

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

**ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2011**

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 | 2013 |
| Amy Kerber | Vice President | 2015 |
| Traci O'Neal Ellis | Secretary Pro-Tempore | 2015 |
| Maria Bidelman | Member | 2015 |
| Jennifer Shroder | Member | 2015 |
| Joyce Fountain | Member | 2013 |
| Dale Spencer | Member | 2013 |
| Jacqueline Martinez | Student Advisor | 2012 |

SUPERINTENDENT AND EXECUTIVE STAFF

| | |
|----------------------|--|
| Dr. Jose M. Torres | Superintendent of Schools |
| Patrick Broncato | Chief Legal Officer |
| Karen Fox | Chief of Family and Community Engagement and Special Projects |
| Dr. Carmen Rodriguez | Assistant Superintendent, Elementary Education |
| Tony Sanders | Chief Communications and Public Accountability |
| Greg Walker | Assistant Superintendent, Secondary Education |
| Jeffrey King | Chief Operating Officer |

OFFICIALS ISSUING REPORT

| | |
|---------------|----------------------------------|
| Dale Burnidge | Director of Financial Operations |
|---------------|----------------------------------|

DIVISION ISSUING REPORT

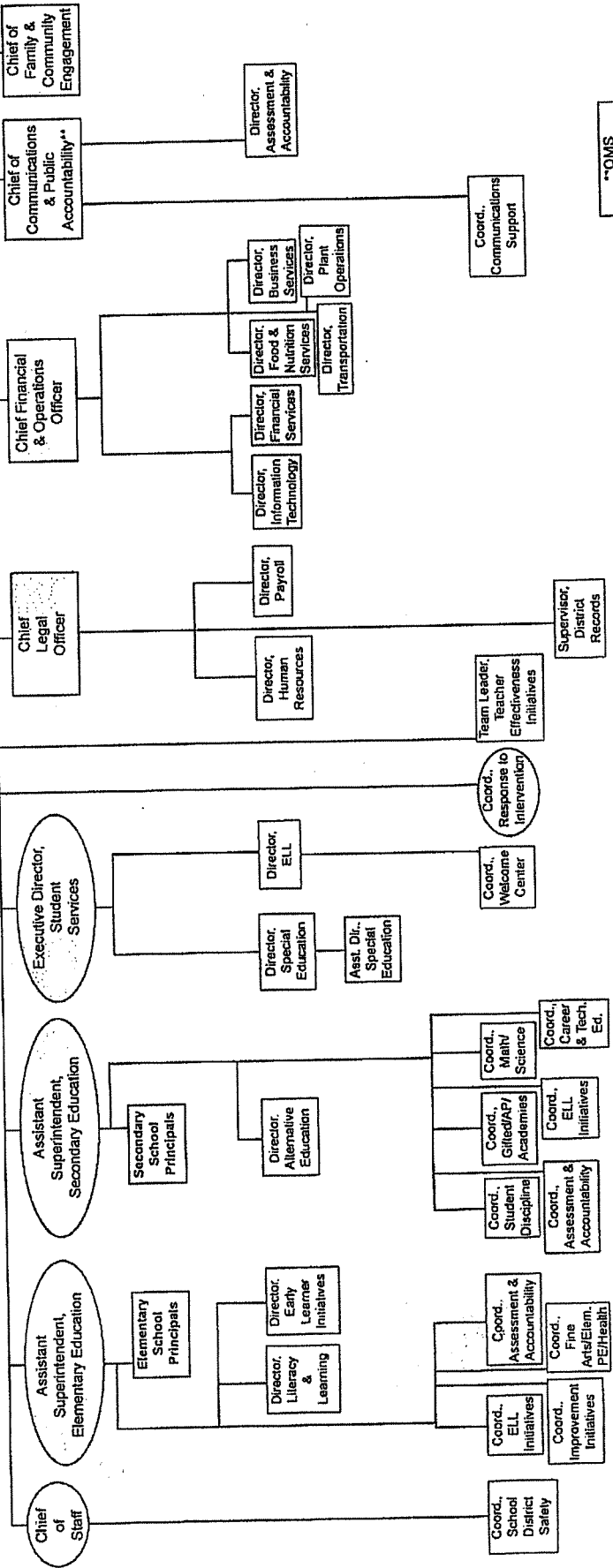
| | |
|-------------------|--------------------------|
| | Finance Department |
| Juanita Cruz | Senior Accountant |
| Kathy Fitzpatrick | Grants Manager |
| Ray Shifrin | Pension Specialist |
| Jerry Ward | Accounts Payable Manager |
| Judy Freeman | General Accountant |

**School District U-46
Organization Chart
August 2009**

District U-46
Communities

Board of Education

Superintendent of Schools



*K-12 instruction

Independent Auditor's Report



Independent Auditor's Report

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

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, 2011, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

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, 2011, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 1 to the financial statements, as of July 1, 2010, the District adopted the reporting and disclosure requirements of Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

The accompanying required supplementary information which includes management's discussion and analysis (pages 3-12), schedules of funding progress (pages 49-50) and budgetary schedules and related note (pages 51-53) are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of the District. The combining and individual nonmajor fund financial statements and other schedules listed in the table of contents as supplementary information are presented for purposes of additional analysis, and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The accompanying introductory and statistical sections, as listed in the table of contents, have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

McGladrey & Pullen, LLP

Chicago, Illinois
December 14, 2011

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

SCHOOL DISTRICT U-46

Management's Discussion and Analysis
For the Year Ended June 30, 2011

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, 2011. 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 of the District exceeded its liabilities at the close of the fiscal year by \$81,480,182 (net assets). Of this amount, a deficit of (\$103,290,222) represents unrestricted net assets.
- In total, net assets increased by \$53,875,826, which represents a 195.3% 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 \$346,018,792 or 69.2% of all revenues. Program specific revenues, in the form of charges for services and grants, were \$154,240,686 or 30.8% of total revenues of \$500,259,478.
- Overall, the combined revenues of the District's governmental funds were \$34,641,346 greater than expenditures. After adding other financing sources, fund balances increased by \$51,862,604. This operating surplus increased the District's governmental funds' combined fund balance by 80.1% to \$116,625,679 from \$64,763,075 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, 2011

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

The statement of activities presents information showing how the District's net assets changed during the fiscal year being reported. All changes in net assets 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, 2011

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 General Fund (the General Fund consists of four accounts: Educational Account, Tort Immunity Account, Operations and Maintenance Account and Working Cash Fund), 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 assets increased by \$53.9 million or 195.3% compared to the prior year. At year-end, total net assets were \$81.5 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 weakened economy in the state of Illinois led to a delay in the District receiving revenue from the state.
- The passage of SB2499 restored the amount of General State Aid for the District which had been reduced by \$15.7 million.
- The District continued to use bond proceeds to construct, improve and expand its facilities, spending \$8,006,565 on capital asset additions.

SCHOOL DISTRICT U-46

Management's Discussion and Analysis (Continued)
 For the Year Ended June 30, 2011

- The District's expenditures to maintain and operate the facilities within Board policy and guidelines continue to exceed its primary revenues, forcing the District to fund the increase with new debt and available net assets. In an effort to continually monitor and contain total operating costs of the District, the District performed efficiency audits that highlighted various areas of cost containment reduction.

Table 1
Condensed Statement of Net Assets
 (in millions of dollars)

| | Governmental Activities | | Percentage Change |
|---|-------------------------|----------|----------------------|
| | 2011 | 2010 | |
| Assets | | | |
| Current and other assets | \$ 327.9 | \$ 254.6 | 28.8% |
| Capital assets | 377.4 | 384.2 | (1.8)% |
| Total assets | 705.3 | 638.8 | 10.4% |
| Liabilities | | | |
| Long-term liabilities | 448.2 | 443.9 | 1.0% |
| Other liabilities | 175.6 | 167.3 | 5.0% |
| Total liabilities | 623.8 | 611.2 | 2.1% |
| Net Assets | | | |
| Invested in capital assets, net of related debt | 101.7 | 92.3 | 10.2% |
| Restricted | 83.1 | 2.9 | 2765.5% |
| Unrestricted | (103.3) | (67.6) | 52.8% |
| Total net assets | \$ 81.5 | \$ 27.6 | 195.3% |

SCHOOL DISTRICT U-46

Management's Discussion and Analysis (Continued)
 For the Year Ended June 30, 2011

Table 2, Changes in Net Assets, illustrates in summary form revenues and expenses from FY 2011 and the increase in net assets of \$53.9 million. Comparative data from FY 2010 is also illustrated.

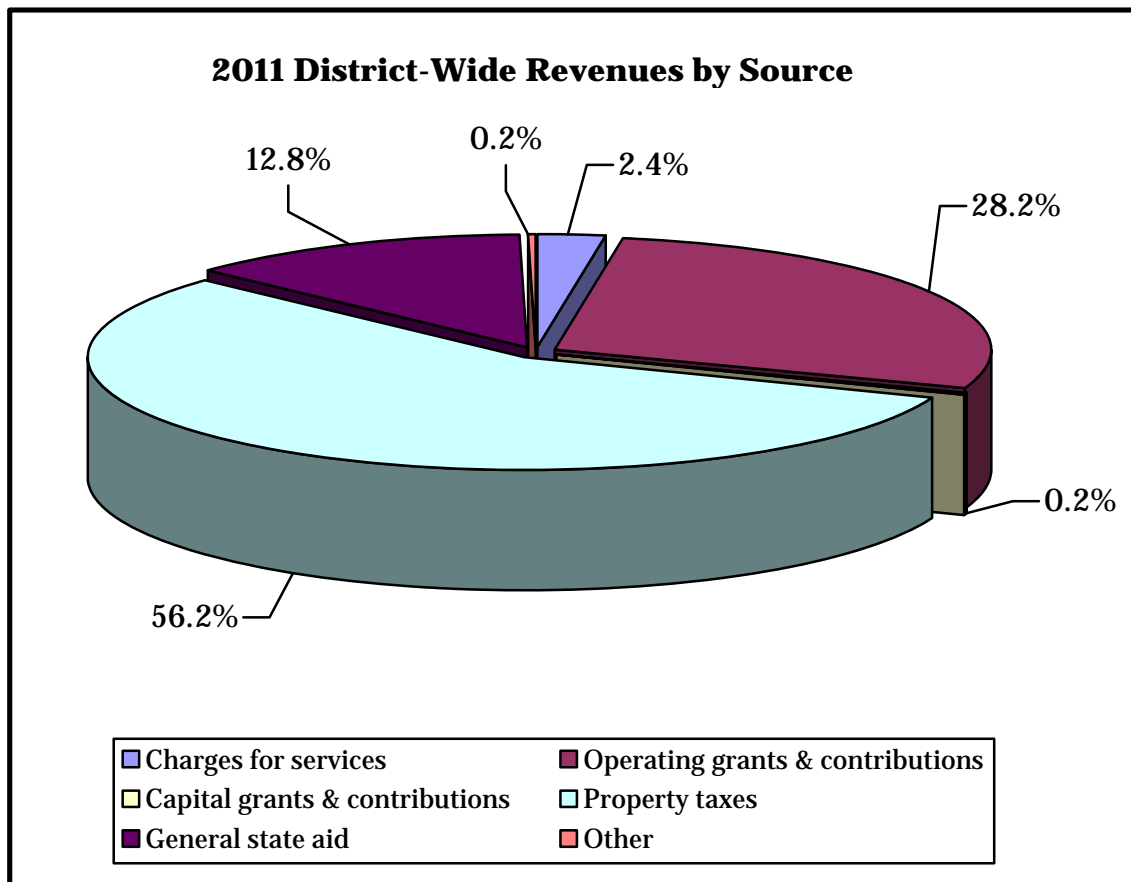
Table 2
Changes in Net Assets
 (in millions of dollars)

| | <u>Governmental Activities</u> | | Percentage Change |
|------------------------------------|--------------------------------|------------------|------------------------------|
| | 2011 | 2010 | |
| Revenues | | | |
| Program revenues | | | |
| Charges for services | \$ 12.0 | \$ 10.6 | 13.2% |
| Operating grants and contributions | 141.3 | 127.7 | 10.6% |
| Capital grants and contributions | 1.0 | 0.8 | 25.0% |
| General revenues | | | |
| Property and replacement taxes | 281.1 | 264.4 | 6.3% |
| General state aid | 64.2 | 51.7 | 24.2% |
| Other | 0.7 | 0.5 | 40.0% |
| Total revenues | 500.3 | 455.7 | 9.8% |
| Expenses | | | |
| Instruction | 237.5 | 259.2 | (8.4)% |
| Support services | 182.0 | 190.3 | (4.4)% |
| Community services | 5.2 | 4.6 | 13.0% |
| Debt service - interest and fees | 21.7 | 22.4 | (3.1)% |
| Total expenses | 446.4 | 476.5 | (6.3)% |
| Increase in net assets | \$ 53.9 | \$ (20.8) | N/A |

SCHOOL DISTRICT U-46

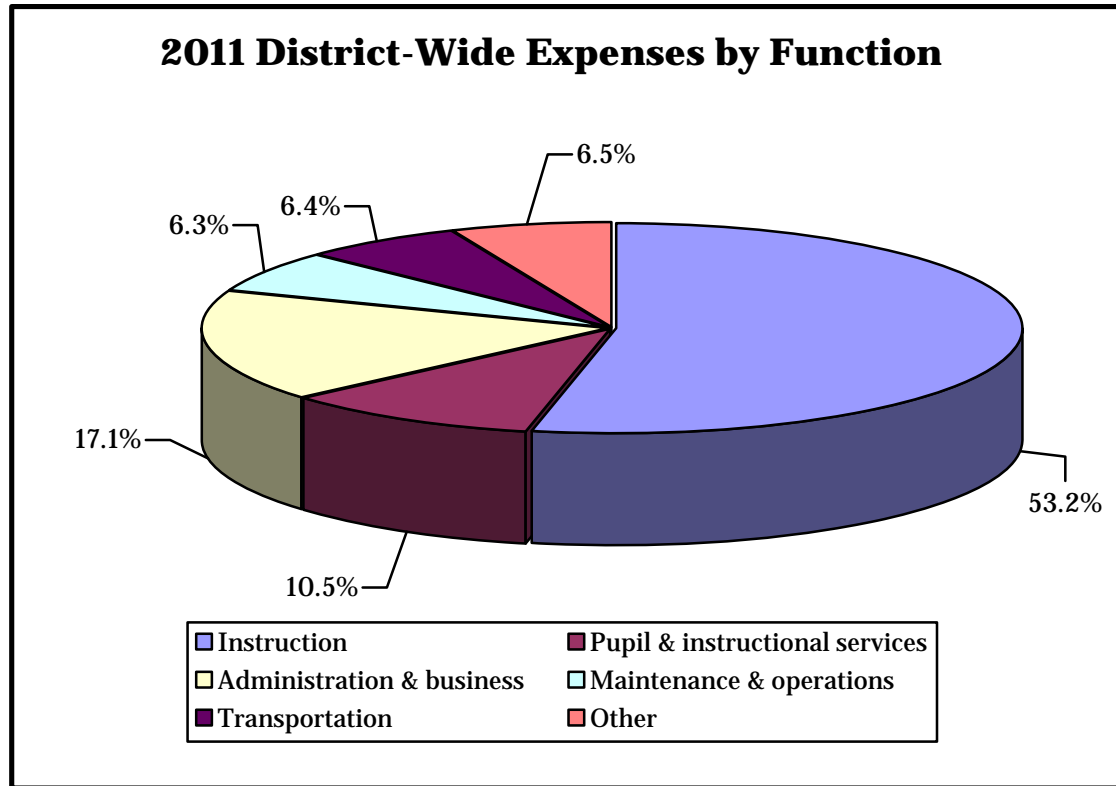
Management's Discussion and Analysis (Continued)
For the Year Ended June 30, 2011

The District's total revenues were \$500.3 million. General revenues, including taxes and general state aid were 69.2% of the total or \$346.0 million. Property taxes (other than for debt service) increased \$11,854,250 over the prior year or 5.2%. This was due to an increase in the consumer price index and new construction within the District. Grants and contributions for specific programs and general state aid brought in \$154.2 million, a 10.9% increase from the prior year, which is due to an increase in the American Recovery and Reinvestment Act grant funding. The total cost of all programs and services in 2011 was \$446.4 million. The District's expenses are predominantly related to instruction and support services (caring for and transportation of students, etc.) These expenses accounted for 94.0% of the total (see Table 2). The District's other activities were 6% of total costs. Total revenues on the statement of activities surpassed expenses, increasing net assets by \$53.9 million from the prior year.



SCHOOL DISTRICT U-46

Management's Discussion and Analysis (Continued)
For the Year Ended June 30, 2011



Financial Analysis of the District's Funds

As the District completed the year, its governmental funds reported combined fund balances of \$116,625,679. Revenues for the District's governmental funds were \$488,118,221, while total expenditures were \$453,476,875.

The General Fund experienced a current year operating surplus after other financing uses of \$60,042,740. The General Fund includes the Working Cash fund. This surplus helped to increase the year-end fund balance to \$101,661,414.

The fund balance of the Transportation Fund decreased by \$3,697,919 as property taxes and state grants have not been sufficient to cover the costs associated with pupil transportation.

The Debt Service Fund's fund balance increased by \$1,260,074.

SCHOOL DISTRICT U-46

Management's Discussion and Analysis (Continued)
For the Year Ended June 30, 2011

General Fund Budgetary Highlights

While the District's budget for the General Fund anticipated that revenues would exceed expenditures by \$27,266,410 before other financing sources (uses), the actual result for the year was an excess of expenditures over revenues of \$47,514,052. State and federal sources were over budget by a combined \$6,569,720 as expected grant revenues exceeded budget. Property taxes were \$3,251,576 above budget and charges for services were \$1,299,911 below budget. Interest earnings and rentals and other sources were also less than anticipated. Expenditures came in under budget by \$10,261,270 or 2.7%.

Capital Asset and Debt Administration

Capital assets

Table 3 illustrates capital assets, net of depreciation:

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

| | <u>2011</u> | <u>2010</u> | <u>Percentage Change</u> |
|--------------------------|-----------------|-----------------|------------------------------|
| Land | \$ 27.7 | \$ 27.7 | 0.0% |
| Construction in progress | 0.7 | - | N/A |
| Buildings | 345.3 | 350.6 | (1.5)% |
| Transportation equipment | 3.0 | 5.0 | (40.0)% |
| Other equipment | 0.7 | 0.9 | (22.2)% |
| Total | <u>\$ 377.4</u> | <u>\$ 384.2</u> | <u>(1.8)%</u> |

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

Long-term debt

Table 4 on the following page illustrates the District's outstanding long-term debt. The District in FY 2011 issued \$27.955 million in bonds. This additional debt was offset by the repayment of existing debt of \$29.5 million for a net decrease of \$1.5 million. The District's other debt increased by nearly \$5.8 million related to 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, 2011, the statutory debt limit for the District was \$781,553,032 providing a debt margin of \$468,188,820.

SCHOOL DISTRICT U-46

Management's Discussion and Analysis (Continued)
 For the Year Ended June 30, 2011

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 2011 were 1.72 percent and \$1,262, respectively. This represents an increase compared to fiscal year 2010 in which the ratio of general bonded debt to assessed valuation was 1.68 percent and the bonded debt per capita was \$1,274.

Table 4
Outstanding Long-Term Obligations
 (in millions)

| | 2011 | 2010 | Percentage Change |
|--|-----------------|-----------------|----------------------|
| General obligation bonds/Debt Certificates | \$ 326.1 | \$ 335.0 | (2.7)% |
| Other | 122.1 | 108.9 | 12.1% |
| Total | \$ 448.2 | \$ 443.9 | 1.0% |

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 General Assembly has imposed property tax legislation on school districts to give property taxpayers some relief by delaying tax increases each year. The legislation limits the tax levy increase to the lesser of the consumer price index (CPI) or five percent, and in Cook County, mandates the use of prior year equalized assessed valuation (EAV) amounts to generate property tax receipts. This "tax cap" continues to limit the District's tax collection ability.
- 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 assets reflects its investment in capital assets (e.g., land, buildings, and equipment), less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets are reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.
- The current economy in the state continues to affect the District's state funding levels and timing of state receipts.

SCHOOL DISTRICT U-46

Management's Discussion and Analysis (Continued)
For the Year Ended June 30, 2011

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 Assets
June 30, 2011**

| | Governmental Activities |
|---|------------------------------|
| Assets | |
| Cash and investments | \$ 134,186,429 |
| Property taxes receivable, net of allowance | 136,377,934 |
| Replacement taxes receivable | 486,025 |
| Grants receivable | 53,123,962 |
| Accounts receivable | 711,344 |
| Inventory | 204,068 |
| Prepays | 1,557,617 |
| Deferred charges | 1,237,975 |
| Capital assets not being depreciated | 28,376,553 |
| Capital assets being depreciated, net of accumulated depreciation | <u>349,080,654</u> |
| Total assets | <u>\$ 705,342,561</u> |
| Liabilities and Net Assets | |
| Liabilities | |
| Accounts payable | \$ 5,306,322 |
| Accrued payroll | 25,417,684 |
| Payroll deductions | 4,577,996 |
| Accrued interest | 3,815,334 |
| Unearned property tax revenue | 136,523,388 |
| Long-term liabilities, due within one year | 41,473,423 |
| Long-term liabilities, due in more than one year | <u>406,748,232</u> |
| Total liabilities | <u>623,862,379</u> |
| Commitments (Note 12) | |
| Net Assets | |
| Invested in capital assets, net of related debt | 101,691,947 |
| Restricted for: | |
| Working Cash | 59,793,649 |
| Grant Programs | 2,178,169 |
| Retirement benefits | 1,854,181 |
| Debt Service | 19,252,458 |
| Unrestricted | <u>(103,290,222)</u> |
| Total net assets | <u>81,480,182</u> |
| Total liabilities and net assets | <u>\$ 705,342,561</u> |

See Notes to Basic Financial Statements.

