

# SCHOOL DISTRICT U-46 ELGIN, ILLINOIS

ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED  
JUNE 30, 2014



Assurance ■ Tax ■ Consulting

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

**ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED  
JUNE 30, 2014**

Prepared By

Finance Department

# SCHOOL DISTRICT U-46

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## SCHOOL DISTRICT U-46

### Principal Officials

#### BOARD OF EDUCATION

	<u>Position</u>	<u>Term Expires</u>
Donna Smith	President	2017
Amy Kerber	Vice President	2015
Traci O'Neal Ellis	Secretary Pro-Tempore	2015
Maria Bidelman	Member	2015
Jennifer Shroder	Member	2015
Veronica Noland	Member	2017
Linda Campos-Moreira	Member	2015
Megha Bhattacharya	Student Advisor	2015

#### SUPERINTENDENT AND EXECUTIVE STAFF

Dr. Kenneth Arndt	Interim Superintendent of Schools
Tony Sanders	Chief Executive Officer
Miguel Rodriguez	Chief Legal Officer
Ushma Shah	Assistant Superintendent, Elementary Education
Steve Burger	Assistant Superintendent, Elementary Education
Ron Raglin	Assistant Superintendent, Secondary Education
Jeffrey King	Chief Operating Officer
Suzanne Johnson	Assistant Superintendent for Teaching and Learning
Melanie Meidel	Assistant Superintendent, Human Resources

#### OFFICIALS ISSUING REPORT

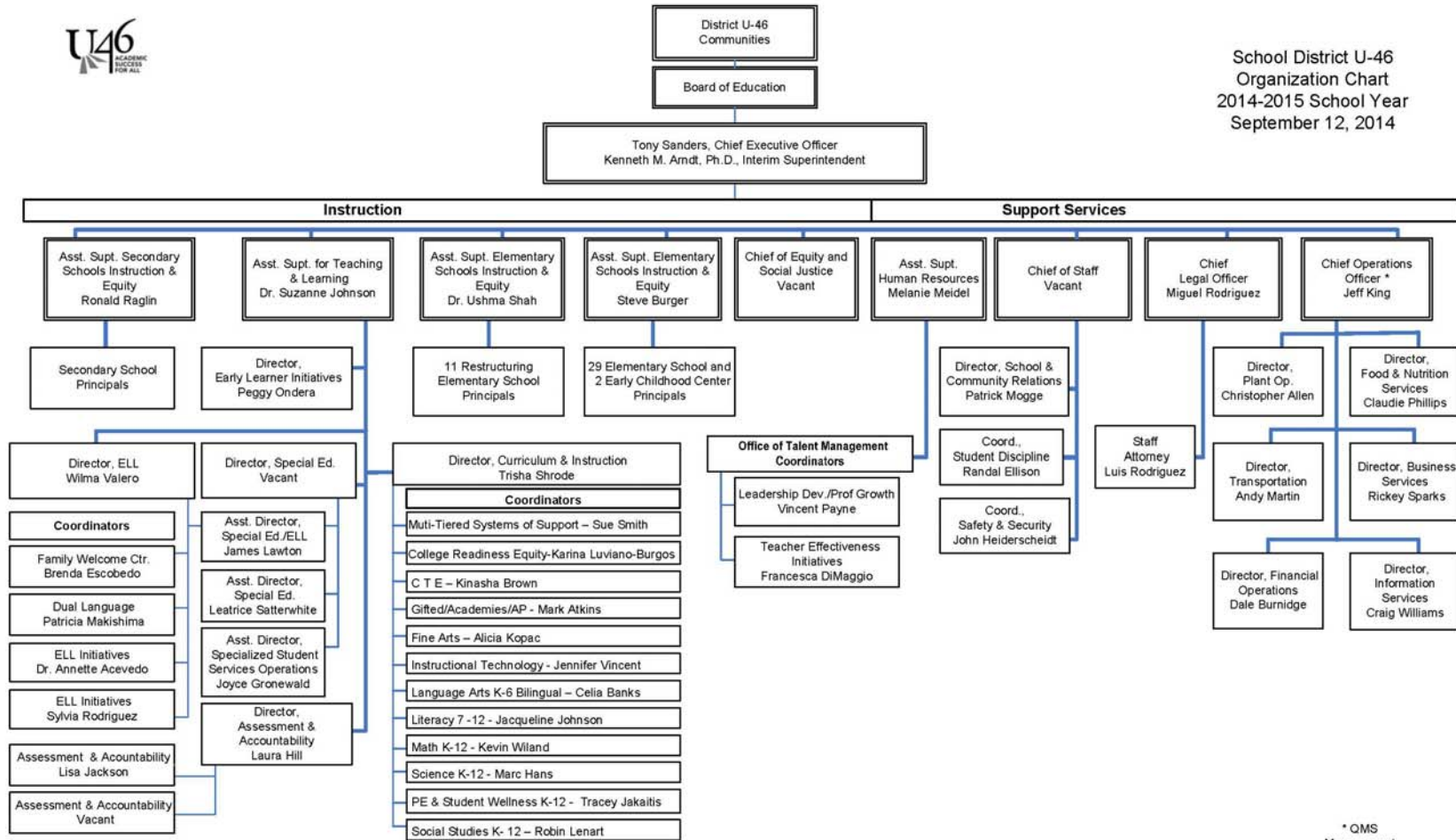
Dale Burnidge	Director of Financial Operations
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#### DIVISION ISSUING REPORT

	Finance Department
Juanita Cruz	Senior Accountant
Kathy Fitzpatrick	Grants Manager
Ray Shifrin	Pension Specialist
Sarah McGregor	Accounts Payable Manager
Judy Freeman	General Accountant
Paz Pamatmat	Budget and Compliance Analyst
Aleli Go	Accounting Specialist
Gil Martinez	Financial Analyst
Rosita Koscielski	Accounting Assistant



School District U-46  
 Organization Chart  
 2014-2015 School Year  
 September 12, 2014



\* QMS  
 Management  
 Representative

## **Independent Auditor's Report**





## Independent Auditor's Report

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of School District U-46, Elgin, Illinois (the District) as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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

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

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of School District U-46, Elgin, Illinois, as of June 30, 2014, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Emphasis of Matter***

As discussed in Note 12 to the financial statements, during the year ended June 30, 2014 the District implemented the provisions of GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, which required a restatement of opening net position of \$1,009,112. Our opinions are not modified with respect to this matter.

### ***Other Matters***

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3-12, schedules of funding progress on pages 48-49 and budgetary schedules on pages 50-51 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Information*

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

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

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



Chicago, Illinois  
December 15, 2014

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

## **SCHOOL DISTRICT U-46**

Management's Discussion and Analysis  
For the Year Ended June 30, 2014

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The discussion and analysis of Elgin 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, 2014. 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 is required to be presented in the Management's Discussion and Analysis (the MD&A).

### **Financial Highlights**

- The assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$169,577,480 (net position). Of this amount, a deficit of (\$15,532,403) represents unrestricted net position.
- In total, net position increased by \$36,332,078, which represents a 27.2% overall increase from the prior year. This increase was primarily the result of higher than expected revenue from State sources, and lower than expected expenses.
- General revenues were \$382,965,001 or 70.9% of all revenues. Program specific revenues, in the form of charges for services and grants, were \$156,949,507 or 29.1% of total revenues of \$539,914,508.
- Overall, the combined revenues of the District's governmental funds were \$16,615,038 more than expenditures. After adding net other financing sources, fund balances increased by \$16,615,038. This operating surplus increased the District's governmental funds' combined fund balance by 10.4% to \$175,241,402 from \$158,626,364 in the prior year.

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

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

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

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

## SCHOOL DISTRICT U-46

Management's Discussion and Analysis (Continued)  
For the Year Ended June 30, 2014

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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, on-behalf payments made by the State and interest on debt.

### *Fund financial statements*

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

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

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

## SCHOOL DISTRICT U-46

Management's Discussion and Analysis (Continued)  
For the Year Ended June 30, 2014

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

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

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

### *Notes to the financial statements*

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

### *Other information*

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

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

The District's net position increased by \$36.3 million or 27.2% compared to the prior year. At year-end, total net position was \$169.6 million (see Table 1).

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

- The District continued to use bond proceeds to construct, improve and expand its facilities, spending \$8,966,324 on capital asset additions.
- The District's expenditures to maintain and operate the facilities within Board policy and guidelines continue to exceed its primary revenues, forcing the District to fund the increase with new debt and available net position. In an effort to continually monitor and contain total operating costs of the District, the District performed efficiency audits that highlighted various areas of cost containment reduction.

**SCHOOL DISTRICT U-46**

Management's Discussion and Analysis (Continued)  
For the Year Ended June 30, 2014

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

	<u>Governmental Activities</u>		<b>Percentage Change</b>
	<b>2014</b>	<b>2013</b>	
<b>Assets</b>			
Current and other assets	\$ 398.3	\$ 388.6	2.5%
Capital assets	375.2	381.6	(1.7)%
<b>Total assets</b>	<u>773.5</u>	<u>770.2</u>	<u>0.4%</u>
<b>Deferred Outflows</b>	<u>3.1</u>	<u>4.2</u>	<u>(26.2)%</u>
<b>Liabilities</b>			
Long-term liabilities	413.6	441.6	(6.3)%
Other liabilities	49.9	50.7	(1.6)%
<b>Total liabilities</b>	<u>463.5</u>	<u>492.3</u>	<u>(5.9)%</u>
<b>Deferred Inflows</b>	<u>143.5</u>	<u>148.8</u>	<u>(3.6)%</u>
<b>Net Position</b>			
Net investment in capital assets	158.7	141.4	12.2%
Restricted	26.4	21.7	21.7%
Unrestricted	(15.5)	(29.8)	(48.0)%
<b>Total net position, as restated</b>	<u>\$ 169.6</u>	<u>\$ 133.3</u>	<u>27.2%</u>

**SCHOOL DISTRICT U-46**

Management's Discussion and Analysis (Continued)  
 For the Year Ended June 30, 2014

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Table 2, Changes in Net Position, illustrates in summary form revenues and expenses from FY 2014 and the increase in net position of \$36.3 million. Comparative data from FY 2013 is also illustrated.

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

	<u>Governmental Activities</u>		<b>Percentage Change</b>
	<b>2014</b>	<b>2013</b>	
<b>Revenues</b>			
Program revenues			
Charges for services	\$ 12.1	\$ 11.3	7.1%
Operating grants and contributions	144.4	135.6	6.5%
Capital grants and contributions	0.5	0.3	66.7%
General revenues			
Property and replacement taxes	293.4	293.1	0.1%
General state aid	84.5	60.0	40.8%
Other	5.0	2.2	127.3%
<b>Total revenues</b>	<u>539.9</u>	<u>502.5</u>	<u>7.4%</u>
<b>Expenses</b>			
Instruction	270.3	258.2	4.7%
Support services	209.3	197.6	5.9%
Community services	4.0	4.2	(4.8)%
Debt service - interest and fees	20.0	22.6	(11.5)%
<b>Total expenses</b>	<u>503.6</u>	<u>482.6</u>	<u>4.4%</u>
<b>Increase in net position, as restated</b>	<u>\$ 36.3</u>	<u>\$ 19.9</u>	<u>82.4%</u>

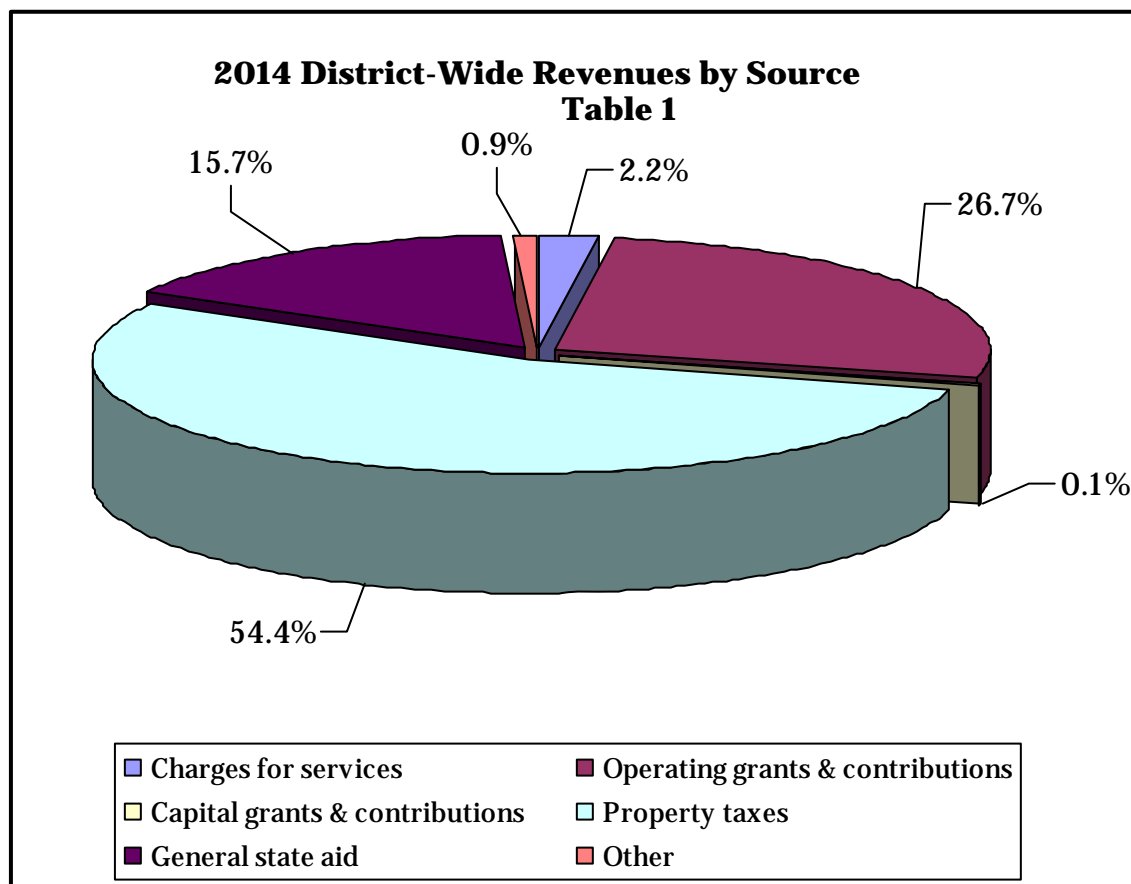


## SCHOOL DISTRICT U-46

Management's Discussion and Analysis (Continued)  
For the Year Ended June 30, 2014

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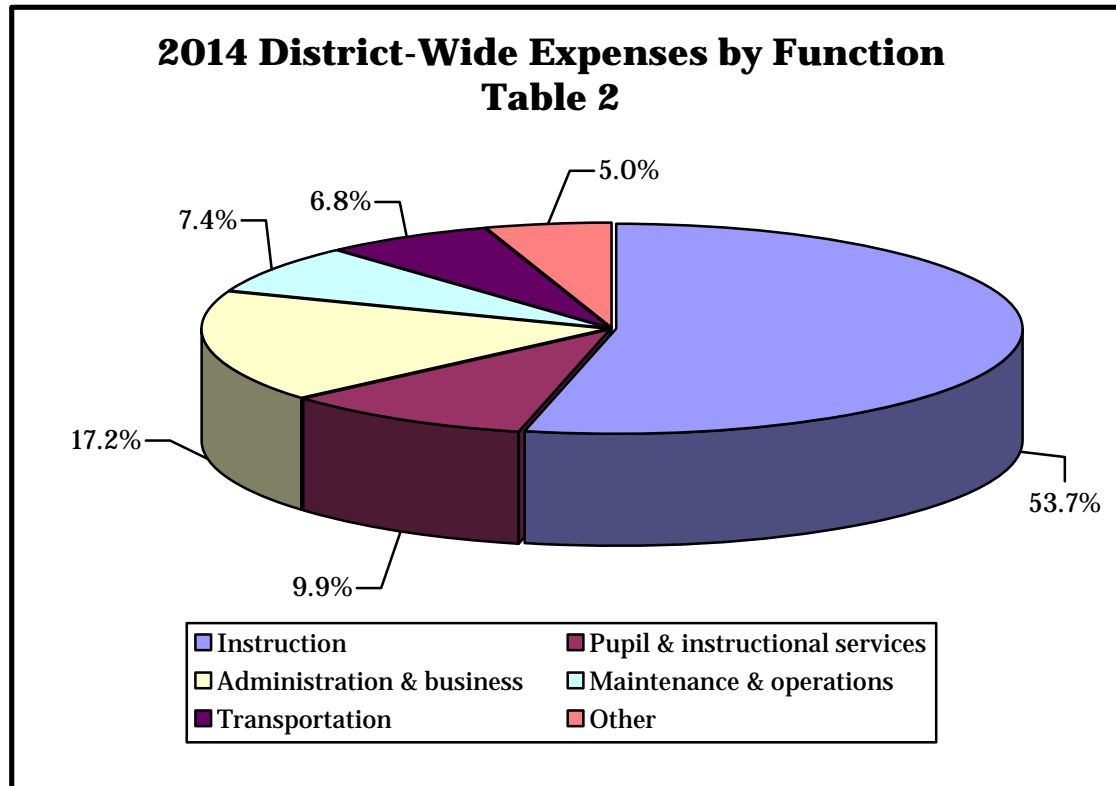
The District's total revenues were \$539.9 million. General revenues, including taxes and general state aid were 70.9% of the total or \$382.9 million. Property taxes (other than for debt service) increased \$4.1 million over the prior year or 1.4%. Grants and contributions for specific programs and general state aid brought in \$241.5 million, a 16.5% increase from the prior year. The total cost of all programs and services in 2014 was \$503.6 million. The District's expenses are predominantly related to instruction and support services (caring for and transportation of students, etc.). These expenses accounted for 95.2% of the total (see Table 2). The District's other activities were 4.8% of total costs. Total revenues on the statement of activities surpassed expenses, increasing net position by \$36.3 million from the prior year.



**SCHOOL DISTRICT U-46**

Management's Discussion and Analysis (Continued)  
For the Year Ended June 30, 2014

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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 \$175,241,402. Revenues for the District's governmental funds were \$541,045,677, while total expenditures were \$524,430,639.

The General Fund experienced a current year operating surplus after net other financing sources of \$16,820,986. This surplus resulted in an increase in the year-end fund balance to \$163,794,894.

The fund balance of the Transportation Fund increased by \$904,983 as total revenue was greater than the current year costs for pupil transportation when excluding capital outlay.

The fund balance of the Debt Service Fund increased by \$419,058.

## SCHOOL DISTRICT U-46

Management's Discussion and Analysis (Continued)  
For the Year Ended June 30, 2014

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### General Fund Budgetary Highlights

While the District's budget for the General Fund anticipated that expenditures would exceed revenues by \$5,788,369 before other financing sources (uses), the actual result for the year was an excess of revenues over expenditures of \$18,214,846. State and federal sources were over budget by a combined \$20,056,105 as actual grant revenues and state on-behalf payments exceeded budget. Property taxes were \$2,315,759 less than budget. Expenditures came in under budget by \$4,604,587 or 1%.

### Capital Asset and Debt Administration

#### *Capital assets*

Table 3 illustrates capital assets, net of depreciation:

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

	<b>2014</b>	<b>2013</b>	<b>Percentage Change</b>
Land	\$ 27.7	\$ 27.7	0.0%
Construction in progress	2.2	5.2	(57.7)%
Buildings	338.0	340.0	(0.6)%
Transportation equipment	5.5	7.4	(25.7)%
Other equipment	1.8	1.3	38.5%
Total	<u>\$ 375.2</u>	<u>\$ 381.6</u>	<u>(1.7)%</u>

At June 30, 2014, the District has outstanding commitments relating to construction projects of approximately \$10.4 million.

Additional information about the District's capital assets is included in Note 4 to the basic financial statements.

#### *Long-term Obligations*

Table 4 on the following page illustrates the District's outstanding long-term obligations. The District did not issue any new bond debt in FY 2014. The balance of bond debt was reduced by the repayment of existing bond debt of \$27.6 million. The District's other long-term obligations decreased by \$0.1 million related to accreted interest on capital appreciation bonds when combined with decreases in outstanding purchase contracts, other post-employment benefits and claims. Additional information is available in Note 5 – Long-Term Obligations.

