

# SCHOOL DISTRICT U-46

Kane, Cook and DuPage  
Counties, Illinois

## Fiscal Year 2018 ANNUAL BUDGET

September 25, 2017



355 E. Chicago Street  
Elgin, IL 60120  
[www.u-46.org](http://www.u-46.org)

# **SCHOOL DISTRICT U-46**

**Kane, Cook and DuPage Counties, Illinois**

## **Fiscal Year 2018 ANNUAL BUDGET**

**MISSION:** U-46 will be a great place for all students to learn, all teachers to teach, and all employees to work. All means all.



**School District U-46**

355 E Chicago Street | Elgin, Illinois 60120 | P: (847) 888-5000

For more information, visit the District website at: [www.u-46.org](http://www.u-46.org)



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# INTRODUCTORY SECTION



**FISCAL YEAR 2018 BUDGET**  
(School Year 2017-2018)





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Tony Sanders, Chief Executive Officer

**School District U-46**

Educational Services Center  
355 E. Chicago Street, Elgin, IL 60120-6543  
Tel: 847.888.5000 x5007  
Fax: 847.608.4173

**U-46.org**

August 14, 2017

Donna Smith, President  
Members of the Board of Education  
And Community Residents of  
School District U-46  
Elgin, Illinois 60120

We are pleased to present a balanced fiscal year 2018 Operating Budget for School District U-46, which resides in the counties of Cook, DuPage, and Kane. The fiscal year 2018 budget begins July 1, 2017 and ends June 30, 2018, thus spanning the 2017-18 school year. The budget was prepared using the modified accrual basis, which mirrors the basis of accounting used in the governmental fund audited financial statements.

This budget is aligned to our Strategic Plan which will continue to drive our efforts for promoting and achieving academic success for all students. Specifically, we want to eliminate student achievement gaps and ensure all our students are prepared to succeed in college and the workplace.

We are projecting that our total revenue for fiscal year 2018 will decrease \$3.1 million over the prior year's budget. We expected to see a net \$3.1 million decrease after taking into consideration an \$8.4 million decrease in state funding, a \$1.0 million increase in federal funding, as well as a \$4.3 million increase from local sources. A substantial part of the local sourced revenue increase was due to levied property taxes. In the prior year's budget 100 percent of the quarterly state categorical payments were budgeted for, however, due to the continuing state financial challenges, only three of the four payments have been budgeted in the current budget, a reduction of approximately \$9.7 million. General State Aid (GSA) is estimated to increase \$1.3 million over the prior year's budget. The two more significant factors that influence the GSA calculation for the upcoming year were a decrease in the number of low income students which reduced GSA by \$4.6 million and the increase in average daily attendance (ADA) due to our new universal Full Day Kindergarten which increased GSA by \$4.5 million. Evidence based state funding remains at this point unresolved, shedding little light on the direction of school funding in Illinois. A budget amendment may be necessary after school funding is passed.

Expenditures are projected to increase over the prior year's budget by \$6.6 million. Salaries and benefits are budgeted to increase \$7.9 million over the prior year's budget. Salaries and benefits such as pension, Medicare and Social Security are projected to increase around 2.5 percent over estimated fiscal year 2017 actual while health and dental insurance costs are planned to increase roughly five percent from the estimated fiscal year 2017 actual base. Both 2017 salaries and benefits actuals are estimated to come in slightly under budget. In addition, a new science curriculum is planned to roll out for the next school year with a planned cost of \$5.3 million. Offsetting the new curriculum costs capital outlay is projected to be under the prior year's budget by \$5.4 million, due to budgeting for no new bus purchases and reduced building and non-building improvement projects in fiscal year 2018 compared to the prior year. The contingency for unforeseen expenditures has been reduced \$1.5 million to \$2.5 million in the current year's budget. The remaining expenditure net increase of \$0.3 million is spread over several line items and presented in greater detail in the financial section of this budget.

There are no new planned capital leases or debt issuances in fiscal year 2018 which leaves other financing sources at zero. The last new issuance of debt and capital lease was completed in fiscal year 2015 and 2016, respectively.

School District U-46 will continue to invest cautiously as Illinois school funding and state pension reform remains the looming unknowns in our future. This fiscal year 2018 budget assumes that our pension costs will remain unchanged for the current school year but that decision continues to be debated at the state level. We may still see a cost shift that would require all school districts to contribute more in order to decrease the state's pension burden. Currently, we cannot predict the impact any cost shift would have in fiscal year 2018.

The District continues to devote resources towards the implementation of the more rigorous Illinois Learning Standards which includes our roll-out of several curricula and resources including: Grades 7 and 8 Spanish Language Arts, International Relations, World History, Psychology, Sociology, Law I and Law II, World Geography, Play-based Kindergarten and Kindergarten Science, K-6 Physical Education, StudySync for grades 11 and 12, and K-8 writing resource.

We also have continued our investment in all students, from our most at-risk students with highly specialized needs, to those who desire more rigorous courses such as Advanced Placement, Honors, or our Gifted Education (AIM and Ignite) programs. We also work to support those students in the "academic middle" through various programs offered through Multi-tiered Systems of Support (MTSS) and Advancement Via Individual Determination. The District will continue to invest in resources for dual language, high school academies, early childhood, special education, technology resources in the classroom while also promoting equity and excellence initiatives to help all students succeed. Finally, we continue our investment in our employees including our high quality Teacher Mentor Program and opportunities for employees to engage in professional development and training.

The fiscal 2018 budget projects \$509.1 million of revenues and \$517.9 million of expenditures, for a net decrease in total fund balance of \$8.9 million, however, a planned \$12.0 million draw down of working cash bond proceeds issued in a prior year will more than cover the non-recurring expenditures that exceed revenues. The operating funds' projected revenues and other financing sources exceed projected expenditures and other financing uses by \$0.3 million, creating a slight budget surplus.

With continued investment in human and capital resources, the District continues to strengthen and expand the quality of education for all students. The opportunities for student and staff growth, assistance and guidance are numerous and will continue to support the District's mission and goals.

For the first time the District has been recognized by multiple independent organizations for its annual budget presentation. The Association of School Business Officials International (ASBO) presented the Meritorious Budget Award (MBA) to School District U-46 for its annual budget document for the fiscal year 2017. This award reflects the district's commitment to sound fiscal management and budgetary policies. The same fiscal year budget document was awarded the Distinguished Budget Presentation Award from the Government Finance Officers Association (GFOA) for the current fiscal period. This award is the highest form of recognition in governmental budgeting.

This recognition represents significant achievement by the District and a continuing example of how we are aligning the District to clearly and effectively communicate our use of resources to the greater community as outlined in the Strategic Plan.

This budget, stemming from federal, state and local dollars, represents our financial investment in the education of nearly 40,000 students in School District U-46 and I will continue to advocate for more dollars, and a more equitable distribution of those dollars, at the state level. But we all know that there's more to a school district, a family or a person than money alone. We need your continued support, collaboration and active involvement. Thank you for all you have done in the past year and I look forward to working alongside even more of you in 2017-18.

Sincerely,

A handwritten signature in black ink, appearing to read 'Tony Sanders', with a stylized, cursive script.

Tony Sanders  
Chief Executive Officer

**Board of Education, Superintendent and Executive Staff**  
**School District U-46**

**ADOPTED BUDGET**

**July 1, 2017 – June 30, 2018**

**Board of Education**

Donna Smith, President  
Susan Kerr, Vice President  
Veronica Noland, Secretary Pro-Tempore  
Phil Costello, Member  
Traci O'Neal Ellis, Member  
Melissa Owens, Member  
Jeanette Ward, Member  
Casey Pearce, Student Advisor

**Superintendent and Executive Staff**

Tony Sanders, Chief Executive Officer  
Miguel Rodriguez, Chief Legal Officer  
Dr. Ushma Shah, Assistant Superintendent, Elementary Education  
Steve Burger, Assistant Superintendent, Elementary Education  
Dr. Terri Lozier, Assistant Superintendent, Secondary Education  
Ron Raglin, Assistant Superintendent, Education Support Programs  
Dr. Jeffrey King, Chief Operating Officer/Chief School Business Official  
Dr. Suzanne Johnson, Assistant Superintendent for Teaching and Learning  
Melanie Meidel, Assistant Superintendent, Human Resources

**Officials Issuing Report**

Dr. Jeffrey King, Chief Operations Officer/Chief School Business Official  
Dale Burnidge, Director of Financial Operations  
Thomas Lyons, CPA, Financial Coordinator

**Division Issuing Report**

Diane Belton, Payroll Coordinator  
Kathy Fitzpatrick, Grants Manager  
Ray Shifrin, Pension Specialist  
Sarah McGregor, Accounts Payable Manager  
Judy Freeman, General Accountant  
Paz Pamatmat, Budget and Compliance Analyst  
Aleli Go, Accounting Specialist  
Rosita Koscielski, Senior Accountant  
Kyle Eleosida, Accounting Assistant



### MAJOR GOALS AND OBJECTIVES

The Board of Education believes that education should be shaped by purposes rather than by forces. Therefore, the education system of School District U-46, will maintain flexibility and adapt to an ever-changing society. It is dedicated to the total personal development of each student to the limits of his or her abilities and interests. This is to be accomplished in a sequentially coordinated curriculum which allows for individual differences.

To this end, staff members will aid in each student's intellectual, physical, moral, emotional, aesthetic, and social growth so he or she may become a useful and responsible member of home, community and society while leading a personally rewarding life.

U-46 has paved the way for student success and prepares our students to be citizens of the world. With a diverse community, our children receive specialized attention and numerous programs available to fit their needs. Some of our special offerings include an academy program at the high schools, honors and gifted programs, Dual Language program, English Language Learners program, special education for those students in need, and various sports, clubs and activities to match a wide range of student interests.

The District's strategic plan reflects the vision and values of employees, parents, students and community members who participated in its development. The District will continue to share our progress as together we work to turn this plan into reality for our community, our staff and, most importantly, our 40,000 kindergarten through twelfth grade students and their families.



## INTRODUCTORY SECTION

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Several goals have been created within the framework of the District's Strategic Plan. Below are the objectives and goals outlined to date. Additional information can be found in the Organizational Section under the Mission and Major Goals heading.

- **Goal 1:** Annual increase of students who are proficient in meeting kindergarten readiness of 6 percent with an overall target of 75 percent.
- **Goal 2:** Increase unique high school students enrolled in AP courses by 2 percent annually or attain 30 percent enrollment overall.
- **Goal 3:** Increase high school students receiving industry credentials by 5 percent annually or attain 25 percent overall.
- **Goal 4:** Increase students graduating within five years by 3 percent annually or obtain 99 percent overall.
- **Goal 5:** Increase the 5Essentials score related to safety by four scale points annually.
- **Goal 6:** Increase annual retention rate for employees who rate proficient or higher as measured on their employee evaluations.
- **Goal 7:** Increase the number of teachers who feel their instructional leader communicates a clear vision for their school by four scale points.
- **Goal 8:** Increase annually by four scale points the rating by teachers agreeing on multiple questions on the 5Essentials survey that their professional development is focused on student learning.
- **Goal 9:** Increase annually the rating of the appraisal process as improving professional practice as measured by the responses on the questions related to the Framework for Teacher domains 1, 2, and 3 on the annual Teacher Appraisal Plan survey.
- **Goal 10:** Develop and promote three additional opportunities each year for community members to meet with Board members and provide feedback on District initiatives and issues as measured by School and Community Relations.
- **Goal 11:** Increase five percent annually the family and community member participation and volunteerism in school and District sponsored activities and events as measured by the responses to questions in the Parent Survey within the 5Essentials Survey asking, "parent assessment of involvement in school as always and usually."
- **Goal 12:** Increase three percent annually parents' satisfaction on how welcome and respected they feel within the district as measured by the question in the Parent Survey within the 5Essentials Survey asking, "parent connectedness to a great extent."

## INTRODUCTORY SECTION

### **BUDGET PROCESS**

Annual budgets are adopted for all governmental fund types and are adopted on the modified accrual basis of accounting at the fund level which is a basis consistent with GAAP. The District maintains a system to measure the uncommitted budget amount available for expenditures at any time during the year. Appropriations lapse at June 30 and outstanding encumbrances are canceled at that date.

The appropriated budget is prepared by fund and by function. The Board of Education may make transfers between functions within a fund not exceeding the aggregate of 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.

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 at least one public hearing, and a final budget must be prepared and adopted no later than September 30. Budgeting for capital expenditures is included in this process. There have been no significant changes in the process during the current budget cycle.

### **Budget Planning Cycle**



## BUDGET TIMELINE

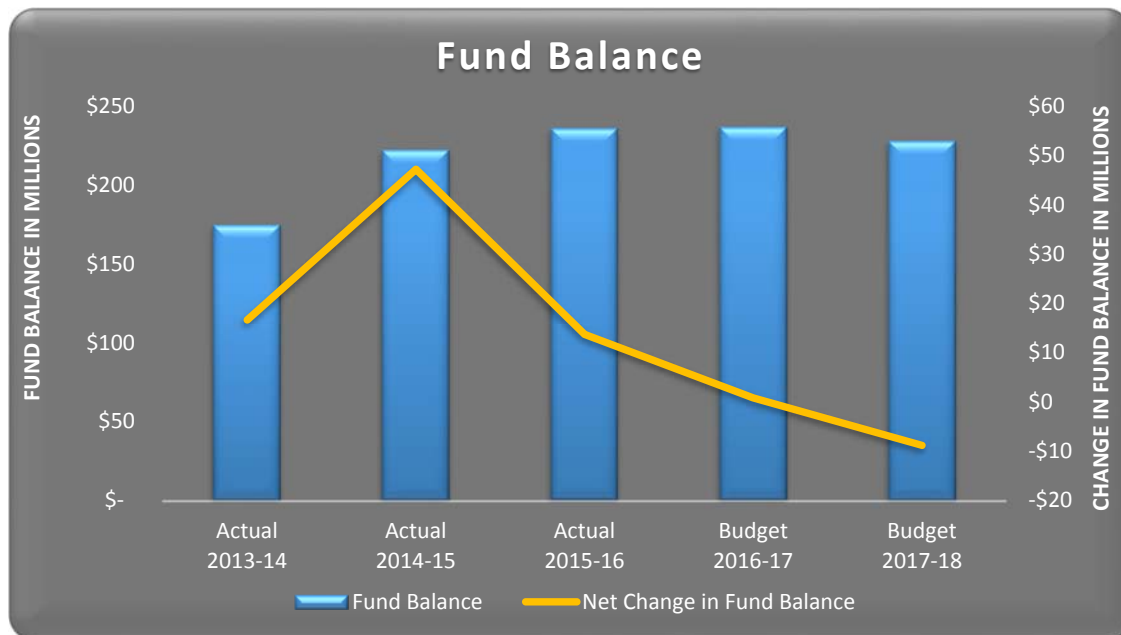
### 2017

Present <i>Resolution Directing the Superintendent to Prepare the Tentative FY 2018 Budget</i> (Work Session)	February 27
Tentative FY 2018 Budget Timeline - Information Item	February 27
Adopt <i>Resolution Directing the Superintendent to Prepare the Tentative FY 2018 Budget</i>	March 6
Cabinet establishes budget priorities	April 25
Discussion of Board Priorities for FY 2018 Budget	April 25
Board Finance Committee Meeting	May 15
Tentative Budget is presented to the Board of Education	June 19
Present the <i>Resolution for Display of and Public Hearing on Budget</i>	June 19
Adopt the <i>Resolution for Display of and Public Hearing on Budget</i>	July 24
Newspaper notice published for display of budget to begin <u>Aug. 15</u> and Public Hearing to be held <u>September 11</u> (must be published at least 30 days prior to public hearing)	August 4
Board Finance Committee review of proposed budget changes from June 19 Budget Presentation	August 7
Tentative Budget is presented to the Board of Education	August 14
Begin 30-Day Display of Tentative Budget (must be displayed at least 30 days prior to adoption)	August 15
Public Hearing of Board of Education held for Budget and Present <i>Resolution for Approval of Budget - ISBE form</i> (Work Session)	September 11
Adoption of Final Budget (must be adopted by September 30)	
- Resolution/ISBE form, Certification of Budget, and Certification Estimate of Revenues are signed	September 25
- Budget is posted on U-46 website immediately after approval	
Certified Adopted Budget filed with County Clerks Certified Adopted Budget filed with ROE Adopted Budget submitted electronically to ISBE including Report of Vendors Contracts of \$1,000 or More (must be filed/submitted within 30 days of adoption)	October 25

## All Funds Revenues, Expenditures and Changes in Fund Balance

### Revenue by Source Expenditures by Object

	Actual 2013-14	Actual 2014-15	Actual 2015-16	Budget 2016-17	Budget 2017-18
<b>Revenue</b>					
Local Sources	\$ 311,255,071	\$ 310,195,265	\$ 317,993,639	\$ 316,791,928	\$ 321,078,587
State Sources	128,382,501	138,062,156	146,310,919	158,126,457	149,733,197
Federal Sources	34,412,640	34,596,302	39,907,564	37,207,796	38,240,793
<b>Total Revenue by Source</b>	<b>\$ 474,050,212</b>	<b>\$ 482,853,723</b>	<b>\$ 504,212,123</b>	<b>\$ 512,126,181</b>	<b>\$ 509,052,577</b>
<b>Expenditures</b>					
Salaries	\$ 236,945,104	\$ 244,954,778	\$ 253,556,044	\$ 264,032,755	\$ 269,694,946
Employee Benefits	86,948,287	88,738,790	89,909,001	95,498,141	97,715,291
Purchased Services	37,549,462	36,397,010	34,218,595	34,887,101	35,691,576
Supplies and Materials	25,417,458	24,444,515	31,095,608	26,760,455	32,011,602
Capital Outlay	15,013,147	28,093,541	33,158,826	29,382,903	23,948,029
Other Objects	54,660,682	54,117,436	54,832,599	59,911,438	57,866,952
Non-Capitalized Equipment	769,232	1,081,872	1,011,734	803,370	912,575
Termination Benefits	131,803	70,304	76,607	75,000	75,000
<b>Total Expenditures by Object</b>	<b>\$ 457,435,174</b>	<b>\$ 477,898,246</b>	<b>\$ 497,859,015</b>	<b>\$ 511,351,163</b>	<b>\$ 517,915,971</b>
<b>Excess/(Deficiency) of Revenues Over/(Under) Expenditures</b>	<b>16,615,038</b>	<b>4,955,477</b>	<b>6,353,108</b>	<b>775,017</b>	<b>(8,863,394)</b>
<b>Other Financing Sources</b>	<b>\$ -</b>	<b>\$ 42,261,379</b>	<b>\$ 7,318,597</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Net Change in Fund Balance</b>	<b>16,615,038</b>	<b>47,216,856</b>	<b>13,671,705</b>	<b>775,017</b>	<b>(8,863,394)</b>
<b>Fund Balance at Beg. of Year</b>	<b>158,626,364</b>	<b>175,241,402</b>	<b>222,458,258</b>	<b>236,129,963</b>	<b>236,904,980</b>
<b>Fund Balance at End of Year</b>	<b>\$ 175,241,402</b>	<b>\$ 222,458,258</b>	<b>\$ 236,129,963</b>	<b>\$ 236,904,980</b>	<b>\$ 228,041,586</b>

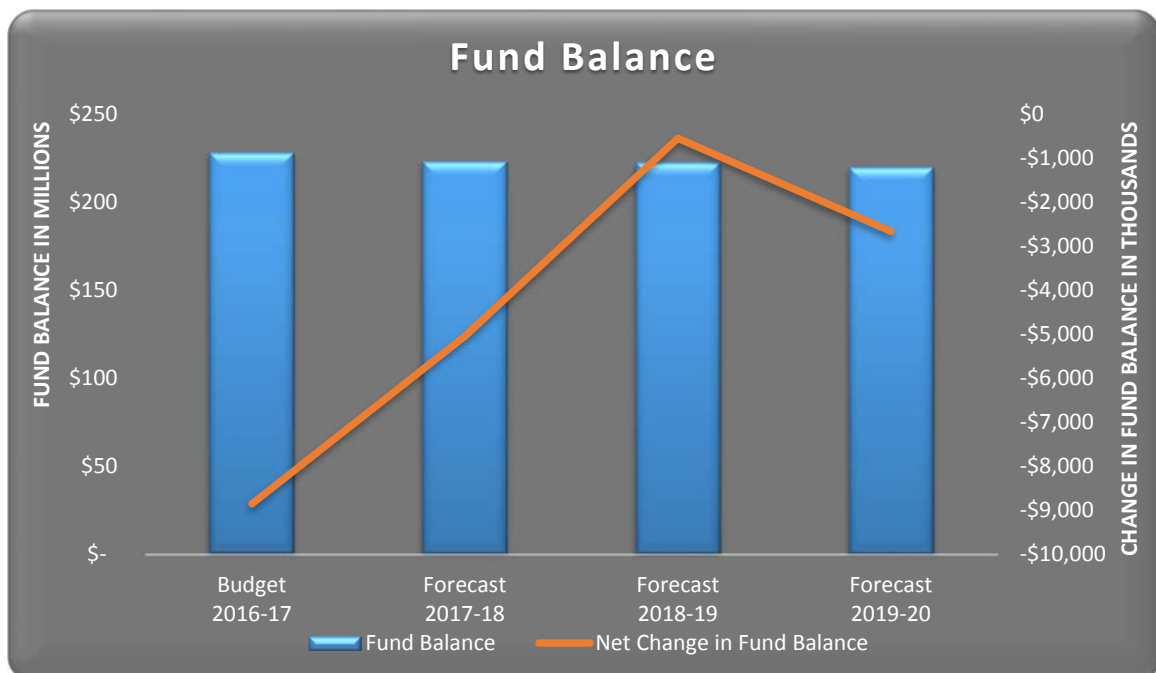




## All Funds

### Budget and Three-Year Forecast Revenues, Expenditures and Change in Fund Balance

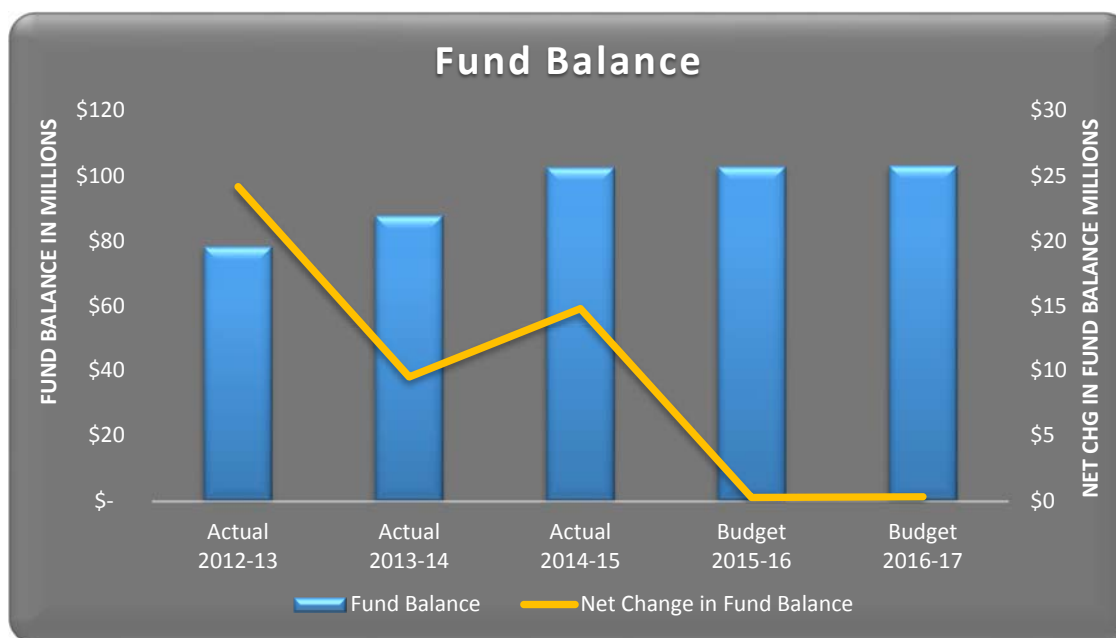
	Budget 2017-18	Forecast 2018-19	Forecast 2019-20	Forecast 2020-21
Revenue				
Local Sources	\$ 321,078,587	\$ 324,478,626	\$ 332,756,133	\$ 337,046,248
State Sources	149,733,197	149,106,466	148,503,414	147,924,153
Federal Sources	38,240,793	38,623,201	39,009,433	39,399,527
Total Revenue by Source	\$ 509,052,577	\$ 512,208,293	\$ 520,268,980	\$ 524,369,929
Expenditures				
Salaries	\$ 269,694,946	\$ 275,091,833	\$ 280,596,739	\$ 286,211,829
Employee Benefits	97,715,291	101,273,156	104,980,384	108,843,820
Purchased Services	35,691,576	36,129,823	36,573,753	37,023,445
Supplies and Materials	32,011,602	27,985,709	28,303,111	28,624,251
Capital Outlay	23,948,029	20,281,440	13,766,440	12,331,440
Other Objects	57,866,952	55,503,408	55,598,251	52,992,427
Non-Capitalized Equipment	912,575	921,701	930,918	940,227
Termination Benefits	75,000	75,750	76,508	77,273
Total Expenditures by Object	\$ 517,915,971	\$ 517,262,819	\$ 520,826,105	\$ 527,044,712
Net Change in Fund Balance	(8,863,394)	(5,054,526)	(557,125)	(2,674,784)
Fund Balance at Beginning of Year	236,904,980	228,041,586	222,987,060	222,429,935
Fund Balance at End of Year	\$ 228,041,586	\$ 222,987,060	\$ 222,429,935	\$ 219,755,152



## All Operating Funds Revenues, Expenditures and Changes in Fund Balance

### Revenue by Source Expenditures by Object

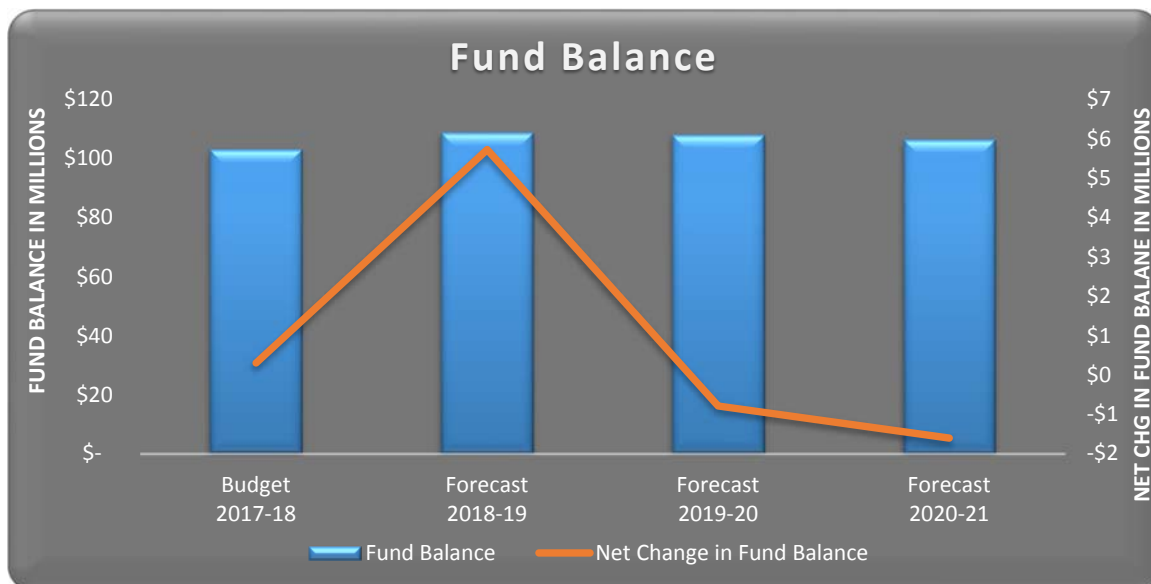
	Actual 2013-14	Actual 2014-15	Actual 2015-16	Budget 2016-17	Budget 2017-18
<b>Revenue</b>					
Local Sources	\$ 244,848,176	\$ 239,809,995	\$ 246,029,053	\$ 245,882,216	\$ 255,234,508
State Sources	126,820,144	136,586,987	144,808,263	158,126,457	149,733,197
Federal Sources	34,412,640	34,596,302	39,907,564	37,207,796	38,240,793
<b>Total Revenue by Source</b>	<b>\$ 406,080,960</b>	<b>\$ 410,993,284</b>	<b>\$ 430,744,880</b>	<b>\$ 441,216,469</b>	<b>\$ 443,208,498</b>
<b>Expenditures</b>					
Salaries	\$ 236,586,607	\$ 244,587,634	\$ 253,174,099	\$ 263,647,207	\$ 269,296,580
Employee Benefits	72,984,699	74,585,529	75,115,145	80,514,912	81,897,651
Purchased Services	28,505,889	26,879,273	28,804,479	29,231,265	29,731,013
Supplies and Materials	25,417,458	24,444,515	31,095,608	26,760,455	32,011,602
Capital Outlay	12,050,420	25,769,766	29,669,541	27,432,903	22,394,529
Other Objects	10,824,015	10,590,681	11,780,282	17,268,543	15,241,357
Non-Capitalized Equipment	769,232	1,081,872	1,011,734	803,370	912,575
Termination Benefits	131,803	70,304	76,607	75,000	75,000
<b>Total Expenditures by Object</b>	<b>\$ 387,270,124</b>	<b>\$ 408,009,574</b>	<b>\$ 430,727,496</b>	<b>\$ 445,733,655</b>	<b>\$ 451,560,307</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>18,810,836</b>	<b>2,983,710</b>	<b>17,384</b>	<b>(4,517,186)</b>	<b>(8,351,809)</b>
<b>Other Financing Sources</b>	<b>\$ 5,342,135</b>	<b>\$ 6,541,930</b>	<b>\$ 14,762,582</b>	<b>\$ 4,758,135</b>	<b>\$ 8,657,109</b>
<b>Net Change in Fund Balance</b>	<b>24,152,971</b>	<b>9,525,640</b>	<b>14,779,966</b>	<b>240,949</b>	<b>305,300</b>
<b>Fund Balance at Beg. of Year</b>	<b>54,252,894</b>	<b>78,405,865</b>	<b>87,931,505</b>	<b>102,711,471</b>	<b>102,952,420</b>
<b>Fund Balance at End of Year</b>	<b>\$ 78,405,865</b>	<b>\$ 87,931,505</b>	<b>\$ 102,711,471</b>	<b>\$ 102,952,420</b>	<b>\$ 103,257,720</b>



## All Operating Funds

### Budget and Three-Year Forecast Revenues, Expenditures and Change in Fund Balance

	Budget 2017-18	Forecast 2018-19	Forecast 2019-20	Forecast 2020-21
Revenue				
Local Sources	\$ 255,234,508	\$ 259,491,181	\$ 264,334,472	\$ 269,249,990
State Sources	149,733,197	149,106,466	148,503,414	147,924,153
Federal Sources	38,240,793	38,623,201	39,009,433	39,399,527
Total Revenue by Source	\$ 443,208,498	\$ 447,220,848	\$ 451,847,319	\$ 456,573,670
Expenditures				
Salaries	\$ 269,296,580	\$ 274,682,512	\$ 280,176,162	\$ 285,779,686
Employee Benefits	81,897,651	85,059,387	88,360,548	91,807,730
Purchased Services	29,731,013	30,076,949	30,427,074	30,781,441
Supplies and Materials	32,011,602	27,985,709	28,303,111	28,624,251
Capital Outlay	22,394,529	18,456,440	11,931,440	10,481,440
Other Objects	15,241,357	12,890,409	12,990,473	10,218,292
Non-Capitalized Equipment	912,575	921,701	930,918	940,227
Termination Benefits	75,000	75,750	76,508	77,273
Total Expenditures by Object	\$ 451,560,307	\$ 450,148,856	\$ 453,196,234	\$ 458,710,340
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(8,351,809)	(2,928,008)	(1,348,915)	(2,136,669)
Other Financing Sources/(Uses)	\$ 8,657,109	\$ 8,658,409	\$ 562,035	\$ 533,336
Net Change in Fund Balance	305,300	5,730,401	(786,880)	(1,603,333)
Fund Balance at Beginning of Year	102,952,420	103,257,720	108,988,120	108,201,240
Fund Balance at End of Year	\$ 103,257,720	\$ 108,988,120	\$ 108,201,240	\$ 106,597,907



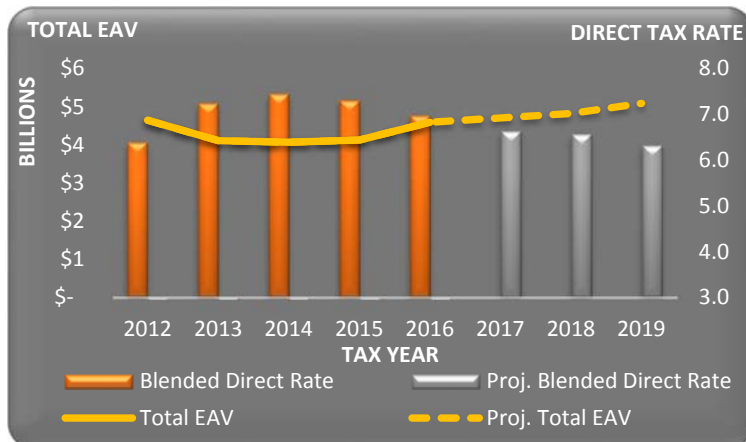
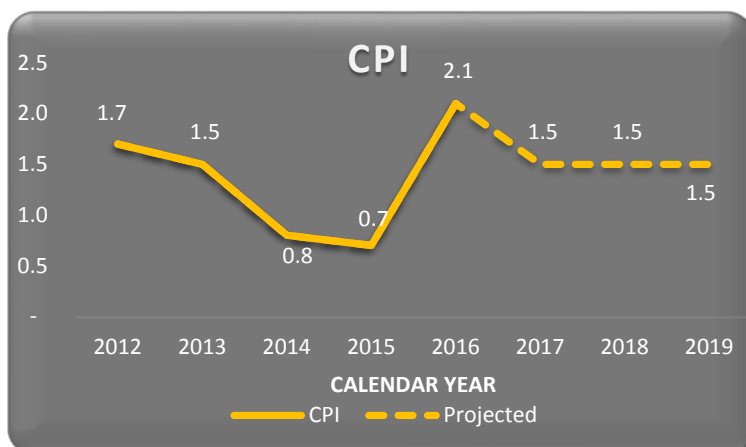
## SIGNIFICANT REVENUE TRENDS

**Property taxes** are the District's largest revenue source and accounts for a large majority of the local revenue and over half of all revenue received by the District. Property tax revenue can grow at the rate of inflation plus revenue due to new construction and other properties coming onto the tax rolls (such as expiring Tax Increment Financing (TIF) districts). Inflation is measured by the

consumer price index and is used by district management to assist in budgeting property tax revenue.

The economy is showing signs that growth and inflation is reverting to its historical mean. The Consumer Price Index has increased over two percent in the last year which is the first time CPI has seen these levels since 2011. The CPI in calendar year 2016 was 2.1 percent, an increase in the growth rate from 0.7 percent in 2015. The declining trend in EAV has appeared to stop and is reversing as shown in the last two years. Management has planned for this upward trend to continue and projects EAV growth from two to five percent annually over the next five years. CPI is anticipated to show relative strength and continue at a rate above two percent and then track at a rate of around 1.5 percent into the next decade.

The direct tax rate has an inverse correlation to the EAV, meaning as the EAV grows the direct tax rate is reduced and vice versa. This can be seen on the graph displaying EAV and direct tax rates. As you see the yellow line that tracks the EAV move up the orange and gray bars that track the direct tax rates move down. The direct tax rate does not affect the amount of taxes owed for any given property but rather is a result of two factors, 1) the property's EAV and 2) the property's share of taxes levied. A property's share of taxes levied is determined by taking the property's EAV into the aggregate



## INTRODUCTORY SECTION

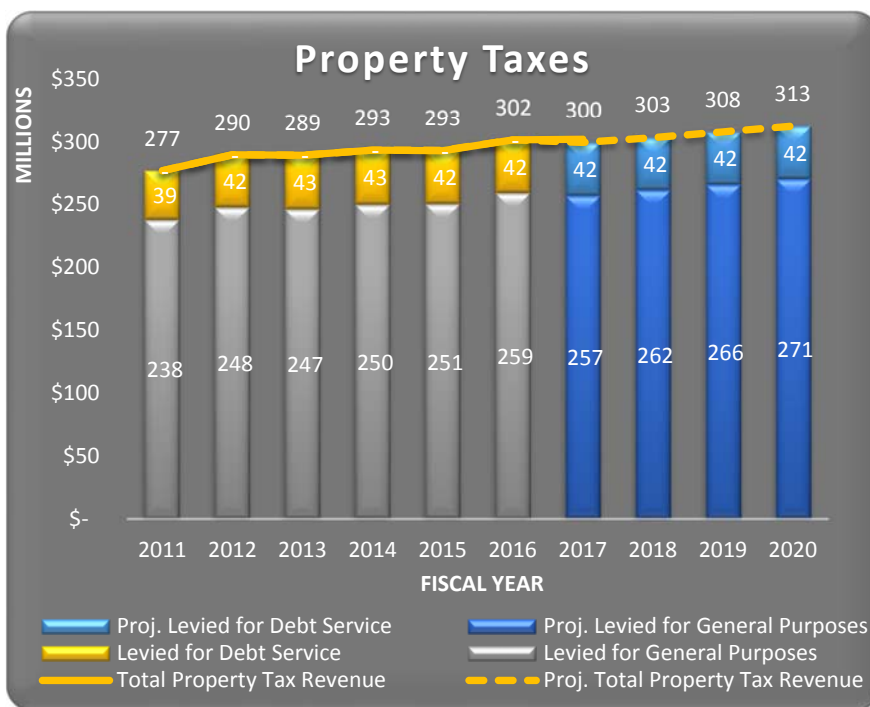
EAV for the taxed area. There are various exemptions and other factors that may factor into this calculation but this is explained at a high level for the purpose of adding context to the graphs displayed.

Property taxes are levied each year on the value of all taxable real property in the District on or before the last Tuesday in December. The 2016 tax levy was passed by the Board of Education on December 12, 2016, and attached as an enforceable lien on the property as of the preceding January 1. The taxes become due and collectible in March and August 2017 in Cook County and in June and September 2017 in DuPage and Kane counties, and are collected by the County Collector, who in turn returns to the District its respective share. Typically the District receives the remittances from the County Treasurer within one month after collection.

The District has recognized as revenue 50 percent of the 2016 tax extension and 50 percent of the 2015 tax extension in fiscal year 2017 based on estimated collections, as this is the period for which the taxes have been

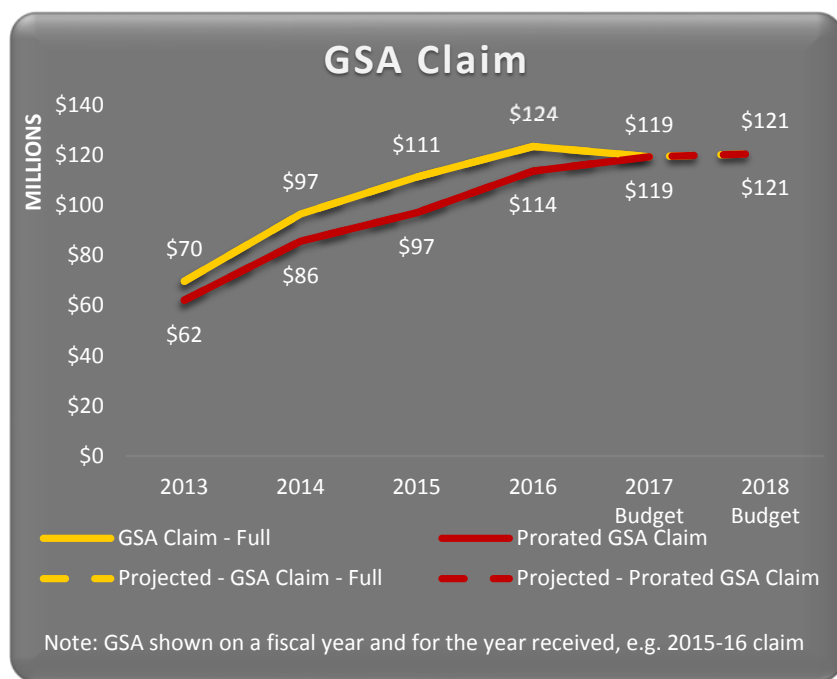
levied (intended to finance). Property taxes are recorded net of estimated allowance for uncollectible accounts. The allowance for uncollectible accounts is based on collection history and is estimated at 1.3 percent of the total levy. The changes in the property tax revenue shown on the graph coincide with the levy extension changes after accounting for the smoothing of each levy over two fiscal years and applying the allowance factor.

The District has recorded a receivable for the uncollected portion of the 2016 taxes extended. The District has recorded a deferred inflow of resources net of any allowance, which approximates 50 percent of the 2016 tax extension which will be recognized as revenue in fiscal year 2018, the period for which those taxes were levied. Since each tax year's extended levies are recognized as revenue by the District over two fiscal years, recognized property tax revenue in a fiscal year may not reflect a tax levy for any given year. The graph above represents the past and projected property tax revenue by fiscal year:





## INTRODUCTORY SECTION



**General State Aid (GSA)** distributed to Illinois public school districts is determined by a statutorily defined formula in 105 ILCS 5/18-8.05 and is intended to provide unrestricted grants to districts in an equitable manner. GSA is funded through two separate grants, the Equalization Formula Grant and the Supplemental Low-Income Grant. The Equalization Formula Grant varies inversely with local wealth. As local wealth increases, the amount of the grant decreases and vice versa. In this context, local wealth is property wealth plus revenue from the Corporate Personal Property

Replacement Tax (CPPRT). Property wealth is the assumed tax rate set by statute applied to the local EAV. The district's EAV is discussed in greater detail on the prior pages. The Supplemental Low-Income Grant does not consider local wealth but increases as the proportion of low-income students in a district increases. The percentage of low-income students is calculated by taking the three-year average of students reported by the Department of Human Services (DHS) for the district and dividing it by the Average Daily Attendance (ADA) of the district. Students reported by DHS are from ages 5 to 17 and receive services through any of the following: Medicaid, Supplemental Nutrition Assistance Program (SNAP), Children's Health Insurance Program (CHIP), and Temporary Assistance for Needy Families (TANF).

Over the past several years the GSA claim has been determined and funded on a prorated basis as shown on the chart above. Illinois Senate Bill 2047 increased the GSA allocation and funded the GSA formula at 100 percent beginning in fiscal year 2017. District management has budgeted for the full GSA claim in fiscal year 2018, however, a budget amendment is like once state funding for schools has been finalized. The final funded proration for the fiscal year 2016 claim was approximately 92 percent which cost the District \$9.8 million. Additional resources about General State Aid can be found at the following website: <https://www.isbe.net/Pages/General-State-Aid.aspx>.

**Mandated Categorical Reimbursements (MCATs)** and the funds appropriated for it are earmarked and mandated by Illinois statute for a particular purpose or population and may be used for that purpose or population only. As of the end of July 2017 the District is owed more than \$18 million in categorical payments from the State. Illinois has passed a fiscal year 2018 budget but the school funding formula called equity based funding is still not finalized meaning Illinois school districts will most likely not receive state funding until it is resolved. It is a possibility that the funding formula, when finalized, will affect the amount of categorical payments and general state aid received to fund the District significantly. When the equity based funding is completed it is probably the District will need to amend this budget. The District has budgeted for three of the four categorical payments in fiscal year 2018. If funding from the State was lost, outside financing would have to be obtained in order to finish the school year.

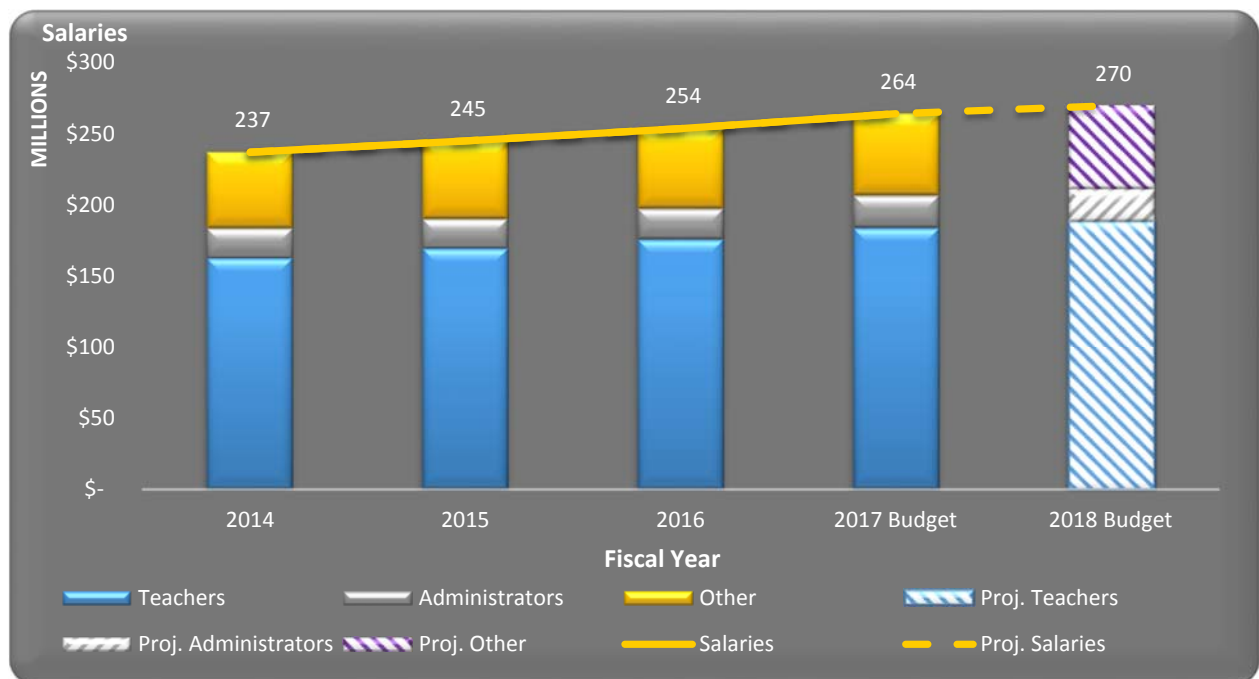
MCATs include programs such as Special Education, Transportation, state Lunch and Breakfast, and Orphanage. In addition, when referring to state categorical programs, District management includes all state programs in this category except for General State Aid. These other programs include Early Childhood Education, Bilingual Education, Career and Technical Education and Drivers Education.

## SIGNIFICANT EXPENDITURE TRENDS

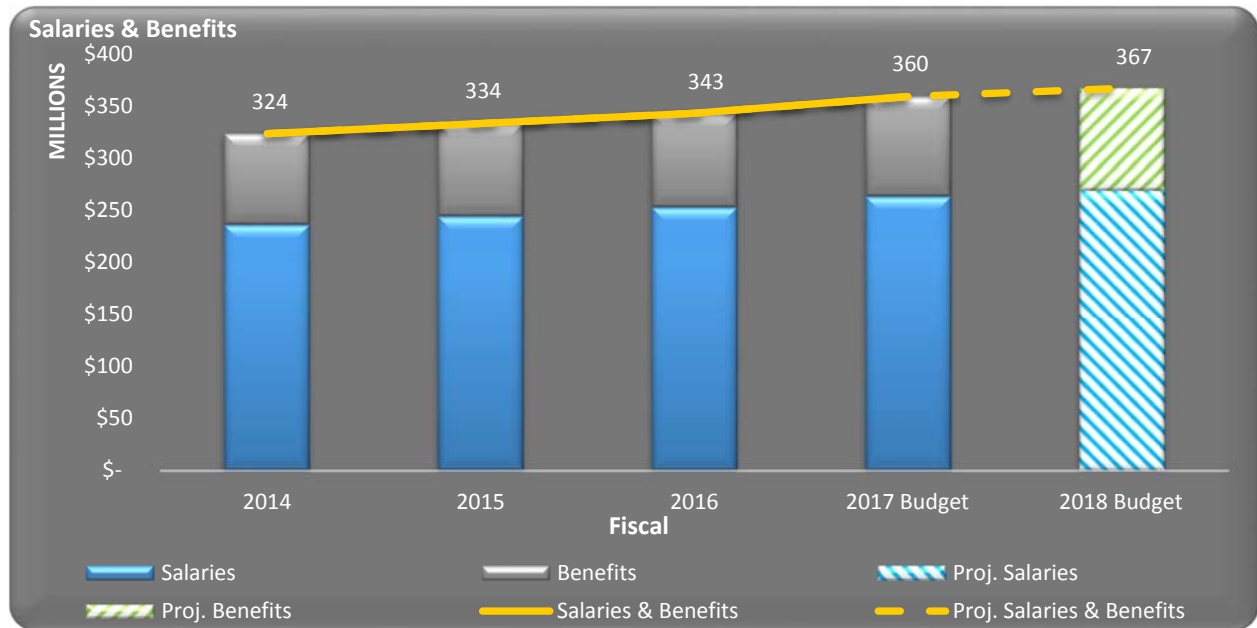
### Employee Salaries and Benefits

For fiscal year 2018 District management has planned for 15 fewer teacher FTEs. Salaries will increase based on contractual agreements. Medical Insurance is expected to increase five percent. The following two charts show salary and benefit information for the past four fiscal years and the fiscal 2018 budgeted figures. Several factors may impact salary and benefit projections in any given year, these include annual raises, increases and decreases in employee count, and the seniority status of the employees compared to the prior year.

#### Salaries by Employee Classification

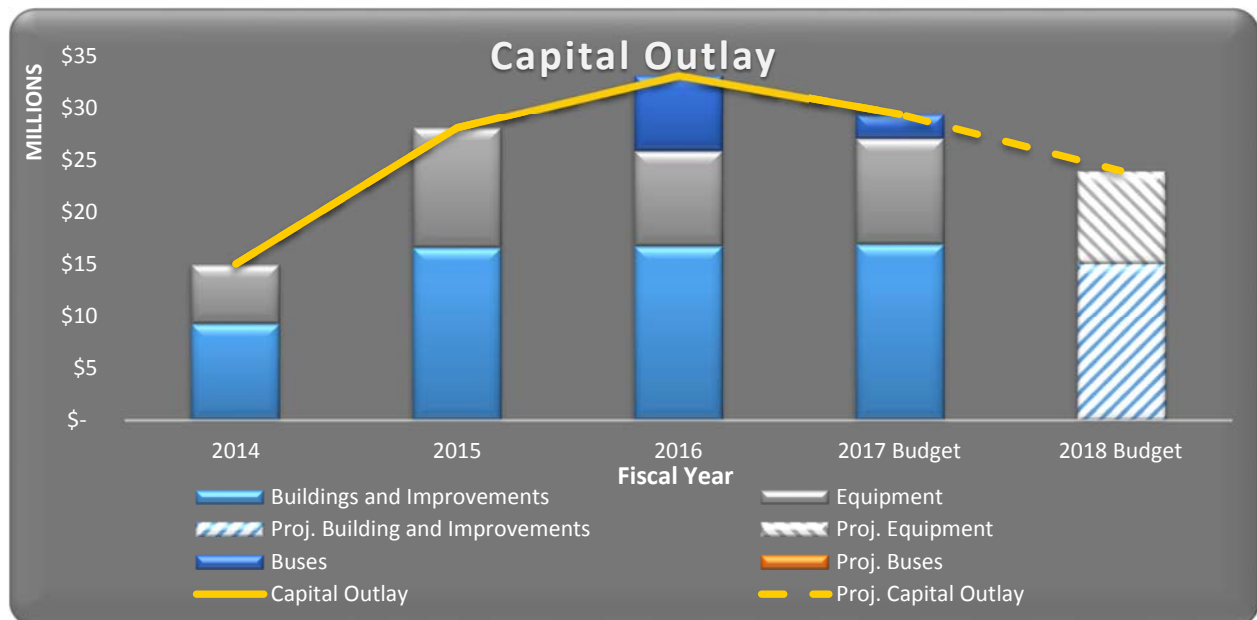


## Salaries and Benefits



## Capital Outlay

The majority of the District's capital outlay is spent on buildings and non-building improvements. These construction projects usually span several months at a time and are typically targeted for the summer months while the schools are staffed to a minimum. Due to the nature of these construction projects and the timing of the fiscal year end, June 30, many of these capital projects are internally planned by calendar year rather than fiscal year. District management assesses the projects and their planned timing and then splits them among the appropriate fiscal year budgets. The Capital Projects Summary table included in the Financial Section under All Funds shows the upcoming planned projects and costs included in the current budget. The District typically has more projects than can be funded so management prioritizes the projects throughout the year to stay within budget. The budget also contains equipment purchases to replace old computes. There were no buses planned for purchase during 2018.



## INTRODUCTORY SECTION

In order to track and plan for bus replacement the District utilizes a bus replacement plan. On the schedule the timing of the bus purchases is planned for the summer months, however, based on the nature of these transactions and order lag, the timing of the purchases and trade-ins may fluctuate throughout any given year. A new bus price ranges from approximately \$81,000 to \$94,000.

All large and small buses are now diesel powered. The large buses are being operated for ten to eleven years. The small buses are being operated for nine to ten years. The District has extended the replacement cycle from seven to a maximum of ten years for the small buses due to them being diesel powered.

While the District will be operating some older buses than recommended, all buses on the road will be mechanically and structurally sound. This element will be achieved by carefully reviewing maintenance records. Only the “best” of the buses scheduled for replacement will be retained annually.

The summary of the bus replacement plan and the current bus fleet is outlined on the following schedule.

### Modified Summary of the Bus Replacement Plan / A & O Plan

Calendar Year Summer	No. of Large Buses		No. of Small Buses		Total No. of Buses	
	Buy	Trade	Buy	Trade	Buy	Trade
2017*	18	(18)	20	(20)	38	(38)
2018	22	(22)	21	(21)	43	(43)
2019	20	(20)	21	(21)	41	(41)
2020	24	(24)	20	(20)	44	(44)
2021	15	(15)	22	(22)	37	(37)
2022	15	(15)	11	(11)	26	(26)
2023	16	(16)	11	(11)	27	(27)
2024	18	(18)	10	(10)	28	(28)
2025	18	(18)	15	(15)	33	(33)
2026	18	(18)	15	(15)	33	(33)

\* No buses were purchased or leased due to uncertainty of state funding.

### Summary of Current Fleet

Fiscal Year	No. of Large Buses	No. of Small Buses	Total No. of Buses
2016	190	164	354
2017	185	169	354
2018	184	166	350

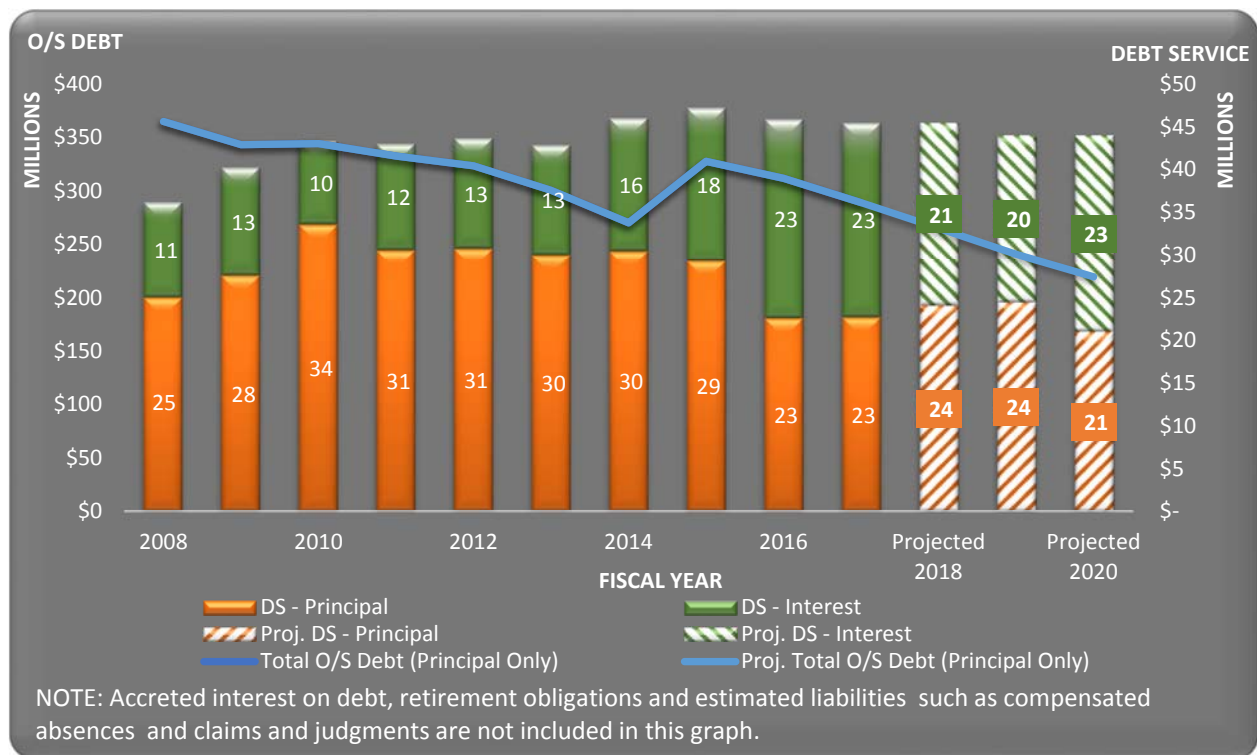
## DEBT MANAGEMENT

The majority of debt issued by U-46 is intended to fund capital projects, maintaining and renovating buildings, purchasing of new buses and the like. District management assesses the District's future needs, projects revenues and expenditures and recommends the issuance of debt only when it is believed to be in the District's overall best interest.

In the early 2000's when the District's population was rapidly growing U-46 issued multiple Capital Appreciation Bond series (CABs) to fund the construction of eight new schools, six elementary, one middle and one high school. These bond issuances totaled \$178.5 million and 75 percent of the principal balance was not scheduled to be paid until 2015 and after. In addition to the principal coming due, interest on capital appreciation bonds is not paid each year but rather accumulates and is paid in large sums closer to maturity; this interest liability is called accreted interest. With the debt service costs for these bonds escalating the District issued refunding bonds in 2015 in order to smooth these debt service payments over the next six to seven years. The resulting consistent debt service payments going forward will allow for more manageable planning and budgeting.

Currently, with no plans for new building construction, District management anticipates the outstanding debt to decline over the next few years. The blue line on the chart below shows the past ten years of the District's outstanding debt balance and an additional three years of projected outstanding debt. The bars represent the principal and interest portions of the debt service payments each year.

Total Outstanding Debt / Debt Service Payments

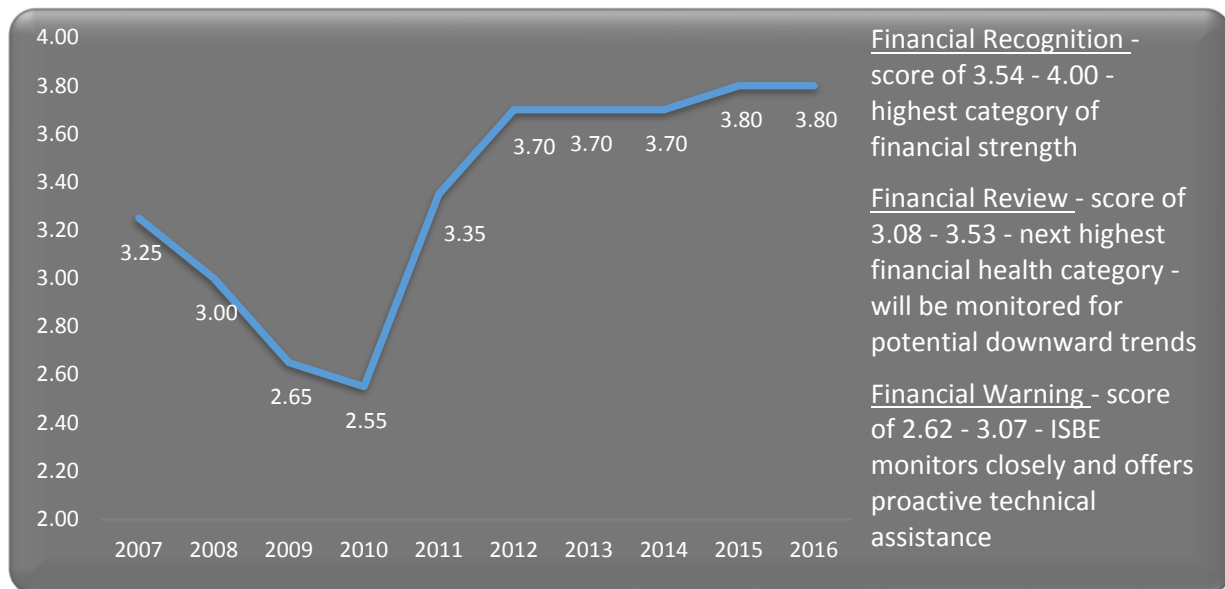




### ***DISTRICT FINANCIAL SCORE***

In fiscal year 2016, the District received Financial Recognition status with an Illinois State Board Financial Profile score of 3.80. The District has received the Recognition status each year since fiscal year 2012 and anticipates maintaining the highest status again in fiscal year 2017, however, if state funding is dramatically cut the District's financial score will be downgraded since fund balances will have to be spent down and additional financing will need to be obtain in order to finish the school year. This financial strength benchmark measures five indicators, 1) fund balance to revenue ratio; 2) expenditure to revenue ratio; 3) days cash on hand; 4) percent of short-term borrowing maximum remaining and 5) percent of long-term debt margin remaining. According to the Illinois State Board of Education (ISBE) of the 852 Illinois districts reporting to ISBE for fiscal year 2016, 632 or 74 percent of districts received the "Recognition" status; 154 or 18 percent received "Review" status; 47 or 6 percent received "Early Warning" status and; 19 or 2 percent received "Watch" status. The following is a graph of the District's financial status score over the past 10 years:

District Financial Score



## Assessed Values of Taxable Property, Property Tax Rates and Extended Levies

Fiscal Year Tax Levy Year	Budget 2018 2017		
	Kane	Cook	DuPage
Equalized Assessed Value (EAV)	1,662,139,668	1,973,972,502	1,071,198,635
Direct Tax Rate (U46 Portion)	6.4848	6.7703	6.2766
Est. Actual Taxable Value	4,986,423,990	6,420,866,148	3,213,599,119
Extended Levy	107,787,077	133,643,812	67,234,445
<u>Residential Property Data</u>			
No. of Parcels	28,026	22,092	13,920
Assessed Value w/o Exemptions *	1,444,108,410	451,730,208	1,030,432,167
Total Property Market Value	4,332,329,563	4,517,302,079	3,091,299,592
Avg. Property Market Value	154,583	204,477	222,076
Avg. Assessed Value w/Exemptions	1,259,201,343	451,730,208	943,646,499
Property AV w/Exemptions	44,930	20,448	67,791
Equalized	1.0000	2.6685	1.0000
Avg. Equalized Assessed Value	44,930	54,565	67,791
Avg. Tax Burden owed to U46	2,914	3,694	4,255

\* Cook County assessed value includes exemptions

Notes:

-Tax rates per \$100 of Equalized Assessed Valuation

-Cook County assesses property differently than Kane and DuPage, when comparing the property values between counties use EAV and market value

## Student Enrollment Three-Year History, Budget and Three-Year Forecast

School Year	Pre-Kindergarten	Elementary		Middle		High		Self-Cont. Spec. Ed	Other (B)	Total		
	Actual/Proj.	Actual/Proj.	Capacity	Actual/Proj.	Capacity	Actual/Proj.	Capacity	Actual/Proj.	Actual/Proj.	Actual/Proj.	Capacity	Utilization
<b>Actual Enrollment</b>												
<b>(A)</b>												
2014-2015	Data Not Available	21,087	27,273	5,819	8,568	11,791	13,944	685	183	38,880	49,785	78%
2015-2016	1,179	20,398	27,273	5,718	8,568	11,971	13,944	726	425	39,691	49,785	80%
2016-2017	1,251	20,187	27,273	5,991	8,568	11,874	13,944	777	337	39,640	49,785	80%
<b>Enrollment</b>												
<b>Budget (C)</b>												
2017-2018	1,224	19,635	27,273	5,945	8,568	11,779	13,944	777	341	38,924	49,785	78%
<b>Enrollment</b>												
<b>Forecast (C)</b>												
2018-2019	1,196	18,982	27,273	5,653	8,568	11,962	13,944	777	335	38,128	49,785	77%
2019-2020	1,209	18,311	27,273	5,577	8,568	11,800	13,944	777	338	37,235	49,785	75%
2020-2021	1,220	17,725	27,273	5,429	8,568	11,645	13,944	777	341	36,360	49,785	73%

(A) Actual enrollment for each school year as of the last school day in September, for the years listed through 2015-2017.

(B) Includes Alternative Education except for Pre-K.

(C) Kindergarten numbers are based upon live births from five years prior from area hospitals for forecast years.

**District Personnel Resource FTE Allocations  
Three-Year History, Current Estimate and Budget  
by Employee Group**

Staff	Actual 2014	Actual 2015	Actual 2016	Est. Actual 2017	Budget 2018
Teachers	2,362	2,421	2,399	2,484	2,469
Building substitutes	5	5	-	-	-
Noon hour supervisors (part-time)	76	80	78	90	90
Educational assistants/paraprofessionals	422	452	440	488	488
Secretary/clerical	222	229	222	232	232
Transportation	400	403	414	391	391
Custodial/maintenance	126	139	136	136	136
Technical/other	207	194	197	215	215
Food service	155	153	150	144	144
School administration	102	99	98	101	101
Supervisors/directors/coordinators	34	40	42	41	41
Central administration	33	29	31	34	34
Divisionals	16	17	17	17	17
Superintendent/executive staff	9	10	10	10	10
Total staff by FTEs	4,169	4,271	4,234	4,383	4,368

Source: District Financial Services

The 2018 budget includes a reduction of 15 teacher FTEs. This is due to slightly lower enrollments and staffing needs assessed by District management during the budget process.



ASSOCIATION OF  
SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL

This Meritorious Budget Award is presented to

## SCHOOL DISTRICT U-46

for excellence in the preparation and issuance of its budget  
for the Fiscal Year 2016-2017.

The budget adheres to the principles and standards  
of ASBO International's Meritorious Budget Award criteria.



A handwritten signature in black ink, reading 'Brenda Burkett'.

Brenda R. Burkett, CPA, CSBA, SFO  
President

A handwritten signature in black ink, reading 'John D. Musso'.

John D. Musso, CAE, RSBA  
Executive Director



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
Budget Presentation  
Award*

PRESENTED TO

**School District U-46**

**Illinois**

For the Fiscal Year Beginning

**July 1, 2016**

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to **School District U-46, Illinois** for its annual budget for the fiscal year beginning **July 1, 2016**. In order to receive this award, a government unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device. This award is valid for a period of one year only.





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# ORGANIZATIONAL SECTION



**FISCAL YEAR 2018 BUDGET**  
(School Year 2017-2018)



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### DISTRICT PROFILE

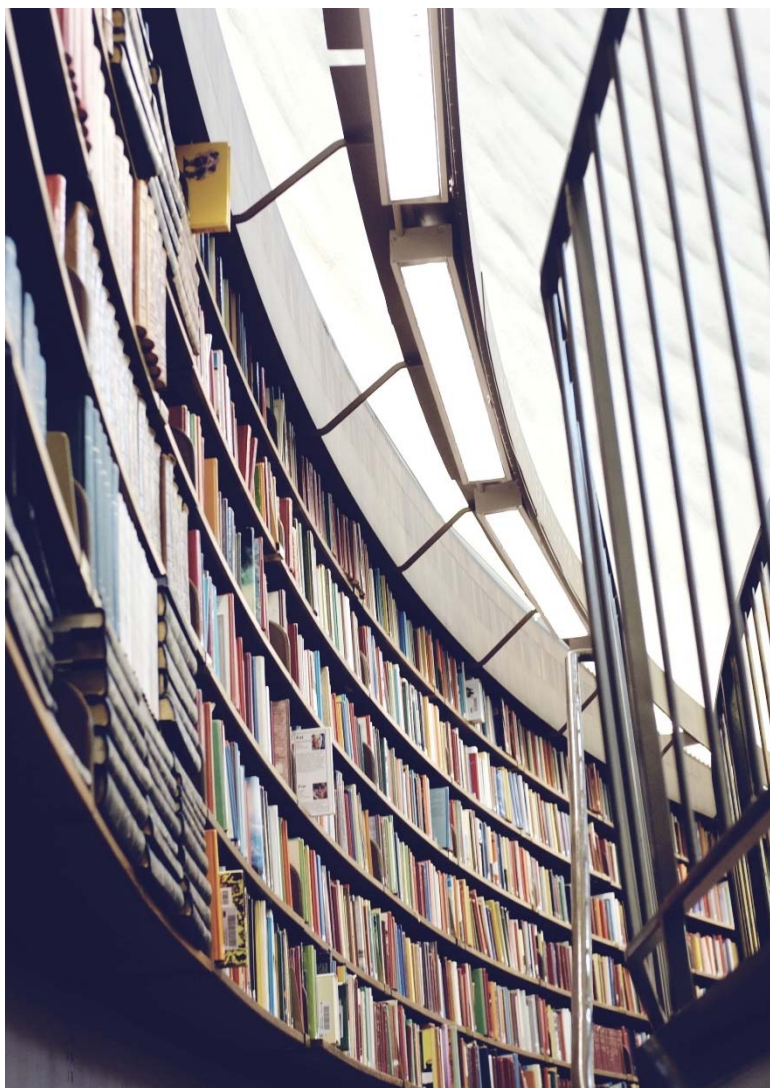
#### *Legal Autonomy and Fiscal Independence*

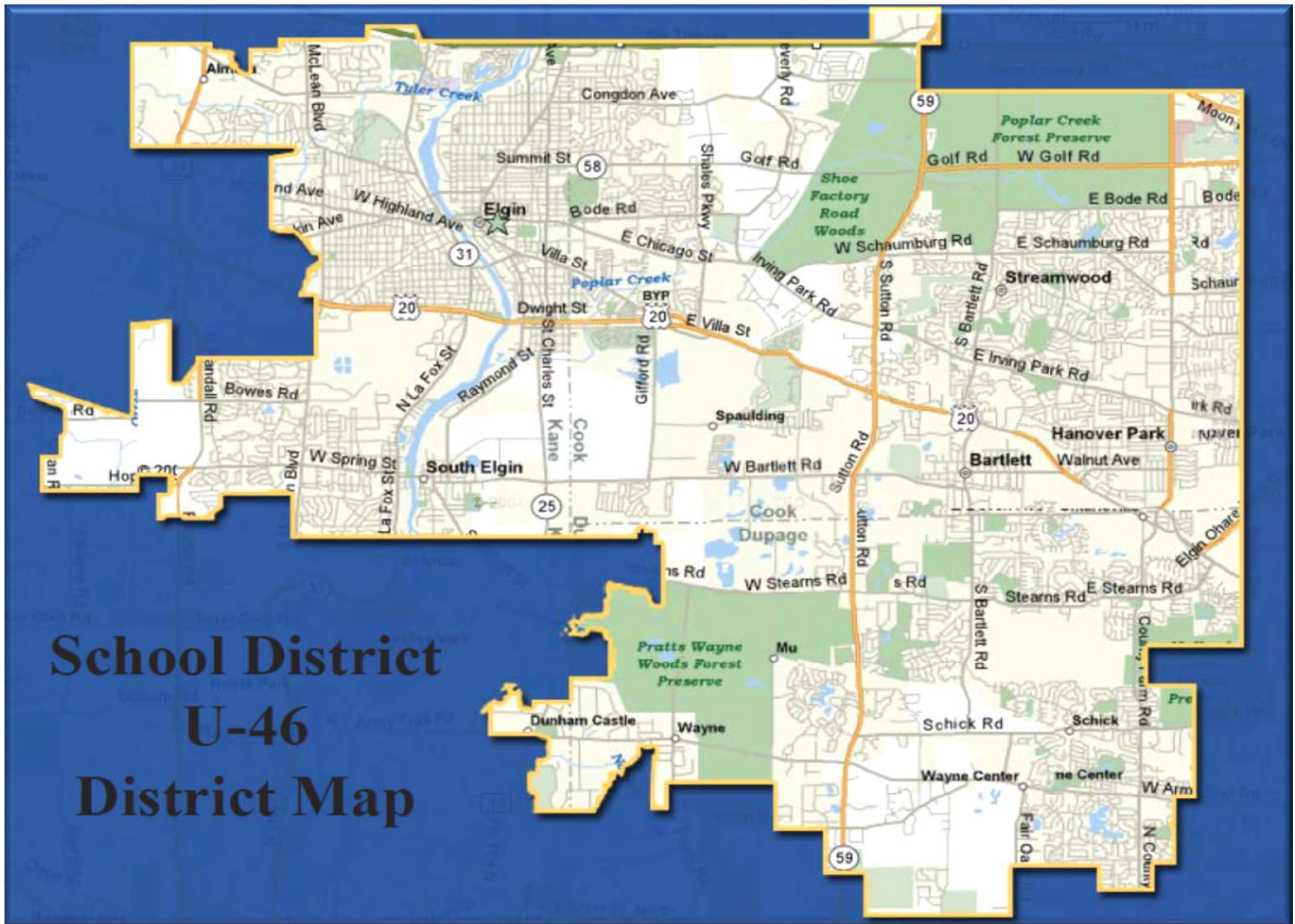
**S**chool District U-46 is organized under the School Code of the State of Illinois, as amended. The District exists as a legal entity deriving its just powers from the General Assembly of the State of Illinois through the State Board of Education for the purpose of providing a system of free public education. The District is classified as a unit school district and operates as a public school system governed by an elected seven-member Board of Education. The District constitutes a body politic and corporate with all powers as prescribed by laws including but not limited to the power to sue and be sued, purchase, hold and sell personal property and real estate, and enter into such obligations as are authorized or implied by law. It has the statutory authority to adopt its own budget, levy taxes and issue bonded debt without the approval of another government and it is not considered a component unit of any other entity. Based on these criteria, the District is considered a primary government and there are no other organizations or agencies whose budgets should be considered and presented with this budget.

The legal authority of the Board of Education is transmitted through the superintendent or designee along specific paths from person to person as shown in the Board-approved organization chart of the District. The lines of authority on the chart represent direction of authority and responsibility. The Board of Education expects the superintendent/designee to keep the administrative structure up-to-date with the need for supervision and accountability throughout the school district.

#### *Size and Scope*

School District U-46 is the second-largest school district in Illinois. Covering 90 square miles, the District is located approximately 45 minutes northwest of Chicago. The District serves nearly 40,000 children in grades PreK-12 at our 56 school buildings throughout the communities of Bartlett, Elgin, Hanover Park, South Elgin, Streamwood, Wayne, and portions of Carol Stream, Hoffman Estates, St. Charles, Schaumburg, and West Chicago.







# SD U-46

355 E CHICAGO ST ELGIN, IL 60120 6543 (847) 888-5000

Grades P-12

Superintendent: Dr. Kenneth Arndt

## FAST FACTS

29.2%

ready for next level

State Avg.

86%

graduation rate

State Avg.

83%

teacher retention

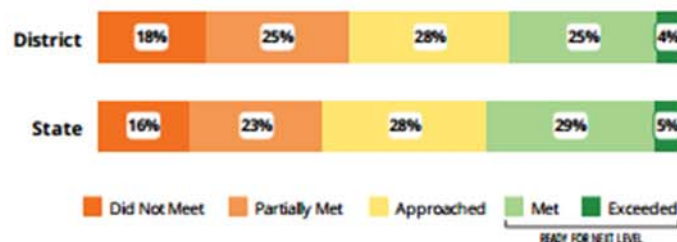
State Avg.

39,963

students

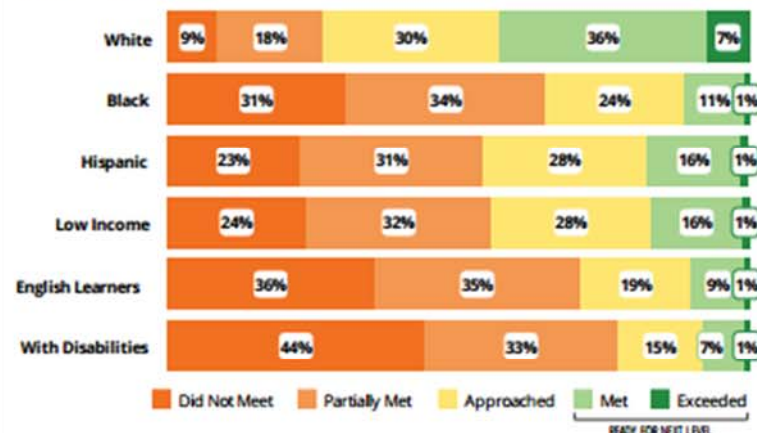
## Academic Success

All Illinois students in grades 3-8 take the PARCC assessment each year. High school students take the PARCC in specific Math or English Language Arts (ELA) courses.



