

SCHOOL DISTRICT U-46 ELGIN, ILLINOIS

ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2015

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

**ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2015**

DRAFT

Prepared By

Finance Department

SCHOOL DISTRICT U-46

Table of Contents

	Page
INTRODUCTORY SECTION	
Principal Officials	i
Organization Chart	ii
FINANCIAL SECTION	
Independent Auditor's Report	1-2
Required Supplementary Information: Management's Discussion and Analysis (MD&A)	3-12
Basic Financial Statements:	
Government-Wide Financial Statements (GWFS):	
Statement of Net Position	13
Statement of Activities	14
Fund Financial Statements (FFS):	
Governmental Funds:	
Balance Sheet - Governmental Funds	15
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	16
Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits) - Governmental Funds	17
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits) to the Statement of Activities	18
Fiduciary Funds:	
Statement of Fiduciary Assets and Liabilities	19
Notes to Basic Financial Statements	20-54
Required Supplementary Information:	
Schedule of the Employer's Proportionate Share of the Net Pension Liability - Teachers' Retirement System	55
Schedule of Employer Contributions – Teachers' Retirement System	55
Schedule of Changes in the Net Pension Liability and Related Ratios - Illinois Municipal Retirement Fund	56
Schedule of Employer Contributions – Illinois Municipal Retirement Fund	57
Schedule of Funding Progress - Retiree Healthcare Plan	58
Budgetary Comparison Information:	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund	59
Schedule of Revenues, Expenditures and Changes in Fund Balance (Deficit) - Budget and Actual - Transportation Fund	60

SCHOOL DISTRICT U-46

Table of Contents

	Page
Other Supplementary Information:	
Combining Balance Sheet - General Fund, by Account	61
Combining Statement of Revenues, Expenditures and Changes in Fund Balance (Deficit) - General Fund, by Account	62
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund - Educational Account	63
Schedule of Revenues, Expenditures and Changes in Fund Balance (Deficit)- Budget and Actual - General Fund - Tort Immunity Account	64
Schedule of Revenues, Expenditures and Changes in Fund Balance (Deficit)- Budget and Actual - General Fund - Operations and Maintenance Account	65
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Working Cash Account	66
Debt Service Fund:	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Debt Service Fund	67
Nonmajor Governmental Funds:	
Combining Balance Sheet - Nonmajor Governmental Funds	68
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits) - Nonmajor Governmental Funds	69
Schedule of Revenues, Expenditures and Changes in Fund Balance (Deficit) - Budget and Actual - Municipal Retirement/Social Security Fund	70
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Capital Projects Fund	71
Schedule of Revenues, Expenditures and Changes in Fund Balance (Deficit) - Budget and Actual - Fire Prevention and Safety Fund	72
Fiduciary Funds - Agency Funds:	
Combining Statement of Changes in Assets and Liabilities - Agency Funds – Student Activity Funds	73-74
Schedule of Bonded Debt and Annual Interest Requirements	75

STATISTICAL SECTION (UNAUDITED)

Financial Trends:	
Net Position by Component	76
Changes in Net Position	77-80
Fund Balances, Governmental Funds	81
Changes in Fund Balances, Governmental Funds	82-85

SCHOOL DISTRICT U-46

Table of Contents

	Page
Revenue Capacity:	
Equalized Assessed Valuation on Taxable Property	86-87
Property Tax Rates - Direct and Overlapping Governments	88
Property Tax Levies and Collections – Cook County	89-90
Property Tax Levies and Collections – DuPage County	91-92
Property Tax Levies and Collections – Kane County	93-94
Debt Capacity:	
Ratios of Outstanding Debt by Type	95-96
Ratios of Net General Bonded Debt Outstanding	97-98
Legal Debt Margin Information	99-100
Demographic and Economic Information:	
District Employment Statistics	101
Operating Information:	
Average Daily Attendance and Operating Expenditures Per Pupil	102
Operating Indicators by Function	103-104
District Enrollment by School	105-106
District Facility Information	107-108
Miscellaneous Statistics	109

SCHOOL DISTRICT U-46

Principal Officials

BOARD OF EDUCATION

	<u>Position</u>	<u>Term Expires</u>
Donna Smith	President	2017
Traci O'Neal Ellis	Vice President	2019
Phil Costello	Secretary Pro-Tempore	2019
Veronica Noland	Member	2017
Susan Kerr	Member	2019
Jeanette Ward	Member	2019
Cody Holt	Member	2017
Allison Holloway	Student Advisor	2016

SUPERINTENDENT AND EXECUTIVE STAFF

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

OFFICIALS ISSUING REPORT

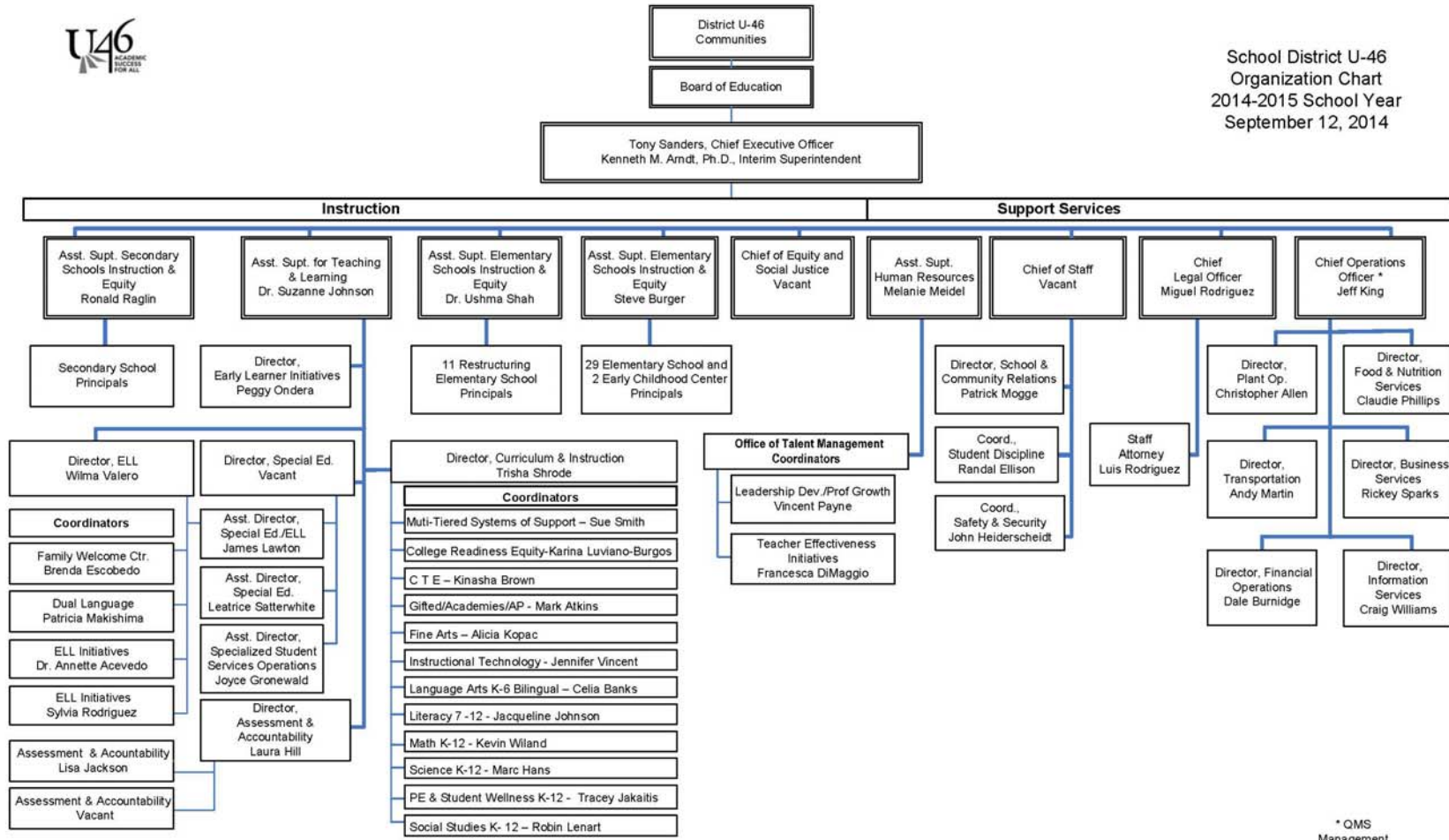
Dale Burnidge	Director of Financial Operations
Thomas Lyons	Financial Coordinator

DIVISION ISSUING REPORT

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



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



* QMS
 Management
 Representative

Independent Auditor's Report

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Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of School District U-46, Elgin, Illinois ("District"), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of School District U-46, Elgin, Illinois as of June 30, 2015, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 12 to the financial statements, in the year ended June 30, 2015, the District adopted the reporting and disclosure requirements of Governmental Accounting Standards Board (“GASB”) Statement No. 68, *Accounting and Financial Reporting for Pensions, an Amendment of GASB Statement No. 27* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to Measurement Date – An Amendment of GASB Statement No. 68*. The implementation of GASB Statement No.’s 68 and 71 resulted in a restatement of opening July 1, 2014 net position. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information, such as management’s discussion and analysis (pages 3 - 12), schedules of net pension liabilities, employer contributions, and schedule of funding progress (pages 55 - 58), and budgetary comparison information (pages 59 – 60) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the GASB who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

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

Chicago, Illinois
Report Date

PRELIMINARY DRAFT
FOR REVIEW AND DISCUSSION
--SUBJECT TO CHANGE--
NOT TO BE REPRODUCED

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

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SCHOOL DISTRICT U-46

Management's Discussion and Analysis
For the Year Ended June 30, 2015

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, 2015. The management of the District encourages readers to consider the information presented herein in conjunction with the basic financial statements to enhance their understanding of the District's financial performance. Certain comparative information between the current year and the prior year is required to be presented in the Management's Discussion and Analysis (the MD&A).

Financial Highlights

- The assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$106,723,207 (net position). Of this amount, a deficit of (\$16,236,147) represents unrestricted net position.
- In total, net position increased by \$10,243,513, which represents a 10.6% overall increase from the prior year. This increase was primarily the result of lower than expected expenses.
- General revenues were \$392,072,466 or 67.8% of all revenues. Program specific revenues, in the form of charges for services and grants, were \$186,195,302 or 32.2% of total revenues of \$578,267,768.
- Overall, the combined revenues of the District's governmental funds were \$4,955,477 more than expenditures. After adding net other financing sources, fund balances increased by \$47,216,856. This operating surplus increased the District's governmental funds' combined fund balance by 26.9% to \$222,458,258 from \$175,241,402 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, 2015

Government-wide financial statements

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

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

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

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

Fund financial statements

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

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

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

SCHOOL DISTRICT U-46

Management's Discussion and Analysis (Continued)
For the Year Ended June 30, 2015

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

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

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

Notes to the financial statements

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

Other information

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

District-Wide Financial Analysis

The District's net position increased by \$10.2 million or 10.6% compared to the prior year. At year-end, total net position was \$106.7 million (see Table 1).

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

- The District continued to use bond proceeds to construct, improve and expand its facilities, spending \$19,956,480 on capital asset additions.
- The District's expenditures to maintain and operate the facilities within Board policy and guidelines continue to exceed its primary revenues, forcing the District to fund the increase with new debt and available net position. In an effort to continually monitor and contain total operating costs of the District, the District performed efficiency audits that highlighted various areas of cost containment reduction.

SCHOOL DISTRICT U-46

Management's Discussion and Analysis (Continued)
For the Year Ended June 30, 2015

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

	Governmental Activities		Percentage Change
	2015	As restated 2014	
Assets			
Current and other assets	\$ 461.8	\$ 398.3	15.9%
Capital assets	379.4	375.2	1.1%
Total assets	841.2	773.5	8.8%
Deferred Outflows	16.4	3.1	429.0%
Liabilities			
Long-term liabilities	524.9	486.7	7.8%
Other liabilities	62.1	49.9	24.4%
Total liabilities	587.0	536.6	9.4%
Deferred Inflows	163.9	143.5	14.2%
Net Position			
Net investment in capital assets	119.6	158.7	(24.6)%
Restricted	3.4	26.4	(87.1)%
Unrestricted	(16.3)	(88.6)	81.6%
Total net position	\$ 106.7	\$ 96.5	10.6%

SCHOOL DISTRICT U-46

Management's Discussion and Analysis (Continued)
For the Year Ended June 30, 2015

Table 2, Changes in Net Position, illustrates in summary form revenues and expenses from FY 2015 and the increase in net position of \$10.2 million. Comparative data from FY 2014 is also illustrated.

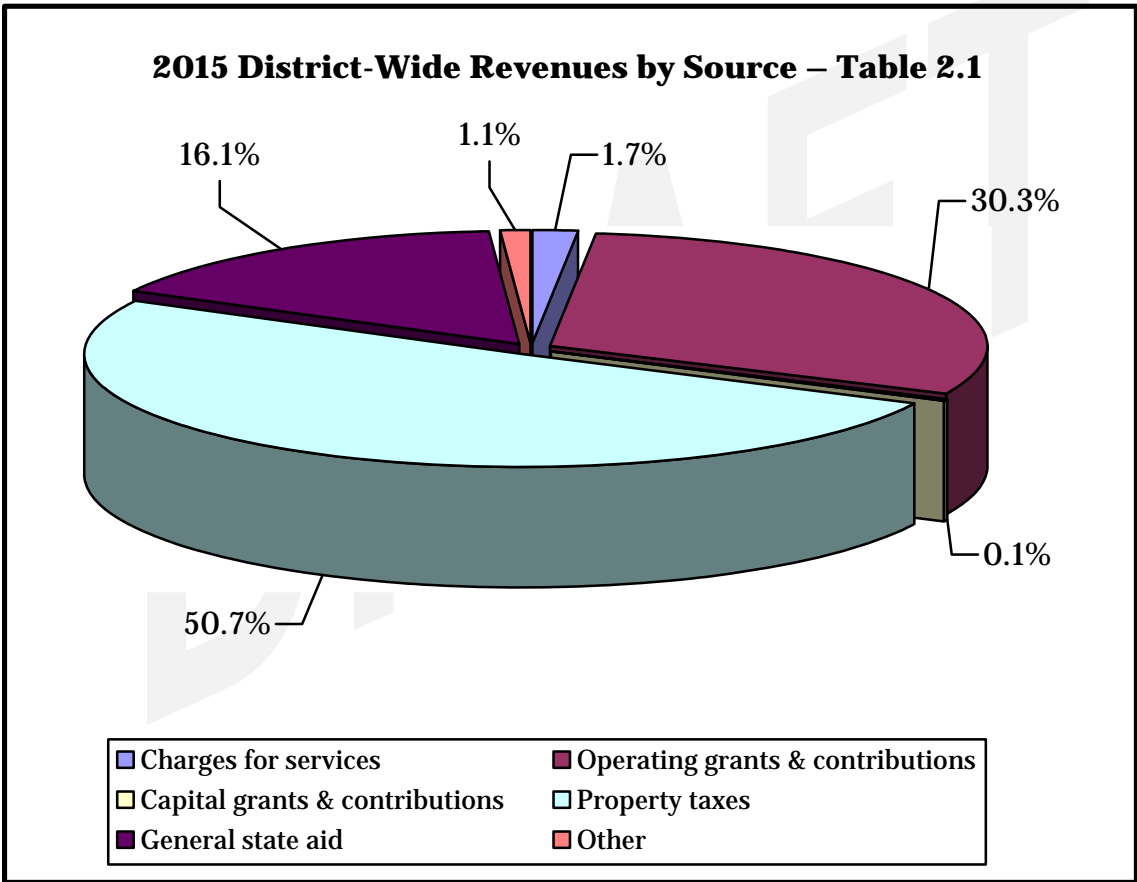
Table 2
Changes in Net Position
(in millions of dollars)

	<u>Governmental Activities</u>		Percentage Change
	2015	2014	
Revenues			
Program revenues			
Charges for services	\$ 10.1	\$ 12.1	(16.5)%
Operating grants and contributions	175.3	144.4	21.4%
Capital grants and contributions	0.8	0.5	60.0%
General revenues			
Property and replacement taxes	293.0	293.4	(0.1)%
General state aid	93.0	84.5	10.1%
Other	6.0	5.0	20.0%
Total revenues	<u>578.2</u>	<u>539.9</u>	<u>7.1%</u>
Expenses			
Instruction	292.9	270.3	8.4%
Support services	223.2	209.3	6.6%
Community services	4.3	4.0	7.5%
Debt service - interest and fees	47.6	20.0	138.0%
Total expenses	<u>568.0</u>	<u>503.6</u>	<u>12.8%</u>
Increase in net position	<u>\$ 10.2</u>	<u>\$ 36.3</u>	<u>(71.9)%</u>

SCHOOL DISTRICT U-46

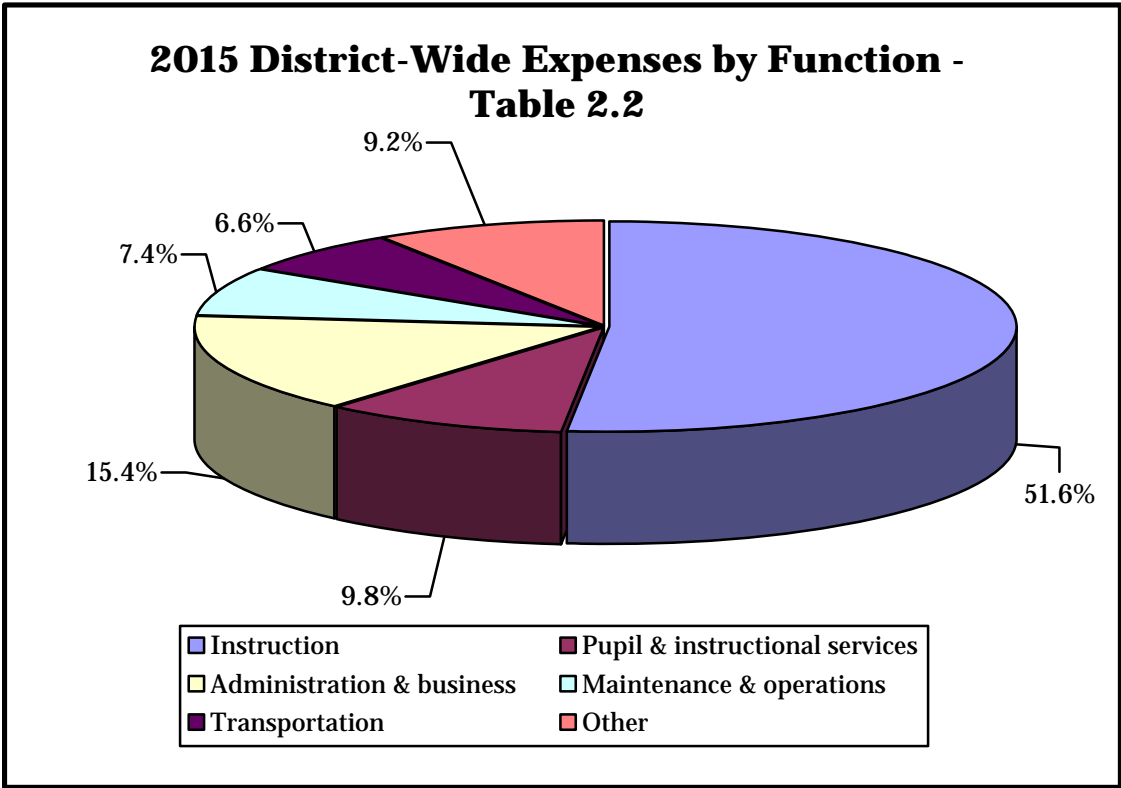
Management's Discussion and Analysis (Continued)
For the Year Ended June 30, 2015

The District's total revenues were \$578.2 million. General revenues, including taxes and general state aid were 67.8% of the total or \$392.0 million. Property taxes (other than for debt service) decreased \$0.4 million over the prior year or (0.1)%. Grants and contributions for specific programs and general state aid brought in \$279.2 million, a 15.6% increase from the prior year. The total cost of all programs and services in 2015 was \$568.0 million. The District's expenses are predominantly related to instruction and support services (caring for and transportation of students, etc.). These expenses accounted for 90.8% of the total (see Table 2.2). The District's other activities were 9.2% of total costs. Total revenues on the statement of activities surpassed expenses, increasing net position by \$10.2 million from the prior year.



SCHOOL DISTRICT U-46

Management's Discussion and Analysis (Continued)
For the Year Ended June 30, 2015



Financial Analysis of the District's Funds

As the District completed the year, its governmental funds reported combined fund balances of \$222,458,258. Revenues for the District's governmental funds were \$579,388,722, while total expenditures were \$574,433,245.

The General Fund experienced a current year operating surplus after net other financing sources of \$41,011,995. This surplus resulted in an increase in the year-end fund balance to \$204,806,889.

The fund balance of the Transportation Fund increased by \$5,006,644 as total revenue was greater than the current year costs for pupil transportation when excluding capital outlay.

