

SCHOOL DISTRICT U-46 ELGIN, ILLINOIS

ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2013



Assurance ■ Tax ■ Consulting

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

**ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2013**

Prepared By

Finance Department

SCHOOL DISTRICT U-46

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SCHOOL DISTRICT U-46

Principal Officials

BOARD OF EDUCATION

	<u>Position</u>	<u>Term Expires</u>
Donna Smith	President	2017
Amy Kerber	Vice President	2015
Traci O'Neal Ellis	Secretary Pro-Tempore	2015
Maria Bidelman	Member	2015
Jennifer Shroder	Member	2015
Veronica Noland	Member	2017
Frank Napolitano	Member	2017
Cesar Dimas	Student Advisor	2014

SUPERINTENDENT AND EXECUTIVE STAFF

Dr. Jose M. Torres	Superintendent of Schools
Miguel Rodriguez	Chief Legal Officer
Ushma Shah	Assistant Superintendent, Elementary Education
Tony Sanders	Chief of Staff
Barbara Johnson	Assistant Superintendent, Secondary Education
Jeffrey King	Chief Operating Officer
Ron Raglin	Chief of Equity and Social Justice

OFFICIALS ISSUING REPORT

Dale Burnidge	Director of Financial Operations
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DIVISION ISSUING REPORT

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



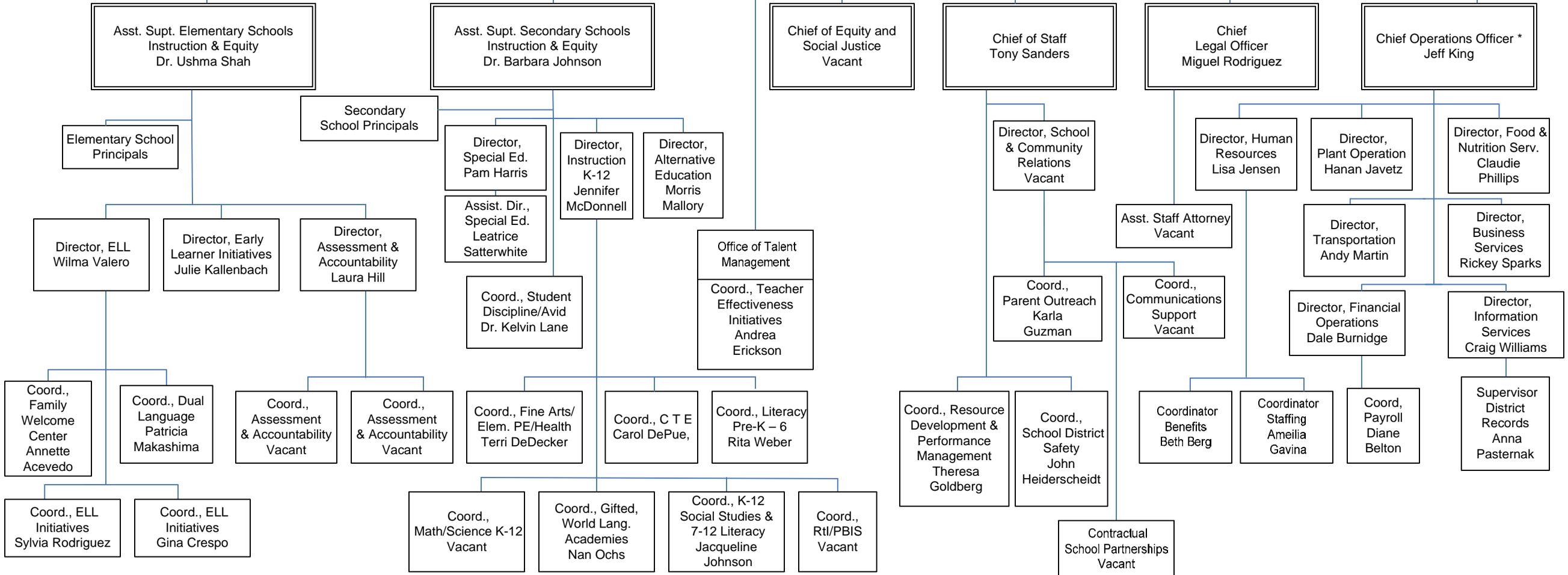
School District U-46
 Organization Chart
 2012-2013
 July 11, 2012

District U-46
 Communities

Board of Education

Superintendent of Schools
 Dr. José M. Torres

Instruction **Support Services**



* QMS
 Management
 Representative

Independent Auditor's Report



Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of School District U-46, Elgin, Illinois (the District) as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of School District U-46, Elgin, Illinois, as of June 30, 2013, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3-12, schedules of funding progress on pages 50-51 and budgetary schedules on pages 52-53 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

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

McGladrey LLP

Chicago, Illinois
December 13, 2013

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

SCHOOL DISTRICT U-46

Management's Discussion and Analysis
For the Year Ended June 30, 2013

The discussion and analysis of Elgin School District U-46's (the District) financial performance provides an overall review of the District's financial activities for the year ended June 30, 2013. The management of the District encourages readers to consider the information presented herein in conjunction with the basic financial statements to enhance their understanding of the District's financial performance. Certain comparative information between the current year and the prior is required to be presented in the Management's Discussion and Analysis (the MD&A).

Financial Highlights

- The assets of the District exceeded its liabilities at the close of the fiscal year by \$134,254,514 (net position). Of this amount, a deficit of (\$28,795,357) represents unrestricted net position.
- In total, net position increased by \$20,813,082, which represents an 18.3% overall increase from the prior year. This increase was primarily the result of higher than expected revenue from State sources, and lower than expected expenses.
- General revenues were \$355,222,171 or 70.7% of all revenues. Program specific revenues, in the form of charges for services and grants, were \$147,228,242 or 29.3% of total revenues of \$502,450,413.
- Overall, the combined revenues of the District's governmental funds were \$2,929,918 less than expenditures. After adding net other financing sources, fund balances increased by \$4,898,609. This operating surplus increased the District's governmental funds' combined fund balance by 3.2% to \$158,626,364 from \$153,727,755 in the prior year.

Overview of the Financial Statements

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

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

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

SCHOOL DISTRICT U-46

Management's Discussion and Analysis (Continued)
For the Year Ended June 30, 2013

Government-wide financial statements

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

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

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

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

Fund financial statements

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

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

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

SCHOOL DISTRICT U-46

Management's Discussion and Analysis (Continued)
For the Year Ended June 30, 2013

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

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

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

Notes to the financial statements

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

Other information

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

District-Wide Financial Analysis

The District's net position increased by \$20.8 million or 18.4% compared to the prior year. At year-end, total net position was \$134.3 million (see Table 1).

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

- The weakened economy in the state of Illinois continues to cause a delay in the District receiving revenue from the state.
- The District continued to use bond proceeds to construct, improve and expand its facilities, spending \$25,400,000 on capital asset additions.
- The District's expenditures to maintain and operate the facilities within Board policy and guidelines continue to exceed its primary revenues, forcing the District to fund the increase with new debt and available net position. In an effort to continually monitor and contain total operating costs of the District, the District performed efficiency audits that highlighted various areas of cost containment reduction.

SCHOOL DISTRICT U-46

Management's Discussion and Analysis (Continued)
For the Year Ended June 30, 2013

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

	Governmental Activities		Percentage Change
	2013	2012	
Assets			
Current and other assets	\$ 389.6	\$ 375.4	3.8%
Capital assets	381.6	371.1	2.8%
Total assets	771.2	746.5	3.3%
Liabilities			
Long-term liabilities	437.4	445.0	(1.7)%
Other liabilities	199.5	188.1	6.1%
Total liabilities	636.9	633.1	0.6%
Net Position			
Net investment in capital assets	141.4	115.4	22.5%
Restricted	21.7	81.4	(73.3)%
Unrestricted	(28.8)	(83.4)	(65.5)%
Total net position	\$ 134.3	\$ 113.4	18.4%

SCHOOL DISTRICT U-46

Management's Discussion and Analysis (Continued)
 For the Year Ended June 30, 2013

Table 2, Changes in Net Position, illustrates in summary form revenues and expenses from FY 2013 and the increase in net position of \$20.9 million. Comparative data from FY 2012 is also illustrated.

