

Fiscal Year 2015

Five-Year History and Line Item Budget



**Peru Elementary School District 124
Adopted by the Board of Education
Wednesday, September 24, 2014
Mark R. Cross, Superintendent**

FISCAL YEAR 2015 BUDGET SUMMARY

GENERAL INFORMATION

The Illinois School Code mandates that each school district prepare a tentative budget, make the tentative budget available for public inspection for a minimum of 30 days, and hold a public hearing and formally adopt the budget prior to the end of the first quarter of each fiscal year. The fiscal year for public school districts in Illinois is July 1 through June 30.

Peru Elementary School District 124 maintains a total of nine funds, including the following by fund number: Education (10), Operations & Maintenance (20), Debt Service (30), Transportation (40), Municipal Retirement & Social Security (50), Capital Projects (60), Working Cash (70), Tort Immunity (80), and Fire Prevention & Safety (90). Five years of history and budgeted FY14 expenditures for each line item for each fund is shown on the following pages.

Decreases in local property tax assessments, as well as federal funding, combined with prorated funding from the state of Illinois, and a sharp decrease in investment returns, have continued to have a major impact on the fiscal year 2015 budget.

FY15 BUDGET FUND SUMMARY

Following is a budget summary of estimated revenues and expenditures for all nine funds. This includes actual beginning year balances (Actual FY14 Balance) and estimated revenues and expenditures for FY15, as well as estimated FY15 fund balances (Budgeted FY15 Balance).

FUND	ACTUAL FY14 BALANCE	ESTIMATED REVENUES	ESTIMATED EXPENDITURES	EXCESS/ (DEFICIT)	BUDGETED FY15 BALANCE
EDUCATION	3,473,870	6,601,784	7,360,518	(758,734)	2,715,136
OPERATIONS & MAINTENANCE	812,982	972,400	1,059,501	(87,101)	725,881
DEBT SERVICE	1,256,464	1,596,961	1,587,500	9,461	1,265,925
TRANSPORTATION	369,442	329,800	410,934	(81,134)	288,308
MUNICIPAL RETIREMENT & SOCIAL SECURITY	121,545	290,500	278,587	11,913	133,458
CAPITAL PROJECTS	10,916,640	36,699	9,394,800	(9,358,101)	1,558,539
WORKING CASH	0	83,400	83,400	0	0
TORT IMMUNITY	17,859	67,500	82,416	(14,916)	2,943
FIRE PREVENTION & SAFETY	171,730	83,550	192,901	(109,351)	62,379

FY14 OVERALL BUDGET SUMMARY

BEGINNING BALANCE JULY 1, 2014	17,140,532
ESTIMATED REVENUES	10,062,594
ESTIMATED EXPENDITURES	20,450,557
EXCESS/(DEFICIT)	(10,387,963)
ESTIMATED ENDING BALANCE JUNE 30, 2014	6,752,569
ESTIMATED DEFICIT MINUS CONSTRUCTION	(1,029,862)

EDUCATION FUND (10)

FIVE YEAR BALANCE HISTORY AND FY15 BUDGET

	ACTUAL FY10	ACTUAL FY11	ACTUAL FY12	ACTUAL FY13	ACTUAL FY14	BUDGET FY15
BEGINNING BALANCE JULY 1	4,924,723	4,879,147	4,661,501	4,089,178	3,866,228	3,473,870
REVENUES	7,059,312	7,247,209	6,993,154	7,125,627	6,835,824	6,601,784
EXPENDITURES	7,104,888	7,464,855	7,565,477	7,348,577	7,228,183	7,360,518
EXCESS/(DEFICIT)	(45,576)	(217,646)	(572,323)	(222,950)	(392,359)	(758,734)
TRANSFER	0	0	0	0	0	0
AUDIT ADJUSTMENT	0	0	0	0	0	0
ENDING BALANCE JUNE 30	4,879,147	4,661,501	4,089,178	3,866,228	3,473,870	2,715,136

FUND DESCRIPTION

The Education Fund (Fund 10) is generally the largest of the nine funds maintained by Peru District 124, as this fund registers all revenues and expenditures broadly associated with the educational program. Certain expenditures that must be charged to this fund include the direct costs of instructional, health and attendance services, lunch programs, all costs of administration, as well as related insurance costs.

MAXIMUM TAX RATE

The maximum tax rate for this fund is \$2.27 per \$100 of assessed valuation. Also contributing to the Education Fund from the local tax base is the lease levy (\$0.05 maximum rate per \$100 of assessed valuation), and the special education levy (\$0.02 maximum rate per \$100 of assessed valuation).

NOTES ON FY15 FUND 10 REVENUES

Education Fund revenues are down again due to decreases in local property assessments, decreases in federal funding, and decreases in general state aide funding, as well as investment returns which have also decreased annual revenues significantly from previous years.

