

# MERIDIAN COMMUNITY UNIT SCHOOL DISTRICT 223 BUDGET AT A GLANCE

2014-2015

Page1

# Mission Statement

**"Our mission is to educate students to be self-directed learners, collaborative workers, complex thinkers, quality producers and community contributors"**

## **OUR MISSION IS DRIVEN BY THE FOLLOWING CORE VALUES:**

|                                  |                      |                          |                |
|----------------------------------|----------------------|--------------------------|----------------|
| Effective Communication          | Organizational Trust | Comprehensive Curriculum |                |
| High Expectations                | Visionary Leadership | Safe Environment         | Consistency    |
| 21 <sup>st</sup> Century Schools | Best Practices       | Rigorous Evaluation      | Accountability |

## **STRATEGIC GOALS**

### **Academic Achievement**

Our mission will be achieved through developing a comprehensive, integrated curriculum organized around instructional best practices and implemented by a highly trained staff

### **Financial Responsibility**

Our mission will be achieved by developing sound budget and accountability processes and procedures

### **Organizational Effectiveness**

Our mission will be achieved by developing processes and procedures to increase quality while decreasing costs

### **District Culture**

Our mission will be achieved by developing a district culture that encourages collaborative participation among all stakeholders while supporting individual differences and preparing students to be ready for life

## District 223 Fast Facts

|   |   |
|---|---|
| Total Students  | 1,796   |
| Total Schools   | 4   |
| <ul style="list-style-type: none"> <li>Highland Grade School (K-2)</li> <li>Monroe Center (K, 3-5)</li> <li>Meridian JR (6-8)</li> <li>Stillman Valley HS (9-12)</li> </ul>   | 322 (375 w/Pre-K)<br>390<br>484<br>600  |
| Employee Data   |   |
| <ul style="list-style-type: none"> <li>Administrators</li> <li>Support staff</li> <li>Full-Time Teachers</li> <li>Part-Time Teachers</li> <li>Teachers with Advanced Degrees *</li> <li>Average Teacher Salary*</li> <li>Elementary Student to Teacher Ratio*</li> <li>High School Student to Teacher Ratio*</li> </ul> | 7<br>117<br>101<br>6<br>63%<br>\$50,425<br>18.9:1<br>17.9:1<br>* = Per ISBE report card |
| Total Square Miles within District  | 124.68  |
| Total Acreage Owned   | 243.75  |
| Total Square Footage Under Roof   | 316,400   |

This booklet was prepared by MCUSD 223 for the benefit of the community. It presents an overview of the budget for fiscal year 2014-2015 and early projections for FY 16.

PJ Caposey  
[pcaposey@mail.meridian223.org](mailto:pcaposey@mail.meridian223.org)

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## Introduction

### From MCUSD Administration to our Community

Dear Friends, Colleagues, and Community Members,

It is with great pride and a sense of responsibility that we work to serve the students of Meridian CUSD 223 and the overall community. The Meridian school district has faced many challenges over the past several years, but has also had a great deal of success. We encourage and desire all community members to take an active role in the education of our youth, and believe that the first step in that regard is to become as well-informed as possible. This document is intended to serve those that desire to have a better understanding of school finance and to help answer some frequently asked questions that are discussed in the community.

Over the course of the past calendar year the district has arguably communicated more than it ever has in the past regarding school finances. It is my personal responsibility to ensure that we did not communicate only when a referendum was on the ballot, but that we continue to do so throughout each year to demonstrate we are being good stewards of taxpayer dollars. This document is the most comprehensive attempt to do so.

It is also to be noted, that a budget-at-a-glance report was issued last year and items such as definitions and procedural information that stayed stagnant were left consistent with what was written last year. Additionally, formatting also has stayed consistent and will continue to do so in the future for ease of read and comparability. As always, if you have questions or comments please feel free to reach out to me – (815) 980-0310 or [pcaposey@mail.meridian223.org](mailto:pcaposey@mail.meridian223.org)

Thank You,

PJ Caposey



## Meridian Community Unit School District 223 Board of Education

John Smith

BOE President

First elected: 2011

Delegate to the IASB, IBPSC Chair, Finance Committee,  
Joint Library Committee, and Negotiations

[jwsconserv@aol.com](mailto:jwsconserv@aol.com)

Bruce Larson

BOE Vice-President

First elected: 2003

Joint Library Committee, IBPSC, Policy Committee Chair

[Bruce.E.Larson@illinois.gov](mailto:Bruce.E.Larson@illinois.gov)

Kevin Glendenning

First elected: 2005

IBPSC, Finance Committee Chair

[klg76@icloud.com](mailto:klg76@icloud.com)

Dr. Tim Flynn

First elected: 2011

Insurance Committee, Joint Library Committee

[tflynn@swedishamerican.org](mailto:tflynn@swedishamerican.org)

Tim DeVries

BOE Secretary

First elected: 2013

Free/Reduced Lunch, Policy Committee, and Negotiations

[belt9@t6b.com](mailto:belt9@t6b.com)

Marsha Welden

First elected: 2013

OCEC, Meridian Education Foundation, Finance Committee, and Negotiations

[marnie6@t6b.com](mailto:marnie6@t6b.com)

Kristine Youman

First elected: 2013

Sick Bank, Policy Committee

[kyouman@holmstromlaw.com](mailto:kyouman@holmstromlaw.com)

## 2014–2015 Budget Summary

### Looking Back in Order to Look Forward

Massive reductions took place during the 2013-2014 (FY 14) school year in order to prevent budget reserves being spent down to exceedingly dangerous levels. Additionally, fee prices were increased to attempt to bring in additional revenue to help move toward a balanced budget.

### **Reduction Summary 13-14**

**Instructional Aides** – 6 positions impacted, \$64,000+ in reduction in salaries and benefits

**Teachers** – 7.79 positions impacted, \$390,000+ in reduction in salaries and benefits

**Administration** – 2 positions eliminated, \$45,000+ in direct reduction plus reduction in moving an administrator back to the classroom.

**Secretarial** – 1 position impacted, \$10,000+ in reduction in salary and benefits

**Custodial** – 4 positions impacted, \$125,000+ in reduction in salary and benefits

**Technology** – 1 position impacted, \$21,000+ in reduction in salary and benefits

**Food Service** – 3 positions impacted, \$34,000+ in reduction in salary and benefits

***OVERALL Personal Reductions – 24.79 positions eliminated, \$680,000 plus in reduction in salary and benefits***

Programs and procedures that the Board of Education has approved for reduction include:

- |  |           |
|--|-----------|
| • Ombudsman –                                      | \$26,000  |
| • Summer School -                                  | \$13,000  |
| • Jr. High Athletics and Activities                | \$64,000  |
| • Move to one-tier busing                          | \$109,000 |
| • Summer total shutdown of buildings Friday-Sunday | \$6,000   |

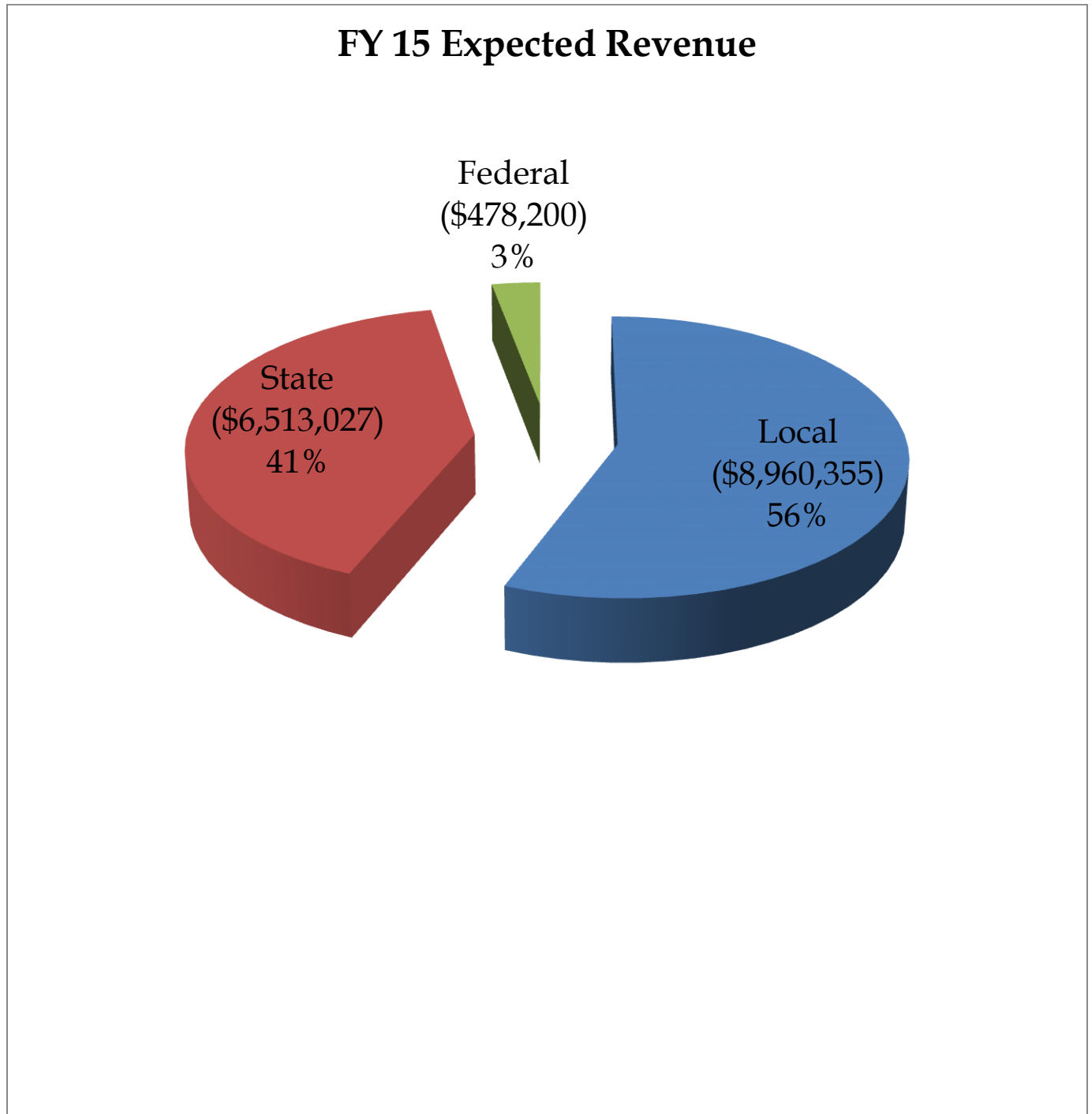
### **FEE INCREASES**

A fee increase of \$50 dollars for all levels of schooling was enacted for the 14-15 school year. This will increase Kindergarten fees to \$110, elementary fees to \$115, and high school fees to \$130 dollars. Additionally, activity fees at the high school will increase to \$100 dollars for the first activity per year, \$50 for the second activity per year, and no fees thereafter for additional participation in activities.

