

# SCHOOL DISTRICT U-46

Kane, Cook and DuPage  
Counties, Illinois

## ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended  
**June 30, 2022**



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

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

**ANNUAL COMPREHENSIVE FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED  
JUNE 30, 2022**

Prepared By:

Mr. Dale Burnidge  
Director of Financial Operations

## SCHOOL DISTRICT U-46

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Tony Sanders, Superintendent

**School District U-46**  
Education Service Center  
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Tel: 847.888.5000 x5007  
Fax: 847.608.4173

[www.u-46.org](http://www.u-46.org)

December 15, 2022

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

We are pleased to submit the Annual Comprehensive Financial Report (ACFR) of School District U-46, Elgin, Illinois, (the District) as of and for the year ended June 30, 2022. The audit was completed and the Independent Auditor's Report was issued on December 15, 2022.

### **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 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; 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 all disclosures, necessary for public understanding of the District's financial status, have been incorporated within this report.

### **Financial Reporting**

The ACFR includes all funds of the District and is presented in three sections: Introductory, Financial, and Statistical. The Introductory Section includes this transmittal letter, the District's organizational chart, 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, 2022 (pages 1 - 3). The submission of the ACFR is intended to meet these annual requirements.

The District is required to undergo an annual single audit in conformity with the provisions of Title 2 U. S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). 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 organizational chart of the District. The lines of authority on the organizational chart (page viii) 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 nearly 36,000 children in grades Pre-K-12 at our 57 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 66).

## **ECONOMIC CONDITION**

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

Although local property tax revenue is the District's largest revenue source, the State of Illinois contributes approximately 38% of our funding, excluding on-behalf contributions. Prior to the COVID-19 pandemic, the State of Illinois was in financial difficulty and was often slow in paying funds vouchered by the State Board of Education for mandated categorical payments, however the adoption of the Evidence- Based Funding for Student Success Act (EBF) has positively impacted the District with increased funding. Due to the additional Federal funds provided to the state, categorical payments have been paid timely during this past year. The District has also received additional Federal funds through the American Rescue Plan Act to help address the learning loss attributable to the pandemic.



Approximately half of the District's revenues, excluding on-behalf contributions, 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 declined each year thereafter until hitting a low of \$4,070,166,849 in tax year 2014. The EAV increased for each of the next six tax years with a slight decrease in the most recent tax year. The most recent EAV, the 2021 tax year, is \$5,377,814,859 which is a decrease over the prior year of 0.3 percent. Property tax revenue growth from year to year closely tracks the Consumer Price Index (CPI) for the related period. Within the past ten years CPI has peaked at 7.0 percent in 2021 and hit a low of 0.7 percent in 2015. The 10-year average increase was 2.15 percent.

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

The District continues to review all expenditures to assure that the District is making efficient and fiscally responsible decisions. With its conservative budgeting, U-46 has weathered both the recession and the recent 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 2021 for the tenth consecutive year.

During this same time period the District's General Fund balance has increased \$207,860,390 from \$146,973,908 in fiscal year 2013 to \$357,661,518 in fiscal year 2022. Over the next five years management will continue to maintain a minimum balance of 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 and 2021, the District refunded several debt issuances with the purpose of improving interest rates and smoothing out the debt service payments over the next several years. As of June 30, 2022, the District's net general bonded debt was \$185,891,078, down from \$382,837,718 (51%) a decade ago. One bond series will fully mature in January of 2023 along with the remaining debt certificates. Management will continue to identify and recommend solutions for maintaining a responsible level of debt while addressing the District's capital project needs and fully anticipates the outstanding debt to decline over the next few years.

### **Projected Enrollment**

The District's enrollment decreased 1.5 percent from 2021 to 2022 and is projected to decrease approximately 2 percent per year over the next three years. Lower birth rates in the area over the last 5 years is the primary factor for the reduction in the projected enrollments. 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 57 school buildings, one alternative high school and two Pre-K centers the District operates 10 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 school buildings, one alternative high school and two Pre-K centers, not including subsequent renovations, is 55.5 years. For the buildings that had an addition and/or renovation the average age of the last addition and/or renovation is 22 years. The District is in the process of implementing an Educational Facility Master Plan to address the adequacy and readiness of the schools.

### **Relevant Financial Policies**

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

The Board of Education (the Board) adopted the annual budget (September 2021), 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 made 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 has posted the District's final budget, itemized by receipts and expenditures, on the District's official website, and notified 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 20 percent of the annual expenditures to operating funds.

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

The District's 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.



## AWARDS AND ACKNOWLEDGEMENTS

The Association of School Business Officials (ASBO) International has awarded School District U-46 its Certificate of Excellence in Financial Reporting for having met or exceeded the program's high standards for financial reporting and accountability for the past six fiscal years. The District was recognized for its Annual Comprehensive Financial Report for the fiscal year ending June 30, 2021.

A Certificate of Excellence is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the program's requirements and we are submitting it to the ASBO to determine its eligibility for continued certification.

It is our intention that this Annual Comprehensive 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, 2022.

The preparation of the ACFR 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.

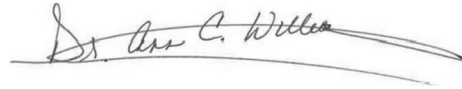
In closing, without the leadership and support of the School District U-46 Board of Education, preparation of this report would not have been possible.

Respectfully submitted,



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Dr. Tony Sanders  
Superintendent



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Dr. Ann Williams  
Deputy Superintendent of Operations/CSBO



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Dale Burnidge  
Director of Financial Operations

## **SCHOOL DISTRICT U-46**

### **Principal Officials**

#### **Board of Education**

Sue Kerr, President – term expires 2023  
Melissa Owens, Vice President – term expires 2025  
Kate Thommes, Secretary Pro-Tempore – term expires 2023  
John Devereux, Member – term expires 2023  
Dawn Martin, Member – term expires 2025  
Veronica Noland, Member – term expires 2025  
Eva Porter, Member – term expires 2023  
Angelica Harris, Student Advisor – term expires 2023

#### **Superintendent and Executive Staff**

Dr. Tony Sanders, Superintendent  
Trisha Olson, Chief Legal Officer  
Dr. Suzanne Johnson, Deputy Superintendent, Instruction  
Dr. Josh Carpenter, Assistant Superintendent, Teaching and Learning  
Lela Majstorovic, Assistant Superintendent, Schools  
Dr. Teresa Lance, Assistant Superintendent Equity and Innovation  
Mark Moore, Assistant Superintendent, Human Resources

#### **Official Issuing Report**

Dr. Ann Williams, Deputy Superintendent, Operations and Chief School Business Officer  
Dale Burnidge, Director of Financial Operations

#### **Division Issuing Report**

Sara McGregor, Accounts Payable Manager  
Diane Belton, Payroll Coordinator  
Ray Shifrin, Pension Specialist  
Kathy Fitzpatrick, Grants Manager  
Aleli Go, Grants Accounting Specialist  
Judy Freeman, General Accountant  
Paz Pamatmat, Financial Analyst  
Rosita Mania, Senior Accountant  
Berenice Toppel, Accounting Assistant



**The Certificate of Excellence in Financial Reporting  
is presented to**

## **School District U-46**

**for its Annual Comprehensive Financial Report  
for the Fiscal Year Ended June 30, 2021.**

The district report meets the criteria established for  
ASBO International's Certificate of Excellence in Financial Reporting.



A handwritten signature in black ink, appearing to read 'Will Sutter'.

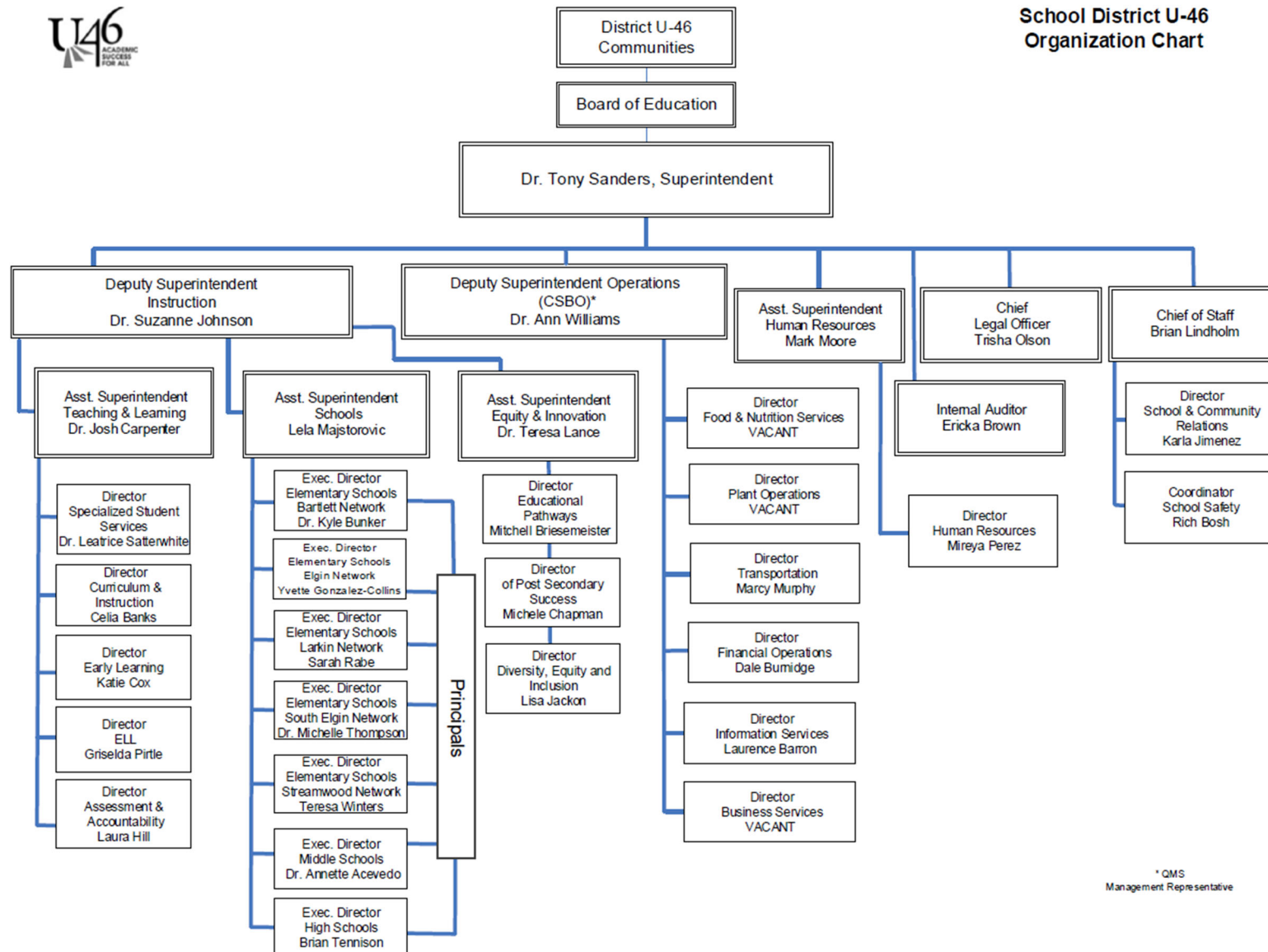
**William A. Sutter**  
**President**

A handwritten signature in black ink, appearing to read 'David J. Lewis'.

**David J. Lewis**  
**Executive Director**



## School District U-46 Organization Chart



\* QMS  
Management Representative



## Independent Auditor's Report

Members of the Board of Education  
School District U-46

### Report on the Audit of the Financial Statements

#### ***Opinions***

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of School District U-46, Elgin, Illinois (the District), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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 the District, as of June 30, 2022, and the respective changes in financial position in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Responsibilities of Management for the Financial Statements***

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

#### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

In performing an audit in accordance with GAAS, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

#### ***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, schedules of net pension and other postemployment benefits (OPEB) liabilities, employer contributions, budgetary comparison information, and related notes as identified in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

#### ***Supplementary 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 supplemental information, such as the combining and individual fund financial statements, schedule of changes in student activity accounts, and schedule of bonded debt and annual interest requirements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements, schedule of changes in student activity accounts, and schedule of bonded debt and annual interest requirements information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

*RSM US LLP*

Chicago, Illinois  
December 15, 2022

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

## **School District U-46**

### **Management's Discussion and Analysis For the Year Ended June 30, 2022**

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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, 2022. 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 outflows of resources at the close of the fiscal year by \$340.3 million (net position).
- In total, net position increased by \$131.6 million. This increase was primarily the result of lower than expected actual expenses.
- General revenues were \$557.0 million or 69.0 percent of all revenues. Program specific revenues, in the form of charges for services and grants, were \$250.2 million or 31.0 percent of total revenues of \$807.2 million.
- Overall, the combined revenues of the District's governmental funds were \$47.0 million more than expenditures. This surplus increased the District's governmental funds' combined fund balance by 11.8 percent to \$446.7 million from \$399.7 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 basic 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, 2022

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#### *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 are considered governmental funds (the District maintains no proprietary or fiduciary 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.

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), and the Debt Service Fund. Management has determined the Debt Service Fund to be major due to public interest. Data from the other four 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.



## **School District U-46**

### **Management's Discussion and Analysis (Continued) For the Year Ended June 30, 2022**

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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.

#### *Notes to basic financial statements*

The notes to basic 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 \$131.6 million. At year-end, total net position was \$340.3 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 retired/refunded a net amount of \$33.3 million of general obligation bonds, debt certificates and related discounts and premiums and accreted interest on long-term debt during the year.
- The District recognized \$291.7 million in property taxes for general purposes, which exceeded the revenue from the prior year by \$7.5 million.
- During the year, the District's net pension asset related to IMRF, increased by \$16.5 million while the net pension liability related to TRS decreased by \$5.8 million due to income earned on investments.

School District U-46

Management's Discussion and Analysis (Continued)  
For the Year Ended June 30, 2022

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

	<b>Governmental Activities</b>		<b>Percentage Change</b>
	<b>2022</b>	<b>2021</b>	
<b>Assets</b>			
Current assets	\$ 707.6	\$ 638.9	10.8%
Capital assets	438.5	436.5	0.5%
Net pension asset	33.2	1.5	100.0%
<b>Total assets</b>	<b>1,179.3</b>	<b>1,076.9</b>	<b>9.5%</b>
<b>Deferred Outflows</b>	<b>34.9</b>	<b>37.4</b>	<b>(6.7)%</b>
<b>Liabilities</b>			
Long-term liabilities	490.7	574.7	(14.6)%
Other liabilities	58.5	64.2	(8.9)%
<b>Total liabilities</b>	<b>549.2</b>	<b>638.9</b>	<b>(14.0)%</b>
<b>Deferred Inflows</b>	<b>324.7</b>	<b>266.7</b>	<b>21.7%</b>
<b>Net Position</b>			
Net investment in capital assets	308.0	293.0	5.1%
Restricted	43.0	34.2	25.7%
Unrestricted	(10.7)	(118.5)	91.0%
<b>Total net position</b>	<b>\$ 340.3</b>	<b>\$ 208.7</b>	<b>63.1%</b>

**School District U-46**

**Management's Discussion and Analysis (Continued)**  
**For the Year Ended June 30, 2022**

Table 2, Changes in Net Position, illustrates in summary revenues and expenses from fiscal year 2022 and the increase in net position of \$131.6 million. Comparative data from fiscal year 2021 is also illustrated.

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

	<b>Governmental Activities</b>		<b>Percentage Change</b>
	<b>2022</b>	<b>2021</b>	
<b>Revenues</b>			
Program revenues			
Charges for services	\$ 6.9	\$ 4.6	50.0%
Operating grants and contributions - non-on-behalf	114.4	83.7	36.7%
Operating grants and contributions - state on-behalf contributions - TRS and THIS	127.6	217.5	(41.3)%
Capital grants and contributions	1.3	0.5	160.0%
General revenues			
Property and replacement taxes	336.5	323.0	4.2%
Evidence based funding	220.8	197.0	12.1%
Other	(0.3)	3.7	(108.1)%
<b>Total revenues</b>	<b>807.2</b>	<b>830.0</b>	<b>(2.7)%</b>
<b>Expenses</b>			
Instruction	327.3	317.3	3.2%
Support services	209.0	204.6	2.2%
Community services	2.0	2.4	(16.7)%
State on-behalf contributions - TRS and THIS	127.6	217.5	(41.3)%
Debt service - interest and fees	9.7	10.9	(11.0)%
<b>Total expenses</b>	<b>675.6</b>	<b>752.7</b>	<b>(10.2)%</b>
<b>Increase in net position</b>	<b>\$ 131.6</b>	<b>\$ 77.3</b>	<b>70.2%</b>

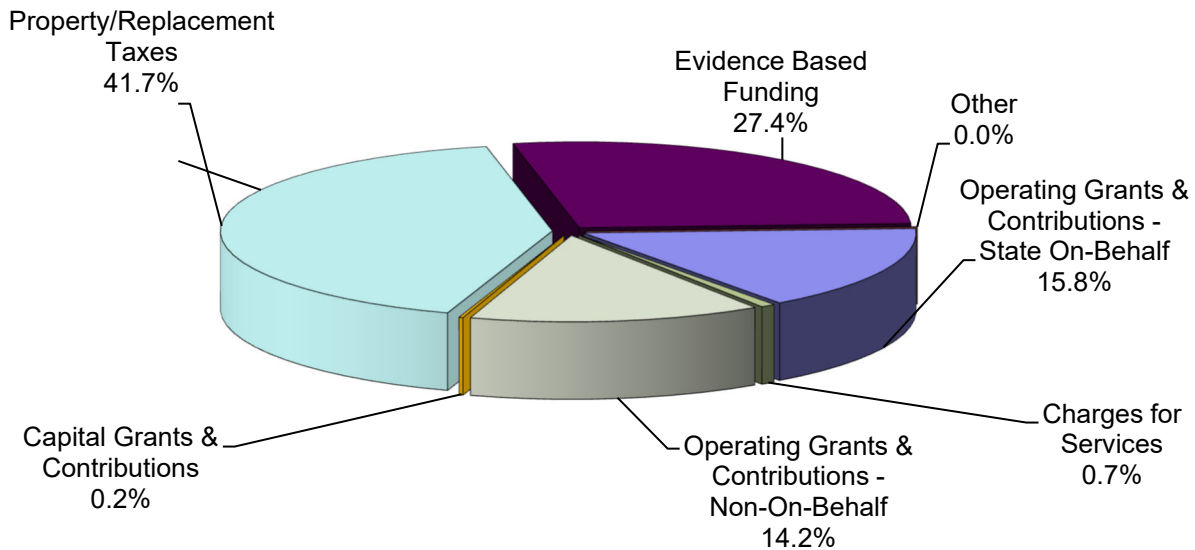
## School District U-46

### Management's Discussion and Analysis (Continued) For the Year Ended June 30, 2022

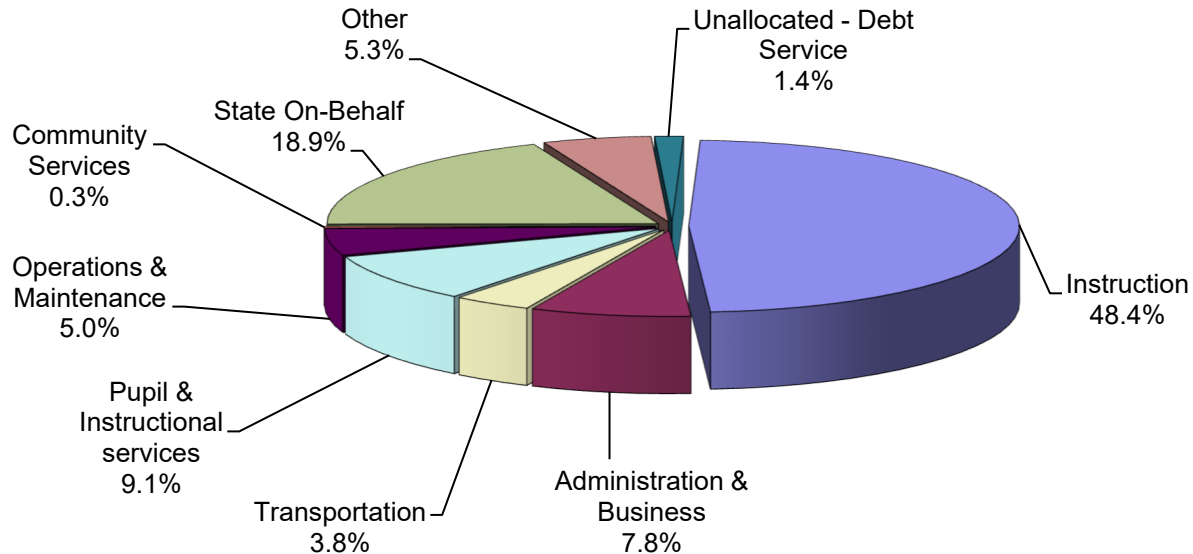
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The District's total revenues were \$807.2 million. General revenues, mainly consisting of taxes and Evidence Based Funding were 69.0 percent of the total or \$557.0 million. Property and replacement taxes increased \$13.5 million over the prior year or 4.2 percent. Evidence Based Funding brought in \$220.8 million, an increase of \$23.8 million or 12.1 percent. Grants and contributions for specific programs brought in \$115.7 million, an increase of 14.3 percent over the prior year. The total cost of all programs and services in 2022 was \$675.6 million. The District's expenses are predominantly related to instruction and support services (caring for and transportation of students, etc.), which accounted for 48.4 percent of the total expense (see Table 2.2). The District's remaining activities, unallocated debt service, the State's on-behalf allocations of retirement and other post-employment benefits and community services, were 51.6 percent of total expense. Total revenues on the statement of activities surpassed expenses, increasing net position by \$131.6 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, 2022

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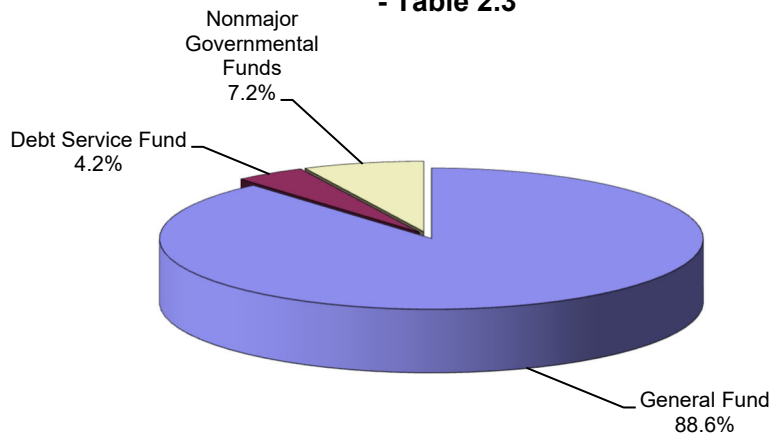
#### Financial Analysis of the District's Funds

As the District completed the year, its governmental funds reported combined fund balances of \$446.7 million. Revenues for the District's governmental funds were \$783.7 million, while total expenditures were \$736.9 million. Of the revenues and expenditures reported in the governmental funds, \$128.9 million of the revenues and expenditures were attributable to State on-behalf payments. These on-behalf payments include contributions made to Teachers' Retirement System (TRS) and Teachers' Health Insurance Security Fund (THIS) by the State of Illinois on behalf of School District U-46.

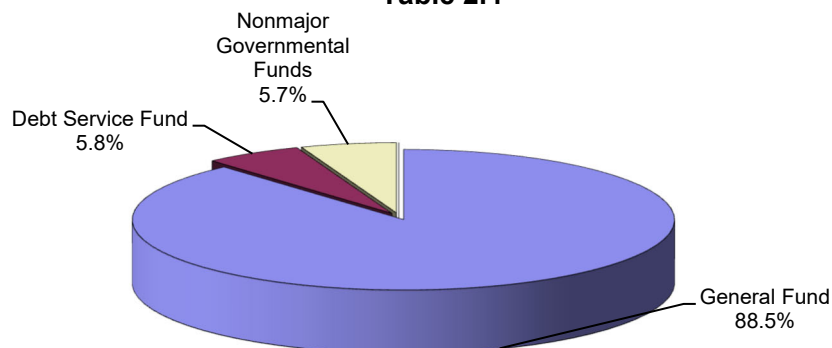
The General Fund experienced a current year surplus of \$43.1 million before other financing sources (uses) and transfers out. This was due to less than expected expenditures. This decrease in expenditures resulted in an increase in the year-end fund balance to \$357.7 million.

During the year, a portion of the 2021 levy was abated resulting in \$10.1 million being transferred into the Debt Service Fund from the General Fund. This transfer balanced out most of deficiency of revenues under expenditures of \$10.4 million. The District issued a refunding bond in 2021, the proceeds and payments to the escrow agent were all accounted for in the Debt Service Fund. The resulting year-end fund balance in the Debt Service Fund was \$33.1 million.

**Revenues by Major Fund and Aggregate Nonmajor Funds  
- Table 2.3**



**Expenditures by Major Fund and Aggregate Nonmajor Funds  
- Table 2.4**



## School District U-46

### Management's Discussion and Analysis (Continued) For the Year Ended June 30, 2022

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#### General Fund Budgetary Highlights

While the District's budget for the General Fund anticipated that revenues would exceed expenditures by \$11.6 million before other financing uses, the actual result for the year was an excess of revenues over expenditures of \$43.1 million. State and federal grants were below budget by \$15.6 million. This variance is due to the timing of cash receipts as a number of payments were received after the end of the District's period of availability. Regular program expenditures came in under budget by \$34.5 million, primarily driven by less than anticipated salary and benefit expenditures while capital outlay came in under budget by \$10.1 million due to some capital projects starting later in the fiscal year than originally anticipated. Overall, actual expenditures were below budget by \$46.0 million or 8.1 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)**

	2022	2021	Percentage Change
Land	\$ 28.4	\$ 28.4	0.0%
Construction in progress	12.6	10.8	16.7%
Buildings	388.1	385.3	0.7%
Transportation equipment	5.5	8.0	(31.3)%
Other equipment	3.8	4.1	(7.3)%
Total	<u>\$ 438.4</u>	<u>\$ 436.6</u>	<u>0.4%</u>

At June 30, 2022, the District has outstanding commitments relating to construction projects of approximately \$12.0 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 reduced outstanding general obligation bonded debt, debt certificates and related items by \$33.3 million. The pension and postemployment benefit liabilities decreased \$50.8 million primarily due to a \$42.8 million decrease in the postretirement benefit associated with THIS. Additionally, there continues to be no net pension liability associated with IMRF which is in a net asset position. Claims incurred but not reported and compensated absences remained consistent with the prior year balances. Additional information is available in Note 4 - Long-Term Obligations and Net Pension Asset.

