

2019 ANNUAL DISCLOSURE REPORT

(Pursuant to the Securities and Exchange Commission Rule 15c-2-12)

Related to:

CUSIP # 504516

**PERU ELEMENTARY SCHOOL DISTRICT NO. 124,
LASALLE COUNTY, ILLINOIS**

\$1,200,000 General Obligation School Bonds, Series 2015

\$13,760,000 General Obligation School Refunding Bonds (Alternate Revenue Source), Series 2015A

\$1,610,000 Taxable General Obligation School Bonds, Series 2016

\$860,000 Taxable General Obligation School Bonds, Series 2019

Prepared By:

**PERU ELEMENTARY SCHOOL DISTRICT NO. 124
LaSalle County, Illinois**

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LaSalle County, Illinois

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Board of Education

Board President

Mark Lamboley

Board Vice President

Patti Leynaud

Board Secretary

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Josanne Bruins
Austin Taylor
Dr. Chithambarathanu Pillai
Simon Kampwerth, Jr.

Superintendent

Mark R. Cross

School Treasurer

Eric Heagy

District Counsel

Ice Miller LLP
Bloomington, IL

DISTRICT INFORMATION

General

The District serves approximately 965 students with a variety of programs to meet the changing needs of its students. District students consistently score above State and national averages in all subject areas at all grade levels on standardized testing.

Approximately 120 staff personnel are located in the two district facilities, Northview Elementary School (PreK – 4) and Parkside Middle School (5 – 8). Several staff members have been recognized at the local and State levels for their dedication and professionalism.

The City of Peru (the “City”) is a thriving community located in the heart of the Illinois Valley, approximately 100 miles southwest of Chicago near the junction of Interstates 39 and 80. The City is approximately a one-hour drive from the Quad Cities, Rockford, Peoria, and the Bloomington-Normal area.

The District operates schools with grades Pre-K through 8. Programs offered by the District are comprehensive with an academic curriculum encompassing math, science, literature, technology, gifted programs, and fine arts.

The District feeds into LaSalle-Peru Township High School District 120. Higher education is provided by Illinois Valley Community College District No. 513, located in the City of Oglesby, southeast of the City. A private high school located in the City, St. Bede Academy, is also available to residents.

The District operates on a fiscal year commencing July 1 of each year and ending on June 30 of the following calendar year (the “Fiscal Year”).

Board of Education and Administration

The District is governed by the Board of Education (the “Board”). The Board is composed of seven members elected at large for staggered four year terms. Subsequent to each election, the Board elects a president and vice president, and appoints a secretary and treasurer.

The chief executive officer is the Superintendent of the District, whom is selected by the Board. The day-to-day affairs of the District are managed by the Superintendent under the direction of the Board. In addition to day-to-day management, the Superintendent’s responsibilities include, among others, making policy recommendations to the Board of Education, recommending all additions or changes in personnel and personnel policies, and directing school constructions or new programs. The administrative staff also includes principals at each school.

Facilities

The District operates two school sites in grades PreK through 8. The following table contains descriptive information on the various schools operated by the District.

<u>School</u>	<u>Grades</u>	<u>Student Enrollment</u>	<u>Year Constructed</u>	<u>Additions</u>
Northview Elementary School	PreK – 4	565	1959 and 2015	2
Parkside Middle School	5 – 8	400	2009	0

Source: The District.

Enrollment

The following table sets forth the District’s enrollment for the past five school years.

<u>School Year</u>	<u>Enrollment</u>
2015/16	931
2016/17	919
2017/18	918
2018/19	977
2019/20	965

Source: The District and Illinois State Board of Education - Fall Enrollment Counts, 2016-20120.

Employees

The District currently has 120 employees including 6 administrative personnel, 73 teachers or certified personnel, and 41 support personnel. The following table sets forth District's staffing at the beginning of each of the past four Fiscal Years and the current Fiscal Year.

<u>Staff⁽¹⁾</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Administrators	6	6	6	6	6	6
Teachers	71	69	68	69	72	73
Support Staff	<u>40</u>	<u>34</u>	<u>34</u>	<u>38</u>	<u>40</u>	<u>41</u>
Total	117	109	108	113	118	120

⁽¹⁾Administrators include superintendents, principals and area directors. Teachers includes teachers, librarians, counselors and teacher aides. Support Staff includes maintenance, custodial, food service, secretaries, clerks, nurses, etc.

Source: The District.

Financial Profile

The Illinois State Board of Education (“ISBE”) uses a system for assessing a school district’s financial health referred to as the “School District Financial Profile” (the “System”) which replaced the Financial Watch List and Financial Assurance and Accountability System (“FAAS”). The System identifies those school districts which are moving into financial distress.

