,330</u>	<u>15,264,091</u>

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

Balance Sheet - Governmental Funds
April 30, 2021
(With Comparative Figures for April 30, 2020)

	2021	2020
Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position:		
Total governmental fund balances	\$ 12,438,587	10,757,769
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 \$74,071,092 and the accumulated depreciation is \$30,522,932.	43,548,159	26,209,068
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.	1,180,871	1,028,301
Accrued interest payable	(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	2,789,643	4,704,192
Deferred inflows of resources	(4,865,730)	(3,292,675)
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.	1,007,626	525,204
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	(13,060,000)	-
Bond premium	(1,522,941)	-
Notes payable	-	(21,893)
Compensated absences	(543,973)	(500,469)
Net OPEB liability	(747,921)	(573,203)
Net pension liability / asset	(11,691,836)	(16,346,022)
Net position of governmental activities	<u>\$ 28,429,868</u>	<u>22,490,272</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, 2021
(With Comparative Figures for the Year Ended April 30, 2020)

	General Fund	Non-major Governmental Funds	Total Governmental Funds	
			2021	2020
Revenues:				
Taxes	\$ 13,109,599	561,218	13,670,817	13,647,295
Intergovernmental revenue	2,518,741	725,595	3,244,336	945,364
Licenses and permits	2,125,476	-	2,125,476	1,450,794
Fines and penalties	72,815	30,398	103,213	114,348
Charges for services	36,094	813,681	849,775	800,644
Interest income	84,658	6,179	90,837	189,298
Cell tower proceeds	71,430	-	71,430	66,490
Other	758,736	17,785	776,521	663,362
Total revenues	18,777,549	2,154,856	20,932,405	17,877,595
Expenditures:				
Current:				
General government	4,863,185	56,953	4,920,138	5,010,172
Public safety	5,605,413	22,939	5,628,352	5,249,841
Public works	2,320,949	-	2,320,949	1,752,733
Health and welfare	283,244	822,347	1,105,591	1,066,515
Culture and recreation	725,362	-	725,362	698,802
Debt service:				
Principal	481,731	-	481,731	86,200
Interest	154,935	-	154,935	6,319
Capital outlay	18,692,340	-	18,692,340	4,259,056
Payments under intergovernmental agreements	-	282,303	282,303	319,281
Total expenditures	33,127,159	1,184,542	34,311,701	18,448,919
Excess (deficiency) of revenues over (under) expenditures	(14,349,610)	970,314	(13,379,296)	(571,324)
Other financing sources (uses):				
Proceeds from the sale of capital assets	200	-	200	550,902
Proceeds from the sale of bonds	13,520,000	-	13,520,000	-
Premium on bonds sold	1,584,830	-	1,584,830	-
Transfers from other funds	50,948	13,000	63,948	127,697
Transfers to other funds	(13,000)	(95,864)	(108,864)	(176,862)
Total other financing sources (uses)	15,142,978	(82,864)	15,060,114	501,737
Changes in fund balances	793,368	887,450	1,680,818	(69,587)
Fund balances, beginning of year	9,129,149	1,628,620	10,757,769	10,827,356
Fund balances, end of year	\$ 9,922,517	2,516,070	12,438,587	10,757,769

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, 2021
(With Comparative Figures for the Year Ended April 30, 2020)

	2021	2020
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	\$ 1,680,818	(69,587)
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	18,749,298	4,102,183
Depreciation expense	(1,410,207)	(1,384,198)
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)	-
Bond Premium	(1,584,830)	-
Principal payments on debt	481,731	86,200
Amortization of bond premium	61,889	-
In the Statement of Activities, the gain or loss on disposition of capital assets is reported, whereas the governmental funds report the proceeds from the disposition as an increase in financial resources.	-	(373,474)
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.	152,570	(107,116)
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.	482,422	428,315
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.	(3,487,604)	(2,477,419)
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	(102,455)	210
Compensated absences	(43,504)	(9,656)
Change in OPEB liability	(174,718)	(24,688)
Change in Pension liability	4,654,186	1,748,119
Change in net position of governmental activities	<u>\$ 5,939,596</u>	<u>1,918,889</u>

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

Statement of Net Position - Proprietary Funds
 April 30, 2021
 (With Comparative Figures for April 30, 2020)

	Enterprise Funds			Total		Internal Service Fund
	Utility Fund	Landfill Fund	Illinois Valley Regional Airport Operations Fund	2021	2020	Self Insurance Fund 2021
ASSETS						
Current assets:						
Cash and cash equivalents	\$ 11,134,875	447,492	-	11,582,367	6,822,964	1,007,626
Investments	6,642,378	20	-	6,642,398	11,222,610	-
Accounts receivable, net	2,720,386	21,181	76,718	2,818,285	2,904,837	-
Other receivables, net	-	-	12,857	12,857	12,857	-
Prepaid expenses	1,174,640	92	13,058	1,187,790	524,002	-
Inventory	466,972	-	-	466,972	498,321	-
Total current assets	22,139,251	468,785	102,633	22,710,669	21,985,591	1,007,626
Non-current assets:						
Restricted assets:						
Restricted cash and cash equivalents	628,832	132,030	-	760,862	2,446,844	-
Restricted investments	281,657	646,143	-	927,800	521,554	-
Accrued interest	24,712	795	10	25,517	25,517	-
Total restricted assets	935,201	778,968	10	1,714,179	2,993,915	-
Net pension asset	617,654	-	-	617,654	-	-
Total non-current assets	1,552,855	778,968	10	2,331,833	2,993,915	-
Capital assets:						
Land	1,902,579	210,000	5,315,000	7,427,579	7,427,579	-
Construction in progress	2,719,295	-	32,203	2,751,498	3,261,040	-
Buildings	16,318,263	359,597	1,750,727	18,428,587	18,352,217	-
Machinery and equipment	50,737,031	835,488	413,295	51,985,814	51,016,056	-
Land improvements	1,191,690	9,440	1,007,586	2,208,716	2,208,716	-
Infrastructure	66,609,824	-	13,393,620	80,003,444	74,298,883	-
Total capital assets at cost	139,478,682	1,414,525	21,912,431	162,805,638	156,564,491	-
Less: Accumulated depreciation	84,076,705	1,122,114	12,497,976	97,696,795	94,951,477	-
Total capital assets	55,401,977	292,411	9,414,455	65,108,843	61,613,014	-
Total assets	79,094,083	1,540,164	9,517,098	90,151,345	86,592,520	1,007,626
DEFERRED OUTFLOWS OF RESOURCES						
Bond refunding loss	320,758	-	-	320,758	363,694	-
Asset retirement obligation	375,000	-	-	375,000	-	-
Pension related deferred outflows	451,621	-	-	451,621	766,419	-
Total deferred outflows of resources	1,147,379	-	-	1,147,379	1,130,113	-
LIABILITIES						
Current liabilities:						
Cash overdrafts	-	-	103,511	103,511	132,116	-
Accounts payable	1,956,444	7	7,320	1,963,771	2,123,232	-
Accrued interest payable	78,940	-	-	78,940	119,570	-
Compensated absences	75,529	-	-	75,529	84,339	-
Due to other funds	186,947	-	-	186,947	175,172	-
Refundable customer deposits	589,759	-	-	589,759	623,323	-
Notes payable	230,328	-	-	230,328	230,328	-
General obligation bonds payable	1,160,000	-	-	1,160,000	475,000	-
Revenue bonds payable	-	-	-	-	625,000	-
Total current liabilities	4,277,947	7	110,831	4,388,785	4,588,080	-
Non-current liabilities:						
Compensated absences	269,278	-	-	269,278	302,459	-
Notes payable	2,533,609	-	-	2,533,609	2,763,937	-
General obligation bonds payable	5,418,172	-	-	5,418,172	6,538,042	-
Asset retirement obligation	375,000	-	-	375,000	-	-
Net OPEB liability	305,489	-	-	305,489	234,125	-
Net pension liability	-	-	-	-	53,557	-
Estimated post-closure care	-	318,999	-	318,999	318,999	-
Total non-current liabilities	8,901,548	318,999	-	9,220,547	10,211,119	-
Total liabilities	13,179,495	319,006	110,831	13,609,332	14,799,199	-
DEFERRED INFLOWS OF RESOURCES						
Pension-related deferred inflows	1,210,690	-	-	1,210,690	1,216,596	-
NET POSITION						
Net investment in capital assets	46,059,868	292,411	9,414,455	55,766,734	50,980,707	-
Restricted	935,201	778,968	10	1,714,179	2,993,915	-
Unrestricted	18,856,208	149,779	(8,198)	18,997,789	17,732,216	1,007,626
Total net position	\$ 65,851,277	1,221,158	9,406,267	76,478,702	71,706,838	1,007,626

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, 2021
(With Comparative Figures for the Year Ended April 30, 2020)

	Enterprise Funds			Total Proprietary Funds		Internal Service Fund
	Utility Fund	Landfill Fund	Illinois Valley Regional Airport Operations Fund	2021	2020	Self Insurance Fund 2021
Operating revenues:						
Charges for services	\$ 32,926,925	39,220	6,131	32,972,276	31,211,247	1,529,753
Other charges and rentals	205,079	-	68,191	273,270	189,186	-
Total operating revenues	33,132,004	39,220	74,322	33,245,546	31,400,433	1,529,753
Operating expenses:						
General and administrative	3,142,001	62,262	206,461	3,410,724	2,612,397	446,587
Power and generating plant	17,598,730	-	-	17,598,730	17,225,109	-
Distribution system	2,266,298	-	-	2,266,298	2,856,850	-
Hydroelectric plant	178,797	-	-	178,797	195,379	-
Street lighting	186,968	-	-	186,968	38,034	-
Truck expenses	140,768	-	-	140,768	113,860	-
Other plant expenses	-	-	-	-	1	-
Pumping and purification	1,585,179	-	-	1,585,179	1,749,343	-
Sewerage system, disposal plant	528,147	-	-	528,147	509,978	-
Insurance premiums and claims	-	-	-	-	-	601,006
Depreciation	2,588,431	7,192	229,694	2,825,317	3,129,070	-
Total operating expenses	28,215,319	69,454	436,155	28,720,928	28,430,021	1,047,593
Operating income (loss)	4,916,685	(30,234)	(361,833)	4,524,618	2,970,412	482,160
Non-operating revenues (expenses):						
Interest income	147,805	6,722	-	154,527	349,144	262
Rental income	68,980	-	10,787	79,767	77,653	-
Farm income	-	-	49,028	49,028	49,673	-
Grant revenues	-	-	210,058	210,058	422,237	-
Miscellaneous	422	-	-	422	520	-
Interest expense	(291,472)	-	-	(291,472)	(390,953)	-
Total non-operating revenues (expenses)	(74,265)	6,722	269,873	202,330	508,274	262
Income (loss) before transfers	4,842,420	(23,512)	(91,960)	4,726,948	3,478,686	482,422
Operating transfers in (out)	44,916	-	-	44,916	49,165	-
Change in net position	4,887,336	(23,512)	(91,960)	4,771,864	3,527,851	482,422
Net position, beginning of year	60,963,941	1,244,670	9,498,227	71,706,838	68,178,987	525,204
Net position, end of year	\$ 65,851,277	1,221,158	9,406,267	76,478,702	71,706,838	1,007,626

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

Statement of Cash Flows - Proprietary Funds

Year Ended April 30, 2021

(With Comparative Figures for the Year Ended April 30, 2020)

