

2022 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

\$2,000,000 Taxable General Obligation School Bonds, Series 2022A

\$4,305,000 Taxable General Obligation School Refunding Bonds (Alternate Revenue Source), Series
2022B

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
Patti Leynaud

Board Vice President
Rob Ankiewicz

Board Secretary
Megan Baltikauski

Board Members
Josanne Bruins
Austin Taylor
John Atkins
Simon Kampwerth, Jr.
Allison Goode

Superintendent
Jamie Craven

School Treasurer
Eric Heagy

District Counsel
Ice Miller LLP
Bloomington, IL

DISTRICT INFORMATION

General

The District serves approximately 977 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 125 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	588	1959 and 2015	2
Parkside Middle School	5 – 8	355	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>
2018/19	977
2019/20	965
2020/21	912
2021/22	943
2022/23	977

Source: The District and Illinois State Board of Education - Fall Enrollment Counts, 2019-2023.

Employees

The District currently has 125 employees including 5 administrative personnel, 78 teachers or certified personnel, and 47 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>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Administrators	6	6	6	5	5
Teachers	72	73	74	75	78
Support Staff	<u>40</u>	<u>41</u>	<u>41</u>	<u>40</u>	<u>47</u>
Total	118	120	121	120	125

(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

As of the date of this Official Statement, 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 2022 (based on District data for its Fiscal Year ended June 30, 2022) was 3.70, thus placing the District in the Recognition category. The District's score was 3.25 for its Fiscal Year ended June 30, 2021, thus placing the District in the Review category.

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, 2021, 16.13% 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 – Evidence-Based Model. Through State FY 2017, General State Aid was allocated to each Illinois school district based on the difference between available local resources per pupil (which was calculated based on a number of factors, including the district’s equalized assessed valuation (“EAV”), the number of students in attendance in the district and the district’s corporate personal property replacement tax receipts) and a foundation level (the “Foundation Level”). The Foundation Level was an amount 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.

The State appropriation for General State Aid in some State FY’s prior to State FY 2017 was reduced. As such, the State was not able to fully fund General State Aid and the amount each district received was prorated in each of State FY’s 2010 through 2016. For State FY 2017, the State appropriation was increased to fully fund General State Aid.

The State FY 2021 budget appropriated General State Aid at approximately the same level as the appropriation for State FY 2020. Therefore, school districts did not receive New State Funds during State FY 2021. The State FY 2022 Budget appropriates General State Aid in an amount \$350 million greater than the appropriation in the State FY 2021 Budget. Such additional funds will be distributed to school districts under the Evidence-Based Model. 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 (“Local Capacity Target”). 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 last 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 70.1% of its Adequacy Target and it has been placed in Tier Two for school year 2021-2022. For school year 2021-2022, the District received approximately \$52,667.11 of 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 the most recently completed school year (such amount being the District’s “Base Funding Minimum”). The Base Funding Minimum for the District for school year 2020-2021 was \$1,768,679.42. The Base Funding Minimum for State FY 2021 consists of three components: the Base Funding Minimum amount for State FY 2020, the State FY 2020 tier funding amount, and the State FY 2020 Property Tax Relief Pool grants for applicable districts. No district should receive less General State Aid funds than it received in the prior year since any 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.

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.

Property Tax Relief Pool Funds. For the purpose of encouraging high tax rate school districts to reduce property taxes, Public Act 100-0465 also established a property tax relief grant program (the “Property Tax Relief Pool”). Eligible school districts must have a tax rate above a threshold tax rate determined by ISBE and must apply for the grant and indicate an amount of intended property tax relief, which may not be greater than 1% of EAV for a unit district, 0.69% of EAV for an elementary school district, or 0.31% of EAV for a high school district. Public Act 100-0465 directs ISBE to process Property Tax Relief Pool applications and, subject to appropriation, provide grants to eligible school districts in order of priority

(highest tax rate school districts first) until the Property Tax Relief Pool is exhausted. A school district which receives a property tax relief grant is required to abate its property tax levy by an amount not less than the amount of the grant. The amount of such property tax abatement is based on a statutory calculation which takes into account relative Local Capacity Targets. Pursuant to such calculation, a school district with a low Local Capacity Target will be required to abate less than a school district with a high Local Capacity Target, assuming the amount of property tax relief grants received by the school districts are the same. Property tax relief grants received by a school district also are included in future calculations of its Base Funding Minimum. The State FY 2021 budget did not appropriate sufficient funds for a funding of a Property Tax Relief Pool for Fiscal Year 2021. Of the \$305 million of New State Funds appropriated in the State FY 2022 budget, \$50 million was allocated to the Property Tax Relief Pool.