The System uses five indicators which are individually scored and weighted in order to arrive at a composite district financial profile. The indicators are as follows: fund balance to revenue ratio; expenditures to revenue ratio; day’s cash on hand; percent of short-term borrowing ability remaining; and percent of long-term debt margin remaining.

Each indicator is calculated and the result is placed into a category of a four, three, two, or one, with four being the highest and best category possible. Each indicator is weighted as follows:

Fund balance to revenue ratio	35%
Expenditures to revenue ratio	35%
Days cash on hand	10%
Percent of short-term borrowing ability remaining	10%
Percent of long-term debt margin remaining	10%

The scores of the weighted indicators are totaled to obtain a district’s overall score. The highest score is 4.0 and the lowest score is 1.0. A district is then placed in one of four categories as follows:

- *Financial Recognition.* A school district with a score of 3.54-4.00 is assigned to this category, which is the best category of financial strength. These districts require minimal or no active monitoring by ISBE unless requested by the district.
- *Financial Review.* A school district with a score of 3.08-3.53 is assigned to this category, the next highest financial strength category. These districts receive a limited review by ISBE, but are monitored for potential downward trends. ISBE staff also review the next year’s school budget for further negative trends.
- *Financial Early Warning.* A school district with a score of 2.62-3.07 is placed in this category. ISBE monitors these districts closely and offers proactive technical assistance, such as financial projections and cash flow analysis. These districts also are reviewed to determine whether they meet the criteria set forth in Article 1A-8 of the School Code to be certified in financial difficulty and possibly qualify for a Financial Oversight Panel.
- *Financial Watch.* A school district with a score of 1.00-2.61 is in this category, the highest risk category. ISBE monitors these districts very closely and offers technical assistance with, but not limited to, financial projections, cash flow analysis, budgeting, personnel inventories, and enrollment projections. These districts are also assessed to determine if they qualify for a Financial Oversight Panel.

The District’s overall score for 2018 (based on District data for its Fiscal Year ended June 30, 2017) was 3.25, thus placing the District in the Review category. The District’s score was 2.90 for its Fiscal Year ended June 30, 2016.

State Aid

General. The State provides aid to local school districts (“State Aid”) on an annual basis as part of the State’s appropriation process. Many school districts throughout the State rely on such State Aid as a significant part of their budgets. For the District’s Fiscal Year ended June 30, 2018, 45.92% of the District’s Educational Fund and Operations and Maintenance Fund revenue came from sources at the State, including State “On-Behalf” Payments and State Aid. See “**FINANCIAL INFORMATION**” herein for more information concerning the breakdown of the District’s revenue sources. *General State Aid After Fiscal Year 2017.* The Illinois General Assembly approved a budget for State FY 2017 for elementary and secondary education, which included a \$361 million increase over levels for State FY 2016. The budget appropriations, contained in Public Act 99-524, provided funding for school districts that fully covered the statutory foundation level of \$6,119 per pupil and included an additional \$250 million in equity grants directed at school districts with high concentrations of impoverished students. Mandated categorical grants were intended to be funded at State FY 2016 levels and early childhood education saw an increase of \$75 million over State FY 2016 levels.

On June 4, 2018, the State enacted its FY 2019 Budget for State FY 2019, which appropriates General State Aid in an amount \$350 million greater than the appropriation for State FY 2018. School districts are to receive these additional funds under the Evidence-Based Model, which incorporates General State Aid and other line items into the Evidence-Based Model, as provided in Public Act 100-00465. Under the Evidence-Based Model, the new school funding formula ties individual school funding to 27 essential elements (the “Essential Elements”) that certain research has identified to enhance student achievement in the classroom, such as reduced classroom sizes, updated technology, advanced teacher training, and increased support for English-learning students. Each year, an adequacy target (the “Adequacy Target”) will be calculated for each school district based upon the cost and availability of the Essential Elements. A determination will be made as to how close a district is to its Adequacy Target (“Percent of Adequacy”) based on its State resources and its expected property tax collections. Each district will be placed in one of four tiers, depending on its Percent of Adequacy, and all State funds appropriated for General State Aid in excess of the amount needed to fund the Base Funding Minimum (as defined below) for all school districts (“New State Funds”) will be distributed first to those districts with the lowest Percent of Adequacy (Tier One) and lastly to those with the highest Percent of Adequacy (Tier Four). Of the funds available, Tier One receives the first 50%, Tier Two receives the next 49%, Tier Three receives 0.9%, and Tier Four receives the final 0.1%.

The District’s Percent of Adequacy assigned by ISBE is approximately 71.2% of its Adequacy Target and it has been placed in Tier Two for school year 2018-2019. For school year 2018-2019, the District will receive approximately \$40,869 in New State Funds.

