

**MERIDIAN COMMUNITY UNIT
SCHOOL DISTRICT NO. 223
Stillman Valley, Illinois**

Annual Financial Report

June 30, 2025

MERIDIAN COMMUNITY UNIT SCHOOL DISTRICT NO. 223

* * * * *

BOARD OF EDUCATION

John Smith, President, to April 2027
Jill Huber, Vice-President, to April 2029
Roger Morrow, Secretary, to April 2029
Dustin Collins, Member, to April 2027
Matt Rhodes, Member, to April 2029
Tim DeVries, Member, to April 2027
Aly Behmer, Member, to April 2029

* * * * *

RECORDING SECRETARY

Elaine Nicholson

* * * * *

TREASURER

Elizabeth Danekas

* * * * *

SUPERINTENDENT

Dr. Michael Plourde

* * * * *

MERIDIAN COMMUNITY UNIT SCHOOL DISTRICT NO. 223

ANNUAL FINANCIAL REPORT
JUNE 30, 2025

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditor's Report	1-4
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>.....	5-6
Financial Statements:	
Statements of Assets and Liabilities Arising From Cash Transactions	7
Statements of Revenue Received, Expenditures Disbursed, Other Financing Sources (Uses) and Changes in Fund Balances.....	8
Educational Fund	
Statement of Revenue Received – Actual and Budget	9-11
Statement of Expenditures Disbursed – Actual and Budget.....	12-18
Operations and Maintenance Fund	
Statement of Revenue Received – Actual and Budget	19-20
Statement of Expenditures Disbursed – Actual and Budget.....	21
Debt Services Fund	
Statement of Revenue Received – Actual and Budget	22
Statement of Expenditures Disbursed – Actual and Budget.....	23
Transportation Fund	
Statement of Revenue Received – Actual and Budget	24
Statement of Expenditures Disbursed – Actual and Budget.....	25
Municipal Retirement/Social Security Fund	
Statement of Revenue Received – Actual and Budget	26
Statement of Expenditures Disbursed – Actual and Budget.....	27-29
Capital Projects Fund	
Statement of Revenue Received – Actual and Budget	30
Statement of Expenditures Disbursed – Actual and Budget.....	31
Working Cash Fund	
Statement of Revenue Received – Actual and Budget	32
Tort Fund	
Statement of Revenue Received – Actual and Budget	33
Statement of Expenditures Disbursed – Actual and Budget.....	34-36
Fire Prevention and Safety Fund	
Statement of Revenue Received – Actual and Budget	37
Statement of Expenditures Disbursed – Actual and Budget.....	38
Notes to Financial Statements	39-70

MERIDIAN COMMUNITY UNIT SCHOOL DISTRICT NO. 223

ANNUAL FINANCIAL REPORT
JUNE 30, 2025

TABLE OF CONTENTS

	<u>Page</u>
Other Information:	
Teachers' Retirement System of the State of Illinois	
Schedule of the Employer's Proportionate Share of The Net Pension Liability	71
Schedule of Employer Contributions	71
Illinois Municipal Retirement Fund	
Schedule of Changes in Net Pension Liability and Related Ratios	72
Schedule of Contributions	73
Notes to Other Information	74-75
Student Activity Funds	
Schedule of Revenues Received and Expenditures Disbursed	76-78
Statistical Information	
Schedule of Average Daily Attendance, Operating Expense	
Per Pupil and Total Operating Expense.....	79
Federal Compliance Section:	
Independent Auditor's Report on Compliance for each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance.....	80-82
Schedule of Expenditures of Federal Awards	83
Notes to Schedule of Expenditures of Federal Awards.....	84
Schedule of Findings and Questioned Costs:	
Section I: Summary of Auditor's Results.....	85
Section II: Financial Statement Findings	86-87
Section III: Federal Award Findings and Questioned Costs	88
Summary Schedule of Prior Audit Findings.....	89
Corrective Action Plan for Current Year Audit Findings.....	90



Independent Auditor's Report

Board of Education
Meridian Community Unit School District No. 223
Ogle County, Illinois

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of Meridian Community Unit School District No. 223, as of and for the fiscal year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets and liabilities arising from cash transactions of Meridian Community Unit School District No. 223 as of June 30, 2025, and the revenues it received and expenditures it paid, and budgetary results for the year then ended, in accordance with the financial reporting provisions of the Illinois State Board of Education as described in Note 1.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" section of our report, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Meridian Community Unit School District No. 223, as of June 30, 2025, or the changes in its financial position for the year then ended.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are required to be independent of Meridian Community Unit School District No. 223 and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1, the financial statements are prepared by Meridian Community Unit School District No. 223 on the basis of the financial reporting provisions prescribed or permitted by the Illinois State Board of Education, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the Illinois State Board of Education. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions prescribed or permitted by the Illinois State Board of Education. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Meridian Community Unit School District No. 223's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing

an opinion on the effectiveness of Meridian Community Unit School District No. 223's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Meridian Community Unit School District No. 223's ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Meridian Community Unit School District No. 223's basic financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for the purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole on the basis of accounting as described in Note 1.

Other Information

Management is responsible for the information listed in the table of contents as Other Information included in the annual report. The other information does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2025, on our consideration of Meridian Community Unit School District No. 223's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Meridian Community Unit School District No. 223's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Meridian Community Unit School District No. 223's internal control over financial reporting and compliance.

Penning Group, LLC

Freeport, Illinois
December 19, 2025



**Independent Auditor's Report on Internal Control Over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards***

Board of Education
Meridian Community Unit School District No. 223 October
Ogle County, Illinois

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Meridian Community Unit School District No. 223 as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise Meridian Community Unit School District No. 223's basic financial statements, and have issued our report thereon dated December 19, 2025. Our opinion was adverse because the financial statements are not prepared in accordance with generally accepted accounting principles. However, the financial statements were found to be fairly stated on the cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles, in accordance with regulatory reporting requirements established by the Illinois State Board of Education.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Meridian Community Unit School District No. 223's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies

may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as Findings 2025-001 and 2025-002, that we consider to be a significant deficiency.

We also noted certain other matters involving the internal control over financial reporting that we reported to management of Meridian Community Unit School District No. 223 in a separate letter dated December 19, 2025.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Meridian Community Unit School District No. 223's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We also noted certain immaterial instances of noncompliance that we reported to management of Meridian Community Unit School District No. 223 in a separate letter dated December 19, 2025.

District's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on Meridian Community Unit School District No. 223's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. Meridian Community Unit School District No. 223's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Penning Group, LLC

Freeport, Illinois

December 19, 2025

MERIDIAN COMMUNITY UNIT SCHOOL DISTRICT NO. 223

Statements of Assets and Liabilities
Arising from Cash Transactions
June 30, 2025

												Account Groups	
	Operations		Municipal									General	General
	Educational	& Maintenance	Debt Services	Transportation	Retirement/	Social Security	Capital Projects	Working Cash	Tort	Fire Prevention & Safety	Agency Funds	General Fixed Assets	Long-Term Debt
ASSETS													
Current assets													
Cash	\$ 7,621,441	\$ 18,161	\$ 999,052	\$ 690,509	\$ 561,066	\$ 7,390	\$ 1,126,455	\$ 651,171	\$ 224,279	\$ -	\$ -	\$ -	\$ -
Cash - student activity funds	249,475	-	-	-	-	-	-	-	-	-	-	-	-
Investments	1,614,915	-	-	-	-	-	-	-	-	-	-	-	-
Total current assets	9,485,831	18,161	999,052	690,509	561,066	7,390	1,126,455	651,171	224,279	-	-	-	-
Capital assets													
Building & building improvements	-	-	-	-	-	-	-	-	-	-	-	2,569,982	-
Site improvements & infrastructure	-	-	-	-	-	-	-	-	-	-	-	39,025,706	-
Capitalized equipment	-	-	-	-	-	-	-	-	-	-	-	1,716,525	-
Construction in progress	-	-	-	-	-	-	-	-	-	-	-	9,834,565	-
Amount available in debt service funds	-	-	-	-	-	-	-	-	-	-	-	-	999,052
Amount to be provided for payment on long-term debt	-	-	-	-	-	-	-	-	-	-	-	-	5,579,912
Total assets	\$ 9,485,831	\$ 18,161	\$ 999,052	\$ 690,509	\$ 561,066	\$ 7,390	\$ 1,126,455	\$ 651,171	\$ 224,279	\$ -	\$ 53,146,778	\$ 6,578,964	
LIABILITIES AND FUND BALANCES													
LIABILITIES													
Current liabilities													
Other payables	\$ (8,979)	\$ (497)	\$ -	\$ 981	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Payroll deductions & withholdings	(\$91,627)	3,187	-	10,533	(1,190)	-	-	2,104	-	-	-	-	-
Total current liabilities	(100,606)	2,690	-	11,514	(1,190)	-	-	2,104	-	-	-	-	
Long-term liabilities													
Long-term debt payable	-	-	-	-	-	-	-	-	-	-	-	-	6,578,964
Total long-term liabilities	-	-	-	-	-	-	-	-	-	-	-	-	6,578,964
Total liabilities	\$ (100,606)	\$ 2,690	\$ -	\$ 11,514	\$ (1,190)	\$ -	\$ -	\$ 2,104	\$ -	\$ -	\$ -	\$ -	\$ 6,578,964
FUND BALANCES													
Reserved fund balances	\$ 258,583	\$ -	\$ -	\$ 457,124	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved fund balances	9,327,854	15,471	999,052	678,995	105,132	7,390	1,126,455	649,067	224,279	-	-	-	-
Investments in general fixed assets	-	-	-	-	-	-	-	-	-	-	-	53,146,778	-
Total fund balances	\$ 9,586,437	\$ 15,471	\$ 999,052	\$ 678,995	\$ 562,256	\$ 7,390	\$ 1,126,455	\$ 649,067	\$ 224,279	\$ -	\$ 53,146,778	\$ -	
Total liabilities and fund balances	\$ 9,485,831	\$ 18,161	\$ 999,052	\$ 690,509	\$ 561,066	\$ 7,390	\$ 1,126,455	\$ 651,171	\$ 224,279	\$ -	\$ 53,146,778	\$ 6,578,964	

See accompanying notes to financial statements.

MERIDIAN COMMUNITY UNIT SCHOOL DISTRICT NO. 223

Statements of Revenue Received, Expenditures Disbursed,
Other Sources (Uses) and Changes in Fund Balances
June 30, 2025

	Educational	Operations & Maintenance	Debt Services	Transportation	Municipal Retirement/Social Security	Capital Projects	Working Cash	Tort	Fire Prevention & Safety
REVENUE									
Local sources	\$ 10,827,013	\$ 1,604,385	\$ 1,661,901	\$ 538,158	\$ 789,862	\$ 1,921	\$ 134,705	\$ 1,111,789	\$ 129,248
State sources	6,656,241	804,000	-	736,116	-	-	-	-	-
Federal sources	1,494,040	-	-	-	-	-	-	-	-
Total direct revenue	18,977,294	2,408,385	1,661,901	1,274,274	789,862	1,921	134,705	1,111,789	129,248
Revenue for on-behalf payments	5,545,611	-	-	-	-	-	-	-	-
Total revenue	\$ 24,522,905	\$ 2,408,385	\$ 1,661,901	\$ 1,274,274	\$ 789,862	\$ 1,921	\$ 134,705	\$ 1,111,789	\$ 129,248
EXPENDITURES									
Instruction	\$ 12,835,517	\$ -	\$ -	\$ -	\$ 300,921	\$ -	\$ -	\$ 19,351	\$ -
Support services	6,102,074	2,642,818	-	1,896,293	435,011	-	-	524,524	-
Community services	206	-	-	-	-	-	-	-	-
Payments to other districts & gov't units	1,646,475	-	-	-	-	-	-	220,000	75,000
Debt service	-	-	1,664,333	613,349	-	-	-	-	-
Total direct expenditures	20,584,272	2,642,818	1,664,333	2,509,642	735,932	-	-	763,875	75,000
Expenditures for on-behalf payments	5,545,611	-	-	-	-	-	-	-	-
Total expenditures	\$ 26,129,883	\$ 2,642,818	\$ 1,664,333	\$ 2,509,642	\$ 735,932	\$ -	\$ -	\$ 763,875	\$ 75,000
Excess of direct revenue over (under) direct expenditures	\$ (1,606,978)	\$ (234,433)	\$ (2,432)	\$ (1,235,368)	\$ 53,930	\$ 1,921	\$ 134,705	\$ 347,914	\$ 54,248
OTHER SOURCES (USES) OF FUNDS									
Transfer to pay principal on GASB87 leases	\$ -	\$ (13,834)	\$ 13,834	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transfer to pay interest on GASB87 leases	-	(1,180)	1,180	-	-	-	-	-	-
Other sources (uses) not classified elsewhere	-	-	-	752,535	-	-	-	-	-
Total other sources (uses) of funds	\$ -	\$ (15,014)	\$ 15,014	\$ 752,535	\$ -	\$ -	\$ -	\$ -	\$ -
Excess of revenues and other sources of funds over (under) expenditures and other uses of funds	\$ (1,606,978)	\$ (249,447)	\$ 12,582	\$ (482,833)	\$ 53,930	\$ 1,921	\$ 134,705	\$ 347,914	\$ 54,248
FUND BALANCES - July 1, 2024	\$ 11,193,415	\$ 264,918	\$ 986,470	\$ 1,161,828	\$ 508,326	\$ 5,469	\$ 991,750	\$ 301,153	\$ 170,031
FUND BALANCES - June 30, 2025	\$ 9,586,437	\$ 15,471	\$ 999,052	\$ 678,995	\$ 562,256	\$ 7,390	\$ 1,126,455	\$ 649,067	\$ 224,279

See accompanying notes to financial statements.

MERIDIAN COMMUNITY UNIT SCHOOL DISTRICT NO. 223

Educational Fund

Statement of Revenue Received - Actual and Budget
Year ended June 30, 2025

	Actual	Budget	Actual over (under) Budget
REVENUE FROM LOCAL SOURCES			
Ad valorem taxes levied by local education agency:			
Designated purposes levies	\$ 8,867,813	\$ 8,666,273	\$ 201,540
Leasing purposes levy	127,407	121,622	5,785
Special education purposes levy	101,934	97,297	4,637
Other tax levies	329	-	329
 Total ad valorem taxes levied by district	 9,097,483	 8,885,192	 212,291
Earnings on investments:			
Interest on investments	457,170	585,000	(127,830)
 Total earnings on investments	 457,170	 585,000	 (127,830)
Food service:			
Sales to pupils - lunch	355,057	355,000	57
Sales to pupils - Breakfast	-	52,000	(52,000)
Sales to pupils - A la Carte	-	8,000	(8,000)
Sales to adults	-	8,000	(8,000)
 Total food service	 355,057	 423,000	 (67,943)
District/school activity income:			
Admissions - athletic	29,731	10,000	19,731
Fees	221,209	100,000	121,209
Student activity fund revenues	512,477	345,000	167,477
 Total district/school activity income	 763,417	 455,000	 308,417
Other revenue from local sources:			
Contributions and donations from private sources	27,682	-	27,682
Drivers' education fees	17,446	14,000	3,446
Other local revenues	108,758	60,000	48,758
 Total other revenue from local sources	 153,886	 74,000	 79,886
 Total revenue from local sources	 \$ 10,827,013	 \$ 10,422,192	 \$ 404,821

MERIDIAN COMMUNITY UNIT SCHOOL DISTRICT NO. 223

Educational Fund

Statement of Revenue Received - Actual and Budget
Year ended June 30, 2025

	Actual	Budget	Actual over (under) Budget
REVENUE FROM STATE SOURCES			
Unrestricted grants-in-aid:			
Evidence based funding formula - Sec. 18-8.05	\$ 6,126,416	\$ 6,350,000	\$ (223,584)
Total unrestricted grants-in-aid	<u>6,126,416</u>	<u>6,350,000</u>	<u>(223,584)</u>
Restricted grants-in-aid:			
Special education:			
Private facility tuition	190,511	125,000	65,511
Orphanage individual	29,893	5,000	24,893
Summer school	-	3,900	(3,900)
Total special education	<u>220,404</u>	<u>133,900</u>	<u>86,504</u>
Career and technical education (CTE):			
Secondary program improvement	1,385	-	1,385
Agriculture education	<u>32,499</u>	<u>50,000</u>	<u>(17,501)</u>
Total career and technical education	<u>33,884</u>	<u>50,000</u>	<u>(16,116)</u>
State free lunch and breakfast	2,957	2,500	457
Driver education	13,978	16,000	(2,022)
Early childhood - block grant	207,354	210,000	(2,646)
Other restricted revenue from state sources	<u>51,248</u>	<u>-</u>	<u>51,248</u>
Total restricted grants-in-aid	<u>529,825</u>	<u>412,400</u>	<u>117,425</u>
Total revenue from state sources	\$ 6,656,241	\$ 6,762,400	\$ (106,159)

