

WRDR WERMER, ROGERS, DORAN & RUZON LLC
Certified Public Accountants, Joliet, Illinois 60435

SCHOOL DISTRICT U-46
FINANCIAL STATEMENTS
JUNE 30, 2008

This Page Intentionally Left Blank.

SCHOOL DISTRICT U-46

Table of Contents June 30, 2008

	Page
Independent Auditor's Report	1-2
Required Supplementary Information:	
Management's Discussion and Analysis (MD&A)	3-11
Basic Financial Statements:	
District-Wide Financial Statements:	
Statement of Net Assets - Modified Cash Basis	12
Statement of Activities - Modified Cash Basis	13
Fund Financial Statements:	
Governmental Funds:	
Statement of Assets, Liabilities and Fund Balances - Governmental Funds Modified Cash Basis	14-15
Reconciliation of the Governmental Funds Statement of Assets, Liabilities and Fund Balances to the Statement of Net Assets - Modified Cash Basis	16
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds - Modified Cash Basis	17-18
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities - Modified Cash Basis	19
Fiduciary Funds:	
Statement of Fiduciary Assets and Liabilities - Modified Cash Basis	20
Notes to Basic Financial Statements	21-41
Required Supplementary Information:	
Schedule of Funding Progress - Illinois Municipal Retirement Fund	42
Schedule of Funding Progress - Retiree Healthcare Plan	43
Budgetary Comparison Information:	
Schedule of Revenues, Expenditures and Changes in Fund Balance - - Budget and Actual - Budgetary Basis - General Fund	44
Schedule of Revenues and Changes in Fund Balance - Budget and Actual - Modified Cash Basis - Working Cash Fund	45
Other Supplementary Information:	
Statement of Assets, Liabilities and Fund Balances by Account - Modified Cash Basis - General Fund	46
Statement of Revenues, Expenditures and Changes in Fund Balances by Account - Modified Cash Basis - General Fund	47
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Budgetary Basis - Educational Account	48

SCHOOL DISTRICT U-46

Table of Contents June 30, 2008

	Page
Other Supplementary Information:	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Modified Cash Basis:	
Tort Immunity Account	49
Operations and Maintenance Account	50
Bond and Interest Fund	51
Site and Construction Fund	52
Combining Statement of Assets, Liabilities and Fund Balances - Modified Cash Basis - Nonmajor Governmental Funds	53
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Modified Cash Basis - Nonmajor Governmental Funds	54
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Modified Cash Basis:	
Transportation Fund	55
Municipal Retirement / Social Security Fund	56
Fire Prevention and Safety Fund	57
Schedule of Cash Receipts, Disbursements and Ending Balances - Agency Funds – Student Activity Funds	58-59
Schedule of Expenditures for Tort Immunity Purposes	60
Schedule of Bond Debt and Annual Interest Requirements	61
Schedule of Tax Extensions and Collections - Last Five Levy Years	62-63



WERMER, ROGERS, DORAN & RUZON LLC

CERTIFIED PUBLIC ACCOUNTANTS

755 ESSINGTON ROAD, JOLIET, ILLINOIS 60435 • 815/730-6250 • FAX 815/730-6257 • WWW.WRDR.COM

To the Board of Education
School District U-46
355 E. Chicago St.
Elgin, IL 60120

Independent Auditor's Report

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of School District U-46 as of and for the year ended June 30, 2008, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As discussed in Note 1 to the financial statements, the District prepared its financial statements on the modified cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position - modified cash basis of the governmental activities, each major fund and the aggregate remaining fund information of School District U-46 as of June 30, 2008, and the respective changes in financial position - modified cash basis thereof for the year then ended in conformity with the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued a report dated October 10, 2008 on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and important for assessing the results of our audit.

The required supplementary information: management's discussion and analysis, schedules of funding progress, and budgetary comparison information, is not a required part of the basic financial statements, but is supplementary information required by accounting principles generally accepted in the United States of America. The budgetary comparison information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole. We have applied certain limited procedures to the other required supplementary information, management's discussion and analysis and schedules of funding progress, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the other required supplementary information. However, we did not audit the other required supplementary information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying other supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements of the District. The other supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Werner, Rogers, Doran + Ransom, LLC

October 10, 2008

**REQUIRED SUPPLEMENTARY INFORMATION –
MANAGEMENT'S DISCUSSION AND ANALYSIS**

SCHOOL DISTRICT U-46

Management's Discussion and Analysis For the Year Ended June 30, 2008

The discussion and analysis of School District U-46 (the District) financial performance provides an overall review of the District's financial activities for the year ended June 30, 2008. The management of the District encourages readers to consider the information presented herein in conjunction with the financial statements to enhance their understanding of the District's financial performance. Unless otherwise indicated, all amounts, are expressed in thousands of dollars.

Financial Highlights

- The assets of the District exceeded its liabilities at the close of the fiscal year by \$132,093 (net assets). Of this amount, \$33,233 represents unrestricted net assets.
- In total, net assets decreased by \$922, which represents a 0.7% overall decrease from the prior year. This minor decrease was the result of higher than expected transportation costs incurred during the year.
- General revenues were \$324,012 or 76.6% of all revenues. Program specific revenues, in the form of charges for services and grants, were \$99,197 or 23.4% of total revenues of \$423,209.
- Overall, the combined expenditures of the District's governmental funds were \$25,176 greater than revenues. However, after adding other financing sources, fund balances decreased by \$15,022. This operating deficit decreased the District's governmental funds' combined fund balance by 13.2% to \$98,903 from \$113,926 in the prior year. Of the year-end balance, \$98,707 represents an unreserved fund balance.
- The District issued \$6,200 of General Obligation Limited Debt Certificates in 2008. These monies are to be used for site and construction purposes.
- The District issued \$34,000 of Working Cash Bonds in fiscal year 2004. This money continues to be used to fund the District's operations while waiting for tax and grant payments.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the District's basic financial statements. The basic financial statements are comprised of three components:

- District-wide financial statements.
- Fund financial statements.
- Notes to the financial statements.

This report also contains other supplementary information in addition to the basic financial statements.

District-Wide Financial Statements

The district-wide financial statements are designed to provide readers with a broad overview of the District's finances in a manner similar to a private-sector business.

SCHOOL DISTRICT U-46

Management's Discussion and Analysis For the Year Ended June 30, 2008

The statement of net assets presents information on all District assets and liabilities with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The District reports its financial activity using the modified cash basis of accounting. The statement of activities presents information showing how the government's net assets changed during the fiscal year being reported. All changes in net assets are reported when cash is received and disbursed. Additionally, activity related to the acquisition, depreciation and year-end balances of capital assets, as well as year-end balances and related changes in long-term debt in its government-wide financial statements are reported.

The district-wide financial statements present the District functions that are principally supported by taxes and intergovernmental revenues (governmental activities). The District's governmental activities include instructional services (regular education, special education and other), supporting services, community services, non-programmed charges, and debt service.

Fund Financial Statements

A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the District funds can be divided into two categories: governmental funds and fiduciary funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the district-wide financial statements. However, unlike the district-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a school district's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the district-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the district-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund statement of assets, liabilities and fund balances and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains seven individual governmental funds. Information is presented separately in the governmental fund financial statements of the General Fund (the General Fund consists of three accounts: the Educational Account, the Tort Immunity Account, and the Operations and Maintenance Account), Working Cash Fund, Bond and Interest Fund and the Site and Construction Fund, all of which are considered to be major funds. Data from the other three governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The District adopts an annual budget for each of the funds listed above. A budgetary to actual comparative schedule has been provided for each fund to demonstrate compliance with the budget.

Fiduciary funds are used to account for resources held for the benefit of parties outside the District. Fiduciary funds are not reflected in the district-wide financial statement because the resources of those funds are not available to support the District's own programs.

SCHOOL DISTRICT U-46

Management's Discussion and Analysis For the Year Ended June 30, 2008

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the district-wide and fund financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's progress in funding its obligation to provide pension benefits to its non-certified employees and other post-employment benefits and budgetary comparison information for the General and Working Cash Funds.

District-Wide Financial Analysis

Net assets. The District's net assets decreased by \$922 or 0.7% compared to the prior year. At year-end, total net assets were \$132,093 (see Table 1).

The District's financial position is the product of many factors. However, several events of the last year stand out:

- The District's long-term debt decreased by \$19,351.
- The District continued to use bond proceeds to construct, improve and expand its facilities, spending \$9,914 on capital asset additions.
- The District's expenditures to maintain and operate the facilities within Board policy and guidelines continue to exceed its primary revenues, forcing the District to fund the increase with new debt and available net assets. In an effort to continually monitor and contain total operating costs of the District, the District performed efficiency audits that highlighted various areas of cost containment reduction.

However, since the State does not provide an ongoing capital improvements budget plan the District, in the future, will be forced to issue additional debt to address the improvements needed for its aging facilities.

As can be seen in Table 1, at the end of the current fiscal year, the District was able to report positive balances in each of the net asset categories. The largest portion of the District's net assets (59.6%) reflects its investment in capital assets (e.g., land, buildings, and equipment), less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets are reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

SCHOOL DISTRICT U-46

Management's Discussion and Analysis For the Year Ended June 30, 2008

The following table reflects the condensed statement of net assets at June 30, 2008 and 2007:

Table 1
Condensed Statement of Net Assets
(Dollars in Millions)

	2008	2007
Current and Other Assets	\$ 102.1	\$ 117.1
Capital Assets	<u>398.2</u>	<u>403.4</u>
Total Assets	<u>500.3</u>	<u>520.5</u>
Long-Term Debt Outstanding	365.0	384.4
Other Liabilities	<u>3.2</u>	<u>3.1</u>
Total Liabilities	<u>368.2</u>	<u>387.5</u>
Net Assets		
Invested in Capital Assets, Net of Related Debt	78.8	72.1
Restricted	20.1	31.0
Unrestricted	<u>33.2</u>	<u>29.9</u>
Total Net Assets	<u>\$ 132.1</u>	<u>\$ 133.0</u>

Current and other assets consist mainly of cash and investments. Capital assets include land, buildings and improvements and equipment; the 2008 balances were lower than the 2007 amounts due to depreciation exceeding capital spending during the fiscal year.

Long-term liabilities consist of bonds payable, debt certificates, purchase contracts and installment notes. Balances were lower in 2008 due to scheduled debt payments exceeding new debt issues. Other liabilities include unclaimed property and payroll related liabilities.

Changes in Net Assets *(dollar amounts in millions)*

The District's total revenues were \$423.2. General revenues, including taxes and general state aid were 76.6% of the total or \$324.0. Taxes (other than for debt service) increased \$7.7 over the prior year or 3.8%. This was due mainly to a 6.2% increase in the Equalized Assessed Value (EAV).

State and federal aid for specific programs brought in an additional \$86.7 of the total revenues, this amount is up \$3.0 from the prior year. This increase was a result of greater special education and transportation funding received in 2008.

An additional \$12.5 was the result of fees charged for services as program revenues.

The total cost of all programs and services was \$424.1. The District's expenses are predominantly related to instruction and support services (caring for and transportation of students, etc.) These expenses accounted for 94.9% of the total (see Table 2). The District's other activities were 5.2% of total costs.

SCHOOL DISTRICT U-46

Management's Discussion and Analysis For the Year Ended June 30, 2008

Total expenses on the statement of activities surpassed revenues, decreasing net assets by \$0.9 from the prior year.

The following table reflects the condensed statement of activities for the years ended June 30, 2008 and 2007:

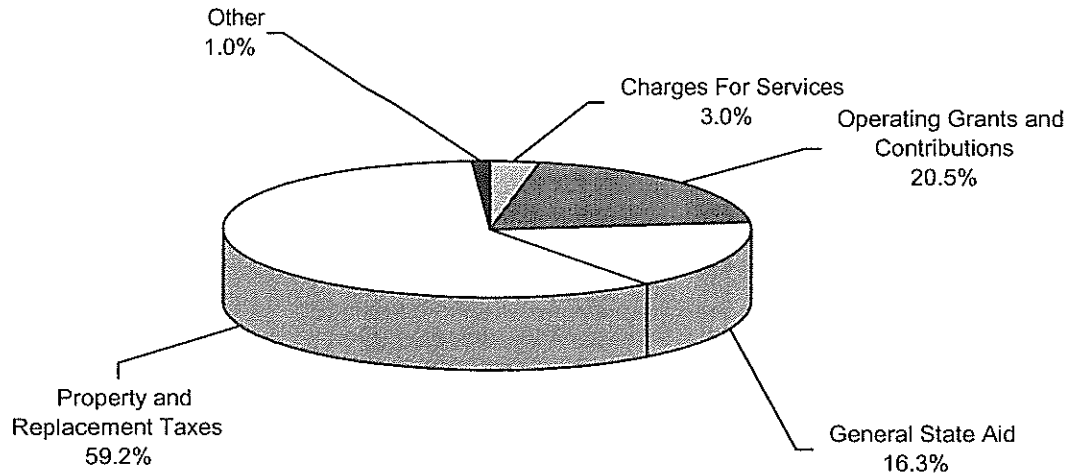
Table 2
Condensed Statement of Activities
(Dollars in Millions)

	<u>2008</u>	<u>2007</u>
Revenues		
Program Revenues		
Charges For Services	\$ 12.5	\$ 11.6
Operating Grants and Contributions	86.7	83.7
General Revenues		
Property and Replacement Taxes	250.8	241.4
General State Aid	68.8	67.6
Other	4.4	6.4
Total Revenues	<u>423.2</u>	<u>410.7</u>
Expenses		
Instruction	231.4	215.2
Support Services	170.9	156.9
Community Services	2.8	2.7
Nonprogrammed Charges	7.8	9.7
Interest on Debt	11.2	10.9
Total Expenses	<u>424.1</u>	<u>395.4</u>
Change in Net Assets	(0.9)	15.3
Net Assets - Beginning	<u>133.0</u>	<u>117.7</u>
Net Assets - Ending	<u>\$ 132.1</u>	<u>\$ 133.0</u>

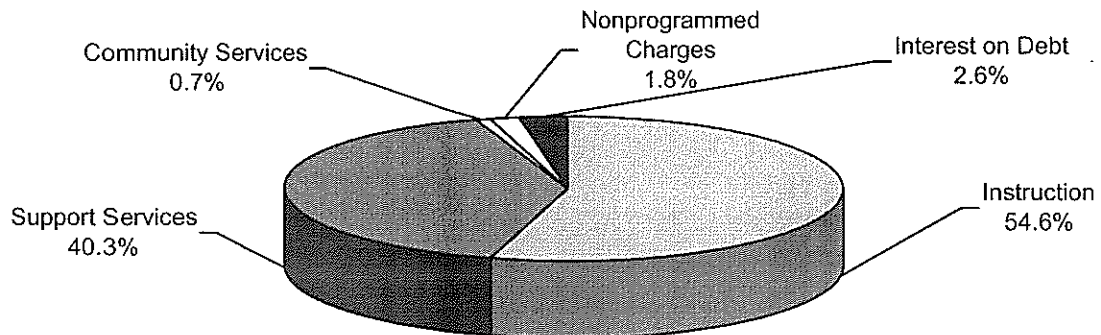
SCHOOL DISTRICT U-46

Management's Discussion and Analysis
For the Year Ended June 30, 2008

District-wide Revenues By Source



District-wide Expenses



SCHOOL DISTRICT U-46

Management's Discussion and Analysis For the Year Ended June 30, 2008

Financial Analysis of the District's Funds *(dollar amounts in thousands)*

As the District completed the year, its governmental funds reported combined fund balances of \$98,903. Revenues for the District's governmental funds were \$423,209, while total expenditures were \$448,385.