The fund balance of the Debt Service Fund decreased by \$214,890.

SCHOOL DISTRICT U-46

Management's Discussion and Analysis (Continued)
For the Year Ended June 30, 2015

General Fund Budgetary Highlights

While the District's budget for the General Fund anticipated that expenditures would exceed revenues by \$3,114,274 before other financing sources (uses), the actual result for the year was an excess of revenues over expenditures of \$1,448,022. State sources were under budget by a combined \$2,110,021 as actual grant revenues excluding state on-behalf payments were less than expected. Property taxes were \$6,569,125 less than budget. State on-behalf of payments exceeded budget by \$30,634,999 due to higher on-behalf of contributions made by the State. This resulted in expenditures exceeding budget by \$17,960,216 or 4%. Excluding State on-behalf of payments District expenditures came in under budget by \$12,674,783 or 3%.

Capital Asset and Debt Administration

Capital assets

Table 3 illustrates capital assets, net of depreciation:

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

	2015	2014	Percentage Change
Land	\$ 27.7	\$ 27.7	0.0%
Construction in progress	8.7	2.2	295.5%
Buildings	334.8	338.0	(0.9)%
Transportation equipment	4.0	5.5	(27.3)%
Other equipment	4.2	1.8	133.3%
Total	\$ 379.4	\$ 375.2	1.1%

At June 30, 2015, the District has outstanding commitments relating to construction projects of approximately \$10.6 million.

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

Long-term Obligations

Table 4 on the following page illustrates the District's outstanding long-term obligations. The District issued \$175.9 million in new bond debt in FY 2015, \$40.0 million of which was for working cash purposes, while the balance of \$135.9 restructured the existing bond debt to make the debt service payments level over the next seven years. The District's other long-term obligations decreased by \$21.1 million. Although increases of unamortized bond premium, net pension liability and other postemployment benefits occurred during the year the net decrease was significantly driven by the reduction of accreted interest on capital appreciation bonds, purchase contracts 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, 2015, the statutory debt limit for the District was \$561,683,025 providing a debt margin of \$257,953,898.

SCHOOL DISTRICT U-46

Management's Discussion and Analysis (Continued)
For the Year Ended June 30, 2015

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 2015 were 2.42 percent and \$1,279, respectively. Due to the decline in taxable property value and the issuance of new bonded debt, the general bonded debt to assessed valuation increased compared to fiscal year 2014 in which the ratio was 1.91 percent. The bonded debt per capita increased from fiscal year 2014 when it was \$982.

Table 4
Outstanding Long-Term Obligations
(in millions)

	2015	As Restated 2014	Percentage Change
General obligation bonds/debt certificates	\$ 323.0	\$ 263.7	22.5%
Other	201.8	222.9	(9.5)%
Total	\$ 524.8	\$ 486.6	7.9%

Factors Impacting the District's Future

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

- The Illinois pension reform law (Senate Bill 1) which was to take effect on June 1, 2014 has been found to be unconstitutional. A different pension reform bill could shift additional pension costs to the District.
- Because the State does not provide an ongoing capital improvements budget plan, in the future, the District will be forced to issue additional debt to address the improvements needed for its aging facilities. As can be seen in Table 1, at the end of the current fiscal year, the largest portion of the District's net position reflects its investment in capital assets (e.g., land, buildings, and equipment), less any related debt used to acquire those assets that are still outstanding. The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets are reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.
- The current economy in the state continues to affect the District's state funding levels and timing of state receipts. The General State Aid formula was funded at 87.2% in fiscal year 2015. The state is without a long term balanced budget plan which could reduce future District revenues.
- The Illinois General Assembly may consider legislation to freeze property taxes for tax years 2016 and 2017. A tax freeze would reduce District revenue in future years.

SCHOOL DISTRICT U-46

Management's Discussion and Analysis (Continued)
For the Year Ended June 30, 2015

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.

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BASIC FINANCIAL STATEMENTS

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School District U-46

**Statement of Net Position
June 30, 2015**

	Governmental Activities
Assets and Deferred Outflows of Resources	
Assets	
Cash and investments	\$ 268,700,761
Property taxes receivable, net of allowance	148,912,561
Replacement taxes receivable	662,763
Grants receivable	41,804,246
Accounts receivable	912,588
Inventories	78,087
Prepays	778,449
Capital assets not being depreciated	36,350,303
Capital assets being depreciated, net of accumulated depreciation	<u>343,057,705</u>
Total assets	<u>841,257,463</u>
Deferred outflows of resources	
Deferred pension actuarial adjustments	10,310,839
Deferred pension contributions	<u>6,079,725</u>
Total deferred outflows of resources	<u>16,390,564</u>
Total assets and deferred outflows of resources	<u>\$ 857,648,027</u>
Liabilities, Deferred Inflows of Resources and Net Position	
Liabilities	
Accounts payable	\$ 15,974,300
Accrued payroll	31,830,900
Payroll deductions	1,758,516
Insurance claims payable	5,485,779
Construction retainage payable	1,019,650
Accrued interest	4,769,290
Unearned other revenue	1,065,185
Unclaimed property	287,070
Long-term obligations, due within one year	39,668,207
Long-term obligations, due in more than one year	<u>485,143,569</u>
Total liabilities	<u>587,002,466</u>
Deferred inflows of resources	
Deferred property taxes	150,563,144
Deferred amount on refunding	3,128,593
Deferred pension actuarial adjustments	<u>10,230,617</u>
Total deferred inflows of resources	<u>163,922,354</u>
Commitments (Note 11)	
Net Position	
Net investment in capital assets	119,555,624
Restricted for:	
Capital projects	2,488,875
Operating and maintenance	914,855
Unrestricted deficit	<u>(16,236,147)</u>
Total net position	<u>106,723,207</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 857,648,027</u>

See Notes to Basic Financial Statements.

PRELIMINARY DRAFT
FOR REVIEW AND DISCUSSION
--SUBJECT TO CHANGE--
NOT TO BE REPRODUCED

School District U-46

Statement of Activities
Year Ended June 30, 2015

Functions/Programs	Expenses	Program Revenue			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
Instruction:					
Regular programs	\$ 179,329,755	\$ 2,740,137	\$ 70,995,717	\$ -	\$ (105,593,901)
Special programs	51,357,285	27,305	40,898,214	-	(10,431,766)
Other instructional programs	64,182,882	2,615,893	12,101,722	-	(49,465,267)
Total instruction	294,869,922	5,383,335	123,995,653	-	(165,490,934)
Support services:					
Pupils	36,396,881	-	6,838,158	-	(29,558,723)
Instructional staff	19,619,071	-	3,662,947	-	(15,956,124)
General administration	20,838,375	-	3,875,678	-	(16,962,697)
School administration	30,764,990	-	5,757,663	-	(25,007,327)
Business	36,554,226	-	6,977,562	-	(29,576,664)
Facilities acquisition and construction	3,643,244	-	-	820,530	(2,822,714)
Transportation	37,497,103	1,455,864	4,786,398	-	(31,254,841)
Food service	18,393,024	3,278,823	15,390,018	-	275,817
Central	17,035,282	-	3,161,903	-	(13,873,379)
Other support services	460,712	-	-	-	(460,712)
Total support services	221,202,908	4,734,687	50,450,327	820,530	(165,197,364)
Community services	4,303,234	-	810,770	-	(3,492,464)
Debt service - interest and fees	47,648,191	-	-	-	(47,648,191)
Total governmental activities	\$ 568,024,255	\$ 10,118,022	\$ 175,256,750	\$ 820,530	(381,828,953)
General revenues:					
Taxes:					
Property taxes, general purposes					250,658,393
Property taxes, debt service					42,283,872
Replacement taxes and other payment in lieu of taxes					4,107,409
Unrestricted state grants					92,992,560
Interest and investment earnings					63,897
Other general revenues					1,966,335
Total general revenues					392,072,466
Change in net position					10,243,513
Net position:					
Beginning of year, as restated (Note 12)					96,479,694
End of year					\$ 106,723,207

See Notes to Basic Financial Statements.

PRELIMINARY DRAFT
FOR REVIEW AND DISCUSSION
--SUBJECT TO CHANGE--
NOT TO BE REPRODUCED

School District U-46

**Balance Sheet
Governmental Funds
June 30, 2015**

	Major Funds			Nonmajor Governmental Funds	Total Governmental Funds
	General Fund	Transportation Fund	Debt Service Fund		
Assets					
Cash and investments	\$ 239,339,182	\$ 400	\$ 24,177,330	\$ 5,183,849	\$ 268,700,761
Property taxes receivable, net of allowance	112,901,675	7,884,751	21,300,172	6,825,963	148,912,561
Replacement taxes receivable	-	-	-	662,763	662,763
Grants receivable	24,665,535	17,138,711	-	-	41,804,246
Accounts receivable	731,870	166,693	-	14,025	912,588
Due from other accounts and funds	13,830,418	-	-	-	13,830,418
Inventories	78,087	-	-	-	78,087
Prepays	778,449	-	-	-	778,449
Total assets	\$ 392,325,216	\$ 25,190,555	\$ 45,477,502	\$ 12,686,600	\$ 475,679,873
Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)					
Liabilities					
Accounts payable	\$ 15,115,216	\$ 75,814	\$ -	\$ 783,270	\$ 15,974,300
Accrued payroll	31,576,610	254,290	-	-	31,830,900
Payroll deductions	1,201,826	-	-	556,690	1,758,516
Insurance claims payable	5,485,779	-	-	-	5,485,779
Construction retainage payable	928,387	-	-	91,263	1,019,650
Unearned other revenue	1,065,185	-	-	-	1,065,185
Due to other accounts	-	13,503,494	-	326,924	13,830,418
Unclaimed property	196,316	-	-	90,754	287,070
Total liabilities	55,569,319	13,833,598	-	1,848,901	71,251,818
Deferred inflows of resources					
Deferred grant revenue	17,795,903	13,610,750	-	-	31,406,653
Deferred property taxes	114,153,105	7,972,148	21,536,269	6,901,622	150,563,144
Total deferred inflows of resources	131,949,008	21,582,898	21,536,269	6,901,622	181,969,797
Fund balances (deficits)					
Nonspendable	856,536	-	-	-	856,536
Restricted	914,855	-	23,941,233	5,147,476	30,003,564
Unassigned	203,035,498	(10,225,941)	-	(1,211,399)	191,598,158
Total fund balances (deficits)	204,806,889	(10,225,941)	23,941,233	3,936,077	222,458,258
Total liabilities, deferred inflows of resources and fund balances (deficits)	\$ 392,325,216	\$ 25,190,555	\$ 45,477,502	\$ 12,686,600	\$ 475,679,873

See Notes to Basic Financial Statements.

School District U-46

**Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Position
June 30, 2015**

Total fund balances - governmental funds	\$	222,458,258
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Amounts reported for governmental activities in the statement of net position are different because:

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

Capital assets	\$ 648,329,917	
Accumulated depreciation	(268,921,909)	
Net capital assets		379,408,008

Interest on long-term debt is not accrued in governmental funds, but rather is recognized when due.		(4,769,290)
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Certain revenues that are deferred in the fund financial statements because they are not available, are recognized as revenue in the government wide financial statements.		31,406,653
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Certain pension-related items are reported as deferred outflows of resources in the government-wide financial statements but not in the fund statements.		16,390,564
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Certain pension-related items are reported as deferred inflows of resources in the government-wide financial statements but not in the fund statements.		(10,230,617)
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Some liabilities reported in the statement of net position do not require the use of current financial resources and therefore are not reported as liabilities in the governmental funds. These liabilities consist of:

General obligation bonds	(319,635,442)	
Accreted interest on long-term debt	(74,017,139)	
General obligation debt certificates	(3,381,622)	
Purchase contracts	(4,653,296)	
Compensated absences	(777,462)	
Other post employment benefits	(6,398,035)	
Net pension obligation	(80,333,394)	
Claims incurred but not reported	(9,987,471)	
Unamortized premiums related to debt issuance	(25,802,307)	
Unamortized discounts related to debt issuance	174,392	
Deferred amount on refunding	(3,128,593)	
		(527,940,369)

Net position of governmental activities	\$	106,723,207
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See Notes to Basic Financial Statements.

PRELIMINARY DRAFT
FOR REVIEW AND DISCUSSION
--SUBJECT TO CHANGE--
NOT TO BE REPRODUCED

School District U-46

Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits)
Governmental Funds
Year Ended June 30, 2015

	Major Funds				Total Governmental Funds
	General Fund	Transportation Fund	Debt Service Fund	Nonmajor Governmental Funds	
Revenues:					
Property taxes	\$ 223,399,921	\$ 14,142,564	\$ 42,283,872	\$ 13,115,908	\$ 292,942,265
Replacement taxes and payments in lieu of taxes	69,904	-	-	4,037,505	4,107,409
Charges for services	8,662,925	1,455,097	-	-	10,118,022
Earnings on investments	59,844	136	531	3,386	63,897
Rentals	798,738	-	-	-	798,738
Local grants	60,305	-	-	-	60,305
Other local sources	1,264,538	19,660	-	820,530	2,104,728
State grants-in-aid	123,632,371	14,429,785	-	-	138,062,156
Federal grants-in-aid	34,596,203	-	-	-	34,596,203
State on-behalf of payments	96,534,999	-	-	-	96,534,999
Total revenues	489,079,748	30,047,242	42,284,403	17,977,329	579,388,722
Expenditures:					
Current:					
Instruction:					
Regular programs	133,492,004	-	-	1,780,773	135,272,777
Special programs	36,973,664	-	-	1,799,791	38,773,455
Other instructional programs	47,743,061	-	-	763,000	48,506,061
Intergovernmental state on-behalf of payments	96,534,999	-	-	-	96,534,999
Support services:					
Pupils	26,351,416	-	-	1,191,495	27,542,911
Instructional staff	14,354,731	-	-	398,982	14,753,713
General administration	15,148,529	-	-	462,027	15,610,556
School administration	21,995,408	-	-	1,195,456	23,190,864
Business	26,727,023	-	-	524,113	27,251,136
Facilities acquisition and construction	1,754,704	-	-	1,940,631	3,695,335
Transportation	1,340,326	23,575,786	-	3,187,586	28,103,698
Food service	13,819,753	-	-	-	13,819,753
Central	11,866,888	-	-	868,707	12,735,595
Other support services	428,468	-	-	36,933	465,401
Community services	3,081,709	-	-	183,933	3,265,642
Payments to other governments	8,507,064	-	-	-	8,507,064
Debt service:					
Principal	-	1,377,280	27,911,407	-	29,288,687
Interest and fees	-	72,540	15,615,348	-	15,687,888
Debt issuance costs	567,364	-	1,684,936	-	2,252,300
Capital outlay	26,944,615	-	-	2,230,795	29,175,410
Total expenditures	487,631,726	25,025,606	45,211,691	16,564,222	574,433,245
Excess (deficiency) of revenues over (under) expenditures	1,448,022	5,021,636	(2,927,288)	1,413,107	4,955,477
Other financing sources (uses):					
Transfer in	173,335	158,343	1,027,463	-	1,359,141
Transfer out	(1,185,806)	(173,335)	-	-	(1,359,141)
Proceeds from debt issuance	44,310,000	-	131,590,000	-	175,900,000
Premium on debt issuance	6,983,307	-	18,217,672	-	25,200,979
Transfer to escrow agent	(10,716,863)	-	(148,122,737)	-	(158,839,600)
Total other financing sources (uses)	39,563,973	(14,992)	2,712,398	-	42,261,379
Net change in fund balances (deficits)	41,011,995	5,006,644	(214,890)	1,413,107	47,216,856
Fund balances (deficits):					
Beginning of year	163,794,894	(15,232,585)	24,156,123	2,522,970	175,241,402
End of year	\$ 204,806,889	\$ (10,225,941)	\$ 23,941,233	\$ 3,936,077	\$ 222,458,258

See Notes to Basic Financial Statements.

School District U-46

**Reconciliation of the Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits)
to the Statement of Activities
Year Ended June 30, 2015**

Net change in fund balances (deficits)—total governmental funds		\$ 47,216,856
<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	\$ 19,956,480	
Depreciation	<u>(15,686,298)</u>	
Capital expenditures in excess of depreciation		4,270,182
<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 2014 to 2015 was:</p>		
		(1,120,954)
<p>Repayment of debt principal and accreted interest is an expenditure in the governmental funds, but the repayment reduced long-term obligations in the statement of net position. The following amounts were retired:</p>		
General obligation bonds	116,215,335	
Debt certificates	410,521	
Purchase contracts	1,747,294	
Accreted interest	<u>84,654,664</u>	
Total retired debt		203,027,814
<p>Debt issuance premiums, discounts and amounts on refunding debt are deferred and amortized over the life of the bonds in the statement of net position.</p>		
		(30,032,613)
<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>		
		(175,900,000)
<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>		
		(38,867,927)
<p>Items related to pension expense and revenue are reported as deferred inflows and outflows on the government wide financial statements but not on the fund statements.</p>		
Deferred outflows related to pension expense		16,390,564
Deferred inflows related to pension expense		(10,230,617)
<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	(573,333)	
Increase in net pension liability	(6,744,878)	
Decrease in compensated absences payable	78,980	
Increase in accrued interest on debt	(1,923,782)	
Decrease in claims incurred but not reported	3,637,408	
Amortization of bond premiums	2,541,808	
Amortization of bond discounts	(140,711)	
Amortization of deferred amount on refunding	<u>(1,385,284)</u>	
		<u>(4,509,792)</u>
Change in net position of governmental activities		<u>\$ 10,243,513</u>

See Notes to Basic Financial Statements.

School District U-46

Statement of Fiduciary Assets and Liabilities
Agency Fund
June 30, 2015

	<u>Agency Student Activity Fund</u>
Assets , cash and investments	<u>\$ 3,414,546</u>
Liabilities , due to activity fund organizations	<u>\$ 3,414,546</u>

See Notes to Basic Financial Statements.

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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 and the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government.

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

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

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

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

Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

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

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

School District U-46

Notes to Basic Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Government-Wide and Fund Financial Statements (Continued)

Government-Wide Financial Statements (Continued)

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

General Fund

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

Transportation Fund

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

Debt Service Fund

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

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

Special Revenue Funds

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

School District U-46

Notes to Basic Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Government-Wide and Fund Financial Statements (Continued)

Fund Financial Statements (Continued)

Capital Projects Funds

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

Fiduciary Fund

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

Measurement Focus and Basis of Accounting and Financial Statement Presentation

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

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

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

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

School District U-46

Notes to Basic Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Real Estate and Other Taxes

Property taxes are levied each year on all taxable real property in the District on or before the last Tuesday in December. The 2014 tax levy was passed by the Board of Education on December 15, 2014, 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 2015 in Cook County and in June and September 2015 in DuPage County and Kane County, and are collected by the County Collector, who in turn returns to the District its respective share. The District receives the remittances from the County Treasurer within one month after collection.

The District has recognized as revenue 50% of the 2014 tax extension and 50% of the 2013 tax extension in the current fiscal year based on estimated collections, as this is the period for which the taxes have been levied (intended to finance). Property taxes are recorded net of estimated allowance for uncollectible accounts. The allowance for uncollectible accounts is based on collection history and is estimated at 1.3% of the total levy. As of June 30, 2015 the property tax allowance was as follows:

Fund	Allowance
General Fund	\$ 3,007,075
Debt Service Fund	567,320
Transportation Fund	210,006
Nonmajor Governmental Funds	181,802
	\$ 3,966,203

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

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

Investments

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

Prepaid Items

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

Inventories

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

Capital Assets

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

School District U-46

Notes to Basic Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Capital Assets (Continued)

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

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

Interfund Transactions

The District has the following types of interfund transactions:

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

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

Compensated Absences

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

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

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

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

Deferred outflows of resources are the consumption of net position that is applicable to future reporting periods. The net difference between projected and actual earnings on pension plan investments and changes in proportion and differences between employer contributions and proportionate share of contributions are reported as deferred outflows or inflows of resources on the government-wide financial statements. The District's pension payments made subsequent to the pension liability measurement date are also considered to be deferred outflows of resources on the government-wide financial statements. See Note 7 for further discussion of the District's deferred outflows and inflows of resources related to pensions.

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

School District U-46

Notes to Basic Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Long-Term Obligations

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

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

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

Debt Premium, Discount and Debt Issuance/Refunding Costs

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

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

Fund Balances

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

Nonspendable – includes amounts that cannot be spent because they are either: a) not in spendable form; or b) legally or contractually required to be maintained intact. At June 30, 2015, the District's nonspendable fund balances in the general fund related to inventories for \$78,087, and prepaid expenses of \$778,449.

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 have not been restricted, committed, or assigned within the General Fund and unassigned deficit fund balances of other governmental funds.