REVENUE FROM FEDERAL SOURCES

Restricted grants-in-aid received directly from federal government:

Other restricted grants-in-aid received directly from the federal government	\$ 500,000	\$ -	\$ 500,000
Total revenue from other restricted grants	<u>500,000</u>	<u>-</u>	<u>500,000</u>

MERIDIAN COMMUNITY UNIT SCHOOL DISTRICT NO. 223

Educational Fund

Statement of Revenue Received - Actual and Budget
Year ended June 30, 2025

	Actual	Budget	Actual over (under) Budget
Restricted grants-in-aid received from federal government through the state:			
Food service:			
National school lunch program	256,931	300,000	(43,069)
School breakfast program	66,227	46,000	20,227
Total food service	323,158	346,000	(22,842)
Title I:			
Low income	261,709	190,000	71,709
Total Title I	261,709	190,000	71,709
Title IV:			
Safe and drug free schools	12,733	14,000	(1,267)
Total Title IV	12,733	14,000	(1,267)
Federal - special education:			
Preschool flow-through	8,770	10,000	(1,230)
IDEA flow-through	324,682	300,000	24,682
Total federal - special education	333,452	310,000	23,452
CTE - Perkins:			
Other	1,851	-	1,851
Total CTE - Perkins	1,851	-	1,851
Title II - teacher quality	32,895	38,000	(5,105)
Medicaid matching funds - administrative outreach	10,557	-	10,557
Medicaid matching funds - fee-for-service program	19,620	50,000	(30,380)
Other restricted revenue from federal sources	(1,935)	-	(1,935)
Total revenue from federal sources	\$ 1,494,040	\$ 948,000	\$ 546,040
Total direct revenue	\$ 18,977,294	\$ 18,132,592	\$ 844,702

MERIDIAN COMMUNITY UNIT SCHOOL DISTRICT NO. 223

Educational Fund

Statement of Expenditures Disbursed - Actual and Budget
Year ended June 30, 2025

	Actual	Budget	Actual over (under) Budget
INSTRUCTION			
Regular programs:			
Salaries	\$ 6,469,162	\$ 6,657,647	\$ (188,485)
Employee benefits	1,611,788	1,195,780	416,008
Purchased services	32,931	778,092	(745,161)
Supplies and materials	367,998	179,800	188,198
Capital outlay	32,044	-	32,044
 Total regular programs	 8,513,923	 8,811,319	 (297,396)
Special education programs:			
Salaries	2,126,868	2,100,325	26,543
Employee benefits	350,462	230,503	119,959
Purchased services	422	-	422
Supplies and materials	204	-	204
 Total special education programs	 2,477,956	 2,330,828	 147,128
CTE programs:			
Salaries	316,184	443,699	(127,515)
Employee benefits	89,980	53,333	36,647
Purchased services	4,961	-	4,961
 Total CTE programs	 411,125	 497,032	 (85,907)
Interscholastic programs:			
Salaries	532,696	373,259	159,437
Employee benefits	53,699	50,000	3,699
Purchased services	148,325	79,500	68,825
Supplies and materials	41,713	45,000	(3,287)
Capital outlay	27,617	42,000	(14,383)
Other objects	9,426	3,750	5,676
 Total interscholastic programs	 813,476	 593,509	 219,967

MERIDIAN COMMUNITY UNIT SCHOOL DISTRICT NO. 223

Educational Fund

Statement of Expenditures Disbursed - Actual and Budget
Year ended June 30, 2025

	Actual	Budget	Actual over (under) Budget
Summer school programs:			
Salaries	17	16,200	(16,183)
Supplies and materials	39	2,500	(2,461)
 Total summer school programs	 56	 18,700	 (18,644)
 Driver's education programs:			
Salaries	15,885	25,000	(9,115)
Employee benefits	1,880	3,005	(1,125)
Supplies and materials	356	3,000	(2,644)
Capital outlay	24,399	-	24,399
 Total driver's education programs	 42,520	 31,005	 11,515
 Bilingual programs:			
Salaries	72,417	1	72,416
Employee benefits	8,912	1	8,911
Purchased services	-	1,000	(1,000)
 Total bilingual programs	 81,329	 1,002	 80,327
 Student activity fund expenditures:			
Other objects	495,132	345,000	150,132
 Total student activity fund expenditures	 495,132	 345,000	 150,132
 Total instruction	 \$ 12,835,517	 \$ 12,628,395	 \$ 207,122

SUPPORT SERVICES

Support services - pupils:			
Guidance services:			
Salaries	\$ 386,981	\$ 377,941	\$ 9,040
Employee benefits	111,808	108,786	3,022
Purchased services	22,230	-	22,230
 Total guidance services	 521,019	 486,727	 34,292

MERIDIAN COMMUNITY UNIT SCHOOL DISTRICT NO. 223

Educational Fund

Statement of Expenditures Disbursed - Actual and Budget
Year ended June 30, 2025

	Actual	Budget	Actual over (under) Budget
Health services:			
Salaries	240,438	174,414	66,024
Employee benefits	15,066	29,652	(14,586)
Purchased services	12,298	8,550	3,748
Supplies and materials	11,601	11,000	601
Capital outlay	<u>-</u>	5,000	(5,000)
 Total health services	<u>279,403</u>	<u>228,616</u>	<u>50,787</u>
Speech pathology & audiology services:			
Purchased services	205,058	185,000	20,058
 Total speech pathology & audiology services	<u>205,058</u>	<u>185,000</u>	<u>20,058</u>
 Total support services - pupils	<u>1,005,480</u>	<u>900,343</u>	<u>105,137</u>
Support services - instructional staff:			
Improvement of instruction services:			
Salaries	119,913	32,501	87,412
Employee benefits	59,163	18,908	40,255
Purchased services	159,101	80,003	79,098
Supplies and materials	<u>107</u>	<u>-</u>	<u>107</u>
 Total improvement of instruction services	<u>338,284</u>	<u>131,412</u>	<u>206,872</u>
Educational media services:			
Salaries	277,607	288,854	(11,247)
Employee benefits	46,873	60,776	(13,903)
Supplies and materials	<u>20,372</u>	<u>25,000</u>	<u>(4,628)</u>
 Total educational media services	<u>344,852</u>	<u>374,630</u>	<u>(29,778)</u>
Assessment & testing:			
Purchased services	<u>2,165</u>	<u>20,000</u>	<u>(17,835)</u>
 Total assessment & testing	<u>2,165</u>	<u>20,000</u>	<u>(17,835)</u>
 Total support services - instructional staff	<u>685,301</u>	<u>526,042</u>	<u>159,259</u>

MERIDIAN COMMUNITY UNIT SCHOOL DISTRICT NO. 223

Educational Fund

Statement of Expenditures Disbursed - Actual and Budget
Year ended June 30, 2025

	Actual	Budget	Actual over (under) Budget
Support services - general administration:			
Board of education services:			
Salaries	92,706	57,750	34,956
Employee benefits	58,287	41,500	16,787
Purchased services	282,862	112,300	170,562
Supplies and materials	38,069	27,000	11,069
Other objects	65,238	19,000	46,238
	<u>537,162</u>	<u>257,550</u>	<u>279,612</u>
Total board of education services			
Executive administration services:			
Salaries	145,291	128,300	16,991
Employee benefits	20,998	-	20,998
Purchased services	869	4,000	(3,131)
Other objects	-	5,500	(5,500)
	<u>167,158</u>	<u>137,800</u>	<u>29,358</u>
Total executive administration services			
Total support services - general administration	<u>704,320</u>	<u>395,350</u>	<u>308,970</u>
Support services - school administration:			
Office of the principal services:			
Salaries	913,136	470,397	442,739
Employee benefits	230,538	233,672	(3,134)
Purchased services	4,164	6,000	(1,836)
Supplies and materials	22,932	15,500	7,432
Capital outlay	-	100	(100)
Other objects	4,258	3,600	658
	<u>1,175,028</u>	<u>729,269</u>	<u>445,759</u>
Total office of the principal services			
Total support services - school administration	<u>1,175,028</u>	<u>729,269</u>	<u>445,759</u>

MERIDIAN COMMUNITY UNIT SCHOOL DISTRICT NO. 223

Educational Fund

Statement of Expenditures Disbursed - Actual and Budget
Year ended June 30, 2025

	Actual	Budget	Actual over (under) Budget
Support services - business:			
Fiscal services:			
Salaries	57,581	54,060	3,521
Employee benefits	226	1,000	(774)
Purchased services	12,883	15,000	(2,117)
Supplies and materials	2,657	3,500	(843)
Total fiscal services	<u>73,347</u>	<u>73,560</u>	<u>(213)</u>
 Operation and maintenance of plant services:			
Salaries	200	-	200
Employee benefits	25	-	25
Capital outlay	<u>571,560</u>	<u>-</u>	<u>571,560</u>
Total operation & maintenance of plant services	<u>571,785</u>	<u>-</u>	<u>571,785</u>
 Pupil transportation services:			
Purchased services	<u>10,906</u>	<u>-</u>	<u>10,906</u>
Total pupil transportation services	<u>10,906</u>	<u>-</u>	<u>10,906</u>
 Food services:			
Salaries	325,411	254,584	70,827
Employee benefits	698	5,504	(4,806)
Purchased services	5,904	8,480	(2,576)
Supplies and materials	286,076	212,000	74,076
Capital outlay	<u>10,819</u>	<u>19,080</u>	<u>(8,261)</u>
Total food services	<u>628,908</u>	<u>499,648</u>	<u>129,260</u>
 Internal services:			
Supplies and materials	<u>33,721</u>	<u>-</u>	<u>33,721</u>
Total internal services	<u>33,721</u>	<u>-</u>	<u>33,721</u>
Total support services - business	<u>1,318,667</u>	<u>573,208</u>	<u>745,459</u>

MERIDIAN COMMUNITY UNIT SCHOOL DISTRICT NO. 223

Educational Fund

Statement of Expenditures Disbursed - Actual and Budget
Year ended June 30, 2025

	Actual	Budget	Actual over (under) Budget
Support services - central:			
Information services:			
Salaries	224,641	158,478	66,163
Employee benefits	44,631	43,460	1,171
Purchased services	455,537	440,070	15,467
Supplies and materials	45,349	61,400	(16,051)
Capital outlay	424,475	85,000	339,475
Total information services	1,194,633	788,408	406,225
Staff services:			
Purchased services	18,645	13,500	5,145
Total staff services	18,645	13,500	5,145
Total support services - central	1,213,278	801,908	411,370
Total support services	\$ 6,102,074	\$ 3,926,120	\$ 2,175,954
COMMUNITY SERVICES			
Supplies and materials	\$ 206	\$ -	\$ 206
Total community services	\$ 206	\$ -	\$ 206
PAYMENTS TO OTHER DISTRICTS & GOV'T UNITS			
Payments to other districts & gov't units (in-state):			
Other payments to in-state gov't units:			
Purchased services	\$ 229,535	\$ 16,000	\$ 213,535
Total other payments to in state gov't units	229,535	16,000	213,535
Total payments to other gov't units (in-state)	229,535	16,000	213,535
Payments to other districts & gov't units - tuition (in-state):			
Payments for special education programs tuition:			
Other objects	1,402,137	1,200,000	202,137
Total payments for special education programs	1,402,137	1,200,000	202,137

MERIDIAN COMMUNITY UNIT SCHOOL DISTRICT NO. 223

Educational Fund

Statement of Expenditures Disbursed - Actual and Budget
Year ended June 30, 2025

	Actual	Budget	Actual over (under) Budget
Payments for CTE programs tuition:			
Other objects	<u>14,803</u>	<u>5,300</u>	<u>9,503</u>
Total payments for CTE programs	<u>14,803</u>	<u>5,300</u>	<u>9,503</u>
Total payments to other gov't units - tuition (in-state)	<u>1,416,940</u>	<u>1,205,300</u>	<u>211,640</u>
Total payments to other districts & gov't units	<u>\$ 1,646,475</u>	<u>\$ 1,221,300</u>	<u>\$ 425,175</u>
Total direct expenditures	<u>\$ 20,584,272</u>	<u>\$ 17,775,815</u>	<u>\$ 2,808,457</u>
Excess (deficiency) of revenue over expenditures	<u>\$ (1,606,978)</u>	<u>\$ 356,777</u>	<u>\$ (1,963,755)</u>

MERIDIAN COMMUNITY UNIT SCHOOL DISTRICT NO. 223

Operations and Maintenance Fund

Statement of Revenue Received - Actual and Budget
Year ended June 30, 2025

	Actual	Budget	Actual over (under) Budget
REVENUE FROM LOCAL SOURCES			
Ad valorem taxes levied by local education agency:			
Designated purposes levies	\$ 1,274,105	\$ 1,216,221	\$ 57,884
Total ad valorem taxes levied by district	<u>1,274,105</u>	<u>1,216,221</u>	<u>57,884</u>
Payments in lieu of taxes:			
Corporate personal property replacement taxes	<u>265,422</u>	<u>555,555</u>	<u>(290,133)</u>
Total payments in lieu of taxes	<u>265,422</u>	<u>555,555</u>	<u>(290,133)</u>
Earnings on investments:			
Interest on investments	<u>11,613</u>	<u>-</u>	<u>11,613</u>
Total earnings on investments	<u>11,613</u>	<u>-</u>	<u>11,613</u>
District/school activity income:			
Fees	<u>1,042</u>	<u>-</u>	<u>1,042</u>
Total district/school activity income	<u>1,042</u>	<u>-</u>	<u>1,042</u>
Other revenue from local sources:			
Rentals	<u>34,396</u>	<u>32,000</u>	<u>2,396</u>
Other local revenues	<u>17,807</u>	<u>10,000</u>	<u>7,807</u>
Total other revenue from local sources	<u>52,203</u>	<u>42,000</u>	<u>10,203</u>
Total revenue from local sources	\$ 1,604,385	\$ 1,813,776	\$ (209,391)
REVENUE FROM STATE SOURCES			
Unrestricted grants-in-aid:			
Evidence based funding formula - section 18-8.05	<u>\$ 804,000</u>	<u>\$ 504,000</u>	<u>\$ 300,000</u>
Total unrestricted grants-in-aid	<u>804,000</u>	<u>504,000</u>	<u>300,000</u>
Total revenue from state sources	\$ 804,000	\$ 504,000	\$ 300,000

MERIDIAN COMMUNITY UNIT SCHOOL DISTRICT NO. 223

Operations and Maintenance Fund

Statement of Revenue Received - Actual and Budget
Year ended June 30, 2025

	Actual	Budget	Actual over (under) Budget
REVENUE FROM FEDERAL SOURCES			
Restricted grants-in-aid from federal govt thru the state:			
Other restricted revenue from federal sources	\$ _____ -	\$ 500,000	\$ (500,000)
Total restricted grants-in-aid	_____ -	500,000	(500,000)
Total revenue from federal sources	\$ _____ -	\$ 500,000	\$ (500,000)
Total direct revenue	\$ <u>2,408,385</u>	\$ <u>2,817,776</u>	\$ <u>(409,391)</u>

MERIDIAN COMMUNITY UNIT SCHOOL DISTRICT NO. 223

Operations and Maintenance Fund

Statement of Expenditures Disbursed - Actual and Budget
Year ended June 30, 2025

	Actual	Budget	Actual over (under) Budget
SUPPORT SERVICES			
Support services - business:			
Operations and maintenance of plant services:			
Salaries	\$ 864,785	\$ 720,004	\$ 144,781
Employee benefits	157,687	106,429	51,258
Purchased services	555,017	496,334	58,683
Supplies and materials	619,115	570,000	49,115
Capital outlay	<u>446,214</u>	<u>850,000</u>	<u>(403,786)</u>
Total operations and maintenance of plant services	<u>2,642,818</u>	<u>2,742,767</u>	<u>(99,949)</u>
Total support services - business	<u>2,642,818</u>	<u>2,742,767</u>	<u>(99,949)</u>
Total support services	<u>\$ 2,642,818</u>	<u>\$ 2,742,767</u>	<u>\$ (99,949)</u>
Total direct expenditures	<u>\$ 2,642,818</u>	<u>\$ 2,742,767</u>	<u>\$ (99,949)</u>
Excess (deficiency) of revenue over expenditures	<u>\$ (234,433)</u>	<u>\$ 75,009</u>	<u>\$ (309,442)</u>

MERIDIAN COMMUNITY UNIT SCHOOL DISTRICT NO. 223

Debt Services Fund

Statement of Revenue Received - Actual and Budget
Year ended June 30, 2025

	Actual	Budget	Actual over (under) Budget
REVENUE FROM LOCAL SOURCES			
Ad valorem taxes levied by local education agency:			
Designated purposes levies	\$ 1,654,712	\$ 1,648,953	\$ 5,759
Total ad valorem taxes levied by district	<u>1,654,712</u>	<u>1,648,953</u>	<u>5,759</u>
Earnings on investments:			
Interest on investments	7,189	-	7,189
Total earnings on investments	<u>7,189</u>	<u>-</u>	<u>7,189</u>
Total revenue from local sources	\$ 1,661,901	\$ 1,648,953	\$ 12,948
Total direct revenue	<u>\$ 1,661,901</u>	<u>\$ 1,648,953</u>	<u>\$ 12,948</u>