The District is subject to the Illinois School Code, which limits the amount of bond indebtedness to 13.8% of the most recent available equalized assessed valuation of the District. As of June 30, 2014, the statutory debt limit for the District was \$567,087,817 providing a debt margin of \$321,100,430.

## SCHOOL DISTRICT U-46

Management's Discussion and Analysis (Continued)  
For the Year Ended June 30, 2014

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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, citizens, and investors. These indicators for the District at the end of fiscal year 2014 were 1.91 percent and \$982, respectively. Due to the decline in taxable property value, the general bonded debt to assessed valuation increased compared to fiscal year 2013 in which the ratio was 1.89 percent. The bonded debt per capita decreased from fiscal year 2013 when it was \$1,099.

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

	2014	2013	Percentage Change
General obligation bonds/Debt Certificates	\$ 263.7	\$ 291.7	(9.6)%
Other	149.9	149.9	0.0%
<b>Total</b>	<b>\$ 413.6</b>	<b>\$ 441.6</b>	<b>(6.3)%</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.

- The Illinois pension reform law (Senate Bill 1) which was to take effect on June 1, 2014 has been challenged, and a temporary injunction has delayed the implementation of the new law until the court makes a ruling. Should the law be found unconstitutional, a different pension reform bill could shift additional pension costs to the District.
- Because the State does not provide an ongoing capital improvements budget plan, in the future, the District will be forced to issue additional debt to address the improvements needed for its aging facilities. As can be seen in Table 1, at the end of the current fiscal year, the largest portion of the District's net position reflects its investment in capital assets (e.g., land, buildings, and equipment), less any related debt used to acquire those assets that are still outstanding. The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets are reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.
- The current economy in the state continues to affect the District's state funding levels and timing of state receipts. The General State Aid formula was funded at 89% in fiscal year 2014.

## **SCHOOL DISTRICT U-46**

Management's Discussion and Analysis (Continued)  
For the Year Ended June 30, 2014

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### **Requests for Information**

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

## **BASIC FINANCIAL STATEMENTS**

School District U-46

Statement of Net Position  
June 30, 2014

	Governmental Activities
<b>Assets and Deferred Outflows of Resources</b>	
Assets	
Cash and investments	\$ 218,406,526
Property taxes receivable, net of allowance	141,437,449
Replacement taxes receivable	637,353
Grants receivable	35,670,948
Accounts receivable	1,355,645
Inventory	110,873
Prepays	679,314
Capital assets not being depreciated	29,882,385
Capital assets being depreciated, net of accumulated depreciation	<u>345,255,441</u>
<b>Total assets</b>	<u>773,435,934</u>
Deferred outflows of resources	
Deferred loss on refunding	<u>3,088,325</u>
<b>Total assets and deferred outflows of resources</b>	<u>\$ 776,524,259</u>
<b>Liabilities, Deferred Inflows of Resources and Net Position</b>	
Liabilities	
Accounts payable	\$ 8,808,290
Accrued payroll	31,472,545
Payroll deductions	1,645,013
Insurance claims payable	4,162,258
Accrued interest	2,845,508
Unearned other revenue	1,012,247
Long-term obligations, due within one year	43,110,440
Long-term obligations, due in more than one year	<u>370,461,732</u>
<b>Total liabilities</b>	<u>463,518,033</u>
Deferred inflows of resources	
Deferred property taxes	<u>143,428,746</u>
Commitments (Note 11)	
Net Position	
Net investment in capital assets	158,733,858
Restricted for:	
Capital projects	1,735,157
Operating and maintenance	3,330,253
Debt service	21,310,615
Unrestricted deficit	<u>(15,532,403)</u>
<b>Total net position</b>	<u>169,577,480</u>
<b>Total liabilities, deferred inflows of resources and net position</b>	<u>\$ 776,524,259</u>

See Notes to Basic Financial Statements.

School District U-46

Statement of Activities  
Year Ended June 30, 2014

Functions/Programs	Expenses	Program Revenue			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Governmental activities:</b>					
Instruction:					
Regular programs	\$ 166,693,993	\$ 2,374,713	\$ 52,559,699	\$ -	\$ (111,759,581)
Special programs	47,004,205	40,129	41,647,365	-	(5,316,711)
Other instructional programs	56,641,884	3,160,349	7,958,311	-	(45,523,224)
Total instruction	270,340,082	5,575,191	102,165,375	-	(162,599,516)
Support services:					
Pupils	32,493,352	-	4,540,039	-	(27,953,313)
Instructional staff	17,146,414	-	2,389,574	-	(14,756,840)
General administration	22,364,803	-	3,111,256	-	(19,253,547)
School administration	28,737,936	-	4,002,994	-	(24,734,942)
Business	35,461,199	1,061,033	5,221,505	-	(29,178,661)
Facilities acquisition and construction	1,325,382	-	-	452,706	(872,676)
Transportation	34,307,231	1,654,326	4,692,620	-	(27,960,285)
Food service	19,253,272	3,828,751	15,374,745	-	(49,776)
Central	16,669,932	-	2,320,229	-	(14,349,703)
Other support services	1,576,585	-	-	-	(1,576,585)
Total support services	209,336,106	6,544,110	41,652,962	452,706	(160,686,328)
Community services	3,992,913	-	559,163	-	(3,433,750)
Debt service - interest and fees	19,913,329	-	-	-	(19,913,329)
<b>Total governmental activities</b>	<b>\$ 503,582,430</b>	<b>\$ 12,119,301</b>	<b>\$ 144,377,500</b>	<b>\$ 452,706</b>	<b>(346,632,923)</b>
General revenues:					
Taxes:					
Property taxes, general purposes					250,205,536
Property taxes, debt service					43,226,909
Replacement taxes and other payment in lieu of taxes					3,799,318
Unrestricted state grants					84,499,884
Interest and investment earnings					240,423
Other general revenues					992,931
Total general revenues					382,965,001
Change in net position					36,332,078
Net position:					
Beginning of year, as restated (Note 12)					133,245,402
End of year					\$ 169,577,480

See Notes to Basic Financial Statements.



School District U-46

**Balance Sheet  
Governmental Funds  
June 30, 2014**

	Major Funds			Nonmajor Governmental Funds	Total Governmental Funds
	General Fund	Transportation Fund	Debt Service Fund		
<b>Assets</b>					
Cash and investments	\$ 189,592,230	\$ 400	\$ 24,440,641	\$ 4,373,255	\$ 218,406,526
Property taxes receivable, net of allowance	108,508,232	6,144,038	20,608,522	6,176,657	141,437,449
Grants receivable	19,956,998	15,713,950	-	-	35,670,948
Replacement taxes receivable	-	-	-	637,353	637,353
Accounts receivable	1,022,278	283,960	-	49,407	1,355,645
Due from other funds	15,776,458	-	-	-	15,776,458
Inventory	110,873	-	-	-	110,873
Prepays	679,314	-	-	-	679,314
<b>Total assets</b>	<b>\$ 335,646,383</b>	<b>\$ 22,142,348</b>	<b>\$ 45,049,163</b>	<b>\$ 11,236,672</b>	<b>\$ 414,074,566</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)</b>					
<b>Liabilities</b>					
Accounts payable	\$ 7,544,610	\$ 62,415	\$ -	\$ 1,201,265	\$ 8,808,290
Accrued payroll	31,229,083	243,462	-	-	31,472,545
Payroll deductions	1,083,355	-	-	561,658	1,645,013
Insurance claims payable	4,162,258	-	-	-	4,162,258
Unearned other revenue	1,012,247	-	-	-	1,012,247
Due to other funds	-	15,126,243	-	650,215	15,776,458
<b>Total liabilities</b>	<b>45,031,553</b>	<b>15,432,120</b>	<b>-</b>	<b>2,413,138</b>	<b>62,876,811</b>
<b>Deferred inflows of resources</b>					
Deferred grant revenue	16,813,656	15,713,951	-	-	32,527,607
Deferred property taxes	110,006,280	6,228,862	20,893,040	6,300,564	143,428,746
<b>Total deferred inflows of resources</b>	<b>126,819,936</b>	<b>21,942,813</b>	<b>20,893,040</b>	<b>6,300,564</b>	<b>175,956,353</b>
<b>Fund balances (deficits)</b>					
Nonspendable	790,187	-	-	-	790,187
Restricted	3,330,253	-	24,156,123	3,861,483	31,347,859
Unassigned	159,674,454	(15,232,585)	-	(1,338,513)	143,103,356
<b>Total fund balances (deficits)</b>	<b>163,794,894</b>	<b>(15,232,585)</b>	<b>24,156,123</b>	<b>2,522,970</b>	<b>175,241,402</b>
<b>Total liabilities, deferred inflows of resources and fund balances (deficits)</b>	<b>\$ 335,646,383</b>	<b>\$ 22,142,348</b>	<b>\$ 45,049,163</b>	<b>\$ 11,236,672</b>	<b>\$ 414,074,566</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, 2014**

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Total fund balances - governmental funds	\$ 175,241,402
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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	\$ 628,373,437	
Accumulated depreciation	<u>(253,235,611)</u>	
Net capital assets		375,137,826

Interest on long-term debt is not accrued in governmental funds, but rather is recognized when due.	(2,845,508)
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Certain revenues that are deferred in the fund financial statements because they are not available, are recognized as revenue in the government wide financial statements.	32,527,607
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Some liabilities reported in the statement of net position do not require the use of current financial resources and therefore are not reported as liabilities in the governmental funds. These liabilities consist of:

General obligation bonds	(259,950,777)	
Accreted interest on long-term debt	(119,803,876)	
General obligation debt certificates	(3,792,143)	
Purchase contracts	(6,400,590)	
Compensated absences	(856,442)	
Other post employment benefits	(5,824,702)	
IMRF pension obligation	(490,730)	
Claims incurred but not reported	(13,624,879)	
Unamortized premiums related to debt issuance	(3,143,136)	
Unamortized discounts related to debt issuance	315,103	
Deferred loss on refunding	<u>3,088,325</u>	
		<u>(410,483,847)</u>

Net position of governmental activities	<u><u>\$ 169,577,480</u></u>
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See Notes to Basic Financial Statements.

School District U-46

Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits)  
 Governmental Funds  
 Year Ended June 30, 2014

	Major Funds		
	General Fund	Transportation Fund	Debt Service Fund
<b>Revenues:</b>			
Property taxes	\$ 227,333,531	\$ 11,278,225	\$ 43,226,909
Replacement taxes and other payments in lieu of taxes	-	-	-
Charges for services	9,303,933	1,652,932	-
Earnings on investments	238,085	171	700
Impact fees, rentals and other local sources	2,399,064	18,962	-
State grants-in-aid	115,552,345	12,791,712	-
Federal grants-in-aid	34,451,084	-	-
State on-behalf of payments	66,995,465	-	-
<b>Total revenues</b>	<b>456,273,507</b>	<b>25,742,002</b>	<b>43,227,609</b>
<b>Expenditures:</b>			
Current:			
Instruction:			
Regular programs	131,553,736	-	-
Special programs	35,790,695	-	-
Other instructional programs	44,691,549	-	-
Intergovernmental state on-behalf of payments	66,995,465	-	-
Support services:			
Pupils	24,915,001	-	-
Instructional staff	13,299,301	-	-
General administration	17,380,814	-	-
School administration	21,756,508	-	-
Business	26,032,892	-	-
Facilities acquisition and construction	917,895	-	-
Transportation	1,421,884	22,852,209	-
Food service	15,470,889	-	-
Central	12,470,264	-	-
Other support services	1,550,256	-	-
Community services	3,029,507	-	-
Payments to other governments	8,134,674	-	-
Debt service:			
Principal	-	2,141,439	28,324,335
Interest and fees	-	36,792	15,512,331
Capital outlay	12,647,331	172,324	-
<b>Total expenditures</b>	<b>438,058,661</b>	<b>25,202,764</b>	<b>43,836,666</b>
Excess (deficiency) of revenues over (under) expenditures	18,214,846	539,238	(609,057)
Other financing sources (uses):			
Transfer in	-	365,745	1,028,115
Transfer out	(1,393,860)	-	-
<b>Total other financing sources (uses)</b>	<b>(1,393,860)</b>	<b>365,745</b>	<b>1,028,115</b>
<b>Net change in fund balances (deficits)</b>	<b>16,820,986</b>	<b>904,983</b>	<b>419,058</b>
Fund balances (deficits):			
Beginning of year	146,973,908	(16,137,568)	23,737,065
End of year	\$ 163,794,894	\$ (15,232,585)	\$ 24,156,123

See Notes to Basic Financial Statements.

	Nonmajor Governmental Funds	Total Governmental Funds
\$	11,593,780	\$ 293,432,445
	3,754,606	3,754,606
	-	10,956,865
	1,467	240,423
	452,706	2,870,732
	-	128,344,057
	-	34,451,084
	-	66,995,465
	<u>15,802,559</u>	<u>541,045,677</u>

	1,768,093	133,321,829
	1,817,787	37,608,482
	652,141	45,343,690
	-	66,995,465
	1,145,805	26,060,806
	417,369	13,716,670
	478,465	17,859,279
	1,221,541	22,978,049
	2,268,896	28,301,788
	437,245	1,355,140
	3,166,481	27,440,574
	(61,942)	15,408,947
	848,354	13,318,618
	29,382	1,579,638
	180,209	3,209,716
	-	8,134,674
	-	30,465,774
	-	15,549,123
	<u>2,962,722</u>	<u>15,782,377</u>
	<u>17,332,548</u>	<u>524,430,639</u>

	<u>(1,529,989)</u>	<u>16,615,038</u>
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	-	1,393,860
	-	(1,393,860)
	<u>-</u>	<u>-</u>

	(1,529,989)	16,615,038
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	<u>4,052,959</u>	<u>158,626,364</u>
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\$	<u>2,522,970</u>	\$ <u>175,241,402</u>
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School District U-46

**Reconciliation of the Governmental Funds  
Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits)  
to the Statement of Activities  
Year Ended June 30, 2014**

Net change in fund balances (deficits)—total governmental funds		\$ 16,615,038
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	\$ 8,966,324	
Depreciation	<u>(15,388,682)</u>	
Depreciation in excess of capital expenditures		(6,422,358)
Some revenues were not collected for several months after the close of the fiscal year and therefore were not considered to be "available" and are not reported as revenue in the governmental funds. The change from fiscal year 2013 to 2014 was:		
		(1,131,169)
Repayment of debt principal and accreted interest is an expenditure in the governmental funds, but the repayment reduced long-term obligations in the statement of net position. The following amounts were retired:		
General obligation bonds	27,555,218	
Debt certificates	407,870	
Purchase contracts	2,502,686	
Accreted interest	<u>9,204,781</u>	
Total retired debt		39,670,555
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.		
		(13,590,159)
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported in the governmental funds.		
Increase in other postemployment benefits	(408,202)	
Increase in IMRF pension obligation	(9,766)	
Increase in compensated absences payable	(495,780)	
Decrease in accrued interest on debt	338,155	
Decrease in claims incurred but not reported	2,082,747	
Amortization of bond premiums	862,850	
Amortization of bond discounts	(40,593)	
Amortization of deferred loss on refunding	<u>(1,139,240)</u>	
		<u>1,190,171</u>
Change in net position of governmental activities		<u>\$ 36,332,078</u>

See Notes to Basic Financial Statements.

**School District U-46**

**Statement of Fiduciary Assets and Liabilities**

**Agency Fund**

**June 30, 2014**

	<u>Agency Student Activity Fund</u>
<b>Assets</b> , cash and investments	<u>\$ 3,665,884</u>
<b>Liabilities</b> , due to activity fund organizations	<u>\$ 3,665,884</u>

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 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 serves the communities of Bartlett, Elgin, Hanover Park, South Elgin, Streamwood, Wayne and portions of Carol Stream, Hoffman Estates, St. Charles, Schaumburg, and West Chicago.

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

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

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

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

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

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

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

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

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

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. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs (including fines and fees), and (b) grants and contributions that are restricted to meeting the operational requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

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

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

The District reports the following major governmental funds:

##### *General Fund*

The General Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund. The District's General Fund consists of 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 building and property and the Working Cash Account, which accounts for financial resources held by the District to be used for temporary interfund loans to other District funds.

##### *Transportation Fund*

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

##### *Debt Service Fund*

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

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

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

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



## 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)***

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

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

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

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

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

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

The Governmental Accounting Standard Board (GASB) has issued Statement No. 65, *Items Previously Recorded as Assets and Liabilities* (GASB 65), which was adopted by the District for the year ended June 30, 2014. GASB 65 now establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities. In accordance with GASB 65 the District now reports both deferred inflows of resources and deferred outflows of resources on its financial statements. In addition, the impact of implementing this statement resulted in a restatement of the beginning Net Position for Governmental Activities. See Note 12 for details of the impact of this restatement.

## 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 2013 tax levy was passed by the Board of Education on December 9, 2013, and attached as an enforceable lien on the property as of the preceding January 1. The taxes become due and collectible in March and September 2014 in Cook County and in June and September 2014 in DuPage County and Kane County, and are collected by the County Collector, who in turn returns to the District its respective share. The District receives the remittances from the County Treasurer within one month after collection.

The District has recognized as revenue 50% of the 2013 tax extension and 50% of the 2012 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 losses on collections of 1.3%. As of June 30, 2014 the property tax allowance was as follows:

Fund	
General Fund	\$ 1,429,187
Debt Service Fund	271,439
Transportation Fund	80,925
Nonmajor Governmental Funds	81,354
	<u>\$ 1,862,905</u>

The District has recorded a receivable for the uncollected portion of the 2013 taxes extended. The District has recorded a deferred inflow of resources net of any allowance, which approximates 50% of the 2013 tax extension which will be recognized as revenue in fiscal year 2014, 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.

##### **Prepaid Items**

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

##### **Inventories**

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

##### **Capital Assets**

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

## School District U-46

### Notes to Basic Financial Statements

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

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

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

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

##### **Interfund Transactions**

The District has the following types of interfund transactions:

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

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

##### **Compensated Absences**

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

##### **Deferred Inflow of Resources and Unearned Revenue**

The District reports both deferred inflow of resources and unearned revenue on its financial statements. Deferred inflows of resources arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred inflows of resources also arise when property taxes are received or recorded as receivables prior to the period the levy is intended to finance.

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

Notes to Basic Financial Statements

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

***Long-Term Obligations (Continued)***

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

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

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

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

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

***Fund Balances***

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

***Nonspendable*** – includes amounts that cannot be spent because they are either: a) not in spendable form; or b) legally or contractually required to be maintained intact. At June 30, 2014, the District's nonspendable fund balances in the general fund related to inventory for \$110,873, and prepaid expenses of \$679,314.

***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. Committed amounts cannot be used for any other purpose unless the District removes or changes the specified highest level of decision-making authority rests with the District's Board of Education. The District passes formal resolutions to commit their fund balances.

## School District U-46

### Notes to Basic Financial Statements

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

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

**Assigned** – includes amounts that are constrained by the District's *intent* to be used for specific purposes, but that are neither restricted nor committed. Intent is expressed by: a) the District's Board of Education itself; or b) a body or official to which the Board of Education has delegated the authority to assign amounts to be used for specific purposes. The District's Board of Education has not delegated authority to any other body or official to assign amounts for a specific purpose within the General Fund. Within the other governmental fund types (special revenue, debt service, capital projects) resources are assigned in accordance with the established fund purpose and approved budget/appropriation. Residual fund balances in these fund types that are not restricted or committed are reported as assigned.

**Unassigned** – includes the residual fund balances that have not been restricted, committed, or assigned within the General Fund and unassigned deficit fund balances of other governmental funds.

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

The 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, 2014, the District had working cash stabilization fund balances of \$92,052,975 that have been classified as unassigned fund balances in the General fund.

At June 30, 2014, the District had the following fund balances restricted for various purposes as follows:

Fund	Fund balance	Purpose of restriction
General Fund	\$ 3,330,253	Operations and maintenance
Debt Service Fund	24,156,123	Repayment of principal and interest on long-term debt
Capital Projects Fund	3,861,483	School construction projects
	<u>\$ 31,347,859</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.