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, 2022, the statutory debt limit for the District was \$742.1 million providing a debt margin of \$589.3 million.



## School District U-46

### Management's Discussion and Analysis (Continued) For the Year Ended June 30, 2022

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 2022 were 1.15 percent and \$813, respectively. Due to the reduction of outstanding bonded debt, the general bonded debt to assessed valuation decreased compared to fiscal year 2021 when the ratio was 1.35 percent. The bonded debt per capita decreased from fiscal year 2021 when it was \$935.

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

	2022	2021	Percentage Change
General obligation bonds/debt certificates	\$ 219.5	\$ 252.8	(13.2)%
Other	271.2	322.0	(15.8)%
<b>Total</b>	<b>\$ 490.7</b>	<b>\$ 574.8</b>	<b>(14.6)%</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.

- In 2017, Illinois approved a new law changing the Illinois Pension Code which will shift additional pension costs to the District for the Teachers' Retirement System. At this time, the starting date for the new law has not yet been determined.
- To address the improvements needed for its aging facilities, the District's Unite U-46 community engagement initiative, will look to develop recommendations on the best way to implement the vision of the District's Board of Education. The Educational Facility Master Plan (EFMP) assessed our infrastructure, classrooms, and overall facility use, efficiency, and readiness in order to meet the District's vision of moving to a true middle school model (grades 6-8 versus only 7 and 8); using space in the elementary schools to expand early childhood opportunities across the District, and to replace and/or renovate some of our older elementary school buildings to provide equitable access to learning environments that support academic success for all.
- 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 investments in its capital assets are reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**School District U-46****Management's Discussion and Analysis (Continued)**  
**For the Year Ended June 30, 2022**

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**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 Deputy Superintendent of Operations/CSBO, School District U-46, 355 E. Chicago St., Elgin, IL 60120.

## **BASIC FINANCIAL STATEMENTS**

**School District U-46**

**Statement of Net Position  
June 30, 2022**

	Governmental Activities
<b>Assets and Deferred Outflows of Resources</b>	
Assets	
Cash and investments	\$ 498,502,524
Accrued interest	30,119
Property taxes receivable, net of allowance	152,958,200
Replacement taxes receivable	1,995,810
Grants receivable	52,794,247
Accounts receivable	358,214
Inventories	28,721
Prepays	949,360
Capital assets not being depreciated	41,041,311
Capital assets being depreciated, net of accumulated depreciation	397,411,061
Net pension asset	33,206,733
Total assets	<u>1,179,276,300</u>
Deferred outflows of resources	
Deferred pension actuarial adjustments	6,157,363
Deferred pension contributions	6,111,861
Deferred amount on refunding	754,683
Deferred other post employment benefit actuarial adjustments	20,102,964
Deferred other post employment benefit contributions	1,780,089
Total deferred outflows of resources	<u>34,906,960</u>
<b>Total assets and deferred outflows of resources</b>	<u><u>\$ 1,214,183,260</u></u>
<b>Liabilities, Deferred Inflows of Resources and Net Position</b>	
Liabilities	
Accounts payable	\$ 17,853,175
Accrued payroll	33,838,365
Payroll deductions	1,447,069
Insurance claims payable	119,889
Construction retainage payable	733,164
Accrued interest	4,174,679
Unclaimed property	286,507
Long-term obligations, due within one year, net of premium and discount	42,215,595
Long-term obligations, due in more than one year, net of premium and discount	448,532,659
Total liabilities	<u>549,201,102</u>
Deferred inflows of resources	
Property taxes levied for subsequent years	163,497,921
Deferred pension actuarial adjustments	65,511,066
Deferred other post employment benefit actuarial adjustments	95,645,057
Total deferred inflows of resources	<u>324,654,044</u>
Net position (deficit)	
Net investment in capital assets	307,974,352
Restricted for:	
Capital projects	14,419,973
Student activities	3,161,384
Municipal Retirement	3,013,763
Student transportation	22,466,121
Unrestricted	(10,707,479)
<b>Total net position</b>	<u><u>340,328,114</u></u>
<b>Total liabilities, deferred inflows of resources and net position</b>	<u><u>\$ 1,214,183,260</u></u>

See Notes to Basic Financial Statements.

**School District U-46**

**Statement of Activities  
Year Ended June 30, 2022**

					Net (Expense) Revenue and Changes in Net Position
		Program Revenue			
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental activities:					
Instruction:					
Regular programs	\$ 179,798,727	\$ 2,901,729	\$ 51,911,544	\$ -	\$ (124,985,454)
Special programs	63,254,199	-	15,977,901	-	(47,276,298)
Other instructional programs	84,215,664	3,370,286	466,834	-	(80,378,544)
Total instruction	327,268,590	6,272,015	68,356,279	-	(252,640,296)
Support services:					
Pupils	42,067,335	-	-	-	(42,067,335)
Instructional staff	19,616,890	-	367,283	-	(19,249,607)
General administration	13,027,638	-	-	-	(13,027,638)
School administration	33,241,136	-	-	-	(33,241,136)
Business	6,670,765	-	-	-	(6,670,765)
Operations and maintenance	33,611,302	-	50,000	-	(33,561,302)
Transportation	25,812,044	577,494	18,369,219	-	(6,865,331)
Facilities acquisition and construction	39,248	-	-	1,296,508	1,257,260
Food service	14,428,277	98,256	27,296,819	-	12,966,798
Central	12,554,285	-	-	-	(12,554,285)
Other support	7,884,164	-	-	-	(7,884,164)
Total support services	208,953,084	675,750	46,083,321	1,296,508	(160,897,505)
Community services	2,026,446	-	-	-	(2,026,446)
State on-behalf contributions - TRS and THIS	127,563,635	-	127,563,635	-	-
Debt service - interest and fees	9,722,631	-	-	-	(9,722,631)
Total governmental activities	\$ 675,534,386	\$ 6,947,765	\$ 242,003,235	\$ 1,296,508	(425,286,878)
General revenues:					
Taxes:					
Property taxes, general purposes					291,732,360
Property taxes, debt service					32,576,110
Replacement taxes and other payment in lieu of taxes					12,203,624
Unrestricted state grants					220,809,069
Interest and investment earnings (loss)					(1,471,852)
Other general revenues					1,092,463
Total general revenues					556,941,774
Change in net position					131,654,896
Net position:					
Beginning of year					208,673,218
End of year					\$ 340,328,114

See Notes to Basic Financial Statements.

**School District U-46**

**Balance Sheet  
Governmental Funds  
June 30, 2022**

	Major Funds		Nonmajor	Total
	General	Debt	Governmental	Governmental
	Fund	Service	Funds	Funds
		Fund		
<b>Assets</b>				
Cash and investments	\$ 411,817,401	\$ 34,121,821	\$ 52,563,302	\$ 498,502,524
Accrued interest	30,119	-	-	30,119
Property taxes receivable, net of allowance	126,288,824	14,998,841	11,670,535	152,958,200
Replacement taxes receivable	-	-	1,995,810	1,995,810
Grants receivable	33,681,475	-	19,112,772	52,794,247
Accounts receivable	279,867	-	78,347	358,214
Inventories	28,721	-	-	28,721
Prepays	949,360	-	-	949,360
<b>Total assets</b>	<b>\$ 573,075,767</b>	<b>\$ 49,120,662</b>	<b>\$ 85,420,766</b>	<b>\$ 707,617,195</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>				
<b>Liabilities</b>				
Accounts payable	\$ 17,598,186	\$ -	\$ 254,989	\$ 17,853,175
Accrued payroll	33,473,174	-	365,191	33,838,365
Payroll deductions	226,427	-	1,220,642	1,447,069
Insurance claims payable	119,889	-	-	119,889
Construction retainage payable	733,164	-	-	733,164
Unclaimed property	195,753	-	90,754	286,507
<b>Total liabilities</b>	<b>52,346,593</b>	<b>-</b>	<b>1,931,576</b>	<b>54,278,169</b>
<b>Deferred inflows of resources</b>				
Unavailable grant revenue	28,076,787	-	15,074,174	43,150,961
Property taxes levied for subsequent years	134,990,869	16,032,349	12,474,703	163,497,921
<b>Total deferred inflows of resources</b>	<b>163,067,656</b>	<b>16,032,349</b>	<b>27,548,877</b>	<b>206,648,882</b>
<b>Fund balances</b>				
Nonspendable	978,081	-	-	978,081
Restricted	3,161,384	33,088,313	48,846,852	85,096,549
Assigned	-	-	7,093,461	7,093,461
Unassigned	353,522,053	-	-	353,522,053
<b>Total fund balances</b>	<b>357,661,518</b>	<b>33,088,313</b>	<b>55,940,313</b>	<b>446,690,144</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 573,075,767</b>	<b>\$ 49,120,662</b>	<b>\$ 85,420,766</b>	<b>\$ 707,617,195</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, 2022**

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Total fund balances - governmental funds	\$ 446,690,144
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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	\$ 824,952,013	
Accumulated depreciation	(386,499,641)	
Net capital assets		438,452,372

Interest on long-term debt is not accrued in governmental funds, but rather is recognized when due.	(4,174,679)
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Certain revenues that are not recognized in the fund financial statements because they are not available are recognized as revenue in the government-wide financial statements.	43,150,961
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Certain pension-related items are reported in the government-wide financial statements but not in the fund statements. These amounts consist of:

Deferred outflows - pension actuarial adjustments	6,157,363	
Deferred outflows - pension contributions	6,111,861	
Deferred inflows - pension actuarial adjustments	(65,511,066)	
		(53,241,842)

Certain other post employment benefit-related items are reported in the government-wide financial statements but not in the fund statements. These amounts consist of:

Deferred outflows - other post employment benefit actuarial adjustments	20,102,964	
Deferred outflows - other post employment benefit contributions	1,780,089	
Deferred inflows - other post employment benefit actuarial adjustments	(95,645,057)	
		(73,762,004)

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

General obligation bonds	(185,425,910)	
Accreted interest on long-term debt	(17,731,721)	
General obligation debt certificates	(525,614)	
Compensated absences	(700,677)	
Other postemployment benefits - District Plan	(24,077,188)	
Other postemployment benefits - THIS	(213,851,408)	
Net pension asset - IMRF	33,206,733	
Net pension liability - TRS	(21,887,800)	
Claims incurred but not reported	(10,726,176)	
Unamortized premiums related to debt issuance	(15,821,760)	
Deferred amount on refunding	754,683	
		(456,786,838)

Net position of governmental activities	\$ 340,328,114
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See Notes to Basic Financial Statements.

**School District U-46**

**Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
Year Ended June 30, 2022**

	Major Funds		Nonmajor	Total
	General	Debt	Governmental	Governmental
	Fund	Service	Funds	Funds
Revenues:				
Property taxes	\$ 265,765,201	\$ 32,576,110	\$ 25,967,159	\$ 324,308,470
Replacement taxes and payments in lieu of taxes	22,078	-	12,181,546	12,203,624
Charges for services	6,370,271	-	577,494	6,947,765
Earnings (loss) on investments	(1,472,229)	209	168	(1,471,852)
Rentals	13,814	-	-	13,814
Local grants	104,045	-	-	104,045
Other local sources	1,031,187	-	1,300,445	2,331,632
State grants-in-aid	235,704,856	-	16,127,201	251,832,057
Federal grants-in-aid	58,571,487	-	-	58,571,487
State on-behalf contributions - TRS and THIS	128,902,626	-	-	128,902,626
<b>Total revenues</b>	<b>695,013,336</b>	<b>32,576,319</b>	<b>56,154,013</b>	<b>783,743,668</b>
Expenditures:				
Current:				
Instruction:				
Regular programs	169,943,454	-	1,957,956	171,901,410
Special programs	57,959,656	-	2,633,813	60,593,469
Other instructional programs	79,313,250	-	1,196,641	80,509,891
Support services:				
Pupils	40,482,744	-	1,664,837	42,147,581
Instructional staff	19,195,653	-	432,942	19,628,595
General administration	12,525,064	-	516,511	13,041,575
School administration	30,417,734	-	1,387,248	31,804,982
Business	6,475,034	-	532,732	7,007,766
Operations and maintenance	33,277,280	-	2,036,875	35,314,155
Transportation	448,911	-	26,688,347	27,137,258
Facilities acquisition and construction	44,325	-	-	44,325
Food service	15,180,424	-	(16,789)	15,163,635
Central	12,274,136	-	917,212	13,191,348
Other support	8,837,192	-	68,740	8,905,932
Community services	1,983,735	-	145,816	2,129,551
State on-behalf contributions - TRS and THIS	128,902,626	-	-	128,902,626
Intergovernmental:				
Payments to other governments	10,345,341	-	-	10,345,341
Debt service:				
Principal	-	14,694,300	-	14,694,300
Interest and fees	-	26,401,949	-	26,401,949
Payment to escrow agent using District resources	-	1,715,312	-	1,715,312
Debt issuance costs	-	167,180	-	167,180
Capital outlay	24,327,459	-	1,854,759	26,182,218
<b>Total expenditures</b>	<b>651,934,018</b>	<b>42,978,741</b>	<b>42,017,640</b>	<b>736,930,399</b>
Excess (deficiency) of revenues over (under) expenditures	43,079,318	(10,402,422)	14,136,373	46,813,269
Other financing sources (uses):				
Gain on sale of capital assets	43,525	-	-	43,525
Transfer in	-	10,133,985	-	10,133,985
Transfer out	(10,133,985)	-	-	(10,133,985)
Proceeds from debt issuance	-	18,730,000	-	18,730,000
Premium on debt issuance	-	1,777,437	-	1,777,437
Transfer to escrow agent	-	(20,331,283)	-	(20,331,283)
<b>Total other financing sources (uses)</b>	<b>(10,090,460)</b>	<b>10,310,139</b>	<b>-</b>	<b>219,679</b>
<b>Net change in fund balances</b>	<b>32,988,858</b>	<b>(92,283)</b>	<b>14,136,373</b>	<b>47,032,948</b>
Fund balances:				
Beginning of year	324,672,660	33,180,596	41,803,940	399,657,196
End of year	\$ 357,661,518	\$ 33,088,313	\$ 55,940,313	\$ 446,690,144

See Notes to Basic Financial Statements.



**School District U-46**

**Reconciliation of the Governmental Funds  
Statement of Revenues, Expenditures and Changes in Fund Balances  
to the Statement of Activities  
Year Ended June 30, 2022**

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Net change in fund balances — total governmental funds	\$ 47,032,948
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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	\$ 24,548,436	
Depreciation	<u>(22,635,852)</u>	
Capital expenditures in excess of depreciation		1,912,584

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.

24,741,080

Repayment of debt principal and accreted interest is an expenditure or other financing use 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	35,761,479	
Debt certificates	522,821	
Accreted interest	<u>17,958,521</u>	
Total retired debt		54,242,821

The issuance of debt and the related premium are shown as other financing sources in governmental funds but increases long-term liabilities on the statement of net assets.

(20,507,437)

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.

(2,171,292)

Changes related to pension obligations 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	(386,848)
Deferred inflows related to pension expense	(10,686,368)

Changes related to OPEB obligations are reported as deferred inflows and outflows on the government-wide financial statements but not on the fund statements.

Deferred outflows related to other post employment benefit expense	(1,733,761)
Deferred inflows related to other post employment benefit expense	(44,727,321)

Some revenues and expenses reported in the statement of activities do not provide (use) current financial resources and therefore are not reported in the governmental funds.

State on-behalf contribution revenue - TRS and THIS	(1,338,991)	
State on-behalf expense - TRS and THIS	1,338,991	
Increase in other postemployment benefits - District Plan	4,916,939	
Increase in other postemployment benefits - THIS	42,811,385	
Decrease in net pension liability - IMRF	31,688,480	
Increase in net pension liability - TRS	3,024,330	
Decrease in compensated absences payable	83,550	
Decrease in accrued interest on debt	203,542	
Decrease in claims incurred but not reported	(102,058)	
Amortization of bond premiums	1,707,979	
Amortization of bond discounts	(16,970)	
Amortization of deferred amount on refunding	<u>(378,687)</u>	
		<u>83,938,490</u>

Change in net position of governmental activities	<u>\$ 131,654,896</u>
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See Notes to Basic Financial Statements.

## **School District U-46**

### **Notes to Basic Financial Statements**

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#### **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 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.

#### ***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 assets and liabilities with the difference reported as net position.

## School District U-46

### Notes to Basic Financial Statements

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#### 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.

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

Separate financial statements are provided for governmental funds. 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.

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

The Debt Service 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 or Capital Projects) that are legally restricted to expenditures for specified purposes. The District's nonmajor special revenue funds are the Transportation Fund, which accounts for all revenues and costs relating to the transportation of pupils and the Municipal Retirement / Social Security Fund, which accounts for the District's share of retirement benefit and social security costs for employees.

## **School District U-46**

### **Notes to Basic Financial Statements**

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#### **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, 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.

##### ***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. 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 60 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 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, pension, other postemployment benefits, 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

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#### 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 2021 tax levy was passed by the Board of Education on December 13, 2021, and attached as an enforceable lien on the property as of the preceding January 1. The taxes become due and collectible in March and December 2022 in Cook County and in June and September 2022 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 approximately 50 percent of the 2021 tax extension and 50 percent of the 2020 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, 2022, the property tax allowance was as follows:

Fund	Allowance
General Fund	\$ 3,555,990
Debt Service Fund	422,331
Nonmajor Governmental Funds	328,614
	<hr/>
	\$ 4,306,935

The District has recorded a receivable for the uncollected portion of the 2021 taxes extended. The District has recorded a deferred inflow of resources net of any allowance, which approximates 50 percent of the 2021 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.

## School District U-46

### Notes to Basic Financial Statements

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

##### **Capital Assets**

Capital assets are recorded at historical cost and depreciated over their estimated useful lives (excluding salvage value). Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value rather than fair value. Estimated useful life is management's estimate of how long the asset is expected to meet service demands.

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	5-10 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.

*Reimbursements* – interfund transactions that constitute reimbursement of a fund for expenditures initially made from it that are properly applicable to another fund. Interfund reimbursements are recorded as expenditures in the reimbursing fund and reductions of expenditures in the fund that was originally charged.

##### **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. Deferred outflows of resources are the consumption of net position 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.

## School District U-46

### Notes to Basic Financial Statements

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

##### ***Deferred Inflows of Resources, Deferred Outflows of Resources and Unearned Revenue (Continued)***

The net difference between projected and actual earnings on pension plan or other post-employment benefit plan investments, changes in benefits, changes in actuarial assumptions used in determining the total liability of the plan 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 payments to the plans made subsequent to the liability measurement date are also considered to be deferred outflows of resources on the government-wide financial statements. See Note 6 and Note 7 for further discussion of the District's deferred outflows and inflows of resources related to pensions and other post-employment benefits, respectively.

Unearned revenue arises 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.

##### ***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, pension 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 "accretes" 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.

## School District U-46

### Notes to Basic Financial Statements

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

##### ***Postemployment Benefits Other Than Pensions (OPEB)***

The District participates in two OPEB plans, the Teachers' Health Insurance Security Fund (THIS) plan provided by the State and an OPEB plan provided by the District. For purposes of measuring the District's collective OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the THIS OPEB Plan and additions to/deductions from the THIS Plan's fiduciary net position have been determined on the same basis as they are reported by the THIS Plan. For this purpose, the THIS Plan recognizes benefit payments when due and payable in accordance with the benefit terms.

##### ***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, 2022, the District's nonspendable fund balances in the Governmental Funds related to inventories for \$28,721, and prepaid expenses of \$949,360.

***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. There are no committed fund balances as of June 30, 2022.

***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. At June 30, 2022, \$7,093,461 was assigned in the Transportation Fund for costs associated with transportation.

***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.



## School District U-46

### Notes to Basic Financial Statements

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

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

The District seeks to maintain year-end fund balances at no less than 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, 2022, the District had working cash stabilization fund balances of \$110,888,201 that have been classified as unassigned fund balances in the General Fund.

At June 30, 2022, the District had the following fund balances restricted for various purposes as follows:

Fund	Fund balance	Purpose of restriction
Major Funds:		
General Fund	\$ 3,161,384	Student activities
Debt Service Fund	33,088,313	Repayment of principal and interest on long-term debt
Nonmajor Funds:		
Fire Prevention and Safety Fund	9,677,170	School construction projects
Capital Projects Fund	4,742,803	School construction projects
Transportation Fund	22,466,121	Student transportation
Municipal Retirement /Social Security Fund	11,960,758	Employee pension and social security
	<u>\$ 85,096,549</u>	

##### ***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 position 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.

## School District U-46

### Notes to Basic Financial Statements

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

##### ***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.

##### ***Subsequent Event***

On December 7, 2022, the District issued its \$12,500,000 Taxable General Obligation Refunding School Bonds, Series 2022 to refund the remaining portion of the District's General Obligation Limited School Bonds, Series 2015D and is payable through January 1, 2024.

#### **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; and (9) 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.

##### ***Deposits***

As of June 30, 2022, the District had deposits with federally insured financial institutions of \$189,508,912 with the book balances totaling \$186,391,427.

## School District U-46

### Notes to Basic Financial Statements

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

##### *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 Federal Deposit Insurance Corporation insurance limits be secured by collateral. As of June 30, 2022, 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 (ISDLAF), Illinois Funds, and the Government Money Market Funds held by the District are not subject to custodial credit risk.

The following schedule reports the values and maturities (using the segmented time distribution method) for the District's investments and credit ratings by Standard & Poor's at June 30, 2022:

Investment Type	Investment Maturities (in Years)			% of Total Investments	Credit Ratings
		Less than 1	1 - 5		
ISDLAF	\$ 60,180,243	\$ 60,180,243	\$ -	19.28 %	AAAm
Government Money Market Funds	1,366,343	1,366,343	-	0.44	AAAm
Illinois Funds	3,025,096	3,025,096	-	0.97	AAAm
US Treasury Bills	96,844,951	96,844,951	-	31.03	*
US Treasury Notes	148,803,462	129,654,451	19,149,011	47.67	*
Negotiable Certificates of Deposit	1,902,263	740,445	1,161,818	0.61	NR
	<u>\$ 312,122,358</u>	<u>\$ 291,811,529</u>	<u>\$ 20,310,829</u>	<u>100.00 %</u>	

The Illinois School District Liquid Asset Fund is shown as maturing in less than one year because the weighted average maturity of the pool is less than one year.

## School District U-46

### Notes to Basic Financial Statements

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

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Investments are classified according to the following hierarchy.

Level 1 – Investments reflect prices quoted in active markets.

Level 2 – Investments reflect prices that are based on similar observable assets either directly or indirectly, which may include inputs in markets that are not considered to be active.

Level 3 – Investments reflect prices based upon unobservable sources.

Fair value of the District's US Treasury Bills and Notes and the Negotiable Certificates of Deposit are determined by the District from observable market quotations as provided by the District's investment manager and are considered Level 1 investments.

The District's other investments measured at the net asset value (NAV) or amortized cost are as follows:

Investment Type		Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
ISDLAF	\$ 60,180,243	N/A	Daily	One Day
Government Money Market Funds	1,366,343	N/A	Daily	One Day
Illinois Funds	3,025,096	N/A	Daily	One Day
	<u>\$ 64,571,682</u>			

The Illinois School District Liquid Asset Fund 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 and is measured at NAV.

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 governed 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 \$6,000 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	<u>\$ 498,502,524</u>
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**School District U-46****Notes to Basic Financial Statements****Note 3. Capital Assets**

Capital asset balances and activity for the year ended June 30, 2022, are as follows:

	Balance July 1, 2021	Transfers and Additions	Transfers and Retirements	Balance June 30, 2022
Capital Assets, not being depreciated:				
Land	\$ 28,394,912	\$ -	\$ -	\$ 28,394,912
Construction in progress	10,757,685	23,014,024	21,125,310	12,646,399
Total capital assets, not being depreciated	39,152,597	23,014,024	21,125,310	41,041,311
Capital Assets, being depreciated:				
Buildings	707,253,841	21,125,310	2,835,213	725,543,938
Transportation equipment	28,774,495	-	-	28,774,495
Other equipment	28,057,857	1,534,412	-	29,592,269
Total capital assets being depreciated	764,086,193	22,659,722	2,835,213	783,910,702
Less accumulated depreciation:				
Buildings	321,980,165	18,263,912	2,835,213	337,408,864
Transportation equipment	20,773,871	2,494,383	-	23,268,254
Other equipment	23,944,966	1,877,557	-	25,822,523
Total accumulated depreciation	366,699,002	22,635,852	2,835,213	386,499,641
Total capital assets being depreciated, net	397,387,191	23,870	-	397,411,061
Governmental activities Capital assets, net	\$ 436,539,788	\$ 23,037,894	\$ 21,125,310	\$ 438,452,372

## 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	\$ 7,489,128
Special programs	2,639,840
Other instructional programs	3,507,526
Support services:	
Pupils	1,836,219
Instructional staff	855,148
General administration	568,175
School administration	1,385,628
Business	305,304
Operations and maintenance	1,538,511
Transportation	1,182,273
Food services	660,624
Central	574,699
Community services	92,777
Total	<u>\$ 22,635,852</u>

#### Note 4. Long-Term Obligations and Net Pension Asset

The following is a summary of activity for the District's long-term obligations and net pension asset for the year ended June 30, 2022:

	Balance July 1, 2021	Additions	Reductions	Balance June 30, 2022	Due Within One Year
G.O. Bonds/Debt Certificates Payable:					
General obligation bonds	\$ 202,457,389	\$ 18,730,000	\$ (35,761,479)	\$ 185,425,910	\$ 14,895,910
Accreted interest on long-term debt	33,518,950	2,171,292	(17,958,521)	17,731,721	17,731,721
Debt certificates	1,048,435	-	(522,821)	525,614	525,614
Unamortized premium	15,752,302	1,777,437	(1,707,979)	15,821,760	1,584,720
Unamortized discount	(16,970)	-	16,970	-	-
Total General Obligation Bonds/ Debt Certificates Payable	252,760,106	22,678,729	(55,933,830)	219,505,005	34,737,965
Compensated absences	784,227	77,528	(161,078)	700,677	700,677
Net pension liability (asset) - IMRF	(1,518,253)	40,645,863	(72,334,343)	(33,206,733)	-
Collective net pension liability - TRS	24,912,130	-	(3,024,330)	21,887,800	-
Total OPEB liability - District Plan	28,994,127	1,794,324	(6,711,263)	24,077,188	-
Collective total OPEB liability - THIS	256,662,793	-	(42,811,385)	213,851,408	-
Claims incurred but not reported	10,624,118	64,104,383	(64,002,325)	10,726,176	6,776,953
Total	<u>\$ 573,219,248</u>	<u>\$ 129,300,827</u>	<u>\$ (244,978,554)</u>	<u>\$ 457,541,521</u>	<u>\$ 42,215,595</u>

## School District U-46

### Notes to Basic Financial Statements

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#### Note 4. Long-Term Obligations and Net Pension Asset (Continued)

##### **Debt Refunding**

On October 5, 2021, in conjunction with the issuance of the series 2021 bonds, the District refunded and called the remaining \$2,885,000 of the series 2009A bonds and partially advance refunded \$18,705,000 of the series 2012B bonds by placing a portion of the series 2021 bonds in an irrevocable trust to provide for all future debt service payments on the advanced refunded debt which were called and repaid on January 1, 2022.

