

# PERU PUBLIC LIBRARY DISTRICT, ILLINOIS

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## ANNUAL FINANCIAL REPORT



FOR THE FISCAL YEAR ENDED  
JUNE 30, 2023

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# PERU PUBLIC LIBRARY DISTRICT, ILLINOIS

## TABLE OF CONTENTS

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### PAGE

### FINANCIAL SECTION

<b>INDEPENDENT AUDITORS' REPORT</b>	1
<b>MANAGEMENT'S DISCUSSION AND ANALYSIS</b>	4
<b>BASIC FINANCIAL STATEMENTS</b>	
Government-Wide Financial Statements	
Statement of Net Position – Modified Cash Basis	12
Statement of Activities – Modified Cash Basis	13
Fund Financial Statements	
Balance Sheet – Modified Cash Basis – Governmental Funds	14
Reconciliation of Total Governmental Fund Balance to Net Position	
Modified Cash Basis – Governmental Activities	15
Statement of Revenues, Expenditures and Changes in	
Fund Balances – Modified Cash Basis – Governmental Funds	16
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances	
to the Statement of Activities – Modified Cash Basis – Governmental Activities	17
Notes to Financial Statements	18
<b>OTHER SUPPLEMENTARY INFORMATION</b>	
Schedule of Employer Contributions	
Illinois Municipal Retirement Fund	35
Schedule of Changes in the Employer's Net Pension Liability	
Illinois Municipal Retirement Fund	36
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	
Modified Cash Basis – Budget and Actual – General Fund	38
Schedule of Expenditures – Modified Cash Basis – Budget and Actual – General Fund	39
Schedules of Revenues, Expenditures and Changes in Fund Balance	
Modified Cash Basis – Budget and Actual – Capital Projects Fund	41
Schedules of Revenues, Expenditures and Changes in Fund Balance	
Modified Cash Basis – Budget and Actual – Working Cash – Special Revenue Fund	42

## **FINANCIAL SECTION**

This section includes:

- Independent Auditors' Report
- Basic Financial Statements
- Other Supplementary Information

## **INDEPENDENT AUDITORS' REPORT**

This section includes the opinion of the Library's independent auditing firm.



## **INDEPENDENT AUDITOR'S REPORT**

October 30, 2023

Members of the Board of Trustees  
Peru Public Library District  
City of Peru, Illinois

### **Opinions**

We have audited the accompanying modified cash basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Peru Public Library District, Illinois, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Library's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Peru Public Library District, Illinois, as of June 30, 2023, and the respective changes in financial position for the year then ended in accordance with the modified cash basis of accounting as described in Note 1.

### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Library, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Emphasis of Matter - Basis of Accounting**

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified cash basis of accounting described in Note 1, and for determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Library's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Library's ability to continue as a going concern for a reasonable period of time.

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

### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Peru Public Library District, Illinois' basic financial statements. The management's discussion and analysis and other supplementary information are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, management's discussion and analysis and other supplementary information are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*Lauterbach & Amen, LLP*

LAUTERBACH & AMEN, LLP

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

## **PERU PUBLIC LIBRARY DISTRICT, ILLINOIS**

### **Management's Discussion and Analysis June 30, 2023**

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Our discussion and analysis of the Library, Illinois' financial performance provides an overview of the Library's financial activities for the fiscal year ended June 30, 2023. Please read it in conjunction with the financial statements.

#### **FINANCIAL HIGHLIGHTS**

- The Library's net position increased by \$282,740, or 19.3 percent, as a result of this year's operations.
- During the year, government-wide revenues totaled \$907,854, while expenses totaled \$625,114, resulting in an increase to net position of \$282,741.
- The Library's net position totaled \$1,750,541 on June 30, 2023, which includes \$602,838 net investment in capital assets, \$76,369 subject to external restrictions, and \$1,071,333 unrestricted net position that may be used to meet the ongoing obligations to citizens and creditors.
- The General Fund reported a decrease to fund balance for the current year of \$130,537, resulting in ending fund balance of \$391,169, a decrease of 25.0 percent.

#### **USING THIS ANNUAL REPORT**

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the Library as a whole and present a longer-term view of the Library's finances. The government-wide financial statements provide readers with a broad overview of the Library's finances, in a matter similar to a private-sector business. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Library's operations in more detail than the government-wide statements by providing information about the Library's most significant funds.

#### **Government-Wide Financial Statements**

The Statement of Net Position reports information on all of the Library's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Library is improving or deteriorating. Consideration of other nonfinancial factors, such as changes in the Library's property tax base, is needed to assess the overall health of the Library.

The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to 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 only result in cash flows in future fiscal periods (e.g., uncollected taxes).

Both of the government-wide financial statements report functions of the Library that are principally supported by taxes and charges for services revenues (governmental activities). The governmental activities of the Library include the culture and recreation function.



# PERU PUBLIC LIBRARY DISTRICT, ILLINOIS

## Management's Discussion and Analysis June 30, 2023

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### USING THIS ANNUAL REPORT – Continued

#### Governmental Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Library, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Library are reported as governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the Library's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate the comparison between governmental funds and governmental activities.

The Library maintains three individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Capital Projects Fund, and the Working Cash Fund, which are considered major funds. The Library adopts an annual appropriated budget for all of the governmental funds. A budgetary comparison schedule for all funds has been provided to demonstrate compliance with this budget.

#### Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

#### Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain other supplementary information concerning the Library's I.M.R.F. employee pension obligations and budgetary comparison schedules for the General Fund, the Capital Projects Fund, and the Working Cash Fund.

#### GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. The following tables show that in the case of the Library, assets exceeded liabilities by \$1,750,540.

**PERU PUBLIC LIBRARY DISTRICT, ILLINOIS**

**Management’s Discussion and Analysis  
June 30, 2023**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued**

	Net Position	
	2023	2022
Current Assets	\$ 1,151,659	851,174
Capital Assets	602,838	620,521
Total Assets	<u>1,754,497</u>	<u>1,471,695</u>
Other Liabilities	<u>3,957</u>	<u>3,895</u>
Net Postion		
Net investment in Capital Assets	602,838	620,521
Restricted	76,369	245,624
Unrestricted	<u>1,071,333</u>	<u>601,655</u>
Total Net Position	<u><u>1,750,540</u></u>	<u><u>1,467,800</u></u>

A portion of the Library’s net position, \$602,838 or 34.4 percent, reflects its investment in capital assets (for example, land, buildings and improvements, furniture and equipment, and library materials), less any related debt used to acquire those assets that is still outstanding. The Library uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

An additional portion, \$76,369 or 4.4 percent, of the Library’s net position represents resources that are subject to external restrictions on how they may be used. The remaining 61.2 percent, or \$1,071,333, represents unrestricted net position that may be used to meet the government’s ongoing obligations to citizens and creditors.