School District U-46

Statement of Activities
Year Ended June 30, 2011

| Functions/Programs | Expenses | Program Revenue | | | Net (Expense) Revenue and Changes in Net Assets |
|--|-----------------------|-------------------------|--|--|--|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | |
| Governmental activities: | | | | | |
| Instruction: | | | | | |
| Regular programs | \$ 144,380,708 | \$ 4,189,130 | \$ 56,594,386 | \$ - | \$ (83,597,192) |
| Special programs | 46,118,818 | 34,484 | 47,851,107 | - | 1,766,773 |
| Other instructional programs | 46,960,015 | 1,111,162 | 4,627,134 | - | (41,221,719) |
| Total instruction | 237,459,541 | 5,334,776 | 109,072,627 | - | (123,052,138) |
| Support services: | | | | | |
| Pupils | 31,664,589 | - | 3,046,096 | - | (28,618,493) |
| Instructional staff | 15,267,864 | - | 1,508,627 | - | (13,759,237) |
| General administration | 19,982,097 | - | 1,987,773 | - | (17,994,324) |
| School administration | 25,801,537 | - | 2,537,138 | - | (23,264,399) |
| Business | 30,761,571 | 986,932 | 3,091,843 | - | (26,682,796) |
| Facilities acquisition and construction | 788,055 | - | - | 964,778 | 176,723 |
| Transportation | 28,651,615 | 968,503 | 7,011,790 | - | (20,671,322) |
| Food service | 17,147,240 | 4,693,018 | 11,546,283 | - | (907,939) |
| Central | 9,985,364 | - | 983,988 | - | (9,001,376) |
| Other support services | 1,999,655 | - | - | - | (1,999,655) |
| Total support services | 182,049,587 | 6,648,453 | 31,713,538 | 964,778 | (142,722,818) |
| Community services | 5,232,372 | - | 506,514 | - | (4,725,858) |
| Debt service - interest and fees | 21,642,152 | - | - | - | (21,642,152) |
| Total governmental activities | \$ 446,383,652 | \$ 11,983,229 | \$ 141,292,679 | \$ 964,778 | (292,142,966) |
| General revenues: | | | | | |
| Taxes: | | | | | |
| Property taxes, general purposes | | | | | 238,078,583 |
| Property taxes, debt service | | | | | 38,974,113 |
| Replacement taxes and other payment in lieu of taxes | | | | | 4,040,837 |
| Unrestricted state grants | | | | | 64,161,401 |
| Interest and investment earnings | | | | | 133,167 |
| Other general revenues | | | | | 630,691 |
| Total general revenues | | | | | 346,018,792 |
| Change in net assets | | | | | 53,875,826 |
| Net assets: | | | | | |
| Beginning of year | | | | | 27,604,356 |
| End of year | | | | | \$ 81,480,182 |

See Notes to Basic Financial Statements.

School District U-46

**Balance Sheet
Governmental Funds
Year Ended June 30, 2011**

| | Major Funds | | | | Total Governmental Funds |
|---|-----------------------|------------------------|-------------------------|-----------------------------------|--------------------------------|
| | General Fund | Transportation Fund | Debt Service Fund | Nonmajor Governmental Funds | |
| Assets | | | | | |
| Cash and investments | \$ 98,567,034 | \$ 400 | \$ 19,273,073 | \$ 16,345,922 | \$ 134,186,429 |
| Property taxes receivable | 109,410,416 | 3,185,896 | 19,328,886 | 4,452,736 | 136,377,934 |
| Grants receivable | 33,326,419 | 19,797,543 | - | - | 53,123,962 |
| Replacement taxes receivable | 486,025 | - | - | - | 486,025 |
| Accounts receivable | 597,032 | 101,158 | - | 13,154 | 711,344 |
| Due from other funds | 21,641,611 | - | - | - | 21,641,611 |
| Inventory | 204,068 | - | - | - | 204,068 |
| Prepays | 1,557,617 | - | - | - | 1,557,617 |
| Total assets | \$ 265,790,222 | \$ 23,084,997 | \$ 38,601,959 | \$ 20,811,812 | \$ 348,288,990 |
| Liabilities and Fund Balances (Deficits) | | | | | |
| Liabilities | | | | | |
| Accounts payable | \$ 3,597,685 | \$ 195,076 | \$ - | \$ 1,513,561 | \$ 5,306,322 |
| Accrued payroll | 25,248,060 | 169,624 | - | - | 25,417,684 |
| Payroll deductions | 4,209,440 | - | - | 368,556 | 4,577,996 |
| Insurance claims payable | 3,151,449 | - | - | - | 3,151,449 |
| Deferred property tax revenue | 109,527,107 | 3,189,294 | 19,349,501 | 4,457,486 | 136,523,388 |
| Deferred grant revenue | 18,395,067 | 16,649,794 | - | - | 35,044,861 |
| Due to other funds | - | 21,641,611 | - | - | 21,641,611 |
| Total liabilities | 164,128,808 | 41,845,399 | 19,349,501 | 6,339,603 | 231,663,311 |
| Fund balances | | | | | |
| Nonspendable | 1,761,685 | - | - | - | 1,761,685 |
| Restricted | 91,707,158 | - | 19,252,458 | 14,472,209 | 125,431,825 |
| Unassigned | 8,192,571 | (18,760,402) | - | - | (10,567,831) |
| Total fund balances (deficits) | 101,661,414 | (18,760,402) | 19,252,458 | 14,472,209 | 116,625,679 |
| Total liabilities and fund balances | \$ 265,790,222 | \$ 23,084,997 | \$ 38,601,959 | \$ 20,811,812 | \$ 348,288,990 |

See Notes to Basic Financial Statements.

School District U-46

**Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Assets
June 30, 2011**

Total fund balances - governmental funds \$ 116,625,679

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

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

| | | |
|--------------------------|----------------------|-------------|
| Capital assets | \$ 590,834,023 | |
| Accumulated depreciation | <u>(213,376,816)</u> | |
| Net capital assets | | 377,457,207 |

Interest on long-term debt is not accrued in governmental funds, but rather is recognized when due. (3,815,334)

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. 35,044,861

Costs related to the issuance of long-term debt are recorded as expenditures when incurred in governmental funds, but are capitalized and amortized over the life of the debt issue in the statement of net assets. 1,237,975

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

| | | |
|--|------------------|----------------------|
| General obligation bonds | (322,144,437) | |
| Accreted interest on long-term debt | (98,852,301) | |
| General obligation debt certificates | (5,150,170) | |
| Installment notes | (40,880) | |
| Purchase contracts | (5,281,183) | |
| Compensated absences | (530,145) | |
| Other post employment benefits | (3,028,600) | |
| IMRF pension obligation | (448,808) | |
| Claims incurred but not reported | (10,706,179) | |
| Unamortized premiums related to debt issuance | (4,110,743) | |
| Unamortized discounts related to debt issuance | 430,708 | |
| Deferred loss on refunding | <u>4,792,532</u> | |
| | | <u>(445,070,206)</u> |

Net assets of governmental activities \$ 81,480,182

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, 2011

| | Major Funds | | |
|---|--------------------|---------------------|-------------------|
| | General Fund | Transportation Fund | Debt Service Fund |
| Revenues: | | | |
| Property taxes | \$ 222,524,813 | \$ 6,477,681 | \$ 38,974,113 |
| Replacement taxes and other payments in lieu of taxes | 3,684,614 | - | - |
| Charges for services | 9,912,089 | 968,503 | - |
| Earnings on investments | 109,452 | 415 | 2,490 |
| Impact fees, rentals and other local sources | 1,962,356 | - | - |
| State grants-in-aid | 96,292,817 | 13,467,964 | - |
| Federal grants-in-aid | 42,256,544 | - | - |
| State on-behalf of payments | 41,387,470 | - | - |
| Total revenues | 418,130,155 | 20,914,563 | 38,976,603 |
| Expenditures: | | | |
| Current: | | | |
| Instruction: | | | |
| Regular programs | 118,221,426 | - | - |
| Special programs | 36,600,932 | - | - |
| Other instructional programs | 38,496,613 | - | - |
| Support services: | | | |
| Pupils | 24,723,164 | - | - |
| Instructional staff | 12,464,371 | - | - |
| General administration | 16,482,105 | - | - |
| School administration | 20,384,256 | - | - |
| Business | 23,941,022 | - | - |
| Facilities acquisition and construction | 80,090 | - | - |
| Transportation | 772,863 | 22,000,113 | - |
| Food service | 14,126,603 | - | - |
| Central | 7,650,461 | - | - |
| Other support services | 1,958,527 | - | - |
| Community services | 3,930,054 | - | - |
| Payments to other governments | 7,131,341 | - | - |
| Intergovernmental state on-behalf of payments | 41,387,470 | - | - |
| Debt service: | | | |
| Principal | - | 2,375,220 | 28,196,926 |
| Interest and fees | - | 237,149 | 11,995,671 |
| Debt issuance costs | - | - | 186,502 |
| Capital outlay | 2,264,805 | - | - |
| Total expenditures | 370,616,103 | 24,612,482 | 40,379,099 |
| Excess (deficiency) of revenues over (under) expenditures | 47,514,052 | (3,697,919) | (1,402,496) |
| Other financing sources (uses): | | | |
| Transfer in | - | - | 2,476,070 |
| Transfer out | (2,476,070) | - | - |
| Proceeds from debt issuance | 15,004,758 | - | 10,920,242 |
| Discount on debt issuance | - | - | (440,725) |
| Transfer to escrow agent | - | - | (10,293,017) |
| Total other financing sources (uses) | 12,528,688 | - | 2,662,570 |
| Net change in fund balances (deficits) | 60,042,740 | (3,697,919) | 1,260,074 |
| Fund balances (deficits): | | | |
| Beginning of year, as restated | 41,618,674 | (15,062,483) | 17,992,384 |
| End of year | \$ 101,661,414 | \$ (18,760,402) | \$ 19,252,458 |

See Notes to Basic Financial Statements.

| | Nonmajor Governmental Funds | | Total Governmental Funds |
|----|-----------------------------------|----|--------------------------------|
| \$ | 9,076,089 | \$ | 277,052,696 |
| | 275,223 | | 3,959,837 |
| | - | | 10,880,592 |
| | 20,810 | | 133,167 |
| | 724,778 | | 2,687,134 |
| | - | | 109,760,781 |
| | - | | 42,256,544 |
| | - | | 41,387,470 |
| | <u>10,096,900</u> | | <u>488,118,221</u> |

| | | | |
|--|-------------------|--|--------------------|
| | 1,197,293 | | 119,418,719 |
| | 1,524,052 | | 38,124,984 |
| | 542,097 | | 39,038,710 |
| | 1,008,725 | | 25,731,889 |
| | 279,755 | | 12,744,126 |
| | 309,599 | | 16,791,704 |
| | 1,048,210 | | 21,432,466 |
| | 1,974,128 | | 25,915,150 |
| | 523,916 | | 604,006 |
| | 930,815 | | 23,703,791 |
| | 1,406 | | 14,128,009 |
| | 661,774 | | 8,312,235 |
| | 35,285 | | 1,993,812 |
| | 348,723 | | 4,278,777 |
| | - | | 7,131,341 |
| | - | | 41,387,470 |
| | - | | 30,572,146 |
| | - | | 12,232,820 |
| | 25,000 | | 211,502 |
| | 7,458,413 | | 9,723,218 |
| | <u>17,869,191</u> | | <u>453,476,875</u> |

| | | | |
|--|--------------------|--|-------------------|
| | <u>(7,772,291)</u> | | <u>34,641,346</u> |
|--|--------------------|--|-------------------|

| | | | |
|--|------------------|--|-------------------|
| | - | | 2,476,070 |
| | - | | (2,476,070) |
| | 2,030,000 | | 27,955,000 |
| | - | | (440,725) |
| | - | | (10,293,017) |
| | <u>2,030,000</u> | | <u>17,221,258</u> |

| | | | |
|--|-------------|--|------------|
| | (5,742,291) | | 51,862,604 |
|--|-------------|--|------------|

| | | | |
|--|-------------------|--|-------------------|
| | <u>20,214,500</u> | | <u>64,763,075</u> |
|--|-------------------|--|-------------------|

| | | | |
|----|-------------------|----|--------------------|
| \$ | <u>14,472,209</u> | \$ | <u>116,625,679</u> |
|----|-------------------|----|--------------------|

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, 2011**

| | | |
|--|---------------------|----------------------|
| Net change in fund balances (deficits)—total governmental funds | | \$ 51,862,604 |
| <p>Amounts reported for governmental activities in the statement of activities are different because:</p> | | |
| <p>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.</p> | | |
| Capital expenditures | \$ 8,006,565 | |
| Depreciation | <u>(14,792,756)</u> | |
| Depreciation in excess of capital expenditures | | (6,786,191) |
| <p>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 2010 to 2011 was:</p> | | |
| | | 12,141,257 |
| <p>Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduced long-term liabilities in the statement of net assets. The following amounts were retired:</p> | | |
| General obligation bonds | 29,509,453 | |
| Debt certificates | 6,082,403 | |
| Installment notes | 49,737 | |
| Purchase contracts | 4,065,553 | |
| Accreted interest | 4,090,547 | |
| Total retired debt | | <u>43,797,693</u> |
| <p>Loss on refunded debt is recorded as an expenditure in the fund financial statements, but are deferred and amortized over the life of the bonds in the statement of net assets.</p> | | |
| | | 1,091,177 |
| <p>The issuance of bonds is shown as an other financing source in governmental funds but as an increase in bonds on the statement of net assets.</p> | | |
| | | (27,955,000) |
| <p>The discount on issuance of bonds is shown as an other financing uses in governmental funds but as a decrease in bonds on the statement of net assets.</p> | | |
| | | 440,725 |
| <p>Costs related to the issuance of bonds are shown as expenditures in governmental funds but are amortized over the life of the bonds on the statement of activities.</p> | | |
| | | 211,502 |
| <p>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.</p> | | |
| | | (13,335,795) |
| <p>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.</p> | | |
| Increase in other postemployment benefits | (1,053,412) | |
| Increase in IMRF pension obligation | (448,808) | |
| Increase in compensated absences payable | (93,225) | |
| Decrease in accrued interest on debt | 397,683 | |
| Increase in claims and judgements (IBNR) | (5,899,457) | |
| Amortization of bond premiums | 791,246 | |
| Amortization of bond discounts | (10,017) | |
| Amortization of bond issuance costs | (181,282) | |
| Amortization of bond refunding costs | <u>(1,094,874)</u> | |
| | | <u>(7,592,146)</u> |
| Change in net assets of governmental activities | | <u>\$ 53,875,826</u> |

See Notes to Basic Financial Statements.

School District U-46

Statement of Fiduciary Assets and Liabilities
Agency Fund
Year Ended June 30, 2011

| | <u>Agency Student Activity Fund</u> |
|---|---|
| Assets , cash and investments | <u>\$ 3,994,073</u> |
| Liabilities , due to activity fund organizations | <u>\$ 3,994,073</u> |

See Notes to Basic Financial Statements.

School District U-46

Notes to Basic Financial Statements

Note 1. Summary of Significant Accounting Policies

School District U-46 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.

Based upon the application criteria, no material 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 Vocational System (NKCRVS), a joint venture of School District U-46 and several other local districts. The NKCRVS is considered a separate entity for financial reporting purposes and issues its own basic financial statements which are available at 355 E. Chicago St., Elgin, IL, 60120.

Government-Wide and Fund Financial Statements

Government-Wide Financial Statements: The government-wide Statement of Net Assets 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 Assets presents the District's non-fiduciary assets and liabilities with the difference reported as net assets.

School District U-46

Notes to Basic Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Government-wide and Fund Financial Statements (Continued)

The Statement of Activities demonstrates the degree to which the direct expenses of a given function (i.e., instruction, support services, etc.) are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. 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.

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 has the following major governmental funds- General Fund, Transportation Fund and Debt Service Fund. All remaining governmental special revenue and capital projects funds are aggregated and reported as nonmajor governmental funds.

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 costs of 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:

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

School District U-46

Notes to Basic Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Government-wide and Fund Financial Statements (Continued)

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

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

Measurement Focus and Basis of Accounting and Financial Statement Presentation

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

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

Significant revenue sources which are susceptible to accrual include property taxes, other taxes, grants, and interest. All other revenue sources are considered to be measurable and available only when cash is received. The District has recognized 50% of the 2010 tax extension and 50% of the 2009 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%. Revenue from replacement taxes is recognized when collected by the state, prior to disbursement to the District.

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

School District U-46

Notes to Basic Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Measurement Focus and Basis of Accounting and Financial Statement Presentation (Continued)

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board (GASB), in which case the GASB prevails.

Real Estate Taxes

Property taxes are levied each year on all taxable real property in the District on or before the last Tuesday in December. The 2010 tax levy was passed by the Board of Education on December 6, 2010, 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 2011 in Cook County and in June and September 2011 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 recorded a receivable for the uncollected portion of the 2010 taxes extended. The District has recorded deferred revenue for 50% of the 2010 tax extension which will be recognized as revenue in fiscal year 2012, the period for which those taxes were levied.

Investments

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

Inventories

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

Capital Assets

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

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 |

School District U-46

Notes to Basic Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

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 and Unearned Revenue

The District reports deferred revenue on its balance sheet. Deferred revenues arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period.

The District reports unearned revenues in the government-wide statement of net assets in connection with resources that have been received but not yet earned. In subsequent periods, when both revenue recognition criteria are met or when the District has a legal claim to the resources, the liability for unearned revenue is recognized as revenue.

Long-Term Liabilities

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 assets.

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

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

School District U-46

Notes to Basic Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

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 other bond issuance costs, are deferred and amortized over the life of the bonds using the straight-line method. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

Fund Balances

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 that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in the governmental funds. In addition, GASB 54 modified certain fund type definitions and provided guidance for classification of stabilization amounts on the face of the balance sheet. Pursuant to this guidance, the District was required to report fund balances previously reported in the working cash fund (a special revenue fund) as part of the general fund. As a result, the District restated its beginning fund balance in the general fund by \$74,825,589 in order to properly reflect the stabilization amounts which were previously reported in the working cash fund.

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.

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

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 has 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.

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 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 or abate the fund. At June 30, 2011, the District had fund balances of \$89,925,088 that have been restricted pursuant to the School Code as working cash stabilization funds.

At June 30, 2011, the District had the following fund balances restricted for various purposes as follows:

| Fund | Fund balance | Purpose of restriction |
|---|-----------------------|--|
| General Fund | \$ 1,782,070 | Grant programs |
| General Fund | 89,925,088 | Working cash requirements |
| Debt service Fund | 19,252,458 | Repayment of principal and interest on long-term debt |
| Municipal Retirement/Social Security Fund | 1,854,181 | Retirement benefits |
| Capital Projects Fund | 6,634,574 | School construction projects |
| Fire Prevention and Safety Fund | 5,983,454 | Altering, reconstruction and repair of existing school buildings |
| | <u>\$ 125,431,825</u> | |

Net Assets

Net assets consist of the following categories:

Invested in capital assets, net of related debt 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

Note 1. Summary of Significant Accounting Policies (Continued)

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

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, 2011 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 2010-11 budget was adopted September 27, 2010.

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

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, 2011, the District had deposits with federally insured financial institutions of \$126,327,950 with the book balances totaling \$123,915,944.

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, 2011, 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.

The following schedule reports the fair values and maturities (using the segmented time distribution method) for the District's investments at June 30, 2011. The schedule also includes credit ratings by Standard & Poor's at June 30, 2011:

School District U-46

Notes to Basic Financial Statements

Note 3. Deposits and Investments (Continued)

| Investment Type | Fair Value | Investment Maturities (in Years) | | % of Total Investments | Credit Ratings |
|--|----------------------|----------------------------------|------------|------------------------|----------------|
| | | Less than 1 | 1 - 5 | | |
| Illinois School District Liquid Asset Fund | \$ 3,344,634 | \$ 3,344,634 | \$ - | 23.47% | AAAm |
| Government Money Market Funds | 1,293,865 | 1,293,865 | - | 9.08% | AAAm |
| Federal Home Loan Mortgage Corporation Notes | 179,339 | - | 179,339 | 1.26% | AAAm |
| | 4,817,838 | \$ 4,638,499 | \$ 179,339 | | |
| Illinois Funds | 9,430,740 | | | 66.19% | AAAm |
| | <u>\$ 14,248,578</u> | | | <u>100.00%</u> | |

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

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 \$15,980 held by the District as petty cash) are presented in the basic financial statements as cash and investments as follows:

| | |
|--|-----------------------|
| Cash and investments per statement of net assets | \$ 134,186,429 |
| Cash and investments per statement of fiduciary assets and liabilities | <u>3,994,073</u> |
| Total | <u>\$ 138,180,502</u> |

School District U-46**Notes to Basic Financial Statements****Note 4. Capital Assets**

Capital asset balances and activity for the year ended June 30, 2011, are as follows:

| | Balance July 1, 2010 | Additions | Retirements | Balance June 30, 2011 |
|--|-------------------------|-----------------------|-------------|--------------------------|
| Capital Assets, not being depreciated: | | | | |
| Land | \$ 27,687,264 | \$ - | \$ - | \$ 27,687,264 |
| Construction in progress | - | 689,289 | - | 689,289 |
| Total capital assets, not being depreciated | <u>27,687,264</u> | <u>689,289</u> | <u>-</u> | <u>28,376,553</u> |
| Capital Assets, being depreciated: | | | | |
| Buildings | 524,128,299 | 6,965,668 | - | 531,093,967 |
| Transportation equipment | 20,814,101 | 100,485 | - | 20,914,586 |
| Other equipment | 10,197,794 | 251,123 | - | 10,448,917 |
| Total capital assets being depreciated | <u>555,140,194</u> | <u>7,317,276</u> | <u>-</u> | <u>562,457,470</u> |
| Less accumulated depreciation: | | | | |
| Buildings | 173,529,163 | 12,238,002 | - | 185,767,165 |
| Transportation equipment | 15,731,723 | 2,222,235 | - | 17,953,958 |
| Other equipment | 9,323,174 | 332,519 | - | 9,655,693 |
| Total accumulated depreciation | <u>198,584,060</u> | <u>14,792,756</u> | <u>-</u> | <u>213,376,816</u> |
| Total capital assets being depreciated, net | <u>356,556,134</u> | <u>(7,475,480)</u> | <u>-</u> | <u>349,080,654</u> |
| Governmental activities | | | | |
| Capital assets, net | <u>\$ 384,243,398</u> | <u>\$ (6,786,191)</u> | <u>\$ -</u> | <u>\$ 377,457,207</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 |
|------------------------------|-------------------------|
| Regular programs | \$ 5,052,712 |
| Special education programs | 1,613,102 |
| Other instructional programs | 1,651,762 |
| Pupils | 1,088,739 |
| Instructional staff | 539,215 |
| General administration | 710,472 |
| School administration | 906,827 |
| Business | 1,096,493 |
| Transportation | 1,002,928 |
| Food services | 597,769 |
| Central | 351,698 |
| Community services | 181,039 |
| Total | \$ 14,792,756 |

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, 2011:

| | Balance July 1, 2010 | Additions | Reductions | Balance June 30, 2011 | Due Within One Year |
|---|-------------------------|-----------------------|-------------------------|--------------------------|---------------------------|
| G.O. Bonds/Debt Certificates Payable: | | | | | |
| General obligation bonds | \$ 323,698,890 | \$ 27,955,000 | \$ (29,509,453) | \$ 322,144,437 | \$ 26,755,432 |
| Accreted interest on long-term debt | 89,607,053 | 13,335,795 | (4,090,547) | 98,852,301 | 4,974,569 |
| Debt certificates | 11,232,573 | - | (6,082,403) | 5,150,170 | 545,003 |
| Unamortized Premium | 4,901,989 | - | (791,246) | 4,110,743 | 734,689 |
| Unamortized Discount | - | (440,725) | 10,017 | (430,708) | (40,066) |
| Deferred loss on refunding | (4,796,229) | (1,091,177) | 1,094,874 | (4,792,532) | (1,099,651) |
| Total G.O. Bonds/Debt Certificates Payable | 424,644,276 | 39,758,893 | (39,368,758) | 425,034,411 | 31,869,976 |
| Installment notes | 90,617 | - | (49,737) | 40,880 | 40,880 |
| Purchase contracts | 9,346,736 | - | (4,065,553) | 5,281,183 | 2,609,166 |
| Compensated absences | 436,920 | 8,603,306 | (8,510,081) | 530,145 | 530,145 |
| IMRF pension obligation | - | 448,808 | - | 448,808 | - |
| Other post employment benefits | 1,975,188 | 1,053,412 | - | 3,028,600 | - |
| Claims and judgments | 7,456,768 | 57,948,231 | (51,547,371) | 13,857,628 | 6,423,256 |
| Total | \$ 443,950,505 | \$ 107,812,650 | \$ (103,541,500) | \$ 448,221,655 | \$ 41,473,423 |

School District U-46

Notes to Basic Financial Statements

Note 5. Long-Term Obligations (Continued)

At June 30, 2011 general long-term debt consisted of the following:

General Obligation Bonds - Payable by the Debt Service Fund:

| | |
|---|--------------|
| \$14,999,900, 1996 Capital Appreciation School Building Bonds due in annual installments of \$351,564 to \$1,677,178 through 2013 with interest yielding 6.185%. | \$ 3,340,186 |
| \$39,500,000, 1997 School Building Bonds due in 2012 with interest due semiannually at 5.05% to 7.8%. | 13,825,000 |
| \$18,300,000, 1999 School Building Bonds due in installments of \$250,000 to \$7,000,000 through 2019 with interest due semiannually at 5.05% to 5.25%. | 17,050,000 |
| \$57,999,743, 2001 Capital Appreciation Construction Bonds due in annual installments of \$982,125 to \$1,072,352 through 2016 with interest due semiannually at 5.2% to 9.0%. | 37,775,695 |
| \$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 \$847,515 to \$18,975,627 through 2023 with interest due annually in years of maturity at a rate yielding 3.45% to 5.37%. | 59,993,937 |
| \$22,000,000, 2003D General Obligation Limited Tax School Bonds (Working Cash Bonds) due in annual installments of \$3,500,000 to \$5,390,000 through 2014 with interest due semiannually at 5.00% to 5.60%. | 10,850,000 |
| \$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%. | 37,830,000 |
| \$34,405,000 2009 General Obligation Limited School Bonds due in annual installments of \$1,065,000 to \$5,920,000 through 2023 with interest due semiannually at 2.0% to 5.00%. | 29,535,000 |
| \$30,190,000 2010 General Obligation Refunding due in annual installments of \$700,000 to \$12,275,000 beginning in fiscal year 2011 through 2015 with interest due semiannually at 2.00% to 4.00%. | 29,490,000 |

School District U-46

Notes to Basic Financial Statements

Note 5. Long-Term Obligations (Continued)

| | |
|---|------------------------------|
| \$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%. | \$ 25,925,000 |
| \$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%. | <u>2,030,000</u> |
| Total General Obligation Bonds | <u><u>\$ 322,144,437</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 |
|-----------------------|------------------------------|------------------------------|------------------------------|
| 2012 | \$ 26,755,432 | \$ 12,671,277 | \$ 39,426,709 |
| 2013 | 29,038,010 | 12,238,325 | 41,276,335 |
| 2014 | 28,260,218 | 14,594,174 | 42,854,392 |
| 2015 | 27,860,872 | 14,608,477 | 42,469,349 |
| 2016 | 25,130,682 | 21,194,056 | 46,324,738 |
| 2017 - 2021 | 144,023,046 | 118,255,989 | 262,279,035 |
| 2022 - 2023 | <u>41,076,177</u> | <u>61,206,773</u> | <u>102,282,950</u> |
| | <u><u>\$ 322,144,437</u></u> | <u><u>\$ 254,769,071</u></u> | <u><u>\$ 576,913,508</u></u> |

Interest maturities include \$98,852,301 of accreted interest on capital appreciation bonds.