MERIDIAN COMMUNITY UNIT SCHOOL DISTRICT NO. 223

Debt Services Fund

Statement of Expenditures Disbursed - Actual and Budget
Year ended June 30, 2025

	Actual	Budget	Actual over (under) Budget
DEBT SERVICES			
Debt services - interest on long-term debt:			
Other objects	\$ 230,049	\$ 165,934	\$ 64,115
Debt services - principal on long-term debt:			
Other objects	1,433,834	1,516,384	(82,550)
Debt services - other:			
Other objects	450	-	450
Total debt services	\$ 1,664,333	\$ 1,682,318	\$ (17,985)
Total direct expenditures	\$ 1,664,333	\$ 1,682,318	\$ (17,985)
Excess (deficiency) of revenue over expenditures	\$ (2,432)	\$ (33,365)	\$ 30,933

MERIDIAN COMMUNITY UNIT SCHOOL DISTRICT NO. 223

Transportation Fund

Statement of Revenue Received - Actual and Budget
Year ended June 30, 2025

	Actual	Budget	Actual over (under) Budget
REVENUE FROM LOCAL SOURCES			
Ad valorem taxes levied by local education agency:			
Designated purposes levies	\$ 509,641	\$ 486,488	\$ 23,153
Total ad valorem taxes levied by district	<u>509,641</u>	<u>486,488</u>	<u>23,153</u>
Earnings on investments:			
Interest on investments	12,458	-	12,458
Total earnings on investments	<u>12,458</u>	<u>-</u>	<u>12,458</u>
Other revenue from local sources:			
Other local revenues	<u>16,059</u>	<u>-</u>	<u>16,059</u>
Total other revenue from local sources	<u>16,059</u>	<u>-</u>	<u>16,059</u>
Total revenue from local sources	\$ 538,158	\$ 486,488	\$ 51,670
REVENUE FROM STATE SOURCES			
Restricted grants-in-aid:			
Transportation:			
Regular and vocational	\$ 461,819	\$ 465,000	\$ (3,181)
Special education	<u>274,297</u>	<u>200,000</u>	<u>74,297</u>
Total transportation	<u>736,116</u>	<u>665,000</u>	<u>71,116</u>
Total restricted grants-in-aid	<u>736,116</u>	<u>665,000</u>	<u>71,116</u>
Total revenue from state sources	\$ 736,116	\$ 665,000	\$ 71,116
Total direct revenue	\$ 1,274,274	\$ 1,151,488	\$ 122,786

MERIDIAN COMMUNITY UNIT SCHOOL DISTRICT NO. 223

Transportation Fund

Statement of Expenditures Disbursed - Actual and Budget
Year ended June 30, 2025

	Actual	Budget	Actual over (under) Budget
SUPPORT SERVICES			
Support services - business:			
Pupil transportation services:			
Salaries	\$ 776,935	\$ 654,320	\$ 122,615
Employee benefits	50,275	39,775	10,500
Purchased services	92,886	641,212	(548,326)
Supplies & materials	127,662	137,800	(10,138)
Capital outlay	848,535	10,600	837,935
Other objects	-	212	(212)
 Total pupil transportation services	 1,896,293	 1,483,919	 412,374
 Total support services	 \$ 1,896,293	 \$ 1,483,919	 \$ 412,374
DEBT SERVICES			
Debt services - interest on long-term debt:			
Other objects	\$ 23,877	\$ -	\$ 23,877
 Debt service - payments of principal on long-term debt:	 589,472	 -	 589,472
 Total debt services	 \$ 613,349	 \$ -	 \$ 613,349
 Total direct expenditures	 \$ 2,509,642	 \$ 1,483,919	 \$ 1,025,723
 Excess (deficiency) of revenue over expenditures	 \$ (1,235,368)	 \$ (332,431)	 \$ (902,937)

MERIDIAN COMMUNITY UNIT SCHOOL DISTRICT NO. 223

Municipal Retirement / Social Security Fund

Statement of Revenue Received - Actual and Budget
Year ended June 30, 2025

	Actual	Budget	Actual over (under) Budget
REVENUE FROM LOCAL SOURCES			
Ad valorem taxes levied by local education agency:			
Designated purposes levies	\$ 249,688	\$ 127,216	\$ 122,472
FICA/Medicare only purposes levies	<u>449,729</u>	<u>544,623</u>	<u>(94,894)</u>
Total ad valorem taxes levied by district	<u>699,417</u>	<u>671,839</u>	<u>27,578</u>
Payments in lieu of taxes:			
Corporate personal property replacement taxes	<u>85,000</u>	<u>85,000</u>	<u>-</u>
Total payments in lieu of taxes	<u>85,000</u>	<u>85,000</u>	<u>-</u>
Earnings on investments:			
Interest on investments	<u>4,579</u>	<u>-</u>	<u>4,579</u>
Total earnings on investments	<u>4,579</u>	<u>-</u>	<u>4,579</u>
Other revenue from local sources:			
Other local revenues	<u>866</u>	<u>-</u>	<u>866</u>
Total other revenue from local sources	<u>866</u>	<u>-</u>	<u>866</u>
Total revenue from local sources	\$ 789,862	\$ 756,839	\$ 33,023
Total direct revenue	\$ 789,862	\$ 756,839	\$ 33,023

MERIDIAN COMMUNITY UNIT SCHOOL DISTRICT NO. 223

Municipal Retirement / Social Security Fund

Statement of Expenditures Disbursed - Actual and Budget
Year ended June 30, 2025

	Actual	Budget	Actual over (under) Budget
INSTRUCTION			
Regular programs:			
Employee benefits	\$ 117,021	\$ 121,803	\$ (4,782)
Special education programs:			
Employee benefits	152,195	103,053	49,142
CTE programs:			
Employee benefits	4,300	4,813	(513)
Interscholastic programs:			
Employee benefits	26,176	17,302	8,874
Summer school program:			
Employee benefits	1	10	(9)
Driver's education programs:			
Employee benefits	209	542	(333)
Bilingual programs:			
Employee benefits	1,019	987	32
Total instruction	\$ 300,921	\$ 248,510	\$ 52,411
SUPPORT SERVICES			
Support services - pupils:			
Guidance services:			
Employee benefits	\$ 5,304	\$ 4,356	\$ 948
Health services:			
Employee benefits	32,525	27,085	5,440
Speech pathology & audiology services:			
Employee benefits	-	238	(238)
Total support services - pupils	37,829	31,679	6,150

MERIDIAN COMMUNITY UNIT SCHOOL DISTRICT NO. 223

Municipal Retirement / Social Security Fund

Statement of Expenditures Disbursed - Actual and Budget
Year ended June 30, 2025

	Actual	Budget	Actual over (under) Budget
Support services - instructional staff:			
Improvement of instruction services:			
Employee benefits	<u>1,806</u>	<u>40</u>	<u>1,766</u>
Educational media services:			
Employee benefits	<u>14,036</u>	<u>13,815</u>	<u>221</u>
Total support services - instructional staff	<u>15,842</u>	<u>13,855</u>	<u>1,987</u>
Support services - general administration:			
Board of education services:			
Employee benefits	<u>11,420</u>	<u>4,583</u>	<u>6,837</u>
Executive administration services:			
Employee benefits	<u>12,569</u>	<u>7,385</u>	<u>5,184</u>
Total support services - general administration	<u>23,989</u>	<u>11,968</u>	<u>12,021</u>
Support services - school administration:			
Office of the principal services:			
Employee benefits	<u>52,505</u>	<u>56,430</u>	<u>(3,925)</u>
Total support services - school administration	<u>52,505</u>	<u>56,430</u>	<u>(3,925)</u>
Support services - business:			
Fiscal services:			
Employee benefits	<u>5,384</u>	<u>206,103</u>	<u>(200,719)</u>
Operations and maintenance of plant services:			
Employee benefits	<u>113,375</u>	<u>117,622</u>	<u>(4,247)</u>
Pupil transportation services:			
Employee benefits	<u>104,683</u>	<u>85,975</u>	<u>18,708</u>
Food services:			
Employee benefits	<u>45,599</u>	<u>32,456</u>	<u>13,143</u>
Total support services - business	<u>269,041</u>	<u>442,156</u>	<u>(173,115)</u>

MERIDIAN COMMUNITY UNIT SCHOOL DISTRICT NO. 223

Municipal Retirement / Social Security Fund

Statement of Expenditures Disbursed - Actual and Budget
Year ended June 30, 2025

	Actual	Budget	Actual over (under) Budget
Support services - central:			
Information services:			
Employee benefits	<u>35,805</u>	<u>19,874</u>	<u>15,931</u>
Total support services - central	<u>35,805</u>	<u>19,874</u>	<u>15,931</u>
Total support services	<u>\$ 435,011</u>	<u>\$ 575,962</u>	<u>\$ (140,951)</u>
Total direct expenditures	<u>\$ 735,932</u>	<u>\$ 824,472</u>	<u>\$ (88,540)</u>
Excess (deficiency) of revenue over expenditures	<u>\$ 53,930</u>	<u>\$ (67,633)</u>	<u>\$ 121,563</u>

MERIDIAN COMMUNITY UNIT SCHOOL DISTRICT NO. 223

Capital Projects Fund

Statement of Revenue Received - Actual and Budget
Year ended June 30, 2025

	Actual	Budget	Actual over (under) Budget
REVENUE FROM LOCAL SOURCES			
Ad valorem taxes levied by local education agency:			
Designated purposes levies	\$ _____ -	\$ 1,000	\$ (1,000)
Total ad valorem taxes levied by district	_____ -	1,000	(1,000)
Earnings on investments:			
Interest on investments	1,395	_____ -	1,395
Total earnings on investments	1,395	_____ -	1,395
Other revenue from local sources:			
Impact fees from municipal or county governments	526	1,000	(474)
Total other revenue from local sources	526	1,000	(474)
Total revenue from local sources	\$ 1,921	\$ 2,000	\$ (79)
Total direct revenue	\$ 1,921	\$ 2,000	\$ (79)

MERIDIAN COMMUNITY UNIT SCHOOL DISTRICT NO. 223

Capital Projects Fund

Statement of Expenditures Disbursed - Actual and Budget
Year ended June 30, 2025

	Actual	Budget	Actual over (under) Budget
SUPPORT SERVICES			
Support services - business:			
Facilities acquisition and construction services:			
Capital outlay	\$ _____ -	\$ _____ -	\$ _____ -
Total facilities acquisition and construction services	_____ -	_____ -	_____ -
Total support services	\$ _____ -	\$ _____ -	\$ _____ -
Total direct expenditures	\$ _____ -	\$ _____ -	\$ _____ -
Excess (deficiency) of revenue over expenditures	<u>\$ 1,921</u>	<u>\$ 2,000</u>	<u>\$ (79)</u>

MERIDIAN COMMUNITY UNIT SCHOOL DISTRICT NO. 223

Working Cash Fund

Statement of Revenue Received - Actual and Budget
Year ended June 30, 2025

	Actual	Budget	Actual over (under) Budget
REVENUE FROM LOCAL SOURCES			
Ad valorem taxes levied by local education agency:			
Designated purposes levies	\$ 127,407	\$ 121,622	\$ 5,785
Total ad valorem taxes levied by district	<u>127,407</u>	<u>121,622</u>	<u>5,785</u>
Earnings on investments:			
Interest on investments	7,298	-	7,298
Total earnings on investments	<u>7,298</u>	<u>-</u>	<u>7,298</u>
Total revenue from local sources	\$ 134,705	\$ 121,622	\$ 13,083
Total direct revenue	\$ 134,705	\$ 121,622	\$ 13,083

MERIDIAN COMMUNITY UNIT SCHOOL DISTRICT NO. 223

Tort Fund

Statement of Revenue Received - Actual and Budget
Year ended June 30, 2025

	Actual	Budget	Actual over (under) Budget
REVENUE FROM LOCAL SOURCES			
Ad valorem taxes levied by local education agency:			
Designated purposes levies	\$ 1,103,689	\$ 990,000	\$ 113,689
Total ad valorem taxes levied by district	<u>1,103,689</u>	<u>990,000</u>	<u>113,689</u>
Earnings on investments:			
Interest on investments	8,100	-	8,100
Total earnings on investments	<u>8,100</u>	<u>-</u>	<u>8,100</u>
Total revenue from local sources	\$ 1,111,789	\$ 990,000	\$ 121,789
Total direct revenue	<u>\$ 1,111,789</u>	<u>\$ 990,000</u>	<u>\$ 121,789</u>

MERIDIAN COMMUNITY UNIT SCHOOL DISTRICT NO. 223

Tort Fund

Statement of Expenditures Disbursed - Actual and Budget
Year ended June 30, 2025

	Actual	Budget	Actual over (under) Budget
INSTRUCTION			
Regular programs:			
Supplies and materials	\$ 19,351	\$ -	\$ 19,351
Total regular programs	<u>19,351</u>	<u>-</u>	<u>19,351</u>
Interscholastic programs:			
Salaries	-	22,464	(22,464)
Supplies and materials	-	75,000	(75,000)
Capital outlay	-	20,000	(20,000)
Total interscholastic programs	<u>-</u>	<u>117,464</u>	<u>(117,464)</u>
Total instruction	\$ 19,351	\$ 117,464	\$ (98,113)
SUPPORT SERVICES			
Support services - pupils:			
Health services:			
Salaries	\$ -	\$ 18,387	\$ (18,387)
Supplies and materials	<u>212</u>	<u>-</u>	<u>212</u>
Total health services	<u>212</u>	<u>18,387</u>	<u>(18,175)</u>
Total support services - pupils	<u>212</u>	<u>18,387</u>	<u>(18,175)</u>
Support services - general administration:			
Board of education services:			
Purchased services	-	65,000	(65,000)
Total board of education services	<u>-</u>	<u>65,000</u>	<u>(65,000)</u>
Executive administration services:			
Salaries	148,941	46,500	102,441
Employee benefits	<u>18,711</u>	<u>25,589</u>	<u>(6,878)</u>
Total executive administration services	<u>167,652</u>	<u>72,089</u>	<u>95,563</u>

MERIDIAN COMMUNITY UNIT SCHOOL DISTRICT NO. 223

Tort Fund

Statement of Expenditures Disbursed - Actual and Budget
Year ended June 30, 2025

	Actual	Budget	Actual over (under) Budget
Claims paid from self insurance fund:			
Purchased services	1,134	-	1,134
Total claims paid from self insurance fund	1,134	-	1,134
Risk management and claims services payments:			
Purchased services	2,100	100,000	(97,900)
Total claims paid from self insurance fund	2,100	100,000	(97,900)
Total support services - general administration	170,886	237,089	(66,203)
Support services - school administration:			
Office of the principal services:			
Salaries	85,163	85,200	(37)
Employee benefits	25,504	20,241	5,263
Total office of the principal services	110,667	105,441	5,226
Total support services - school administration	110,667	105,441	5,226
Support services - business:			
Operation and maintenance of plant services:			
Salaries	21,609	20,000	1,609
Employee benefits	2,869	2,000	869
Purchased services	30,509	-	30,509
Supplies and materials	(306)	-	(306)
Capital outlay	168,360	142,000	26,360
Total operation & maintenance of plant services	223,041	164,000	59,041
Food services:			
Capital outlay	3,180	-	3,180
Total food services	3,180	-	3,180
Total support services - business	226,221	164,000	62,221

MERIDIAN COMMUNITY UNIT SCHOOL DISTRICT NO. 223

Tort Fund

Statement of Expenditures Disbursed - Actual and Budget
Year ended June 30, 2025

	Actual	Budget	Actual over (under) Budget
Support services - central:			
Information services:			
Salaries	-	56,182	(56,182)
Purchased services	<u>16,538</u>	-	<u>16,538</u>
Total information services	<u>16,538</u>	<u>56,182</u>	<u>(39,644)</u>
Total support services - central	<u>16,538</u>	<u>56,182</u>	<u>(39,644)</u>
Total support services	\$ 524,524	\$ 581,099	\$ (56,575)

PAYMENTS TO OTHER DISTRICTS & GOV'T UNITS

Payments to other districts & gov't units - tuition (in-state):

Payments for special education programs tuition:

Other objects	\$ 220,000	\$ 220,000	\$ -
---------------	------------	------------	------

Total payments for special education programs	<u>220,000</u>	<u>220,000</u>	<u>-</u>
---	----------------	----------------	----------

Total payments to other gov't units tuition (in-state)	<u>220,000</u>	<u>220,000</u>	<u>-</u>
--	----------------	----------------	----------

Total payments to other districts & gov't units	\$ 220,000	\$ 220,000	\$ -
--	-------------------	-------------------	-------------

Total direct expenditures	\$ 763,875	\$ 918,563	\$ (154,688)
----------------------------------	-------------------	-------------------	---------------------

Excess (deficiency) of revenue over expenditures	\$ 347,914	\$ 71,437	\$ 276,477
---	-------------------	------------------	-------------------

MERIDIAN COMMUNITY UNIT SCHOOL DISTRICT NO. 223

Fire Prevention and Safety Fund

Statement of Revenue Received - Actual and Budget
Year ended June 30, 2025

	Actual	Budget	Actual over (under) Budget
REVENUE FROM LOCAL SOURCES			
Ad valorem taxes levied by local education agency:			
Designated purposes levies	\$ 127,407	\$ 121,622	\$ 5,785
Total ad valorem taxes levied by district	<u>127,407</u>	<u>121,622</u>	<u>5,785</u>
Earnings on investments:			
Interest on investments	<u>1,841</u>	<u>-</u>	<u>1,841</u>
Total earnings on investments	<u>1,841</u>	<u>-</u>	<u>1,841</u>
Total revenue from local sources	\$ 129,248	\$ 121,622	\$ 7,626
Total direct revenue	\$ 129,248	\$ 121,622	\$ 7,626

MERIDIAN COMMUNITY UNIT SCHOOL DISTRICT NO. 223

Fire Prevention and Safety Fund

Statement of Expenditures Disbursed - Actual and Budget
Year ended June 30, 2025

	Actual	Budget	Actual over (under) Budget
SUPPORT SERVICES			
Support services - business:			
Operation & maintenance of plant services:			
Purchased services	\$ _____ -	\$ 75,000	\$ (75,000)
Total operation & maintenance of plant services	_____ -	75,000	(75,000)
Total support services - business	_____ -	75,000	(75,000)
Total support services	\$ _____ -	\$ 75,000	\$ (75,000)
PAYMENTS TO OTHER DIST & GOVT UNITS			
Other payments to in-state govt. units:			
Other objects	\$ 75,000	\$ _____ -	\$ 75,000
Total payments to other govt units	\$ 75,000	\$ _____ -	\$ 75,000
Total direct expenditures	\$ 75,000	\$ 75,000	\$ _____ -
Excess (deficiency) of revenue over expenditures	\$ 54,248	\$ 46,622	\$ 7,626

MERIDIAN COMMUNITY UNIT SCHOOL DISTRICT NO. 223

Notes to Financial Statements

June 30, 2025

(1) Summary of Significant Accounting Policies

The District's accounting policies conform to the cash basis of accounting, as defined by the Illinois State Board of Education.

