

Comprehensive Annual Financial Report

of

COMMUNITY UNIT SCHOOL DISTRICT NO. 300

Carpentersville, Illinois

For the fiscal year ended June 30, 2010

Officials Issuing Report

Dr. Cheryl Crates, Chief Financial Officer

MeriAnn Besonen, Director of Finance

Department Issuing Report

Finance

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December 5, 2010

President and Members of the Board of Education
Community Unit School District No. 300
Carpentersville, Illinois

The Comprehensive Annual Financial Report (CAFR) of Community Unit School District No. 300 (the District), Carpentersville, Illinois, as of and for the year ended June 30, 2010, is submitted herewith. Responsibility for the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the District. We believe the data, as presented, is accurate in all material aspects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the District as shown by the disclosure of all financial activity of its various funds; and that all disclosures necessary for public understanding of the District's financial status have been incorporated within this report.

The CAFR includes all funds of the District and is presented in three sections: Introductory, Financial, and Statistical. The introductory section includes this transmittal letter, the District's organization chart, and a list of principal officers and elected officials. The financial section includes the independent auditor's report on financial statements and schedules, Management Discussion and Analysis (MD&A), basic financial statements and required supplemental information such as the combining and individual fund financial statements and schedules. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis.

GAAP require that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The MD&A can be found immediately following the report of the independent auditors.

Reporting Entity and Its Services

The District is a unit district that comprises an area of 118 square miles in northern Illinois. The District includes Algonquin, Carpentersville, East Dundee, Gilberts, Hampshire, and Lake in the Hills, Pingree Grove, Sleepy Hollow and West Dundee. A small portion of the City of Elgin, an annexed portion of the Village of Hoffman Estates along with portions of Barrington Hills, Cary and Fox River Grove are also within the District. The District operates three high schools, five middle schools, sixteen elementary schools, one early childhood center, one alternative school, and two administration buildings.

The District has a tax base that includes residential and commercial development as well as agricultural areas. A regional shopping center, Spring Hill Mall, is located within the District. The mall is anchored by Macy's, Carson Pirie Scott and J.C. Penney's. There are also a number of outlet developments including several retailers such as Jewel Food Store, Target, and Best Buy. Algonquin Commons on Randall Road is an upscale shopping and dining destination with over 80 specialty stores and restaurants. The Arboretum on Higgins Road is an upscale shopping and dining destination with over 50 specialty stores and restaurants.

The Villages of Carpentersville, West Dundee, East Dundee, Lake in the Hills and Algonquin have all developed existing parcels of property within the District's boundaries as well, including extensive retail, commercial and residential development of the Randall Road Corridor which runs from south Kane County through McHenry County. A factory outlet mall (Huntley Factory Shops) consists of numerous retail shops and is located at the intersection of Interstate 94 and Illinois State Route 47. This outlet mall is across from a Del Webb Senior Citizen development.

Chase Bank has located its Illinois Bank Card Center in the District and Matsushita (Panasonic) maintains their Midwest Regional Operation Center in the District. Eighty percent of the Sears Merchandising Group Headquarters which employs 6,000 people is contained within the District.

The District's 2,115 employees (1,249 teachers, 777 non-certified staff and 89 administrators) served approximately 19,694 students for the 2009-10 school year, with expenditures totaling approximately \$255.9 million; of which capital projects and bond and interest payments totaled approximately \$40.0 million.

The governing body consists of a seven-member Board of Education elected from within the District's boundaries for four year overlapping terms. The Superintendent and staff administer day-to-day operations. The District is governed by an elected seven-member Board of Education and a full-time administrative staff.

DISTRICT ADMINISTRATION

Dr. Kenneth Arndt, Superintendent. Dr. Arndt has held this position since 2002. Prior to that Dr. Arndt served as Superintendent in Decatur, Illinois for six years and Assistant Superintendent in Ohio for seven years. Dr. Arndt holds a doctorate degree in Educational Administration and Supervision from the University Of Toledo, Ohio.

Dr. Cheryl Crates, Chief Financial Officer. Dr. Crates has held this position since 2004. Prior to that Dr. Crates served as the Assistant Superintendent/Finance at Madison Elementary School District in Phoenix, Arizona for 14 years, and Business Manager at school districts in Phoenix, Arizona; Lake Zurich, Illinois; and North Chicago, Illinois. Dr. Crates holds an Ed.D. in Administration from Northern Illinois University.

BOARD OF EDUCATION

OFFICIAL	POSITION	TERM EXPIRES
Joe Stevens	President	April, 2011
Karen Roeckner	Vice President	April, 2013
Anne B. Miller	Secretary	April, 2013
Monica Clark	Member	April, 2011
Chris Stanton	Member	April, 2011
Karen Plaza	Member	April, 2011
Dave Alessio	Member	April, 2013
Dr. Cheryl Crates	Treasurer	Appointed

Based on the legislative authority codified in Illinois School Code, the Board of Education has the following power:

- The corporate power to sue and be sued in all courts.
- The power to levy and collect taxes and to issue bonds.
- The power to contract for appointed administrators, teachers, and other personnel as well as for goods and services.

Mission and Strategic Goals

Community Unit School District 300's mission is to help students reach their potential as self-directed learners and responsible citizens. The District 300 strategy areas were developed as part of a holistic model. The seven strategy areas envelop all 36 initiatives in the strategic plan. Each strategy area is interconnected and interrelated to the others. The two strategy areas of Research and Information Systems and Communication serve as umbrella strategy areas on which all other strategy areas are critically dependent.

Strategic Goals:

1. Update the curriculum and instructional program and achieve the following:
 - Establish higher academic standards and expectations
 - Increase rigor
 - Modernize the curriculum to reflect diversity within the district
 - Become a leader in instructional technology integration in the classroom
 - Improve student achievement with group work skills
 - Increase emphasis on teaching life skills and preparing students for life after high school
 - Improve programming for the talented and gifted student
 - Utilize valuable business and community resources to support and enhance the curriculum and instructional programs
2. Create a learning environment within each school and throughout the district that instills a feeling of security, embraces diversity, and promotes optimal learning at all levels of the organization.
3. Attract and retain quality educators and staff through an environment that encourages professional development and excellence.
4. Over time, become a leader in technology integration by developing an information systems infrastructure and implementing research and information systems to analyze organizational data and effectively communicate this into useful information.

5. Develop a financial plan to implement the tactics in the strategic plan that ensures fiscal responsibility and transparent communication about the district's finances.
6. Develop and implement protocols as part of a comprehensive district communication plan to ensure transparent, thorough, effective and regular communication between and among all stakeholder groups.
7. Improve parent and community engagement through a Board of Education strategy that draws parents into greater involvement in their children's education, and enhances public opinion and support by dialoguing, promoting, communicating the benefits the school district brings to the community, including its cultural diversity.

District Organization and History

- District 300 was created in 1948 and has become the sixth largest school district, by enrollment, in the State of Illinois.
- During its first 31 years, District 300 added 17 schools within its boundaries, sold-off aged buildings and reconfigured existing buildings to maximize capacity within current facilities. After a 16 year lull, the district was once again in a "high growth" state and since 1995 has continued to reconfigure facilities to maximize capacity, added five new schools, replaced two schools (Eastview and deLacey) and was looking to add much needed facilities in the far western region of the District.
- Every cluster of new schools is the direct result of a population surge in District 300. The District was in "high residential growth model" and the two March 2006 referenda are the result of the 1990's growth. Residential growth has slowed due to the current recession. The growth related to new homes has caused an average increase of 300 students per year.
- In a growth district covering many municipalities, it is imperative to maintain constant communication regarding population growth, residential development, impact fees, transition fees, commercial development and TIFs.
- To this end, the District is a part of the Leadership Council which includes 15 municipalities and meets quarterly to discuss mutual issues with elected officials.
- The District keeps track of ALL residential developments, projected enrollment and EAV in the district through its meetings and constant communication with the villages and towns.
- The EAVs of residential development are used in the new growth, impact fee and transition fee projections as well as enrollment projections.

RESIDENTIAL DEVELOPMENT		NUMBER OF UNITS / MARKET VALUE (in millions)				
DEVELOPMENT	MUNICIPALITY	2009/2010	2010/2011	2011/2012	2012/2013	2013/2014
9 Developments	Algonquin	0 / \$0	33 / \$8.0	106 / \$16.6	154 / \$34.2	206 / \$41.1
3 Developments	Carpentersville	40 / \$15.0	42 / \$16.6	27 / \$16.6	27 / \$9.4	22 / \$6.6
1 Development	East Dundee	0 / \$0	0 / \$0	0 / \$0	22 / \$4.7	22 / \$4.7
2 Developments	Elgin	0 / \$0	70 / \$16.8	70 / \$16.8	336 / \$82.5	346 / \$85.0
3 Developments	Gilberts	0 / \$0	0 / \$0	50 / \$15.8	50 / \$15.8	60 / \$19.0
11 Developments	Hampshire	0 / \$0	20 / \$6.0	110 / \$29.6	445 / \$126.9	351 / \$90.1
6 Developments	Kane County	0 / \$0	0 / \$0	20 / \$10.2	20 / \$10.3	34 / \$23.7
2 Developments	Pingree Grove	205 / \$38.6	230 / \$43.1	255 / \$47.6	290 / \$54.0	430 / \$86.4
3 Development	West Dundee	0 / \$0	0 / \$0	38 / \$2.0	38 / \$2.0	41 / \$3.5
32 Developments	Total Market Value	245 / \$53.6	395 / \$90.5	676 / \$155.2	1,382 / \$339.8	1,512 / \$360.1

- The District has impact fee arrangements with every village and town in the District.
- The District collects impact fees and land in lieu of cash to purchase school sites and build schools.
- Below is a schedule of projected impact fees based on projected units sold:

FISCAL YEAR	UNITS SOLD	IMPACT FEES
2009/10	245	\$ 178,640
2010/11	395	\$ 684,027
2011/12	676	\$ 1,102,062
2012/13	1,382	\$ 2,954,443
2013/14	1,512	\$ 2,723,584

- Transition fees occur when a development annexes into the District and the students enroll prior to the taxes being received by the District.
- Transition fees are used in the General (Educational) Fund.
- Below is a projection of the transition fees based on projected units sold:

FISCAL YEAR	UNITS SOLD	TRANSITION FEES
2009/10	-	\$ -
2010/11	103	\$ 99,000
2011/12	244	\$ 499,500
2012/13	861	\$ 1,468,750
2013/14	820	\$ 1,246,000

- The largest EDA is the Sears EDA in Hoffman Estates, with a current EAV of \$331,539,908 in the District 300 portion. The TIF will include an indoor water park and a Cabela's Sporting Goods store, with a projected EAV of \$575,918,421 in 2013 when it comes onto the tax rolls. The Sears EDA is to expire in 2013.
- The East Dundee TIF covers Santa's Village (former amusement park), slated for residential and commercial development.
- West Dundee TIF includes an annex to Spring Hill Mall with proposed Marshall's, Payless Shoes and other additional retail.

Recent Community Initiatives

1. Passed Referendums

- In 2000, \$60 million bond issue was approved by District voters.
- In 2002, \$35 million working cash fund bond issue approved by the voters.
- March 21, 2006:
 - Passed a \$0.55 increase in the Education Fund Tax Rate.
 - Result: Healthier financial picture; smaller class sizes; and funding for new teachers and other staff related to continued growth.
 - Passed a \$185 million bond referendum to build new elementary schools, a high school, add wings to the middle schools and additional classrooms at various schools.
 - Result: Provided immediate relief to class sizes and space for new enrollment over the next few years. The funds also support technology and life-safety improvements District-wide.

2. The Community Finance Committee (CFC) was formed in the fall of 2004 to meet the needs of the community and the Board Finance Committee.

- a. The goals of the committee were:
 - i. To research the class size issue and make a recommendation to the Board Finance Committee regarding the cost of lower class sizes in the District.

- ii. To research the cost of future growth to determine the full financial impact of the recommendation on the District.
- b. The CFC is comprised of representatives from the schools, various union members and District staff.
- c. The CFC determined that the District student population is projected to grow in the next five (5) years and growth will continue in the next ten (10) years. The committee focused its study on the next five (5) years and used the detail data by school by grade to predict class size.
- d. CFC recommended that the 2002 staffing ratios should be the standard for the District. In order to achieve the 2002 staffing ratios and not add to the District's deficit, the committee determined that an increase to the General (Educational) Fund rate was necessary. In order to achieve the standard and reduce the District deficit, it would require a minimum of a \$0.55 tax rate increase for the General (Educational) Fund. While the committee felt that a \$0.55 increase was adequate, they also felt that a higher rate would put the District in a better financial position sooner. However, they felt that \$0.55 was a reasonable amount to ask from the taxpayers. This increase would allow the District to:
 - i. Decrease the negative fund
 - ii. Maintain the 2002 staffing ratio.
 - iii. Assure a quality education for students within District 300 boundaries.
 - iv. Add teaching positions to reduce class size and address future growth.