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 is 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 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 each State FY.

Federal COVID-19 Legislation. The State’s allocation from the Coronavirus Relief Fund (by population proportions) is approximately \$4.9 billion split between the State (\$2.7 billion) and local governments (the City of Chicago and State

counties with populations that exceed 500,000) (\$2.2 billion). The CARES Act also provides \$30.75 billion for an Education Stabilization Fund for states, school districts, and institutions of higher education for costs related to COVID-19. Of that amount, \$13.5 billion is available for elementary and secondary education as formula-grants to states based on the following formula: 60% of the funds are distributed based on the relative number of 5- to 24-year-olds in a state; and 40% of the funds are distributed based on the relative number of individuals younger than 21. States will then distribute 90% of the funds to local educational agencies (“LEAs”) based on their proportional allocation of Every Student Succeeds Act (“ESSA”) Title I-A funds. State education agencies can reserve up to 10% of funds for emergency needs as determined by the state. Funds distributed to LEAs can be used for coronavirus-response activities, such as planning for and coordinating during long-term school closures; purchasing educational technology to support online learning for all students served by the LEA; and additional activities authorized by federal elementary and secondary education laws.

The amount of funds the District has received from the CARES Act is approximately \$171,996. The District expects to receive additional funds in the amount of approximately \$824,498 pursuant to the Supplemental CARES Act. The District also expects to receive \$1,850,810 under ARPA, but the timing of receipt of such funds is not yet known. The State will also receive funds pursuant to ARPA, certain of which amounts were included in the State FY 2022 Budget.

SOCIO-ECONOMIC INFORMATION

Comparative Statistics

	Population			
	<u>1990</u>	<u>2000</u>	<u>2010</u>	<u>2020</u>
City of Peru	9,302	9,835	10,295	9,896
LaSalle County	106,913	111,509	113,924	109,658
State of Illinois	11,430,602	12,419,293	12,830,632	12,812,508

Source: U.S. Census Bureau. 2020 DEC Redistricting data.

	Median Family Income			
	<u>2000</u>	Est. 2006- <u>2010</u>	Est. 2016- <u>2020</u>	Est. 2017- <u>2021</u>
City of Peru	\$48,180	\$62,558	73,477	\$70,986
LaSalle County	49,533	62,262	72,583	76,027
State of Illinois	55,545	68,236	86,251	91,408

	Median Home Value			
	<u>2000</u>	Est. 2006- <u>2010</u>	Est. 2016- <u>2020</u>	Est. 2017- <u>2021</u>
City of Peru	\$85,700	\$118,300	130,700	\$140,200
LaSalle County	87,000	125,500	130,600	133,200
State of Illinois	130,800	202,500	202,100	212,600

Source: U.S. Census Bureau, 2006–2010, 2020 and 2017-2021 ACS 5-Year Estimates.

Average Annual Unemployment Rates

<u>Year</u>	<u>City</u>	<u>County</u>	<u>State</u>
2016	6.0%	6.8%	5.9%
2017	4.7	5.6	5.0
2018	5.0	5.7	4.4
2019	4.6	5.1	4.0
2020	9.5	9.4	9.5
2021	5.0	6.0	6.1
2022 ⁽¹⁾	N/A	4.6	4.3

⁽²⁾Preliminary for October 2022. 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>
St. Margaret's Hospital Health – Peru	Hospital	600
Eakas Corp.	Corporate headquarters, decorative plastic automotive parts	400
Super Wal-Mart	Discount retail store	367
Martin Engineering	Electric, hydraulic, truck mounted DC, turbine, ball, ring and piston air vibrators and cannons	250
James Hardie Building Products, Inc.	Fiber cement siding products	225
Epsilite	Expandable polystyrene manufacturing and sales.	200
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
Horizon House of Illinois Valley	Services and supports to people with disabilities and their families	100

Source: 2022 Illinois Manufacturers Directory, 2022 Illinois Services Directory, and Illinois Valley Chamber of Commerce.