	Utility Fund	Landfill Fund	Illinois Valley Regional Airport Operations Fund	Total Proprietary Funds	
				2021	2020
Cash flows from operating activities:					
Receipts from customers	\$ 33,252,897	41,576	4,061	33,298,534	30,567,134
Payments to employees	(1,695,846)	-	-	(1,695,846)	(1,609,001)
Payments to suppliers	(25,047,763)	(63,722)	(241,731)	(25,353,216)	(24,681,371)
Net cash provided by (used in) operating activities	6,509,288	(22,146)	(237,670)	6,249,472	4,276,762
Cash flows from noncapital financing activities:					
Internal advances	56,692	-	-	56,692	49,165
Proceeds from grants	-	-	210,058	210,058	422,237
Net cash provided by (used in) noncapital financing activities	56,692	-	210,058	266,750	471,402
Cash flows from capital and related financing activities:					
Capital assets acquired	(6,288,944)	-	(32,203)	(6,321,147)	(4,106,554)
Principal payments on notes payable	(230,328)	-	-	(230,328)	(403,284)
Proceeds from issuance of debt	1,145,000	-	-	1,145,000	-
Principal payments on G.O. bonds payable	(1,579,870)	-	-	(1,579,870)	(1,442,419)
Principal payments on revenue bonds payable	(250,000)	-	-	(250,000)	(602,402)
Interest payments	(332,102)	-	-	(332,102)	(419,267)
Deferred bond cost on bond refunding	42,936	-	-	42,936	(136,586)
Net cash provided by (used in) capital financing activities	(7,493,308)	-	(32,203)	(7,525,511)	(7,110,512)
Cash flows from investing activities:					
Rental and miscellaneous sale income	69,402	-	59,815	129,217	127,846
Interest received	147,805	6,722	-	154,527	349,144
Asset retirement obligation	(375,000)	-	-	(375,000)	-
Net sales (purchases) of investments	4,128,849	45,117	-	4,173,966	2,074,722
Net cash provided by (used in) investing activities	3,971,056	51,839	59,815	4,082,710	2,551,712
Net change in cash and cash equivalents	3,043,728	29,693	-	3,073,421	189,364
Cash and cash equivalents, beginning of year	8,719,979	549,829	-	9,269,808	9,080,444
Cash and cash equivalents, end of year	\$ 11,763,707	579,522	-	12,343,229	9,269,808
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	\$ 4,916,685	(30,234)	(361,833)	4,524,618	2,970,412
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:					
Depreciation	2,588,431	7,192	229,694	2,825,317	3,129,070
Effects of changes in operating assets and liabilities:					
(Increase) decrease in accounts receivable	154,457	2,356	(70,261)	86,552	(832,337)
(Increase) decrease in prepaid expenses	(662,738)	(2)	(1,048)	(663,788)	150,220
(Increase) decrease in inventory	31,349	-	-	31,349	142,076
(Increase) decrease in deferred outflows of resources	314,798	-	-	314,798	420,695
Increase (decrease) in cash overdrafts	-	-	(28,605)	(28,605)	33,863
Increase (decrease) in accounts payable	(152,386)	(1,458)	(5,617)	(159,461)	(286,932)
Increase (decrease) in compensated absences	(41,991)	-	-	(41,991)	19,932
Increase (decrease) in refundable customer deposits	(33,564)	-	-	(33,564)	(922)
Increase (decrease) in deferred inflows of resources	(5,906)	-	-	(5,906)	(592,287)
Increase (decrease) in net OPEB liability	71,364	-	-	71,364	9,488
Increase (decrease) in net pension liability	(671,211)	-	-	(671,211)	(886,476)
Net cash provided by (used in) operating activities	\$ 6,509,288	(22,146)	(237,670)	6,249,472	4,276,762

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

Statement of Fiduciary Net Position - Fiduciary Funds
 April 30, 2021
 (With Comparative Figures for April 30, 2020)

		Pension Trust Funds	
		2021	2020
<u>ASSETS</u>			
Cash and cash equivalents		\$ 1,066,019	1,355,077
Investments		16,001,885	12,195,799
Accrued interest		30,647	27,623
Total assets		<u>\$ 17,098,551</u>	<u>13,578,499</u>
<u>NET POSITION</u>			
Held in trust for pension benefits		<u>\$ 17,098,551</u>	<u>13,578,499</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, 2021
(With Comparative Figures for the Year Ended April 30, 2020)

	Pension Trust Funds	
	2021	2020
Additions:		
Contributions:		
Employer contributions	\$ 1,930,231	1,757,119
Plan member contributions	198,912	201,728
Total contributions	2,129,143	1,958,847
Net investment income:		
Net change in fair value of investments	2,595,879	(317,743)
Investment income	194,959	500,864
Total investment income	2,790,838	183,121
Less: Investment expense	42,715	37,225
Net investment income	2,748,123	145,896
Total additions	4,877,266	2,104,743
Deductions:		
Administrative	6,242	6,680
Benefit payments, including member refunds	1,350,972	1,150,614
Total deductions	1,357,214	1,157,294
Changes in net position	3,520,052	947,449
Net position, beginning of year	13,578,499	12,631,050
Net position, end of year	\$ 17,098,551	13,578,499

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, 2021**

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, 2021

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	\$ 43,548,159	65,108,843	108,657,002
Less:			
Notes payable	-	(2,763,937)	(2,763,937)
General obligation bonds payable	(14,582,941)	(6,578,172)	(21,161,113)
Net investment in capital assets	<u>\$ 28,965,218</u>	<u>55,766,734</u>	<u>84,731,952</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, 2021

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, 2021

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, 2021

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, 2021

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 2019 property tax levy (\$1,341,563) are used to finance the operating budget of the fiscal year ending April 30, 2021. Although the 2020 property tax levy receivable has been recorded, the related revenue (\$1,400,722) is deferred in both the government-wide and fund financial statements. Recognition of revenue is deferred until the year it is intended to finance.

Notes to Basic Financial Statements
For the Year Ended April 30, 2021

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, 2021, 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, 2021**

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, 2021

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, 2021.

Notes to Basic Financial Statements
For the Year Ended April 30, 2021

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, 2021

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 \$2,420,835 of restricted home rule sales tax receipts, \$111,527 of restricted Cemetery reserve donations, as well as \$69,704 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, 2021

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 \$23,117,805, including petty cash. Bank balances totaled \$23,392,806. Cash on hand was \$1,500.

At year-end, the carrying amount of the City's trust fund deposits was \$1,066,019. Bank balances also totaled \$1,450,570.

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, 2021, all of the City's uninsured deposits were fully collateralized.

Investments

As of April 30, 2021, the City's investments were as follows:

	Fair Value	Remaining Maturity			
		Less Than One Year	1-5 Years	6-10 Years	11-15 Years
Certificates of deposit	\$ 9,273,285	5,771,266	3,502,019	-	-
Mutual funds	51,084	51,084	-	-	-
Total	\$ 9,324,369	5,822,350	3,502,019	-	-

**Notes to Basic Financial Statements
For the Year Ended April 30, 2021**

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, 2021

NOTE 3: FAIR VALUE MEASUREMENTS – (CONTINUED)

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

	Balance at April 30, 2021	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Certificates of deposit	\$ 9,273,285	-	9,273,285	-
Mutual funds	51,084	51,084	-	-
Total investments	<u>\$ 9,324,369</u>	<u>51,084</u>	<u>9,273,285</u>	<u>-</u>

The fair value of certificates of deposit at April 30, 2021, 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, 2021 was as follows:

	Balance as of April 30, 2020	Additions	Deletions	Balance as of April 30, 2021
Capital assets not being depreciated:				
Land	\$ 1,490,528	102,908	-	1,593,436
Construction in progress	3,113,690	15,547,535	(900,437)	17,760,789
Total capital assets not being depreciated	<u>4,604,218</u>	<u>15,650,444</u>	<u>(900,437)</u>	<u>19,354,225</u>
Capital assets being depreciated:				
Buildings	6,629,215	-	-	6,629,215
Machinery and equipment	5,386,303	343,155	-	5,729,458
Land improvements	472,138	-	-	472,138
Infrastructure	38,229,918	3,656,137	-	41,886,056
Total capital assets being depreciated	<u>50,717,575</u>	<u>3,999,292</u>	<u>-</u>	<u>54,716,867</u>
Total capital assets	<u>55,321,793</u>	<u>19,649,735</u>	<u>(900,437)</u>	<u>74,071,092</u>
Less accumulated depreciation:				
Buildings	2,058,666	169,941	-	2,228,608
Machinery and equipment	4,568,403	208,408	-	4,776,810
Land improvements	410,877	10,764	-	421,641
Infrastructure	22,074,779	1,021,094	-	23,095,873
Total accumulated depreciation:	<u>29,112,725</u>	<u>1,410,207</u>	<u>-</u>	<u>30,522,932</u>
Total capital assets being depreciated, net	<u>21,604,850</u>	<u>2,589,085</u>	<u>-</u>	<u>24,193,934</u>
Governmental activities capital assets, net	<u>\$ 26,209,068</u>	<u>18,239,528</u>	<u>(900,437)</u>	<u>43,548,159</u>

CITY OF PERU, ILLINOIS

Notes to Basic Financial Statements
For the Year Ended April 30, 2021

NOTE 4: CHANGES IN CAPITAL ASSETS – (CONTINUED)

Depreciation for governmental activities in the current fiscal year was \$1,410,207 and was allocated as follows:

General government	\$ 463,722
Public safety	313,509
Public works	<u>632,976</u>
Total depreciation – governmental activities	<u>\$ 1,410,207</u>

Construction in progress at April 30, 2021 is the result of the Peoria Street expansion, N. Peoria St., the police station, and other road/parking lot projects, which are anticipated to be completed in the next fiscal year.

Significant capital additions for the year included police vehicles (\$39,447), City Hall technology (\$168,861), lights (\$85,000), Unytite Dr. (\$1,835,908) and other road projects (\$1,820,229).

Capital asset activity for business-type activities for the year ended April 30, 2021 was as follows:

	Balance as of April 30, 2020	Additions	Deletions	Balance as of April 30, 2021
Capital assets not being depreciated:				
Land	\$ 7,427,579	-	-	7,427,579
Construction in progress	<u>3,261,040</u>	<u>216,366</u>	<u>(725,910)</u>	<u>2,751,497</u>
Total capital assets not being depreciated	<u>10,688,619</u>	<u>216,366</u>	<u>(725,910)</u>	<u>10,179,076</u>
Depreciable capital assets:				
Buildings	18,352,217	76,370	-	18,428,587
Machinery and equipment	51,016,056	1,049,758	(80,000)	51,985,814
Land improvements	2,208,716	-	-	2,208,716
Infrastructure	<u>74,298,883</u>	<u>5,704,562</u>	<u>-</u>	<u>80,003,445</u>
Total depreciable capital assets:	<u>145,875,872</u>	<u>6,830,690</u>	<u>(80,000)</u>	<u>152,626,561</u>
Total capital assets	<u>156,564,491</u>	<u>7,047,056</u>	<u>(805,910)</u>	<u>162,805,637</u>
Less accumulated depreciation:				
Buildings	8,072,360	349,732	-	8,422,093
Machinery and equipment	45,646,260	771,582	(80,000)	46,337,843
Land improvements	1,709,874	79,223	-	1,789,097
Infrastructure	<u>39,522,984</u>	<u>1,624,778</u>	<u>-</u>	<u>41,147,762</u>
Total accumulated depreciation	<u>94,951,478</u>	<u>2,825,317</u>	<u>(80,000)</u>	<u>97,696,794</u>
Total capital assets being depreciated, net	<u>50,924,393</u>	<u>4,005,372</u>	<u>-</u>	<u>54,929,767</u>
Business-type activities capital assets, net	<u>\$ 61,613,013</u>	<u>4,221,738</u>	<u>(725,910)</u>	<u>65,108,843</u>

CITY OF PERU, ILLINOIS

Notes to Basic Financial Statements
For the Year Ended April 30, 2021

NOTE 4: CHANGES IN CAPITAL ASSETS – (CONTINUED)

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

Utility	\$ 2,558,431
Landfill	7,192
Airport	<u>229,644</u>
Total depreciation – business type activities	<u>\$ 2,825,317</u>

Construction in progress at April 30, 2021 includes multiple water main projects, and an AMI meter system. All projects are projected to be completed in the following fiscal year.

Significant capital additions for the year included North Peoria lighting (\$1,368,895), a multiple water main project (\$2,003,005), sewer separation project (\$2,332,661), and a generator (\$778,757).

NOTE 5: LONG-TERM LIABILITIES

Long-term liability activity for the year ended April 30, 2021, was as follows:

	Balance at April 30, 2020	Additions	Deductions	Balance at April 30, 2021	Due Within One Year
Governmental Activities					
Notes Payable	\$ 21,893	-	21,893	-	-
General Obligation Bonds Payable	-	13,520,000	460,000	13,060,000	525,000
Bond Premium/(Discount), Net	-	1,584,830	61,889	1,522,941	-
Compensated Absences (Note 1)	500,469	299,270	255,768	543,971	262,868
Net OPEB Liability (Note 8)	573,203	174,718	-	747,921	-
Net Pension Liability (Asset) (Note 7)	16,346,022	-	4,654,186	11,691,836	-
Total Governmental Activities	<u>\$ 17,441,587</u>	<u>15,578,818</u>	<u>5,453,736</u>	<u>27,566,669</u>	<u>787,868</u>
Business-type Activities					
General Obligation Bonds Payable	\$ 6,905,000	1,145,000	1,660,000	6,390,000	1,160,000
Revenue Bonds Payable	625,000	-	625,000	-	-
Bond Premium/(Discount), Net	108,042	96,337	16,207	188,172	-
Notes Payable	2,994,265	-	230,328	2,763,937	230,328
Asset Retirement Obligation	-	375,000	-	375,000	-
Compensated Absences (Note 1)	386,798	42,348	84,339	344,807	75,529
Net OPEB Liability (Note 8)	234,125	85,109	13,745	305,489	-
Net Pension Liability (Asset) (Note 7)	53,557	-	671,211	(617,654)	-
Estimated Postclosure Care (Note 11)	318,999	-	-	318,999	-
Total Business-Type Activities	<u>\$ 11,625,786</u>	<u>1,743,794</u>	<u>3,300,830</u>	<u>10,068,750</u>	<u>1,465,857</u>

CITY OF PERU, ILLINOIS

Notes to Basic Financial Statements
For the Year Ended April 30, 2021

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, 2021 was \$5,245,000.