The General Fund experienced a current year operating deficiency after other financing sources of (\$198), or nearly break-even for the year. This small deficiency contributed to a year-end deficit fund balance of (\$3,615). Factors that attributed the Fund's performance are:

- Property taxes increased \$7,212 over the prior year or 3.8%, primarily due to an increase in the District's EAV as mentioned earlier.
- The District's largest expenditures (salaries and benefits) were \$273,822 or 75.0% of total expenditures of the General Fund. Salaries and benefits increased by \$14,761 or 5.7% over the prior year. Benefits increased by \$3,318 or 6.3% from the prior year, while salaries increased \$11,443 or 5.6% from the prior year. Aggressive budgeting measures, which started during the 2002-03 school year, continue to manifest themselves through future balanced budgets and responsible fiscal planning. This is evident by the District's ability to maintain a stable fund balance as stated above.
- The District saw decreased investment earnings resulting from a decline in the national economy.
- The District continues to focus on cost containment. As part of this process, the District changed health care providers from Professional Benefit Administrators to United Health Care in January of 2005. The District is just beginning to realize the impact of these savings as this change has only been in effect for 42 months.
- Current year results were impacted budgetarily by the continuing deficit in the Operations and Maintenance Account which management will be addressing in the 2008-2009 fiscal year.

The fund balance in the Working Cash Fund increased to \$74,763 as the fund earned \$46 of interest earnings during the year.

The Site and Construction Fund's fund balance increased by \$1,742. This was primarily due to the issuance of new debt certificates of \$6,200 exceeding construction spending. The year-end fund balance of \$11,506 can only be used for approved projects.

General Fund Budgetary Highlights

While the District's final budget for the General Fund anticipated that revenues would exceed expenditures by \$682 before other financing sources (uses), the actual result for the year was an excess of expenditures over revenues of \$1,193. This is due primarily by revenues falling short of budget by \$647 in interest earnings, and a combined \$4,527 in restricted and unrestricted state and federal aid. Expenditures came in under budget by \$1,320 or 0.4%.

SCHOOL DISTRICT U-46

Management's Discussion and Analysis For the Year Ended June 30, 2008

Capital Asset and Debt Administration

Capital Assets

By the end of 2008, the District had invested \$567,553 (before accumulated depreciation of \$169,386) in a broad range of capital assets, including buildings (both school and administration facilities) property and equipment (computer, audio-visual, transportation and maintenance equipment and furniture), and land. (See Table 3.) (More detailed information about capital assets can be found in Note 4 to the financial statements.)

Depreciation expense for the year totaled \$15,166 and additions to buildings, and equipment and furniture amounted to \$9,914.

Table 3
Capital Assets (Net of Depreciation)
(In Millions of Dollars)

	<u>2008</u>	<u>2007</u>	<u>Percentage Change</u>
Land	\$ 27.6	\$ 27.6	0.0%
Depreciable Buildings	362.2	367.8	-1.5%
Equipment	<u>8.4</u>	<u>8.0</u>	5.0%
Total	<u>\$ 398.2</u>	<u>\$ 403.4</u>	-1.3%

Major additions during the year include renovations and/or additions to 27 District buildings, and the purchase of 47 new buses.

Long-Term Debt

At year-end, the District had \$364,977 in general obligation bonds and other long-term debt outstanding, as shown in Table 4. (More detailed information about the District's long-term liabilities is presented in Note 5 to the financial statements.)

Table 4
Outstanding Long-Term Debt
(In Millions of Dollars)

	<u>2008</u>	<u>2007</u>	<u>Percentage Change</u>
General Obligation Bonds, Notes and Contracts	<u>\$ 365.0</u>	<u>\$ 384.3</u>	-5.0%

SCHOOL DISTRICT U-46

Management's Discussion and Analysis For the Year Ended June 30, 2008

- In fiscal year 2008 the District issued \$6,200 of debt certificates, which are to be used for site and construction purposes.
- The District continued to pay down its debt, retiring \$24,790 of outstanding bonds and \$4,715 of other notes and obligations.
- The District issued \$3,954 in long-term purchase contracts to finance the acquisition of equipment.
- The District's general obligations bonds have carried a rating of Aaa from Moody's.
- The state limits the amount of general obligation debt the District can issue to 13.8% of the assessed value of all taxable property within the District's limits. Outstanding debt is significantly below the current limit of \$760,736.

Factors Bearing on the District's Future

At the time these financial statements were prepared and audited, the District was aware of the following existing circumstances that could significantly affect its financial health in the future.

- The Illinois General Assembly has imposed property tax legislation on school districts to give property taxpayers some relief by delaying tax increases each year. The legislation limits the levy increase to the lesser of the consumer price index (CPI) or five percent and mandates the use of prior year equalized assessed valuation (EAV) amounts to generate property tax receipts. This "tax cap" continues to limit the District's tax collection ability.
- New residential development within the District's boundaries will cause continued growth in student population within the District. This growth translates into expanded enrollment. The District is continually projecting enrollment, anticipating building space and staffing levels.
- The current economy in the state continues to affect the District's state funding levels and timing of state receipts.
- The District does not currently know the extent to which its budget will be impacted by the affects of changing fuel costs.

Requests for Information

This financial report is designed to provide the District's citizens, taxpayers, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report, or need additional financial information, contact the Assistant Superintendent's Office, School District U-46, 355 E. Chicago St., Elgin, IL 60120.

BASIC FINANCIAL STATEMENTS

SCHOOL DISTRICT U-46

Statement of Net Assets Modified Cash Basis June 30, 2008

	<u>Governmental Activities</u>
Assets	
Cash	\$ 85,926,133
Investments	16,021,184
Inventory	196,756
Capital Assets Not Being Depreciated	27,618,638
Capital Assets Being Depreciated, Net of Accumulated Depreciation	<u>370,548,242</u>
Total Assets	<u>\$ 500,310,953</u>
Liabilities and Net Assets	
Liabilities	
Unclaimed Property	\$ 1,239,701
Payroll Deductions	2,001,053
Long-term Obligations Payable, Due Within One Year	
General Obligation Bonds	22,857,839
General Obligation Debt Certificates	932,143
Installment Notes	55,574
Purchase Contracts	3,952,379
Long-term Obligations Payable, Due in More Than One Year	
General Obligation Bonds	316,460,991
General Obligation Debt Certificates	12,250,009
Installment Notes	152,087
Purchase Contracts	<u>8,315,679</u>
Total Liabilities	<u>368,217,455</u>
Net Assets	
Invested in Capital Assets, Net of Related Debt	78,790,983
Restricted for Debt Service	16,273,510
Restricted for Construction Projects	3,795,801
Unrestricted	<u>33,233,204</u>
Total Net Assets	<u>132,093,498</u>
Total Liabilities and Net Assets	<u>\$ 500,310,953</u>

See Accompanying Notes to the Basic Financial Statements.

SCHOOL DISTRICT U-46

Statement of Activities - Modified Cash Basis
For the Year Ended June 30, 2008

Functions / Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
		Charges For Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities
Governmental Activities:					
Instruction:					
Regular Programs	\$ 125,646,518	\$ 4,171,676	\$ 1,212,859	\$ -	(\$ 120,261,983)
Special Programs	36,975,245	33,907	29,736,496	-	(7,204,842)
Other Instructional Programs	42,977,356	817,186	11,853,245	-	(30,306,925)
On-Behalf TRS Payments	25,808,108	-	25,808,108	-	-
Total Instruction	<u>231,407,227</u>	<u>5,022,769</u>	<u>68,610,708</u>	<u>-</u>	<u>(157,773,750)</u>
Support Services:					
Pupils	28,465,667	-	315,593	-	(28,150,074)
Instructional Staff	16,002,400	-	1,716,979	-	(14,285,421)
General Administration	10,639,115	-	-	-	(10,639,115)
School Administration	23,795,853	-	-	-	(23,795,853)
Business	34,977,725	800,326	-	-	(34,177,399)
Facilities Acquisition and Construction	4,809,177	-	867,768	17,771	(3,923,638)
Transportation	25,428,117	214,325	8,094,130	-	(17,119,662)
Food Service	14,132,310	6,493,626	7,043,298	-	(595,386)
Central	12,401,649	-	-	-	(12,401,649)
Other Support	217,789	-	-	-	(217,789)
Total Support Services	<u>170,869,802</u>	<u>7,508,277</u>	<u>18,037,768</u>	<u>17,771</u>	<u>(145,305,986)</u>
Community Services	2,830,678	-	-	-	(2,830,678)
Nonprogrammed Charges	7,792,609	-	-	-	(7,792,609)
Debt Service - Interest and Fees	<u>11,231,187</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(11,231,187)</u>
	<u>\$ 424,131,503</u>	<u>\$ 12,531,046</u>	<u>\$ 86,648,476</u>	<u>\$ 17,771</u>	<u>(324,934,210)</u>
General Revenues:					
Property Taxes, Levied for General Purposes					212,797,890
Property Taxes, Levied for Debt Service					33,390,049
Payments in Lieu of Taxes					4,578,094
Unrestricted State Grants					68,831,087
Interest and Investment Earnings					4,157,558
Other General Revenues					<u>257,229</u>
Total General Revenues					<u>324,011,907</u>
Change in Net Assets					(922,303)
Net Assets - Beginning of Year					<u>133,015,801</u>
Net Assets - End of Year					\$ 132,093,498

See Accompanying Notes to the Basic Financial Statements.

SCHOOL DISTRICT U-46

Governmental Funds

Statement of Assets, Liabilities and Fund Balances - Modified Cash Basis
June 30, 2008

	General Fund	Working Cash Fund	Bond and Interest Fund
Assets			
Cash	\$ 15,580	\$ 51,217,675	\$ 16,273,510
Investments	16,017,028	-	-
Due From Other Funds	-	23,545,544	-
Inventory	196,756	-	-
Total Assets	<u>\$ 16,229,364</u>	<u>\$ 74,763,219</u>	<u>\$ 16,273,510</u>
Liabilities and Fund Balances			
Liabilities			
Unclaimed Property	\$ 1,128,632	\$ -	\$ -
Payroll Deductions	2,001,053	-	-
Due To Other Funds	16,714,420	-	-
Total Liabilities	<u>19,844,105</u>	<u>-</u>	<u>-</u>
Fund Balances			
Reserved for Inventory	196,756	-	-
Unreserved (Deficit), Reported in:			
General Fund	(3,811,497)	-	-
Special Revenue Funds	-	74,763,219	-
Debt Service Fund	-	-	16,273,510
Capital Projects Funds	-	-	-
Total Fund Balances	<u>(3,614,741)</u>	<u>74,763,219</u>	<u>16,273,510</u>
Total Liabilities and Fund Balances	<u>\$ 16,229,364</u>	<u>\$ 74,763,219</u>	<u>\$ 16,273,510</u>

See Accompanying Notes to the Basic Financial Statements.

Site and Construction Fund	Other Governmental Funds	Total Governmental Funds
\$ 11,602,108	\$ 6,817,260	\$ 85,926,133
4,156	-	16,021,184
-	-	23,545,544
-	-	196,756
<u>\$ 11,606,264</u>	<u>\$ 6,817,260</u>	<u>\$ 125,689,617</u>

\$ 100,661	\$ 10,408	\$ 1,239,701
-	-	2,001,053
-	6,831,124	23,545,544
<u>100,661</u>	<u>6,841,532</u>	<u>26,786,298</u>

-	-	196,756
-	-	(3,811,497)
-	(6,658,413)	68,104,806
-	-	16,273,510
<u>11,505,603</u>	<u>6,634,141</u>	<u>18,139,744</u>
<u>11,505,603</u>	<u>(24,272)</u>	<u>98,903,319</u>
<u>\$ 11,606,264</u>	<u>\$ 6,817,260</u>	<u>\$ 125,689,617</u>

This Page Intentionally Left.

SCHOOL DISTRICT U-46

Reconciliation of the Governmental Funds Statement of Assets, Liabilities and Fund Balances to the Statement of Net Assets - Modified Cash Basis June 30, 2008

Total Fund Balances - Governmental Funds	\$ 98,903,319
--	---------------

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets net of accumulated depreciation of \$169,386,206 used in governmental activities are not current financial resources and therefore are not reported in the governmental funds.	398,166,880
---	-------------

Some liabilities reported in the statement of net assets do not require the use of current financial resources and therefore are not reported as liabilities in governmental funds. These activities consist of:

General Obligation Bonds	(339,318,830)
General Obligation Debt Certificates	(13,182,152)
Installment Notes	(207,661)
Purchase Contracts	(12,268,058)

Net Assets of Governmental Activities	<u>\$ 132,093,498</u>
---------------------------------------	-----------------------

See Accompanying Notes to the Basic Financial Statements.

SCHOOL DISTRICT U-46

Governmental Funds

Statement of Revenues, Expenditures and Changes in Fund Balances - Modified Cash Basis
For the Year Ended June 30, 2008

	General Fund	Working Cash Fund	Bond and Interest Fund
Revenues			
Property Taxes	\$ 196,560,856	\$ -	\$ 33,390,049
Replacement Taxes and Other Payments in Lieu of Taxes	4,273,934	-	-
Charges for Services	11,516,395	-	-
Earnings on Investments	4,031,212	46,120	49,511
Impact Fees, Rentals and Other Local Sources	1,514,503	-	-
State Grants-in-Aid	93,553,568	-	-
Federal Grants-in-Aid	26,716,812	-	-
TRS On-Behalf Payments	25,808,108	-	-
Total Revenues	<u>363,975,388</u>	<u>46,120</u>	<u>33,439,560</u>
Expenditures			
Current:			
Instruction:			
Regular Programs	119,799,503	-	-
Special Programs	34,596,327	-	-
Other Instructional Programs	40,498,057	-	-
Support Services:			
Pupils	26,216,687	-	-
Instructional Staff	14,997,653	-	-
General Administration	9,894,736	-	-
School Administration	21,735,266	-	-
Business	31,754,413	-	-
Facilities Acquisition & Construction	132,415	-	-
Transportation	1,039,374	-	-
Food Service	13,314,044	-	-
Central	11,514,146	-	-
Other Support	202,882	-	-
Community Services	2,711,317	-	-
Nonprogrammed Charges	7,792,609	-	-
Intergovernmental: TRS On-Behalf Payments	25,808,108	-	-
Debt Service - Interest and Fees	7,404	-	11,223,783
Debt Service - Principal	197,958	-	24,790,481
Capital Outlay	2,955,460	-	-
Total Expenditures	<u>365,168,359</u>	<u>-</u>	<u>36,014,264</u>
Excess (Deficiency) of Revenues Over Expenditures	(1,192,971)	46,120	(2,574,704)
Other Financing Sources (Uses)			
Issuance of Debt Certificates	-	-	-
Issuance of Purchase Contracts	995,314	-	-
Total Other Financing Sources (Uses)	<u>995,314</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(197,657)	46,120	(2,574,704)
Fund Balances (Deficits), Beginning of Year	(3,417,084)	74,717,099	18,848,214
Fund Balances (Deficits), End of Year	<u>(\$ 3,614,741)</u>	<u>\$ 74,763,219</u>	<u>\$ 16,273,510</u>

See Accompanying Notes to the Basic Financial Statements.