### **PREVIOUS REDUCTIONS**

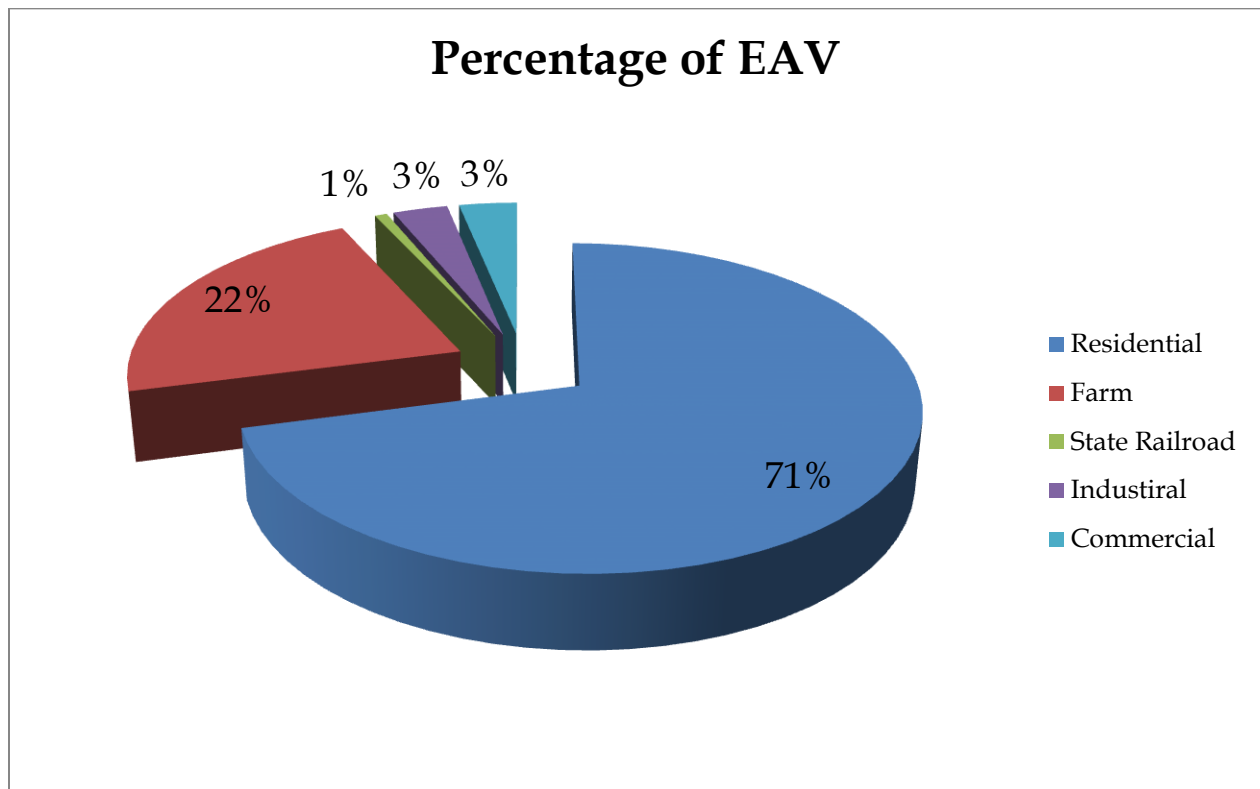
- Elimination of HGS Counselor, SVHS Full-time band director, French instructor, weight room supervision, drug testing, Challenge Day, and Loreda Taft

## Meridian CUSD 223 Budgeted Revenues FY 15





**Meridian CUSD Property Tax Base**  
**(Based off of FY 15 Revenue-Generating EAV)**



| Category       | Ogle          | Winnebago    | Total         |
|----------------|---------------|--------------|---------------|
| Commercial     | \$4,832,918   | \$266,751    | \$5,099,669   |
| Residential    | \$103,929,252 | \$9,674,923  | \$113,604,175 |
| Farm           | \$33,621,779  | \$1,705,402  | \$35,327,181  |
| State Railroad | \$1,092,671   | \$11,758     | \$1,104,429   |
| Industrial     | \$4,918,739   | \$0          | \$4,918,739   |
| TOTAL          | \$148,395,359 | \$11,658,834 | \$160,054,193 |

## Meridian CUSD Property Tax Rate Comparison FY 15

### School Finance 101 and Local Tax Comparisons

Public schools have three major sources of funding: federal, state, and local. Federal funding has been relatively consistent, but is a very small portion of the overall budget for Meridian CUSD 223. Meridian depends largely on state funding and local tax revenue.

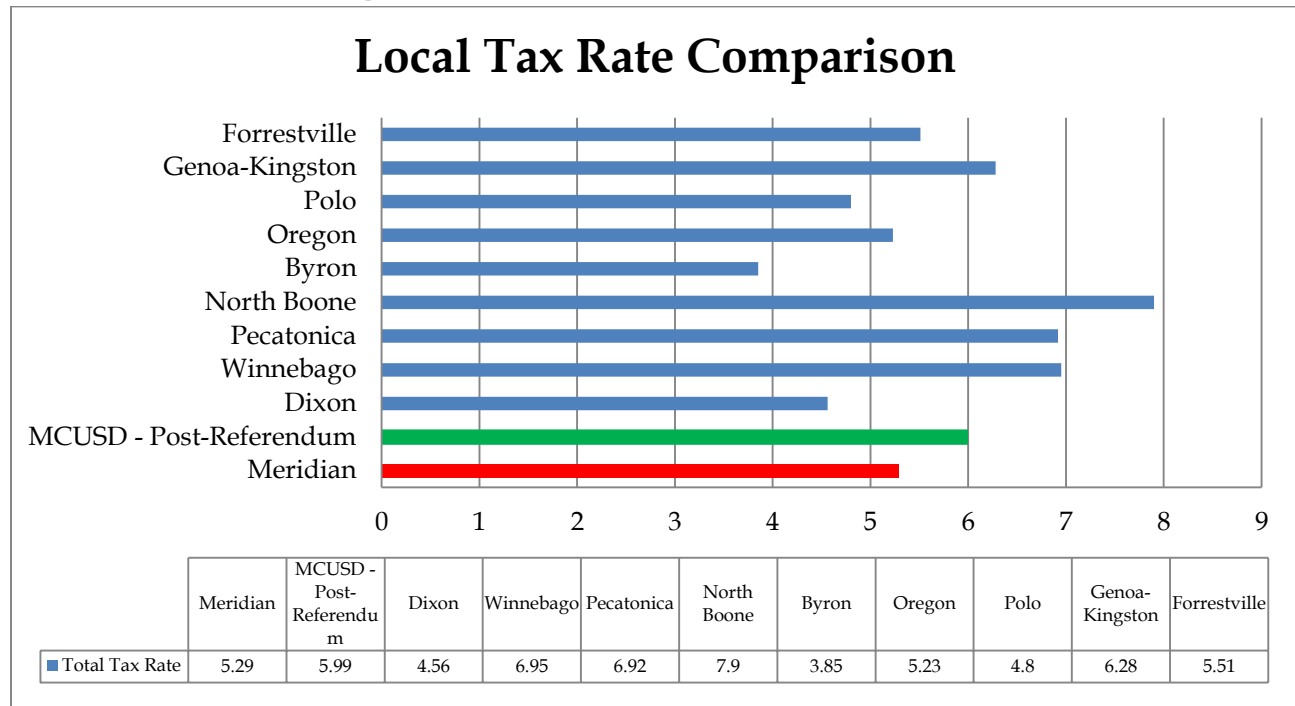
State funding, as has been repeatedly reported, is currently paying schools approximately 89% of what is statutorily owed to them, which for Meridian equates to over \$500,000 in revenue per year. Additionally, the state funds districts per student they serve – so declining enrollment has a dramatic impact on revenue received. The easiest (and very rough) estimate is that for every one student that our overall enrollment declines the district will lose slightly over \$5,000 in state aid.

The money Meridian CUSD receives from local revenue is entirely dependent upon the value of the property within the district. As homeowners many of you know that your house is not worth what it once was. In fact, the overall value of property in the district has decreased by 11 percent in recent years significantly impacting school funding (loss of nearly \$600,000 in revenue).

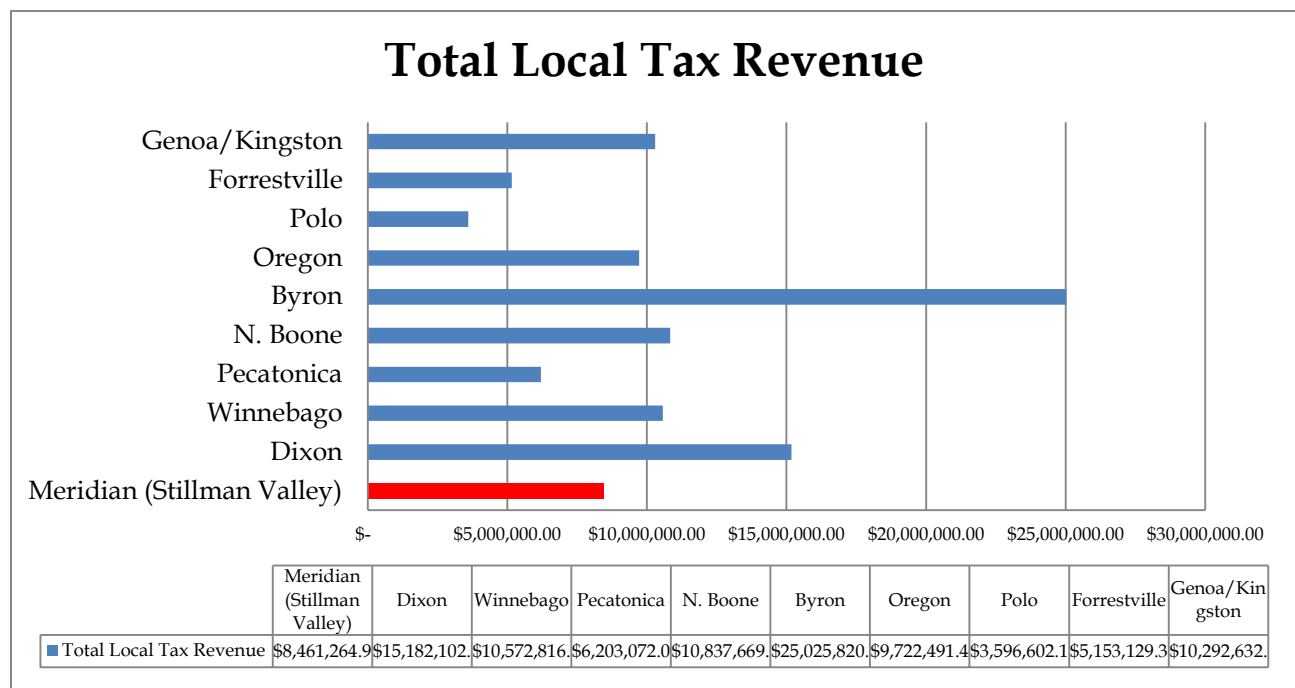
Many community members have asked for a comparison of tax rates compared to neighboring districts. Those are provided below, but it only tells one-third (1/3) of the story. To understand the whole picture, one must not only look at the tax rate, but the property value (EAV) it is applied to, and how that equates to funding per pupil.