## School District U-46

### Notes to Basic Financial Statements

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

##### *Net Position (Continued)*

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

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

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

##### *Eliminations*

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

##### *Use of Estimates*

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

#### Note 2. Budgetary Information

Annual budgets are adopted for all governmental fund types. 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, 2014 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 2013-14 budget was adopted September 23, 2013.

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

## School District U-46

### Notes to Basic Financial Statements

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#### Note 3. Deposits and Investments

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

#### ***Deposits***

As of June 30, 2014, the District had deposits with federally insured financial institutions of \$213,765,822 with the book balances totaling \$208,254,452.

*Custodial credit risk – deposits.* In the case of deposits, custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District's investment policy requires all bank deposits in excess of FDIC insurance limits be secured by collateral. As of June 30, 2014, 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.

**School District U-46**

**Notes to Basic Financial Statements**

**Note 3. Deposits and Investments (Continued)**

The following schedule reports the fair values and maturities (using the segmented time distribution method) for the District's investments at June 30, 2014. The schedule also includes credit ratings by Standard & Poor's at June 30, 2014:

Investment Type	Fair Value	Investment Maturities (in Years)		% of Total Investments	Credit Ratings
		Less than 1	1 - 5		
Illinois School District Liquid Asset Fund	\$ 2,126,326	\$ 2,126,326	\$ -	15.39%	AAAm
Government Money Market Funds	1,294,313	1,294,313	-	9.37%	AAAm
	3,420,639	\$ 3,420,639	\$ -		
Illinois Funds	10,391,369			58.90%	AAAm
	<u>\$ 13,812,008</u>			<u>83.66%</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.

*Custodial Credit Risk – Investments*

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

The above deposits and investments (plus \$5,950 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	\$ 218,406,526
Cash and investments per statement of fiduciary assets and liabilities	<u>3,665,884</u>
Total	<u>\$ 222,072,410</u>



**School District U-46**

**Notes to Basic Financial Statements**

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**Note 4. Capital Assets**

Capital asset balances and activity for the year ended June 30, 2014, are as follows:

	Balance July 1, 2013	Transfers and Additions	Transfers and Retirements	Balance June 30, 2014
Capital Assets, not being depreciated:				
Land	\$ 27,687,264	\$ -	\$ -	\$ 27,687,264
Construction in progress	5,205,744	2,195,121	5,205,744	2,195,121
Total capital assets, not being depreciated	<u>32,893,008</u>	<u>2,195,121</u>	<u>5,205,744</u>	<u>29,882,385</u>
Capital Assets, being depreciated:				
Buildings	550,847,253	11,006,416	-	561,853,669
Transportation equipment	23,760,587	-	-	23,760,587
Other equipment	11,906,265	970,531	-	12,876,796
Total capital assets being depreciated	<u>586,514,105</u>	<u>11,976,947</u>	<u>-</u>	<u>598,491,052</u>
Less accumulated depreciation:				
Buildings	210,905,405	12,966,183	-	223,871,588
Transportation equipment	16,390,838	1,887,400	-	18,278,238
Other equipment	10,550,686	535,099	-	11,085,785
Total accumulated depreciation	<u>237,846,929</u>	<u>15,388,682</u>	<u>-</u>	<u>253,235,611</u>
Total capital assets being depreciated, net	<u>348,667,176</u>	<u>(3,411,735)</u>	<u>-</u>	<u>345,255,441</u>
Governmental activities Capital assets, net	<u>\$ 381,560,184</u>	<u>\$ (1,216,614)</u>	<u>\$ 5,205,744</u>	<u>\$ 375,137,826</u>

**School District U-46**

**Notes to Basic Financial Statements**

**Note 4. Capital Assets (Continued)**

Depreciation expense was charged to governmental activities as follows:

Activity	Depreciation Expense
Instruction:	
Regular programs	\$ 5,334,934
Special education programs	1,504,921
Other instructional programs	1,814,448
Support services:	
Pupils	1,042,835
Instructional staff	548,879
General administration	714,647
School administration	919,477
Business	1,132,509
Transportation	1,098,047
Food services	616,596
Central	532,951
Community services	128,438
Total	<u>\$ 15,388,682</u>

**Note 5. Long-Term Obligations**

The following is a summary of activity for the District's long-term debt for the year ended June 30, 2014:

	Balance July 1, 2013	Additions	Reductions	Balance June 30, 2014	Due Within One Year
G.O. Bonds/Debt Certificates Payable:					
General obligation bonds	\$ 287,505,995	\$ -	\$ (27,555,218)	\$ 259,950,777	\$ 27,130,872
Accreted interest on long-term debt	115,418,498	13,590,159	(9,204,781)	119,803,876	10,064,128
Debt certificates	4,200,013	-	(407,870)	3,792,143	410,521
Unamortized premium	4,005,986	-	(862,850)	3,143,136	745,029
Unamortized discount	(355,696)	-	40,593	(315,103)	(40,593)
Total G.O. Bonds/Debt Certificates Payable	<u>410,774,796</u>	<u>13,590,159</u>	<u>(37,990,126)</u>	<u>386,374,829</u>	<u>38,309,957</u>
Purchase contracts	8,903,276	-	(2,502,686)	6,400,590	1,747,294
Compensated absences	360,662	12,766,283	(12,270,503)	856,442	856,442
IMRF pension obligation	480,964	9,766	-	490,730	-
Other post employment benefits	5,416,500	408,202	-	5,824,702	-
Claims incurred but not reported	15,707,626	47,569,059	(49,651,806)	13,624,879	2,196,747
Total	<u>\$ 441,643,824</u>	<u>\$ 74,343,469</u>	<u>\$ (102,415,121)</u>	<u>\$ 413,572,172</u>	<u>\$ 43,110,440</u>

## School District U-46

### Notes to Basic Financial Statements

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#### Note 5. Long-Term Obligations (Continued)

At June 30, 2014 general obligation bonds consisted of the following:

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

\$18,300,000, 1999 School Building Bonds due in installments of \$1,725,000 to \$7,000,000 through 2019 with interest due semiannually at 5.05% to 5.25%.	\$ 17,050,000
\$57,999,743, 2001 Capital Appreciation Construction Bonds due in annual installments of \$2,677,017 to \$14,072,352 through 2016 with interest due semiannually at 5.2% to 9.0%.	23,245,779
\$54,499,619, 2002 Illinois Development Finance Authority Program Capital Appreciation Revenue Bonds due in annual installments of \$373,209 to \$14,528,432 in years 2016 through 2021 with interest due annually in years of maturity at a rate yielding 5.3789%.	54,499,619
\$65,999,779, 2003B Capital Appreciation School Bonds due in annual installments of \$727,271 to \$18,975,627 through 2023 with interest due annually in years of maturity at a rate yielding 3.45% to 5.37%.	57,815,379
\$71,790,000, 2005 General Obligation School Refunding Bonds with annual installments ranging from \$365,000 to \$15,085,000 through 2020 with interest due semiannually at rates ranging from 3.00% to 5.00%.	21,960,000
\$34,405,000 2009 General Obligation Limited School Bonds due in annual installments of \$605,000 to \$4,320,000 through 2023 with interest due semiannually at 2.0% to 5.00%.	16,065,000
\$30,190,000 2010 General Obligation Refunding due in annual installments of \$3,555,000 to \$12,275,000 through 2015 with interest due semiannually at 2.00% to 4.00%.	11,190,000
\$25,925,000, 2011A Taxable General Obligation Limited School Bonds due in annual installments of \$195,000 to \$4,860,000 beginning in fiscal year 2012 through 2022 with interest due semiannually at 1.65% to 6.0%.	25,270,000

**School District U-46**

**Notes to Basic Financial Statements**

**Note 5. Long-Term Obligations (Continued)**

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

\$2,030,000, 2011B Taxable General Obligation Limited School Bonds due in annual installments of \$200,000 to \$230,000 beginning in fiscal year 2012 through 2021 with interest due semiannually at 0.65%.	1,430,000
\$415,000, 2012A Taxable General Obligation Limited Refunding School Bonds due in annual installments of \$10,000 to \$370,000 beginning in fiscal year 2013 through 2016 with interest due semiannually at 0.65% to 1.85%.	380,000
\$31,045,000, 2012B Taxable General Obligation Limited School Bonds due in annual installments of \$70,000 to \$7,855,000 beginning in fiscal year 2016 through 2026 with interest due semiannually at 3.0% to 4.5%.	<u>31,045,000</u>
Total General Obligation Bonds	<u><u>\$ 259,950,777</u></u>

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

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

Due in Fiscal Year	Principal	Interest	Total Debt Service
2015	\$ 27,130,872	\$ 15,573,067	\$ 42,703,939
2016	24,370,682	22,200,541	46,571,223
2017	26,524,287	21,954,258	48,478,545
2018	28,582,941	21,906,189	50,489,130
2019	31,008,281	21,578,349	52,586,630
2020-2024	109,733,714	122,712,566	232,446,280
2025-2026	<u>12,600,000</u>	<u>780,525</u>	<u>13,380,525</u>
	<u><u>\$ 259,950,777</u></u>	<u><u>\$ 226,705,495</u></u>	<u><u>\$ 486,656,272</u></u>

Interest maturities include \$119,803,876 of accreted interest on capital appreciation bonds.

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

The District has three outstanding capital appreciation bond issues. Interest on the capital appreciation bonds are paid only when principal payments are made, not semi-annually like conventional bond issues. The District records the accretion of interest as long-term debt in the statement of net position as if the interest had been paid semi-annually. Accreted interest on long-term debt was increased by a net total of \$4,385,378 during the fiscal year ended June 30, 2014. At year end, the total interest accreted on the capital appreciation bonds was \$119,803,876.

**School District U-46**

**Notes to Basic Financial Statements**

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**Note 5. Long-Term Obligations (Continued)**

***Debt Certificates:***

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

\$6,200,000, 2007 Debt Certificates (Qualified Zone Academy Bonds)  
 due in annual installments of \$394,759 to \$432,360 through 2023  
 with interest due annually at 0.65% \$ 3,792,143

***Purchase Contracts:***

As of June 30, 2014, the District had entered into 5 lease/purchase contracts for copiers, buses, computer equipment, and other equipment. The total cost of the property currently under leases is \$13,497,447. Future minimum payments total \$6,609,570 of which \$208,980 represents interest and \$6,400,590 represents principal. Payments are expected to be made from the Transportation Fund and the Debt Service Fund through transfers from the General Fund. Upon entering a contract, the District records the activity as capital outlay expenditures with an offsetting credit to "proceeds from purchase contracts". Some items purchased through this method however, may not be capitalized as new equipment if the value of an individual item such as a desktop computer does not meet or exceed the District's capitalization threshold.

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

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

Due in Fiscal Year	Debt Certificates		Purchase Contracts		Total Debt Service
	Principal	Interest	Principal	Interest	
2015	\$ 410,521	\$ 24,649	\$ 1,747,294	\$ 90,173	\$ 2,272,637
2016	413,189	21,981	1,808,876	63,586	2,307,632
2017	415,822	19,348	1,413,085	36,736	1,884,991
2018	418,578	16,592	1,431,335	18,486	1,884,991
2019	421,299	13,871	-	-	435,170
2020-2023	1,712,734	27,945	-	-	1,740,679
<b>Total</b>	<b>\$ 3,792,143</b>	<b>\$ 124,386</b>	<b>\$ 6,400,590</b>	<b>\$ 208,981</b>	<b>\$ 10,526,100</b>

## School District U-46

### Notes to Basic Financial Statements

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#### Note 5. Long-Term Obligations (Continued)

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

As of June 30, 2014, the legal debt limit of the District was \$567,087,817, based upon 13.8% percent of its 2013 equalized assessed valuation of \$4,109,332,004. The debt limit less outstanding debt subject to the debt limit of \$270,143,510 plus amounts held in the Debt Service Fund of \$24,156,123, results in a legal debt margin of \$321,100,430 as of June 30, 2014.

##### ***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 3 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 12 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 \$856,442 at June 30, 2014. The amounts will be paid from the General Fund within the next year.

##### ***Illinois Municipal Retirement Fund (IMRF) Pension Obligation:***

IMRF Pension Obligation represents the long-term portion of the actuarially determined net IMRF pension obligation for pension benefits for eligible retirees (see Note 7). The amounts will be paid from the Municipal Retirement/Social Security Fund.

##### ***Other Postemployment Benefits Payable:***

Other postemployment benefits (OPEB) payable represent the long-term portion of the actuarially determined net OPEB obligation for healthcare insurance for eligible retirees and their dependents through the District's group health insurance plan (see Note 8). The amounts will be paid from the General Fund.

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

As of June 30, 2014, the outstanding balance of all defeased bonds totaled \$25,725,000.

## School District U-46

### Notes to Basic Financial Statements

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#### Note 6. Risk Management

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

The District is also self-insured for medical claims to cover its employees and their qualifying dependents. The District funds a self-insurance account and has engaged an outside agency to administer its medical claims. The District does not assume unlimited liability for medical claims. As of June 30, 2014, 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, 2014, total \$13,624,879 and claims payable totaled \$4,162,258. Settled claims have not exceeded coverage in any of the past three fiscal years. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of payouts, and other economic and societal factors. Changes in the balances of claims liabilities during the past two fiscal years are as follows:

	Fiscal Year Ended	
	June 30,	
	Total	Total
	2014	2013
Claims liability - beginning	\$ 19,610,288	\$ 14,733,824
Incurred claims	51,731,317	53,384,272
Claim payments	53,554,468	48,507,808
Claims liability - ending	<u>\$ 17,787,137</u>	<u>\$ 19,610,288</u>

Notes to Basic Financial Statements

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**Note 7. Employee Retirement Systems and Plans**

***Teachers' Retirement System of the State of Illinois***

The District participates in the Teachers' Retirement System of the State of Illinois (TRS). TRS is a cost-sharing multiple-employer defined benefit pension plan that was created by the Illinois legislature for the benefit of Illinois public school teachers employed outside the city of Chicago.

The Illinois Pension Code outlines the benefit provisions of TRS, and amendments to the plan can be made only by legislative action with the Governor's approval. The state of Illinois maintains the primary responsibility for funding the plan, but contributions from participating employers and members are also required. The TRS Board of Trustees is responsible for the system's administration.

TRS members include all active nonannuitants who are employed by a TRS-covered employer to provide services for which teacher certification is required. The active member contribution rate for the year ended June 30, 2014, was 9.4 percent of creditable earnings. The same contribution rate applies to members whose first contributing service is on or after January 1, 2011, the effective date of the benefit changes contained in Public Act 96-0889. These contributions, which may be paid on behalf of employees by the employer, are submitted to TRS by the employer. The active member contribution rate was also 9.4 percent for the years ended June 30, 2013 and 2012.

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

*On Behalf Contributions to TRS*

The state of Illinois makes employer pension contributions on behalf of the District. For the year ended June 30, 2014, state of Illinois contributions were based on 35.41 percent of creditable earnings not paid from federal funds, and the District recognized revenue and expenditures of \$65,337,119 in pension contributions that the state of Illinois paid directly to TRS. For the years ended June 30, 2013 and June 30, 2012, the state of Illinois contribution rates as percentages of creditable earnings not paid from federal funds were 28.05 percent (\$50,999,565) and 24.91 percent (\$43,986,419), respectively.

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

*2.2 Formula Contributions*

Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. This rate is specified by statute. Contributions for the year ended June 30, 2014 were \$1,110,211. Contributions for the years ending June 30, 2013 and June 30, 2014, were \$1,091,976 and \$1,061,617, respectively.

*Federal and Special Trust Fund Contributions*

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



## School District U-46

### Notes to Basic Financial Statements

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#### Note 7. Employee Retirement Systems and Plans (Continued)

##### *Teachers' Retirement System of the State of Illinois (Continued)*

For the year ended June 30, 2014, the employer pension contribution was 35.41 percent of salaries paid from federal and special trust funds. For the years ended June 30, 2013 and 2012, the employer contribution was 28.05 percent and 24.91 percent of salaries paid from federal and special trust funds, respectively. For the year ended June 30, 2014, salaries totaling \$3,932,383 were paid from federal and special trust funds that required employer contributions of \$1,392,457. For the years ended June 30, 2013 and June 30, 2012, required District contributions were \$1,560,416 and \$1,425,661, respectively.

##### *Early Retirement Option (ERO)*

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

The maximum employer ERO contribution under the current program is 146.5 percent and applies when the member is age 55 at retirement.

For the year ended June 30, 2014, the District paid \$1,616,726 to TRS for employer contributions under the ERO program. For the years ended June 30, 2013 and June 30, 2012, the District paid \$1,091,976 and \$1,061,617 in employer ERO contributions, respectively.

##### *Salary Increases Over 6 Percent and Excess Sick Leave*

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

For the year ended June 30, 2014, the District paid \$136,025 to TRS for employer contributions due on salary increases in excess of 6 percent. For the years ended June 30, 2013 and June 30, 2012, the District paid \$141,051 and \$109,958, respectively.

If an employer grants sick leave days in excess of the normal annual allotment and those days are used as TRS service credit, the employer makes a contribution to TRS. The contribution is based on the number of excess sick leave days used as service credit, the highest salary rate reported by the granting employer during the four-year sick leave review period, and the TRS total normal cost rate (17.29 percent of salary during the year ended June 30, 2014).

For the year ended June 30, 2014, the District paid \$12,346 to TRS for sick leave days granted in the excess of the normal annual allotment. For the years ended June 30, 2013 and June 30, 2012, the District paid \$18,611 and \$18,267, respectively.

## School District U-46

### Notes to Basic Financial Statements

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#### Note 7. Employee Retirement Systems and Plans (Continued)

##### *Teachers' Retirement System of the State of Illinois (Continued)*

###### *Further Information on TRS*

TRS financial information, an explanation of TRS benefits, and descriptions of member, employer and state funding requirements can be found in the TRS *Comprehensive Annual Financial Report* for the year ended June 30, 2013. The report for the year ended June 30, 2014, is expected to be available in late 2014.

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

##### **THIS Fund**

###### *Employer Contributions*

The District participates in the Teachers' Health Insurance Security (THIS) Fund, a cost-sharing, multiple-employer defined benefit post-employment healthcare plan that was established by the Illinois legislature for the benefit of retired Illinois public school teachers employed outside the city of Chicago. The THIS Fund provides medical, prescription, and behavioral health benefits, but 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. Beginning February 1, 2014, annuitants who were enrolled in Medicare Parts A and B may be eligible to enroll in Medicare Advantage plans.

The State Employees Group Insurance Act of 1971 (5 ILCS 375) outlines the benefit provisions of THIS Fund and amendments to the plan can be made only by legislative action with the Governor's approval. Effective July 1, 2012, in accordance with Executive Order 12-01, the plan is administered by CMS with the cooperation of TRS. Section 6.6 of the State Employees Group Insurance Act of 1971 requires all active contributors to TRS who are not employees of the state to make a contribution to the THIS Fund.

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

###### *On Behalf Contributions to the THIS Fund*

The state of Illinois makes employer retiree health insurance contributions on behalf of the District. State contributions are intended to match contributions to the THIS Fund from active members which were 0.97 percent of pay during the year ended June 30, 2014. State of Illinois contributions were \$1,658,346 and the District recognized revenue and expenditures of this amount during the year.

State contributions intended to match active member contributions during the years ended June 30, 2013 and June 30, 2012 were 0.92 percent and 0.88 percent of pay, respectively. State contributions on behalf of District employees were \$1,723,892 and \$1,604,584, respectively.

## School District U-46

### Notes to Basic Financial Statements

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#### Note 7. Employee Retirement Systems and Plans (Continued)

##### ***THIS Fund (Continued)***

##### *Employer Contributions to the THIS Fund*

The District also makes contributions to the THIS Fund. The District's THIS Fund contribution was 0.72 percent during the year ended June 30, 2014 and 0.69 percent and 0.66 percent during the years ended June 30, 2013 and June 30, 2012, respectively. For the year ended June 30, 2014, the District paid \$1,356,828 to the THIS Fund. For the years ended June 30, 2013 and June 30, 2012, the District paid \$1,292,919 and \$1,203,438, respectively, which was 100 percent of the required contribution.