	Change in Net Position	
	2023	2022
Revenues		
Program Revenues		
Charges for Services	\$ 20,074	6,214
Operating Grants	24,917	17,162
General Revenues		
Property Taxes	724,587	700,566
Replacement Taxes	107,969	95,523
Interest	30,257	6,852
Miscellaneous	50	7,800
Total Revenues	<u>907,854</u>	<u>834,117</u>
Expenses		
Culture and Recreation	625,114	602,617
Interest and Fiscal Charges	-	553
Total Expenses	<u>625,114</u>	<u>603,170</u>
Change in Net Position	282,740	230,947
Net Position - Beginning	<u>1,467,800</u>	<u>1,236,853</u>
Net Position - Ending	<u><u>1,750,540</u></u>	<u><u>1,467,800</u></u>

# PERU PUBLIC LIBRARY DISTRICT, ILLINOIS

## Management's Discussion and Analysis June 30, 2023

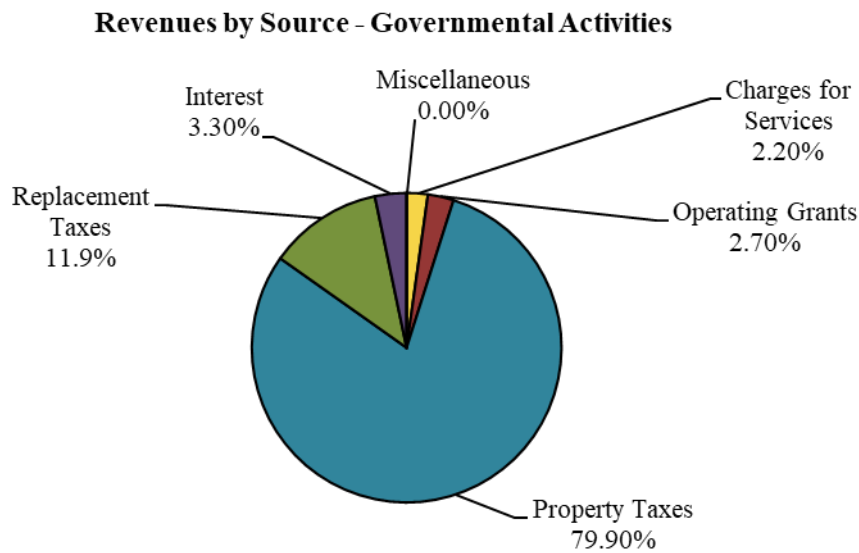
### GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

Net position of the Library's governmental activities increased by 19.3 percent (\$1,750,540 in 2023 compared to \$1,467,800 in 2022). Unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraints, totaled \$1,071,333 at June 30, 2023.

Revenues for governmental activities totaled \$907,854, while the cost of all governmental functions totaled \$625,114. This results in a surplus of \$282,740. In 2022, revenues totaled \$834,117 while the cost of all functions totaled \$603,170 resulting in a surplus of \$230,947. The increase for 2023 was the result of increases in charges for services of \$13,860, property taxes of \$24,021, replacement taxes of \$12,446, and interest of \$23,405.

The Library relies on a combination of user fees and taxes to fund its services and programs. While the primary source of fund is property taxes.

The following table graphically depicts the major revenue sources of the Library. It depicts very clearly the reliance of property taxes to fund governmental activities. It also clearly identifies the less significant percentage the Library receives from replacement and other taxes.

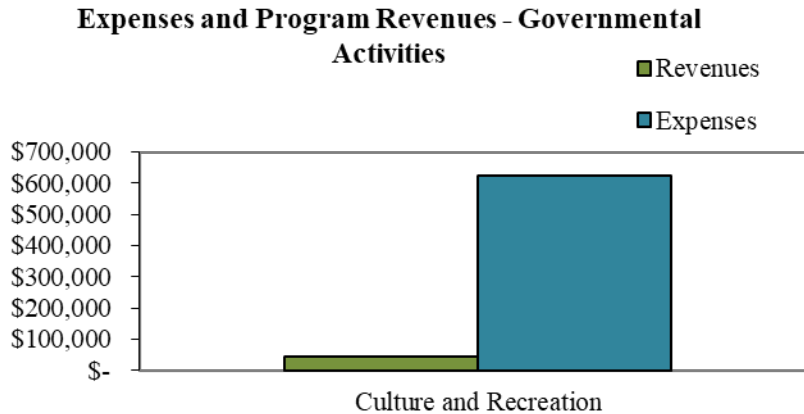


**PERU PUBLIC LIBRARY DISTRICT, ILLINOIS**

**Management’s Discussion and Analysis  
June 30, 2023**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued**

The ‘Expenses and Program Revenues’ Table identifies that governmental functions are not supported by program revenues. All functions of the Library are supplemented with receipts from property taxes, replacement taxes, interest and miscellaneous income (general revenues).



**FINANCIAL ANALYSIS OF THE LIBRARY’S GOVERNMENTAL FUNDS**

As noted earlier, the Library uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the Library’s governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. In particular, unassigned fund balance may serve as a useful measure of a government’s net resources available for spending at the end of the fiscal year.

The Library’s governmental funds reported combining ending fund balances of \$1,147,702, which is \$300,423, or 35.5 percent, more than last year’s total of \$847,279. Of the \$1,147,702 total, \$78,548 constitutes unassigned fund balance.

The General Fund reported a decrease in fund balance for the year of \$130,537, a decrease of 25.0 percent. Total revenues in the General Fund came in \$98,434 over budget. At the same time, expenditures of \$562,826 came in \$41,385 under budget; therefore, resulting in an overall increase to the fund of \$157,747 prior to transfers out. Transfers out totaled \$288,284 in the current year resulting in the decrease to fund balance of \$130,537. The General Fund is the chief operating fund of the Library. At June 30, 2023, unassigned fund balance in the General Fund was \$78,548, which represents 20.1 percent of the total fund balance of the General Fund. As a measure of the General Fund’s liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance in the General Fund represents approximately 14.0 percent of total General Fund expenditures.