\*\*Data used below was collected in conjunction with Dixon CUSD 170, IASA Northwest Region, and the Illinois Interactive Report Card

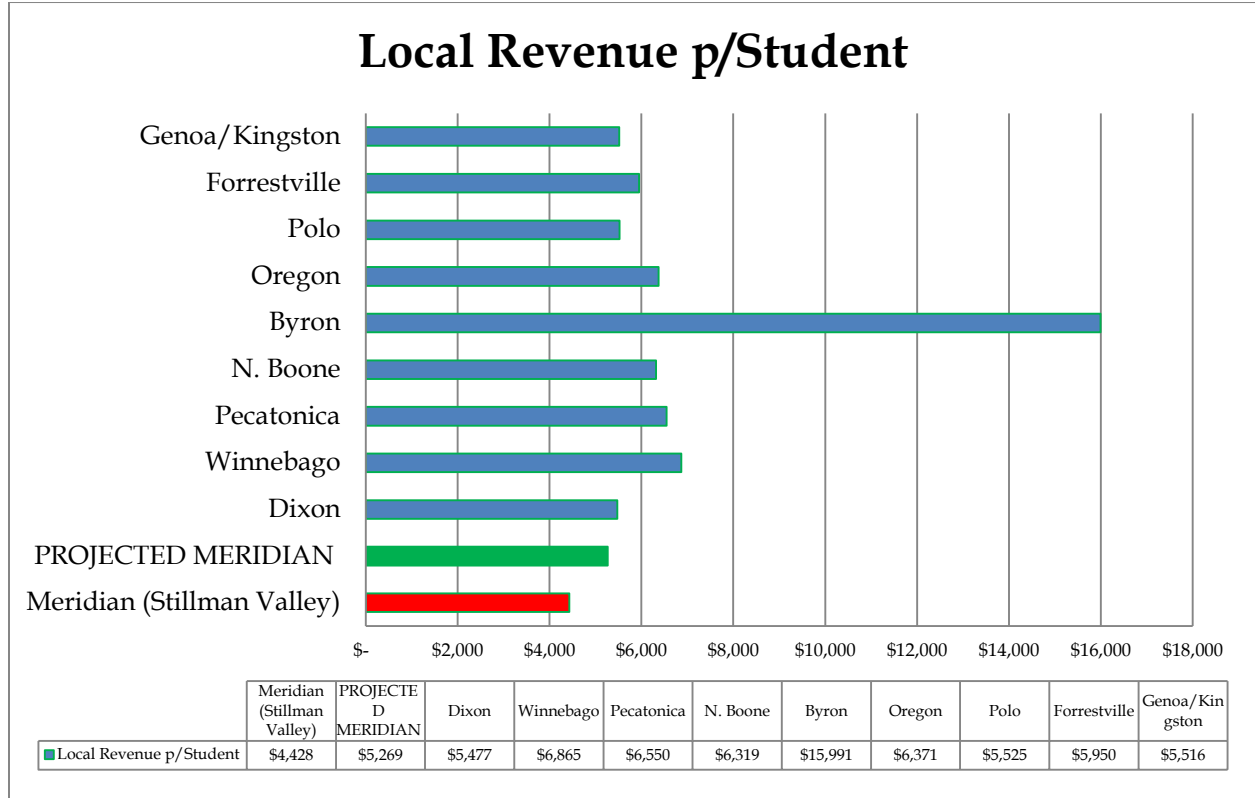
## Local Tax Rate Comparison



## Local Tax Dollars Received Per District



## Local Tax Dollars p/Student



| District  | Tax Rate    | Education Fund Rate |
|---|-------------|---------------------|
| <b>MERIDIAN CUSD</b>  | <b>5.29</b> | <b>2.78</b>         |
| Winnebago   | 6.01        | 3.77                |
| Rochelle (combined elementary and secondary districts tax rate) | 6.66        | 3.06                |
| Oregon  | 4.15        | 3.05                |
| Byron   | 3.79        | 2.30                |
| Forrestville Valley   | 5.30        | 2.42                |
| Freeport  | 6.56        | 3.72                |

- Other district rates from FY 14 revenue generation, MCUSD based on FY 15

## General State Aid Revenue

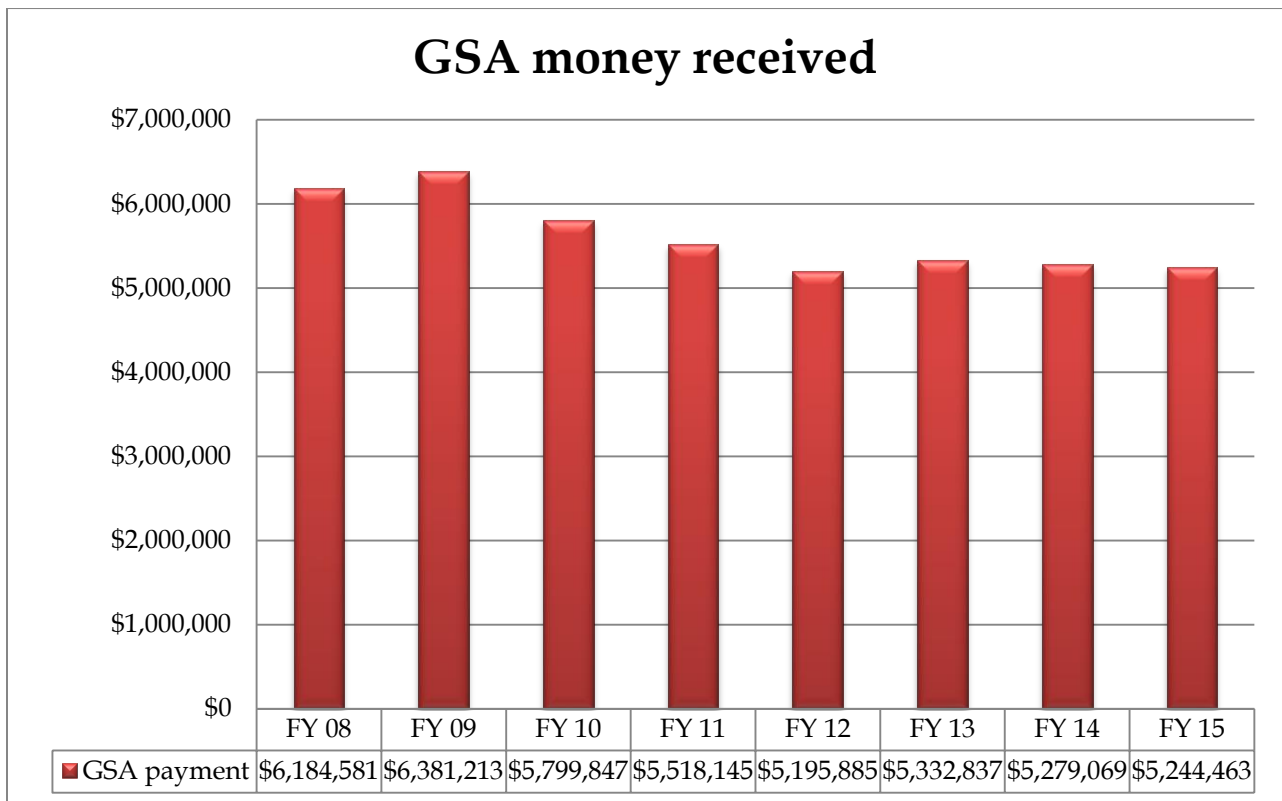
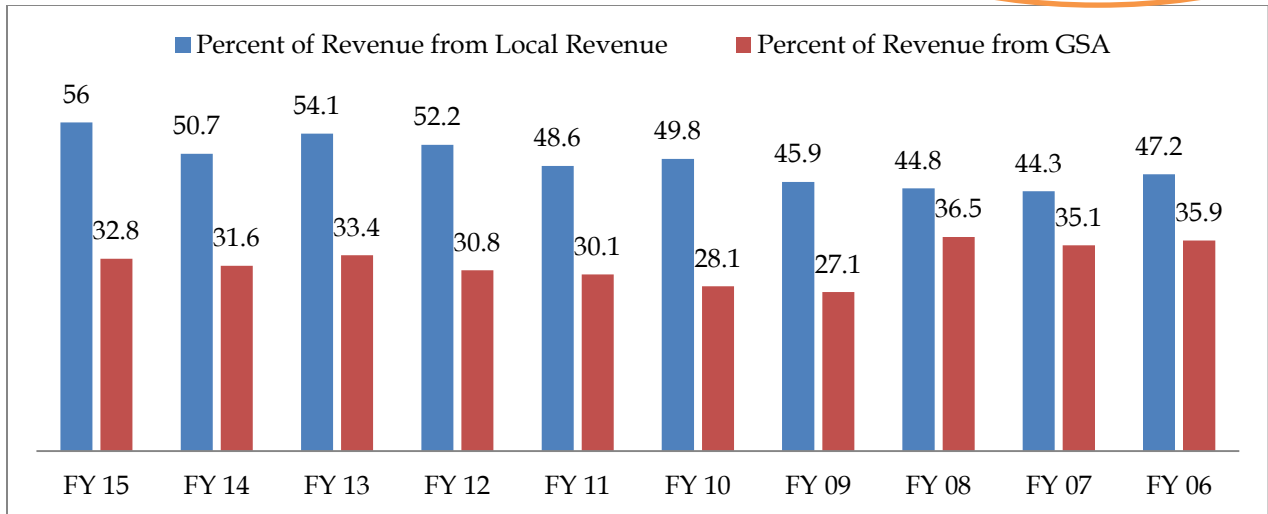
Two of the largest sources of funding in Meridian CUSD 223 are the funds collected through General State Aid and the funds collected from the local taxpayer. These two items are interrelated in many ways. General State Aid is intended to be an equalization grant that assures the combination of state and local funding meet a minimum Foundation level. For most districts this means that state funding is provided in the amount that will bring total state and local resources per pupil to the amount of the Foundation Level.

No district receives the full Foundation Level per pupil – instead they receive an amount that, when combined with local resources per pupil, achieves the Foundation Level. Prior to Fiscal Year 11 (FY11), the Foundation level was continually rising and payments were made on time and in full.

For the past several years that has not been the case. When appropriations fall short of the amount necessary to fully fund the GSA claim, payments to districts are prorated and paid at the maximum percentage possible given appropriation amounts. Locally, we receive approximately \$2,925 in general state aid per student.