##### *Further Information on THIS Fund*

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

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

##### *Plan Description*

The District's defined benefit pension plan for Regular employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The District plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained on-line at [www.imrf.org](http://www.imrf.org).

##### *Funding Policy*

As set by statute, the District's Regular plan members are required to contribute 4.50 percent of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The contribution rates for calendar years 2014 and 2013 used by the District were 12.05 and 12.19 percent, respectively, of annual covered payroll. The annual required contribution rates for calendar years 2014 and 2013 were 12.05 and 12.19 percent, respectively. The District also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Information related to the employer's contributions and three year trends are on a fiscal year basis. The actuarial information is on a calendar year basis as that is the year used by IMRF.

**School District U-46**

**Notes to Basic Financial Statements**

**Note 7. Employee Retirement Systems and Plans (Continued)**

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

*Funding Policy (Continued)*

The required contributions for 2014 and 2013 were determined as part of the December 31, 2012 and 2011 actuarial valuations using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2011, included (a) 7.5 percent investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00 percent a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4 percent to 12 percent per year depending on age and service, attributable to seniority/merit, and (d) post retirement benefit increases of 3 percent annually. The actuarial value of your employer Regular plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20 percent corridor between the actuarial and market value of assets. The employer Regular plan's unfunded actuarial accrued liability at December 31, 2011 is being amortized as a level percentage of projected payroll on an open 30-year basis.

*Annual Pension Cost and Pension Obligation*

The following table shows the components of the District's annual pension cost for the fiscal year ended June 30, 2014, the amount actually contributed to the plan and changes in the District's net pension obligation to the plan:

	Government-Wide Activities
Annual required contribution	\$ 7,099,132
Interest on net IMRF obligation	36,072
Adjustment to annual required contribution	(26,306)
Annual IMRF cost	7,108,898
Contributions made	7,099,132
Increase in net IMRF obligation	9,766
Net IMRF obligation - beginning of year	480,964
Net IMRF obligation - end of year	<u>\$ 490,730</u>

*Three-Year Trend Information for the Regular Plan*

Year Ending June 30,	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2014	\$ 7,108,898	99%	\$ 490,730
2013	6,696,410	99%	480,964
2012	6,153,219	99%	470,892

## School District U-46

### Notes to Basic Financial Statements

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#### **Note 7. Employee Retirement Systems and Plans (Continued)**

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

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

As of December 31, 2013, the most recent actuarial valuation date, the Regular plan was 70.85 percent funded. The actuarial accrued liability for benefits was \$139,077,095 and the actuarial value of assets was \$98,541,485, resulting in an underfunded actuarial accrued liability (UAAL) of \$40,535,610. The covered payroll for calendar year 2013 (annual payroll of active employees covered by the plan) was \$56,305,271 and the ratio of the UAAL to the covered payroll was 72 percent.

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

#### **Note 8. Other Postemployment Benefits**

The District had an actuarial valuation performed to determine its liability for other postemployment benefits (OPEB) as of July 1, 2013. According to GASB 45, an actuarial valuation should be performed at a minimum frequency of every two years for a plan the size of the District's.

###### *Plan Description*

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

###### *Funding Policy*

Contribution requirements are also negotiated between the District and union representatives. All plan funding is done on a pay-as-you-go basis. Funding varies from 0 percent to 100 percent, depending on the retiree's status at the time of retirement. Currently, the current and retired employees pay a specified blended premium rate for healthcare insurance and the District pays the difference. For fiscal year 2014, the District contributed \$2,082,022 to the Plan. Plan members receiving benefits contributed \$192,182, or approximately 8.5 percent of the total premiums.

**School District U-46**

**Notes to Basic Financial Statements**

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**Note 8. Other Postemployment Benefits (Continued)**

*Annual OPEB Cost and Net OPEB Obligation*

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

	Government-Wide Activities
Annual required contribution	\$ 2,563,258
Interest on net OPEB obligation	270,825
Adjustment to annual required contribution	<u>(343,859)</u>
Annual OPEB cost	2,490,224
Contributions made	<u>2,082,022</u>
Increase in net OPEB obligation	408,202
Net OPEB obligation - beginning of year	<u>5,416,500</u>
Net OPEB obligation - end of year	<u><u>\$ 5,824,702</u></u>

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2014 and the preceding two years were as follows:

Year Ending June 30,	Annual OPEB Cost (APC)	Percentage of APC Contributed	Net OPEB Obligation
2014	\$ 2,490,224	83.6%	\$ 5,824,702
2013	3,197,487	61.8	5,416,500
2012	3,139,107	62.8	4,196,205

The District has reported the net OPEB obligation of \$5,824,702 in the statement of net position. Payments to liquidate the liability have typically been made by the General Fund.

*Funded Status and Funding Progress*

As of July 1, 2013, the date of the most recent valuation, the actuarial accrued liability for benefits was \$22,606,948, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$236,945,103 and the ratio of the unfunded actuarial accrued liability to the covered payroll was 9.54%.

## School District U-46

### Notes to Basic Financial Statements

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#### Note 8. Other Postemployment Benefits (Continued)

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

#### *Methods and Assumptions*

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

Significant methods and assumptions were as follows:

Actuarial valuation date:	July 1, 2013
Actuarial cost method:	Unit Credit Cost Method
Amortization method:	Closed, Level Dollar Method
Remaining amortization period:	30 years
Actuarial assumptions:	
Discount Rate	5.0%
Healthcare Trend Rate	Beginning at 8.0%, trending to 5.0%

#### Note 9. Other Financial Disclosures

##### ***Expenditures Exceeding Operating Budgets***

Expenditures exceeded budgeted expenditures in the following funds during fiscal year 2014:

Fund	Final Budget	Actual Expenditures	Amount Over Budget
Transportation Fund	\$ 23,391,768	\$ 25,202,764	\$ 1,810,996
Fire Prevention and Safety Fund	1,478,000	1,664,730	186,730
Debt Service Fund	43,832,136	43,836,666	4,530
Municipal Retirement/Social Security Fund	13,457,482	13,932,581	475,099

## School District U-46

### Notes to Basic Financial Statements

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#### Note 9. Other Financial Disclosures (Continued)

##### *Interfund Transfers*

During 2014, the District transferred \$1,028,115 from the General Fund to the Debt Service Fund to provide resources to pay principal and interest on debt certificates and purchase contracts. The General Fund also transferred \$365,745 to the Transportation Fund for the purpose of financing transportation related expenses.

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

Interfund debt balances as of June 30, 2014 are as follows:

Fund	Due From Other Funds	Due To Other Funds
Major governmental funds		
General	\$ 15,776,458	\$ -
Transportation	-	15,126,243
Nonmajor Governmental Funds	-	650,215
Total	\$ 15,776,458	\$ 15,776,458

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

##### *Deficit Fund Balances*

The Transportation Fund had a deficit fund balance as of June 30, 2014 of (\$15,232,585). District management expects to reduce this deficit with future revenues and budget cuts.

The Municipal Retirement/Social Security Fund had a deficit fund balance as of June 30, 2014 of (\$439,088). District management expects to reduce this deficit with future revenues.

The Fire Prevention and Safety Fund had a deficit fund balance as of June 30, 2014 of (\$899,425). District management expects to reduce this deficit with future revenues.

#### Note 10. 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, 2014.



## School District U-46

### Notes to Basic Financial Statements

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#### Note 11. Commitments

At June 30, 2014, the District had approximately \$10.4 million in outstanding construction project commitments. The projects were comprised of work to be done at various school buildings to be paid from the Fire Prevention and Safety Fund and the Capital Projects Fund.

#### Note 12. Restatement for Implementation of New Accounting Standard

As shown in the following table, the financial statements of the District have been restated for the implementation of GASB Statement No. 65, *Items Previously Recorded as Assets and Liabilities* (GASB 65). The Statement of Net Position of the District included unamortized bond issuance costs within the Governmental Activities of the District in previous years. However, pursuant to GASB 65 applicable debt issuance costs should now be recognized in the period incurred as an expense. Therefore, the District restated the Net Position of the Governmental Activities as follows.

	Governmental Activities
Net Position, June 30, 2013, as previously stated	\$ 134,254,514
Implementation of GASB 65	<u>(1,009,112)</u>
Net Position, June 30, 2013 as restated	<u>\$ 133,245,402</u>

#### Note 13. New Accounting Pronouncements

The Governmental Accounting Standards Board (GASB) has issued the following statements:

Statement No. 68, *Accounting and Financial Reporting for Pensions*, will be effective for the District beginning with its year ended June 30, 2015. This statement requires governments providing defined benefit pensions to recognize their long-term obligation for pension benefits as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. This statement also enhances accountability and transparency through revised and new note disclosures and required supplementary information (RSI).

Statement No. 69, *Government Combinations and Disposals of Government Operations*, will be effective for the District beginning with its year ended June 30, 2015. This Statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. As used in this Statement, the term government combinations include a variety of transactions referred to as mergers, acquisitions, and transfers of operations.

Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, will be effective for the District beginning with its year ended June 30, 2015. This improves accounting and financial reporting by addressing an issue in Statement No. 68, *Accounting and Financial Reporting for Pensions*, concerning transition provisions related to certain pension contributions made to defined benefit pension plans prior to implementation of that Statement by employers and non-employer contributing entities. The provisions of this Statement should be applied simultaneously with the provisions of GASB Statement No. 68.

Management has not currently determined what impact, if any, these Statements may have on its financial statements; however, GASBs 68 and 71 are expected to have a material impact when implemented.

**REQUIRED SUPPLEMENTARY INFORMATION**

Schedule of Funding Progress - Illinois Municipal Retirement Fund

Schedule of Funding Progress - Retiree Healthcare Plan

Budgetary Comparison Information: General Fund and Major Special Revenue Funds

**School District U-46**

**Schedule of Funding Progress  
Illinois Municipal Retirement Fund  
Year Ended June 30, 2014**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/13	\$ 98,541,485	\$ 139,077,095	\$ 40,535,610	70.85 %	\$ 56,305,271	71.99 %
12/31/12	89,186,003	133,644,371	44,458,368	66.73	53,615,916	82.92
12/31/11	85,231,336	130,367,306	45,135,970	65.38	52,879,203	85.36

On a market value basis, the actuarial value of assets as of December 31, 2013 is \$121,018,981. On a market basis, the funded ratio would be 87.02%. The actuarial value of assets and accrued liability cover active and inactive members who have service credit with the District. They do not include amounts for retirees. The actuarial accrued liability for retirees is 100% funded.

School District U-46

Schedule of Funding Progress  
 Retiree Healthcare Plan  
 June 30, 2014

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((b-a)/c)
07/01/13	\$ -	\$ 22,606,948	\$ 22,606,948	- %	\$ 236,945,103	9.54 %
07/01/11	-	27,096,192	27,096,192	-	222,396,323	12.18
07/01/09	-	28,990,310	28,990,310	-	241,088,582	12.02

The District has elected to have valuations performed biennially.

## **GENERAL FUND**

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

## **MAJOR SPECIAL REVENUE FUNDS**

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

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

School District U-46

Schedule of Revenues, Expenditures and Changes in Fund Balance -  
Budget and Actual  
General Fund  
Year Ended June 30, 2014

	Original and Final Budget	Actual	Variance
<b>Revenues:</b>			
Property taxes	\$ 229,649,290	\$ 227,333,531	\$ (2,315,759)
Replacement taxes and other payments in lieu of taxes	11,000	-	(11,000)
Charges for services	8,365,000	9,303,933	938,933
Earnings on investments	306,800	238,085	(68,715)
Impact fees, rentals and other local sources	1,600,000	2,399,064	799,064
State grants-in-aid	111,996,317	115,552,345	3,556,028
Federal grants-in-aid	32,446,472	34,451,084	2,004,612
State on-behalf of payments	52,500,000	66,995,465	14,495,465
<b>Total revenues</b>	<b>436,874,879</b>	<b>456,273,507</b>	<b>19,398,628</b>
<b>Expenditures:</b>			
<b>Current:</b>			
<b>Instruction:</b>			
Regular programs	142,550,014	131,553,736	10,996,278
Special programs	36,641,639	35,790,695	850,944
Other instructional programs	46,831,357	44,691,549	2,139,808
Intergovernmental: State on-behalf of payments	52,500,000	66,995,465	(14,495,465)
<b>Support services:</b>			
Pupils	26,668,977	24,915,001	1,753,976
Instructional staff	14,523,448	13,299,301	1,224,147
General administration	14,928,051	17,380,814	(2,452,763)
School administration	22,889,485	21,756,508	1,132,977
Business	26,701,909	26,032,892	669,017
Facilities acquisition and construction	661,954	917,895	(255,941)
Transportation	1,038,831	1,421,884	(383,053)
Food service	13,821,722	15,470,889	(1,649,167)
Central	11,746,599	12,470,264	(723,665)
Other support	1,617,523	1,550,256	67,267
Community services	3,333,150	3,029,507	303,643
Payments to other governments	9,073,115	8,134,674	938,441
Capital outlay	12,829,092	12,647,331	181,761
Contingency	4,306,382	-	4,306,382
<b>Total expenditures</b>	<b>442,663,248</b>	<b>438,058,661</b>	<b>4,604,587</b>
Excess of revenues over expenditures	(5,788,369)	18,214,846	24,003,215
<b>Other financing sources (uses):</b>			
Transfer in	-	-	-
Transfer out	(1,122,949)	(1,393,860)	(270,911)
<b>Total other financing sources (uses)</b>	<b>(1,122,949)</b>	<b>(1,393,860)</b>	<b>(270,911)</b>
<b>Net change in fund balance</b>	<b>\$ (6,911,318)</b>	<b>16,820,986</b>	<b>\$ 23,732,304</b>
<b>Fund balance:</b>			
Beginning of year		146,973,908	
End of year		<u>\$ 163,794,894</u>	

**School District U-46**

**Schedule of Revenues, Expenditures and Changes in Fund Balance (Deficit) -  
Budget and Actual  
Transportation Fund  
Year Ended June 30, 2014**

	Original and Final Budget	Actual	Variance
<b>Revenues:</b>			
Property taxes	\$ 10,278,144	\$ 11,278,225	\$ 1,000,081
Charges for services	1,230,000	1,652,932	422,932
Earnings on investments	1,000	171	(829)
Rentals and other local sources	-	18,962	18,962
State grants-in-aid	12,781,549	12,791,712	10,163
<b>Total revenues</b>	<u>24,290,693</u>	<u>25,742,002</u>	<u>1,451,309</u>
<b>Expenditures:</b>			
Current:			
Support services:			
Transportation	21,208,538	22,852,209	(1,643,671)
Debt service			
Principal	2,140,677	2,141,439	(762)
Interest and fees	37,553	36,792	761
Capital outlay	5,000	172,324	(167,324)
<b>Total expenditures</b>	<u>23,391,768</u>	<u>25,202,764</u>	<u>(1,810,996)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>898,925</u>	<u>539,238</u>	<u>(359,687)</u>
<b>Other financing sources (uses):</b>			
Transfer in	260,756	365,745	104,989
Transfer out	(166,690)	-	166,690
<b>Total other financing sources (uses)</b>	<u>94,066</u>	<u>365,745</u>	<u>271,679</u>
<b>Net change in fund balance (deficit)</b>	<u>\$ 992,991</u>	<u>904,983</u>	<u>\$ (88,008)</u>
<b>Fund balance (deficit):</b>			
Beginning of year		<u>(16,137,568)</u>	
End of year		<u>\$ (15,232,585)</u>	

**OTHER SUPPLEMENTARY INFORMATION**



School District U-46

Combining Balance Sheet  
General Fund, by Account  
June 30, 2014

	Educational Account	Tort Immunity Account	Operations and Maintenance Account	Working Cash Account	Total
<b>Assets</b>					
Cash and investments	\$ 126,552,241	\$ -	\$ 11,744,939	\$ 51,295,050	\$ 189,592,230
Property taxes receivable, net of allowance	91,291,675	3,835,248	13,381,309	-	108,508,232
Grants receivable	19,956,998	-	-	-	19,956,998
Replacement taxes receivable	-	-	-	-	-
Accounts receivable	948,749	-	73,529	-	1,022,278
Due from other accounts and funds	-	-	-	40,757,925	40,757,925
Inventory	110,873	-	-	-	110,873
Prepays	679,314	-	-	-	679,314
<b>Total assets</b>	<b>\$ 239,539,850</b>	<b>\$ 3,835,248</b>	<b>\$ 25,199,777</b>	<b>\$ 92,052,975</b>	<b>\$ 360,627,850</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balance (Deficit)</b>					
<b>Liabilities</b>					
Accounts payable	\$ 4,007,100	\$ 1,354,037	\$ 2,183,473	\$ -	\$ 7,544,610
Accrued payroll	30,784,288	8,078	436,717	-	31,229,083
Payroll deductions	1,083,355	-	-	-	1,083,355
Insurance claims payable	4,162,258	-	-	-	4,162,258
Unearned other revenue	1,012,247	-	-	-	1,012,247
Due to other accounts	-	20,481,467	4,500,000	-	24,981,467
<b>Total liabilities</b>	<b>41,049,248</b>	<b>21,843,582</b>	<b>7,120,190</b>	<b>-</b>	<b>70,013,020</b>
<b>Deferred inflows of resources</b>					
Deferred grant revenue	16,813,656	-	-	-	16,813,656
Deferred property taxes	92,552,034	3,888,197	13,566,049	-	110,006,280
<b>Total deferred inflows of resources</b>	<b>109,365,690</b>	<b>3,888,197</b>	<b>13,566,049</b>	<b>-</b>	<b>126,819,936</b>
<b>Fund balance (deficit)</b>					
Nonspendable	790,187	-	-	-	790,187
Restricted	-	-	3,330,253	-	3,330,253
Unassigned	88,334,725	(21,896,531)	1,183,285	92,052,975	159,674,454
<b>Total fund balance (deficit)</b>	<b>89,124,912</b>	<b>(21,896,531)</b>	<b>4,513,538</b>	<b>92,052,975</b>	<b>163,794,894</b>
<b>Total liabilities, deferred inflows of resources and fund balance (deficit)</b>	<b>\$ 239,539,850</b>	<b>\$ 3,835,248</b>	<b>\$ 25,199,777</b>	<b>\$ 92,052,975</b>	<b>\$ 360,627,850</b>

School District U-46

Combining Statement of Revenues, Expenditures and Changes in Fund Balance (Deficit)  
 General Fund, by Account  
 Year Ended June 30, 2014

	Educational Account	Tort Immunity Account	Operations and Maintenance Account	Working Cash Account	Total
<b>Revenues:</b>					
Property taxes	\$ 195,361,721	\$ 7,142,651	\$ 24,829,159	\$ -	\$ 227,333,531
Charges for services	9,303,933	-	-	-	9,303,933
Earnings on investments	3,608	94	400	233,983	238,085
Rentals and other local sources	697,569	-	1,701,495	-	2,399,064
State grants-in-aid	112,656,558	1,562,356	1,333,431	-	115,552,345
Federal grants-in-aid	34,451,084	-	-	-	34,451,084
State on-behalf of payments	66,995,465	-	-	-	66,995,465
<b>Total revenues</b>	<b>419,469,938</b>	<b>8,705,101</b>	<b>27,864,485</b>	<b>233,983</b>	<b>456,273,507</b>
<b>Expenditures:</b>					
Current:					
Instruction:					
Regular programs	131,553,736	-	-	-	131,553,736
Special programs	35,790,695	-	-	-	35,790,695
Other instructional programs	44,691,549	-	-	-	44,691,549
Intergovernmental: State on-behalf of payments	66,995,465	-	-	-	66,995,465
Support services:					
Pupils	24,915,001	-	-	-	24,915,001
Instructional staff	13,299,301	-	-	-	13,299,301
General administration	8,384,978	8,995,836	-	-	17,380,814
School administration	21,756,508	-	-	-	21,756,508
Business	3,639,915	-	22,392,977	-	26,032,892
Facilities acquisition and construction	108,254	-	809,641	-	917,895
Transportation	1,420,784	-	1,100	-	1,421,884
Food service	15,470,889	-	-	-	15,470,889
Central	12,470,264	-	-	-	12,470,264
Other support services	1,550,256	-	-	-	1,550,256
Community services	3,029,507	-	-	-	3,029,507
Payments to other governments	8,134,674	-	-	-	8,134,674
Capital outlay	6,809,647	-	5,837,684	-	12,647,331
<b>Total expenditures</b>	<b>400,021,423</b>	<b>8,995,836</b>	<b>29,041,402</b>	<b>-</b>	<b>438,058,661</b>
Excess (deficiency) of revenues over (under) expenditures	19,448,515	(290,735)	(1,176,917)	233,983	18,214,846
Other financing sources (uses):					
Transfer in	-	-	7,109,698	-	7,109,698
Transfer out	(1,232,275)	-	(901,033)	(6,370,250)	(8,503,558)
<b>Total other financing sources (uses)</b>	<b>(1,232,275)</b>	<b>-</b>	<b>6,208,665</b>	<b>(6,370,250)</b>	<b>(1,393,860)</b>
<b>Net change in fund balance (deficit)</b>	<b>18,216,240</b>	<b>(290,735)</b>	<b>5,031,748</b>	<b>(6,136,267)</b>	<b>16,820,986</b>
Fund balance (deficit):					
Beginning of year	70,908,672	(21,605,796)	(518,210)	98,189,242	146,973,908
End of year	\$ 89,124,912	\$ (21,896,531)	\$ 4,513,538	\$ 92,052,975	\$ 163,794,894