## Success by Student Group

This display shows PARCC performance levels for each student group. No data is shown for groups with fewer than 10 students.

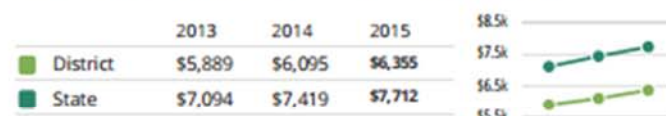


## Student Characteristics

White	29%	Low Income	58%
Black	6%	English Learners	28%
Hispanic	52%	With Disabilities	13%
Asian	8%	Homeless	2%
American Indian	1%		
Two or More Races	4%		
Pacific Islander	0%		

## District Finance

**Instructional Spending per Pupil** includes only the activities directly dealing with the teaching of students or the interaction between teachers and students.



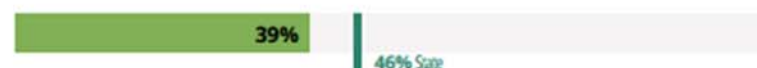
**Operational Spending per Pupil** includes all costs for overall operations in this district, including Instructional Spending, but excluding summer school, adult education, capital expenditures, and long-term debt payments.



## College Readiness

### Ready for College Coursework

Students who meet or exceed ACT college readiness benchmarks



### Postsecondary Enrollment

Students who enroll at colleges and universities



### Postsecondary Remediation (lower is better)

Students enrolled in Illinois community colleges who require remedial coursework





## SD U-46

### Schools in District

School Name	Grades	% Ready for Next Level	School Name	Grades	% Ready for Next Level
BARTLETT HIGH SCHOOL	9-12	26%	HIGHLAND ELEM SCHOOL	K-6	19.8%
ELGIN HIGH SCHOOL	9-12	5.9%	HILLCREST ELEM SCHOOL	K-6	14.5%
LARKIN HIGH SCHOOL	9-12	12.1%	HILLTOP ELEMENTARY SCHOOL	K-6	40.1%
SOUTH ELGIN HIGH SCHOOL	9-12	27.3%	HORIZON ELEM SCHOOL	P-6	52.4%
STREAMWOOD HIGH SCHOOL	9-12	21.5%	HUFF ELEM SCHOOL	P-6	14%
ABBOTT MIDDLE SCHOOL	7-8	14.5%	ILLINOIS PARK ELEM SCHOOL	P,K	-
CANTON MIDDLE SCHOOL	7-8	22.2%	LAUREL HILL ELEM SCHOOL	K-6	21.8%
EASTVIEW MIDDLE SCHOOL	7-8	54.7%	LIBERTY ELEM SCHOOL	P-6	52.6%
ELLIS MIDDLE SCHOOL	7-8	16.3%	LINCOLN ELEMENTARY SCHOOL	K-6	29.8%
KENYON WOODS MIDDLE SCHOOL	7-8	43.4%	LORDS PARK ELEM SCHOOL	P-6	17.9%
KIMBALL MIDDLE SCHOOL	7-8	20.1%	LOWRIE ELEM SCHOOL	P-6	16.1%
LARSEN MIDDLE SCHOOL	7-8	23.3%	MCKINLEY ELEM SCHOOL	K-6	14.7%
TEFFT MIDDLE SCHOOL	7-8	34.4%	NATURE RIDGE ELEM SCHOOL	K-6	40.5%
BARTLETT ELEM SCHOOL	K-6	46.5%	OAKHILL ELEM SCHOOL	K-6	19.4%
CENTENNIAL SCHOOL	P-6	52.9%	ONTARIOVILLE ELEM SCHOOL	K-6	20.7%
CENTURY OAKS ELEM SCHOOL	K-6	14.2%	OTTER CREEK ELEM SCHOOL	P-6	32.5%
CHANNING MEMORIAL ELEM SCHOOL	K-6	9.6%	PARKWOOD ELEM SCHOOL	P-6	14.3%
CLINTON ELEM SCHOOL	K-6	43.5%	PRAIRIEVIEW ELEMENTARY SCHOOL	K-6	61.8%
COLEMAN ELEM SCHOOL	K-6	20.8%	RIDGE CIRCLE ELEM SCHOOL	K-6	29.2%
CREEKSIDE ELEM	P-6	23.9%	RONALD D O NEAL	P-6	29.8%
FOX MEADOW ELEMENTARY SCHOOL	K-6	40.9%	SPRING TRAIL ELEMENTARY SCHOOL	K-6	45.4%
GARFIELD ELEM SCHOOL	P-6	13%	SUNNYDALE ELEM SCHOOL	K-6	30.4%
GLENBROOK ELEM SCHOOL	K-6	43.7%	SYCAMORE TRAILS ELEMENTARY SCHOOL	P-6	51.5%
HANOVER COUNTRYSIDE ELEM SCHOOL	K-6	41.9%	TIMBER TRAILS ELEMENTARY SCHOOL	K-6	45.4%
HARRIET GIFFORD ELEM SCHOOL	K-6	13.3%	WASHINGTON ELEM SCHOOL	K-6	17.2%
HAWK HOLLOW ELEM SCHOOL	K-6	43.2%	WAYNE ELEM SCHOOL	K-6	61.5%
HERITAGE ELEM SCHOOL	K-6	22.3%	WILLARD ELEM SCHOOL	K-6	25.8%

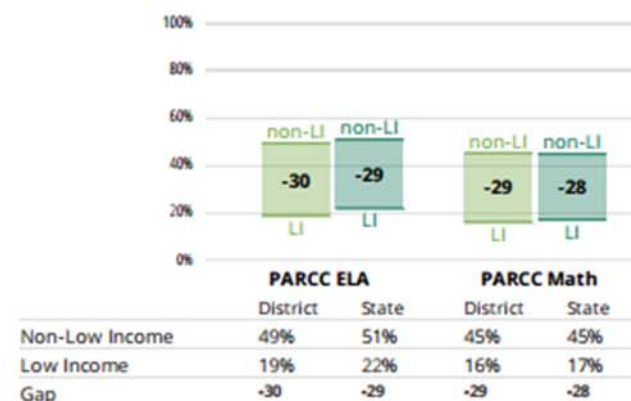
### FOR MORE INFORMATION

Visit [IllinoisReportCard.com](http://IllinoisReportCard.com) to see additional details about each item of information for this school. There you will find charts spanning multiple years, detailed explanations, resources, more of the school's programs and activities, and powerful tools that let you dig deeper into data.

Most of this data has been collected by ISBE from school districts through data systems. Some information, such as the School Highlights, is entered directly by principals and can be updated throughout the year.

### Achievement Gap

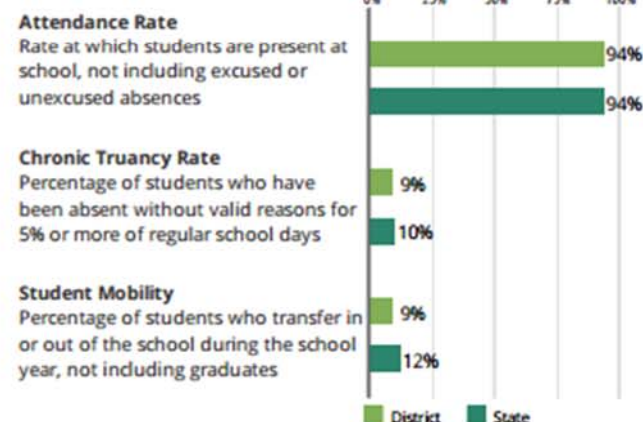
Achievement gaps display the differences in academic performance between student groups. The display below shows the gap in readiness for the next level between low income (LI) students and non-low income (non-LI) students on the PARCC assessment for both English Language Arts (ELA) and Math.



### Educator Measures

This district has had an average of **2 principal(s)** at the same school over the past 6 years. District wide in the last three years, an average of **83% of teachers** return to the same school each year.

### Student Attendance and Mobility



## ORGANIZATIONAL SECTION

### **DISTRICT LEADERSHIP**

#### **BOARD OF EDUCATION**

<u>Member</u>	<u>Position/Term Expires</u>
Donna Smith .....	President 2021
Susan Kerr .....	Vice President 2019
Veronica Noland.....	Secretary Pro-Tempore 2021
Phil Costello .....	Member 2019
Traci O'Neal Ellis.....	Member 2019
Melissa Owens.....	Member 2021
Jeanette Ward.....	Member 2019
Casey Pearce.....	Student Advisor 2018

#### **SUPERINTENDENT AND EXECUTIVE STAFF**

Tony Sanders.....	Chief Executive Officer
Miguel Rodriguez .....	Chief Legal Officer
Dr. Ushma Shah.....	Assistant Superintendent, Elementary Education
Steve Burger .....	Assistant Superintendent, Elementary Education
Dr. Terri Lozier .....	Assistant Superintendent, Secondary Education
Ron Raglin .....	Assistant Superintendent, Education Support Programs
Dr. Jeffrey King .....	Chief Operating Officer/Chief School Business Official
Dr. Suzanne Johnson.....	Assistant Superintendent for Teaching and Learning
Melanie Meidel.....	Assistant Superintendent, Human Resources

## ORGANIZATIONAL SECTION

### *Board of Education*

State law holds school boards responsible for policies in these areas: approval of course of study and textbooks, adoption of an annual budget, construction, furnishing and maintenance of facilities, and employment and evaluation of the superintendent/chief executive officer.

Elected members serve four-year terms and are not paid for their services. To be eligible to serve, a school board member must meet the following requirements on the date of the election: 1) is a citizen of the United States, 2) at least 18 years of age, 3) a registered voter, 4) a resident of the State of Illinois, and 5) a resident of School District U-46 for at least one year immediately preceding the election.

Two U-46 administrators and one student join the Board at the table during meetings. Chief Executive Officer Tony Sanders, Chief Legal Officer Miguel A. Rodriguez, who serves as Board Secretary, and Casey Pearce, Student Advisor to the Board, are resource persons but do not vote.

Board meetings are generally held twice each month, usually on the first and third Monday, at 7:00 p.m., unless the school schedule dictates otherwise. The meetings are open to the public and comments are heard from community members during the Comments from the Audience section of the agenda. The meeting schedule and official board minutes are posted on the District website.

The Board Members are as follows:



**Donna Smith, President**, a resident of Hanover Park, has been a member of the school board since 2001. She has served as chairperson of the Citizens' Advisory Council and as an active member in the Partnership for Excellence in Learning, Comprehensive High School Committee, P.A.S.S. Committee and several parent teacher organizations. Mrs. Smith works in Accounts Payable/Accounts Receivable for a transportation company. Mrs. Smith's term expires in 2021.

**Susan Kerr, Vice President**, a resident of Bartlett, was elected to the Board of Education in 2015. She has been a member of the Citizens' Advisory Council where she has co-chaired a number of committees. Ms. Kerr worked as a computer programmer analyst at the University of Chicago Library. Ms. Kerr's term expires in 2019.



**Veronica Noland, Secretary Pro Tempore**, an Elgin resident, is active with the Channing Elementary School Parent Teacher Organization, having previously served as Vice-President. She also has been a member of both the U-46 Hispanic Parent Leadership Institute and the Citizens' Advisory Council. Ms. Noland is serving her first term which expires in 2017.

## ORGANIZATIONAL SECTION



**Phil Costello**, a nine-year resident of Bartlett and life-long resident of Illinois was elected to the Board of Education in 2015. Mr. Costello is a CPA with a Masters of Business Administration. He is employed at the Oak Lawn Park District as a Superintendent of Finance and Personnel. Mr. Costello also serves as the Vice Chairman on the Homes for Children Foundation and Audit Committee Chair for ChildServ, two nonprofit organizations that provide child welfare support services in; Cook, Kane and DuPage counties. Mr. Costello's term expires in 2019.

**Traci O'Neal Ellis** is a resident of Elgin and is serving her second term on the school board. She is an attorney and employed by the Illinois Mathematics and Science Academy as the Executive Director of Human Resources. Mrs. O'Neal Ellis' term expires in 2019.



**Melissa Owens**, a resident of Bartlett, was elected to the Board of Education in 2017. Ms. Owens served on the Citizens' Advisory Council for seven years, chairing the Special Education Committee and the General Council. She also served on the Operating Board of the Elgin Alignment Collaborative for Education for one year. Ms. Owens is the Volunteer Program Coordinator for the Community Crisis Center in Elgin. Her term expires in 2021.

**Jeanette Ward**, a West Chicago resident, was elected to the Board of Education in 2015. A parent volunteer in the district, Mrs. Ward is also the Regulatory Affairs Manager at an international chemical company. Mrs. Ward's term expires in 2019.



**Casey Pearce** is a senior at Bartlett High School and is enrolled in the Science, Engineering and High Technology Academy. She serves on the CEO Student Advisory Council and is a member of the National Honor Society and track team. Casey also performs with the Schaumburg Youth Orchestra and Bartlett Orchestra. Through various community volunteer work, Casey demonstrates a high level of maturity and responsibility to serve as the Board of Education Student Advisor. Casey's term expires in 2018.



### *Chief Executive Officer*



Chief Executive Officer Tony Sanders runs the day-to-day operations of School District U-46, a place he has called home since 2007. Mr. Sanders oversees the implementation of all board and district policies and procedures as well as alignment of resources to all districtwide initiatives and improvement plans for the state's second-largest school district. He works in close collaboration with an administrative staff that manages a balanced district budget of nearly \$500 million, and he has lobbied relentlessly in Springfield for more equitable state education funding.

Mr. Sanders is working with staff and community members to set specific measurable goals for the district's newly-developed Strategic Plan which calls for ensuring all students gain the experiences they need to graduate from School District U-46 prepared to compete in a global society. He's proud of the district's many achievements, from high schools ranked among the best in the country, to a thriving dual-language program and expanding preschool opportunities.

Mr. Sanders recently attended the White House's Rethinking School Discipline conference, representing Illinois and U-46 where suspension rates have dropped dramatically as staff members embraced new approaches to responding to behavioral issues and supporting students.

Prior to becoming CEO, Mr. Sanders served as the Chief of Staff for former Superintendent Dr. José M. Torres. Mr. Sanders joined the district as Chief Communications Officer after holding the same title in St. Louis Public Schools. He brings two decades of leadership experience to his current post, having served as Acting Director for Governmental Relations and Public Information for the Illinois State Board of Education and other top posts at the Department of Professional Regulation and the Illinois Department of Public Health.

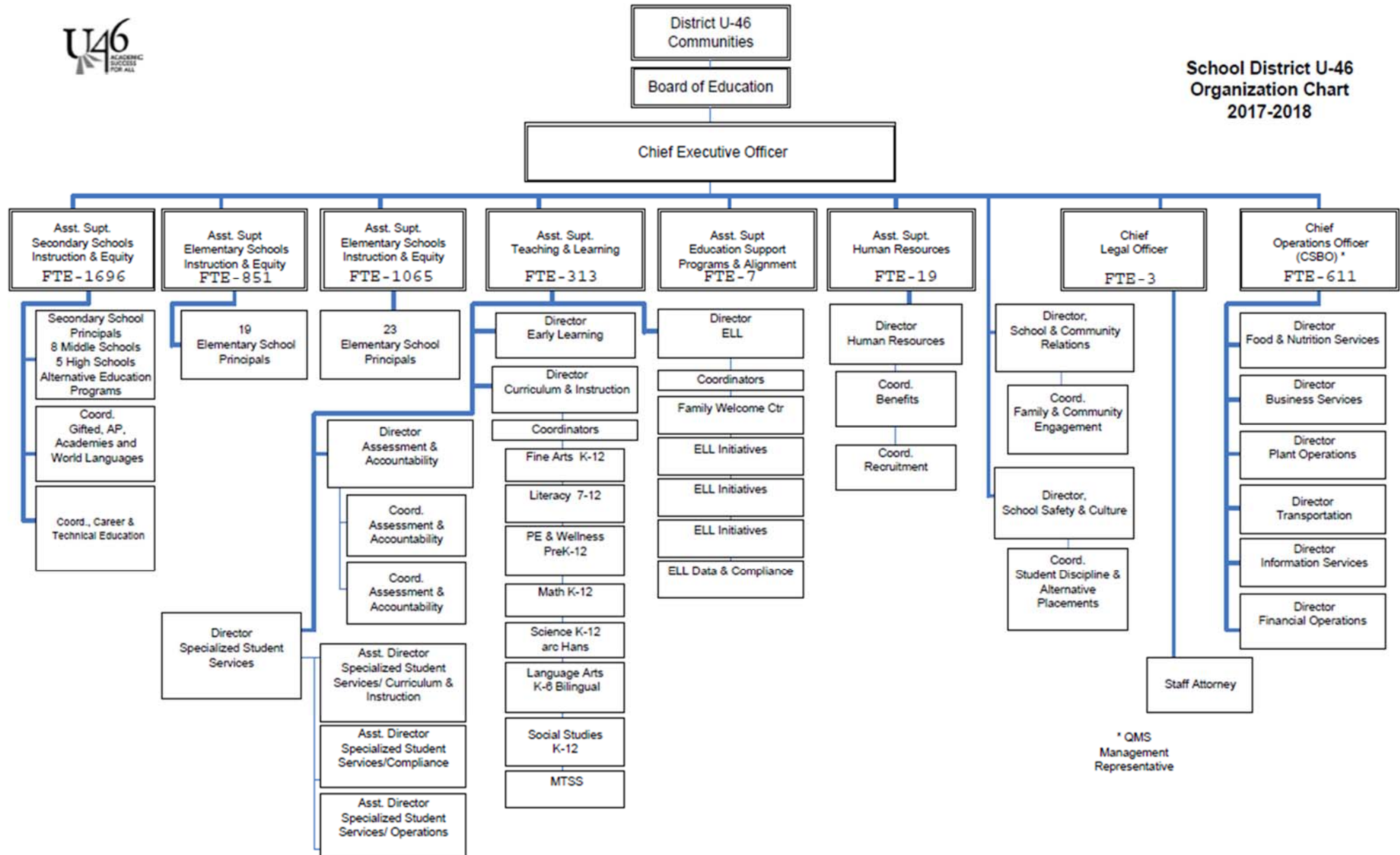
Mr. Sanders earned his Master of Business Administration degree from New York Institute of Technology – Ellis College, and his undergraduate degree from the University of Illinois at Springfield.

Mr. Sanders and his wife, Schelli, live in Elgin with their two children, Jack and Lexie. Jack recently graduated from U-46 and Lexie is currently a student at U-46.

# ORGANIZATIONAL SECTION



**School District U-46  
Organization Chart  
2017-2018**





### DEPARTMENTS AND PROGRAMS

School District U-46 provides a comprehensive curriculum to children in grades preschool through twelfth grade. At every step of a child's educational journey, we're committed to ensuring that our students are equipped with the skills to become college and work place ready. Just as students come in all shapes and sizes, activities to support student learning are designed to meet the needs of every student.

A range of support services and departments are in place to assist in fulfilling the needs of the programs and departments within the District.

The Chief Executive Officer and the Cabinet members, oversee all departments, program directors and curriculum coordinators in the District. The departments and programs listed below provide specific services to students, staff, families and the community.

#### STUDENT LEARNING

##### *Assessment and Accountability*

Assessment is an integral part of the educational process. It allows teachers to determine what and how students are learning. It provides information used to make decisions about teaching individual students as well as broad determinations on the effectiveness of the instructional program in a school and the overall school system.

##### *AVID (Advanced Via Individual Determination.)*

AVID is a college readiness elective program for students and the District currently offers these courses in grades seven through twelve. All middle and high schools have an AVID Site Coordinator and an active AVID Site Team. The District also has an AVID District Director that oversees the AVID College Readiness System. U-46 had its first AVID Senior graduating class during the 2012-2013 school year, which marked the end of the fourth year of AVID implementation.



##### *Career and Technical Education Program*

Coordination of Career and Technical Education classes; responsible for curriculum development, evaluation, staff development, and improvement. Direction of the Northern Kane County Career and Technology Education System, for School Districts: 300, 301, 303 and U-46.

##### *Common Core*

The Common Core State Standards (CCSS) are the culmination of an extended, broad-based effort to fulfill the charge issued by the state to create the next generation of K-12 standards in order to help ensure that all students are college and career ready when they graduate high school. This one of the most important changes in education in the United States in the last fifty years and stands to positively affect students, parents, teachers, communities, and the work force as we take a firm grasp of what 21<sup>st</sup> century learning truly means.

##### *Curriculum and Instruction*

The Curriculum and Instruction Department oversees the implementation of standards-based and specialized curriculum.

## ORGANIZATIONAL SECTION

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### *Dual Language*

The Dual Language program is a form of bilingual education in which students are taught literacy and academic content in two languages. It offers a unique opportunity for students to excel academically and learn a second language.



### *Early Learners*

The Early Learners program is a partnership of family, school and community working collaboratively to provide comprehensive services to young children. Services are provided by highly-trained early childhood professionals. Curriculum and practices that are appropriate for the child's development level are used to meet the diverse needs of young children in a culturally sensitive environment. These learning opportunities are offered to children from birth to kindergarten.

### *English Languages Learners*

Programs for students who are Limited English Proficient (LEP), including ELL/bilingual classes, English as a Second Language (ESL), and Dual Language.

### *Fine Arts*

Provides opportunities to students from elementary through high school including chorus, music, orchestra, band and the visual arts. The department fosters creativity by providing opportunities for self-expression through innovative thinking, communication and artistic appreciation.

### *Gifted Programs*

The gifted programs provide a variety of programs to ensure that every high-achieving student has an opportunity to excel. Talent Development programs are offered to students in grades one to six as well as core gifted curriculum, dual language and enrichment clusters in math language arts. High school students can select from up to 25 advanced placement (AP) course offerings.

### *High School Academies*

Unique to Chicagoland's Fox Valley, U-46 academy programs are designed to take high school students to new levels of creative, interdisciplinary learning and give them a head start on a higher education. The high school academies include the Broadcast Education and Communication Networks Academy, Gifted and Talented Academy, Science, Engineering & High Technology Academy, Visual and Performing Arts Academy and World Languages & International Studies Academy.

### *Instructional Technology*

U-46 strives to inspire individuals to be digitally literate citizens by authentically using technology to engage in 21<sup>st</sup> century skills. By supporting teachers and employees to integrate technology, the hope is to provide experiences that will allow students to become responsible digital citizens.

### *Literacy*

The Literacy program provides language arts instruction for students from kindergarten through high school. The libraries in the District also provide information about the learning goals by grade level, curriculum details and resources for teachers.

### *Mathematics*

The Mathematics program strives to give students the skills and knowledge they need to think and reason mathematically and to use what they have learned to solve problems.

## ORGANIZATIONAL SECTION

### *MTSS (PBIS & RTI)*

Multi-Tiered System of Supports (MTSS) is a Response to Intervention (RTI) model that utilizes a three tiered system designed to help schools provide students with high-quality instruction and interventions through academic and behavioral supports. Positive Behavioral Interventions and Supports (PBIS) is a proactive systems approach for creating and maintaining safe and effective learning environments in schools, ensuring that all students have the social/emotional skills needed to achieve their success at school and beyond.

### *Observatory/Planetarium*

The Observatory/Planetarium provides students with astronomy lessons under the stars.



### *P.E. & Health Education*

U-46 Physical Education promotes lifelong learning recognizing the value of personal development in the physical, affective and cognitive domains.

### *Science*

The Science Department oversees all aspects of science education for kindergarten through twelfth grade students.

### *Social Studies*

The Social Studies curriculum prepares students to be informed, knowledgeable, and active citizens throughout their lives.

### *Special Education*

Special Education provides a full continuum of instructional and resource programs for students with special needs.

### *Specialized Student Services*

Staff coordinates and provides a comprehensive program of services for students with all types of special education needs and disabilities. Includes programs in schools and early childhood centers and other sites such as Center House, SWEP and Central Schools Program at the Educational Services Center (ESC).

### *Teaching & Learning*

The Teaching and Learning Department oversees Assessment & Accountability, Curriculum & Instruction, Early Learners, ELL, and Special Education.

## SUPPORT SERVICES

### *Business Services*

Business Services handles purchasing, warehousing, mail distribution and risk management for the District.

### *District Records*

District Records is responsible for critical functions such as state aid claims, attendance tracking, federal and state reports, student transfer records, high school transcripts and medical records, immigration forms and Freedom of Information Requests.

### *Family Welcome Center*

Family Welcome Center provides assistance for newly arrived families and elementary students, including those who speak little or no English, for enrolling in school and accessing information about the community.

### *Financial Operations*

Financial Operations is responsible for budgets, audits, monthly financial statements, itemized bills, high dollar vendor contracts, salary information for teachers and administrators.



## ORGANIZATIONAL SECTION

### *Food and Nutrition Services*

The Food and Nutrition Services Department provides nutritious meals to promote student growth and development.

### *Health Services*

The Health Services Department provides certified nurses to students and staff.

### *Human Resources*

Human Resources strives to develop and maintain a highly-functioning, diverse workforce through effective communication and strategic human resource systems.

### *Information Services*

Information Services provides the personnel, services, hardware and software to support the instructional and operational work of the District.

### *Payroll*

The Payroll Department is responsible for complete and accurate payroll processing, time and attendance and related federal and state reporting.

### *Plant Operations and Maintenance*

Plant Operations maintains 64 District buildings over 870 acres, manages utility usage, administers the District's facility rental program and processes 30,000 work orders annually.

### *Project Access*

Project Access provides equal access to education and programs to homeless children.

### *S.A.F.E. Program*

S.A.F.E. is a self-sustaining program designed to provide quality before and after school care to children in U-46, currently enrolled in kindergarten to sixth grades, while their parents work or further their own education.

### *School and Community Relations*

The School and Community Relations Department supports the release of clear

information to all stakeholders and promotes parent and community engagement.



### *School Safety*

The School Safety department is committed to the safety and security of students, staff, and visitors within U-46 facilities.

### *Teacher Effectiveness Initiatives*

The Teacher Effectiveness Initiatives supports the District's commitment to effective teaching and learning in all classrooms by providing engaging learning opportunities, and practical support and assistance through continuous professional growth designed to positively impact student learning.

### *Teacher Mentor Program*

The U-46/ETA Teacher Mentor Program is a nationally recognized, award winning ISBE approved employee support and assistance initiative for educators new to U-46.

### *Transportation*

Transportation provides bus transportation for students living 1.5 miles or more from the school (as calculated by the U-46 Transportation Department). Transports nearly 27,000 students daily to 56 school buildings within the District's 90-square mile boundaries.

For more information about the District's departments and programs visit the Departments & Programs link on the District's website [www.u-46.org](http://www.u-46.org).

### STRATEGIC PLAN

The Board of Education believes that education should be shaped by purposes rather than by forces. Therefore, the education system of School District U-46, will maintain flexibility and adapt to an ever-changing society. It is dedicated to the total personal development of each student to the limits of his or her abilities and interests. This is to be accomplished in a sequentially coordinated curriculum which allows for individual differences.

To this end, staff members will aid in each student's intellectual, physical, moral, emotional, aesthetic, and social growth so he or she may become a useful and responsible member of home, community and society while leading a personally rewarding life.

U-46 has paved the way for student success and prepares our students to be citizens of the world. With a diverse community, our children receive specialized attention and numerous programs available to fit their needs. Some of our special offerings include an academy program at the high schools, honors and gifted programs, Dual Language program, English Language Learners program, special education for those students in need, and various sports, clubs and activities to match a wide range of student interests.

The District's strategic plan reflects the vision and values of employees, parents, students and community members who participated in its development. The District will continue to share our progress as together we work to turn this plan into reality for our community, our staff and, most importantly, our 40,000 kindergarten through twelfth grade students and their families.





### MISSION AND MAJOR GOALS

#### MISSION

U-46 will be a great place  
for all students to learn,  
all teachers to teach,  
and all employees to work.  
All means all.



#### VISION

U-46 will inspire individuals  
to convert their  
dreams into realities.

#### VALUES

Equity	Leadership & Accountability
Innovation	Professional Development
Respect	Safe & Secure Environment
High Expectations	Stakeholder Involvement



## ORGANIZATIONAL SECTION

There are many factors that help identify areas of success and strengths throughout the District as well as elements that need additional attention. Some factors are more measureable than others and several factors should be considered before concluding a goal has been reached or not. The following metrics listed under each priority have been chosen to assist in measuring the progress of the goals identified. Any one metric alone does not necessarily provide the whole picture as to the actual progress but should be used in conjunction with other quantitative and qualitative measures when possible. The metrics and benchmarks are continually reassessed so the most relevant measurements can be tracked.





## Student Achievement



### PRIORITY 1

*We will implement and support a challenging, standards based curriculum across all content areas.*

**Objective 1:** Increase the percentage of students who are prepared for kindergarten.

**Kindergarten Readiness** The District monitors students who are proficient in meeting the kindergarten readiness benchmark for those enrolled in the district-provided pre-K program. The readiness will be measured by letter identification tracked by the District internally.

**Goal 1:** Annual increase of students who are proficient in meeting kindergarten readiness of 6 percent with an overall target of 75 percent.

**Progress:**

School Year	2015-16	2016-17	2017-18
Annual Target	63%	66%	69%
Earned	60%	48%	TBD

**Objective 2:** Increase the percentage of students who are college and career ready.

**College and Career Readiness** The District monitors three separate indicators to measure college and career readiness of its students. These indicators include enrollments in AP courses, percent of high school students receiving industry credentials, and the percentage of high school students graduating within five years.

**Goal 2:** Increase unique high school students enrolled in AP courses by 2 percent annually or attain 30 percent enrollment overall.

**Progress:**

School Year	2015-16	2016-17	2017-18
Annual Target	23%	25%	27%
Earned	23%	TBD	TBD



## ORGANIZATIONAL SECTION

**Goal 3:** Increase high school students receiving industry credentials by 5 percent annually or attain 25 percent overall.

**Progress:** As of the publication of this annual budget book the measurements and targets have not yet been established.

**Goal 4:** Increase students graduating within five years by 3 percent annually or obtain 99 percent overall.

**Progress:**

School Year	2015-16	2016-17	2017-18
Annual Target	90%	92%	94%
Earned	88%	TBD	TBD

**Priority 1 Costs:** The costs outlined below are not all inclusive but rather costs that can be separated and attributable to the objectives and goals discussed. The costs shown are only those costs that were included in the fiscal year 2018 budget.

- Assessments (MAP, PSAT, AP and other) \$680,791
- AVID/Gifted/Academies/AP
  - Tutors \$328,000
  - Site Development and Teams 144,400
  - Instructional Professional Services 50,000
  - Training and Professional Development 113,000
  - College and Career Readiness Platform 200,000
  - Dues and Fees 165,000
  - Supplies and Supplemental Classroom Materials 105,800
  - Pupil Transportation 6,000
  - AP Registrations 55,000
  - Postage and Printing 14,000
  - Other 15,000
- Career and Technical Education
  - Equipment Repair and Maintenance \$43,713
  - Equipment 40,000
  - Supplies and Materials 25,000
  - Pupil Transportation 20,000
  - Instructional Professional Services 5,000

## ORGANIZATIONAL SECTION

### PRIORITY 2

*We will coordinate our efforts to provide a nurturing and safe learning experience and a flexible approach in meeting the academic, social, and emotional needs of each student.*



**Objective 3:** Increase the percentage of students who feel safe at school.

**Safe at School** The District monitors how safe students feel when they are at school. This is measured by a 5Essentials score on a point scale. The point scale is a result of how students answer multiple survey questions.

**Goal 5:** Increase the 5Essentials score related to safety by four scale points annually.

**Progress:**

School Year	2015-16	2016-17	2017-18
Annual Target	41	45	49
Earned	43	44	TBD

**Priority 2 Costs:** The costs outlined below are not all inclusive but rather costs that can be separated and attributable to the objectives and goals discussed. The costs shown are only those costs that were included in the fiscal year 2018 budget.

- Lockdown Locks (Phase 3 & 4) \$1,500,000
- School Resource Officers and Security 1,114,063
- Safety and Communications Supplies 104,000
- Visitor Management System 43,800
- Professional Training 35,000

## Effective & Engaged Staff

### PRIORITY 3

*We will value our collective differences, and develop and recruit a high quality workforce that honors and reflects the diversity of our students.*

**Objective 4:** Increase retention rate for employees who rate proficient or higher on their employee evaluations.

High Performing Employee Retention The District monitors employee evaluations who rate as proficient or higher on an annual basis. The evaluations are tracked by the District internally.

**Goal 6:** Increase annual retention rate for employees who rate proficient or higher as measured on their employee evaluations.

**Progress:**

School Year	2015-16	2016-17	2017-18
Annual Target	98%	99%	99%
Earned	98%	TBD	TBD

**Objective 5:** Increase the percentage of staff who rate principals as highly effective in creating a strong school culture

Highly Effective Principals The District monitors the 5Essentials survey, specifically the answers received from teachers on multiple questions asking whether they feel the “instructional leader communicates a clear vision for our school.” This is measured by a 5Essentials score on a point scale. This data is tracked and provided by 5Essentials.

**Goal 7:** Increase the number of teachers who feel their instructional leader communicates a clear vision for their school by four scale points.

**Progress:**

School Year	2015-16	2016-17	2017-18
Annual Target	50	54	58
Earned	35	37	TBD

**Priority 3 Costs:** See Priority 3 and 4 Costs under Priority 4.

## ORGANIZATIONAL SECTION

### PRIORITY 4

*We will encourage collaboration and provide differentiated support to all staff members to grow as professional throughout their career.*

**Objective 6:** Increase the percentage of teachers who agree that their professional development is rigorous and focused on student learning.

Professional Development The District monitors if teachers agree that their professional development is rigorous and focused on student learning. This is measured by a 5Essentials score on a point scale. The point scale is a result of how teachers answer multiple survey questions.

**Goal 8:** Increase annually by four scale points the rating by teachers agreeing on multiple questions on the 5Essentials survey that their professional development is focused on student learning.

**Progress:**

School Year	2015-16	2016-17	2017-18
Annual Target	50	54	58
Earned	54	54	TBD

**Objective 7:** Increase the percentage of teachers and school leaders who perceive the evaluation process as improving their professional practice.

Effective Evaluation Process The District monitors the annual Teacher Appraisal Plan (TPA) survey, specifically the answers received from teachers on multiple questions related to the Framework for Teaching domains asking whether they feel the process is improving their professional practice. This data is tracked by the District internally.

**Goal 9:** Increase annually the rating of the appraisal process as improving professional practice as measured by the responses on the questions related to the Framework for Teacher domains 1, 2, and 3 on the annual Teacher Appraisal Plan survey.

**Progress:**

School Year	2015-16	2016-17	2017-18
Annual Target		TBD	TDB
Earned	81%	TBD	TBD

**Priority 3 and 4 Costs:** The costs outlined below are not all inclusive but rather costs that can be separated and attributable to the objectives and goals discussed. The costs shown are only those costs that were included in the fiscal year 2018 budget.

- Direct Collaboration Days (DCD)/  
Professional Practice Development Days (PDD) \$3,500,000
- Professional Development 1,575,423
- Recognition 35,000

## Community Engagement



### PRIORITY 5

*We will partner with families and the greater community to foster shared ownership and aligned support for our priorities.*

**Objective 8:** Develop and promote three additional opportunities each year for community members to meet with Board members and provide feedback on district initiatives and issues.

School & Community Relations Each year the District tracks the opportunities community members have to meet with Board members and provide feedback on district initiatives and issues. These opportunities are tracked and promoted by the District internally.

**Goal 10:** Develop and promote three additional opportunities each year for community members to meet with Board members and provide feedback on District initiatives and issues as measured by School and Community Relations.

**Progress:** As of the publication of this annual budget book the measurements and targets have not yet been established.

**Objective 9:** Increase family and community member participation and volunteerism in school and district sponsored activities and events.

Family and Community Participation The District monitors family and community member participation and volunteerism in school and District sponsored activities and events as measured by responses to the 5Essential Survey. This data is tracked and provided by 5Essentials.

**Goal 11:** Increase five percent annually the family and community member participation and volunteerism in school and District sponsored activities and events as measured by the responses to questions in the Parent Survey within the 5Essentials Survey asking, “parent assessment of involvement in school as always and usually.”

**Progress:**

School Year	2015-16	2016-17	2017-18
Annual Target		40%	45%
Earned	35%	30	TBD

**Priority 5 Costs:** See Priority 5 and 6 Costs under Priority 6.

## ORGANIZATIONAL SECTION

### PRIORITY 6

*We will support and empower schools  
to be welcoming centers of family and  
community engagement.*

**Objective 10:** Increase parents' satisfaction rates on how welcome and respected they feel within the District.

**Welcome and Respected** Each year the District tracks parents' satisfaction on how welcome and respected they feel within the district as measured by responses on the 5Essentials Survey. This data is tracked and provided by 5Essentials.

**Goal 12:** Increase three percent annually parents' satisfaction on how welcome and respected they feel within the district as measured by the question in the Parent Survey within the 5Essentials Survey asking, "parent connectedness to a great extent."

**Progress:**

School Year	2015-16	2016-17	2017-18
Annual Target	40%	43%	46%
Earned	40%	57%	TBD

**Priority 5 and 6 Costs:** The costs outlined below are not all inclusive but rather costs that can be separated and attributable to the objectives and goals discussed. The costs shown are only those costs that were included in the fiscal year 2018 budget.

• Technical and Professional Service	\$75,000
• Community Participation Platform	80,000
• Printing	15,500
• Supplies and Materials	15,500
• Other	10,000



## Excellence, Efficiency & Accountability

### PRIORITY 7

*We will advocate for and utilize systems and resources that promote operational excellence, efficiency and accountability.*

**Objective 11:** Increase the number of programs analyzed for instructional cost-effectiveness (ROI).

**Objective 12:** Increase the percentage of budget dedicated to instruction.

As of the publication of this annual budget book the goals and targets have not yet been established.

#### Progress:

School Year	2015-16	2016-17	2017-18
Annual Target	TBD	TBD	TBD
Earned	65.0%	65.1%	TBD

### PRIORITY 8

*We will advocate for and utilize systems and resources that promote operational excellence, efficiency and accountability.*

**Objective 13:** Increase participation in collaborative efforts to improve the school funding system in Illinois.

In April 2017, CEO Sanders worked with three other school district leaders to launch the Pass Illinois' Budget campaign which grew to more than 440 superintendents who stood behind three basic tenets:

- Immediately, and with bipartisan support, end the state budget impasse.
- Improve the state's education funding formula and invest in students and schools, including higher education institutions.
- Pay school districts what they are owed this year.

The campaign inspired districts across the state to advocate for a budget, display their concern on school signs or marquees and on social media, and generated dozens of media stories. Our CEO's long-term work to support the development of equitable state funding legislation has also led to dozens of trips to Springfield in recent years. His recent video explaining Senate Bill 1 and the Governor's Amendatory Veto has also been shared on social media and in both print and broadcast traditional media.

## KEY FACTORS AFFECTING DEVELOPMENT OF THE BUDGET

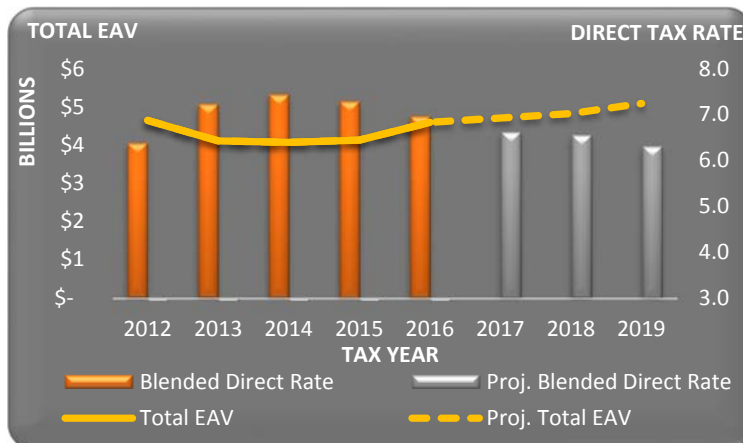
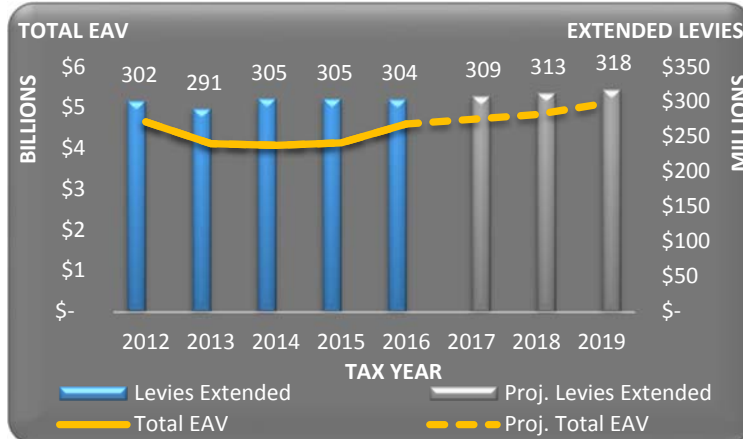
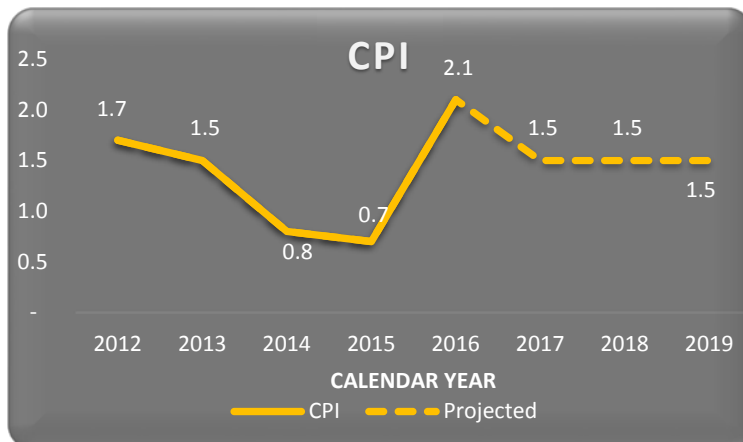
### KEY REVENUES

**Property taxes** are the District's largest revenue source and accounts for a large majority of the local revenue and over half of all revenue received by the District. Property tax revenue can grow at the rate of inflation plus revenue due to new construction and other properties coming onto the tax rolls (such as expiring Tax Increment Financing (TIF) districts). Inflation is measured by the

consumer price index and is used by district management to assist in budgeting property tax revenue.

The economy is showing signs that growth and inflation is reverting to its historical mean. The Consumer Price Index has increased over two percent in the last year which is the first time CPI has seen these levels since 2011. The CPI in calendar year 2016 was 2.1 percent, an increase in the growth rate from 0.7 percent in 2015. The declining trend in EAV has appeared to stop and is reversing as shown in the last two years. Management has planned for this upward trend to continue and projects EAV growth from two to five percent annually over the next five years. CPI is anticipated to show relative strength and continue at a rate above two percent and then track at a rate of around 1.5 percent into the next decade.

The direct tax rate has an inverse correlation to the EAV, meaning as the EAV grows the direct tax rate is reduced and vice versa. This can be seen on the graph displaying EAV and direct tax rates. As you see the yellow line that tracks the EAV move up the orange and gray bars that track the direct tax rates move down. The direct tax rate does not affect the amount of taxes owed for any given property but rather is a result of two factors, 1) the property's EAV and 2) the property's share of taxes levied. A property's share of taxes levied is determined by taking the property's EAV into the aggregate



## ORGANIZATIONAL SECTION

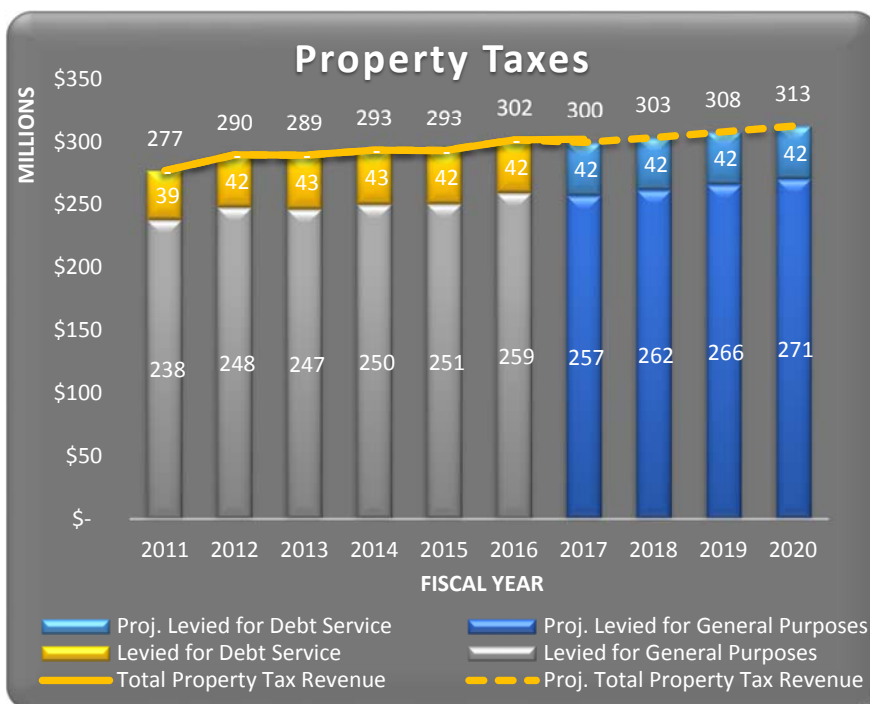
EAV for the taxed area. There are various exemptions and other factors that may factor into this calculation but this is explained at a high level for the purpose of adding context to the graphs displayed.

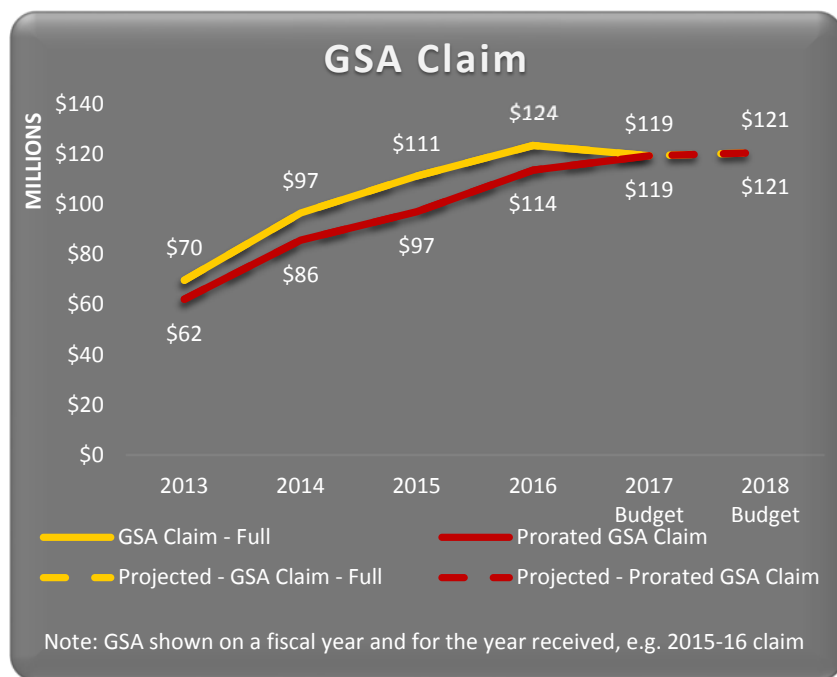
Property taxes are levied each year on the value of all taxable real property in the District on or before the last Tuesday in December. The 2016 tax levy was passed by the Board of Education on December 12, 2016, and attached as an enforceable lien on the property as of the preceding January 1. The taxes become due and collectible in March and August 2017 in Cook County and in June and September 2017 in DuPage and Kane counties, and are collected by the County Collector, who in turn returns to the District its respective share. Typically the District receives the remittances from the County Treasurer within one month after collection.

The District has recognized as revenue 50 percent of the 2016 tax extension and 50 percent of the 2015 tax extension in fiscal year 2017 based on estimated collections, as this is the period for which the taxes have been

levied (intended to finance). Property taxes are recorded net of estimated allowance for uncollectible accounts. The allowance for uncollectible accounts is based on collection history and is estimated at 1.3 percent of the total levy. The changes in the property tax revenue shown on the graph coincide with the levy extension changes after accounting for the smoothing of each levy over two fiscal years and applying the allowance factor.

The District has recorded a receivable for the uncollected portion of the 2016 taxes extended. The District has recorded a deferred inflow of resources net of any allowance, which approximates 50 percent of the 2016 tax extension which will be recognized as revenue in fiscal year 2018, the period for which those taxes were levied. Since each tax year's extended levies are recognized as revenue by the District over two fiscal years, recognized property tax revenue in a fiscal year may not reflect a tax levy for any given year. The graph above represents the past and projected property tax revenue by fiscal year:





**General State Aid (GSA)** distributed to Illinois public school districts is determined by a statutorily defined formula in 105 ILCS 5/18-8.05 and is intended to provide unrestricted grants to districts in an equitable manner. GSA is funded through two separate grants, the Equalization Formula Grant and the Supplemental Low-Income Grant. The Equalization Formula Grant varies inversely with local wealth. As local wealth increases, the amount of the grant decreases and vice versa. In this context, local wealth is property wealth plus revenue from the

Corporate Personal Property Replacement Tax (CPPRT). Property wealth is the assumed tax rate set by statute applied to the local EAV. The district's EAV is discussed in greater detail on the prior pages. The Supplemental Low-Income Grant does not consider local wealth but increases as the proportion of low-income students in a district increases. The percentage of low-income students is calculated by taking the three-year average of students reported by the Department of Human Services (DHS) for the district and dividing it by the Average Daily Attendance (ADA) of the district. Students reported by DHS are from ages 5 to 17 and receive services through any of the following: Medicaid, Supplemental Nutrition Assistance Program (SNAP), Children's Health Insurance Program (CHIP), and Temporary Assistance for Needy Families (TANF).

Over the past several years the GSA claim has been determined and funded on a prorated basis as shown on the chart above. Illinois Senate Bill 2047 increased the GSA allocation and funded the GSA formula at 100 percent beginning in fiscal year 2017. District management has budgeted for the full GSA claim in fiscal year 2018, however, a budget amendment is like once state funding for schools has been finalized. The final funded proration for the fiscal year 2016 claim was approximately 92 percent which cost the District \$9.8 million. Additional resources about General State Aid can be found at the following website: <https://www.isbe.net/Pages/General-State-Aid.aspx>.

**Mandated Categorical Reimbursements (MCATs)** and the funds appropriated for it are earmarked and mandated by Illinois statute for a particular purpose or population and may be used for that purpose or population only. As of the end of July 2017 the District is owed more than \$18 million in categorical payments from the State. Illinois has passed a fiscal year 2018 budget but the school funding formula called equity based funding is still not finalized meaning Illinois school districts will most likely not receive state funding until it is resolved. It is a possibility that the funding formula, when finalized, will affect the amount of categorical payments and general state aid received to fund the District significantly. When the equity based funding is completed it is probably the District will need to amend this budget. The District has budgeted for three of the four categorical payments in fiscal year 2018. If funding from the State was lost, outside financing would have to be obtained in order to finish the school year.

## ORGANIZATIONAL SECTION

MCATs include programs such as Special Education, Transportation, state Lunch and Breakfast, and Orphanage. In addition, when referring to state categorical programs, District management includes all state programs in this category except for General State Aid. These other programs include Early Childhood Education, Bilingual Education, Career and Technical Education and Drivers Education. The largest state funded programs that the District participates in are listed below as well as an overview of each program as provided by Illinois State Board of Education:

### **Transportation**

FY18 Budget Amount: \$11,303,010

#### Four Categories of Transportation:

1. Regular (105 ILCS 5/29) – Eligible students are those who reside 1.5 miles or more from the assigned attendance center or less than 1.5 miles with Illinois Department of Transportation (IDOT) serious safety hazard approval due to rail or vehicular traffic.

Before the state provides reimbursement for regular transportation costs the local share is determined and reduces the amount of state reimbursement. The District's Equalized Assessed Valuation (EAV) plays a role in determining the District's local share. As EAV rises the state reimbursement is reduced. The minimum claim is \$16 times the number of eligible pupils transported. The maximum reimbursement for transporting vocational pupils is 80 percent of allowable costs.

2. Vocational – Eligible students are those who are transported 1.5 miles or more one way from their assigned attendance center to a vocation program located at: an area vocational center; another school district; or a building or other trades skill development site.

Eighty percent of the vocational transportation expenditures are reimbursed by the state and the remaining 20 percent is considered local share and is covered by the District.

3. Special Education (105 ILCS 5/14-13.01(b)) – Eligible students are those with Individualized Education Programs (IEPs) that have special transportation as a related service. If a special needs student does not have transportation as a related service, they are transported on regular routes.

Eighty percent of the special education transportation expenditures are reimbursed by the state and the remaining 20 percent is considered local share and is covered by the District.

4. Non-reimbursable – Includes students transported for regular pre-kindergarten on exclusive routes, regular summer school and non-curriculum-related field trips such as transporting participants or spectators to and from athletic contests, academic contests, extracurricular and/or co-curricular activities.

Expenditures are allocated across the categories of transportation provided based on the ratio of miles per category to total miles driven. School districts are required to submit claims to ISBE by August 15 each year for the costs of transporting students for the previous school year.



## ORGANIZATIONAL SECTION

### Sp. Ed. – Personnel Reimbursement

FY18 Budget Amount: \$4,445,732

This program reimburses districts and cooperatives a portion of the costs that employ the necessary staff to serve children and youth with disabilities, ages 3 to 21 years old. Staff that are employed for these specialized purposes include teachers, school social workers, school nurses, school psychologists, school counselors, physical and occupational therapist, individual or classroom aides, readers, administrators, and other staff assigned to work in the area of special education. These staff people are additional instructional and related service personnel beyond the regular classroom teachers. Districts are reimbursed for prior-year expenditures. (105 ILCS 5/14-13.01)

### Sp. Ed. – Funding for Children Requiring

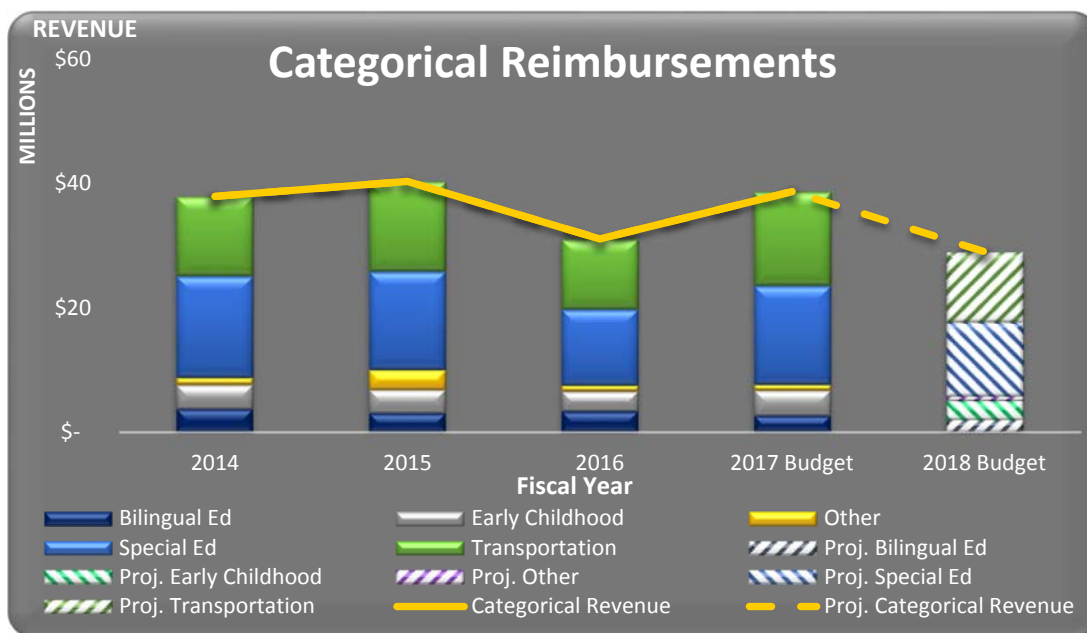
#### Special Education Services

FY18 Budget Amount: \$3,946,226

Formerly known as Sp. Ed. Extraordinary program this program provides funding for costs incurred the prior school year. Funds are distributed per a “block grant” type model and may be used for any special needs student served by the district.

Funds are distributed to school districts based on two variables: 1) 85 percent of the funds are distributed based on each district’s best 3 months average daily attendance from the most recent General State Aid claim and 2) 15 percent on poverty as used in General State Aid (i.e. three year average as reported to ISBE from the Dept. of Human Services).

The following chart outlines the budgeted Categorical revenue and the recent history.

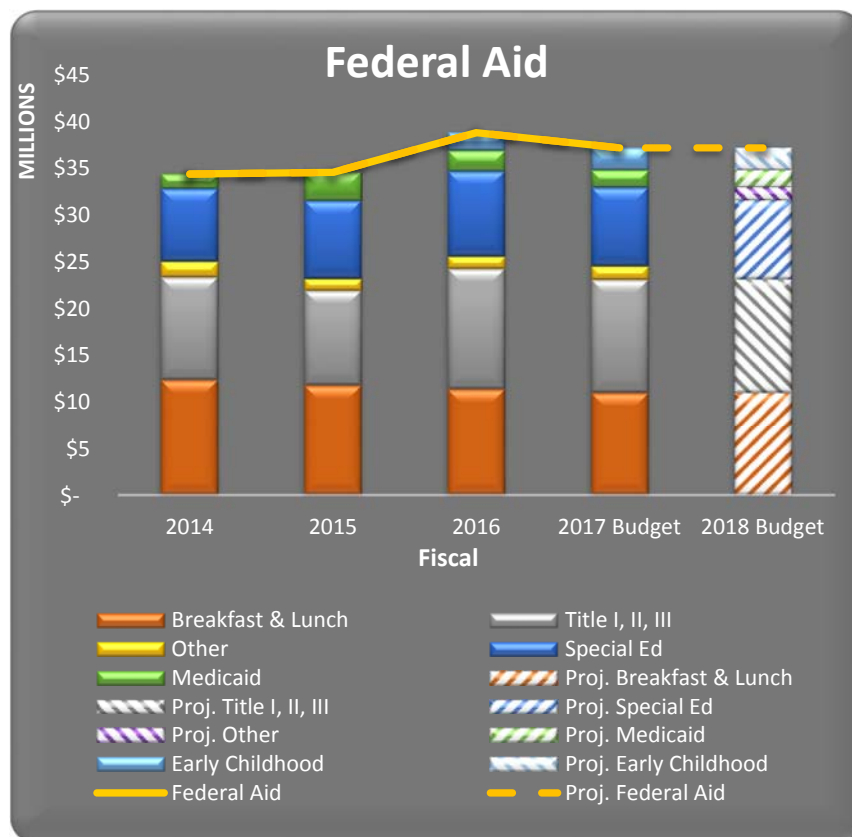


### **Federal Assistance/Federal Aid**

is funding for any program, project, service, or activity provided by the federal government that directly assists domestic governments, organizations, or individuals in the areas of education, health, public safety, public welfare, and public works, among others. The District manages several programs that receive some type of federal assistance either directly or as a flow-through from a non-federal agency. Illinois State Board of Education is the flow-through agency that provides a majority of the District's federal funding. Additional expenditure and revenue data by federal program operated by the District can be found in the District's Schedule of Expenditures of Federal

Awards (SEFA). The SEFA is included in the District's annual single audit report which can be found on the District's website,

[http://www.u-46.org/pages/SDU46/Departments\\_Programs/Financial\\_Services/Audits](http://www.u-46.org/pages/SDU46/Departments_Programs/Financial_Services/Audits).



### **National School Lunch and Breakfast Programs** FY18 Budget Amount: \$11,000,000

These federally assisted meal programs provide nutritionally balanced, low-cost or free breakfast and lunch to children each school day. At much smaller scale snacks are also provided through this program. The District receives cash subsidies indirectly from the U.S. Department of Agriculture (USDA) for operating these programs. These subsidies flow-through the Illinois State Board of Education to the District. In order to qualify for the cash subsidies the District must serve meals and snacks that meet Federal requirements, and they must offer free or reduced price meals to eligible children.

### **Title I Program** FY18 Budget Amount: \$9,956,930

This program provides financial assistance through state educational agencies (SEAs) to local educational agencies (LEAs), in the District's case, the federal funding flows through the Illinois State Board of Education. Title I is designed to help students served by the program to achieve proficiency on challenging state academic achievement standards. Title I schools with percentages of low-income students of at least 40 percent may use Title I funds, along with other federal, state, and local funds, to operate a school-wide program to upgrade the instructional program for the whole school. If a school does not operate a school-wide program the school must focus Title I services on children who are failing, or most at risk of failing, to meet state academic standards. This federal program is operated by the U.S. Department of Education.

## ORGANIZATIONAL SECTION

### Special Education IDEA Program

FY18 Budget Amount: \$8,449,788

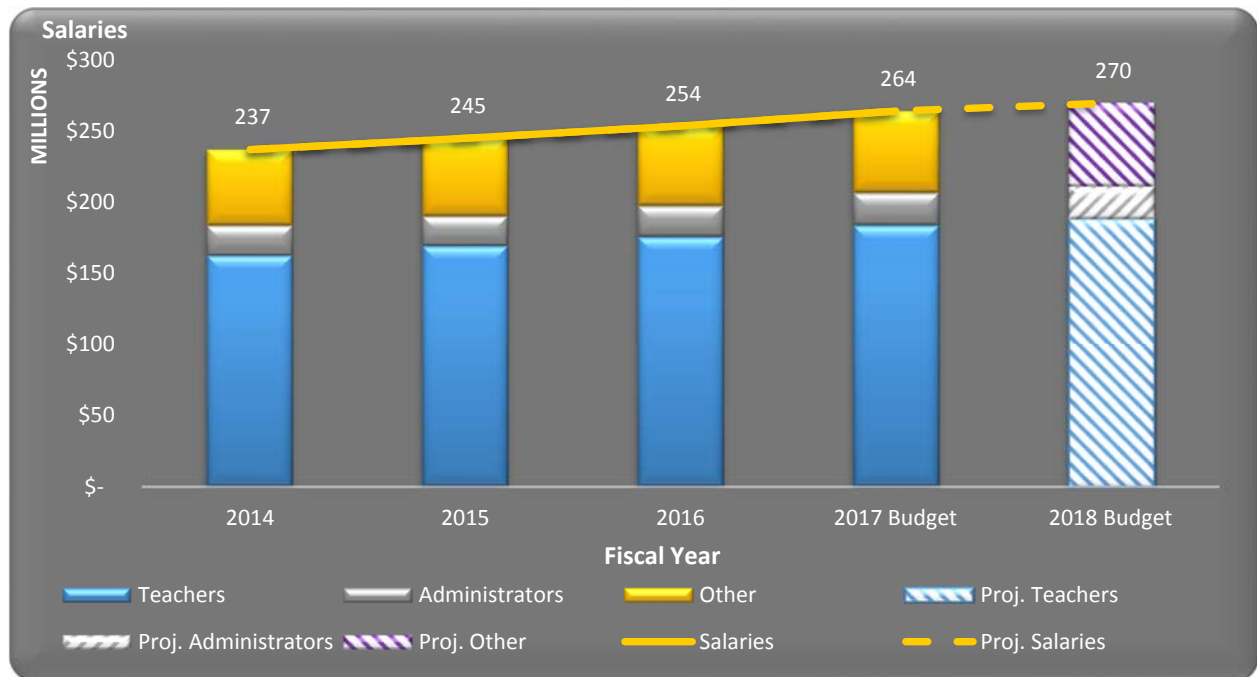
The Individuals with Disabilities Act (IDEA) is a law that makes available a free appropriate public education to eligible children with disabilities throughout the nation and ensures special education and related services to those children. The act governs how states and public agencies provide early intervention, special education, and related services to eligible infants, toddlers, children, and youth with disabilities. As a result of this act multiple funding programs have been available. The District receives IDEA funding and accounts for the funding on three separate lines shown in the budget, Fed – Sp Ed – Pre-school, Fed – Sp Ed – IDEA Flow Through and Rm & Brd PL 94-142 Sp Ed. This federal program is operated by the U.S. Department of Education.

### KEY EXPENDITURES

#### Employee Salaries and Benefits

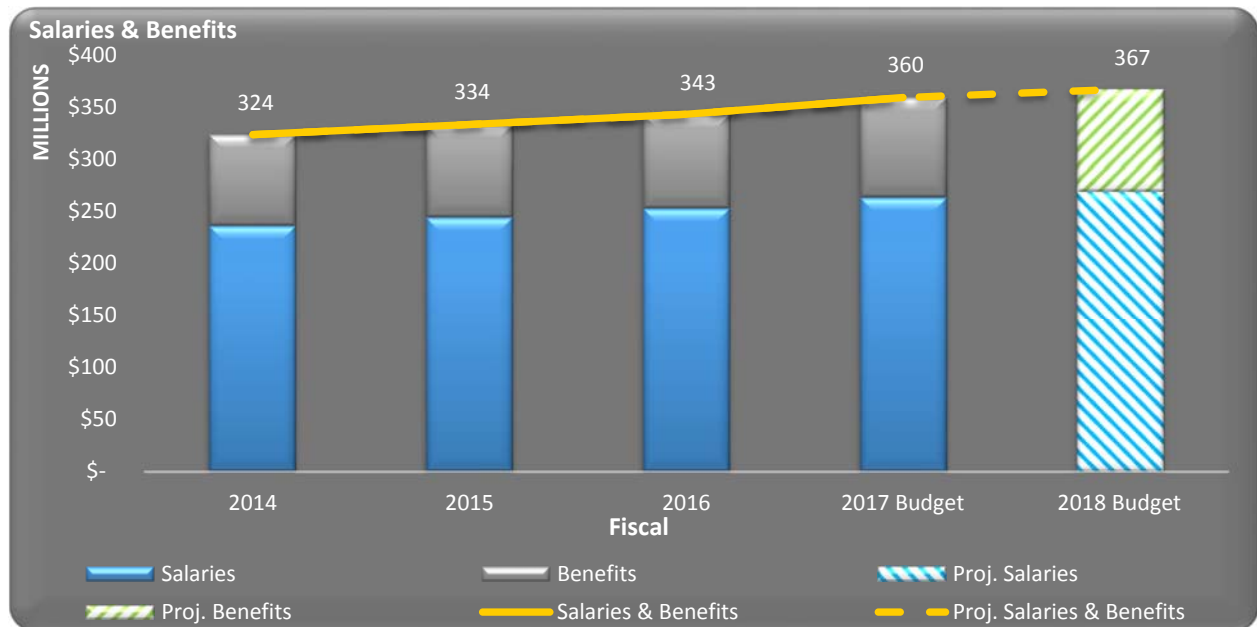
For fiscal year 2018 District management has planned for 15 fewer teacher FTEs. Salaries will increase based on contractual agreements. Medical Insurance is expected to increase five percent. The following two charts show salary and benefit information for the past four fiscal years and the fiscal 2018 budgeted figures. Several factors may impact salary and benefit projections in any given year, these include annual raises, increases and decreases in employee count, and the seniority status of the employees compared to the prior year.

#### Salaries by Employee Classification



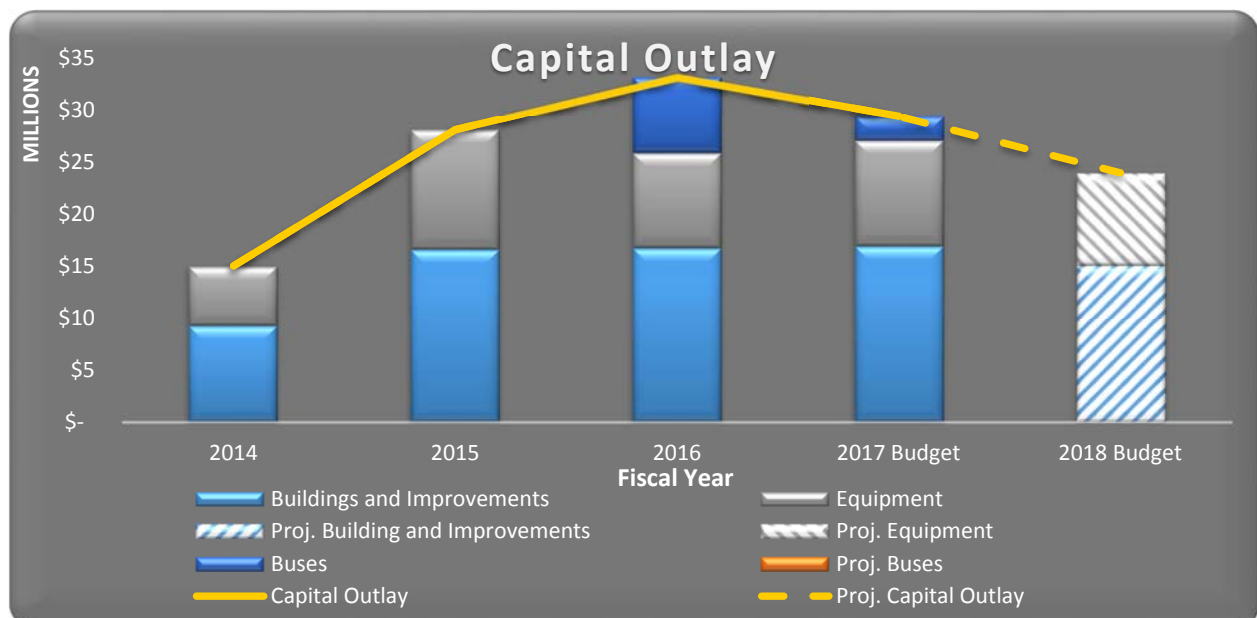
## ORGANIZATIONAL SECTION

### Salaries and Benefits



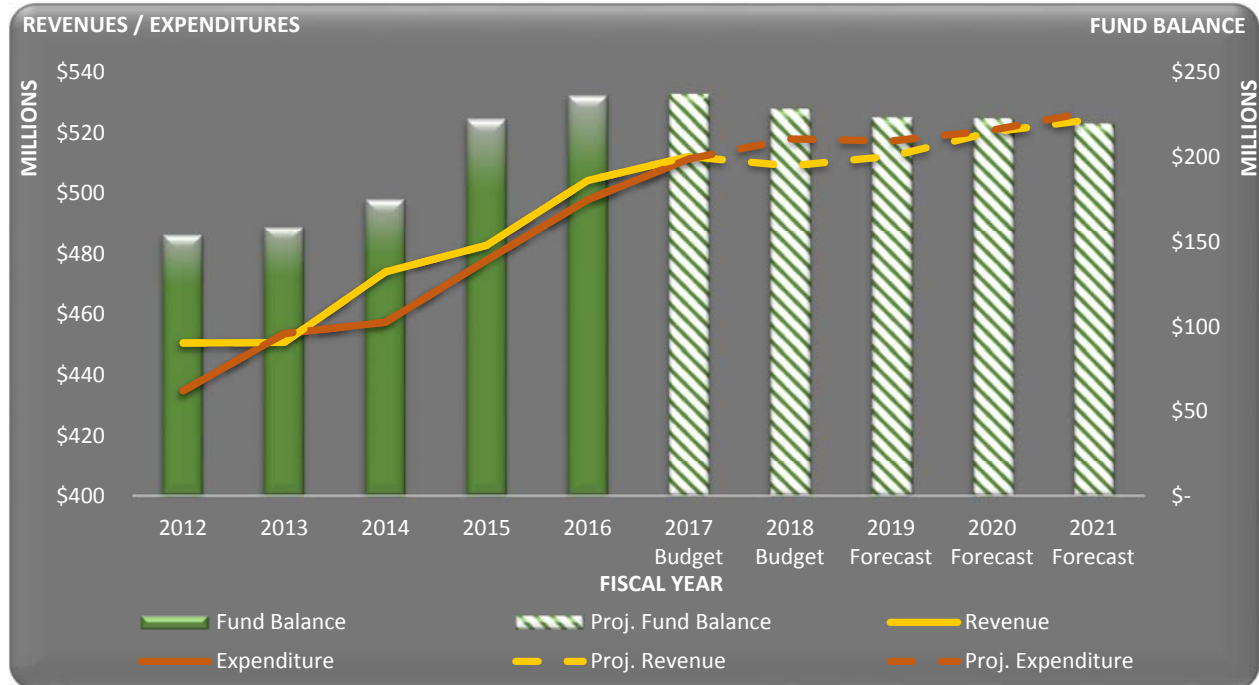
### Capital Outlay

The majority of the District's capital outlay is spent on buildings and non-building improvements. These construction projects usually span several months at a time and are typically targeted for the summer months while the schools are staffed to a minimum. Due to the nature of these construction projects and the timing of the fiscal year end, June 30, many of these capital projects are internally planned by calendar year rather than fiscal year. District management assesses the projects and their planned timing and then splits them among the appropriate fiscal year budgets. The Capital Projects Summary table included in the Financial Section under All Funds shows the upcoming planned projects and costs included in the current budget. The District typically has more projects than can be funded so management prioritizes the projects throughout the year to stay within budget. The budget also contains equipment purchases to replace old computes. There were no buses planned for purchase during 2018.



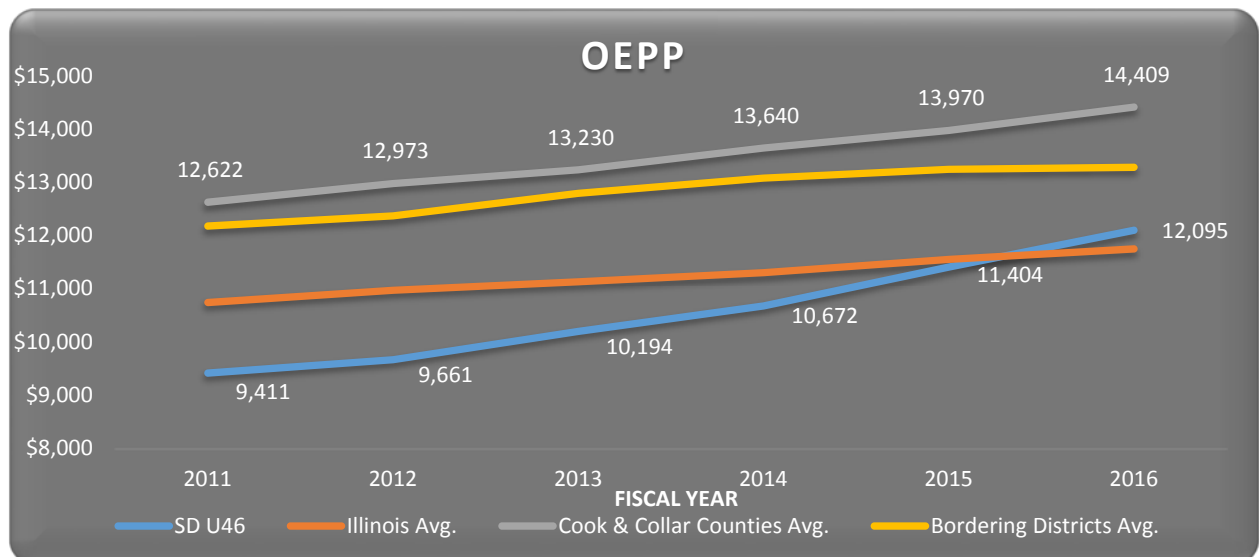
## COMPARATIVE DATA

Revenue, Expenditures & Fund Balances (Excludes state "On-Behalf" payments)



## Operating Expenditures Per Pupil (OEPP)

OEPP is a benchmark used by the Illinois State Board of Education to compare expenditures amongst districts. It is the gross operating cost of a school district (except for summer school, adult education, bond principal retired, and capital expenditures) divided by the nine-month Average Daily Attendance (ADA) for the regular school term. As shown below, 2016 was the first year U-46 surpassed the Illinois average for the first time in recent years but the District fell below the average OEPP of districts residing in Cook and collar counties and districts bordering U-46 by \$2,314 and \$1,183 per pupil, respectively.