Site and Construction Fund	Other Governmental Funds	Total Governmental Funds
\$ -	\$ 16,237,034	\$ 246,187,939
-	304,160	4,578,094
-	214,325	11,730,720
168	30,547	4,157,558
867,768	-	2,382,271
-	8,094,130	101,647,698
-	-	26,716,812
-	-	25,808,108
<u>867,936</u>	<u>24,880,196</u>	<u>423,209,200</u>

-	1,294,835	121,094,338
-	1,010,564	35,606,891
-	696,438	41,194,495

-	1,201,045	27,417,732
-	412,517	15,410,170
-	347,894	10,242,630
-	1,185,727	22,920,993
-	1,931,375	33,685,788
581,965	641,736	1,356,116
-	24,341,406	25,380,780
-	6,889	13,320,933
-	762,358	12,276,504
-	14,127	217,009
-	-	2,711,317
-	-	7,792,609
-	-	25,808,108
-	-	11,231,187
-	-	24,988,439
<u>4,743,619</u>	<u>8,030,243</u>	<u>15,729,322</u>
<u>5,325,584</u>	<u>41,877,154</u>	<u>448,385,361</u>

(4,457,648) (16,996,958) (25,176,161)

6,200,000	-	6,200,000
-	2,958,427	3,953,741
<u>6,200,000</u>	<u>2,958,427</u>	<u>10,153,741</u>

1,742,352 (14,038,531) (15,022,420)

9,763,251	14,014,259	113,925,739
<u>\$ 11,505,603</u>	<u>(\$ 24,272)</u>	<u>\$ 98,903,319</u>

SCHOOL DISTRICT U-46

Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance to the Statement of Activities - Modified Cash Basis For the Year Ended June 30, 2008

Net Change in Fund Balances - Governmental Funds	(\$ 15,022,420)
--	-----------------

*Amounts reported for governmental activities in the
Statement of Activities are different because*

Governmental funds report capital outlays as expenditures.

However, in the Statement of Activities, the cost of those assets are
depreciated over their estimated useful lives as depreciation expense.

This is the amount expenditures capitalized in the current period.	9,914,397
--	-----------

This is the amount of depreciation recorded in the current period.	(15,165,741)
--	---------------

Repayment of debt principal is an expenditure in the governmental
funds, but the repayment reduced long-term liabilities in the
Statement of Net Assets. The following amounts were retired:

General Obligation Bonds	24,790,481	
Debt Certificates	142,384	
Installment Notes	55,574	
Purchase Contracts	<u>4,516,763</u>	29,505,202

Issuance of new debt is recorded as other financing sources
in the governmental funds, but the issuance of new
debt increases long-term liabilities in the Statement of Net Assets.
The following amounts were issued:

Debt Certificates	(6,200,000)	
Purchase Contracts	<u>(3,953,741)</u>	(10,153,741)

Change in Net Assets of Governmental Activities	(\$ <u>922,303</u>)
---	----------------------

See Accompanying Notes to the Basic Financial Statements.

SCHOOL DISTRICT U-46

Fiduciary Funds

Statement of Fiduciary Assets and Liabilities - Modified Cash Basis
June 30, 2008

	<u>Agency Funds</u>
	<u>Student Activity Funds</u>
Assets	
Cash	\$ 4,309,404
Total Assets	<u>\$ 4,309,404</u>
Liabilities	
Due To Activity Fund Organizations	\$ 4,309,404
Total Liabilities	<u>\$ 4,309,404</u>

See Accompanying Notes to the Basic Financial Statements.

SCHOOL DISTRICT U-46

Notes to Basic Financial Statements
June 30, 2008

1. Summary of Significant Accounting Policies

The District operates as a public school system governed by an elected seven-member board. The District is organized under The School Code of the State of Illinois, as amended. The District serves the communities of Bartlett, Elgin, Hanover Park, South Elgin, Streamwood, Wayne and portions of Carol Stream, St. Charles, Schaumburg, West Chicago and Hoffman Estates.

Financial Reporting Entity

Accounting principles generally accepted in the United States of America require that the financial statements of the reporting entity include: (1) the primary government, (2) organizations for which the primary government is financially accountable, and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The criteria provided in Government Accounting Standards Board (GASB) Statement No.'s 14 and 39 have been considered and there are no agencies or entities which should be presented with the District. Also, the District is not included as a component unit in any other government reporting entity, as defined by GASB pronouncements.

The District is the administrative agent for the Northern Kane County Regional Vocational System (NKCRVS), a joint venture of School District U-46 and several other local districts. The NKCRVS is considered a separate entity for financial reporting purposes and issues its own basic financial statements which are available at 355 E. Chicago St., Elgin, IL, 60120.

Measurement Focus, Basis of Accounting and Basis of Presentation

The accounts of the District are organized and operated on a basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The funds of the District are classified into two categories: governmental and fiduciary. In turn, each category is divided into separate fund types. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and presented as nonmajor funds. The fund classifications and a description of each existing fund type follow:

Governmental Funds

Governmental funds are used to account for the District's general government activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general capital assets and the servicing of general long-term debt. An emphasis is placed on major funds. A fund is considered major if it is the primary operating fund of the District (General Fund) or if the fund's total assets, liabilities, revenues, or expenditures of that individual fund are at least 10 percent of the total for all funds. The District factors out temporary year-end interfund loans created to offset negative cash positions when calculating total assets and liabilities to determine major funds.

The District reports the following major governmental funds:

SCHOOL DISTRICT U-46

Notes to Basic Financial Statements
June 30, 2008

1. Summary of Significant Accounting Policies

General Fund

The General 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. The District's general fund consists of three accounts: the Educational Account, which records direct costs of instruction and administration, including the District's food service operations, the Tort Immunity Account, which records a portion of the District's risk financing activities and the Operations and Maintenance Account, which reports all costs of maintaining, improving or repairing school building and property.

Working Cash Fund

The Working Cash Fund, (a special revenue fund) accounts for financial resources held by the District to be used for temporary interfund loans to other District funds.

Bond and Interest Fund

The Bond and Interest Fund, (a debt service fund) accounts for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

Site and Construction Fund

This Site and Construction Fund (a capital projects fund) accounts for financial resources to be used for the acquisition, construction or renovation of major capital facilities.

The District also reports the following other fund types/funds:

Special Revenue Funds - The Special Revenue Fund type is used to account for the proceeds of specific revenue sources (other than those accounted for in Debt Service, Capital Projects or Fiduciary Funds) that are legally restricted to expenditures for specified purposes. It consists of the Transportation Fund, which accounts for the transportation of pupils, and the Municipal Retirement / Social Security Fund, which accounts for the District's share of retirement benefit and social security costs for employees.

Capital Projects Fund (Fire Prevention and Safety Fund) – this fund is used to account for the altering, reconstructing and repairing of the existing school buildings of the District.

Fiduciary Fund - The reporting focuses on assets and liabilities. The District's fiduciary funds are agency funds, the Student Activity Funds. These funds account for assets held by the District as an agent for the students and teachers. The funds are custodial in nature and do not involve the measurement of results of operations. The amounts due to the activity fund organizations are equal to the assets.

District-Wide Financial Statements

The district-wide Statement of Net Assets and the Statement of Activities display information about the reporting government as a whole. The effect of interfund activity has been eliminated from these statements. Fiduciary funds are not included in the district-wide statements. Fiduciary funds are reported only in the Fiduciary Fund Statement of Assets and Liabilities at the fund financial statement level.

SCHOOL DISTRICT U-46

Notes to Basic Financial Statements
June 30, 2008

1. Summary of Significant Accounting Policies

The district-wide statements are reported using the modified cash basis of accounting measurement focus as explained below. The statement of net assets includes all current assets and current liabilities arising from cash transactions and all capital assets, net of accumulated depreciation, and long-term debt associated with the operation of the District.

The Statement of Activities reflects both the direct expenses and net cost of each function of the District's governmental activities. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include charges paid by the recipient for the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues that are not classified as program revenues, such as property taxes and general state aid, are presented as general revenues of the District. The comparison of direct expenses with program revenues identifies the extent to which each District function is self-financing or draws from the general revenues of the District.

Fund Financial Statements

Governmental Funds

The District accounts for its governmental fund types and prepares its annual budget on the modified cash basis of accounting measurement focus, which varies from accounting principles generally accepted in the United States of America. With this measurement focus, only current assets and current liabilities arising from cash transactions are included on the balance sheet. Accordingly, revenues are recognized when received rather than when earned, and expenditures are recognized when paid rather than when the obligation is incurred, except for inventories purchased not yet issued and employees' share of payroll withholdings and unclaimed property not yet remitted to other governmental agencies at year-end. Consequently, property taxes and other revenues due, as well as amounts owed to vendors and suppliers are not included in the financial statements. Only assets representing a right to receive cash from a previous payment of cash are recorded as assets of a fund. In the same manner, only liabilities resulting from previous cash transactions are recorded as liabilities of a particular fund.

Differences occur from the manner in which the fund financial statements and the district-wide statements are prepared due to the inclusion of capital asset and long-term debt activity. The fund financial statements, therefore, include a reconciliation which briefly explains the adjustments necessary to transform the fund based financial statements into the governmental column of the district-wide presentation.

Real Estate Taxes

Property taxes are levied each year on all taxable real property in the District on or before the last Tuesday in December. The 2007 tax levy was passed by the Board of Education on December 3, 2007, and attached as an enforceable lien on the property as of the preceding January 1. The taxes become due and collectible in March and September 2008 in Cook County and in June and September 2008 in DuPage County and Kane County, and are collected by the County Collector, who in turn returns to the District its respective share. The District receives the remittances from the County Treasurer approximately one month after collection. Property taxes are recorded upon receipt.

SCHOOL DISTRICT U-46

Notes to Basic Financial Statements
June 30, 2008

1. Summary of Significant Accounting Policies

Investments

The investments are stated at fair value, based on quoted market prices.

Inventories

Inventories are valued at cost, which approximates market, using the first-in/first-out (FIFO) method. The cost of governmental fund-type inventories are recorded as expenditures when purchased, year end balances are recorded as assets. General Fund inventory consists primarily of school supplies.

Capital Assets

Capital assets are recorded at historical cost and depreciated over their estimated useful lives (excluding salvage value). Donated capital assets are recorded at their estimated fair value at the date of donation. Estimated useful life is management's estimate of how long the asset is expected to meet service demands. Straight-line depreciation is used based on the following estimated useful lives:

Buildings	40 years
Transportation equipment	5 years
Other equipment	3-5 years

Interfund Transactions

The District has the following types of interfund transactions:

Loans – amounts provided with a requirement for repayment. Interfund loans are reported as interfund receivables (due from other funds) in lender funds and interfund payables (due to other funds) in borrower funds.

Reimbursements – repayments from the funds responsible for particular expenditure to the funds that initially paid for them. Reimbursements are reported as expenditure in the reimbursing fund and as a reduction of expenditures/expenses in the reimbursed fund.

Transfers – flows of assets (typically cash) without equivalent flows of assets in return and without a requirement for repayment. In governmental funds, transfers are reported as other financing uses in the funds making transfers and as other financing sources in the funds receiving transfers.

Compensated Absences

The District records compensated absences when paid in cash. Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means. Sick leave benefits are accrued as a liability using the termination method. An accrual for earned sick leave is made to the extent that it is probable that benefits will result in termination payments. No amount of material compensated absences existed at year-end that were required to be reported in the district-wide financial statements.

SCHOOL DISTRICT U-46

Notes to Basic Financial Statements June 30, 2008

1. Summary of Significant Accounting Policies

Long-Term Liabilities

In the statement of net assets, long-term debt and other long-term obligations are reported as liabilities. Bond premiums and discounts, as well as issuance costs, are recognized in the period the bonds are issued.

In the fund financial statements, bond premiums and discounts, as well as issuance costs, are recognized in the period the bonds are issued. Bond, debt certificate, and purchase contract proceeds are reported as "other financing sources" as are applicable premiums or discounts. Issuance costs, even if withheld from the actual net proceeds received, are reported as expenditures.

Fund Balance / Net Assets

The District reserves those portions of fund balance which are legally segregated for specific future use or which do not represent available expendable resources and, therefore, are not available for appropriations for expenditures. Unreserved fund balance indicates that portion of fund equity which is available for appropriation in future periods. Fund balance reserves are established for inventory, tort immunity, debt service and capital projects, as applicable.

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition/construction of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, laws, or regulations of other governments.

Eliminations

Eliminations have been made in the statement of net assets to remove the "grossing-up" effect on assets and liabilities within the governmental activities column for amounts reported in the individual funds as interfund receivables and payables. Similarly, transfers between funds have been eliminated in the statement of activities.

Restricted Resources Policy

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources, as they are needed.

Use of Estimates

The preparation of financial statements in conformity with the modified cash basis of accounting requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

SCHOOL DISTRICT U-46

Notes to Basic Financial Statements
June 30, 2008

2. Budgets and Budgetary Information

Annual budgets are adopted for all governmental fund types. The annual budgets are adopted on a basis consistent with modified cash basis accounting at the fund level. All budgets lapse at fiscal year end.

On or before July 1 of each year, the Superintendent is to submit for review by the Board of Education a proposed budget for the school year commencing on that date. After reviewing the proposed budget, the Board of Education holds public hearings and a final budget must be prepared and adopted no later than September 30. The 2007-08 budget was adopted September 24, 2007.

The appropriated budget is prepared by fund and by function. The Board of Education may make transfers between functions within a fund not exceeding in the aggregate 10% of the total of such fund, and may amend the total budget following the same procedures required to adopt the original budget. The legal level of budgetary control is at the fund level. There were no transfers between functions during the year. Budgets of certain funds were amended to account for funding changes.

For budgetary purposes, the District did not recognize, as revenues received or expenditures paid, the total of \$25,808,108 of retirement contributions made by the State to the Teachers' Retirement System of the State of Illinois (TRS) and the Teacher Health Insurance Security (THIS) Fund on behalf of the District.

The following schedule reconciles the revenues received and expenditures paid on the budgetary basis with the amounts presented in accordance with the comprehensive basis of accounting used by the District for the General Fund.

Revenues Received - Budgetary Basis	\$ 338,167,280
Unbudgeted Retirement Contributions Made by the State	<u>25,808,108</u>
Revenues Received - Modified Cash Basis	<u>363,975,388</u>
Expenditures Paid - Budgetary Basis	339,360,251
Unbudgeted Retirement Contributions To TRS	<u>25,808,108</u>
Expenditures Paid - Modified Cash Basis	<u>365,168,359</u>

3. Deposits and Investments

Permitted Deposits and Investments - State statutes and Board policy authorize the District to invest any available funds in: (1) direct obligations of or obligations guaranteed by the United States or its agencies; (2) commercial paper issued by United States corporations rated within the three highest classifications by at least two standard rating services and maturing within 180 days or less; (3) interest bearing savings accounts, certificates of deposit, or other time deposits in federally insured and/or state chartered banks and savings and loans associations; (4) the Illinois School District Liquid Asset Fund Plus (ISDLAF+); (5) the Illinois Funds; (6) money market mutual funds; (7) Bankers' acceptances of banks whose senior obligations are rated in the top two rating categories by two national rating agencies and maintain that rating during the term of the investment; (8) repurchase agreements of government securities; (9) and interest bearing bonds of any county, township, city, village incorporated town, municipality, or school district. Shares in the ISDLAF+ and the Illinois Funds represent investments in external investment pools that are regulated by the State of Illinois; the fair value of the position in the pools is the same as the value of the pool shares.

SCHOOL DISTRICT U-46

Notes to Basic Financial Statements June 30, 2008

3. Deposits and Investments

Substantially all cash and investments are deposits and investments maintained in pooled accounts held in the name of the District.