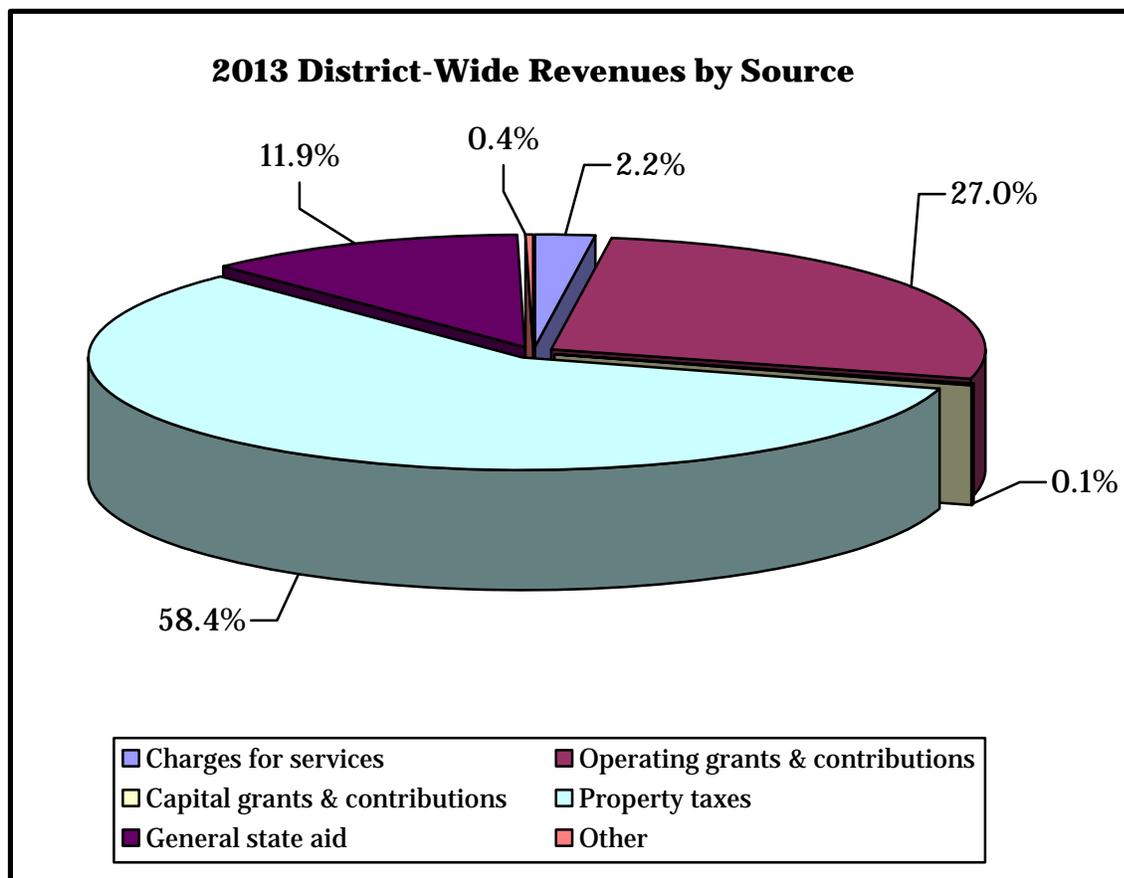
Table 2
Changes in Net Position
 (in millions of dollars)

	Governmental Activities		Percentage Change
	2013	2012	
Revenues			
Program revenues			
Charges for services	\$ 11.3	\$ 12.1	(6.6)%
Operating grants and contributions	135.6	122.5	10.7%
Capital grants and contributions	0.3	0.2	50.0%
General revenues			
Property and replacement taxes	293.1	294.3	(0.4)%
General state aid	60.0	66.2	(9.4)%
Other	2.2	1.3	69.2%
Total revenues	502.5	496.6	1.2%
Expenses			
Instruction	258.2	248.1	4.1%
Support services	197.6	191.5	3.2%
Community services	4.2	3.9	7.7%
Debt service - interest and fees	21.6	21.2	1.9%
Total expenses	481.6	464.7	3.6%
Increase in net position	\$ 20.9	\$ 31.9	N/A

SCHOOL DISTRICT U-46

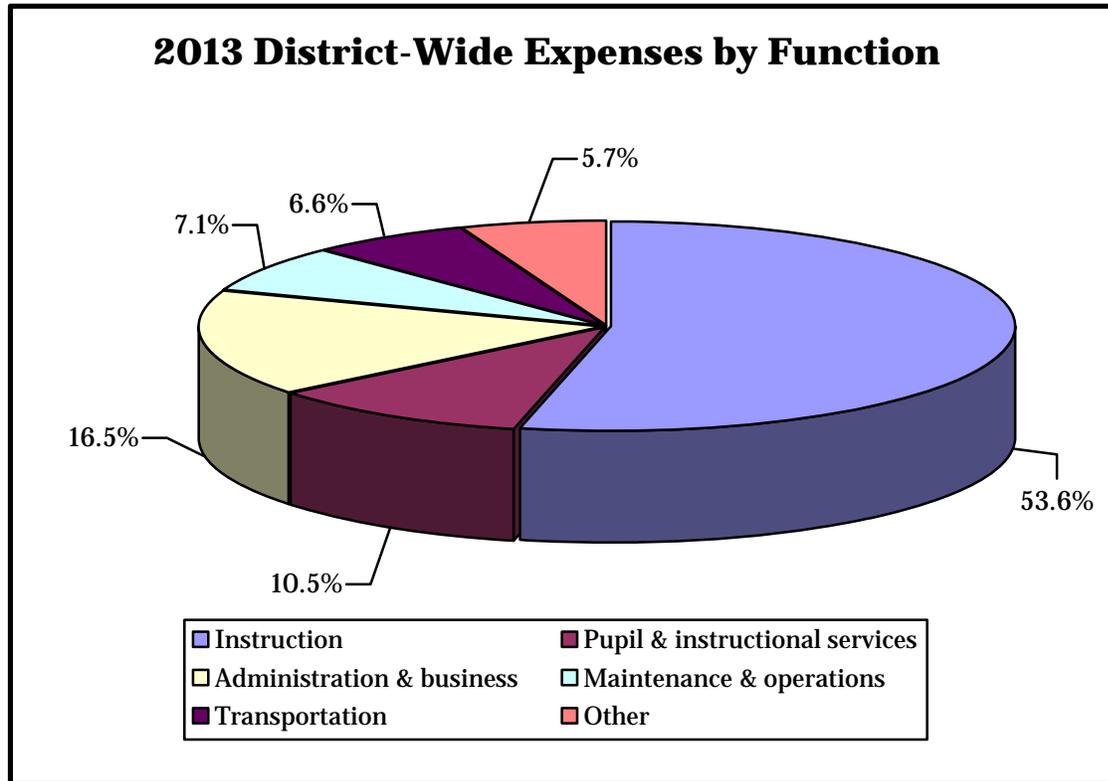
Management's Discussion and Analysis (Continued)
For the Year Ended June 30, 2013

The District's total revenues were \$502.5 million. General revenues, including taxes and general state aid were 70.7% of the total or \$355.3 million. Property taxes (other than for debt service) decreased \$1,512,357 over the prior year or 0.4%. This was due to prior year adjustments based on lower equalized assessed valuations. Grants and contributions for specific programs and general state aid brought in \$207.2 million, a 9.8% increase from the prior year. The total cost of all programs and services in 2013 was \$481.6 million. The District's expenses are predominantly related to instruction and support services (caring for and transportation of students, etc.). These expenses accounted for 94.6% of the total (see Table 2). The District's other activities were 5.4% of total costs. Total revenues on the statement of activities surpassed expenses, increasing net position by \$20.9 million from the prior year.



SCHOOL DISTRICT U-46

Management's Discussion and Analysis (Continued)
For the Year Ended June 30, 2013



Financial Analysis of the District's Funds

As the District completed the year, its governmental funds reported combined fund balances of \$158,626,364. Revenues for the District's governmental funds were \$503,502,736, while total expenditures were \$506,432,654.

The General Fund experienced a current year operating surplus after net other financing sources of \$2,038,566. This surplus resulted in an increase in the year-end fund balance to \$146,973,908.

The fund balance of the Transportation Fund increased by \$4,934,434 as total revenue, due to additional payments from state grants, was greater than the current year costs for pupil transportation when excluding capital outlay.

The fund balance of the Debt Service Fund increased by \$1,869,824.

SCHOOL DISTRICT U-46

Management's Discussion and Analysis (Continued)
For the Year Ended June 30, 2013

General Fund Budgetary Highlights

While the District's budget for the General Fund anticipated that expenditures would exceed revenues by \$7,384,548 before other financing sources (uses), the actual result for the year was an excess of revenues over expenditures of \$3,398,680. State and federal sources were over budget by a combined \$21,459,919 as expected grant revenues and state on-behalf payments exceeded budget. Property taxes were \$209,762 less than budget. Expenditures came in over budget by \$9,694,852 or 2.4%. This was primarily due to higher than anticipated on-behalf payments from the State by approximately \$9.2 million.

Capital Asset and Debt Administration

Capital assets

Table 3 illustrates capital assets, net of depreciation:

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

	2013	2012	Percentage Change
Land	\$ 27.7	\$ 27.7	0.0%
Construction in progress	5.2	2.8	85.7%
Buildings	340.0	338.0	0.6%
Transportation equipment	7.4	1.4	428.6%
Other equipment	1.3	1.2	8.3%
Total	<u>\$ 381.6</u>	<u>\$ 371.1</u>	<u>2.8%</u>

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

Long-term debt

Table 4 on the following page illustrates the District's outstanding long-term debt. The District did not issue any new bond debt in FY 2013. The balance of bond debt was reduced by the repayment of existing bond debt of \$28.4 million. The District's other long-term debt increased by nearly \$20.8 million related to accreted interest on capital appreciation bonds, increases in outstanding purchase contracts, and other post-employment benefits and claims. Additional information is available in Note 5 – Long-Term Obligations.