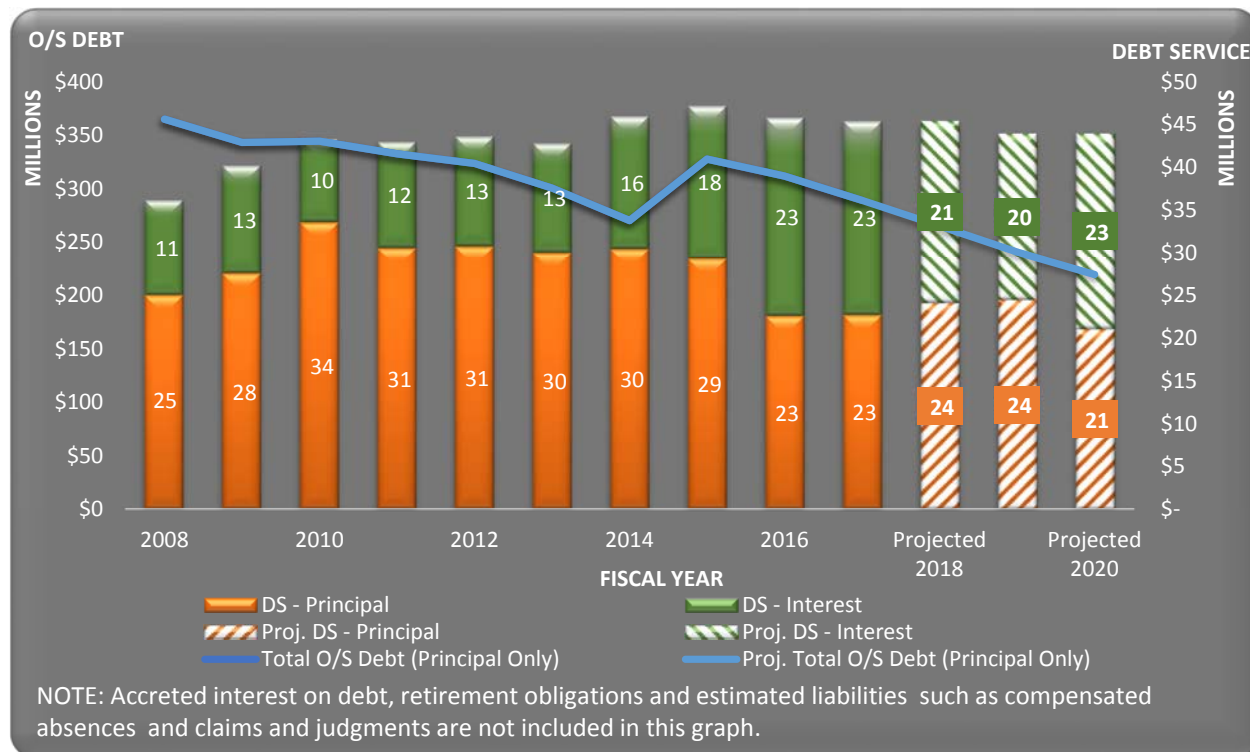
### Debt Management

The majority of debt issued by U-46 is intended to fund capital projects, maintaining and renovating buildings, purchasing of new buses and the like. District management assesses the District's future needs, projects revenues and expenditures and recommends the issuance of debt only when it is believed to be in the District's overall best interest.

In the early 2000's when the District's population was rapidly growing U-46 issued multiple Capital Appreciation Bond series (CABs) to fund the construction of eight new schools, six elementary, one middle and one high school. These bond issuances totaled \$178.5 million and 75 percent of the principal balance was not scheduled to be paid until 2015 and after. In addition to the principal coming due, interest on capital appreciation bonds is not paid each year but rather accumulates and is paid in large sums closer to maturity; this interest liability is called accreted interest. With the debt service costs for these bonds escalating the District issued refunding bonds in 2015 in order to smooth these debt service payments over the next six to seven years. The resulting consistent debt service payments going forward will allow for more manageable planning and budgeting.

Currently, with no plans for new building construction, District management anticipates the outstanding debt to decline over the next few years. The blue line on the chart below shows the past ten years of the District's outstanding debt balance and an additional three years of projected outstanding debt. The bars represent the principal and interest portions of the debt service payments each year.

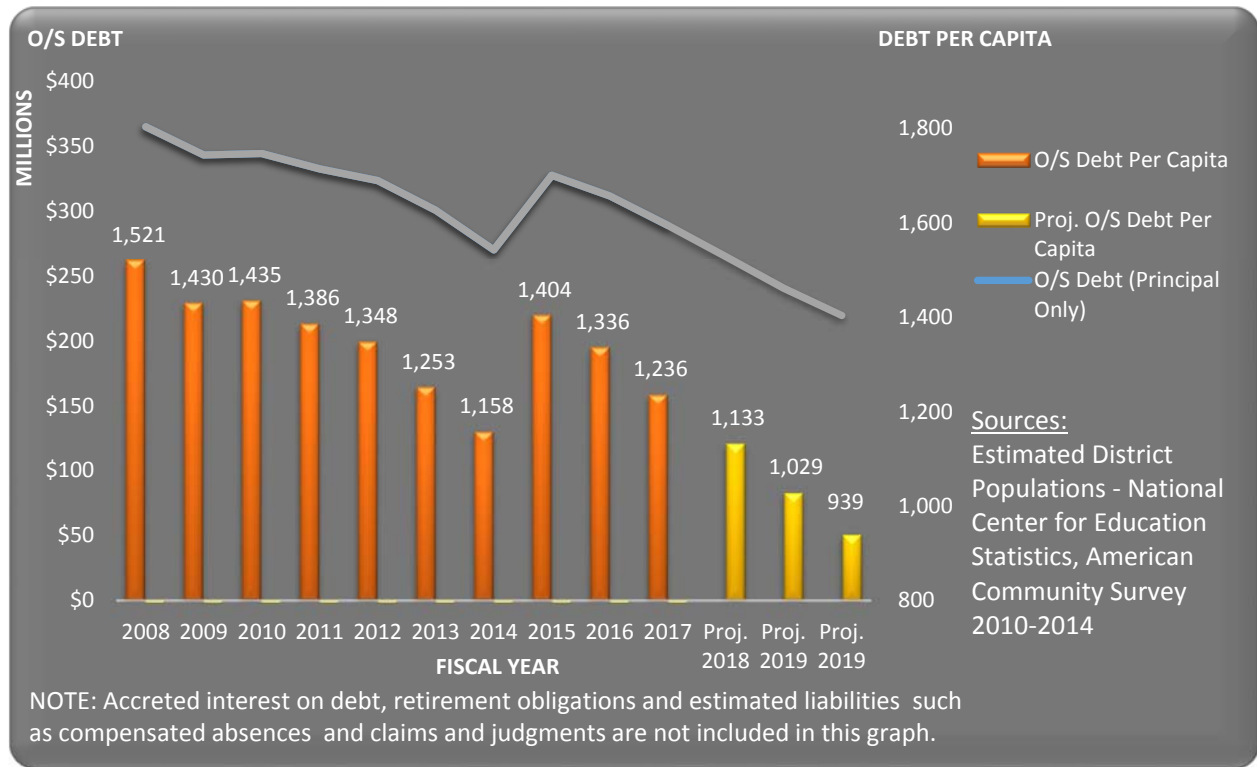
Total Outstanding Debt / Debt Service Payments



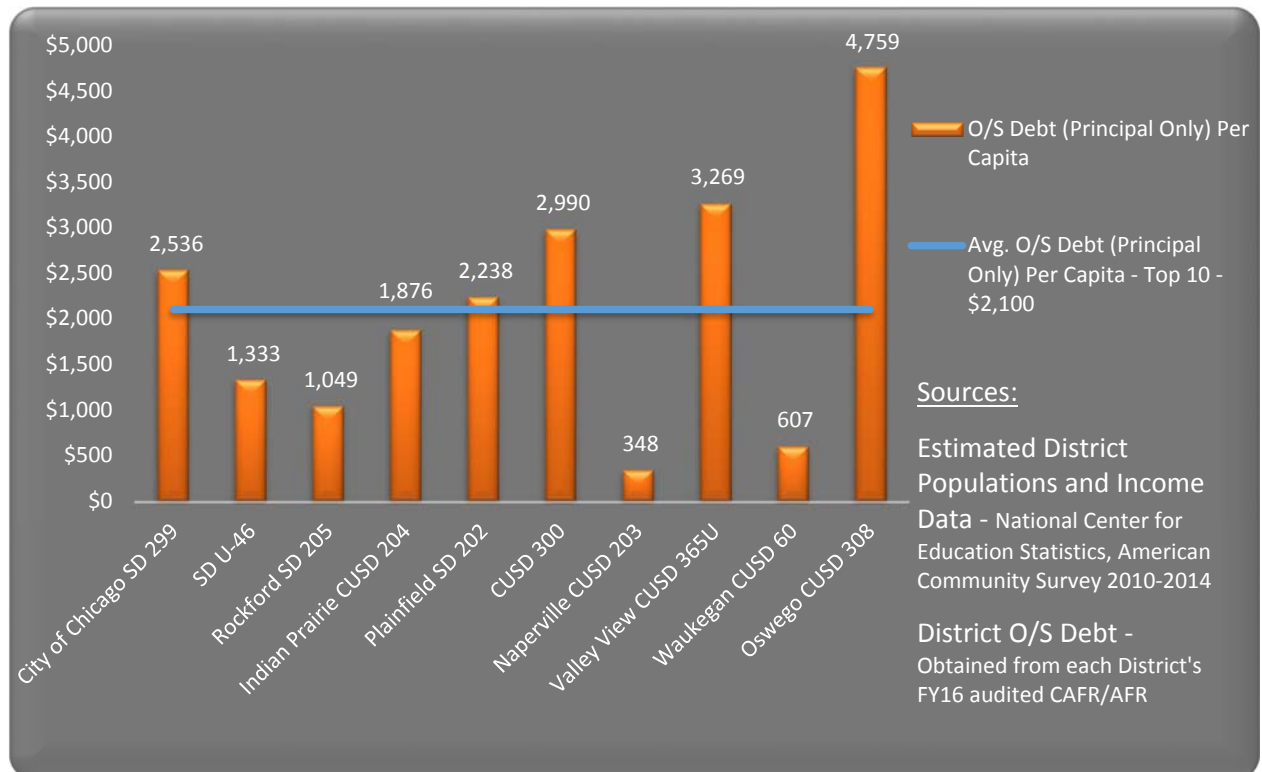
District management also assesses debt levels and their relevance to the population including the population's income. Another important factor when assessing the District's debt load is where U-46 falls among its peers. The next three charts below show the District's outstanding debt, the history of outstanding debt per capita, how the District's debt per capita compares to its peers, and how the District's percentage of debt to income per capita compares to its peers.

## ORGANIZATIONAL SECTION

### Debt Per Capita – District

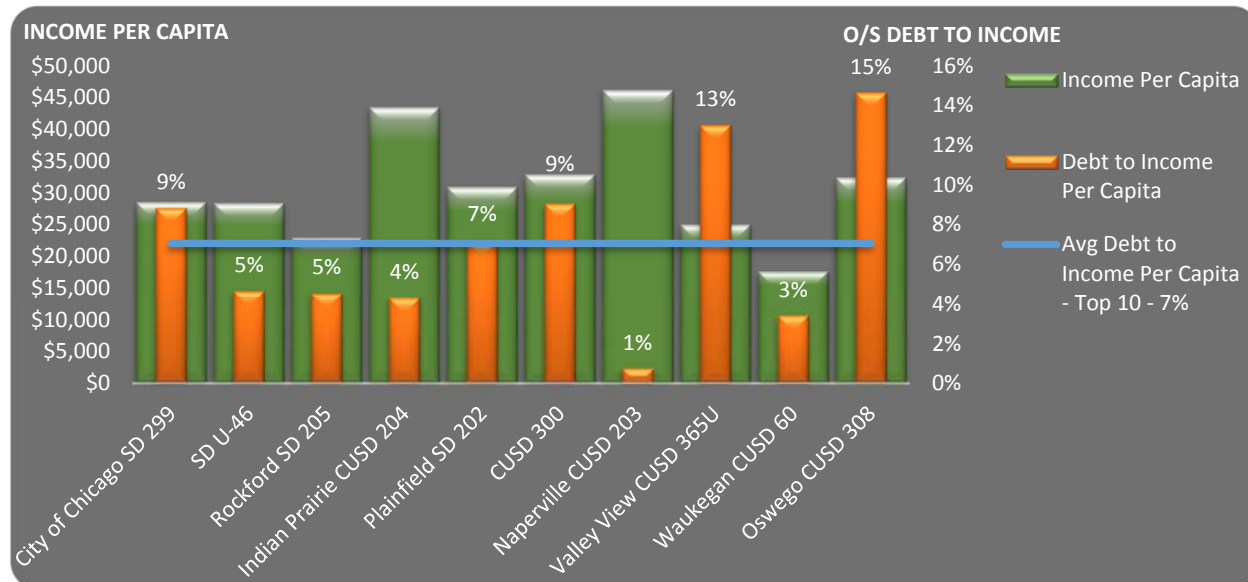


### Debt Per Capita – Ten Largest School Districts in Illinois by Nine-Month ADA (FY2015)



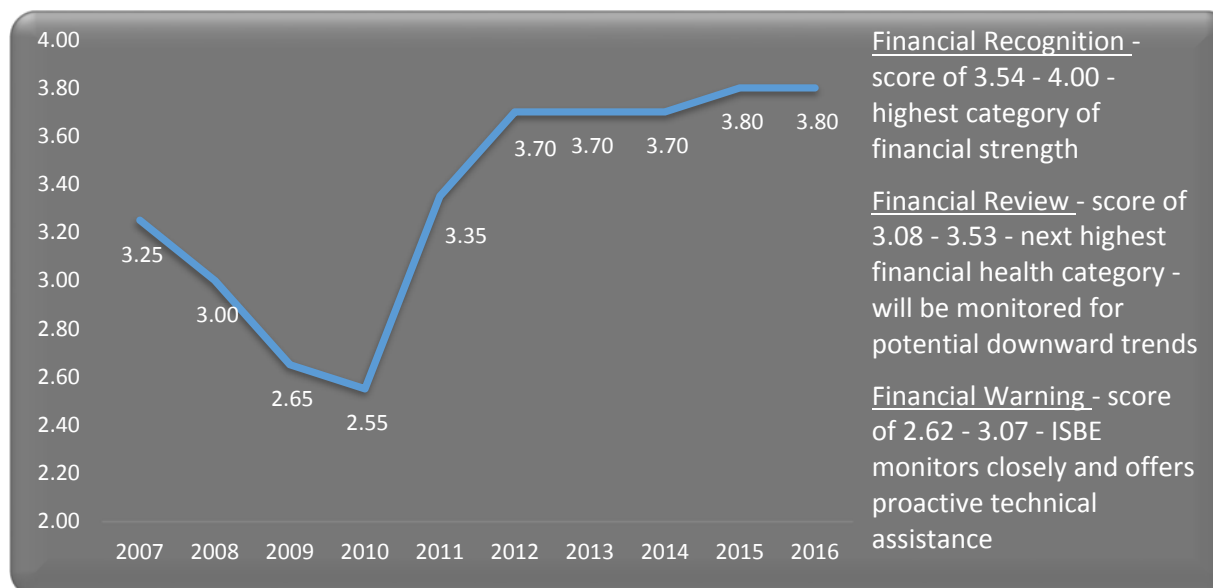
## ORGANIZATIONAL SECTION

### Debt to Income Per Capita – Ten Largest School Districts in Illinois



In fiscal year 2016, the District received Financial Recognition status with an Illinois State Board Financial Profile score of 3.80. The District has received the Recognition status each year since fiscal year 2012 and anticipates maintaining the highest status again in fiscal year 2017, however, if state funding is dramatically cut the District's financial score will be downgraded since fund balances will have to be spent down and additional financing will need to be obtain in order to finish the school year. This financial strength benchmark measures five indicators, 1) fund balance to revenue ratio; 2) expenditure to revenue ratio; 3) days cash on hand; 4) percent of short-term borrowing maximum remaining and 5) percent of long-term debt margin remaining. According to the Illinois State Board of Education (ISBE) of the 852 Illinois districts reporting to ISBE for fiscal year 2016, 632 or 74 percent of districts received the "Recognition" status; 154 or 18 percent received "Review" status; 47 or 6 percent received "Early Warning" status and; 19 or 2 percent received "Watch" status. The following is a graph of the District's financial status score over the past 10 years:

### District Financial Score



### BUDGET MANAGEMENT

The budget serves many purposes. It presents the best forecasts of future revenues and expenditures possible with the information available at that time and is subject to change with the passage of time. It is a tool used for decision-making and a gauge in which actual performance is measured against. The budget is not a commitment to spend but rather a spending plan. The budget must be flexible throughout the year to accommodate unforeseen events whether that is loss of revenue sources, new revenue sources, actual expenditures greater than estimated or any other increase or decrease in the District's activity.

#### **BUDGET POLICIES**

##### Annual Budget – Policy Code 4.003

The Board of Education shall delegate to the Superintendent or designee, by resolution, the responsibility for preparation of the annual budget.

The format of the budget will be in keeping with the rules and regulations of the State Board of Education and the Illinois School Code.

The fiscal year will be set in accordance with the policies and recommendations of the State Board of Education and are presently maintained from July 1 through the following June 30.

The Superintendent or designee will set such preparation schedules that are deemed necessary to complete the budgetary process as prescribed by local policy and provisions of the Illinois School Code.

The Superintendent or designee, cognizant of his or her overall responsibility, may delegate the preparation of the budget, or any portion thereof, as he or she deems expedient to the most efficient utilization of his or her administrative staff.

##### Budget Adoption Procedures – Policy Code 4.004

The Board of Education will adopt the annual budget, subsequent to a public hearing and prior to filing the annual tax levy. Said adoption will be by roll call vote and incorporated into the official minutes of the Board of Education meeting.

The Board of Education recognizes the right of the public to be informed about the budgeting of public tax monies and therefore will make the budget available for public examination at least thirty days prior to the final adoption as set forth in the Illinois School Code.

The Board of Education will hold at least one public hearing on the proposed budget prior to the day of final adoption, so stating the place, date and hour in a newspaper with general circulation within the School District at least thirty days prior to the date of the hearing.

The Superintendent or designee shall: (1) post the District's final annual budget, itemized by receipts and expenditures, on the District's official website, and (2) notify parents/guardians of the budget's posting and provide the website's address.

### Budget Implementation – Policy Code 4.016

The District budget serves as the guide and control expenditures and is the spending plan for the ensuing year.

The Superintendent or designee is authorized to make commitments and expenditures in accordance with Board policies, budget and administrative plans approved by the Board, as permitted by law.

The Board of Education will be provided year-to-date budget figures for all funds displaying revenues and expenditures on a monthly basis.

### Budget Transfer Authority – Policy Code 4.020

The Board of Education may make transfers between the various items in the budget of any fund in amounts not exceeding in the aggregate ten percent of the total budget of that fund. The Board of Education may amend the budget by the same procedures that adhere to the original adoption when transfers exceed the ten percent limitations.

The Board of Education may authorize the treasurer to make interfund loans, interfund transfers and transfer within funds from the Operations and Maintenance Fund, Educational Fund, Transportation Fund and/or Working Cash Fund in accordance with the Illinois School Code.

### Fiscal Management Goals – Policy 4.001

The Board of Education recognizes that money and money management comprise the financial support of the whole school program. To make that support as effective as possible it is the Boards policy:

1. To require advanced planning through the best possible budget procedures
2. To explore all practical and legal sources of dollar income
3. To guide the expenditure of funds so as to achieve the greatest educational returns
4. To require accuracy and maximum efficiency in accounting and reporting procedures
5. To maintain a balanced budget and/or positive fund balances

As trustee of community, state, and federal funds allocated for use in local education, the Board of Education has the responsibility to protect the funds and use them wisely.

The Board of Education recognizes the factor of accountability in planning and budgeting expenditures of public funds.

The District considers the budget to be balanced if there is no budget deficit, however a budget surplus may exist and the budget would still be considered balanced.



### **STATE BUDGET STATUTE**

#### Section 105 Illinois Compiled Statutes 5/17-1

(105 ILCS 5/17-1) (from Ch. 122, par. 17-1)

Sec. 17-1. Annual Budget. The board of education of each school district under 500,000 inhabitants shall, within or before the first quarter of each fiscal year, adopt and file with the State Board of Education an annual balanced budget which it deems necessary to defray all necessary expenses and liabilities of the district, and in such annual budget shall specify the objects and purposes of each item and amount needed for each object or purpose.

The budget shall be entered upon a School District Budget form prepared and provided by the State Board of Education and therein shall contain a statement of the cash on hand at the beginning of the fiscal year, an estimate of the cash expected to be received during such fiscal year from all sources, an estimate of the expenditures contemplated for such fiscal year, and a statement of the estimated cash expected to be on hand at the end of such year. The estimate of taxes to be received may be based upon the amount of actual cash receipts that may reasonably be expected by the district during such fiscal year, estimated from the experience of the district in prior years and with due regard for other circumstances that may substantially affect such receipts. Nothing in this Section shall be construed as requiring any district to change or preventing any district from changing from a cash basis of financing to a surplus or deficit basis of financing; or as requiring any district to change or preventing any district from changing its system of accounting.

To the extent that a school district's budget is not balanced, the district shall also adopt and file with the State Board of Education a deficit reduction plan to balance the district's budget within 3 years. The deficit reduction plan must be filed at the same time as the budget, but the State Superintendent of Education may extend this deadline if the situation warrants.

If, as the result of an audit performed in compliance with Section 3-7 of this Code, the resulting Annual Financial Report required to be submitted pursuant to Section 3-15.1 of this Code reflects a deficit as defined for purposes of the preceding paragraph, then the district shall, within 30 days after acceptance of such audit report, submit a deficit reduction plan.

The board of education of each district shall fix a fiscal year therefor. If the beginning of the fiscal year of a district is subsequent to the time that the tax levy due to be made in such fiscal year shall be made, then such annual budget shall be adopted prior to the time such tax levy shall be made. The failure by a board of education of any district to adopt an annual budget, or to comply in any respect with the provisions of this Section, shall not affect the validity of any tax levy of the district otherwise in conformity with the law. With respect to taxes levied either before, on, or after the effective date of this amendatory Act of the 91st General Assembly, (i) a tax levy is made for the fiscal year in which the levy is due to be made regardless of which fiscal year the proceeds of the levy are expended or are intended to be expended, and (ii) except as otherwise provided by law, a board of education's adoption of an annual budget in conformity with this Section is not a prerequisite to the adoption of a valid tax levy and is not a limit on the amount of the levy.

Such budget shall be prepared in tentative form by some person or persons designated by the board, and in such tentative form shall be made conveniently available to public inspection for at least 30 days prior to final action thereon. At least 1 public hearing shall be held as to such budget prior to final action thereon. Notice of availability for public inspection and of such public hearing shall be given by publication in a newspaper published in such district, at least 30 days prior to the time of such hearing. If there is no newspaper published in such district,

## ORGANIZATIONAL SECTION

notice of such public hearing shall be given by posting notices thereof in 5 of the most public places in such district. It shall be the duty of the secretary of such board to make such tentative budget available to public inspection, and to arrange for such public hearing. The board may from time to time make transfers between the various items in any fund not exceeding in the aggregate 10% of the total of such fund as set forth in the budget. The board may from time to time amend such budget by the same procedure as is herein provided for its original adoption.

Beginning July 1, 1976, the board of education, or regional superintendent, or governing board responsible for the administration of a joint agreement shall, by September 1 of each fiscal year thereafter, adopt an annual budget for the joint agreement in the same manner and subject to the same requirements as are provided in this Section.

The State Board of Education shall exercise powers and duties relating to budgets as provided in Section 2-3.27 of this Code and shall require school districts to submit their annual budgets, deficit reduction plans, and other financial information, including revenue and expenditure reports and borrowing and interfund transfer plans, in such form and within the timelines designated by the State Board of Education.

By fiscal year 1982 all school districts shall use the Program Budget Accounting System.

In the case of a school district receiving emergency State financial assistance under Article 1B, the school board shall also be subject to the requirements established under Article 1B with respect to the annual budget.

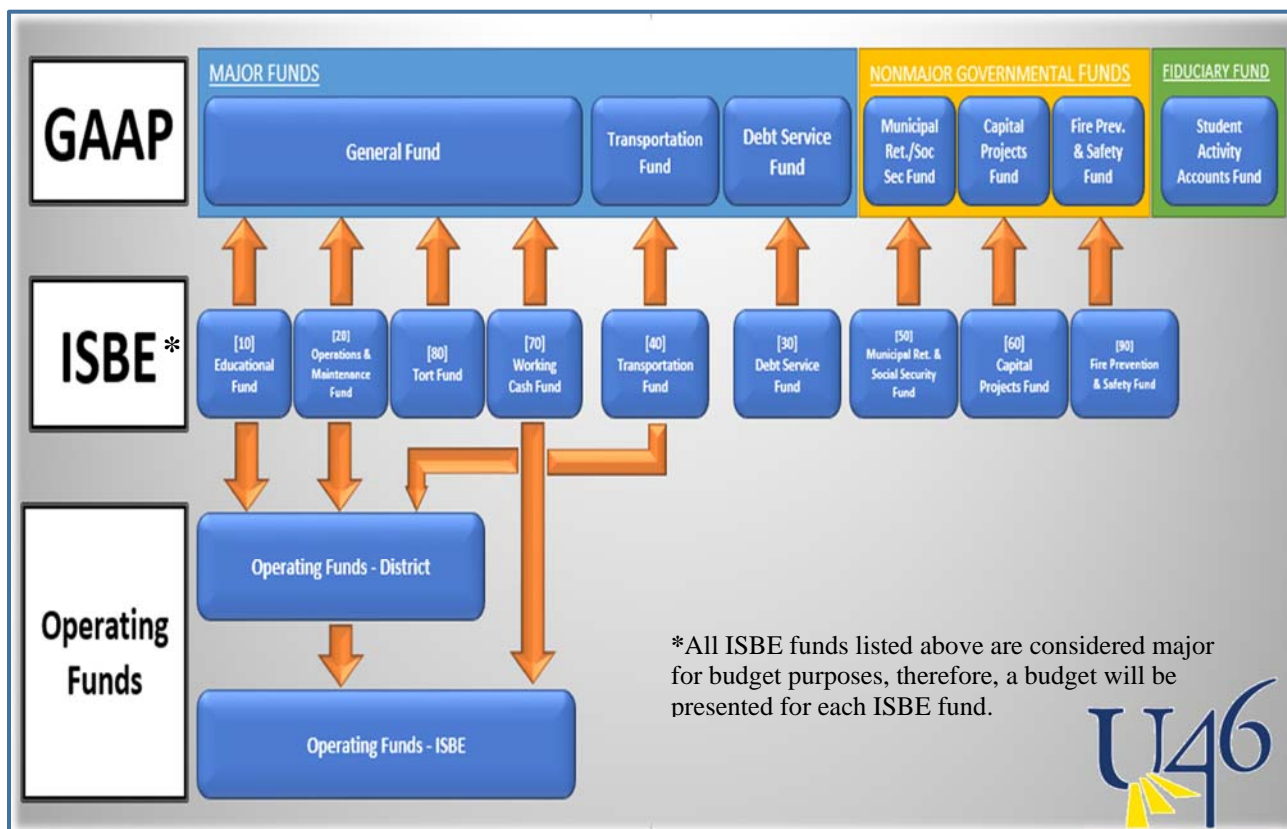
(Source: P.A. 97-429, eff. 8-16-11.)

### **FUND STRUCTURE**

The accounts of the District are organized and operated within funds. Each fund is a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances (fund balance), and changes therein, that are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

The District maintains nine individual funds required by the Illinois State Board of Education (ISBE). To maintain consistency between the budgeted funds shown below and the budget form submitted to ISBE the District considers the nine funds listed below to be major and will present them in this document accordingly. These funds differ from the District's funds reported in the audited financial statements under GAAP which is discussed in further detail on the following page. In addition to the nine required funds the District maintains, in a fiduciary manner, an Agency Fund to account for the student activity accounts. District resources are allocated and accounted for in individual funds based upon the purpose for which they are to be spent and means by which spending activities are controlled. Annual budgets are adopted for all District funds except the Agency Fund. The budgeted funds are shown on the graphic below in the ISBE row. The graphic also shows how each ISBE designated fund rolls into GAAP and Operating Funds groups.

## ORGANIZATIONAL SECTION



Budgets for the previously mentioned funds will be created and submitted to ISBE once approved by the Board of Education in the prescribed format required by ISBE.

The fund structure outlined for reporting to ISBE differs from fund reporting required by accounting principles generally accepted in the United States of America (GAAP) as applicable to governments. Although the District does not account for financial transactions differently, the funds required by ISBE are grouped and reported in a different manner. The District's fund structure under GAAP groups certain regulatory funds into different types of funds. Under GAAP the District reports six funds, all of which are classified as governmental funds. This relationship is displayed on the graphic preceding this paragraph.

Governmental funds are generally used to account for tax-supported activities. There are five different types of governmental funds: the general fund, special revenue funds, debt service funds, capital projects funds, and permanent funds. The District utilizes all of these fund types except for permanent funds. The reporting funds presented by the District under GAAP are shown on the following pages by governmental fund type:

## ORGANIZATIONAL SECTION

### General Fund

The General Fund is used to account for all financial resources except those required to be accounted for in another fund. It is consistent with the General Fund reported on the District's audited financial statements, however, this fund as a whole is not reported in any ISBE required submission but rather the individual funds that make up the General Fund are reported separately.

The District's General Fund consists of the following ISBE classified (regulatory) funds:

- *Educational Fund* – Direct costs of instruction and administration, including the District's food service operations are recorded in this fund. Each transaction not accommodated by another specific fund shall be processed through this fund.
- *Operations and Maintenance Fund* – All costs of maintaining, improving or repairing school buildings and property are reported in this fund. This fund is required if a tax is levied for purposes of operations and maintenance.
- *Working Cash Fund* – The fund is used by the District to account for financial resources held by the District to be used for temporary interfund loans to other District funds. This fund is required if a tax is levied or bonds are issued for working cash purposes.
- *Tort Immunity Fund* – The District's risk financing activities are reported in this fund. This fund is required if taxes are levied or bonds are sold for tort immunity or tort judgment purposes.

### 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. The District maintains two special revenue funds as follows:

- *Transportation Fund* – This fund accounts for all revenues and costs relating to the transportation of pupils.
- *Municipal Retirement/Social Security Fund* – The District's share of retirement benefit and social security costs for employees are recorded in this fund.

### Debt Service Fund

The Debt Service Fund, formerly the Bond and Interest Fund, accounts for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

### Capital Projects Funds

The Capital Projects Funds are used to account for and report financial resources that are to be used for expenditure of capital outlays, including the acquisition or construction of capital facilities and other capital assets. The District's two capital projects funds are as follows:

- *Capital Projects Fund, formerly the Site and Construction Fund* – This fund accounts for financial resources to be used for the acquisition, construction or renovation of major capital facilities.
- *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.

## ORGANIZATIONAL SECTION

Aside from governmental funds the District also maintains a fiduciary fund. Fiduciary funds report assets held in a trustee or agency capacity for others and therefore cannot be used to support the District's own programs. Fiduciary funds can be classified into four types: pension (and other employee benefit) trust funds, investment trust funds, private-purpose trust funds, and agency funds. The District maintains one fiduciary fund which is classified as an Agency Fund, however, since these funds cannot contribute to District programs this fund is not included in the budget plan of the District.

- **Student Activity Accounts** – This agency fund consists of resources held by the District as a trustee. The District's many student activity accounts are classified as agency funds. These funds are custodial in nature and do not involve measurement of results of operations. Assets are equal to the amounts due to the student groups.

Within the governmental fund types, the District's fund balances are reported in one of the following classifications as required by GAAP:

- ***Nonspendable*** – includes amounts that cannot be spent because they are either: a) not in spendable form; or b) legally or contractually required to be maintained intact. For the District this classification typically includes inventories and prepaid expenditures.
- ***Restricted*** – includes amounts that are restricted to specific purposes, that is, when constraints placed on the use of resources are either: a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.
- ***Committed*** – includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the District's highest level of decision-making authority. The highest level of decision-making authority rests with the District's Board of Education. Committed amounts cannot be used for any other purpose unless the District removes or changes the specified use by taking the same action it employed to previously commit those amounts. The District passes formal resolutions to commit their fund balances.
- ***Assigned*** – includes amounts that are constrained by the District's *intent* to be used for specific purposes, but that are neither restricted nor committed. Intent is expressed by: a) the District's Board of Education itself; or b) a body or official to which the Board of Education has delegated the authority to assign amounts to be used for specific purposes. The District's Board of Education has not delegated authority to any other body or official to assign amounts for a specific purpose within the General Fund. Within the other governmental fund types (special revenue, debt service, capital projects) resources are assigned in accordance with the established fund purpose and approved budget/appropriation. Residual fund balances in these fund types that are not restricted or committed are reported as assigned.
- ***Unassigned*** – includes the residual fund balances that have not been restricted, committed, or assigned within the General Fund and unassigned deficit fund balances of other governmental funds.

It is the District's policy to consider restricted resources to have been spent first when an expenditure is incurred for which both restricted and unrestricted (i.e. committed, assigned or unassigned fund balances) are available, followed by committed and then assigned fund balances. Unassigned amounts are used only after the other resources have been used.



## ORGANIZATIONAL SECTION

The General Fund includes the Working Cash stabilization account. Under the State of Illinois School Code (School Code), the District is authorized to incur indebtedness and issue bonds and to levy a tax annually on all taxable property of the District in order to enable the District to have in its treasury at all times sufficient money to meet demands thereon. These working cash funds may be lent to other District governmental funds in need, but may only be expended for other purposes upon the passage of a resolution by the Board of Education to abolish the funds to the educational account, of the General Fund, or abate the fund to any fund of the District most in need.

### District Operating Funds

For additional analysis and comparative purposes the District considers its operating funds to include three funds which differ from the funds used by ISBE to calculate operational metrics and benchmarks, e.g. operational expenditures per pupil (OEPP). The District's three operating funds are as follows:

- Educational Fund [10]
- Operations & Maintenance Fund [20]
- Transportation Fund [40]

The District seeks to maintain year-end fund balances no less than the range of 15 to 20 percent of the annual expenditures to operating funds.

### **SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the District conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting which is the same as the District's audited financial statements. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within sixty (60) days of the end of the current fiscal period. The District uses sixty days in order to capture reimbursement payments released by the State of Illinois during the month of August. The District also considers property taxes to be available if they are collected within sixty (60) days of the end of the fiscal period and intended to finance the current period.

Significant revenue sources which are susceptible to accrual include property taxes, other taxes, grants, and interest. All other revenue sources are considered to be measurable and available only when cash is received.

Expenditures generally are recorded when the liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, termination benefits, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds.

## ORGANIZATIONAL SECTION

Property taxes are levied each year on all taxable real property in the District on or before the last Tuesday in December. Due to the District's year end and the nature of property tax collections the District has determined each year's levy is intended to finance two consecutive fiscal years. In any given fiscal year the District recognizes as revenue 50 percent of the current tax year levy and 50 percent of the prior tax year levy net of any allowance for uncollectible accounts, e.g. the current tax year levy for the District's fiscal year 2017 is the 2016 tax year levy, therefore, in fiscal year 2017 the District will recognize 50 percent of the 2015 and 2016 tax year levies, net of any allowance.

Revenue from replacement taxes is recognized when collected by the state, prior to disbursement to the District.

Revenue from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis.

### CLASSIFICATION OF REVENUES

The revenues of the District are classified by fund and source. Revenues are grouped into three categories: Local Sources, State Sources and Federal Sources. Below are the revenues included in the budget by source:

#### LOCAL SOURCES: REV SRC CODE 100000

Property Taxes	Hanover Township Grant
Mobile Home Privilege Tax	Wisdom Foundation
Corporate Personal Property Replacement Tax	Midwest Dairy Association Grant
Payments in Lieu of Taxes	Midwest Dairy Association Grant
School Tuition	Breakfast in the Classroom
Trans Fees/Pupils/Parents	U46 Educational Foundation
Fees-Bus Trips-Cocurricular	Paid Summer Intervention
Transportation other revenue	Stupski Foundation
Interest on Investments	YMCA Parents as Teachers
Food Sales to Students-Lunch	Kane County Health Department
Pupil Activities	Workforce Development
Receivable Fees	Woodland Hts Hanover Township
Instructional Materials-Student Program	SHS Smaller Learning Communities
Other Local Revenue	National Science Foundation
McKinley Digital Divide	Grand Victoria Foundation
Education-to-Career Mini-Grant	Riverside Pub Bilingual PEL
Strata Systems Grant	Grand Victoria Foundation
Kane County Recycling Bin	Concert Revenue
Illinois Professional Learning	NPBTS State Farm
School Partners in City Grant	KCT Education grant TMP
UIC Mini Grant	21st Century Community Learning
Project Lead the Way	NIA Flow Thru
Mototola Nat. Alliance Partnership	Miscellaneous Other Funding Sources

## ORGANIZATIONAL SECTION

### STATE SOURCES: REV SRC CODE 300000

#### General State Aid

General State Aid  
General State Aid-ARRA  
General State Aid-ARRA SFSF  
Transition Assistance

#### Categoricals and Grants

Special Education-Private Facility  
Special Education-Extraordinary  
Special Education-Personnel  
Special Education-Orphanage Individual  
Special Education-Orphanage Summer  
Special Education-R.E.I. Program (Reim)  
Special Education-Summer School  
Vocational Education Coordination Grant  
Voc. Education Program Improvement Grant  
Voc. Education-Work Based Learning Grant  
Elem Career Develop Program  
Bilingual Education-Downstate-T.P.  
Bilingual Education-Downstate-T.B.  
Gifted Education  
State Free Lunch and Breakfast  
School Breakfast Incentive  
Driver Education  
Illinois Dept of Public Health  
Summer Bridges Revenue  
Family Literacy  
Orphanage Tuition-18-3  
Kane County Health Department  
Advanced Placement Classes  
Arts and Foreign Language Planning  
Teacher Induction Mentoring

#### Categoricals and Grants (Continued)

Adult Education State Performance  
Adult Education State Basic  
Adult Education Public Assistance  
National Board Certification I  
National Board Certification I  
Truants Alternative/Optional Education  
State Schools Grant (ROE)  
Safe Enrichment Grant (ROE)  
Early Childhood-Pre K  
Early Childhood-Project Prepares  
Early Childhood-P A T  
Early Childhood-Reading First  
Early Childhood-Preschool At  
Early Childhood-Block Grant  
Early Childhood-Preschool For All Children  
Early Childhood-Prevention Initiative  
Reading Improvement Program  
Reading Improvement Block-Reading  
In-Aid State ROE Certificates  
ADA Safety and Educational Block  
Back to Books Grant  
State Library Grant  
Mental Health  
Illinois EPA Grant  
Energy and Recycling Grant  
Transportation-Regular  
Transportation-Special Education  
School Maintenance Grant  
Other Revenue From State Sources

## ORGANIZATIONAL SECTION

### FEDERAL SOURCES: REV SRC CODE 400000

#### Federal Aid and Grants

Title V-Innovative  
Breakfast Start Up  
National School Lunch Program  
School Breakfast Program  
Fresh Fruit and Vegetable Program  
Child Nutrition Commodity/Salvage  
Title I-Low Income  
Title I-Low Income-Neglect  
Title I-School Improvement  
Title I Comprehensive School Reform-Ellis  
C S R Demonstr Prog-Larsen  
C S R Demonstr Prog-Streamwood  
C S R Demonstr Prog-Parkwood  
C S R Demonstr Prog-Channing  
C S R Demonstr Prog-EHS  
C S R Demonstr Prog-Sheridan  
Title I-Accountability  
Title I-Reading First  
Even Start  
Illinois Teachers Educ Partnership  
Title IV-Safe and Drug Free Schools  
21st Century Comm Learning  
21st Century Comm Learning  
Fed-Sp Ed-Pre-School Flow  
Fed-Sp Ed-IDEA Flow Through  
Room and Board PL 94-192 Spec Ed  
Early Childhood Reading First  
Voc Ed Perkins Title Iic  
Education to Careers  
Fed Adult Ed Basic  
Adult Ed State Performance  
Adv Placement Fees Incentive  
ARRA-Title I-Part A  
ARRA-Title I-Low Income  
ARRA - Rising Star

#### Federal Aid and Grants (Continued)

ARRA-IDEA Preschool  
ARRA-IDEA Flow Through  
ARRA-McKinley-Vento Homeless Grant  
ARRA-Early Childhood Block Grant  
ARRA-Early Childhood Block Grant  
ARRA-Preschool For All Children  
ARRA-EC Prevention Initiative  
ARRA - MIECHVP  
ARRA - Drop in Preschool  
ARRA-Education Jobs  
Emergency Immigrant Assistance  
Title III Lang Inst Prog Lim English  
Learn and Serve America  
McKinney Education for the Homeless  
Title II-Teacher Quality  
MIHOPE  
Dept of Rehab Services  
Technology-Enhancing Education  
Early Childhood Expansion Grant  
Teaching American History  
CiviConnections  
COPS Grant  
Hurricane Emergency Relief Act  
Medicaid Fee for Service  
Administrative Outreach  
REMS Grant  
Larkin Project SERV  
Teacher Mentoring  
FIE Learning Std and C&TE  
Safe Routes to Schools  
All Day Kindergarten  
National Board Resource Ctr  
Streamwood CTEI  
Emerg Mgmt - FEMA

### **CLASSIFICATION OF EXPENDITURES**

The expenditures of the District are classified by fund, object and function as required by the State of Illinois. The fund classification was explained previously in the Fund Structure section. The following describes the remaining classifications:

#### Function

The function is the action or purpose for which a person or thing is used or exists. The function number includes the activities or actions which are performed to accomplish the objectives of the school district. There are eight broad function categories as outlined below:

<u>Code</u>	<u>Description</u>
1000	Instruction
2000	Support Services
3000	Community Services
4000	Payment to Other Districts and Governmental Units
5000	Debt Service
7000	Sources of Funds
8000	Uses of Funds
9000	Other Economic Resources

#### Object

The object is the service or commodity obtained as the result of a specific expenditure. The object codes are also utilized to desegregate between different categories of expenditures. There are eight object categories outlined below:

<u>Code</u>	<u>Description</u>
5100	Salaries
5200	Employee Benefits
5300	Purchased Services
5400	Supplies and Materials
5500	Capital Outlay
5600	Other
5700	Non-Capitalized Equipment
5800	Termination Benefits

### **BUDGET ADMINISTRATION AND MANAGEMENT PROCESS**

Annual budgets are adopted for all governmental fund types and are adopted on the modified accrual basis of accounting at the fund level which is a basis consistent with GAAP. The District maintains a system to measure the uncommitted budget amount available for expenditures at any time during the year. Appropriations lapse at June 30 and outstanding encumbrances are canceled at that date.

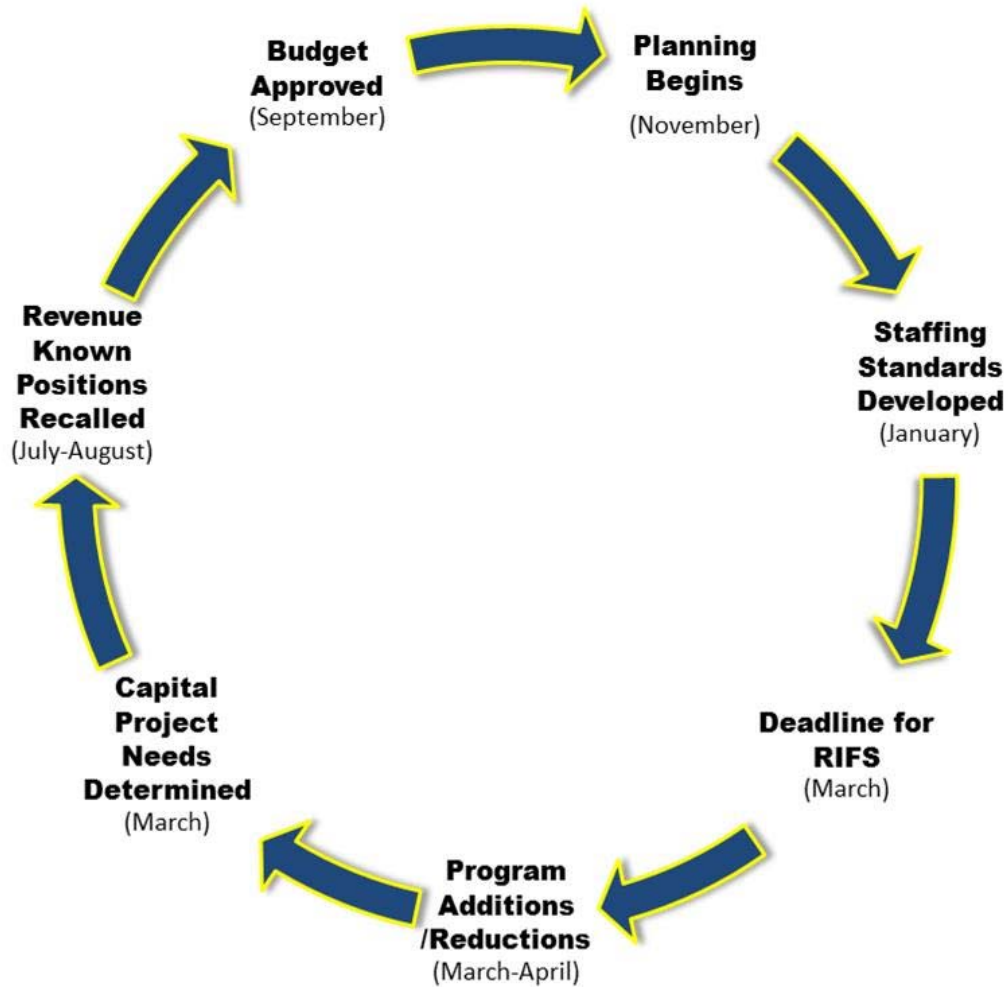
The appropriated budget is prepared by fund and by object. The Board of Education may make transfers between functions within a fund not exceeding the aggregate of 10 percent of the total of such fund, and may amend the total budget following the same procedures required to adopt the original budget. The legal level of budgetary control is at the fund level.



## ORGANIZATIONAL SECTION

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 at least one public hearing, and a final budget must be prepared and adopted no later than September 30. Budgeting for capital expenditures is included in this process.

### Budget Planning Cycle



## BUDGET TIMELINE

### 2017

Present <i>Resolution Directing the Superintendent to Prepare the Tentative FY 2018 Budget</i> (Work Session)	February 27
Tentative FY 2018 Budget Timeline - Information Item	February 27
Adopt <i>Resolution Directing the Superintendent to Prepare the Tentative FY 2018 Budget</i>	March 6
Cabinet establishes budget priorities	April 25
Discussion of Board Priorities for FY 2018 Budget	April 25
Board Finance Committee Meeting	May 15
Tentative Budget is presented to the Board of Education	June 19
Present the <i>Resolution for Display of and Public Hearing on Budget</i>	June 19
Adopt the <i>Resolution for Display of and Public Hearing on Budget</i>	July 24
Newspaper notice published for display of budget to begin <u>Aug. 15</u> and Public Hearing to be held <u>September 11</u> (must be published at least 30 days prior to public hearing)	August 4
Board Finance Committee review of proposed budget changes from June 19 Budget Presentation	August 7
Tentative Budget is presented to the Board of Education	August 14
Begin 30-Day Display of Tentative Budget (must be displayed at least 30 days prior to adoption)	August 15
Public Hearing of Board of Education held for Budget and Present <i>Resolution for Approval of Budget - ISBE form</i> (Work Session)	September 11
Adoption of Final Budget (must be adopted by September 30)	
- Resolution/ISBE form, Certification of Budget, and Certification Estimate of Revenues are signed	September 25
- Budget is posted on U-46 website immediately after approval	
Certified Adopted Budget filed with County Clerks Certified Adopted Budget filed with ROE Adopted Budget submitted electronically to ISBE including Report of Vendors Contracts of \$1,000 or More (must be filed/submitted within 30 days of adoption)	October 25



# Financial Section



**FISCAL YEAR 2018 BUDGET**  
(School Year 2017-2018)



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### FINANCIAL OVERVIEW

As discussed in the Organizational Section, annual budgets are adopted for all District funds except for the Agency Fund. The budgeted funds are as follows:

1. Educational Fund [10]
2. Operations & Maintenance Fund [20]
3. Debt Service Fund [30]
4. Transportation Fund [40]
5. Municipal Retirement and Social Security Fund [50]
6. Capital Projects Fund [60]
7. Working Cash Fund [70]
8. Tort Immunity and Judgment Fund [80]
9. Fire Prevention and Safety Fund [90]

For operational purposes, the District separates the different funds into four categories: Operating Funds, Special Revenue Funds, Debt Service Fund and Capital Projects Funds. These categories differ from GAAP and ISBE reporting requirements which are discussed in the Fund Structure section of the Organizational Section.

Operating Funds include:

- Fund 10      Educational
- Fund 20      Operations & Maintenance
- Fund 40      Transportation

Special Revenue Funds include:

- Fund 50      IMRF/Social Security
- Fund 70      Working Cash
- Fund 80      Tort Immunity & Judgment

Debt Service Fund

- Fund 30      Debt Service

Capital Projects Funds include:

- Fund 60      Capital Projects
- Fund 90      Fire Prevention & Safety



# All Funds

The presentation of All Funds is not a separate budget but is a combination of all District funds.

## All Funds

### Revenues, Expenditures & Other Financing Sources/(Uses) by Fund (ISBE)

	Budget Revenues	Budget Expenditures	Budget Other Sources/ (Uses)	Net Increase (Decrease)
Educational Fund [10]	\$ 381,521,179	\$ 385,731,496	\$ (3,902,326)	\$ (8,112,643)
Operations & Maintenance Fund [20]	32,218,806	39,256,262	11,359,435	4,321,979
Debt Service Fund [30]	38,126,169	42,625,595	4,542,891	43,465
Transportation Fund [40]	29,468,513	26,572,549	1,200,000	4,095,964
IMRF/Social Security Fund [50]	15,790,414	15,787,947	-	2,467
Capital Projects Fund [60]	300,000	300,000	-	-
Working Cash Fund [70]	1,200,000	-	(13,200,000)	(12,000,000)
Tort Immunity & Judgment Fund [80]	8,466,019	6,145,122	-	2,320,897
Fire Prevention & Safety Fund [90]	1,961,477	1,497,000	-	464,477
Total All Funds	\$ 509,052,577	\$ 517,915,971	\$ -	\$ (8,863,394)

OPERATING FUNDS: For operational purposes the District considers the following funds to comprise the Operating Funds of the District.

	Budget Revenues	Budget Expenditures	Budget Other Sources/ (Uses)	Net Increase (Decrease)
Operating Funds				
Educational Fund [10]	\$ 381,521,179	\$ 385,731,496	\$ (3,902,326)	\$ (8,112,643)
Operations & Maintenance Fund [20]	32,218,806	39,256,262	11,359,435	4,321,979
Transportation Fund [40]	29,468,513	26,572,549	1,200,000	4,095,964
Total Operating Funds	443,208,498	451,560,307	8,657,109	305,300

### Revenues, Expenditures & Other Financing Sources/(Uses) by Fund (GAAP)

	Budget Revenues	Budget Expenditures	Budget Other Sources/ (Uses)	Net Increase (Decrease)
General Fund				
Education Account (Fund [10])	\$ 381,521,179	\$ 385,731,496	\$ (3,902,326)	\$ (8,112,643)
Operations & Maintenance Account (Fund [20])	32,218,806	39,256,262	11,359,435	4,321,979
Working Cash Account (Fund [70])	1,200,000	-	(13,200,000)	(12,000,000)
Tort Immunity & Judgment Account (Fund [80])	8,466,019	6,145,122	-	2,320,897
Total General Fund	\$ 423,406,004	\$ 431,132,880	\$ (5,742,891)	\$ (13,469,767)
Special Revenue Funds				
Transportation Fund [40]	\$ 29,468,513	\$ 26,572,549	\$ 1,200,000	\$ 4,095,964
IMRF/Social Security Fund [50]	15,790,414	15,787,947	-	2,467
Total Special Revenue Funds	\$ 45,258,927	\$ 42,360,496	\$ 1,200,000	\$ 4,098,431
Debt Service Fund [30]	38,126,169	42,625,595	4,542,891	43,465
Capital Projects Funds				
Capital Projects Fund [60]	\$ 300,000	\$ 300,000	\$ -	\$ -
Fire Prevention & Safety Fund [90]	\$ 1,961,477	\$ 1,497,000	-	464,477
Total Capital Projects Funds	\$ 2,261,477	\$ 1,797,000	\$ -	\$ 464,477
Total All Funds	\$ 509,052,577	\$ 517,915,971	\$ -	\$ (8,863,394)

## All Funds Revenues, Expenditures and Changes in Fund Balance

### Revenue by Source Expenditures by Object

	Actual 2013-14	Actual 2014-15	Actual 2015-16	Budget 2016-17	Budget 2017-18
Revenue					
Local Sources	\$ 311,255,071	\$ 310,195,265	\$ 317,993,639	\$ 316,791,928	\$ 321,078,587
State Sources	128,382,501	138,062,156	146,310,919	158,126,457	149,733,197
Federal Sources	34,412,640	34,596,302	39,907,564	37,207,796	38,240,793
Total Revenue by Source	\$ 474,050,212	\$ 482,853,723	\$ 504,212,123	\$ 512,126,181	\$ 509,052,577
Expenditures					
Salaries	\$ 236,945,104	\$ 244,954,778	\$ 253,556,044	\$ 264,032,755	\$ 269,694,946
Employee Benefits	86,948,287	88,738,790	89,909,001	95,498,141	97,715,291
Purchased Services	37,549,462	36,397,010	34,218,595	34,887,101	35,691,576
Supplies and Materials	25,417,458	24,444,515	31,095,608	26,760,455	32,011,602
Capital Outlay	15,013,147	28,093,541	33,158,826	29,382,903	23,948,029
Other Objects	54,660,682	54,117,436	54,832,599	59,911,438	57,866,952
Non-Capitalized Equipment	769,232	1,081,872	1,011,734	803,370	912,575
Termination Benefits	131,803	70,304	76,607	75,000	75,000
Total Expenditures by Object	\$ 457,435,174	\$ 477,898,246	\$ 497,859,015	\$ 511,351,163	\$ 517,915,971
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	16,615,038	4,955,477	6,353,108	775,017	(8,863,394)
Other Financing Sources	\$ -	\$ 42,261,379	\$ 7,318,597	\$ -	\$ -
Net Change in Fund Balance	16,615,038	47,216,856	13,671,705	775,017	(8,863,394)
Fund Balance at Beg. of Year	158,626,364	175,241,402	222,458,258	236,129,963	236,904,980
Fund Balance at End of Year	\$ 175,241,402	\$ 222,458,258	\$ 236,129,963	\$ 236,904,980	\$ 228,041,586

### Major Changes in Current Year

Fiscal year 2018 revenue is planned to decrease \$3.1 million over the prior year's budget. The \$3.1 million net decrease consists of a \$4.3 million increase from local sources, an \$8.4 million decrease in state funding, and a \$1.0 million increase in federal funding. A substantial part of the local sourced revenue increase was due to levied property taxes. In the prior year's budget 100 percent of the quarterly state categorical payments were budgeted, however, due to the continuing state financial challenges only three of the four payments have been budgeted in the current budget, a reduction of approximately \$9.7 million. General State Aid (GSA) is estimated to increase \$1.3 million over the prior year's budget. The two more significant factors that influence the GSA calculation for the upcoming year were the declining trend of low income students which reduced GSA by \$4.6 million and the increase in average daily attendance (ADA) due to Full Day Kindergarten which increased GSA by \$4.5 million. Evidence-based state funding is unresolved shedding little light on the direction of school funding in Illinois. A budget amendment may be necessary after school funding is passed.

Salaries and benefits are expected to increase over the prior year due to contractual obligations. This budget included 15 less teacher FTEs but with over 2400 teacher FTEs there is relatively little impact on the overall budget.

Health and dental insurance benefits are expected to increase by five percent. The remaining benefits driven by salary will increase in-line with the percentage increased in salaries.

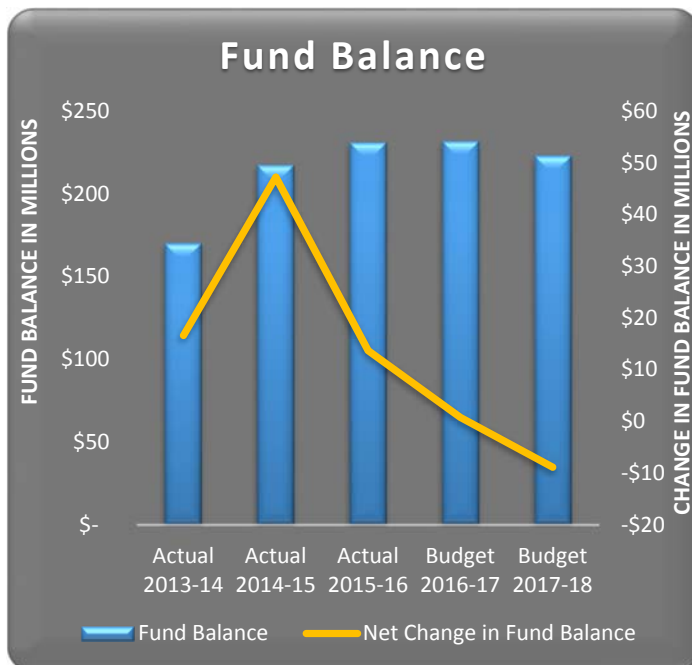
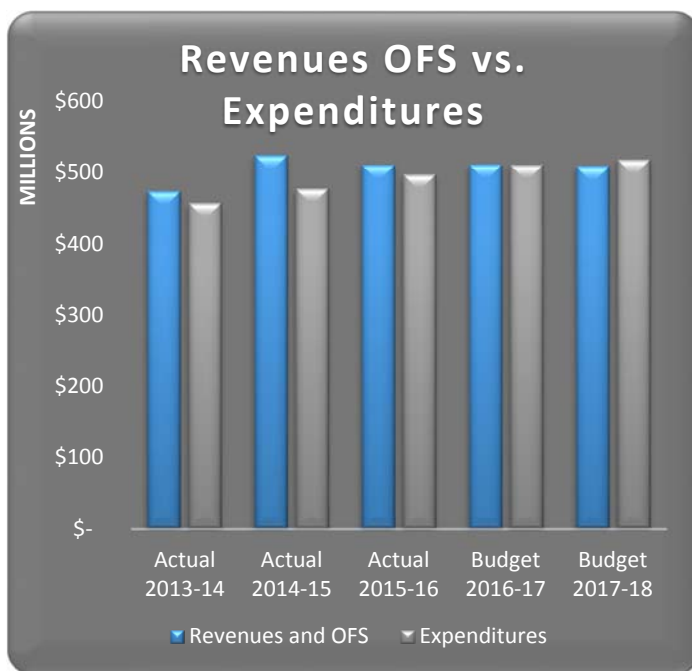
A new science curriculum is planned to roll out for the next school year costing \$5.3 million. The science curriculum was last updated around a decade ago. The District has planned for \$23.9 million of capital expenditures during the year, \$12.0 million of which will be funded by working cash bond proceeds issued in a prior year. This draw down of bond proceeds is not reported as revenue but rather a reduction of fund balance.

There are no new planned capital leases or debt issuances in fiscal year 2018 which leaves other financing sources at zero. The last new issuance of debt and capital lease was completed in fiscal year 2015 and 2016, respectively. The District has not planned to purchase or lease any new buses in the current budget. This is not consistent with the District's Age and Obsolescence Plan for Bus Replacement but was a decision made resulting from the uncertainty of state funding.

Due to the explanations outlined in the paragraphs above the District's overall fund balance is budgeted to decrease \$8.9 million. It is important to note that the excess of expenditures over revenues is nonrecurring expenditures. This means when the bond proceeds have been exhausted it is management's intention to budget expenditures in-line or less than revenues. The operating budget which is made of primarily recurring expenditures is planned to have a slight budget surplus for the year.

### SIGNIFICANT REVENUE AND EXPENDITURES

**Property Taxes**— Property taxes are levied each year on all taxable real property in the District on or before the last Tuesday in December and attach an enforceable lien on the property as of the preceding January 1. The taxes become due and collectible in March and September in Cook County and June and September 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 within one month after collection.



The Consumer Price Index (CPI) is expected to increase around 1.5 percent. New construction is expected to remain flat to slightly up. The 2017 property tax levy payable in 2018 increased 2.1 percent. The 2016 tax levy payable in 2017 was levied and the increase on existing property was abated reducing property taxes \$3.9 million. For tax year 2017 the District has budgeted the same abatement of \$3.9 million. The District recognizes up to 50 percent of the current tax levy and 50 percent of the prior year levy in the current fiscal year so the property tax revenue recognized in a given fiscal year will not necessarily correspond to one tax year's levy.

This resulted in budgeted property tax revenues increasing slightly under estimated CPI of 1.5 percent. Likewise, management has projected CPI to remain around 1.5 percent over the next few years. District management is anticipating equalized assessed valuations (EAV) to continue to climb as we move forward. Except for last year the EAV has trended downward over the past several years. As the EAV increases at a greater rate than the property tax levy, property tax rates will decline.

General State Aid (GSA) – The distribution of GSA to Illinois public schools is determined by a statutorily defined formula in 105 ILCS 5/18-8.05. This formula provides for different methods of funding allocation, dependent primarily on the local property wealth within each school district. District management uses forecasted information provided by the Illinois School Board of Education (ISBE) in order to budget the GSA for the coming year.

State Categorical Programs – Mandated categorical programs and the funds appropriated for them, by the State, are earmarked and mandated by statute for a particular purpose or population and may be used for that purpose or population only. There are several different programs included in this revenue source. The majority of programs cover special education and transportation.

These programs are typically funded based on the demographics of the District's student population and have been flat from year to year. Due to the uncertainty of the timing of the State making these payments the District has historically included three of the four annual categorical payments in the budget. In the prior year's budget the District included 100 percent of the payments, however, due to the increased financial challenges of the State only three categorical payments have once again been budgeted for in the current budget.

Salaries and Benefits – From teachers to support staff to administrators the District's largest expense is salaries and benefits. The largest piece of the salaries and benefits goes towards teachers. These expenses are negotiated between labor unions and District administration resulting in contractual increases year over year. In addition to teachers many other District employees' salaries and benefits are negotiated by labor unions. Once contracted, these bargaining agreements provide a road map for budgeting salaries and benefits.

The largest benefit included in this group is for medical insurance. Health care costs are expected to increase 5 percent in fiscal year 2018 and continue that trend over the next few years.

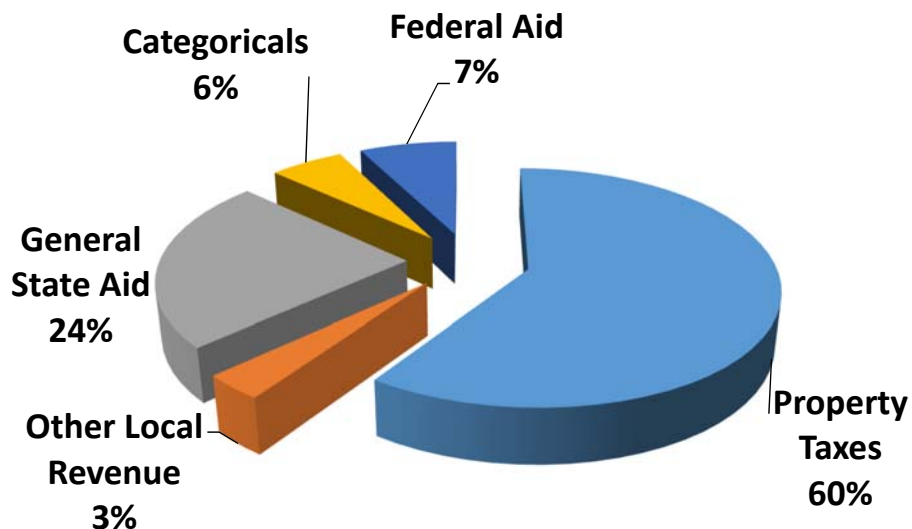
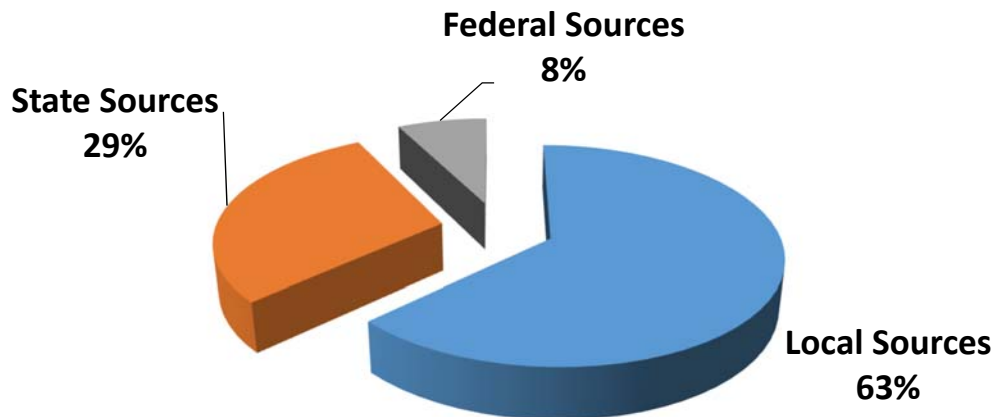
Purchased Services – These costs will typically mirror the cost of doing business from one year to the next. The District has been able to spend less over the past two years while meeting the purchased services needs of the District. The District continues to increase efforts to meet the needs of the District with fewer resources. District management has included a slight increase in purchased services in the fiscal year 2018 budget which resulted in an amount in line with the average over the past few years.