(a) Principles Used to Determine the Scope of the Reporting Entity

The District's reporting entity includes the District's governing board and all related organizations for which the District exercises oversight responsibility.

The District has developed criteria to determine whether outside agencies with activities which benefit the citizens of the District, including joint agreements which serve pupils from numerous districts, should be included within its financial reporting entity. The criteria include, but are not limited to, whether the District exercises oversight responsibility (which includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters), scope of public service, and special financing relationships.

Joint agreements have been determined not to be part of the reporting entity after applying the manifesting of oversight, scope of public service and special financing relationships criteria, and, are therefore excluded from the accompanying financial statements because the District does not control the assets, operations or management of the joint agreements. In addition, the District is not aware of any entity which would exercise such oversight as to result in the District being considered a component unit of the entity.

(b) Basis of Presentation – Fund Accounting

These financial statements comply with the regulatory basis of reporting as prescribed by the Illinois State Board of Education.

The accounts of the District are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets and liabilities arising from cash transactions, fund balance, revenue received and expenditures paid. The District maintains individual funds required by the State of Illinois. These funds are presented on the regulatory basis as required for reports filed with the Illinois State Board of Education. District resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The following fund types and account groups are used by the District:

MERIDIAN COMMUNITY UNIT SCHOOL DISTRICT NO. 223

Notes to Financial Statements

Governmental Funds

Governmental funds are those through which most governmental functions of the District are financed. The acquisition, use and balances of the District's expendable financial resources and the related liabilities arising from cash transactions are accounted for through governmental funds.

Educational Fund – This fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

Student Activity Funds consist of funds owned, operated, and managed by an organization, club, or association within the student body under the guidance or direction of one or more staff members for educational, recreational, or cultural purposes. The school board, superintendent, or district employees have direct involvement with the decisions of how funds are spent or attained. Due to the District's administrative involvement with the Student Activity Funds, these funds are reported as part of the Educational Fund in the financial statements.

Operations and Maintenance Fund – This fund is also a general operating fund used to account for costs of maintaining school buildings.

Debt Service Fund – This fund is a debt retirement fund. Resources of this fund are used to retire principal and interest maturities of outstanding bond obligations and other long-term debt instruments.

Transportation Fund – This fund is a special revenue fund used to account for the costs of transporting pupils to and from school and school activities.

Municipal Retirement/Social Security Fund – This fund is a special revenue fund used to pay the District's share of municipal retirement benefits for covered employees. The District's share of Social Security and Medicare-only is also paid from this fund.

Capital Projects Fund – Proceeds of construction bond issues, the capital improvement tax levy, and if applicable, school facility occupation tax proceeds are accounted for in this fund.

Working Cash Fund – The resources of this fund are held by the District to be used for temporary interfund loans to any fund of the District for which taxes are levied.

Tort Fund – This fund is a special revenue fund used to account for tort immunity or tort judgment purposes.

Fire Prevention and Safety Fund – Proceeds of fire prevention and safety bond issues and tax levy are accounted for in this fund.

MERIDIAN COMMUNITY UNIT SCHOOL DISTRICT NO. 223

Notes to Financial Statements

Fiduciary Funds

Fiduciary funds consist of funds received from an independent, outside source in which the school board is acting in an administrative capacity. Neither the school board, the superintendent, nor any district employee has the right of approval for how the funds are spent or raised, nor do they have direct financial involvement in the funds. The district has fiduciary responsibility for the funds but does not have any control over the funds. Fiduciary funds may include outside, independent scholarship funds in which the district has no authority to decide how the funds are attained or awarded. Fiduciary funds may also include trust funds which have been established in connection with the District's employee benefit plans. Fiduciary funds are reported as *Agency Funds* in the financial statements.

Governmental Funds – Measurement Focus

The financial statements of all governmental funds focus on the measurement of spending or "financial flow" and the determination of changes in financial position rather than upon net income determination. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources." Governmental fund operating statements present increases (cash receipts and other financing sources) and decreases (cash disbursements and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

General Fixed Assets and General Long-Term Debt Account Groups

The accounting and reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus. Fixed assets used in governmental fund type operations are accounted for in the General Fixed Assets Account Group, rather than in governmental funds. Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Debt Account Group, not in the governmental funds.

The two account groups are not "funds." They are concerned only with the measurement of financial position. They are not involved with measurement of results of operations.

(c) Basis of Accounting

Basis of accounting refers to when revenue received and expenditures paid are recognized in the accounts and how they are reported on the financial statements. The District maintains its accounting records for all funds and account groups on the cash basis of accounting under guidelines prescribed by the Illinois State Board of Education. Accordingly, revenue is recognized and recorded in the accounts when cash is received. In the same manner, expenditures are recognized and recorded upon the disbursement

MERIDIAN COMMUNITY UNIT SCHOOL DISTRICT NO. 223

Notes to Financial Statements

of cash. Assets of a fund are only recorded when cash is received or when a right to receive cash exists which arises from a previous cash transaction. Liabilities of a fund, similarly, result from previous cash transactions.

Cash basis financial statements omit recognition of receivables and payables and other accrued and deferred items that do not arise from previous cash transactions.

Proceeds from sales of bonds are included as other financing sources in the appropriate fund on the date received. Related bond principal payable in the future is recorded at the same time in the General Long-Term Debt Account Group.

(d) Budgets and Budgetary Accounting

The budget for all Governmental Fund Types is prepared on the cash basis of accounting which is the same basis that is used in financial reporting. This allows for comparability between budget and actual amounts. This is an acceptable method in accordance with 105 ILCS 5/17-1. The original budget was passed on September 5, 2024 and was not amended. The budget lapses at the end of each fiscal year.

The District follows these procedures in establishing the budgetary data reflected in the financial statements.

1. The Superintendent submits to the Board of Education a proposed operating budget for the fiscal year commencing on July 1. The operating budget includes proposed expenditures and the means of financing them.
2. A public hearing is held as to such budget prior to final action.
3. Prior to October 1, the budget is legally adopted through passage of a resolution.
4. Formal budgetary integration is employed as a management control device during the year.
5. The Board of Education may make transfers between the various items in any fund not exceeding in the aggregate 10% of the total of such fund as set forth in the budget.
6. The Board of Education may amend the budget by the same procedures required of its original adoption.

(e) Cash

The District considers cash on hand, cash on deposit with banks and other institutions, certificates of deposit, money market accounts, and repurchase agreements to be cash for financial statement purposes.

MERIDIAN COMMUNITY UNIT SCHOOL DISTRICT NO. 223

Notes to Financial Statements

(f) Investments

All investments are reported at fair value. The District has adopted a formal written investment policy. The institutions in which investments are made must be approved by the Board of Education. The District's investments consist of The Illinois Funds Local Government Investment Pool.

(g) Commingled Accounts

The District uses common bank accounts to hold the monies of more than one fund. Interest earned on these common accounts is credited to each participating fund based on its approximate share of the account prior to the payment of interest.

Occasionally one or more of the funds participating in the common bank account will incur overdrafts (deficits) in the account. The overdrafts result from expenditures which have been approved by the Board of Education. Negative balances incurred in commingled bank accounts at year end are shown as interfund receivables/interfund payables in the financial statements.

(h) General Fixed Assets

General fixed assets with expected useful lives that exceed one year and cost more than \$500, are recorded as expenditures paid in the Governmental or Activity Funds and capitalized at cost in the general fixed assets account group. All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated general fixed assets are stated at estimated fair market value as of the date of acquisition. Depreciation accounting is not considered applicable (except to determine the per capita tuition charge). Depreciation is computed using the straight line method over estimated lives ranging from three to fifty years. Estimated lives are determined based on the policies prescribed by the Illinois State Board of Education.

Certain contracts establish intangible assets based on the District's right to use the assets of another entity. Lease assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. Right-to-use lease assets are amortized on a straight-line basis over the life of the related lease. Subscription-based information technology arrangements (SBITA) are initially measured as the sum of the initial subscription liability amount, payments made to the SBITA vendor before commencement of the subscription term, and capitalizable implementation costs, less any incentives received from the SBITA vendor at or before the commencement of the subscription term. Subscription assets are amortized on a straight-line basis over the subscription term.

MERIDIAN COMMUNITY UNIT SCHOOL DISTRICT NO. 223

Notes to Financial Statements

(2) Property Taxes

The District's property tax is levied each year on all taxable real property located in the District on or before the last Tuesday in December. The levy was passed by the board on November 7, 2024. Property taxes attach as an enforceable lien on property as of January 1 and are payable in two installments on approximately June 1 and September 1. The District receives significant distributions of tax receipts during June, July, August, September, October, and November. Taxes recorded in these financial statements are from the 2024, 2023, and prior tax levies.

The following are the tax rate limits permitted by the *Illinois Compiled Statutes* and by local referendum and the actual rates levied per \$100 of assessed valuation:

	- 2024 Levy Year -		- 2023 Levy Year -	
	Limit	Actual	Limit	Actual
Educational	3.4800	3.3988	3.4800	3.4800
Special education	0.0400	0.0391	0.0400	0.0400
Oper. & maint.	0.5000	0.4883	0.5000	0.5000
Debt Service	As needed	0.6107	As needed	0.6779
Transportation	0.2000	0.1953	0.2000	0.2000
Municipal retirement	As needed	0.1334	As needed	0.0522
Social security	As needed	0.1334	As needed	0.2239
Working cash	0.0500	0.0488	0.0500	0.0500
Tort immunity	As needed	0.4445	As needed	0.4070
Facilities leasing	0.0500	0.0488	0.0500	0.0500
Fire prevention and safety	0.0500	<u>0.0488</u>	0.0500	<u>0.0500</u>
		<u>5.5900</u>		<u>5.7310</u>

(3) Cash Deposits and Investments

The District is allowed to invest in securities as authorized by the Illinois Public Funds Investment Act - 30 ILCS 235/2 and 6; and the Illinois School Code - 105 ILCS 5/8-7.

Cash and investments as of June 30, 2025 are classified in the accompanying financial statements as follows:

Statement of Assets and Liabilities Arising from Cash Transactions		
Cash		\$ 12,148,999
Investments		<u>1,614,915</u>
Total cash and investments		<u>\$ 13,763,914</u>

MERIDIAN COMMUNITY UNIT SCHOOL DISTRICT NO. 223

Notes to Financial Statements

Cash and investments as of June 30, 2025 consist of the following:

Cash on hand	\$	-
Deposits with financial institutions		
District	11,899,524	
Student activity funds	249,475	
Investments		
District	1,614,915	
Student activity funds	-	
Total cash and investments	<u>\$ 13,763,914</u>	

Deposits – custodial credit risk

Custodial credit risk for deposits is the risk that, in the event of a depository financial institution failure, the District's deposits may not be returned to it. The District's policy requires all amounts deposited or invested with financial institutions in excess of any insurance limit shall be collateralized by: (1) securities eligible for district investment or any other high-quality, interest-bearing security rated at least AA/Aa by one or more standard rating service to include Standard & Poor's, Moody's, or Fitch, (2) mortgages, (3) letters of credit issued by a Federal Home Loan Bank, or (4) loans covered by a State Guaranty under the Illinois Farm Development Act. The market value of the pledged securities shall equal or exceed the portion of the deposit requiring collateralization. The Chief Investment Officer shall determine other collateral requirements.

Safekeeping and custody arrangements

The preferred method of safekeeping is to have pledged securities registered in the District's name and held by a third-party custodian. Safekeeping practices should qualify for the Governmental Accounting Standards Board (GASB) Statement No. 3 Deposits with Financial Institution, Investments (including Repurchase Agreements), and Reverse Repurchase Agreements, Category I, the highest recognized safekeeping procedures.

As of June 30, 2025, \$11,819,206 of the District's bank balance of \$13,917,142, were exposed to custodial credit risk as follows:

Uninsured and collateralized by securities held by the pledging financial institution	<u>\$ 11,819,206</u>
--	----------------------

MERIDIAN COMMUNITY UNIT SCHOOL DISTRICT NO. 223

Notes to Financial Statements

Investments

As of June 30, 2025, the District had the following investments:

Investment	Fair Value
Illinois Funds Money Market Fund	\$ <u>1,614,915</u>

The Illinois Funds Money Market Fund (formerly known as IPTIP) is a money market fund created in 1975 by the Illinois General Assembly. Its primary purpose is to provide the Public Treasurer and other custodians of public funds with an alternative investment vehicle which enable them to earn a competitive rate of return of fully collateralized investments, while maintaining immediate access to invested funds. The monies invested by the individual participants are pooled together and invested in U.S. Treasury bills and notes backed by full faith and credit of the U.S. Treasury. In addition, monies are invested in fully collateralized time deposits in Illinois financial institutions, in collateralized repurchase agreements, and in treasury mutual funds that invest in U.S. Treasury obligations and collateralized repurchase agreements. Investments in Illinois Funds Money Market Fund are valued at the funds share price which is equivalent to fair market value.

Interest rate risk

In accordance with its investment policy, the District limits its exposure to interest rate risk, by structuring its portfolio to provide sufficient liquidity to pay District obligations as they come due.

Credit risk is the risk that an issuer of an investment will not fulfill its obligations to the holder of the investment. The District's investment policy seeks to minimize credit risk by requiring investment in securities allowed under the investment policy. The Illinois Funds is rated AAA by Standard & Poor's at June 30, 2025.

Custodial credit risk

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, the District will not be able to recover the value of its investment or collateral securities that are in the possession of another party. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to indirect investments in securities through the use of mutual funds or governmental investment pools such as Illinois Funds.

Concentration of credit risk

No investment in any one issuer, other than U.S. Treasury securities, mutual funds, and Illinois Funds, represent 5% or more of the District's total investments.

MERIDIAN COMMUNITY UNIT SCHOOL DISTRICT NO. 223

Notes to Financial Statements

(4) Changes in General Fixed Assets, Depreciation, and Amortization

Under the regulatory basis of accounting, fixed assets, depreciation, and amortization are not recorded and therefore the financial statements do not reflect the amounts below.