The District is subject to the Illinois School Code, which limits the amount of bond indebtedness to 13.8% of the most recent available equalized assessed valuation of the District. As of June 30, 2013, the statutory debt limit for the District was \$640,849,563 providing a debt margin of \$363,977,345.

SCHOOL DISTRICT U-46

Management's Discussion and Analysis (Continued)
For the Year Ended June 30, 2013

The ratio of general bonded debt to assessed valuation and the amount of bonded debt per capita are useful indicators of the District's debt position to District management, citizens, and investors. These indicators for the District at the end of fiscal year 2013 were 1.89 percent and \$1,099, respectively. Due to the decline in net general bonded debt, the general bonded debt to assessed valuation decreased compared to fiscal year 2012 in which the ratio was 1.92 percent. The bonded debt per capita decreased from fiscal year 2012 when it was \$1,225.

Table 4
Outstanding Long-Term Obligations
(in millions)

	2013	2012	Percentage Change
General obligation bonds/Debt Certificates	\$ 291.7	\$ 320.5	(9.0)%
Other	145.7	124.5	17.0%
Total	\$ 437.4	\$ 445.0	(1.7)%

Factors Impacting the District's Future

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

- The Illinois General Assembly has imposed property tax legislation on school districts to give property taxpayers some relief by delaying tax increases each year. The legislation limits the tax levy increase to the lesser of the consumer price index (CPI) or five percent, and in Cook County, mandates the use of prior year equalized assessed valuation (EAV) amounts to generate property tax receipts. This "tax cap" continues to limit the District's tax collection ability.
- Because the State does not provide an ongoing capital improvements budget plan, in the future, the District will be forced to issue additional debt to address the improvements needed for its aging facilities. As can be seen in Table 1, at the end of the current fiscal year, the largest portion of the District's net position reflects its investment in capital assets (e.g., land, buildings, and equipment), less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets are reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.
- The current economy in the state continues to affect the District's state funding levels and timing of state receipts. The General State Aid formula was funded at 89% in fiscal year 2013.

SCHOOL DISTRICT U-46

Management's Discussion and Analysis (Continued)
For the Year Ended June 30, 2013

Requests for Information

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

BASIC FINANCIAL STATEMENTS

School District U-46

Statement of Net Position
June 30, 2013

	Governmental Activities
Assets	
Cash and investments	\$ 186,686,504
Property taxes receivable, net of allowance	153,812,351
Replacement taxes receivable	716,222
Grants receivable	45,725,185
Accounts receivable	646,899
Inventory	88,099
Prepays	926,390
Bond issuance costs	1,009,112
Capital assets not being depreciated	32,893,008
Capital assets being depreciated, net of accumulated depreciation	348,667,176
	<hr/>
Total assets	\$ 771,170,946
	<hr/> <hr/>
Liabilities and Net Position	
Liabilities	
Accounts payable	\$ 6,829,782
Accrued payroll	30,570,979
Payroll deductions	5,201,052
Insurance claims payable	3,902,662
Accrued interest	3,183,663
Unearned property tax revenue	148,818,587
Unearned other revenue	993,448
Long-term liabilities, due within one year	42,103,630
Long-term liabilities, due in more than one year	395,312,629
	<hr/>
Total liabilities	636,916,432
	<hr/>
Commitments (Note 11)	
Net Position	
Net investment in capital assets	141,336,967
Restricted for:	
Grant and donor programs	1,159,502
Debt service	20,553,402
Unrestricted deficit	(28,795,357)
	<hr/>
Total net position	134,254,514
	<hr/>
Total liabilities and net position	\$ 771,170,946
	<hr/> <hr/>

See Notes to Basic Financial Statements.

School District U-46

Statement of Activities
Year Ended June 30, 2013

Functions/Programs	Expenses	Program Revenue			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
Instruction:					
Regular programs	\$ 159,832,952	\$ 4,306,692	\$ 56,643,261	\$ -	\$ (98,882,999)
Special programs	45,013,457	96	39,868,504	-	(5,144,857)
Other instructional programs	53,371,025	671,584	6,142,295	-	(46,557,146)
Total instruction	258,217,434	4,978,372	102,654,060	-	(150,585,002)
Support services:					
Pupils	34,560,394	-	3,919,698	-	(30,640,696)
Instructional staff	15,818,248	-	1,823,404	-	(13,994,844)
General administration	19,146,851	-	2,232,166	-	(16,914,685)
School administration	27,992,117	-	3,236,470	-	(24,755,647)
Business	32,515,833	603,076	4,243,367	-	(27,669,390)
Facilities acquisition and construction	1,020,435	-	-	287,448	(732,987)
Transportation	31,579,650	1,894,652	1,121,440	-	(28,563,558)
Food service	18,987,979	3,853,180	14,253,079	-	(881,720)
Central	14,274,661	-	1,658,909	-	(12,615,752)
Other support services	1,753,291	-	-	-	(1,753,291)
Total support services	197,649,459	6,350,908	32,488,533	287,448	(158,522,570)
Community services	4,166,826	-	468,921	-	(3,697,905)
Debt service - interest and fees	21,603,612	-	-	-	(21,603,612)
Total governmental activities	\$ 481,637,331	\$ 11,329,280	\$ 135,611,514	\$ 287,448	(334,409,089)
General revenues:					
Taxes:					
Property taxes, general purposes					246,568,726
Property taxes, debt service					42,783,761
Replacement taxes and other payment in lieu of taxes					3,774,777
Unrestricted state grants					59,961,675
Interest and investment earnings					282,805
Other general revenues					1,850,427
Total general revenues					355,222,171
Change in net position					20,813,082
Net position:					
Beginning of year					113,441,432
End of year					\$ 134,254,514

See Notes to Basic Financial Statements.

School District U-46

**Balance Sheet
Governmental Funds
Year Ended June 30, 2013**

	Major Funds			Nonmajor Governmental Funds	Total Governmental Funds
	General Fund	Transportation Fund	Debt Service Fund		
Assets					
Cash and investments	\$ 157,456,722	\$ 400	\$ 22,993,691	\$ 6,235,691	\$ 186,686,504
Property taxes receivable, net of allowance	120,302,613	5,161,306	22,896,600	5,451,832	153,812,351
Grants receivable	26,588,673	19,136,512	-	-	45,725,185
Replacement taxes receivable	-	-	-	716,222	716,222
Accounts receivable	569,865	77,034	-	-	646,899
Due from other funds	20,926,899	-	-	-	20,926,899
Inventory	88,099	-	-	-	88,099
Prepays	926,390	-	-	-	926,390
Total assets	\$ 326,859,261	\$ 24,375,252	\$ 45,890,291	\$ 12,403,745	\$ 409,528,549
Liabilities and Fund Balances (Deficits)					
Liabilities					
Accounts payable	\$ 5,699,715	\$ 279,630	\$ -	\$ 850,437	\$ 6,829,782
Accrued payroll	30,356,325	214,654	-	-	30,570,979
Payroll deductions	4,679,369	-	-	521,683	5,201,052
Insurance claims payable	3,902,662	-	-	-	3,902,662
Deferred property tax revenue	116,396,797	4,993,736	22,153,226	5,274,828	148,818,587
Deferred grant revenue	17,857,037	15,801,739	-	-	33,658,776
Deferred other revenue	993,448	-	-	-	993,448
Due to other funds	-	19,223,061	-	1,703,838	20,926,899
Total liabilities	179,885,353	40,512,820	22,153,226	8,350,786	250,902,185
Fund balances (deficits)					
Nonspendable	1,014,489	-	-	-	1,014,489
Restricted	297,756	-	23,737,065	5,142,983	29,177,804
Unassigned	145,661,663	(16,137,568)	-	(1,090,024)	128,434,071
Total fund balances (deficits)	146,973,908	(16,137,568)	23,737,065	4,052,959	158,626,364
Total liabilities and fund balances	\$ 326,859,261	\$ 24,375,252	\$ 45,890,291	\$ 12,403,745	\$ 409,528,549

See Notes to Basic Financial Statements.

School District U-46

**Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Position
June 30, 2013**

Total fund balances - governmental funds	\$	158,626,364
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Amounts reported for governmental activities in the statement of net position are different because:

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

Capital assets	\$ 619,407,113	
Accumulated depreciation	(237,846,929)	
Net capital assets		381,560,184

Interest on long-term debt is not accrued in governmental funds, but rather is recognized when due.		(3,183,663)
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Certain revenues that are deferred in the fund financial statements because they are not available, are recognized as revenue in the government wide financial statements.		33,658,776
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Costs related to the issuance of long-term debt are recorded as expenditures when incurred in governmental funds, but are capitalized and amortized over the life of the debt issue in the statement of net assets.		1,009,112
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Some liabilities reported in the statement of net position do not require the use of current financial resources and therefore are not reported as liabilities in the governmental funds. These liabilities consist of:

General obligation bonds	(287,505,995)	
Accreted interest on long-term debt	(115,418,498)	
General obligation debt certificates	(4,200,013)	
Purchase contracts	(8,903,276)	
Compensated absences	(360,662)	
Other post employment benefits	(5,416,500)	
IMRF pension obligation	(480,964)	
Claims incurred but not reported	(15,707,626)	
Unamortized premiums related to debt issuance	(4,005,986)	
Unamortized discounts related to debt issuance	355,696	
Deferred loss on refunding	4,227,565	
		(437,416,259)

Net position of governmental activities	\$	<u><u>134,254,514</u></u>
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See Notes to Basic Financial Statements.