The CFC continues to meet and oversee the district's financial status to ensure class size remains at the 2002 levels and that the fund balance reaches standards.

3. The Community Building Committee (CBC) was formed in November 2004 to provide input on the operations of the District.

- a. The goals of the CBC were to:
 - i. Review the capital needs of the 23 schools to prioritize and equalize school requests. Identify costs and set timelines for projects. This would include projects not included in FACE I.
 - ii. Assist in securing revenues to complete the projects.
 - iii. Monitor identified fund and projects after funding has been secured.
- b. CBC Recommendation: In order to facilitate the reduced class size to the District Standard of 2002 and the growth in the next five years the District needed \$226,426,206 for capital projects. The committee determined that if it maintains the existing Bond and Interest Tax Rate, it could borrow \$185,000,000 without increasing the tax rate of \$0.47. The remainder of the needed construction dollars would be secured by utilizing Impact Fees of \$11,426,206 and securing \$30,000,000 from the State's CDB fund. This would allow the District to:
 - i. Build a new high school and new elementary schools.
 - ii. Provide additions to **Dundee-Crown High School** and **Jacobs High School**.
 - iii. Provide additions to **Westfield** and **Dundee Middle School**.
 - iv. Convert **Hampshire Middle School/High School** to a Middle School.
 - v. Renovate all existing schools.
 - vi. Supply the needed equipment to accommodate growth and provide funding for a fourth high school site.
 - vii. The committee proposed that the taxpayer be asked to maintain the current Bond and Interest rate in order for the District to secure \$185,000,000 for capital projects. The committee recommended this issue for a March 2006 referendum vote.

The CBC continues to meet to ensure the projects are built within the budgets set aside and to be sure the tax rate stays at the \$0.47. The current situation is that the impact fees from developers will be limited to approximately \$1 million and the State CDB funds are currently unavailable due to the state not funding the Capital Development Board.

The projects that were finished as of 2009 are: Dundee Middle School, Algonquin Middle School, Hampshire Middle School, Westfield Community School, Golfview Elementary and Parkview Elementary Schools. Technology projects, textbooks and a few other projects have been exhausted current construction funds. All other projects will be on hold until state revenues are received.

4. **Advance 300** is a group of several hundred community members dedicated to educating and gaining support and trust from the District 300 community in order to achieve and enhance educational excellence for all children.
 - a. Advance 300 mobilized over 2,000 volunteers district-wide to educate voters and secure **two YES** votes for the operating rate increase of \$0.55 and \$185 million of general obligation bonds.
 - b. This independent community group is still active today, promoting legislative initiatives that promote fiscally healthy schools and educational excellence for all children.
5. Each school has an **active PTO**. Altogether, the PTOs donated over \$100k to District schools in fiscal year 2009-2010.
6. The District also has an **active Foundation**. Since the Foundation was started it has raised over \$490k for District enrichment, providing grants in the areas of technology, literacy, arts, drama and leadership.
7. **The Ministerial Counsel** includes all faith based organizations in the District. They hold meetings quarterly to discuss District and student issues, including race and diversity.
8. The District hosts **Legislative Breakfasts** with area elected officials.
9. **Realtor Association** meetings with District officials occur semi-annually.

Recent Board Initiatives

During the 2008-09 fiscal year the Board of Education initiated the **Board EPRT Committee**. While the EPRT process was being used by Administrators to present recommendations on a program's effectiveness Board members did not play an active role in the process. The Board EPRT Committee has allowed the program to fully develop as an important tool to be used to determine the fiscal accountability and effectiveness of our programs.

Using the EPRT Process the Board EPRT Committee determined and recommended a change that resulted in reducing bus aides on the deLacey Pre-School buses for a savings of \$450k for the 2009-10 year and then \$750k for eliminating busing as of the 2010-11 year.

Other Budget changes were that there was no increase in insurance saving \$1 million and a decrease in classroom teachers of 15 due to staying within staffing parameters. Adds to the budget included 6 special Education staff and restructuring for Lakewood to accommodate their improvement plan. Various state grants were reduced on the revenue side to an anticipation of loss of state categorical funding due to the economy.

Accomplishments

Community Unit School District 300's primary mission is to help students reach their potential as self-directed learners and responsible citizens.

District Strategic Plan Goals, 2007-2010

1. Curriculum & Instruction	4. Learning
2. Parent & Community Engagement	5. Research & Information Systems
3. Human Resources	6. Communications
	7. Finance

Finance

Audits completed this year-

- Medicare audit
- State audit for transportation and grants
- CFCAP dinner program
- Developed internal controls testing and completed most of the audit adjustments for regular external audit

Food service-

- Redesigned the dinner program reporting process and procedures per audit response
- Reviewing process for billing and other financial information
- Set up standards for lunch monitors with Aramark

Training-

- Set up new standards for secretarial and administrative training.
- Conducted several secretarial trainings for Lawson
- Training for grants department for Lawson reports

Lawson-

- Implement move from 9.0 to 9.01
- Review and designed the security for the 9.0 security for the business office functions
- Completed learning accelerators for new bank deposit and revenue reports from buildings and running Lawson reports
- Document imaging implemented for Payroll and accounts payable.(part of Document imaging core team)
- Starting the paperless process for paychecks and w-2s
- Set up reporting in Lawson for the all day kindergarten and Pre K programs
- Set up Indirect cost reports for monitoring indirect costs.
- Fixed asset meeting for listing of assets to be tag, and reviewed with asset company

Business Office Streamlining-

- Cross training with the accountant

Revamped the accounts receivable position and duties -

- Streamlined procedures
- Cross training completed

Revamped Student Activity, foodservice, and fixed asset position-

- Streamlined procedures
- Cross training completed
- Created dinner program procedure manual
- Reviewed student activity and National School lunch program claim review

Accounts Payable-

- Reviewing current procedures; all other areas reviewed decided to complete review of accounts payable

- Determining what needs to be completed in the same manor, what can be done by an intern or other business office employee
- Cross training ongoing
- Trying to determine feasibility of taking credits for early payments (limited by current staffing)

Grants

- Streamline Grants Accounting process and compliance reporting.
 - Maximize usage of Lawson.
 - Design, implement, and distribute Lawson reports to users (Grant Administrators).
- Worked to establish Tuition Preschool Lawson units. Approval for methodology and related payroll overrides completed
- Worked to establish Extended Day Kindergarten Lawson reports. Reports reviewed and completed

Miscellaneous

- Teamed with IC department to correct the GSA report from the vendor.
- Reviewed investment policy
- Information to Bond council for TAWS
- Set up Athletic Directors' monthly meetings
- Successfully implemented the electronic filing system for all district service contracts and financial reports; being one of the first areas to implement this process, have been able to migrate electronic files (over 285) to the new electronic system. This will allow records to be accessible to staff members at various locations and will reduce the amount of time, space and costs for maintenance of these contracts.
- Web Design Committee which is focused on improving the district website to meet the needs of the community. This communication tools is a valuable tool which is evident by the high number of visits to the various financial (over 2000 hits) and the various committee pages (over 3000 hits).
- Streamline administrative processes; reduce redundancy while providing high quality administrative support to administrators and peers. This was accomplished by initiating and supporting Outlook Calendar features such as district calendar imports; Outlook room reservations; Employee Self Serve for internal training registration and reporting; utilization of the "Q" shared drive for Board Meeting Material and other committees; developed SharePoint site for secretarial support; reduction of internal mail delivery days and elimination of paper copies of documents (payroll sheets and building newspapers) available electronically.

Operations

Construction bond expenditures

- Construction bond expenditures were reviewed on a monthly basis to ensure budgetary goals were being met. Results as of May, is that we are under budget and have reconciled the reporting system to ensure accuracy of the commitments; holding true to our fiscal responsibility for these funds.

Construction projects completion and final close-out:

- Hampshire High School – Lawson closed out
- Hampshire Middle School – Lawson closed out
- Algonquin Middle School – Lawson closed out
- Westfield Community School (entire project) – completed parking lot, sidewalk, and exterior brick by start of school in August 2009.
- Dundee Middle School (entire project) – completed interior renovations and parking lot to be completed by start of school in August 2009.
- Golfview Elementary - wing and Appendix M renovations completed by start of school in August 2009
- Parkview Elementary (entire project) – wing and renovations to be completed by August 2009
- Hampshire Elementary HVAC completed– Lawson closed out
- Lake in the Hills Elementary – HVAC completed – Lawson closed out

- Meadowdale Elementary – Roof completed – Lawson closed out
- Neubert Elementary – HVAC completed - Lawson closed out
- Perry Elementary – Roof and HVAC completed – Lawson closed out
- Sleepy Hollow Elementary – Roof completed
- Mobile classroom removal completed at Golfview, Perry, DMS and Westfield

Complete construction projects/phases:

- Hampshire Elementary - Architect drawings completed
- Lakewood School - Architect drawings completed
- Neubert Elementary – Architect drawings completed
- Perry Elementary – Architect drawings completed
- **Continue rollout of preventative maintenance module in Facility Tree**
COMPLETED: Facility Tree Work Order system was selected and implemented district-wide. The preventative maintenance module has been populated with data. Reporting from the Facility Tree system has been completed. Meetings were held with each building principal and head custodian to review the use of Facility Tree in order to improve use of the system

Manage the transition of Oak Ridge to new facilities for FY11 school year

COMPLETED: The analysis, budget and lease agreement was completed which would allow D300 to move into the Woodlands School but the Barrington D220 Board of Education decided against leasing the building to D300.

Additional accomplishments outside of original goals:

- Lakewood kitchen upgrade completed using NSLP grant funds
- Golfview kitchen upgrade completed using NSLP grant funds
- CMS kitchen upgrade completed using NSLP grant funds
- Perry kitchen upgrade completed using NSLP grant funds
- Old deLacey building demolition and site restoration started; DCHS storage shed to be built over the summer 2010
- High-voltage and low-voltage install for six Read180 schools
- Successfully negotiated flood plain elevation changes that halted construction documents for new addition to Hampshire Elementary School (originally floor elevation was below acceptable flood plain tolerance) with Hampshire Village engineer and Kane County Water Management Department
- Hampshire bus facility negotiations for 9+ acres via an impact fee/land swap
- Schweitzer House IGA completed and renovations started
- Jacobs High School baseball backstop installed
- Completed major bids:
 - Foodservice bid - Aramark had the winning bid of \$5.0 million.
 - Audit Services bid – winning bidder is Baker Tilly
- Successfully worked with Kane County Department of Employment and Education and Elgin Community College to add three (free) workers to the District office via the Summer Youth Employment Program and the TANF Work Experience Program.

Purchasing

- PCard module was interrupted during the upgrade to 9.0.1 release. The changes in functionality were not corrected by until May 2010. Completion of this project is anticipated by July 31, 2010. Complete implementation of this project would enable all local in-house charge accounts and the Walmart account (which are available for incidentals purchases, to be closed providing better internal controls by employee, while streamlining the Accounts Payable process and account reconciliation. (7)
- (KIDS Dashboard) report was delivered and has proved to be very useful tool for all schools and departments. This report provides a real time query report for all open purchase order lines for their sites, which enables the customer to have a complete status and detailed information from what items

where order, requested delivery date, and received items. Based on the feedback from the schools and departments, (7)

- The addition of two punchout contracts for library and used textbooks were negotiated. Follett Library Services is complete and available for all requestors. The punchout feature reduces that amount of data enter time by the requestor by 95% and enables the District to monitor the contract pricing for all sites. The used textbooks contract will be available by mid June for use in punchout.
- The annual Bid calendar will be completed by June 30, 2010. This will give an overview of all bids that have be issued throughout the year and also establish a timeline going forward for annual bids, etc. This process should streamline the bid process while determining the available time to insert new bids into the calendar.
- The implementation of Strategic Sourcing module (bid module and supplier portal) will enable the streamlining of online bidding, and quotes, along with the automation of supplier registration. The interface with Lawson will enable the automatic creation of vendors, service agreements, and purchase orders directly from the award of the event. This will streamline the process and reduce manual data entry by district personnel.