Deposits

As of June 30, 2008, the District had deposits with federally insured financial institutions of \$5,683,524 with the book balances totaling (\$67,267).

Custodial credit risk – deposits. In the case of deposits, this is the risk that in the event of a bank failure, the District's deposits may not be returned to it. As of June 30, 2008, \$69,160 of the District's bank balance of \$5,683,524 was exposed to custodial credit risk because it was uninsured and uncollateralized.

Investments

Interest Rate Risk

The District's investment policy does not limit its investment portfolio to specific maturities.

Credit Risk

The District's general investment policy is to apply the prudent-person rule: Investments are made as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital, and, in general, avoid speculative investments. Investment choices are not limited beyond the State statutes.

Concentration of Credit Risk.

The District places no limit on the amount it may invest in any one issuer. The following schedule reports the fair values and maturities (using the segmented time distribution method) for the District's investments at June 30, 2008. The schedule also includes credit ratings for by Standard & Poor's at June 30, 2008:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities Less Than One Year</u>	<u>% of Total Investments</u>	<u>Credit Ratings</u>
Illinois School District Liquid Asset Fund	\$ 4,155	\$ 4,155	0.01%	AAAm
Illinois Funds Money Market Fund	6,416,207	6,416,207	6.03%	AAAm
Government Money Market Fund Investments	99,903,626	99,903,626	93.96%	AAAm
	<u>\$ 106,323,988</u>	<u>\$ 106,323,988</u>	<u>100.00%</u>	

Custodial Credit Risk – Investments.

For an investment, this is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Illinois School District Liquid Asset Fund Plus, Illinois Funds, and the Government Money Market Fund Investments held by the District are not subject to custodial credit risk.

SCHOOL DISTRICT U-46

Notes to Basic Financial Statements June 30, 2008

3. Deposits and Investments

The above deposits and investments are presented in the basic financial statements as cash and investments as follows:

Cash - Carrying Amount of District Deposits Per Note Above	(\$ 67,267)
Investments - Per Note Above	<u>106,323,988</u>
Total	<u>\$ 106,256,721</u>
Cash Per Statement of Net Assets	\$ 85,926,133
Investments Per Statement of Net Assets	16,021,184
Cash Per Statement of Fiduciary Assets and Liabilities	<u>4,309,404</u>
Total	<u>\$ 106,256,721</u>

4. Capital Assets

Capital asset balances and activity for the year ended June 30, 2008, are as follows:

	Balance July 1, 2007	Additions	Deletions	Balance June 30, 2008
Capital Assets Not Being Depreciated				
Land	\$ 27,618,638	\$ -	\$ -	\$ 27,618,638
Total Capital Assets Not Being Depreciated	<u>27,618,638</u>	<u>-</u>	<u>-</u>	<u>27,618,638</u>
Capital Asset Being Depreciated				
Buildings	504,627,279	6,594,498	-	511,221,777
Transportation Equipment	18,079,903	2,958,427	(1,748,009)	19,290,321
Other Equipment	9,060,878	361,472	-	9,422,350
Capital Asset Being Depreciated, Gross	<u>531,768,060</u>	<u>9,914,397</u>	<u>(1,748,009)</u>	<u>539,934,448</u>
Accumulated Depreciation				
Buildings	(136,787,572)	(12,192,571)	-	(148,980,143)
Transportation Equipment	(11,199,598)	(2,404,308)	1,748,009	(11,855,897)
Other Equipment	(7,981,304)	(568,862)	-	(8,550,166)
Total Accumulated Depreciation	<u>(155,968,474)</u>	<u>(15,165,741)</u>	<u>1,748,009</u>	<u>(169,386,206)</u>
Total Capital Assets Being Depreciated, Net of Depreciation	<u>375,799,586</u>	<u>(5,251,344)</u>	<u>-</u>	<u>370,548,242</u>
Total Capital Assets, Net of Depreciation	<u>\$ 403,418,224</u>	<u>\$ (5,251,344)</u>	<u>\$ -</u>	<u>\$ 398,166,880</u>

SCHOOL DISTRICT U-46

Notes to Basic Financial Statements
June 30, 2008

4. Capital Assets

Depreciation expense was charged to governmental activities as follows:

Regular Programs	\$ 4,612,746
Special Education Programs	1,359,459
Other Instructional Programs	1,572,333
Pupils	1,046,495
Instructional Staff	588,185
General Administration	390,950
School Administration	874,860
Business	1,283,226
Transportation	2,404,308
Food Services	508,442
Central	413,414
Community Services	<u>111,323</u>
 Total	 <u>\$ 15,165,741</u>

5. Long-Term Obligations

The following is a summary of activity for the District's long-term debt for the year ended June 30, 2008:

	Balance July 1, 2007	Issuances/ Additions	Retirements/ Deletions	Balance June 30, 2008	Principal Due Within One Year
General Obligation Bonds	\$ 364,109,311	\$ -	\$ 24,790,481	\$ 339,318,830	\$ 22,857,839
Debt Certificates	7,124,536	6,200,000	142,384	13,182,152	932,143
Installment Notes	263,235	-	55,574	207,661	55,574
Purchase Contracts	<u>12,831,080</u>	<u>3,953,741</u>	<u>4,516,763</u>	<u>12,268,058</u>	<u>3,952,379</u>
 Total	 <u>\$ 384,328,162</u>	 <u>\$ 10,153,741</u>	 <u>\$ 29,505,202</u>	 <u>\$ 364,976,701</u>	 <u>\$ 27,797,935</u>

The retirements of purchase contracts have been recorded as support services expenditures in the governmental funds financial statements.

At June 30, 2008 general long-term debt consisted of the following:

General Obligation Bonds - Payable by the Debt Service Fund:

\$14,999,900, 1996 Capital Appreciation School Building Bonds due in annual installments of \$351,564 to \$1,677,178 through 2014 with interest yielding 6.185%. \$ 6,541,250

\$39,500,000, 1997 School Building Bonds due in annual installments of \$500,000 to \$13,825,000 through 2012 with interest due semiannually at 5.05% to 7.8%. 13,825,000

SCHOOL DISTRICT U-46

Notes to Basic Financial Statements
June 30, 2008

5. Long-Term Obligations

\$32,300,000, 1998 School Building Bonds due in annual installments of \$100,000 to \$13,000,000 through 2015 with interest due semiannually at 4.14% to 5.45%.	\$ 31,050,000
\$18,300,000, 1999 School Building Bonds due in annual installments of \$250,000 to \$7,000,000 through 2019 with interest due semiannually at 5.05% to 5.25%.	17,050,000
\$57,999,743, 2001 Construction Bonds due in annual installments of \$982,125 to \$14,072,352 through 2016 with interest due semiannually at 5.2% to 9.0%.	46,853,182
\$54,499,619, 2002 Illinois Development Finance Authority Program Revenue Bonds due in annual installments of \$373,209 to \$14,528,432 in years 2016 through 2021 with interest due annually in years of maturity at a rate yielding 5.3789%.	54,499,619
\$22,625,000, 2003A School Bonds due in annual installments of \$830,000 to \$4,875,000 through 2009 with interest due semiannually at 2.0% to 3.25%.	4,875,000
\$65,999,779, 2003B Capital Appreciation School Bonds due in annual installments of \$847,515 to \$18,975,627 beginning in fiscal year 2009 through 2023 with interest due annually in years of maturity at a rate yielding 3.45% to 5.37%.	65,999,779
\$12,000,000, 2003C General Obligation Limited Tax School Bonds (Working Cash Bonds) due in annual installments of \$1,930,000 to \$2,885,000 through 2009 with interest due semiannually at 2.50% to 3.125%.	2,885,000
\$22,000,000, 2003D General Obligation Limited Tax School Bonds (Working Cash Bonds) due in annual installments of \$3,500,000 to \$5,390,000 beginning in fiscal year 2010 through 2014 with interest due semiannually at 5.00% to 5.60%.	22,000,000
\$71,790,000, 2005 General Obligation School Refunding Bonds with \$1,265,000 due in January 2006 and annual installments ranging from \$365,000 to \$15,085,000 beginning in fiscal year 2008 through 2020 with interest due semiannually at rates ranging from 3.00% to 5.00%.	65,740,000
\$11,115,000, 2006A General Obligation Limited School Bonds due in annual installments of \$1,725,000 to \$3,115,000 beginning in fiscal year 2008 through 2011 with interest due semiannually at 2.0% to 3.25%.	<u>8,000,000</u>
Total General Obligation Bonds	<u>\$ 339,318,830</u>

SCHOOL DISTRICT U-46

Notes to Basic Financial Statements
June 30, 2008

5. Long-Term Obligations

Debt Service Requirements to Maturity - General Obligation Bonds: Annual debt service requirements to maturity for all bond issues to be paid from property taxes of the Bond and Interest Fund for each of the next five fiscal years and in five year increments thereafter are as follows:

Due In Fiscal Year	Total Debt Service	Principal	Interest
2009	\$ 33,955,141	\$ 22,857,839	\$ 11,097,302
2010	35,298,972	22,852,101	12,446,871
2011	35,588,497	24,544,453	11,044,044
2012	36,531,272	25,580,432	10,950,840
2013	38,366,547	28,178,010	10,188,537
2014-2018	196,896,540	114,729,000	82,167,540
2019-2023	<u>234,528,300</u>	<u>100,576,995</u>	<u>133,951,305</u>
Total	<u>\$ 611,165,269</u>	<u>\$ 339,318,830</u>	<u>\$ 271,846,439</u>

Legal debt margin:

As of June 30, 2008, the legal debt limit of the District was \$760,735,825, based upon 13.8 percent of its estimated 2007 equalized assessed valuation of \$5,512,578,443. The debt limit less outstanding debt of \$339,318,830 results in a legal debt margin of \$421,416,995 as of June 30, 2008.

Debt Certificates - Payable by the General Fund:

\$711,920, 2006 Debt Certificates (Qualified Zone Academy Bonds) due in annual installments of \$142,384 beginning in fiscal year 2007 through 2011 with interest due annually at 6.06%	\$ 427,152
\$6,555,000, 2007 Taxable General Obligation Limited Tax Debt Certificates due in annual installments of \$395,000 to \$940,000 beginning in fiscal year 2009 through 2017 with interest due semiannually at 6.0% to 6.15%.	6,555,000
\$6,200,000, 2007 Debt Certificates (Qualified Zone Academy Bonds) due in annual installments of \$394,759 to \$432,360 beginning in fiscal year 2009 through 2023 with interest due annually at 0.65%	<u>6,200,000</u>
Total Debt Certificates	<u>\$ 13,182,152</u>

SCHOOL DISTRICT U-46

Notes to Basic Financial Statements
June 30, 2008

5. Long-Term Obligations

Installment Notes:

Descriptions of the District's installment notes are as follows:

\$105,280, 1992 Interest Free Asbestos Abatement Federal Note, payable from the Operations and Maintenance Account, due in semi-annual installments of \$2,915 to \$2,949 through 2011	\$ 17,596
\$895,049, 1992 Interest Free Asbestos Abatement Federal Note, payable from the Operations and Maintenance Account, due in annual installments of \$49,724 through 2012.	<u>190,065</u>
Total Installment Notes	<u>\$ 207,661</u>

Purchase Contracts: As of June 30, 2008, the District had entered into approximately 130 lease/purchase contracts for copiers, buses, computer equipment, and other equipment, totaling \$12,268,058, which are payable from the General and Transportation Funds. Upon entering a contract, the District records the activity as capital outlay expenditures with an offsetting credit to "proceeds from purchase contracts". Some items purchased through this method however, may not be capitalized as new equipment if the value of an individual item such as a desktop computer does not exceed the District's capitalization threshold.

Debt Service Requirements to Maturity – Debt Certificates, Installment Notes and Purchase Contracts: Annual debt service requirements to maturity for debt certificates, installment notes and purchase contracts to be paid from the General and Transportation Funds for each of the next five fiscal years and in five year increments thereafter are as follows:

Due In Fiscal Year	Total Debt Service	Debt Certificates		Installment Notes	Purchase Contracts	
		Principal	Interest	Principal	Principal	Interest
2009	\$ 6,106,415	\$ 932,143	\$ 650,378	\$ 55,574	\$ 3,952,379	\$ 515,941
2010	5,063,713	1,159,820	419,192	55,574	3,082,427	346,700
2011	4,462,115	1,197,403	376,783	96,513	2,580,261	211,155
2012	3,265,208	1,102,619	332,214	-	1,730,099	100,276
2013	1,958,302	1,145,154	286,804	-	497,017	29,327
2014-2018	6,620,663	5,510,980	654,762	-	425,875	29,046
2019-2023	<u>2,175,849</u>	<u>2,134,033</u>	<u>41,816</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 29,652,265</u>	<u>\$ 13,182,152</u>	<u>\$ 2,761,949</u>	<u>\$ 207,661</u>	<u>\$ 12,268,058</u>	<u>\$ 1,232,445</u>

SCHOOL DISTRICT U-46

Notes to Basic Financial Statements June 30, 2008

6. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District is self-insured for the above risks. For property related risks, the District maintains excess insurance coverage to cover claims in excess of \$100,000 per occurrence to a maximum of \$250,000,000. The amount of coverage has not decreased nor have the amount of settlements exceeded coverage in any of the past three fiscal years. For workers compensation risks, the District maintains excess insurance coverage to cover claims in excess of \$400,000 per occurrence to a maximum of \$1,000,000. The amount of coverage has not decreased nor have the amount of settlements exceeded coverage in any of the past three fiscal years.

The District is also self-insured for medical claims to cover its employees and their qualifying dependents. The District funds a self-insurance account and has engaged an outside agency to administer its medical claims. The District does not assume unlimited liability for medical claims. As of June 30, 2008, the District had purchased (stop-loss) insurance to cover claims in excess of \$500,000 per person per year and \$2,000,000 lifetime. Estimated claims liabilities outstanding at June 30, 2008, based on historical cost information, total \$3,385,000, and these claims are expected to be paid from current available resources. Settled claims have not exceeded coverage in any of the past three fiscal years.

7. Employee Retirement Systems & Plans

Teachers' Retirement System of the State of Illinois

The District 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 created by the Illinois legislature for the benefit of Illinois public school teachers employed outside the city of Chicago.

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 state of Illinois maintains the primary responsibility for funding the plan, but contributions from participating employers and members are also required. The TRS Board of Trustees is responsible for the system's administration.

TRS members include all active nonannuitants who are employed by a TRS-covered employer to provide services for which teacher certification is required. The active member contribution rate for the year ended June 30, 2008, was 9.4 percent of creditable earnings. These contributions, which may be paid on behalf of employees by the employer, are submitted to TRS by the employer. The active member contribution rate was also 9.4 percent for the years ended June 30, 2007 and 2006.

The state of Illinois makes contributions directly to TRS on behalf of the District's TRS-covered employee.

On behalf contributions to TRS

The state of Illinois makes employer pension contributions on behalf of the District. For the year ended June 30, 2008, state of Illinois contributions were based on 13.11 percent of creditable earnings not paid from federal funds, and the District recognized revenue and expenditures of \$24,254,071 in pension contributions that the state of Illinois paid directly to TRS. For the years ended June 30, 2007 and June 30, 2006, the state of Illinois contribution rates as percentages of creditable earnings not paid from federal funds were 9.78 percent (\$16,971,766) and 7.06 percent (\$11,323,546), respectively.