Public Act 100-0465 also provides that the District will receive at least as much in General State Aid in future years as it received in school year 2017-2018 (such amount being the District’s “Base Funding Minimum” for school year 2018-2019) which was approximately \$1,676,387. No district should receive less General State Aid funds than it received in the prior year since all New State Funds received by a district in a year become part of its Base Funding Minimum the following years. If the State appropriates insufficient funds to cover the cost of the Base Funding Minimum, reductions will be made first to the Base Funding Minimum for all Tier Three and Tier Four school districts and lastly, if necessary, to all school districts on a per pupil basis; provided, however, that such reductions may not reduce State funding for such districts below the Base Funding Minimum for school year 2017-2018. Therefore, reduced appropriations for General State Aid in future years could result in the District receiving less than its Base Funding Minimum in future fiscal years. See “**CERTAIN RISK FACTORS – General State Aid**” herein.

Future legislation could be introduced to repeal or materially change the current General State Aid formula. The District cannot predict whether, or in what form, any change to the General State Aid formula will occur, nor can the District predict the effect of any such change on the District’s future finances.

General State Aid Through Fiscal Year 2017. Through State FY 2017, General State Aid for Illinois school districts was computed beginning with the fiscal year commencing July 1 and allocated to make up the difference between the available local resources per pupil, which was calculated based on a number of factors, including the district’s equalized assessed value (“EAV”), the number of students in attendance in the district, and the district’s corporate personal property replacement tax receipts (“Available Local Resources”), and a foundation level (the “Foundation Level”). The Foundation Level was a figure established annually by the State’s budget representing the minimum level of per pupil financial support that was to be available to provide for the basic education of each pupil determined in accordance with the average daily attendance, as such term is defined in the School Code. The Foundation Level was established at \$6,119 in each of the school years 2013 through 2017.

While the Foundation Level had not been adjusted in recent years, the State budget for General State Aid in certain fiscal years prior to State FY 2017 was reduced. As such, the State was not able to fund fully the General State Aid formula and instead prorated the amount received by each district in recent years. For State FY 2017, total General State Aid was increased to fully cover the General State Aid formula. For State FY 2016, total General State Aid was increased by \$244

million from fiscal year 2015, reducing the General State Aid proration to 8%, with each district receiving 92% of its entitlement. In addition, the State appropriated \$85 million (the “FY 2016 Supplemental Contribution”) to supplement the General State Aid appropriation to be allocated among school districts based on a district’s loss per student based under the General State Aid formula.

In addition to General State Aid, districts with specified levels or concentrations of pupils from low-income households were eligible to receive supplemental general State aid financial grants (“Supplemental General State Aid”). Supplemental General State Aid was distributed to districts pursuant to a statutory formula based upon the number of low-income pupils in the district. The low-income pupil count was determined by the Illinois Department of Human Services based on the number of pupils eligible for at least one of a variety of low-income programs as of July 1 of the immediately preceding fiscal year. The amount of Supplemental General State Aid received by a district increased as the ratio of low income pupils to the average daily attendance increases.

The Illinois General Assembly approved a budget for State FY 2017 for elementary and secondary education, which included a \$361 million increase over levels for State FY 2016. The budget appropriations, contained in Public Act 99-524, provided funding for school districts that fully covered the statutory foundation level of \$6,119 per pupil and included an additional \$250 million in equity grants directed at school districts with high concentrations of impoverished students. Mandated categorical grants were intended to be funded at State FY 2016 levels and early childhood education saw an increase of \$75 million over State FY 2016 levels.

Mandated Categorical State Aid. Illinois school districts are entitled to reimbursement from the State for expenditures incurred in providing programs and services legally required to be available to students under State law. Such reimbursements, referred to as “Mandated Categorical State Aid,” are made to the school district in the fiscal year following the expenditure, provided that the school district files the paperwork necessary to inform the State of such an entitlement. Prior to State FY 2018, the School Code provided for Mandated Categorical State Aid with respect to mandatory school programs relating to: (i) special education, (ii) transportation, (iii) free and reduced breakfast and lunch, and (iv) orphanage tuition. Beginning with State FY 2018, Mandated Categorical State Aid will be available only with respect to mandatory school programs relating to: (i) transportation and (ii) extraordinary special education. Mandated Categorical State Aid received by a district in State FY 2017 for programs that are no longer available for Mandated Categorical State Aid in State FY 2018 is included in the district’s Base Funding Minimum.

Though school districts are entitled to reimbursement for expenditures made under these programs, these reimbursements are subject to the State’s appropriation process. In the event that the State does not appropriate an amount sufficient to fully fund the Mandated Categorical State Aid owed to each school district, the total Mandated Categorical State Aid is proportionally reduced such that each school district receives the same percentage of its Mandated Categorical State Aid request with respect to a specific category of such aid as every other school district.