**PERU PUBLIC LIBRARY DISTRICT, ILLINOIS**

**Management’s Discussion and Analysis  
June 30, 2023**

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**FINANCIAL ANALYSIS OF THE LIBRARY’S GOVERNMENTAL FUNDS – Continued**

The Capital Projects Fund reported an increase of \$297,187 to fund balance, which was originally budgeted at a decrease of \$33,122. Ending fund balance is reported at a surplus \$8,903. This increase in the current year is due to a transfer in from the General Fund to cover current and previous capital expenditures.

The Working Cash Fund reported an increase of \$133,773 to fund balance, which was originally budgeted as an increase of \$5,695. Ending fund balance is reported at a surplus of \$747,630. This was due to the planned receipts of property taxes and no spending during the year.

**GENERAL LIBRARY FUND BUDGETARY HIGHLIGHTS**

The Library’s Board did not make any budget amendments to the General Fund during the year. General Fund actual revenues for the year totaled \$720,573, compared to final budgeted revenues of \$622,139. This was mainly due to replacement taxes and interest revenues being higher than budgeted.

The General Fund actual expenditures for the year were \$41,385 lower than budgeted (\$562,826 actual compared to \$604,211 budgeted). This was due to all expenditures coming in lower than budgeted, except for insurance.

**CAPITAL ASSETS**

The Library’s investment in capital assets for its governmental activities as of June 30, 2023 was \$602,838 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, furniture and equipment, and library materials.

	Capital Assets - Net of Depreciation	
	2023	2022
Land	\$ 10	10
Buildings and Improvements	522,141	543,026
Furniture and Equipment	15,042	16,922
Library Materials	65,645	60,563
Total	<u>602,838</u>	<u>620,521</u>

This year’s major additions included:

Buildings and Improvements	\$ 30,749
Library Materials	<u>37,984</u>
	<u>68,733</u>

Additional information on the Library’s capital assets can be found in Note 3 of this report.

# **PERU PUBLIC LIBRARY DISTRICT, ILLINOIS**

## **Management's Discussion and Analysis June 30, 2023**

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### **ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES**

The Library's elected and appointed officials considered many factors when setting the fiscal year 2024 budget and the associated property tax rates and charges for services.

The board manages the revenues and expenses in a fiscally responsible manner with the goal of meeting community needs while maintaining adequate financial reserves also planning for future expenses. The Peru Public Library's adopted budget is developed as a cooperative process between the board, the Co-Library Director(s), and appropriate staff members prior to its adoption. The board delegates to the Co-Library Director(s) the daily fiscal operations of the Peru Public Library.

### **REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the Library's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be directed to the Peru Public Library District at 1409 11<sup>th</sup> Street, Peru, Illinois 61354.

## **BASIC FINANCIAL STATEMENTS**

The basic financial Statements include integrated sets of financial statements as required by the GASB. The sets of statements include:

- Government-Wide Financial Statements
- Fund Financial Statements

In addition, the notes to the financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.

**PERU PUBLIC LIBRARY DISTRICT, ILLINOIS**

**Statement of Net Position - Modified Cash Basis  
June 30, 2023**

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<b>ASSETS</b>	
Current Assets	
Cash and Investments	<u>\$ 1,151,659</u>
Noncurrent Assets	
Capital Assets	
Nondepreciable	10
Depreciable	1,586,799
Accumulated Depreciation	<u>(983,971)</u>
Total Noncurrent Assets	<u>602,838</u>
Total Assets	<u>1,754,497</u>
<b>LIABILITIES</b>	
Current Liabilities	
Accrued Payroll	<u>3,957</u>
<b>NET POSITION</b>	
Investment in Capital Assets	602,838
Restricted	
Donations	11,656
Social Security	8,257
IMRF	37,589
Audit	18,867
Unrestricted	<u>1,071,333</u>
Total Net Position	<u><u>1,750,540</u></u>

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



**PERU PUBLIC LIBRARY DISTRICT, ILLINOIS**

**Statement of Activities - Modified Cash Basis  
For the Fiscal Year Ended June 30, 2023**

	Expenses	Program Revenues		Net (Expenses)/ Revenues and Changes in Net Position
		Charges for Services	Operating Grants	
Governmental Activities				
Culture and Recreation	\$ 625,114	20,074	24,917	(580,123)
		General Revenues		
		Taxes		
			Property Taxes	724,587
		Intergovernmental - Unrestricted		
			Replacement Taxes	107,969
			Interest	30,257
			Miscellaneous	50
				<u>862,863</u>
			Change in Net Position	282,740
			Net Position - Beginning	<u>1,467,800</u>
			Net Position - Ending	<u><u>1,750,540</u></u>

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

**PERU PUBLIC LIBRARY DISTRICT, ILLINOIS**

**Balance Sheet - Modified Cash Basis - Governmental Funds  
June 30, 2023**

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	<u>General</u>	<u>Capital Projects</u>	<u>Permanent Working Cash</u>	<u>Totals</u>
<b>ASSETS</b>				
Cash and Investments	<u>\$ 395,126</u>	<u>8,903</u>	<u>747,630</u>	<u>1,151,659</u>
<b>LIABILITIES</b>				
Accrued Payroll	<u>3,957</u>	<u>-</u>	<u>-</u>	<u>3,957</u>
<b>FUND BALANCES</b>				
Nonspendable	-	-	747,630	747,630
Restricted	76,369	-	-	76,369
Committed	-	8,903	-	8,903
Unassigned	314,800	-	-	314,800
Total Fund Balances	<u>391,169</u>	<u>8,903</u>	<u>747,630</u>	<u>1,147,702</u>
Total Liabilities and Fund Balances	<u>395,126</u>	<u>8,903</u>	<u>747,630</u>	<u>1,151,659</u>

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

**PERU PUBLIC LIBRARY DISTRICT, ILLINOIS**

**Reconciliation of Total Governmental Fund Balance to Statement of Net Position  
Modified Cash Basis - Governmental Activities**

**June 30, 2023**

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<b>Total Fund Balances</b>	\$ 1,147,702
Amounts reported in the Statement of Net Position are different because:	
Capital assets are not financial resources and therefore, are not reported in the funds.	<u>602,838</u>
<b>Net Position</b>	<u><u>1,750,540</u></u>