Technology

- Implemented procedures to improve systems security for data and equipment.
- Completed the projects using referendum funds. All school infrastructure completed to include inside cabling, electronics, telephones, and computers for every certified staff member.
- System reliability for the WAN continues to improve with fiber now connecting the schools in all campus environments. Radios between schools and water towers also were upgraded to improve throughput.
- Restructured the technology team to improve support and responsiveness to schools and departments.
- Managed technology budgets for construction and referendum purchases, as well as annual funds.
- Improved Help Desk functions to provide improved first-level support and customized Track-It! to provide more immediate responses to staff.
- Added and supported new instructional equipment for applications such as ScanTron and Scholastic, as well as Ricoh and other document imaging systems.
- Created 13 online courses and conducted 40 technology workshops.
- Enhanced user operations and technical network management by cleaning up Active Directory and Group Policies.
- Completed Phase 2 cabling, electronics and wireless access point installations at remaining schools.
- Added bilingual web support and translation services.
- Upgraded district web site to Drupal 6.
- Provided standardized, yet individual themes for each school webmaster.
- Doubled email capacity with a faster array drive.
- Began using provisioning software to minimize Technology Coordinator work as new students and staff arrive or are transferred around our schools.
- Significantly improved our disaster and recovery readiness through Revinetix backup tuning and reconfiguration.
- Began the process of migrating from McAfee to Kaspersky virus protection.
- Completed the installation of phone and network systems in all buildings on time and under budget. This included removing over 400 POTS and Centrex lines for an annual savings of more than \$75,000.
- Coordinated all phone system maintenance renewals into coterminous agreements.
- Changed IP security cameras at JHS (and developed plans for this summer at DCHS) to conform to district standards.
- Converted two elementary schools and 50% of two high schools from Macs to Windows.
- Using environmentally appropriate methods, disposed of more than 20 tons of recyclable equipment.

- Developed (and planned for deployment) standard images for computers across the district.
- Maintained appropriate inventory and equity records for computers and SMART Boards across the district.
- Established professional development plan for all technology staff.
- Installed and provided training for almost 200 SMART Boards.
- Supported the development of a D300 Assistive Technology lab at LITH

Curriculum and Instruction

District Strategic Plan: Increase rigor in the curriculum:

- **Action:** Introduce, implement, support, and monitor AVID at all nine secondary schools to provide a rigorous college readiness curriculum to “students in the middle” most especially traditionally under-represented students. Set up expectations and support at each school to expand AVID instructional strategies into all core classrooms. Support the necessary training to insure that each school is AVID certified and shows continuous growth on the AVID CSS plan.
- **Results:** All nine secondary schools are entering year three of implementation, and all nine received AVID certification which means all are on-track to reach District goals of providing a college ready student. Each school has developed a vision of being a school that promotes and supports a college readiness environment. In year three a review of each school’s AVID student course selection/assignment indicates that AVID students have been both accelerated and supported.
 - AP enrollment of eligible AVID students: HHS-16: HDJ-18: DCHS-33 (2 Sections at DCHS): District total-67
 - High School AVID Honors: HHS-181: HDJ-128: DCHS-431
 - Percentage of middle school AVID students enrolled into algebra: 96%: 7th grade pre-algebra: 91%: 6 grade advanced math : Approximately 90%
 - 7th grade Avid Math Summer School Enrollment- 60 plus

AVID

2008-09 demographics indicate stellar success in addressing access to rigor and college: AP enrollment demographics last year indicated that 83% were White; 10% Asian; 5% Hispanic; 2% African American. While 2008-09 AVID demographics indicate that 46% were Hispanic; 42% White; 7% were African American; 4% Asian.

In general, AVID students have been extremely satisfied, excited, and proud of being selected into AVID. Parents and staff are also excited and supportive of both AVID instructional methods and student success in accelerated courses.

- **Action:** Continue review of the pre-K-12 written, taught, and assessed curriculum to insure rigor in the core curriculum and assessments.
 - District assessments for Language Arts, Math, Music, and Science were under development (Music) during the past year. Previous assessments were too fact/content driven to address the District focus on 21st Century and college readiness skills.
 - K-12 Math curriculum was reviewed and adjusted to focus on alignment to ISAT and PSAT. The Divisionals lead the 9-12 assessment and curriculum revision processes. SAC members lead the 6-8 processes.
- **Results:** K-5 is more aligned and addresses the identified gaps in math facts as well as algebraic sense. The 6-8 courses were redone to better address algebra skills and reinforce math basics. Seventh grade students will now be offered pre-algebra which may better prepare more students for a middle school algebra experience.

The District Summative Assessments were reviewed and improved to better address 21st Century learning skills, fewer but more in-depth questions, and secondary were put into ScanTron. All newly revised

curriculum and assessments are now available to all staff members through SharePoint. Curriculum staff members and selected elementary principals continue to work with teachers on developing an understanding of the standards-based report card that has been difficult to implement for them. A plan for more staff development and discussion of standards-based reporting will continue throughout the 2010-11 year. Even during difficult economic times, the District has still been able to purchase materials for students and teachers. Of course, major adoptions are not possible at this time. The department has implemented an improved plan of ordering materials and keeping inventory of these assets. A plan is being implemented to include the Purchasing Department in the ordering and management of textbooks. Curriculum will focus on the evaluation and selection of materials. Instructional Technology has been actively involved in the selection process to insure that all adoptions are technology driven and will work within District parameters.

District #300 Partnerships and Programs:

- **Action:** Work to develop a Dual Degree program agreement with ECC and District #300 made some progress this year. Multiple meetings were conducted with Belvidere and ECC leadership. There is interest in pursuing this agreement from ECC, and more detailed work was completed in the areas of both budget and curriculum. However, the economic problems have put this project on hold until appropriate funding can occur.
- **Action:** District #300 remains a major presence on the District 509 Alliance for College Readiness not only on curriculum committees but also on the Board of Advisory. This collaborative work has resulted in multiple professional development opportunities for secondary staff and administrators. Data is being shared on student successes and challenges in post-secondary work. Future funding activities for collaborative programs, student and family support, and staff development are the focus for 2010-11.
- **Action:** District #300 is active in the Illinois PBIS Network and receives both technical and training support for PBIS schools. District #300 is an official partner with them on a 3 million dollar I3 grant that is written to provide more technical support and data networks. District #300 was recognized for its work on integrating the PBIS data system with IC. Currently, 22 buildings have or are in the process of implementing PBIS. Only Sleepy Hollow, Hampshire Elementary and Meadowdale have not acted on this program.
- **Action:** District #300 did maintain a position on the ACT Regional Committee, but this will need a new assignment next year. This position not only adds a presence, but printed information is free to our schools.
- **Action:** The relationship with the ROE is most critical. While the support for the current Title buildings and Dundee-Crown High School has been outstanding, the ROE is facing budget cuts too which will mean that Curriculum will need to make this support a priority. By placing this work as a priority, not only will the schools be supported, but the ROE will notice the commitment is still at the District level. The future of the District's work with RT3 is dependent to some degree on this relationship.

Safety

- We conducted an overview of district-wide bus and private vehicle transport zones at all campuses. Reviewed pedestrian and vehicle traffic flow, identified danger areas, improved pavement markings and signage for better traffic control and safety direction.
- Developed district-wide training for bus supervisors, issued and required use of safety vests for bus supervisors at all school buildings.
- Provided crisis management training district-wide to the following staff: building administrators, certified staff, substitute teachers, bus drivers, secretaries/office staff, and Para-professionals.
- Upgraded security camera systems in 16 schools of the district.
- Met with all police, fire and 911 dispatch agencies that provide service to D-300 schools. Educated them on what procedures and actions we are training the school staff to do in times of crisis. Discussed police and fire response plans to the schools during crisis events. Established police entry points at all of our schools buildings during a crisis response.

- We established a quarterly safety newsletter which is sent to the staff at each building, in an effort to inform them of safety issues at the district level and at their building level. Safety topics address not only security issues but staff safety and injury risks in the workplace.
- Incorporated workplace safety and workers compensation issues into the district's Regional Safety Teams. Educating each building in the cost of injury claims and risks reported in their buildings. This effort is to build a dialog and culture to include workplace safety in each buildings safety efforts.
- We trained building administrators in the reporting, interviewing and investigation of reported work place injuries which occur in their building.

Parent and Community Engagement

- CBC and the CFC continue to meet, looking at how the District has spent prior bond referendum funds and are key community groups for the District to solicit community involvement regarding the sale of the last \$45 million bonds for middle school construction.
- Expanded the use of the Rapid Communication System (RCS) to all D300 schools.
- Established and maintained the district's social media presence. Twitter launched on the first day of school (Aug. 31, 2009) and garnered about 700 followers by the end of the school year. Facebook launched May 1, 2010. In just its first five weeks, the CUSD300 Facebook page attracted nearly 1,000 followers. This was achieved through a strategic marketing campaign.
- Produced the first-ever D300 Alumni Directory.
- Directed the development and launch of D300's first ever "Alumni & History" webpage.
- Established and maintained a Budget webpage as a "one stop shop" for all key documents/details related to the budget reductions process. This ensured the public was involved and informed in a timely manner. The Budget webpage included relevant Board meeting transcripts, news releases, budget documents, state legislator contacts/maps, and much more.
- Issued an RFP for district publications, saving the district over \$50,000.
- Issued an annual survey of staff, parents, and community members on D300 communication efforts. Overall, survey results continue to improve year to year. Supervised the Archives Manager in launching and maintaining the Document Imaging system.
- Directed a redesign of the D300 monthly newsletter and Annual Report to make them more attractive and reader-friendly. Also, branded the newsletter by giving it an official name: "The Leader."
- Coordinated publicity for the first-ever D300 Veterans Day celebration.
- In fall 2009, earned five (5) communications awards from INSPRA, the most ever earned by D300 in a year. The awards recognized: the D300 Newsletter; our series of articles in the Courier-News; and our video series, "300 in Motion" (which was on hold in 2009-10 because Paul Hardt was no longer available).
- Presented to the state-wide INSPRA membership in April 2010 regarding the D300 Online FOIA Program.
- Presented at the IASBO (state association of school business officials) state conference in spring 2010 on using social media (Twitter/Facebook) to communicate district finances.
- Authored an article for the Illinois School Boards Journal on the D300 Online FOIA Program.
- Fostered recognition of students, staff and community members in numerous formats, such as Board meetings, radio shows, news releases, publications, social media, and Kane County Educator of the Year.
- Facilitated D300 Relay for Life, which in its first year brought over 800 people together from across the district and earned over \$80,000 for the American Cancer Society.
- Directed the D300 PTO Council, which included brainstorming solutions to parent issues, providing seminars and resources on running a PTO, ensuring that the PTO's had correct information on district issues, and encouraging 2-way dialogue with district leaders.
- Supported H1N1 Flu planning and communications.
- Supervised the Archives Manager's successful completion of a multi-phase, district-wide document shredding process, according to legal timelines for records retention.

Human Resources

- Completed installation of Lawson position control
- Second year for employee Ben-a-Palooza (was established in the fall 2008)
- The 403B/457 Plan was realigned to be more effective for both the employee and District purposes. District 300 is one of the few, if any, districts in this area that has changed its 403B program in accordance with recently-adopted IRS regulations
- High school divisional teachers were approved by the Board this will serve the District well and significantly address student achievement issue
- Kronos hourly tracking system was fully implemented
- District has made considerable progress in addressing outstanding Workers' Compensation claims; and, in conjunction with our property and liability insurance
- A district-wide Security Officer was hired to coordinate all security issues and programs
- Learning Environment, also known as Student Discipline Committee – the role of the Student Discipline Committee has expanded considerably from its inception

Recent Fiscal and Business Management Policy:

- Budget shall be balanced to the extent possible.
- Budget planning shall begin a year prior to budget approval.
- District shall maintain five year financial projections.
- Fund balance target 3 months of annual expenditures in the operating fund.
- Operating surpluses are divided 50% for fund balance and 50% for programs.
- District maintains an investment policy per the State of Illinois policy.
- District maintains a debt policy consistent with statute.
- District maintains a long term capital facilities plan.

Major Salary Agreements

- LEAD is the teachers' union and the District has a four year contract with increases, including step, totaling 4.2%-4.5% annually. The contract is through 2010.
- DESPA is the custodial/secretarial union and there is a contract through 2010 with a 3.4%-3.6% increase annually.
- DESA is the teachers' assistants union is a contract through 2013 with a 4.8% - 4.5% increase annually.
- The District's PPO and HMO health plans are self-funded through BCBS of Illinois where they have negotiated reduced administrative fees.