NOTES ON FY15 FUND 10 EXPENDITURES

Despite inflationary increases in most costs and additional unfunded mandates, FY14 Education Fund expenditures were at the lowest level in four years. This in large part due to the district's efforts to control costs in light of uncertain and decreasing revenues from local, state and federal sources.

OPERATIONS & MAINTENANCE FUND (20)

FIVE YEAR BALANCE HISTORY AND FY15 BUDGET

	ACTUAL FY10	ACTUAL FY11	ACTUAL FY12	ACTUAL FY13	ACTUAL FY14	BUDGET FY15
BEGINNING BALANCE JULY 1	1,763,706	951,855	1,040,248	975,373	820,019	812,982
REVENUES	1,039,357	1,145,796	1,037,261	965,561	964,923	972,400
EXPENDITURES	1,851,208	1,057,403	1,102,136	1,120,915	971,960	1,059,501
EXCESS/(DEFICIT)	(811,851)	88,393	(64,875)	(155,354)	(7,037)	(87,101)
TRANSFER	0	0	0	0	0	0
AUDIT ADJUSTMENT	0	0	0	0	0	0
ENDING BALANCE JUNE 30	951,855	1,040,248	975,373	820,019	812,982	725,881

FUND DESCRIPTION

The Operations and Maintenance Fund (Fund 20) shows all planned revenues and expenditures associated with the improvement, maintenance, repair, and operation of the school buildings, property and grounds.

MAXIMUM TAX RATE

The maximum tax rate for this fund is \$0.25 per \$100 of assessed valuation.

NOTES ON FY15 FUND 20 REVENUES

FY15 Corporate Personal Property Relacement Tax revenues are projected to be higher than levels of recent years, while local property tax revenue continues to decrease.

NOTES ON FY15 FUND 20 EXPENDITURES

Most planned expenditures for FY15 are routine in nature.

DEBT SERVICE FUND (30)

FIVE YEAR BALANCE HISTORY AND FY15 BUDGET

	ACTUAL FY10	ACTUAL FY11	ACTUAL FY12	ACTUAL FY13	ACTUAL FY14	BUDGET FY15
BEGINNING BALANCE JULY 1	76,399	1,160,423	1,203,632	1,210,985	1,237,359	1,256,465
REVENUES	2,254,877	1,614,501	1,585,753	1,596,614	1,594,141	1,596,960
EXPENDITURES	1,170,853	1,571,292	1,578,400	1,570,240	1,575,035	1,587,500
EXCESS/(DEFICIT)	1,084,024	43,209	7,353	26,374	19,106	9,460
TRANSFER	0	0	0	0	0	0
AUDIT ADJUSTMENT	0	0	0	0	0	0
ENDING BALANCE JUNE 30	1,160,423	1,203,632	1,210,985	1,237,359	1,256,465	1,265,925

FUND DESCRIPTION

The Debt Service Fund (Fund 30) exists for the issuance of bonds and payment of debt service on those bonds, typically for the renovation or construction of buildings, yet bonds may also be issued for other purposes. Taxes are levied as needed to provide cash to retire these bonds, as well as to pay any interest and fees.

MAXIMUM TAX RATE

There is no legal maximum tax rate for this fund, although the levy may not exceed what is required to pay the approved bond principal and interest. The levy is determined annually through the county clerk's office based on the bond principal and interest for the next fiscal year.

NOTES ON FY15 FUND 30 REVENUES

Sales tax revenues from the City of Peru to retire the Parkside construction bonds began flowing into the Debt Service Fund in FY09. Local property tax revenues to retire recently refunded bonds began flowing into the Debt Service Fund in FY13.

NOTES ON FY15 FUND 30 EXPENDITURES

Refunding bonds were issued in 2012 to refinance the Life Safety bonds and debt certificates that were issued in 2004. The new bonds were re-issued to save in interest and are scheduled to be paid off in FY18, as were the previous bonds and debt certificates. The Parkside alternate revenue bonds are to be paid off in FY28.

TRANSPORTATION FUND (40)

FIVE YEAR BALANCE HISTORY AND FY15 BUDGET

	ACTUAL FY10	ACTUAL FY11	ACTUAL FY12	ACTUAL FY13	ACTUAL FY14	BUDGET FY15
BEGINNING BALANCE JULY 1	400,495	418,844	414,940	338,464	359,762	369,442
REVENUES	353,448	353,973	326,805	397,353	366,019	329,800
EXPENDITURES	335,099	357,877	403,281	376,055	356,339	410,934
EXCESS/(DEFICIT)	18,349	(3,904)	(76,476)	21,298	9,680	(81,134)
TRANSFER	0	0	0	0	0	0
AUDIT ADJUSTMENT	0	0	0	0	0	0
ENDING BALANCE JUNE 30	418,844	414,940	338,464	359,762	369,442	288,308

FUND DESCRIPTION

The Transportation Fund (Fund 40) lists all major expenses related to the cost of transporting students to and from school or for any other educational or extracurricular activity. This includes the costs of any vehicles, insurance, and regular and special education contracted services.