SCHOOL DISTRICT U-46

Notes to Basic Financial Statements
June 30, 2008

7. Employee Retirement Systems & Plans

The state contributions for the years ended June 30, 2007 and June 30, 2006 were based on dollar amounts specified by the statute and were not actuarially determined.

The District makes other types of employer contributions directly to TRS:

2.2 formula contributions

Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. This rate is specified by statute. Contributions for the year ended June 30, 2008 were \$1,073,025. Contributions for the years ending June 30, 2007 and June 30, 2006, were \$1,006,506 and \$924,107, respectively.

Federal and special trust fund contributions

When TRS members are paid from federal and special trust funds administered by the District, there is a statutory requirement for the District to pay an employer pension contribution from those funds. Under a policy adopted by the TRS Board of Trustees that was first effective for the fiscal year ended June 30, 2006, employer contributions for employees paid from federal and special trust funds will be the same as the state contribution rate to TRS.

For the year ended June 30, 2008, the employer pension contribution was 13.11 percent of salaries paid from federal and special trust funds. For the years ended June 30, 2007 and 2006, the employer contribution was 9.78 and 7.06 percent of salaries paid from federal and special trust funds, respectively. For the year ended June 30, 2008, salaries totaling \$3,323,408 were paid from federal and special trust funds that required employer contributions of \$435,699. For the years ended June 30, 2007 and June 30, 2006, required District contributions were \$376,136 and \$224,400, respectively.

Early Retirement Option (ERO)

The District is also required to make one-time employer contributions to TRS for members retiring under the Early Retirement Option (ERO). The payments vary depending on the age and salary of the member and under which ERO program the member retires.

Under Public Act 94-0004, a "Pipeline ERO" program was provided for members to retire under the same terms as the ERO program that expired June 30, 2005, provided they met certain conditions and retired on or before July 1, 2007. If members did not meet these conditions, they can retire under the "Modified ERO" program which requires higher member and employer contributions to TRS. Also, under Modified ERO, Public Act 94-0004 eliminates the waiver of member and employer ERO contributions that had been in effect for members with 34 years of service (unless the member qualified for the Pipeline ERO).

Under the Pipeline ERO, the maximum employer contribution was 100 percent of the member's highest salary used in the final average salary calculation.

Under the Modified ERO, the maximum employer contribution is 117.5 percent.

Both the 100 percent and 117.5 percent maximums apply when the member is age 55 at retirement.

For the year ended June 30, 2008, the District paid \$1,433,324 to TRS for employer contributions under the ERO program. For the years ended June 30, 2007 and June 30, 2006, the District paid \$335,121 and \$2,615,970 in employer ERO contributions, respectively.

SCHOOL DISTRICT U-46

Notes to Basic Financial Statements June 30, 2008

7. Employee Retirement Systems & Plans

Salary increased over 6 percent and excess sick leave

Public Act 94-0004 added two additional employer contributions to TRS.

If an employer grants salary increases over 6 percent and those salaries are used to calculate a retiree's final average salary, the employer makes a contribution to TRS. The contribution will cover the difference in actuarial cost of the benefit based on actual salary increases and the benefit based on salary increases of up to 6 percent.

For the year ended June 30, 2008, the District made no payments to TRS for employer contributions due on salary increases in excess of 6 percent. For the year ended June 30, 2007 and June 30, 2006, the District made no payments to TRS for employer contributions due on salary increases in excess of 6 percent, respectively.

If an employer grants sick leave days in excess of the normal annual allotment and those days are used as TRS service credit, the employer makes a contribution to TRS. The contribution is based on the number of excess sick leave days used as service credit, the highest salary used to calculate final average salary, and the TRS total normal cost rate (17.62 percent of salary during the year ended June 30, 2008).

For the year ended June 30, 2008, the District made no payments to TRS for sick leave days granted in the excess of the normal annual allotment. For the year ended June 30, 2007 and June 30, 2006, the District made no payments in employer contributions granted for sick leave days, respectively.

Further information on TRS

TRS financial information, an explanation of TRS benefits, and descriptions of member, employer and state funding requirements can be found in the TRS *Comprehensive Annual Financial Report* for the year ended June 30, 2007. The report for the year ended June 30, 2008, is expected to be available in late 2008.

The reports may be obtained by writing to the Teachers' Retirement System of the State of Illinois, P.O. Box 19253, 2815 West Washington Street, Springfield, IL 62794-9253. The most current report is also available on the TRS Web site at trs.illinois.gov.

THIS Fund Contributions

The District participates in the Teacher Health Insurance Security (THIS) Fund, a cost-sharing, multiple-employer defined benefit postemployment healthcare plan that was established by the Illinois legislature for the benefit of Illinois public school teachers employed outside the city of Chicago. The THIS Fund provides medical, prescription, and behavioral health benefits, but does not provide vision, dental, or life insurance benefits to annuitants of the Teachers' Retirement System (TRS). Annuitants may participate in the state administered participating provider option plan or choose from several managed care options.

The State Employees Group Insurance Act of 1971 (5 ILCS 375) outlines the benefit provisions of THIS Fund and amendments to the plan can be made only by legislative action with the Governor's approval. The Illinois Department of Healthcare and Family Services (HFS) and the Illinois Department of Central Management Services (CMS) administer the plan with the cooperation of TRS. The director of HFS determines the rates and premiums for annuitants and dependent beneficiaries and establishes the cost-sharing parameters. Section 6.6 of the State Employees Group Insurance Act of 1971 requires all active contributors to the TRS who are not employees of the state make a contribution to THIS.

SCHOOL DISTRICT U-46

Notes to Basic Financial Statements
June 30, 2008

7. Employee Retirement Systems & Plans

The percentage of employer required contributions in the future will be determined by the director of Healthcare and Family Services and will not exceed 105 percent of the percentage of salary actually required to be paid in the previous fiscal year.

On behalf contributions to THIS Fund

The state of Illinois makes employer retiree health insurance contributions on behalf of the District. State contributions are intended to match contributions to THIS Fund from active members which were 0.84 percent of pay during the year ended June 30, 2008. State of Illinois contributions were \$1,554,037, and the District recognized revenue and expenditures of this amount during the year.

State contributions intended to match active member contributions during the years ended June 30, 2007 and 2006 were 0.80 percent of pay. State contributions on behalf of District employees were \$1,388,284 and \$1,283,121, respectively.

Employer contributions to THIS Fund

The District also makes contributions to THIS Fund. The employer THIS Fund contribution was 0.63 percent during the year ended June 30, 2008 and 0.60 percent during the years ended June 30, 2007 and 2006. For the year ended June 30, 2008, the District paid \$1,165,527 to the THIS Fund. For the years ended June 30, 2007 and June 30, 2006, the District paid \$1,041,213 and \$962,341 to the THIS Fund, respectively, which was 100 percent of the required contribution.

Further information on THIS Fund

The publicly available financial report of the THIS Fund may be obtained by writing to the Department of Healthcare and Family Services, 201 S. Grand Ave., Springfield, IL 62763-3838.

Illinois Municipal Retirement

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 plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. 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 financial report that includes financial statements and required supplementary information. That report may be obtained on-line at www.imrf.org.

Funding Policy. As set by statute, the District's Regular plan members are required to contribute 4.50 percent of their annual covered salary. The statutes require employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The District contribution rate for calendar year 2007 was 9.46 percent of annual covered payroll. 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 the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Annual Pension Cost. For 2007, the District's annual pension cost of \$4,981,233 for the Regular plan was equal to your employer's required and actual contributions.

SCHOOL DISTRICT U-46

Notes to Basic Financial Statements
June 30, 2008

7. Employee Retirement Systems & Plans

Three-Year Trend Information for the Regular Plan

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
12/31/07	\$ 4,981,233	100%	\$ -
12/31/06	4,155,150	100%	-
12/31/05	4,195,749	100%	-

The required contribution was determined as part of the December 31, 2005, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2005, included (a) 7.5 percent investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10.0%, per year depending on age and service, attributable to seniority/merit, and (d) post retirement benefit increases of 3% annually. The actuarial value of the District's Regular plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 15% corridor between the actuarial and market value of assets. The District's Regular plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at December 31, 2007, was 25 years.

Funded Status and Funding Progress. As of December 31, 2007, the most recent actuarial valuation date, the Regular plan was 89.18 percent funded. The actuarial accrued liability for benefits was \$114,015,143 and the actuarial value of assets was \$101,677,116, resulting in an underfunded actuarial accrued liability (UAAL) of \$12,338,027. The covered payroll (annual payroll of active employees covered by the plan) was \$52,655,738 and the ratio of the UAAL to the covered payroll was 23 percent.

The schedule of funding progress presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

8. Post Employment Benefits Other Than Pensions

The District adopted the provisions of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, in 2008.

Plan Description: The District administers a single-employer defined benefit healthcare plan, the "Retiree Healthcare Plan" or "the Plan". The plan provides healthcare insurance for eligible retirees and their dependents through the District's group health insurance plan, which covers both active and retired members. Benefit provisions are established through negotiations between the District and the unions representing District employees and are renegotiated each bargaining period. As of June 30, 2008, certain retirees are eligible until the first month of Medicare eligibility and others are eligible for their lifetime. The Plan does not issue a stand-alone financial report.

SCHOOL DISTRICT U-46

Notes to Basic Financial Statements
June 30, 2008

8. Post Employment Benefits Other Than Pensions

Funding Policy: Contribution requirements are also negotiated between the District and union representatives. All plan funding is done on a pay-as-you-go basis. Funding varies from 0% to 100%, depending on the retiree's status at the time of retirement. Currently, the current and retired employees pay a specified blended premium rate for healthcare insurance and the District pays the difference. For fiscal year 2008, the District contributed \$2,118,468 to the Plan, total retiree contributions were not determined.

Annual OPEB Cost and Net OPEB Obligation: The District's annual OPEB cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the District's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the District's net OPEB obligation:

Annual Required Contribution	\$ 2,920,759
Interest On Net OPEB Obligation	-
Adjustment To Annual Required Contribution	-
Annual OPEB Cost	2,920,759
Contributions Made	(2,118,468)
Increase In Net OPEB Obligation	802,291
Net OPEB Obligation - Beginning Of Year	-
Net OPEB Obligation - End Of Year	<u>\$ 802,291</u>

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year 2008 was as follows:

	Year Ending	Annual OPEB Cost (APC)	Percentage Of APC Contributed	Net OPEB Obligation
Retiree Healthcare Plan	6/30/2008	\$ 2,920,759	72.5%	\$ 802,291

Since the District reports its financial activity on the modified cash basis, the net OPEB obligation of \$802,291 has not been recorded in the statement of net assets. Payments to liquidate the liability have typically been made by the General Fund.

Funded Status and Funding Progress: As of June 30, 2008, the actuarial accrued liability for benefits was \$25,908,783, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$230,215,824, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 11.25%.

SCHOOL DISTRICT U-46

Notes to Basic Financial Statements
June 30, 2008

8. Post Employment Benefits Other Than Pensions

The projection of future benefit payments for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the District are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents only the current year during this first year of implementation, however, in subsequent years, multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits will be provided.

Methods and Assumptions: Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the District and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities, consistent with the long-term perspective of the calculations.

Significant methods and assumptions were as follows:

Actuarial valuation date:	June 30, 2008
Actuarial cost method:	Unit Credit Cost Method
Amortization method:	Closed Group
Remaining amortization period:	30 years
Actuarial assumptions:	
Discount Rate	5.0%
Healthcare Trend Rate	Beginning at 10.0%, trending to 5.0%

9. Debt Defeasance

In prior years, the District advance refunded certain general obligation bonds by placing a portion of the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the District's financial statements. As of June 30, 2008, the outstanding balance of defeased bonds totals \$20,175,000, all of which is scheduled to be called on January 1, 2011.

10. Other Financial Disclosures

Expenditures Exceeding Operating Budgets

Expenditures exceeded budgeted expenditures in the following funds/accounts during fiscal year 2008:

Fund	Final Budget	Actual Expenditures	Amount Over Budget
General Fund - Tort Immunity Account	\$ 8,025,995	\$ 8,538,740	\$ 512,745
Bond and Interest Fund	35,764,177	36,014,264	250,087
Site and Construction Fund	1,957,031	5,325,584	3,368,553
Transportation Fund	22,015,777	26,809,621	4,793,844

SCHOOL DISTRICT U-46

Notes to Basic Financial Statements June 30, 2008

10. Other Financial Disclosures

Due To/From Other Funds

Interfund debt balances as of June 30, 2008 are as follows:

<u>Fund</u>	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
Major Governmental Funds		
General	\$ -	\$ 16,714,420
Working Cash	23,545,544	-
Nonmajor Governmental Funds	-	6,831,124
Total	<u>\$ 23,545,544</u>	<u>\$ 23,545,544</u>

The interfund debt balances reflect operating loans which are expected to be resolved in the following fiscal year.

Deficit fund balances

The General Fund and the Transportation Fund had deficit fund balances as of June 30, 2008 of (\$3,614,741) and (\$6,841,132), respectively. The General Fund deficit is comprised of the following: Educational Account - \$13,133,016, Tort Immunity Account - (\$7,470,911) and Operations and Maintenance Account - (\$9,276,846). District management expects to reduce the deficits with future revenues and budget cuts.

11. Net Assets

Restricted Net Assets

Enabling legislation authorizes the District to levy payment of resources (property taxes) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. The District has levied for restricted property taxes for debt service, special education purposes, fire prevention and safety purposes, and tort immunity purposes. Additionally, the District has received the restricted proceeds of debt issuances and impact fees. The District has restricted net assets for resources accumulated to make future payments on bonds in the amount of \$16,273,510 and has restricted net assets for resources accumulated for future construction projects for \$3,795,801, which is comprised of property tax monies, debt proceeds and impact fees. All resources received for special education purposes were expended as of year end. All resources received for tort immunity purposes, including the prior year bond and debt certificate proceeds have been recorded in the Tort Immunity Account of the General Fund, which had a deficit fund balance at year end.

Beginning of the year net assets were reduced by \$1,548,591 to account for prior year lease purchase contracts entered into before fiscal year 2008.

SCHOOL DISTRICT U-46

Notes to Basic Financial Statements June 30, 2008

12. Contingent Liabilities

Litigation: The District is a defendant in various lawsuits wherein substantial amounts are claimed. In the opinion of the District's legal council, these suits are without substantial merit and should not result in judgments, which in aggregate would have a material adverse effect on the District's financial statements.

Grants: Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government and the Illinois State Board of Education. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2008.

13. Commitments

At June 30, 2008, the District had approximately \$11,868,000 in outstanding construction project commitments. The projects were comprised of work to be done at various school buildings to be paid from the Fire Prevention and Safety Fund and the Site and Construction Fund.