School District U-46

Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits)
Governmental Funds
Year Ended June 30, 2013

	Major Funds		
	General Fund	Transportation Fund	Debt Service Fund
Revenues:			
Property taxes	\$ 228,245,315	\$ 8,654,764	\$ 42,783,761
Replacement taxes and other payments in lieu of taxes	22,500	-	-
Charges for services	8,734,371	1,877,958	-
Earnings on investments	274,741	85	473
Impact fees, rentals and other local sources	1,999,238	-	-
State grants-in-aid	92,382,727	16,427,268	-
Federal grants-in-aid	35,700,980	-	-
State on-behalf of payments	52,723,457	-	-
Total revenues	420,083,329	26,960,075	42,784,234
Expenditures:			
Current:			
Instruction:			
Regular programs	128,556,608	-	-
Special programs	34,874,244	-	-
Other instructional programs	42,699,592	-	-
Intergovernmental state on-behalf of payments	52,723,457	-	-
Support services:			
Pupils	26,431,868	-	-
Instructional staff	12,481,611	-	-
General administration	15,398,801	-	-
School administration	21,631,673	-	-
Business	24,803,490	-	-
Facilities acquisition and construction	580,676	-	-
Transportation	1,473,616	21,250,262	-
Food service	15,353,278	-	-
Central	10,962,063	-	-
Other support services	1,685,629	-	-
Community services	3,217,228	-	-
Payments to other governments	8,592,837	-	-
Debt service:			
Principal	-	682,928	29,322,190
Interest and fees	-	45,481	12,805,466
Capital outlay	15,217,978	8,022,365	-
Total expenditures	416,684,649	30,001,036	42,127,656
Excess (deficiency) of revenues over (under) expenditures	3,398,680	(3,040,961)	656,578
Other financing sources (uses):			
Transfer in	201,163	348,031	1,213,246
Transfer out	(1,561,277)	(201,163)	-
Issuance of purchase contracts	-	7,057,727	-
Proceeds from sale of equipment	-	770,800	-
Total other financing sources (uses)	(1,360,114)	7,975,395	1,213,246
Net change in fund balances (deficits)	2,038,566	4,934,434	1,869,824
Fund balances (deficits):			
Beginning of year	144,935,342	(21,072,002)	21,867,241
End of year	\$ 146,973,908	\$ (16,137,568)	\$ 23,737,065

See Notes to Basic Financial Statements.

	Nonmajor Governmental Funds		Total Governmental Funds
\$	9,668,647	\$	289,352,487
	3,711,497		3,733,997
	-		10,612,329
	7,506		282,805
	287,448		2,286,686
	-		108,809,995
	-		35,700,980
	-		52,723,457
	<u>13,675,098</u>		<u>503,502,736</u>

	1,629,350		130,185,958
	1,720,904		36,595,148
	575,063		43,274,655
	-		52,723,457
	1,231,879		27,663,747
	387,286		12,868,897
	354,982		15,753,783
	1,210,109		22,841,782
	2,034,606		26,838,096
	260,441		841,117
	2,969,812		25,693,690
	15,814		15,369,092
	745,891		11,707,954
	42,373		1,728,002
	92,238		3,309,466
	-		8,592,837
	-		30,005,118
	-		12,850,947
	4,348,565		27,588,908
	<u>17,619,313</u>		<u>506,432,654</u>

	<u>(3,944,215)</u>		<u>(2,929,918)</u>
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	-		1,762,440
	-		(1,762,440)
	-		7,057,727
	-		770,800
	<u>-</u>		<u>7,828,527</u>

	(3,944,215)		4,898,609
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	<u>7,997,174</u>		<u>153,727,755</u>
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\$	<u>4,052,959</u>	\$	<u>158,626,364</u>
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School District U-46

**Reconciliation of the Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits)
to the Statement of Activities
Year Ended June 30, 2013**

Net change in fund balances (deficits)—total governmental funds	\$	4,898,609
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report purchases of capital assets as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets.		
Capital expenditures	\$	25,363,731
Depreciation		<u>(14,891,822)</u>
Depreciation in excess of capital expenditures		10,471,909
Some revenues were not collected for several months after the close of the fiscal year and therefore were not considered to be "available" and are not reported as revenue in the governmental funds. The change from fiscal year 2012 to 2013 was:		
		(1,823,123)
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduced long-term liabilities in the statement of net assets. The following amounts were retired:		
General obligation bonds	28,388,010	
Debt certificates	405,154	
Purchase contracts	1,211,954	
Accreted interest	<u>5,646,990</u>	
Total retired debt		35,652,108
Purchase contracts entered into during the year are expenditures in the fund financial statements but increase leases payable on the statements of net assets.		
		(7,057,727)
The accretion of interest on long-term debt is not reported as an expenditure in governmental funds but as an addition to principal outstanding in the statement of activities.		
		(13,665,334)
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported in the governmental funds.		
Increase in other postemployment benefits	(1,220,295)	
Increase in IMRF pension obligation	(10,072)	
Increase in compensated absences payable	(72,579)	
Decrease in accrued interest on debt	(92,070)	
Decrease in claims incurred but not reported	(5,626,093)	
Amortization of bond premiums	862,850	
Amortization of bond discounts	(40,593)	
Amortization of bond issuance costs	(211,873)	
Amortization of bond refunding costs	<u>(1,252,635)</u>	
		<u>(7,663,360)</u>
Change in net position of governmental activities	\$	<u>20,813,082</u>

See Notes to Basic Financial Statements.

School District U-46

**Statement of Fiduciary Assets and Liabilities
Agency Fund
Year Ended June 30, 2013**

	<u>Agency Student Activity Fund</u>
Assets , cash and investments	<u>\$ 3,868,855</u>
Liabilities , due to activity fund organizations	<u>\$ 3,868,855</u>

See Notes to Basic Financial Statements.

School District U-46

Notes to Basic Financial Statements

Note 1. Summary of Significant Accounting Policies

School District U-46 operates as a public school system governed by an elected seven-member board of education. The District is organized under the School Code of the State of Illinois, as amended. The District serves the communities of Bartlett, Elgin, Hanover Park, South Elgin, Streamwood, Wayne and portions of Carol Stream, Hoffman Estates, St. Charles, Schaumburg, and West Chicago.

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

Financial Reporting Entity

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

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

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

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

Government-Wide and Fund Financial Statements

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

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

The Statement of Activities demonstrates the degree to which the direct expenses of a given function (i.e., instruction, support services, etc.) are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs (including fines and fees), and (b) grants and contributions that are restricted to meeting the operational requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

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

School District U-46

Notes to Basic Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Government-wide and Fund Financial Statements (Continued)

Fund Financial Statements: Separate financial statements are provided for governmental funds and fiduciary (agency) funds, even though the latter are excluded from the government-wide financial statements. The fund financial statements provide information about the District's funds. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. The District has the following major governmental funds. General Fund, Transportation Fund and Debt Service Fund. All remaining governmental special revenue and capital projects funds are aggregated and reported as nonmajor governmental funds.

The District reports the following major governmental funds:

General Fund

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

Transportation Fund

The Transportation Fund, (a special revenue fund) accounts for costs of the transportation of pupils.

Debt Service Fund

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

The District also reports the following other fund types/funds:

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

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

School District U-46

Notes to Basic Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Government-wide and Fund Financial Statements (Continued)

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

Measurement Focus and Basis of Accounting and Financial Statement Presentation

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

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

Significant revenue sources which are susceptible to accrual include property taxes, other taxes, grants, and interest. All other revenue sources are considered to be measurable and available only when cash is received. The District has recognized 50% of the 2012 tax extension and 50% of the 2011 tax extension in the current fiscal year based on estimated collections, as this is the period for which the taxes have been levied (intended to finance). Property taxes are recorded net of estimated losses on collections of 1.3%. Revenue from replacement taxes is recognized when collected by the state, prior to disbursement to the District. As of June 30, 2013 the property tax allowance was as follows:

Fund		
General Fund	\$	1,584,532
Debt Service Fund		301,576
Transportation Fund		67,981
Nonmajor Governmental Funds		71,808
	<u>\$</u>	<u>2,025,897</u>

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.

Effective July 1, 2012, the District retrospectively adopted the provisions of Governmental Accounting

School District U-46

Notes to Basic Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Standards Board (GASB) Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements. This guidance codified all FASB and AICPA accounting literature issued on or before November 30, 1989 which did not conflict with or contradict GASB guidance, directly into the GASB's authoritative literature. There were no significant effects on the financial statements as a result of the adoption of this standard.

Real Estate Taxes

Property taxes are levied each year on all taxable real property in the District on or before the last Tuesday in December. The 2012 tax levy was passed by the Board of Education on December 3, 2012, and attached as an enforceable lien on the property as of the preceding January 1. The taxes become due and collectible in March and September 2013 in Cook County and in June and September 2013 in DuPage County and Kane County, and are collected by the County Collector, who in turn returns to the District its respective share. The District receives the remittances from the County Treasurer within one month after collection.