In past years, the State has not fully funded all Mandated Categorical State Aid payments. Therefore, pursuant to the procedures discussed above, proportionate reductions in Mandated Categorical State Aid payments to school districts have occurred. However, because these programs are “mandatory” under the School Code, each school district must provide these programs regardless of whether such school district is reimbursed by the State for the related expenditures. No assurance can be given that the State will make appropriations in the future sufficient to fully fund the Mandatory Categorical State Aid requirements. As such, the District’s revenues may be impacted in the future by increases or decreases in the level of funding appropriated by the State for Mandated Categorical State Aid.

Competitive Grant State Aid. The State also provides funds to school districts for expenditures incurred in providing additional programs that are allowed, but not mandated by, the School Code (“Competitive Grant State Aid”). In contrast to Mandated Categorical State Aid, such aid is not guaranteed to a district that provides these programs. Instead, a district applying for Competitive Grant State Aid must compete with other districts for the limited amount appropriated for such program.

Competitive Grant State Aid is allocated, after appropriation by the State, among certain school districts selected by the State. The level of funding is determined separately for each category of aid year-to-year based on the State’s budget. This process does not guarantee that any funding will be available for Competitive Grant State Aid programs, even if a school district received such funding in a prior year. Therefore, school districts may incur expenditures tied to certain Competitive Grant State Aid programs without any guarantee that the State will appropriate the money necessary to reimburse such expenditures.

Payment for Mandated Categorical State Aid and Competitive Grant State Aid. The State makes payments to school districts for Mandated Categorical State Aid and Competitive Grant State Aid (together, “Categorical State Aid”) in accordance with a voucher system involving ISBE. ISBE vouchers payments to the State on a periodic basis. The time between vouchers varies depending on the type of Categorical State Aid in question. For example, with respect to the categories of Mandated

Categorical State Aid related to special education and transportation, ISBE vouchers the State for payments on a quarterly basis. With respect to Competitive Grant State Aid, a payment schedule is established as part of the application process, and ISBE vouchers the State for payment in accordance with this payment schedule.

Once ISBE has vouchered the State for payment, the State is required to make the Categorical State Aid payments to the school districts. As a general matter, the State is required to make such payments within 90 days after the end of the State’s fiscal year.

The State makes Mandated Categorical State Aid payments to school districts in quarterly installments. For State FY 2016, the State did not make the final Mandated Categorical State Aid payment until December of the following fiscal year. The State made all Mandated Categorical State Aid payments to school districts for State FY 2017.

SOCIO-ECONOMIC INFORMATION

Comparative Statistics

Population

	<u>1990</u>	<u>2000</u>	<u>2010</u>	Est 2013- <u>2017</u>
City of Peru	9,302	9,835	10,295	9,947
LaSalle County	106,913	111,509	113,924	111,151
State of Illinois	11,430,602	12,419,293	12,830,632	12,854,526

Source: U.S. Census Bureau, the 2013-2017 American Community Survey (“ACS”) 5-year population estimates.

Median Family Income

	<u>2000</u>	Est. 2006- <u>2010</u>	Est. 2013- <u>2017</u>
City of Peru	\$48,180	\$62,558	\$68,779
LaSalle County	49,533	62,262	67,172
State of Illinois	55,545	68,236	76,533

Median Home Value

	<u>2000</u>	Est. 2006- <u>2010</u>	Est. 2013- <u>2017</u>
City of Peru	\$85,700	\$118,300	\$117,200
LaSalle County	87,000	125,500	126,100
State of Illinois	130,800	202,500	179,700

Source: U.S. Census Bureau, 2006–2010 and 2013-2017 ACS 5-Year Estimates.

Average Annual Unemployment Rates⁽¹⁾

<u>Year</u>	<u>City</u>	<u>County</u>	<u>State</u>
2015	5.9%	7.0%	6.0%
2016	5.9	6.7	5.8
2017	4.7	5.5	5.0
2018	N/A	5.1	4.2
2019	N/A	4.4	3.6

⁽¹⁾Annual average unemployment rates were revised in 2019.

⁽²⁾Preliminary for October 2019. Monthly rates are not available for small communities such as the City.

Source: Illinois Department of Employment Security.

Major Area Employers

<u>Name</u>	<u>Type of Business</u>	<u>Approximate Number of Employees</u>
Illinois Valley Community Hospital	Hospital	600
Eakas Corp.	Corporate headquarters, decorative plastic automotive parts	400
Super Wal-Mart	Discount retail store	367
James Hardie Building Products, Inc.	Fiber cement siding products	225
Liberty Village	Retirement community	200
Flints Hills Resources L.P.	Expandable polystyrene materials	200
American Nickeloid Co.	Company headquarters, coil processing of decorative and functional metals	170
Double D Express	Trucking services	152
Unytite, Inc.	Industrial fasteners	130
Heritage Manor Nursing Home	Nursing home	124

Source: 2018 Illinois Manufacturers Directory, 2018 Illinois Services Directory, and Illinois Valley Chamber of Commerce.

