



# SCHOOL DISTRICT U-46 ELGIN, ILLINOIS



## COMPREHENSIVE ANNUAL FINANCIAL REPORT



FOR THE FISCAL YEAR ENDED  
**JUNE 30, 2016**



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



**SCHOOL DISTRICT U-46  
ELGIN, ILLINOIS**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED  
JUNE 30, 2016**

Prepared By:

Mr. Dale Burnidge  
Director of Financial Operations

Mr. Thomas Lyons, CPA  
Financial Coordinator

# SCHOOL DISTRICT U-46

## Table of Contents

	Page
<b>INTRODUCTORY SECTION</b>	
Transmittal Letter	i-v
Principal Officials	vi
Organization Chart	vii
<b>FINANCIAL SECTION</b>	
Independent Auditor's Report	1-3
Required Supplementary Information:	4
Management's Discussion and Analysis (MD&A)	5-14
Basic Financial Statements:	15
Government-Wide Financial Statements (GWFS):	
Statement of Net Position	16
Statement of Activities	17
Fund Financial Statements (FFS):	
Governmental Funds:	
Balance Sheet - Governmental Funds	18
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	19
Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits) - Governmental Funds	20
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits) to the Statement of Activities	21
Fiduciary Funds:	
Statement of Fiduciary Assets and Liabilities – Agency Fund	22
Notes to Basic Financial Statements	23-55
Required Supplementary Information:	56
Schedule of the Employer's Proportionate Share of the Collective Net Pension Liability - Teachers' Retirement System	57
Schedule of Employer Contributions – Teachers' Retirement System	57
Schedule of Changes in the Net Pension Liability and Related Ratios - Illinois Municipal Retirement Fund	58
Schedule of Employer Contributions – Illinois Municipal Retirement Fund	59
Schedule of Funding Progress - Retiree Healthcare Plan	60
General Fund and Major Special Revenue Fund Budgetary Comparison Information:	61
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund	62
Schedule of Revenues, Expenditures and Changes in Fund Balance (Deficit) - Budget and Actual - Transportation Fund	63

## SCHOOL DISTRICT U-46

### Table of Contents

---

	Page
Notes to Required Supplementary Information (RSI)	64
Other Supplementary Information:	65
Combining Balance Sheet - General Fund, by Account	66
Combining Statement of Revenues, Expenditures and Changes in Fund Balance (Deficit) - General Fund, by Account	67
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund - Educational Account	68
Schedule of Revenues, Expenditures and Changes in Fund Balance (Deficit)- Budget and Actual - General Fund - Tort Immunity Account	69
Schedule of Revenues, Expenditures and Changes in Fund Balance (Deficit)- Budget and Actual - General Fund - Operations and Maintenance Account	70
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Working Cash Account	71
Debt Service Fund:	72
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Debt Service Fund	73
Nonmajor Governmental Funds:	74
Combining Balance Sheet - Nonmajor Governmental Funds	75
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits) - Nonmajor Governmental Funds	76
Schedule of Revenues, Expenditures and Changes in Fund Balance (Deficit) - Budget and Actual - Municipal Retirement/Social Security Fund	77
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Capital Projects Fund	78
Schedule of Revenues, Expenditures and Changes in Fund Balance (Deficit) - Budget and Actual - Fire Prevention and Safety Fund	79
Fiduciary Funds - Agency Funds:	80
Combining Statement of Changes in Assets and Liabilities - Agency Funds – Student Activity Funds	81-82
Schedule of Bonded Debt and Annual Interest Requirements	83

---

### **STATISTICAL SECTION (UNAUDITED)**

---

Statistical Section	84
Financial Trends:	
Net Position by Component	85
Changes in Net Position	86-89
Fund Balances, Governmental Funds	90
Changes in Fund Balances, Governmental Funds	91-94
Revenue Capacity:	
Equalized Assessed Valuation and Estimated Actual Value on Taxable Property	95-96
Property Tax Rates - Direct and Overlapping Governments	97
Principal Property Taxpayers	98
Property Tax Levies and Collections	99-104

## SCHOOL DISTRICT U-46

### Table of Contents

---

	Page
Debt Capacity:	
Ratios of Outstanding Debt by Type	105-106
Ratios of Net General Bonded Debt Outstanding	107-108
Legal Debt Margin Information	109-110
Direct and Overlapping General Obligation Bonded Debt	111
Demographic and Economic Information:	
Principal Employers	112
District Employment Statistics	113
Demographic and Economic Statistics	114
Operating Information:	
Operating Indicators by Function	115-116
District Enrollment by School	117
District Facility Information	118-119
Average Daily Attendance and Operating Expenditures Per Pupil	120



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

November 7, 2016

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

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) of School District U-46, Elgin, Illinois, (the District) as of and for the year ended June 30, 2016. The audit was completed and the Independent Auditor's Report was issued on November 7, 2016.

### **Management Responsibilities**

Management of the District is responsible for establishing and maintaining a comprehensive framework of internal control to provide a reasonable basis for asserting that the financial statements are fairly presented and to ensure that adequate accounting data is properly recorded to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP). The information contained in this report is based on the comprehensive framework of internal control that has been established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Responsibility for the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the District. To the best of our knowledge and belief, the enclosed data, as presented, is accurate in all material respects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the District as shown by the disclosure of all financial activity of its various funds; and that all disclosures, necessary for public understanding of the District's financial status, have been incorporated within this report.

### **Financial Reporting**

The CAFR includes all funds and account groups of the District and is presented in three sections: Introductory, Financial, and Statistical. The Introductory Section includes this transmittal letter, the District's organization, and a list of principal officers and elected officials. The Financial Section includes the Independent Auditor's Report on the financial statements and schedules referenced below under the Independent Audit heading. The Management's Discussion and Analysis (MD&A) is immediately following the Independent Auditor's Report and provides a narrative introduction, overview and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction. The remainder of the Financial Section contains the audited, basic financial statements including notes to the financial statements, required and other supplemental information such as the combining and individual fund financial statements and schedules. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis.

### **Independent Audit**

The School Code of Illinois and the District's adopted policy require an annual audit of the books and accounts of the District by an independent certified public accountant in conformance with prescribed standards and legal requirements. The certified public accountant is selected by the Board of Education. The selected certified public accountants, RSM US LLP, have issued an unmodified ("clean") opinion on the District's financial statements for the year ended June 30, 2016 (pages 1 – 3). The submission of the CAFR is intended to meet these annual requirements.

The District is required to undergo an annual single audit in conformity with the provisions of the U.S. Office of Management and Budget's (OMB) Uniform Grant Guidance, formerly Circular A-133, *"Audits of States, Local Governments, and Non-profit Organizations."* Information related to this single audit, including a schedule of federal financial assistance and the independent auditor's reports on the internal control structure and on compliance with applicable laws and regulations, is included under separate cover.

## DISTRICT PROFILE

### **Legal Autonomy and Fiscal Independence**

School 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 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.

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 organizational chart (page vii) 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**

The District 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 more than 40,000 children in grades Pre-K-12 at our 53 school buildings, one alternative high school and two pre-K centers 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.

The District offers general, special and vocational education and continues to support and expand various programs including Dual Language programs, gifted offerings, social and emotional supports, and services for students with special needs. Community involvement plays a valuable role within the District and the opportunities to engage parents, businesses and community leaders have continued to increase.

### **Budget Control**

All governmental funds of the District adopt annual budgets. A report of actual activity compared to budget is prepared by the Finance Department and reported to the District's Board of Education on a monthly basis. Account balances are compared to the annual budget with accumulation to the cost center, fund and total District levels. Full disclosures are made if extraordinary variances appear during the year. Further budgetary information such as the budget process and legal level of budgetary control are addressed in Notes to Required Supplementary Information – Note 1 (page 64).

## ECONOMIC CONDITION

### **Local Economy and Economic Outlook**

The economy continues to show signs of low growth and low inflation resulting in minimal revenue growth for the District. The area's unemployment rate has steadily declined over the past five years with population and wage growth expected to increase over the next five years. The uncertainty around the State of Illinois budget crisis is creating a challenging environment for all who receive funding from the State. Excluding on-behalf payments, the District received roughly 30 percent of its revenues from the State in fiscal year 2016. The State of Illinois is in financial difficulty and is often slow in paying funds

vouchered by the State Board of Education. The State Teachers Retirement System pension obligation continues to be underfunded and there are proposals to shift that cost to school districts.

Approximately half of the District's revenues are sourced from property taxes. The property tax base is derived from the Equalized Assessed Valuation (EAV) of the property within the District's boundaries. District property values peaked at \$6,112,265,852 in tax year 2009 and have declined each year thereafter until hitting a low of \$4,070,166,849 in tax year 2014. In the current fiscal year, which incorporates tax year 2015 activity, the EAV has leveled off and increased by 1.4 percent to \$4,128,220,513. Property tax revenue growth from year to year closely tracks the Consumer Price Index (CPI) for the related period. Within the past five years CPI has peaked at 3.0 percent in 2011 and hit a new low of 0.7 percent in 2015.

### **Long-term financial planning**

The District has made deep cuts and implemented spending freezes since 2011. The District continues to do more with less. With its conservative budgeting, U-46 has weathered both the recession and the current Illinois budget crisis. School District U-46 has earned the State Board of Education's top financial profile rating called "financial recognition" in fiscal year 2016 for the third consecutive year.

During this same time period the District's General Fund balance has increased \$112,614,088 from \$101,661,414 in fiscal year 2011 to \$214,275,502 in fiscal year 2016. Over the next five years management will continue to reduce the deficit balances in the Transportation and Fire and Prevention funds while maintaining a minimum balance of 15 to 20 percent of annual operating fund expenditures to operating fund balance (Educational, Operations and Maintenance, and Transportation make up the District's Operating Fund).

In 2015 the District refunded several debt issuances originally issued from 1999 to 2009 with the purpose of improving interest rates and smoothing out the debt service payments over the next several years. As of June 30, 2016 the District's outstanding general obligation bonded debt was \$300,649,545, down over \$79.4 million or 21 percent from a decade ago. Management will continue to identify and recommend solutions for maintaining a responsible level of debt while addressing the District's capital project needs.

### **Projected Enrollment**

The District's enrollment dropped slightly in 2016 and has been flat over the past five years. Enrollment is projected to remain consistent over the next five years. For further historical enrollment information refer to District Enrollment by school in the Statistical Section (page 117).

### **Age of School Buildings**

In addition to the 53 school buildings, one alternative high school and two Pre-K centers the District operates five other buildings. A majority of the buildings built before 2000 have had additions and/or renovations since they were built. The average age of the 53 school buildings, one alternative high school and two Pre-K centers, not including subsequent renovations, is 49 years. For the buildings that had an addition and/or renovation the average age of the last addition and/or renovation is 16 years.

### **Relevant Financial Policies**

The District's budget serves as the guide to direct and control expenditures and is the spending plan of the ensuring year.

The Board of Education (the Board) will adopt the annual budget, subsequent to a public hearing and prior to filing the annual tax levy. The Board 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 Superintendent or designee shall post the District's final budget, itemized by receipts and expenditures, on the District's official website, and notify parents or guardians of the budget's posting and provide the website's address. The Board may amend the budget by the same procedures that adhere to the original adoption

when transfers exceed the ten percent limitations. The Board may authorize the treasurer to make 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.

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

### **Major Initiatives / Strategic Goals**

In 2015, the School District U-46 Board of Education approved the current Strategic Plan. This Strategic Plan is the roadmap we will use to improve District operations, student achievement, staffing, and community engagement.

While approved by our Board of Education, this Strategic Plan represents the vision of our community. Hundreds of community members, from employees to local leaders, participated in the development of the plan. Administration and Board members, working with the school consultant firm, District Management Council, led efforts to solicit community feedback through interviews, several District-hosted public meetings and calls for feedback via the District's website, social media sites and newsletters. We carefully and collaboratively wrote and re-wrote drafts to put forth a final vision that represents the shared values and goals of our many partners.

The Strategic Plan aims to guide both Board members and employees for the next five years as they work together and with students, families and our community at large to meet these four aspirational goals and priorities.

#### **Goal 1: Student Achievement**

**Aspiration:** We will educate the whole student by providing an enriched, high quality experience that empowers all graduates to be competitive members of the global society.

**Priorities:**

- We will implement and support a challenging, standards-based curriculum across all content areas.
- We will coordinate our efforts to provide a nurturing and safe learning experience with a flexible approach in meeting the academic, social and emotional needs of each student.

#### **Goal 2: Effective and Engaged Staff**

**Aspiration:** We will value, develop and recruit a forward-thinking, highly qualified, and diverse workforce.

**Priorities:**

- We will value our collective differences to develop and recruit a high quality workforce that honors and reflects the diversity of our students.
- We will encourage collaboration and provide differentiated support to all staff members to grow as professionals throughout their career.

#### **Goal 3: Community Engagement**

**Aspiration:** We will engage in meaningful and effective relationships with all families and the greater community.

**Priorities:**

- We will partner with families and the greater community to foster shared ownership and aligned support for our priorities.
- We will support and empower schools to be welcoming centers of family and community engagement.

#### **Goal 4: Efficiency, Excellence and Accountability**

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

**Priorities:**

- We will allocate resources efficiently, equitably and transparently to accomplish our priorities.
- We will clearly and effectively communicate our use of resources to the greater community.

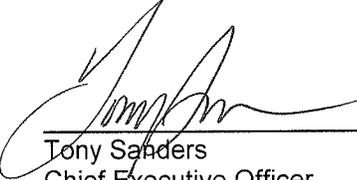
**ACKNOWLEDGEMENTS**

It is our intention that this Comprehensive Annual Financial Report will provide the District's management, outside investors, interested District residents, and any other stakeholders with a meaningful financial presentation. We hope that all readers of this report will obtain a clear and concise understanding of the District's financial condition as of June 30, 2016.

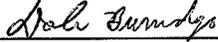
The preparation of the CAFR on a timely basis was made possible by the dedicated service of the Finance Department staff. Each member of the Finance Department has our sincere appreciation for the contributions made in the preparation of this report.

In closing, without the leadership and support of the School District U-46 Board of Education, preparation of this report would not have been possible.

Respectfully submitted,

  
\_\_\_\_\_  
Tony Sanders  
Chief Executive Officer

  
\_\_\_\_\_  
Jeff King, Ed.D, MBA, SFO  
Chief Operations Officer / CSBO

  
\_\_\_\_\_  
Dale Burnidge  
Director of Financial Operations

  
\_\_\_\_\_  
Thomas Lyons, CPA  
Financial Coordinator

## SCHOOL DISTRICT U-46

### Principal Officials

### BOARD OF EDUCATION

	<u>Position</u>	<u>Term Expires</u>
Donna Smith	President	2017
Susan Kerr	Vice President	2019
Phil Costello	Secretary Pro-Tempore	2019
Traci O'Neal Ellis	Member	2019
Cody Holt	Member	2017
Veronica Noland	Member	2017
Jeanette Ward	Member	2019
Eric Loera	Student Advisor	2017

### SUPERINTENDENT AND EXECUTIVE STAFF

Tony Sanders	Chief Executive Officer
Dr. Kenneth Arndt	Interim Superintendent of Schools
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

Dale Burnidge	Director of Financial Operations
Thomas Lyons, CPA	Financial Coordinator

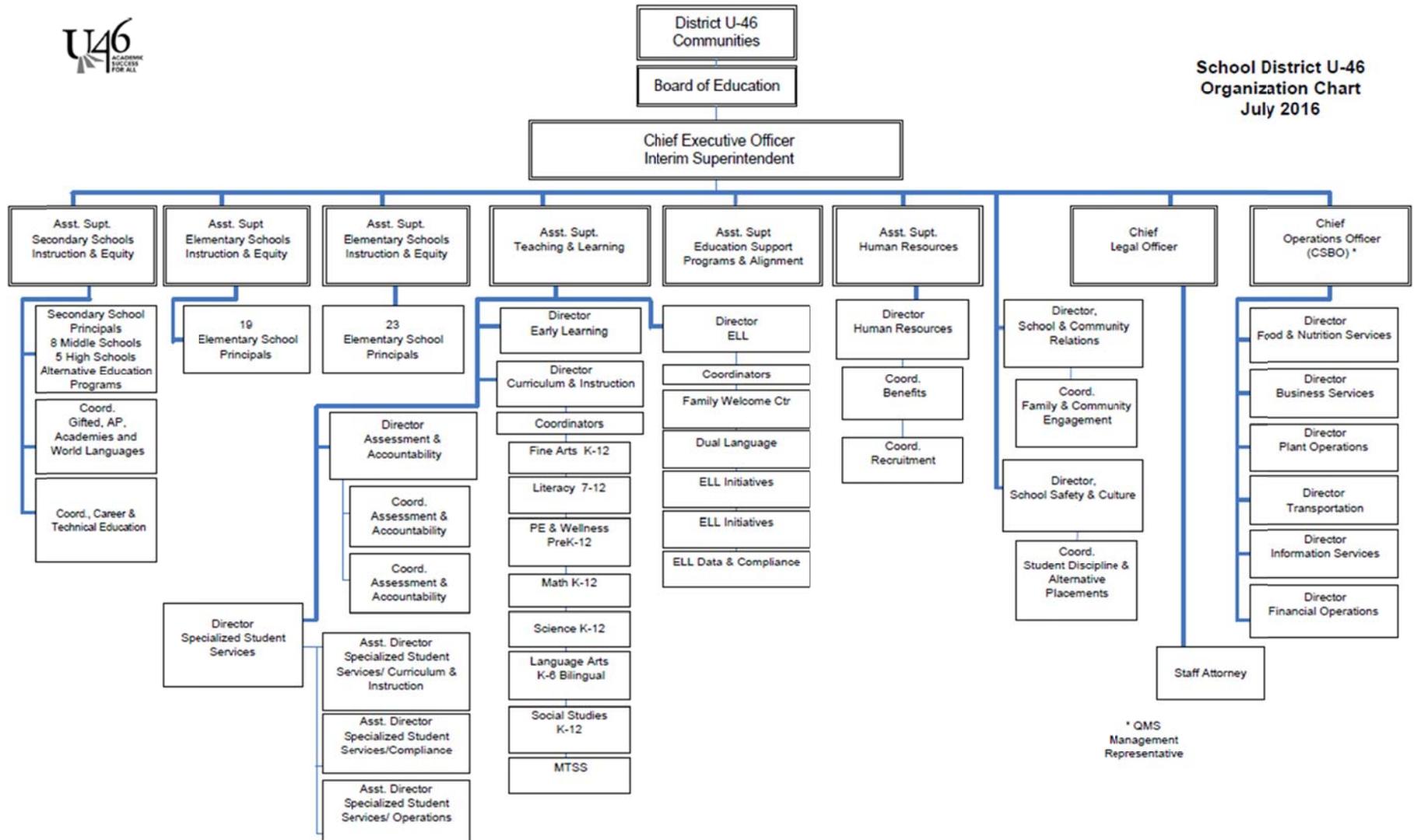
### DIVISION ISSUING REPORT

#### Financial Services Department

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



School District U-46  
Organization Chart  
July 2016



\* QMS  
Management  
Representative

## **Independent Auditor's Report**



RSM US LLP

## Independent Auditor's Report

To the Board of Education  
School District U-46  
Elgin, Illinois

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of School District U-46, Elgin, Illinois (District), as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of School District U-46, Elgin, Illinois as of June 30, 2016, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the required supplementary information, such as management's discussion and analysis (pages 5 - 14), schedules of net pension liabilities, employer contributions, and schedule of funding progress (pages 56 - 60), and budgetary comparison information (pages 61 - 64) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying supplementary information, such as the combining and individual fund financial statements, and other schedules as listed in the table of contents as supplementary information and the other information, such as the introductory and statistical sections, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The other information, including the introductory and statistical sections, has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

*RSM US LLP*

Chicago, Illinois  
November 7, 2016

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

## **SCHOOL DISTRICT U-46**

### **Management's Discussion and Analysis For the Year Ended June 30, 2016**

---

The discussion and analysis of School District U-46's (the District) financial performance provides an overall review of the District's financial activities for the year ended June 30, 2016. The management of the District encourages readers to consider the information presented herein in conjunction with the basic financial statements to enhance their understanding of the District's financial performance. Certain comparative information between the current year and the prior year is required to be presented in the Management's Discussion and Analysis (the MD&A).

#### **Financial Highlights**

- The assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$158.6 million (net position).
- In total, net position increased by \$51.9, which represents a 48.6 percent overall increase from the prior year. This increase was primarily the result of two factors, 1) actual expenses were lower than expected and actual revenues were higher than expected, and 2) outstanding general obligation bonded debt and debt certificate balances were reduced by \$26.2 million while no additional debt was issued.
- General revenues were \$421.4 million or 67.6 percent of all revenues. Program specific revenues, in the form of charges for services and grants, were \$201.6 million or 32.4 percent of total revenues of \$623.0 million.
- Overall, the combined revenues of the District's governmental funds were \$6.4 million more than expenditures. After adding net other financing sources, fund balances increased by \$13.7 million. This surplus increased the District's governmental funds' combined fund balance by 6.1 percent to \$236.1 million from \$222.4 million in the prior year.

#### **Overview of the Financial Statements**

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

- Government-wide financial statements,
- Fund financial statements, and
- Notes to the financial statements

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

## SCHOOL DISTRICT U-46

Management's Discussion and Analysis (Continued)  
For the Year Ended June 30, 2016

---

### *Government-wide financial statements*

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

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

The statement of activities presents information showing how the District's net position changed during the fiscal year being reported. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements present the functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities). The governmental activities of the District include instruction (regular education, special education and other), support services, community services, payments to other governments and interest on debt.

### *Fund financial statements*

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into two categories: governmental funds and fiduciary funds (the District maintains no proprietary funds).

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

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

## SCHOOL DISTRICT U-46

Management's Discussion and Analysis (Continued)  
For the Year Ended June 30, 2016

---

The District maintains six individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the District's major funds, the General Fund (the General Fund consists of four accounts: Educational Account, Tort Immunity Account, Operations and Maintenance Account and Working Cash Account), Transportation Fund, and the Debt Service Fund. Management has determined the Debt Service Fund to be major due to public interest. Data from the other three governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

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

Fiduciary funds are used to account for resources held for the benefit of parties outside the school district. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the District's own programs. The accounting used for fiduciary funds is much like that for the government-wide financial statements.

### *Notes to the financial statements*

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

### *Other information*

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's progress in funding its obligation to provide pension benefits to its employees and to provide for the District's retiree's health plan.

### **District-Wide Financial Analysis**

The District's net position increased by \$51.9 million or 48.6 percent compared to the prior year. At year-end, total net position was \$158.6 million (see Table 1).

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

- The District's interest expense decreased \$30.5 million from the prior year. In the prior year the District refunded significant outstanding debt; included in that refunding was approximately \$35.0 million of expense for payment of accreted interest. This expense was not repeated in the current year.
- The District received \$115.2 million of General State Aid (GSA) payments during the current year, which exceeded the GSA revenue from the prior year by \$17.5 million.
- Property tax revenue recognized in the current year increased \$8.6 million over the prior year.

**SCHOOL DISTRICT U-46**

Management's Discussion and Analysis (Continued)  
For the Year Ended June 30, 2016

---

**Table 1**  
**Condensed Statement of Net Position**  
**(in millions of dollars)**

	<b>Governmental Activities</b>		<b>Percentage Change</b>
	<b>2016</b>	<b>2015</b>	
<b>Assets</b>			
Current and other assets	\$ 492.5	\$ 461.8	6.6%
Capital assets	386.8	379.4	2.0%
<b>Total assets</b>	<b>879.3</b>	<b>841.2</b>	<b>4.5%</b>
<b>Deferred Outflows</b>	<b>32.2</b>	<b>16.4</b>	<b>96.3%</b>
<b>Liabilities</b>			
Long-term liabilities	509.0	524.9	(3.0)%
Other liabilities	69.0	62.1	11.1%
<b>Total liabilities</b>	<b>578.0</b>	<b>587.0</b>	<b>(1.5)%</b>
<b>Deferred Inflows</b>	<b>174.9</b>	<b>163.9</b>	<b>6.7%</b>
<b>Net Position</b>			
Net investment in capital assets	143.0	119.6	19.6%
Restricted	1.6	3.4	(52.9)%
Unrestricted	14.0	(16.3)	185.9%
<b>Total net position</b>	<b>\$ 158.6</b>	<b>\$ 106.7</b>	<b>48.6%</b>

**SCHOOL DISTRICT U-46**

Management's Discussion and Analysis (Continued)  
For the Year Ended June 30, 2016

---

Table 2, Changes in Net Position, illustrates in summary form revenues and expenses from fiscal year 2016 and the increase in net position of \$51.9 million. Comparative data from fiscal year 2015 is also illustrated.

**Table 2**  
**Changes in Net Position**  
**(in millions of dollars)**

	<u>Governmental Activities</u>		<b>Percentage Change</b>
	<b>2016</b>	<b>2015</b>	
<b>Revenues</b>			
Program revenues			
Charges for services	\$ 12.1	\$ 10.1	19.8%
Operating grants and contributions	189.2	175.3	7.9%
Capital grants and contributions	0.3	0.8	(62.5)%
General revenues			
Property and replacement taxes	304.9	293.0	4.1%
General state aid	115.2	93.0	23.9%
Other	1.3	6.0	(78.3)%
<b>Total revenues</b>	<b>623.0</b>	<b>578.2</b>	<b>7.7%</b>
<b>Expenses</b>			
Instruction	347.9	292.9	18.8%
Support services	202.0	223.2	(9.5)%
Community services	4.4	4.3	2.3%
Debt service - interest and fees	16.8	47.6	(64.7)%
<b>Total expenses</b>	<b>571.1</b>	<b>568.0</b>	<b>0.5%</b>
<b>Increase in net position</b>	<b>\$ 51.9</b>	<b>\$ 10.2</b>	<b>408.8%</b>

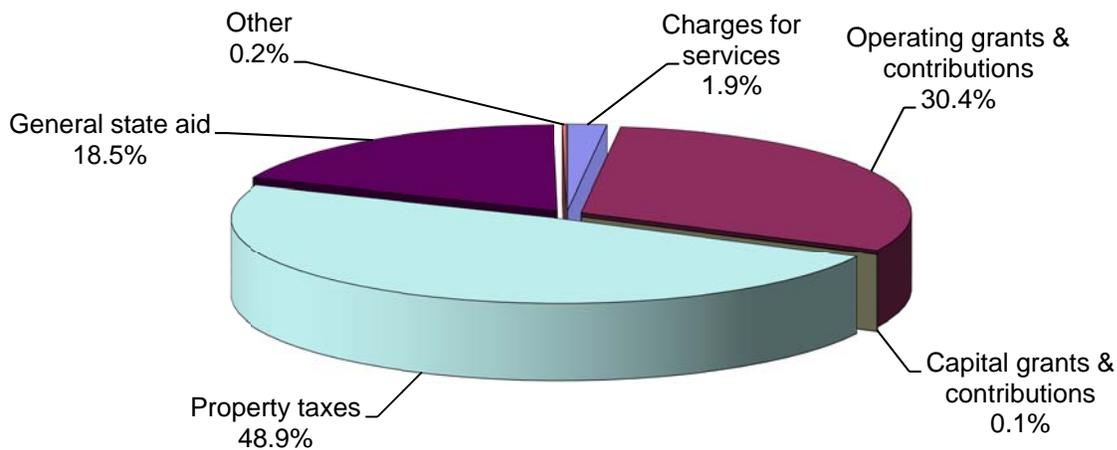
## SCHOOL DISTRICT U-46

Management's Discussion and Analysis (Continued)  
For the Year Ended June 30, 2016

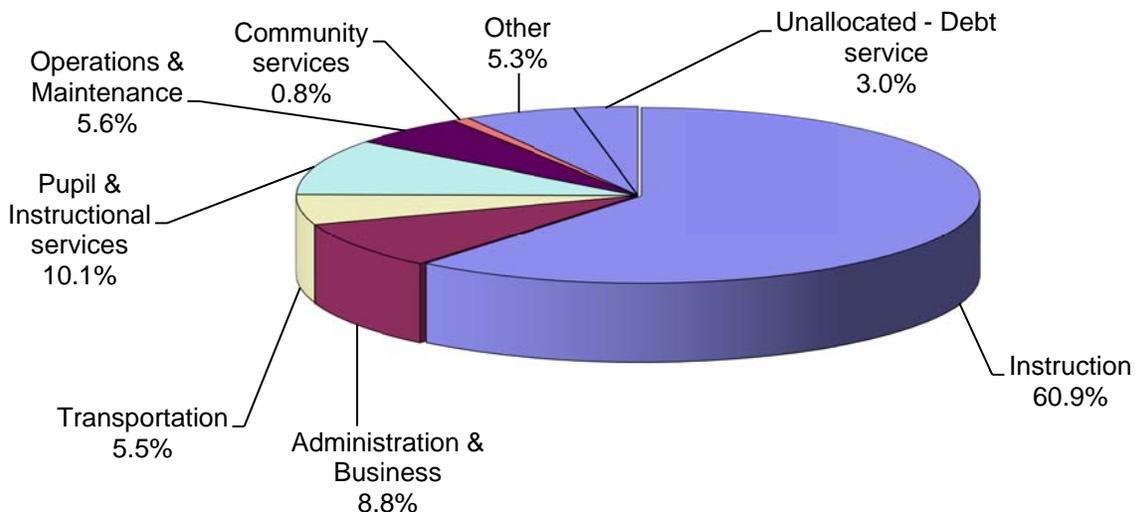
---

The District's total revenues were \$623.0 million. General revenues, including taxes and General State Aid were 67.6 percent of the total or \$421.4 million. Property and replacement taxes increased \$11.9 million over the prior year or 4.1 percent. Grants and contributions for specific programs and General State Aid brought in \$304.7 million, an increase of 13.2 percent over the prior year. The total cost of all programs and services in 2016 was \$571.1 million. The District's expenses are predominantly related to instruction and support services (caring for and transportation of students, etc.), which accounted for 96.2 percent of the total expense (see Table 2.2). The District's remaining activities, unallocated debt service and community services, were 3.8 percent of total expense. Total revenues on the statement of activities surpassed expenses, increasing net position by \$51.9 million from the prior year.