School District U-46

Schedule of Revenues, Expenditures and Changes in Fund Balance -  
 Budget and Actual  
 General Fund - Educational Account  
 Year Ended June 30, 2014

	Original and Final Budget	Actual	Variance
<b>Revenues:</b>			
Property taxes	\$ 200,078,333	\$ 195,361,721	\$ (4,716,612)
Replacement taxes and other payments in lieu of taxes	11,000	-	(11,000)
Charges for services	8,365,000	9,303,933	938,933
Earnings on investments	50,000	3,608	(46,392)
Rentals and other local sources	650,000	697,569	47,569
State grants-in-aid	109,371,317	112,656,558	3,285,241
Federal grants-in-aid	32,446,472	34,451,084	2,004,612
State on-behalf of payments	52,500,000	66,995,465	14,495,465
<b>Total revenues</b>	<u>403,472,122</u>	<u>419,469,938</u>	<u>15,997,816</u>
<b>Expenditures:</b>			
<b>Current:</b>			
<b>Instruction:</b>			
Regular programs	142,550,014	131,553,736	10,996,278
Special programs	36,641,639	35,790,695	850,944
Other instructional programs	46,831,357	44,691,549	2,139,808
Intergovernmental: State on-behalf of payments	52,500,000	66,995,465	(14,495,465)
<b>Support services:</b>			
Pupils	26,668,977	24,915,001	1,753,976
Instructional staff	14,523,448	13,299,301	1,224,147
General administration	6,426,095	8,384,978	(1,958,883)
School administration	22,889,485	21,756,508	1,132,977
Business	4,091,711	3,639,915	451,796
Facilities acquisition and construction	-	108,254	(108,254)
Transportation	1,038,831	1,420,784	(381,953)
Food service	13,821,722	15,470,889	(1,649,167)
Central	11,746,599	12,470,264	(723,665)
Other support	1,617,523	1,550,256	67,267
Community services	3,333,150	3,029,507	303,643
Payments to other governments	9,073,115	8,134,674	938,441
Capital outlay	5,437,263	6,809,647	(1,372,384)
Contingency	4,306,382	-	4,306,382
<b>Total expenditures</b>	<u>403,497,311</u>	<u>400,021,423</u>	<u>3,475,888</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(25,189)</u>	<u>19,448,515</u>	<u>19,473,704</u>
<b>Other financing sources (uses):</b>			
Transfer out	<u>(1,240,439)</u>	<u>(1,232,275)</u>	<u>8,164</u>
<b>Total other financing sources (uses)</b>	<u>(1,240,439)</u>	<u>(1,232,275)</u>	<u>8,164</u>
<b>Net change in fund balance</b>	<u>\$ (1,265,628)</u>	<u>18,216,240</u>	<u>\$ 19,481,868</u>
<b>Fund balance:</b>			
Beginning of year		<u>70,908,672</u>	
End of year		<u>\$ 89,124,912</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, 2014**

	Original and Final Budget	Actual	Variance
<b>Revenues:</b>			
Property taxes	\$ 7,211,443	\$ 7,142,651	\$ (68,792)
Earnings on investments	1,637	94	(1,543)
State grants-in-aid	1,500,000	1,562,356	62,356
<b>Total revenues</b>	<u>8,713,080</u>	<u>8,705,101</u>	<u>(7,979)</u>
<b>Expenditures:</b>			
Current:			
Support services:			
General administration	8,501,956	8,995,836	(493,880)
<b>Net change in fund balance (deficit)</b>	<u>\$ 211,124</u>	(290,735)	<u>\$ (501,859)</u>
<b>Fund balance (deficit):</b>			
Beginning of year		<u>(21,605,796)</u>	
End of year		<u>\$ (21,896,531)</u>	

Schedule of Tort Expenditures by Object

Workers' compensation or workers' occupation disease acts payments	\$ 3,867,332
Unemployment insurance payments	198,162
Insurance payments (regular or self-insurance)	548,335
Educational, inspectional, supervisory services related to loss prevention or reduction	1,336,829
Legal service	<u>3,045,178</u>
<b>Total tort expenditures</b>	<u>\$ 8,995,836</u>

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

School District U-46

Schedule of Revenues, Expenditures and Changes in Fund Balance (Deficit) -  
 Budget and Actual  
 General Fund - Operations and Maintenance Account  
 Year Ended June 30, 2014

	Original and Final Budget	Actual	Variance
Revenues:			
Property taxes	\$ 22,359,514	\$ 24,829,159	\$ 2,469,645
Earnings on investments	5,163	400	(4,763)
Rentals and other local sources	950,000	1,701,495	751,495
State grants-in-aid	1,125,000	1,333,431	208,431
<b>Total revenues</b>	<u>24,439,677</u>	<u>27,864,485</u>	<u>3,424,808</u>
Expenditures:			
Current:			
Support services:			
Business	22,610,198	22,392,977	217,221
Facilities acquisition and construction	661,954	809,641	(147,687)
Transportation	-	1,100	(1,100)
Capital outlay	7,391,829	5,837,684	1,554,145
<b>Total expenditures</b>	<u>30,663,981</u>	<u>29,041,402</u>	<u>1,622,579</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(6,224,304)</u>	<u>(1,176,917)</u>	<u>5,047,387</u>
Other financing sources (uses):			
Transfer in	7,396,190	7,109,698	(286,492)
Transfer out	(791,200)	(901,033)	(109,833)
<b>Total other financing sources (uses)</b>	<u>6,604,990</u>	<u>6,208,665</u>	<u>(396,325)</u>
<b>Net change in fund balance (deficit)</b>	<u>\$ 380,686</u>	5,031,748	<u>\$ 4,651,062</u>
Fund balance (deficit):			
Beginning of year		<u>(518,210)</u>	
End of year		<u>\$ 4,513,538</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, 2014

	Original and Final Budget	Actual	Variance
Revenues:			
Earnings on investments	\$ 250,000	\$ 233,983	\$ (16,017)
Other financing sources (uses):			
Transfer out	(6,487,500)	(6,370,250)	117,250
<b>Total other financing sources (uses)</b>	<u>(6,487,500)</u>	<u>(6,370,250)</u>	<u>117,250</u>
<b>Net change in fund balance</b>	<u>\$ (6,237,500)</u>	<u>(6,136,267)</u>	<u>\$ 101,233</u>
Fund balance:			
Beginning of year		<u>98,189,242</u>	
End of year		<u>\$ 92,052,975</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, 2014

	Original and Final Budget	Actual	Variance
Revenues:			
Property taxes	\$ 42,939,895	\$ 43,226,909	\$ 287,014
Earnings on investments	8,816	700	(8,116)
<b>Total revenues</b>	<u>42,948,711</u>	<u>43,227,609</u>	<u>278,898</u>
Expenditures:			
Debt service			
Principal	28,325,097	28,324,335	762
Interest and fees	15,507,039	15,512,331	(5,292)
<b>Total expenditures</b>	<u>43,832,136</u>	<u>43,836,666</u>	<u>(4,530)</u>
Excess (deficiency) of revenues over (under) expenditures	(883,425)	(609,057)	274,368
Other financing sources:			
Transfer in	1,028,883	1,028,115	(768)
<b>Net change in fund balance</b>	<u>\$ 145,458</u>	419,058	<u>\$ 273,600</u>
Fund balance:			
Beginning of year		<u>23,737,065</u>	
End of year		<u>\$ 24,156,123</u>	



## **NONMAJOR GOVERNMENTAL FUNDS**

### **SPECIAL REVENUE FUND**

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

### **CAPITAL PROJECTS FUNDS**

Capital projects funds account for the resources used by the District for the acquisition and/or construction of capital facilities. The capital projects fund maintained by the District is 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, 2014

	Special Revenue Fund	Capital Projects Funds		Total Nonmajor Governmental Funds
	Municipal Retirement/ Social Security Fund	Capital Projects Fund	Fire Prevention and Safety Fund	
<b>Assets</b>				
Cash	\$ -	\$ 4,373,245	\$ 10	\$ 4,373,255
Property taxes receivable, net of allowance	5,346,609	-	830,048	6,176,657
Replacement taxes receivable	637,353	-	-	637,353
Account receivable	17	49,390	-	49,407
<b>Total assets</b>	<b>\$ 5,983,979</b>	<b>\$ 4,422,635</b>	<b>\$ 830,058</b>	<b>\$ 11,236,672</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits)</b>				
Liabilities				
Accounts payable	\$ -	\$ 561,152	\$ 640,113	\$ 1,201,265
Payroll deductions	561,658	-	-	561,658
Due to other funds	402,352	-	247,863	650,215
<b>Total liabilities</b>	<b>964,010</b>	<b>561,152</b>	<b>887,976</b>	<b>2,413,138</b>
Deferred inflows of resources				
Deferred property taxes	5,459,057	-	841,507	6,300,564
Fund balances (deficits)				
Restricted	-	3,861,483	-	3,861,483
Unassigned	(439,088)	-	(899,425)	(1,338,513)
<b>Total fund balances (deficits)</b>	<b>(439,088)</b>	<b>3,861,483</b>	<b>(899,425)</b>	<b>2,522,970</b>
<b>Total liabilities, deferred inflows of resources and fund balances (deficits)</b>	<b>\$ 5,983,979</b>	<b>\$ 4,422,635</b>	<b>\$ 830,058</b>	<b>\$ 11,236,672</b>

School District U-46

Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
 Nonmajor Governmental Funds  
 Year Ended June 30, 2014

	Special	Capital Projects Funds		Total Nonmajor Governmental Funds
	Revenue Fund	Municipal Retirement/ Social Security Fund	Capital Projects Fund	
Revenues:				
Property taxes	\$ 10,013,402	\$ -	\$ 1,580,378	\$ 11,593,780
Replacement taxes	3,754,606	-	-	3,754,606
Earnings on investments	159	1,031	277	1,467
Impact fees, rentals and other local sources	-	452,706	-	452,706
<b>Total revenues</b>	<b>13,768,167</b>	<b>453,737</b>	<b>1,580,655</b>	<b>15,802,559</b>
Expenditures:				
Current:				
Instruction:				
Regular programs	1,768,093	-	-	1,768,093
Special programs	1,817,787	-	-	1,817,787
Other instructional programs	652,141	-	-	652,141
Support services:				
Pupils	1,145,805	-	-	1,145,805
Instructional staff	417,369	-	-	417,369
General administration	478,465	-	-	478,465
School administration	1,221,541	-	-	1,221,541
Business	2,268,896	-	-	2,268,896
Facilities acquisition and construction	-	206,794	230,451	437,245
Transportation	3,166,481	-	-	3,166,481
Food service	(61,942)	-	-	(61,942)
Central	848,354	-	-	848,354
Other support services	29,382	-	-	29,382
Community services	180,209	-	-	180,209
Capital outlay	-	1,528,443	1,434,279	2,962,722
<b>Total expenditures</b>	<b>13,932,581</b>	<b>1,735,237</b>	<b>1,664,730</b>	<b>17,332,548</b>
<b>Net change in fund balances (deficits)</b>	<b>(164,414)</b>	<b>(1,281,500)</b>	<b>(84,075)</b>	<b>(1,529,989)</b>
Fund balances (deficits):				
Beginning of year	(274,674)	5,142,983	(815,350)	4,052,959
End of year	\$ (439,088)	\$ 3,861,483	\$ (899,425)	\$ 2,522,970

School District U-46

**Schedule of Revenues, Expenditures and Changes in Fund Balance (Deficit) -  
Budget and Actual  
Municipal Retirement/Social Security Fund  
Year Ended June 30, 2014**

	Original and Final Budget	Actual	Variance
Revenues:			
Property taxes	\$ 9,862,797	\$ 10,013,402	\$ 150,605
Replacement taxes	3,600,000	3,754,606	154,606
Earnings on investments	-	159	159
<b>Total revenues</b>	<u>13,462,797</u>	<u>13,768,167</u>	<u>305,370</u>
Expenditures:			
Current:			
Instruction:			
Regular programs	1,575,034	1,768,093	(193,059)
Special programs	1,815,255	1,817,787	(2,532)
Other instructional programs	550,621	652,141	(101,520)
Support services:			
Pupils	1,172,362	1,145,805	26,557
Instructional staff	376,393	417,369	(40,976)
General administration	372,779	478,465	(105,686)
School administration	1,247,190	1,221,541	25,649
Business	2,166,788	2,268,896	(102,108)
Transportation	3,381,887	3,166,481	215,406
Food service	(81,700)	(61,942)	(19,758)
Central	806,797	848,354	(41,557)
Other support	45,756	29,382	16,374
Community services	28,320	180,209	(151,889)
<b>Total expenditures</b>	<u>13,457,482</u>	<u>13,932,581</u>	<u>(475,099)</u>
<b>Net change in fund balance (deficit)</b>	<u>\$ 5,315</u>	<u>(164,414)</u>	<u>\$ (169,729)</u>
Fund balance (deficit):			
Beginning of year		<u>(274,674)</u>	
End of year		<u>\$ (439,088)</u>	

School District U-46

Schedule of Revenues, Expenditures and Changes in Fund Balance -  
 Budget and Actual  
 Capital Projects Fund  
 Year Ended June 30, 2014

	Original and Final Budget	Actual	Variance
Revenues:			
Earnings on investments	\$ -	\$ 1,031	\$ 1,031
Impact fees, rentals and other local sources	315,000	452,706	137,706
<b>Total revenues</b>	<u>315,000</u>	<u>453,737</u>	<u>138,737</u>
Expenditures:			
Current:			
Support services:			
Facilities acquisition and construction	39,814	206,794	(166,980)
Capital outlay	1,992,837	1,528,443	464,394
<b>Total expenditures</b>	<u>2,032,651</u>	<u>1,735,237</u>	<u>297,414</u>
<b>Net change in fund balance</b>	<u>\$ (1,717,651)</u>	(1,281,500)	<u>\$ 436,151</u>
Fund balance:			
Beginning of year		<u>5,142,983</u>	
End of year		<u>\$ 3,861,483</u>	

School District U-46

Schedule of Revenues, Expenditures and Changes in Fund Balance (Deficit) -  
 Budget and Actual  
 Fire Prevention and Safety Fund  
 Year Ended June 30, 2014

	Original and Final Budget	Actual	Variance
Revenues:			
Property taxes	\$ 1,475,705	\$ 1,580,378	\$ 104,673
Earnings on investments	5,000	277	(4,723)
<b>Total revenues</b>	<u>1,480,705</u>	<u>1,580,655</u>	<u>99,950</u>
Expenditures:			
Current:			
Support services:			
Facilities acquisition and construction	-	230,451	(230,451)
Capital outlay	1,478,000	1,434,279	43,721
<b>Total expenditures</b>	<u>1,478,000</u>	<u>1,664,730</u>	<u>(186,730)</u>
<b>Net change in fund balance (deficit)</b>	<u>\$ 2,705</u>	(84,075)	<u>\$ (86,780)</u>
Fund balance (deficit):			
Beginning of year		<u>(815,350)</u>	
End of year		<u>\$ (899,425)</u>	

## **FIDUCIARY FUNDS**

### **AGENCY FUNDS**

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

**School District U-46**

**Combining Statement of Changes in Assets and Liabilities -  
Agency Funds - Student Activity Funds  
June 30, 2014**

	Assets/ Liabilities Balance at July 1, 2013	Additions	Deletions	Assets/ Liabilities Balance at June 30, 2014
<b>High Schools</b>				
Bartlett	\$ 604,179	\$ 1,473,546	\$ 1,492,779	\$ 584,946
Elgin	559,917	1,103,608	1,108,391	555,134
Larkin	617,186	904,205	896,255	625,136
Streamwood	291,594	1,020,023	1,009,491	302,126
Gifford	90,993	67,650	28,715	129,928
South Elgin	584,573	1,579,605	1,699,097	465,081
<b>Total High Schools</b>	<u>2,748,442</u>	<u>6,148,637</u>	<u>6,234,728</u>	<u>2,662,351</u>
<b>Middle Schools</b>				
Abbott	35,779	75,168	85,202	25,745
Canton	42,448	85,941	98,787	29,602
Eastview	132,142	150,546	178,714	103,974
Ellis	14,573	85,281	78,015	21,839
Kenyon Woods	88,673	147,881	151,196	85,358
Kimball	39,566	88,737	95,396	32,907
Larsen	47,451	79,439	87,710	39,181
Tefft	46,858	88,591	102,505	32,944
<b>Total Middle Schools</b>	<u>447,490</u>	<u>801,583</u>	<u>877,524</u>	<u>371,549</u>
<b>Elementary Schools</b>				
Bartlett	8,316	28,708	29,853	7,171
Centennial	16,717	63,325	61,479	18,563
Century Oaks	13,514	23,309	23,880	12,943
Channing	3,938	18,965	15,628	7,275
Clinton	16,562	31,967	38,040	10,489
Coleman	4,017	54,979	55,900	3,096
Creekside	9,124	57,421	56,389	10,156
Fox Meadow	15,031	64,177	64,332	14,877
Garfield	4,685	10,339	8,538	6,485
Glenbrook	7,405	43,019	43,621	6,802
Hanover Countryside	15,372	37,919	35,448	17,844
Harriet Gifford	26,547	40,638	40,739	26,446
Hawk Hollow	11,347	37,605	34,035	14,917
Heritage	4,384	51,148	50,026	5,506
Highland	6,655	26,330	27,587	5,398
Hillcrest	10,499	31,982	35,120	7,361
Hilltop	19,101	51,511	51,181	19,431

(Continued)



School District U-46

Combining Statement of Changes in Assets and Liabilities -  
Agency Funds - Student Activity Funds (Continued)  
June 30, 2014

	Assets/ Liabilities Balance at July 1, 2013	Additions	Deletions	Assets/ Liabilities Balance at June 30, 2014
<b>Elementary Schools (Continued)</b>				
Horizon	\$ 14,040	\$ 76,377	\$ 79,199	\$ 11,217
Huff	15,478	20,806	21,441	14,843
Laurel Hill	20,729	35,535	35,856	20,408
Liberty	17,286	42,603	48,962	10,927
Lincoln	9,261	30,495	30,049	9,707
Lords Park	11,693	50,914	50,327	12,280
Lowrie	289	12,147	11,244	1,192
McKinley	14,022	34,613	33,765	14,871
Nature Ridge	6,688	42,191	45,396	3,482
Oakhill	4,435	33,645	33,533	4,546
Ontarioville	24,417	49,408	58,037	15,788
Otter Creek	17,510	50,378	54,329	13,559
Parkwood	10,496	16,268	17,025	9,739
Prairieview	13,576	49,123	50,219	12,479
Ridge Circle	9,519	40,908	42,934	11,019
Sheridan	9,929	28,333	30,442	7,820
Spring Trail	9,983	27,865	31,791	6,058
Sunnydale	19,033	43,741	43,446	19,328
Sycamore Trails	43,813	101,362	84,421	60,755
Timber Trails	13,923	30,348	33,095	11,177
Washington	9,409	35,943	35,312	10,039
Wayne	32,169	39,241	46,856	24,554
Willard	2,237	24,598	21,986	4,850
<b>Total Elementary Schools</b>	<u>523,150</u>	<u>1,590,183</u>	<u>1,611,462</u>	<u>501,871</u>
<b>Other</b>				
Adult Education	1,087	-	1,087	-
Safe Program	119,601	207,326	224,980	101,947
SWEP	16,602	42,550	40,783	18,369
Central School Programs	2,599	2,950	1,310	4,239
DORS	9,884	32,000	36,326	5,558
<b>Total Other</b>	<u>149,773</u>	<u>284,826</u>	<u>304,486</u>	<u>130,113</u>
<b>Total All Agency Funds</b>	<u>\$ 3,868,855</u>	<u>\$ 8,825,228</u>	<u>\$ 9,028,199</u>	<u>\$ 3,665,884</u>