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

The General Fund includes the Working Cash stabilization account. Under the State of Illinois School Code (School Code), the District is authorized to incur indebtedness and issue bonds and to levy a tax annually on all taxable property of the District in order to enable the District to have in its treasury at all times sufficient money to meet demands thereon. These working cash funds may be lent to other District governmental funds in need, but may only be expended for other purposes upon the passage of a resolution by the Board of Education to abolish the funds to the educational account, of the General Fund, or abate the fund to any fund of the District most in need. At June 30, 2015, the District had working cash stabilization fund balances of \$124,550,002 that have been classified as unassigned fund balances in the General fund.

At June 30, 2015, the District had the following fund balances restricted for various purposes as follows:

Fund	Fund balance	Purpose of restriction
General Fund	\$ 914,855	Operations and maintenance
Debt Service Fund	23,941,233	Repayment of principal and interest on long-term debt
Capital Projects Fund	4,307,591	School construction projects
IMRF/Social Security Fund	839,885	Employee pension
	<u>\$ 30,003,564</u>	

School District U-46

Notes to Basic Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Net Position

Net position consists of the following categories:

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

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

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

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

Eliminations

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

Use of Estimates

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

Note 2. 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, 2015 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 2014-15 budget was adopted September 29, 2014.

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, 2015, the District had deposits with federally insured financial institutions of \$263,006,047 with the book balances totaling \$262,622,793. The deposits held in fiduciary funds with federally insured financial institutions were \$3,656,901 with the book balances totaling \$3,414,546.

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, 2015, the District was not exposed to custodial credit risk.

Investments

Interest Rate Risk

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

Credit Risk

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

Concentration of Credit Risk

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

School District U-46

Notes to Basic Financial Statements

Note 3. Deposits and Investments (Continued)

The following schedule reports the fair values and maturities (using the segmented time distribution method) for the District's investments at June 30, 2015. The schedule also includes credit ratings by Standard & Poor's at June 30, 2015:

Investment Type	Fair Value	Investment Maturities (in Years)		% of Total Investments	Credit Ratings
		Less than 1	1 - 5		
Illinois School District Liquid Asset Fund	\$ 372,949	\$ 372,949	\$ -	6.14%	AAAm
Government Money Market Funds	1,294,456	1,294,456	-	21.32%	AAAm
	<u>1,667,405</u>	<u>\$ 1,667,405</u>	<u>\$ -</u>		
Illinois Funds	4,404,583			72.54%	AAAm
	<u>\$ 6,071,988</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 \$5,980 held by the District as petty cash) are presented in the basic financial statements as cash and investments as follows:

Cash and investments per statement of net position	\$ 268,700,761
Cash and investments per statement of fiduciary assets and liabilities	<u>3,414,546</u>
Total	<u>\$ 272,115,307</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, 2015, are as follows:

	Balance July 1, 2014	Transfers and Additions	Transfers and Retirements	Balance June 30, 2015
Capital Assets, not being depreciated:				
Land	\$ 27,687,264	\$ -	\$ -	\$ 27,687,264
Construction in progress	2,195,121	10,056,521	3,588,603	8,663,039
Total capital assets, not being depreciated	29,882,385	10,056,521	3,588,603	36,350,303
Capital Assets, being depreciated:				
Buildings	561,853,669	10,034,966	-	571,888,635
Transportation equipment	23,760,587	92,800	-	23,853,387
Other equipment	12,876,796	3,360,796	-	16,237,592
Total capital assets being depreciated	598,491,052	13,488,562	-	611,979,614
Less accumulated depreciation:				
Buildings	223,871,588	13,219,442	-	237,091,030
Transportation equipment	18,278,238	1,572,525	-	19,850,763
Other equipment	11,085,785	894,331	-	11,980,116
Total accumulated depreciation	253,235,611	15,686,298	-	268,921,909
Total capital assets being depreciated, net	345,255,441	(2,197,736)	-	343,057,705
Governmental activities Capital assets, net	\$ 375,137,826	\$ 7,858,785	\$ 3,588,603	\$ 379,408,008

School District U-46

Notes to Basic Financial Statements

Note 4. Capital Assets (Continued)

Depreciation expense was charged to governmental activities as follows:

Activity	Depreciation Expense
Instruction:	
Regular programs	\$ 5,457,270
Special education programs	1,564,226
Other instructional programs	1,956,866
Support services:	
Pupils	1,111,155
Instructional staff	595,205
General administration	629,772
School administration	935,582
Business	1,099,384
Transportation	1,133,779
Food services	557,526
Central	513,788
Community services	131,745
Total	<u>\$ 15,686,298</u>

Note 5. Long-Term Obligations

The following is a summary of activity for the District's long-term obligations for the year ended June 30, 2015:

	Balance July 1, 2014 As restated	Additions	Reductions	Balance June 30, 2015	Due Within One Year
G.O. Bonds/Debt Certificates Payable:					
General obligation bonds	\$ 259,950,777	\$ 175,900,000	\$ (116,215,335)	\$ 319,635,442	\$ 18,985,897
Accreted interest on long-term debt	119,803,876	38,867,927	(84,654,664)	74,017,139	11,952,136
Debt certificates	3,792,143	-	(410,521)	3,381,622	413,189
Unamortized premium	3,143,136	25,200,979	(2,541,808)	25,802,307	1,778,157
Unamortized discount	(315,103)	-	140,711	(174,392)	(26,237)
Total G.O. Bonds/Debt Certificates Payable	<u>386,374,829</u>	<u>239,968,906</u>	<u>(203,681,617)</u>	<u>422,662,118</u>	<u>33,103,142</u>
Purchase contracts	6,400,590	-	(1,747,294)	4,653,296	1,808,876
Compensated absences	856,442	12,343,250	(12,422,230)	777,462	777,462
Net pension liability	73,588,516	6,744,878	-	80,333,394	-
Other postemployment benefits	5,824,702	573,333	-	6,398,035	-
Claims incurred but not reported	13,624,879	46,805,995	(50,443,403)	9,987,471	3,978,727
Total	<u>\$ 486,669,958</u>	<u>\$ 306,436,362</u>	<u>\$ (268,294,544)</u>	<u>\$ 524,811,776</u>	<u>\$ 39,668,207</u>

School District U-46

Notes to Basic Financial Statements

Note 5. Long-Term Obligations (Continued)

At June 30, 2015 general obligation bonds consisted of the following:

General Obligation Bonds - Payable by the Debt Service Fund

\$18,300,000, 1999 School Building Bonds due in installments of \$1,725,000 to \$7,000,000 through 2019 with interest due semiannually at 5.00% to 5.15%.	\$ 17,050,000
\$57,999,743, 2001 Capital Appreciation Construction Bonds due in an annual installment of \$10,017,567 in 2016 with interest due semiannually at 5.2%.	10,017,567
\$54,499,619, 2002 Illinois Development Finance Authority Program Capital Appreciation Revenue Bonds due in annual installments of \$373,209 to \$8,644,763 in years 2016 through 2021 with interest due annually in years of maturity at a rate yielding 5.3789%.	30,323,202
\$65,999,779, 2003B Capital Appreciation School Bonds due in annual installments of \$960,659 to \$10,591,479 through 2023 with interest due annually in years of maturity at a rate yielding 5.35%.	35,509,673
\$34,405,000 2009 General Obligation Limited School Bonds due in annual installments of \$1,135,000 to \$2,495,000 through 2023 with interest due semiannually at 3.25% to 5.00%.	11,745,000
\$25,925,000, 2011A Taxable General Obligation Limited School Bonds due in annual installments of \$275,000 to \$3,085,000 through 2022 with interest due semiannually at 1.65% to 6.0%.	15,825,000
\$2,030,000, 2011B Taxable General Obligation Limited School Bonds due in annual installments of \$200,000 to \$230,000 through 2021 with interest due semiannually at 0.65%.	1,230,000
\$415,000, 2012A Taxable General Obligation Limited Refunding School Bonds due in an annual installment of \$10,000 through 2016 with interest due semiannually at 1.85%.	10,000
\$31,045,000, 2012B Taxable General Obligation Limited School Bonds due in annual installments of \$70,000 to \$5,705,000 beginning in fiscal year 2016 through 2026 with interest due semiannually at 3.0% to 4.5%.	22,025,000
\$44,310,000, 2015A General Obligation Limited School Bonds due in annual installments of \$2,955,000 through \$8,205,000 beginning in fiscal year 2028 through 2034 with interest due semiannually at 5.00%.	44,310,000

School District U-46

Notes to Basic Financial Statements

Note 5. Long-Term Obligations (Continued)

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

\$10,780,000, 2015B Taxable General Obligation Limited Refunding Bonds due in annual installments of \$2,170,000 through \$6,215,000 beginning in fiscal year 2026 through 2028 with interest due semiannually at 3.7% to 3.95%.	10,780,000
\$19,235,000, 2015C General Obligation Refunding School Bonds due in annual installments of \$1,810,000 through \$6,095,000 beginning in fiscal year 2016 through 2020 with interest due semiannually at 2.00% to 5.00%.	19,235,000
\$101,575,000, 2015D General Obligation Refunding School Bonds due in annual installments of \$6,480,000 through \$10,900,000 beginning in fiscal year 2024 through 2035 with interest due semiannually at 5.00%.	<u>101,575,000</u>
Total General Obligation Bonds	<u><u>\$ 319,635,442</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
2016	\$ 18,985,897	\$ 23,208,610	\$ 42,194,507
2017	19,555,883	22,651,842	42,207,725
2018	20,889,896	21,300,530	42,190,426
2019	22,661,283	19,516,546	42,177,829
2020	19,228,841	22,943,767	42,172,608
2021-2025	71,028,642	96,244,876	167,273,518
2026-2030	71,305,000	29,746,960	101,051,960
2031-2035	75,980,000	10,651,250	86,631,250
	<u>\$ 319,635,442</u>	<u>\$ 246,264,381</u>	<u>\$ 565,899,823</u>

Interest maturities include \$74,017,139 of accreted interest on capital appreciation bonds.

School District U-46

Notes to Basic Financial Statements

Note 5. Long-Term Obligations (Continued)

Accreted Interest on Long-term Debt - Capital Appreciation Bonds

The District has three outstanding capital appreciation bond issues. Interest on the capital appreciation bonds are paid only when principal payments are made, not semi-annually like conventional bond issues. The District records the accretion of interest as long-term debt in the statement of net position as if the interest had been paid semi-annually. Accreted interest on long-term debt was reduced by a net total of \$45,786,737 during the fiscal year ended June 30, 2015. At year end, the total interest accreted on the capital appreciation bonds was \$74,017,139.

Debt Certificates

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

\$6,200,000, 2007 Debt Certificates (Qualified Zone Academy Bonds)
due in annual installments of \$413,189 to \$432,360 through 2023
with interest due annually at 0.65% \$ 3,381,622

Purchase Contracts

As of June 30, 2015, the District had entered into 3 lease/purchase contracts for copiers, buses, computer equipment, and other equipment. The total cost of the property currently under leases is \$10,226,826. Future minimum payments total \$4,772,103 of which \$118,807 represents interest and \$4,653,296 represents principal. Payments are expected to be made from the Transportation Fund and the Debt Service Fund through transfers from the General Fund. Upon entering a contract, the District records the activity as capital outlay expenditures with an offsetting credit to "proceeds from purchase contracts". Some items purchased through this method however, may not be capitalized as new equipment if the value of an individual item such as a desktop computer does not meet or exceed the District's capitalization threshold.

Debt Service Requirements to Maturity – Debt Certificates and Purchase Contracts

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

Due in Fiscal Year	Debt Certificates		Purchase Contracts		Total Debt Service
	Principal	Interest	Principal	Interest	
2016	\$ 413,189	\$ 21,981	\$ 1,808,876	\$ 63,586	\$ 2,307,632
2017	415,822	19,348	1,413,085	36,736	1,884,991
2018	418,578	16,592	1,431,335	18,486	1,884,991
2019	421,299	13,871	-	-	435,170
2020	424,037	11,133	-	-	435,170
2021-2023	1,288,697	16,812	-	-	1,305,509
Total	\$ 3,381,622	\$ 99,737	\$ 4,653,296	\$ 118,808	\$ 8,253,463

School District U-46

Notes to Basic Financial Statements

Note 5. Long-Term Obligations (Continued)

Legal Debt Margin

As of June 30, 2015, the legal debt limit of the District was \$561,683,025, based upon 13.8% percent of its 2014 equalized assessed valuation of \$4,070,166,849. The debt limit less outstanding debt subject to the debt limit of \$327,670,360 plus amounts held in the Debt Service Fund of \$23,941,233, results in a legal debt margin of \$257,953,898 as of June 30, 2015.

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 14 sick days per year. Accumulated personal and sick days are not paid out upon termination. If an employee is vested in the Teachers' Retirement System (TRS) or the Illinois Municipal Retirement Fund (IMRF), the employee is allowed extra service credit based on unused sick days. Since accrued personal and sick days are not paid out upon termination, the District does not accrue a payable for these days at year-end. Based on accumulated vacation days as of year-end, the District's maximum liability for accumulated vacation days to be paid upon its employees' termination was calculated to be \$777,462 at June 30, 2015. The amounts will be paid from the General Fund within the next year.

Net Pension Liability

Net Pension Liability of \$80,333,394 at June 30, 2015 represents the District's share of pension liability to plan members for benefits provided through defined benefit pension plans (see Note 7). \$30,852,052 relates to IMRF and will be paid from the Municipal Retirement/Social Security Fund. \$49,508,342 relates to TRS and will be paid from the General Fund.

Other Postemployment Benefits Obligation

Other postemployment benefits (OPEB) payable represent the long-term portion of the actuarially determined net OPEB obligation for healthcare insurance for eligible retirees and their dependents through the District's group health insurance plan (see Note 8). The District's OPEB obligation at June 30, 2015 was \$6,398,035 and will be paid from the General Fund.

Debt Refunding

On February 18, 2015, in conjunction with the issuance of the series 2015A bonds, the District partially advance refunded \$9,020,000 of the series 2012B general obligation bonds by placing a portion of the proceeds of the series 2015A bonds in an irrevocable trust to provide for all future debt service payments on the advanced 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 \$4,083,274 and had a net effect of extending the life of the bonds by eight years while increasing the District's future debt service requirements by \$6,514,727.

School District U-46

Notes to Basic Financial Statements

Note 5. Long-Term Obligations (Continued)

Debt Refunding (Continued)

On February 18, 2015, in conjunction with the issuance of the series 2015B bonds, the District partially advance refunded \$9,230,000 of the series 2011A general obligation bonds by placing a portion of the proceeds of the series 2015B bonds in an irrevocable trust to provide for all future debt service payments on the advanced 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 \$1,175,047 and had a net effect of extending the life of the bonds by seven years while increasing the District's future debt service requirements by \$4,628,519.

On February 18, 2015, in conjunction with the issuance of the series 2015C bonds, the District fully advance refunded the outstanding series 2005 general obligation bonds of \$21,025,000. A portion of the proceeds of the series 2015C bonds were placed in an irrevocable trust to provide for all future debt service payments on the advanced 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 gain \$1,551,359 and did not extend the life of the bonds while reducing the District's future debt service requirements by \$1,721,016.

On February 18, 2015, in conjunction with the issuance of the series 2015D bonds, the District partially advance refunded principal of \$4,054,785 and accreted interest of \$4,605,215 from the series 2001 capital appreciation bonds; principal of \$24,176,417 and accreted interest of \$33,663,583 from the series 2002 capital appreciation bonds; principal of \$21,578,261 and accreted interest of \$36,321,739 from the series 2003B capital appreciation bonds by placing a portion of the proceeds of the series 2015D bonds in an irrevocable trust to provide for all future debt service payments on the advanced 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 \$11,846,224 and had a net effect of extending the life of the bonds by 12 years while increasing the District's future debt service requirements by \$52,084,600.

As of June 30, 2015, the outstanding balance of all defeased bonds totaled \$152,940,000.

School District U-46

Notes to Basic Financial Statements

Note 6. Risk Management

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

The District is also self-insured for medical claims to cover its employees and their qualifying dependents. The District funds a self-insurance account and has engaged an outside agency to administer its medical claims. The District does not assume unlimited liability for medical claims. As of June 30, 2015, the District had purchased (stop-loss) insurance to cover claims in excess of \$500,000 per person per year and \$2,000,000 lifetime. Estimated claims incurred but not yet submitted by insurers were estimated based on historical trends as provided by the District's third party administrator. Estimated insurance claims incurred but not reported (IBNR) liabilities at June 30, 2015, total \$9,987,471 and claims payable totaled \$5,485,779. 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 2015	Total 2014
Claims liability - beginning	\$ 17,787,137	\$ 19,610,288
Incurred claims	52,291,773	51,731,317
Claim payments and reductions	54,605,660	53,554,468
Claims liability - ending	\$ 15,473,250	\$ 17,787,137

School District U-46

Notes to Basic Financial Statements

Note 7. Employee Retirement Systems and Plans

Teachers' Retirement System

Plan Description

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

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

Benefits Provided

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

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

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

Contributions

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

Contributions from active members and TRS contributing employers are also required by the Illinois Pension Code. The contribution rates are specified in the pension code. The active member contribution rate for the year ended June 30, 2015, was 9.4 percent of creditable earnings. The member contribution, which may be paid on behalf of employees by the employer, is submitted to TRS by the employer.

On behalf contributions to TRS

The State of Illinois makes employer pension contributions on behalf of the employer. For the year ended June 30, 2015, state of Illinois contributions recognized by the employer were based on the state's proportionate share of the collective net pension liability associated with the employer, and the employer recognized revenue and expenditures of \$94,512,761 in pension contributions from the State of Illinois.

School District U-46

Notes to Basic Financial Statements

Note 7. Employee Retirement Systems and Plans (Continued)

Teachers' Retirement System (Continued)

2.2 formula contributions

Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. The contribution rate is specified by statute. Contributions for the year ended June 30, 2015, were \$1,149,900, and are deferred because they were paid after the June 30, 2014 measurement date.

Federal and special trust fund contributions

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

For the year ended June 30, 2015, the employer pension contribution was 33.00 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2015, salaries totaling \$3,598,192 were paid from federal and special trust funds that required employer contributions of \$1,187,403. These contributions are deferred because they were paid after the June 30, 2014 measurement date.

Employer retirement cost contributions

Under GASB Statement No. 68, contributions that an employer is required to pay because of a TRS member retiring are categorized as specific liability payments. The employer is required to make a one-time contribution to TRS for members retiring under the Early Retirement Option (ERO). The payments vary depending on the member's age and salary. The maximum employer ERO contribution under the current program is 146.5 percent and applies when the member is age 55 at retirement. For the year ended June 30, 2015, the employer paid \$750,408 to TRS for employer ERO contributions.

The employer is also required to make a one-time contribution to TRS for members granted salary increases over 6 percent if those salaries are used to calculate a retiree's final average salary. A one-time contribution is also required for members granted sick leave days in excess of the normal annual allotment if those days are used as TRS service credit. For the year ended June 30, 2015, the employer paid \$52,467 to TRS for employer contributions due on salary increases in excess of 6 percent and \$2,883 for sick leave days granted in excess of the normal annual allotment.

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

At June 30, 2015, the employer reported a liability for its proportionate share of the net pension liability (first amount shown below) that reflected a reduction for state pension support provided to the employer. The state's support and total are for disclosure purposes only. The amount recognized by the employer as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the employer were as follow:

Employer's proportionate share of the net pension liability	\$ 49,508,342
State's proportionate share of the net pension liability associated with the employer	<u>1,173,916,748</u>
 Total	 <u><u>\$ 1,223,425,090</u></u>

School District U-46

Notes to Basic Financial Statements

Note 7. Employee Retirement Systems and Plans (Continued)

Teachers' Retirement System (Continued)

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

The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2013, and rolled forward to June 30, 2014. The employer's proportion of the net pension liability was based on the employer's share of contributions to TRS for the measurement year ended June 30, 2014, relative to the projected contributions of all participating TRS employers and the state during that period. At June 30, 2014, the employer's proportion was 0.0814 percent.

The net pension liability as of the beginning of this first measurement period under GASB Statement No. 68 was measured as of June 30, 2013, and the total pension liability was based on the June 30, 2013, actuarial valuation without any roll-up. The employer's proportion of the net pension liability as of June 30, 2013, was based on the employer's share of contributions to TRS for the measurement year ended June 30, 2013, relative to the projected contributions of all participating TRS employers and the state during that period. At June 30, 2013, the employer's proportion was 0.0967 percent.

For the year ended June 30, 2015, the employer recognized pension expense of \$94,203,901 and revenue of \$94,512,761 for support provided by the state. At June 30, 2015, the employer reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 26,152	\$ -
Net difference between projected and actual earnings on pension plan investments	-	2,488,171
Changes of assumptions	-	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	7,742,446
Employer contribution subsequent to the measurement date	2,337,303	-
Total deferred amounts related to pensions	\$ 2,363,455	\$ 10,230,617

School District U-46

Notes to Basic Financial Statements

Note 7. Employee Retirement Systems and Plans (Continued)

Teachers' Retirement System (Continued)

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

Of the amounts reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date, \$2,337,303 will be recognized as a reduction of the net pension liability in the reporting year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended June 30:</u>	
2016	\$ 2,494,930
2017	2,494,930
2018	2,494,930
2019	2,494,930
2020	<u>224,745</u>
 Total deferred inflows related to pensions	 <u><u>\$ 10,204,465</u></u>

Actuarial Assumptions

The total pension liability in the June 30, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00 percent
Salary increases	5.75 percent, average, including inflation
Investment rate of return	7.50 percent, net of pension plan investment expense, including inflation

Mortality rates were based on the RP-2000 White Collar Table with projections using scale AA that vary by member group.