This transaction resulted in an economic gain of \$1,814,564 and had the net effect of decreasing the District's future debt service requirements by \$1,846,200.

As of June 30, 2022, the outstanding balance of bonds defeased in prior fiscal years not yet called totaled \$15,600,000.

At June 30, 2022, general obligation bonds consisted of the following:

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

\$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.	\$ 10,030,910
\$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
\$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
\$18,730,000, 2021 General Obligation Limited Refunding School Bonds due in annual installments of \$3,390,000 through \$5,340,000 beginning in fiscal year 2023 through 2026 with interest due semiannually at 4.00%. Issued for the purpose of refunding capital project, working cash, and tort fund related refunding bonds.	<u>18,730,000</u>
Total General Obligation Bonds	<u><u>\$ 185,425,910</u></u>

**School District U-46****Notes to Basic Financial Statements****Note 4. Long-Term Obligations and Net Pension Asset (Continued)*****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	General Obligation		Total Debt Service
	Principal	Interest	
2023	\$ 14,895,910	\$ 26,819,003	\$ 41,714,913
2024	11,615,000	8,150,313	19,765,313
2025	12,035,000	7,730,513	19,765,513
2026	12,590,000	7,182,163	19,772,163
2027	13,595,000	6,614,772	20,209,772
2028 - 2032	78,360,000	22,692,351	101,052,351
2033 - 2035	42,335,000	3,873,750	46,208,750
	<u>\$ 185,425,910</u>	<u>\$ 83,062,865</u>	<u>\$ 268,488,775</u>

Interest maturities include \$17,731,721 of accreted interest on capital appreciation bonds.

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

The District has one outstanding capital appreciation bond issue. Interest on the capital appreciation bonds is 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.

***Debt Certificates***

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

\$6,200,000, 2007 Debt Certificates (Qualified Zone Academy Bonds) due in annual installments of \$418,578 to \$432,360 through 2023 with interest due annually at 0.65%. Issued for the purpose of capital projects.	\$ 432,360
\$466,270, 2017 Debt Certificates (Qualified Zone Academy Bonds) due in annual installments of \$93,254 through 2023 with interest due semiannually at 0.25%. Issued for the purpose of capital projects.	<u>93,254</u>
Total Debt Certificates	<u>\$ 525,614</u>



## School District U-46

### Notes to Basic Financial Statements

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#### Note 4. Long-Term Obligations and Net Pension Asset (Continued)

##### ***Debt Service Requirements to Maturity – Debt Certificates***

Annual debt service requirements to maturity for debt certificates and to be paid from the Debt Service Fund through transfers from the General Fund are as follows:

Due in Fiscal Year	Debt Certificates	
	Principal	Interest
2023	\$ 525,614	\$ 2,927
Total	\$ 525,614	\$ 2,927

##### ***Legal Debt Margin***

As of June 30, 2022, the legal debt limit of the District was \$742,138,451, based upon 13.8 percent of its 2021 equalized assessed valuation of \$5,377,814,859. The debt limit less outstanding debt subject to the debt limit of \$185,425,910 plus amounts held in the Debt Service Fund of \$33,088,313, results in a legal debt margin of \$589,275,240 as of June 30, 2022.

##### ***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 \$700,677 at June 30, 2022. The amounts will be paid from the General Fund within the next year.

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

The District had a net pension asset of \$33,206,733 and a collective net pension liability of \$21,887,800 at June 30, 2022 which represent the District's share of pension asset/liability to plan members for benefits provided through defined benefit pension plans (see Note 6). The \$33,206,733 asset relates to IMRF. Payments to IMRF in future fiscal years will be paid from the Municipal Retirement/Social Security Fund. The \$21,887,800 liability relates to TRS and will be paid from the General Fund.

## School District U-46

### Notes to Basic Financial Statements

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#### Note 4. Long-Term Obligations and Net Pension Asset (Continued)

##### *Other Postemployment Benefits Liability*

The other postemployment benefits (OPEB) liability represents the long-term actuarially determined liability for healthcare insurance for eligible retirees and their dependents through the District's group health insurance plan and the District's share of the Teachers' Health Insurance Security Fund (THIS) plan (see Note 7). The District's OPEB liability at June 30, 2022 related to its own plan was \$24,077,188 and \$213,851,408 for its share of THIS; both amounts will be paid from the General Fund.

#### 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, 2022, 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, 2022, total \$10,726,176. 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 2022	Total 2021
Claims liability - beginning	\$ 10,624,118	\$ 11,374,902
Incurred claims	64,104,383	61,018,794
Claim payments and reductions	(64,002,325)	(61,769,578)
Claims liability - ending	<u>\$ 10,726,176</u>	<u>\$ 10,624,118</u>

## School District U-46

### Notes to Basic Financial Statements

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

The following is a summary of all pension related items presented in the governmental activities. Details related to these plans are presented separately on the following pages.

	Net Pension Liability (Asset)	Deferred Outflows	Deferred Inflows	Pension Expense (Benefit)
Teachers' Retirement System (TRS)	\$ 21,887,800	\$ 2,715,274	\$ 13,803,388	\$ 127,495,147
Illinois Municipal Retirement Fund (IMRF)	(33,206,733)	9,553,950	51,707,678	(9,290,847)
Total	\$ (11,318,933)	\$ 12,269,224	\$ 65,511,066	\$ 118,204,300

#### Teachers' Retirement System

##### Plan Description

The District participates in the Teachers' Retirement System of the state of Illinois (TRS). TRS is a cost-sharing multiple-employer defined benefit pension plan that was created by the Illinois legislature for the benefit of Illinois public school teachers employed outside the city of Chicago. 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 <https://www.trsil.org/financial/acfrs>; by writing to TRS at 2815 W. Washington, PO Box 19253, Springfield, IL 62794; or by calling (888) 678-3675, option 2.

##### Benefits Provided

TRS provides retirement, disability, and death benefits. Tier 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 consecutive years of creditable earnings within the last 10 years of creditable service and the percentage of average salary to which the member is entitled. Most members retire under a formula that provides 2.2 percent of final average salary up to a maximum of 75 percent with 34 years of service. 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 highest 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.

## School District U-46

### Notes to Basic Financial Statements

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

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

Public Act 100-0023, enacted in 2017, creates an optional Tier 3 hybrid retirement plan, but it has not yet gone into effect. Public Act 100-0587, enacted in 2018, requires TRS to offer two temporary benefit buyout programs that expire on June 30, 2024 as extended by Public Act 100-0587. One program allows retiring Tier 1 members to receive a partial lump-sum payment in exchange for accepting a lower, delayed annual increase. The other allows inactive vested Tier 1 and 2 members to receive a partial lump-sum payment in lieu of a retirement annuity. Both programs began in 2019 and are funded by bonds issued by the state of Illinois.

##### ***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, 2022, was 9.0 percent of creditable earnings. The member contribution, which may be paid on behalf of employees by the employer, is submitted to TRS by the employer.

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

The state of Illinois makes employer pension contributions on behalf of the District. For the year ended June 30, 2022, state of Illinois contributions recognized by the District were based on the state's proportionate share of the collective net pension liability associated with the District, and the District recognized revenue and expenses of \$127,495,147 in the governmental activities based on the economic resources measurement basis and revenues and expenditures of \$129,007,468 in the General Fund based on the current financial resources measurement basis.

##### ***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. Required contributions for the year ended June 30, 2022, were \$1,540,973. Actual contributions were \$1,542,285 and reported as deferred outflows of resources on the statement of net position because they were paid after the June 30, 2021 measurement date. As of June 30, 2022, \$1,312 was due from TRS.

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

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

For the year ended June 30, 2022, the employer pension contribution was 10.31 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2022, salaries totaling \$9,224,651 were paid from federal and special trust funds that required District contributions of \$951,061. Actual contributions were \$953,721 and reported as deferred outflows of resources on the statement of net position because they were paid after the June 30, 2021 measurement date. As of June 30, 2022, \$2,660 was due from TRS.

## School District U-46

### Notes to Basic Financial Statements

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

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

###### **Employer retirement cost contributions**

Under GASB Statement No. 68, contributions that an employer is required to pay because of a TRS member retiring are categorized as specific liability payments. The employer is required to make a one-time contribution to TRS for members granted salary increases over 6 percent if those salaries are used to calculate a retiree's final average salary. A one-time contribution is also required for members granted sick leave days in excess of the normal annual allotment if those days are used as TRS service credit. Additionally PA 100-0023 requires school districts to pay for a portion of the cost of a member's pension if that member's salary, determined on a full-time equivalent basis, is greater than the governor's statutory salary (currently \$184,800). The amount charged to the employer is the employer normal cost, or 10.31 percent.

For the year ended June 30, 2022, the District paid \$462,152 to TRS for employer contributions due on salary increases in excess of the statutory limit and \$31,443 for member salaries in excess of the governor's statutory salary. The District made no payments for sick leave days granted in excess of the normal annual allotment.

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

At June 30, 2022, the District 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 District. The state's support and total are for disclosure purposes only. The amount recognized by the District 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 District were as follows:

District's proportionate share of the collective net pension liability	\$ 21,887,800
State's proportionate share of the collective net pension liability associated with the District	<u>1,834,430,264</u>
Total	<u><u>\$ 1,856,318,064</u></u>

The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020, and rolled forward to June 30, 2021. The District's proportion of the net pension liability was based on the District's share of contributions to TRS for the measurement year ended June 30, 2021, relative to the contributions of all participating TRS employers and the state during that period. At June 30, 2021, the District's proportion was 0.0281 percent, which was a decrease of 0.0008 from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the District recognized the following pension expense/expenditures and revenue pertaining to the District's employees:

	Governmental Activities	General Fund
State on-behalf contributions - revenue and expense/expenditure	\$ 131,576,310	\$ 126,511,462
District TRS pension (benefit) expense	<u>(4,081,163)</u>	<u>2,496,006</u>
Total TRS expense/expenditure	<u><u>\$ 127,495,147</u></u>	<u><u>\$ 129,007,468</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)**

At June 30, 2022, the District 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
Differences between expected and actual experience	\$ 125,560	\$ 90,244
Net difference between projected and actual earnings on pension plan investments	-	1,468,162
Changes of assumptions	9,698	108,160
Changes in proportion and differences between District contributions and proportionate share of contributions	84,010	12,136,822
Total deferred pension actuarial adjustments	219,268	13,803,388
District contributions subsequent to the measurement date	2,496,006	-
Total deferred amounts related to pensions	\$ 2,715,274	\$ 13,803,388

Of the amounts reported as deferred outflows of resources related to pensions resulting from the District's contributions subsequent to the measurement date, \$2,496,006 will be recognized as a reduction of the collective net pension liability in the reporting year ending June 30, 2022. 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:	
2023	\$ (8,117,454)
2024	(4,080,757)
2025	(597,263)
2026	(703,210)
2027	(85,436)
	<u>\$ (13,584,120)</u>

#### **Actuarial Assumptions**

The total pension liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

<b>Inflation</b>	2.25 percent (2.50 percent was used in the June 30, 2020 actuarial valuation)
<b>Salary increases</b>	varies by amount of service credit
<b>Investment rate of return</b>	7.00 percent, net of pension plan investment expense, including inflation

## School District U-46

### Notes to Basic Financial Statements

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

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

##### **Actuarial Assumptions**

In the June 30, 2021 actuarial valuation, mortality rates were based on the PubT-2010 Table with adjustments as appropriate for TRS experience. The rates are based on a fully generational basis using projection table MP-2020. In the June 30, 2020 actuarial valuation, mortality rates were based on the RP-2014 White Collar Table with adjustments as appropriate for TRS experience. The rates were used on a fully generational basis using projection table MP-2017.

The long-term (20 year) expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of 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. equities large cap	16.7 %	6.2 %
U.S. equities small/mid cap	2.2	7.4
International equities developed	10.6	6.9
Emerging market equities	4.5	9.2
U.S. bonds core	3.0	1.6
International debt developed	1.0	0.4
Emerging international debt	4.0	4.4
Cash equivalents	2.0	0.1
TIPS	1.0	0.8
Real estate	16.0	5.8
Hedge funds (absolute return)	10.0	3.9
Infrastructure	4.0	6.3
Private equity	15.0	10.4
Private debt	10.0	6.5
Total	<u>100.0 %</u>	

##### **Discount Rate**

At June 30, 2021, the discount rate used to measure the total pension liability was 7.00 percent, which was the same as the June 30, 2020 rate. The projection of cash flows used to determine the discount rate assumed that employee contributions, employer contributions, and state contributions will be made at the current statutorily-required rates.

Based on those assumptions, TRS's fiduciary net position at June 30, 2021 was 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. All projected future payments were projected to be available to make all benefit payments, so a long-term expected rate of return on TRS investments was applied to all periods of projected benefit payments to determine the total pension liability.

## School District U-46

### Notes to Basic Financial Statements

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

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

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

The following presents the District's proportionate share of the collective net pension liability calculated using the discount rate of 7.00 percent, as well as what the District'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 or 1-percentage-point higher than the current rate.

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
District's proportionate share of the collective net pension liability	\$ 27,107,588	\$ 21,887,800	\$ 17,552,072

##### ***TRS Fiduciary Net Position***

Detailed information about the TRS's fiduciary net position as of June 30, 2021 is available in the separately issued TRS *Annual Comprehensive Financial Report*.

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

##### ***Plan Description***

The District's defined benefit pension plan for regular employees provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. The District's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of an agent 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 Annual Comprehensive 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.



## School District U-46

### Notes to Basic Financial Statements

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

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

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 percent 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, 2021, the following employees were covered by the benefit terms:

Retirees and Beneficiaries currently receiving benefits	1,606
Inactive Plan Members entitled to but not yet receiving benefits	2,265
Active Plan Members	<u>2,043</u>
Total	<u><u>5,914</u></u>

##### **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 their own employees. The District's annual contribution rates for calendar years 2022 and 2021 were 10.93 percent and 9.13 percent, respectively. For the fiscal year ended June 30, 2022, the District contributed \$7,431,504 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 Asset**

The District's net pension asset was measured as of December 31, 2021. The total pension liability used to calculate the net pension asset 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 (asset) at December 31, 2021:

- The **Actuarial Cost Method** used was Entry Age Normal.
- The **Asset Valuation Method** used was Market Value of Assets.
- The **Inflation Rate** was assumed to be 2.25 percent.
- **Salary Increases** were expected to be 2.85 percent to 13.75 percent, including inflation.
- The **Investment Rate of Return** was assumed to be 7.25 percent.

School District U-46

Notes to Basic Financial Statements

Note 6. Employee Retirement Systems and Plans (Continued)

Illinois Municipal Retirement Fund (Continued)

Actuarial Assumptions (Continued)

- **Projected Retirement Age** was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2020 valuation according to an experience study from years 2017-2019.
- For **Non-disabled Retirees**, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106 percent) and Female (adjusted 105 percent) tables, and future mortality improvements projected using scale MP-2020.
- For **Disabled Retirees**, the Pub 2010, amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.
- For **Active Members**, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.
- The **long-term expected rate of return** on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Projected Returns / Risk	
		One Year Arithmetic	Ten Year Geometric
Domestic equity	39.0 %	3.25 %	1.90 %
International equity	15.0	4.89	3.15
Fixed income	25.0	(0.50)	(0.60)
Real estate	10.0	4.20	3.30
Alternative investments	10.0		
Private equity		8.85	5.50
Commodities		2.90	1.70
Cash equivalents	1.0	(0.90)	(0.90)
Total	100.0 %		

**School District U-46****Notes to Basic Financial Statements****Note 6. Employee Retirement Systems and Plans (Continued)****Illinois Municipal Retirement Fund (Continued)****Actuarial Assumptions (Continued)****Single Discount Rate**

A Single Discount Rate of 7.25 percent was used to measure the total pension liability (asset). 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:

- The long-term expected rate of return on pension plan investments (7.25 percent) during the period in which the fiduciary net position is projected to be sufficient to pay benefits, and
- The tax-exempt municipal bond rate (1.84 percent) 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.

Based on those assumptions, IMRF's fiduciary net position at December 31, 2021, was projected to be available to make all projected future benefit payments of current active and inactive members and all benefit recipients. For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.25 percent and the municipal bond rate was not used.

**Changes in the Net Pension Liability (Asset)**

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, 2021:

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balance at beginning of year	\$ 360,636,356	\$ 362,154,609	\$ (1,518,253)
Changes for the year:			
Service cost	6,776,618	-	6,776,618
Interest on the total pension liability	25,677,596	-	25,677,596
Changes of benefit terms	-	-	-
Differences between expected and actual experience of the total pension liability	7,623,313	-	7,623,313
Changes of assumptions	-	-	-
Contributions - employer	-	8,089,401	(8,089,401)
Contributions - employees	-	3,368,339	(3,368,339)
Net investment income	-	60,876,603	(60,876,603)
Benefit payments, including refunds of employee contributions	(19,701,861)	(19,701,861)	-
Other (net transfer)	-	(568,336)	568,336
Net changes	20,375,666	52,064,146	(31,688,480)
Balance at end of year	\$ 381,012,022	\$ 414,218,755	\$ (33,206,733)

# School District U-46

## Notes to Basic Financial Statements

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

#### Illinois Municipal Retirement Fund (Continued)

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

The following presents the District's net pension asset, calculated using a Single Discount Rate of 7.25 percent, as well as what the District's net pension liability (asset) would be if it were calculated using a Single Discount Rate that is 1 percent lower or 1 percent higher:

	1% Decrease 6.25%	Current Single Discount Rate 7.25%	1% Increase 8.25%
Total Pension Liability	\$ 423,839,939	\$ 381,012,022	\$ 347,013,369
Plan Fiduciary Net Pension	414,218,755	414,218,755	414,218,755
Net Pension Liability (Asset)	<u>\$ 9,621,184</u>	<u>\$ (33,206,733)</u>	<u>\$ (67,205,386)</u>

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

For the year ended June 30, 2022, the District recognized a pension benefit of \$9,290,847. At June 30, 2022, 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	\$ 5,938,095	\$ 3,096,416
Net difference between projected and actual earnings on pension plan investments	-	47,194,108
Changes of assumptions	-	1,417,154
Total deferred pension actuarial adjustments	<u>5,938,095</u>	<u>51,707,678</u>
District contributions subsequent to the measurement date	<u>3,615,855</u>	<u>-</u>
Total deferred amounts related to pensions	<u>\$ 9,553,950</u>	<u>\$ 51,707,678</u>

Of the amounts reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date, \$3,615,855 will be recognized as an increase to the net pension asset in the reporting year ended June 30, 2022. 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:	
2023	\$ (10,382,104)
2024	(17,703,098)
2025	(10,696,412)
2026	(6,987,969)
	<u>\$ (45,769,583)</u>

## School District U-46

### Notes to Basic Financial Statements

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#### Note 7. Post-Employment Plans Other Than Pensions

The following is a summary of all other post-employment benefits (OPEB) other than pension related items presented in the governmental activities. Details related to these plans are presented separately in the following pages.

	Total OPEB Liability	Deferred Outflows	Deferred Inflows	OPEB Expense (Benefit)
Retiree Healthcare Plan - District Plan	\$ 24,077,188	\$ 3,241,833	\$ 4,873,056	\$ 1,687,983
Teachers' Health Insurance Security Fund (THIS)	213,851,408	18,641,220	90,772,001	(3,199,578)
Total	<u>\$ 237,928,596</u>	<u>\$ 21,883,053</u>	<u>\$ 95,645,057</u>	<u>\$ (1,511,595)</u>

#### ***Retiree Healthcare Plan***

##### ***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. The Plan does not issue a stand-alone financial report.

##### ***Benefits Provided***

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. Certified retirees receive coverage under the TRS health plan and non-certified retirees receive coverage under the District's health plan. The District's contributions vary based on the union to which the employee belongs, the employees' years of service, and the year in which the employee retired.

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

At June 30, 2022, the following employees were covered by the benefit terms:

Inactive Plan Members currently receiving benefits	189
Active Plan Members	<u>3,479</u>
	<u>3,668</u>

## School District U-46

### Notes to Basic Financial Statements

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#### Note 7. Post-Employment Plans Other Than Pensions (Continued)

##### *Retiree Healthcare Plan (Continued)*

##### **Total OPEB Liability**

The District's total OPEB liability was measured as of June 30, 2022, and was determined by an actuarial valuation as of that date.

	Total OPEB Liability
Balances at July 1, 2021	<u>\$ 28,994,127</u>
Changes for the year:	
Service cost	1,158,539
Interest on the total OPEB liability	635,785
Differences between expected and actual experience of the total OPEB liability	(1,899,363)
Changes of assumptions	(2,824,742)
Benefit payments	<u>(1,987,158)</u>
Net changes	<u>(4,916,939)</u>
Balances at June 30, 2022	<u><u>\$ 24,077,188</u></u>

##### **Actuarial Assumptions**

The following are the methods and assumptions used to determine total OPEB liability at June 30, 2022:

- The **Actuarial Cost Method** used was the Entry Age Normal.
- **Salary Increases** was assumed to be 2.75 percent, including inflation.
- For **Healthcare Cost Trend Rates**, in the 2022 fiscal year, a rate of 7.00 percent was used, with that rate gradually decreasing to an ultimate trend of 3.94 percent by fiscal year 2075.
- For IMRF employees the **Mortality Rates** used are from the PUB-2010 Healthy Mortality Tables below-median income, general employee and retiree, projected generationally with Scale MP - 2020. For post-commencement, male rates were multiplied by 106 percent for all ages and female rates were multiplied by 105 percent for all ages.
- For TRS employees the **Mortality Rates** used are from the PUB-2010 Healthy Mortality Tables teacher employee and retiree, projected generationally with Scale MP-2020. Pre- and post-commencement rates were further adjusted. Specifically, for pre-commencement, rates were multiplied by 90 percent for all ages. For post-commencement, male rates were multiplied by 105 percent for ages under 85 and 115 percent for ages 85 and older, while female rates were multiplied by 91 percent for ages under 75 and 109 percent for ages 75 and older.

## School District U-46

### Notes to Basic Financial Statements

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#### Note 7. Post-Employment Plans Other Than Pensions (Continued)

##### *Retiree Healthcare Plan (Continued)*

The following assumptions were changed since the prior valuation:

- The discount rate was changed from 2.18 percent to 4.09 percent based on the change in the 20-year municipal bond yields
- The healthcare cost trend was updated to a graded scale beginning with 7.00 percent and grading down to an ultimate rate of 3.94 percent.
- Morbidity rates were updated based on the June 2013 Society of Actuaries Study entitled "Health Care Costs – From Birth to Death".
- The mortality, termination, and retirement rates for certified participants were updated to reflect the 2021 TRS experience study.

##### **Discount Rate**

Since the Plan is financed on a pay-as-you-go basis, a long-term rate of return was not used and the discount rate used to measure the total OPEB liability was the 20-year municipal bond yield, (source was the S&P Municipal Bond 20 Year High Grade Rate Index as of June 30, 2022). The projection of cash flows used to determine the discount rate assumed the employee and employer contributions would be made at the current rates. Based on those assumptions, the Plan's fiduciary net position was not projected to be sufficient to make projected OPEB payments for current active and inactive employees beyond the current year.

##### **Sensitivity of the District's Total OPEB Liability to Changes in the Discount Rate**

The following presents the District's total OPEB liability, calculated using a Discount Rate of 4.09 percent, as well as what the District's total OPEB liability would be if it were calculated using a Discount Rate that is one percentage point higher or lower than the current rate:

	1% Decrease 3.09%	Current Discount Rate 4.09%	1% Increase 5.09%
Total OPEB liability	\$ 25,478,629	\$ 24,077,188	\$ 22,738,176

##### **Sensitivity of Total OPEB Liability to Changes in the Healthcare Cost Trend Rate**

The following presents the District's total OPEB liability, calculated using the healthcare cost trend rates as well as what the District's total OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point higher or lower, than the current healthcare cost trend rates.

	1% Decrease	Healthcare Cost Trend Rate Assumptions	1% Increase
Total OPEB liability	\$ 23,244,013	\$ 24,077,188	\$ 25,013,269

## School District U-46

### Notes to Basic Financial Statements

#### Note 7. Post-Employment Plans Other Than Pensions (Continued)

##### *Retiree Healthcare Plan (Continued)*

##### ***OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB***

For the year ended June 30, 2022, the District recognized OPEB expense of \$1,687,983. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 2,415,641
Changes of assumptions	3,241,833	2,457,415
Total deferred amounts related to OPEB	<u>\$ 3,241,833</u>	<u>\$ 4,873,056</u>

Amounts reported as deferred outflows of resources and deferred outflows of resources related to OPEB will be recognized in OPEB expense in future periods as follows:

Year ending June 30:

2023	\$ (106,341)
2024	(106,341)
2025	(106,341)
2026	(134,398)
2027	(253,756)
Thereafter	(924,046)
	<u>\$ (1,631,223)</u>

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

##### ***Plan Description***

The District participates in the Teachers' Health Insurance Security Fund (THIS) of the State of Illinois. THIS is a cost-sharing multiple-employer defined benefit post-employment healthcare plan (OPEB) established by the Illinois legislature for the benefit of eligible retired Illinois public school teachers employed outside the City of Chicago (members). All District employees receiving monthly benefits from the Teachers' Retirement System (TRS) who have at least eight years of creditable service with TRS, the survivor of an annuitant or benefit recipient who had at least eight years of creditable service or a recipient of a monthly disability benefit are eligible to enroll in THIS.