## All Funds

### Revenue by Source

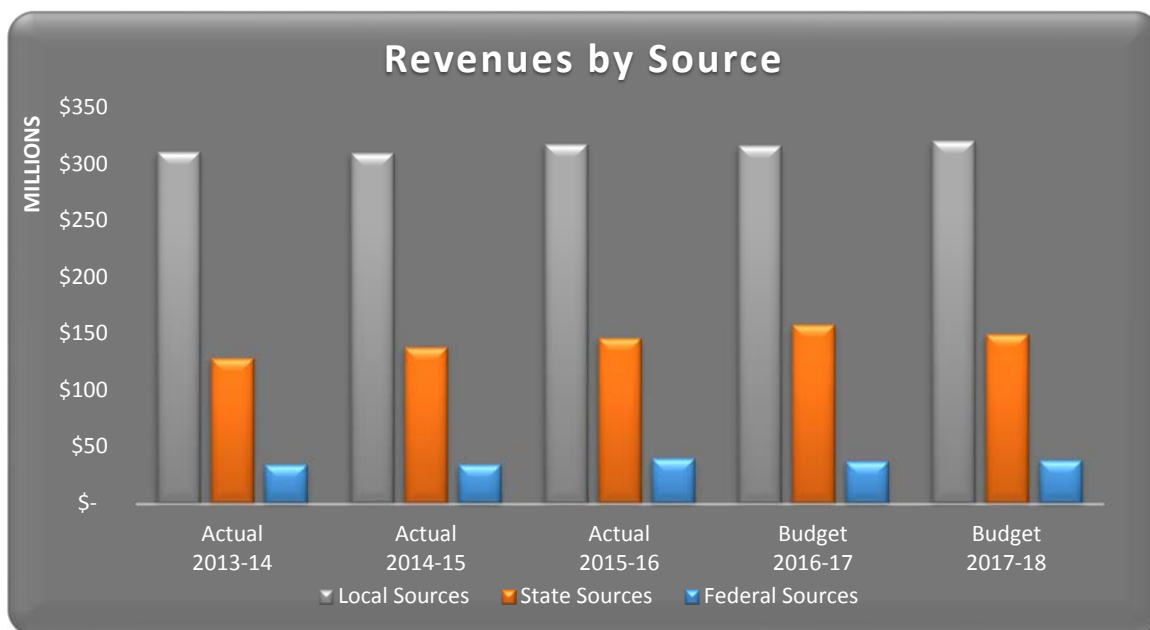
Revenue	Budget 2017-18
Local Sources	
Property Taxes	\$ 303,392,177
Other Local Revenue	17,686,410
Total Local Sources	<u>321,078,587</u>
State Sources	
General State Aid	120,713,168
Categoricals	29,020,029
Total State Sources	<u>149,733,197</u>
Federal Sources	38,240,793
<b>Total Revenue</b>	<u><u>\$ 509,052,577</u></u>



## All Funds

### Revenue by Source

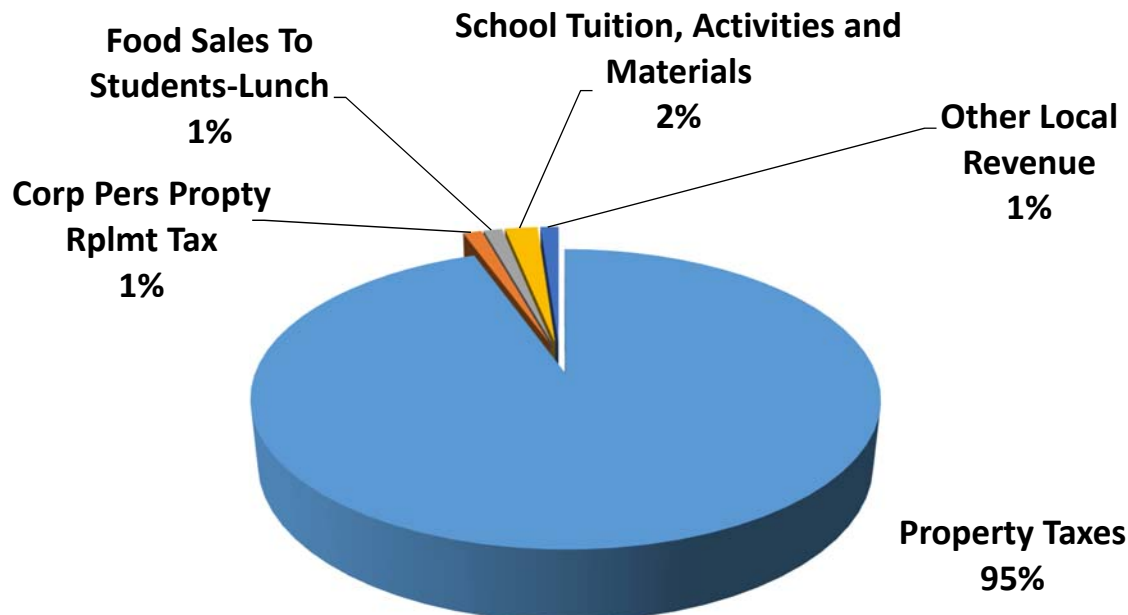
	Actual 2013-14	Actual 2014-15	Actual 2015-16	Budget 2016-17	Budget 2017-18
Local Sources	\$ 311,255,072	\$ 310,195,265	\$ 317,993,640	\$ 316,791,928	\$ 321,078,587
State Sources	128,382,501	138,062,156	146,258,912	158,126,456	149,733,197
Federal Sources	34,246,442	34,430,986	38,716,050	37,072,796	37,072,796
<b>Total Revenues by Source</b>	<b>\$ 473,884,015</b>	<b>\$ 482,688,407</b>	<b>\$ 502,968,603</b>	<b>\$ 511,991,180</b>	<b>\$ 507,884,580</b>



## All Funds

### Revenue by Source Detail

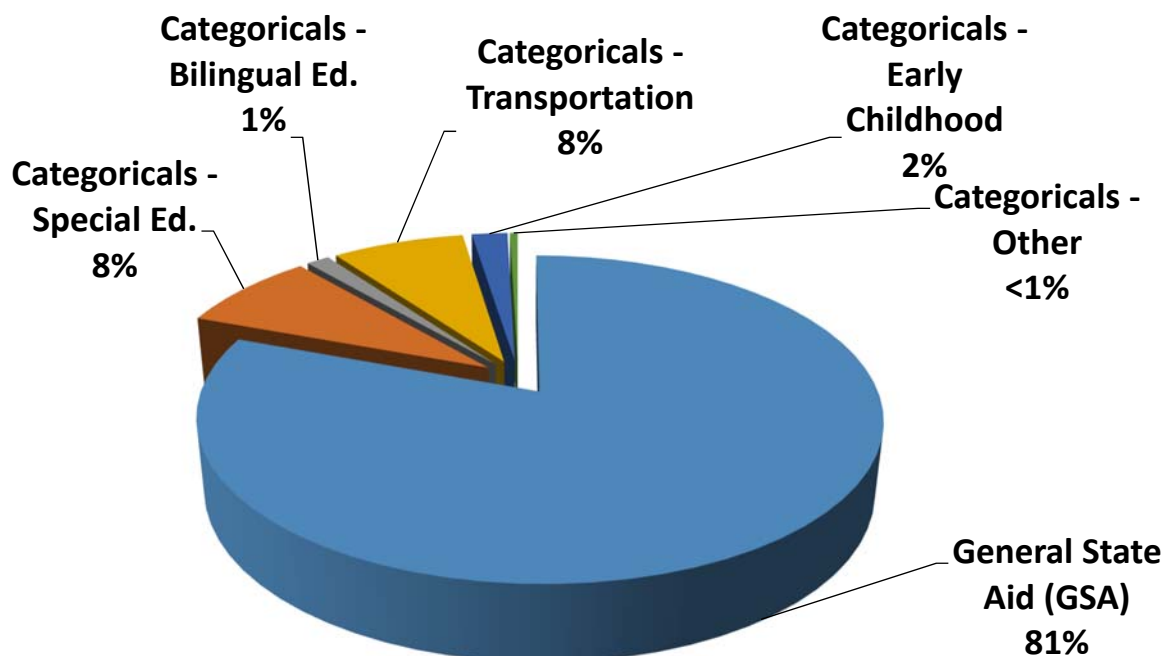
	Actual 2013-14	Actual 2014-15	Actual 2015-16	Budget 2016-17	Budget 2017-18
<b>Local Sources</b>					
Property Taxes	\$ 293,432,445	\$ 292,942,265	\$ 301,575,250	\$ 300,843,428	\$ 303,392,177
Mobile Home Privilege Tax	-	-	24,069	11,000	11,000
Corp Pers Propty Rplmt Tax	3,754,606	4,037,505	3,226,057	3,750,000	3,750,000
Village of Hoffman Estates - TIF	44,712	69,904	67,099	40,000	40,000
School Tuition	2,433,398	2,739,405	2,736,373	2,390,000	2,436,000
Fees-Bus Trips-Cocurricular	1,654,325	1,455,864	1,690,449	1,400,000	1,400,000
Interest on Investments	240,398	63,771	426,317	405,000	1,210,000
Food Sales To Students-Lunch	3,837,841	3,278,823	3,734,037	3,750,000	3,750,000
Pupil Activities	311,461	280,535	295,851	225,000	225,000
Receivable Fees	(53,581)	343,396	493,905	400,000	400,000
Instr Matls-Student Program	2,870,463	2,019,999	2,418,212	2,300,000	2,500,000
Other Local Revenue	2,580,397	2,903,492	1,245,028	1,277,500	1,934,410
UIC Mini Grant	33,333	-	-	-	-
School Partners in City Grant	650	300	12,450	-	-
TMA	-	12,500	-	-	-
Hanover Township Grant	648	-	-	-	-
Wisdom Foundation	7,210	-	4,910	-	-
Kane County Fit for Kids	-	5,000	-	-	-
James Patterson Partnership Gr	-	-	3,000	-	-
Joyce Foundation	-	-	10,000	-	-
Bartlett Volunteer Fire	-	-	9,000	-	-
Mototola Nat. Alliance Partner.	10,320	-	-	-	-
Midwest Dairy Association Grant	-	-	3,900	-	-
Brighter Futures	-	17,515	-	-	-
Breakfast in the Classroom	74,273	-	-	-	-
U46 Educational Foundation	22,175	15,000	16,358	-	30,000
Kane County Health Dept	-	9,990	1,375	-	-
<b>Total Local Sources</b>	<b>\$ 311,255,072</b>	<b>\$ 310,195,265</b>	<b>\$ 317,993,640</b>	<b>\$ 316,791,928</b>	<b>\$ 321,078,587</b>



## All Funds

### Revenue by Source Detail (Continued)

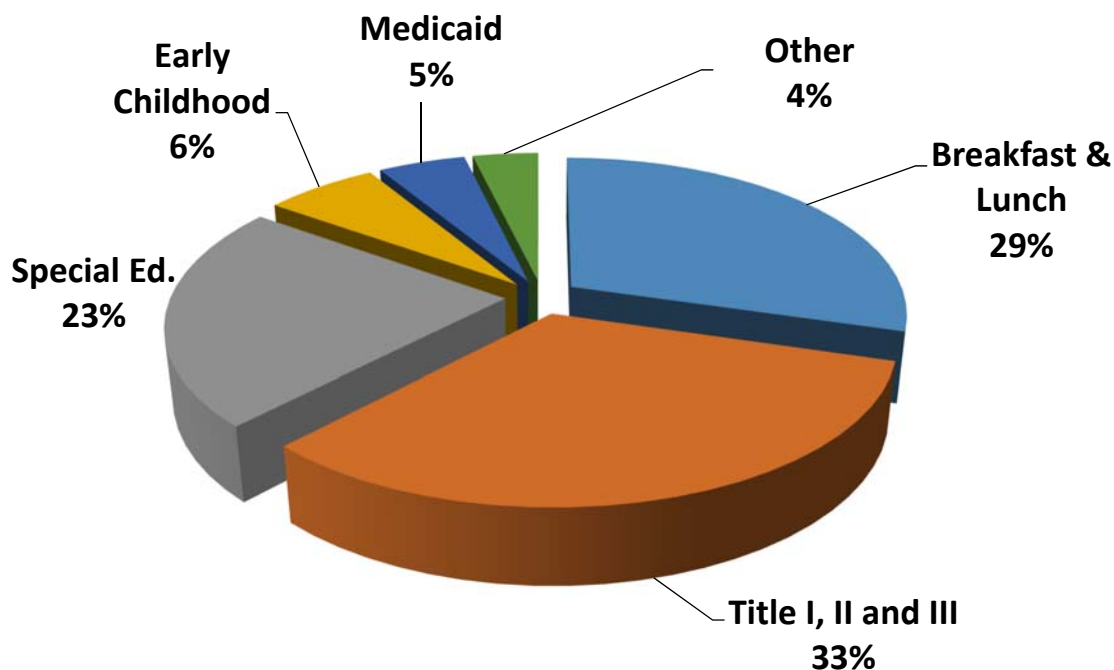
	Actual 2013-14	Actual 2014-15	Actual 2015-16	Budget 2016-17	Budget 2017-18
<b>State Sources</b>					
General State Aid	\$ 90,443,606	\$ 97,728,628	\$ 115,242,487	\$ 119,433,083	\$ 120,713,168
Special Ed - Private Facility	2,750,817	3,482,700	2,822,899	3,750,467	2,812,850
Special Ed - Extraordinary	5,289,844	5,174,892	3,946,226	5,261,635	3,946,226
Special Ed - Personnel	5,825,843	5,847,649	4,465,152	5,927,642	4,445,732
Special Ed - Orphanage Indivd	2,293,707	1,229,686	943,433	922,265	691,699
Special Ed - Orphanage Summer	263,141	185,934	103,353	103,353	77,515
Special Ed - Summer School	52,351	60,453	90,744	90,744	68,058
Voc Ed Program Improve Grant	350,026	434,276	279,606	482,366	361,775
Bilingual Ed - Downstate - T.P	3,697,408	3,004,004	3,302,003	2,616,983	1,962,737
State Free & Lunch Breakfast	234,425	126,110	103,151	42,688	32,016
Driver Education	168,798	184,369	193,760	193,760	145,320
Transportation - Regular	6,368,509	7,607,643	6,326,635	8,344,911	6,258,683
Transportation - Special Educa	6,423,203	6,822,143	4,950,754	6,725,770	5,044,327
National Board Certification I	10,500	16,500	-	-	-
Safe Schools Grant (ROE)	105,530	81,362	100,029	94,500	70,875
Safe Schools Grant	-	-	34,167	-	-
Early Childhood - Pre K	3,560,202	3,474,401	2,934,034	3,734,227	2,800,670
Early Childhd - Proj Prepares	296,121	295,939	265,364	337,733	253,300
State Library Grant	29,234	29,071	0	23,585	17,689
Back to Books Grant	5,000	(5,000)	-	-	-
Illinois Dept of Public Health	6,545	-	-	-	-
Illinois Arts Council Grant	-	-	17,840	-	-
Family Literacy	2,439	3,677	(176)	-	-
Orphanage Tuition - 18-3	47,873	17,858	(7,199)	40,743	30,557
Other Revenue from State Source	157,381	2,259,862	196,656	-	-
<b>Total State Sources</b>	<b>\$ 128,382,501</b>	<b>\$ 138,062,156</b>	<b>\$ 146,310,919</b>	<b>\$ 158,126,456</b>	<b>\$ 149,733,197</b>



## All Funds

### Revenue by Source Detail (Continued)

	Actual 2013-14	Actual 2014-15	Actual 2015-16	Budget 2016-17	Budget 2017-18
<b>Federal Sources</b>					
National School Lunch Program	\$ 9,426,124	\$ 9,487,942	\$ 9,099,385	\$ 9,000,000	\$ 9,000,000
School Breakfast Program	2,955,539	2,324,614	2,305,294	2,000,000	2,000,000
NSLP - Equipment	-	-	34,280	-	-
Title I - Low Income	8,739,582	8,041,987	11,135,192	9,956,930	9,956,930
21st Century Comm Learning	850,412	451,869	636,538	516,786	516,786
Fed - Sp Ed - Pre-school Flow	152,633	149,349	194,225	172,325	172,325
Fed - Sp Ed - IDEA Flow Through	7,372,799	7,778,813	8,203,865	7,827,463	7,827,463
Rm & Brd PL 94-142 Sp Ed	293,323	440,857	746,922	450,000	450,000
Voc Ed Perkins Title IIc	393,221	358,537	390,728	412,860	412,860
MIHOPE	-	7,000	-	-	-
Early Childhood Expansion Grant	-	-	1,935,115	2,395,800	2,395,800
Project READI	-	2,162	-	-	-
Emergency Immigrant Assistance	-	25,604	-	63,204	63,204
Title III Lang Inst Prog Lim Eng	1,050,689	1,368,691	939,254	1,324,193	1,324,193
Title II - Teacher Quality	1,212,859	741,720	814,242	841,912	841,912
Dept Of Rehab Services	101,774	113,582	101,211	261,323	261,323
MIECHVP	166,198	165,316	124,236	135,000	135,000
COPS Grant	118,384	82,500	-	-	-
Non Cash Food Commodity	-	-	1,032,997	-	1,032,997
Medicaid fee for Service	844,656	1,928,530	1,224,745	850,000	850,000
Administrative Outreach	734,447	1,127,230	989,334	1,000,000	1,000,000
<b>Total Federal Sources</b>	<b>\$ 34,412,640</b>	<b>\$ 34,596,302</b>	<b>\$ 39,907,564</b>	<b>\$ 37,207,796</b>	<b>\$ 38,240,793</b>

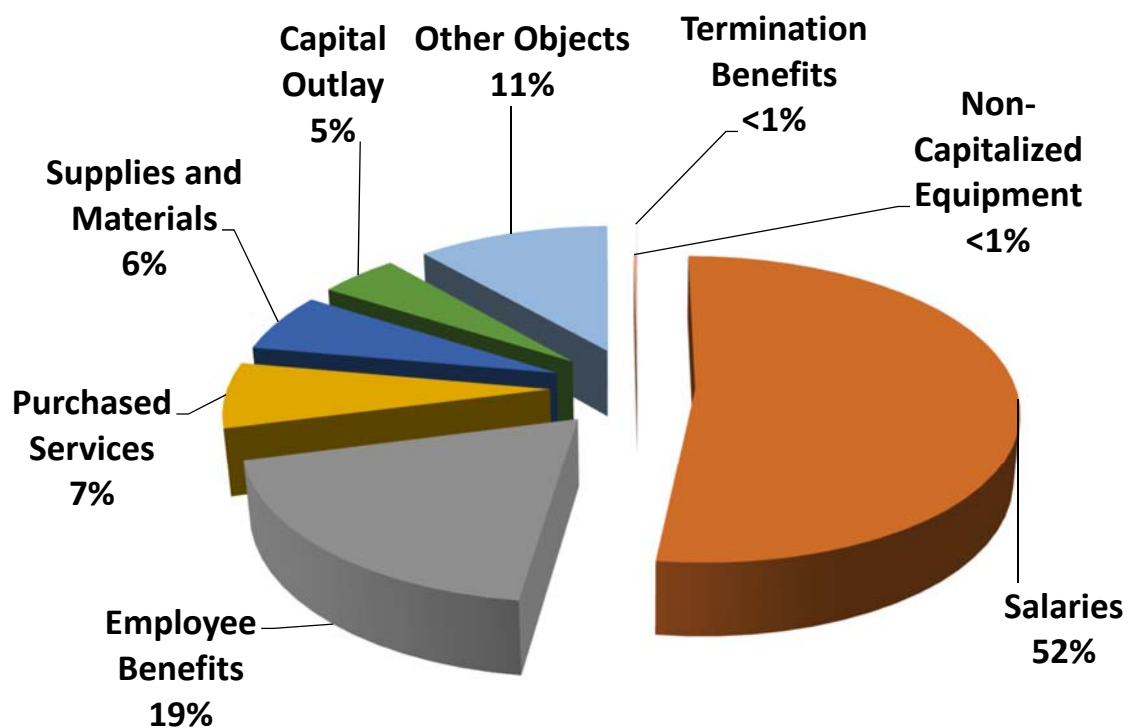




## All Funds

### Expenditures by Object

<b>Expenditures</b>	<b>Budget 2017-18</b>
Salaries	\$ 269,694,946
Employee Benefits	97,715,291
Purchased Services	35,691,576
Supplies and Materials	32,011,602
Capital Outlay	23,948,029
Other Objects	57,866,952
Non-Capitalized Equipment	912,575
Termination Benefits	75,000
<b>Total Expenditures by Object</b>	<b>\$ 517,915,971</b>



## All Funds

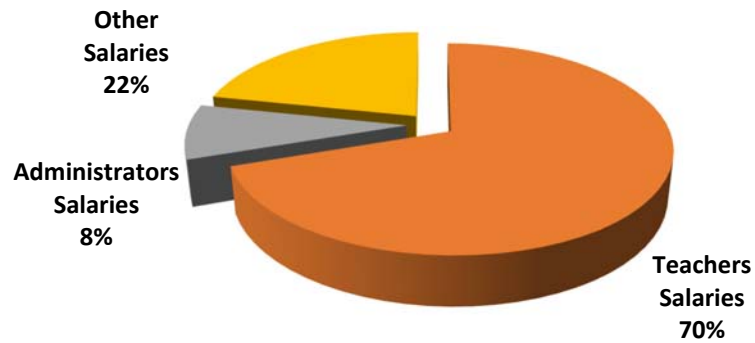
### Expenditures by Object Detail

	Actual 2013-14	Actual 2014-15	Actual 2015-16	Budget 2016-17	Budget 2017-18
<b>Salaries</b>					
Teachers Salaries	\$ 147,127,851	\$ 152,861,047	\$ 158,123,200	\$ 166,160,958	\$ 168,779,630
Administrators Salaries	20,938,589	20,729,104	21,745,698	22,874,161	22,953,200
Technical Salaries	10,917,204	11,201,940	11,757,751	12,502,704	13,121,540
Temporary Salaries	110,877	138,657	153,222	145,661	100,000
Daily Substitute Salaries	4,039,111	4,399,542	4,327,431	4,409,902	4,309,902
Hourly Substitute Salaries	141,435	502,380	478,229	478,283	608,283
Other Hourly Extra Curr Superv	3,873,321	4,209,847	4,616,259	4,383,081	5,390,545
Athletic Extra Curr Superviso	250,791	248,075	241,042	248,278	623,280
Noon Supervision	1,545,262	1,690,237	1,781,881	1,781,818	2,039,636
Stipends	3,691,329	4,206,980	4,214,033	4,294,074	3,679,274
Overtime Time & a Half	914,610	913,300	1,247,217	1,265,543	1,240,861
Overtime Double Time	84,810	47,746	30,790	31,475	49,105
Teachers Aides & Assistants	923,925	1,296,402	1,320,959	1,399,040	1,664,039
Special Education Aides	6,235,528	6,233,196	6,914,956	7,074,108	7,595,586
Bilingual Aides	176,662	295,533	274,898	283,145	313,809
Para Professionals	1,163,746	987,911	1,032,631	1,032,672	1,188,330
Deans Assistants	1,481,596	1,486,415	1,484,795	1,513,570	1,508,842
12-Month Secretaries	4,517,192	4,541,347	4,563,937	4,530,864	4,937,406
10-Month Secretaries	3,619,687	3,556,157	3,492,845	3,555,934	3,565,938
Clerical Aides	440,253	427,037	420,740	430,054	432,153
Liasons	1,402,072	1,404,819	1,411,047	1,680,027	1,485,892
Custodians	3,750,287	3,772,900	3,937,680	3,877,422	4,094,972
Maintenance	1,581,365	1,705,738	1,813,978	1,766,107	1,901,428
Grounds	855,060	934,798	1,038,251	1,016,407	1,086,735
Drivers	11,052,546	11,102,701	11,165,848	11,271,164	11,071,164
Driver Aides	983,509	1,154,606	1,284,761	1,285,371	1,235,371
Mechanics	573,687	601,638	636,400	627,417	677,417
Dispatchers	301,533	311,474	222,158	216,918	216,918
Food Service Tech	4,225,138	3,970,019	3,794,185	3,868,685	3,793,690
Student Helpers	26,129	23,234	29,222	27,914	30,000
<b>Total Salaries</b>	<b>\$ 236,945,104</b>	<b>\$ 244,954,778</b>	<b>\$ 253,556,045</b>	<b>\$ 264,032,755</b>	<b>\$ 269,694,946</b>
<b>Employee Benefits</b>					
Teachers Retirement	\$ 23,481,919	\$ 22,972,670	\$ 25,448,345	\$ 25,092,385	\$ 26,824,685
TRS Early Retirement Contrbtn	1,616,726	808,974	701,317	1,200,000	-
Municipal Retirement	8,270,519	8,174,565	8,497,730	8,756,967	9,219,669
Federal Ins Contr Act	3,663,945	3,773,496	3,938,894	3,965,953	4,109,943
Medicare Contribution	3,239,455	3,338,457	3,480,167	3,402,459	3,629,539
Life Insurance	256,885	354,268	371,146	389,732	350,851
Medical Insurance	44,074,751	46,952,246	44,754,197	49,820,153	50,820,066
Dental Insurance	2,029,607	2,033,244	2,334,875	2,468,911	2,318,949
Disability Insurance	314,479	330,870	382,330	401,581	441,589
<b>Total Employee Benefits</b>	<b>\$ 86,948,286</b>	<b>\$ 88,738,790</b>	<b>\$ 89,909,002</b>	<b>\$ 95,498,141</b>	<b>\$ 97,715,291</b>

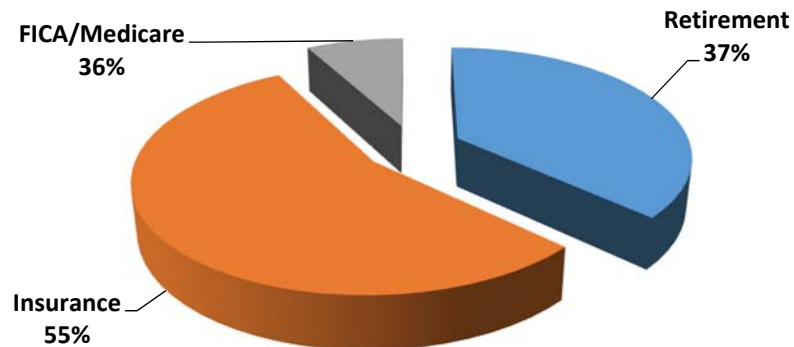
## All Funds

### Expenditures by Object Detail (Continued)

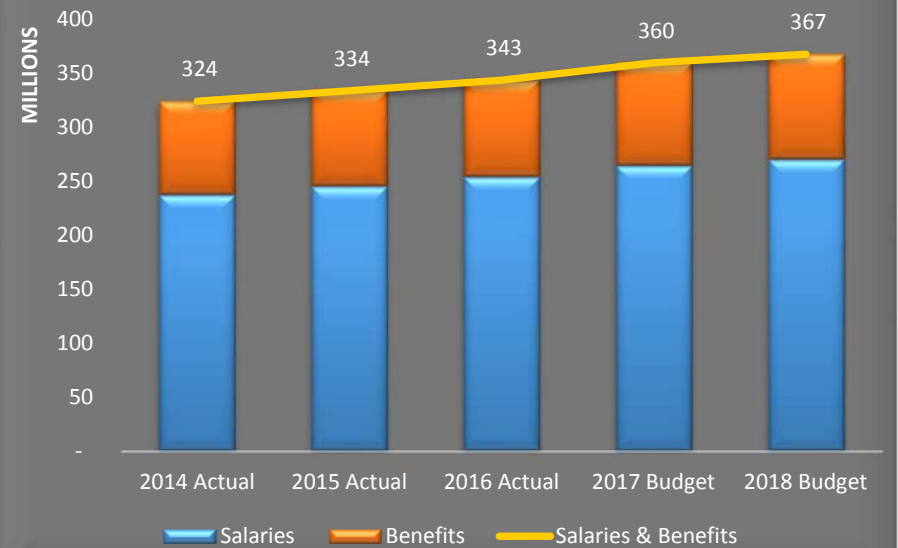
#### Salaries by employee type



#### Benefits paid by District



#### Salaries and Benefits



## All Funds

### Expenditures by Object Detail (Continued)

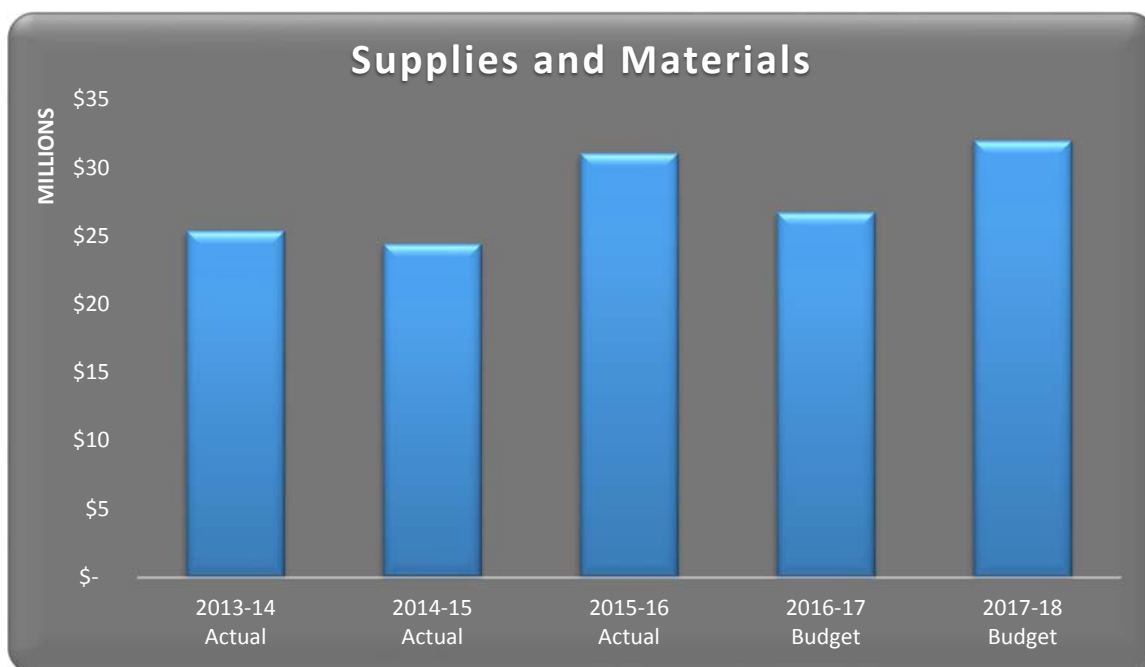
	Actual 2013-14	Actual 2014-15	Actual 2015-16	Budget 2016-17	Budget 2017-18
<b>Purchased Services</b>					
Technical Services	\$ 1,550,855	\$ 1,788,254	\$ 2,188,727	\$ 2,427,500	\$ 2,650,880
Admin Professional Services	1,191,930	640,053	1,275,446	1,652,695	1,017,875
Instructional Professional Ser	1,837,496	1,424,608	1,416,641	1,228,891	1,457,782
Audit/Financial Services	96,290	110,500	101,700	110,000	100,000
Legal Services	3,332,005	537,595	245,342	225,000	350,000
Other Tech & Prof Serv	7,518,829	8,288,735	7,810,292	7,528,730	8,498,948
Superintendent Search	-	-	-	-	-
Sanitation Services	190,981	241,579	311,672	275,000	346,158
Cleaning Services	91,408	76,605	68,154	110,117	102,066
Repairs & Maint Services	5,753,011	6,657,444	6,971,920	6,264,309	6,031,415
Rentals	260,227	176,637	347,642	322,050	276,550
Contract Cleaning	3,438,581	3,453,342	3,488,234	3,550,000	3,615,000
Exterminating	21,946	29,475	30,660	25,000	63,040
Other Property Services	20,195	19,031	19,304	18,500	30,499
Pupil Transportation	2,001,533	2,090,115	2,360,318	2,639,614	2,501,728
Indistrict/Regional Travel	168,390	168,953	152,797	157,674	153,664
Travel Conf/Workshops	605,924	650,090	407,533	497,171	470,368
Out Of District Travel	186,659	184,252	112,050	151,538	191,167
Negotiations Expense	91,243	29,545	4,685	5,000	1,500
Awards and Banquets	28,397	37,804	28,942	44,100	35,000
Communications/Postage	2,611,452	1,723,516	1,193,050	1,610,809	1,665,437
Advertising	27,712	16,064	13,974	29,000	26,000
Printing & Duplicating	199,601	163,080	221,573	272,846	333,331
Binding	24,765	18,762	24,218	38,000	38,000
Copier Service/Repair	735,876	636,830	686,778	524,149	578,404
Copier Lease/Rental	18,402	9,553	8,917	34,408	24,500
Water/Sewer	555,660	543,383	578,516	510,500	546,264
Insurance	480,828	466,602	534,808	555,000	555,000
Workers Compensation	4,142,332	5,291,013	3,240,232	3,685,000	3,685,000
Unemployment Compensation	198,162	176,305	238,760	250,000	250,000
Property Claims/Tort	-	2,000	38,875	50,000	2,000
Liability/Tort Immunity	50,500	139,000	45,500	50,000	50,000
Other Purchased Services	118,273	606,285	51,336	44,500	44,000
<b>Total Purchased Services</b>	<b>\$ 37,549,462</b>	<b>\$ 36,397,010</b>	<b>\$ 34,218,595</b>	<b>\$ 34,887,101</b>	<b>\$ 35,691,576</b>



## All Funds

### Expenditures by Object Detail (Continued)

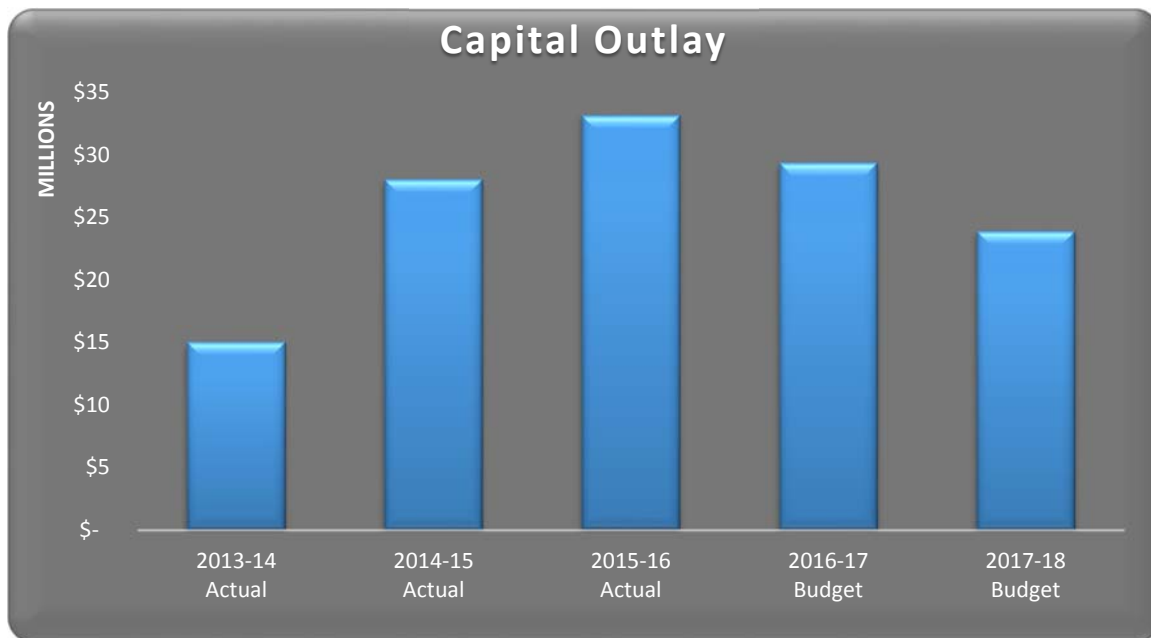
	Actual 2013-14	Actual 2014-15	Actual 2015-16	Budget 2016-17	Budget 2017-18
<b>Supplies and Materials</b>					
Supplies	\$ 7,327,395	\$ 8,364,141	\$ 8,360,267	\$ 8,101,465	\$ 8,548,380
Food Service Food & Supplies	7,410,715	6,477,049	6,210,367	6,555,450	5,817,705
Custodial Supplies	514,125	511,645	500,498	500,000	609,198
Non Cash Food Commodity	-	-	1,032,997	-	1,032,997
Tech Consumables	57,051	60,106	56,775	68,025	66,401
Copier Paper/Supplies	154,160	155,068	185,655	197,874	215,437
AV Supplies	237	253	43	500	500
Support Materials	43,574	28,460	24,732	41,000	14,400
Textbooks	2,576,034	1,897,817	8,711,490	4,500,000	8,300,000
Suppl Instructional Matls	3,526	600	-	29,000	32,000
Computer Accessories	39,160	34,845	26,810	35,296	24,547
Library Materials	40,890	36,425	43,054	36,944	35,051
Suppl Library Matls	2,068	2,384	2,309	2,375	2,375
Periodicals	3,608	2,653	1,457	4,526	3,501
Oil	76,100	72,850	97,062	90,000	88,000
Gasoline	2,378,532	1,812,561	1,250,293	1,610,000	1,740,000
Natural Gas	1,348,778	1,829,124	1,299,164	1,800,000	1,613,110
Electricity	3,422,587	3,135,355	3,274,124	3,170,000	3,850,000
Software	5,000	5,000	-	-	-
Other Supplies	13,920	18,180	18,511	18,000	18,000
<b>Total Supplies and Materials</b>	<b>\$ 25,417,458</b>	<b>\$ 24,444,516</b>	<b>\$ 31,095,608</b>	<b>\$ 26,760,455</b>	<b>\$ 32,011,602</b>



## All Funds

### Expenditures by Object Detail (Continued)

	Actual 2013-14	Actual 2014-15	Actual 2015-16	Budget 2016-17	Budget 2017-18
<b>Capital Outlay</b>					
Buildings	\$ 8,223,012	\$ 14,762,273	\$ 15,233,537	\$ 15,872,476	\$ 14,699,423
Improvements (Non Building)	1,011,376	1,879,380	1,541,870	1,092,000	377,500
Aged & Obsolete Equipment	327,700	272,599	112,695	155,000	206,000
Lease/Purchase Equipment	4,832	2,844	137,228	3,000	3,000
Addl/Repl Equipment	5,322,003	11,176,445	8,625,742	9,953,987	8,662,106
Addl/Repl Transportation Equip	124,224	-	196,656	2,306,440	-
Transp Lease/Purchase Equipment	-	-	7,311,097	-	-
<b>Total Capital Outlay</b>	<b>\$ 15,013,147</b>	<b>\$ 28,093,541</b>	<b>\$ 33,158,825</b>	<b>\$ 29,382,903</b>	<b>\$ 23,948,029</b>



**Capital Outlay** – The majority of the District’s capital outlay is spent on buildings and non-building improvements. These construction projects usually span several months at a time and are typically targeted for the summer months while the schools are staffed to a minimum. Due to the nature of these construction projects and the timing of the fiscal year end, June 30, many of these capital projects are internally planned by calendar year rather than fiscal year. District management assesses the projects and their planned timing and then splits them among the appropriate fiscal year budgets. The table on the next page shows the District’s current projects which depending on the timing will fall in either fiscal year 2017, fiscal year 2018 or split between both. The table identifies the estimated total project cost, project cost budgeted for and the expected source of funding for each project. The District typically has more projects than can be funded so management prioritizes the projects throughout the year to stay within budget.



## 2017-18 Capital Projects Summary

Location	Project Description	Estimated Total Project Cost	Funded with Bond Proceeds	Funded Via Other Sources	Project Cost in FY18 Budget
All Middle Schools	Lockdown Keys Part 2	\$ 750,000	\$ 750,000	\$ -	\$ -
Coleman Elementary	New Bus Drop-Off on Oakhill Road	300,000	300,000	-	210,000
Coleman Elementary	Domestic Water Piping Repair/Replacement	700,000	365,000	335,000	590,500
Horizon	Roof Replacement	1,500,000	1,500,000	-	1,050,000
Illinois Park	Paving Parking Lots, Drives and Playgrounds				
	Repair/Replacement	750,000	750,000	-	525,000
Canton Middle School	Boiler/HVAC Phase 1 and Emergency Generator	2,700,000	2,450,000	250,000	1,965,000
Larsen Middle School	Family and Consumer Science Kitchen Rahab	600,000	600,000	-	420,000
Tefft MS/Dream Academy	Elevator Retrofit	685,700	685,700	-	479,990
Tefft Middle School	Paving Parking Lots and Drives	1,200,000	1,200,000	-	840,000
Elgin High School	Domestic Water Piping Repair/Replacement Part	1,732,000	700,000	1,032,000	1,522,000
Elgin HS/Harriet Gifford	EHS Gym Floor and Bleachers Replacement/HG Floor Only	1,610,000	1,610,000	-	1,127,000
Streamwood High School	Unitvents/Air handlers Repair/Replacement Part	1,200,000	1,200,000	-	840,000
High Schools	Lockdown Keys Part 3 (Design Only)	1,500,000	TBD	TBD	510,000
SHS, LHS, BHS, EHS, SEHS	Auditorium Rigging, Lighting, & Sound (Design	2,500,000	TBD	TBD	850,000
LHS, SEHS, BHS	Library Remodel Design Phase 2 (Design Only)	1,800,000	TBD	TBD	612,000
BHS, SHS, Abbott MS	LED Lightings/Motion Sensor Retrofits (Design	400,000	TBD	TBD	136,000
Centennial Elementary School	HVAC (Design Only)	1,200,000	TBD	TBD	408,000
Illinois Park	HVAC (Design Only)	1,200,000	TBD	TBD	408,000
McKinley	Paving Parking Lots, Drives and Playgrounds (Design Only)	600,000	TBD	TBD	204,000
Nature Ridge	Paving Parking Lots, Drives and Playgrounds (Design Only)	600,000	TBD	TBD	204,000
Abbott MS	Intercom System (Design Only)	200,000	TBD	TBD	68,000
BHS	Pool Dectron Unit (Design Only)	700,000	TBD	TBD	238,000
SEHS	Absorber Repair (Design Only)	1,200,000	TBD	TBD	408,000
Various	Wireless Part 5	1,600,000	TBD	TBD	544,000
District Commissary	Freezer/Refrigerator (Design Only)	1,500,000	TBD	TBD	510,000
		<u>\$ 28,727,700.00</u>	<u>\$ 12,110,700.00</u>	<u>\$ 1,617,000.00</u>	<u>\$ 14,669,490.00</u>



Another important piece of managing the capital outlay expenditures of the District is maintaining and operating mechanically and structurally sound buses efficiently and safely. To address this District management utilizes and maintains an Age and Obsolescence Plan for Bus Replacement.

The Bus Replacement Plan takes the entire existing fleet through an eleven-year cycle for large buses and a ten-year cycle for small buses. Due to the financial restraints of the 2008 economic recession there were no purchases of new buses in 2009, 2010 and 2011 leaving the District 117 buses behind plan. During the 2012 school year, the District was successful in addressing the “catch up” needed and purchase 90 new buses. Through efficiencies and because of newer equipment, the District was able to trade 105 buses against the 90 purchased, leaving a balance of 59 buses beyond their

scheduled replacement cycle. Due to no new bus purchases during the 2014 school year, the District was again addressing the “catch up” needed and 87 buses were purchased in 2015. Ideally, District management will continue to address the “catch up” and return to an annual purchase. This purchase will address the “catch up” needs within the small bus category. If the District is able to purchase buses annually as scheduled it will save the District slightly more than \$1,000 per bus per year in financing costs. This savings assumes similar financing terms as represented in recent bus lease transactions and the \$1,000 per bus per year would be for the life of the lease rather than the life of the bus, e.g. the District may pay financing costs on one bus for three years yet the life of the bus may be ten years; if this bus was purchased outright the savings would be approximately \$3,000. Of the buses the District purchases, a new bus price ranges from \$81,000 to \$94,000.

While the District will be operating some older buses than recommended, all buses on the road will be mechanically and structurally sound. This element will be achieved by carefully reviewing maintenance records. Only the “best” of the buses scheduled for replacement will be retained annually.

All large and small buses are now diesel powered. The large buses are being operated for ten to eleven years. The small buses are being operated for nine to ten years. The District has extended the replacement cycle from seven to a maximum of ten years for the small buses due to them being diesel powered.

The summary of the bus replacement plan and the current bus fleet is outlined on the following schedule. On the schedule the timing of the bus purchases is planned for the summer months, however, based on the nature of these transactions and order lag, the timing of the purchases and trade-ins may fluctuate throughout any given year.

### **Modified Summary of the Bus Replacement Plan / A & O Plan**

Calendar Year	No. of Large Buses		No. of Small Buses		Total No. of Buses	
	Buy	Trade	Buy	Trade	Buy	Trade
2017*	18	(18)	20	(20)	38	(38)
2018	22	(22)	21	(21)	43	(43)
2019	20	(20)	21	(21)	41	(41)
2020	24	(24)	20	(20)	44	(44)
2021	15	(15)	22	(22)	37	(37)
2022	15	(15)	11	(11)	26	(26)
2023	16	(16)	11	(11)	27	(27)
2024	18	(18)	10	(10)	28	(28)
2025	18	(18)	15	(15)	33	(33)
2026	18	(18)	15	(15)	33	(33)

\* No buses were purchased or leased due to uncertainty of state funding.

### **Summary of Current Fleet**

Fiscal Year	No. of Large Buses	No. of Small Buses	Total No. of Buses
	Buses	Buses	Buses
2016	190	164	354
2017	185	169	354
2018	184	166	350

The remaining capital outlay expenditures are significantly made up of equipment purchases, ranging from laptops and other computer related items to grounds and maintenance equipment including various maintenance vehicles. These types of purchases are not currently scheduled on a long-term basis but are identified on a department basis when assessing needs during the annual budget cycle. Depending on the type of funding for construction projects, the projects will be funded from the Operations and Maintenance Fund, Capital Projects Fund and/or Fire Prevention and Safety Fund. Bus and transportation equipment purchases are funded by the Transportation Fund. Grounds and maintenance equipment and maintenance vehicles are funded by the Operations and Maintenance Fund. The Educational Fund will fund any other equipment that does not fall into the funds mentioned above or to cover any short falls of capital outlay needed by any particular fund.

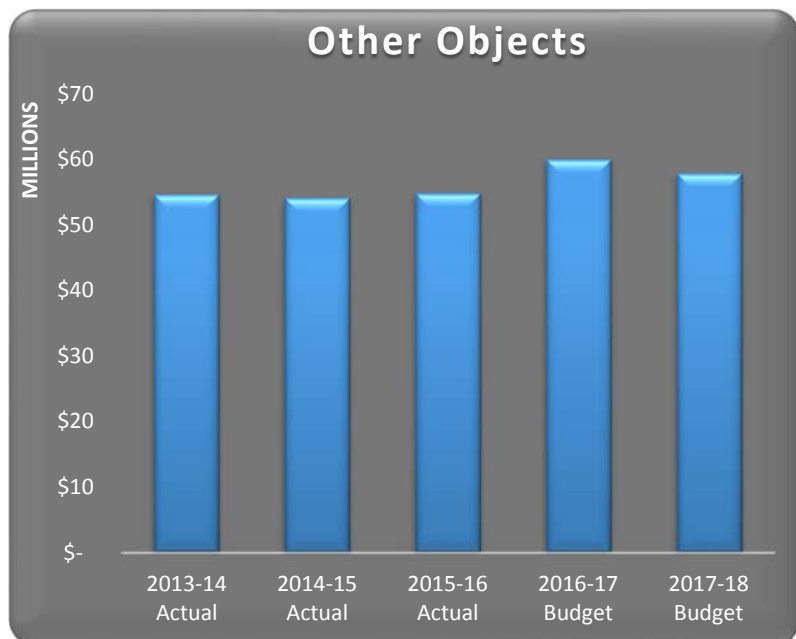
## All Funds

### Expenditures by Object Detail (Continued)

	Actual 2013-14	Actual 2014-15	Actual 2015-16	Budget 2016-17	Budget 2017-18
<b>Other Objects</b>					
Redemption Of Principal - Leases	\$ 2,503,190	\$ 1,747,294	\$ 3,165,774	\$ 2,786,330	\$ 2,745,758
Redemption of Principal - Bonds	27,963,088	27,541,393	19,399,086	19,971,705	21,308,474
Interest - Leases	62,688	90,173	79,933	114,600	77,308
Interest - Bonds	15,485,931	15,597,715	23,230,590	22,671,190	21,317,121
Dues & Fees	235,817	242,332	421,162	341,413	332,491
Tuition	8,405,022	8,892,677	8,531,711	10,020,200	9,580,000
Miscellaneous Objects	4,946	5,851	4,344	6,000	5,800
Contingency	-	-	-	4,000,000	2,500,000
<b>Total Other Objects</b>	<b>\$ 54,660,682</b>	<b>\$ 54,117,436</b>	<b>\$ 54,832,599</b>	<b>\$ 59,911,438</b>	<b>\$ 57,866,952</b>

**Debt Service** – The District's debt service payments include both principal and interest and make up approximately 75 percent of the Other Objects expenditures category. Principal and interest payments on outstanding debt are currently budgeted at \$22,758,035 and \$22,785,790, respectively. The District issued Capital Appreciation Bonds (CABs) in 2001, 2002 and 2003 and has not subsequently issued any CABs. In a general sense, CABs are typically sold at a deep discount and accrete interest over the life of the bond. At maturity the accreted interest and principal are due. With a large portion of accreted interest and principal from past Capital Appreciation Bonds coming due over the next few years the District, in fiscal year 2015, issued refunding bonds in order to smooth out the debt service payments over the next six years. If no new debt is issued or retired the debt service payments will remain around \$45 million per year for the next several years.

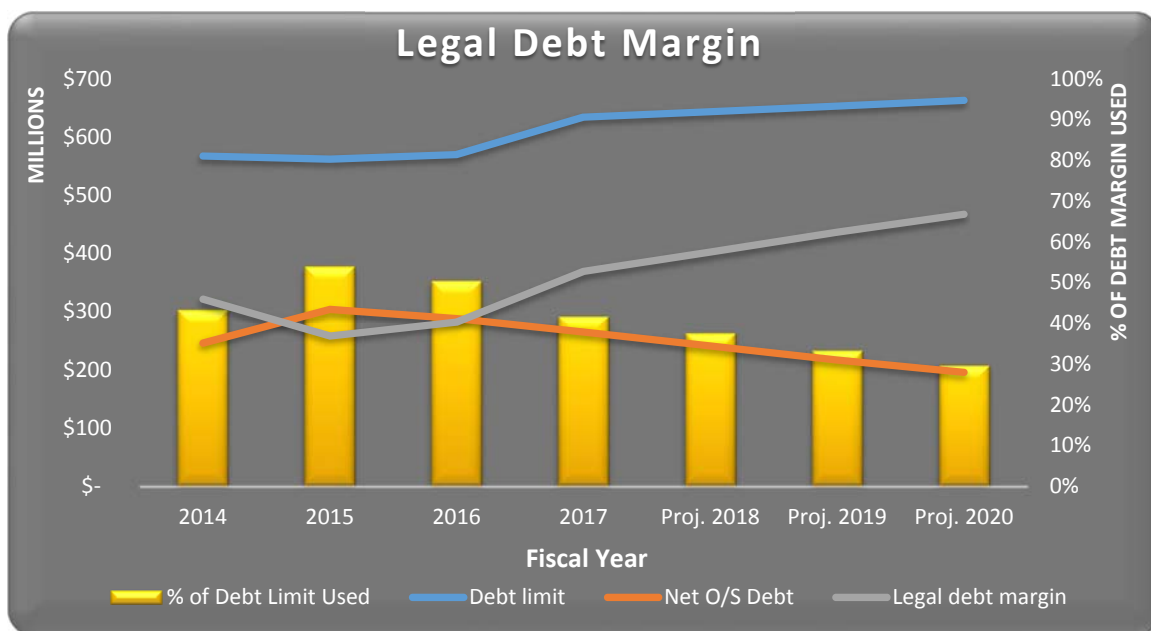
Illinois statutes limit the amount of outstanding debt that can be issued by an issuer which is labeled debt limit and in the District's case it is 13.8% of the Estimated Assessed Valuation (EAV). The reciprocal of the outstanding debt of an issuer is called legal debt margin and, if positive, represents the remaining capacity to issue additional debt. The legal debt margin is significantly influenced by the EAV, as the EAV increases the legal debt margin will increase if all other factors stay the same. The following shows the factors that affect the District's calculation of the legal debt margin.



### Estimated Legal Debt Margin Calculation for Fiscal Year 2017

Assessed Value	4,592,498,346
Debt limit (13.8%) of assessed value	633,764,772
Debt outstanding applicable to the limit:	
General obligation bonds	281,093,662
General obligation debt certificates	2,552,661
Purchase contracts	5,432,854
Total debt outstanding applicable to the limit	289,079,177
Less: Amount set aside for repayment of debt	24,348,088
Total net debt applicable to the limit	264,731,089
Total legal debt margin	369,033,683

Source: Financial Operations

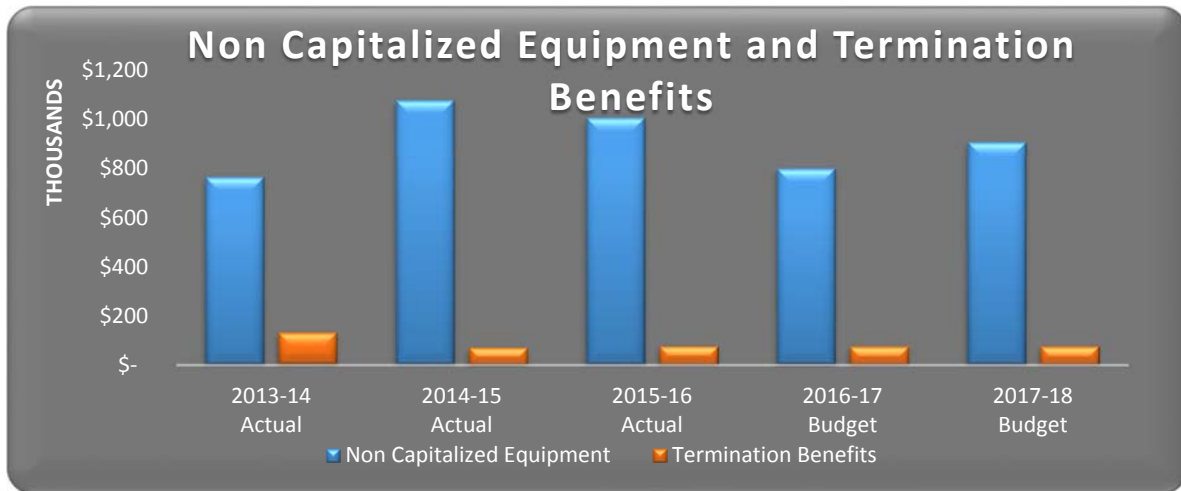


The debt limit is directly tied to the EAV of the District and it will mimic the changes in the EAV year over year. The debt limit is determined by taking 13.8% of the total EAV. As the outstanding debt decreases and the EAV increases the legal debt margin will expand and the percentage of the debt limit used will decrease. The trend over the past several years has been a contraction of the legal debt limit due to a decrease in EAV. That trend has reversed and the EAV is increasing. District management anticipates EAVs will continue to track upward over the next few years and has budgeted for an expansion of the legal debt margin due to increased EAV.

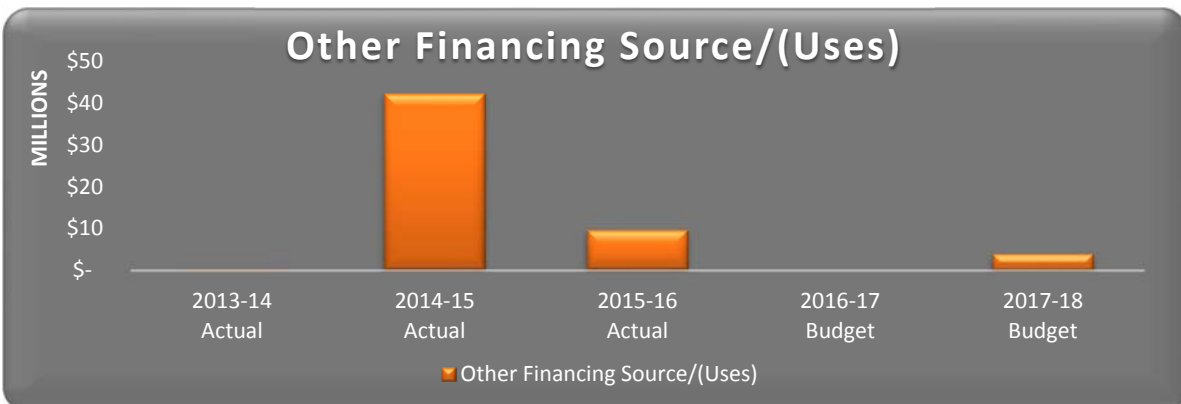
## All Funds

### Expenditures by Object Detail (Continued)

	Actual 2013-14	Actual 2014-15	Actual 2015-16	Budget 2016-17	Budget 2017-18
<b>Non Capitalized Equipment</b>	\$ 769,232	\$ 1,081,872	\$ 1,011,734	\$ 803,370	\$ 912,575
<b>Termination Benefits</b>	\$ 131,803	\$ 70,304	\$ 76,607	\$ 75,000	\$ 75,000



	Actual 2013-14	Actual 2014-15	Actual 2015-16	Budget 2016-17	Budget 2017-18
<b>Other Financing Source/(Uses)</b>					
Proceeds from Bonds Sold	\$ -	\$ 175,900,000	\$ -	\$ -	\$ -
Premium from Bonds Sold	-	25,200,979	-	-	-
Proceeds from Purchase Contracts	-	-	6,653,797	-	-
Proceeds from Sale of Equipment	-	-	664,800	-	-
Transfer to Escrow Agent	-	(158,839,600)	-	-	-
Transfer of Principal to Debt Service	361,247	370,014	413,481	-	-
Transfer of Bond Principal	-	-	2,068,459	-	3,902,326
Transfer of Interest to Debt Service	26,400	17,632	9,159	-	-
<b>Total Other Fin. Sources/(Uses)</b>	<b>\$ 387,647</b>	<b>\$ 42,649,026</b>	<b>\$ 9,809,696</b>	<b>\$ -</b>	<b>\$ 3,902,326</b>





## All Funds

### Budget and Three-Year Forecast Revenues, Expenditures and Change in Fund Balance

	Budget 2017-18	Forecast 2018-19	Forecast 2019-20	Forecast 2020-21
Revenue				
Local Sources	\$ 321,078,587	\$ 324,478,626	\$ 332,756,133	\$ 337,046,248
State Sources	149,733,197	149,106,466	148,503,414	147,924,153
Federal Sources	38,240,793	38,623,201	39,009,433	39,399,527
Total Revenue by Source	\$ 509,052,577	\$ 512,208,293	\$ 520,268,980	\$ 524,369,929
Expenditures				
Salaries	\$ 269,694,946	\$ 275,091,833	\$ 280,596,739	\$ 286,211,829
Employee Benefits	97,715,291	101,273,156	104,980,384	108,843,820
Purchased Services	35,691,576	36,129,823	36,573,753	37,023,445
Supplies and Materials	32,011,602	27,985,709	28,303,111	28,624,251
Capital Outlay	23,948,029	20,281,440	13,766,440	12,331,440
Other Objects	57,866,952	55,503,408	55,598,251	52,992,427
Non-Capitalized Equipment	912,575	921,701	930,918	940,227
Termination Benefits	75,000	75,750	76,508	77,273
Total Expenditures by Object	\$ 517,915,971	\$ 517,262,819	\$ 520,826,105	\$ 527,044,712
Net Change in Fund Balance	(8,863,394)	(5,054,526)	(557,125)	(2,674,784)
Fund Balance at Beginning of Year	236,904,980	228,041,586	222,987,060	222,429,935
Fund Balance at End of Year	\$ 228,041,586	\$ 222,987,060	\$ 222,429,935	\$ 219,755,152

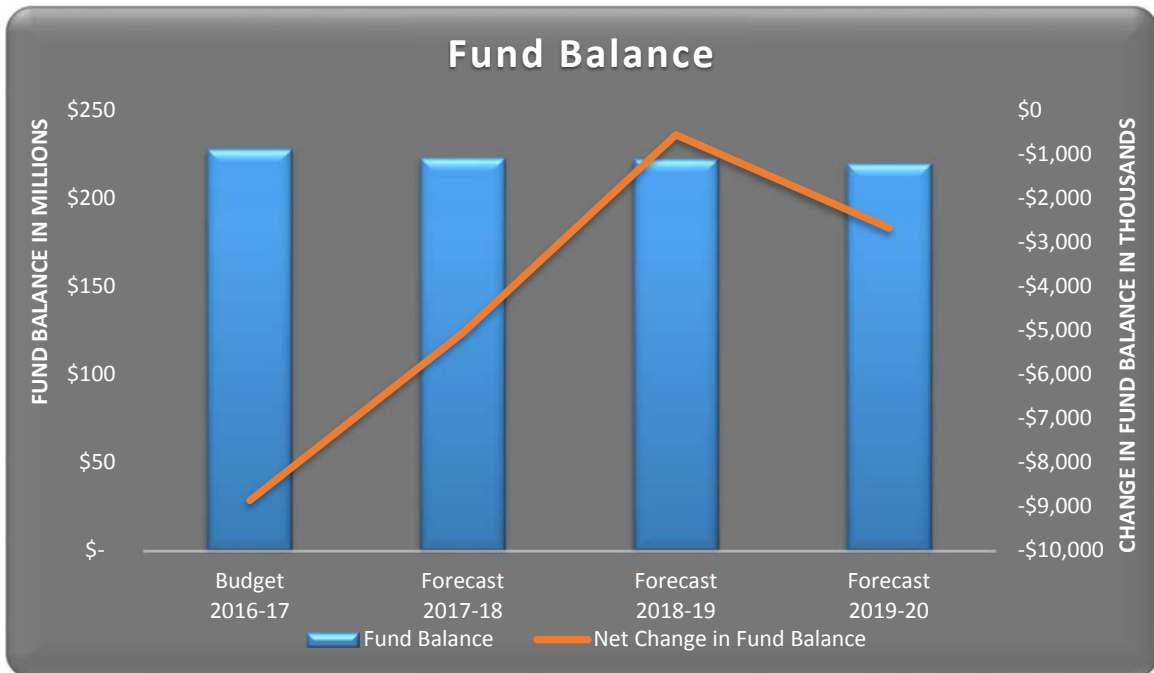
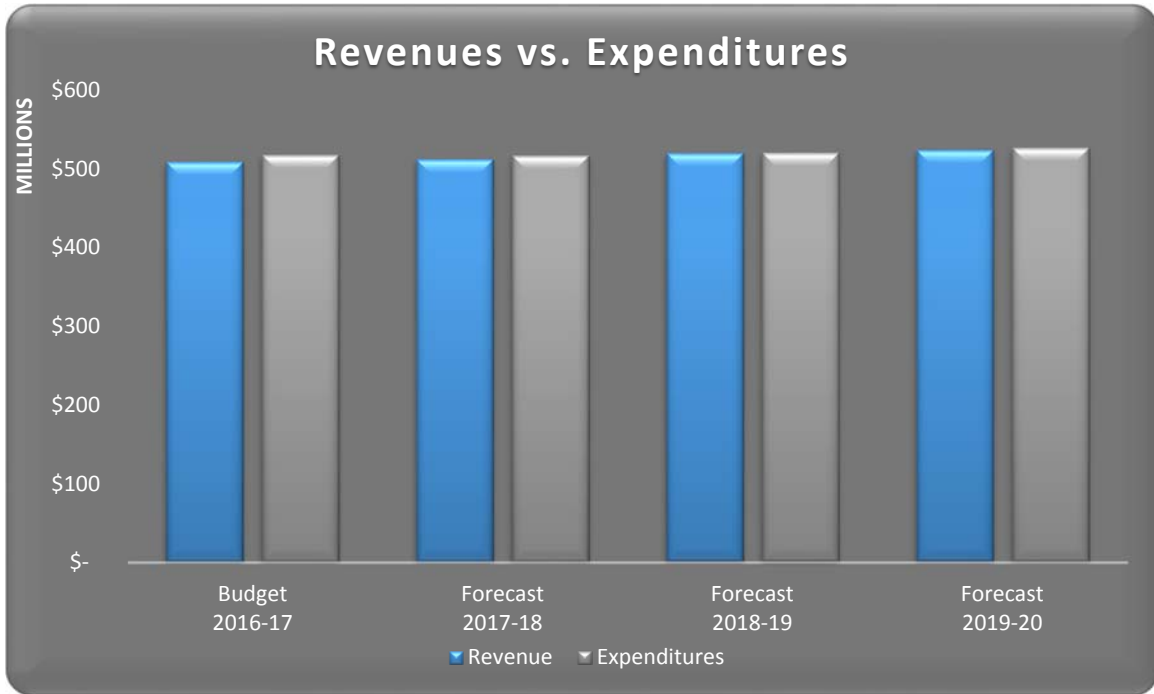
### Projected Fund Balance Classifications

	Budget 2017-18	Forecast 2018-19	Forecast 2019-20	Forecast 2020-21
Nonspendable	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
Restricted				
Operations and Maint.	6,552,067	10,127,469	7,969,751	5,870,264
Debt Service	24,348,088	24,175,428	24,154,763	23,996,465
Municipal Ret./Soc. Sec.	1,403,886	1,248,511	928,978	438,780
Capital Projects Fund	3,044,239	3,019,239	2,984,239	2,934,239
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	191,693,306	183,416,413	185,392,204	185,515,402
Total Fund Balance	\$ 228,041,586	\$ 222,987,060	\$ 222,429,935	\$ 219,755,152

Note: See Fund Structure information under the Organizational Section for additional fund balance classification explanations.

## All Funds

### Budget and Three-Year Forecast Revenues, Expenditures and Change in Fund Balance (Continued)



# All Operating Funds

The combined Operating Funds is not a separate budget but is a combination of the Educational Fund, the Transportation Fund, and the Operations and Maintenance Fund. This combination of funds makes up the Operating Fund of the District. This concept of the combined Operating Funds is also used by the Illinois State Board of Education (ISBE) for financial analysis purposes.

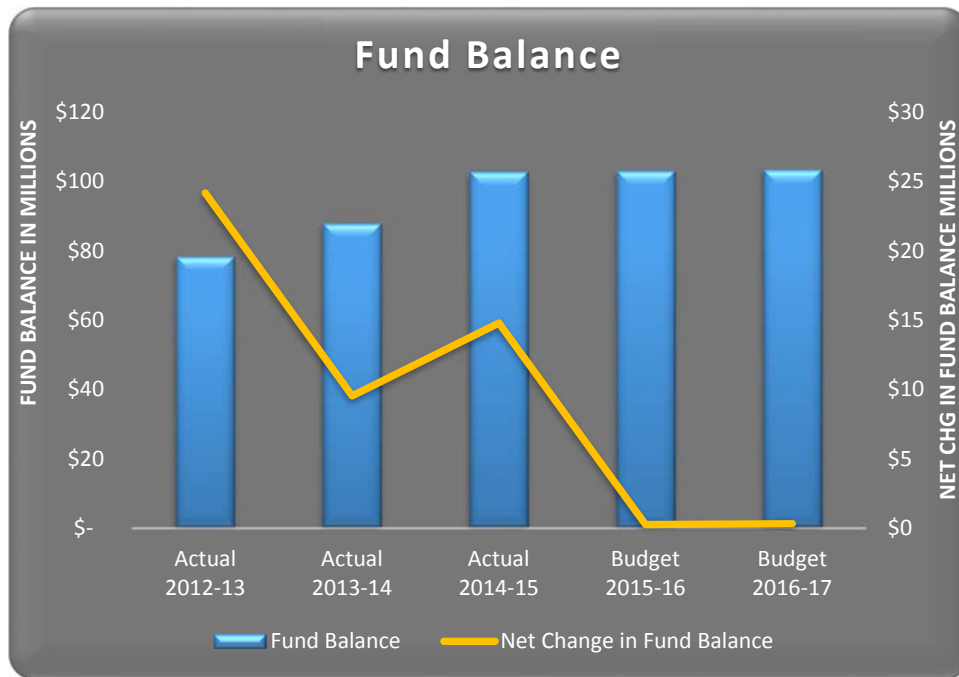
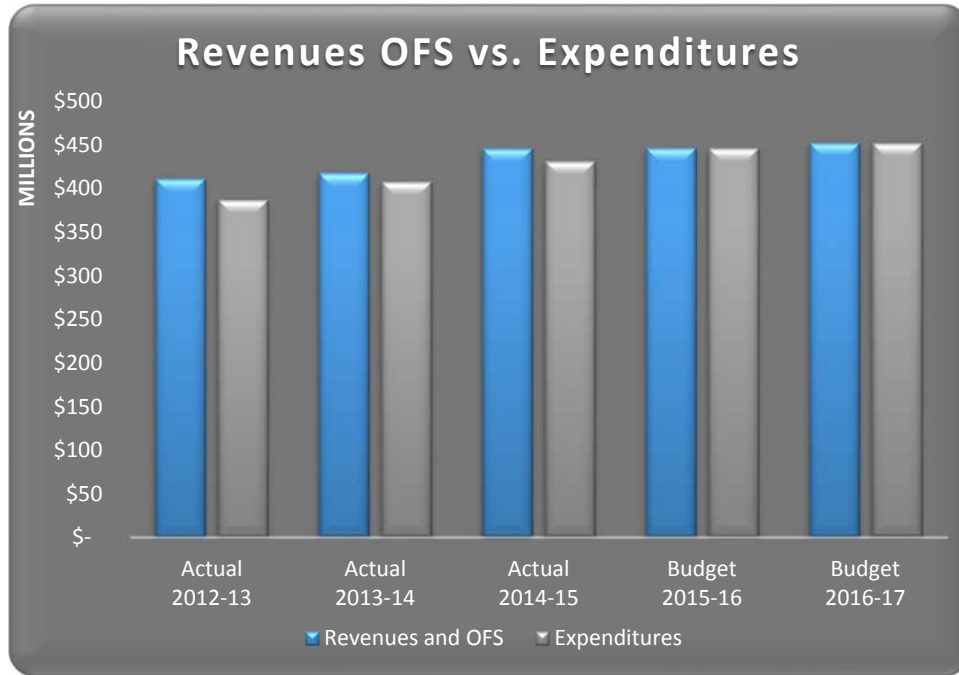
## All Operating Funds Revenues, Expenditures and Changes in Fund Balance

### Revenue by Source Expenditures by Object

	Actual 2013-14	Actual 2014-15	Actual 2015-16	Budget 2016-17	Budget 2017-18
Revenue					
Local Sources	\$ 244,848,176	\$ 239,809,995	\$ 246,029,053	\$ 245,882,216	\$ 255,234,508
State Sources	126,820,144	136,586,987	144,808,263	158,126,457	149,733,197
Federal Sources	34,412,640	34,596,302	39,907,564	37,207,796	38,240,793
Total Revenue by Source	\$ 406,080,960	\$ 410,993,284	\$ 430,744,880	\$ 441,216,469	\$ 443,208,498
Expenditures					
Salaries	\$ 236,586,607	\$ 244,587,634	\$ 253,174,099	\$ 263,647,207	\$ 269,296,580
Employee Benefits	72,984,699	74,585,529	75,115,145	80,514,912	81,897,651
Purchased Services	28,505,889	26,879,273	28,804,479	29,231,265	29,731,013
Supplies and Materials	25,417,458	24,444,515	31,095,608	26,760,455	32,011,602
Capital Outlay	12,050,420	25,769,766	29,669,541	27,432,903	22,394,529
Other Objects	10,824,015	10,590,681	11,780,282	17,268,543	15,241,357
Non-Capitalized Equipment	769,232	1,081,872	1,011,734	803,370	912,575
Termination Benefits	131,803	70,304	76,607	75,000	75,000
Total Expenditures by Object	\$ 387,270,124	\$ 408,009,574	\$ 430,727,496	\$ 445,733,655	\$ 451,560,307
Excess (Deficiency) of Revenues Over (Under) Expenditures	18,810,836	2,983,710	17,384	(4,517,186)	(8,351,809)
Other Financing Sources	\$ 5,342,135	\$ 6,541,930	\$ 14,762,582	\$ 4,758,135	\$ 8,657,109
Net Change in Fund Balance	24,152,971	9,525,640	14,779,966	240,949	305,300
Fund Balance at Beg. of Year	54,252,894	78,405,865	87,931,505	102,711,471	102,952,420
Fund Balance at End of Year	\$ 78,405,865	\$ 87,931,505	\$ 102,711,471	\$ 102,952,420	\$ 103,257,720

Note: Revenue, expenditures and fund balance discussed in the funds individually that make up the District operating funds. The All Operating Funds group is a consolidation of the educational, operations and maintenance and transportation funds displayed later in this section.

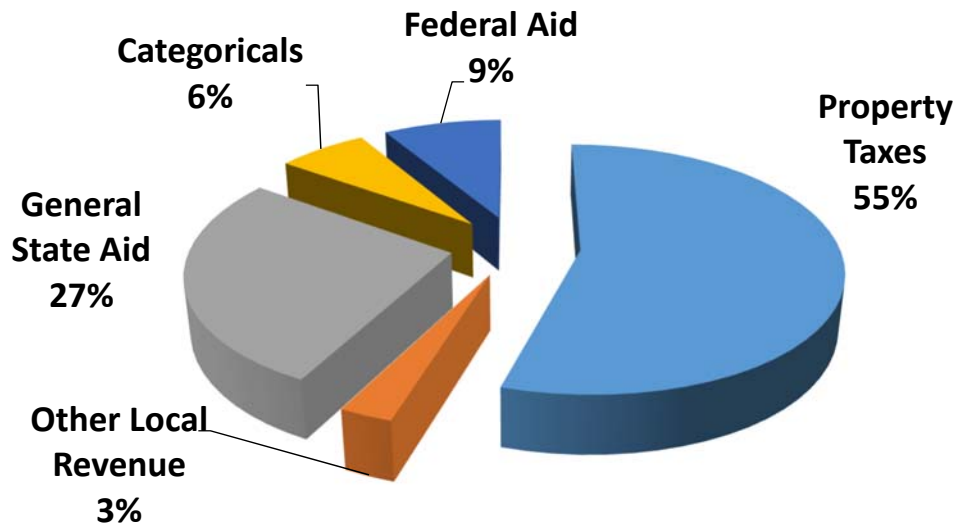
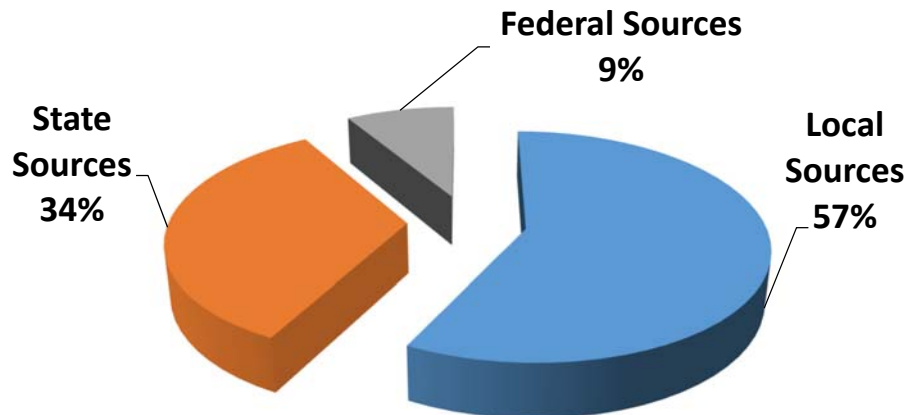
## All Operating Funds Revenues, Expenditures and Changes in Fund Balance (Continued)



## All Operating Funds

### Revenue by Source

Revenue	Budget 2017-18
Local Sources	
Property Taxes	\$ 242,800,898
Other Local Revenue	12,433,610
Total Local Sources	<u>255,234,508</u>
State Sources	
General State Aid	120,713,168
Categoricals	29,020,029
Total State Sources	<u>149,733,197</u>
Federal Sources	<u>38,240,793</u>
<b>Total Revenue</b>	<u><u>\$ 443,208,498</u></u>

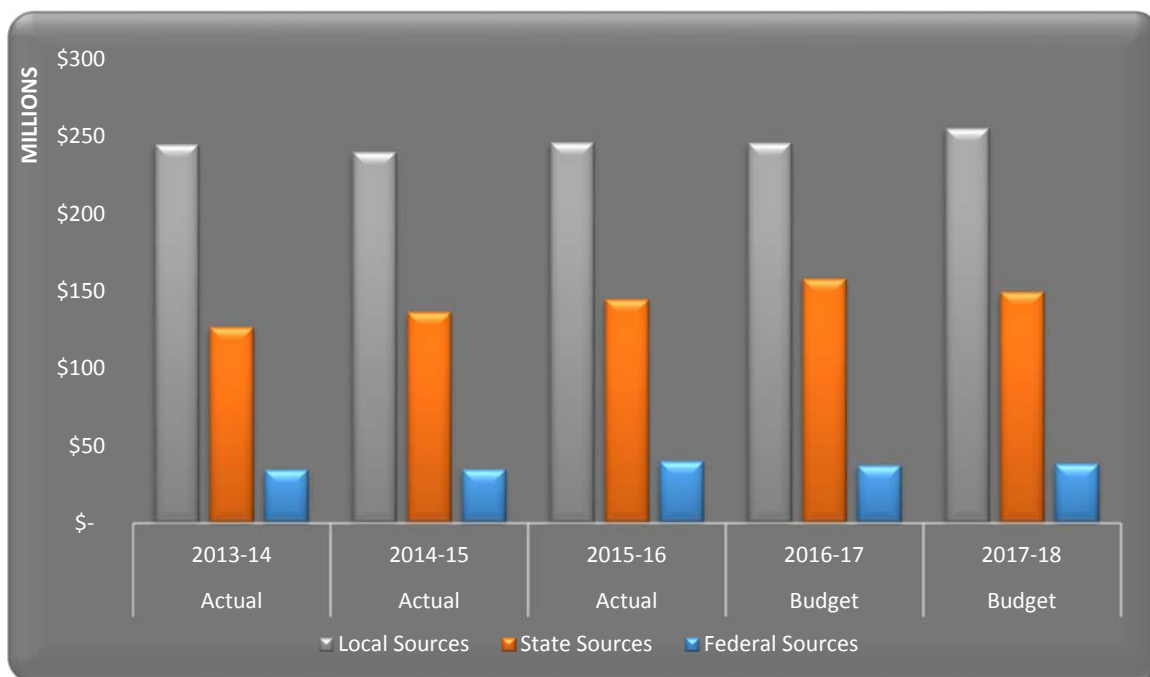




## All Operating Funds

### Revenue by Source

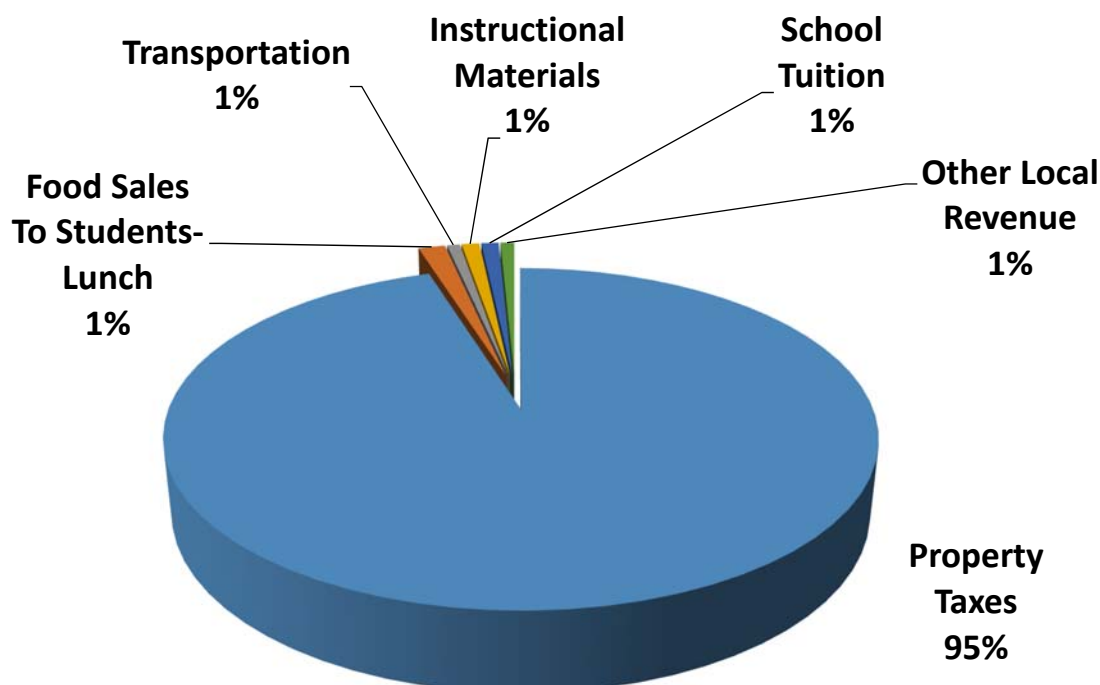
	Actual 2013-14	Actual 2014-15	Actual 2015-16	Budget 2016-17	Budget 2017-18
Local Sources	\$ 244,848,176	\$ 239,809,995	\$ 246,029,053	\$ 245,882,216	\$ 255,234,508
State Sources	126,820,145	136,586,987	144,808,263	158,126,456	149,733,197
Federal Sources	34,412,640	34,596,302	39,907,564	37,207,796	38,240,793
<b>Total Revenues by Source</b>	<b>\$ 406,080,961</b>	<b>\$ 410,993,284</b>	<b>\$ 430,744,880</b>	<b>\$ 441,216,468</b>	<b>\$ 443,208,498</b>



## All Operating Funds

### Revenue by Source Detail

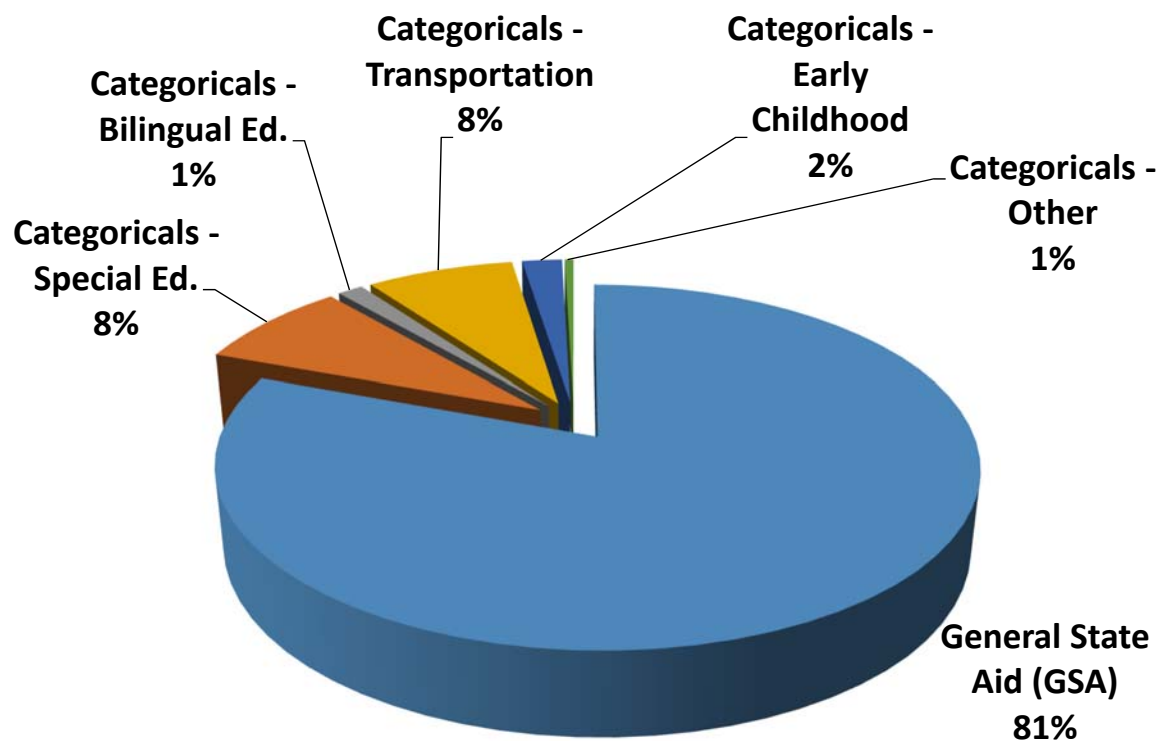
	Actual 2013-14	Actual 2014-15	Actual 2015-16	Budget 2016-17	Budget 2017-18
<b>Local Sources</b>					
Property Taxes	\$ 231,469,105	\$ 227,476,384	\$ 233,534,329	\$ 234,385,116	\$ 242,800,898
Mobile Home Privilege Tax	-	-	24,069	11,000	11,000
Village of Hoffman Estates - TIF	44,712	69,904	67,099	40,000	40,000
School Tuition	2,433,398	2,739,405	2,736,373	2,390,000	2,436,000
Fees-Bus Trips-Cocurricular	1,654,325	1,455,864	1,690,449	1,400,000	1,400,000
Interest on Investments	4,155	2,418	1,372	3,600	7,200
Food Sales To Students-Lunch	3,837,841	3,278,823	3,734,037	3,750,000	3,750,000
Pupil Activities	311,461	280,535	295,851	225,000	225,000
Receivable Fees	(53,581)	343,396	493,905	400,000	400,000
Instr Matls-Student Program	2,870,463	2,019,999	2,418,212	2,300,000	2,500,000
Other Local Revenue	2,127,690	2,082,961	972,365	977,500	1,634,410
UIC Mini Grant	33,333	-	-	-	-
School Partners in City Grant	650	300	12,450	-	-
TMA	-	12,500	-	-	-
Mototola Nat. Alliance Partner.	10,320	-	-	-	-
Hanover Township Grant	648	-	-	-	-
Wisdom Foundation	7,210	-	4,910	-	-
Brighter Futures	-	17,515	-	-	-
James Patterson Partnership Gr	-	-	3,000	-	-
Joyce Foundation	-	-	10,000	-	-
Bartlett Volunteer Fire	-	-	9,000	-	-
Midwest Dairy Association Grant	-	-	3,900	-	-
Breakfast in the Classroom	74,273	-	-	-	-
U46 Educational Foundation	22,175	15,000	16,358	-	30,000
Kane County Health Dept	-	9,990	1,375	-	-
Kane County Fit for Kids	-	5,000	-	-	-
<b>Total Local Sources</b>	<b>\$ 244,848,176</b>	<b>\$ 239,809,995</b>	<b>\$ 246,029,053</b>	<b>\$ 245,882,216</b>	<b>\$ 255,234,508</b>