For GASB disclosure purposes, the actuarial assumptions for the years ended June 30, 2014 and 2013 were assumed to be the same. However, for funding purposes, the actuarial valuations for those two years were different. The actuarial assumptions used in the June 30, 2014 valuation were based on updates to economic assumptions adopted in 2014 which lowered the investment return assumption from 8.0 percent to 7.5 percent. The salary increase and inflation assumptions were also lowered. The actuarial assumptions used in the June 30, 2013 valuation were based on the 2012 actuarial experience analysis and first adopted in the June 30, 2012 valuation. The investment return assumption was lowered from 8.5 percent to 8.0 percent and the salary increase and inflation assumptions were also lowered. Mortality assumptions were adjusted to anticipate continued improvement in mortality.

School District U-46

Notes to Basic Financial Statements

Note 7. Employee Retirement Systems and Plans (Continued)

Teachers' Retirement System (Continued)

Actuarial Assumptions (Continued)

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. large cap	18 %	8.23 %
Global equity excluding U.S.	18	8.58
Aggregate bonds	16	2.27
U.S. TIPS	2	3.52
NCREIF	11	5.81
Opportunistic real estate	4	9.79
ARS	8	3.27
Risk party	8	5.57
Diversified inflation strategy	1	3.96
Private equity	14	13.03
Total	<u>100 %</u>	

Discount Rate

The discount rate used to measure the total pension liability was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions, employer contributions, and state contributions will be made at the current statutorily-required rates.

Based on those assumptions, TRS's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive members and all benefit recipients. Tier I's liability is partially-funded by Tier II members, as the Tier II member contribution is higher than the cost of Tier II benefits. Due to this subsidy, contributions from future members in excess of the service cost are also included in the determination of the discount rate. Therefore, the long-term expected rate of return on TRS investments was applied to all periods of projected benefit payments to determine the total pension liability.

School District U-46

Notes to Basic Financial Statements

Note 7. Employee Retirement Systems and Plans (Continued)

Teachers' Retirement System (Continued)

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

The following presents the employer's proportionate share of the net pension liability calculated using the discount rate of 7.5 percent, as well as what the employer's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.5 percent) or 1-percentage-point higher (8.5 percent) than the current rate.

	1% Decrease 6.5%	Current Discount Rate 7.5%	1% Increase 8.5%
Employer's proportionate share of the net pension liability	\$ 61,140,372	\$ 49,508,342	\$ 39,875,694

TRS fiduciary net position

Detailed information about the TRS's fiduciary net position as of June 30, 2014 is available in the separately issued TRS *Comprehensive Annual Financial Report*.

Teachers' Health Insurance Security Fund

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

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

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

- On behalf contributions to the THIS Fund from the state
The State of Illinois makes employer retiree health insurance contributions on behalf of the employer. State contributions are intended to match contributions to the THIS Fund from active members which were 1.02 percent of pay during the year ended June 30, 2015. State of Illinois contributions were \$2,022,238, and the employer recognized revenue and expenditures of this amount during the year.
- Employer contributions to the THIS Fund
The employer also makes contributions to the THIS Fund. The employer THIS Fund contribution was 0.76 percent during the year ended June 30, 2015. For the year ended June 30, 2015, the employer paid \$1,506,765 to the THIS Fund, which was 100 percent of the required contribution.

School District U-46

Notes to Basic Financial Statements

Note 7. Employee Retirement Systems and Plans (Continued)

Teachers' Health Insurance Security Fund (Continued)

Further information on the THIS Fund

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

Illinois Municipal Retirement Fund

Plan Description

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

Benefits Provided

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

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

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

School District U-46

Notes to Basic Financial Statements

Note 7. Employee Retirement Systems and Plans (Continued)

Illinois Municipal Retirement Fund (Continued)

Employees Covered by Benefit Terms

As of December 31, 2014, the following employees were covered by the benefit terms:

Retirees and Beneficiaries currently receiving benefits	1,086
Inactive Plan Members entitled to but not yet receiving benefits	1,719
Active Plan Members	1,900
 Total	 4,705

Contributions

As set by statute, the District's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The District's annual contribution rates for calendar years 2015 and 2014 were 11.41% and 12.05%, respectively. For the fiscal year ended June 30, 2015, the District contributed \$6,872,923 to the plan. The District also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability

The District's net pension liability was measured as of December 31, 2014. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The following are the methods and assumptions used to determine total pension liability at December 31, 2014:

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

School District U-46

Notes to Basic Financial Statements

Note 7. Retirement Fund Commitments (Continued)

Illinois Municipal Retirement Fund (Continued)

Actuarial Assumptions (Continued)

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	38 %	7.60 %
International Equity	17	7.80
Fixed Income	27	3.00
Real Estate	8	6.15
Alternative Investments	9	5.25 - 8.50
Cash Equivalents	1	2.50
Total	<u>100 %</u>	

Discount Rate

A Single Discount Rate of 7.48% was used to measure the total pension liability. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

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

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.50%, the municipal bond rate is 3.56% (based on the weekly rate closest to but not later than the measurement date of the 20-Year Bond Buyer Index as published by the Federal Reserve), and the resulting single discount rate is 7.48%.

School District U-46

Notes to Basic Financial Statements

Note 7. Retirement Fund Commitments (Continued)

Illinois Municipal Retirement Fund (Continued)

Changes in the Net Pension Liability

The following table shows the components of the District's annual pension liability and related plan fiduciary net position for the calendar year ended December 31, 2014:

	Total Pension Liability	Plan Fiduciary Net Pension	Net Pension Liability
Balances at December 31, 2013	\$ 253,800,809	\$ 234,112,092	\$ 19,688,717
Changes for the year:			
Service Cost	6,492,825	-	6,492,825
Interest on the Total Pension Liability	18,815,885	-	18,815,885
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	916,388	-	916,388
Changes of Assumptions	9,485,528	-	9,485,528
Contributions - Employer	-	6,915,065	(6,915,065)
Contributions - Employees	-	2,714,707	(2,714,707)
Net Investment Income	-	14,218,684	(14,218,684)
Benefit Payments, including Refunds of Employee Contributions	(11,667,594)	(11,667,594)	-
Other (Net Transfer)	-	725,835	(725,835)
Net Changes	24,043,032	12,906,697	11,136,335
Balances at December 31, 2014	<u>\$ 277,843,841</u>	<u>\$ 247,018,789</u>	<u>\$ 30,825,052</u>

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

The following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.48%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher:

	1% Decrease 6.48%	Current Single Discount Rate 7.48%	1% Increase 8.48%
Total Pension Liability	\$ 314,513,869	\$ 277,843,841	\$ 247,778,607
Plan Fiduciary Net Pension	247,018,789	247,018,789	247,018,789
Net Pension Liability/(Asset)	<u>\$ 67,495,080</u>	<u>\$ 30,825,052</u>	<u>\$ 759,818</u>

School District U-46

Notes to Basic Financial Statements

Note 7. Retirement Fund Commitments (Continued)

Illinois Municipal Retirement Fund (Continued)

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

For the year ended June 30, 2015, the District recognized pension expense of \$893,791. At June 30, 2015, the District reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 674,150	\$ -
Net difference between projected and actual earnings on pension plan investments	2,632,418	-
Changes of assumptions	6,978,119	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	-
Employer contribution subsequent to the measurement date	3,742,422	-
	<u>\$ 14,027,109</u>	<u>\$ -</u>
Total deferred amounts related to pensions	<u>\$ 14,027,109</u>	<u>\$ -</u>

Of the amounts reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date, \$3,742,422 will be recognized as a reduction of the net pension liability in the reporting year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:		
2016		\$ 3,407,752
2017		3,407,752
2018		2,811,079
2019		658,104
		<u>\$ 10,284,687</u>
Total deferred outflows related to pensions		<u>\$ 10,284,687</u>

School District U-46

Notes to Basic Financial Statements

Note 8. Other Postemployment Benefits

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

Plan Description

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

Funding Policy

Contribution requirements are also negotiated between the District and union representatives. All plan funding is done on a pay-as-you-go basis. Funding varies from 0 percent to 100 percent, depending on the retiree's status at the time of retirement. Currently, the current and retired employees pay a specified blended premium rate for healthcare insurance and the District pays the difference. For fiscal year 2015, the District contributed \$1,669,959 to the Plan. Plan members receiving benefits contributed \$267,342, or approximately 13.8 percent of the total premiums.

Annual OPEB Cost and Net OPEB Obligation

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

	Government-Wide Activities
Annual required contribution	\$ 2,563,258
Interest on net OPEB obligation	291,235
Adjustment to annual required contribution	(343,859)
Annual OPEB cost	2,510,634
Contributions made	1,937,301
Increase in net OPEB obligation	573,333
Net OPEB obligation - beginning of year	5,824,702
Net OPEB obligation - end of year	\$ 6,398,035

School District U-46

Notes to Basic Financial Statements

Note 8. Other Postemployment Benefits (Continued)

Annual OPEB Cost and Net OPEB Obligation (Continued)

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2015 and the preceding two years were as follows:

Year Ending June 30,	Annual OPEB Cost (APC)	Percentage of APC Contributed	Net OPEB Obligation
2015	\$ 2,510,634	77.2%	\$ 6,398,035
2014	2,490,224	83.6	5,824,702
2013	3,197,487	61.8	5,416,500

The District has reported the net OPEB obligation of \$6,398,035 in the statement of net position. Payments to liquidate the liability have typically been made by the General Fund.

Funded Status and Funding Progress

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

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

School District U-46

Notes to Basic Financial Statements

Note 8. Other Postemployment Benefits (Continued)

Methods and Assumptions

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

Significant methods and assumptions were as follows:

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

Note 9. Other Financial Disclosures

Expenditures Exceeding Operating Budgets

Expenditures exceeded budgeted expenditures in the following funds during fiscal year 2015:

Fund	Final Budget	Actual Expenditures	Amount Over Budget
General Fund	\$ 469,671,510	\$ 487,631,726	\$17,960,216
Transportation Fund	24,734,158	25,025,606	291,448
Debt Service Fund	42,882,289	45,211,691	2,329,402
Fire Prevention and Safety Fund	1,715,609	2,058,006	342,397

Interfund Transfers

During 2015, the District transferred \$1,027,463 from the General Fund to the Debt Service Fund to provide resources to pay principal and interest on debt certificates and purchase contracts. The General Fund also transferred \$158,343 to the Transportation Fund for the purpose of financing transportation related expenses. The Transportation Fund transferred \$173,335 to the General Fund to finance utilities and building maintenance related expenditures.

School District U-46

Notes to Basic Financial Statements

Note 9. Other Financial Disclosures (Continued)

Due To/From Other Funds

Interfund debt balances as of June 30, 2015 are as follows:

Fund	Due From Other Funds	Due To Other Funds
Major governmental funds		
General	\$ 13,830,418	\$ -
Transportation	-	13,503,494
Nonmajor Governmental Funds	-	326,924
Total	\$ 13,830,418	\$ 13,830,418

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, 2015 of (\$10,225,941). District management expects to reduce this deficit with future revenues and budget cuts.

The Fire Prevention and Safety Fund had a deficit fund balance as of June 30, 2015 of (\$1,211,399). District management expects to reduce this deficit with future revenues.

Note 10. Contingent Liabilities

Litigation

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

Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government and the Illinois State Board of Education. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2015.

School District U-46

Notes to Basic Financial Statements

Note 11. Commitments

At June 30, 2015, the District had approximately \$10.6 million in outstanding construction project commitments. The projects were comprised of work to be done at various school buildings to be paid from the Fire Prevention and Safety Fund and the Capital Projects Fund.

Note 12. Restatement for Implementation of New Accounting Standards

The GASB has issued Statement No. 68, *Accounting and Financial Reporting for Pensions, an Amendment of GASB Statement No. 27* (GASB 68) and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to Measurement Date – An Amendment of GASB Statement No. 68* (GASB 71), which was adopted by the District for the year ended June 30, 2015. GASB No. 68 requires governments providing defined benefit pensions to recognize their long-term obligation for pension benefits as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. In accordance with GASB No.'s 68 and 71, the District now reports a net pension liability on its financial statements, as well as deferred outflows of resources and deferred inflows of resources resulting from the pension standards. In addition, the impact of implementing this statement resulted in a restatement of the beginning net position for governmental activities to record the net pension liability, and deferred inflows and outflows of resources related to pensions.

The District's net position at June 30, 2014 has been restated as follows:

	Governmental Activities
Net Position, June 30, 2014, as previously stated	\$ 169,577,480
Implementation of new GASB standards	(73,097,786)
Net Position, June 30, 2014 as restated	\$ 96,479,694

Note 13. Authoritative Pronouncements Issued But Not Yet Adopted

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

Statement No. 72, *Fair Value Measurement and Application*, will be effective for District beginning with its year ending June 30, 2016. This statement addresses accounting and financial reporting issues related to fair value measurements. The definition of fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements.

Statement No. 73, *Accounting and Financial Reporting for Pension and Related Assets That Are Not Within the Scope of GASB Statement No. 68, and Amendments to Certain Provision of GASB Statement Nos. 67 and 68*, will be effective for the District beginning with its year ending June 30, 2016, except those provisions that address employers and governmental nonemployer contributing entities for pensions that are not within the scope of GASB Statement No. 68, which are effective for District beginning with its year ending June 30, 2016. This statement will establish requirements for those pension and pension plans that are not administered through a trust meeting specified criteria.

School District U-46

Notes to Basic Financial Statements

Note 13. Authoritative Pronouncements Issued But Not Yet Adopted (Continued)

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

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

Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, will be effective for District beginning with its year ending June 30, 2016. This statement reduces the GAAP hierarchy to two categories of authoritative GAAP from the four categories under GASB Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The first category of authoritative GAAP consists of GASB Statements of Government Accounting Standards. The second category comprises GASB Technical Bulletins and Implementation Guides, as well as guidance from the AICPA that is cleared by the GASB. The statement also addresses the use of authoritative and nonauthorized literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP.

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

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

Note 14. Subsequent Event

On October 8, 2015 the Society of Actuaries (SOA) released an updated Mortality Improvement Scale MP-2015. The SOA's preliminary estimates suggest that updating this recently released scale might reduce a plan's liabilities up to two percent. Management has not yet evaluated the impact of this recent update with their actuary and accordingly no adjustments have been made to the District's retirement plan obligations.

REQUIRED SUPPLEMENTARY INFORMATION

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

Schedule of Employer Contributions – Teachers' Retirement System

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

Schedule of Employer Contributions – Illinois Municipal Retirement Fund

Schedule of Funding Progress - Retiree Healthcare Plan

Budgetary Comparison Information: General Fund and Major Special Revenue Fund

School District U-46

**Schedule of the Employer's Proportionate Share of the Net Pension Liability
 Teachers' Retirement System
 Fiscal Year 2015**

Employer's proportion of the net pension liability		0.0814%
Employer's proportionate share of the net pension liability	\$	49,508,342
State's proportionate share of the net pension liability associated with the employer		1,173,916,748
Total	\$	1,223,425,090
Employer's covered-employee payroll	\$	198,258,595
Employer's proportionate share of the net pension liability as a percentage of its covered employee payroll		25.0%
Plan fiduciary net position as a percentage of the total pension liability		43.0%

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

**Schedule of Employer Contributions
 Teachers' Retirement System
 Fiscal Year 2015**

Contractually-required contribution		2,337,303
Contributions in relation to the contractually-required contribution		2,311,171
Contribution deficiency (excess)	\$	26,132
Employer's covered-employee payroll	\$	198,258,595
Contributions as a percentage of covered-employee payroll		1.17%

Notes to Schedules

Changes of Assumptions

Amounts reported in 2014 reflect an investment rate of return of 7.5 percent, an inflation rate of 3.0 percent and real return of 4.5 percent, and a salary increase assumption of 5.75 percent. In 2013, assumptions used were an investment rate of return of 8.0 percent, an inflation rate of 3.25 percent and real return of 4.75 percent, and salary increases of 6.00 percent. However, the total pension liability at the beginning and end of the year was calculated using the same assumptions, so the difference due to actuarial assumptions was not calculated or allocated.

School District U-46

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

Calendar year ended December 31	2014
Total Pension Liability	
Service Cost	\$ 6,492,825
Interest in the Total Pension Liability	18,815,885
Changes of Benefit Terms	-
Differences Between Expected and Actual Experience of the Total Pension Liability	916,388
Changes of Assumptions	9,485,528
Benefit Payments, including Refunds of Employee Contributions	(11,667,594)
Net Change in Total Pension Liability	24,043,032
Total Pension Liability - Beginning	253,800,809
Total Pension Liability - Ending	\$ 277,843,841
Plan Fiduciary Net Position	
Contributions - Employer	\$ 6,915,065
Contributions - Employees	2,714,707
Net Investment Income	14,218,684
Benefit Payments, including Refunds of Employee Contributions	(11,667,594)
Other (Net Transfer)	725,835
Net Change in Plan Fiduciary Net Position	12,906,697
Plan Fiduciary Net Position - Beginning	234,112,092
Plan Fiduciary Net Position - Ending	\$ 247,018,789
Net Pension Liability	\$ 30,825,052
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	88.91%
Covered Valuation Payroll	\$ 59,788,613
Net Pension Liability as a Percentage of Covered Valuation Payroll	51.56%

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

School District U-46

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

Calendar Year Ending December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a % of Covered Valuation Payroll
2014	\$ 6,833,838	\$ 6,915,065	\$ (81,227)	\$ 59,788,613	11.57%

* Actuarial Determined Contribution was estimated based on a contribution rate of 11.43% and a covered valuation payroll of \$59,788,613.

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

Notes to Schedule of Contributions

Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2014 Contribution Rate*

Valuation Date

Notes

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

Methods and Assumptions Used to Determine 2014 Contribution Rate

Actuarial Cost Method:	Aggregate entry age = normal
Amortization Method:	Level percentage of payroll, closed
Remaining Amortization Period:	29-year closed period
Asset Valuation Method:	5-year smoothed market; 20% corridor
Wage Growth:	4%
Price Inflation:	3%, approximate; No explicit price inflation assumption is used in this valuation.
Salary Increases:	4.40% to 16%, including inflation
Investment Rate of Return:	7.50%
Retirement Age:	Experienced-based table of rates that are specific to the type of eligibility condition; last updated for the 2011 valuation pursuant to an experience study of the period 2008 to 2012.
Mortality:	RP-2000 Combined Healthy Mortality Table, adjusted for mortality improvements to 2020 using projection scale AA. For men, 120% of the table rates were used. For women, 92% of the table rates were used. For disabled lives, the mortality rates are the rates applicable to non-disabled lives set forward 10 years.

Other Information

Notes

There were no benefit changes during the year.

* Based on Valuation Assumptions used in the December 31, 2012 actuarial valuation; note two-year lag between valuation and rate setting.

School District U-46

Schedule of Funding Progress
 Retiree Healthcare Plan
 June 30, 2015

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

The District has elected to have valuations performed biennially.