### District-Wide Revenues by Source - Table 2.1



### District-Wide Expenses by Function - Table 2.2



## SCHOOL DISTRICT U-46

Management's Discussion and Analysis (Continued)  
For the Year Ended June 30, 2016

---

### Financial Analysis of the District's Funds

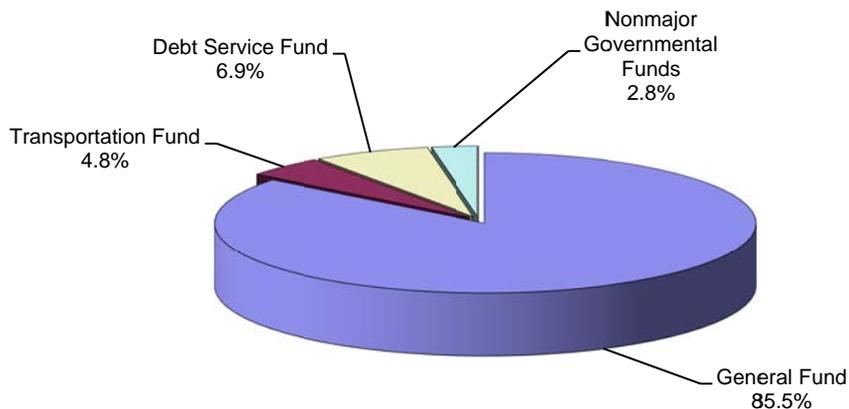
As the District completed the year, its governmental funds reported combined fund balances of \$236.1 million. Revenues for the District's governmental funds were \$610.9 million, while total expenditures were \$604.5 million.

The General Fund experienced a current year surplus of \$9.5 million. This was due primarily to expenditures being less than expected in regular programs and capital outlay and more than expected revenues from state and federal grant sources. This surplus resulted in an increase in the year-end fund balance to \$214.3 million.

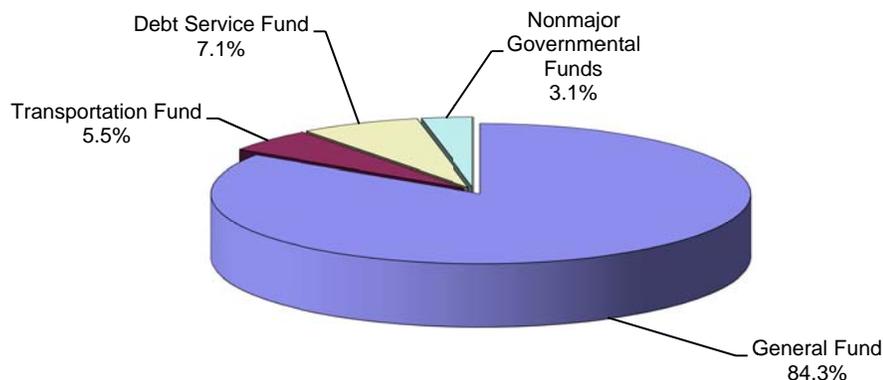
The expenditures exceeded revenues in the Transportation Fund by \$4.0 million. The expected deficiency of revenues under expenditures was \$5.2 million or \$1.2 million less than actual. This was due to higher than expected charges for services and state grant revenue during the year. When factoring in other financing sources and uses the Transportation Fund deficit was reduced by \$3.7 million.

During the year a portion of the 2015 levy was abated resulting in \$2.1 million being transferred into the Debt Service Fund from the General Fund. This transfer accounted for most of the increase in fund balance of \$2.2 million which resulted in the year-end fund balance of \$26.1 million in the Debt Service Fund.

### Revenues by Major Fund and Aggregate Nonmajor Funds



### Expenditures by Major Fund and Aggregate Nonmajor Funds



## SCHOOL DISTRICT U-46

Management's Discussion and Analysis (Continued)  
For the Year Ended June 30, 2016

---

### General Fund Budgetary Highlights

While the District's budget for the General Fund anticipated that expenditures would exceed revenues by \$7.5 million before other financing sources (uses), the actual result for the year was an excess of revenues over expenditures of \$12.9 million. State and Federal sourced revenue exceeded the budget by a combined \$7.9 million as actual grant revenues excluding state on-behalf payments were greater than expected. State on-behalf payments exceeded budget by \$31.8 million due to higher on-behalf contributions made by the State of Illinois. This resulted in expenditures exceeding budget by \$19.1 million or 3.9 percent. Excluding State on-behalf payments, District expenditures came in under budget by \$12.7 million or 2.6 percent.

### Capital Asset and Debt Administration

#### *Capital assets*

Table 3 illustrates capital assets, net of depreciation:

**Table 3**  
**Capital Assets (Net of Depreciation)**  
**(in millions)**

	<b>2016</b>	<b>2015</b>	<b>Percentage Change</b>
Land	\$ 27.7	\$ 27.7	0.0%
Construction in progress	12.0	8.7	37.9%
Buildings	332.6	334.8	(0.7)%
Transportation equipment	9.0	4.0	125.0%
Other equipment	5.5	4.2	31.0%
Total	<u>\$ 386.8</u>	<u>\$ 379.4</u>	<u>2.0%</u>

At June 30, 2016, the District has outstanding commitments relating to construction projects of approximately \$13.5 million.

Additional information about the District's capital assets is included in Note 3 to the basic financial statements.

#### *Long-term Obligations*

Table 4 on the following page illustrates the District's outstanding long-term obligations. The District did not issue any new bonded debt in fiscal year 2016 and reduced outstanding general obligation bonded debt, debt certificates and related items by \$26.2 million. The District leased 86 new buses during the year for \$6.7 million. The District's other long-term obligations increased by \$10.4 million. The \$10.4 million is primarily due to a net increase in the lease liability or purchase contracts of \$3.5 million, an increase in net and collective net pension liabilities of \$3.5 million, and an increase in claims incurred but not reported of \$3.0 million. Additional information is available in Note 4 – Long-Term Obligations.

The District is subject to the Illinois School Code, which limits the amount of bond indebtedness to 13.8 percent of the most recent available equalized assessed valuation of the District. As of June 30, 2016, the statutory debt limit for the District was \$569.6 million providing a debt margin of \$284.0 million.

## SCHOOL DISTRICT U-46

Management's Discussion and Analysis (Continued)  
For the Year Ended June 30, 2016

---

The ratio of general bonded debt to assessed valuation and the amount of bonded debt per capita are useful indicators of the District's debt position to District management, residents, and investors. These indicators for the District at the end of fiscal year 2016 were 2.22 percent and \$1,174, respectively. Due to the increase in taxable property value and the reduction of outstanding bonded debt, the general bonded debt to assessed valuation decreased compared to fiscal year 2015 when the ratio was 2.42 percent. The bonded debt per capita decreased from fiscal year 2015 when it was \$1,279.

**Table 4**  
**Outstanding Long-Term Obligations**  
**(in millions)**

	2016	2015	Percentage Change
General obligation bonds/debt certificates	\$ 303.6	\$ 323.0	(6.0)%
Other	205.4	201.8	1.8%
<b>Total</b>	<b>\$ 509.0</b>	<b>\$ 524.8</b>	<b>(3.0)%</b>

### Factors Impacting the District's Future

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

- A possible Illinois pension reform bill could shift additional pension costs to the District.
- Because the State does not provide an ongoing capital improvements budget plan, in the future, the District will be forced to issue additional debt to address the improvements needed for its aging facilities. As can be seen in Table 1, at the end of the current fiscal year, the largest portion of the District's net position reflects its investment in capital assets (e.g., land, buildings, and equipment), less any related debts used to acquire those assets that are still outstanding. The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets are reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.
- The current economy in the State continues to affect the District's state funding levels and timing of state receipts. The General State Aid formula was funded at 92.0 percent in fiscal year 2016. The State is without a long term balanced budget plan which could reduce future District revenues.
- The Illinois General Assembly may consider legislation to freeze property taxes for tax years 2017 and 2018. A tax freeze would reduce District revenue in future years.

## **SCHOOL DISTRICT U-46**

Management's Discussion and Analysis (Continued)  
For the Year Ended June 30, 2016

---

### **Requests for Information**

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

## **BASIC FINANCIAL STATEMENTS**

School District U-46

Statement of Net Position  
June 30, 2016

	Governmental Activities
<b>Assets and Deferred Outflows of Resources</b>	
Assets	
Cash and investments	\$ 294,837,321
Property taxes receivable, net of allowance	147,866,207
Replacement taxes receivable	665,496
Grants receivable	46,952,017
Accounts receivable	1,187,121
Inventories	135,167
Prepays	933,404
Capital assets not being depreciated	39,675,704
Capital assets being depreciated, net of accumulated depreciation	347,101,301
Total assets	<u>879,353,738</u>
Deferred outflows of resources	
Deferred pension actuarial adjustments	25,982,902
Deferred pension contributions	6,217,714
Total deferred outflows of resources	<u>32,200,616</u>
<b>Total assets and deferred outflows of resources</b>	<u><u>\$ 911,554,354</u></u>
<b>Liabilities, Deferred Inflows of Resources and Net Position</b>	
Liabilities	
Accounts payable	\$ 20,019,173
Accrued payroll	33,922,800
Payroll deductions	1,141,676
Insurance claims payable	4,360,210
Construction retainage payable	1,098,018
Other payable	470,142
Accrued interest	5,772,848
Unearned grant revenue	23,585
Unearned other revenue	1,872,085
Unclaimed property	287,070
Long-term obligations, due within one year	40,069,164
Long-term obligations, due in more than one year	468,953,186
Total liabilities	<u>577,989,957</u>
Deferred inflows of resources	
Deferred property taxes	150,421,707
Deferred amount on refunding	2,323,628
Deferred pension actuarial adjustments	22,186,325
Total deferred inflows of resources	<u>174,931,660</u>
Commitments (Note 10)	
Net Position	
Net investment in capital assets	143,066,834
Restricted for:	
Capital projects	981,170
Operating and maintenance	601,756
Unrestricted	13,982,977
<b>Total net position</b>	<u>158,632,737</u>
<b>Total liabilities, deferred inflows of resources and net position</b>	<u><u>\$ 911,554,354</u></u>

See Notes to Basic Financial Statements.

School District U-46

Statement of Activities  
Year Ended June 30, 2016

Functions/Programs	Expenses	Program Revenue			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Governmental activities:</b>					
Instruction:					
Regular programs	\$ 203,137,860	\$ 2,727,584	\$ 86,789,077	\$ -	\$ (113,621,199)
Special programs	57,737,468	40,600	40,239,145	-	(17,457,723)
Other instructional programs	87,016,438	3,255,960	27,178,582	-	(56,581,896)
Total instruction	347,891,766	6,024,144	154,206,804	-	(187,660,818)
Support services:					
Pupils	40,501,388	-	7,078,196	-	(33,423,192)
Instructional staff	17,345,435	-	2,300,853	-	(15,044,582)
General administration	15,930,930	-	1,088,953	-	(14,841,977)
School administration	29,482,482	-	4,373,377	-	(25,109,105)
Business	5,018,491	-	74,005	-	(4,944,486)
Operations and maintenance	29,996,953	-	70,255	-	(29,926,698)
Transportation	31,357,962	2,355,249	6,808,001	-	(22,194,712)
Facilities acquisition and construction	2,061,193	-	-	272,663	(1,788,530)
Food service	16,329,585	3,734,037	12,556,772	34,280	(4,496)
Central	13,186,379	-	70,255	-	(13,116,124)
Other support services	787,174	-	-	-	(787,174)
Total support services	201,997,972	6,089,286	34,420,667	306,943	(161,181,076)
Community services	4,407,964	-	544,477	-	(3,863,487)
Debt service - interest and fees	16,758,074	-	-	-	(16,758,074)
<b>Total governmental activities</b>	<b>\$ 571,055,776</b>	<b>\$ 12,113,430</b>	<b>\$ 189,171,948</b>	<b>\$ 306,943</b>	<b>(369,463,455)</b>
General revenues:					
Taxes:					
Property taxes, general purposes					259,485,732
Property taxes, debt service					42,089,518
Replacement taxes and other payment in lieu of taxes					3,317,225
Unrestricted state grants					115,242,487
Interest and investment earnings					426,318
Other general revenues					811,705
Total general revenues					421,372,985
Change in net position					51,909,530
Net position:					
Beginning of year					106,723,207
End of year					\$ 158,632,737

See Notes to Basic Financial Statements.

School District U-46

**Balance Sheet  
Governmental Funds  
June 30, 2016**

	Major Funds			Nonmajor Governmental Funds	Total Governmental Funds
	General Fund	Transportation Fund	Debt Service Fund		
<b>Assets</b>					
Cash and investments	\$ 262,763,691	\$ 956	\$ 26,460,540	\$ 5,612,134	\$ 294,837,321
Property taxes receivable, net of allowance	113,448,552	7,871,432	20,110,463	6,435,760	147,866,207
Replacement taxes receivable	-	-	-	665,496	665,496
Grants receivable	26,729,922	20,222,095	-	-	46,952,017
Accounts receivable	881,121	285,239	-	20,761	1,187,121
Due from other funds	7,142,939	-	-	-	7,142,939
Inventories	135,167	-	-	-	135,167
Prepays	933,404	-	-	-	933,404
<b>Total assets</b>	<b>\$ 412,034,796</b>	<b>\$ 28,379,722</b>	<b>\$ 46,571,003</b>	<b>\$ 12,734,151</b>	<b>\$ 499,719,672</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)</b>					
Liabilities					
Accounts payable	\$ 18,364,794	\$ 66,785	\$ -	\$ 1,587,594	\$ 20,019,173
Accrued payroll	33,585,754	337,046	-	-	33,922,800
Payroll deductions	532,212	-	-	609,464	1,141,676
Insurance claims payable	4,360,210	-	-	-	4,360,210
Construction retainage payable	806,900	-	-	291,118	1,098,018
Other payable	-	-	-	470,142	470,142
Unearned grant revenue	23,585	-	-	-	23,585
Unearned other revenue	1,872,085	-	-	-	1,872,085
Due to other funds	-	6,282,695	-	860,244	7,142,939
Unclaimed property	196,316	-	-	90,754	287,070
<b>Total liabilities</b>	<b>59,741,856</b>	<b>6,686,526</b>	<b>-</b>	<b>3,909,316</b>	<b>70,337,698</b>
Deferred inflows of resources					
Deferred grant revenue	22,608,209	20,222,095	-	-	42,830,304
Deferred property taxes	115,409,229	8,007,470	20,458,023	6,546,985	150,421,707
<b>Total deferred inflows of resources</b>	<b>138,017,438</b>	<b>28,229,565</b>	<b>20,458,023</b>	<b>6,546,985</b>	<b>193,252,011</b>
Fund balances (deficits)					
Nonspendable	1,068,571	-	-	-	1,068,571
Restricted	601,756	-	26,112,980	3,766,986	30,481,722
Unassigned	212,605,175	(6,536,369)	-	(1,489,136)	204,579,670
<b>Total fund balances (deficits)</b>	<b>214,275,502</b>	<b>(6,536,369)</b>	<b>26,112,980</b>	<b>2,277,850</b>	<b>236,129,963</b>
<b>Total liabilities, deferred inflows of resources and fund balances (deficits)</b>	<b>\$ 412,034,796</b>	<b>\$ 28,379,722</b>	<b>\$ 46,571,003</b>	<b>\$ 12,734,151</b>	<b>\$ 499,719,672</b>

See Notes to Basic Financial Statements.

**School District U-46**

**Reconciliation of the Governmental Funds  
Balance Sheet to the Statement of Net Position  
June 30, 2016**

---

Total fund balances - governmental funds	\$ 236,129,963
--	----------------

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

Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds:

Capital assets	\$ 668,062,331	
Accumulated depreciation	(281,285,326)	
Net capital assets	<u>386,777,005</u>	386,777,005

Interest on long-term debt is not accrued in governmental funds, but rather is recognized when due.	(5,772,848)
---	-------------

Certain revenues that are deferred in the fund financial statements because they are not available, are recognized as revenue in the government-wide financial statements.	42,830,304
--	------------

Certain pension-related items are reported as deferred outflows of resources in the government-wide financial statements but not in the fund statements.	32,200,616
--	------------

Certain pension-related items are reported as deferred inflows of resources in the government-wide financial statements but not in the fund statements.	(22,186,325)
---	--------------

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

General obligation bonds	(300,649,545)	
Accreted interest on long-term debt	(69,018,018)	
General obligation debt certificates	(2,968,433)	
Purchase contracts	(8,141,320)	
Compensated absences	(719,468)	
Other post employment benefits	(6,812,511)	
Net pension liability	(49,979,293)	
Collective net pension liability	(33,868,384)	
Claims incurred but not reported	(12,989,383)	
Unamortized premiums related to debt issuance	(24,024,150)	
Unamortized discounts related to debt issuance	148,155	
Deferred amount on refunding	<u>(2,323,628)</u>	
		<u>(511,345,978)</u>

Net position of governmental activities	<u>\$ 158,632,737</u>
---	-----------------------

See Notes to Basic Financial Statements.

School District U-46

Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits)

Governmental Funds

Year Ended June 30, 2016

	Major Funds			Nonmajor Governmental Funds	Total Governmental Funds
	General Fund	Transportation Fund	Debt Service Fund		
<b>Revenues:</b>					
Property taxes	\$ 229,993,687	\$ 16,003,581	\$ 42,089,518	\$ 13,488,464	\$ 301,575,250
Replacement taxes and payments in lieu of taxes	91,168	-	-	3,226,057	3,317,225
Charges for services	9,758,181	1,690,449	-	-	11,448,630
Earnings on investments	423,447	84	281	2,506	426,318
Rentals	633,091	-	-	-	633,091
Local grants	60,993	-	-	-	60,993
Other local sources	257,139	2,334	-	272,663	532,136
State grants-in-aid	134,836,873	11,474,045	-	-	146,310,918
Federal grants-in-aid	39,907,563	-	-	-	39,907,563
State on-behalf payments	106,664,731	-	-	-	106,664,731
<b>Total revenues</b>	<b>522,626,873</b>	<b>29,170,493</b>	<b>42,089,799</b>	<b>16,989,690</b>	<b>610,876,855</b>
<b>Expenditures:</b>					
<b>Current:</b>					
<b>Instruction:</b>					
Regular programs	189,733,832	-	-	1,756,329	191,490,161
Special programs	52,288,509	-	-	2,036,647	54,325,156
Other instructional programs	81,304,913	-	-	778,197	82,083,110
<b>Support services:</b>					
Pupils	35,809,358	-	-	1,265,151	37,074,509
Instructional staff	15,480,012	-	-	418,206	15,898,218
General administration	14,259,600	-	-	451,290	14,710,890
School administration	26,582,371	-	-	1,191,112	27,773,483
Business	3,950,458	-	-	571,625	4,522,083
Operations and maintenance	25,204,815	-	-	1,876,671	27,081,486
Transportation	2,035,562	22,814,297	-	3,334,309	28,184,168
Facilities acquisition and construction	1,599,331	-	-	390,079	1,989,410
Food service	14,658,017	-	-	2	14,658,019
Central	10,969,835	-	-	914,624	11,884,459
Other support services	706,695	-	-	50,104	756,799
Community services	3,800,922	-	-	124,286	3,925,208
<b>Intergovernmental:</b>					
Payments to other governments	8,132,631	-	-	-	8,132,631
<b>Debt service:</b>					
Principal	-	2,751,966	19,812,893	-	22,564,859
Interest and fees	-	71,099	23,239,423	-	23,310,522
Capital outlay	23,161,538	7,507,753	-	3,489,285	34,158,576
<b>Total expenditures</b>	<b>509,678,399</b>	<b>33,145,115</b>	<b>43,052,316</b>	<b>18,647,917</b>	<b>604,523,747</b>
Excess (deficiency) of revenues over (under) expenditures	12,948,474	(3,974,622)	(962,517)	(1,658,227)	6,353,108
<b>Other financing sources (uses):</b>					
Transfer in	123,752	469,349	3,134,264	-	3,727,365
Transfer out	(3,603,613)	(123,752)	-	-	(3,727,365)
Proceeds from issuance of purchase contracts	-	6,653,797	-	-	6,653,797
Proceeds from sale of equipment	-	664,800	-	-	664,800
<b>Total other financing sources (uses)</b>	<b>(3,479,861)</b>	<b>7,664,194</b>	<b>3,134,264</b>	<b>-</b>	<b>7,318,597</b>
<b>Net change in fund balances (deficits)</b>	<b>9,468,613</b>	<b>3,689,572</b>	<b>2,171,747</b>	<b>(1,658,227)</b>	<b>13,671,705</b>
<b>Fund balances (deficits):</b>					
Beginning of year	204,806,889	(10,225,941)	23,941,233	3,936,077	222,458,258
End of year	\$ 214,275,502	\$ (6,536,369)	\$ 26,112,980	\$ 2,277,850	\$ 236,129,963

See Notes to Basic Financial Statements.

**School District U-46**

**Reconciliation of the Governmental Funds  
Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits)  
to the Statement of Activities  
Year Ended June 30, 2016**

Net change in fund balances (deficits)—total governmental funds		\$ 13,671,705
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report purchases of capital assets as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets.		
Capital expenditures	\$ 24,656,311	
Depreciation	(17,287,314)	
Capital expenditures in excess of depreciation		7,368,997
Some revenues were not collected for several months after the close of the fiscal year and therefore were not considered to be "available" and are not reported as revenue in the governmental funds. The change from fiscal year 2015 to 2016 was:		
		11,423,651
Repayment of debt principal and accreted interest is an expenditure in the governmental funds, but the repayment reduced long-term obligations in the statement of net position. The following amounts were retired:		
General obligation bonds	18,985,897	
Debt certificates	413,189	
Purchase contracts	3,165,773	
Accreted interest	12,714,103	
Total retired debt		35,278,962
Purchase contracts entered into during the year are expenditures in the fund financial statements but increase leases payable on the statements of net assets.		
		(6,653,797)
The accretion of interest on long-term debt is not reported as an expenditure in governmental funds but as an addition to principal outstanding in the statement of activities.		
		(7,714,982)
Items related to pension expense and revenue are reported as deferred inflows and outflows on the government-wide financial statements but not on the fund statements.		
Deferred outflows related to pension expense		15,810,052
Deferred inflows related to pension expense		(11,955,708)
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported in the governmental funds.		
Increase in other postemployment benefits	(414,476)	
Increase in net pension liability	(19,154,241)	
Decrease in collective net pension liability	15,639,958	
Decrease in compensated absences payable	57,994	
Increase in accrued interest on debt	(1,003,558)	
Increase in claims incurred but not reported	(3,001,912)	
Amortization of bond premiums	1,778,157	
Amortization of bond discounts	(26,237)	
Amortization of deferred amount on refunding	804,965	
		(5,319,350)
Change in net position of governmental activities		<u>\$ 51,909,530</u>

See Notes to Basic Financial Statements.

**School District U-46**

**Statement of Fiduciary Assets and Liabilities  
Agency Fund  
June 30, 2016**

	<u>Agency Student Activity Fund</u>
<b>Assets</b> , cash and investments	<u>\$ 3,833,177</u>
<b>Liabilities</b> , due to activity fund organizations	<u>\$ 3,833,177</u>

See Notes to Basic Financial Statements.

## School District U-46

### Notes to Basic Financial Statements

---

#### Note 1. Summary of Significant Accounting Policies

School District U-46 was incorporated in 1875 and operates as a public school system governed by an elected seven-member board of education. The District is organized under the School Code of the State of Illinois, as amended. The District covers a 90 square mile area extending into three counties, Cook, DuPage and Kane and serves the communities of Bartlett, Elgin, Hanover Park, South Elgin, Streamwood, Wayne and portions of Carol Stream, Hoffman Estates, St. Charles, Schaumburg, and West Chicago.

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. The following is a summary of the more significant accounting policies:

#### ***Financial Reporting Entity***

As defined by generally accepted accounting principles established by the Governmental Accounting Standards Board (GASB), the financial reporting entity consists of the primary government, as well as component units, which are legally separate organizations for which elected officials of the primary government are financially accountable. Financial accountability is defined as:

- (1) Appointment of a voting majority of the component unit's board, and either a) the ability to impose will by the primary government, or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government; or
- (2) Fiscal dependency on the primary government and the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government.

Financial benefit or financial burden is created if any one of the following relationships exists:

- (1) The primary government is legally entitled to or has access to the component unit's resources.
- (2) The primary government is legally required or has assumed the obligation to finance the deficits of, provide support to, the component unit.
- (3) The primary government is obligated in some manner for the other component unit's debt.

Based upon the application criteria, no component units have been identified that should be included within the reporting entity.

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

#### ***Government-Wide and Fund Financial Statements***

##### ***Government-Wide Financial Statements***

The government-wide Statement of Net Position and Statement of Activities report the overall financial activity of the District. Eliminations have been made to minimize the double counting of internal activities of the District. The financial activities of the District consist of governmental activities, which are primarily supported by taxes and intergovernmental revenues.

The Statement of Net Position presents the District's non-fiduciary assets and liabilities with the difference reported as net position.

## School District U-46

### Notes to Basic Financial Statements

---

#### Note 1. Summary of Significant Accounting Policies (Continued)

##### ***Government-Wide and Fund Financial Statements (Continued)***

##### ***Government-Wide Financial Statements (Continued)***

The Statement of Activities demonstrates the degree to which the direct expenses of a given function (i.e., instruction, support services, etc.) are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Indirect expenses of other functions are not allocated to those functions but are reported separately in the Statement of Activities. Depreciation expense is specifically identified by function and is included in the direct expense to each function. Interest and other long-term debt related items are considered indirect expenses and are reported separately on the Statement of Activities. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs (including fees), and (b) grants and contributions that are restricted to meeting the operational requirements of a particular program or are capital in nature. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fiduciary funds are excluded from the government-wide financial statements.

##### ***Fund Financial Statements***

Separate financial statements are provided for governmental funds and fiduciary (agency) funds, even though the latter are excluded from the government-wide financial statements. The fund financial statements provide information about the District's funds. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column.

The District reports the following major governmental funds:

##### ***General Fund***

The General Fund is used to account for all financial resources except those required to be accounted for in another fund. The District's General Fund consists of four accounts: the Educational Account, which records direct costs of instruction and administration, including the District's food service operations, the Tort Immunity Account, which records the District's risk financing activities, the Operations and Maintenance Account, which reports all costs of maintaining, improving or repairing school buildings and property and the Working Cash Account, which accounts for financial resources held by the District to be used for temporary interfund loans to other District funds.