The State Employees Group Insurance Act of 1971 (5 ILCS 375) outlines the benefit provisions of the THIS Plan 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. The publicly available financial report of the Plan may be found on the website of the Illinois Auditor General. The current reports are listed under "Central Management Services" (<http://www.auditor.illinois.gov/Audit-Reports/CMS-THISF.asp>).



## School District U-46

### Notes to Basic Financial Statements

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#### Note 7. Post-Employment Plans Other Than Pensions (Continued)

##### *Teachers' Health Insurance Security Fund (Continued)*

###### **Benefits Provided**

THIS provides medical, prescription, and behavioral health benefits for eligible retirees and their dependents, 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 premiums charged reflect approximately a 75 percent subsidy for members that elect a managed care plan or elect the Teachers' Choice Health Plan (TCHP) plan if a managed care plan is either not available or only partially available. Members receive approximately a 50 percent subsidy if they elect the TCHP when a managed care plan is available. Medicare primary dependent beneficiaries enrolled in a managed care plan or in the TCHP when no managed care plan is available receive a premium subsidy.

###### **Contributions**

The State Employees Group Insurance Act of 1971 (5 ILCS 375/6) specifies the contribution requirements of the participating school districts and covered employees. For the year ended June 30, 2022, required contributions are as follows:

- Active members contribute 0.90 percent of covered payroll.
- Employers contribute 0.67 percent of covered payroll. 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. For the year ended June 30, 2022, the District paid \$1,780,089 to the THIS Fund, which was 100 percent of the required contribution. These contributions are deferred because they were paid after the June 30, 2021 measurement date.
- The State of Illinois makes contributions on behalf of the District. State contributions are intended to match contributions to the THIS Fund from active members. The State contributed 0.90 percent of covered payroll. For the year ended June 30, 2022, State of Illinois contributions on behalf of the District's employees were \$2,391,164 and the District recognized revenue and expenditures for this on-behalf contribution amount during the year in the General Fund.
- Retired members contribute through premium payments based on the coverage elected, Medicare eligibility, and the age of the member and dependents. The premium for retired members is not permitted to increase by more than 5.0 percent per year by statute. The Federal Government provides a Medicare Part D subsidy.

###### **OPEB Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources**

At June 30, 2022, the District reported a liability for its proportionate share of the collective total OPEB liability that reflected a reduction for state pension support provided for the District. The state's support and total are for disclosure purposes only. The OPEB proportionate shares are as follows:

Employer's proportionate share of the collective total OPEB liability	\$ 213,851,408
The State's proportionate share of the collective total OPEB liability associated with the employer	<u>289,951,301</u>
Total THIS total collective OPEB liability associated with the employer	<u><u>\$ 503,802,709</u></u>

**School District U-46****Notes to Basic Financial Statements****Note 7. Post-Employment Plans Other Than Pensions (Continued)*****Teachers' Health Insurance Security Fund (Continued)***

The collective total OPEB liability was measured as of June 30, 2021, and the total OPEB liability used to calculate the collective total OPEB liability was determined by an actuarial valuation as of June 30, 2020, and rolled forward to June 30, 2021. The District's proportionate share of the total OPEB liability was based on the District's share of contributions to THIS for the measurement year ended June 30, 2021, relative to the contributions of all participating employers and the State during that period. At June 30, 2021, the District's proportion was 0.9696 percent, which was an increase of 0.0096 percent from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the District recognized the following for OPEB expense/expenditure and revenue pertaining to the District's employees:

	Governmental Activities	General Fund
State on-behalf contributions - OPEB revenue and expense/expenditure (benefit)	\$ (4,012,675)	\$ 2,391,164
District OPEB expense	813,097	1,780,089
Total OPEB expense/expenditure (benefit)	<u>\$ (3,199,578)</u>	<u>\$ 4,171,253</u>

At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 10,003,703
Net difference between projected and actual earnings on OPEB investments	-	729
Changes of assumptions	73,827	80,077,716
Changes in proportion and differences between employer contributions and proportionate share of contributions	16,787,304	689,853
Total deferred OPEB actuarial adjustments	<u>16,861,131</u>	<u>90,772,001</u>
Employer contribution subsequent to the measurement date	1,780,089	-
Total deferred amounts related to OPEB	<u>\$ 18,641,220</u>	<u>\$ 90,772,001</u>

## School District U-46

### Notes to Basic Financial Statements

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#### Note 7. Post-Employment Plans Other Than Pensions (Continued)

##### *Teachers' Health Insurance Security Fund (Continued)*

The District reported \$1,780,089 as deferred outflows of resources resulting from District contributions subsequent to the measurement date that will be recognized as a reduction of the collective total OPEB liability in the year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in expense as follows:

Year ending June 30:

2023	\$ (8,872,854)
2024	(8,872,854)
2025	(8,872,854)
2026	(8,872,854)
2027	(8,872,854)
Thereafter	(29,546,600)
	<u>\$ (73,910,870)</u>

##### **Actuarial Assumptions**

The total OPEB liability was determined by an actuarial valuation as of June 30, 2021, based on the entry age normal cost method and using the following actuarial assumptions:

Discount rate	1.92% at June 30, 2021
Inflation	2.50%
Salary increases	Depends on service and ranges from 9.50 percent at 1 year of service to 4.00 percent at 20 or more years of service. Salary increase includes a 3.25 percent wage inflation assumption.
Healthcare cost trend rates	Actual trend used for fiscal year 2021. For fiscal years on and after 2022, trend starts at 8.00 percent for non-Medicare costs and post-Medicare costs, and gradually decreases to an ultimate trend of 4.25 percent in 2038.
Mortality	Mortality rates for retirement and beneficiary annuitants were based on the RP-2014 White Collar Annuitant Mortality Table, adjusted for TRS experience. For disabled annuitants, mortality rates were based on the RP-2014 Disable Annuitant Table. Mortality rates for pre-retirement were based on the RP-2014 White Collar Table. All tables reflect future mortality improvements using Projection Scale MP-2017.

Notes to Basic Financial Statements

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**Note 7. Post-Employment Plans Other Than Pensions (Continued)**

***Teachers' Health Insurance Security Fund (Continued)***

Participation

Eighty percent of future retirees that are currently active are assumed to elect healthcare coverage, with 80 percent electing single coverage and 20 percent electing two-person coverage. Seventy percent of current deferred vested participants with at least seven years of service and younger than 70 as of June 30, 2020, are assumed to elect healthcare coverage, with 80 percent electing single coverage and 20 percent electing two-person coverage. Thirty-five percent of current deferred vested participants with five to seven years of service and younger than age 70 as of June 30, 2020, are assumed to be eligible under State Employees' Group Insurance Program (SEGIP) or Teachers' Retirement Insurance Program (TRIP) before retirement and elect healthcare coverage, with 80 percent electing single coverage and 20 percent electing two-person coverage. The liability for this group is allocated equally to TRIP and SEGIP.

The pension-related assumptions disclosed in the TRS experience study for the period July 1, 2014 through June 30, 2017, were applied to the THIS actuarial valuation as of June 30, 2021.

The following OPEB-related assumption changes were made since the June 30, 2018, OPEB actuarial valuation date:

- The discount rate was changed from 2.45 percent at June 30, 2020 to 1.92 percent at June 30, 2021;
- The healthcare trend assumption was updated based on claim and enrollment experience through June 30, 2020, projected plan cost for plan year end June 30, 2021, premium changes through plan year end 2021, and expectation of future trend increases after June 30, 2020;
- Per capita claim costs for plan year end June 30, 2021, were updated based on projected claims and enrollment experience through June 30, 2021, and updated premium rates through plan year 2022; and
- Healthcare plan participation rates by plan were updated based on observed experience.

The long-term expected rate of return assumption was set to zero. As such, ranges of expected future real rates of return by asset class were not developed.

***Discount Rate***

Since THIS is financed on a pay-as-you-go basis, a long-term rate of return was not used and the discount rate used to measure the total OPEB liability was the 20-year general obligation bond index rate (source was Fidelity Index's 20-year municipal GO AA Index). The discount rate as of June 30, 2021 was 1.92 percent which was a decrease from the June 30, 2020 rate of 2.45 percent. The projection of cash flows used to determine the discount rate assumed that employee, employer, and State contributions would be made at the current statutorily required rates. Based on those assumptions, THIS's fiduciary net position was not projected to be sufficient to make projected OPEB payments for current active and inactive employees beyond the current year.

**School District U-46**

**Notes to Basic Financial Statements**

**Note 7. Post-Employment Plans Other Than Pensions (Continued)**

**Teachers' Health Insurance Security Fund (Continued)**

**Sensitivity of the Employer's Proportionate Share of the Total OPEB Liability to Changes in the Single Discount Rate**

The following presents the plan's total OPEB liability, calculated using a Single Discount Rate of 1.92 percent, as well as what the plan's total OPEB liability would be if it were calculated using a Single Discount rate that is one percentage point higher or lower than the current rate:

	1% Decrease 0.92%	Current Discount Rate 1.92%	1% Increase 2.92%
Employer's proportionate share of the collective total OPEB liability	\$ 256,898,443	\$ 213,851,408	\$ 179,730,669

**Sensitivity of Total OPEB Liability to Changes in the Healthcare Cost Trend Rate**

The following presents the plan's total OPEB liability, calculated using the healthcare cost trend rates as well as what the plan's total OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point higher or lower, than the current healthcare cost trend rates.

	1% Decrease (a)	Healthcare Cost Trend Rate Assumptions	1% Increase (b)
Employer's proportionate share of the collective total OPEB liability	\$ 171,198,775	\$ 213,851,408	\$ 271,791,733

(a) One percentage point decrease in healthcare trend rates are 7.00 percent in 2022 decreasing to an ultimate trend rate of 3.25 percent in 2038, for non-Medicare and post-Medicare coverage.

(b) One percentage point increase in healthcare trend rates are 9.00 percent in 2021 decreasing to an ultimate trend rate of 5.25 percent in 2038, for non-Medicare and post-Medicare coverage.

**OPEB Plan Fiduciary Net Position**

Detailed information about the THIS plan fiduciary net position is available in the separately issued THIS financial report.

**Payable to the OPEB Plan**

The District had no outstanding amount of contributions to the THIS plan for the year ended June 30, 2022.

## School District U-46

### Notes to Basic Financial Statements

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#### Note 8. Other Financial Disclosures

##### *Expenditures Exceeding Budgets*

The District adopts annual budgets for all funds. The funds with annually adopted budgets and excesses of expenditures over budgeted expenditures during fiscal year 2022 are as follows:

Fund	Final Budget	Actual Expenditures	Amount Over Budget
Major Funds:			
General Fund			
Tort Immunity Account	\$ 5,149,293	\$ 6,495,993	\$ 1,346,700
Debt Service Fund	42,811,561	42,978,741	167,180

##### *Interfund Transfers*

During fiscal year 2022, the District transferred \$10,133,985 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 2021 property tax levy.

#### 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, 2022.

#### Note 10. Commitments

On January 24, 2022, the District entered into an agreement to sell its 2023A and 2023B General Obligation Limited Refunding School Bonds on November 30, 2023. The 2023A series of \$44,545,000 will be issued to refund the District's General Obligation Limited School Bonds, Series 2015A and is payable through January 1, 2034. The 2023B series of \$96,000,000 was issued to partially refund the District's General Obligation Limited School Bonds, Series 2015D and is payable through January 1, 2034.

At June 30, 2022, the District had approximately \$12,000,000 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, and the Fire Prevention and Safety Fund.

## School District U-46

### Notes to Basic Financial Statements

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

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

GASB Statement No. 91, *Conduit Debt Obligations*, will be effective for the District beginning with its year ending June 30, 2023. This Statement establishes a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice. Under Statement 91 a government entity no longer reports a liability for any conduit debt that it has issued; however, the issuer should recognize a liability for any additional commitments or voluntary commitments to support the debt service.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, will improve financial reporting by addressing issues related to public-private and public-public partnerships and provides guidance for accounting and reporting for availability payment arrangements. This Statement will be effective for the District with its year ending June 30, 2023.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* (SBITA), will improve financial reporting by establishing a definition for SBITAs and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. The Statement will be effective for the District with its year ending June 30, 2023.

GASB Statement No. 99, *Omnibus 2022*, will enhance comparability in the application of accounting and financial reporting requirements and will improve the consistency of authoritative literature. Consistent authoritative literature enables governments and other stakeholders to more easily locate and apply the correct accounting and financial reporting provisions, which improves the consistency with which such provisions are applied. The comparability of financial statements also will improve as a result of this Statement. Better consistency and comparability improve the usefulness of information for users of state and local government financial statements. The Statement will be effective for the District at various times upon issuances and with its year ending June 30, 2024.

GASB Statement No. 100, *Accounting Changes and Error Corrections*, will improve the clarity of the accounting and financial reporting requirements for accounting charges and error corrections, which will result in greater consistency in application in practice. In turn, more understandable, reliable, relevant, consistent, and comparable information will be provided to financial statement users for making decisions or assessing accountability. In addition, the display and note disclosure requirements will result in more consistent, decision useful, understandable, and comprehensive information for users about accounting changes and error corrections. The Statement will be effective for the District with its year ending June 30, 2024.

GASB Statement No. 101, *Compensated Absences*, will through its unified recognition and remeasurement model, result in a liability for compensated absences that more appropriately reflects when a government incurs an obligation. In addition, the model can be applied consistently to any type of compensated absence and will eliminate potential comparability issues between governments that offer different types of leave. The model also will result in a more robust estimate of the amount of compensated absences that a government will pay or settle, which will enhance the relevance and reliability of information about the liability for compensated absences. The Statement will be effective for the District with its year ending June 30, 2024.

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

## **REQUIRED SUPPLEMENTARY INFORMATION**

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

Schedule of District Contributions – Teachers' Retirement System

Schedule of Changes in the Net Pension (Asset) Liability and Related Ratios – Illinois Municipal Retirement Fund

Schedule of District Contributions – Illinois Municipal Retirement Fund

Schedule of Changes in the Total OPEB Liability and Related Ratios – District OPEB Plan

Schedule of the District's Proportionate Share of the Collective Total OPEB Liability – Teachers' Health Insurance Security Fund

Schedule of District Contributions – Teachers' Health Insurance Security Fund

Budgetary Comparison Information: General Fund

Notes to Required Supplementary Information (RSI)



**School District U-46**

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

Fiscal Year Ended*	2022	2021	2020	2019	2018	2017	2016	2015
District's proportion of the collective net pension liability	0.0281%	0.0289%	0.0292%	0.0303%	0.0871%	0.0827%	0.0517%	0.0814%
District's proportionate share of the collective net pension liability	\$ 21,887,800	\$ 24,912,130	\$ 23,715,862	\$ 23,609,784	\$ 66,545,775	\$ 65,248,035	\$ 33,868,384	\$ 49,508,342
State's proportionate share of the collective net pension liability associated with the District	1,834,430,264	1,951,247,392	1,687,832,038	1,617,369,178	1,557,896,054	1,609,322,179	1,275,250,978	1,173,916,748
<b>Total</b>	<b>\$ 1,856,318,064</b>	<b>\$ 1,976,159,522</b>	<b>\$ 1,711,547,900</b>	<b>\$ 1,640,978,962</b>	<b>\$ 1,624,441,829</b>	<b>\$ 1,674,570,214</b>	<b>\$ 1,309,119,362</b>	<b>\$ 1,223,425,090</b>
District's covered payroll	\$ 251,560,800	\$ 243,853,436	\$ 227,801,600	\$ 215,651,921	\$ 211,077,112	\$ 204,244,433	\$ 198,258,595	\$ 188,448,392
District's proportionate share of the collective net pension liability as a percentage of its covered payroll	8.7%	10.2%	10.4%	10.9%	31.5%	31.9%	17.1%	26.3%
Plan fiduciary net position as a percentage of the total pension liability	45.1%	37.8%	39.6%	40.0%	39.3%	36.4%	41.5%	43.0%

**Notes to schedule**

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

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.

**School District U-46**

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

Fiscal Year Ended	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually-required contribution	\$ 2,492,034	\$ 2,010,482	\$ 2,083,042	\$ 1,862,360	\$ 1,770,395	\$ 2,800,714	\$ 3,175,233	\$ 2,337,303	\$ 2,502,668	\$ 2,652,392
Contributions in relation to the contractually-required contribution	2,496,006	2,051,858	1,911,459	1,868,418	1,699,413	3,589,872	2,444,400	2,311,171	2,502,668	2,652,392
Contribution (excess) deficiency	<u>\$ (3,972)</u>	<u>\$ (41,376)</u>	<u>\$ 171,583</u>	<u>\$ (6,058)</u>	<u>\$ 70,982</u>	<u>\$ (789,158)</u>	<u>\$ 730,833</u>	<u>\$ 26,132</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 265,684,924	\$ 251,560,800	\$ 243,853,436	\$ 227,801,600	\$ 215,651,921	\$ 211,077,112	\$ 204,244,433	\$ 198,258,595	\$ 188,448,392	\$ 187,379,565
Contributions as a percentage of covered payroll	0.94%	0.82%	0.78%	0.82%	0.79%	1.70%	1.20%	1.17%	1.33%	1.42%

**Notes to Schedules**

***Changes of Assumptions***

For the 2021 measurement year, the assumed investment rate of return was 7.0 percent, including an inflation rate of 2.25 percent and a real return of 4.75 percent. Mortality rate were based on the PubT-2010 Table with adjustments as appropriate for TRS experience. The rates were based on a fully generational basis using projection table MP-2020. In prior measurement periods, mortality rates were based on the RP-2014 White Collar Table with adjustments as appropriate for TRS experience. The rates were used on a fully generational basis using projection table MP-2017

For the 2020 through 2016 measurement years, the assumed investment rate of return was 7.0 percent, including an inflation rate of 2.5 percent and a real return of 4.5 percent. Salary increases were assumed to vary by service credit and were consistent in 2020 and 2019. These actuarial assumptions were based on an experience study dated September 18, 2018.

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

**School District U-46**

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

Calendar year ended December 31	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability							
Service Cost	\$ 6,776,618	\$ 7,705,149	\$ 7,240,886	\$ 6,690,189	\$ 7,088,356	\$ 7,287,074	\$ 6,752,927
Interest in the Total Pension Liability	25,677,596	25,418,742	24,206,866	23,132,664	22,710,668	21,991,405	20,550,703
Changes of Benefit Terms	-	-	-	-	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	7,623,313	(6,808,476)	3,114,679	3,308,148	1,653,787	(5,058,203)	5,258,888
Changes of Assumptions	-	(3,116,072)	-	9,203,969	(9,673,308)	(1,091,259)	359,033
Benefit Payments, including Refunds of Employee Contributions	(19,701,861)	(18,627,500)	(17,530,554)	(16,785,530)	(15,122,077)	(14,112,060)	(12,956,579)
Net Change in Total Pension Liability	20,375,666	4,571,843	17,031,877	25,549,440	6,657,426	9,016,957	19,964,972
Total Pension Liability - Beginning	360,636,356	356,064,513	339,032,636	313,483,196	306,825,770	297,808,813	277,843,841
Total Pension Liability - Ending	<u>\$ 381,012,022</u>	<u>\$ 360,636,356</u>	<u>\$ 356,064,513</u>	<u>\$ 339,032,636</u>	<u>\$ 313,483,196</u>	<u>\$ 306,825,770</u>	<u>\$ 297,808,813</u>
Plan Fiduciary Net Position							
Contributions - Employer	\$ 8,089,401	\$ 8,043,625	\$ 7,224,938	\$ 7,630,632	\$ 7,505,169	\$ 7,623,785	\$ 7,321,744
Contributions - Employees	3,368,339	3,203,606	3,373,975	3,049,438	2,991,943	2,932,617	2,914,439
Net Investment Income	60,876,603	46,383,666	52,625,457	(16,123,071)	45,723,969	17,057,396	1,228,293
Benefit Payments, including Refunds of Employee Contributions	(19,701,861)	(18,627,500)	(17,530,554)	(16,785,530)	(15,122,077)	(14,112,060)	(12,956,579)
Other (Net Transfer)	(568,336)	(2,556,839)	158,149	5,562,833	(6,145,971)	237,493	2,302,834
Net Change in Plan Fiduciary Net Position	52,064,146	36,446,558	45,851,965	(16,665,698)	34,953,033	13,739,231	810,731
Plan Fiduciary Net Position - Beginning	362,154,609	325,708,051	279,856,086	296,521,784	261,568,751	247,829,520	247,018,789
Plan Fiduciary Net Position - Ending	<u>\$ 414,218,755</u>	<u>\$ 362,154,609</u>	<u>\$ 325,708,051</u>	<u>\$ 279,856,086</u>	<u>\$ 296,521,784</u>	<u>\$ 261,568,751</u>	<u>\$ 247,829,520</u>
Net Pension (Asset) Liability	<u>\$ (33,206,733)</u>	<u>\$ (1,518,253)</u>	<u>\$ 30,356,462</u>	<u>\$ 59,176,550</u>	<u>\$ 16,961,412</u>	<u>\$ 45,257,019</u>	<u>\$ 49,979,293</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	108.72%	100.42%	91.47%	82.55%	94.59%	85.25%	83.22%
Covered Payroll	\$ 73,654,616	\$ 70,841,717	\$ 73,292,380	\$ 67,513,152	\$ 65,500,573	\$ 64,026,568	\$ 64,024,510
Net Pension Liability as a Percentage of Covered Payroll	-45.08%	-2.14%	41.42%	87.65%	25.90%	70.68%	78.06%

\* 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.

**School District U-46****Schedule of District Contributions  
Illinois Municipal Retirement Fund**

Fiscal Year Ending June 30	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a % of Covered Valuation Payroll
2022	\$ 7,445,895	\$ 7,431,504	\$ 14,391	\$ 74,645,601	9.96%
2021	7,864,535	7,852,268	12,267	70,838,769	11.08%
2020	7,909,693	7,902,178	7,515	74,611,892	10.60%
2019	7,514,214	7,630,632	(116,418)	67,513,152	11.30%
2018	7,499,816	7,505,169	(5,353)	65,500,573	11.46%
2017	7,567,940	7,623,785	(55,845)	61,906,562	12.31%
2016	7,305,197	7,321,744	(16,547)	58,046,942	12.61%
2015	6,833,838	6,915,065	(81,227)	54,960,594	12.58%
2014	7,099,132	7,099,132	-	53,247,560	13.33%
2013	6,696,410	6,696,410	-	52,980,936	12.64%

**School District U-46**

**Schedule of Changes in the Total OPEB Liability and Related Ratios  
District OPEB Plan**

Fiscal Year Ended	2022	2021	2020	2019	2018
Total OPEB Liability					
Service cost	\$ 1,158,539	\$ 1,148,731	\$ 1,006,873	\$ 1,003,479	\$ 1,003,974
Interest cost	635,785	749,319	716,716	765,847	806,590
Change of benefit terms	-	-	-	-	(2,003,354)
Differences between expected and actual experience	(1,899,363)	-	(1,247,373)	-	-
Changes of assumptions	(2,824,742)	964,209	3,779,446	259,405	210,570
Benefit payments, including refunds of employee contributions	(1,987,158)	(1,766,976)	(2,063,194)	(2,022,065)	(2,157,596)
Net change in total pension liability	(4,916,939)	1,095,283	2,192,468	6,666	(2,139,816)
Total OPEB liability - beginning	28,994,127	27,898,844	25,706,376	25,699,710	27,839,526
Total OPEB liability - ending	<u>\$ 24,077,188</u>	<u>\$ 28,994,127</u>	<u>\$ 27,898,844</u>	<u>\$ 25,706,376</u>	<u>\$ 25,699,710</u>
Covered payroll	\$ 237,143,228	\$ 218,547,893	\$ 227,354,884	\$ 211,666,809	\$ 219,201,030
Total OPEB liability as a percentage of covered payroll	10.15%	13.27%	12.27%	12.14%	11.72%

**Notes to Schedule:**

*Changes of benefit assumptions.* Changes of assumptions reflect the effects of changes in the discount rate. The following are the discount rates used in each period.

2022 - 4.09%  
2021 - 2.18%  
2020 - 2.66%  
2019 - 2.79%  
2018 - 3.51%

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.

**School District U-46**

**Schedule of the District's Proportionate Share of the Collective Total OPEB Liability  
Teachers' Health Insurance Security Fund**

Fiscal Year Ended*	2022	2021	2020	2019	2018
District's proportion of the collective total OPEB liability	0.9696%	0.9600%	0.9190%	0.9223%	0.9185%
District's proportionate share of the collective total OPEB liability	\$ 213,851,408	\$ 256,662,793	\$ 254,361,840	\$ 242,987,411	\$ 238,342,838
The State's proportionate share of the collective total OPEB liability associated with the District	289,951,301	347,708,201	344,438,459	326,279,389	313,003,345
Total	<u>\$ 503,802,709</u>	<u>\$ 604,370,994</u>	<u>\$ 598,800,299</u>	<u>\$ 569,266,800</u>	<u>\$ 551,346,183</u>
Covered payroll	\$ 251,560,800	\$ 243,853,436	\$ 227,801,600	\$ 215,651,921	\$ 211,077,112
Collective total OPEB liability as a percentage of the covered payroll	85.0098%	105.2529%	111.6594%	112.6757%	112.9174%
Plan fiduciary net position as a percentage of the total OPEB liability	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%

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

**Notes to schedule**

*Changes of benefit assumptions* . Changes of assumptions are as follows:

- The following are discount rates used in each period.
  - 2022 - 1.92%
  - 2021 - 2.45%
  - 2020 - 3.13%
  - 2019 - 3.62%
  - 2018 - 3.56%
- The healthcare trend assumption was updated each year based on claim and enrollment experience, projected plan cost for the applicable plan year, premium changes through the applicable plan year, and expectation of future trend increases.
- The excise trend rate adjustment was updated based on available premium and enrollment information for the applicable plan year.
- Per capita claim costs were updated based on projected claims and enrollment experience for the applicable plan year and updated premium rates for the applicable plan year.
- Healthcare plan participation rates by plan were updated based on observed experience.

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.