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

The District has four 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 assets as if the interest had been paid semi-annually. Accreted interest on long-term debt was increased by a net total of \$9,245,248 during the fiscal year ended June 30, 2011. At year end, the total interest accreted on the capital appreciation bonds was \$98,852,301.

School District U-46

Notes to Basic Financial Statements

Note 5. Long-Term Obligations (Continued)

Debt Certificates:

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

| | |
|---|---------------------|
| \$711,920, 2006 Debt Certificates (Qualified Zone Academy Bonds) due in annual installments of \$142,384 through 2012 with interest due annually at 6.06%. | \$ 142,384 |
| \$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%. | <u>5,007,786</u> |
| Total Debt Certificates | <u>\$ 5,150,170</u> |

Installment Note:

The District has one outstanding installment note. Payments are expected to be made from the Debt Service Fund through transfers from the General Fund. A description of the District's installment note is as follows:

| | |
|--|------------------|
| \$895,049, 1992 Interest Free Asbestos Abatement Federal Note, due in annual installments of \$49,724 through fiscal year 2012. | <u>\$ 40,880</u> |
|--|------------------|

Purchase Contracts:

As of June 30, 2011, the District had entered into 64 lease/purchase contracts for copiers, buses, computer equipment, and other equipment. No new purchase contracts were entered into during the year ended June 30, 2011. The total cost of the property currently under leases is \$21,307,241. Future minimum payments total \$5,662,560 of which \$381,377 represents interest and \$5,281,183 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.

School District U-46

Notes to Basic Financial Statements

Note 5. Long-Term Obligations (Continued)

Debt Service Requirements to Maturity – Debt Certificates, Installment Note and Purchase Contracts:

Annual debt service requirements to maturity for debt certificates, the installment note 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 | | Installment Note | Purchase Contracts | | Total Debt Service |
|--------------------|---------------------|---------------------|------------------|---------------------|-------------------|----------------------|
| | Principal | Interest | Principal | Principal | Interest | |
| 2012 | \$ 545,003 | \$ 334,065 | \$ 40,880 | \$ 2,609,166 | \$ 224,921 | \$ 3,754,035 |
| 2013 | 405,154 | 286,804 | - | 1,453,088 | 98,318 | 2,243,364 |
| 2014 | 407,870 | 238,763 | - | 918,475 | 43,647 | 1,608,755 |
| 2015 | 410,521 | 188,030 | - | 130,304 | 9,671 | 738,526 |
| 2016 | 413,189 | 134,219 | - | 170,150 | 4,820 | 722,378 |
| 2017-2021 | 2,106,506 | 127,153 | - | - | - | 2,233,659 |
| 2022-2023 | 861,927 | 8,413 | - | - | - | 870,340 |
| Total | \$ 5,150,170 | \$ 1,317,447 | \$ 40,880 | \$ 5,281,183 | \$ 381,377 | \$ 12,171,057 |

Legal Debt Margin:

As of June 30, 2011, the legal debt limit of the District was \$781,553,032, based upon 13.8% percent of its 2010 equalized assessed valuation of \$5,663,427,767. The debt limit less outstanding debt subject to the debt limit of \$332,616,670 and less amounts held in the Debt Service Fund of \$19,252,458, results in a legal debt margin of \$468,188,820 as of June 30, 2011.

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 \$530,145 at June 30, 2011. The amounts will be paid from the General Fund within the next year.

School District U-46

Notes to Basic Financial Statements

Note 5. Long-Term Obligations (Continued)

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 8). 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 9). The amounts will be paid from the General Fund.

Debt Refunding:

On March 30, 2011, in conjunction with the issuance of the series 2011A bonds, the District advance refunded \$4,885,000 of the series 2007 general obligation debt certificates, partially advanced refunded series 2003D general obligation bonds for \$3,750,000 and partially advance refunded series 2009A general obligation bonds for \$500,000 by placing a portion of the proceeds of the series 2011A bonds in an irrevocable trust to provide for all future debt service payments on the advance refunded debt. Accordingly, the trust account assets and the liability for the defeased debt are not included in the District's financial statements.

The refunding transaction described in the preceding paragraph resulted in an economic loss of \$1,174,134 and had a net effect of extending the life of the bonds and increasing the District's future debt service requirements by \$4,087,445.

On September 1, 2009, the District advance refunded series 1998 general obligation bonds by placing a portion of the proceeds of the series 2009 bonds in an irrevocable trust to provide for all future debt service payments on the series 1998 bonds after January 1, 2011. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the District's financial statements.

As of June 30, 2011, the outstanding balance of all defeased bonds totaled \$39,285,000.

School District U-46

Notes to Basic Financial Statements

Note 6. Leases

The District paid \$152,851 on operating leases during the fiscal year ended June 30, 2011. At year-end, the District was obligated under 3 operating leases. The leases expire in 2012, with monthly payments ranging between \$1,684 and \$5,589. The aggregate minimum annual lease payments required under these leases are as follows:

| Due in Fiscal Year | Principal |
|-----------------------|-----------|
| 2012 | \$ 56,848 |

Note 7. 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, 2011, 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 liabilities at June 30, 2011, total \$13,857,628, of which claims payable were \$3,151,449 and incurred but not reported (IBNR) claims amounted to \$10,706,179. 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 2011 | Total 2010 |
| Claims liability - beginning | \$ 7,456,768 | \$ 5,983,230 |
| Incurred claims | 57,948,231 | 49,236,160 |
| Claim payments | 51,547,371 | 47,762,622 |
| Claims liability - ending | <u>\$ 13,857,628</u> | <u>\$ 7,456,768</u> |

Notes to Basic Financial Statements

Note 8. 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, 2011, 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, 2010 and 2009.

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, 2011, state of Illinois contributions were based on 23.10 percent of creditable earnings not paid from federal funds, and the District recognized revenue and expenditures of \$39,823,622 in pension contributions that the state of Illinois paid directly to TRS. For the years ended June 30, 2010 and June 30, 2009, the state of Illinois contribution rates as percentages of creditable earnings not paid from federal funds were 23.38 percent (\$45,216,825) and 17.08 percent (\$32,981,095), 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, 2011 were \$1,030,561. Contributions for the years ending June 30, 2010 and June 30, 2009, were \$1,150,500 and \$1,138,559, 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.

School District U-46

Notes to Basic Financial Statements

Note 8. Employee Retirement Systems and Plans (Continued)

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

For the year ended June 30, 2011, the employer pension contribution was 23.10 percent of salaries paid from federal and special trust funds. For the years ended June 30, 2010 and 2009, the employer contribution was 23.38 percent and 17.08 percent of salaries paid from federal and special trust funds, respectively. For the year ended June 30, 2011, salaries totaling \$5,313,381 were paid from federal and special trust funds that required employer contributions of \$1,227,391. For the years ended June 30, 2010 and June 30, 2009, required District contributions were \$759,870 and \$547,498, 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 is 117.5 percent and applies when the member is age 55 at retirement.

For the year ended June 30, 2011, the District paid \$1,030,561 to TRS for employer contributions under the ERO program. For the years ended June 30, 2010 and June 30, 2009, the District paid \$1,590,994 and \$2,538,605 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, 2011, the District paid \$76,442 to TRS for employer contributions due on salary increases in excess of 6 percent. For the years ended June 30, 2010 and June 30, 2009, the District paid \$133,225 and \$0 to TRS for employer contributions due on salary increases in excess of 6 percent, respectively.

If an employer grants sick leave days in excess of the normal annual allotment and those days are used as TRS service credit, the employer makes a contribution to TRS. The contribution is based on the number of excess sick leave days used as service credit, the highest salary used to calculate final average salary, and the TRS total normal cost rate (18.03 percent of salary during the year ended June 30, 2011, as recertified pursuant to Public Act 96-1511).

For the year ended June 30, 2011, the District paid \$6,885 to TRS for sick leave days granted in the excess of the normal annual allotment. For the years ended June 30, 2010 and June 30, 2009, the District paid \$11,866 and \$0 in employer contributions granted for sick leave days, respectively.

School District U-46

Notes to Basic Financial Statements

Note 8. 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, 2010. The report for the year ended June 30, 2011, is expected to be available in late 2011.

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

THIS Fund

Employer Contributions

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

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

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

On Behalf Contributions to THIS Fund

The state of Illinois makes employer retiree health insurance contributions on behalf of the District. State contributions are intended to match contributions to THIS Fund from active members which were 0.88 percent of pay during the year ended June 30, 2011. State of Illinois contributions were \$1,563,848 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, 2010 and June 30, 2009 were 0.84 percent of pay. State contributions on behalf of District employees were \$1,651,857 and \$1,648,947, respectively.

School District U-46

Notes to Basic Financial Statements

Note 8. Employee Retirement Systems and Plans (Continued)

THIS Fund (Continued)

Employer Contributions to THIS Fund

The District also makes contributions to THIS Fund. The District's THIS Fund contribution was 0.66 percent during the years ended June 30, 2011, and 0.63 percent during the years ended June 30, 2010 and June 30, 2009. For the year ended June 30, 2011, the District paid \$1,172,886 to the THIS Fund. For the years ended June 30, 2010 and June 30, 2009, the District paid \$1,238,893 and \$1,236,710 to the THIS Fund, respectively, which was 100 percent of the required contribution.

Further Information on THIS Fund

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

Illinois Municipal Retirement

Plan Description

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

Funding Policy

As set by statute, the District's Regular plan members are required to contribute 4.50 percent of their annual covered salary. The 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 2011 and 2010 used by the District were 11.26 and 10.24 percent, respectively of annual covered payroll. The annual required contribution rates for calendar years 2011 and 2010 were 11.31 and 11.05 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.

School District U-46

Notes to Basic Financial Statements

Note 8. Employee Retirement Systems and Plans (Continued)

Illinois Municipal Retirement (Continued)

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, 2011, 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 | \$ 5,762,563 |
| Interest on net IMRF obligation | 17,737 |
| Adjustment to annual required contribution | (12,678) |
| Annual IMRF cost | 5,767,622 |
| Contributions made | 5,555,306 |
| Increase in net IMRF obligation | 212,316 |
| Net IMRF obligation - beginning of year | 236,492 |
| Net IMRF obligation - end of year | <u>\$ 448,808</u> |

The required contributions for 2011 and 2010 were determined as part of the December 31, 2009 and 2008 actuarial valuations using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2009, included (a) 7.5 percent investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 12% per year depending on age and service, attributable to seniority/merit, and (d) post retirement benefit increases of 3% 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% corridor between the actuarial and market value of assets. The employer Regular plan's unfunded actuarial accrued liability at December 31, 2009 is being amortized as a level percentage of projected payroll on an open 30 year basis.

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.

Three-Year Trend Information for the Regular Plan

| Year Ending June 30, | Annual Pension Cost (APC) | Percentage of APC Contributed | Net Pension Obligation |
|----------------------------|---------------------------------|----------------------------------|---------------------------|
| 2011 | \$ 5,767,622 | 96% | \$ 448,808 |
| 2010 | 5,649,358 | 96% | 236,492 |
| 2009 | 5,427,025 | 100% | - |

School District U-46

Notes to Basic Financial Statements

Note 8. Employee Retirement Systems and Plans (Continued)

Illinois Municipal Retirement (Continued)

Funded Status and Funding Progress

As of December 31, 2010, the most recent actuarial valuation date, the Regular plan was 69.45 percent funded. The actuarial accrued liability for benefits was \$127,285,195 and the actuarial value of assets was \$88,397,750, resulting in an underfunded actuarial accrued liability (UAAL) of \$38,887,445. The covered payroll for calendar year 2010 (annual payroll of active employees covered by the plan) was \$53,082,669 and the ratio of the UAAL to the covered payroll was 73 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 9. Other Postemployment Benefits

The District had an actuarial valuation performed to determine its liability for other postemployment benefits (OPEB) as of July 1, 2009. 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 2011, the District contributed \$2,023,936 to the Plan. Plan members receiving benefits contributed \$262,468, or approximately 11.5 percent of the total premiums.

School District U-46

Notes to Basic Financial Statements

Note 9. 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 | \$ 3,079,582 |
| Interest on net OPEB obligation | 98,759 |
| Adjustment to annual required contribution | (100,993) |
| Annual OPEB cost | 3,077,348 |
| Contributions made | 2,023,936 |
| Increase in net OPEB obligation | 1,053,412 |
| Net OPEB obligation - beginning of year | 1,975,188 |
| Net OPEB obligation - end of year | <u>\$ 3,028,600</u> |

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2011 and the preceding two years were as follows:

| Year Ending June 30, | Annual OPEB Cost (APC) | Percentage of APC Contributed | Net OPEB Obligation |
|----------------------------|------------------------------|-------------------------------------|---------------------------|
| 2011 | \$ 3,077,348 | 65.8% | \$ 3,028,600 |
| 2010 | 3,058,132 | 87.4 | \$ 1,975,188 |
| 2009 | 2,909,163 | 72.9 | 1,590,852 |

The District has reported the net OPEB obligation of \$3,028,600 in the statement of net assets. Payments to liquidate the liability have typically been made by the General Fund.

Funded Status and Funding Progress

As of July 1, 2009, the date of the most recent valuation, the actuarial accrued liability for benefits was \$28,990,310, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$241,088,582, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 12.02%.

School District U-46

Notes to Basic Financial Statements

Note 9. 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, 2009 |
| 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 10. Other Financial Disclosures

Expenditures Exceeding Operating Budgets

Expenditures exceeded budgeted expenditures in the following funds during fiscal year 2011:

| Fund | Final Budget | Actual Expenditures | Amount Over Budget |
|---|-----------------|------------------------|-----------------------|
| Debt Service Fund | \$ 39,759,746 | \$ 40,379,099 | \$ 619,353 |
| Municipal Retirement/Social Security Fund | 9,392,890 | 9,861,862 | 468,972 |
| Capital Projects Fund | 1,014,850 | 1,099,720 | 84,870 |
| Fire Prevention and Safety Fund | 5,861,058 | 6,907,609 | 1,046,551 |

Interfund Transfers

The General Fund made routine transfers of \$2,476,070 to the Debt Service Fund to provide resources to pay principal and interest on debt certificates, installment notes and purchase contracts.

School District U-46

Notes to Basic Financial Statements

Note 10. Other Financial Disclosures (Continued)

Due To/From Other Funds

Interfund debt balances as of June 30, 2011 are as follows:

| Fund | Due From Other Funds | Due To Other Funds |
|--------------------------|-------------------------|-----------------------|
| Major governmental funds | | |
| General | \$ 21,641,611 | \$ - |
| Transportation | - | 21,641,611 |
| Total | \$ 21,641,611 | \$ 21,641,611 |

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, 2011 of (\$18,760,402). District management expects to reduce this deficit with future revenues and budget cuts.

Note 11. 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, 2011.

Note 12. Commitments

At June 30, 2011, the District had approximately \$7.0 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.

School District U-46

Notes to Basic Financial Statements

Note 13. New Accounting Pronouncements

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

Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*, will be effective for the District beginning with its year ending June 30, 2013. The objective of this Statement is to improve financial reporting by addressing issues related to service concession arrangements (SCAs), which are a type of public-private or public-public partnership. This Statement establishes recognition, measurement, and disclosure requirements for SCAs for both transferors and governmental operators.

Statement No. 61, *The Financial Reporting Entity: Omnibus – an amendment of GASB Statements No. 14 and No. 34*, will be effective for the District beginning with its year ending June 30, 2013. The objective of this Statement is to improve financial reporting for a governmental financial reporting entity. The requirements of Statement No. 14, *The Financial Reporting Entity*, and the related financial reporting requirements of Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, were amended to better meet user needs and to address reporting entity issues that have arisen since the issuance of those Statements.

Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, will be effective for the District beginning with its year ending June 30, 2013. The objective of this Statement is to incorporate into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in the following pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements:

1. Financial Accounting Standards Board (FASB) Statements and Interpretations
2. Accounting Principles Board Opinions
3. Accounting Research Bulletins of the American Institute of Certified Public Accountants (AICPA) Committee on Accounting Procedure

Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, will be effective for the District beginning with its year ending June 30, 2013. The objective of this statement is to improve financial reporting by standardizing the presentation of deferred outflows of resources and deferred inflows of resources and their effects on a government's net position. It alleviates uncertainty about reporting those financial statement elements by providing guidance where none previously existed.

Statement No. 64, *Derivative Instruments: Application of Hedge Accounting Termination Provisions – An Amendment to GASB Statement No. 53*, will be effective for the District beginning with its year ending June 30, 2012. The objective of this statement is to enhance comparability and improve financial reporting by clarifying the circumstances in which hedge accounting should continue when a swap counterparty, or a swap counterparty's credit support provider, is replaced.

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

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, 2011**

| Actuarial Valuation Date | Actuarial Value of Assets (a) | Actuarial Accrued Liability (AAL) Entry Age (b) | Unfunded AAL (UAAL) (b-a) | Funded Ratio (a/b) | Covered Payroll (c) | UAAL as a Percentage of Covered Payroll ((b-a)/c) |
|--------------------------------|--|--|------------------------------------|--------------------------|---------------------------|--|
| 12/31/10 | \$ 88,397,750 | \$ 127,285,195 | \$ 38,887,445 | 69.45 % | \$ 53,082,669 | 73.26 % |
| 12/31/09 | 90,096,362 | 127,226,172 | 37,129,810 | 70.82 | 57,728,932 | 64.32 |
| 12/31/08 | 89,512,458 | 125,374,452 | 35,861,994 | 71.40 | 58,045,404 | 61.78 |

On a market value basis, the actuarial value of assets as of December 31, 2010 is \$95,401,908. On a market basis, the funded ratio would be 74.95%.

School District U-46

**Schedule of Funding Progress
Retiree Healthcare Plan
June 30, 2011**

| 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) |
|--------------------------|-------------------------------|---|------------------------------|--------------------|---------------------|---|
| 07/01/10 | | | - No valuation performed * - | | | |
| 07/01/09 | \$ - | \$ 28,990,310 | \$ 28,990,310 | - % | \$ 241,088,582 | 12.02 % |
| 07/01/08 | | | - No valuation performed * - | | | |
| 07/01/07 | - | 25,908,783 | 25,908,783 | - | 230,215,824 | 11.25 |

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

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

*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. The District has elected to have biennial valuations performed.

GENERAL FUND

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, 2011**

| | Original and Final Budget | Actual | Variance |
|--|---------------------------------|-----------------------|----------------------|
| Revenues: | | | |
| Property taxes | \$ 219,273,237 | \$ 222,524,813 | \$ 3,251,576 |
| Replacement taxes and other payments in lieu of taxes | 2,511,835 | 3,684,614 | 1,172,779 |
| Charges for services | 11,212,000 | 9,912,089 | (1,299,911) |
| Earnings on investments | 106,800 | 109,452 | 2,652 |
| Rentals and other local sources | 1,672,800 | 1,962,356 | 289,556 |
| State grants-in-aid | 87,470,034 | 96,292,817 | 8,822,783 |
| Federal grants-in-aid | 43,897,077 | 42,256,544 | (1,640,533) |
| State on-behalf of payments | 42,000,000 | 41,387,470 | (612,530) |
| Total revenues | <u>408,143,783</u> | <u>418,130,155</u> | <u>9,986,372</u> |
| Expenditures: | | | |
| Current: | | | |
| Instruction: | | | |
| Regular programs | 124,079,984 | 118,221,426 | 5,858,558 |
| Special programs | 34,044,955 | 36,600,932 | (2,555,977) |
| Other instructional programs | 40,313,458 | 38,496,613 | 1,816,845 |
| Support services: | | | |
| Pupils | 24,652,006 | 24,723,164 | (71,158) |
| Instructional staff | 10,582,701 | 12,464,371 | (1,881,670) |
| General administration | 17,284,008 | 16,482,105 | 801,903 |
| School administration | 20,146,049 | 20,384,256 | (238,207) |
| Business | 26,609,575 | 23,941,022 | 2,668,553 |
| Facilities acquisition and construction | 10,000 | 80,090 | (70,090) |
| Transportation | 1,296,248 | 772,863 | 523,385 |
| Food service | 14,354,868 | 14,126,603 | 228,265 |
| Central | 7,615,864 | 7,650,461 | (34,597) |
| Other support | 1,609,727 | 1,958,527 | (348,800) |
| Community services | 3,815,220 | 3,930,054 | (114,834) |
| Payments to other governments | 8,539,099 | 7,131,341 | 1,407,758 |
| Intergovernmental: State on-behalf of payments | 42,000,000 | 41,387,470 | 612,530 |
| Capital outlay | 2,232,715 | 2,264,805 | (32,090) |
| Contingency | 1,690,896 | - | 1,690,896 |
| Total expenditures | <u>380,877,373</u> | <u>370,616,103</u> | <u>10,261,270</u> |
| Excess of revenues over expenditures | <u>27,266,410</u> | <u>47,514,052</u> | <u>20,247,642</u> |
| Other financing sources (uses): | | | |
| Proceeds from debt issuance | 15,004,758 | 15,004,758 | - |
| Transfer out | (2,945,966) | (2,476,070) | 469,896 |
| Total other financing sources (uses) | <u>12,058,792</u> | <u>12,528,688</u> | <u>469,896</u> |
| Net change in fund balance | <u>\$ 39,325,202</u> | 60,042,740 | <u>\$ 20,717,538</u> |
| Fund balance: | | | |
| Beginning of year, as restated | | <u>41,618,674</u> | |
| End of year | | <u>\$ 101,661,414</u> | |

See Note to Required Supplementary Information.

