

SCHOOL DISTRICT U-46

Kane, Cook and DuPage
Counties, Illinois

Fiscal Year 2018 ANNUAL BUDGET

September 25, 2017



355 E. Chicago Street
Elgin, IL 60120
www.u-46.org

SCHOOL DISTRICT U-46

Kane, Cook and DuPage Counties, Illinois

Fiscal Year 2018

ANNUAL BUDGET

MISSION: U-46 will be a great place for all students to learn, all teachers to teach, and all employees to work. All means all.



School District U-46

355 E Chicago Street | Elgin, Illinois 60120 | P: (847) 888-5000

For more information, visit the District website at: www.u-46.org



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INTRODUCTORY SECTION



FISCAL YEAR 2018 BUDGET
(School Year 2017-2018)



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Tony Sanders, Chief Executive Officer

School District U-46
Educational Services Center
355 E. Chicago Street, Elgin, IL 60120-6543
Tel: 847.888.5000 x5007
Fax: 847.608.4173

U-46.org

August 14, 2017

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

We are pleased to present a balanced fiscal year 2018 Operating Budget for School District U-46, which resides in the counties of Cook, DuPage, and Kane. The fiscal year 2018 budget begins July 1, 2017 and ends June 30, 2018, thus spanning the 2017-18 school year. The budget was prepared using the modified accrual basis, which mirrors the basis of accounting used in the governmental fund audited financial statements.

This budget is aligned to our Strategic Plan which will continue to drive our efforts for promoting and achieving academic success for all students. Specifically, we want to eliminate student achievement gaps and ensure all our students are prepared to succeed in college and the workplace.

We are projecting that our total revenue for fiscal year 2018 will decrease \$3.1 million over the prior year's budget. We expected to see a net \$3.1 million decrease after taking into consideration an \$8.4 million decrease in state funding, a \$1.0 million increase in federal funding, as well as a \$4.3 million increase from local sources. A substantial part of the local sourced revenue increase was due to levied property taxes. In the prior year's budget 100 percent of the quarterly state categorical payments were budgeted for, however, due to the continuing state financial challenges, only three of the four payments have been budgeted in the current budget, a reduction of approximately \$9.7 million. General State Aid (GSA) is estimated to increase \$1.3 million over the prior year's budget. The two more significant factors that influence the GSA calculation for the upcoming year were a decrease in the number of low income students which reduced GSA by \$4.6 million and the increase in average daily attendance (ADA) due to our new universal Full Day Kindergarten which increased GSA by \$4.5 million. Evidence based state funding remains at this point unresolved, shedding little light on the direction of school funding in Illinois. A budget amendment may be necessary after school funding is passed.

Expenditures are projected to increase over the prior year's budget by \$6.6 million. Salaries and benefits are budgeted to increase \$7.9 million over the prior year's budget. Salaries and benefits such as pension, Medicare and Social Security are projected to increase around 2.5 percent over estimated fiscal year 2017 actual while health and dental insurance costs are planned to increase roughly five percent from the estimated fiscal year 2017 actual base. Both 2017 salaries and benefits actuals are estimated to come in slightly under budget. In addition, a new science curriculum is planned to roll out for the next school year with a planned cost of \$5.3 million. Offsetting the new curriculum costs capital outlay is projected to be under the prior year's budget by \$5.4 million, due to budgeting for no new bus purchases and reduced building and non-building improvement projects in fiscal year 2018 compared to the prior year. The contingency for unforeseen expenditures has been reduced \$1.5 million to \$2.5 million in the current year's budget. The remaining expenditure net increase of \$0.3 million is spread over several line items and presented in greater detail in the financial section of this budget.

There are no new planned capital leases or debt issuances in fiscal year 2018 which leaves other financing sources at zero. The last new issuance of debt and capital lease was completed in fiscal year 2015 and 2016, respectively.

School District U-46 will continue to invest cautiously as Illinois school funding and state pension reform remains the looming unknowns in our future. This fiscal year 2018 budget assumes that our pension costs will remain unchanged for the current school year but that decision continues to be debated at the state level. We may still see a cost shift that would require all school districts to contribute more in order to decrease the state's pension burden. Currently, we cannot predict the impact any cost shift would have in fiscal year 2018.

The District continues to devote resources towards the implementation of the more rigorous Illinois Learning Standards which includes our roll-out of several curricula and resources including: Grades 7 and 8 Spanish Language Arts, International Relations, World History, Psychology, Sociology, Law I and Law II, World Geography, Play-based Kindergarten and Kindergarten Science, K-6 Physical Education, StudySync for grades 11 and 12, and K-8 writing resource.

We also have continued our investment in all students, from our most at-risk students with highly specialized needs, to those who desire more rigorous courses such as Advanced Placement, Honors, or our Gifted Education (AIM and Ignite) programs. We also work to support those students in the "academic middle" through various programs offered through Multi-tiered Systems of Support (MTSS) and Advancement Via Individual Determination. The District will continue to invest in resources for dual language, high school academies, early childhood, special education, technology resources in the classroom while also promoting equity and excellence initiatives to help all students succeed. Finally, we continue our investment in our employees including our high quality Teacher Mentor Program and opportunities for employees to engage in professional development and training.

The fiscal 2018 budget projects \$509.1 million of revenues and \$517.9 million of expenditures, for a net decrease in total fund balance of \$8.9 million, however, a planned \$12.0 million draw down of working cash bond proceeds issued in a prior year will more than cover the non-recurring expenditures that exceed revenues. The operating funds' projected revenues and other financing sources exceed projected expenditures and other financing uses by \$0.3 million, creating a slight budget surplus.

With continued investment in human and capital resources, the District continues to strengthen and expand the quality of education for all students. The opportunities for student and staff growth, assistance and guidance are numerous and will continue to support the District's mission and goals.

For the first time the District has been recognized by multiple independent organizations for its annual budget presentation. The Association of School Business Officials International (ASBO) presented the Meritorious Budget Award (MBA) to School District U-46 for its annual budget document for the fiscal year 2017. This award reflects the district's commitment to sound fiscal management and budgetary policies. The same fiscal year budget document was awarded the Distinguished Budget Presentation Award from the Government Finance Officers Association (GFOA) for the current fiscal period. This award is the highest form of recognition in governmental budgeting.

This recognition represents significant achievement by the District and a continuing example of how we are aligning the District to clearly and effectively communicate our use of resources to the greater community as outlined in the Strategic Plan.

This budget, stemming from federal, state and local dollars, represents our financial investment in the education of nearly 40,000 students in School District U-46 and I will continue to advocate for more dollars, and a more equitable distribution of those dollars, at the state level. But we all know that there's more to a school district, a family or a person than money alone. We need your continued support, collaboration and active involvement. Thank you for all you have done in the past year and I look forward to working alongside even more of you in 2017-18.

Sincerely,

A handwritten signature in black ink, appearing to read "Tony Sanders", written in a cursive style.

Tony Sanders
Chief Executive Officer

Board of Education, Superintendent and Executive Staff
School District U-46

ADOPTED BUDGET

July 1, 2017 – June 30, 2018

Board of Education

Donna Smith, President
Susan Kerr, Vice President
Veronica Noland, Secretary Pro-Tempore
Phil Costello, Member
Traci O'Neal Ellis, Member
Melissa Owens, Member
Jeanette Ward, Member
Casey Pearce, Student Advisor

Superintendent and Executive Staff

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

Officials Issuing Report

Dr. Jeffrey King, Chief Operations Officer/Chief School Business Official
Dale Burnidge, Director of Financial Operations
Thomas Lyons, CPA, Financial Coordinator

Division Issuing Report

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, Senior Accountant
Kyle Eleosida, Accounting Assistant

MAJOR GOALS AND OBJECTIVES

The Board of Education believes that education should be shaped by purposes rather than by forces. Therefore, the education system of School District U-46, will maintain flexibility and adapt to an ever-changing society. It is dedicated to the total personal development of each student to the limits of his or her abilities and interests. This is to be accomplished in a sequentially coordinated curriculum which allows for individual differences.

To this end, staff members will aid in each student's intellectual, physical, moral, emotional, aesthetic, and social growth so he or she may become a useful and responsible member of home, community and society while leading a personally rewarding life.

U-46 has paved the way for student success and prepares our students to be citizens of the world. With a diverse community, our children receive specialized attention and numerous programs available to fit their needs. Some of our special offerings include an academy program at the high schools, honors and gifted programs, Dual Language program, English Language Learners program, special education for those students in need, and various sports, clubs and activities to match a wide range of student interests.

The District's strategic plan reflects the vision and values of employees, parents, students and community members who participated in its development. The District will continue to share our progress as together we work to turn this plan into reality for our community, our staff and, most importantly, our 40,000 kindergarten through twelfth grade students and their families.



Several goals have been created within the framework of the District's Strategic Plan. Below are the objectives and goals outlined to date. Additional information can be found in the Organizational Section under the Mission and Major Goals heading.

- **Goal 1:** Annual increase of students who are proficient in meeting kindergarten readiness of 6 percent with an overall target of 75 percent.
- **Goal 2:** Increase unique high school students enrolled in AP courses by 2 percent annually or attain 30 percent enrollment overall.
- **Goal 3:** Increase high school students receiving industry credentials by 5 percent annually or attain 25 percent overall.
- **Goal 4:** Increase students graduating within five years by 3 percent annually or obtain 99 percent overall.
- **Goal 5:** Increase the 5Essentials score related to safety by four scale points annually.
- **Goal 6:** Increase annual retention rate for employees who rate proficient or higher as measured on their employee evaluations.
- **Goal 7:** Increase the number of teachers who feel their instructional leader communicates a clear vision for their school by four scale points.
- **Goal 8:** Increase annually by four scale points the rating by teachers agreeing on multiple questions on the 5Essentials survey that their professional development is focused on student learning.
- **Goal 9:** Increase annually the rating of the appraisal process as improving professional practice as measured by the responses on the questions related to the Framework for Teacher domains 1, 2, and 3 on the annual Teacher Appraisal Plan survey.
- **Goal 10:** Develop and promote three additional opportunities each year for community members to meet with Board members and provide feedback on District initiatives and issues as measured by School and Community Relations.
- **Goal 11:** Increase five percent annually the family and community member participation and volunteerism in school and District sponsored activities and events as measured by the responses to questions in the Parent Survey within the 5Essentials Survey asking, "parent assessment of involvement in school as always and usually."
- **Goal 12:** Increase three percent annually parents' satisfaction on how welcome and respected they feel within the district as measured by the question in the Parent Survey within the 5Essentials Survey asking, "parent connectedness to a great extent."

BUDGET PROCESS

Annual budgets are adopted for all governmental fund types and are adopted on the modified accrual basis of accounting at the fund level which is a basis consistent with GAAP. The District maintains a system to measure the uncommitted budget amount available for expenditures at any time during the year. Appropriations lapse at June 30 and outstanding encumbrances are canceled at that date.

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

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 at least one public hearing, and a final budget must be prepared and adopted no later than September 30. Budgeting for capital expenditures is included in this process. There have been no significant changes in the process during the current budget cycle.

Budget Planning Cycle



BUDGET TIMELINE

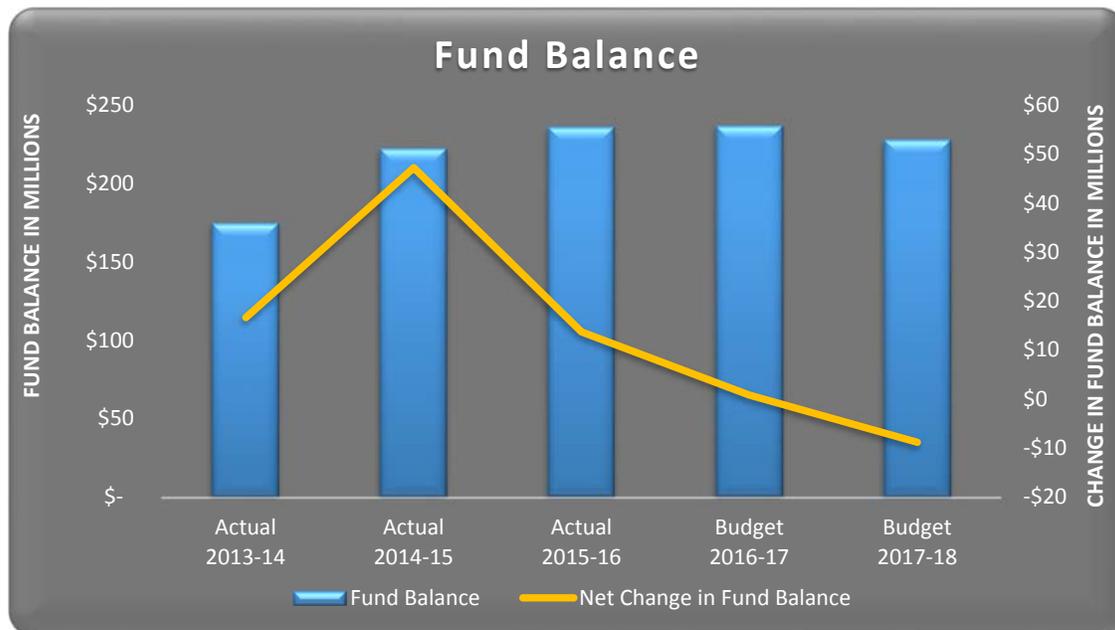
2017

| | |
|---|--------------|
| Present <i>Resolution Directing the Superintendent to Prepare the Tentative FY 2018 Budget</i> (Work Session) | February 27 |
| Tentative FY 2018 Budget Timeline - Information Item | February 27 |
| Adopt <i>Resolution Directing the Superintendent to Prepare the Tentative FY 2018 Budget</i> | March 6 |
| Cabinet establishes budget priorities | April 25 |
| Discussion of Board Priorities for FY 2018 Budget | April 25 |
| Board Finance Committee Meeting | May 15 |
| Tentative Budget is presented to the Board of Education | June 19 |
| Present the <i>Resolution for Display of and Public Hearing on Budget</i> | June 19 |
| Adopt <i>the Resolution for Display of and Public Hearing on Budget</i> | July 24 |
| Newspaper notice published for display of budget to begin <u>Aug. 15</u> and Public Hearing to be held <u>September 11</u> (<i>must be published at least 30 days prior to public hearing</i>) | August 4 |
| Board Finance Committee review of proposed budget changes from June 19 Budget Presentation | August 7 |
| Tentative Budget is presented to the Board of Education | August 14 |
| Begin 30-Day Display of Tentative Budget (<i>must be displayed at least 30 days prior to adoption</i>) | August 15 |
| Public Hearing of Board of Education held for Budget and Present <i>Resolution for Approval of Budget - ISBE form</i> (Work Session) | September 11 |
| Adoption of Final Budget (<i>must be adopted by September 30</i>) - Resolution/ISBE form, Certification of Budget, and Certification Estimate of Revenues are signed - Budget is posted on U-46 website immediately after approval | September 25 |
| Certified Adopted Budget filed with County Clerks Certified Adopted Budget filed with ROE Adopted Budget submitted electronically to ISBE including Report of Vendors Contracts of \$1,000 or More (<i>must be filed/submitted within 30 days of adoption</i>) | October 25 |

All Funds Revenues, Expenditures and Changes in Fund Balance

Revenue by Source Expenditures by Object

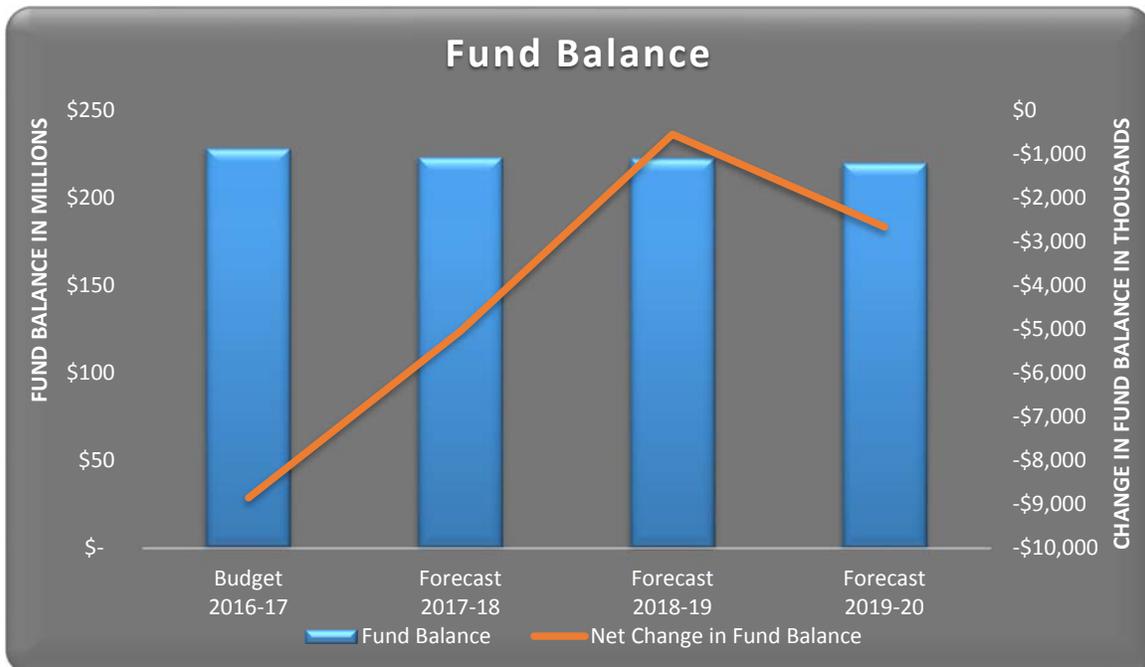
| | Actual 2013-14 | Actual 2014-15 | Actual 2015-16 | Budget 2016-17 | Budget 2017-18 |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Revenue | | | | | |
| Local Sources | \$ 311,255,071 | \$ 310,195,265 | \$ 317,993,639 | \$ 316,791,928 | \$ 321,078,587 |
| State Sources | 128,382,501 | 138,062,156 | 146,310,919 | 158,126,457 | 149,733,197 |
| Federal Sources | 34,412,640 | 34,596,302 | 39,907,564 | 37,207,796 | 38,240,793 |
| Total Revenue by Source | \$ 474,050,212 | \$ 482,853,723 | \$ 504,212,123 | \$ 512,126,181 | \$ 509,052,577 |
| Expenditures | | | | | |
| Salaries | \$ 236,945,104 | \$ 244,954,778 | \$ 253,556,044 | \$ 264,032,755 | \$ 269,694,946 |
| Employee Benefits | 86,948,287 | 88,738,790 | 89,909,001 | 95,498,141 | 97,715,291 |
| Purchased Services | 37,549,462 | 36,397,010 | 34,218,595 | 34,887,101 | 35,691,576 |
| Supplies and Materials | 25,417,458 | 24,444,515 | 31,095,608 | 26,760,455 | 32,011,602 |
| Capital Outlay | 15,013,147 | 28,093,541 | 33,158,826 | 29,382,903 | 23,948,029 |
| Other Objects | 54,660,682 | 54,117,436 | 54,832,599 | 59,911,438 | 57,866,952 |
| Non-Capitalized Equipment | 769,232 | 1,081,872 | 1,011,734 | 803,370 | 912,575 |
| Termination Benefits | 131,803 | 70,304 | 76,607 | 75,000 | 75,000 |
| Total Expenditures by Object | \$ 457,435,174 | \$ 477,898,246 | \$ 497,859,015 | \$ 511,351,163 | \$ 517,915,971 |
| Excess/(Deficiency) of Revenues Over/(Under) Expenditures | 16,615,038 | 4,955,477 | 6,353,108 | 775,017 | (8,863,394) |
| Other Financing Sources | \$ - | \$ 42,261,379 | \$ 7,318,597 | \$ - | \$ - |
| Net Change in Fund Balance | 16,615,038 | 47,216,856 | 13,671,705 | 775,017 | (8,863,394) |
| Fund Balance at Beg. of Year | 158,626,364 | 175,241,402 | 222,458,258 | 236,129,963 | 236,904,980 |
| Fund Balance at End of Year | \$ 175,241,402 | \$ 222,458,258 | \$ 236,129,963 | \$ 236,904,980 | \$ 228,041,586 |



All Funds

**Budget and Three-Year Forecast
 Revenues, Expenditures and Change in Fund Balance**

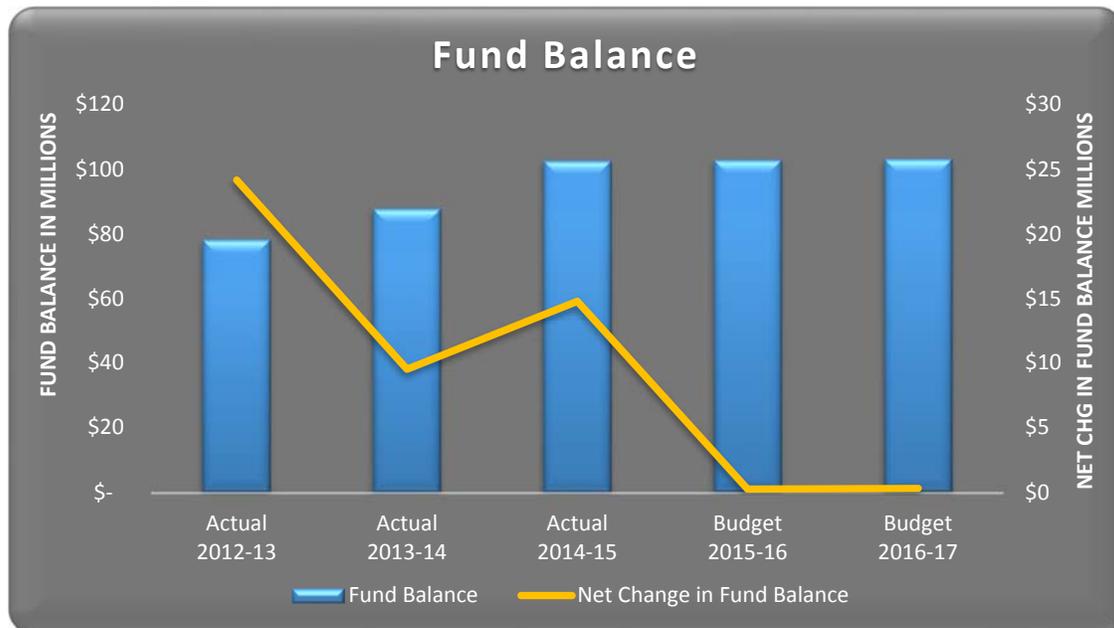
| | Budget 2017-18 | Forecast 2018-19 | Forecast 2019-20 | Forecast 2020-21 |
|--|---------------------------|-----------------------------|-----------------------------|-----------------------------|
| Revenue | | | | |
| Local Sources | \$ 321,078,587 | \$ 324,478,626 | \$ 332,756,133 | \$ 337,046,248 |
| State Sources | 149,733,197 | 149,106,466 | 148,503,414 | 147,924,153 |
| Federal Sources | 38,240,793 | 38,623,201 | 39,009,433 | 39,399,527 |
| Total Revenue by Source | \$ 509,052,577 | \$ 512,208,293 | \$ 520,268,980 | \$ 524,369,929 |
| Expenditures | | | | |
| Salaries | \$ 269,694,946 | \$ 275,091,833 | \$ 280,596,739 | \$ 286,211,829 |
| Employee Benefits | 97,715,291 | 101,273,156 | 104,980,384 | 108,843,820 |
| Purchased Services | 35,691,576 | 36,129,823 | 36,573,753 | 37,023,445 |
| Supplies and Materials | 32,011,602 | 27,985,709 | 28,303,111 | 28,624,251 |
| Capital Outlay | 23,948,029 | 20,281,440 | 13,766,440 | 12,331,440 |
| Other Objects | 57,866,952 | 55,503,408 | 55,598,251 | 52,992,427 |
| Non-Capitalized Equipment | 912,575 | 921,701 | 930,918 | 940,227 |
| Termination Benefits | 75,000 | 75,750 | 76,508 | 77,273 |
| Total Expenditures by Object | \$ 517,915,971 | \$ 517,262,819 | \$ 520,826,105 | \$ 527,044,712 |
| Net Change in Fund Balance | (8,863,394) | (5,054,526) | (557,125) | (2,674,784) |
| Fund Balance at Beginning of Year | 236,904,980 | 228,041,586 | 222,987,060 | 222,429,935 |
| Fund Balance at End of Year | \$ 228,041,586 | \$ 222,987,060 | \$ 222,429,935 | \$ 219,755,152 |



All Operating Funds Revenues, Expenditures and Changes in Fund Balance

Revenue by Source Expenditures by Object

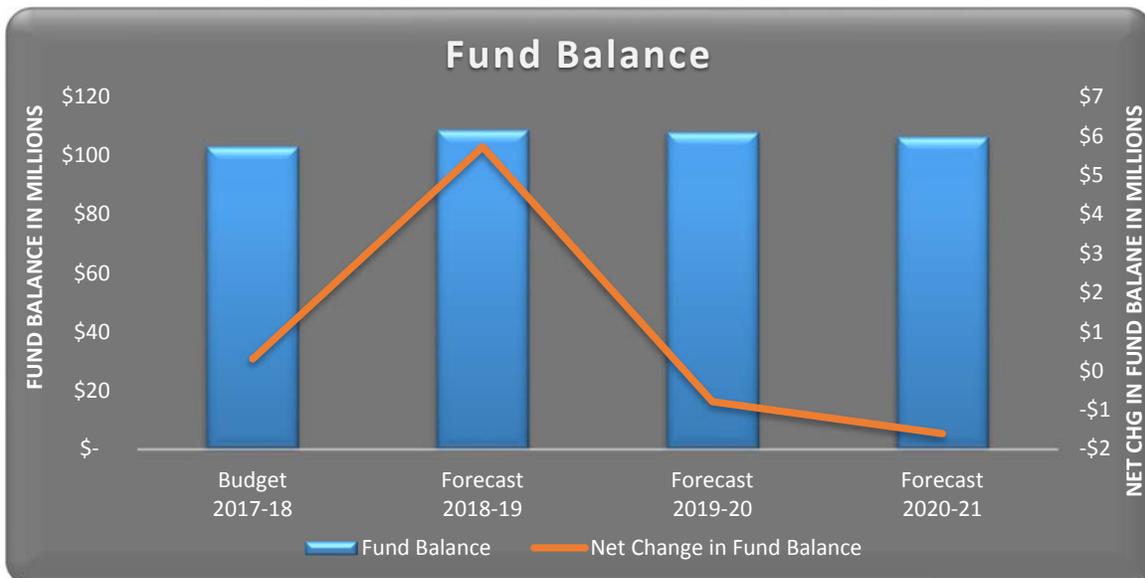
| | Actual 2013-14 | Actual 2014-15 | Actual 2015-16 | Budget 2016-17 | Budget 2017-18 |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Revenue | | | | | |
| Local Sources | \$ 244,848,176 | \$ 239,809,995 | \$ 246,029,053 | \$ 245,882,216 | \$ 255,234,508 |
| State Sources | 126,820,144 | 136,586,987 | 144,808,263 | 158,126,457 | 149,733,197 |
| Federal Sources | 34,412,640 | 34,596,302 | 39,907,564 | 37,207,796 | 38,240,793 |
| Total Revenue by Source | \$ 406,080,960 | \$ 410,993,284 | \$ 430,744,880 | \$ 441,216,469 | \$ 443,208,498 |
| Expenditures | | | | | |
| Salaries | \$ 236,586,607 | \$ 244,587,634 | \$ 253,174,099 | \$ 263,647,207 | \$ 269,296,580 |
| Employee Benefits | 72,984,699 | 74,585,529 | 75,115,145 | 80,514,912 | 81,897,651 |
| Purchased Services | 28,505,889 | 26,879,273 | 28,804,479 | 29,231,265 | 29,731,013 |
| Supplies and Materials | 25,417,458 | 24,444,515 | 31,095,608 | 26,760,455 | 32,011,602 |
| Capital Outlay | 12,050,420 | 25,769,766 | 29,669,541 | 27,432,903 | 22,394,529 |
| Other Objects | 10,824,015 | 10,590,681 | 11,780,282 | 17,268,543 | 15,241,357 |
| Non-Capitalized Equipment | 769,232 | 1,081,872 | 1,011,734 | 803,370 | 912,575 |
| Termination Benefits | 131,803 | 70,304 | 76,607 | 75,000 | 75,000 |
| Total Expenditures by Object | \$ 387,270,124 | \$ 408,009,574 | \$ 430,727,496 | \$ 445,733,655 | \$ 451,560,307 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 18,810,836 | 2,983,710 | 17,384 | (4,517,186) | (8,351,809) |
| Other Financing Sources | \$ 5,342,135 | \$ 6,541,930 | \$ 14,762,582 | \$ 4,758,135 | \$ 8,657,109 |
| Net Change in Fund Balance | 24,152,971 | 9,525,640 | 14,779,966 | 240,949 | 305,300 |
| Fund Balance at Beg. of Year | 54,252,894 | 78,405,865 | 87,931,505 | 102,711,471 | 102,952,420 |
| Fund Balance at End of Year | \$ 78,405,865 | \$ 87,931,505 | \$ 102,711,471 | \$ 102,952,420 | \$ 103,257,720 |



All Operating Funds

**Budget and Three-Year Forecast
 Revenues, Expenditures and Change in Fund Balance**

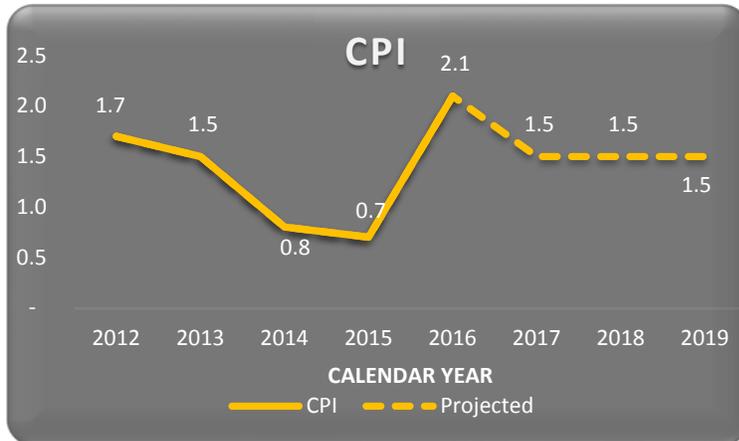
| | Budget 2017-18 | Forecast 2018-19 | Forecast 2019-20 | Forecast 2020-21 |
|--|---------------------------|-----------------------------|-----------------------------|-----------------------------|
| Revenue | | | | |
| Local Sources | \$ 255,234,508 | \$ 259,491,181 | \$ 264,334,472 | \$ 269,249,990 |
| State Sources | 149,733,197 | 149,106,466 | 148,503,414 | 147,924,153 |
| Federal Sources | 38,240,793 | 38,623,201 | 39,009,433 | 39,399,527 |
| Total Revenue by Source | \$ 443,208,498 | \$ 447,220,848 | \$ 451,847,319 | \$ 456,573,670 |
| Expenditures | | | | |
| Salaries | \$ 269,296,580 | \$ 274,682,512 | \$ 280,176,162 | \$ 285,779,686 |
| Employee Benefits | 81,897,651 | 85,059,387 | 88,360,548 | 91,807,730 |
| Purchased Services | 29,731,013 | 30,076,949 | 30,427,074 | 30,781,441 |
| Supplies and Materials | 32,011,602 | 27,985,709 | 28,303,111 | 28,624,251 |
| Capital Outlay | 22,394,529 | 18,456,440 | 11,931,440 | 10,481,440 |
| Other Objects | 15,241,357 | 12,890,409 | 12,990,473 | 10,218,292 |
| Non-Capitalized Equipment | 912,575 | 921,701 | 930,918 | 940,227 |
| Termination Benefits | 75,000 | 75,750 | 76,508 | 77,273 |
| Total Expenditures by Object | \$ 451,560,307 | \$ 450,148,856 | \$ 453,196,234 | \$ 458,710,340 |
| Excess/(Deficiency) of Revenues Over/(Under) Expenditures | (8,351,809) | (2,928,008) | (1,348,915) | (2,136,669) |
| Other Financing Sources/(Uses) | \$ 8,657,109 | \$ 8,658,409 | \$ 562,035 | \$ 533,336 |
| Net Change in Fund Balance | 305,300 | 5,730,401 | (786,880) | (1,603,333) |
| Fund Balance at Beginning of Year | 102,952,420 | 103,257,720 | 108,988,120 | 108,201,240 |
| Fund Balance at End of Year | \$ 103,257,720 | \$ 108,988,120 | \$ 108,201,240 | \$ 106,597,907 |



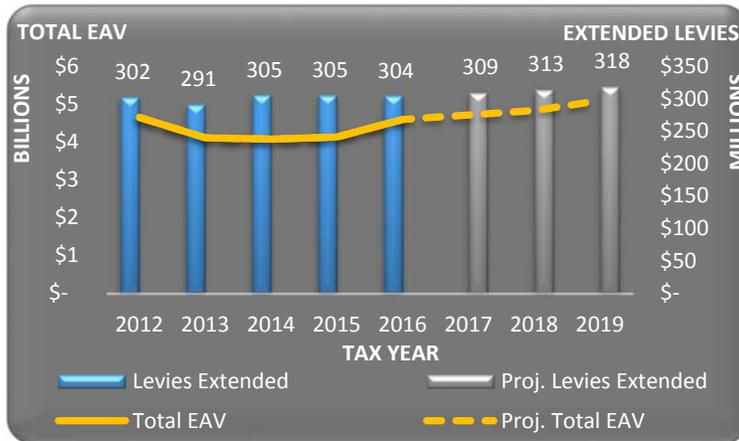
SIGNIFICANT REVENUE TRENDS

Property taxes are the District’s largest revenue source and accounts for a large majority of the local revenue and over half of all revenue received by the District. Property tax revenue can grow at the rate of inflation plus revenue due to new construction and other properties coming onto the tax rolls (such as expiring Tax Increment Financing (TIF) districts). Inflation is measured by the

consumer price index and is used by district management to assist in budgeting property tax revenue.



The economy is showing signs that growth and inflation is reverting to its historical mean. The Consumer Price Index has increased over two percent in the last year which is the first time CPI has seen these levels since 2011. The CPI in calendar year 2016 was 2.1 percent, an increase in the growth rate from 0.7 percent in 2015. The declining trend in EAV has appeared to stop and is reversing as shown in the last two years. Management has planned for this upward trend to continue and projects EAV growth from two to five percent annually over the next five years. CPI is anticipated to show relative strength and continue at a rate above two percent and then track at a rate of around 1.5 percent into the next decade.



The direct tax rate has an inverse correlation to the EAV, meaning as the EAV grows the direct tax rate is reduced and vice versa. This can be seen on the graph displaying EAV and direct tax rates. As you see the yellow line that tracks the EAV move up the orange and gray bars that track the direct tax rates move down. The direct tax rate does not affect the amount of taxes owed for any given property but rather is a result of two factors, 1) the property’s EAV and 2) the property’s share of taxes levied. A property’s share of taxes levied is determined by taking the property’s EAV into the aggregate



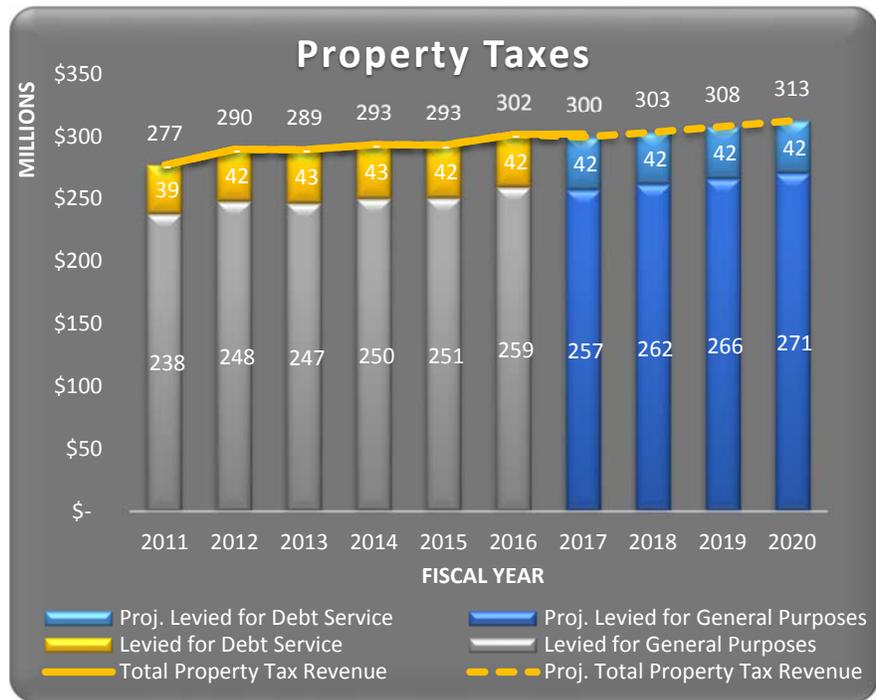
EAV for the taxed area. There are various exemptions and other factors that may factor into this calculation but this is explained at a high level for the purpose of adding context to the graphs displayed.

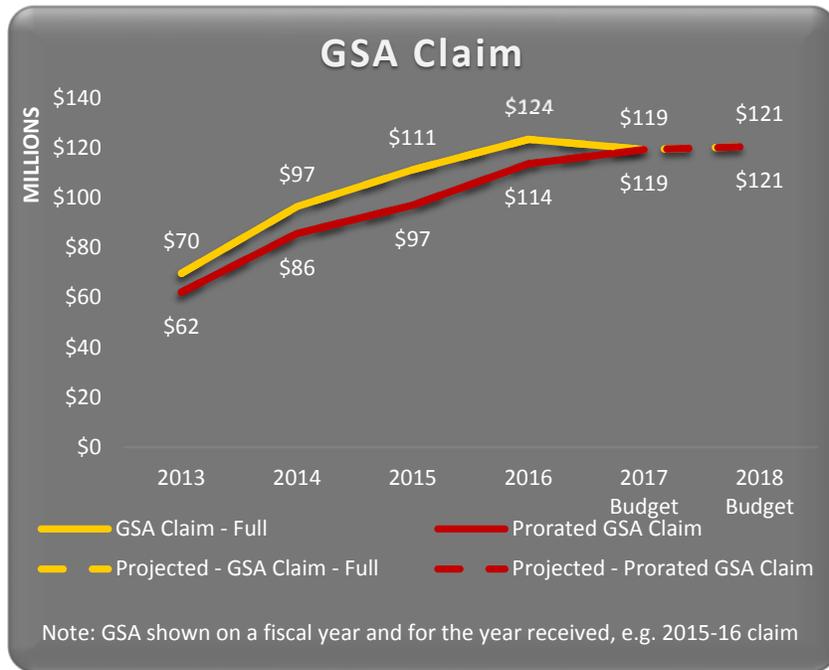
Property taxes are levied each year on the value of all taxable real property in the District on or before the last Tuesday in December. The 2016 tax levy was passed by the Board of Education on December 12, 2016, and attached as an enforceable lien on the property as of the preceding January 1. The taxes become due and collectible in March and August 2017 in Cook County and in June and September 2017 in DuPage and Kane counties, and are collected by the County Collector, who in turn returns to the District its respective share. Typically the District receives the remittances from the County Treasurer within one month after collection.

The District has recognized as revenue 50 percent of the 2016 tax extension and 50 percent of the 2015 tax extension in fiscal year 2017 based on estimated collections, as this is the period for which the taxes have been levied (intended to finance).

Property taxes are recorded net of estimated allowance for uncollectible accounts. The allowance for uncollectible accounts is based on collection history and is estimated at 1.3 percent of the total levy. The changes in the property tax revenue shown on the graph coincide with the levy extension changes after accounting for the smoothing of each levy over two fiscal years and applying the allowance factor.

The District has recorded a receivable for the uncollected portion of the 2016 taxes extended. The District has recorded a deferred inflow of resources net of any allowance, which approximates 50 percent of the 2016 tax extension which will be recognized as revenue in fiscal year 2018, the period for which those taxes were levied. Since each tax year's extended levies are recognized as revenue by the District over two fiscal years, recognized property tax revenue in a fiscal year may not reflect a tax levy for any given year. The graph above represents the past and projected property tax revenue by fiscal year:





General State Aid (GSA) distributed to Illinois public school districts is determined by a statutorily defined formula in 105 ILCS 5/18-8.05 and is intended to provide unrestricted grants to districts in an equitable manner. GSA is funded through two separate grants, the Equalization Formula Grant and the Supplemental Low-Income Grant. The Equalization Formula Grant varies inversely with local wealth. As local wealth increases, the amount of the grant decreases and vice versa. In this context, local wealth is property wealth plus revenue from the Corporate Personal Property

Replacement Tax (CPPRT). Property wealth is the assumed tax rate set by statute applied to the local EAV. The district’s EAV is discussed in greater detail on the prior pages. The Supplemental Low-Income Grant does not consider local wealth but increases as the proportion of low-income students in a district increases. The percentage of low-income students is calculated by taking the three-year average of students reported by the Department of Human Services (DHS) for the district and dividing it by the Average Daily Attendance (ADA) of the district. Students reported by DHS are from ages 5 to 17 and receive services through any of the following: Medicaid, Supplemental Nutrition Assistance Program (SNAP), Children’s Health Insurance Program (CHIP), and Temporary Assistance for Needy Families (TANF).

Over the past several years the GSA claim has been determined and funded on a prorated basis as shown on the chart above. Illinois Senate Bill 2047 increased the GSA allocation and funded the GSA formula at 100 percent beginning in fiscal year 2017. District management has budgeted for the full GSA claim in fiscal year 2018, however, a budget amendment is like once state funding for schools has been finalized. The final funded proration for the fiscal year 2016 claim was approximately 92 percent which cost the District \$9.8 million. Additional resources about General State Aid can be found at the following website: <https://www.isbe.net/Pages/General-State-Aid.aspx>.

Mandated Categorical Reimbursements (MCATs) and the funds appropriated for it are earmarked and mandated by Illinois statute for a particular purpose or population and may be used for that purpose or population only. As of the end of July 2017 the District is owed more than \$18 million in categorical payments from the State. Illinois has passed a fiscal year 2018 budget but the school funding formula called equity based funding is still not finalized meaning Illinois school districts will most likely not receive state funding until it is resolved. It is a possibility that the funding formula, when finalized, will affect the amount of categorical payments and general state aid received to fund the District significantly. When the equity based funding is completed it is probably the District will need to amend this budget. The District has budgeted for three of the four categorical payments in fiscal year 2018. If funding from the State was lost, outside financing would have to be obtained in order to finish the school year.

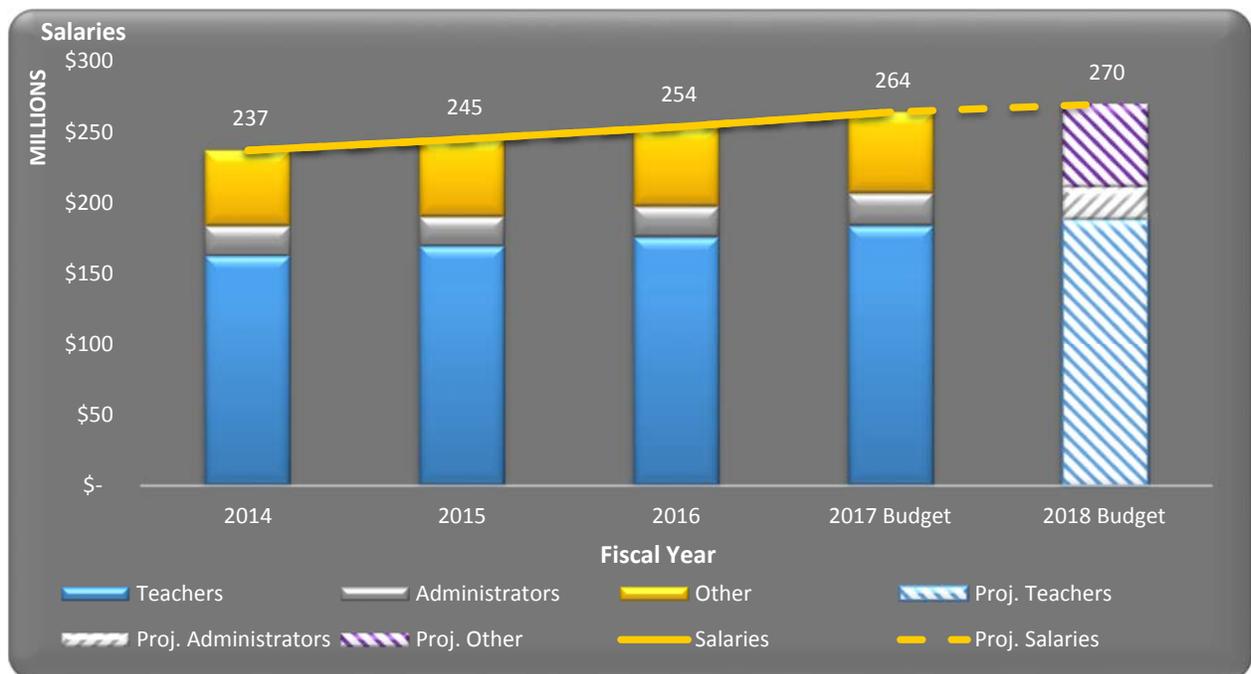
MCATs include programs such as Special Education, Transportation, state Lunch and Breakfast, and Orphanage. In addition, when referring to state categorical programs, District management includes all state programs in this category except for General State Aid. These other programs include Early Childhood Education, Bilingual Education, Career and Technical Education and Drivers Education.

SIGNIFICANT EXPENDITURE TRENDS

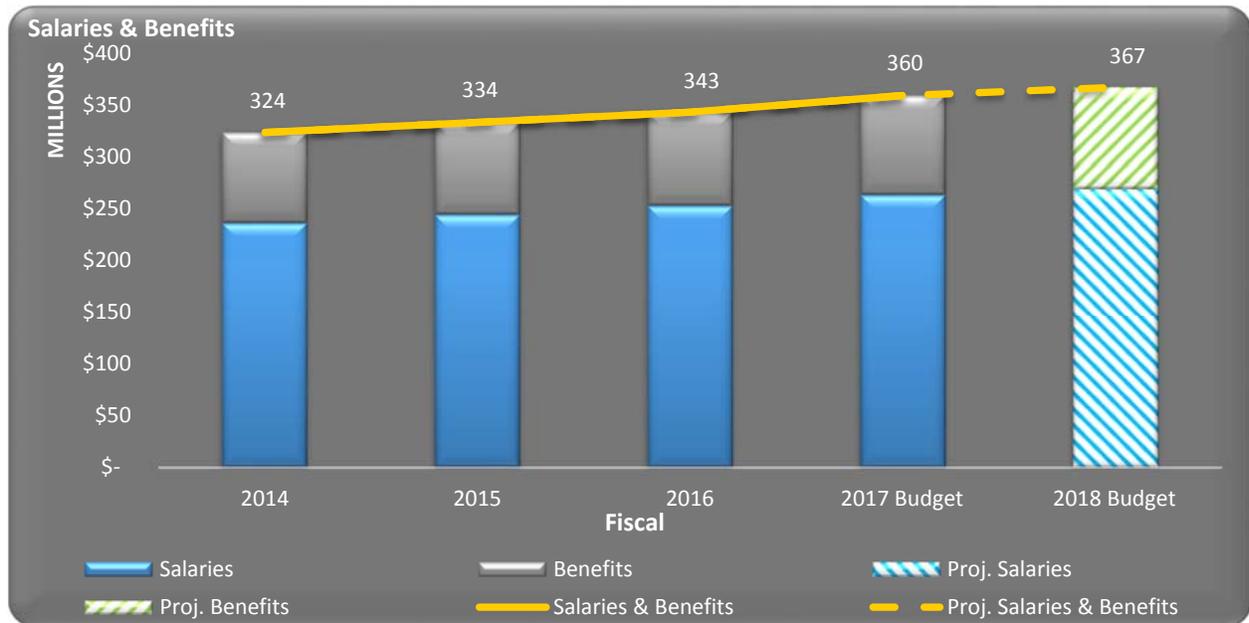
Employee Salaries and Benefits

For fiscal year 2018 District management has planned for 15 fewer teacher FTEs. Salaries will increase based on contractual agreements. Medical Insurance is expected to increase five percent. The following two charts show salary and benefit information for the past four fiscal years and the fiscal 2018 budgeted figures. Several factors may impact salary and benefit projections in any given year, these include annual raises, increases and decreases in employee count, and the seniority status of the employees compared to the prior year.

Salaries by Employee Classification

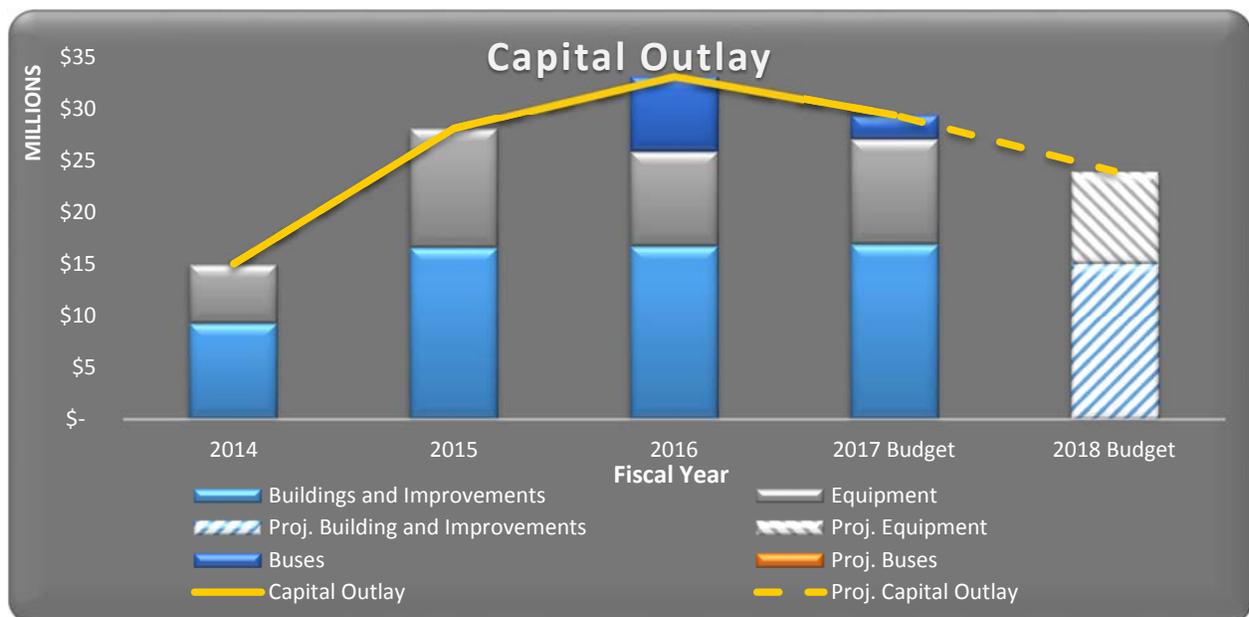


Salaries and Benefits



Capital Outlay

The majority of the District’s capital outlay is spent on buildings and non-building improvements. These construction projects usually span several months at a time and are typically targeted for the summer months while the schools are staffed to a minimum. Due to the nature of these construction projects and the timing of the fiscal year end, June 30, many of these capital projects are internally planned by calendar year rather than fiscal year. District management assesses the projects and their planned timing and then splits them among the appropriate fiscal year budgets. The Capital Projects Summary table included in the Financial Section under All Funds shows the upcoming planned projects and costs included in the current budget. The District typically has more projects than can be funded so management prioritizes the projects throughout the year to stay within budget. The budget also contains equipment purchases to replace old computes. There were no buses planned for purchase during 2018.



In order to track and plan for bus replacement the District utilizes a bus replacement plan. On the schedule the timing of the bus purchases is planned for the summer months, however, based on the nature of these transactions and order lag, the timing of the purchases and trade-ins may fluctuate throughout any given year. A new bus price ranges from approximately \$81,000 to \$94,000.

All large and small buses are now diesel powered. The large buses are being operated for ten to eleven years. The small buses are being operated for nine to ten years. The District has extended the replacement cycle from seven to a maximum of ten years for the small buses due to them being diesel powered.

While the District will be operating some older buses than recommended, all buses on the road will be mechanically and structurally sound. This element will be achieved by carefully reviewing maintenance records. Only the “best” of the buses scheduled for replacement will be retained annually.

The summary of the bus replacement plan and the current bus fleet is outlined on the following schedule.

**Modified Summary of the
 Bus Replacement Plan / A & O Plan**

| Calendar Year Summer | No. of Large Buses | | No. of Small Buses | | Total No. of Buses | |
|-------------------------|--------------------|-------|--------------------|-------|--------------------|-------|
| | Buy | Trade | Buy | Trade | Buy | Trade |
| 2017* | 18 | (18) | 20 | (20) | 38 | (38) |
| 2018 | 22 | (22) | 21 | (21) | 43 | (43) |
| 2019 | 20 | (20) | 21 | (21) | 41 | (41) |
| 2020 | 24 | (24) | 20 | (20) | 44 | (44) |
| 2021 | 15 | (15) | 22 | (22) | 37 | (37) |
| 2022 | 15 | (15) | 11 | (11) | 26 | (26) |
| 2023 | 16 | (16) | 11 | (11) | 27 | (27) |
| 2024 | 18 | (18) | 10 | (10) | 28 | (28) |
| 2025 | 18 | (18) | 15 | (15) | 33 | (33) |
| 2026 | 18 | (18) | 15 | (15) | 33 | (33) |

* No buses were purchased or leased due to uncertainty of state funding.

Summary of Current Fleet

| Fiscal Year | No. of Large Buses | No. of Small Buses | Total No. of Buses |
|-------------|--------------------|--------------------|--------------------|
| 2016 | 190 | 164 | 354 |
| 2017 | 185 | 169 | 354 |
| 2018 | 184 | 166 | 350 |

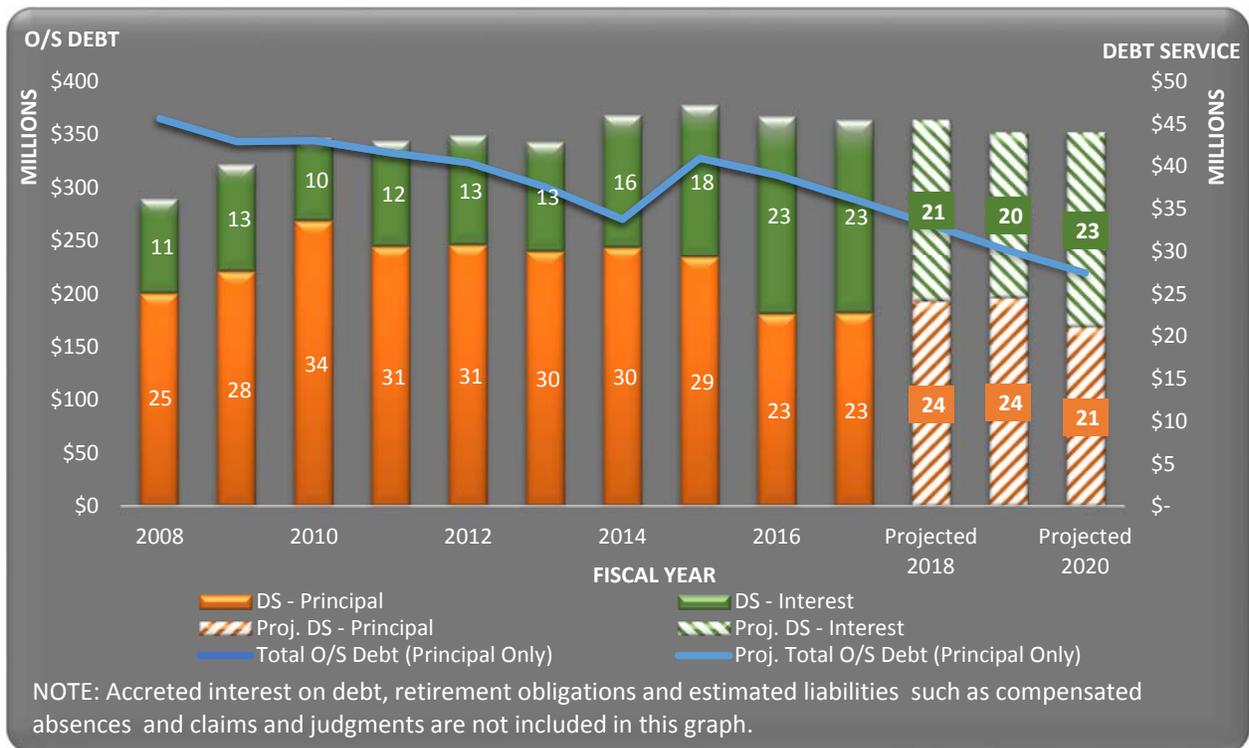
DEBT MANAGEMENT

The majority of debt issued by U-46 is intended to fund capital projects, maintaining and renovating buildings, purchasing of new buses and the like. District management assesses the District's future needs, projects revenues and expenditures and recommends the issuance of debt only when it is believed to be in the District's overall best interest.

In the early 2000's when the District's population was rapidly growing U-46 issued multiple Capital Appreciation Bond series (CABs) to fund the construction of eight new schools, six elementary, one middle and one high school. These bond issuances totaled \$178.5 million and 75 percent of the principal balance was not scheduled to be paid until 2015 and after. In addition to the principal coming due, interest on capital appreciation bonds is not paid each year but rather accumulates and is paid in large sums closer to maturity; this interest liability is called accreted interest. With the debt service costs for these bonds escalating the District issued refunding bonds in 2015 in order to smooth these debt service payments over the next six to seven years. The resulting consistent debt service payments going forward will allow for more manageable planning and budgeting.

Currently, with no plans for new building construction, District management anticipates the outstanding debt to decline over the next few years. The blue line on the chart below shows the past ten years of the District's outstanding debt balance and an additional three years of projected outstanding debt. The bars represent the principal and interest portions of the debt service payments each year.

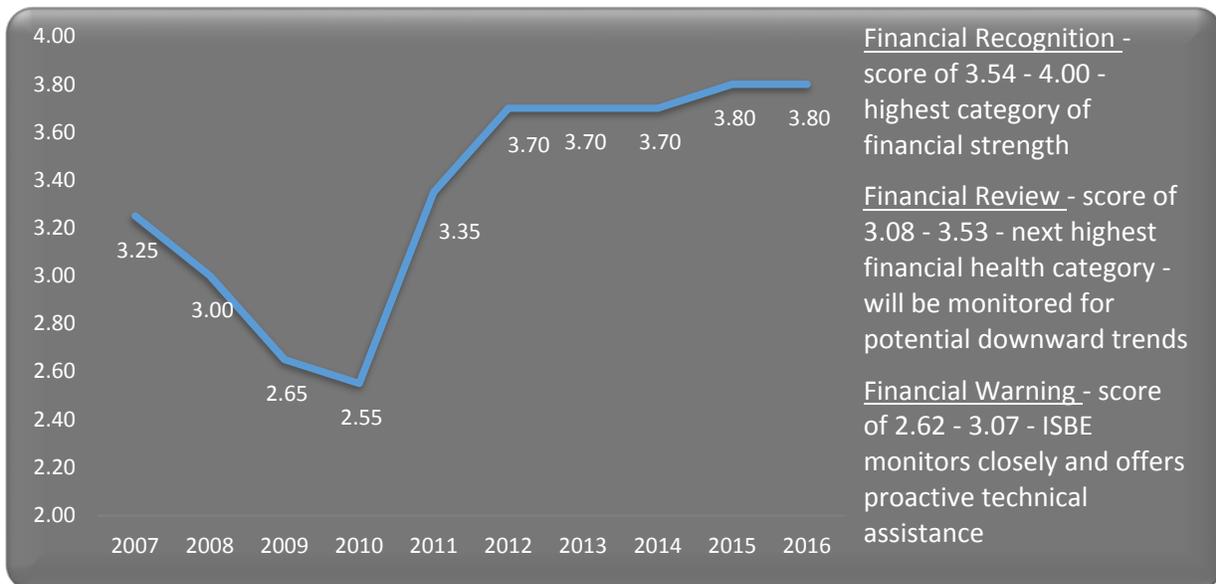
Total Outstanding Debt / Debt Service Payments



DISTRICT FINANCIAL SCORE

In fiscal year 2016, the District received Financial Recognition status with an Illinois State Board Financial Profile score of 3.80. The District has received the Recognition status each year since fiscal year 2012 and anticipates maintaining the highest status again in fiscal year 2017, however, if state funding is dramatically cut the District’s financial score will be downgraded since fund balances will have to be spent down and additional financing will need to be obtain in order to finish the school year. This financial strength benchmark measures five indicators, 1) fund balance to revenue ratio; 2) expenditure to revenue ratio; 3) days cash on hand; 4) percent of short-term borrowing maximum remaining and 5) percent of long-term debt margin remaining. According to the Illinois State Board of Education (ISBE) of the 852 Illinois districts reporting to ISBE for fiscal year 2016, 632 or 74 percent of districts received the “Recognition” status; 154 or 18 percent received “Review” status; 47 or 6 percent received “Early Warning” status and; 19 or 2 percent received “Watch” status. The following is a graph of the District’s financial status score over the past 10 years:

District Financial Score



Assessed Values of Taxable Property, Property Tax Rates and Extended Levies

| Fiscal Year Tax Levy Year | Budget | | |
|----------------------------------|---------------|---------------|---------------|
| | 2018 | | |
| | 2017 | | |
| | Kane | Cook | DuPage |
| Equalized Assessed Value (EAV) | 1,662,139,668 | 1,973,972,502 | 1,071,198,635 |
| Direct Tax Rate (U46 Portion) | 6.4848 | 6.7703 | 6.2766 |
| Est. Actual Taxable Value | 4,986,423,990 | 6,420,866,148 | 3,213,599,119 |
| Extended Levy | 107,787,077 | 133,643,812 | 67,234,445 |
| <u>Residential Property Data</u> | | | |
| No. of Parcels | 28,026 | 22,092 | 13,920 |
| Assessed Value w/o Exemptions * | 1,444,108,410 | 451,730,208 | 1,030,432,167 |
| Total Property Market Value | 4,332,329,563 | 4,517,302,079 | 3,091,299,592 |
| Avg. Property Market Value | 154,583 | 204,477 | 222,076 |
| Avg. Assessed Value w/Exemptions | 1,259,201,343 | 451,730,208 | 943,646,499 |
| Property AV w/Exemptions | 44,930 | 20,448 | 67,791 |
| Equalized | 1.0000 | 2.6685 | 1.0000 |
| Avg. Equalized Assessed Value | 44,930 | 54,565 | 67,791 |
| Avg. Tax Burden owed to U46 | 2,914 | 3,694 | 4,255 |

* Cook County assessed value includes exemptions

Notes:

-Tax rates per \$100 of Equalized Assessed Valuation

-Cook County assesses property differently than Kane and DuPage, when comparing the property values between counties use EAV and market value

Student Enrollment Three-Year History, Budget and Three-Year Forecast

| School Year | Pre-Kindergarten | Elementary | | Middle | | High | | Self-Cont. Spec. Ed | Other (B) | Total | | Utilization |
|----------------------------|--------------------|--------------|----------|--------------|----------|--------------|----------|------------------------|--------------|--------------|----------|-------------|
| | Actual/Proj. | Actual/Proj. | Capacity | Actual/Proj. | Capacity | Actual/Proj. | Capacity | Actual/Proj. | Actual/Proj. | Actual/Proj. | Capacity | |
| Actual Enrollment (A) | | | | | | | | | | | | |
| 2014-2015 | Data Not Available | 21,087 | 27,273 | 5,819 | 8,568 | 11,791 | 13,944 | 685 | 183 | 38,880 | 49,785 | 78% |
| 2015-2016 | 1,179 | 20,398 | 27,273 | 5,718 | 8,568 | 11,971 | 13,944 | 726 | 425 | 39,691 | 49,785 | 80% |
| 2016-2017 | 1,251 | 20,187 | 27,273 | 5,991 | 8,568 | 11,874 | 13,944 | 777 | 337 | 39,640 | 49,785 | 80% |
| Enrollment Budget (C) | | | | | | | | | | | | |
| 2017-2018 | 1,224 | 19,635 | 27,273 | 5,945 | 8,568 | 11,779 | 13,944 | 777 | 341 | 38,924 | 49,785 | 78% |
| Enrollment Forecast (C) | | | | | | | | | | | | |
| 2018-2019 | 1,196 | 18,982 | 27,273 | 5,653 | 8,568 | 11,962 | 13,944 | 777 | 335 | 38,128 | 49,785 | 77% |
| 2019-2020 | 1,209 | 18,311 | 27,273 | 5,577 | 8,568 | 11,800 | 13,944 | 777 | 338 | 37,235 | 49,785 | 75% |
| 2020-2021 | 1,220 | 17,725 | 27,273 | 5,429 | 8,568 | 11,645 | 13,944 | 777 | 341 | 36,360 | 49,785 | 73% |

(A) Actual enrollment for each school year as of the last school day in September, for the years listed through 2015-2017.

(B) Includes Alternative Education except for Pre-K.

(C) Kindergarten numbers are based upon live births from five years prior from area hospitals for forecast years.

**District Personnel Resource FTE Allocations
 Three-Year History, Current Estimate and Budget
 by Employee Group**

| Staff | Actual 2014 | Actual 2015 | Actual 2016 | Est. Actual 2017 | Budget 2018 |
|--|----------------|----------------|----------------|---------------------|----------------|
| Teachers | 2,362 | 2,421 | 2,399 | 2,484 | 2,469 |
| Building substitutes | 5 | 5 | - | - | - |
| Noon hour supervisors (part-time) | 76 | 80 | 78 | 90 | 90 |
| Educational assistants/paraprofessionals | 422 | 452 | 440 | 488 | 488 |
| Secretary/clerical | 222 | 229 | 222 | 232 | 232 |
| Transportation | 400 | 403 | 414 | 391 | 391 |
| Custodial/maintenance | 126 | 139 | 136 | 136 | 136 |
| Technical/other | 207 | 194 | 197 | 215 | 215 |
| Food service | 155 | 153 | 150 | 144 | 144 |
| School administration | 102 | 99 | 98 | 101 | 101 |
| Supervisors/directors/coordinators | 34 | 40 | 42 | 41 | 41 |
| Central administration | 33 | 29 | 31 | 34 | 34 |
| Divisionals | 16 | 17 | 17 | 17 | 17 |
| Superintendent/executive staff | 9 | 10 | 10 | 10 | 10 |
| Total staff by FTEs | 4,169 | 4,271 | 4,234 | 4,383 | 4,368 |

Source: District Financial Services

The 2018 budget includes a reduction of 15 teacher FTEs. This is due to slightly lower enrollments and staffing needs assessed by District management during the budget process.



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

This Meritorious Budget Award is presented to

SCHOOL DISTRICT U-46

for excellence in the preparation and issuance of its budget
for the Fiscal Year 2016-2017.

The budget adheres to the principles and standards
of ASBO International's Meritorious Budget Award criteria.



A handwritten signature in black ink that reads 'Brenda Burkett'. The signature is written in a cursive style and is positioned above a horizontal line.

Brenda R. Burkett, CPA, CSBA, SFO
President

A handwritten signature in black ink that reads 'John D. Musso'. The signature is written in a cursive style and is positioned above a horizontal line.

John D. Musso, CAE, RSBA
Executive Director



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

School District U-46

Illinois

For the Fiscal Year Beginning

July 1, 2016

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to **School District U-46, Illinois** for its annual budget for the fiscal year beginning **July 1, 2016**. In order to receive this award, a government unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device. This award is valid for a period of one year only.



ORGANIZATIONAL SECTION



FISCAL YEAR 2018 BUDGET
(School Year 2017-2018)



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DISTRICT PROFILE

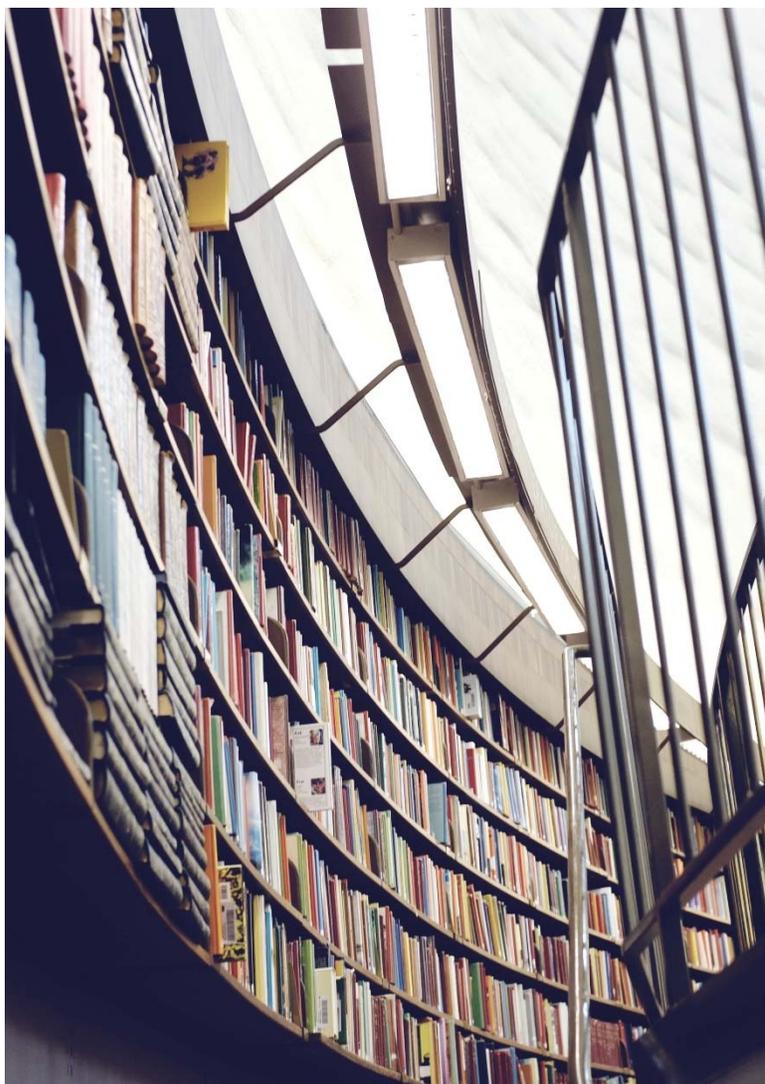
Legal Autonomy and Fiscal Independence

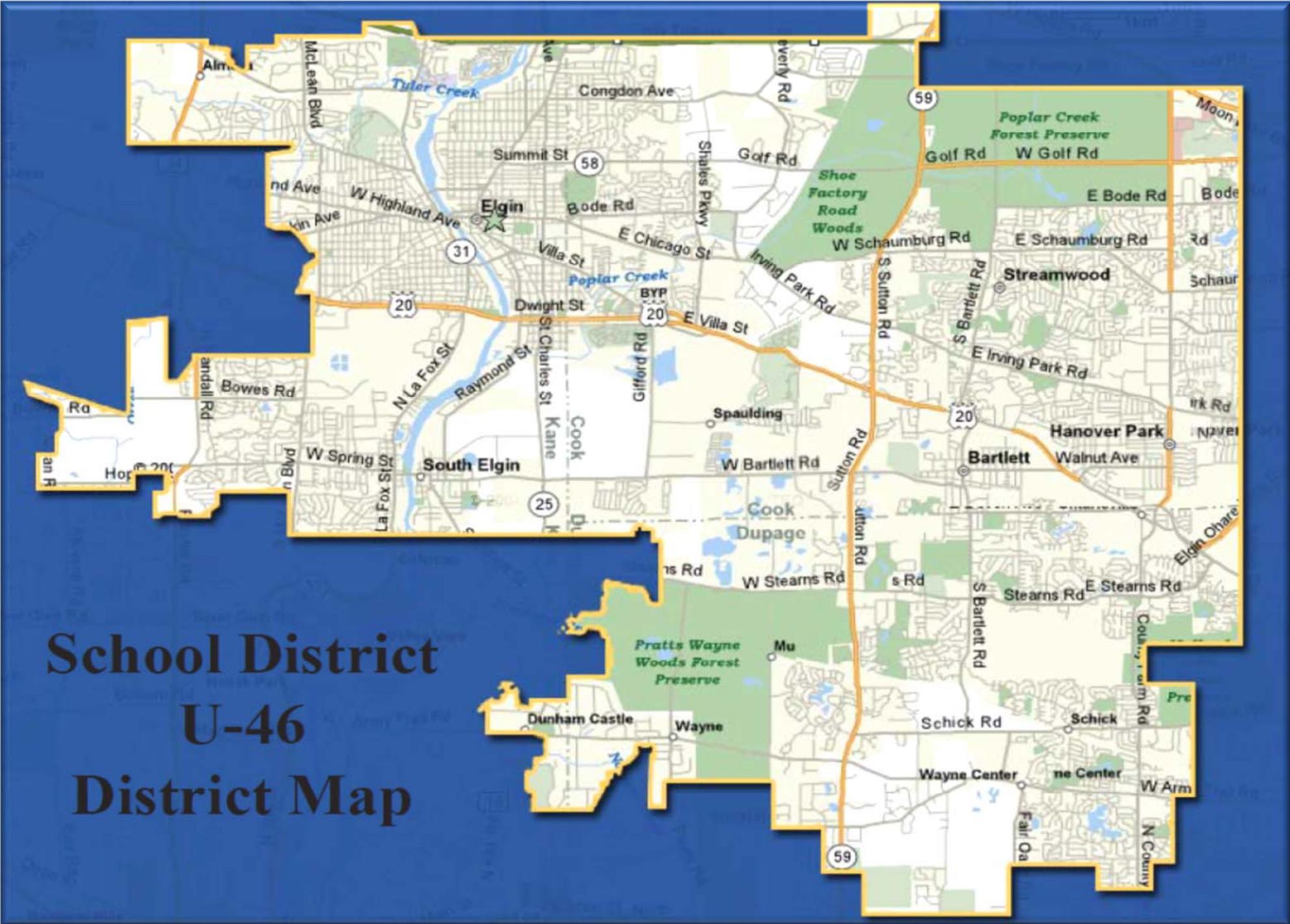
School District U-46 is organized under the School Code of the State of Illinois, as amended. The District exists as a legal entity deriving its just powers from the General Assembly of the State of Illinois through the State Board of Education for the purpose of providing a system of free public education. The District is classified as a unit school district and operates as a public school system governed by an elected seven-member Board of Education. The District constitutes a body politic and corporate with all powers as prescribed by laws including but not limited to the power to sue and be sued, purchase, hold and sell personal property and real estate, and enter into such obligations as are authorized or implied by law. It has the statutory authority to adopt its own budget, levy taxes and issue bonded debt without the approval of another government and it is not considered a component unit of any other entity. Based on these criteria, the District is considered a primary government and there are no other organizations or agencies whose budgets should be considered and presented with this budget.

The legal authority of the Board of Education is transmitted through the superintendent or designee along specific paths from person to person as shown in the Board-approved organization chart of the District. The lines of authority on the chart represent direction of authority and responsibility. The Board of Education expects the superintendent/designee to keep the administrative structure up-to-date with the need for supervision and accountability throughout the school district.

Size and Scope

School District U-46 is the second-largest school district in Illinois. Covering 90 square miles, the District is located approximately 45 minutes northwest of Chicago. The District serves nearly 40,000 children in grades PreK-12 at our 56 school buildings throughout the communities of Bartlett, Elgin, Hanover Park, South Elgin, Streamwood, Wayne, and portions of Carol Stream, Hoffman Estates, St. Charles, Schaumburg, and West Chicago.





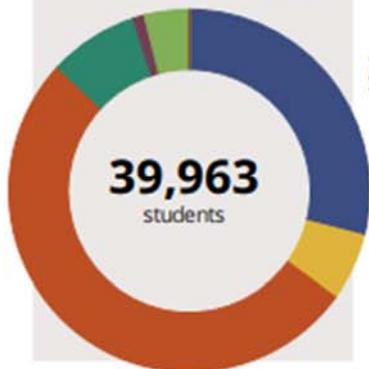
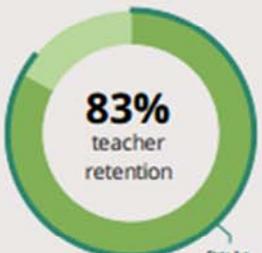
**School District
U-46
District Map**

SD U-46

355 E CHICAGO ST ELGIN, IL 60120 6543 (847) 888-5000

Grades: P-12
Superintendent: Dr Kenneth Arndt

FAST FACTS



Academic Success

All Illinois students in grades 3-8 take the PARCC assessment each year. High school students take the PARCC in specific Math or English Language Arts (ELA) courses.



Success by Student Group

This display shows PARCC performance levels for each student group. No data is shown for groups with fewer than 10 students.

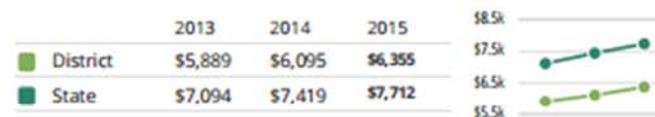


Student Characteristics

| | | | |
|-------------------|-----|-------------------|-----|
| White | 29% | Low Income | 58% |
| Black | 6% | English Learners | 28% |
| Hispanic | 52% | With Disabilities | 13% |
| Asian | 8% | Homeless | 2% |
| American Indian | 1% | | |
| Two or More Races | 4% | | |
| Pacific Islander | 0% | | |

District Finance

Instructional Spending per Pupil includes only the activities directly dealing with the teaching of students or the interaction between teachers and students.



Operational Spending per Pupil includes all costs for overall operations in this district, including Instructional Spending, but excluding summer school, adult education, capital expenditures, and long-term debt payments.