REQUIRED SUPPLEMENTARY INFORMATION

SCHOOL DISTRICT U-46

Required Supplementary Information

Historical Pension Information
Illinois Municipal Retirement Fund
Schedule of Funding Progress
June 30, 2008

Actuarial Valuation Date	Actuarial Value Of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL As A Percentage Of Covered Payroll ((b-a)/c)
12/31/2007	\$101,677,116	\$114,015,143	\$ 12,338,027	89.18%	\$ 52,655,738	23.43%
12/31/2006	92,531,329	104,917,529	12,386,200	88.19%	50,610,790	24.47%
12/31/2005	83,300,629	93,335,076	10,034,447	89.25%	45,905,352	21.86%
12/31/2004	75,666,381	73,882,121 (	1,784,260)	102.42%	34,005,999 (	5.25%)
12/31/2003	75,607,130	79,537,100	3,929,970	95.06%	42,428,550	9.26%
12/31/2002	74,023,230	76,272,517	2,249,287	97.05%	43,082,770	5.22%
12/31/2001	69,256,906	67,347,167 (	1,909,739)	102.84%	38,438,046 (	4.97%)
12/31/2000	62,971,744	60,033,466 (	2,938,278)	104.89%	35,247,350 (	8.34%)
12/31/1999	56,027,413	55,400,196 (	627,217)	101.13%	31,256,971 (	2.01%)
12/31/1998	45,343,080	48,531,704	3,188,624	93.43%	27,734,820	11.50%

SCHOOL DISTRICT U-46

Required Supplementary Information

Retiree Healthcare Plan
Schedule of Funding Progress
June 30, 2008

Actuarial Valuation Date	Actuarial Value Of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL As A Percentage Of Covered Payroll ((b-a)/c)
6/30/2008	\$ -	\$ 25,908,783	\$ 25,908,783	0.00%	\$230,215,824	11.25%

The District adopted the provisions of GASB Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, in fiscal year 2008.

This Schedule provides information for as many years as is available.

The District funds the benefits on a pay-as-you-go basis, therefore, there are no plan assets at year-end.

SCHOOL DISTRICT U-46

Required Supplementary Information - Budgetary Comparison Information - General Fund Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Budgetary Basis For the Year Ended June 30, 2008

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Property Taxes	\$ 196,100,208	\$ 196,100,208	\$ 196,560,856	\$ 460,648
Replacement Taxes and Other Payments in Lieu of Taxes	3,111,820	3,111,820	4,273,934	1,162,114
Charges for Services	11,500,000	11,500,000	11,516,395	16,395
Earnings on Investments	5,677,932	4,677,934	4,031,212	(646,722)
Rentals and Other Local Sources	1,175,000	1,175,000	1,514,503	339,503
State Grants-in-Aid	92,574,611	97,288,589	93,553,568	(3,735,021)
Federal Grants-in-Aid	25,642,991	27,508,421	26,716,812	(791,609)
Total Revenues	<u>335,782,562</u>	<u>341,361,972</u>	<u>338,167,280</u>	<u>(3,194,692)</u>
Expenditures				
Current:				
Instruction:				
Regular Programs	126,852,564	125,076,592	119,799,503	5,277,089
Special Programs	33,287,356	32,681,878	34,596,327	(1,914,449)
Other Instructional Programs	38,052,213	37,854,945	40,498,057	(2,643,112)
Support Services:				
Pupils	23,848,783	24,128,812	26,216,687	(2,087,875)
Instructional Staff	14,902,240	14,737,268	14,997,653	(260,385)
General Administration	7,161,189	7,286,189	9,894,736	(2,608,547)
School Administration	22,192,888	22,058,235	21,735,266	322,969
Business	32,655,252	32,492,724	31,754,413	738,311
Facilities Acquisition & Construction	140,157	140,157	132,415	7,742
Transportation	1,230,509	1,230,509	1,039,374	191,135
Food Service	12,651,560	12,651,560	13,314,044	(662,484)
Central	9,541,891	10,570,575	11,514,146	(943,571)
Other Support	217,000	217,000	202,882	14,118
Community Services	2,876,209	3,208,421	2,711,317	497,104
Nonprogrammed Charges	9,829,376	9,829,376	7,792,609	2,036,767
Debt Service - Interest and Fees	-	-	7,404	(7,404)
Debt Service - Principal	55,574	55,574	197,958	(142,384)
Capital Outlay	3,882,349	3,882,349	2,955,460	926,889
Contingency	-	2,577,805	-	2,577,805
Total Expenditures	<u>339,377,110</u>	<u>340,679,969</u>	<u>339,360,251</u>	<u>1,319,718</u>
Excess (Deficiency) of Revenues Over Expenditures	(3,594,548)	682,003	(1,192,971)	(1,874,974)
Other Financing Sources				
Transfers In	750,000	750,000	-	(750,000)
Issuance of Purchase Contracts	-	-	995,314	995,314
Total Other Financing Sources	<u>750,000</u>	<u>750,000</u>	<u>995,314</u>	<u>245,314</u>
Net Change in Fund Balance	<u>(\$ 2,844,548)</u>	<u>\$ 1,432,003</u>	<u>(197,657)</u>	<u>(\$ 1,629,660)</u>
Fund Balance (Deficit), Beginning of Year			(3,417,084)	
Fund Balance (Deficit), End of Year			<u>(\$ 3,614,741)</u>	

SCHOOL DISTRICT U-46

Required Supplementary Information - Budgetary Comparison Information - Working Cash Fund Schedule of Revenues and Changes in Fund Balance - Budget and Actual - Modified Cash Basis For the Year Ended June 30, 2008

	Original and Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues			
Earnings on Investments	\$ 750,000	\$ 46,120	(\$ 703,880)
Total Revenues	<u>750,000</u>	<u>46,120</u>	<u>(703,880)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>750,000</u>	<u>46,120</u>	<u>(703,880)</u>
Other Financing (Uses)			
Transfers Out	(750,000)	-	750,000
Total Other Financing (Uses)	<u>(750,000)</u>	<u>-</u>	<u>750,000</u>
Net Change in Fund Balance	<u>\$ -</u>	46,120	<u>\$ 46,120</u>
Fund Balance, Beginning of Year		<u>74,717,099</u>	
Fund Balance, End of Year		<u>\$ 74,763,219</u>	

Notes to Required Supplementary Information:

The Budgetary Comparison Information includes the activity of the General Fund and the Working Cash Fund (a major special revenue fund). The General Fund is presented on the budgetary basis of accounting. The budgetary basis differs from the modified cash basis in that the revenues of \$25,808,108 and the expenditures of the same amount recognized by the District for TRS on-behalf payments were not budgeted by the District and therefore are not presented in this schedule. The Working Cash Fund is presented on the modified cash basis of accounting. The General Fund budget was amended during the fiscal year. The Tort Immunity Account and Operations and Maintenance Account of the General Fund had deficit fund balances at year end of (\$7,470,911) and (\$9,276,846), respectively. The District is working towards eliminating these deficits through future tax revenues. Additionally, the Tort Immunity Account incurred expenditures in excess of budgeted expenditures of \$512,745.

This Page Intentionally Left Blank

OTHER SUPPLEMENTARY INFORMATION

SCHOOL DISTRICT U-46

General Fund

Statement of Assets, Liabilities and Fund Balances by Account - Modified Cash Basis
June 30, 2008

	<u>Educational Account</u>	<u>Tort Immunity Account</u>	<u>Operations and Maintenance Account</u>	<u>Total</u>
Assets				
Cash	\$ 14,800	\$ -	\$ 780	\$ 15,580
Investments	16,017,028	-	-	16,017,028
Inventory	196,756	-	-	196,756
Total Assets	<u>\$ 16,228,584</u>	<u>\$ -</u>	<u>\$ 780</u>	<u>\$ 16,229,364</u>
Liabilities and Fund Balances				
Liabilities				
Unclaimed Property	\$ 1,094,515	\$ -	\$ 34,117	\$ 1,128,632
Payroll Deductions	2,001,053	-	-	2,001,053
Due To Other Funds	-	7,470,911	9,243,509	16,714,420
Total Liabilities	<u>3,095,568</u>	<u>7,470,911</u>	<u>9,277,626</u>	<u>19,844,105</u>
Fund Balances				
Reserved For Inventory	196,756	-	-	196,756
Unreserved (Deficit)	12,936,260	(7,470,911)	(9,276,846)	(3,811,497)
Total Fund Balances	<u>13,133,016</u>	<u>(7,470,911)</u>	<u>(9,276,846)</u>	<u>(3,614,741)</u>
Total Liabilities and Fund Balances	<u>\$ 16,228,584</u>	<u>\$ -</u>	<u>\$ 780</u>	<u>\$ 16,229,364</u>

SCHOOL DISTRICT U-46

General Fund

Statement of Revenues, Expenditures and Changes in Fund Balances by Account - Modified Cash Basis
For the Year Ended June 30, 2008

Revenues	Educational Account	Tort Immunity Account	Operations and Maintenance Account	Total
Property Taxes	\$ 174,360,227	\$ 3,693,356	\$ 18,507,273	\$ 196,560,856
Replacement Taxes and Other				
Payments in Lieu of Taxes	1,770,835	-	2,503,099	4,273,934
Charges for Services	11,516,395	-	-	11,516,395
Earnings on Investments	1,193,024	9,192	2,828,996	4,031,212
Rentals and Other Local Sources	476,468	-	1,038,035	1,514,503
State Grants-in-Aid	91,535,797	-	2,017,771	93,553,568
Federal Grants-in-Aid	26,716,812	-	-	26,716,812
TRS On-Behalf of Payments	25,808,108	-	-	25,808,108
Total Revenues	<u>333,377,666</u>	<u>3,702,548</u>	<u>26,895,174</u>	<u>363,975,388</u>
Expenditures				
Current:				
Instruction:				
Regular Programs	119,767,477 ^{39.54}	32,026	-	119,799,503
Special Programs	34,465,130 ^{11.38}	131,197	-	34,596,327
Other Instructional Programs	40,437,916 ^{13.35}	60,141	-	40,498,057
Support Services:				
Pupils	26,186,145 ^{8.65}	30,542	-	26,216,687
Instructional Staff	14,951,674 ^{4.94}	45,979	-	14,997,653
General Administration	5,120,307 ^{1.69}	4,774,429	-	9,894,736
School Administration	21,735,266 ^{7.18}	-	-	21,735,266
Business	3,715,882 ^{1.23}	3,346,337	24,692,194 ^{97.06}	31,754,413
Facilities Acquisition & Construction	-	-	132,415 ⁵²	132,415
Transportation	1,038,539 ^{1.34}	77	758 ¹⁵⁸	1,039,374
Food Service	13,314,018 ^{4.40}	26	-	13,314,044
Central	11,409,233 ^{3.77}	104,913	-	11,514,146
Other Support	200,209 ^{.07}	2,673	-	202,882
Community Services	2,700,917 ^{.89}	10,400	-	2,711,317
Nonprogrammed Charges	7,792,609 ^{2.57}	-	-	7,792,609
Intergovernmental: TRS				
On-Behalf Payments	25,808,108 ^{Not included}	-	-	25,808,108
Debt Service - Interest and Fees	-	-	7,404 ^{.03}	7,404
Debt Service - Principal	-	-	197,958 ^{.78}	197,958
Capital Outlay	2,545,389 ^{1.61}	-	410,071	2,955,460
Total Expenditures	<u>331,188,819</u>	<u>8,538,740</u>	<u>25,440,800</u>	<u>365,168,359</u>
Excess (Deficiency) of Revenues	<u>302,835,227</u>		<u>26,190,337</u>	
Over Expenditures	<u>2,188,847</u>	<u>(4,836,192)</u>	<u>1,454,374</u>	<u>(1,192,971)</u>
Other Financing Sources (Uses)				
Issuance of Purchase Contracts	995,314	-	-	995,314
Total Other Financing Sources (Uses)	<u>995,314</u>	<u>-</u>	<u>-</u>	<u>995,314</u>
Net Change in Fund Balances	3,184,161	(4,836,192)	1,454,374	(197,657)
Fund Balances (Deficits), Beginning of Year	9,948,855	(2,634,719)	(10,731,220)	(3,417,084)
Fund Balances (Deficits), End of Year	<u>\$ 13,133,016</u>	<u>(\$ 7,470,911)</u>	<u>(\$ 9,276,846)</u>	<u>(\$ 3,614,741)</u>

SCHOOL DISTRICT U-46

Educational Account

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Budgetary Basis
For the Year Ended June 30, 2008

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Property Taxes	\$ 174,142,451	\$ 174,142,451	\$ 174,360,227	\$ 217,776
Replacement Taxes and Other Payments in Lieu of Taxes	1,193,149	1,193,149	1,770,835	577,686
Charges for Services	11,500,000	11,500,000	11,516,395	16,395
Earnings on Investments	2,867,931	1,867,933	1,193,024	(674,909)
Rentals and Other Local Sources	169,000	169,000	476,468	307,468
State Grants-in-Aid	90,574,611	95,288,589	91,535,797	(3,752,792)
Federal Grants-in-Aid	25,642,991	27,508,421	26,716,812	(791,609)
Total Revenues	<u>306,090,133</u>	<u>311,669,543</u>	<u>307,569,558</u>	<u>(4,099,985)</u>
Expenditures				
Current:				
Instruction				
Regular Programs	126,574,497	124,798,525	119,767,477	5,031,048
Special Programs	33,215,834	32,610,356	34,465,130	(1,854,774)
Other Instructional Programs	38,044,979	37,847,711	40,437,916	(2,590,205)
Support Services				
Pupils	23,844,900	24,124,929	26,186,145	(2,061,216)
Instructional Staff	14,862,325	14,697,353	14,951,674	(254,321)
General Administration	4,182,530	4,307,530	5,120,307	(812,777)
School Administration	22,192,888	22,058,235	21,735,266	322,969
Business	3,354,502	3,409,763	3,715,882	(306,119)
Transportation	1,229,707	1,229,707	1,038,539	191,168
Food Service	12,651,540	12,651,540	13,314,018	(662,478)
Central	9,314,891	10,343,575	11,409,233	(1,065,658)
Other Support	216,351	216,351	200,209	16,142
Community Services	2,866,678	3,198,890	2,700,917	497,973
Nonprogrammed Charges	9,829,376	9,829,376	7,792,609	2,036,767
Capital Outlay	3,286,349	3,286,349	2,545,389	740,960
Contingency	-	2,577,805	-	2,577,805
Total Expenditures	<u>305,667,347</u>	<u>307,187,995</u>	<u>305,380,711</u>	<u>1,807,284</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>422,786</u>	<u>4,481,548</u>	<u>2,188,847</u>	<u>(2,292,701)</u>
Other Financing Sources (Uses)				
Transfers In	750,000	750,000	-	(750,000)
Issuance of Purchase Contracts	-	-	995,314	995,314
Total Other Financing Sources (Uses)	<u>750,000</u>	<u>750,000</u>	<u>995,314</u>	<u>245,314</u>
Net Change in Fund Balance	<u>\$ 1,172,786</u>	<u>\$ 5,231,548</u>	<u>3,184,161</u>	<u>(\$ 2,047,387)</u>
Fund Balance, Beginning of Year			9,948,855	
Fund Balance, End of Year			<u>\$ 13,133,016</u>	

SCHOOL DISTRICT U-46

Tort Immunity Account

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Modified Cash Basis
For the Year Ended June 30, 2008

	Original and Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues			
Property Taxes	\$ 3,954,814	\$ 3,693,356	(\$ 261,458)
Earnings on Investments	10,000	9,192	(808)
 Total Revenues	 3,964,814	 3,702,548	 (262,266)
 Expenditures			
Current:			
Instruction			
Regular Programs	278,067	32,026	246,041
Special Programs	71,522	131,197	(59,675)
Other Instructional Programs	7,234	60,141	(52,907)
Support Services			
Pupils	3,883	30,542	(26,659)
Instructional Staff	39,915	45,979	(6,064)
General Administration	2,978,659	4,774,429	(1,795,770)
Business	4,334,502	3,346,337	988,165
Transportation	13	77	(64)
Food Service	20	26	(6)
Central	227,000	104,913	122,087
Other Support	649	2,673	(2,024)
Community Services	9,531	10,400	(869)
Capital Outlay	75,000	-	75,000
 Total Expenditures	 8,025,995	 8,538,740	 (512,745)
 Net Change in Fund Balance	 (\$ 4,061,181)	 (4,836,192)	 (\$ 775,011)
 Fund Balance (Deficit), Beginning of Year		(2,634,719)	
 Fund Balance (Deficit), End of Year		(\$ 7,470,911)	