DEBT INFORMATION

General Obligation Bonded Debt (Principal Only)

Calendar <u>Year</u>	Series 2015 Bonds <u>(Dec. 15)</u>	Series 2015A Bonds (1) <u>(Dec. 15)</u>	Series 2016 Bonds <u>(Dec. 15)</u>	Series 2019 Bonds 2019 <u>(Dec. 15)</u>	Total Principal <u>Outstanding</u>	Cumulative Principal Retired <u>Amount</u>
2020	90,000	985,000	210,000	75,000	\$ 1,360,000	1,360,000
2021	90,000	1,040,000	220,000	75,000	\$ 1,425,000	2,785,000
2022	95,000	1,090,000	230,000	80,000	\$ 1,495,000	4,280,000
2023	95,000	1,145,000	250,000	85,000	\$ 1,575,000	5,855,000
2024	100,000	1,195,000	260,000	90,000	\$ 1,645,000	7,500,000
2025	105,000	1,265,000	-	90,000	\$ 1,460,000	8,960,000
2026	105,000	1,325,000	-	100,000	\$ 1,530,000	10,490,000
2027	110,000	1,385,000	-	100,000	\$ 1,595,000	12,085,000
2028	95,000	1,075,000	-	105,000	\$ 1,275,000	13,360,000
Total	\$ 885,000	\$ 10,505,000	\$ 1,170,000	\$ 800,000	\$ 13,360,000	

Note: (1) Payable from one-half of one percent sales tax levied by the City.
Source: The District.

Legal Debt Margin⁽¹⁾
(as of January 13, 2020)

2018 Equalized Assessed Valuation (E.A.V.).....	\$	190,886,943
Statutory Debt Limit (6.9% of E.A.V.).....	\$	13,171,199
General Obligation Debt Applicable to Limitation:		
Taxable General Obligation School Bonds, Series 2019	\$	800,000
Taxable General Obligation School Bonds, Series 2016	\$	1,170,000
General Obligation School Bonds, Series 2015.....	\$	885,000
General Obligation School Refunding Bonds (ARS), Series 2015A.....	\$	10,505,000
Total General Obligation Debt	\$	13,360,000
Less Self-Supporting Bonded Debt.....		(10,505,000)
Total Direct General Obligation Debt.....	\$	2,855,000
Available Legal Debt Margin.....	\$	10,316,199

(1) Pursuant to the provisions of the Debt Reform Act, self supporting bonds, do not count against the District's overall 6.9% of E.A.V. statutory debt limitation unless the District fails to abate the property tax levies made for the payment therein.

(2) Total EAV; includes tax increment financing ("TIF") incremental value and enterprise zone value. There are currently no enterprise zones in the District.

Source: LaSalle County, Illinois Clerk's Office.

Detailed Overlapping Bonded Debt
(as of January 13, 2020)

<u>Taxing Body</u>	<u>Outstanding Debt</u>	<u>Applicable to District</u>	
		<u>Percent</u>	<u>Amount</u>
City of Peru	\$ 8,310,000	70.94%	\$ 5,895,114
High School District #120	\$ 36,600,000	33.87%	\$ 12,396,420
City of LaSalle	\$ 2,525,000	1.04%	\$ 26,260
LaSalle County	\$ 18,880,000	7.25%	\$ 1,368,800
Total Overlapping Debt.....			\$ 19,686,594

(1) Excludes principal amounts of outstanding self supporting Bonds, which are expected to be paid from sources other than property taxes.

Source: LaSalle County, Illinois Clerk's Office.

Statement of Long-Term Bonded Indebtedness
(as of January 13, 2020)

	Amount	Per Capita (2013-2017 Est. Pop. 10,133)	Percent of	
			Equalized Assessed Valuation	Estimated True Value
Equalized Assessed Valuation, 2018 ⁽²⁾	\$ 190,886,943	\$ 18,838.15	100.00%	33.33%
Estimated True Value, 2018.....	\$ 572,660,829	\$ 56,514.44	300.00%	100.00%
Direct General Obligation Debt	\$ 13,360,000	\$ 1,318.46	7.00%	2.33%
Less: Self-Supported Bonded Debt ⁽¹⁾	\$ (10,505,000)	\$ (1,036.71)	-5.50%	-1.83%
Total Direct General Obligation Debt.....	\$ 2,855,000	\$ 281.75	1.50%	0.50%
Total Overlapping Bonded Debt.....	\$ 19,686,594	\$ 1,942.82	10.31%	3.44%
Total Direct & Overlapping Debt.....	\$ 22,541,594	\$ 2,224.57	11.81%	3.94%

(1) Pursuant to the provisions of the Debt Reform Act, self supporting bonds do not count against the District's overall 6.9% of E.A.V. statutory debt limitation unless the District fails to abate the property tax levies made for the payment therein.