On March 8, 2010, the City issued General Obligation Bonds, Series 2010 in the amount of \$2,500,000, set to mature January 1, 2030, due in annual principal installments of \$110,000 to \$155,000 with semi-annual interest of 2.10% to 6.25%. The bonds were issued to finance capital improvements. Payments on these bonds are paid through the Utility Fund using operating revenues. The remaining outstanding balance was fully paid as of April 30, 2021.

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, 2021 was \$8,350,000.

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, 2021 was \$4,710,000 in the governmental funds and was \$1,145,000 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
2022	\$ 525,000	26,000	551,000	1,160,000	61,973	1,221,973
2023	525,000	18,400	543,400	1,125,000	55,923	1,180,923
2024	535,000	19,200	554,200	1,160,000	49,195	1,209,195
2025	550,000	19,700	569,700	1,195,000	42,175	1,237,175
2026	565,000	20,400	585,400	1,235,000	34,675	1,269,675
2027-2031	3,115,000	123,950	3,238,950	515,000	54,688	569,688
2032-2036	3,760,000	126,508	3,886,508	-	-	-
2037-2040	3,485,000	68,200	3,553,200	-	-	-
Total	\$ 13,060,000	422,358	13,482,358	6,390,000	298,628	6,688,629

CITY OF PERU, ILLINOIS

Notes to Basic Financial Statements
For the Year Ended April 30, 2021

NOTE 5: LONG-TERM LIABILITIES – (CONTINUED)

Revenue Bonds

On April 2, 2008, the City issued Electric System Revenue Refunding Bonds, Series 2008, in the amount of \$6,040,000, matured May 1, 2020, due in annual principal installments of \$380,000 to \$700,000, with semi-annual interest of 4.00% to 4.25%. The bonds were issued to refund the outstanding Electric System Revenue Bonds, Series 1998. Payments were made from the Utility Fund with operating revenues.

Notes Payable

On December 12, 2013, the City obtained a \$530,000 note from Peru Federal Savings Bank for the purchase of a fire truck. The note will mature June 2, 2020, has an interest rate of 2.25% and requires quarterly payments of \$21,992 which includes both principal and interest. Payments are made from the General Fund of the City. The remaining outstanding balance was fully paid as of April 30, 2021.

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 \$2,763,937.

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

Year Ending	Notes Payable - Business Type		
	Principal	Interest	Total
April 30,			
2022	230,328	-	230,328
2023	230,328	-	230,328
2024	230,328	-	230,328
2025	230,328	-	230,328
2026	230,328	-	230,328
2027-2031	1,151,641	-	1,151,641
2032-2033	460,655	-	460,655
Total	<u>2,763,937</u>	<u>-</u>	<u>2,763,937</u>

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, 2021

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, 2021:

Assessed valuation (2020)		<u>\$ 271,818,004</u>
Statutory debt limitation (8.625%)		\$ 23,444,303
Outstanding debt:		
General obligation bonds	\$ 19,450,000	
Notes payable	<u>2,763,937</u>	
Total	<u>22,213,937</u>	
Less amounts not included in the debt limitation:		
Illinois EPA loans	<u>(2,763,937)</u>	
Total	<u>(2,763,937)</u>	
Total debt applicable to the debt limitation		<u>19,450,000</u>
Legal debt margin		<u>\$ 3,994,303</u>

NOTE 7: DEFINED BENEFIT PENSION PLANS

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

	Governmental Activities	Business-Type Activities	Total
Net Pension Liabilities:			
IMRF	\$ (1,669,954)	(617,654)	(2,287,608)
Police Pension	12,362,305	-	12,362,305
Firemens Pension	999,485	-	999,485
Total net pension liabilities (asset)	<u>\$ 11,691,836</u>	<u>(617,654)</u>	<u>11,074,182</u>
Deferred inflows related to pensions:			
IMRF	\$ 1,220,951	451,585	1,672,536
Police Pension	1,497,227	-	1,497,227
Firemens Pension	71,502	-	71,502
Total deferred inflows	<u>\$ 2,789,680</u>	<u>451,585</u>	<u>3,241,265</u>
Deferred outflows related to pensions:			
IMRF	\$ 3,273,348	1,210,690	4,484,038
Police Pension	1,241,302	-	1,241,302
Firemens Pension	351,080	-	351,080
Total deferred outflows	<u>\$ 4,865,730</u>	<u>1,210,690</u>	<u>6,076,420</u>
Pension Expense:			
IMRF	\$ 599,845	221,861	821,706
Police Pension	1,526,158	-	1,526,158
Firemens Pension	88,289	-	88,289
Total pension expense	<u>\$ 2,214,292</u>	<u>221,861</u>	<u>2,436,153</u>

Notes to Basic Financial Statements
For the Year Ended April 30, 2021

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, 2021

NOTE 7: DEFINED BENEFIT PENSION PLANS – (CONTINUED)

Illinois Municipal Retirement Fund – (Continued)

Membership

As of December 31, 2020, the City’s plan membership consisted of the following:

Retirees and beneficiaries	79
Inactive, non-retired members	35
Active members	<u>50</u>
Total	<u>164</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 2020 and the fiscal year ended April 30, 2021 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 - 2020	10.77%
City contribution rate - 2021	9.65%
City contributions - 2020	\$ 378,413
City contributions - fiscal year 2021	\$ 372,412

Net Pension Liability (Asset)

The City’s net pension liability (asset) was measured as of December 31, 2020. 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, 2021

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, 2020:

- 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, 2020:

<u>Asset Class</u>	<u>Portfolio Target Percentage</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	37%	5.00%
International Equity	18%	6.00%
Fixed Income	28%	1.30%
Real Estate	9%	6.20%
Alternative Investments	7%	2.85-6.95%
Cash Equivalents	<u>1%</u>	0.70%
Total	<u>100%</u>	

**Notes to Basic Financial Statements
For the Year Ended April 30, 2021**

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, 2020 valuations, the expected rate of return on plan investments is 7.25%, the municipal bond rate is 2.00%, 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, 2019	\$ 28,817,471	28,632,792	184,679
Changes for the year:			
Service Cost	348,606	-	348,606
Interest on the Total Pension Liability	2,051,559	-	2,051,559
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	161,123	-	161,123
Changes of Assumptions	(287,295)	-	(287,295)
Contributions - Employer	-	378,413	(378,413)
Contributions - Employees	-	159,148	(159,148)
Net Investment Income	-	4,094,359	(4,094,359)
Benefit Payments, including Refunds of Employee Contributions	(1,388,823)	(1,388,823)	-
Other (Net Transfer)	-	114,360	(114,360)
Net Changes	<u>885,170</u>	<u>3,357,457</u>	<u>(2,472,287)</u>
Balances at December 31, 2020	<u>\$ 29,702,641</u>	<u>31,990,249</u>	<u>(2,287,608)</u>

Notes to Basic Financial Statements
For the Year Ended April 30, 2021

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	\$ 33,178,061	29,702,641	27,006,528
Plan Fiduciary Net Position	31,990,249	31,990,249	31,990,249
Net Pension Liability (Asset)	<u>\$ 1,187,812</u>	<u>(2,287,608)</u>	<u>(4,983,721)</u>

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

For the year ended April 30, 2021, the City recognized pension expense of \$821,706. At April 30, 2021, 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	\$ 108,850	287,537
Changes in assumptions	-	194,090
Net difference between projected and actual earnings on pension plan investments	1,442,436	4,002,411
Contributions subsequent to the measurement date	121,249	-
Total	<u>\$ 1,672,535</u>	<u>4,484,038</u>

\$108,850 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, 2021. 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:

Calender Year Ending December 31,	Net Deferred Outflows of Resources
2021	(1,143,717)
2022	(354,109)
2023	(1,025,887)
2024	(409,038)
Total	<u>\$ (2,932,751)</u>

Notes to Basic Financial Statements
For the Year Ended April 30, 2021

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

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	23
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	2
Active members	<u>24</u>
Total	<u>49</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, 2021

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, 2021

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, 2021:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
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, 2021.

<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>11-15</u>
Certificates of Deposits	\$ 1,603,631	351,847	1,251,784	-	-
Mutual Funds	8,115,521	8,115,521	-	-	-
U.S. Tres. & Agencies	214,043	214,043	-	-	-
Annuities	3,092,147	3,092,147	-	-	-
Total	<u>\$ 13,025,342</u>	<u>11,773,558</u>	<u>1,251,784</u>	<u>-</u>	<u>-</u>

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 (12.6%), Brown Capital Management Small Companies Mutual Fund (7.4%), and MFS Mid Cap Growth Fund (7.5%), Vanguard International Growth Mutual Fund (6.4%) and Vanguard Equity Income (7.7%).

Rate of Return

For the year ended April 30, 2021, 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, 2021

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, 2021, were as follows:

Total Pension Liability	\$ 26,305,245
Plan Fiduciary Net Position	<u>13,942,940</u>
Net Pension Liability	<u>\$ 12,362,305</u>

Plan fiduciary net position as a percentage of the total pension liability was 53.0% at April 30, 2021.

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of May 1, 2020, updated to April 30, 2021, 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, 2021**

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, 2020	\$ 25,722,886	10,880,206	14,842,680
Changes for the year:			-
Service Cost	516,119	-	516,119
Interest on the Total Pension Liability	1,601,745	-	1,601,745
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	(313,347)	-	(313,347)
Changes of Assumptions	-	-	-
Contributions - Employer	-	1,700,895	(1,700,895)
Contributions - Employees	-	174,592	(174,592)
Net Investment Income	-	2,415,039	(2,415,039)
Benefit Payments, including Refunds of Employee Contributions	(1,222,158)	(1,222,158)	-
Other (Net Transfer)	-	(5,634)	5,634
Net Changes	582,359	3,062,734	(2,480,375)
Balances at April 30, 2021	<u>\$ 26,305,245</u>	<u>13,942,940</u>	<u>12,362,305</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)	\$ 16,337,777	12,362,305	9,134,044

Notes to Basic Financial Statements
For the Year Ended April 30, 2021

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, 2021, the City recognized pension expense of \$1,526,158. At April 30, 2021, 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	\$ 761,549	270,862
Changes in assumptions	735,678	-
Net difference between projected and actual earnings on pension plan investments	-	970,440
Total	<u>\$ 1,497,227</u>	<u>1,241,302</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
2022	\$ 227,508
2023	188,472
2024	152,114
2025	(362,169)
2026	-
Thereafter	-
Total	<u>\$ 205,925</u>

Notes to Basic Financial Statements
For the Year Ended April 30, 2021

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, 2021, 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, 2021

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, 2021

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, 2021:

<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	100.00%	

All investments in the plan are stated at fair value. Fair value is based on quoted market prices at April 30, 2021.

<u>Investment Type</u>	<u>Fair Value</u>	<u>Less Than One</u>	<u>Investment Maturities (in years)</u>		
			<u>1-5</u>	<u>6-10</u>	<u>10+</u>
Certificates of Deposit	\$ 364,208	-	298,753	65,455	-
Mutual Funds	1,274,155	1,274,155	-	-	-
Bonds	1,338,181	100,614	18,708	368,812	50,047
Total	\$ 2,976,544	1,374,769	317,461	434,267	50,047

Concentrations

The Plan held Dodge and Cox Stock that collectively represents 5% of more of the plan’s net position. These assets were 5.4% of plan net position.