ISAT Test Results

ISAT 2010						
Grade Level	Reading 2010	Reading 2009	+ or - from 2009	Math 2010	Math 2009	+ or - from 2009
3 rd Grade	71.4%	70	+1.4	86.5%	85.2	+1.3
4 th Grade	74.5%	76	-1.5	88.6%	88	+.6
5 th Grade	76.1%	76	+.1	85.6%	86	-.4
6 th Grade	84.6%	83	+1.6	86.1%	84	+2.1
7 th Grade	81.8%	78	+3.8	86.5%	86	+.5
8 th Grade	85.2%	84	+1.2	86%	84	+2
District	76%	75.5%	+.50	82.3%	81.9%	+.40

- ⦿ Continue to achieve highest scores ever had in both reading and math
- ⦿ 14 out of 21 schools had 80% or more of students meeting or exceeding standards in both reading
- ⦿ and math
- ⦿ Middle school grades are showing the most gains

ACT Test Results

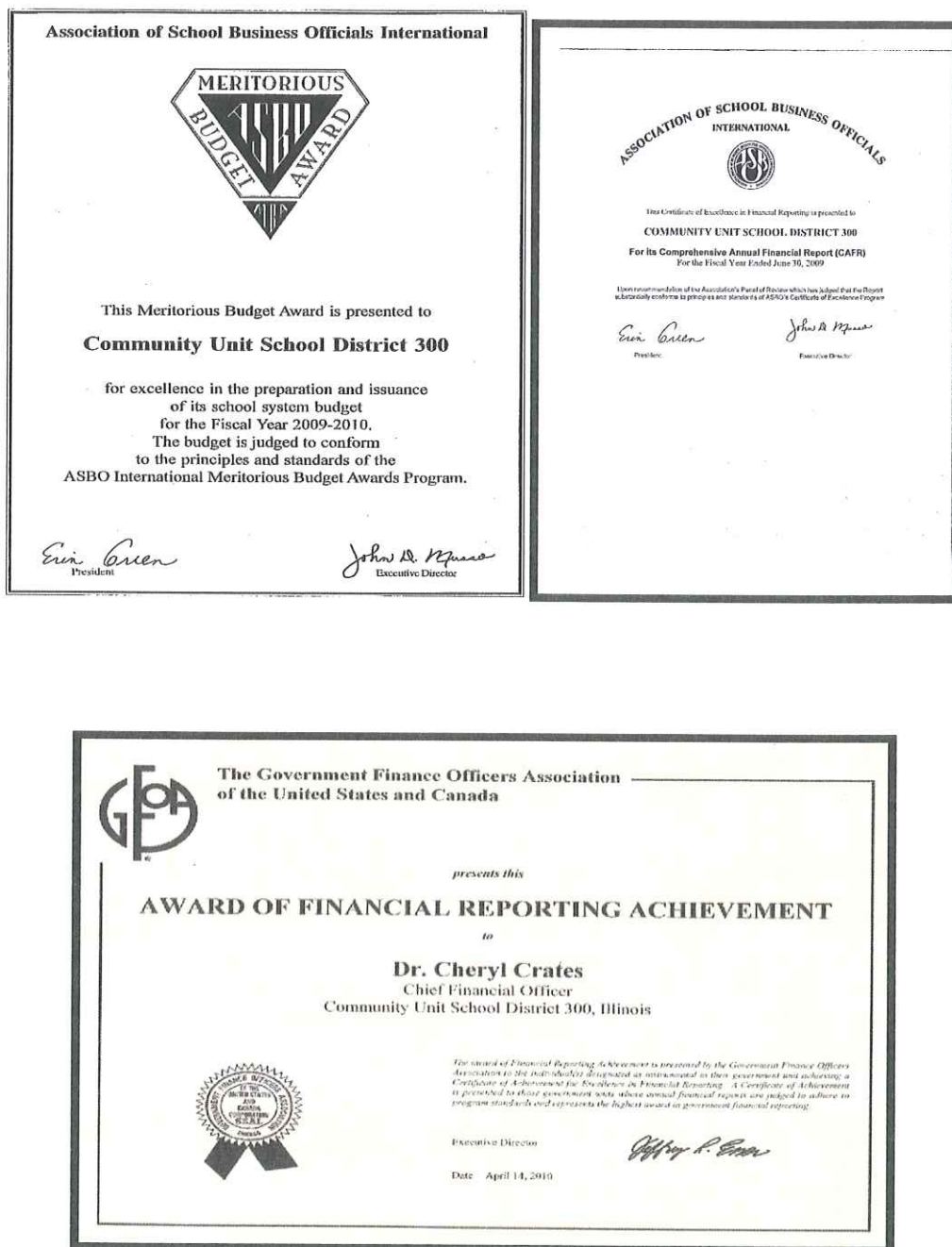
ACT Results 2009

School	Composite	English	Math	Reading	Science
CUSD Score	20.4	19.8	20.4	20.7	20.2
Change from 2009	20.4; same	20.0; down .2	20.3; up .1	20.6; up .1	20.4; down .2
DCHS	19.2	18.4	19.3	19.5	19.0
Change from 2009	19.3; down .1	18.7; down .3	19.2; up .1	19.2; up .3	19.4; down .4
HHS	20.4	19.9	20.6	20.3	20.2
Change from 2009	20.8; down .4	20.4; down .5	20.4; up .2	21.2; down .9	20.6; down .4
HDJHS	21.6	21.1	21.4	21.9	21.3
Change from 2009	21.5; up .1	21.2; down .1	21.3; up .1	21.7; up .2	21.3; same

- PSAE scores are a combination of ACT and WorkKeys, the two days of April testing for high school juniors.
- WorkKeys is a business-setting application of skills in English, math, reading and science.
- The PSAE score is not a simple combination of the ACT and WorkKeys test nor an average of the two tests. Instead, it is a complicated mathematical calculation.
- If ACT scores go up it does not necessarily mean a school will achieve AYP; AYP is an entirely different calculation and increases by 7.5% per year, with the target being 85% of all high school students meeting standards in 2011.

Award-winning management

D300's outstanding financial management received several prestigious honors in 2009-2010, including:



Economic Condition and Outlook

The economic outlook for District 300 communities indicates continual growth. The financial, commercial, and industrial enterprises represent a diversity, which should withstand difficulties in any one area, and long term planning by all of the communities' promises to provide a smooth and effective transition into the future. Significant commercial development in the Randall Corridor and the intersection of 59 and 72, continued growth of housing developments throughout the District (although somewhat slowed due to the economic situation in the nation as a whole), and continued attention to public works/roadways all emphasize the comprehensive activity and preparation of the District 300 communities.

The District has a mixed tax base that includes substantial residential and commercial development. The District also has various agricultural areas remaining within its borders. A regional shopping center, Spring Hill Mall, is located within the District. The mall is anchored by Macy's, Carson Pirie Scott and J.C. Penney's. There are over 100 additional stores in the Spring Hill Mall as well as a number of outlet developments including several large retailers, such as Jewel Food Store, Target, and Best Buy.

Construction was completed on Algonquin Commons, on Randall Road, which is a new, upscale shopping and dining destination with over 80 specialty stores and restaurants. Nearby, the Algonquin Galleria Center is an outdoor shopping mall under construction currently with plans for 1,000,000 feet of retail space with potentially 150 stores and restaurants.

The villages of Carpentersville, West Dundee, East Dundee, Lake in the Hills and Algonquin have all developed existing parcels of property within the District's boundaries as well, including extensive retail, commercial and residential development of the Randall Road Corridor which runs from south Kane County through McHenry County. A factory outlet mall (Huntley Factory Shops) consists of numerous retail shops and is located at the intersection of Interstate 94 and Illinois State Route 47. This outlet mall is across from an extensive Del Webb Senior Citizen development.

Chase Bank has located its Illinois Bank Card Center in the District and Matsushita (Panasonic) maintains their Midwest Regional Operation Center in the District. Eighty percent of the Sears Merchandising Group Headquarters which employs 6,000 people is contained within the District.

Historical and Projected Enrollment

HISTORICAL		PROJECTED	
2004/2005	18,273	2010/2011	20,574
2005/2006	18,689	2011/2012	21,247
2006/2007	19,119	2012/2013	21,597
2007/2008	18,990	2013/2014	21,922
2008/2009	19,628		
2009/2010	19,694		

Source: Enrollment figures are provided by the District.

Population Data

<u>NAME OF ENTITY</u>	<u>1980</u>	<u>1990</u>	<u>2000</u>	<u>% CHANGE 1990/2000</u>
Village of Algonquin	5,834	11,663	23,276	+99.57%
Village of Carpentersville	23,272	23,049	30,586	+32.70%
Village of East Dundee	2,618	2,721	2,955	+8.60%
Village of Gilberts	405	987	1,279	+29.58%
Village of Hampshire	1,735	1,843	2,900	+57.35%
Village of Lake in the Hills	5,651	5,866	23,152	+294.68%
Village of Pingree Grove	183	138	124	-10.14%
Village of Sleepy Hollow	2,000	3,241	3,553	+9.63%
Village of West Dundee	3,551	3,728	5,428	+45.60%
Kane County	278,405	317,471	404,119	+27.29%
McHenry County	147,897	183,241	260,077	+41.93%
Cook County	5,253,655	5,105,067	5,376,741	+5.32%
DeKalb County	74,628	77,932	88,969	+14.16%
State of Illinois	11,427,409	11,430,602	12,419,293	+8.6%

Source: U.S. Census Bureau

Transportation

The District and the surrounding communities have several transportation choices including three Metra light rail commuter stations in Crystal Lake, Barrington and Elgin and local bus transportation. Surrounding roadways include Interstate 94, Illinois State Routes 31, 62, 72, 20 and 25. Randall Road has developed into a significant north-south roadway for Kane and McHenry Counties and is considered essential to the growth and economic development of both counties. O'Hare International Airport is approximately 30 minutes east of the District.

Population

	1980	1990	2000
Algonquin	5,834	11,663	23,276
Carpentersville	23,272	23,049	30,586
East Dundee	2,618	2,721	2,955
Gilberts	405	N.A.	1,279
Hampshire	1,735	1,843	2,900
Lake in the Hills	5,651	5,866	23,152
Pingree Grove	183	N.A.	124
Sleepy Hollow	2,000	3,241	3,553
West Dundee	3,551	3,728	5,428

Source: U.S. Census Bureau

Economics

State of Illinois, Department of Revenue, "Kind of Business Reports," show reported receipts from retailers for the Retailers' Occupation Tax and the Service Occupation Tax.

Sales Tax Receipts

RETAILERS' OCCUPATION, SERVICE OCCUPATION AND USE TAX⁽¹⁾

The following table shows the distribution of the municipal portion of the Retailers' Occupation, Service Occupation and Use Tax collected by the Illinois Department of Revenue from retailers within the Village of Algonquin, the Village of Carpentersville, the Village of East Dundee, the Village of Gilberts, the Village of Hampshire, the Village of Lake in the Hills, the Village of Pingree Grove, the Village of Sleepy Hollow and the Village of West Dundee. The table indicates the level of retail activity in such Villages.

	VILLAGE OF ALGONQUIN	VILLAGE OF CARPENTERSVILLE	VILLAGE OF EAST DUNDEE
YEAR ⁽¹⁾	STATE SALES TAX DISTRIBUTION ⁽²⁾	STATE SALES TAX DISTRIBUTION ⁽²⁾	STATE SALES TAX DISTRIBUTION ⁽²⁾
2003	\$3,308,709	\$2,099,539	\$1,653,704
2004	4,057,929	2,443,791	1,561,389
2005	5,291,741	2,710,292	1,580,232
2006	6,144,349	2,915,946	1,563,944
2007	4,090,144	2,916,107	1,471,727
2008	6,504,882	2,851,159	1,323,935
2009	6,455,352	2,760,335	1,167,166
2010(3)	1,630,221	726,410	334,865

	VILLAGE OF GILBERTS	VILLAGE OF HAMPSHIRE	VILLAGE OF LAKE IN THE HILLS
YEAR ⁽¹⁾	STATE SALES TAX DISTRIBUTION ⁽²⁾	STATE SALES TAX DISTRIBUTION ⁽²⁾	STATE SALES TAX DISTRIBUTION ⁽²⁾
2003	\$452,032	\$2,113,092	\$1,116,820
2004	449,029	2,425,557	1,545,652
2005	511,661	3,307,099	1,953,853
2006	478,020	2,295,621	2,110,179
2007	353,784	1,507,354	2,146,939
2008	266,012	1,041,591	2,123,758
2009	141,770	553,573	1,957,450
2010 ⁽³⁾	42,623	129,254	532,403

	VILLAGE OF PINGREE GROVE	VILLAGE OF SLEEPY HOLLOW	VILLAGE OF WEST DUNDEE
YEAR ⁽¹⁾	STATE SALES TAX DISTRIBUTION ⁽²⁾	STATE SALES TAX DISTRIBUTION ⁽²⁾	STATE SALES TAX DISTRIBUTION ⁽²⁾
2003	\$31,505	\$87,490	\$3,295,478
2004	37,905	88,019	3,280,530
2005	49,937	24,105	3,019,083
2006	60,971	23,642	3,082,224
2007	62,627	23,236	2,958,581
2008	102,501	22,748	2,682,659
2009	85,700	19,608	2,228,860
2010 ⁽³⁾	25,745	6,389	531,312

Source: Illinois Department of Revenue.