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

School District U-46

Schedule of Bonded Debt and Annual Interest Requirements  
Year Ended June 30, 2014

	Total	2015	2016	2017	2018	2019	Thereafter
February 1999 Issue							
Principal	\$ 17,050,000	\$ -	\$ 1,725,000	\$ 3,300,000	\$ 5,025,000	\$ 7,000,000	\$ -
Interest	3,475,000	863,000	863,000	776,750	611,750	360,500	-
	<u>20,525,000</u>	<u>863,000</u>	<u>2,588,000</u>	<u>4,076,750</u>	<u>5,636,750</u>	<u>7,360,500</u>	<u>-</u>
March 2001 Issue							
Principal	23,245,779	9,173,427	14,072,352	-	-	-	-
Interest	25,419,221	9,436,573	15,982,648	-	-	-	-
	<u>48,665,000</u>	<u>18,610,000</u>	<u>30,055,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
March 2002 Issue							
Principal	54,499,619	-	373,209	13,773,167	12,786,097	11,825,531	15,741,615
Interest	75,345,381	-	401,791	16,386,833	16,738,903	16,969,469	24,848,385
	<u>129,845,000</u>	<u>-</u>	<u>775,000</u>	<u>30,160,000</u>	<u>29,525,000</u>	<u>28,795,000</u>	<u>40,590,000</u>
March 2003B Issue							
Principal	57,815,379	727,445	970,121	966,120	966,844	962,750	53,222,099
Interest	94,779,621	627,555	934,879	1,033,880	1,143,156	1,252,250	89,787,901
	<u>152,595,000</u>	<u>1,355,000</u>	<u>1,905,000</u>	<u>2,000,000</u>	<u>2,110,000</u>	<u>2,215,000</u>	<u>143,010,000</u>
February 2005 Issue							
Principal	21,960,000	935,000	1,985,000	3,060,000	4,155,000	5,330,000	6,495,000
Interest	3,851,831	877,231	841,000	761,600	639,200	473,000	259,800
	<u>25,811,831</u>	<u>1,812,231</u>	<u>2,826,000</u>	<u>3,821,600</u>	<u>4,794,200</u>	<u>5,803,000</u>	<u>6,754,800</u>
September 2009 Issue							
Principal	16,065,000	4,320,000	2,495,000	1,135,000	1,175,000	1,290,000	5,650,000
Interest	2,983,101	637,013	507,413	426,325	386,600	339,600	686,150
	<u>19,048,101</u>	<u>4,957,013</u>	<u>3,002,413</u>	<u>1,561,325</u>	<u>1,561,600</u>	<u>1,629,600</u>	<u>6,336,150</u>
April 2010 Issue							
Principal	11,190,000	11,190,000	-	-	-	-	-
Interest	447,600	447,600	-	-	-	-	-
	<u>11,637,600</u>	<u>11,637,600</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
March 2011A Issue							
Principal	25,270,000	215,000	1,430,000	4,020,000	4,200,000	4,400,000	11,005,000
Interest	6,840,700	1,298,985	1,292,105	1,237,050	1,058,160	858,660	1,095,740
	<u>32,110,700</u>	<u>1,513,985</u>	<u>2,722,105</u>	<u>5,257,050</u>	<u>5,258,160</u>	<u>5,258,660</u>	<u>12,100,740</u>
March 2011B Issue							
Principal	1,430,000	200,000	200,000	200,000	200,000	200,000	430,000
Interest	37,765	9,295	7,995	6,695	5,395	4,095	4,290
	<u>1,467,765</u>	<u>209,295</u>	<u>207,995</u>	<u>206,695</u>	<u>205,395</u>	<u>204,095</u>	<u>434,290</u>
March 2012A Issue							
Principal	380,000	370,000	10,000	-	-	-	-
Interest	6,475	6,290	185	-	-	-	-
	<u>386,475</u>	<u>376,290</u>	<u>10,185</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
March 2012B Issue							
Principal	31,045,000	-	1,110,000	70,000	75,000	-	29,790,000
Interest	13,518,800	1,369,525	1,369,525	1,325,125	1,323,025	1,320,775	6,810,825
	<u>44,563,800</u>	<u>1,369,525</u>	<u>2,479,525</u>	<u>1,395,125</u>	<u>1,398,025</u>	<u>1,320,775</u>	<u>36,600,825</u>
Total All Issues:							
Principal	259,950,777	27,130,872	24,370,682	26,524,287	28,582,941	31,008,281	122,333,714
Interest	226,705,495	15,573,067	22,200,541	21,954,258	21,906,189	21,578,349	123,493,091
	<u>\$ 486,656,272</u>	<u>\$ 42,703,939</u>	<u>\$ 46,571,223</u>	<u>\$ 48,478,545</u>	<u>\$ 50,489,130</u>	<u>\$ 52,586,630</u>	<u>\$ 245,826,805</u>

## STATISTICAL SECTION

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

### **Financial Trends**

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

### **Revenue Capacity**

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

### **Debt Capacity**

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

### **Demographic and Economic Information**

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

### **Operating Information**

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

#### *Sources:*

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

**School District U-46**

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013**	2014
<b>Governmental Activities</b>										
Net investment in capital assets	\$ 52,605,851	\$ 64,420,112	\$ 73,707,762	\$ 78,790,983	\$ 85,142,936	\$ 92,321,821	\$ 101,691,947	\$ 115,440,308	\$ 141,336,967	\$ 158,733,858
Restricted	43,262,743	30,051,687	30,965,329	20,069,311	16,184,054	2,863,666	83,078,457	81,367,132	21,712,904	26,376,025
Unrestricted	16,572,791	24,805,863	29,891,301	33,233,204	(52,913,595)	(67,581,131)	(103,290,222)	(83,366,008)	(28,795,357)	(15,532,403)
Total Government Activities										
Net Position	\$ 112,441,385	\$ 119,277,662	\$ 134,564,392	\$ 132,093,498	\$ 48,413,395	\$ 27,604,356	\$ 81,480,182	\$ 113,441,432	\$ 134,254,514	\$ 169,577,480

Source: Annual Financial Statements 2004-2013.

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

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

**School District U-46**

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

	2005	2006	2007	2008
<b>Expenses</b>				
Instruction:				
Regular programs	\$ 122,273,162	\$ 116,971,571	\$ 121,509,088	\$ 125,646,518
Special programs	40,375,369	37,621,812	36,386,694	36,975,245
Intergovernmental	669,590	-	-	-
Other instructional programs	31,956,031	34,864,900	40,308,314	42,977,356
Support services:				
Pupils	19,587,987	21,227,982	25,735,341	28,465,667
Instructional staff	19,854,703	14,308,445	15,010,469	16,002,400
General administration	4,636,611	6,135,468	8,815,798	10,639,115
School administration	18,077,013	20,650,619	23,905,980	23,795,853
Business	39,868,936	32,975,398	33,503,729	34,977,725
Facilities acquisition and construction	2,329,344	8,318,368	3,165,269	4,809,177
Transportation	14,917,148	20,628,584	22,172,911	25,428,117
Food service	-	11,995,150	12,952,500	14,132,310
Central	10,418,182	16,399,058	11,363,644	12,401,649
Other support services	-	73,677	239,079	217,789
Community services	2,113,949	2,804,104	2,736,807	2,830,678
Payments to other governments	-	9,914,016	9,732,031	7,792,609
State on-behalf of payments	16,153,122	11,323,546	16,971,766	25,808,108
Debt service-interest and fees	15,453,266	10,513,740	10,899,062	11,231,187
<b>Total Expenses</b>	<b>358,684,413</b>	<b>376,726,438</b>	<b>395,408,482</b>	<b>424,131,503</b>
<b>Program Revenues</b>				
Charges for services:				
Instruction:				
Regular programs	4,028,606	4,114,154	4,086,733	4,171,676
Special programs	-	351,522	484,804	33,907
Other instructional programs	-	1,046,348	344,730	817,186
Support services:				
Business	662,703	731,305	539,475	800,326
Transportation	253,830	274,392	338,703	214,325
Food service	4,861,266	5,476,413	5,851,771	6,493,626
Central	972,333	-	-	-
Operating grants and contributions	67,389,659	76,422,653	83,720,626	86,648,476
Capital grants and contributions	-	5,298,022	-	17,771
<b>Total Program Revenues</b>	<b>78,168,397</b>	<b>93,714,809</b>	<b>95,366,842</b>	<b>99,197,293</b>
<b>Net (Expense)/Revenue</b>	<b>\$ (280,516,016)</b>	<b>\$ (283,011,629)</b>	<b>\$ (300,041,640)</b>	<b>\$ (324,934,210)</b>

See related notes on page 70.

	2009	2010	2011	2012	2013	2014
\$	137,125,857	\$ 137,890,395	\$ 144,380,708	\$ 152,872,982	\$ 159,832,952	\$ 166,693,993
	41,208,041	41,712,599	46,118,818	44,739,728	45,013,457	47,004,205
	-	-	-	-	-	-
	44,374,036	48,183,615	46,960,015	50,529,484	53,371,025	56,641,884
	31,056,604	28,016,638	31,664,589	33,039,723	34,560,394	32,493,352
	15,277,003	14,617,298	15,267,864	14,662,297	15,818,248	17,146,414
	15,766,957	19,269,678	19,982,097	21,364,385	19,146,851	22,364,803
	25,573,421	22,622,794	25,801,537	26,796,191	27,992,117	28,737,936
	32,327,285	28,657,512	30,761,571	30,533,039	32,515,833	35,461,199
	2,127,637	817,683	788,055	1,068,238	1,020,435	1,325,382
	26,720,118	29,013,273	28,651,615	30,391,920	31,579,650	34,307,231
	15,564,304	13,421,176	17,147,240	19,112,487	18,987,979	19,253,272
	12,354,945	10,080,473	9,985,364	13,012,548	14,274,661	16,669,932
	279,403	1,314,514	1,999,655	1,551,123	1,753,291	1,576,585
	2,748,556	4,046,637	5,232,372	3,848,600	4,166,826	3,992,913
	7,953,269	7,550,943	-	-	-	-
	34,630,042	46,868,682	-	-	-	-
	22,434,615	22,460,154	21,642,152	21,160,999	21,603,612	19,913,329
	467,522,093	476,544,064	446,383,652	464,683,744	481,637,331	503,582,430
	3,835,651	3,731,249	4,189,130	3,975,846	4,306,692	2,374,713
	133,984	62,124	34,484	61,891	96	40,129
	840,330	608,591	1,111,162	992,260	671,584	3,160,349
	599,605	665,891	986,932	1,250,793	603,076	1,061,033
	568,588	381,504	968,503	1,337,334	1,894,652	1,654,326
	6,187,525	5,097,756	4,693,018	4,503,273	3,853,180	3,828,751
	-	-	-	-	-	-
	121,403,854	127,700,014	141,292,679	122,517,107	135,611,514	144,377,500
	720,545	820,523	964,778	181,534	287,448	452,706
	134,290,082	139,067,652	154,240,686	134,820,038	147,228,242	156,949,507
	<u>\$ (333,232,011)</u>	<u>\$ (337,476,412)</u>	<u>\$ (292,142,966)</u>	<u>\$ (329,863,706)</u>	<u>\$ (334,409,089)</u>	<u>\$ (346,632,923)</u>

(Continued)

**School District U-46**

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

	2005	2006	2007	2008
<b>General Revenues</b>				
Property taxes:				
Levied for general purposes	\$ 180,240,614	\$ 185,184,977	\$ 205,075,226	\$ 212,797,890
Levied for Debt Service	25,750,372	28,312,083	32,321,416	33,390,049
Payments in lieu of taxes	2,779,771	3,580,340	3,975,944	4,578,094
Other taxes	17,310	-	-	-
Unrestricted state grants	70,827,051	69,525,159	67,600,037	68,831,087
Interest and investment earnings	2,198,338	3,242,618	5,599,826	4,157,558
Other general revenues	1,557,965	383,062	755,921	257,229
Total General Revenues	<u>283,371,421</u>	<u>290,228,239</u>	<u>315,328,370</u>	<u>324,011,907</u>
<b>Change in Net Position</b>	<u>\$ 2,855,405</u>	<u>\$ 7,216,610</u>	<u>\$ 15,286,730</u>	<u>\$ (922,303)</u>

Source: Annual Financial Statements 2005-2014.

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

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

2009	2010	2011	2012	2013	2014
\$ 221,434,756	\$ 226,224,333	\$ 238,078,583	\$ 248,081,083	\$ 246,568,726	\$ 250,205,536
34,386,905	35,039,161	38,974,113	41,611,064	42,783,761	43,226,909
3,854,557	3,134,569	4,040,837	4,654,710	3,774,777	3,799,318
-	-	-	-	-	-
53,944,813	51,743,683	64,161,401	66,160,166	59,961,675	84,499,884
1,114,337	103,114	133,167	319,526	-	240,423
307,682	422,513	630,691	998,407	1,079,624	992,931
315,043,050	316,667,373	346,018,792	361,824,956	354,168,563	382,965,001
\$ (18,188,961)	\$ (20,809,039)	\$ 53,875,826	\$ 31,961,250	\$ 19,759,474	\$ 36,332,078



School District U-46

Fund Balances, Governmental Funds  
Last Ten Fiscal Years

	2005	2006	2007	2008	2009**	2010	2011***	2012	2013	2014
<b>General Fund</b>										
Reserved	\$ 430,692	\$ 418,907	\$ 289,686	\$ 196,756	\$ 209,973	\$ 4,105,974	N/A	N/A	N/A	N/A
Unreserved	(24,144,308)	(23,336,444)	(3,706,770)	(3,811,497)	(41,915,757)	(37,312,889)	N/A	N/A	N/A	N/A
Nonspendable	N/A	N/A	N/A	N/A	N/A	N/A	\$ 1,761,685	\$ 2,378,365	\$ 1,014,489	\$ 790,187
Restricted	N/A	N/A	N/A	N/A	N/A	N/A	91,707,158	108,539,319	297,756	3,330,253
Unassigned	N/A	N/A	N/A	N/A	N/A	N/A	8,192,571	34,017,658	145,661,663	159,674,454
<b>Total General Fund</b>	<b>\$ (23,713,616)</b>	<b>\$ (22,917,537)</b>	<b>\$ (3,417,084)</b>	<b>\$ (3,614,741)</b>	<b>\$ (41,705,784)</b>	<b>\$ (33,206,915)</b>	<b>\$ 101,661,414</b>	<b>\$ 144,935,342</b>	<b>\$ 146,973,908</b>	<b>\$ 163,794,894</b>
<b>All Other Governmental Funds</b>										
Reserved	\$ 34,861,508	\$ 44,461,483	\$ 39,893,973	\$ 34,413,254	\$ 24,458,580	\$ 35,837,628	N/A	N/A	N/A	N/A
Unreserved, reported in:										
Special revenue funds	82,687,642	81,803,600	77,448,850	68,104,806	66,977,428	62,132,362	N/A	N/A	N/A	N/A
Restricted	N/A	N/A	N/A	N/A	N/A	N/A	\$ 33,724,667	\$ 29,864,415	\$ 29,864,415	\$ 28,017,606
Unassigned	N/A	N/A	N/A	N/A	N/A	N/A	(18,760,402)	(21,072,002)	(21,072,002)	(16,571,098)
<b>Total all other governmental funds</b>	<b>\$ 117,549,150</b>	<b>\$ 126,265,083</b>	<b>\$ 117,342,823</b>	<b>\$ 102,518,060</b>	<b>\$ 91,436,008</b>	<b>\$ 97,969,990</b>	<b>\$ 14,964,265</b>	<b>\$ 8,792,413</b>	<b>\$ 8,792,413</b>	<b>\$ 11,446,508</b>

Source: Annual Financial Statements 2005-2014.

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

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

School District U-46

Changes in Fund Balances, Governmental Funds  
Last Ten Fiscal Years

	2005	2006	2007	2008
<b>Revenues</b>				
Local sources:				
Property taxes	\$ 205,990,986	\$ 213,497,060	\$ 237,396,642	\$ 246,187,939
Replacement taxes and other payments in lieu of taxes	2,797,081	3,580,340	3,975,944	4,578,094
Charges for services	10,778,738	11,262,829	11,106,741	11,730,720
Earnings on investments	2,198,338	3,242,618	5,599,826	4,157,558
Impact fees, rentals and other local sources	1,557,965	8,835,819	3,342,112	2,382,271
<b>Total local sources</b>	<b>223,323,108</b>	<b>240,418,666</b>	<b>261,421,265</b>	<b>269,036,582</b>
State sources:				
State grants-in-aid	99,375,099	108,890,420	109,958,592	101,647,698
State on-behalf of payments	16,153,122	11,323,546	16,971,766	25,808,108
<b>Total state sources</b>	<b>115,528,221</b>	<b>120,213,966</b>	<b>126,930,358</b>	<b>127,455,806</b>
Federal sources,				
Federal grants-in-aid	22,688,489	23,045,877	22,240,757	26,716,812
<b>Total revenues</b>	<b>361,539,818</b>	<b>383,678,509</b>	<b>410,592,380</b>	<b>423,209,200</b>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular programs	110,704,325	112,582,971	117,128,966	121,094,338
Special programs	40,375,369	36,107,752	35,000,057	35,606,891
Other instructional programs	31,956,031	33,043,871	38,392,080	41,194,495
Intergovernmental state on-behalf of payments	16,153,122	11,323,546	16,971,766	25,808,108
<b>Total instruction</b>	<b>199,188,847</b>	<b>193,058,140</b>	<b>207,492,869</b>	<b>223,703,832</b>
Support services:				
Pupils	19,587,987	20,312,308	24,744,332	27,417,732
Instructional staff	10,288,164	13,701,183	14,386,197	15,410,170
General administration	4,636,611	5,877,931	8,469,365	10,242,630
School administration	18,077,013	19,819,625	22,995,799	22,920,993
Business	31,286,691	31,389,541	32,008,895	33,685,788
Facilities acquisition and construction	2,329,344	2,098,316	1,116,531	1,356,116
Transportation	14,917,148	19,785,158	21,977,006	25,380,780
Food service	9,228,946	11,225,155	12,317,378	13,320,933
Central	10,418,182	11,605,338	10,938,383	12,276,504
Other support	-	73,677	239,079	217,009
<b>Total support services</b>	<b>120,770,086</b>	<b>135,888,232</b>	<b>149,192,965</b>	<b>162,228,655</b>
Community services	2,113,949	2,687,395	2,626,570	2,711,317
Payments to other governments	-	9,914,016	9,732,031	7,792,609

(Continued)