Notes to Basic Financial Statements
For the Year Ended April 30, 2021

NOTE 7: DEFINED BENEFIT PENSION PLANS – (CONTINUED)

Firemen’s Pension Plan – (Continued)

Rate of Return

For the year ended April 30, 2021, 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, 2021, were as follows:

Total Pension Liability	\$	4,155,096
Plan Fiduciary Net Position		3,155,611
Net Pension Liability	\$	<u>999,485</u>

Plan fiduciary net position as a percentage of the total pension liability was 75.95% at April 30, 2021.

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of May 1, 2020, updated to April 30, 2021, 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 2020, 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, 2021**

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, 2020	\$ 4,070,513	2,698,293	1,372,220
Changes for the year:			-
Service Cost	117,497	-	117,497
Interest on the Total Pension Liability	206,180	-	206,180
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	(110,279)	-	(110,279)
Changes of Assumptions	-	-	-
Contributions - Employer	-	229,336	(229,336)
Contributions - Employees	-	24,319	(24,319)
Net Investment Income	-	333,086	(333,086)
Benefit Payments, including Refunds of Employee Contributions	(128,815)	(128,815)	-
Administrative expense	-	(608)	608
Net Changes	<u>84,583</u>	<u>457,318</u>	<u>(372,735)</u>
Balances at April 30, 2021	<u>\$ 4,155,096</u>	<u>3,155,611</u>	<u>999,485</u>

Notes to Basic Financial Statements
For the Year Ended April 30, 2021

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.

	1% Decrease (4.00%)	Current Discount Rate (5.00%)	1% Increase (6.00%)
Net Pension Liability	\$ 1,565,225	999,485	534,093

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

For the year ended April 30, 2021, the City recognized pension expense of \$88,289 related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	258,908
Changes in assumptions	71,502	5,160
Net difference between projected and actual earnings on pension plan investments	-	87,012
Total	<u>\$ 71,502</u>	<u>351,080</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:

Year Ending April 30,	Net Deferred Inflows of Resources
2022	(72,184)
2023	(87,856)
2024	(58,469)
2025	(61,069)
2026	-
Thereafter	-
Total	<u>\$ (279,578)</u>

**Notes to Basic Financial Statements
For the Year Ended April 30, 2021**

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, 2021, the following employees and retirees were covered by the benefit terms:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	10
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	-
Active Plan Members	<u>69</u>
Total	<u><u>79</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, 2021 were \$44,308.

Net OPEB Liability

At April 30, 2021, the City had a net OPEB liability for the plan, determined as follows:

Total OPEB Liability	\$ 1,053,410
Plan Fiduciary Net Position	<u>-</u>
Net OPEB Liability	<u><u>\$ 1,053,410</u></u>

Changes of assumptions reflect a change in the discount rate from 2.85% for the fiscal year ending April 30, 2020 to 1.83% for the fiscal year ending April 30, 2021.

Of the net OPEB liability, \$747,921 was reported under Governmental Activities, while \$305,489 was reported under Business-type Activities.

Notes to Basic Financial Statements
For the Year Ended April 30, 2021

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

Actuarial Assumptions

The Total OPEB Liability was determined by an actuarial valuation as of May 1, 2020, rolled forward to April 30, 2021, using the following actuarial assumptions:

- Inflation at 2.50%
- Salary increases at 2.50%
- Discount rate of 1.83%
- 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 1.83%. 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, 2021, the City recognized OPEB Expense of \$293,480. Of this amount, \$208,371 was allocated to Governmental Activities, while \$85,109 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, 2020*	\$ 807,328	-	807,328
Changes for the year:			-
Service Cost	17,433	-	17,433
Interest	24,082	-	24,082
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	42,226	-	42,226
Changes of Assumptions	206,649	-	206,649
Benefit Payments	(44,308)	-	(44,308)
Administrative expense	-	-	-
Net Changes	246,082	-	246,082
Balances at April 30, 2021	\$ 1,053,410	-	1,053,410

Notes to Basic Financial Statements
For the Year Ended April 30, 2021

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 1.83%, 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 (0.83%)	Current Discount Rate (1.83%)	1% Increase (2.83%)
Net OPEB Liability	\$ 1,198,357	1,053,410	932,036

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	\$ 923,657	1,053,410	1,208,222

NOTE 9: INTERFUND BALANCES AND TRANSFERS

Interfund Balances

Due to and due from other funds exists between funds at April 30, 2021 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	\$ -	279,370
Special Revenue:		
TIF District #3	92,423	-
Utility Fund	186,947	-
Total	<u>\$ 279,370</u>	<u>279,370</u>

CITY OF PERU, ILLINOIS

Notes to Basic Financial Statements
For the Year Ended April 30, 2021

NOTE 9: INTERFUND BALANCES AND TRANSFERS – (CONTINUED)

Operating Transfers

During the year ended April 30, 2021 permanent transfers were made among funds. The General Fund reimbursed the Garbage for expenditures made; the TIF Fund reimbursed the Utility Fund for bond and interest payments; and the Recreation Fund was closed out by transferring all existing funds into the General Fund. See detail on operating transfers below:

	<u>Transfers In</u>	<u>Transfers out</u>
General Fund	\$ 50,948	13,000
Special Revenue Funds:		
Garbage Fund	13,000	-
Recreation Fund	-	50,948
Peru Industrial Park TIF Fund	-	44,916
Utility Fund	<u>44,916</u>	<u>-</u>
Total	<u>\$ 108,864</u>	<u>108,864</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 \$1,674,821 to the General Fund to operate within the City during the year ended April 30, 2021. The phone company, gas company and cable company paid \$288,580.

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 certificate of deposit with a balance of \$120,477 at April 30, 2021 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.

**Notes to Basic Financial Statements
For the Year Ended April 30, 2021**

NOTE 12: DEFICIT BALANCE

At April 30, 2021, the TIF District No. 3 Fund and the Peru Mall TIF District No. 5 Fund had a deficit fund balance of \$68,010 and \$6,984. 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, 2021

NOTE 16: COMMITTED CONSTRUCTION

At April 30, 2021, the City had the following construction contracts outstanding:

Project	Total Contract Amount	Portion at April 30, 2021	
		Completed	Committed
North Peoria Widening	\$ 3,996,177	2,387,930	1,608,247
Police Station	16,353,803	13,469,603	2,884,200
Midtown Exension	1,848,415	210,483	1,637,932
FY22 Street Program	690,818	-	690,818
Grant Street Water Main	283,293	-	283,293
Sewer Seperation	1,818,211	159,243	1,658,968
Total	<u>\$24,990,717</u>	<u>16,227,259</u>	<u>8,763,458</u>

NOTE 17: BUDGET APPROPRIATIONS

Actual expenditures exceeded appropriations for the year ended April 30, 2021 in the following funds:

Fund	Actual Expenditures	Budgeted Appropriations	Variance
General Fund	\$ 33,127,159	32,838,067	289,092
Garbage Fund	822,347	815,000	7,347
Peru Industrial Park TIF Fund	214,857	213,100	1,757
TIF District No. IV Fund	31,351	27,900	3,451

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 \$601,006 for the year ended April 30, 2021, and the City paid \$446,587 in administration fees during the year.

Notes to Basic Financial Statements
For the Year Ended April 30, 2021

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, 2021. Future minimum lease payments are \$46,367 for the year ending April 30, 2022, and \$19,320 for the year ending April 30, 2023.

Cell Tower

During the year ended April 30, 2021, 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, 2021 the City received \$71,430 under this agreement.

Illinois Valley Regional Dispatch

The City contracts with Illinois Valley Regional Dispatch (IVRD) for 911 emergency telecommunications services. Representatives from the Cities of Peru, LaSalle, Oglesby, and Mendota make up the IVRD board as founding members of the entity. The City began contracting with IVRD in September of 2016 and pays IVRD a per capita fee set annually. The fee for the year ended April 30, 2021 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, 2021, the City received and remitted \$1,560,369 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 \$346,272 under this agreement during the year ended April 30, 2021.

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 \$452,908 in sales tax rebates during the year ended April 30, 2021.

**Notes to Basic Financial Statements
For the Year Ended April 30, 2021**

NOTE 20: SUBSEQUENT EVENTS

Management evaluated subsequent events through April 30, 2021, the date the financial statements were available to be issued. No amounts were required to be recorded or disclosed in the financial statements as of April 30, 2021 as a result of events occurring between May 1, 2021 and November 18, 2021.

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Year Ended April 30, 2021
(With Comparative Figures for the Year Ended April 30, 2020)

	2021			2020	
	Appropriations		Actual	Over (Under) Final Budget	Actual
	Original	Final			
Revenues:					
Taxes:					
Property tax	\$ 161,500	171,700	171,718	18	170,061
Sales tax	5,311,350	6,401,550	6,401,579	29	6,411,055
State income tax	1,026,000	1,337,300	1,337,336	36	1,012,602
Hotel/motel tax	414,761	298,361	298,389	28	381,804
Video gaming tax	216,260	216,260	225,267	9,007	235,353
Telecommunications tax	194,750	154,550	154,509	(41)	175,513
Local use tax	261,250	463,150	463,142	(8)	360,252
Cannabis use tax	-	8,400	8,415	15	1,685
Home rule sales tax	3,304,600	4,049,200	4,049,244	44	4,002,916
Total taxes	10,890,471	13,100,471	13,109,599	9,128	12,751,241
Intergovernmental revenue:					
Replacement tax	181,175	284,325	287,107	2,782	229,850
State grants and reimbursements	108,025	698,500	448,544	(249,956)	333,783
Federal grants and reimbursements	-	1,504,600	1,783,090	278,490	-
Total intergovernmental revenue	289,200	2,487,425	2,518,741	31,316	563,633
Licenses and permits:					
Contractor licenses	23,750	23,750	25,500	1,750	15,200
Liquor licenses	28,025	12,625	12,605	(20)	37,100
Franchise fees	1,806,598	1,890,297	1,954,251	63,954	1,294,703
Other licenses	13,875	23,275	84,545	61,270	67,878
Building permits	33,725	44,825	44,807	(18)	28,818
Pull tab license fees	475	475	893	418	930
Inspection fees	5,225	5,225	2,875	(2,350)	6,165
Total licenses and permits	1,911,673	2,000,472	2,125,476	125,004	1,450,794
Fines and penalties:					
Court fines	30,875	44,975	42,957	(2,018)	37,657
Zoning ordinance fines	3,325	3,325	1,100	(2,225)	2,615
False alarm fines	4,038	4,038	3,500	(538)	3,300
Parking fines	4,275	4,275	710	(3,565)	3,715
Adjudication fines	30,875	24,575	24,548	(27)	39,115
Other fines	475	475	-	(475)	-
Total fines and penalties	73,863	81,663	72,815	(8,848)	86,402
Charges for services:					
Fire services	19,475	11,975	24,094	12,119	21,530
Illinois Valley Regional Dispatch	12,000	12,000	12,000	-	12,000
Misc. Fire Services	475	475	-	(475)	-
Total charges for services	31,950	24,450	36,094	11,644	33,530
Income from investments	128,250	80,150	84,658	4,508	181,538
Other revenues:					
Cemetery income	33,844	47,644	48,150	506	40,000
Reimbursements	17,269	33,867	34,807	940	11,676
Rental income	9,025	15,625	13,577	(2,048)	12,835
Telcom tower rent	72,500	72,500	71,430	(1,070)	66,490
Donations	1,444	200,270	200,118	(152)	169,200
Miscellaneous	513,626	521,803	462,084	(59,719)	383,222
Total other revenues	647,708	891,709	830,166	(61,543)	683,423
Total revenues	\$ 13,973,115	18,666,340	18,777,549	111,209	15,750,561

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, 2021
(With Comparative Figures for the Year Ended April 30, 2020)