College Readiness

Ready for College Coursework

Students who meet or exceed ACT college readiness benchmarks



Postsecondary Enrollment

Students who enroll at colleges and universities



Postsecondary Remediation (lower is better)

Students enrolled in Illinois community colleges who require remedial coursework



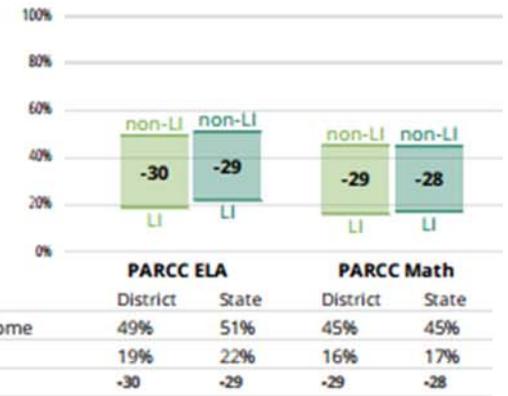
SD U-46

Schools in District

| School Name | Grades | % Ready for Next Level | School Name | Grades | % Ready for Next Level |
|---------------------------------|--------|------------------------|-----------------------------------|--------|------------------------|
| BARTLETT HIGH SCHOOL | 9-12 | 26% | HIGHLAND ELEM SCHOOL | K-6 | 19.8% |
| ELGIN HIGH SCHOOL | 9-12 | 5.9% | HILLCREST ELEM SCHOOL | K-6 | 14.5% |
| LARKIN HIGH SCHOOL | 9-12 | 12.1% | HILLTOP ELEMENTARY SCHOOL | K-6 | 40.1% |
| SOUTH ELGIN HIGH SCHOOL | 9-12 | 27.3% | HORIZON ELEM SCHOOL | P-6 | 52.4% |
| STREAMWOOD HIGH SCHOOL | 9-12 | 21.5% | HUFF ELEM SCHOOL | P-6 | 14% |
| ABBOTT MIDDLE SCHOOL | 7-8 | 14.5% | ILLINOIS PARK ELEM SCHOOL | P,K | - |
| CANTON MIDDLE SCHOOL | 7-8 | 22.2% | LAUREL HILL ELEM SCHOOL | K-6 | 21.8% |
| EASTVIEW MIDDLE SCHOOL | 7-8 | 54.7% | LIBERTY ELEM SCHOOL | P-6 | 52.6% |
| ELLIS MIDDLE SCHOOL | 7-8 | 16.3% | LINCOLN ELEMENTARY SCHOOL | K-6 | 29.8% |
| KENYON WOODS MIDDLE SCHOOL | 7-8 | 43.4% | LORDS PARK ELEM SCHOOL | P-6 | 17.9% |
| KIMBALL MIDDLE SCHOOL | 7-8 | 20.1% | LOWRIE ELEM SCHOOL | P-6 | 16.1% |
| LARSEN MIDDLE SCHOOL | 7-8 | 23.3% | MCKINLEY ELEM SCHOOL | K-6 | 14.7% |
| TEFFT MIDDLE SCHOOL | 7-8 | 34.4% | NATURE RIDGE ELEM SCHOOL | K-6 | 40.5% |
| BARTLETT ELEM SCHOOL | K-6 | 46.5% | OAKHILL ELEM SCHOOL | K-6 | 19.4% |
| CENTENNIAL SCHOOL | P-6 | 52.9% | ONTARIOVILLE ELEM SCHOOL | K-6 | 20.7% |
| CENTURY OAKS ELEM SCHOOL | K-6 | 14.2% | OTTER CREEK ELEM SCHOOL | P-6 | 32.5% |
| CHANNING MEMORIAL ELEM SCHOOL | K-6 | 9.6% | PARKWOOD ELEM SCHOOL | P-6 | 14.3% |
| CLINTON ELEM SCHOOL | K-6 | 43.5% | PRAIRIEVIEW ELEMENTARY SCHOOL | K-6 | 61.8% |
| COLEMAN ELEM SCHOOL | K-6 | 20.8% | RIDGE CIRCLE ELEM SCHOOL | K-6 | 29.2% |
| CREEKSIDE ELEM | P-6 | 23.9% | RONALD D O NEAL | P-6 | 29.8% |
| FOX MEADOW ELEMENTARY SCHOOL | K-6 | 40.9% | SPRING TRAIL ELEMENTARY SCHOOL | K-6 | 45.4% |
| GARFIELD ELEM SCHOOL | P-6 | 13% | SUNNYDALE ELEM SCHOOL | K-6 | 30.4% |
| GLENBROOK ELEM SCHOOL | K-6 | 43.7% | SYCAMORE TRAILS ELEMENTARY SCHOOL | P-6 | 51.5% |
| HANOVER COUNTRYSIDE ELEM SCHOOL | K-6 | 41.9% | TIMBER TRAILS ELEMENTARY SCHOOL | K-6 | 45.4% |
| HARRIET GIFFORD ELEM SCHOOL | K-6 | 13.3% | WASHINGTON ELEM SCHOOL | K-6 | 17.2% |
| HAWK HOLLOW ELEM SCHOOL | K-6 | 43.2% | WAYNE ELEM SCHOOL | K-6 | 61.5% |
| HERITAGE ELEM SCHOOL | K-6 | 22.3% | WILLARD ELEM SCHOOL | K-6 | 25.8% |

Achievement Gap

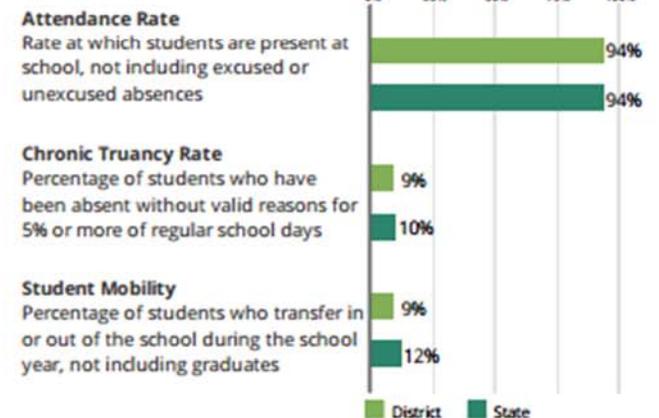
Achievement gaps display the differences in academic performance between student groups. The display below shows the gap in readiness for the next level between low income (LI) students and non-low income (non-LI) students on the PARCC assessment for both English Language Arts (ELA) and Math.



Educator Measures

This district has had an average of **2 principal(s)** at the same school over the past 6 years. District wide in the last three years, an average of **83% of teachers** return to the same school each year.

Student Attendance and Mobility



FOR MORE INFORMATION

Visit IllinoisReportCard.com to see additional details about each item of information for this school. There you will find charts spanning multiple years, detailed explanations, resources, more of the school's programs and activities, and powerful tools that let you dig deeper into data.

Most of this data has been collected by ISBE from school districts through data systems. Some information, such as the School Highlights, is entered directly by principals and can be updated throughout the year.

DISTRICT LEADERSHIP

BOARD OF EDUCATION

| <u>Member</u> | <u>Position/Term Expires</u> |
|-------------------------|------------------------------|
| Donna Smith | President 2021 |
| Susan Kerr | Vice President 2019 |
| Veronica Noland..... | Secretary Pro-Tempore 2021 |
| Phil Costello | Member 2019 |
| Traci O’Neal Ellis..... | Member 2019 |
| Melissa Owens..... | Member 2021 |
| Jeanette Ward..... | Member 2019 |
| Casey Pearce..... | Student Advisor 2018 |

SUPERINTENDENT AND EXECUTIVE STAFF

| | |
|--------------------------|--|
| Tony Sanders | Chief Executive Officer |
| Miguel Rodriguez | Chief Legal Officer |
| Dr. Ushma Shah..... | Assistant Superintendent, Elementary Education |
| Steve Burger | Assistant Superintendent, Elementary Education |
| Dr. Terri Lozier | Assistant Superintendent, Secondary Education |
| Ron Raglin | Assistant Superintendent, Education Support Programs |
| Dr. Jeffrey King | Chief Operating Officer/Chief School Business Official |
| Dr. Suzanne Johnson..... | Assistant Superintendent for Teaching and Learning |
| Melanie Meidel..... | Assistant Superintendent, Human Resources |

Board of Education

State law holds school boards responsible for policies in these areas: approval of course of study and textbooks, adoption of an annual budget, construction, furnishing and maintenance of facilities, and employment and evaluation of the superintendent/chief executive officer.

Elected members serve four-year terms and are not paid for their services. To be eligible to serve, a school board member must meet the following requirements on the date of the election: 1) is a citizen of the United States, 2) at least 18 years of age, 3) a registered voter, 4) a resident of the State of Illinois, and 5) a resident of School District U-46 for at least one year immediately preceding the election.

Two U-46 administrators and one student join the Board at the table during meetings. Chief Executive Officer Tony Sanders, Chief Legal Officer Miguel A. Rodriguez, who serves as Board Secretary, and Casey Pearce, Student Advisor to the Board, are resource persons but do not vote.

Board meetings are generally held twice each month, usually on the first and third Monday, at 7:00 p.m., unless the school schedule dictates otherwise. The meetings are open to the public and comments are heard from community members during the Comments from the Audience section of the agenda. The meeting schedule and official board minutes are posted on the District website.

The Board Members are as follows:



Donna Smith, President, a resident of Hanover Park, has been a member of the school board since 2001. She has served as chairperson of the Citizens' Advisory Council and as an active member in the Partnership for Excellence in Learning, Comprehensive High School Committee, P.A.S.S. Committee and several parent teacher organizations. Mrs. Smith works in Accounts Payable/Accounts Receivable for a transportation company. Mrs. Smith's term expires in 2021.

Susan Kerr, Vice President, a resident of Bartlett, was elected to the Board of Education in 2015. She has been a member of the Citizens' Advisory Council where she has co-chaired a number of committees. Ms. Kerr worked as a computer programmer analyst at the University of Chicago Library. Ms. Kerr's term expires in 2019.



Veronica Noland, Secretary Pro Tempore, an Elgin resident, is active with the Channing Elementary School Parent Teacher Organization, having previously served as Vice-President. She also has been a member of both the U-46 Hispanic Parent Leadership Institute and the Citizens' Advisory Council. Ms. Noland is serving her first term which expires in 2017.

ORGANIZATIONAL SECTION



Phil Costello, a nine-year resident of Bartlett and life-long resident of Illinois was elected to the Board of Education in 2015. Mr. Costello is a CPA with a Masters of Business Administration. He is employed at the Oak Lawn Park District as a Superintendent of Finance and Personnel. Mr. Costello also serves as the Vice Chairman on the Homes for Children Foundation and Audit Committee Chair for ChildServ, two nonprofit organizations that provide child welfare support services in; Cook, Kane and DuPage counties. Mr. Costello's term expires in 2019.

Traci O'Neal Ellis is a resident of Elgin and is serving her second term on the school board. She is an attorney and employed by the Illinois Mathematics and Science Academy as the Executive Director of Human Resources. Mrs. O'Neal Ellis' term expires in 2019.



Melissa Owens, a resident of Bartlett, was elected to the Board of Education in 2017. Ms. Owens served on the Citizens' Advisory Council for seven years, chairing the Special Education Committee and the General Council. She also served on the Operating Board of the Elgin Alignment Collaborative for Education for one year. Ms. Owens is the Volunteer Program Coordinator for the Community Crisis Center in Elgin. Her term expires in 2021.

Jeanette Ward, a West Chicago resident, was elected to the Board of Education in 2015. A parent volunteer in the district, Mrs. Ward is also the Regulatory Affairs Manager at an international chemical company. Mrs. Ward's term expires in 2019.



Casey Pearce is a senior at Bartlett High School and is enrolled in the Science, Engineering and High Technology Academy. She serves on the CEO Student Advisory Council and is a member of the National Honor Society and track team. Casey also performs with the Schaumburg Youth Orchestra and Bartlett Orchestra. Through various community volunteer work, Casey demonstrates a high level of maturity and responsibility to serve as the Board of Education Student Advisor. Casey's term expires in 2018.

Chief Executive Officer



Chief Executive Officer Tony Sanders runs the day-to-day operations of School District U-46, a place he has called home since 2007. Mr. Sanders oversees the implementation of all board and district policies and procedures as well as alignment of resources to all districtwide initiatives and improvement plans for the state's second-largest school district. He works in close collaboration with an administrative staff that manages a balanced district budget of nearly \$500 million, and he has lobbied relentlessly in Springfield for more equitable state education funding.

Mr. Sanders is working with staff and community members to set specific measurable goals for the district's newly-developed Strategic Plan which calls for ensuring all students gain the experiences they need to graduate from School District U-46 prepared to compete in a global society. He's proud of the district's many achievements, from high schools ranked among the best in the country, to a thriving dual-language program and expanding preschool opportunities.

Mr. Sanders recently attended the White House's Rethinking School Discipline conference, representing Illinois and U-46 where suspension rates have dropped dramatically as staff members embraced new approaches to responding to behavioral issues and supporting students.

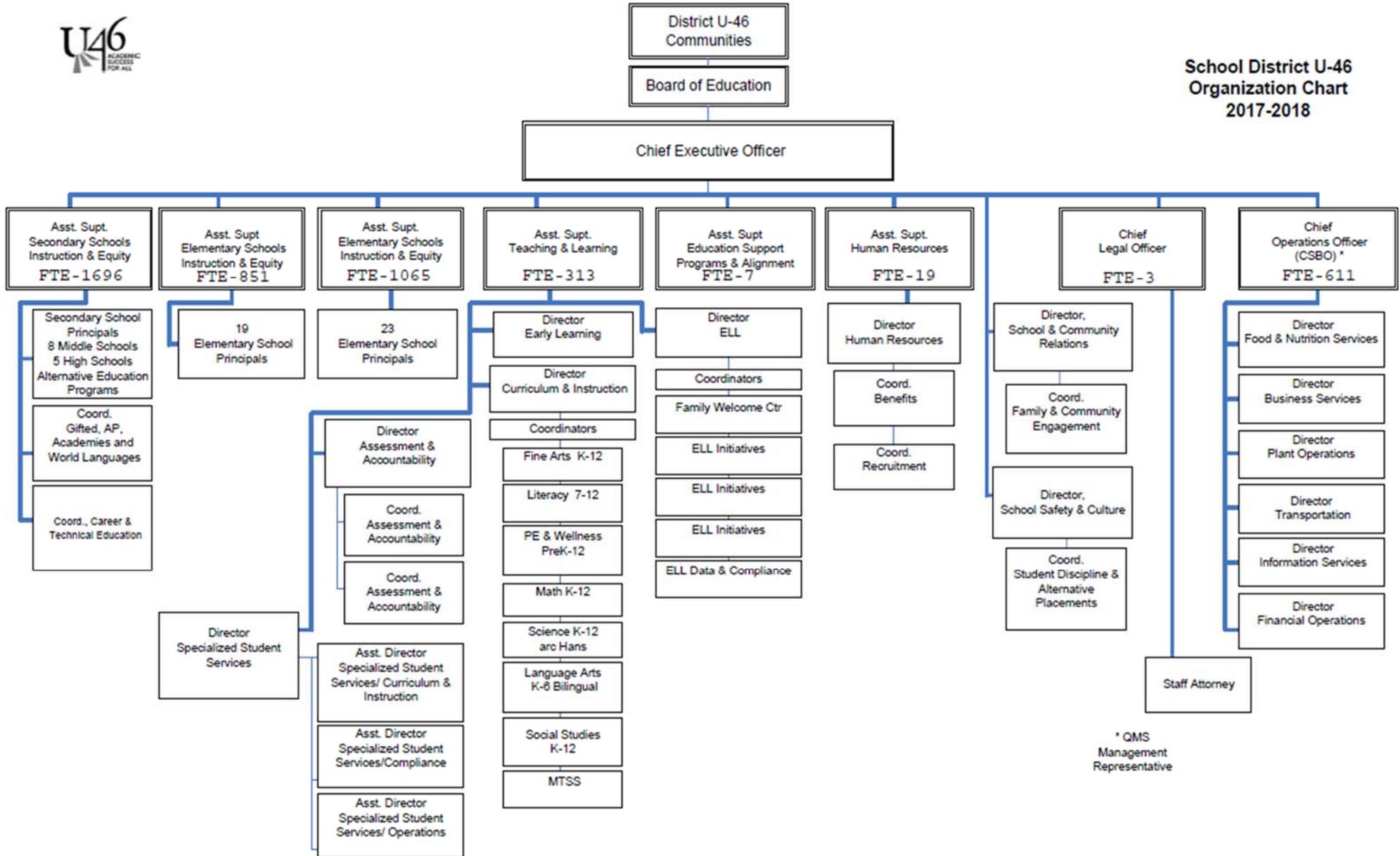
Prior to becoming CEO, Mr. Sanders served as the Chief of Staff for former Superintendent Dr. José M. Torres. Mr. Sanders joined the district as Chief Communications Officer after holding the same title in St. Louis Public Schools. He brings two decades of leadership experience to his current post, having served as Acting Director for Governmental Relations and Public Information for the Illinois State Board of Education and other top posts at the Department of Professional Regulation and the Illinois Department of Public Health.

Mr. Sanders earned his Master of Business Administration degree from New York Institute of Technology – Ellis College, and his undergraduate degree from the University of Illinois at Springfield.

Mr. Sanders and his wife, Schelli, live in Elgin with their two children, Jack and Lexie. Jack recently graduated from U-46 and Lexie is currently a student at U-46.



School District U-46
 Organization Chart
 2017-2018



* QMS Management Representative

DEPARTMENTS AND PROGRAMS

School District U-46 provides a comprehensive curriculum to children in grades preschool through twelfth grade. At every step of a child's educational journey, we're committed to ensuring that our students are equipped with the skills to become college and work place ready. Just as students come in all shapes and sizes, activities to support student learning are designed to meet the needs of every student.

A range of support services and departments are in place to assist in fulfilling the needs of the programs and departments within the District.

The Chief Executive Officer and the Cabinet members, oversee all departments, program directors and curriculum coordinators in the District. The departments and programs listed below provide specific services to students, staff, families and the community.

STUDENT LEARNING

Assessment and Accountability

Assessment is an integral part of the educational process. It allows teachers to determine what and how students are learning. It provides information used to make decisions about teaching individual students as well as broad determinations on the effectiveness of the instructional program in a school and the overall school system.

AVID (Advanced Via Individual Determination.)

AVID is a college readiness elective program for students and the District currently offers these courses in grades seven through twelve. All middle and high schools have an AVID Site Coordinator and an active AVID Site Team. The District also has an AVID District Director that oversees the AVID College Readiness System. U-46 had its first AVID Senior graduating class during the 2012-2013 school year, which marked the end of the fourth year of AVID implementation.



Career and Technical Education Program

Coordination of Career and Technical Education classes; responsible for curriculum development, evaluation, staff development, and improvement. Direction of the Northern Kane County Career and Technology Education System, for School Districts: 300, 301, 303 and U-46.

Common Core

The Common Core State Standards (CCSS) are the culmination of an extended, broad-based effort to fulfill the charge issued by the state to create the next generation of K-12 standards in order to help ensure that all students are college and career ready when they graduate high school. This one of the most important changes in education in the United States in the last fifty years and stands to positively affect students, parents, teachers, communities, and the work force as we take a firm grasp of what 21st century learning truly means.

Curriculum and Instruction

The Curriculum and Instruction Department oversees the implementation of standards-based and specialized curriculum.

Dual Language

The Dual Language program is a form of bilingual education in which students are taught literacy and academic content in two languages. It offers a unique opportunity for students to excel academically and learn a second language.



Early Learners

The Early Learners program is a partnership of family, school and community working collaboratively to provide comprehensive services to young children. Services are provided by highly-trained early childhood professionals. Curriculum and practices that are appropriate for the child's development level are used to meet the diverse needs of young children in a culturally sensitive environment. These learning opportunities are offered to children from birth to kindergarten.

English Languages Learners

Programs for students who are Limited English Proficient (LEP), including ELL/bilingual classes, English as a Second Language (ESL), and Dual Language.

Fine Arts

Provides opportunities to students from elementary through high school including chorus, music, orchestra, band and the visual arts. The department fosters creativity by providing opportunities for self-expression through innovative thinking, communication and artistic appreciation.

Gifted Programs

The gifted programs provide a variety of programs to ensure that every high-achieving student has an opportunity to excel. Talent Development programs are offered to students in grades one to six as well as core gifted curriculum, dual language and enrichment clusters in math language arts. High school students can select from up to 25 advanced placement (AP) course offerings.

High School Academies

Unique to Chicagoland's Fox Valley, U-46 academy programs are designed to take high school students to new levels of creative, interdisciplinary learning and give them a head start on a higher education. The high school academies include the Broadcast Education and Communication Networks Academy, Gifted and Talented Academy, Science, Engineering & High Technology Academy, Visual and Performing Arts Academy and World Languages & International Studies Academy.

Instructional Technology

U-46 strives to inspire individuals to be digitally literate citizens by authentically using technology to engage in 21st century skills. By supporting teachers and employees to integrate technology, the hope is to provide experiences that will allow students to become responsible digital citizens.

Literacy

The Literacy program provides language arts instruction for students from kindergarten through high school. The libraries in the District also provide information about the learning goals by grade level, curriculum details and resources for teachers.

Mathematics

The Mathematics program strives to give students the skills and knowledge they need to think and reason mathematically and to use what they have learned to solve problems.

MTSS (PBIS & RTI)

Multi-Tiered System of Supports (MTSS) is a Response to Intervention (RTI) model that utilizes a three tiered system designed to help schools provide students with high-quality instruction and interventions through academic and behavioral supports. Positive Behavioral Interventions and Supports (PBIS) is a proactive systems approach for creating and maintaining safe and effective learning environments in schools, ensuring that all students have the social/emotional skills needed to achieve their success at school and beyond.

Observatory/Planetarium

The Observatory/Planetarium provides students with astronomy lessons under the stars.



P.E. & Health Education

U-46 Physical Education promotes lifelong learning recognizing the value of personal development in the physical, affective and cognitive domains.

Science

The Science Department oversees all aspects of science education for kindergarten through twelfth grade students.

Social Studies

The Social Studies curriculum prepares students to be informed, knowledgeable, and active citizens throughout their lives.

Special Education

Special Education provides a full continuum of instructional and resource programs for students with special needs.

Specialized Student Services

Staff coordinates and provides a comprehensive program of services for students with all types of special education needs and disabilities. Includes programs in schools and early childhood centers and other sites such as Center House, SWEP and Central Schools Program at the Educational Services Center (ESC).

Teaching & Learning

The Teaching and Learning Department oversees Assessment & Accountability, Curriculum & Instruction, Early Learners, ELL, and Special Education.

SUPPORT SERVICES

Business Services

Business Services handles purchasing, warehousing, mail distribution and risk management for the District.

District Records

District Records is responsible for critical functions such as state aid claims, attendance tracking, federal and state reports, student transfer records, high school transcripts and medical records, immigration forms and Freedom of Information Requests.

Family Welcome Center

Family Welcome Center provides assistance for newly arrived families and elementary students, including those who speak little or no English, for enrolling in school and accessing information about the community.

Financial Operations

Financial Operations is responsible for budgets, audits, monthly financial statements, itemized bills, high dollar vendor contracts, salary information for teachers and administrators.

Food and Nutrition Services

The Food and Nutrition Services Department provides nutritious meals to promote student growth and development.

Health Services

The Health Services Department provides certified nurses to students and staff.

Human Resources

Human Resources strives to develop and maintain a highly-functioning, diverse workforce through effective communication and strategic human resource systems.

Information Services

Information Services provides the personnel, services, hardware and software to support the instructional and operational work of the District.

Payroll

The Payroll Department is responsible for complete and accurate payroll processing, time and attendance and related federal and state reporting.

Plant Operations and Maintenance

Plant Operations maintains 64 District buildings over 870 acres, manages utility usage, administers the District's facility rental program and processes 30,000 work orders annually.

Project Access

Project Access provides equal access to education and programs to homeless children.

S.A.F.E. Program

S.A.F.E. is a self-sustaining program designed to provide quality before and after school care to children in U-46, currently enrolled in kindergarten to sixth grades, while their parents work or further their own education.

School and Community Relations

The School and Community Relations Department supports the release of clear

information to all stakeholders and promotes parent and community engagement.



School Safety

The School Safety department is committed to the safety and security of students, staff, and visitors within U-46 facilities.

Teacher Effectiveness Initiatives

The Teacher Effectiveness Initiatives supports the District's commitment to effective teaching and learning in all classrooms by providing engaging learning opportunities, and practical support and assistance through continuous professional growth designed to positively impact student learning.

Teacher Mentor Program

The U-46/ETA Teacher Mentor Program is a nationally recognized, award winning ISBE approved employee support and assistance initiative for educators new to U-46.

Transportation

Transportation provides bus transportation for students living 1.5 miles or more from the school (as calculated by the U-46 Transportation Department). Transports nearly 27,000 students daily to 56 school buildings within the District's 90-square mile boundaries.

For more information about the District's departments and programs visit the Departments & Programs link on the District's website www.u-46.org.

STRATEGIC PLAN

The Board of Education believes that education should be shaped by purposes rather than by forces. Therefore, the education system of School District U-46, will maintain flexibility and adapt to an ever-changing society. It is dedicated to the total personal development of each student to the limits of his or her abilities and interests. This is to be accomplished in a sequentially coordinated curriculum which allows for individual differences.

To this end, staff members will aid in each student's intellectual, physical, moral, emotional, aesthetic, and social growth so he or she may become a useful and responsible member of home, community and society while leading a personally rewarding life.

U-46 has paved the way for student success and prepares our students to be citizens of the world. With a diverse community, our children receive specialized attention and numerous programs available to fit their needs. Some of our special offerings include an academy program at the high schools, honors and gifted programs, Dual Language program, English Language Learners program, special education for those students in need, and various sports, clubs and activities to match a wide range of student interests.

The District's strategic plan reflects the vision and values of employees, parents, students and community members who participated in its development. The District will continue to share our progress as together we work to turn this plan into reality for our community, our staff and, most importantly, our 40,000 kindergarten through twelfth grade students and their families.



MISSION AND MAJOR GOALS

MISSION

U-46 will be a great place for all students to learn, all teachers to teach, and all employees to work. All means all.



VISION

U-46 will inspire individuals to convert their dreams into realities.

VALUES

| | |
|-------------------|-----------------------------|
| Equity | Leadership & Accountability |
| Innovation | Professional Development |
| Respect | Safe & Secure Environment |
| High Expectations | Stakeholder Involvement |



There are many factors that help identify areas of success and strengths throughout the District as well as elements that need additional attention. Some factors are more measurable than others and several factors should be considered before concluding a goal has been reached or not. The following metrics listed under each priority have been chosen to assist in measuring the progress of the goals identified. Any one metric alone does not necessarily provide the whole picture as to the actual progress but should be used in conjunction with other quantitative and qualitative measures when possible. The metrics and benchmarks are continually reassessed so the most relevant measurements can be tracked.

U46 STRATEGIC PLAN

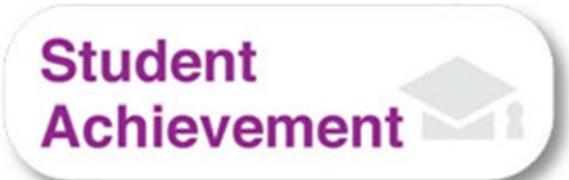


Student Achievement
Aspiration: We will educate the whole student by providing an enriched, high quality experience that empowers all graduates to be competitive members of the global society.

Effective & Engaged Staff
Aspiration: We will value, develop, and recruit a forward-thinking, highly qualified, and diverse workforce.

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

Excellence, Efficiency & Accountability
Aspiration: We will advocate for and utilize systems and resources that promote operational excellence, efficiency and accountability.



PRIORITY 1

We will implement and support a challenging, standards based curriculum across all content areas.



Objective 1: Increase the percentage of students who are prepared for kindergarten.

Kindergarten Readiness The District monitors students who are proficient in meeting the kindergarten readiness benchmark for those enrolled in the district-provided pre-K program. The readiness will be measured by letter identification tracked by the District internally.

Goal 1: Annual increase of students who are proficient in meeting kindergarten readiness of 6 percent with an overall target of 75 percent.

Progress:

| School Year | 2015-16 | 2016-17 | 2017-18 |
|---------------|---------|---------|---------|
| Annual Target | 63% | 66% | 69% |
| Earned | 60% | 48% | TBD |

Objective 2: Increase the percentage of students who are college and career ready.

College and Career Readiness The District monitors three separate indicators to measure college and career readiness of its students. These indicators include enrollments in AP courses, percent of high school students receiving industry credentials, and the percentage of high school students graduating within five years.

Goal 2: Increase unique high school students enrolled in AP courses by 2 percent annually or attain 30 percent enrollment overall.

Progress:

| School Year | 2015-16 | 2016-17 | 2017-18 |
|---------------|---------|---------|---------|
| Annual Target | 23% | 25% | 27% |
| Earned | 23% | TBD | TBD |

ORGANIZATIONAL SECTION

Goal 3: Increase high school students receiving industry credentials by 5 percent annually or attain 25 percent overall.

Progress: As of the publication of this annual budget book the measurements and targets have not yet been established.

Goal 4: Increase students graduating within five years by 3 percent annually or obtain 99 percent overall.

Progress:

| School Year | 2015-16 | 2016-17 | 2017-18 |
|---------------|---------|---------|---------|
| Annual Target | 90% | 92% | 94% |
| Earned | 88% | TBD | TBD |

Priority 1 Costs: The costs outlined below are not all inclusive but rather costs that can be separated and attributable to the objectives and goals discussed. The costs shown are only those costs that were included in the fiscal year 2018 budget.

- Assessments (MAP, PSAT, AP and other) \$680,791
- AVID/Gifted/Academies/AP
 - Tutors \$328,000
 - Site Development and Teams 144,400
 - Instructional Professional Services 50,000
 - Training and Professional Development 113,000
 - College and Career Readiness Platform 200,000
 - Dues and Fees 165,000
 - Supplies and Supplemental Classroom Materials 105,800
 - Pupil Transportation 6,000
 - AP Registrations 55,000
 - Postage and Printing 14,000
 - Other 15,000
- Career and Technical Education
 - Equipment Repair and Maintenance \$43,713
 - Equipment 40,000
 - Supplies and Materials 25,000
 - Pupil Transportation 20,000
 - Instructional Professional Services 5,000

PRIORITY 2

We will coordinate our efforts to provide a nurturing and safe learning experience and a flexible approach in meeting the academic, social, and emotional needs of each student.



Objective 3: Increase the percentage of students who feel safe at school.

Safe at School The District monitors how safe students feel when they are at school. This is measured by a 5Essentials score on a point scale. The point scale is a result of how students answer multiple survey questions.

Goal 5: Increase the 5Essentials score related to safety by four scale points annually.

Progress:

| School Year | 2015-16 | 2016-17 | 2017-18 |
|---------------|---------|---------|---------|
| Annual Target | 41 | 45 | 49 |
| Earned | 43 | 44 | TBD |

Priority 2 Costs: The costs outlined below are not all inclusive but rather costs that can be separated and attributable to the objectives and goals discussed. The costs shown are only those costs that were included in the fiscal year 2018 budget.

- Lockdown Locks (Phase 3 & 4) \$1,500,000
- School Resource Officers and Security 1,114,063
- Safety and Communications Supplies 104,000
- Visitor Management System 43,800
- Professional Training 35,000



PRIORITY 3

We will value our collective differences, and develop and recruit a high quality workforce that honors and reflects the diversity of our students.



Objective 4: Increase retention rate for employees who rate proficient or higher on their employee evaluations.

High Performing Employee Retention The District monitors employee evaluations who rate as proficient or higher on an annual basis. The evaluations are tracked by the District internally.

Goal 6: Increase annual retention rate for employees who rate proficient or higher as measured on their employee evaluations.

Progress:

| School Year | 2015-16 | 2016-17 | 2017-18 |
|---------------|---------|---------|---------|
| Annual Target | 98% | 99% | 99% |
| Earned | 98% | TBD | TBD |

Objective 5: Increase the percentage of staff who rate principals as highly effective in creating a strong school culture

Highly Effective Principals The District monitors the 5Essentials survey, specifically the answers received from teachers on multiple questions asking whether they feel the “instructional leader communicates a clear vision for our school.” This is measured by a 5Essentials score on a point scale. This data is tracked and provided by 5Essentials.

Goal 7: Increase the number of teachers who feel their instructional leader communicates a clear vision for their school by four scale points.

Progress:

| School Year | 2015-16 | 2016-17 | 2017-18 |
|---------------|---------|---------|---------|
| Annual Target | 50 | 54 | 58 |
| Earned | 35 | 37 | TBD |

Priority 3 Costs: See Priority 3 and 4 Costs under Priority 4.

PRIORITY 4

We will encourage collaboration and provide differentiated support to all staff members to grow as professional throughout their career.



Objective 6: Increase the percentage of teachers who agree that their professional development is rigorous and focused on student learning.

Professional Development The District monitors if teachers agree that their professional development is rigorous and focused on student learning. This is measured by a 5Essentials score on a point scale. The point scale is a result of how teachers answer multiple survey questions.

Goal 8: Increase annually by four scale points the rating by teachers agreeing on multiple questions on the 5Essentials survey that their professional development is focused on student learning.

Progress:

| School Year | 2015-16 | 2016-17 | 2017-18 |
|---------------|---------|---------|---------|
| Annual Target | 50 | 54 | 58 |
| Earned | 54 | 54 | TBD |

Objective 7: Increase the percentage of teachers and school leaders who perceive the evaluation process as improving their professional practice.

Effective Evaluation Process The District monitors the annual Teacher Appraisal Plan (TPA) survey, specifically the answers received from teachers on multiple questions related to the Framework for Teaching domains asking whether they feel the process is improving their professional practice. This data is tracked by the District internally.

Goal 9: Increase annually the rating of the appraisal process as improving professional practice as measured by the responses on the questions related to the Framework for Teacher domains 1, 2, and 3 on the annual Teacher Appraisal Plan survey.

Progress:

| School Year | 2015-16 | 2016-17 | 2017-18 |
|---------------|---------|---------|---------|
| Annual Target | | TBD | TDB |
| Earned | 81% | TBD | TBD |

Priority 3 and 4 Costs: The costs outlined below are not all inclusive but rather costs that can be separated and attributable to the objectives and goals discussed. The costs shown are only those costs that were included in the fiscal year 2018 budget.

- Direct Collaboration Days (DCD)/
 Professional Practice Development Days (PDD) \$3,500,000
- Professional Development 1,575,423
- Recognition 35,000



PRIORITY 5

We will partner with families and the greater community to foster shared ownership and aligned support for our priorities.



Objective 8: Develop and promote three additional opportunities each year for community members to meet with Board members and provide feedback on district initiatives and issues.

School & Community Relations Each year the District tracks the opportunities community members have to meet with Board members and provide feedback on district initiatives and issues. These opportunities are tracked and promoted by the District internally.

Goal 10: Develop and promote three additional opportunities each year for community members to meet with Board members and provide feedback on District initiatives and issues as measured by School and Community Relations.

Progress: As of the publication of this annual budget book the measurements and targets have not yet been established.

Objective 9: Increase family and community member participation and volunteerism in school and district sponsored activities and events.

Family and Community Participation The District monitors family and community member participation and volunteerism in school and District sponsored activities and events as measured by responses to the 5Essential Survey. This data is tracked and provided by 5Essentials.

Goal 11: Increase five percent annually the family and community member participation and volunteerism in school and District sponsored activities and events as measured by the responses to questions in the Parent Survey within the 5Essentials Survey asking, “parent assessment of involvement in school as always and usually.”

Progress:

| School Year | 2015-16 | 2016-17 | 2017-18 |
|---------------|---------|---------|---------|
| Annual Target | | 40% | 45% |
| Earned | 35% | 30 | TBD |

Priority 5 Costs: See Priority 5 and 6 Costs under Priority 6.

PRIORITY 6

We will support and empower schools to be welcoming centers of family and community engagement.



Objective 10: Increase parents’ satisfaction rates on how welcome and respected they feel within the District.

Welcome and Respected Each year the District tracks parents’ satisfaction on how welcome and respected they feel within the district as measured by responses on the 5Essentials Survey. This data is tracked and provided by 5Essentials.

Goal 12: Increase three percent annually parents’ satisfaction on how welcome and respected they feel within the district as measured by the question in the Parent Survey within the 5Essentials Survey asking, “parent connectedness to a great extent.”

Progress:

| School Year | 2015-16 | 2016-17 | 2017-18 |
|---------------|---------|---------|---------|
| Annual Target | 40% | 43% | 46% |
| Earned | 40% | 57% | TBD |

Priority 5 and 6 Costs: The costs outlined below are not all inclusive but rather costs that can be separated and attributable to the objectives and goals discussed. The costs shown are only those costs that were included in the fiscal year 2018 budget.

- Technical and Professional Service \$75,000
- Community Participation Platform 80,000
- Printing 15,500
- Supplies and Materials 15,500
- Other 10,000



PRIORITY 7

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



Objective 11: Increase the number of programs analyzed for instructional cost-effectiveness (ROI).

Objective 12: Increase the percentage of budget dedicated to instruction.

As of the publication of this annual budget book the goals and targets have not yet been established.

Progress:

| School Year | 2015-16 | 2016-17 | 2017-18 |
|---------------|---------|---------|---------|
| Annual Target | TBD | TBD | TBD |
| Earned | 65.0% | 65.1% | TBD |

PRIORITY 8

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

Objective 13: Increase participation in collaborative efforts to improve the school funding system in Illinois.

In April 2017, CEO Sanders worked with three other school district leaders to launch the Pass Illinois' Budget campaign which grew to more than 440 superintendents who stood behind three basic tenets:

- Immediately, and with bipartisan support, end the state budget impasse.
- Improve the state's education funding formula and invest in students and schools, including higher education institutions.
- Pay school districts what they are owed this year.

The campaign inspired districts across the state to advocate for a budget, display their concern on school signs or marquees and on social media, and generated dozens of media stories. Our CEO's long-term work to support the development of equitable state funding legislation has also led to dozens of trips to Springfield in recent years. His recent video explaining Senate Bill 1 and the Governor's Amendatory Veto has also been shared on social media and in both print and broadcast traditional media.

KEY FACTORS AFFECTING DEVELOPMENT OF THE BUDGET

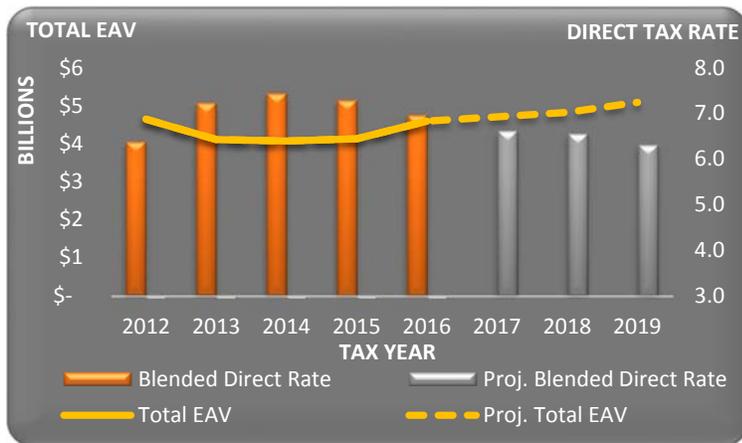
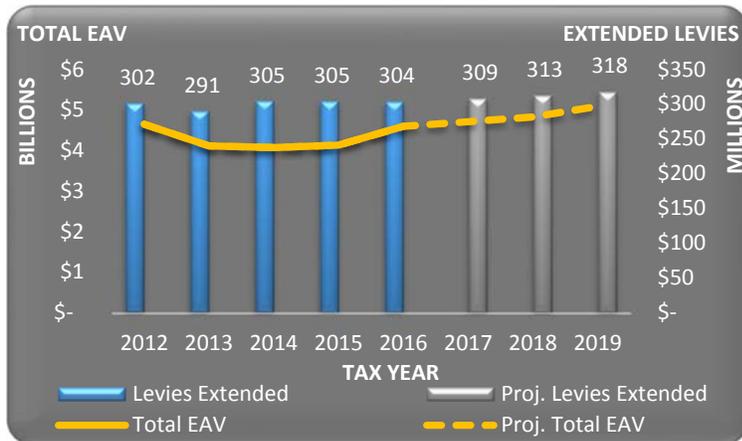
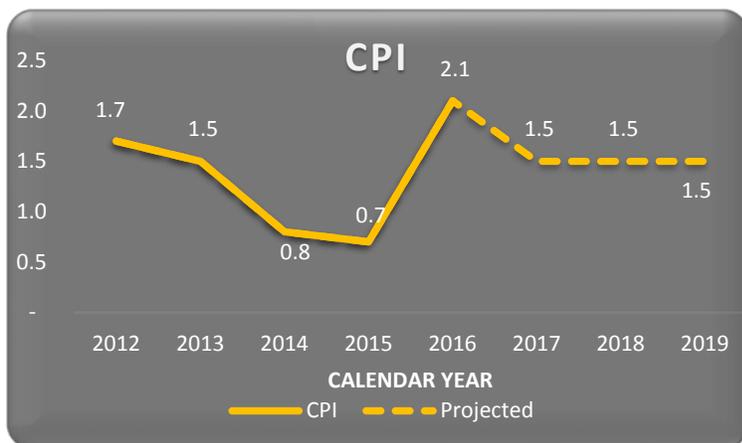
KEY REVENUES

Property taxes are the District's largest revenue source and accounts for a large majority of the local revenue and over half of all revenue received by the District. Property tax revenue can grow at the rate of inflation plus revenue due to new construction and other properties coming onto the tax rolls (such as expiring Tax Increment Financing (TIF) districts). Inflation is measured by the

consumer price index and is used by district management to assist in budgeting property tax revenue.

The economy is showing signs that growth and inflation is reverting to its historical mean. The Consumer Price Index has increased over two percent in the last year which is the first time CPI has seen these levels since 2011. The CPI in calendar year 2016 was 2.1 percent, an increase in the growth rate from 0.7 percent in 2015. The declining trend in EAV has appeared to stop and is reversing as shown in the last two years. Management has planned for this upward trend to continue and projects EAV growth from two to five percent annually over the next five years. CPI is anticipated to show relative strength and continue at a rate above two percent and then track at a rate of around 1.5 percent into the next decade.

The direct tax rate has an inverse correlation to the EAV, meaning as the EAV grows the direct tax rate is reduced and vice versa. This can be seen on the graph displaying EAV and direct tax rates. As you see the yellow line that tracks the EAV move up the orange and gray bars that track the direct tax rates move down. The direct tax rate does not affect the amount of taxes owed for any given property but rather is a result of two factors, 1) the property's EAV and 2) the property's share of taxes levied. A property's share of taxes levied is determined by taking the property's EAV into the aggregate



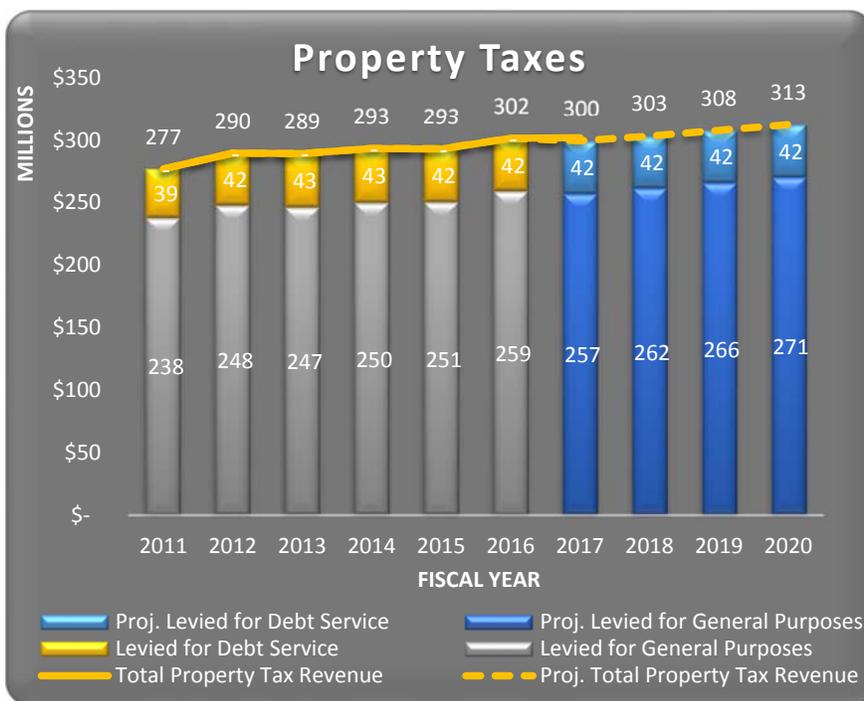
EAV for the taxed area. There are various exemptions and other factors that may factor into this calculation but this is explained at a high level for the purpose of adding context to the graphs displayed.

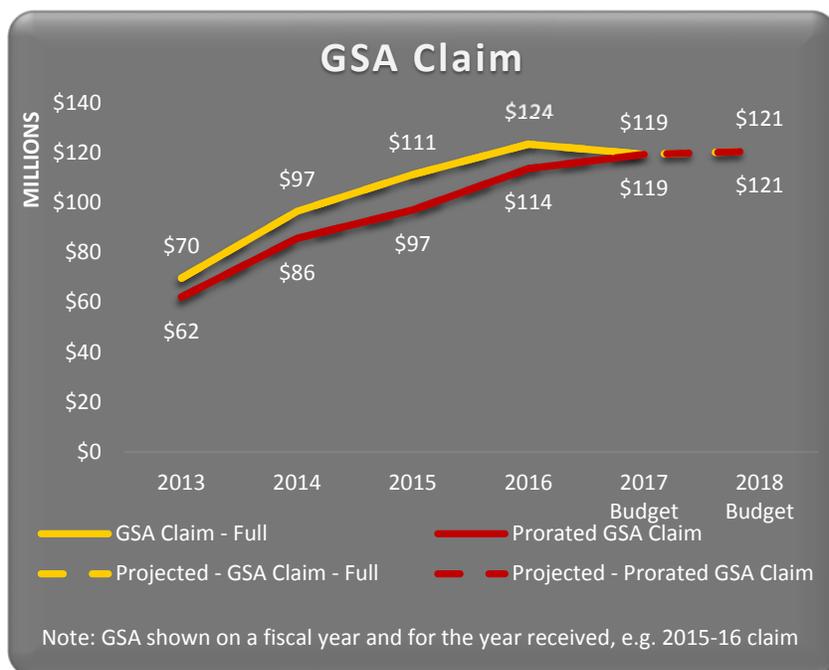
Property taxes are levied each year on the value of all taxable real property in the District on or before the last Tuesday in December. The 2016 tax levy was passed by the Board of Education on December 12, 2016, and attached as an enforceable lien on the property as of the preceding January 1. The taxes become due and collectible in March and August 2017 in Cook County and in June and September 2017 in DuPage and Kane counties, and are collected by the County Collector, who in turn returns to the District its respective share. Typically the District receives the remittances from the County Treasurer within one month after collection.

The District has recognized as revenue 50 percent of the 2016 tax extension and 50 percent of the 2015 tax extension in fiscal year 2017 based on estimated collections, as this is the period for which the taxes have been levied (intended to finance).

Property taxes are recorded net of estimated allowance for uncollectible accounts. The allowance for uncollectible accounts is based on collection history and is estimated at 1.3 percent of the total levy. The changes in the property tax revenue shown on the graph coincide with the levy extension changes after accounting for the smoothing of each levy over two fiscal years and applying the allowance factor.

The District has recorded a receivable for the uncollected portion of the 2016 taxes extended. The District has recorded a deferred inflow of resources net of any allowance, which approximates 50 percent of the 2016 tax extension which will be recognized as revenue in fiscal year 2018, the period for which those taxes were levied. Since each tax year's extended levies are recognized as revenue by the District over two fiscal years, recognized property tax revenue in a fiscal year may not reflect a tax levy for any given year. The graph above represents the past and projected property tax revenue by fiscal year:





General State Aid (GSA) distributed to Illinois public school districts is determined by a statutorily defined formula in 105 ILCS 5/18-8.05 and is intended to provide unrestricted grants to districts in an equitable manner. GSA is funded through two separate grants, the Equalization Formula Grant and the Supplemental Low-Income Grant. The Equalization Formula Grant varies inversely with local wealth. As local wealth increases, the amount of the grant decreases and vice versa. In this context, local wealth is property wealth plus revenue from the

Corporate Personal Property Replacement Tax (CPPRT). Property wealth is the assumed tax rate set by statute applied to the local EAV. The district’s EAV is discussed in greater detail on the prior pages. The Supplemental Low-Income Grant does not consider local wealth but increases as the proportion of low-income students in a district increases. The percentage of low-income students is calculated by taking the three-year average of students reported by the Department of Human Services (DHS) for the district and dividing it by the Average Daily Attendance (ADA) of the district. Students reported by DHS are from ages 5 to 17 and receive services through any of the following: Medicaid, Supplemental Nutrition Assistance Program (SNAP), Children’s Health Insurance Program (CHIP), and Temporary Assistance for Needy Families (TANF).

Over the past several years the GSA claim has been determined and funded on a prorated basis as shown on the chart above. Illinois Senate Bill 2047 increased the GSA allocation and funded the GSA formula at 100 percent beginning in fiscal year 2017. District management has budgeted for the full GSA claim in fiscal year 2018, however, a budget amendment is like once state funding for schools has been finalized. The final funded proration for the fiscal year 2016 claim was approximately 92 percent which cost the District \$9.8 million. Additional resources about General State Aid can be found at the following website: <https://www.isbe.net/Pages/General-State-Aid.aspx>.

Mandated Categorical Reimbursements (MCATs) and the funds appropriated for it are earmarked and mandated by Illinois statute for a particular purpose or population and may be used for that purpose or population only. As of the end of July 2017 the District is owed more than \$18 million in categorical payments from the State. Illinois has passed a fiscal year 2018 budget but the school funding formula called equity based funding is still not finalized meaning Illinois school districts will most likely not receive state funding until it is resolved. It is a possibility that the funding formula, when finalized, will affect the amount of categorical payments and general state aid received to fund the District significantly. When the equity based funding is completed it is probably the District will need to amend this budget. The District has budgeted for three of the four categorical payments in fiscal year 2018. If funding from the State was lost, outside financing would have to be obtained in order to finish the school year.

MCATs include programs such as Special Education, Transportation, state Lunch and Breakfast, and Orphanage. In addition, when referring to state categorical programs, District management includes all state programs in this category except for General State Aid. These other programs include Early Childhood Education, Bilingual Education, Career and Technical Education and Drivers Education. The largest state funded programs that the District participates in are listed below as well as an overview of each program as provided by Illinois State Board of Education:

Transportation

FY18 Budget Amount: \$11,303,010

Four Categories of Transportation:

1. Regular (105 ILCS 5/29) – Eligible students are those who reside 1.5 miles or more from the assigned attendance center or less than 1.5 miles with Illinois Department of Transportation (IDOT) serious safety hazard approval due to rail or vehicular traffic.

Before the state provides reimbursement for regular transportation costs the local share is determined and reduces the amount of state reimbursement. The District's Equalized Assessed Valuation (EAV) plays a role in determining the District's local share. As EAV rises the state reimbursement is reduced. The minimum claim is \$16 times the number of eligible pupils transported. The maximum reimbursement for transporting vocational pupils is 80 percent of allowable costs.

2. Vocational – Eligible students are those who are transported 1.5 miles or more one way from their assigned attendance center to a vocation program located at: an area vocational center; another school district; or a building or other trades skill development site.

Eighty percent of the vocational transportation expenditures are reimbursed by the state and the remaining 20 percent is considered local share and is covered by the District.

3. Special Education (105 ILCS 5/14-13.01(b)) – Eligible students are those with Individualized Education Programs (IEPs) that have special transportation as a related service. If a special needs student does not have transportation as a related service, they are transported on regular routes.

Eighty percent of the special education transportation expenditures are reimbursed by the state and the remaining 20 percent is considered local share and is covered by the District.

4. Non-reimbursable – Includes students transported for regular pre-kindergarten on exclusive routes, regular summer school and non-curriculum-related field trips such as transporting participants or spectators to and from athletic contests, academic contests, extracurricular and/or co-curricular activities.

Expenditures are allocated across the categories of transportation provided based on the ratio of miles per category to total miles driven. School districts are required to submit claims to ISBE by August 15 each year for the costs of transporting students for the previous school year.

Sp. Ed. – Personnel Reimbursement

FY18 Budget Amount: \$4,445,732

This program reimburses districts and cooperatives a portion of the costs that employ the necessary staff to serve children and youth with disabilities, ages 3 to 21 years old. Staff that are employed for these specialized purposes include teachers, school social workers, school nurses, school psychologists, school counselors, physical and occupational therapist, individual or classroom aides, readers, administrators, and other staff assigned to work in the area of special education. These staff people are additional instructional and related service personnel beyond the regular classroom teachers. Districts are reimbursed for prior-year expenditures. (105 ILCS 5/14-13.01)

Sp. Ed. – Funding for Children Requiring

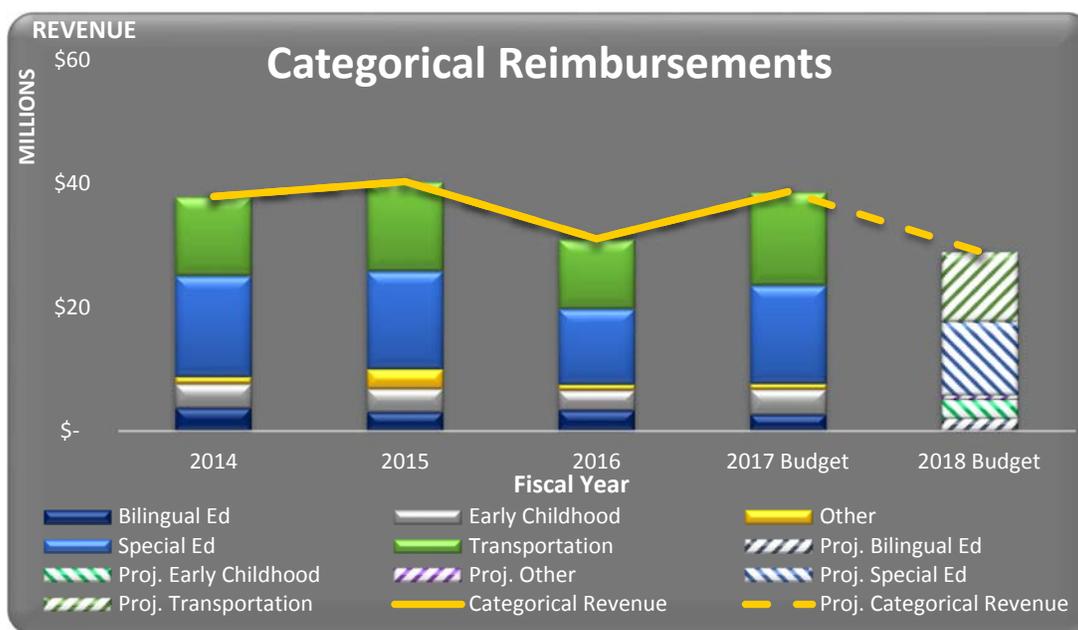
Special Education Services

FY18 Budget Amount: \$3,946,226

Formerly known as Sp. Ed. Extraordinary program this program provides funding for costs incurred the prior school year. Funds are distributed per a “block grant” type model and may be used for any special needs student served by the district.

Funds are distributed to school districts based on two variables: 1) 85 percent of the funds are distributed based on each district’s best 3 months average daily attendance from the most recent General State Aid claim and 2) 15 percent on poverty as used in General State Aid (i.e. three year average as reported to ISBE from the Dept. of Human Services).

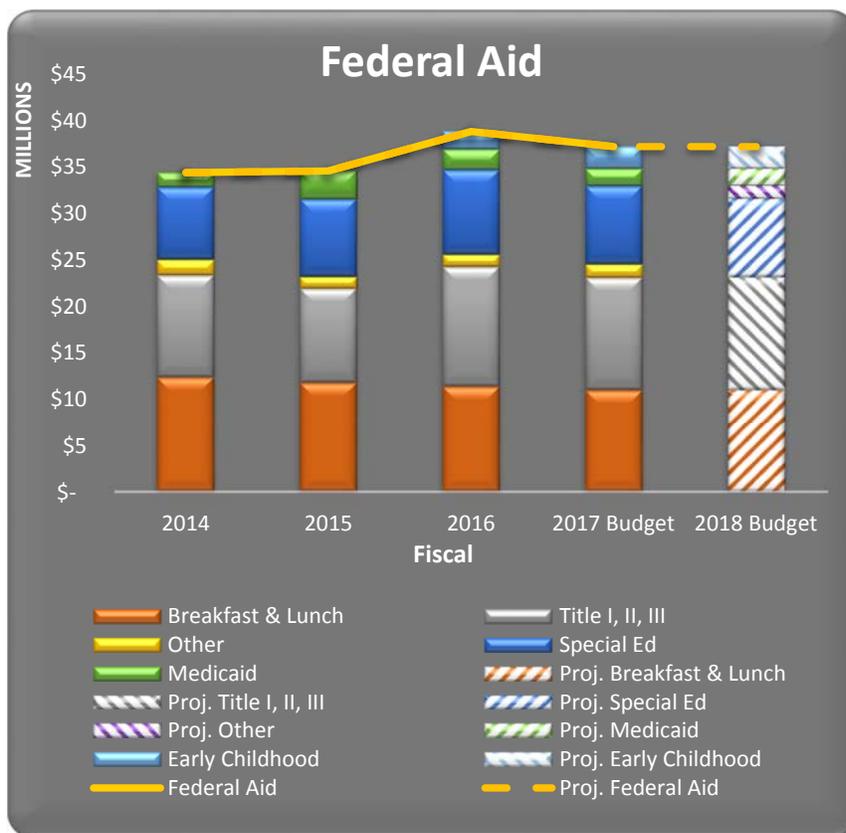
The following chart outlines the budgeted Categorical revenue and the recent history.



Federal Assistance/Federal Aid

is funding for any program, project, service, or activity provided by the federal government that directly assists domestic governments, organizations, or individuals in the areas of education, health, public safety, public welfare, and public works, among others. The District manages several programs that receive some type of federal assistance either directly or as a flow-through from a non-federal agency. Illinois State Board of Education is the flow-through agency that provides a majority of the District's federal funding. Additional expenditure and revenue data by federal program operated by the District can be found in the District's Schedule of Expenditures of Federal Awards (SEFA). The SEFA is included in the District's annual single audit report which can be found on the District's website,

http://www.u-46.org/pages/SDU46/Departments_Programs/Financial_Services/Audits.



National School Lunch and Breakfast Programs FY18 Budget Amount: \$11,000,000

These federally assisted meal programs provide nutritionally balanced, low-cost or free breakfast and lunch to children each school day. At much smaller scale snacks are also provided through this program. The District receives cash subsidies indirectly from the U.S. Department of Agriculture (USDA) for operating these programs. These subsidies flow-through the Illinois State Board of Education to the District. In order to qualify for the cash subsidies the District must serve meals and snacks that meet Federal requirements, and they must offer free or reduced price meals to eligible children.

Title I Program FY18 Budget Amount: \$9,956,930

This program provides financial assistance through state educational agencies (SEAs) to local educational agencies (LEAs), in the District's case, the federal funding flows through the Illinois State Board of Education. Title I is designed to help students served by the program to achieve proficiency on challenging state academic achievement standards. Title I schools with percentages of low-income students of at least 40 percent may use Title I funds, along with other federal, state, and local funds, to operate a school-wide program to upgrade the instructional program for the whole school. If a school does not operate a school-wide program the school must focus Title I services on children who are failing, or most at risk of failing, to meet state academic standards. This federal program is operated by the U.S. Department of Education.

Special Education IDEA Program

FY18 Budget Amount: \$8,449,788

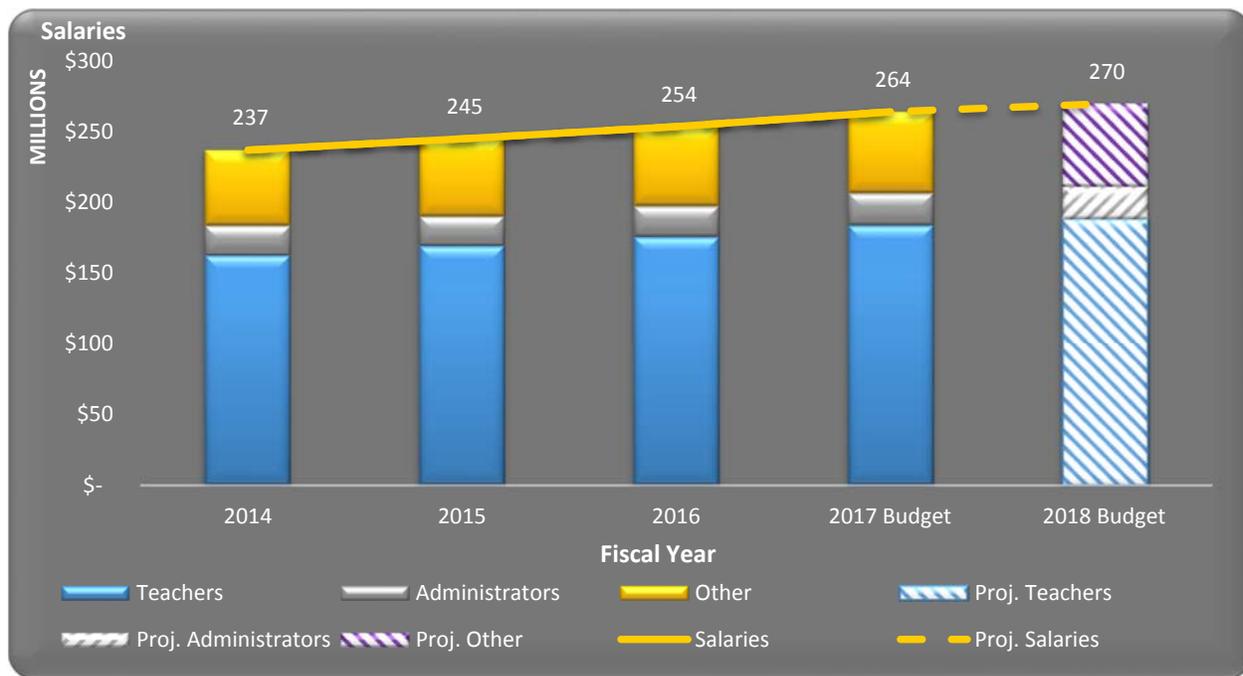
The Individuals with Disabilities Act (IDEA) is a law that makes available a free appropriate public education to eligible children with disabilities throughout the nation and ensures special education and related services to those children. The act governs how states and public agencies provide early intervention, special education, and related services to eligible infants, toddlers, children, and youth with disabilities. As a result of this act multiple funding programs have been available. The District receives IDEA funding and accounts for the funding on three separate lines shown in the budget, Fed – Sp Ed – Pre-school, Fed – Sp Ed – IDEA Flow Through and Rm & Brd PL 94-142 Sp Ed. This federal program is operated by the U.S. Department of Education.

KEY EXPENDITURES

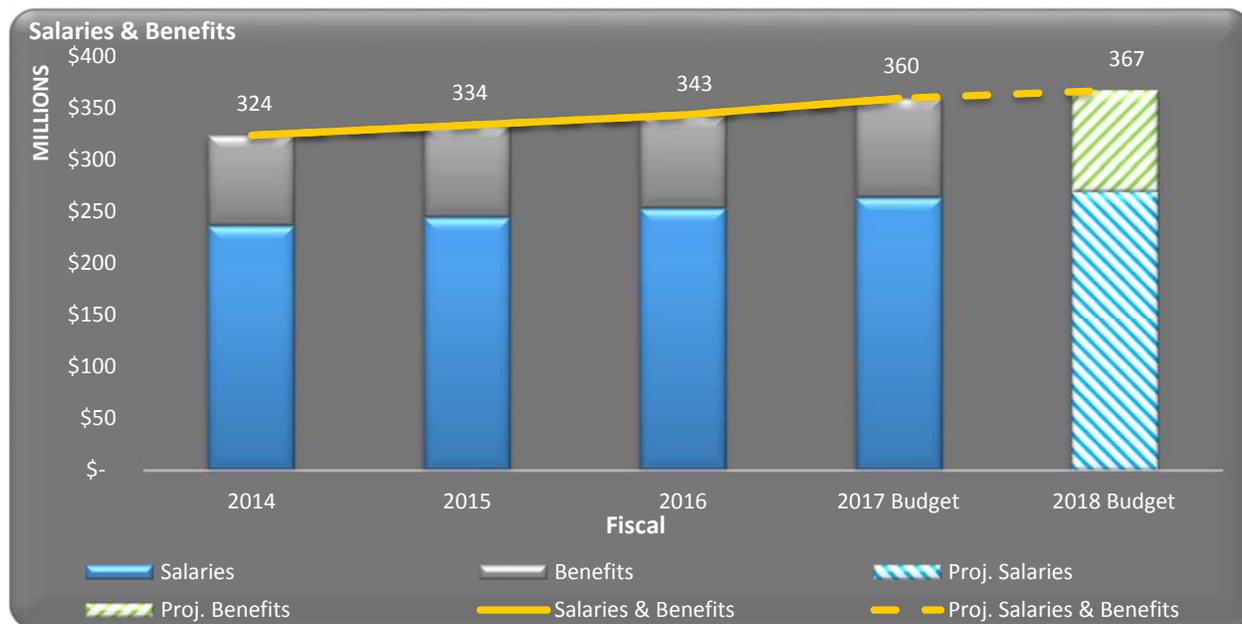
Employee Salaries and Benefits

For fiscal year 2018 District management has planned for 15 fewer teacher FTEs. Salaries will increase based on contractual agreements. Medical Insurance is expected to increase five percent. The following two charts show salary and benefit information for the past four fiscal years and the fiscal 2018 budgeted figures. Several factors may impact salary and benefit projections in any given year, these include annual raises, increases and decreases in employee count, and the seniority status of the employees compared to the prior year.

Salaries by Employee Classification

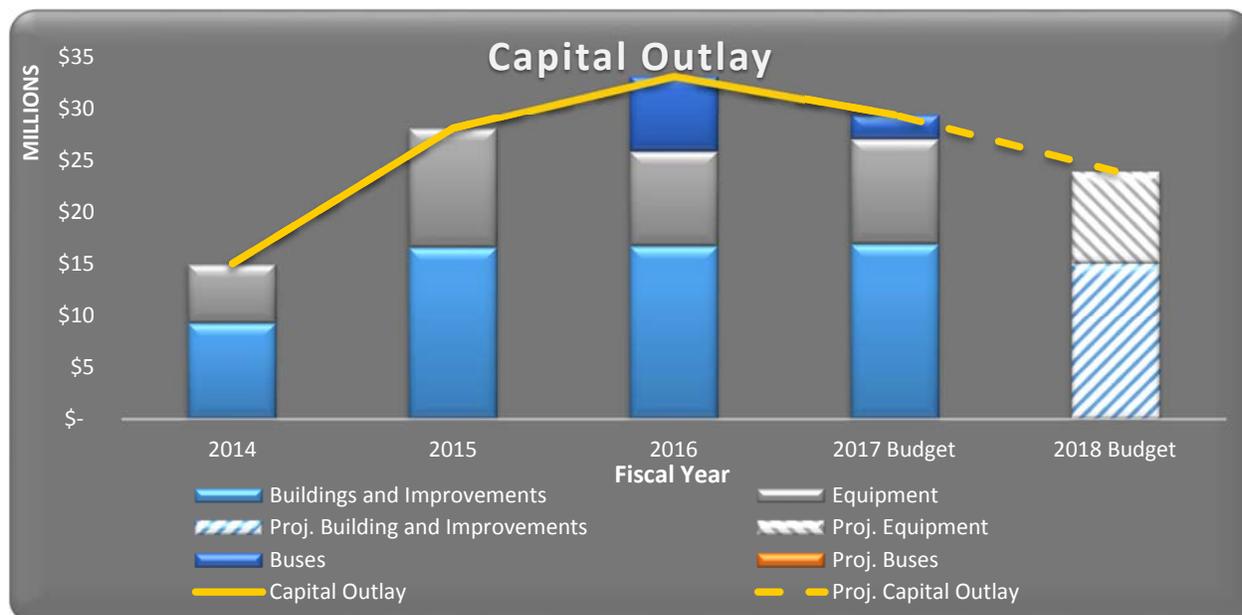


Salaries and Benefits



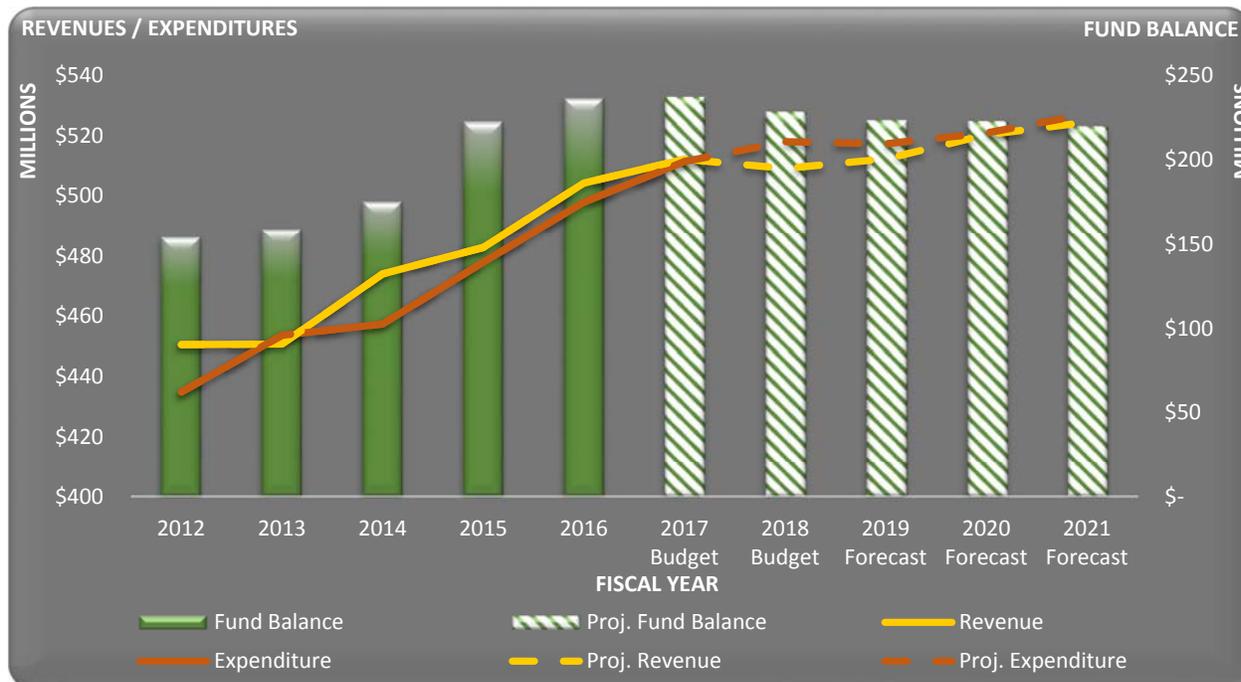
Capital Outlay

The majority of the District's capital outlay is spent on buildings and non-building improvements. These construction projects usually span several months at a time and are typically targeted for the summer months while the schools are staffed to a minimum. Due to the nature of these construction projects and the timing of the fiscal year end, June 30, many of these capital projects are internally planned by calendar year rather than fiscal year. District management assesses the projects and their planned timing and then splits them among the appropriate fiscal year budgets. The Capital Projects Summary table included in the Financial Section under All Funds shows the upcoming planned projects and costs included in the current budget. The District typically has more projects than can be funded so management prioritizes the projects throughout the year to stay within budget. The budget also contains equipment purchases to replace old computers. There were no buses planned for purchase during 2018.



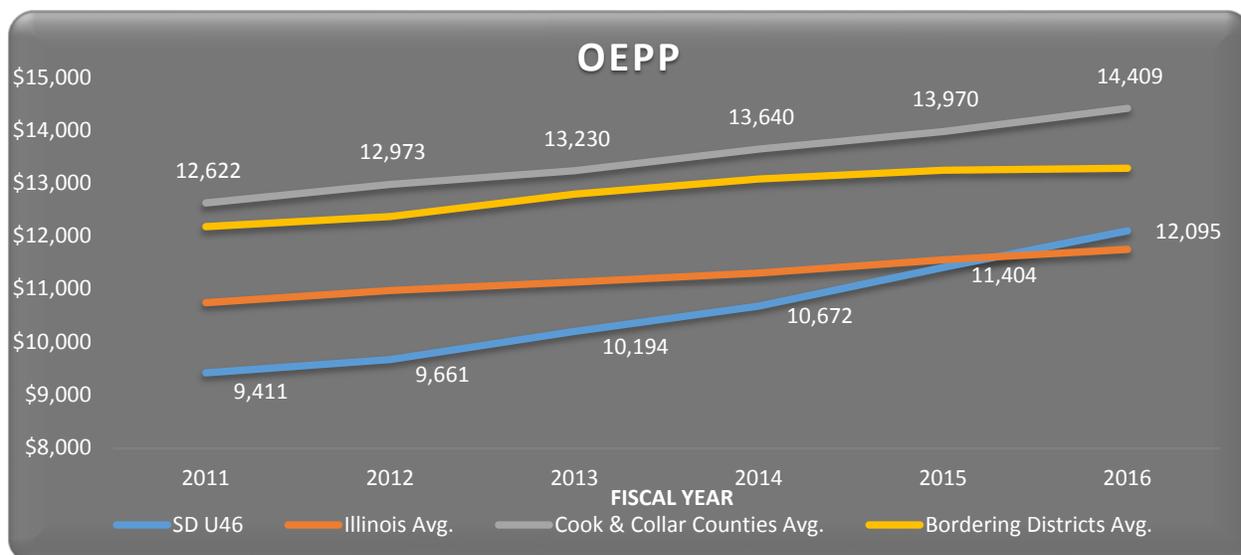
COMPARATIVE DATA

Revenue, Expenditures & Fund Balances (Excludes state "On-Behalf" payments)



Operating Expenditures Per Pupil (OEPP)

OEPP is a benchmark used by the Illinois State Board of Education to compare expenditures amongst districts. It is the gross operating cost of a school district (except for summer school, adult education, bond principal retired, and capital expenditures) divided by the nine-month Average Daily Attendance (ADA) for the regular school term. As shown below, 2016 was the first year U-46 surpassed the Illinois average for the first time in recent years but the District fell below the average OEPP of districts residing in Cook and collar counties and districts bordering U-46 by \$2,314 and \$1,183 per pupil, respectively.



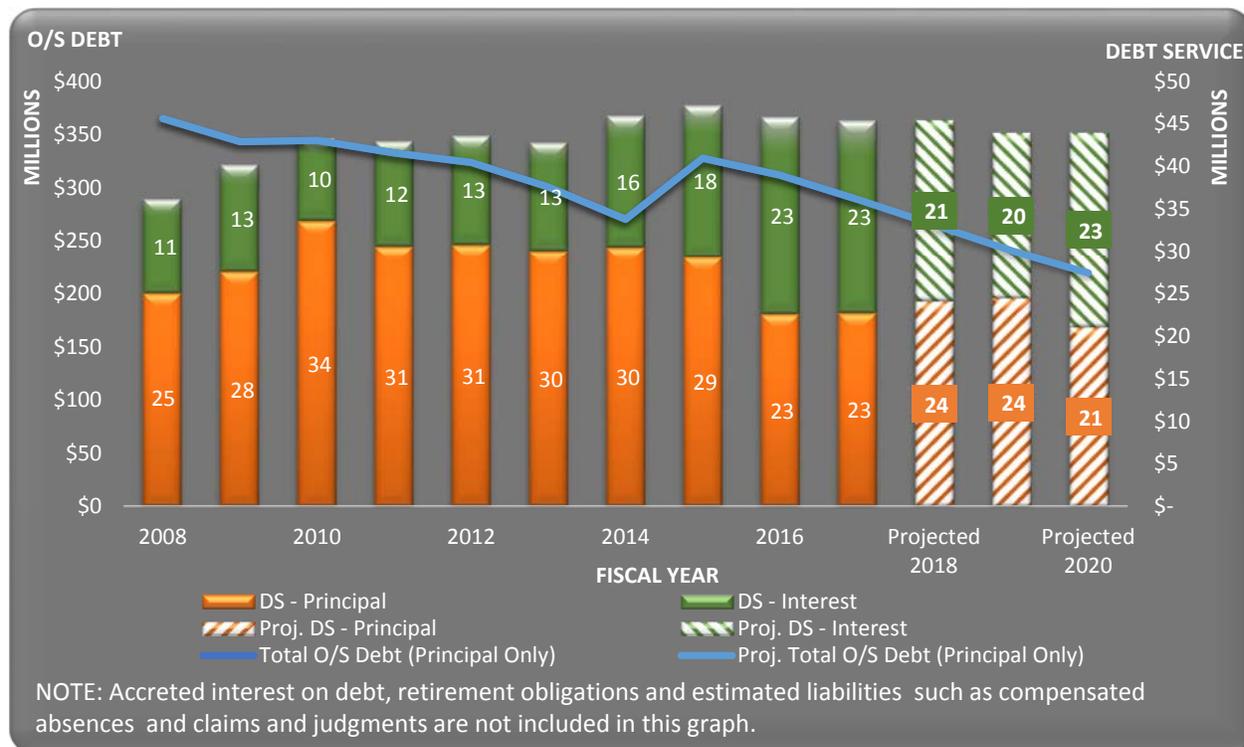
Debt Management

The majority of debt issued by U-46 is intended to fund capital projects, maintaining and renovating buildings, purchasing of new buses and the like. District management assesses the District’s future needs, projects revenues and expenditures and recommends the issuance of debt only when it is believed to be in the District’s overall best interest.

In the early 2000’s when the District’s population was rapidly growing U-46 issued multiple Capital Appreciation Bond series (CABs) to fund the construction of eight new schools, six elementary, one middle and one high school. These bond issuances totaled \$178.5 million and 75 percent of the principal balance was not scheduled to be paid until 2015 and after. In addition to the principal coming due, interest on capital appreciation bonds is not paid each year but rather accumulates and is paid in large sums closer to maturity; this interest liability is called accreted interest. With the debt service costs for these bonds escalating the District issued refunding bonds in 2015 in order to smooth these debt service payments over the next six to seven years. The resulting consistent debt service payments going forward will allow for more manageable planning and budgeting.

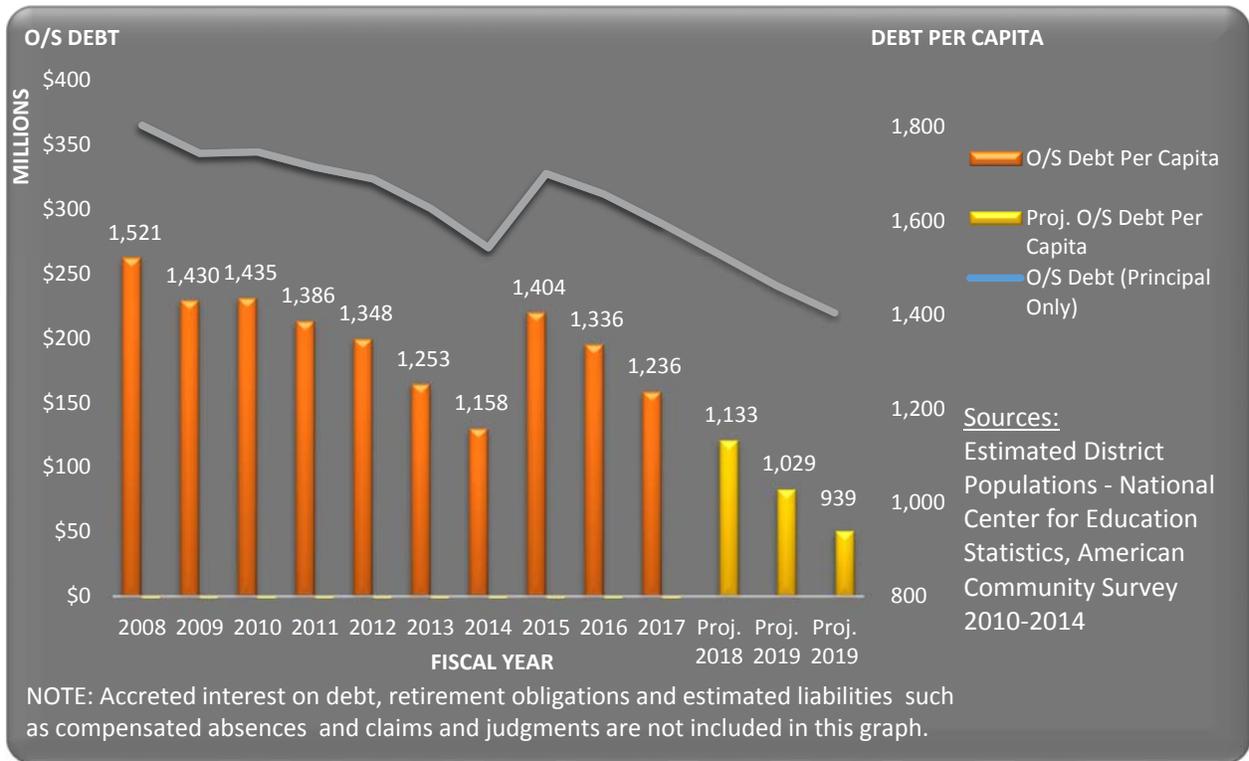
Currently, with no plans for new building construction, District management anticipates the outstanding debt to decline over the next few years. The blue line on the chart below shows the past ten years of the District’s outstanding debt balance and an additional three years of projected outstanding debt. The bars represent the principal and interest portions of the debt service payments each year.