(1) Calendar year reports ending December 31.

(2) Tax distributions are based on records of the Illinois Department of Revenue relating to the 1% municipal portion of the Retailers' Occupation, Service Occupation and Use Tax, collected on behalf of the Villages, less a State administration fee. The municipal 1% sales tax includes tax receipts from the sale of food and drugs, which are not taxed by the State.

(3) As of Second Quarter.

CONSTRUCTION

The following chart indicates the estimated value of residential building permits issued in Village of Algonquin, the Village of Carpentersville, the Village of East Dundee, the Village of Gilberts, the Village of Hampshire, the Village of Lake in the Hills, the Village of Pingree Grove, the Village of Sleepy Hollow and the Village of West Dundee.

	VILLAGE OF ALGONQUIN	VILLAGE OF CARPENTERSVILLE	VILLAGE OF EAST DUNDEE
YEAR	ESTIMATED VALUE	ESTIMATED VALUE	ESTIMATED VALUE
2003	\$30,475,302	\$90,000,000	\$ 0
2004	42,377,263	44,005,000	325,374
2005	43,811,788	8,250,000	0
2006	20,029,245	38,950,000	405,000
2007	6,109,500	10,538,861	0
2008	4,428,288	0	440,000
2009	1,125,170	9,491,594	250,000
	VILLAGE OF PINGREE GROVE	VILLAGE OF SLEEPY HOLLOW	VILLAGE OF WEST DUNDEE
YEAR	ESTIMATED VALUE	ESTIMATED VALUE	ESTIMATED VALUE
2003	\$ 0	\$ 380,000	\$31,417,190
2004	327,000	1,620,000	32,618,062
2005	73,114,454	1,680,000	7,907,365
2006	55,856,300	0	4,663,859
2007	26,305,600	0	1,303,163
2008	11,883,900	0	184,225
2009	10,193,114	0	0
2010 - August	2,919,800	0	0
	VILLAGE OF GILBERTS	VILLAGE OF HAMPSHIRE	VILLAGE OF LAKE IN THE HILLS
YEAR	ESTIMATED VALUE	ESTIMATED VALUE	ESTIMATED VALUE
2003	\$51,251,069	\$ 7,616,920	\$41,324,616
2004	21,621,454	16,282,000	36,231,360
2005	12,384,860	20,163,000	34,697,134
2006	20,533,575	18,246,618	16,540,932
2007	11,882,099	31,877,169	6,918,453
2008	7,007,894	6,513,355	3,103,811
2009	5,594,369	781,510	1,831,666
2010 - August	1,777,877	200,000	672,463

Source: U.S. Census Bureau

Specified Owner-Occupied Units

VALUE	VILLAGE OF ALGONQUIN		VILLAGE OF CARPENTERSVILLE		VILLAGE OF EAST DUNDEE	
	NUMBER	PERCENT	NUMBER	PERCENT	NUMBER	PERCENT
Under \$50,000	7	0.10%	37	0.56%	---	0.00%
\$50,000 to \$99,999	59	0.84%	1,834	27.62%	10	1.02%
\$100,000 to \$149,999	1,417	20.29%	3,114	46.89%	305	31.12%
\$150,000 to \$199,999	2,240	32.08%	970	14.61%	461	47.04%
\$200,000 to \$299,999	2,414	34.57%	642	9.67%	160	16.33%
\$300,000 to \$499,999	813	11.64%	32	0.48%	40	4.08%
\$500,000 to \$999,999	17	0.24%	12	0.18%	---	0.00%
\$1,000,000 or more	16	0.23%	---	0.00%	4	0.41%
Total	6,983	100.00%	6,641	100.00%	980	100.00%

VALUE	VILLAGE OF GILBERTS		VILLAGE OF HAMPSHIRE		VILLAGE OF LAKE IN THE HILLS	
	NUMBER	PERCENT	NUMBER	PERCENT	NUMBER	PERCENT
Under \$50,000	2	0.56%	4	0.52%	24	0.36%
\$50,000 to \$99,999	4	1.12%	19	2.45%	237	3.52%
\$100,000 to \$149,999	53	14.80%	324	41.86%	2,159	32.03%
\$150,000 to \$199,999	93	25.98%	203	26.23%	2,581	38.29%
\$200,000 to \$299,999	193	53.91%	215	27.78%	1,486	22.04%
\$300,000 to \$499,999	13	3.63%	9	1.16%	219	3.25%
\$500,000 to \$999,999	---	0.00%	---	0.00%	27	0.40%
\$1,000,000 or more	---	0.00%	---	0.00%	8	0.12%
Total	358	100.00%	774	100.00%	6,741	100.00%

VALUE	VILLAGE OF PINGREE GROVE		VILLAGE OF SLEEPY HOLLOW		VILLAGE OF WEST DUNDEE	
	NUMBER	PERCENT	NUMBER	PERCENT	NUMBER	PERCENT
Under \$50,000	---	0.00%	4	0.38%	---	0.00%
\$50,000 to \$99,999	16	42.11%	---	0.00%	12	0.94%
\$100,000 to \$149,999	11	28.95%	18	1.73%	207	16.18%
\$150,000 to \$199,999	8	21.05%	165	15.88%	358	27.99%
\$200,000 to \$299,999	---	0.00%	630	60.64%	549	42.92%
\$300,000 to \$499,999	---	0.00%	199	19.15%	129	10.09%
\$500,000 to \$999,999	3	7.89%	21	2.02%	17	1.33%
\$1,000,000 or more	---	0.00%	2	0.19%	7	0.55%
Total	38	100.00%	1,039	100.00%	1,279	100.00%

	COUNTY OF KANE		COUNTY OF MCHENRY		COUNTY OF COOK	
VALUE	NUMBER	PERCENT	NUMBER	PERCENT	NUMBER	PERCENT
Under \$50,000	565	0.61%	315	0.46%	15,576	1.91%
\$50,000 to \$99,999	12,311	13.35%	4,094	6.03%	141,600	17.34%
\$100,000 to \$149,999	28,217	30.60%	21,290	31.36%	218,621	26.77%
\$150,000 to \$199,999	21,013	22.79%	19,836	29.22%	184,050	22.54%
\$200,000 to \$299,999	19,767	21.44%	16,016	23.59%	147,478	18.06%
\$300,000 to \$499,999	8,417	9.13%	5,263	7.75%	74,446	9.12%
\$500,000 to \$999,999	1,699	1.84%	875	1.29%	28,249	3.46%
\$1,000,000 or more	<u>216</u>	<u>0.23%</u>	<u>200</u>	<u>0.29%</u>	<u>6,512</u>	<u>0.80%</u>
Total	92,205	100.00%	67,889	100.00%	816,532	100.00%

	COUNTY OF DEKALB		STATE OF ILLINOIS	
VALUE	NUMBER	PERCENT	NUMBER	PERCENT
Under \$50,000	86	0.53%	230,049	9.31%
\$50,000 to \$99,999	2,774	17.18%	651,605	26.38%
\$100,000 to \$149,999	7,339	45.45%	583,409	23.62%
\$150,000 to \$199,999	3,670	22.73%	429,311	17.38%
\$200,000 to \$299,999	1,898	11.75%	344,651	13.95%
\$300,000 to \$499,999	305	1.89%	163,254	6.61%
\$500,000 to \$999,999	66	0.41%	55,673	2.25%
\$1,000,000 or more	<u>10</u>	<u>0.06%</u>	<u>12,386</u>	<u>0.50%</u>
Total	16,148	100.00%	2,470,338	100.00%

Source: U.S. Bureau of the Census (2000 Census)

UNEMPLOYMENT RATES

Unemployment statistics are not compiled specifically for the District. The following table shows the trend in annual average unemployment rates for the Village of Algonquin, the Village of Carpentersville, the Village of East Dundee, the Village of Gilberts, the Village of Hampshire, the Village of Lake in the Hills, the Village of Pingree Grove, the Village of Sleepy Hollow, the Village of West Dundee, the County of Kane, the County of McHenry, the County of Cook, the County of DeKalb and the State of Illinois.

	VILLAGE OF ALGONQUIN	VILLAGE OF CARPENTERSVILLE	VILLAGE OF EAST DUNDEE	VILLAGE OF GILBERTS	VILLAGE OF HAMPSHIRE
2003 – Average	5.5%	8.8%	4.8%	2.2%	3.2%
2004 – Average	4.7%	8.1%	4.4%	2.0%	2.9%
2005 – Average	4.7%	7.7%	4.2%	1.9%	2.8%
2006 – Average	3.3%	5.7%	3.1%	1.4%	2.0%
2007 – Average	3.9%	6.3%	3.5%	1.6%	2.3%
2008 – Average	5.1%	8.4%	NA	NA	NA
2009 – Average	8.6%	13.0%	NA	NA	NA
2010 – July	9.1%	12.0%	NA	NA	NA
	VILLAGE OF LAKE IN THE HILLS	VILLAGE OF PINGREE GROVE	VILLAGE OF SLEEPY HOLLOW	VILLAGE OF WEST DUNDEE	COUNTY OF KANE
2003 – Average	5.7%	25.9%	2.8%	4.0%	6.7%
2004 – Average	5.0%	24.1%	2.6%	3.6%	6.1%
2005 – Average	4.9%	23.5%	2.4%	3.4%	5.8%
2006 – Average	3.5%	18.1%	1.8%	2.5%	4.2%
2007 – Average	3.9%	20.5%	2.1%	2.9%	4.8%
2008 – Average	5.4%	NA	NA	NA	6.3%
2009 – Average	9.0%	NA	NA	NA	10.3%
2010 – July	8.8%	NA	NA	NA	10.5%
	COUNTY OF MCHENRY	COUNTY OF COOK	COUNTY OF DEKALB	STATE OF ILLINOIS	
2003 – Average	4.1%	7.4%	5.7%	6.7%	
2004 – Average	5.2%	6.7%	5.3%	6.2%	
2005 – Average	5.1%	6.4%	5.3%	5.8%	
2006 – Average	3.7%	4.7%	3.9%	4.6%	
2007 – Average	4.3%	5.1%	4.6%	5.0%	
2008 – Average	5.8%	6.5%	6.0%	6.5%	
2009 – Average	9.7%	10.3%	9.8%	10.1%	
2010 – July	9.5%	10.8%	10.4%	10.6%	

Unemployment by Industry

The following table shows employment by industry for the Village of Algonquin, the Village of Carpentersville, the Village of East Dundee, the Village of Gilberts, the Village of Hampshire, the Village of Lake in the Hills, the Village of Pingree Grove, the Village of Sleepy Hollow, the Village of West Dundee, the County of Kane, the County of McHenry, the County of Cook, the County of DeKalb and the State of Illinois as reported by the 2000 Census.