In fiscal year 2012, the total appropriations for GSA were approximately \$231 million short of the amount (state-wide) needed to fully pay the claim. As a result, GSA claims were paid at 95 percent of the amount owed to districts. In fiscal year 2013, the total appropriations for GSA were \$518 million short of the claim amount, resulting in payments that fell to just 89 percent of the claims. In fiscal year 2014 the appropriations provided for GSA were increased by \$155 million. However, the cost of the claim grew by a greater amount than that appropriation increase. Last year appropriations are \$562 million short of the claim amount and payments are being made at 88.7 percent of what is *statutorily owed to school districts*. This year (FY 15) funding is not quite at 89% of the Foundation Level. [ISBE](#) estimates to fund schools conservatively, but adequately it would need \$4.7 billion additional dollars in GSA.

The #'s on this chart will not add to 100%



## Overall Revenue

| Levy Year | Fiscal Year | Total Revenue                           |
|-----------|-------------|---|
| 2013      | FY15        | \$15,979,865 (projected through budget) |
| 2012      | FY14        | \$16,689,890 (unaudited)                |
| 2011      | FY13        | \$17,332,022.00                         |
| 2010      | FY12        | \$17,896,685.00                         |
| 2009      | FY11        | \$19,279,847.00                         |
| 2008      | FY10        | \$18,592,126.00                         |
| 2007      | FY09        | \$17,594,189.00                         |
| 2006      | FY08        | \$16,982,878.00                         |

## Equalized Assessed Valuation

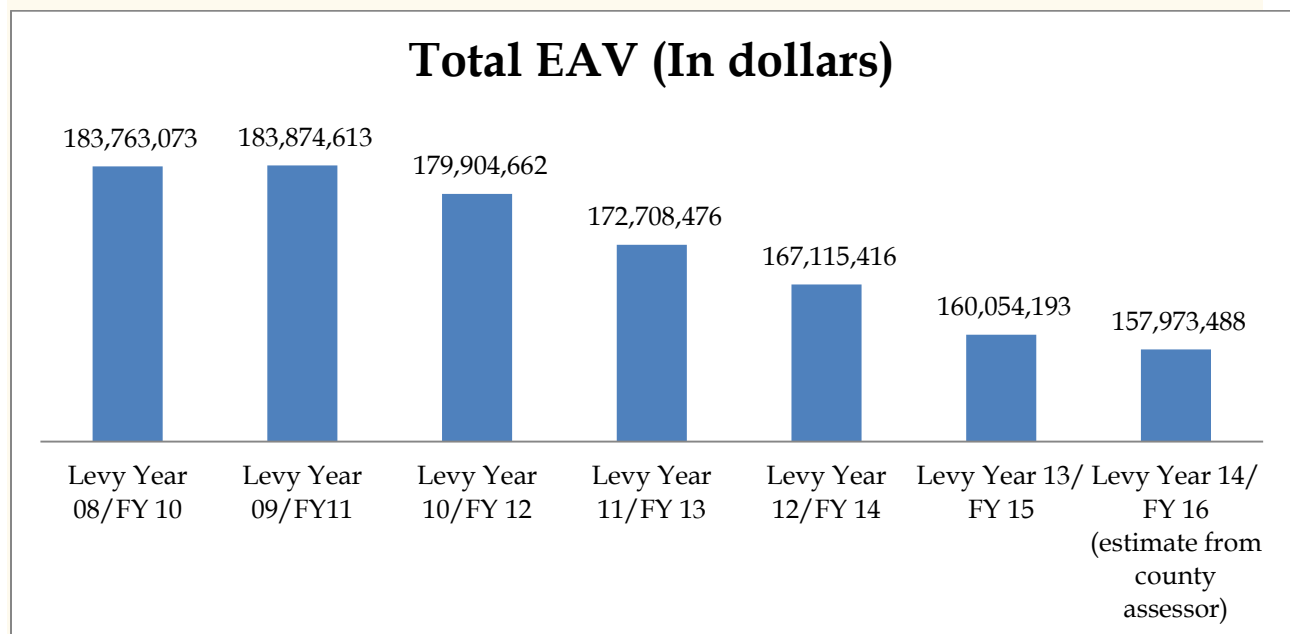
School districts must deposit property tax revenue into appropriate accounting funds as determined by the *Illinois School Code* and the *Illinois Program Accounting Manual*. A formula determines the amount of property tax revenue each fund is entitled to receive: "tax rate" multiplied by a school district's total taxable "equalized assessed valuation" (EAV) equals "property tax revenue."

County clerks calculate the final property tax billings using this formula and direct these billings to owners of parcels of land located in each school district. The process of preparing property tax billings is the "property tax extension." To understand EAV, examine a property tax bill for a single parcel of land. Look for the cell marked "Fair Cash Value" or "Fair Market Value." The dollar amount in this beginning cell is divided by three to determine the EAV for that parcel of land. Even though several legal deductions are available to eligible property owners, this is the starting point.

Eventually all the parcels of land in a school district are added together to yield a total EAV for the entire district. That's the number to which the levy will be applied. The amount a district

can levy for each fund account is limited to an amount also set in the *Illinois School Code*, unless the district's registered voters approve a fund increase at an election. The levy for each fund is multiplied by each \$100 of EAV to equal the amount of property tax revenue a school district is entitled to receive

Simply put, when property values go down, EAV goes down, when EAV goes down school district revenues go down if there is not an increase in the tax rate. Below is a summary of Meridian CUSD 223 EAV for the past several taxing cycles and the projected amount for the forthcoming taxing year. The results are astounding. The EAV for the current taxing cycle is approximately 86% of what it was just years ago.



## Projections

Creating a budget for a school in the state of Illinois is a combination or series of educated guesses. For example, this year most schools projected to receive the money owed to them from the state in the form of four categorical payments. Categorical payments are described by ISBE as:

The Illinois General Assembly allocates a portion of state aid for special purposes. For some state-required programs, a school district merely submits a claim to the State Board of Education. To obtain an incentive-type grant, a school district must apply and hope that its proposal is selected in competition with other school districts. Most school districts, for example, are entitled to transportation assistance if they submit the necessary claim. School districts must compete, however, for the limited funds available for gifted or adult education grants. Categorical grants are subject to the amount of money allocated and the preferences for these programs by the state legislature and



governor. The number of categories is also subject to change. In FY 2011, the mandated categorical grants included: Free lunch/breakfast, Orphanage tuition (regular ed and special ed), Special education, including extraordinary services, personnel, tuition, summer school and transportation and general transportation (vocational and regular ed).

Other categorical grants in recent years included programs for gifted, bilingual, reading, early childhood, career/tech, truant alternative, ADA block, and Summer Bridges.

Recent word from the state indicates that the state may be late with one or possibly even two of these payments not showing up during this fiscal year. If this occurs, the budget for this year will be substantially off. That being said, it is the job of the Superintendent and Board of Education to do its best to understand what is taking place in Springfield and construct an informed estimate of what may occur in the future.

When making these assessments, these areas are taken in to consideration:

## PTAB/LANDFILL

The Property Tax Appeal Board (PTAB) made a judgment to reduce the 2003 assessed value of the Veolia Landfill in Davis Junction in 2009. The PTAB hearing on the 2003 assessment was conducted over seven days in August of 2007. After over two years, the ruling was finally made in December of 2009 and received by the District in the last week of December.

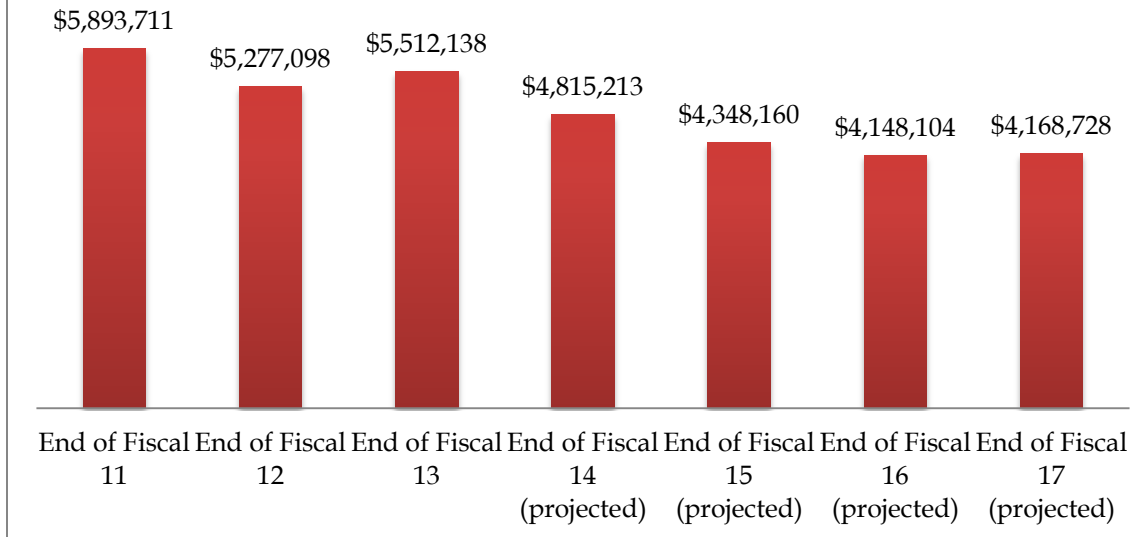
The reduction in assessment from approximately \$8.6 million to \$3.3 million resulted in nearly a \$250,000 annual loss to the Meridian School District, in addition to funds that had to be re-paid to Veolia as a result of their over-taxation. The re-payment, which is taken off of the total revenue received by the district (across all funds) results in a net loss in revenue of \$460,000 in 2014-2015, \$310,000 in 2015-2016 with a break-even point thereafter. The bottom line – next budget year MCUSD will pay back 310,000 as a result of the over-assessment.