GENERAL FUND

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

MAJOR SPECIAL REVENUE FUNDS

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

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

School District U-46

**Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
General Fund
Year Ended June 30, 2015**

	Original and Final Budget	Actual	Variance
Revenues:			
Property taxes	\$ 229,969,046	\$ 223,399,921	\$ (6,569,125)
Replacement taxes and payments in lieu of taxes	551,000	69,904	(481,096)
Charges for services	8,690,000	8,662,925	(27,075)
Earnings on investments	128,600	59,844	(68,756)
Rentals	800,000	798,738	(1,262)
Local grants	25,000	60,305	35,305
Other local sources	875,000	1,264,538	389,538
State grants-in-aid	125,742,392	123,632,371	(2,110,021)
Federal grants-in-aid	33,876,198	34,596,203	720,005
State on-behalf of payments	65,900,000	96,534,999	30,634,999
Total revenues	<u>466,557,236</u>	<u>489,079,748</u>	<u>22,522,512</u>
Expenditures:			
Current:			
Instruction:			
Regular programs	147,718,895	133,492,004	14,226,891
Special programs	40,343,225	36,973,664	3,369,561
Other instructional programs	48,814,440	47,743,061	1,071,379
Intergovernmental: State on-behalf of payments	65,900,000	96,534,999	(30,634,999)
Support services:			
Pupils	23,847,669	26,351,416	(2,503,747)
Instructional staff	11,330,123	14,354,731	(3,024,608)
General administration	15,491,382	15,148,529	342,853
School administration	22,790,572	21,995,408	795,164
Business	26,229,911	26,727,023	(497,112)
Facilities acquisition and construction	399,776	1,754,704	(1,354,928)
Transportation	1,113,220	1,340,326	(227,106)
Food service	13,488,277	13,819,753	(331,476)
Central	11,314,449	11,866,888	(552,439)
Other support	102,940	428,468	(325,528)
Community services	2,829,365	3,081,709	(252,344)
Payments to other governments	8,000,000	8,507,064	(507,064)
Debt service			
Debt issuance costs	-	567,364	(567,364)
Capital outlay	25,207,266	26,944,615	(1,737,349)
Contingency	4,750,000	-	4,750,000
Total expenditures	<u>469,671,510</u>	<u>487,631,726</u>	<u>(17,960,216)</u>
Excess of revenues over expenditures	<u>(3,114,274)</u>	<u>1,448,022</u>	<u>4,562,296</u>
Other financing sources (uses):			
Transfer in	183,863	173,335	(10,528)
Transfer out	(1,185,806)	(1,185,806)	-
Proceeds from debt issuance	-	44,310,000	44,310,000
Premium on debt issuance	-	6,983,307	6,983,307
Transfer to escrow agent	-	(10,716,863)	(10,716,863)
Total other financing sources (uses)	<u>(1,001,943)</u>	<u>39,563,973</u>	<u>40,565,916</u>
Net change in fund balance	<u>\$ (4,116,217)</u>	<u>41,011,995</u>	<u>\$ 45,128,212</u>
Fund balance:			
Beginning of year		<u>163,794,894</u>	
End of year		<u>\$ 204,806,889</u>	

School District U-46

**Schedule of Revenues, Expenditures and Changes in Fund Balance (Deficit) -
Budget and Actual
Transportation Fund
Year Ended June 30, 2015**

	Original and Final Budget	Actual	Variance
Revenues:			
Property taxes	\$ 12,781,469	\$ 14,142,564	\$ 1,361,095
Charges for services	1,230,000	1,455,097	225,097
Earnings on investments	100	136	36
Other local source	-	19,660	19,660
State grants-in-aid	12,784,477	14,429,785	1,645,308
Total revenues	26,796,046	30,047,242	3,251,196
Expenditures:			
Current:			
Support services:			
Transportation	21,714,338	23,575,786	(1,861,448)
Debt service			
Principal	1,377,280	1,377,280	-
Interest and fees	72,540	72,540	-
Capital outlay	1,570,000	-	1,570,000
Total expenditures	24,734,158	25,025,606	(291,448)
Excess of revenues over expenditures	2,061,888	5,021,636	2,959,748
Other financing sources (uses):			
Transfer in	135,756	158,343	22,587
Transfer out	(166,690)	(173,335)	(6,645)
Proceeds from purchase contracts	1,500,000	-	(1,500,000)
Total other financing sources (uses)	1,469,066	(14,992)	(1,484,058)
Net change in fund balance (deficit)	\$ 3,530,954	5,006,644	\$ 1,475,690
Fund balance (deficit):			
Beginning of year		(15,232,585)	
End of year		\$ (10,225,941)	

OTHER SUPPLEMENTARY INFORMATION

DRAFT

PRELIMINARY DRAFT
FOR REVIEW AND DISCUSSION
--SUBJECT TO CHANGE--
NOT TO BE REPRODUCED

School District U-46

Combining Balance Sheet
General Fund, by Account
June 30, 2015

	Educational Account	Tort Immunity Account	Operations and Maintenance Account	Working Cash Account	Elimination	Total
Assets						
Cash and investments	\$ 102,140,837	\$ -	\$ 17,148,343	\$ 120,050,002	\$ -	\$ 239,339,182
Property taxes receivable, net of allowance	92,312,450	6,144,484	14,444,741	-	-	112,901,675
Grants receivable	24,665,535	-	-	-	-	24,665,535
Accounts receivable	649,399	-	82,471	-	-	731,870
Due from other accounts and funds	31,244,704	-	-	4,500,000	(21,914,286)	13,830,418
Inventories	78,087	-	-	-	-	78,087
Prepays	778,449	-	-	-	-	778,449
Total assets	\$ 251,869,461	\$ 6,144,484	\$ 31,675,555	\$ 124,550,002	\$ (21,914,286)	\$ 392,325,216
Liabilities, Deferred Inflows of Resources, and Fund Balance (Deficit)						
Liabilities						
Accounts payable	\$ 8,597,826	\$ 41,248	\$ 6,476,142	\$ -	\$ -	\$ 15,115,216
Accrued payroll	31,026,968	9,686	539,956	-	-	31,576,610
Payroll deductions	1,201,826	-	-	-	-	1,201,826
Construction retainage payable	153,834	-	774,553	-	-	928,387
Insurance claims payable	5,118,547	367,232	-	-	-	5,485,779
Unearned other revenue	1,065,185	-	-	-	-	1,065,185
Due to other accounts	-	17,414,286	4,500,000	-	(21,914,286)	-
Unclaimed property	196,316	-	-	-	-	196,316
Total liabilities	47,360,502	17,832,452	12,290,651	-	(21,914,286)	55,569,319
Deferred inflows of resources						
Deferred grant revenue	17,795,903	-	-	-	-	17,795,903
Deferred property taxes	93,335,665	6,212,591	14,604,849	-	-	114,153,105
Total deferred inflows of resources	111,131,568	6,212,591	14,604,849	-	-	131,949,008
Fund balance (deficit)						
Nonspendable	856,536	-	-	-	-	856,536
Restricted	-	-	914,855	-	-	914,855
Unassigned	92,520,855	(17,900,559)	3,865,200	124,550,002	-	203,035,498
Total fund balance (deficit)	93,377,391	(17,900,559)	4,780,055	124,550,002	-	204,806,889
Total liabilities, deferred inflows of resources and fund balance (deficit)	\$ 251,869,461	\$ 6,144,484	\$ 31,675,555	\$ 124,550,002	\$ (21,914,286)	\$ 392,325,216

PRELIMINARY DRAFT
FOR REVIEW AND DISCUSSION
--SUBJECT TO CHANGE--
NOT TO BE REPRODUCED

School District U-46

Combining Statement of Revenues, Expenditures and Changes in Fund Balance (Deficit)
General Fund, by Account
Year Ended June 30, 2015

	Educational Account	Tort Immunity Account	Operations and Maintenance Account	Working Cash Account	Elimination	Total
Revenues:						
Property taxes	\$ 185,277,809	\$ 10,066,101	\$ 28,056,011	\$ -	\$ -	\$ 223,399,921
Replacement taxes and payments in lieu of taxes	69,904	-	-	-	-	69,904
Charges for services	8,662,925	-	-	-	-	8,662,925
Earnings on investments	2,088	97	319	57,340	-	59,844
Rentals	-	-	798,738	-	-	798,738
Local grants	60,305	-	-	-	-	60,305
Other local sources	360,716	-	903,822	-	-	1,264,538
State grants-in-aid	122,036,321	1,475,169	120,881	-	-	123,632,371
Federal grants-in-aid	34,596,203	-	-	-	-	34,596,203
State on-behalf of payments	96,534,999	-	-	-	-	96,534,999
Total revenues	447,601,270	11,541,367	29,879,771	57,340	-	489,079,748
Expenditures:						
Current:						
Instruction:						
Regular programs	133,492,004	-	-	-	-	133,492,004
Special programs	36,973,664	-	-	-	-	36,973,664
Other instructional programs	47,743,061	-	-	-	-	47,743,061
Intergovernmental: State on-behalf of payments	96,534,999	-	-	-	-	96,534,999
Support services:						
Pupils	26,351,416	-	-	-	-	26,351,416
Instructional staff	14,354,731	-	-	-	-	14,354,731
General administration	7,696,114	7,452,415	-	-	-	15,148,529
School administration	21,995,408	-	-	-	-	21,995,408
Business	3,416,924	-	23,310,099	-	-	26,727,023
Facilities acquisition and construction	308,612	-	1,446,092	-	-	1,754,704
Transportation	1,339,726	-	600	-	-	1,340,326
Food service	13,819,753	-	-	-	-	13,819,753
Central	11,866,888	-	-	-	-	11,866,888
Other support services	428,468	-	-	-	-	428,468
Community services	3,081,709	-	-	-	-	3,081,709
Payments to other governments	8,507,064	-	-	-	-	8,507,064
Debt service:						
Debt issuance costs	-	-	-	567,364	-	567,364
Capital outlay	14,375,051	92,980	12,476,584	-	-	26,944,615
Total expenditures	442,285,592	7,545,395	37,233,375	567,364	-	487,631,726
Excess (deficiency) of revenues over (under) expenditures	5,315,678	3,995,972	(7,353,604)	(510,024)	-	1,448,022
Other financing sources (uses):						
Transfer in	-	-	8,473,748	-	(8,300,413)	173,335
Transfer out	(1,063,199)	-	(853,627)	(7,569,393)	8,300,413	(1,185,806)
Proceeds from debt issuance	-	-	-	44,310,000	-	44,310,000
Premium on bond issuance	-	-	-	6,983,307	-	6,983,307
Transfer to escrow agent	-	-	-	(10,716,863)	-	(10,716,863)
Total other financing sources (uses)	(1,063,199)	-	7,620,121	33,007,051	-	39,563,973
Net change in fund balance (deficit)	4,252,479	3,995,972	266,517	32,497,027	-	41,011,995
Fund balance (deficit):						
Beginning of year	89,124,912	(21,896,531)	4,513,538	92,052,975	-	163,794,894
End of year	\$ 93,377,391	\$ (17,900,559)	\$ 4,780,055	\$ 124,550,002	\$ -	\$ 204,806,889

School District U-46

**Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
General Fund - Educational Account
Year Ended June 30, 2015**

	Original and Final Budget	Actual	Variance
Revenues:			
Property taxes	\$ 198,161,050	\$ 185,277,809	\$ (12,883,241)
Replacement taxes and payments in lieu of taxes	551,000	69,904	(481,096)
Charges for services	8,690,000	8,662,925	(27,075)
Earnings on investments	3,000	2,088	(912)
Local grants	25,000	60,305	35,305
Other local sources	325,000	360,716	35,716
State grants-in-aid	124,242,392	122,036,321	(2,206,071)
Federal grants-in-aid	33,876,198	34,596,203	720,005
State on-behalf of payments	65,900,000	96,534,999	30,634,999
Total revenues	431,773,640	447,601,270	15,827,630
Expenditures:			
Current:			
Instruction:			
Regular programs	147,718,895	133,492,004	14,226,891
Special programs	40,343,225	36,973,664	3,369,561
Other instructional programs	48,814,440	47,743,061	1,071,379
Intergovernmental: State on-behalf of payments	65,900,000	96,534,999	(30,634,999)
Support services:			
Pupils	23,847,669	26,351,416	(2,503,747)
Instructional staff	11,330,123	14,354,731	(3,024,608)
General administration	8,496,488	7,696,114	800,374
School administration	22,790,572	21,995,408	795,164
Business	3,699,343	3,416,924	282,419
Facilities acquisition and construction	324,776	308,612	16,164
Transportation	1,111,645	1,339,726	(228,081)
Food service	13,488,277	13,819,753	(331,476)
Central	11,314,449	11,866,888	(552,439)
Other support	102,940	428,468	(325,528)
Community services	2,829,365	3,081,709	(252,344)
Payments to other governments	8,000,000	8,507,064	(507,064)
Capital outlay	7,244,613	14,375,051	(7,130,438)
Contingency	4,750,000	-	4,750,000
Total expenditures	422,106,820	442,285,592	(20,178,772)
Excess (deficiency) of revenues over (under) expenditures	9,666,820	5,315,678	(4,351,142)
Other financing sources (uses):			
Transfer out	(13,240,439)	(1,063,199)	12,177,240
Total other financing sources (uses)	(13,240,439)	(1,063,199)	12,177,240
Net change in fund balance	\$ (3,573,619)	4,252,479	\$ 7,826,098
Fund balance:			
Beginning of year		89,124,912	
End of year		<u>\$ 93,377,391</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, 2015**

	Original and Final Budget	Actual	Variance
Revenues:			
Property taxes	\$ 7,979,110	\$ 10,066,101	\$ 2,086,991
Earnings on investments	100	97	(3)
State grants-in-aid	1,500,000	1,475,169	(24,831)
Total revenues	<u>9,479,210</u>	<u>11,541,367</u>	<u>2,062,157</u>
Expenditures:			
Current:			
Support services:			
General administration	6,994,894	7,452,415	(457,521)
Capital outlay	-	92,980	(92,980)
Total expenditures	<u>6,994,894</u>	<u>7,545,395</u>	<u>(550,501)</u>
Net change in fund balance (deficit)	<u>\$ 2,484,316</u>	<u>3,995,972</u>	<u>\$ 1,511,656</u>
Fund balance (deficit):			
Beginning of year		<u>(21,896,531)</u>	
End of year		<u>\$ (17,900,559)</u>	

Schedule of Tort Expenditures by Object

Workers' compensation or workers' occupation disease acts payments	\$ 5,041,013
Unemployment insurance payments	176,305
Insurance payments (regular or self-insurance)	710,278
Educational, inspectional, supervisory services related to loss prevention or reduction	1,312,783
Legal service	<u>305,016</u>
Total tort expenditures	<u>\$ 7,545,395</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, 2015**

	Original and Final Budget	Actual	Variance
Revenues:			
Property taxes	\$ 23,828,886	\$ 28,056,011	\$ 4,227,125
Earnings on investments	500	319	(181)
Rentals	800,000	798,738	(1,262)
Other local sources	550,000	903,822	353,822
State grants-in-aid	-	120,881	120,881
Total revenues	<u>25,179,386</u>	<u>29,879,771</u>	<u>4,700,385</u>
Expenditures:			
Current:			
Support services:			
Business	22,530,568	23,310,099	(779,531)
Facilities acquisition and construction	75,000	1,446,092	(1,371,092)
Transportation	1,575	600	975
Capital outlay	17,962,653	12,476,584	5,486,069
Total expenditures	<u>40,569,796</u>	<u>37,233,375</u>	<u>3,336,421</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(15,390,410)</u>	<u>(7,353,604)</u>	<u>8,036,806</u>
Other financing sources (uses):			
Transfer in	16,301,690	8,473,748	(7,827,942)
Transfer out	(795,194)	(853,627)	(58,433)
Total other financing sources (uses)	<u>15,506,496</u>	<u>7,620,121</u>	<u>(7,886,375)</u>
Net change in fund balance (deficit)	<u>\$ 116,086</u>	266,517	<u>\$ 150,431</u>
Fund balance (deficit):			
Beginning of year		<u>4,513,538</u>	
End of year		<u>\$ 4,780,055</u>	

School District U-46

**Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget and Actual
 General Fund - Working Cash Account
 Year Ended June 30, 2015**

	Original and Final Budget	Actual	Variance
Revenues:			
Earnings on investments	\$ 125,000	\$ 57,340	\$ (67,660)
Expenditures:			
Debt service			
Debt issuance costs	-	567,364	(567,364)
Excess of revenues over expenditures	125,000	(510,024)	(635,024)
Other financing sources (uses):			
Transfer out	(3,268,000)	(7,569,393)	(4,301,393)
Proceeds from debt issuance	-	44,310,000	44,310,000
Premium on debt issuance	-	6,983,307	6,983,307
Transfer to escrow agent	-	(10,716,863)	(10,716,863)
Total other financing sources (uses)	(3,268,000)	33,007,051	36,275,051
Net change in fund balance	\$ (3,143,000)	32,497,027	\$ 35,640,027
Fund balance:			
Beginning of year		92,052,975	
End of year		<u>\$ 124,550,002</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, 2015**

	Original and Final Budget	Actual	Variance
Revenues:			
Property taxes	\$ 42,720,625	\$ 42,283,872	\$ (436,753)
Earnings on investments	800	531	(269)
Total revenues	<u>42,721,425</u>	<u>42,284,403</u>	<u>(437,022)</u>
Expenditures:			
Debt service			
Principal	27,300,887	27,911,407	(610,520)
Interest and fees	15,581,402	15,615,348	(33,946)
Bond issuance costs	-	1,684,936	(1,684,936)
Total expenditures	<u>42,882,289</u>	<u>45,211,691</u>	<u>(2,329,402)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(160,864)</u>	<u>(2,927,288)</u>	<u>(2,766,424)</u>
Other financing sources (uses):			
Transfer in	1,032,877	1,027,463	(5,414)
Proceeds from debt issuance	-	131,590,000	131,590,000
Premium on debt issuance	-	18,217,672	18,217,672
Transfer to escrow agent	-	(148,122,737)	(148,122,737)
Total other financing sources (uses)	<u>1,032,877</u>	<u>2,712,398</u>	<u>1,679,521</u>
Net change in fund balance	<u>\$ 872,013</u>	<u>(214,890)</u>	<u>\$ (1,086,903)</u>
Fund balance:			
Beginning of year		<u>24,156,123</u>	
End of year		<u>\$ 23,941,233</u>	

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUND

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

CAPITAL PROJECTS FUNDS

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

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

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

School District U-46

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2015

	Special Revenue Fund	Capital Projects Funds		Total Nonmajor Governmental Funds
	Municipal Retirement/ Social Security Fund	Capital Projects Fund	Fire Prevention and Safety Fund	
Assets				
Cash	\$ 799,529	\$ 4,384,320	\$ -	\$ 5,183,849
Property taxes receivable, net of allowance	5,928,954	-	897,009	6,825,963
Replacement taxes receivable	662,763	-	-	662,763
Account receivable	-	14,025	-	14,025
Total assets	\$ 7,391,246	\$ 4,398,345	\$ 897,009	\$ 12,686,600
Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits)				
Liabilities				
Accounts payable	\$ -	\$ -	\$ 783,270	\$ 783,270
Payroll deductions	556,690	-	-	556,690
Construction retainage payable	-	-	91,263	91,263
Due to other funds	-	-	326,924	326,924
Unclaimed property	-	90,754	-	90,754
Total liabilities	556,690	90,754	1,201,457	1,848,901
Deferred inflows of resources				
Deferred property taxes	5,994,671	-	906,951	6,901,622
Fund balances (deficits)				
Restricted	839,885	4,307,591	-	5,147,476
Unassigned	-	-	(1,211,399)	(1,211,399)
Total fund balances (deficits)	839,885	4,307,591	(1,211,399)	3,936,077
Total liabilities, deferred inflows of resources and fund balances (deficits)	\$ 7,391,246	\$ 4,398,345	\$ 897,009	\$ 12,686,600

School District U-46

Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits)
Nonmajor Governmental Funds
Year Ended June 30, 2015

	Special Revenue Fund	Capital Projects Funds		Total Nonmajor Governmental Funds
	Municipal Retirement/ Social Security Fund	Capital Projects Fund	Fire Prevention and Safety Fund	
Revenues:				
Property taxes	\$ 11,369,897	\$ -	\$ 1,746,011	\$ 13,115,908
Replacement taxes	4,037,505	-	-	4,037,505
Earnings on investments	136	3,229	21	3,386
Other local sources	-	820,530	-	820,530
Total revenues	15,407,538	823,759	1,746,032	17,977,329
Expenditures:				
Current:				
Instruction:				
Regular programs	1,780,773	-	-	1,780,773
Special programs	1,799,791	-	-	1,799,791
Other instructional programs	763,000	-	-	763,000
Support services:				
Pupils	1,191,495	-	-	1,191,495
Instructional staff	398,982	-	-	398,982
General administration	462,027	-	-	462,027
School administration	1,195,456	-	-	1,195,456
Business	524,113	-	-	524,113
Facilities acquisition and construction	1,735,769	25,026	179,836	1,940,631
Transportation	3,187,586	-	-	3,187,586
Food service	-	-	-	-
Central	868,707	-	-	868,707
Other support services	36,933	-	-	36,933
Community services	183,933	-	-	183,933
Capital outlay	-	352,625	1,878,170	2,230,795
Total expenditures	14,128,565	377,651	2,058,006	16,564,222
Net change in fund balances (deficits)	1,278,973	446,108	(311,974)	1,413,107
Fund balances (deficits):				
Beginning of year	(439,088)	3,861,483	(899,425)	2,522,970
End of year	\$ 839,885	\$ 4,307,591	\$ (1,211,399)	\$ 3,936,077

School District U-46

**Schedule of Revenues, Expenditures and Changes in Fund Balance (Deficit) -
Budget and Actual
Municipal Retirement/Social Security Fund
Year Ended June 30, 2015**

	Original and Final Budget	Actual	Variance
Revenues:			
Property taxes	\$ 10,632,657	\$ 11,369,897	\$ 737,240
Replacement taxes	3,600,000	4,037,505	437,505
Earnings on investments	-	136	136
Total revenues	<u>14,232,657</u>	<u>15,407,538</u>	<u>1,174,881</u>
Expenditures:			
Current:			
Instruction:			
Regular programs	1,744,312	1,780,773	(36,461)
Special programs	1,800,161	1,799,791	370
Other instructional programs	803,761	763,000	40,761
Support services:			
Pupils	1,112,653	1,191,495	(78,842)
Instructional staff	443,240	398,982	44,258
General administration	426,620	462,027	(35,407)
School administration	1,188,591	1,195,456	(6,865)
Business	575,099	524,113	50,986
Facilities acquisition and construction	1,685,489	1,735,769	(50,280)
Transportation	3,385,233	3,187,586	197,647
Food service	56,266	-	56,266
Central	805,535	868,707	(63,172)
Other support	1,135	36,933	(35,798)
Community services	168,615	183,933	(15,318)
Total expenditures	<u>14,196,710</u>	<u>14,128,565</u>	<u>68,145</u>
Net change in fund balance (deficit)	<u>\$ 35,947</u>	1,278,973	<u>\$ 1,243,026</u>
Fund balance (deficit):			
Beginning of year		<u>(439,088)</u>	
End of year		<u>\$ 839,885</u>	

School District U-46

Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget and Actual
 Capital Projects Fund
 Year Ended June 30, 2015

	Original and Final Budget	Actual	Variance
Revenues:			
Earnings on investments	\$ -	\$ 3,229	\$ 3,229
Other local sources	350,000	820,530	470,530
Total revenues	<u>350,000</u>	<u>823,759</u>	<u>473,759</u>
Expenditures:			
Current:			
Support services:			
Facilities acquisition and construction	30,000	25,026	4,974
Capital outlay	414,343	352,625	61,718
Total expenditures	<u>444,343</u>	<u>377,651</u>	<u>66,692</u>
Net change in fund balance	<u>\$ (94,343)</u>	446,108	<u>\$ 540,451</u>
Fund balance:			
Beginning of year		<u>3,861,483</u>	
End of year		<u>\$ 4,307,591</u>	

School District U-46

**Schedule of Revenues, Expenditures and Changes in Fund Balance (Deficit) -
 Budget and Actual
 Fire Prevention and Safety Fund
 Year Ended June 30, 2015**

	Original and Final Budget	Actual	Variance
Revenues:			
Property taxes	\$ 1,730,140	\$ 1,746,011	\$ 15,871
Earnings on investments	500	21	(479)
Total revenues	<u>1,730,640</u>	<u>1,746,032</u>	<u>15,392</u>
Expenditures:			
Current:			
Support services:			
Facilities acquisition and construction	202,752	179,836	22,916
Capital outlay	1,512,857	1,878,170	(365,313)
Total expenditures	<u>1,715,609</u>	<u>2,058,006</u>	<u>(342,397)</u>
Net change in fund balance (deficit)	<u>\$ 15,031</u>	<u>(311,974)</u>	<u>\$ (327,005)</u>
Fund balance (deficit):			
Beginning of year		<u>(899,425)</u>	
End of year		<u>\$ (1,211,399)</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.