SCHOOL DISTRICT U-46

Operations and Maintenance Account

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Modified Cash Basis
For the Year Ended June 30, 2008

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Property Taxes	\$ 18,002,943	\$ 18,002,943	\$ 18,507,273	\$ 504,330
Replacement Taxes and Other				
Payments in Lieu of Taxes	1,918,671	1,918,671	2,503,099	584,428
Earnings on Investments	2,800,001	2,800,001	2,828,996	28,995
Rentals and Other Local Sources	1,006,000	1,006,000	1,038,035	32,035
State Grants-in-Aid	2,000,000	2,000,000	2,017,771	17,771
Total Revenues	<u>25,727,615</u>	<u>25,727,615</u>	<u>26,895,174</u>	<u>1,167,559</u>
Expenditures				
Current:				
Support Services				
Business	24,966,248	24,748,459	24,692,194	56,265
Facilities Acquisition &				
Construction	140,157	140,157	132,415	7,742
Transportation	789	789	758	31
Debt Service - Interest and Fees	-	-	7,404	(7,404)
Debt Service - Principal	55,574	55,574	197,958	(142,384)
Capital Outlay	521,000	521,000	410,071	110,929
Total Expenditures	<u>25,683,768</u>	<u>25,465,979</u>	<u>25,440,800</u>	<u>25,179</u>
Net Change in Fund Balance	<u>\$ 43,847</u>	<u>\$ 261,636</u>	<u>1,454,374</u>	<u>\$ 1,192,738</u>
Fund Balance (Deficit), Beginning of Year			(10,731,220)	
Fund Balance (Deficit), End of Year			<u>(\$ 9,276,846)</u>	

SCHOOL DISTRICT U-46

Bond and Interest Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Modified Cash Basis
For the Year Ended June 30, 2008

	Original and Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues			
Property Taxes	\$ 33,017,787	\$ 33,390,049	\$ 372,262
Earnings on Investments	50,000	49,511	(489)
Total Revenues	<u>33,067,787</u>	<u>33,439,560</u>	<u>371,773</u>
Expenditures			
Debt Service - Interest and Fees	9,919,652	11,223,783	(1,304,131)
Debt Service - Principal	<u>25,844,525</u>	<u>24,790,481</u>	<u>1,054,044</u>
Total Expenditures	<u>35,764,177</u>	<u>36,014,264</u>	<u>(250,087)</u>
Net Change in Fund Balance	(\$ 2,696,390)	(2,574,704)	<u>\$ 121,686</u>
Fund Balance, Beginning of Year		<u>18,848,214</u>	
Fund Balance, End of Year		<u>\$ 16,273,510</u>	

SCHOOL DISTRICT U-46

Site and Construction Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Modified Cash Basis
For the Year Ended June 30, 2008

	Original and Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues			
Earnings on Investments	\$ 10,001	\$ 168	(\$ 9,833)
Impact Fees and Other Local Sources	1,950,000	867,768	(1,082,232)
Total Revenues	<u>1,960,001</u>	<u>867,936</u>	<u>(1,092,065)</u>
Expenditures			
Current:			
Support Services			
Facilities Acquisition & Construction	7,031	581,965	(574,934)
Capital Outlay	1,950,000	4,743,619	(2,793,619)
Total Expenditures	<u>1,957,031</u>	<u>5,325,584</u>	<u>(3,368,553)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>2,970</u>	<u>(4,457,648)</u>	<u>(4,460,618)</u>
Other Financing Sources (Uses)			
Issuance of Debt Certificates	-	6,200,000	6,200,000
Total Other Financing Sources (Uses)	<u>-</u>	<u>6,200,000</u>	<u>6,200,000</u>
Net Change in Fund Balance	<u>\$ 2,970</u>	<u>1,742,352</u>	<u>\$ 1,739,382</u>
Fund Balance, Beginning of Year		<u>9,763,251</u>	
Fund Balance, End of Year		<u>\$ 11,505,603</u>	

SCHOOL DISTRICT U-46

Nonmajor Governmental Funds

Combining Statement of Assets, Liabilities and Fund Balances - Modified Cash Basis
June 30, 2008

	<u>Special Revenue Funds</u>			<u>Capital Projects Fund</u>	<u>Total</u>
	<u>Transportation Fund</u>	<u>Municipal Retirement/ Social Security Fund</u>	<u>Total Special Revenue Funds</u>	<u>Fire Prevention and Safety Fund</u>	
Assets					
Cash	\$ 400	\$ 182,719	\$ 183,119	\$ 6,634,141	\$ 6,817,260
Total Assets	<u>\$ 400</u>	<u>\$ 182,719</u>	<u>\$ 183,119</u>	<u>\$ 6,634,141</u>	<u>\$ 6,817,260</u>
Liabilities and Fund Balances					
Liabilities					
Unclaimed Property	\$ 10,408	\$ -	\$ 10,408	\$ -	\$ 10,408
Due To Other Funds	<u>6,831,124</u>	<u>-</u>	<u>6,831,124</u>	<u>-</u>	<u>6,831,124</u>
Total Liabilities	<u>6,841,532</u>	<u>-</u>	<u>6,841,532</u>	<u>-</u>	<u>6,841,532</u>
Fund Balances					
Unreserved (Deficit)	(6,841,132)	182,719	(6,658,413)	6,634,141	(24,272)
Total Fund Balances	<u>(6,841,132)</u>	<u>182,719</u>	<u>(6,658,413)</u>	<u>6,634,141</u>	<u>(24,272)</u>
Total Liabilities and Fund Balances	<u>\$ 400</u>	<u>\$ 182,719</u>	<u>\$ 183,119</u>	<u>\$ 6,634,141</u>	<u>\$ 6,817,260</u>

SCHOOL DISTRICT U-46

Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Modified Cash Basis
For the Year Ended June 30, 2008

	Special Revenue Funds			Capital Projects Fund	
	Transportation Fund	Municipal Retirement/ Social Security Fund	Total Special Revenue Funds	Fire Prevention and Safety Fund	Total
Revenues					
Property Taxes	\$ 5,430,185	\$ 9,761,992	\$ 15,192,177	\$ 1,044,857	\$ 16,237,034
Replacement Taxes	-	304,160	304,160	-	304,160
Charges for Services	214,325	-	214,325	-	214,325
Earnings on Investments	8,518	19,016	27,534	3,013	30,547
State Grants-in-Aid	8,094,130	-	8,094,130	-	8,094,130
Total Revenues	<u>13,747,158</u>	<u>10,085,168</u>	<u>23,832,326</u>	<u>1,047,870</u>	<u>24,880,196</u>
Expenditures					
Current:					
Instruction					
Regular Programs	-	1,294,835	1,294,835	-	1,294,835
Special Programs	-	1,010,564	1,010,564	-	1,010,564
Other Instructional Programs	-	696,438	696,438	-	696,438
Support Services					
Pupils	-	1,201,045	1,201,045	-	1,201,045
Instructional Staff	-	412,517	412,517	-	412,517
General Administration	-	347,894	347,894	-	347,894
School Administration	-	1,185,727	1,185,727	-	1,185,727
Business	-	1,931,375	1,931,375	-	1,931,375
Facilities Acquisition & Construction	-	18,793	18,793	622,943	641,736
Transportation	23,852,672	488,734	24,341,406	-	24,341,406
Food Service	-	6,889	6,889	-	6,889
Central	-	762,358	762,358	-	762,358
Other Support	-	14,127	14,127	-	14,127
Capital Outlay	2,956,949	-	2,956,949	5,073,294	8,030,243
Total Expenditures	<u>26,809,621</u>	<u>9,371,296</u>	<u>36,180,917</u>	<u>5,696,237</u>	<u>41,877,154</u>
Excess (Deficiency) of Revenues Over Expenditures	(13,062,463)	713,872	(12,348,591)	(4,648,367)	(16,996,958)
Other Financing Sources (Uses)					
Issuance of Purchase Contracts	2,958,427	-	2,958,427	-	2,958,427
Total Other Financing Sources (Uses)	<u>2,958,427</u>	<u>-</u>	<u>2,958,427</u>	<u>-</u>	<u>2,958,427</u>
Net Change in Fund Balances	(10,104,036)	713,872	(9,390,164)	(4,648,367)	(14,038,531)
Fund Balances (Deficits), Beginning of Year	3,262,904	(531,153)	2,731,751	11,282,508	14,014,259
Fund Balances (Deficits), End of Year	<u>(\$ 6,841,132)</u>	<u>\$ 182,719</u>	<u>(\$ 6,658,413)</u>	<u>\$ 6,634,141</u>	<u>(\$ 24,272)</u>

SCHOOL DISTRICT U-46

Transportation Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Modified Cash Basis
For the Year Ended June 30, 2008

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Property Taxes	\$ 5,187,880	\$ 5,187,880	\$ 5,430,185	\$ 242,305
Charges for Services	360,000	360,000	214,325	(145,675)
Earnings on Investments	9,000	9,000	8,518	(482)
State Grants-in-Aid	14,620,000	10,998,449	8,094,130	(2,904,319)
Total Revenues	20,176,880	16,555,329	13,747,158	(2,808,171)
Expenditures				
Current:				
Support Services				
Transportation	18,590,777	19,245,777	23,852,672	(4,606,895)
Capital Outlay	2,770,000	2,770,000	2,956,949	(186,949)
Total Expenditures	21,360,777	22,015,777	26,809,621	(4,793,844)
Excess (Deficiency) of Revenues Over Expenditures	(1,183,897)	(5,460,448)	(13,062,463)	(7,602,015)
Other Financing Sources (Uses)				
Issuance of Purchase Contracts	-	-	2,958,427	2,958,427
Total Other Financing Sources (Uses)	-	-	2,958,427	2,958,427
Net Change in Fund Balance	(\$ 1,183,897)	(\$ 5,460,448)	(10,104,036)	(\$ 4,643,588)
Fund Balance, Beginning of Year			3,262,904	
Fund Balance (Deficit), End of Year			(\$ 6,841,132)	

SCHOOL DISTRICT U-46

Municipal Retirement / Social Security Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Modified Cash Basis
For the Year Ended June 30, 2008

	Original and Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues			
Property Taxes	\$ 9,549,062	\$ 9,761,992	\$ 212,930
Replacement Taxes	233,144	304,160	71,016
Earnings on Investments	-	19,016	19,016
	<hr/>	<hr/>	<hr/>
Total Revenues	9,782,206	10,085,168	302,962
	<hr/>	<hr/>	<hr/>
Expenditures			
Current:			
Instruction			
Regular Programs	1,375,117	1,294,835	80,282
Special Programs	1,321,728	1,010,564	311,164
Other Instructional Programs	632,564	696,438	(63,874)
Support Services			
Pupils	1,025,267	1,201,045	(175,778)
Instructional Staff	449,123	412,517	36,606
General Administration	336,286	347,894	(11,608)
School Administration	1,125,577	1,185,727	(60,150)
Business	1,923,486	1,931,375	(7,889)
Facilities Acquisition & Construction	21,858	18,793	3,065
Transportation	812,461	488,734	323,727
Food Service	9,065	6,889	2,176
Central	681,196	762,358	(81,162)
Other Support	11,387	14,127	(2,740)
	<hr/>	<hr/>	<hr/>
Total Expenditures	9,725,115	9,371,296	353,819
	<hr/>	<hr/>	<hr/>
Net Change in Fund Balance	\$ 57,091	713,872	\$ 656,781
	<hr/>	<hr/>	<hr/>
Fund Balance (Deficit), Beginning of Year		(531,153)	
		<hr/>	
Fund Balance, End of Year		\$ 182,719	
		<hr/>	

SCHOOL DISTRICT U-46

Fire Prevention and Safety Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Modified Cash Basis
For the Year Ended June 30, 2008

	Original and Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues			
Property Taxes	\$ 1,530,741	\$ 1,044,857	(\$ 485,884)
Earnings on Investments	3,000	3,013	13
Total Revenues	<u>1,533,741</u>	<u>1,047,870</u>	<u>(485,871)</u>
Expenditures			
Current:			
Support Services			
Facilities Acquisition & Construction	500,000	622,943	(122,943)
Capital Outlay	12,000,000	5,073,294	6,926,706
Total Expenditures	<u>12,500,000</u>	<u>5,696,237</u>	<u>6,803,763</u>
Net Change in Fund Balance	(<u>\$ 10,966,259</u>)	(4,648,367)	<u>\$ 6,317,892</u>
Fund Balance, Beginning of Year		<u>11,282,508</u>	
Fund Balance, End of Year		<u>\$ 6,634,141</u>	

SCHOOL DISTRICT U-46

Agency Funds - Student Activity Funds Schedule of Cash Receipts, Disbursements and Ending Balances For the Year Ended June 30, 2008

	<u>Balance July 1, 2007</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance June 30, 2008</u>
High Schools				
Bartlett	\$ 646,820	\$ 2,043,696	\$ 2,138,719	\$ 551,797
Elgin	595,890	1,122,363	1,183,650	534,603
Larkin	638,376	1,055,483	1,171,509	522,350
Streamwood	459,609	1,385,609	1,456,476	388,742
Gifford	212,676	240,400	239,607	213,469
South Elgin	<u>372,526</u>	<u>1,290,118</u>	<u>1,195,974</u>	<u>466,670</u>
Total High Schools	<u>2,925,897</u>	<u>7,137,669</u>	<u>7,385,935</u>	<u>2,677,631</u>
Middle Schools				
Abbott	26,390	117,129	118,327	25,192
Canton	129,304	115,152	139,441	105,015
Eastview	108,534	291,737	284,020	116,251
Ellis	24,219	80,682	82,944	21,957
Kenyon Woods	66,115	210,935	202,672	74,378
Kimball	37,043	84,120	91,537	29,626
Larsen	64,882	133,449	135,292	63,039
Tefft	<u>32,656</u>	<u>181,399</u>	<u>183,757</u>	<u>30,298</u>
Total Middle Schools	<u>489,143</u>	<u>1,214,603</u>	<u>1,237,990</u>	<u>465,756</u>
Elementary Schools				
Bartlett	55,952	96,352	99,305	52,999
Centennial	55,721	122,937	130,950	47,708
Century Oaks	6,398	42,680	35,705	13,373
Channing	58,096	41,541	49,552	50,085
Clinton	11,530	67,566	65,091	14,005
Coleman	16,122	69,462	77,259	8,325
Creekside	11,475	55,197	53,483	13,189
Fox Meadow	74,362	97,376	114,261	57,477
Garfield	15,592	23,543	26,998	12,137
Gifford	33,004	63,562	62,976	33,590
Glenbrook	26,249	52,690	56,171	22,768
Hanover Countryside	37,846	64,198	63,805	38,239
Hawk Hollow	5,622	85,528	84,661	6,489
Heritage	11,555	42,337	32,641	21,251
Highland	15,818	46,668	46,394	16,092
Hillcrest	11,374	38,420	39,063	10,731
Hilltop	42,056	90,502	82,547	50,011
Horizon	16,828	104,994	86,927	34,895
Huff	9,450	30,384	33,506	6,328
Laurel Hill	24,734	51,292	53,371	22,655
Liberty	85,804	97,766	108,495	75,075