CLASSIFICATION	VILLAGE OF ALGONQUIN		VILLAGE OF CARPENTERSVILLE		VILLAGE OF EAST DUNDEE	
	NUMBER	PERCENT	NUMBER	PERCENT	NUMBER	PERCENT
Agriculture, forestry, fishing, hunting and mining	---	0.00%	102	0.75%	---	0.00%
Construction	647	5.40%	954	7.05%	194	11.02%
Manufacturing	2,384	19.90%	3,390	25.04%	258	14.66%
Wholesale Trade	671	5.60%	509	3.76%	51	2.90%
Retail Trade	1,651	13.78%	1,714	12.66%	187	10.63%
Transportation, warehousing and utilities	808	6.75%	786	5.81%	71	4.03%
Information	522	4.36%	476	3.52%	71	4.03%
Finance, insurance and real estate	1,013	8.46%	909	6.71%	166	9.43%
Professional, scientific management administrative & waste management	1,212	10.12%	1,389	10.26%	219	12.44%
Educational, health & social services	1,693	14.14%	1,378	10.18%	292	16.59%
Arts, entertainment, recreations accommodations & food services	624	5.21%	1,183	8.74%	123	6.99%
Other Services	470	3.92%	561	4.14%	55	3.13%
Public Administration	<u>282</u>	<u>2.35%</u>	<u>187</u>	<u>1.38%</u>	<u>73</u>	<u>4.15%</u>
Total	11,977	100.00%	13,538	100.00%	1,760	100.00%

CLASSIFICATION	VILLAGE OF GILBERTS		VILLAGE OF HAMPSHIRE		VILLAGE OF LAKE IN THE HILLS	
	NUMBER	PERCENT	NUMBER	PERCENT	NUMBER	PERCENT
Agriculture, forestry, fishing, hunting and mining	6	0.77%	20	1.24%	52	0.42%
Construction	80	10.28%	154	9.58%	853	6.91%
Manufacturing	124	15.94%	235	14.62%	2,472	20.01%
Wholesale Trade	43	5.53%	81	5.04%	768	6.22%
Retail Trade	80	10.28%	229	14.25%	1,586	12.84%
Transportation, warehousing and utilities	61	7.84%	85	5.29%	703	5.69%
Information	20	2.57%	27	1.68%	441	3.57%
Finance, insurance and real estate	60	7.71%	90	5.60%	1,134	9.18%
Professional, scientific management administrative & waste management	78	10.03%	154	9.58%	1,187	9.61%
Educational, health & social services	111	14.27%	270	16.80%	1,627	13.17%
Arts, entertainment, recreations accommodations & food services	26	3.34%	113	7.03%	794	6.43%
Other Services	52	6.68%	102	6.35%	462	3.74%
Public Administration	<u>37</u>	<u>4.76%</u>	<u>47</u>	<u>2.92%</u>	<u>273</u>	<u>2.21%</u>
Total	778	100.00%	1,607	100.00%	12,352	100.00%

CLASSIFICATION	VILLAGE OF PINGREE GROVE		VILLAGE OF SLEEPY HOLLOW		VILLAGE OF WEST DUNDEE	
	NUMBER	PERCENT	NUMBER	PERCENT	NUMBER	PERCENT
Agriculture, forestry, fishing, hunting and mining	---	0.00%	---	0.00%	---	0.00%
Construction	4	8.89%	125	6.78%	248	8.27%
Manufacturing	5	11.11%	270	14.65%	517	17.25%
Wholesale Trade	2	4.44%	107	5.81%	162	5.41%
Retail Trade	9	20.00%	224	12.15%	368	12.28%
Transportation, warehousing and utilities	6	13.33%	172	9.33%	130	4.34%
Information	---	0.00%	71	3.85%	116	3.87%
Finance, insurance and real estate	---	0.00%	209	11.34%	227	7.57%
Professional, scientific management administrative & waste management	15	33.33%	207	11.23%	352	11.75%
Educational, health & social services	---	0.00%	253	13.73%	502	16.75%
Arts, entertainment, recreations accommodations & food services	2	4.44%	98	5.32%	101	3.37%
Other Services	---	0.00%	32	1.74%	189	6.31%
Public Administration	<u>2</u>	<u>4.44%</u>	<u>75</u>	<u>4.07%</u>	<u>85</u>	<u>2.84%</u>
Total	45	100.00%	1,843	100.00%	2,997	100.00%

CLASSIFICATION	COUNTY OF KANE		COUNTY OF MCHENRY		COUNTY OF COOK	
	NUMBER	PERCENT	NUMBER	PERCENT	NUMBER	PERCENT
Agriculture, forestry, fishing, hunting and mining	1,196	0.61%	1,289	0.95%	2,356	0.10%
Construction	14,549	7.42%	11,826	8.74%	119,355	4.93%
Manufacturing	40,752	20.77%	28,996	21.44%	342,422	14.14%
Wholesale Trade	9,446	4.81%	6,002	4.44%	92,706	3.83%
Retail Trade	22,459	11.45%	16,293	12.04%	244,344	10.09%
Transportation, warehousing and utilities	9,661	4.92%	6,907	5.11%	162,465	6.71%
Information	6,601	3.36%	4,075	3.01%	82,835	3.42%
Finance, insurance and real estate	13,411	6.84%	10,756	7.95%	219,831	9.08%
Professional, scientific management administrative & waste management	20,575	10.49%	12,013	8.88%	306,482	12.66%
Educational, health & social services	30,608	15.60%	21,082	15.59%	454,951	18.79%
Arts, entertainment, recreations accommodations & food services	13,781	7.02%	7,484	5.53%	179,592	7.42%
Other Services	7,991	4.07%	5,385	3.98%	120,337	4.97%
Public Administration	<u>5,154</u>	<u>2.63%</u>	<u>3,161</u>	<u>2.34%</u>	<u>93,611</u>	<u>3.87%</u>
Total	196,184	100.00%	135,269	100.00%	2,421,287	100.00%

CLASSIFICATION	COUNTY OF DEKALB		STATE OF ILLINOIS	
	NUMBER	PERCENT	NUMBER	PERCENT
Agriculture, forestry, fishing, hunting and mining	1,323	2.88%	66,481	1.14%
Construction	3,339	7.27%	334,176	5.73%
Manufacturing	7,415	16.15%	931,162	15.96%
Wholesale trade	1,249	2.72%	222,990	3.82%
Retail trade	5,344	11.64%	643,472	11.03%
Transportation, warehousing and utilities	1,925	4.19%	352,193	6.04%
Information	1,176	2.56%	172,629	2.96%
Finance, insurance and real estate	2,441	5.32%	462,169	7.92%
Professional, scientific management administrative & waste management	3,036	6.61%	590,913	10.13%
Educational, health & social services	11,936	26.00%	1,131,987	19.41%
Arts, entertainment, recreations accommodations & food services	3,572	7.78%	417,406	7.16%
Other Services	1,843	4.01%	275,901	4.73%
Public Administration	<u>1,310</u>	<u>2.85%</u>	<u>231,706</u>	<u>3.97%</u>
Total	45,909	100.00%	5,833,185	100.00%

Source: U.S. Census Bureau, Social and Economic Characteristics (2000)

Employment by Occupation

The following table shows employment by occupation for the Village of Algonquin, the Village of Carpentersville, the Village of East Dundee, the Village of Gilberts, the Village of Hampshire, the Village of Lake in the Hills, the Village of Pingree Grove, the Village of Sleepy Hollow, the Village of West Dundee, the County of Kane, the County of McHenry, the County of Cook, the County of DeKalb and the State of Illinois as reported by the 2000 Census.

CLASSIFICATION	VILLAGE OF ALGONQUIN		VILLAGE OF CARPENTERSVILLE		VILLAGE OF EAST DUNDEE	
	NUMBER	PERCENT	NUMBER	PERCENT	NUMBER	PERCENT
Management, professional & related occupations	5,157	43.06%	2,669	19.71%	642	36.48%
Service occupations	1,026	8.57%	1,980	14.63%	213	12.10%
Sales and office occupations	3,699	30.88%	3,978	29.38%	518	29.43%
Farming, forestry & fishing occupations	---	0.00%	60	0.44%	---	0.00%
Construction, extraction & maintenance occupations	892	7.45%	1,508	11.14%	197	11.19%
Production, transportation & material moving occupation	<u>1,203</u>	<u>10.04%</u>	<u>3,343</u>	<u>24.69%</u>	<u>190</u>	<u>10.80%</u>
Total	11,977	100.00%	13,538	100.00%	1,760	100.00%

CLASSIFICATION	VILLAGE OF GILBERTS		VILLAGE OF HAMPSHIRE		VILLAGE OF LAKE IN THE HILLS	
	NUMBER	PERCENT	NUMBER	PERCENT	NUMBER	PERCENT
Management, professional & related occupations	287	36.89%	499	31.05%	5,182	41.95%
Service occupations	77	9.90%	204	12.69%	1,162	9.41%
Sales and office occupations	237	30.46%	437	27.19%	3,491	28.26%
Farming, forestry & fishing occupations	---	0.00%	5	0.31%	8	0.06%
Construction, extraction & maintenance occupations	109	14.01%	204	12.69%	1,078	8.73%
Production, transportation & material moving occupation	<u>68</u>	<u>8.74%</u>	<u>258</u>	<u>16.05%</u>	<u>1,431</u>	<u>11.59%</u>
Total	778	100.00%	1,607	100.00%	12,352	100.00%

CLASSIFICATION	VILLAGE OF PINGREE GROVE		VILLAGE OF SLEEPY HOLLOW		VILLAGE OF WEST DUNDEE	
	NUMBER	PERCENT	NUMBER	PERCENT	NUMBER	PERCENT
Management, professional & related occupations	14	31.11%	907	49.21%	1,337	44.61%
Service occupations	6	13.33%	104	5.64%	209	6.97%
Sales and office occupations	16	35.56%	540	29.30%	968	32.30%
Farming, forestry & fishing occupations	---	0.00%	---	0.00%	---	0.00%
Construction, extraction & maintenance occupations	4	8.89%	142	7.70%	191	6.37%
Production, transportation & material moving occupation	<u>5</u>	<u>11.11%</u>	<u>150</u>	<u>8.14%</u>	<u>292</u>	<u>9.74%</u>
Total	45	100.00%	1,843	100.00%	2,997	100.00%

CLASSIFICATION	COUNTY OF KANE		COUNTY OF MCHENRY		COUNTY OF COOK	
	NUMBER	PERCENT	NUMBER	PERCENT	NUMBER	PERCENT
Management, professional & related occupations	63,523	32.38%	46,813	34.61%	852,442	35.21%
Service occupations	24,251	12.36%	14,765	10.92%	339,554	14.02%
Sales and office occupations	54,514	27.79%	38,287	28.30%	690,023	28.50%
Farming Forestry & fishing occupations	608	0.31%	407	0.30%	1,942	0.08%
Construction, extraction & maintenance occupations	17,467	8.90%	14,500	10.72%	171,534	7.08%
Production, transportation & material moving occupation	<u>35,821</u>	<u>18.26%</u>	<u>20,497</u>	<u>15.15%</u>	<u>365,792</u>	<u>15.11%</u>
Total	196,184	100.00%	135,269	100.00%	2,421,287	100.00%

CLASSIFICATION	COUNTY OF DEKALB		STATE OF ILLINOIS	
	NUMBER	PERCENT	NUMBER	PERCENT
Management, professional & related occupations	15,020	32.72%	1,993,671	34.18%
Service occupations	6,919	15.07%	813,479	13.95%
Sales and office occupations	12,225	26.63%	1,609,939	27.60%
Farming Forestry & fishing occupations	244	0.53%	17,862	0.31%
Construction, extraction & maintenance occupations	4,384	9.55%	480,418	8.24%
Production, transportation & material moving occupation	<u>7,117</u>	<u>15.50%</u>	<u>917,816</u>	<u>15.73%</u>
Total	45,909	100.00%	5,833,185	100.00%

Source: U.S. Census Bureau, Social and Economic Characteristics (2000)

Median Household Income

According to the 2000 Census, the Village of Algonquin had a median household income of \$79,730; the Village of Carpentersville had a median household income of \$54,526; the Village of East Dundee had a median household income of \$61,219; the Village of Gilberts had a median household income of \$87,847; the Village of Hampshire had a median household income of \$58,519; the Village of Lake in the Hills had a median household income of \$73,312; the Village of Pingree Grove had a median household income of \$45,313; the Village of Sleepy Hollow had a median household income of \$91,279 and the Village of West Dundee had a median household income of \$62,540. This compares to \$59,351 for the County of Kane; \$64,826 for the County of McHenry; \$45,922 for the County of Cook; \$45,828 for the County of DeKalb and \$46,590 for the State. The following table represents the distribution of household incomes for the Villages, the County and the State at the time of the 2000 Census.