## Considerations

The information below show projections for the next several years taking into account several items:

- Assumed fund balances as of July 1, 2014 (audited numbers not yet available)
- 1.3% decline in EAV
- Increased revenue due to successful passage of referendum
- Teacher contract terms
- Stable GSA
- Increased expenditures by 2% across the board per year as general budgeting technique
- Completion of major technology project in FY 16

## Overall Fund Balance



## PROJECTIONS

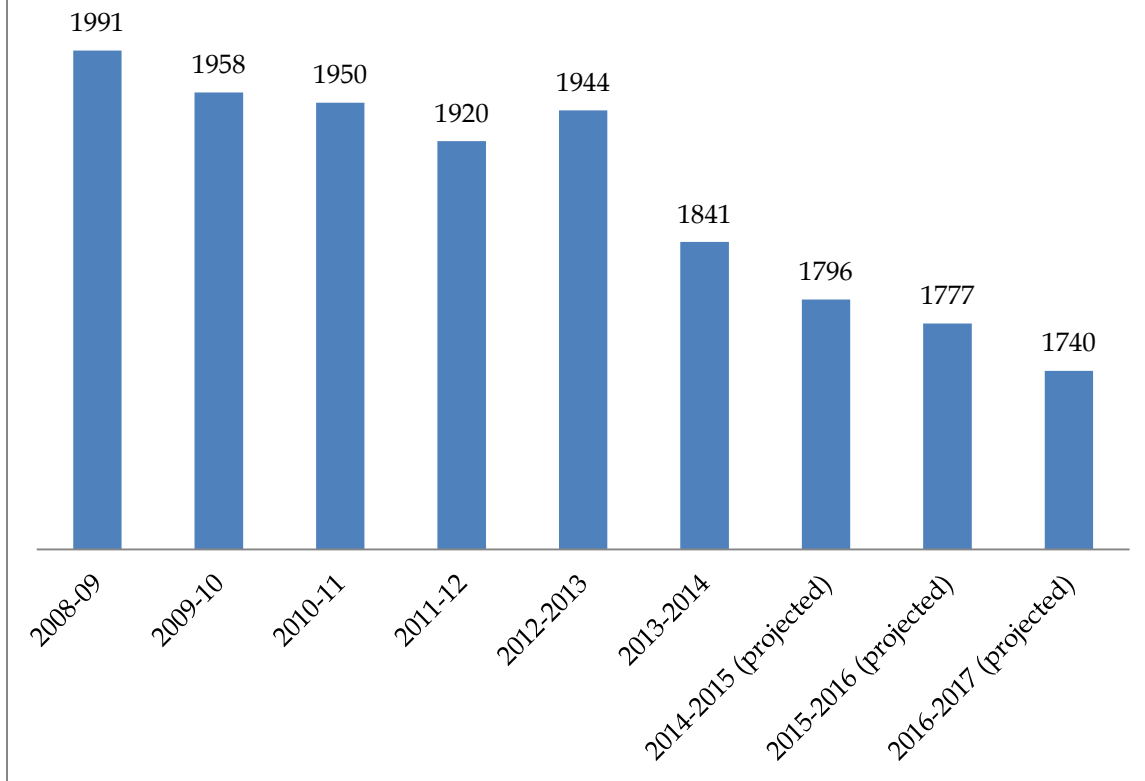
|       | Total Fund Balance to Start Year | Revenues     | Expenditures | End of Year Fund Balance |
|-------|----------------------------------|--------------|--------------|--------------------------|
| FY 14 | \$5,708,967                      | \$16,689,188 | \$17,582,942 | \$4,815,283              |
| FY 15 | \$4,815,283                      | \$15,962,982 | \$16,430,035 | \$4,348,160              |
| FY 16 | \$4,348,160                      | \$16,895,898 | \$17,095,954 | \$4,148,103              |
| FY 17 | \$4,148,103                      | \$17,165,898 | \$17,095,054 | \$4,168,728              |

## Student Demographics

### Student Enrollment

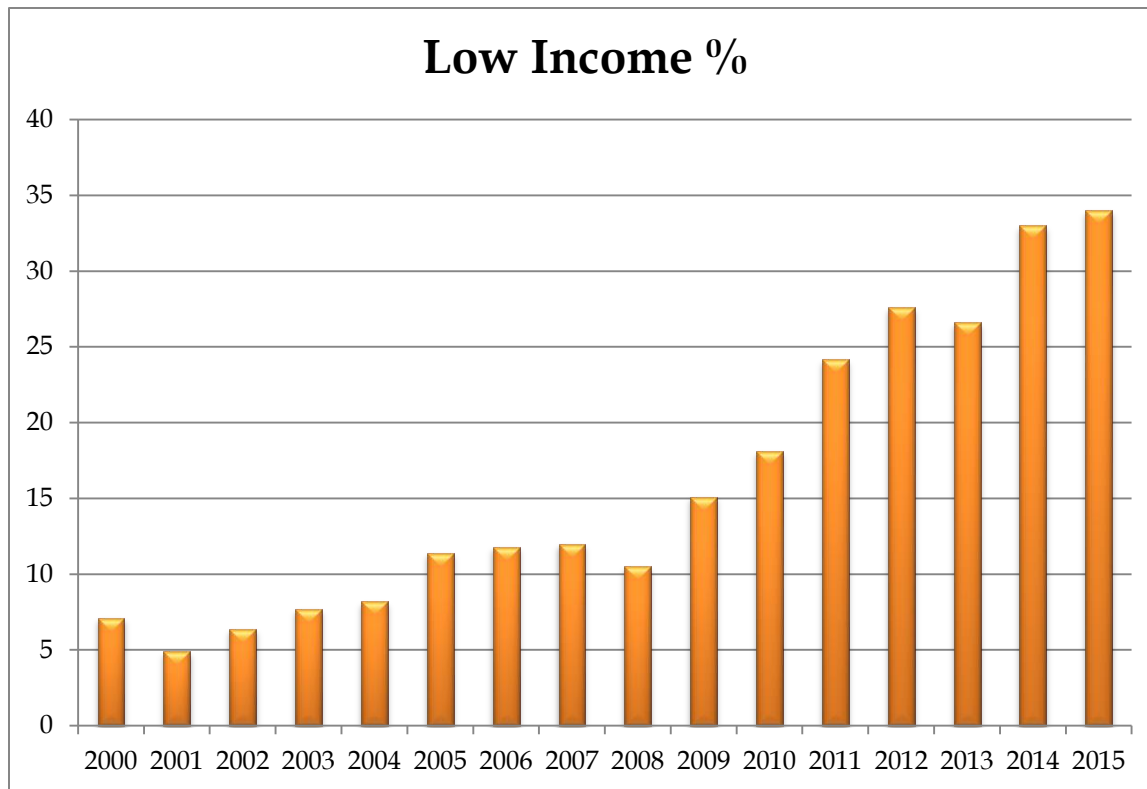
Additionally, student enrollment is decreasing and will be for several more years, again leading to a loss of revenue since General State Aid uses student attendance days as part of their funding formula.

## District Enrollment

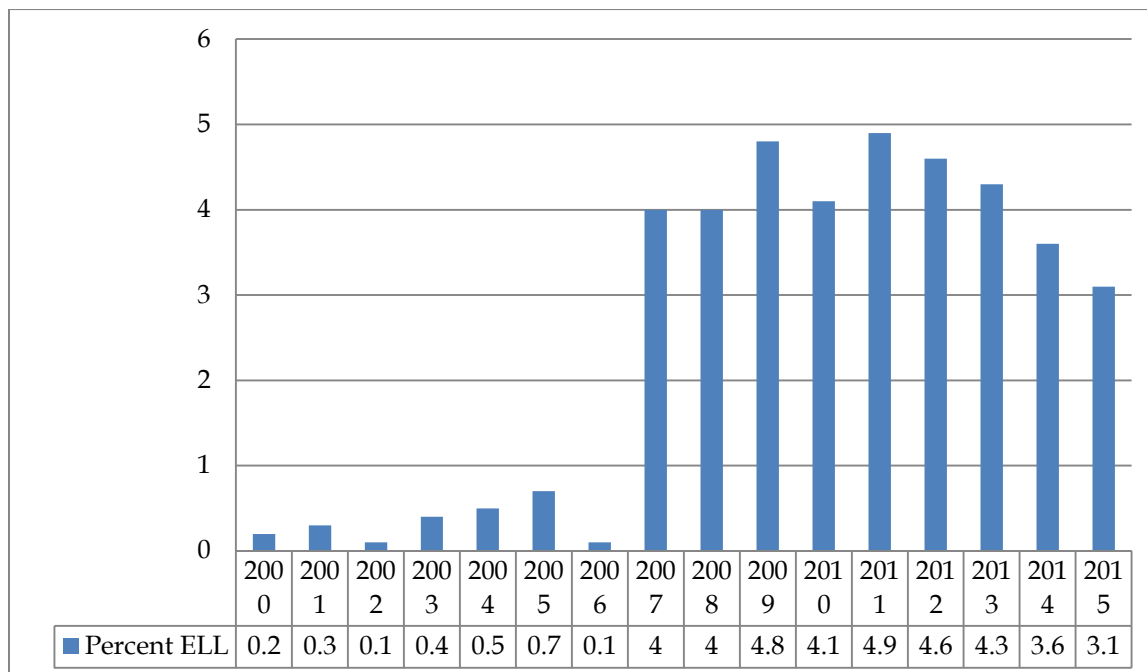


- Next year and beyond our K-12 enrollment numbers show a decline even when using a steady projection of 120 kids per entering Kindergarten class