MAXIMUM TAX RATE

The maximum tax rate for this fund is \$0.12 per \$100 of assessed valuation.

NOTES ON FY15 FUND 40 REVENUES

Revenues for the Transportation Fund are largely dependent on the timely payment of state payments for both regular and special education transportation reimbursements.

NOTES ON FY15 FUND 40 EXPENDITURES

While some contingencies are planned, the placement of additional alternative school or special education students in settings outside of the school district could significantly increase FY15 expenditures.

MUNICIPAL RETIREMENT & SOCIAL SECURITY FUND (50)

FIVE YEAR BALANCE HISTORY AND FY15 BUDGET

	ACTUAL FY10	ACTUAL FY11	ACTUAL FY12	ACTUAL FY13	ACTUAL FY14	BUDGET FY15
BEGINNING BALANCE JULY 1	163,708	100,252	72,185	149,088	158,835	121,545
REVENUES	183,291	232,546	350,595	295,268	242,706	290,500
EXPENDITURES	246,747	260,613	273,692	285,521	279,996	278,587
EXCESS/(DEFICIT)	(63,456)	(28,067)	76,903	9,747	(37,290)	11,913
TRANSFER	0	0	0	0	0	0
AUDIT ADJUSTMENT	0	0	0	0	0	0
ENDING BALANCE JUNE 30	100,252	72,185	149,088	158,835	121,545	133,458

FUND DESCRIPTION

The Municipal Retirement & Social Security Fund (Fund 50), commonly referred to as IMRF, exists for the purpose of providing resources for Medicare and Social Security retirement benefits for non-certified employees and Medicare payments for certified employees. The district levies taxes to pay the employer share of these benefits.

MAXIMUM TAX RATE

There is no legal maximum tax rate for this fund, although the district only levies the amount necessary to provide the employee benefits described above.

NOTES ON FY15 FUND 50 REVENUES

The district normally maintains a steady IMRF and Social Security tax levy, but did increase the IMRF levy for FY15.

NOTES ON FY15 FUND 50 EXPENDITURES

Expenses have leveled off considerably in recent years as the district has worked to balance its budget.

CAPITAL PROJECTS FUND (60)

FIVE YEAR BALANCE HISTORY AND FY15 BUDGET

	ACTUAL FY10	ACTUAL FY11	ACTUAL FY12	ACTUAL FY13	ACTUAL FY14	BUDGET FY15
BEGINNING BALANCE JULY 1	4,903,333	288,329	249,214	218,928	0	10,916,640
REVENUES	16,364	236,459	1,638	64	11,482,220	36,699
EXPENDITURES	4,631,368	275,574	31,924	218,992	565,580	9,394,800
EXCESS/(DEFICIT)	(4,615,004)	(39,115)	(30,286)	(218,928)	10,916,640	(9,358,101)
TRANSFER	0	0	0	0	0	0
AUDIT ADJUSTMENT	0	0	0	0	0	0
ENDING BALANCE JUNE 30	288,329	249,214	218,928	0	10,916,640	1,558,539

FUND DESCRIPTION

The Capital Projects Fund (Fund 60) was established in FY08 for the construction of Parkside School, completed in August of 2009 after the successful passage of the April 2007 referendum for a \$19.5 million bond issue. Establishment of this fund has allowed for the collection of proceeds from the issuance of two separate bonds for \$10 million and \$9.5 million each to complete the construction project. Revenues from these bonds are used to pay for the construction-related work, while the Debt Service Fund (Fund 30) is used to make payments on the 20 year bonds. Revenue and expenditures for the Energy Efficiency Grant were completed during FY13.

MAXIMUM TAX RATE

There is no local tax collected specifically for the Capital Projects Fund; rather, revenues for this fund came from the two bond issues for Parkside School, as well as the interest earned on the bond proceed investments, followed by the proceeds and interest from the Energy Efficiency Grant in FY11, FY12 and FY13.

NOTES ON FY15 FUND 60 REVENUES

The only revenues budgeted for FY15 are potential investment earnings.

NOTES ON FY15 FUND 60 EXPENDITURES

Expenditures budgeted for FY15 are related the the Northview Elementary School addition and renovation project.