##### ***Transportation Fund***

The Transportation Fund, (a special revenue fund) accounts for all revenues and costs relating to the transportation of pupils.

##### ***Debt Service Fund***

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

The District also reports the following other fund types/funds, aggregated and reported as nonmajor governmental funds:

##### ***Special Revenue Funds***

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

## School District U-46

### Notes to Basic Financial Statements

---

#### Note 1. Summary of Significant Accounting Policies (Continued)

##### *Government-Wide and Fund Financial Statements (Continued)*

##### *Fund Financial Statements (Continued)*

###### *Capital Projects Funds*

The Capital Projects Funds are used to account for and report financial resources that are to be used for expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The District's nonmajor capital projects funds are the Capital Projects Fund, formerly the Site and Construction Fund, which accounts for financial resources to be used for the acquisition, construction or renovation of major capital facilities, and the Fire Prevention and Safety Fund, which is used to account for the altering, reconstructing and repairing of the existing school buildings of the District.

###### *Fiduciary Fund*

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

##### **Measurement Focus and Basis of Accounting and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flow takes place. Nonexchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include various taxes, state-shared revenues and various state, federal and local grants. On an accrual basis, revenues from taxes are recognized in the period in which they are intended to finance, when the District has a legal claim to the resources. Grants, entitlements, state-shared revenues and similar items are recognized in the fiscal year in which all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. 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.

## School District U-46

### Notes to Basic Financial Statements

---

#### Note 1. Summary of Significant Accounting Policies (Continued)

##### Real Estate and Other Taxes

Property taxes are levied each year on all taxable real property in the District on or before the last Tuesday in December. The 2015 tax levy was passed by the Board of Education on December 14, 2015, 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 2016 in Cook County and in June and September 2016 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 typically receives the remittances from the County Treasurer within one month after collection.

The District has recognized as revenue 50 percent of the 2015 tax extension and 50 percent of the 2014 tax extension in the current fiscal year 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. As of June 30, 2016 the property tax allowance was as follows:

Fund	Allowance
General Fund	\$ 3,040,162
Debt Service Fund	538,915
Transportation Fund	210,936
Nonmajor Governmental Funds	172,464
	<u>\$ 3,962,477</u>

The District has recorded a receivable for the uncollected portion of the 2015 taxes extended. The District has recorded a deferred inflow of resources net of any allowance, which approximates 50 percent of the 2015 tax extension which will be recognized as revenue in the following fiscal year, the period for which those taxes were levied.

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

##### **Investments**

The investments are stated at fair value, based on quoted market prices unless otherwise specified in Note 2, Deposits and Investments.

##### **Prepaid Items**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. The method used to report prepaid items is the purchase method.

##### **Inventories**

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

##### **Capital Assets**

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

## School District U-46

### Notes to Basic Financial Statements

---

#### Note 1. Summary of Significant Accounting Policies (Continued)

##### **Capital Assets (Continued)**

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. The District maintains a capitalization threshold of \$10,000. All reported capital assets except land and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation for assets of governmental activities is computed using the straight-line method over the following useful lives:

Buildings	40 years
Transportation equipment	5 years
Other equipment	3-10 years

##### **Interfund Transactions**

The District has the following types of interfund transactions:

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

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

##### **Compensated Absences**

The District records compensated absences for vacation benefits as a liability in the government-wide financial statements as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the District will compensate the employees for the benefits through paid time off or some other means.

##### **Deferred Inflows of Resources, Deferred Outflows of Resources and Unearned Revenue**

The District reports deferred inflows of resources, deferred outflows of resources and unearned revenue on its financial statements.

Deferred inflows of resources are the acquisition of net position or fund balance that is applicable to future reporting periods. Property taxes that are received or recorded as receivables prior to the period the levy is intended to finance are recorded as deferred inflows of resources on both fund financial statements and government-wide financial statements. Potential grant revenue is recorded as deferred inflows of resources on the fund financial statements when it has not yet met both the “measurable” and “available” criteria for recognition in the current period.

Deferred outflows of resources are the consumption of net position that is applicable to future reporting periods. The net difference between projected and actual earnings on pension plan investments and changes in proportion and differences between employer contributions and proportionate share of contributions are reported as deferred outflows or inflows of resources on the government-wide financial statements. The District's pension payments made subsequent to the pension liability measurement date are also considered to be deferred outflows of resources on the government-wide financial statements. See Note 6 for further discussion of the District's deferred outflows and inflows of resources related to pensions.

Unearned revenue arise when resources are received by the District before it has legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when revenue recognition criteria are met or when the District has a legal claim to the resources, the liability for unearned revenue is removed from the financial statements and revenue is recognized.

Notes to Basic Financial Statements

---

**Note 1. Summary of Significant Accounting Policies (Continued)**

***Long-Term Obligations***

Long-term debt is recognized as a liability of a governmental fund when due or when resources have been accumulated in the debt service fund for payment early in the following year. Other obligations (e.g. compensated absences, claims and judgments and postemployment benefits), are reported as fund liabilities when amounts have matured or are due and payable rather than when the liability is expected to be financed from expendable available financial resources. The remaining portions of such obligations have been reported as liabilities in the statement of net position.

The District has issued two types of general obligation bonds, a conventional type for which interest is paid on the bonds semi-annually and a capital appreciation type, for which no interest is paid, but rather the interest "accrues" to long-term interest semi-annually and is finally paid upon maturity of the bonds.

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position.

***Debt Premium, Discount and Debt Issuance/Refunding Costs***

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

In the government-wide financial statements, bond premiums and discounts, as well as deferred refunding amounts, are capitalized and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium and discount. Deferred refunding amounts are reported as deferred outflows or deferred inflows of resources and amortized over the term of the related debt. All amortization is computed using the straight-line method. Debt issuance costs are expensed when incurred.

***Fund Balances***

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

***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. At June 30, 2016, the District's nonspendable fund balances in the general fund related to inventories for \$135,167, and prepaid expenses of \$933,404.

***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.

## School District U-46

### Notes to Basic Financial Statements

---

#### Note 1. Summary of Significant Accounting Policies (Continued)

##### **Fund Balances (Continued)**

**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.

The District seeks to maintain year-end fund balances at no less than the range of 15 to 20 percent of the annual expenditures to operating funds. For management purposes the District considers the Educational Fund, Operations and Maintenance Fund and the Transportation Fund in aggregate to make up the operating funds.

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. At June 30, 2016, the District had working cash stabilization fund balances of \$114,393,858 that have been classified as unassigned fund balances in the General Fund.

At June 30, 2016, the District had the following fund balances restricted for various purposes as follows:

Fund	Fund balance	Purpose of restriction
General Fund	\$ 601,756	Operations and maintenance
Debt Service Fund	26,112,980	Repayment of principal and interest on long-term debt
Capital Projects Fund	2,802,304	School construction projects
IMRF/Social Security Fund	964,682	Employee pension
	<u>\$ 30,481,722</u>	

## School District U-46

### Notes to Basic Financial Statements

---

#### Note 1. Summary of Significant Accounting Policies (Continued)

##### **Net Position**

Net position consists of the following categories:

**Net investment in capital assets** – consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds and other debt that are attributable to the acquisition, construction, or improvement of those assets.

**Restricted net position** – results when constraints placed on net asset use are either externally imposed by creditors, grantors, contributors, and the like, or imposed by law through constitutional provisions or enabling legislation.

**Unrestricted net position** – consists of net position that does not meet the criteria of the two preceding categories.

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

##### **Eliminations**

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

##### **Use of Estimates**

The preparation of financial statements in conformity with the modified accrual basis of accounting requires management to make estimates and assumptions that affect the amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenditures during the period. Actual results may differ from these estimates.

#### Note 2. Deposits and Investments

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

## School District U-46

### Notes to Basic Financial Statements

---

#### Note 2. Deposits and Investments (Continued)

##### *Deposits*

As of June 30, 2016, the District had deposits with federally insured financial institutions of \$268,004,788 with the book balances totaling \$267,495,980. The deposits held in fiduciary funds with federally insured financial institutions were \$4,077,105 with the book balances totaling \$3,833,177.

*Custodial credit risk – deposits.* In the case of deposits, custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District's investment policy requires all bank deposits in excess of FDIC insurance limits be secured by collateral. As of June 30, 2016, the District was not exposed to custodial credit risk.

##### *Investments*

###### *Interest Rate Risk*

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

###### *Credit Risk*

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

###### *Concentration of Credit Risk*

The District places no limit on the amount it may invest in any one issuer.

###### *Custodial Credit Risk – Investments*

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

The following schedule reports the fair values and maturities (using the segmented time distribution method) for the District's investments at June 30, 2016. The schedule also includes credit ratings by Standard & Poor's at June 30, 2016:

Investment Type	Fair Value	Investment Maturities (in Years)		% of Total Investments	Credit Ratings
		Less than 1	1 - 5		
ISDLAF - Term Series	\$ 21,800,000	21,800,000	-	79.75%	N/A
ISDLAF	1,135,548	1,135,548	-	4.15%	AAAm
Government Money Market Funds	1,295,997	1,295,997	-	4.74%	AAAm
	24,231,545	\$ 24,231,545	\$ -		
Illinois Funds	3,103,816			11.36%	AAAm
	<u>\$ 27,335,361</u>			<u>100.00%</u>	

**School District U-46**

**Notes to Basic Financial Statements**

---

**Note 2. Deposits and Investments (Continued)**

The District adopted GASB Statement No. 72, *Fair Value Measurement and Application*, for the year ended June 30, 2016. In accordance with this statement the District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles.

The Districts investments are measured at the net asset value (NAV) per share, and the valuation method is as follows:

Investment Type	Fair Value	Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
ISDLAF - Term Series	\$ 21,800,000	N/A	Daily	One Day
ISDLAF	1,135,548	N/A	Daily	One Day
Government Money Market Funds	1,295,997	N/A	Daily	One Day
Illinois Funds	3,103,816	N/A	Daily	One Day
	<u>\$ 27,335,361</u>			

The Illinois School District Liquid Asset Fund and the Illinois School District Liquid Asset Fund (ISDLAF) - Term Series funds are shown as maturing in less than one year because the weighted average maturity of the pool is less than one year.

The Illinois School District Liquid Asset Fund, which includes the money market and Term Series investment pool, is an unrated, not-for profit investment trust formed pursuant to the Illinois Municipal Code and managed by a Board of Trustees, elected from the participating members. It is not registered with the Securities Exchange Commission (SEC) as an investment company. The fair value of the pool is the same as the value of the pool shares.

The Illinois Public Treasurers' Investment Pool, known as The Illinois Funds is not registered with the SEC but operates as a 2a7-like pool and thus reports all investments at amortized cost rather than market value. The Illinois Treasurer's investment policies are government by State statute. In addition, the Treasurer's Office has adopted its own investment practices that supplement the statutory requirement. The fair value of the pool is the same as the value of the pool shares.

The above deposits and investments (plus \$5,980 held by the District as petty cash) are presented in the basic financial statements as cash and investments as follows:

Cash and investments per statement of net position	\$ 294,837,321
Cash and investments per statement of fiduciary assets and liabilities	<u>3,833,177</u>
<b>Total</b>	<b><u>\$ 298,670,498</u></b>

**School District U-46**

**Notes to Basic Financial Statements**

---

**Note 3. Capital Assets**

Capital asset balances and activity for the year ended June 30, 2016, are as follows:

	Balance July 1, 2015	Transfers and Additions	Transfers and Retirements	Balance June 30, 2016
Capital Assets, not being depreciated:				
Land	\$ 27,687,264	\$ -	\$ -	\$ 27,687,264
Construction in progress	8,663,039	16,014,188	12,688,787	11,988,440
Total capital assets, not being depreciated	36,350,303	16,014,188	12,688,787	39,675,704
Capital Assets, being depreciated:				
Buildings	571,888,635	11,270,011	-	583,158,646
Transportation equipment	23,853,387	7,311,097	4,923,897	26,240,587
Other equipment	16,237,592	2,749,802	-	18,987,394
Total capital assets being depreciated	611,979,614	21,330,910	4,923,897	628,386,627
Less accumulated depreciation:				
Buildings	237,091,030	13,475,325	-	250,566,355
Transportation equipment	19,850,763	2,314,518	4,923,897	17,241,384
Other equipment	11,980,116	1,497,471	-	13,477,587
Total accumulated depreciation	268,921,909	17,287,314	4,923,897	281,285,326
Total capital assets being depreciated, net	343,057,705	4,043,596	-	347,101,301
Governmental activities Capital assets, net	\$ 379,408,008	\$ 20,057,784	\$ 12,688,787	\$ 386,777,005

**School District U-46**

**Notes to Basic Financial Statements**

**Note 3. Capital Assets (Continued)**

Depreciation expense was charged to governmental activities as follows:

Activity	Depreciation Expense
Instruction:	
Regular programs	\$ 6,444,833
Special education programs	1,828,158
Other instructional programs	2,762,606
Support services:	
Pupils	1,247,643
Instructional staff	535,031
General administration	495,057
School administration	934,590
Business	152,114
Operations and maintenance	911,503
Transportation	948,074
Food services	495,765
Central	399,857
Community services	132,083
Total	<u>\$ 17,287,314</u>

**Note 4. Long-Term Obligations**

The following is a summary of activity for the District's long-term obligations for the year ended June 30, 2016:

	Balance July 1, 2015	Additions	Reductions	Balance June 30, 2016	Due Within One Year
G.O. Bonds/Debt Certificates Payable:					
General obligation bonds	\$ 319,635,442	\$ -	\$ (18,985,897)	\$ 300,649,545	\$ 19,555,883
Accreted interest on long-term debt	74,017,139	7,714,982	(12,714,103)	69,018,018	11,319,118
Debt certificates	3,381,622	-	(413,189)	2,968,433	415,822
Unamortized premium	25,802,307	-	(1,778,157)	24,024,150	1,778,157
Unamortized discount	(174,392)	-	26,237	(148,155)	(26,237)
Total General Obligation Bonds/ Debt Certificates Payable	<u>422,662,118</u>	<u>7,714,982</u>	<u>(33,865,109)</u>	<u>396,511,991</u>	<u>33,042,743</u>
Purchase contracts	4,653,296	6,653,797	(3,165,773)	8,141,320	2,708,464
Compensated absences	777,462	12,069,330	(12,127,324)	719,468	719,468
Net pension liability	30,825,052	19,154,241	-	49,979,293	-
Collective net pension liability	49,508,342	-	(15,639,958)	33,868,384	-
Other postemployment benefits	6,398,035	414,476	-	6,812,511	-
Claims incurred but not reported	9,987,471	51,811,760	(48,809,848)	12,989,383	3,598,489
Total	<u>\$ 524,811,776</u>	<u>\$ 97,818,586</u>	<u>\$(113,608,012)</u>	<u>\$ 509,022,350</u>	<u>\$ 40,069,164</u>

## School District U-46

### Notes to Basic Financial Statements

---

#### Note 4. Long-Term Obligations (Continued)

At June 30, 2016 general obligation bonds consisted of the following:

##### **General Obligation Bonds - Payable by the Debt Service Fund**

\$18,300,000, 1999 School Building Bonds due in installments of \$3,300,000 to \$7,000,000 through 2019 with interest due semiannually at 5.00% to 5.15%. Issued for the purpose of building new schools.	\$ 15,325,000
\$54,499,619, 2002 Illinois Development Finance Authority Program Capital Appreciation Revenue Bonds due in annual installments of \$1,065,463 to \$8,644,763 through 2021 with interest due annually in years of maturity at a rate yielding 5.3789%. Issued for the purpose of building new schools.	29,949,993
\$65,999,779, 2003B Capital Appreciation School Bonds due in annual installments of \$960,659 to \$10,591,479 through 2023 with interest due annually in years of maturity at a rate yielding 5.35%. Issued for the purpose of building new schools.	34,539,552
\$34,405,000 2009 General Obligation Limited School Bonds due in annual installments of \$1,135,000 to \$1,480,000 through 2023 with interest due semiannually at 3.50% to 5.00%. Issued for the purpose of capital projects and funding the tort fund.	9,250,000
\$25,925,000, 2011A Taxable General Obligation Limited School Bonds due in annual installments of \$1,515,000 to \$3,085,000 through 2022 with interest due semiannually at 4.45% to 6.0%. Issued for the purpose of capital projects and working cash.	15,550,000
\$2,030,000, 2011B Taxable General Obligation Limited School Bonds due in annual installments of \$200,000 to \$230,000 through 2021 with interest due semiannually at 0.65%. Issued for the purpose of capital projects.	1,030,000
\$31,045,000, 2012B Taxable General Obligation Limited School Bonds due in annual installments of \$70,000 to \$5,705,000 beginning in fiscal year 2016 through 2026 with interest due semiannually at 3.0% to 4.5%. Issued for the purpose of working cash and funding the tort fund.	20,915,000
\$44,310,000, 2015A General Obligation Limited School Bonds due in annual installments of \$2,955,000 through \$8,205,000 beginning in fiscal year 2028 through 2034 with interest due semiannually at 5.00%. Issued for the purpose of working cash.	44,310,000
\$10,780,000, 2015B Taxable General Obligation Limited Refunding Bonds due in annual installments of \$2,170,000 through \$6,215,000 beginning in fiscal year 2026 through 2028 with interest due semiannually at 3.7% to 3.95%. Issued for the purpose of refunding capital project related bonds and working cash.	10,780,000
\$19,235,000, 2015C General Obligation Refunding School Bonds due in annual installments of \$2,690,000 through \$6,095,000 beginning in fiscal year 2016 through 2020 with interest due semiannually at 2.00% to 5.00%. Issued for the purpose of refunding capital project related bonds.	17,425,000

(continued)

**School District U-46**

**Notes to Basic Financial Statements**

---

**Note 4. Long-Term Obligations (Continued)**

***General Obligation Bonds - Payable by the Debt Service Fund (Continued)***

\$101,575,000, 2015D General Obligation Refunding School Bonds due in annual installments of \$6,480,000 through \$10,900,000 beginning in fiscal year 2024 through 2035 with interest due semiannually at 5.00%. Issued for the purpose of refunding capital project related bonds.

101,575,000

Total General Obligation Bonds

\$ 300,649,545

***Debt Service Requirements to Maturity - General Obligation Bonds***

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

Due in Fiscal Year	Principal	Interest	Total Debt Service
2017	\$ 19,555,883	\$ 22,651,842	\$ 42,207,725
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
2022-2026	68,167,389	76,979,499	145,146,888
2027-2031	74,720,000	26,328,624	101,048,624
2032-2035	59,570,000	6,852,250	66,422,250
	<u>\$ 300,649,545</u>	<u>\$ 223,055,771</u>	<u>\$ 523,705,316</u>

Interest maturities include \$69,018,018 of accreted interest on capital appreciation bonds.

***Accreted Interest on Long-term Debt - Capital Appreciation Bonds***

The District has three outstanding capital appreciation bond issues. Interest on the capital appreciation bonds are paid only when principal payments are made, not semi-annually like conventional bond issues. The District records the accretion of interest as long-term debt in the statement of net position as if the interest had been paid semi-annually. Accreted interest on long-term debt was reduced by a net total of \$4,999,121 during the fiscal year ended June 30, 2016. At year end, the total interest accreted on the capital appreciation bonds was \$69,018,018.

***Debt Certificates***

The District has one outstanding debt certificate. Payments are expected to be made from the Debt Service Fund through transfers from the General Fund. Descriptions of the District's debt certificate are as follows:

\$6,200,000, 2007 Debt Certificates (Qualified Zone Academy Bonds) due in annual installments of \$415,822 to \$432,360 through 2023 with interest due annually at 0.65%. Issued for the purpose of capital projects.

\$ 2,968,433

**School District U-46**

**Notes to Basic Financial Statements**

**Note 4. Long-Term Obligations (Continued)**

***Purchase Contracts***

During the year the District had entered into one lease/purchase contract for new buses. The total cost of the property currently under leases is \$13,711,524. Future minimum payments total \$8,392,622 of which \$251,302 represents interest and \$8,141,320 represents principal. Payments are expected to be made from the Transportation Fund. Upon entering a contract, the District records the activity as capital outlay expenditures with an offsetting credit to "proceeds from purchase contracts". Some items purchased through this method however, may not be capitalized as new equipment if the value of an individual item such as a desktop computer does not meet or exceed the District's capitalization threshold.

As of June 30, 2016 the District had two outstanding leases as follows:

\$7,249,104 purchase contract for new buses dated June 26, 2013 due in five annual payments of \$1,449,821 through August 2017. Over the life of the contract the principal and interest portions of the contract are \$7,057,727 and \$191,378, respectively.	\$ 2,844,421
\$6,866,225 purchase contract for new buses dated August 1, 2015 due in five annual payments of \$1,373,245 through October 2019. Over the life of the contract the principal and interest portions of the contract are \$6,653,797 and \$212,428, respectively.	<u>5,296,899</u>
Total Purchase Contracts	<u>\$ 8,141,320</u>

***Debt Service Requirements to Maturity – Debt Certificates and Purchase Contracts***

Annual debt service requirements to maturity for debt certificates and purchase contracts to be paid from the Transportation Fund and the Debt Service Fund through transfers from the General Fund and for each of the next five fiscal years and in five-year increments thereafter are as follows:

Due in Fiscal Year	Debt Certificates		Purchase Contracts		Total Debt Service
	Principal	Interest	Principal	Interest	
2017	\$ 415,822	\$ 19,348	\$ 2,708,464	\$ 114,600	\$ 3,258,234
2018	418,578	16,592	2,745,758	77,308	3,258,236
2019	421,299	13,871	1,333,745	39,500	1,808,415
2020	424,037	11,133	1,353,353	19,894	1,808,417
2021	426,770	8,399	-	-	435,169
2022-2023	861,927	8,413	-	-	870,340
Total	\$ 2,968,433	\$ 77,756	\$ 8,141,320	\$ 251,302	\$ 11,438,811

***Legal Debt Margin***

As of June 30, 2016, the legal debt limit of the District was \$569,694,431, based upon 13.8 percent of its 2015 equalized assessed valuation of \$4,128,220,513. The debt limit less outstanding debt subject to the debt limit of \$311,759,298 plus amounts held in the Debt Service Fund of \$26,112,980, results in a legal debt margin of \$284,048,113 as of June 30, 2016.

## School District U-46

### Notes to Basic Financial Statements

---

#### Note 4. Long-Term Obligations (Continued)

##### ***Compensated Absences***

The District offers sick, personal and in some cases vacation days to its employees. Depending on the union status of the District's employees the number of sick, personal and vacation days provided each year may differ.

The District provides up to 20 vacation days per year, most of which must be used by August 31st of the following year. Some vacation days may be used up until October 31st of the following year depending on the employee union. The District provides up to four personal days per year to its employees. Personal balances left over at the end of the year are carried forward into the sick day balance for the next year. The District also offers up to 14 sick days per year. Accumulated personal and sick days are not paid out upon termination. If an employee is vested in the Teachers' Retirement System (TRS) or the Illinois Municipal Retirement Fund (IMRF), the employee is allowed extra service credit based on unused sick days. Since accrued personal and sick days are not paid out upon termination, the District does not accrue a payable for these days at year-end. Based on accumulated vacation days as of year-end, the District's maximum liability for accumulated vacation days to be paid upon its employees' termination was calculated to be \$719,468 at June 30, 2016. The amounts will be paid from the General Fund within the next year.

##### ***Net Pension and Collective Net Pension Liability***

Net pension and collective net pension liabilities of \$83,847,677 at June 30, 2016 represent the District's share of pension liability to plan members for benefits provided through defined benefit pension plans (see Note 6). \$49,979,293 relates to IMRF and will be paid from the Municipal Retirement/Social Security Fund. \$33,868,384 relates to TRS and will be paid from the General Fund.

##### ***Other Postemployment Benefits Obligation***

Other postemployment benefits (OPEB) payable represent the long-term portion of the actuarially determined net OPEB obligation for healthcare insurance for eligible retirees and their dependents through the District's group health insurance plan (see Note 7). The District's OPEB obligation at June 30, 2016 was \$6,812,511 and will be paid from the General Fund.

##### ***Debt Refunding***

As of June 30, 2016, the outstanding balance of all defeased bonds totaled \$140,360,000.

## School District U-46

### Notes to Basic Financial Statements

---

#### Note 5. Risk Management

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

The District is also self-insured for medical claims to cover its employees and their qualifying dependents. The District funds a self-insurance account and has engaged an outside agency to administer its medical claims. The District does not assume unlimited liability for medical claims. As of June 30, 2016, the District had purchased (stop-loss) insurance to cover claims in excess of \$500,000 per person per year and \$2,000,000 lifetime. Estimated claims incurred but not yet submitted by insurers were estimated based on historical trends as provided by the District's third party administrator. Estimated insurance claims incurred but not reported (IBNR) liabilities at June 30, 2016, total \$12,989,383 and claims payable totaled \$4,360,210. Settled claims have not exceeded coverage in any of the past three fiscal years. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of payouts, and other economic and societal factors. Changes in the balances of claims liabilities during the past two fiscal years are as follows:

	Fiscal Year Ended	
	June 30,	
	Total	Total
	2016	2015
Claims liability - beginning	\$ 15,473,250	\$ 17,787,137
Incurred claims	56,171,970	52,291,773
Claim payments and reductions	54,295,627	54,605,660
Claims liability - ending	<u>\$ 17,349,593</u>	<u>\$ 15,473,250</u>

**Note 6. Employee Retirement Systems and Plans**

***Teachers' Retirement System***

***Plan Description***

The District (employer) participates in the Teachers' Retirement System of the state of Illinois (TRS or the System). TRS is a cost-sharing multiple-employer defined benefit pension plan that was created by the Illinois legislature for the benefit of Illinois public school teachers employed outside the city of Chicago. TRS members include all active nonannuitants who are employed by a TRS-covered employer to provide services for which teacher licensure is required. The Illinois Pension Code outlines the benefit provisions of TRS, and amendments to the plan can be made only by legislative action with the Governor's approval. The TRS Board of Trustees is responsible for the System's administration.

TRS issues a publicly available financial report that can be obtained at <http://trs.illinois.gov/pubs/cafr>; by writing to TRS at 2815 W. Washington, PO Box 19253, Springfield, IL 62794; or by calling (888) 877-0890, option 2.

***Benefits Provided***

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

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

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

***Contributions***

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

Contributions from active members and TRS contributing employers are also required by the Illinois Pension Code. The contribution rates are specified in the pension code. The active member contribution rate for the year ended June 30, 2016, was 9.4 percent of creditable earnings. The member contribution, which may be paid on behalf of employees by the employer, is submitted to TRS by the employer.

Notes to Basic Financial Statements

---

**Note 6. Employee Retirement Systems and Plans (Continued)**

***Teachers' Retirement System (Continued)***

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

The State of Illinois makes employer pension contributions on behalf of the employer. For the year ended June 30, 2016, state of Illinois contributions recognized by the employer were based on the State's proportionate share of the collective net pension liability associated with the employer, and the employer recognized revenue and expenditures of \$104,479,316 in pension contributions from the state of Illinois.

The expenditures of \$104,479,316 have been allocated and reported by function on the financial statements.

***2.2 formula contributions***

Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. The contribution rate is specified by statute. Contributions for the year ended June 30, 2016, were \$1,182,338, and are deferred because they were paid after the June 30, 2015 measurement date. As of June 30, 2016, \$2,280 was due and payable to TRS.

***Federal and special trust fund contributions***

When TRS members are paid from federal and special trust funds administered by the employer, there is a statutory requirement for the employer to pay an employer pension contribution from those funds. Under a policy adopted by the TRS Board of Trustees that has been in effect since the fiscal year ended June 30, 2006, employer contributions for employees paid from federal and special trust funds will be the same as the state contribution rate to TRS. Public Act 98-0674 now requires the two rates to be the same.

For the year ended June 30, 2016, the employer pension contribution was 36.06 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2016, salaries totaling \$5,520,286 were paid from federal and special trust funds that required employer contributions of \$1,262,062. These contributions are deferred because they were paid after the June 30, 2015 measurement date. As of June 30, 2016, \$728,553 was due and payable to TRS.

***Employer retirement cost contributions***

Under GASB Statement No. 68, contributions that an employer is required to pay because of a TRS member retiring are categorized as specific liability payments. The employer is required to make a one-time contribution to TRS for members retiring under the Early Retirement Option (ERO). The payments vary depending on the member's age and salary. The maximum employer ERO contribution under the current program is 146.5 percent and applies when the member is age 55 at retirement. For the year ended June 30, 2016, the employer paid \$759,001 to TRS for employer ERO contributions.