## Percent Low Income



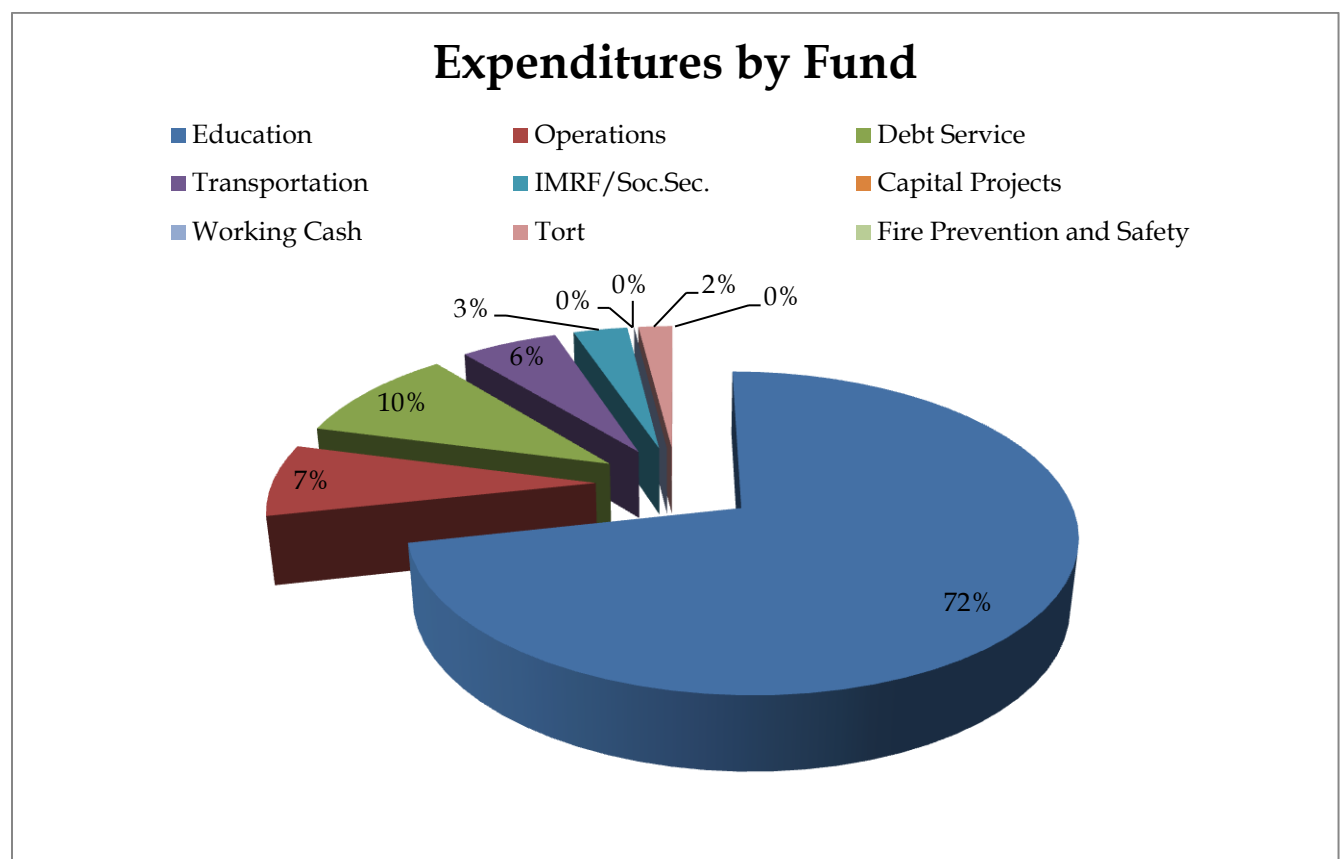
## ELL-English Language Learners



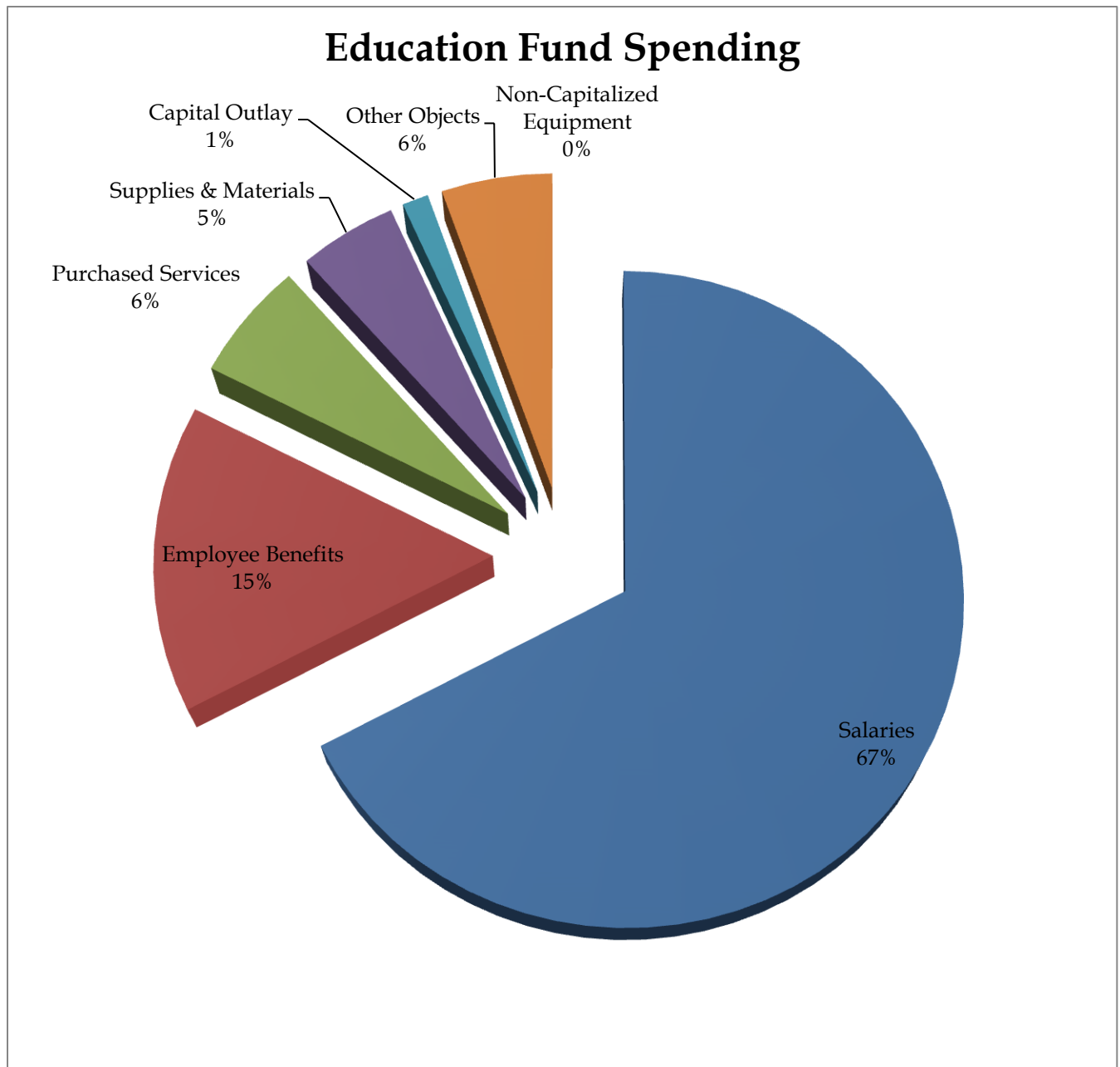
## Expenditures

### Budgeted Expenditures by Fund 13-14

| FY 15 Budgeted             | Expenditures by Fund |               |
|----------------------------|----------------------|---------------|
| Education                  | \$                   | 11,761,573.00 |
| Operations                 | \$                   | 1,234,266.00  |
| Debt Service               | \$                   | 1,640,000.00  |
| Transportation             | \$                   | 940,795.00    |
| IMRF/Soc.Sec.              | \$                   | 525,086.00    |
| Capital Projects           |                      | \$0           |
| Working Cash               |                      | \$0           |
| Tort                       | \$                   | 328,315.00    |
| Fire Prevention and Safety |                      | \$0           |

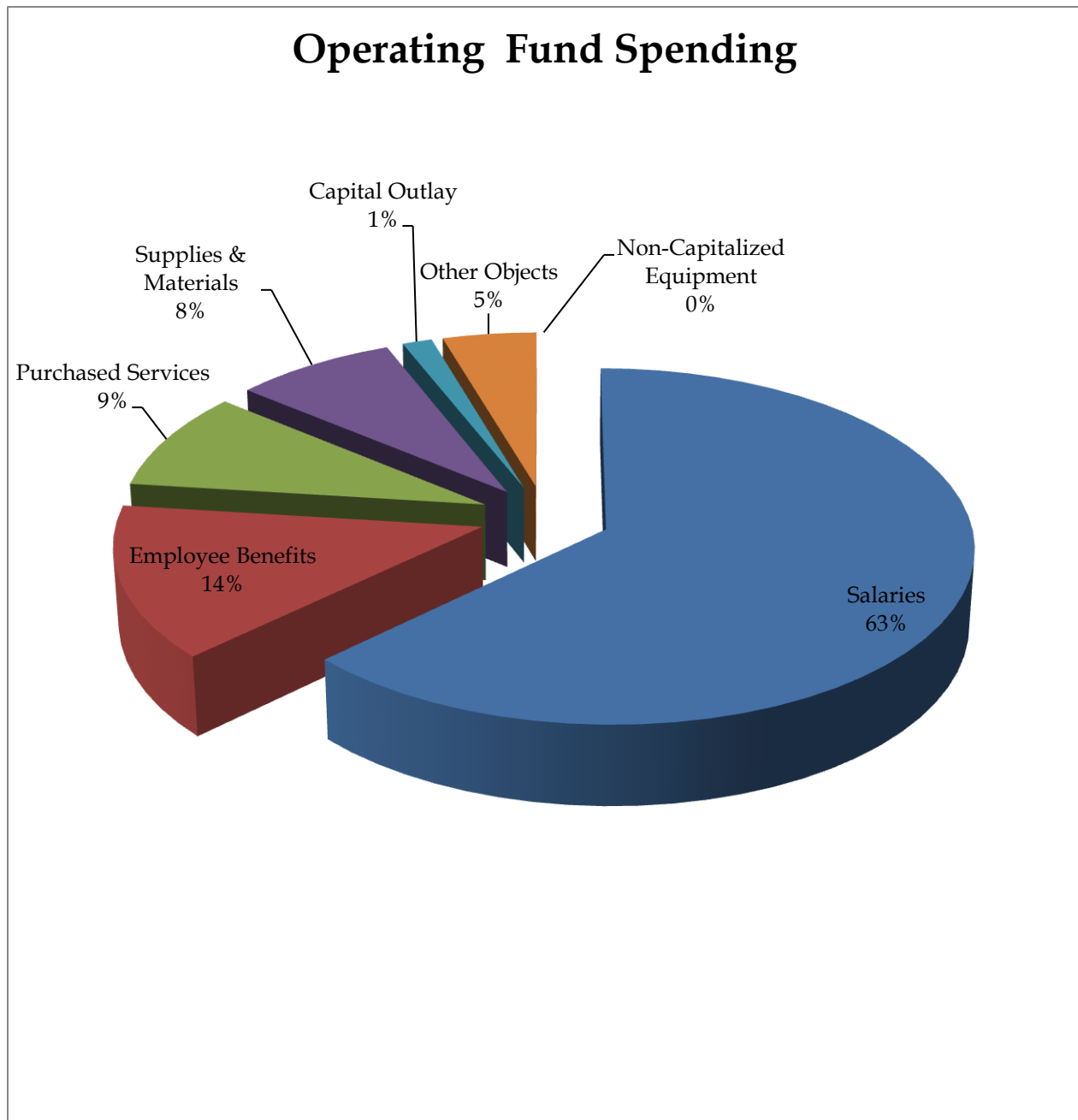


## FY 15 Budgeted Education Fund Spending



**Salaries and Benefits represent 82% of the Education Fund expenditures**

## Operating Fund Expenditures



**Salaries and Benefits represent 77% of the total operating expenditures of the district.**

(Operating Funds include Education, Operations and Maintenance, Transportation, and Working Cash)

## Meridian CUSD 'The Land' Facts and FAQs

**History:** A parcel of land (138+ acres) adjacent to the property of the school was purchased by the Board of Education in 2008. The intent was to eventually use this parcel of land to build a progressive high school and vocational center to best support the needs of our students and community. This purchase was prompted as a result a quickly rising enrollment that was projected to continue. As a frame of reference, Stillman Valley High School currently serves approximately 580 students and is very near capacity. Some projections at the time had SVHS's enrollment increasing up-to and past 800 students, making the need for a new building even more imminent.

Currently the land is being held in light that future expansion may be needed or desired – additionally, the land is a current source of revenue for the district bringing in over \$35,000 per year.

**What is it:** 148+ acres, 138 acres are tillable.

**Where is it:** The property is adjacent to the high school and South of its current property boundaries. The majority of the land is tillable, but not entirely so.