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

**PERU PUBLIC LIBRARY DISTRICT, ILLINOIS**

**Statement of Revenues, Expenditures and Changes in Fund Balances -  
Governmental Funds - Modified Cash Basis  
For the Fiscal Year Ended June 30, 2023**

	General	Capital Projects	<u>Permanent Working Cash</u>	Totals
<b>Revenues</b>				
Taxes	\$ 537,306	53,508	133,773	724,587
Intergovernmental	107,969	-	-	107,969
Charges for Services	20,074	-	-	20,074
Grants and Donations	24,917	-	-	24,917
Interest	30,257	-	-	30,257
Miscellaneous	50	-	-	50
Total Revenues	<u>720,573</u>	<u>53,508</u>	<u>133,773</u>	<u>907,854</u>
<b>Expenditures</b>				
Culture and Recreation	562,826	-	-	562,826
Capital Outlay	-	44,605	-	44,605
Total Expenditures	<u>562,826</u>	<u>44,605</u>	<u>-</u>	<u>607,431</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>				
	<u>157,747</u>	<u>8,903</u>	<u>133,773</u>	<u>300,423</u>
<b>Other Financing Sources (Uses)</b>				
Transfer In	-	288,284	-	288,284
Transfer Out	(288,284)	-	-	(288,284)
	<u>(288,284)</u>	<u>288,284</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balances</b>				
	(130,537)	297,187	133,773	300,423
<b>Fund Balances - Beginning</b>				
	<u>521,706</u>	<u>(288,284)</u>	<u>613,857</u>	<u>847,279</u>
<b>Fund Balances - Ending</b>				
	<u><u>391,169</u></u>	<u><u>8,903</u></u>	<u><u>747,630</u></u>	<u><u>1,147,702</u></u>

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

**PERU PUBLIC LIBRARY DISTRICT, ILLINOIS**

**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances  
to the Statement of Activities - Modified Cash Basis - Governmental Activities**

**For the Fiscal Year Ended June 30, 2023**

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**Net Change in Fund Balances** \$ 300,423

Amounts reported in the Statement of Activities  
are different because:

Governmental funds report capital outlays as expenditures. However, in the  
Statement of Activities the cost of those assets is allocated over their estimated  
useful lives and reported as depreciation expense.

Capital Outlays	68,733
Depreciation Expense	(86,416)
Disposals - Cost	(33,825)
Disposals - Accumulated Depreciation	<u>33,825</u>

**Changes in Net Position** 282,740

## **PERU PUBLIC LIBRARY DISTRICT, ILLINOIS**

### **Notes to the Financial Statements June 30, 2023**

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#### **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Peru Public Library District (Library), Illinois operates under a Board of Trustees form of government. The basic financial statements of the Library have been presented on a modified cash basis of accounting. The modified cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements. The more significant of the Library's accounting policies are described below.

#### **REPORTING ENTITY**

In determining the financial reporting entity, the Library complies with the provisions of GASB Statement No. 61, "The Financial Reporting Omnibus – an Amendment of GASB Statements No. 14 and No. 34," and includes all component units that have a significant operational or financial relationship with the Library. Based upon the criteria set forth in the GASB Statement No. 61, there are no component units included in the reporting entity.

#### **BASIS OF PRESENTATION**

##### **Government-Wide Statements**

The Library's basic financial statements include both government-wide (reporting the Library as a whole) and fund financial statements (reporting the Library's major funds). The Library's culture and recreation services are classified as governmental activities.

In the government-wide Statement of Net Position, the governmental activities are: (a) presented on a consolidated basis and (b) reported on a modified cash basis. The Library's net position is reported in three parts: investment in capital assets; restricted; and unrestricted. The Library first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the Library's functions. The functions are supported by general government revenues (property and replacement taxes, certain intergovernmental revenues, interest, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, which 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.

The net costs (by function) are normally covered by general revenue (property and replacement taxes, certain intergovernmental revenues, interest, etc.).

The Library does not allocate indirect or administrative service costs.

This government-wide focus is more on the sustainability of the Library as an entity and the change in the Library's net position resulting from the current year's activities.

**PERU PUBLIC LIBRARY DISTRICT, ILLINOIS**

**Notes to the Financial Statements  
June 30, 2023**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

**BASIS OF PRESENTATION – Continued**

**Fund Financial Statements**

The financial transactions of the Library are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, fund equity, revenues and expenditures/expenses. An emphasis is placed on major funds within the governmental category. A fund is considered major if it is the primary operating fund of the District or meets the following criteria:

Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and

The various funds are reported by generic classification within the financial statements. The following fund type is used by the Library:

**Governmental Funds**

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the Library:

*General Fund* is the general operating fund of the Library. It accounts for all revenues and expenditures of the Library which are not accounted for in other funds. The General Fund is a major fund.

*Capital projects funds* are used to account for financial resources to be used for the acquisition or construction of major capital facilities. The Library maintains one Capital Projects Fund and it is treated as a major fund.

*Permanent funds* are used to report resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs, that is, for the benefit of the government or its citizenry. The Working Cash Fund, a major fund, is used to account for the financial resources held by the Library to be used for loans for working capital requirement.

**MEASUREMENT FOCUS AND BASIS OF ACCOUNTING**

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

## **PERU PUBLIC LIBRARY DISTRICT, ILLINOIS**

### **Notes to the Financial Statements June 30, 2023**

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#### **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

##### **MEASUREMENT FOCUS AND BASIS OF ACCOUNTING – Continued**

###### **Measurement Focus**

On the government-wide Statement of Net Position and the Statement of Activities, governmental activities are presented using the economic resources measurement focus as defined below. In the fund financial statements, the “current financial resources” measurement focus is used.

The accounting objectives of the “economic resources” measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets/deferred outflows, liabilities/deferred inflows (whether current or noncurrent) associated with their activities are reported.

All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets/deferred outflows and liabilities/deferred inflows are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

###### **Basis of Accounting**

In the government-wide Statement of Net Position and Statement of Activities, governmental activities are presented using the modified cash basis of accounting. This basis recognized revenue when cash is received and expenditures are recorded when payment is made. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

##### **ASSETS, LIABILITIES, AND NET POSITION**

###### **Cash and Investments**

Cash and cash equivalents on the Statement of Net Position are considered to be cash on hand, demand deposits, cash with fiscal agent. Investments are generally reported at fair value. Short-term investments are reported at cost, which approximates fair value. For investments, the Library 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. All of the Library’s investments are in 2a7-like investment pools that are measured at the net asset value per share determined by the pool.