Total Outstanding Debt / Debt Service Payments

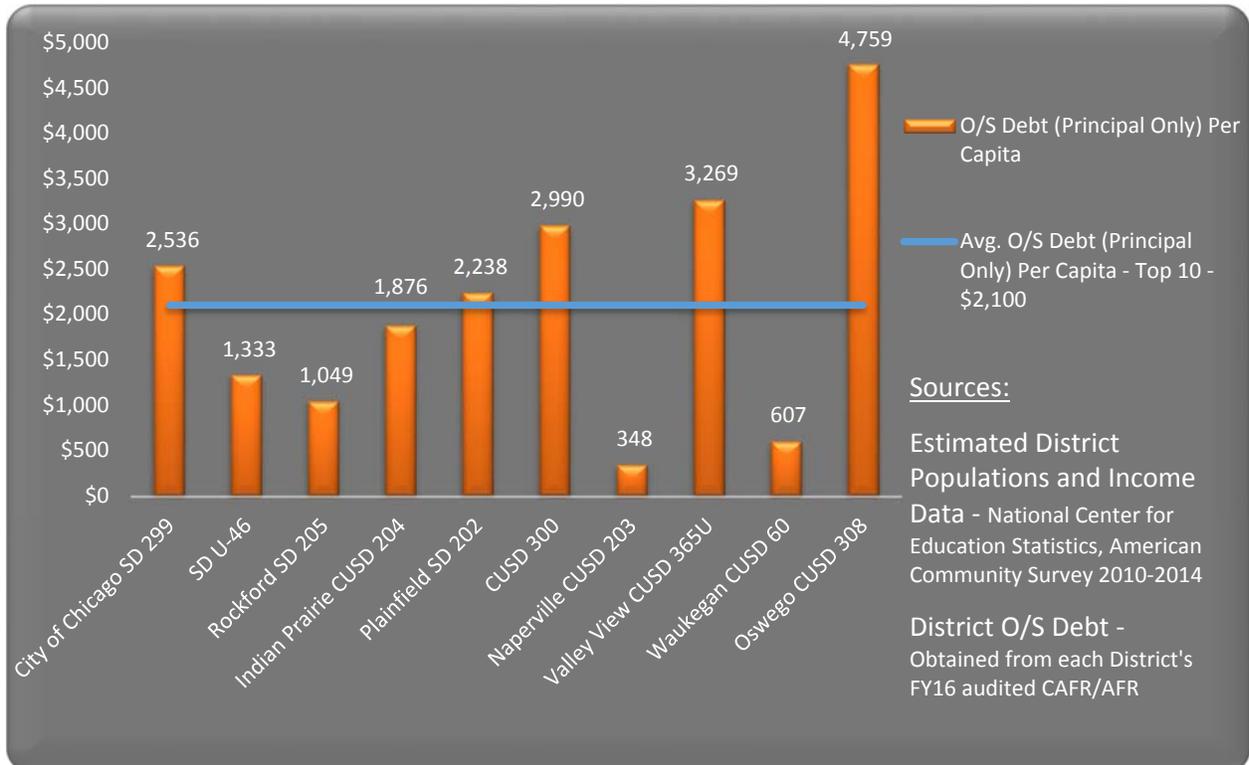


District management also assesses debt levels and their relevance to the population including the population’s income. Another important factor when assessing the District’s debt load is where U-46 falls among its peers. The next three charts below show the District’s outstanding debt, the history of outstanding debt per capita, how the District’s debt per capita compares to its peers, and how the District’s percentage of debt to income per capita compares to its peers.

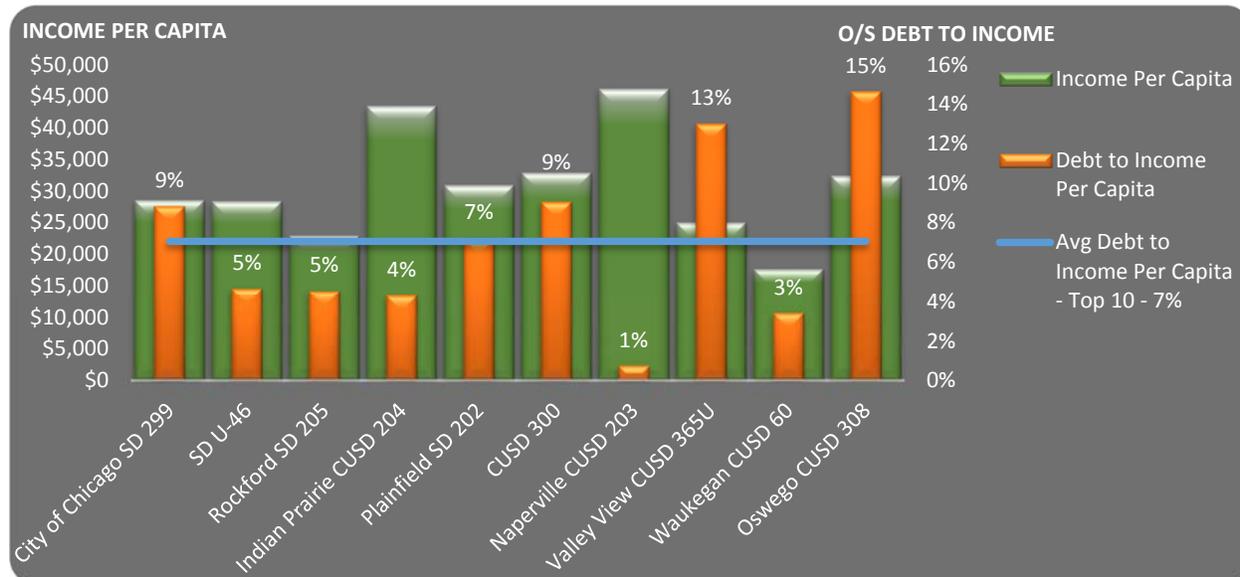
Debt Per Capita – District



Debt Per Capita – Ten Largest School Districts in Illinois by Nine-Month ADA (FY2015)

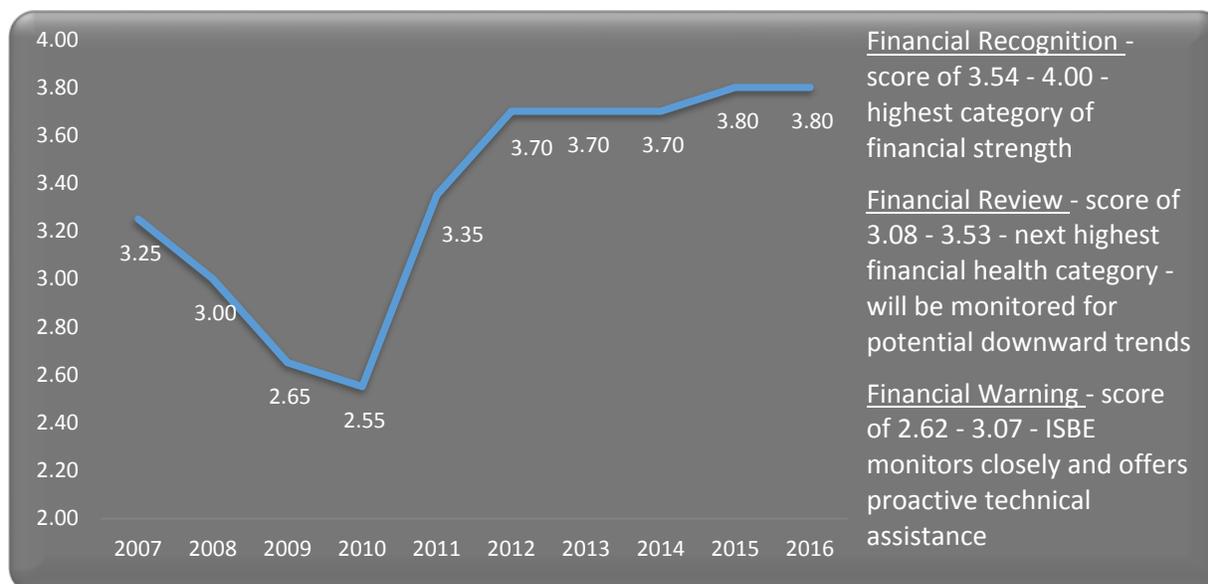


Debt to Income Per Capita – Ten Largest School Districts in Illinois



In fiscal year 2016, the District received Financial Recognition status with an Illinois State Board Financial Profile score of 3.80. The District has received the Recognition status each year since fiscal year 2012 and anticipates maintaining the highest status again in fiscal year 2017, however, if state funding is dramatically cut the District's financial score will be downgraded since fund balances will have to be spent down and additional financing will need to be obtain in order to finish the school year. This financial strength benchmark measures five indicators, 1) fund balance to revenue ratio; 2) expenditure to revenue ratio; 3) days cash on hand; 4) percent of short-term borrowing maximum remaining and 5) percent of long-term debt margin remaining. According to the Illinois State Board of Education (ISBE) of the 852 Illinois districts reporting to ISBE for fiscal year 2016, 632 or 74 percent of districts received the "Recognition" status; 154 or 18 percent received "Review" status; 47 or 6 percent received "Early Warning" status and; 19 or 2 percent received "Watch" status. The following is a graph of the District's financial status score over the past 10 years:

District Financial Score



BUDGET MANAGEMENT

The budget serves many purposes. It presents the best forecasts of future revenues and expenditures possible with the information available at that time and is subject to change with the passage of time. It is a tool used for decision-making and a gauge in which actual performance is measured against. The budget is not a commitment to spend but rather a spending plan. The budget must be flexible throughout the year to accommodate unforeseen events whether that is loss of revenue sources, new revenue sources, actual expenditures greater than estimated or any other increase or decrease in the District's activity.

BUDGET POLICIES

Annual Budget – Policy Code 4.003

The Board of Education shall delegate to the Superintendent or designee, by resolution, the responsibility for preparation of the annual budget.

The format of the budget will be in keeping with the rules and regulations of the State Board of Education and the Illinois School Code.

The fiscal year will be set in accordance with the policies and recommendations of the State Board of Education and are presently maintained from July 1 through the following June 30.

The Superintendent or designee will set such preparation schedules that are deemed necessary to complete the budgetary process as prescribed by local policy and provisions of the Illinois School Code.

The Superintendent or designee, cognizant of his or her overall responsibility, may delegate the preparation of the budget, or any portion thereof, as he or she deems expedient to the most efficient utilization of his or her administrative staff.

Budget Adoption Procedures – Policy Code 4.004

The Board of Education will adopt the annual budget, subsequent to a public hearing and prior to filing the annual tax levy. Said adoption will be by roll call vote and incorporated into the official minutes of the Board of Education meeting.

The Board of Education recognizes the right of the public to be informed about the budgeting of public tax monies and therefore will make the budget available for public examination at least thirty days prior to the final adoption as set forth in the Illinois School Code.

The Board of Education will hold at least one public hearing on the proposed budget prior to the day of final adoption, so stating the place, date and hour in a newspaper with general circulation within the School District at least thirty days prior to the date of the hearing.

The Superintendent or designee shall: (1) post the District's final annual budget, itemized by receipts and expenditures, on the District's official website, and (2) notify parents/guardians of the budget's posting and provide the website's address.

Budget Implementation – Policy Code 4.016

The District budget serves as the guide and control expenditures and is the spending plan for the ensuing year.

The Superintendent or designee is authorized to make commitments and expenditures in accordance with Board policies, budget and administrative plans approved by the Board, as permitted by law.

The Board of Education will be provided year-to-date budget figures for all funds displaying revenues and expenditures on a monthly basis.

Budget Transfer Authority – Policy Code 4.020

The Board of Education may make transfers between the various items in the budget of any fund in amounts not exceeding in the aggregate ten percent of the total budget of that fund. The Board of Education may amend the budget by the same procedures that adhere to the original adoption when transfers exceed the ten percent limitations.

The Board of Education may authorize the treasurer to make interfund loans, interfund transfers and transfer within funds from the Operations and Maintenance Fund, Educational Fund, Transportation Fund and/or Working Cash Fund in accordance with the Illinois School Code.

Fiscal Management Goals – Policy 4.001

The Board of Education recognizes that money and money management comprise the financial support of the whole school program. To make that support as effective as possible it is the Boards policy:

1. To require advanced planning through the best possible budget procedures
2. To explore all practical and legal sources of dollar income
3. To guide the expenditure of funds so as to achieve the greatest educational returns
4. To require accuracy and maximum efficiency in accounting and reporting procedures
5. To maintain a balanced budget and/or positive fund balances

As trustee of community, state, and federal funds allocated for use in local education, the Board of Education has the responsibility to protect the funds and use them wisely.

The Board of Education recognizes the factor of accountability in planning and budgeting expenditures of public funds.

The District considers the budget to be balanced if there is no budget deficit, however a budget surplus may exist and the budget would still be considered balanced.

STATE BUDGET STATUTE

Section 105 Illinois Compiled Statutes 5/17-1

(105 ILCS 5/17-1) (from Ch. 122, par. 17-1)

Sec. 17-1. Annual Budget. The board of education of each school district under 500,000 inhabitants shall, within or before the first quarter of each fiscal year, adopt and file with the State Board of Education an annual balanced budget which it deems necessary to defray all necessary expenses and liabilities of the district, and in such annual budget shall specify the objects and purposes of each item and amount needed for each object or purpose.

The budget shall be entered upon a School District Budget form prepared and provided by the State Board of Education and therein shall contain a statement of the cash on hand at the beginning of the fiscal year, an estimate of the cash expected to be received during such fiscal year from all sources, an estimate of the expenditures contemplated for such fiscal year, and a statement of the estimated cash expected to be on hand at the end of such year. The estimate of taxes to be received may be based upon the amount of actual cash receipts that may reasonably be expected by the district during such fiscal year, estimated from the experience of the district in prior years and with due regard for other circumstances that may substantially affect such receipts. Nothing in this Section shall be construed as requiring any district to change or preventing any district from changing from a cash basis of financing to a surplus or deficit basis of financing; or as requiring any district to change or preventing any district from changing its system of accounting.

To the extent that a school district's budget is not balanced, the district shall also adopt and file with the State Board of Education a deficit reduction plan to balance the district's budget within 3 years. The deficit reduction plan must be filed at the same time as the budget, but the State Superintendent of Education may extend this deadline if the situation warrants.

If, as the result of an audit performed in compliance with Section 3-7 of this Code, the resulting Annual Financial Report required to be submitted pursuant to Section 3-15.1 of this Code reflects a deficit as defined for purposes of the preceding paragraph, then the district shall, within 30 days after acceptance of such audit report, submit a deficit reduction plan.

The board of education of each district shall fix a fiscal year therefor. If the beginning of the fiscal year of a district is subsequent to the time that the tax levy due to be made in such fiscal year shall be made, then such annual budget shall be adopted prior to the time such tax levy shall be made. The failure by a board of education of any district to adopt an annual budget, or to comply in any respect with the provisions of this Section, shall not affect the validity of any tax levy of the district otherwise in conformity with the law. With respect to taxes levied either before, on, or after the effective date of this amendatory Act of the 91st General Assembly, (i) a tax levy is made for the fiscal year in which the levy is due to be made regardless of which fiscal year the proceeds of the levy are expended or are intended to be expended, and (ii) except as otherwise provided by law, a board of education's adoption of an annual budget in conformity with this Section is not a prerequisite to the adoption of a valid tax levy and is not a limit on the amount of the levy.

Such budget shall be prepared in tentative form by some person or persons designated by the board, and in such tentative form shall be made conveniently available to public inspection for at least 30 days prior to final action thereon. At least 1 public hearing shall be held as to such budget prior to final action thereon. Notice of availability for public inspection and of such public hearing shall be given by publication in a newspaper published in such district, at least 30 days prior to the time of such hearing. If there is no newspaper published in such district,

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notice of such public hearing shall be given by posting notices thereof in 5 of the most public places in such district. It shall be the duty of the secretary of such board to make such tentative budget available to public inspection, and to arrange for such public hearing. The board may from time to time make transfers between the various items in any fund not exceeding in the aggregate 10% of the total of such fund as set forth in the budget. The board may from time to time amend such budget by the same procedure as is herein provided for its original adoption.

Beginning July 1, 1976, the board of education, or regional superintendent, or governing board responsible for the administration of a joint agreement shall, by September 1 of each fiscal year thereafter, adopt an annual budget for the joint agreement in the same manner and subject to the same requirements as are provided in this Section.

The State Board of Education shall exercise powers and duties relating to budgets as provided in Section 2-3.27 of this Code and shall require school districts to submit their annual budgets, deficit reduction plans, and other financial information, including revenue and expenditure reports and borrowing and interfund transfer plans, in such form and within the timelines designated by the State Board of Education.

By fiscal year 1982 all school districts shall use the Program Budget Accounting System.

In the case of a school district receiving emergency State financial assistance under Article 1B, the school board shall also be subject to the requirements established under Article 1B with respect to the annual budget.

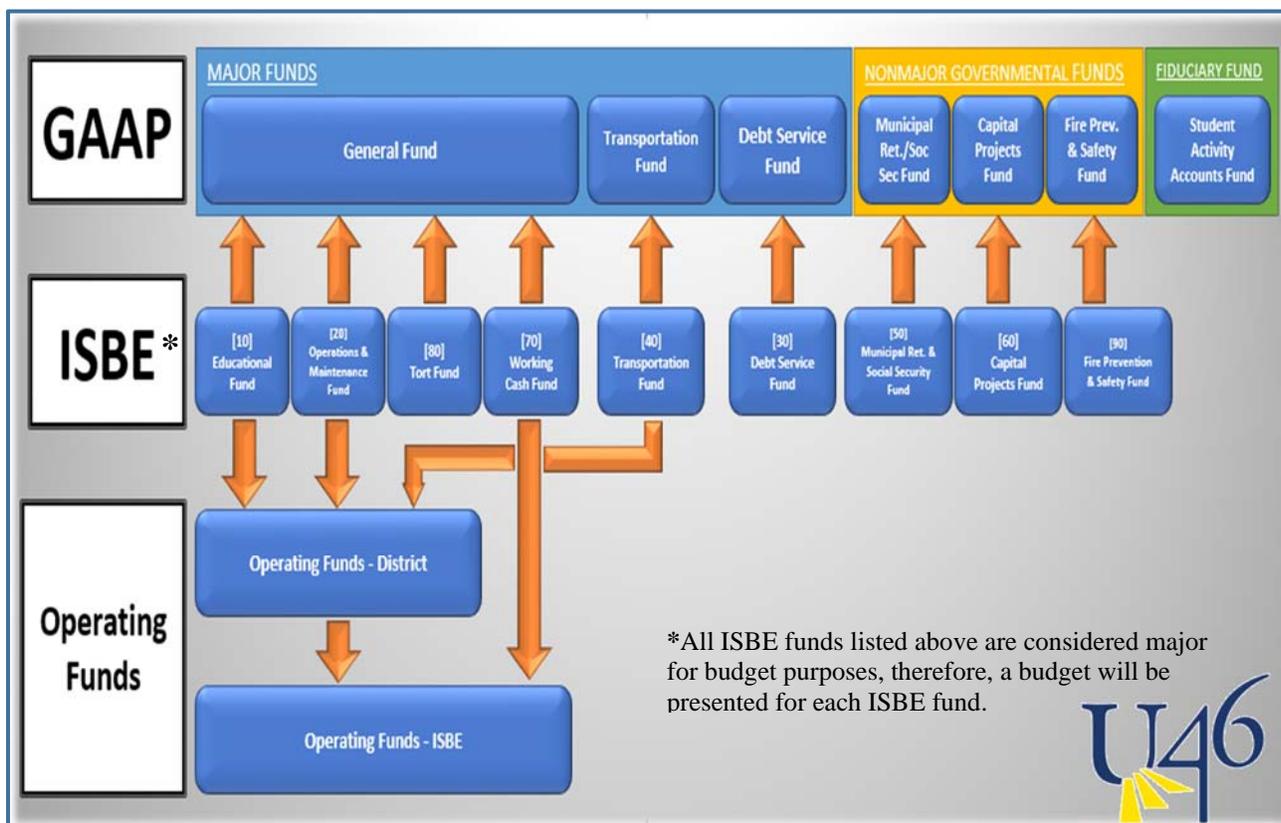
(Source: P.A. 97-429, eff. 8-16-11.)

FUND STRUCTURE

The accounts of the District are organized and operated within funds. Each fund is a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances (fund balance), and changes therein, that are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

The District maintains nine individual funds required by the Illinois State Board of Education (ISBE). To maintain consistency between the budgeted funds shown below and the budget form submitted to ISBE the District considers the nine funds listed below to be major and will present them in this document accordingly. These funds differ from the District's funds reported in the audited financial statements under GAAP which is discussed in further detail on the following page. In addition to the nine required funds the District maintains, in a fiduciary manner, an Agency Fund to account for the student activity accounts. District resources are allocated and accounted for in individual funds based upon the purpose for which they are to be spent and means by which spending activities are controlled. Annual budgets are adopted for all District funds except the Agency Fund. The budgeted funds are shown on the graphic below in the ISBE row. The graphic also shows how each ISBE designated fund rolls into GAAP and Operating Funds groups.

ORGANIZATIONAL SECTION



Budgets for the previously mentioned funds will be created and submitted to ISBE once approved by the Board of Education in the prescribed format required by ISBE.

The fund structure outlined for reporting to ISBE differs from fund reporting required by accounting principles generally accepted in the United States of America (GAAP) as applicable to governments. Although the District does not account for financial transactions differently, the funds required by ISBE are grouped and reported in a different manner. The District's fund structure under GAAP groups certain regulatory funds into different types of funds. Under GAAP the District reports six funds, all of which are classified as governmental funds. This relationship is displayed on the graphic preceding this paragraph.

Governmental funds are generally used to account for tax-supported activities. There are five different types of governmental funds: the general fund, special revenue funds, debt service funds, capital projects funds, and permanent funds. The District utilizes all of these fund types except for permanent funds. The reporting funds presented by the District under GAAP are shown on the following pages by governmental fund type:

General Fund

The General Fund is used to account for all financial resources except those required to be accounted for in another fund. It is consistent with the General Fund reported on the District's audited financial statements, however, this fund as a whole is not reported in any ISBE required submission but rather the individual funds that make up the General Fund are reported separately.

The District's General Fund consists of the following ISBE classified (regulatory) funds:

- *Educational Fund* – Direct costs of instruction and administration, including the District's food service operations are recorded in this fund. Each transaction not accommodated by another specific fund shall be processed through this fund.
- *Operations and Maintenance Fund* – All costs of maintaining, improving or repairing school buildings and property are reported in this fund. This fund is required if a tax is levied for purposes of operations and maintenance.
- *Working Cash Fund* – The fund is used by the District to account for financial resources held by the District to be used for temporary interfund loans to other District funds. This fund is required if a tax is levied or bonds are issued for working cash purposes.
- *Tort Immunity Fund* – The District's risk financing activities are reported in this fund. This fund is required if taxes are levied or bonds are sold for tort immunity or tort judgment purposes.

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 maintains two special revenue funds as follows:

- *Transportation Fund* – This fund accounts for all revenues and costs relating to the transportation of pupils.
- *Municipal Retirement/Social Security Fund* – The District's share of retirement benefit and social security costs for employees are recorded in this fund.

Debt Service Fund

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

Capital Projects Funds

The Capital Projects Funds are used to account for and report financial resources that are to be used for expenditure of capital outlays, including the acquisition or construction of capital facilities and other capital assets. The District's two capital projects funds are as follows:

- *Capital Projects Fund, formerly the Site and Construction Fund* – This fund accounts for financial resources to be used for the acquisition, construction or renovation of major capital facilities.
- *Fire Prevention and Safety Fund* – This fund is used to account for the altering, reconstructing and repairing of the existing school buildings of the District.

Aside from governmental funds the District also maintains a fiduciary fund. Fiduciary funds report assets held in a trustee or agency capacity for others and therefore cannot be used to support the District's own programs. Fiduciary funds can be classified into four types: pension (and other employee benefit) trust funds, investment trust funds, private-purpose trust funds, and agency funds. The District maintains one fiduciary fund which is classified as an Agency Fund, however, since these funds cannot contribute to District programs this fund is not included in the budget plan of the District.

- **Student Activity Accounts** – This agency fund consists of resources held by the District as a trustee. 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 to the student groups.

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

- ***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. For the District this classification typically includes inventories and prepaid expenditures.
- ***Restricted*** – includes amounts that are restricted to specific purposes, that is, when constraints placed on the use of resources are either: a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.
- ***Committed*** – includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the District's highest level of decision-making authority. The highest level of decision-making authority rests with the District's Board of Education. Committed amounts cannot be used for any other purpose unless the District removes or changes the specified use by taking the same action it employed to previously commit those amounts. The District passes formal resolutions to commit their fund balances.
- ***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.

District Operating Funds

For additional analysis and comparative purposes the District considers its operating funds to include three funds which differ from the funds used by ISBE to calculate operational metrics and benchmarks, e.g. operational expenditures per pupil (OEPP). The District's three operating funds are as follows:

- Educational Fund [10]
- Operations & Maintenance Fund [20]
- Transportation Fund [40]

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

SIGNIFICANT ACCOUNTING POLICIES

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.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting which is the same as the District's audited financial statements. 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.

Property taxes are levied each year on all taxable real property in the District on or before the last Tuesday in December. Due to the District's year end and the nature of property tax collections the District has determined each year's levy is intended to finance two consecutive fiscal years. In any given fiscal year the District recognizes as revenue 50 percent of the current tax year levy and 50 percent of the prior tax year levy net of any allowance for uncollectible accounts, e.g. the current tax year levy for the District's fiscal year 2017 is the 2016 tax year levy, therefore, in fiscal year 2017 the District will recognize 50 percent of the 2015 and 2016 tax year levies, net of any allowance.

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

Revenue from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis.

CLASSIFICATION OF REVENUES

The revenues of the District are classified by fund and source. Revenues are grouped into three categories: Local Sources, State Sources and Federal Sources. Below are the revenues included in the budget by source:

LOCAL SOURCES: REV SRC CODE 100000

| | |
|---|-------------------------------------|
| Property Taxes | Hanover Township Grant |
| Mobile Home Privilege Tax | Wisdom Foundation |
| Corporate Personal Property Replacement Tax | Midwest Dairy Association Grant |
| Payments in Lieu of Taxes | Midwest Dairy Association Grant |
| School Tuition | Breakfast in the Classroom |
| Trans Fees/Pupils/Parents | U46 Educational Foundation |
| Fees-Bus Trips-Cocurricular | Paid Summer Intervention |
| Transportation other revenue | Stupski Foundation |
| Interest on Investments | YMCA Parents as Teachers |
| Food Sales to Students-Lunch | Kane County Health Department |
| Pupil Activities | Workforce Development |
| Receivable Fees | Woodland Hts Hanover Township |
| Instructional Materials-Student Program | SHS Smaller Learning Communities |
| Other Local Revenue | National Science Foundation |
| McKinley Digital Divide | Grand Victoria Foundation |
| Education-to-Career Mini-Grant | Riverside Pub Bilingual PEL |
| Strata Systems Grant | Grand Victoria Foundation |
| Kane County Recycling Bin | Concert Revenue |
| Illinois Professional Learning | NPBTS State Farm |
| School Partners in City Grant | KCT Education grant TMP |
| UIC Mini Grant | 21st Century Community Learning |
| Project Lead the Way | NIA Flow Thru |
| Mototola Nat. Alliance Partnership | Miscellaneous Other Funding Sources |

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STATE SOURCES: REV SRC CODE 300000

General State Aid

General State Aid
General State Aid-ARRA
General State Aid-ARRA SFSF
Transition Assistance

Categoricals and Grants

Special Education-Private Facility
Special Education-Extraordinary
Special Education-Personnel
Special Education-Orphanage Individual
Special Education-Orphanage Summer
Special Education-R.E.I. Program (Reim)
Special Education-Summer School
Vocational Education Coordination Grant
Voc. Education Program Improvement Grant
Voc. Education-Work Based Learning Grant
Elem Career Develop Program
Bilingual Education-Downstate-T.P.
Bilingual Education-Downstate-T.B.
Gifted Education
State Free Lunch and Breakfast
School Breakfast Incentive
Driver Education
Illinois Dept of Public Health
Summer Bridges Revenue
Family Literacy
Orphanage Tuition-18-3
Kane County Health Department
Advanced Placement Classes
Arts and Foreign Language Planning
Teacher Induction Mentoring

Categoricals and Grants (Continued)

Adult Education State Performance
Adult Education State Basic
Adult Education Public Assistance
National Board Certification I
National Board Certification I
Truants Alternative/Optional Education
State Schools Grant (ROE)
Safe Enrichment Grant (ROE)
Early Childhood-Pre K
Early Childhood-Project Prepares
Early Childhood-P A T
Early Childhood-Reading First
Early Childhood-Preschool At
Early Childhood-Block Grant
Early Childhood-Preschool For All Children
Early Childhood-Prevention Initiative
Reading Improvement Program
Reading Improvement Block-Reading
In-Aid State ROE Certificates
ADA Safety and Educational Block
Back to Books Grant
State Library Grant
Mental Health
Illinois EPA Grant
Energy and Recycling Grant
Transportation-Regular
Transportation-Special Education
School Maintenance Grant
Other Revenue From State Sources

ORGANIZATIONAL SECTION

FEDERAL SOURCES: REV SRC CODE 400000

Federal Aid and Grants

Title V-Innovative
Breakfast Start Up
National School Lunch Program
School Breakfast Program
Fresh Fruit and Vegetable Program
Child Nutrition Commodity/Salvage
Title I-Low Income
Title I-Low Income-Neglect
Title I-School Improvement
Title I Comprehensive School Reform-Ellis
C S R Demonstr Prog-Larsen
C S R Demonstr Prog-Streamwood
C S R Demonstr Prog-Parkwood
C S R Demonstr Prog-Channing
C S R Demonstr Prog-EHS
C S R Demonstr Prog-Sheridan
Title I-Accountability
Title I-Reading First
Even Start
Illinois Teachers Educ Partnership
Title IV-Safe and Drug Free Schools
21st Century Comm Learning
21st Century Comm Learning
Fed-Sp Ed-Pre-School Flow
Fed-Sp Ed-IDEA Flow Through
Room and Board PL 94-192 Spec Ed
Early Childhood Reading First
Voc Ed Perkins Title Iic
Education to Careers
Fed Adult Ed Basic
Adult Ed State Performance
Adv Placement Fees Incentive
ARRA-Title I-Part A
ARRA-Title I-Low Income
ARRA - Rising Star

Federal Aid and Grants (Continued)

ARRA-IDEA Preschool
ARRA-IDEA Flow Through
ARRA-McKinley-Vento Homeless Grant
ARRA-Early Childhood Block Grant
ARRA-Early Childhood Block Grant
ARRA-Preschool For All Children
ARRA-EC Prevention Initiative
ARRA - MIECHVP
ARRA - Drop in Preschool
ARRA-Education Jobs
Emergency Immigrant Assistance
Title III Lang Inst Prog Lim English
Learn and Serve America
McKinney Education for the Homeless
Title II-Teacher Quality
MIHOPE
Dept of Rehab Services
Technology-Enhancing Education
Early Childhood Expansion Grant
Teaching American History
CiviConnections
COPS Grant
Hurricane Emergency Relief Act
Medicaid Fee for Service
Administrative Outreach
REMS Grant
Larkin Project SERV
Teacher Mentoring
FIE Learning Std and C&TE
Safe Routes to Schools
All Day Kindergarten
National Board Resource Ctr
Streamwood CTEI
Emerg Mgmt - FEMA

CLASSIFICATION OF EXPENDITURES

The expenditures of the District are classified by fund, object and function as required by the State of Illinois. The fund classification was explained previously in the Fund Structure section. The following describes the remaining classifications:

Function

The function is the action or purpose for which a person or thing is used or exists. The function number includes the activities or actions which are performed to accomplish the objectives of the school district. There are eight broad function categories as outlined below:

| <u>Code</u> | <u>Description</u> |
|-------------|---|
| 1000 | Instruction |
| 2000 | Support Services |
| 3000 | Community Services |
| 4000 | Payment to Other Districts and Governmental Units |
| 5000 | Debt Service |
| 7000 | Sources of Funds |
| 8000 | Uses of Funds |
| 9000 | Other Economic Resources |

Object

The object is the service or commodity obtained as the result of a specific expenditure. The object codes are also utilized to desegregate between different categories of expenditures. There are eight object categories outlined below:

| <u>Code</u> | <u>Description</u> |
|-------------|---------------------------|
| 5100 | Salaries |
| 5200 | Employee Benefits |
| 5300 | Purchased Services |
| 5400 | Supplies and Materials |
| 5500 | Capital Outlay |
| 5600 | Other |
| 5700 | Non-Capitalized Equipment |
| 5800 | Termination Benefits |

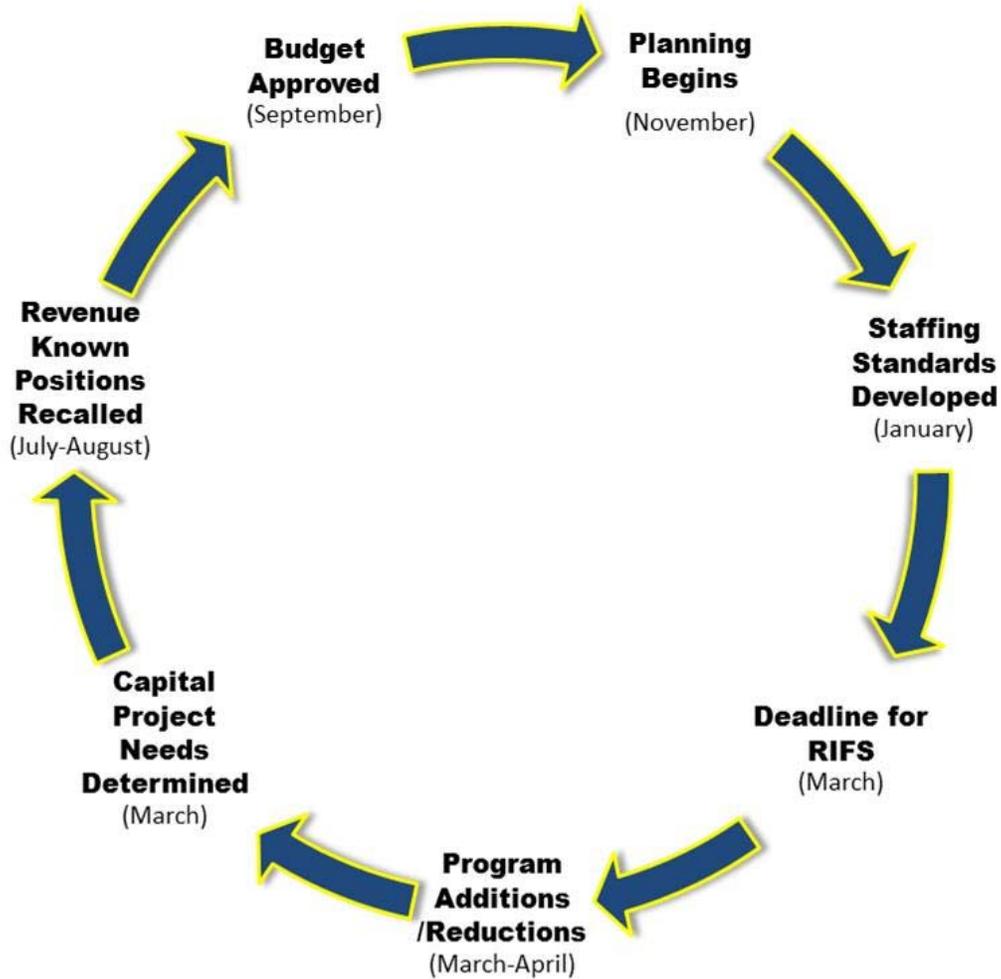
BUDGET ADMINISTRATION AND MANAGEMENT PROCESS

Annual budgets are adopted for all governmental fund types and are adopted on the modified accrual basis of accounting at the fund level which is a basis consistent with GAAP. The District maintains a system to measure the uncommitted budget amount available for expenditures at any time during the year. Appropriations lapse at June 30 and outstanding encumbrances are canceled at that date.

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

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 at least one public hearing, and a final budget must be prepared and adopted no later than September 30. Budgeting for capital expenditures is included in this process.

Budget Planning Cycle



BUDGET TIMELINE

2017

| | |
|---|--------------|
| Present <i>Resolution Directing the Superintendent to Prepare the Tentative FY 2018 Budget</i> (Work Session) | February 27 |
| Tentative FY 2018 Budget Timeline - Information Item | February 27 |
| Adopt <i>Resolution Directing the Superintendent to Prepare the Tentative FY 2018 Budget</i> | March 6 |
| Cabinet establishes budget priorities | April 25 |
| Discussion of Board Priorities for FY 2018 Budget | April 25 |
| Board Finance Committee Meeting | May 15 |
| Tentative Budget is presented to the Board of Education | June 19 |
| Present the <i>Resolution for Display of and Public Hearing on Budget</i> | June 19 |
| Adopt <i>the Resolution for Display of and Public Hearing on Budget</i> | July 24 |
| Newspaper notice published for display of budget to begin <u>Aug. 15</u> and Public Hearing to be held <u>September 11</u> <i>(must be published at least 30 days prior to public hearing)</i> | August 4 |
| Board Finance Committee review of proposed budget changes from June 19 Budget Presentation | August 7 |
| Tentative Budget is presented to the Board of Education | August 14 |
| Begin 30-Day Display of Tentative Budget <i>(must be displayed at least 30 days prior to adoption)</i> | August 15 |
| Public Hearing of Board of Education held for Budget and Present <i>Resolution for Approval of Budget - ISBE form</i> (Work Session) | September 11 |
| Adoption of Final Budget <i>(must be adopted by September 30)</i> - Resolution/ISBE form, Certification of Budget, and Certification Estimate of Revenues are signed - Budget is posted on U-46 website immediately after approval | September 25 |
| Certified Adopted Budget filed with County Clerks Certified Adopted Budget filed with ROE Adopted Budget submitted electronically to ISBE including Report of Vendors Contracts of \$1,000 or More <i>(must be filed/submitted within 30 days of adoption)</i> | October 25 |



Financial Section



FISCAL YEAR 2018 BUDGET
(School Year 2017-2018)



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FINANCIAL OVERVIEW

As discussed in the Organizational Section, annual budgets are adopted for all District funds except for the Agency Fund. The budgeted funds are as follows:

1. Educational Fund [10]
2. Operations & Maintenance Fund [20]
3. Debt Service Fund [30]
4. Transportation Fund [40]
5. Municipal Retirement and Social Security Fund [50]
6. Capital Projects Fund [60]
7. Working Cash Fund [70]
8. Tort Immunity and Judgment Fund [80]
9. Fire Prevention and Safety Fund [90]

For operational purposes, the District separates the different funds into four categories: Operating Funds, Special Revenue Funds, Debt Service Fund and Capital Projects Funds. These categories differ from GAAP and ISBE reporting requirements which are discussed in the Fund Structure section of the Organizational Section.

Operating Funds include:

- Fund 10 Educational
- Fund 20 Operations & Maintenance
- Fund 40 Transportation

Special Revenue Funds include:

- Fund 50 IMRF/Social Security
- Fund 70 Working Cash
- Fund 80 Tort Immunity & Judgment

Debt Service Fund

- Fund 30 Debt Service

Capital Projects Funds include:

- Fund 60 Capital Projects
- Fund 90 Fire Prevention & Safety

All Funds

The presentation of All Funds is not a separate budget but is a combination of all District funds.

All Funds

**Revenues, Expenditures & Other Financing Sources/(Uses)
 by Fund (ISBE)**

| | Budget Revenues | Budget Expenditures | Budget Other Sources/ (Uses) | Net Increase (Decrease) |
|------------------------------------|----------------------------|--------------------------------|---|------------------------------------|
| Educational Fund [10] | \$ 381,521,179 | \$ 385,731,496 | \$ (3,902,326) | \$ (8,112,643) |
| Operations & Maintenance Fund [20] | 32,218,806 | 39,256,262 | 11,359,435 | 4,321,979 |
| Debt Service Fund [30] | 38,126,169 | 42,625,595 | 4,542,891 | 43,465 |
| Transportation Fund [40] | 29,468,513 | 26,572,549 | 1,200,000 | 4,095,964 |
| IMRF/Social Security Fund [50] | 15,790,414 | 15,787,947 | - | 2,467 |
| Capital Projects Fund [60] | 300,000 | 300,000 | - | - |
| Working Cash Fund [70] | 1,200,000 | - | (13,200,000) | (12,000,000) |
| Tort Immunity & Judgment Fund [80] | 8,466,019 | 6,145,122 | - | 2,320,897 |
| Fire Prevention & Safety Fund [90] | 1,961,477 | 1,497,000 | - | 464,477 |
| Total All Funds | \$ 509,052,577 | \$ 517,915,971 | \$ - | \$ (8,863,394) |

OPERATING FUNDS: For operational purposes the District considers the following funds to comprise the Operating Funds of the District.

| | Budget Revenues | Budget Expenditures | Budget Other Sources/ (Uses) | Net Increase (Decrease) |
|------------------------------------|----------------------------|--------------------------------|---|------------------------------------|
| Operating Funds | | | | |
| Educational Fund [10] | \$ 381,521,179 | \$ 385,731,496 | \$ (3,902,326) | \$ (8,112,643) |
| Operations & Maintenance Fund [20] | 32,218,806 | 39,256,262 | 11,359,435 | 4,321,979 |
| Transportation Fund [40] | 29,468,513 | 26,572,549 | 1,200,000 | 4,095,964 |
| Total Operating Funds | 443,208,498 | 451,560,307 | 8,657,109 | 305,300 |

**Revenues, Expenditures & Other Financing Sources/(Uses)
 by Fund (GAAP)**

| | Budget Revenues | Budget Expenditures | Budget Other Sources/ (Uses) | Net Increase (Decrease) |
|---|----------------------------|--------------------------------|---|------------------------------------|
| General Fund | | | | |
| Education Account (Fund [10]) | \$ 381,521,179 | \$ 385,731,496 | \$ (3,902,326) | \$ (8,112,643) |
| Operations & Maintenance Account (Fund [20]) | 32,218,806 | 39,256,262 | 11,359,435 | 4,321,979 |
| Working Cash Account (Fund [70]) | 1,200,000 | - | (13,200,000) | (12,000,000) |
| Tort Immunity & Judgment Account (Fund [80]) | 8,466,019 | 6,145,122 | - | 2,320,897 |
| Total General Fund | \$ 423,406,004 | \$ 431,132,880 | \$ (5,742,891) | \$ (13,469,767) |
| Special Revenue Funds | | | | |
| Transportation Fund [40] | \$ 29,468,513 | \$ 26,572,549 | \$ 1,200,000 | \$ 4,095,964 |
| IMRF/Social Security Fund [50] | 15,790,414 | 15,787,947 | - | 2,467 |
| Total Special Revenue Funds | \$ 45,258,927 | \$ 42,360,496 | \$ 1,200,000 | \$ 4,098,431 |
| Debt Service Fund [30] | 38,126,169 | 42,625,595 | 4,542,891 | 43,465 |
| Capital Projects Funds | | | | |
| Capital Projects Fund [60] | \$ 300,000 | \$ 300,000 | \$ - | \$ - |
| Fire Prevention & Safety Fund [90] | \$ 1,961,477 | \$ 1,497,000 | \$ - | \$ 464,477 |
| Total Capital Projects Funds | \$ 2,261,477 | \$ 1,797,000 | \$ - | \$ 464,477 |
| Total All Funds | \$ 509,052,577 | \$ 517,915,971 | \$ - | \$ (8,863,394) |

All Funds
Revenues, Expenditures and Changes in Fund Balance

Revenue by Source
Expenditures by Object

| | Actual 2013-14 | Actual 2014-15 | Actual 2015-16 | Budget 2016-17 | Budget 2017-18 |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Revenue | | | | | |
| Local Sources | \$ 311,255,071 | \$ 310,195,265 | \$ 317,993,639 | \$ 316,791,928 | \$ 321,078,587 |
| State Sources | 128,382,501 | 138,062,156 | 146,310,919 | 158,126,457 | 149,733,197 |
| Federal Sources | 34,412,640 | 34,596,302 | 39,907,564 | 37,207,796 | 38,240,793 |
| Total Revenue by Source | \$ 474,050,212 | \$ 482,853,723 | \$ 504,212,123 | \$ 512,126,181 | \$ 509,052,577 |
| Expenditures | | | | | |
| Salaries | \$ 236,945,104 | \$ 244,954,778 | \$ 253,556,044 | \$ 264,032,755 | \$ 269,694,946 |
| Employee Benefits | 86,948,287 | 88,738,790 | 89,909,001 | 95,498,141 | 97,715,291 |
| Purchased Services | 37,549,462 | 36,397,010 | 34,218,595 | 34,887,101 | 35,691,576 |
| Supplies and Materials | 25,417,458 | 24,444,515 | 31,095,608 | 26,760,455 | 32,011,602 |
| Capital Outlay | 15,013,147 | 28,093,541 | 33,158,826 | 29,382,903 | 23,948,029 |
| Other Objects | 54,660,682 | 54,117,436 | 54,832,599 | 59,911,438 | 57,866,952 |
| Non-Capitalized Equipment | 769,232 | 1,081,872 | 1,011,734 | 803,370 | 912,575 |
| Termination Benefits | 131,803 | 70,304 | 76,607 | 75,000 | 75,000 |
| Total Expenditures by Object | \$ 457,435,174 | \$ 477,898,246 | \$ 497,859,015 | \$ 511,351,163 | \$ 517,915,971 |
| Excess/(Deficiency) of Revenues Over/(Under) Expenditures | 16,615,038 | 4,955,477 | 6,353,108 | 775,017 | (8,863,394) |
| Other Financing Sources | \$ - | \$ 42,261,379 | \$ 7,318,597 | \$ - | \$ - |
| Net Change in Fund Balance | 16,615,038 | 47,216,856 | 13,671,705 | 775,017 | (8,863,394) |
| Fund Balance at Beg. of Year | 158,626,364 | 175,241,402 | 222,458,258 | 236,129,963 | 236,904,980 |
| Fund Balance at End of Year | \$ 175,241,402 | \$ 222,458,258 | \$ 236,129,963 | \$ 236,904,980 | \$ 228,041,586 |

Major Changes in Current Year

Fiscal year 2018 revenue is planned to decrease \$3.1 million over the prior year's budget. The \$3.1 million net decrease consists of a \$4.3 million increase from local sources, an \$8.4 million decrease in state funding, and a \$1.0 million increase in federal funding. A substantial part of the local sourced revenue increase was due to levied property taxes. In the prior year's budget 100 percent of the quarterly state categorical payments were budgeted, however, due to the continuing state financial challenges only three of the four payments have been budgeted in the current budget, a reduction of approximately \$9.7 million. General State Aid (GSA) is estimated to increase \$1.3 million over the prior year's budget. The two more significant factors that influence the GSA calculation for the upcoming year were the declining trend of low income students which reduced GSA by \$4.6 million and the increase in average daily attendance (ADA) due to Full Day Kindergarten which increased GSA by \$4.5 million. Evidence-based state funding is unresolved shedding little light on the direction of school funding in Illinois. A budget amendment may be necessary after school funding is passed.

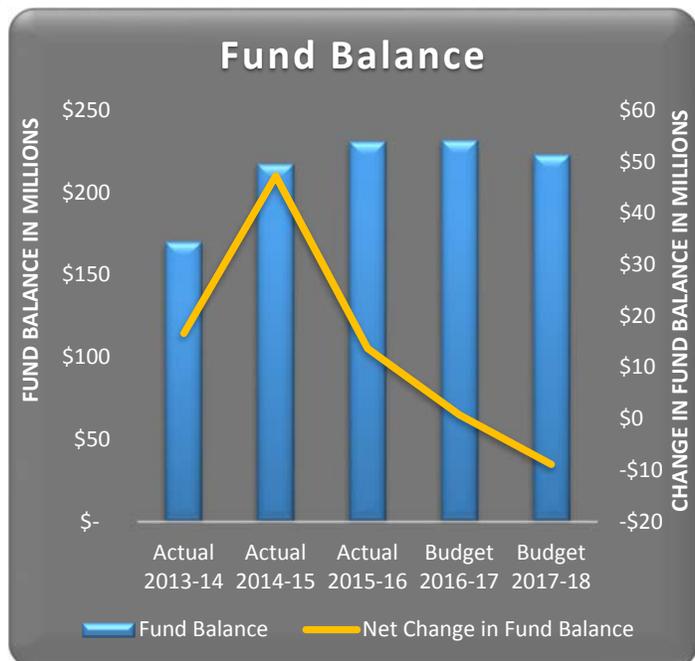
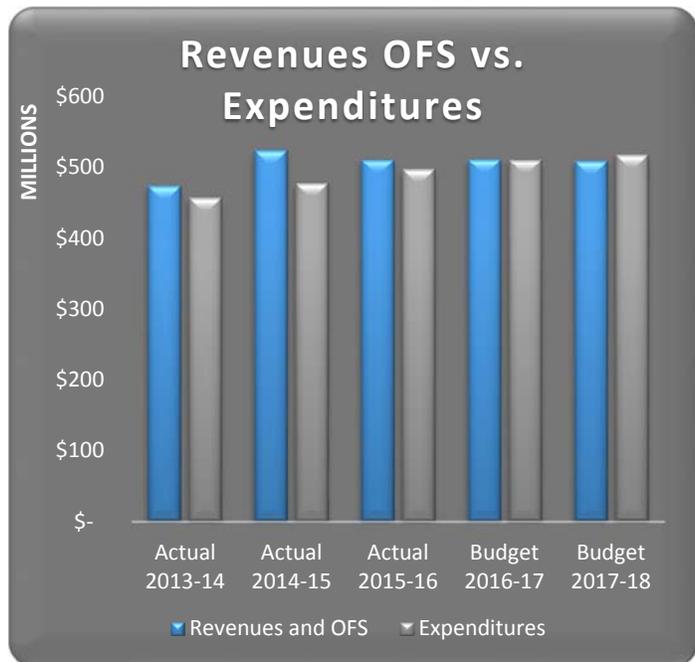
Salaries and benefits are expected to increase over the prior year due to contractual obligations. This budget included 15 less teacher FTEs but with over 2400 teacher FTEs there is relatively little impact on the overall budget.

Health and dental insurance benefits are expected to increase by five percent. The remaining benefits driven by salary will increase in-line with the percentage increased in salaries.

A new science curriculum is planned to roll out for the next school year costing \$5.3 million. The science curriculum was last updated around a decade ago. The District has planned for \$23.9 million of capital expenditures during the year, \$12.0 million of which will be funded by working cash bond proceeds issued in a prior year. This draw down of bond proceeds is not reported as revenue but rather a reduction of fund balance.

There are no new planned capital leases or debt issuances in fiscal year 2018 which leaves other financing sources at zero. The last new issuance of debt and capital lease was completed in fiscal year 2015 and 2016, respectively. The District has not planned to purchase or lease any new buses in the current budget. This is not consistent with the District's Age and Obsolescence Plan for Bus Replacement but was a decision made resulting from the uncertainty of state funding.

Due to the explanations outlined in the paragraphs above the District's overall fund balance is budgeted to decrease \$8.9 million. It is important to note that the excess of expenditures over revenues is nonrecurring expenditures. This means when the bond proceeds have been exhausted it is management's intention to budget expenditures in-line or less than revenues. The operating budget which is made of primarily recurring expenditures is planned to have a slight budget surplus for the year.



SIGNIFICANT REVENUE AND EXPENDITURES

Property Taxes– Property taxes are levied each year on all taxable real property in the District on or before the last Tuesday in December and attach an enforceable lien on the property as of the preceding January 1. The taxes become due and collectible in March and September in Cook County and June and September 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 Consumer Price Index (CPI) is expected to increase around 1.5 percent. New construction is expected to remain flat to slightly up. The 2017 property tax levy payable in 2018 increased 2.1 percent. The 2016 tax levy payable in 2017 was levied and the increase on existing property was abated reducing property taxes \$3.9 million. For tax year 2017 the District has budgeted the same abatement of \$3.9 million. The District recognizes up to 50 percent of the current tax levy and 50 percent of the prior year levy in the current fiscal year so the property tax revenue recognized in a given fiscal year will not necessarily correspond to one tax year's levy.

This resulted in budgeted property tax revenues increasing slightly under estimated CPI of 1.5 percent. Likewise, management has projected CPI to remain around 1.5 percent over the next few years. District management is anticipating equalized assessed valuations (EAV) to continue to climb as we move forward. Except for last year the EAV has trended downward over the past several years. As the EAV increases at a greater rate than the property tax levy, property tax rates will decline.

General State Aid (GSA) – The distribution of GSA to Illinois public schools is determined by a statutorily defined formula in 105 ILCS 5/18-8.05. This formula provides for different methods of funding allocation, dependent primarily on the local property wealth within each school district. District management uses forecasted information provided by the Illinois School Board of Education (ISBE) in order to budget the GSA for the coming year.

State Categorical Programs – Mandated categorical programs and the funds appropriated for them, by the State, are earmarked and mandated by statute for a particular purpose or population and may be used for that purpose or population only. There are several different programs included in this revenue source. The majority of programs cover special education and transportation.

These programs are typically funded based on the demographics of the District's student population and have been flat from year to year. Due to the uncertainty of the timing of the State making these payments the District has historically included three of the four annual categorical payments in the budget. In the prior year's budget the District included 100 percent of the payments, however, due to the increased financial challenges of the State only three categorical payments have once again been budgeted for in the current budget.

Salaries and Benefits – From teachers to support staff to administrators the District's largest expense is salaries and benefits. The largest piece of the salaries and benefits goes towards teachers. These expenses are negotiated between labor unions and District administration resulting in contractual increases year over year. In addition to teachers many other District employees' salaries and benefits are negotiated by labor unions. Once contracted, these bargaining agreements provide a road map for budgeting salaries and benefits.

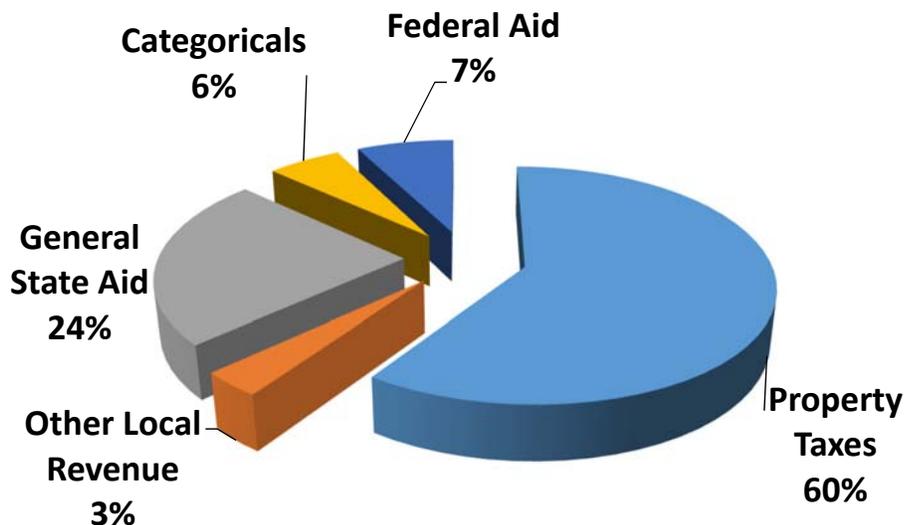
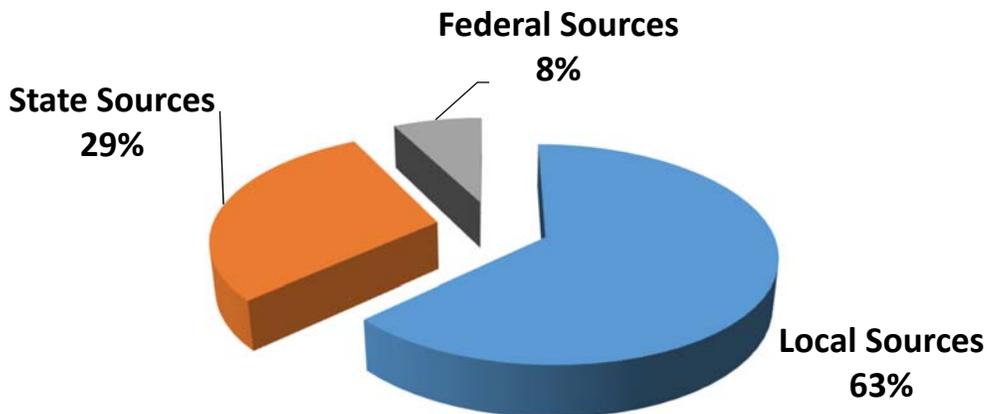
The largest benefit included in this group is for medical insurance. Health care costs are expected to increase 5 percent in fiscal year 2018 and continue that trend over the next few years.

Purchased Services – These costs will typically mirror the cost of doing business from one year to the next. The District has been able to spend less over the past two years while meeting the purchased services needs of the District. The District continues to increase efforts to meet the needs of the District with fewer resources. District management has included a slight increase in purchased services in the fiscal year 2018 budget which resulted in an amount in line with the average over the past few years.

All Funds

Revenue by Source

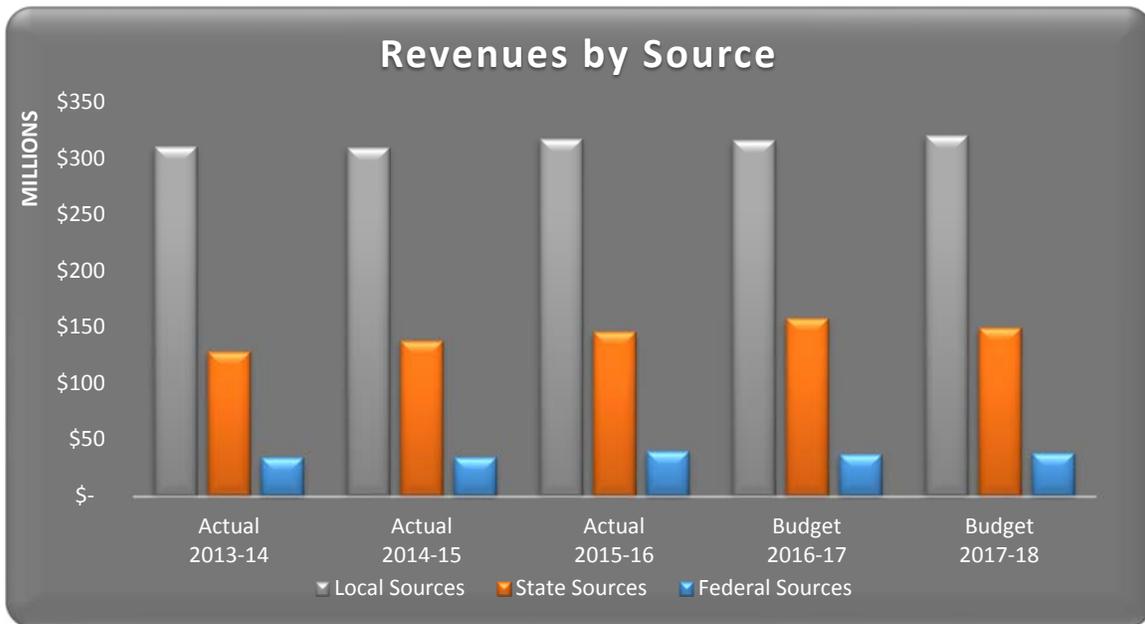
| Revenue | Budget 2017-18 |
|----------------------------|-----------------------|
| Local Sources | |
| Property Taxes | \$ 303,392,177 |
| Other Local Revenue | 17,686,410 |
| Total Local Sources | 321,078,587 |
| State Sources | |
| General State Aid | 120,713,168 |
| Categoricals | 29,020,029 |
| Total State Sources | 149,733,197 |
| Federal Sources | 38,240,793 |
| Total Revenue | \$ 509,052,577 |



All Funds

Revenue by Source

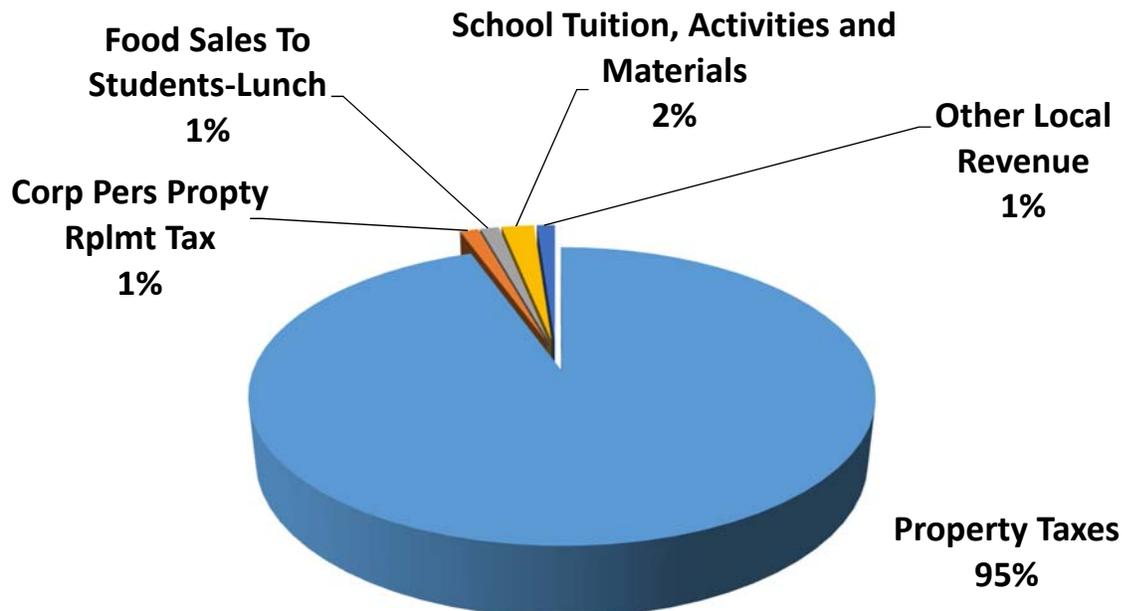
| | Actual 2013-14 | Actual 2014-15 | Actual 2015-16 | Budget 2016-17 | Budget 2017-18 |
|---------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Local Sources | \$ 311,255,072 | \$ 310,195,265 | \$ 317,993,640 | \$ 316,791,928 | \$ 321,078,587 |
| State Sources | 128,382,501 | 138,062,156 | 146,258,912 | 158,126,456 | 149,733,197 |
| Federal Sources | 34,246,442 | 34,430,986 | 38,716,050 | 37,072,796 | 37,072,796 |
| Total Revenues by Source | \$ 473,884,015 | \$ 482,688,407 | \$ 502,968,603 | \$ 511,991,180 | \$ 507,884,580 |



All Funds

Revenue by Source Detail

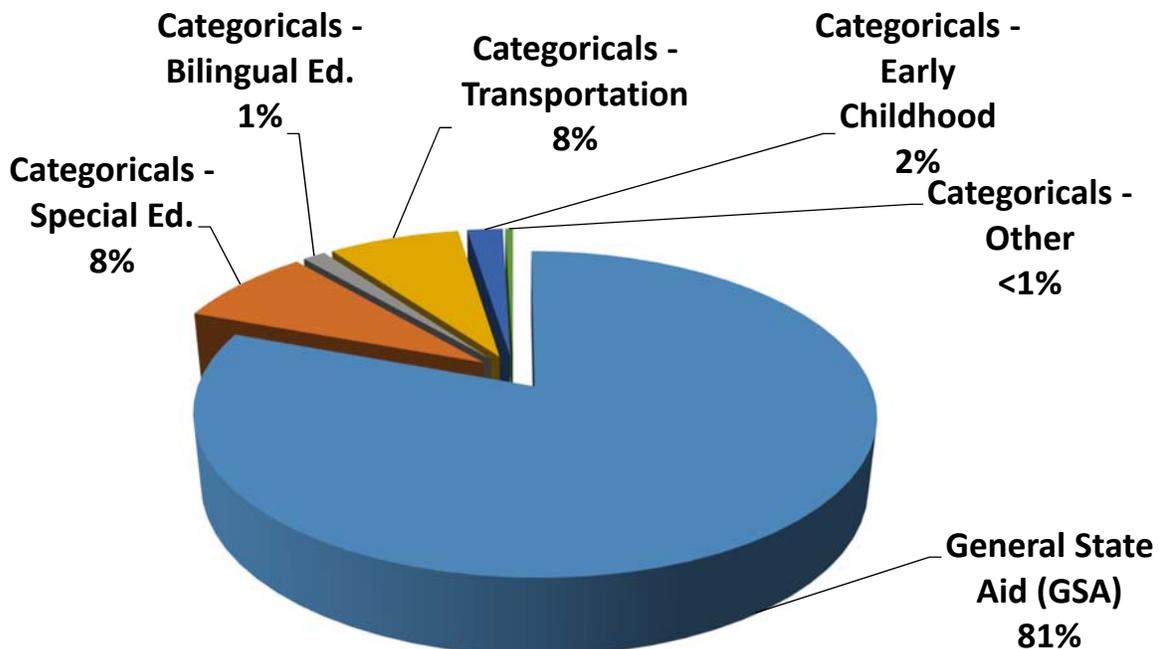
| | Actual 2013-14 | Actual 2014-15 | Actual 2015-16 | Budget 2016-17 | Budget 2017-18 |
|----------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Local Sources | | | | | |
| Property Taxes | \$ 293,432,445 | \$ 292,942,265 | \$ 301,575,250 | \$ 300,843,428 | \$ 303,392,177 |
| Mobile Home Privilege Tax | - | - | 24,069 | 11,000 | 11,000 |
| Corp Pers Propty Rplmt Tax | 3,754,606 | 4,037,505 | 3,226,057 | 3,750,000 | 3,750,000 |
| Village of Hoffman Estates - TIF | 44,712 | 69,904 | 67,099 | 40,000 | 40,000 |
| School Tuition | 2,433,398 | 2,739,405 | 2,736,373 | 2,390,000 | 2,436,000 |
| Fees-Bus Trips-Cocurricular | 1,654,325 | 1,455,864 | 1,690,449 | 1,400,000 | 1,400,000 |
| Interest on Investments | 240,398 | 63,771 | 426,317 | 405,000 | 1,210,000 |
| Food Sales To Students-Lunch | 3,837,841 | 3,278,823 | 3,734,037 | 3,750,000 | 3,750,000 |
| Pupil Activities | 311,461 | 280,535 | 295,851 | 225,000 | 225,000 |
| Receivable Fees | (53,581) | 343,396 | 493,905 | 400,000 | 400,000 |
| Instr Matls-Student Program | 2,870,463 | 2,019,999 | 2,418,212 | 2,300,000 | 2,500,000 |
| Other Local Revenue | 2,580,397 | 2,903,492 | 1,245,028 | 1,277,500 | 1,934,410 |
| UIC Mini Grant | 33,333 | - | - | - | - |
| School Partners in City Grant | 650 | 300 | 12,450 | - | - |
| TMA | - | 12,500 | - | - | - |
| Hanover Township Grant | 648 | - | - | - | - |
| Wisdom Foundation | 7,210 | - | 4,910 | - | - |
| Kane County Fit for Kids | - | 5,000 | - | - | - |
| James Patterson Partnership Gr | - | - | 3,000 | - | - |
| Joyce Foundation | - | - | 10,000 | - | - |
| Bartlett Volunteer Fire | - | - | 9,000 | - | - |
| Mototola Nat. Alliance Partner. | 10,320 | - | - | - | - |
| Midwest Dairy Association Grant | - | - | 3,900 | - | - |
| Brighter Futures | - | 17,515 | - | - | - |
| Breakfast in the Classroom | 74,273 | - | - | - | - |
| U46 Educational Foundation | 22,175 | 15,000 | 16,358 | - | 30,000 |
| Kane County Health Dept | - | 9,990 | 1,375 | - | - |
| Total Local Sources | \$ 311,255,072 | \$ 310,195,265 | \$ 317,993,640 | \$ 316,791,928 | \$ 321,078,587 |



All Funds

Revenue by Source Detail (Continued)

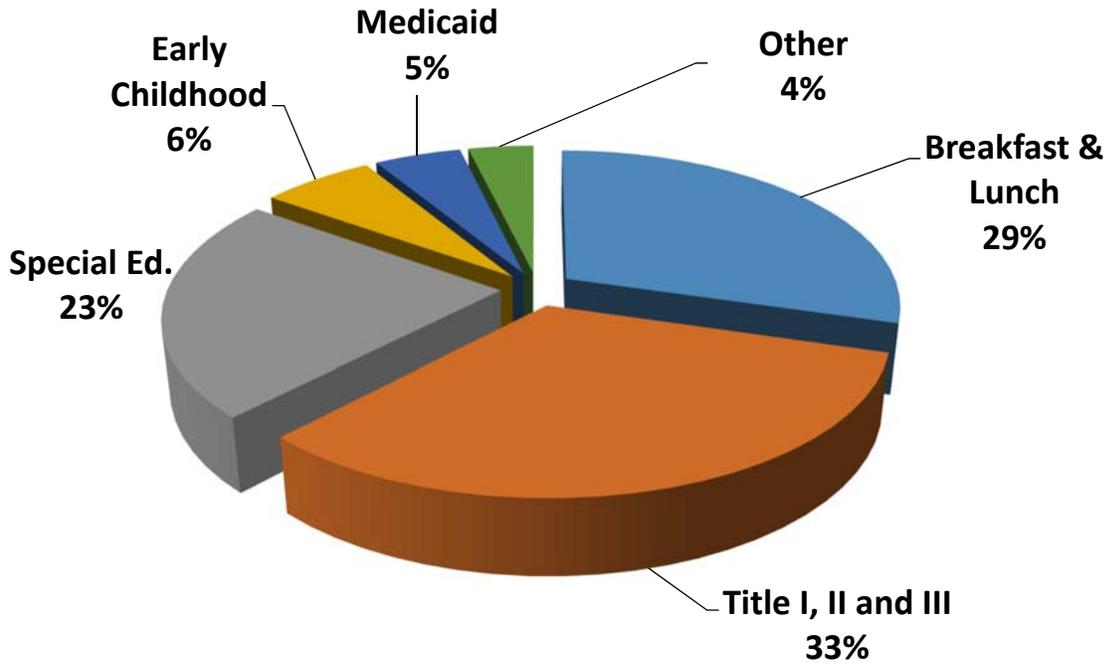
| | Actual 2013-14 | Actual 2014-15 | Actual 2015-16 | Budget 2016-17 | Budget 2017-18 |
|---------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| State Sources | | | | | |
| General State Aid | \$ 90,443,606 | \$ 97,728,628 | \$ 115,242,487 | \$ 119,433,083 | \$ 120,713,168 |
| Special Ed - Private Facility | 2,750,817 | 3,482,700 | 2,822,899 | 3,750,467 | 2,812,850 |
| Special Ed - Extraordinary | 5,289,844 | 5,174,892 | 3,946,226 | 5,261,635 | 3,946,226 |
| Special Ed - Personnel | 5,825,843 | 5,847,649 | 4,465,152 | 5,927,642 | 4,445,732 |
| Special Ed - Orphanage Individ | 2,293,707 | 1,229,686 | 943,433 | 922,265 | 691,699 |
| Special Ed - Orphanage Summer | 263,141 | 185,934 | 103,353 | 103,353 | 77,515 |
| Special Ed - Summer School | 52,351 | 60,453 | 90,744 | 90,744 | 68,058 |
| Voc Ed Program Improve Grant | 350,026 | 434,276 | 279,606 | 482,366 | 361,775 |
| Bilingual Ed - Downstate - T.P | 3,697,408 | 3,004,004 | 3,302,003 | 2,616,983 | 1,962,737 |
| State Free & Lunch Breakfast | 234,425 | 126,110 | 103,151 | 42,688 | 32,016 |
| Driver Education | 168,798 | 184,369 | 193,760 | 193,760 | 145,320 |
| Transportation - Regular | 6,368,509 | 7,607,643 | 6,326,635 | 8,344,911 | 6,258,683 |
| Transportation - Special Educa | 6,423,203 | 6,822,143 | 4,950,754 | 6,725,770 | 5,044,327 |
| National Board Certification I | 10,500 | 16,500 | - | - | - |
| Safe Schools Grant (ROE) | 105,530 | 81,362 | 100,029 | 94,500 | 70,875 |
| Safe Schools Grant | - | - | 34,167 | - | - |
| Early Childhood - Pre K | 3,560,202 | 3,474,401 | 2,934,034 | 3,734,227 | 2,800,670 |
| Early Childhd - Proj Prepares | 296,121 | 295,939 | 265,364 | 337,733 | 253,300 |
| State Library Grant | 29,234 | 29,071 | 0 | 23,585 | 17,689 |
| Back to Books Grant | 5,000 | (5,000) | - | - | - |
| Illinois Dept of Public Health | 6,545 | - | - | - | - |
| Illinois Arts Council Grant | - | - | 17,840 | - | - |
| Family Literacy | 2,439 | 3,677 | (176) | - | - |
| Orphanage Tuition - 18-3 | 47,873 | 17,858 | (7,199) | 40,743 | 30,557 |
| Other Revenue from State Source | 157,381 | 2,259,862 | 196,656 | - | - |
| Total State Sources | \$ 128,382,501 | \$ 138,062,156 | \$ 146,310,919 | \$ 158,126,456 | \$ 149,733,197 |



All Funds

**Revenue by Source Detail
 (Continued)**

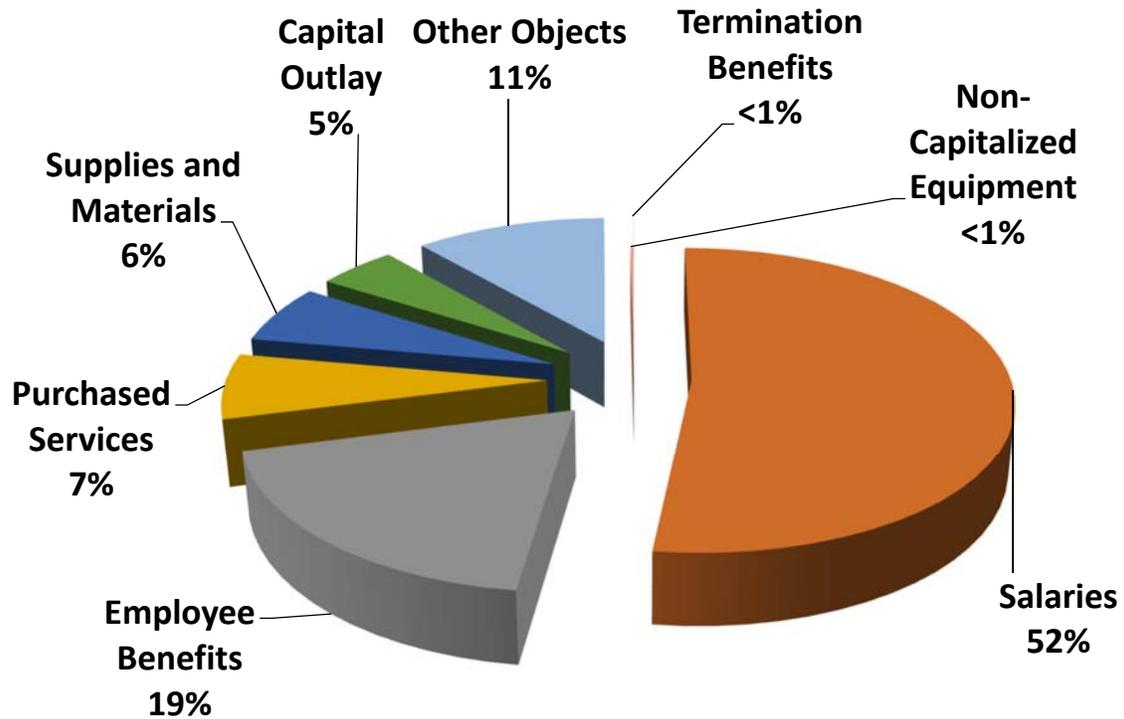
| | Actual 2013-14 | Actual 2014-15 | Actual 2015-16 | Budget 2016-17 | Budget 2017-18 |
|----------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Federal Sources | | | | | |
| National School Lunch Program | \$ 9,426,124 | \$ 9,487,942 | \$ 9,099,385 | \$ 9,000,000 | \$ 9,000,000 |
| School Breakfast Program | 2,955,539 | 2,324,614 | 2,305,294 | 2,000,000 | 2,000,000 |
| NSLP - Equipment | - | - | 34,280 | - | - |
| Title I - Low Income | 8,739,582 | 8,041,987 | 11,135,192 | 9,956,930 | 9,956,930 |
| 21st Century Comm Learning | 850,412 | 451,869 | 636,538 | 516,786 | 516,786 |
| Fed - Sp Ed - Pre-school Flow | 152,633 | 149,349 | 194,225 | 172,325 | 172,325 |
| Fed - Sp Ed - IDEA Flow Through | 7,372,799 | 7,778,813 | 8,203,865 | 7,827,463 | 7,827,463 |
| Rm & Brd PL 94-142 Sp Ed | 293,323 | 440,857 | 746,922 | 450,000 | 450,000 |
| Voc Ed Perkins Title IIc | 393,221 | 358,537 | 390,728 | 412,860 | 412,860 |
| MIHOPE | - | 7,000 | - | - | - |
| Early Childhood Expansion Grant | - | - | 1,935,115 | 2,395,800 | 2,395,800 |
| Project READI | - | 2,162 | - | - | - |
| Emergency Immigrant Assistance | - | 25,604 | - | 63,204 | 63,204 |
| Title III Lang Inst Prog Lim Eng | 1,050,689 | 1,368,691 | 939,254 | 1,324,193 | 1,324,193 |
| Title II - Teacher Quality | 1,212,859 | 741,720 | 814,242 | 841,912 | 841,912 |
| Dept Of Rehab Services | 101,774 | 113,582 | 101,211 | 261,323 | 261,323 |
| MIECHVP | 166,198 | 165,316 | 124,236 | 135,000 | 135,000 |
| COPS Grant | 118,384 | 82,500 | - | - | - |
| Non Cash Food Commodity | - | - | 1,032,997 | - | 1,032,997 |
| Medicaid fee for Service | 844,656 | 1,928,530 | 1,224,745 | 850,000 | 850,000 |
| Administrative Outreach | 734,447 | 1,127,230 | 989,334 | 1,000,000 | 1,000,000 |
| Total Federal Sources | \$ 34,412,640 | \$ 34,596,302 | \$ 39,907,564 | \$ 37,207,796 | \$ 38,240,793 |



All Funds

Expenditures by Object

| Expenditures | Budget 2017-18 |
|-------------------------------------|---------------------------|
| Salaries | \$ 269,694,946 |
| Employee Benefits | 97,715,291 |
| Purchased Services | 35,691,576 |
| Supplies and Materials | 32,011,602 |
| Capital Outlay | 23,948,029 |
| Other Objects | 57,866,952 |
| Non-Capitalized Equipment | 912,575 |
| Termination Benefits | 75,000 |
| Total Expenditures by Object | \$ 517,915,971 |