**How did the District acquire the land:** The District bought the land through the sale of Working Cash Bonds. The Bonds were issued October 27, 2008 and were retired this fiscal year (we are no longer paying on them).

**How much money did it cost:** The purchase price of the land was \$2,150,000. In addition to the purchase, some land was gifted to the District by the Smeja Foundation.

**What does it cost us currently:** The land is currently bought and paid for – the District is expending no money on the land in the sense of a 'mortgage.' Additionally, taxpayers will not be spending any money to pay off the debt accumulated by the sale of Working Cash bonds.

**What else should I know:** The land will be leased through an auction process to the highest bidder for use of the acreage. This process will begin in Summer of 2015. In the past, the District has gained minimally \$35,000 of revenue per year as a result of leasing this property.



## Understanding MCUSD 223 Bonds

### Item One: What is Bonded Indebtedness

Bonded indebtedness current requirements for principal and interest expenditures are payable from future revenues of the Debt Service Fund. The revenues consist principally of property taxes collected by the District and interest earnings. As of the end of FY 14, the District owes \$13,225,000 in Principal and Interest.

### Item Two: Understanding Levy, Taxation and Repayment Schedules

Every calendar year each property owner is provided an estimated value of their property on which their property taxes are based. Additionally, every year the school district creates a levy that when partnered with estimated value of each piece of property turns in to the school district portion of the tax bill. The schedule is important to note.

In 2013 an estimated value is given to each property and the school files their levy. This is known as Levy Year 13. In 2014, taxpayers receive their individual bill and generally make their first payment early in that calendar year. That money flows through to the school and helps pay the cost for FY 15.

### Item Three: Bond Repayment Schedule

| Levy Year | Calendar Year of Payment | Fiscal Year Payments Works Toward | Estimate of levy rate in Bond and Interest - assuming EAV steady |
|-----------|--------------------------|-----------------------------------|--|
| 2013      | 2014                     | FY 15                             | \$1.02   |
| 2014      | 2015                     | FY 16                             | \$1.07   |
| 2015      | 2016                     | FY 17                             | \$1.11   |
| 2016      | 2017                     | FY 18                             | \$1.15   |
| 2017      | 2018                     | FY 19                             | \$1.20   |
| 2018      | 2019                     | FY 20                             | \$1.25   |
| 2019      | 2020                     | FY 21                             | \$1.31   |
| 2020      | 2021                     | FY 22                             | \$0.18   |
| 2021      | 2022                     | FY 23                             | \$0.00   |

## Supplemental Resources

### Glossary of Terms

- Levy –The amount of taxes the District requests the County Clerk to “levy” or charge property owners.
- Ceiling Funds –The district is limited to an establish rate (Ed, O&M, Trans, and Working Cash)
- Non-ceiling Funds -No rate limit, need must be present. (Bonds, IMRF & SS, Lease and Tort)
- Extension –The amount of taxes billed to property owners by the County Clerk in the previous year.
- Equalized Assessed Valuation (EAV) –the value of all the properties within the taxing district as determined by the township assessor. In Ogle County, properties are assessed at 33.33% of their market value
- Debt Service Levy –The amount needed to make annual principal and interest payments on bonds and notes.

### Understanding Budget Funds

The school district’s accounting records, budgets and financial reports are organized and reported on a fund basis. A fund is established for specific activities and objectives and is operated in accordance with laws, regulations, restrictions or other designated purposes. Each fund is a separate and independent accounting entity with its own assets, liabilities and fund balance.

The number of funds created depends on the school district’s operations, rather than size. Nine reporting funds are listed on the School District Budget Form (ISBE 50-36). The following account codes/ definitions are provided in the accounting rules [23 IAC 100] and are used to designate nine funds for reporting purposes:

10 Educational

20 Operations & Maintenance

30 Debt Service

40 Transportation

50 Municipal Retirement/Social Security

60 Capital Projects

70 Working Cash

80 Tort

90 Fire Prevention & Safety

**10 - Educational Fund** - The most varied and the largest volume of transactions will be recorded in the Educational Fund. This is due most because the Educational Fund covers transactions that are not specifically covered in another fund. Certain expenditures that must be charged to this fund include the direct costs of instruction, health and attendance services, lunch programs, all costs of administration (even those for buildings and grounds), and related insurance costs. Certain revenues that must be credited to this fund include educational tax levies, tuition and textbook rentals.

The salaries of janitors, engineers, and other custodial employees and all costs of fuel, lights, gas, water, telephone service, and custodial supplies and equipment shall be charged to this fund. The school board may approve, by resolution, to charge to the Operations and Maintenance Fund all salaries of janitors, engineers, or other custodial employees and all costs of fuel, lights, gas, water, telephone service, and custodial supplies and equipment or any one or more of these items, per Section 17-7 of the Illinois School Code (105 ILCS 5/17-7).

**20 - Operations & Maintenance Fund** - All costs of maintaining, improving, or repairing school buildings and property, renting buildings and property for school purposes, or for the payment of premiums for insurance on school buildings shall be charged to the Operations and Maintenance Fund and paid from the tax levied for that purpose.

**30 - Debt Service Fund** - Bonds are generally issued to finance the construction of buildings, but may also be issued for other purposes. Taxes are levied to provide cash to retire these bonds and to pay related interest. To protect the bondholders, these tax collections must be accounted for in the Debt Service Fund and maintained in separate bond and interest accounts for each bond issue. If the school board pledges other revenue to pay principal, interest, or service charges on long-term debt, a separate set of accounts shall also be established for each additional debt issue (not applicable to pledged revenue in the Transportation Fund).

**40 - Transportation Fund** - If a school district pays for transporting pupils for any purpose, a Transportation Fund must be created. Costs of transportation, including the purchase of vehicles and insurance on buses, are to be paid from this fund. Moneys

received for transportation purposes from any source must be deposited into this fund, except for the portion of state reimbursement applicable to other funds (e.g., utility costs from the Operations and Maintenance Fund) as provided in Section 29-5 of the Illinois School Code (105 ILCS 5/29-5).

**50 - Municipal Retirement/Social Security Fund** - This fund is created if a separate tax is levied for the school district's share of retirement benefits for covered employees or a separate tax is levied for the purpose of providing resources for the district's share of Social Security and/or Medicare only payments for covered employees. If any of these taxes are not levied, payments for such purposes shall be charged to the fund where the salaries are charged.

**60 - Capital Projects Fund** - All proceeds of each construction bond issue (other than Fire Prevention and Safety) shall be placed in the Capital Projects Fund to separately identify these special funds from operating funds. Such moneys are to be spent for the purpose specified in the bond indenture and on the ballot. A separate account is also established: If a capital improvement tax is levied in accordance with Section 17-2.3 of the Illinois School Code (105 ILCS 5/17-2.3). The moneys received from such levy shall be accumulated until spent for the capital improvements described in the resolution and on the ballot, per Section 17-2.3.

For receipts from other long-term financing agreements (including impact fee agreements); construction or maintenance grants used to finance a capital project; capital leases; or lease purchase agreements (not applicable to Transportation Fund receipts). Expenditures which would ordinarily be charged to the Educational Fund, but which may be charged to the Capital Projects Fund (unless paid before the fund is created), include election expenses, fidelity insurance, architect's fees, legal fees for title search on sites, fees for the legal opinion on the bonds, and other such administrative costs directly related to the construction project or issuance of bonds.

Expenditures which would ordinarily be charged to the Operations and Maintenance Fund, but which may be charged to the Capital Projects Fund (unless paid before the fund is created), include the actual construction costs, builder's risk insurance, purchase of land and other site costs, landscaping, parking lots, sidewalks, utility connections, etc., and other items directly related to the construction project.

**70 - Working Cash Fund** - If a separate tax is levied for working cash purposes or if bonds are sold for this purpose, this fund shall be created. Cash available in this fund may be loaned to any fund for which taxes are levied.

**80 - Tort Fund** - This fund is created if taxes are levied or bonds are sold for tort immunity or tort judgment purposes.

**90 - Fire Prevention and Safety Fund** - When a tax is levied or bonds issued for fire prevention, safety, energy conservation, disabled accessibility, school security and specified purposes, such proceeds shall be deposited and accounted for separately within the Fire Prevention and Safety Fund. The .05% levy is to be made only when there are not sufficient funds available in the Operations and Maintenance Fund; School Facility Occupation Tax Fund; or Fire Prevention and Safety Fund as determined by the district on the basis of regulations adopted the ISBE to make such alterations, repairs, or reconstruction, or to purchase and install such permanent fixed equipment ordered or determined necessary

## Levy Laws and Guidance

**Illinois Municipal Retirement Fund** 40 ILCS 5/7-105, 5/7-171 DOR Code 005  
No rate limit. An amount which will be sufficient to meet the requirements of the pension fund.

**Medicare** 40 ILCS 5/21-110.1 DOR Code 143  
No rate limit. An amount sufficient to meet the cost of participating in the Federal Medicare Program.

**Social Security** 40 ILCS 5/21-110, 5/21-110.1 DOR Code 047  
No rate limit. An amount sufficient to meet the cost of participating in the Social Security Program. May include an amount sufficient to meet costs of participating in the Federal Medicare Program.

**Tort Judgments and Liability Insurance**  
745 ILCS 10/9-107, 105 ILCS 5/17-2.5 DOR Code 035  
No rate limit. Amount sufficient to pay liability insurance premiums, for participation in a joint self insurance association, payment of tort judgments or settlements and for creating a reserve.

**Unemployment Insurance** 745 ILCS 10/9-107 DOR Code 060  
No rate limit. Amount sufficient to pay insurance for employees' protection under the Unemployment Insurance Act.

**Workers' Compensation and Occupational Disease Claims**  
745 ILCS 10/9-107 DOR Code 062  
No rate limit. Amount sufficient to pay judgments and settlements or to otherwise provide protection under the Workers' Compensation and Occupational Diseases Acts.

**Working Cash Fund** 105 ILCS 5/20-2, 5/20-4, 5/20-7 DOR Code 003

No rate limit. Subject to backdoor referendum. The money can only be used as a temporary loan to the district and must be reimbursed upon the collection of other taxes.