###### **Interfund Receivables, Payables and Activity**

Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses.



**PERU PUBLIC LIBRARY DISTRICT, ILLINOIS**

**Notes to the Financial Statements  
June 30, 2023**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

**ASSETS, LIABILITIES, AND NET POSITION – Continued**

**Capital Assets**

Capital assets purchased or acquired with an original cost of more than \$5,000, depending on asset type, are reported at historical cost or estimated historical cost. Contributed assets are reported at acquisition 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.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. General capital assets are long-lived assets of the Library as a whole. When purchased, such assets are recorded as expenditures in the governmental funds and capitalized. The valuation basis for general capital assets is historical cost, or where historical cost is not available, estimated historical cost based on replacement costs.

Depreciation on all assets is computed and recorded using the straight-line method of depreciation over the following estimated useful lives:

Buildings and Improvements	15 - 50 Years
Furniture and Equipment	10 Years
Library Materials	5 Years

**Net Position**

In the government-wide financial statements, equity is classified as net position and displayed in three components:

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 ac

Restricted – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislations.

Unrestricted – All other net position balances that do not meet the definition of “restricted” or “investment in capital assets.”

## PERU PUBLIC LIBRARY DISTRICT, ILLINOIS

### Notes to the Financial Statements June 30, 2023

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#### NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

##### BUDGETARY INFORMATION

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

- Prior to September 1, the Director submits to the Board of Trustees a proposed operating budget for the fiscal year commencing July 1. The proposed appropriation ordinance includes both expenditures and estimated revenues.
- Prior to the 4<sup>th</sup> Tuesday of September, the budget is to be legally enacted through passage of an ordinance by approval of the Board of Trustees and signature of the Library President. The appropriation ordinance may be amended at fund, purpose or object level by a two-thirds vote of the Board of Trustees, but may not amend the total appropriation unless there are additional funds available in the amount of the increase of total appropriations.
- Appropriations under each annual ordinance lapse when the new annual ordinance is enacted.
- Formal budgetary integration is employed as a management control device at the fund level during the year for the General Fund
- The Library made no amendments to the original budget.

#### NOTE 3 – DETAIL NOTES ON ALL FUNDS

##### DEPOSITS AND INVESTMENTS

The Library maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the combined balance sheet as "cash and investments." In addition, investments are separately held by several of the Library's funds.

Permitted Deposits and Investments – Statutes authorize the Library to make deposits/invest in commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, obligations of States and their political subdivisions, credit union shares, repurchase agreements, commercial paper rated within the three highest classifications by at least two standard rating services, and the Illinois Funds.

The Illinois Funds is an investment pool managed by the Illinois Public Treasurer's Office which allows governments within the State to pool their funds for investment purposes. Illinois Funds is not registered with the SEC as an investment company. Investments in Illinois Funds are valued at the share price, which is the price for which the investment could be sold.

*Deposits.* At year-end, the carrying amount of the Library's deposits totaled \$567,592 and the bank balances totaled \$569,181. In addition, the Library had \$584,067 invested in the Illinois Funds with an average maturity of less than one year.

*Interest Rate Risk.* Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Library does not have an investment policy that addresses interest rate risk.

**PERU PUBLIC LIBRARY DISTRICT, ILLINOIS**

**Notes to the Financial Statements  
June 30, 2023**

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**NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued**

**DEPOSITS AND INVESTMENTS – Continued**

*Credit Risk.* Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The does not have an investment policy that addresses credit risk. At year-end, the Library’s investment in the Illinois Funds was rated AAA by Fitch.

*Concentration Risk.* Concentration of credit risk is the risk of loss attributed to the magnitude of the Library’s investment in a single issuer. The Library does not have an investment policy that addresses concentration risk. At year-end, the Library does not have any investments over 5 percent of the total cash and investment portfolio (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

*Custodial Credit Risk.* In the case of deposits, this is the risk that in the event of a bank failure, the Library’s deposits may not be returned to it. The Library does not have an investment policy for custodial credit risk. At year-end, the entire amount of the bank balance of deposits was covered by collateral, federal depository or equivalent insurance.

**PROPERTY TAXES**

Property taxes for 2022 attach as an enforceable lien on January 1, on property values assessed as of the same date. Taxes are levied by December of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by the County and are payable in two installments, on or about July 7 and September 7. The County collects such taxes and remits them periodically.

**INTERFUND TRANSFERS**

Interfund transfers for the year consisted of the following:

Transfer In	Transfer Out	Amount
Capital Projects	General	<u>\$ 288,284</u>

Transfers are used to move unrestricted revenues collected in the General Fund to finance various projects accounted for in other funds in accordance with budgetary authorizations.

**PERU PUBLIC LIBRARY DISTRICT, ILLINOIS**

**Notes to the Financial Statements  
June 30, 2023**

**NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued**

**CAPITAL ASSETS**

**Governmental Activities**

Governmental capital asset activity for the year was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
<b>Nondepreciable Capital Assets</b>				
Land	\$ 10	-	-	10
<b>Depreciable Capital Assets</b>				
Buildings and Improvements	1,341,848	30,749	-	1,372,597
Furniture and Equipment	59,205	-	-	59,205
Library Materials	150,838	37,984	33,825	154,997
	<u>1,551,891</u>	<u>68,733</u>	<u>33,825</u>	<u>1,586,799</u>
<b>Less Accumulated Depreciation</b>				
Buildings and Improvements	798,822	51,634	-	850,456
Furniture and Equipment	42,283	1,880	-	44,163
Library Materials	90,275	32,902	33,825	89,352
	<u>931,380</u>	<u>86,416</u>	<u>33,825</u>	<u>983,971</u>
Total Net Depreciable Capital Assets	<u>620,511</u>	<u>(17,683)</u>	<u>-</u>	<u>602,828</u>
Total Net Capital Assets	<u>620,521</u>	<u>(17,683)</u>	<u>-</u>	<u>602,838</u>

Depreciation expense of \$86,415 was charged to the culture and recreation function.