The employer is also required to make a one-time contribution to TRS for members granted salary increases over 6 percent if those salaries are used to calculate a retiree's final average salary. A one-time contribution is also required for members granted sick leave days in excess of the normal annual allotment if those days are used as TRS service credit. For the year ended June 30, 2016, the employer paid \$106,933 to TRS for employer contributions due on salary increases in excess of 6 percent and \$1,509 for sick leave days granted in excess of the normal annual allotment.

School District U-46

Notes to Basic Financial Statements

---

**Note 6. Employee Retirement Systems and Plans (Continued)**

***Teachers' Retirement System (Continued)***

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

At June 30, 2016, the employer reported a liability for its proportionate share of the collective net pension liability (first amount shown below) that reflected a reduction for State pension support provided to the employer. The State's support and total are for disclosure purposes only. The amounts recognized by the employer as its proportionate share of the collective net pension liability, the related State support, and the total portion of the collective net pension liability that was associated with the employer were as follows:

Employer's proportionate share of the collective net pension liability	\$ 33,868,384
State's proportionate share of the collective net pension liability associated with the employer	<u>1,275,250,978</u>
Total	<u><u>\$ 1,309,119,362</u></u>

The collective net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the collective net pension liability was determined by an actuarial valuation as of June 30, 2014, and rolled forward to June 30, 2015. The employer's proportion of the collective net pension liability was based on the employer's share of contributions to TRS for the measurement year ended June 30, 2015, relative to the projected contributions of all participating TRS employers and the State during that period. At June 30, 2015, the employer's proportion was 0.0517 percent, which was a decrease of 0.0297 from its proportion measured as of June 30, 2014.

For the year ended June 30, 2016, the employer recognized pension expense of \$99,562,429 and revenue of \$104,479,316 for support provided by the State. At June 30, 2016, the employer reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u>                    </u>	<u>                    </u>
Differences between expected and actual experience	\$ 12,586	\$ 37,124
Net difference between projected and actual earnings on pension plan investments	670,741	1,185,958
Changes of assumptions	468,365	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	20,963,243
Employer contribution subsequent to the measurement date	<u>2,444,400</u>	<u>-</u>
Total deferred amounts related to pensions	<u><u>\$ 3,596,092</u></u>	<u><u>\$ 22,186,325</u></u>

School District U-46

Notes to Basic Financial Statements

---

**Note 6. Employee Retirement Systems and Plans (Continued)**

***Teachers' Retirement System (Continued)***

***Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)***

Of the amounts reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date, \$3,175,233 will be recognized as a reduction of the collective net pension liability in the reporting year ending June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending June 30:	
2017	\$ 5,835,351
2018	5,835,351
2019	5,835,351
2020	3,528,580
Total deferred inflows related to pensions	<u>\$ 21,034,633</u>

***Actuarial Assumptions***

The total pension liability in the June 30, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

<b>Inflation</b>	3.00%
<b>Salary increases</b>	varies by amount of service credit
<b>Investment rate of return</b>	7.50%, net of pension plan investment expense, including inflation

Mortality rates were based on the RP-2014 White Collar Table with adjustments as appropriate for TRS experience. The rates are used on a fully-generational basis using projection table MP-2014.

The actuarial assumptions for the years ended June 30, 2015 and 2014 were different. The actuarial assumptions used in the June 30, 2015 valuation were based on the 2015 actuarial experience analysis. The investment return assumption remained at 7.5 percent; salary increase assumptions were revised. The actuarial assumptions used in the June 30, 2014 valuation were based on updates to economic assumptions adopted in 2014 which lowered the investment return assumptions from 8.0 percent to 7.5 percent. The salary increase and inflation assumptions were also lowered from their 2013 levels.

**School District U-46**

**Notes to Basic Financial Statements**

---

**Note 6. Employee Retirement Systems and Plans (Continued)**

**Teachers' Retirement System (Continued)**

**Actuarial Assumptions (Continued)**

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class that were used by the actuary are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. large cap	18 %	7.53 %
Global equity excluding U.S.	18	7.88
Aggregate bonds	16	1.57
U.S. TIPS	2	2.82
NCREIF	11	5.11
Opportunistic real estate	4	9.09
ARS	8	2.57
Risk party	8	4.87
Diversified inflation strategy	1	3.26
Private equity	14	12.33
Total	100 %	

**Discount Rate**

At June 30, 2015, the discount rate used to measure the total pension liability was a blended rate of 7.47 percent, which was a change from the June 30, 2014 rate of 7.50 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions, employer contributions, and state contributions will be made at the current statutorily-required rates.

Based on those assumptions, TRS's fiduciary net position at June 30, 2015 was not projected to be available to make all projected future benefit payments of current active and inactive members and all benefit recipients. Tier I's liability is partially-funded by Tier II members, as the Tier II member contribution is higher than the cost of Tier II benefits. Due to this subsidy, contributions from future members in excess of the service cost are also included in the determination of the discount rate. Despite the subsidy, all projected future payments were not covered, so a slightly lower long-term expected rate of return on TRS investments was applied to all periods of projected benefit payments to determine the total pension liability.

At June 30, 2014, the discount rate used to measure the total pension liability was 7.50 percent. The discount rate was the same as the actuarially-assumed rate of return on investments that year because TRS's fiduciary net position and the subsidy provided by Tier II were sufficient to cover all projected benefit payments.

Notes to Basic Financial Statements

---

**Note 6. Employee Retirement Systems and Plans (Continued)**

***Sensitivity of the Employer's Proportionate Share of the Collective Net Pension Liability to Changes in the Discount Rate***

The following presents the employer's proportionate share of the collective net pension liability calculated using the discount rate of 7.47 percent, as well as what the employer's proportionate share of the collective net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.47 percent) or 1-percentage-point higher (8.47 percent) than the current rate.

	1% Decrease 6.47%	Current Discount Rate 7.47%	1% Increase 8.47%
Employer's proportionate share of the collective net pension liability	\$ 27,320,768	\$ 33,868,384	\$ 41,853,019

***TRS fiduciary net position***

Detailed information about the TRS's fiduciary net position as of June 30, 2015 is available in the separately issued TRS *Comprehensive Annual Financial Report*.

***Teachers' Health Insurance Security Fund***

The employer participates in the Teacher Health Insurance Security (THIS) Fund, a cost-sharing, multiple-employer defined benefit post-employment healthcare plan that was established by the Illinois legislature for the benefit of retired Illinois public school teachers employed outside the city of Chicago. The THIS Fund provides medical, prescription, and behavioral health benefits, but it does not provide vision, dental, or life insurance benefits to annuitants of the Teachers' Retirement System (TRS). Annuitants not enrolled in Medicare may participate in the State-administered participating provider option plan or choose from several managed care options. Annuitants who are enrolled in Medicare Parts A and B may be eligible to enroll in a Medicare Advantage plan.

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

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

- On-behalf contributions to the THIS Fund

The State of Illinois makes employer retiree health insurance contributions on behalf of the employer. State contributions are intended to match contributions to the THIS Fund from active members which were 1.07 percent of pay during the year ended June 30, 2016. State of Illinois contributions were \$2,185,415, and the employer recognized revenue and expenditures of this amount during the year.

The expenditures of \$2,185,415 have been allocated and reported by function on the financial statements.

- Employer contributions to the THIS Fund

The employer also makes contributions to the THIS Fund. The employer THIS Fund contribution was 0.80 percent during the year ended June 30, 2016. For the year ended June 30, 2016, the employer paid \$1,633,955 to the THIS Fund, which was 100 percent of the required contribution.

## School District U-46

### Notes to Basic Financial Statements

---

#### Note 6. Employee Retirement Systems and Plans (Continued)

##### **Further information on the THIS Fund**

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

##### **Illinois Municipal Retirement Fund**

##### **Plan Description**

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

##### **Benefits Provided**

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

Employees hired *on or after* January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3 percent of the final rate of earnings for the first 15 years of service credit, plus 2 percent for each year of service credit after 15 years to a maximum of 75 percent of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the *lesser* of:

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

##### **Employees Covered by Benefit Terms**

As of December 31, 2015, the following employees were covered by the benefit terms:

Retirees and Beneficiaries currently receiving benefits	1,148
Inactive Plan Members entitled to but not yet receiving benefits	1,781
Active Plan Members	1,974
	<hr/>
Total	4,903
	<hr/> <hr/>

**Note 6. Employee Retirement Systems and Plans (Continued)**

***Illinois Municipal Retirement Fund (Continued)***

***Contributions***

As set by statute, the District's Regular Plan Members are required to contribute 4.5 percent of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The District's annual contribution rates for calendar years 2016 and 2015 were 11.82 percent and 11.41 percent, respectively. For the fiscal year ended June 30, 2016, the District contributed \$7,335,228 to the plan. The District also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

***Net Pension Liability***

The District's net pension liability was measured as of December 31, 2015. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

***Actuarial Assumptions***

The following are the methods and assumptions used to determine total pension liability at December 31, 2015:

- The **Actuarial Cost Method** used was Entry Age Normal.
- The **Asset Valuation Method** used was Market Value of Assets.
- The **Inflation Rate** was assumed to be 3.5%.
- **Salary Increases** were expected to be 3.75% to 14.50%, including inflation.
- The **Investment Rate of Return** was assumed to be 7.48%.
- **Projected Retirement Age** was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2014 valuation according to an experience study from years 2011 to 2013.
- The IMRF-specific rates for **Mortality** (for non-disabled retirees) were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience.
- For **Disabled Retirees**, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustments that were applied for non-disabled lives.
- For **Active Members**, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

School District U-46

Notes to Basic Financial Statements

---

**Note 6. Retirement Fund Commitments (Continued)**

**Illinois Municipal Retirement Fund (Continued)**

**Actuarial Assumptions (Continued)**

- The **long-term expected rate of return** on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table as of December 31, 2015:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	38 %	7.39 %
International Equity	17	7.59
Fixed Income	27	3.00
Real Estate	8	6.00
Alternative Investments	9	2.75-8.15
Cash Equivalents	1	2.25
Total	<u>100 %</u>	

**Discount Rate**

A Single Discount Rate of 7.50 percent was used to measure the total pension liability. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

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

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.50 percent, the municipal bond rate is 3.57 percent (based on the weekly rate closest to but not later than the measurement date of the 20-Year Bond Buyer Index as published by the Federal Reserve), and the resulting single discount rate is 7.47 percent.

School District U-46

Notes to Basic Financial Statements

Note 6. Retirement Fund Commitments (Continued)

*Illinois Municipal Retirement Fund (Continued)*

**Changes in the Net Pension Liability**

The following table shows the components of the District's annual pension liability and related plan fiduciary net position for the calendar year ended December 31, 2015:

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances at December 31, 2014	\$ 277,843,841	\$ 247,018,789	\$ 30,825,052
Changes for the year:			
Service Cost	6,752,927	-	6,752,927
Interest on the Total Pension Liability	20,550,703	-	20,550,703
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	5,258,888	-	5,258,888
Changes of Assumptions	359,033	-	359,033
Contributions - Employer	-	7,321,744	(7,321,744)
Contributions - Employees	-	2,914,439	(2,914,439)
Net Investment Income	-	1,228,293	(1,228,293)
Benefit Payments, including Refunds of Employee Contributions	(12,956,579)	(12,956,579)	-
Other (Net Transfer)	-	2,302,834	(2,302,834)
Net Changes	19,964,972	810,731	19,154,241
Balances at December 31, 2015	\$ 297,808,813	\$ 247,829,520	\$ 49,979,293

**Sensitivity of the Net Pension Liability to Changes in the Discount Rate**

The following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.47 percent, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1 percent lower or 1 percent higher:

	1% Decrease 6.47%	Current Single Discount Rate 7.47%	1% Increase 8.47%
Total Pension Liability	\$ 336,828,605	\$ 297,808,813	\$ 265,766,611
Plan Fiduciary Net Pension	247,829,520	247,829,520	247,829,520
Net Pension Liability	\$ 88,999,085	\$ 49,979,293	\$ 17,937,091

School District U-46

Notes to Basic Financial Statements

---

Note 6. Retirement Fund Commitments (Continued)

*Illinois Municipal Retirement Fund (Continued)*

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

For the year ended June 30, 2016, the District recognized pension expense of \$4,576,826. At June 30, 2016, the District reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 4,296,387	\$ -
Net difference between projected and actual earnings on pension plan investments	15,800,279	-
Changes of assumptions	4,734,544	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	-
Employer contribution subsequent to the measurement date	3,773,314	-
	<hr/>	<hr/>
Total deferred amounts related to pensions	<u>\$ 28,604,524</u>	<u>\$ -</u>

Of the amounts reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date, \$3,773,314 will be recognized as a reduction of the net pension liability in the reporting year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending June 30:	
2017	\$ 8,353,856
2018	7,757,184
2019	5,263,680
2020	3,456,490
	<hr/>
Total deferred outflows related to pensions	<u>\$ 24,831,210</u>

## School District U-46

### Notes to Basic Financial Statements

---

#### Note 7. Other Postemployment Benefits

The District had an actuarial valuation performed to determine its liability for other postemployment benefits (OPEB) as of July 1, 2015. According to Governmental Accounting Standards Board Statement No. 45 (GASB 45), an actuarial valuation should be performed at a minimum frequency of every two years for a plan the size of the District's.

#### **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. For fiscal year 2016, the District contributed \$1,494,805 to the Plan. Plan members receiving benefits contributed \$238,510, or approximately 13.8 percent of the total premiums.

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

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

	Government-Wide Activities
Annual required contribution	\$ 2,234,060
Interest on net OPEB obligation	319,902
Adjustment to annual required contribution	(406,171)
Annual OPEB cost	<u>2,147,791</u>
Contributions made	<u>1,733,315</u>
Increase in net OPEB obligation	414,476
Net OPEB obligation - beginning of year	<u>6,398,035</u>
Net OPEB obligation - end of year	<u><u>\$ 6,812,511</u></u>

## School District U-46

### Notes to Basic Financial Statements

---

#### Note 7. Other Postemployment Benefits (Continued)

##### *Annual OPEB Cost and Net OPEB Obligation (Continued)*

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2016 and the preceding two years were as follows:

Year Ended June 30,	Annual OPEB Cost (APC)	Percentage of APC Contributed	Net OPEB Obligation
2016	\$2,147,791	80.7%	\$6,812,511
2015	2,510,634	77.2	6,398,035
2014	2,490,224	83.6	5,824,702

The District has reported the net OPEB obligation of \$6,812,511 in the statement of net position. Payments to liquidate the liability have typically been made by the General Fund.

##### ***Funded Status and Funding Progress***

As of July 1, 2015, the date of the most recent valuation, the actuarial accrued liability for benefits was \$19,705,737, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$253,502,518 and the ratio of the unfunded actuarial accrued liability to the covered payroll was 7.77 percent.

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

School District U-46

Notes to Basic Financial Statements

---

**Note 7. Other Postemployment Benefits (Continued)**

**Methods and Assumptions**

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

Significant methods and assumptions were as follows:

Actuarial valuation date: July 1, 2015  
Actuarial cost method: Unit Credit Cost Method  
Amortization method: Closed, Level Dollar Method  
Remaining amortization period: 30 years  
Actuarial assumptions:  
Discount Rate 5.0%  
Healthcare Trend Rate Beginning at 7.0%, trending to 5.0%

**Note 8. Other Financial Disclosures**

**Expenditures Exceeding Budgets**

The District adopts annual budgets for all governmental funds. The General Fund and the Transportation Fund excesses of expenditures over budgeted expenditures are shown in the Notes to Required Supplementary Information (RSI) – Note 2. The remaining funds with annually adopted budgets and excesses of expenditures over budgeted expenditures during fiscal year 2016 are as follows:

Fund	Final Budget	Actual Expenditures	Amount Over Budget
Debt Service Fund	\$ 42,413,100	\$ 43,052,316	\$ 639,216
Municipal Retirement Fund	14,426,037	14,768,553	342,516
Capital Projects Fund	440,000	1,780,368	1,340,368
Fire Prevention and Safety Fund	1,715,000	2,098,996	383,996

**Interfund Transfers**

During fiscal year 2016, the District transferred \$3,134,264 from the General Fund to the Debt Service Fund to provide resources to pay principal and interest on debt certificates and purchase contracts and to abate a portion of the 2015 property tax levy. The General Fund also transferred \$469,349 to the Transportation Fund for the purpose of financing transportation related expenses. The Transportation Fund transferred \$123,752 to the General Fund to finance utilities and building maintenance related expenditures.

**School District U-46**

**Notes to Basic Financial Statements**

---

**Note 8. Other Financial Disclosures (Continued)**

***Due To/From Other Funds***

Interfund debt balances as of June 30, 2016 are as follows:

Fund	Due From Other Funds	Due To Other Funds
Major governmental funds		
General	\$ 7,142,939	\$ -
Transportation	-	6,282,695
Nonmajor Governmental Funds	-	860,244
Total	\$ 7,142,939	\$ 7,142,939

The interfund balances reflect loans to be used as resources for current operating expenditures which are expected to be repaid in the following fiscal year.

***Deficit Fund Balances***

The Transportation Fund had a deficit fund balance as of June 30, 2016 of (\$6,536,369). District management expects to reduce this deficit with future revenues and budget cuts.

The Fire Prevention and Safety Fund had a deficit fund balance as of June 30, 2016 of (\$1,489,136). District management expects to reduce this deficit with future revenues.

**Note 9. Contingent Liabilities**

***Litigation***

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

***Grants***

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government and the Illinois State Board of Education. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2016.

**Note 10. Commitments**

At June 30, 2016, the District had approximately \$13.5 million in outstanding construction project commitments. The projects were comprised of work to be done at various school buildings and to be paid from the Operations and Maintenance Account of the General Fund, Fire Prevention and Safety Fund and the Capital Projects Fund.

Notes to Basic Financial Statements

---

**Note 11. Authoritative Pronouncements Issued But Not Yet Adopted**

The following is a description of other GASB authoritative pronouncements, which have been issued but not yet adopted by the District:

Statement No. 74, *Financial Reporting for Postemployment Benefits Other Than Pension Plans*, will be effective for the District beginning with its year ending June 30, 2017. This statement addresses the financial reports of defined benefit OPEB plans that are administered through trusts that meet specified criteria.

Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (Employer)*, will be effective for the District beginning with its year ending June 30, 2018. This statement requires governments to report a liability on the face of the financial statements for the OPEB they provide and requires governments in all types of OPEB plans to report more extensive note disclosures and required supplementary information about their OPEB liabilities.

Statement No. 77, *Tax Abatement Disclosures*, will be effective for the District beginning with its year ending June 30, 2017. This statement requires state and local governments, for the first time, to disclose information about tax abatement agreements. It requires governments to disclose information about their own tax abatements separately from information about tax abatements that are entered into by other governments and reduce the reporting government's tax revenues.

Statement No. 78, *Pensions Provided Through Certain Multiple-Employer Defined Benefit Pension Plans*, will be effective for the District beginning with its year ending June 30, 2017. This statement amends the scope and applicability of Statement No. 68 to exclude pensions provided to employees of state or local governmental employers through a cost-sharing multiple-employer defined benefit pension plan that (1) is not a state or local governmental pension plan, (2) is used to provide defined benefit pensions both to employees of state or local governmental employers and to employees of employers that are not state or local governmental employers, and (3) has no predominant state or local governmental employer (either individually or collectively with other state or local governmental employers that provide pensions through the pension plan).

Statement No. 79, *Certain External Investment Pools and Pool Participants*, will be effective for the District beginning with its year ended June 30, 2017. This statement addresses accounting and financial reporting for certain external investment pools and pool participants.

Statement No. 80, *Blending for Certain Component Units-An Amendment of GASB Statement No. 14*, will be effective for the District beginning with its year ending June 30, 2017. This Statement amends the blending requirements for the financial statement presentation of component units of all state and local governments.

Statement No. 81, *Irrevocable Split-Interest Agreements*, will be effective for the District beginning with its year ending June 30, 2018. This Statement requires that a government that receives resources pursuant to an irrevocable split-interest agreement recognize assets, liabilities, and deferred inflows of resources at the inception of the agreement. Furthermore, this Statement requires that a government recognize assets representing its beneficial interests in irrevocable split-interest agreements that are administered by a third party, if the government controls the present service capacity of the beneficial interests. This Statement requires that a government recognize revenue when the resources become applicable to the reporting period.

Statement No. 82, *Pension Issues-An Amendment of GASB Statements No. 67, No. 68, and No. 73*, will be effective for the District beginning with its year ending June 30, 2017. This Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements.

Management has not currently determined what impact, if any, these Statements may have on its financial statements.

## **REQUIRED SUPPLEMENTARY INFORMATION**

Schedule of the Employer's Proportionate Share of the Collective Net Pension Liability – Teachers' Retirement System

Schedule of Employer Contributions – Teachers' Retirement System

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

Schedule of Employer Contributions – Illinois Municipal Retirement Fund

Schedule of Funding Progress - Retiree Healthcare Plan

Budgetary Comparison Information: General Fund and Major Special Revenue Fund

Notes to Required Supplementary Information (RSI)

**School District U-46**

**Schedule of the Employer's Proportionate Share of the Collective Net Pension Liability  
Teachers' Retirement System**

Fiscal Year Ended	2016	2015
Employer's proportion of the collective net pension liability	0.0517%	0.0814%
Employer's proportionate share of the collective net pension liability	\$ 33,868,384	\$ 49,508,342
State's proportionate share of the collective net pension liability associated with the employer	1,275,250,978	1,173,916,748
<b>Total</b>	<b>\$ 1,309,119,362</b>	<b>\$ 1,223,425,090</b>
Employer's covered-employee payroll	\$ 204,244,433	\$ 198,258,595
Employer's proportionate share of the collective net pension liability as a percentage of its covered employee payroll	16.6%	25.0%
Plan fiduciary net position as a percentage of the total pension liability	41.5%	43.0%

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

**Schedule of Employer Contributions  
Teachers' Retirement System**

Fiscal Year Ended	2016	2015
Contractually-required contribution	\$ 3,175,233	\$ 2,337,303
Contributions in relation to the contractually-required contribution	2,444,400	2,311,171
Contribution deficiency	\$ 730,833	\$ 26,132
Employer's covered-employee payroll	\$ 204,244,433	\$ 198,258,595
Contributions as a percentage of covered-employee payroll	1.20%	1.17%

\* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

**Notes to Schedules**

**Changes of Assumptions**

Amounts reported in 2015 reflect an investment rate of return of 7.5 percent, an inflation rate of 3.0 percent and real return of 4.5 percent, and salary increases that vary by service credit. In 2014, assumptions used were an investment rate of return of 7.5 percent, an inflation rate of 3.0 percent and real return of 4.5 percent, and salary increases of 5.75 percent.

**School District U-46**

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

Calendar year ended December 31	2015	2014
Total Pension Liability		
Service Cost	\$ 6,752,927	\$ 6,492,825
Interest in the Total Pension Liability	20,550,703	18,815,885
Changes of Benefit Terms	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	5,258,888	916,388
Changes of Assumptions	359,033	9,485,528
Benefit Payments, including Refunds of Employee Contributions	(12,956,579)	(11,667,594)
Net Change in Total Pension Liability	19,964,972	24,043,032
Total Pension Liability - Beginning	277,843,841	253,800,809
Total Pension Liability - Ending	<u>\$ 297,808,813</u>	<u>\$ 277,843,841</u>
Plan Fiduciary Net Position		
Contributions - Employer	\$ 7,321,744	\$ 6,915,065
Contributions - Employees	2,914,439	2,714,707
Net Investment Income	1,228,293	14,218,684
Benefit Payments, including Refunds of Employee Contributions	(12,956,579)	(11,667,594)
Other (Net Transfer)	2,302,834	725,835
Net Change in Plan Fiduciary Net Position	810,731	12,906,697
Plan Fiduciary Net Position - Beginning	247,018,789	234,112,092
Plan Fiduciary Net Position - Ending	<u>\$ 247,829,520</u>	<u>\$ 247,018,789</u>
Net Pension Liability	<u>\$ 49,979,293</u>	<u>\$ 30,825,052</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	83.22%	88.91%
Covered Valuation Payroll	\$ 64,024,510	\$ 59,788,613
Net Pension Liability as a Percentage of Covered Valuation Payroll	78.06%	51.56%

\* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

**Schedule of Employer Contributions  
Illinois Municipal Retirement Fund**

Calendar Year Ending December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a % of Covered Valuation Payroll
2015	\$ 7,305,197 *	\$ 7,321,744	\$ (16,547)	\$ 64,024,510	11.44%
2014	6,833,838	6,915,065	(81,227)	59,788,613	11.57

\* Actuarial Determined Contribution was estimated based on a contribution rate of 11.41% and a covered valuation payroll of \$64,024,510.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

**Notes to Schedule of Contributions**

**Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2015 Contribution Rate\***

**Valuation Date**

Notes

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

**Methods and Assumptions Used to Determine 2015 Contribution Rate**

Actuarial Cost Method:	Aggregate entry age normal
Amortization Method:	Level percentage of payroll, closed
Remaining Amortization Period:	28-year closed period until remaining period reaches 15 years (then 15-years rolling period)
Asset Valuation Method:	5-year smoothed market; 20% corridor
Wage Growth:	4%
Price Inflation:	3%, approximate; No explicit price inflation assumption is used in this valuation.
Salary Increases:	4.4% to 16%, including inflation
Investment Rate of Return:	7.50%
Retirement Age:	Experienced-based table of rates that are specific to the type of eligibility condition; last updated for the 2011 valuation pursuant to an experience study of the period 2008 to 2010.
Mortality:	RP-2000 Combined Healthy Mortality Table, adjusted for mortality improvements to 2020 using projection scale AA. For men, 120% of the table rates were used. For women, 92% of the table rates were used. For disabled lives, the mortality rates are the rates applicable to non-disabled lives set forward 10 years.

**Other Information**

Notes

There were no benefit changes during the year.

\* Based on Valuation Assumptions used in the December 31, 2013 actuarial valuation; note two-year lag between valuation and rate setting.

**School District U-46**

**Schedule of Funding Progress  
Retiree Healthcare Plan  
June 30, 2016**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((b-a)/c)
07/01/15	\$ -	\$ 19,705,737	\$ 19,705,737	-	\$ 253,502,518	7.77%
07/01/13	-	22,606,948	22,606,948	-	236,945,103	9.54
07/01/11	-	27,096,192	27,096,192	-	222,396,323	12.18

The District has elected to have valuations performed biennially.

## **GENERAL FUND**

The General Fund is used to account for resources traditionally associated with government operations which are not required to be accounted for in another fund. The District's General Fund consists of four accounts: the *Educational Account*, which records direct costs of instruction and administration; the *Tort Immunity Account*, which is used for the purpose of recording risk financing activities of the District; the *Operations and Maintenance Account*, which reports all costs of maintaining, improving or repairing school buildings and property; and the *Working Cash Account*, which accounts for financial resources held by the District to be used for temporary interfund loans to the Educational Account, the Operations and Maintenance Account, and the Transportation Fund.

## **MAJOR SPECIAL REVENUE FUNDS**

Special revenue funds are used to account for revenues from specific taxes or other earmarked revenue sources which by law are designated to finance particular functions or activities of government and which cannot be diverted to other uses. The major special revenue fund maintained by the District is as follows:

Transportation Fund - To account for the revenue and expenditures related to student transportation, both to and from school. Revenue is derived primarily from local property taxes and state reimbursement grants.