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School District U-46

**Combining Statement of Changes in Assets and Liabilities -
Agency Funds - Student Activity Funds
June 30, 2015**

	Assets/ Liabilities Balance at July 1, 2014	Additions	Deletions	Assets/ Liabilities Balance at June 30, 2015
High Schools				
Bartlett	\$ 584,946	\$ 1,307,790	\$ 1,361,662	\$ 531,074
Elgin	555,134	994,806	998,222	551,718
Larkin	625,136	831,056	868,947	587,245
Streamwood	302,126	919,505	877,718	343,913
Gifford	129,928	25,049	151,616	3,361
South Elgin	465,081	1,417,032	1,407,513	474,600
Total High Schools	2,662,351	5,495,238	5,665,678	2,491,911
Middle Schools				
Abbott	25,745	68,514	53,188	41,071
Canton	29,602	96,483	98,526	27,559
Eastview	103,974	163,909	162,002	105,881
Ellis	21,839	88,455	87,651	22,643
Kenyon Woods	85,358	119,555	127,419	77,494
Kimball	32,907	81,961	88,535	26,333
Larsen	39,180	70,428	67,966	41,642
Tefft	32,944	94,101	85,374	41,671
Total Middle Schools	371,549	783,406	770,661	384,294
Elementary Schools				
Bartlett	7,171	19,532	21,362	5,341
Centennial	18,563	41,846	43,902	16,507
Century Oaks	12,943	23,621	22,587	13,977
Channing	7,275	19,654	18,280	8,649
Clinton	10,489	25,339	27,786	8,042
Coleman	3,096	44,630	40,532	7,194
Creekside	10,156	62,006	62,770	9,392
Fox Meadow	14,877	52,477	55,282	12,072
Garfield	6,485	6,643	5,456	7,672
Glenbrook	6,802	45,536	42,065	10,273
Hanover Countryside	17,844	25,220	29,338	13,726
Harriet Gifford	26,446	44,123	35,365	35,204
Hawk Hollow	14,917	32,659	37,724	9,852
Heritage	5,506	28,217	28,353	5,370
Highland	5,398	29,309	26,018	8,689
Hillcrest	7,361	26,489	26,501	7,349
Hilltop	19,431	43,759	35,762	27,428

(Continued)

School District U-46

**Combining Statement of Changes in Assets and Liabilities -
Agency Funds - Student Activity Funds (Continued)
June 30, 2015**

	Assets/ Liabilities Balance at July 1, 2014	Additions	Deletions	Assets/ Liabilities Balance at June 30, 2015
Elementary Schools (Continued)				
Horizon	\$ 11,217	\$ 75,020	\$ 73,184	\$ 13,053
Huff	14,843	15,551	16,501	13,893
Laurel Hill	20,408	36,215	34,566	22,057
Liberty	10,927	32,622	33,638	9,911
Lincoln	9,707	40,726	29,211	21,222
Lords Park	12,280	48,349	48,445	12,184
Lowrie	1,192	17,304	13,716	4,780
McKinley	14,871	24,930	24,226	15,575
Nature Ridge	3,482	33,890	32,289	5,083
Oakhill	4,546	39,124	37,240	6,430
Ontarioville	15,788	38,146	39,942	13,992
Otter Creek	13,559	49,469	55,132	7,896
Parkwood	9,739	19,055	17,606	11,188
Prairieview	12,479	56,816	52,814	16,481
Ridge Circle	7,492	39,889	39,989	7,392
Sheridan	7,820	26,989	26,888	7,921
Spring Trail	6,058	26,393	27,870	4,581
Sunnydale	19,328	28,525	32,823	15,030
Sycamore Trails	60,755	83,404	92,568	51,591
Timber Trails	11,177	22,525	25,915	7,787
Washington	10,039	40,443	34,809	15,673
Wayne	24,554	31,015	35,573	19,996
Willard	4,850	14,969	14,635	5,184
Total Elementary Schools	501,871	1,412,429	1,398,663	515,637
Other				
Safe Program	101,947	236,159	338,106	-
SWEP	18,369	41,276	40,268	19,377
Central School Programs	4,239	2,499	3,411	3,327
DORS	5,558	31,984	37,542	-
Total Other	130,113	311,918	419,327	22,704
Total All Agency Funds	\$ 3,665,884	\$ 8,002,991	\$ 8,254,329	\$ 3,414,546

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.

PRELIMINARY DRAFT
FOR REVIEW AND DISCUSSION
--SUBJECT TO CHANGE--
NOT TO BE REPRODUCED

School District U-46

Schedule of Bonded Debt and Annual Interest Requirements
Year Ended June 30, 2015

	Total	2016	2017	2018	2019	2020	Thereafter
February 1999 Issue							
Principal	\$ 17,050,000	\$ 1,725,000	\$ 3,300,000	\$ 5,025,000	\$ 7,000,000	\$ -	\$ -
Interest	2,612,000	863,000	776,750	611,750	360,500	-	-
	<u>19,662,000</u>	<u>2,588,000</u>	<u>4,076,750</u>	<u>5,636,750</u>	<u>7,360,500</u>	<u>-</u>	<u>-</u>
March 2001 Issue							
Principal	10,017,567	10,017,567	-	-	-	-	-
Interest	11,377,433	11,377,433	-	-	-	-	-
	<u>21,395,000</u>	<u>21,395,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
March 2002 Issue							
Principal	30,323,202	373,209	8,644,763	7,048,052	5,513,533	7,678,182	1,065,463
Interest	41,682,131	401,791	10,285,237	9,226,949	7,911,621	12,036,993	1,819,540
	<u>72,005,333</u>	<u>775,000</u>	<u>18,930,000</u>	<u>16,275,001</u>	<u>13,425,154</u>	<u>19,715,175</u>	<u>2,885,003</u>
March 2003B Issue							
Principal	35,509,673	970,121	966,120	966,844	962,750	960,659	30,683,179
Interest	57,830,327	934,879	1,033,880	1,143,156	1,252,250	1,369,341	52,096,821
	<u>93,340,000</u>	<u>1,905,000</u>	<u>2,000,000</u>	<u>2,110,000</u>	<u>2,215,000</u>	<u>2,330,000</u>	<u>82,780,000</u>
September 2009 Issue							
Principal	11,745,000	2,495,000	1,135,000	1,175,000	1,290,000	1,350,000	4,300,000
Interest	2,346,088	507,413	426,325	386,600	339,600	275,100	411,050
	<u>14,091,088</u>	<u>3,002,413</u>	<u>1,561,325</u>	<u>1,561,600</u>	<u>1,629,600</u>	<u>1,625,100</u>	<u>4,711,050</u>
March 2011A Issue							
Principal	15,825,000	275,000	2,550,000	2,660,000	2,795,000	2,945,000	4,600,000
Interest	3,726,838	829,105	818,518	705,043	578,692	434,750	360,730
	<u>19,551,838</u>	<u>1,104,105</u>	<u>3,368,518</u>	<u>3,365,043</u>	<u>3,373,692</u>	<u>3,379,750</u>	<u>4,960,730</u>
March 2011B Issue							
Principal	1,230,000	200,000	200,000	200,000	200,000	200,000	230,000
Interest	28,470	7,995	6,695	5,395	4,095	2,795	1,495
	<u>1,258,470</u>	<u>207,995</u>	<u>206,695</u>	<u>205,395</u>	<u>204,095</u>	<u>202,795</u>	<u>231,495</u>
March 2012A Issue							
Principal	10,000	10,000	-	-	-	-	-
Interest	185	185	-	-	-	-	-
	<u>10,185</u>	<u>10,185</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
March 2012B Issue							
Principal	22,025,000	1,110,000	70,000	75,000	-	-	20,770,000
Interest	8,638,825	973,075	928,675	926,575	924,325	924,325	3,961,850
	<u>30,663,825</u>	<u>2,083,075</u>	<u>998,675</u>	<u>1,001,575</u>	<u>924,325</u>	<u>924,325</u>	<u>24,731,850</u>
February 2015A Issue							
Principal	44,310,000	-	-	-	-	-	44,310,000
Interest	35,175,504	1,926,254	2,215,500	2,215,500	2,215,500	2,215,500	24,387,250
	<u>79,485,504</u>	<u>1,926,254</u>	<u>2,215,500</u>	<u>2,215,500</u>	<u>2,215,500</u>	<u>2,215,500</u>	<u>68,697,250</u>
February 2015B Issue							
Principal	10,780,000	-	-	-	-	-	10,780,000
Interest	4,893,396	357,396	411,062	411,062	411,063	411,063	2,891,750
	<u>15,673,396</u>	<u>357,396</u>	<u>411,062</u>	<u>411,062</u>	<u>411,063</u>	<u>411,063</u>	<u>13,671,750</u>
February 2015C Issue							
Principal	19,235,000	1,810,000	2,690,000	3,740,000	4,900,000	6,095,000	-
Interest	3,043,584	709,684	780,050	699,350	549,750	304,750	-
	<u>22,278,584</u>	<u>2,519,684</u>	<u>3,470,050</u>	<u>4,439,350</u>	<u>5,449,750</u>	<u>6,399,750</u>	<u>-</u>
February 2015D Issue							
Principal	101,575,000	-	-	-	-	-	101,575,000
Interest	74,909,600	4,320,400	4,969,150	4,969,150	4,969,150	4,969,150	50,712,600
	<u>176,484,600</u>	<u>4,320,400</u>	<u>4,969,150</u>	<u>4,969,150</u>	<u>4,969,150</u>	<u>4,969,150</u>	<u>152,287,600</u>
Total All Issues:							
Principal	319,635,442	18,985,897	19,555,883	20,889,896	22,661,283	19,228,841	218,313,642
Interest	246,264,381	23,208,610	22,651,842	21,300,530	19,516,546	22,943,767	136,643,086
	<u>\$ 565,899,823</u>	<u>\$ 42,194,507</u>	<u>\$ 42,207,725</u>	<u>\$ 42,190,426</u>	<u>\$ 42,177,829</u>	<u>\$ 42,172,608</u>	<u>\$ 354,956,728</u>

STATISTICAL SECTION

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

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

Sources:

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

School District U-46

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

	2006	2007	2008	2009	2010	2011	2012	2013**	2014***	2015
Governmental Activities										
Net investment in capital assets	\$ 64,420,112	\$ 73,707,762	\$ 78,790,983	\$ 85,142,936	\$ 92,321,821	\$ 101,691,947	\$ 115,440,308	\$ 141,336,967	\$ 158,733,858	\$ 119,555,624
Restricted	30,051,687	30,965,329	20,069,311	16,184,054	2,863,666	83,078,457	81,367,132	21,712,904	26,376,025	3,403,730
Unrestricted	24,805,863	29,891,301	33,233,204	(52,913,595)	(67,581,131)	(103,290,222)	(83,366,008)	(29,804,469)	(88,630,189)	(16,236,147)
Total Government Activities										
Net Position	\$ 119,277,662	\$ 134,564,392	\$ 132,093,498	\$ 48,413,395	\$ 27,604,356	\$ 81,480,182	\$ 113,441,432	\$ 133,245,402	\$ 96,479,694	\$ 106,723,207

Source: Annual Financial Statements 2006-2015.

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

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

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

School District U-46

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

	2006	2007	2008	2009
Expenses				
Instruction:				
Regular programs	\$ 116,971,571	\$ 121,509,088	\$ 125,646,518	\$ 137,125,857
Special programs	37,621,812	36,386,694	36,975,245	41,208,041
Intergovernmental	-	-	-	-
Other instructional programs	34,864,900	40,308,314	42,977,356	44,374,036
Support services:				
Pupils	21,227,982	25,735,341	28,465,667	31,056,604
Instructional staff	14,308,445	15,010,469	16,002,400	15,277,003
General administration	6,135,468	8,815,798	10,639,115	15,766,957
School administration	20,650,619	23,905,980	23,795,853	25,573,421
Business	32,975,398	33,503,729	34,977,725	32,327,285
Facilities acquisition and construction	8,318,368	3,165,269	4,809,177	2,127,637
Transportation	20,628,584	22,172,911	25,428,117	26,720,118
Food service	11,995,150	12,952,500	14,132,310	15,564,304
Central	16,399,058	11,363,644	12,401,649	12,354,945
Other support services	73,677	239,079	217,789	279,403
Community services	2,804,104	2,736,807	2,830,678	2,748,556
Payments to other governments	9,914,016	9,732,031	7,792,609	7,953,269
State on-behalf of payments	11,323,546	16,971,766	25,808,108	34,630,042
Debt service-interest and fees	10,513,740	10,899,062	11,231,187	22,434,615
Total Expenses	376,726,438	395,408,482	424,131,503	467,522,093
Program Revenues				
Charges for services:				
Instruction:				
Regular programs	4,114,154	4,086,733	4,171,676	3,835,651
Special programs	351,522	484,804	33,907	133,984
Other instructional programs	1,046,348	344,730	817,186	840,330
Support services:				
Business	731,305	539,475	800,326	599,605
Transportation	274,392	338,703	214,325	568,588
Food service	5,476,413	5,851,771	6,493,626	6,187,525
Operating grants and contributions	76,422,653	83,720,626	86,648,476	121,403,854
Capital grants and contributions	5,298,022	-	17,771	720,545
Total Program Revenues	93,714,809	95,366,842	99,197,293	134,290,082
Net (Expense)/Revenue	\$ (283,011,629)	\$ (300,041,640)	\$ (324,934,210)	\$ (333,232,011)

See related notes on page 79.

PRELIMINARY DRAFT
FOR REVIEW AND DISCUSSION
--SUBJECT TO CHANGE--
NOT TO BE REPRODUCED

2010	2011	2012	2013	2014	2015
\$ 137,890,395	\$ 144,380,708	\$ 152,872,982	\$ 159,832,952	\$ 166,693,993	\$ 179,329,755
41,712,599	46,118,818	44,739,728	45,013,457	47,004,205	51,357,285
-	-	-	-	-	-
48,183,615	46,960,015	50,529,484	53,371,025	56,641,884	64,182,882
28,016,638	31,664,589	33,039,723	34,560,394	32,493,352	36,396,881
14,617,298	15,267,864	14,662,297	15,818,248	17,146,414	19,619,071
19,269,678	19,982,097	21,364,385	19,146,851	22,364,803	20,838,375
22,622,794	25,801,537	26,796,191	27,992,117	28,737,936	30,764,990
28,657,512	30,761,571	30,533,039	32,515,833	35,461,199	36,554,226
817,683	788,055	1,068,238	1,020,435	1,325,382	3,643,244
29,013,273	28,651,615	30,391,920	31,579,650	34,307,231	37,497,103
13,421,176	17,147,240	19,112,487	18,987,979	19,253,272	18,393,024
10,080,473	9,985,364	13,012,548	14,274,661	16,669,932	17,035,282
1,314,514	1,999,655	1,551,123	1,753,291	1,576,585	460,712
4,046,637	5,232,372	3,848,600	4,166,826	3,992,913	4,303,234
7,550,943	-	-	-	-	-
46,868,682	-	-	-	-	-
22,460,154	21,642,152	21,160,999	21,603,612	19,913,329	47,648,191
476,544,064	446,383,652	464,683,744	481,637,331	503,582,430	568,024,255
3,731,249	4,189,130	3,975,846	4,306,692	2,374,713	2,740,137
62,124	34,484	61,891	96	40,129	27,305
608,591	1,111,162	992,260	671,584	3,160,349	2,615,893
665,891	986,932	1,250,793	603,076	1,061,033	-
381,504	968,503	1,337,334	1,894,652	1,654,326	1,455,864
5,097,756	4,693,018	4,503,273	3,853,180	3,828,751	3,278,823
127,700,014	141,292,679	122,517,107	135,611,514	144,377,500	175,256,750
820,523	964,778	181,534	287,448	452,706	820,530
139,067,652	154,240,686	134,820,038	147,228,242	156,949,507	186,195,302
\$ (337,476,412)	\$ (292,142,966)	\$ (329,863,706)	\$ (334,409,089)	\$ (346,632,923)	\$ (381,828,953)

(Continued)

School District U-46

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

	2006	2007	2008	2009
General Revenues				
Property taxes:				
Levied for general purposes	\$ 185,184,977	\$ 205,075,226	\$ 212,797,890	\$ 221,434,756
Levied for Debt Service	28,312,083	32,321,416	33,390,049	34,386,905
Payments in lieu of taxes	3,580,340	3,975,944	4,578,094	3,854,557
Unrestricted state grants	69,525,159	67,600,037	68,831,087	53,944,813
Interest and investment earnings	3,242,618	5,599,826	4,157,558	1,114,337
Other general revenues	383,062	755,921	257,229	307,682
Total General Revenues	290,228,239	315,328,370	324,011,907	315,043,050
Change in Net Position	\$ 7,216,610	\$ 15,286,730	\$ (922,303)	\$ (18,188,961)

Source: Annual Financial Statements 2006-2015.