All Funds

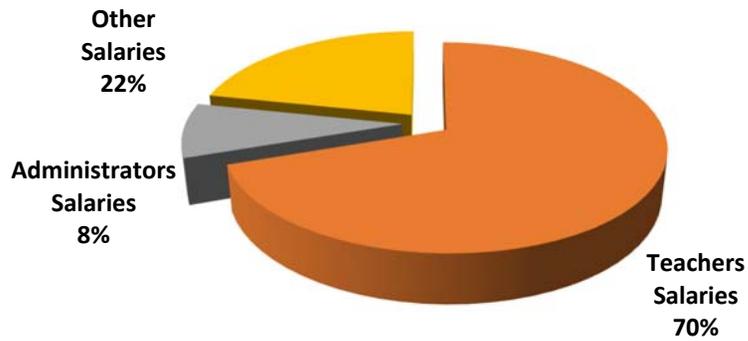
Expenditures by Object Detail

| | Actual 2013-14 | Actual 2014-15 | Actual 2015-16 | Budget 2016-17 | Budget 2017-18 |
|--------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Salaries | | | | | |
| Teachers Salaries | \$ 147,127,851 | \$ 152,861,047 | \$ 158,123,200 | \$ 166,160,958 | \$ 168,779,630 |
| Administrators Salaries | 20,938,589 | 20,729,104 | 21,745,698 | 22,874,161 | 22,953,200 |
| Technical Salaries | 10,917,204 | 11,201,940 | 11,757,751 | 12,502,704 | 13,121,540 |
| Temporary Salaries | 110,877 | 138,657 | 153,222 | 145,661 | 100,000 |
| Daily Substitute Salaries | 4,039,111 | 4,399,542 | 4,327,431 | 4,409,902 | 4,309,902 |
| Hourly Substitute Salaries | 141,435 | 502,380 | 478,229 | 478,283 | 608,283 |
| Other Hourly Extra Curr Superv | 3,873,321 | 4,209,847 | 4,616,259 | 4,383,081 | 5,390,545 |
| Athletic Extra Curr Supervisio | 250,791 | 248,075 | 241,042 | 248,278 | 623,280 |
| Noon Supervision | 1,545,262 | 1,690,237 | 1,781,881 | 1,781,818 | 2,039,636 |
| Stipends | 3,691,329 | 4,206,980 | 4,214,033 | 4,294,074 | 3,679,274 |
| Overtime Time & a Half | 914,610 | 913,300 | 1,247,217 | 1,265,543 | 1,240,861 |
| Overtime Double Time | 84,810 | 47,746 | 30,790 | 31,475 | 49,105 |
| Teachers Aides & Assistants | 923,925 | 1,296,402 | 1,320,959 | 1,399,040 | 1,664,039 |
| Special Education Aides | 6,235,528 | 6,233,196 | 6,914,956 | 7,074,108 | 7,595,586 |
| Bilingual Aides | 176,662 | 295,533 | 274,898 | 283,145 | 313,809 |
| Para Professionals | 1,163,746 | 987,911 | 1,032,631 | 1,032,672 | 1,188,330 |
| Deans Assistants | 1,481,596 | 1,486,415 | 1,484,795 | 1,513,570 | 1,508,842 |
| 12-Month Secretaries | 4,517,192 | 4,541,347 | 4,563,937 | 4,530,864 | 4,937,406 |
| 10-Month Secretaries | 3,619,687 | 3,556,157 | 3,492,845 | 3,555,934 | 3,565,938 |
| Clerical Aides | 440,253 | 427,037 | 420,740 | 430,054 | 432,153 |
| Liasons | 1,402,072 | 1,404,819 | 1,411,047 | 1,680,027 | 1,485,892 |
| Custodians | 3,750,287 | 3,772,900 | 3,937,680 | 3,877,422 | 4,094,972 |
| Maintenance | 1,581,365 | 1,705,738 | 1,813,978 | 1,766,107 | 1,901,428 |
| Grounds | 855,060 | 934,798 | 1,038,251 | 1,016,407 | 1,086,735 |
| Drivers | 11,052,546 | 11,102,701 | 11,165,848 | 11,271,164 | 11,071,164 |
| Driver Aides | 983,509 | 1,154,606 | 1,284,761 | 1,285,371 | 1,235,371 |
| Mechanics | 573,687 | 601,638 | 636,400 | 627,417 | 677,417 |
| Dispatchers | 301,533 | 311,474 | 222,158 | 216,918 | 216,918 |
| Food Service Tech | 4,225,138 | 3,970,019 | 3,794,185 | 3,868,685 | 3,793,690 |
| Student Helpers | 26,129 | 23,234 | 29,222 | 27,914 | 30,000 |
| Total Salaries | \$ 236,945,104 | \$ 244,954,778 | \$ 253,556,045 | \$ 264,032,755 | \$ 269,694,946 |
| Employee Benefits | | | | | |
| Teachers Retirement | \$ 23,481,919 | \$ 22,972,670 | \$ 25,448,345 | \$ 25,092,385 | \$ 26,824,685 |
| TRS Early Retirement Contrbtn | 1,616,726 | 808,974 | 701,317 | 1,200,000 | - |
| Municipal Retirement | 8,270,519 | 8,174,565 | 8,497,730 | 8,756,967 | 9,219,669 |
| Federal Ins Contr Act | 3,663,945 | 3,773,496 | 3,938,894 | 3,965,953 | 4,109,943 |
| Medicare Contribution | 3,239,455 | 3,338,457 | 3,480,167 | 3,402,459 | 3,629,539 |
| Life Insurance | 256,885 | 354,268 | 371,146 | 389,732 | 350,851 |
| Medical Insurance | 44,074,751 | 46,952,246 | 44,754,197 | 49,820,153 | 50,820,066 |
| Dental Insurance | 2,029,607 | 2,033,244 | 2,334,875 | 2,468,911 | 2,318,949 |
| Disability Insurance | 314,479 | 330,870 | 382,330 | 401,581 | 441,589 |
| Total Employee Benefits | \$ 86,948,286 | \$ 88,738,790 | \$ 89,909,002 | \$ 95,498,141 | \$ 97,715,291 |

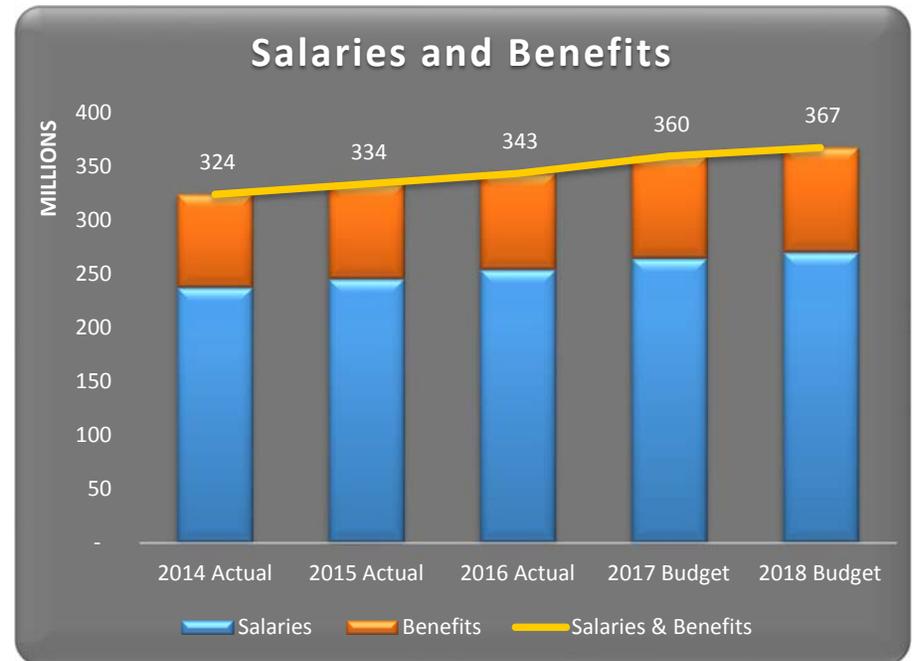
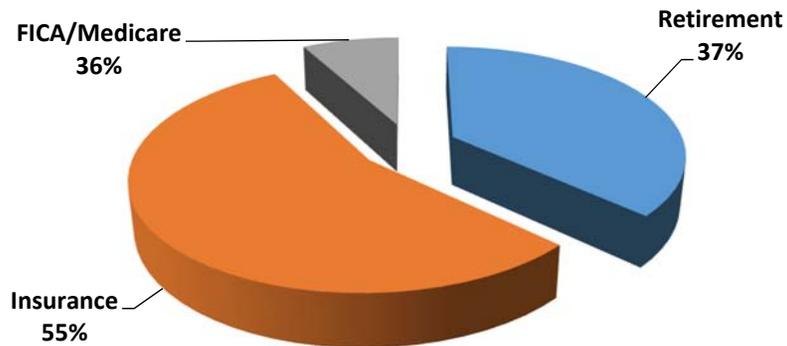
All Funds

Expenditures by Object Detail (Continued)

Salaries by employee type



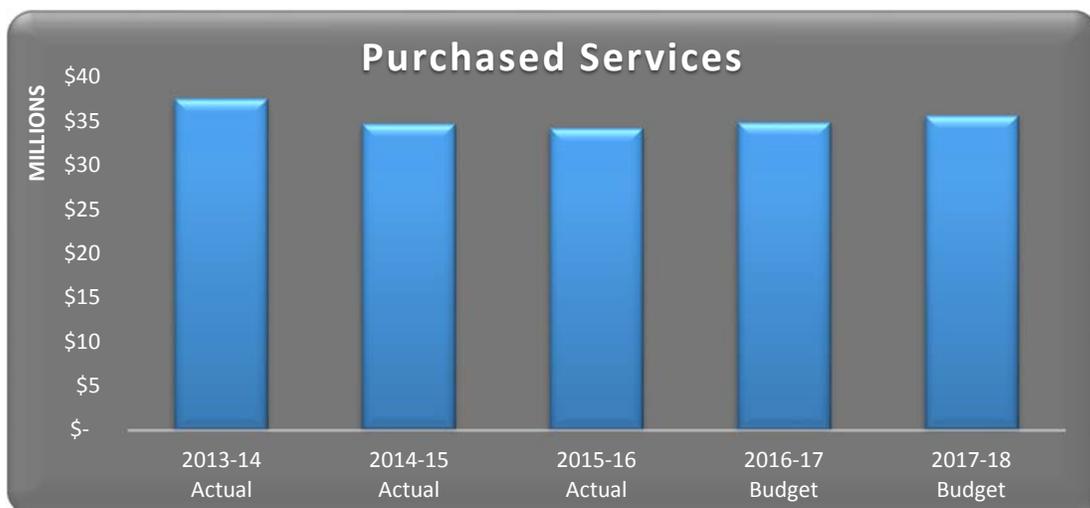
Benefits paid by District



All Funds

Expenditures by Object Detail (Continued)

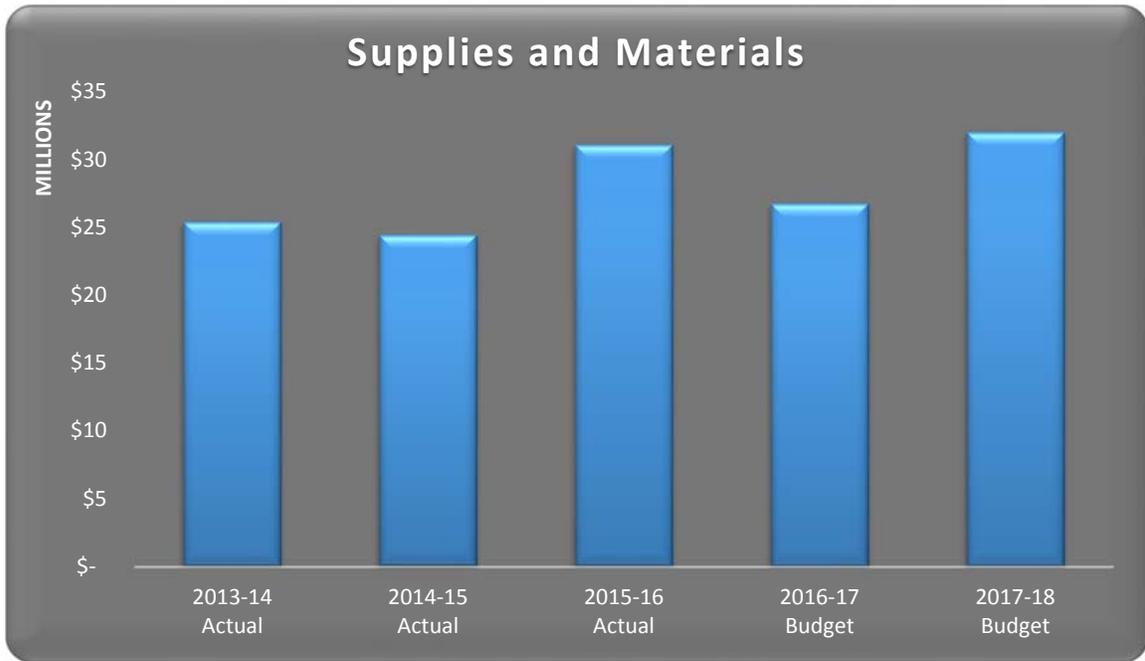
| | Actual 2013-14 | Actual 2014-15 | Actual 2015-16 | Budget 2016-17 | Budget 2017-18 |
|---------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Purchased Services | | | | | |
| Technical Services | \$ 1,550,855 | \$ 1,788,254 | \$ 2,188,727 | \$ 2,427,500 | \$ 2,650,880 |
| Admin Professional Services | 1,191,930 | 640,053 | 1,275,446 | 1,652,695 | 1,017,875 |
| Instructional Professional Ser | 1,837,496 | 1,424,608 | 1,416,641 | 1,228,891 | 1,457,782 |
| Audit/Financial Services | 96,290 | 110,500 | 101,700 | 110,000 | 100,000 |
| Legal Services | 3,332,005 | 537,595 | 245,342 | 225,000 | 350,000 |
| Other Tech & Prof Serv | 7,518,829 | 8,288,735 | 7,810,292 | 7,528,730 | 8,498,948 |
| Superintendent Search | - | - | - | - | - |
| Sanitation Services | 190,981 | 241,579 | 311,672 | 275,000 | 346,158 |
| Cleaning Services | 91,408 | 76,605 | 68,154 | 110,117 | 102,066 |
| Repairs & Maint Services | 5,753,011 | 6,657,444 | 6,971,920 | 6,264,309 | 6,031,415 |
| Rentals | 260,227 | 176,637 | 347,642 | 322,050 | 276,550 |
| Contract Cleaning | 3,438,581 | 3,453,342 | 3,488,234 | 3,550,000 | 3,615,000 |
| Exterminating | 21,946 | 29,475 | 30,660 | 25,000 | 63,040 |
| Other Property Services | 20,195 | 19,031 | 19,304 | 18,500 | 30,499 |
| Pupil Transportation | 2,001,533 | 2,090,115 | 2,360,318 | 2,639,614 | 2,501,728 |
| Indistrict/Regional Travel | 168,390 | 168,953 | 152,797 | 157,674 | 153,664 |
| Travel Conf/Workshops | 605,924 | 650,090 | 407,533 | 497,171 | 470,368 |
| Out Of District Travel | 186,659 | 184,252 | 112,050 | 151,538 | 191,167 |
| Negotiations Expense | 91,243 | 29,545 | 4,685 | 5,000 | 1,500 |
| Awards and Banquets | 28,397 | 37,804 | 28,942 | 44,100 | 35,000 |
| Communications/Postage | 2,611,452 | 1,723,516 | 1,193,050 | 1,610,809 | 1,665,437 |
| Advertising | 27,712 | 16,064 | 13,974 | 29,000 | 26,000 |
| Printing & Duplicating | 199,601 | 163,080 | 221,573 | 272,846 | 333,331 |
| Binding | 24,765 | 18,762 | 24,218 | 38,000 | 38,000 |
| Copier Service/Repair | 735,876 | 636,830 | 686,778 | 524,149 | 578,404 |
| Copier Lease/Rental | 18,402 | 9,553 | 8,917 | 34,408 | 24,500 |
| Water/Sewer | 555,660 | 543,383 | 578,516 | 510,500 | 546,264 |
| Insurance | 480,828 | 466,602 | 534,808 | 555,000 | 555,000 |
| Workers Compensation | 4,142,332 | 5,291,013 | 3,240,232 | 3,685,000 | 3,685,000 |
| Unemployment Compensation | 198,162 | 176,305 | 238,760 | 250,000 | 250,000 |
| Property Claims/Tort | - | 2,000 | 38,875 | 50,000 | 2,000 |
| Liability/Tort Immunity | 50,500 | 139,000 | 45,500 | 50,000 | 50,000 |
| Other Purchased Services | 118,273 | 606,285 | 51,336 | 44,500 | 44,000 |
| Total Purchased Services | \$ 37,549,462 | \$ 36,397,010 | \$ 34,218,595 | \$ 34,887,101 | \$ 35,691,576 |



All Funds

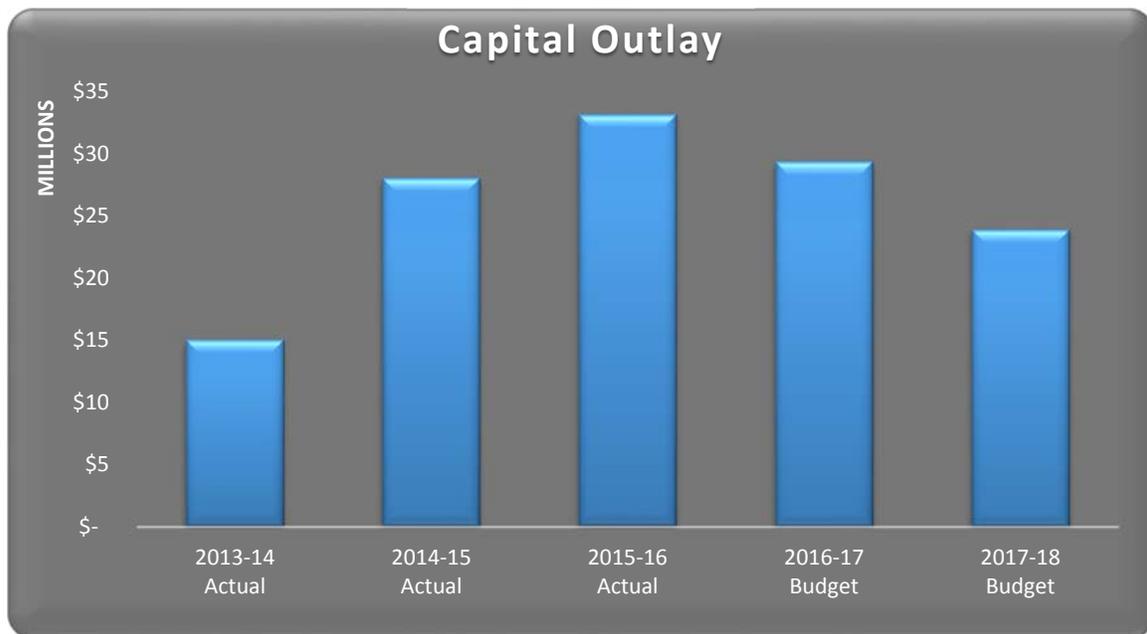
**Expenditures by Object Detail
 (Continued)**

| | Actual 2013-14 | Actual 2014-15 | Actual 2015-16 | Budget 2016-17 | Budget 2017-18 |
|-------------------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| Supplies and Materials | | | | | |
| Supplies | \$ 7,327,395 | \$ 8,364,141 | \$ 8,360,267 | \$ 8,101,465 | \$ 8,548,380 |
| Food Service Food & Supplies | 7,410,715 | 6,477,049 | 6,210,367 | 6,555,450 | 5,817,705 |
| Custodial Supplies | 514,125 | 511,645 | 500,498 | 500,000 | 609,198 |
| Non Cash Food Commodity | - | - | 1,032,997 | - | 1,032,997 |
| Tech Consumables | 57,051 | 60,106 | 56,775 | 68,025 | 66,401 |
| Copier Paper/Supplies | 154,160 | 155,068 | 185,655 | 197,874 | 215,437 |
| AV Supplies | 237 | 253 | 43 | 500 | 500 |
| Support Materials | 43,574 | 28,460 | 24,732 | 41,000 | 14,400 |
| Textbooks | 2,576,034 | 1,897,817 | 8,711,490 | 4,500,000 | 8,300,000 |
| Suppl Instructional Matls | 3,526 | 600 | - | 29,000 | 32,000 |
| Computer Accessories | 39,160 | 34,845 | 26,810 | 35,296 | 24,547 |
| Library Materials | 40,890 | 36,425 | 43,054 | 36,944 | 35,051 |
| Suppl Library Matls | 2,068 | 2,384 | 2,309 | 2,375 | 2,375 |
| Periodicals | 3,608 | 2,653 | 1,457 | 4,526 | 3,501 |
| Oil | 76,100 | 72,850 | 97,062 | 90,000 | 88,000 |
| Gasoline | 2,378,532 | 1,812,561 | 1,250,293 | 1,610,000 | 1,740,000 |
| Natural Gas | 1,348,778 | 1,829,124 | 1,299,164 | 1,800,000 | 1,613,110 |
| Electricity | 3,422,587 | 3,135,355 | 3,274,124 | 3,170,000 | 3,850,000 |
| Software | 5,000 | 5,000 | - | - | - |
| Other Supplies | 13,920 | 18,180 | 18,511 | 18,000 | 18,000 |
| Total Supplies and Materials | \$ 25,417,458 | \$ 24,444,516 | \$ 31,095,608 | \$ 26,760,455 | \$ 32,011,602 |



All Funds Expenditures by Object Detail (Continued)

| | Actual 2013-14 | Actual 2014-15 | Actual 2015-16 | Budget 2016-17 | Budget 2017-18 |
|---------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Capital Outlay | | | | | |
| Buildings | \$ 8,223,012 | \$ 14,762,273 | \$ 15,233,537 | \$ 15,872,476 | \$ 14,699,423 |
| Improvements (Non Building) | 1,011,376 | 1,879,380 | 1,541,870 | 1,092,000 | 377,500 |
| Aged & Obsolete Equipment | 327,700 | 272,599 | 112,695 | 155,000 | 206,000 |
| Lease/Purchase Equipment | 4,832 | 2,844 | 137,228 | 3,000 | 3,000 |
| Add/Repl Equipment | 5,322,003 | 11,176,445 | 8,625,742 | 9,953,987 | 8,662,106 |
| Add/Repl Transportation Equip | 124,224 | - | 196,656 | 2,306,440 | - |
| Transp Lease/Purchase Equipment | - | - | 7,311,097 | - | - |
| Total Capital Outlay | \$ 15,013,147 | \$ 28,093,541 | \$ 33,158,825 | \$ 29,382,903 | \$ 23,948,029 |



Capital Outlay – The majority of the District’s capital outlay is spent on buildings and non-building improvements. These construction projects usually span several months at a time and are typically targeted for the summer months while the schools are staffed to a minimum. Due to the nature of these construction projects and the timing of the fiscal year end, June 30, many of these capital projects are internally planned by calendar year rather than fiscal year. District management assesses the projects and their planned timing and then splits them among the appropriate fiscal year budgets. The table on the next page shows the District’s current projects which depending on the timing will fall in either fiscal year 2017, fiscal year 2018 or split between both. The table identifies the estimated total project cost, project cost budgeted for and the expected source of funding for each project. The District typically has more projects than can be funded so management prioritizes the projects throughout the year to stay within budget.

2017-18 Capital Projects Summary

| Location | Project Description | Estimated Total Project Cost | Funded with Bond Proceeds | Funded Via Other Sources | Project Cost in FY18 Budget |
|------------------------------|--|---------------------------------|------------------------------|-----------------------------|--------------------------------|
| All Middle Schools | Lockdown Keys Part 2 | \$ 750,000 | \$ 750,000 | \$ - | \$ - |
| Coleman Elementary | New Bus Drop-Off on Oakhill Road | 300,000 | 300,000 | - | 210,000 |
| Coleman Elementary | Domestic Water Piping Repair/Replacement | 700,000 | 365,000 | 335,000 | 590,500 |
| Horizon | Roof Replacement | 1,500,000 | 1,500,000 | - | 1,050,000 |
| Illinois Park | Paving Parking Lots, Drives and Playgrounds | | | | |
| | Repair/Replacement | 750,000 | 750,000 | - | 525,000 |
| Canton Middle School | Boiler/HVAC Phase 1 and Emergency Generator | 2,700,000 | 2,450,000 | 250,000 | 1,965,000 |
| Larsen Middle School | Family and Consumer Science Kitchen Rahab | 600,000 | 600,000 | - | 420,000 |
| Tefft MS/Dream Academy | Elevator Retrofit | 685,700 | 685,700 | - | 479,990 |
| Tefft Middle School | Paving Parking Lots and Drives | 1,200,000 | 1,200,000 | - | 840,000 |
| Elgin High School | Domestic Water Piping Repair/Replacement Part | 1,732,000 | 700,000 | 1,032,000 | 1,522,000 |
| Elgin HS/Harriet Gifford | EHS Gym Floor and Bleachers Replacement/HG Floor Only | 1,610,000 | 1,610,000 | - | 1,127,000 |
| Streamwood High School | Unitvents/Air handlers Repair/Replacement Part | 1,200,000 | 1,200,000 | - | 840,000 |
| High Schools | Lockdown Keys Part 3 (Design Only) | 1,500,000 | TBD | TBD | 510,000 |
| SHS, LHS, BHS, EHS, SEHS | Auditorium Rigging, Lighting, & Sound (Design | 2,500,000 | TBD | TBD | 850,000 |
| LHS, SEHS, BHS | Library Remodel Design Phase 2 (Design Only) | 1,800,000 | TBD | TBD | 612,000 |
| BHS, SHS, Abbott MS | LED Lightings/Motion Sensor Retrofits (Design | 400,000 | TBD | TBD | 136,000 |
| Centennial Elementary School | HVAC (Design Only) | 1,200,000 | TBD | TBD | 408,000 |
| Illinois Park | HVAC (Design Only) | 1,200,000 | TBD | TBD | 408,000 |
| McKinley | Paving Parking Lots, Drives and Playgrounds (Design Only) | 600,000 | TBD | TBD | 204,000 |
| Nature Ridge | Paving Parking Lots, Drives and Playgrounds (Design Only) | 600,000 | TBD | TBD | 204,000 |
| Abbott MS | Intercom System (Design Only) | 200,000 | TBD | TBD | 68,000 |
| BHS | Pool Dectron Unit (Design Only) | 700,000 | TBD | TBD | 238,000 |
| SEHS | Absorber Repair (Design Only) | 1,200,000 | TBD | TBD | 408,000 |
| Various | Wireless Part 5 | 1,600,000 | TBD | TBD | 544,000 |
| District Commissary | Freezer/Refrigerator (Design Only) | 1,500,000 | TBD | TBD | 510,000 |
| | | \$ 28,727,700.00 | \$ 12,110,700.00 | \$ 1,617,000.00 | \$ 14,669,490.00 |



Another important piece of managing the capital outlay expenditures of the District is maintaining and operating mechanically and structurally sound buses efficiently and safely. To address this District management utilizes and maintains an Age and Obsolescence Plan for Bus Replacement.

The Bus Replacement Plan takes the entire existing fleet through an eleven-year cycle for large buses and a ten-year cycle for small buses. Due to the financial restraints of the 2008 economic recession there were no purchases of new buses in 2009, 2010 and 2011 leaving the District 117 buses behind plan. During the 2012 school year, the District was successful in addressing the “catch up” needed and purchase 90 new buses. Through efficiencies and because of newer equipment, the District was able to trade 105 buses against the 90 purchased, leaving a balance of 59 buses beyond their

scheduled replacement cycle. Due to no new bus purchases during the 2014 school year, the District was again addressing the “catch up” needed and 87 buses were purchased in 2015. Ideally, District management will continue to address the “catch up” and return to an annual purchase. This purchase will address the “catch up” needs within the small bus category. If the District is able to purchase buses annually as scheduled it will save the District slightly more than \$1,000 per bus per year in financing costs. This savings assumes similar financing terms as represented in recent bus lease transactions and the \$1,000 per bus per year would be for the life of the lease rather than the life of the bus, e.g. the District may pay financing costs on one bus for three years yet the life of the bus may be ten years; if this bus was purchased outright the savings would be approximately \$3,000. Of the buses the District purchases, a new bus price ranges from \$81,000 to \$94,000.

While the District will be operating some older buses than recommended, all buses on the road will be mechanically and structurally sound. This element will be achieved by carefully reviewing maintenance records. Only the “best” of the buses scheduled for replacement will be retained annually.

All large and small buses are now diesel powered. The large buses are being operated for ten to eleven years. The small buses are being operated for nine to ten years. The District has extended the replacement cycle from seven to a maximum of ten years for the small buses due to them being diesel powered.

The summary of the bus replacement plan and the current bus fleet is outlined on the following schedule. On the schedule the timing of the bus purchases is planned for the summer months, however, based on the nature of these transactions and order lag, the timing of the purchases and trade-ins may fluctuate throughout any given year.

**Modified Summary of the
 Bus Replacement Plan / A & O Plan**

| Calendar Year | No. of Large Buses | | No. of Small Buses | | Total No. of Buses | |
|---------------|--------------------|-------|--------------------|-------|--------------------|-------|
| | Summer Buy | Trade | Buy | Trade | Buy | Trade |
| 2017* | 18 | (18) | 20 | (20) | 38 | (38) |
| 2018 | 22 | (22) | 21 | (21) | 43 | (43) |
| 2019 | 20 | (20) | 21 | (21) | 41 | (41) |
| 2020 | 24 | (24) | 20 | (20) | 44 | (44) |
| 2021 | 15 | (15) | 22 | (22) | 37 | (37) |
| 2022 | 15 | (15) | 11 | (11) | 26 | (26) |
| 2023 | 16 | (16) | 11 | (11) | 27 | (27) |
| 2024 | 18 | (18) | 10 | (10) | 28 | (28) |
| 2025 | 18 | (18) | 15 | (15) | 33 | (33) |
| 2026 | 18 | (18) | 15 | (15) | 33 | (33) |

* No buses were purchased or leased due to uncertainty of state funding.

Summary of Current Fleet

| Fiscal Year | No. of Large Buses | No. of Small Buses | Total No. of Buses |
|-------------|--------------------|--------------------|--------------------|
| 2016 | 190 | 164 | 354 |
| 2017 | 185 | 169 | 354 |
| 2018 | 184 | 166 | 350 |

The remaining capital outlay expenditures are significantly made up of equipment purchases, ranging from laptops and other computer related items to grounds and maintenance equipment including various maintenance vehicles. These types of purchases are not currently scheduled on a long-term basis but are identified on a department basis when assessing needs during the annual budget cycle. Depending on the type of funding for construction projects, the projects will be funded from the Operations and Maintenance Fund, Capital Projects Fund and/or Fire Prevention and Safety Fund. Bus and transportation equipment purchases are funded by the Transportation Fund. Grounds and maintenance equipment and maintenance vehicles are funded by the Operations and Maintenance Fund. The Educational Fund will fund any other equipment that does not fall into the funds mentioned above or to cover any short falls of capital outlay needed by any particular fund.

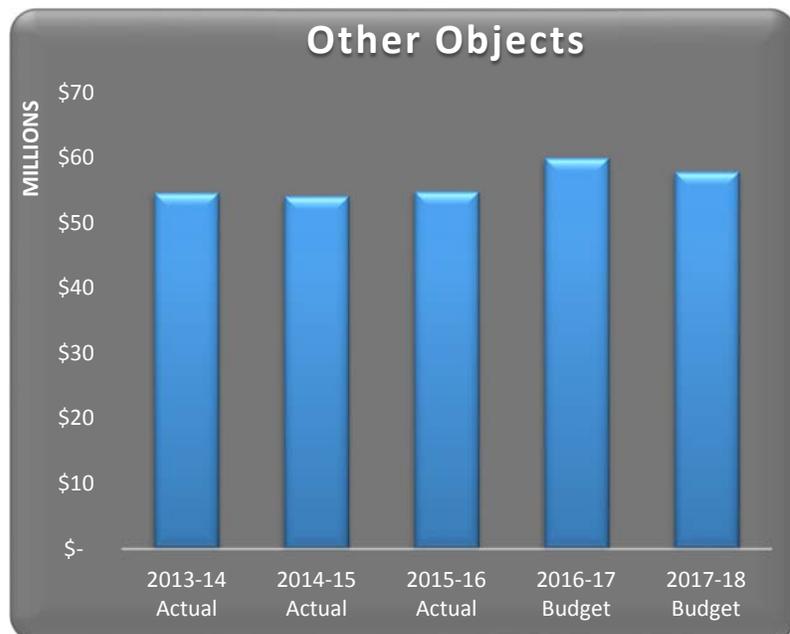
All Funds

Expenditures by Object Detail (Continued)

| | Actual 2013-14 | Actual 2014-15 | Actual 2015-16 | Budget 2016-17 | Budget 2017-18 |
|----------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Other Objects | | | | | |
| Redemption Of Principal - Leases | \$ 2,503,190 | \$ 1,747,294 | \$ 3,165,774 | \$ 2,786,330 | \$ 2,745,758 |
| Redemption of Principal - Bonds | 27,963,088 | 27,541,393 | 19,399,086 | 19,971,705 | 21,308,474 |
| Interest - Leases | 62,688 | 90,173 | 79,933 | 114,600 | 77,308 |
| Interest - Bonds | 15,485,931 | 15,597,715 | 23,230,590 | 22,671,190 | 21,317,121 |
| Dues & Fees | 235,817 | 242,332 | 421,162 | 341,413 | 332,491 |
| Tuition | 8,405,022 | 8,892,677 | 8,531,711 | 10,020,200 | 9,580,000 |
| Miscellaneous Objects | 4,946 | 5,851 | 4,344 | 6,000 | 5,800 |
| Contingency | - | - | - | 4,000,000 | 2,500,000 |
| Total Other Objects | \$ 54,660,682 | \$ 54,117,436 | \$ 54,832,599 | \$ 59,911,438 | \$ 57,866,952 |

Debt Service – The District’s debt service payments include both principal and interest and make up approximately 75 percent of the Other Objects expenditures category. Principal and interest payments on outstanding debt are currently budgeted at \$22,758,035 and \$22,785,790, respectively. The District issued Capital Appreciation Bonds (CABs) in 2001, 2002 and 2003 and has not subsequently issued any CABs. In a general sense, CABs are typically sold at a deep discount and accrete interest over the life of the bond. At maturity the accreted interest and principal are due. With a large portion of accreted interest and principal from past Capital Appreciation Bonds coming due over the next few years the District, in fiscal year 2015, issued refunding bonds in order to smooth out the debt service payments over the next six years. If no new debt is issued or retired the debt service payments will remain around \$45 million per year for the next several years.

Illinois statutes limit the amount of outstanding debt that can be issued by an issuer which is labeled debt limit and in the District’s case it is 13.8% of the Estimated Assessed Valuation (EAV). The reciprocal of the outstanding debt of an issuer is called legal debt margin and, if positive, represents the remaining capacity to issue additional debt. The legal debt margin is significantly influenced by the EAV, as the EAV increases the legal debt margin will increase if all other factors stay the same. The following shows the factors that affect the District’s calculation of the legal debt margin.



Estimated Legal Debt Margin Calculation for Fiscal Year 2017

| | |
|--|---------------------------|
| Assessed Value | 4,592,498,346 |
| Debt limit (13.8%) of assessed value | <u>633,764,772</u> |
| Debt outstanding applicable to the limit: | |
| General obligation bonds | 281,093,662 |
| General obligation debt certificates | 2,552,661 |
| Purchase contracts | <u>5,432,854</u> |
| Total debt outstanding applicable to the limit | 289,079,177 |
| Less: Amount set aside for repayment of debt | 24,348,088 |
| Total net debt applicable to the limit | <u>264,731,089</u> |
| Total legal debt margin | <u><u>369,033,683</u></u> |

Source: Financial Operations

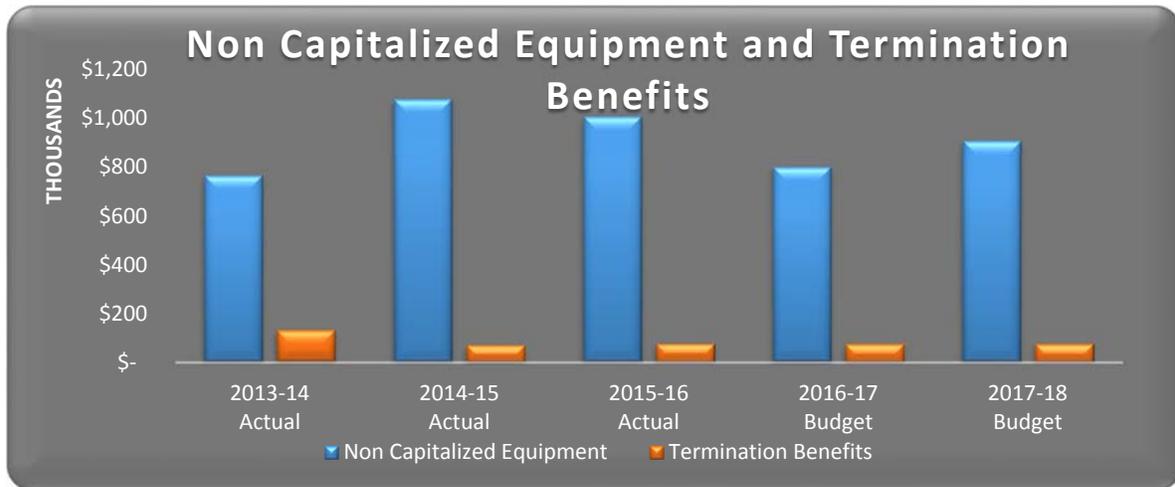


The debt limit is directly tied to the EAV of the District and it will mimic the changes in the EAV year over year. The debt limit is determined by taking 13.8% of the total EAV. As the outstanding debt decreases and the EAV increases the legal debt margin will expand and the percentage of the debt limit used will decrease. The trend over the past several years has been a contraction of the legal debt limit due to a decrease in EAV. That trend has reversed and the EAV is increasing. District management anticipates EAVs will continue to track upward over the next few years and has budgeted for an expansion of the legal debt margin due to increased EAV.

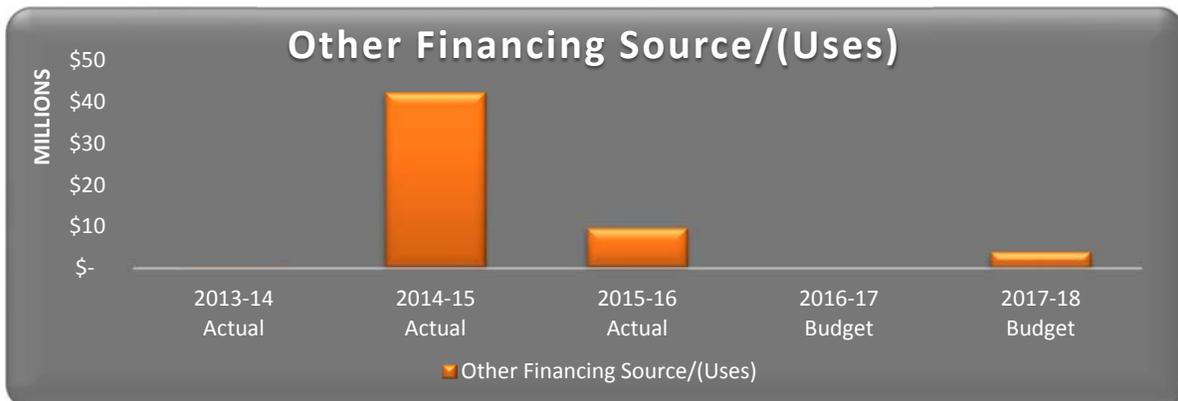
All Funds

Expenditures by Object Detail (Continued)

| | Actual 2013-14 | Actual 2014-15 | Actual 2015-16 | Budget 2016-17 | Budget 2017-18 |
|----------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Non Capitalized Equipment | \$ 769,232 | \$ 1,081,872 | \$ 1,011,734 | \$ 803,370 | \$ 912,575 |
| Termination Benefits | \$ 131,803 | \$ 70,304 | \$ 76,607 | \$ 75,000 | \$ 75,000 |



| | Actual 2013-14 | Actual 2014-15 | Actual 2015-16 | Budget 2016-17 | Budget 2017-18 |
|--|-------------------|----------------------|---------------------|-------------------|---------------------|
| Other Financing Source/(Uses) | | | | | |
| Proceeds from Bonds Sold | \$ - | \$ 175,900,000 | \$ - | \$ - | \$ - |
| Premium from Bonds Sold | - | 25,200,979 | - | - | - |
| Proceeds from Purchase Contracts | - | - | 6,653,797 | - | - |
| Proceeds from Sale of Equipment | - | - | 664,800 | - | - |
| Transfer to Escrow Agent | - | (158,839,600) | - | - | - |
| Transfer of Principal to Debt Service | 361,247 | 370,014 | 413,481 | - | - |
| Transfer of Bond Principal | - | - | 2,068,459 | - | 3,902,326 |
| Transfer of Interest to Debt Service | 26,400 | 17,632 | 9,159 | - | - |
| Total Other Fin. Sources/(Uses) | \$ 387,647 | \$ 42,649,026 | \$ 9,809,696 | \$ - | \$ 3,902,326 |



All Funds

**Budget and Three-Year Forecast
 Revenues, Expenditures and Change in Fund Balance**

| | Budget 2017-18 | Forecast 2018-19 | Forecast 2019-20 | Forecast 2020-21 |
|--------------------------------------|---------------------------|-----------------------------|-----------------------------|-----------------------------|
| Revenue | | | | |
| Local Sources | \$ 321,078,587 | \$ 324,478,626 | \$ 332,756,133 | \$ 337,046,248 |
| State Sources | 149,733,197 | 149,106,466 | 148,503,414 | 147,924,153 |
| Federal Sources | 38,240,793 | 38,623,201 | 39,009,433 | 39,399,527 |
| Total Revenue by Source | \$ 509,052,577 | \$ 512,208,293 | \$ 520,268,980 | \$ 524,369,929 |
| Expenditures | | | | |
| Salaries | \$ 269,694,946 | \$ 275,091,833 | \$ 280,596,739 | \$ 286,211,829 |
| Employee Benefits | 97,715,291 | 101,273,156 | 104,980,384 | 108,843,820 |
| Purchased Services | 35,691,576 | 36,129,823 | 36,573,753 | 37,023,445 |
| Supplies and Materials | 32,011,602 | 27,985,709 | 28,303,111 | 28,624,251 |
| Capital Outlay | 23,948,029 | 20,281,440 | 13,766,440 | 12,331,440 |
| Other Objects | 57,866,952 | 55,503,408 | 55,598,251 | 52,992,427 |
| Non-Capitalized Equipment | 912,575 | 921,701 | 930,918 | 940,227 |
| Termination Benefits | 75,000 | 75,750 | 76,508 | 77,273 |
| Total Expenditures by Object | \$ 517,915,971 | \$ 517,262,819 | \$ 520,826,105 | \$ 527,044,712 |
| Net Change in Fund Balance | (8,863,394) | (5,054,526) | (557,125) | (2,674,784) |
| Fund Balance at Beginning of Year | 236,904,980 | 228,041,586 | 222,987,060 | 222,429,935 |
| Fund Balance at End of Year | \$ 228,041,586 | \$ 222,987,060 | \$ 222,429,935 | \$ 219,755,152 |

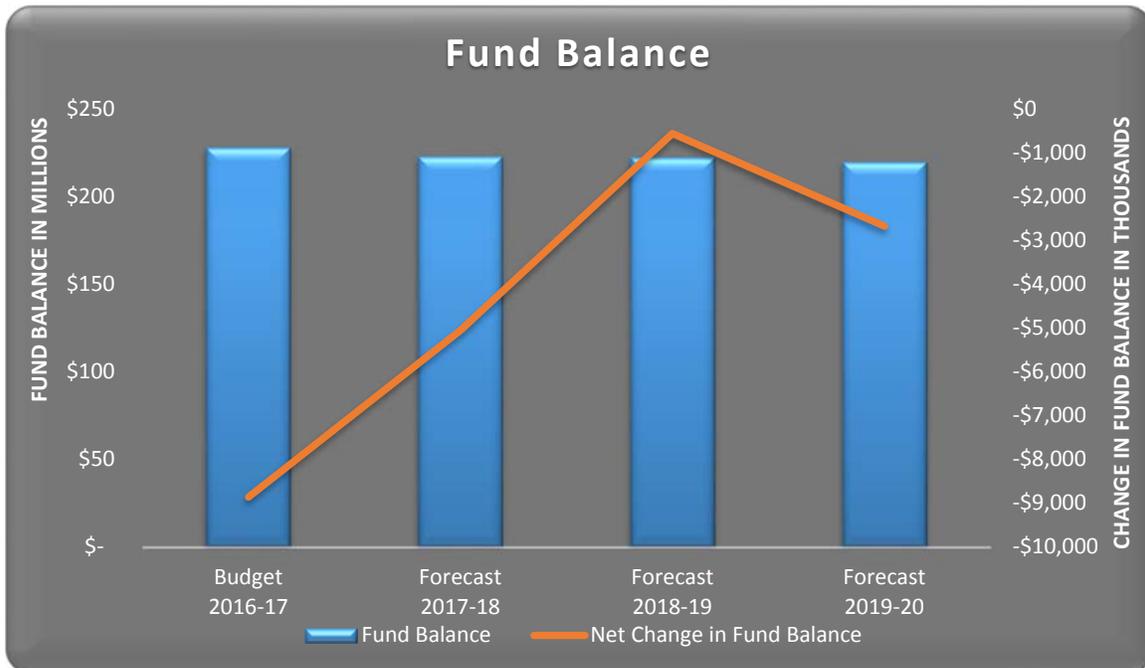
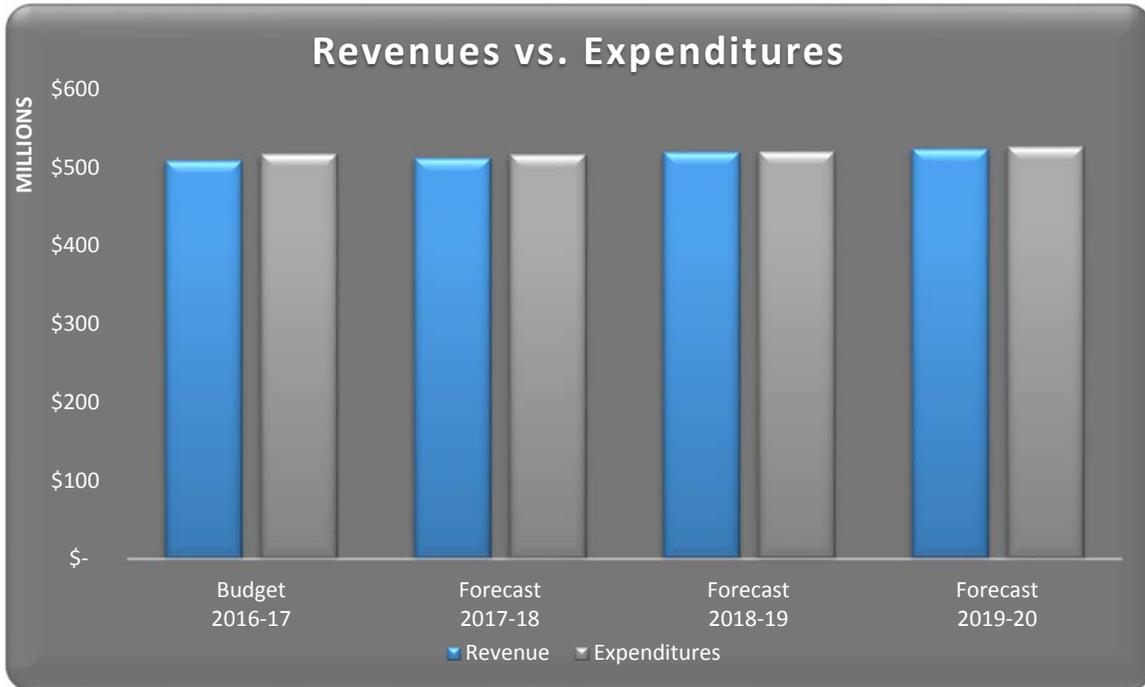
Projected Fund Balance Classifications

| | Budget 2017-18 | Forecast 2018-19 | Forecast 2019-20 | Forecast 2020-21 |
|--------------------------|---------------------------|-----------------------------|-----------------------------|-----------------------------|
| Nonspendable | \$ 1,000,000 | \$ 1,000,000 | \$ 1,000,000 | \$ 1,000,000 |
| Restricted | | | | |
| Operations and Maint. | 6,552,067 | 10,127,469 | 7,969,751 | 5,870,264 |
| Debt Service | 24,348,088 | 24,175,428 | 24,154,763 | 23,996,465 |
| Municipal Ret./Soc. Sec. | 1,403,886 | 1,248,511 | 928,978 | 438,780 |
| Capital Projects Fund | 3,044,239 | 3,019,239 | 2,984,239 | 2,934,239 |
| Committed | - | - | - | - |
| Assigned | - | - | - | - |
| Unassigned | 191,693,306 | 183,416,413 | 185,392,204 | 185,515,402 |
| Total Fund Balance | \$ 228,041,586 | \$ 222,987,060 | \$ 222,429,935 | \$ 219,755,152 |

Note: See Fund Structure information under the Organizational Section for additional fund balance classification explanations.

All Funds

Budget and Three-Year Forecast Revenues, Expenditures and Change in Fund Balance (Continued)



All Operating Funds

The combined Operating Funds is not a separate budget but is a combination of the Educational Fund, the Transportation Fund, and the Operations and Maintenance Fund. This combination of funds makes up the Operating Fund of the District. This concept of the combined Operating Funds is also used by the Illinois State Board of Education (ISBE) for financial analysis purposes.

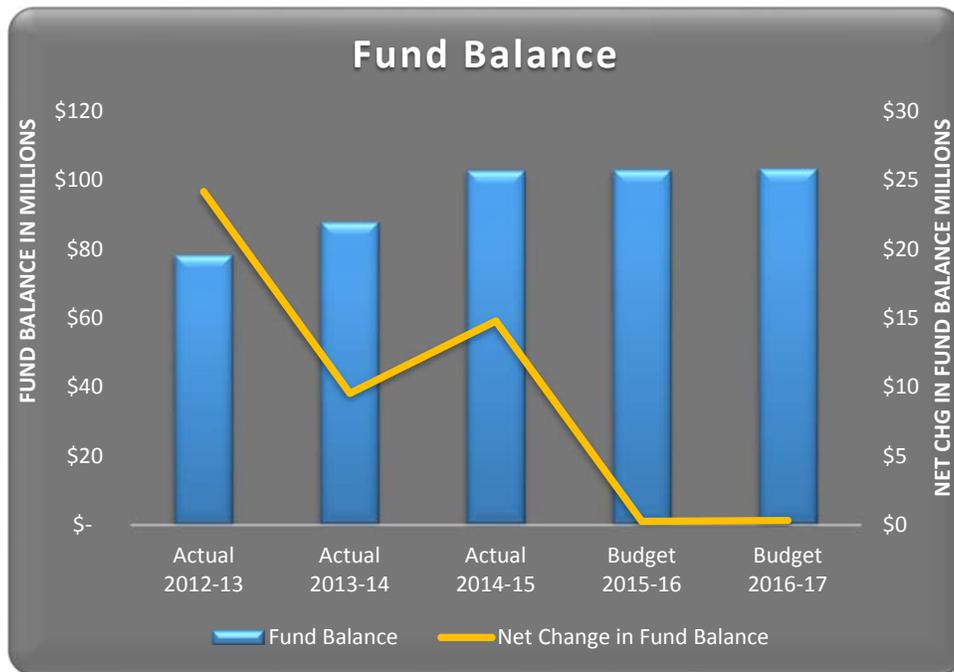
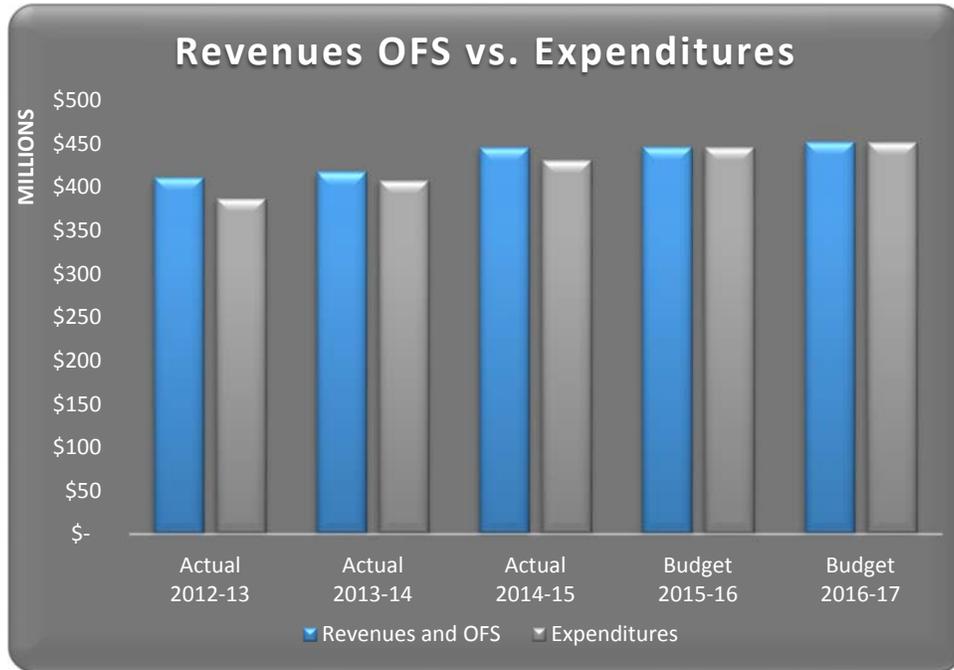
**All Operating Funds
 Revenues, Expenditures and Changes in Fund Balance**

**Revenue by Source
 Expenditures by Object**

| | Actual 2013-14 | Actual 2014-15 | Actual 2015-16 | Budget 2016-17 | Budget 2017-18 |
|--|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| Revenue | | | | | |
| Local Sources | \$ 244,848,176 | \$ 239,809,995 | \$ 246,029,053 | \$ 245,882,216 | \$ 255,234,508 |
| State Sources | 126,820,144 | 136,586,987 | 144,808,263 | 158,126,457 | 149,733,197 |
| Federal Sources | 34,412,640 | 34,596,302 | 39,907,564 | 37,207,796 | 38,240,793 |
| Total Revenue by Source | \$ 406,080,960 | \$ 410,993,284 | \$ 430,744,880 | \$ 441,216,469 | \$ 443,208,498 |
| Expenditures | | | | | |
| Salaries | \$ 236,586,607 | \$ 244,587,634 | \$ 253,174,099 | \$ 263,647,207 | \$ 269,296,580 |
| Employee Benefits | 72,984,699 | 74,585,529 | 75,115,145 | 80,514,912 | 81,897,651 |
| Purchased Services | 28,505,889 | 26,879,273 | 28,804,479 | 29,231,265 | 29,731,013 |
| Supplies and Materials | 25,417,458 | 24,444,515 | 31,095,608 | 26,760,455 | 32,011,602 |
| Capital Outlay | 12,050,420 | 25,769,766 | 29,669,541 | 27,432,903 | 22,394,529 |
| Other Objects | 10,824,015 | 10,590,681 | 11,780,282 | 17,268,543 | 15,241,357 |
| Non-Capitalized Equipment | 769,232 | 1,081,872 | 1,011,734 | 803,370 | 912,575 |
| Termination Benefits | 131,803 | 70,304 | 76,607 | 75,000 | 75,000 |
| Total Expenditures by Object | \$ 387,270,124 | \$ 408,009,574 | \$ 430,727,496 | \$ 445,733,655 | \$ 451,560,307 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 18,810,836 | 2,983,710 | 17,384 | (4,517,186) | (8,351,809) |
| Other Financing Sources | \$ 5,342,135 | \$ 6,541,930 | \$ 14,762,582 | \$ 4,758,135 | \$ 8,657,109 |
| Net Change in Fund Balance | 24,152,971 | 9,525,640 | 14,779,966 | 240,949 | 305,300 |
| Fund Balance at Beg. of Year | 54,252,894 | 78,405,865 | 87,931,505 | 102,711,471 | 102,952,420 |
| Fund Balance at End of Year | \$ 78,405,865 | \$ 87,931,505 | \$ 102,711,471 | \$ 102,952,420 | \$ 103,257,720 |

Note: Revenue, expenditures and fund balance discussed in the funds individually that make up the District operating funds. The All Operating Funds group is a consolidation of the educational, operations and maintenance and transportation funds displayed later in this section.

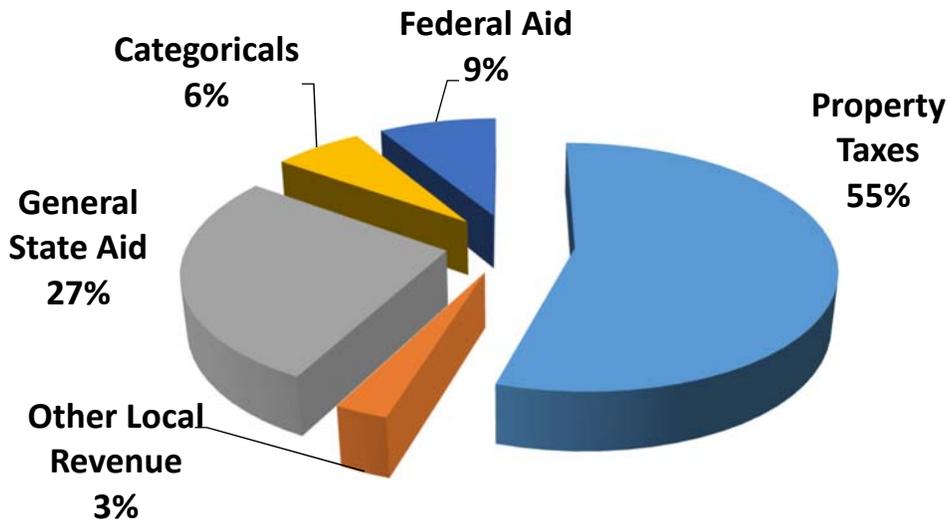
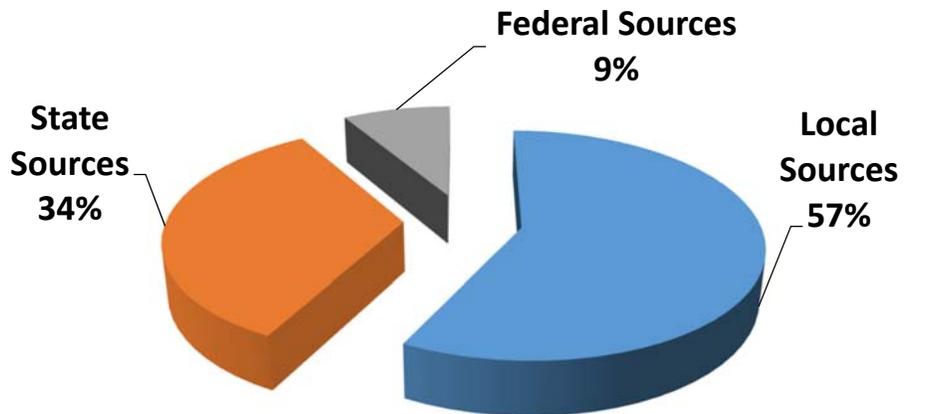
All Operating Funds Revenues, Expenditures and Changes in Fund Balance (Continued)



All Operating Funds

Revenue by Source

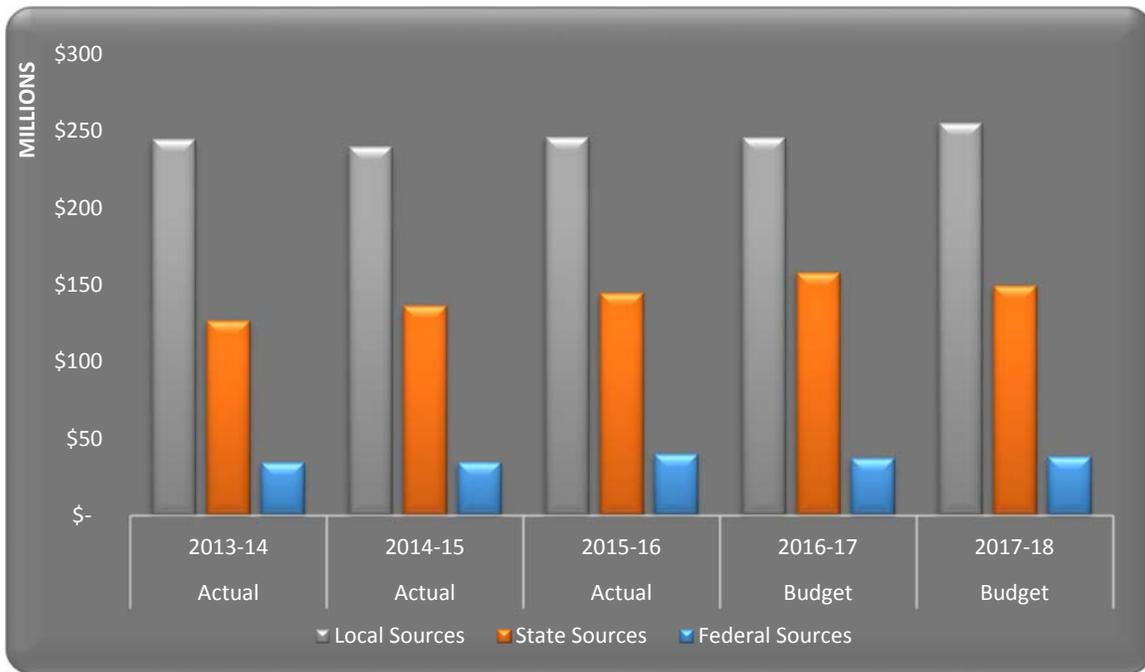
| Revenue | Budget 2017-18 |
|----------------------------|-----------------------|
| Local Sources | |
| Property Taxes | \$ 242,800,898 |
| Other Local Revenue | 12,433,610 |
| Total Local Sources | <u>255,234,508</u> |
| State Sources | |
| General State Aid | 120,713,168 |
| Categoricals | 29,020,029 |
| Total State Sources | <u>149,733,197</u> |
| Federal Sources | 38,240,793 |
| Total Revenue | <u>\$ 443,208,498</u> |



All Operating Funds

Revenue by Source

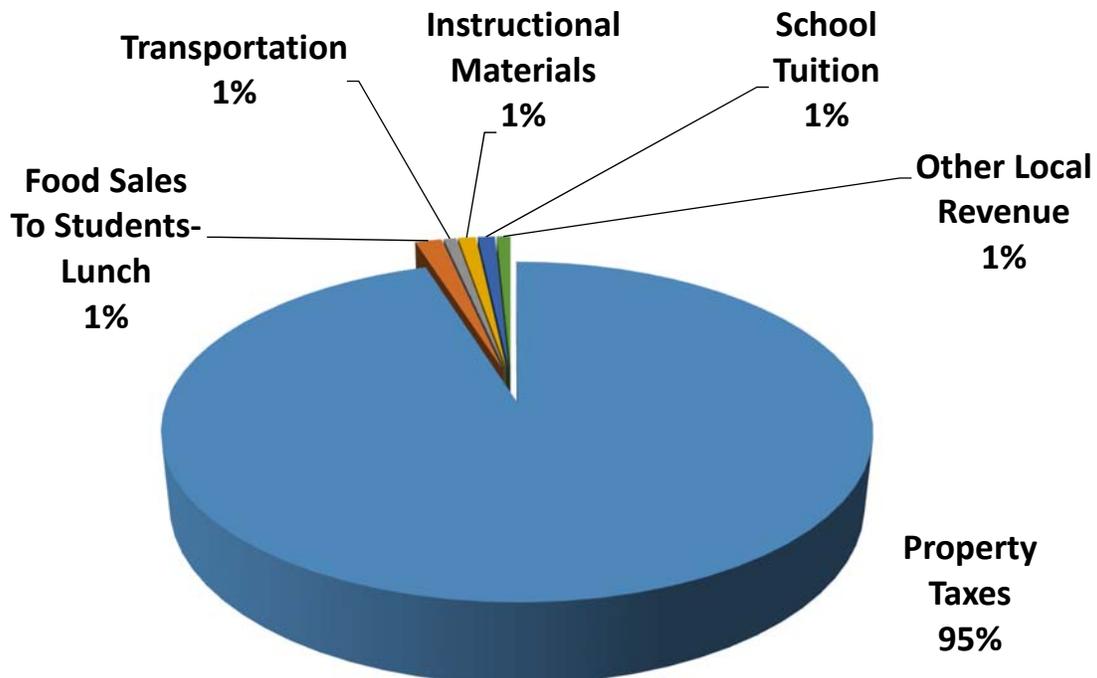
| | Actual 2013-14 | Actual 2014-15 | Actual 2015-16 | Budget 2016-17 | Budget 2017-18 |
|---------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Local Sources | \$ 244,848,176 | \$ 239,809,995 | \$ 246,029,053 | \$ 245,882,216 | \$ 255,234,508 |
| State Sources | 126,820,145 | 136,586,987 | 144,808,263 | 158,126,456 | 149,733,197 |
| Federal Sources | 34,412,640 | 34,596,302 | 39,907,564 | 37,207,796 | 38,240,793 |
| Total Revenues by Source | \$ 406,080,961 | \$ 410,993,284 | \$ 430,744,880 | \$ 441,216,468 | \$ 443,208,498 |



All Operating Funds

Revenue by Source Detail

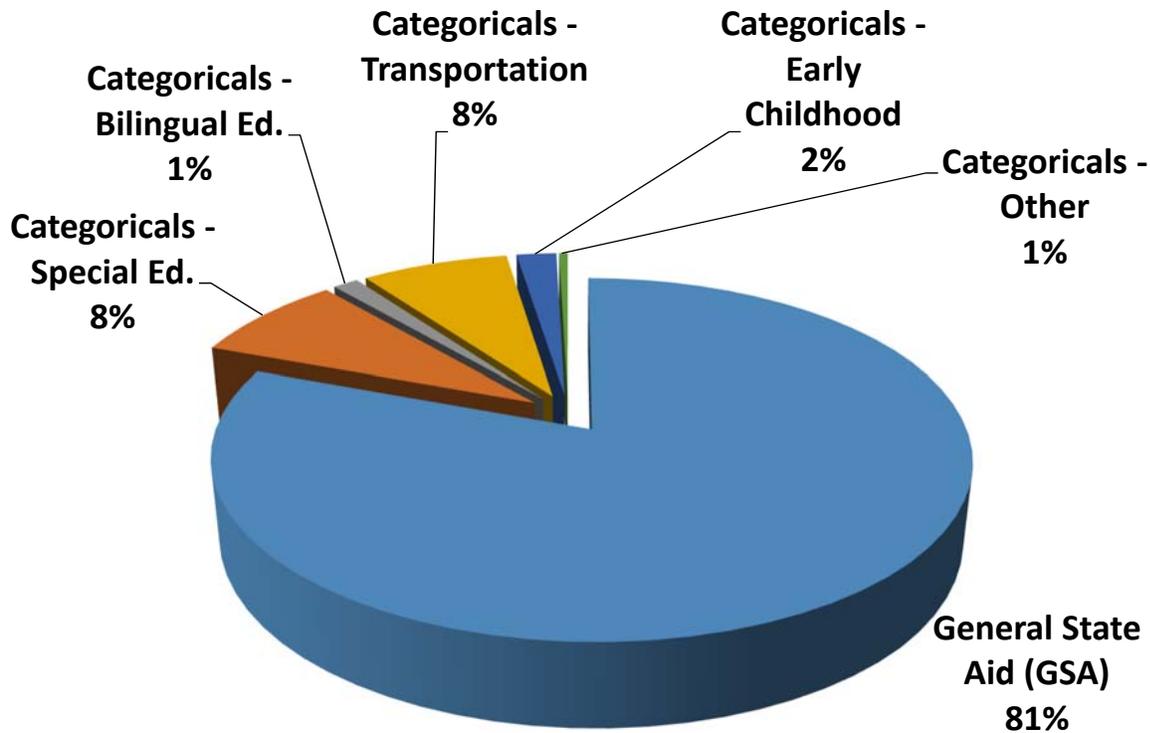
| | Actual 2013-14 | Actual 2014-15 | Actual 2015-16 | Budget 2016-17 | Budget 2017-18 |
|----------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Local Sources | | | | | |
| Property Taxes | \$ 231,469,105 | \$ 227,476,384 | \$ 233,534,329 | \$ 234,385,116 | \$ 242,800,898 |
| Mobile Home Privilege Tax | - | - | 24,069 | 11,000 | 11,000 |
| Village of Hoffman Estates - TIF | 44,712 | 69,904 | 67,099 | 40,000 | 40,000 |
| School Tuition | 2,433,398 | 2,739,405 | 2,736,373 | 2,390,000 | 2,436,000 |
| Fees-Bus Trips-Cocurricular | 1,654,325 | 1,455,864 | 1,690,449 | 1,400,000 | 1,400,000 |
| Interest on Investments | 4,155 | 2,418 | 1,372 | 3,600 | 7,200 |
| Food Sales To Students-Lunch | 3,837,841 | 3,278,823 | 3,734,037 | 3,750,000 | 3,750,000 |
| Pupil Activities | 311,461 | 280,535 | 295,851 | 225,000 | 225,000 |
| Receivable Fees | (53,581) | 343,396 | 493,905 | 400,000 | 400,000 |
| Instr Matls-Student Program | 2,870,463 | 2,019,999 | 2,418,212 | 2,300,000 | 2,500,000 |
| Other Local Revenue | 2,127,690 | 2,082,961 | 972,365 | 977,500 | 1,634,410 |
| UIC Mini Grant | 33,333 | - | - | - | - |
| School Partners in City Grant | 650 | 300 | 12,450 | - | - |
| TMA | - | 12,500 | - | - | - |
| Mototola Nat. Alliance Partner. | 10,320 | - | - | - | - |
| Hanover Township Grant | 648 | - | - | - | - |
| Wisdom Foundation | 7,210 | - | 4,910 | - | - |
| Brighter Futures | - | 17,515 | - | - | - |
| James Patterson Partnership Gr | - | - | 3,000 | - | - |
| Joyce Foundation | - | - | 10,000 | - | - |
| Bartlett Volunteer Fire | - | - | 9,000 | - | - |
| Midwest Dairy Association Grant | - | - | 3,900 | - | - |
| Breakfast in the Classroom | 74,273 | - | - | - | - |
| U46 Educational Foundation | 22,175 | 15,000 | 16,358 | - | 30,000 |
| Kane County Health Dept | - | 9,990 | 1,375 | - | - |
| Kane County Fit for Kids | - | 5,000 | - | - | - |
| Total Local Sources | \$ 244,848,176 | \$ 239,809,995 | \$ 246,029,053 | \$ 245,882,216 | \$ 255,234,508 |



All Operating Funds

Revenue by Source Detail (Continued)

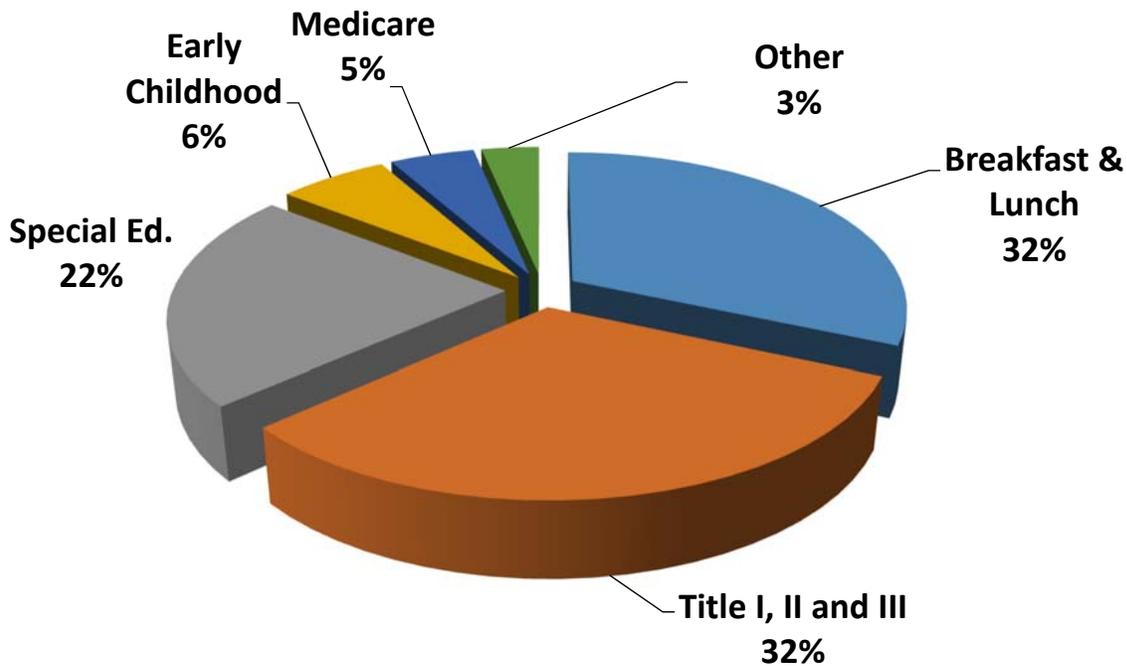
| | Actual 2013-14 | Actual 2014-15 | Actual 2015-16 | Budget 2016-17 | Budget 2017-18 |
|---------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| State Sources | | | | | |
| General State Aid | \$ 88,881,250 | \$ 96,253,459 | \$ 113,739,830 | \$ 119,433,083 | \$ 120,713,168 |
| Special Ed - Private Facility | 2,750,817 | 3,482,700 | 2,822,899 | 3,750,467 | 2,812,850 |
| Special Ed - Extraordinary | 5,289,844 | 5,174,892 | 3,946,226 | 5,261,635 | 3,946,226 |
| Special Ed - Personnel | 5,825,843 | 5,847,649 | 4,465,152 | 5,927,642 | 4,445,732 |
| Special Ed - Orphanage Individ | 2,293,707 | 1,229,686 | 943,433 | 922,265 | 691,699 |
| Special Ed - Orphanage Summer | 263,141 | 185,934 | 103,353 | 103,353 | 77,515 |
| Special Ed - Summer School | 52,351 | 60,453 | 90,744 | 90,744 | 68,058 |
| Transportation - Regular | 6,368,509 | 7,607,643 | 6,326,635 | 8,344,911 | 6,258,683 |
| Transportation - Special Educa | 6,423,203 | 6,822,143 | 4,950,754 | 6,725,770 | 5,044,327 |
| Voc Ed Program Improve Grant | 350,026 | 434,276 | 279,606 | 482,366 | 361,775 |
| Bilingual Ed - Downstate | 3,697,408 | 3,004,004 | 3,302,003 | 2,616,983 | 1,962,737 |
| State Free & Lunch Breakfast | 234,425 | 126,110 | 103,151 | 42,688 | 32,016 |
| Driver Education | 168,798 | 184,369 | 193,760 | 193,760 | 145,320 |
| National Board Certification I | 10,500 | 16,500 | - | - | - |
| Safe Schools Grant (ROE) | 105,530 | 81,362 | 100,029 | 94,500 | 70,875 |
| Early Childhood - Pre K | 3,560,202 | 3,474,401 | 2,934,034 | 3,734,227 | 2,800,670 |
| Early Childhd - Proj Prepares | 296,121 | 295,939 | 265,364 | 337,733 | 253,300 |
| State Library Grant | 29,234 | 29,071 | 0 | 23,585 | 17,689 |
| Back to Books Grant | 5,000 | (5,000) | - | - | - |
| Illinois Arts Council Grant | - | - | 17,840 | - | - |
| Illinois Dept of Public Health | 6,545 | - | - | - | - |
| Family Literacy | 2,439 | 3,677 | (176) | - | - |
| Orphanage Tuition - 18-3 | 47,873 | 17,858 | (7,199) | 40,743 | 30,557 |
| Safe Schools Grant | - | - | 34,167 | - | - |
| Other Revenue from State Source | 157,381 | 2,259,862 | 196,656 | - | - |
| Total State Sources | \$ 126,820,145 | \$ 136,586,987 | \$ 144,808,263 | \$ 158,126,456 | \$ 149,733,197 |



All Operating Funds

Revenue by Source Detail (Continued)

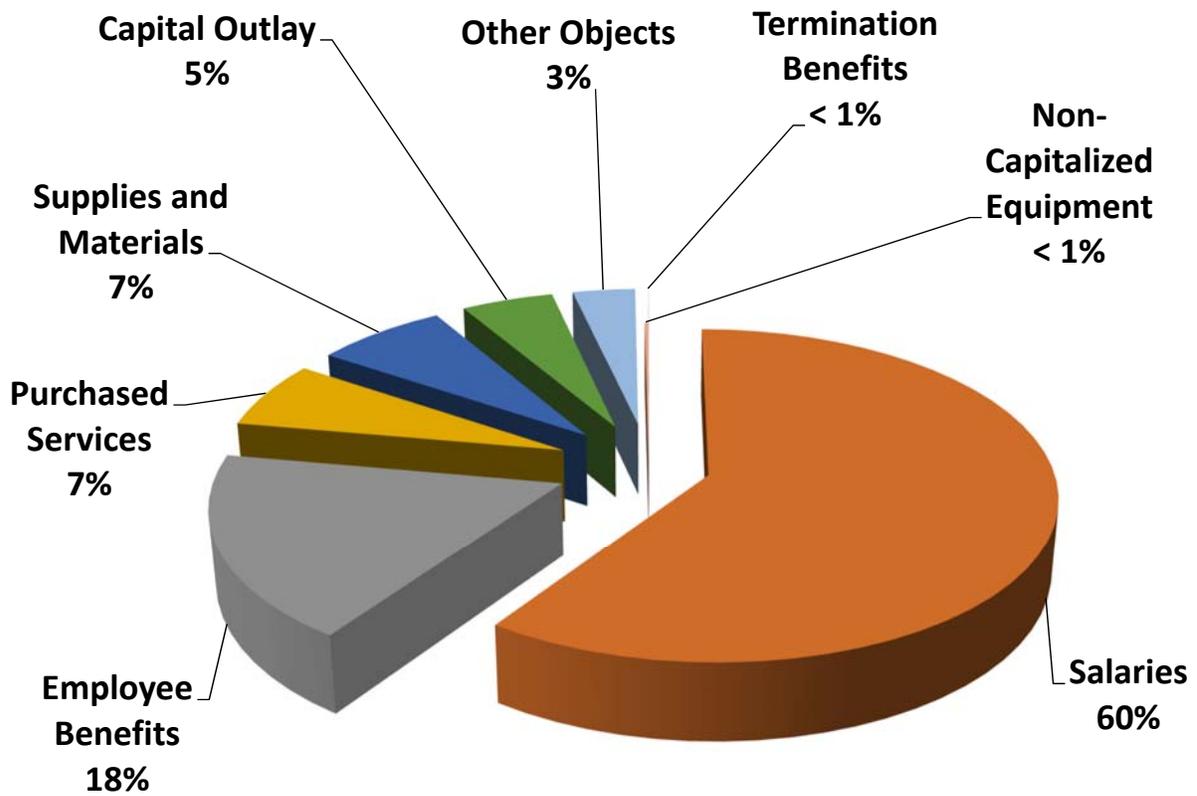
| | Actual 2013-14 | Actual 2014-15 | Actual 2015-16 | Budget 2016-17 | Budget 2017-18 |
|----------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Federal Sources | | | | | |
| National School Lunch Program | \$ 9,426,124 | \$ 9,487,942 | \$ 9,099,385 | \$ 9,000,000 | \$ 9,000,000 |
| School Breakfast Program | 2,955,539 | 2,324,614 | 2,305,294 | 2,000,000 | 2,000,000 |
| NSLP - Equipment | - | - | 34,280 | - | - |
| Non Cash Food Commodity | - | - | 1,032,997 | - | 1,032,997 |
| Title I - Low Income | 8,739,582 | 8,041,987 | 11,135,192 | 9,956,930 | 9,956,930 |
| 21st Century Comm Learning | 850,412 | 451,869 | 636,538 | 516,786 | 516,786 |
| Fed - Sp Ed - Pre-school Flow | 152,633 | 149,349 | 194,225 | 172,325 | 172,325 |
| Fed - Sp Ed - IDEA Flow Through | 7,372,799 | 7,778,813 | 8,203,865 | 7,827,463 | 7,827,463 |
| Rm & Brd PL 94-142 Sp Ed | 293,323 | 440,857 | 746,922 | 450,000 | 450,000 |
| Voc Ed Perkins Title IIc | 393,221 | 358,537 | 390,728 | 412,860 | 412,860 |
| MIHOPE | - | 7,000 | - | - | - |
| Early Childhood Expansion Grant | - | - | 1,935,115 | 2,395,800 | 2,395,800 |
| Project READI | - | 2,162 | - | - | - |
| Emergency Immigrant Assistance | - | 25,604 | - | 63,204 | 63,204 |
| Title III Lang Inst Prog Lim Eng | 1,050,689 | 1,368,691 | 939,254 | 1,324,193 | 1,324,193 |
| Title II - Teacher Quality | 1,212,859 | 741,720 | 814,242 | 841,912 | 841,912 |
| Dept Of Rehab Services | 101,774 | 113,582 | 101,211 | 261,323 | 261,323 |
| MIECHVP | 166,198 | 165,316 | 124,236 | 135,000 | 135,000 |
| COPS Grant | 118,384 | 82,500 | - | - | - |
| Medicaid fee for Service | 844,656 | 1,928,530 | 1,224,745 | 850,000 | 850,000 |
| Administrative Outreach | 734,447 | 1,127,230 | 989,334 | 1,000,000 | 1,000,000 |
| Total Federal Sources | \$ 34,412,640 | \$ 34,596,302 | \$ 39,907,564 | \$ 37,207,796 | \$ 38,240,793 |