## All Operating Funds

### Revenue by Source Detail (Continued)

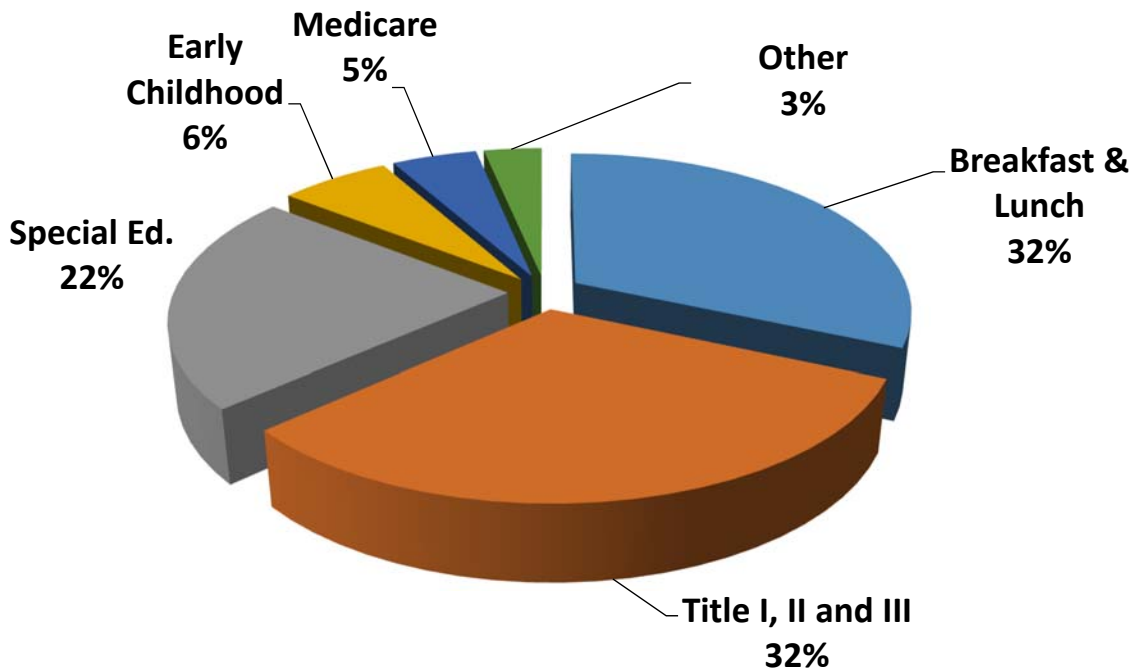
	Actual 2013-14	Actual 2014-15	Actual 2015-16	Budget 2016-17	Budget 2017-18
<b>State Sources</b>					
General State Aid	\$ 88,881,250	\$ 96,253,459	\$ 113,739,830	\$ 119,433,083	\$ 120,713,168
Special Ed - Private Facility	2,750,817	3,482,700	2,822,899	3,750,467	2,812,850
Special Ed - Extraordinary	5,289,844	5,174,892	3,946,226	5,261,635	3,946,226
Special Ed - Personnel	5,825,843	5,847,649	4,465,152	5,927,642	4,445,732
Special Ed - Orphanage Individ	2,293,707	1,229,686	943,433	922,265	691,699
Special Ed - Orphanage Summer	263,141	185,934	103,353	103,353	77,515
Special Ed - Summer School	52,351	60,453	90,744	90,744	68,058
Transportation - Regular	6,368,509	7,607,643	6,326,635	8,344,911	6,258,683
Transportation - Special Educa	6,423,203	6,822,143	4,950,754	6,725,770	5,044,327
Voc Ed Program Improve Grant	350,026	434,276	279,606	482,366	361,775
Bilingual Ed - Downstate - T.P	3,697,408	3,004,004	3,302,003	2,616,983	1,962,737
State Free & Lunch Breakfast	234,425	126,110	103,151	42,688	32,016
Driver Education	168,798	184,369	193,760	193,760	145,320
National Board Certification I	10,500	16,500	-	-	-
Safe Schools Grant (ROE)	105,530	81,362	100,029	94,500	70,875
Early Childhood - Pre K	3,560,202	3,474,401	2,934,034	3,734,227	2,800,670
Early Childhd - Proj Prepares	296,121	295,939	265,364	337,733	253,300
State Library Grant	29,234	29,071	0	23,585	17,689
Back to Books Grant	5,000	(5,000)	-	-	-
Illinois Arts Council Grant	-	-	17,840	-	-
Illinois Dept of Public Health	6,545	-	-	-	-
Family Literacy	2,439	3,677	(176)	-	-
Orphanage Tuition - 18-3	47,873	17,858	(7,199)	40,743	30,557
Safe Schools Grant	-	-	34,167	-	-
Other Revenue from State Source	157,381	2,259,862	196,656	-	-
<b>Total State Sources</b>	<b>\$ 126,820,145</b>	<b>\$ 136,586,987</b>	<b>\$ 144,808,263</b>	<b>\$ 158,126,456</b>	<b>\$ 149,733,197</b>



## All Operating Funds

### Revenue by Source Detail (Continued)

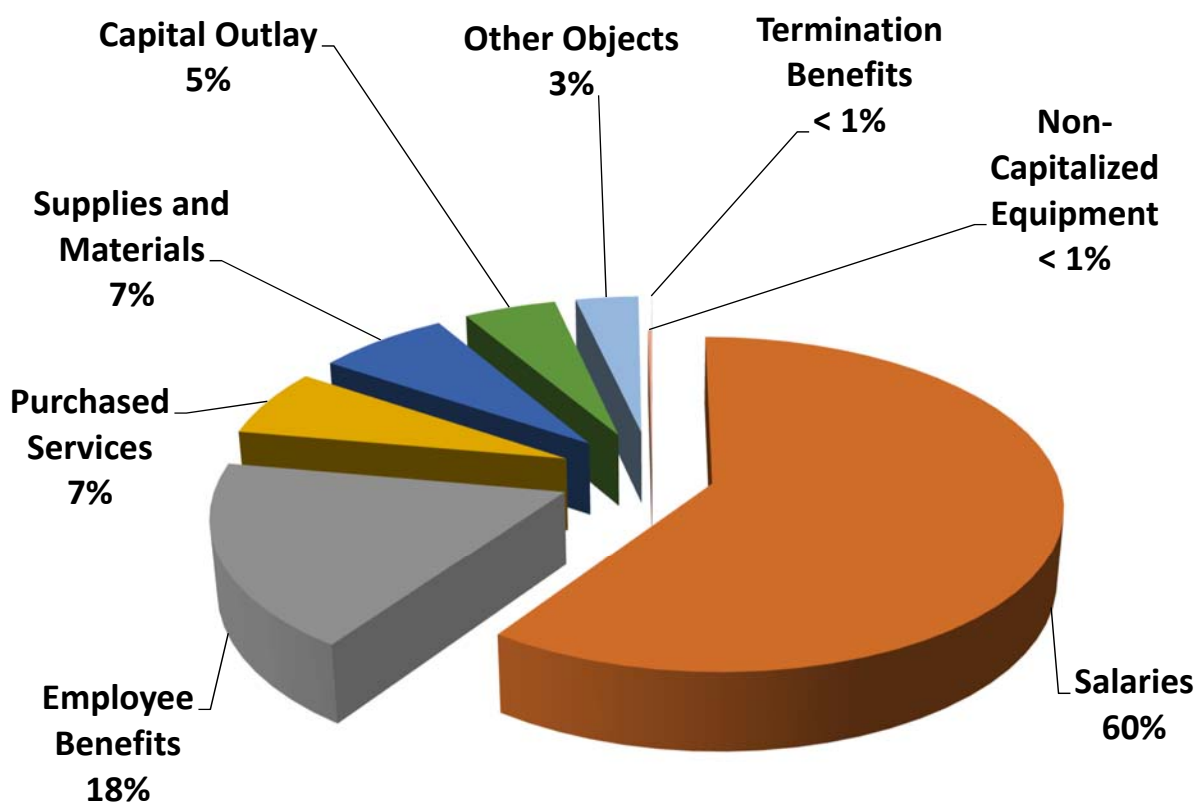
	Actual 2013-14	Actual 2014-15	Actual 2015-16	Budget 2016-17	Budget 2017-18
<b>Federal Sources</b>					
National School Lunch Program	\$ 9,426,124	\$ 9,487,942	\$ 9,099,385	\$ 9,000,000	\$ 9,000,000
School Breakfast Program	2,955,539	2,324,614	2,305,294	2,000,000	2,000,000
NSLP - Equipment	-	-	34,280	-	-
Non Cash Food Commodity	-	-	1,032,997	-	1,032,997
Title I - Low Income	8,739,582	8,041,987	11,135,192	9,956,930	9,956,930
21st Century Comm Learning	850,412	451,869	636,538	516,786	516,786
Fed - Sp Ed - Pre-school Flow	152,633	149,349	194,225	172,325	172,325
Fed - Sp Ed - IDEA Flow Through	7,372,799	7,778,813	8,203,865	7,827,463	7,827,463
Rm & Brd PL 94-142 Sp Ed	293,323	440,857	746,922	450,000	450,000
Voc Ed Perkins Title IIc	393,221	358,537	390,728	412,860	412,860
MIHOPE	-	7,000	-	-	-
Early Childhood Expansion Grant	-	-	1,935,115	2,395,800	2,395,800
Project READI	-	2,162	-	-	-
Emergency Immigrant Assistance	-	25,604	-	63,204	63,204
Title III Lang Inst Prog Lim Eng	1,050,689	1,368,691	939,254	1,324,193	1,324,193
Title II - Teacher Quality	1,212,859	741,720	814,242	841,912	841,912
Dept Of Rehab Services	101,774	113,582	101,211	261,323	261,323
MIECHVP	166,198	165,316	124,236	135,000	135,000
COPS Grant	118,384	82,500	-	-	-
Medicaid fee for Service	844,656	1,928,530	1,224,745	850,000	850,000
Administrative Outreach	734,447	1,127,230	989,334	1,000,000	1,000,000
<b>Total Federal Sources</b>	<b>\$ 34,412,640</b>	<b>\$ 34,596,302</b>	<b>\$ 39,907,564</b>	<b>\$ 37,207,796</b>	<b>\$ 38,240,793</b>



## All Operating Funds

### Expenditures by Object

Expenditures	Budget 2017-18
Salaries	\$ 269,296,580
Employee Benefits	81,897,651
Purchased Services	29,731,013
Supplies and Materials	32,011,602
Capital Outlay	22,394,529
Other Objects	15,241,357
Non-Capitalized Equipment	912,575
Termination Benefits	75,000
<b>Total Expenditures by Object</b>	<b>\$ 451,560,307</b>



## All Operating Funds

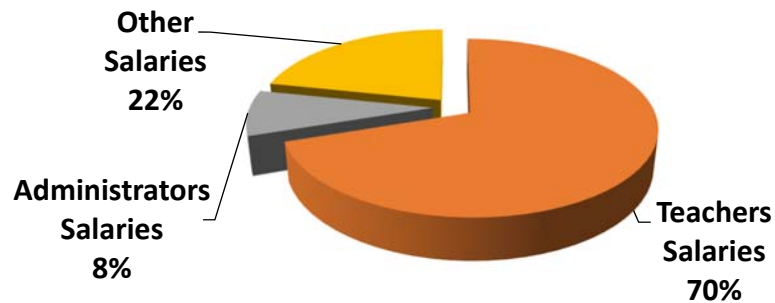
### Expenditures by Object Detail

	Actual 2013-14	Actual 2014-15	Actual 2015-16	Budget 2016-17	Budget 2017-18
<b>Salaries</b>					
Teachers Salaries	\$ 147,127,851	\$ 152,861,047	\$ 158,123,200	\$ 166,160,958	\$ 168,779,630
Administrators Salaries	20,670,729	20,455,101	21,460,056	22,587,047	22,658,191
Technical Salaries	10,917,204	11,201,940	11,757,751	12,502,704	13,121,540
Temporary Salaries	110,877	138,657	153,222	145,661	100,000
Daily Substitute Salaries	4,039,111	4,399,542	4,327,431	4,409,902	4,309,902
Hourly Substitute Salaries	141,435	502,380	478,229	478,283	608,283
Other Hourly Extra Curr Superv	3,872,233	4,209,847	4,616,259	4,383,081	5,390,545
Athletic Extra Curr Supervisio	250,791	248,075	241,042	248,278	623,280
Noon Supervision	1,545,262	1,690,237	1,781,881	1,781,818	2,039,636
Stipends	3,691,329	4,206,980	4,214,033	4,294,074	3,679,274
Overtime Time & a Half	914,610	913,300	1,247,217	1,265,543	1,240,861
Overtime Double Time	84,810	47,746	30,790	31,475	49,105
Teachers Aides & Assistants	923,925	1,296,402	1,320,959	1,399,040	1,664,039
Special Education Aides	6,235,528	6,233,196	6,914,956	7,074,108	7,595,586
Bilingual Aides	176,662	295,533	274,898	283,145	313,809
Para Professionals	1,163,746	987,911	1,032,631	1,032,672	1,188,330
Deans Assistants	1,481,596	1,486,415	1,484,795	1,513,570	1,508,842
12-Month Secretaries	4,427,643	4,448,206	4,467,634	4,432,429	4,834,049
10-Month Secretaries	3,619,687	3,556,157	3,492,845	3,555,934	3,565,938
Clerical Aides	440,253	427,037	420,740	430,054	432,153
Liasons	1,402,072	1,404,819	1,411,047	1,680,027	1,485,892
Custodians	3,750,287	3,772,900	3,937,680	3,877,422	4,094,972
Maintenance	1,581,365	1,705,738	1,813,978	1,766,107	1,901,428
Grounds	855,060	934,798	1,038,251	1,016,407	1,086,735
Drivers	11,052,546	11,102,701	11,165,848	11,271,164	11,071,164
Driver Aides	983,509	1,154,606	1,284,761	1,285,371	1,235,371
Mechanics	573,687	601,638	636,400	627,417	677,417
Dispatchers	301,533	311,474	222,158	216,918	216,918
Food Service Tech	4,225,138	3,970,019	3,794,185	3,868,685	3,793,690
Student Helpers	26,129	23,234	29,222	27,914	30,000
<b>Total Salaries</b>	<b>\$ 236,586,608</b>	<b>\$ 244,587,634</b>	<b>\$ 253,174,099</b>	<b>\$ 263,647,207</b>	<b>\$ 269,296,580</b>
<b>Employee Benefits</b>					
Teachers Retirement	\$ 23,481,919	\$ 22,972,670	\$ 25,448,345	\$ 25,092,385	\$ 26,824,685
TRS Early Retirement Contrbtn	1,616,726	808,974	701,317	1,200,000	-
Life Insurance	254,161	354,056	370,924	389,470	350,615
Medical Insurance	44,048,444	46,929,384	44,731,037	49,793,532	50,792,780
Dental Insurance	2,027,983	2,031,821	2,333,183	2,467,115	2,317,153
Disability Insurance	314,127	330,671	382,101	401,206	441,214
IMRF/SS/Medicare Allocation	1,241,338	1,157,953	1,148,239	1,171,204	1,171,204
<b>Total Benefits</b>	<b>\$ 72,984,699</b>	<b>\$ 74,585,529</b>	<b>\$ 75,115,146</b>	<b>\$ 80,514,912</b>	<b>\$ 81,897,651</b>

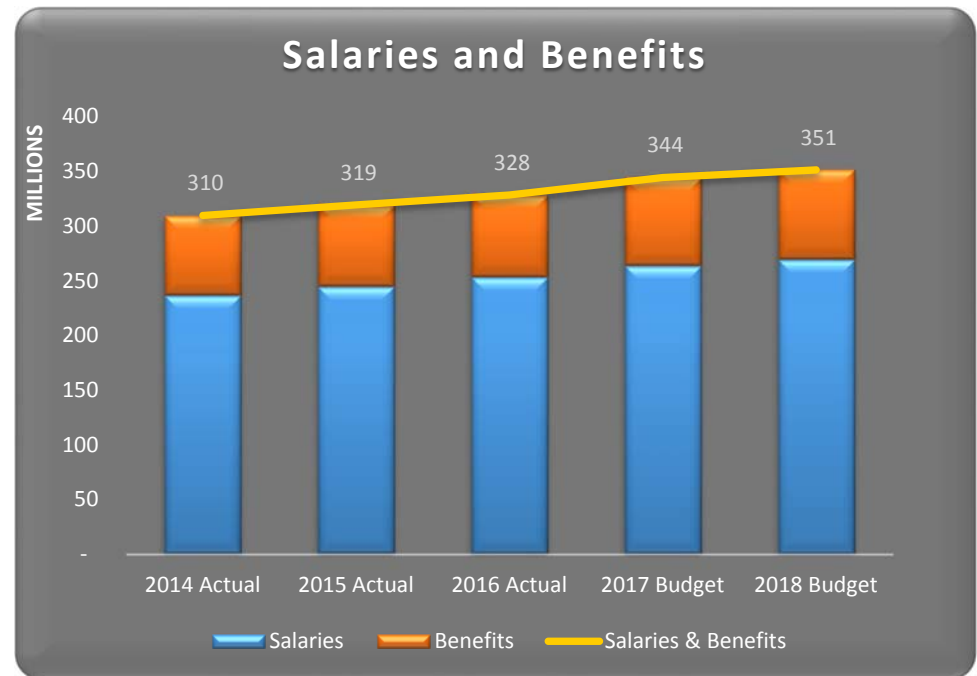
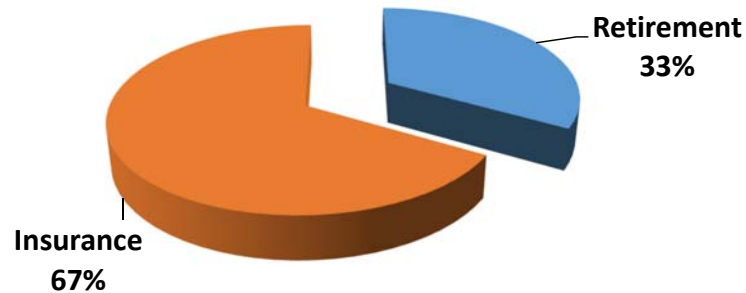


## All Operating Funds Expenditures by Object Detail (Continued)

### Salaries by employee type



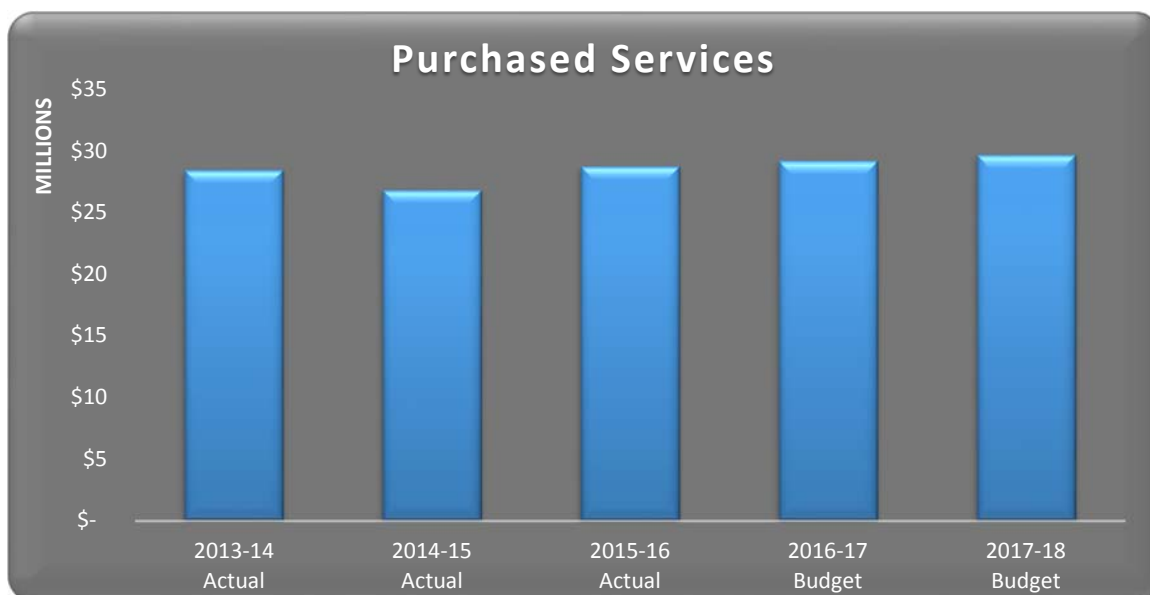
### Benefits paid by District



## All Operating Funds

### Expenditures by Object Detail (Continued)

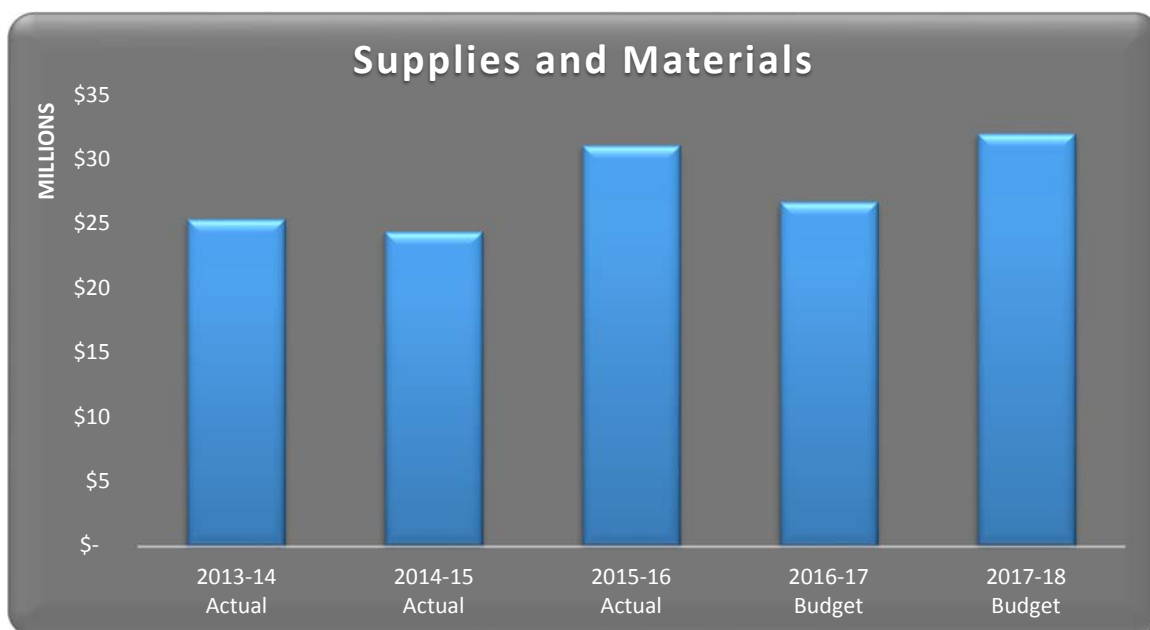
	Actual 2013-14	Actual 2014-15	Actual 2015-16	Budget 2016-17	Budget 2017-18
<b>Purchased Services</b>					
Technical Services	\$ 1,113,614	\$ 1,583,392	\$ 1,798,648	\$ 2,272,500	\$ 2,407,380
Admin Professional Services	1,191,930	640,053	1,275,446	1,652,695	1,017,875
Instructional Professional Ser	1,837,496	1,424,608	1,416,641	1,228,891	1,457,782
Audit/Financial Services	96,290	110,500	101,700	110,000	100,000
Legal Services	286,827	232,579	94,260	125,000	100,000
Other Tech & Prof Serv	6,540,726	5,658,492	6,836,208	6,517,894	7,374,885
Sanitation Services	190,981	241,579	311,672	275,000	346,158
Cleaning Services	91,408	76,605	68,154	110,117	102,066
Repairs & Maint Services	5,753,011	6,657,444	6,971,920	6,264,309	6,031,415
Rentals	260,227	176,637	347,642	322,050	276,550
Contract Cleaning	3,438,581	3,453,342	3,488,234	3,550,000	3,615,000
Exterminating	21,946	29,475	30,660	25,000	63,040
Other Property Services	20,195	19,031	19,304	18,500	30,499
Pupil Transportation	2,001,533	2,090,115	2,360,318	2,639,614	2,501,728
Indistrict/Regional Travel	168,390	168,937	152,797	157,674	153,664
Travel Conf/Workshops	605,695	649,910	407,425	497,171	470,368
Out Of District Travel	186,659	184,117	111,790	151,538	191,167
Negotiations Expense	91,243	29,545	4,685	5,000	1,500
Awards and Banquets	28,397	37,804	28,942	44,100	35,000
Communications/Postage	2,611,452	1,723,516	1,192,721	1,610,809	1,664,437
Advertising	27,712	16,064	13,974	29,000	26,000
Printing & Duplicating	199,601	163,080	221,573	272,846	333,331
Binding	24,765	18,762	24,218	38,000	38,000
Copier Service/Repair	735,876	636,830	686,778	524,149	578,404
Copier Lease/Rental	18,402	9,553	8,917	34,408	24,500
Water/Sewer	555,660	543,383	578,516	510,500	546,264
Insurance	14,000	15,000	15,000	15,000	15,000
Workers Compensation	275,000	250,000	185,000	185,000	185,000
Other Purchased Services	118,273	38,920	51,336	44,500	44,000
<b>Total Purchased Services</b>	<b>\$ 28,505,889</b>	<b>\$ 26,879,273</b>	<b>\$ 28,804,479</b>	<b>\$ 29,231,265</b>	<b>\$ 29,731,013</b>



## All Operating Funds

### Expenditures by Object Detail (Continued)

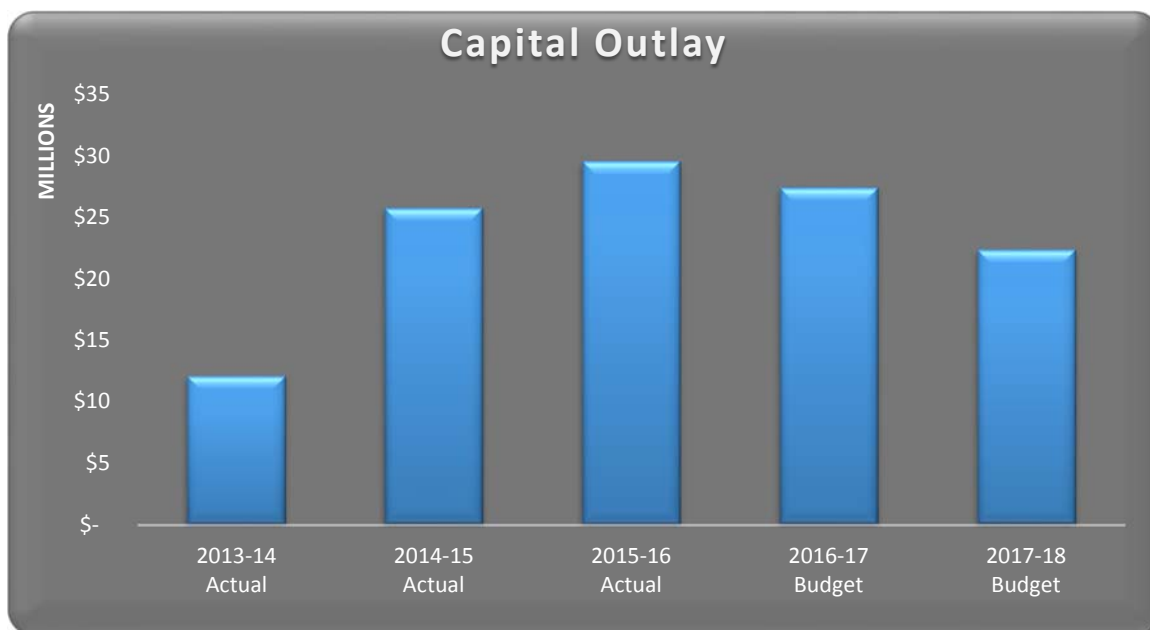
	Actual 2013-14	Actual 2014-15	Actual 2015-16	Budget 2016-17	Budget 2017-18
<b>Supplies and Materials</b>					
Supplies	\$ 7,327,395	\$ 8,364,141	\$ 8,360,267	\$ 8,101,465	\$ 8,548,380
Food Service Food & Supplies	7,410,715	6,477,049	6,210,367	6,555,450	5,817,705
Custodial Supplies	514,125	511,645	500,498	500,000	609,198
Non Cash Food Commodity	-	-	1,032,997	-	1,032,997
Tech Consumables	57,051	60,106	56,775	68,025	66,401
Copier Paper/Supplies	154,160	155,068	185,655	197,874	215,437
AV Supplies	237	253	43	500	500
Support Materials	43,574	28,460	24,732	41,000	14,400
Textbooks	2,576,034	1,897,817	8,711,490	4,500,000	8,300,000
Suppl Instructional Matls	3,526	600	-	29,000	32,000
Computer Accessories	39,160	34,845	26,810	35,296	24,547
Library Materials	40,890	36,425	43,054	36,944	35,051
Suppl Library Matls	2,068	2,384	2,309	2,375	2,375
Periodicals	3,608	2,653	1,457	4,526	3,501
Oil	76,100	72,850	97,062	90,000	88,000
Gasoline	2,378,532	1,812,561	1,250,293	1,610,000	1,740,000
Natural Gas	1,348,778	1,829,124	1,299,164	1,800,000	1,613,110
Electricity	3,422,587	3,135,355	3,274,124	3,170,000	3,850,000
Software	5,000	5,000	-	-	-
Other Supplies	13,920	18,180	18,511	18,000	18,000
<b>Total Supplies and Materials</b>	<b>\$ 25,417,458</b>	<b>\$ 24,444,516</b>	<b>\$ 31,095,608</b>	<b>\$ 26,760,455</b>	<b>\$ 32,011,602</b>



## All Operating Funds

### Expenditures by Object Detail (Continued)

	Actual 2013-14	Actual 2014-15	Actual 2015-16	Budget 2016-17	Budget 2017-18
<b>Capital Outlay</b>					
Buildings	\$ 5,589,119	\$ 12,686,025	\$ 11,744,253	\$ 14,272,476	\$ 13,445,923
Improvements (Non Building)	682,543	1,724,833	1,541,870	742,000	77,500
Addl/Repl Equipment	5,322,003	11,083,465	8,625,742	9,953,987	8,662,106
Aged & Obsolete Equipment	327,700	272,599	112,695	155,000	206,000
Lease/Purchase Equipment	4,832	2,844	137,228	3,000	3,000
Addl/Repl Transportation Equip	124,224	-	196,656	2,306,440	-
Transp Lease/Purchase Equipment	-	-	7,311,097	-	-
<b>Total Capital Outlay</b>	<b>\$ 12,050,421</b>	<b>\$ 25,769,766</b>	<b>\$ 29,669,541</b>	<b>\$ 27,432,903</b>	<b>\$ 22,394,529</b>

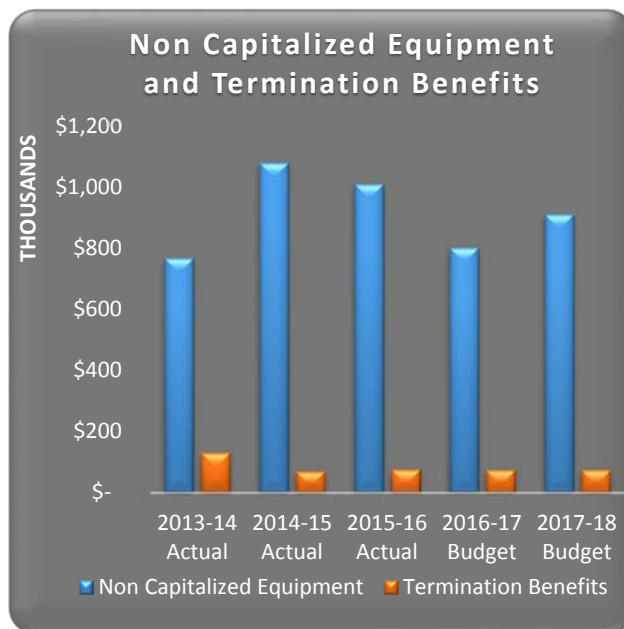


## All Operating Funds

### Expenditures by Object Detail (Continued)

	Actual 2013-14	Actual 2014-15	Actual 2015-16	Budget 2016-17	Budget 2017-18
<b>Other Objects</b>					
Redemption Of Principal - Leases	\$ 2,141,944	\$ 1,377,280	\$ 2,751,966	\$ 2,786,330	\$ 2,745,758
Interest - Leases	36,287	72,541	71,099	114,600	77,308
Dues & Fees	235,817	242,332	421,162	341,413	332,491
Tuition	8,405,022	8,892,677	8,531,711	10,020,200	9,580,000
Miscellaneous Objects	4,946	5,851	4,344	6,000	5,800
Contingency	-	-	-	4,000,000	2,500,000
<b>Total Other Objects</b>	<b>\$ 10,824,016</b>	<b>\$ 10,590,680</b>	<b>\$ 11,780,282</b>	<b>\$ 17,268,543</b>	<b>\$ 15,241,357</b>

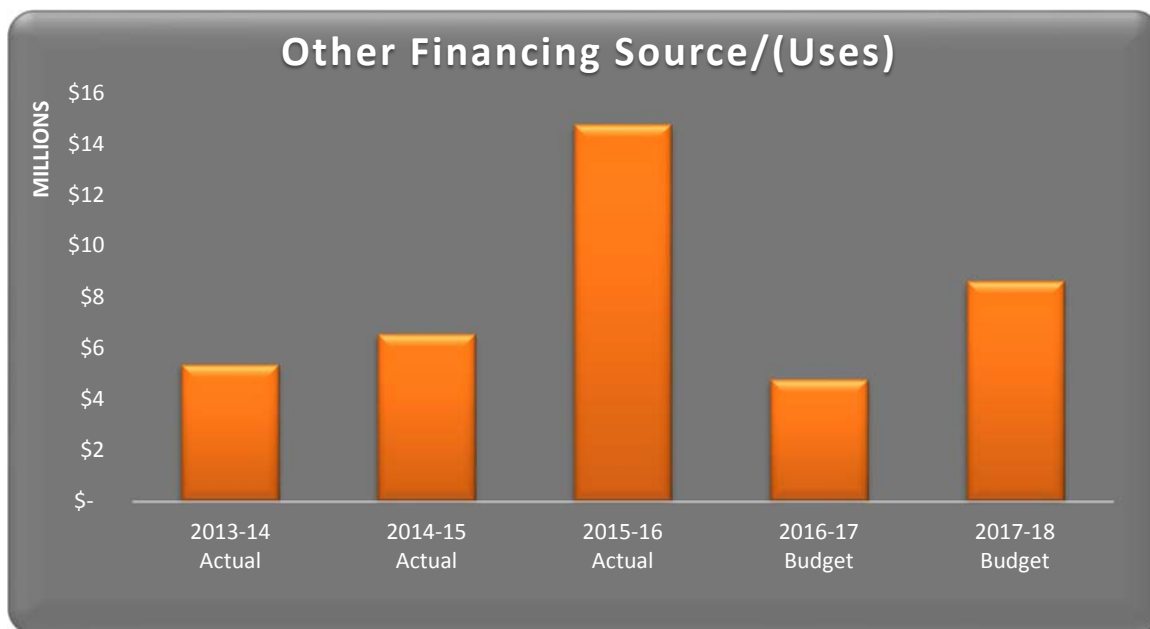
	Actual 2013-14	Actual 2014-15	Actual 2015-16	Budget 2016-17	Budget 2017-18
<b>Non Capitalized Equipment</b>	\$ 769,232	\$ 1,081,872	\$ 1,011,734	\$ 803,370	\$ 912,575
<b>Termination Benefits</b>	\$ 131,803	\$ 70,304	\$ 76,607	\$ 75,000	\$ 75,000



## All Operating Funds

### Other Financing Sources/(Uses)

	Actual 2013-14	Actual 2014-15	Actual 2015-16	Budget 2016-17	Budget 2017-18
<b>Other Financing Source/(Uses)</b>					
Transfers - Interfund	\$ 6,135,250	\$ 7,494,394	\$ 10,153,249	\$ 5,000,000	\$ 12,000,000
Transfers - Bank Interest	235,000	75,000	425,000	400,000	1,200,000
Proceeds from Purchase Contracts	-	-	6,653,797	-	-
Proceeds from sale of equipment	-	-	664,800	-	-
Transfer of Principal to Debt Serv	(361,247)	(370,014)	(2,481,940)	-	(3,902,326)
Transfer of Bond Principal	(607,870)	(610,521)	(613,189)	(615,822)	(618,578)
Transfer of Bond Interest	(32,598)	(29,296)	(29,976)	(26,043)	(21,987)
Transfer of Interest to Debt Serv	(26,400)	(17,633)	(9,159)	-	-
<b>Total Other Fin. Sources/(Uses)</b>	<b>\$ 5,342,135</b>	<b>\$ 6,541,930</b>	<b>\$ 14,762,582</b>	<b>\$ 4,758,135</b>	<b>\$ 8,657,109</b>





## All Operating Funds

### Budget and Three-Year Forecast Revenues, Expenditures and Change in Fund Balance

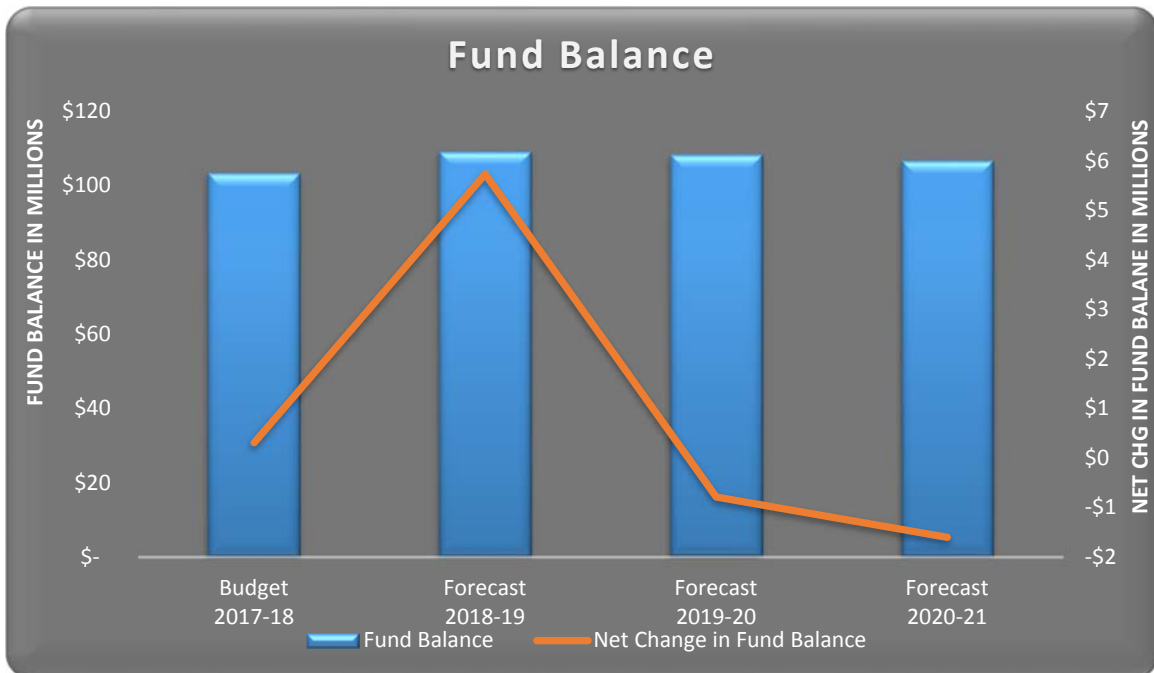
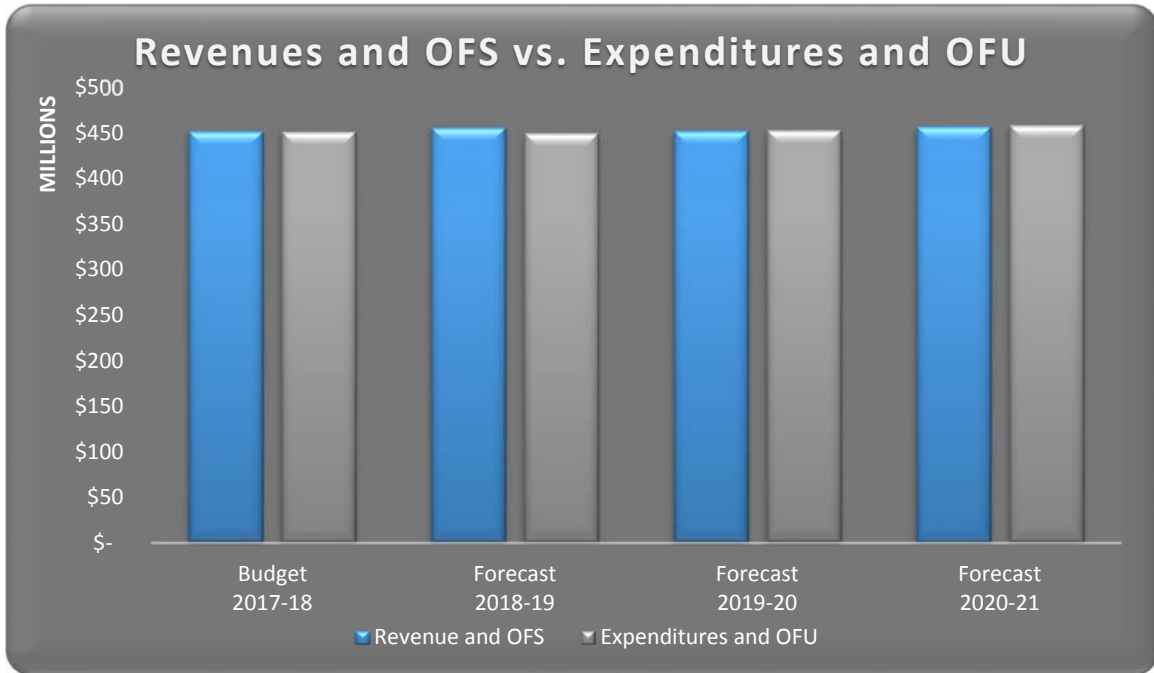
	Budget 2017-18	Forecast 2018-19	Forecast 2019-20	Forecast 2020-21
Revenue				
Local Sources	\$ 255,234,508	\$ 259,491,181	\$ 264,334,472	\$ 269,249,990
State Sources	149,733,197	149,106,466	148,503,414	147,924,153
Federal Sources	38,240,793	38,623,201	39,009,433	39,399,527
Total Revenue by Source	\$ 443,208,498	\$ 447,220,848	\$ 451,847,319	\$ 456,573,670
Expenditures				
Salaries	\$ 269,296,580	\$ 274,682,512	\$ 280,176,162	\$ 285,779,686
Employee Benefits	81,897,651	85,059,387	88,360,548	91,807,730
Purchased Services	29,731,013	30,076,949	30,427,074	30,781,441
Supplies and Materials	32,011,602	27,985,709	28,303,111	28,624,251
Capital Outlay	22,394,529	18,456,440	11,931,440	10,481,440
Other Objects	15,241,357	12,890,409	12,990,473	10,218,292
Non-Capitalized Equipment	912,575	921,701	930,918	940,227
Termination Benefits	75,000	75,750	76,508	77,273
Total Expenditures by Object	\$ 451,560,307	\$ 450,148,856	\$ 453,196,234	\$ 458,710,340
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(8,351,809)	(2,928,008)	(1,348,915)	(2,136,669)
Other Financing Sources/(Uses)	\$ 8,657,109	\$ 8,658,409	\$ 562,035	\$ 533,336
Net Change in Fund Balance	305,300	5,730,401	(786,880)	(1,603,333)
Fund Balance at Beginning of Year	102,952,420	103,257,720	108,988,120	108,201,240
Fund Balance at End of Year	\$ 103,257,720	\$ 108,988,120	\$ 108,201,240	\$ 106,597,907

#### ASSUMPTIONS:

The assumptions for the All Operating Funds group is a consolidation of the assumptions from the educational, operations and maintenance and transportation funds displayed later in this section.

## All Operating Funds

### Budget and Three-Year Forecast Revenues, Expenditures and Change in Fund Balance (Continued)



# Educational Fund

The Educational Fund is the general operating fund of the District. It is used to account for all financial transactions not accommodated by another specific fund. This fund is primarily used for most of the instructional and administrative aspects of the District's operations.  
[See 105 ILCS 5/17-2]

**Educational Fund**  
**Revenues, Expenditures and Changes in Fund Balance**

**Revenue by Source**  
**Expenditures by Object**

	Actual 2013-14	Actual 2014-15	Actual 2015-16	Budget 2016-17	Budget 2017-18
Revenue					
Local Sources	\$ 205,366,834	\$ 194,433,649	\$ 198,225,957	\$ 198,213,453	\$ 204,850,199
State Sources	112,694,999	122,036,320	133,334,218	143,055,776	138,430,187
Federal Sources	34,412,640	34,596,302	39,907,564	37,207,796	38,240,793
Total Revenue by Source	\$ 352,474,473	\$ 351,066,271	\$ 371,467,739	\$ 378,477,025	\$ 381,521,179
Expenditures					
Salaries	\$ 216,048,905	\$ 223,414,308	\$ 231,044,310	\$ 241,592,529	\$ 247,318,905
Employee Benefits	66,534,260	67,442,692	68,120,386	73,375,299	74,834,312
Purchased Services	19,450,265	16,821,840	18,028,273	18,036,265	18,799,915
Supplies and Materials	15,415,042	14,490,727	22,042,198	16,847,355	21,512,392
Capital Outlay	6,040,412	13,293,180	9,334,071	11,736,587	9,871,106
Other Objects	8,636,039	9,135,670	8,948,508	14,356,613	12,407,291
Non-Capitalized Equipment	769,232	1,081,872	1,011,734	803,370	912,575
Termination Benefits	131,803	70,304	76,607	75,000	75,000
Total Expenditures by Object	\$ 333,025,958	\$ 345,750,593	\$ 358,606,087	\$ 376,823,018	\$ 385,731,496
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	19,448,515	5,315,678	12,861,652	1,654,007	(4,210,317)
Other Financing Uses	\$ (1,232,275)	\$ (1,063,199)	\$ (3,131,134)	\$ (617,000)	\$ (3,902,326)
Net Change in Fund Balance	18,216,240	4,252,479	9,730,518	1,037,007	(8,112,643)
Fund Balance at Beg. of Year	70,908,672	89,124,912	93,377,391	103,107,909	104,144,916
Fund Balance at End of Year	\$ 89,124,912	\$ 93,377,391	\$ 103,107,909	\$ 104,144,916	\$ 96,032,273

**Revenue**

The Educational Fund receives revenue from more sources than any other fund. The fund's largest revenue source is property taxes. Property taxes make up the majority of local sources currently budgeted at \$195.2 million, approximately \$6.2 million over prior year's budget. Over the past few years the fund's allocation of the property tax levy have been reduced in order to increase the allocation to the tort fund in order to reduce the fund deficit in that fund. The tort fund deficit has nearly been eliminated and district management has reallocated levied property taxes back to the Educational Fund, which accounted for about \$3.0 million of the increase. The other \$3.0 million increase is from the levy increase related to the increase in CPI, approximately 1.5 percent. Other local sources of revenue in the fund include tuition fees, food sales, instructional fees as well as donations from various sources.

State sources of revenue are budgeted to decrease 3.2 percent. District management has estimated GSA based on the most recent formula used, however, the equity based funding model has been passed in both the Illinois House of Representatives and the Senate but an amendatory veto was issued by Governor Rauner keeping the school funding model up in the air. GSA makes up the largest state funding source at \$120.7 million, up \$1.3 million from the prior year budget. There are several factors that play a role in the GSA formula. The two with the most significant

impact this year were a declining trend of low income students, reduced GSA by \$4.6 million and an increase in average daily attendance due to full-day kindergarten, increased GSA by \$4.5 million.

Other state funding is provided by mandated categorical payments through various programs. The categorical payments are intended to reimburse districts on a quarterly basis, however, the state is behind in these payments to the District and other Illinois school districts. Due to this delay management has budgeted for only three of the payments in the 2018 budget versus all four in the prior year. This resulted in a revenue reduction of \$5.9 million.

The Educational Fund receives federal funding for approximately 15 different programs. Federal sources include: National School Lunch Program, School Breakfast Program, Title I – Low Income, 21<sup>st</sup> Century, I.D.E.A., Perkins, Early Childhood Expansion Grant, Title II and III, Medicaid fee for service and Administrative Outreach.

#### *Expenditures*

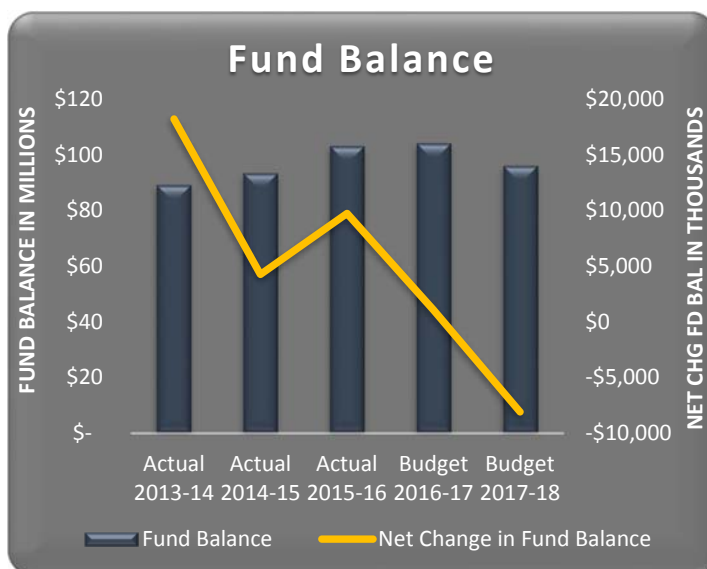
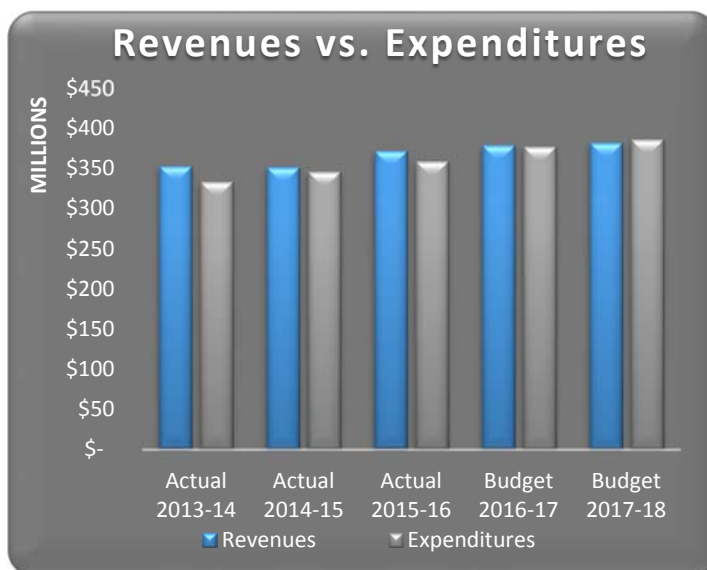
Budgeted expenditures in the fund have increased 2.4 percent over the prior year's budget. The majority of the increase is due to salary and benefit contractual obligations. An additional \$5.3 million was budgeted in supplies and materials for a new science curriculum which has not been updated in the last decade. Partially offsetting the increases are reductions in capital outlay and other objects totaling \$3.8 million.

#### *Other Financing Uses*

For the third consecutive year the District is planning on abating \$3.9 million of property taxes to reduce the tax burden from increasing on existing property. The abatement reduced the property taxes received by the Debt Service Fund. To compensate for the lost revenue the Educational Fund transfers the \$3.9 million to the Debt Service Fund.

#### *Fund Balance*

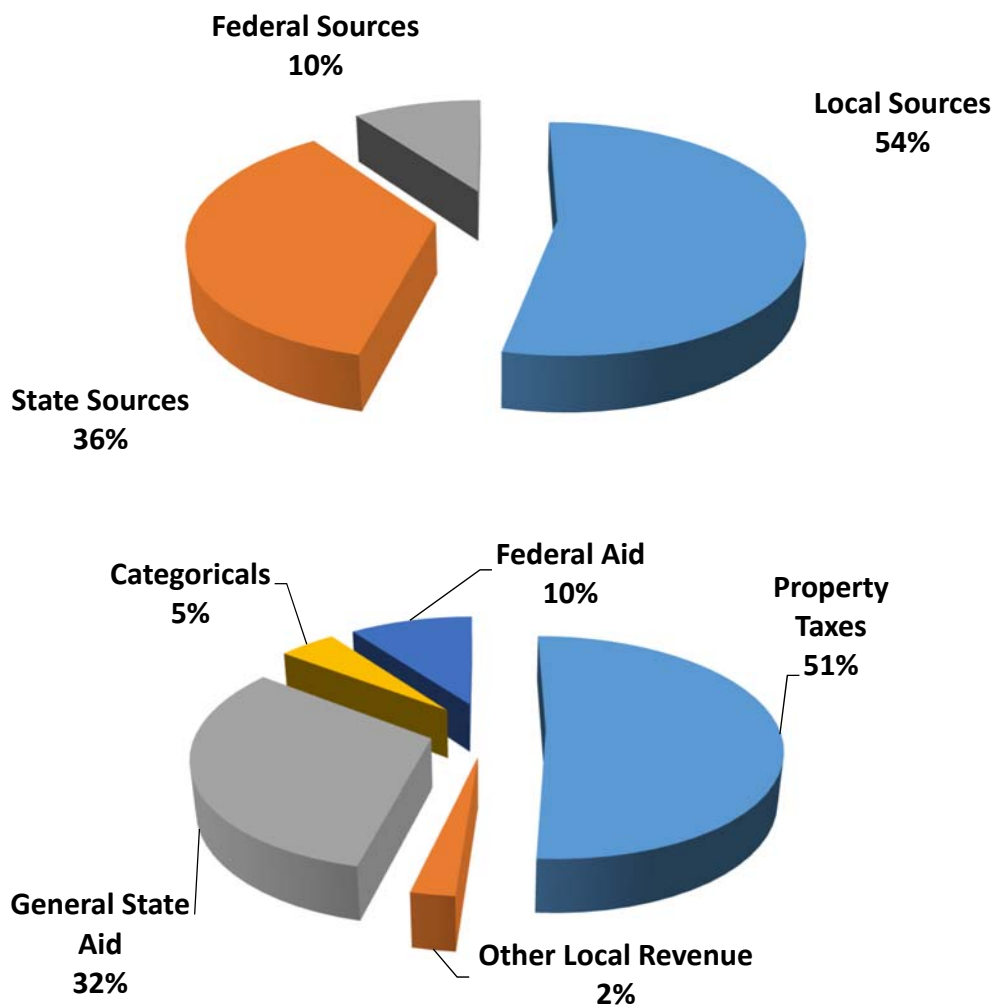
A spend down of the fund balance has been planned for the year. Over the oncoming years management is planning to further increase the property tax allocation to the Educational Fund as fund deficits continue to decline in the transportation and tort funds. It is not management's intention to continue to spend down fund balance in future years unless funding sources are significantly reduced.



## Educational Fund

### Revenue by Source

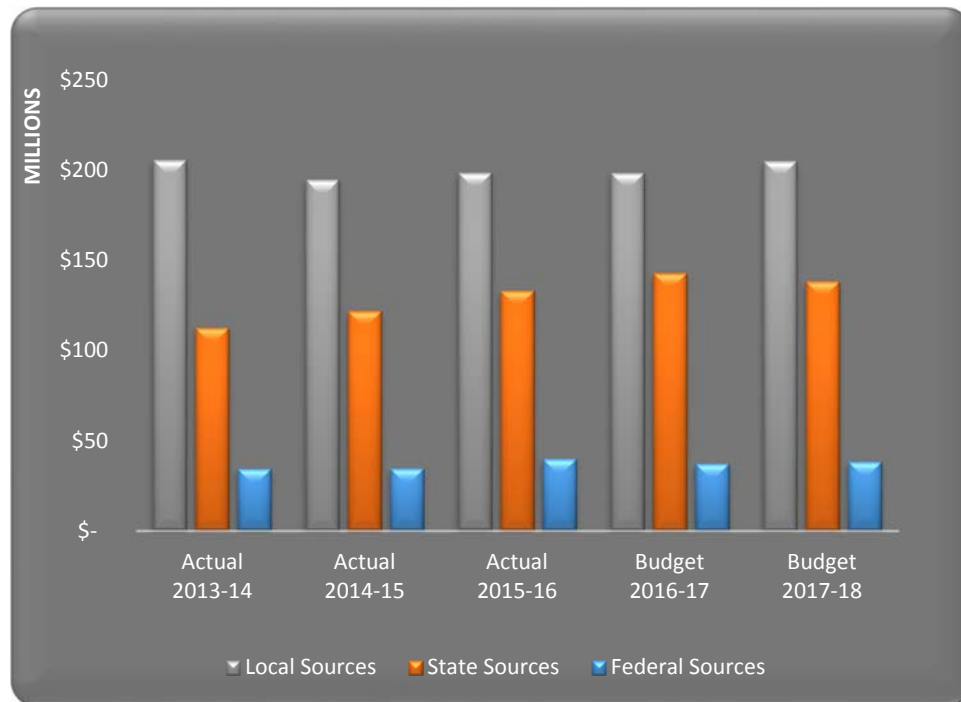
Revenue	Budget 2017-18
Local Sources	
Property Taxes	\$ 195,167,789
Other Local Revenue	9,682,410
Total Local Sources	204,850,199
State Sources	
General State Aid	120,713,168
Categoricals	17,717,019
Total State Sources	138,430,187
Federal Sources	38,240,793
<b>Total Revenue</b>	<b>\$ 381,521,179</b>





## Educational Fund

### Revenue by Source (Continued)



## Educational Fund

### Revenue by Source Detail

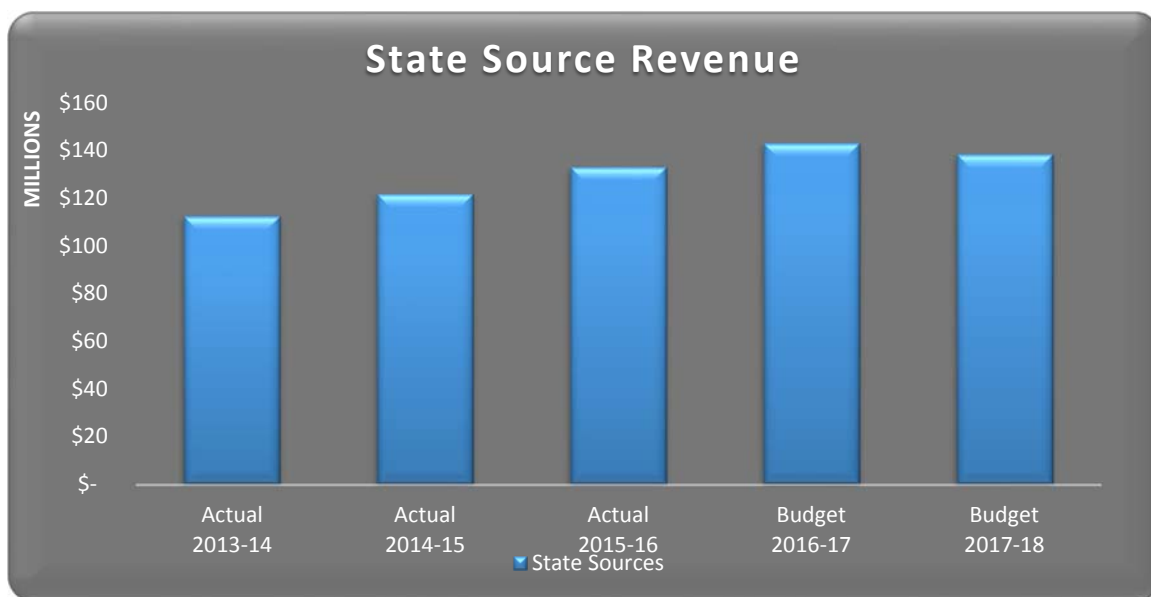
	Actual 2013-14	Actual 2014-15	Actual 2015-16	Budget 2016-17	Budget 2017-18
<b>Local Sources</b>					
Property Taxes	\$ 195,361,721	\$ 185,277,809	\$ 188,158,475	\$ 188,966,953	\$ 195,167,789
Mobile Home Privilege Tax	-	-	24,069	11,000	11,000
Village of Hoffman Estates - TIF	44,712	69,904	67,099	40,000	40,000
School Tuition	2,433,398	2,739,405	2,736,373	2,390,000	2,436,000
Fees-Bus Trips-Cocurricular	1,394	767	-	-	-
Interest on Investments	3,585	1,990	1,131	3,000	6,000
Food Sales To Students-Lunch	3,837,841	3,278,823	3,734,037	3,750,000	3,750,000
Pupil Activities	311,461	280,535	295,851	225,000	225,000
Receivable Fees	(53,581)	343,396	493,905	400,000	400,000
Instr Matls-Student Program	2,870,463	2,019,999	2,418,212	2,300,000	2,500,000
Other Local Revenue	407,233	360,715	235,812	127,500	284,410
UIC Mini Grant	33,333	-	-	-	-
School Partners in City Grant	650	300	12,450	-	-
TMA	-	12,500	-	-	-
Mototola Nat. Alliance Partner.	10,320	-	-	-	-
Hanover Township Grant	648	-	-	-	-
Wisdom Foundation	7,210	-	4,910	-	-
Brighter Futures	-	17,515	-	-	-
James Patterson Partnership Gr	-	-	3,000	-	-
Joyce Foundation	-	-	10,000	-	-
Bartlett Volunteer Fire	-	-	9,000	-	-
Midwest Dairy Association Grant	-	-	3,900	-	-
Breakfast in the Classroom	74,273	-	-	-	-
U46 Educational Foundation	22,175	15,000	16,358	-	30,000
Kane County Health Dept	-	9,990	1,375	-	-
Kane County Fit for Kids	-	5,000	-	-	-
<b>Total Local Sources</b>	<b>\$ 205,366,834</b>	<b>\$ 194,433,649</b>	<b>\$ 198,225,957</b>	<b>\$ 198,213,453</b>	<b>\$ 204,850,199</b>



## Educational Fund

### Revenue by Source Detail (Continued)

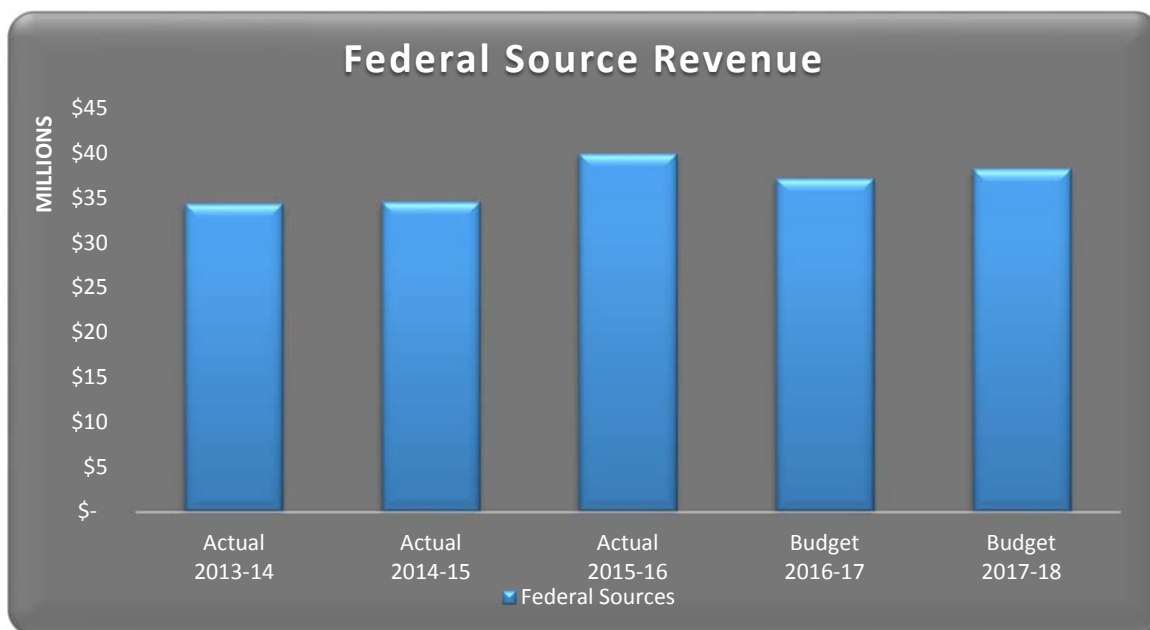
	Actual 2013-14	Actual 2014-15	Actual 2015-16	Budget 2016-17	Budget 2017-18
<b>State Sources</b>					
General State Aid	\$ 87,705,198	\$ 96,253,459	\$ 113,739,830	\$ 119,433,083	\$ 120,713,168
Special Ed - Private Facility	2,750,817	3,482,700	2,822,899	3,750,467	2,812,850
Special Ed - Extraordinary	5,289,844	5,174,892	3,946,226	5,261,635	3,946,226
Special Ed - Personnel	5,825,843	5,847,649	4,465,152	5,927,642	4,445,732
Special Ed - Orphanage Individ	2,293,707	1,229,686	943,433	922,265	691,699
Special Ed - Orphanage Summer	263,141	185,934	103,353	103,353	77,515
Special Ed - Summer School	52,351	60,453	90,744	90,744	68,058
Voc Ed Program Improve Grant	350,026	434,276	279,606	482,366	361,775
Bilingual Ed - Downstate - T.P	3,697,408	3,004,004	3,302,003	2,616,983	1,962,737
State Free & Lunch Breakfast	234,425	126,110	103,151	42,688	32,016
Driver Education	168,798	184,369	193,760	193,760	145,320
National Board Certification I	10,500	16,500	-	-	-
Safe Schools Grant (ROE)	105,530	81,362	100,029	94,500	70,875
Early Childhood - Pre K	3,560,202	3,474,401	2,934,034	3,734,227	2,800,670
Early Childhd - Proj Prepares	296,121	295,939	265,364	337,733	253,300
State Library Grant	29,234	29,071	0	23,585	17,689
Back to Books Grant	5,000	(5,000)	-	-	-
Illinois Arts Council Grant	-	-	17,840	-	-
Illinois Dept of Public Health	6,545	-	-	-	-
Family Literacy	2,439	3,677	(176)	-	-
Orphanage Tuition - 18-3	47,873	17,858	(7,199)	40,743	30,557
Mental Health	-	-	-	-	-
Safe Schools Grant	-	-	34,167	-	-
Other Revenue from State Source	-	2,138,981	-	-	-
<b>Total State Sources</b>	<b>\$ 112,694,999</b>	<b>\$ 122,036,320</b>	<b>\$ 133,334,218</b>	<b>\$ 143,055,776</b>	<b>\$ 138,430,187</b>



## Educational Fund

### Revenue by Source Detail (Continued)

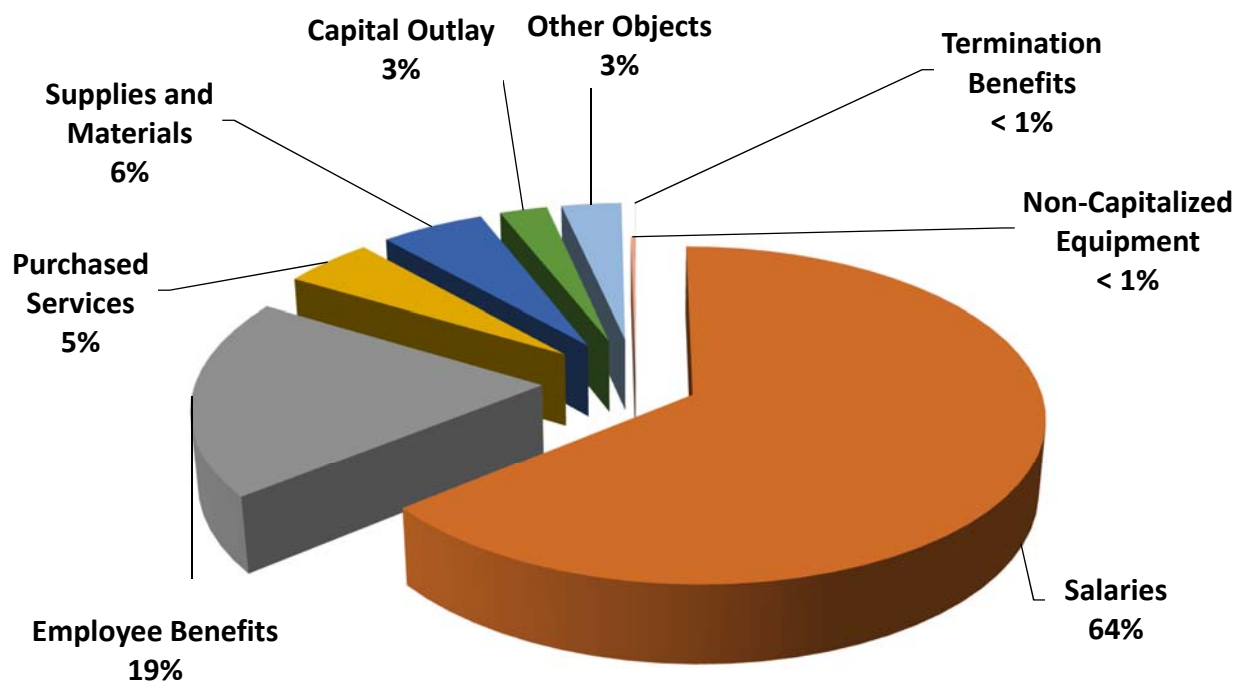
	Actual 2013-14	Actual 2014-15	Actual 2015-16	Budget 2016-17	Budget 2017-18
<b>Federal Sources</b>					
National School Lunch Program	\$ 9,426,124	\$ 9,487,942	\$ 9,099,385	\$ 9,000,000	\$ 9,000,000
School Breakfast Program	2,955,539	2,324,614	2,305,294	2,000,000	2,000,000
NSLP - Equipment	-	-	34,280	-	-
Non Cash Food Commodity	-	-	1,032,997	-	1,032,997
Title I - Low Income	8,739,582	8,041,987	11,135,192	9,956,930	9,956,930
21st Century Comm Learning	850,412	451,869	636,538	516,786	516,786
Fed - Sp Ed - Pre-school Flow	152,633	149,349	194,225	172,325	172,325
Fed - Sp Ed - IDEA Flow Through	7,372,799	7,778,813	8,203,865	7,827,463	7,827,463
Rm & Brd PL 94-142 Sp Ed	293,323	440,857	746,922	450,000	450,000
Voc Ed Perkins Title IIc	393,221	358,537	390,728	412,860	412,860
MIHOPE	-	7,000	-	-	-
Early Childhood Expansion Grant	-	-	1,935,115	2,395,800	2,395,800
Project READI	-	2,162	-	-	-
Emergency Immigrant Assistance	-	25,604	-	63,204	63,204
Title III Lang Inst Prog Lim Eng	1,050,689	1,368,691	939,254	1,324,193	1,324,193
Title II - Teacher Quality	1,212,859	741,720	814,242	841,912	841,912
Dept Of Rehab Services	101,774	113,582	101,211	261,323	261,323
ARRA - MIECHVP	166,198	165,316	124,236	135,000	135,000
COPS Grant	118,384	82,500	-	-	-
Medicaid fee for Service	844,656	1,928,530	1,224,745	850,000	850,000
Administrative Outreach	734,447	1,127,230	989,334	1,000,000	1,000,000
<b>Total Federal Sources</b>	<b>\$ 34,412,640</b>	<b>\$ 34,596,302</b>	<b>\$ 39,907,564</b>	<b>\$ 37,207,796</b>	<b>\$ 38,240,793</b>



## Educational Fund

### Expenditures by Object

Expenditures	Budget 2017-18
Salaries	\$ 247,318,905
Employee Benefits	74,834,312
Purchased Services	18,799,915
Supplies and Materials	21,512,392
Capital Outlay	9,871,106
Other Objects	12,407,291
Non-Capitalized Equipment	912,575
Termination Benefits	75,000
<b>Total Expenditures by Object</b>	<b>\$ 385,731,496</b>



## Educational Fund

### Expenditures by Object Detail

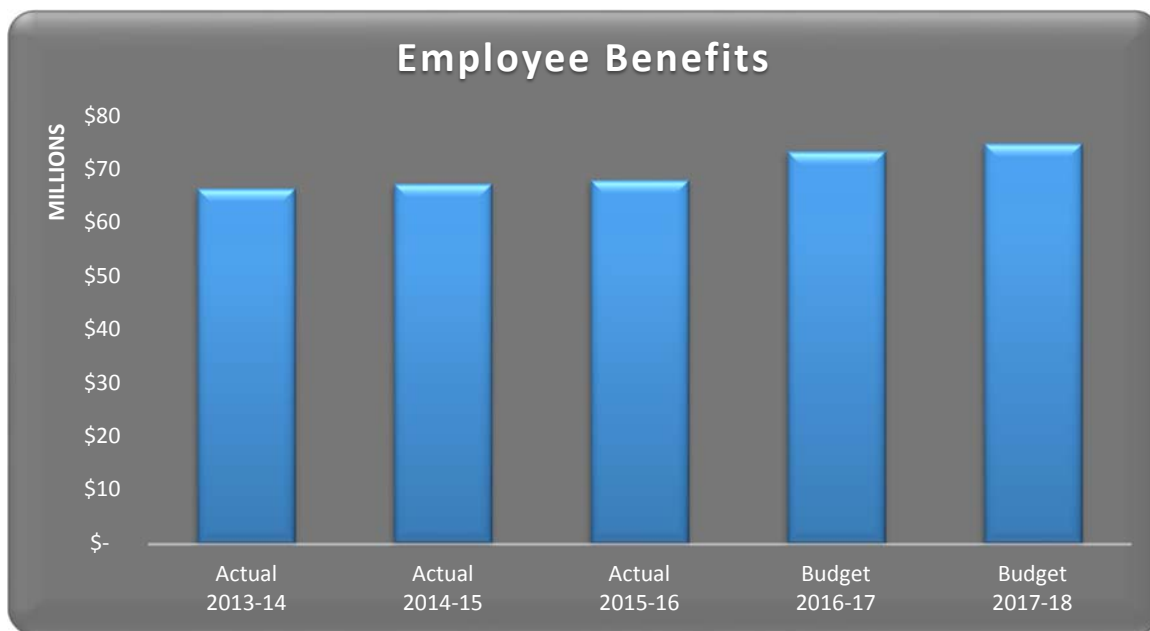
	Actual 2013-14	Actual 2014-15	Actual 2015-16	Budget 2016-17	Budget 2017-18
<b>Salaries</b>					
Teachers Salaries	\$ 147,127,851	\$ 152,861,047	\$ 158,123,200	\$ 166,160,958	\$ 168,779,630
Administrators Salaries	19,515,526	19,244,606	20,087,730	21,224,226	21,367,893
Technical Salaries	10,778,329	10,988,693	11,527,091	12,258,143	12,710,254
Temporary Salaries	94,641	95,944	989	-	-
Daily Substitute Salaries	4,039,111	4,399,542	4,327,431	4,409,902	4,309,902
Hourly Substitute Salaries	141,435	502,380	478,229	478,283	608,283
Other Hourly Extra Curr Superv	3,832,505	4,191,814	4,611,265	4,383,081	5,390,545
Athletic Extra Curr Supervisio	250,791	248,075	241,042	248,278	623,280
Noon Supervision	1,545,262	1,690,237	1,781,881	1,781,818	2,039,636
Stipends	3,690,229	4,206,380	4,213,433	4,294,074	3,679,274
Overtime Time & a Half	338,557	357,291	414,675	445,516	484,431
Overtime Double Time	1,528	2,286	3,436	3,505	3,575
Teachers Aides & Assistants	923,925	1,296,402	1,320,959	1,399,040	1,664,039
Special Education Aides	6,235,528	6,233,196	6,914,956	7,074,108	7,595,586
Bilingual Aides	176,662	295,533	274,898	283,145	313,809
Para Professionals	1,163,746	987,911	1,032,631	1,032,672	1,188,330
Deans Assistants	1,481,596	1,486,415	1,484,795	1,513,570	1,508,842
12-Month Secretaries	4,220,203	4,228,584	4,288,694	4,267,314	4,660,678
10-Month Secretaries	3,619,687	3,556,157	3,492,845	3,555,934	3,565,938
Clerical Aides	440,253	427,037	420,740	430,054	432,153
Liasons	1,402,072	1,404,819	1,411,047	1,680,027	1,485,892
Custodians	-	-	-	-	307,521
Maintenance	206,783	152,064	173,495	172,053	175,494
Drivers	571,420	564,642	595,441	600,230	600,230
Food Service Tech	4,225,138	3,970,019	3,794,185	3,868,685	3,793,690
Student Helpers	26,129	23,234	29,222	27,914	30,000
<b>Total Salaries</b>	<b>\$ 216,048,905</b>	<b>\$ 223,414,308</b>	<b>\$ 231,044,310</b>	<b>\$ 241,592,529</b>	<b>\$ 247,318,905</b>