School District U-46

**Schedule of Revenues, Expenditures and Changes in Fund Balance (Deficit) -
Budget and Actual
Transportation Fund
Year Ended June 30, 2011**

| | Original and Final Budget | Actual | Variance |
|--|---------------------------------|-------------------------------|----------------------------|
| Revenues: | | | |
| Property taxes | \$ 6,378,949 | \$ 6,477,681 | \$ 98,732 |
| Charges for services | 260,000 | 968,503 | 708,503 |
| Earnings on investments | 1,000 | 415 | (585) |
| State grants-in-aid | 9,399,486 | 13,467,964 | 4,068,478 |
| Total revenues | <u>16,039,435</u> | <u>20,914,563</u> | <u>4,875,128</u> |
| Expenditures: | | | |
| Current: | | | |
| Support services: | | | |
| Transportation | 23,816,932 | 22,000,113 | 1,816,819 |
| Debt service | | | |
| Principal | 2,473,221 | 2,375,220 | 98,001 |
| Interest and fees | 238,540 | 237,149 | 1,391 |
| Total expenditures | <u>26,528,693</u> | <u>24,612,482</u> | <u>1,916,211</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(10,489,258)</u> | <u>(3,697,919)</u> | <u>6,791,339</u> |
| Net change in fund balance (deficit) | <u><u>\$ (10,489,258)</u></u> | <u><u>(3,697,919)</u></u> | <u><u>\$ 6,791,339</u></u> |
| Fund balance (deficit): | | | |
| Beginning of year | | <u>(15,062,483)</u> | |
| End of year | | <u><u>\$ (18,760,402)</u></u> | |

See Note to Required Supplementary Information.

School District U-46

Note to Required Supplementary Information

The budgetary comparison information includes the activity of the General Fund and the major special revenue fund (Transportation Fund). The General and Transportation Funds are presented on the modified accrual basis of accounting.

OTHER SUPPLEMENTARY INFORMATION

School District U-46

Combining Balance Sheet
General Fund, by Account
Year Ended June 30, 2011

| | Educational Account | Tort Immunity Account | Operations and Maintenance Account | Working Cash Account | Total |
|---|------------------------|-----------------------------|---|----------------------------|-----------------------|
| Assets | | | | | |
| Cash and investments | \$ 46,592,981 | \$ - | \$ 310,951 | \$ 51,663,102 | \$ 98,567,034 |
| Property taxes receivable | 96,797,304 | 2,070,290 | 10,542,822 | - | 109,410,416 |
| Grants receivable | 33,326,419 | - | - | - | 33,326,419 |
| Replacement taxes receivable | 486,025 | - | - | - | 486,025 |
| Accounts receivable | 454,382 | - | 142,650 | - | 597,032 |
| Due from other funds | - | - | - | 38,261,986 | 38,261,986 |
| Inventory | 204,068 | - | - | - | 204,068 |
| Prepays | 1,557,617 | - | - | - | 1,557,617 |
| Total assets | \$ 179,418,796 | \$ 2,070,290 | \$ 10,996,423 | \$ 89,925,088 | \$ 282,410,597 |
| Liabilities and Fund Balance (Deficit) | | | | | |
| Liabilities | | | | | |
| Accounts payable | \$ 2,438,735 | \$ 295,897 | \$ 863,053 | \$ - | \$ 3,597,685 |
| Accrued payroll | 24,939,772 | 12,302 | 295,986 | - | 25,248,060 |
| Payroll deductions | 4,209,440 | - | - | - | 4,209,440 |
| Insurance claims payable | 3,151,449 | - | - | - | 3,151,449 |
| Deferred property tax revenue | 96,900,543 | 2,072,498 | 10,554,066 | - | 109,527,107 |
| Deferred grant revenue | 18,395,067 | - | - | - | 18,395,067 |
| Due to other funds | - | 12,120,375 | 4,500,000 | - | 16,620,375 |
| Total liabilities | 150,035,006 | 14,501,072 | 16,213,105 | - | 180,749,183 |
| Fund balances | | | | | |
| Nonspendable | 1,761,685 | - | - | - | 1,761,685 |
| Restricted | 1,782,070 | - | - | 89,925,088 | 91,707,158 |
| Unassigned | 25,840,035 | (12,430,782) | (5,216,682) | - | 8,192,571 |
| Total fund balance (deficit) | 29,383,790 | (12,430,782) | (5,216,682) | 89,925,088 | 101,661,414 |
| Total liabilities and fund balance | \$ 179,418,796 | \$ 2,070,290 | \$ 10,996,423 | \$ 89,925,088 | \$ 282,410,597 |

School District U-46

Combining Statement of Revenues, Expenditures and Changes in Fund Balance (Deficit)
 General Fund, by Account
 Year Ended June 30, 2011

| | Educational Account | Tort Immunity Account | Operations and Maintenance Account | Working Cash Account | Total |
|--|------------------------|-----------------------------|---|----------------------------|--------------------|
| Revenues: | | | | | |
| Property taxes | \$ 196,870,658 | \$ 4,215,729 | \$ 21,438,426 | \$ - | \$ 222,524,813 |
| Replacement taxes and other payments in lieu of taxes | 1,419,652 | - | 2,264,962 | - | 3,684,614 |
| Charges for services | 9,912,089 | - | - | - | 9,912,089 |
| Earnings on investments | 12,975 | 345 | 1,391 | 94,741 | 109,452 |
| Rentals and other local sources | 407,838 | - | 1,554,518 | - | 1,962,356 |
| State grants-in-aid | 94,052,817 | - | 2,240,000 | - | 96,292,817 |
| Federal grants-in-aid | 42,256,544 | - | - | - | 42,256,544 |
| State on-behalf of payments | 41,387,470 | - | - | - | 41,387,470 |
| Total revenues | 386,320,043 | 4,216,074 | 27,499,297 | 94,741 | 418,130,155 |
| Expenditures: | | | | | |
| Current: | | | | | |
| Instruction: | | | | | |
| Regular programs | 118,221,426 | - | - | - | 118,221,426 |
| Special programs | 36,600,932 | - | - | - | 36,600,932 |
| Other instructional programs | 38,496,613 | - | - | - | 38,496,613 |
| Support services: | | | | | |
| Pupils | 24,723,164 | - | - | - | 24,723,164 |
| Instructional staff | 12,464,371 | - | - | - | 12,464,371 |
| General administration | 5,630,226 | 10,851,879 | - | - | 16,482,105 |
| School administration | 20,384,256 | - | - | - | 20,384,256 |
| Business | 2,781,248 | 3,159 | 21,156,615 | - | 23,941,022 |
| Facilities acquisition and construction | - | - | 80,090 | - | 80,090 |
| Transportation | 771,963 | - | 900 | - | 772,863 |
| Food service | 14,126,603 | - | - | - | 14,126,603 |
| Central | 7,650,461 | - | - | - | 7,650,461 |
| Other support services | 1,958,527 | - | - | - | 1,958,527 |
| Community services | 3,930,054 | - | - | - | 3,930,054 |
| Payments to other governments | 7,131,341 | - | - | - | 7,131,341 |
| Intergovernmental: | | | | | |
| State on-behalf of payments | 41,387,470 | - | - | - | 41,387,470 |
| Capital outlay | 1,786,743 | - | 478,062 | - | 2,264,805 |
| Total expenditures | 338,045,398 | 10,855,038 | 21,715,667 | - | 370,616,103 |
| Excess (deficiency) of revenues over (under) expenditures | 48,274,645 | (6,638,964) | 5,783,630 | 94,741 | 47,514,052 |
| Other financing sources (uses): | | | | | |
| Transfer in | - | - | - | - | - |
| Transfer out | (1,544,178) | - | (931,892) | - | (2,476,070) |
| Proceeds from debt issuance | - | - | - | 15,004,758 | 15,004,758 |
| Total other financing sources (uses) | (1,544,178) | - | (931,892) | 15,004,758 | 12,528,688 |
| Net change in fund balance (deficit) | 46,730,467 | (6,638,964) | 4,851,738 | 15,099,499 | 60,042,740 |
| Fund balance (deficit): | | | | | |
| Beginning of year, as restated | (17,346,677) | (5,791,818) | (10,068,420) | 74,825,589 | 41,618,674 |
| End of year | \$ 29,383,790 | \$ (12,430,782) | \$ (5,216,682) | \$ 89,925,088 | \$ 101,661,414 |

School District U-46

**Schedule of Revenues, Expenditures and Changes in Fund Balance (Deficit) -
Budget and Actual
General Fund - Educational Account
Year Ended June 30, 2011**

| | Original and Final Budget | Actual | Variance |
|--|---------------------------------|----------------------|----------------------|
| Revenues: | | | |
| Property taxes | \$ 193,991,022 | \$ 196,870,658 | \$ 2,879,636 |
| Replacement taxes and other payments in lieu of taxes | 969,265 | 1,419,652 | 450,387 |
| Charges for services | 11,212,000 | 9,912,089 | (1,299,911) |
| Earnings on investments | 50,000 | 12,975 | (37,025) |
| Rentals and other local sources | 472,800 | 407,838 | (64,962) |
| State grants-in-aid | 85,470,034 | 94,052,817 | 8,582,783 |
| Federal grants-in-aid | 43,897,077 | 42,256,544 | (1,640,533) |
| State on-behalf of payments | 42,000,000 | 41,387,470 | (612,530) |
| Total revenues | <u>378,062,198</u> | <u>386,320,043</u> | <u>8,257,845</u> |
| Expenditures: | | | |
| Current: | | | |
| Instruction: | | | |
| Regular programs | 124,079,984 | 118,221,426 | 5,858,558 |
| Special programs | 34,044,955 | 36,600,932 | (2,555,977) |
| Other instructional programs | 40,313,458 | 38,496,613 | 1,816,845 |
| Support services: | | | |
| Pupils | 24,652,006 | 24,723,164 | (71,158) |
| Instructional staff | 10,582,701 | 12,464,371 | (1,881,670) |
| General administration | 7,100,959 | 5,630,226 | 1,470,733 |
| School administration | 20,146,049 | 20,384,256 | (238,207) |
| Business | 2,955,210 | 2,781,248 | 173,962 |
| Transportation | 1,296,248 | 771,963 | 524,285 |
| Food service | 14,354,868 | 14,126,603 | 228,265 |
| Central | 7,615,864 | 7,650,461 | (34,597) |
| Other support | 1,609,727 | 1,958,527 | (348,800) |
| Community services | 3,815,220 | 3,930,054 | (114,834) |
| Payments to other governments | 8,539,099 | 7,131,341 | 1,407,758 |
| Intergovernmental: State on-behalf of payments | 42,000,000 | 41,387,470 | 612,530 |
| Capital outlay | 1,917,846 | 1,786,743 | 131,103 |
| Contingency | 1,690,896 | - | 1,690,896 |
| Total expenditures | <u>346,715,090</u> | <u>338,045,398</u> | <u>8,669,692</u> |
| Excess of revenues over (under) expenditures | 31,347,108 | 48,274,645 | 16,927,537 |
| Other financing sources (uses): | | | |
| Transfer out | (977,773) | (1,544,178) | (566,405) |
| Net change in fund balance (deficit) | <u>\$ 30,369,335</u> | 46,730,467 | <u>\$ 16,361,132</u> |
| Fund balance (deficit): | | | |
| Beginning of year | | <u>(17,346,677)</u> | |
| End of year | | <u>\$ 29,383,790</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, 2011**

| | Original and Final Budget | Actual | Variance |
|--|---------------------------------|------------------------|-------------------|
| Revenues: | | | |
| Property taxes | \$ 4,148,555 | \$ 4,215,729 | \$ 67,174 |
| Earnings on investments | 1,637 | 345 | (1,292) |
| Total revenues | <u>4,150,192</u> | <u>4,216,074</u> | <u>65,882</u> |
| Expenditures: | | | |
| Current: | | | |
| Support services: | | | |
| General administration | 10,183,049 | 10,851,879 | (668,830) |
| Business | - | 3,159 | (3,159) |
| Total expenditures | <u>10,183,049</u> | <u>10,855,038</u> | <u>(671,989)</u> |
| Excess (deficiency) of revenues over (under) expenditures | (6,032,857) | (6,638,964) | (606,107) |
| Other financing (uses): | | | |
| Transfer out | (994,781) | - | 994,781 |
| Net change in fund balance (deficit) | <u>\$ (7,027,638)</u> | (6,638,964) | <u>\$ 388,674</u> |
| Fund balance (deficit): | | | |
| Beginning of year | | <u>(5,791,818)</u> | |
| End of year | | <u>\$ (12,430,782)</u> | |

Schedule of Tort Expenditures by Object

| | |
|---|----------------------|
| Workers' compensation or workers' occupation disease acts payments | \$ 3,967,731 |
| Unemployment insurance payments | 2,402,223 |
| Insurance payments (regular or self-insurance) | 526,698 |
| Educational, inspectional, supervisory services related to loss prevention or reduction | 1,185,630 |
| Legal service | <u>2,772,756</u> |
| Total tort expenditures | <u>\$ 10,855,038</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, 2011**

| | Original and Final Budget | Actual | Variance |
|---|---------------------------------|-----------------------|---------------------|
| Revenues: | | | |
| Property taxes | \$ 21,133,660 | \$ 21,438,426 | \$ 304,766 |
| Replacement taxes and other payments in lieu of taxes | 1,542,570 | 2,264,962 | 722,392 |
| Earnings on investments | 5,163 | 1,391 | (3,772) |
| Rentals and other local sources | 1,200,000 | 1,554,518 | 354,518 |
| State grants-in-aid | 2,000,000 | 2,240,000 | 240,000 |
| Total revenues | <u>25,881,393</u> | <u>27,499,297</u> | <u>1,617,904</u> |
| Expenditures: | | | |
| Current: | | | |
| Support services: | | | |
| Business | 23,654,365 | 21,156,615 | 2,497,750 |
| Facilities acquisition and construction | 10,000 | 80,090 | (70,090) |
| Transportation | - | 900 | (900) |
| Capital outlay | 314,869 | 478,062 | (163,193) |
| Total expenditures | <u>23,979,234</u> | <u>21,715,667</u> | <u>2,263,567</u> |
| Excess of revenues over (under) expenditures | 1,902,159 | 5,783,630 | 3,881,471 |
| Other financing (uses): | | | |
| Transfer out | (923,412) | (931,892) | (8,480) |
| Net change in fund balance (deficit) | <u>\$ 978,747</u> | 4,851,738 | <u>\$ 3,872,991</u> |
| Fund balance (deficit): | | | |
| Beginning of year | | <u>(10,068,420)</u> | |
| End of year | | <u>\$ (5,216,682)</u> | |

School District U-46

**Schedule of Revenues, Expenditures and Changes in Fund Balance (Deficit) -
Budget and Actual
General Fund - Working Cash Account
Year Ended June 30, 2011**

| | Original and Final Budget | Actual | Variance |
|---|---------------------------------|----------------------|------------------|
| <hr/> | | | |
| Revenues: | | | |
| Earnings on investments | \$ 50,000 | \$ 94,741 | \$ 44,741 |
| | | | |
| Other financing sources (uses): | | | |
| Transfer out | (50,000) | - | 50,000 |
| Proceeds from debt issuance | 15,004,758 | 15,004,758 | - |
| Total other financing sources (uses) | <u>14,954,758</u> | <u>15,004,758</u> | 50,000 |
| | | | |
| Net change in fund balance (deficit) | <u>\$ 15,004,758</u> | 15,099,499 | <u>\$ 94,741</u> |
| | | | |
| Fund balance (deficit): | | | |
| Beginning of year | | <u>74,825,589</u> | |
| End of year | | <u>\$ 89,925,088</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, 2011

| | Original and Final Budget | Actual | Variance |
|---|---------------------------------|----------------------|---------------------|
| Revenues: | | | |
| Property taxes | \$ 38,149,501 | \$ 38,974,113 | \$ 824,612 |
| Earnings on investments | 8,816 | 2,490 | (6,326) |
| Total revenues | <u>38,158,317</u> | <u>38,976,603</u> | <u>818,286</u> |
| Expenditures: | | | |
| Debt service | | | |
| Principal | 27,570,794 | 28,196,926 | (626,132) |
| Interest and fees | 12,002,452 | 11,995,671 | 6,781 |
| Bond issuance costs | 186,500 | 186,502 | (2) |
| Total expenditures | <u>39,759,746</u> | <u>40,379,099</u> | <u>(619,353)</u> |
| Deficiency of revenues over (under) expenditures | <u>(1,601,429)</u> | <u>(1,402,496)</u> | <u>198,933</u> |
| Other financing sources (uses): | | | |
| Transfer in | 2,895,967 | 2,476,070 | (419,897) |
| Proceeds from debt issuance | 10,920,242 | 10,920,242 | - |
| Discount on debt issuance | (440,725) | (440,725) | - |
| Transfer to escrow agent | (10,293,017) | (10,293,017) | - |
| Total other financing sources (uses) | <u>3,082,467</u> | <u>2,662,570</u> | <u>(419,897)</u> |
| Net change in fund balance | <u>\$ 1,481,038</u> | 1,260,074 | <u>\$ (220,964)</u> |
| Fund balance: | | | |
| Beginning of year | | <u>17,992,384</u> | |
| End of year | | <u>\$ 19,252,458</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
 Year Ended June 30, 2011

| | Special Revenue Fund | Capital Projects Funds | | Total Capital Projects Funds | Total Nonmajor Governmental Funds |
|--|---|-----------------------------|--|---------------------------------------|--|
| | Municipal Retirement/ Social Security Fund | Capital Projects Fund | Fire Prevention and Safety Fund | | |
| Assets | | | | | |
| Cash | \$ 2,227,487 | \$ 6,912,377 | \$ 7,206,058 | \$ 14,118,435 | \$ 16,345,922 |
| Property taxes receivable | 4,452,736 | - | - | - | 4,452,736 |
| Account receivable | - | 13,154 | - | 13,154 | 13,154 |
| Total assets | \$ 6,680,223 | \$ 6,925,531 | \$ 7,206,058 | \$ 14,131,589 | \$ 20,811,812 |
| Liabilities and Fund Balances | | | | | |
| Liabilities | | | | | |
| Accounts payable | \$ - | \$ 290,957 | \$ 1,222,604 | \$ 1,513,561 | \$ 1,513,561 |
| Payroll deductions | 368,556 | - | - | - | 368,556 |
| Deferred property - tax revenue | 4,457,486 | - | - | - | 4,457,486 |
| Total liabilities | 4,826,042 | 290,957 | 1,222,604 | 1,513,561 | 6,339,603 |
| Fund balances | | | | | |
| Restricted | 1,854,181 | 6,634,574 | 5,983,454 | 12,618,028 | 14,472,209 |
| Unassigned | - | - | - | - | - |
| Total fund balances | 1,854,181 | 6,634,574 | 5,983,454 | 12,618,028 | 14,472,209 |
| Total liabilities and fund balances | \$ 6,680,223 | \$ 6,925,531 | \$ 7,206,058 | \$ 14,131,589 | \$ 20,811,812 |

School District U-46

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Nonmajor Governmental Funds
 Year Ended June 30, 2011

| | Special | Capital Projects Funds | | Total | Total |
|--|--|-----------------------------|----------------------------------|--------------------|--------------------|
| | Revenue | | | | |
| | Fund | | | Projects | Governmental |
| | Municipal | Fire | | Funds | Funds |
| | Retirement/ Social Security Fund | Capital Projects Fund | Prevention and Safety Fund | | |
| Revenues: | | | | | |
| Property taxes | \$ 9,070,836 | \$ - | \$ 5,253 | \$ 5,253 | \$ 9,076,089 |
| Replacement taxes | 275,223 | - | - | - | 275,223 |
| Earnings on investments | 728 | 2,325 | 17,757 | 20,082 | 20,810 |
| Impact fees and other local sources | - | 724,778 | - | 724,778 | 724,778 |
| Total revenues | 9,346,787 | 727,103 | 23,010 | 750,113 | 10,096,900 |
| Expenditures: | | | | | |
| Current: | | | | | |
| Instruction: | | | | | |
| Regular programs | 1,197,293 | - | - | - | 1,197,293 |
| Special programs | 1,524,052 | - | - | - | 1,524,052 |
| Other instructional programs | 542,097 | - | - | - | 542,097 |
| Support services: | | | | | |
| Pupils | 1,008,725 | - | - | - | 1,008,725 |
| Instructional staff | 279,755 | - | - | - | 279,755 |
| General administration | 309,599 | - | - | - | 309,599 |
| School administration | 1,048,210 | - | - | - | 1,048,210 |
| Business | 1,974,128 | - | - | - | 1,974,128 |
| Facilities acquisition and construction | - | 142,950 | 380,966 | 523,916 | 523,916 |
| Transportation | 930,815 | - | - | - | 930,815 |
| Food service | 1,406 | - | - | - | 1,406 |
| Central | 661,774 | - | - | - | 661,774 |
| Other support services | 35,285 | - | - | - | 35,285 |
| Community services | 348,723 | - | - | - | 348,723 |
| Debt issuance cost | - | 25,000 | - | 25,000 | 25,000 |
| Capital outlay | - | 931,770 | 6,526,643 | 7,458,413 | 7,458,413 |
| Total expenditures | 9,861,862 | 1,099,720 | 6,907,609 | 8,007,329 | 17,869,191 |
| Deficiency of revenues over (under) expenditures | (515,075) | (372,617) | (6,884,599) | (7,257,216) | (7,772,291) |
| Other financing sources | | | | | |
| Proceeds from debt issuance | - | 2,030,000 | - | 2,030,000 | 2,030,000 |
| Change in fund balances | (515,075) | 1,657,383 | (6,884,599) | (5,227,216) | (5,742,291) |
| Fund balances: | | | | | |
| Beginning of year | 2,369,256 | 4,977,191 | 12,868,053 | 17,845,244 | 20,214,500 |
| End of year | \$ 1,854,181 | \$ 6,634,574 | \$ 5,983,454 | \$ 12,618,028 | \$ 14,472,209 |