**School District U-46**

**Schedule of District Contributions  
Teachers' Health Insurance Security Fund**

Fiscal Year Ended	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually-required contribution	\$ 1,780,089	\$ 2,314,359	\$ 2,243,452	\$ 2,095,775	\$ 1,897,737	\$ 1,773,048	\$ 1,633,955	\$ 1,506,765	\$ 1,356,828	\$ 1,292,919
Contributions in relation to the contractually-required contribution	1,780,089	2,314,359	2,243,452	2,095,775	1,951,741	1,773,048	1,633,955	1,506,765	1,356,828	1,292,919
Contribution (excess) deficiency	\$ -	\$ -	\$ -	\$ -	\$ (54,004)	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 265,684,924	\$ 251,560,800	\$ 243,853,436	\$ 227,801,600	\$ 215,651,921	\$ 211,077,112	\$ 204,244,433	\$ 198,258,595	\$ 188,448,392	\$ 187,379,565
Contributions as a percentage of covered payroll	0.67%	0.92%	0.92%	0.92%	0.91%	0.84%	0.80%	0.76%	0.72%	0.69%

## **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.



**School District U-46**

**Schedule of Revenues, Expenditures and Changes in Fund Balance -  
Budget and Actual  
General Fund - Budgetary Basis  
Year Ended June 30, 2022**

	Original and Final Budget	Actual	Variance
Revenues:			
Property taxes	\$ 263,686,562	\$ 265,765,201	\$ 2,078,639
Replacement taxes and payments in lieu of taxes	200,000	22,078	(177,922)
Charges for services	3,819,000	6,370,271	2,551,271
Earnings (loss) on investments	505,250	(1,472,229)	(1,977,479)
Rentals	750,000	13,814	(736,186)
Local grants	-	104,045	104,045
Other local sources	1,845,954	1,031,187	(814,767)
State grants-in-aid	226,472,687	235,704,856	9,232,169
Federal grants-in-aid	83,378,749	58,571,487	(24,807,262)
<b>Total revenues</b>	<b>580,658,202</b>	<b>566,110,710</b>	<b>(14,547,492)</b>
Expenditures:			
Current:			
Instruction:			
Regular programs	204,475,336	169,943,454	34,531,882
Special programs	55,332,040	57,959,656	(2,627,616)
Other instructional programs	75,787,685	79,313,250	(3,525,565)
Support services:			
Pupils	39,513,405	40,482,744	(969,339)
Instructional staff	19,981,086	19,195,653	785,433
General administration	11,412,137	12,525,064	(1,112,927)
School administration	29,947,003	30,417,734	(470,731)
Business	5,156,195	6,475,034	(1,318,839)
Operations and maintenance	38,105,112	33,277,280	4,827,832
Transportation	1,220,301	448,911	771,390
Facilities acquisition and construction	20,000	44,325	(24,325)
Food service	17,250,737	15,180,424	2,070,313
Central	16,330,786	12,274,136	4,056,650
Other support	8,041,890	8,837,192	(795,302)
Community services	2,375,951	1,983,735	392,216
Intergovernmental:			
Payments to other governments	9,675,136	10,345,341	(670,205)
Capital outlay	34,387,016	24,327,459	10,059,557
<b>Total expenditures</b>	<b>569,011,816</b>	<b>523,031,392</b>	<b>45,980,424</b>
Excess of revenues over expenditures	11,646,386	43,079,318	31,432,932
Other financing sources (uses):			
Proceeds from sale of capital assets	-	43,525	43,525
Transfer out	(10,133,985)	(10,133,985)	-
<b>Total other financing uses</b>	<b>(10,133,985)</b>	<b>(10,090,460)</b>	<b>43,525</b>
<b>Net change in fund balance</b>	<b>\$ 1,512,401</b>	<b>32,988,858</b>	<b>\$ 31,476,457</b>
Fund balance:			
Beginning of year		324,672,660	
End of year		<u>\$ 357,661,518</u>	

## School District U-46

### Notes to Required Supplementary Information (RSI)

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#### 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, 2022, 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 2021-22 budget was adopted September 27, 2021.

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.

For budgetary purposes, the District does not recognize as revenues the retirement contributions made by the State to the Teachers' Retirement System of the State of Illinois (TRS) and Teachers' Health Insurance Security Fund of the State of Illinois (THIS) on behalf of the District as well as the related expenditures.

The following schedule reconciles the revenues and expenditures on the budgetary basis with the amounts presented in accordance with accounting principles generally accepted in the United States of America for the District's General Fund only.

Revenues - budgetary basis	\$ 566,110,710
Unbudgeted retirement/OPEB contributions made by the State	128,902,626
Revenues - GAAP basis	<u>\$ 695,013,336</u>
Expenditures - budgetary basis	\$ 523,031,392
Unbudgeted retirement/OPEB contributions made by the State	128,902,626
Expenditures - GAAP basis	<u>\$ 651,934,018</u>

## School District U-46

### Notes to Required Supplementary Information (RSI)

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#### Note 2. Notes to Schedule of Contributions - IMRF

**Valuation Date** 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 2021 contribution rate\*:**

Actuarial Cost Method:	Aggregate entry age normal
Amortization Method:	Level percentage of payroll, closed
Remaining Amortization Period:	22-year closed period
Asset Valuation Method:	5-year smoothed market; 20 percent corridor
Wage Growth:	3.25 percent
Price Inflation:	2.50 percent
Salary Increases:	3.35 percent to 14.25 percent, including inflation
Investment Rate of Return:	7.25 percent
Retirement Age:	Experienced-based table of rates that are specific to the type of eligibility condition; last updated for the 2017 valuation pursuant to an experience study of the period 2014 to 2016.
Mortality:	For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table, adjusted to match current IMRF experience. For disabled lives, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (based year 2015). 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-2017 (based year 2015). Employee Mortality Table with adjustments to match current IMRF experience.

**Other Information**

**Notes** There were no benefit changes during the year.

\* Based on Valuation Assumptions used in the December 31, 2019 actuarial valuation.

## School District U-46

### Notes to Required Supplementary Information (RSI)

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#### Note 3. Notes to Schedule of Contributions - Teachers' Health Insurance Security Fund

Valuation Date	June 30, 2020
Measurement Date	June 30, 2021
Fiscal Year-End	June 30, 2022

*Methods and assumptions used to determine contribution rates:*

Actuarial Cost Method      Entry Age Normal, used to measure the Total OPEB Liability

Contribution Policy      Benefits are financed on a pay-as-you go basis. Contribution rates are defined by statute. For fiscal year-end June 30, 2021, contribution rates are 1.24% of pay for active members, 0.90% of pay for school districts and 1.24% of pay for the State. Retired members contribute a percentage of premium rates. The goal of the policy is to finance current year costs plus a margin for incurred but not paid plan costs.

Asset Valuation Method      Market value

Investment Rate of Return      0%, net of OPEB plan investment expense, including inflation

Inflation      2.50%

Salary Increases      Depends on service and ranges from 9.50% at less than 1 year of service to 4.00% at 20 or more years of service. Salary increase includes a 3.25% wage inflation assumption.

Retirement Age      Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the June 30, 2018, actuarial valuation.

Mortality      Retirement and Beneficiary Annuitants: RP-2014 White Collar Annuitant Mortality Table, adjusted for TRS experience.  
Disabled Annuitants: RP-2014 Disabled Annuitant Table.  
Pre-Retirement: RP-2014 White Collar Table. All tables reflect future mortality improvements using Projection Scale MP-2017.

Healthcare Cost Trend Rates      Trend for fiscal year 2022 based on expected increases used to develop average costs. For fiscal years on or after 2023, trend starts at 8.00 percent and gradually decreases to an ultimate trend of 4.25 percent.

Aging Factors      Based on the 2013 SOA Study "Health Care Costs – From Birth to Death"

Expenses      Health administrative expenses are included in the development of the per capita claims costs. Operating expenses are included as a component of the Annual OPEB Expense.

## **OTHER SUPPLEMENTARY INFORMATION**

**School District U-46**

**Combining Balance Sheet  
General Fund, by Account  
June 30, 2022**

	Educational Account	Tort Immunity Account	Operations and Maintenance Account	Working Cash Account	Elimination	Total
<b>Assets</b>						
Cash and investments	\$ 283,319,814	\$ -	\$ 17,639,505	\$ 110,858,082	\$ -	\$ 411,817,401
Accrued Interest	-	-	-	30,119	-	30,119
Property taxes receivable, net of allowance	105,280,886	2,477,416	18,530,522	-	-	126,288,824
Grants receivable	33,681,475	-	-	-	-	33,681,475
Accounts receivable	230,124	-	49,743	-	-	279,867
Due from other accounts and funds	211,614	-	-	-	(211,614)	-
Inventories	28,721	-	-	-	-	28,721
Prepays	949,360	-	-	-	-	949,360
<b>Total assets</b>	<b>\$ 423,701,994</b>	<b>\$ 2,477,416</b>	<b>\$ 36,219,770</b>	<b>\$ 110,888,201</b>	<b>\$ (211,614)</b>	<b>\$ 573,075,767</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balance (Deficit)</b>						
<b>Liabilities</b>						
Accounts payable	\$ 8,026,090	\$ 26,361	\$ 9,545,735	\$ -	\$ -	\$ 17,598,186
Accrued payroll	33,019,149	5,018	449,007	-	-	33,473,174
Payroll deductions	226,427	-	-	-	-	226,427
Construction retainage payable	-	-	733,164	-	-	733,164
Insurance claims payable	119,889	-	-	-	-	119,889
Due to other accounts and funds	-	211,614	-	-	(211,614)	-
Unclaimed property	195,753	-	-	-	-	195,753
<b>Total liabilities</b>	<b>41,587,308</b>	<b>242,993</b>	<b>10,727,906</b>	<b>-</b>	<b>(211,614)</b>	<b>52,346,593</b>
<b>Deferred inflows of resources</b>						
Unavailable grant revenue	28,076,787	-	-	-	-	28,076,787
Property taxes levied for subsequent years	112,535,360	2,648,125	19,807,384	-	-	134,990,869
<b>Total deferred inflows of resources</b>	<b>140,612,147</b>	<b>2,648,125</b>	<b>19,807,384</b>	<b>-</b>	<b>-</b>	<b>163,067,656</b>
<b>Fund balance (deficit)</b>						
Nonspendable	978,081	-	-	-	-	978,081
Restricted	3,161,384	-	-	-	-	3,161,384
Unassigned	237,363,074	(413,702)	5,684,480	110,888,201	-	353,522,053
<b>Total fund balance (deficit)</b>	<b>241,502,539</b>	<b>(413,702)</b>	<b>5,684,480</b>	<b>110,888,201</b>	<b>-</b>	<b>357,661,518</b>
<b>Total liabilities, deferred inflows of resources and fund balance (deficit)</b>	<b>\$ 423,701,994</b>	<b>\$ 2,477,416</b>	<b>\$ 36,219,770</b>	<b>\$ 110,888,201</b>	<b>\$ (211,614)</b>	<b>\$ 573,075,767</b>

School District U-46

Combining Statement of Revenues, Expenditures and Changes in Fund Balance (Deficit)

General Fund, by Account

Year Ended June 30, 2022

	Educational Account	Tort Immunity Account	Operations and Maintenance Account	Working Cash Account	Elimination	Total
Revenues:						
Property taxes	\$ 221,010,017	\$ 5,477,649	\$ 39,277,535	\$ -	\$ -	\$ 265,765,201
Replacement taxes and payments in lieu of taxes	22,078	-	-	-	-	22,078
Charges for services	6,370,271	-	-	-	-	6,370,271
Earnings (loss) on investments	1,341	35	238	(1,473,843)	-	(1,472,229)
Rentals	470	-	13,344	-	-	13,814
Local grants	104,045	-	-	-	-	104,045
Other local sources	401,814	-	629,373	-	-	1,031,187
State grants-in-aid	204,546,390	-	31,158,466	-	-	235,704,856
Federal grants-in-aid	58,571,487	-	-	-	-	58,571,487
State on-behalf contributions - TRS and THIS	128,902,626	-	-	-	-	128,902,626
<b>Total revenues</b>	<b>619,930,539</b>	<b>5,477,684</b>	<b>71,078,956</b>	<b>(1,473,843)</b>	<b>-</b>	<b>695,013,336</b>
Expenditures:						
Current:						
Instruction:						
Regular programs	169,943,454	-	-	-	-	169,943,454
Special programs	57,959,656	-	-	-	-	57,959,656
Other instructional programs	79,313,250	-	-	-	-	79,313,250
Support services:						
Pupils	40,482,744	-	-	-	-	40,482,744
Instructional staff	19,195,653	-	-	-	-	19,195,653
General administration	12,140,847	384,217	-	-	-	12,525,064
School administration	30,417,734	-	-	-	-	30,417,734
Business	6,475,034	-	-	-	-	6,475,034
Operations and maintenance	633,834	-	32,643,446	-	-	33,277,280
Transportation	448,911	-	-	-	-	448,911
Facilities acquisition and construction	-	-	44,325	-	-	44,325
Food service	15,180,424	-	-	-	-	15,180,424
Central	12,274,136	-	-	-	-	12,274,136
Other support	2,725,416	6,111,776	-	-	-	8,837,192
Community services	1,983,735	-	-	-	-	1,983,735
State on-behalf contributions - TRS and THIS	128,902,626	-	-	-	-	128,902,626
Intergovernmental:						
Payments to other governments	10,345,341	-	-	-	-	10,345,341
Capital outlay	1,775,265	-	22,552,194	-	-	24,327,459
<b>Total expenditures</b>	<b>590,198,060</b>	<b>6,495,993</b>	<b>55,239,965</b>	<b>-</b>	<b>-</b>	<b>651,934,018</b>
Excess (deficiency) of revenues over (under) expenditures	29,732,479	(1,018,309)	15,838,991	(1,473,843)	-	43,079,318
Other financing sources (uses):						
Proceeds from sale of capital assets	43,525	-	-	-	-	43,525
Transfer in	-	-	300,000	-	(300,000)	-
Transfer out	(9,605,212)	-	(528,773)	(300,000)	300,000	(10,133,985)
<b>Total other financing sources (uses)</b>	<b>(9,561,687)</b>	<b>-</b>	<b>(228,773)</b>	<b>(300,000)</b>	<b>-</b>	<b>(10,090,460)</b>
<b>Net change in fund balance (deficit)</b>	<b>20,170,792</b>	<b>(1,018,309)</b>	<b>15,610,218</b>	<b>(1,773,843)</b>	<b>-</b>	<b>32,988,858</b>
Fund balance (deficit):						
Beginning of year	221,331,747	604,607	(9,925,738)	112,662,044	-	324,672,660
End of year	\$ 241,502,539	\$ (413,702)	\$ 5,684,480	\$ 110,888,201	\$ -	\$ 357,661,518

**School District U-46**

**Schedule of Revenues, Expenditures and Changes in Fund Balance -  
Budget and Actual**

**General Fund - Educational Account - Budgetary Basis  
Year Ended June 30, 2022**

	Original and Final Budget	Actual	Variance
Revenues:			
Property taxes	\$ 218,668,888	\$ 221,010,017	\$ 2,341,129
Replacement taxes and payments in lieu of taxes	200,000	22,078	(177,922)
Charges for services	3,819,000	6,370,271	2,551,271
Earnings on investments	4,000	1,341	(2,659)
Rentals	-	470	470
Local grants	-	104,045	104,045
Other local sources	250,000	401,814	151,814
State grants-in-aid	196,472,687	204,546,390	8,073,703
Federal grants-in-aid	83,378,749	58,571,487	(24,807,262)
<b>Total revenues</b>	<b>502,793,324</b>	<b>491,027,913</b>	<b>(11,765,411)</b>
Expenditures:			
Current:			
Instruction:			
Regular programs	204,475,336	169,943,454	34,531,882
Special programs	55,332,040	57,959,656	(2,627,616)
Other instructional programs	75,787,685	79,313,250	(3,525,565)
Support services:			
Pupils	39,513,405	40,482,744	(969,339)
Instructional staff	19,981,086	19,195,653	785,433
General administration	10,913,275	12,140,847	(1,227,572)
School administration	29,947,003	30,417,734	(470,731)
Business	5,156,195	6,475,034	(1,318,839)
Operations and maintenance	1,340,634	633,834	706,800
Transportation	1,220,301	448,911	771,390
Food service	17,250,737	15,180,424	2,070,313
Central	16,330,786	12,274,136	4,056,650
Other support	3,391,459	2,725,416	666,043
Community services	2,375,951	1,983,735	392,216
Intergovernmental:			
Payments to other governments	9,675,136	10,345,341	(670,205)
Capital outlay	2,486,218	1,775,265	710,953
<b>Total expenditures</b>	<b>495,177,247</b>	<b>461,295,434</b>	<b>33,881,813</b>
Excess of revenues over expenditures	7,616,077	29,732,479	22,116,402
Other financing sources (uses):			
Proceeds from sale of capital assets	-	43,525	43,525
Transfer out	(9,605,212)	(9,605,212)	-
<b>Total other financing sources (uses)</b>	<b>(9,605,212)</b>	<b>(9,561,687)</b>	<b>43,525</b>
<b>Net change in fund balance</b>	<b>\$ (1,989,135)</b>	<b>20,170,792</b>	<b>\$ 22,159,927</b>
Fund balance:			
Beginning of year		221,331,747	
End of year		<u>\$ 241,502,539</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, 2022**

	Original and Final Budget	Actual	Variance
Revenues:			
Property taxes	\$ 5,337,411	\$ 5,477,649	\$ 140,238
Earnings on investments	250	35	(215)
<b>Total revenues</b>	<u>5,337,661</u>	<u>5,477,684</u>	<u>140,023</u>
Expenditures:			
Current:			
Support services:			
General administration	498,862	384,217	114,645
Central	4,650,431	6,111,776	(1,461,345)
<b>Total expenditures</b>	<u>5,149,293</u>	<u>6,495,993</u>	<u>(1,346,700)</u>
<b>Net change in fund balance</b>	<u>\$ 188,368</u>	<u>(1,018,309)</u>	<u>\$ (1,206,677)</u>
Fund (deficit) balance:			
Beginning of year		<u>604,607</u>	
End of year		<u>\$ (413,702)</u>	

**Schedule of Tort Expenditures by Object**

Workers' compensation or workers' occupation disease acts payments	\$ 3,760,327
Insurance payments (regular or self-insurance)	763,657
Judgments/settlements	443,333
Educational, inspectional, supervisory services related to loss prevention or reduction	1,403,740
Legal service	<u>124,936</u>
<b>Total tort expenditures</b>	<u>\$ 6,495,993</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 annual comprehensive 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, 2022**

	Original and Final Budget	Actual	Variance
Revenues:			
Property taxes	\$ 39,680,263	\$ 39,277,535	\$ (402,728)
Earnings on investments	1,000	238	(762)
Rentals	750,000	13,344	(736,656)
Other local sources	1,595,954	629,373	(966,581)
State grants-in-aid	30,000,000	31,158,466	1,158,466
<b>Total revenues</b>	<u>72,027,217</u>	<u>71,078,956</u>	<u>(948,261)</u>
Expenditures:			
Current:			
Support services:			
Operations and maintenance	36,764,478	32,643,446	4,121,032
Facilities acquisition and construction	20,000	44,325	(24,325)
Capital outlay	31,900,798	22,552,194	9,348,604
<b>Total expenditures</b>	<u>68,685,276</u>	<u>55,239,965</u>	<u>13,445,311</u>
Excess of revenues over expenditures	<u>3,341,941</u>	<u>15,838,991</u>	<u>12,497,050</u>
Other financing sources (uses):			
Transfer in	500,000	300,000	(200,000)
Transfer out	(528,773)	(528,773)	-
<b>Total other financing sources (uses)</b>	<u>(28,773)</u>	<u>(228,773)</u>	<u>(200,000)</u>
<b>Net change in fund balance</b>	<u>\$ 3,313,168</u>	<u>15,610,218</u>	<u>\$ 12,297,050</u>
Fund deficit:			
Beginning of year		<u>(9,925,738)</u>	
End of year		<u>\$ 5,684,480</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, 2022**

	Original and Final Budget	Actual	Variance
Revenues:			
Earnings (loss) on investments	\$ 500,000	\$ (1,473,843)	\$ (1,973,843)
Other financing uses:			
Transfer out	(500,000)	(300,000)	200,000
<b>Net change in fund balance</b>	<u>\$ -</u>	(1,773,843)	<u>\$ (1,773,843)</u>
Fund balance:			
Beginning of year		<u>112,662,044</u>	
End of year		<u>\$ 110,888,201</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, 2022**

	Original and Final Budget	Actual	Variance
Revenues:			
Property taxes	\$ 32,850,039	\$ 32,576,110	\$ (273,929)
Earnings on investments	1,000	209	(791)
<b>Total revenues</b>	<u>32,851,039</u>	<u>32,576,319</u>	<u>(274,720)</u>
Expenditures:			
Debt service			
Principal	16,099,300	14,694,300	1,405,000
Interest and fees	26,712,261	26,401,949	310,312
Payment to escrow agent using District resources	-	1,715,312	(1,715,312)
Bond issuance costs	-	167,180	(167,180)
<b>Total expenditures</b>	<u>42,811,561</u>	<u>42,978,741</u>	<u>(167,180)</u>
Deficiency of revenues under expenditures	(9,960,522)	(10,402,422)	(441,900)
Other financing sources (uses):			
Transfer in	10,133,985	10,133,985	-
Proceeds from debt issuance	-	18,730,000	18,730,000
Premium on debt issuance	-	1,777,437	1,777,437
Transfer to escrow agent	-	(20,331,283)	(20,331,283)
<b>Total other financing sources (uses)</b>	<u>10,133,985</u>	<u>10,310,139</u>	<u>176,154</u>
<b>Net change in fund balance</b>	<u>\$ 173,463</u>	<u>(92,283)</u>	<u>\$ (265,746)</u>
Fund balance:			
Beginning of year		<u>33,180,596</u>	
End of year		<u>\$ 33,088,313</u>	

## **NONMAJOR GOVERNMENTAL FUNDS**

### **SPECIAL REVENUE FUND**

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 special revenue funds maintained by the District are 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.

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, 2022**

	Special Revenue Funds		Capital Projects Funds		Total
	Transportation	Municipal Retirement/ Social Security	Capital Projects	Fire Prevention and Safety	Nonmajor Governmental
	Fund	Fund	Fund	Fund	Funds
<b>Assets</b>					
Cash	\$ 26,424,293	\$ 11,546,550	\$ 4,757,316	\$ 9,835,143	\$ 52,563,302
Property taxes receivable, net of allowance	4,139,488	5,238,463	-	2,292,584	11,670,535
Replacement taxes receivable	-	1,995,810	-	-	1,995,810
Grants receivable	19,112,772	-	-	-	19,112,772
Accounts receivable	2,106	-	76,241	-	78,347
<b>Total assets</b>	<b>\$ 49,678,659</b>	<b>\$ 18,780,823</b>	<b>\$ 4,833,557</b>	<b>\$ 12,127,727</b>	<b>\$ 85,420,766</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>					
<b>Liabilities</b>					
Accounts payable	\$ 254,989	\$ -	\$ -	\$ -	\$ 254,989
Accrued payroll	365,191	-	-	-	365,191
Payroll deductions	-	1,220,642	-	-	1,220,642
Unclaimed property	-	-	90,754	-	90,754
<b>Total liabilities</b>	<b>620,180</b>	<b>1,220,642</b>	<b>90,754</b>	<b>-</b>	<b>1,931,576</b>
<b>Deferred inflows of resources</b>					
Property taxes levied for subsequent years	4,424,723	5,599,423	-	2,450,557	12,474,703
Unavailable grant revenue	15,074,174	-	-	-	15,074,174
<b>Total deferred inflows of resources</b>	<b>19,498,897</b>	<b>5,599,423</b>	<b>-</b>	<b>2,450,557</b>	<b>27,548,877</b>
<b>Fund balances</b>					
Assigned	7,093,461	-	-	-	7,093,461
Restricted	22,466,121	11,960,758	4,742,803	9,677,170	48,846,852
<b>Total fund balances</b>	<b>29,559,582</b>	<b>11,960,758</b>	<b>4,742,803</b>	<b>9,677,170</b>	<b>55,940,313</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 49,678,659</b>	<b>\$ 18,780,823</b>	<b>\$ 4,833,557</b>	<b>\$ 12,127,727</b>	<b>\$ 85,420,766</b>

**School District U-46**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Governmental Funds  
Year Ended June 30, 2022**

	Special Revenue Funds		Capital Projects Funds		Total
	Transportation	Municipal Retirement/ Social Security	Capital Projects	Fire Prevention and Safety	Nonmajor Governmental
	Fund	Fund	Fund	Fund	Funds
Revenues:					
Property taxes	\$ 9,091,406	\$ 12,028,999	\$ -	\$ 4,846,754	\$ 25,967,159
Replacement taxes	-	12,181,546	-	-	12,181,546
Charges for services	577,494	-	-	-	577,494
Earnings on investments	58	80	-	30	168
Other local sources	3,937	-	1,296,508	-	1,300,445
State grants-in-aid	16,127,201	-	-	-	16,127,201
<b>Total revenues</b>	<b>25,800,096</b>	<b>24,210,625</b>	<b>1,296,508</b>	<b>4,846,784</b>	<b>56,154,013</b>
Expenditures:					
Current:					
Instruction:					
Regular programs	-	1,957,956	-	-	1,957,956
Special programs	-	2,633,813	-	-	2,633,813
Other instructional programs	-	1,196,641	-	-	1,196,641
Support services:					
Pupils	-	1,664,837	-	-	1,664,837
Instructional staff	-	432,942	-	-	432,942
General administration	-	516,511	-	-	516,511
School administration	-	1,387,248	-	-	1,387,248
Business	-	532,732	-	-	532,732
Operations and maintenance	-	2,036,875	-	-	2,036,875
Transportation	23,776,171	2,912,176	-	-	26,688,347
Food service	-	(16,789)	-	-	(16,789)
Central	-	917,212	-	-	917,212
Other support	-	68,740	-	-	68,740
Community services	-	145,816	-	-	145,816
Capital outlay	21,529	-	688,814	1,144,416	1,854,759
<b>Total expenditures</b>	<b>23,797,700</b>	<b>16,386,710</b>	<b>688,814</b>	<b>1,144,416</b>	<b>42,017,640</b>
<b>Net change in fund balances</b>	<b>2,002,396</b>	<b>7,823,915</b>	<b>607,694</b>	<b>3,702,368</b>	<b>14,136,373</b>
Fund balances:					
Beginning of year	27,557,186	4,136,843	4,135,109	5,974,802	41,803,940
End of year	\$ 29,559,582	\$ 11,960,758	\$ 4,742,803	\$ 9,677,170	\$ 55,940,313