	<u>Assets at Cost</u>				
	<u>Balance 7/1/2024</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/2025</u>	<u>Life in Years</u>
Nondepreciable assets:					
Land	\$ 2,569,982	-	-	2,569,982	N/A
Construction in progress	-	-	-	-	N/A
Total nondepreciable assets	<u>2,569,982</u>	<u>-</u>	<u>-</u>	<u>2,569,982</u>	
Depreciable assets:					
Buildings and improvements	38,010,046	1,015,660	-	39,025,706	50
Temporary buildings	-	-	-	-	20
Land improvements	1,642,304	74,221	-	1,716,525	20
10-year equipment	6,481,507	618,789	-	7,100,296	10
5-year equipment	715,240	201,151	74,722	841,669	5
3-year equipment	-	-	-	-	3
Total depreciable assets	<u>46,849,097</u>	<u>1,909,821</u>	<u>74,722</u>	<u>48,684,196</u>	
Right-to-use lease assets:					
10-year equipment	-	-	-	-	10
5-year equipment	69,052	-	-	69,052	5
3-year equipment	<u>1,071,013</u>	<u>752,535</u>	<u>-</u>	<u>1,823,548</u>	3
Total right-to-use lease assets	<u>1,140,065</u>	<u>752,535</u>	<u>-</u>	<u>1,892,600</u>	
Subscription-based information technology arrangement assets	-	-	-	-	Varies
Total general fixed assets	<u>\$ 50,559,144</u>	<u>2,662,356</u>	<u>74,722</u>	<u>53,146,778</u>	

MERIDIAN COMMUNITY UNIT SCHOOL DISTRICT NO. 223

Notes to Financial Statements

Accumulated Depreciation, Accumulated Amortization, and Undepreciated Cost (Net)

	Balance 7/1/2024	Additions	Deletions	Balance 6/30/2025	Cost (Net) 6/30/2025
Nondepreciable assets:					
Land	\$ -	-	-	-	2,569,982
Construction in progress	-	-	-	-	-
Total nondepreciable assets	-	-	-	-	2,569,982
Accumulated depreciation:					
Depreciable assets:					
Buildings and improvements	15,580,536	721,541	-	16,302,077	22,723,629
Temporary buildings	-	-	-	-	-
Land improvements	1,094,399	57,194	-	1,151,593	564,932
10-year equipment	2,928,535	592,171	-	3,520,706	3,579,590
5-year equipment	240,268	60,583	-	300,851	540,818
3-year equipment	-	-	-	-	-
Total depreciable assets	19,843,738	1,431,489	-	21,275,227	27,408,969
Accumulated amortization:					
Right-to-use lease assets:					
10-year equipment	-	-	-	-	-
5-year equipment	32,412	16,911	-	49,323	19,729
3-year equipment	442,837	584,745	-	1,027,582	795,966
Total right-to-use lease assets	475,249	601,656	-	1,076,905	815,695
Subscription-based information technology arrangement assets					
	-	-	-	-	-
Total accumulated depreciation, amortization, and cost (net)	\$ 20,318,987	2,033,145	-	22,352,132	30,794,646

(5) Employee Pensions and Other Benefit Plans

The District participates in multiple retirement plans to provide retirement benefits to its employees. For the year ended June 30, 2025, the District recorded a total of \$1,782,592 in payments to the various retirement plans as detailed below.

It should be noted that actuarial accrued liabilities, deferred inflows of resources and deferred out flows of resources are not recorded in the financial statements since the District uses the regulatory basis of accounting as prescribed or permitted by the Illinois State Board of Education as described in Note 1.

(a) Teachers' Retirement System of the State of Illinois

Plan description

The employer participates in the Teachers' Retirement System of the State of Illinois (TRS). TRS is a cost-sharing multiple-employer defined benefit pension plan that was

MERIDIAN COMMUNITY UNIT SCHOOL DISTRICT NO. 223

Notes to Financial Statements

created by the Illinois legislature for the benefit of Illinois public school teachers employed outside the city of Chicago. TRS members include all active non-annuitants who are employed by a TRS-covered employer to provide services for which teacher licensure is required. The Illinois Pension Code outlines the benefit provisions of TRS, and amendments to the plan can be made only by legislative action with the Governor's approval. The TRS Board of Trustees is responsible for the System's administration.

TRS issues a publicly available financial report that can be obtained at <https://www.trsil.org/financial/acfrs/fy2024>; by writing to TRS at 2815 W. Washington, PO Box 19253, Springfield, IL 62794; or by calling (888) 678-3675, option 2.

Benefits provided

TRS provides retirement, disability, and death benefits. Tier 1 members have TRS or reciprocal system service prior to January 1, 2011. Tier 1 members qualify for retirement benefits at age 62 with five years of service, at age 60 with 10 years, or age 55 with 20 years. The benefit is determined by the average of the four highest consecutive years of creditable earnings within the last 10 years of creditable service and the percentage of average salary to which the member is entitled. Most members retire under a formula that provides 2.2 percent of final average salary up to a maximum of 75 percent with 34 years of service.

Tier 2 members qualify for retirement benefits at age 67 with 10 years of service, or a discounted annuity can be paid at age 62 with 10 years of service. Creditable earnings for retirement purposes are capped and the final average salary is based on the highest consecutive eight years of creditable service rather than the highest four. Disability provisions for Tier 2 are identical to those of Tier 1. Death benefits are payable under a formula that is different from Tier 1.

Essentially all Tier 1 retirees receive an annual 3 percent increase in the current retirement benefit beginning January 1 following the attainment of age 61 or on January 1 following the member's first anniversary in retirement, whichever is later. Tier 2 annual increases will be the lesser of three percent of the original benefit or one-half percent of the rate of inflation beginning January 1 following attainment of age 67 or on January 1 following the member's first anniversary in retirement, whichever is later.

Public Act 100-0023, enacted in 2017, creates an optional Tier 3 hybrid retirement plan, but it has not yet gone into effect. Public Act 100-0587, enacted in 2018, requires TRS to offer two temporary benefit buyout programs that expire on June 30, 2026. One program allows retiring Tier 1 members to receive a partial lump-sum payment in exchange for accepting a lower, delayed annual increase. The other allows inactive vested Tier 1 and 2 members to receive a partial lump-sum payment in lieu of a retirement annuity. Both programs will begin in 2019 and are funded by bonds issued by the state of Illinois.

MERIDIAN COMMUNITY UNIT SCHOOL DISTRICT NO. 223

Notes to Financial Statements

Contributions

The state of Illinois maintains the primary responsibility for funding TRS. The Illinois Pension Code, as amended by Public Act 88-0593 and subsequent acts, provides that for years 2010 through 2045, the minimum contribution to the System for each fiscal year shall be an amount determined to be sufficient to bring the total assets of the System up to 90 percent of the total actuarial liabilities of the System by the end of fiscal year 2045.

Contributions from active members and TRS contributing employers are also required by the Illinois Pension Code. The contribution rates are specified in the pension code. The active member contribution rate for the year ended June 30, 2024, was 9.0 percent of creditable earnings. The member contribution, which may be paid on behalf of employees by the employer, is submitted to TRS by the employer. For the year ended June 30, 2025, the District reported expenditures of \$962,580 for this contribution.

- ***On behalf contributions to TRS.***

The state of Illinois makes employer pension contributions on behalf of the employer. For the year ended June 30, 2025, state of Illinois contributions recognized by the employer were based on the state's proportionate share of with the pension expense associated with the employer, and the employer recognized revenue and expenditures of \$5,476,800 in pension contributions from the state of Illinois.

- ***2.2 formula contributions.***

Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. The contribution rate is specified by statute. Contributions for the year ended June 30, 2025, were \$62,033 and are deferred because they were paid after the June 30, 2024 measurement date.

- ***Federal and special trust fund contributions.***

When TRS members are paid from federal and special trust funds administered by the employer, there is a statutory requirement for the employer to pay an employer pension contribution from those funds. Under Public Act 100-0340, the federal and special trust fund contribution rate is the total employer normal cost beginning with the year ended June 30, 2018.

Previously, employer contributions for employees paid from federal and special trust funds were at the same rate as the state contribution rate to TRS and were much higher.

For the year ended June 30, 2025, the employer pension contribution was 10.34 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2025, salaries totaling \$5,787 were paid from federal and special trust funds that

MERIDIAN COMMUNITY UNIT SCHOOL DISTRICT NO. 223

Notes to Financial Statements

required employer contributions of \$598. These contributions are deferred because they were paid after the June 30, 2024 measurement date.

- ***Employer retirement cost contributions.***

Under GASB Statement No. 68, contributions that an employer is required to pay because of a TRS member retiring are categorized as specific liability payments. The employer is required to make a one-time contribution to TRS for members granted salary increases over 6 percent if those salaries are used to calculate a retiree's final average salary.

A one-time contribution is also required for members granted sick leave days in excess of the normal annual allotment if those days are used as TRS service credit. For the year ended June 30, 2025, the employer paid \$14,306 to TRS for employer contributions due on salary increases in excess of 6 percent and \$10,559 for sick leave days granted in excess of the normal annual allotment.

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

At June 30, 2024, the employer had a liability for its proportionate share of the net pension liability (first amount shown below) that reflected a reduction for state pension support provided to the employer. The state's support and total are for disclosure purposes only. The amount of the employer's proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the employer were as:

Employer's proportionate share of the net pension liability	\$ 820,546
State's proportionate share of the net pension liability	
associated with the employer	<u>68,415,911</u>
Total	<u>\$ 69,236,457</u>

The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2024. The employer's proportion of the net pension liability was based on the employer's share of contributions to TRS for the measurement year ended June 30, 2024, relative to the contributions of all participating TRS employers and the state during that period. At June 30, 2024, the employer's proportion was .0009556151 percent, which was an increase of .0000390359 from its proportion measured as of June 30, 2023.

At June 30, 2025, the employer had deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

MERIDIAN COMMUNITY UNIT SCHOOL DISTRICT NO. 223

Notes to Financial Statements

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 3,086	\$ 2,130
Net difference between projected and actual earnings on pension plan investments	-	7,045
Changes of assumptions	11,306	435
Changes in proportion and differences between employer contributions and proportionate share of contributions	48,568	34,185
Employer contributions subsequent to the measurement date	-	-
Total	\$ 62,960	\$ 43,795

Deferred outflows of resources and (deferred inflows) of resources related to pensions will be recognized in pension expense as follows in these reporting years:

Year ended June 30,		
2026	\$ (11,592)	
2027	12,099	
2028	6,026	
2029	8,967	
2030	3,665	

Actuarial assumptions

The total pension liability in the June 30, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5 percent
Salary increases	varies by amount of service credit
Investment rate of return	7.00 percent, net of pension plan investment expense, including inflation

In the June 30, 2024 actuarial valuation, mortality rates were based on the PubT-2010 Table with appropriate adjustments for TRS experience. The rates are based on a fully-generational basis using projection table 2024 Adjusted Scale MP-2021. In the June 30, 2023 actuarial valuation, mortality rates were based on the PubT-2010 White Collar Table with appropriate adjustments for TRS experience. The rates were used on a fully-generational basis using projection scale table MP-2020.

The long-term (20-year) expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of

MERIDIAN COMMUNITY UNIT SCHOOL DISTRICT NO. 223

Notes to Financial Statements

return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class that were used by the actuary are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global equity	37.0%	7.55%
Private equity	15.0%	10.28%
Public income	18.0%	5.81%
Private credit	8.0%	9.20%
Real assets	18.0%	7.01%
Diversifying strategies	4.0%	5.18%
Total	<u>100%</u>	

Discount rate

At June 30, 2024, the discount rate used to measure the total pension liability was 7.0 percent, which was the same as the June 30, 2023 rate. The projection of cash flows used to determine the discount rate assumed that employee contributions, employer contributions, and state contributions will be made at the current statutorily-required rates.

Based on those assumptions, TRS's fiduciary net position at June 30, 2024 was projected to be available to make all projected future benefit payments to current active and inactive members and all benefit recipients. Tier 1's liability is partially funded by Tier 2 members, as the Tier 2 member contribution is higher than the cost of Tier 2 benefits. Due to this subsidy, contributions from future members in excess of the service cost are also included in the determination of the discount rate. All projected future payments were covered, so the long-term expected rate of return on TRS investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the employer's proportionate share of the net pension liability to changes in the discount rate

The following presents the employer's proportionate share of the net pension liability calculated using the discount rate of 7.0 percent, as well as what the employer's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.0 percent) or 1-percentage-point higher (8.0 percent) than the current rate.

MERIDIAN COMMUNITY UNIT SCHOOL DISTRICT NO. 223

Notes to Financial Statements

		Current		
	1% Decrease	Discount Rate	1% Increase	
	(6.00%)	(7.00%)	(8.00%)	
Employer's proportionate share of the net pension liability	\$ 1,013,397	\$ 820,546	\$ 660,680	

TRS fiduciary net position

Detailed information about the TRS's fiduciary net position as of June 30, 2024 is available in the separately issued TRS *Comprehensive Annual Financial Report*.

(b) Illinois Municipal Retirement Fund Pension Plan

Plan Description. The District's defined benefit pension plan for Regular employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The District's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of a multi-employer public pension fund. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section of this document. Details of all benefits are available from IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. That report may be obtained online at www.imrf.org.

Benefits Provided. IMRF has three benefit plans. The vast majority of IMRF members participate in the Regular Plan (RP). The Sheriff's Law Enforcement Personnel (SLEP) plan is for sheriffs, deputy sheriffs, and selected police chiefs. Counties could adopt the Elected County Official (ECO) plan for officials elected prior to August 8, 2011 (the ECO plan was closed to new participants after that date).

All three IMRF benefit plans have two tiers. Employees hired before January 1, 2011, are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of

MERIDIAN COMMUNITY UNIT SCHOOL DISTRICT NO. 223

Notes to Financial Statements

service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the lesser of:

- 3% of the original pension amount, or
- 1/2 of the increase in the Consumer Price Index of the original pension amount.

Employees Covered by Benefit Terms. As of December 31, 2024, the following employees were covered by the benefit terms:

Retirees and beneficiaries currently receiving benefits	129
Inactive plan members entitled to but not yet receiving benefits	170
Active members	<u>137</u>
Total	<u><u>436</u></u>

Contributions. As set by statute, the District's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The District's annual contribution rate for calendar year 2024 was 6.73%. For the fiscal year ended June 30, 2025, the District contributed \$261,789 to the plan. The District also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability. The District's net pension liability was measured as of December 31, 2024. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions. The following are the methods and assumptions used to determine total pension liability at December 31, 2024:

- The actuarial cost method used was Entry Age Normal.
- The asset valuation method used was Market Value of Assets.
- The inflation rate was assumed to be 2.25%.
- Salary increases were expected to be 2.85% to 13.75%, including inflation.
- The investment rate of return was assumed to be 7.25%.
- Projected retirement age was from the Experience-based table of rates, specific to the type of eligibility condition. Last updated for the 2023 valuation pursuant to an experience study of the period 2020-2022.

MERIDIAN COMMUNITY UNIT SCHOOL DISTRICT NO. 223

Notes to Financial Statements

- For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 108%) and Female (adjusted 106.4%) tables, and future mortality improvements projected using scale MP-2021.
- For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2021.
- For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2021.
- The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation.

The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Portfolio Target Percentage	Long-Term Expected Real Rate of Return
Equities	33.5%	4.35%
International Equities	18.0%	5.40%
Fixed Income	24.5%	5.20%
Real Estate	10.5%	6.40%
Alternatives	12.5%	4.85%-6.25%
Cash Equivalents	1.0%	3.60%
	<u>100%</u>	

Single Discount Rate. A Single Discount Rate of 7.25% was used to measure the total pension liability. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

1. The long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and
2. The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

MERIDIAN COMMUNITY UNIT SCHOOL DISTRICT NO. 223

Notes to Financial Statements

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.25%, the municipal bond rate is 4.08%, and the resulting single discount rate is 7.25%.

Changes in Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension (Asset) Liability (A) - (B)
Balances at December 31, 2023	\$ 14,404,513	\$ 13,698,789	\$ 705,724
Changes for the year:			
Service cost	273,691	-	273,691
Interest on the total pension liability	1,021,523	-	1,021,523
Changes of benefit terms	-	-	-
Difference between expected and actual experience of the total pension liability	255,815	-	255,815
Changes of assumptions	-	-	-
Contributions - employer	-	236,719	(236,719)
Contributions - employee	-	158,238	(158,238)
Net investment income	-	1,363,752	(1,363,752)
Benefit payments, including refunds of employee contributions	(902,778)	(902,778)	-
Other (net transfer)	-	(405,739)	405,739
Net changes	648,251	450,192	198,059
Balances at December 31, 2024	<u>\$ 15,052,764</u>	<u>\$ 14,148,981</u>	<u>\$ 903,783</u>

Sensitivity of the Net Pension Liability to Changes in the Discount Rate. The following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.25%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher:

	Single Discount Rate Assumption		
	1% Decrease	Current	1% Increase
	6.25%	7.25%	8.25%
Total pension liability	\$ 16,641,643	\$ 15,052,764	\$ 13,771,430
Plan fiduciary net position	<u>14,148,981</u>	<u>14,148,981</u>	<u>14,148,981</u>
Net pension (asset) liability	<u>\$ 2,492,662</u>	<u>\$ 903,783</u>	<u>\$ (377,551)</u>

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions. Pension expense as reflected in the financial statements for the fiscal year ended June 30, 2025 was \$261,789. At December 31, 2024, the District had deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

MERIDIAN COMMUNITY UNIT SCHOOL DISTRICT NO. 223

Notes to Financial Statements

	Deferred Outflows of Resources	Deferred Inflows of Resources
Deferred amounts to be recognized in pension expense in future periods:		
Difference between expected and actual experience	\$ 175,441	\$ -
Changes of assumptions	-	7,724
Net difference between projected and actual earnings on pension plan investments	<u>1,189,241</u>	<u>867,889</u>
Total deferred amounts to be recognized in pension expense in future periods	1,364,682	875,613
Pension contributions made subsequent to the measurement date	-	-
Total deferred amounts related to pensions	<u>\$ 1,364,682</u>	<u>\$ 875,613</u>

Deferred outflows of resources and (deferred inflows) of resources related to pensions will be recognized in pension expense in future periods as follows:

Year Ending December 31	Net Deferred Outflows (Inflows) of Resources
2025	\$ 293,587
2026	454,109
2027	(177,885)
2028	(80,742)
2029	-
	<u>\$ 489,069</u>

(c) Aggregate Information

Since the District participates in more than one retirement plan, GASB 68 requires disclosure of the following, which aggregates selected information from the Teachers' Retirement System and the Illinois Municipal Retirement Fund.