## Educational Fund

### Expenditures by Object Detail (Continued)

	Actual 2013-14	Actual 2014-15	Actual 2015-16	Budget 2016-17	Budget 2017-18
<b>Employee Benefits</b>					
Teachers Retirement	\$ 23,481,919	\$ 22,972,670	\$ 25,448,345	\$ 25,092,385	\$ 26,824,685
TRS Early Retirement Contrbtn	1,616,726	808,974	701,317	1,200,000	-
Life Insurance	225,018	316,468	331,546	343,930	309,629
Medical Insurance	37,945,233	40,169,719	38,190,411	43,102,721	44,134,708
Dental Insurance	1,717,251	1,721,344	1,958,991	2,097,750	1,980,269
Disability Insurance	306,773	295,565	341,536	367,309	413,817
IMRF/SS/Medicare Allocation	1,241,338	1,157,953	1,148,239	1,171,204	1,171,204
<b>Total Employee Benefits</b>	<b>\$ 66,534,260</b>	<b>\$ 67,442,692</b>	<b>\$ 68,120,386</b>	<b>\$ 73,375,299</b>	<b>\$ 74,834,312</b>





## Educational Fund

### Expenditures by Object Detail (Continued)

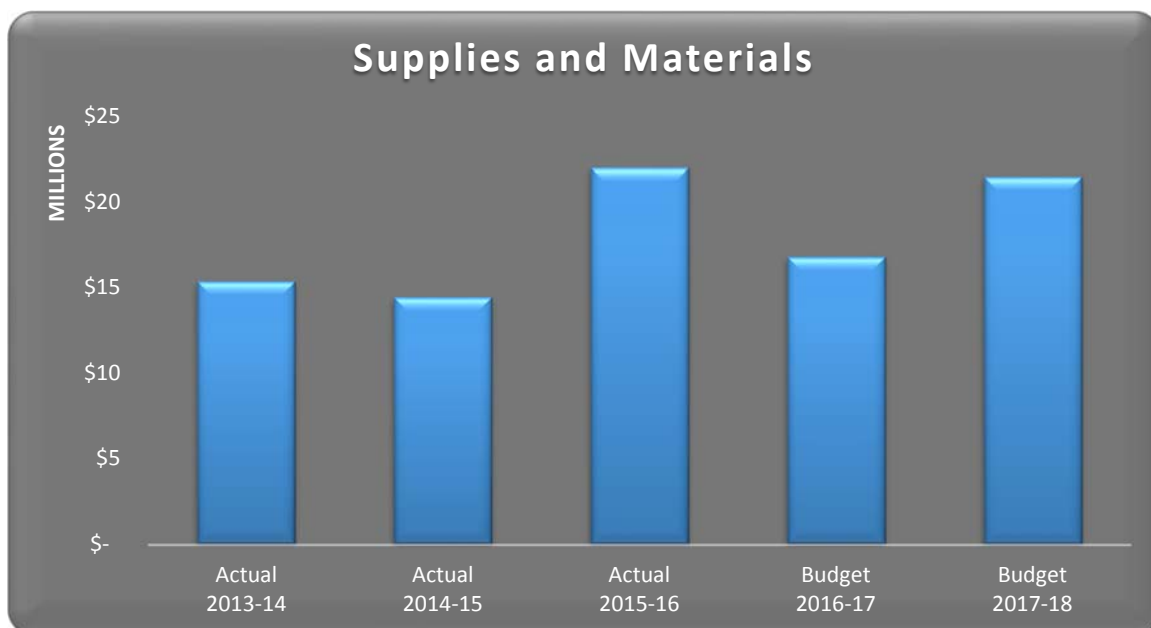
	Actual 2013-14	Actual 2014-15	Actual 2015-16	Budget 2016-17	Budget 2017-18
<b>Purchased Services</b>					
Technical Services	\$ 113,747	\$ 26,528	\$ 83,752	\$ 302,500	\$ 325,130
Admin Professional Services	1,191,930	640,053	1,275,446	1,652,695	1,017,875
Instructional Professional Ser	1,837,496	1,424,608	1,416,641	1,228,891	1,457,782
Audit/Financial Services	96,290	110,500	101,700	110,000	100,000
Legal Services	286,827	232,579	94,260	125,000	100,000
Other Tech & Prof Serv	6,370,781	5,418,039	6,754,029	6,372,894	7,012,885
Sanitation Services	-	-	-	-	107,677
Cleaning Services	48,239	30,731	14,923	57,617	56,500
Repairs & Maint Services	3,117,256	3,695,400	3,087,951	2,886,809	2,622,777
Rentals	59,690	48,813	183,948	198,550	196,550
Exterminating	-	-	-	-	13,040
Pupil Transportation	1,439,885	1,362,986	2,013,413	1,589,614	2,151,728
Indistrict/Regional Travel	163,133	167,407	152,138	156,674	152,664
Travel Conf/Workshops	598,917	639,228	399,234	482,171	458,368
Out Of District Travel	142,329	150,278	89,902	134,538	143,167
Negotiations Expense	91,243	29,545	4,685	5,000	1,500
Awards and Banquets	25,886	37,057	27,354	41,100	32,000
Communications/Postage	2,563,196	1,681,454	1,148,623	1,571,809	1,623,437
Advertising	27,712	16,064	13,974	29,000	26,000
Printing & Duplicating	184,217	150,141	202,657	249,846	293,331
Binding	24,765	18,762	24,218	38,000	38,000
Copier Service/Repair	735,876	636,830	686,778	524,149	578,404
Copier Lease/Rental	18,402	9,553	8,917	34,408	24,500
Water/Sewer	-	-	-	10,500	32,600
Insurance	14,000	15,000	15,000	15,000	15,000
Workers Compensation	275,000	250,000	185,000	185,000	185,000
Other Purchased Services	23,449	30,286	43,730	34,500	34,000
<b>Total Purchased Services</b>	<b>\$ 19,450,265</b>	<b>\$ 16,821,840</b>	<b>\$ 18,028,273</b>	<b>\$ 18,036,265</b>	<b>\$ 18,799,915</b>



## Educational Fund

### Expenditures by Object Detail (Continued)

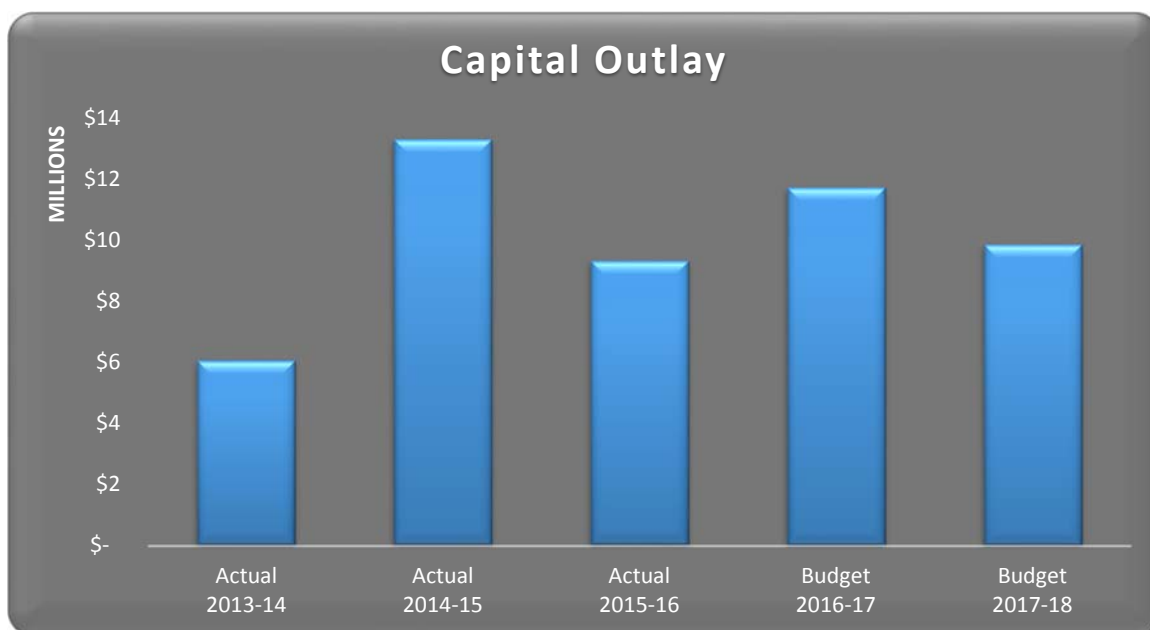
	Actual 2013-14	Actual 2014-15	Actual 2015-16	Budget 2016-17	Budget 2017-18
<b>Supplies and Materials</b>					
Supplies	\$ 5,019,361	\$ 5,754,939	\$ 5,710,182	\$ 5,336,465	\$ 5,598,380
Food Service Food & Supplies	7,410,715	6,477,049	6,210,367	6,555,450	5,817,705
Custodial Supplies	-	-	-	-	109,198
Tech Consumables	57,051	60,106	56,775	68,025	66,401
Copier Paper/Supplies	154,160	155,068	185,655	197,874	215,437
Freight In/Shipping	-	-	-	-	-
AV Supplies	237	253	43	500	500
Support Materials	43,574	28,460	24,732	41,000	14,400
Textbooks	2,576,034	1,897,817	8,711,490	4,500,000	8,300,000
Suppl Instructional Matls	3,526	600	-	29,000	32,000
Computer Accessories	39,160	34,845	26,810	35,296	24,547
Library Materials	40,890	36,425	43,054	36,944	35,051
Suppl Library Matls	2,068	2,384	2,309	2,375	2,375
Periodicals	3,608	2,653	1,457	4,426	3,401
Gasoline	59,660	35,129	36,327	40,000	60,000
Non Cash Food Commodity	-	-	1,032,997	-	1,032,997
Electricity	-	-	-	-	200,000
Software	5,000	5,000	-	-	-
<b>Total Supplies and Materials</b>	<b>\$ 15,415,042</b>	<b>\$ 14,490,727</b>	<b>\$ 22,042,198</b>	<b>\$ 16,847,355</b>	<b>\$ 21,512,392</b>



## Educational Fund

### Expenditures by Object Detail (Continued)

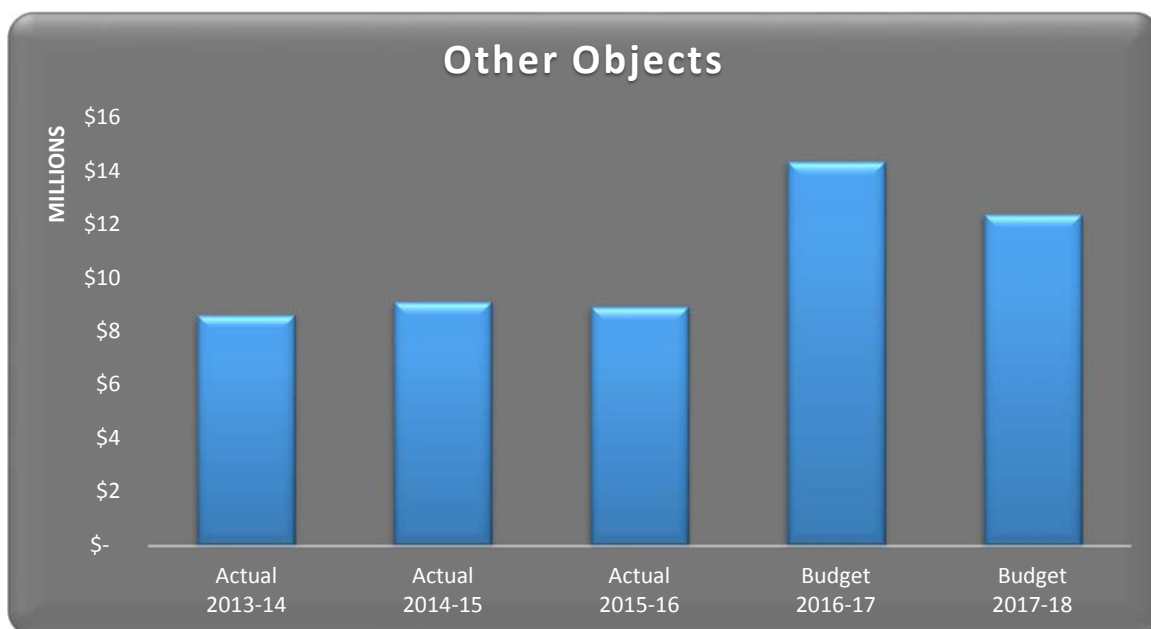
	Actual 2013-14	Actual 2014-15	Actual 2015-16	Budget 2016-17	Budget 2017-18
<b>Capital Outlay</b>					
Buildings	\$ 869,078	\$ 2,854,025	\$ 836,136	\$ 1,800,000	\$ 1,250,000
Addl/Repl Equipment	4,838,803	10,163,712	8,379,412	9,778,587	8,412,106
Aged & Obsolete Equipment	327,700	272,599	112,695	155,000	206,000
Lease/Purchase Equipment	4,832	2,844	5,828	3,000	3,000
<b>Total Capital Outlay</b>	<b>\$ 6,040,412</b>	<b>\$ 13,293,180</b>	<b>\$ 9,334,071</b>	<b>\$ 11,736,587</b>	<b>\$ 9,871,106</b>



## Educational Fund

### Expenditures by Object Detail (Continued)

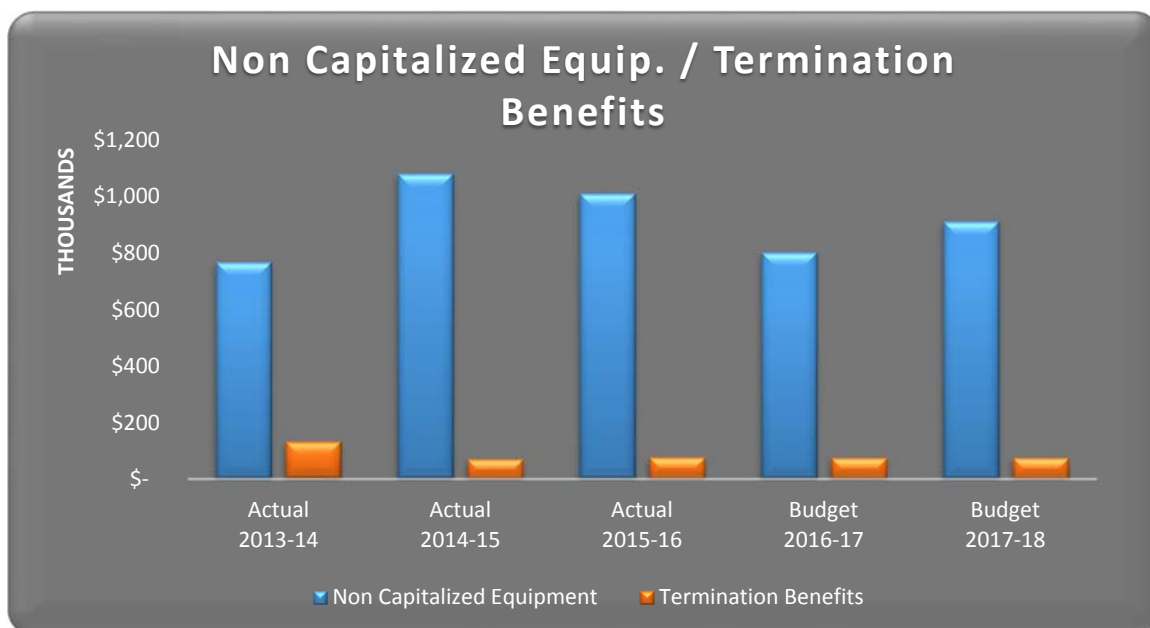
	Actual 2013-14	Actual 2014-15	Actual 2015-16	Budget 2016-17	Budget 2017-18
<b>Other Objects</b>					
Dues & Fees	\$ 231,017	\$ 242,993	\$ 416,797	\$ 336,413	\$ 327,291
Tuition	8,405,022	8,892,677	8,531,711	10,020,200	9,580,000
Contingency	-	-	-	4,000,000	2,500,000
<b>Total Capital Outlay</b>	<b>\$ 8,636,039</b>	<b>\$ 9,135,670</b>	<b>\$ 8,948,508</b>	<b>\$ 14,356,613</b>	<b>\$ 12,407,291</b>



## Educational Fund

### Expenditures by Object Detail (Continued)

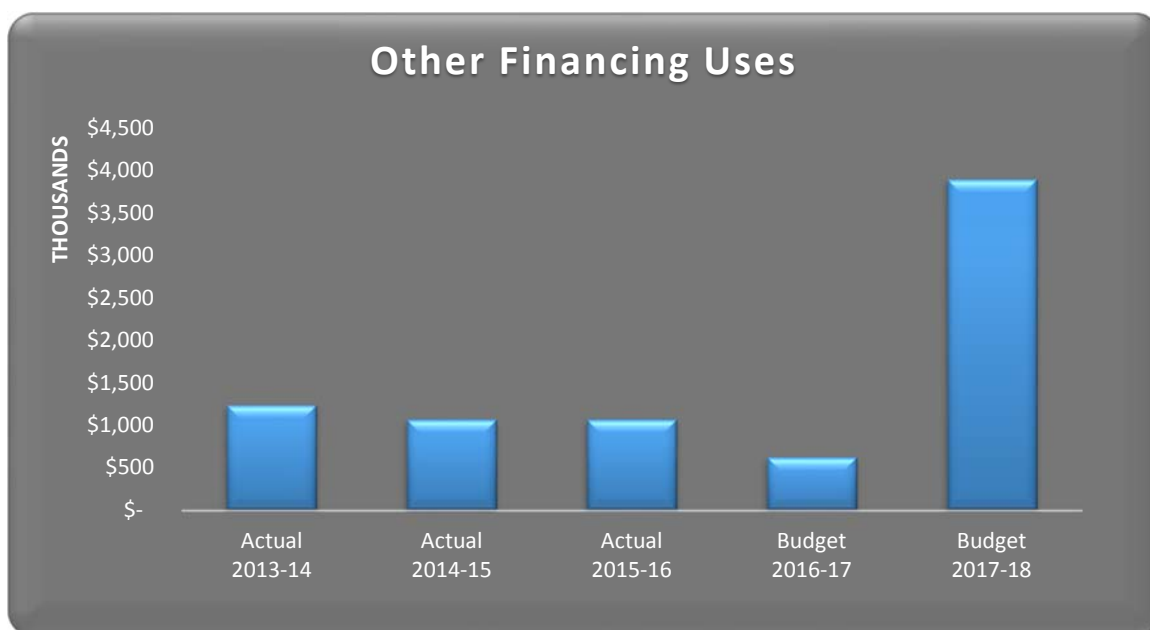
	Actual 2013-14	Actual 2014-15	Actual 2015-16	Budget 2016-17	Budget 2017-18
Non Capitalized Equipment	\$ 769,232	\$ 1,081,872	\$ 1,011,734	\$ 803,370	\$ 912,575
Termination Benefits	\$ 131,803	\$ 70,304	\$ 76,607	\$ 75,000	\$ 75,000



## Educational Fund

### Other Financing Uses

	Actual 2013-14	Actual 2014-15	Actual 2015-16	Budget 2016-17	Budget 2017-18
<b>Other Financing Uses</b>					
Transfers - Interfund	\$ (984,604)	\$ (815,527)	\$ (815,004)	\$ (617,000)	\$ -
Transfer of Principal to Debt Serv	(235,826)	(239,710)	(2,312,117)	-	(3,902,326)
Transfer of Interest to Debt Serv	(11,845)	(7,962)	(4,013)	-	-
<b>Total Other Financing Uses</b>	<b>\$ (1,232,275)</b>	<b>\$ (1,063,199)</b>	<b>\$ (3,131,134)</b>	<b>\$ (617,000)</b>	<b>\$ (3,902,326)</b>



## Educational Fund

### Budget and Three-Year Forecast Revenues, Expenditures and Change in Fund Balance

	Budget 2017-18	Forecast 2018-19	Forecast 2019-20	Forecast 2020-21
Revenue				
Local Sources	\$ 204,850,199	\$ 209,453,993	\$ 214,546,907	\$ 219,715,726
State Sources	138,430,187	137,577,396	136,743,763	135,929,308
Federal Sources	38,240,793	38,623,201	39,009,433	39,399,527
Total Revenue by Source	\$ 381,521,179	\$ 385,654,590	\$ 390,300,102	\$ 395,044,561
Expenditures				
Salaries	\$ 247,318,905	\$ 252,265,283	\$ 257,310,589	\$ 262,456,801
Employee Benefits	74,834,312	77,655,039	80,598,384	83,670,107
Purchased Services	18,799,915	18,987,914	19,177,793	19,369,571
Supplies and Materials	21,512,392	17,344,516	17,517,961	17,693,141
Capital Outlay	9,871,106	2,950,000	2,700,000	1,350,000
Other Objects	12,407,291	11,506,364	11,606,428	10,207,492
Non-Capitalized Equipment	912,575	921,701	930,918	940,227
Termination Benefits	75,000	75,750	76,508	77,273
Total Expenditures by Object	\$ 385,731,496	\$ 381,706,567	\$ 389,918,581	\$ 395,764,612
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(4,210,317)	3,948,023	381,521	(720,051)
Other Financing Uses	\$ (3,902,326)	\$ (3,902,326)	\$ -	\$ -
Net Change in Fund Balance	(8,112,643)	45,697	381,521	(720,051)
Fund Balance (Deficit) at Beginning of Year	104,144,916	96,032,273	96,077,970	96,459,491
Fund Balance (Deficit) at End of Year	\$ 96,032,273	\$ 96,077,970	\$ 96,459,491	\$ 95,739,441

#### ASSUMPTIONS:

- CPI – 1.5 percent for each forecast year
- EAV – 2018-19 Increase 2.5 percent; 2019-20 Increase 2.48 percent; 2020-21 Increase 5.47 percent
- Low Income Students – Flat to slightly lower
- ADA - Flat to slightly lower

#### Revenue

- Property Taxes – Increase by CPI
- Property Taxes – Plus \$1.0 million allocation from each tort and transportation
- GSA – Decrease by 1.0 percent for each forecast year
- State Categoricals – Increase 2.0 percent; receive three of the four payments over each of the forecast years
- Federal Sources – Increase by 1.0 percent for each forecast year
- All other revenue – Increase by 1.0 percent for each forecast year

#### Expenditures

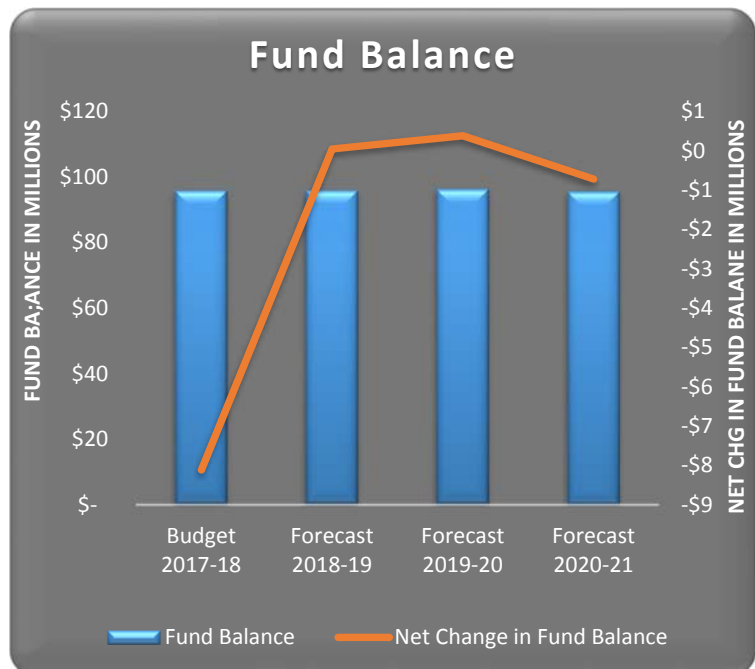
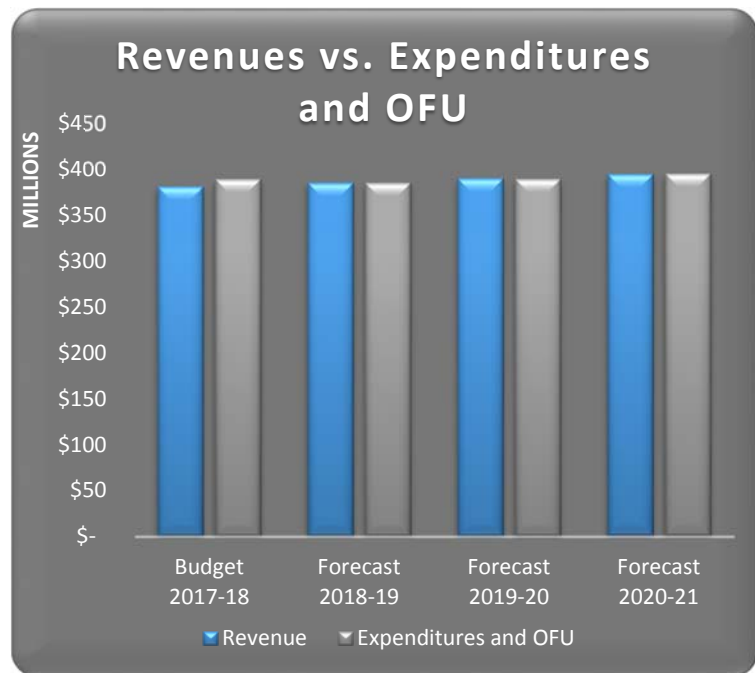
- Salaries – Increase 2.0 percent for each forecast year



- Health Benefits – Increase by 5.0 percent for each forecast year
- Remaining Benefits – Increase by 2.0 percent for each budget year
- Textbooks – Reduced \$4.3 million for 2018-19 and flat for each forecast year after
- Capital Outlay – 2018-19 \$2.95 million, 2019-20 \$2.7 million, 2020-21 \$1.4 million
- Contingency – 2018-19 and 2019-20 \$1.5 million, 2020-21 \$0
- All other expenditures – Increase 1.0 percent for each forecast year

*Other Financing Uses*

- Property tax abatement – 2018-19 \$3.9 million, each year after \$0.  
If only three state categorical payments are received and GSA declines as forecasted property tax abatement will not be budgeted. If the district receives more state funding then planning for a property tax abatement is more probable.



# Transportation Fund

The Transportation Fund is used to account for the costs associated with transporting students for any purpose. All costs of transportation, other than those authorized by statute to be paid from another fund, shall be paid by this fund. Any funds received for transportation purposes must be deposited into this fund, with amounts due other funds appropriately transferred thereafter.

## Transportation Fund Revenues, Expenditures and Changes in Fund Deficit

### Revenue by Source Expenditures by Object

	Actual 2013-14	Actual 2014-15	Actual 2015-16	Budget 2016-17	Budget 2017-18
Revenue					
Local Sources	\$ 12,950,290	\$ 15,617,455	\$ 17,696,449	\$ 17,415,040	\$ 18,165,503
State Sources	12,791,712	14,429,786	11,474,045	15,070,681	11,303,010
Total Revenue by Source	\$ 25,742,002	\$ 30,047,242	\$ 29,170,494	\$ 32,485,721	\$ 29,468,513
Expenditures					
Salaries	\$ 13,294,557	\$ 13,679,128	\$ 14,157,334	\$ 14,240,913	\$ 14,005,977
Employee Benefits	4,952,704	5,685,427	5,364,850	5,550,719	5,431,548
Purchased Services	1,185,370	1,266,636	908,988	1,697,000	1,205,848
Supplies and Materials	3,415,978	2,944,498	2,378,760	2,915,000	3,101,110
Capital Outlay	172,324	-	7,507,753	2,306,440	-
Other Objects	2,181,831	1,449,917	2,827,431	2,905,930	2,828,066
Total Expenditures by Object	\$ 25,202,764	\$ 25,025,606	\$ 33,145,116	\$ 29,616,002	\$ 26,572,549
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	539,238	5,021,636	(3,974,622)	2,869,719	2,895,964
Other Financing Sources/(Uses)	\$ 365,745	\$ (14,992)	\$ 7,664,194	\$ 244,066	\$ 1,200,000
Net Change in Fund Deficit	904,983	5,006,644	3,689,572	3,113,785	4,095,964
Fund Deficit at Beg. of Year	(16,137,568)	(15,232,585)	(10,225,941)	(6,536,369)	(3,422,584)
Fund Bal/(Deficit) at End of Year	\$ (15,232,585)	\$ (10,225,941)	\$ (6,536,369)	\$ (3,422,584)	\$ 673,380

#### Revenue

The transportation fund is primarily funded by local property taxes and state categorical reimbursements for costs related to regular, special education and vocational transportation.

Local sources consist of property taxes, charges for transportation services and a minimal amount of interest income. District management has increased the property tax allocation over the past five years in order to reduce the fund's deficit at a faster rate. The allocation going forward will be reduced since the fund balance is projected to be positive by the end of the year. Property taxes increased \$0.8 million over the prior year's budget due to the increased allocation and growth in line with CPI.

State sources are budgeted to be \$3.8 million lower than the prior year's budget. This is due to including only three of the quarterly categorical payments for transportation reimbursement versus all four in the prior year. The state has not paid the quarterly payments on a timely basis. Even if all payments are received the funds would not be available for spending in this budget year.

#### Expenditures

The District is responsible for busing more than 27,000 students, currently owns or leases 350 full-sized and smaller multifunctional buses, and employs over 400 bus drivers and aides.

Salaries and benefits are projected to be less than the prior year's budget by \$0.4 million. This is due to a few factors. Senior administrators retired at the end of fiscal year 2017, 2017 actual expenditures came in under budget and overtime has been reduced \$60 thousand.

Purchased services were reduced \$0.5 million in this year's budget due to estimated 2017 actual costs for subcontractor taxi services coming in well under budget.

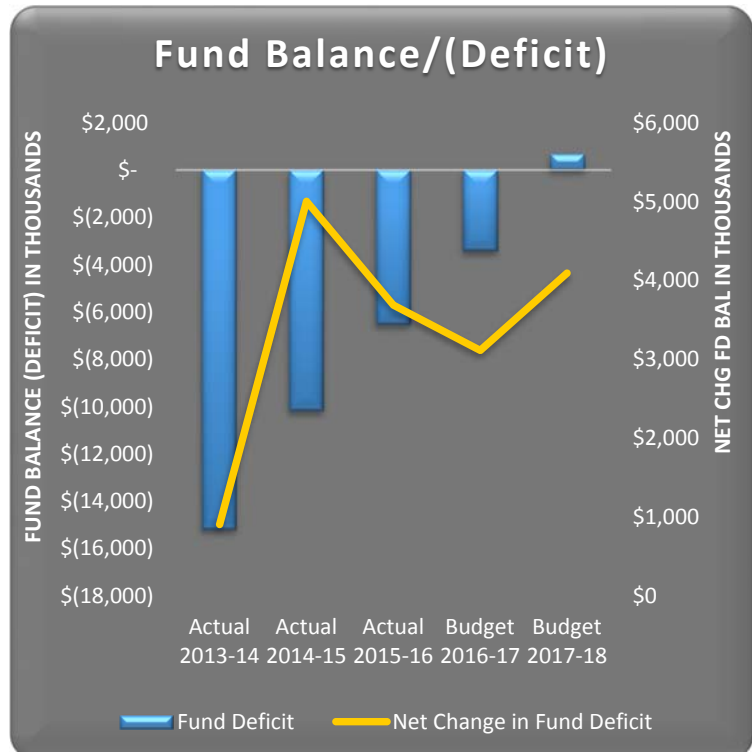
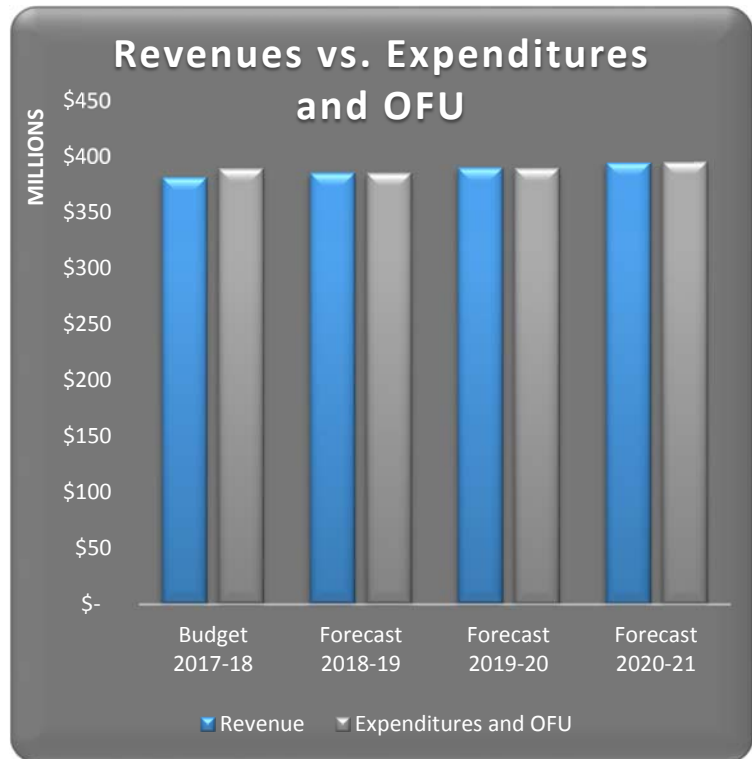
No capital outlay was budgeted for 2018. Capital outlay in this fund is typically for bus purchases or leases. Although the District's Age and Obsolescence Plan for bus replacement calls for new buses to be purchased in 2018 no new buses were planned for purchase due to the uncertainty of State funding.

#### Other Financing Sources

Interest earned on cash and investments held in the working cash fund is transferred to the fund most in need. District management has transferred this income to the Transportation Fund in order to assist in reducing the fund's deficit. Interest rates have slowly been rising and interest income from 2017 far exceeded the budget. The 2018 budgeted interest to be transferred to the Transportation Fund is \$1.2 million.

#### Fund Balance

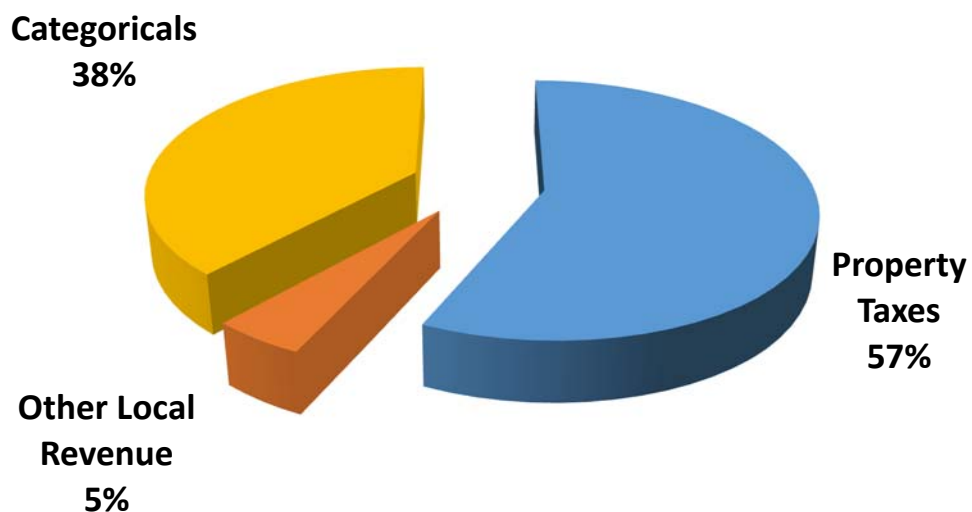
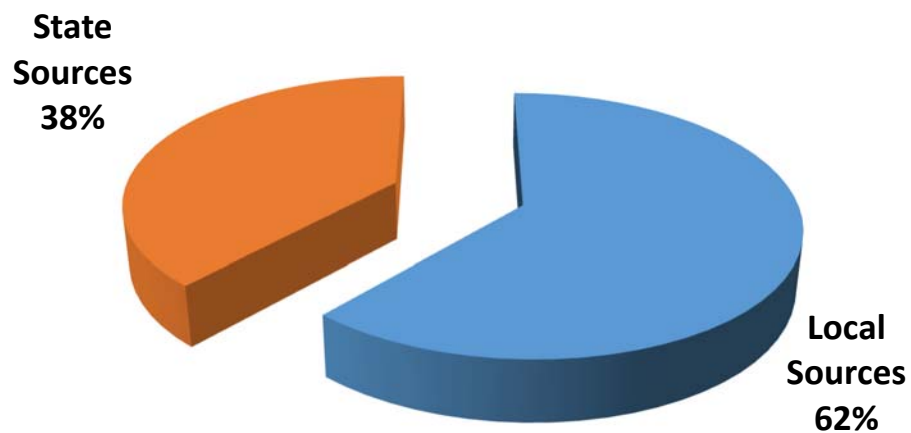
By the end of 2018 the Transportation Fund deficit is planned to be eliminated. Management plans to scale back the excess revenue directed to the Transportation Fund over the past few years just enough to maintain a positive fund balance.



## Transportation Fund

### Revenue by Source

Revenue	Budget 2017-18
Local Sources	
Property Taxes	\$ 16,765,303
Other Local Revenue	1,400,200
Total Local Sources	<u>18,165,503</u>
State Sources	
Categoricals	11,303,010
Total Revenue	<u>\$ 29,468,513</u>



## Transportation Fund

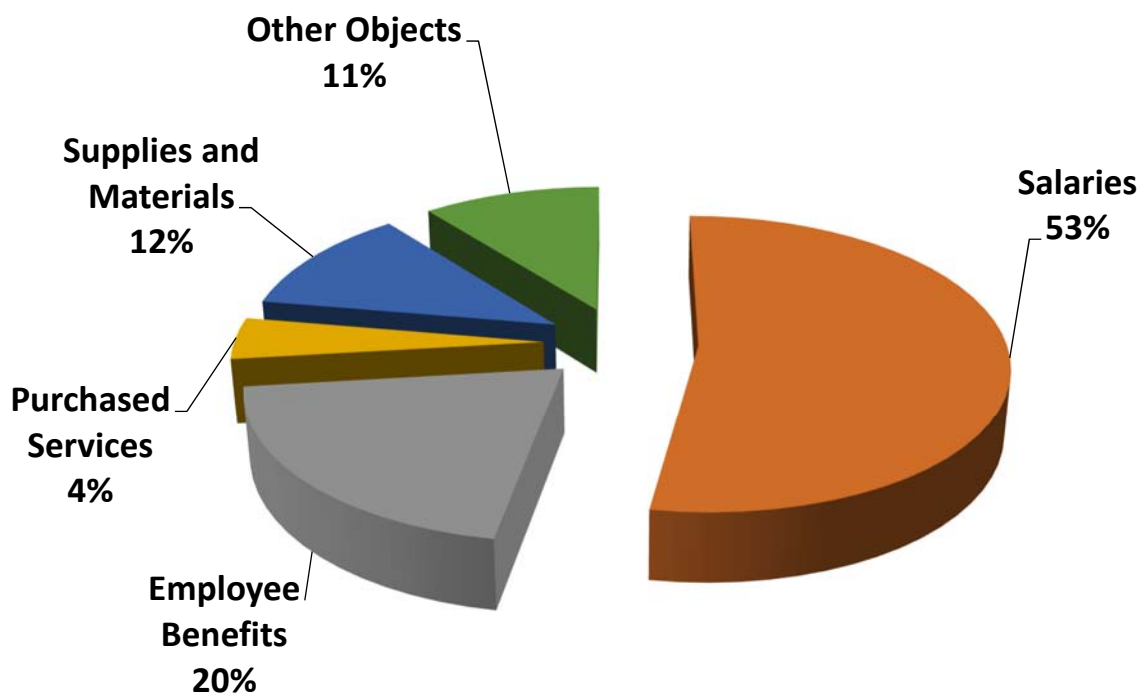
### Revenue by Source Detail

	Actual 2013-14	Actual 2014-15	Actual 2015-16	Budget 2016-17	Budget 2017-18
<b>Local Sources</b>					
Property Taxes	\$ 11,278,225	\$ 14,142,564	\$ 16,003,581	\$ 16,014,940	\$ 16,765,303
Fees-Bus Trips-Cocurricular	1,652,931	1,455,097	1,690,449	1,400,000	1,400,000
Interest on Investments	173	135	85	100	200
Other Local Revenue	18,962	19,660	2,334	-	-
<b>State Sources</b>					
Transportation - Regular	6,368,509	7,607,643	6,326,635	8,344,911	6,258,683
Transportation - Special Educa	6,423,203	6,822,143	4,950,754	6,725,770	5,044,327
Other Revenue from State Source	-	-	196,656	-	-
<b>Total Revenue</b>	<b>\$ 25,742,002</b>	<b>\$ 30,047,242</b>	<b>\$ 29,170,494</b>	<b>\$ 32,485,721</b>	<b>\$ 29,468,513</b>

## Transportation Fund

### Expenditures by Object

Expenditures	Budget 2017-18
Salaries	\$ 14,005,977
Employee Benefits	5,431,548
Purchased Services	1,205,848
Supplies and Materials	3,101,110
Other Objects	2,828,066
<b>Total Expenditures by Object</b>	<b>\$ 26,572,549</b>



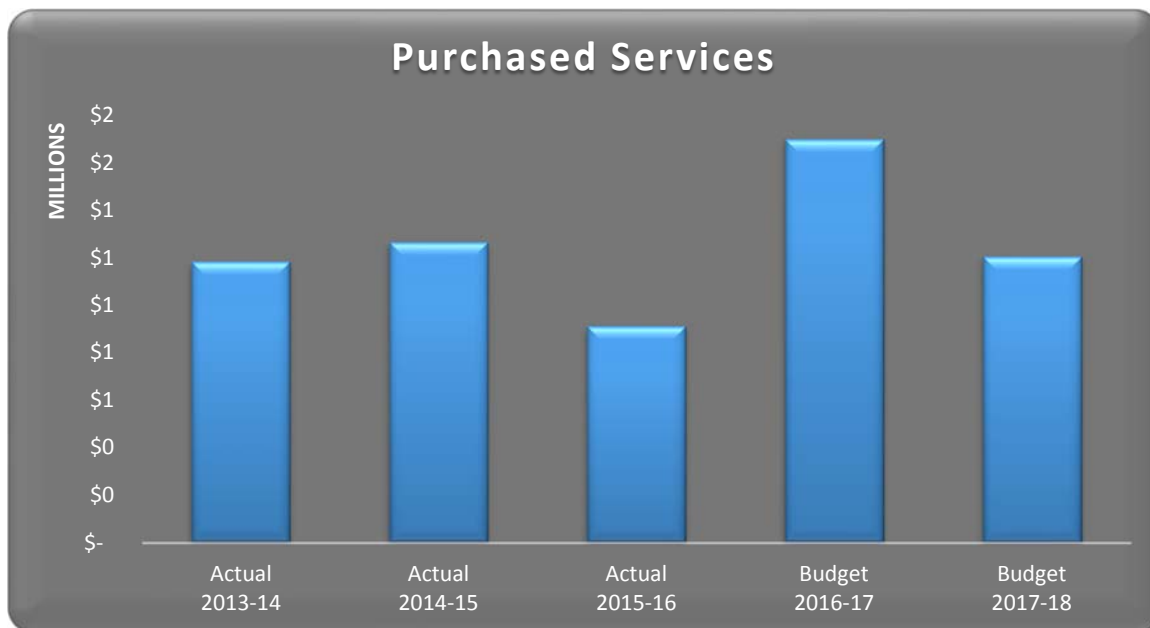




## Transportation Fund

### Expenditures by Object Detail (Continued)

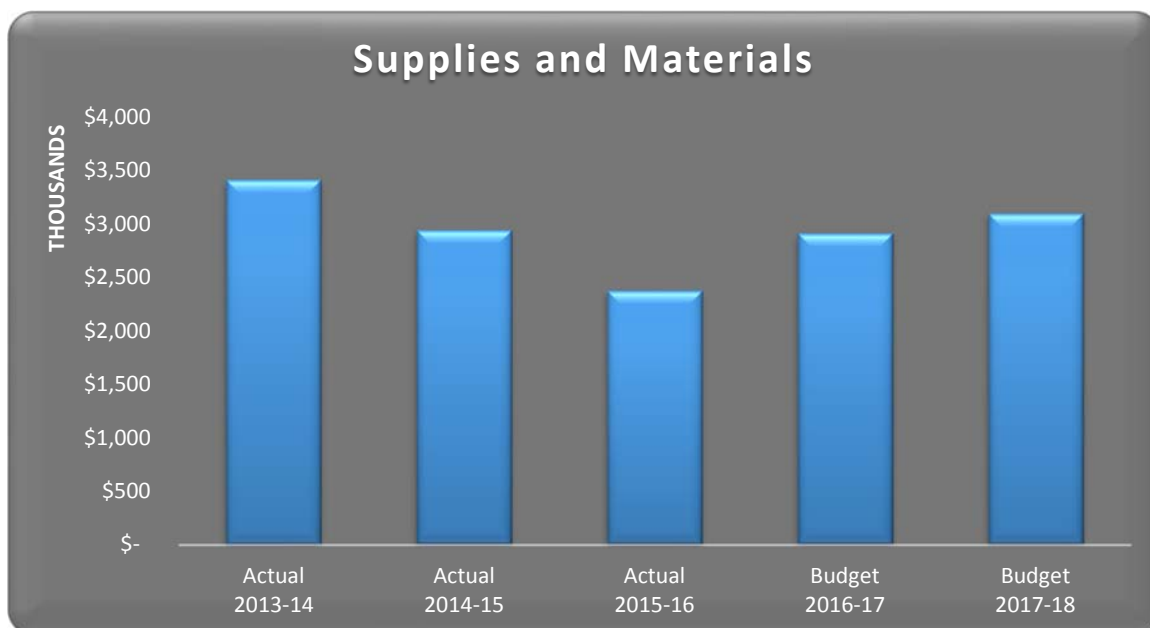
	Actual 2013-14	Actual 2014-15	Actual 2015-16	Budget 2016-17	Budget 2017-18
<b>Purchased Services</b>					
Technical Services	\$ 66,575	\$ 53,806	\$ 67,874	\$ 75,000	\$ 10,000
Other Tech & Prof Serv	161,443	166,756	49,134	93,000	325,000
Sanitation Services	-	-	-	-	3,481
Cleaning Services	21,269	22,674	21,785	22,500	20,566
Repairs & Maint Services	301,516	239,222	376,683	402,500	378,638
Other Property Services	-	-	-	-	499
Pupil Transportation	561,648	727,129	346,905	1,050,000	350,000
Travel Conf/Workshops	1,963	3,608	700	5,000	4,000
Out Of District Travel	44,306	31,715	21,293	15,000	47,000
Awards and Banquets	2,510	747	1,588	3,000	3,000
Communications/Postage	9,253	9,735	9,540	10,000	20,000
Printing & Duplicating	14,887	11,244	13,486	21,000	30,000
Water/Sewer	-	-	-	-	13,664
<b>Total Purchased Services</b>	<b>\$ 1,185,370</b>	<b>\$ 1,266,636</b>	<b>\$ 908,988</b>	<b>\$ 1,697,000</b>	<b>\$ 1,205,848</b>



## Transportation Fund

### Expenditures by Object Detail (Continued)

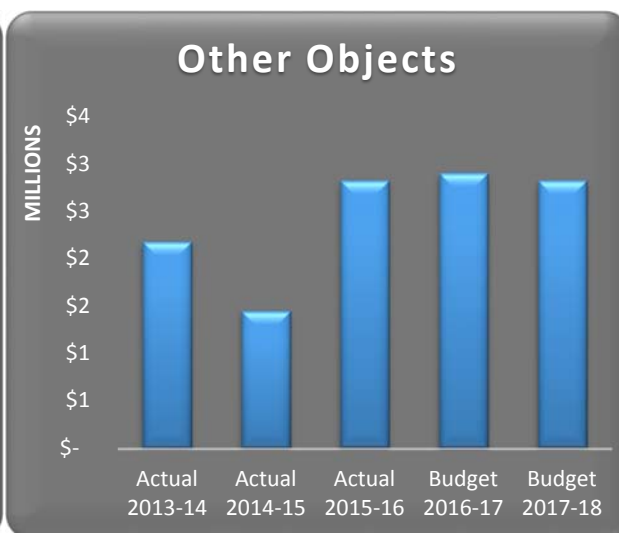
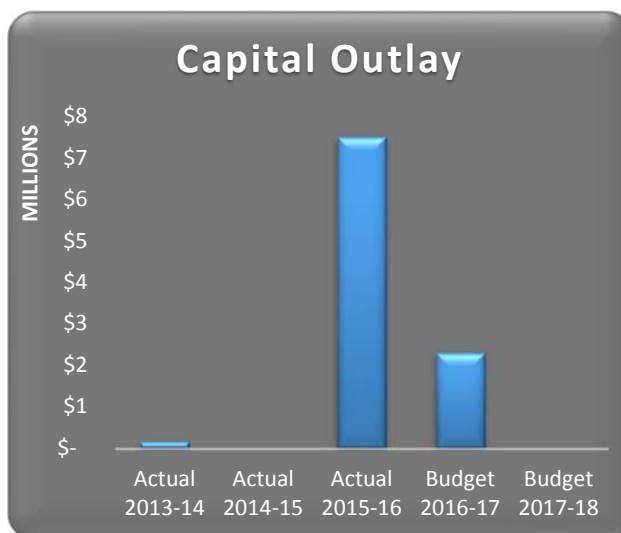
	Actual 2013-14	Actual 2014-15	Actual 2015-16	Budget 2016-17	Budget 2017-18
<b>Supplies and Materials</b>					
Supplies	\$ 1,021,006	\$ 1,094,216	\$ 1,078,016	\$ 1,325,000	\$ 1,350,000
Oil	76,100	72,850	97,062	90,000	88,000
Gasoline	2,318,872	1,777,432	1,203,682	1,500,000	1,600,000
Natural Gas	-	-	-	-	13,110
Electricity	-	-	-	-	50,000
<b>Total Supplies and Materials</b>	<b>\$ 3,415,978</b>	<b>\$ 2,944,498</b>	<b>\$ 2,378,760</b>	<b>\$ 2,915,000</b>	<b>\$ 3,101,110</b>



## Transportation Fund

### Expenditures by Object Detail (Continued)

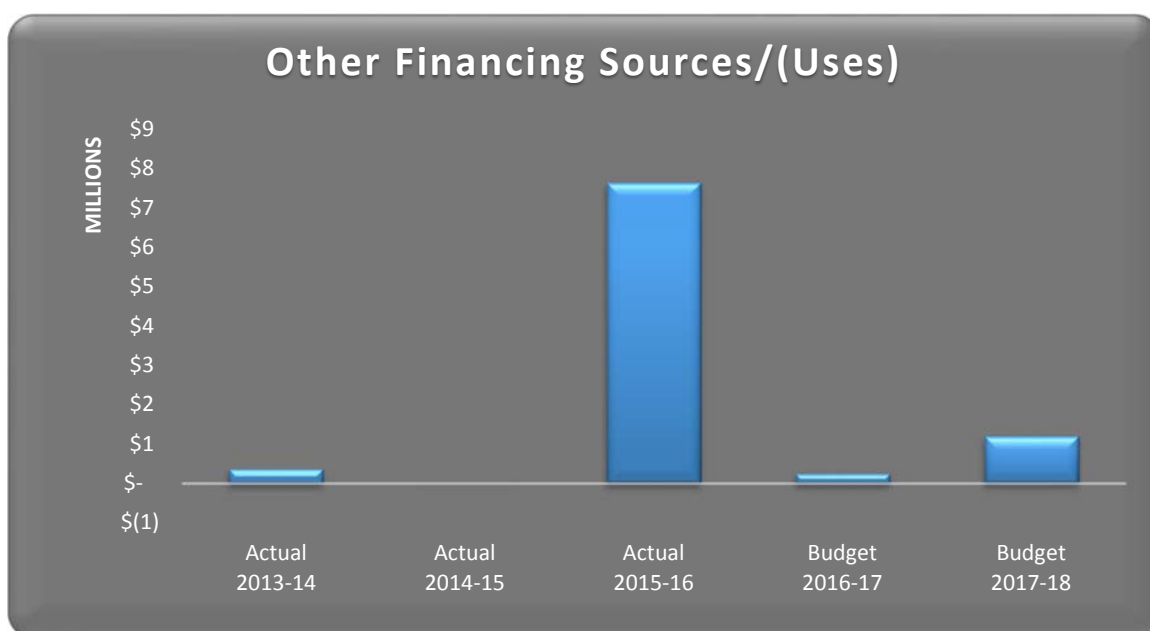
	Actual 2013-14	Actual 2014-15	Actual 2015-16	Budget 2016-17	Budget 2017-18
<b>Capital Outlay</b>					
Improvements (Non Building)	\$ 48,100	\$ -	\$ -	\$ -	\$ -
Addl/Repl Transportation Equip	124,224	-	196,656	2,306,440	-
Transp Lease/Purchase Equipment	-	-	7,311,097	-	-
<b>Total Capital Outlay</b>	<b>\$ 172,324</b>	<b>\$ -</b>	<b>\$ 7,507,753</b>	<b>\$ 2,306,440</b>	<b>\$ -</b>
	Actual 2013-14	Actual 2014-15	Actual 2015-16	Budget 2016-17	Budget 2017-18
<b>Other Objects</b>					
Redemption Of Principal - Leases	\$ 2,141,944	\$ 1,377,280	\$ 2,751,966	\$ 2,786,330	\$ 2,745,758
Interest - Leases	36,287	72,541	71,099	114,600	77,308
Dues & Fees	3,600	96	4,365	5,000	5,000
<b>Total Capital Outlay</b>	<b>\$ 2,181,831</b>	<b>\$ 1,449,917</b>	<b>\$ 2,827,431</b>	<b>\$ 2,905,930</b>	<b>\$ 2,828,066</b>



## Transportation Fund

### Other Financing Sources/(Uses)

	Actual 2013-14	Actual 2014-15	Actual 2015-16	Budget 2016-17	Budget 2017-18
<b>Other Financing Sources/(Uses)</b>					
Transfers - Interfund	\$ 130,745	\$ (89,992)	\$ (79,403)	\$ (155,934)	\$ -
Transfers - Bank Interest	235,000	75,000	425,000	400,000	1,200,000
Proceeds from Purchase Contracts	-	-	6,653,797	-	-
Proceeds from Sale of Equipment	-	-	664,800	-	-
<b>Total Other Fin. Sources/(Uses)</b>	<b>\$ 365,745</b>	<b>\$ (14,992)</b>	<b>\$ 7,664,194</b>	<b>\$ 244,066</b>	<b>\$ 1,200,000</b>



## Transportation Fund

### Budget and Three-Year Forecast Revenues, Expenditures and Change in Fund Balance (Deficit)

	Budget 2017-18	Forecast 2018-19	Forecast 2019-20	Forecast 2020-21
Revenue				
Local Sources	\$ 18,165,503	\$ 17,394,859	\$ 16,648,711	\$ 15,891,300
State Sources	11,303,010	11,529,070	11,759,652	11,994,845
Total Revenue by Source	\$ 29,468,513	\$ 28,923,929	\$ 28,408,362	\$ 27,886,144
Expenditures				
Salaries	\$ 14,005,977	\$ 14,286,097	\$ 14,571,818	\$ 14,863,255
Employee Benefits	5,431,548	5,693,818	5,969,015	6,257,782
Purchased Services	1,205,848	1,217,906	1,230,086	1,242,386
Supplies and Materials	3,101,110	3,132,121	3,163,442	3,195,077
Capital Outlay	-	2,306,440	2,306,440	2,306,440
Other Objects	2,828,066	1,378,245	1,378,245	5,000
Total Expenditures by Object	\$ 26,572,549	\$ 28,014,627	\$ 28,619,046	\$ 27,869,940
Excess of Revenues Over Expenditures	2,895,964	909,302	(210,684)	16,204
Other Financing Sources	\$ 1,200,000	\$ 1,200,000	\$ 1,200,000	\$ 1,200,000
Net Change in Fund Balance (Deficit)	4,095,964	2,109,302	989,316	1,216,204
Fund Balance (Deficit) at Beginning of Year	(3,422,584)	673,380	2,782,682	3,771,998
Fund Balance (Deficit) at End of Year	\$ 673,380	\$ 2,782,682	\$ 3,771,998	\$ 4,988,202

#### ASSUMPTIONS:

- CPI – 1.5 percent for each forecast year

#### Revenue

- Property Taxes – Increase by CPI
- Property Taxes – Minus \$1.0 million allocation to educational fund
- State Categoricals – Increase 2.0 percent; receive three of the four payments over each of the forecast years
- All other revenue – Increase by 1.0 percent for each forecast year

#### Expenditures

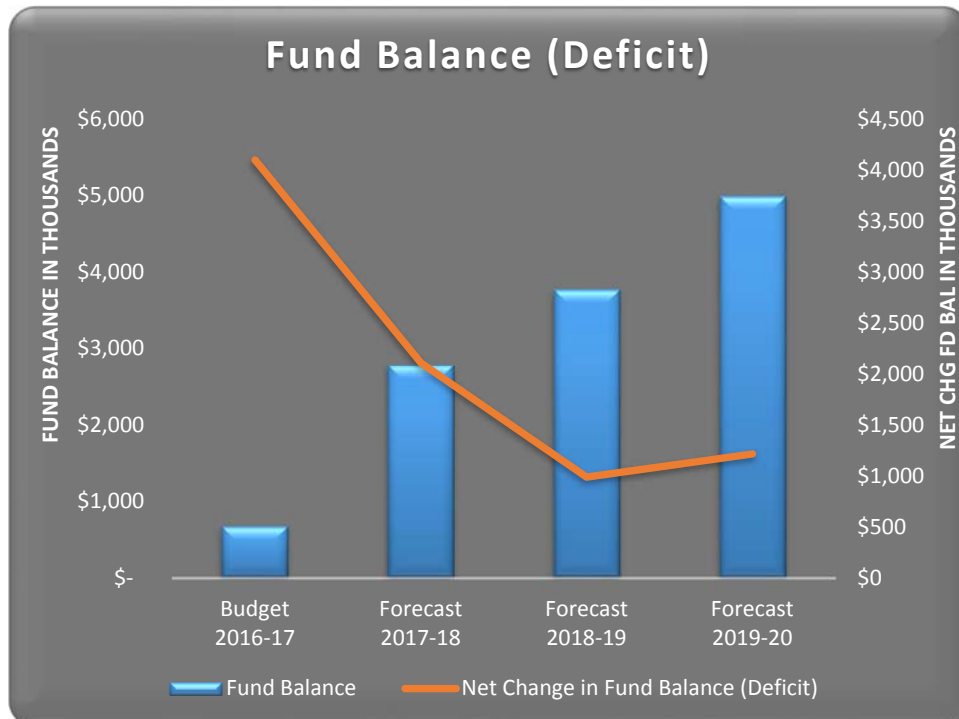
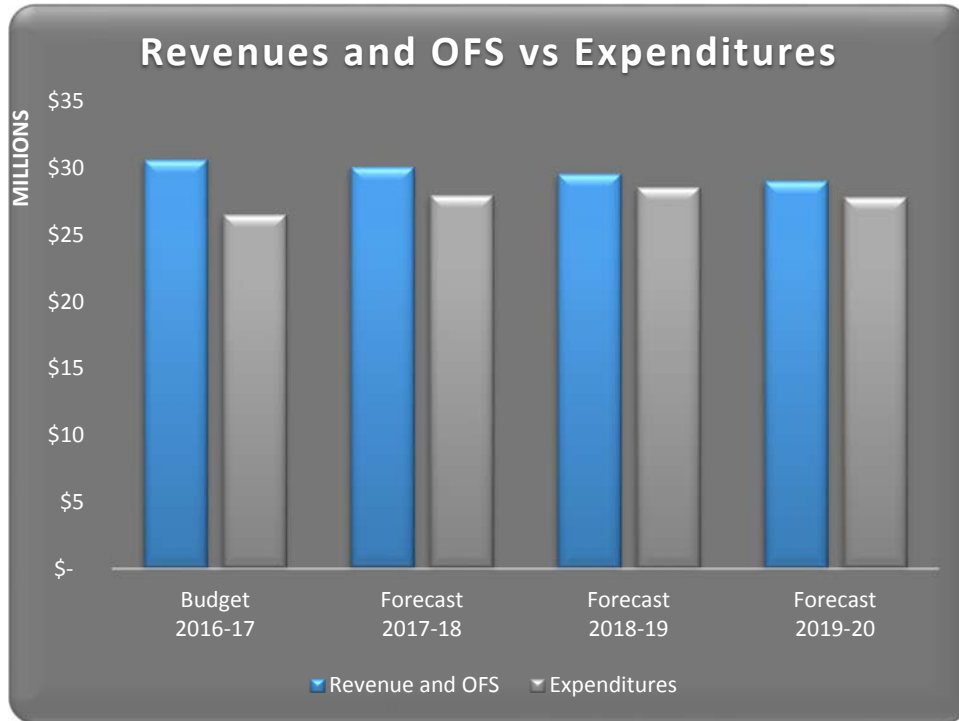
- Salaries – Increase 2.0 percent for each forecast year
- Health Benefits – Increase by 5.0 percent for each forecast year
- Remaining Benefits – Increase by 2.0 percent for each budget year
- Capital Outlay – \$2.3 million for buses each forecast year
- All other expenditures – Increase 1.0 percent for each forecast year

#### Other Financing Sources

- Transfer in of investment income – \$1.2 for each forecast year.

## Transportation Fund

### Budget and Three-Year Forecast Revenues, Expenditures and Change in Fund Balance (Deficit) (Continued)





# Operations and Maintenance Fund

The Operations and Maintenance Fund is used to account for expenditures for the improvement, maintenance, repair, or benefit of buildings and property, including the cost of interior decorating and the installation, improvement, repair, replacement, and maintenance of building fixtures; rental of buildings and property, payment of all premiums for insurance upon building and building fixtures; all costs of lights, gas, water, telephone service, custodial supplies and equipment, and professional surveys of District property.

[See 105 ILCS 5/17-2 and 17-7]

## Operations and Maintenance Fund Revenues, Expenditures and Changes in Fund Balance (Deficit)

### Revenue by Source Expenditures by Object

	Actual 2013-14	Actual 2014-15	Actual 2015-16	Budget 2016-17	Budget 2017-18
Revenue					
Local Sources	\$ 26,531,052	\$ 29,758,890	\$ 30,106,647	\$ 30,253,723	\$ 32,218,806
State Sources	1,333,433	120,881	-	-	-
Total Revenue by Source	\$ 27,864,485	\$ 29,879,771	\$ 30,106,647	\$ 30,253,723	\$ 32,218,806
Expenditures					
Salaries	\$ 7,243,145	\$ 7,494,198	\$ 7,972,455	\$ 7,813,765	\$ 7,971,698
Employee Benefits	1,497,735	1,457,410	1,629,909	1,588,894	1,631,791
Purchased Services	7,870,254	8,790,797	9,867,218	9,498,000	9,725,250
Supplies and Materials	6,586,438	7,009,290	6,674,650	6,998,100	7,398,100
Capital Outlay	5,837,684	12,476,586	12,827,717	13,389,876	12,523,423
Other Objects	6,146	5,094	4,344	6,000	6,000
Total Expenditures by Object	\$ 29,041,402	\$ 37,233,375	\$ 38,976,293	\$ 39,294,635	\$ 39,256,262
Deficiency of Revenues Over Expenditures	(1,176,917)	(7,353,604)	(8,869,646)	(9,040,912)	(7,037,456)
Other Financing Sources	\$ 6,208,665	\$ 7,620,121	\$ 10,229,522	\$ 5,131,069	\$ 11,359,435
Net Change in Fund Bal/(Deficit)	5,031,748	266,517	1,359,876	(3,909,843)	4,321,979
Fund Bal/(Deficit) at Beg. of Year	(518,210)	4,513,538	4,780,055	6,139,931	2,230,088
Fund Bal/(Deficit) at End of Year	\$ 4,513,538	\$ 4,780,055	\$ 6,139,931	\$ 2,230,088	\$ 6,552,067

#### Revenue

The Operations and Maintenance Fund is only funded with local sources, primarily property taxes which accounts for \$30.9 million of the budget. E-rate and rental income make up the remaining revenue. Property taxes increased in the current budget in line with CPI growth and new construction.

#### Expenditures

The District maintains 64 buildings, 5.5 million square feet of floor space, and 870 acres of grounds and landscaping.

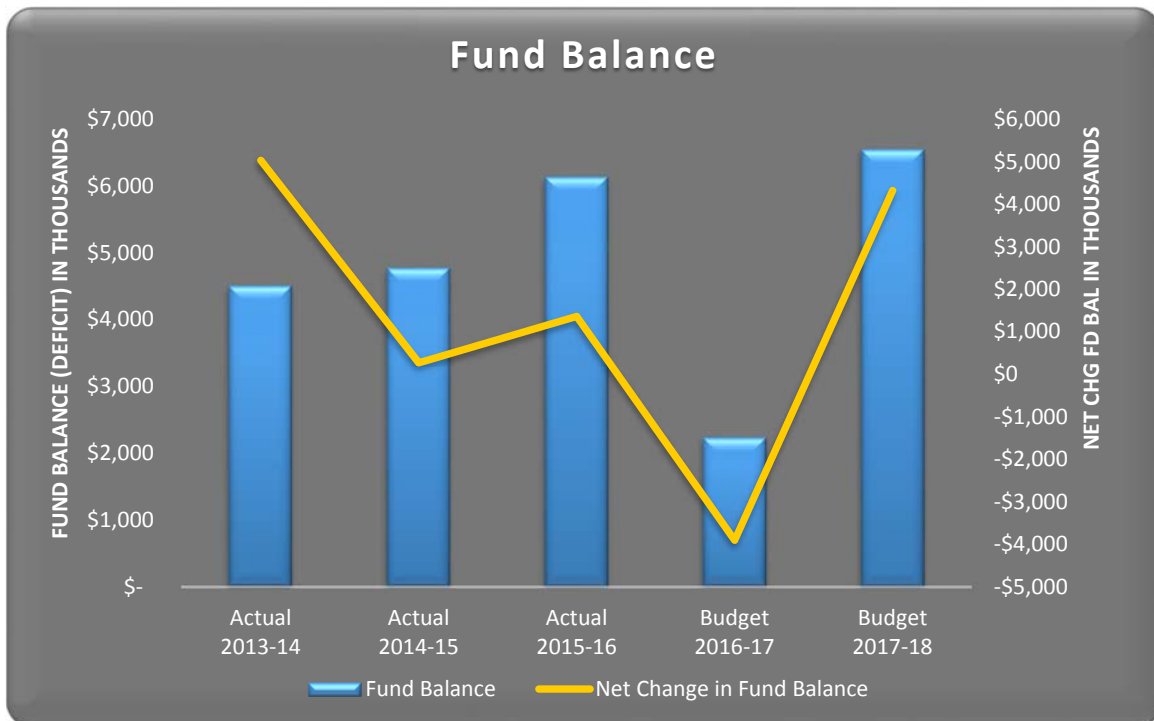
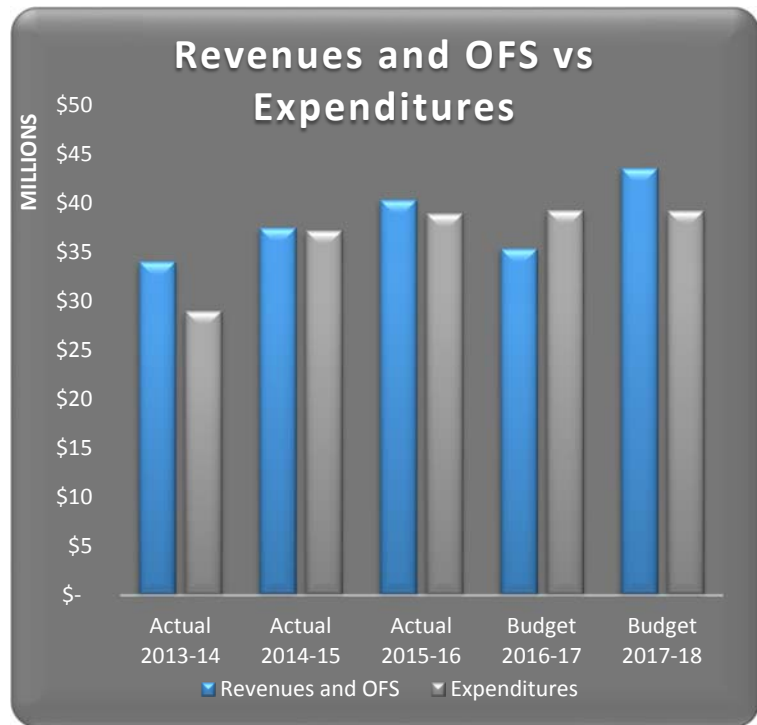
Salaries and benefits increased \$0.2 million over the prior year's budget or 2.1 percent. Purchased services are budgeted higher by 2.4 percent, primarily due to increased technical and contract cleaning services by \$177 thousand and \$65 thousand, respectively. Supplies and materials are projected to be higher by \$0.4 million, \$240 thousand of which are from commodity costs. Construction projects have scaled back from the prior year resulting in a \$0.9 million decrease in the capital outlay budget.

### Other Financing Sources

\$12.0 million of working cash bond proceeds have been transferred into the Operations and Maintenance Fund to use on capital projects in the year. The Operations and Maintenance Fund also transfers out \$0.6 million to the Debt Service Fund for bond principal and interest payments.