**School District U-46**

**Schedule of Revenues, Expenditures and Changes in Fund Balance -  
Budget and Actual  
Transportation Fund  
Year Ended June 30, 2022**

	Original and Final Budget	Actual	Variance
Revenues:			
Property taxes	\$ 9,055,109	\$ 9,091,406	\$ 36,297
Charges for services	1,200,000	577,494	(622,506)
Earnings on investments	500	58	(442)
Other local sources	-	3,937	3,937
State grants-in-aid	16,262,083	16,127,201	(134,882)
<b>Total revenues</b>	<u>26,517,692</u>	<u>25,800,096</u>	<u>(717,596)</u>
Expenditures:			
Current:			
Support services:			
Transportation	25,834,322	23,776,171	2,058,151
Capital outlay	-	21,529	(21,529)
<b>Total expenditures</b>	<u>25,834,322</u>	<u>23,797,700</u>	<u>2,036,622</u>
<b>Net change in fund balance</b>	<u>\$ 683,370</u>	2,002,396	<u>\$ 1,319,026</u>
Fund balance:			
Beginning of year		<u>27,557,186</u>	
End of year		<u>\$ 29,559,582</u>	

**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, 2022**

	Original and Final Budget	Actual	Variance
Revenues:			
Property taxes	\$ 14,137,324	\$ 12,028,999	\$ (2,108,325)
Replacement taxes	3,000,000	12,181,546	9,181,546
Earnings on investments	500	80	(420)
<b>Total revenues</b>	<b>17,137,824</b>	<b>24,210,625</b>	<b>7,072,801</b>
Expenditures:			
Current:			
Instruction:			
Regular programs	2,166,309	1,957,956	208,353
Special programs	2,550,132	2,633,813	(83,681)
Other instructional programs	1,063,712	1,196,641	(132,929)
Support services:			
Pupils	1,370,417	1,664,837	(294,420)
Instructional staff	534,843	432,942	101,901
General administration	554,144	516,511	37,633
School administration	1,460,067	1,387,248	72,819
Business	554,123	532,732	21,391
Operations and maintenance	2,177,571	2,036,875	140,696
Transportation	3,117,659	2,912,176	205,483
Food service	183,892	(16,789)	200,681
Central	1,043,583	917,212	126,371
Other support	136,124	68,740	67,384
Community services	185,417	145,816	39,601
<b>Total expenditures</b>	<b>17,097,993</b>	<b>16,386,710</b>	<b>711,283</b>
<b>Net change in fund balance</b>	<b>\$ 39,831</b>	<b>7,823,915</b>	<b>\$ 7,784,084</b>
Fund balance:			
Beginning of year		<u>4,136,843</u>	
End of year		<u>\$ 11,960,758</u>	

**School District U-46**

**Schedule of Revenues, Expenditures and Changes in Fund Balance -  
Budget and Actual  
Capital Projects Fund  
Year Ended June 30, 2022**

	Original and Final Budget	Actual	Variance
Revenues:			
Other local sources	\$ 300,000	\$ 1,296,508	\$ 996,508
<b>Total revenues</b>	<u>300,000</u>	<u>1,296,508</u>	<u>996,508</u>
Expenditures:			
Capital outlay	1,300,000	688,814	611,186
<b>Total expenditures</b>	<u>1,300,000</u>	<u>688,814</u>	<u>611,186</u>
<b>Net change in fund balance</b>	<u>\$ (1,000,000)</u>	607,694	<u>\$ (392,306)</u>
Fund balance:			
Beginning of year		<u>4,135,109</u>	
End of year		<u>\$ 4,742,803</u>	

School District U-46

Schedule of Revenues, Expenditures and Changes in Fund Balance -  
Budget and Actual  
Fire Prevention and Safety Fund  
Year Ended June 30, 2022

	Original and Final Budget	Actual	Variance
Revenues:			
Property taxes	\$ 4,828,923	\$ 4,846,754	\$ 17,831
Earnings on investments	250	30	(220)
<b>Total revenues</b>	<u>4,829,173</u>	<u>4,846,784</u>	<u>17,611</u>
Expenditures:			
Capital outlay	<u>4,750,000</u>	<u>1,144,416</u>	<u>3,605,584</u>
<b>Total expenditures</b>	<u>4,750,000</u>	<u>1,144,416</u>	<u>3,605,584</u>
<b>Net change in fund balance</b>	<u>\$ 79,173</u>	<u>3,702,368</u>	<u>\$ 3,623,195</u>
Fund balance:			
Beginning of year		<u>5,974,802</u>	
End of year		<u>\$ 9,677,170</u>	

## **STUDENT ACTIVITY ACCOUNTS**

Student activity accounts are resources in the control of the District to be used for student related activities. These resources are generated by specific fees for the activities and the District has rules in place that dictate how the resources may be spent. These accounts are considered part of the activity of the District's General Fund and the total year-end balances and activity by school summarized on the following pages are included in the General Fund's balance sheet and statement of revenues, expenditures, and changes in fund balance.

**School District U-46****Schedule of Changes in Student Activity Accounts  
June 30, 2022**

	Balance at July 1, 2021	Additions	Deletions	Balance at June 30, 2022
<b>High Schools</b>				
Bartlett	\$ 355,463	\$ 759,024	\$ 715,243	\$ 399,244
Dream Academy	18,559	60	4,170	14,449
Elgin	405,762	677,623	605,884	477,501
Larkin	417,817	613,239	554,136	476,920
South Elgin	478,891	898,285	899,898	477,278
Streamwood	440,131	600,699	562,716	478,114
<b>Total High Schools</b>	<b>2,116,623</b>	<b>3,548,930</b>	<b>3,342,047</b>	<b>2,323,506</b>
<b>Middle Schools</b>				
Abbott	34,337	44,847	41,842	37,342
Canton	28,412	44,926	45,104	28,234
Eastview	101,635	81,169	101,048	81,756
Ellis	24,625	28,144	31,639	21,130
Kenyon Woods	93,217	78,855	89,788	82,284
Kimball	40,444	47,315	52,318	35,441
Larsen	39,573	42,269	41,290	40,552
Tefft	43,529	41,589	45,401	39,717
<b>Total Middle Schools</b>	<b>405,772</b>	<b>409,114</b>	<b>448,430</b>	<b>366,456</b>
<b>Elementary Schools</b>				
Bartlett	9,020	3,364	3,894	8,490
Centennial	30,832	7,765	8,170	30,427
Century Oaks	9,774	3,370	6,129	7,015
Channing	4,919	7,189	7,125	4,983
Clinton	6,389	6,848	7,650	5,587
Coleman	7,974	11,247	11,234	7,987
Creekside	9,715	6,050	8,061	7,704
Fox Meadow	13,485	10,849	9,513	14,821
Garfield	7,228	3,128	4,796	5,560
Glenbrook	10,289	6,628	5,138	11,779
Hanover Countryside	16,004	16,352	23,518	8,838
Harriet Gifford	19,623	14,695	17,124	17,194
Hawk Hollow	7,036	18,783	20,415	5,404
Heritage	9,967	9,353	9,360	9,960
Highland	8,649	14,023	15,253	7,419
Hillcrest	3,353	7,418	8,293	2,478
Hilltop	39,500	9,603	11,839	37,264

(Continued)

**School District U-46**

**Schedule of Changes in Student Activity Accounts  
June 30, 2022**

	Balance at July 1, 2021	Additions	Deletions	Balance at June 30, 2022
<b>Elementary Schools (Continued)</b>				
Horizon	\$ 29,574	\$ 15,817	\$ 22,530	\$ 22,861
Huff	18,207	10,542	10,624	18,125
Illinois Park	361	-	-	361
Independence	11,844	7,155	8,451	10,548
Laurel Hill	8,834	7,770	10,219	6,385
Liberty	2,032	10,294	9,834	2,492
Lincoln	6,218	253	36	6,435
Lords Park	14,125	11,785	15,226	10,684
Lowrie	5,354	1,608	2,917	4,045
McKinley	18,624	4,453	9,221	13,856
Nature Ridge	3,810	3,857	4,312	3,355
Oakhill	1,764	5,800	5,861	1,703
Ontarioville	5,566	22,994	16,791	11,769
Otter Creek	7,373	10,275	14,096	3,552
Parkwood	7,142	13,710	14,074	6,778
Prairieview	27,436	9,120	8,398	28,158
Ridge Circle	8,084	11,708	11,505	8,287
Ronald D. O'Neal	6,915	9,198	13,258	2,855
Spring Trail	5,706	5,171	4,990	5,887
Sunnydale	6,868	7,359	5,741	8,486
Sycamore Trails	49,311	23,203	26,454	46,060
Timber Trails	10,943	3,140	3,511	10,572
Washington	10,242	2,665	4,851	8,056
Wayne	8,007	14,315	13,615	8,707
Willard	5,988	7,170	7,936	5,222
<b>Total Elementary Schools</b>	<b>494,085</b>	<b>376,027</b>	<b>421,963</b>	<b>448,149</b>
<b>Other</b>				
SWEP	17,796	47,463	45,748	19,511
Central School Programs	717	7,774	4,729	3,762
<b>Total Other</b>	<b>18,513</b>	<b>55,237</b>	<b>50,477</b>	<b>23,273</b>
<b>Total Student Activity Accounts</b>	<b>\$ 3,034,993</b>	<b>\$ 4,389,308</b>	<b>\$ 4,262,917</b>	<b>\$ 3,161,384</b>

**School District U-46**

**Schedule of Bonded Debt and Annual Interest Requirements  
Year Ended June 30, 2022**

	<b>Total</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>Thereafter</b>
March 2003B Issue							
Principal	\$ 10,030,910	\$ 10,030,910	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	18,474,090	18,474,090	-	-	-	-	-
	<u>28,505,000</u>	<u>28,505,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
February 2015A Issue							
Principal	44,310,000	-	-	-	-	-	44,310,000
Interest	19,956,250	2,215,500	2,215,500	2,215,500	2,215,500	2,215,500	8,878,750
	<u>64,266,250</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>53,188,750</u>
February 2015B Issue							
Principal	10,780,000	-	-	-	2,170,000	6,215,000	2,395,000
Interest	2,069,625	411,063	411,063	411,063	411,063	330,772	94,601
	<u>12,849,625</u>	<u>411,063</u>	<u>411,063</u>	<u>411,063</u>	<u>2,581,063</u>	<u>6,545,772</u>	<u>2,489,601</u>
February 2015D Issue							
Principal	101,575,000	-	6,480,000	6,695,000	7,030,000	7,380,000	73,990,000
Interest	40,774,300	4,969,150	4,969,150	4,754,750	4,420,000	4,068,500	17,592,750
	<u>142,349,300</u>	<u>4,969,150</u>	<u>11,449,150</u>	<u>11,449,750</u>	<u>11,450,000</u>	<u>11,448,500</u>	<u>91,582,750</u>
October 2021 Issue							
Principal	18,730,000	4,865,000	5,135,000	5,340,000	3,390,000	-	-
Interest	1,788,600	749,200	554,600	349,200	135,600	-	-
	<u>20,518,600</u>	<u>5,614,200</u>	<u>5,689,600</u>	<u>5,689,200</u>	<u>3,525,600</u>	<u>-</u>	<u>-</u>
Total All Issues:							
Principal	185,425,910	14,895,910	11,615,000	12,035,000	12,590,000	13,595,000	120,695,000
Interest	83,062,865	26,819,003	8,150,313	7,730,513	7,182,163	6,614,772	26,566,101
	<u>\$ 268,488,775</u>	<u>\$ 41,714,913</u>	<u>\$ 19,765,313</u>	<u>\$ 19,765,513</u>	<u>\$ 19,772,163</u>	<u>\$ 20,209,772</u>	<u>\$ 147,261,101</u>



## **STATISTICAL SECTION**

This part of the District's Annual Comprehensive 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 Annual Comprehensive Financial Reports for the relevant year.

**School District U-46**

**Net Position (Deficit) by Component  
Last Ten Fiscal Years**

	2013 <sup>1</sup>	2014 <sup>2</sup>	2015	2016	2017 <sup>3</sup>	2018	2019	2020	2021 <sup>4</sup>	2022
<b>Governmental Activities</b>										
Net investment in capital assets	\$ 141,336,967	\$ 158,733,858	\$ 119,555,624	\$ 143,066,834	\$ 162,058,302	\$ 188,622,845	\$ 219,110,563	\$ 270,921,253	\$ 293,017,860	\$ 307,974,352
Restricted	21,712,904	26,376,025	3,403,730	1,582,926	3,415,400	9,900,299	17,086,610	22,757,096	34,190,060	43,061,241
Unrestricted	(29,804,469)	(88,630,189)	(16,236,147)	13,982,977	(226,048,083)	(218,599,011)	(188,976,589)	(165,855,700)	(118,534,702)	(10,707,479)
Total Government Activities										
Net Position (Deficit)	<u>\$ 133,245,402</u>	<u>\$ 96,479,694</u>	<u>\$ 106,723,207</u>	<u>\$ 158,632,737</u>	<u>\$ (60,574,381)</u>	<u>\$ (20,075,867)</u>	<u>\$ 47,220,584</u>	<u>\$ 127,822,649</u>	<u>\$ 208,673,218</u>	<u>\$ 340,328,114</u>

Source: Annual Financial Statements 2013-2022.

<sup>1</sup> Effective July 1, 2013, the District adopted provisions of Governmental Accounting Standards Board Statement 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.

<sup>2</sup> Effective July 1, 2014, the District adopted provisions of Governmental Accounting Standards Board Statement 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. Net Position has not been restated for purposes related to GASB 68 for the year 2013 and is shown as originally reported or restated as a result of a past GASB implementation.

<sup>3</sup> Effective July 1, 2017, the District adopted provisions of Governmental Accounting Standards Board Statement No. 75 (GASB 75), Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. Pursuant to GASB 75, the District recognized their long-term obligations for other post employment benefits and retrospectively restated the Net Position of the Governmental Activities for the year 2017. For the year 2016 and prior, the Net Position has not been restated for purposes related to GASB 75 and is shown as originally reported or restated as a result of a past GASB implementation.

<sup>4</sup> Effective July 1, 2020, the District adopted provisions of Governmental Accounting Standards Board Statement No. 84 (GASB 84), Fiduciary Activities. Pursuant to GASB 84, the District recognized additional funds as part of governmental activities. Prior to the adoption of GASB 84, these funds had been considered Agency Funds and reported as Fiduciary Funds in the District's financial statements. For the year 2020 and prior, the Net Position has not been restated for purposes related to GASB 84 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**

	2013	2014	2015	2016
<b>Expenses</b>				
Instruction:				
Regular programs	\$ 159,832,952	\$ 166,693,993	\$ 179,329,755	\$ 203,137,860
Special programs	45,013,457	47,004,205	51,357,285	57,737,468
Other instructional programs	53,371,025	56,641,884	64,182,882	87,016,438
Support services:				
Pupils	34,560,394	32,493,352	36,396,881	40,501,388
Instructional staff	15,818,248	17,146,414	19,619,071	17,345,435
General administration	19,146,851	22,364,803	20,838,375	15,930,930
School administration	27,992,117	28,737,936	30,764,990	29,482,482
Business	32,515,833	35,461,199	36,554,226	5,018,491
Operations and maintenance	-	-	-	29,996,953
Transportation	31,579,650	34,307,231	37,497,103	31,357,962
Facilities acquisition and construction	1,020,435	1,325,382	3,643,244	2,061,193
Food service	18,987,979	19,253,272	18,393,024	16,329,585
Central	14,274,661	16,669,932	17,035,282	13,186,379
Other support	1,753,291	1,576,585	460,712	787,174
Community services	4,166,826	3,992,913	4,303,234	4,407,964
State on-behalf payments	-	-	-	-
Debt service-interest and fees	21,603,612	19,913,329	47,648,191	16,758,074
<b>Total Expenses</b>	<b>481,637,331</b>	<b>503,582,430</b>	<b>568,024,255</b>	<b>571,055,776</b>
<b>Program Revenues</b>				
Charges for services:				
Instruction:				
Regular programs	4,306,692	2,374,713	2,740,137	2,727,584
Special programs	96	40,129	27,305	40,600
Other instructional programs	671,584	3,160,349	2,602,409	3,255,960
Support services:				
Business	603,076	1,061,033	-	-
Transportation	1,894,652	1,654,326	1,455,864	2,355,249
Food service	3,853,180	3,828,751	3,278,823	3,734,037
Operating grants and contributions	135,611,514	144,377,500	175,270,234	189,171,948
Capital grants and contributions	287,448	452,706	820,530	306,943
<b>Total Program Revenues</b>	<b>147,228,242</b>	<b>156,949,507</b>	<b>186,195,302</b>	<b>201,592,321</b>
<b>Net (Expense) Revenue</b>	<b>\$ (334,409,089)</b>	<b>\$ (346,632,923)</b>	<b>\$ (381,828,953)</b>	<b>\$ (369,463,455)</b>

See related notes on page 88.

2017	2018	2019	2020	2021	2022
\$ 228,013,812	\$ 164,139,239	\$ 150,525,965	\$ 159,523,555	\$ 167,627,992	\$ 179,798,727
65,998,471	52,159,551	52,195,581	59,861,128	62,657,332	63,254,199
104,755,592	72,641,845	72,352,495	75,723,499	87,042,707	84,215,664
46,601,131	38,768,141	39,501,953	41,572,446	40,482,492	42,067,335
18,460,720	16,050,602	17,418,458	18,920,152	16,913,448	19,616,890
16,990,192	15,958,730	15,940,143	18,148,152	10,800,910	13,027,638
32,634,709	28,353,074	28,536,385	31,882,138	32,447,609	33,241,136
4,646,020	4,866,686	5,124,216	5,766,295	6,951,536	6,670,765
30,376,085	33,331,248	39,187,287	38,850,073	38,369,411	33,611,302
30,287,605	33,111,957	30,322,006	28,900,682	23,225,057	25,812,044
1,857,521	1,172,201	551,748	603,941	91,267	39,248
16,797,450	17,557,209	15,130,980	17,429,534	15,287,236	14,428,277
13,075,487	14,115,899	23,620,618	15,043,573	13,818,689	12,554,285
1,440,556	2,206,497	2,099,120	2,306,935	6,200,186	7,884,164
4,624,227	3,784,264	3,401,570	3,447,026	2,372,729	2,026,446
-	175,531,224	168,836,248	198,339,607	217,500,750	127,563,635
15,369,249	14,131,444	12,808,157	11,548,756	10,869,264	9,722,631
631,928,827	687,879,811	677,552,930	727,867,492	752,658,615	675,534,386
5,190,125	4,992,240	5,082,996	4,750,338	2,351,944	2,901,729
39,106	-	-	-	-	-
889,942	610,437	1,198,123	949,299	2,127,610	3,370,286
-	-	-	-	-	-
1,439,237	1,240,389	1,023,313	1,166,393	98,325	577,494
3,528,555	3,572,207	3,631,095	2,520,934	15,373	98,256
226,471,760	246,855,405	237,345,896	276,156,667	301,241,901	242,003,235
409,674	977,224	392,888	1,495,917	499,371	1,296,508
237,968,399	258,247,902	248,674,311	287,039,548	306,334,524	250,247,508
\$ (393,960,428)	\$ (429,631,909)	\$ (428,878,619)	\$ (440,827,944)	\$ (446,324,091)	\$ (425,286,878)

(Continued)

**School District U-46****Changes in Net Position (Continued)  
Last Ten Fiscal Years**

	2013	2014	2015	2016
<b>General Revenues</b>				
Taxes:				
Property taxes, general purposes	\$ 246,568,726	\$ 250,205,536	\$ 250,658,393	\$ 259,485,732
Property taxes, debt service	42,783,761	43,226,909	42,283,872	42,089,518
Replacement taxes and other payment in lieu of taxes	3,774,777	3,799,318	4,107,409	3,317,225
Unrestricted state grants	59,961,675	84,499,884	92,992,560	115,242,487
Interest and investment earnings (loss)	-	240,423	63,897	426,318
Other general revenues	1,079,624	992,931	1,966,335	811,705
Total General Revenues	354,168,563	382,965,001	392,072,466	421,372,985
<b>Change in Net Position</b>	<b>\$ 19,759,474</b>	<b>\$ 36,332,078</b>	<b>\$ 10,243,513</b>	<b>\$ 51,909,530</b>

Source: Annual Financial Statements 2013-2022.

Notes: Starting in fiscal year 2018, State on-behalf payments were reported separately to more clearly present the change in expenses due to outside factors.  
Beginning in fiscal year 2016, Operations and Maintenance expense was reported on its own row, whereas fiscal years 2015 and prior were included in Business expense.

2017	2018	2019	2020	2021	2022
\$ 260,999,080	\$ 264,219,826	\$ 269,745,840	\$ 277,298,923	\$ 284,246,845	\$ 291,732,360
39,920,250	38,758,711	35,726,726	32,997,333	33,056,922	32,576,110
4,395,273	3,769,443	3,942,629	4,234,667	5,666,362	12,203,624
120,158,178	157,137,958	177,917,028	197,899,007	197,009,477	220,809,069
1,628,143	4,411,435	6,455,852	6,396,483	747,119	(1,471,852)
3,734,702	1,833,050	2,386,995	2,603,596	2,909,013	1,092,463
430,835,626	470,130,423	496,175,070	521,430,009	523,635,738	556,941,774
\$ 36,875,198	\$ 40,498,514	\$ 67,296,451	\$ 80,602,065	\$ 77,311,647	\$ 131,654,896

**School District U-46**

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

	2013	2014	2015	2016*	2017	2018	2019	2020	2021	2022
<b>General Fund</b>										
Nondisposable	\$ 1,014,489	\$ 790,187	\$ 856,536	\$ 1,068,571	\$ 4,015,786	\$ 3,085,115	\$ 2,047,649	\$ 5,616,411	\$ 972,630	\$ 978,081
Restricted	297,756	3,330,253	914,855	601,756	211,138	-	964,343	-	3,639,600	3,161,384
Unassigned	145,661,663	159,674,454	203,035,498	212,605,175	219,325,243	249,531,533	276,339,570	288,536,814	320,060,430	353,522,053
Total General Fund	<u>\$ 146,973,908</u>	<u>\$ 163,794,894</u>	<u>\$ 204,806,889</u>	<u>\$ 214,275,502</u>	<u>\$ 223,552,167</u>	<u>\$ 252,616,648</u>	<u>\$ 279,351,562</u>	<u>\$ 294,153,225</u>	<u>\$ 324,672,660</u>	<u>\$ 357,661,518</u>
<b>All Other Governmental Funds</b>										
Nondisposable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,128	\$ -	\$ -	\$ -	\$ -
Assigned	-	-	-	-	-	4,220,543	5,243,912	6,411,833	6,512,030	7,093,461
Restricted	28,880,048	28,017,606	29,088,709	28,909,949	31,594,117	39,157,824	50,416,219	57,269,072	68,472,506	81,935,165
Unassigned	(17,227,592)	(16,571,098)	(11,437,340)	(8,025,505)	(658,511)	-	-	-	-	-
Total all other governmental funds	<u>\$ 11,652,456</u>	<u>\$ 11,446,508</u>	<u>\$ 17,651,369</u>	<u>\$ 20,884,444</u>	<u>\$ 30,935,606</u>	<u>\$ 43,398,495</u>	<u>\$ 55,660,131</u>	<u>\$ 63,680,905</u>	<u>\$ 74,984,536</u>	<u>\$ 89,028,626</u>

Source: Annual Financial Statements 2013-2022.

\* The District restated fiscal year 2016 ending fund balance in the Non-Major Governmental Funds in the amount of \$970,017 to adjust for the Illinois Municipal Retirement Fund (IMRF) payable in the Municipal Retirement/Social Security Fund. The amounts are shown above as restated.