	2021			2020	
	Appropriations		Actual	Over (Under) Final Budget	Actual
	Original	Final			
Expenditures:					
General government:					
General and administrative:					
Salaries	\$ 783,080	846,530	848,472	1,942	759,683
Group insurance	245,450	195,750	198,783	3,033	234,267
Unemployment insurance	12,500	12,500	7,680	(4,820)	8,429
Workers' compensation insurance	13,750	13,750	11,548	(2,202)	14,128
Social Security contribution	59,315	59,315	63,107	3,792	56,895
IMRF contribution	81,050	81,050	84,203	3,153	63,995
Maintenance of equipment	17,000	25,200	24,384	(816)	29,376
Auditing service	42,500	42,500	42,581	81	40,875
Engineering service	120,000	46,500	46,494	(6)	43,898
Legal service	175,000	137,800	138,384	584	197,772
Code enforcement	12,500	7,600	6,143	(1,457)	5,073
Administration hearing	4,500	4,500	3,666	(834)	1,500
Postage	6,000	6,000	9,366	3,366	10,753
Telephone	1,250	1,250	645	(605)	779
Publishing and advertising	45,000	38,900	38,885	(15)	55,402
COVID-19 expense	-	-	60,674	60,674	13,905
Education, dues, and mileage	35,000	43,500	22,841	(20,659)	45,051
Utilities	35,000	35,000	33,453	(1,547)	33,453
Motel tax economic development	-	-	-	-	3,984
General insurance	30,000	58,300	40,031	(18,269)	29,585
Other contractual services	44,500	58,500	53,933	(4,567)	61,279
Operating supplies	41,900	33,800	33,425	(375)	60,533
Maintenance agreements	38,000	44,200	13,674	(30,526)	17,126
Community relations	22,000	22,000	24,513	2,513	24,000
Sales tax rebates	540,000	452,900	452,908	8	562,722
Obligation payment - Parkside	1,560,000	1,560,000	1,560,369	369	1,551,847
Economic development	85,000	128,300	128,290	(10)	196,900
Economic support grant	-	275,000	275,000	-	-
Donations	18,000	106,200	103,828	(2,372)	8,704
Bad debt	1,500	1,500	6,082	4,582	4,684
Rentals	50,000	-	-	-	-
Prior year litigation write-off	-	63,900	(63,906)	(127,806)	-
Miscellaneous	39,600	130,550	92,474	(38,076)	79,805
Total general and administrative	4,159,395	4,532,795	4,361,930	(170,865)	4,216,403
City cemetery:					
Salaries	106,500	101,300	101,254	(46)	74,337
Group insurance	16,000	27,800	27,844	44	-
Dental Insurance	500	500	616	116	161
Workers' compensation insurance	8,500	3,400	4,225	825	4,446
Social Security contribution	8,095	8,095	7,333	(762)	5,654
IMRF contribution	6,850	6,850	8,378	1,528	3,171
Clothing allowance	-	-	100	100	-
Maintenance:					
Buildings	2,000	2,000	415	(1,585)	5,264
Equipment	7,500	7,500	8,051	551	7,069
Vehicles	1,000	1,000	-	(1,000)	148

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, 2021
(With Comparative Figures for the Year Ended April 30, 2020)

	2021			2020	
	Appropriations		Actual	Over (Under) Final Budget	Actual
	Original	Final			
Expenditures (continued):					
General government (continued):					
City cemetery (continued):					
Telephone	\$ 500	500	770	270	641
Utilities	2,200	2,200	1,945	(255)	2,539
Landscaping	8,250	8,250	12,963	4,713	8,020
Equipment rental	500	500	-	(500)	-
Contractual services	500	500	-	(500)	2,575
General insurance	3,050	3,050	3,148	98	2,998
Operating supplies	3,750	9,350	9,388	38	7,994
Automotive fuel and oil	3,850	3,850	2,811	(1,039)	-
Upgrades to Cemetery	50,000	-	-	-	-
Total city cemetery	229,545	186,645	189,241	2,596	125,017
Public buildings & grounds:					
Salaries	29,250	9,350	9,398	48	13,843
Workers' compensation insurance	950	950	307	(643)	745
Social security contribution	2,238	2,238	727	(1,511)	1,063
Maintenance:					
Buildings	50,000	25,100	25,125	25	34,611
Equipment	1,500	6,700	6,693	(7)	-
Grounds	65,000	48,300	48,324	24	13,434
Telephone	10,500	10,500	5,867	(4,633)	6,881
Utilities	17,500	17,500	15,947	(1,553)	15,680
Landscaping	62,500	77,800	77,774	(26)	67,757
General insurance	750	750	652	(98)	622
Land purchase and demolition	-	-	-	-	1,000
Ash-borer program	-	-	-	-	2,670
Other contractual services	35,000	81,400	81,399	(1)	44,694
Operating supplies	7,750	7,750	3,963	(3,787)	13,516
Property taxes	40,000	12,100	12,103	3	38,345
Miscellaneous expense	1,000	23,700	23,735	35	1,109
Total public buildings & grounds	323,938	324,138	312,014	(12,124)	255,970
Total general government	4,712,878	5,043,578	4,863,185	(180,393)	4,597,390
Public safety:					
Police department:					
Salaries	2,309,500	2,170,200	2,174,817	4,617	2,172,728
Group insurance	485,000	485,000	476,899	(8,101)	541,172
Dental Insurance	11,500	11,500	9,358	(2,142)	10,386
Worker's compensation	49,500	35,400	43,568	8,168	40,219
Social Security contribution	40,500	40,500	42,792	2,292	41,431
IMRF contributions	16,750	16,750	14,450	(2,300)	12,294
Uniform allowance	23,000	23,000	26,145	3,145	25,633
Leads Line Rental	14,500	14,500	14,255	(245)	13,672

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, 2021
(With Comparative Figures for the Year Ended April 30, 2020)

	2021			Over (Under) Final Budget	2020
	Appropriations		Actual		Actual
	Original	Final			
Expenditures (continued):					
Public safety (continued):					
Police department (continued):					
Maintenance:					
Buildings	\$ 2,500	2,500	1,852	(648)	3,441
Equipment	10,500	25,800	27,338	1,538	18,488
Vehicles	70,000	55,200	55,218	18	42,064
Legal service	30,500	30,500	32,254	1,754	53,375
Employment testing	3,000	3,000	300	(2,700)	2,724
Postage	1,000	1,000	849	(151)	1,042
Maintenance Agreement	4,500	4,500	-	(4,500)	-
Telephone	9,500	9,500	8,628	(872)	9,121
Code red services	15,000	15,000	15,000	-	15,000
Dues	3,500	3,500	1,275	(2,225)	2,773
Training	28,500	22,300	22,274	(26)	30,770
Utilities	17,400	17,400	22,263	4,863	15,090
General insurance	60,500	60,500	61,387	887	58,469
Special Programs Expense	15,000	4,800	4,808	8	10,248
Other contractual services	15,750	26,750	27,187	437	37,293
Pension contribution	1,000,000	1,000,000	1,000,000	-	875,000
Operating supplies	35,000	28,200	28,176	(24)	43,347
Automotive fuel & oil	62,500	49,300	49,275	(25)	49,464
Computer software	2,500	2,500	2,043	(457)	3,168
Police Station Financing	475,000	279,100	279,082	(18)	-
Community relations	500	500	275	(225)	1,015
ESDA Expenses	5,000	5,000	4,328	(672)	2,195
Miscellaneous Expense	5,500	1,500	6,942	5,442	5,985
Total police department	4,823,400	4,445,200	4,453,038	7,838	4,137,607
Fire department:					
Salaries	501,950	516,150	525,769	9,619	505,334
Group insurance	88,500	104,200	104,209	9	117,631
Dental Insurance	2,050	2,050	1,441	(609)	1,453
Workers' compensation insurance	45,750	36,050	43,148	7,098	37,093
Social Security contribution	17,500	17,500	17,357	(143)	16,132
IMRF contribution	1,000	1,000	1,009	9	810
Uniform allowance	2,500	2,500	846	(1,654)	1,379
Maintenance:					
Building	35,000	15,200	15,219	19	21,966
Equipment	9,500	18,400	19,615	1,215	12,787
Vehicles	60,500	134,200	134,159	(41)	77,600
Legal service	5,000	-	-	-	133
Telephone	8,500	8,500	6,480	(2,020)	6,141
Dues	1,500	1,500	693	(807)	1,545
Training	7,750	7,750	4,141	(3,609)	4,178
Turnout gear	20,500	20,500	21,772	1,272	35,727
Utilities	17,500	17,500	17,147	(353)	15,075

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, 2021
(With Comparative Figures for the Year Ended April 30, 2020)

	2021			2020	
	Appropriations		Actual	Over (Under) Final Budget	Actual
	Original	Final			
Expenditures (continued):					
Public safety (continued):					
Fire department (continued):					
General insurance	\$ 41,500	41,500	39,597	(1,903)	37,715
Rentals	1,000	1,000	-	(1,000)	-
Other contractual services	10,000	10,000	10,443	443	9,587
Operating supplies	30,500	23,800	23,841	41	18,001
Medical services	1,600	1,600	5,240	3,640	17,678
Automotive fuel and oil	15,000	9,400	9,394	(6)	12,415
Pension contribution	150,000	150,000	150,000	-	135,750
Miscellaneous	2,000	2,000	855	(1,145)	1,425
Total fire department	1,076,600	1,142,300	1,152,375	10,075	1,087,555
Total public safety	5,900,000	5,587,500	5,605,413	17,913	5,225,162
Public works:					
Service garage:					
Salaries	150,358	150,358	147,166	(3,192)	142,790
Group insurance	37,500	37,500	32,816	(4,684)	37,860
Dental Insurance	750	750	717	(33)	744
Workers' compensation insurance	4,500	4,500	4,784	284	4,825
Social security contribution	11,500	11,500	10,729	(771)	10,428
IMRF contribution	15,025	15,025	15,230	205	12,541
Operating supplies	500	500	-	(500)	-
General insurance	4,250	4,250	4,215	(35)	4,014
Miscellaneous	500	500	565	65	227
Total service garage	224,883	224,883	216,222	(8,661)	213,429
Sidewalks and crossings:					
Maintenance	30,500	1,000	1,029	29	6,011
Curb project	45,000	202,700	202,695	(5)	63,855
Total sidewalks and crossings	75,500	203,700	203,724	24	69,866
Streets and alleys:					
Salaries	599,650	652,850	651,667	(1,183)	588,501
Group insurance	70,500	104,000	104,068	68	88,411
Dental Insurance	1,500	1,500	1,098	(402)	1,424
Workers' compensation insurance	40,250	27,350	33,925	6,575	32,673
Social security contribution	45,500	45,500	48,488	2,988	43,613
IMRF contribution	65,500	59,700	59,684	(16)	48,716
Uniform allowance	2,500	2,500	1,647	(853)	1,721
Maintenance:					
Buildings	5,000	12,300	12,278	(22)	860
Equipment	25,750	19,750	19,772	22	16,148
Vehicles	55,250	33,850	33,867	17	44,948
Streets	198,500	502,100	502,067	(33)	195,179
Engineering service	75,000	27,200	27,183	(17)	2,827
Legal expense	10,000	400	432	32	583

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, 2021
(With Comparative Figures for the Year Ended April 30, 2020)

	2021			2020	
	Appropriations		Actual	Over (Under) Final Budget	Actual
	Original	Final			
Expenditures (continued):					
Public works (continued):					
Streets and alleys (continued):					
Telephone	\$ 6,350	6,350	6,719	369	5,633
Utilities	33,750	23,650	23,618	(32)	28,865
General insurance	23,750	23,750	22,882	(868)	21,794
Rentals	10,000	3,900	3,900	-	-
Other contractual services	22,500	57,900	57,885	(15)	31,242
Maint. supplies - streets	22,500	27,700	27,741	41	21,981
Maint. supplies - snow removal	195,000	195,000	197,098	2,098	135,050
Operating supplies	55,000	1,400	(1,424)	(2,824)	93,522
Automotive fuel and oil	49,750	62,350	62,364	14	60,785
Education and meetings	5,000	4,950	2,809	(2,141)	3,986
Backhoe Lease	25,750	-	-	-	-
Miscellaneous Expense	1,000	1,000	1,235	235	976
Total streets and alleys	1,645,250	1,896,950	1,901,003	4,053	1,469,438
Total public works	1,945,633	2,325,533	2,320,949	(4,584)	1,752,733
Health and welfare:					
Other contractual services	257,008	282,808	283,244	436	271,638
Total health and welfare	257,008	282,808	283,244	436	271,638
Culture and recreation:					
Public parks:					
Salaries	292,700	298,000	297,994	(6)	246,007
Group insurance	47,500	47,500	45,752	(1,748)	48,319
Dental Insurance	1,080	1,080	1,244	164	1,045
Workers' compensation insurance	9,500	9,500	7,789	(1,711)	7,508
Social Security contribution	22,850	22,850	21,962	(888)	19,614
IMRF contribution	19,750	19,750	16,497	(3,253)	17,556
Uniform allowance	1,000	1,000	867	(133)	379
Maintenance:					
Buildings	10,000	1,600	1,576	(24)	15,857
Equipment	20,500	45,400	45,403	3	25,967
Vehicles	500	500	3,568	3,068	382
Grounds	42,500	83,700	83,661	(39)	36,723
Engineering service	1,000	1,000	962	(38)	1,742
Utilities	22,850	22,850	24,559	1,709	24,453
General insurance	8,500	8,500	8,712	212	8,298
Other contractual services	54,050	81,450	81,410	(40)	80,447
Operating supplies	25,000	31,400	31,408	8	57,556
Automotive fuel and oil	5,000	5,000	5,055	55	1,570
Band concerts	8,500	-	-	-	11,630
Handicrafts/Camps & Lessons	4,200	4,200	-	(4,200)	-
Landscaping	45,000	4,800	4,800	-	14,266
Camp Stipends	12,000	12,000	11,490	(510)	-
Events	25,000	25,000	29,792	4,792	-
Miscellaneous	2,500	2,500	861	(1,639)	605
Total culture and recreation	681,480	729,580	725,362	(4,218)	640,812