DEBT INFORMATION

General Obligation Bonded Debt (Principal Only, as of December 16, 2022)

Calendar <u>Year</u>	Series 2015	Series 2015A	Series 2016	Series 2019	Series 2022A	Series 2022B	Total Principal <u>Outstanding</u>	Cumulative Principal Retired <u>Amount</u>	<u>Percent</u>
	<u>Bonds</u> <i>(Dec. 15)</i>	<u>Bonds (1)</u> <i>(Dec. 15)</i>	<u>Bonds</u> <i>(Dec. 15)</i>	<u>Bonds</u> <i>(Dec. 15)</i>	<u>Bonds</u> <i>(Dec. 15)</i>	<u>Bonds</u> <i>(Dec. 15)</i>			
2023	95,000	1,145,000	250,000	85,000	-	105,000	\$ 1,680,000	1,680,000	14.63%
2024	100,000	1,195,000	260,000	90,000	-	105,000	\$ 1,750,000	3,430,000	29.88%
2025	105,000	1,265,000	-	90,000	260,000	105,000	\$ 1,825,000	5,255,000	45.78%
2026	105,000	-	-	100,000	270,000	1,435,000	\$ 1,910,000	7,165,000	62.41%
2027	110,000	-	-	100,000	285,000	1,455,000	\$ 1,950,000	9,115,000	79.40%
2028	95,000	-	-	105,000	305,000	980,000	\$ 1,485,000	10,600,000	92.33%
2029	-	-	-	-	505,000	-	\$ 505,000	11,105,000	96.73%
2030	-	-	-	-	375,000	-	\$ 375,000	11,480,000	100.00%
Total	\$ 610,000	\$ 3,605,000	\$ 510,000	\$ 570,000	\$ 2,000,000	\$ 4,185,000	\$ 11,480,000		

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

Legal Debt Margin⁽²⁾
(as of December 16, 2022)

		%
		of Debt Limit
2021 Equalized Assessed Valuation (E.A.V.)(1).....	\$ 200,823,063	
Statutory Debt Limit (6.9% of E.A.V.).....	\$ 13,856,791	
General Obligation Debt Applicable to Limitation:		
Taxable General Obligation School Ref. Bonds (ARS), Series 2022B*.....	\$ 4,185,000	30.20%
Taxable General Obligation School Bonds, Series 2022A *.....	\$ 2,000,000	14.43%
Taxable General Obligation School Bonds, Series 2019	\$ 570,000	4.11%
Taxable General Obligation School Bonds, Series 2016	\$ 510,000	3.68%
General Obligation School Bonds, Seires 2015.....	\$ 610,000	4.40%
General Obligation School Refunding Bonds (ARS), Series 2015A.....	\$ 3,605,000	<u>26.02%</u>
Total General Obligation Debt :.....	\$ 11,480,000	82.85%
Less Self-Supporting Bonded Debt.....	<u>(7,790,000)</u>	<u>-56.22%</u>
Total Direct General Obligation Debt.....	\$ 3,690,000	<u>26.63%</u>
Available Legal Debt Margin.....	\$ 10,166,791	73.37%

(1) EAV includes tax increment financing ("TIF") incremental value and enterprise ("EZ") value, if any, and excludes exemptions.

There are currently no EZ in the District

(2) Pursuant to the provisions of the Debt Reform Act, alternate bonds do not count against the District's overall 6.9% of EAV statutory debt limitation unless the District's fails to to abate the property tax levies made for the payments therein.

Source: LaSalle County, Illinois Clerk's Office.