### Fund Balance

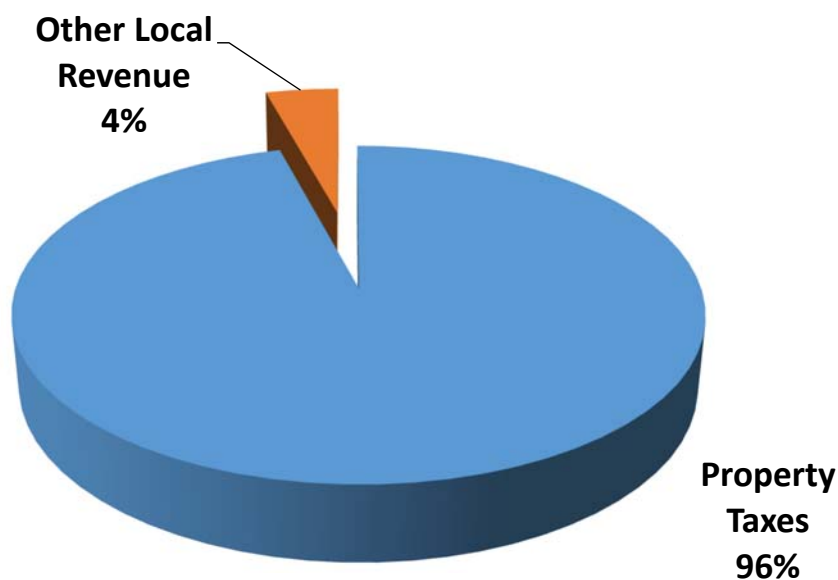
The District typically has more projects than can be completed with the annual funding available. It is management's practice to prioritize and complete as many projects as funding allows while maintaining a positive fund balance. Any excess fund balance is considered when planning future projects and allocating revenue



## Operations and Maintenance Fund

### Revenue by Source

Revenue	Budget 2017-18
Local Sources	
Property Taxes	\$ 30,867,806
Other Local Revenue	1,351,000
<b>Total Local Sources</b>	<b>32,218,806</b>



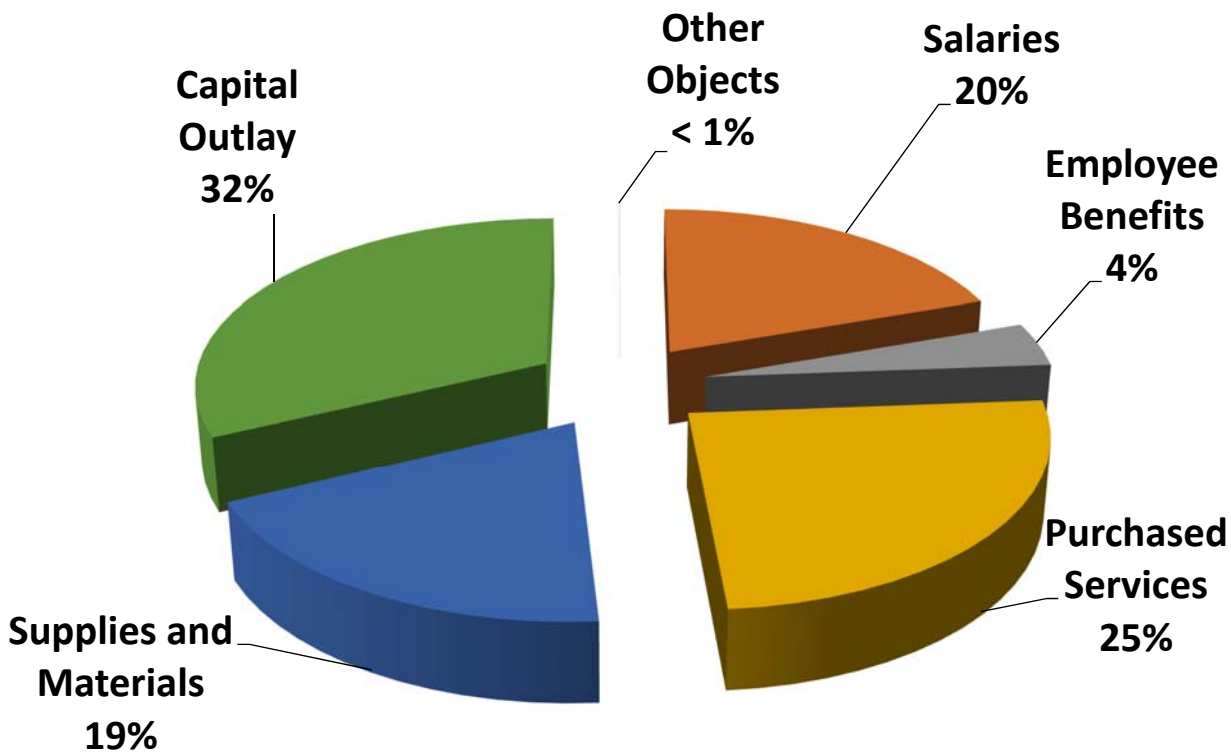
### Revenue by Source Detail

	Actual 2013-14	Actual 2014-15	Actual 2015-16	Budget 2016-17	Budget 2017-18
<b>Local Sources</b>					
Property Taxes	\$ 24,829,159	\$ 28,056,011	\$ 29,372,273	\$ 29,403,223	\$ 30,867,806
Interest on Investments	398	293	155	500	1,000
Other Local Revenue	1,701,495	1,702,586	734,219	850,000	1,350,000
<b>State Sources</b>					
General State Aid	1,176,052	-	-	-	-
Other Revenue	157,381	120,881	-	-	-
<b>Total Revenue</b>	<b>\$ 27,864,485</b>	<b>\$ 29,879,771</b>	<b>\$ 30,106,647</b>	<b>\$ 30,253,723</b>	<b>\$ 32,218,806</b>

## Operations and Maintenance Fund

### Expenditures by Object

<b>Expenditures</b>	<b>Budget 2017-18</b>
Salaries	\$ 7,971,698
Employee Benefits	1,631,791
Purchased Services	9,725,250
Supplies and Materials	7,398,100
Capital Outlay	12,523,423
Other Objects	6,000
<b>Total Expenditures by Object</b>	<b>\$ 39,256,262</b>

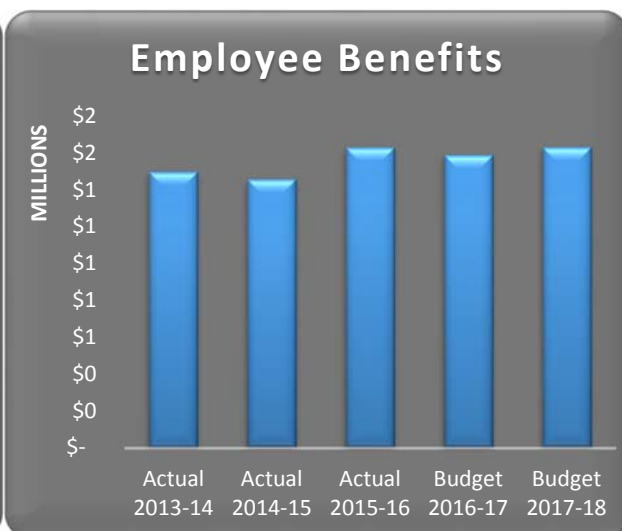


## Operations and Maintenance Fund

### Expenditures by Object Detail

	Actual 2013-14	Actual 2014-15	Actual 2015-16	Budget 2016-17	Budget 2017-18
<b>Salaries</b>					
Administrators Salaries	\$ 725,967	\$ 746,526	\$ 826,303	\$ 829,835	\$ 852,655
Technical Salaries	8,169	46,548	58,069	71,682	133,653
Temporary Salaries	16,236	42,713	152,234	145,661	100,000
Other Hourly Extra Curr Superv	39,728	18,033	4,994	-	-
Stipends	1,100	600	600	-	-
Overtime Time & a Half	195,929	137,416	130,528	108,038	110,201
Overtime Double Time	83,283	45,460	27,354	27,970	45,530
12-Month Secretaries	192,805	195,530	155,959	142,695	149,830
Custodians	3,750,287	3,772,900	3,937,680	3,877,422	3,787,451
Maintenance	1,374,582	1,553,674	1,640,483	1,594,054	1,705,643
Grounds	855,060	934,798	1,038,251	1,016,407	1,086,735
<b>Total Salaries</b>	<b>\$ 7,243,145</b>	<b>\$ 7,494,198</b>	<b>\$ 7,972,455</b>	<b>\$ 7,813,765</b>	<b>\$ 7,971,698</b>

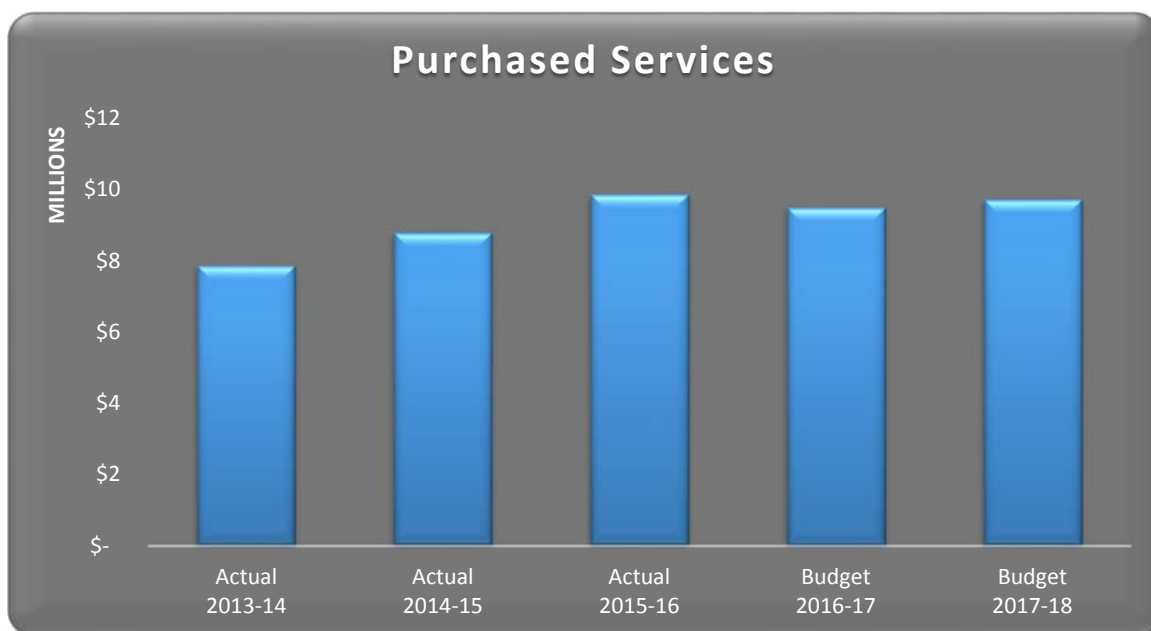
	Actual 2013-14	Actual 2014-15	Actual 2015-16	Budget 2016-17	Budget 2017-18
<b>Employee Benefits</b>					
Life Insurance	\$ 15,034	\$ 9,211	\$ 9,649	\$ 15,960	\$ 14,364
Medical Insurance	1,411,806	1,380,834	1,528,616	1,499,304	1,536,778
Dental Insurance	69,615	58,761	81,703	72,266	77,285
Disability Insurance	1,280	8,604	9,940	1,363	3,364
<b>Total Employee Benefits</b>	<b>\$ 1,497,735</b>	<b>\$ 1,457,410</b>	<b>\$ 1,629,909</b>	<b>\$ 1,588,894</b>	<b>\$ 1,631,791</b>



## Operations and Maintenance Fund

### Expenditures by Object Detail (Continued)

	Actual 2013-14	Actual 2014-15	Actual 2015-16	Budget 2016-17	Budget 2017-18
<b>Purchased Services</b>					
Technical Services	\$ 933,293	\$ 1,503,058	\$ 1,647,023	\$ 1,895,000	\$ 2,072,250
Other Tech & Prof Serv	8,502	73,697	33,044	52,000	37,000
Sanitation Services	190,981	241,579	311,672	275,000	235,000
Cleaning Services	21,900	23,201	31,446	30,000	25,000
Repairs & Maint Services	2,334,240	2,722,822	3,507,286	2,975,000	3,030,000
Rentals	200,538	127,824	163,694	123,500	80,000
Contract Cleaning	3,438,581	3,453,342	3,488,234	3,550,000	3,615,000
Exterminating	21,946	29,475	30,660	25,000	50,000
Other Property Services	20,195	19,031	19,304	18,500	30,000
Indistrict/Regional Travel	5,257	1,530	659	1,000	1,000
Travel Conf/Workshops	4,814	7,074	7,491	10,000	8,000
Out Of District Travel	24	2,124	595	2,000	1,000
Communications/Postage	39,003	32,327	34,557	29,000	21,000
Printing & Duplicating	497	1,696	5,431	2,000	10,000
Water/Sewer	555,660	543,383	578,516	500,000	500,000
Other Purchased Services	94,823	8,634	7,606	10,000	10,000
<b>Total Purchased Services</b>	<b>\$ 7,870,254</b>	<b>\$ 8,790,797</b>	<b>\$ 9,867,218</b>	<b>\$ 9,498,000</b>	<b>\$ 9,725,250</b>

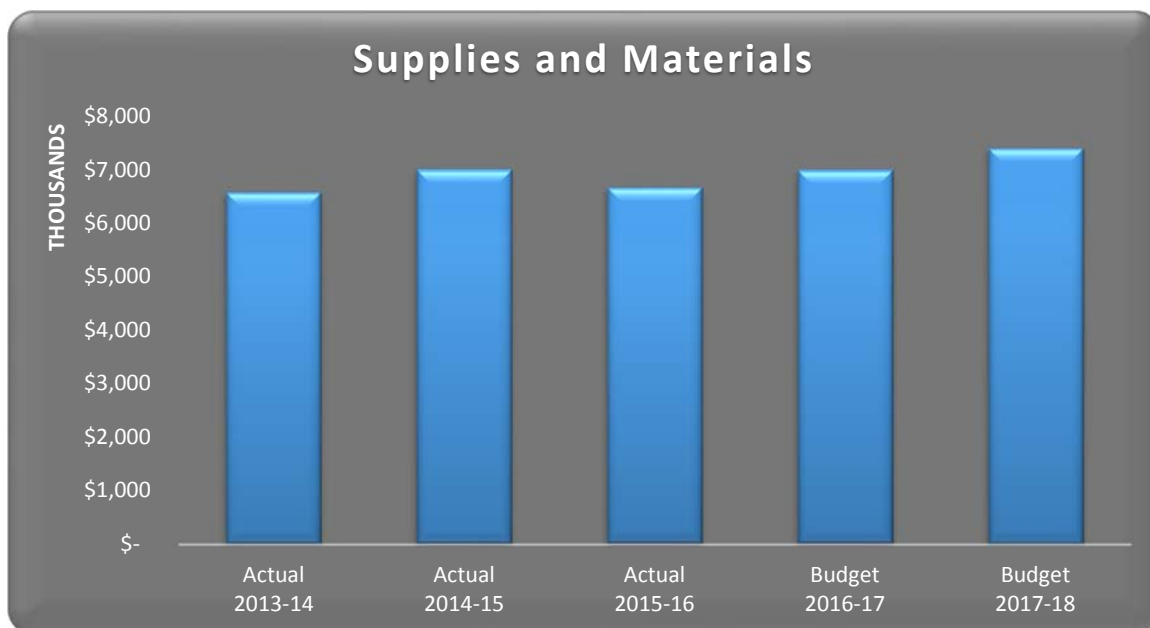




## Operations and Maintenance Fund

### Expenditures by Object Detail (Continued)

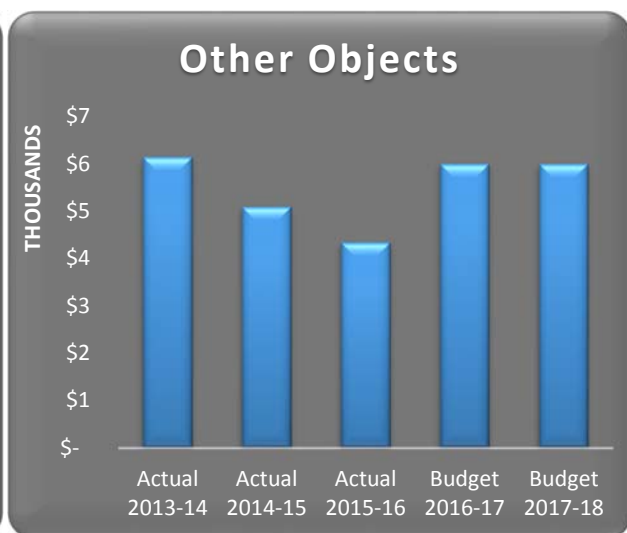
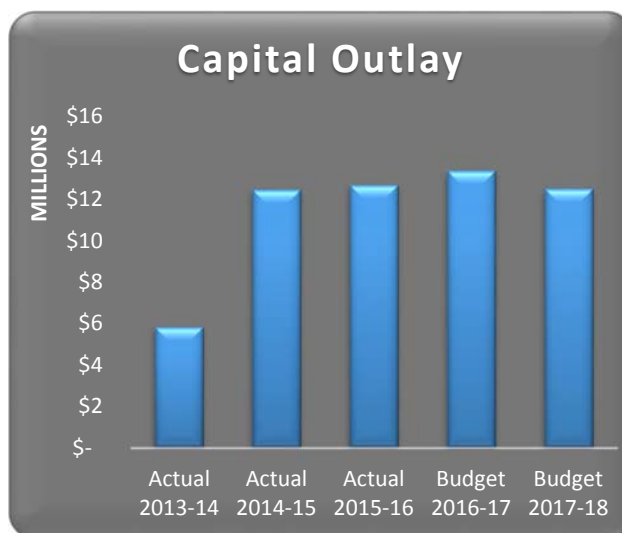
	Actual 2013-14	Actual 2014-15	Actual 2015-16	Budget 2016-17	Budget 2017-18
<b>Supplies and Materials</b>					
Supplies	\$ 1,287,028	\$ 1,514,986	\$ 1,572,070	\$ 1,440,000	\$ 1,600,000
Custodial Supplies	514,125	511,645	500,498	500,000	500,000
Periodicals	-	-	-	100	100
Gasoline	-	-	10,283	70,000	80,000
Natural Gas	1,348,778	1,829,124	1,299,164	1,800,000	1,600,000
Electricity	3,422,587	3,135,355	3,274,124	3,170,000	3,600,000
Other Supplies	13,920	18,180	18,511	18,000	18,000
<b>Total Supplies and Materials</b>	<b>\$ 6,586,438</b>	<b>\$ 7,009,290</b>	<b>\$ 6,674,650</b>	<b>\$ 6,998,100</b>	<b>\$ 7,398,100</b>



## Operations and Maintenance Fund

### Expenditures by Object Detail (Continued)

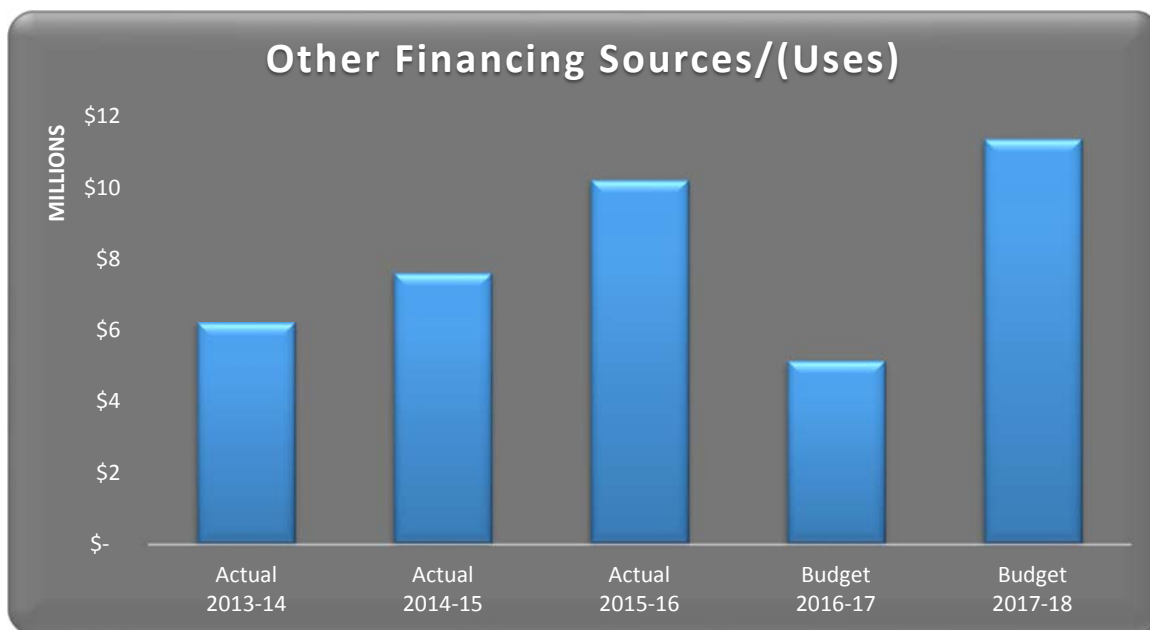
	Actual 2013-14	Actual 2014-15	Actual 2015-16	Budget 2016-17	Budget 2017-18
<b>Capital Outlay</b>					
Buildings	\$ 4,720,041	\$ 9,832,000	\$ 10,908,117	\$ 12,472,476	\$ 12,195,923
Improvements (Non Building)	634,443	1,724,833	1,541,870	742,000	77,500
Addl/Repl Equipment	483,201	919,753	246,330	175,400	250,000
Lease/Purchase Equipment	-	-	131,400	-	-
<b>Total Capital Outlay</b>	<b>\$ 5,837,684</b>	<b>\$ 12,476,586</b>	<b>\$ 12,827,717</b>	<b>\$ 13,389,876</b>	<b>\$ 12,523,423</b>
	Actual 2013-14	Actual 2014-15	Actual 2015-16	Budget 2016-17	Budget 2017-18
<b>Other Objects</b>					
Dues & Fees	\$ 1,200	\$ (757)	\$ -	\$ -	\$ 200
Miscellaneous Objects	4,946	5,851	4,344	6,000	5,800
<b>Total Capital Outlay</b>	<b>\$ 6,146</b>	<b>\$ 5,094</b>	<b>\$ 4,344</b>	<b>\$ 6,000</b>	<b>\$ 6,000</b>



## Operations and Maintenance Fund

### Other Financing Sources/(Uses)

	Actual 2013-14	Actual 2014-15	Actual 2015-16	Budget 2016-17	Budget 2017-18
<b>Other Financing Sources/(Uses)</b>					
Transfers - Interfund	\$ 6,989,109	\$ 8,399,913	\$ 11,047,656	\$ 5,772,934	\$ 12,000,000
Transfer of Bond Principal	(607,870)	(610,521)	(613,189)	(615,822)	(618,578)
Transfer of Principal to Debt Service	(125,421)	(130,304)	(169,823)	-	-
Transfer of Bond Interest	(32,598)	(29,296)	(29,976)	(26,043)	(21,987)
Transfer of Interest to Debt Service	(14,555)	(9,671)	(5,146)	-	-
<b>Total Other Fin. Sources/(Uses)</b>	<b>\$ 6,208,665</b>	<b>\$ 7,620,121</b>	<b>\$ 10,229,522</b>	<b>\$ 5,131,069</b>	<b>\$ 11,359,435</b>



## Operations and Maintenance Fund

### Budget and Three-Year Forecast Revenues, Expenditures and Change in Fund Balance

	Budget 2017-18	Forecast 2018-19	Forecast 2019-20	Forecast 2020-21
Revenue				
Local Sources	\$ 32,218,806	\$ 32,642,329	\$ 33,138,854	\$ 33,642,965
Expenditures				
Salaries	\$ 7,971,698	\$ 8,131,132	\$ 8,293,755	\$ 8,459,630
Employee Benefits	1,631,791	1,710,530	1,793,149	1,879,841
Purchased Services	9,725,250	9,871,129	10,019,196	10,169,484
Supplies and Materials	7,398,100	7,509,072	7,621,708	7,736,033
Capital Outlay	12,523,423	13,200,000	6,925,000	6,825,000
Other Objects	6,000	5,800	5,800	5,800
Total Expenditures by Object	\$ 39,256,262	\$ 40,427,662	\$ 34,658,607	\$ 35,075,788
Deficiency of Revenues Under Expenditures	(7,037,456)	(7,785,333)	(1,519,753)	(1,432,823)
Other Financing Sources/(Uses)	\$ 11,359,435	\$ 11,360,735	\$ (637,965)	\$ (666,664)
Net Change in Fund Balance	4,321,979	3,575,402	(2,157,718)	(2,099,487)
Fund Balance at Beginning of Year	2,230,088	6,552,067	10,127,469	7,969,751
Fund Balance at End of Year	\$ 6,552,067	\$ 10,127,469	\$ 7,969,751	\$ 5,870,264

#### ASSUMPTIONS:

- CPI – 1.5 percent for each forecast year

#### *Revenue*

- Property Taxes – Increase by CPI
- All other revenue – Increase by 2.0 percent for each forecast year

#### *Expenditures*

- Salaries – Increase 2.0 percent for each forecast year
- Health Benefits – Increase by 5.0 percent for each forecast year
- Remaining Benefits – Increase by 2.0 percent for each budget year
- Capital Outlay – 2018-19 \$13.2 million, 2019-20 \$6.9 million, 2020-21 \$6.8 million
- All other expenditures – Increase by CPI for each forecast year

#### *Other Financing Sources/(Uses)*

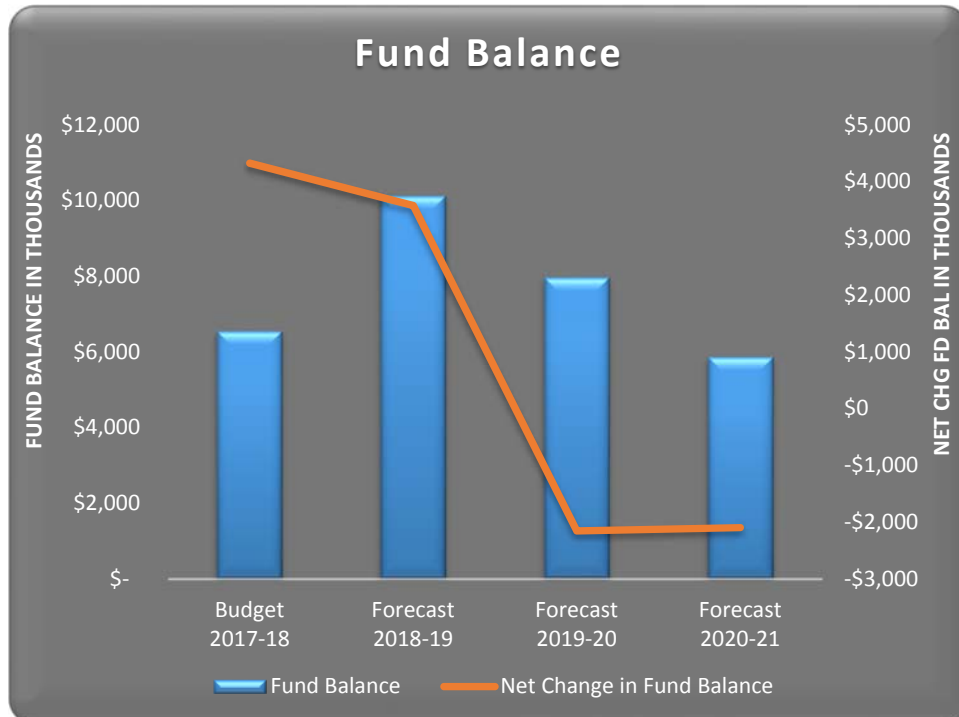
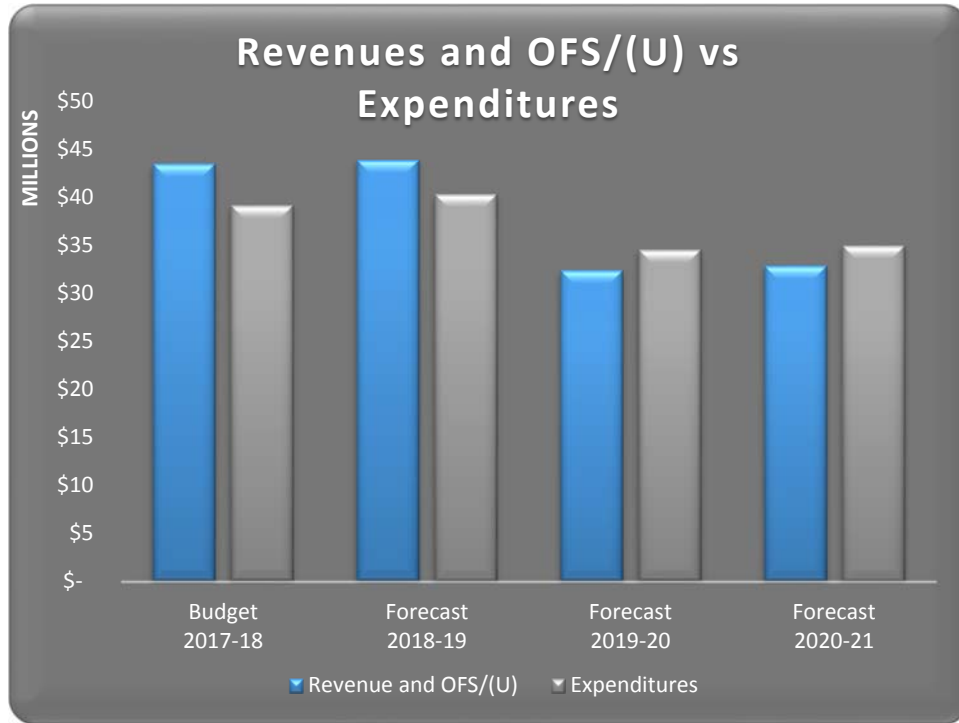
- Transfer in of working cash bond proceeds from the Working Cash Fund of \$12.0 for capital project spending is planned until the working cash bond proceeds are depleted in 2019. This amount is included in the Other Financing Sources/(Uses) line above as a financing source. In fiscal year 2020 and beyond capital projects spending is forecasted to decline and fund balance will be needed for necessary capital expenditures unless additional bonds are issued for future capital projects.
- The Operations and Maintenance Fund also transfers out \$0.6 million to the Debt Service Fund to cover bond and interest payments

## Operations and Maintenance Fund

### Budget and Three-Year Forecast

### Revenues, Expenditures and Change in Fund Balance

(Continued)



# Tort Immunity and Judgment Fund

The Tort Immunity and Judgment Fund is used to pay for settlements or judgments, for protecting the District or its employees against liability, property damage or loss, and for risk care management programs.

## Tort Immunity and Judgments Fund

### Revenues, Expenditures and Changes in Fund Deficit

#### Revenue by Source Expenditures by Object

	Actual 2013-14	Actual 2014-15	Actual 2015-16	Budget 2016-17	Budget 2017-18
Revenue					
Local Sources	\$ 7,142,745	\$ 10,066,198	\$ 12,462,994	\$ 11,302,741	\$ 8,466,019
State Sources	1,562,356	1,475,169	1,502,656	-	-
Total Revenue by Source	\$ 8,705,101	\$ 11,541,367	\$ 13,965,651	\$ 11,302,741	\$ 8,466,019
Expenditures					
Salaries	\$ 358,497	\$ 367,144	\$ 381,945	\$ 385,548	\$ 398,366
Employee Benefits	31,007	24,696	25,305	29,054	29,693
Purchased Services	8,606,332	7,060,575	5,024,037	5,500,836	5,717,063
Capital Outlay	-	92,980	-	-	-
Total Expenditures by Object	\$ 8,995,836	\$ 7,545,395	\$ 5,431,288	\$ 5,915,439	\$ 6,145,122
Net Change in Fund Deficit	(290,735)	3,995,972	8,534,363	5,387,302	2,320,897
Fund Deficit at Beg. of Year	(21,605,796)	(21,896,531)	(17,900,559)	(9,366,196)	(3,978,894)
Fund Deficit at End of Year	\$ (21,896,531)	\$ (17,900,559)	\$ (9,366,196)	\$ (3,978,894)	\$ (1,657,997)

#### *Revenue*

The tort fund is funded by local property taxes and in the recent past included allocated GSA in order to help cover one-time cost increases. The GSA allocation has been eliminated from the tort fund and the property tax allocation has been scaled back since the fund deficit is being reduced as planned. The \$2.8 million reduction in property tax revenue was reallocated back to the Educational Fund. This trend will continue as long as the fund's expenditures do not increase dramatically.

#### *Expenditures*

The Tort Fund accounts for the District's in house legal team and outsourced legal matters. Salaries and benefits increased \$13 thousand or 3.2 percent over the prior year's budget. Purchased services were projected to increase \$0.2 million over the prior year's budget but maintain levels well below the higher cost years of the last decade.

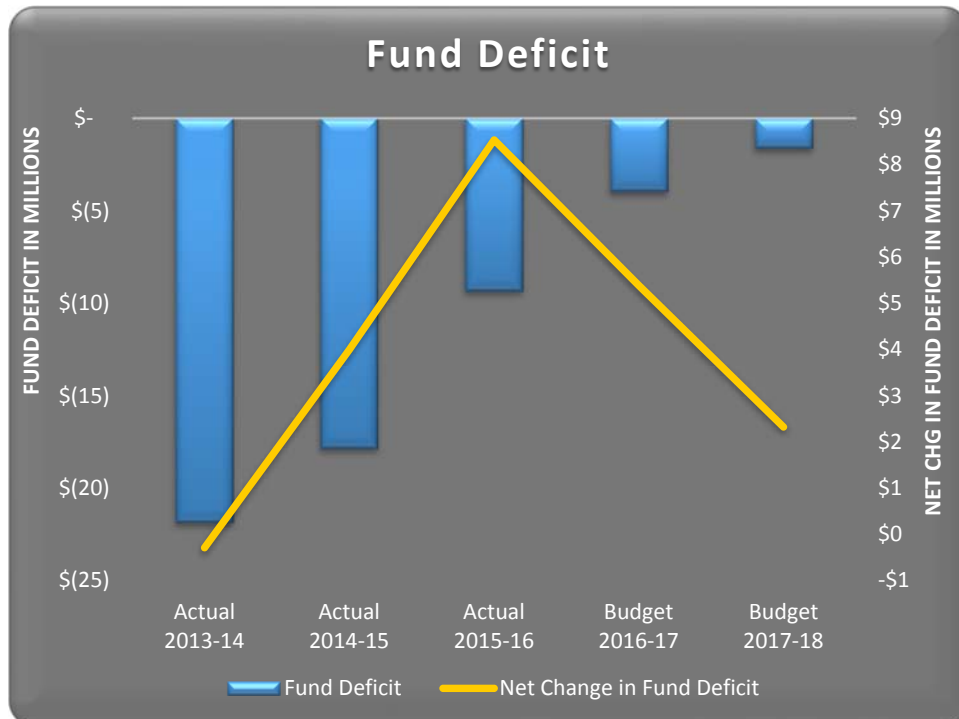
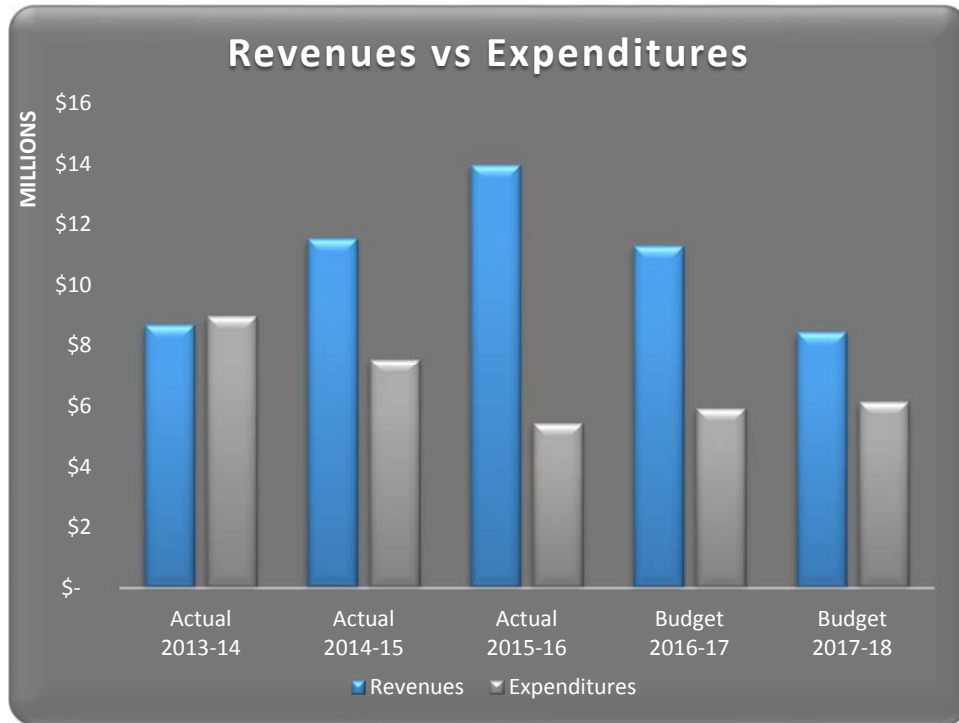
#### *Fund Balance*

Management continues to allocate resources to reduce and ultimately eliminate the fund deficit. Once the deficit is eliminated appropriate revenue will be allocated to the tort fund to cover expenditures.



## Tort Immunity and Judgments Fund

### Revenues, Expenditures and Changes in Fund Deficit (Continue)



## Tort Immunity and Judgment Fund

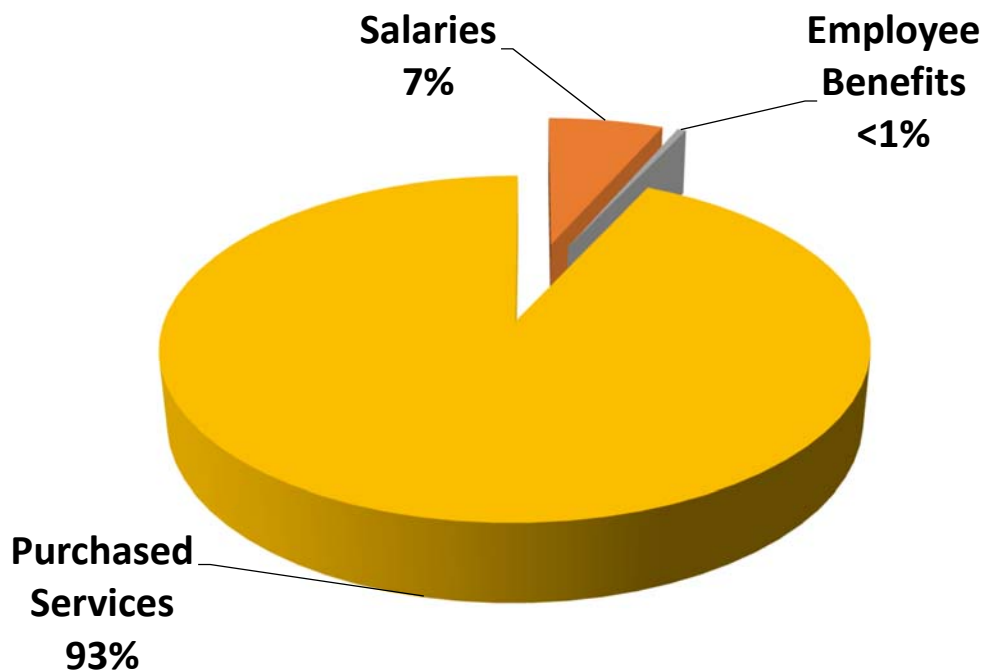
### Revenue by Source Detail

	Actual 2013-14	Actual 2014-15	Actual 2015-16	Budget 2016-17	Budget 2017-18
<b>Local Sources</b>					
Property Taxes	\$ 7,142,651	\$ 10,066,101	\$ 12,462,939	\$ 11,302,641	\$ 8,465,819
Interest on Investments	94	97	55	100	200
<b>State Sources</b>					
General State Aid	1,562,356	1,475,169	1,502,656	-	-
<b>Total Revenue</b>	<u>\$ 8,705,101</u>	<u>\$ 11,541,367</u>	<u>\$ 13,965,651</u>	<u>\$ 11,302,741</u>	<u>\$ 8,466,019</u>

## Tort Immunity and Judgments Fund

### Expenditures by Object

<b>Expenditures</b>	<b>Budget 2017-18</b>
Salaries	\$ 398,366
Employee Benefits	29,693
Purchased Services	5,717,063
<b>Total Expenditures by Object</b>	<b>\$ 6,145,122</b>

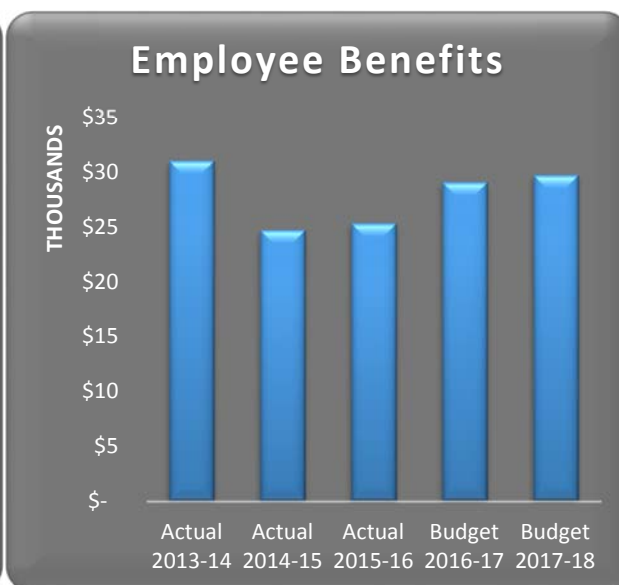


## Tort Immunity and Judgment Fund

### Expenditures by Object Detail

	Actual 2013-14	Actual 2014-15	Actual 2015-16	Budget 2016-17	Budget 2017-18
<b>Salaries</b>					
Administrators Salaries	\$ 267,860	\$ 274,003	\$ 285,642	\$ 287,113	\$ 295,009
Technical Salaries	-	-	-	-	-
Other Hourly Extra Curr Superv	1,088	-	-	-	-
Stipends	-	-	-	-	-
12-Month Secretaries	89,549	93,141	96,303	98,435	103,357
<b>Total Salaries</b>	<b>\$ 358,497</b>	<b>\$ 367,144</b>	<b>\$ 381,945</b>	<b>\$ 385,548</b>	<b>\$ 398,366</b>

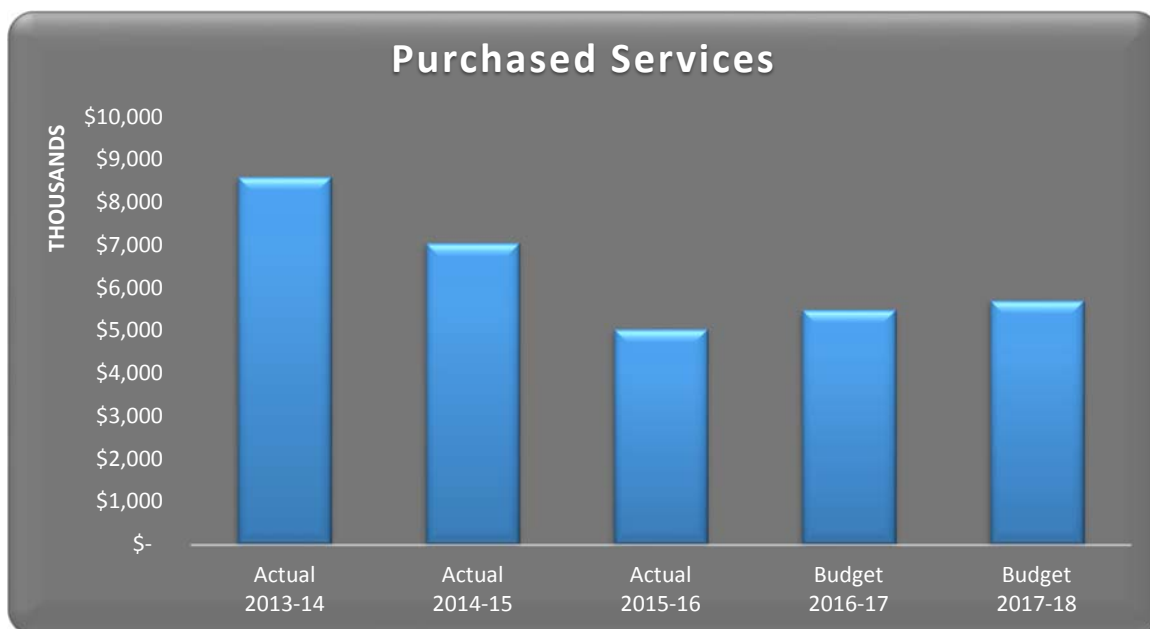
	Actual 2013-14	Actual 2014-15	Actual 2015-16	Budget 2016-17	Budget 2017-18
<b>Employee Benefits</b>					
Life Insurance	\$ 2,724	\$ 213	\$ 223	\$ 263	\$ 236
Medical Insurance	26,307	22,861	23,161	26,621	27,286
Dental Insurance	1,624	1,423	1,692	1,796	1,796
Disability Insurance	352	199	229	375	375
<b>Total Employee Benefits</b>	<b>\$ 31,007</b>	<b>\$ 24,696</b>	<b>\$ 25,305</b>	<b>\$ 29,054</b>	<b>\$ 29,693</b>



## Tort Immunity and Judgment Fund

### Expenditures by Object Detail (Continued)

	Actual 2013-14	Actual 2014-15	Actual 2015-16	Budget 2016-17	Budget 2017-18
<b>Purchased Services</b>					
Legal Services	\$ 3,045,178	\$ 305,016	\$ 151,082	\$ 100,000	\$ 250,000
Other Tech & Prof Serv	978,103	945,307	974,084	1,010,836	1,124,063
Travel Conf/Workshops	229	180	108	-	-
Out Of District Travel	-	135	260	-	-
Insurance	466,828	451,602	519,808	540,000	540,000
Workers Compensation	3,867,332	5,041,013	3,055,232	3,500,000	3,500,000
Unemployment Compensation	198,162	176,305	238,760	250,000	250,000
Property Claims/Tort	-	2,000	38,875	50,000	2,000
Liability/Tort Immunity	50,500	139,000	45,500	50,000	50,000
<b>Total Purchased Services</b>	<b>\$ 8,606,332</b>	<b>\$ 7,060,575</b>	<b>\$ 5,024,037</b>	<b>\$ 5,500,836</b>	<b>\$ 5,717,063</b>



	Actual 2013-14	Actual 2014-15	Actual 2015-16	Budget 2016-17	Budget 2017-18
<b>Capital Outlay</b>					
Add/Repl Equipment	\$ -	\$ 92,980	\$ -	\$ -	\$ -

## Tort Immunity and Judgment Fund

### Budget and Three-Year Forecast Revenues, Expenditures and Change in Fund Balance (Deficit)

	Budget 2017-18	Forecast 2018-19	Forecast 2019-20	Forecast 2020-21
Revenue				
Local Sources	\$ 8,466,019	\$ 7,574,767	\$ 6,688,389	\$ 5,788,715
Expenditures				
Salaries	\$ 398,366	\$ 409,321	\$ 420,577	\$ 432,143
Employee Benefits	29,693	31,123	32,624	34,198
Purchased Services	5,717,063	5,802,069	5,888,350	5,975,925
Total Expenditures by Object	\$ 6,145,122	\$ 6,242,514	\$ 6,341,551	\$ 6,442,267
Net Change in Fund Balance/(Deficit)	2,748,956	1,772,698	800,039	(187,211)
Fund Balance/(Deficit) at Beg. of Year	(3,978,894)	(1,229,938)	542,760	1,342,799
Fund Balance/(Deficit) at End of Year	\$ (1,229,938)	\$ 542,760	\$ 1,342,799	\$ 1,155,588

#### ASSUMPTIONS:

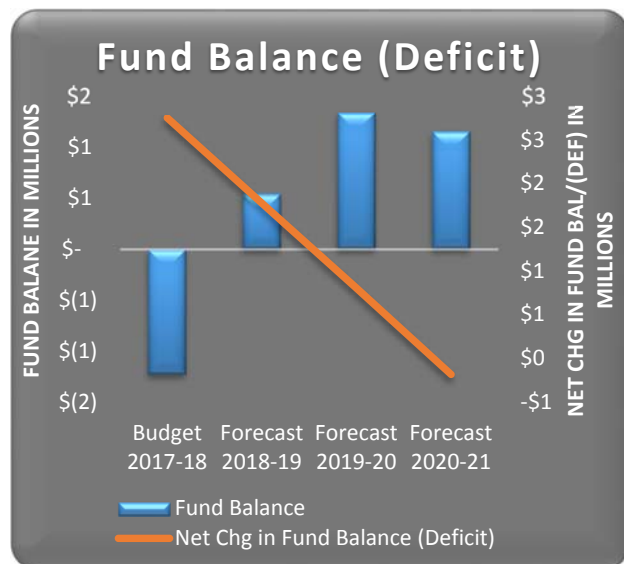
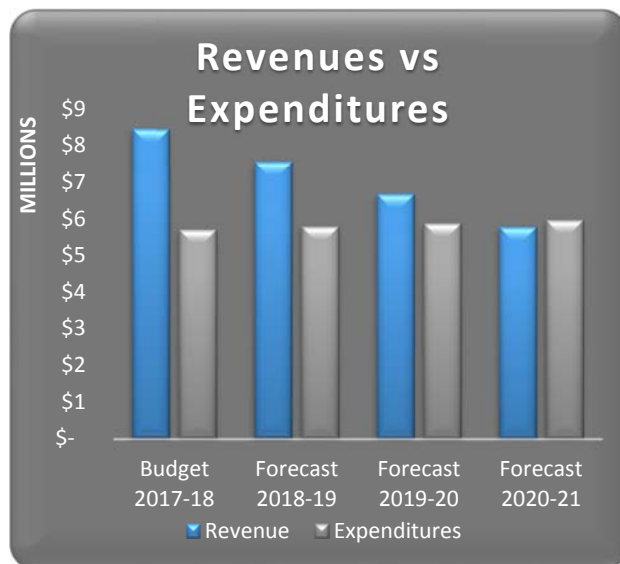
- CPI – 1.5 percent for each forecast year

#### Revenue

- Property Taxes – Increase by CPI
- Property Taxes – Minus \$1.0 million to Educational Fund for each forecast year
- All other revenue – Increase by CPI for each forecast year

#### Expenditures

- Salaries – Increase 2.75 percent for each forecast year
- Health Benefits – Increase by 5.0 percent for each forecast year
- Remaining Benefits – Increase by 2.75 percent for each budget year
- Settlements – Remain flat for each forecast year
- All other expenditures – Increase by CPI for each forecast year



# Municipal Retirement/Social Security Fund

The Municipal Retirement/Social Security Fund is used to account for property tax revenues and related expenditures for contributions to the Illinois Municipal Retirement Fund (IMRF), Social Security, and Medicare. [See 105 ILCS 5/17-1, 21-110, and 21-110.1]



## Municipal Retirement/Social Security Fund Revenues, Expenditures and Changes in Fund Balance (Deficit) (Continued)

### Revenue by Source Expenditures by Object

	Actual 2013-14	Actual 2014-15	Actual 2015-16	Budget 2016-17	Budget 2017-18
Revenue					
Local Sources	\$ 13,768,167	\$ 15,407,538	\$ 14,893,348	\$ 15,016,435	\$ 15,790,414
Expenditures					
Employee Benefits	\$ 13,932,581	\$ 14,128,565	\$ 14,768,551	\$ 14,954,175	\$ 15,787,947
Net Change in Fund Bal. (Deficit)	(164,414)	1,278,973	124,796	62,260	2,467
Fund Bal. (Deficit) at Beg. of Year	99,804	(64,610)	1,214,363	1,339,159	1,401,419
Fund Bal. (Deficit) at End of Year	\$ (64,610)	\$ 1,214,363	\$ 1,339,159	\$ 1,401,419	\$ 1,403,886

#### Revenue

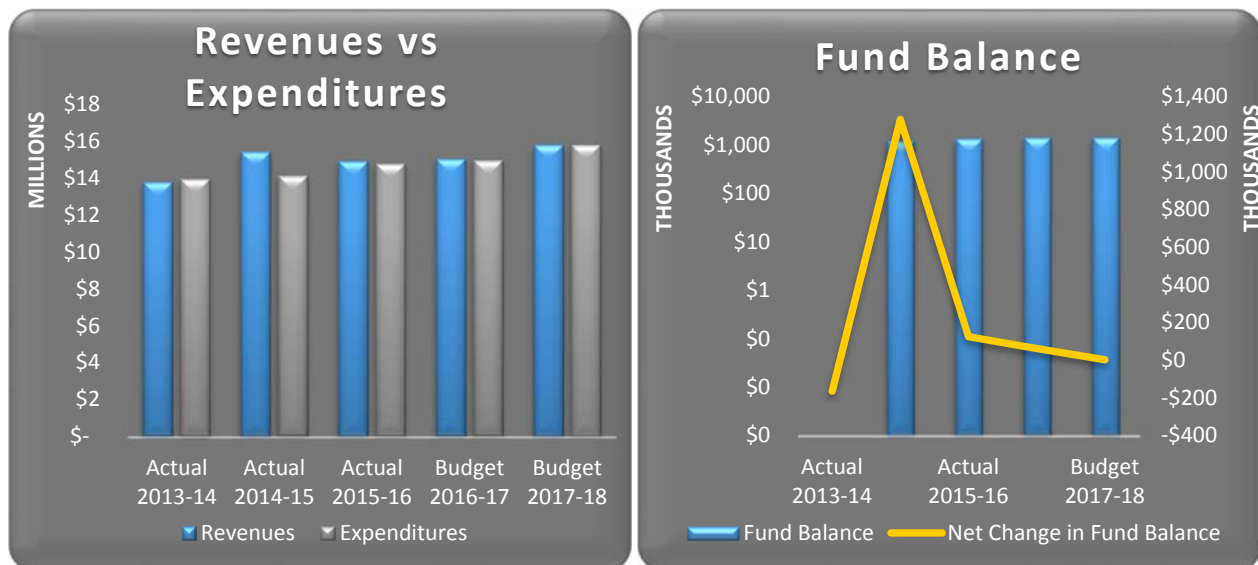
The Municipal Retirement/Social Security Fund is funded with local sources, property taxes and Corporate Personal Property Replacement Taxes (CPPRT). Property taxes increased \$0.8 million over the prior year budget. This increase is over CPI growth but is due to CPI growth being projected against a base higher than the prior year budget which the 2017 estimated actual was. The CPPRT is projected to remain flat.

#### Expenditures

This fund accounts for benefits related to IMRF, Social Security and Medicare paid by the District. The employee benefits increased \$0.8 million over the prior year's budget.

#### Fund Balance

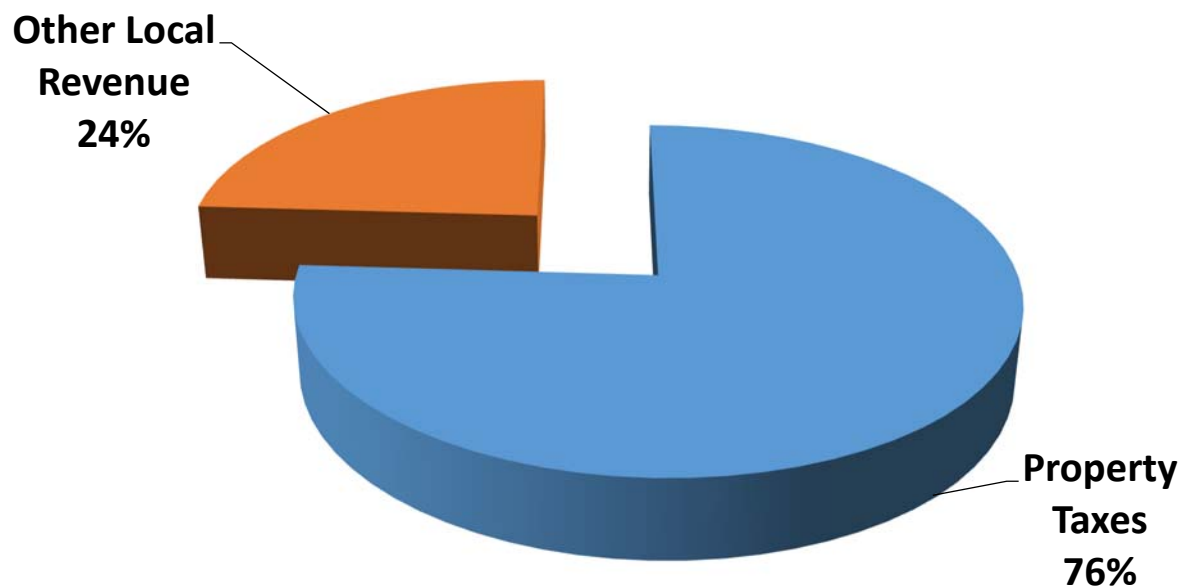
It is management's goal to maintain a positive fund balance in this fund and allocate enough resources to just cover expenditures.



## Municipal Retirement/Social Security Fund

### Revenue by Source

Revenue	Budget 2017-18
Local Sources	
Property Taxes	\$ 12,040,414
Other Local Revenue	3,750,000
<b>Total Local Sources</b>	<b>15,790,414</b>



### Revenue by Source Detail

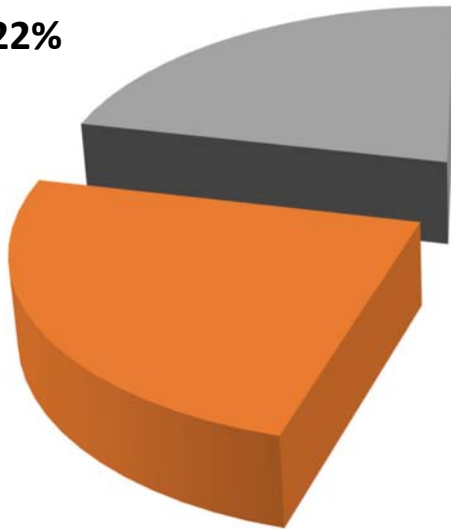
	Actual 2013-14	Actual 2014-15	Actual 2015-16	Budget 2016-17	Budget 2017-18
<b>Local Sources:</b>					
Property Taxes	\$ 10,013,402	\$ 11,369,897	\$ 11,667,217	\$ 11,266,435	\$ 12,040,414
Corp Pers Propty Rplmt Tax	3,754,606	4,037,505	3,226,057	3,750,000	3,750,000
Interest on Investments	159	136	74	-	-
<b>Total Local Sources</b>	<b>\$ 13,768,167</b>	<b>\$ 15,407,538</b>	<b>\$ 14,893,348</b>	<b>\$ 15,016,435</b>	<b>\$ 15,790,414</b>

## Municipal Retirement/Social Security Fund

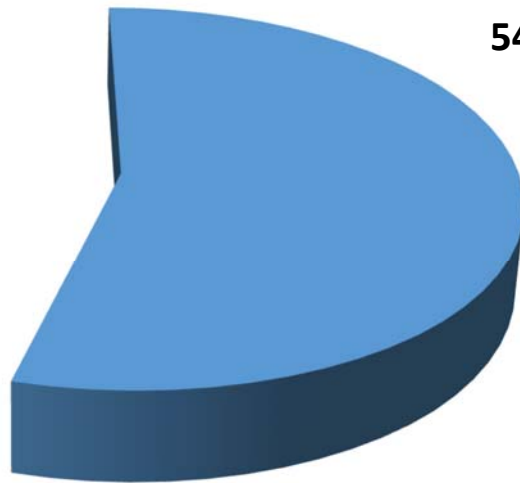
### Expenditures by Object Detail

	Actual 2013-14	Actual 2014-15	Actual 2015-16	Budget 2016-17	Budget 2017-18
<b>Employee Benefits</b>					
Municipal Retirement	\$ 8,270,519	\$ 8,174,565	\$ 8,497,730	\$ 8,756,967	\$ 9,219,669
Federal Ins Contr Act	3,663,945	3,773,496	3,938,894	3,965,953	4,109,943
Medicare Contribution	3,239,455	3,338,457	3,480,167	3,402,459	3,629,539
IMRF/SS/Medicare Allocation	(1,241,338)	(1,157,953)	(1,148,239)	(1,171,204)	(1,171,204)
<b>Total Employee Benefits</b>	<b>\$ 13,932,581</b>	<b>\$ 14,128,565</b>	<b>\$ 14,768,551</b>	<b>\$ 14,954,175</b>	<b>\$ 15,787,947</b>

**Medicare  
Contribution  
22%**



**Municipal  
Retirement  
54%**



**Federal Ins  
Contr Act  
24%**

IMRF/SS/Medicare Allocation - To properly reflect the expenditures of the District's SAFE and Food Service programs, which are reported in the Educational Fund, this allocation reduces the expenditures in the Municipal Retirement/Social Security Fund and increases the expenditures in the Educational Fund. These allocation amounts account for employee benefits of employees who are directly related to the SAFE and Food Service programs. Due to the payroll process in place these expenditures are initially recorded into the Municipal Retirement/Social Security Fund and later removed by this allocation resulting in the negative amounts shown above.

## Municipal Retirement/Social Security Fund

### Budget and Three-Year Forecast Revenues, Expenditures and Change in Fund Balance

	Budget 2017-18	Forecast 2018-19	Forecast 2019-20	Forecast 2020-21
Revenue				
Local Sources	\$ 15,790,414	\$ 16,027,270	\$ 16,267,679	\$ 16,511,694
Expenditures				
Employee Benefits	\$ 15,787,947	\$ 16,182,646	\$ 16,587,212	\$ 17,001,892
Net Change in Fund Balance	2,467	(155,375)	(319,533)	(490,198)
Fund Balance at Beginning of Year	1,401,419	1,403,886	1,248,511	928,978
Fund Balance at End of Year	\$ 1,403,886	\$ 1,248,511	\$ 928,978	\$ 438,780

#### ASSUMPTIONS:

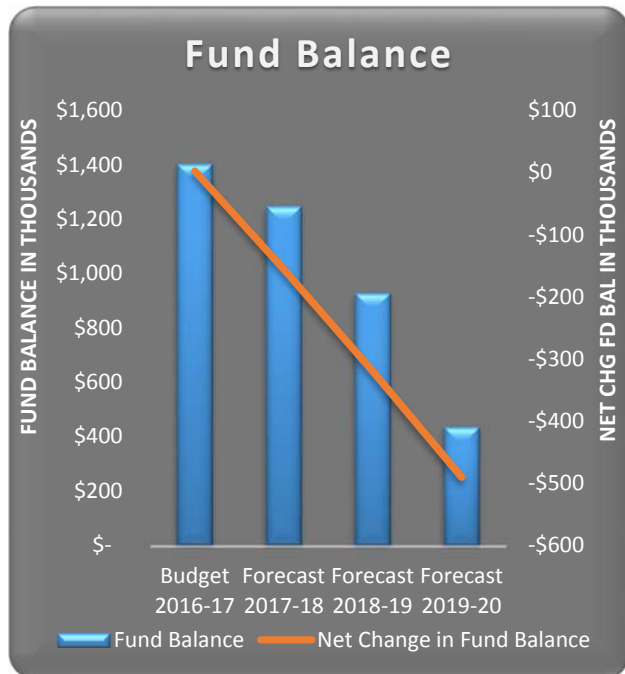
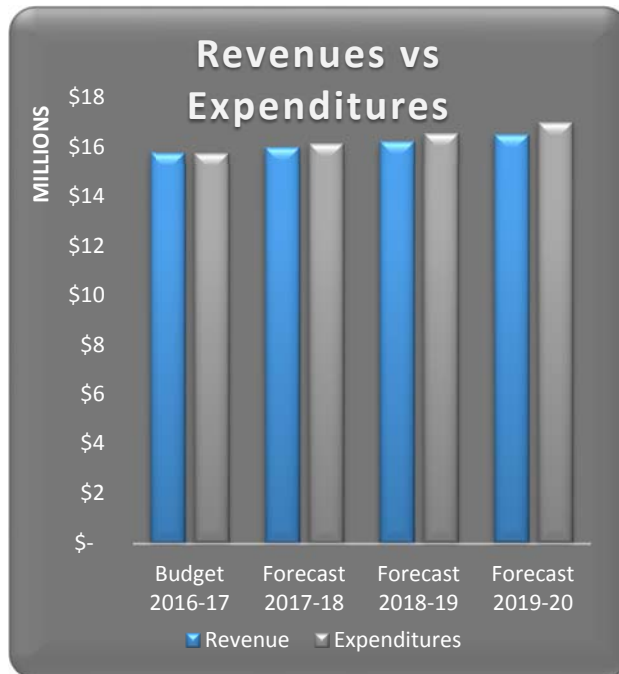
- CPI – 1.5 percent for each forecast year

#### Revenue

- Property Taxes – Increase by CPI
- All other revenue – Increase by CPI for each forecast year

#### Expenditures

- Pension and Medicare Benefits – Increase by 2.5 percent for each budget year



# Working Cash Fund

The purpose of the Working Cash Fund is to enable the District to have in its treasury at all times sufficient money to meet demands for ordinary and necessary expenditures.  
[See 105 ILCS 5/Art. 20]

## Working Cash Fund Summary

### Revenues, Expenditures and Changes in Fund Balance

#### Revenue by Source Expenditures by Object

	Actual 2013-14	Actual 2014-15	Actual 2015-16	Budget 2016-17	Budget 2017-18
Revenue					
Local Sources	\$ 233,983	\$ 57,340	\$ 422,106	\$ 400,000	\$ 1,200,000
Expenditures					
Purchased Services	\$ -	\$ 567,364	\$ -	\$ -	\$ -
Excess of Revenues Over Expenditures	233,983	(510,024)	422,106	400,000	1,200,000
Other Financing Sources/(Uses)	(6,370,250)	33,007,051	(10,578,249)	(5,400,000)	(13,200,000)
Net Change in Fund Balance	(6,136,267)	32,497,027	(10,156,143)	(5,000,000)	(12,000,000)
Fund Balance at Beginning of Year	108,050,377	101,914,110	134,411,137	124,254,993	119,254,993
Fund Balance at End of Year	\$ 101,914,110	\$ 134,411,137	\$ 124,254,993	\$ 119,254,993	\$ 107,254,993

#### Revenue by Source Detail

	Actual 2013-14	Actual 2014-15	Actual 2015-16	Budget 2016-17	Budget 2017-18
<b>Local Sources</b>					
Interest on Investments	\$ 233,983	\$ 57,340	\$ 422,106	\$ 400,000	\$ 1,200,000

#### Expenditures by Object Detail

	Actual 2013-14	Actual 2014-15	Actual 2015-16	Budget 2016-17	Budget 2017-18
<b>Purchased Services</b>					
Other Tech & Prof Serv (Bond Issue Cost)	\$ -	\$ 567,364	\$ -	\$ -	\$ -

#### Other Financing Sources/(Uses)

	Actual 2013-14	Actual 2014-15	Actual 2015-16	Budget 2016-17	Budget 2017-18
<b>Other Financing Sources/(Uses)</b>					
Proceeds of Bonds Sold	\$ -	\$ 44,310,000	\$ -	\$ -	\$ -
Premium on Bonds Sold	-	6,983,307	-	-	-
Transfer to Escrow Agent	-	(10,716,863)	-	-	-
Transfers - Interfund	(6,135,250)	(7,494,393)	(10,153,249)	(5,000,000)	(12,000,000)
Transfers - Bank Interest	(235,000)	(75,000)	(425,000)	(400,000)	(1,200,000)
<b>Total Other Fin. Sources/(Uses)</b>	\$ (6,370,250)	\$ 33,007,051	\$ (10,578,249)	\$ (5,400,000)	\$ (13,200,000)

## Working Cash Fund

### Budget and Three-Year Forecast Revenues, Expenditures and Change in Fund Balance

	Budget 2017-18	Forecast 2018-19	Forecast 2019-20	Forecast 2020-21
Revenue				
Local Sources	\$ 1,200,000	\$ 1,200,000	\$ 1,200,000	\$ 1,200,000
Other Financing Sources/(Uses)	(13,200,000)	(13,200,000)	(1,200,000)	(1,200,000)
Net Change in Fund Balance	(12,000,000)	(12,000,000)	-	-
Fund Deficit at Beginning of Year	119,254,993	107,254,993	95,254,993	95,254,993
Fund Deficit at End of Year	\$ 107,254,993	\$ 95,254,993	\$ 95,254,993	\$ 95,254,993

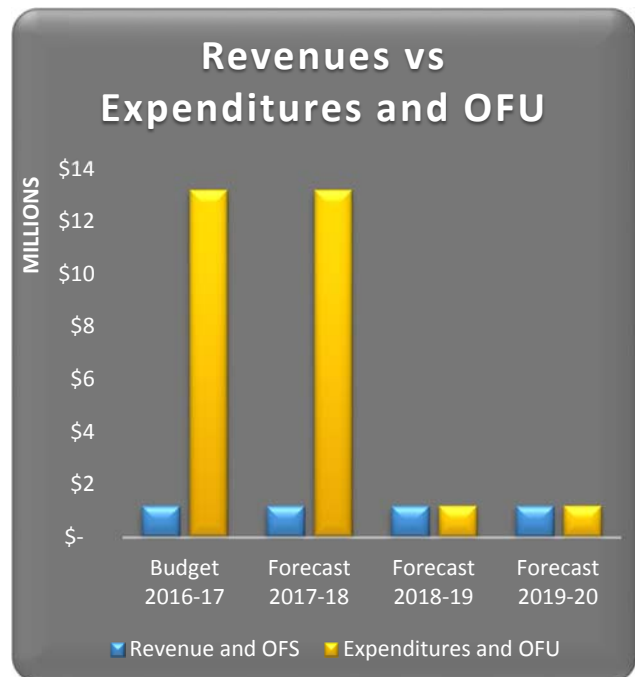
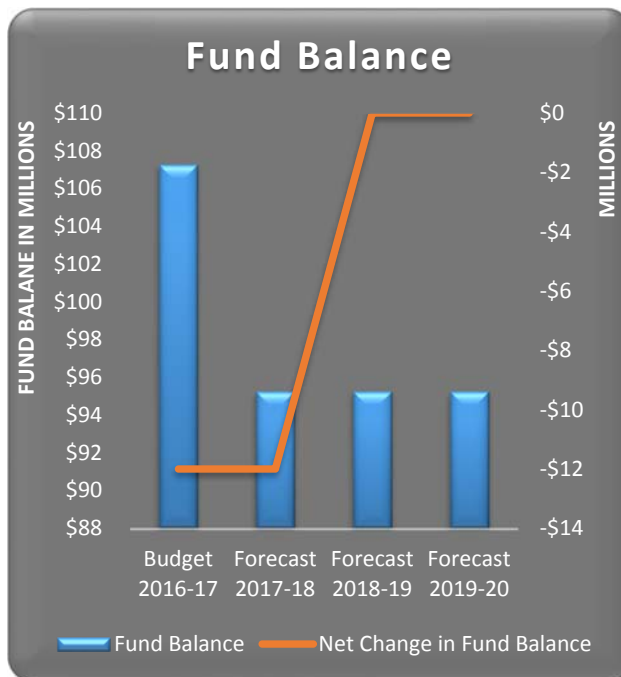
#### ASSUMPTIONS:

##### Revenue

- Interest on Investments – Fund balance is expected to decline each year but interest rates are expected to increase to offset the fund balance decline resulting in projected interest income at \$1.2 million for each year's forecast.

##### Other Financing Uses

- Working cash bond proceeds from a prior issuance will continue to be transferred out to the Operations and Maintenance Fund until they are depleted by the end of fiscal year 2019.



# Debt Service Fund

The Debt Service Fund is used to account for revenues and related expenditures to retire bond principal or to pay bond interest, or if other revenue is pledged to pay principal, interest, or service charges on other long-term debt instruments. [See 105 ILCS 5/Art. 19]



## Debt Service Fund Summary Revenues, Expenditures and Changes in Fund Balance

### Revenue by Source Expenditures by Object

	Actual 2013-14	Actual 2014-15	Actual 2015-16	Budget 2016-17	Budget 2017-18
Revenue					
Local Sources	\$ 43,227,609	\$ 42,284,403	\$ 42,089,799	\$ 42,062,497	\$ 38,126,169
Expenditures					
Purchased Services	\$ -	\$ 1,684,936	\$ -	\$ -	\$ -
Other Objects	43,836,666	43,526,755	43,052,317	42,642,895	42,625,595
Total Expenditures by Object	\$ 43,836,666	\$ 45,211,691	\$ 43,052,317	\$ 42,642,895	\$ 42,625,595
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(609,057)	(2,927,288)	(962,518)	(580,397)	(4,499,426)
Other Financing Sources	1,028,115	2,712,398	3,134,264	641,865	4,542,891
Net Change in Fund Balance	419,058	(214,890)	2,171,746	61,468	43,465
Fund Balance at Beginning of Year	21,867,241	22,286,299	22,071,409	24,243,155	24,304,623
Fund Balance at End of Year	\$ 22,286,299	\$ 22,071,409	\$ 24,243,155	\$ 24,304,623	\$ 24,348,088

See additional District debt information under the all funds – other objects section of the financial section and under significant expenditure trends of the organizational section.

### *Debt Margin*

Illinois statutes limit the amount of outstanding debt that can be issued by an issuer which is labeled debt limit and in the District's case it is 13.8 percent of the Estimated Assessed Valuation (EAV). The reciprocal of the outstanding debt of an issuer is called legal debt margin and, if positive, represents the remaining capacity to issue additional debt. The legal debt margin is significantly influenced by the EAV, as the EAV increases the legal debt margin will increase if all other factors stay the same. The following shows the factors that affect the District's calculation of the legal debt margin.

The District's legal debt limitation of \$633,764,772 based on 13.8 percent of the 2016 equalized assessed valuation of \$4,592,498,346 less outstanding debt subject to the legal debt limitation of \$289,079,177 results in a legal debt margin of \$369,033,683 as of June 30, 2017.

### *Revenue*

The Debt Service Fund is funded with local property taxes and it is not limited by the Tax Cap. The property tax revenue decreased \$3.9 million under the prior year's budget due to the District abating property taxes in order to reduce the taxpayer's tax burden for increases of property tax on existing property. Although the 2017 budget does not include a property tax abatement \$3.9 million was abated in fiscal year 2017 as well. 2018 will be the third consecutive year of abating property taxes.

*Expenditures*

Expenditures are for debt service commitments with the occasional debt issuance and related costs. Interest on debt ranges from 2.0 percent to 6.0 percent. The District debt is made up of general obligation bonds, debt certificates and capital leases (purchase contracts). The budget includes debt service payments as scheduled. As of June 30, 2017, the future annual debt service requirements on the outstanding debt are as follows:

Due in Fiscal Year	General Obligation		Total Debt Service
	Principal	Interest	
2018	\$ 20,889,896	\$ 21,300,530	\$ 42,190,426
2019	22,661,283	19,516,546	42,177,829
2020	19,228,841	22,943,767	42,172,608
2021	15,856,253	26,482,713	42,338,966
2022	15,576,479	26,706,309	42,282,788
2023-2027	66,185,910	56,887,963	123,073,873
2028-2032	78,360,000	22,692,353	101,052,353
2033-2035	42,335,000	3,873,748	46,208,748
	<u>\$281,093,662</u>	<u>\$200,403,929</u>	<u>\$481,497,591</u>

Due in Fiscal Year	Debt Certificates		Purchase Contracts		Total Debt Service
	Principal	Interest	Principal	Interest	
2018	\$ 418,578	\$ 16,592	\$ 2,745,758	\$ 77,308	\$ 3,258,234
2019	421,299	13,871	1,333,745	39,500	3,258,236
2020	424,037	11,133	1,353,353	19,894	1,808,415
2021	426,770	8,399	-	-	1,808,417
2022	429,567	5,603	-	-	435,169
2023	432,360	2,810	-	-	870,340
Total	<u>\$2,552,611</u>	<u>\$ 58,408</u>	<u>\$ 5,432,856</u>	<u>\$ 136,702</u>	<u>\$11,438,811</u>

*Fund Balance*

The fund balance is intended for cash flow purposes for future debt payments.

## Debt Service Fund

### Revenue by Source Detail

	Actual 2013-14	Actual 2014-15	Actual 2015-16	Budget 2016-17	Budget 2017-18
<b>Local Sources:</b>					
Property Taxes	\$ 43,226,909	\$ 42,283,872	\$ 42,089,518	\$ 42,061,697	\$ 38,124,569
Interest on Investments	700	531	281	800	1,600
<b>Total Local Sources</b>	<b>\$ 43,227,609</b>	<b>\$ 42,284,403</b>	<b>\$ 42,089,799</b>	<b>\$ 42,062,497</b>	<b>\$ 38,126,169</b>

### Expenditures by Object Detail

	Actual 2013-14	Actual 2014-15	Actual 2015-16	Budget 2016-17	Budget 2017-18
<b>Purchased Services</b>					
Other Tech & Prof Serv	\$ -	\$ 1,684,936	\$ -	\$ -	\$ -
<b>Other Objects</b>					
Redemption Of Principal - Bonds	\$ 27,963,088	\$ 27,541,393	\$ 19,399,086	\$ 19,971,705	\$ 21,308,474
Redemption Of Principal - Leases	361,247	370,014	413,807	-	-
Interest - Bonds	15,485,931	15,597,715	23,230,590	22,671,190	21,317,121
Interest - Leases	26,401	17,633	8,833	-	-
<b>Total Expenditure</b>	<b>\$ 43,836,666</b>	<b>\$ 45,211,691</b>	<b>\$ 43,052,317</b>	<b>\$ 42,642,895</b>	<b>\$ 42,625,595</b>

### Other Financing Sources/(Uses)

	Actual 2013-14	Actual 2014-15	Actual 2015-16	Budget 2016-17	Budget 2017-18
<b>Other Financing Source/(Uses)</b>					
Transfer to Escrow Agent	\$ -	\$ (148,122,737)	\$ -	\$ -	\$ -
Transfer of Bond Principal	607,870	610,521	2,681,648	615,822	4,520,904
Transfer of Principal to Debt Service	361,247	370,014	413,481	-	-
Transfer of Bond Interest	32,598	29,296	29,976	26,043	21,987
Transfer of Interest to Debt Service	26,400	17,632	9,159	-	-
Proceeds Of Bonds Sold	-	131,590,000	-	-	-
Premium on Bonds Sold	-	18,217,672	-	-	-
<b>Total Other Fin. Sources/(Uses)</b>	<b>\$ 1,028,115</b>	<b>\$ 2,712,398</b>	<b>\$ 3,134,264</b>	<b>\$ 641,865</b>	<b>\$ 4,542,891</b>

## Debt Service Fund

### Budget and Three-Year Forecast Revenues, Expenditures and Change in Fund Balance

	Budget 2017-18	Forecast 2018-19	Forecast 2019-20	Forecast 2020-21
Revenue				
Local Sources	\$ 38,126,169	\$ 37,898,748	\$ 41,949,148	\$ 41,949,173
Expenditures				
Other Objects	\$ 42,625,595	\$ 42,612,999	\$ 42,607,778	\$ 42,774,135
Deficiency of Revenues Under Expenditures	(4,499,426)	(4,714,251)	(658,630)	(824,962)
Other Financing Sources	4,542,891	4,541,591	637,965	666,664
Net Change in Fund Balance	43,465	(172,660)	(20,665)	(158,298)
Fund Deficit at Beginning of Year	24,304,623	24,348,088	24,175,428	24,154,763
Fund Deficit at End of Year	\$ 24,348,088	\$ 24,175,428	\$ 24,154,763	\$ 23,996,465

#### ASSUMPTIONS:

##### Revenue

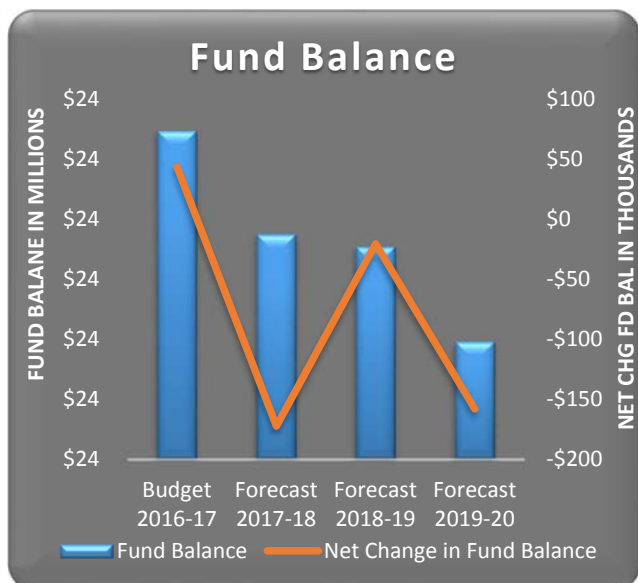
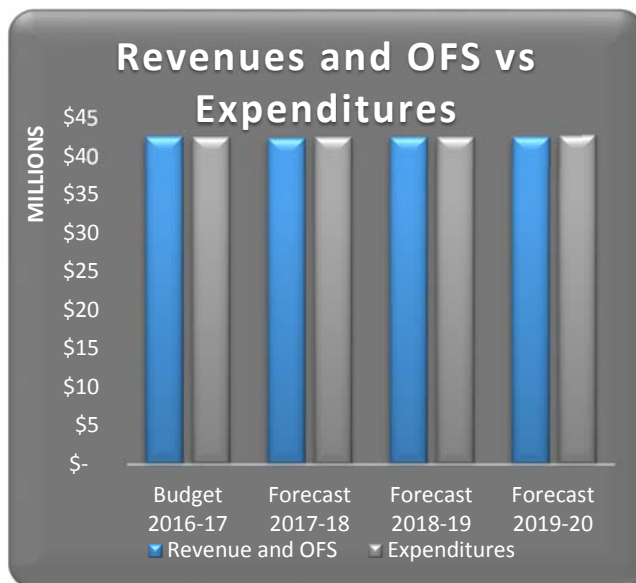
- Property Taxes – Levied to meet debt service demands
- Property Taxes – \$3.9 million abatement forecast for 2018-19 only

##### Expenditures

- Principal and interest payments are forecast as scheduled

##### Other Financing Sources

- Transfers in from other funds to covered scheduled debt service payments
- Transfer in from Educational Fund to cover debt service payments in place of abated property taxes – 2018-19 \$3.9 million, 2019-20 and 2020-2021 \$0



# Fire Prevention and Safety Fund

The Fire Prevention and Safety Fund is used to account for expenditures for fire prevention, safety, energy conservation, or school security, and the revenues supporting those expenditures. [See ILCS 5/2-3.12 and 17-2.11]

## Fire Prevention and Safety Fund Revenues, Expenditures and Changes in Fund Balance

### Revenue by Source Expenditures by Object

	Actual 2013-14	Actual 2014-15	Actual 2015-16	Budget 2016-17	Budget 2017-18
Revenue					
Local Sources	\$ 1,580,655	\$ 1,746,032	\$ 1,821,258	\$ 1,828,039	\$ 1,961,477
Expenditures					
Purchased Services	\$ 230,451	\$ 179,836	\$ 214,800	\$ 115,000	\$ 243,500
Capital Outlay	1,434,279	1,878,170	1,884,196	1,600,000	1,253,500
Total Expenditures by Object	\$ 1,664,730	\$ 2,058,006	\$ 2,098,996	\$ 1,715,000	\$ 1,497,000
Net Change in Fund Balance	(84,075)	(311,974)	(277,737)	113,039	464,477
Fund Balance at Beg of Year	2,422,452	2,338,377	2,026,403	1,748,666	1,861,705
Fund Balance at End of Year	\$ 2,338,377	\$ 2,026,403	\$ 1,748,666	\$ 1,861,705	\$ 2,326,182

#### Revenue

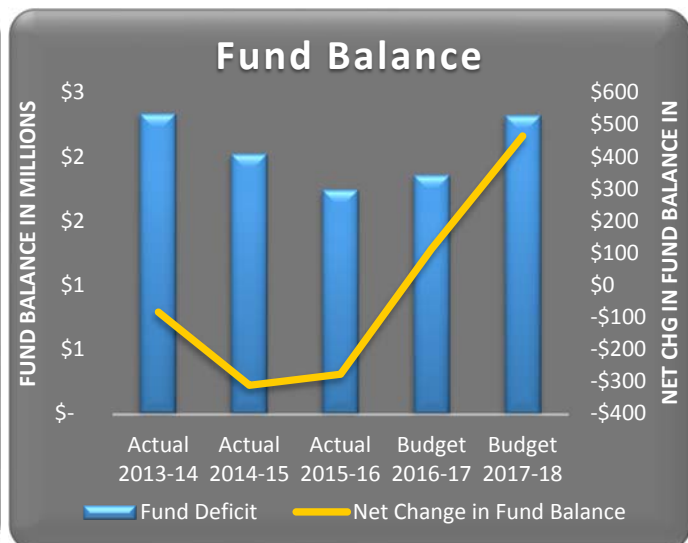
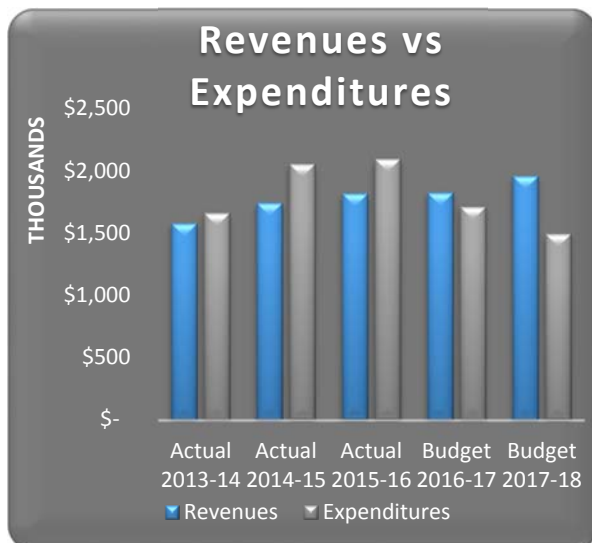
The Fire Prevention and Safety Fund is funded with local property taxes. Property taxes increased \$0.1 million or 7.3 percent over the prior year's budget. The increase was above CPI because additional property taxes were allocated from tort fund to this fund in order to eliminate the fund deficit.