	TRS	IMRF	Total
Net Pension Liabilities	\$ 820,546	\$ 903,783	\$ 1,724,329
Net Pension Assets	-	-	-
Deferred Outflows of Resources	62,960	1,364,682	1,427,642
Deferred Inflows of Resources	43,795	875,613	919,408
Pension expenditures for the year ended June 30, 2025	1,050,076	261,789	1,311,865

MERIDIAN COMMUNITY UNIT SCHOOL DISTRICT NO. 223

Notes to Financial Statements

(d) Social Security

Employees not qualifying for coverage under the Teachers' Retirement System of the State of Illinois or the Illinois Municipal Retirement Fund are considered "non-participating employees". These employees and those qualifying for coverage under the Illinois Municipal Retirement Fund are covered under Social Security. The District paid \$269,760, the total required contribution for the current fiscal year.

(e) Medicare

All employees, except certified personnel hired prior to April 1, 1986, are covered under the Basic Hospital Insurance Plan provision of the Medicare health insurance program. The District paid \$200,967, the total required contribution for the current fiscal year.

(6) Fund Balance Reporting

According to Government Accounting Standards, fund balances are to be classified into five major classifications: Nonspendable Fund Balance, Restricted Fund Balance, Committed Fund Balance, Assigned Fund Balance, and Unassigned Fund Balance. The Regulatory Model, followed by the District, only reports Reserved and Unreserved Fund Balances. Below are definitions of the differences and a reconciliation of how these balances are reported.

(a) Nonspendable Fund Balance

The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example inventories and prepaid amounts. Due to the cash basis nature of the District, all such items are expensed at the time of purchase, so there is nothing to report for this classification.

(b) Restricted Fund Balance

The restricted fund balance classification refers to amounts that are subject to outside restrictions, not controlled by the entity. Things such as restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. Special Revenue Funds are by definition restricted for those specified purposes. The District has several revenue sources received within different funds that also fall into these categories –

1. Special Education

Cash receipts and the related cash disbursements of this restricted tax levy are accounted for in the Educational Fund. At June 30, 2025, expenditures disbursed exceeded revenues received for this purpose, resulting in no restricted fund balance.

MERIDIAN COMMUNITY UNIT SCHOOL DISTRICT NO. 223

Notes to Financial Statements

2. Leasing Levy

Cash receipts and the related cash disbursements of this restricted tax levy are accounted for in the Educational Fund. At June 30, 2025, expenditures disbursed exceeded revenues received for this purpose, resulting in no restricted fund balance.

3. State Grants

Proceeds from state grants and the related expenditures have been included in multiple District funds. Revenue received exceeded expenditures disbursed for these purposes, resulting in a restricted fund balance of \$9,108. This balance is included in the financial statements as Reserved in the Educational Fund.

4. Federal Grants

Proceeds from federal grants and the related expenditures have been included in multiple District funds. At June 30, 2025, expenditures disbursed exceeded revenues received for these purposes, resulting in no restricted fund balance.

5. IMRF/Social Security

Cash disbursed and the related cash receipts of these restricted tax levies are accounted for in the Municipal Retirement/Social Security Fund. Revenue received exceeded expenditures disbursed for these purposes, resulting in a restricted fund balance of \$562,256. For purposes of Regulatory reporting, the Social Security portion of the fund balance, \$457,124 will be classified as Reserved, and the Municipal Retirement portion of the fund balance, \$105,132. will be classified as Unreserved.

6. Student Activity Funds

Cash receipts and the related cash disbursements of Student Activity Funds are accounted for in the Educational Fund. At June 30, 2025, revenue received for Student Activity Funds exceeded expenditures disbursed for those specific purposes resulting in a restricted fund balance of \$249,475. This balance is included in the financial statements as Reserved in the Educational Fund.

(c) Committed Fund Balance

The committed fund balance classification refers to amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision making authority (the School Board). Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of formal action it employed to previously commit those amounts.

The School Board commits fund balance by making motions or passing resolutions to adopt policy or to approve contracts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

MERIDIAN COMMUNITY UNIT SCHOOL DISTRICT NO. 223

Notes to Financial Statements

Employee contracts for services rendered during the school year for employees electing twelve month pay schedules are recorded as disbursements in the fiscal year when such checks are drawn. At June 30, 2025, the total amount of unpaid contracts for services performed during the fiscal year ended June 30, 2025 amounted to \$908,628. This amount is shown as Unreserved in the Educational Fund.

(d) Assigned Fund Balance

The assigned fund balance classification refers to amounts that are constrained by the government's intent to be used for a specific purpose, but are neither restricted nor committed. Intent may be expressed by (a) the School Board itself or (b) the finance committee or by the Superintendent when the School Board has delegated the authority to assign amounts to be used for specific purposes.

The District budgets property tax revenue based on the tax levy approved by the Board the previous December. For the fiscal year ending June 30, 2026, the District budgets property tax revenue based on the 2024 tax levy of which \$7,913,376 was received by the District prior to June 30, 2025 and is therefore included as revenue under the cash method of accounting in this fiscal year. Of this amount, \$4,896,053 were received in the Educational, Operations and Maintenance and Working Cash funds. The amount of assigned fund balance is limited to the overall respective fund balances after applying restrictions and commitments as described previously. For purposes of Regulatory reporting, these amounts are shown as Unreserved in the financial statements.

(e) Unassigned Fund Balance

The unassigned fund balance classification is the residual classification for amounts in the General Operating Funds for amounts that have not been restricted, committed, or assigned to specific purposes within the General Funds. Unassigned Fund Balance amounts are shown in the financial statements as Unreserved Fund Balances in the Educational, Operations and Maintenance, and Working Cash Funds.

(f) Regulatory – Fund Balance Definitions

Reserved Fund Balances are those balances that are reserved for a specific purpose, other than the regular purpose of any given fund. Unreserved Fund Balances are all balances that are not reserved for a specific purpose other than the specified purpose of a fund.

(g) Reconciliation of Fund Balance Reporting

The first five columns of the following table represent Fund Balance Reporting according to generally accepted accounting principles. The last two columns represent Fund Balance Reporting under the regulatory basis of accounting utilized in preparation of the financial statements.

MERIDIAN COMMUNITY UNIT SCHOOL DISTRICT NO. 223

Notes to Financial Statements

Fund	Generally Accepted Accounting Principles					Regulatory Basis	
	Non-spendable	Restricted	Committed	Assigned	Unassigned	Financial Statements-Reserved	Financial Statements-Unreserved
Educational	-	258,583	908,628	4,811,459	3,607,767	258,583	9,327,854
Operations & Maintenance	-	-	-	15,471	-	-	15,471
Debt Service	-	999,052	-	-	-	-	999,052
Transportation	-	678,995	-	-	-	-	678,995
Municipal Retirement	-	562,256	-	-	-	457,124	105,132
Capital Projects	-	7,390	-	-	-	-	7,390
Working Cash	-	-	-	69,123	1,057,332	-	1,126,455
Tort	-	649,067	-	-	-	-	649,067
Fire Prevention & Safety	-	224,279	-	-	-	-	224,279

(h) Expenditures of Fund Balance

Unless specifically identified, expenditures act to reduce restricted balances first, then committed balances, next assigned balances, and finally act to reduce unassigned balances. Expenditures for a specifically identified purpose will act to reduce the specific classification of fund balance that is identified.

(7) Long-Term Debt

As of June 30, 2025, the District had long-term debt outstanding in the amount of \$6,578,964. The long-term debt is reported in the General Long-Term Debt Group and consists of the following.

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.

Bonded indebtedness consists of the following:

General Obligation School Bonds, Series 2016A

Original Issue	\$11,095,000
Interest Rate	3.89% Average coupon
Issue Date	March 20, 2016
Interest Date	June 1 and December 1

MERIDIAN COMMUNITY UNIT SCHOOL DISTRICT NO. 223

Notes to Financial Statements

Fiscal year ending June 30,	Principal	Interest	Total
2026	\$ 1,485,000	\$ 163,668	\$ 1,648,668
2027	1,205,000	115,894	1,320,894
2028	1,245,000	79,144	1,324,144
2029	1,280,000	40,469	1,320,469
2030	655,000	10,234	665,234
	<u>\$ 5,870,000</u>	<u>\$ 409,409</u>	<u>\$ 6,279,409</u>

Lease Obligations

The District entered into a three year lease agreement for four 74-passenger buses and one 26-passenger adaptable school bus, effective February 1, 2023. The lease requires annual payments of \$118,680, beginning February 1, 2023, and there are no variable payment components of the lease. The lease liability is measured at a discount rate of 4.05%, which is the assumed rate in the lease agreement. As a result of the lease, the District recorded a right to use asset with an initial net book value of \$342,117. The right to use asset is discussed in more detail in Note 1(h), *General Fixed Assets*. The District made the final principal lease payment of \$115,913 and interest payment of \$2,767 during the year ended June 30, 2025.

The District entered into a three year lease agreement for seven 74-passenger buses, effective February 1, 2023. The lease requires annual payments of \$173,147, beginning February 1, 2023, and there are no variable payment components of the lease. The lease liability is measured at a discount rate of 4.05%, which is the assumed rate in the lease agreement. As a result of the lease, the District recorded a right to use asset with an initial net book value of \$499,129. The right to use asset is discussed in more detail in Note 1(h), *General Fixed Assets*. The District made a principal lease payment of \$159,135 during the year ended June 30, 2025.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2025 were as follows:

Fiscal year ending June 30,	Principal	Interest	Total
2026	<u>\$ 166,847</u>	<u>\$ 6,300</u>	<u>\$ 173,147</u>

The District entered into a three year lease agreement for two buses, effective July 1, 2023. The lease requires annual payment of \$50,098, beginning July 31, 2023, and there are no variable payment components of the lease. The lease liability is measured at a discount rate of 7.998%, which is the assumed rate in the lease agreement. As a result of the lease, the District recorded a right to use asset with an initial net book value of \$152,223. The right to use asset is discussed in more detail in Note 1(h), *General Fixed Assets*. The District made a principal lease payment of \$43,000 during the year ended June 30, 2025.

MERIDIAN COMMUNITY UNIT SCHOOL DISTRICT NO. 223

Notes to Financial Statements

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2025 were as follows:

Fiscal year ending June 30,	Principal	Interest	Total
2026	\$ 46,567	\$ 3,530	\$ 50,097

The District entered into a three year lease agreement for two buses, effective March 1, 2025. The lease requires annual payment of \$36,659, beginning March 31, 2025, and there are no variable payment components of the lease. The lease liability is measured at a discount rate of 8.990%, which is the assumed rate in the lease agreement. As a result of the lease, the District recorded a right to use asset with an initial net book value of \$100,824. The right to use asset is discussed in more detail in Note 1(h), *General Fixed Assets*. The District made a principal lease payment of \$36,659 during the year ended June 30, 2025.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2025 were as follows:

Fiscal year ending June 30,	Principal	Interest	Total
2026	\$ 29,631	\$ 7,028	\$ 36,659
2027	34,534	2,125	36,659
	<u>\$ 64,165</u>	<u>\$ 9,153</u>	<u>\$ 73,318</u>

The District entered into a three year lease agreement for two buses, effective July 1, 2024. The lease requires annual payment of \$234,765, beginning July 31, 2024, and there are no variable payment components of the lease. The lease liability is measured at a discount rate of 7.998%, which is the assumed rate in the lease agreement. As a result of the lease, the District recorded a right to use asset with an initial net book value of \$651,711. The right to use asset is discussed in more detail in Note 1(h), *General Fixed Assets*. The District made a principal lease payment of \$234,765 during the year ended June 30, 2025.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2025 were as follows:

Fiscal year ending June 30,	Principal	Interest	Total
2026	\$ 198,724	\$ 36,041	\$ 234,765
2027	218,222	16,543	234,765
	<u>\$ 416,946</u>	<u>\$ 52,584</u>	<u>\$ 469,530</u>

MERIDIAN COMMUNITY UNIT SCHOOL DISTRICT NO. 223

Notes to Financial Statements

In accordance with regulatory requirements, these leases are included in the General Long-Term Debt Account Group and the annual principal and interest payments are recorded in the Transportation Fund.

The District entered into a five year lease agreement for a skid loader, effective August 8, 2022. The lease requires annual payments of \$15,014, beginning August 8, 2022, and there are no variable payment components of the lease. The lease liability is measured at a discount rate of 4.278%, which is the assumed rate in the lease agreement. As a result of the lease, the District recorded a right to use asset with an initial net book value of \$69,052. The right to use asset is discussed in more detail in Note 1(h), *General Fixed Assets*. The District made a principal payment of \$13,834 during the year ended June 30, 2025.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2025 were as follows:

Fiscal year ending June 30,	Principal	Interest	Total
2026	\$ 14,439	\$ 575	\$ 15,014

In accordance with regulatory requirements, the lease is included in the General Long-Term Debt Account Group and the annual principal and interest payments are recorded in the Debt Service Fund.

Long-term liability activity for the year ended June 30, 2025 was as follows:

	Balance 7/1/2024	Issued	Retired	Balance 6/30/2025
Bonds	\$ 7,290,000	\$ -	\$ 1,420,000	\$ 5,870,000
Leases	559,735	752,535	603,306	708,964
Subscriptions	-	-	-	-
	<u>\$ 7,849,735</u>	<u>\$ 752,535</u>	<u>\$ 2,023,306</u>	<u>\$ 6,578,964</u>

MERIDIAN COMMUNITY UNIT SCHOOL DISTRICT NO. 223

Notes to Financial Statements

Total future cash flow requirements of the District for retirement of principal and interest for all categories of debt obligations are as follows:

Total Long-Term Debt

Fiscal year ending June 30,	Principal	Interest	Total
2026	\$ 1,941,208	\$ 217,452	\$ 2,158,660
2027	1,457,756	134,562	1,592,318
2028	1,245,000	79,144	1,324,144
2029	1,280,000	40,469	1,320,469
2030	655,000	10,234	665,234
	<u>\$ 6,578,964</u>	<u>\$ 481,861</u>	<u>\$ 7,060,825</u>

(8) Legal Debt Margin

2024 equalized assessed valuation	\$ <u>271,449,116</u>
Statutory debt limitation	
13.8% of 2024 equalized assessed valuation	\$ 37,459,978
Less total indebtedness:	
Bonds	\$ 5,870,000
Leases	708,964
Subscriptions	<u>-</u> <u>6,578,964</u>
Legal Debt Margin	\$ <u>30,881,014</u>

(9) Interfund Loans

There were no interfund loans made or repaid during the fiscal year ended June 30, 2025.

(10) Interfund Transfers

From	To	Transferred	Purpose
Operations & Maintenance Fund	Debt Services Fund	\$ 15,014	To pay principal & interest on GASB 87 lease

MERIDIAN COMMUNITY UNIT SCHOOL DISTRICT NO. 223

Notes to Financial Statements

(11) Overexpenditure of Budget

The District over expended its budget in the following funds during the fiscal year ended June 30, 2025.

Fund	Expenditures	Budget
Educational	\$ 20,584,272	\$ 17,775,815
Transportation	\$ 2,509,642	\$ 1,483,919

All other funds were operated within the legal confines of their budgets during the fiscal year ended June 30, 2025.

(12) Joint Agreements

The District is a member of Ogle County Educational Cooperative Joint Agreement located at 417 N. Colfax, Box 52, Byron, IL 61010, along with other area school districts to provide special education services. The District pays tuition to the Cooperative based upon the Cooperative's budgeted expenditures and the District's special education enrollment. The District made payments to the Ogle County Educational Cooperative during the fiscal year ended June 30, 2025 in the amount of \$2,053,890.