(2) Net taxable EAV; excludes exemptions, TIF incremental value, and enterprise zone value. There are currently no enterprise zones in the District. This is the value upon which property taxes are extended for all taxable property in the District.

Source: LaSalle County, Illinois Clerk's Office.

EQUALIZED ASSESSED VALUATION

Equalized Assessed Valuation (EAV) is estimated at 33-1/3% of fair market value.

Equalized Assessed Valuation by Classification

<u>Levy Year</u>	<u>Residential</u>	<u>Farm</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Mineral</u>	<u>Railroad</u>	<u>Total⁽¹⁾</u>
2014	115,878,463	740,535	40,097,863	6,187,321	2,677	306,496	163,213,355
2015	118,901,558	756,926	41,131,741	6,690,501	2,677	314,730	167,798,133
2016	124,442,475	735,561	42,043,798	6,638,809	2,677	353,673	174,216,993
2017	130,551,129	806,457	43,710,808	7,079,023	2,677	401,874	182,551,968
2018	131,843,939	897,186	43,211,498	7,777,438	2,677	412,806	190,886,943

<u>Levy Year</u>	<u>Net Taxable</u>	<u>TIF</u>	<u>Enterprise</u>	<u>Total</u>
	<u>EAV⁽¹⁾</u>	<u>Increment</u>	<u>Zone EAV</u>	<u>EAV⁽²⁾</u>
			<u>Reduction</u>	
2014	163,213,355	2,361,908	4,598,404	170,173,667
2015	167,798,133	2,320,881	2,289,425	172,408,439
2016	174,216,993	2,332,018	1,422,932	177,971,943
2017	182,551,968	2,345,645	-	184,897,613
2018	190,886,943	2,398,007	-	188,796,751

Source: LaSalle County, Illinois Clerk’s Office.

TAX INFORMATION

Tax Extensions and Collections

<u>Levy Year</u>	<u>Extension</u>	<u>Collection</u>	<u>Percent Collected</u>
2014	5,145,497	5,055,260	98.25%
2015	5,327,960	5,299,982	99.47%
2016	5,545,710	5,523,959	99.61%
2017	5,830,601	5,812,137	99.68%
2018*	5,947,514	5,803,520	97.58%

*Collections not final

Sources: LaSalle County Treasuer’s Office .

Largest District Taxpayers

<u>Name</u>	<u>Type of Business or Property</u>	<u>2018 EAV</u>	<u>% of District's EAV</u>
Peru Becker Ltd.	Nursing home, retirement complex	\$2,508,076	1.31%
Huntsman Expandable Polymers	Polyurethane products	2,413,452	1.26%
St. Margaret's Hospital	Hospital	1,304,128	0.68%
Frances House, Inc.	Nursing home	1,891,313	0.99%
Illinois Valley Community Hospital	Hospital	1,301,540	0.68%
American Nickeloid Co.	Coated coil products	1,112,400	0.58%
W.H. Maze Co.	Plain and zinc coated nails and ring and screw shanks	747,682	0.39%
Sapp Bros. Truck Stops, Inc.	Truck stop, gas station	956,892	0.50%
Sherman Real Estate LLC	Real Estate	661,004	0.35%
Heritage Mannor Real Estate LLC	Real Estate	<u>649,765</u>	<u>0.34%</u>
Total		\$13,546,252	8.40%

Source: LaSalle County Clerk's office.

District Tax Rate Trend

(Per \$100 of Equalized Assessed Valuation)

<u>FUND</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Education	\$ 2.27000	\$ 2.27000	\$ 2.27000	\$ 2.27000	\$ 2.27000
Fire Safety Bond	-	0.12943	-	-	-
Bonds and Interest	0.09114	-	0.12209	0.16972	0.23049
Building	0.25000	0.25000	0.25000	0.25000	0.25000
I.M.R.F.	0.06631	0.07209	0.06027	0.07114	0.06619
Transportation	0.12000	0.12000	0.12000	0.12000	0.12000
Working Cash	0.05000	0.05000	0.05000	0.05000	0.05000
Fire Prevention / Safety	0.05000	0.05000	-	-	-
Special Education	0.02000	0.02000	0.02000	0.02000	0.02000
Liability Insurance	0.06376	0.08961	0.11050	0.11686	0.10183
Accum Building	0.05000	0.05000	0.05000	-	-
Social Security	0.07141	0.07409	0.08036	0.07622	0.07128
Lease	<u>0.05000</u>	<u>0.05000</u>	<u>0.05000</u>	<u>0.05000</u>	<u>0.05000</u>
Total	\$ 3.15262	\$ 3.17522	\$ 3.18322	\$ 3.19394	\$ 3.22979