School District U-46

**Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
Municipal Retirement/Social Security Fund
Year Ended June 30, 2011**

| | Original and Final Budget | Actual | Variance |
|-----------------------------------|---------------------------------|---------------------|---------------------|
| Revenues: | | | |
| Property taxes | \$ 8,921,206 | \$ 9,070,836 | \$ 149,630 |
| Replacement taxes | 187,443 | 275,223 | 87,780 |
| Earnings on investments | - | 728 | 728 |
| Total revenues | <u>9,108,649</u> | <u>9,346,787</u> | <u>238,138</u> |
| Expenditures: | | | |
| Current: | | | |
| Instruction: | | | |
| Regular programs | 1,864,366 | 1,197,293 | 667,073 |
| Special programs | 1,593,472 | 1,524,052 | 69,420 |
| Other instructional programs | 467,144 | 542,097 | (74,953) |
| Support services: | | | |
| Pupils | 972,716 | 1,008,725 | (36,009) |
| Instructional staff | 257,077 | 279,755 | (22,678) |
| General administration | 282,835 | 309,599 | (26,764) |
| School administration | 1,093,677 | 1,048,210 | 45,467 |
| Business | 1,952,193 | 1,974,128 | (21,935) |
| Transportation | (32,179) | 930,815 | (962,994) |
| Food service | 14,250 | 1,406 | 12,844 |
| Central | 663,122 | 661,774 | 1,348 |
| Other support | 29,698 | 35,285 | (5,587) |
| Community services | 234,500 | 348,723 | (114,223) |
| Total expenditures | <u>9,392,871</u> | <u>9,861,862</u> | <u>(468,991)</u> |
| Net change in fund balance | <u>\$ (284,222)</u> | <u>(515,075)</u> | <u>\$ (230,853)</u> |
| Fund balance: | | | |
| Beginning of year | | <u>2,369,256</u> | |
| End of year | | <u>\$ 1,854,181</u> | |

School District U-46

**Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
Capital Projects Fund
Year Ended June 30, 2011**

| | Original and Final Budget | Actual | Variance |
|---|---------------------------------|---------------------|-------------------|
| Revenues: | | | |
| Earnings on investments | \$ - | \$ 2,325 | \$ 2,325 |
| Impact fees and other local sources | 250,000 | 724,778 | 474,778 |
| Total revenues | <u>250,000</u> | <u>727,103</u> | <u>477,103</u> |
| Expenditures: | | | |
| Current: | | | |
| Support services: | | | |
| Facillities acquisition and construction | 101,600 | 142,950 | (41,350) |
| Debt issuance cost | - | 25,000 | (25,000) |
| Capital outlay | 913,250 | 931,770 | (18,520) |
| Total expenditures | <u>1,014,850</u> | <u>1,099,720</u> | <u>(84,870)</u> |
| Deficiency of revenues over expenditures | (764,850) | (372,617) | 392,233 |
| Other financing sources: | | | |
| Proceeds from debt issuance | 2,030,000 | 2,030,000 | - |
| Net change in fund balance | <u>\$ 1,265,150</u> | <u>1,657,383</u> | <u>\$ 392,233</u> |
| Fund balance: | | | |
| Beginning of year | | <u>4,977,191</u> | |
| End of year | | <u>\$ 6,634,574</u> | |

School District U-46

Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget and Actual
 Fire Prevention and Safety Fund
 Year Ended June 30, 2011

| | Original and Final Budget | Actual | Variance |
|---|---------------------------------|----------------------------|------------------------------|
| Revenues: | | | |
| Property taxes | \$ - | \$ 5,253 | \$ (5,253) |
| Earnings on investments | 534 | 17,757 | (17,223) |
| Total revenues | <u>534</u> | <u>23,010</u> | <u>(22,476)</u> |
| Expenditures: | | | |
| Current: | | | |
| Support services: | | | |
| Facilities acquisition and construction | 573,844 | 380,966 | 192,878 |
| Capital outlay | 5,287,214 | 6,526,643 | (1,239,429) |
| Total expenditures | <u>5,861,058</u> | <u>6,907,609</u> | <u>(1,046,551)</u> |
| Deficiency of revenues over expenditures | <u>(5,860,524)</u> | <u>(6,884,599)</u> | <u>(1,024,075)</u> |
| Net change in fund balance | <u><u>\$ (5,860,524)</u></u> | <u>(6,884,599)</u> | <u><u>\$ (1,024,075)</u></u> |
| Fund balance: | | | |
| Beginning of year | | <u>12,868,053</u> | |
| End of year | | <u><u>\$ 5,983,454</u></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
Year Ended June 30, 2011**

| | Assets/ Liabilities Balance at July 1, 2010 | Additions | Deletions | Assets/ Liabilities Balance at June 30, 2011 |
|-----------------------------|--|------------------|------------------|---|
| High Schools | | | | |
| Bartlett | \$ 470,789 | \$ 1,782,998 | \$ 1,605,068 | \$ 648,719 |
| Elgin | 501,463 | 1,089,442 | 1,011,099 | 579,806 |
| Larkin | 496,762 | 946,320 | 925,706 | 517,376 |
| Streamwood | 259,320 | 1,160,678 | 1,133,115 | 286,883 |
| Gifford | 186,806 | 226,969 | 279,265 | 134,510 |
| South Elgin | 337,865 | 1,511,208 | 1,506,391 | 342,682 |
| Total High Schools | 2,253,005 | 6,717,615 | 6,460,644 | 2,509,976 |
| Middle Schools | | | | |
| Abbott | 30,096 | 96,242 | 110,217 | 16,121 |
| Canton | 46,360 | 114,625 | 107,711 | 53,274 |
| Eastview | 117,341 | 233,515 | 223,342 | 127,514 |
| Ellis | 23,438 | 92,225 | 87,434 | 28,229 |
| Kenyon Woods | 96,447 | 190,942 | 188,598 | 98,791 |
| Kimball | 24,200 | 77,566 | 75,967 | 25,799 |
| Larsen | 59,331 | 99,414 | 113,828 | 44,917 |
| Tefft | 46,278 | 149,871 | 147,371 | 48,778 |
| Total Middle Schools | 443,491 | 1,054,400 | 1,054,468 | 443,423 |
| Elementary Schools | | | | |
| Bartlett | 53,672 | 72,093 | 72,236 | 53,529 |
| Centennial | 60,767 | 107,228 | 130,197 | 37,798 |
| Century Oaks | 15,184 | 26,566 | 30,714 | 11,036 |
| Channing | 16,307 | 26,190 | 29,760 | 12,737 |
| Clinton | 20,454 | 45,894 | 51,151 | 15,197 |
| Coleman | 17,078 | 46,989 | 56,915 | 7,152 |
| Creekside | 23,397 | 44,206 | 51,121 | 16,482 |
| Fox Meadow | 75,465 | 87,759 | 125,110 | 38,114 |
| Garfield | 10,333 | 10,697 | 12,870 | 8,160 |
| Harriet Gifford | 34,132 | 56,712 | 57,401 | 33,443 |
| Glenbrook | 17,563 | 46,529 | 52,643 | 11,449 |
| Hanover Countryside | 32,103 | 46,677 | 44,582 | 34,198 |
| Hawk Hollow | 41,087 | 53,477 | 75,144 | 19,420 |
| Heritage | 15,475 | 50,512 | 57,781 | 8,206 |
| Highland | 14,700 | 33,867 | 35,569 | 12,998 |
| Hillcrest | 11,346 | 33,084 | 31,244 | 13,186 |
| Hilltop | 52,073 | 74,667 | 81,855 | 44,885 |

(Continued)

School District U-46

**Combining Statement of Changes in Assets and Liabilities -
Agency Funds - Student Activity Funds (Continued)
Year Ended June 30, 2011**

| | Assets/ Liabilities Balance at July 1, 2010 | Additions | Deletions | Assets/ Liabilities Balance at June 30, 2011 |
|---------------------------------------|--|----------------------|----------------------|---|
| Elementary Schools (Continued) | | | | |
| Horizon | \$ 42,294 | \$ 79,863 | \$ 92,390 | \$ 29,767 |
| Huff | 8,531 | 17,530 | 16,073 | 9,988 |
| Laurel Hill | 20,332 | 37,828 | 39,321 | 18,839 |
| Liberty | 82,846 | 74,780 | 96,441 | 61,185 |
| Lincoln | 27,055 | 52,221 | 63,231 | 16,045 |
| Lords Park | 27,832 | 51,355 | 59,746 | 19,441 |
| Lowrie | 3,092 | 29,396 | 29,801 | 2,687 |
| McKinley | 17,595 | 42,835 | 42,500 | 17,930 |
| Nature Ridge | 50,509 | 90,393 | 91,265 | 49,637 |
| Oakhill | 19,315 | 32,290 | 41,833 | 9,772 |
| Ontarioville | 27,871 | 49,522 | 54,628 | 22,765 |
| Otter Creek | 57,000 | 62,012 | 85,480 | 33,532 |
| Parkwood | 9,548 | 12,942 | 16,194 | 6,296 |
| Prairieview | 35,216 | 64,081 | 82,084 | 17,213 |
| Ridge Circle | 14,617 | 45,295 | 48,893 | 11,019 |
| Sheridan | 4,602 | 30,317 | 26,002 | 8,917 |
| Spring Trail | 34,856 | 46,204 | 57,459 | 23,601 |
| Sunnydale | 18,670 | 43,162 | 48,065 | 13,767 |
| Sycamore Trails | 66,544 | 105,873 | 125,392 | 47,025 |
| Timber Trails | 30,112 | 45,908 | 51,974 | 24,046 |
| Washington | 25,892 | 33,619 | 35,521 | 23,990 |
| Wayne | 69,439 | 67,588 | 100,374 | 36,653 |
| Willard | 30,451 | 22,439 | 38,687 | 14,203 |
| Total Elementary Schools | 1,235,355 | 2,000,600 | 2,339,647 | 896,308 |
| Other | | | | |
| Adult Education | 2,267 | 755 | 903 | 2,119 |
| Safe Program | 113,121 | 198,533 | 197,863 | 113,791 |
| SWEP | 12,792 | 42,063 | 40,505 | 14,350 |
| Central School Programs | 6,679 | 3,125 | 4,499 | 5,305 |
| DORS | 4,298 | 40,000 | 35,497 | 8,801 |
| Total Other | 139,157 | 284,476 | 279,267 | 144,366 |
| Total All Agency Funds | \$ 4,071,008 | \$ 10,057,091 | \$ 10,134,026 | \$ 3,994,073 |

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, 2011

| | Total | Due in Fiscal Year | | | | | Thereafter |
|----------------------|----------------|--------------------|---------------|---------------|---------------|---------------|----------------|
| | | 2012 | 2013 | 2014 | 2015 | 2016 | |
| April 1996 Issue | | | | | | | |
| Principal | \$ 3,340,186 | \$ 1,677,118 | \$ 1,663,068 | \$ - | \$ - | \$ - | \$ - |
| Interest | 5,614,814 | 2,682,882 | 2,931,932 | - | - | - | - |
| | 8,955,000 | 4,360,000 | 4,595,000 | - | - | - | - |
| April 1997 Issue | | | | | | | |
| Principal | 13,825,000 | 13,825,000 | - | - | - | - | - |
| Interest | 1,078,350 | 1,078,350 | - | - | - | - | - |
| | 14,903,350 | 14,903,350 | - | - | - | - | - |
| February 1999 Issue | | | | | | | |
| Principal | 17,050,000 | - | - | - | - | 1,725,000 | 15,325,000 |
| Interest | 6,064,000 | 863,000 | 863,000 | 863,000 | 863,000 | 863,000 | 1,749,000 |
| | 23,114,000 | 863,000 | 863,000 | 863,000 | 863,000 | 2,588,000 | 17,074,000 |
| March 2001 Issue | | | | | | | |
| Principal | 37,775,695 | 2,524,952 | 2,677,017 | 9,327,947 | 9,173,427 | 14,072,352 | - |
| Interest | 38,154,305 | 1,865,048 | 2,222,983 | 8,647,053 | 9,436,573 | 15,982,648 | - |
| | 75,930,000 | 4,390,000 | 4,900,000 | 17,975,000 | 18,610,000 | 30,055,000 | - |
| March 2002 Issue | | | | | | | |
| Principal | 54,499,619 | - | - | - | - | 373,209 | 54,126,410 |
| Interest | 75,345,381 | - | - | - | - | 401,791 | 74,943,590 |
| | 129,845,000 | - | - | - | - | 775,000 | 129,070,000 |
| March 2003B Issue | | | | | | | |
| Principal | 59,993,937 | 723,362 | 727,925 | 727,271 | 727,445 | 970,121 | 56,117,813 |
| Interest | 96,256,063 | 426,638 | 492,075 | 557,729 | 627,555 | 934,879 | 93,217,187 |
| | 156,250,000 | 1,150,000 | 1,220,000 | 1,285,000 | 1,355,000 | 1,905,000 | 149,335,000 |
| December 2003D Issue | | | | | | | |
| Principal | 10,850,000 | 3,125,000 | 3,620,000 | 4,105,000 | - | - | - |
| Interest | 1,667,920 | 797,490 | 568,590 | 301,840 | - | - | - |
| | 12,517,920 | 3,922,490 | 4,188,590 | 4,406,840 | - | - | - |
| February 2005 Issue | | | | | | | |
| Principal | 37,830,000 | 420,000 | 15,085,000 | 365,000 | 935,000 | 1,985,000 | 19,040,000 |
| Interest | 8,048,838 | 1,660,919 | 1,645,169 | 890,919 | 877,231 | 841,000 | 2,133,600 |
| | 45,878,838 | 2,080,919 | 16,730,169 | 1,255,919 | 1,812,231 | 2,826,000 | 21,173,600 |
| September 2009 Issue | | | | | | | |
| Principal | 29,535,000 | 1,535,000 | 1,305,000 | 1,065,000 | 5,420,000 | 4,375,000 | 15,835,000 |
| Interest | 8,404,690 | 1,143,513 | 1,112,813 | 1,080,188 | 1,048,238 | 870,638 | 3,149,300 |
| | 37,939,690 | 2,678,513 | 2,417,813 | 2,145,188 | 6,468,238 | 5,245,638 | 18,984,300 |
| April 2010 Issue | | | | | | | |
| Principal | 29,490,000 | 2,470,000 | 3,555,000 | 12,275,000 | 11,190,000 | - | - |
| Interest | 3,621,900 | 1,154,900 | 1,080,800 | 938,600 | 447,600 | - | - |
| | 33,111,900 | 3,624,900 | 4,635,800 | 13,213,600 | 11,637,600 | - | - |
| March 2011A Issue | | | | | | | |
| Principal | 25,925,000 | 255,000 | 205,000 | 195,000 | 215,000 | 1,430,000 | 23,625,000 |
| Interest | 10,442,622 | 988,604 | 1,309,068 | 1,304,250 | 1,298,985 | 1,292,105 | 4,249,610 |
| | 36,367,622 | 1,243,604 | 1,514,068 | 1,499,250 | 1,513,985 | 2,722,105 | 27,874,610 |
| March 2011B Issue | | | | | | | |
| Principal | 2,030,000 | 200,000 | 200,000 | 200,000 | 200,000 | 200,000 | 1,030,000 |
| Interest | 70,188 | 9,933 | 11,895 | 10,595 | 9,295 | 7,995 | 20,475 |
| | 2,100,188 | 209,933 | 211,895 | 210,595 | 209,295 | 207,995 | 1,050,475 |
| Total All Issues: | | | | | | | |
| Principal | 322,144,437 | 26,755,432 | 29,038,010 | 28,260,218 | 27,860,872 | 25,130,682 | 185,099,223 |
| Interest | 254,769,071 | 12,671,277 | 12,238,325 | 14,594,174 | 14,608,477 | 21,194,056 | 179,462,762 |
| | \$ 576,913,508 | \$ 39,426,709 | \$ 41,276,335 | \$ 42,854,392 | \$ 42,469,349 | \$ 46,324,738 | \$ 364,561,985 |

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. The District implemented GASB Statement 34 in 2002; schedules presenting government-wide information include information beginning in that year.

School District U-46

**Net Assets by Component
Last Nine Fiscal Years**

| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009*** | 2010 | 2011 |
|--|---------------|----------------|----------------|----------------|----------------|----------------|---------------|---------------|----------------|
| Governmental Activities | | | | | | | | | |
| Invested in capital assets, net of related debt | \$ 11,351,408 | \$ 34,335,864 | \$ 52,605,851 | \$ 64,420,112 | \$ 73,707,762 | \$ 78,790,983 | \$ 85,142,936 | \$ 92,321,821 | \$ 101,691,947 |
| Restricted | 47,393,985 | 65,108,916 | 43,262,743 | 30,051,687 | 30,965,329 | 20,069,311 | 16,184,054 | 2,863,666 | 83,078,457 |
| Unrestricted | (6,998,041) | 10,141,200 | 16,572,791 | 24,805,863 | 29,891,301 | 33,233,204 | (52,913,595) | (67,581,131) | (103,290,222) |
| Total Government Activities Net Assets | \$ 51,747,352 | \$ 109,585,980 | \$ 112,441,385 | \$ 119,277,662 | \$ 134,564,392 | \$ 132,093,498 | \$ 48,413,395 | \$ 27,604,356 | \$ 81,480,182 |

Source: Audited Financial Statements 2003-2011.

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

*** The 2009 government-wide net assets have been restated to correct an error in accounting for bond premiums, debt issuance costs and debt refunding costs.

School District U-46

**Changes in Net Assets
Last Nine Fiscal Years**

| | 2003 | 2004 | 2005 |
|---|-------------------------|-------------------------|-------------------------|
| Expenses | | | |
| Instruction: | | | |
| Regular programs | \$ 124,305,465 | \$ 108,496,336 | \$ 122,273,162 |
| Special programs | 38,284,788 | 37,556,152 | 40,375,369 |
| Intergovernmental | - | 316,226 | 669,590 |
| Other instructional programs | 36,579,357 | 30,486,120 | 31,956,031 |
| Support services: | | | |
| Pupils | 28,597,287 | 20,909,671 | 19,587,987 |
| Instructional staff | 19,004,386 | 16,830,978 | 19,854,703 |
| General administration | 4,779,222 | 3,841,967 | 4,636,611 |
| School administration | 13,739,852 | 16,631,620 | 18,077,013 |
| Business | 37,793,613 | 36,235,931 | 39,868,936 |
| Facilities acquisition and construction | 4,598,142 | 2,578,959 | 2,329,344 |
| Transportation | 13,813,969 | 14,099,921 | 14,917,148 |
| Food service | - | - | - |
| Central | 9,459,353 | 10,574,772 | 10,418,182 |
| Other support services | - | - | - |
| Community services | 1,842,417 | 2,391,101 | 2,113,949 |
| Payments to other governments | - | - | - |
| State on-behalf of payments | 20,130,113 | 18,199,329 | 16,153,122 |
| Debt service-interest and fees | 13,848,090 | 11,195,807 | 15,453,266 |
| Total Expenses | 366,776,054 | 330,344,890 | 358,684,413 |
| Program Revenues | | | |
| Charges for services: | | | |
| Instruction: | | | |
| Regular programs | 4,194,227 | 4,138,429 | 4,028,606 |
| Special programs | - | - | - |
| Other instructional programs | - | - | - |
| Support services: | | | |
| Business | 680,186 | 745,941 | 662,703 |
| Transportation | 350,592 | 280,587 | 253,830 |
| Food service | 4,437,997 | 4,548,712 | 4,861,266 |
| Central | 1,508,305 | 549,405 | 972,333 |
| Operating grants and contributions | 58,960,712 | 74,679,814 | 67,389,659 |
| Capital grants and contributions | 8,166,742 | 33,832,588 | - |
| Total Program Revenues | 78,298,761 | 118,775,476 | 78,168,397 |
| Net (Expense)/Revenue | \$ (288,477,293) | \$ (211,569,414) | \$ (280,516,016) |

See related notes on page 72.

| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 |
|----|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| \$ | 116,971,571 | \$ 121,509,088 | \$ 125,646,518 | \$ 137,125,857 | \$ 137,890,395 | \$ 144,380,708 |
| | 37,621,812 | 36,386,694 | 36,975,245 | 41,208,041 | 41,712,599 | 46,118,818 |
| | - | - | - | - | - | - |
| | 34,864,900 | 40,308,314 | 42,977,356 | 44,374,036 | 48,183,615 | 46,960,015 |
| | 21,227,982 | 25,735,341 | 28,465,667 | 31,056,604 | 28,016,638 | 31,664,589 |
| | 14,308,445 | 15,010,469 | 16,002,400 | 15,277,003 | 14,617,298 | 15,267,864 |
| | 6,135,468 | 8,815,798 | 10,639,115 | 15,766,957 | 19,269,678 | 19,982,097 |
| | 20,650,619 | 23,905,980 | 23,795,853 | 25,573,421 | 22,622,794 | 25,801,537 |
| | 32,975,398 | 33,503,729 | 34,977,725 | 32,327,285 | 28,657,512 | 30,761,571 |
| | 8,318,368 | 3,165,269 | 4,809,177 | 2,127,637 | 817,683 | 788,055 |
| | 20,628,584 | 22,172,911 | 25,428,117 | 26,720,118 | 29,013,273 | 28,651,615 |
| | 11,995,150 | 12,952,500 | 14,132,310 | 15,564,304 | 13,421,176 | 17,147,240 |
| | 16,399,058 | 11,363,644 | 12,401,649 | 12,354,945 | 10,080,473 | 9,985,364 |
| | 73,677 | 239,079 | 217,789 | 279,403 | 1,314,514 | 1,999,655 |
| | 2,804,104 | 2,736,807 | 2,830,678 | 2,748,556 | 4,046,637 | 5,232,372 |
| | 9,914,016 | 9,732,031 | 7,792,609 | 7,953,269 | 7,550,943 | - |
| | 11,323,546 | 16,971,766 | 25,808,108 | 34,630,042 | 46,868,682 | - |
| | 10,513,740 | 10,899,062 | 11,231,187 | 22,434,615 | 22,460,154 | 21,642,152 |
| | <u>376,726,438</u> | <u>395,408,482</u> | <u>424,131,503</u> | <u>467,522,093</u> | <u>476,544,064</u> | <u>446,383,652</u> |
| | 4,114,154 | 4,086,733 | 4,171,676 | 3,835,651 | 3,731,249 | 4,189,130 |
| | 351,522 | 484,804 | 33,907 | 133,984 | 62,124 | 34,484 |
| | 1,046,348 | 344,730 | 817,186 | 840,330 | 608,591 | 1,111,162 |
| | 731,305 | 539,475 | 800,326 | 599,605 | 665,891 | 986,932 |
| | 274,392 | 338,703 | 214,325 | 568,588 | 381,504 | 968,503 |
| | 5,476,413 | 5,851,771 | 6,493,626 | 6,187,525 | 5,097,756 | 4,693,018 |
| | - | - | - | - | - | - |
| | 76,422,653 | 83,720,626 | 86,648,476 | 121,403,854 | 127,700,014 | 141,292,679 |
| | 5,298,022 | - | 17,771 | 720,545 | 820,523 | 964,778 |
| | <u>93,714,809</u> | <u>95,366,842</u> | <u>99,197,293</u> | <u>134,290,082</u> | <u>139,067,652</u> | <u>154,240,686</u> |
| | <u>\$ (283,011,629)</u> | <u>\$ (300,041,640)</u> | <u>\$ (324,934,210)</u> | <u>\$ (333,232,011)</u> | <u>\$ (337,476,412)</u> | <u>\$ (292,142,966)</u> |

(Continued)

School District U-46

**Changes in Net Assets (Continued)
Last Nine Fiscal Years**

| | 2003 | 2004 | 2005 |
|----------------------------------|------------------------|----------------------|---------------------|
| General Revenues | | | |
| Property taxes: | | | |
| Levied for general purposes | \$ 164,242,643 | \$ 170,219,123 | \$ 180,240,614 |
| Levied for Debt Service | 19,416,729 | 21,998,446 | 25,750,372 |
| Payments in lieu of taxes | 2,105,776 | 2,368,771 | 2,779,771 |
| Other taxes | - | 52,810 | 17,310 |
| Unrestricted state grants | 72,157,612 | 70,034,193 | 70,827,051 |
| Interest and investment earnings | 1,297,160 | 1,023,851 | 2,198,338 |
| Intergovernmental | - | 167,819 | - |
| Other general revenues | 1,727,193 | 3,543,029 | 1,557,965 |
| Total General Revenues | <u>260,947,113</u> | <u>269,408,042</u> | <u>283,371,421</u> |
| Change in Net Assets | <u>\$ (27,530,180)</u> | <u>\$ 57,838,628</u> | <u>\$ 2,855,405</u> |

Source: Audited Financial Statements 2003-2011.