**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, 2021
(With Comparative Figures for the Year Ended April 30, 2020)**

	2021			2020	
	Appropriations		Actual	Over (Under) Final Budget	Actual
	Original	Final			
Expenditures (continued):					
Debt service:					
Bond interest	\$ 1,439	151,700	151,745	45	-
Bond principal	-	-	460,000	460,000	-
Note principal	108,093	21,693	21,731	38	86,200
Note interest	6,975	6,975	3,190	(3,785)	6,319
Total debt service	116,507	180,368	636,666	456,298	92,519
Capital outlay:					
Land / property	50,000	102,900	110,100	7,200	-
Equipment and computers	242,450	370,650	337,666	(32,984)	150,399
Vehicles	135,750	130,850	167,473	36,623	177,046
Improvements	2,150,000	5,280,100	5,272,883	(7,217)	122,344
Construction	9,750,000	12,804,200	12,804,218	18	3,764,247
Total capital outlay	12,278,200	18,688,700	18,692,340	3,640	4,214,036
Total expenditures	25,891,706	32,838,067	33,127,159	289,092	16,794,290
Excess of revenues over expenditures	(11,918,591)	(14,171,727)	(14,349,610)	(177,883)	(1,043,729)
Other financing sources (uses):					
Proceeds from the sale of cap. assets	4,513	4,513	200	(4,313)	550,902
Proceeds from the sale of bonds	10,000,000	-	13,520,000	13,520,000	-
Premium on bonds sold	-	-	1,584,830	1,584,830	-
Transfers in	15,000	-	50,948	50,948	10,000
Transfers out	(92,000)	(49,200)	(13,000)	36,200	(112,000)
Total other financing sources (uses)	9,927,513	(44,687)	15,142,978	15,187,665	448,902
Net change in fund balance	\$ (1,991,078)	(14,216,414)	793,368	15,009,782	(594,827)
Fund balance, beginning of year			9,129,149		9,723,976
Fund balance, end of year			\$ 9,922,517		9,129,149

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,					
	2020	2019	2018	2017	2016	2015
TOTAL PENSION LIABILITY						
Service cost	\$ 348,606	342,197	309,047	341,978	375,371	371,022
Interest on the total pension liability	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	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	(1,388,823)	(1,430,878)	(1,428,996)	(1,451,875)	(1,463,477)	(1,464,907)
Net Change in Total Pension Liability	885,170	114,008	2,002,573	(103,048)	181,060	298,557
Total Pension Liability - Beginning	28,817,471	28,703,463	26,700,890	26,803,938	26,622,878	26,324,321
Total Pension Liability - Ending (a)	<u>\$ 29,702,641</u>	<u>28,817,471</u>	<u>28,703,463</u>	<u>26,700,890</u>	<u>26,803,938</u>	<u>26,622,878</u>
PLAN FIDUCIARY NET POSITION						
Employer contributions	\$ 378,413	253,023	375,958	352,860	476,523	423,193
Employee contributions	159,148	152,503	150,954	151,618	158,243	156,572
Pension Plan Net Investment Income	4,094,359	4,852,403	(1,562,355)	4,408,747	1,640,312	117,884
Benefit Payments and Refunds	(1,388,823)	(1,430,878)	(1,428,996)	(1,451,875)	(1,463,477)	(1,464,907)
Other	114,360	(656,229)	451,124	(374,669)	(157,226)	482,191
Net Change in Plan Fiduciary Net Position	3,357,457	3,170,822	(2,013,315)	3,086,681	654,375	(285,067)
Plan Fiduciary Net Position - Beginning	28,632,792	25,461,970	27,475,285	24,388,604	23,734,229	24,019,296
Plan Fiduciary Net Position - Ending (b)	<u>\$ 31,990,249</u>	<u>28,632,792</u>	<u>25,461,970</u>	<u>27,475,285</u>	<u>24,388,604</u>	<u>23,734,229</u>
EMPLOYER'S NET PENSION LIABILITY (ASSET) (a-b)	<u>\$ (2,287,608)</u>	<u>184,679</u>	<u>3,241,493</u>	<u>(774,395)</u>	<u>2,415,334</u>	<u>2,888,649</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	107.70%	99.36%	88.71%	102.90%	90.99%	89.15%
Covered Valuation Payroll	\$ 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	-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
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 2020 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): 23-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 18 years for most employers (three employers were financed over 27 years and four others were 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,						
	2021	2020	2019	2018	2017	2016	2015
TOTAL PENSION LIABILITY							
Service Cost	\$ 516,119	494,137	488,046	516,255	497,584	497,584	465,221
Interest	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	(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	(1,222,158)	(1,020,925)	(996,402)	(974,000)	(922,022)	(875,938)	(808,454)
Net Change in Total Pension Liability	582,359	1,285,727	2,287,686	2,019,431	830,061	1,463,728	770,036
Total Fiduciary Pension Liability - Beginning	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)	<u>\$ 26,305,245</u>	<u>25,722,886</u>	<u>24,437,159</u>	<u>22,149,473</u>	<u>20,130,042</u>	<u>19,299,981</u>	<u>17,836,253</u>
PLAN FIDUCIARY NET POSITION							
Contributions - employer	\$ 1,700,895	1,545,674	1,388,128	1,248,667	998,985	858,792	827,242
Contributions - employee	174,592	177,092	170,234	162,422	165,650	161,858	159,044
Net investment income	2,415,039	91,528	406,268	581,388	561,341	(35,566)	296,638
Benefit payments, including refunds of employee contributions	(1,222,158)	(1,020,925)	(996,402)	(974,000)	(922,022)	(875,938)	(808,454)
Administrative expense	(5,634)	(6,212)	(6,225)	(4,650)	(9,884)	(7,800)	(11,407)
Net Change in Plan Fiduciary Net Position	3,062,734	787,157	962,003	1,013,827	794,070	101,346	463,063
Plan Fiduciary Net Position - Beginning	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)	<u>\$ 13,942,940</u>	<u>10,880,206</u>	<u>10,093,049</u>	<u>9,131,046</u>	<u>8,117,219</u>	<u>7,323,149</u>	<u>7,221,803</u>
EMPLOYER'S NET PENSION LIABILITY (ASSET) (a-b)	<u>\$ 12,362,305</u>	<u>14,842,680</u>	<u>14,344,110</u>	<u>13,018,427</u>	<u>12,012,823</u>	<u>11,976,832</u>	<u>10,614,450</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	53.00%	42.30%	41.30%	41.22%	40.32%	37.94%	40.49%
Covered Valuation Payroll	\$ 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	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
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, 2020

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 2021 contribution rates:

Actuarial cost method	Projected Unit Credit
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,	2021	2020	2019	2018	2017	2016	2015
Annual money-weighted rate of return, net of investment expense	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,						
	2021	2020	2019	2018	2017	2016	2015
TOTAL PENSION LIABILITY							
Service Cost	\$ 117,497	113,075	105,892	115,145	104,199	104,199	94,645
Interest	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	(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	(128,815)	(129,689)	(126,265)	(126,447)	(126,184)	(125,574)	(136,226)
Net Change in Total Pension Liability	84,583	83,941	225,572	(20,724)	159,144	145,700	127,228
Total Pension Liability - Beginning	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>\$ 4,155,096</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	229,336	211,446	202,102	183,694	150,671	130,312	124,483
Contributions - employee	24,319	24,636	23,155	22,484	22,102	21,538	21,023
Net investment income	333,086	54,368	98,864	34,975	58,102	51,158	50,576
Benefit payments, including refunds of employee contributions	(128,815)	(129,689)	(126,265)	(126,447)	(126,184)	(125,574)	(136,226)
Administrative expense	(608)	(469)	(1,208)	(425)	(300)	(100)	(11,056)
Net Change in Plan Fiduciary Net Position	457,318	160,292	196,648	114,281	104,391	77,334	48,800
Plan Fiduciary Net Position - Beginning	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>\$ 3,155,611</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>\$ 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	75.95%	66.29%	63.66%	62.25%	58.89%	58.60%	58.83%
Covered Valuation Payroll	\$ 257,208	260,561	244,897	237,800	233,755	227,795	217,826
Net Pension Liability as a Percentage of Covered Valuation Payroll	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
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, 2020

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 2021 rates:

Actuarial cost method	Projected Unit Credit
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,	2021	2020	2019	2018	2017	2016	2015
Annual money-weighted rate of return, net of investment expense	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,		
	2021	2020	2019
TOTAL OPEB LIABILITY			
Service Cost	\$ 17,433	16,086	14,430
Interest	24,082	24,685	26,422
Changes of benefit terms	42,226	-	-
Difference between expected and actual experience	-	-	-
Changes of assumptions	206,649	34,163	37,882
Benefit payments	(44,308)	(40,758)	(37,739)
Net Change in Total OPEB Liability	246,082	34,176	40,995
Total OPEB Liability - Beginning	807,328	773,152	732,157
Total OPEB Liability - Ending (a)	\$ 1,053,410	807,328	773,152
Covered Valuation Payroll	\$ 6,282,638	6,127,786	5,492,235
Net OPEB Liability as a Percentage of Covered Valuation Payroll	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, 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, 2021

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, 2021, was adopted on June 8, 2020, and was amended on April 30, 2021.

For the year ended April 30, 2021, expenditures of the General Fund, Garbage Fund, and TIF Funds II and IV exceeded the amended budget by \$289,092, \$7,347, \$1,757, and \$3,431.

NOTE 2: PENSIONS

Police Pension

Changes of Assumptions

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.

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.

Notes to Required Supplementary Information
For the Year Ended April 30, 2021

NOTE 2: PENSIONS – (Continued)

Police Pension – (Continued)

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, 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.

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, 2021

(With Comparative Figures for April 30, 2020)

	Totals		Special Revenue Funds			
	2021	2020	Drug Enforcement	Garbage	Motor	Recreation
			Impound and Equipment Fund	Fund	Fuel Tax Fund	Fund
<u>Assets</u>						
Cash and cash equivalents	\$ 2,462,134	1,694,753	255,618	28,409	1,557,947	-
Receivables:						
Property taxes	588,620	561,083	-	-	-	-
Motor fuel taxes	33,895	30,534	-	-	33,895	-
Other	192,754	64,062	-	79,674	113,080	-
Prepaid expenses	-	-	-	-	-	-
Total assets	<u>\$ 3,277,403</u>	<u>2,350,432</u>	<u>255,618</u>	<u>108,083</u>	<u>1,704,922</u>	<u>-</u>
<u>Liabilities</u>						
Overdraft payable	\$ 5,720	-	-	-	-	-
Accounts payable	74,570	68,306	-	70,647	-	-
Due to other funds	92,423	92,423	-	-	-	-
Total liabilities	<u>172,713</u>	<u>160,729</u>	<u>-</u>	<u>70,647</u>	<u>-</u>	<u>-</u>
<u>Deferred Inflows of Resources</u>						
Property taxes levied for subsequent years	588,620	561,083	-	-	-	-
Unavailable revenues	-	-	-	-	-	-
Total deferred inflows of resources	<u>588,620</u>	<u>561,083</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Fund Balances</u>						
Nonspendable:						
Prepaid expenses	-	-	-	-	-	-
Restricted for:						
Public safety services	255,618	229,943	255,618	-	-	-
Streets and public improvements	1,704,922	973,882	-	-	1,704,922	-
Urban renewal purposes	435,376	334,480	-	-	-	-
Economic development	157,712	81,831	-	-	-	-
Other purposes	37,436	83,968	-	37,436	-	-
Unassigned	(74,994)	(75,484)	-	-	-	-
Total fund balance (deficit)	<u>2,516,070</u>	<u>1,628,620</u>	<u>255,618</u>	<u>37,436</u>	<u>1,704,922</u>	<u>-</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 3,277,403</u>	<u>2,350,432</u>	<u>255,618</u>	<u>108,083</u>	<u>1,704,922</u>	<u>-</u>