The District has recorded a receivable for the uncollected portion of the 2012 taxes extended. The District has recorded deferred revenue net of any allowance, which approximates 50% of the 2012 tax extension which will be recognized as revenue in fiscal year 2014, the period for which those taxes were levied.

Investments

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

Prepaid Items

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

Inventories

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

Capital Assets

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

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

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

School District U-46

Notes to Basic Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Interfund Transactions

The District has the following types of interfund transactions:

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

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

Compensated Absences

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

Deferred and Unearned Revenue

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

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

Long-Term Liabilities

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

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

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

Notes to Basic Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Debt Premium, Discount and Debt Issuance/Refunding Costs

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

In the government-wide financial statements, bond premiums and discounts, as well as other bond issuance costs, are deferred and amortized over the life of the bonds using the straight-line method. Bond issuance costs are reported as an asset and amortized over the term of the related debt.

Fund Balances

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

Nonspendable – includes amounts that cannot be spent because they are either: a) not in spendable form; or b) legally or contractually required to be maintained intact. At June 30, 2013, the District's nonspendable fund balances in the general fund related to inventory for \$88,099, and prepaid expenses of \$926,390.

Restricted – includes amounts that are restricted to specific purposes, that is, when constraints placed on the use of resources are either: a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.

Committed – includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the District's highest level of decision-making authority. Committed amounts cannot be used for any other purpose unless the District removes or changes the specified highest level of decision-making authority rests with the District's Board of Education. The District passes formal resolutions to commit their fund balances.

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.

School District U-46

Notes to Basic Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Fund Balances (Continued)

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

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

The General Fund includes the Working Cash stabilization account. Under the State of Illinois School Code (School Code), the District is authorized to incur indebtedness and issue bonds and to levy a tax annually on all taxable property of the District in order to enable the District to have in its treasury at all times sufficient money to meet demands thereon. These working cash funds may be lent to other District governmental funds in need, but may only be expended for other purposes upon the passage of a resolution by the Board of Education to abolish the funds to the educational account, of the General Fund, or abate the fund to any fund of the District most in need. At June 30, 2013, the District had working cash stabilization fund balances of \$98,189,242 that have been classified as unassigned fund balances in the General fund.

At June 30, 2013, the District had the following fund balances restricted for various purposes as follows:

Fund	Fund balance	Purpose of restriction
General Fund	\$ 297,756	Grant programs
Debt Service Fund	23,737,065	Repayment of principal and interest on long-term debt
Capital Projects Fund	5,142,983	School construction projects
	<u>\$ 29,177,804</u>	

Net Position

Effective July 1, 2012, the District retrospectively adopted the provisions of GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. Since the District has no deferred inflows or outflows of resources as defined by this standard, this guidance impacted the financial statements only by requiring minor terminology changes, the principal of which was changing the term "net assets" to "net position".

Net position consist of the following categories:

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

School District U-46

Notes to Basic Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

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

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

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

Eliminations

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

Use of Estimates

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

Note 2. Budgetary Information

Annual budgets are adopted for all governmental fund types. The annual budgets are adopted on the modified accrual basis of accounting at the fund level. All budgets lapse at fiscal year end. The District maintains a system to measure the uncommitted budget amount available for expenditures at any time during the year. For budgetary purposes, appropriations lapse at June 30, 2013 and outstanding encumbrances are canceled at that date.

On or before July 1 of each year, the Superintendent is to submit for review by the Board of Education a proposed budget for the school year commencing on that date. After reviewing the proposed budget, the Board of Education holds public hearings and a final budget must be prepared and adopted no later than September 30. The 2012-13 budget was adopted September 24, 2012.

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

School District U-46

Notes to Basic Financial Statements

Note 3. Deposits and Investments

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

Deposits

As of June 30, 2013, the District had deposits with federally insured financial institutions of \$185,658,576 with the book balances totaling \$179,416,577.

Custodial credit risk – deposits. In the case of deposits, custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District's investment policy requires all bank deposits in excess of FDIC insurance limits be secured by collateral. As of June 30, 2013, the District was not exposed to custodial credit risk.

Investments

Interest Rate Risk

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

Credit Risk

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

Concentration of Credit Risk

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

The following schedule reports the fair values and maturities (using the segmented time distribution method) for the District's investments at June 30, 2013. The schedule also includes credit ratings by Standard & Poor's at June 30, 2013:

School District U-46

Notes to Basic Financial Statements

Note 3. Deposits and Investments (Continued)

Investment Type	Fair Value	Investment Maturities (in Years)		% of Total Investments	Credit Ratings
		Less than 1	1 - 5		
Illinois School District Liquid Asset Fund	\$ 3,282,137	\$ 3,282,137	\$ -	29.48%	AAAm
Government Money Market Funds	1,294,165	1,294,165	-	11.62%	AAAm
	4,576,302	<u>\$ 4,576,302</u>	<u>\$ -</u>		
Illinois Funds	6,556,500			58.90%	AAAm
	<u>\$ 11,132,802</u>			<u>100.00%</u>	

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

Custodial Credit Risk – Investments

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

The above deposits and investments (plus \$5,980 held by the District as petty cash) are presented in the basic financial statements as cash and investments as follows:

Cash and investments per statement of net position	\$ 186,686,504
Cash and investments per statement of fiduciary assets and liabilities	<u>3,868,855</u>
Total	<u>\$ 190,555,359</u>

School District U-46

Notes to Basic Financial Statements

Note 4. Capital Assets

Capital asset balances and activity for the year ended June 30, 2013, are as follows:

	Balance July 1, 2012	Transfers and Additions	Transfers and Retirements	Balance June 30, 2013
Capital Assets, not being depreciated:				
Land	\$ 27,687,264	\$ -	\$ -	\$ 27,687,264
Construction in progress	2,848,781	5,205,744	2,848,781	5,205,744
Total capital assets, not being depreciated	30,536,045	5,205,744	2,848,781	32,893,008
Capital Assets, being depreciated:				
Buildings	536,153,816	14,693,437	-	550,847,253
Transportation equipment	20,914,586	7,828,527	4,982,526	23,760,587
Other equipment	11,320,977	585,288	-	11,906,265
Total capital assets being depreciated	568,389,379	23,107,252	4,982,526	586,514,105
Less accumulated depreciation:				
Buildings	198,226,036	12,679,369	-	210,905,405
Transportation equipment	19,547,322	1,725,558	4,882,042	16,390,838
Other equipment	10,063,791	486,895	-	10,550,686
Total accumulated depreciation	227,837,149	14,891,822	4,882,042	237,846,929
Total capital assets being depreciated, net	340,552,230	8,215,430	100,484	348,667,176
Governmental activities				
Capital assets, net	\$ 371,088,275	\$ 13,421,174	\$ 2,949,265	\$ 381,560,184

School District U-46

Notes to Basic Financial Statements

Note 4. Capital Assets (Continued)

Depreciation expense was charged to governmental activities as follows:

Activity	Depreciation Expense
Regular programs	\$ 5,210,145
Special education programs	1,464,566
Other instructional programs	1,731,885
Pupils	1,107,125
Instructional staff	515,023
General administration	630,479
School administration	914,146
Business	1,074,081
Transportation	1,028,281
Food services	615,083
Central	468,561
Community services	132,447
Total	\$ 14,891,822

Note 5. Long-Term Obligations

The following is a summary of activity for the District's long-term debt for the year ended June 30, 2013:

	Balance July 1, 2012	Additions	Reductions	Balance June 30, 2013	Due Within One Year
G.O. Bonds/Debt Certificates Payable:					
General obligation bonds	\$ 315,894,005	\$ -	\$ (28,388,010)	\$ 287,505,995	\$ 27,555,218
Accreted interest on long-term debt	107,400,154	13,665,334	(5,646,990)	115,418,498	9,204,781
Debt certificates	4,605,167	-	(405,154)	4,200,013	407,870
Unamortized premium	4,868,836	-	(862,850)	4,005,986	862,850
Unamortized discount	(396,289)	-	40,593	(355,696)	(40,593)
Deferred loss on refunding	(5,480,200)	-	1,252,635	(4,227,565)	(1,139,240)
Total G.O. Bonds/Debt Certificates Payable	426,891,673	13,665,334	(34,009,776)	406,547,231	36,850,886
Purchase contracts	3,057,503	7,057,727	(1,211,954)	8,903,276	2,502,686
Compensated absences	288,083	20,127,043	(20,054,464)	360,662	360,662
IMRF pension obligation	470,892	10,072	-	480,964	-
Other post employment benefits	4,196,205	1,220,295	-	5,416,500	-
Claims incurred but not reported	10,081,533	54,133,901	(48,507,808)	15,707,626	2,389,396
Total	\$ 444,985,889	\$ 96,214,372	\$ (103,784,002)	\$ 437,416,259	\$ 42,103,630

School District U-46

Notes to Basic Financial Statements

Note 5. Long-Term Obligations (Continued)

At June 30, 2013 general obligation bonds consisted of the following:

\$18,300,000, 1999 School Building Bonds due in installments of \$1,725,000 to \$7,000,000 through 2019 with interest due semiannually at 5.05% to 5.25%.	\$ 17,050,000
\$57,999,743, 2001 Capital Appreciation Construction Bonds due in annual installments of \$2,677,017 to \$14,072,352 through 2016 with interest due semiannually at 5.2% to 9.0%.	32,573,726
\$54,499,619, 2002 Illinois Development Finance Authority Program Capital Appreciation Revenue Bonds due in annual installments of \$373,209 to \$14,528,432 in years 2016 through 2021 with interest due annually in years of maturity at a rate yielding 5.3789%.	54,499,619
\$65,999,779, 2003B Capital Appreciation School Bonds due in annual installments of \$727,271 to \$18,975,627 through 2023 with interest due annually in years of maturity at a rate yielding 3.45% to 5.37%.	58,542,650
\$22,000,000, 2003D General Obligation Limited Tax School Bonds (Working Cash Bonds) due in annual installments of \$3,500,000 to \$3,845,000 through 2014 with interest due semiannually at 5.00% to 5.60%.	3,845,000
\$71,790,000, 2005 General Obligation School Refunding Bonds with annual installments ranging from \$365,000 to \$15,085,000 through 2020 with interest due semiannually at rates ranging from 3.00% to 5.00%.	22,325,000
\$34,405,000 2009 General Obligation Limited School Bonds due in annual installments of \$605,000 to \$4,320,000 through 2023 with interest due semiannually at 2.0% to 5.00%.	16,670,000
\$30,190,000 2010 General Obligation Refunding due in annual installments of \$3,555,000 to \$12,275,000 through 2015 with interest due semiannually at 2.00% to 4.00%.	23,465,000
\$25,925,000, 2011A Taxable General Obligation Limited School Bonds due in annual installments of \$195,000 to \$4,860,000 beginning in fiscal year 2012 through 2022 with interest due semiannually at 1.65% to 6.0%.	25,465,000

School District U-46

Notes to Basic Financial Statements

Note 5. Long-Term Obligations (Continued)

\$2,030,000, 2011B Taxable General Obligation Limited School Bonds due in annual installments of \$200,000 to \$230,000 beginning in fiscal year 2012 through 2021 with interest due semiannually at 0.65%.	1,630,000
\$415,000, 2012A Taxable General Obligation Limited Refunding School Bonds due in annual installments of \$10,000 to \$370,000 beginning in fiscal year 2013 through 2016 with interest due semiannually at 0.65% to 1.85%.	395,000
\$31,045,000, 2012B Taxable General Obligation Limited School Bonds due in annual installments of \$70,000 to \$7,855,000 beginning in fiscal year 2016 through 2026 with interest due semiannually at 3.0% to 4.5%.	<u>31,045,000</u>
Total General Obligation Bonds	<u>\$ 287,505,995</u>

Debt Service Requirements to Maturity - General Obligation Bonds:

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

Due in Fiscal Year	Principal	Interest	Total Debt Service
2014	\$ 27,555,218	\$ 15,458,632	\$ 43,013,850
2015	27,130,872	15,573,067	42,703,939
2016	24,370,682	22,200,541	46,571,223
2017	26,524,287	21,954,258	48,478,545
2018	28,582,941	21,906,189	50,489,130
2019-2023	133,221,995	143,385,515	276,607,510
2024-2026	<u>20,120,000</u>	<u>1,685,925</u>	<u>21,805,925</u>
	<u>\$ 287,505,995</u>	<u>\$ 242,164,127</u>	<u>\$ 529,670,122</u>

Interest maturities include \$115,418,498 of accreted interest on capital appreciation bonds.

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

The District has four outstanding capital appreciation bond issues. Interest on the capital appreciation bonds are paid only when principal payments are made, not semi-annually like conventional bond issues. The District records the accretion of interest as long-term debt in the statement of net position as if the interest had been paid semi-annually. Accreted interest on long-term debt was increased by a net total of \$8,018,344 during the fiscal year ended June 30, 2013. At year end, the total interest accreted on the capital appreciation bonds was \$115,418,498.

School District U-46

Notes to Basic Financial Statements

Note 5. Long-Term Obligations (Continued)

Debt Certificates:

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

\$6,200,000, 2007 Debt Certificates (Qualified Zone Academy Bonds)
due in annual installments of \$394,759 to \$432,360 through 2023
with interest due annually at 0.65% \$ 4,200,013

Purchase Contracts:

As of June 30, 2013, the District had entered into 15 lease/purchase contracts for copiers, buses, computer equipment, and other equipment. One new purchase contract for computer equipment was entered into during the year ended June 30, 2013. The total cost of the property currently under leases is \$7,249,104. Future minimum payments total \$9,167,354 of which \$264,078 represents interest and \$8,903,276 represents principal. Payments are expected to be made from the Transportation Fund and the Debt Service Fund through transfers from the General Fund. Upon entering a contract, the District records the activity as capital outlay expenditures with an offsetting credit to "proceeds from purchase contracts". Some items purchased through this method however, may not be capitalized as new equipment if the value of an individual item such as a desktop computer does not meet or exceed the District's capitalization threshold.

School District U-46

Notes to Basic Financial Statements

Note 5. Long-Term Obligations (Continued)

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

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

Due in Fiscal Year	Debt Certificates		Purchase Contracts		Total Debt Service
	Principal	Interest	Principal	Interest	
2014	\$ 407,870	\$ 27,300	\$ 2,502,686	\$ 55,097	\$ 2,992,953
2015	410,521	24,649	1,747,294	90,173	2,272,637
2016	413,189	21,981	1,808,876	63,586	2,307,632
2017	415,822	19,348	1,413,085	36,736	1,884,991
2018	418,578	16,592	1,431,335	18,486	
2019-2023	2,134,033	41,816	-	-	2,175,849
Total	\$ 4,200,013	\$ 151,686	\$ 8,903,276	\$ 264,078	\$ 13,519,053

Legal Debt Margin:

As of June 30, 2013, the legal debt limit of the District was \$640,849,563, based upon 13.8% percent of its 2012 equalized assessed valuation of \$4,643,837,416. The debt limit less outstanding debt subject to the debt limit of \$300,609,284 plus amounts held in the Debt Service Fund of \$23,737,065, results in a legal debt margin of \$363,977,345 as of June 30, 2013.

Compensated Absences:

The District offers sick, personal and in some cases vacation days to its employees. Depending on the union status of the District's employees the number of sick, personal and vacation days provided each year may differ.

The District provides up to 20 vacation days per year, most of which must be used by August 31st of the following year. Some vacation days may be used up until October 31st of the following year depending on the employee union. The District provides up to 3 personal days per year to its employees. Personal balances left over at the end of the year are carried forward into the sick day balance for the next year. The District also offers up to 12 sick days per year. Accumulated personal and sick days are not paid out upon termination. If an employee is vested in the Teachers' Retirement System (TRS) or the Illinois Municipal Retirement Fund (IMRF), the employee is allowed extra service credit based on unused sick days. Since accrued personal and sick days are not paid out upon termination, the District does not accrue a payable for these days at year-end. Based on accumulated vacation days as of year-end, the District's maximum liability for accumulated vacation days to be paid upon its employees' termination was calculated to be \$360,662 at June 30, 2013. The amounts will be paid from the General Fund within the next year.

School District U-46

Notes to Basic Financial Statements

Note 5. Long-Term Obligations (Continued)

Illinois Municipal Retirement Fund (IMRF) Pension Obligation:

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

Other Postemployment Benefits Payable:

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

Debt Refunding:

As of June 30, 2013, the outstanding balance of all defeased bonds totaled \$40,440,000.

School District U-46

Notes to Basic Financial Statements

Note 6. Risk Management

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

The District is also self-insured for medical claims to cover its employees and their qualifying dependents. The District funds a self-insurance account and has engaged an outside agency to administer its medical claims. The District does not assume unlimited liability for medical claims. As of June 30, 2013, the District had purchased (stop-loss) insurance to cover claims in excess of \$500,000 per person per year and \$2,000,000 lifetime. Estimated claims incurred but not yet submitted by insurers were estimated based on historical trends as provided by the District's third party administrator. Estimated insurance claims incurred but not reported (IBNR) liabilities at June 30, 2013, total \$15,707,626 and claims payable totaled \$3,902,662. Settled claims have not exceeded coverage in any of the past three fiscal years. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of payouts, and other economic and societal factors. Changes in the balances of claims liabilities during the past two fiscal years are as follows:

	Fiscal Year Ended	
	June 30,	
	Total	Total
	2013	2012
Claims liability - beginning	\$ 14,733,824	\$ 13,857,628
Incurred claims	53,384,272	51,261,394
Claim payments	48,507,808	50,385,198
Claims liability - ending	<u>\$ 19,610,288</u>	<u>\$ 14,733,824</u>

Notes to Basic Financial Statements

Note 7. Employee Retirement Systems and Plans

Teachers' Retirement System of the State of Illinois

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

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

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

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

On Behalf Contributions to TRS

The state of Illinois makes employer pension contributions on behalf of the District. For the year ended June 30, 2013, state of Illinois contributions were based on 28.05 percent of creditable earnings not paid from federal funds, and the District recognized revenue and expenditures of \$50,999,565 in pension contributions that the state of Illinois paid directly to TRS. For the years ended June 30, 2012 and June 30, 2011, the state of Illinois contribution rates as percentages of creditable earnings not paid from federal funds were 24.91 percent (\$43,986,419) and 23.10 percent (\$39,823,622), respectively.