All Operating Funds

Expenditures by Object

| Expenditures | Budget 2017-18 |
|-------------------------------------|-----------------------|
| Salaries | \$ 269,296,580 |
| Employee Benefits | 81,897,651 |
| Purchased Services | 29,731,013 |
| Supplies and Materials | 32,011,602 |
| Capital Outlay | 22,394,529 |
| Other Objects | 15,241,357 |
| Non-Capitalized Equipment | 912,575 |
| Termination Benefits | 75,000 |
| Total Expenditures by Object | \$ 451,560,307 |



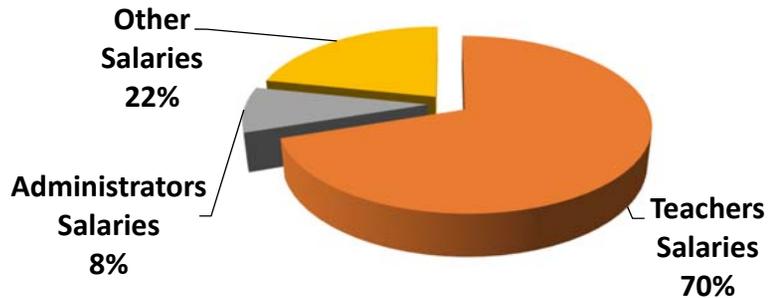
All Operating Funds

Expenditures by Object Detail

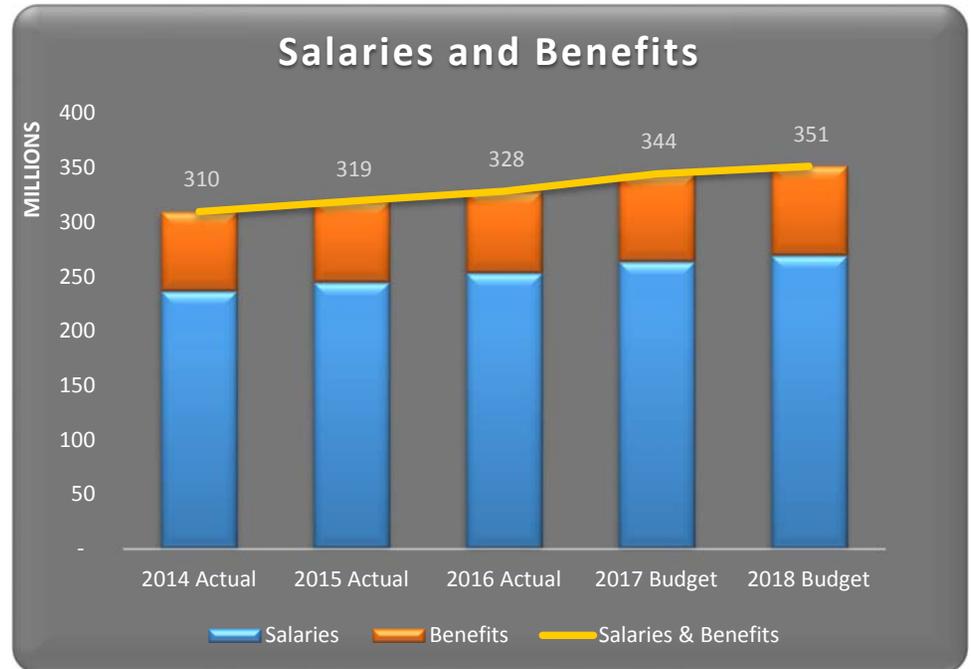
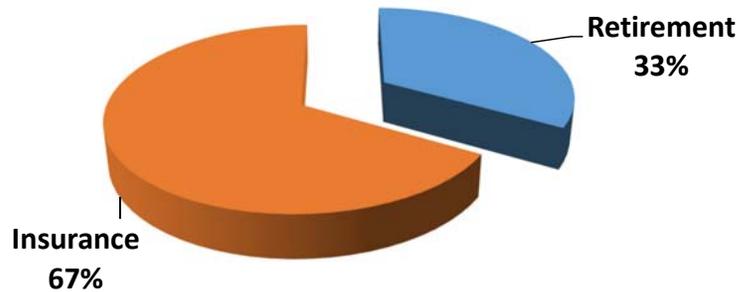
| | Actual 2013-14 | Actual 2014-15 | Actual 2015-16 | Budget 2016-17 | Budget 2017-18 |
|--------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Salaries | | | | | |
| Teachers Salaries | \$ 147,127,851 | \$ 152,861,047 | \$ 158,123,200 | \$ 166,160,958 | \$ 168,779,630 |
| Administrators Salaries | 20,670,729 | 20,455,101 | 21,460,056 | 22,587,047 | 22,658,191 |
| Technical Salaries | 10,917,204 | 11,201,940 | 11,757,751 | 12,502,704 | 13,121,540 |
| Temporary Salaries | 110,877 | 138,657 | 153,222 | 145,661 | 100,000 |
| Daily Substitute Salaries | 4,039,111 | 4,399,542 | 4,327,431 | 4,409,902 | 4,309,902 |
| Hourly Substitute Salaries | 141,435 | 502,380 | 478,229 | 478,283 | 608,283 |
| Other Hourly Extra Curr Superv | 3,872,233 | 4,209,847 | 4,616,259 | 4,383,081 | 5,390,545 |
| Athletic Extra Curr Supervisio | 250,791 | 248,075 | 241,042 | 248,278 | 623,280 |
| Noon Supervision | 1,545,262 | 1,690,237 | 1,781,881 | 1,781,818 | 2,039,636 |
| Stipends | 3,691,329 | 4,206,980 | 4,214,033 | 4,294,074 | 3,679,274 |
| Overtime Time & a Half | 914,610 | 913,300 | 1,247,217 | 1,265,543 | 1,240,861 |
| Overtime Double Time | 84,810 | 47,746 | 30,790 | 31,475 | 49,105 |
| Teachers Aides & Assistants | 923,925 | 1,296,402 | 1,320,959 | 1,399,040 | 1,664,039 |
| Special Education Aides | 6,235,528 | 6,233,196 | 6,914,956 | 7,074,108 | 7,595,586 |
| Bilingual Aides | 176,662 | 295,533 | 274,898 | 283,145 | 313,809 |
| Para Professionals | 1,163,746 | 987,911 | 1,032,631 | 1,032,672 | 1,188,330 |
| Deans Assistants | 1,481,596 | 1,486,415 | 1,484,795 | 1,513,570 | 1,508,842 |
| 12-Month Secretaries | 4,427,643 | 4,448,206 | 4,467,634 | 4,432,429 | 4,834,049 |
| 10-Month Secretaries | 3,619,687 | 3,556,157 | 3,492,845 | 3,555,934 | 3,565,938 |
| Clerical Aides | 440,253 | 427,037 | 420,740 | 430,054 | 432,153 |
| Liasons | 1,402,072 | 1,404,819 | 1,411,047 | 1,680,027 | 1,485,892 |
| Custodians | 3,750,287 | 3,772,900 | 3,937,680 | 3,877,422 | 4,094,972 |
| Maintenance | 1,581,365 | 1,705,738 | 1,813,978 | 1,766,107 | 1,901,428 |
| Grounds | 855,060 | 934,798 | 1,038,251 | 1,016,407 | 1,086,735 |
| Drivers | 11,052,546 | 11,102,701 | 11,165,848 | 11,271,164 | 11,071,164 |
| Driver Aides | 983,509 | 1,154,606 | 1,284,761 | 1,285,371 | 1,235,371 |
| Mechanics | 573,687 | 601,638 | 636,400 | 627,417 | 677,417 |
| Dispatchers | 301,533 | 311,474 | 222,158 | 216,918 | 216,918 |
| Food Service Tech | 4,225,138 | 3,970,019 | 3,794,185 | 3,868,685 | 3,793,690 |
| Student Helpers | 26,129 | 23,234 | 29,222 | 27,914 | 30,000 |
| Total Salaries | \$ 236,586,608 | \$ 244,587,634 | \$ 253,174,099 | \$ 263,647,207 | \$ 269,296,580 |
| Employee Benefits | | | | | |
| Teachers Retirement | \$ 23,481,919 | \$ 22,972,670 | \$ 25,448,345 | \$ 25,092,385 | \$ 26,824,685 |
| TRS Early Retirement Contrbtn | 1,616,726 | 808,974 | 701,317 | 1,200,000 | - |
| Life Insurance | 254,161 | 354,056 | 370,924 | 389,470 | 350,615 |
| Medical Insurance | 44,048,444 | 46,929,384 | 44,731,037 | 49,793,532 | 50,792,780 |
| Dental Insurance | 2,027,983 | 2,031,821 | 2,333,183 | 2,467,115 | 2,317,153 |
| Disability Insurance | 314,127 | 330,671 | 382,101 | 401,206 | 441,214 |
| IMRF/SS/Medicare Allocation | 1,241,338 | 1,157,953 | 1,148,239 | 1,171,204 | 1,171,204 |
| Total Benefits | \$ 72,984,699 | \$ 74,585,529 | \$ 75,115,146 | \$ 80,514,912 | \$ 81,897,651 |

All Operating Funds Expenditures by Object Detail (Continued)

Salaries by employee type



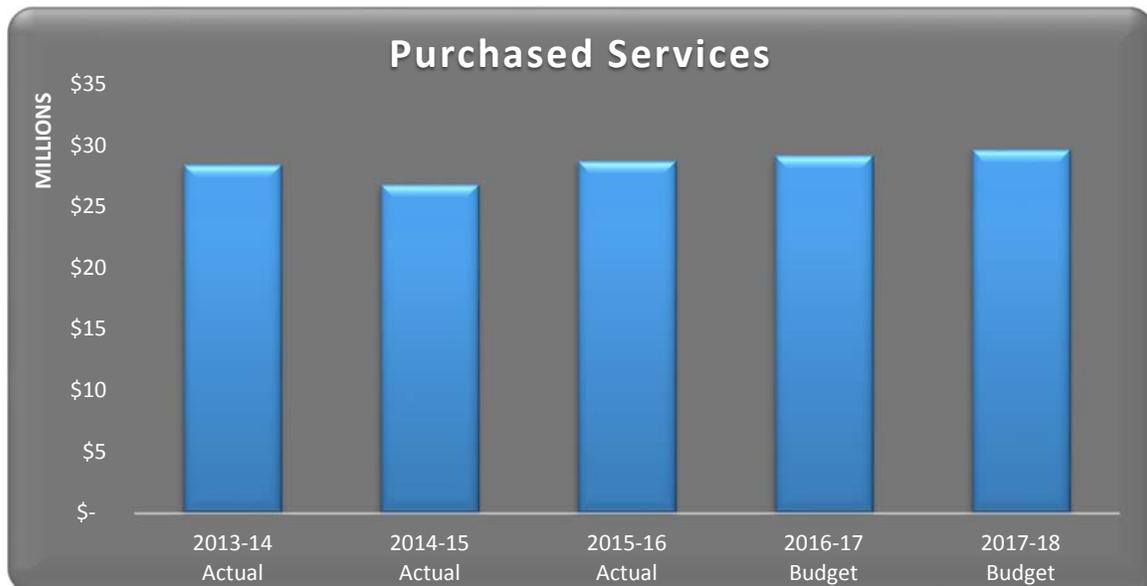
Benefits paid by District



All Operating Funds

Expenditures by Object Detail (Continued)

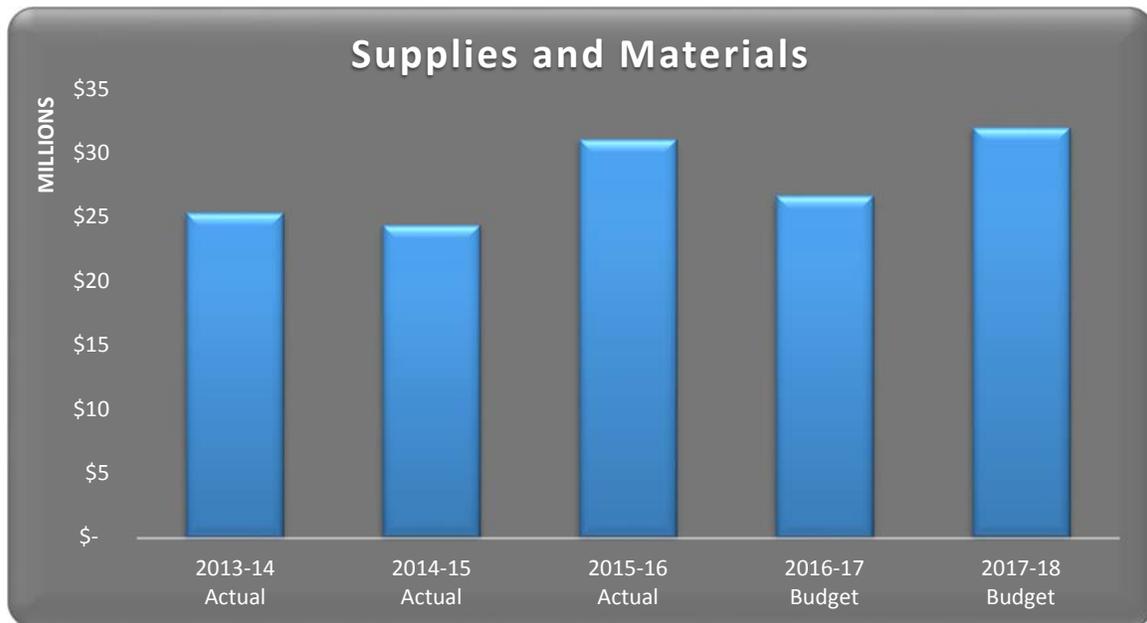
| | Actual 2013-14 | Actual 2014-15 | Actual 2015-16 | Budget 2016-17 | Budget 2017-18 |
|---------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Purchased Services | | | | | |
| Technical Services | \$ 1,113,614 | \$ 1,583,392 | \$ 1,798,648 | \$ 2,272,500 | \$ 2,407,380 |
| Admin Professional Services | 1,191,930 | 640,053 | 1,275,446 | 1,652,695 | 1,017,875 |
| Instructional Professional Ser | 1,837,496 | 1,424,608 | 1,416,641 | 1,228,891 | 1,457,782 |
| Audit/Financial Services | 96,290 | 110,500 | 101,700 | 110,000 | 100,000 |
| Legal Services | 286,827 | 232,579 | 94,260 | 125,000 | 100,000 |
| Other Tech & Prof Serv | 6,540,726 | 5,658,492 | 6,836,208 | 6,517,894 | 7,374,885 |
| Sanitation Services | 190,981 | 241,579 | 311,672 | 275,000 | 346,158 |
| Cleaning Services | 91,408 | 76,605 | 68,154 | 110,117 | 102,066 |
| Repairs & Maint Services | 5,753,011 | 6,657,444 | 6,971,920 | 6,264,309 | 6,031,415 |
| Rentals | 260,227 | 176,637 | 347,642 | 322,050 | 276,550 |
| Contract Cleaning | 3,438,581 | 3,453,342 | 3,488,234 | 3,550,000 | 3,615,000 |
| Exterminating | 21,946 | 29,475 | 30,660 | 25,000 | 63,040 |
| Other Property Services | 20,195 | 19,031 | 19,304 | 18,500 | 30,499 |
| Pupil Transportation | 2,001,533 | 2,090,115 | 2,360,318 | 2,639,614 | 2,501,728 |
| Indistrict/Regional Travel | 168,390 | 168,937 | 152,797 | 157,674 | 153,664 |
| Travel Conf/Workshops | 605,695 | 649,910 | 407,425 | 497,171 | 470,368 |
| Out Of District Travel | 186,659 | 184,117 | 111,790 | 151,538 | 191,167 |
| Negotiations Expense | 91,243 | 29,545 | 4,685 | 5,000 | 1,500 |
| Awards and Banquets | 28,397 | 37,804 | 28,942 | 44,100 | 35,000 |
| Communications/Postage | 2,611,452 | 1,723,516 | 1,192,721 | 1,610,809 | 1,664,437 |
| Advertising | 27,712 | 16,064 | 13,974 | 29,000 | 26,000 |
| Printing & Duplicating | 199,601 | 163,080 | 221,573 | 272,846 | 333,331 |
| Binding | 24,765 | 18,762 | 24,218 | 38,000 | 38,000 |
| Copier Service/Repair | 735,876 | 636,830 | 686,778 | 524,149 | 578,404 |
| Copier Lease/Rental | 18,402 | 9,553 | 8,917 | 34,408 | 24,500 |
| Water/Sewer | 555,660 | 543,383 | 578,516 | 510,500 | 546,264 |
| Insurance | 14,000 | 15,000 | 15,000 | 15,000 | 15,000 |
| Workers Compensation | 275,000 | 250,000 | 185,000 | 185,000 | 185,000 |
| Other Purchased Services | 118,273 | 38,920 | 51,336 | 44,500 | 44,000 |
| Total Purchased Services | \$ 28,505,889 | \$ 26,879,273 | \$ 28,804,479 | \$ 29,231,265 | \$ 29,731,013 |



All Operating Funds

Expenditures by Object Detail (Continued)

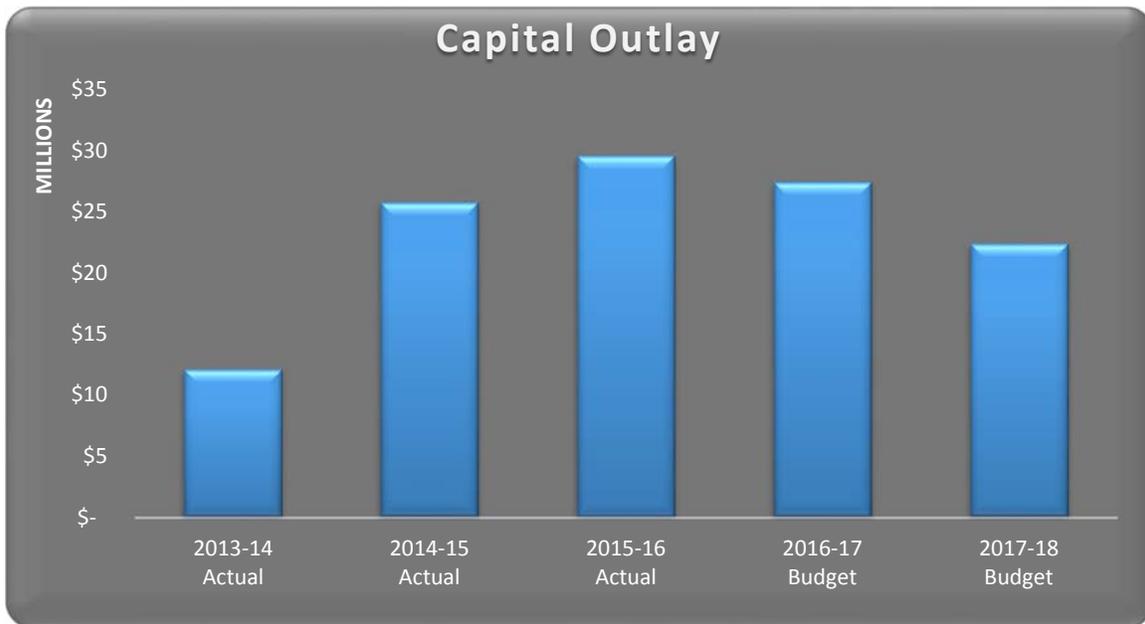
| | Actual 2013-14 | Actual 2014-15 | Actual 2015-16 | Budget 2016-17 | Budget 2017-18 |
|-------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Supplies and Materials | | | | | |
| Supplies | \$ 7,327,395 | \$ 8,364,141 | \$ 8,360,267 | \$ 8,101,465 | \$ 8,548,380 |
| Food Service Food & Supplies | 7,410,715 | 6,477,049 | 6,210,367 | 6,555,450 | 5,817,705 |
| Custodial Supplies | 514,125 | 511,645 | 500,498 | 500,000 | 609,198 |
| Non Cash Food Commodity | - | - | 1,032,997 | - | 1,032,997 |
| Tech Consumables | 57,051 | 60,106 | 56,775 | 68,025 | 66,401 |
| Copier Paper/Supplies | 154,160 | 155,068 | 185,655 | 197,874 | 215,437 |
| AV Supplies | 237 | 253 | 43 | 500 | 500 |
| Support Materials | 43,574 | 28,460 | 24,732 | 41,000 | 14,400 |
| Textbooks | 2,576,034 | 1,897,817 | 8,711,490 | 4,500,000 | 8,300,000 |
| Suppl Instructional Mats | 3,526 | 600 | - | 29,000 | 32,000 |
| Computer Accessories | 39,160 | 34,845 | 26,810 | 35,296 | 24,547 |
| Library Materials | 40,890 | 36,425 | 43,054 | 36,944 | 35,051 |
| Suppl Library Mats | 2,068 | 2,384 | 2,309 | 2,375 | 2,375 |
| Periodicals | 3,608 | 2,653 | 1,457 | 4,526 | 3,501 |
| Oil | 76,100 | 72,850 | 97,062 | 90,000 | 88,000 |
| Gasoline | 2,378,532 | 1,812,561 | 1,250,293 | 1,610,000 | 1,740,000 |
| Natural Gas | 1,348,778 | 1,829,124 | 1,299,164 | 1,800,000 | 1,613,110 |
| Electricity | 3,422,587 | 3,135,355 | 3,274,124 | 3,170,000 | 3,850,000 |
| Software | 5,000 | 5,000 | - | - | - |
| Other Supplies | 13,920 | 18,180 | 18,511 | 18,000 | 18,000 |
| Total Supplies and Materials | \$ 25,417,458 | \$ 24,444,516 | \$ 31,095,608 | \$ 26,760,455 | \$ 32,011,602 |



All Operating Funds

Expenditures by Object Detail (Continued)

| | Actual 2013-14 | Actual 2014-15 | Actual 2015-16 | Budget 2016-17 | Budget 2017-18 |
|---------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Capital Outlay | | | | | |
| Buildings | \$ 5,589,119 | \$ 12,686,025 | \$ 11,744,253 | \$ 14,272,476 | \$ 13,445,923 |
| Improvements (Non Building) | 682,543 | 1,724,833 | 1,541,870 | 742,000 | 77,500 |
| Add/Repl Equipment | 5,322,003 | 11,083,465 | 8,625,742 | 9,953,987 | 8,662,106 |
| Aged & Obsolete Equipment | 327,700 | 272,599 | 112,695 | 155,000 | 206,000 |
| Lease/Purchase Equipment | 4,832 | 2,844 | 137,228 | 3,000 | 3,000 |
| Add/Repl Transportation Equip | 124,224 | - | 196,656 | 2,306,440 | - |
| Transp Lease/Purchase Equipment | - | - | 7,311,097 | - | - |
| Total Capital Outlay | \$ 12,050,421 | \$ 25,769,766 | \$ 29,669,541 | \$ 27,432,903 | \$ 22,394,529 |

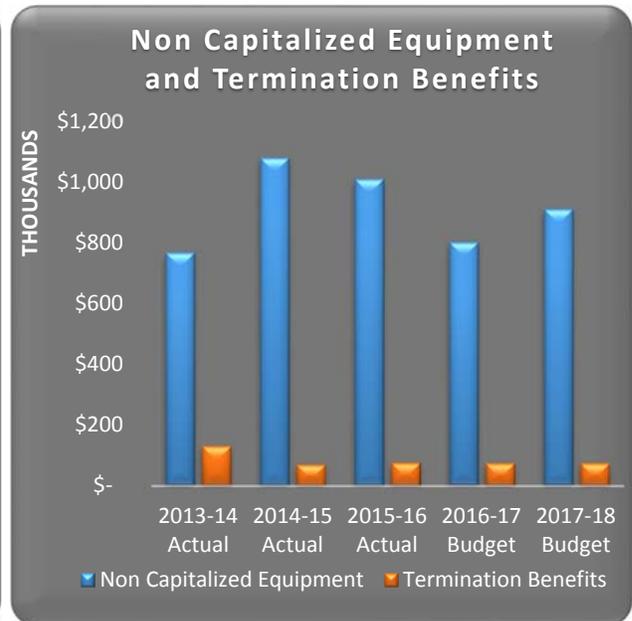
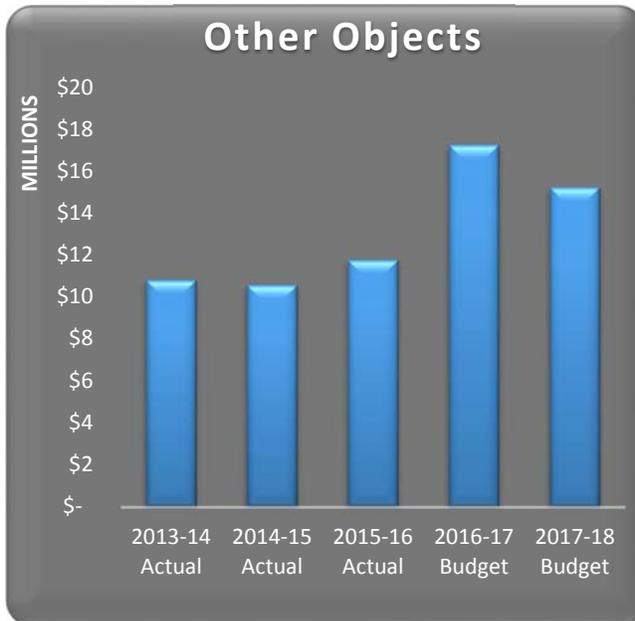


All Operating Funds

Expenditures by Object Detail (Continued)

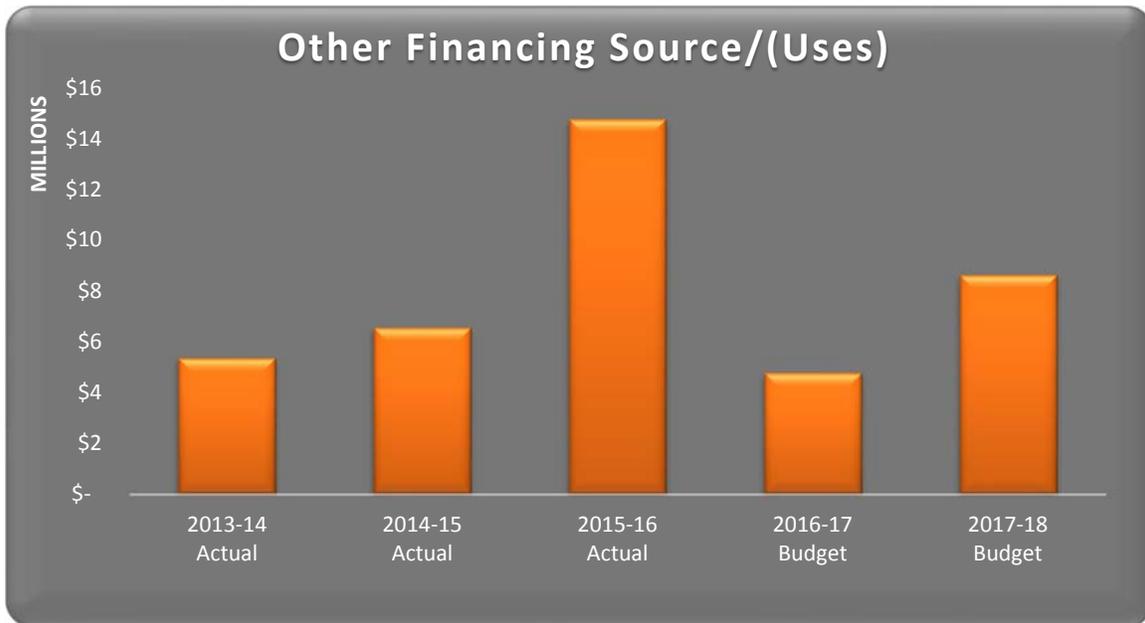
| | Actual 2013-14 | Actual 2014-15 | Actual 2015-16 | Budget 2016-17 | Budget 2017-18 |
|----------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Other Objects | | | | | |
| Redemption Of Principal - Leases | \$ 2,141,944 | \$ 1,377,280 | \$ 2,751,966 | \$ 2,786,330 | \$ 2,745,758 |
| Interest - Leases | 36,287 | 72,541 | 71,099 | 114,600 | 77,308 |
| Dues & Fees | 235,817 | 242,332 | 421,162 | 341,413 | 332,491 |
| Tuition | 8,405,022 | 8,892,677 | 8,531,711 | 10,020,200 | 9,580,000 |
| Miscellaneous Objects | 4,946 | 5,851 | 4,344 | 6,000 | 5,800 |
| Contingency | - | - | - | 4,000,000 | 2,500,000 |
| Total Other Objects | \$ 10,824,016 | \$ 10,590,680 | \$ 11,780,282 | \$ 17,268,543 | \$ 15,241,357 |

| | Actual 2013-14 | Actual 2014-15 | Actual 2015-16 | Budget 2016-17 | Budget 2017-18 |
|----------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Non Capitalized Equipment | \$ 769,232 | \$ 1,081,872 | \$ 1,011,734 | \$ 803,370 | \$ 912,575 |
| Termination Benefits | \$ 131,803 | \$ 70,304 | \$ 76,607 | \$ 75,000 | \$ 75,000 |



All Operating Funds Other Financing Sources/(Uses)

| | Actual 2013-14 | Actual 2014-15 | Actual 2015-16 | Budget 2016-17 | Budget 2017-18 |
|--|---------------------|---------------------|----------------------|---------------------|---------------------|
| Other Financing Source/(Uses) | | | | | |
| Transfers - Interfund | \$ 6,135,250 | \$ 7,494,394 | \$ 10,153,249 | \$ 5,000,000 | \$ 12,000,000 |
| Transfers - Bank Interest | 235,000 | 75,000 | 425,000 | 400,000 | 1,200,000 |
| Proceeds from Purchase Contracts | - | - | 6,653,797 | - | - |
| Proceeds from sale of equipment | - | - | 664,800 | - | - |
| Transfer of Principal to Debt Serv | (361,247) | (370,014) | (2,481,940) | - | (3,902,326) |
| Transfer of Bond Principal | (607,870) | (610,521) | (613,189) | (615,822) | (618,578) |
| Transfer of Bond Interest | (32,598) | (29,296) | (29,976) | (26,043) | (21,987) |
| Transfer of Interest to Debt Serv | (26,400) | (17,633) | (9,159) | - | - |
| Total Other Fin. Sources/(Uses) | \$ 5,342,135 | \$ 6,541,930 | \$ 14,762,582 | \$ 4,758,135 | \$ 8,657,109 |



All Operating Funds
Budget and Three-Year Forecast
Revenues, Expenditures and Change in Fund Balance

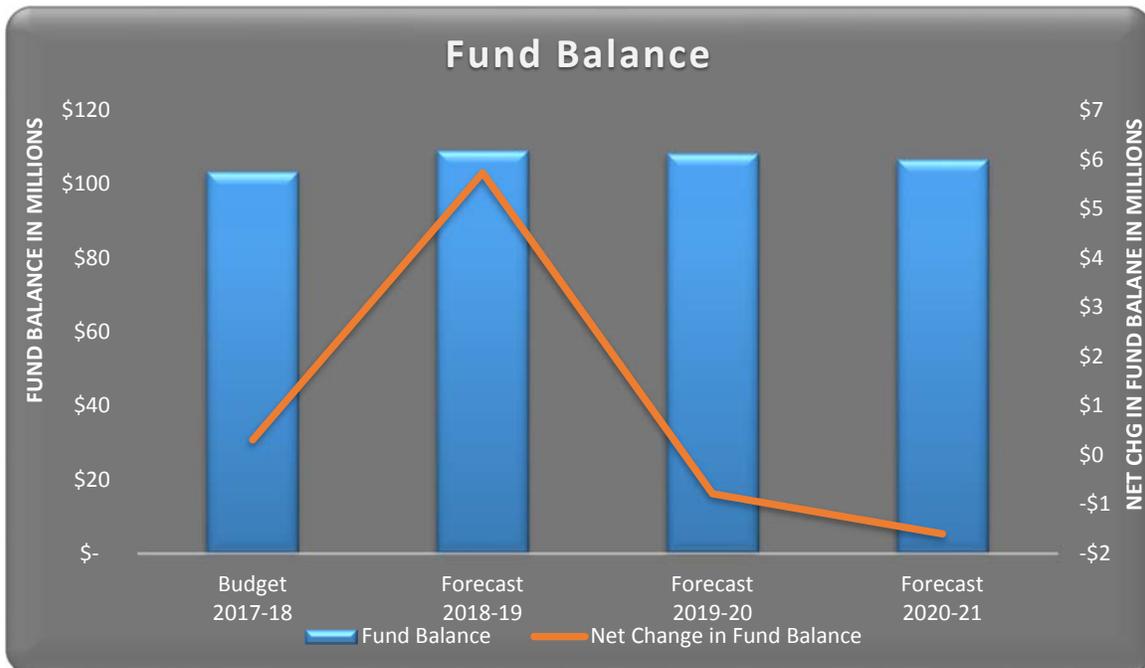
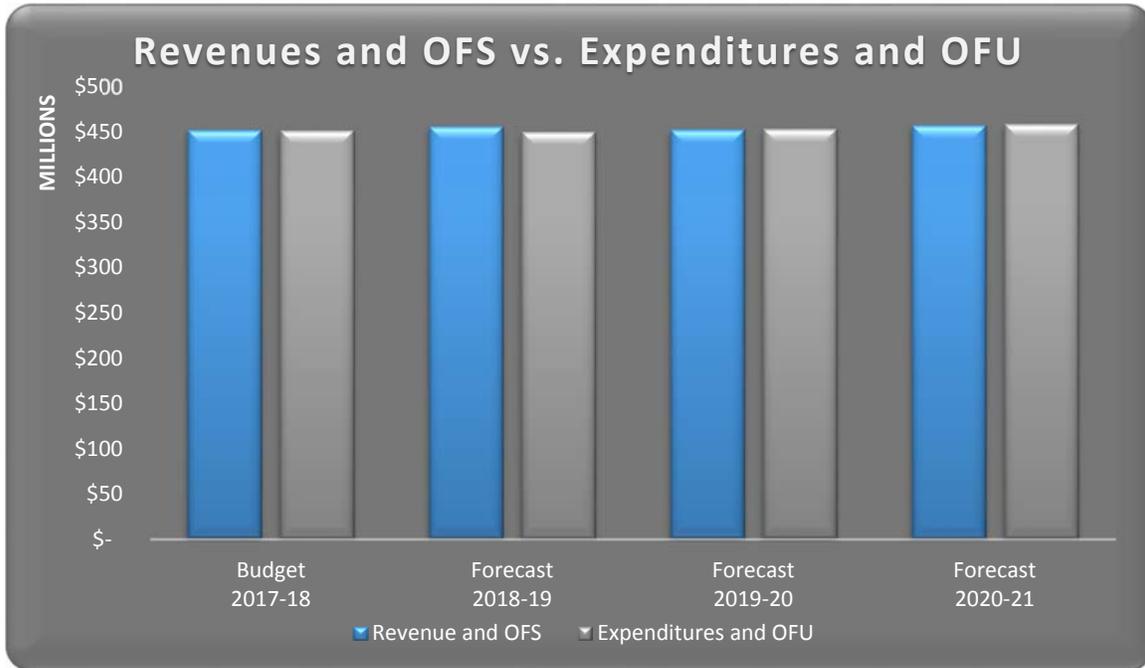
| | Budget 2017-18 | Forecast 2018-19 | Forecast 2019-20 | Forecast 2020-21 |
|--|-------------------|---------------------|---------------------|---------------------|
| Revenue | | | | |
| Local Sources | \$ 255,234,508 | \$ 259,491,181 | \$ 264,334,472 | \$ 269,249,990 |
| State Sources | 149,733,197 | 149,106,466 | 148,503,414 | 147,924,153 |
| Federal Sources | 38,240,793 | 38,623,201 | 39,009,433 | 39,399,527 |
| Total Revenue by Source | \$ 443,208,498 | \$ 447,220,848 | \$ 451,847,319 | \$ 456,573,670 |
| Expenditures | | | | |
| Salaries | \$ 269,296,580 | \$ 274,682,512 | \$ 280,176,162 | \$ 285,779,686 |
| Employee Benefits | 81,897,651 | 85,059,387 | 88,360,548 | 91,807,730 |
| Purchased Services | 29,731,013 | 30,076,949 | 30,427,074 | 30,781,441 |
| Supplies and Materials | 32,011,602 | 27,985,709 | 28,303,111 | 28,624,251 |
| Capital Outlay | 22,394,529 | 18,456,440 | 11,931,440 | 10,481,440 |
| Other Objects | 15,241,357 | 12,890,409 | 12,990,473 | 10,218,292 |
| Non-Capitalized Equipment | 912,575 | 921,701 | 930,918 | 940,227 |
| Termination Benefits | 75,000 | 75,750 | 76,508 | 77,273 |
| Total Expenditures by Object | \$ 451,560,307 | \$ 450,148,856 | \$ 453,196,234 | \$ 458,710,340 |
| Excess/(Deficiency) of Revenues Over/(Under) Expenditures | (8,351,809) | (2,928,008) | (1,348,915) | (2,136,669) |
| Other Financing Sources/(Uses) | \$ 8,657,109 | \$ 8,658,409 | \$ 562,035 | \$ 533,336 |
| Net Change in Fund Balance | 305,300 | 5,730,401 | (786,880) | (1,603,333) |
| Fund Balance at Beginning of Year | 102,952,420 | 103,257,720 | 108,988,120 | 108,201,240 |
| Fund Balance at End of Year | \$ 103,257,720 | \$ 108,988,120 | \$ 108,201,240 | \$ 106,597,907 |

ASSUMPTIONS:

The assumptions for the All Operating Funds group is a consolidation of the assumptions from the educational, operations and maintenance and transportation funds displayed later in this section.

All Operating Funds

Budget and Three-Year Forecast Revenues, Expenditures and Change in Fund Balance (Continued)



Educational Fund

The Educational Fund is the general operating fund of the District. It is used to account for all financial transactions not accommodated by another specific fund. This fund is primarily used for most of the instructional and administrative aspects of the District's operations.
[See 105 ILCS 5/17-2]

**Educational Fund
 Revenues, Expenditures and Changes in Fund Balance**

**Revenue by Source
 Expenditures by Object**

| | Actual 2013-14 | Actual 2014-15 | Actual 2015-16 | Budget 2016-17 | Budget 2017-18 |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|
| Revenue | | | | | |
| Local Sources | \$ 205,366,834 | \$ 194,433,649 | \$ 198,225,957 | \$ 198,213,453 | \$ 204,850,199 |
| State Sources | 112,694,999 | 122,036,320 | 133,334,218 | 143,055,776 | 138,430,187 |
| Federal Sources | 34,412,640 | 34,596,302 | 39,907,564 | 37,207,796 | 38,240,793 |
| Total Revenue by Source | \$ 352,474,473 | \$ 351,066,271 | \$ 371,467,739 | \$ 378,477,025 | \$ 381,521,179 |
| Expenditures | | | | | |
| Salaries | \$ 216,048,905 | \$ 223,414,308 | \$ 231,044,310 | \$ 241,592,529 | \$ 247,318,905 |
| Employee Benefits | 66,534,260 | 67,442,692 | 68,120,386 | 73,375,299 | 74,834,312 |
| Purchased Services | 19,450,265 | 16,821,840 | 18,028,273 | 18,036,265 | 18,799,915 |
| Supplies and Materials | 15,415,042 | 14,490,727 | 22,042,198 | 16,847,355 | 21,512,392 |
| Capital Outlay | 6,040,412 | 13,293,180 | 9,334,071 | 11,736,587 | 9,871,106 |
| Other Objects | 8,636,039 | 9,135,670 | 8,948,508 | 14,356,613 | 12,407,291 |
| Non-Capitalized Equipment | 769,232 | 1,081,872 | 1,011,734 | 803,370 | 912,575 |
| Termination Benefits | 131,803 | 70,304 | 76,607 | 75,000 | 75,000 |
| Total Expenditures by Object | \$ 333,025,958 | \$ 345,750,593 | \$ 358,606,087 | \$ 376,823,018 | \$ 385,731,496 |
| Excess/(Deficiency) of Revenues Over/(Under) Expenditures | 19,448,515 | 5,315,678 | 12,861,652 | 1,654,007 | (4,210,317) |
| Other Financing Uses | \$ (1,232,275) | \$ (1,063,199) | \$ (3,131,134) | \$ (617,000) | \$ (3,902,326) |
| Net Change in Fund Balance | 18,216,240 | 4,252,479 | 9,730,518 | 1,037,007 | (8,112,643) |
| Fund Balance at Beg. of Year | 70,908,672 | 89,124,912 | 93,377,391 | 103,107,909 | 104,144,916 |
| Fund Balance at End of Year | \$ 89,124,912 | \$ 93,377,391 | \$ 103,107,909 | \$ 104,144,916 | \$ 96,032,273 |

Revenue

The Educational Fund receives revenue from more sources than any other fund. The fund's largest revenue source is property taxes. Property taxes make up the majority of local sources currently budgeted at \$195.2 million, approximately \$6.2 million over prior year's budget. Over the past few years the fund's allocation of the property tax levy have been reduced in order to increase the allocation to the tort fund in order to reduce the fund deficit in that fund. The tort fund deficit has nearly been eliminated and district management has reallocated levied property taxes back to the Educational Fund, which accounted for about \$3.0 million of the increase. The other \$3.0 million increase is from the levy increase related to the increase in CPI, approximately 1.5 percent. Other local sources of revenue in the fund include tuition fees, food sales, instructional fees as well as donations from various sources.

State sources of revenue are budgeted to decrease 3.2 percent. District management has estimated GSA based on the most recent formula used, however, the equity based funding model has been passed in both the Illinois House of Representatives and the Senate but an amendatory veto was issued by Governor Rauner keeping the school funding model up in the air. GSA makes up the largest state funding source at \$120.7 million, up \$1.3 million from the prior year budget. There are several factors that play a role in the GSA formula. The two with the most significant

impact this year were a declining trend of low income students, reduced GSA by \$4.6 million and an increase in average daily attendance due to full-day kindergarten, increased GSA by \$4.5 million.

Other state funding is provided by mandated categorical payments through various programs. The categorical payments are intended to reimburse districts on a quarterly basis, however, the state is behind in these payments to the District and other Illinois school districts. Due to this delay management has budgeted for only three of the payments in the 2018 budget versus all four in the prior year. This resulted in a revenue reduction of \$5.9 million.

The Educational Fund receives federal funding for approximately 15 different programs. Federal sources include: National School Lunch Program, School Breakfast Program, Title I – Low Income, 21st Century, I.D.E.A., Perkins, Early Childhood Expansion Grant, Title II and III, Medicaid fee for service and Administrative Outreach.

Expenditures

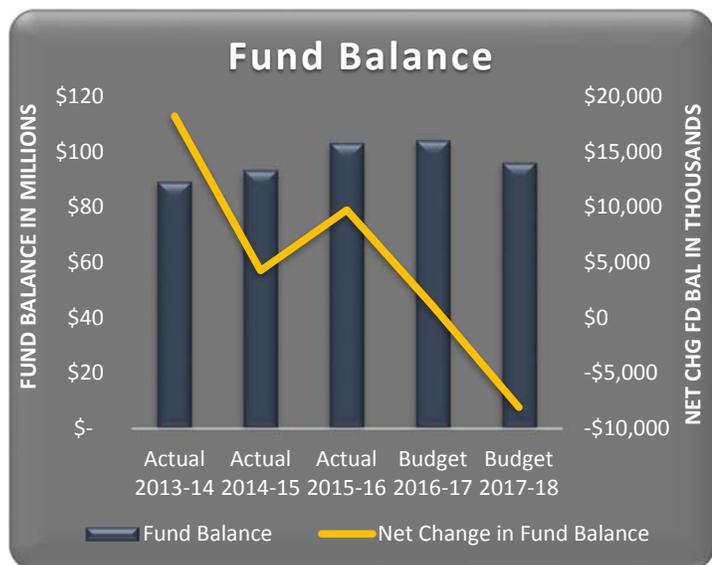
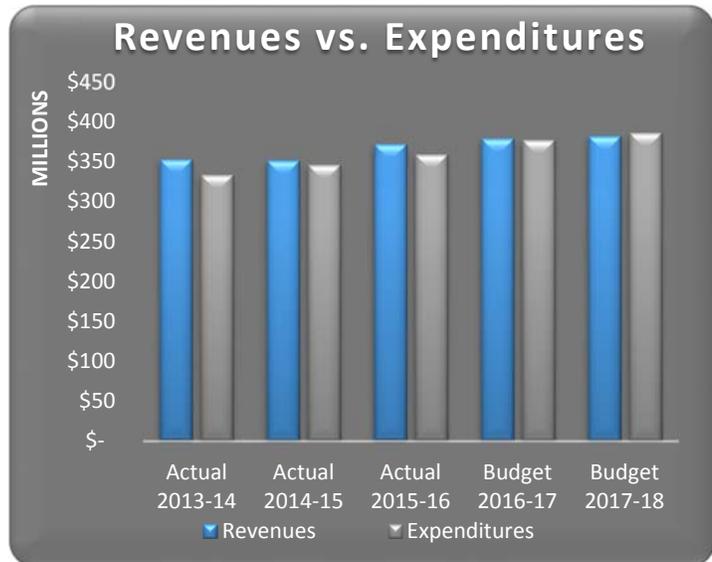
Budgeted expenditures in the fund have increased 2.4 percent over the prior year's budget. The majority of the increase is due to salary and benefit contractual obligations. An additional \$5.3 million was budgeted in supplies and materials for a new science curriculum which has not been updated in the last decade. Partially offsetting the increases are reductions in capital outlay and other objects totaling \$3.8 million.

Other Financing Uses

For the third consecutive year the District is planning on abating \$3.9 million of property taxes to reduce the tax burden from increasing on existing property. The abatement reduced the property taxes received by the Debt Service Fund. To compensate for the lost revenue the Educational Fund transfers the \$3.9 million to the Debt Service Fund.

Fund Balance

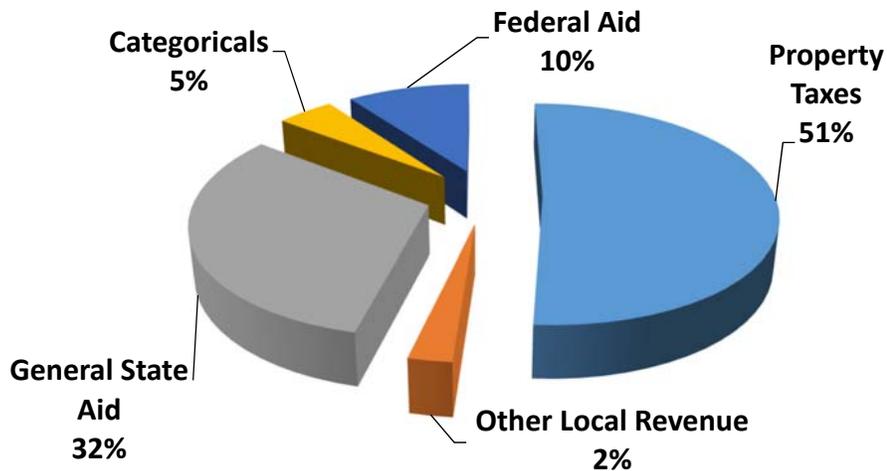
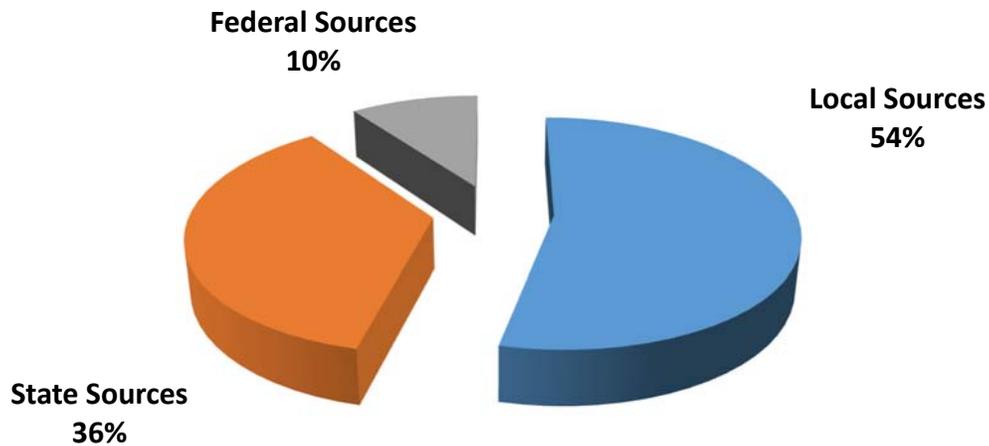
A spend down of the fund balance has been planned for the year. Over the oncoming years management is planning to further increase the property tax allocation to the Educational Fund as fund deficits continue to decline in the transportation and tort funds. It is not management's intention to continue to spend down fund balance in future years unless funding sources are significantly reduced.



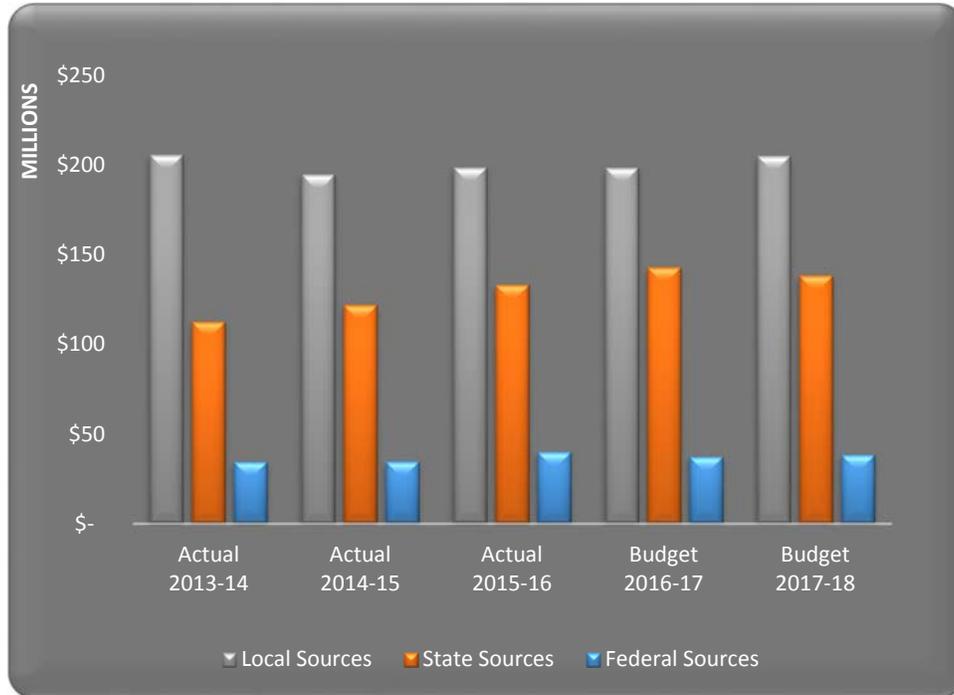
Educational Fund

Revenue by Source

| Revenue | Budget 2017-18 |
|----------------------------|---------------------------|
| Local Sources | |
| Property Taxes | \$ 195,167,789 |
| Other Local Revenue | 9,682,410 |
| Total Local Sources | 204,850,199 |
| State Sources | |
| General State Aid | 120,713,168 |
| Categoricals | 17,717,019 |
| Total State Sources | 138,430,187 |
| Federal Sources | 38,240,793 |
| Total Revenue | \$ 381,521,179 |



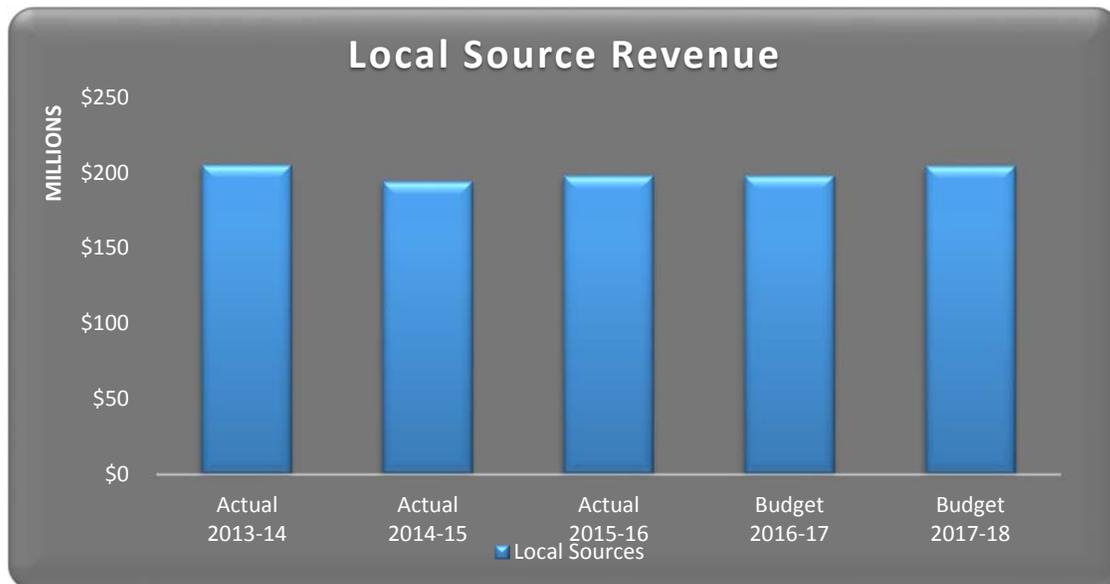
Educational Fund Revenue by Source (Continued)



Educational Fund

Revenue by Source Detail

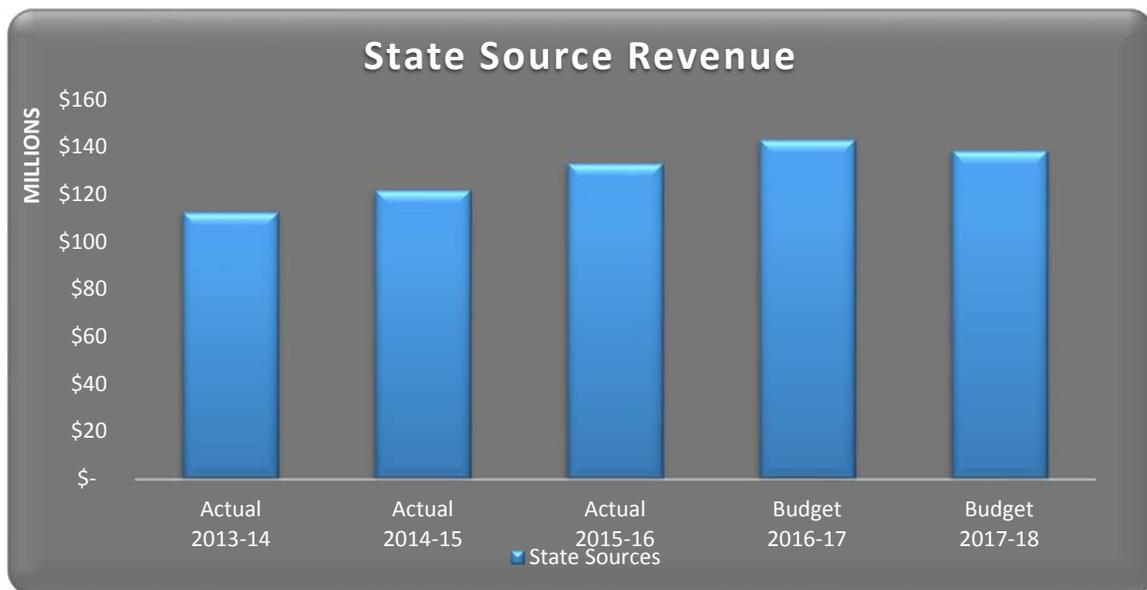
| | Actual 2013-14 | Actual 2014-15 | Actual 2015-16 | Budget 2016-17 | Budget 2017-18 |
|----------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Local Sources | | | | | |
| Property Taxes | \$ 195,361,721 | \$ 185,277,809 | \$ 188,158,475 | \$ 188,966,953 | \$ 195,167,789 |
| Mobile Home Privilege Tax | - | - | 24,069 | 11,000 | 11,000 |
| Village of Hoffman Estates - TIF | 44,712 | 69,904 | 67,099 | 40,000 | 40,000 |
| School Tuition | 2,433,398 | 2,739,405 | 2,736,373 | 2,390,000 | 2,436,000 |
| Fees-Bus Trips-Cocurricular | 1,394 | 767 | - | - | - |
| Interest on Investments | 3,585 | 1,990 | 1,131 | 3,000 | 6,000 |
| Food Sales To Students-Lunch | 3,837,841 | 3,278,823 | 3,734,037 | 3,750,000 | 3,750,000 |
| Pupil Activities | 311,461 | 280,535 | 295,851 | 225,000 | 225,000 |
| Receivable Fees | (53,581) | 343,396 | 493,905 | 400,000 | 400,000 |
| Instr Matls-Student Program | 2,870,463 | 2,019,999 | 2,418,212 | 2,300,000 | 2,500,000 |
| Other Local Revenue | 407,233 | 360,715 | 235,812 | 127,500 | 284,410 |
| UIC Mini Grant | 33,333 | - | - | - | - |
| School Partners in City Grant | 650 | 300 | 12,450 | - | - |
| TMA | - | 12,500 | - | - | - |
| Motola Nat. Alliance Partner. | 10,320 | - | - | - | - |
| Hanover Township Grant | 648 | - | - | - | - |
| Wisdom Foundation | 7,210 | - | 4,910 | - | - |
| Brighter Futures | - | 17,515 | - | - | - |
| James Patterson Partnership Gr | - | - | 3,000 | - | - |
| Joyce Foundation | - | - | 10,000 | - | - |
| Bartlett Volunteer Fire | - | - | 9,000 | - | - |
| Midwest Dairy Association Grant | - | - | 3,900 | - | - |
| Breakfast in the Classroom | 74,273 | - | - | - | - |
| U46 Educational Foundation | 22,175 | 15,000 | 16,358 | - | 30,000 |
| Kane County Health Dept | - | 9,990 | 1,375 | - | - |
| Kane County Fit for Kids | - | 5,000 | - | - | - |
| Total Local Sources | \$ 205,366,834 | \$ 194,433,649 | \$ 198,225,957 | \$ 198,213,453 | \$ 204,850,199 |



Educational Fund

Revenue by Source Detail (Continued)

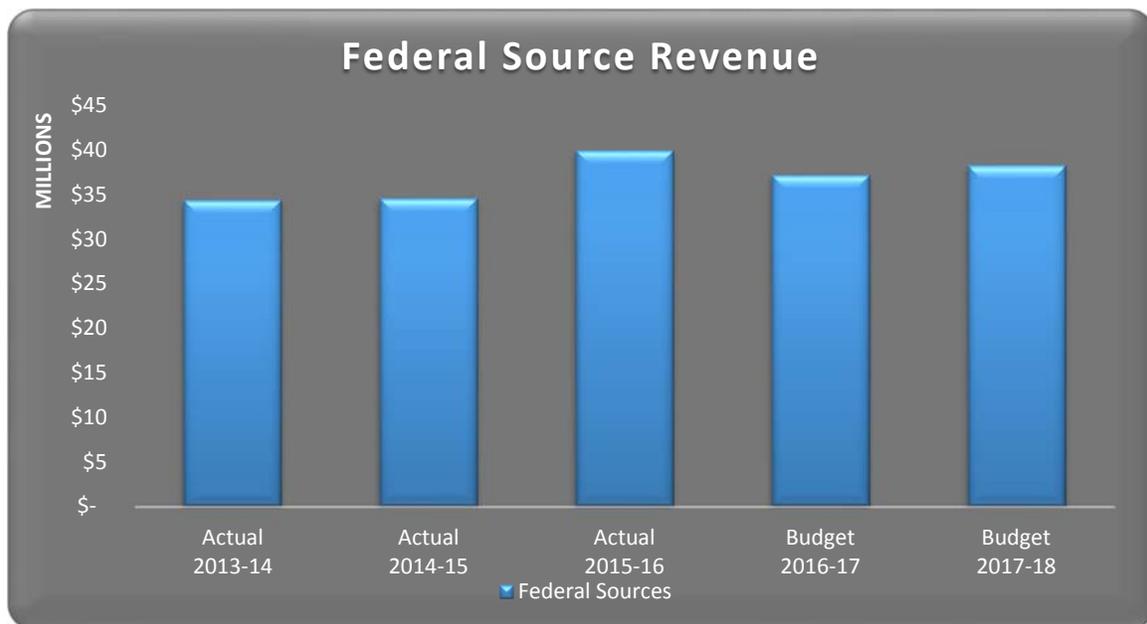
| | Actual 2013-14 | Actual 2014-15 | Actual 2015-16 | Budget 2016-17 | Budget 2017-18 |
|---------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| State Sources | | | | | |
| General State Aid | \$ 87,705,198 | \$ 96,253,459 | \$ 113,739,830 | \$ 119,433,083 | \$ 120,713,168 |
| Special Ed - Private Facility | 2,750,817 | 3,482,700 | 2,822,899 | 3,750,467 | 2,812,850 |
| Special Ed - Extraordinary | 5,289,844 | 5,174,892 | 3,946,226 | 5,261,635 | 3,946,226 |
| Special Ed - Personnel | 5,825,843 | 5,847,649 | 4,465,152 | 5,927,642 | 4,445,732 |
| Special Ed - Orphanage Individ | 2,293,707 | 1,229,686 | 943,433 | 922,265 | 691,699 |
| Special Ed - Orphanage Summer | 263,141 | 185,934 | 103,353 | 103,353 | 77,515 |
| Special Ed - Summer School | 52,351 | 60,453 | 90,744 | 90,744 | 68,058 |
| Voc Ed Program Improve Grant | 350,026 | 434,276 | 279,606 | 482,366 | 361,775 |
| Bilingual Ed - Downstate - T.P | 3,697,408 | 3,004,004 | 3,302,003 | 2,616,983 | 1,962,737 |
| State Free & Lunch Breakfast | 234,425 | 126,110 | 103,151 | 42,688 | 32,016 |
| Driver Education | 168,798 | 184,369 | 193,760 | 193,760 | 145,320 |
| National Board Certification I | 10,500 | 16,500 | - | - | - |
| Safe Schools Grant (ROE) | 105,530 | 81,362 | 100,029 | 94,500 | 70,875 |
| Early Childhood - Pre K | 3,560,202 | 3,474,401 | 2,934,034 | 3,734,227 | 2,800,670 |
| Early Childhd - Proj Prepares | 296,121 | 295,939 | 265,364 | 337,733 | 253,300 |
| State Library Grant | 29,234 | 29,071 | 0 | 23,585 | 17,689 |
| Back to Books Grant | 5,000 | (5,000) | - | - | - |
| Illinois Arts Council Grant | - | - | 17,840 | - | - |
| Illinois Dept of Public Health | 6,545 | - | - | - | - |
| Family Literacy | 2,439 | 3,677 | (176) | - | - |
| Orphanage Tuition - 18-3 | 47,873 | 17,858 | (7,199) | 40,743 | 30,557 |
| Mental Health | - | - | - | - | - |
| Safe Schools Grant | - | - | 34,167 | - | - |
| Other Revenue from State Source | - | 2,138,981 | - | - | - |
| Total State Sources | \$ 112,694,999 | \$ 122,036,320 | \$ 133,334,218 | \$ 143,055,776 | \$ 138,430,187 |



Educational Fund

Revenue by Source Detail (Continued)

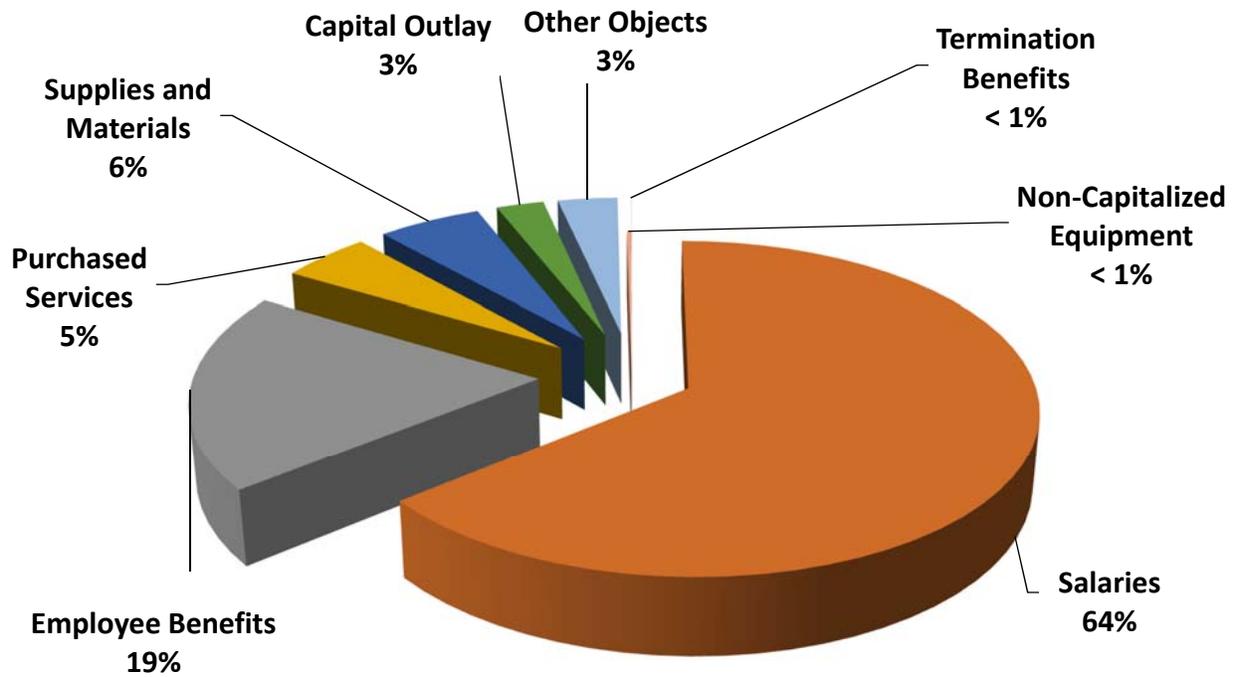
| | Actual 2013-14 | Actual 2014-15 | Actual 2015-16 | Budget 2016-17 | Budget 2017-18 |
|----------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Federal Sources | | | | | |
| National School Lunch Program | \$ 9,426,124 | \$ 9,487,942 | \$ 9,099,385 | \$ 9,000,000 | \$ 9,000,000 |
| School Breakfast Program | 2,955,539 | 2,324,614 | 2,305,294 | 2,000,000 | 2,000,000 |
| NSLP - Equipment | - | - | 34,280 | - | - |
| Non Cash Food Commodity | - | - | 1,032,997 | - | 1,032,997 |
| Title I - Low Income | 8,739,582 | 8,041,987 | 11,135,192 | 9,956,930 | 9,956,930 |
| 21st Century Comm Learning | 850,412 | 451,869 | 636,538 | 516,786 | 516,786 |
| Fed - Sp Ed - Pre-school Flow | 152,633 | 149,349 | 194,225 | 172,325 | 172,325 |
| Fed - Sp Ed - IDEA Flow Through | 7,372,799 | 7,778,813 | 8,203,865 | 7,827,463 | 7,827,463 |
| Rm & Brd PL 94-142 Sp Ed | 293,323 | 440,857 | 746,922 | 450,000 | 450,000 |
| Voc Ed Perkins Title IIc | 393,221 | 358,537 | 390,728 | 412,860 | 412,860 |
| MIHOPE | - | 7,000 | - | - | - |
| Early Childhood Expansion Grant | - | - | 1,935,115 | 2,395,800 | 2,395,800 |
| Project READI | - | 2,162 | - | - | - |
| Emergency Immigrant Assistance | - | 25,604 | - | 63,204 | 63,204 |
| Title III Lang Inst Prog Lim Eng | 1,050,689 | 1,368,691 | 939,254 | 1,324,193 | 1,324,193 |
| Title II - Teacher Quality | 1,212,859 | 741,720 | 814,242 | 841,912 | 841,912 |
| Dept Of Rehab Services | 101,774 | 113,582 | 101,211 | 261,323 | 261,323 |
| ARRA - MIECHVP | 166,198 | 165,316 | 124,236 | 135,000 | 135,000 |
| COPS Grant | 118,384 | 82,500 | - | - | - |
| Medicaid fee for Service | 844,656 | 1,928,530 | 1,224,745 | 850,000 | 850,000 |
| Administrative Outreach | 734,447 | 1,127,230 | 989,334 | 1,000,000 | 1,000,000 |
| Total Federal Sources | \$ 34,412,640 | \$ 34,596,302 | \$ 39,907,564 | \$ 37,207,796 | \$ 38,240,793 |



Educational Fund

Expenditures by Object

| Expenditures | Budget 2017-18 |
|-------------------------------------|-----------------------|
| Salaries | \$ 247,318,905 |
| Employee Benefits | 74,834,312 |
| Purchased Services | 18,799,915 |
| Supplies and Materials | 21,512,392 |
| Capital Outlay | 9,871,106 |
| Other Objects | 12,407,291 |
| Non-Capitalized Equipment | 912,575 |
| Termination Benefits | 75,000 |
| Total Expenditures by Object | \$ 385,731,496 |



Educational Fund

Expenditures by Object Detail

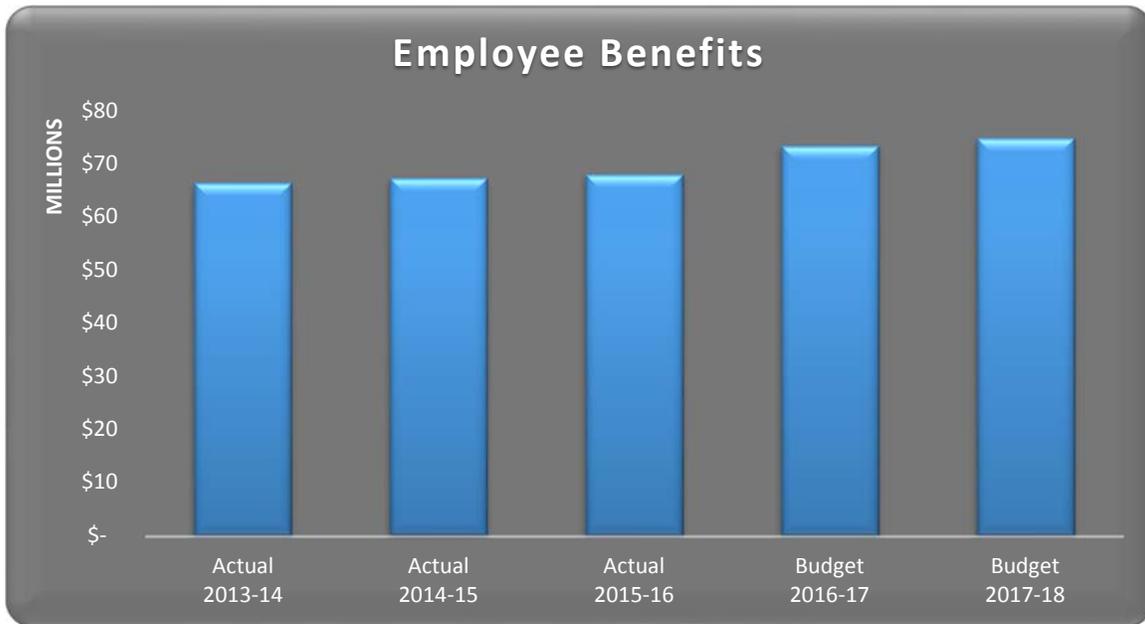
| | Actual 2013-14 | Actual 2014-15 | Actual 2015-16 | Budget 2016-17 | Budget 2017-18 |
|--------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Salaries | | | | | |
| Teachers Salaries | \$ 147,127,851 | \$ 152,861,047 | \$ 158,123,200 | \$ 166,160,958 | \$ 168,779,630 |
| Administrators Salaries | 19,515,526 | 19,244,606 | 20,087,730 | 21,224,226 | 21,367,893 |
| Technical Salaries | 10,778,329 | 10,988,693 | 11,527,091 | 12,258,143 | 12,710,254 |
| Temporary Salaries | 94,641 | 95,944 | 989 | - | - |
| Daily Substitute Salaries | 4,039,111 | 4,399,542 | 4,327,431 | 4,409,902 | 4,309,902 |
| Hourly Substitute Salaries | 141,435 | 502,380 | 478,229 | 478,283 | 608,283 |
| Other Hourly Extra Curr Superv | 3,832,505 | 4,191,814 | 4,611,265 | 4,383,081 | 5,390,545 |
| Athletic Extra Curr Supervisio | 250,791 | 248,075 | 241,042 | 248,278 | 623,280 |
| Noon Supervision | 1,545,262 | 1,690,237 | 1,781,881 | 1,781,818 | 2,039,636 |
| Stipends | 3,690,229 | 4,206,380 | 4,213,433 | 4,294,074 | 3,679,274 |
| Overtime Time & a Half | 338,557 | 357,291 | 414,675 | 445,516 | 484,431 |
| Overtime Double Time | 1,528 | 2,286 | 3,436 | 3,505 | 3,575 |
| Teachers Aides & Assistants | 923,925 | 1,296,402 | 1,320,959 | 1,399,040 | 1,664,039 |
| Special Education Aides | 6,235,528 | 6,233,196 | 6,914,956 | 7,074,108 | 7,595,586 |
| Bilingual Aides | 176,662 | 295,533 | 274,898 | 283,145 | 313,809 |
| Para Professionals | 1,163,746 | 987,911 | 1,032,631 | 1,032,672 | 1,188,330 |
| Deans Assistants | 1,481,596 | 1,486,415 | 1,484,795 | 1,513,570 | 1,508,842 |
| 12-Month Secretaries | 4,220,203 | 4,228,584 | 4,288,694 | 4,267,314 | 4,660,678 |
| 10-Month Secretaries | 3,619,687 | 3,556,157 | 3,492,845 | 3,555,934 | 3,565,938 |
| Clerical Aides | 440,253 | 427,037 | 420,740 | 430,054 | 432,153 |
| Liasons | 1,402,072 | 1,404,819 | 1,411,047 | 1,680,027 | 1,485,892 |
| Custodians | - | - | - | - | 307,521 |
| Maintenance | 206,783 | 152,064 | 173,495 | 172,053 | 175,494 |
| Drivers | 571,420 | 564,642 | 595,441 | 600,230 | 600,230 |
| Food Service Tech | 4,225,138 | 3,970,019 | 3,794,185 | 3,868,685 | 3,793,690 |
| Student Helpers | 26,129 | 23,234 | 29,222 | 27,914 | 30,000 |
| Total Salaries | \$ 216,048,905 | \$ 223,414,308 | \$ 231,044,310 | \$ 241,592,529 | \$ 247,318,905 |



Educational Fund

Expenditures by Object Detail (Continued)

| | Actual 2013-14 | Actual 2014-15 | Actual 2015-16 | Budget 2016-17 | Budget 2017-18 |
|--------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Employee Benefits | | | | | |
| Teachers Retirement | \$ 23,481,919 | \$ 22,972,670 | \$ 25,448,345 | \$ 25,092,385 | \$ 26,824,685 |
| TRS Early Retirement Contrbtn | 1,616,726 | 808,974 | 701,317 | 1,200,000 | - |
| Life Insurance | 225,018 | 316,468 | 331,546 | 343,930 | 309,629 |
| Medical Insurance | 37,945,233 | 40,169,719 | 38,190,411 | 43,102,721 | 44,134,708 |
| Dental Insurance | 1,717,251 | 1,721,344 | 1,958,991 | 2,097,750 | 1,980,269 |
| Disability Insurance | 306,773 | 295,565 | 341,536 | 367,309 | 413,817 |
| IMRF/SS/Medicare Allocation | 1,241,338 | 1,157,953 | 1,148,239 | 1,171,204 | 1,171,204 |
| Total Employee Benefits | \$ 66,534,260 | \$ 67,442,692 | \$ 68,120,386 | \$ 73,375,299 | \$ 74,834,312 |



Educational Fund

Expenditures by Object Detail (Continued)