The District has an operating agreement with the Julia Hull District Library which is located on the Stillman Valley High School campus. The Library reimburses the District for the cost of certain librarian and aides salaries and benefits and other operating costs. During the fiscal year ended June 30, 2025, the District received \$86,344 from the Library.

The District is also a member of Career Education Associates of North Central Illinois (CEANCI) located at 4151 Samuelson Road, Rockford, Illinois, 61109. CEANCI provides technical education services and receives state grants and reallocates to member districts. During the fiscal year ended June 30, 2025, the District made no payments to CEANCI for technical education services and received payments of \$3,236 from CEANCI for expenditure reimbursements.

The District's pupils benefit from programs administered under these joint agreements, and the District benefits from jointly administered grants and programming. The District does not have any equity interest in these joint agreements. The joint agreements are separately audited and are not included in these financial statements. Financial information about the joint agreements can be obtained by contacting them at the addresses given above.

(13) Other Postemployment Benefits (OPEB)

(a) Teacher Health Insurance Security (THIS) Fund

The employer participates in the Teacher Health Insurance Security (THIS) Fund, a cost-sharing, multiple-employer defined benefit post-employment healthcare plan that was established by the Illinois legislature for the benefit of retired Illinois public school

MERIDIAN COMMUNITY UNIT SCHOOL DISTRICT NO. 223

Notes to Financial Statements

teachers employed outside the city of Chicago. The THIS Fund provides medical, prescription, and behavioral health benefits, but it does not provide vision, dental, or life insurance benefits to annuitants of the Teachers' Retirement System (TRS). Annuitants not enrolled in Medicare may participate in the state-administered participating provider option plan or choose from several managed care options. Annuitants who are enrolled in Medicare Parts A and B may be eligible to enroll in a Medicare Advantage plan.

The State Employees Group Insurance Act of 1971 (5 ILCS 375) outlines the benefit provisions of the THIS Fund and amendments to the plan can be made only by legislative action with the Governor's approval. The plan is administered by the Illinois Department of Central Management Services (CMS) with the cooperation of TRS. Section 6.6 of the State Employees Group Insurance Act of 1971 requires all active contributors to TRS who are not employees of the state to make a contribution to the THIS Fund.

The percentage of employer required contributions in the future will not exceed 105 percent of the percentage of salary actually required to be paid in the previous fiscal year.

- ***On behalf contributions to the THIS Fund***

The state of Illinois makes employer retiree health insurance contributions on behalf of the employer. State contributions are intended to cover the actuarial costs to the THIS Fund that are not covered by contributions from active members which were 0.90 percent of pay during the year ended June 30, 2025. State of Illinois contributions were \$68,811 and the employer recognized revenue and expenditures of this amount during the year.

- ***Employer contributions to the THIS Fund***

The employer also makes contributions to the THIS Fund. The employer THIS Fund contribution was 0.67 percent during the year ended June 30, 2025. For the year ended June 30, 2025, the employer paid \$71,684 to the THIS Fund, which was 100 percent of the required contribution.

Further information on the THIS Fund

The publicly available financial report of the THIS Fund may be found on the website of the Illinois Auditor General: <http://www.auditor.illinois.gov/Audit-Reports/ABC-List.asp>. The current reports are listed under "Central Management Services." Prior reports are available under "Healthcare and Family Services."

- ***(b) Non-certified employees***

The District has evaluated its potential liability for other postemployment benefits. The District provides continued health insurance coverage at the active employer rate to all IMRF eligible employees in accordance with Illinois statutes, which creates an implicit

MERIDIAN COMMUNITY UNIT SCHOOL DISTRICT NO. 223

Notes to Financial Statements

subsidy of retiree health insurance. Former employees who choose to retain their rights to health insurance through the District are required to pay 100% of the current premium. For the year ended June 30, 2025, five former employees have chosen to stay in the District's health insurance plan. Because this would result in an immaterial implicit subsidy, the District has chosen not to calculate this implicit subsidy in accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

Additionally, the District has no former employees for whom the District is providing an explicit subsidy and no current employees with agreements for future explicit subsidies upon retirement. Therefore, the District has not recorded any postemployment benefit liability as of June 30, 2025.

(14) Risk Management

The District is exposed to various risks of loss related to torts; damage to, and theft or destruction of assets; errors and omissions; injuries to employees; and natural disasters. Significant losses are covered by commercial insurance for all major programs except for workers' compensation for which the District participates in the Illinois Association of School Board Workers' Compensation Self Insurance Trust. Estimated payments are made annually to the Trust to cover claims, however, additional assessments could be required if the Trust reflects a deficit. For all insured programs, there have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

(15) Contingencies

The District has received funding from state and federal grants in the current and prior years, which are subject to audits by the granting agencies. The School Board believes any adjustments that may arise from these audits will be insignificant to District operations.

(16) Unemployment Compensation

The District is self-insured for unemployment compensation. The District is therefore liable to the state for any payments made to any of its former employees claiming benefits. During the fiscal year ended June 30, 2025, the District paid \$1,469 to the Illinois Department of Employment Security for unemployment compensation.

(17) Subsequent Events

Subsequent events are events or transactions that occur after the balance sheet date but before financial statements are issued or are available to be issued. These events and transactions either provide additional evidence about conditions that existed at the date of the balance sheet, including the estimates inherent in the process of preparing financial statements (that is,

MERIDIAN COMMUNITY UNIT SCHOOL DISTRICT NO. 223

Notes to Financial Statements

recognized subsequent events), or provide evidence about conditions that did not exist at the date of the balance sheet but arose after that date (that is, non-recognized subsequent events).

The District has evaluated subsequent events through December 19, 2025, which was the date that these financial statements were available for issuance, and determined that there were no significant non-recognized subsequent events through that date.

MERIDIAN COMMUNITY UNIT SCHOOL DISTRICT NO. 223

Other Information (unaudited)

June 30, 2025

Teachers' Retirement System of the State of Illinois
Schedule of the Employer's Proportionate Share
of The Net Pension Liability

	FY24*	FY23*	FY22*	FY21*	FY20*	FY19*	FY18*	FY17*	FY16*	FY15*
Employer's proportion of the net pension liability	1.2%	1.1%	1.1%	1.2%	1.3%	1.4%	1.4%	2.8%	1.9%	4.4%
Employer's proportionate share of the net pension liability	\$ 820,546	\$ 778,914	\$ 746,194	\$ 750,336	\$ 802,527	\$ 851,226	\$ 820,640	\$ 1,512,485	\$ 1,024,330	\$ 2,004,876
State's proportionate share of the net pension liability associated with the employer	<u>68,415,911</u>	<u>67,220,699</u>	<u>64,727,369</u>	<u>62,886,158</u>	<u>62,858,097</u>	<u>60,580,839</u>	<u>56,217,313</u>	<u>52,302,135</u>	<u>54,232,859</u>	<u>43,627,531</u>
Total	<u>\$ 69,236,457</u>	<u>\$ 67,999,613</u>	<u>\$ 65,473,563</u>	<u>\$ 63,636,494</u>	<u>\$ 63,660,624</u>	<u>\$ 61,432,065</u>	<u>\$ 57,037,953</u>	<u>\$ 53,814,620</u>	<u>\$ 55,257,189</u>	<u>\$ 45,632,407</u>
Employer's covered-employee payroll	\$ 10,699,171	\$ 10,258,869	\$ 9,579,607	\$ 9,094,682	\$ 8,634,603	\$ 8,055,518	\$ 7,824,046	\$ 7,589,180	\$ 7,165,586	\$ 7,010,602
Employer's proportionate share of the net pension liability as a percentage of its covered-employee payroll	7.7%	7.6%	7.8%	8.3%	9.3%	10.6%	10.5%	19.9%	14.3%	28.6%
Plan fiduciary net position as a percentage of the total pension liability	45.4%	43.9%	42.8%	45.1%	37.8%	39.6%	40.0%	39.3%	36.4%	41.5%

* The amounts presented were determined as of the prior fiscal-year end.

Teachers' Retirement System of the State of Illinois
Schedule of Employer Contributions

Statutorily-required contribution	\$ 1,025,579	\$ 983,378	\$ 918,267	\$ 889,474	\$ 827,715	\$ 772,252	\$ 751,985	\$ 736,609	\$ 723,187	\$ 732,250
Contributions in relation to the statutorily-required contribution	<u>1,024,613</u>	<u>983,354</u>	<u>916,947</u>	<u>900,786</u>	<u>716,492</u>	<u>771,310</u>	<u>781,862</u>	<u>731,446</u>	<u>751,378</u>	<u>746,982</u>
Contribution deficiency (excess)	<u>\$ 966</u>	<u>\$ 24</u>	<u>\$ 1,320</u>	<u>\$ (11,312)</u>	<u>\$ 111,223</u>	<u>\$ 942</u>	<u>\$ (29,877)</u>	<u>\$ 5,163</u>	<u>\$ (28,191)</u>	<u>\$ (14,732)</u>
Employer's covered-employee payroll	\$ 10,699,171	\$ 10,258,869	\$ 9,579,607	\$ 9,094,682	\$ 8,634,603	\$ 8,055,518	\$ 7,824,046	\$ 7,589,180	\$ 7,165,586	\$ 7,010,602
Contributions as a percentage of covered-employee payroll	9.58%	9.59%	9.57%	9.90%	8.30%	9.57%	9.99%	9.64%	10.49%	10.66%

See notes to other information.

MERIDIAN COMMUNITY UNIT SCHOOL DISTRICT NO. 223

Other Information (unaudited)

June 30, 2025

Illinois Municipal Retirement Fund
Schedule of Changes in Net Pension Liability and Related Ratios

Calendar year ending December 31,	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total pension liability										
Service cost	\$ 273,691	\$ 281,312	\$ 259,857	\$ 223,936	\$ 243,349	\$ 204,214	\$ 176,104	\$ 194,711	\$ 190,464	\$ 226,984
Interest on the total pension liability	1,021,523	986,992	917,673	856,938	841,840	805,530	764,455	766,453	721,103	707,450
Differences between expected and actual experience of the total pension liability	255,815	113,752	571,138	469,343	(51,823)	154,000	320,671	(81,883)	244,027	(203,737)
Changes of assumptions	-	(30,462)	-	-	(125,701)	-	289,890	(309,727)	(11,420)	10,938
Benefit payments, including refunds of employee contributions	(902,778)	(840,217)	(766,337)	(694,549)	(684,880)	(680,075)	(614,243)	(559,536)	(549,391)	(507,599)
Net change in total pension liability	648,251	511,377	982,331	855,668	222,785	483,669	936,877	10,018	594,783	234,036
Total pension liability – beginning	14,404,513	13,893,136	12,910,805	12,055,137	11,832,352	11,348,683	10,411,806	10,401,788	9,807,005	9,572,969
Total pension liability – ending (a)	15,052,764	14,404,513	13,893,136	12,910,805	12,055,137	11,832,352	11,348,683	10,411,806	10,401,788	9,807,005
Plan fiduciary net position										
Contributions – employer	236,719	185,966	197,549	226,981	224,493	158,473	203,124	167,584	176,264	188,457
Contributions – employee	158,238	135,296	133,599	120,676	107,845	112,742	101,533	74,652	78,655	80,248
Net investment income	1,363,752	1,383,537	(1,918,050)	2,187,784	1,679,534	1,931,159	(625,049)	1,727,093	622,964	45,700
Benefit payments, including refunds of employee contributions	(902,778)	(840,217)	(766,337)	(694,549)	(684,880)	(680,075)	(614,243)	(559,536)	(549,391)	(507,599)
Other (net transfer)	(405,739)	382,320	70,205	52,151	(31,904)	3,146	184,414	(212,512)	123,068	56,506
Net change in plan fiduciary net position	450,192	1,246,902	(2,283,034)	1,893,043	1,295,088	1,525,445	(750,221)	1,197,281	451,560	(136,688)
Plan fiduciary net position – beginning	13,698,789	12,451,887	14,734,921	12,841,878	11,546,790	10,021,345	10,771,566	9,574,285	9,122,725	9,259,413
Plan fiduciary net position – ending (b)	14,148,981	13,698,789	12,451,887	14,734,921	12,841,878	11,546,790	10,021,345	10,771,566	9,574,285	9,122,725
Net pension (asset) liability – ending (a)-(b)	\$ 903,783	\$ 705,724	\$ 1,441,249	\$ (1,824,116)	\$ (786,741)	\$ 285,562	\$ 1,327,338	\$ (359,760)	\$ 827,503	\$ 684,280
Plan fiduciary net position as a percentage of the total pension liability	94.00%	95.10%	89.63%	114.13%	106.53%	97.59%	88.30%	103.46%	92.04%	93.02%
Covered valuation payroll	\$ 3,517,353	\$ 3,010,759	\$ 2,930,982	\$ 2,605,981	\$ 2,343,344	\$ 2,194,877	\$ 1,982,961	\$ 1,656,452	\$ 1,713,054	\$ 1,769,644
Net pension (asset) liability as a percentage of covered valuation payroll	25.69%	23.44%	49.17%	-70.00%	-33.57%	13.01%	66.94%	-21.72%	48.31%	38.67%

See notes to other information.

MERIDIAN COMMUNITY UNIT SCHOOL DISTRICT NO. 223

Other Information (unaudited)

June 30, 2025

Illinois Municipal Retirement Fund
Schedule of Contributions

Calendar Year Ending December 31,	Actuarially Determined Contribution (a)		Actual Contribution (b)	Contribution Deficiency (Excess) (a-b)	Covered Valuation Payroll (c)	Actual Contribution as a % of Covered Payroll (b/c)
2015	\$ 188,290		\$ 188,457	\$ (167)	\$ 1,769,644	10.65%
2016	176,273		176,264	9	1,713,054	10.29%
2017	167,964		167,584	380	1,656,452	10.12%
2018	200,874		203,124	(2,250)	1,982,961	10.24%
2019	158,031		158,473	(442)	2,194,877	7.22%
2020	224,492		224,493	(1)	2,343,344	9.58%
2021	226,981		226,981	-	2,605,981	8.71%
2022	197,548		197,549	(1)	2,930,982	6.74%
2023	170,409		185,966	(15,557)	3,010,759	6.18%
2024	236,718		236,719	(1)	3,517,353	6.73%

MERIDIAN COMMUNITY UNIT SCHOOL DISTRICT NO. 223

Notes to Other Information

June 30, 2025

(1) Teachers Retirement System of the State of Illinois – Changes of Assumption

For the 2024 measurement year, the assumed investment rate of return was of 7.0 percent, including an inflation rate of 2.50 percent and a real return of 4.50 percent. Salary increases were assumed to vary by service credit. These actuarial assumptions were based on an experience study dated August 16, 2024.

For the 2023-2022 and 2020-2016 measurement years, the assumed investment rate of return was 7.0, including an inflation rate of 2.50 percent and a real return of 4.50 percent. For the 2021 measurement year, the assumed investment rate of return was 7.0, including an inflation rate of 2.25 percent and a real return of 4.75 percent. Salary increases were assumed to vary by service credit. The assumptions used for the 2020-2018 and 2017-2016 measurement years were based on an experience study dated September 18, 2018 and August 13, 2015, respectively.

For the 2015 measurement year, the assumed investment rate of return was 7.5 percent, including an inflation rate of 3.0 percent and real return of 4.5 percent. Salary increases were assumed to vary by service credit. Various other changes in assumptions were adopted based on the experience analysis for the three-year period ending June 30, 2014.

(2) Illinois Municipal Retirement Fund Pension Plan – Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2024 Contribution Rate*

(a) Valuation Date

Actuarially determined contribution rates are calculated as of December 31 each year, which is 12 months prior to the beginning of the fiscal year in which contributions are reported.

(b) Methods and Assumptions Used to Determine 2024 Contribution Rates

Actuarial cost method	Aggregate entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization	Non-Taxing bodies: 10-year rolling period.
Period	Taxing bodies (Regular, SLEP, and ECO groups): 19-year closed period. Early retirement incentive plan liabilities: a period up to 10 years selected by the Employer upon adoption of early retirement incentive.
	SLEP supplemental liabilities attributable to Public Act 94-712 were financed over 14 years for most employers

MERIDIAN COMMUNITY UNIT SCHOOL DISTRICT NO. 223

Notes to Other Information

(five employers were financed over 15 years; one employer was financed over 16 years; two employers were financed over 17 years; one employer was financed over 20 years; three employers were financed over 23 years; four employers were financed over 24 years and one employer was financed over 25 years).

Asset valuation method	5-year smoothed market; 20% corridor
Wage growth	2.75%
Price inflation	2.25%
Salary increases	2.75% to 13.75%, including inflation
Investment rate of return	7.25%
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2020 valuation pursuant to an experience study of the period 2017-2019.
Mortality	For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020. For disabled retirees the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted tables, and future mortality improvements projected using scale MP-2020.

(c) Other Information

There were no benefit changes during the year.

* Based on valuation assumptions used in the December 31, 2022, actuarial valuation; note two year lag between valuation and rate setting.