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

2.2 Formula Contributions

Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. This rate is specified by statute. Contributions for the year ended June 30, 2013 were \$1,091,976. Contributions for the years ending June 30, 2012 and June 30, 2011, were \$1,061,617 and \$1,030,561, respectively.

Federal and Special Trust Fund Contributions

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

School District U-46

Notes to Basic Financial Statements

Note 7. Employee Retirement Systems and Plans (Continued)

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

For the year ended June 30, 2013, the employer pension contribution was 28.05 percent of salaries paid from federal and special trust funds. For the years ended June 30, 2012 and 2011, the employer contribution was 24.91 percent and 23.10 percent of salaries paid from federal and special trust funds, respectively. For the year ended June 30, 2013, salaries totaling \$1,619,227 were paid from federal and special trust funds that required employer contributions of \$1,560,416. For the years ended June 30, 2012 and June 30, 2011, required District contributions were \$1,425,661 and \$1,227,391, respectively.

Early Retirement Option (ERO)

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

The maximum employer ERO contribution is 117.5 percent and applies when the member is age 55 at retirement.

For the year ended June 30, 2013, the District paid \$1,091,976 to TRS for employer contributions under the ERO program. For the years ended June 30, 2012 and June 30, 2011, the District paid \$1,061,617 and \$1,030,561 in employer ERO contributions, respectively.

Salary Increases Over 6 Percent and Excess Sick Leave

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

For the year ended June 30, 2013, the District paid \$141,051 to TRS for employer contributions due on salary increases in excess of 6 percent. For the years ended June 30, 2012 and June 30, 2011, the District paid \$109,958 and \$76,442 to TRS for employer contributions due on salary increases in excess of 6 percent, respectively.

If an employer grants sick leave days in excess of the normal annual allotment and those days are used as TRS service credit, the employer makes a contribution to TRS. The contribution is based on the number of excess sick leave days used as service credit, the highest salary used to calculate final average salary, and the TRS total normal cost rate (17.63 percent of salary during the year ended June 30, 2013).

For the year ended June 30, 2013, the District paid \$18,611 to TRS for sick leave days granted in the excess of the normal annual allotment. For the years ended June 30, 2012 and June 30, 2011, the District paid \$18,267 and \$6,885 in employer contributions granted for sick leave days, respectively.

School District U-46

Notes to Basic Financial Statements

Note 7. Employee Retirement Systems and Plans (Continued)

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

Further Information on TRS

TRS financial information, an explanation of TRS benefits, and descriptions of member, employer and state funding requirements can be found in the TRS *Comprehensive Annual Financial Report* for the year ended June 30, 2012. The report for the year ended June 30, 2013, is expected to be available in late 2013.

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

THIS Fund

Employer Contributions

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

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

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

On Behalf Contributions to THIS Fund

The state of Illinois makes employer retiree health insurance contributions on behalf of the District. State contributions are intended to match contributions to THIS Fund from active members which were 0.92 percent of pay during the year ended June 30, 2013. State of Illinois contributions were \$1,723,892 and the District recognized revenue and expenditures of this amount during the year.

State contributions intended to match active member contributions during the years ended June 30, 2012 and June 30, 2011 were 0.88 percent of pay. State contributions on behalf of District employees were \$1,604,584 and \$1,563,848, respectively.

School District U-46

Notes to Basic Financial Statements

Note 7. Employee Retirement Systems and Plans (Continued)

THIS Fund (Continued)

Employer Contributions to THIS Fund

The District also makes contributions to THIS Fund. The District's THIS Fund contribution was 0.69 percent during the year ended June 30, 2013 and 0.66 percent during the years ended June 30, 2012 and June 30, 2011. For the year ended June 30, 2013, the District paid \$1,292,919 to the THIS Fund. For the years ended June 30, 2012 and June 30, 2011, the District paid \$1,203,438 and \$1,172,886 to the THIS Fund, respectively, which was 100 percent of the required contribution.

Further Information on THIS Fund

The publicly available financial report of the THIS Fund may be found on the website of the Illinois Auditor General: <http://www.auditor.illinois.gov/Audit-Reports/ABC-List.asp>. The 2013 report is listed under "Central Management Services." Prior reports are available under "Healthcare and Family Services."

Illinois Municipal Retirement

Plan Description

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

Funding Policy

As set by statute, the District's Regular plan members are required to contribute 4.50 percent of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The contribution rates for calendar years 2013 and 2012 used by the District were 12.19 and 11.82 percent, respectively, of annual covered payroll. The annual required contribution rates for calendar years 2013 and 2012 were 12.19 and 11.82 percent, respectively. The District also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

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

School District U-46

Notes to Basic Financial Statements

Note 7. Employee Retirement Systems and Plans (Continued)

Illinois Municipal Retirement (Continued)

Funding Policy (Continued)

The required contributions for 2013 and 2012 were determined as part of the December 31, 2011 and 2010 actuarial valuations using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2010, included (a) 7.5 percent investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 12% per year depending on age and service, attributable to seniority/merit, and (d) post retirement benefit increases of 3% annually. The actuarial value of your employer Regular plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The employer Regular plan's unfunded actuarial accrued liability at December 31, 2011 is being amortized as a level percentage of projected payroll on an open 30 year basis.

Annual Pension Cost and Pension Obligation

The following table shows the components of the District's annual pension cost for the fiscal year ended June 30, 2013, the amount actually contributed to the plan and changes in the District's net pension obligation to the plan:

	Government-Wide Activities
Annual required contribution	\$ 6,686,338
Interest on net IMRF obligation	35,317
Adjustment to annual required contribution	(25,245)
Annual IMRF cost	6,696,410
Contributions made	6,686,338
Increase in net IMRF obligation	10,072
Net IMRF obligation - beginning of year	470,892
Net IMRF obligation - end of year	<u>\$ 480,964</u>

Three-Year Trend Information for the Regular Plan

Year Ending June 30,	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2013	\$ 6,696,410	99%	\$ 480,964
2012	6,153,219	99%	470,892
2011	5,767,622	96%	448,808

School District U-46

Notes to Basic Financial Statements

Note 7. Employee Retirement Systems and Plans (Continued)

Illinois Municipal Retirement (Continued)

Funded Status and Funding Progress

As of December 31, 2012, the most recent actuarial valuation date, the Regular plan was 66.73 percent funded. The actuarial accrued liability for benefits was \$133,644,371 and the actuarial value of assets was \$89,186,003, resulting in an underfunded actuarial accrued liability (UAAL) of \$44,458,368. The covered payroll for calendar year 2012 (annual payroll of active employees covered by the plan) was \$53,615,916 and the ratio of the UAAL to the covered payroll was 83 percent.

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

Note 8. Other Postemployment Benefits

The District had an actuarial valuation performed to determine its liability for other postemployment benefits (OPEB) as of July 1, 2011. According to GASB 45, an actuarial valuation should be performed at a minimum frequency of every two years for a plan the size of the District's.

Plan Description

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

Funding Policy

Contribution requirements are also negotiated between the District and union representatives. All plan funding is done on a pay-as-you-go basis. Funding varies from 0 percent to 100 percent, depending on the retiree's status at the time of retirement. Currently, the current and retired employees pay a specified blended premium rate for healthcare insurance and the District pays the difference. For fiscal year 2013, the District contributed \$1,977,192 to the Plan. Plan members receiving benefits contributed \$200,221, or approximately 9.2 percent of the total premiums.

School District U-46

Notes to Basic Financial Statements

Note 8. Other Postemployment Benefits (Continued)

Annual OPEB Cost and Net OPEB Obligation

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

	Government-Wide Activities
Annual required contribution	\$ 3,179,944
Interest on net OPEB obligation	209,810
Adjustment to annual required contribution	(192,267)
Annual OPEB cost	3,197,487
Contributions made	1,977,192
Increase in net OPEB obligation	1,220,295
Net OPEB obligation - beginning of year	4,196,205
Net OPEB obligation - end of year	<u>\$ 5,416,500</u>

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2013 and the preceding two years were as follows:

Year Ending June 30,	Annual OPEB Cost (APC)	Percentage of APC Contributed	Net OPEB Obligation
2013	\$ 3,197,487	61.8%	\$ 5,416,500
2012	3,139,107	62.8	4,196,205
2011	3,077,348	65.8	3,028,600

The District has reported the net OPEB obligation of \$5,416,500 in the statement of net position. Payments to liquidate the liability have typically been made by the General Fund.

Funded Status and Funding Progress

As of July 1, 2011, the date of the most recent valuation, the actuarial accrued liability for benefits was \$27,096,192, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$222,396,323, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 12.18%.