School District U-46

**Schedule of Revenues, Expenditures and Changes in Fund Balance -  
Budget and Actual  
General Fund  
Year Ended June 30, 2016**

	Original and Final Budget	Actual	Variance
<b>Revenues:</b>			
Property taxes	\$ 229,651,023	\$ 229,993,687	\$ 342,664
Replacement taxes and payments in lieu of taxes	551,000	91,168	(459,832)
Charges for services	9,170,000	9,758,181	588,181
Earnings on investments	253,600	423,447	169,847
Rentals	800,000	633,091	(166,909)
Local grants	26,375	60,993	34,618
Other local sources	877,500	257,139	(620,361)
State grants-in-aid	131,018,391	134,836,873	3,818,482
Federal grants-in-aid	35,816,766	39,907,563	4,090,797
State on-behalf payments	74,846,965	106,664,731	31,817,766
<b>Total revenues</b>	<b>483,011,620</b>	<b>522,626,873</b>	<b>39,615,253</b>
<b>Expenditures:</b>			
<b>Current:</b>			
<b>Instruction:</b>			
Regular programs	186,979,371	189,733,832	(2,754,461)
Special programs	47,401,230	52,288,509	(4,887,279)
Other instructional programs	66,814,034	81,304,913	(14,490,879)
<b>Support services:</b>			
Pupils	32,397,169	35,809,358	(3,412,189)
Instructional staff	15,966,556	15,480,012	486,544
General administration	15,549,036	14,259,600	1,289,436
School administration	26,335,290	26,582,371	(247,081)
Business	3,886,848	3,950,458	(63,610)
Operations and maintenance	24,030,440	25,204,815	(1,174,375)
Transportation	1,324,740	2,035,562	(710,822)
Facilities acquisition and construction	1,277,320	1,599,331	(322,011)
Food service	14,267,462	14,658,017	(390,555)
Central	11,317,654	10,969,835	347,819
Other support	634,883	706,695	(71,812)
Community services	3,647,765	3,800,922	(153,157)
<b>Intergovernmental:</b>			
Payments to other governments	9,252,700	8,132,631	1,120,069
Capital outlay	25,457,915	23,161,538	2,296,377
Contingency	4,000,000	-	4,000,000
<b>Total expenditures</b>	<b>490,540,413</b>	<b>509,678,399</b>	<b>(19,137,986)</b>
Excess of revenues over expenditures	(7,528,793)	12,948,474	20,477,267
<b>Other financing sources (uses):</b>			
Transfer in	166,690	123,752	(42,938)
Transfer out	(1,330,510)	(3,603,613)	(2,273,103)
<b>Total other financing sources (uses)</b>	<b>(1,163,820)</b>	<b>(3,479,861)</b>	<b>(2,316,041)</b>
<b>Net change in fund balance</b>	<b>\$ (8,692,613)</b>	<b>9,468,613</b>	<b>\$ 18,161,226</b>
<b>Fund balance:</b>			
Beginning of year		204,806,889	
End of year		<u>\$ 214,275,502</u>	

School District U-46

**Schedule of Revenues, Expenditures and Changes in Fund Balance (Deficit) -  
Budget and Actual  
Transportation Fund  
Year Ended June 30, 2016**

	Original and Final Budget	Actual	Variance
<b>Revenues:</b>			
Property taxes	\$ 15,644,783	\$ 16,003,581	\$ 358,798
Charges for services	1,230,000	1,690,449	460,449
Earnings on investments	100	84	(16)
Other local sources	-	2,334	2,334
State grants-in-aid	10,822,339	11,474,045	651,706
<b>Total revenues</b>	<u>27,697,222</u>	<u>29,170,493</u>	<u>1,473,271</u>
<b>Expenditures:</b>			
Current:			
Support services:			
Transportation	23,404,663	22,814,297	590,366
Debt service			
Principal	2,751,966	2,751,966	-
Interest and fees	71,099	71,099	-
Capital outlay	6,653,797	7,507,753	(853,956)
<b>Total expenditures</b>	<u>32,881,525</u>	<u>33,145,115</u>	<u>(263,590)</u>
Deficiency of revenues under expenditures	<u>(5,184,303)</u>	<u>(3,974,622)</u>	<u>1,209,681</u>
<b>Other financing sources (uses):</b>			
Transfer in	260,756	469,349	208,593
Transfer out	(166,690)	(123,752)	42,938
Proceeds from issuance of purchase contracts	6,653,797	6,653,797	-
Proceeds from sale of equipment	-	664,800	664,800
<b>Total other financing sources (uses)</b>	<u>6,747,863</u>	<u>7,664,194</u>	<u>916,331</u>
<b>Net change in fund balance (deficit)</b>	<u>\$ 1,563,560</u>	<u>3,689,572</u>	<u>\$ 2,126,012</u>
<b>Fund balance (deficit):</b>			
Beginning of year		<u>(10,225,941)</u>	
End of year		<u>\$ (6,536,369)</u>	

## School District U-46

### Notes to Required Supplementary Information (RSI)

---

#### Note 1. Budgets and Budgetary Accounting

The annual budgets are adopted on the modified accrual basis of accounting at the fund level. All budgets lapse at fiscal year-end. The District maintains a system to measure the uncommitted budget amount available for expenditures at any time during the year. For budgetary purposes, appropriations lapse at June 30, 2016 and outstanding encumbrances are canceled at that date.

On or before July 1 of each year, the Superintendent is to submit for review by the Board of Education a proposed budget for the school year commencing on that date. After reviewing the proposed budget, the Board of Education holds public hearings and a final budget must be prepared and adopted no later than September 30. The 2015-16 budget was adopted September 28, 2015.

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

The budget amounts shown are as originally adopted because there were no amendments during the past fiscal year.

#### Note 2. Expenditures Exceeding Budgets

Of the budget to actual schedules presented as RSI, expenditures exceeded budgeted expenditures in the General Fund and the Transportation Fund for the year ended June 30, 2016 as follows:

Fund	Final Budget	Actual Expenditures	Amount Over Budget
General Fund	\$ 490,540,413	\$ 509,678,399	\$ 19,137,986
Transportation Fund	32,881,525	33,145,115	263,590

**OTHER SUPPLEMENTARY INFORMATION**

School District U-46

Combining Balance Sheet  
General Fund, by Account  
June 30, 2016

	Educational Account	Tort Immunity Account	Operations and Maintenance Account	Working Cash Account	Elimination	Total
<b>Assets</b>						
Cash and investments	\$ 134,328,871	\$ -	\$ 14,040,962	\$ 114,393,858	\$ -	\$ 262,763,691
Property taxes receivable, net of allowance	92,878,304	6,118,402	14,451,846	-	-	113,448,552
Grants receivable	26,729,922	-	-	-	-	26,729,922
Accounts receivable	819,604	-	61,517	-	-	881,121
Due from other accounts and funds	15,817,845	-	-	-	(8,674,906)	7,142,939
Inventories	135,167	-	-	-	-	135,167
Prepays	933,404	-	-	-	-	933,404
<b>Total assets</b>	<b>\$ 271,643,117</b>	<b>\$ 6,118,402</b>	<b>\$ 28,554,325</b>	<b>\$ 114,393,858</b>	<b>\$ (8,674,906)</b>	<b>\$ 412,034,796</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balance (Deficit)</b>						
<b>Liabilities</b>						
Accounts payable	\$ 12,004,527	\$ 27,880	\$ 6,332,387	\$ -	\$ -	\$ 18,364,794
Accrued payroll	32,971,947	12,880	600,927	-	-	33,585,754
Payroll deductions	532,212	-	-	-	-	532,212
Construction retainage payable	27,430	-	779,470	-	-	806,900
Insurance claims payable	3,815,421	544,789	-	-	-	4,360,210
Unearned grant revenue	23,585	-	-	-	-	23,585
Unearned other revenue	1,872,085	-	-	-	-	1,872,085
Due to other accounts	-	8,674,906	-	-	(8,674,906)	-
Unclaimed property	196,316	-	-	-	-	196,316
<b>Total liabilities</b>	<b>51,443,523</b>	<b>9,260,455</b>	<b>7,712,784</b>	<b>-</b>	<b>(8,674,906)</b>	<b>59,741,856</b>
<b>Deferred inflows of resources</b>						
Deferred grant revenue	22,608,209	-	-	-	-	22,608,209
Deferred property taxes	94,483,476	6,224,143	14,701,610	-	-	115,409,229
<b>Total deferred inflows of resources</b>	<b>117,091,685</b>	<b>6,224,143</b>	<b>14,701,610</b>	<b>-</b>	<b>-</b>	<b>138,017,438</b>
<b>Fund balance (deficit)</b>						
Nonspendable	1,068,571	-	-	-	-	1,068,571
Restricted	-	-	601,756	-	-	601,756
Unassigned	102,039,338	(9,366,196)	5,538,175	114,393,858	-	212,605,175
<b>Total fund balance (deficit)</b>	<b>103,107,909</b>	<b>(9,366,196)</b>	<b>6,139,931</b>	<b>114,393,858</b>	<b>-</b>	<b>214,275,502</b>
<b>Total liabilities, deferred inflows of resources and fund balance (deficit)</b>	<b>\$ 271,643,117</b>	<b>\$ 6,118,402</b>	<b>\$ 28,554,325</b>	<b>\$ 114,393,858</b>	<b>\$ (8,674,906)</b>	<b>\$ 412,034,796</b>

School District U-46

Combining Statement of Revenues, Expenditures and Changes in Fund Balance (Deficit)  
 General Fund, by Account  
 Year Ended June 30, 2016

	Educational Account	Tort Immunity Account	Operations and Maintenance Account	Working Cash Account	Elimination	Total
<b>Revenues:</b>						
Property taxes	\$ 188,158,475	\$ 12,462,939	\$ 29,372,273	\$ -	\$ -	\$ 229,993,687
Replacement taxes and payments in lieu of taxes	91,168	-	-	-	-	91,168
Charges for services	9,758,181	-	-	-	-	9,758,181
Earnings on investments	1,131	56	155	422,105	-	423,447
Rentals	-	-	633,091	-	-	633,091
Local grants	60,993	-	-	-	-	60,993
Other local sources	156,011	-	101,128	-	-	257,139
State grants-in-aid	133,334,217	1,502,656	-	-	-	134,836,873
Federal grants-in-aid	39,907,563	-	-	-	-	39,907,563
State on-behalf payments	106,664,731	-	-	-	-	106,664,731
<b>Total revenues</b>	<b>478,132,470</b>	<b>13,965,651</b>	<b>30,106,647</b>	<b>422,105</b>	<b>-</b>	<b>522,626,873</b>
<b>Expenditures:</b>						
<b>Current:</b>						
<b>Instruction:</b>						
Regular programs	189,733,832	-	-	-	-	189,733,832
Special programs	52,288,509	-	-	-	-	52,288,509
Other instructional programs	81,304,913	-	-	-	-	81,304,913
<b>Support services:</b>						
Pupils	35,809,358	-	-	-	-	35,809,358
Instructional staff	15,480,012	-	-	-	-	15,480,012
General administration	8,828,312	5,431,288	-	-	-	14,259,600
School administration	26,582,371	-	-	-	-	26,582,371
Business	3,950,458	-	-	-	-	3,950,458
Operations and maintenance	656,170	-	24,548,645	-	-	25,204,815
Transportation	2,034,962	-	600	-	-	2,035,562
Facilities acquisition and construction	-	-	1,599,331	-	-	1,599,331
Food service	14,658,017	-	-	-	-	14,658,017
Central	10,969,835	-	-	-	-	10,969,835
Other support services	706,695	-	-	-	-	706,695
Community services	3,800,922	-	-	-	-	3,800,922
<b>Intergovernmental:</b>						
Payments to other governments	8,132,631	-	-	-	-	8,132,631
Capital outlay	10,333,821	-	12,827,717	-	-	23,161,538
<b>Total expenditures</b>	<b>465,270,818</b>	<b>5,431,288</b>	<b>38,976,293</b>	<b>-</b>	<b>-</b>	<b>509,678,399</b>
Excess (deficiency) of revenues over (under) expenditures	12,861,652	8,534,363	(8,869,646)	422,105	-	12,948,474
<b>Other financing sources (uses):</b>						
Transfer in	-	-	11,092,005	-	(10,968,253)	123,752
Transfer out	(3,131,134)	-	(862,483)	(10,578,249)	10,968,253	(3,603,613)
<b>Total other financing sources (uses)</b>	<b>(3,131,134)</b>	<b>-</b>	<b>10,229,522</b>	<b>(10,578,249)</b>	<b>-</b>	<b>(3,479,861)</b>
<b>Net change in fund balance (deficit)</b>	<b>9,730,518</b>	<b>8,534,363</b>	<b>1,359,876</b>	<b>(10,156,144)</b>	<b>-</b>	<b>9,468,613</b>
<b>Fund balance (deficit):</b>						
Beginning of year	93,377,391	(17,900,559)	4,780,055	124,550,002	-	204,806,889
End of year	\$ 103,107,909	\$ (9,366,196)	\$ 6,139,931	\$ 114,393,858	\$ -	\$ 214,275,502

School District U-46

**Schedule of Revenues, Expenditures and Changes in Fund Balance -  
Budget and Actual  
General Fund - Educational Account  
Year Ended June 30, 2016**

	Original and Final Budget	Actual	Variance
<b>Revenues:</b>			
Property taxes	\$ 192,803,929	\$ 188,158,475	\$ (4,645,454)
Replacement taxes and payments in lieu of taxes	551,000	91,168	(459,832)
Charges for services	9,170,000	9,758,181	588,181
Earnings on investments	3,000	1,131	(1,869)
Local grants	26,375	60,993	34,618
Other local sources	327,500	156,011	(171,489)
State grants-in-aid	129,518,391	133,334,217	3,815,826
Federal grants-in-aid	35,816,766	39,907,563	4,090,797
State on-behalf payments	74,846,965	106,664,731	31,817,766
<b>Total revenues</b>	<b>443,063,926</b>	<b>478,132,470</b>	<b>35,068,544</b>
<b>Expenditures:</b>			
<b>Current:</b>			
<b>Instruction:</b>			
Regular programs	186,979,371	189,733,832	(2,754,461)
Special programs	47,401,230	52,288,509	(4,887,279)
Other instructional programs	66,814,034	81,304,913	(14,490,879)
<b>Support services:</b>			
Pupils	32,397,169	35,809,358	(3,412,189)
Instructional staff	15,966,556	15,480,012	486,544
General administration	8,508,813	8,828,312	(319,499)
School administration	26,335,290	26,582,371	(247,081)
Business	3,886,848	3,950,458	(63,610)
Operations and maintenance	557,210	656,170	(98,960)
Transportation	1,323,165	2,034,962	(711,797)
Food service	14,267,462	14,658,017	(390,555)
Central	11,317,654	10,969,835	347,819
Other support	634,883	706,695	(71,812)
Community services	3,647,765	3,800,922	(153,157)
<b>Intergovernmental:</b>			
Payments to other governments	9,252,700	8,132,631	1,120,069
Capital outlay	12,075,273	10,333,821	1,741,452
Contingency	4,000,000	-	4,000,000
<b>Total expenditures</b>	<b>445,365,423</b>	<b>465,270,818</b>	<b>(19,905,395)</b>
Excess (deficiency) of revenues over (under) expenditures	(2,301,497)	12,861,652	15,163,149
<b>Other financing sources (uses):</b>			
Transfer out	(868,619)	(3,131,134)	(2,262,515)
<b>Total other financing sources (uses)</b>	<b>(868,619)</b>	<b>(3,131,134)</b>	<b>(2,262,515)</b>
<b>Net change in fund balance</b>	<b>\$ (3,170,116)</b>	<b>9,730,518</b>	<b>\$ 12,900,634</b>
<b>Fund balance:</b>			
Beginning of year		93,377,391	
End of year		<u>\$ 103,107,909</u>	

School District U-46

**Schedule of Revenues, Expenditures and Changes in Fund Balance (Deficit) -  
Budget and Actual  
General Fund - Tort Immunity Account  
Year Ended June 30, 2016**

	Original and Final Budget	Actual	Variance
Revenues:			
Property taxes	\$ 11,160,116	\$ 12,462,939	\$ 1,302,823
Earnings on investments	100	56	(44)
State grants-in-aid	1,500,000	1,502,656	2,656
<b>Total revenues</b>	<u>12,660,216</u>	<u>13,965,651</u>	<u>1,305,435</u>
Expenditures:			
Current:			
Support services:			
General administration	<u>7,040,223</u>	<u>5,431,288</u>	<u>1,608,935</u>
<b>Net change in fund balance (deficit)</b>	<u>\$ 5,619,993</u>	<u>8,534,363</u>	<u>\$ 2,914,370</u>
Fund balance (deficit):			
Beginning of year		<u>(17,900,559)</u>	
End of year		<u>\$ (9,366,196)</u>	

Schedule of Tort Expenditures by Object

Workers' compensation or workers' occupation disease acts payments	\$ 3,055,231
Unemployment insurance payments	238,760
Insurance payments (regular or self-insurance)	629,488
Educational, inspectional, supervisory services related to loss prevention or reduction	1,356,727
Legal service	<u>151,082</u>
Total tort expenditures	<u>\$ 5,431,288</u>

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

School District U-46

**Schedule of Revenues, Expenditures and Changes in Fund Balance -  
Budget and Actual  
General Fund - Operations and Maintenance Account  
Year Ended June 30, 2016**

	Original and Final Budget	Actual	Variance
<b>Revenues:</b>			
Property taxes	\$ 25,686,978	\$ 29,372,273	\$ 3,685,295
Earnings on investments	500	155	(345)
Rentals	800,000	633,091	(166,909)
Other local sources	550,000	101,128	(448,872)
<b>Total revenues</b>	<u>27,037,478</u>	<u>30,106,647</u>	<u>3,069,169</u>
<b>Expenditures:</b>			
Current:			
Support services:			
Operations and maintenance	23,473,230	24,548,645	(1,075,415)
Transportation	1,575	600	975
Facilities acquisition and construction	1,277,320	1,599,331	(322,011)
Capital outlay	13,382,642	12,827,717	554,925
<b>Total expenditures</b>	<u>38,134,767</u>	<u>38,976,293</u>	<u>(841,526)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(11,097,289)</u>	<u>(8,869,646)</u>	<u>2,227,643</u>
<b>Other financing sources (uses):</b>			
Transfer in	13,783,690	11,092,005	(2,691,685)
Transfer out	(828,891)	(862,483)	(33,592)
<b>Total other financing sources (uses)</b>	<u>12,954,799</u>	<u>10,229,522</u>	<u>(2,725,277)</u>
<b>Net change in fund balance</b>	<u>\$ 1,857,510</u>	<u>1,359,876</u>	<u>\$ (497,634)</u>
<b>Fund balance:</b>			
Beginning of year		<u>4,780,055</u>	
End of year		<u>\$ 6,139,931</u>	

School District U-46

Schedule of Revenues, Expenditures and Changes in Fund Balance -  
 Budget and Actual  
 General Fund - Working Cash Account  
 Year Ended June 30, 2016

	Original and Final Budget	Actual	Variance
Revenues:			
Earnings on investments	\$ 250,000	\$ 422,105	\$ 172,105
Other financing uses:			
Transfer out	(13,250,000)	(10,578,249)	2,671,751
<b>Net change in fund balance</b>	<u>\$ (13,000,000)</u>	(10,156,144)	<u>\$ 2,843,856</u>
Fund balance:			
Beginning of year		<u>124,550,002</u>	
End of year		<u>\$ 114,393,858</u>	

## **DEBT SERVICE FUND**

Debt service funds are used to account for monies accumulated to retire general long-term debt. The Debt Service Fund maintained by the District is as follows:

Debt Service Fund - To account for the periodic payment of principal and interest on the general obligation bond issues and other long-term debt of the District. Sources of funds consist primarily of local property tax revenues and transfers from other funds of the District.

School District U-46

**Schedule of Revenues, Expenditures and Changes in Fund Balance -  
Budget and Actual  
Debt Service Fund  
Year Ended June 30, 2016**

	Original and Final Budget	Actual	Variance
Revenues:			
Property taxes	\$ 41,613,238	\$ 42,089,518	\$ 476,280
Earnings on investments	800	281	(519)
<b>Total revenues</b>	<u>41,614,038</u>	<u>42,089,799</u>	<u>475,761</u>
Expenditures:			
Debt service			
Principal	23,614,422	19,812,893	3,801,529
Interest and fees	18,798,678	23,239,423	(4,440,745)
<b>Total expenditures</b>	<u>42,413,100</u>	<u>43,052,316</u>	<u>(639,216)</u>
Deficiency of revenues under expenditures	<u>(799,062)</u>	<u>(962,517)</u>	<u>(163,455)</u>
Other financing sources:			
Transfer in	1,069,754	3,134,264	2,064,510
<b>Net change in fund balance</b>	<u>\$ 270,692</u>	<u>2,171,747</u>	<u>\$ 1,901,055</u>
Fund balance:			
Beginning of year		<u>23,941,233</u>	
End of year		<u>\$ 26,112,980</u>	

## **NONMAJOR GOVERNMENTAL FUNDS**

### **SPECIAL REVENUE FUND**

Municipal Retirement Fund - To account for the District's portion of the pension contributions to the Illinois Municipal Retirement Fund for classified employees and social security contributions for applicable certified and classified employees. Revenue to finance the contributions is derived primarily from local property taxes.

### **CAPITAL PROJECTS FUNDS**

Capital projects funds account for the resources used by the District for the acquisition and/or construction of capital facilities. The Capital Projects Funds maintained by the District are as follows:

Capital Projects Fund - To account for school construction projects financed through serial bond issues and government grants.

Fire Prevention and Safety Fund - To account for resources to be used for the purpose of altering, reconstructing and repairing the existing school buildings of the District.

School District U-46

Combining Balance Sheet  
 Nonmajor Governmental Funds  
 June 30, 2016

	Special Revenue Fund	Capital Projects Funds		Total Nonmajor Governmental Funds
	Municipal Retirement/ Social Security Fund	Capital Projects Fund	Fire Prevention and Safety Fund	
<b>Assets</b>				
Cash	\$ 1,474,494	\$ 4,137,640	\$ -	\$ 5,612,134
Property taxes receivable, net of allowance	5,537,516	-	898,244	6,435,760
Replacement taxes receivable	665,496	-	-	665,496
Account receivable	-	20,761	-	20,761
<b>Total assets</b>	<b>\$ 7,677,506</b>	<b>\$ 4,158,401</b>	<b>\$ 898,244</b>	<b>\$ 12,734,151</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits)</b>				
<b>Liabilities</b>				
Accounts payable	\$ -	\$ 1,037,419	\$ 550,175	\$ 1,587,594
Payroll deductions	609,464	-	-	609,464
Other payable	470,142	-	-	470,142
Construction retainage payable	-	227,924	63,194	291,118
Due to other funds	-	-	860,244	860,244
Unclaimed property	-	90,754	-	90,754
<b>Total liabilities</b>	<b>1,079,606</b>	<b>1,356,097</b>	<b>1,473,613</b>	<b>3,909,316</b>
<b>Deferred inflows of resources</b>				
Deferred property taxes	5,633,218	-	913,767	6,546,985
<b>Fund balances (deficits)</b>				
Restricted	964,682	2,802,304	-	3,766,986
Unassigned	-	-	(1,489,136)	(1,489,136)
<b>Total fund balances (deficits)</b>	<b>964,682</b>	<b>2,802,304</b>	<b>(1,489,136)</b>	<b>2,277,850</b>
<b>Total liabilities, deferred inflows of resources and fund balances (deficits)</b>	<b>\$ 7,677,506</b>	<b>\$ 4,158,401</b>	<b>\$ 898,244</b>	<b>\$ 12,734,151</b>

School District U-46

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits)  
Nonmajor Governmental Funds  
Year Ended June 30, 2016**

	Special Revenue Fund	Capital Projects Funds		Total Nonmajor Governmental Funds
	Municipal Retirement/ Social Security Fund	Capital Projects Fund	Fire Prevention and Safety Fund	
<b>Revenues:</b>				
Property taxes	\$ 11,667,217	\$ -	\$ 1,821,247	\$ 13,488,464
Replacement taxes	3,226,057	-	-	3,226,057
Earnings on investments	76	2,418	12	2,506
Other local sources	-	272,663	-	272,663
<b>Total revenues</b>	<b>14,893,350</b>	<b>275,081</b>	<b>1,821,259</b>	<b>16,989,690</b>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular programs	1,756,329	-	-	1,756,329
Special programs	2,036,647	-	-	2,036,647
Other instructional programs	778,197	-	-	778,197
Support services:				
Pupils	1,265,151	-	-	1,265,151
Instructional staff	418,206	-	-	418,206
General administration	451,290	-	-	451,290
School administration	1,191,112	-	-	1,191,112
Business	571,625	-	-	571,625
Operations and maintenance	1,876,671	-	-	1,876,671
Transportation	3,334,309	-	-	3,334,309
Facilities acquisition and construction	-	175,279	214,800	390,079
Food service	2	-	-	2
Central	914,624	-	-	914,624
Other support services	50,104	-	-	50,104
Community services	124,286	-	-	124,286
Capital outlay	-	1,605,089	1,884,196	3,489,285
<b>Total expenditures</b>	<b>14,768,553</b>	<b>1,780,368</b>	<b>2,098,996</b>	<b>18,647,917</b>
<b>Net change in fund balances (deficits)</b>	<b>124,797</b>	<b>(1,505,287)</b>	<b>(277,737)</b>	<b>(1,658,227)</b>
<b>Fund balances (deficits):</b>				
Beginning of year	839,885	4,307,591	(1,211,399)	3,936,077
End of year	\$ 964,682	\$ 2,802,304	\$ (1,489,136)	\$ 2,277,850

School District U-46

Schedule of Revenues, Expenditures and Changes in Fund Balance -  
 Budget and Actual  
 Municipal Retirement/Social Security Fund  
 Year Ended June 30, 2016

	Original and Final Budget	Actual	Variance
Revenues:			
Property taxes	\$ 10,852,850	\$ 11,667,217	\$ 814,367
Replacement taxes	3,600,000	3,226,057	(373,943)
Earnings on investments	-	76	76
<b>Total revenues</b>	<u>14,452,850</u>	<u>14,893,350</u>	<u>440,500</u>
Expenditures:			
Current:			
Instruction:			
Regular programs	1,785,366	1,756,329	29,037
Special programs	1,787,331	2,036,647	(249,316)
Other instructional programs	712,417	778,197	(65,780)
Support services:			
Pupils	1,217,305	1,265,151	(47,846)
Instructional staff	472,912	418,206	54,706
General administration	458,267	451,290	6,977
School administration	1,192,825	1,191,112	1,713
Business	580,560	571,625	8,935
Operations and maintenance	1,703,107	1,876,671	(173,564)
Transportation	3,421,429	3,334,309	87,120
Food service	65,582	2	65,580
Central	813,371	914,624	(101,253)
Other support	59,150	50,104	9,046
Community services	156,415	124,286	32,129
<b>Total expenditures</b>	<u>14,426,037</u>	<u>14,768,553</u>	<u>(342,516)</u>
<b>Net change in fund balance</b>	<u>\$ 26,813</u>	124,797	<u>\$ 97,984</u>
Fund balance:			
Beginning of year		<u>839,885</u>	
End of year		<u>\$ 964,682</u>	

School District U-46

Schedule of Revenues, Expenditures and Changes in Fund Balance -  
 Budget and Actual  
 Capital Projects Fund  
 Year Ended June 30, 2016

	Original and Final Budget	Actual	Variance
Revenues:			
Earnings on investments	\$ -	\$ 2,418	\$ 2,418
Other local sources	350,000	272,663	(77,337)
<b>Total revenues</b>	<u>350,000</u>	<u>275,081</u>	<u>(74,919)</u>
Expenditures:			
Current:			
Support services:			
Facilities acquisition and construction	40,000	175,279	(135,279)
Capital outlay	400,000	1,605,089	(1,205,089)
<b>Total expenditures</b>	<u>440,000</u>	<u>1,780,368</u>	<u>(1,340,368)</u>
<b>Net change in fund balance</b>	<u>\$ (90,000)</u>	<u>(1,505,287)</u>	<u>\$ (1,415,287)</u>
Fund balance:			
Beginning of year		<u>4,307,591</u>	
End of year		<u>\$ 2,802,304</u>	

School District U-46

Schedule of Revenues, Expenditures and Changes in Fund Balance (Deficit) -  
 Budget and Actual  
 Fire Prevention and Safety Fund  
 Year Ended June 30, 2016

	Original and Final Budget	Actual	Variance
Revenues:			
Property taxes	\$ 1,782,571	\$ 1,821,247	\$ 38,676
Earnings on investments	500	12	(488)
<b>Total revenues</b>	<u>1,783,071</u>	<u>1,821,259</u>	<u>38,188</u>
Expenditures:			
Current:			
Support services:			
Facilities acquisition and construction	115,000	214,800	(99,800)
Capital outlay	1,600,000	1,884,196	(284,196)
<b>Total expenditures</b>	<u>1,715,000</u>	<u>2,098,996</u>	<u>(383,996)</u>
<b>Net change in fund balance (deficit)</b>	<u>\$ 68,071</u>	<u>(277,737)</u>	<u>\$ (345,808)</u>
Fund balance (deficit):			
Beginning of year		<u>(1,211,399)</u>	
End of year		<u>\$ (1,489,136)</u>	

## **FIDUCIARY FUNDS**

### **AGENCY FUNDS**

Agency funds consist of resources held by the trustee to be expended or invested in accordance with its agency capacity. The District's many student activity accounts are classified in aggregate as an Agency Fund. This Fund is custodial in nature and do not involve measurement of results of operations. Assets are equal to the amounts due the student groups.