2009	2010	2011	2012	2013	2014
\$ 255,821,661	\$ 261,263,494	\$ 277,052,696	\$ 289,692,147	\$ 289,352,487	\$ 293,432,445
3,773,557	3,053,569	3,959,837	3,642,927	3,733,997	3,754,606
11,384,259	9,772,661	10,880,592	10,805,515	10,612,329	10,956,865
1,114,337	103,114	133,167	319,526	282,805	240,423
2,142,626	2,286,164	2,687,134	3,752,842	2,286,686	2,870,732
274,236,440	276,479,002	294,713,426	308,212,957	306,268,304	311,255,071
94,968,684	85,042,918	109,760,781	108,491,808	108,809,995	128,344,057
34,630,042	46,868,682	41,387,470	45,591,003	52,723,457	66,995,465
129,598,726	131,911,600	151,148,251	154,082,811	161,533,452	195,339,522
39,563,940	53,206,061	42,256,544	33,912,188	35,700,980	34,451,084
443,399,106	461,596,663	488,118,221	496,207,956	503,502,736	541,045,677
128,971,936	131,049,168	119,418,719	127,064,616	130,185,958	133,321,829
39,218,924	39,539,625	38,124,984	37,183,726	36,595,148	37,608,482
45,643,301	45,761,230	39,038,710	42,005,491	43,274,655	45,343,690
34,630,042	46,868,682	41,387,470	45,591,003	52,723,457	66,995,465
248,464,203	263,218,705	237,969,883	251,844,836	262,779,218	283,269,466
29,984,096	26,418,768	25,731,889	27,444,523	27,663,747	26,060,806
14,710,807	13,924,195	12,744,126	12,189,512	12,868,897	13,716,670
14,447,028	18,379,668	16,791,704	17,767,485	15,753,783	17,859,279
24,691,749	21,475,686	21,432,466	22,275,360	22,841,782	22,978,049
31,040,810	27,357,981	25,915,150	25,396,979	26,838,096	28,301,788
1,042,244	752,369	604,006	1,060,755	841,117	1,355,140
23,855,721	23,081,648	23,703,791	25,260,870	25,693,690	27,440,574
14,992,526	12,692,710	14,128,009	15,884,358	15,369,092	15,408,947
11,830,777	9,579,069	8,312,235	10,819,203	11,707,954	13,318,618
279,403	1,313,172	1,993,812	1,550,758	1,728,002	1,579,638
166,875,161	154,975,266	151,357,188	159,649,803	161,306,160	168,019,509
2,646,368	3,812,527	4,278,777	3,195,043	3,309,466	3,209,716
7,956,101	7,550,943	7,131,341	7,507,509	8,592,837	8,134,674

**School District U-46**

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

	2005	2006	2007	2008
<b>Total current</b>	<b>\$ 322,072,882</b>	<b>\$ 341,547,783</b>	<b>\$ 369,044,435</b>	<b>\$ 396,436,413</b>
Debt service:				
Principal	12,721,835	16,023,117	20,172,487	24,988,439
Interest and fees	13,162,462	10,513,740	10,899,062	11,231,187
Capital outlay	33,280,962	29,029,135	15,285,123	15,729,322
Intergovernmental	669,590	-	-	-
<b>Total Expenditures</b>	<b>381,907,731</b>	<b>397,113,775</b>	<b>415,401,107</b>	<b>448,385,361</b>
Excess of revenues over (under) expenditures	(20,367,913)	(13,435,266)	(4,808,727)	(25,176,161)
Other financing sources (uses):				
Issuance of bonds	71,790,000	15,000,000	4,000,000	-
Premium on bonds sold	3,571,614	240,245	-	-
Discount on bonds sold	-	-	-	-
Accrued interest on bonds sold	-	24,294	-	-
Proceeds from sale of equipment	(74,237,418)	-	-	-
Issuance of debt certificates	-	-	7,266,920	6,200,000
Premium on debt certificates sold	-	-	102,832	-
Issuance of purchase contracts	3,339,178	7,682,739	4,017,168	3,953,741
Transfers in	771,260	1,830,161	5,747,053	-
Transfers out	(771,260)	(1,830,161)	(5,747,053)	-
<b>Total other financing sources (uses)</b>	<b>4,463,374</b>	<b>22,947,278</b>	<b>15,386,920</b>	<b>10,153,741</b>
<b>Net Change in Fund Balances</b>	<b>\$ (15,904,539)</b>	<b>\$ 9,512,012</b>	<b>\$ 10,578,193</b>	<b>\$ (15,022,420)</b>
Debt service expenditure as a percentage of noncapital expenditures	7.42%	7.21%	7.77%	8.37%

Source: Annual Financial Statements 2005-2014.

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

2009	2010	2011	2012	2013	2014
\$ 425,941,833	\$ 429,557,441	\$ 400,737,189	\$ 422,197,191	\$ 435,987,681	\$ 462,633,365
27,544,950	33,602,191	30,572,146	30,763,865	30,005,118	30,465,774
12,718,067	9,765,565	12,444,322	12,896,130	12,850,947	15,549,123
17,611,198	4,603,283	9,723,218	14,633,641	27,588,908	15,782,377
-	-	-	-	-	-
483,816,048	477,528,480	453,476,875	480,490,827	506,432,654	524,430,639
(40,416,942)	(15,931,817)	34,641,346	15,717,129	(2,929,918)	16,615,038
-	64,595,000	27,955,000	31,460,000	-	-
-	3,176,086	-	1,522,879	-	-
-	-	(440,725)	(5,801)	-	-
-	-	-	-	-	-
-	(36,806,418)	(10,293,017)	(12,791,001)	770,800	-
-	-	-	-	-	-
-	-	-	-	-	-
4,195,926	-	-	1,198,870	7,057,727	-
4,324,525	4,424,969	2,476,070	2,274,500	1,762,440	1,393,860
(4,324,525)	(4,424,969)	(2,476,070)	(2,274,500)	(1,762,440)	(1,393,860)
4,195,926	30,964,668	17,221,258	21,384,947	7,828,527	-
\$ (36,221,016)	\$ 15,032,851	\$ 51,862,604	\$ 37,102,076	\$ 4,898,609	\$ 16,615,038
8.64%	9.17%	9.69%	9.37%	8.85%	9.80%

**School District U-46**

**Equalized Assessed Valuation on Taxable Property  
Last Ten Levy Years**

Tax Levy Year	Kane County Equalized Assessed Valuation	Cook County Equalized Assessed Valuation	DuPage County Equalized Assessed Valuation	Total Equalized Assessed Valuation
2013	\$ 1,441,568,152	\$ 1,686,298,507	\$ 981,465,345	\$ 4,109,332,004
2012	1,591,971,192	1,996,276,871	1,055,589,353	4,643,837,416
2011	1,780,269,709	2,181,631,834	1,154,433,522	5,116,335,065
2010	1,984,011,132	2,420,882,545	1,258,534,090	5,663,427,767
2009	2,127,636,310	2,622,819,262	1,361,810,280	6,112,265,852
2008 (2)	2,156,538,787	2,527,453,250	1,371,991,787	6,055,983,824
2007	2,074,362,592	2,380,043,712	1,312,890,311	5,767,296,615
2006	1,939,560,185	2,013,381,527	1,237,554,149	5,190,495,861
2005	1,790,572,445	1,892,150,998	1,156,852,448	4,839,575,891
2004	1,677,230,456	1,697,732,829	1,080,928,035	4,455,891,320

Source: District Records

Notes: (1) Tax rates per \$100 of Equalized Assessed Valuation  
(2) Includes 2007 Cook County Equalized Assessed Valuation

Kane County Total Direct Tax Rate (1)	Cook County Total Direct Tax Rate (1)	DuPage County Total Direct Tax Rate (1)	Estimated Actual Taxable Value	Percentage of Estimated Actual Taxable Value
6.4086	7.5800	7.8519	\$ 12,327,996,012	33.33%
6.3706	6.5400	6.1068	13,931,512,248	33.33%
5.8307	5.5062	5.6118	15,349,005,195	33.33%
5.2661	5.0254	4.8392	16,990,283,301	33.33%
4.5494	4.3390	4.6019	18,336,797,556	33.33%
4.2066	4.4342	4.2591	18,167,951,472	33.33%
4.3696	4.5650	4.2737	17,301,889,845	33.33%
4.6949	4.8735	4.6781	15,571,487,583	33.33%
4.7346	4.7457	4.6015	14,518,727,673	33.33%
4.7024	4.9445	4.6020	13,367,673,960	33.33%

**School District U-46**

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

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Direct										
School District U-46	6.4086	6.3706	5.8307	5.2661	4.5494	4.2066	4.3659	4.6954	4.7345	4.7024
Overlapping										
Kane County	0.4623	0.4336	0.3990	0.3730	0.3361	0.3336	0.3322	0.3452	0.3367	0.3467
Kane County Forest Preserve District	0.3039	0.2710	0.2609	0.2201	0.1997	0.1932	0.1974	0.1747	0.1904	0.1432
Gail Borden Library District	0.5087	0.4791	0.4084	0.3650	0.3380	0.3175	0.3111	0.3378	0.3171	0.3700
Elgin Township	0.1114	0.0997	0.0890	0.0783	0.0706	0.0692	0.0693	0.0715	0.0759	0.0776
Elgin Township Road Fund	0.0858	0.0762	0.0660	0.0581	0.0524	0.0514	0.0515	0.0531	0.0563	0.0770
City of Elgin	2.1668	1.9344	1.9836	1.9210	1.9202	1.9200	1.9200	1.9501	1.9201	1.9198
Fox River Water Reclamation District	0.3697	0.0344	0.0299	0.0273	0.0249	0.0240	0.0246	0.0270	N/A	N/A
Community College District 509	0.5707	0.5215	0.4456	0.4407	0.3833	0.3175	0.3280	0.3398	0.4010	0.4154
Total	10.9879	10.2205	9.5130	8.7497	7.8746	7.4330	7.6000	7.9946	8.0320	8.0521

Source: District Records

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



**School District U-46**

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

	2013	2012	2011	2010
<b>Rates Extended</b>				
Educational	4.0325	3.8833	3.4078	3.4930
Tort immunity/liability insurance	0.2099	0.1434	0.0847	0.0778
Special education	0.8065	0.5507	0.4180	0.0373
Operations and maintenance	0.7328	0.5014	0.4323	0.3971
Transportation	0.3362	0.2189	0.1438	0.1271
Municipal retirement - IMRF	0.1532	0.1087	0.0899	0.0794
Social security	0.1397	0.1003	0.0830	0.0794
Bond and interest/supp.	0.9020	0.8029	0.6783	0.5875
Working cash	-	-	-	-
Life safety	0.0455	0.0344	-	-
Life safety limited bonds	-	-	-	-
Limited bonds	0.2217	0.1955	0.1684	0.1468
<b>Total Rates Extended</b>	<b>7.5800</b>	<b>6.5395</b>	<b>5.5062</b>	<b>5.0254</b>
<b>Levies Extended</b>				
Educational	\$ 68,000,191	\$ 77,521,882	\$ 74,345,887	\$ 84,561,841
Tort immunity/liability insurance	3,539,198	2,862,907	1,847,319	1,883,010
Special education	13,599,343	10,992,581	9,118,407	902,377
Operations and maintenance	12,357,671	10,008,905	9,433,590	9,613,134
Transportation	5,670,010	4,371,211	3,136,504	3,076,398
Municipal retirement - IMRF	2,584,066	2,168,185	1,961,136	1,922,137
Social security	2,356,571	2,002,190	1,810,111	1,922,137
Bond and interest/supp.	15,210,102	16,028,963	14,798,101	14,223,828
Working cash	-	-	-	-
Life safety	765,842	688,573	-	-
Life safety limited bonds	-	-	-	-
Limited bonds	3,738,151	3,902,150	3,673,366	3,552,765
<b>Total Levies Extended</b>	<b>\$ 127,821,145</b>	<b>\$ 130,547,547</b>	<b>\$ 120,124,421</b>	<b>\$ 121,657,627</b>
Current year collections	\$ 66,860,960	\$ 62,462,919	\$ 62,309,872	\$ 58,289,670
Subsequent year collections	-	64,717,012	54,034,910	61,655,603
<b>Total Collections</b>	<b>\$ 66,860,960</b>	<b>\$ 127,179,931</b>	<b>\$ 116,344,782</b>	<b>\$ 119,945,273</b>
<b>Percentage of extensions collected</b>				
Current year collections	52.31%	47.85%	51.87%	47.91%
Total collections	52.31%	97.42%	96.85%	98.59%

N/A - Current year and subsequent year collections information was not separately available.

2009	2008	2007	2006	2005	2004
3.0397	3.1247	3.1657	3.4172	3.2886	3.5377
0.0657	0.0538	0.0755	0.0517	0.0667	0.0093
0.0347	0.0361	0.0363	0.0385	0.0368	0.0371
0.3348	0.3090	0.3396	0.3650	0.3458	0.3644
0.1012	0.1053	0.0968	0.1043	0.1103	0.1300
0.0706	0.0900	0.0903	0.0963	0.0938	0.0929
0.0706	0.0900	0.0903	0.0963	0.0938	0.0929
0.4889	0.4771	0.4934	0.5093	0.5035	0.5560
-	-	-	-	-	-
-	0.0121	0.0291	0.0297	0.0350	0.0348
-	0.0549	0.0696	0.0824	0.0883	-
0.1326	0.0812	0.0784	0.0828	0.0831	0.0894
4.3388	4.4342	4.5650	4.8735	4.7457	4.9445

\$ 79,727,190	\$ 78,974,704	\$ 72,626,540	\$ 67,827,228	\$ 62,226,815	\$ 60,060,840
1,723,705	1,360,208	1,097,746	1,376,253	1,262,617	157,999
912,245	913,505	818,047	758,809	696,155	630,560
8,783,919	7,810,356	7,756,943	7,130,735	6,541,959	6,187,370
2,654,041	2,661,968	2,216,304	2,276,429	2,088,467	2,206,960
1,852,918	2,274,271	2,046,320	1,933,406	1,773,767	1,576,400
1,852,918	2,274,271	2,046,320	1,933,406	1,773,767	1,576,400
12,823,465	12,059,412	14,335,764	13,506,762	9,527,480	9,439,584
-	-	-	-	-	-
-	307,021	630,281	719,310	659,917	591,150
-	1,387,752	-	-	1,671,134	-
3,478,715	2,052,967	-	-	1,571,578	1,518,504
\$ 113,809,116	\$ 112,076,435	\$ 103,574,265	\$ 97,462,338	\$ 89,793,656	\$ 83,945,767

\$ 52,012,181	\$ 48,524,841	\$ 44,393,116	\$ 40,051,415	N/A	N/A
59,198,269	60,647,647	58,889,045	55,660,927	N/A	N/A
\$ 111,210,450	\$ 109,172,488	\$ 103,282,161	\$ 95,712,342	\$ 87,178,630	\$ 83,386,746

45.70%	43.30%	41.09%	N/A	N/A	N/A
97.72%	97.41%	98.20%	97.09%	99.33%	94.50%

**School District U-46**

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

	2013	2012	2011	2010
<b>Rates Extended</b>				
Educational	4.2826	4.0429	3.5530	3.3878
Tort immunity/liability insurance	0.2083	0.1414	0.0854	0.0723
Special education	0.8370	0.5467	0.4226	0.0349
Operations and maintenance	0.7251	0.4687	0.4355	0.3690
Transportation	0.3337	0.2303	0.1448	0.1404
Municipal retirement - IMRF	0.1517	0.0988	0.0907	0.0738
Social security	0.1376	0.0778	0.0837	0.0738
Bond and interest/supp.	0.9078	0.7818	0.6377	0.5501
Bond and interest - limited	0.2231	0.1905	0.1584	0.1371
Working cash	-	-	-	-
Life safety	0.0450	0.0263	-	-
<b>Total Rates Extended</b>	<b>7.8519</b>	<b>6.6052</b>	<b>5.6118</b>	<b>4.8392</b>

<b>Levies Extended</b>				
Educational	\$ 42,032,235	\$ 42,676,422	\$ 41,017,023	\$ 42,636,618
Tort immunity/liability insurance	2,044,392	1,492,603	985,886	909,920
Special education	8,214,865	5,770,907	4,878,636	439,228
Operations and maintenance	7,116,605	4,947,547	5,027,558	4,643,991
Transportation	3,275,150	2,431,022	1,671,620	1,766,982
Municipal retirement - IMRF	1,488,883	1,042,922	1,047,071	928,798
Social security	1,350,496	821,249	966,261	928,798
Bond and interest/supp.	8,909,743	8,252,598	7,361,823	6,923,196
Bond and interest limited	2,189,649	2,010,898	1,828,623	1,725,450
Working cash	-	-	-	-
Life safety	441,659	277,620	-	-
<b>Total Levies Extended</b>	<b>\$ 77,063,677</b>	<b>\$ 69,723,788</b>	<b>\$ 64,784,500</b>	<b>\$ 60,902,982</b>

Current year collections	\$ 37,119,808	\$ 33,209,714	\$ 31,108,515	\$ 30,363,549
Subsequent year collections	-	36,441,218	33,516,034	30,498,793
<b>Total Collections</b>	<b>\$ 37,119,808</b>	<b>\$ 69,650,932</b>	<b>\$ 64,624,549</b>	<b>\$ 60,862,342</b>

<b>Percentage of extensions collected</b>				
Current year collections	48.17%	47.63%	48.02%	49.86%
Total collections	48.17%	99.90%	99.75%	99.93%

N/A - Current year and subsequent year collections information was not separately available.

2009	2008	2007	2006	2005	2004
3.2406	2.9813	2.9817	3.2879	3.2315	3.2108
0.0703	0.0746	0.0710	0.0833	0.0656	0.1039
0.0370	0.0343	0.0342	0.0379	0.0332	0.0372
0.3569	0.3200	0.3199	0.3532	0.3117	0.3404
0.1079	0.0995	0.0914	0.0956	0.1085	0.0999
0.0757	0.0852	0.0852	0.0887	0.0921	0.0966
0.0757	0.0852	0.0852	0.0887	0.0921	0.0966
0.5015	0.4412	0.4441	0.4703	0.4716	0.5005
0.1363	0.1258	0.1328	0.1527	0.1609	0.0806
-	-	-	-	-	-
-	0.0120	0.0277	0.0198	0.0344	0.0355
4.6019	4.2591	4.2732	4.6781	4.6016	4.6020

\$ 44,130,824	\$ 40,903,191	\$ 39,146,450	\$ 40,689,543	\$ 37,027,378	\$ 34,706,373
957,353	1,023,506	1,114,644	1,030,883	861,855	1,123,082
503,870	470,593	449,008	469,033	436,133	402,104
4,860,301	4,390,374	4,199,936	4,371,041	4,096,415	3,679,472
1,469,393	1,365,132	1,387,725	1,183,102	982,168	1,079,845
1,030,890	1,168,937	1,118,583	1,097,711	1,092,069	1,044,175
1,030,890	1,168,937	1,118,583	1,097,711	1,092,069	1,044,175
6,829,470	6,053,228	7,574,064	7,709,962	7,317,092	6,281,261
1,856,147	1,725,966	-	-	-	-
-	-	-	-	-	-
-	164,639	-	245,036	327,389	383,729
\$ 62,669,138	\$ 58,434,503	\$ 56,108,993	\$ 57,894,022	\$ 53,232,568	\$ 49,744,216
\$ 30,004,777	\$ 27,377,411	\$ 26,097,148	\$ 27,397,647	N/A	N/A
32,603,756	31,001,864	29,954,558	30,436,037	N/A	N/A
\$ 62,608,533	\$ 58,379,275	\$ 56,051,706	\$ 57,833,684	\$ 53,189,547	\$ 49,458,970

47.88%	46.85%	46.51%	47.32%	N/A	N/A
99.90%	99.91%	99.90%	99.90%	99.92%	99.43%

**School District U-46**

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

	2013	2012	2011	2010
<b>Rates Extended</b>				
Educational	3.8031	3.9022	3.8426	3.7483
Tort immunity/liability insurance	0.1879	0.1379	0.0922	0.0795
Special education	0.7571	0.5296	0.4551	0.0381
Operations and maintenance	0.6563	0.4822	0.4707	0.4057
Transportation	0.3010	0.2105	0.1566	0.1298
Municipal retirement - IMRF	0.1372	0.1045	0.0979	0.0811
Social security	0.1251	0.0965	0.0904	0.0811
Bond and interest/supp.	0.9663	0.8066	0.6922	0.6133
Working cash	-	-	-	-
Working cash bonds	-	0.0841	0.0756	0.0929
Life safety	0.0408	-	-	-
Fire safety bonds	-	-	-	-
Prior year adjustment	(0.5662)	(0.0769)	(0.1425)	(0.0037)
<b>Levies Extended</b>	<b>6.4086</b>	<b>6.2771</b>	<b>5.8307</b>	<b>5.2661</b>
<b>Levies Extended</b>				
Educational	\$ 50,845,761	\$ 62,297,953	\$ 64,322,072	\$ 74,365,813
Tort immunity/liability insurance	2,512,489	2,200,917	1,543,760	1,577,458
Special education	10,122,444	8,454,302	7,617,338	756,543
Operations and maintenance	8,773,890	7,697,564	7,878,911	8,048,261
Transportation	4,024,671	3,361,286	2,620,542	2,575,447
Municipal retirement - IMRF	1,834,269	1,668,327	1,638,626	1,609,644
Social security	1,672,599	1,539,831	1,512,582	1,609,644
Bond and interest/supp.	13,452,011	13,486,795	12,951,697	12,167,590
Working cash	-	-	-	-
Working cash bonds	-	1,405,806	1,414,548	1,842,955
Life safety	544,792	528,948	-	-
Prior year adjustment	(8,161,715)	(1,224,095)	(2,536,414)	(73,448)
<b>Total Levies Extended</b>	<b>\$ 85,621,211</b>	<b>\$ 101,417,634</b>	<b>\$ 98,963,662</b>	<b>\$ 104,479,907</b>
Current year collections	\$ 43,224,911	\$ 50,178,087	\$ 48,496,568	\$ 50,460,307
Subsequent year collections	-	50,939,324	50,131,935	53,806,269
<b>Total Collections</b>	<b>\$ 43,224,911</b>	<b>\$ 101,117,411</b>	<b>\$ 98,628,503</b>	<b>\$ 104,266,576</b>
<b>All Three Counties Combined</b>				
Total levies extended	\$ 290,506,033	\$ 301,688,969	\$ 283,872,583	\$ 287,040,516
Current year collections	\$ 147,205,680	\$ 145,850,720	\$ 141,914,955	\$ 139,113,526
Subsequent year collections	-	152,097,554	137,682,879	145,960,665
<b>Total collections</b>	<b>\$ 147,205,680</b>	<b>\$ 297,948,274</b>	<b>\$ 279,597,834</b>	<b>\$ 285,074,191</b>
Percentage of extensions collected				
Current year collections	50.67%	48.34%	49.99%	48.46%
Total collections	50.67%	98.76%	98.49%	99.31%

N/A - Current year and subsequent year collections information was not separately available.