CITY OF PERU, ILLINOIS
NONMAJOR FUNDS

SCHEDULE C-1
(CONTINUED)

Combining Balance Sheet
April 30, 2021

(With Comparative Figures for April 30, 2020)

	TIF District No. 1 Fund	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	\$ -	435,376	24,413	78,524	-	81,847
Receivables:						
Property taxes	-	363,754	93,510	131,356	-	-
Motor fuel taxes	-	-	-	-	-	-
Other	-	-	-	-	-	-
Prepaid expenses	-	-	-	-	-	-
Total assets	<u>\$ -</u>	<u>799,130</u>	<u>117,923</u>	<u>209,880</u>	<u>-</u>	<u>81,847</u>
<u>Liabilities</u>						
Overdraft payable	\$ -	-	-	-	5,720	-
Accounts payable	-	-	-	2,659	1,264	-
Due to other funds	-	-	92,423	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>92,423</u>	<u>2,659</u>	<u>6,984</u>	<u>-</u>
<u>Deferred Inflows of Resources</u>						
Property taxes levied for subsequent years	-	363,754	93,510	131,356	-	-
Unavailable revenues	-	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>363,754</u>	<u>93,510</u>	<u>131,356</u>	<u>-</u>	<u>-</u>
<u>Fund Balances</u>						
Nonspendable:						
Prepaid expenses	-	-	-	-	-	-
Restricted for:						
Public safety services	-	-	-	-	-	-
Streets and public improvements	-	-	-	-	-	-
Urban renewal purposes	-	435,376	-	-	-	-
Economic development	-	-	-	75,865	-	81,847
Other purposes	-	-	-	-	-	-
Unassigned	-	-	(68,010)	-	(6,984)	-
Total fund balance (deficit)	<u>-</u>	<u>435,376</u>	<u>(68,010)</u>	<u>75,865</u>	<u>(6,984)</u>	<u>81,847</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ -</u>	<u>799,130</u>	<u>117,923</u>	<u>209,880</u>	<u>-</u>	<u>81,847</u>

CITY OF PERU, ILLINOIS
NONMAJOR FUNDS

SCHEDULE C-2

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Year Ended April 30, 2021
(With Comparative Figures for the Year Ended April 30, 2020)

	Totals		Special Revenue Funds		
	2021	2020	Drug Enforcement	Garbage	Motor
			Impound and Equipment Fund	Fund	Fuel Tax Fund
Revenues:					
Taxes	\$ 561,218	896,054	-	-	-
Intergovernmental	725,595	381,731	-	-	725,595
Fines and penalties	30,398	27,946	30,398	-	-
Charges for services	813,681	767,114	-	813,681	-
Income from investments	6,179	7,760	431	82	5,445
Other	17,785	46,429	17,785	-	-
Total revenues	2,154,856	2,127,034	48,614	813,763	731,040
Expenditures:					
General government	56,953	412,782	-	-	-
Public safety	22,939	24,679	22,939	-	-
Health and welfare	822,347	794,877	-	822,347	-
Culture and recreation	-	57,990	-	-	-
Capital Outlay	-	45,020	-	-	-
Payments under intergovernmental agreements	282,303	319,281	-	-	-
Total expenditures	1,184,542	1,654,629	22,939	822,347	-
Excess (deficiency) of revenues over (under) expenditures	970,314	472,405	25,675	(8,584)	731,040
Other financing sources (uses):					
Transfers from other funds	13,000	117,697	-	13,000	-
Transfers to other funds	(95,864)	(64,862)	-	-	-
Total other financing sources (uses)	(82,864)	52,835	-	13,000	-
Net change in fund balance	887,450	525,240	25,675	4,416	731,040
Fund balance (deficit), beginning of year	1,628,620	1,103,380	229,943	33,020	973,882
Fund balance (deficit), end of year	\$ 2,516,070	1,628,620	255,618	37,436	1,704,922

CITY OF PERU, ILLINOIS
NONMAJOR FUNDS

SCHEDULE C-2
(CONTINUED)

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Year Ended April 30, 2021
(With Comparative Figures for the Year Ended April 30, 2020)

	Special Revenue Funds						
	Recreation Fund	TIF District No. 1 Fund	Peru Industrial Park TIF Fund	TIF District No. 3 Fund	TIF District No. 4 Fund	Peru Mall TIF Fund	Community Development Assistance Prog. Fund
Revenues:							
Taxes	\$ -	-	360,502	93,517	107,199	-	-
Intergovernmental	-	-	-	-	-	-	-
Fines and penalties	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Income from investments	-	-	167	21	17	-	16
Other	-	-	-	-	-	-	-
Total revenues	-	-	360,669	93,538	107,216	-	16
Expenditures:							
General government	-	-	21,721	11,842	16,406	6,984	-
Public safety	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-
Payments under intergovernmental agreements	-	-	193,136	74,222	14,945	-	-
Total expenditures	-	-	214,857	86,064	31,351	6,984	-
Excess (deficiency) of revenues over (under) expenditures	-	-	145,812	7,474	75,865	(6,984)	16
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	(50,948)	-	(44,916)	-	-	-	-
Total other financing sources (uses)	(50,948)	-	(44,916)	-	-	-	-
Net change in fund balance	(50,948)	-	100,896	7,474	75,865	(6,984)	16
Fund balance (deficit), beginning of year	50,948	-	334,480	(75,484)	-	-	81,831
Fund balance (deficit), end of year	\$ -	-	435,376	(68,010)	75,865	(6,984)	81,847

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, 2021
 (With Comparative Figures for the Year Ended April 30, 2020)

	2021			2020	
	Original Budget	Final Budget	Actual	Over (Under) Final Budget	Actual
Revenues:					
Drug enforcement	\$ 25,000	13,000	12,983	(17)	4,110
Impound fees	30,000	17,400	17,415	15	23,836
Other revenue	15,000	15,000	17,785	2,785	27,647
Income from investments	500	500	431	(69)	630
Total revenues	70,500	45,900	48,614	2,714	56,223
Expenditures:					
Drug enforcement	25,000	17,000	17,032	32	11,862
Impound	10,750	-	-	-	-
Other expenditures	10,750	10,700	5,907	(4,793)	12,817
Total expenditures	46,500	27,700	22,939	(4,761)	24,679
Excess (deficiency) of revenues over (under) expenditures	24,000	18,200	25,675	7,475	31,544
Other financing sources (uses):					
Transfers to other funds	-	-	-	-	(10,000)
Net change in fund balance	\$ 24,000	18,200	25,675	7,475	21,544
Fund balance, beginning of year			229,943		208,399
Fund balance, end of year			255,618		229,943

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, 2021
(With Comparative Figures for the Year Ended April 30, 2020)

	2021			2020	
	Original Budget	Final Budget	Actual	Over (Under) Final Budget	Actual
Revenues:					
Monthly garbage charges	\$ 765,000	813,700	813,681	(19)	766,075
Yard waste stickers	-	-	-	-	18,782
Income from investments	50	50	82	32	96
Total revenues	<u>765,050</u>	<u>813,750</u>	<u>813,763</u>	<u>13</u>	<u>784,953</u>
Expenditures:					
Scavenger contract	815,000	815,000	821,808	6,808	793,643
Forgiveness of debt	-	-	539	539	1,234
Total expenditures	<u>815,000</u>	<u>815,000</u>	<u>822,347</u>	<u>7,347</u>	<u>794,877</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(49,950)</u>	<u>(1,250)</u>	<u>(8,584)</u>	<u>(7,334)</u>	<u>(9,924)</u>
Other financing sources (uses):					
Transfers from other funds	<u>75,750</u>	<u>12,950</u>	<u>13,000</u>	<u>50</u>	<u>12,000</u>
Net change in fund balance	<u>\$ 25,800</u>	<u>11,700</u>	<u>4,416</u>	<u>(7,284)</u>	<u>2,076</u>
Fund balance, beginning of year			<u>33,020</u>		<u>30,944</u>
Fund balance, end of year			<u><u>37,436</u></u>		<u><u>33,020</u></u>

CITY OF PERU, ILLINOIS
MOTOR FUEL TAX FUND

SCHEDULE C-5

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Year Ended April 30, 2021
(With Comparative Figures for the Year Ended April 30, 2020)

	2021			2020	
	Original Budget	Final Budget	Actual	Over (Under) Final Budget	Actual
Revenues:					
Motor fuel tax allotments	\$ 437,250	382,950	386,354	3,404	381,731
Rebuild Illinois grant	-	339,200	339,241	41	-
Income from investments	7,000	7,000	5,445	(1,555)	6,592
Total revenues	<u>444,250</u>	<u>729,150</u>	<u>731,040</u>	<u>1,890</u>	<u>388,323</u>
Expenditures:					
Bank fees	30	30	-	(30)	-
Annual street maintenance projects	1,075,000	-	-	-	-
Total expenditures	<u>1,075,030</u>	<u>30</u>	<u>-</u>	<u>(30)</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (630,780)</u>	<u>729,120</u>	<u>731,040</u>	<u>1,920</u>	<u>388,323</u>
Fund balance, beginning of year			<u>973,882</u>		<u>585,559</u>
Fund balance, end of year			<u>1,704,922</u>		<u>973,882</u>

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, 2021
(With Comparative Figures for the Year Ended April 30, 2020)

	2021			2020	
	Original Budget	Final Budget	Actual	Over (Under) Final Budget	Actual
Revenues:					
Handicrafts and program fees	\$ -	-	-	-	1,039
Income from investments	-	-	-	-	24
Total revenues	-	-	-	-	1,063
Expenditures:					
Compensation:					
Director	-	-	-	-	4,887
Handicrafts	-	-	-	-	1,079
Lessons and camps	-	-	-	-	1,977
Unemployment insurance	-	-	-	-	43
Workers' compensation	-	-	-	-	520
FICA / Medicare contributions	-	-	-	-	608
Camp director stipends	-	-	-	-	8,397
Operating supplies	-	-	-	-	700
Parade expense	-	-	-	-	1,901
Handicraft supplies	-	-	-	-	67
T-shirts	-	-	-	-	1,792
Fireworks	-	-	-	-	22,000
Fourth of July fireworks family area	-	-	-	-	2,810
Programs	-	-	-	-	3,328
Movie in the park	-	-	-	-	2,955
Touch-a-truck	-	-	-	-	270
Back to school	-	-	-	-	1,516
Music in the park	-	-	-	-	3,040
New equipment	-	-	-	-	45,020
Miscellaneous	-	-	-	-	100
Total expenditures	-	-	-	-	103,010
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-	(101,947)
Other financing sources (uses):					
Transfers (to) other funds	-	-	(50,948)	(50,948)	100,000
Total other financing sources (uses)	-	-	(50,948)	(50,948)	100,000
Net change in fund balance	\$ -	-	(50,948)	(50,948)	(1,947)
Fund balance, beginning of year			50,948		52,895
Fund balance, end of year			-		50,948

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Year Ended April 30, 2021
(With Comparative Figures for the Year Ended April 30, 2020)

	2021				2020
	Original Budget	Final Budget	Actual	Over (Under) Final Budget	Actual
Revenues:					
Property taxes	\$ -	-	-	-	429,194
Income from investments	-	-	-	-	101
Total revenues	-	-	-	-	429,295
Expenditures:					
Administration fees	-	-	-	-	5,471
Developer reimbursements	-	-	-	-	50,000
Taxing district reimbursements	-	-	-	-	373,403
Total expenditures	-	-	-	-	428,874
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-	421
Other financing sources (uses):					
Transfers to other funds	-	-	-	-	(5,697)
Net change in fund balance	\$ -	-	-	-	
Fund balance, beginning of year			-		5,276
Fund balance, end of year			-		-

CITY OF PERU, ILLINOIS
 PERU INDUSTRIAL PARK TIF FUND

SCHEDULE C-8

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
 Year Ended April 30, 2021
 (With Comparative Figures for Year Ended April 30, 2020)