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

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

2010	2011	2012	2013	2014	2015
\$ 226,224,333	\$ 238,078,583	\$ 248,081,083	\$ 246,568,726	\$ 250,205,536	\$ 250,658,393
35,039,161	38,974,113	41,611,064	42,783,761	43,226,909	42,283,872
3,134,569	4,040,837	4,654,710	3,774,777	3,799,318	4,107,409
51,743,683	64,161,401	66,160,166	59,961,675	84,499,884	92,992,560
103,114	133,167	319,526	-	240,423	63,897
422,513	630,691	998,407	1,079,624	992,931	1,966,335
316,667,373	346,018,792	361,824,956	354,168,563	382,965,001	392,072,466
\$ (20,809,039)	\$ 53,875,826	\$ 31,961,250	\$ 19,759,474	\$ 36,332,078	\$ 10,243,513

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School District U-46

Fund Balances, Governmental Funds
Last Ten Fiscal Years

	2006	2007	2008	2009	2010	2011***	2012	2013	2014	2015
General Fund										
Reserved	\$ 418,907	\$ 289,686	\$ 196,756	\$ 209,973	\$ 4,105,974	N/A	N/A	N/A	N/A	N/A
Unreserved	(23,336,444)	(3,706,770)	(3,811,497)	(41,915,757)	(37,312,889)	N/A	N/A	N/A	N/A	N/A
Nonspendable	N/A	N/A	N/A	N/A	N/A	\$ 1,761,685	\$ 2,378,365	\$ 1,014,489	\$ 790,187	\$ 856,536
Restricted	N/A	N/A	N/A	N/A	N/A	91,707,158	108,539,319	297,756	3,330,253	914,855
Unassigned	N/A	N/A	N/A	N/A	N/A	8,192,571	34,017,658	145,661,663	159,674,454	203,035,498
Total General Fund	\$ (22,917,537)	\$ (3,417,084)	\$ (3,614,741)	\$ (41,705,784)	\$ (33,206,915)	\$ 101,661,414	\$ 144,935,342	\$ 146,973,908	\$ 163,794,894	\$ 204,806,889
All Other Governmental Funds										
Reserved	\$ 44,461,483	\$ 39,893,973	\$ 34,413,254	\$ 24,458,580	\$ 35,837,628	N/A	N/A	N/A	N/A	N/A
Unreserved, reported in:										
Special revenue funds	81,803,600	77,448,850	68,104,806	66,977,428	62,132,362	N/A	N/A	N/A	N/A	N/A
Restricted	N/A	N/A	N/A	N/A	N/A	\$ 33,724,667	\$ 29,864,415	\$ 29,864,415	\$ 28,017,606	\$ 29,088,709
Unassigned	N/A	N/A	N/A	N/A	N/A	(18,760,402)	(21,072,002)	(21,072,002)	(16,571,098)	(11,437,340)
Total all other governmental funds	\$ 126,265,083	\$ 117,342,823	\$ 102,518,060	\$ 91,436,008	\$ 97,969,990	\$ 14,964,265	\$ 8,792,413	\$ 8,792,413	\$ 11,446,508	\$ 17,651,369

Source: Annual Financial Statements 2006-2015.

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

*** 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.

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School District U-46

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

	2006	2007	2008	2009
Revenues				
Local sources:				
Property taxes	\$ 213,497,060	\$ 237,396,642	\$ 246,187,939	\$ 255,821,661
Replacement taxes and other payments in lieu of taxes	3,580,340	3,975,944	4,578,094	3,773,557
Charges for services	11,262,829	11,106,741	11,730,720	11,384,259
Earnings on investments	3,242,618	5,599,826	4,157,558	1,114,337
Impact fees, rentals and other local sources	8,835,819	3,342,112	2,382,271	2,142,626
Total local sources	240,418,666	261,421,265	269,036,582	274,236,440
State sources:				
State grants-in-aid	108,890,420	109,958,592	101,647,698	94,968,684
State on-behalf of payments	11,323,546	16,971,766	25,808,108	34,630,042
Total state sources	120,213,966	126,930,358	127,455,806	129,598,726
Federal sources,				
Federal grants-in-aid	23,045,877	22,240,757	26,716,812	39,563,940
Total revenues	383,678,509	410,592,380	423,209,200	443,399,106
Expenditures				
Current:				
Instruction:				
Regular programs	112,582,971	117,128,966	121,094,338	128,971,936
Special programs	36,107,752	35,000,057	35,606,891	39,218,924
Other instructional programs	33,043,871	38,392,080	41,194,495	45,643,301
Intergovernmental state on-behalf of payments	11,323,546	16,971,766	25,808,108	34,630,042
Total instruction	193,058,140	207,492,869	223,703,832	248,464,203
Support services:				
Pupils	20,312,308	24,744,332	27,417,732	29,984,096
Instructional staff	13,701,183	14,386,197	15,410,170	14,710,807
General administration	5,877,931	8,469,365	10,242,630	14,447,028
School administration	19,819,625	22,995,799	22,920,993	24,691,749
Business	31,389,541	32,008,895	33,685,788	31,040,810
Facilities acquisition and construction	2,098,316	1,116,531	1,356,116	1,042,244
Transportation	19,785,158	21,977,006	25,380,780	23,855,721
Food service	11,225,155	12,317,378	13,320,933	14,992,526
Central	11,605,338	10,938,383	12,276,504	11,830,777
Other support	73,677	239,079	217,009	279,403
Total support services	135,888,232	149,192,965	162,228,655	166,875,161
Community services	2,687,395	2,626,570	2,711,317	2,646,368
Payments to other governments	9,914,016	9,732,031	7,792,609	7,956,101

PRELIMINARY DRAFT
FOR REVIEW AND DISCUSSION
--SUBJECT TO CHANGE--
NOT TO BE REPRODUCED

2010	2011	2012	2013	2014	2015
\$ 261,263,494	\$ 277,052,696	\$ 289,692,147	\$ 289,352,487	\$ 293,432,445	\$ 292,942,265
3,053,569	3,959,837	3,642,927	3,733,997	3,754,606	4,107,409
9,772,661	10,880,592	10,805,515	10,612,329	10,956,865	10,118,022
103,114	133,167	319,526	282,805	240,423	63,897
2,286,164	2,687,134	3,752,842	2,286,686	2,870,732	2,963,771
276,479,002	294,713,426	308,212,957	306,268,304	311,255,071	310,195,364
85,042,918	109,760,781	108,491,808	108,809,995	128,344,057	138,062,156
46,868,682	41,387,470	45,591,003	52,723,457	66,995,465	96,534,999
131,911,600	151,148,251	154,082,811	161,533,452	195,339,522	234,597,155
53,206,061	42,256,544	33,912,188	35,700,980	34,451,084	34,596,203
461,596,663	488,118,221	496,207,956	503,502,736	541,045,677	579,388,722
131,049,168	119,418,719	127,064,616	130,185,958	133,321,829	135,272,777
39,539,625	38,124,984	37,183,726	36,595,148	37,608,482	38,773,455
45,761,230	39,038,710	42,005,491	43,274,655	45,343,690	48,506,061
46,868,682	41,387,470	45,591,003	52,723,457	66,995,465	96,534,999
263,218,705	237,969,883	251,844,836	262,779,218	283,269,466	319,087,292
26,418,768	25,731,889	27,444,523	27,663,747	26,060,806	27,542,911
13,924,195	12,744,126	12,189,512	12,868,897	13,716,670	14,753,713
18,379,668	16,791,704	17,767,485	15,753,783	17,859,279	15,610,556
21,475,686	21,432,466	22,275,360	22,841,782	22,978,049	23,190,864
27,357,981	25,915,150	25,396,979	26,838,096	28,301,788	27,251,136
752,369	604,006	1,060,755	841,117	1,355,140	3,695,335
23,081,648	23,703,791	25,260,870	25,693,690	27,440,574	28,103,698
12,692,710	14,128,009	15,884,358	15,369,092	15,408,947	13,819,753
9,579,069	8,312,235	10,819,203	11,707,954	13,318,618	12,735,595
1,313,172	1,993,812	1,550,758	1,728,002	1,579,638	465,401
154,975,266	151,357,188	159,649,803	161,306,160	168,019,509	167,168,962
3,812,527	4,278,777	3,195,043	3,309,466	3,209,716	3,265,642
7,550,943	7,131,341	7,507,509	8,592,837	8,134,674	8,507,064

(Continued)

School District U-46

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

	2006	2007	2008	2009
Total current	\$ 341,547,783	\$ 369,044,435	\$ 396,436,413	\$ 425,941,833
Debt service:				
Principal	16,023,117	20,172,487	24,988,439	27,544,950
Interest and fees	10,513,740	10,899,062	11,231,187	12,718,067
Capital outlay	29,029,135	15,285,123	15,729,322	17,611,198
Intergovernmental	-	-	-	-
Total Expenditures	397,113,775	415,401,107	448,385,361	483,816,048
Excess of revenues over (under) expenditures	(13,435,266)	(4,808,727)	(25,176,161)	(40,416,942)
Other financing sources (uses):				
Issuance of bonds	15,000,000	4,000,000	-	-
Premium on bonds sold	240,245	-	-	-
Discount on bonds sold	-	-	-	-
Accrued interest on bonds sold	24,294	-	-	-
Proceeds from sale of equipment	-	-	-	-
Issuance of debt certificates	-	7,266,920	6,200,000	-
Premium on debt certificates sold	-	102,832	-	-
Issuance of purchase contracts	7,682,739	4,017,168	3,953,741	4,195,926
Transfer to escrow agent	-	-	-	-
Transfers in	1,830,161	5,747,053	-	4,324,525
Transfers out	(1,830,161)	(5,747,053)	-	(4,324,525)
Total other financing sources (uses)	22,947,278	15,386,920	10,153,741	4,195,926
Net Change in Fund Balances	<u>\$ 9,512,012</u>	<u>\$ 10,578,193</u>	<u>\$ (15,022,420)</u>	<u>\$ (36,221,016)</u>
Debt service expenditure as a percentage of noncapital expenditures	7.21%	7.77%	8.37%	8.64%

Source: Annual Financial Statements 2006-2015.

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

PRELIMINARY DRAFT
FOR REVIEW AND DISCUSSION
--SUBJECT TO CHANGE--
NOT TO BE REPRODUCED

2010	2011	2012	2013	2014	2015
\$ 429,557,441	\$ 400,737,189	\$ 422,197,191	\$ 435,987,681	\$ 462,633,365	\$ 498,028,960
33,602,191	30,572,146	30,763,865	30,005,118	30,465,774	29,288,687
9,765,565	12,444,322	12,896,130	12,850,947	15,549,123	17,940,188
4,603,283	9,723,218	14,633,641	27,588,908	15,782,377	29,175,410
-	-	-	-	-	-
477,528,480	453,476,875	480,490,827	506,432,654	524,430,639	574,433,245
(15,931,817)	34,641,346	15,717,129	(2,929,918)	16,615,038	4,955,477
64,595,000	27,955,000	31,460,000	-	-	175,900,000
3,176,086	-	1,522,879	-	-	25,200,979
-	(440,725)	(5,801)	-	-	-
-	-	-	-	-	-
-	-	-	770,800	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	1,198,870	7,057,727	-	-
(36,806,418)	(10,293,017)	(12,791,001)	-	-	(158,839,600)
4,424,969	2,476,070	2,274,500	1,762,440	1,393,860	1,359,141
(4,424,969)	(2,476,070)	(2,274,500)	(1,762,440)	(1,393,860)	(1,359,141)
30,964,668	17,221,258	21,384,947	7,828,527	-	42,261,379
\$ 15,032,851	\$ 51,862,604	\$ 37,102,076	\$ 4,898,609	\$ 16,615,038	\$ 47,216,856
9.17%	9.69%	9.37%	8.85%	9.80%	9.31%

School District U-46

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

Tax Levy Year	Kane County Equalized Assessed Valuation	Cook County Equalized Assessed Valuation	DuPage County Equalized Assessed Valuation	Total Equalized Assessed Valuation
2014	\$ 1,406,081,012	\$ 1,708,312,671	\$ 955,773,166	\$ 4,070,166,849
2013	1,441,568,152	1,686,298,507	981,465,345	4,109,332,004
2012	1,591,971,192	1,996,276,871	1,055,589,353	4,643,837,416
2011	1,780,269,709	2,181,631,834	1,154,433,522	5,116,335,065
2010	1,984,011,132	2,420,882,545	1,258,534,090	5,663,427,767
2009	2,127,636,310	2,622,819,262	1,361,810,280	6,112,265,852
2008 (2)	2,156,538,787	2,527,453,250	1,371,991,787	6,055,983,824
2007	2,074,362,592	2,380,043,712	1,312,890,311	5,767,296,615
2006	1,939,560,185	2,013,381,527	1,237,554,149	5,190,495,861
2005	1,790,572,445	1,892,150,998	1,156,852,448	4,839,575,891

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
7.8677	7.6680	6.4133	\$ 12,210,500,547	33.33%
6.4086	7.5800	7.8519	12,327,996,012	33.33%
6.3706	6.5400	6.1068	13,931,512,248	33.33%
5.8307	5.5062	5.6118	15,349,005,195	33.33%
5.2661	5.0254	4.8392	16,990,283,301	33.33%
4.5494	4.3390	4.6019	18,336,797,556	33.33%
4.2066	4.4342	4.2591	18,167,951,472	33.33%
4.3696	4.5650	4.2737	17,301,889,845	33.33%
4.6949	4.8735	4.6781	15,571,487,583	33.33%
4.7346	4.7457	4.6015	14,518,727,673	33.33%

School District U-46

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

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Direct										
School District U-46	8.0229	6.4086	6.3706	5.8307	5.2661	4.5494	4.2066	4.3659	4.6954	4.7345
Overlapping										
Kane County	0.4684	0.4623	0.4336	0.3990	0.3730	0.3361	0.3336	0.3322	0.3452	0.3367
Kane County Forest Preserve District	0.3126	0.3039	0.2710	0.2609	0.2201	0.1997	0.1932	0.1974	0.1747	0.1904
Gail Borden Library District	0.5796	0.5087	0.4791	0.4084	0.3650	0.3380	0.3175	0.3111	0.3378	0.3171
Elgin Township	0.1160	0.1114	0.0997	0.0890	0.0783	0.0706	0.0692	0.0693	0.0715	0.0759
Elgin Township Road Fund	0.0893	0.0858	0.0762	0.0660	0.0581	0.0524	0.0514	0.0515	0.0531	0.0563
City of Elgin	2.3218	2.1668	1.9344	1.9836	1.9210	1.9202	1.9200	1.9200	1.9501	1.9201
Fox River Water Reclamation District	0.0409	0.3697	0.0344	0.0299	0.0273	0.0249	0.0240	0.0246	0.0270	N/A
Community College District 509	0.6076	0.5707	0.5215	0.4456	0.4407	0.3833	0.3175	0.3280	0.3398	0.4010
Total	12.5591	10.9879	10.2205	9.5130	8.7497	7.8746	7.4330	7.6000	7.9946	8.0320

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.

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School District U-46

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

	2014	2013	2012	2011
Rates Extended				
Educational	3.9493	4.0325	3.8833	3.4078
Tort immunity/liability insurance	0.3135	0.2099	0.1434	0.0847
Special education	0.7898	0.8065	0.5507	0.4180
Operations and maintenance	0.7404	0.7328	0.5014	0.4323
Transportation	0.4034	0.3362	0.2189	0.1438
Municipal retirement - IMRF	0.1599	0.1532	0.1087	0.0899
Social security	0.1437	0.1397	0.1003	0.0830
Bond and interest/supp.	0.8906	0.9020	0.8029	0.6783
Working cash	-	-	-	-
Life safety	0.0459	0.0455	0.0344	-
Life safety limited bonds	-	-	-	-
Limited bonds	0.2310	0.2217	0.1955	0.1684
Total Rates Extended	7.6675	7.5800	6.5395	5.5062
Levies Extended				
Educational	\$ 67,465,304	\$ 68,000,191	\$ 77,521,882	\$ 74,345,887
Tort immunity/liability insurance	5,354,975	3,539,198	2,862,907	1,847,319
Special education	13,493,060	13,599,343	10,992,581	9,118,407
Operations and maintenance	12,649,854	12,357,671	10,008,905	9,433,590
Transportation	6,889,998	5,670,010	4,371,211	3,136,504
Municipal retirement - IMRF	2,732,058	2,584,066	2,168,185	1,961,136
Social security	2,455,683	2,356,571	2,002,190	1,810,111
Bond and interest/supp.	15,214,588	15,210,102	16,028,963	14,798,101
Working cash	-	-	-	-
Life safety	785,114	765,842	688,573	-
Life safety limited bonds	-	-	-	-
Limited bonds	3,946,992	3,738,151	3,902,150	3,673,366
Total Levies Extended	\$ 130,987,626	\$ 127,821,145	\$ 130,547,547	\$ 120,124,421
Current year collections	\$ 65,702,776	\$ 66,860,960	\$ 62,462,919	\$ 62,309,872
Subsequent year collections	-	57,636,244	64,717,012	54,034,910
Total Collections	\$ 65,702,776	\$ 124,497,204	\$ 127,179,931	\$ 116,344,782
Percentage of extensions collected				
Current year collections	50.16%	52.31%	47.85%	51.87%
Total collections	50.16%	97.40%	97.42%	96.85%

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

PRELIMINARY DRAFT
FOR REVIEW AND DISCUSSION
--SUBJECT TO CHANGE--
NOT TO BE REPRODUCED

2010	2009	2008	2007	2006	2005
3.4930	3.0397	3.1247	3.1657	3.4172	3.2886
0.0778	0.0657	0.0538	0.0755	0.0517	0.0667
0.0373	0.0347	0.0361	0.0363	0.0385	0.0368
0.3971	0.3348	0.3090	0.3396	0.3650	0.3458
0.1271	0.1012	0.1053	0.0968	0.1043	0.1103
0.0794	0.0706	0.0900	0.0903	0.0963	0.0938
0.0794	0.0706	0.0900	0.0903	0.0963	0.0938
0.5875	0.4889	0.4771	0.4934	0.5093	0.5035
-	-	-	-	-	-
-	-	0.0121	0.0291	0.0297	0.0350
-	-	0.0549	0.0696	0.0824	0.0883
0.1468	0.1326	0.0812	0.0784	0.0828	0.0831
5.0254	4.3388	4.4342	4.5650	4.8735	4.7457

\$ 84,561,841	\$ 79,727,190	\$ 78,974,704	\$ 72,626,540	\$ 67,827,228	\$ 62,226,815
1,883,010	1,723,705	1,360,208	1,097,746	1,376,253	1,262,617
902,377	912,245	913,505	818,047	758,809	696,155
9,613,134	8,783,919	7,810,356	7,756,943	7,130,735	6,541,959
3,076,398	2,654,041	2,661,968	2,216,304	2,276,429	2,088,467
1,922,137	1,852,918	2,274,271	2,046,320	1,933,406	1,773,767
1,922,137	1,852,918	2,274,271	2,046,320	1,933,406	1,773,767
14,223,828	12,823,465	12,059,412	14,335,764	13,506,762	9,527,480
-	-	-	-	-	-
-	-	307,021	630,281	719,310	659,917
-	-	1,387,752	-	-	1,671,134
3,552,765	3,478,715	2,052,967	-	-	1,571,578
\$ 121,657,627	\$ 113,809,116	\$ 112,076,435	\$ 103,574,265	\$ 97,462,338	\$ 89,793,656

\$ 58,289,670	\$ 52,012,181	\$ 48,524,841	\$ 44,393,116	\$ 40,051,415	N/A
61,655,603	59,198,269	60,647,647	58,889,045	55,660,927	N/A
\$ 119,945,273	\$ 111,210,450	\$ 109,172,488	\$ 103,282,161	\$ 95,712,342	\$ 87,178,630

47.91%	45.70%	43.30%	41.09%	N/A	N/A
98.59%	97.72%	97.41%	98.20%	97.09%	99.33%

School District U-46

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

	2014	2013	2012	2011
Rates Extended				
Educational	3.2785	4.2826	4.0429	3.5530
Tort immunity/liability insurance	0.2778	0.2083	0.1414	0.0854
Special education	0.6664	0.8370	0.5467	0.4226
Operations and maintenance	0.6414	0.7251	0.4687	0.4355
Transportation	0.3529	0.3337	0.2303	0.1448
Municipal retirement - IMRF	0.1389	0.1517	0.0988	0.0907
Social security	0.1253	0.1376	0.0778	0.0837
Bond and interest/supp.	0.7072	0.9078	0.7818	0.6377
Bond and interest - limited	0.1850	0.2231	0.1905	0.1584
Working cash	-	-	-	-
Life safety	0.0399	0.0450	0.0263	-
Total Rates Extended	6.4133	7.8519	6.6052	5.6118
Levies Extended				
Educational	\$ 31,335,023	\$ 42,032,235	\$ 42,676,422	\$ 41,017,023
Tort immunity/liability insurance	2,655,138	2,044,392	1,492,603	985,886
Special education	6,369,272	8,214,865	5,770,907	4,878,636
Operations and maintenance	6,130,329	7,116,605	4,947,547	5,027,558
Transportation	3,372,924	3,275,150	2,431,022	1,671,620
Municipal retirement - IMRF	1,327,569	1,488,883	1,042,922	1,047,071
Social security	1,197,584	1,350,496	821,249	966,261
Bond and interest/supp.	6,759,228	8,909,743	8,252,598	7,361,823
Bond and interest limited	1,768,180	2,189,649	2,010,898	1,828,623
Working cash	-	-	-	-
Life safety	381,353	441,659	277,620	-
Total Levies Extended	\$ 61,296,600	\$ 77,063,677	\$ 69,723,788	\$ 64,784,500
Current year collections	\$ 29,852,672	\$ 37,119,808	\$ 33,209,714	\$ 31,108,515
Subsequent year collections	-	39,827,829	36,441,218	33,516,034
Total Collections	\$ 29,852,672	\$ 76,947,637	\$ 69,650,932	\$ 64,624,549
Percentage of extensions collected				
Current year collections	48.70%	48.17%	47.63%	48.02%
Total collections	48.70%	99.85%	99.90%	99.75%