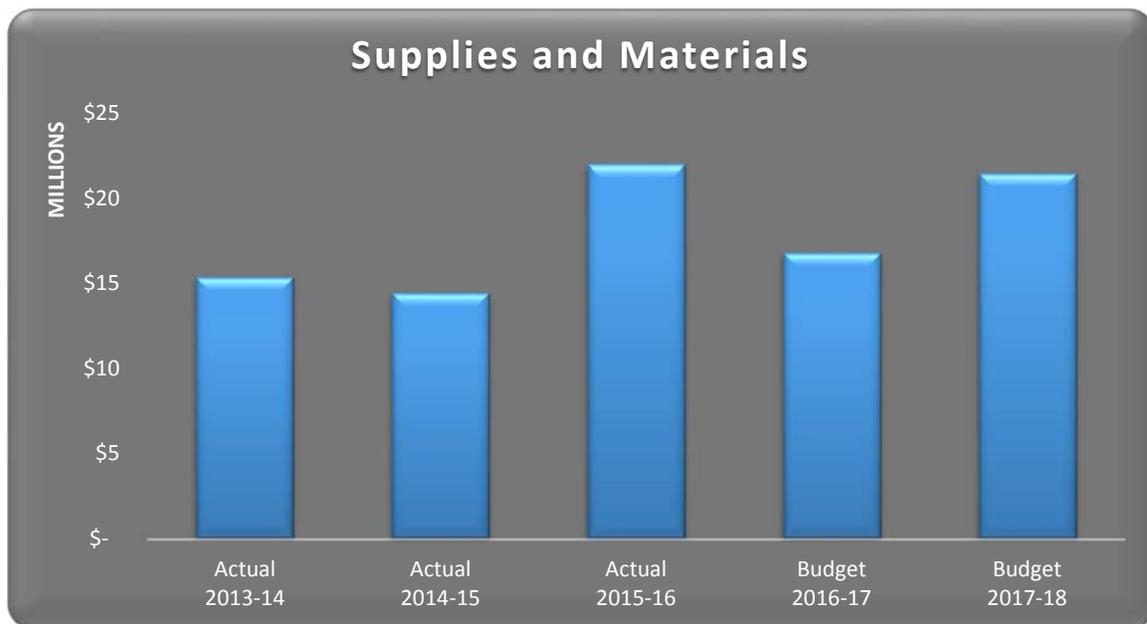
| | Actual 2013-14 | Actual 2014-15 | Actual 2015-16 | Budget 2016-17 | Budget 2017-18 |
|---------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Purchased Services | | | | | |
| Technical Services | \$ 113,747 | \$ 26,528 | \$ 83,752 | \$ 302,500 | \$ 325,130 |
| Admin Professional Services | 1,191,930 | 640,053 | 1,275,446 | 1,652,695 | 1,017,875 |
| Instructional Professional Ser | 1,837,496 | 1,424,608 | 1,416,641 | 1,228,891 | 1,457,782 |
| Audit/Financial Services | 96,290 | 110,500 | 101,700 | 110,000 | 100,000 |
| Legal Services | 286,827 | 232,579 | 94,260 | 125,000 | 100,000 |
| Other Tech & Prof Serv | 6,370,781 | 5,418,039 | 6,754,029 | 6,372,894 | 7,012,885 |
| Sanitation Services | - | - | - | - | 107,677 |
| Cleaning Services | 48,239 | 30,731 | 14,923 | 57,617 | 56,500 |
| Repairs & Maint Services | 3,117,256 | 3,695,400 | 3,087,951 | 2,886,809 | 2,622,777 |
| Rentals | 59,690 | 48,813 | 183,948 | 198,550 | 196,550 |
| Exterminating | - | - | - | - | 13,040 |
| Pupil Transportation | 1,439,885 | 1,362,986 | 2,013,413 | 1,589,614 | 2,151,728 |
| Indistrict/Regional Travel | 163,133 | 167,407 | 152,138 | 156,674 | 152,664 |
| Travel Conf/Workshops | 598,917 | 639,228 | 399,234 | 482,171 | 458,368 |
| Out Of District Travel | 142,329 | 150,278 | 89,902 | 134,538 | 143,167 |
| Negotiations Expense | 91,243 | 29,545 | 4,685 | 5,000 | 1,500 |
| Awards and Banquets | 25,886 | 37,057 | 27,354 | 41,100 | 32,000 |
| Communications/Postage | 2,563,196 | 1,681,454 | 1,148,623 | 1,571,809 | 1,623,437 |
| Advertising | 27,712 | 16,064 | 13,974 | 29,000 | 26,000 |
| Printing & Duplicating | 184,217 | 150,141 | 202,657 | 249,846 | 293,331 |
| Binding | 24,765 | 18,762 | 24,218 | 38,000 | 38,000 |
| Copier Service/Repair | 735,876 | 636,830 | 686,778 | 524,149 | 578,404 |
| Copier Lease/Rental | 18,402 | 9,553 | 8,917 | 34,408 | 24,500 |
| Water/Sewer | - | - | - | 10,500 | 32,600 |
| Insurance | 14,000 | 15,000 | 15,000 | 15,000 | 15,000 |
| Workers Compensation | 275,000 | 250,000 | 185,000 | 185,000 | 185,000 |
| Other Purchased Services | 23,449 | 30,286 | 43,730 | 34,500 | 34,000 |
| Total Purchased Services | \$ 19,450,265 | \$ 16,821,840 | \$ 18,028,273 | \$ 18,036,265 | \$ 18,799,915 |



Educational Fund

Expenditures by Object Detail (Continued)

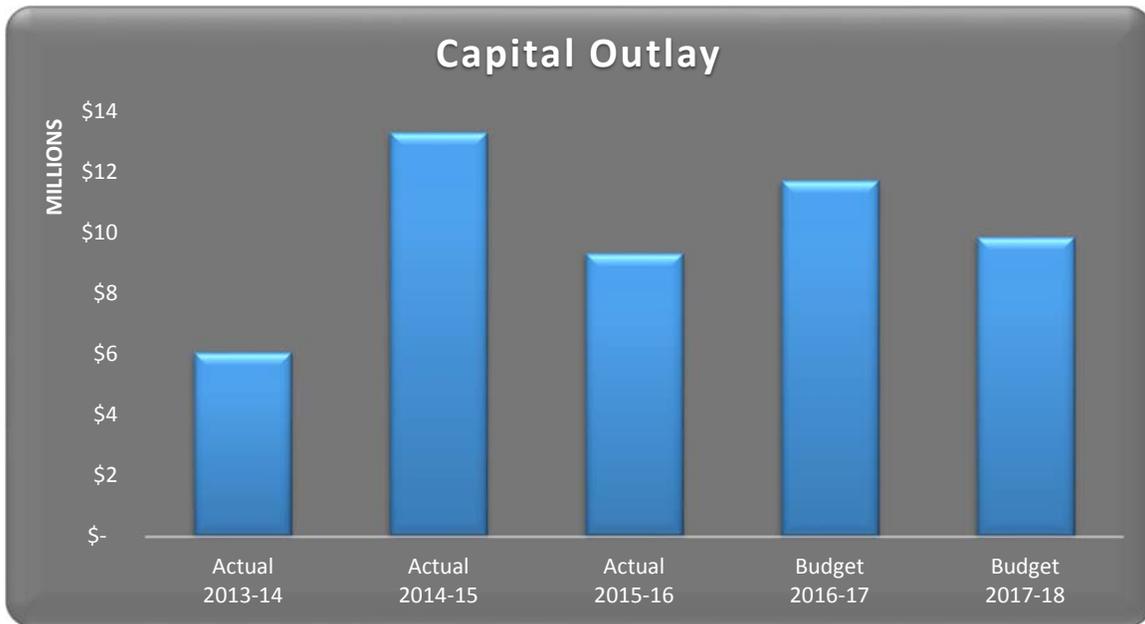
| | Actual 2013-14 | Actual 2014-15 | Actual 2015-16 | Budget 2016-17 | Budget 2017-18 |
|-------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Supplies and Materials | | | | | |
| Supplies | \$ 5,019,361 | \$ 5,754,939 | \$ 5,710,182 | \$ 5,336,465 | \$ 5,598,380 |
| Food Service Food & Supplies | 7,410,715 | 6,477,049 | 6,210,367 | 6,555,450 | 5,817,705 |
| Custodial Supplies | - | - | - | - | 109,198 |
| Tech Consumables | 57,051 | 60,106 | 56,775 | 68,025 | 66,401 |
| Copier Paper/Supplies | 154,160 | 155,068 | 185,655 | 197,874 | 215,437 |
| Freight In/Shipping | - | - | - | - | - |
| AV Supplies | 237 | 253 | 43 | 500 | 500 |
| Support Materials | 43,574 | 28,460 | 24,732 | 41,000 | 14,400 |
| Textbooks | 2,576,034 | 1,897,817 | 8,711,490 | 4,500,000 | 8,300,000 |
| Suppl Instructional Matls | 3,526 | 600 | - | 29,000 | 32,000 |
| Computer Accessories | 39,160 | 34,845 | 26,810 | 35,296 | 24,547 |
| Library Materials | 40,890 | 36,425 | 43,054 | 36,944 | 35,051 |
| Suppl Library Matls | 2,068 | 2,384 | 2,309 | 2,375 | 2,375 |
| Periodicals | 3,608 | 2,653 | 1,457 | 4,426 | 3,401 |
| Gasoline | 59,660 | 35,129 | 36,327 | 40,000 | 60,000 |
| Non Cash Food Commodity | - | - | 1,032,997 | - | 1,032,997 |
| Electricity | - | - | - | - | 200,000 |
| Software | 5,000 | 5,000 | - | - | - |
| Total Supplies and Materials | \$ 15,415,042 | \$ 14,490,727 | \$ 22,042,198 | \$ 16,847,355 | \$ 21,512,392 |



Educational Fund

Expenditures by Object Detail (Continued)

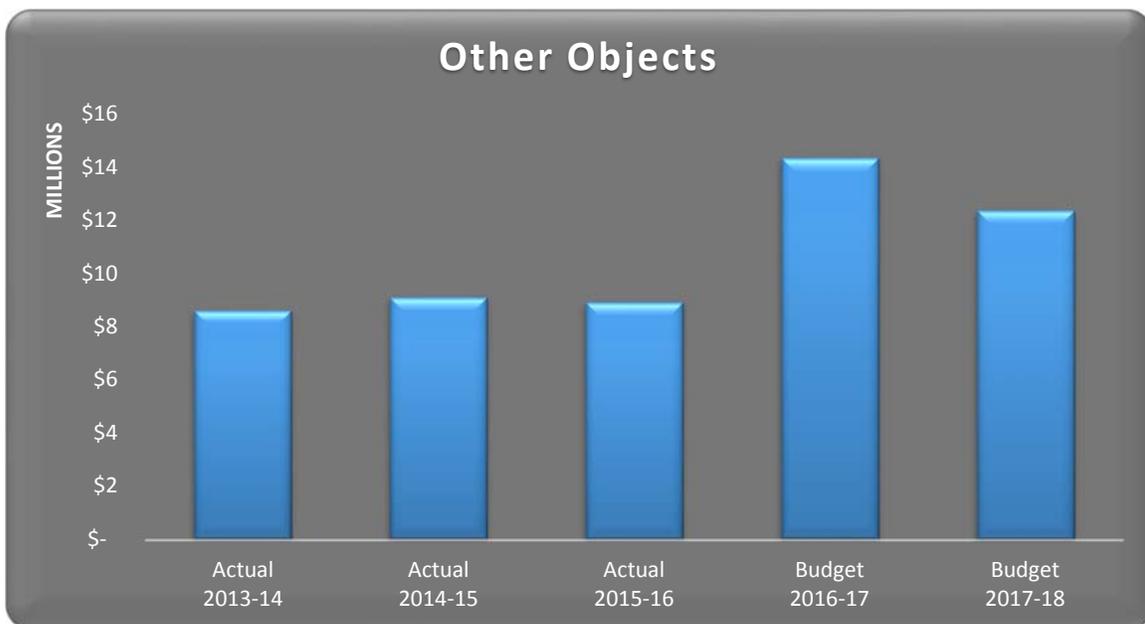
| | Actual 2013-14 | Actual 2014-15 | Actual 2015-16 | Budget 2016-17 | Budget 2017-18 |
|-----------------------------|---------------------|----------------------|---------------------|----------------------|---------------------|
| Capital Outlay | | | | | |
| Buildings | \$ 869,078 | \$ 2,854,025 | \$ 836,136 | \$ 1,800,000 | \$ 1,250,000 |
| Add/Repl Equipment | 4,838,803 | 10,163,712 | 8,379,412 | 9,778,587 | 8,412,106 |
| Aged & Obsolete Equipment | 327,700 | 272,599 | 112,695 | 155,000 | 206,000 |
| Lease/Purchase Equipment | 4,832 | 2,844 | 5,828 | 3,000 | 3,000 |
| Total Capital Outlay | \$ 6,040,412 | \$ 13,293,180 | \$ 9,334,071 | \$ 11,736,587 | \$ 9,871,106 |



Educational Fund

Expenditures by Object Detail (Continued)

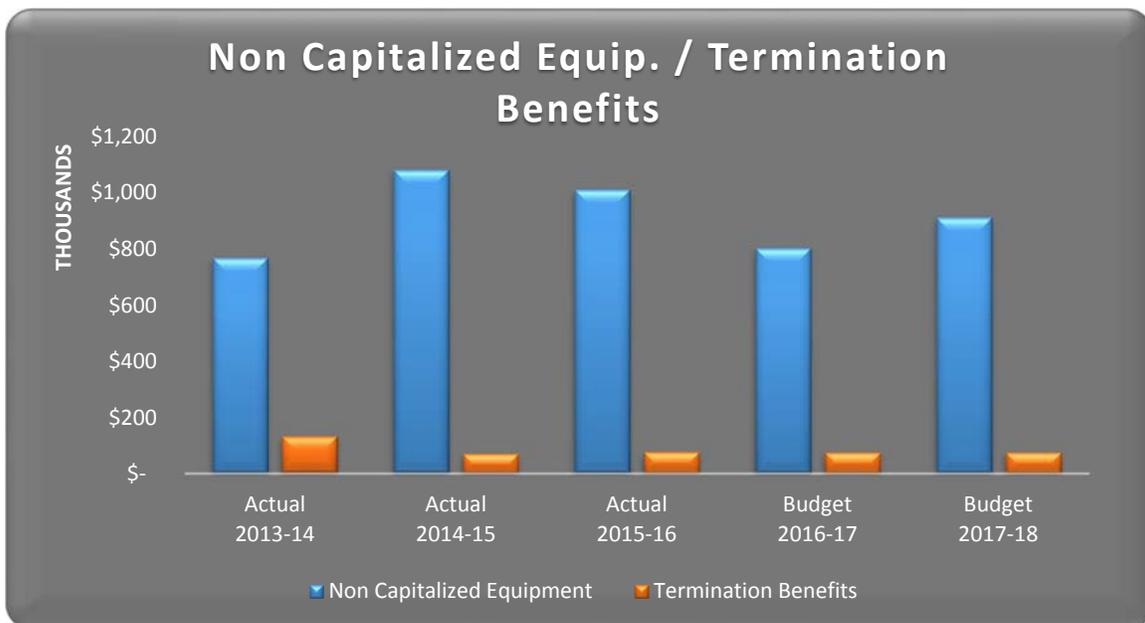
| | Actual 2013-14 | Actual 2014-15 | Actual 2015-16 | Budget 2016-17 | Budget 2017-18 |
|-----------------------------|---------------------|---------------------|---------------------|----------------------|----------------------|
| Other Objects | | | | | |
| Dues & Fees | \$ 231,017 | \$ 242,993 | \$ 416,797 | \$ 336,413 | \$ 327,291 |
| Tuition | 8,405,022 | 8,892,677 | 8,531,711 | 10,020,200 | 9,580,000 |
| Contingency | - | - | - | 4,000,000 | 2,500,000 |
| Total Capital Outlay | \$ 8,636,039 | \$ 9,135,670 | \$ 8,948,508 | \$ 14,356,613 | \$ 12,407,291 |



Educational Fund

Expenditures by Object Detail (Continued)

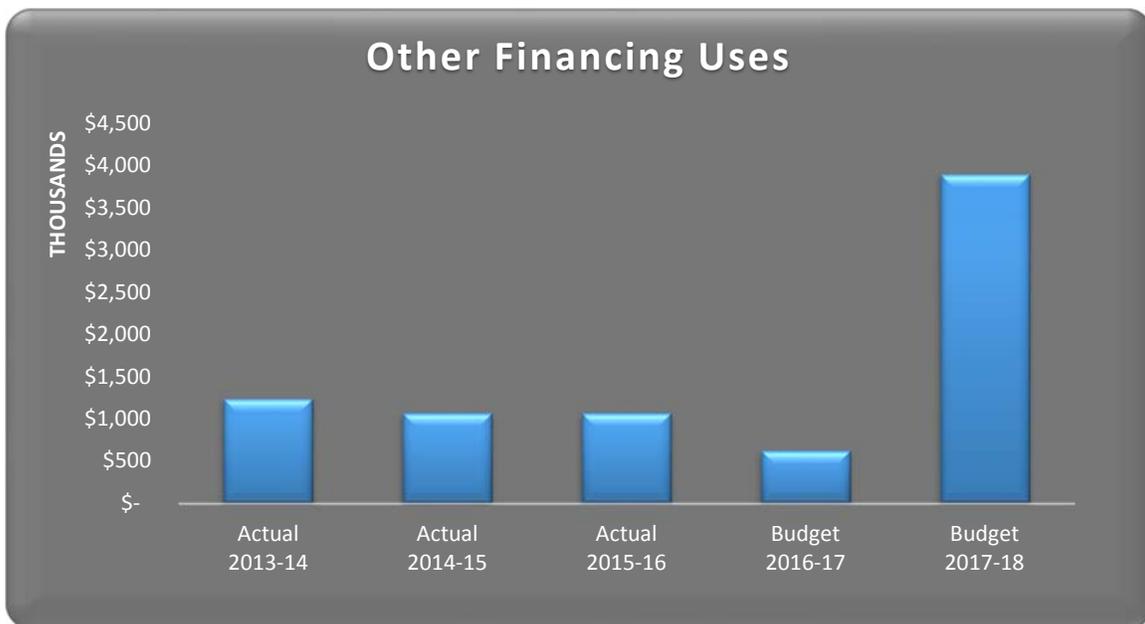
| | Actual 2013-14 | Actual 2014-15 | Actual 2015-16 | Budget 2016-17 | Budget 2017-18 |
|----------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Non Capitalized Equipment | \$ 769,232 | \$ 1,081,872 | \$ 1,011,734 | \$ 803,370 | \$ 912,575 |
| Termination Benefits | \$ 131,803 | \$ 70,304 | \$ 76,607 | \$ 75,000 | \$ 75,000 |



Educational Fund

Other Financing Uses

| | Actual 2013-14 | Actual 2014-15 | Actual 2015-16 | Budget 2016-17 | Budget 2017-18 |
|------------------------------------|-----------------------|-----------------------|-----------------------|---------------------|-----------------------|
| Other Financing Uses | | | | | |
| Transfers - Interfund | \$ (984,604) | \$ (815,527) | \$ (815,004) | \$ (617,000) | \$ - |
| Transfer of Principal to Debt Serv | (235,826) | (239,710) | (2,312,117) | - | (3,902,326) |
| Transfer of Interest to Debt Serv | (11,845) | (7,962) | (4,013) | - | - |
| Total Other Financing Uses | \$ (1,232,275) | \$ (1,063,199) | \$ (3,131,134) | \$ (617,000) | \$ (3,902,326) |



Educational Fund

Budget and Three-Year Forecast Revenues, Expenditures and Change in Fund Balance

| | Budget 2017-18 | Forecast 2018-19 | Forecast 2019-20 | Forecast 2020-21 |
|--|-------------------|---------------------|---------------------|---------------------|
| Revenue | | | | |
| Local Sources | \$ 204,850,199 | \$ 209,453,993 | \$ 214,546,907 | \$ 219,715,726 |
| State Sources | 138,430,187 | 137,577,396 | 136,743,763 | 135,929,308 |
| Federal Sources | 38,240,793 | 38,623,201 | 39,009,433 | 39,399,527 |
| Total Revenue by Source | \$ 381,521,179 | \$ 385,654,590 | \$ 390,300,102 | \$ 395,044,561 |
| Expenditures | | | | |
| Salaries | \$ 247,318,905 | \$ 252,265,283 | \$ 257,310,589 | \$ 262,456,801 |
| Employee Benefits | 74,834,312 | 77,655,039 | 80,598,384 | 83,670,107 |
| Purchased Services | 18,799,915 | 18,987,914 | 19,177,793 | 19,369,571 |
| Supplies and Materials | 21,512,392 | 17,344,516 | 17,517,961 | 17,693,141 |
| Capital Outlay | 9,871,106 | 2,950,000 | 2,700,000 | 1,350,000 |
| Other Objects | 12,407,291 | 11,506,364 | 11,606,428 | 10,207,492 |
| Non-Capitalized Equipment | 912,575 | 921,701 | 930,918 | 940,227 |
| Termination Benefits | 75,000 | 75,750 | 76,508 | 77,273 |
| Total Expenditures by Object | \$ 385,731,496 | \$ 381,706,567 | \$ 389,918,581 | \$ 395,764,612 |
| Excess/(Deficiency) of Revenues Over/(Under) Expenditures | (4,210,317) | 3,948,023 | 381,521 | (720,051) |
| Other Financing Uses | \$ (3,902,326) | \$ (3,902,326) | \$ - | \$ - |
| Net Change in Fund Balance | (8,112,643) | 45,697 | 381,521 | (720,051) |
| Fund Balance (Deficit) at Beginning of Year | 104,144,916 | 96,032,273 | 96,077,970 | 96,459,491 |
| Fund Balance (Deficit) at End of Year | \$ 96,032,273 | \$ 96,077,970 | \$ 96,459,491 | \$ 95,739,441 |

ASSUMPTIONS:

- CPI – 1.5 percent for each forecast year
- EAV – 2018-19 Increase 2.5 percent; 2019-20 Increase 2.48 percent; 2020-21 Increase 5.47 percent
- Low Income Students – Flat to slightly lower
- ADA - Flat to slightly lower

Revenue

- Property Taxes – Increase by CPI
- Property Taxes – Plus \$1.0 million allocation from each tort and transportation
- GSA – Decrease by 1.0 percent for each forecast year
- State Categoricals – Increase 2.0 percent; receive three of the four payments over each of the forecast years
- Federal Sources – Increase by 1.0 percent for each forecast year
- All other revenue – Increase by 1.0 percent for each forecast year

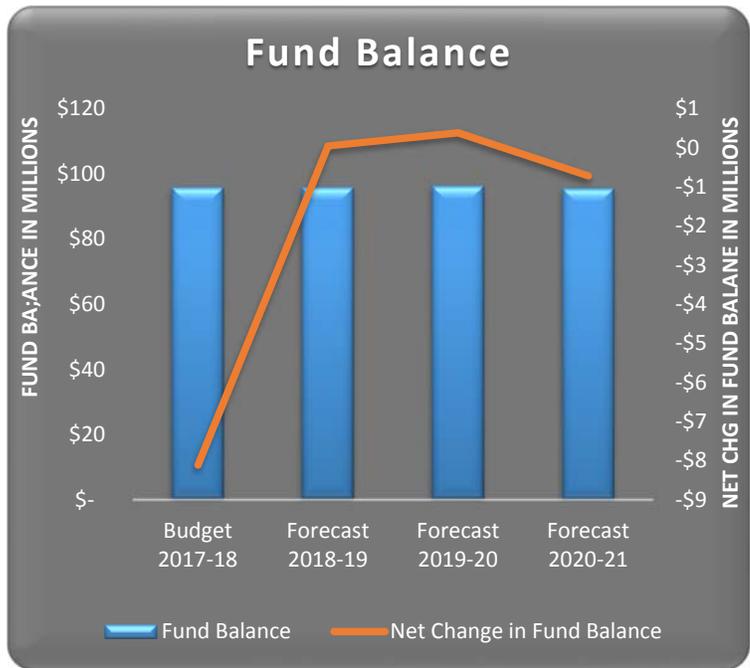
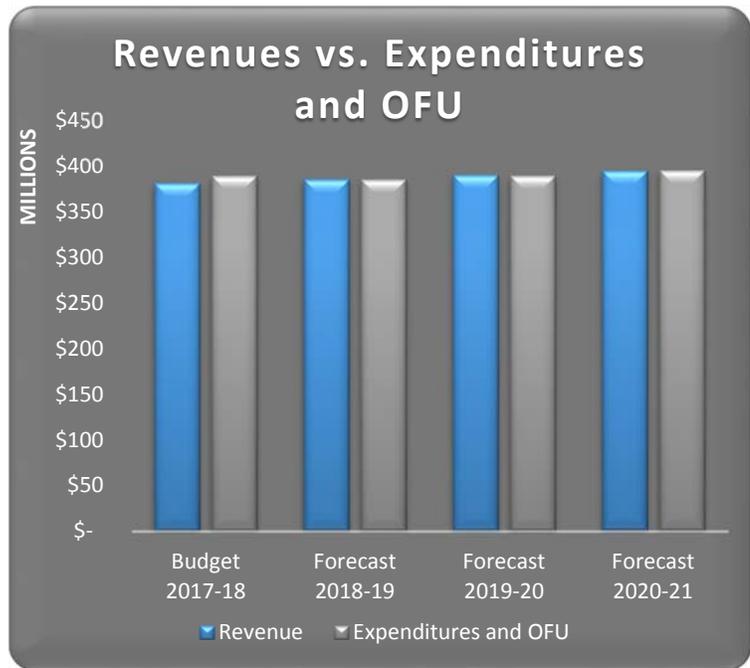
Expenditures

- Salaries – Increase 2.0 percent for each forecast year

- Health Benefits – Increase by 5.0 percent for each forecast year
- Remaining Benefits – Increase by 2.0 percent for each budget year
- Textbooks – Reduced \$4.3 million for 2018-19 and flat for each forecast year after
- Capital Outlay – 2018-19 \$2.95 million, 2019-20 \$2.7 million, 2020-21 \$1.4 million
- Contingency – 2018-19 and 2019-20 \$1.5 million, 2020-21 \$0
- All other expenditures – Increase 1.0 percent for each forecast year

Other Financing Uses

- Property tax abatement – 2018-19 \$3.9 million, each year after \$0.
 If only three state categorical payments are received and GSA declines as forecasted property tax abatement will not be budgeted. If the district receives more state funding then planning for a property tax abatement is more probable.



Transportation Fund

The Transportation Fund is used to account for the costs associated with transporting students for any purpose. All costs of transportation, other than those authorized by statute to be paid from another fund, shall be paid by this fund. Any funds received for transportation purposes must be deposited into this fund, with amounts due other funds appropriately transferred thereafter.

Transportation Fund Revenues, Expenditures and Changes in Fund Deficit

Revenue by Source Expenditures by Object

| | Actual 2013-14 | Actual 2014-15 | Actual 2015-16 | Budget 2016-17 | Budget 2017-18 |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|
| Revenue | | | | | |
| Local Sources | \$ 12,950,290 | \$ 15,617,455 | \$ 17,696,449 | \$ 17,415,040 | \$ 18,165,503 |
| State Sources | 12,791,712 | 14,429,786 | 11,474,045 | 15,070,681 | 11,303,010 |
| Total Revenue by Source | \$ 25,742,002 | \$ 30,047,242 | \$ 29,170,494 | \$ 32,485,721 | \$ 29,468,513 |
| Expenditures | | | | | |
| Salaries | \$ 13,294,557 | \$ 13,679,128 | \$ 14,157,334 | \$ 14,240,913 | \$ 14,005,977 |
| Employee Benefits | 4,952,704 | 5,685,427 | 5,364,850 | 5,550,719 | 5,431,548 |
| Purchased Services | 1,185,370 | 1,266,636 | 908,988 | 1,697,000 | 1,205,848 |
| Supplies and Materials | 3,415,978 | 2,944,498 | 2,378,760 | 2,915,000 | 3,101,110 |
| Capital Outlay | 172,324 | - | 7,507,753 | 2,306,440 | - |
| Other Objects | 2,181,831 | 1,449,917 | 2,827,431 | 2,905,930 | 2,828,066 |
| Total Expenditures by Object | \$ 25,202,764 | \$ 25,025,606 | \$ 33,145,116 | \$ 29,616,002 | \$ 26,572,549 |
| Excess/(Deficiency) of Revenues Over/(Under) Expenditures | 539,238 | 5,021,636 | (3,974,622) | 2,869,719 | 2,895,964 |
| Other Financing Sources/(Uses) | \$ 365,745 | \$ (14,992) | \$ 7,664,194 | \$ 244,066 | \$ 1,200,000 |
| Net Change in Fund Deficit | 904,983 | 5,006,644 | 3,689,572 | 3,113,785 | 4,095,964 |
| Fund Deficit at Beg. of Year | (16,137,568) | (15,232,585) | (10,225,941) | (6,536,369) | (3,422,584) |
| Fund Bal/(Deficit) at End of Year | \$ (15,232,585) | \$ (10,225,941) | \$ (6,536,369) | \$ (3,422,584) | \$ 673,380 |

Revenue

The transportation fund is primarily funded by local property taxes and state categorical reimbursements for costs related to regular, special education and vocational transportation.

Local sources consist of property taxes, charges for transportation services and a minimal amount of interest income. District management has increased the property tax allocation over the past five years in order to reduce the fund's deficit at a faster rate. The allocation going forward will be reduced since the fund balance is projected to be positive by the end of the year. Property taxes increased \$0.8 million over the prior year's budget due to the increased allocation and growth in line with CPI.

State sources are budgeted to be \$3.8 million lower than the prior year's budget. This is due to including only three of the quarterly categorical payments for transportation reimbursement versus all four in the prior year. The state has not paid the quarterly payments on a timely basis. Even if all payments are received the funds would not be available for spending in this budget year.

Expenditures

The District is responsible for busing more than 27,000 students, currently owns or leases 350 full-sized and smaller multifunctional buses, and employs over 400 bus drivers and aides.

Salaries and benefits are projected to be less than the prior year's budget by \$0.4 million. This is due to a few factors. Senior administrators retired at the end of fiscal year 2017, 2017 actual expenditures came in under budget and overtime has been reduced \$60 thousand.

Purchased services were reduced \$0.5 million in this year's budget due to estimated 2017 actual costs for subcontractor taxi services coming in well under budget.

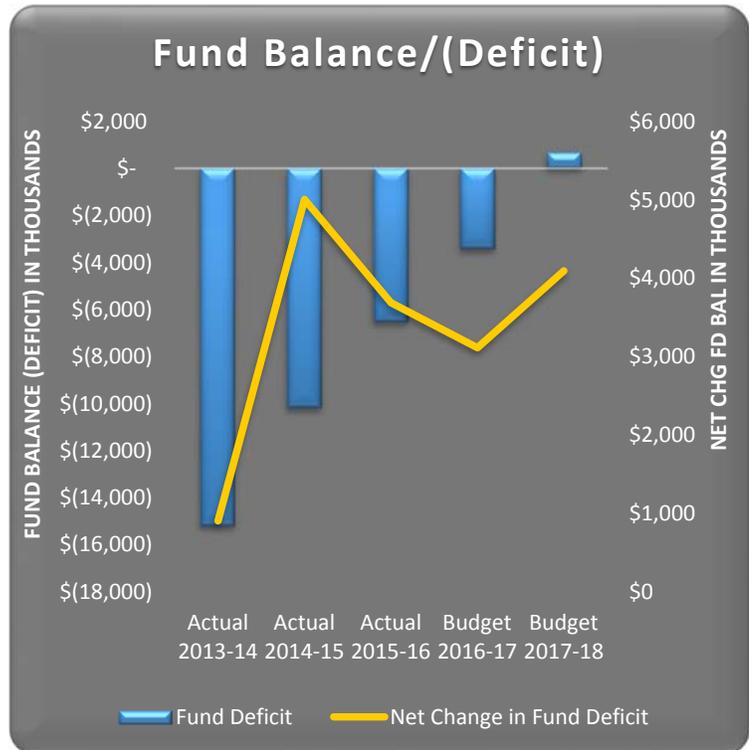
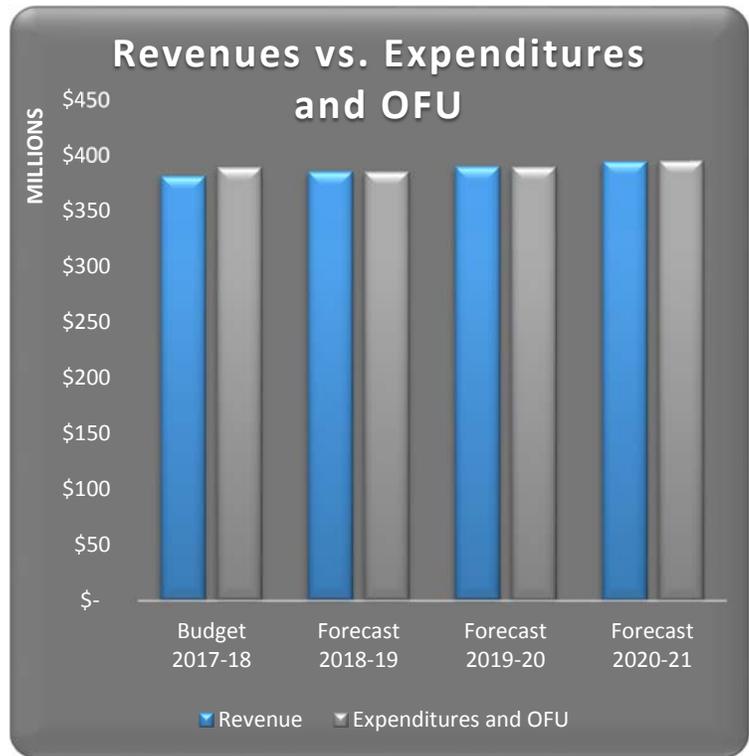
No capital outlay was budgeted for 2018. Capital outlay in this fund is typically for bus purchases or leases. Although the District's Age and Obsolescence Plan for bus replacement calls for new buses to be purchased in 2018 no new buses were planned for purchase due to the uncertainty of State funding.

Other Financing Sources

Interest earned on cash and investments held in the working cash fund is transferred to the fund most in need. District management has transferred this income to the Transportation Fund in order to assist in reducing the fund's deficit. Interest rates have slowly been rising and interest income from 2017 far exceeded the budget. The 2018 budgeted interest to be transferred to the Transportation Fund is \$1.2 million.

Fund Balance

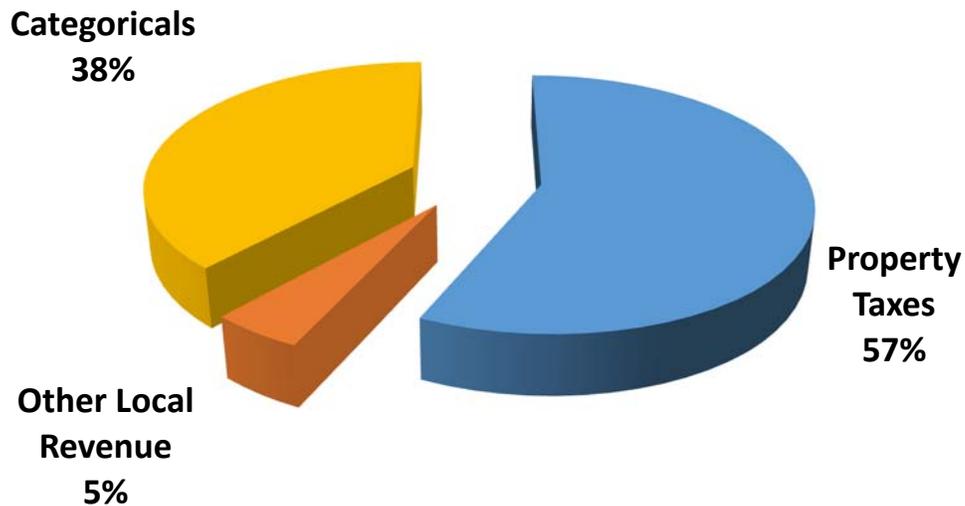
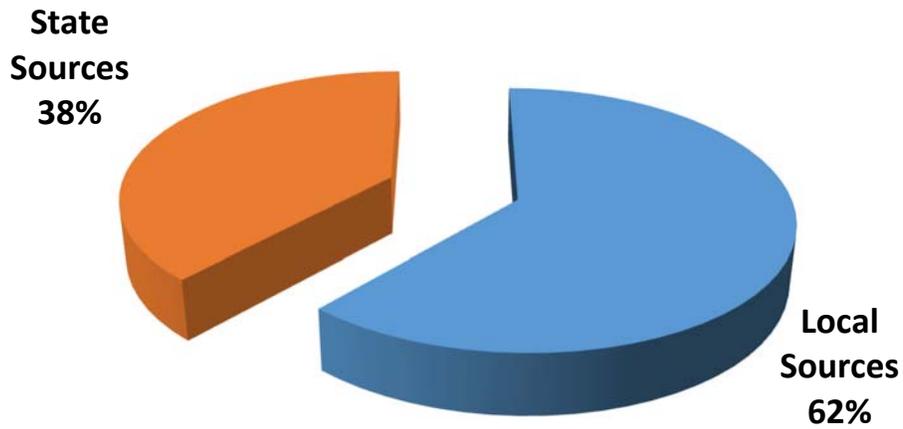
By the end of 2018 the Transportation Fund deficit is planned to be eliminated. Management plans to scale back the excess revenue directed to the Transportation Fund over the past few years just enough to maintain a positive fund balance.



Transportation Fund

Revenue by Source

| Revenue | Budget 2017-18 |
|----------------------|----------------------|
| Local Sources | |
| Property Taxes | \$ 16,765,303 |
| Other Local Revenue | 1,400,200 |
| Total Local Sources | 18,165,503 |
| State Sources | |
| Categoricals | 11,303,010 |
| Total Revenue | \$ 29,468,513 |



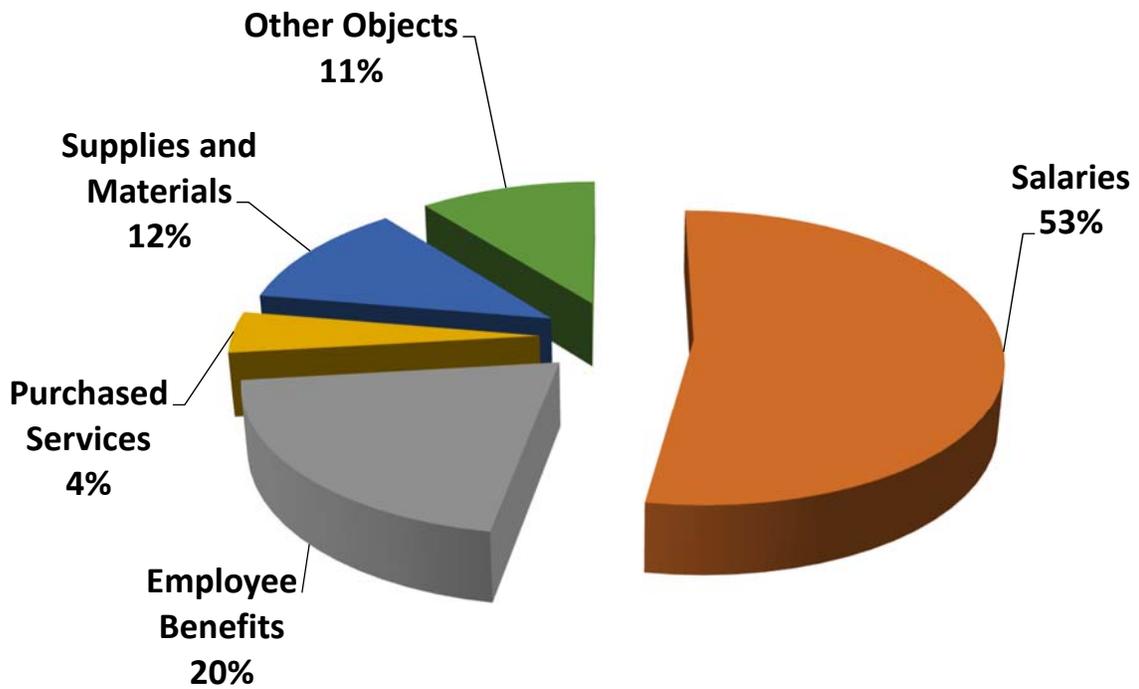
Transportation Fund
Revenue by Source Detail

| | Actual 2013-14 | Actual 2014-15 | Actual 2015-16 | Budget 2016-17 | Budget 2017-18 |
|---------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Local Sources | | | | | |
| Property Taxes | \$ 11,278,225 | \$ 14,142,564 | \$ 16,003,581 | \$ 16,014,940 | \$ 16,765,303 |
| Fees-Bus Trips-Cocurricular | 1,652,931 | 1,455,097 | 1,690,449 | 1,400,000 | 1,400,000 |
| Interest on Investments | 173 | 135 | 85 | 100 | 200 |
| Other Local Revenue | 18,962 | 19,660 | 2,334 | - | - |
| State Sources | | | | | |
| Transportation - Regular | 6,368,509 | 7,607,643 | 6,326,635 | 8,344,911 | 6,258,683 |
| Transportation - Special Educa | 6,423,203 | 6,822,143 | 4,950,754 | 6,725,770 | 5,044,327 |
| Other Revenue from State Source | - | - | 196,656 | - | - |
| Total Revenue | \$ 25,742,002 | \$ 30,047,242 | \$ 29,170,494 | \$ 32,485,721 | \$ 29,468,513 |

Transportation Fund

Expenditures by Object

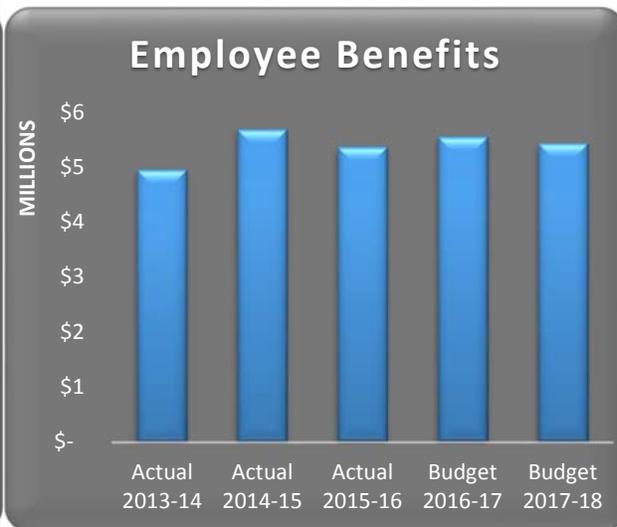
| Expenditures | Budget 2017-18 |
|-------------------------------------|----------------------|
| Salaries | \$ 14,005,977 |
| Employee Benefits | 5,431,548 |
| Purchased Services | 1,205,848 |
| Supplies and Materials | 3,101,110 |
| Other Objects | 2,828,066 |
| Total Expenditures by Object | \$ 26,572,549 |



Transportation Fund

Expenditures by Object Detail

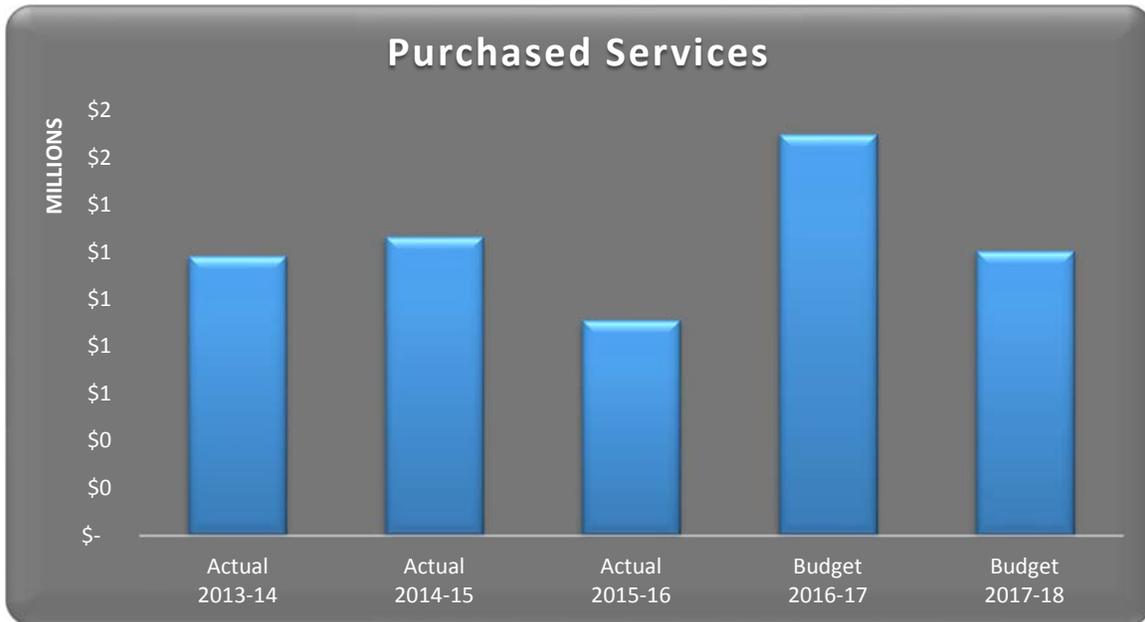
| | Actual 2013-14 | Actual 2014-15 | Actual 2015-16 | Budget 2016-17 | Budget 2017-18 |
|--------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Salaries | | | | | |
| Administrators Salaries | \$ 429,236 | \$ 463,969 | \$ 546,022 | \$ 532,986 | \$ 437,643 |
| Technical Salaries | 130,707 | 166,698 | 172,590 | 172,879 | 277,633 |
| Overtime Time & a Half | 380,124 | 418,592 | 702,014 | 711,989 | 646,229 |
| 12-Month Secretaries | 14,636 | 24,091 | 22,981 | 22,420 | 23,541 |
| Maintenance | - | - | - | - | 20,291 |
| Drivers | 10,481,126 | 10,538,059 | 10,570,408 | 10,670,934 | 10,470,934 |
| Driver Aide | 983,509 | 1,154,606 | 1,284,761 | 1,285,371 | 1,235,371 |
| Mechanics | 573,687 | 601,638 | 636,400 | 627,417 | 677,417 |
| Dispatchers | 301,533 | 311,474 | 222,158 | 216,918 | 216,918 |
| Total Salaries | \$ 13,294,557 | \$ 13,679,128 | \$ 14,157,334 | \$ 14,240,913 | \$ 14,005,977 |
| Employee Benefits | | | | | |
| Life Insurance | \$ 14,108 | \$ 28,377 | \$ 29,728 | \$ 29,580 | \$ 26,622 |
| Medical Insurance | 4,691,405 | 5,378,832 | 5,012,009 | 5,191,507 | 5,121,294 |
| Dental Insurance | 241,117 | 251,716 | 292,489 | 297,099 | 259,599 |
| Disability Insurance | 6,073 | 26,503 | 30,624 | 32,533 | 24,033 |
| Total Employee Benefits | \$ 4,952,704 | \$ 5,685,427 | \$ 5,364,850 | \$ 5,550,719 | \$ 5,431,548 |



Transportation Fund

Expenditures by Object Detail (Continued)

| | Actual 2013-14 | Actual 2014-15 | Actual 2015-16 | Budget 2016-17 | Budget 2017-18 |
|---------------------------------|---------------------|---------------------|-------------------|---------------------|---------------------|
| Purchased Services | | | | | |
| Technical Services | \$ 66,575 | \$ 53,806 | \$ 67,874 | \$ 75,000 | \$ 10,000 |
| Other Tech & Prof Serv | 161,443 | 166,756 | 49,134 | 93,000 | 325,000 |
| Sanitation Services | - | - | - | - | 3,481 |
| Cleaning Services | 21,269 | 22,674 | 21,785 | 22,500 | 20,566 |
| Repairs & Maint Services | 301,516 | 239,222 | 376,683 | 402,500 | 378,638 |
| Other Property Services | - | - | - | - | 499 |
| Pupil Transportation | 561,648 | 727,129 | 346,905 | 1,050,000 | 350,000 |
| Travel Conf/Workshops | 1,963 | 3,608 | 700 | 5,000 | 4,000 |
| Out Of District Travel | 44,306 | 31,715 | 21,293 | 15,000 | 47,000 |
| Awards and Banquets | 2,510 | 747 | 1,588 | 3,000 | 3,000 |
| Communications/Postage | 9,253 | 9,735 | 9,540 | 10,000 | 20,000 |
| Printing & Duplicating | 14,887 | 11,244 | 13,486 | 21,000 | 30,000 |
| Water/Sewer | - | - | - | - | 13,664 |
| Total Purchased Services | \$ 1,185,370 | \$ 1,266,636 | \$ 908,988 | \$ 1,697,000 | \$ 1,205,848 |



Transportation Fund

Expenditures by Object Detail (Continued)

| | Actual 2013-14 | Actual 2014-15 | Actual 2015-16 | Budget 2016-17 | Budget 2017-18 |
|-------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Supplies and Materials | | | | | |
| Supplies | \$ 1,021,006 | \$ 1,094,216 | \$ 1,078,016 | \$ 1,325,000 | \$ 1,350,000 |
| Oil | 76,100 | 72,850 | 97,062 | 90,000 | 88,000 |
| Gasoline | 2,318,872 | 1,777,432 | 1,203,682 | 1,500,000 | 1,600,000 |
| Natural Gas | - | - | - | - | 13,110 |
| Electricity | - | - | - | - | 50,000 |
| Total Supplies and Materials | \$ 3,415,978 | \$ 2,944,498 | \$ 2,378,760 | \$ 2,915,000 | \$ 3,101,110 |

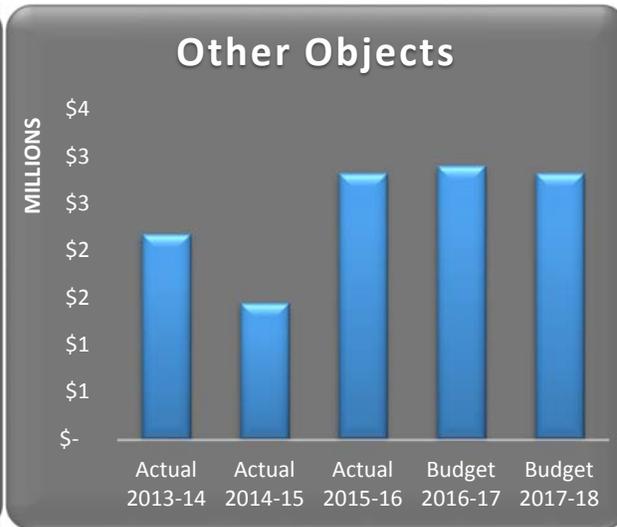
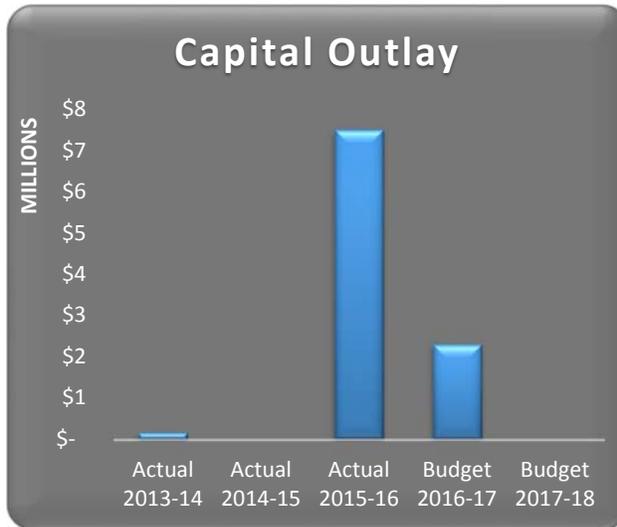


Transportation Fund

Expenditures by Object Detail (Continued)

| | Actual 2013-14 | Actual 2014-15 | Actual 2015-16 | Budget 2016-17 | Budget 2017-18 |
|---------------------------------|-------------------|-------------------|---------------------|---------------------|-------------------|
| Capital Outlay | | | | | |
| Improvements (Non Building) | \$ 48,100 | \$ - | \$ - | \$ - | \$ - |
| Add/Repl Transportation Equip | 124,224 | - | 196,656 | 2,306,440 | - |
| Transp Lease/Purchase Equipment | - | - | 7,311,097 | - | - |
| Total Capital Outlay | \$ 172,324 | \$ - | \$ 7,507,753 | \$ 2,306,440 | \$ - |

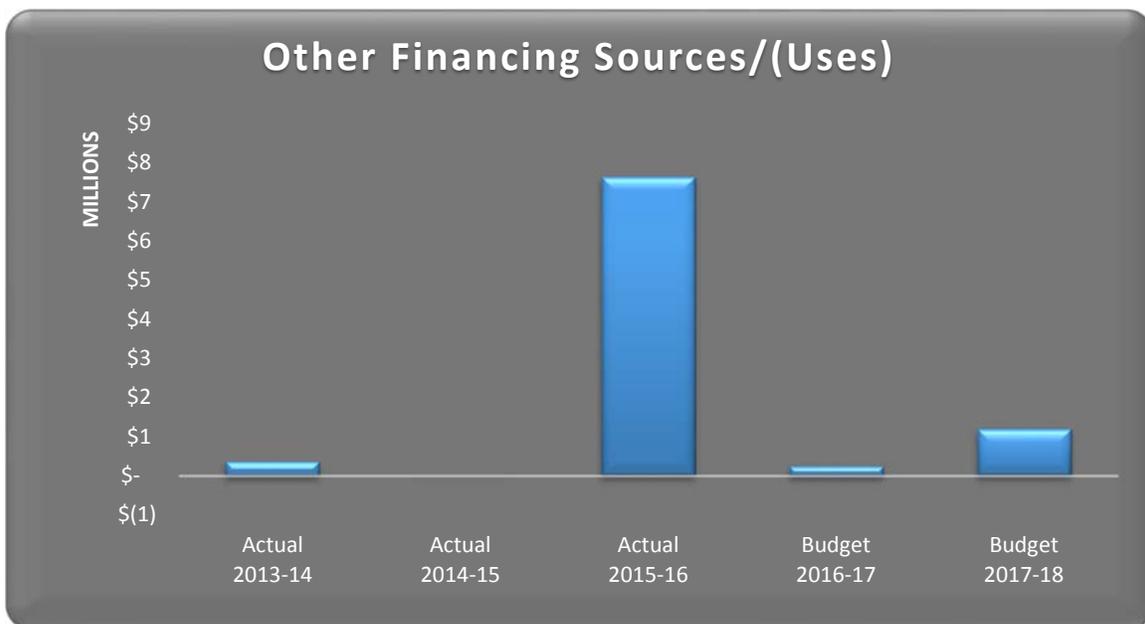
| | Actual 2013-14 | Actual 2014-15 | Actual 2015-16 | Budget 2016-17 | Budget 2017-18 |
|----------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Other Objects | | | | | |
| Redemption Of Principal - Leases | \$ 2,141,944 | \$ 1,377,280 | \$ 2,751,966 | \$ 2,786,330 | \$ 2,745,758 |
| Interest - Leases | 36,287 | 72,541 | 71,099 | 114,600 | 77,308 |
| Dues & Fees | 3,600 | 96 | 4,365 | 5,000 | 5,000 |
| Total Capital Outlay | \$ 2,181,831 | \$ 1,449,917 | \$ 2,827,431 | \$ 2,905,930 | \$ 2,828,066 |



Transportation Fund

Other Financing Sources/(Uses)

| | Actual 2013-14 | Actual 2014-15 | Actual 2015-16 | Budget 2016-17 | Budget 2017-18 |
|--|-------------------|--------------------|---------------------|-------------------|---------------------|
| Other Financing Sources/(Uses) | | | | | |
| Transfers - Interfund | \$ 130,745 | \$ (89,992) | \$ (79,403) | \$ (155,934) | \$ - |
| Transfers - Bank Interest | 235,000 | 75,000 | 425,000 | 400,000 | 1,200,000 |
| Proceeds from Purchase Contracts | - | - | 6,653,797 | - | - |
| Proceeds from Sale of Equipment | - | - | 664,800 | - | - |
| Total Other Fin. Sources/(Uses) | \$ 365,745 | \$ (14,992) | \$ 7,664,194 | \$ 244,066 | \$ 1,200,000 |



Transportation Fund

Budget and Three-Year Forecast Revenues, Expenditures and Change in Fund Balance (Deficit)

| | Budget 2017-18 | Forecast 2018-19 | Forecast 2019-20 | Forecast 2020-21 |
|--|-------------------|---------------------|---------------------|---------------------|
| Revenue | | | | |
| Local Sources | \$ 18,165,503 | \$ 17,394,859 | \$ 16,648,711 | \$ 15,891,300 |
| State Sources | 11,303,010 | 11,529,070 | 11,759,652 | 11,994,845 |
| Total Revenue by Source | \$ 29,468,513 | \$ 28,923,929 | \$ 28,408,362 | \$ 27,886,144 |
| Expenditures | | | | |
| Salaries | \$ 14,005,977 | \$ 14,286,097 | \$ 14,571,818 | \$ 14,863,255 |
| Employee Benefits | 5,431,548 | 5,693,818 | 5,969,015 | 6,257,782 |
| Purchased Services | 1,205,848 | 1,217,906 | 1,230,086 | 1,242,386 |
| Supplies and Materials | 3,101,110 | 3,132,121 | 3,163,442 | 3,195,077 |
| Capital Outlay | - | 2,306,440 | 2,306,440 | 2,306,440 |
| Other Objects | 2,828,066 | 1,378,245 | 1,378,245 | 5,000 |
| Total Expenditures by Object | \$ 26,572,549 | \$ 28,014,627 | \$ 28,619,046 | \$ 27,869,940 |
| Excess of Revenues Over Expenditures | 2,895,964 | 909,302 | (210,684) | 16,204 |
| Other Financing Sources | \$ 1,200,000 | \$ 1,200,000 | \$ 1,200,000 | \$ 1,200,000 |
| Net Change in Fund Balance (Deficit) | 4,095,964 | 2,109,302 | 989,316 | 1,216,204 |
| Fund Balance (Deficit) at Beginning of Year | (3,422,584) | 673,380 | 2,782,682 | 3,771,998 |
| Fund Balance (Deficit) at End of Year | \$ 673,380 | \$ 2,782,682 | \$ 3,771,998 | \$ 4,988,202 |

ASSUMPTIONS:

- CPI – 1.5 percent for each forecast year

Revenue

- Property Taxes – Increase by CPI
- Property Taxes – Minus \$1.0 million allocation to educational fund
- State Categoricals – Increase 2.0 percent; receive three of the four payments over each of the forecast years
- All other revenue – Increase by 1.0 percent for each forecast year

Expenditures

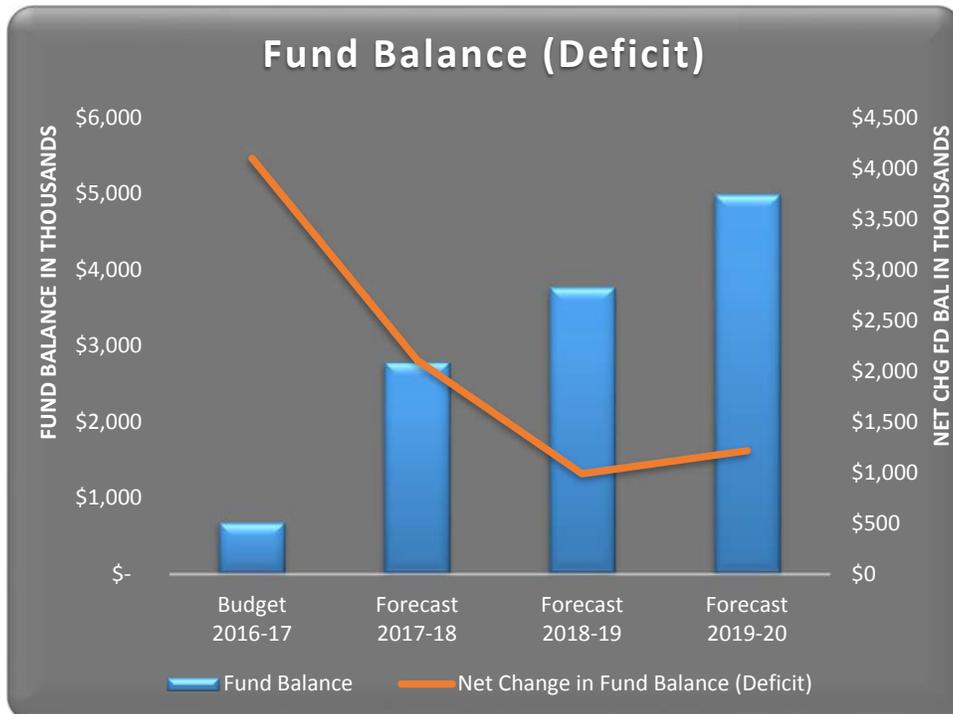
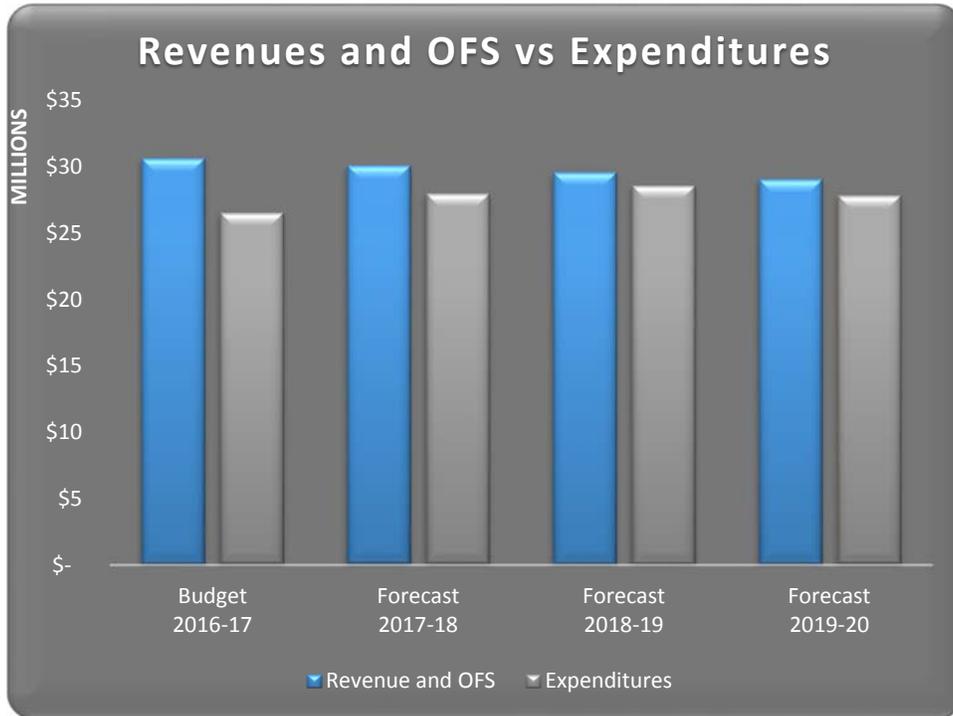
- Salaries – Increase 2.0 percent for each forecast year
- Health Benefits – Increase by 5.0 percent for each forecast year
- Remaining Benefits – Increase by 2.0 percent for each budget year
- Capital Outlay – \$2.3 million for buses each forecast year
- All other expenditures – Increase 1.0 percent for each forecast year

Other Financing Sources

- Transfer in of investment income – \$1.2 for each forecast year.

Transportation Fund

Budget and Three-Year Forecast Revenues, Expenditures and Change in Fund Balance (Deficit) (Continued)



Operations and Maintenance Fund

The Operations and Maintenance Fund is used to account for expenditures for the improvement, maintenance, repair, or benefit of buildings and property, including the cost of interior decorating and the installation, improvement, repair, replacement, and maintenance of building fixtures; rental of buildings and property, payment of all premiums for insurance upon building and building fixtures; all costs of lights, gas, water, telephone service, custodial supplies and equipment, and professional surveys of District property.

[See 105 ILCS 5/17-2 and 17-7]

**Operations and Maintenance Fund
 Revenues, Expenditures and Changes in Fund Balance (Deficit)**

**Revenue by Source
 Expenditures by Object**

| | Actual 2013-14 | Actual 2014-15 | Actual 2015-16 | Budget 2016-17 | Budget 2017-18 |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|
| Revenue | | | | | |
| Local Sources | \$ 26,531,052 | \$ 29,758,890 | \$ 30,106,647 | \$ 30,253,723 | \$ 32,218,806 |
| State Sources | 1,333,433 | 120,881 | - | - | - |
| Total Revenue by Source | \$ 27,864,485 | \$ 29,879,771 | \$ 30,106,647 | \$ 30,253,723 | \$ 32,218,806 |
| Expenditures | | | | | |
| Salaries | \$ 7,243,145 | \$ 7,494,198 | \$ 7,972,455 | \$ 7,813,765 | \$ 7,971,698 |
| Employee Benefits | 1,497,735 | 1,457,410 | 1,629,909 | 1,588,894 | 1,631,791 |
| Purchased Services | 7,870,254 | 8,790,797 | 9,867,218 | 9,498,000 | 9,725,250 |
| Supplies and Materials | 6,586,438 | 7,009,290 | 6,674,650 | 6,998,100 | 7,398,100 |
| Capital Outlay | 5,837,684 | 12,476,586 | 12,827,717 | 13,389,876 | 12,523,423 |
| Other Objects | 6,146 | 5,094 | 4,344 | 6,000 | 6,000 |
| Total Expenditures by Object | \$ 29,041,402 | \$ 37,233,375 | \$ 38,976,293 | \$ 39,294,635 | \$ 39,256,262 |
| Deficiency of Revenues Over Expenditures | (1,176,917) | (7,353,604) | (8,869,646) | (9,040,912) | (7,037,456) |
| Other Financing Sources | \$ 6,208,665 | \$ 7,620,121 | \$ 10,229,522 | \$ 5,131,069 | \$ 11,359,435 |
| Net Change in Fund Bal/(Deficit) | 5,031,748 | 266,517 | 1,359,876 | (3,909,843) | 4,321,979 |
| Fund Bal/(Deficit) at Beg. of Year | (518,210) | 4,513,538 | 4,780,055 | 6,139,931 | 2,230,088 |
| Fund Bal/(Deficit) at End of Year | \$ 4,513,538 | \$ 4,780,055 | \$ 6,139,931 | \$ 2,230,088 | \$ 6,552,067 |

Revenue

The Operations and Maintenance Fund is only funded with local sources, primarily property taxes which accounts for \$30.9 million of the budget. E-rate and rental income make up the remaining revenue. Property taxes increased in the current budget in line with CPI growth and new construction.

Expenditures

The District maintains 64 buildings, 5.5 million square feet of floor space, and 870 acres of grounds and landscaping.

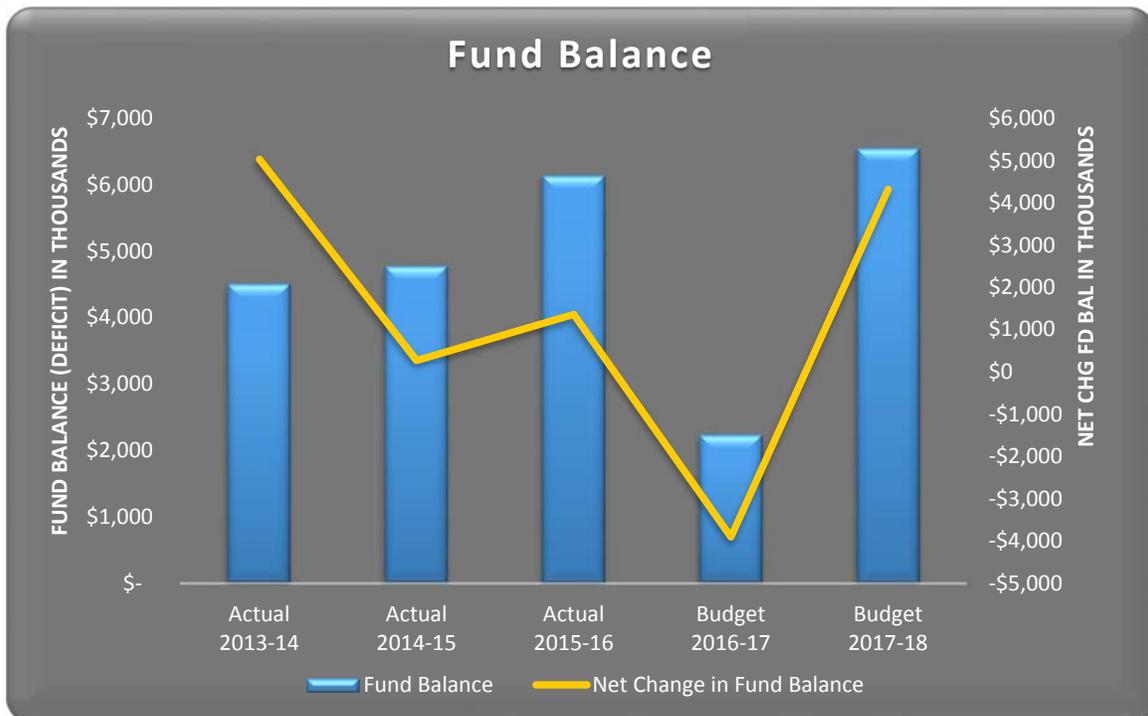
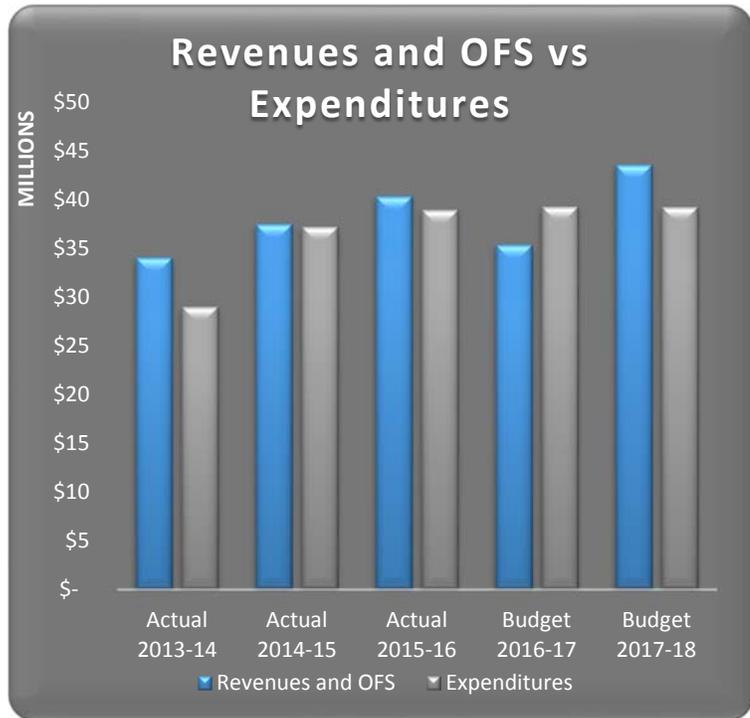
Salaries and benefits increased \$0.2 million over the prior year's budget or 2.1 percent. Purchased services are budgeted higher by 2.4 percent, primarily due to increased technical and contract cleaning services by \$177 thousand and \$65 thousand, respectively. Supplies and materials are projected to be higher by \$0.4 million, \$240 thousand of which are from commodity costs. Construction projects have scaled back from the prior year resulting in a \$0.9 million decrease in the capital outlay budget.

Other Financing Sources

\$12.0 million of working cash bond proceeds have been transferred into the Operations and Maintenance Fund to use on capital projects in the year. The Operations and Maintenance Fund also transfers out \$0.6 million to the Debt Service Fund for bond principal and interest payments.