MERIDIAN COMMUNITY UNIT SCHOOL DISTRICT NO. 223

Student Activity Funds

Schedule of Revenues Received and Expenditures Disbursed
For the year ended June 30, 2025

Fund	Balance 07/01/24	Revenues Received	Expenditures Disbursed	Balance 06/30/25
Elementary & High School:				
Academic Bowl	\$ 548	\$ 100	\$ -	\$ 648
Art Fees	1,205	2,838	3,765	278
Band Trip	(2)	639	-	637
Baseball	2,131	11,563	12,561	1,133
Bass Fishing	59	-	-	59
Book Club	873	150	298	725
Boys Basketball	4,844	8,121	1,536	11,429
Girls Basketball	5,720	8,306	8,178	5,848
Color Guard	166	-	-	166
Cheerleaders	4,534	14,843	15,880	3,497
Chess Club	2,682	868	872	2,678
Choir	3,005	4,696	5,191	2,510
Choir Trip	4,299	355	-	4,654
Muscial	19,855	23,901	20,982	22,774
Environmental	360	1,198	1,066	492
Esports	1,351	1,865	1,265	1,951
Fall Play	6,513	2,480	3,147	5,846
FFA	2,505	50,543	44,964	8,084
Football	9,203	42,534	45,752	5,985
FBLA	9	1,385	1,098	296
FBLA Store	295	-	-	295
Golf	2,398	1,656	904	3,150
Grade School Musical	395	-	-	395
Horticulture	5,292	14,647	18,792	1,147
Industrial Arts Club	2,739	4,583	5,528	1,794
Integrity Fund	1,318	6,764	6,832	1,250
Library - High School	2,453	45	-	2,498
Graphics Club	2,923	25,877	25,216	3,584
Band	1,848	414	1,553	709
Math Team	221	658	575	304
National Honors Society	631	3,923	4,415	139
Carried Forward	\$ 90,373	\$ 234,952	\$ 230,370	\$ 94,955

MERIDIAN COMMUNITY UNIT SCHOOL DISTRICT NO. 223

Student Activity Funds

Schedule of Revenues Received and Expenditures Disbursed
For the year ended June 30, 2025

Fund	Balance 07/01/24	Revenues Received	Expenditures Disbursed	Balance 06/30/25
Carried Forward	\$ 90,373	\$ 234,952	\$ 230,370	\$ 94,955
Outdoor Club	2,246	980	858	2,368
Pride Club	505	-	-	505
Pom Poms	1,069	-	162	907
Renaissance Team	1,820	2,605	3,025	1,400
Scholarship Testing	9,733	6,346	6,594	9,485
Soccer - Boys	4,945	1,438	1,821	4,562
Soccer - Girls	4,256	1,309	485	5,080
Social Fund	859	1,080	686	1,253
Girls Softball	157	10,006	8,580	1,583
Spanish	394	1,220	1,179	435
Spanish Honor	133	20	191	(38)
Student Council	4,683	10,106	9,853	4,936
Students for Students	5,339	-	-	5,339
Take Action Leg	262	220	175	307
Tournament Fund	4,906	56,688	51,881	9,713
Track - Boys & Girls	8,541	-	688	7,853
Volleyball	2,205	17,461	17,718	1,948
Wrestling	8,213	15,702	23,205	710
Yearbook	3,160	2,448	3,842	1,766
Wellness	790	15,135	14,850	1,075
Highland PBIS	3,251	3,639	4,277	2,613
Monroe Center PBIS	8,643	1,318	2,978	6,983
Highland Library Club	4,664	1,522	2,078	4,108
Junior High Library	2,100	3,762	3,514	2,348
Monroe Center Library Club	3,226	27,250	14,315	16,161
Class of 2028	670	3,316	3,240	746
Class of 2023	-	40	-	40
Class of 2024	196	860	1,056	-
Class of 2025	(2,727)	20,444	14,480	3,237
Class of 2026	1,660	21,846	17,674	5,832
Class of 2027	1,663	2,290	1,307	2,646
K-5 Outdoor	11,836	-	2,684	9,152
Elementary & High School total	\$ 189,771	\$ 464,003	\$ 443,766	\$ 210,008

MERIDIAN COMMUNITY UNIT SCHOOL DISTRICT NO. 223

Student Activity Funds

Schedule of Revenues Received and Expenditures Disbursed
For the year ended June 30, 2025

Fund	Balance 07/01/24	Revenues Received	Expenditures Disbursed	Balance 06/30/25
Junior High:				
6th Grade	\$ (1,575)	\$ 3,960	\$ 1,477	\$ 908
6th Grade Math	32	-	-	32
6th Grade literature	-	471	-	471
7th Grade Literature	-	81	-	81
7th Grade	19	-	-	19
7th Grade Math	291	897	522	666
8th Grade	3,034	4,554	6,538	1,050
Academic Team	-	80	-	80
Art	(6)	6	-	-
Athletics	65	-	-	65
MJHS Musical	-	3,500	1,047	2,453
Band	7,122	380	4,603	2,899
Basketball Summer Camp	1,963	938	1,157	1,744
Boys Basketball	1,872	534	-	2,406
Cash	989	1,393	2,065	317
Cheerleading	1,700	150	-	1,850
Chorus	5,253	2,904	8,118	39
Sunshine Club	-	1,370	619	751
Psychologist MJHS	1	49	-	50
Concession Stand	5,973	6,874	6,615	6,232
Counseling Department	210	81	50	241
Leader in Me/ Light House	1,194	132	290	1,036
English Department	282	-	-	282
Girls Basketball	251	542	-	793
PE	122	500	-	622
Life Skills	310	130	120	320
Miscellaneous	150	100	-	250
Office	-	153	153	-
PBIS	715	564	283	996
Student Council	2,212	16,827	16,391	2,648
Track	2,181	170	-	2,351
Volleyball	698	70	119	649
Wrestling	811	234	259	786
Yearbook	6,490	830	940	6,380
Junior High total	\$ 42,359	\$ 48,474	\$ 51,366	\$ 39,467
Total student activity funds	\$ 232,130	\$ 512,477	\$ 495,132	\$ 249,475

MERIDIAN COMMUNITY UNIT SCHOOL DISTRICT NO. 223

Schedule of Average Daily Attendance, Operating Expense per Pupil,
And Total Operating Expense
(unaudited)

Year ended June 30,	Average Daily Attendance	Operating Expense Per Pupil	Total Operating Expense
2016	1650	\$ 9,655	\$ 15,932,760
2017	1591	9,287	14,779,067
2018	1681	9,096	15,293,803
2019	1533	10,632	16,302,620
2020	1467	11,346	16,644,492
2021	1377	12,261	16,878,812
2022	1308	14,310	18,715,149
2023	1344	14,446	19,413,163
2024	1332	15,779	21,019,343
2025	1308	16,793	21,958,492



Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance

Board of Education
Meridian Community Unit School District No. 223
Ogle County, Illinois

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Meridian Community Unit School District No. 223's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of Meridian Community Unit School District No. 223's major federal programs for the year ended June 30, 2025. Meridian Community Unit School District No. 223's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Meridian Community Unit School District No. 223 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the "Auditor's Responsibilities for the Audit of Compliance" section of our report.

We are required to be independent of Meridian Community Unit School District No. 223 and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Meridian Community Unit School District No. 223's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Meridian Community Unit School District No. 223's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Meridian Community Unit School District No. 223's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Meridian Community Unit School District No. 223's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Meridian Community Unit School District No. 223's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Meridian Community Unit School District No. 223's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Meridian Community Unit School District No. 223's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2025-001 and 2025-002. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on Meridian Community Unit School District No. 223's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. Meridian Community Unit School District No. 223's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the "Auditor's Responsibilities for the Audit of Compliance" section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Penning Group, LLC

Freeport, Illinois
December 19, 2025

MERIDIAN COMMUNITY UNIT SCHOOL DISTRICT NO. 223
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2025

Federal Grantor/Pass-Through Grantor	Assistance		
Program or Cluster Title and Major Program Designation	Listing Number	ISBE Project Number	Federal Expenditures
U.S. Department of Agriculture:			
Through Illinois State Board of Education:			
(M) DoD Fresh Fruits and Vegetables Program (non-cash)	10.555	2025	\$ 23,107
(M) Commodities Program (non-cash)	10.555	2025	31,818
(M) National School Lunch Program	10.555	24-4210-00	48,091
(M) National School Lunch Program	10.555	25-4210-00	206,466
(M) COVID-19 ARP Nutrition Funding - Nutrition Supply Chain Assistance	10.555	24-4210-SC	<u>2,374</u>
Subtotal 10.555			\$ 311,856
(M) School Breakfast Program	10.553	24-4220-00	11,320
(M) School Breakfast Program	10.553	25-4220-00	<u>54,907</u>
Subtotal 10.553			66,227
Subtotal Child Nutrition Cluster			<u>378,083</u>
Total Through USDA Programs			378,083
U.S. Department of Education:			
Through Illinois State Board of Education:			
(M) Fed. Sp. Ed. IDEA Flow-Through	84.027A	25-4620-00	<u>326,339</u>
Subtotal 84.027A			326,339
(M) Fed. Sp. Ed. Pre-School Flow-Through	84.173A	25-4600-00	<u>8,770</u>
Subtotal 84.173			8,770
Subtotal Special Education (IDEA) Cluster			<u>335,109</u>
Title I - Low Income	84.010A	25-4300-00	<u>198,943</u>
Subtotal 84.010A			198,943
Title II - Teacher Quality	84.367A	25-4932-00	<u>32,576</u>
Subtotal 84.367A			32,576
Title IV - Student Support & Academic Enrich	84.424A	25-4400-00	<u>13,710</u>
Subtotal 84.424A			13,710
Through Career Education Association of North Central Illinois:			
CTE - Perkins Title II C - Secondary	84.048A	25-4745-00	<u>3,576</u>
Subtotal 84.048A			3,576
Total Through USDE Programs			583,914
U.S. Department of Health and Human Services:			
Through Illinois Dept. of Health and Family Services:			
Medicaid Administrative Outreach	93.778	25-4991-00	<u>23,990</u>
Subtotal 93.778			23,990
Total Through USDHHS Programs			23,990
U.S. Department of Justice:			
Through Office of Community Oriented Policing Services:			
COPS	16.710	15JCOPS-23-GG-04792-SCAX	<u>500,000</u>
Subtotal 16.710			500,000
Total Through USDJ Programs			500,000
U.S. Department of Transportation:			
Safe Routes to School	20.200	2025	<u>13,140</u>
Subtotal 20.200			13,140
Total Through USDT Programs			13,140
Total Federal Awards			\$ 1,499,127

(M) Program was audited as a major program as defined by Sec. 200.518.

MERIDIAN COMMUNITY UNIT SCHOOL DISTRICT NO. 223

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2025

SECTION I - SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTSType of auditor's report issued: Adverse - GAAP / Unmodified - Cash Basis
(Unmodified, Qualified, Adverse, Disclaimer)

INTERNAL CONTROL OVER FINANCIAL REPORTING:

- Material weakness(es) identified? YES X None Reported
- Significant Deficiency(s) identified that are not considered to be material weakness(es)? X YES None Reported
- Noncompliance material to the financial statements noted? YES X NO

FEDERAL AWARDS

INTERNAL CONTROL OVER MAJOR PROGRAMS:

- Material weakness(es) identified? YES X None Reported
- Significant Deficiency(s) identified that are not considered to be material weakness(es)? YES X None Reported

Type of auditor's report issued on compliance for major programs:

Unmodified
(Unmodified, Qualified, Adverse, Disclaimer)

Any audit findings disclosed that are required to be reported in accordance with §200.516 (a)?

 YES X NO**IDENTIFICATION OF MAJOR PROGRAMS:**

CFDA NUMBER(S)	NAME OF FEDERAL PROGRAM or CLUSTER	AMOUNT OF FEDERAL PROGRAM
10.555, 10.553	Child Nutrition Cluster	378,083
84.027,84.173	Special Education Cluster	335,109
	Total Amount Tested as Major	\$713,192

Total Federal Expenditures for 7/1/24-6/30/25**\$ 1,499,127**

% tested as Major

47.57%

Dollar threshold used to distinguish between Type A and Type B programs:

\$750,000.00

Auditee qualified as low-risk auditee?

 YES X NO

MERIDIAN COMMUNITY UNIT SCHOOL DISTRICT NO. 223

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2025

SECTION II - FINANCIAL STATEMENT FINDINGS

1. FINDING NUMBER 2025- 001

2. THIS FINDING IS:

New

Repeat from Prior Year?

Year originally reported?

2021

3. Criteria or specific requirement

The District is responsible for preparation of accurate financial statements.

4. Condition

Material audit adjustments were identified during the fiscal year 2025 financial audit.

5. Context

Adjustments were needed in order to properly report certain items of revenue and expense in accordance with provisions of the Illinois School Code and the Illinois Program Accounting Manual (IPAM).

6. Effect

Several material audit adjustments were necessary to arrive at accurate financial statements.

7. Cause

Unfamiliarity with specific accounts required by ISBE for proper reporting in the AFR, primarily in unique reporting situations.

8. Recommendation

The District should consult with ISBE or reference the Illinois Program Accounting Manual for proper recording of financial transactions.

9. Management's response

See corrective action plan.

MERIDIAN COMMUNITY UNIT SCHOOL DISTRICT NO. 223

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2025

SECTION II - FINANCIAL STATEMENT FINDINGS

1. FINDING NUMBER 2025- 002

2. THIS FINDING IS:

New

Repeat from Prior Year?

Year originally reported? _____

3. Criteria or specific requirement

The district should be performing reconciliations of payroll liability accounts and should have a District Treasurer oversee the accounting functions.

4. Condition

Payroll liability account reconciliations were not performed in a timely manner during the year.

5. Context

During the course of performing audit procedures, we noted payroll liability accounts had not been reconciled.

6. Effect

Significant journal entries were required to correct payroll liability accounts.

7. Cause

Lack of oversight.

8. Recommendation

The District should implement procedures to ensure review of payroll liability accounts in a timely manner.

9. Management's response

See corrective action plan.

MERIDIAN COMMUNITY UNIT SCHOOL DISTRICT NO. 223

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2025

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

1. FINDING NUMBER: 2025- _____ 2. THIS FINDING IS: New Repeat from Prior year?
Year originally reported? _____

3. Federal Program Name and Year: _____

4. Project No.: _____ 5. CFDA No.: _____

6. Passed Through: _____

7. Federal Agency: _____

8. Criteria or specific requirement (including statutory, regulatory, or other citation)

9. Condition

10. Questioned Costs

11. Context

12. Effect

13. Cause

14. Recommendation

15. Management's response



MERIDIAN
SCHOOL DISTRICT #223

Meridian Community Unit School District 223

Phone: (815) 645-2230 • Fax: (815) 645-4325

www.meridian223.org

MERIDIAN COMMUNITY UNIT SCHOOL DISTRICT NO. 223

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Year Ended June 30, 2025

<u>Finding Number</u>	<u>Condition</u>	<u>Current Status</u>
2024-001	Material audit adjustments were identified during the fiscal year 2024 financial audit.	Still exists
2024-002	The September 30, 2023 IDEA Flow Through, ARP ID and ARP PS expenditure reports, and the December 31, 2023 Agriculture Education 20, Agriculture Education 30, Early Childhood Block Grant, IDEA Pre-K and IDEA Flow Through expenditure reports were not filed within the required time frame.	Resolved
2024-003	The June 30, 2024 ESSER Digital Equity D3 expenditure report reflects expenditures that were not supported by the District's documentation of the program for fiscal year 2024.	Resolved



MERIDIAN
SCHOOL DISTRICT #223

Meridian Community Unit School District 223

Phone: (815) 645-2230 • Fax: (815) 645-4325

www.meridian223.org

CORRECTIVE ACTION PLAN

Year Ended June 30, 2025

Finding Number: 2025-001

Summary of Finding:

Material audit adjustments were identified during the fiscal year 2025 financial audit.

District Response and Action Plan:

The District acknowledges the finding and has posted all recommended adjustments. To prevent recurrence, management will implement a more thorough year-end review process. We will consult with our auditors and the Illinois State Board of Education (ISBE) regarding unique reporting situations as they arise throughout the year. Additionally, staff will reference the Illinois Program Accounting Manual (IPAM) more frequently to ensure transactions are recorded in the proper accounts prior to the audit.

Contact Person: Stacey Mannix, District Bookkeeper

Anticipated Completion Date: 12/19/2025

Finding Number: 2025-002

Summary of Finding:

Payroll liability account reconciliations were not performed in a timely manner during the year.

District Response and Action Plan:

The District will correct liability balances for the current year. Management has assigned specific responsibility for the monthly reconciliation of all payroll and benefit liability accounts. The Superintendent will review these reconciliations on a quarterly basis to ensure they are being completed timely and that any variances are investigated and resolved immediately.

Contact Person: Michael Plourde, Superintendent

Anticipated Completion Date: 1/31/2026

Small town values, World class results