Detailed Overlapping Bonded Debt

(as of December 16, 2022)

<u>Taxing Body</u>	<u>Outstanding Debt</u>	<u>Applicable to District</u>	
		<u>Percent</u>	<u>Amount</u>
City of Peru	\$ 21,565,000	71.46%	\$ 15,410,349
High School District #120	\$ 37,685,000	32.91%	\$ 12,402,134
City of LaSalle	\$ 365,000	0.46%	\$ 1,679
LaSalle County	\$ 12,620,000	6.82%	\$ 860,684
Total Overlapping Debt.....			<u>\$ 28,674,846</u>

(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 December 16, 2022)

	Amount	Per Capita	Percent of	
	<u>Applicable</u>	(2015-2019 Est. <u>Pop. 9,955</u>)	Equalized Assessed <u>Valuation</u>	Estimated <u>True Value</u>
Equalized Assessed Valuation, 2021 ⁽²⁾	\$ 198,296,002	\$ 19,919.24	100.00%	33.33%
Estimated True Value, 2021.....	\$ 594,888,006	\$ 59,757.71	300.00%	100.00%
Direct General Obligation Debt	\$ 11,480,000	\$ 1,153.19	5.79%	1.93%
Less: Self-Supported Bonded Debt ⁽¹⁾	<u>\$ (7,790,000)</u>	<u>\$ (782.52)</u>	<u>-3.93%</u>	<u>-1.31%</u>
Total Direct General Obligation Debt.....	\$ 3,690,000	\$ 370.67	1.86%	0.62%
Total Overlapping Bonded Debt.....	<u>\$ 28,674,846</u>	<u>\$ 2,880.45</u>	<u>14.46%</u>	<u>4.82%</u>
Total Direct & Overlapping Debt.....	\$ 32,364,846	\$ 3,251.11	16.32%	5.44%

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

(2) Equalized assessed valuation after EZ and TIF incremental value, and excludes exemptions. This is the value upon which property taxes are extended for all taxable property in the District. There are currently no enterprise zones 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>	<u>% Increase</u>
2017	130,551,129	806,457	43,710,808	7,079,023	2,677	401,874	182,551,968	4.78%
2018	131,843,939	897,186	43,211,498	7,777,438	2,677	412,806	190,886,943	4.57%
2019	135,148,569	924,232	45,989,428	7,577,440	2,677	412,806	190,055,152	-0.44%
2020	137,474,624	955,110	47,013,606	7,568,537	2,677	676,776	193,691,330	1.91%
2021	141,392,797	979,719	47,673,011	7,561,561	2,677	686,237	198,296,002	2.38%

(1)Net Taxable Value After EZ & TIF after deductions for exemptions, TIF incremental value, and EZ value, if any, and is the value upon which extensions for property taxes are based. There are currently no EZs in the District. Source: County Clerk's office

Source: LaSalle County, Illinois Clerk's Office.

<u>Levy Year</u>	<u>Net Taxable EAV⁽¹⁾</u>	<u>TIF Increment</u>	<u>Enterprise Zone EAV Reduction</u>	<u>Total EAV⁽²⁾</u>
2017	182,551,968	2,345,645	-	184,897,613
2018	190,886,943	2,398,007	-	188,796,751
2019	190,055,152	1,501,094	-	191,556,246
2020	193,691,330	1,833,825	-	195,525,155
2021	198,296,002	2,527,061	-	200,823,063

(1)Net Taxable Value After EZ & TIF is after deductions for exemptions, TIF incremental value, and EZ value, if any, and is the value upon which extensions for property taxes are based. There are currently no EZs in the District.

(2)Includes TIF incremental value and enterprise zone value, if any, and excludes exemptions.

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>
2017	5,830,601	5,807,532	99.60%
2018	5,947,514	5,935,434	99.80%
2019	6,142,925	6,102,026	99.33%
2020	6,271,919	6,253,815	99.71%
2021*	6,455,903	6,275,282	97.20%

*Collections not final

Sources: LaSalle County Treasuer's Office .

Largest Taxpayers

<u>Name</u>	<u>Type of Business or Property</u>	<u>2021 EAV⁽¹⁾</u>	<u>% of District's EAV</u>
Peru Becker Ltd.	Nursing home, retirement complex	\$2,508,076	1.25%
Huntsman Expandable Polymers	Polyurethane products	2,413,448	1.20%
Frances House, Inc.	Nursing home	1,891,313	0.94%
Illinois Valley Community Hospital	Hospital	1,301,540	0.65%
CHS Inc.	Industrial storage buildings	1,398,370	0.70%
W.H. Maze Co.	Plain and zinc coated nails and ring and screw shanks	1,320,924	0.66%
St. Margaret's Hospital	Hospital	1,304,128	0.65%
American Nickeloid Co.	Coated coil products	1,112,400	0.55%
Sapp Bros Truck Stps, Inc.	Truck stop, gas station	956,892	0.48%
WH Maze	Plain and zinc coated nails and ring and screw shanks	<u>747,682</u>	0.37%
Total		\$14,954,773	7.45%

⁽¹⁾Based on the District's 2021 EAV of \$200,823,063, which includes TIF incremental value and excludes exemptions.
Source: County Clerk's Office.