Representative Tax Rate

(Per \$100 of Equalized Assessed Valuation)

<u>TAXING BODY</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
LaSalle County	\$ 1.00885	\$ 1.02624	\$ 1.03354	\$ 1.05473	\$ 1.06441
Peru Township	0.12207	0.12012	0.10114	0.10133	0.10180
Peru Twp Road	0.12500	0.12500	0.12008	0.12500	0.12500
LaSalle/Peru H.S. #120	1.99920	2.07935	2.60583	2.54053	2.55151
Peru Elem. #124	3.15262	3.17522	3.18322	3.19394	3.22979
IVCC Junior College #513	0.36689	0.37981	0.36854	0.36470	0.36664
City of Peru	0.26044	0.29734	0.29345	0.28545	0.29984
Peru Library	<u>0.20726</u>	<u>0.19812</u>	<u>0.27032</u>	<u>0.26078</u>	<u>0.26082</u>
Total	\$ 7.24233	\$ 7.40120	\$ 7.97612	\$ 7.92646	\$ 7.99981

Source: LaSalle County Clerk's Office.

FINANCIAL INFORMATION

The General Fund is accounted for using the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Revenues are recognized when cash is received, and expenditures are recognized when cash is disbursed.

Shown below are the District's Balance Sheet and Income Statement for the Education Fund and Operations and Maintenance Fund, which together comprise the General Fund.

STATEMENT OF REVENUES RECEIVED/REVENUES, EXPENDITURES/DISBURSED/EXPENDITURES, OTHER SOURCES (USES) AND CHANGES IN FUND BALANCE

General Fund (Educational and Operations & Maintenance)

For Years Ending June 30th,

<u>RECEIPTS / REVENUES</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Local Services	\$ 5,258,031	\$ 5,192,339	\$ 5,344,476	\$ 5,479,333	\$ 5,690,005
State Sources	1,533,013	1,628,935	1,584,523	1,876,384	2,065,752
Federal Sources	508,143	548,468	551,585	767,137	626,530
Total Direct Revenues	\$ 7,299,187	\$ 7,369,742	\$ 7,480,584	\$ 8,122,854	\$ 8,382,287
Revenues for "On Behalf" Payments	1,535,885	1,694,671	1,814,084	3,427,254	3,437,001
Total Receipts/Revenues	\$ 8,835,072	\$ 9,064,413	\$ 9,294,668	\$ 11,550,108	\$11,819,288
 <u>DISBURSEMENTS/EXPENDITURES</u>					
Instruction	\$ 4,981,047	\$ 4,906,305	\$ 5,033,303	\$ 5,071,500	\$ 5,342,019
Support Services	3,056,603	3,396,161	2,987,854	2,995,135	3,182,109
Community Services	14,969	14,038	11,080	16,216	16,779
Payments to Other Districts & Gov'n't Units	256,067	214,632	242,616	238,960	230,514
Debt Service	-	-	-	-	-
Total Disbursements/ Expenditures	\$ 8,308,686	\$ 8,531,136	\$ 8,274,853	\$ 8,321,811	\$ 8,771,421
Expenditures for "On Behalf" Payments	1,535,885	1,694,671	1,814,084	3,427,254	3,437,001
Total Expenditures	\$ 9,844,571	\$ 10,225,807	\$ 10,088,937	\$ 11,749,065	\$12,208,422
Excess of Revenues Over (Under) Expenditures	\$(1,009,499)	\$(1,161,394)	\$(794,269)	\$(198,957)	\$(389,134)
 OTHER SOURCES OF FUNDS					
Abolishment of the Working Cash Fund	\$ 83,591	\$ 80,917	\$ -	\$ -	\$ -
Abatement of Working Cash Fund	\$ -	\$ -	\$ -	\$ 750,000	\$ 650,000
Sale or Compensation for Fixed Assets	30	23,240	459	470	910
Total Other Financing Sources	\$ 83,621	\$ 104,157	\$ 459	\$ 750,470	\$ 650,910
 OTHER USES OF FUNDS					
Other Uses not Classified Elsewhere	\$ -	\$ -	\$ -	\$ -	\$ -
Total Other Financing Sources	\$ -	\$ -	\$ -	\$ -	\$ -
Total Other Sources/Uses of Funds	\$ 83,621	\$ 104,157	\$ 459	\$ 750,470	\$ 650,910
Excess of Receipts/Revenues and Other Sources of Funds (Over/Under) Expenditures/ Disbursements and Other Uses of Funds	\$ (925,878)	\$ (1,057,237)	\$ (793,810)	\$ 551,513	\$ 261,776
Fund Balance, Beginning	\$ 4,286,852	\$ 3,360,974	\$ 2,303,737	\$ 1,509,927	\$ 2,061,440
Fund Balance, Ending	\$ 3,360,974	\$ 2,303,737	\$ 1,509,927	\$ 2,061,440	\$2,323,216

Source: The District's Audited Financial Statements for Fiscal Years 2015 through 2019. See **APPENDIX A** for a complete copy of the District's 2019 Audited Financial Statements.

STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
General Fund (Educational and Operations & Maintenance)
For Years Ending June 30th ,

<u>CURRENT ASSETS</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Cash	\$ 2,466,209	\$ 1,702,662	\$ 305,347	\$ 649,021	\$ 532,523
Investments	894,765	601,075	1,204,580	1,412,419	1,790,693
Total Assets	<u>\$ 3,360,974</u>	<u>\$ 2,303,737</u>	<u>\$ 1,509,927</u>	<u>\$ 2,061,440</u>	<u>\$ 2,323,216</u>
 <u>Liabilities and Fund Balances:</u>					
Reserved Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved Fund Balance	3,360,974	2,303,737	1,509,927	2,061,440	2,323,216
Total Liabilities and Fund Balances	<u>\$ 3,360,974</u>	<u>\$ 2,303,737</u>	<u>\$ 1,509,927</u>	<u>\$ 2,061,440</u>	<u>\$ 2,323,216</u>

Source: The District's Audited Financial Statements for Fiscal Years 2015 through 2019. See **APPENDIX A** for a complete copy of the District's 2019 Audited Financial Statements.

Composition of Local, State, and Federal Sources of Revenue
Educational and Operations & Maintenance Funds
Years Ended June 30,

<u>Sources</u>	<u>2015</u>		<u>2016</u>		<u>2017</u>		<u>2018</u>		<u>2019</u>	
	<u>Revenue</u>	<u>% of Total</u>	<u>Revenue</u>	<u>% of Total</u>	<u>Revenue</u>	<u>% of Total</u>	<u>Revenue</u>	<u>% of Total</u>	<u>Revenue</u>	<u>% of Total</u>
Local	\$5,258,031	72.04%	\$5,192,339	70.45%	\$5,344,476	71.44%	\$5,479,333	67.46%	\$5,690,005	67.88%
State	1,533,013	21.00%	1,628,935	22.10%	1,584,523	21.18%	1,876,384	23.10%	2,065,752	24.64%
Federal	<u>508,143</u>	<u>6.96%</u>	<u>548,468</u>	<u>7.44%</u>	<u>551,585</u>	<u>7.37%</u>	<u>767,137</u>	<u>9.44%</u>	<u>626,530</u>	<u>7.47%</u>
Total ⁽¹⁾	\$7,299,187	100.00%	\$7,369,742	100.00%	\$7,480,584	100.00%	\$8,122,854	100.00%	\$8,382,287	100.00%

⁽¹⁾Total revenue does not include "On-Behalf" Payments, which are shown in the 5-year snapshot of the District's Educational and Operations & Maintenance Funds on the previous page.

Source: The District's Audited Annual Financial Reports for Fiscal Years ended June 30, 2015 through 2019. See **APPENDIX B** for a complete copy of the District's Fiscal Year ended June 30, 2019 Audited Annual Financial Report.

Fiscal Year 2020 Budget

The District budgeted to have a \$680,200 deficit for its combined Educational and Operations and Maintenance Funds for Fiscal Year 2020.

PENSION AND RETIREMENT OBLIGATIONS

Notes 4 and 12 of the District's Audited Financial Statements describe pension and retirement obligations in full detail. Please see **APPENDIX A** for a copy of the District's 2019 Audited Financial Statements.

CONTACT PERSON

Financial Information and Notices of material Events can be obtained from:

Superintendent,
Peru Elementary School District No. 124
1800 Church Street
Peru, Illinois 61354
Phone: (815) 223-1111

SIGNATURE OF ACCEPTANCE

The undersigned, on behalf of the Peru Elementary School District No. 124, LaSalle County, Illinois has reviewed that the information enclosed constitutes the Annual Report which is required to be provided pursuant to the District's Continuing Disclosure Undertaking.

Dated: _____

PERU ELEMENTARY SCHOOL DISTRICT NO. 124
LASALLE COUNTY, ILLINOIS

By: _____

Its: _____

APPENDIX A

**Peru Elementary School District No. 124
Audited Financial Statements**

Fiscal Year Ending June 30, 2019