SCHOOL DISTRICT U-46

Agency Funds - Student Activity Funds Schedule of Cash Receipts, Disbursements and Ending Balances For the Year Ended June 30, 2008

	Balance July 1, 2007	Receipts	Disbursements	Balance June 30, 2008
Lincoln	\$ 19,258	\$ 55,679	\$ 70,063	\$ 4,874
Lords Park	37,883	59,796	65,921	31,758
Lowrie	11,944	29,245	34,271	6,918
McKinley	12,681	35,495	37,757	10,419
Nature Ridge	11,069	98,402	65,551	43,920
Oakhill	11,771	54,436	51,469	14,738
Ontarioville	18,524	44,406	48,771	14,159
Otter Creek	40,895	88,065	76,895	52,065
Parkwood	3,101	23,061	21,675	4,487
Praireview	38,610	94,904	100,763	32,751
Ridge Circle	6,975	68,341	65,894	9,422
Sheridan	6,379	23,428	24,999	4,808
Spring Trail	8,160	88,022	55,726	40,456
Sunnydale	6,884	55,776	53,500	9,160
Sycamore Trails	66,874	138,077	145,535	59,416
Timber Trails	4,108	44,631	35,110	13,629
Washington	20,541	54,822	59,941	15,422
Wayne	57,144	87,186	91,326	53,004
Willard	35,359	61,039	63,062	33,336
Total Elementary Schools	<u>1,043,748</u>	<u>2,589,806</u>	<u>2,571,390</u>	<u>1,062,164</u>
Other				
Adult Education	3,115	270	881	2,504
Safe Program	70,134	264,213	251,813	82,534
SWEP	8,740	46,571	40,839	14,472
Central School Programs	2,205	4,205	2,067	4,343
Total Other	<u>84,194</u>	<u>315,259</u>	<u>295,600</u>	<u>103,853</u>
Total All Agency Funds	<u>\$ 4,542,982</u>	<u>\$ 11,257,337</u>	<u>\$ 11,490,915</u>	<u>\$ 4,309,404</u>

SCHOOL DISTRICT U-46

Schedule of Expenditures for Tort Immunity Purposes For the Year Ended June 30, 2008

Workers' Compensation Act and/or Workers' Occupational Disease Act	\$ 1,968,901
Unemployment Insurance Act	265,948
Insurance (Regular or Self-Insurance)	1,434,980
Judgments/Settlements	8,661
Educational, Inspectional, Supervisory Services Related to Loss Prevention/Reduction	1,465,810
Legal Services	<u>3,394,440</u>
Total Tort Immunity Purposes Expenditures	<u>\$ 8,538,740</u>

The District levies property taxes for tort immunity/liability insurance purposes. As required by Public Act 91-0268 passed by the Illinois General Assembly, the District is including the above list of tort immunity purposes expenditures in its annual financial report.

The District's total tax extension for liability insurance purposes for tax year 2007 as levied by Cook, DuPage and Kane Counties was \$3,763,034. Any shortfall to cover expenditures in excess of taxes collected is derived from other revenues of the District. Any excess of revenues over expenditures is carried forward to subsequent fiscal years subject to a statutory formula.

SCHOOL DISTRICT U-46

Schedule of Bond Debt and Annual Interest Requirements June 30, 2008

	Total	Due in Fiscal Year					Thereafter
		2009	2010	2011	2012	2013	
April 1996 issue							
Principal	\$ 6,541,250	\$ 1,002,084	\$ 995,005	\$ 1,203,975	\$ 1,677,118	\$ 1,663,068	\$ -
Interest	9,818,750	1,167,916	1,294,995	1,741,025	2,682,882	2,931,932	-
	<u>16,360,000</u>	<u>2,170,000</u>	<u>2,290,000</u>	<u>2,945,000</u>	<u>4,360,000</u>	<u>4,595,000</u>	<u>-</u>
April 1997 issue							
Principal	13,825,000	-	-	-	13,825,000	-	-
Interest	4,313,400	1,078,350	1,078,350	1,078,350	1,078,350	-	-
	<u>18,138,400</u>	<u>1,078,350</u>	<u>1,078,350</u>	<u>1,078,350</u>	<u>14,903,350</u>	<u>-</u>	<u>-</u>
February 1998 issue							
Principal	31,050,000	250,000	300,000	350,000	2,050,000	3,175,000	24,925,000
Interest	9,848,190	1,618,913	1,607,413	1,593,313	1,576,513	1,464,788	1,987,250
	<u>40,898,190</u>	<u>1,868,913</u>	<u>1,907,413</u>	<u>1,943,313</u>	<u>3,626,513</u>	<u>4,639,788</u>	<u>26,912,250</u>
February 1999 issue							
Principal	17,050,000	-	-	-	-	-	17,050,000
Interest	8,653,000	863,000	863,000	863,000	863,000	863,000	4,338,000
	<u>25,703,000</u>	<u>863,000</u>	<u>863,000</u>	<u>863,000</u>	<u>863,000</u>	<u>863,000</u>	<u>21,388,000</u>
March 2001 issue							
Principal	46,853,182	3,013,239	3,021,560	3,042,688	2,524,952	2,677,017	32,573,726
Interest	43,331,818	1,476,761	1,718,440	1,982,312	1,865,048	2,222,983	34,066,274
	<u>90,185,000</u>	<u>4,490,000</u>	<u>4,740,000</u>	<u>5,025,000</u>	<u>4,390,000</u>	<u>4,900,000</u>	<u>66,640,000</u>
March 2002 issue							
Principal	54,499,619	-	-	-	-	-	54,499,619
Interest	75,345,381	-	-	-	-	-	75,345,381
	<u>129,845,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>129,845,000</u>
March 2003A issue							
Principal	4,875,000	4,875,000	-	-	-	-	-
Interest	158,438	158,438	-	-	-	-	-
	<u>5,033,438</u>	<u>5,033,438</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
March 2003B issue							
Principal	65,999,779	847,516	4,435,536	722,790	723,362	727,925	58,542,650
Interest	98,835,221	302,484	1,909,464	367,210	426,638	492,075	95,337,350
	<u>164,835,000</u>	<u>1,150,000</u>	<u>6,345,000</u>	<u>1,090,000</u>	<u>1,150,000</u>	<u>1,220,000</u>	<u>153,880,000</u>
December 2003C issue							
Principal	2,885,000	2,885,000	-	-	-	-	-
Interest	90,156	90,156	-	-	-	-	-
	<u>2,975,156</u>	<u>2,975,156</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
December 2003D issue							
Principal	22,000,000	-	3,500,000	3,900,000	4,360,000	4,850,000	5,390,000
Interest	5,018,790	1,175,290	1,175,290	1,000,290	797,490	568,590	301,840
	<u>27,018,790</u>	<u>1,175,290</u>	<u>4,675,290</u>	<u>4,900,290</u>	<u>5,157,490</u>	<u>5,418,590</u>	<u>5,691,840</u>
February 2005 issue							
Principal	65,740,000	6,660,000	7,650,000	13,600,000	420,000	15,085,000	22,325,000
Interest	15,785,295	2,805,994	2,589,544	2,340,919	1,660,919	1,645,169	4,742,750
	<u>81,525,295</u>	<u>9,465,994</u>	<u>10,239,544</u>	<u>15,940,919</u>	<u>2,080,919</u>	<u>16,730,169</u>	<u>27,067,750</u>
June 2006 issue							
Principal	8,000,000	3,325,000	2,950,000	1,725,000	-	-	-
Interest	648,000	360,000	210,375	77,625	-	-	-
	<u>8,648,000</u>	<u>3,685,000</u>	<u>3,160,375</u>	<u>1,802,625</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total All Issues:							
Principal	339,318,830	22,857,839	22,852,101	24,544,453	25,580,432	28,178,010	215,305,995
Interest	271,846,439	11,097,302	12,446,871	11,044,044	10,950,840	10,188,537	216,118,845
	<u>\$611,165,269</u>	<u>\$ 33,955,141</u>	<u>\$ 35,298,972</u>	<u>\$ 35,588,497</u>	<u>\$ 36,531,272</u>	<u>\$ 38,366,547</u>	<u>\$431,424,840</u>

SCHOOL DISTRICT U-46

Schedule of Tax Extensions and Collections - Last Five Levy Years
June 30, 2008

	Kane	Cook	DuPage	Total	Total Collections	Balance Uncollected	Collections as a Percentage of Tax extended
2007 levy:							
Equalized Assessed Valuation	\$2,074,362,592	\$2,125,325,540	\$1,312,890,311	\$5,512,578,443			
Education	\$ 63,520,045	\$ 72,628,540	\$ 39,148,450	\$ 175,293,035	\$ 79,947,419	\$ 95,345,616	
Operations and Maintenance	6,814,216	7,756,943	4,199,936	18,771,095	8,562,039	10,209,056	
Transportation	2,248,910	2,216,304	1,387,725	5,852,939	2,679,168	3,173,771	
Working Cash	-	-	-	-	-	-	
IMRF	1,810,734	2,046,320	1,118,583	4,975,637	2,269,965	2,705,672	
Tort Immunity	1,550,644	1,097,746	1,114,644	3,763,034	1,736,223	2,026,811	
Bond and Interest	12,081,955	14,335,764	7,574,064	33,991,783	15,489,756	18,502,027	
Special Education	726,919	818,047	449,008	1,993,974	909,778	1,084,196	
Fire Safety and Prevention	-	630,281	-	630,281	270,145	360,136	
Social Security	1,810,734	2,046,320	1,118,583	4,975,637	2,269,965	2,705,672	
	\$ 90,564,157	\$ 103,574,265	\$ 56,108,993	\$ 250,247,415	\$ 114,134,458	\$ 136,112,957	45.61%
The EAV and extensions for Cook County for 2007 have been estimated - actual amounts were unavailable at the time of printing.							
2006 levy:							
Equalized Assessed Valuation	\$1,939,560,185	\$2,013,381,527	\$1,237,554,149	\$5,190,495,861			
Education	\$ 63,479,651	\$ 67,827,228	\$ 40,689,543	\$ 171,996,422	\$ 170,071,637	\$ 1,924,785	
Operations and Maintenance	6,894,983	7,130,735	4,371,041	18,396,759	18,338,576	58,183	
Transportation	1,857,834	2,276,429	1,183,102	5,317,365	5,014,516	302,849	
Working Cash	-	-	-	-	-	-	
IMRF	1,850,465	1,933,406	1,097,711	4,881,582	4,801,738	79,844	
Tort Immunity	1,619,646	1,376,253	1,030,883	4,026,782	3,934,176	92,606	
Bond and Interest	12,175,338	13,506,782	7,709,962	33,392,062	32,705,359	686,703	
Special Education	734,842	758,809	469,033	1,962,684	1,954,208	8,476	
Fire Safety and Prevention	606,129	719,310	245,036	1,570,475	1,397,889	172,586	
Social Security	1,850,465	1,933,406	1,097,711	4,881,582	4,801,738	79,844	
	\$ 91,069,353	\$ 97,462,338	\$ 57,894,022	\$ 246,425,713	\$ 243,019,837	\$ 3,405,876	98.62%
2005 levy:							
Equalized Assessed Valuation	\$1,790,572,445	\$1,892,150,998	\$1,156,852,488	\$4,839,575,931			
Education	\$ 59,980,963	\$ 62,226,815	\$ 37,027,378	\$ 159,235,156	\$ 157,039,584	\$ 2,195,572	
Operations and Maintenance	6,168,980	6,541,959	4,096,415	16,807,354	16,611,777	195,577	
Transportation	1,923,970	2,088,467	982,168	4,994,605	4,926,094	68,511	
Working Cash	-	-	-	-	-	-	
IMRF	1,542,284	1,773,767	1,092,069	4,408,120	4,356,530	51,590	
Tort Immunity	1,005,824	1,262,617	861,855	3,130,296	3,095,391	34,905	
Bond and Interest	11,502,431	12,770,192	7,317,092	31,589,715	31,194,266	395,449	
Special Education	658,030	696,155	436,133	1,790,318	1,765,820	24,498	
Fire Safety and Prevention	450,826	659,917	327,389	1,438,132	1,416,951	21,181	
Social Security	1,542,284	1,773,767	1,092,069	4,408,120	4,356,531	51,589	
	\$ 84,775,592	\$ 89,793,656	\$ 53,232,568	\$ 227,801,816	\$ 224,762,944	\$ 3,038,872	98.67%

Note: Cumulative collections may exceed 100% in one year due to the timing of extensions and receipts and may be reallocated in the following year.

SCHOOL DISTRICT U-46

Schedule of Tax Extensions and Collections - Last Five Levy Years
June 30, 2008

	Kane	Cook	DuPage	Total	Total Collections	Balance Uncollected	Collections as a Percentage of Tax extended
2004 levy:							
Equalized Assessed Valuation	\$ 1,677,248,456	\$ 1,413,593,357	\$ 1,080,926,035	\$ 4,171,767,848			
Education	\$ 55,494,332	\$ 60,060,840	\$ 34,706,373	\$ 150,261,545	\$ 149,534,233	\$ 727,312	
Operations and Maintenance	5,477,181	6,187,370	3,679,472	15,344,023	15,771,236	427,213	
Transportation	2,065,062	2,206,960	1,079,845	5,351,867	4,839,878	511,989	
Working Cash	-	-	-	-	-	-	
IMRF	1,442,263	1,576,400	1,044,175	4,062,838	5,008,095	(945,257)	
Tort Immunity	1,546,693	157,999	1,123,082	2,827,774	4,049,145	(1,221,371)	
Bond and Interest	9,806,016	10,958,088	6,281,261	27,045,365	27,156,724	(111,359)	
Special Education	584,238	630,560	402,104	1,616,902	1,679,950	(63,048)	
Fire Safety and Prevention	524,474	591,150	383,729	1,499,353	1,601,795	(102,442)	
Social Security	1,442,263	1,576,400	1,044,175	4,062,838	5,008,095	(945,257)	
	\$ 78,382,522	\$ 83,945,767	\$ 49,744,216	\$ 212,072,505	\$ 214,649,151	(\$ 2,576,646)	101.21%
2003 levy:							
Equalized Assessed Valuation	\$ 1,576,533,429	\$ 1,413,593,357	\$ 1,009,843,005	\$ 3,999,969,791			
Education	\$ 55,449,834	\$ 54,260,960	\$ 32,933,000	\$ 142,643,794	\$ 140,529,430	\$ 2,114,364	
Operations and Maintenance	5,912,000	5,453,760	3,480,929	14,846,689	14,615,652	231,037	
Transportation	1,576,533	2,647,840	1,111,837	5,336,210	4,770,911	565,299	
Working Cash	-	-	-	-	-	-	
IMRF	1,576,533	1,896,960	1,272,402	4,745,895	4,040,407	705,488	
Tort Immunity	1,617,523	1,661,891	940,164	4,219,578	4,062,831	156,747	
Bond and Interest	9,334,654	10,251,390	5,944,946	25,530,990	24,542,882	988,108	
Special Education	630,613	553,280	371,622	1,555,515	1,549,512	6,003	
Fire Safety and Prevention	788,267	632,320	-	1,420,587	1,275,596	144,991	
Social Security	1,576,533	1,896,960	1,272,402	4,745,895	4,040,407	705,488	
	\$ 78,462,490	\$ 79,255,361	\$ 47,327,302	\$ 205,045,153	\$ 199,427,628	\$ 5,617,525	97.26%

Note: Cumulative collections may exceed 100% in one year due to the timing of extensions and receipts and may be reallocated in the following year.

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19