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

PRELIMINARY DRAFT
FOR REVIEW AND DISCUSSION
--SUBJECT TO CHANGE--
NOT TO BE REPRODUCED

2010	2009	2008	2007	2006	2005
3.3878	3.2406	2.9813	2.9817	3.2879	3.2315
0.0723	0.0703	0.0746	0.0710	0.0833	0.0656
0.0349	0.0370	0.0343	0.0342	0.0379	0.0332
0.3690	0.3569	0.3200	0.3199	0.3532	0.3117
0.1404	0.1079	0.0995	0.0914	0.0956	0.1085
0.0738	0.0757	0.0852	0.0852	0.0887	0.0921
0.0738	0.0757	0.0852	0.0852	0.0887	0.0921
0.5501	0.5015	0.4412	0.4441	0.4703	0.4716
0.1371	0.1363	0.1258	0.1328	0.1527	0.1609
-	-	-	-	-	-
-	-	0.0120	0.0277	0.0198	0.0344
4.8392	4.6019	4.2591	4.2732	4.6781	4.6016

\$ 42,636,618	\$ 44,130,824	\$ 40,903,191	\$ 39,146,450	\$ 40,689,543	\$ 37,027,378
909,920	957,353	1,023,506	1,114,644	1,030,883	861,855
439,228	503,870	470,593	449,008	469,033	436,133
4,643,991	4,860,301	4,390,374	4,199,936	4,371,041	4,096,415
1,766,982	1,469,393	1,365,132	1,387,725	1,183,102	982,168
928,798	1,030,890	1,168,937	1,118,583	1,097,711	1,092,069
928,798	1,030,890	1,168,937	1,118,583	1,097,711	1,092,069
6,923,196	6,829,470	6,053,228	7,574,064	7,709,962	7,317,092
1,725,450	1,856,147	1,725,966	-	-	-
-	-	-	-	-	-
-	-	164,639	-	245,036	327,389
\$ 60,902,982	\$ 62,669,138	\$ 58,434,503	\$ 56,108,993	\$ 57,894,022	\$ 53,232,568

\$ 30,363,549	\$ 30,004,777	\$ 27,377,411	\$ 26,097,148	\$ 27,397,647	N/A
30,498,793	32,603,756	31,001,864	29,954,558	30,436,037	N/A
\$ 60,862,342	\$ 62,608,533	\$ 58,379,275	\$ 56,051,706	\$ 57,833,684	\$ 53,189,547

49.86%	47.88%	46.85%	46.51%	47.32%	N/A
99.93%	99.90%	99.91%	99.90%	99.90%	99.92%

School District U-46

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

	2014	2013	2012	2011
Rates Extended				
Educational	3.9615	3.8031	3.9022	3.8426
Tort immunity/liability insurance	0.3085	0.1879	0.1379	0.0922
Special education	0.7860	0.7571	0.5296	0.4551
Operations and maintenance	0.7286	0.6563	0.4822	0.4707
Transportation	0.3969	0.3010	0.2105	0.1566
Municipal retirement - IMRF	0.1573	0.1372	0.1045	0.0979
Social security	0.1414	0.1251	0.0965	0.0904
Bond and interest/supp.	1.0423	0.9663	0.8066	0.6922
Working cash	-	-	-	-
Working cash bonds	-	-	0.0841	0.0756
Life safety	0.0452	0.0408	-	-
Fire safety bonds	-	-	-	-
Prior year adjustment	0.3000	(0.5662)	(0.0769)	(0.1425)
Levies Extended	7.8677	6.4086	6.2771	5.8307
Levies Extended				
Educational	\$ 52,470,474	\$ 50,845,761	\$ 62,297,953	\$ 64,322,072
Tort immunity/liability insurance	4,085,778	2,512,489	2,200,917	1,543,760
Special education	10,411,350	10,122,444	8,454,302	7,617,338
Operations and maintenance	9,650,033	8,773,890	7,697,564	7,878,911
Transportation	5,257,196	4,024,671	3,361,286	2,620,542
Municipal retirement - IMRF	2,083,776	1,834,269	1,668,327	1,638,626
Social security	1,873,095	1,672,599	1,539,831	1,512,582
Bond and interest/supp.	14,233,892	13,452,011	13,486,795	12,951,697
Working cash	-	-	-	-
Working cash bonds	-	-	1,405,806	1,414,548
Life safety	598,959	544,792	528,948	-
Prior year adjustment	12,143,717	(8,161,715)	(1,224,095)	(2,536,414)
Total Levies Extended	\$ 112,808,270	\$ 85,621,211	\$ 101,417,634	\$ 98,963,662
Current year collections	\$ 56,658,282	\$ 43,224,911	\$ 50,178,087	\$ 48,496,568
Subsequent year collections	-	42,024,315	50,939,324	50,131,935
Total Collections	\$ 56,658,282	\$ 85,249,226	\$ 101,117,411	\$ 98,628,503
Percentage of extensions collected				
Current year collections	50.23%	50.48%	49.48%	49.00%
Total collections	50.23%	99.57%	99.70%	99.66%
All Three Counties Combined				
Total levies extended	\$ 305,092,497	\$ 290,506,033	\$ 301,688,969	\$ 283,872,583
Current year collections	\$ 152,213,730	\$ 147,205,680	\$ 145,850,720	\$ 141,914,955
Subsequent year collections	-	139,488,388	152,097,554	137,682,879
Total collections	\$ 152,213,730	\$ 286,694,068	\$ 297,948,274	\$ 279,597,834
Percentage of extensions collected				
Current year collections	49.89%	50.67%	48.34%	49.99%
Total collections	49.89%	98.69%	98.76%	98.49%

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

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

PRELIMINARY DRAFT
FOR REVIEW AND DISCUSSION
--SUBJECT TO CHANGE--
NOT TO BE REPRODUCED

2010	2009	2008	2007	2006	2005
3.7483	3.1850	3.0879	3.1403	3.2437	3.2774
0.0795	0.0688	0.0774	0.0749	0.0828	0.1758
0.0381	0.0364	0.0354	0.0359	0.0375	0.0384
0.4057	0.3509	0.3313	0.3369	0.3523	0.3602
0.1298	0.1060	0.1031	0.0961	0.0950	0.0865
0.0811	0.0740	0.0881	0.0949	0.0946	0.0961
0.0811	0.0740	0.0881	0.0895	0.0946	0.0961
0.6133	0.5332	0.4998	0.5259	0.5457	0.5653
-	-	-	-	-	-
0.0929	0.0821	0.0763	0.0732	0.0764	0.0793
-	-	0.0119	0.0288	0.0310	0.0288
-	-	-	-	-	-
(0.0037)	0.0390	(0.1927)	(0.1252)	0.0418	0.0307
5.2661	4.5494	4.2066	4.3712	4.6954	4.8346

\$ 74,365,813	\$ 67,765,315	\$ 66,591,910	\$ 63,520,045	\$ 63,479,651	\$ 59,980,963
1,577,458	1,464,219	1,668,808	1,550,644	1,619,646	1,005,824
756,543	774,122	763,076	726,919	734,842	658,030
8,048,261	7,465,272	7,145,642	6,814,216	6,894,983	6,168,980
2,575,447	2,255,567	2,223,643	2,248,910	1,857,834	1,923,970
1,609,644	1,573,986	1,899,782	1,810,734	1,850,465	1,542,284
1,609,644	1,573,986	1,899,782	1,810,734	1,850,465	1,542,284
12,167,590	11,345,247	10,779,074	12,081,955	12,175,338	11,502,431
-	-	-	-	-	-
1,842,955	1,747,089	1,645,622	-	-	-
-	-	256,466	-	606,129	450,826
(73,448)	830,738	(4,156,375)	-	-	-
\$ 104,479,907	\$ 96,795,541	\$ 90,717,430	\$ 90,564,157	\$ 91,069,353	\$ 84,775,592
\$ 50,460,307	\$ 48,399,771	\$ 41,642,782	\$ 43,644,195	\$ 44,190,832	N/A
53,806,269	48,250,917	48,754,604	46,773,020	46,740,095	N/A
\$ 104,266,576	\$ 96,650,688	\$ 90,397,386	\$ 90,417,215	\$ 90,930,927	\$ 84,236,617

48.30%	50.00%	45.90%	45.61%	45.30%	N/A
99.80%	99.85%	99.65%	99.80%	99.21%	98.60%

\$ 287,040,516	\$ 273,273,795	\$ 261,228,368	\$ 250,247,415	\$ 246,425,713	\$ 227,801,816
\$ 139,113,526	\$ 130,416,729	\$ 117,545,034	\$ 114,134,459	\$ 111,639,894	N/A
145,960,665	140,052,942	140,404,115	135,616,623	132,837,059	N/A
\$ 285,074,191	\$ 270,469,672	\$ 257,949,149	\$ 249,751,082	\$ 244,476,953	\$ 224,604,794

48.46%	47.72%	45.00%	45.61%	45.30%	N/A
99.31%	98.97%	98.74%	99.80%	99.21%	98.60%

School District U-46

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

Fiscal Year	General Obligation Bonds	Debt Certificates	Installment Notes	Claims and Judgments	Purchase Contracts
2015	\$ 319,635,442	\$ 3,381,622	\$ -	\$ 9,987,471	\$ 4,653,296
2014	259,950,777	3,792,143	-	13,624,879	6,400,590
2013	287,505,995	4,200,013	-	15,707,626	8,903,276
2012	315,894,005	4,605,167	-	10,081,533	3,057,503
2011	322,144,437	5,150,170	40,880	10,706,179	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

Source: District Records, 2010 U.S. Census**

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. Beginning with fiscal year 2011 Claims and Judgments include only claims incurred but not reported (IBNR), whereas, prior years may include claims payable amounts as well.

Total Outstanding Debt	Estimated Actual Taxable Property Value	Percentage Estimated Actual Taxable Property Value	Estimated Population**	Total Outstanding Debt Per Capita
\$ 337,657,831	\$ 12,210,500,547	2.77 %	231,224	\$ 1,460
283,768,389	12,327,996,012	2.30	240,000	1,182
316,316,910	13,931,512,248	2.27	240,000	1,318
333,638,208	15,349,005,195	2.17	240,000	1,390
343,322,849	16,990,283,301	2.02	240,000	1,431
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

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
2015	\$ 319,635,442	\$ 23,941,233	295,694,209	\$ 12,210,500,547	2.42%
2014	259,950,777	24,156,123	235,794,654	12,327,996,012	1.91%
2013	287,505,995	23,737,065	263,768,930	13,931,512,248	1.89%
2012	315,894,005	21,867,241	294,026,764	15,349,005,195	1.92%
2011	322,144,437	19,252,458	302,891,979	16,990,283,301	1.78%
2010	323,698,890	17,992,384	305,706,506	18,336,797,556	1.67%
2009	316,460,991	18,241,011	298,219,980	17,725,722,858	1.68%
2008	339,318,830	16,473,510	322,845,320	17,301,889,845	1.87%
2007	364,109,311	18,848,214	345,261,097	15,571,487,583	2.22%
2006	380,083,840	17,341,682	362,742,158	14,518,727,793	2.50%

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
231,224	\$	1,279
240,000		982
240,000		1,099
240,000		1,225
240,000		1,262
240,000		1,274
240,000		1,243
240,000		1,345
240,000		1,439
240,000		1,511

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School District U-46

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

	2015	2014	2013	2012
Debt limit	\$ 561,683,025	\$ 567,087,817	\$ 640,849,563	\$ 706,054,239
Total net debt applicable to limit	<u>303,729,127</u>	<u>245,987,387</u>	<u>276,872,219</u>	<u>301,689,434</u>
Legal debt margin	<u>\$ 257,953,898</u>	<u>\$ 321,100,430</u>	<u>\$ 363,977,344</u>	<u>\$ 404,364,805</u>
Total net debt applicable to the limit as a percentage of debt limit	54%	43%	43%	43%

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

Legal Debt Margin Calculation for Fiscal 2015

Assessed Value	\$ 4,070,166,849
Debt limit (13.8%) of assessed value	<u>561,683,025</u>
Debt outstanding applicable to the limit:	
General obligation bonds	319,635,442
General obligation debt certificates	3,381,622
Purchase contracts	<u>4,653,296</u>
Total debt outstanding applicable to the limit	327,670,360
Less: Amount set aside for repayment of debt	<u>23,941,233</u>
Total net debt applicable to the limit	<u>303,729,127</u>
Total legal debt margin	<u>\$ 257,953,898</u>

Source: District Records

	2011		2010		2009		2008		2007		2006
\$	781,553,032	\$	835,725,768	\$	815,383,251	\$	760,735,825	\$	723,059,131	\$	667,861,478
	313,364,212		326,376,432		325,037,097		339,318,830		364,109,311		380,083,840
\$	468,188,820	\$	509,349,336	\$	490,346,154	\$	421,416,995	\$	358,949,820	\$	287,777,638

40%

39%

40%

45%

50%

57%

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School District U-46

**District Employment Statistics
Last Ten Fiscal Years**

Staff	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Teachers	2,421	2,362	2,311	2,243	2,203	2,516	2,582	2,440	2,474	2,290
Building substitutes	5	5	-	-	-	-	23	22	24	30
Noon hour supervisors (part-time)	80	76	89	91	93	102	119	137	115	109
Educational assistants/paraprofessionals	452	422	460	414	338	398	446	428	441	404
Secretary/clerical	229	222	211	205	212	268	304	294	297	292
Transportation	403	400	416	418	402	448	474	450	426	408
Custodial/maintenance	139	126	121	107	118	131	122	123	128	145
Technical/other	194	207	151	116	165	149	164	163	151	116
Food service	153	155	177	164	154	169	155	147	145	138
School administration	99	102	93	94	92	97	102	99	101	95
Supervisors/directors/coordinators	40	34	31	32	28	43	34	28	29	32
Central administration	29	33	39	35	33	25	33	33	32	29
Divisionals	17	16	16	15	16	20	25	23	24	19
Superintendent/executive staff	10	9	8	9	7	9	10	10	11	11
Total staff	4,271	4,169	4,122	3,942	3,861	4,375	4,593	4,397	4,398	4,118

Source: District Business Office

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
2015			\$ -		#DIV/0!
2014	454,035,207	75,412,143	378,623,064	35,779	10,582
2013	449,100,191	85,496,629	363,603,562	35,995	10,102
2012	429,938,191	82,315,321	347,622,870	35,983	9,661
2011	453,476,875	101,996,241	351,480,634	36,668	9,247
2010	426,098,295	66,647,497	359,450,798	36,456	9,860
2009	436,222,997	48,149,501	388,073,496	36,289	10,694
2008	411,555,432	48,103,164	363,452,268	36,205	10,039
2007	388,225,546	44,684,034	343,541,512	35,898	9,570
2006	364,221,923	44,715,700	319,506,223	35,238	9,067

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	2015	2014	2013	2012
Instruction				
Student enrollment:				
Elementary	22,354	22,285	22,375	22,348
Middle school	5,822	6,034	6,012	6,006
High school	12,047	12,068	11,960	12,048
Total student enrollment	<u>40,223</u>	<u>40,387</u>	<u>40,347</u>	<u>40,402</u>
Support services - pupil				
% of students with disabilities	12.8%	12.5%	12.9%	13.2%
Support services - pupil				
Information technology services work orders completed	31,738	38,866	46,646	43,176
School administration				
Student attendance rate	94.70%	94.00%	94.20%	94.20%
Business				
Fiscal				
Purchase orders processed	8,742	7,912	9,440	10,051
Nonpayroll checks issued	7,343	7,491	7,977	8,352
Maintenance				
Maintenance work orders completed	27,035	17,575	27,201	23,276
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	24,772	25,160	24,891	24,447
Non-public	7	16	14	18
Special education	2,064	1,720	1,743	2,132
Total number of students transported	<u>26,843</u>	<u>26,896</u>	<u>26,648</u>	<u>26,597</u>
Student transportation miles traveled				
Regular education	2,512,688	2,516,457	2,623,820	2,406,833
Special education	1,083,595	1,519,958	1,663,595	2,427,205
Non-reimbursable	297,215	269,997	357,238	316,234
Total student transportation miles traveled	<u>3,893,498</u>	<u>4,306,412</u>	<u>4,644,653</u>	<u>5,150,272</u>

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

N/A: Not Available

2011	2010	2009	2008	2007	2006
22,853	22,863	22,734	22,765	22,795	22,662
5,972	6,107	6,102	6,264	6,170	6,039
12,327	11,998	11,976	11,680	11,415	10,955
41,152	40,968	40,812	40,709	40,380	39,656
13.0%	14.3%	13.2%	13.7%	13.2%	N/A
33,519	45,661	40,270	42,080	48,540	N/A
94.00%	94.10%	94.30%	94.30%	94.30%	N/A
9,579	9,013	11,507	13,906	13,398	N/A
7,967	7,779	9,627	9,734	10,923	N/A
25,709	26,669	30,690	28,840	24,800	N/A
5,492,057	5,492,057	5,492,057	5,492,057	5,492,057	5,492,057
805	805	805	805	805	N/A
24,375	24,028	23,477	23,628	21,820	22,520
25	10	6	-	-	1
2,133	2,125	2,333	2,077	2,321	2,414
26,533	26,163	25,816	25,705	24,141	24,935
2,066,821	2,598,143	3,214,182	2,110,472	2,692,281	2,103,142
2,290,604	2,379,919	2,721,107	2,566,295	2,117,736	1,912,868
226,244	349,651	490,778	508,435	452,050	479,193
4,583,669	5,327,713	6,426,067	5,185,202	5,262,067	4,495,203

PRELIMINARY DRAFT
FOR REVIEW AND DISCUSSION
--SUBJECT TO CHANGE--
NOT TO BE REPRODUCED

School District U-46

District Enrollment by School
Last Ten Fiscal Years

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

Source: District records

Notes:

* Enrollment based on Fall Housing Report

** Elementary totals include Pre-K students

N/A: Not Applicable

2007-2008*	2006-2007*	2005-2006*
631	642	660
544	566	632
473	448	474
578	534	514
457	434	434
601	593	583
557	586	671
799	769	785
460	466	475
495	495	496
436	426	455
455	450	468
518	527	548
544	538	556
553	555	554
617	608	555
623	709	722
617	622	626
624	660	661
419	273	N/A
259	315	290
462	392	417
548	656	635
618	625	589
796	831	807
423	409	433
442	454	480
795	742	679
655	624	626
513	524	566
531	588	584
413	461	462
510	577	541
546	627	562
517	528	550
500	538	546
437	449	436
577	587	620
462	454	423
443	458	501
598	626	590
378	429	456
N/A	N/A	N/A
341	N/A	N/A
529	555	548
909	965	929
1,081	1,119	1,068
512	489	497
976	880	859
765	793	759
657	565	579
835	804	800
2,698	2,850	2,893
108	106	118
2,089	2,147	2,228
155	165	131
2,163	2,289	2,422
2,157	1,555	956
2,310	2,303	2,207
-	-	-
<u>40,709</u>	<u>40,380</u>	<u>39,656</u>

School District U-46

**District Facility Information
 June 30, 2015**

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
Oak Hill	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, 2015

Building	Year Built	Year of Most Recent Addition	Square Footage
<i>Schools (Continued):</i>			
Elgin High School	1972	2003	365,242
Sheridan/Ronald O'Neal	1973	1999	46,832
Heritage	1976	1999	47,185
Independence	1976	1998	32,150
Canton	1976	-	126,942
Herizon	1977	2002	63,828
Lords Park	1977	1998	61,823
Streamwood High School	1978	2002	289,811
Centennial	1991	2001	74,000
Prairieview	1992	2001	74,101
Sycamore Trails	1992	2001	71,390
Fox Meadow	1996	2001	69,390
Spring Trail	1996	-	59,778
Bartlett High School	1997	2001	397,787
Creekside	1998	-	58,732
Illinois Park	1999	-	50,385
Nature Ridge	1999	2003	57,678
Hawk Hollow	2002	-	53,125
Liberty	2002	-	61,630
Otter Creek	2002	-	62,612
Hilltop	2003	-	63,212
Lincoln	2003	-	53,178
Timber Trails	2003	-	56,454
Kenyon Woods	2003	-	153,563
South Elgin High School	2004	-	384,365
<i>Other Buildings:</i>			
4 South Gifford	N/A	-	5,676
Observatory	1910	-	4,083
Transportation	N/A	-	31,130
Plant operation	2001	-	31,500
Warehouse	2002	-	28,000
Total			<u><u>5,492,057</u></u>

Source: District records

N/A: Not Available

School District U-46

**Miscellaneous Statistics
 June 30, 2015**

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

Date of incorporation	1875
Median family income	
Kane County	69,530 *
City of Elgin	58,675 *
Per capita personal income	
Kane County	30,082 *
City of Elgin	23,453 *
Population	
Kane County	527,306 *
City of Elgin	111,117
Area served	90 Square miles
Number of schools	57
Student population	40,387
Certified staff	2,311
Pupil/certified staff ratio	17/1
Faculty holding master's degree or higher	1,563

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.