**School District U-46**

**Combining Statement of Changes in Assets and Liabilities -  
Agency Funds - Student Activity Funds  
June 30, 2016**

	Assets/ Liabilities Balance at July 1, 2015	Additions	Deletions	Assets/ Liabilities Balance at June 30, 2016
<b>High Schools</b>				
Bartlett	\$ 531,074	\$ 1,396,400	\$ 1,403,669	\$ 523,805
Elgin	551,718	1,158,880	1,053,498	657,100
Gifford	3,361	12,335	6,159	9,537
Larkin	587,245	987,237	963,248	611,234
South Elgin	474,600	1,424,904	1,293,221	606,283
Streamwood	343,913	986,634	870,887	459,660
<b>Total High Schools</b>	<b>2,491,911</b>	<b>5,966,390</b>	<b>5,590,682</b>	<b>2,867,619</b>
<b>Middle Schools</b>				
Abbott	41,071	75,736	83,026	33,781
Canton	27,559	78,863	77,383	29,039
Eastview	105,881	155,402	149,565	111,718
Ellis	22,643	99,388	101,074	20,957
Kenyon Woods	77,494	116,732	116,081	78,145
Kimball	26,333	86,830	92,277	20,886
Larsen	41,642	107,091	94,713	54,020
Tefft	41,671	103,516	98,056	47,131
<b>Total Middle Schools</b>	<b>384,294</b>	<b>823,558</b>	<b>812,175</b>	<b>395,677</b>
<b>Elementary Schools</b>				
Bartlett	5,341	26,428	21,682	10,087
Centennial	16,507	43,713	47,040	13,180
Century Oaks	13,977	24,561	20,100	18,438
Channing	8,649	30,576	27,449	11,776
Clinton	8,042	32,438	33,141	7,339
Coleman	7,194	51,751	47,728	11,217
Creekside	9,392	49,496	46,819	12,069
Fox Meadow	12,072	51,133	49,222	13,983
Garfield	7,672	11,464	11,532	7,604
Glenbrook	10,273	46,565	48,702	8,136
Hanover Countryside	13,726	26,765	29,826	10,665
Harriet Gifford	35,204	49,374	49,699	34,879
Hawk Hollow	9,852	27,926	29,582	8,196
Heritage	5,370	40,483	33,965	11,888
Highland	8,689	25,589	27,085	7,193
Hillcrest	7,349	29,241	29,507	7,083
Hilltop	27,428	48,648	52,051	24,025

School District U-46

**Combining Statement of Changes in Assets and Liabilities -  
Agency Funds - Student Activity Funds (Continued)  
June 30, 2016**

	Assets/ Liabilities Balance at July 1, 2015	Additions	Deletions	Assets/ Liabilities Balance at June 30, 2016
<b>Elementary Schools (Continued)</b>				
Horizon	\$ 13,053	\$ 90,121	\$ 84,382	\$ 18,792
Huff	13,893	20,045	20,000	13,938
Illinois Park	-	1,325	-	1,325
Laurel Hill	22,057	34,487	27,948	28,596
Liberty	9,911	36,157	40,231	5,837
Lincoln	21,222	35,201	44,714	11,709
Lords Park	12,184	66,583	61,564	17,203
Lowrie	4,780	10,764	12,292	3,252
McKinley	15,575	27,602	23,049	20,128
Nature Ridge	5,083	39,187	37,675	6,595
Oakhill	6,430	43,514	45,120	4,824
Ontarioville	13,992	36,312	36,784	13,520
Otter Creek	7,896	57,095	51,254	13,737
Parkwood	11,188	15,199	16,010	10,377
Prairieview	16,481	56,075	57,656	14,900
Ridge Circle	7,392	42,141	41,875	7,658
Ronald D. O'Neal	7,921	39,325	33,729	13,517
Spring Trail	4,581	30,510	26,390	8,701
Sunnydale	15,030	32,721	37,755	9,996
Sycamore Trails	51,591	68,420	65,120	54,891
Timber Trails	7,787	24,828	26,318	6,297
Washington	15,673	38,412	35,049	19,036
Wayne	19,996	32,536	32,263	20,269
Willard	5,184	14,418	12,909	6,693
<b>Total Elementary Schools</b>	<u>515,637</u>	<u>1,509,129</u>	<u>1,475,217</u>	<u>549,549</u>
<b>Other</b>				
SWEP	19,377	40,545	43,173	16,749
Central School Programs	3,327	3,466	3,210	3,583
<b>Total Other</b>	<u>22,704</u>	<u>44,011</u>	<u>46,383</u>	<u>20,332</u>
<b>Total All Agency Funds</b>	<u>\$ 3,414,546</u>	<u>\$ 8,343,088</u>	<u>\$ 7,924,457</u>	<u>\$ 3,833,177</u>

Note: The assets equal the liabilities at each school. The assets represent the cash position of each school and liabilities represent amounts due to student organizations.

School District U-46

Schedule of Bonded Debt and Annual Interest Requirements  
Year Ended June 30, 2016

	Total	2017	2018	2019	2020	2021	Thereafter
<b>February 1999 Issue</b>							
Principal	\$ 15,325,000	\$ 3,300,000	\$ 5,025,000	\$ 7,000,000	\$ -	\$ -	\$ -
Interest	1,749,000	776,750	611,750	360,500	-	-	-
	<u>17,074,000</u>	<u>4,076,750</u>	<u>5,636,750</u>	<u>7,360,500</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>March 2002 Issue</b>							
Principal	29,949,993	8,644,763	7,048,052	5,513,533	7,678,182	1,065,463	-
Interest	41,280,340	10,285,237	9,226,949	7,911,621	12,036,993	1,819,540	-
	<u>71,230,333</u>	<u>18,930,000</u>	<u>16,275,001</u>	<u>13,425,154</u>	<u>19,715,175</u>	<u>2,885,003</u>	<u>-</u>
<b>March 2003B Issue</b>							
Principal	34,539,552	966,120	966,844	962,750	960,659	10,060,790	20,622,389
Interest	56,895,448	1,033,880	1,143,156	1,252,250	1,369,341	15,664,210	36,432,611
	<u>91,435,000</u>	<u>2,000,000</u>	<u>2,110,000</u>	<u>2,215,000</u>	<u>2,330,000</u>	<u>25,725,000</u>	<u>57,055,000</u>
<b>September 2009 Issue</b>							
Principal	9,250,000	1,135,000	1,175,000	1,290,000	1,350,000	1,415,000	2,885,000
Interest	1,838,675	426,325	386,600	339,600	275,100	207,600	203,450
	<u>11,088,675</u>	<u>1,561,325</u>	<u>1,561,600</u>	<u>1,629,600</u>	<u>1,625,100</u>	<u>1,622,600</u>	<u>3,088,450</u>
<b>March 2011A Issue</b>							
Principal	15,550,000	2,550,000	2,660,000	2,795,000	2,945,000	3,085,000	1,515,000
Interest	2,897,733	818,518	705,043	578,692	434,750	269,830	90,900
	<u>18,447,733</u>	<u>3,368,518</u>	<u>3,365,043</u>	<u>3,373,692</u>	<u>3,379,750</u>	<u>3,354,830</u>	<u>1,605,900</u>
<b>March 2011B Issue</b>							
Principal	1,030,000	200,000	200,000	200,000	200,000	230,000	-
Interest	20,475	6,695	5,395	4,095	2,795	1,495	-
	<u>1,050,475</u>	<u>206,695</u>	<u>205,395</u>	<u>204,095</u>	<u>202,795</u>	<u>231,495</u>	<u>-</u>
<b>March 2012B Issue</b>							
Principal	20,915,000	70,000	75,000	-	-	-	20,770,000
Interest	7,665,750	928,675	926,575	924,325	924,325	924,325	3,037,525
	<u>28,580,750</u>	<u>998,675</u>	<u>1,001,575</u>	<u>924,325</u>	<u>924,325</u>	<u>924,325</u>	<u>23,807,525</u>
<b>February 2015A Issue</b>							
Principal	44,310,000	-	-	-	-	-	44,310,000
Interest	33,249,250	2,215,500	2,215,500	2,215,500	2,215,500	2,215,500	22,171,750
	<u>77,559,250</u>	<u>2,215,500</u>	<u>2,215,500</u>	<u>2,215,500</u>	<u>2,215,500</u>	<u>2,215,500</u>	<u>66,481,750</u>
<b>February 2015B Issue</b>							
Principal	10,780,000	-	-	-	-	-	10,780,000
Interest	4,536,000	411,062	411,062	411,063	411,063	411,063	2,480,687
	<u>15,316,000</u>	<u>411,062</u>	<u>411,062</u>	<u>411,063</u>	<u>411,063</u>	<u>411,063</u>	<u>13,260,687</u>
<b>February 2015C Issue</b>							
Principal	17,425,000	2,690,000	3,740,000	4,900,000	6,095,000	-	-
Interest	2,333,900	780,050	699,350	549,750	304,750	-	-
	<u>19,758,900</u>	<u>3,470,050</u>	<u>4,439,350</u>	<u>5,449,750</u>	<u>6,399,750</u>	<u>-</u>	<u>-</u>
<b>February 2015D Issue</b>							
Principal	101,575,000	-	-	-	-	-	101,575,000
Interest	70,589,200	4,969,150	4,969,150	4,969,150	4,969,150	4,969,150	45,743,450
	<u>172,164,200</u>	<u>4,969,150</u>	<u>4,969,150</u>	<u>4,969,150</u>	<u>4,969,150</u>	<u>4,969,150</u>	<u>147,318,450</u>
<b>Total All Issues:</b>							
Principal	300,649,545	19,555,883	20,889,896	22,661,283	19,228,841	15,856,253	202,457,389
Interest	223,055,771	22,651,842	21,300,530	19,516,546	22,943,767	26,482,713	110,160,373
	<u>\$ 523,705,316</u>	<u>\$ 42,207,725</u>	<u>\$ 42,190,426</u>	<u>\$ 42,177,829</u>	<u>\$ 42,172,608</u>	<u>\$ 42,338,966</u>	<u>\$ 312,617,762</u>

## STATISTICAL SECTION

This part of the District's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

### **Financial Trends**

These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.

### **Revenue Capacity**

These schedules contain information to help the reader assess the District's most significant local revenue source, property tax.

### **Debt Capacity**

These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.

### **Demographic and Economic Information**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.

### **Operating Information**

These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.

#### *Sources:*

Unless otherwise noted, the information in these schedules is derived from the Annual Financial Reports and Comprehensive Annual Financial Reports for the relevant year.

**School District U-46**

**Net Position by Component  
Last Ten Fiscal Years**

	2007	2008	2009	2010	2011	2012	2013**	2014***	2015	2016
<b>Governmental Activities</b>										
Net investment in capital assets	\$ 73,707,762	\$ 78,790,983	\$ 85,142,936	\$ 92,321,821	\$101,691,947	\$115,440,308	\$141,336,967	\$ 158,733,858	\$119,555,624	\$143,066,834
Restricted	30,965,329	20,069,311	16,184,054	2,863,666	83,078,457	81,367,132	21,712,904	26,376,025	3,403,730	1,582,926
Unrestricted	29,891,301	33,233,204	(52,913,595)	(67,581,131)	(103,290,222)	(83,366,008)	(29,804,469)	(88,630,189)	(16,236,147)	13,982,977
Total Government Activities										
Net Position	\$134,564,392	\$132,093,498	\$ 48,413,395	\$ 27,604,356	\$ 81,480,182	\$113,441,432	\$133,245,402	\$ 96,479,694	\$106,723,207	\$158,632,737

Source: Annual Financial Statements 2007-2016.

Notes: The information is presented in the modified cash basis for years 2008 and prior, and the accrual basis beginning in 2009.

\*\* Effective July 1, 2013, the District adopted provisions of Governmental Accounting Standards Board Statements No. 65 ("GASB 65"), *Items Previously Recorded as Assets and Liabilities*. Pursuant to GASB 65 debt issuance costs should be recognized in the period incurred as an expense. Therefore, the District retrospectively restated the Net Position of the Governmental Activities for the year 2013. For the year 2012 and prior, the Net Position has not been restated and is shown as originally reported.

\*\*\* Effective July 1, 2014, the District adopted provisions of Governmental Accounting Standards Board Statements No. 68 ("GASB 68"), *Accounting and Financial Reporting for Pensions*. Pursuant to GASB 68 the District recognized their long-term pension obligations and retrospectively restated the Net Position of the Governmental Activities for the year 2014. For the year 2013 and prior, the Net Position has not been restated for purposes related to GASB 68 and is shown as originally reported or restated as a result of a past GASB implementation.

**School District U-46**

**Changes in Net Position  
Last Ten Fiscal Years**

	2007	2008	2009	2010
<b>Expenses</b>				
Instruction:				
Regular programs	\$ 121,509,088	\$ 125,646,518	\$ 137,125,857	\$ 137,890,395
Special programs	36,386,694	36,975,245	41,208,041	41,712,599
Other instructional programs	40,308,314	42,977,356	44,374,036	48,183,615
Support services:				
Pupils	25,735,341	28,465,667	31,056,604	28,016,638
Instructional staff	15,010,469	16,002,400	15,277,003	14,617,298
General administration	8,815,798	10,639,115	15,766,957	19,269,678
School administration	23,905,980	23,795,853	25,573,421	22,622,794
Business	33,503,729	34,977,725	32,327,285	28,657,512
Operations and maintenance	-	-	-	-
Transportation	22,172,911	25,428,117	26,720,118	29,013,273
Facilities acquisition and construction	3,165,269	4,809,177	2,127,637	817,683
Food service	12,952,500	14,132,310	15,564,304	13,421,176
Central	11,363,644	12,401,649	12,354,945	10,080,473
Other support services	239,079	217,789	279,403	1,314,514
Community services	2,736,807	2,830,678	2,748,556	4,046,637
Payments to other governments	9,732,031	7,792,609	7,953,269	7,550,943
State on-behalf payments	16,971,766	25,808,108	34,630,042	46,868,682
Debt service-interest and fees	10,899,062	11,231,187	22,434,615	22,460,154
<b>Total Expenses</b>	<b>395,408,482</b>	<b>424,131,503</b>	<b>467,522,093</b>	<b>476,544,064</b>
<b>Program Revenues</b>				
Charges for services:				
Instruction:				
Regular programs	4,086,733	4,171,676	3,835,651	3,731,249
Special programs	484,804	33,907	133,984	62,124
Other instructional programs	344,730	817,186	840,330	608,591
Support services:				
Business	539,475	800,326	599,605	665,891
Transportation	338,703	214,325	568,588	381,504
Food service	5,851,771	6,493,626	6,187,525	5,097,756
Operating grants and contributions	83,720,626	86,648,476	121,403,854	127,700,014
Capital grants and contributions	-	17,771	720,545	820,523
<b>Total Program Revenues</b>	<b>95,366,842</b>	<b>99,197,293</b>	<b>134,290,082</b>	<b>139,067,652</b>
<b>Net (Expense)/Revenue</b>	<b>\$ (300,041,640)</b>	<b>\$ (324,934,210)</b>	<b>\$ (333,232,011)</b>	<b>\$ (337,476,412)</b>

See related notes on page 88.

2011	2012	2013	2014	2015	2016
\$ 144,380,708	\$ 152,872,982	\$ 159,832,952	\$ 166,693,993	\$ 179,329,755	\$ 203,137,860
46,118,818	44,739,728	45,013,457	47,004,205	51,357,285	57,737,468
46,960,015	50,529,484	53,371,025	56,641,884	64,182,882	87,016,438
31,664,589	33,039,723	34,560,394	32,493,352	36,396,881	40,501,388
15,267,864	14,662,297	15,818,248	17,146,414	19,619,071	17,345,435
19,982,097	21,364,385	19,146,851	22,364,803	20,838,375	15,930,930
25,801,537	26,796,191	27,992,117	28,737,936	30,764,990	29,482,482
30,761,571	30,533,039	32,515,833	35,461,199	36,554,226	5,018,491
-	-	-	-	-	29,996,953
28,651,615	30,391,920	31,579,650	34,307,231	37,497,103	31,357,962
788,055	1,068,238	1,020,435	1,325,382	3,643,244	2,061,193
17,147,240	19,112,487	18,987,979	19,253,272	18,393,024	16,329,585
9,985,364	13,012,548	14,274,661	16,669,932	17,035,282	13,186,379
1,999,655	1,551,123	1,753,291	1,576,585	460,712	787,174
5,232,372	3,848,600	4,166,826	3,992,913	4,303,234	4,407,964
-	-	-	-	-	-
-	-	-	-	-	-
21,642,152	21,160,999	21,603,612	19,913,329	47,648,191	16,758,074
446,383,652	464,683,744	481,637,331	503,582,430	568,024,255	571,055,776
4,189,130	3,975,846	4,306,692	2,374,713	2,740,137	2,727,584
34,484	61,891	96	40,129	27,305	40,600
1,111,162	992,260	671,584	3,160,349	2,602,409	3,255,960
986,932	1,250,793	603,076	1,061,033	-	-
968,503	1,337,334	1,894,652	1,654,326	1,455,864	2,355,249
4,693,018	4,503,273	3,853,180	3,828,751	3,278,823	3,734,037
141,292,679	122,517,107	135,611,514	144,377,500	175,270,234	189,171,948
964,778	181,534	287,448	452,706	820,530	306,943
154,240,686	134,820,038	147,228,242	156,949,507	186,195,302	201,592,321
\$ (292,142,966)	\$ (329,863,706)	\$ (334,409,089)	\$ (346,632,923)	\$ (381,828,953)	\$ (369,463,455)

(Continued)

**School District U-46**

**Changes in Net Position (Continued)  
Last Ten Fiscal Years**

	2007	2008	2009	2010
<b>General Revenues</b>				
Property taxes:				
Levied for general purposes	\$ 205,075,226	\$ 212,797,890	\$ 221,434,756	\$ 226,224,333
Levied for Debt Service	32,321,416	33,390,049	34,386,905	35,039,161
Payments in lieu of taxes	3,975,944	4,578,094	3,854,557	3,134,569
Unrestricted state grants	67,600,037	68,831,087	53,944,813	51,743,683
Interest and investment earnings	5,599,826	4,157,558	1,114,337	103,114
Other general revenues	755,921	257,229	307,682	422,513
<b>Total General Revenues</b>	<b>315,328,370</b>	<b>324,011,907</b>	<b>315,043,050</b>	<b>316,667,373</b>
<b>Change in Net Position</b>	<b>\$ 15,286,730</b>	<b>\$ (922,303)</b>	<b>\$ (18,188,961)</b>	<b>\$ (20,809,039)</b>

Source: Annual Financial Statements 2007-2016.

Notes: The information is presented on the modified cash basis for the years 2008 and prior, and the accrual basis beginning in 2009.

Beginning in fiscal year 2011, payments to other governments and State on-behalf payments were allocated between instruction and support service expenses and shown accordingly.

Beginning in fiscal year 2016, Operations and Maintenance expense was reported on its own row, whereas, fiscal years 2015 and prior it was included in Business expense.

2011	2012	2013	2014	2015	2016
\$ 238,078,583	\$ 248,081,083	\$ 246,568,726	\$ 250,205,536	\$ 250,658,393	\$ 259,485,732
38,974,113	41,611,064	42,783,761	43,226,909	42,283,872	42,089,518
4,040,837	4,654,710	3,774,777	3,799,318	4,107,409	3,317,225
64,161,401	66,160,166	59,961,675	84,499,884	92,992,560	115,242,487
133,167	319,526	-	240,423	63,897	426,318
630,691	998,407	1,079,624	992,931	1,966,335	811,705
346,018,792	361,824,956	354,168,563	382,965,001	392,072,466	421,372,985
\$ 53,875,826	\$ 31,961,250	\$ 19,759,474	\$ 36,332,078	\$ 10,243,513	\$ 51,909,530

**School District U-46**

**Fund Balances, Governmental Funds  
Last Ten Fiscal Years**

	2007	2008	2009	2010	2011***	2012	2013	2014	2015	2016
<b>General Fund</b>										
Reserved	\$ 289,686	\$ 196,756	\$ 209,973	\$ 4,105,974	N/A	N/A	N/A	N/A	N/A	N/A
Unreserved	(3,706,770)	(3,811,497)	(41,915,757)	(37,312,889)	N/A	N/A	N/A	N/A	N/A	N/A
Nonspendable	N/A	N/A	N/A	N/A	\$ 1,761,685	\$ 2,378,365	\$ 1,014,489	\$ 790,187	\$ 856,536	\$ 1,068,571
Restricted	N/A	N/A	N/A	N/A	91,707,158	108,539,319	297,756	3,330,253	914,855	601,756
Unassigned	N/A	N/A	N/A	N/A	8,192,571	34,017,658	145,661,663	159,674,454	203,035,498	212,605,175
<b>Total General Fund</b>	<b>\$ (3,417,084)</b>	<b>\$ (3,614,741)</b>	<b>\$ (41,705,784)</b>	<b>\$ (33,206,915)</b>	<b>\$ 101,661,414</b>	<b>\$ 144,935,342</b>	<b>\$ 146,973,908</b>	<b>\$ 163,794,894</b>	<b>\$ 204,806,889</b>	<b>\$ 214,275,502</b>
<b>All Other Governmental Funds</b>										
Reserved	\$ 39,893,973	\$ 34,413,254	\$ 24,458,580	\$ 35,837,628	N/A	N/A	N/A	N/A	N/A	N/A
Unreserved, reported in:										
Special revenue funds	77,448,850	68,104,806	66,977,428	62,132,362	N/A	N/A	N/A	N/A	N/A	N/A
Restricted	N/A	N/A	N/A	N/A	\$ 33,724,667	\$ 29,864,415	\$ 29,864,415	\$ 28,017,606	\$ 29,088,709	\$ 29,879,966
Unassigned	N/A	N/A	N/A	N/A	(18,760,402)	(21,072,002)	(21,072,002)	(16,571,098)	(11,437,340)	(8,025,505)
<b>Total all other governmental funds</b>	<b>\$ 117,342,823</b>	<b>\$ 102,518,060</b>	<b>\$ 91,436,008</b>	<b>\$ 97,969,990</b>	<b>\$ 14,964,265</b>	<b>\$ 8,792,413</b>	<b>\$ 8,792,413</b>	<b>\$ 11,446,508</b>	<b>\$ 17,651,369</b>	<b>\$ 21,854,461</b>

Source: Annual Financial Statements 2007-2016.

Note: The information is presented on the modified cash basis for years 2008 and prior, and the modified accrual basis beginning in 2009.

\*\*\* Effective July 1, 2010, the District adopted the provisions of Governmental Accounting Standards Board Statement No. 54 ("GASB 54"), *Fund Balance Reporting and Government Fund Type Definitions*. This statement establishes fund balance classifications of Restricted, Committed, Assigned and Unassigned. Fund balances will not be classified as Reserved or Unreserved beginning in fiscal year 2011. In addition, this statement reclassified the working cash fund balance to be included within the General Fund.

*This page left blank intentionally.*

**School District U-46**

**Changes in Fund Balances, Governmental Funds  
Last Ten Fiscal Years**

	2007	2008	2009	2010
<b>Revenues</b>				
Local sources:				
Property taxes	\$ 237,396,642	\$ 246,187,939	\$ 255,821,661	\$ 261,263,494
Replacement taxes and other payments in lieu of taxes	3,975,944	4,578,094	3,773,557	3,053,569
Charges for services	11,106,741	11,730,720	11,384,259	9,772,661
Earnings on investments	5,599,826	4,157,558	1,114,337	103,114
Impact fees, rentals and other local sources	3,342,112	2,382,271	2,142,626	2,286,164
<b>Total local sources</b>	<b>261,421,265</b>	<b>269,036,582</b>	<b>274,236,440</b>	<b>276,479,002</b>
State sources:				
State grants-in-aid	109,958,592	101,647,698	94,968,684	85,042,918
State on-behalf payments	16,971,766	25,808,108	34,630,042	46,868,682
<b>Total state sources</b>	<b>126,930,358</b>	<b>127,455,806</b>	<b>129,598,726</b>	<b>131,911,600</b>
Federal sources,				
Federal grants-in-aid	22,240,757	26,716,812	39,563,940	53,206,061
<b>Total revenues</b>	<b>410,592,380</b>	<b>423,209,200</b>	<b>443,399,106</b>	<b>461,596,663</b>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular programs	117,128,966	121,094,338	128,971,936	131,049,168
Special programs	35,000,057	35,606,891	39,218,924	39,539,625
Other instructional programs	38,392,080	41,194,495	45,643,301	45,761,230
State on-behalf payments	16,971,766	25,808,108	34,630,042	46,868,682
<b>Total instruction</b>	<b>207,492,869</b>	<b>223,703,832</b>	<b>248,464,203</b>	<b>263,218,705</b>
Support services:				
Pupils	24,744,332	27,417,732	29,984,096	26,418,768
Instructional staff	14,386,197	15,410,170	14,710,807	13,924,195
General administration	8,469,365	10,242,630	14,447,028	18,379,668
School administration	22,995,799	22,920,993	24,691,749	21,475,686
Business	32,008,895	33,685,788	31,040,810	27,357,981
Operations and maintenance	-	-	-	-
Transportation	21,977,006	25,380,780	23,855,721	23,081,648
Facilities acquisition and construction	1,116,531	1,356,116	1,042,244	752,369
Food service	12,317,378	13,320,933	14,992,526	12,692,710
Central	10,938,383	12,276,504	11,830,777	9,579,069
Other support	239,079	217,009	279,403	1,313,172
<b>Total support services</b>	<b>149,192,965</b>	<b>162,228,655</b>	<b>166,875,161</b>	<b>154,975,266</b>
Community services	2,626,570	2,711,317	2,646,368	3,812,527
Intergovernmental:				
Payments to other governments	9,732,031	7,792,609	7,956,101	7,550,943

2011	2012	2013	2014	2015	2016
\$ 277,052,696	\$ 289,692,147	\$ 289,352,487	\$ 293,432,445	\$ 292,942,265	\$ 301,575,250
3,959,837	3,642,927	3,733,997	3,754,606	4,107,409	3,317,225
10,880,592	10,805,515	10,612,329	10,956,865	10,104,538	11,448,630
133,167	319,526	282,805	240,423	63,897	426,318
2,687,134	3,752,842	2,286,686	2,870,732	2,963,771	1,226,220
294,713,426	308,212,957	306,268,304	311,255,071	310,181,880	317,993,643
109,760,781	108,491,808	108,809,995	128,344,057	138,062,156	146,310,918
41,387,470	45,591,003	52,723,457	66,995,465	96,534,999	106,664,731
151,148,251	154,082,811	161,533,452	195,339,522	234,597,155	252,975,649
42,256,544	33,912,188	35,700,980	34,451,084	34,609,687	39,907,563
488,118,221	496,207,956	503,502,736	541,045,677	579,388,722	610,876,855
119,418,719	127,064,616	130,185,958	133,321,829	135,272,777	191,490,161
38,124,984	37,183,726	36,595,148	37,608,482	38,773,455	54,325,156
39,038,710	42,005,491	43,274,655	45,343,690	48,506,061	82,083,110
41,387,470	45,591,003	52,723,457	66,995,465	96,534,999	-
237,969,883	251,844,836	262,779,218	283,269,466	319,087,292	327,898,427
25,731,889	27,444,523	27,663,747	26,060,806	27,542,911	37,074,509
12,744,126	12,189,512	12,868,897	13,716,670	14,753,713	15,898,218
16,791,704	17,767,485	15,753,783	17,859,279	15,610,556	14,710,890
21,432,466	22,275,360	22,841,782	22,978,049	23,190,864	27,773,483
25,915,150	25,396,979	26,838,096	28,301,788	27,251,136	4,522,083
-	-	-	-	-	27,081,486
23,703,791	25,260,870	25,693,690	27,440,574	28,103,698	28,184,168
604,006	1,060,755	841,117	1,355,140	3,695,335	1,989,410
14,128,009	15,884,358	15,369,092	15,408,947	13,819,753	14,658,019
8,312,235	10,819,203	11,707,954	13,318,618	12,735,595	11,884,459
1,993,812	1,550,758	1,728,002	1,579,638	465,401	756,799
151,357,188	159,649,803	161,306,160	168,019,509	167,168,962	184,533,524
4,278,777	3,195,043	3,309,466	3,209,716	3,265,642	3,925,208
7,131,341	7,507,509	8,592,837	8,134,674	8,507,064	8,132,631

(Continued)

School District U-46

**Changes in Fund Balances, Governmental Funds (Continued)**  
**Last Ten Fiscal Years**

	2007	2008	2009	2010
<b>Total current</b>	\$ 369,044,435	\$ 396,436,413	\$ 425,941,833	\$ 429,557,441
Debt service:				
Principal	20,172,487	24,988,439	27,544,950	33,602,191
Interest and fees	10,899,062	11,231,187	12,718,067	9,765,565
Capital outlay	15,285,123	15,729,322	17,611,198	4,603,283
<b>Total Expenditures</b>	415,401,107	448,385,361	483,816,048	477,528,480
Excess of revenues over (under) expenditures	(4,808,727)	(25,176,161)	(40,416,942)	(15,931,817)
Other financing sources (uses):				
Proceeds from issuance of bonds	4,000,000	-	-	64,595,000
Premium on bonds sold	-	-	-	3,176,086
Discount on bonds sold	-	-	-	-
Proceeds from sale of equipment	-	-	-	-
Proceeds from issuance of debt certificates	7,266,920	6,200,000	-	-
Premium on debt certificates sold	102,832	-	-	-
Proceeds from issuance of purchase contracts	4,017,168	3,953,741	4,195,926	-
Transfer to escrow agent	-	-	-	(36,806,418)
Transfers in	5,747,053	-	4,324,525	4,424,969
Transfers out	(5,747,053)	-	(4,324,525)	(4,424,969)
<b>Total other financing sources (uses)</b>	15,386,920	10,153,741	4,195,926	30,964,668
<b>Net Change in Fund Balances</b>	\$ 10,578,193	\$ (15,022,420)	\$ (36,221,016)	\$ 15,032,851
Debt service expenditure as a percentage of noncapital expenditures	7.77%	8.37%	8.64%	9.17%

Source: Annual Financial Statements 2006-2015.