**NET INVESTMENT IN CAPITAL ASSETS**

Net investment in capital assets was comprised of the following as of June 30, 2023:

Governmental Activities	
Capital Assets - Net of Accumulated Depreciation	\$ 602,838
Less: Capital Related Debt	
None	<u>-</u>
Net Investment in Capital Assets	<u>602,838</u>

**PERU PUBLIC LIBRARY DISTRICT, ILLINOIS**

**Notes to the Financial Statements  
June 30, 2023**

**NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued**

**FUND BALANCES CLASSIFICATION**

The following is a schedule of fund balance classifications for the governmental funds as of the date of this report:

	General	Capital Projects	<u>Permanent Working Cash</u>	Totals
Fund Balances				
Nonspendable				
Working Cash	\$ -	-	747,630	747,630
Restricted				
Donations	11,656	-	-	11,656
Social Security	8,257	-	-	8,257
IMRF	37,589	-	-	37,589
Audit	18,867	-	-	18,867
	<u>76,369</u>	-	-	<u>76,369</u>
Committed				
Capital Projects	-	8,903	-	8,903
Unassigned	<u>314,800</u>	-	-	<u>314,800</u>
Total Fund Balances	<u>391,169</u>	<u>8,903</u>	<u>747,630</u>	<u>1,147,702</u>

In the governmental fund financial statements, the Library considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. The Library first utilizes committed, then assigned and then unassigned fund balance when an expenditure is incurred for purposes for which all three unrestricted fund balances are available.

*Nonspendable Fund Balance.* Consists of resources that cannot be spent because they are either: a) not in a spendable form; or b) legally or contractually required to be maintained intact.

*Restricted Fund Balance.* Consists of resources that are restricted to specific purposes, that is, when constraints placed on the use of resources are either: a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.

## PERU PUBLIC LIBRARY DISTRICT, ILLINOIS

### Notes to the Financial Statements June 30, 2023

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#### NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

##### FUND BALANCES CLASSIFICATION – Continued

*Committed Fund Balance.* Consists of resources constrained (issuance of an ordinance) to specific purposes by the government itself, using its highest level of decision-making authority, the Board of Trustees; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint.

*Assigned Fund Balance.* Consists of amounts that are constrained by the Board of Trustees' intent to be used for specific purposes but are neither restricted nor committed. Intent is expressed by a) the Board of Trustees itself or b) a body or official to which the Board of Trustees has delegated the authority to assign amounts to be used for specific purposes. The Library's highest level of decision-making authority is the Board of Trustees, who is authorized to assign amounts to a specific purpose.

*Unassigned Fund Balance.* Consists of residual net resources of a fund that has not been restricted, committed, or assigned within the General Fund and deficit fund balances of other governmental funds.

*Minimum Fund Balance Policy.* The Library's policy states that the General Fund will maintain a minimum unassigned fund balance of 25% of current actual expenditures.

#### NOTE 4 – OTHER INFORMATION

##### CONTINGENT LIABILITIES

###### Risk Management

The Library is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; natural disasters; and injuries to the Library's employees. The Library has purchased insurance from private insurance companies. Risks covered included certain types of liabilities and bonds. Premiums have been displayed as expenditures/expenses in appropriate funds. There were no significant changes in insurance coverages from the prior year and settlements did not exceed insurance coverage in any of the past three fiscal years.

###### Litigation

The Library is not a defendant in any lawsuits.

###### Grants

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 Library expects such amounts, if any, to be immaterial.

## PERU PUBLIC LIBRARY DISTRICT, ILLINOIS

### Notes to the Financial Statements June 30, 2023

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#### NOTE 4 – OTHER INFORMATION – Continued

#### EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLAN

##### Illinois Municipal Retirement System

##### Plan Description

The Library contributes to the Illinois Municipal Retirement Fund (IMRF), a defined benefit agent multiple-employer public employee retirement system. IMRF issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole, but not by individual employer. That report may be obtained online at [www.imrf.org](http://www.imrf.org). The benefits, benefit levels, employee contributions, and employer contributions are governed by Illinois Compiled Statutes (ILCS) and can only be amended by the Illinois General Assembly.

*Plan Administration.* All employees hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. The plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required, benefits and refunds are recognized as an expense and liability when due and payable.

*Benefits Provided.* IMRF has three benefit plans. The vast 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 County Official (ECO) plan for officials elected prior to August 8, 2011 (the ECO plan 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 the original pension amount, or
- 1/2 of the increase in the Consumer Price Index of the original pension amount.

**PERU PUBLIC LIBRARY DISTRICT, ILLINOIS**

**Notes to the Financial Statements  
June 30, 2023**

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**NOTE 4 – OTHER INFORMATION – Continued**

**EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLAN – Continued**

**Illinois Municipal Retirement System – Continued**

**Plan Description – Continued**

*Plan Membership.* As of December 31, 2022, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	2
Inactive Plan Members Entitled to but not yet Receiving Benefits	3
Active Plan Members	<u>8</u>
Total	<u><u>13</u></u>

*Contributions.* As set by statute, the Library’s Regular Plan Members are required to contribute 4.50% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. For the fiscal year-ended June 30, 2023, the Library’s annual contribution rate was 10.40% of covered payroll.

*Net Pension Liability.* The Library’s net pension liability was measured as of December 31, 2022. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

*Actuarial Assumptions.* The following are the methods and assumptions used to determine total pension liability at December 31, 2022:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Fair Value
Actuarial Assumptions	
Interest Rate	7.25%
Salary Increases	2.85% to 13.75%
Cost of Living Adjustments	2.75%
Inflation	2.25%



**PERU PUBLIC LIBRARY DISTRICT, ILLINOIS**

**Notes to the Financial Statements  
June 30, 2023**

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**NOTE 4 – OTHER INFORMATION – Continued**

**EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLAN – Continued**

**Illinois Municipal Retirement System – Continued**

**Plan Description – Continued**

*Actuarial Assumptions – Continued.* For nondisabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.

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

<u>Asset Class</u>	<u>Target</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income	25.50%	4.90%
Domestic Equities	35.50%	6.50%
International Equities	18.00%	7.60%
Real Estate	10.50%	6.20%
Blended	9.50%	6.25% - 9.90%
Cash and Cash Equivalents	1.00%	4.00%

**Discount Rate**

The discount rate used to measure the total pension liability was 7.25%, the same as the prior valuation. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that Library contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all project 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.