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-bahalf of payments were allocated between instruction and support service expenses and shown accordingly.

| 2006 | 2007 | 2008 | 2009 | 2010 | 2011 |
|----------------|----------------|----------------|-----------------|-----------------|----------------|
| \$ 185,184,977 | \$ 205,075,226 | \$ 212,797,890 | \$ 221,434,756 | \$ 226,224,333 | \$ 238,078,583 |
| 28,312,083 | 32,321,416 | 33,390,049 | 34,386,905 | 35,039,161 | 38,974,113 |
| 3,580,340 | 3,975,944 | 4,578,094 | 3,854,557 | 3,134,569 | 4,040,837 |
| - | - | - | - | - | - |
| 69,525,159 | 67,600,037 | 68,831,087 | 53,944,813 | 51,743,683 | 64,161,401 |
| 3,242,618 | 5,599,826 | 4,157,558 | 1,114,337 | 103,114 | 133,167 |
| - | - | - | - | - | - |
| 383,062 | 755,921 | 257,229 | 307,682 | 422,513 | 630,691 |
| 290,228,239 | 315,328,370 | 324,011,907 | 315,043,050 | 316,667,373 | 346,018,792 |
| \$ 7,216,610 | \$ 15,286,730 | \$ (922,303) | \$ (18,188,961) | \$ (20,809,039) | \$ 53,875,826 |

School District U-46

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

| | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009** | 2010 | 2011*** |
|---|------------------------|------------------------|------------------------|------------------------|------------------------|-----------------------|-----------------------|------------------------|------------------------|-----------------------|
| General Fund | | | | | | | | | | |
| Reserved | \$ 2,426,567 | \$ 1,753,367 | \$ 523,537 | \$ 430,692 | \$ 418,907 | \$ 289,686 | \$ 196,756 | \$ 209,973 | \$ 4,105,974 | N/A |
| Unreserved | (16,857,942) | (43,972,123) | (30,329,088) | (24,144,308) | (23,336,444) | (3,706,770) | (3,811,497) | (41,915,757) | (37,312,889) | N/A |
| Nondispensible | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | \$ 1,761,685 |
| Restricted | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | 91,707,158 |
| Committed | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | - |
| Assigned | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | - |
| Unassigned | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | 8,192,571 |
| Total General Fund | \$ (14,431,375) | \$ (42,218,756) | \$ (29,805,551) | \$ (23,713,616) | \$ (22,917,537) | \$ (3,417,084) | \$ (3,614,741) | \$ (41,705,784) | \$ (33,206,915) | \$ 101,661,414 |
| All Other Governmental Funds | | | | | | | | | | |
| Reserved | \$ 78,070,963 | \$ 75,048,757 | \$ 58,050,081 | \$ 34,861,508 | \$ 44,461,483 | \$ 39,893,973 | \$ 34,413,254 | \$ 24,458,580 | \$ 35,837,628 | N/A |
| Unreserved, reported in: | | | | | | | | | | |
| Special revenue funds | 39,679,487 | 41,608,134 | 81,495,543 | 82,687,642 | 81,803,600 | 77,448,850 | 68,104,806 | 66,977,428 | 62,132,362 | N/A |
| Restricted | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | \$ 33,724,667 |
| Committed | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | - |
| Assigned | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | - |
| Unassigned | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | (18,760,402) |
| Total all other governmental funds | \$ 117,750,450 | \$ 116,656,891 | \$ 139,545,624 | \$ 117,549,150 | \$ 126,265,083 | \$ 117,342,823 | \$ 102,518,060 | \$ 91,436,008 | \$ 97,969,990 | \$ 14,964,265 |

Source: Audited Financial Statements 2002-2011.

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

** The 2009 fund balance (deficit) for the General Fund has been restated to correct for an error in accounting for claims and judgements payable.

*** 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

| | 2001 | 2002 | 2003 | 2004 | 2005 |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|
| Revenues | | | | | |
| Local sources: | | | | | |
| Property taxes | \$ 160,917,508 | \$ 172,981,166 | \$ 183,659,372 | \$ 192,217,569 | \$ 205,990,986 |
| Replacement taxes and other payments in lieu of taxes | 2,828,414 | 2,473,852 | 2,105,776 | 2,421,581 | 2,797,081 |
| Charges for services | 8,534,878 | 7,869,137 | 11,171,307 | 10,263,074 | 10,778,738 |
| Earnings on investments | 4,237,801 | 2,618,658 | 1,297,160 | 1,023,851 | 2,198,338 |
| Impact fees, rentals and other local sources | 2,048,179 | 1,971,482 | 1,968,054 | 3,583,289 | 1,557,965 |
| Total local sources | 178,566,780 | 187,914,295 | 200,201,669 | 209,509,364 | 223,323,108 |
| State sources: | | | | | |
| State grants-in-aid | 88,145,639 | 91,631,778 | 100,505,378 | 142,495,982 | 99,375,099 |
| State on-behalf of payments | 13,429,192 | 18,317,450 | 20,130,113 | 18,199,329 | 16,153,122 |
| Total state sources | 101,574,831 | 109,949,228 | 120,635,491 | 160,695,311 | 115,528,221 |
| Federal sources, | | | | | |
| Federal grants-in-aid | 11,009,625 | 15,169,862 | 18,408,714 | 17,978,843 | 22,688,489 |
| Total revenues | 291,151,236 | 313,033,385 | 339,245,874 | 388,183,518 | 361,539,818 |
| Expenditures | | | | | |
| Current: | | | | | |
| Instruction: | | | | | |
| Regular programs | 113,084,070 | 107,014,144 | 112,864,317 | 99,549,504 | 110,704,325 |
| Special programs | 25,882,208 | 32,845,621 | 38,284,788 | 37,556,152 | 40,375,369 |
| Other instructional programs | 25,550,125 | 34,014,798 | 36,579,357 | 30,486,120 | 31,956,031 |
| Total instruction | 164,516,403 | 173,874,563 | 187,728,462 | 167,591,776 | 183,035,725 |
| Support services: | | | | | |
| Pupils | 13,787,314 | 29,227,565 | 28,597,287 | 20,909,671 | 19,587,987 |
| Instructional staff | 6,019,713 | 8,879,459 | 9,543,436 | 9,432,636 | 10,288,164 |
| General administration | 3,892,314 | 4,796,276 | 4,779,222 | 3,841,967 | 4,636,611 |
| School administration | 13,396,039 | 11,221,577 | 13,739,852 | 16,631,620 | 18,077,013 |
| Business | 27,209,733 | 26,078,619 | 32,244,667 | 30,315,208 | 31,286,691 |
| Facilities acquisition and construction | 4,060,783 | 6,887,515 | 4,598,142 | 2,578,959 | 2,329,344 |
| Transportation | 14,994,611 | 15,517,118 | 13,813,969 | 14,099,921 | 14,917,148 |
| Food service | 7,447,677 | 7,700,170 | 8,445,937 | 8,592,162 | 9,228,946 |
| Central | 8,171,587 | 7,095,104 | 9,459,353 | 10,574,772 | 10,418,182 |
| Other support | - | - | - | - | - |
| Total support services | 98,979,771 | 117,403,403 | 125,221,865 | 116,976,916 | 120,770,086 |
| Community services | 1,256,717 | 1,675,035 | 1,842,417 | 2,391,101 | 2,113,949 |
| Payments to other governments | 2,172,912 | 1,307,931 | - | - | - |

(Continued)

| 2006 | 2007 | 2008 | 2009 | 2010 | 2011 |
|----------------|----------------|----------------|----------------|----------------|----------------|
| \$ 213,497,060 | \$ 237,396,642 | \$ 246,187,939 | \$ 255,821,661 | \$ 261,263,494 | \$ 277,052,696 |
| 3,580,340 | 3,975,944 | 4,578,094 | 3,773,557 | 3,053,569 | 3,959,837 |
| 11,262,829 | 11,106,741 | 11,730,720 | 11,384,259 | 9,772,661 | 10,880,592 |
| 3,242,618 | 5,599,826 | 4,157,558 | 1,114,337 | 103,114 | 133,167 |
| 8,835,819 | 3,342,112 | 2,382,271 | 2,142,626 | 2,286,164 | 2,687,134 |
| 240,418,666 | 261,421,265 | 269,036,582 | 274,236,440 | 276,479,002 | 294,713,426 |
| 108,890,420 | 109,958,592 | 101,647,698 | 94,968,684 | 85,042,918 | 109,760,781 |
| 11,323,546 | 16,971,766 | 25,808,108 | 34,630,042 | 46,868,682 | 41,387,470 |
| 120,213,966 | 126,930,358 | 127,455,806 | 129,598,726 | 131,911,600 | 151,148,251 |
| 23,045,877 | 22,240,757 | 26,716,812 | 39,563,940 | 53,206,061 | 42,256,544 |
| 383,678,509 | 410,592,380 | 423,209,200 | 443,399,106 | 461,596,663 | 488,118,221 |
| 112,582,971 | 117,128,966 | 121,094,338 | 128,971,936 | 131,049,168 | 119,418,719 |
| 36,107,752 | 35,000,057 | 35,606,891 | 39,218,924 | 39,539,625 | 38,124,984 |
| 33,043,871 | 38,392,080 | 41,194,495 | 45,643,301 | 45,761,230 | 39,038,710 |
| 181,734,594 | 190,521,103 | 197,895,724 | 213,834,161 | 216,350,023 | 196,582,413 |
| 20,312,308 | 24,744,332 | 27,417,732 | 29,984,096 | 26,418,768 | 25,731,889 |
| 13,701,183 | 14,386,197 | 15,410,170 | 14,710,807 | 13,924,195 | 12,744,126 |
| 5,877,931 | 8,469,365 | 10,242,630 | 14,447,028 | 18,379,668 | 16,791,704 |
| 19,819,625 | 22,995,799 | 22,920,993 | 24,691,749 | 21,475,686 | 21,432,466 |
| 31,389,541 | 32,008,895 | 33,685,788 | 31,040,810 | 27,357,981 | 25,915,150 |
| 2,098,316 | 1,116,531 | 1,356,116 | 1,042,244 | 752,369 | 604,006 |
| 19,785,158 | 21,977,006 | 25,380,780 | 23,855,721 | 23,081,648 | 23,703,791 |
| 11,225,155 | 12,317,378 | 13,320,933 | 14,992,526 | 12,692,710 | 14,128,009 |
| 11,605,338 | 10,938,383 | 12,276,504 | 11,830,777 | 9,579,069 | 8,312,235 |
| 73,677 | 239,079 | 217,009 | 279,403 | 1,313,172 | 1,993,812 |
| 135,888,232 | 149,192,965 | 162,228,655 | 166,875,161 | 154,975,266 | 151,357,188 |
| 2,687,395 | 2,626,570 | 2,711,317 | 2,646,368 | 3,812,527 | 4,278,777 |
| 9,914,016 | 9,732,031 | 7,792,609 | 7,956,101 | 7,550,943 | 7,131,341 |

School District U-46

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

| | 2002 | 2003 | 2004 | 2005 |
|---|-----------------------|------------------------|-----------------------|------------------------|
| Total current | \$ 294,260,932 | \$ 314,792,744 | \$ 286,959,793 | \$ 305,919,760 |
| Intergovernmental state on-behalf of payments | 18,317,450 | 20,130,113 | 18,199,329 | 16,153,122 |
| Debt service: | | | | |
| Principal | 5,019,666 | 7,094,453 | 9,082,695 | 12,721,835 |
| Interest and fees | 6,065,573 | 11,398,313 | 11,195,807 | 13,162,462 |
| Capital outlay | 48,915,237 | 83,144,938 | 61,803,665 | 33,280,962 |
| Intergovernmental | - | - | 316,226 | 669,590 |
| Total Expenditures | 372,578,858 | 436,560,561 | 387,557,515 | 381,907,731 |
| Excess of revenues over (under) expenditures | (59,545,473) | (97,314,687) | 626,003 | (20,367,913) |
| Other financing sources (uses): | | | | |
| Issuance of bonds | 54,499,619 | 88,486,022 | 34,000,000 | 71,790,000 |
| Premium on bonds sold | - | - | - | 3,571,614 |
| Discount on bonds sold | - | - | - | - |
| Accrued interest on bonds sold | - | - | - | - |
| Payments to escrow agent | - | (22,486,022) | - | (74,237,418) |
| Issuance of debt certificates | - | - | - | - |
| Premium on debt certificates sold | - | - | - | - |
| Issuance of purchase contracts | - | 2,433,747 | 675,935 | 3,339,178 |
| Issuance of installment loans | 2,020,048 | - | - | - |
| Sale of assets | - | - | - | - |
| Transfers in | 1,015,656 | - | - | 771,260 |
| Transfers out | (1,015,656) | - | - | (771,260) |
| Total other financing sources (uses) | 56,519,667 | 68,433,747 | 34,675,935 | 4,463,374 |
| Net Change in Fund Balances | \$ (3,025,806) | \$ (28,880,940) | \$ 35,301,938 | \$ (15,904,539) |
| Debt service expenditure as a percentage of noncapital expenditures | 3.42% | 5.23% | 6.23% | 7.42% |

Source: Audited Financial Statements 2002-2011.

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

| 2006 | 2007 | 2008 | 2009 | 2010 | 2011 |
|----------------|----------------|-----------------|-----------------|----------------|----------------|
| \$ 330,224,237 | \$ 352,072,669 | \$ 370,628,305 | \$ 391,311,791 | \$ 382,688,759 | \$ 359,349,719 |
| 11,323,546 | 16,971,766 | 25,808,108 | 34,630,042 | 46,868,682 | 41,387,470 |
| 16,023,117 | 20,172,487 | 24,988,439 | 27,544,950 | 33,602,191 | 30,572,146 |
| 10,513,740 | 10,899,062 | 11,231,187 | 12,718,067 | 9,765,565 | 12,444,322 |
| 29,029,135 | 15,285,123 | 15,729,322 | 17,611,198 | 4,603,283 | 9,723,218 |
| - | - | - | - | - | - |
| 397,113,775 | 415,401,107 | 448,385,361 | 483,816,048 | 477,528,480 | 453,476,875 |
| (13,435,266) | (4,808,727) | (25,176,161) | (40,416,942) | (15,931,817) | 34,641,346 |
| 15,000,000 | 4,000,000 | - | - | 64,595,000 | 27,955,000 |
| 240,245 | - | - | - | 3,176,086 | - |
| - | - | - | - | - | (440,725) |
| 24,294 | - | - | - | - | - |
| - | - | - | - | (36,806,418) | (10,293,017) |
| - | 7,266,920 | 6,200,000 | - | - | - |
| - | 102,832 | - | - | - | - |
| 7,682,739 | 4,017,168 | 3,953,741 | 4,195,926 | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| 1,830,161 | 5,747,053 | - | 4,324,525 | 4,424,969 | 2,476,070 |
| (1,830,161) | (5,747,053) | - | (4,324,525) | (4,424,969) | (2,476,070) |
| 22,947,278 | 15,386,920 | 10,153,741 | 4,195,926 | 30,964,668 | 17,221,258 |
| \$ 9,512,012 | \$ 10,578,193 | \$ (15,022,420) | \$ (36,221,016) | \$ 15,032,851 | \$ 51,862,604 |
| 7.21% | 7.77% | 8.37% | 8.64% | 9.17% | 9.69% |

School District U-46

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

| Tax Levy Year | Residential Property | Farm Property | Commercial Property | Industrial Property | Railroad Property | Total Equalized Assessed Valuation |
|---------------|----------------------|---------------|---------------------|---------------------|-------------------|------------------------------------|
| 2010 | \$ 4,650,255,991 | \$ 4,418,413 | \$ 608,681,253 | \$ 398,128,663 | \$ 1,943,447 | 5,663,427,767 |
| 2009 | 5,018,610,526 | 4,482,824 | 657,518,565 | 430,218,669 | 1,435,268 | 6,112,265,852 |
| 2008 (2) | 4,868,224,359 | 4,337,570 | 632,483,830 | 402,270,282 | 1,258,245 | 5,908,574,286 |
| 2007 | 4,752,496,742 | 4,239,339 | 613,782,014 | 395,753,570 | 1,024,950 | 5,767,296,615 |
| 2006 | 4,296,541,049 | 4,623,682 | 550,364,947 | 338,152,754 | 813,429 | 5,190,495,861 |
| 2005 | 3,966,354,659 | 4,868,297 | 547,744,374 | 319,885,730 | 722,871 | 4,839,575,931 |
| 2004 | 3,638,891,994 | 5,114,394 | 511,655,692 | 299,473,286 | 756,122 | 4,455,891,488 |
| 2003 | 3,257,785,319 | 5,285,417 | 466,263,706 | 269,936,931 | 698,418 | 3,999,969,791 |
| 2002 | 3,009,467,137 | 5,328,881 | 456,172,567 | 268,712,155 | 1,097,176 | 3,740,777,916 |
| 2001 | 2,739,675,671 | 5,364,733 | 432,112,557 | 249,319,281 | 1,006,705 | 3,427,478,947 |

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 |
|---|---|---|---|--|
| 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 | 17,725,722,858 | 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 | 14,518,727,793 | 33.33% |
| 4.7024 | 4.9445 | 4.6020 | 13,367,674,464 | 33.33% |
| 4.9769 | 5.6059 | 4.6866 | 11,999,909,373 | 33.33% |
| 5.1403 | 5.0795 | 5.1097 | 11,222,333,748 | 33.33% |
| 5.0947 | 5.3493 | 4.8292 | 10,282,436,841 | 33.33% |

School District U-46

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

| | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 | 2003 | 2002 | 2001 |
|--------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Direct | | | | | | | | | | |
| School District U-46 | 5.2661 | 4.5494 | 4.2066 | 4.3659 | 4.6954 | 4.7345 | 4.7024 | 4.9424 | 5.1403 | 5.0947 |
| Overlapping | | | | | | | | | | |
| Kane County | 0.3730 | 0.3361 | 0.3336 | 0.3322 | 0.3452 | 0.3367 | 0.3467 | 0.3578 | 0.4292 | 0.4529 |
| Kane County Forest Preserve District | 0.2201 | 0.1997 | 0.1932 | 0.1974 | 0.1747 | 0.1904 | 0.1432 | 0.1270 | 0.1395 | 0.1520 |
| Gail Borden Library District | 0.3650 | 0.3380 | 0.3175 | 0.3111 | 0.3378 | 0.3171 | 0.3700 | 0.3445 | 0.3369 | 0.3255 |
| Elgin Township | 0.0783 | 0.0706 | 0.0692 | 0.0693 | 0.0715 | 0.0759 | 0.0776 | 0.0807 | 0.0864 | 0.0918 |
| Elgin Township Road Fund | 0.0581 | 0.0524 | 0.0514 | 0.0515 | 0.0531 | 0.0563 | 0.0770 | 0.0599 | 0.0641 | 0.0680 |
| City of Elgin | 1.9210 | 1.9202 | 1.9200 | 1.9200 | 1.9501 | 1.9201 | 1.9198 | 1.9047 | 1.9223 | 1.8739 |
| Community College District 509 | 0.4407 | 0.3833 | 0.3175 | 0.3280 | 0.3398 | 0.4010 | 0.4154 | 0.3854 | 0.3636 | 0.3721 |
| Total | 8.7224 | 7.8497 | 7.4090 | 7.5754 | 7.9676 | 8.0320 | 8.0521 | 8.2024 | 8.4823 | 8.4309 |

Source: District Records

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

School District U-46

**Principal Property Taxpayers in the District
Current Year**

| Taxpayer | Equalized Assessed Valuation 2010 | Percent of Total District Equalized Assessed Valuation |
|--|--|--|
| Bradley Operat. Limited | \$25,417,455 | 0.45 |
| MDKTSTP Ent Fin Dept | 24,931,447 | 0.44 |
| Target Prop Tax T835 | 21,280,707 | 0.38 |
| Wal-Mart Stores Inc. | 18,888,792 | 0.33 |
| IRC | 16,457,001 | 0.29 |
| Property Valuation Services | 11,248,489 | 0.20 |
| Willow Arms Associates Limited II | 8,245,127 | 0.15 |
| Ball Aerosol & Special | 6,441,537 | 0.11 |
| Home Depot Store 1904 | 6,236,993 | 0.11 |
| MHC-DEANZA Financing Limited Partnership | 6,214,123 | 0.11 |
| | | |
| Total Largest Taxpayers | \$ 145,361,671 | 2.57 |
| | | |
| Total District | \$ 5,663,427,767 | 100.00% |