District Tax Rate Trend

(Per \$100 of Equalized Assessed Valuation)

<u>FUND</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Education	\$ 2.27000	\$ 2.27000	\$ 2.27000	\$ 2.27000	\$ 2.27000
Fire Safety Bond	-	-	-	-	-
Bonds and Interest	0.16972	0.23049	0.22401	0.22251	0.24178
Building	0.25000	0.25000	0.25000	0.25000	0.25000
I.M.R.F.	0.07114	0.06619	0.06382	0.06573	0.06531
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	-	-	-	-	-
Special Education	0.02000	0.02000	0.02000	0.02000	0.02000
Liability Insurance	0.11686	0.10183	0.11041	0.11371	0.11296
Accum Building	-	-	-	-	-
Social Security	0.07622	0.07128	0.07394	0.07615	0.07564
Lease	<u>0.05000</u>	<u>0.05000</u>	<u>0.05000</u>	<u>0.05000</u>	<u>0.05000</u>
Total	\$ 3.19394	\$ 3.22979	\$ 3.23218	\$ 3.23810	\$ 3.25569

Source: LaSalle County Clerk's office.

Representative Tax Rate

(Per \$100 of Equalized Assessed Valuation)

<u>TAXING BODY</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
LaSalle County	\$ 1.05473	\$ 1.06441	\$ 1.06335	\$ 1.04049	\$ 1.04646
Peru Township	0.10133	0.10180	0.09686	0.09555	0.09407
Peru Twp Road	0.12500	0.12500	0.12047	0.11884	0.11682
LaSalle/Peru H.S. #120	2.54053	2.55151	2.56923	2.56729	2.59167
Peru Elem. #124	3.19394	3.22979	3.23218	3.23810	3.25569
IVCC Junior College #513	0.36470	0.36664	0.36440	0.35705	0.36552
City of Peru	0.28545	0.29984	0.29737	0.30853	0.31903
Peru Library	<u>0.26078</u>	<u>0.26082</u>	<u>0.25663</u>	<u>0.26611</u>	<u>0.27085</u>
Total	\$ 7.92646	\$ 7.99981	\$ 8.00049	\$ 7.99196	\$ 8.06011