Note: The information is presented on the modified cash basis for years 2008 and prior, and the modified accrual basis beginning in 2009.

Beginning in fiscal year 2016, Operations and Maintenance expenditures was reported on a separate row, whereas, fiscal years 2015 and prior were included in Business expenditures.

Beginning in fiscal year 2016, State on-behalf payments were allocated to the appropriate function.

2011	2012	2013	2014	2015	2016
\$ 400,737,189	\$ 422,197,191	\$ 435,987,681	\$ 462,633,365	\$ 498,028,960	\$ 524,489,790
30,572,146	30,763,865	30,005,118	30,465,774	29,288,687	22,564,859
12,444,322	12,896,130	12,850,947	15,549,123	17,940,188	23,310,522
9,723,218	14,633,641	27,588,908	15,782,377	29,175,410	34,158,576
453,476,875	480,490,827	506,432,654	524,430,639	574,433,245	604,523,747
34,641,346	15,717,129	(2,929,918)	16,615,038	4,955,477	6,353,108
27,955,000	31,460,000	-	-	175,900,000	-
-	1,522,879	-	-	25,200,979	-
(440,725)	(5,801)	-	-	-	-
-	-	770,800	-	-	664,800
-	-	-	-	-	-
-	-	-	-	-	-
-	1,198,870	7,057,727	-	-	6,653,797
(10,293,017)	(12,791,001)	-	-	(158,839,600)	-
2,476,070	2,274,500	1,762,440	1,393,860	1,359,141	3,727,365
(2,476,070)	(2,274,500)	(1,762,440)	(1,393,860)	(1,359,141)	(3,727,365)
17,221,258	21,384,947	7,828,527	-	42,261,379	7,318,597
\$ 51,862,604	\$ 37,102,076	\$ 4,898,609	\$ 16,615,038	\$ 47,216,856	\$ 13,671,705
9.69%	9.37%	8.85%	9.80%	9.31%	8.04%

**School District U-46**

**Equalized Assessed Valuation and Estimated Actual Value of on Taxable Property  
Last Ten Levy Years**

Levy Year	County	Residential Property	Farm Property	Commercial Property
2015	Kane	\$ 1,119,472,730	\$ 3,894,961	\$ 238,469,133
2015	Cook	1,288,877,948	288,813	270,499,844
2015	DuPage	948,804,496	473,062	33,359,380
2015	All	3,357,155,174	4,656,836	542,328,357
2014	Kane	1,072,691,800	3,696,245	223,422,439
2014	Cook	1,335,038,197	291,179	276,661,777
2014	DuPage	919,089,436	464,297	33,064,550
2014	All	3,326,819,433	4,451,721	533,148,766
2013	Kane	1,102,287,009	3,400,185	238,161,645
2013	Cook	1,295,154,141	232,770	226,551,718
2013	DuPage	943,539,480	451,120	34,607,230
2013	All	3,340,980,630	4,084,075	499,320,593
2012	Kane	1,230,049,711	2,948,286	252,746,828
2012	Cook	1,569,656,648	228,260	247,244,287
2012	DuPage	1,015,572,450	437,990	37,121,460
2012	All	3,815,278,809	3,614,536	537,112,575
2011	Kane	1,403,073,572	3,084,634	265,234,409
2011	Cook	1,730,661,333	228,889	260,289,640
2011	DuPage	1,111,525,478	568,127	40,020,780
2011	All	4,245,260,383	3,881,650	565,544,829
2010	Kane	1,570,900,929	3,440,317	288,978,316
2010	Cook	1,910,951,304	243,584	272,649,282
2010	DuPage	1,214,186,104	566,546	41,398,280
2010	All	4,696,038,337	4,250,447	603,025,878
2009	Kane	1,683,474,618	3,651,082	311,004,983
2009	Cook	2,100,050,532	547,749	271,654,951
2009	DuPage	1,314,384,807	385,863	44,994,280
2009	All	5,097,909,957	4,584,694	627,654,214
2008	Kane	1,710,125,354	3,553,013	313,628,245
2008	Cook	1,961,274,458	833,008	284,092,650
2008	DuPage	1,324,394,586	382,394	45,240,240
2008	All	4,995,794,398	4,768,415	642,961,135
2007	Kane	1,651,979,101	3,462,418	296,541,559
2007	Cook	1,833,704,419	402,163	273,615,345
2007	DuPage	1,266,813,222	374,758	43,625,110
2007	All	4,752,496,742	4,239,339	613,782,014
2006	Kane	1,537,219,660	3,801,457	281,964,060
2006	Cook	1,563,824,251	436,217	228,355,747
2006	DuPage	1,195,497,138	386,008	40,045,140
2006	All	4,296,541,049	4,623,682	550,364,947

Source: Kane, Cook and DuPage County Clerk Tax Extension Offices

Notes: The 2015 levy year is the current levy year for the District as the property tax levy is on a calendar year in the State of Illinois. The county assesses property as approximately 33.33% of actual value. Estimated actual taxable value is calculated by dividing taxable value by percentage. Tax rates are per \$100 of assessed value.

Industrial Property	Railroad Property	Total Taxable Equalized Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value
\$ 124,953,952	\$ 1,546,941	\$ 1,488,337,717	7.1238	\$ 4,465,013,151
91,942,586	1,848,249	1,653,457,440	7.9470	4,960,372,320
1,944,259	1,844,159	986,425,356	6.8325	2,959,276,068
218,840,797	5,239,349	4,128,220,513		12,384,661,539
104,901,611	1,368,917	1,406,081,012	8.0229	4,218,243,036
94,788,944	1,532,574	1,708,312,671	7.6680	5,124,938,013
1,554,803	1,600,080	955,773,166	6.4133	2,867,319,498
201,245,358	4,501,571	4,070,166,849		12,210,500,547
96,171,351	1,547,962	1,441,568,152	5.9395	4,324,704,456
163,051,097	1,308,781	1,686,298,507	7.5800	5,058,895,521
1,557,563	1,309,952	981,465,345	7.8519	2,944,396,035
260,780,011	4,166,695	4,109,332,004		12,327,996,012
104,353,069	1,873,298	1,591,971,192	6.3706	4,775,913,576
178,579,242	568,434	1,996,276,871	6.5400	5,988,830,613
1,538,858	918,595	1,055,589,353	6.6052	3,166,768,059
284,471,169	3,360,327	4,643,837,416		13,931,512,248
107,924,673	952,421	1,780,269,709	5.5589	5,340,809,127
189,744,920	707,052	2,181,631,834	5.5062	6,544,895,502
1,444,933	874,204	1,154,433,522	5.6118	3,463,300,566
299,114,526	2,533,677	5,116,335,065		15,349,005,195
119,782,385	909,185	1,984,011,132	5.2661	5,952,033,396
236,263,977	774,398	2,420,882,545	5.0254	7,262,647,635
1,445,733	937,427	1,258,534,090	4.8392	3,775,602,270
357,492,095	2,621,010	5,663,427,767		16,990,283,301
128,783,758	721,869	2,127,636,310	4.5494	6,382,908,930
250,410,456	155,574	2,622,819,262	4.3390	7,868,457,786
1,436,844	608,486	1,361,810,280	4.6019	4,085,430,840
380,631,058	1,485,929	6,112,265,852		18,336,797,556
128,567,872	664,303	2,156,538,787	4.2066	6,469,616,361
281,117,291	135,843	2,527,453,250	4.4342	7,582,359,750
1,473,124	501,443	1,371,991,787	4.2591	4,115,975,361
411,158,287	1,301,589	6,055,983,824		18,167,951,472
121,842,461	537,053	2,074,362,592	4.3659	6,223,087,776
272,229,286	92,499	2,380,043,712	4.5650	7,140,131,136
1,681,823	395,398	1,312,890,311	4.2737	3,938,670,933
395,753,570	1,024,950	5,767,296,615		17,301,889,845
116,128,385	446,623	1,939,560,185	4.6954	5,818,680,555
220,696,917	68,395	2,013,381,527	4.8735	6,040,144,581
1,327,452	298,411	1,237,554,149	4.6781	3,712,662,447
338,152,754	813,429	5,190,495,861		15,571,487,583

**School District U-46**

**Property Tax Rates - Direct and Overlapping Governments  
Last Ten Levy Years**

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Direct										
School District U-46	7.1238	8.0229	6.4086	6.3706	5.8307	5.2661	4.5494	4.2066	4.3659	4.6954
Overlapping										
Kane County	0.4479	0.4684	0.4623	0.4336	0.3990	0.3730	0.3361	0.3336	0.3322	0.3452
Kane County Forest Preserve District	0.2944	0.3126	0.3039	0.2710	0.2609	0.2201	0.1997	0.1932	0.1974	0.1747
Gail Borden Library District	0.5294	0.5796	0.5087	0.4791	0.4084	0.3650	0.3380	0.3175	0.3111	0.3378
Elgin Township	0.1102	0.1160	0.1114	0.0997	0.0890	0.0783	0.0706	0.0692	0.0693	0.0715
Elgin Township Road Fund	0.0849	0.0893	0.0858	0.0762	0.0660	0.0581	0.0524	0.0514	0.0515	0.0531
City of Elgin	2.4110	2.3218	2.1668	1.9344	1.9836	1.9210	1.9202	1.9200	1.9200	1.9501
Fox River Water Reclamation District	0.0339	0.0409	0.3697	0.0344	0.0299	0.0273	0.0249	0.0240	0.0246	0.0270
Community College District 509	0.5609	0.6076	0.5707	0.5215	0.4456	0.4407	0.3833	0.3175	0.3280	0.3398
Total	11.5963	12.5591	10.9879	10.2205	9.5130	8.7497	7.8746	7.4330	7.6000	7.9946

Source: District Records

Notes: The tax rates presented are the property tax rates paid by a typical resident living in the City of Elgin, Kane County, in the District. Tax rates per \$100 of Equalized Assessed Valuation. The most recent levy year with full information available is presented.

**School District U-46**

**Principal Property Taxpayers  
Current Fiscal Year and Nine Fiscal Years Ago**

Name	Rank	2015 Equalized Assessed Valuation	Percent of District's Total EAV	Rank	2006 Equalized Assessed Valuation	Percent of District's Total EAV
Walmart and Sam's Club	1	\$20,136,048	0.49%	3	\$14,812,267	0.29%
Newplan Excel Realty	2	18,772,896	0.45			
Target Corporation	3	16,344,557	0.40	1	18,669,936	0.36
IRC	4	12,177,468	0.29	4	14,060,981	0.27
Property Valuation Serv	5	9,273,032	0.22	6	8,449,737	0.16
MHC-DEANZA Financing Limited Partnership	6	7,924,037	0.19	10	6,188,436	0.12
Willo Arms Associates Ltd II	7	6,668,019	0.16			
Claremont Hanover Park	8	6,657,537	0.16			
Heidner Property Mgmt	9	5,640,955	0.14			
Natl Shopping Plazas	10	5,033,471	0.12			
Bradley Operate Limited				2	18,174,635	0.35
Sears Roebuck & Company				5	10,728,410	0.21
Home Depot				7	7,778,391	0.15
Hunters Ridge/IRP II LLC				8	7,454,081	0.14
Ball Aerosol & Special				9	6,538,359	0.13
		<u>\$108,628,020</u>	<u>2.63%</u>		<u>\$112,855,233</u>	<u>2.17%</u>

Note: 2015 tax levy is the current levy in the District's fiscal year 2016.  
Source: Cook, Kane and DuPage County Clerk's and Assessor's Offices

**School District U-46**

**Property Tax Levies and Collections - Cook County  
Last Ten Levy Years**

	2015	2014	2013	2012
<b>Rates Extended</b>				
Educational	4.1504	3.9493	4.0325	3.8833
Tort immunity/liability insurance	0.3278	0.3135	0.2099	0.1434
Special education	0.8260	0.7898	0.8065	0.5507
Operations and maintenance	0.7743	0.7404	0.7328	0.5014
Transportation	0.4217	0.4034	0.3362	0.2189
Municipal retirement - IMRF	0.1634	0.1599	0.1532	0.1087
Social security	0.1333	0.1437	0.1397	0.1003
Bond and interest/supp.	0.8608	0.8906	0.9020	0.8029
Working cash	-	-	-	-
Life safety	0.0481	0.0459	0.0455	0.0344
Life safety limited bonds	-	-	-	-
Limited bonds	0.2404	0.2310	0.2217	0.1955
<b>Total Rates Extended</b>	<b>7.9462</b>	<b>7.6675</b>	<b>7.5800</b>	<b>6.5395</b>
<b>Levies Extended</b>				
Educational	\$ 68,624,895	\$ 67,465,304	\$ 68,000,191	\$ 77,521,882
Tort immunity/liability insurance	5,419,725	5,354,975	3,539,198	2,862,907
Special education	13,655,426	13,493,060	13,599,343	10,992,581
Operations and maintenance	12,802,965	12,649,854	12,357,671	10,008,905
Transportation	6,973,059	6,889,998	5,670,010	4,371,211
Municipal retirement - IMRF	2,700,054	2,732,058	2,584,066	2,168,185
Social security	2,204,271	2,455,683	2,356,571	2,002,190
Bond and interest/supp.	14,232,830	15,214,588	15,210,102	16,028,963
Working cash	-	-	-	-
Life safety	795,392	785,114	765,842	688,573
Life safety limited bonds	-	-	-	-
Limited bonds	3,974,341	3,946,992	3,738,151	3,902,150
<b>Total Levies Extended</b>	<b>\$ 131,382,958</b>	<b>\$ 130,987,626</b>	<b>\$ 127,821,145</b>	<b>\$ 130,547,547</b>
Current year collections	\$ 67,753,981	\$ 65,702,776	\$ 66,860,960	\$ 62,462,919
Subsequent year collections	-	61,964,879	57,636,244	64,717,012
<b>Total Collections</b>	<b>\$ 67,753,981</b>	<b>\$ 127,667,655</b>	<b>\$ 124,497,204</b>	<b>\$ 127,179,931</b>
<b>Percentage of extensions collected</b>				
Current year collections	51.57%	50.16%	52.31%	47.85%
Total collections	51.57%	97.47%	97.40%	97.42%

2011	2010	2009	2008	2007	2006
3.4078	3.4930	3.0397	3.1247	3.1657	3.4172
0.0847	0.0778	0.0657	0.0538	0.0755	0.0517
0.4180	0.0373	0.0347	0.0361	0.0363	0.0385
0.4323	0.3971	0.3348	0.3090	0.3396	0.3650
0.1438	0.1271	0.1012	0.1053	0.0968	0.1043
0.0899	0.0794	0.0706	0.0900	0.0903	0.0963
0.0830	0.0794	0.0706	0.0900	0.0903	0.0963
0.6783	0.5875	0.4889	0.4771	0.4934	0.5093
-	-	-	-	-	-
-	-	-	0.0121	0.0291	0.0297
-	-	-	0.0549	0.0696	0.0824
0.1684	0.1468	0.1326	0.0812	0.0784	0.0828
5.5062	5.0254	4.3388	4.4342	4.5650	4.8735

\$ 74,345,887	\$ 84,561,841	\$ 79,727,190	\$ 78,974,704	\$ 72,626,540	\$ 67,827,228
1,847,319	1,883,010	1,723,705	1,360,208	1,097,746	1,376,253
9,118,407	902,377	912,245	913,505	818,047	758,809
9,433,590	9,613,134	8,783,919	7,810,356	7,756,943	7,130,735
3,136,504	3,076,398	2,654,041	2,661,968	2,216,304	2,276,429
1,961,136	1,922,137	1,852,918	2,274,271	2,046,320	1,933,406
1,810,111	1,922,137	1,852,918	2,274,271	2,046,320	1,933,406
14,798,101	14,223,828	12,823,465	12,059,412	14,335,764	13,506,762
-	-	-	-	-	-
-	-	-	307,021	630,281	719,310
-	-	-	1,387,752	-	-
3,673,366	3,552,765	3,478,715	2,052,967	-	-
\$ 120,124,421	\$ 121,657,627	\$ 113,809,116	\$ 112,076,435	\$ 103,574,265	\$ 97,462,338

\$ 62,309,872	\$ 58,289,670	\$ 52,012,181	\$ 48,524,841	\$ 44,393,116	\$ 40,051,415
54,034,910	61,655,603	59,198,269	60,647,647	58,889,045	55,660,927
\$ 116,344,782	\$ 119,945,273	\$ 111,210,450	\$ 109,172,488	\$ 103,282,161	\$ 95,712,342

51.87%	47.91%	45.70%	43.30%	41.09%	N/A
96.85%	98.59%	97.72%	97.41%	98.20%	97.09%

**School District U-46**

**Property Tax Levies and Collections - DuPage County  
Last Ten Levy Years**

	2015	2014	2013	2012
<b>Rates Extended</b>				
Educational	3.5870	3.2785	4.2826	4.0429
Tort immunity/liability insurance	0.2834	0.2778	0.2083	0.1414
Special education	0.7137	0.6664	0.8370	0.5467
Operations and maintenance	0.6692	0.6414	0.7251	0.4687
Transportation	0.3645	0.3529	0.3337	0.2303
Municipal retirement - IMRF	0.1413	0.1389	0.1517	0.0988
Social security	0.1153	0.1253	0.1376	0.0778
Bond and interest/supp.	0.7163	0.7072	0.9078	0.7818
Bond and interest - limited	0.2001	0.1850	0.2231	0.1905
Working cash	-	-	-	-
Life safety	0.0417	0.0399	0.0450	0.0263
<b>Total Rates Extended</b>	<b>6.8325</b>	<b>6.4133</b>	<b>7.8519</b>	<b>6.6052</b>
<b>Levies Extended</b>				
Educational	\$ 35,383,078	\$ 31,335,023	\$ 42,032,235	\$ 42,676,422
Tort immunity/liability insurance	2,795,529	2,655,138	2,044,392	1,492,603
Special education	7,040,118	6,369,272	8,214,865	5,770,907
Operations and maintenance	6,601,158	6,130,329	7,116,605	4,947,547
Transportation	3,595,520	3,372,924	3,275,150	2,431,022
Municipal retirement - IMRF	1,393,819	1,327,569	1,488,883	1,042,922
Social security	1,137,348	1,197,584	1,350,496	821,249
Bond and interest/supp.	7,065,765	6,759,228	8,909,743	8,252,598
Bond and interest limited	1,973,837	1,768,180	2,189,649	2,010,898
Working cash	-	-	-	-
Life safety	411,339	381,353	441,659	277,620
<b>Total Levies Extended</b>	<b>\$ 67,397,511</b>	<b>\$ 61,296,600</b>	<b>\$ 77,063,677</b>	<b>\$ 69,723,788</b>
Current year collections	\$ 33,404,036	\$ 29,852,672	\$ 37,119,808	\$ 33,209,714
Subsequent year collections	-	31,125,026	39,827,829	36,441,218
<b>Total Collections</b>	<b>\$ 33,404,036</b>	<b>\$ 60,977,698</b>	<b>\$ 76,947,637</b>	<b>\$ 69,650,932</b>
<b>Percentage of extensions collected</b>				
Current year collections	49.56%	48.70%	48.17%	47.63%
Total collections	49.56%	99.48%	99.85%	99.90%

2011	2010	2009	2008	2007	2006
3.5530	3.3878	3.2406	2.9813	2.9817	3.2879
0.0854	0.0723	0.0703	0.0746	0.0710	0.0833
0.4226	0.0349	0.0370	0.0343	0.0342	0.0379
0.4355	0.3690	0.3569	0.3200	0.3199	0.3532
0.1448	0.1404	0.1079	0.0995	0.0914	0.0956
0.0907	0.0738	0.0757	0.0852	0.0852	0.0887
0.0837	0.0738	0.0757	0.0852	0.0852	0.0887
0.6377	0.5501	0.5015	0.4412	0.4441	0.4703
0.1584	0.1371	0.1363	0.1258	0.1328	0.1527
-	-	-	-	-	-
-	-	-	0.0120	0.0277	0.0198
5.6118	4.8392	4.6019	4.2591	4.2732	4.6781

\$ 41,017,023	\$ 42,636,618	\$ 44,130,824	\$ 40,903,191	\$ 39,146,450	\$ 40,689,543
985,886	909,920	957,353	1,023,506	1,114,644	1,030,883
4,878,636	439,228	503,870	470,593	449,008	469,033
5,027,558	4,643,991	4,860,301	4,390,374	4,199,936	4,371,041
1,671,620	1,766,982	1,469,393	1,365,132	1,387,725	1,183,102
1,047,071	928,798	1,030,890	1,168,937	1,118,583	1,097,711
966,261	928,798	1,030,890	1,168,937	1,118,583	1,097,711
7,361,823	6,923,196	6,829,470	6,053,228	7,574,064	7,709,962
1,828,623	1,725,450	1,856,147	1,725,966	-	-
-	-	-	-	-	-
-	-	-	164,639	-	245,036
\$ 64,784,500	\$ 60,902,982	\$ 62,669,138	\$ 58,434,503	\$ 56,108,993	\$ 57,894,022

\$ 31,108,515	\$ 30,363,549	\$ 30,004,777	\$ 27,377,411	\$ 26,097,148	\$ 27,397,647
33,516,034	30,498,793	32,603,756	31,001,864	29,954,558	30,436,037
\$ 64,624,549	\$ 60,862,342	\$ 62,608,533	\$ 58,379,275	\$ 56,051,706	\$ 57,833,684

48.02%	49.86%	47.88%	46.85%	46.51%	47.32%
99.75%	99.93%	99.90%	99.91%	99.90%	99.90%

**School District U-46**

**Property Tax Levies and Collections - Kane County  
Last Ten Levy Years**

	2015	2014	2013	2012
<b>Rates Extended</b>				
Educational	3.8188	3.9615	3.8031	3.9022
Tort immunity/liability insurance	0.3016	0.3085	0.1879	0.1379
Special education	0.7599	0.7860	0.7571	0.5296
Operations and maintenance	0.7124	0.7286	0.6563	0.4822
Transportation	0.3880	0.3969	0.3010	0.2105
Municipal retirement - IMRF	0.1503	0.1573	0.1372	0.1045
Social security	0.1227	0.1414	0.1251	0.0965
Bond and interest/supp.	0.9596	1.0423	0.9663	0.8066
Working cash	-	-	-	-
Working cash bonds	-	-	-	0.0841
Life safety	0.0442	0.0452	0.0408	-
Fire safety bonds	-	-	-	-
Prior year adjustment	0.1071	0.3000	(0.5662)	(0.0769)
<b>Levies Extended</b>	<b>7.3646</b>	<b>7.8677</b>	<b>6.4086</b>	<b>6.2771</b>
<b>Levies Extended</b>				
Educational	\$ 54,836,681	\$ 52,470,474	\$ 50,845,761	\$ 62,297,953
Tort immunity/liability insurance	4,330,910	4,085,778	2,512,489	2,200,917
Special education	10,912,435	10,411,350	10,122,444	8,454,302
Operations and maintenance	10,230,276	9,650,033	8,773,890	7,697,564
Transportation	5,572,272	5,257,196	4,024,671	3,361,286
Municipal retirement - IMRF	2,157,751	2,083,776	1,834,269	1,668,327
Social security	1,761,778	1,873,095	1,672,599	1,539,831
Bond and interest/supp.	13,994,649	14,233,892	13,452,011	13,486,795
Working cash	-	-	-	-
Working cash bonds	-	-	-	1,405,806
Life safety	635,186	598,959	544,792	528,948
Prior year adjustment	1,593,496	12,143,717	(8,161,715)	(1,224,095)
<b>Total Levies Extended</b>	<b>\$ 106,025,434</b>	<b>\$ 112,808,270</b>	<b>\$ 85,621,211</b>	<b>\$ 101,417,634</b>
Current year collections	\$ 51,819,201	\$ 56,658,282	\$ 43,224,911	\$ 50,178,087
Subsequent year collections	-	55,941,528	42,024,315	50,939,324
<b>Total Collections</b>	<b>\$ 51,819,201</b>	<b>\$ 112,599,810</b>	<b>\$ 85,249,226</b>	<b>\$ 101,117,411</b>
Percentage of extensions collected				
Current year collections	48.87%	50.23%	50.48%	49.48%
Total collections	48.87%	99.82%	99.57%	99.70%
<b>All Three Counties Combined</b>				
Total levies extended	\$ 304,805,903	\$ 305,092,496	\$ 290,506,033	\$ 301,688,969
Current year collections	\$ 152,977,218	\$ 152,213,730	\$ 147,205,680	\$ 145,850,720
Subsequent year collections	-	149,031,433	139,488,388	152,097,554
<b>Total collections</b>	<b>\$ 152,977,218</b>	<b>\$ 301,245,163</b>	<b>\$ 286,694,068</b>	<b>\$ 297,948,274</b>
Percentage of extensions collected				
Current year collections	50.19%	49.89%	50.67%	48.34%
Total collections	50.19%	98.74%	98.69%	98.76%

Note: Prior year adjustment amounts were allocated to the other extensions for years 2002-2008.