Source: Cook, Kane and DuPage County Clerk's and Assessor's Offices

School District U-46

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

| | 2010 | 2009 | 2008 | 2007 |
|---|-----------------------|-----------------------|-----------------------|-----------------------|
| Rates Extended | | | | |
| Educational | 3.4930 | 3.0397 | 3.1247 | 3.1657 |
| Tort immunity/liability insurance | 0.0778 | 0.0657 | 0.0538 | 0.0755 |
| Special education | 0.0373 | 0.0347 | 0.0361 | 0.0363 |
| Operations and maintenance | 0.3971 | 0.3348 | 0.3090 | 0.3396 |
| Transportation | 0.1271 | 0.1012 | 0.1053 | 0.0968 |
| Municipal retirement - IMRF | 0.0794 | 0.0706 | 0.0900 | 0.0903 |
| Social security | 0.0794 | 0.0706 | 0.0900 | 0.0903 |
| Bond and interest/supp. | 0.5875 | 0.4889 | 0.4771 | 0.4934 |
| Working cash | - | - | - | - |
| Life safety | - | - | 0.0121 | 0.0291 |
| Life safety limited bonds | - | - | 0.0549 | 0.0696 |
| Limited bonds | 0.1468 | 0.1326 | 0.0812 | 0.0784 |
| Total Rates Extended | 5.0254 | 4.3388 | 4.4342 | 4.5650 |
| Levies Extended | | | | |
| Educational | \$ 84,561,841 | \$ 79,727,190 | \$ 78,974,704 | \$ 72,626,540 |
| Tort immunity/liability insurance | 1,883,010 | 1,723,705 | 1,360,208 | 1,097,746 |
| Special education | 902,377 | 912,245 | 913,505 | 818,047 |
| Operations and maintenance | 9,613,134 | 8,783,919 | 7,810,356 | 7,756,943 |
| Transportation | 3,076,398 | 2,654,041 | 2,661,968 | 2,216,304 |
| Municipal retirement - IMRF | 1,922,137 | 1,852,918 | 2,274,271 | 2,046,320 |
| Social security | 1,922,137 | 1,852,918 | 2,274,271 | 2,046,320 |
| Bond and interest/supp. | 14,223,828 | 12,823,465 | 12,059,412 | 14,335,764 |
| Working cash | - | - | - | - |
| Life safety | - | - | 307,021 | 630,281 |
| Life safety limited bonds | - | - | 1,387,752 | - |
| Limited bonds | 3,552,765 | 3,478,715 | 2,052,967 | - |
| Total Levies Extended | \$ 121,657,627 | \$ 113,809,116 | \$ 112,076,435 | \$ 103,574,265 |
| Current year collections | \$ 58,289,670 | \$ 52,012,181 | \$ 48,524,841 | \$ 44,393,116 |
| Subsequent year collections | - | 54,342,440 | 59,593,188 | 58,889,045 |
| Total Collections | \$ 58,289,670 | \$ 106,354,621 | \$ 108,118,029 | \$ 103,282,161 |
| Percentage of extensions collected | | | | |
| Current year collections | 47.91% | 45.70% | 43.30% | 41.09% |
| Total collections | 47.91% | 93.45% | 96.47% | 98.20% |

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

| 2006 | 2005 | 2004 | 2003 | 2002 | 2001 |
|--------|--------|--------|--------|--------|--------|
| 3.4172 | 3.2886 | 3.5377 | 3.9875 | 3.9374 | 3.7973 |
| 0.0517 | 0.0667 | 0.0093 | 0.1163 | 0.1283 | 0.1222 |
| 0.0385 | 0.0368 | 0.0371 | 0.0391 | 0.0395 | 0.0375 |
| 0.3650 | 0.3458 | 0.3644 | 0.3858 | 0.3693 | 0.3515 |
| 0.1043 | 0.1103 | 0.1300 | 0.1873 | 0.1715 | 0.1631 |
| 0.0963 | 0.0938 | 0.0929 | 0.0600 | 0.0935 | 0.0889 |
| 0.0963 | 0.0938 | 0.0929 | 0.0600 | 0.1260 | 0.1199 |
| 0.5093 | 0.5035 | 0.5560 | 0.6201 | 0.5872 | 0.5781 |
| - | - | - | - | 0.0495 | 0.0469 |
| 0.0297 | 0.0350 | 0.0348 | 0.0447 | 0.0461 | 0.0439 |
| 0.0824 | 0.0883 | - | - | - | - |
| 0.0828 | 0.0831 | 0.0894 | 0.1051 | - | - |
| 4.8735 | 4.7457 | 4.9445 | 5.6059 | 5.5483 | 5.3493 |

| | | | | | |
|---------------|---------------|---------------|---------------|---------------|---------------|
| \$ 67,827,228 | \$ 62,226,815 | \$ 60,060,840 | \$ 54,260,960 | \$ 50,284,000 | \$ 48,639,695 |
| 1,376,253 | 1,262,617 | 157,999 | 1,661,891 | 952,894 | 1,564,665 |
| 758,809 | 696,155 | 630,560 | 553,280 | 502,840 | 480,681 |
| 7,130,735 | 6,541,959 | 6,187,370 | 5,453,760 | 4,718,960 | 4,502,706 |
| 2,276,429 | 2,088,467 | 2,206,960 | 2,647,840 | 2,514,200 | 2,089,491 |
| 1,933,406 | 1,773,767 | 1,576,400 | 1,896,960 | 1,547,200 | 1,139,165 |
| 1,933,406 | 1,773,767 | 1,576,400 | 1,896,960 | 1,547,200 | 1,535,236 |
| 13,506,762 | 9,527,480 | 9,439,584 | 8,765,003 | 7,861,500 | 7,404,509 |
| - | - | - | - | 618,880 | 600,851 |
| 719,310 | 659,917 | 591,150 | 632,320 | 618,880 | 562,838 |
| - | 1,671,134 | - | - | - | - |
| - | 1,571,578 | 1,518,504 | 1,486,387 | - | - |
| \$ 97,462,338 | \$ 89,793,656 | \$ 83,945,767 | \$ 79,255,361 | \$ 71,166,554 | \$ 68,519,837 |

| | | | | | |
|---------------|---------------|---------------|---------------|---------------|---------------|
| \$ 40,051,415 | N/A | N/A | N/A | N/A | N/A |
| 55,660,927 | N/A | N/A | N/A | N/A | N/A |
| \$ 95,712,342 | \$ 87,178,630 | \$ 83,386,746 | \$ 74,898,338 | \$ 71,122,839 | \$ 67,597,748 |

| | | | | | |
|--------|--------|--------|--------|--------|--------|
| N/A | N/A | N/A | N/A | N/A | N/A |
| 97.09% | 99.33% | 94.50% | 99.94% | 98.65% | 98.87% |

School District U-46

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

| | 2010 | 2009 | 2008 | 2007 |
|------------------------------------|----------------------|----------------------|----------------------|----------------------|
| Rates Extended | | | | |
| Educational | 3.3878 | 3.2406 | 2.9813 | 2.9817 |
| Tort immunity/liability insurance | 0.0723 | 0.0703 | 0.0746 | 0.0710 |
| Special education | 0.0349 | 0.0370 | 0.0343 | 0.0342 |
| Operations and maintenance | 0.3690 | 0.3569 | 0.3200 | 0.3199 |
| Transportation | 0.1404 | 0.1079 | 0.0995 | 0.0914 |
| Municipal retirement - IMRF | 0.0738 | 0.0757 | 0.0852 | 0.0852 |
| Social security | 0.0738 | 0.0757 | 0.0852 | 0.0852 |
| Bond and interest/supp. | 0.5501 | 0.5015 | 0.4412 | 0.4441 |
| Bond and interest - limited | 0.1371 | 0.1363 | 0.1258 | 0.1328 |
| Working cash | - | - | - | - |
| Life safety | - | - | 0.0120 | 0.0277 |
| Total Rates Extended | 4.8392 | 4.6019 | 4.2591 | 4.2732 |
| Levies Extended | | | | |
| Educational | \$ 42,636,618 | \$ 44,130,824 | \$ 40,903,191 | \$ 39,146,450 |
| Tort immunity/liability insurance | 909,920 | 957,353 | 1,023,506 | 1,114,644 |
| Special education | 439,228 | 503,870 | 470,593 | 449,008 |
| Operations and maintenance | 4,643,991 | 4,860,301 | 4,390,374 | 4,199,936 |
| Transportation | 1,766,982 | 1,469,393 | 1,365,132 | 1,387,725 |
| Municipal retirement - IMRF | 928,798 | 1,030,890 | 1,168,937 | 1,118,583 |
| Social security | 928,798 | 1,030,890 | 1,168,937 | 1,118,583 |
| Bond and interest/supp. | 6,923,196 | 6,829,470 | 6,053,228 | 7,574,064 |
| Bond and interest limited | 1,725,450 | 1,856,147 | 1,725,966 | - |
| Working cash | - | - | - | - |
| Life safety | - | - | 164,639 | - |
| Total Levies Extended | \$ 60,902,982 | \$ 62,669,138 | \$ 58,434,503 | \$ 56,108,993 |
| Current year collections | \$ 30,363,549 | \$ 30,004,777 | \$ 27,377,411 | \$ 26,097,148 |
| Subsequent year collections | - | 32,553,752 | 31,001,864 | 29,954,558 |
| Total Collections | \$ 30,363,549 | \$ 62,558,529 | \$ 58,379,275 | \$ 56,051,706 |
| Percentage of extensions collected | | | | |
| Current year collections | 49.86% | 47.88% | 46.85% | 46.51% |
| Total collections | 49.86% | 99.82% | 99.91% | 99.90% |

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

| 2006 | 2005 | 2004 | 2003 | 2002 | 2001 |
|--------|--------|--------|--------|--------|--------|
| 3.2879 | 3.2315 | 3.2108 | 3.5482 | 3.3141 | 3.4377 |
| 0.0833 | 0.0656 | 0.1039 | 0.1016 | 0.1556 | 0.1118 |
| 0.0379 | 0.0332 | 0.0372 | 0.0400 | 0.0362 | 0.0345 |
| 0.3532 | 0.3117 | 0.3404 | 0.3750 | 0.3439 | 0.3224 |
| 0.0956 | 0.1085 | 0.0999 | 0.1200 | 0.1604 | 0.1492 |
| 0.0887 | 0.0921 | 0.0966 | 0.1371 | 0.1254 | 0.0816 |
| 0.0887 | 0.0921 | 0.0966 | 0.1371 | 0.1256 | 0.1098 |
| 0.4703 | 0.4716 | 0.5005 | 0.5461 | 0.5158 | 0.4988 |
| 0.1527 | 0.1609 | 0.0806 | 0.0927 | - | - |
| - | - | - | - | 0.0260 | 0.0431 |
| 0.0198 | 0.0344 | 0.0355 | - | 0.0262 | 0.0403 |
| 4.6781 | 4.6016 | 4.6020 | 5.0978 | 4.8292 | 4.8292 |

| | | | | | |
|---------------|---------------|---------------|---------------|---------------|---------------|
| \$ 40,689,543 | \$ 37,027,378 | \$ 34,706,373 | \$ 32,933,000 | \$ 30,389,702 | \$ 30,452,759 |
| 1,030,883 | 861,855 | 1,123,082 | 940,164 | 1,426,824 | 990,422 |
| 469,033 | 436,133 | 402,104 | 371,622 | 331,948 | 305,582 |
| 4,371,041 | 4,096,415 | 3,679,472 | 3,480,929 | 3,153,501 | 2,855,731 |
| 1,183,102 | 982,168 | 1,079,845 | 1,111,837 | 1,470,839 | 1,321,958 |
| 1,097,711 | 1,092,069 | 1,044,175 | 1,272,402 | 1,149,895 | 722,514 |
| 1,097,711 | 1,092,069 | 1,044,175 | 1,272,402 | 1,151,729 | 972,841 |
| 7,709,962 | 7,317,092 | 6,281,261 | 5,944,946 | 4,729,793 | 4,418,806 |
| - | - | - | - | - | - |
| - | - | - | - | 240,249 | 381,769 |
| 245,036 | 327,389 | 383,729 | - | 238,415 | 356,652 |
| \$ 57,894,022 | \$ 53,232,568 | \$ 49,744,216 | \$ 47,327,302 | \$ 44,282,895 | \$ 42,779,034 |

| | | | | | |
|---------------|---------------|---------------|---------------|---------------|---------------|
| \$ 27,397,647 | N/A | N/A | N/A | N/A | N/A |
| 30,436,037 | N/A | N/A | N/A | N/A | N/A |
| \$ 57,833,684 | \$ 53,189,547 | \$ 49,458,970 | \$ 47,309,522 | \$ 44,264,206 | \$ 42,732,809 |

| | | | | | |
|--------|--------|--------|--------|--------|--------|
| 47.32% | N/A | N/A | N/A | N/A | N/A |
| 99.90% | 99.92% | 99.43% | 99.96% | 99.96% | 99.89% |

School District U-46

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

| | 2010 | 2009 | 2008 | 2007 |
|---|-----------------------|-----------------------|-----------------------|-----------------------|
| Rates Extended | | | | |
| Educational | 3.7483 | 3.1850 | 3.0879 | 3.1403 |
| Tort immunity/liability insurance | 0.0795 | 0.0688 | 0.0774 | 0.0749 |
| Special education | 0.0381 | 0.0364 | 0.0354 | 0.0359 |
| Operations and maintenance | 0.4057 | 0.3509 | 0.3313 | 0.3369 |
| Transportation | 0.1298 | 0.1060 | 0.1031 | 0.0961 |
| Municipal retirement - IMRF | 0.0811 | 0.0740 | 0.0881 | 0.0949 |
| Social security | 0.0811 | 0.0740 | 0.0881 | 0.0895 |
| Bond and interest/supp. | 0.6133 | 0.5332 | 0.4998 | 0.5259 |
| Working cash | - | - | - | - |
| Working cash bonds | 0.0929 | 0.0821 | 0.0763 | 0.0732 |
| Life safety | - | - | 0.0119 | 0.0288 |
| Fire safety bonds | - | - | - | - |
| Prior year adjustment | (0.0037) | 0.0390 | (0.1927) | (0.1252) |
| Levies Extended | 5.2661 | 4.5494 | 4.2066 | 4.3712 |
| Levies Extended | | | | |
| Educational | \$ 74,365,813 | \$ 67,765,315 | \$ 66,591,910 | \$ 63,520,045 |
| Tort immunity/liability insurance | 1,577,458 | 1,464,219 | 1,668,808 | 1,550,644 |
| Special education | 756,543 | 774,122 | 763,076 | 726,919 |
| Operations and maintenance | 8,048,261 | 7,465,272 | 7,145,642 | 6,814,216 |
| Transportation | 2,575,447 | 2,255,567 | 2,223,643 | 2,248,910 |
| Municipal retirement - IMRF | 1,609,644 | 1,573,986 | 1,899,782 | 1,810,734 |
| Social security | 1,609,644 | 1,573,986 | 1,899,782 | 1,810,734 |
| Bond and interest/supp. | 12,167,590 | 11,345,247 | 10,779,074 | 12,081,955 |
| Working cash | - | - | - | - |
| Working cash bonds | 1,842,955 | 1,747,089 | 1,645,622 | - |
| Life safety | - | - | 256,466 | - |
| Prior year adjustment | (73,448) | 830,738 | (4,156,375) | - |
| Total Levies Extended | \$ 104,479,907 | \$ 96,795,541 | \$ 90,717,430 | \$ 90,564,157 |
| Total Collections | | | | |
| Current year collections | \$ 50,460,307 | \$ 48,399,771 | \$ 41,642,782 | \$ 43,644,195 |
| Subsequent year collections | - | 56,273,908 | 48,754,604 | 46,773,020 |
| Total Collections | \$ 50,460,307 | \$ 104,673,679 | \$ 90,397,386 | \$ 90,417,215 |
| All Three Counties Combined | | | | |
| Total levies extended | \$ 287,040,516 | \$ 273,273,795 | \$ 261,228,368 | \$ 250,247,415 |
| Total collections | | | | |
| Current year collections | 139,113,526 | 130,416,729 | 117,545,034 | 114,134,459 |
| Subsequent year collections | - | 143,170,100 | 139,349,656 | 135,616,623 |
| Total collections | \$ 139,113,526 | \$ 273,586,829 | \$ 256,894,690 | \$ 249,751,082 |
| Percentage of extensions collected | | | | |
| Current year collections | 48.46% | 47.72% | 45.00% | 45.61% |
| Total collections | 48.46% | 100.11% | 98.34% | 99.80% |

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 2000-2008.

| 2006 | 2005 | 2004 | 2003 | 2002 | 2001 |
|----------------|----------------|----------------|----------------|----------------|----------------|
| 3.2437 | 3.2774 | 3.2313 | 3.5172 | 3.5263 | 3.6284 |
| 0.0828 | 0.1758 | 0.1132 | 0.1026 | 0.1000 | 0.1182 |
| 0.0375 | 0.0384 | 0.0366 | 0.0400 | 0.0383 | 0.0362 |
| 0.3523 | 0.3602 | 0.3433 | 0.3750 | 0.3750 | 0.3402 |
| 0.0950 | 0.0865 | 0.1007 | 0.1000 | 0.1718 | 0.1579 |
| 0.0946 | 0.0961 | 0.0966 | 0.1000 | 0.1322 | 0.0862 |
| 0.0946 | 0.0961 | 0.0966 | 0.1000 | 0.1322 | 0.1161 |
| 0.5457 | 0.5653 | 0.5056 | 0.5062 | 0.5230 | 0.5235 |
| - | - | - | - | 0.0250 | 0.0454 |
| 0.0764 | 0.0793 | 0.0814 | 0.0859 | - | - |
| 0.0310 | 0.0288 | 0.0352 | 0.0500 | 0.0401 | 0.0426 |
| - | - | - | - | 0.0109 | - |
| 0.0418 | 0.0307 | 0.0619 | - | 0.0655 | - |
| 4.6954 | 4.8346 | 4.7024 | 4.9769 | 5.1403 | 5.0947 |
| \$ 63,479,651 | \$ 59,980,963 | \$ 55,494,332 | \$ 55,449,834 | \$ 50,170,178 | \$ 47,509,685 |
| 1,619,646 | 1,005,824 | 1,546,693 | 1,617,523 | 1,422,743 | 1,548,199 |
| 734,842 | 658,030 | 584,238 | 630,613 | 544,910 | 474,468 |
| 6,894,983 | 6,168,980 | 5,477,181 | 5,912,000 | 5,335,285 | 4,454,197 |
| 1,857,834 | 1,923,970 | 2,065,062 | 1,576,533 | 2,444,272 | 2,067,334 |
| 1,850,465 | 1,542,284 | 1,442,263 | 1,576,533 | 1,880,866 | 1,128,941 |
| 1,850,465 | 1,542,284 | 1,442,263 | 1,576,533 | 1,880,866 | 1,520,593 |
| 12,175,338 | 11,502,431 | 9,806,016 | 9,334,654 | 7,596,024 | 6,853,963 |
| - | - | - | - | 355,686 | 594,069 |
| - | - | - | - | - | - |
| 606,129 | 450,826 | 524,474 | 788,267 | 570,520 | 557,247 |
| - | - | - | - | - | - |
| \$ 91,069,353 | \$ 84,775,592 | \$ 78,382,522 | \$ 78,462,490 | \$ 72,201,350 | \$ 66,708,696 |
| \$ 44,190,832 | N/A | N/A | N/A | N/A | N/A |
| 46,740,095 | N/A | N/A | N/A | N/A | N/A |
| \$ 90,930,927 | \$ 84,236,617 | \$ 78,306,490 | \$ 77,498,803 | \$ 72,060,215 | \$ 66,560,839 |
| \$ 246,425,713 | \$ 227,801,816 | \$ 212,072,505 | \$ 205,045,153 | \$ 187,650,799 | \$ 178,007,567 |
| 111,639,894 | N/A | N/A | N/A | N/A | N/A |
| 132,837,059 | N/A | N/A | N/A | N/A | N/A |
| \$ 244,476,953 | \$ 224,604,794 | \$ 211,152,206 | \$ 199,706,663 | \$ 187,447,260 | \$ 176,891,396 |
| 45.30% | N/A | N/A | N/A | N/A | N/A |
| 99.21% | 98.60% | 99.57% | 97.40% | 99.89% | 99.37% |

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 | Purchase Contracts |
|-------------|--------------------------|-------------------|-------------------------------|-------------------|----------------------|--------------------|
| 2011 | \$ 322,144,437 | \$ 5,150,170 | \$ - | \$ 40,880 | \$ 13,857,628 | \$ 5,281,183 |
| 2010 | 323,698,890 | 11,232,573 | - | 90,617 | 7,456,768 | 9,346,736 |
| 2009 | 316,460,991 | 12,392,393 | - | 152,087 | - | 14,272,637 |
| 2008 | 339,318,830 | 13,182,152 | - | 207,661 | - | 12,268,058 |
| 2007 | 364,109,311 | 7,124,536 | - | 263,235 | - | 11,282,489 |
| 2006 | 380,083,840 | - | - | 318,809 | - | 10,616,133 |
| 2005 | 381,051,383 | - | - | 374,383 | - | 5,118,046 |
| 2004 | 390,302,644 | - | - | 429,957 | 60,000 | 3,477,957 |
| 2003 | 365,329,766 | - | 1,600,000 | 485,531 | 120,000 | 4,673,734 |
| 2002 | 303,918,868 | - | 1,825,000 | 541,103 | 180,000 | 5,952,090 |

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.

| Total Outstanding Debt | Estimated Actual Taxable Property Value | Percentage Estimated Actual Taxable Property Value | Estimated Population | Total Outstanding Debt Per Capita |
|------------------------------|--|--|-------------------------|--|
| \$ 346,474,298 | \$ 16,990,283,301 | 2.04 % | 240,000 | \$ 1,444 |
| 351,825,584 | 18,336,797,556 | 1.92 % | 240,000 | 1,466 |
| 343,278,108 | 17,725,722,858 | 1.94 | 240,000 | 1,430 |
| 364,976,701 | 17,301,889,845 | 2.11 | 240,000 | 1,521 |
| 382,779,571 | 15,571,487,583 | 2.46 | 240,000 | 1,595 |
| 391,018,782 | 14,518,727,793 | 2.69 | 240,000 | 1,629 |
| 386,543,812 | 13,367,674,464 | 2.89 | 240,000 | 1,611 |
| 394,270,558 | 11,999,909,373 | 3.29 | 240,000 | 1,643 |
| 372,209,031 | 11,222,333,748 | 3.32 | 240,000 | 1,551 |
| 312,417,061 | 10,282,436,841 | 3.04 | 240,000 | 1,302 |

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 |
|-------------|---------------------|---|-------------------------|---|---|
| 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% |
| 2004 | 390,302,644 | 14,755,200 | 375,547,444 | 11,999,909,373 | 3.13% |
| 2003 | 365,329,766 | 12,103,625 | 353,226,141 | 11,222,333,748 | 3.15% |
| 2002 | 312,417,061 | 11,095,714 | 301,321,347 | 10,282,436,841 | 2.93% |

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 | \$ 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 |
| 240,000 | 1,565 |
| 240,000 | 1,472 |
| 240,000 | 1,256 |

School District U-46

**Computation of Direct and Overlapping Debt
June 30, 2011**

| Governmental Unit | Outstanding Debt | Overlapping Percentage | Direct and Overlapping Debt |
|--|-------------------------|---------------------------|-----------------------------------|
| Direct Debt: | | | |
| School District U-46 | \$ 322,144,438 | 100 | \$ 322,144,438 |
| Overlapping Debt: | | | |
| Kane County | \$ 2,425,000 | 13.63 | % \$ 330,406 |
| Cook County | 3,499,615,000 | 1.42 | 49,764,525 |
| DuPage County | 49,170,000 | 3.12 | 1,533,121 |
| Kane County Forest Preserve District | 243,340,866 | 13.63 | 33,155,193 |
| Cook County Forest Preserve District | 101,935,000 | 1.42 | 1,449,516 |
| DuPage County Forest Preserve District | 212,873,727 | 3.12 | 6,637,403 |
| Metropolitan Water Reclamation District | 1,974,078,439 | 1.15 | 22,642,680 |
| DuPage Water Commission | - | 0.86 | - |
| City of Elgin | 21,910,000 | 80.46 | 17,629,662 |
| City of West Chicago | - | 1.27 | - |
| Village of Bartlett | 14,650,000 | 100.00 | 14,650,000 |
| Village of Hanover Park | 23,095,000 | 36.23 | 8,368,242 |
| Village of Hoffman Estates | 111,610,000 | 10.63 | 11,859,679 |
| Village of Schaumburg | 299,170,000 | 2.25 | 6,716,367 |
| Village of South Elgin | 3,950,000 | 52.35 | 2,067,746 |
| Village of Streamwood | 10,915,000 | 96.85 | 10,570,741 |
| Dundee Township | 11,370,000 | 0.80 | 91,415 |
| Bartlett Park District | 31,775,000 | 100.00 | 31,775,000 |
| Carol Stream Park District | 44,085,000 | 8.03 | 3,538,262 |
| Hoffman Estates Park District | 10,295,000 | 8.91 | 917,285 |
| Dundee Township Park District | 1,725,990 | 0.80 | 13,860 |
| Schaumburg Township Park District | 18,075,000 | 2.18 | 393,493 |
| St. Charles Park District | 28,070,000 | 2.76 | 773,890 |
| Streamwood Park District | 2,285,000 | 100.00 | 2,285,000 |
| West Chicago Park District | 5,995,000 | 1.89 | 113,066 |
| Hanover Park Park District | 980,000 | 39.45 | 386,590 |
| Gail Borden Public Library District | 23,095,000 | 85.60 | 19,770,013 |
| Poplar Creek Public Library District | 21,290,000 | 77.09 | 16,411,397 |
| West Chicago Fire District | - | 6.61 | - |
| Wayne Special Service Area Number 5 | 1,010,000 | 24.78 | 250,238 |
| Bartlett Special Service Area Number 1 | 12,000,000 | 100.00 | 12,000,000 |
| Community College District No. 509 | 168,392,299 | 42.79 | 72,053,381 |
| Total overlapping debt | 6,949,181,321 | | 348,148,171 |
| Total direct and overlapping debt | \$ 7,271,325,759 | | \$ 670,292,609 |

Source: District records

School District U-46

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

| | 2011 | 2010 | 2009 | 2008 |
|---|-----------------------|-----------------------|-----------------------|-----------------------|
| Debt limit | \$ 781,553,032 | \$ 835,725,768 | \$ 815,383,251 | \$ 760,735,825 |
| Total net debt applicable to limit | 313,364,212 | 326,376,432 | 325,037,097 | 339,318,830 |
| Legal debt margin | <u>\$ 468,188,820</u> | <u>\$ 509,349,336</u> | <u>\$ 490,346,154</u> | <u>\$ 421,416,995</u> |
| Total net debt applicable to the limit as a percentage of debt limit | 40% | 39% | 40% | 45% |

Note: Legal debt margin from 1998-2004 was 15.0% and from 2005-2011 was 13.8%.