WORKING CASH FUND (70)

FIVE YEAR BALANCE HISTORY AND FY15 BUDGET

	ACTUAL FY10	ACTUAL FY11	ACTUAL FY12	ACTUAL FY13	ACTUAL FY14	BUDGET FY15
BEGINNING BALANCE JULY 1	0	0	0	0	0	0
REVENUES	92,098	93,750	91,446	88,460	85,464	83,400
EXPENDITURES	92,098	93,750	91,446	88,460	85,464	83,400
EXCESS/(DEFICIT)	0	0	0	0	0	0
TRANSFER	0	0	0	0	0	0
AUDIT ADJUSTMENT	0	0	0	0	0	0
ENDING BALANCE JUNE 30	0	0	0	0	0	0

FUND DESCRIPTION

The Working Cash Fund (Fund 70) is created if a separate tax is levied for working cash purposes, or if bonds are sold for this purpose. Cash available in this fund may be loaned to any fund for which taxes are levied, but is typically transferred to the Education Fund through the annual abolishment of the Working Cash Fund by the Board of Education.

MAXIMUM TAX RATE

The maximum tax rate for this fund is \$0.05 per \$100 of assessed valuation.

NOTES ON FY15 FUND 70 REVENUES

Working cash bonds have not been issued in recent years. The \$0.05 local levy and the interest earned has served as the only recent revenue sources for this fund.

NOTES ON FY15 FUND 70 EXPENDITURES

Technically, there are no expenditures from the Working Cash Fund; the total fund balance is transferred as needed annually to the Education Fund.

TORT IMMUNITY FUND (80)

FIVE YEAR BALANCE HISTORY AND FY15 BUDGET

	ACTUAL FY10	ACTUAL FY11	ACTUAL FY12	ACTUAL FY13	ACTUAL FY14	BUDGET FY15
BEGINNING BALANCE JULY 1	118,411	122,666	122,728	112,825	77,932	17,859
REVENUES	85,928	77,618	70,887	54,225	61,448	67,500
EXPENDITURES	81,673	77,556	80,790	89,118	121,521	82,416
EXCESS/(DEFICIT)	4,255	62	(9,903)	(34,893)	(60,073)	(14,916)
TRANSFER	0	0	0	0	0	0
AUDIT ADJUSTMENT	0	0	0	0	0	0
ENDING BALANCE JUNE 30	122,666	122,728	112,825	77,932	17,859	2,943

FUND DESCRIPTION

The Tort Immunity/Judgment Fund (Fund 80) was created by law in FY09 to levy taxes for the payment of worker compensation and property and liability insurance, as well as for certain allowable legal fees. Peru District 124 does not use this fund to pay for employee salaries.

MAXIMUM TAX RATE

There is no legal maximum tax rate for this fund, although the district only levies the amount necessary to cover the costs described above.

NOTES ON FY15 FUND 80 REVENUES

FY09 was the first year of existence for the Tort Immunity Fund, and any carryover tort funds from previous years that were allowed in other funds were transferred in a one time transaction from the Education and O&M Funds.

NOTES ON FY15 FUND 80 EXPENDITURES

Most planned expenses are fixed costs, with the exception of legal services, which can vary considerably from year to year. Funds are budgeted for this purpose in the event of any serious legal issues that may arise.

FIRE PREVENTION AND SAFETY FUND (90)

FIVE YEAR BALANCE HISTORY AND FY15 BUDGET

	ACTUAL FY10	ACTUAL FY11	ACTUAL FY12	ACTUAL FY13	ACTUAL FY14	BUDGET FY15
BEGINNING BALANCE JULY 1	151,484	41,062	88,323	85,734	61,131	171,730
REVENUES	91,818	48,661	38,541	17,630	187,748	83,550
EXPENDITURES	202,240	1,400	41,130	42,233	77,149	192,901
EXCESS/(DEFICIT)	(110,422)	47,261	(2,589)	(24,603)	110,599	(109,351)
TRANSFER	0	0	0	0	0	0
AUDIT ADJUSTMENT	0	0	0	0	0	0
ENDING BALANCE JUNE 30	41,062	88,323	85,734	61,131	171,730	62,379

FUND DESCRIPTION

The Fire Prevention and Safety Fund (Fund 90), commonly referred to as the Life Safety Fund, is utilized to collect local tax revenue or bond principal for the purpose of health, fire prevention, school security, energy conservation, and life safety alterations, repairs, or reconstruction, or to purchase and install such equipment determined to be necessary.

MAXIMUM TAX RATE

The maximum tax rate for this fund is \$0.05 per \$100 of assessed valuation, but is only levied when needed. Revenue for larger scale projects, including the mandated 10 year life safety survey, is typically handled through the issuance of bonds.

NOTES ON FY15 FUND 90 REVENUES

The Fire Prevention and Safety tax levy exists so that revenue for this fund would flow into the district for upcoming health and life safety needs and expenditures, particularly with the upcoming required ten year survey. The district received a \$25,000 matching maintenance grant for FY14.

NOTES ON FY15 FUND 90 EXPENDITURES

The FY14 expenditure budget includes the asbestos abatement project in the Washington Schools attic, as well as the allowance of professional fees to prepare the 10 year life safety survey.