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**School District U-46**

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

	2013	2014	2015	2016*
<b>Revenues</b>				
Local sources:				
Property taxes	\$ 289,352,487	\$ 293,432,445	\$ 292,942,265	\$ 301,575,250
Replacement taxes and other payments in lieu of taxes	3,733,997	3,754,606	4,107,409	3,317,225
Charges for services	10,612,329	10,956,865	10,104,538	11,448,630
Earnings (loss) on investments	282,805	240,423	63,897	426,318
Impact fees, rentals and other local sources	2,286,686	2,870,732	2,963,771	1,226,220
<b>Total local sources</b>	<b>306,268,304</b>	<b>311,255,071</b>	<b>310,181,880</b>	<b>317,993,643</b>
State sources:				
State grants-in-aid	108,809,995	128,344,057	138,062,156	146,310,918
State on-behalf payments	52,723,457	66,995,465	96,534,999	106,664,731
<b>Total state sources</b>	<b>161,533,452</b>	<b>195,339,522</b>	<b>234,597,155</b>	<b>252,975,649</b>
Federal sources:				
Federal grants-in-aid	35,700,980	34,451,084	34,609,687	39,907,563
<b>Total revenues</b>	<b>503,502,736</b>	<b>541,045,677</b>	<b>579,388,722</b>	<b>610,876,855</b>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular programs	130,185,958	133,321,829	135,272,777	141,296,937
Special programs	36,595,148	37,608,482	38,773,455	41,486,045
Other instructional programs	43,274,655	45,343,690	48,506,061	55,017,352
<b>Total instruction</b>	<b>210,055,761</b>	<b>216,274,001</b>	<b>222,552,293</b>	<b>237,800,334</b>
Support services:				
Pupils	27,663,747	26,060,806	27,542,911	29,996,313
Instructional staff	12,868,897	13,716,670	14,753,713	13,597,365
General administration	15,753,783	17,859,279	15,610,556	13,621,937
School administration	22,841,782	22,978,049	23,190,864	23,400,106
Business	26,838,096	28,301,788	27,251,136	4,451,828
Operations and maintenance	-	-	-	27,011,231
Transportation	25,693,690	27,440,574	28,103,698	28,184,168
Facilities acquisition and construction	841,117	1,355,140	3,695,335	1,989,410
Food service	15,369,092	15,408,947	13,819,753	14,658,019
Central	11,707,954	13,318,618	12,735,595	11,814,204
Other support	1,728,002	1,579,638	465,401	756,799
<b>Total support services</b>	<b>161,306,160</b>	<b>168,019,509</b>	<b>167,168,962</b>	<b>169,481,380</b>
State on-behalf payments	52,723,457	66,995,465	96,534,999	106,664,731
Community services	3,309,466	3,209,716	3,265,642	3,380,731
Intergovernmental:				
Payments to other governments	8,592,837	8,134,674	8,507,064	8,132,631

2017	2018	2019	2020	2021	2022
\$ 300,919,330	\$ 302,978,537	\$ 305,472,566	\$ 310,296,256	\$ 317,303,767	\$ 324,308,470
4,395,272	3,769,443	3,942,629	4,234,667	5,666,362	12,203,624
11,086,965	10,415,273	10,935,527	9,386,964	4,593,252	6,947,765
1,628,146	4,411,435	6,455,852	6,396,483	747,119	(1,471,852)
4,640,718	2,849,911	2,766,066	4,266,147	3,526,253	2,449,491
322,670,431	324,424,599	329,572,640	334,580,517	331,836,753	344,437,498
157,372,473	193,454,449	212,320,712	228,092,565	228,753,259	251,832,057
160,409,310	86,890,974	95,966,913	104,503,036	113,839,996	128,902,626
317,781,783	280,345,423	308,287,625	332,595,601	342,593,255	380,734,683
38,327,985	40,295,443	40,125,989	48,221,866	54,193,943	58,571,487
678,780,199	645,065,465	677,986,254	715,397,984	728,623,951	783,743,668
138,497,126	144,715,944	140,996,184	148,627,364	155,564,423	171,901,410
43,524,745	45,162,060	48,447,656	54,798,843	57,526,657	60,593,469
58,539,509	63,335,522	67,423,713	70,547,320	80,844,622	80,509,891
240,561,380	253,213,526	256,867,553	273,973,527	293,935,702	313,004,770
32,837,494	33,168,544	36,460,657	38,700,456	38,670,923	42,147,581
13,697,748	14,030,288	16,265,422	17,744,576	16,243,851	19,628,595
14,084,604	14,169,223	15,005,634	17,059,501	10,353,391	13,041,575
24,424,064	24,926,645	26,726,241	29,593,303	29,967,829	31,804,982
4,104,249	4,203,434	4,745,390	5,407,453	6,878,495	7,007,766
27,376,091	29,279,921	35,897,157	36,449,884	37,980,920	35,314,155
27,528,948	28,725,199	28,275,854	27,124,600	23,045,941	27,137,258
1,553,336	1,124,908	555,253	602,029	96,435	44,325
15,281,310	14,211,637	14,095,376	16,355,723	15,144,761	15,163,635
11,799,232	11,969,012	21,858,718	14,114,454	13,681,648	13,191,348
1,373,466	1,894,549	1,941,000	2,299,625	6,555,403	8,905,932
174,060,542	177,703,360	201,826,702	205,451,604	198,619,597	213,387,152
160,409,310	86,890,974	95,966,913	104,503,036	113,839,996	128,902,626
3,421,758	3,303,479	3,207,463	3,235,960	2,346,547	2,129,551
8,604,268	9,820,359	9,292,969	9,581,182	9,467,245	10,345,341

(Continued)

**School District U-46**

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

	2013	2014	2015	2016*
<b>Total current</b>	<b>\$ 435,987,681</b>	<b>\$ 462,633,365</b>	<b>\$ 498,028,960</b>	<b>\$ 525,459,807</b>
Debt service:				
Principal	30,005,118	30,465,774	29,288,687	22,564,859
Interest and fees	12,850,947	15,549,123	17,940,188	23,310,522
Payment to escrow agent using District resources	-	-	-	-
Debt issuance costs	-	-	-	-
Capital outlay	27,588,908	15,782,377	29,175,410	34,158,576
<b>Total Expenditures</b>	<b>506,432,654</b>	<b>524,430,639</b>	<b>574,433,245</b>	<b>605,493,764</b>
Excess of revenues (under) over expenditures	(2,929,918)	16,615,038	4,955,477	5,383,091
Other financing sources (uses):				
Proceeds from issuance of bonds	-	-	175,900,000	-
Premium on bonds sold	-	-	25,200,979	-
Discount on bonds sold	-	-	-	-
Proceeds from sale of equipment	770,800	-	-	664,800
Proceeds from issuance of purchase contracts	7,057,727	-	-	6,653,797
Transfer to escrow agent	-	-	(158,839,600)	-
Transfers in	1,762,440	1,393,860	1,359,141	3,727,365
Transfers out	(1,762,440)	(1,393,860)	(1,359,141)	(3,727,365)
<b>Total other financing sources (uses)</b>	<b>7,828,527</b>	<b>-</b>	<b>42,261,379</b>	<b>7,318,597</b>
<b>Net Change in Fund Balances</b>	<b>\$ 4,898,609</b>	<b>\$ 16,615,038</b>	<b>\$ 47,216,856</b>	<b>\$ 12,701,688</b>
Debt service expenditure as a percentage of noncapital expenditures	8.85%	9.80%	9.31%	8.04%

Source: Annual Financial Statements 2013-2022.

\* The District restated fiscal year 2016 ending fund balance in the Non-Major Governmental Funds in the amount of \$970,017 to adjust for the Illinois Municipal Retirement Fund (IMRF) payable in the Municipal Retirement/Social Security Fund. The amounts are shown above as restated.

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 different functions. This stopped in fiscal year 2018 to more clearly present the changes in revenues and expenses that are due to outside factors. The amounts shown above were reclassified to remove the allocation of the on-behalf payments to the different functions.

2017	2018	2019	2020	2021	2022
\$ 587,057,258	\$ 530,931,698	\$ 567,161,600	\$ 596,745,309	\$ 618,209,087	\$ 667,769,440
22,680,171	24,054,232	24,509,426	21,099,308	16,376,277	14,694,300
22,785,737	21,394,575	19,570,967	22,975,609	26,491,669	26,401,949
-	-	-	-	-	1,715,312
-	-	-	-	-	167,180
26,929,206	27,623,860	27,747,711	51,755,321	29,293,985	26,182,218
659,452,372	604,004,365	638,989,704	692,575,547	690,371,018	736,930,399
19,327,827	41,061,100	38,996,550	22,822,437	38,252,933	46,813,269
-	-	-	-	-	18,730,000
-	-	-	-	-	1,777,437
-	-	-	-	-	-
-	-	-	-	31,211	43,525
-	-	-	-	-	-
-	-	-	-	-	(20,331,283)
5,544,138	7,543,037	16,338,780	10,337,247	10,365,690	10,133,985
(5,544,138)	(7,543,037)	(16,338,780)	(10,337,247)	(10,365,690)	(10,133,985)
-	-	-	-	31,211	219,679
\$ 19,327,827	\$ 41,061,100	\$ 38,996,550	\$ 22,822,437	\$ 38,284,144	\$ 47,032,948
7.12%	7.85%	6.90%	6.88%	6.47%	6.03%

# **School District U-46**

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

Levy Year	County	Residential Property	Farm Property	Commercial Property
2021	Kane	\$ 1,654,172,578	\$ 5,122,386	\$ 306,986,756
2021	Cook	N/A	N/A	N/A
2021	DuPage	1,193,737,823	572,949	42,828,490
2021	All	2,847,910,401	5,695,335	349,815,246
2020	Kane	1,561,479,828	4,942,721	295,035,598
2020	Cook	1,664,482,136	271,878	348,344,988
2020	DuPage	1,168,591,998	552,186	40,928,270
2020	All	4,394,553,962	5,766,785	684,308,856
2019	Kane	1,486,459,186	4,851,699	285,465,140
2019	Cook	1,683,691,956	250,549	349,735,045
2019	DuPage	1,129,333,828	522,403	39,620,620
2019	All	4,299,484,970	5,624,651	674,820,805
2018	Kane	1,396,230,749	4,751,363	257,653,344
2018	Cook	1,482,500,165	229,887	292,104,980
2018	DuPage	1,088,656,730	515,570	38,721,840
2018	All	3,967,387,644	5,496,820	588,480,164
2017	Kane	1,325,324,126	4,623,456	253,703,319
2017	Cook	1,514,094,942	239,335	299,217,235
2017	DuPage	1,051,192,472	483,525	36,988,640
2017	All	3,890,611,540	5,346,316	589,909,194
2016	Kane	1,228,489,115	4,300,745	250,638,601
2016	Cook	1,522,843,405	266,444	287,410,378
2016	DuPage	1,005,299,675	478,237	35,238,540
2016	All	3,756,632,195	5,045,426	573,287,519
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

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

Notes: The 2021 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. DuPage and Kane counties assess property as approximately 33.33 percent of actual value. Cook County assesses property as approximately 10 percent of actual value for residential properties and 25 percent of actual value for commercial and industrial property. 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	Percentage of Est. Actual Taxable Value
\$ 153,762,523	\$ 2,341,048	\$ 2,122,385,291	5.6180	\$ 6,367,155,873	33.33%
N/A	N/A	2,007,688,500	7.1970	6,023,065,500	33.33%
8,753,668	1,848,138	1,247,741,068	5.5822	3,743,223,204	33.33%
162,516,191	4,189,186	5,377,814,859		16,133,444,577	
146,357,393	2,167,873	2,009,983,413	5.7275	6,029,950,239	33.33%
153,766,439	2,077,858	2,168,943,299	6.5746	6,506,829,897	33.33%
2,162,836	1,829,869	1,214,065,159	5.6366	3,642,195,477	33.33%
302,286,668	6,075,600	5,392,991,871		16,178,975,613	
140,553,322	1,941,130	1,919,270,477	5.7890	5,757,811,431	33.33%
140,124,904	1,789,381	2,175,591,835	6.4390	6,526,775,505	33.33%
1,994,269	1,767,533	1,173,238,653	5.7783	3,519,715,959	33.33%
282,672,495	5,498,044	5,268,100,965		15,804,302,895	
129,812,092	1,820,868	1,790,268,416	6.1237	5,370,805,248	33.33%
113,037,065	1,775,595	1,889,647,692	7.1200	5,668,943,076	33.33%
1,963,259	1,766,536	1,131,623,935	5.9746	3,394,871,805	33.33%
244,812,416	5,362,999	4,811,540,043		14,434,620,129	
132,002,713	1,744,753	1,717,398,367	6.3696	5,152,195,101	33.33%
118,476,108	1,686,439	1,933,714,059	6.9318	5,801,142,177	33.33%
1,956,449	1,777,227	1,092,398,313	6.1638	3,277,194,939	33.33%
252,435,270	5,208,419	4,743,510,739		14,230,532,217	
136,507,859	1,663,356	1,621,599,676	6.5487	4,864,799,028	33.33%
113,264,832	2,041,772	1,925,826,831	6.8370	5,777,480,493	33.33%
1,950,749	2,104,638	1,045,071,839	6.3384	3,135,215,517	33.33%
251,723,440	5,809,766	4,592,498,346		13,777,495,038	
124,953,952	1,546,941	1,488,337,717	7.1238	4,465,013,151	33.33%
91,942,586	1,848,249	1,653,457,440	7.9470	4,960,372,320	33.33%
1,944,259	1,844,159	986,425,356	6.8325	2,959,276,068	33.33%
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	33.33%
94,788,944	1,532,574	1,708,312,671	7.6680	5,124,938,013	33.33%
1,554,803	1,600,080	955,773,166	6.4133	2,867,319,498	33.33%
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	33.33%
163,051,097	1,308,781	1,686,298,507	7.5800	5,058,895,521	33.33%
1,557,563	1,309,952	981,465,345	7.8519	2,944,396,035	33.33%
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	33.33%
178,579,242	568,434	1,996,276,871	6.5400	5,988,830,613	33.33%
1,538,858	918,595	1,055,589,353	6.6052	3,166,768,059	33.33%
284,471,169	3,360,327	4,643,837,416		13,931,512,248	

## School District U-46

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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Direct										
School District U-46	5.6180	5.7275	5.7890	6.1237	6.3696	6.5487	7.1238	8.0229	6.4086	6.3706
Overlapping										
Kane County	0.3522	0.3618	0.3739	0.3877	0.4025	0.4201	0.4479	0.4684	0.4623	0.4336
Kane County Forest Preserve District	0.1435	0.1477	0.1549	0.1607	0.1658	0.2253	0.2944	0.3126	0.3039	0.2710
Gail Borden Library District	0.4542	0.4647	0.4445	0.4630	0.4729	0.4898	0.5294	0.5796	0.5087	0.4791
Elgin Township	0.1035	0.1069	0.1121	0.1164	0.1192	0.1020	0.1102	0.1160	0.1114	0.0997
Elgin Township Road Fund	0.0684	0.0707	0.0723	0.0745	0.0758	0.0785	0.0849	0.0893	0.0858	0.0762
City of Elgin	1.7049	1.7706	1.8788	2.0240	2.1494	2.2396	2.4110	2.3218	2.1668	1.9344
Fox River Water Reclamation District	0.0256	0.0266	0.0278	0.0291	0.0302	0.0315	0.0339	0.0409	0.3697	0.0344
Community College District 509	0.4514	0.4439	0.4865	0.5075	0.4999	0.5296	0.5609	0.6076	0.5707	0.5215
Total	8.9217	9.1204	9.3397	9.8866	10.2854	10.6651	11.5963	12.5591	10.9879	10.2205

Source: Kane County District Rate Listing

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 are 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	2021	Percent of	Rank	2012	Percent of
		Equalized Assessed Valuation	District's Total EAV		Equalized Assessed Valuation	District's Total EAV
Target Corporation	1	\$18,343,492	0.34%	3	\$18,092,470	0.39%
Continental 368 Fund LLC	2	16,073,430	0.30		-	-
Walmart Stores	3	13,885,794	0.26	1	20,346,811	-
MHC-Deanza Financing Limited Partnership	4	11,506,251	0.21	6	7,911,239	-
Property Valuation Service	5	10,944,845	0.20	5	9,074,637	0.20
Hunter Ridge Apartments LLC	6	9,751,814	0.18		-	-
Pure International	7	7,626,292	0.14		-	-
Harbor Group Intl LLC	8	7,494,280	0.14		-	-
BCH Princeton LLC	9	6,950,410	0.13		-	-
EREP Cobbler Crossing	10	6,816,129	0.13		-	-
Newplan Excel Realty		-	-	2	19,931,305	0.43
IRC		-	-	4	13,702,688	0.30
Heidner Property Mgmt		-	-	7	7,204,941	0.16
Willo Arms Associates Limited		-	-	8	6,783,659	0.15
Stag Capital Partners		-	-	9	6,033,117	0.13
Ball Aerosol & Special		-	-	10	5,952,170	0.13
		\$109,392,737	2.03%		\$115,033,037	2.48%

Note: 2021 tax levy is the current levy in the District's fiscal year 2022.



# School District U-46

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

	2021	2020	2019	2018
<b>Rates Extended</b>				
Educational	4.1079	3.6974	3.5819	3.8664
Tort immunity/liability insurance	0.1155	0.1155	0.1164	0.1174
Special education	0.8029	0.7342	0.7149	0.7669
Operations and maintenance	0.8396	0.7857	0.7227	0.7960
Transportation	0.1930	0.1913	0.2451	0.4037
Municipal retirement - IMRF	0.1131	0.1232	0.1296	0.1542
Social security	0.1312	0.1398	0.1401	0.1435
Bond and interest/supp.	0.5375	0.5048	0.5072	0.5687
Life safety	0.1069	0.0977	0.0952	0.0939
Limited bonds	0.1856	0.1850	0.1853	0.2092
Levy Adjustment	0.0629	-	-	-
<b>Total Rates Extended</b>	<b>7.1961</b>	<b>6.5746</b>	<b>6.4384</b>	<b>7.1199</b>
<b>Levies Extended</b>				
Educational	\$ 82,473,195	\$ 80,194,953	\$ 77,928,345	\$ 73,060,819
Tort immunity/liability insurance	2,318,002	2,504,181	2,531,250	2,217,411
Special education	16,119,497	15,925,655	15,552,411	14,491,778
Operations and maintenance	16,855,886	17,042,544	15,723,317	15,041,994
Transportation	3,874,144	4,150,122	5,332,717	7,628,557
Municipal retirement - IMRF	2,269,373	2,671,126	2,822,252	2,914,489
Social security	2,632,935	3,030,882	3,046,277	2,711,778
Bond and interest/supp.	10,791,863	10,947,801	11,035,683	10,747,123
Life safety	2,146,641	2,120,912	2,069,343	1,774,756
Limited bonds	3,725,896	4,011,994	4,032,317	3,953,558
Levy Adjustment	1,262,130	-	-	-
<b>Total Levies Extended</b>	<b>\$ 144,469,562</b>	<b>\$ 142,600,170</b>	<b>\$ 140,073,912</b>	<b>\$ 134,542,263</b>
Current year collections	\$ 75,935,590	\$ 73,815,721	\$ 70,805,557	\$ 70,902,525
Subsequent year collections	-	66,222,194	66,136,047	61,392,321
<b>Total Collections</b>	<b>\$ 75,935,590</b>	<b>\$ 140,037,915</b>	<b>\$ 136,941,604</b>	<b>\$ 132,294,846</b>
Percentage of extensions collected				
Current year collections	52.56%	51.76%	50.55%	52.70%
Total collections	52.56%	98.20%	97.76%	98.33%

Source: District records

2017	2016	2015	2014	2013	2012
3.6224	3.6211	4.1504	3.9493	4.0325	3.8833
0.1765	0.2171	0.3278	0.3135	0.2099	0.1434
0.7285	0.7161	0.8260	0.7898	0.8065	0.5507
0.7613	0.6938	0.7743	0.7404	0.7328	0.5014
0.3834	0.3769	0.4217	0.4034	0.3362	0.2189
0.1518	0.1461	0.1634	0.1599	0.1532	0.1087
0.1243	0.1201	0.1333	0.1437	0.1397	0.1003
0.6890	0.6950	0.8608	0.8906	0.9020	0.8029
0.0892	0.0439	0.0481	0.0459	0.0455	0.0344
0.2054	0.2062	0.2404	0.2310	0.2217	0.1955
-	-	-	-	-	-
6.9318	6.8363	7.9462	7.6675	7.5800	6.5395
\$ 70,045,692	\$ 69,737,305	\$ 68,624,895	\$ 67,465,304	\$ 68,000,191	\$ 77,521,882
3,413,679	4,183,246	5,419,725	5,354,975	3,539,198	2,862,907
14,084,997	13,790,836	13,655,426	13,493,060	13,599,343	10,992,581
14,721,239	13,360,616	12,802,965	12,649,854	12,357,671	10,008,905
7,414,659	7,258,230	6,973,059	6,889,998	5,670,010	4,371,211
2,936,498	2,811,300	2,700,054	2,732,058	2,584,066	2,168,185
2,404,258	2,311,690	2,204,271	2,455,683	2,356,571	2,002,190
17,295,922	13,384,565	14,232,830	15,214,588	15,210,102	16,028,963
1,725,192	846,561	795,392	785,114	765,842	688,573
-	3,970,856	3,974,341	3,946,992	3,738,151	3,902,150
-	-	-	-	-	-
\$ 134,042,136	\$ 131,655,205	\$ 131,382,958	\$ 130,987,626	\$ 127,821,145	\$ 130,547,547
\$ 69,891,692	\$ 68,927,167	\$ 67,753,981	\$ 65,702,776	\$ 66,860,960	\$ 62,462,919
61,954,439	61,009,329	61,729,996	61,964,879	57,636,244	64,717,012
\$ 131,846,131	\$ 129,936,496	\$ 129,483,977	\$ 127,667,655	\$ 124,497,204	\$ 127,179,931
52.14%	52.35%	51.57%	50.16%	52.31%	47.85%
98.36%	98.69%	98.55%	97.47%	97.40%	97.42%

# School District U-46

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

	2021	2020	2019	2018
<b>Rates Extended</b>				
Educational	3.2115	3.1729	3.2277	3.2501
Tort immunity/liability insurance	0.0905	0.0992	0.1050	0.0988
Special education	0.6279	0.6302	0.6444	0.6447
Operations and maintenance	0.6751	0.6885	0.6514	0.6817
Transportation	0.1510	0.1643	0.2210	0.3396
Municipal retirement - IMRF	0.0884	0.1058	0.1169	0.1298
Social security	0.1027	0.1200	0.1263	0.1207
Bond and interest/supp.	0.4066	0.4183	0.4393	0.4605
Bond and interest - limited	0.1404	0.1535	0.1605	0.1696
Life safety	0.0836	0.0839	0.0858	0.0791
Aggregate refunds	0.0045	-	-	-
<b>Total Rates Extended</b>	<b>5.5822</b>	<b>5.6366</b>	<b>5.7783</b>	<b>5.9746</b>
<b>Levies Extended</b>				
Educational	\$ 40,071,204	\$ 38,521,073	\$ 37,868,624	\$ 36,778,910
Tort immunity/liability insurance	1,129,206	1,204,353	1,231,901	1,118,044
Special education	7,834,566	7,651,039	7,560,350	7,295,580
Operations and maintenance	8,423,500	8,358,839	7,642,477	7,714,280
Transportation	1,884,089	1,994,709	2,592,857	3,842,995
Municipal retirement - IMRF	1,103,003	1,284,481	1,371,516	1,468,848
Social security	1,281,430	1,456,878	1,481,800	1,365,870
Bond and interest/supp.	5,073,315	5,078,434	5,154,037	5,211,128
Bond and interest limited	1,751,829	1,863,590	1,883,048	1,919,234
Life safety	1,043,112	1,018,601	1,006,639	895,115
Aggregate refunds	56,148	-	-	-
<b>Total Levies Extended</b>	<b>\$ 69,651,402</b>	<b>\$ 68,431,997</b>	<b>\$ 67,793,249</b>	<b>\$ 67,610,004</b>
Current year collections	\$ 36,166,871	\$ 33,615,324	\$ 33,797,675	\$ 33,586,889
Subsequent year collections	-	34,759,495	33,880,558	33,872,164
<b>Total Collections</b>	<b>\$ 36,166,871</b>	<b>\$ 68,374,819</b>	<b>\$ 67,678,233</b>	<b>\$ 67,459,053</b>
Percentage of extensions collected				
Current year collections	51.93%	49.12%	49.85%	49.68%
Total collections	51.93%	99.92%	99.83%	99.78%

Source: District records

2017	2016	2015	2014	2013	2012
3.2369	3.3740	3.5870	3.2785	4.2826	4.0429
0.1578	0.2024	0.2834	0.2778	0.2083	0.1414
0.6509	0.6673	0.7137	0.6664	0.8370	0.5467
0.6802	0.6464	0.6692	0.6414	0.7251	0.4687
0.3426	0.3512	0.3645	0.3529	0.3337	0.2303
0.1358	0.1360	0.1413	0.1389	0.1517	0.0988
0.1113	0.1119	0.1153	0.1253	0.1376	0.0778
0.5928	0.6231	0.7163	0.7072	0.9078	0.7818
0.1758	0.1850	0.2001	0.1850	0.2231	0.1905
0.0797	0.0411	0.0417	0.0399	0.0450	0.0263
-	-	-	-	-	-
6.1638	6.3384	6.8325	6.4133	7.8519	6.6052

\$ 35,359,841	\$ 35,260,724	\$ 35,383,078	\$ 31,335,023	\$ 42,032,235	\$ 42,676,422
1,723,805	2,115,225	2,795,529	2,655,138	2,044,392	1,492,603
7,110,421	6,973,764	7,040,118	6,369,272	8,214,865	5,770,907
7,430,493	6,755,344	6,601,158	6,130,329	7,116,605	4,947,547
3,742,557	3,670,292	3,595,520	3,372,924	3,275,150	2,431,022
1,483,477	1,421,298	1,393,819	1,327,569	1,488,883	1,042,922
1,215,839	1,169,435	1,137,348	1,197,584	1,350,496	821,249
6,475,737	6,511,843	7,065,765	6,759,228	8,909,743	8,252,598
1,920,436	1,933,383	1,973,837	1,768,180	2,189,649	2,010,898
870,641	429,525	411,339	381,353	441,659	277,620
-	-	-	-	-	-
\$ 67,333,247	\$ 66,240,833	\$ 67,397,511	\$ 61,296,600	\$ 77,063,677	\$ 69,723,788

\$ 35,016,881	\$ 33,249,188	\$ 33,404,036	\$ 29,852,672	\$ 37,119,808	\$ 33,209,714
32,198,766	32,932,240	33,885,194	31,125,026	39,827,829	36,441,218
\$ 67,215,647	\$ 66,181,428	\$ 67,289,230	\$ 60,977,698	\$ 76,947,637	\$ 69,650,932

52.01%	50.19%	49.56%	48.70%	48.17%	47.63%
99.83%	99.91%	99.84%	99.48%	99.85%	99.90%