**PERU PUBLIC LIBRARY DISTRICT, ILLINOIS**

**Notes to the Financial Statements  
June 30, 2023**

**NOTE 4 – OTHER INFORMATION – Continued**

**EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLAN – Continued**

**Illinois Municipal Retirement System – Continued**

**Discount Rate Sensitivity**

The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the net pension liability of the Library calculated using the discount rate as well as what the Library’s net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net Pension Liability	\$ 159,493	111,998	72,688

**Changes in the Net Pension Liability**

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2021	\$ 332,683	214,867	117,816
Changes for the Year:			
Service Cost	25,054	-	25,054
Interest on the Total Pension Liability	24,933	-	24,933
Changes of Benefit Terms	-	-	-
Difference Between Expected and Actual Experience of the Total Pension Liability	(39,197)	-	(39,197)
Changes of Assumptions	-	-	-
Contributions - Employer	-	28,067	(28,067)
Contributions - Employees	-	12,322	(12,322)
Net Investment Income	-	(20,355)	20,355
Benefit Payments, including Refunds of Employee Contributions	(2,604)	(2,604)	-
Other (Net Transfer)	-	(3,426)	3,426
Net Changes	8,186	14,004	(5,818)
Balances at December 31, 2022	340,869	228,871	111,998

**PERU PUBLIC LIBRARY DISTRICT, ILLINOIS**

**Notes to the Financial Statements  
June 30, 2023**

**NOTE 4 – OTHER INFORMATION – Continued**

**EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLAN – Continued**

**Illinois Municipal Retirement System – Continued**

**Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions**

For the year ended June 30, 2023, the Library recognized on a cash basis pension expense of \$28,500. At June 30, 2023, the Library would report on a GAAP basis, deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Differences Between Expected and Actual Experience	\$ 10,403	(29,398)	(18,995)
Changes of Assumptions	1,221	(767)	454
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	20,143	-	20,143
Total Pension Expense to be Recognized in Future Periods	31,767	(30,165)	1,602
Pension Contributions Made Subsequent to the Measurement Date	14,300	-	14,300
Total Deferred Amounts Related to IMRF	<u>46,067</u>	<u>(30,165)</u>	<u>15,902</u>

\$14,300 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date and would recognize as a reduction of the net pension liability in the reporting year ended June 30, 2024, on a GAAP basis. 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:

Fiscal Year	Net Deferred Outflows/ (Inflows) of Resources
2024	\$ (2,065)
2025	(1,822)
2026	(2,697)
2027	8,151
2028	35
Thereafter	<u>-</u>
Total	<u>1,602</u>

**PERU PUBLIC LIBRARY DISTRICT, ILLINOIS**

**Notes to the Financial Statements  
June 30, 2023**

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**NOTE 4 – OTHER INFORMATION – Continued**

**OTHER POST-EMPLOYMENT BENEFITS PLAN**

The Library has evaluated its potential other post-employment benefits liability. Former employees who choose to retain their rights to health insurance through the Library are required to pay 100% of the current premium. However, there is minimal participation. As the Library provides no explicit benefit, and there is minimal participation, there is no material implicit subsidy to calculate in accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions*. Therefore, the Library has not recorded a liability as of June 30, 2023.

## **OTHER SUPPLEMENTARY INFORMATION**

Other supplementary information includes financial statements and schedules not required by the GASB, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

- Schedule of Employer Contributions  
    Illinois Municipal Retirement Fund
  
- Schedule of Changes in the Employer's Net Pension Liability  
    Illinois Municipal Retirement Fund
  
- Budgetary Comparison Schedule  
    General Fund  
    Capital Projects Fund  
    Working Cash – Permanent Fund

Notes to the Other Supplementary Information

Budgetary Information – Budgets are adopted on a cash basis.

## **INDIVIDUAL FUND DESCRIPTIONS**

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### **GENERAL FUND**

The General Fund is used to account for all financial resources except those required to be accounted for in another fund.

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### **CAPITAL PROJECTS FUND**

The Capital Projects Fund is used to account for all resources used for the acquisition of capital facilities by the Library.

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### **PERMANENT FUND**

Permanent Funds are created to report resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs, that is, for the benefit of the government or its citizenry.

### **Working Cash Fund**

The Working Cash Fund is used to account for the financial resources held by the Library to be used for loans for working capital requirement.

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**PERU PUBLIC LIBRARY DISTRICT, ILLINOIS**

**Illinois Municipal Retirement Fund**

**Schedule of Employer Contributions**

**June 30, 2023**

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2018	\$ 21,920	\$ 21,920	\$ -	\$ 254,886	8.60%
2019	24,494	24,494	-	262,904	9.32%
2020	26,205	26,205	-	263,915	9.93%
2021	26,580	26,580	-	259,723	10.23%
2022	27,840	27,840	-	268,996	10.35%
2023	28,500	28,500	-	273,975	10.40%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	21 Years
Asset Valuation Method	5-Year Smoothed Fair Value
Inflation	2.25%
Salary Increases	2.85% to 13.75%, Including Inflation
Investment Rate of Return	7.25%
Retirement Age	See the Notes to the Financial Statements
Mortality	For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.

Notes:

This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

**PERU PUBLIC LIBRARY DISTRICT, ILLINOIS**

**Illinois Municipal Retirement Fund**

**Schedule of Changes in the Employer's Net Pension Liability  
June 30, 2023**

	<u>12/31/2017</u>
Total Pension Liability	
Service Cost	\$ -
Interest	-
Differences Between Expected and Actual Experience	141,664
Change of Assumptions	(1,782)
Benefit Payments, Including Refunds of Member Contributions	<u>-</u>
Net Change in Total Pension Liability	139,882
Total Pension Liability - Beginning	<u>-</u>
Total Pension Liability - Ending	<u><u>139,882</u></u>
Plan Fiduciary Net Position	
Contributions - Employer	\$ 21,422
Contributions - Members	11,209
Net Investment Income	-
Benefit Payments, Including Refunds of Member Contributions	-
Other (Net Transfer)	<u>(2,218)</u>
Net Change in Plan Fiduciary Net Position	30,413
Plan Net Position - Beginning	<u>-</u>
Plan Net Position - Ending	<u><u>30,413</u></u>
Employer's Net Pension Liability	<u><u>\$ 109,469</u></u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	21.74%
Covered Payroll	\$ 249,091
Employer's Net Pension Liability as a Percentage of Covered Payroll	43.95%

Notes:

This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

*Changes of Assumptions.* Changes in assumptions related to the discount rate were made in 2017 through 2018 and 2020. Changes in assumptions related to the demographics were made in 2017.