Fund Balance

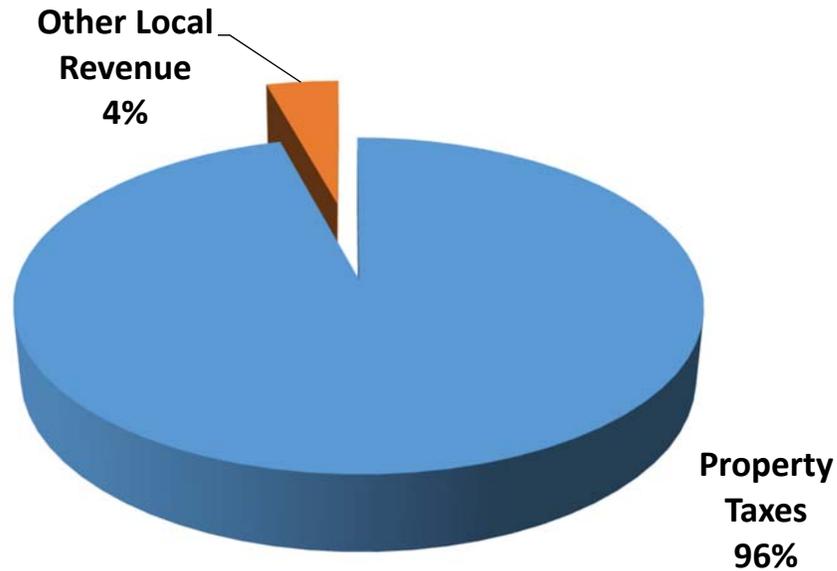
The District typically has more projects than can be completed with the annual funding available. It is management's practice to prioritize and complete as many projects as funding allows while maintaining a positive fund balance. Any excess fund balance is considered when planning future projects and allocating revenue



Operations and Maintenance Fund

Revenue by Source

| Revenue | Budget 2017-18 |
|----------------------------|-------------------|
| Local Sources | |
| Property Taxes | \$ 30,867,806 |
| Other Local Revenue | 1,351,000 |
| Total Local Sources | 32,218,806 |



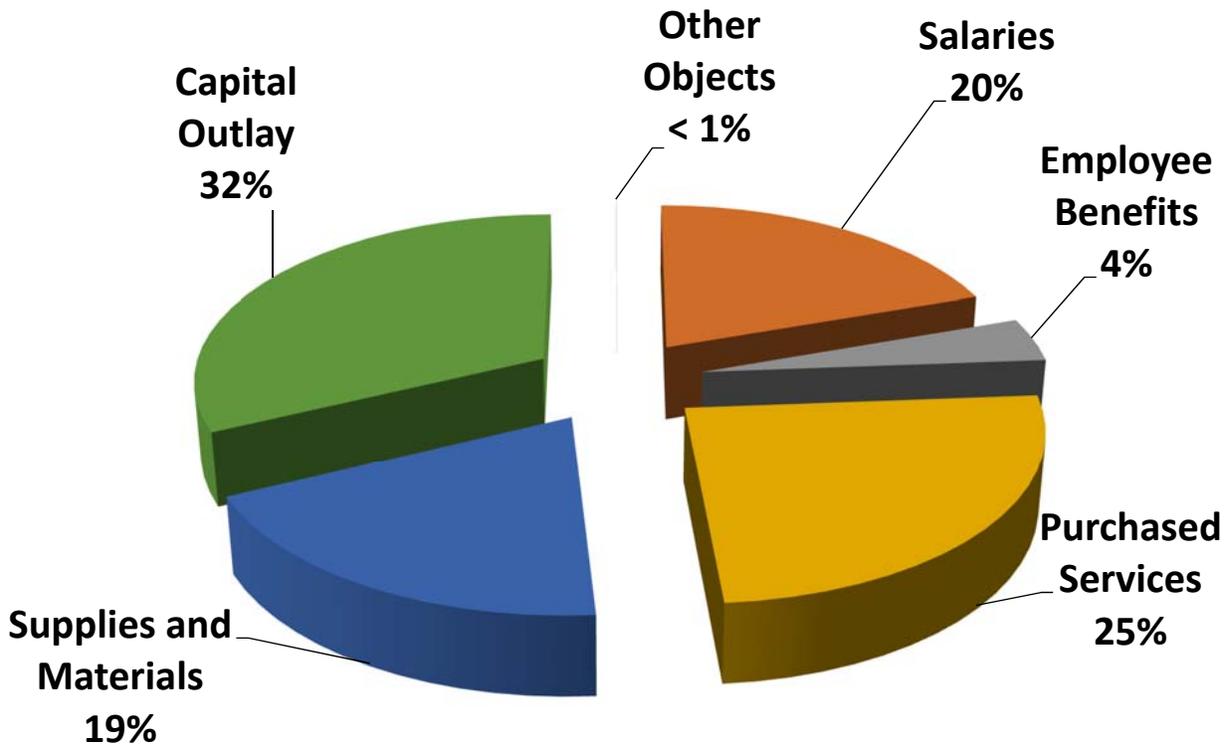
Revenue by Source Detail

| | Actual 2013-14 | Actual 2014-15 | Actual 2015-16 | Budget 2016-17 | Budget 2017-18 |
|-------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Local Sources | | | | | |
| Property Taxes | \$ 24,829,159 | \$ 28,056,011 | \$ 29,372,273 | \$ 29,403,223 | \$ 30,867,806 |
| Interest on Investments | 398 | 293 | 155 | 500 | 1,000 |
| Other Local Revenue | 1,701,495 | 1,702,586 | 734,219 | 850,000 | 1,350,000 |
| State Sources | | | | | |
| General State Aid | 1,176,052 | - | - | - | - |
| Other Revenue | 157,381 | 120,881 | - | - | - |
| Total Revenue | \$ 27,864,485 | \$ 29,879,771 | \$ 30,106,647 | \$ 30,253,723 | \$ 32,218,806 |

Operations and Maintenance Fund

Expenditures by Object

| Expenditures | Budget 2017-18 |
|-------------------------------------|---------------------------|
| Salaries | \$ 7,971,698 |
| Employee Benefits | 1,631,791 |
| Purchased Services | 9,725,250 |
| Supplies and Materials | 7,398,100 |
| Capital Outlay | 12,523,423 |
| Other Objects | 6,000 |
| Total Expenditures by Object | \$ 39,256,262 |

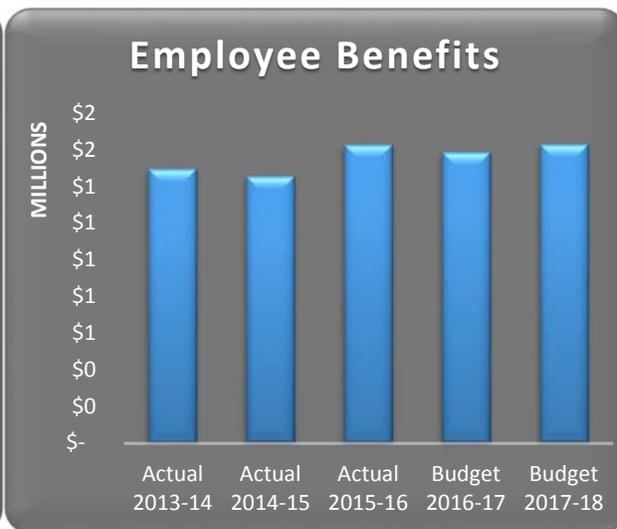
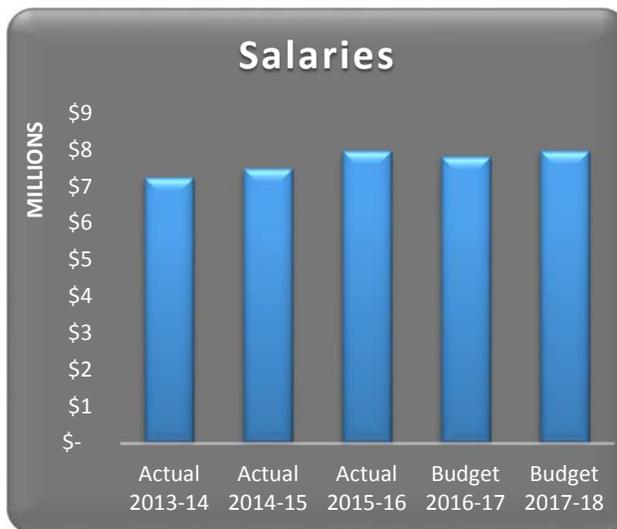


Operations and Maintenance Fund

Expenditures by Object Detail

| | Actual 2013-14 | Actual 2014-15 | Actual 2015-16 | Budget 2016-17 | Budget 2017-18 |
|--------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Salaries | | | | | |
| Administrators Salaries | \$ 725,967 | \$ 746,526 | \$ 826,303 | \$ 829,835 | \$ 852,655 |
| Technical Salaries | 8,169 | 46,548 | 58,069 | 71,682 | 133,653 |
| Temporary Salaries | 16,236 | 42,713 | 152,234 | 145,661 | 100,000 |
| Other Hourly Extra Curr Superv | 39,728 | 18,033 | 4,994 | - | - |
| Stipends | 1,100 | 600 | 600 | - | - |
| Overtime Time & a Half | 195,929 | 137,416 | 130,528 | 108,038 | 110,201 |
| Overtime Double Time | 83,283 | 45,460 | 27,354 | 27,970 | 45,530 |
| 12-Month Secretaries | 192,805 | 195,530 | 155,959 | 142,695 | 149,830 |
| Custodians | 3,750,287 | 3,772,900 | 3,937,680 | 3,877,422 | 3,787,451 |
| Maintenance | 1,374,582 | 1,553,674 | 1,640,483 | 1,594,054 | 1,705,643 |
| Grounds | 855,060 | 934,798 | 1,038,251 | 1,016,407 | 1,086,735 |
| Total Salaries | \$ 7,243,145 | \$ 7,494,198 | \$ 7,972,455 | \$ 7,813,765 | \$ 7,971,698 |

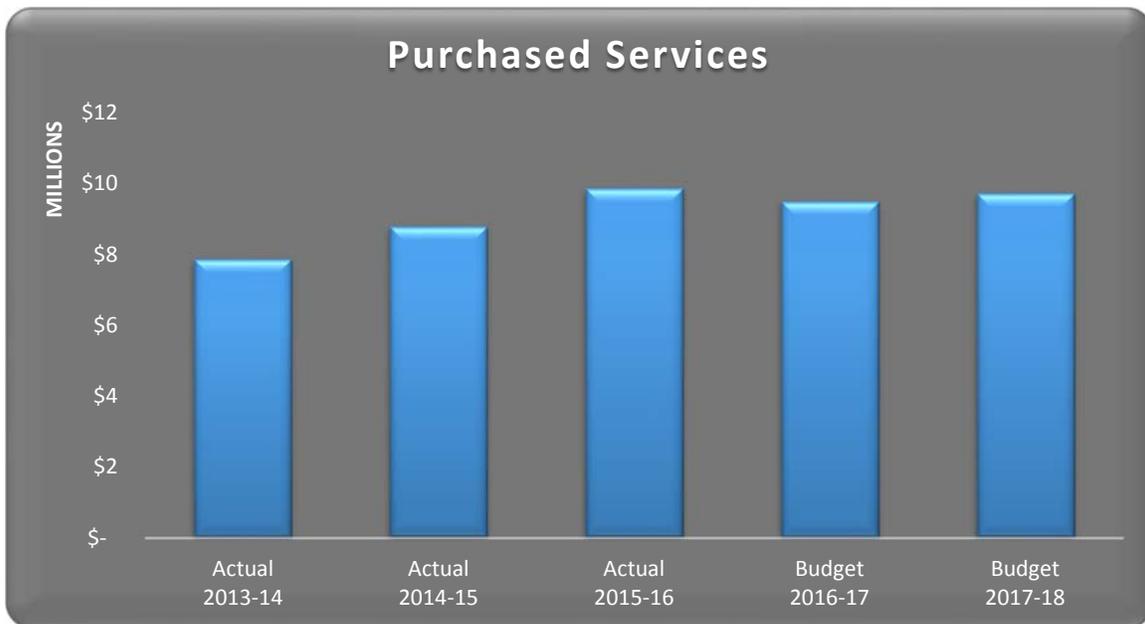
| | Actual 2013-14 | Actual 2014-15 | Actual 2015-16 | Budget 2016-17 | Budget 2017-18 |
|--------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Employee Benefits | | | | | |
| Life Insurance | \$ 15,034 | \$ 9,211 | \$ 9,649 | \$ 15,960 | \$ 14,364 |
| Medical Insurance | 1,411,806 | 1,380,834 | 1,528,616 | 1,499,304 | 1,536,778 |
| Dental Insurance | 69,615 | 58,761 | 81,703 | 72,266 | 77,285 |
| Disability Insurance | 1,280 | 8,604 | 9,940 | 1,363 | 3,364 |
| Total Employee Benefits | \$ 1,497,735 | \$ 1,457,410 | \$ 1,629,909 | \$ 1,588,894 | \$ 1,631,791 |



Operations and Maintenance Fund

Expenditures by Object Detail (Continued)

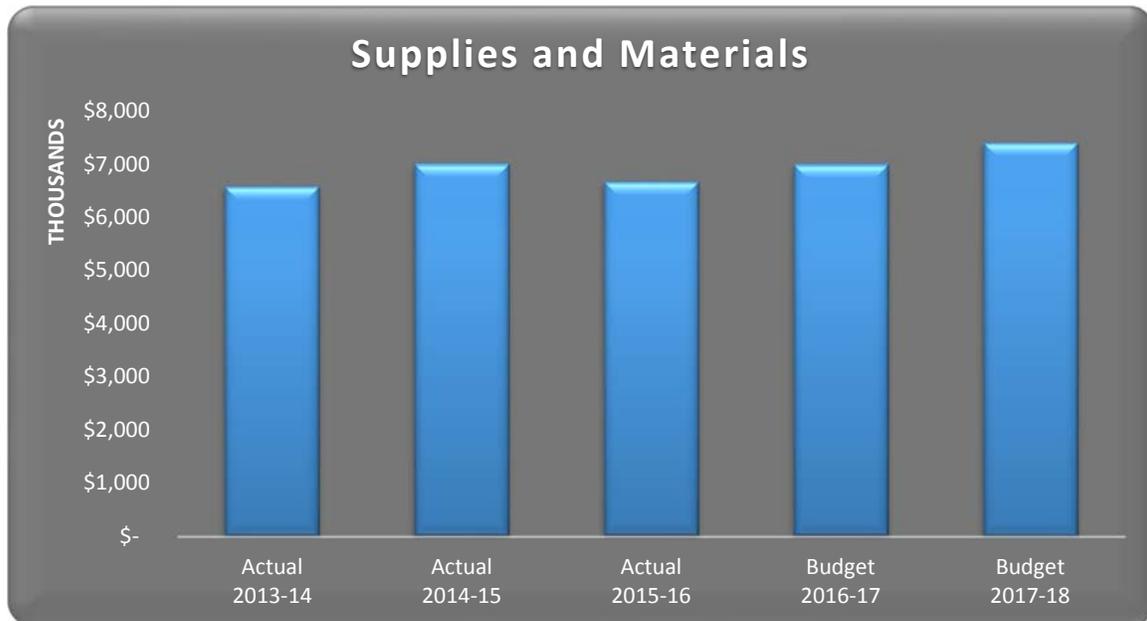
| | Actual 2013-14 | Actual 2014-15 | Actual 2015-16 | Budget 2016-17 | Budget 2017-18 |
|---------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Purchased Services | | | | | |
| Technical Services | \$ 933,293 | \$ 1,503,058 | \$ 1,647,023 | \$ 1,895,000 | \$ 2,072,250 |
| Other Tech & Prof Serv | 8,502 | 73,697 | 33,044 | 52,000 | 37,000 |
| Sanitation Services | 190,981 | 241,579 | 311,672 | 275,000 | 235,000 |
| Cleaning Services | 21,900 | 23,201 | 31,446 | 30,000 | 25,000 |
| Repairs & Maint Services | 2,334,240 | 2,722,822 | 3,507,286 | 2,975,000 | 3,030,000 |
| Rentals | 200,538 | 127,824 | 163,694 | 123,500 | 80,000 |
| Contract Cleaning | 3,438,581 | 3,453,342 | 3,488,234 | 3,550,000 | 3,615,000 |
| Exterminating | 21,946 | 29,475 | 30,660 | 25,000 | 50,000 |
| Other Property Services | 20,195 | 19,031 | 19,304 | 18,500 | 30,000 |
| Indistrict/Regional Travel | 5,257 | 1,530 | 659 | 1,000 | 1,000 |
| Travel Conf/Workshops | 4,814 | 7,074 | 7,491 | 10,000 | 8,000 |
| Out Of District Travel | 24 | 2,124 | 595 | 2,000 | 1,000 |
| Communications/Postage | 39,003 | 32,327 | 34,557 | 29,000 | 21,000 |
| Printing & Duplicating | 497 | 1,696 | 5,431 | 2,000 | 10,000 |
| Water/Sewer | 555,660 | 543,383 | 578,516 | 500,000 | 500,000 |
| Other Purchased Services | 94,823 | 8,634 | 7,606 | 10,000 | 10,000 |
| Total Purchased Services | \$ 7,870,254 | \$ 8,790,797 | \$ 9,867,218 | \$ 9,498,000 | \$ 9,725,250 |



Operations and Maintenance Fund

Expenditures by Object Detail (Continued)

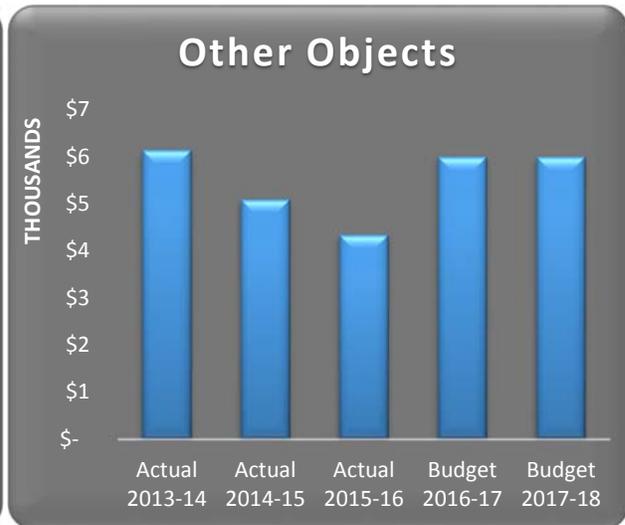
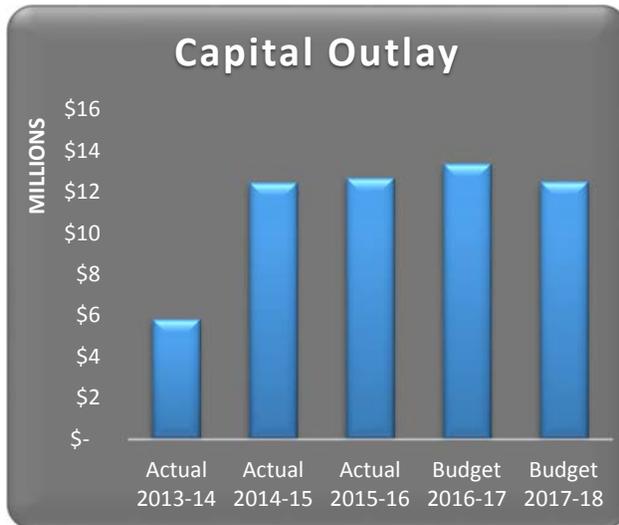
| | Actual 2013-14 | Actual 2014-15 | Actual 2015-16 | Budget 2016-17 | Budget 2017-18 |
|-------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Supplies and Materials | | | | | |
| Supplies | \$ 1,287,028 | \$ 1,514,986 | \$ 1,572,070 | \$ 1,440,000 | \$ 1,600,000 |
| Custodial Supplies | 514,125 | 511,645 | 500,498 | 500,000 | 500,000 |
| Periodicals | - | - | - | 100 | 100 |
| Gasoline | - | - | 10,283 | 70,000 | 80,000 |
| Natural Gas | 1,348,778 | 1,829,124 | 1,299,164 | 1,800,000 | 1,600,000 |
| Electricity | 3,422,587 | 3,135,355 | 3,274,124 | 3,170,000 | 3,600,000 |
| Other Supplies | 13,920 | 18,180 | 18,511 | 18,000 | 18,000 |
| Total Supplies and Materials | \$ 6,586,438 | \$ 7,009,290 | \$ 6,674,650 | \$ 6,998,100 | \$ 7,398,100 |



Operations and Maintenance Fund

Expenditures by Object Detail (Continued)

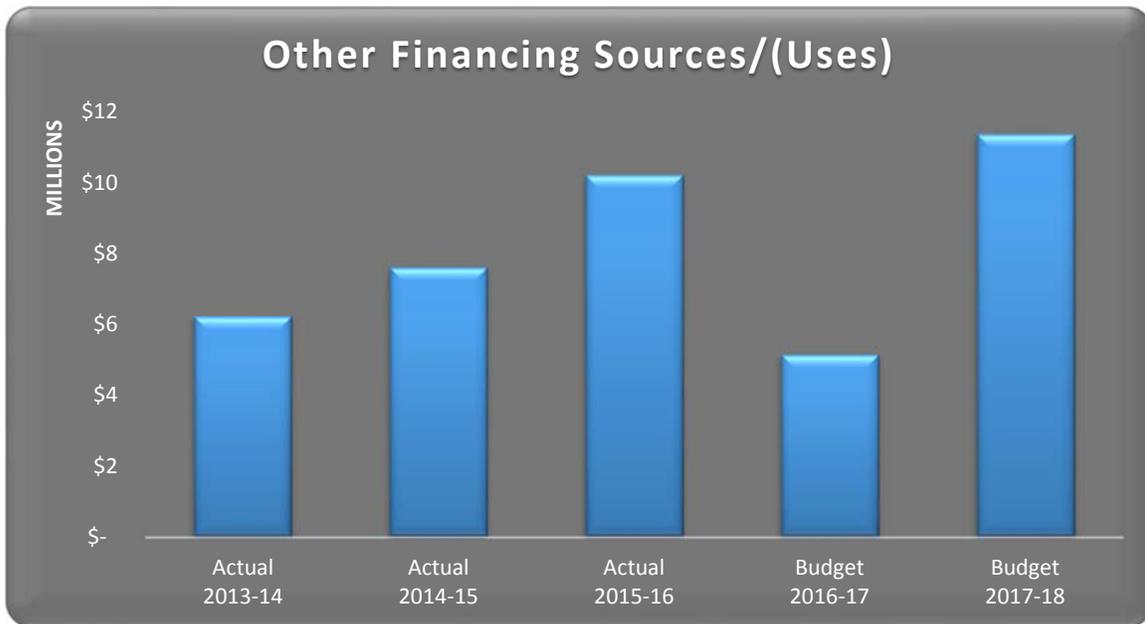
| | Actual 2013-14 | Actual 2014-15 | Actual 2015-16 | Budget 2016-17 | Budget 2017-18 |
|-----------------------------|---------------------|----------------------|----------------------|----------------------|----------------------|
| Capital Outlay | | | | | |
| Buildings | \$ 4,720,041 | \$ 9,832,000 | \$ 10,908,117 | \$ 12,472,476 | \$ 12,195,923 |
| Improvements (Non Building) | 634,443 | 1,724,833 | 1,541,870 | 742,000 | 77,500 |
| Add/Repl Equipment | 483,201 | 919,753 | 246,330 | 175,400 | 250,000 |
| Lease/Purchase Equipment | - | - | 131,400 | - | - |
| Total Capital Outlay | \$ 5,837,684 | \$ 12,476,586 | \$ 12,827,717 | \$ 13,389,876 | \$ 12,523,423 |
| | | | | | |
| | Actual 2013-14 | Actual 2014-15 | Actual 2015-16 | Budget 2016-17 | Budget 2017-18 |
| Other Objects | | | | | |
| Dues & Fees | \$ 1,200 | \$ (757) | \$ - | \$ - | \$ 200 |
| Miscellaneous Objects | 4,946 | 5,851 | 4,344 | 6,000 | 5,800 |
| Total Capital Outlay | \$ 6,146 | \$ 5,094 | \$ 4,344 | \$ 6,000 | \$ 6,000 |



Operations and Maintenance Fund

Other Financing Sources/(Uses)

| | Actual 2013-14 | Actual 2014-15 | Actual 2015-16 | Budget 2016-17 | Budget 2017-18 |
|--|---------------------|---------------------|----------------------|---------------------|----------------------|
| Other Financing Sources/(Uses) | | | | | |
| Transfers - Interfund | \$ 6,989,109 | \$ 8,399,913 | \$ 11,047,656 | \$ 5,772,934 | \$ 12,000,000 |
| Transfer of Bond Principal | (607,870) | (610,521) | (613,189) | (615,822) | (618,578) |
| Transfer of Principal to Debt Service | (125,421) | (130,304) | (169,823) | - | - |
| Transfer of Bond Interest | (32,598) | (29,296) | (29,976) | (26,043) | (21,987) |
| Transfer of Interest to Debt Service | (14,555) | (9,671) | (5,146) | - | - |
| Total Other Fin. Sources/(Uses) | \$ 6,208,665 | \$ 7,620,121 | \$ 10,229,522 | \$ 5,131,069 | \$ 11,359,435 |



Operations and Maintenance Fund

Budget and Three-Year Forecast Revenues, Expenditures and Change in Fund Balance

| | Budget 2017-18 | Forecast 2018-19 | Forecast 2019-20 | Forecast 2020-21 |
|--|-------------------|---------------------|---------------------|---------------------|
| Revenue | | | | |
| Local Sources | \$ 32,218,806 | \$ 32,642,329 | \$ 33,138,854 | \$ 33,642,965 |
| Expenditures | | | | |
| Salaries | \$ 7,971,698 | \$ 8,131,132 | \$ 8,293,755 | \$ 8,459,630 |
| Employee Benefits | 1,631,791 | 1,710,530 | 1,793,149 | 1,879,841 |
| Purchased Services | 9,725,250 | 9,871,129 | 10,019,196 | 10,169,484 |
| Supplies and Materials | 7,398,100 | 7,509,072 | 7,621,708 | 7,736,033 |
| Capital Outlay | 12,523,423 | 13,200,000 | 6,925,000 | 6,825,000 |
| Other Objects | 6,000 | 5,800 | 5,800 | 5,800 |
| Total Expenditures by Object | \$ 39,256,262 | \$ 40,427,662 | \$ 34,658,607 | \$ 35,075,788 |
| Deficiency of Revenues Under Expenditures | (7,037,456) | (7,785,333) | (1,519,753) | (1,432,823) |
| Other Financing Sources/(Uses) | \$ 11,359,435 | \$ 11,360,735 | \$ (637,965) | \$ (666,664) |
| Net Change in Fund Balance | 4,321,979 | 3,575,402 | (2,157,718) | (2,099,487) |
| Fund Balance at Beginning of Year | 2,230,088 | 6,552,067 | 10,127,469 | 7,969,751 |
| Fund Balance at End of Year | \$ 6,552,067 | \$ 10,127,469 | \$ 7,969,751 | \$ 5,870,264 |

ASSUMPTIONS:

- CPI – 1.5 percent for each forecast year

Revenue

- Property Taxes – Increase by CPI
- All other revenue – Increase by 2.0 percent for each forecast year

Expenditures

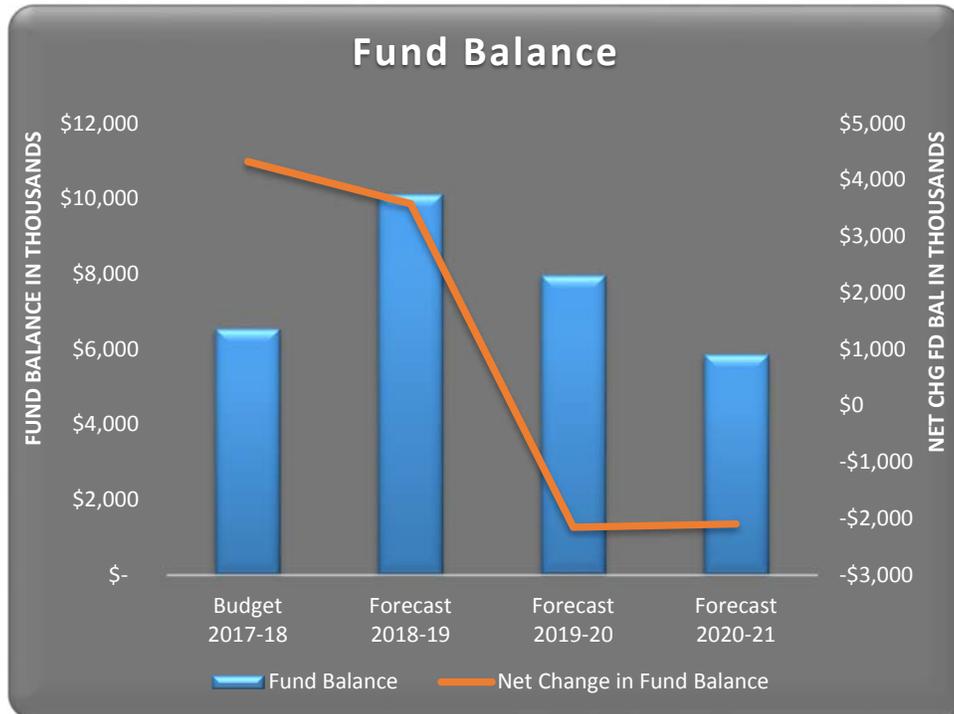
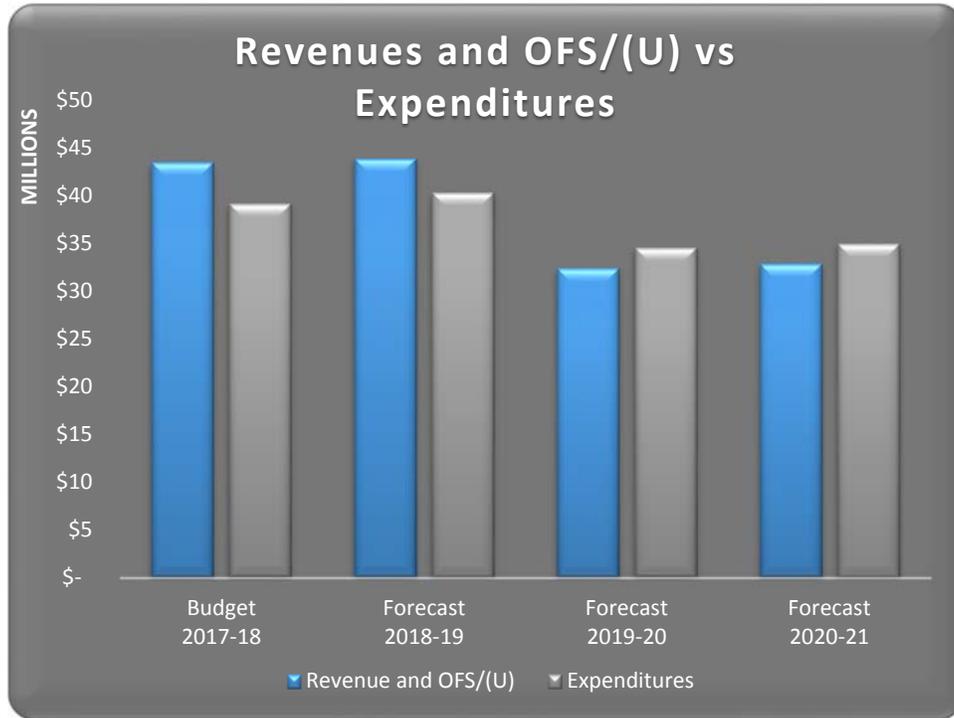
- Salaries – Increase 2.0 percent for each forecast year
- Health Benefits – Increase by 5.0 percent for each forecast year
- Remaining Benefits – Increase by 2.0 percent for each budget year
- Capital Outlay – 2018-19 \$13.2 million, 2019-20 \$6.9 million, 2020-21 \$6.8 million
- All other expenditures – Increase by CPI for each forecast year

Other Financing Sources/(Uses)

- Transfer in of working cash bond proceeds from the Working Cash Fund of \$12.0 for capital project spending is planned until the working cash bond proceeds are depleted in 2019. This amount is included in the Other Financing Sources/(Uses) line above as a financing source. In fiscal year 2020 and beyond capital projects spending is forecasted to decline and fund balance will be needed for necessary capital expenditures unless additional bonds are issued for future capital projects.
- The Operations and Maintenance Fund also transfers out \$0.6 million to the Debt Service Fund to cover bond and interest payments

Operations and Maintenance Fund

Budget and Three-Year Forecast Revenues, Expenditures and Change in Fund Balance (Continued)



Tort Immunity and Judgment Fund

The Tort Immunity and Judgment Fund is used to pay for settlements or judgments, for protecting the District or its employees against liability, property damage or loss, and for risk care management programs.

Tort Immunity and Judgments Fund
Revenues, Expenditures and Changes in Fund Deficit

Revenue by Source
Expenditures by Object

| | Actual 2013-14 | Actual 2014-15 | Actual 2015-16 | Budget 2016-17 | Budget 2017-18 |
|------------------------------|------------------------|------------------------|-----------------------|-----------------------|-----------------------|
| Revenue | | | | | |
| Local Sources | \$ 7,142,745 | \$ 10,066,198 | \$ 12,462,994 | \$ 11,302,741 | \$ 8,466,019 |
| State Sources | 1,562,356 | 1,475,169 | 1,502,656 | - | - |
| Total Revenue by Source | <u>\$ 8,705,101</u> | <u>\$ 11,541,367</u> | <u>\$ 13,965,651</u> | <u>\$ 11,302,741</u> | <u>\$ 8,466,019</u> |
| Expenditures | | | | | |
| Salaries | \$ 358,497 | \$ 367,144 | \$ 381,945 | \$ 385,548 | \$ 398,366 |
| Employee Benefits | 31,007 | 24,696 | 25,305 | 29,054 | 29,693 |
| Purchased Services | 8,606,332 | 7,060,575 | 5,024,037 | 5,500,836 | 5,717,063 |
| Capital Outlay | - | 92,980 | - | - | - |
| Total Expenditures by Object | <u>\$ 8,995,836</u> | <u>\$ 7,545,395</u> | <u>\$ 5,431,288</u> | <u>\$ 5,915,439</u> | <u>\$ 6,145,122</u> |
| Net Change in Fund Deficit | (290,735) | 3,995,972 | 8,534,363 | 5,387,302 | 2,320,897 |
| Fund Deficit at Beg. of Year | (21,605,796) | (21,896,531) | (17,900,559) | (9,366,196) | (3,978,894) |
| Fund Deficit at End of Year | <u>\$ (21,896,531)</u> | <u>\$ (17,900,559)</u> | <u>\$ (9,366,196)</u> | <u>\$ (3,978,894)</u> | <u>\$ (1,657,997)</u> |

Revenue

The tort fund is funded by local property taxes and in the recent past included allocated GSA in order to help cover one-time cost increases. The GSA allocation has been eliminated from the tort fund and the property tax allocation has been scaled back since the fund deficit is being reduced as planned. The \$2.8 million reduction in property tax revenue was reallocated back to the Educational Fund. This trend will continue as long as the fund's expenditures do not increase dramatically.

Expenditures

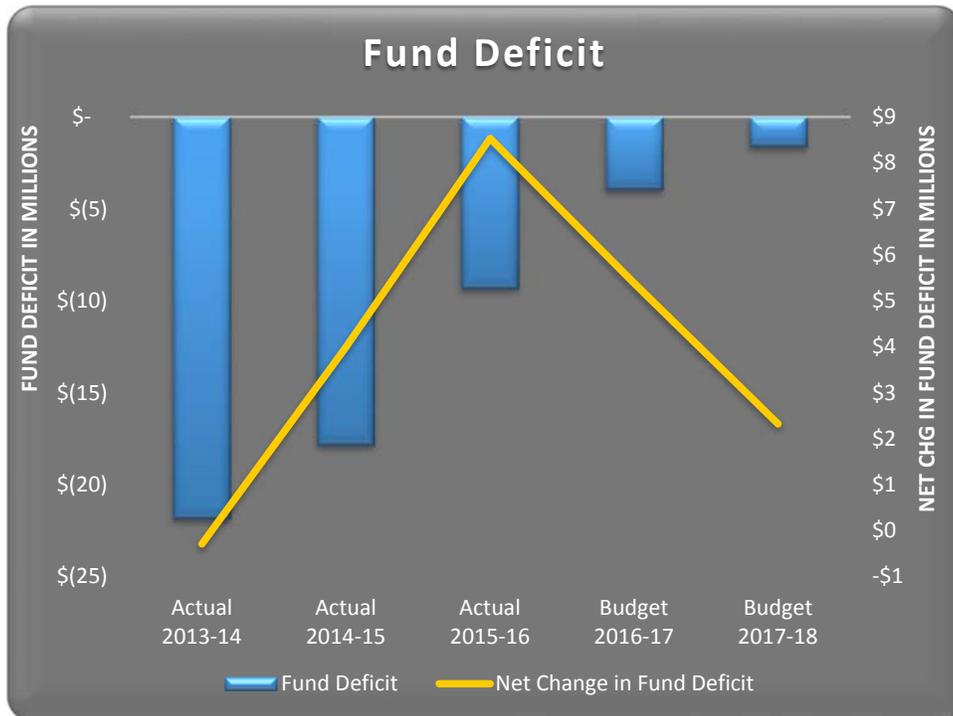
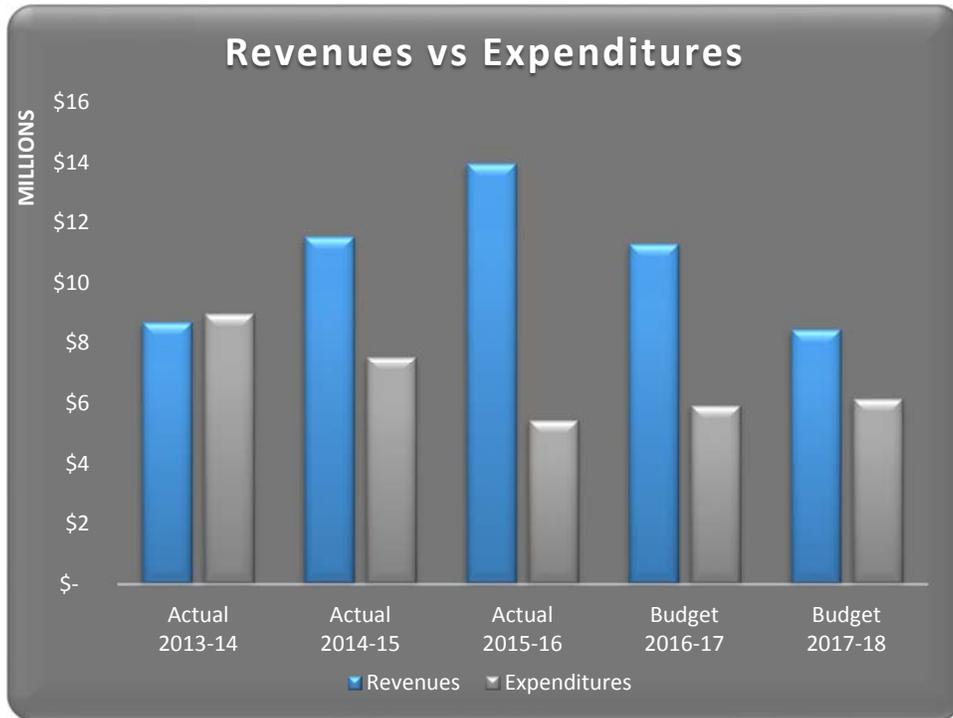
The Tort Fund accounts for the District's in house legal team and outsourced legal matters. Salaries and benefits increased \$13 thousand or 3.2 percent over the prior year's budget. Purchased services were projected to increase \$0.2 million over the prior year's budget but maintain levels well below the higher cost years of the last decade.

Fund Balance

Management continues to allocate resources to reduce and ultimately eliminate the fund deficit. Once the deficit is eliminated appropriate revenue will be allocated to the tort fund to cover expenditures.

Tort Immunity and Judgments Fund

Revenues, Expenditures and Changes in Fund Deficit (Continue)



Tort Immunity and Judgment Fund

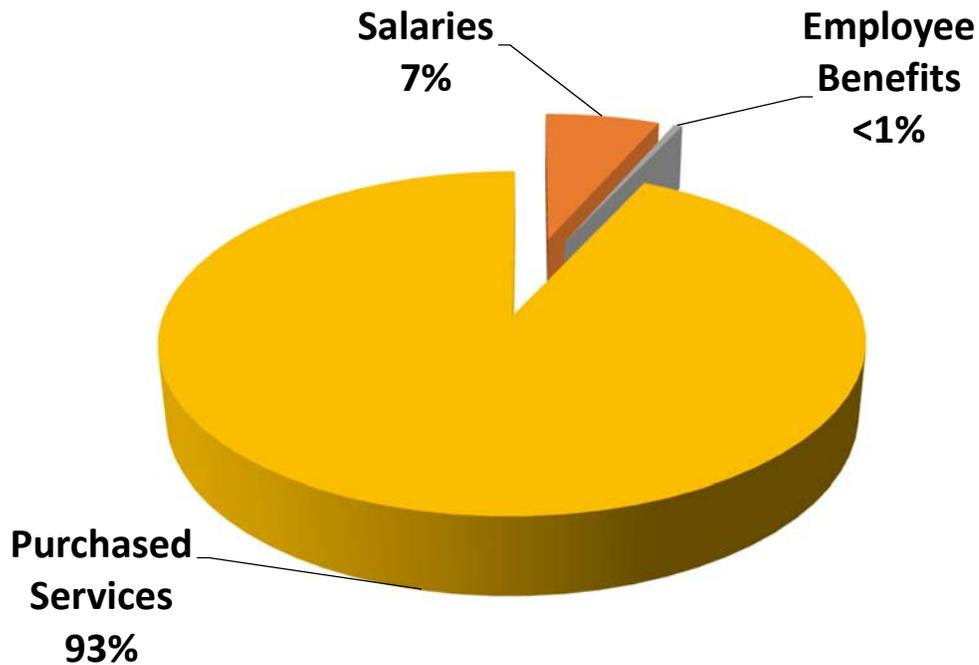
Revenue by Source Detail

| | Actual 2013-14 | Actual 2014-15 | Actual 2015-16 | Budget 2016-17 | Budget 2017-18 |
|-------------------------|---------------------|----------------------|----------------------|----------------------|---------------------|
| Local Sources | | | | | |
| Property Taxes | \$ 7,142,651 | \$ 10,066,101 | \$ 12,462,939 | \$ 11,302,641 | \$ 8,465,819 |
| Interest on Investments | 94 | 97 | 55 | 100 | 200 |
| State Sources | | | | | |
| General State Aid | 1,562,356 | 1,475,169 | 1,502,656 | - | - |
| Total Revenue | \$ 8,705,101 | \$ 11,541,367 | \$ 13,965,651 | \$ 11,302,741 | \$ 8,466,019 |

Tort Immunity and Judgments Fund

Expenditures by Object

| Expenditures | | Budget 2017-18 |
|-------------------------------------|-----------|---------------------------|
| Salaries | \$ | 398,366 |
| Employee Benefits | | 29,693 |
| Purchased Services | | 5,717,063 |
| Total Expenditures by Object | \$ | 6,145,122 |

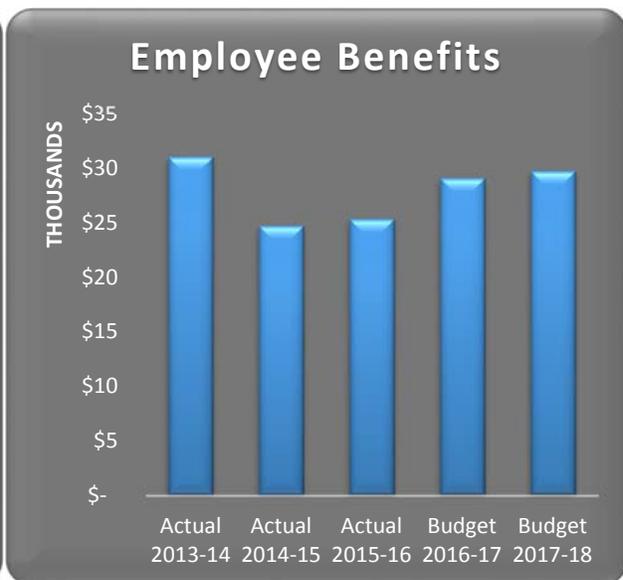


Tort Immunity and Judgment Fund

Expenditures by Object Detail

| | Actual 2013-14 | Actual 2014-15 | Actual 2015-16 | Budget 2016-17 | Budget 2017-18 |
|--------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Salaries | | | | | |
| Administrators Salaries | \$ 267,860 | \$ 274,003 | \$ 285,642 | \$ 287,113 | \$ 295,009 |
| Technical Salaries | - | - | - | - | - |
| Other Hourly Extra Curr Superv | 1,088 | - | - | - | - |
| Stipends | - | - | - | - | - |
| 12-Month Secretaries | 89,549 | 93,141 | 96,303 | 98,435 | 103,357 |
| Total Salaries | \$ 358,497 | \$ 367,144 | \$ 381,945 | \$ 385,548 | \$ 398,366 |

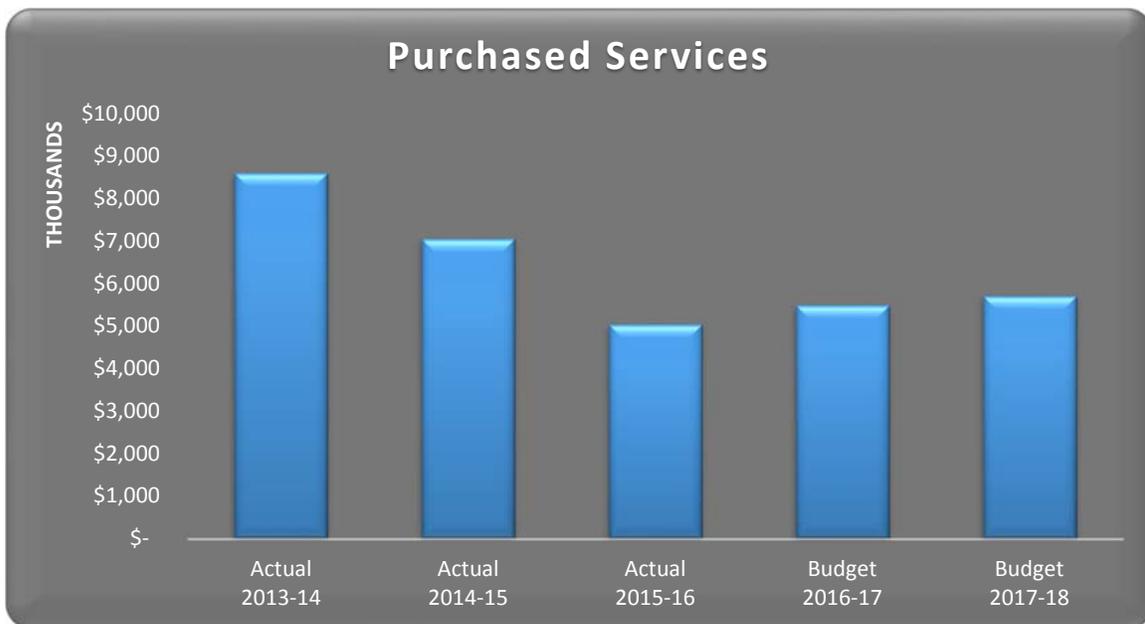
| | Actual 2013-14 | Actual 2014-15 | Actual 2015-16 | Budget 2016-17 | Budget 2017-18 |
|--------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Employee Benefits | | | | | |
| Life Insurance | \$ 2,724 | \$ 213 | \$ 223 | \$ 263 | \$ 236 |
| Medical Insurance | 26,307 | 22,861 | 23,161 | 26,621 | 27,286 |
| Dental Insurance | 1,624 | 1,423 | 1,692 | 1,796 | 1,796 |
| Disability Insurance | 352 | 199 | 229 | 375 | 375 |
| Total Employee Benefits | \$ 31,007 | \$ 24,696 | \$ 25,305 | \$ 29,054 | \$ 29,693 |



Tort Immunity and Judgment Fund

Expenditures by Object Detail (Continued)

| | Actual 2013-14 | Actual 2014-15 | Actual 2015-16 | Budget 2016-17 | Budget 2017-18 |
|---------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Purchased Services | | | | | |
| Legal Services | \$ 3,045,178 | \$ 305,016 | \$ 151,082 | \$ 100,000 | \$ 250,000 |
| Other Tech & Prof Serv | 978,103 | 945,307 | 974,084 | 1,010,836 | 1,124,063 |
| Travel Conf/Workshops | 229 | 180 | 108 | - | - |
| Out Of District Travel | - | 135 | 260 | - | - |
| Insurance | 466,828 | 451,602 | 519,808 | 540,000 | 540,000 |
| Workers Compensation | 3,867,332 | 5,041,013 | 3,055,232 | 3,500,000 | 3,500,000 |
| Unemployment Compensation | 198,162 | 176,305 | 238,760 | 250,000 | 250,000 |
| Property Claims/Tort | - | 2,000 | 38,875 | 50,000 | 2,000 |
| Liability/Tort Immunity | 50,500 | 139,000 | 45,500 | 50,000 | 50,000 |
| Total Purchased Services | \$ 8,606,332 | \$ 7,060,575 | \$ 5,024,037 | \$ 5,500,836 | \$ 5,717,063 |



| | Actual 2013-14 | Actual 2014-15 | Actual 2015-16 | Budget 2016-17 | Budget 2017-18 |
|-----------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Capital Outlay | | | | | |
| Add/Repl Equipment | \$ - | \$ 92,980 | \$ - | \$ - | \$ - |

Tort Immunity and Judgment Fund

Budget and Three-Year Forecast Revenues, Expenditures and Change in Fund Balance (Deficit)

| | Budget 2017-18 | Forecast 2018-19 | Forecast 2019-20 | Forecast 2020-21 |
|--|-------------------|---------------------|---------------------|---------------------|
| Revenue | | | | |
| Local Sources | \$ 8,466,019 | \$ 7,574,767 | \$ 6,688,389 | \$ 5,788,715 |
| Expenditures | | | | |
| Salaries | \$ 398,366 | \$ 409,321 | \$ 420,577 | \$ 432,143 |
| Employee Benefits | 29,693 | 31,123 | 32,624 | 34,198 |
| Purchased Services | 5,717,063 | 5,802,069 | 5,888,350 | 5,975,925 |
| Total Expenditures by Object | \$ 6,145,122 | \$ 6,242,514 | \$ 6,341,551 | \$ 6,442,267 |
| Net Change in Fund Balance/(Deficit) | 2,748,956 | 1,772,698 | 800,039 | (187,211) |
| Fund Balance/(Deficit) at Beg. of Year | (3,978,894) | (1,229,938) | 542,760 | 1,342,799 |
| Fund Balance/(Deficit) at End of Year | \$ (1,229,938) | \$ 542,760 | \$ 1,342,799 | \$ 1,155,588 |

ASSUMPTIONS:

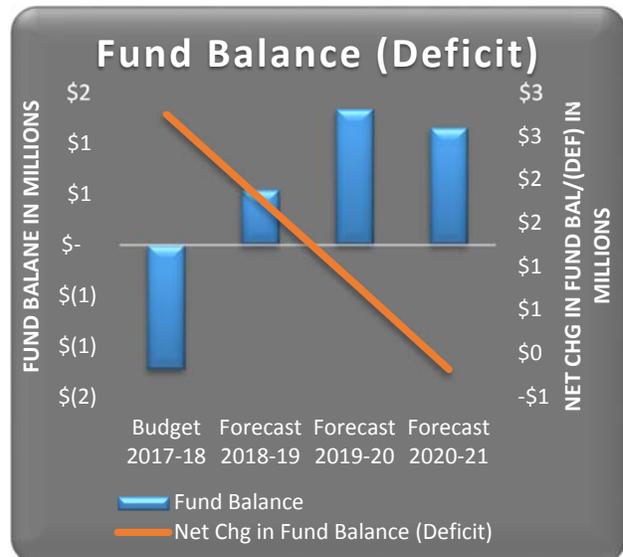
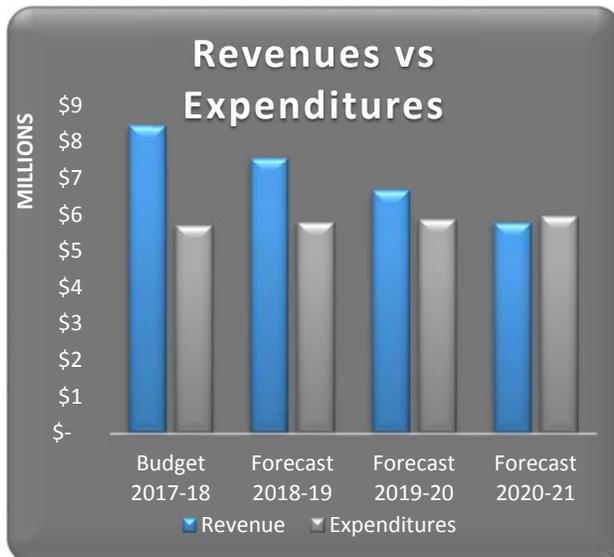
- CPI – 1.5 percent for each forecast year

Revenue

- Property Taxes – Increase by CPI
- Property Taxes – Minus \$1.0 million to Educational Fund for each forecast year
- All other revenue – Increase by CPI for each forecast year

Expenditures

- Salaries – Increase 2.75 percent for each forecast year
- Health Benefits – Increase by 5.0 percent for each forecast year
- Remaining Benefits – Increase by 2.75 percent for each budget year
- Settlements – Remain flat for each forecast year
- All other expenditures – Increase by CPI for each forecast year



Municipal Retirement/Social Security Fund

The Municipal Retirement/Social Security Fund is used to account for property tax revenues and related expenditures for contributions to the Illinois Municipal Retirement Fund (IMRF), Social Security, and Medicare. [See 105 ILCS 5/17-1, 21-110, and 21-110.1]

Municipal Retirement/Social Security Fund Revenues, Expenditures and Changes in Fund Balance (Deficit) (Continued)

Revenue by Source Expenditures by Object

| | Actual 2013-14 | Actual 2014-15 | Actual 2015-16 | Budget 2016-17 | Budget 2017-18 |
|-------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Revenue | | | | | |
| Local Sources | \$ 13,768,167 | \$ 15,407,538 | \$ 14,893,348 | \$ 15,016,435 | \$ 15,790,414 |
| Expenditures | | | | | |
| Employee Benefits | \$ 13,932,581 | \$ 14,128,565 | \$ 14,768,551 | \$ 14,954,175 | \$ 15,787,947 |
| Net Change in Fund Bal. (Deficit) | (164,414) | 1,278,973 | 124,796 | 62,260 | 2,467 |
| Fund Bal. (Deficit) at Beg. of Year | 99,804 | (64,610) | 1,214,363 | 1,339,159 | 1,401,419 |
| Fund Bal. (Deficit) at End of Year | \$ (64,610) | \$ 1,214,363 | \$ 1,339,159 | \$ 1,401,419 | \$ 1,403,886 |

Revenue

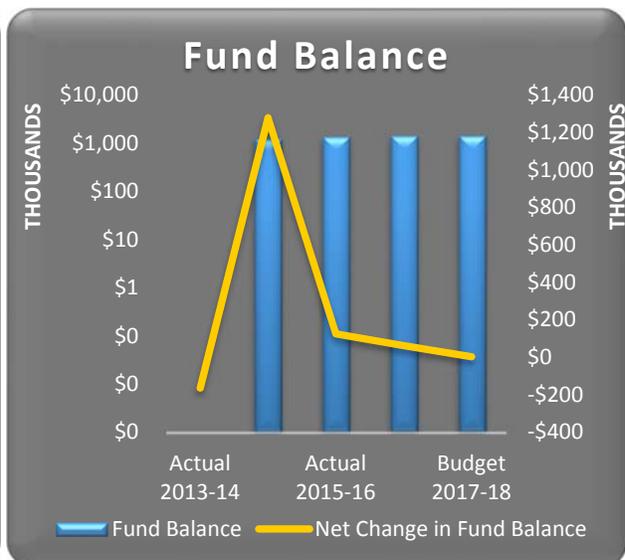
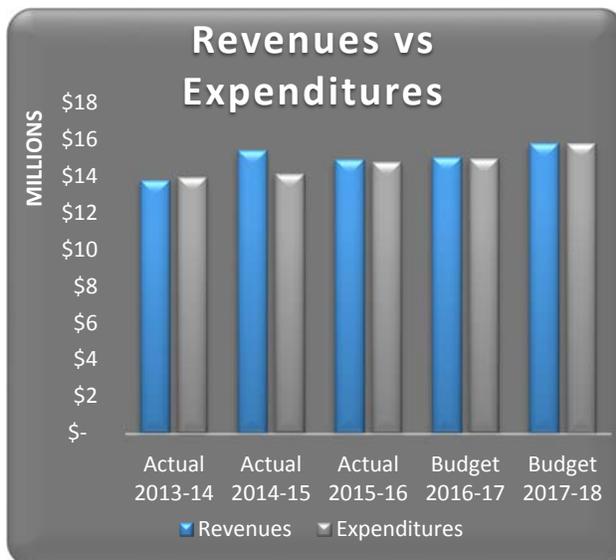
The Municipal Retirement/Social Security Fund is funded with local sources, property taxes and Corporate Personal Property Replacement Taxes (CPPRT). Property taxes increased \$0.8 million over the prior year budget. This increase is over CPI growth but is due to CPI growth being projected against a base higher than the prior year budget which the 2017 estimated actual was. The CPPRT is projected to remain flat.

Expenditures

This fund accounts for benefits related to IMRF, Social Security and Medicare paid by the District. The employee benefits increased \$0.8 million over the prior year's budget.

Fund Balance

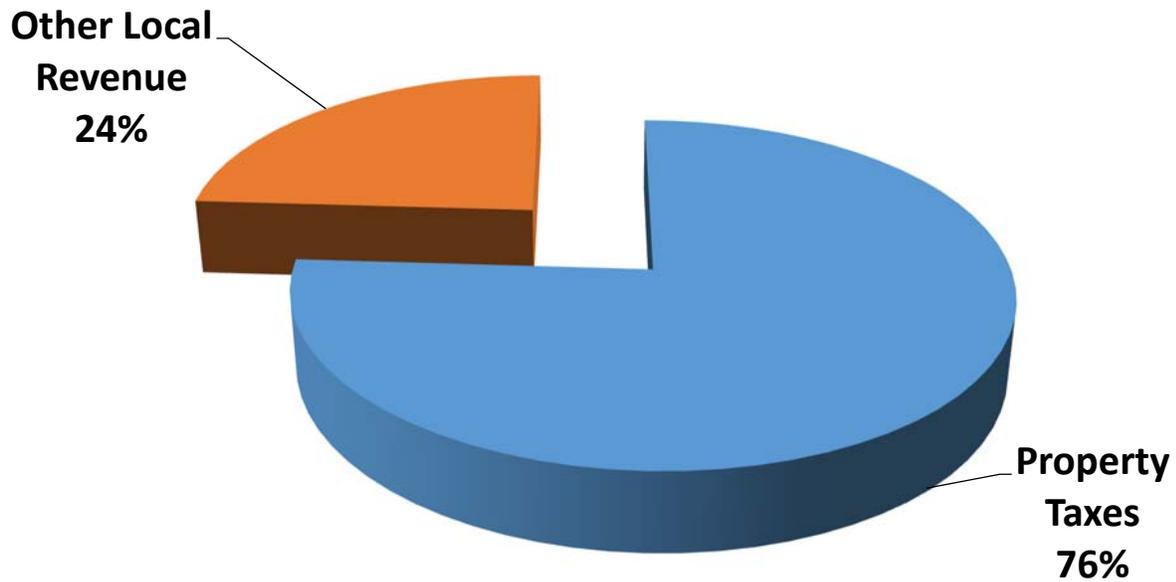
It is management's goal to maintain a positive fund balance in this fund and allocate enough resources to just cover expenditures.



Municipal Retirement/Social Security Fund

Revenue by Source

| Revenue | Budget 2017-18 |
|----------------------------|-------------------|
| Local Sources | |
| Property Taxes | \$ 12,040,414 |
| Other Local Revenue | 3,750,000 |
| Total Local Sources | 15,790,414 |



Revenue by Source Detail

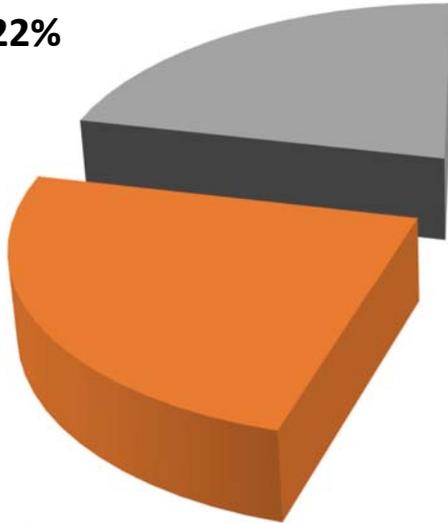
| | Actual 2013-14 | Actual 2014-15 | Actual 2015-16 | Budget 2016-17 | Budget 2017-18 |
|----------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Local Sources: | | | | | |
| Property Taxes | \$ 10,013,402 | \$ 11,369,897 | \$ 11,667,217 | \$ 11,266,435 | \$ 12,040,414 |
| Corp Pers Propty Rplmt Tax | 3,754,606 | 4,037,505 | 3,226,057 | 3,750,000 | 3,750,000 |
| Interest on Investments | 159 | 136 | 74 | - | - |
| Total Local Sources | \$ 13,768,167 | \$ 15,407,538 | \$ 14,893,348 | \$ 15,016,435 | \$ 15,790,414 |

Municipal Retirement/Social Security Fund

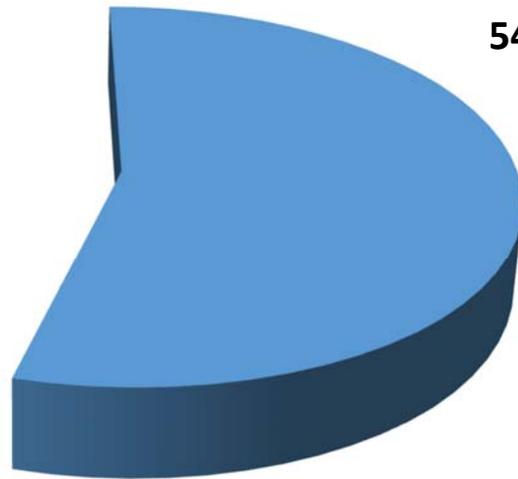
Expenditures by Object Detail

| | Actual 2013-14 | Actual 2014-15 | Actual 2015-16 | Budget 2016-17 | Budget 2017-18 |
|--------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Employee Benefits | | | | | |
| Municipal Retirement | \$ 8,270,519 | \$ 8,174,565 | \$ 8,497,730 | \$ 8,756,967 | \$ 9,219,669 |
| Federal Ins Contr Act | 3,663,945 | 3,773,496 | 3,938,894 | 3,965,953 | 4,109,943 |
| Medicare Contribution | 3,239,455 | 3,338,457 | 3,480,167 | 3,402,459 | 3,629,539 |
| IMRF/SS/Medicare Allocation | (1,241,338) | (1,157,953) | (1,148,239) | (1,171,204) | (1,171,204) |
| Total Employee Benefits | \$ 13,932,581 | \$ 14,128,565 | \$ 14,768,551 | \$ 14,954,175 | \$ 15,787,947 |

**Medicare
 Contribution
 22%**



**Municipal
 Retirement
 54%**



**Federal Ins
 Contr Act
 24%**

IMRF/SS/Medicare Allocation - To properly reflect the expenditures of the District's SAFE and Food Service programs, which are reported in the Educational Fund, this allocation reduces the expenditures in the Municipal Retirement/Social Security Fund and increases the expenditures in the Educational Fund. These allocation amounts account for employee benefits of employees who are directly related to the SAFE and Food Service programs. Due to the payroll process in place these expenditures are initially recorded into the Municipal Retirement/Social Security Fund and later removed by this allocation resulting in the negative amounts shown above.

Municipal Retirement/Social Security Fund

Budget and Three-Year Forecast

Revenues, Expenditures and Change in Fund Balance

| | Budget 2017-18 | Forecast 2018-19 | Forecast 2019-20 | Forecast 2020-21 |
|-----------------------------------|-------------------|---------------------|---------------------|---------------------|
| Revenue | | | | |
| Local Sources | \$ 15,790,414 | \$ 16,027,270 | \$ 16,267,679 | \$ 16,511,694 |
| Expenditures | | | | |
| Employee Benefits | \$ 15,787,947 | \$ 16,182,646 | \$ 16,587,212 | \$ 17,001,892 |
| Net Change in Fund Balance | 2,467 | (155,375) | (319,533) | (490,198) |
| Fund Balance at Beginning of Year | 1,401,419 | 1,403,886 | 1,248,511 | 928,978 |
| Fund Balance at End of Year | \$ 1,403,886 | \$ 1,248,511 | \$ 928,978 | \$ 438,780 |

ASSUMPTIONS:

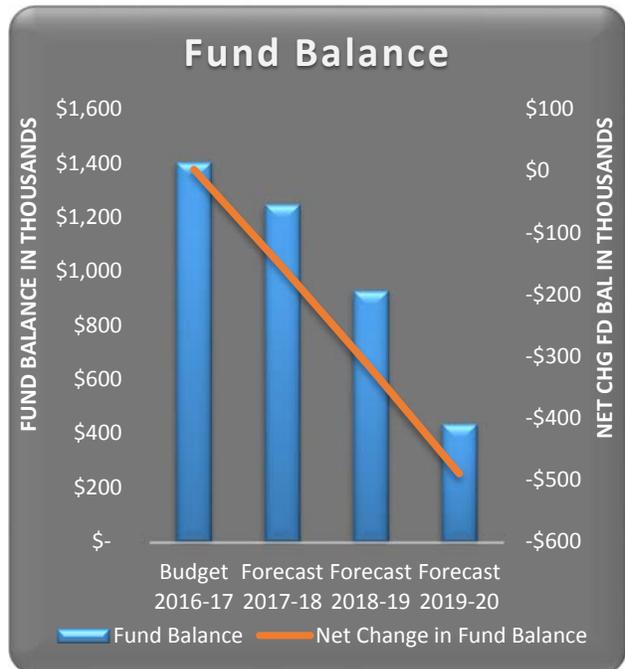
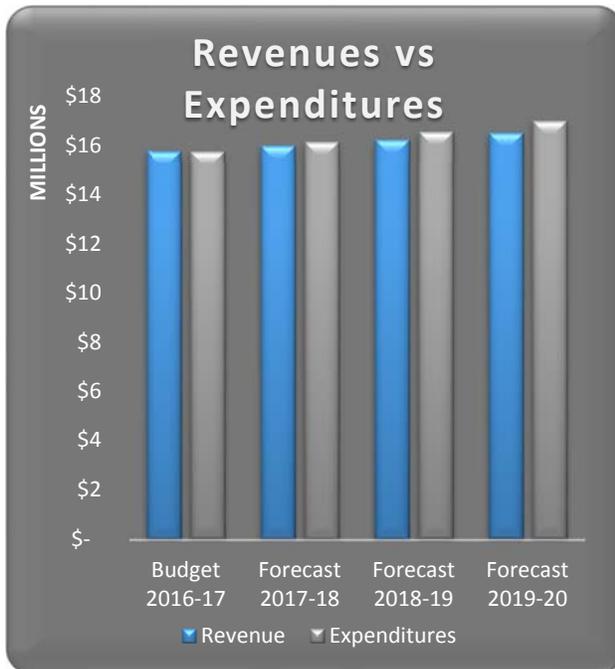
- CPI – 1.5 percent for each forecast year

Revenue

- Property Taxes – Increase by CPI
- All other revenue – Increase by CPI for each forecast year

Expenditures

- Pension and Medicare Benefits – Increase by 2.5 percent for each budget year



Working Cash Fund

The purpose of the Working Cash Fund is to enable the District to have in its treasury at all times sufficient money to meet demands for ordinary and necessary expenditures.
[See 105 ILCS 5/Art. 20]

Working Cash Fund Summary Revenues, Expenditures and Changes in Fund Balance

Revenue by Source Expenditures by Object

| | Actual 2013-14 | Actual 2014-15 | Actual 2015-16 | Budget 2016-17 | Budget 2017-18 |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|
| Revenue | | | | | |
| Local Sources | \$ 233,983 | \$ 57,340 | \$ 422,106 | \$ 400,000 | \$ 1,200,000 |
| Expenditures | | | | | |
| Purchased Services | \$ - | \$ 567,364 | \$ - | \$ - | \$ - |
| Excess of Revenues Over Expenditures | 233,983 | (510,024) | 422,106 | 400,000 | 1,200,000 |
| Other Financing Sources/(Uses) | (6,370,250) | 33,007,051 | (10,578,249) | (5,400,000) | (13,200,000) |
| Net Change in Fund Balance | (6,136,267) | 32,497,027 | (10,156,143) | (5,000,000) | (12,000,000) |
| Fund Balance at Beginning of Year | 108,050,377 | 101,914,110 | 134,411,137 | 124,254,993 | 119,254,993 |
| Fund Balance at End of Year | \$ 101,914,110 | \$ 134,411,137 | \$ 124,254,993 | \$ 119,254,993 | \$ 107,254,993 |

Revenue by Source Detail

| | Actual 2013-14 | Actual 2014-15 | Actual 2015-16 | Budget 2016-17 | Budget 2017-18 |
|-------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Local Sources | | | | | |
| Interest on Investments | \$ 233,983 | \$ 57,340 | \$ 422,106 | \$ 400,000 | \$ 1,200,000 |

Expenditures by Object Detail

| | Actual 2013-14 | Actual 2014-15 | Actual 2015-16 | Budget 2016-17 | Budget 2017-18 |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|
| Purchased Services | | | | | |
| Other Tech & Prof Serv (Bond Issue Cost) | \$ - | \$ 567,364 | \$ - | \$ - | \$ - |

Other Financing Sources/(Uses)

| | Actual 2013-14 | Actual 2014-15 | Actual 2015-16 | Budget 2016-17 | Budget 2017-18 |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|
| Other Financing Sources/(Uses) | | | | | |
| Proceeds of Bonds Sold | \$ - | \$ 44,310,000 | \$ - | \$ - | \$ - |
| Premium on Bonds Sold | - | 6,983,307 | - | - | - |
| Transfer to Escrow Agent | - | (10,716,863) | - | - | - |
| Transfers - Interfund | (6,135,250) | (7,494,393) | (10,153,249) | (5,000,000) | (12,000,000) |
| Transfers - Bank Interest | (235,000) | (75,000) | (425,000) | (400,000) | (1,200,000) |
| Total Other Fin. Sources/(Uses) | \$ (6,370,250) | \$ 33,007,051 | \$ (10,578,249) | \$ (5,400,000) | \$ (13,200,000) |

Working Cash Fund

Budget and Three-Year Forecast Revenues, Expenditures and Change in Fund Balance

| | Budget 2017-18 | Forecast 2018-19 | Forecast 2019-20 | Forecast 2020-21 |
|-----------------------------------|-------------------|---------------------|---------------------|---------------------|
| Revenue | | | | |
| Local Sources | \$ 1,200,000 | \$ 1,200,000 | \$ 1,200,000 | \$ 1,200,000 |
| Other Financing Sources/(Uses) | (13,200,000) | (13,200,000) | (1,200,000) | (1,200,000) |
| Net Change in Fund Balance | (12,000,000) | (12,000,000) | - | - |
| Fund Deficit at Beginning of Year | 119,254,993 | 107,254,993 | 95,254,993 | 95,254,993 |
| Fund Deficit at End of Year | \$ 107,254,993 | \$ 95,254,993 | \$ 95,254,993 | \$ 95,254,993 |

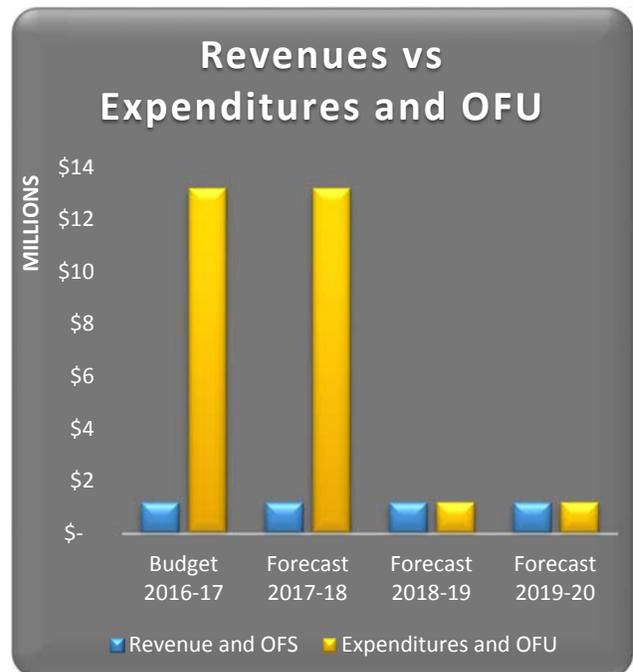
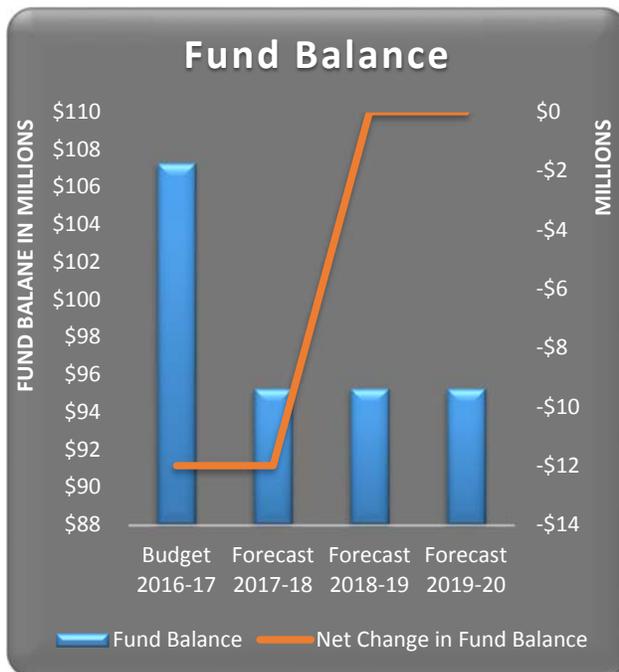
ASSUMPTIONS:

Revenue

- Interest on Investments – Fund balance is expected to decline each year but interest rates are expected to increase to offset the fund balance decline resulting in projected interest income at \$1.2 million for each year’s forecast.

Other Financing Uses

- Working cash bond proceeds from a prior issuance will continue to be transferred out to the Operations and Maintenance Fund until they are depleted by the end of fiscal year 2019.



Debt Service Fund

The Debt Service Fund is used to account for revenues and related expenditures to retire bond principal or to pay bond interest, or if other revenue is pledged to pay principal, interest, or service charges on other long-term debt instruments. [See 105 ILCS 5/Art. 19]

Debt Service Fund Summary Revenues, Expenditures and Changes in Fund Balance

Revenue by Source Expenditures by Object

| | Actual 2013-14 | Actual 2014-15 | Actual 2015-16 | Budget 2016-17 | Budget 2017-18 |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|
| Revenue | | | | | |
| Local Sources | \$ 43,227,609 | \$ 42,284,403 | \$ 42,089,799 | \$ 42,062,497 | \$ 38,126,169 |
| Expenditures | | | | | |
| Purchased Services | \$ - | \$ 1,684,936 | \$ - | \$ - | \$ - |
| Other Objects | 43,836,666 | 43,526,755 | 43,052,317 | 42,642,895 | 42,625,595 |
| Total Expenditures by Object | \$ 43,836,666 | \$ 45,211,691 | \$ 43,052,317 | \$ 42,642,895 | \$ 42,625,595 |
| Excess/(Deficiency) of Revenues Over/(Under) Expenditures | (609,057) | (2,927,288) | (962,518) | (580,397) | (4,499,426) |
| Other Financing Sources | 1,028,115 | 2,712,398 | 3,134,264 | 641,865 | 4,542,891 |
| Net Change in Fund Balance | 419,058 | (214,890) | 2,171,746 | 61,468 | 43,465 |
| Fund Balance at Beginning of Year | 21,867,241 | 22,286,299 | 22,071,409 | 24,243,155 | 24,304,623 |
| Fund Balance at End of Year | \$ 22,286,299 | \$ 22,071,409 | \$ 24,243,155 | \$ 24,304,623 | \$ 24,348,088 |

See additional District debt information under the all funds – other objects section of the financial section and under significant expenditure trends of the organizational section.

Debt Margin

Illinois statutes limit the amount of outstanding debt that can be issued by an issuer which is labeled debt limit and in the District's case it is 13.8 percent of the Estimated Assessed Valuation (EAV). The reciprocal of the outstanding debt of an issuer is called legal debt margin and, if positive, represents the remaining capacity to issue additional debt. The legal debt margin is significantly influenced by the EAV, as the EAV increases the legal debt margin will increase if all other factors stay the same. The following shows the factors that affect the District's calculation of the legal debt margin.

The District's legal debt limitation of \$633,764,772 based on 13.8 percent of the 2016 equalized assessed valuation of \$4,592,498,346 less outstanding debt subject to the legal debt limitation of \$289,079,177 results in a legal debt margin of \$369,033,683 as of June 30, 2017.

Revenue

The Debt Service Fund is funded with local property taxes and it is not limited by the Tax Cap. The property tax revenue decreased \$3.9 million under the prior year's budget due to the District abating property taxes in order to reduce the taxpayer's tax burden for increases of property tax on existing property. Although the 2017 budget does not include a property tax abatement \$3.9 million was abated in fiscal year 2017 as well. 2018 will be the third consecutive year of abating property taxes.

Expenditures

Expenditures are for debt service commitments with the occasional debt issuance and related costs. Interest on debt ranges from 2.0 percent to 6.0 percent. The District debt is made up of general obligation bonds, debt certificates and capital leases (purchase contracts). The budget includes debt service payments as scheduled. As of June 30, 2017, the future annual debt service requirements on the outstanding debt are as follows:

| Due in Fiscal Year | General Obligation | | Total Debt Service |
|-----------------------|----------------------|----------------------|-----------------------|
| | Principal | Interest | |
| 2018 | \$ 20,889,896 | \$ 21,300,530 | \$ 42,190,426 |
| 2019 | 22,661,283 | 19,516,546 | 42,177,829 |
| 2020 | 19,228,841 | 22,943,767 | 42,172,608 |
| 2021 | 15,856,253 | 26,482,713 | 42,338,966 |
| 2022 | 15,576,479 | 26,706,309 | 42,282,788 |
| 2023-2027 | 66,185,910 | 56,887,963 | 123,073,873 |
| 2028-2032 | 78,360,000 | 22,692,353 | 101,052,353 |
| 2033-2035 | 42,335,000 | 3,873,748 | 46,208,748 |
| | <u>\$281,093,662</u> | <u>\$200,403,929</u> | <u>\$481,497,591</u> |

| Due in Fiscal Year | Debt Certificates | | Purchase Contracts | | Total Debt Service |
|-----------------------|--------------------|------------------|---------------------|-------------------|-----------------------|
| | Principal | Interest | Principal | Interest | |
| 2018 | \$ 418,578 | \$ 16,592 | \$ 2,745,758 | \$ 77,308 | \$ 3,258,234 |
| 2019 | 421,299 | 13,871 | 1,333,745 | 39,500 | 3,258,236 |
| 2020 | 424,037 | 11,133 | 1,353,353 | 19,894 | 1,808,415 |
| 2021 | 426,770 | 8,399 | - | - | 1,808,417 |
| 2022 | 429,567 | 5,603 | - | - | 435,169 |
| 2023 | 432,360 | 2,810 | - | - | 870,340 |
| Total | <u>\$2,552,611</u> | <u>\$ 58,408</u> | <u>\$ 5,432,856</u> | <u>\$ 136,702</u> | <u>\$11,438,811</u> |

Fund Balance

The fund balance is intended for cash flow purposes for future debt payments.

Debt Service Fund

Revenue by Source Detail

| | Actual 2013-14 | Actual 2014-15 | Actual 2015-16 | Budget 2016-17 | Budget 2017-18 |
|----------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Local Sources: | | | | | |
| Property Taxes | \$ 43,226,909 | \$ 42,283,872 | \$ 42,089,518 | \$ 42,061,697 | \$ 38,124,569 |
| Interest on Investments | 700 | 531 | 281 | 800 | 1,600 |
| Total Local Sources | \$ 43,227,609 | \$ 42,284,403 | \$ 42,089,799 | \$ 42,062,497 | \$ 38,126,169 |

Expenditures by Object Detail

| | Actual 2013-14 | Actual 2014-15 | Actual 2015-16 | Budget 2016-17 | Budget 2017-18 |
|----------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Purchased Services | | | | | |
| Other Tech & Prof Serv | \$ - | \$ 1,684,936 | \$ - | \$ - | \$ - |
| Other Objects | | | | | |
| Redemption Of Principal - Bonds | \$ 27,963,088 | \$ 27,541,393 | \$ 19,399,086 | \$ 19,971,705 | \$ 21,308,474 |
| Redemption Of Principal - Leases | 361,247 | 370,014 | 413,807 | - | - |
| Interest - Bonds | 15,485,931 | 15,597,715 | 23,230,590 | 22,671,190 | 21,317,121 |
| Interest - Leases | 26,401 | 17,633 | 8,833 | - | - |
| Total Expenditure | \$ 43,836,666 | \$ 45,211,691 | \$ 43,052,317 | \$ 42,642,895 | \$ 42,625,595 |

Other Financing Sources/(Uses)

| | Actual 2013-14 | Actual 2014-15 | Actual 2015-16 | Budget 2016-17 | Budget 2017-18 |
|--|---------------------|---------------------|---------------------|-------------------|---------------------|
| Other Financing Source/(Uses) | | | | | |
| Transfer to Escrow Agent | \$ - | \$ (148,122,737) | \$ - | \$ - | \$ - |
| Transfer of Bond Principal | 607,870 | 610,521 | 2,681,648 | 615,822 | 4,520,904 |
| Transfer of Principal to Debt Service | 361,247 | 370,014 | 413,481 | - | - |
| Transfer of Bond Interest | 32,598 | 29,296 | 29,976 | 26,043 | 21,987 |
| Transfer of Interest to Debt Service | 26,400 | 17,632 | 9,159 | - | - |
| Proceeds Of Bonds Sold | - | 131,590,000 | - | - | - |
| Premium on Bonds Sold | - | 18,217,672 | - | - | - |
| Total Other Fin. Sources/(Uses) | \$ 1,028,115 | \$ 2,712,398 | \$ 3,134,264 | \$ 641,865 | \$ 4,542,891 |

Debt Service Fund

Budget and Three-Year Forecast Revenues, Expenditures and Change in Fund Balance

| | Budget 2017-18 | Forecast 2018-19 | Forecast 2019-20 | Forecast 2020-21 |
|--|-------------------|---------------------|---------------------|---------------------|
| Revenue | | | | |
| Local Sources | \$ 38,126,169 | \$ 37,898,748 | \$ 41,949,148 | \$ 41,949,173 |
| Expenditures | | | | |
| Other Objects | \$ 42,625,595 | \$ 42,612,999 | \$ 42,607,778 | \$ 42,774,135 |
| Deficiency of Revenues Under Expenditures | (4,499,426) | (4,714,251) | (658,630) | (824,962) |
| Other Financing Sources | 4,542,891 | 4,541,591 | 637,965 | 666,664 |
| Net Change in Fund Balance | 43,465 | (172,660) | (20,665) | (158,298) |
| Fund Deficit at Beginning of Year | 24,304,623 | 24,348,088 | 24,175,428 | 24,154,763 |
| Fund Deficit at End of Year | \$ 24,348,088 | \$ 24,175,428 | \$ 24,154,763 | \$ 23,996,465 |

ASSUMPTIONS:

Revenue

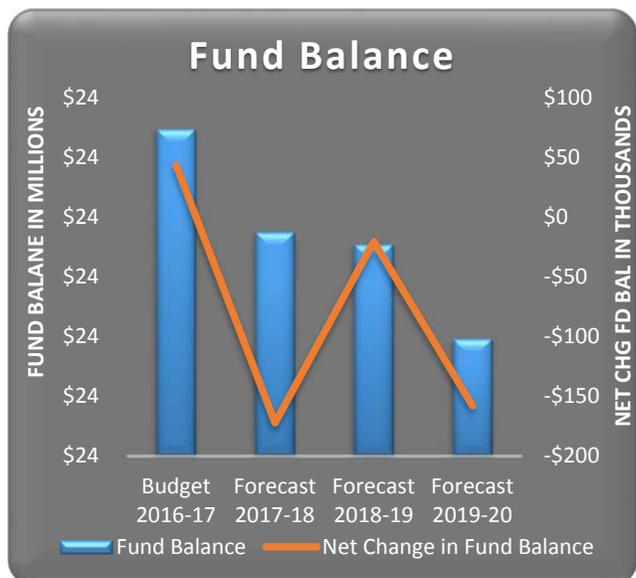
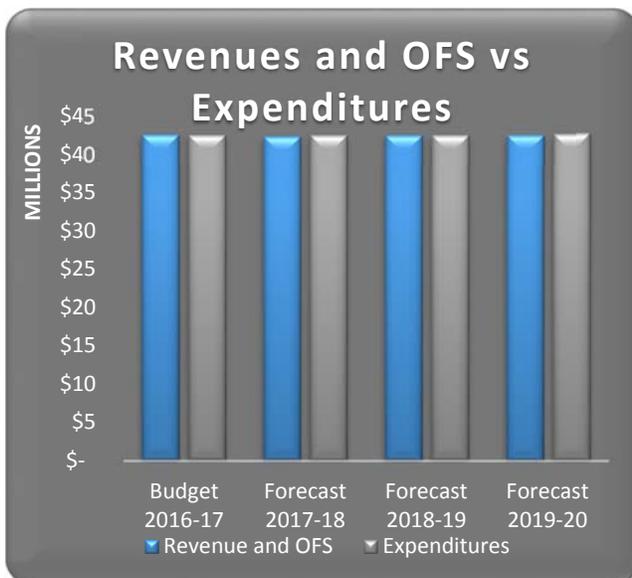
- Property Taxes – Levied to meet debt service demands
- Property Taxes – \$3.9 million abatement forecast for 2018-19 only

Expenditures

- Principal and interest payments are forecast as scheduled

Other Financing Sources

- Transfers in from other funds to covered scheduled debt service payments
- Transfer in from Educational Fund to cover debt service payments in place of abated property taxes – 2018-19 \$3.9 million, 2019-20 and 2020-2021 \$0



Fire Prevention and Safety Fund

The Fire Prevention and Safety Fund is used to account for expenditures for fire prevention, safety, energy conservation, or school security, and the revenues supporting those expenditures. [See ILCS 5/2-3.12 and 17-2.11]

Fire Prevention and Safety Fund Revenues, Expenditures and Changes in Fund Balance

Revenue by Source Expenditures by Object

| | Actual 2013-14 | Actual 2014-15 | Actual 2015-16 | Budget 2016-17 | Budget 2017-18 |
|------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Revenue | | | | | |
| Local Sources | \$ 1,580,655 | \$ 1,746,032 | \$ 1,821,258 | \$ 1,828,039 | \$ 1,961,477 |
| Expenditures | | | | | |
| Purchased Services | \$ 230,451 | \$ 179,836 | \$ 214,800 | \$ 115,000 | \$ 243,500 |
| Capital Outlay | 1,434,279 | 1,878,170 | 1,884,196 | 1,600,000 | 1,253,500 |
| Total Expenditures by Object | \$ 1,664,730 | \$ 2,058,006 | \$ 2,098,996 | \$ 1,715,000 | \$ 1,497,000 |
| Net Change in Fund Balance | (84,075) | (311,974) | (277,737) | 113,039 | 464,477 |
| Fund Balance at Beg of Year | 2,422,452 | 2,338,377 | 2,026,403 | 1,748,666 | 1,861,705 |
| Fund Balance at End of Year | \$ 2,338,377 | \$ 2,026,403 | \$ 1,748,666 | \$ 1,861,705 | \$ 2,326,182 |

Revenue

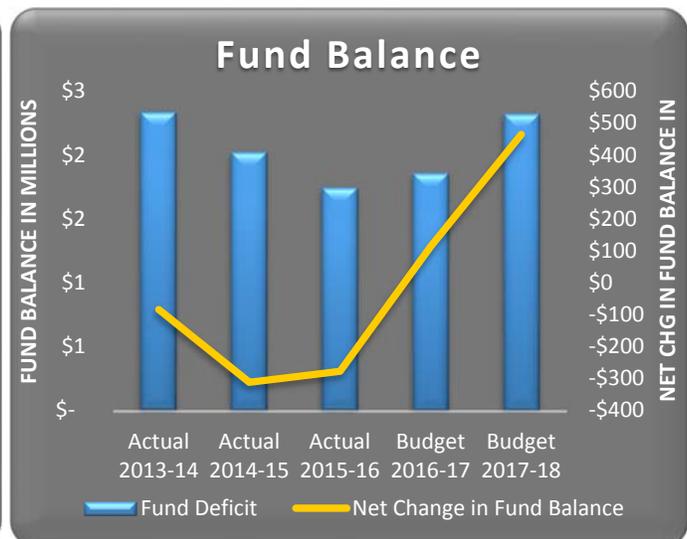
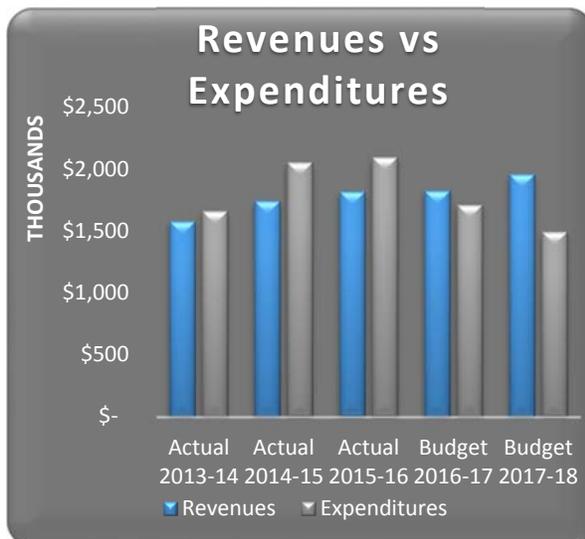
The Fire Prevention and Safety Fund is funded with local property taxes. Property taxes increased \$0.1 million or 7.3 percent over the prior year’s budget. The increase was above CPI because additional property taxes were allocated from tort fund to this fund in order to eliminate the fund deficit.