# School District U-46

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

	2021	2020	2019	2018
<b>Rates Extended</b>				
Educational	3.2219	3.2276	3.2331	3.3243
Tort immunity/liability insurance	0.0905	0.1008	0.1050	0.1009
Special education	0.6297	0.6410	0.6453	0.6594
Operations and maintenance	0.6781	0.7008	0.6523	0.6970
Transportation	0.1514	0.1670	0.2212	0.3471
Municipal retirement - IMRF	0.0887	0.1075	0.1171	0.1326
Social security	0.1029	0.1220	0.1264	0.1234
Bond and interest/supp.	0.5486	0.5809	0.6008	0.6521
Working cash bonds	-	-	-	-
Life safety	0.0853	0.0853	0.0859	0.0808
Prior year adjustment	(0.0055)	(0.0055)	0.0018	0.0061
Revenue recapture	0.0210	-	-	-
<b>Total Rates Extended</b>	<b>5.6126</b>	<b>5.7274</b>	<b>5.7889</b>	<b>6.1237</b>
<b>Levies Extended</b>				
Educational	\$ 68,380,418	\$ 64,873,309	\$ 62,051,039	\$ 59,514,490
Tort immunity/liability insurance	1,921,811	2,026,124	2,015,994	1,806,679
Special education	13,365,261	12,883,460	12,385,149	11,804,804
Operations and maintenance	14,392,474	14,086,128	12,519,809	12,478,640
Transportation	3,213,219	3,356,484	4,245,336	6,214,318
Municipal retirement - IMRF	1,882,140	2,161,094	2,246,510	2,373,246
Social security	2,184,058	2,452,772	2,426,596	2,208,336
Bond and interest/supp.	11,642,661	11,676,951	11,531,710	11,674,441
Working cash bonds	-	-	-	-
Life safety	1,779,929	1,714,234	1,648,333	1,445,909
Prior year adjustment	28,563	(109,607)	35,481	109,387
Revenue recapture	445,128	-	-	-
<b>Total Levies Extended</b>	<b>\$ 119,235,662</b>	<b>\$ 115,120,949</b>	<b>\$ 111,105,957</b>	<b>\$ 109,630,250</b>
Current year collections	\$ 61,935,185	\$ 59,114,552	\$ 45,933,903	\$ 45,804,761
Subsequent year collections	-	55,664,150	64,883,488	63,210,161
<b>Total Collections</b>	<b>\$ 61,935,185</b>	<b>\$ 114,778,702</b>	<b>\$ 110,817,391</b>	<b>\$ 109,014,922</b>
Percentage of extensions collected				
Current year collections	51.94%	51.35%	41.34%	41.78%
Total collections	51.94%	99.70%	99.74%	99.44%
<b>All Three Counties Combined</b>				
Total levies extended	\$ 333,356,626	\$ 326,153,116	\$ 318,973,118	\$ 311,782,517
Current year collections	\$ 174,037,646	\$ 166,545,597	\$ 150,537,135	\$ 150,294,175
Subsequent year collections	-	156,645,839	164,900,093	158,474,646
<b>Total collections</b>	<b>\$ 174,037,646</b>	<b>\$ 323,191,436</b>	<b>\$ 315,437,228</b>	<b>\$ 308,768,821</b>
Percentage of extensions collected				
Current year collections	52.21%	51.06%	47.19%	48.20%
Total collections	52.21%	99.09%	98.89%	99.03%

Source: District records

2017	2016	2015	2014	2013	2012
3.3443	3.4863	3.8188	3.9615	3.8031	3.9022
0.1629	0.2091	0.3016	0.3085	0.1879	0.1379
0.6725	0.6894	0.7599	0.7860	0.7571	0.5296
0.7029	0.6679	0.7124	0.7286	0.6563	0.4822
0.3539	0.3628	0.3880	0.3969	0.3010	0.2105
0.1402	0.1406	0.1503	0.1573	0.1372	0.1045
0.1148	0.1156	0.1227	0.1414	0.1251	0.0965
0.7944	0.8347	0.9596	1.0423	0.9663	0.8066
-	-	-	-	-	0.0841
0.0824	0.0423	0.0442	0.0452	0.0408	-
0.0013	-	0.1071	0.3000	(0.5662)	(0.0769)
-	-	-	-	-	-
6.3696	6.5487	7.3646	7.8677	6.4086	6.2772
\$ 57,435,637	\$ 56,533,961	\$ 54,836,681	\$ 52,470,474	\$ 50,845,761	\$ 62,297,953
2,798,226	3,390,761	4,330,910	4,085,778	2,512,489	2,200,917
11,549,908	11,180,092	10,912,435	10,411,350	10,122,444	8,454,302
12,071,205	10,830,991	10,230,276	9,650,033	8,773,890	7,697,564
6,078,812	5,883,473	5,572,272	5,257,196	4,024,671	3,361,286
2,407,366	2,280,376	2,157,751	2,083,776	1,834,269	1,668,327
1,971,316	1,874,467	1,761,778	1,873,095	1,672,599	1,539,831
13,642,436	13,534,845	13,994,649	14,233,892	13,452,011	13,486,795
-	-	-	-	-	1,405,806
1,414,288	686,106	635,186	598,959	544,792	528,948
21,788	(908)	1,593,496	12,143,717	(8,161,715)	(1,224,095)
-	-	-	-	-	-
\$ 109,390,982	\$ 106,194,164	\$ 106,025,434	\$ 112,808,270	\$ 85,621,211	\$ 101,417,634
\$ 52,908,367	\$ 52,182,995	\$ 51,819,201	\$ 56,658,282	\$ 43,224,911	\$ 50,178,087
55,742,569	53,570,607	53,741,374	55,941,528	42,024,315	50,939,324
\$ 108,650,936	\$ 105,753,602	\$ 105,560,575	\$ 112,599,810	\$ 85,249,226	\$ 101,117,411
48.37%	49.14%	48.87%	50.23%	50.48%	49.48%
99.32%	99.59%	99.56%	99.82%	99.57%	99.70%
\$ 310,766,365	\$ 304,090,202	\$ 304,805,903	\$ 290,506,033	\$ 290,506,033	\$ 301,688,969
\$ 157,816,940	\$ 152,977,218	\$ 152,213,730	\$ 147,205,680	\$ 147,205,679	\$ 145,850,720
149,895,774	149,356,564	149,031,433	149,031,433	139,488,388	152,097,554
\$ 307,712,714	\$ 302,333,782	\$ 301,245,163	\$ 296,237,113	\$ 286,694,067	\$ 297,948,274
50.78%	50.31%	49.94%	50.67%	50.67%	48.34%
99.02%	99.42%	98.83%	101.97%	98.69%	98.76%

**School District U-46**

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

Fiscal Year	General Oblig. Bonds Net of Related Premiums and Discounts	Accreted Interest on Long-Term Debt	Debt Certificates	Installment Notes	Purchase Contracts	Less: Amount Available in Debt Service Fund
2022	\$ 201,247,670	\$ 17,731,721	\$ 525,614	\$ -	\$ -	\$ 33,088,313
2021	218,192,721	33,518,950	1,048,435	-	-	33,180,596
2020	235,350,759	47,472,625	1,568,459	-	-	32,625,408
2019	256,162,719	56,228,061	2,085,750	-	1,353,353	31,984,880
2018	280,575,922	60,008,791	2,600,303	-	2,687,098	28,616,931
2017	303,217,738	64,392,849	2,552,611	-	5,432,856	27,934,843
2016	324,525,540	69,018,018	2,968,433	-	8,141,320	26,112,980
2015	345,263,357	74,017,139	3,381,622	-	4,653,296	23,941,233
2014	262,778,810	119,803,876	3,792,143	-	6,400,590	24,156,123
2013	291,156,285	115,418,498	4,200,013	-	8,903,276	23,737,065

Source: All Years: outstanding debt and debt service fund - District records  
Population and income data - calendar year 2012-2021 - U.S. Census Bureau

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 retirement obligations and estimated liabilities such as compensated absences and claims incurred but not reported (IBNR) are not included.

Net Total Outstanding Debt	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
\$ 186,416,692	\$ 16,133,444,577	1.16%	228,599	\$ 815	\$ 8,313,459,833	2.24%
219,579,510	16,178,975,613	1.36	233,666	940	7,734,344,600	2.84
251,766,435	15,804,302,895	1.59	236,340	1,065	8,099,844,480	3.11
283,845,003	14,434,620,129	1.97	235,359	1,206	7,556,436,054	3.76
317,255,183	14,230,532,217	2.23	233,865	1,357	7,157,672,190	4.43
347,661,211	13,777,495,038	2.52	235,930	1,474	7,060,205,250	4.92
378,540,331	12,384,661,539	3.06	233,144	1,624	7,212,775,928	5.25
403,374,181	12,210,500,547	3.30	236,931	1,702	6,513,470,121	6.19
368,619,296	12,327,996,012	2.99	236,501	1,559	6,622,264,501	5.57
395,941,007	13,931,512,248	2.84	235,918	1,678	6,676,007,564	5.93



**School District U-46**

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

Fiscal Year	General Obligation Bonds Net of Related Premiums and Discounts	Accreted Interest on Long-Term Debt	Less: Amount Available in Debt Service Fund	Net General Bonded Debt	Estimated Actual Taxable Property Value
2022	\$ 201,247,670	\$ 17,731,721	\$ 33,088,313	\$ 185,891,078	\$ 16,133,444,577
2021	218,192,721	33,518,950	33,180,596	218,531,075	16,178,975,613
2020	235,350,759	47,472,625	32,625,408	250,197,976	15,804,302,895
2019	256,162,719	56,228,061	31,984,880	280,405,900	14,434,620,129
2018	280,575,922	60,008,791	28,616,931	311,967,782	14,230,532,217
2017	303,217,738	64,392,849	27,934,843	339,675,744	13,777,495,038
2016	324,525,540	69,018,018	26,112,980	367,430,578	12,384,661,539
2015	345,263,357	74,017,139	23,941,233	395,339,263	12,210,500,547
2014	262,778,810	119,803,876	24,156,123	358,426,563	12,327,996,012
2013	291,156,285	115,418,498	23,737,065	382,837,718	13,931,512,248

Source: All Years: general bonded debt and debt service fund - District records  
Population and income data - calendar year 2011-2021 - U.S. Census Bureau

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

Percentage of Net General Bonded Debt to Estimated Actual Valuation	Estimated Population	Net General Bonded Debt Per Capita	Estimated Personal Income	Percentage of Net General Bonded Debt to Est. Personal Income
1.15%	228,599	\$ 813	\$ 8,313,459,833	2.24%
1.35	233,666	935	7,734,344,600	2.83
1.58	236,340	1,059	8,099,844,480	3.09
1.94	235,359	1,191	7,556,436,054	3.71
2.19	233,865	1,334	7,157,672,190	4.36
2.47	235,930	1,440	7,060,205,250	4.81
2.97	233,144	1,576	7,212,775,928	5.09
3.24	236,931	1,669	6,513,470,121	6.07
2.91	236,501	1,516	6,622,264,501	5.41
2.75	235,918	1,623	6,676,007,564	5.73

**School District U-46****Legal Debt Margin Information  
Last Ten Fiscal Years**

	2022	2021	2020	2019
Debt limit	\$ 742,138,451	\$ 744,232,878	\$ 726,997,933	\$ 663,992,526
Total net debt applicable to limit	152,863,211	170,325,228	187,256,693	208,996,706
Legal debt margin	<u>\$ 589,275,240</u>	<u>\$ 573,907,650</u>	<u>\$ 539,741,240</u>	<u>\$ 454,995,820</u>
Total net debt applicable to the limit as a percentage of debt limit	21%	23%	26%	31%

Note: Legal debt limit from 2013-2022 was 13.8% of the EAV.

**Legal Debt Margin Calculation for Fiscal 2022**

Assessed Value	\$ 5,377,814,859
Debt limit (13.8%) of assessed value	<u>742,138,451</u>
Debt outstanding applicable to the limit:	
General obligation bonds	185,425,910
General obligation debt certificates	<u>525,614</u>
Total debt outstanding applicable to the limit	185,951,524
Less: Amount set aside for repayment of debt	<u>33,088,313</u>
Total net debt applicable to the limit	<u>152,863,211</u>
Total legal debt margin	<u>\$ 589,275,240</u>

Source: District Records

2018	2017	2016	2015	2014	2013
\$ 654,604,482	\$ 633,764,772	\$ 569,694,431	\$ 561,683,025	\$ 567,087,817	\$ 640,849,563
236,874,236	261,144,286	285,646,318	303,729,127	245,987,387	276,872,219
\$ 417,730,246	\$ 372,620,486	\$ 257,953,898	\$ 321,100,430	\$ 363,977,344	\$ 404,364,805
36%	41%	50%	54%	43%	43%

## School District U-46

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

Governmental Unit	Outstanding Debt	Overlapping Percentage	Direct and Overlapping Debt
<u>Taxing Districts:</u>			
Cook County	\$2,425,146,750	1.246%	\$ 30,217,329
Cook County Forest Preserve District	119,775,000	1.246%	1,492,397
DuPage County	22,515,000 (1)(3)	2.828%	636,724
DuPage County Forest Preserve District	89,420,000	2.828%	2,528,798
Kane County Forest Preserve District	104,230,000 (1)	13.028%	13,579,084
Metropolitan Water Reclamation District	2,759,628,416 (4)	1.244%	34,329,777
<u>Municipalities:</u>			
Bartlett	53,155,000	100.000%	53,155,000
Elgin	16,100,000 (5)	69.655%	11,214,455
Hanover Park	10,700,000 (1)	37.419%	4,003,833
Hoffman Estates	93,340,725	9.920%	9,259,400
Schaumburg	286,420,000	2.086%	5,974,721
Streamwood	17,010,000	96.760%	16,458,876
<u>Library Districts:</u>			
Poplar Creek	10,645,000	77.693%	8,270,420
<u>Park Districts:</u>			
Bartlett Park	17,660,000	100.000%	17,660,000
Carol Stream Park	57,482,447 (2)	7.769%	4,465,811
Dundee Township Park	2,107,000 (1)	0.621%	13,084
Hanover Park Park	1,558,060 (1)	40.279%	627,571
Hoffman Estates Park	7,695,000 (1)(3)	9.987%	768,500
Schaumburg Park	18,627,747 (1)	2.011%	374,604
St. Charles Park	15,995,000 (1)	2.088%	333,976
Streamwood Park	4,575,000 (1)	100.000%	4,575,000
West Chicago	15,580,000 (1)	1.426%	222,171
<u>Miscellaneous:</u>			
Bartlett SSA #1 - Bluff City	1,810,000	100.000%	1,810,000
Wayne SSA #5	115,000	25.709%	29,565
South Elgin Fire District	8,530,000	53.104%	4,529,771
<u>School Districts:</u>			
Community College District #509	140,415,000	39.919%	56,052,264
Total Overlapping General Obligation Bonded Debt			282,583,131
Direct Debt:			
Community Unit School District #46	185,425,910 (2)	100.000%	185,425,910
Total Direct and Overlapping General Obligation Bonded Debt			<u>\$ 468,009,041</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. Excludes Illinois EPA Revolving Loan Fund Bonds.

(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.

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	2022			2013		
		Number of Employees	Rank	Percentage of Total District Population	Number of Employees	Rank	Percentage of Total District Population
School District U-46	Education	4,501	1	2.0%	4,170	2	1.8%
Northwest Community Healthcare	Medical	4,000	2	1.7	4,000	3	1.7
Fermi Accelerated National Lab	Research	4,000	3	1.7	-	-	-
Transform Holdco, LLC	Retail	3,200	4	1.4	-	-	-
Hearthside Food Solutions LLC	Food Products	3,000	5	1.3	-	-	-
Beacon Sales Acquisition, Inc.	Building Materials	3,000	6	1.3	-	-	-
Northrop Grumman Corp	Technology	2,800	7	1.2	2,300	9	1.0
Zurich North America	Insurance	2,500	8	1.1	2,500	5	1.1
Chase	Banking	2,500	9	1.1	2,500	6	1.1
St. Alexius Medical Center	Medical	2,500	10	1.1	2,550	4	1.1
Sears Holding Corp	Retail	-	-	-	6,200	1	2.6
AT&T Services	Communications	-	-	-	2,500	7	1.1
Caterpillar, Inc.	Construction	-	-	-	2,500	8	1.1
Sherman Hospital	Medical	-	-	-	2,200	10	0.9
Total employment of district principal employers		<u>32,001</u>			<u>31,420</u>		
Total district population		<u>228,599</u>			<u>235,918</u>		

Source: City of Elgin 2021 ACFR, Kane County 2021 ACFR, Village of Hoffman Estates 2021 ACFR  
Population data - calendar year 2012 and 2021 - U.S. Census Bureau

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 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	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Teachers	2,429	2,697	2,668	2,587	2,504	2,480	2,426	2,395	2,360	2,311
Noon Hour Supervisors (part-time)	84	85	93	90	86	91	80	80	71	89
Educational Assistants/Paraprofessionals	461	525	544	490	527	511	422	530	443	460
Secretary/Clerical	240	250	255	249	224	233	229	212	214	211
Transportation	425	415	451	458	411	403	404	400	220	207
Custodial/Maintenance	161	171	172	163	145	139	139	131	128	121
Technical/Other Support	353	363	383	341	266	258	194	187	168	151
Food Services	132	150	156	155	149	158	153	148	162	177
School-Based Administrators	192	152	141	112	109	104	99	95	92	93
Supervisors/Directors/Coordinators	32	42	40	41	39	39	40	37	39	31
Central Support Administrators	19	38	36	39	34	32	29	41	37	39
High School Divisionals	-	-	6	18	15	17	17	17	16	16
Superintendent/Cabinet	9	10	9	11	9	10	10	8	10	8
Total staff	4,537	4,898	4,954	4,754	4,518	4,475	4,242	4,281	3,960	3,914

Source: District Human Resources Records

## School District U-46

### Demographic and Economic Statistics Last Ten Fiscal Years

School District U-46					
Calendar Year	Fiscal Year	(a) Estimated District Population	(b) Estimated Per Capita Income	(a) x (b) Estimated Personal Income	Unemployment Rate
2021	2022	228,599	\$ 36,367	\$ 8,313,459,833	5.1%
2020	2021	233,666	33,100	7,734,344,600	8.0
2019	2020	236,340	34,272	8,099,844,480	3.7
2018	2019	235,359	32,106	7,556,436,054	4.4
2017	2018	233,865	30,606	7,157,672,190	4.6
2016	2017	235,930	29,925	7,060,205,250	5.4
2015	2016	233,144	30,937	7,212,775,928	6.0
2014	2015	236,931	27,491	6,513,470,121	6.1
2013	2014	236,501	28,001	6,622,264,501	8.5
2012	2013	235,918	28,298	6,676,007,564	9.1

Source: United States Census Bureau



# School District U-46

## Operating Indicators by Function Last Ten Fiscal Years

Function	2022	2021	2020	2019
Instruction				
Student enrollment:				
Elementary	18,008	18,571	19,873	20,339
Middle school	5,582	5,745	5,864	5,862
High school	12,262	12,074	11,991	11,969
Total student enrollment	35,852	36,390	37,728	38,170
Support services - pupil				
% of students with disabilities	15.4%	14.5%	15.2%	14.0%
Support services - pupil				
Information technology services				
work orders completed	38,214	33,623	36,606	35,010
School administration				
Student attendance rate	89.7%	93.5%	91.3%	92.8%
Business				
Fiscal				
Purchase orders processed	9,255	8,366	8,384	9,337
Nonpayroll checks issued	6,598	6,008	6,592	7,017
Maintenance				
Maintenance work orders completed	32,632	34,881	33,849	33,823
District square footage maintained by				
custodians and maintenance staff	5,738,412	5,738,412	5,738,412	5,706,771
District acreage maintained by				
grounds staff	826	826	826	821
Transportation				
Average number of students				
Transported daily				
Regular, public schools	23,803	23,612	22,862	22,484
Non-public	55	53	56	-
Special education	1,528	1,531	2,125	1,872
Total number of students transported	25,386	25,196	25,043	24,356
Student transportation miles traveled				
Regular education	2,069,408	802,029	1,435,392	2,492,105
Special education	1,940,635	776,663	1,335,696	2,089,628
Non-reimbursable	216,763	-	104,679	155,361
Total student transportation				
miles traveled	4,226,806	1,578,692	2,875,767	4,737,094

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

2018	2017	2016	2015	2014	2013
20,782	21,393	21,676	22,354	22,285	22,375
6,030	5,995	5,719	5,822	6,034	6,012
11,952	12,185	12,257	12,047	12,068	11,960
38,764	39,573	39,652	40,223	40,387	40,347
13.9%	13.0%	13.1%	12.8%	12.5%	12.9%
37,404	39,555	35,521	31,738	38,866	46,646
93.0%	92.8%	94.1%	94.3%	94.6%	94.3%
9,033	8,992	9,596	7,912	9,440	10,051
6,852	6,996	7,335	7,491	7,977	8,352
32,095	23,341	29,057	27,035	17,575	27,201
5,706,771	5,611,259	5,535,666	5,492,057	5,492,057	5,492,057
821	811	805	805	805	805
23,229	26,698	26,982	24,772	25,160	24,891
-	-	8	7	16	14
2,168	2,380	2,088	2,064	1,720	1,743
25,397	29,078	29,078	26,843	26,896	26,648
1,959,678	1,957,058	2,520,791	2,512,688	2,516,457	2,623,820
1,992,878	2,025,432	1,699,136	1,083,595	1,519,958	1,663,595
127,555	150,027	154,797	297,215	269,997	357,238
4,080,111	4,132,517	4,374,724	3,893,498	4,306,412	4,644,653

# **School District U-46**

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

School	2021-2022	2020-2021	2019-2020	2018-2019	2017-2018	2016-2017	2015-2016	2014-2015	2013-2014	2012-2013
Bartlett	472	449	485	504	543	566	557	556	581	604
Centennial	498	474	476	451	494	520	484	458	480	477
Century Oaks	464	459	479	526	519	563	560	548	581	537
Channing	362	397	452	438	463	484	630	625	594	622
Clinton	443	447	433	454	461	481	452	439	458	495
Coleman	607	602	648	675	724	695	555	567	550	572
Creekside	498	511	538	555	581	639	698	655	662	668
Fox Meadow	426	439	512	551	592	616	701	734	764	741
Garfield	280	272	277	300	326	366	419	425	410	432
Glenbrook	489	477	497	493	506	554	536	541	520	513
Hanover Countryside	353	395	393	384	383	423	429	448	461	483
Harriet Gifford	379	394	402	418	437	473	529	541	510	518
Hawk Hollow	353	350	373	365	373	373	359	391	409	454
Heritage	397	413	424	451	463	481	473	498	503	510
Highland	555	571	610	614	636	617	489	515	493	517
Hillcrest	419	436	494	489	495	534	584	648	621	618
Hilltop	501	557	566	596	622	625	665	667	712	719
Horizon	520	526	579	573	621	606	603	531	525	518
Huff	492	511	585	595	636	692	643	660	677	680
Illinois Park	361	365	443	461	476	402	397	463	467	386
Independence	256	264	325	316	280	215	260	290	281	245
Laurel Hill	392	421	472	487	521	566	523	526	501	494
Liberty	505	534	597	617	637	656	682	733	687	516
Lincoln	472	457	469	413	382	426	627	646	649	656
Lords Park	553	583	655	668	741	773	694	761	733	688
Lowrie	368	379	385	392	401	391	385	400	407	401
Mckinley	333	331	368	389	395	397	386	404	414	436
Nature Ridge	531	565	599	596	641	652	686	706	695	706
Oakhill	394	419	437	424	431	441	478	480	477	526
Ontarioville	421	463	528	553	536	569	587	638	625	621
Otter Creek	637	657	676	677	697	698	730	806	731	671
Parkwood	300	337	353	375	364	414	421	435	427	471
Prairieview	316	324	332	344	335	353	383	407	400	389
Ridge Circle	459	475	475	523	526	543	506	518	513	521
Ronald O'Neal	479	514	529	546	549	534	557	566	528	515
Spring Trail	340	357	341	347	362	358	368	364	385	433
Sunnydale	345	370	380	383	395	394	404	393	381	348
Sycamore Trails	623	618	664	686	656	634	604	591	583	548
Timber Trails	326	374	413	468	484	493	511	556	586	596
Washington	369	381	391	396	404	405	411	438	481	436
Wayne	345	306	350	370	334	363	375	416	447	451
Willard	248	265	293	319	323	335	335	370	376	374
One HOPE United	57	50	80	62	82	73	N/A	N/A	N/A	N/A
More at 4	70	82	95	95	93	82	N/A	N/A	N/A	N/A
Abbott	637	658	666	689	684	612	489	498	539	474
Canton	424	460	505	496	537	597	638	658	646	634
Eastview	735	729	785	823	842	835	838	922	923	912
Ellis	676	736	755	719	691	705	627	600	634	661
Kenyon Woods	880	920	962	968	1,041	1,074	1,002	959	1,039	1,072
Kimball	609	609	626	612	570	592	621	642	682	675
Larsen	657	624	654	634	680	709	684	709	718	693
Tefft	964	1,009	911	921	964	871	820	831	853	815
Bartlett High School	2,379	2,389	2,410	2,418	2,426	2,495	2,548	2,590	2,610	2,653
Central School Programs	96	101	125	103	101	167	107	109	132	341
Elgin High School	2,715	2,664	2,601	2,609	2,593	2,581	2,550	2,478	2,453	2,443
Dream Academy	146	152	191	171	131	124	157	150	140	179
Larkin High School	2,147	2,117	2,062	2,052	2,084	2,090	2,109	1,950	1,962	1,942
Phoenix	25	43	37	N/A	N/A	N/A	N/A	N/A	N/A	N/A
South Elgin High School	2,976	2,816	2,736	2,674	2,682	2,738	2,770	2,791	2,745	2,675
Streamwood High School	1,778	1,792	1,829	1,942	1,958	1,990	2,016	1,982	2,026	2,072
Total Enrollment	35,852	36,390	37,728	38,170	38,904	39,655	39,652	40,223	40,387	40,347

Source: District records

### Notes:

Enrollment based on enrollment as of October 1st  
Elementary totals include Pre-K students

N/A: Not Applicable

**School District U-46**

**District Facility Information  
June 30, 2022**

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
Dream Academy/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	33,868
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	47,036
Parkwood	1971	1999	51,216

(Continued)

**School District U-46**

**District Facility Information (Continued)**  
**June 30, 2022**

Building	Year Built	Year of Most Recent Addition	Square Footage
<i>Schools (Continued):</i>			
Elgin High School	1972	2003	365,242
Ronald O'Neal/Sheridan	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	311,063
Centennial	1991	2001	75,404
Prairieview	1992	2001	74,101
Sycamore Trails	1992	2001	74,295
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		63,656
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
Center House	1955		1,490
1150 Bowes Rd	1997		40,000
Observatory	1910		3,590
Transportation	N/A		31,130
Plant Operations	2001		30,000
1019 E Chicago Street	1965	2002	95,512
Warehouse	2002		29,500
955 E. Chicago Street	1983		17,191
967 E. Chicago Street	1984		14,450
Total			<u><u>5,738,412</u></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
2022	\$ 603,668,638	\$ 75,738,987	\$ 527,929,651	30,987	\$ 17,037
2021	570,736,742	72,158,373	498,578,369	33,094	15,066
2020	586,575,765	97,843,283	488,732,482	34,597	14,126
2019	539,087,912	75,519,913	463,567,999	34,844	13,304
2018	513,582,969	71,012,679	442,570,290	34,963	12,658
2017	498,153,015	70,293,040	427,859,975	35,816	11,946
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

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 or student activity fund amounts.

\*\*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.

\*\*\*Values reflect only District calculations. Charter school tuition and ADA are not included.

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