	VILLAGE OF ALGONQUIN		VILLAGE OF CARPENTERSVILLE		VILLAGE OF EAST DUNDEE	
	NUMBER	PERCENT	NUMBER	PERCENT	NUMBER	PERCENT
Under \$10,000	91	1.16%	336	3.87%	49	4.03%
\$10,000 to \$14,999	116	1.48%	215	2.48%	33	2.72%
\$15,000 to \$24,999	262	3.34%	792	9.12%	97	7.98%
\$25,000 to \$34,999	414	5.28%	932	10.74%	120	9.88%
\$35,000 to \$49,999	930	11.86%	1,635	18.83%	175	14.40%
\$50,000 to \$74,999	1,747	22.28%	2,395	27.59%	269	22.14%
\$75,000 to \$99,999	1,650	21.05%	1,364	15.71%	207	17.04%
\$100,000 to \$149,999	1,789	22.82%	791	9.11%	127	10.45%
\$150,000 to \$199,999	524	6.68%	130	1.50%	63	5.19%
\$200,000 or more	317	4.04%	91	1.05%	75	6.17%
Total	7,840	100.00%	8,681	100.00%	1,215	100.00%

	VILLAGE OF GILBERTS		VILLAGE OF HAMPSHIRE		VILLAGE OF LAKE IN THE HILLS	
	NUMBER	PERCENT	NUMBER	PERCENT	NUMBER	PERCENT
Under \$10,000	4	0.96%	39	3.82%	91	1.19%
\$10,000 to \$14,999	---	0.00%	24	2.35%	93	1.21%
\$15,000 to \$24,999	9	2.15%	68	6.65%	184	2.40%
\$25,000 to \$34,999	17	4.07%	101	9.88%	415	5.40%
\$35,000 to \$49,999	34	8.13%	185	18.10%	1,000	13.02%
\$50,000 to \$74,999	92	22.01%	268	26.22%	2,232	29.07%
\$75,000 to \$99,999	98	23.44%	212	20.74%	2,075	27.02%
\$100,000 to \$149,999	116	27.75%	95	9.30%	1,151	14.99%
\$150,000 to \$199,999	27	6.46%	15	1.47%	196	2.55%
\$200,000 or more	21	5.02%	15	1.47%	242	3.15%
Total	418	100.00%	1,022	100.00%	7,679	100.00%

	VILLAGE OF PINGREE GROVE		VILLAGE OF SLEEPY HOLLOW		VILLAGE OF WEST DUNDEE	
	NUMBER	PERCENT	NUMBER	PERCENT	NUMBER	PERCENT
Under \$10,000	2	4.65%	31	2.69%	106	5.03%
\$10,000 to \$14,999	3	6.98%	21	1.82%	40	1.90%
\$15,000 to \$24,999	8	18.60%	23	1.99%	209	9.91%
\$25,000 to \$34,999	6	13.95%	55	4.77%	208	9.86%
\$35,000 to \$49,999	8	18.60%	113	9.80%	256	12.14%
\$50,000 to \$74,999	9	20.93%	181	15.70%	458	21.72%
\$75,000 to \$99,999	2	4.65%	259	22.46%	223	10.57%
\$100,000 to \$149,999	5	11.63%	322	27.93%	399	18.92%
\$150,000 to \$199,999	---	0.00%	97	8.41%	97	4.60%
\$200,000 or more	---	0.00%	51	4.42%	113	5.36%
Total	43	100.00%	1,153	100.00%	2,109	100.00%

	COUNTY OF KANE		COUNTY OF MCHENRY		COUNTY OF COOK	
	NUMBER	PERCENT	NUMBER	PERCENT	NUMBER	PERCENT
Under \$10,000	5,511	4.12%	2,534	2.84%	192,689	9.76%
\$10,000 to \$14,999	4,486	3.35%	2,587	2.89%	107,043	5.42%
\$15,000 to \$24,999	11,012	8.23%	5,639	6.31%	215,908	10.94%
\$25,000 to \$34,999	12,658	9.47%	7,681	8.59%	230,787	11.69%
\$35,000 to \$49,999	20,694	15.47%	12,418	13.89%	316,575	16.03%
\$50,000 to \$74,999	31,358	23.45%	22,717	25.42%	390,779	19.79%
\$75,000 to \$99,999	20,750	15.52%	16,329	18.27%	222,453	11.27%
\$100,000 to \$149,999	17,472	13.06%	12,941	14.48%	181,938	9.21%
\$150,000 to \$199,999	5,128	3.83%	3,687	4.13%	53,986	2.73%
\$200,000 or more	4,664	3.49%	2,844	3.18%	62,250	3.15%
Total	133,733	100.00%	89,377	100.00%	1,974,408	100.00%

	COUNTY OF DEKALB		STATE OF ILLINOIS	
	NUMBER	PERCENT	NUMBER	PERCENT
Under \$10,000	3,002	9.48%	383,299	8.35%
\$10,000 to \$14,999	1,833	5.79%	252,485	5.50%
\$15,000 to \$24,999	3,576	11.29%	517,812	11.27%
\$25,000 to \$34,999	3,484	11.00%	545,962	11.89%
\$35,000 to \$49,999	5,188	16.38%	745,180	16.23%
\$50,000 to \$74,999	7,447	23.52%	952,940	20.75%
\$75,000 to \$99,999	3,928	12.40%	531,760	11.58%
\$100,000 to \$149,999	2,522	7.96%	415,348	9.04%
\$150,000 to \$199,999	447	1.41%	119,056	2.59%
\$200,000 or more	242	0.76%	128,898	2.81%
Total	31,669	100.00%	4,592,740	100.00%

Source: U.S. Bureau of the Census (2000 Census)

Rating

In August 2008, the District received a long-term credit rating of AA from Standard and Poor's, one of the highest bond ratings available (third best long-term credit rating available). The AA rating represents a jump of 5 credit-rating scales based on Standard and Poor's previous indicative rating of the District in June 2006 of BBB. A long-term credit rating of AA indicates that the District is a quality borrower and has a very strong capacity to meet its obligations. The rating reflects the District's recent history of improved financial operations, good financial management which uses advanced budgeting and planning practices, maintenance of a sizable working cash fund balance, moderate debt burden, deep and diverse Chicago metropolitan area economy, and strong wealth and income levels.

Bond Credit Rating Update			
	STANDARD MOODY'S & POORS	DISTRICT 300 RATING	BOND CREDIT RATING CATEGORY COMMENTS
Investment Grade	Aaa	AAA	Extremely strong capacity to meet financial obligations (0.52% default rate ¹)
	Aa1	AA+	
	Aa2	AA	August 2008
	Aa3	AA -	
	A1	A+	
	A2	A	
	A3	A -	Feb 2007 & Aug 2008 **
	Baa1	BBB+	
	Baa2	BBB	June 2006
Non-investment Grade	Baa3	BBB -	(Indicative Rating ¹¹¹)
	Ba1	BB+	
	Ba2	BB	
	Ba3	BB -	
	B1	B+	
	B2	B	
	B3	B -	
	Caa1	CCC+	
	Caa2	CCC	
	Caa3	CCC -	
	Ca1	CC+	
	Ca2	CC	
	Ca3	CC -	
	C1	C+	
	C2	C	
	C3	C -	
	D		Default

¹ The default rates listed above represent the cumulative default history over the past 15 years of issuers rated by S&P based upon the rating category they were initially assigned.

^{1,2} The February 2007 Moody's rating was an A3 / Stable Outlook; the August 2008 Moody's rating moved up to an A3 / Positive Outlook.

^{1,2,3,4} An indicative rating is used to indicate to the bond issuer what bond rating they can expect to receive if they go through the entire formal bond credit rating process.

Internal Accounting and Budgetary Controls

Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft, or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1)

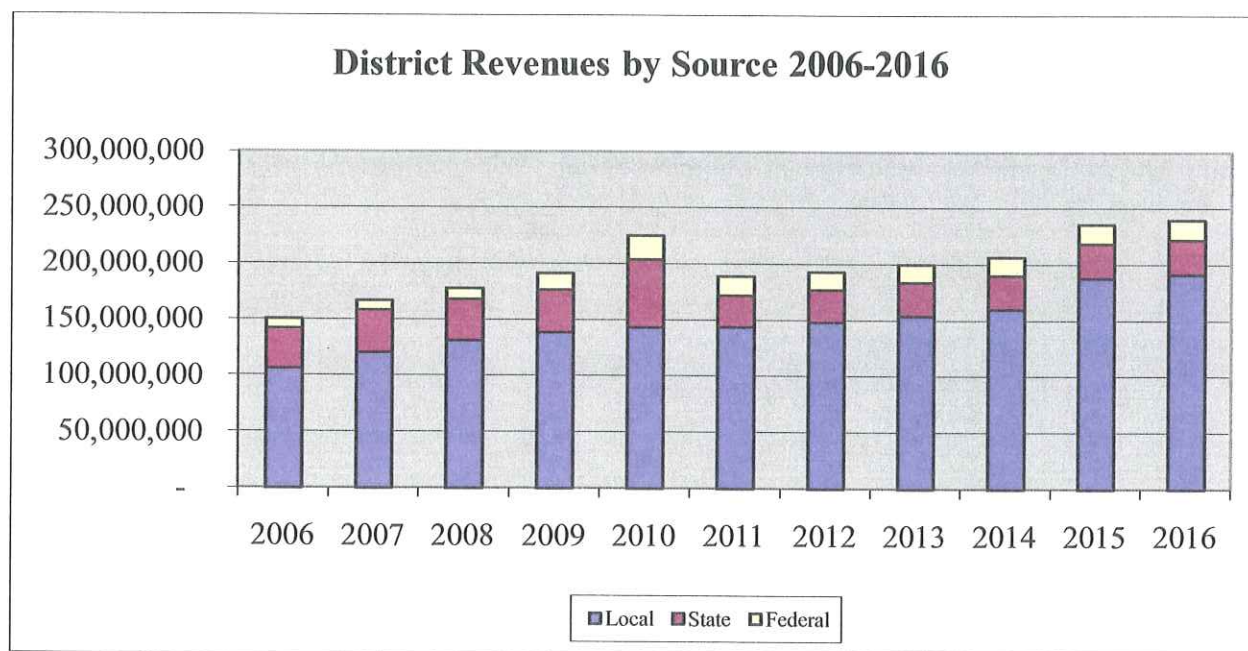
the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

In addition, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Board of Education. Activities of the General Fund, Special Revenue Funds, Debt Service Fund, and Working Cash Fund are included in the annual appropriated budget. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established by function and activity within an individual fund. The District also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. All outstanding encumbered amounts are cancelled at year-end.

As demonstrated by the statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management.

Financial Information

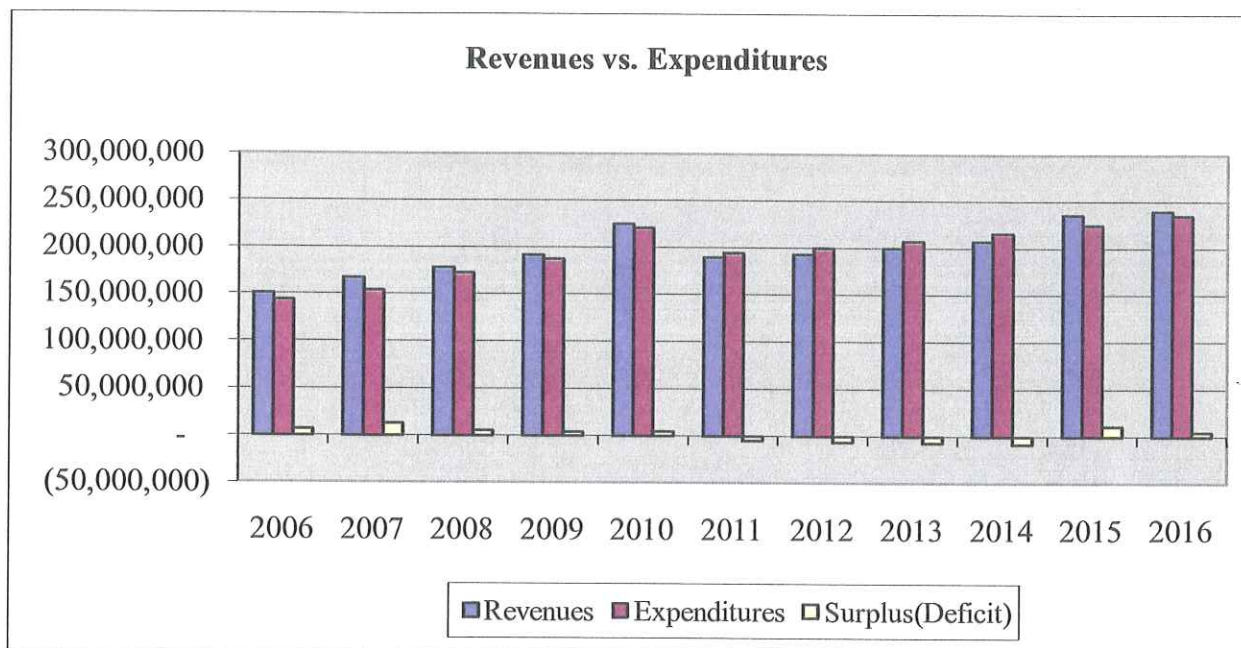
General Government Functions- The following schedule presents a summary of revenues of all Governmental Operating Fund Types for the fiscal years ending June 30, 2006 and projected through 2016.



Taxes continue to represent the largest source of revenue for the District. Tax revenues are a combination of local property taxes and Illinois Commercial Personal Property Replacement Taxes. The local property taxes received by the District is the result of the following three factors: state multiplier set by the Illinois Department of Revenue used to equalize property throughout the state; tax levy by account adopted by the District Board of Education; and the maximum tax rate set by the residents of the District. Tax collections in the District generally occur in March and September, causing the District to receive the tax revenue from the tax levy in two separate fiscal years. The state has been late in payments and we are assuming collection of \$6.5 million for Categorical Funds owed to the district for 2009-10. The state has indicated they will pay this as of December 31, 2010 and the audit assumes this will be received.

The following chart presents a summary of revenues to expenditures for fiscal years from June 30, 2006 through to June 30, 2016.