**Lease of Educational Facilities and Computer Technology**

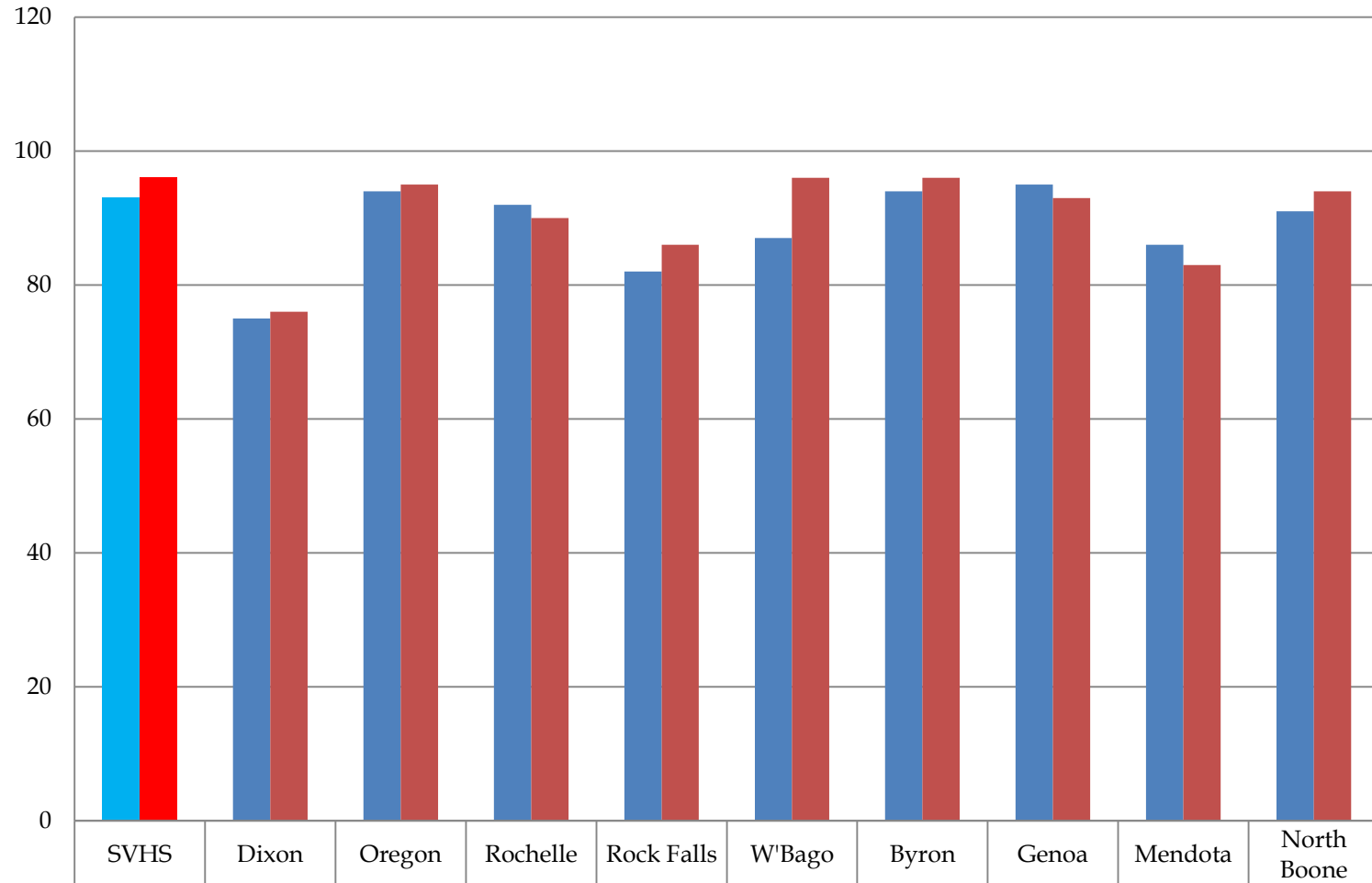
105 ILCS 5/17-2.2c DOR Code 057

0.05% - May be increased to 0.10\$ by referendum. To be used for the purpose of leasing educational facilities, or computer technology, or both.

**STUDENT ACHIEVEMENT DATA**  
**Released October 2014**

| District             | Low-Income % | Student Growth - Reading | Student Growth - Math | ISAT M+E % | PSAE M+E % | College Readiness % | Instructional Expenditure Per Pupil | Operational Expenditure Per Pupil |
|----------------------|--------------|--------------------------|-----------------------|------------|------------|---------------------|-------------------------------------|-----------------------------------|
| Meridian             | 29%          | 100                      | 104                   | 66%        | 58%        | 57%                 | \$ 4,993                            | \$ 9,237                          |
| North Boone          | 48%          | 101                      | 99                    | 60%        | 49%        | 32%                 | \$ 5,122                            | \$ 9,240                          |
| Forrestville Valley  | 29%          | 99                       | 99                    | 63%        | 65%        | 56%                 | \$ 5,638                            | \$ 10,695                         |
| Winnebago            | 30%          | 98                       | 104                   | 63%        | 67%        | 59%                 | \$ 5,748                            | \$ 9,952                          |
| Byron                | 16%          | 100                      | 107                   | 80%        | 69%        | 50%                 | \$ 9,127                            | \$ 16,152                         |
| Oregon               | 45%          | 98                       | 101                   | 58%        | 55%        | 47%                 | \$ 5,793                            | \$ 10,557                         |
| Genoa-Kingston       | 33%          | 103                      | 104                   | 67%        | 57%        | 37%                 | \$ 6,019                            | \$ 10,201                         |
| Rochelle Township HS | 31%          | x                        | x                     | x          | 51%        | 44%                 | \$ 8,160                            | \$ 14,459                         |
| Rochelle Elementary  | 66%          | 95                       | 99                    | 49%        | x          | x                   | \$ 5,555                            | \$ 8,516                          |
| Dixon                | 47%          | 96                       | 102                   | 55%        | 52%        | 48%                 | \$ 5,613                            | \$ 9,638                          |
| Pecatonica           | 23%          | 94                       | 100                   | 73%        | 66%        | 48%                 | \$ 5,180                            | \$ 9,872                          |

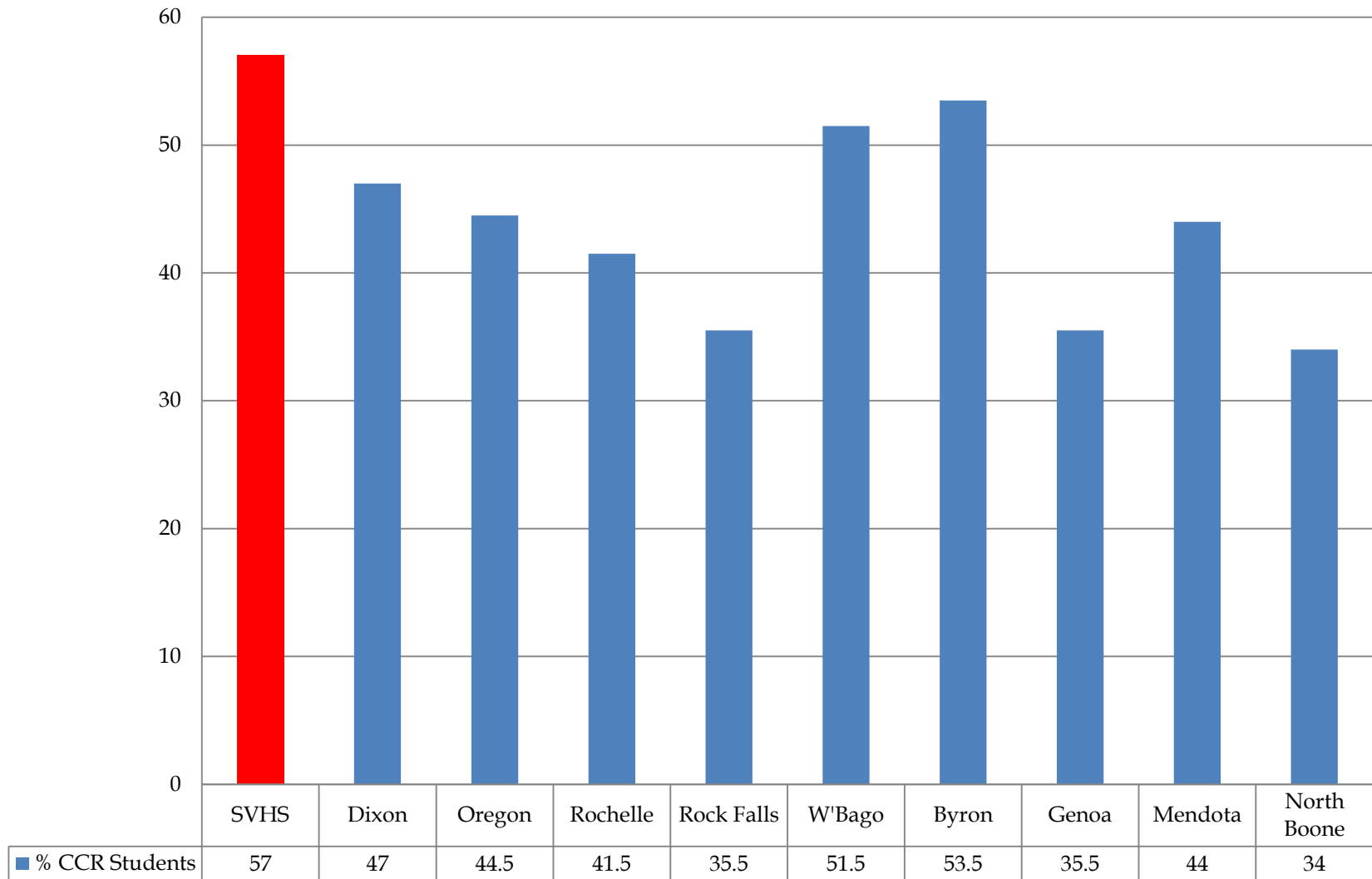
## Graduation Rate



|                  |    |    |    |    |    |    |    |    |    |    |
|------------------|----|----|----|----|----|----|----|----|----|----|
| 4-year Grad Rate | 93 | 75 | 94 | 92 | 82 | 87 | 94 | 95 | 86 | 91 |
| 5-year Grad Rate | 96 | 76 | 95 | 90 | 86 | 96 | 96 | 93 | 83 | 94 |



## 2013 - 2014 average - % College and Career Ready Students



## School Board Meeting Dates

|                             |                              |
|-----------------------------|------------------------------|
| Thursday, January 22, 2015  | MJH Board Room, 7:00 PM      |
| Thursday, February 26, 2015 | MJH Board Room, 7:00 PM      |
| Thursday, March 26, 2015    | MJH Board Room, 7:00 PM      |
| Thursday, April 23, 2015    | MJH Board Room, 7:00 PM      |
| Thursday, May 21, 2015      | <i>Retirement Dinner</i> TBA |
| Thursday, June 25, 2014     | MJH Board Room, 7:00 PM      |

| <b>Finance Committee</b>                                  | <b>Policy Committee</b>                        |
|---|--|
| <b>6/12</b>   | <b>7/10 (After quarterly release of PRESS)</b> |
| <b>9/11 (Budget Preparation and Initial Presentation)</b> | <b>10/9 (After quarterly release of PRESS)</b> |
| <b>11/6 (Preparation of levy)</b>                         | <b>1/8 (After quarterly release of PRESS)</b>  |
| <b>3/12</b>   | <b>4/9 (After quarterly release of PRESS)</b>  |