Expenditures

The expenditures in this fund are for projects related to fire prevention, safety, energy conservation and/or school security. This year’s budget was reduced \$0.35 million due to fewer of these types of projects being planned for the year.

Fund Balance

It is management’s goal to maintain a positive fund balance in this fund and allocate enough resources to cover planned expenditures.



Fire Prevention and Safety Fund

Revenue by Source Detail

| | Actual 2013-14 | Actual 2014-15 | Actual 2015-16 | Budget 2016-17 | Budget 2017-18 |
|----------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Local Sources | | | | | |
| Property Taxes | \$ 1,580,378 | \$ 1,746,011 | \$ 1,821,247 | \$ 1,827,539 | \$ 1,960,477 |
| Interest on Investments | 277 | 21 | 11 | 500 | 1,000 |
| Total Local Sources | \$ 1,580,655 | \$ 1,746,032 | \$ 1,821,258 | \$ 1,828,039 | \$ 1,961,477 |

Expenditures by Object Detail

| | Actual 2013-14 | Actual 2014-15 | Actual 2015-16 | Budget 2016-17 | Budget 2017-18 |
|---------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Purchased Services | | | | | |
| Technical Services | \$ 230,451 | \$ 179,836 | \$ 214,800 | \$ 115,000 | \$ 243,500 |
| Capital Outlay | | | | | |
| Buildings | 1,434,279 | 1,878,170 | 1,884,196 | 1,600,000 | 1,253,500 |
| Total Expenditure | \$ 1,664,730 | \$ 2,058,006 | \$ 2,098,995 | \$ 1,715,000 | \$ 1,497,000 |

Fire Prevention and Safety Fund

Budget and Three-Year Forecast Revenues, Expenditures and Change in Fund Deficit

| | Budget 2017-18 | Forecast 2018-19 | Forecast 2019-20 | Forecast 2020-21 |
|-----------------------------------|-------------------|---------------------|---------------------|---------------------|
| Revenue | | | | |
| Local Sources | \$ 1,961,477 | \$ 1,986,660 | \$ 2,016,445 | \$ 2,046,676 |
| Expenditures | | | | |
| Purchased Services | \$ 243,500 | \$ 250,805 | \$ 258,329 | \$ 266,079 |
| Capital Outlay | 1,253,500 | 1,500,000 | 1,500,000 | 1,500,000 |
| Total Expenditures by Object | \$ 1,497,000 | \$ 1,750,805 | \$ 1,758,329 | \$ 1,766,079 |
| Net Change in Fund Deficit | 464,477 | 235,855 | 258,115 | 280,597 |
| Fund Deficit at Beginning of Year | 1,861,705 | 2,326,182 | 2,562,037 | 2,820,152 |
| Fund Deficit at End of Year | \$ 2,326,182 | \$ 2,562,037 | \$ 2,820,152 | \$ 3,100,749 |

ASSUMPTIONS:

CPI – Increase 1.5 percent for each forecast year

Revenue

- Property Taxes – Increased by CPI for each forecast year
- Property Taxes – Scaling back property tax allocation from this fund is also a consideration if fund balance remains positive

Expenditures

- Capital Outlay - \$1.5 million for each forecast year
- Purchased Services – Increased for CPI for each forecast year



Capital Projects Fund

The Capital Projects Fund is used to account for proceeds resulting from building bonds, receipts from other long-term financing agreements, receipts derived from developers fees and related expenditures, or construction or maintenance grants used to finance a capital project, capital lease, lease purchase agreement, or if a tax is levied in accordance with Section 17-2.3 of the Illinois School Code.

Capital Projects Fund Revenues, Expenditures and Changes in Fund Balance

Revenue by Source Expenditures by Object

| | Actual 2013-14 | Actual 2014-15 | Actual 2015-16 | Budget 2016-17 | Budget 2017-18 |
|-----------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Revenue | | | | | |
| Local Sources | \$ 453,737 | \$ 823,759 | \$ 275,081 | \$ 300,000 | \$ 300,000 |
| Expenditures | | | | | |
| Purchased Services | \$ 206,790 | \$ 25,026 | \$ 175,279 | \$ 40,000 | \$ - |
| Capital Outlay | 1,528,447 | 352,625 | 1,605,089 | 350,000 | 300,000 |
| Total Expenditures by Object | \$ 1,735,237 | \$ 377,651 | \$ 1,780,368 | \$ 390,000 | \$ 300,000 |
| Net Change in Fund Balance | (1,281,500) | 446,108 | (1,505,287) | (90,000) | - |
| Fund Balance at Beginning of Year | 5,474,918 | 4,193,418 | 4,639,526 | 3,134,239 | 3,044,239 |
| Fund Balance at End of Year | \$ 4,193,418 | \$ 4,639,526 | \$ 3,134,239 | \$ 3,044,239 | \$ 3,044,239 |

Revenue

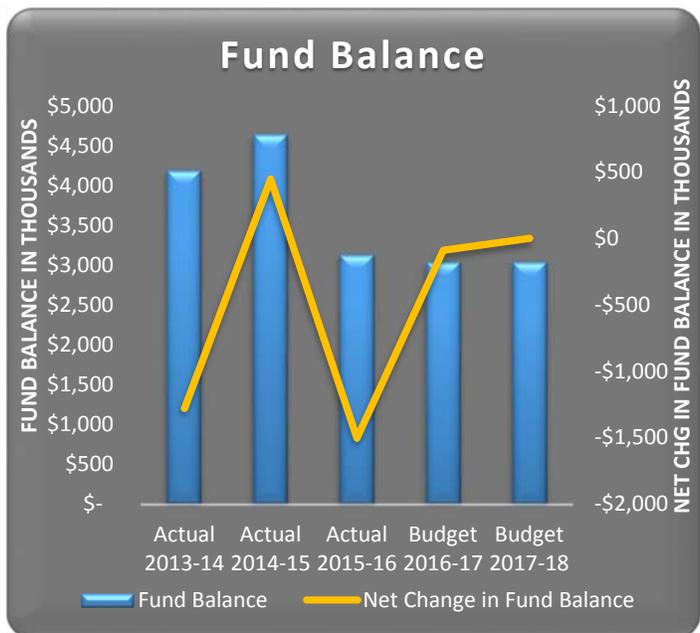
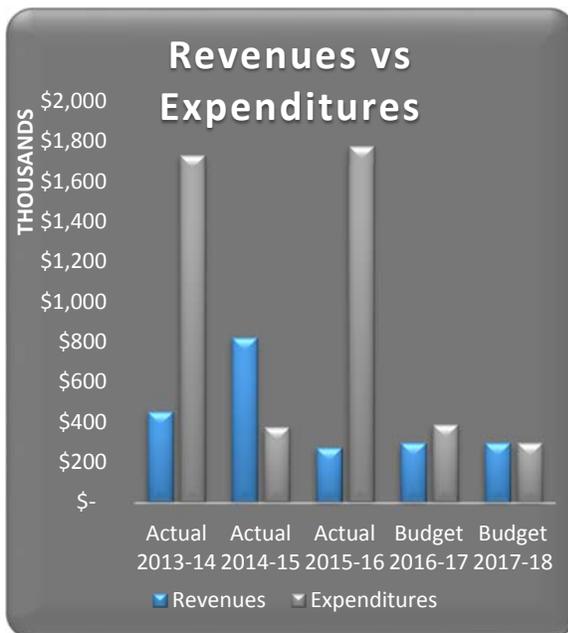
The Capital Projects Fund is funded with developer fees and capital project bonds as other financing sources. Developer fees have been budgeted at \$0.3 million as minimal activity in the fund is expected.

Expenditures

The expenditures in this fund are for non-life safety projects. There are currently few projects planned for this fund.

Fund Balance

It is management's intention to maintain a positive fund balance in this fund and spend down positive fund balance as necessary for various projects.



Capital Projects Fund

Revenue by Source Detail

| | Actual 2013-14 | Actual 2014-15 | Actual 2015-16 | Budget 2016-17 | Budget 2017-18 |
|----------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Local Sources | | | | | |
| Other Local | \$ 452,707 | \$ 820,531 | \$ 272,663 | \$ 300,000 | \$ 300,000 |
| Interest on Investments | 1,030 | 3,229 | 2,419 | - | - |
| Total Local Sources | \$ 453,737 | \$ 823,759 | \$ 275,081 | \$ 300,000 | \$ 300,000 |

Expenditures by Object Detail

| | Actual 2013-14 | Actual 2014-15 | Actual 2015-16 | Budget 2016-17 | Budget 2017-18 |
|-----------------------------|---------------------|-------------------|---------------------|-------------------|-------------------|
| Purchased Services | | | | | |
| Technical Services | \$ 206,790 | \$ 25,026 | \$ 175,279 | \$ 40,000 | \$ - |
| Capital Outlay | | | | | |
| Buildings | \$ 1,199,614 | \$ 198,078 | \$ 1,605,089 | \$ - | \$ - |
| Improvements (Non Building) | 328,833 | 154,547 | - | 350,000 | 300,000 |
| Total Capital Outlay | \$ 1,528,447 | \$ 352,625 | \$ 1,605,089 | \$ 350,000 | \$ 300,000 |

Capital Projects Fund

Budget and Three-Year Forecast Revenues, Expenditures and Change in Fund Balance

| | Budget 2017-18 | Forecast 2018-19 | Forecast 2019-20 | Forecast 2020-21 |
|-----------------------------------|-------------------|---------------------|---------------------|---------------------|
| Revenue | | | | |
| Local Sources | \$ 300,000 | \$ 300,000 | \$ 300,000 | \$ 300,000 |
| Expenditures | | | | |
| Capital Outlay | \$ 300,000 | \$ 325,000 | \$ 335,000 | \$ 350,000 |
| Net Change in Fund Balance | - | (25,000) | (35,000) | (50,000) |
| Fund Deficit at Beginning of Year | 3,044,239 | 3,044,239 | 3,019,239 | 2,984,239 |
| Fund Deficit at End of Year | \$ 3,044,239 | \$ 3,019,239 | \$ 2,984,239 | \$ 2,934,239 |

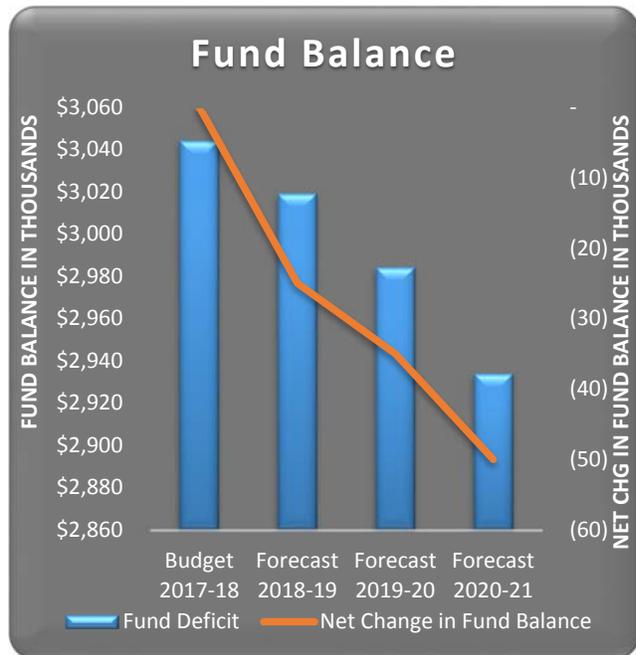
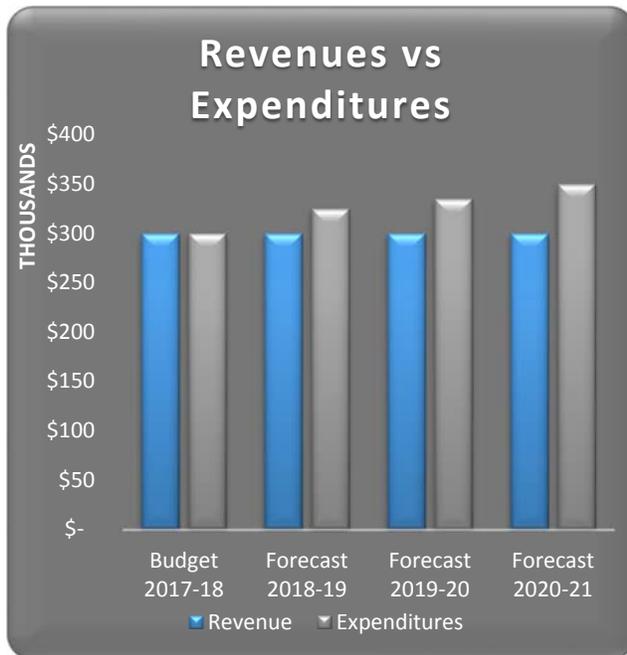
ASSUMPTIONS:

Revenue

- Developer fees – \$300,000 for each forecast year

Expenditures

- Capital Outlay – 2018-19 \$325,000, 2019-20 \$335,000, 2020-21 \$350,000



OTHER POSTEMPLOYMENT BENEFITS (OPEB)

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.

Annual OPEB Cost and Net OPEB Obligation

The District’s annual OPEB cost (expense) is calculated based on the annual required contribution (ARC) of the employer, 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 most recent audited activity, fiscal year 2016, and the forecast for the 2017 and 2018 fiscal years of the components of the District’s annual OPEB cost for each year, the amount actually contributed or forecast to be contributed to the plan, and changes in the District’s net OPEB obligation:

| | FY2016 Actual | FY2017 Forecast | FY2018 Forecast |
|--|--------------------------|----------------------------|----------------------------|
| Annual required contribution | \$ 2,234,060 | \$ 2,234,060 | \$ 2,234,060 |
| Interest on net OPEB obligation | 319,902 | 340,626 | 379,360 |
| Adjustment to annual required contribution | (406,171) | - | - |
| Annual OPEB cost | 2,147,791 | 2,574,686 | 2,613,420 |
| Contributions made | 1,733,315 | 1,800,000 | 1,800,000 |
| Increase in net OPEB obligation | 414,476 | 774,686 | 813,420 |
| Net OPEB obligation - beginning of year | 6,398,035 | 6,812,511 | 7,587,197 |
| Net OPEB obligation - end of year | <u>\$ 6,812,511</u> | <u>\$ 7,587,197</u> | <u>\$ 8,400,616</u> |



Informational Section



FISCAL YEAR 2018 BUDGET
(School Year 2017-2018)



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Assessed Values of Taxable Property, Property Tax Rates and Collections on Extended Levies

Kane County

| | Actual Fiscal Year Tax Levy Year | Actual 2014 2014 | Actual 2015 2015 | Actual 2016 2016 | Actual 2017 2017 | Budget 2018 2017 | Forecast 2019 2018 | Forecast 2020 2019 | Forecast 2021 2020 |
|----------------------------------|--|------------------------|------------------------|------------------------|------------------------|------------------------|--------------------------|--------------------------|--------------------------|
| Equalized Assessed Value (EAV) | | 1,441,568,152 | 1,406,081,012 | 1,488,337,717 | 1,621,599,676 | 1,662,139,668 | 1,703,360,732 | 1,796,534,564 | 1,840,549,660 |
| Direct Tax Rate (U46 Portion) | | 6.237668 | 8.308803 | 7.339206 | 7.065468 | 6.484839 | 6.422825 | 6.181063 | 6.123748 |
| Est. Actual Taxable Value | | 4,324,708,781 | 4,218,247,254 | 4,465,017,616 | 4,864,803,893 | 4,986,423,990 | 5,110,087,305 | 5,389,609,081 | 5,521,654,503 |
| Extended Levy | | 85,621,211 | 112,808,270 | 106,025,435 | 106,194,165 | 107,787,077 | 109,403,884 | 111,044,942 | 112,710,616 |
| Extended Levy Collected | | 85,249,226 | 112,599,810 | 105,560,575 | | | | | |
| Percentage of Levy Collected | | 99.6% | 99.8% | 99.6% | | | | | |
| <u>Residential Property Data</u> | | | | | | | | | |
| No. of Parcels | | 27,877 | 27,880 | 27,911 | 28,026 | 28,026 | 28,026 | 28,026 | 28,026 |
| Assessed Value w/o Exemptions | \$ | 1,266,178,520 | \$ 1,234,320,080 | \$ 1,288,413,028 | \$ 1,408,886,254 | 1,444,108,410 | 1,479,922,299 | 1,560,874,049 | 1,599,115,463 |
| Total Property Market Value | | 3,798,539,359 | 3,702,963,943 | 3,865,242,949 | 4,226,662,989 | 4,332,329,563 | 4,439,771,337 | 4,682,626,829 | 4,797,351,186 |
| Avg. Property Market Value | | 136,261 | 132,818 | 138,485 | 150,812 | 154,583 | 158,416 | 167,082 | 171,175 |
| Property AV w/Exemptions | | 1,102,287,009 | 1,072,691,800 | 1,123,432,855 | 1,228,489,115 | 1,259,201,343 | 1,290,429,536 | 1,361,016,032 | 1,394,360,925 |
| Avg. Assessed Value w/Exemptions | | 39,541 | 38,475 | 40,251 | 43,834 | 44,930 | 46,044 | 48,563 | 49,752 |
| Avg. Equalized Assessed Value | | 39,541 | 38,475 | 40,251 | 43,834 | 44,930 | 46,044 | 48,563 | 49,752 |
| Avg. Tax Burden owed to U46 | \$ | 2,466 | \$ 3,197 | \$ 2,954 | \$ 3,097 | \$ 2,914 | \$ 2,957 | \$ 3,002 | \$ 3,047 |

Notes: Tax rates per \$100 of Equalized Assessed Valuation.

ASSUMPTIONS:

- Budget and Forecast CPI - Increase 1.5 percent each year
- Budget and Forecast EAV - TY 2017 Increase 2.5 percent, TY 2018 Increase 2.48 percent, TY 2019 Increase 5.47 percent, TY 2020 Increase 2.45 percent
- Budget and Forecast Extended Levy - Increase by CPI for each budget and forecast year
- Average tax burden amounts shown do not reflect tax abatements
- Flat parcel count

Assessed Values of Taxable Property, Property Tax Rates and Collections on Extended Levies (Continued)

Cook County

| | Actual | Actual | Actual | Actual | Budget | Forecast | Forecast | Forecast |
|----------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Fiscal Year | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
| Tax Levy Year | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
| Equalized Assessed Value (EAV) | 1,686,298,507 | 1,708,312,671 | 1,653,457,440 | 1,925,826,831 | 1,973,972,502 | 2,022,927,020 | 2,133,581,128 | 2,185,853,865 |
| Direct Tax Rate (U46 Portion) | 7.58 | 7.668 | 7.947 | 6.837 | 6.7703 | 6.7056 | 6.4532 | 6.3933 |
| Est. Actual Taxable Value | 5,485,130,613 | 5,556,737,487 | 5,378,306,382 | 6,264,259,656 | 6,420,866,148 | 6,580,103,628 | 6,940,035,297 | 7,110,066,162 |
| Extended Levy | 127,821,427 | 130,987,626 | 131,400,263 | 131,668,780 | 133,643,812 | 135,648,469 | 137,683,196 | 139,748,444 |
| Extended Levy Collected | 124,497,204 | 127,667,655 | 129,483,977 | | | | | |
| Percentage of Levy Collected | 97.4% | 97.5% | 98.5% | | | | | |
| <u>Residential Property Data</u> | | | | | | | | |
| No. of Parcels | | | 22,092 | | 22,092 | 22,092 | 22,092 | 22,092 |
| Assessed Value w/Exemptions | | | 379,924,481 | | 451,730,208 | 462,933,117 | 488,255,559 | 500,217,820 |
| Total Property Market Value | | | 3,799,244,810 | | 4,517,302,079 | 4,629,331,171 | 4,882,555,586 | 5,002,178,198 |
| Avg. Property Market Value | | | 171,974 | | 204,477 | 209,548 | 221,010 | 226,425 |
| Avg. Assessed Value w/Exemptions | | | 17,197 | | 20,448 | 20,955 | 22,101 | 22,642 |
| Equalized Factor | | | 2.6685 | | 2.6685 | 2.6685 | 2.6685 | 2.6685 |
| Avg. Equalized Assessed Value | | | 45,891 | | 54,565 | 55,918 | 58,977 | 60,421 |
| Avg. Tax Burden owed to U46 | | | 3,647 | | \$ 3,694 | \$ 3,750 | \$ 3,806 | \$ 3,863 |

Notes: Tax rates per \$100 of Equalized Assessed Valuation.

ASSUMPTIONS:

- Budget and Forecast CPI - Increase 1.5 percent each year
- Budget and Forecast EAV - TY 2017 Increase 2.5 percent, TY 2018 Increase 2.48 percent, TY 2019 Increase 5.47 percent, TY 2020 Increase 2.45 percent
- Budget and Forecast Extended Levy - Increase by CPI for each budget and forecast year
- Average tax burden amounts shown do not reflect tax abatements
- 2016 TY data for Cook County is not yet available, to adjust budget and projections TY2015 figures will be increased at the same rate as the EAV increase from TY2015 to TY 2016
- Flat parcel count and Equalization Factor
- Est. Actual Taxable Value 78 percent of Cook EAV is assessed at 10 percent while the remaining 22 percent is assessed at 25 percent
- All residential assessed values for Cook County include exemptions. This will result in a lower tax burden when comparing to other Counties shown in this budget

Assessed Values of Taxable Property, Property Tax Rates and Collections on Extended Levies (Continued)

DuPage County

| | Actual | Actual | Actual | Actual | Budget | Forecast | Forecast | Forecast |
|----------------------------------|---------------|----------------|----------------|------------------|---------------|---------------|---------------|---------------|
| Fiscal Year | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
| Tax Levy Year | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
| Equalized Assessed Value (EAV) | 981,465,345 | 955,773,166 | 986,425,356 | 1,045,071,839 | 1,071,198,635 | 1,097,764,361 | 1,157,812,072 | 1,186,178,467 |
| Direct Tax Rate (U46 Portion) | 7.8519 | 6.4133 | 6.8325 | 6.3384 | 6.2766 | 6.2165 | 5.9825 | 5.9271 |
| Est. Actual Taxable Value | 2,944,398,979 | 2,867,322,365 | 2,959,279,027 | 3,135,218,652 | 3,213,599,119 | 3,293,296,377 | 3,473,439,688 | 3,558,538,961 |
| Extended Levy | 77,063,677 | 61,296,600 | 67,397,512 | 66,240,833 | 67,234,445 | 68,242,962 | 69,266,607 | 70,305,606 |
| Extended Levy Collected | 76,947,637 | 60,977,698 | 67,289,230 | | | | | |
| Percentage of Levy Collected | 99.8% | 99.5% | 99.8% | | | | | |
| <u>Residential Property Data</u> | | | | | | | | |
| No. of Parcels | | 13,919 | 13,917 | 13,920 | 13,920 | 13,920 | 13,920 | 13,920 |
| Assessed Value w/o Exemptions | | \$ 919,089,436 | \$ 948,804,496 | \$ 1,005,299,675 | 1,030,432,167 | 1,055,986,885 | 1,113,749,367 | 1,141,036,227 |
| Total Property Market Value | | 2,757,271,065 | 2,846,416,334 | 3,015,902,041 | 3,091,299,592 | 3,167,963,822 | 3,341,251,443 | 3,423,112,103 |
| Avg. Property Market Value | | 198,094 | 204,528 | 216,660 | 222,076 | 227,584 | 240,032 | 245,913 |
| Property AV w/Exemptions | | 837,764,309 | 865,872,960 | 920,630,731 | 943,646,499 | 967,048,932 | 1,019,946,509 | 1,044,935,199 |
| Avg. Assessed Value w/Exemptions | | 60,189 | 62,217 | 66,137 | 67,791 | 69,472 | 73,272 | 75,067 |
| Avg. Equalized Assessed Value | | 60,189 | 62,217 | 66,137 | 67,791 | 69,472 | 73,272 | 75,067 |
| Avg. Tax Burden owed to U46 | | \$ 3,860 | \$ 4,251 | \$ 4,192 | \$ 4,255 | \$ 4,319 | \$ 4,383 | \$ 4,449 |

DATA NOT AVAILABLE

Notes: Tax rates per \$100 of Equalized Assessed Valuation.

ASSUMPTIONS:

- Budget and Forecast CPI - Increase 1.5 percent each year
- Budget and Forecast EAV - TY 2017 Increase 2.5 percent, TY 2018 Increase 2.48 percent, TY 2019 Increase 5.47 percent, TY 2020 Increase 2.45 percent
- Budget and Forecast Extended Levy - Increase by CPI for each budget and forecast year
- Average tax burden amounts shown do not reflect tax abatements
- Flat parcel count

ALTERNATIVE TAX COLLECTIONS

Other than property taxes the District receives the following two taxes.

Corporate Personal Property Taxes

Replacement taxes are revenues collected by the state of Illinois and paid to local government to replace money that was lost by local governments when their powers to impose personal property taxes on corporations, partnerships, and other business entities were taken away.

These taxes resulted when the new Illinois Constitution directed the legislature to abolish business personal property taxes and replace the revenue lost by local government units and school districts. In 1979, a law was enacted to provide for statewide taxes to replace the monies lost to local governments.

Mobile Home Privilege Tax

In Illinois, mobile homes are not taxed by real estate or property tax but rather “Mobile Home Privilege Tax.” The computation of the Mobile Home Tax differs from Real Estate Tax in that is calculated based on the age and the square footage of the mobile home.

The District’s recent past and budgeted tax revenues excluding property taxes are as follows:

| | Actual 2013-14 | Actual 2014-15 | Actual 2015-16 | Budget 2016-17 | Budget 2017-18 |
|----------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Corp Pers Propty Rplmt Tax | 3,754,606 | 4,037,505 | 3,226,057 | 3,750,000 | 3,750,000 |
| Mobile Home Privilege Tax | - | - | 24,069 | 11,000 | 11,000 |
| Total | 3,754,606 | 4,037,505 | 3,250,126 | 3,761,000 | 3,761,000 |

Student Enrollment Three-Year History, Budget and Three-Year Forecast

| School Year | Pre-Kindergarten | Elementary | | Middle | | High | | Self-Cont. | Other (C) | Total | | Utilization |
|--------------------------------|--------------------|--------------|----------|--------------|----------|--------------|----------|--------------------------|--------------|--------------|----------|-------------|
| | Actual/Proj. | Actual/Proj. | Capacity | Actual/Proj. | Capacity | Actual/Proj. | Capacity | Spec. Ed Actual/Proj. | Actual/Proj. | Actual/Proj. | Capacity | |
| Actual Enrollment (A) | | | | | | | | | | | | |
| 2014-2015 | Data Not Available | 21,087 | 27,273 | 5,819 | 8,568 | 11,791 | 13,944 | 685 | 183 | 38,880 | 49,785 | 78% |
| 2015-2016 | 1,179 | 20,398 | 27,273 | 5,718 | 8,568 | 11,971 | 13,944 | 726 | 425 | 39,691 | 49,785 | 80% |
| 2016-2017 | 1,251 | 20,187 | 27,273 | 5,991 | 8,568 | 11,874 | 13,944 | 777 | 337 | 39,640 | 49,785 | 80% |
| Enrollment Budget (D) | | | | | | | | | | | | |
| 2017-2018 | 1,224 | 19,635 | 27,273 | 5,945 | 8,568 | 11,779 | 13,944 | 777 | 341 | 38,924 | 49,785 | 78% |
| Enrollment Forecast (D) | | | | | | | | | | | | |
| 2018-2019 | 1,196 | 18,982 | 27,273 | 5,653 | 8,568 | 11,962 | 13,944 | 777 | 335 | 38,128 | 49,785 | 77% |
| 2019-2020 | 1,209 | 18,311 | 27,273 | 5,577 | 8,568 | 11,800 | 13,944 | 777 | 338 | 37,235 | 49,785 | 75% |
| 2020-2021 | 1,220 | 17,725 | 27,273 | 5,429 | 8,568 | 11,645 | 13,944 | 777 | 341 | 36,360 | 49,785 | 73% |

(A) Actual enrollment for each school year as of the last school day in September, for the years listed through 2015-2017.

(B) Includes the following: All Self-Contained Special Education classes including Pre-school, Moving-On, Low Incidence, Private Placement, and Home & Hospital. Beginning 2013-2014 Self-contained Special Ed was counted with Regular Grades so not added separately.

(C) Includes Alternative Education except for Pre-K.

(D) Kindergarten numbers are based upon live births from five years prior from area hospitals for forecast years.

**District Personnel Resource FTE Allocations
 Three-Year History, Current Estimate and Budget
 by Employee Group**

| Staff | Actual 2014 | Actual 2015 | Actual 2016 | Est. Actual 2017 | Budget 2018 |
|--|----------------|----------------|----------------|---------------------|----------------|
| Teachers | 2,362 | 2,421 | 2,399 | 2,484 | 2,469 |
| Building substitutes | 5 | 5 | - | - | - |
| Noon hour supervisors (part-time) | 76 | 80 | 78 | 90 | 90 |
| Educational assistants/paraprofessionals | 422 | 452 | 440 | 488 | 488 |
| Secretary/clerical | 222 | 229 | 222 | 232 | 232 |
| Transportation | 400 | 403 | 414 | 391 | 391 |
| Custodial/maintenance | 126 | 139 | 136 | 136 | 136 |
| Technical/other | 207 | 194 | 197 | 215 | 215 |
| Food service | 155 | 153 | 150 | 144 | 144 |
| School administration | 102 | 99 | 98 | 101 | 101 |
| Supervisors/directors/coordinators | 34 | 40 | 42 | 41 | 41 |
| Central administration | 33 | 29 | 31 | 34 | 34 |
| Divisionals | 16 | 17 | 17 | 17 | 17 |
| Superintendent/executive staff | 9 | 10 | 10 | 10 | 10 |
| Total staff by FTEs | 4,169 | 4,271 | 4,234 | 4,383 | 4,368 |

Source: District Financial Services

The 2018 budget includes a reduction of 15 teacher FTEs. This is due to slightly lower enrollments and staffing needs assessed by District management during the budget process.

**General Obligation Bonds
 Summary Schedule**

| Due in Fiscal Year | General Obligation | | Total Debt Service |
|-----------------------|-----------------------|-----------------------|-----------------------|
| | Principal | Interest | |
| 2018 | \$ 20,889,896 | \$ 21,300,530 | \$ 42,190,426 |
| 2019 | 22,661,283 | 19,516,546 | 42,177,829 |
| 2020 | 19,228,841 | 22,943,767 | 42,172,608 |
| 2021 | 15,856,253 | 26,482,713 | 42,338,966 |
| 2022 | 15,576,479 | 26,706,309 | 42,282,788 |
| 2023-2027 | 66,185,910 | 56,887,963 | 123,073,873 |
| 2028-2032 | 78,360,000 | 22,692,353 | 101,052,353 |
| 2033-2035 | 42,335,000 | 3,873,748 | 46,208,748 |
| | <u>\$ 281,093,662</u> | <u>\$ 200,403,929</u> | <u>\$ 481,497,591</u> |

Bond Amortization Schedule - Series 1999
\$18,300,000 School Building Bonds

| Payment Date | Principal | Interest | Total | Fiscal Year | Fiscal Year Total |
|-----------------|----------------------|-------------------|----------------------|-------------|----------------------|
| July 1, 2017 | - | 305,875 | 305,875 | 2018 | |
| January 1, 2018 | 5,025,000 | 305,875 | 5,330,875 | 2018 | 5,636,750 |
| July 1, 2018 | - | 180,250 | 180,250 | 2019 | |
| January 1, 2019 | 7,000,000 | 180,250 | 7,180,250 | 2019 | 7,360,500 |
| | <u>\$ 12,025,000</u> | <u>\$ 972,250</u> | <u>\$ 12,997,250</u> | | <u>\$ 12,997,250</u> |

Bond Amortization Schedule - Series 2001
\$54,499,619 Capital Appreciation School Bonds

| Payment Date | Principal | Interest | Total | Fiscal Year | Fiscal Year Total |
|-----------------|----------------------|----------------------|----------------------|-------------|----------------------|
| January 1, 2018 | 7,048,052 | 9,226,948 | 16,275,000 | 2018 | 16,275,000 |
| January 1, 2019 | 5,513,533 | 7,911,621 | 13,425,154 | 2019 | 13,425,154 |
| January 1, 2020 | 7,678,182 | 12,036,993 | 19,715,175 | 2020 | 19,715,175 |
| January 1, 2021 | 1,065,463 | 1,819,541 | 2,885,004 | 2021 | 2,885,004 |
| | <u>\$ 21,305,230</u> | <u>\$ 30,995,103</u> | <u>\$ 52,300,333</u> | | <u>\$ 52,300,333</u> |

Bond Amortization Schedule - Series 2003
\$65,999,779 Capital Appreciation School Bonds

| Payment Date | Principal | Interest | Total | Fiscal Year | Fiscal Year Total |
|-----------------|----------------------|----------------------|----------------------|-------------|----------------------|
| January 1, 2018 | 966,844 | 1,143,156 | 2,110,000 | 2018 | 2,110,000 |
| January 1, 2019 | 962,750 | 1,252,250 | 2,215,000 | 2019 | 2,215,000 |
| January 1, 2020 | 960,659 | 1,369,341 | 2,330,000 | 2020 | 2,330,000 |
| January 1, 2021 | 10,060,790 | 15,664,210 | 25,725,000 | 2021 | 25,725,000 |
| January 1, 2022 | 10,591,479 | 17,958,521 | 28,550,000 | 2022 | 28,550,000 |
| January 1, 2023 | 10,030,910 | 18,474,090 | 28,505,000 | 2023 | 28,505,000 |
| | <u>\$ 33,573,432</u> | <u>\$ 55,861,568</u> | <u>\$ 89,435,000</u> | | <u>\$ 89,435,000</u> |

Bond Amortization Schedule - Series 2009A
\$34,405,000 General Obligation Limited School Bonds

| Payment Date | Principal | Interest | Total | Fiscal Year | Fiscal Year Total |
|-----------------|---------------------|---------------------|---------------------|-------------|---------------------|
| July 1, 2017 | - | 193,300 | 193,300 | 2018 | |
| January 1, 2018 | 1,175,000 | 193,300 | 1,368,300 | 2018 | 1,561,600 |
| July 1, 2018 | - | 169,800 | 169,800 | 2019 | |
| January 1, 2019 | 1,290,000 | 169,800 | 1,459,800 | 2019 | 1,629,600 |
| July 1, 2019 | - | 137,550 | 137,550 | 2020 | |
| January 1, 2020 | 1,350,000 | 137,550 | 1,487,550 | 2020 | 1,625,100 |
| July 1, 2020 | - | 103,800 | 103,800 | 2021 | |
| January 1, 2021 | 1,415,000 | 103,800 | 1,518,800 | 2021 | 1,622,600 |
| July 1, 2021 | - | 68,425 | 68,425 | 2022 | |
| January 1, 2022 | 1,405,000 | 68,425 | 1,473,425 | 2022 | 1,541,850 |
| July 1, 2022 | - | 33,300 | 33,300 | 2023 | |
| January 1, 2023 | 1,480,000 | 33,300 | 1,513,300 | 2023 | 1,546,600 |
| | <u>\$ 8,115,000</u> | <u>\$ 1,412,350</u> | <u>\$ 9,527,350</u> | | <u>\$ 9,527,350</u> |

Bond Amortization Schedule - Series 2011A
\$25,925,000 General Obligation Limited School Bonds

| Payment Date | Principal | Interest | Total | Fiscal Year | Fiscal Year Total |
|-----------------|----------------------|---------------------|----------------------|-------------|----------------------|
| July 1, 2017 | - | 352,521 | 352,521 | 2018 | |
| January 1, 2018 | 2,660,000 | 352,521 | 3,012,521 | 2018 | 3,365,042 |
| July 1, 2018 | - | 289,346 | 289,346 | 2019 | |
| January 1, 2019 | 2,795,000 | 289,346 | 3,084,346 | 2019 | 3,373,692 |
| July 1, 2019 | - | 217,375 | 217,375 | 2020 | |
| January 1, 2020 | 2,945,000 | 217,375 | 3,162,375 | 2020 | 3,379,750 |
| July 1, 2020 | - | 134,915 | 134,915 | 2021 | |
| January 1, 2021 | 3,085,000 | 134,915 | 3,219,915 | 2021 | 3,354,830 |
| July 1, 2021 | - | 45,450 | 45,450 | 2022 | |
| January 1, 2022 | 1,515,000 | 45,450 | 1,560,450 | 2022 | 1,605,900 |
| | <u>\$ 13,000,000</u> | <u>\$ 2,079,214</u> | <u>\$ 15,079,214</u> | | <u>\$ 15,079,214</u> |

Bond Amortization Schedule - Series 2011B
\$2,030,000 General Obligation Limited School Bonds

| Payment Date | Principal | Interest | Total | Fiscal Year | Fiscal Year Total |
|-----------------|-------------------|------------------|-------------------|-------------|-------------------|
| July 1, 2017 | - | 2,698 | 2,698 | 2018 | |
| January 1, 2018 | 200,000 | 2,698 | 202,698 | 2018 | 205,396 |
| July 1, 2018 | - | 2,047 | 2,047 | 2019 | |
| January 1, 2019 | 200,000 | 2,047 | 202,047 | 2019 | 204,094 |
| July 1, 2019 | - | 1,398 | 1,398 | 2020 | |
| January 1, 2020 | 200,000 | 1,398 | 201,398 | 2020 | 202,796 |
| July 1, 2020 | - | 747 | 747 | 2021 | |
| January 1, 2021 | 230,000 | 747 | 230,747 | 2021 | 231,494 |
| | <u>\$ 830,000</u> | <u>\$ 13,780</u> | <u>\$ 843,780</u> | | <u>\$ 843,780</u> |

Bond Amortization Schedule - Series 2012B
\$31,045,000 General Obligation Limited School Bonds

| Payment Date | Principal | Interest | Total | Fiscal Year | Fiscal Year Total |
|-----------------|----------------------|---------------------|----------------------|-------------|----------------------|
| July 1, 2017 | - | 463,287 | 463,287 | 2018 | |
| January 1, 2018 | 75,000 | 463,287 | 538,287 | 2018 | 1,001,574 |
| July 1, 2018 | - | 462,163 | 462,163 | 2019 | |
| January 1, 2019 | - | 462,163 | 462,163 | 2019 | 924,326 |
| July 1, 2019 | - | 462,163 | 462,163 | 2020 | |
| January 1, 2020 | - | 462,163 | 462,163 | 2020 | 924,326 |
| July 1, 2020 | - | 462,162 | 462,162 | 2021 | |
| January 1, 2021 | - | 462,162 | 462,162 | 2021 | 924,324 |
| July 1, 2021 | - | 462,162 | 462,162 | 2022 | |
| January 1, 2022 | 2,065,000 | 462,162 | 2,527,162 | 2022 | 2,989,324 |
| July 1, 2022 | - | 420,863 | 420,863 | 2023 | |
| January 1, 2023 | 3,745,000 | 420,863 | 4,165,863 | 2023 | 4,586,726 |
| July 1, 2023 | - | 336,600 | 336,600 | 2024 | |
| January 1, 2024 | 5,460,000 | 336,600 | 5,796,600 | 2024 | 6,133,200 |
| July 1, 2024 | - | 213,750 | 213,750 | 2025 | |
| January 1, 2025 | 5,705,000 | 213,750 | 5,918,750 | 2025 | 6,132,500 |
| July 1, 2025 | - | 85,387 | 85,387 | 2026 | |
| January 1, 2026 | 3,795,000 | 85,387 | 3,880,387 | 2026 | 3,965,774 |
| | <u>\$ 20,845,000</u> | <u>\$ 6,737,074</u> | <u>\$ 27,582,074</u> | | <u>\$ 27,582,074</u> |

Bond Amortization Schedule - Series 2015A
\$44,310,000 General Obligation Limited School Bonds

| Payment Date | Principal | Interest | Total | Fiscal Year | Fiscal Year Total |
|-----------------|----------------------|----------------------|----------------------|-------------|----------------------|
| July 1, 2017 | - | 1,107,750 | 1,107,750 | 2018 | |
| January 1, 2018 | - | 1,107,750 | 1,107,750 | 2018 | 2,215,500 |
| July 1, 2018 | - | 1,107,750 | 1,107,750 | 2019 | |
| January 1, 2019 | - | 1,107,750 | 1,107,750 | 2019 | 2,215,500 |
| July 1, 2019 | - | 1,107,750 | 1,107,750 | 2020 | |
| January 1, 2020 | - | 1,107,750 | 1,107,750 | 2020 | 2,215,500 |
| July 1, 2020 | - | 1,107,750 | 1,107,750 | 2021 | |
| January 1, 2021 | - | 1,107,750 | 1,107,750 | 2021 | 2,215,500 |
| July 1, 2021 | - | 1,107,750 | 1,107,750 | 2022 | |
| January 1, 2022 | - | 1,107,750 | 1,107,750 | 2022 | 2,215,500 |
| July 1, 2022 | - | 1,107,750 | 1,107,750 | 2023 | |
| January 1, 2023 | - | 1,107,750 | 1,107,750 | 2023 | 2,215,500 |
| July 1, 2023 | - | 1,107,750 | 1,107,750 | 2024 | |
| January 1, 2024 | - | 1,107,750 | 1,107,750 | 2024 | 2,215,500 |
| July 1, 2024 | - | 1,107,750 | 1,107,750 | 2025 | |
| January 1, 2025 | - | 1,107,750 | 1,107,750 | 2025 | 2,215,500 |
| July 1, 2025 | - | 1,107,750 | 1,107,750 | 2026 | |
| January 1, 2026 | - | 1,107,750 | 1,107,750 | 2026 | 2,215,500 |
| July 1, 2026 | - | 1,107,750 | 1,107,750 | 2027 | |
| January 1, 2027 | - | 1,107,750 | 1,107,750 | 2027 | 2,215,500 |
| July 1, 2027 | - | 1,107,750 | 1,107,750 | 2028 | |
| January 1, 2028 | 4,055,000 | 1,107,750 | 5,162,750 | 2028 | 6,270,500 |
| July 1, 2028 | - | 1,006,375 | 1,006,375 | 2029 | |
| January 1, 2029 | 6,750,000 | 1,006,375 | 7,756,375 | 2029 | 8,762,750 |
| July 1, 2029 | - | 837,625 | 837,625 | 2030 | |
| January 1, 2030 | 7,090,000 | 837,625 | 7,927,625 | 2030 | 8,765,250 |
| July 1, 2030 | - | 660,375 | 660,375 | 2031 | |
| January 1, 2031 | 7,440,000 | 660,375 | 8,100,375 | 2031 | 8,760,750 |
| July 1, 2031 | - | 474,375 | 474,375 | 2032 | |
| January 1, 2032 | 7,815,000 | 474,375 | 8,289,375 | 2032 | 8,763,750 |
| July 1, 2032 | - | 279,000 | 279,000 | 2033 | |
| January 1, 2033 | 8,205,000 | 279,000 | 8,484,000 | 2033 | 8,763,000 |
| July 1, 2033 | - | 73,875 | 73,875 | 2034 | |
| January 1, 2034 | 2,955,000 | 73,875 | 3,028,875 | 2034 | 3,102,750 |
| | <u>\$ 44,310,000</u> | <u>\$ 31,033,750</u> | <u>\$ 75,343,750</u> | | <u>\$ 75,343,750</u> |

Bond Amortization Schedule - Series 2015B
\$10,780,000 General Obligation Refunding School Bonds

| Payment Date | Principal | Interest | Total | Fiscal Year | Fiscal Year Total |
|-----------------|----------------------|---------------------|----------------------|-------------|----------------------|
| July 1, 2017 | - | 205,531 | 205,531 | 2018 | |
| January 1, 2018 | - | 205,531 | 205,531 | 2018 | 411,062 |
| July 1, 2018 | - | 205,531 | 205,531 | 2019 | |
| January 1, 2019 | - | 205,531 | 205,531 | 2019 | 411,062 |
| July 1, 2019 | - | 205,531 | 205,531 | 2020 | |
| January 1, 2020 | - | 205,531 | 205,531 | 2020 | 411,062 |
| July 1, 2020 | - | 205,531 | 205,531 | 2021 | |
| January 1, 2021 | - | 205,531 | 205,531 | 2021 | 411,062 |
| July 1, 2021 | - | 205,531 | 205,531 | 2022 | |
| January 1, 2022 | - | 205,531 | 205,531 | 2022 | 411,062 |
| July 1, 2022 | - | 205,531 | 205,531 | 2023 | |
| January 1, 2023 | - | 205,531 | 205,531 | 2023 | 411,062 |
| July 1, 2023 | - | 205,532 | 205,532 | 2024 | |
| January 1, 2024 | - | 205,532 | 205,532 | 2024 | 411,064 |
| July 1, 2024 | - | 205,532 | 205,532 | 2025 | |
| January 1, 2025 | - | 205,532 | 205,532 | 2025 | 411,064 |
| July 1, 2025 | - | 205,532 | 205,532 | 2026 | |
| January 1, 2026 | 2,170,000 | 205,532 | 2,375,532 | 2026 | 2,581,064 |
| July 1, 2026 | - | 165,386 | 165,386 | 2027 | |
| January 1, 2027 | 6,215,000 | 165,386 | 6,380,386 | 2027 | 6,545,772 |
| July 1, 2027 | - | 47,301 | 47,301 | 2028 | |
| January 1, 2028 | 2,395,000 | 47,301 | 2,442,301 | 2028 | 2,489,602 |
| | <u>\$ 10,780,000</u> | <u>\$ 4,124,938</u> | <u>\$ 14,904,938</u> | | <u>\$ 14,904,938</u> |

Bond Amortization Schedule - Series 2015C
\$19,235,000 General Obligation Refunding School Bonds

| Payment Date | Principal | Interest | Total | Fiscal Year | Fiscal Year Total |
|-----------------|----------------------|---------------------|----------------------|-------------|----------------------|
| July 1, 2017 | - | 349,675 | 349,675 | 2018 | |
| January 1, 2018 | 3,740,000 | 349,675 | 4,089,675 | 2018 | 4,439,350 |
| July 1, 2018 | - | 274,875 | 274,875 | 2019 | |
| January 1, 2019 | 4,900,000 | 274,875 | 5,174,875 | 2019 | 5,449,750 |
| July 1, 2019 | - | 152,375 | 152,375 | 2020 | |
| January 1, 2020 | 6,095,000 | 152,375 | 6,247,375 | 2020 | 6,399,750 |
| | <u>\$ 14,735,000</u> | <u>\$ 1,553,850</u> | <u>\$ 16,288,850</u> | | <u>\$ 16,288,850</u> |

Bond Amortization Schedule - Series 2015D
\$101,575,000 General Obligation Refunding Limited School Bonds

| Payment Date | Principal | Interest | Total | Fiscal Year | Fiscal Year Total |
|-----------------|-----------------------|----------------------|-----------------------|-------------|-----------------------|
| July 1, 2017 | - | 2,484,575 | 2,484,575 | 2018 | |
| January 1, 2018 | - | 2,484,575 | 2,484,575 | 2018 | 4,969,150 |
| July 1, 2018 | - | 2,484,575 | 2,484,575 | 2019 | |
| January 1, 2019 | - | 2,484,575 | 2,484,575 | 2019 | 4,969,150 |
| July 1, 2019 | - | 2,484,575 | 2,484,575 | 2020 | |
| January 1, 2020 | - | 2,484,575 | 2,484,575 | 2020 | 4,969,150 |
| July 1, 2020 | - | 2,484,575 | 2,484,575 | 2021 | |
| January 1, 2021 | - | 2,484,575 | 2,484,575 | 2021 | 4,969,150 |
| July 1, 2021 | - | 2,484,575 | 2,484,575 | 2022 | - |
| January 1, 2022 | - | 2,484,575 | 2,484,575 | 2022 | 4,969,150 |
| July 1, 2022 | - | 2,484,575 | 2,484,575 | 2023 | - |
| January 1, 2023 | - | 2,484,575 | 2,484,575 | 2023 | 4,969,150 |
| July 1, 2023 | - | 2,484,575 | 2,484,575 | 2024 | - |
| January 1, 2024 | 6,480,000 | 2,484,575 | 8,964,575 | 2024 | 11,449,150 |
| July 1, 2024 | - | 2,377,375 | 2,377,375 | 2025 | - |
| January 1, 2025 | 6,695,000 | 2,377,375 | 9,072,375 | 2025 | 11,449,750 |
| July 1, 2025 | - | 2,210,000 | 2,210,000 | 2026 | |
| January 1, 2026 | 7,030,000 | 2,210,000 | 9,240,000 | 2026 | 11,450,000 |
| July 1, 2026 | - | 2,034,250 | 2,034,250 | 2027 | |
| January 1, 2027 | 7,380,000 | 2,034,250 | 9,414,250 | 2027 | 11,448,500 |
| July 1, 2027 | - | 1,849,750 | 1,849,750 | 2028 | |
| January 1, 2028 | 7,750,000 | 1,849,750 | 9,599,750 | 2028 | 11,449,500 |
| July 1, 2028 | - | 1,656,000 | 1,656,000 | 2029 | |
| January 1, 2029 | 8,135,000 | 1,656,000 | 9,791,000 | 2029 | 11,447,000 |
| July 1, 2029 | - | 1,452,625 | 1,452,625 | 2030 | |
| January 1, 2030 | 8,540,000 | 1,452,625 | 9,992,625 | 2030 | 11,445,250 |
| July 1, 2030 | - | 1,239,125 | 1,239,125 | 2031 | |
| January 1, 2031 | 8,970,000 | 1,239,125 | 10,209,125 | 2031 | 11,448,250 |
| July 1, 2031 | - | 1,014,875 | 1,014,875 | 2032 | |
| January 1, 2032 | 9,420,000 | 1,014,875 | 10,434,875 | 2032 | 11,449,750 |
| July 1, 2032 | - | 779,375 | 779,375 | 2033 | |
| January 1, 2033 | 9,890,000 | 779,375 | 10,669,375 | 2033 | 11,448,750 |
| July 1, 2033 | - | 532,125 | 532,125 | 2034 | |
| January 1, 2034 | 10,385,000 | 532,125 | 10,917,125 | 2034 | 11,449,250 |
| July 1, 2034 | - | 272,500 | 272,500 | 2035 | |
| January 1, 2035 | 10,900,000 | 272,500 | 11,172,500 | 2035 | 11,445,000 |
| | <u>\$ 101,575,000</u> | <u>\$ 65,620,050</u> | <u>\$ 167,195,050</u> | | <u>\$ 167,195,050</u> |

Three-Year History of District Performance Measures

| School Year | Actual 2013-2014 | Actual 2014-2015 | Actual 2015-2016 |
|--|---------------------|---------------------|---------------------|
| ACT-Ready for college coursework | 40.0% | 38.7% | 38.5% |
| PARCC | n/a | 32.3% | 29.2% |
| DLM-AA | n/a | 23.9% | 16.8% |
| High school drop-out rate | 2.2% | 2.3% | 2.3% |
| Percentage of free and reduced-price meals | 59.5% | 62.2% | 57.8% |
| High School 4-Year Graduation Rate | 85.6% | 85.8% | 86.4% |
| Teacher retention rate | 83.6% | 84.1% | 83.3% |

ACT - The ACT is a nationally administered, standardized paper-and-pencil test that helps colleges evaluate candidates. The figures represent the percentage of student scores meeting or exceeding benchmarks demonstrating readiness for college coursework. The ACT is administered to virtually every eleventh grade student.

PARCC - The figures represent the percentage of student scores meeting or exceeding expectations for the grades and subjects tested on PARCC that have demonstrated readiness for the next grade level/course and, ultimately, are on track for college and careers. PARCC is administered to students in grades three through eight and high school.

DLM-AA - The figures represent the percentage of student scores meeting or exceeding Standards for the grades and subjects tested on DLM-AA. The DLM-AA is administered to students in grades three through eight and eleven with disabilities whose Individualized Education Programs (IEPs) indicate that participation in the PARCC would not be appropriate.

n/a - data not available

Glossary of Terms and Acronyms

Listing of Acronyms

| | |
|--------------|---|
| ADA | Average Daily Attendance |
| AICPA | American Institute of Certified Public Accountants |
| AFR | Annual Financial Report |
| ARRA | American Reinvestment and Recovery Act |
| ASBO | Association of School Business Officials |
| AVID | Advancement Via Individual Determination |
| | |
| CAB | Capital Appreciation Bonds |
| CAC | Citizens Advisory Council |
| CAFR | Comprehensive Annual Financial Report |
| | |
| FDK | Full-Day Kindergarten |
| FY | Fiscal Year |
| | |
| GAAP | Generally Accepted Accounting Principles |
| GASB | Governmental Accounting Standards Board |
| GFOA | Government Finance Officers Association |
| GSA | General State Aid |
| | |
| ILCS | Illinois Compiled Statutes |
| IMRF | Illinois Municipal Retirement Fund |
| ISBE | Illinois State Board of Education |
| | |
| MTSS | Multi-tiered Systems of Support |
| | |
| OPEB | Other Postemployment Benefits |
| OEPP | Operating Expenditures Per Pupil |
| OFS | Other Financing Sources |
| OFU | Other Financing Uses |
| | |
| PARCC | Partnership for Assessment of Readiness for College and Careers |
| PBIS | Positive Behavioral Interventions Supports |
| PSAE | Prairie State Achievement Exam |
| | |
| RTI | Response to Intervention |
| RTTT | Race to the Top |
| | |
| SAFE | Supervised Activities for Children of Employed Parents |
| SIP | School Improvement Plan |
| | |
| TEI | Teacher Effectiveness Initiatives |
| THIS | Teachers Health Insurance Security Fund |
| TMP | Teacher Mentoring Program |
| TRS | Teachers Retirement System |

Glossary of Terms and Acronyms (Continued)

This Glossary contains definitions of terms used in this document and such additional terms as deemed necessary to provide a common understanding of Illinois budgetary accounting procedures for schools. Several terms, which are not primarily budgetary accounting terms, have been included because of their significance for school district accounting. The glossary is arranged alphabetically.

ACCOUNTING SYSTEM. The total structure of records and procedures that discover, record, classify, and report information on the financial position and operation of a school district or any of its funds, balanced account groups and organizational components.

ACCOUNT NUMBER. An account number is a defined code for recording and summarizing financial transactions.

ACCOUNTING PERIOD. The accounting period is a period at the end of which and for which financial statements are prepared. For School District U-46, the accounting period is as of and for the year ending June 30.

ACCRUAL BASIS OF ACCOUNTING. Method of accounting that recognizes the financial effect of transactions, events, and interfund activity when they occur, regardless of the timing of related cash flows.

ACCRUED EXPENDITURES. Accrued expenditures are those expenditures which have been incurred and have not been paid as of a given date.

ACCRUED INTEREST. Accrued interest is interest earned between interest dates, but not yet paid.

ACCRUED LIABILITIES. Accrued liabilities are those amounts owed but not yet paid as of a given date.

ACCRUED REVENUE. Accrued revenue is revenue earned and not yet collected regardless of whether due or not.

ACTUARIAL ACCRUED LIABILITY. In the context of defined benefit pension and OPEB plans, that portion of the present value of benefits promised to employees that will not be provided through future normal cost. Stated differently, it is the present value of benefits already earned by employees.

ACTUARIAL ASSUMPTIONS. In the context of defined benefit pension and OPEB plans, assumptions that an actuary must make as to the occurrence of future events affecting benefit costs (rate of inflation, mortality).

ADVANCED REFUNDING. Transaction in which new debt is issued to refinance existing debt (old debt), but the proceeds must be placed in escrow pending call date or maturity (refunding in advance of redemption).

ANNUAL REQUIRED CONTRIBUTION (ARC). IN the context of defined benefit pension and OPEB plans, the actuarially determined amount an employer must contribute in a given year.

APPROPRIATED BUDGET. Expenditure authority created by the appropriation bills or ordinances that are signed into law and related estimated revenues. The appropriated budget includes all reserves, transfers, allocations, supplemental appropriations, and other legally authorized legislative and executive changes.

Glossary of Terms and Acronyms (Continued)

APPROPRIATION ACCOUNT. A budgetary account established to record a specific authorization to spend. The account is credited with original and any supplemental appropriations, and is charged with expenditures and encumbrances.

ASSESSED VALUATION. Valuation that a government sets on real estate or other property as a basis for levying taxes.

ASSETS. Resources with present service capacity that the government presently controls.

ASSIGNED FUND BALANCE. The portion of the net position of a government assigned for a particular purposes.

AVAILABILITY CRITERION. Requirement under the modified accrual basis of accounting that revenues be recognized only if they are collected or collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

AVAILABILITY PERIOD. Designated period immediately following the close of the fiscal year by the end of which cash must be collected for related revenue to be recognized under the modified accrual basis of accounting.

AVERAGE DAILY ATTENDANCE (ADA). Average daily attendance is the average attendance of a school taken over a three-week period commencing the first Monday after Labor Day in September. Kindergarten counts as one-half ADA.

BALANCED BUDGET. The budget is balanced if revenues are equal to expenditures.

BASIC FINANCIAL STATEMENTS. Minimum combination of financial statements and note disclosure required for fair presentation in conformity with GAAP.

BASIS OF ACCOUNTING. Timing of recognition for financial reporting purposes (when the effects of transactions or events should be recognized in financial statements).

BASIS OF BUDGETING. Method used to determine when revenues and expenditures are recognized for budgetary purposes.

BUDGETARY REPORTING. In the context of financial reporting, requirement to present budgetary comparisons in connection with general purpose external financial reporting. Budgetary reporting is required in connection with the basic financial statements for both the general fund and individual major special revenue funds with annual (or biennial) appropriated budgets. Budgetary reporting also is required within the CAFR to demonstrate compliance at the legal level of control for all governmental funds with annual (or biennial) appropriated budgets.

BOARD OF EDUCATION. The seven-member Board of Education is an elected body that has been created according to state statute, and vested with responsibility for educational activities in the School District.

Glossary of Terms and Acronyms (Continued)

BOND. A bond is a written promise to pay a specific sum of money, called the face value or principal amount, at a specified date or dates in the future, called the maturity date, and with periodic interest payments at a rate specified in the bond. A bond is generally issued for a specific purpose or project, such as construction of a new facility. The difference between a note and a bond is that a bond generally is for a longer period of time, and requires greater legal formality.

BONDED DEBT. Bonded debt is part of the School District debt that is covered by outstanding bonds of the District. This is sometimes called “funded debt.”

BONDS ISSUED. Bonds issued are reflected when bonds are sold.

BUDGET. The budget is a plan of financial operation embodying an estimate of proposed revenues and expenditures for a given period or purpose, and the proposed means of financing those expenditures. The budget is a legal document once it has been approved by the Board of Education.

BUDGETARY CONTROL. Budgetary control is the management of the business affairs of the District in accordance with an approved budget, with the responsibility to keep expenditures within the authorized amounts.

BUILDINGS. Facilities permanently affixed to the land, including their associated heating and air conditioning systems, electrical and sound systems, plumbing and sewer systems, elevators, and other fixed equipment.

CAPITAL ASSETS. Land, improvements to land, easements, buildings, building improvements, vehicles, machinery, equipment, works of art and historical treasures, infrastructure, and all other tangible or intangible assets that are used in operations and that have initial useful lives extending beyond a single reporting period.

CAPITALIZATION THRESHOLD. Dollar value at which a government elects to capitalize tangible or intangible assets that are used in operations and that have initial useful lives extending beyond a single reporting period. Generally, capitalization thresholds are applied to individual items rather than groups of items unless the result would be to exclude items that in the aggregate would clearly be material to the financial statements.

CASH. Includes not only currency on hand, but also demand deposits with banks or other financial institutions. Cash also includes deposits in other kinds of accounts or cash management pools that have the general characteristics of demand deposits.

CASH BASIS OF ACCOUNTING. Basis of accounting that recognizes transactions or events when related cash amounts are received or disbursed.

CASH EQUIVALENT. Short-term, highly liquid investments that are both 1) readily convertible to known amounts of cash and 2) so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. Generally, only investments with original maturities of three months or less meet this definition. For this purpose, “original maturity” means maturity as of the date the investment is acquired.

Glossary of Terms and Acronyms (Continued)

COMMITTED FUND BALANCE. The portion of the net position of a governmental fund that represents resources whose use is subject to a legally binding constraint that is imposed by the government itself at its highest level of decision-making authority and that remains legally binding unless removed in the same manner.

COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR). Financial report that contains, at a minimum, three sections: 1) introductory, 2) financial, and 3) statistical, and whose financial section provides information on each individual fund and component unit.

COMPREHENSIVE FRAMEWORK OF INTERNAL CONTROL. Structure of internal control that provides for 1) a favorable control environment, 2) the continuing assessment of risk, 3) the design, implementation, and maintenance of effective control-related policies and procedures, 4) the effectiveness communication of information, and 5) the ongoing monitoring of the effectiveness of control-related policies and procedures as well as the resolution of potential problems identified by controls.

COST-SHARING MULTIPLE-EMPLOYER DEFINED BENEFIT PENSION/OPEB PLAN. Plan in which a single actuarial valuation and contribution rate apply to all participating employers.

CURRENT FINANCIAL RESOURCES MEASUREMENT FOCUS. Measurement focus where the aim of a set of financial statements is to report the near-term (current) inflows, outflows, and balances of expendable financial resources. The current financial resources measurement focus is unique to accounting and financial reporting for state and local governments and is used solely for reporting the financial position and results of operations of governmental funds.

CURRENT REFUNDING. Refunding transaction in which the proceeds of the refunding debt are applied immediately to redeem the debt to be refunded. This situation differs from an advance refunding, where the proceeds of the refunding bonds are placed in escrow pending the call date or maturity of the debt to be refunded.

CHART OF ACCOUNTS. A chart of accounts is a list of all accounts generally used in an accounting system. In addition to account title, the chart includes an account number which has been assigned to each account. Accounts in the chart are arranged with accounts of a similar nature; for example, assets and liabilities.

CONTINGENT LIABILITIES. Liabilities which are not now fixed and absolute but which will become so in case of the occurrence of some future and uncertain event.

CONTRACTED SERVICES. Labor, materials and other costs for services rendered by personnel who are not on the payroll of the District.

CORPORATE PERSONAL PROPERTY REPLACEMENT TAX. The corporate personal property replacement tax is collected by the Illinois Department of Revenue as a replacement for the personal property tax.

COST BENEFIT. Cost benefit analyses are those studies which provide the means for comparing the resources to be allocated to a specific program with the results likely to be obtained from it, or analyses which provide the means for comparing the results likely to be obtained from the allocation of certain resources toward the achievement of alternate or competing objectives.

Glossary of Terms and Acronyms (Continued)

COST EFFECTIVENESS. Cost effectiveness refers to the extent to which resources allocated to a specific objective under each of several alternatives actually contribute to accomplishing that objective.

CURRENT ASSETS. Current assets are cash or anything that can be readily converted into cash.

CURRENT EXPENDITURES PER PUPIL. Current expenditures for a given period of time divided by a pupil unit of measure.

CURRENT LIABILITIES. Current liabilities are debts which are payable within a short period of time, usually no longer than one year.

DEBT. An obligation resulting from the borrowing of money or from the purchase of goods and services. Debts of local education agencies include bonds, warrants and notes.

DEBT LIMIT. The maximum amount of gross or net debt that is legally permitted.

DEBT SERVICE. Debt service includes expenditures for the retirement of debt and expenditures for interest on debt, except principal and interest on current loans, which are loans payable in the same fiscal year in which the money was borrowed.

DEFERRED INFLOW OF RESOURCES. An acquisition of net position by the government that is applicable to a future reporting period.

DEFERRED OUTFLOWS OF RESOURCES. A consumption of net position by the government that is applicable to a future reporting period.

DEFINED BENEFIT PENSION PLAN. Pension plan having terms that specify the amount of pension benefits to be provided at a future date or after a certain period of time; the amount specified usually is a function of one or more factors such as age, years of service, and compensation.

DEFICIT. A deficit is a shortfall of revenues and transfers in under expenditures and transfers out.

DIRECT COSTS/EXPENSE. Expense that is specifically associated with a service, program, or department and, thus, is clearly identifiable with a particular function.

DISALLOWED COSTS. Claims for grantor resources that have been rejected by the grantor.

DISBURSEMENTS. Disbursements are the actual payments of cash by the District.

DOUBLE ENTRY ACCOUNTING. Double entry accounting is an accounting system that requires for every entry made to the debit side of an account or accounts, there must be an equal entry to the credit side of an account or accounts.

EMPLOYER CONTRIBUTIONS. Term used in the context of pension benefits and OPEB to describe actual payments made by the employer as compared to the employer's annual required contributions (ARC). Only amounts paid to trustees and outside parties qualify as contributions.

Glossary of Terms and Acronyms (Continued)

ENCUMBRANCES. Commitments related to unperformed (executor) contracts for goods and services.

EXPENDITURES. Under the current financial resources measurement focus, decreases in net financial resources not properly classified as other financing uses.

EXTERNAL AUDITORS. Independent auditors typically engaged to conduct the audit of a government's financial statements.

FEDERAL GOVERNMENT SOURCES. Federal government sources are funding provided directly from the Federal government or passed-through a third party. Expenditures made with this revenue should be identifiable as federally supported expenditures.

FINAL AMENDED BUDGET. The original budget adjusted by all reserves, transfers, allocations, supplemental appropriations, and other legally authorized legislative and executive changes applicable to the fiscal year, whenever signed into law or otherwise legally authorized.

FINANCIAL STATEMENT. A tabulation of amounts derived from accounting records and expressed in words and dollars that display either 1) the financial position of the reporting unit at a moment in time or 2) inflows and outflows of resources from transactions or other events during a period of time.

FINANCIAL STATEMENT AUDIT. Examination designed to provide independent assurance that financial statements are fairly presented.

FISCAL YEAR. The fiscal year is the year by or for which accounts are reckoned or the year between one annual time of settlement or balancing of accounts and another. It consists of a period of twelve months, not necessarily concurrent with the calendar year, with reference to which appropriations are made and expenditures are authorized and at the end of which accounts are made up and the books are closed. The District's fiscal year is the period from July 1 to June 30 of the following calendar year.

FIXED ASSETS. Fixed assets are those assets essential to continuance of proper operation of the District. They include land, buildings, machinery, furniture, and other equipment which the District intends to hold or continue to use over a long period of time.

FULL-TIME EQUIVALENT (FTE). An employee that is hired to fill a normal contract day is equivalent to one (1) full-time equivalent.

FUNCTION. Group of related activities aimed at accomplishing a major service or regulatory program for which a government is responsible.

CAPITAL OUTLAY. Capital outlay includes expenditures for the acquisition of fixed assets or additions to fixed assets. These are expenditures for land or existing buildings, improvements of grounds, construction of buildings, additions to buildings, remodeling of buildings, initial equipment, additional equipment, and replacement of equipment.

DEBT SERVICE. Debt service payments include payments for principal and interest on the long-term debt of the District.

Glossary of Terms and Acronyms (Continued)

FUNCTION (Continued).

INSTRUCTION. Instruction consists of those activities dealing with the teaching of students. Included within the instruction function are regular programs, special programs, and other instructional programs.

INTERGOVERNMENTAL. Intergovernmental includes payments to other governmental entities.

SUPPORT SERVICES. Support services include services that provide administrative, technical (e.g., guidance and health), and logistical support to facilitate and enhance instruction. Support services are adjuncts to the fulfillment of the objectives of instruction.

NON-PROGRAMMED CHARGES. Non-programmed charges include all payments to other districts.

FUND. A fund is a separate accounting entity with a self-balancing set of accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. District resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available resources. Following are the funds used by the District.

AGENCY FUND. One of four types of fiduciary funds. Agency funds are used to report resources held by the reporting government in a purely custodial capacity (assets = liabilities). Agency funds typically involve only the receipt, temporary investment, and remittance of fiduciary resources to individuals, private organizations, or other governments.

CAPITAL PROJECTS FUND. The Capital Projects Fund is used to account for proceeds resulting from building bonds, receipts from other long-term financing agreements, or construction or maintenance grants used to finance a capital project, capital lease, lease purchase agreement, or if a tax is levied in accordance with Section 17-2.3 of the School Code.

DEBT SERVICE FUND. The Debt Service Fund is used to account for revenues and related expenditures to retire bond principal or to pay bond interest, or if other revenue is pledged to pay principal, interest, or service charges on other long-term debt instruments. Governmental fund type used to account for accumulations of resources that are restricted, committed, or assigned to expenditure for principal and interest. [See 105 ILCS 5/Art. 19]

DEVELOPERS FEES FUND. The Developers Fees Fund is used to account for the proceeds derived from developers' fees and the expenditure of those funds.

EDUCATIONAL FUND. The Educational Fund is the general operating fund of the District. It is used to account for all financial transactions not accommodated by another specific fund. This fund is primarily used for most of the instructional and administrative aspects of the District's operations. [See 105 ILCS 5/17-2]

Glossary of Terms and Acronyms (Continued)

FUND (Continued).

FIRE PROTECTION AND SAFETY FUND. The Fire Protection and Safety Fund is used to account for expenditures for fire prevention, safety, energy conservation, or school security, and the revenues supporting those expenditures. [See ILCS 5/2-3.12 and 17-2.11]

IMRF/SOCIAL SECURITY FUND. The IMRF/Social Security Fund is used to account for property tax revenues and related expenditures for contributions to the Illinois Municipal Retirement Fund (IMRF), Social Security, and Medicare. [See 105 ILCS 5/17-1, 21-110, and 21-110.1]

OPERATIONS AND MAINTENANCE FUND. The Operations and Maintenance Fund is used to account for expenditures for the improvement, maintenance, repair, or benefit of buildings and property, including the cost of interior decorating and the installation, improvement, repair, replacement, and maintenance of building fixtures; rental of buildings and property, payment of all premiums for insurance upon building and building fixtures; all costs of lights, gas, water, telephone service, custodial supplies and equipment, and professional surveys of District property. [See 105 ILCS 5/17-2 and 17-7]

TORT IMMUNITY AND JUDGEMENT FUND. The Tort Immunity and Judgment Fund is used to pay for settlements or judgments, for protecting the District or its employees against liability, property damage or loss, and for risk care management programs.

TRANSPORTATION FUND. The Transportation Fund is used to account for the costs associated with transporting students for any purpose. All costs of transportation, other than those authorized by statute to be paid from another fund, shall be paid by this fund. Any funds received for transportation purposes must be deposited into this fund, with amounts due other funds appropriately transferred thereafter.

WORKING CASH FUND. The purpose of the Working Cash Fund is to enable the District to have in its treasury at all times sufficient money to meet demands for ordinary and necessary expenditures. [See 105 ILCS 5/Art. 20]

FUND BALANCE. Net position of a governmental fund (difference between assets, liabilities, deferred outflows of resources, and deferred inflows of resources).

FUND BALANCE POLICY. Policy to maintain fund balance at a predetermined target level.

FUND EQUITY. The fund equity is the balance of a fund after all liabilities have been deducted from the assets of the fund.

GENERAL OBLIGATION REFUNDING BONDS. Bonds issued to retire bonds already outstanding. The refunding bonds may be sold for cash and outstanding bonds redeemed in cash, or the refunding bond may be exchanged with the holders of the outstanding bonds.

GOVERNMENTAL ACCOUNTING STANDARDS BOARD (GASB). Ultimate authoritative accounting and financial reporting standard-setting body for state and local governments. The GASB was established in June 1984 to replace the NCGA.

Glossary of Terms and Acronyms (Continued)

GOVERNMENTAL ACTIVITIES. Activities generally financed through taxes, intergovernmental revenues, and other Nonexchange revenues. These activities are usually reported in governmental funds and internal service funds.

IMPACT FEES. Fees charged to developers to cover, in whole or in part, the anticipated cost of improvements that will be necessary as a result of the development (e.g. sidewalks).

INCURRED BUT NOT REPORTED (IBNR) CLAIMS. In the context of risk financing, claims for insured events that have occurred but have not yet been reported to the governmental entity, public entity risk pool, insurer, or reinsurer as of the date of the financial statements. IBNR claims include 1) known loss events that are expected to be presented later as claims, 2) unknown loss events that are expected to become claims, and 3) expected future development on claims already reported.

INDEPENDENT AUDITOR. Auditors who are independent, both in fact and appearance, of the entities they audit. Both GAAS and GAGAS set specific criteria that must be met for an auditor to be considered independent.

INDIRECT COSTS/EXPENSE. Expenses that cannot be specifically associated with a given service, program, or department and thus, cannot be clearly associated with a particular function.

INTERFUND ACTIVITY. Activity between funds of the primary government, including blended component units. Interfund activities are divided into two broad categories: reciprocal and nonreciprocal. Reciprocal interfund activity comprises interfund loans and interfund services provided and used. Nonreciprocal interfund activity comprises interfund transfers and interfund reimbursements.

INTERFUND LOAN. Amounts provided between funds and blended component units of the primary government with a requirement for repayment.

INTERFUND TRANSFERS. Flows of assets (such as cash or goods) between funds and blended component units of the primary government without equivalent flows of assets in return and without a requirement for repayment.

INTERNAL CONTROL. The purpose of internal control is to safeguard the use of public funds and to protect the public trust on behalf of the District. Internal controls are those activities and organizational preparations designed to ensure effective accounting control over assets, liabilities, revenues, expenditures, and any other activities associated with the finance and accounting actions of the District. Some of the precautions instituted by internal control are insuring that no single individual can perform a complete cycle of financial operations and that procedures of the finance and accounting system are clearly identified and monitored. Internal control also requires designated levels of authorization for all actions under the system.

INVESTMENTS. Investments are securities or other properties in which money is held, either temporarily or permanently, in expectation of obtaining revenues. Legal investments for District funds are governed by state statute, which allows for funds belonging to or in the custody of the District to be invested. Bonds, treasury bills, certificates of deposit, and short-term discount obligations issued by the Federal National Mortgage Association of the types of investments which are permitted by law.

Glossary of Terms and Acronyms (Continued)

LEGAL DEBT MARGIN. Excess of the amount of debt legally authorized over the amount of debt outstanding.

LEGAL LEVEL OF BUDGETARY CONTROL. Level at which a government's management's may not reallocate resources without approval from the legislative body.

LIABILITIES. Present obligations to sacrifice resources that the government has little or no discretion to avoid.

MODIFIED ACCRUAL BASIS OF ACCOUNTING. Basis of accounting used in conjunction with the current financial resources measurement focus that modifies the accrual basis of accounting in two important ways: 1) revenues are not recognized until they are measurable and available and 2) expenditures are recognized in the period in which governments in general normally liquidate the related liability rather than when that liability is first incurred (if earlier).

NET POSITION. The residual of all other financial statement elements presented in a statement of financial position.

NET EXPENDITURE. A net expenditure is the actual cost incurred by the District for some service or object after the deduction of any discounts, rebates, reimbursements, or revenue produced by the service or activity.

NET REVENUE. Net revenue is defined as the balance remaining after deducting from the gross revenue for a given period all expenditures during that same period.

OBJECT. The term object applies to expenditure classifications and designates materials or services purchased. Expenditures are grouped by major objects, such as salaries, purchased services, or materials and supplies, and are further divided as needed for cost accounting and control purposes.

CAPITAL OUTLAY. Capital outlay includes expenditures for the acquisition of fixed assets or additions to fixed assets. These are expenditures for land or existing buildings, improvements of grounds, construction of buildings, additions to buildings, remodeling of buildings, initial equipment, additional equipment, and replacement of equipment.

CONTINGENCY, TUITION AND NON-CAPITALIZED EQUIPMENT. Contingency includes an amount set-aside in the budget to provide for unforeseen items when the budget was developed. Tuition includes expenditures to reimburse other educational agencies for services rendered to students residing within the legal boundaries for our District. Non-capitalized equipment includes items that would normally be classified as capital assets except that they cost more than \$500 but less than the District's capitalization threshold.

EMPLOYEE BENEFITS. Employee benefits include amounts paid by the District on behalf of employees. These amounts are not included in gross salary, but are over and above it. Payments such as fringe benefits, while not paid directly to employees, nevertheless are a part of the cost of employees.

OTHER EXPENDITURES. Other expenditures include those items that are not recorded in any of the other objects.

Glossary of Terms and Acronyms (Continued)

OBJECT. (Continued)

PURCHASED SERVICES. Purchased services include amounts paid for personal services rendered by personnel who are not on the District's payroll, and other services the District may purchase.

SALARIES. Salaries include amounts paid to permanent, temporary, or substitute employees on the District's payroll. This includes gross salary for personal service rendered while on the payroll of the District.

SUPPLIES AND MATERIALS. Supplies and materials include amounts paid for material items of an expendable nature that are consumed, worn out, or deteriorated in use, or items that lose their identity through fabrication or incorporation into different or more complex units or substances.

ON BEHALF PAYMENTS. Contributions made to TRS and THIS by the State of Illinois on behalf of the employer.

OTHER FINANCING SOURCES. Increase in the net position of a governmental fund other than revenues. Only items identified as other financing uses in authoritative accounting standards may be classified as such.

OTHER FINANCING USES. Decreases in the net position of a governmental fund other than expenditures. Only items identified as other financing uses in authoritative accounting standards may be classified.

OTHER POSTEMPLOYMENT BENEFITS (OPEB). Postemployment benefits other than pension benefits. OPEB include postemployment healthcare benefits, regardless of the type of plan that provides them, and all postemployment benefits provided separately from a pension plan, excluding benefits defined as termination offers and benefits.

PERFORMANCE BUDGET. A budget that is structured to allow for expenditure analysis based upon measurable performance of predetermined objectives established by each activity.

PERSONNEL, ADMINISTRATIVE. District personnel who are primarily engaged in activities that have as their purpose the general regulation, direction, and control of the affairs of the District. Administrative certification is required.

PERSONNEL, CLASSIFIED. The terms "classified employees" or "classified personnel" are personnel who hold a position of employment for which certification is not required. The term includes, but is not limited to, individuals who hold positions in the following areas of employment: secretarial, custodial, food services, maintenance, transportation, support personnel, public relations, financial, IT services, and purchasing.

PERSONNEL, INSTRUCTIONAL. District personnel who render services dealing directly with the instruction of pupils. School District U-46 requires a State of Illinois Teaching Certificate endorsed by the Kane County Regional Office of Education.

PREPAID EXPENDITURES. Expenditures entered in the accounts for benefits not yet received. Prepaid expenditures differ from deferred charges in that they are spread over a shorter period of time than deferred charges and are regularly recurring costs of operation.

Glossary of Terms and Acronyms (Continued)

PROPERTY TAX LEVY. The total of taxes or special assessments imposed by a governmental unit which is the product of a specific tax rate and the assessed valuation.

PROPERTY TAX RATE. A statement in dollars and cents, expressed per each \$100 of assessed valuation that will yield a specified amount of money from property taxes.

PROGRAM. Group activities, operations, or organizational units directly attaining specific purposes or objects.

RECEIPT. The actual receipt of cash.

RESTRICTED FUND BALANCE. The portion of the net position of a governmental fund that represents resources subject to externally enforceable constraints.

REVENUES. Additions to assets which do not increase any liabilities, do not represent the recovery of an expenditure, do not represent the cancellation of certain liabilities without a corresponding increase in other liabilities or a decrease in assets.

SCHOOL BUDGET. A financial plan considering both revenue and expenditures necessary to meet the educational program of a school district. The budget is for one fiscal year.

SCHOOL BUDGET YEAR. The school budget year is a twelve-month period commencing July 1 of one calendar year, and ending June 30 of the following calendar year.

TAX RATE. An amount of tax stated in terms of a unit of the tax base.

UNASSIGNED FUND BALANCE. The difference between total fund balance in a government fund and its nonspendable, restricted, committed, and assigned components.

UNEARNED REVENUE. A liability for resources obtained prior to revenue recognition.



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