Legal Debt Margin Calculation for Fiscal 2011

| | |
|--|-----------------------|
| Assessed Value | \$ 5,663,427,767 |
| Debt limit (13.8%) of assessed value | <u>781,553,032</u> |
| Debt outstanding applicable to the limit: | |
| General obligation bonds | 322,144,437 |
| General obligation debt certificates | 5,150,170 |
| Installment notes | 40,880 |
| Purchase contracts | <u>5,281,183</u> |
| Total debt outstanding applicable to the limit | 332,616,670 |
| Less: Amount set aside for repayment of debt | <u>(19,252,458)</u> |
| Total net debt applicable to the limit | <u>313,364,212</u> |
| Total legal debt margin | <u>\$ 468,188,820</u> |

Source: District Records

| 2007 | 2006 | 2005 | 2004 | 2003 | 2002 |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| \$ 723,059,131 | \$ 667,861,478 | \$ 575,703,963 | \$ 551,995,831 | \$ 516,227,352 | \$ 472,992,095 |
| 364,109,311 | 380,083,840 | 381,051,383 | 390,302,644 | 365,329,766 | 312,417,061 |
| <u>\$ 358,949,820</u> | <u>\$ 287,777,638</u> | <u>\$ 194,652,580</u> | <u>\$ 161,693,187</u> | <u>\$ 150,897,586</u> | <u>\$ 160,575,034</u> |
| 50% | 57% | 66% | 71% | 71% | 66% |

School District U-46

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

| Fiscal Year | City of Elgin, Illinois (1) | | | | Unemployment Rate |
|-------------|-----------------------------|-----------------------------|---------------------------------|--|-------------------|
| | (a) Population | (b) Per Capita Income | (a) x (b) Personal Income | | |
| 2011 (2) | N/A | N/A | N/A | | N/A |
| 2010 (2) | N/A | N/A | N/A | | N/A |
| 2009 (2) | N/A | N/A | N/A | | N/A |
| 2008 | 106,330 | \$ 21,995 | \$ 2,338,728,350 | | 8.1% |
| 2007 | 103,635 | 21,995 | 2,279,451,825 | | 5.9% |
| 2006 | 100,556 | 21,995 | 2,211,729,220 | | 5.4% |
| 2005 | 97,758 | 21,995 | 2,150,187,210 | | 7.1% |
| 2004 | 97,102 | 21,112 | 2,050,017,424 | | 7.5% |
| 2003 | 96,869 | 21,112 | 2,045,098,328 | | 8.5% |
| 2002 | 96,538 | 21,112 | 2,038,110,256 | | 8.0% |

| Fiscal Year | Other Area Unemployment Rates | | | |
|-------------|-------------------------------|----------------------------|---------------------------|--------------------------|
| | Village of Bartlett | Village of Hanover Park | Village of South Elgin | Village of Streamwood |
| 2011 (2) | N/A | N/A | N/A | N/A |
| 2010 (2) | N/A | N/A | N/A | N/A |
| 2009 (2) | N/A | N/A | N/A | N/A |
| 2008 | 5.1% | 6.8% | 4.9% | 6.2% |
| 2007 | 3.8% | 5.3% | 3.7% | 4.7% |
| 2006 | 3.4% | 4.8% | 3.2% | 4.2% |
| 2005 | 4.6% | 6.3% | 4.4% | 5.8% |
| 2004 | 4.9% | 6.7% | 4.6% | 6.1% |
| 2003 | N/A | 7.7% | N/A | 7.3% |
| 2002 | N/A | 7.1% | N/A | 6.7% |

| Fiscal Year | Other Area Unemployment Rates | | | |
|-------------|-------------------------------|----------------|----------------|------------------|
| | Village of Wayne | Kane County | Cook County | DuPage County |
| 2011 (2) | N/A | N/A | N/A | N/A |
| 2010 (2) | N/A | N/A | N/A | N/A |
| 2009 (2) | N/A | N/A | N/A | N/A |
| 2008 | 2.6% | 6.3% | 6.5% | 6.5% |
| 2007 | 1.9% | 4.8% | 5.1% | 5.1% |
| 2006 | 1.8% | 4.2% | 4.7% | 4.6% |
| 2005 | 2.4% | 5.8% | 6.4% | 5.8% |
| 2004 | 2.6% | 6.1% | 6.7% | 6.2% |
| 2003 | N/A | 7.0% | 7.3% | 5.2% |
| 2002 | N/A | 6.7% | 7.3% | 5.1% |

Source: U.S. Census Bureau and Illinois Workforce Information Center

Notes: (1) Statistics are not compiled specifically for the District. Information from the City of Elgin, Illinois, the largest city within the District is shown.

(2) Information not available

School District U-46

**Principal Employers
Current Year**

Below is a listing of the largest employers within or near the District boundaries and their approximate number of employees.

| Employer | 2011 | | Percentage of Total |
|------------------------------|--------------------------------|-------------|--------------------------------|
| | Number of Employees | Rank | |
| Sears Holding Corp. | 4,800 | 1 | 26.4% |
| AT&T Services, Inc. | 3,000 | 2 | 6.0% |
| Sherman Hospital | 2,200 | 3 | 4.4% |
| St. Alexius Medical Center | 2,045 | 4 | 4.1% |
| Elgin Community College | 1,387 | 5 | 2.8% |
| Provena St. Joseph Hospital | 1,300 | 6 | 2.6% |
| John B. Sanfilipo & Sons | 1,200 | 7 | 2.4% |
| Grand Victoria | 924 | 8 | 1.8% |
| ADP Dealer Services | 700 | 9 | 1.4% |
| Career Education Corporation | 600 | 10 | 1.2% |
| Total Employment Top 10 | <u>18,156</u> | | |
| Total Employment | <u>50,000</u> | | |

So 2011 Illinois Manufacturer and Services Directories and Harris Illinois Industrial Directories.

No Not all employers are located in the District. The purpose of this exhibit is to represent represent large area employees that may employ residents of the District.

School District U-46

**District Employment Statistics
Last Ten Fiscal Years**

| Staff | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 | 2003 | 2002 |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|----------|----------|
| Teachers | 2,203 | 2,516 | 2,582 | 2,440 | 2,474 | 2,290 | 2,242 | 2,107 | N/A | N/A |
| Building substitutes | - | - | 23 | 22 | 24 | 30 | 27 | 10 | N/A | N/A |
| Noon hour supervisors (part-time) | 93 | 102 | 119 | 137 | 115 | 109 | 120 | 107 | N/A | N/A |
| Educational assistants/paraprofessionals | 338 | 398 | 446 | 428 | 441 | 404 | 548 | 421 | N/A | N/A |
| Secretary/clerical | 212 | 268 | 304 | 294 | 297 | 292 | 267 | 261 | N/A | N/A |
| Transportation | 201 | 224 | 237 | 225 | 213 | 204 | 198 | 379 | N/A | N/A |
| Custodial/maintenance | 118 | 131 | 122 | 123 | 128 | 145 | 128 | 145 | N/A | N/A |
| Technical/other | 165 | 149 | 164 | 163 | 151 | 116 | 146 | 107 | N/A | N/A |
| Food service | 154 | 169 | 155 | 147 | 145 | 138 | 123 | 121 | N/A | N/A |
| School administration | 92 | 97 | 102 | 99 | 101 | 95 | 93 | 105 | N/A | N/A |
| Supervisors/directors/coordinators | 28 | 43 | 34 | 28 | 29 | 32 | 26 | 33 | N/A | N/A |
| Central administration | 33 | 25 | 33 | 33 | 32 | 29 | 33 | 28 | N/A | N/A |
| Divisionals | 16 | 20 | 25 | 23 | 24 | 19 | 20 | 20 | N/A | N/A |
| Superintendent/executive staff | 7 | 9 | 10 | 10 | 11 | 11 | 9 | 9 | N/A | N/A |
| Total staff | 3,660 | 4,151 | 4,356 | 4,172 | 4,185 | 3,914 | 3,980 | 3,853 | - | - |

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 |
|---------------------------|----------------|----------------|---------------------------|--------------------------------|--|
| 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 |
| 2004 | 311,302,492 | 31,733,948 | 279,568,544 | 34,954 | 7,998 |
| 2003 | 334,288,181 | 26,928,936 | 307,359,245 | 35,397 | 8,683 |
| 2002 | 307,210,455 | 25,314,308 | 281,896,147 | 34,581 | 8,152 |

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 | 2011 | 2010 | 2009 | 2008 |
|--|------------------|------------------|------------------|------------------|
| Instruction | | | | |
| Student enrollment: | | | | |
| Elementary | 22,853 | 22,863 | 22,734 | 22,765 |
| Middle school | 5,972 | 6,107 | 6,102 | 6,264 |
| High school | 12,327 | 11,998 | 11,976 | 11,680 |
| Total student enrollment | <u>41,152</u> | <u>40,968</u> | <u>40,812</u> | <u>40,709</u> |
| Support services - pupil | | | | |
| % of students with disabilities | 13.0% | 14.3% | 13.2% | 13.7% |
| Support services - pupil | | | | |
| Information technology services | | | | |
| work orders completed | 33,519 | 45,661 | 40,270 | 42,080 |
| School administration | | | | |
| Student attendance rate | 94.00% | 94.10% | 94.3% | 94.3% |
| Business | | | | |
| Fiscal | | | | |
| Purchase orders processed | 9,579 | 9,013 | 11,507 | 13,906 |
| Nonpayroll checks issued | 7,967 | 7,779 | 9,627 | 9,734 |
| Maintenance | | | | |
| Maintenance work orders completed | 25,709 | 26,669 | 30,690 | 28,840 |
| 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 | 24,375 | 24,028 | 23,477 | 23,628 |
| Non-public | 25 | 10 | 6 | - |
| Special education | 2,133 | 2,125 | 2,333 | 2,077 |
| Total number of students transported | <u>26,533</u> | <u>26,163</u> | <u>25,816</u> | <u>25,705</u> |
| Student transportation miles traveled | | | | |
| Regular education | 2,066,821 | 2,598,143 | 3,214,182 | 2,110,472 |
| Special education | 2,290,604 | 2,379,919 | 2,721,107 | 2,566,295 |
| Non-reimbursable | 226,244 | 349,651 | 490,778 | 508,435 |
| Total student transportation miles traveled | <u>4,583,669</u> | <u>5,327,713</u> | <u>6,426,067</u> | <u>5,185,202</u> |

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

N/A: Not Available

| 2007 | 2006 | 2005 | 2004 | 2003 | 2002 |
|-----------|-----------|-----------|-----------|-----------|-----------|
| 22,795 | 22,662 | 22,156 | 22,346 | 23,230 | 22,760 |
| 6,170 | 6,039 | 6,002 | 5,880 | 5,740 | 5,589 |
| 11,415 | 10,955 | 10,509 | 10,305 | 10,161 | 9,649 |
| 40,380 | 39,656 | 38,667 | 38,531 | 39,131 | 37,998 |
| 13.2% | N/A | N/A | N/A | N/A | N/A |
| 48,540 | N/A | N/A | N/A | N/A | N/A |
| 94.3% | N/A | N/A | N/A | N/A | N/A |
| 13,398 | N/A | N/A | N/A | N/A | N/A |
| 10,923 | N/A | N/A | N/A | N/A | N/A |
| 24,800 | N/A | N/A | N/A | N/A | N/A |
| 5,492,057 | 5,492,057 | 5,492,057 | 5,492,057 | 5,107,692 | 4,781,285 |
| 805 | N/A | N/A | N/A | N/A | N/A |
| 21,820 | 22,520 | 22,203 | 21,871 | 21,085 | 22,746 |
| - | 1 | 3 | 719 | 660 | 785 |
| 2,321 | 2,414 | 2,145 | 2,527 | 2,714 | 2,481 |
| 24,141 | 24,935 | 24,351 | 25,117 | 24,459 | 26,012 |
| 2,692,281 | 2,103,142 | 1,915,477 | 2,085,656 | 2,277,702 | 2,245,036 |
| 2,117,736 | 1,912,868 | 1,829,338 | 1,878,036 | 1,749,887 | 1,700,197 |
| 452,050 | 479,193 | 389,606 | 320,036 | 409,215 | 353,248 |
| 5,262,067 | 4,495,203 | 4,134,421 | 4,283,728 | 4,436,804 | 4,298,481 |

School District U-46

District Enrollment by School
Last Ten Fiscal Years

| School | 2010-2011* | 2009-2010* | 2008-2009* | 2007-2008* | 2006-2007* | 2005-2006* | 2004-2005* |
|-------------------------|------------|------------|------------|------------|------------|------------|------------|
| Bartlett | 620 | 619 | 619 | 631 | 642 | 660 | 672 |
| Centennial | 521 | 551 | 527 | 544 | 566 | 632 | 639 |
| Century Oaks | 527 | 502 | 490 | 473 | 448 | 474 | 501 |
| Channing | 667 | 626 | 619 | 578 | 534 | 514 | 546 |
| Clinton | 425 | 417 | 436 | 457 | 434 | 434 | 413 |
| Coleman | 589 | 574 | 586 | 601 | 593 | 583 | 551 |
| Creekside | 522 | 610 | 543 | 557 | 586 | 671 | 718 |
| Fox Meadow | 823 | 774 | 773 | 799 | 769 | 785 | 702 |
| Garfield | 470 | 437 | 432 | 460 | 466 | 475 | 505 |
| Gifford | 457 | 487 | 485 | 495 | 495 | 496 | 454 |
| Glenbrook | 454 | 491 | 426 | 436 | 426 | 455 | 526 |
| Hanover Countryside | 418 | 448 | 433 | 455 | 450 | 468 | 418 |
| Hawk Hollow | 517 | 504 | 503 | 518 | 527 | 548 | 583 |
| Heritage | 480 | 507 | 507 | 544 | 538 | 556 | 536 |
| Highland | 546 | 526 | 524 | 553 | 555 | 554 | 553 |
| Hillcrest | 655 | 656 | 656 | 617 | 608 | 555 | 522 |
| Hilltop | 681 | 675 | 633 | 623 | 709 | 722 | 610 |
| Horizon | 552 | 551 | 551 | 617 | 622 | 626 | 605 |
| Huff | 669 | 629 | 627 | 624 | 660 | 661 | 701 |
| Illinois Park | 456 | 481 | 479 | 419 | 273 | N/A | N/A |
| Independence | 244 | 276 | 279 | 259 | 315 | 290 | N/A |
| Laurel Hill | 518 | 490 | 490 | 462 | 392 | 417 | 434 |
| Liberty | 594 | 547 | 546 | 548 | 656 | 635 | 609 |
| Lincoln | 691 | 664 | 664 | 618 | 625 | 589 | 554 |
| Lords Park | 743 | 783 | 782 | 796 | 831 | 807 | 798 |
| Lowrie | 423 | 445 | 445 | 423 | 409 | 433 | 418 |
| Mckinley | 407 | 432 | 432 | 442 | 454 | 480 | 456 |
| Nature Ridge | 775 | 755 | 772 | 795 | 742 | 679 | 588 |
| Oakhill | 590 | 550 | 649 | 655 | 624 | 626 | 622 |
| Ontarioville | 590 | 550 | 550 | 513 | 524 | 566 | 597 |
| Otter Creek | 627 | 620 | 605 | 531 | 588 | 584 | 589 |
| Parkwood | 459 | 437 | 437 | 413 | 461 | 462 | 429 |
| Prairieview | 450 | 479 | 479 | 510 | 577 | 541 | 557 |
| Ridge Circle | 514 | 555 | 530 | 546 | 627 | 562 | 606 |
| Sheridan | 487 | 494 | 495 | 517 | 528 | 550 | 585 |
| Spring Trail | 459 | 500 | 498 | 500 | 538 | 546 | 595 |
| Streamwood Elementary | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Sunnydale | 423 | 456 | 431 | 437 | 449 | 436 | 417 |
| Sycamore Trail | 531 | 525 | 525 | 577 | 587 | 620 | 622 |
| Timber Trails | 533 | 482 | 506 | 462 | 454 | 423 | 383 |
| Washington | 467 | 436 | 436 | 443 | 458 | 501 | 501 |
| Wayne | 566 | 570 | 581 | 598 | 626 | 590 | 603 |
| Willard | 383 | 395 | 395 | 378 | 429 | 456 | 438 |
| Woodland Heights | 330 | 357 | 358 | 341 | N/A | N/A | N/A |
| Abbott | 548 | 523 | 523 | 529 | 555 | 548 | 561 |
| Canton | 732 | 780 | 780 | 909 | 965 | 929 | 825 |
| Eastview | 1,009 | 1,016 | 1,016 | 1,081 | 1,119 | 1,068 | 1,114 |
| Ellis | 596 | 549 | 546 | 512 | 489 | 497 | 513 |
| Kenyon Woods | 1,056 | 1,064 | 1,064 | 976 | 880 | 859 | 812 |
| Kimball | 623 | 679 | 679 | 765 | 793 | 759 | 792 |
| Larsen | 647 | 696 | 695 | 657 | 565 | 579 | 536 |
| Tefft | 761 | 800 | 799 | 835 | 804 | 800 | 849 |
| Bartlett High School | 2,671 | 2,728 | 2,725 | 2,698 | 2,850 | 2,893 | 3,070 |
| Central School Programs | 144 | 105 | 89 | 108 | 106 | 118 | 101 |
| Elgin High School | 2,373 | 2,191 | 2,188 | 2,089 | 2,147 | 2,228 | 2,344 |
| Gifford High School | 152 | 132 | 160 | 155 | 165 | 131 | 137 |
| Larkin High School | 2,148 | 2,178 | 2,169 | 2,163 | 2,289 | 2,422 | 2,546 |
| South Elgin High School | 2,569 | 2,383 | 2,372 | 2,157 | 1,555 | 956 | N/A |
| Streamwood High School | 2,270 | 2,281 | 2,273 | 2,310 | 2,303 | 2,207 | 2,311 |
| **Total Enrollment | 41,152 | 40,968 | 38,539 | 40,709 | 40,380 | 39,656 | 38,667 |

Source: District records

Notes:

* Enrollment based on Fall Housing Report

** Elementary totals include Pre-K students

N/A: Not Applicable

| 2003-2004* | 2002-2003* | 2001-2002* |
|---------------|---------------|---------------|
| 703 | 699 | 706 |
| 805 | 811 | 817 |
| 605 | 584 | 590 |
| 567 | 527 | 507 |
| 586 | 591 | 606 |
| 747 | 747 | 754 |
| 576 | 876 | 484 |
| 701 | 709 | 911 |
| 589 | 514 | 474 |
| 524 | 523 | 559 |
| 469 | 506 | 547 |
| 581 | 612 | 618 |
| 528 | 488 | N/A |
| 651 | 601 | 636 |
| 560 | 559 | 520 |
| 309 | 387 | 570 |
| N/A | N/A | N/A |
| 634 | 687 | 676 |
| 722 | 628 | 736 |
| 628 | 594 | 565 |
| N/A | 279 | 289 |
| 558 | 521 | 524 |
| 548 | 504 | N/A |
| N/A | N/A | N/A |
| 777 | 754 | 750 |
| 425 | 516 | 432 |
| 477 | 503 | 468 |
| 494 | 509 | 594 |
| 650 | 601 | 578 |
| 566 | 542 | 496 |
| 586 | 486 | N/A |
| 437 | 416 | 473 |
| 602 | 673 | 1,019 |
| 679 | 652 | 715 |
| 558 | 523 | 532 |
| 632 | 677 | 679 |
| N/A | 328 | 408 |
| 424 | 529 | 528 |
| 675 | 759 | 817 |
| N/A | N/A | N/A |
| 509 | 484 | 477 |
| 454 | 540 | 802 |
| 371 | 385 | 467 |
| 439 | 406 | 436 |
| 788 | 765 | 738 |
| 943 | 899 | 899 |
| 1,173 | 1,145 | 1,098 |
| 609 | 531 | 503 |
| N/A | N/A | N/A |
| 951 | 851 | 811 |
| 610 | 785 | 819 |
| 806 | 764 | 721 |
| 2,897 | 2,984 | 2,943 |
| 107 | 106 | 86 |
| 2,311 | 2,193 | 2,054 |
| 139 | 181 | 178 |
| 2,550 | 2,458 | 2,325 |
| N/A | N/A | N/A |
| 2,301 | 2,239 | 2,063 |
| <u>38,531</u> | <u>39,131</u> | <u>37,998</u> |

School District U-46

**District Facility Information
June 30, 2011**

| 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, 2011**

| 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, 2011

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 | 40,689 ** |
| Certified staff | 2,020 |
| Pupil/certified staff ratio | 17.4/1 |
| Faculty holding master's degree or higher | 1,481 |

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.

**School District Report Card on ISBE website 2011.

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