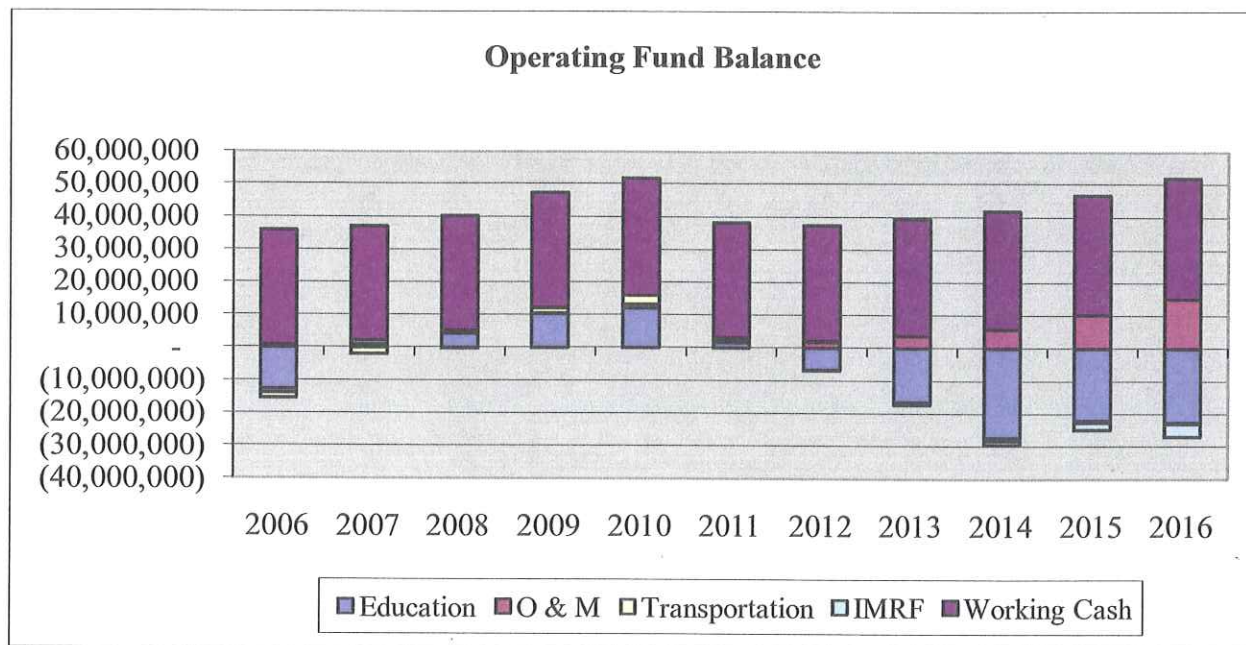
Revenues to Expenditures for Fiscal Years 2006-2016



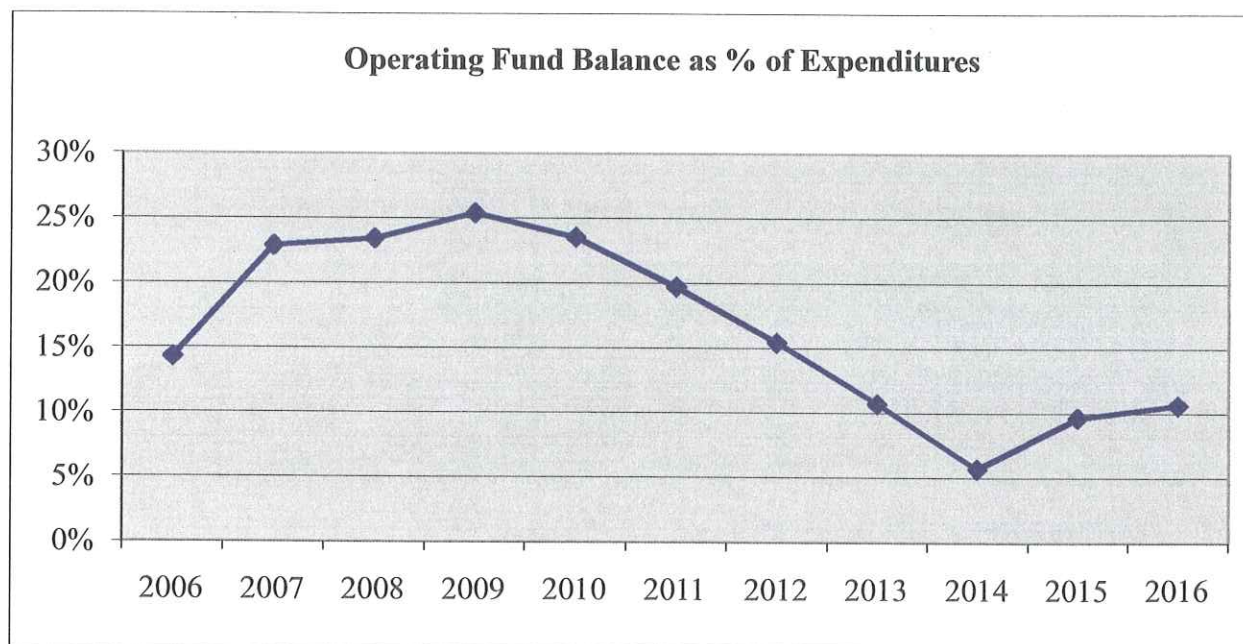
Fund Balances

In the levy year 2005 the passage of the .55 Education Tax Rate Increase has allowed the district to have revenue surpluses in operating funds (including Working Cash Fund) of \$6.4Million in 2006, \$12.6 million in 2007, \$4.9 million in 2008,\$ 4.2 in 2009. This year revenues exceeded expenses by \$4.4 m. The following chart shows the District's governmental operating fund balance since June 30, 2006 through projected June 30, 2016.

During this recession period we are maintaining our \$35 million operating fund balance but due to decreasing state and local revenues projections at this time show the District needs to cut expenditures in future years. In the 2010-11 year the Board reduced expenditures by \$9.3 million but is still projecting a \$6.3 million deficit.



Operating Fund Balance as % of Expenditure has been a focus this year of the Board's Finance Committee an area the District intends on improving in the years to come providing increases in state revenues are forthcoming. The following chart shows Fund Balance as a percent of Expenditures if there are no increases in state revenues.

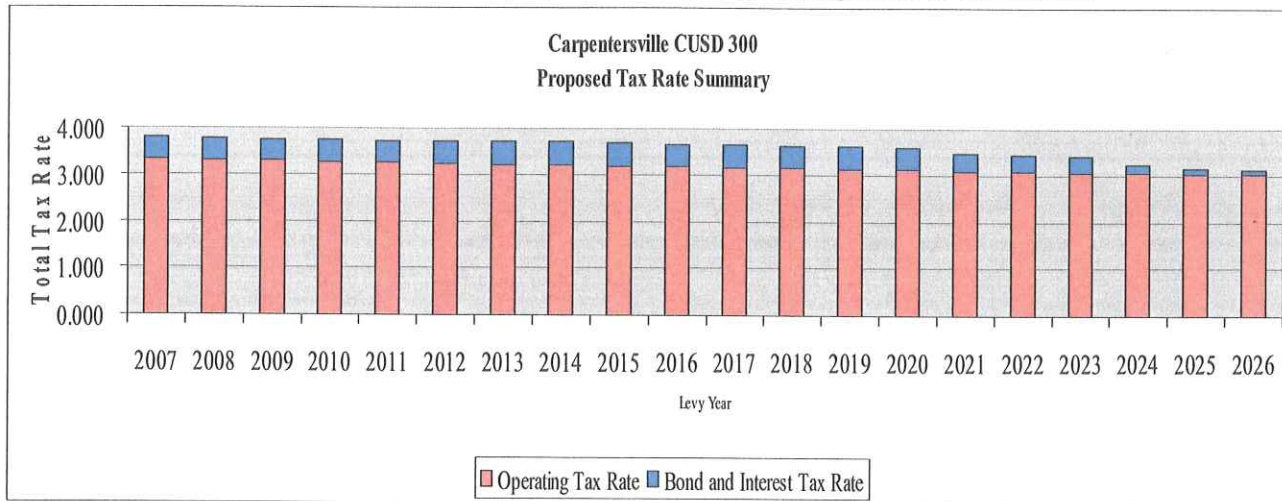


The major issue for a growth district is that revenues for new students lag behind the expenses. When the district opens a new school, as is the case in 2007 with two new elementary schools and then again in 2008 with the opening of the new high school, revenues lag behind expenses.

Debt Administration

At June 30, 2010 the District's long-term debt was (less: exempted debt) \$316,096,892. The District is subject to Illinois School Code, which limits the amount of certain indebtedness to 13.8% of total equalized valuation of the District. As of June 30, 2010, the statutory debt limit for the District was \$522,127,754, providing a debt margin of \$206,030,862.

On each bar, the blue depicts the tax rate projected to pay back all outstanding principal and interest that the district has. The red depicts the tax rate projections for the operating funds in the district.



Cash Management

Cash and Investments of the District are maintained by the District Treasurer. The Board of Education appointed the CFO to serve as District Treasurer. The Treasurer is responsible for investing the funds temporarily idle during the year in demand deposits, certificates of deposit, obligations of the U.S. Treasury, repurchase agreements and commercial paper. The Treasurer maintains investment relationships with several major local and Chicago-based commercial banks and brokerage firms. Investment strategies are structured to obtain the best yield for all invested funds, which may require rapid turnover of investments among several depositories. Except for cash in certain restricted and special funds, the District consolidates cash balances from all funds to maximize investment earnings. Investment income is allocated to the various funds based on their respective participation. The Treasurer complies with the requirements of the Illinois School Code in making investments. It is the policy of the District to diversify its investment portfolio. Diversification strategies are determined and revised periodically by the Treasurer. Time deposits in excess of Federal Depository Insurance Corporation (FDIC) insurable limits are secured by an approved form of collateral or private insurance to protect public deposits in the event a single financial institution was to default. Third party safekeeping is required for all securities and commercial paper. The Treasurer submits monthly investment reports to the Board of Education describing the portfolio in terms of investment securities, maturities, and earnings for the current period and the name of the respective institutions where the investments have been placed.

Risk Management

Since 1999, District 300 has been a member of the Collective Liability Insurance Cooperative (CLIC). This is a coop of over 145 school districts in the state of Illinois. The goal of the pool is to provide more comprehensive insurance coverage at a lower cost than the school districts can obtain individually. A board of directors made up of representatives from various member districts governs the pool.

CLIC has maintained a comprehensive program that provides insurance coverage for property and liability claims. Each member district is responsible for paying an initial \$1,000 deductible for its own property claims.

CLIC loss-fund reserves are used to pay claims within the self-insured retention for property or liability claims. CLIC has a \$600,000 self insured retention stop loss per occurrence for property and \$1 million for auto and liability. CLIC provides \$35 million in excess liability coverage to each member district.

The pool contracts with Arthur J. Gallagher for insurance brokerage services and Gallagher Basset Services for loss control services and for claims administration and risk management.

CLIC uses an actuarial formula to determine the annual contribution allocation of each member school district for insurance coverage, administration, and loss funding. Member costs are based on risk exposure elements such as property values, number of vehicles, number of employees, student enrollment, and past claims experience. The CLIC program was designed to accumulate surplus funds over time to give the pool flexibility when the insurance market experiences. Cost increase by applying a surplus credit to premium allocations. CLIC continues to provide District 300 with comprehensive insurance coverage and quality services in cost effective manner. Premiums for this coverage are included in the expenditures of the District in the appropriate funds.

The District also operates a self-insured medical plan for the medical, dental and vision coverage for the eligible employees of the District. Fringe Funding acts as broker of record and consultant to these plans and Blue Cross/Blue Shield for claims administration and stop loss. Life insurance is fully insured with Sun-Life. The District has stop loss insurance for claims over \$125,000 per occurrence with Blue Cross.

The District operates a self-insured worker's compensation fund which covers employees if they are injured on the job. Nugent Risk Management is the broker and consultant for this pool and CCMSI is the claims administrator and loss control firm. The District has stop loss insurance for claims over \$600,000 with National Safety.

Other Information

Independent Audit- The School Code of Illinois and the District's adopted policy require an annual audit by independent certified public accountants. The accounting firm of Baker Tilly Virchow Krause, LLP (formerly William F. Gurrie & Co., Ltd) was selected through a comprehensive bidding process in 2004 by the Board of Education. In addition to meeting the requirements set forth in state statues, the audit was designed to meet the requirements of the federal Single Audit Act Amendment of 1996 and provisions of OMB circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. The single audit report is not included in the Comprehensive Annual Financial Report. The auditor's report on the basic financial statements is included in the financial section of this report.

Respectfully submitted,


Cheryl Crates
Chief Financial Officer
MeriAnn Besonen
Director of Finance

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