2011	2010	2009	2008	2007	2006
3.8426	3.7483	3.1850	3.0879	3.1403	3.2437
0.0922	0.0795	0.0688	0.0774	0.0749	0.0828
0.4551	0.0381	0.0364	0.0354	0.0359	0.0375
0.4707	0.4057	0.3509	0.3313	0.3369	0.3523
0.1566	0.1298	0.1060	0.1031	0.0961	0.0950
0.0979	0.0811	0.0740	0.0881	0.0949	0.0946
0.0904	0.0811	0.0740	0.0881	0.0895	0.0946
0.6922	0.6133	0.5332	0.4998	0.5259	0.5457
-	-	-	-	-	-
0.0756	0.0929	0.0821	0.0763	0.0732	0.0764
-	-	-	0.0119	0.0288	0.0310
-	-	-	-	-	-
(0.1425)	(0.0037)	0.0390	(0.1927)	(0.1252)	0.0418
5.8307	5.2661	4.5494	4.2066	4.3712	4.6954

\$ 64,322,072	\$ 74,365,813	\$ 67,765,315	\$ 66,591,910	\$ 63,520,045	\$ 63,479,651
1,543,760	1,577,458	1,464,219	1,668,808	1,550,644	1,619,646
7,617,338	756,543	774,122	763,076	726,919	734,842
7,878,911	8,048,261	7,465,272	7,145,642	6,814,216	6,894,983
2,620,542	2,575,447	2,255,567	2,223,643	2,248,910	1,857,834
1,638,626	1,609,644	1,573,986	1,899,782	1,810,734	1,850,465
1,512,582	1,609,644	1,573,986	1,899,782	1,810,734	1,850,465
12,951,697	12,167,590	11,345,247	10,779,074	12,081,955	12,175,338
-	-	-	-	-	-
1,414,548	1,842,955	1,747,089	1,645,622	-	-
-	-	-	256,466	-	606,129
(2,536,414)	(73,448)	830,738	(4,156,375)	-	-
\$ 98,963,662	\$ 104,479,907	\$ 96,795,541	\$ 90,717,430	\$ 90,564,157	\$ 91,069,353
\$ 48,496,568	\$ 50,460,307	\$ 48,399,771	\$ 41,642,782	\$ 43,644,195	\$ 44,190,832
50,131,935	53,806,269	48,250,917	48,754,604	46,773,020	46,740,095
\$ 98,628,503	\$ 104,266,576	\$ 96,650,688	\$ 90,397,386	\$ 90,417,215	\$ 90,930,927

49.00%	48.30%	50.00%	45.90%	45.61%	45.30%
99.66%	99.80%	99.85%	99.65%	99.80%	99.21%

\$ 283,872,583	\$ 287,040,516	\$ 273,273,795	\$ 261,228,368	\$ 250,247,415	\$ 246,425,713
\$ 141,914,955	\$ 139,113,526	\$ 130,416,729	\$ 117,545,034	\$ 114,134,459	\$ 111,639,894
137,682,879	145,960,665	140,052,942	140,404,115	135,616,623	132,837,059
\$ 279,597,834	\$ 285,074,191	\$ 270,469,672	\$ 257,949,149	\$ 249,751,082	\$ 244,476,953

49.99%	48.46%	47.72%	45.00%	45.61%	45.30%
98.49%	99.31%	98.97%	98.74%	99.80%	99.21%

**School District U-46**

**Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years**

Fiscal Year	General Obligation Bonds	Debt Certificates	Installment Notes	Purchase Contracts	Less: Amount Available in Debt Service Fund	Net Total Outstanding Debt
2016	\$ 300,649,545	\$ 2,968,433	\$ -	\$ 8,141,320	\$ 26,112,980	\$ 285,646,318
2015	319,635,442	3,381,622	-	4,653,296	23,941,233	303,729,127
2014	259,950,777	3,792,143	-	6,400,590	24,156,123	245,987,387
2013	287,505,995	4,200,013	-	8,903,276	23,737,065	276,872,219
2012	315,894,005	4,605,167	-	3,057,503	21,867,241	301,689,434
2011	322,144,437	5,150,170	40,880	5,281,183	19,252,458	313,364,212
2010	323,698,890	11,232,573	90,617	9,346,736	17,992,384	326,376,432
2009	316,460,991	12,392,393	152,087	14,272,637	18,241,011	325,037,097
2008	339,318,830	13,182,152	207,661	12,268,058	16,473,510	348,503,191
2007	364,109,311	7,124,536	263,235	11,282,489	18,848,214	363,931,357

Source: All Years: outstanding debt and debt service fund - District records  
 2015-2016: population and income data - U.S. Census Bureau: ACS 2006-2013  
 and ACS 2010-2014, respectively  
 2007-2014: district records and U.S. Census Bureau 2010 Census  
 ACS - American Community Study

Note: This schedule includes all debt financed with general governmental resources for which there is an established repayment schedule. Other long-term liabilities such as accreted interest on debt, retirement obligations and estimated liabilities such as compensated absences and claims incurred but not reported (IBNR) are not included.

Estimated Actual Taxable Property Value	Percentage Estimated Actual Taxable Property Value	Estimated Population	Net Total Outstanding Debt Per Capita	Estimated Personal Income	Percentage of Net Total Outstanding Debt to Est. Personal Income
\$ 12,384,661,539	2.31%	233,909	\$ 1,221	6,657,985,776	4.29%
12,210,500,547	2.49	231,224	1,314	6,568,842,616	4.62
12,327,996,012	2.00	240,000	1,025	6,818,160,000	3.61
13,931,512,248	1.99	240,000	1,154	6,830,160,000	4.05
15,349,005,195	1.97	240,000	1,257	6,744,480,000	4.47
16,990,283,301	1.84	240,000	1,306	6,537,360,000	4.79
18,336,797,556	1.78	240,000	1,360	6,437,760,000	5.07
17,725,722,858	1.83	240,000	1,354	6,480,240,000	5.02
17,301,889,845	2.01	240,000	1,452	6,269,760,000	5.56
15,571,487,583	2.34	240,000	1,516	6,030,960,000	6.03

**School District U-46**

**Ratios of Net General Bonded Debt Outstanding  
Last Ten Fiscal Years**

Fiscal Year	General Bonded Debt	Less: Amount Available in Debt Service Fund	Net General Bonded Debt	Estimated Actual Taxable Property Value	Percentage of Net General Bonded Debt to Estimated Actual Valuation
2016	\$ 300,649,545	\$ 26,112,980	\$ 274,536,565	\$ 12,384,661,539	2.22%
2015	319,635,442	23,941,233	295,694,209	12,210,500,547	2.42
2014	259,950,777	24,156,123	235,794,654	12,327,996,012	1.91
2013	287,505,995	23,737,065	263,768,930	13,931,512,248	1.89
2012	315,894,005	21,867,241	294,026,764	15,349,005,195	1.92
2011	322,144,437	19,252,458	302,891,979	16,990,283,301	1.78
2010	323,698,890	17,992,384	305,706,506	18,336,797,556	1.67
2009	316,460,991	18,241,011	298,219,980	17,725,722,858	1.68
2008	339,318,830	16,473,510	322,845,320	17,301,889,845	1.87
2007	364,109,311	18,848,214	345,261,097	15,571,487,583	2.22

Source: All Years: general bonded debt and debt service fund - District records  
 2015-2016: population and income data - U.S. Census Bureau: ACS 2006-2013  
 and ACS 2010-2014, respectively  
 2007-2014: district records and U.S. Census Bureau 2010 Census  
 ACS - American Community Study

Note: This schedule includes all general obligation bonded debt being financed by property taxes.

Estimated Population	Net General Bonded Debt Per Capita	Estimated Personal Income	Percentage of Net General Bonded Debt to Est. Personal Income
233,909	\$ 1,174	6,657,985,776	4.12%
231,224	1,279	6,568,842,616	4.50
240,000	982	6,818,160,000	3.46
240,000	1,099	6,830,160,000	3.86
240,000	1,225	6,744,480,000	4.36
240,000	1,262	6,537,360,000	4.63
240,000	1,274	6,437,760,000	4.75
240,000	1,243	6,480,240,000	4.60
240,000	1,345	6,269,760,000	5.15
240,000	1,439	6,030,960,000	5.72

**School District U-46**

**Legal Debt Margin Information  
Last Ten Fiscal Years**

	2016	2015	2014	2013
Debt limit	\$ 569,694,431	\$ 561,683,025	\$ 567,087,817	\$ 640,849,563
Total net debt applicable to limit	285,646,318	303,729,127	245,987,387	276,872,219
Legal debt margin	<u>\$ 284,048,113</u>	<u>\$ 257,953,898</u>	<u>\$ 321,100,430</u>	<u>\$ 363,977,344</u>
Total net debt applicable to the limit as a percentage of debt limit	50%	54%	43%	43%

Note: Legal debt limit from 2006-2015 was 13.8% of the EAV.

**Legal Debt Margin Calculation for Fiscal 2015**

Assessed Value	\$ 4,128,220,513
Debt limit (13.8%) of assessed value	<u>569,694,431</u>
Debt outstanding applicable to the limit:	
General obligation bonds	300,649,545
General obligation debt certificates	2,968,433
Purchase contracts	<u>8,141,320</u>
Total debt outstanding applicable to the limit	311,759,298
Less: Amount set aside for repayment of debt	<u>26,112,980</u>
Total net debt applicable to the limit	<u>285,646,318</u>
Total legal debt margin	<u>\$ 284,048,113</u>

Source: District Records

2012	2011	2010	2009	2008	2007
\$ 706,054,239	\$ 781,553,032	\$ 835,725,768	\$ 815,383,251	\$ 760,735,825	\$ 723,059,131
301,689,434	313,364,212	326,376,432	325,037,097	339,318,830	364,109,311
\$ 404,364,805	\$ 468,188,820	\$ 509,349,336	\$ 490,346,154	\$ 421,416,995	\$ 358,949,820
43%	40%	39%	40%	45%	50%

**School District U-46**

**Direct and Overlapping General Obligation Bonded Debt  
Current Fiscal Year**

<b>Governmental Unit</b>	<b>Outstanding Debt</b>	<b>Overlapping Percentage</b>	<b>Direct and Overlapping Debt</b>
Cook County	\$ 3,362,051,750	1.248%	\$ 41,958,406
Cook County Forest Preserve District	116,060,000 (1)	1.248	1,448,429
DuPage County	42,020,000 (1)(3)	2.908	1,221,942
DuPage County Forest Preserve District	140,577,987 (2)	2.908	4,088,008
Kane County	- (1)	12.377	-
Kane County Forest Preserve District	150,420,000 (1)	12.377	18,617,483
Metropolitan Water Reclamation District	2,629,938,992 (4)	1.245	32,742,740
<u>Municipalities:</u>			
Bartlett	24,275,000	100.000%	24,275,000
Elgin	29,120,000 (5)	72.391	21,080,259
Hanover Park	18,670,000	39.197	7,318,080
Hoffman Estates	104,800,000	9.756	10,224,288
Schaumburg	275,770,000 (6)	2.033	5,606,404
South Elgin	- (1)(4)	50.168	-
Streamwood	5,565,000	96.752	5,384,249
West Chicago	- (1)	1.354	-
<u>Library Districts:</u>			
Gail Borden	14,025,000	82.726%	11,602,322
Poplar Creek	17,765,000	79.720	14,162,258
<u>Park Districts:</u>			
Bartlett Park	25,910,000 (1)	99.209%	25,705,052
Carol Stream Park	51,526,966 (2)	7.376	3,800,629
Dundee Township Park	1,889,000 (1)(3)	0.574	10,843
Hanover Park Park	1,279,065 (1)	42.332	541,454
Hoffman Estates Park	9,905,000 (1)(3)	8.445	836,477
Schaumburg Park	17,890,000 (1)	1.976	353,506
St. Charles Park	23,940,000 (1)	2.712	649,253
Streamwood Park	2,909,000 (1)	100.000	2,909,000
West Chicago	16,070,000 (1)	1.871	300,670
<u>Miscellaneous:</u>			
Dundee Township	8,190,103	0.571%	46,765
Bartlett SSA #1 - Bluff City	7,400,000	100.000	7,400,000
Wayne SSA #5	670,000	25.353	169,865
West Chicago Fire District	- (1)	6.491	-
<u>School Districts:</u>			
Community College District #509	181,805,261 (2)	39.971%	<u>72,669,381</u>
Total Overlapping General Obligation Bonded Debt			315,122,763
Direct Debt:			
Community Unit School District #46	300,649,211 (2)	100.000%	<u>300,649,545</u>
Total Direct and Overlapping General Obligation Bonded Debt			<u>\$ 615,772,308</u>

(1) Excludes principal amounts of outstanding General Obligation Alternate Revenue Source Bonds which are expected to be paid from sources other than general taxation.

(2) Includes original principal amounts of outstanding General Obligation Capital Appreciation Bonds.

(3) Excludes outstanding Debt Certificates.

(4) Includes Illinois EPA Revolving Loan Fund Bonds.

(5) Excludes self-supporting bonds for which abatements are filed annually.

(6) Includes self-supporting bonds.

Note: The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the District's taxable assessed value that is within the government's boundaries and dividing it by the District's total taxable assessed value.

Source: Offices of the County Clerks of Cook, DuPage and Kane Counties, Illinois

**School District U-46**

**Principal Employers  
Current Fiscal Year and Nine Fiscal Years Ago**

Employer	Industry	2016			2007		
		Number of Employees	Rank	Percentage of Total District Population	Number of Employees	Rank	Percentage of Total District Population
Sears Holdings Corp.	Retail	5,000	1	2.1%	6,000	1	2.5%
School District U-46	Education	4,234	2	1.8	4,281	2	1.8
Chase	Bank	2,500	3	1.1			
AT&T, Inc.	Communications	2,500	4	1.1	2,700	4	1.1
Advocate Sherman Hospital	Medical	2,200	5	0.9	1,702	8	0.7
St. Alexius Medical Center	Medical	2,045	6	0.9	1,831	7	0.8
Presence Mercy Medical Center	Medical	1,300	7	0.6	945	9	0.4
Motorola, Inc	Communications	970	8	0.4	2,060	5	0.9
GE Capital Services	Finance	800	9	0.3	800	10	0.3
Catamaran Corp.	Medical Benefit Mgmt	800	10	0.3	800	10	0.3
Motorola Networks	Communications				4,000	3	1.7
Level 3 Communications, Inc.	Communications				2,000	6	0.8
Total employment of district principal employers		<u>22,349</u>			<u>27,119</u>		
Total district population		<u>233,909</u>			<u>240,000</u>		

Source: District Records, City of Elgin 2015 CAFR, Kane County 2015 CAFR, Village of Hoffman Estates 2015 CAFR

Note: The listing above indicates the area's largest employers within or near the District boundaries and their approximate number of employees. The purpose of this exhibit is to represent represent large area employees that may employ residents of the District.

**School District U-46**

**District Employment Statistics**

**Full-Time Equivalents (FTE)**

**Last Ten Fiscal Years**

Staff	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Teachers	2,399	2,421	2,362	2,311	2,243	2,203	2,516	2,582	2,440	2,474
Building substitutes	-	5	5	-	-	-	-	23	22	24
Noon hour supervisors (part-time)	78	80	76	89	91	93	102	119	137	115
Educational assistants/paraprofessionals	440	452	422	460	414	338	398	446	428	441
Secretary/clerical	222	229	222	211	205	212	268	304	294	297
Transportation	414	403	400	416	418	402	448	474	450	426
Custodial/maintenance	136	139	126	121	107	118	131	122	123	128
Technical/other	197	194	207	151	116	165	149	164	163	151
Food service	150	153	155	177	164	154	169	155	147	145
School administration	98	99	102	93	94	92	97	102	99	101
Supervisors/directors/coordinators	42	40	34	31	32	28	43	34	28	29
Central administration	31	29	33	39	35	33	25	33	33	32
Divisionals	17	17	16	16	15	16	20	25	23	24
Superintendent/executive staff	10	10	9	8	9	7	9	10	10	11
<b>Total staff</b>	<b>4,234</b>	<b>4,271</b>	<b>4,169</b>	<b>4,122</b>	<b>3,942</b>	<b>3,861</b>	<b>4,375</b>	<b>4,593</b>	<b>4,397</b>	<b>4,398</b>

Source: District Records

**School District U-46**

**Demographic and Economic Statistics  
Last Ten Fiscal Years**

Fiscal Year	School District U-46			Unemployment Rate
	(a) Estimated District Population	(b) Estimated Per Capita Income	(a) x (b) Estimated Personal Income	
2016	233,909	28,409	6,645,120,781	5.2%
2015	231,224	28,409	6,568,842,616	5.5
2014	240,000	28,409	6,818,160,000	6.5
2013	240,000	28,459	6,830,160,000	8.8
2012	240,000	28,102	6,744,480,000	8.9
2011	240,000	27,239	6,537,360,000	9.8
2010	240,000	26,824	6,437,760,000	10.7
2009	240,000	27,001	6,480,240,000	11.5
2008	240,000	26,124	6,269,760,000	6.3
2007	240,000	25,129	6,030,960,000	4.7

Source: 2015-2016: population and income data - U.S. Census Bureau: ACS 2006-2013 and ACS 2010-2014, respectively  
 2007-2014: district records and U.S. Census Bureau 2010 Census ACS - American Community Study  
 2007-2016: Unemployment Rate - U.S. Dept. of Labor: Local Area Unemployment Statistics Map by County June 2007 - June 2016 for Kane County, Illinois.

**School District U-46**

**Operating Indicators by Function  
Last Ten Fiscal Years**

Function	2016	2015	2014	2013
Instruction				
Student enrollment:				
Elementary	21,676	22,354	22,285	22,375
Middle school	5,719	5,822	6,034	6,012
High school	12,257	12,047	12,068	11,960
Total student enrollment	<u>39,652</u>	<u>40,223</u>	<u>40,387</u>	<u>40,347</u>
Support services - pupil				
% of students with disabilities	13.1%	12.8%	12.5%	12.9%
Support services - pupil				
Information technology services				
work orders completed	35,521	31,738	38,866	46,646
School administration				
Student attendance rate	94.3%	94.7%	94.0%	94.2%
Business				
Fiscal				
Purchase orders processed	9,596	8,742	7,912	9,440
Nonpayroll checks issued	7,335	7,343	7,491	7,977
Maintenance				
Maintenance work orders completed	29,057	27,035	17,575	27,201
District square footage maintained by				
custodians and maintenance staff	5,535,666	5,492,057	5,492,057	5,492,057
District acreage maintained by				
grounds staff	805	805	805	805
Transportation				
Average number of students				
Transported daily				
Regular, public schools	26,982	24,772	25,160	24,891
Non-public	8	7	16	14
Special education	2,088	2,064	1,720	1,743
Total number of students transported	<u>29,078</u>	<u>26,843</u>	<u>26,896</u>	<u>26,648</u>
Student transportation miles traveled				
Regular education	2,520,791	2,512,688	2,516,457	2,623,820
Special education	1,699,136	1,083,595	1,519,958	1,663,595
Non-reimbursable	154,797	297,215	269,997	357,238
Total student transportation	<u>4,374,724</u>	<u>3,893,498</u>	<u>4,306,412</u>	<u>4,644,653</u>

Source: Plant Operations, Transportation, Information Services, District Records  
and Financial Services

N/A: Not Available

2012	2011	2010	2009	2008	2007
22,348	22,853	22,863	22,734	22,765	22,795
6,006	5,972	6,107	6,102	6,264	6,170
12,048	12,327	11,998	11,976	11,680	11,415
40,402	41,152	40,968	40,812	40,709	40,380
13.2%	13.0%	14.3%	13.2%	13.7%	13.2%
43,176	33,519	45,661	40,270	42,080	48,540
94.2%	94.0%	94.1%	94.3%	94.3%	94.3%
10,051	9,579	9,013	11,507	13,906	13,398
8,352	7,967	7,779	9,627	9,734	10,923
23,276	25,709	26,669	30,690	28,840	24,800
5,492,057	5,492,057	5,492,057	5,492,057	5,492,057	5,492,057
805	805	805	805	805	805
24,447	24,375	24,028	23,477	23,628	21,820
18	25	10	6	-	-
2,132	2,133	2,125	2,333	2,077	2,321
26,597	26,533	26,163	25,816	25,705	24,141
2,406,833	2,066,821	2,598,143	3,214,182	2,110,472	2,692,281
2,427,205	2,290,604	2,379,919	2,721,107	2,566,295	2,117,736
316,234	226,244	349,651	490,778	508,435	452,050
5,150,272	4,583,669	5,327,713	6,426,067	5,185,202	5,262,067

**School District U-46**

**District Enrollment by School  
Last Ten Fiscal Years**

School	2015-2016	2014-2015	2013-2014	2012-2013	2011-2012	2010-2011	2009-2010	2008-2009	2007-2008	2006-2007
Bartlett	557	556	581	604	599	620	619	619	631	642
Centennial	484	458	480	477	484	521	551	527	544	566
Century Oaks	560	548	581	537	532	527	502	490	473	448
Channing	630	625	594	622	655	667	626	619	578	534
Clinton	452	439	458	495	446	425	417	436	457	434
Coleman	555	567	550	572	565	589	574	586	601	593
Creekside	698	655	662	668	572	522	610	543	557	586
Fox Meadow	701	734	764	741	788	823	774	773	799	769
Garfield	419	425	410	432	451	470	437	432	460	466
Harriet Gifford	529	541	510	518	511	457	487	485	495	495
Glenbrook	536	541	520	513	514	454	491	426	436	426
Hanover Countryside	429	448	461	483	439	418	448	433	455	450
Hawk Hollow	359	391	409	454	469	517	504	503	518	527
Heritage	473	498	503	510	535	480	507	507	544	538
Highland	489	515	493	517	532	546	526	524	553	555
Hillcrest	584	648	621	618	606	655	656	656	617	608
Hilltop	665	667	712	719	690	681	675	633	623	709
Horizon	603	531	525	518	531	552	551	551	617	622
Huff	643	660	677	680	659	669	629	627	624	660
Illinois Park	397	463	467	386	413	456	481	479	419	273
Independence	260	290	281	245	344	244	276	279	259	315
Laurel Hill	523	526	501	494	481	518	490	490	462	392
Liberty	682	733	687	516	643	594	547	546	548	656
Lincoln	627	646	649	656	699	691	664	664	618	625
Lords Park	694	761	733	688	724	743	783	782	796	831
Lowrie	385	400	407	401	404	423	445	445	423	409
Mckinley	386	404	414	436	435	407	432	432	442	454
Nature Ridge	686	706	695	706	732	775	755	772	795	742
Oakhill	478	480	477	526	551	590	550	649	655	624
Ontarioville	587	638	625	621	638	590	550	550	513	524
Otter Creek	730	806	731	671	668	627	620	605	531	588
Parkwood	421	435	427	471	410	459	437	437	413	461
Prairieview	383	407	400	389	397	450	479	479	510	577
Ridge Circle	506	518	513	521	495	514	555	530	546	627
Sheridan/Ronald O'Neal	557	566	528	515	497	487	494	495	517	528
Spring Trail	368	364	385	433	445	459	500	498	500	538
Sunnydale	404	393	381	348	385	423	456	431	437	449
Sycamore Trail	604	591	583	548	532	531	525	525	577	587
Timber Trails	511	556	586	596	580	533	482	506	462	454
Washington	411	438	481	436	437	467	436	436	443	458
Wayne	375	416	447	451	473	566	570	581	598	626
Willard	335	370	376	374	387	383	395	395	378	429
Woodland Heights	N/A	N/A	N/A	N/A	N/A	330	357	358	341	N/A
Abbott	489	498	539	474	487	548	523	523	529	555
Canton	638	658	646	634	736	732	780	780	909	965
Eastview	838	922	923	912	971	1,009	1,016	1,016	1,081	1,119
Ellis	627	600	634	661	645	596	549	546	512	489
Kenyon Woods	1,002	959	1,039	1,072	1,009	1,056	1,064	1,064	976	880
Kimball	621	642	682	675	671	623	679	679	765	793
Larsen	684	709	718	693	666	647	696	695	657	565
Tefft	820	831	853	815	821	761	800	799	835	804
Bartlett High School	2,548	2,590	2,610	2,653	2,664	2,671	2,728	2,725	2,698	2,850
Central School Programs	107	109	132	341	95	144	105	89	108	106
Elgin High School	2,550	2,478	2,453	2,443	2,378	2,373	2,191	2,188	2,089	2,147
Gifford High School	157	150	140	179	153	152	132	160	155	165
Larkin High School	2,109	1,950	1,962	1,942	1,995	2,148	2,178	2,169	2,163	2,289
South Elgin High School	2,770	2,791	2,745	2,675	2,682	2,569	2,383	2,372	2,157	1,555
Streamwood High School	2,016	1,982	2,026	2,072	2,081	2,270	2,281	2,273	2,310	2,303
Total Enrollment	39,652	40,223	40,387	40,347	40,402	41,152	40,968	40,812	40,709	40,380

Source: District records

Notes:

Enrollment based on Fall Housing Report  
Elementary totals include Pre-K students

N/A: Not Applicable

**School District U-46**

**District Facility Information  
June 30, 2016**

Building	Year Built	Year of Most Recent Addition	Square Footage
<i>Schools:</i>			
Garfield	1887	1998	45,448
Lowrie	1887	2000	41,252
McKinley	1887	2000	48,325
Washington	1893	2004	53,139
Gifford Street High School/Central Building	1911	1939	223,214
Bartlett	1928	2002	60,591
Ontarioville	1928	2013	55,531
Abbott	1932	2001	108,303
Wayne	1947	2003	59,875
Harriet Gifford	1949	2003	55,902
Larsen	1951	2002	103,886
Ellis	1952	2003	110,135
Coleman	1954	2016	67,746
Hanover Countryside	1954	1991	46,062
Huff	1954	1997	61,634
Willard	1954	2002	42,250
Clinton	1958	1999	47,233
Woodland Heights	1958	2001	37,736
Highland	1959	2016	61,726
Kimball	1959	2002	124,531
Laurel Hill	1962	2016	44,473
Streamwood Elementary	1962	1998	33,811
Larkin High	1962	2003	348,387
OakHill	1965	2003	61,958
Tefft	1965	1965	136,946
Hillcrest	1967	1999	46,553
Sunnydale	1967	2003	46,670
Channing	1968	2003	53,833
Ridge Circle	1969	2002	65,048
Century Oaks	1970	2000	50,827
Eastview	1970	2001	167,341
Glenbrook	1971	1998	46,815
Parkwood	1971	1999	42,903

(Continued)

**School District U-46**

**District Facility Information (Continued)  
June 30, 2016**

Building	Year Built	Year of Most		Square Footage
		Recent Addition		
<i>Schools (Continued):</i>				
Elgin High School	1972	2003		365,242
Sheridan/Ronald O'Neal	1973	1999		46,832
Heritage	1976	1999		47,185
Independence	1976	1998		32,150
Canton	1976			126,942
Herizon	1977	2002		63,828
Lords Park	1977	1998		61,823
Streamwood High School	1978	2002		289,811
Centennial	1991	2001		74,000
Prairieview	1992	2001		74,101
Sycamore Trails	1992	2001		71,390
Fox Meadow	1996	2001		69,390
Spring Trail	1996			59,778
Bartlett High School	1997	2001		397,787
Creekside	1998			58,732
Illinois Park	1999			50,385
Nature Ridge	1999	2003		57,678
Hawk Hollow	2002			53,125
Liberty	2002			61,630
Otter Creek	2002			62,612
Hilltop	2003			63,212
Lincoln	2003			53,178
Timber Trails	2003			56,454
Kenyon Woods	2003			153,563
South Elgin High School	2004			384,365
<i>Other Buildings:</i>				
4 South Gifford	N/A			5,676
Observatory	1910			4,083
Transportation	N/A			31,130
Plant operation	2001			31,500
Warehouse	2002			28,000
Total				<u>5,535,666</u>

Source: District records  
N/A: Not Available

**School District U-46**

**Average Daily Attendance and Operating Expenditures Per Pupil  
Last Ten Fiscal Years**

Year Ended June 30,	Expenditures*	Deductions**	Operating Expenditures	Average Daily Attendance	Operating Expenditures Per Pupil
2016	\$ 493,979,652	\$ 73,577,129	\$ 420,402,523	34,759	\$ 12,095
2015	474,895,225	75,458,737	399,436,488	35,026	11,404
2014	454,035,207	75,412,143	378,623,064	35,779	10,582
2013	449,100,191	85,496,629	363,603,562	35,995	10,102
2012	429,938,191	82,315,321	347,622,870	35,983	9,661
2011	453,476,875	101,996,241	351,480,634	36,668	9,247
2010	426,098,295	66,647,497	359,450,798	36,456	9,860
2009	436,222,997	48,149,501	388,073,496	36,289	10,694
2008	411,555,432	48,103,164	363,452,268	36,205	10,039
2007	388,225,546	44,684,034	343,541,512	35,898	9,570

Source: Annual Financial Report to State Board of Education

\* Expenditures include only the General, Special Revenue and Debt Service Funds and do not include on-behalf payments made by the State of Illinois for TRS/THIS.

\*\*Deductions are comprised of revenues or expenditures not applicable to the regular K-12 programs including capital outlay, debt services and payments to other governments.

*This page left blank intentionally.*