	2021			2020	
	Original Budget	Final Budget	Actual	Over (Under) Final Budget	Actual
Revenues:					
Property taxes	\$ 374,868	374,868	360,502	(14,366)	367,518
Income from investments	150	150	167	17	256
Total revenues	<u>375,018</u>	<u>375,018</u>	<u>360,669</u>	<u>(14,349)</u>	<u>367,774</u>
Expenditures:					
Administration fees	12,500	21,700	21,721	21	21,896
Developer payments	46,500	46,500	48,261	1,761	44,754
Intergovernmental agreements	115,000	144,900	144,875	(25)	147,596
Total expenditures	<u>174,000</u>	<u>213,100</u>	<u>214,857</u>	<u>1,757</u>	<u>214,246</u>
Excess (deficiency) of revenues over (under) expenditures	<u>201,018</u>	<u>161,918</u>	<u>145,812</u>	<u>(16,106)</u>	<u>153,528</u>
Other financing sources (uses):					
Transfers from other funds	-	-	-	-	5,697
Transfers to other funds	(55,000)	(44,900)	(44,916)	(16)	(49,165)
Net change in fund balance	<u>\$ 146,018</u>	<u>117,018</u>	<u>100,896</u>	<u>(16,122)</u>	<u>110,060</u>
Fund balance, beginning of year			<u>334,480</u>		<u>224,420</u>
Fund balance, end of year			<u>435,376</u>		<u>334,480</u>

**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Year Ended April 30, 2021
(With Comparative Figures for the Year Ended April 30, 2020)**

	2021			2020	
	Original Budget	Final Budget	Actual	Over (Under) Final Budget	Actual
Revenues:					
Property taxes	\$ 101,329	93,529	93,517	(12)	99,342
Income from investments	50	50	21	(29)	28
Total revenues	<u>101,379</u>	<u>93,579</u>	<u>93,538</u>	<u>(41)</u>	<u>99,370</u>
Expenditures:					
Administration fees	12,500	12,500	11,842	(658)	12,012
Developer reimbursement	29,500	29,500	27,823	(1,677)	28,062
Intergovernmental agreements	45,650	45,650	46,399	749	48,869
Total expenditures	<u>87,650</u>	<u>87,650</u>	<u>86,064</u>	<u>(1,586)</u>	<u>88,943</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 13,729</u>	<u>5,929</u>	7,474	<u>1,545</u>	10,427
Fund balance (deficit), beginning of year			<u>(75,484)</u>		<u>(85,911)</u>
Fund balance (deficit), end of year			<u>(68,010)</u>		<u>(75,484)</u>

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Year Ended April 30, 2021
(With Comparative Figures for the Year Ended April 30, 2020)

	2021			2020	
	Original Budget	Final Budget	Actual	Over (Under) Final Budget	Actual
Revenues:					
Property taxes	\$ 7,500	107,200	107,199	(1)	-
Income from investments	-	-	17	17	-
Total revenues	7,500	107,200	107,216	16	-
Expenditures:					
Administration fees	12,500	12,500	14,157	1,657	-
Developer reimbursement	500	500	2,249	1,749	-
Intergovernmental agreements	500	14,900	14,945	45	-
Total expenditures	13,500	27,900	31,351	3,451	-
Excess (deficiency) of revenues over (under) expenditures	\$ (6,000)	79,300	75,865	(3,435)	-
Fund balance, beginning of year			-		-
Fund balance, end of year			75,865		-

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
 Year Ended April 30, 2021
 (With Comparative Figures for the Year Ended April 30, 2020)

	2021			2020	
	Original Budget	Final Budget	Actual	Over (Under) Final Budget	Actual
Revenues:					
Property taxes	\$ -	-	-	-	-
Total revenues	-	-	-	-	-
Expenditures:					
Legal and professional fees	-	7,000	6,984	(16)	-
Total expenditures	-	7,000	6,984	(16)	-
Excess (deficiency) of revenues over (under) expenditures	\$ -	(7,000)	(6,984)	16	-
Fund balance (deficit), beginning of year			-		-
Fund balance (deficit), end of year			(6,984)		-

CITY OF PERU, ILLINOIS
 COMMUNITY DEVELOPMENT ASSISTANCE PROGRAM FUND

SCHEDULE C-12

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
 Year Ended April 30, 2021
 (With Comparative Figures for the Year Ended April 30, 2020)

	2021			2020	
	Original Budget	Final Budget	Actual	Over (Under) Final Budget	Actual
Revenues:					
Income from investments	\$ -	-	16	16	33
Total revenues	-	-	16	16	33
Expenditures:					
Miscellaneous expenditures	-	-	-	-	-
Total expenditures	-	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	\$ -	-	16	16	33
Fund balance, beginning of year			81,831		81,798
Fund balance, end of year			81,847		81,831

CITY OF PERU, ILLINOIS
PENSION TRUST FUNDS

SCHEDULE D-1

Combining Statement of Fiduciary Net Position
April 30, 2021
(With Comparative Figures for April 30, 2020)

	Police Pension Fund	Firemen's Pension Fund	Totals	
			2021	2020
<u>Assets</u>				
Cash and cash equivalents	\$ 901,826	164,193	1,066,019	1,355,077
Investments	13,025,341	2,976,544	16,001,885	12,195,799
Accrued interest	15,773	14,874	30,647	27,623
Total assets	<u>\$ 13,942,940</u>	<u>3,155,611</u>	<u>17,098,551</u>	<u>13,578,499</u>
<u>Net position</u>				
Held in trust for pension benefits	<u>\$ 13,942,940</u>	<u>3,155,611</u>	<u>17,098,551</u>	<u>13,578,499</u>
Total net position	<u>\$ 13,942,940</u>	<u>3,155,611</u>	<u>17,098,551</u>	<u>13,578,499</u>

CITY OF PERU, ILLINOIS
PENSION TRUST FUNDS

SCHEDULE D-2

Combining Statement of Changes in Fiduciary Net Position
Year Ended April 30, 2021
(With Comparative Figures for the Year Ended April 30, 2020)

	Police Pension Fund	Firemen's Pension Fund	Totals	
			2021	2020
Additions:				
Contributions:				
Employer contributions	\$ 1,700,895	229,336	1,930,231	1,757,119
Plan member contributions	174,593	24,319	198,912	201,728
Total contributions	1,875,488	253,655	2,129,143	1,958,847
Net investment income:				
Net change in fair value of investments	2,325,047	270,832	2,595,879	(317,743)
Investment income	121,149	73,810	194,959	500,864
Total investment income	2,446,196	344,642	2,790,838	183,121
Less: investment expense	31,159	11,556	42,715	37,225
Net investment expense	2,415,037	333,086	2,748,123	145,896
Total additions	4,290,525	586,741	4,877,266	2,104,743
Deductions:				
Administrative	5,634	608	6,242	6,680
Benefit payments, including member refunds	1,222,157	128,815	1,350,972	1,150,614
Total deductions	1,227,791	129,423	1,357,214	1,157,294
Changes in net position	3,062,734	457,318	3,520,052	947,449
Net position, beginning of year	10,880,206	2,698,293	13,578,499	12,631,050
Net position, end of year	\$ 13,942,940	3,155,611	17,098,551	13,578,499

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

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

* 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
Assessed Valuations:		
TIF II	\$ 6,313,638	6,486,651
TIF III	3,550,709	3,390,207
TIF IV	25,830,051	26,028,581
TIF V	2,533,300	2,499,970
Tax Extensions:		
TIF II	\$ 357,244	363,754
TIF III	95,101	93,510
TIF IV	108,738	131,356
TIF V	-	-
Total	\$ 561,083	588,620
Collections	561,218	-

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, 2021, 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 18, 2021.

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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of 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.

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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to the management of City of Peru, Illinois, in a separate letter dated November 18, 2021.

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 18, 2021



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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, 2021, and the related notes to the financial statements, and have issued our report thereon dated November 18, 2021.

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).

Management's Responsibility

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.

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 85-1145) 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.

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, 2021.

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 18, 2021

SINGLE AUDIT SECTION



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CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

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

Report on Compliance for Each Major Federal Program

We have audited City of Peru, Illinois' compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have direct and material effect on each of City of Peru, Illinois' major federal programs for the year ended April 30, 2021. City of Peru, Illinois' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the City of Peru, Illinois' major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about 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 for each major federal program. However, our audit does not provide a legal determination of the City of Peru, Illinois' compliance.

Opinion on Each Major Federal Program

In our opinion, City of Peru, Illinois, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended April 30, 2021.

Report on Internal Control Over Compliance

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

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

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

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

Mack & Associates, P.C.

Mack & Associates, P.C.
Certified Public Accountants

Morris, Illinois
November 18, 2021

CITY OF PERU, ILLINOIS

Schedule of Expenditures of Federal Awards
For the Year Ended April 30, 2021

Federal Grantor/Pass- Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Expenditures	Pass-Through to sub-recipient
<u>U.S. Department of Treasury</u>				
Passed through State of Illinois				
CARES (M)	21.019	20-494645	\$ 699,700	275,000
Total Coronavirus Relief Fund			699,700	275,000
<u>U.S. Department of Transportation</u>				
Passed through State of Illinois				
Airport PAPIs	20.106	3-17-SBGP-120N	43,247	-
Total U.S. Department of Transportation			43,247	-
<u>U.S. Department of Homeland Security</u>				
Passed through IEMA				
Pre-Disaster Mitigation	97.047	EMC-2017-PC-0005	334,265	-
Covid-19 Response	97.036	FEMA-4489-099-59234-00	14,000	-
Total U.S. Department of Homeland Security			348,265	-
<u>U.S. Department of Housing and Urban Development</u>				
Passed through IL Department of Commerce & Economic Opportunity				
Community Development Block Grant	14.228	18-248372	25,000	25,000
Total U.S. Department of Housing and Urban Development			25,000	25,000
Total Expenditures of Federal Awards			\$ 1,116,212	300,000

(M) Denoted as Major Program

CITY OF PERU, ILLINOIS

Notes to Schedule of Expenditures of Federal Awards For the Year Ended April 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General

The accompanying Schedule of Expenditures of Federal Awards includes the activity of all federal grants of City of Peru, Illinois, under programs of the federal government for the year ended April 30, 2021. Federal awards received directly from federal agencies, as well as federal awards passed through from other government agencies are included on the schedule. The information in this schedule is presented in accordance with the requirements of Office of Management and Budget Uniform Administrative Requirements, Cost Principles, and Audit requirements of Federal Awards. Because the schedule presents only a selected portion of the operations of City of Peru, Illinois, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City of Peru, Illinois.

The City of Peru reporting entity is defined in the Summary of Significant Accounting Policies (Note 1) of the City's basic financial statements.

Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting. Expenditures are recognized following the cost principles contained in OMB Circular A-87, Cost Principles for State, Local, and Indian Tribal Governments, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available.

NOTE 2: INDIRECT FACILITIES & ADMINISTRATION COSTS

City of Peru, Illinois elected not to use the 10% de minimis cost rate.

NOTE 3: SUB-RECIPIENT PAYMENTS

Certain expenditures included on the accompanying Schedule of Expenditures of Federal Awards represents payments to subrecipients. These have been reported in a separate column on the accompanying Schedule of Expenditures of Federal Awards.

NOTE 4: OTHER DISCLOSURES

The City did not receive any federal awards in the form of noncash assistance for insurance in effect during the year, loans, or loan guarantees.

CITY OF PERU, ILLINOIS

Summary of Findings and Questioned Costs For the Year Ended April 30, 2021

A. SUMMARY OF AUDITORS' RESULTS

1. The Independent Auditors' Report expresses an unmodified opinion on the financial statements of City of Peru, Illinois.
2. No material weaknesses or significant deficiencies relating to the audit of the City's financial statements are reported in the Independent Auditor's Report on Internal Control over Financial Reporting and On Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of the City of Peru, Illinois were disclosed during the audit.
4. No significant deficiencies or material weaknesses relating to the audit of the major federal award programs are reported in the Independent Auditors' Report on Compliance for Each Major Program and On Internal Control over Compliance Required by the Uniform Guidance.
5. The Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance for the City of Peru, Illinois expresses an unmodified opinion on all major federal programs.
6. Audit findings relative to the major federal award programs for the City of Peru, Illinois are reported in Part B of this Schedule.
7. The major program tested was the Coronavirus Aid, Relief, and Economic Security Act- CFDA #21.019.
8. Total federal expenditures for the fiscal year ended April 30, 2021 were \$1,116,212, and major programs tested represented 62.68% of that total.
9. The threshold for distinguishing Types A and B programs was \$750,000.
10. City of Peru, Illinois was not determined to be a low-risk auditee.

B. FINDINGS AND QUESTIONED COSTS – MAJOR PROGRAMS

None reported.

C. FINDINGS AND QUESTIONED COSTS – FINANCIAL STATEMENT AUDIT

None reported.

CITY OF PERU, ILLINOIS

**Summary Schedule of Prior Year Audit Findings
For the Year Ended April 30, 2021**

There were no prior audit findings that affected federally funded programs.