#### Expenditures

The expenditures in this fund are for projects related to fire prevention, safety, energy conservation and/or school security. This year's budget was reduced \$0.35 million due to fewer of these types of projects being planned for the year.

#### Fund Balance

It is management's goal to maintain a positive fund balance in this fund and allocate enough resources to cover planned expenditures.



## Fire Prevention and Safety Fund

### Revenue by Source Detail

	Actual 2013-14	Actual 2014-15	Actual 2015-16	Budget 2016-17	Budget 2017-18
<b>Local Sources</b>					
Property Taxes	\$ 1,580,378	\$ 1,746,011	\$ 1,821,247	\$ 1,827,539	\$ 1,960,477
Interest on Investments	277	21	11	500	1,000
<b>Total Local Sources</b>	<b>\$ 1,580,655</b>	<b>\$ 1,746,032</b>	<b>\$ 1,821,258</b>	<b>\$ 1,828,039</b>	<b>\$ 1,961,477</b>

### Expenditures by Object Detail

	Actual 2013-14	Actual 2014-15	Actual 2015-16	Budget 2016-17	Budget 2017-18
<b>Purchased Services</b>					
Technical Services	\$ 230,451	\$ 179,836	\$ 214,800	\$ 115,000	\$ 243,500
<b>Capital Outlay</b>					
Buildings	1,434,279	1,878,170	1,884,196	1,600,000	1,253,500
<b>Total Expenditure</b>	<b>\$ 1,664,730</b>	<b>\$ 2,058,006</b>	<b>\$ 2,098,995</b>	<b>\$ 1,715,000</b>	<b>\$ 1,497,000</b>

## Fire Prevention and Safety Fund

### Budget and Three-Year Forecast Revenues, Expenditures and Change in Fund Deficit

	Budget 2017-18	Forecast 2018-19	Forecast 2019-20	Forecast 2020-21
Revenue				
Local Sources	\$ 1,961,477	\$ 1,986,660	\$ 2,016,445	\$ 2,046,676
Expenditures				
Purchased Services	\$ 243,500	\$ 250,805	\$ 258,329	\$ 266,079
Capital Outlay	1,253,500	1,500,000	1,500,000	1,500,000
Total Expenditures by Object	\$ 1,497,000	\$ 1,750,805	\$ 1,758,329	\$ 1,766,079
Net Change in Fund Deficit	464,477	235,855	258,115	280,597
Fund Deficit at Beginning of Year	1,861,705	2,326,182	2,562,037	2,820,152
Fund Deficit at End of Year	\$ 2,326,182	\$ 2,562,037	\$ 2,820,152	\$ 3,100,749

#### ASSUMPTIONS:

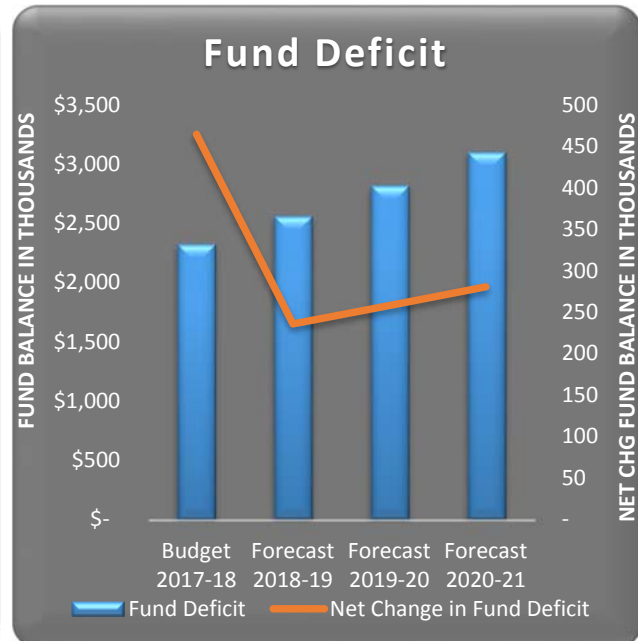
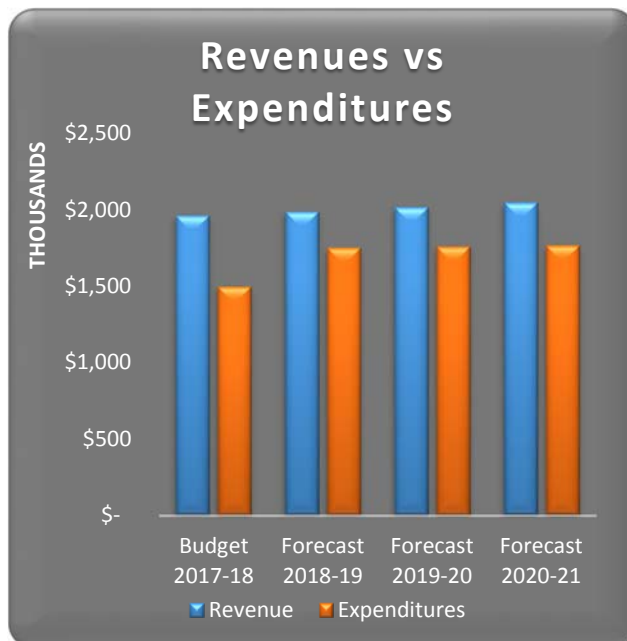
CPI – Increase 1.5 percent for each forecast year

#### Revenue

- Property Taxes – Increased by CPI for each forecast year
- Property Taxes – Scaling back property tax allocation from this fund is also a consideration if fund balance remains positive

#### Expenditures

- Capital Outlay - \$1.5 million for each forecast year
- Purchased Services – Increased for CPI for each forecast year





# Capital Projects Fund

The Capital Projects Fund is used to account for proceeds resulting from building bonds, receipts from other long-term financing agreements, receipts derived from developers fees and related expenditures, or construction or maintenance grants used to finance a capital project, capital lease, lease purchase agreement, or if a tax is levied in accordance with Section 17-2.3 of the Illinois School Code.

## Capital Projects Fund Revenues, Expenditures and Changes in Fund Balance

### Revenue by Source Expenditures by Object

	Actual 2013-14	Actual 2014-15	Actual 2015-16	Budget 2016-17	Budget 2017-18
Revenue					
Local Sources	\$ 453,737	\$ 823,759	\$ 275,081	\$ 300,000	\$ 300,000
Expenditures					
Purchased Services	\$ 206,790	\$ 25,026	\$ 175,279	\$ 40,000	\$ -
Capital Outlay	1,528,447	352,625	1,605,089	350,000	300,000
Total Expenditures by Object	\$ 1,735,237	\$ 377,651	\$ 1,780,368	\$ 390,000	\$ 300,000
Net Change in Fund Balance	(1,281,500)	446,108	(1,505,287)	(90,000)	-
Fund Balance at Beginning of Year	5,474,918	4,193,418	4,639,526	3,134,239	3,044,239
Fund Balance at End of Year	\$ 4,193,418	\$ 4,639,526	\$ 3,134,239	\$ 3,044,239	\$ 3,044,239

#### Revenue

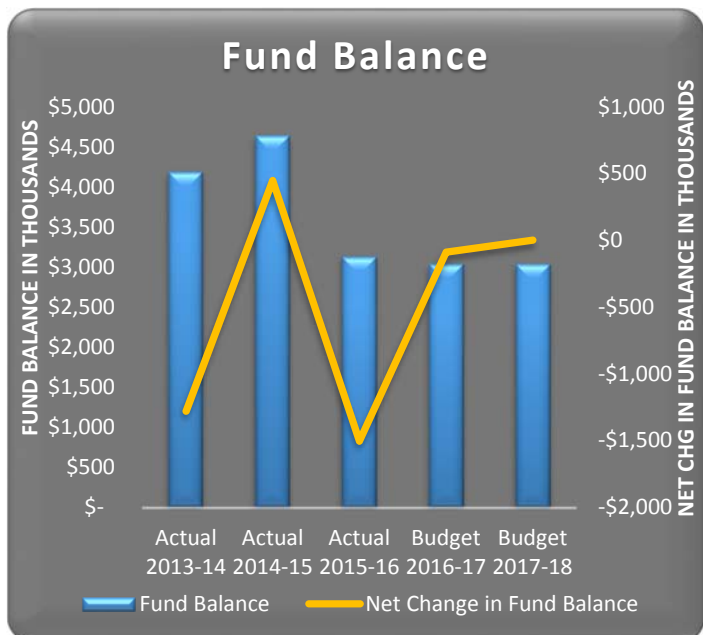
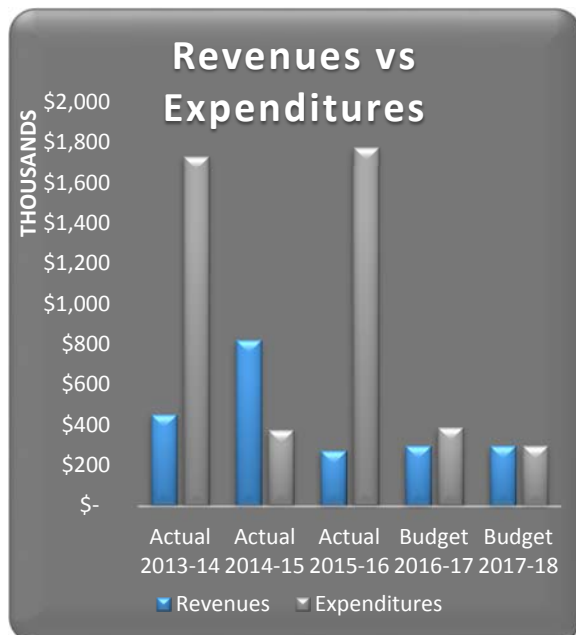
The Capital Projects Fund is funded with developer fees and capital project bonds as other financing sources. Developer fees have been budgeted at \$0.3 million as minimal activity in the fund is expected.

#### Expenditures

The expenditures in this fund are for non-life safety projects. There are currently few projects planned for this fund.

#### Fund Balance

It is management's intention to maintain a positive fund balance in this fund and spend down positive fund balance as necessary for various projects.



## Capital Projects Fund

### Revenue by Source Detail

	Actual 2013-14	Actual 2014-15	Actual 2015-16	Budget 2016-17	Budget 2017-18
<b>Local Sources</b>					
Other Local	\$ 452,707	\$ 820,531	\$ 272,663	\$ 300,000	\$ 300,000
Interest on Investments	1,030	3,229	2,419	-	-
<b>Total Local Sources</b>	<b>\$ 453,737</b>	<b>\$ 823,759</b>	<b>\$ 275,081</b>	<b>\$ 300,000</b>	<b>\$ 300,000</b>

### Expenditures by Object Detail

	Actual 2013-14	Actual 2014-15	Actual 2015-16	Budget 2016-17	Budget 2017-18
<b>Purchased Services</b>					
Technical Services	\$ 206,790	\$ 25,026	\$ 175,279	\$ 40,000	\$ -
<b>Capital Outlay</b>					
Buildings	\$ 1,199,614	\$ 198,078	\$ 1,605,089	\$ -	\$ -
Improvements (Non Building)	328,833	154,547	-	350,000	300,000
<b>Total Capital Outlay</b>	<b>\$ 1,528,447</b>	<b>\$ 352,625</b>	<b>\$ 1,605,089</b>	<b>\$ 350,000</b>	<b>\$ 300,000</b>

## Capital Projects Fund

### Budget and Three-Year Forecast Revenues, Expenditures and Change in Fund Balance

	Budget 2017-18	Forecast 2018-19	Forecast 2019-20	Forecast 2020-21
Revenue				
Local Sources	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000
Expenditures				
Capital Outlay	\$ 300,000	\$ 325,000	\$ 335,000	\$ 350,000
Net Change in Fund Balance	-	(25,000)	(35,000)	(50,000)
Fund Deficit at Beginning of Year	3,044,239	3,044,239	3,019,239	2,984,239
Fund Deficit at End of Year	\$ 3,044,239	\$ 3,019,239	\$ 2,984,239	\$ 2,934,239

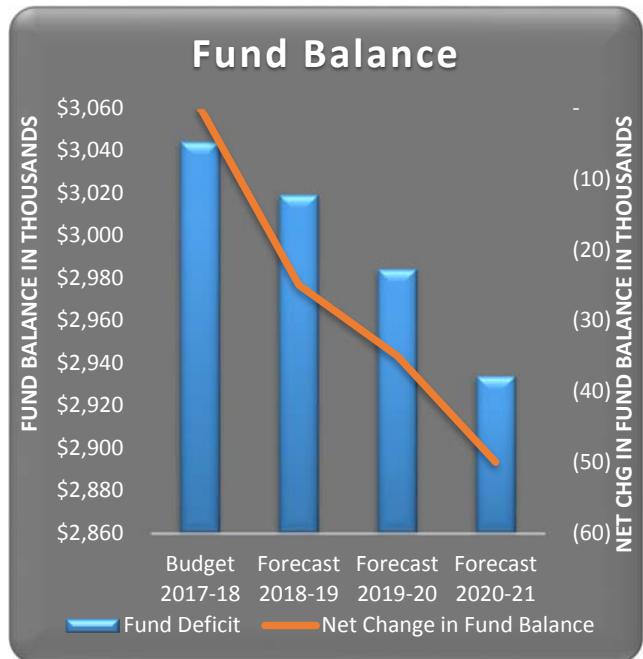
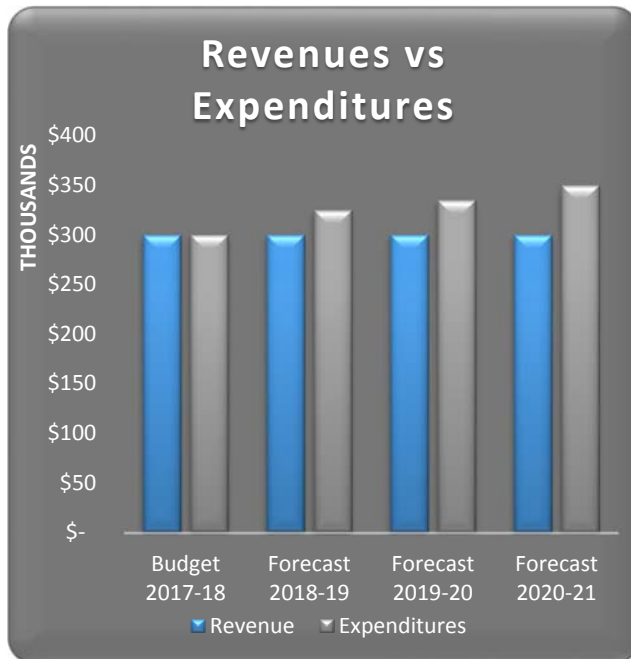
#### ASSUMPTIONS:

##### Revenue

- Developer fees – \$300,000 for each forecast year

##### Expenditures

- Capital Outlay – 2018-19 \$325,000, 2019-20 \$335,000, 2020-21 \$350,000



## OTHER POSTEMPLOYMENT BENEFITS (OPEB)

### **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. 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.

### **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 percent to 100 percent, 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.

### **Annual OPEB Cost and Net OPEB Obligation**

The District’s annual OPEB cost (expense) is calculated based on the annual required contribution (ARC) of the employer, 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 most recent audited activity, fiscal year 2016, and the forecast for the 2017 and 2018 fiscal years of the components of the District’s annual OPEB cost for each year, the amount actually contributed or forecast to be contributed to the plan, and changes in the District’s net OPEB obligation:

	<b>FY2016 Actual</b>	<b>FY2017 Forecast</b>	<b>FY2018 Forecast</b>
Annual required contribution	\$ 2,234,060	\$ 2,234,060	\$ 2,234,060
Interest on net OPEB obligation	319,902	340,626	379,360
Adjustment to annual required contribution	(406,171)	-	-
Annual OPEB cost	2,147,791	2,574,686	2,613,420
Contributions made	1,733,315	1,800,000	1,800,000
Increase in net OPEB obligation	414,476	774,686	813,420
Net OPEB obligation - beginning of year	6,398,035	6,812,511	7,587,197
Net OPEB obligation - end of year	\$ 6,812,511	\$ 7,587,197	\$ 8,400,616



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# Informational Section



**FISCAL YEAR 2018 BUDGET**  
(School Year 2017-2018)





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## Assessed Values of Taxable Property, Property Tax Rates and Collections on Extended Levies

### Kane County

	Actual 2014	Actual 2015	Actual 2016	Actual 2017	Budget 2018	Forecast 2019	Forecast 2020	Forecast 2021
Fiscal Year	2014	2015	2016	2017	2018	2019	2020	2021
Tax Levy Year	2013	2014	2015	2016	2017	2018	2019	2020
Equalized Assessed Value (EAV)	1,441,568,152	1,406,081,012	1,488,337,717	1,621,599,676	1,662,139,668	1,703,360,732	1,796,534,564	1,840,549,660
Direct Tax Rate (U46 Portion)	6.237668	8.308803	7.339206	7.065468	6.484839	6.422825	6.181063	6.123748
Est. Actual Taxable Value	4,324,708,781	4,218,247,254	4,465,017,616	4,864,803,893	4,986,423,990	5,110,087,305	5,389,609,081	5,521,654,503
Extended Levy	85,621,211	112,808,270	106,025,435	106,194,165	107,787,077	109,403,884	111,044,942	112,710,616
Extended Levy Collected	85,249,226	112,599,810	105,560,575					
Percentage of Levy Collected	99.6%	99.8%	99.6%					
<u>Residential Property Data</u>								
No. of Parcels	27,877	27,880	27,911	28,026	28,026	28,026	28,026	28,026
Assessed Value w/o Exemptions	\$ 1,266,178,520	\$ 1,234,320,080	\$ 1,288,413,028	\$ 1,408,886,254	1,444,108,410	1,479,922,299	1,560,874,049	1,599,115,463
Total Property Market Value	3,798,539,359	3,702,963,943	3,865,242,949	4,226,662,989	4,332,329,563	4,439,771,337	4,682,626,829	4,797,351,186
Avg. Property Market Value	136,261	132,818	138,485	150,812	154,583	158,416	167,082	171,175
Property AV w/Exemptions	1,102,287,009	1,072,691,800	1,123,432,855	1,228,489,115	1,259,201,343	1,290,429,536	1,361,016,032	1,394,360,925
Avg. Assessed Value w/Exemptions	39,541	38,475	40,251	43,834	44,930	46,044	48,563	49,752
Avg. Equalized Assessed Value	39,541	38,475	40,251	43,834	44,930	46,044	48,563	49,752
Avg. Tax Burden owed to U46	\$ 2,466	\$ 3,197	\$ 2,954	\$ 3,097	\$ 2,914	\$ 2,957	\$ 3,002	\$ 3,047

Notes: Tax rates per \$100 of Equalized Assessed Valuation.

### ASSUMPTIONS:

- Budget and Forecast CPI - Increase 1.5 percent each year
- Budget and Forecast EAV - TY 2017 Increase 2.5 percent, TY 2018 Increase 2.48 percent, TY 2019 Increase 5.47 percent, TY 2020 Increase 2.45 percent
- Budget and Forecast Extended Levy - Increase by CPI for each budget and forecast year
- Average tax burden amounts shown do not reflect tax abatements
- Flat parcel count

## Assessed Values of Taxable Property, Property Tax Rates and Collections on Extended Levies (Continued)

Cook County

	Actual	Actual	Actual	Actual	Budget	Forecast	Forecast	Forecast
Fiscal Year	2014	2015	2016	2017	2018	2019	2020	2021
Tax Levy Year	2013	2014	2015	2016	2017	2018	2019	2020
Equalized Assessed Value (EAV)	1,686,298,507	1,708,312,671	1,653,457,440	1,925,826,831	1,973,972,502	2,022,927,020	2,133,581,128	2,185,853,865
Direct Tax Rate (U46 Portion)	7.58	7.668	7.947	6.837	6.7703	6.7056	6.4532	6.3933
Est. Actual Taxable Value	5,485,130,613	5,556,737,487	5,378,306,382	6,264,259,656	6,420,866,148	6,580,103,628	6,940,035,297	7,110,066,162
Extended Levy	127,821,427	130,987,626	131,400,263	131,668,780	133,643,812	135,648,469	137,683,196	139,748,444
Extended Levy Collected	124,497,204	127,667,655	129,483,977					
Percentage of Levy Collected	97.4%	97.5%	98.5%					
<u>Residential Property Data</u>								
No. of Parcels			22,092		22,092	22,092	22,092	22,092
Assessed Value w/Exemptions			379,924,481		451,730,208	462,933,117	488,255,559	500,217,820
Total Property Market Value			3,799,244,810		4,517,302,079	4,629,331,171	4,882,555,586	5,002,178,198
Avg. Property Market Value			171,974		204,477	209,548	221,010	226,425
Avg. Assessed Value w/Exemptions			17,197		20,448	20,955	22,101	22,642
Equalized Factor			2.6685		2.6685	2.6685	2.6685	2.6685
Avg. Equalized Assessed Value			45,891		54,565	55,918	58,977	60,421
Avg. Tax Burden owed to U46			3,647		\$ 3,694	\$ 3,750	\$ 3,806	\$ 3,863

Notes: Tax rates per \$100 of Equalized Assessed Valuation.

ASSUMPTIONS:

- Budget and Forecast CPI - Increase 1.5 percent each year
- Budget and Forecast EAV - TY 2017 Increase 2.5 percent, TY 2018 Increase 2.48 percent, TY 2019 Increase 5.47 percent, TY 2020 Increase 2.45 percent
- Budget and Forecast Extended Levy - Increase by CPI for each budget and forecast year
- Average tax burden amounts shown do not reflect tax abatements
- 2016 TY data for Cook County is not yet available, to adjust budget and projections TY2015 figures will be increased at the same rate as the EAV increase from TY2015 to TY 2016
- Flat parcel count and Equalization Factor
- Est. Actual Taxable Value 78 percent of Cook EAV is assessed at 10 percent while the remaining 22 percent is assessed at 25 percent
- All residential assessed values for Cook County include exemptions. This will result in a lower tax burden when comparing to other Counties shown in this budget

## Assessed Values of Taxable Property, Property Tax Rates and Collections on Extended Levies (Continued)

DuPage County

	Actual	Actual	Actual	Actual	Budget	Forecast	Forecast	Forecast
Fiscal Year	2014	2015	2016	2017	2018	2019	2020	2021
Tax Levy Year	2013	2014	2015	2016	2017	2018	2019	2020
Equalized Assessed Value (EAV)	981,465,345	955,773,166	986,425,356	1,045,071,839	1,071,198,635	1,097,764,361	1,157,812,072	1,186,178,467
Direct Tax Rate (U46 Portion)	7.8519	6.4133	6.8325	6.3384	6.2766	6.2165	5.9825	5.9271
Est. Actual Taxable Value	2,944,398,979	2,867,322,365	2,959,279,027	3,135,218,652	3,213,599,119	3,293,296,377	3,473,439,688	3,558,538,961
Extended Levy	77,063,677	61,296,600	67,397,512	66,240,833	67,234,445	68,242,962	69,266,607	70,305,606
Extended Levy Collected	76,947,637	60,977,698	67,289,230					
Percentage of Levy Collected	99.8%	99.5%	99.8%					
<u>Residential Property Data</u>								
No. of Parcels		13,919	13,917	13,920	13,920	13,920	13,920	13,920
Assessed Value w/o Exemptions		\$ 919,089,436	\$ 948,804,496	\$ 1,005,299,675	1,030,432,167	1,055,986,885	1,113,749,367	1,141,036,227
Total Property Market Value		2,757,271,065	2,846,416,334	3,015,902,041	3,091,299,592	3,167,963,822	3,341,251,443	3,423,112,103
Avg. Property Market Value		198,094	204,528	216,660	222,076	227,584	240,032	245,913
Property AV w/Exemptions		837,764,309	865,872,960	920,630,731	943,646,499	967,048,932	1,019,946,509	1,044,935,199
Avg. Assessed Value w/Exemptions		60,189	62,217	66,137	67,791	69,472	73,272	75,067
Avg. Equalized Assessed Value		60,189	62,217	66,137	67,791	69,472	73,272	75,067
Avg. Tax Burden owed to U46		\$ 3,860	\$ 4,251	\$ 4,192	\$ 4,255	\$ 4,319	\$ 4,383	\$ 4,449

Notes: Tax rates per \$100 of Equalized Assessed Valuation.

ASSUMPTIONS:

- Budget and Forecast CPI - Increase 1.5 percent each year
- Budget and Forecast EAV - TY 2017 Increase 2.5 percent, TY 2018 Increase 2.48 percent, TY 2019 Increase 5.47 percent, TY 2020 Increase 2.45 percent
- Budget and Forecast Extended Levy - Increase by CPI for each budget and forecast year
- Average tax burden amounts shown do not reflect tax abatements
- Flat parcel count

## ALTERNATIVE TAX COLLECTIONS

Other than property taxes the District receives the following two taxes.

### ***Corporate Personal Property Taxes***

Replacement taxes are revenues collected by the state of Illinois and paid to local government to replace money that was lost by local governments when their powers to impose personal property taxes on corporations, partnerships, and other business entities were taken away.

These taxes resulted when the new Illinois Constitution directed the legislature to abolish business personal property taxes and replace the revenue lost by local government units and school districts. In 1979, a law was enacted to provide for statewide taxes to replace the monies lost to local governments.

### ***Mobile Home Privilege Tax***

In Illinois, mobile homes are not taxed by real estate or property tax but rather “Mobile Home Privilege Tax.” The computation of the Mobile Home Tax differs from Real Estate Tax in that is calculated based on the age and the square footage of the mobile home.

The District’s recent past and budgeted tax revenues excluding property taxes are as follows:

	Actual 2013-14	Actual 2014-15	Actual 2015-16	Budget 2016-17	Budget 2017-18
Corp Pers Propty Rplmt Tax	3,754,606	4,037,505	3,226,057	3,750,000	3,750,000
Mobile Home Privilege Tax	-	-	24,069	11,000	11,000
Total	3,754,606	4,037,505	3,250,126	3,761,000	3,761,000

## Student Enrollment Three-Year History, Budget and Three-Year Forecast

School Year	Pre-Kindergarten	Elementary		Middle		High		Self-Cont.	Other (C)	Total		
	Actual/Proj.	Actual/Proj.	Capacity	Actual/Proj.	Capacity	Actual/Proj.	Capacity	Actual/Proj.	Actual/Proj.	Actual/Proj.	Capacity	Utilization
Actual Enrollment (A)												
2014-2015	Data Not Available	21,087	27,273	5,819	8,568	11,791	13,944	685	183	38,880	49,785	78%
2015-2016	1,179	20,398	27,273	5,718	8,568	11,971	13,944	726	425	39,691	49,785	80%
2016-2017	1,251	20,187	27,273	5,991	8,568	11,874	13,944	777	337	39,640	49,785	80%
Enrollment Budget (D)												
2017-2018	1,224	19,635	27,273	5,945	8,568	11,779	13,944	777	341	38,924	49,785	78%
Enrollment Forecast (D)												
2018-2019	1,196	18,982	27,273	5,653	8,568	11,962	13,944	777	335	38,128	49,785	77%
2019-2020	1,209	18,311	27,273	5,577	8,568	11,800	13,944	777	338	37,235	49,785	75%
2020-2021	1,220	17,725	27,273	5,429	8,568	11,645	13,944	777	341	36,360	49,785	73%

(A) Actual enrollment for each school year as of the last school day in September, for the years listed through 2015-2017.

(B) Includes the following: All Self-Contained Special Education classes including Pre-school, Moving-On, Low Incidence, Private Placement, and Home & Hospital. Beginning 2013-2014 Self-contained Special Ed was counted with Regular Grades so not added separately.

(C) Includes Alternative Education except for Pre-K.

(D) Kindergarten numbers are based upon live births from five years prior from area hospitals for forecast years.

**District Personnel Resource FTE Allocations  
Three-Year History, Current Estimate and Budget  
by Employee Group**

Staff	Actual 2014	Actual 2015	Actual 2016	Est. Actual 2017	Budget 2018
Teachers	2,362	2,421	2,399	2,484	2,469
Building substitutes	5	5	-	-	-
Noon hour supervisors (part-time)	76	80	78	90	90
Educational assistants/paraprofessionals	422	452	440	488	488
Secretary/clerical	222	229	222	232	232
Transportation	400	403	414	391	391
Custodial/maintenance	126	139	136	136	136
Technical/other	207	194	197	215	215
Food service	155	153	150	144	144
School administration	102	99	98	101	101
Supervisors/directors/coordinators	34	40	42	41	41
Central administration	33	29	31	34	34
Divisionals	16	17	17	17	17
Superintendent/executive staff	9	10	10	10	10
Total staff by FTEs	4,169	4,271	4,234	4,383	4,368

Source: District Financial Services

The 2018 budget includes a reduction of 15 teacher FTEs. This is due to slightly lower enrollments and staffing needs assessed by District management during the budget process.

## General Obligation Bonds Summary Schedule

Due in Fiscal Year	General Obligation		Total Debt Service
	Principal	Interest	
2018	\$ 20,889,896	\$ 21,300,530	\$ 42,190,426
2019	22,661,283	19,516,546	42,177,829
2020	19,228,841	22,943,767	42,172,608
2021	15,856,253	26,482,713	42,338,966
2022	15,576,479	26,706,309	42,282,788
2023-2027	66,185,910	56,887,963	123,073,873
2028-2032	78,360,000	22,692,353	101,052,353
2033-2035	42,335,000	3,873,748	46,208,748
	<u>\$ 281,093,662</u>	<u>\$ 200,403,929</u>	<u>\$ 481,497,591</u>

**Bond Amortization Schedule - Series 1999**  
**\$18,300,000 School Building Bonds**

Payment Date	Principal	Interest	Total	Fiscal Year	Fiscal Year Total
July 1, 2017	-	305,875	305,875	2018	
January 1, 2018	5,025,000	305,875	5,330,875	2018	5,636,750
July 1, 2018	-	180,250	180,250	2019	
January 1, 2019	7,000,000	180,250	7,180,250	2019	7,360,500
	<u>\$ 12,025,000</u>	<u>\$ 972,250</u>	<u>\$ 12,997,250</u>		<u>\$ 12,997,250</u>

**Bond Amortization Schedule - Series 2001**  
**\$54,499,619 Capital Appreciation School Bonds**

Payment Date	Principal	Interest	Total	Fiscal Year	Fiscal Year Total
January 1, 2018	7,048,052	9,226,948	16,275,000	2018	16,275,000
January 1, 2019	5,513,533	7,911,621	13,425,154	2019	13,425,154
January 1, 2020	7,678,182	12,036,993	19,715,175	2020	19,715,175
January 1, 2021	1,065,463	1,819,541	2,885,004	2021	2,885,004
	<u>\$ 21,305,230</u>	<u>\$ 30,995,103</u>	<u>\$ 52,300,333</u>		<u>\$ 52,300,333</u>

**Bond Amortization Schedule - Series 2003**  
**\$65,999,779 Capital Appreciation School Bonds**

Payment Date	Principal	Interest	Total	Fiscal Year	Fiscal Year Total
January 1, 2018	966,844	1,143,156	2,110,000	2018	2,110,000
January 1, 2019	962,750	1,252,250	2,215,000	2019	2,215,000
January 1, 2020	960,659	1,369,341	2,330,000	2020	2,330,000
January 1, 2021	10,060,790	15,664,210	25,725,000	2021	25,725,000
January 1, 2022	10,591,479	17,958,521	28,550,000	2022	28,550,000
January 1, 2023	10,030,910	18,474,090	28,505,000	2023	28,505,000
	<u>\$ 33,573,432</u>	<u>\$ 55,861,568</u>	<u>\$ 89,435,000</u>		<u>\$ 89,435,000</u>



**Bond Amortization Schedule - Series 2009A**  
**\$34,405,000 General Obligation Limited School Bonds**

Payment Date	Principal	Interest	Total	Fiscal Year	Fiscal Year Total
July 1, 2017	-	193,300	193,300	2018	
January 1, 2018	1,175,000	193,300	1,368,300	2018	1,561,600
July 1, 2018	-	169,800	169,800	2019	
January 1, 2019	1,290,000	169,800	1,459,800	2019	1,629,600
July 1, 2019	-	137,550	137,550	2020	
January 1, 2020	1,350,000	137,550	1,487,550	2020	1,625,100
July 1, 2020	-	103,800	103,800	2021	
January 1, 2021	1,415,000	103,800	1,518,800	2021	1,622,600
July 1, 2021	-	68,425	68,425	2022	
January 1, 2022	1,405,000	68,425	1,473,425	2022	1,541,850
July 1, 2022	-	33,300	33,300	2023	
January 1, 2023	1,480,000	33,300	1,513,300	2023	1,546,600
	<u>\$ 8,115,000</u>	<u>\$ 1,412,350</u>	<u>\$ 9,527,350</u>		<u>\$ 9,527,350</u>

**Bond Amortization Schedule - Series 2011A**  
**\$25,925,000 General Obligation Limited School Bonds**

Payment Date	Principal	Interest	Total	Fiscal Year	Fiscal Year Total
July 1, 2017	-	352,521	352,521	2018	
January 1, 2018	2,660,000	352,521	3,012,521	2018	3,365,042
July 1, 2018	-	289,346	289,346	2019	
January 1, 2019	2,795,000	289,346	3,084,346	2019	3,373,692
July 1, 2019	-	217,375	217,375	2020	
January 1, 2020	2,945,000	217,375	3,162,375	2020	3,379,750
July 1, 2020	-	134,915	134,915	2021	
January 1, 2021	3,085,000	134,915	3,219,915	2021	3,354,830
July 1, 2021	-	45,450	45,450	2022	
January 1, 2022	1,515,000	45,450	1,560,450	2022	1,605,900
	<u>\$ 13,000,000</u>	<u>\$ 2,079,214</u>	<u>\$ 15,079,214</u>		<u>\$ 15,079,214</u>

## INFORMATIONAL SECTION

### Bond Amortization Schedule - Series 2011B \$2,030,000 General Obligation Limited School Bonds

Payment Date	Principal	Interest	Total	Fiscal Year	Fiscal Year Total
July 1, 2017	-	2,698	2,698	2018	
January 1, 2018	200,000	2,698	202,698	2018	205,396
July 1, 2018	-	2,047	2,047	2019	
January 1, 2019	200,000	2,047	202,047	2019	204,094
July 1, 2019	-	1,398	1,398	2020	
January 1, 2020	200,000	1,398	201,398	2020	202,796
July 1, 2020	-	747	747	2021	
January 1, 2021	230,000	747	230,747	2021	231,494
	<u>\$ 830,000</u>	<u>\$ 13,780</u>	<u>\$ 843,780</u>		<u>\$ 843,780</u>

### Bond Amortization Schedule - Series 2012B \$31,045,000 General Obligation Limited School Bonds

Payment Date	Principal	Interest	Total	Fiscal Year	Fiscal Year Total
July 1, 2017	-	463,287	463,287	2018	
January 1, 2018	75,000	463,287	538,287	2018	1,001,574
July 1, 2018	-	462,163	462,163	2019	
January 1, 2019	-	462,163	462,163	2019	924,326
July 1, 2019	-	462,163	462,163	2020	
January 1, 2020	-	462,163	462,163	2020	924,326
July 1, 2020	-	462,162	462,162	2021	
January 1, 2021	-	462,162	462,162	2021	924,324
July 1, 2021	-	462,162	462,162	2022	
January 1, 2022	2,065,000	462,162	2,527,162	2022	2,989,324
July 1, 2022	-	420,863	420,863	2023	
January 1, 2023	3,745,000	420,863	4,165,863	2023	4,586,726
July 1, 2023	-	336,600	336,600	2024	
January 1, 2024	5,460,000	336,600	5,796,600	2024	6,133,200
July 1, 2024	-	213,750	213,750	2025	
January 1, 2025	5,705,000	213,750	5,918,750	2025	6,132,500
July 1, 2025	-	85,387	85,387	2026	
January 1, 2026	3,795,000	85,387	3,880,387	2026	3,965,774
	<u>\$ 20,845,000</u>	<u>\$ 6,737,074</u>	<u>\$ 27,582,074</u>		<u>\$ 27,582,074</u>

**Bond Amortization Schedule - Series 2015A**  
**\$44,310,000 General Obligation Limited School Bonds**

Payment Date	Principal	Interest	Total	Fiscal Year	Fiscal Year Total
July 1, 2017	-	1,107,750	1,107,750	2018	
January 1, 2018	-	1,107,750	1,107,750	2018	2,215,500
July 1, 2018	-	1,107,750	1,107,750	2019	
January 1, 2019	-	1,107,750	1,107,750	2019	2,215,500
July 1, 2019	-	1,107,750	1,107,750	2020	
January 1, 2020	-	1,107,750	1,107,750	2020	2,215,500
July 1, 2020	-	1,107,750	1,107,750	2021	
January 1, 2021	-	1,107,750	1,107,750	2021	2,215,500
July 1, 2021	-	1,107,750	1,107,750	2022	
January 1, 2022	-	1,107,750	1,107,750	2022	2,215,500
July 1, 2022	-	1,107,750	1,107,750	2023	
January 1, 2023	-	1,107,750	1,107,750	2023	2,215,500
July 1, 2023	-	1,107,750	1,107,750	2024	
January 1, 2024	-	1,107,750	1,107,750	2024	2,215,500
July 1, 2024	-	1,107,750	1,107,750	2025	
January 1, 2025	-	1,107,750	1,107,750	2025	2,215,500
July 1, 2025	-	1,107,750	1,107,750	2026	
January 1, 2026	-	1,107,750	1,107,750	2026	2,215,500
July 1, 2026	-	1,107,750	1,107,750	2027	
January 1, 2027	-	1,107,750	1,107,750	2027	2,215,500
July 1, 2027	-	1,107,750	1,107,750	2028	
January 1, 2028	4,055,000	1,107,750	5,162,750	2028	6,270,500
July 1, 2028	-	1,006,375	1,006,375	2029	
January 1, 2029	6,750,000	1,006,375	7,756,375	2029	8,762,750
July 1, 2029	-	837,625	837,625	2030	
January 1, 2030	7,090,000	837,625	7,927,625	2030	8,765,250
July 1, 2030	-	660,375	660,375	2031	
January 1, 2031	7,440,000	660,375	8,100,375	2031	8,760,750
July 1, 2031	-	474,375	474,375	2032	
January 1, 2032	7,815,000	474,375	8,289,375	2032	8,763,750
July 1, 2032	-	279,000	279,000	2033	
January 1, 2033	8,205,000	279,000	8,484,000	2033	8,763,000
July 1, 2033	-	73,875	73,875	2034	
January 1, 2034	2,955,000	73,875	3,028,875	2034	3,102,750
	<u>\$ 44,310,000</u>	<u>\$ 31,033,750</u>	<u>\$ 75,343,750</u>		<u>\$ 75,343,750</u>

## INFORMATIONAL SECTION

### Bond Amortization Schedule - Series 2015B \$10,780,000 General Obligation Refunding School Bonds

Payment Date	Principal	Interest	Total	Fiscal Year	Fiscal Year Total
July 1, 2017	-	205,531	205,531	2018	
January 1, 2018	-	205,531	205,531	2018	411,062
July 1, 2018	-	205,531	205,531	2019	
January 1, 2019	-	205,531	205,531	2019	411,062
July 1, 2019	-	205,531	205,531	2020	
January 1, 2020	-	205,531	205,531	2020	411,062
July 1, 2020	-	205,531	205,531	2021	
January 1, 2021	-	205,531	205,531	2021	411,062
July 1, 2021	-	205,531	205,531	2022	
January 1, 2022	-	205,531	205,531	2022	411,062
July 1, 2022	-	205,531	205,531	2023	
January 1, 2023	-	205,531	205,531	2023	411,062
July 1, 2023	-	205,532	205,532	2024	
January 1, 2024	-	205,532	205,532	2024	411,064
July 1, 2024	-	205,532	205,532	2025	
January 1, 2025	-	205,532	205,532	2025	411,064
July 1, 2025	-	205,532	205,532	2026	
January 1, 2026	2,170,000	205,532	2,375,532	2026	2,581,064
July 1, 2026	-	165,386	165,386	2027	
January 1, 2027	6,215,000	165,386	6,380,386	2027	6,545,772
July 1, 2027	-	47,301	47,301	2028	
January 1, 2028	2,395,000	47,301	2,442,301	2028	2,489,602
	<u>\$ 10,780,000</u>	<u>\$ 4,124,938</u>	<u>\$ 14,904,938</u>		<u>\$ 14,904,938</u>

### Bond Amortization Schedule - Series 2015C \$19,235,000 General Obligation Refunding School Bonds

Payment Date	Principal	Interest	Total	Fiscal Year	Fiscal Year Total
July 1, 2017	-	349,675	349,675	2018	
January 1, 2018	3,740,000	349,675	4,089,675	2018	4,439,350
July 1, 2018	-	274,875	274,875	2019	
January 1, 2019	4,900,000	274,875	5,174,875	2019	5,449,750
July 1, 2019	-	152,375	152,375	2020	
January 1, 2020	6,095,000	152,375	6,247,375	2020	6,399,750
	<u>\$ 14,735,000</u>	<u>\$ 1,553,850</u>	<u>\$ 16,288,850</u>		<u>\$ 16,288,850</u>

**Bond Amortization Schedule - Series 2015D**  
**\$101,575,000 General Obligation Refunding Limited School Bonds**

Payment Date	Principal	Interest	Total	Fiscal Year	Fiscal Year Total
July 1, 2017	-	2,484,575	2,484,575	2018	
January 1, 2018	-	2,484,575	2,484,575	2018	4,969,150
July 1, 2018	-	2,484,575	2,484,575	2019	
January 1, 2019	-	2,484,575	2,484,575	2019	4,969,150
July 1, 2019	-	2,484,575	2,484,575	2020	
January 1, 2020	-	2,484,575	2,484,575	2020	4,969,150
July 1, 2020	-	2,484,575	2,484,575	2021	
January 1, 2021	-	2,484,575	2,484,575	2021	4,969,150
July 1, 2021	-	2,484,575	2,484,575	2022	-
January 1, 2022	-	2,484,575	2,484,575	2022	4,969,150
July 1, 2022	-	2,484,575	2,484,575	2023	-
January 1, 2023	-	2,484,575	2,484,575	2023	4,969,150
July 1, 2023	-	2,484,575	2,484,575	2024	-
January 1, 2024	6,480,000	2,484,575	8,964,575	2024	11,449,150
July 1, 2024	-	2,377,375	2,377,375	2025	-
January 1, 2025	6,695,000	2,377,375	9,072,375	2025	11,449,750
July 1, 2025	-	2,210,000	2,210,000	2026	
January 1, 2026	7,030,000	2,210,000	9,240,000	2026	11,450,000
July 1, 2026	-	2,034,250	2,034,250	2027	
January 1, 2027	7,380,000	2,034,250	9,414,250	2027	11,448,500
July 1, 2027	-	1,849,750	1,849,750	2028	
January 1, 2028	7,750,000	1,849,750	9,599,750	2028	11,449,500
July 1, 2028	-	1,656,000	1,656,000	2029	
January 1, 2029	8,135,000	1,656,000	9,791,000	2029	11,447,000
July 1, 2029	-	1,452,625	1,452,625	2030	
January 1, 2030	8,540,000	1,452,625	9,992,625	2030	11,445,250
July 1, 2030	-	1,239,125	1,239,125	2031	
January 1, 2031	8,970,000	1,239,125	10,209,125	2031	11,448,250
July 1, 2031	-	1,014,875	1,014,875	2032	
January 1, 2032	9,420,000	1,014,875	10,434,875	2032	11,449,750
July 1, 2032	-	779,375	779,375	2033	
January 1, 2033	9,890,000	779,375	10,669,375	2033	11,448,750
July 1, 2033	-	532,125	532,125	2034	
January 1, 2034	10,385,000	532,125	10,917,125	2034	11,449,250
July 1, 2034	-	272,500	272,500	2035	
January 1, 2035	10,900,000	272,500	11,172,500	2035	11,445,000
	<u>\$ 101,575,000</u>	<u>\$ 65,620,050</u>	<u>\$ 167,195,050</u>		<u>\$ 167,195,050</u>

### Three-Year History of District Performance Measures

School Year	Actual 2013-2014	Actual 2014-2015	Actual 2015-2016
ACT-Ready for college coursework	40.0%	38.7%	38.5%
PARCC	n/a	32.3%	29.2%
DLM-AA	n/a	23.9%	16.8%
High school drop-out rate	2.2%	2.3%	2.3%
Percentage of free and reduced-price meals	59.5%	62.2%	57.8%
High School 4-Year Graduation Rate	85.6%	85.8%	86.4%
Teacher retention rate	83.6%	84.1%	83.3%

ACT - The ACT is a nationally administered, standardized paper-and-pencil test that helps colleges evaluate candidates. The figures represent the percentage of student scores meeting or exceeding benchmarks demonstrating readiness for college coursework. The ACT is administered to virtually every eleventh grade student.

PARCC - The figures represent the percentage of student scores meeting or exceeding expectations for the grades and subjects tested on PARCC that have demonstrated readiness for the next grade level/course and, ultimately, are on track for college and careers. PARCC is administered to students in grades three through eight and high school.

DLM-AA - The figures represent the percentage of student scores meeting or exceeding Standards for the grades and subjects tested on DLM-AA. The DLM-AA is administered to students in grades three through eight and eleven with disabilities whose Individualized Education Programs (IEPs) indicate that participation in the PARCC would not be appropriate.

n/a - data not available

## Glossary of Terms and Acronyms

### *Listing of Acronyms*

<b>ADA</b>	Average Daily Attendance
<b>AICPA</b>	American Institute of Certified Public Accountants
<b>AFR</b>	Annual Financial Report
<b>ARRA</b>	American Reinvestment and Recovery Act
<b>ASBO</b>	Association of School Business Officials
<b>AVID</b>	Advancement Via Individual Determination
<b>CAB</b>	Capital Appreciation Bonds
<b>CAC</b>	Citizens Advisory Council
<b>CAFR</b>	Comprehensive Annual Financial Report
<b>FDK</b>	Full-Day Kindergarten
<b>FY</b>	Fiscal Year
<b>GAAP</b>	Generally Accepted Accounting Principles
<b>GASB</b>	Governmental Accounting Standards Board
<b>GFOA</b>	Government Finance Officers Association
<b>GSA</b>	General State Aid
<b>ILCS</b>	Illinois Compiled Statutes
<b>IMRF</b>	Illinois Municipal Retirement Fund
<b>ISBE</b>	Illinois State Board of Education
<b>MTSS</b>	Multi-tiered Systems of Support
<b>OPEB</b>	Other Postemployment Benefits
<b>OEPP</b>	Operating Expenditures Per Pupil
<b>OFS</b>	Other Financing Sources
<b>OFU</b>	Other Financing Uses
<b>PARCC</b>	Partnership for Assessment of Readiness for College and Careers
<b>PBIS</b>	Positive Behavioral Interventions Supports
<b>PSAE</b>	Prairie State Achievement Exam
<b>RTI</b>	Response to Intervention
<b>RTTT</b>	Race to the Top
<b>SAFE</b>	Supervised Activities for Children of Employed Parents
<b>SIP</b>	School Improvement Plan
<b>TEI</b>	Teacher Effectiveness Initiatives
<b>THIS</b>	Teachers Health Insurance Security Fund
<b>TMP</b>	Teacher Mentoring Program
<b>TRS</b>	Teachers Retirement System

## Glossary of Terms and Acronyms (Continued)

This Glossary contains definitions of terms used in this document and such additional terms as deemed necessary to provide a common understanding of Illinois budgetary accounting procedures for schools. Several terms, which are not primarily budgetary accounting terms, have been included because of their significance for school district accounting. The glossary is arranged alphabetically.

**ACCOUNTING SYSTEM.** The total structure of records and procedures that discover, record, classify, and report information on the financial position and operation of a school district or any of its funds, balanced account groups and organizational components.

**ACCOUNT NUMBER.** An account number is a defined code for recording and summarizing financial transactions.

**ACCOUNTING PERIOD.** The accounting period is a period at the end of which and for which financial statements are prepared. For School District U-46, the accounting period is as of and for the year ending June 30.

**ACCRUAL BASIS OF ACCOUNTING.** Method of accounting that recognizes the financial effect of transactions, events, and interfund activity when they occur, regardless of the timing of related cash flows.

**ACCRUED EXPENDITURES.** Accrued expenditures are those expenditures which have been incurred and have not been paid as of a given date.

**ACCRUED INTEREST.** Accrued interest is interest earned between interest dates, but not yet paid.

**ACCRUED LIABILITIES.** Accrued liabilities are those amounts owed but not yet paid as of a given date.

**ACCRUED REVENUE.** Accrued revenue is revenue earned and not yet collected regardless of whether due or not.

**ACTUARIAL ACCRUED LIABILITY.** In the context of defined benefit pension and OPEB plans, that portion of the present value of benefits promised to employees that will not be provided through future normal cost. Stated differently, it is the present value of benefits already earned by employees.

**ACTUARIAL ASSUMPTIONS.** In the context of defined benefit pension and OPEB plans, assumptions that an actuary must make as to the occurrence of future events affecting benefit costs (rate of inflation, mortality).

**ADVANCED REFUNDING.** Transaction in which new debt is issued to refinance existing debt (old debt), but the proceeds must be placed in escrow pending call date or maturity (refunding in advance of redemption).

**ANNUAL REQUIRED CONTRIBUTION (ARC).** IN the context of defined benefit pension and OPEB plans, the actuarially determined amount an employer must contribute in a given year.

**APPROPRIATED BUDGET.** Expenditure authority created by the appropriation bills or ordinances that are signed into law and related estimated revenues. The appropriated budget includes all reserves, transfers, allocations, supplemental appropriations, and other legally authorized legislative and executive changes.



## Glossary of Terms and Acronyms (Continued)

**APPROPRIATION ACCOUNT.** A budgetary account established to record a specific authorization to spend. The account is credited with original and any supplemental appropriations, and is charged with expenditures and encumbrances.

**ASSESSED VALUATION.** Valuation that a government sets on real estate or other property as a basis for levying taxes.

**ASSETS.** Resources with present service capacity that the government presently controls.

**ASSIGNED FUND BALANCE.** The portion of the net position of a government assigned for a particular purposes.

**AVAILABILITY CRITERION.** Requirement under the modified accrual basis of accounting that revenues be recognized only if they are collected or collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

**AVAILABILITY PERIOD.** Designated period immediately following the close of the fiscal year by the end of which cash must be collected for related revenue to be recognized under the modified accrual basis of accounting.

**AVERAGE DAILY ATTENDANCE (ADA).** Average daily attendance is the average attendance of a school taken over a three-week period commencing the first Monday after Labor Day in September. Kindergarten counts as one-half ADA.

**BALANCED BUDGET.** The budget is balanced if revenues are equal to expenditures.

**BASIC FINANCIAL STATEMENTS.** Minimum combination of financial statements and note disclosure required for fair presentation in conformity with GAAP.

**BASIS OF ACCOUNTING.** Timing of recognition for financial reporting purposes (when the effects of transactions or events should be recognized in financial statements).

**BASIS OF BUDGETING.** Method used to determine when revenues and expenditures are recognized for budgetary purposes.

**BUDGETARY REPORTING.** In the context of financial reporting, requirement to present budgetary comparisons in connection with general purpose external financial reporting. Budgetary reporting is required in connection with the basic financial statements for both the general fund and individual major special revenue funds with annual (or biennial) appropriated budgets. Budgetary reporting also is required within the CAFR to demonstrate compliance at the legal level of control for all governmental funds with annual (or biennial) appropriated budgets.

**BOARD OF EDUCATION.** The seven-member Board of Education is an elected body that has been created according to state statute, and vested with responsibility for educational activities in the School District.

## Glossary of Terms and Acronyms (Continued)

**BOND.** A bond is a written promise to pay a specific sum of money, called the face value or principal amount, at a specified date or dates in the future, called the maturity date, and with periodic interest payments at a rate specified in the bond. A bond is generally issued for a specific purpose or project, such as construction of a new facility. The difference between a note and a bond is that a bond generally is for a longer period of time, and requires greater legal formality.

**BONDED DEBT.** Bonded debt is part of the School District debt that is covered by outstanding bonds of the District. This is sometimes called “funded debt.”

**BONDS ISSUED.** Bonds issued are reflected when bonds are sold.

**BUDGET.** The budget is a plan of financial operation embodying an estimate of proposed revenues and expenditures for a given period or purpose, and the proposed means of financing those expenditures. The budget is a legal document once it has been approved by the Board of Education.

**BUDGETARY CONTROL.** Budgetary control is the management of the business affairs of the District in accordance with an approved budget, with the responsibility to keep expenditures within the authorized amounts.

**BUILDINGS.** Facilities permanently affixed to the land, including their associated heating and air conditioning systems, electrical and sound systems, plumbing and sewer systems, elevators, and other fixed equipment.

**CAPITAL ASSETS.** Land, improvements to land, easements, buildings, building improvements, vehicles, machinery, equipment, works of art and historical treasures, infrastructure, and all other tangible or intangible assets that are used in operations and that have initial useful lives extending beyond a single reporting period.

**CAPITALIZATION THRESHOLD.** Dollar value at which a government elects to capitalize tangible or intangible assets that are used in operations and that have initial useful lives extending beyond a single reporting period. Generally, capitalization thresholds are applied to individual items rather than groups of items unless the result would be to exclude items that in the aggregate would clearly be material to the financial statements.

**CASH.** Includes not only currency on hand, but also demand deposits with banks or other financial institutions. Cash also includes deposits in other kinds of accounts or cash management pools that have the general characteristics of demand deposits.

**CASH BASIS OF ACCOUNTING.** Basis of accounting that recognizes transactions or events when related cash amounts are received or disbursed.

**CASH EQUIVALENT.** Short-term, highly liquid investments that are both 1) readily convertible to known amounts of cash and 2) so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. Generally, only investments with original maturities of three months or less meet this definition. For this purpose, “original maturity” means maturity as of the date the investment is acquired.

## Glossary of Terms and Acronyms (Continued)

**COMMITTED FUND BALANCE.** The portion of the net position of a governmental fund that represents resources whose use is subject to a legally binding constraint that is imposed by the government itself at its highest level of decision-making authority and that remains legally binding unless removed in the same manner.

**COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR).** Financial report that contains, at a minimum, three sections: 1) introductory, 2) financial, and 3) statistical, and whose financial section provides information on each individual fund and component unit.

**COMPREHENSIVE FRAMEWORK OF INTERNAL CONTROL.** Structure of internal control that provides for 1) a favorable control environment, 2) the continuing assessment of risk, 3) the design, implementation, and maintenance of effective control-related policies and procedures, 4) the effectiveness communication of information, and 5) the ongoing monitoring of the effectiveness of control-related policies and procedures as well as the resolution of potential problems identified by controls.

**COST-SHARING MULTIPLE-EMPLOYER DEFINED BENEFIT PENSION/OPEB PLAN.** Plan in which a single actuarial valuation and contribution rate apply to all participating employers.

**CURRENT FINANCIAL RESOURCES MEASUREMENT FOCUS.** Measurement focus where the aim of a set of financial statements is to report the near-term (current) inflows, outflows, and balances of expendable financial resources. The current financial resources measurement focus is unique to accounting and financial reporting for state and local governments and is used solely for reporting the financial position and results of operations of governmental funds.

**CURRENT REFUNDING.** Refunding transaction in which the proceeds of the refunding debt are applied immediately to redeem the debt to be refunded. This situation differs from an advance refunding, where the proceeds of the refunding bonds are placed in escrow pending the call date or maturity of the debt to be refunded.

**CHART OF ACCOUNTS.** A chart of accounts is a list of all accounts generally used in an accounting system. In addition to account title, the chart includes an account number which has been assigned to each account. Accounts in the chart are arranged with accounts of a similar nature; for example, assets and liabilities.

**CONTINGENT LIABILITIES.** Liabilities which are not now fixed and absolute but which will become so in case of the occurrence of some future and uncertain event.

**CONTRACTED SERVICES.** Labor, materials and other costs for services rendered by personnel who are not on the payroll of the District.

**CORPORATE PERSONAL PROPERTY REPLACEMENT TAX.** The corporate personal property replacement tax is collected by the Illinois Department of Revenue as a replacement for the personal property tax.

**COST BENEFIT.** Cost benefit analyses are those studies which provide the means for comparing the resources to be allocated to a specific program with the results likely to be obtained from it, or analyses which provide the means for comparing the results likely to be obtained from the allocation of certain resources toward the achievement of alternate or competing objectives.

## Glossary of Terms and Acronyms (Continued)

**COST EFFECTIVENESS.** Cost effectiveness refers to the extent to which resources allocated to a specific objective under each of several alternatives actually contribute to accomplishing that objective.

**CURRENT ASSETS.** Current assets are cash or anything that can be readily converted into cash.

**CURRENT EXPENDITURES PER PUPIL.** Current expenditures for a given period of time divided by a pupil unit of measure.

**CURRENT LIABILITIES.** Current liabilities are debts which are payable within a short period of time, usually no longer than one year.

**DEBT.** An obligation resulting from the borrowing of money or from the purchase of goods and services. Debts of local education agencies include bonds, warrants and notes.

**DEBT LIMIT.** The maximum amount of gross or net debt that is legally permitted.

**DEBT SERVICE.** Debt service includes expenditures for the retirement of debt and expenditures for interest on debt, except principal and interest on current loans, which are loans payable in the same fiscal year in which the money was borrowed.

**DEFERRED INFLOW OF RESOURCES.** An acquisition of net position by the government that is applicable to a future reporting period.

**DEFERRED OUTFLOWS OF RESOURCES.** A consumption of net position by the government that is applicable to a future reporting period.

**DEFINED BENEFIT PENSION PLAN.** Pension plan having terms that specify the amount of pension benefits to be provided at a future date or after a certain period of time; the amount specified usually is a function of one or more factors such as age, years of service, and compensation.

**DEFICIT.** A deficit is a shortfall of revenues and transfers in under expenditures and transfers out.

**DIRECT COSTS/EXPENSE.** Expense that is specifically associated with a service, program, or department and, thus, is clearly identifiable with a particular function.

**DISALLOWED COSTS.** Claims for grantor resources that have been rejected by the grantor.

**DISBURSEMENTS.** Disbursements are the actual payments of cash by the District.

**DOUBLE ENTRY ACCOUNTING.** Double entry accounting is an accounting system that requires for every entry made to the debit side of an account or accounts, there must be an equal entry to the credit side of an account or accounts.

**EMPLOYER CONTRIBUTIONS.** Term used in the context of pension benefits and OPEB to describe actual payments made by the employer as compared to the employer's annual required contributions (ARC). Only amounts paid to trustees and outside parties qualify as contributions.

## Glossary of Terms and Acronyms (Continued)

**ENCUMBRANCES.** Commitments related to unperformed (executor) contracts for goods and services.

**EXPENDITURES.** Under the current financial resources measurement focus, decreases in net financial resources not properly classified as other financing uses.

**EXTERNAL AUDITORS.** Independent auditors typically engaged to conduct the audit of a government's financial statements.

**FEDERAL GOVERNMENT SOURCES.** Federal government sources are funding provided directly from the Federal government or passed-through a third party. Expenditures made with this revenue should be identifiable as federally supported expenditures.

**FINAL AMENDED BUDGET.** The original budget adjusted by all reserves, transfers, allocations, supplemental appropriations, and other legally authorized legislative and executive changes applicable to the fiscal year, whenever signed into law or otherwise legally authorized.

**FINANCIAL STATEMENT.** A tabulation of amounts derived from accounting records and expressed in words and dollars that display either 1) the financial position of the reporting unit at a moment in time or 2) inflows and outflows of resources from transactions or other events during a period of time.

**FINANCIAL STATEMENT AUDIT.** Examination designed to provide independent assurance that financial statements are fairly presented.

**FISCAL YEAR.** The fiscal year is the year by or for which accounts are reckoned or the year between one annual time of settlement or balancing of accounts and another. It consists of a period of twelve months, not necessarily concurrent with the calendar year, with reference to which appropriations are made and expenditures are authorized and at the end of which accounts are made up and the books are closed. The District's fiscal year is the period from July 1 to June 30 of the following calendar year.

**FIXED ASSETS.** Fixed assets are those assets essential to continuance of proper operation of the District. They include land, buildings, machinery, furniture, and other equipment which the District intends to hold or continue to use over a long period of time.

**FULL-TIME EQUIVALENT (FTE).** An employee that is hired to fill a normal contract day is equivalent to one (1) full-time equivalent.

**FUNCTION.** Group of related activities aimed at accomplishing a major service or regulatory program for which a government is responsible.

**CAPITAL OUTLAY.** Capital outlay includes expenditures for the acquisition of fixed assets or additions to fixed assets. These are expenditures for land or existing buildings, improvements of grounds, construction of buildings, additions to buildings, remodeling of buildings, initial equipment, additional equipment, and replacement of equipment.

**DEBT SERVICE.** Debt service payments include payments for principal and interest on the long-term debt of the District.

## Glossary of Terms and Acronyms (Continued)

### FUNCTION (Continued).

**INSTRUCTION.** Instruction consists of those activities dealing with the teaching of students. Included within the instruction function are regular programs, special programs, and other instructional programs.

**INTERGOVERNMENTAL.** Intergovernmental includes payments to other governmental entities.

**SUPPORT SERVICES.** Support services include services that provide administrative, technical (e.g., guidance and health), and logistical support to facilitate and enhance instruction. Support services are adjuncts to the fulfillment of the objectives of instruction.

**NON-PROGRAMMED CHARGES.** Non-programmed charges include all payments to other districts.

**FUND.** A fund is a separate accounting entity with a self-balancing set of accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. District resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available resources. Following are the funds used by the District.

**AGENCY FUND.** One of four types of fiduciary funds. Agency funds are used to report resources held by the reporting government in a purely custodial capacity (assets = liabilities). Agency funds typically involve only the receipt, temporary investment, and remittance of fiduciary resources to individuals, private organizations, or other governments.

**CAPITAL PROJECTS FUND.** The Capital Projects Fund is used to account for proceeds resulting from building bonds, receipts from other long-term financing agreements, or construction or maintenance grants used to finance a capital project, capital lease, lease purchase agreement, or if a tax is levied in accordance with Section 17-2.3 of the School Code.

**DEBT SERVICE FUND.** The Debt Service Fund is used to account for revenues and related expenditures to retire bond principal or to pay bond interest, or if other revenue is pledged to pay principal, interest, or service charges on other long-term debt instruments. Governmental fund type used to account for accumulations of resources that are restricted, committed, or assigned to expenditure for principal and interest. [See 105 ILCS 5/Art. 19]

**DEVELOPERS FEES FUND.** The Developers Fees Fund is used to account for the proceeds derived from developers' fees and the expenditure of those funds.

**EDUCATIONAL FUND.** The Educational Fund is the general operating fund of the District. It is used to account for all financial transactions not accommodated by another specific fund. This fund is primarily used for most of the instructional and administrative aspects of the District's operations. [See 105 ILCS 5/17-2]

## Glossary of Terms and Acronyms (Continued)

### FUND (Continued).

**FIRE PROTECTION AND SAFETY FUND.** The Fire Protection and Safety Fund is used to account for expenditures for fire prevention, safety, energy conservation, or school security, and the revenues supporting those expenditures. [See ILCS 5/2-3.12 and 17-2.11]

**IMRF/SOCIAL SECURITY FUND.** The IMRF/Social Security Fund is used to account for property tax revenues and related expenditures for contributions to the Illinois Municipal Retirement Fund (IMRF), Social Security, and Medicare. [See 105 ILCS 5/17-1, 21-110, and 21-110.1]

**OPERATIONS AND MAINTENANCE FUND.** The Operations and Maintenance Fund is used to account for expenditures for the improvement, maintenance, repair, or benefit of buildings and property, including the cost of interior decorating and the installation, improvement, repair, replacement, and maintenance of building fixtures; rental of buildings and property, payment of all premiums for insurance upon building and building fixtures; all costs of lights, gas, water, telephone service, custodial supplies and equipment, and professional surveys of District property. [See 105 ILCS 5/17-2 and 17-7]

**TORT IMMUNITY AND JUDGEMENT FUND.** The Tort Immunity and Judgment Fund is used to pay for settlements or judgments, for protecting the District or its employees against liability, property damage or loss, and for risk care management programs.

**TRANSPORTATION FUND.** The Transportation Fund is used to account for the costs associated with transporting students for any purpose. All costs of transportation, other than those authorized by statute to be paid from another fund, shall be paid by this fund. Any funds received for transportation purposes must be deposited into this fund, with amounts due other funds appropriately transferred thereafter.

**WORKING CASH FUND.** The purpose of the Working Cash Fund is to enable the District to have in its treasury at all times sufficient money to meet demands for ordinary and necessary expenditures. [See 105 ILCS 5/Art. 20]

**FUND BALANCE.** Net position of a governmental fund (difference between assets, liabilities, deferred outflows of resources, and deferred inflows of resources).

**FUND BALANCE POLICY.** Policy to maintain fund balance at a predetermined target level.

**FUND EQUITY.** The fund equity is the balance of a fund after all liabilities have been deducted from the assets of the fund.

**GENERAL OBLIGATION REFUNDING BONDS.** Bonds issued to retire bonds already outstanding. The refunding bonds may be sold for cash and outstanding bonds redeemed in cash, or the refunding bond may be exchanged with the holders of the outstanding bonds.

**GOVERNMENTAL ACCOUNTING STANDARDS BOARD (GASB).** Ultimate authoritative accounting and financial reporting standard-setting body for state and local governments. The GASB was established in June 1984 to replace the NCGA.

## Glossary of Terms and Acronyms (Continued)

**GOVERNMENTAL ACTIVITIES.** Activities generally financed through taxes, intergovernmental revenues, and other Nonexchange revenues. These activities are usually reported in governmental funds and internal service funds.

**IMPACT FEES.** Fees charged to developers to cover, in whole or in part, the anticipated cost of improvements that will be necessary as a result of the development (e.g. sidewalks).

**INCURRED BUT NOT REPORTED (IBNR) CLAIMS.** In the context of risk financing, claims for insured events that have occurred but have not yet been reported to the governmental entity, public entity risk pool, insurer, or reinsurer as of the date of the financial statements. IBNR claims include 1) known loss events that are expected to be presented later as claims, 2) unknown loss events that are expected to become claims, and 3) expected future development on claims already reported.

**INDEPENDENT AUDITOR.** Auditors who are independent, both in fact and appearance, of the entities they audit. Both GAAS and GAGAS set specific criteria that must be met for an auditor to be considered independent.

**INDIRECT COSTS/EXPENSE.** Expenses that cannot be specifically associated with a given service, program, or department and thus, cannot be clearly associated with a particular function.

**INTERFUND ACTIVITY.** Activity between funds of the primary government, including blended component units. Interfund activities are divided into two broad categories: reciprocal and nonreciprocal. Reciprocal interfund activity comprises interfund loans and interfund services provided and used. Nonreciprocal interfund activity comprises interfund transfers and interfund reimbursements.

**INTERFUND LOAN.** Amounts provided between funds and blended component units of the primary government with a requirement for repayment.

**INTERFUND TRANSFERS.** Flows of assets (such as cash or goods) between funds and blended component units of the primary government without equivalent flows of assets in return and without a requirement for repayment.

**INTERNAL CONTROL.** The purpose of internal control is to safeguard the use of public funds and to protect the public trust on behalf of the District. Internal controls are those activities and organizational preparations designed to ensure effective accounting control over assets, liabilities, revenues, expenditures, and any other activities associated with the finance and accounting actions of the District. Some of the precautions instituted by internal control are insuring that no single individual can perform a complete cycle of financial operations and that procedures of the finance and accounting system are clearly identified and monitored. Internal control also requires designated levels of authorization for all actions under the system.

**INVESTMENTS.** Investments are securities or other properties in which money is held, either temporarily or permanently, in expectation of obtaining revenues. Legal investments for District funds are governed by state statute, which allows for funds belonging to or in the custody of the District to be invested. Bonds, treasury bills, certificates of deposit, and short-term discount obligations issued by the Federal National Mortgage Association of the types of investments which are permitted by law.



## Glossary of Terms and Acronyms (Continued)

**LEGAL DEBT MARGIN.** Excess of the amount of debt legally authorized over the amount of debt outstanding.

**LEGAL LEVEL OF BUDGETARY CONTROL.** Level at which a government's management's may not reallocate resources without approval from the legislative body.

**LIABILITIES.** Present obligations to sacrifice resources that the government has little or no discretion to avoid.

**MODIFIED ACCRUAL BASIS OF ACCOUNTING.** Basis of accounting used in conjunction with the current financial resources measurement focus that modifies the accrual basis of accounting in two important ways: 1) revenues are not recognized until they are measurable and available and 2) expenditures are recognized in the period in which governments in general normally liquidate the related liability rather than when that liability is first incurred (if earlier).

**NET POSITION.** The residual of all other financial statement elements presented in a statement of financial position.

**NET EXPENDITURE.** A net expenditure is the actual cost incurred by the District for some service or object after the deduction of any discounts, rebates, reimbursements, or revenue produced by the service or activity.

**NET REVENUE.** Net revenue is defined as the balance remaining after deducting from the gross revenue for a given period all expenditures during that same period.

**OBJECT.** The term object applies to expenditure classifications and designates materials or services purchased. Expenditures are grouped by major objects, such as salaries, purchased services, or materials and supplies, and are further divided as needed for cost accounting and control purposes.

**CAPITAL OUTLAY.** Capital outlay includes expenditures for the acquisition of fixed assets or additions to fixed assets. These are expenditures for land or existing buildings, improvements of grounds, construction of buildings, additions to buildings, remodeling of buildings, initial equipment, additional equipment, and replacement of equipment.

**CONTINGENCY, TUITION AND NON-CAPITALIZED EQUIPMENT.** Contingency includes an amount set-aside in the budget to provide for unforeseen items when the budget was developed. Tuition includes expenditures to reimburse other educational agencies for services rendered to students residing within the legal boundaries for our District. Non-capitalized equipment includes items that would normally be classified as capital assets except that they cost more than \$500 but less than the District's capitalization threshold.

**EMPLOYEE BENEFITS.** Employee benefits include amounts paid by the District on behalf of employees. These amounts are not included in gross salary, but are over and above it. Payments such as fringe benefits, while not paid directly to employees, nevertheless are a part of the cost of employees.

**OTHER EXPENDITURES.** Other expenditures include those items that are not recorded in any of the other objects.

## Glossary of Terms and Acronyms (Continued)

### OBJECT. (Continued)

**PURCHASED SERVICES.** Purchased services include amounts paid for personal services rendered by personnel who are not on the District's payroll, and other services the District may purchase.

**SALARIES.** Salaries include amounts paid to permanent, temporary, or substitute employees on the District's payroll. This includes gross salary for personal service rendered while on the payroll of the District.

**SUPPLIES AND MATERIALS.** Supplies and materials include amounts paid for material items of an expendable nature that are consumed, worn out, or deteriorated in use, or items that lose their identity through fabrication or incorporation into different or more complex units or substances.

**ON BEHALF PAYMENTS.** Contributions made to TRS and THIS by the State of Illinois on behalf of the employer.

**OTHER FINANCING SOURCES.** Increase in the net position of a governmental fund other than revenues. Only items identified as other financing uses in authoritative accounting standards may be classified as such.

**OTHER FINANCING USES.** Decreases in the net position of a governmental fund other than expenditures. Only items identified as other financing uses in authoritative accounting standards may be classified.

**OTHER POSTEMPLOYMENT BENEFITS (OPEB).** Postemployment benefits other than pension benefits. OPEB include postemployment healthcare benefits, regardless of the type of plan that provides them, and all postemployment benefits provided separately from a pension plan, excluding benefits defined as termination offers and benefits.

**PERFORMANCE BUDGET.** A budget that is structured to allow for expenditure analysis based upon measurable performance of predetermined objectives established by each activity.

**PERSONNEL, ADMINISTRATIVE.** District personnel who are primarily engaged in activities that have as their purpose the general regulation, direction, and control of the affairs of the District. Administrative certification is required.

**PERSONNEL, CLASSIFIED.** The terms "classified employees" or "classified personnel" are personnel who hold a position of employment for which certification is not required. The term includes, but is not limited to, individuals who hold positions in the following areas of employment: secretarial, custodial, food services, maintenance, transportation, support personnel, public relations, financial, IT services, and purchasing.

**PERSONNEL, INSTRUCTIONAL.** District personnel who render services dealing directly with the instruction of pupils. School District U-46 requires a State of Illinois Teaching Certificate endorsed by the Kane County Regional Office of Education.

**PREPAID EXPENDITURES.** Expenditures entered in the accounts for benefits not yet received. Prepaid expenditures differ from deferred charges in that they are spread over a shorter period of time than deferred charges and are regularly recurring costs of operation.

## Glossary of Terms and Acronyms (Continued)

**PROPERTY TAX LEVY.** The total of taxes or special assessments imposed by a governmental unit which is the product of a specific tax rate and the assessed valuation.

**PROPERTY TAX RATE.** A statement in dollars and cents, expressed per each \$100 of assessed valuation that will yield a specified amount of money from property taxes.

**PROGRAM.** Group activities, operations, or organizational units directly attaining specific purposes or objects.

**RECEIPT.** The actual receipt of cash.

**RESTRICTED FUND BALANCE.** The portion of the net position of a governmental fund that represents resources subject to externally enforceable constraints.

**REVENUES.** Additions to assets which do not increase any liabilities, do not represent the recovery of an expenditure, do not represent the cancellation of certain liabilities without a corresponding increase in other liabilities or a decrease in assets.

**SCHOOL BUDGET.** A financial plan considering both revenue and expenditures necessary to meet the educational program of a school district. The budget is for one fiscal year.

**SCHOOL BUDGET YEAR.** The school budget year is a twelve-month period commencing July 1 of one calendar year, and ending June 30 of the following calendar year.

**TAX RATE.** An amount of tax stated in terms of a unit of the tax base.

**UNASSIGNED FUND BALANCE.** The difference between total fund balance in a government fund and its nonspendable, restricted, committed, and assigned components.

**UNEARNED REVENUE.** A liability for resources obtained prior to revenue recognition.



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