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

2009	2008	2007	2006	2005	2004
3.1850	3.0879	3.1403	3.2437	3.2774	3.2313
0.0688	0.0774	0.0749	0.0828	0.1758	0.1132
0.0364	0.0354	0.0359	0.0375	0.0384	0.0366
0.3509	0.3313	0.3369	0.3523	0.3602	0.3433
0.1060	0.1031	0.0961	0.0950	0.0865	0.1007
0.0740	0.0881	0.0949	0.0946	0.0961	0.0966
0.0740	0.0881	0.0895	0.0946	0.0961	0.0966
0.5332	0.4998	0.5259	0.5457	0.5653	0.5056
-	-	-	-	-	-
0.0821	0.0763	0.0732	0.0764	0.0793	0.0814
-	0.0119	0.0288	0.0310	0.0288	0.0352
-	-	-	-	-	-
0.0390	(0.1927)	(0.1252)	0.0418	0.0307	0.0619
4.5494	4.2066	4.3712	4.6954	4.8346	4.7024
<hr/>					
\$ 67,765,315	\$ 66,591,910	\$ 63,520,045	\$ 63,479,651	\$ 59,980,963	\$ 55,494,332
1,464,219	1,668,808	1,550,644	1,619,646	1,005,824	1,546,693
774,122	763,076	726,919	734,842	658,030	584,238
7,465,272	7,145,642	6,814,216	6,894,983	6,168,980	5,477,181
2,255,567	2,223,643	2,248,910	1,857,834	1,923,970	2,065,062
1,573,986	1,899,782	1,810,734	1,850,465	1,542,284	1,442,263
1,573,986	1,899,782	1,810,734	1,850,465	1,542,284	1,442,263
11,345,247	10,779,074	12,081,955	12,175,338	11,502,431	9,806,016
-	-	-	-	-	-
1,747,089	1,645,622	-	-	-	-
-	256,466	-	606,129	450,826	524,474
830,738	(4,156,375)	-	-	-	-
\$ 96,795,541	\$ 90,717,430	\$ 90,564,157	\$ 91,069,353	\$ 84,775,592	\$ 78,382,522
<hr/>					
\$ 48,399,771	\$ 41,642,782	\$ 43,644,195	\$ 44,190,832	N/A	N/A
48,250,917	48,754,604	46,773,020	46,740,095	N/A	N/A
\$ 96,650,688	\$ 90,397,386	\$ 90,417,215	\$ 90,930,927	\$ 84,236,617	\$ 78,306,490
<hr/>					
\$ 273,273,795	\$ 261,228,368	\$ 250,247,415	\$ 246,425,713	\$ 227,801,816	\$ 212,072,505
<hr/>					
\$ 130,416,729	\$ 117,545,034	\$ 114,134,459	\$ 111,639,894	N/A	N/A
140,052,942	140,404,115	135,616,623	132,837,059	N/A	N/A
\$ 270,469,672	\$ 257,949,149	\$ 249,751,082	\$ 244,476,953	\$ 224,604,794	\$ 211,152,206
<hr/>					
47.72%	45.00%	45.61%	45.30%	N/A	N/A
98.97%	98.74%	99.80%	99.21%	98.60%	99.57%

**School District U-46**

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

Fiscal Year	General Obligation Bonds	Debt Certificates	Certificates of Participation	Installment Notes	Claims and Judgments
2014	\$ 259,950,777	\$ 3,792,143	\$ -	\$ -	\$ 13,624,879
2013	287,505,995	4,200,013	-	-	15,707,626
2012	315,894,005	4,605,167	-	-	10,081,533
2011	322,144,437	5,150,170	-	40,880	10,706,179
2010	323,698,890	11,232,573	-	90,617	7,456,768
2009	316,460,991	12,392,393	-	152,087	-
2008	339,318,830	13,182,152	-	207,661	-
2007	364,109,311	7,124,536	-	263,235	-
2006	380,083,840	-	-	318,809	-
2005	381,051,383	-	-	374,383	-

Source: District Records

Note: This schedule includes all debt financed with general governmental resources for which there is an established repayment schedule. Accreted interest on debt, retirement obligations and estimated liabilities such as compensated absences are not included.

Purchase Contracts	Total Outstanding Debt	Estimated Actual Taxable Property Value	Percentage Estimated Actual Taxable Property Value	Estimated Population	Total Outstanding Debt Per Capita
\$ 6,400,590	\$ 283,768,389	\$ 12,327,996,012	2.30 %	240,000	\$ 1,182
8,903,276	316,316,910	13,931,512,248	2.27	240,000	1,318
3,057,503	333,638,208	15,349,005,195	2.17	240,000	1,390
5,281,183	343,322,849	16,990,283,301	2.02	240,000	1,431
9,346,736	351,825,584	18,336,797,556	1.92	240,000	1,466
14,272,637	343,278,108	17,725,722,858	1.94	240,000	1,430
12,268,058	364,976,701	17,301,889,845	2.11	240,000	1,521
11,282,489	382,779,571	15,571,487,583	2.46	240,000	1,595
10,616,133	391,018,782	14,518,727,793	2.69	240,000	1,629
5,118,046	386,543,812	13,367,674,464	2.89	240,000	1,611



**School District U-46**

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

Fiscal Year	General Bonded Debt	Less: Amount Available in Debt Service Fund	Net General Bonded Debt	Estimated Actual Taxable Property Value	Percentage of Net General Bonded Debt to Estimated Actual Valuation
2014	\$ 259,950,777	\$ 24,156,123	\$ 235,794,654	\$ 12,327,996,012	1.91%
2013	287,505,995	23,737,065	263,768,930	13,931,512,248	1.89%
2012	315,894,005	21,867,241	294,026,764	15,349,005,195	1.92%
2011	322,144,437	19,252,458	302,891,979	16,990,283,301	1.78%
2010	323,698,890	17,992,384	305,706,506	18,336,797,556	1.67%
2009	316,460,991	18,241,011	298,219,980	17,725,722,858	1.68%
2008	339,318,830	16,473,510	322,845,320	17,301,889,845	1.87%
2007	364,109,311	18,848,214	345,261,097	15,571,487,583	2.22%
2006	380,083,840	17,341,682	362,742,158	14,518,727,793	2.50%
2005	381,051,383	15,885,536	365,165,847	13,367,674,464	2.73%

Source: District Records

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

Estimated Population	Net General Bonded Debt Per Capita
240,000	\$ 982
240,000	1,099
240,000	1,225
240,000	1,262
240,000	1,274
240,000	1,243
240,000	1,345
240,000	1,439
240,000	1,511
240,000	1,522

**School District U-46**

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

	2014	2013	2012	2011
Debt limit	\$ 567,087,817	\$ 640,849,563	\$ 706,054,239	\$ 781,553,032
Total net debt applicable to limit	245,987,387	276,872,219	301,689,434	313,364,212
Legal debt margin	<u>\$ 321,100,430</u>	<u>\$ 363,977,344</u>	<u>\$ 404,364,805</u>	<u>\$ 468,188,820</u>
Total net debt applicable to the limit as a percentage of debt limit	43%	43%	43%	40%

Note: Legal debt limit from 2005-2014 was 13.8% of the EAV.

**Legal Debt Margin Calculation for Fiscal 2014**

Assessed Value	\$ 4,109,332,004
Debt limit (13.8%) of assessed value	<u>567,087,817</u>
Debt outstanding applicable to the limit:	
General obligation bonds	259,950,777
General obligation debt certificates	3,792,143
Purchase contracts	6,400,590
Total debt outstanding applicable to the limit	270,143,510
Less: Amount set aside for repayment of debt	<u>24,156,123</u>
Total net debt applicable to the limit	<u>245,987,387</u>
Total legal debt margin	<u>\$ 321,100,430</u>

Source: District Records

	2010	2009	2008	2007	2006	2005
\$	835,725,768	\$ 815,383,251	\$ 760,735,825	\$ 723,059,131	\$ 667,861,478	\$ 575,703,963
	326,376,432	325,037,097	339,318,830	364,109,311	380,083,840	381,051,383
\$	509,349,336	\$ 490,346,154	\$ 421,416,995	\$ 358,949,820	\$ 287,777,638	\$ 194,652,580
	39%	40%	45%	50%	57%	66%

**School District U-46**

**District Employment Statistics  
Last Ten Fiscal Years**

Staff	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Teachers	2,362	2,311	2,243	2,203	2,516	2,582	2,440	2,474	2,290	2,242
Building substitutes	5	-	-	-	-	23	22	24	30	27
Noon hour supervisors (part-time)	76	89	91	93	102	119	137	115	109	120
Educational assistants/paraprofessionals	422	460	414	338	398	446	428	441	404	548
Secretary/clerical	222	211	205	212	268	304	294	297	292	267
Transportation	400	416	418	402	448	474	450	426	408	396
Custodial/maintenance	126	121	107	118	131	122	123	128	145	128
Technical/other	207	151	116	165	149	164	163	151	116	146
Food service	155	177	164	154	169	155	147	145	138	123
School administration	102	93	94	92	97	102	99	101	95	93
Supervisors/directors/coordinators	34	31	32	28	43	34	28	29	32	26
Central administration	33	39	35	33	25	33	33	32	29	33
Divisionals	16	16	15	16	20	25	23	24	19	20
Superintendent/executive staff	9	8	9	7	9	10	10	11	11	9
<b>Total staff</b>	<b>4,169</b>	<b>4,122</b>	<b>3,942</b>	<b>3,861</b>	<b>4,375</b>	<b>4,593</b>	<b>4,397</b>	<b>4,398</b>	<b>4,118</b>	<b>4,178</b>

Source: District Business Office

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
2014	\$ 454,035,207	\$ 75,412,143	\$ 378,623,064	35,779	\$ 10,582
2013	449,100,191	85,496,629	363,603,562	35,995	10,102
2012	429,938,191	82,315,321	347,622,870	35,983	9,661
2011	453,476,875	101,996,241	351,480,634	36,668	9,247
2010	426,098,295	66,647,497	359,450,798	36,456	9,860
2009	436,222,997	48,149,501	388,073,496	36,289	10,694
2008	411,555,432	48,103,164	363,452,268	36,205	10,039
2007	388,225,546	44,684,034	343,541,512	35,898	9,570
2006	364,221,923	44,715,700	319,506,223	35,238	9,067
2005	337,783,251	37,008,190	300,775,061	33,824	8,892

Source: Annual Financial Report to State Board of Education

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

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

**School District U-46**

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

Function	2014	2013	2012	2011
Instruction				
Student enrollment:				
Elementary	22,285	22,375	22,348	22,853
Middle school	6,034	6,012	6,006	5,972
High school	12,068	11,960	12,048	12,327
Total student enrollment	<u>40,387</u>	<u>40,347</u>	<u>40,402</u>	<u>41,152</u>
Support services - pupil				
% of students with disabilities	12.5%	12.9%	13.2%	13.0%
Support services - pupil				
Information technology services work orders completed	38,866	46,646	43,176	33,519
School administration				
Student attendance rate	94.00%	94.20%	94.20%	94.00%
Business				
Fiscal				
Purchase orders processed	7,912	9,440	10,051	9,579
Nonpayroll checks issued	7,491	7,977	8,352	7,967
Maintenance				
Maintenance work orders completed	17,575	27,201	23,276	25,709
District square footage maintained by custodians and maintenance staff	5,492,057	5,492,057	5,492,057	5,492,057
District acreage maintained by grounds staff	805	805	805	805
Transportation				
Average number of students				
Transported daily				
Regular, public schools	25,160	24,891	24,447	24,375
Non-public	16	14	18	25
Special education	1,720	1,743	2,132	2,133
Total number of students transported	<u>26,896</u>	<u>26,648</u>	<u>26,597</u>	<u>26,533</u>
Student transportation miles traveled				
Regular education	2,516,457	2,623,820	2,406,833	2,066,821
Special education	1,519,958	1,663,595	2,427,205	2,290,604
Non-reimbursable	269,997	357,238	316,234	226,244
Total student transportation miles traveled	<u>4,306,412</u>	<u>4,644,653</u>	<u>5,150,272</u>	<u>4,583,669</u>

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

N/A: Not Available

2010	2009	2008	2007	2006	2005
22,863	22,734	22,765	22,795	22,662	22,156
6,107	6,102	6,264	6,170	6,039	6,002
11,998	11,976	11,680	11,415	10,955	10,509
40,968	40,812	40,709	40,380	39,656	38,667
14.3%	13.2%	13.7%	13.2%	N/A	N/A
45,661	40,270	42,080	48,540	N/A	N/A
94.10%	94.3%	94.3%	94.3%	N/A	N/A
9,013	11,507	13,906	13,398	N/A	N/A
7,779	9,627	9,734	10,923	N/A	N/A
26,669	30,690	28,840	24,800	N/A	N/A
5,492,057	5,492,057	5,492,057	5,492,057	5,492,057	5,492,057
805	805	805	805	N/A	N/A
24,028	23,477	23,628	21,820	22,520	22,203
10	6	-	-	1	3
2,125	2,333	2,077	2,321	2,414	2,145
26,163	25,816	25,705	24,141	24,935	24,351
2,598,143	3,214,182	2,110,472	2,692,281	2,103,142	1,915,477
2,379,919	2,721,107	2,566,295	2,117,736	1,912,868	1,829,338
349,651	490,778	508,435	452,050	479,193	389,606
5,327,713	6,426,067	5,185,202	5,262,067	4,495,203	4,134,421



School District U-46

District Enrollment by School  
Last Ten Fiscal Years

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

Source: District records

Notes:

\* Enrollment based on Fall Housing Report

\*\* Elementary totals include Pre-K students

N/A: Not Applicable

2006-2007*	2005-2006*	2004-2005*
642	660	672
566	632	639
448	474	501
534	514	546
434	434	413
593	583	551
586	671	718
769	785	702
466	475	505
495	496	454
426	455	526
450	468	418
527	548	583
538	556	536
555	554	553
608	555	522
709	722	610
622	626	605
660	661	701
273	N/A	N/A
315	290	N/A
392	417	434
656	635	609
625	589	554
831	807	798
409	433	418
454	480	456
742	679	588
624	626	622
524	566	597
588	584	589
461	462	429
577	541	557
627	562	606
528	550	585
538	546	595
449	436	417
587	620	622
454	423	383
458	501	501
626	590	603
429	456	438
N/A	N/A	N/A
N/A	N/A	N/A
555	548	561
965	929	825
1,119	1,068	1,114
489	497	513
880	859	812
793	759	792
565	579	536
804	800	849
2,850	2,893	3,070
106	118	101
2,147	2,228	2,344
165	131	137
2,289	2,422	2,546
1,555	956	N/A
2,303	2,207	2,311
<u>40,380</u>	<u>39,656</u>	<u>38,667</u>

**School District U-46**

**District Facility Information  
June 30, 2014**

Building	Year Built	Year of Most Recent Addition	Square Footage
<i>Schools:</i>			
Garfield	1887	1998	45,448
Lowrie	1887	2000	41,252
McKinley	1887	2000	48,325
Washington	1893	2004	53,139
Gifford Street High School/Central Building	1911	1939	223,214
Bartlett	1928	2002	60,591
Ontarioville	1928	2001	47,821
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	1998	53,307
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	1999	49,276
Kimball	1959	2002	124,531
Laurel Hill	1962	1998	35,463
Streamwood Elementary	1962	1998	33,811
Larkin High	1962	2003	348,387
OakHill	1965	2003	61,958
Tefft	1965	1965	136,946
Hillcrest	1967	1999	46,553
Sunnydale	1967	2003	46,670
Channing	1968	2003	53,833
Ridge Circle	1969	2002	65,048
Century Oaks	1970	2000	50,827
Eastview	1970	2001	167,341
Glenbrook	1971	1998	46,815
Parkwood	1971	1999	42,903

(Continued)

**School District U-46**

**District Facility Information (Continued)  
June 30, 2014**

Building	Year Built	Year of Most Recent Addition	Square Footage
<i>Schools (Continued):</i>			
Elgin High School	1972	2003	365,242
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	289,811
Centennial	1991	2001	74,000
Prairieview	1992	2001	74,101
Sycamore Trails	1992	2001	71,390
Fox Meadow	1996	2001	69,390
Spring Trail	1996	-	59,778
Bartlett High School	1997	2001	397,787
Creekside	1998	-	58,732
Illinois Park	1999	-	50,385
Nature Ridge	1999	2003	57,678
Hawk Hollow	2002	-	53,125
Liberty	2002	-	61,630
Otter Creek	2002	-	62,612
Hilltop	2003	-	63,212
Lincoln	2003	-	53,178
Timber Trails	2003	-	56,454
Kenyon Woods	2003	-	153,563
South Elgin High School	2004	-	384,365
<i>Other Buildings:</i>			
4 South Gifford	N/A	-	5,676
Observatory	1910	-	4,083
Transportation	N/A	-	31,130
Plant operation	2001	-	31,500
Warehouse	2002	-	28,000
Total			5,492,057

Source: District records

N/A: Not Available

## School District U-46

### Miscellaneous Statistics

June 30, 2014

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The District boundaries extend into three counties: Cook, DuPage and Kane

Date of incorporation	1875
Median family income	
Kane County*	76,300 *
City of Elgin*	62,086
Per capita personal income	
Kane County*	28,845 *
City of Elgin*	22,635
Population	
Kane County	510,736 *
City of Elgin	107,027
Area served	90 Square miles
Number of schools	57
Student population	40,387
Certified staff	2,362
Pupil/certified staff ratio	17/1
Faculty holding master's degree or higher	1,805

#### Communities served:

School District U-46 serves Bartlett, and portions of Carol Stream, Elgin, Hanover Park, Hoffman Estates, Schaumburg, South Elgin, St. Charles, Streamwood, Wayne and West Chicago.

\* Source: U.S. Census Bureau, 2008-2010 American Community Survey.

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