12/31/2018	12/31/2019	12/31/2020	12/31/2021	12/31/2022
24,825	25,615	27,153	25,136	25,054
11,402	14,296	18,070	21,523	24,933
4,095	12,484	5,970	2,297	(39,197)
5,241	-	(1,424)	-	-
(524)	(1,088)	(1,120)	(1,150)	(2,604)
45,039	51,307	48,649	47,806	8,186
139,882	184,921	236,228	284,877	332,683
184,921	236,228	284,877	332,683	340,869
22,323	26,004	25,873	27,773	28,067
11,681	11,880	11,631	11,960	12,322
(832)	10,448	14,038	23,676	(20,355)
(524)	(1,088)	(1,120)	(1,150)	(2,604)
(860)	(2,236)	(1,757)	(3,266)	(3,426)
31,788	45,008	48,665	58,993	14,004
30,413	62,201	107,209	155,874	214,867
62,201	107,209	155,874	214,867	228,871
122,720	129,019	129,003	117,816	111,998
33.64%	45.38%	54.72%	64.59%	67.14%
259,573	264,008	258,467	265,779	273,814
47.28%	48.87%	49.91%	44.33%	40.90%

**PERU PUBLIC LIBRARY DISTRICT, ILLINOIS**

**General Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance**

**Budget and Actual - Modified Cash Basis**

**For the Fiscal Year Ended June 30, 2023**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 543,540	543,540	537,306
Intergovernmental			
Replacement Taxes	40,000	40,000	107,969
Charges for Services	11,300	11,300	20,074
Grants and Donations	23,599	23,599	24,917
Interest	3,000	3,000	30,257
Miscellaneous	700	700	50
Total Revenues	<u>622,139</u>	<u>622,139</u>	<u>720,573</u>
Expenditures			
Culture and Recreation			
Administration	389,136	389,136	366,958
Operations	90,250	90,250	86,669
Building	66,350	66,350	50,720
Insurance	58,475	58,475	58,479
Total Expenditures	<u>604,211</u>	<u>604,211</u>	<u>562,826</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>17,928</u>	<u>17,928</u>	<u>157,747</u>
Other Financing Sources (Uses)			
Transfers In	121,000	121,000	-
Transfers Out	-	-	(288,284)
	<u>121,000</u>	<u>121,000</u>	<u>(288,284)</u>
Net Change in Fund Balance	<u>138,928</u>	<u>138,928</u>	(130,537)
Fund Balance - Beginning			<u>521,706</u>
Fund Balance - Ending			<u>391,169</u>

**PERU PUBLIC LIBRARY DISTRICT, ILLINOIS**

**General Fund**

**Schedule of Expenditures - Budget and Actual - Modified Cash Basis  
For the Fiscal Year Ended June 30, 2023**

	Budget		Actual
	Original	Final	
<b>Culture and Recreation</b>			
<b>Administration</b>			
Payroll	\$ 347,460	347,460	333,336
Payroll Taxes	26,426	26,426	24,369
Legal	3,000	3,000	1,654
Professional Dues	750	750	275
Education/Meetings	1,500	1,500	397
Postage	1,500	1,500	742
Promotions	3,000	3,000	1,681
Operating Supplies	3,000	3,000	2,452
Miscellaneous	2,500	2,500	2,052
	<u>389,136</u>	<u>389,136</u>	<u>366,958</u>
<b>Operations</b>			
Automation Maintenance	15,000	15,000	13,145
Contractual Services	8,000	8,000	5,461
Operating Supplies	4,500	4,500	3,855
Programs	7,000	7,000	6,700
Reference Materials	500	500	607
Books	31,000	31,000	29,140
Replacements	1,000	1,000	128
Periodicals	4,000	4,000	5,564
Sound Recordings	1,000	1,000	910
DVDs	4,250	4,250	4,280
Software & Online Subscriptions	8,000	8,000	10,577
Donations	6,000	6,000	1,977
Audit Fees	-	-	4,325
	<u>90,250</u>	<u>90,250</u>	<u>86,669</u>
<b>Building</b>			
Building Maintenance	17,595	17,595	12,695
Equipment Maintenance	12,535	12,535	6,998
Telephone	3,000	3,000	2,526
Internet Access	3,720	3,720	3,648

**PERU PUBLIC LIBRARY DISTRICT, ILLINOIS**

**General Fund**

**Schedule of Expenditures - Budget and Actual - Modified Cash Basis - Continued  
For the Fiscal Year Ended June 30, 2023**

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	Budget		Actual
	Original	Final	
Culture and Recreation - Continued			
Building - Continued			
Utilities	\$ 24,000	24,000	19,633
Building Supplies	5,500	5,500	5,220
	<u>66,350</u>	<u>66,350</u>	<u>50,720</u>
Insurance			
Group Health Insurance	41,666	41,666	42,496
General Insurance	16,809	16,809	15,983
	<u>58,475</u>	<u>58,475</u>	<u>58,479</u>
 Total Culture and Recreation	 <u>604,211</u>	 <u>604,211</u>	 <u>562,826</u>

**PERU PUBLIC LIBRARY DISTRICT, ILLINOIS**

**Capital Projects Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance**

**Budget and Actual - Modified Cash Basis**

**For the Fiscal Year Ended June 30, 2023**

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	Budget		
	Original	Final	Actual
Revenues			
Property Taxes	\$ 54,363	54,363	53,508
Expenditures			
Capital Outlay	87,485	87,485	44,605
Excess (Deficiency) of Revenues Over (Under) Expenditures	(33,122)	(33,122)	8,903
Other Financing Sources			
Transfer In	-	-	288,284
Net Change in Fund Balance	<u>(33,122)</u>	<u>(33,122)</u>	297,187
Fund Balance - Beginning			<u>(288,284)</u>
Fund Balance - Ending			<u>8,903</u>

**PERU PUBLIC LIBRARY DISTRICT, ILLINOIS**

**Working Cash - Permanent Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance**

**Budget and Actual - Modified Cash Basis**

**For the Fiscal Year Ended June 30, 2023**

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	Budget		Actual
	Original	Final	
Revenues			
Property Taxes	\$ 135,909	135,909	133,773
Expenditures			
Culture and Recreation			
Miscellaneous	130,214	130,214	-
Net Change in Fund Balance	<u>5,695</u>	<u>5,695</u>	133,773
Fund Balance - Beginning			<u>613,857</u>
Fund Balance - Ending			<u><u>747,630</u></u>