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>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Local Services	\$ 5,479,333	\$ 5,690,005	\$ 5,726,909	\$ 5,816,416	\$ 6,639,488
State Sources	1,876,384	2,065,752	2,153,871	2,129,051	2,195,534
Federal Sources	767,137	626,530	668,815	885,905	1,976,832
Total Direct Revenues	\$ 8,122,854	\$ 8,382,287	\$ 8,549,595	\$ 8,831,372	\$ 10,811,854
Revenues for "On Behalf" Payments	3,427,254	3,437,001	4,114,401	4,369,091	2,775,256
Total Receipts/Revenues	\$ 11,550,108	\$11,819,288	\$ 12,663,996	\$ 13,200,463	\$ 13,587,110
 <u>DISBURSEMENTS/EXPENDITURES</u>					
Instruction	\$ 5,071,500	\$ 5,342,019	\$ 5,387,344	\$ 5,880,784	\$ 6,277,208
Support Services	2,995,135	3,182,109	3,187,529	3,157,689	3,368,972
Community Services	16,216	16,779	26,517	37,972	26,930
Payments to Other Districts & Govn't Units	238,960	230,514	292,510	280,716	268,309
Debt Service	-	-	-	-	-
Total Disbursements/ Expenditures	\$ 8,321,811	\$ 8,771,421	\$ 8,893,900	\$ 9,357,161	\$ 9,941,419
Expenditures for "On Behalf" Payments	3,427,254	3,437,001	4,114,401	4,369,091	2,775,256
Total Expenditures	\$ 11,749,065	\$12,208,422	\$ 13,008,301	\$ 13,726,252	\$ 12,716,675
Excess of Revenues Over (Under) Expenditures	\$ (198,957)	\$ (389,134)	\$ (344,305)	\$ (525,789)	\$ 870,435
 OTHER SOURCES OF FUNDS					
Abolishment of the Working Cash Fund	\$ 750,000	\$ 650,000	\$ 350,000	\$ 500,000	\$ -
Sale or Compensation for Fixed Assets	470	910	175	1,266	1,140
Total Other Financing Sources	\$ 750,470	\$ 650,910	\$ 350,175	\$ 501,266	\$ 1,140
 OTHER USES OF FUNDS					
Other Uses not Classified Elsewhere	\$ -	\$ -	\$ -	\$ -	\$ -
Total Other Financing Sources	\$ -	\$ -	\$ -	\$ -	\$ -
Total Other Sources/Uses of Funds	\$ 750,470	\$ 650,910	\$ 350,175	\$ 501,266	\$ 1,140
Excess of Receipts/Revenues and Other Sources of Funds (Over/Under) Expenditures/ Disbursements and Other Uses of Funds	\$ 551,513	\$ 261,776	\$ 5,870	\$ (24,523)	\$ 871,575
Fund Balance, Beginning	\$ 1,509,927	\$ 2,061,440	\$ 2,323,216	\$ 2,329,086	\$ 2,304,563
Fund Balance, Ending	\$ 2,061,440	\$2,323,216	\$ 2,329,086	\$ 2,304,563	\$ 3,176,138

Source: The District’s Audited Financial Statements for Fiscal Years 2018 through 2022. See **APPENDIX A** for a complete copy of the District’s 2022 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>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Cash	\$ 649,021	\$ 532,523	\$ 556,488	\$ 286,132	\$ 711,056
Investments	1,412,419	1,790,693	1,772,598	2,018,431	2,465,082
Total Assets	<u>\$ 2,061,440</u>	<u>\$ 2,323,216</u>	<u>\$ 2,329,086</u>	<u>\$ 2,304,563</u>	<u>\$ 3,176,138</u>
 <u>Liabilities and Fund Balances:</u>					
Reserved Fund Balance	\$ -	\$ -	\$ 7,148	\$ -	\$ -
Unreserved Fund Balance	2,061,440	2,323,216	2,321,938	2,304,563	3,176,138
Total Liabilities and Fund Balances	<u>\$ 2,061,440</u>	<u>\$ 2,323,216</u>	<u>\$ 2,329,086</u>	<u>\$ 2,304,563</u>	<u>\$ 3,176,138</u>

Source: The District's Audited Financial Statements for Fiscal Years 2018 through 2022. See **APPENDIX A** for a complete copy of the District's 2022 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>2018</u>		<u>2019</u>		<u>2020</u>		<u>2021</u>		<u>2022</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	\$5,479,333	67.46%	\$5,690,005	67.88%	\$5,726,909	66.98%	\$5,816,416	65.86%	\$ 6,639,488	61.41%
State	1,876,384	23.10%	2,065,752	24.64%	2,153,871	25.19%	2,129,051	24.11%	2,195,534	20.31%
Federal	<u>767,137</u>	<u>9.44%</u>	<u>626,530</u>	<u>7.47%</u>	<u>668,815</u>	<u>7.82%</u>	<u>885,905</u>	<u>10.03%</u>	<u>1,976,832</u>	<u>18.28%</u>
Total ⁽¹⁾	\$8,122,854	100.00%	\$8,382,287	100.00%	\$8,549,595	100.00%	\$8,831,372	100.00%	\$10,811,854	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, 2018 through 2022. See **APPENDIX B** for a complete copy of the District's Fiscal Year ended June 30, 2022 Audited Annual Financial Report.

Fiscal Year 2022 and 2023 Budget

The District budgeted to have a \$234,124 surplus for its combined Educational and Operations and Maintenance Funds for Fiscal Year 2022 and ended with a \$871,575.49 surplus. The District budgeted to have a \$1,180,641 surplus for its combined Education and Operations and Maintenance Funds for Fiscal Year 2023.

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 2022 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, 2022