School District U-46

Notes to Basic Financial Statements

Note 8. Other Postemployment Benefits (Continued)

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

Methods and Assumptions

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

Significant methods and assumptions were as follows:

Actuarial valuation date: July 1, 2011
Actuarial cost method: Unit Credit Cost Method
Amortization method: Closed, Level Dollar Method
Remaining amortization period: 30 years
Actuarial assumptions:
Discount Rate 5.0%
Healthcare Trend Rate Beginning at 8.0%, trending to 5.0%

Note 9. Other Financial Disclosures

Expenditures Exceeding Operating Budgets

Expenditures exceeded budgeted expenditures in the following funds during fiscal year 2013:

Fund	Final Budget	Actual Expenditures	Amount Over Budget
General Fund	\$ 406,989,797	\$ 416,609,698	\$ 9,619,901
Transportation Fund	24,134,112	30,001,036	5,866,924
Capital Projects Fund	427,750	624,202	196,452
Fire Prevention and Safety Fund	2,944,698	3,984,804	1,040,106

School District U-46

Notes to Basic Financial Statements

Note 9. Other Financial Disclosures (Continued)

Interfund Transfers

During 2013, the District transferred \$201,163 from the Transportation Fund to the General Fund to reimburse the General Fund for transportation charges from plant operations. In addition, the General Fund made transfers of \$1,213,246 to the Debt Service Fund to provide resources to pay principal and interest on debt certificates, installment notes and purchase contracts. The General Fund also transferred \$348,031 from working cash interest to the Transportation Fund for the purpose of financing transportation related expenses.

Due To/From Other Funds

Interfund debt balances as of June 30, 2013 are as follows:

Fund	Due From Other Funds	Due To Other Funds
Major governmental funds		
General	\$ 20,926,899	\$ -
Transportation	-	19,223,061
Nonmajor Governmental Funds	-	1,703,838
Total	\$ 20,926,899	\$ 20,926,899

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

Deficit Fund Balances

The Transportation Fund had a deficit fund balance as of June 30, 2013 of (\$16,137,568). District management expects to reduce this deficit with future revenues and budget cuts.

The Municipal Retirement/Social Security Fund had a deficit fund balance as of June 30, 2013 of (\$274,674). District management expects to reduce this deficit with future revenues.

The Fire Prevention and Safety Fund had a deficit fund balance as of June 30, 2013 of (\$815,350). District management expects to reduce this deficit with future revenues.

School District U-46

Notes to Basic Financial Statements

Note 10. Contingent Liabilities

Litigation

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

Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government and the Illinois State Board of Education. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2013.

Note 11. Commitments

At June 30, 2013, the District had approximately \$9.7 million in outstanding construction project commitments. The projects were comprised of work to be done at various school buildings to be paid from the Fire Prevention and Safety Fund and the Capital Projects Fund.

Note 12. New Accounting Pronouncements

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

Statement No. 65, *Items Previously Reported as Assets and Liabilities*, will be effective for the District beginning with its year ending June 30, 2014. This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. This Statement also provides other financial reporting guidance related to the impact of the financial statement elements deferred outflows of resources and deferred inflows of resources, such as changes in the determination of the major fund calculations and limiting the use of the term deferred in financial statement presentations.

Statement No. 66, *Technical Corrections – 2012 – an amendment of GASB Statements No. 10 and No. 62*, will be effective for the District beginning with its year ending June 30, 2014. The objective of this Statement is to improve accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, and No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. This Statement amends Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, by removing the provision that limits fund-based reporting of an entity's risk financing activities to the general fund and the internal service fund type. This Statement also amends Statement 62 by modifying the specific guidance on accounting for (1) operating lease payments that vary from a straight-line basis, (2) the difference between the initial investment (purchase price) and the principal amount of a purchased loan or group of loans, and (3) servicing fees related to mortgage loans that are sold when the stated service fee rate differs significantly from a current (normal) servicing fee rate.

School District U-46

Notes to Basic Financial Statements

Note 12. New Accounting Pronouncements (Continued)

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

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

GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*, will be effective for the District with its year ending June 30, 2014. This statement requires a government that extends a nonexchange financial guarantee to recognize a liability when qualitative factors and historical data, if any, indicate that it is more likely than not that the government will be required to make a payment on the guarantee. This Statement requires a government that has issued an obligation guaranteed in a nonexchange transaction to recognize revenue to the extent of the reduction in its guaranteed liabilities. This Statement also requires a government that is required to repay a guarantor for making a payment on a guaranteed obligation or legally assuming the guaranteed obligation to continue to recognize a liability until legally released as an obligor.

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

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Funding Progress - Illinois Municipal Retirement Fund

Schedule of Funding Progress - Retiree Healthcare Plan

Budgetary Comparison Information: General Fund and Major Special Revenue Funds

School District U-46

**Schedule of Funding Progress
Illinois Municipal Retirement Fund
Year Ended June 30, 2013**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/12	\$ 89,186,003	\$ 133,644,371	\$ 44,458,368	66.73 %	\$ 53,615,916	82.92 %
12/31/11	85,231,336	130,367,306	45,135,970	65.38	52,879,203	85.36
12/31/10	88,397,750	127,285,195	38,887,445	69.45	53,082,669	73.26

On a market value basis, the actuarial value of assets as of December 31, 2012 is \$89,186,003. On a market basis, the funded ratio would be 66.73%. The actuarial value of assets and accrued liability cover active and inactive members who have service credit with the District. They do not include amounts for retirees. The actuarial accrued liability for retirees is 100% funded.

School District U-46

**Schedule of Funding Progress
Retiree Healthcare Plan
June 30, 2013**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((b-a)/c)
07/01/11	\$ -	\$ 27,096,192	\$ 27,096,192	- %	\$ 222,396,323	12.18 %
07/01/09	-	28,990,310	28,990,310	-	241,088,582	12.02
07/01/07	-	25,908,783	25,908,783	-	230,215,824	11.25

The District has elected to have valuations performed biennially. The District adopted the provisions of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, in fiscal year 2008, using a valuation performed as of July 1, 2007.

GENERAL FUND

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

MAJOR SPECIAL REVENUE FUNDS

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

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

School District U-46

Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget and Actual
 General Fund
 Year Ended June 30, 2013

	Original and Final Budget	Actual	Variance
Revenues:			
Property taxes	\$ 228,455,077	\$ 228,245,315	\$ (209,762)
Replacement taxes and other payments in lieu of taxes	731,407	22,500	(708,907)
Charges for services	8,915,000	8,734,371	(180,629)
Earnings on investments	306,800	274,741	(32,059)
Impact fees, rentals and other local sources	1,849,720	1,999,238	149,518
State grants-in-aid	82,422,247	92,382,727	9,960,480
Federal grants-in-aid	33,424,998	35,700,980	2,275,982
State on-behalf of payments	43,500,000	52,723,457	9,223,457
Total revenues	399,605,249	420,083,329	20,478,080
Expenditures:			
Current:			
Instruction:			
Regular programs	125,560,960	128,556,608	(2,995,648)
Special programs	39,345,954	34,874,244	4,471,710
Other instructional programs	43,032,143	42,699,592	332,551
Intergovernmental: State on-behalf of payments	43,500,000	52,723,457	(9,223,457)
Support services:			
Pupils	27,056,253	26,431,868	624,385
Instructional staff	14,445,137	12,481,611	1,963,526
General administration	16,047,300	15,398,801	648,499
School administration	21,902,204	21,631,673	270,531
Business	25,574,235	24,803,490	770,745
Facilities acquisition and construction	482,661	580,676	(98,015)
Transportation	1,607,909	1,473,616	134,293
Food service	13,851,596	15,353,278	(1,501,682)
Central	11,458,469	10,962,063	496,406
Other support	1,485,781	1,685,629	(199,848)
Community services	4,067,203	3,217,228	849,975
Payments to other governments	7,652,000	8,592,837	(940,837)
Capital outlay	9,620,338	15,217,978	(5,597,640)
Contingency	2,717,544	-	2,717,544
Total expenditures	409,407,687	416,684,649	(7,276,962)
Excess of revenues over expenditures	(9,802,438)	3,398,680	13,201,118
Other financing sources (uses):			
Transfer in	9,297,713	11,050,553	1,752,840
Transfer out	(10,365,508)	(12,410,667)	(2,045,159)
Total other financing sources (uses)	(1,067,795)	(1,360,114)	(292,319)
Net change in fund balance	\$ (10,870,233)	2,038,566	\$ 12,908,799
Fund balance:			
Beginning of year		144,935,342	
End of year		<u>\$ 146,973,908</u>	

School District U-46

**Schedule of Revenues, Expenditures and Changes in Fund Balance (Deficit) -
Budget and Actual
Transportation Fund
Year Ended June 30, 2013**

	Original and Final Budget	Actual	Variance
Revenues:			
Property taxes	\$ 9,268,786	\$ 8,654,764	\$ (614,022)
Charges for services	925,000	1,877,958	952,958
Earnings on investments	1,000	85	(915)
State grants-in-aid	12,750,542	16,427,268	3,676,726
Total revenues	<u>22,945,328</u>	<u>26,960,075</u>	<u>4,014,747</u>
Expenditures:			
Current:			
Support services:			
Transportation	21,106,636	21,250,262	(143,626)
Debt service			
Principal	1,072,162	682,928	389,234
Interest and fees	56,247	45,481	10,766
Capital outlay	2,055,000	8,022,365	(5,967,365)
Total expenditures	<u>24,290,045</u>	<u>30,001,036</u>	<u>(5,710,991)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,344,717)</u>	<u>(3,040,961)</u>	<u>(1,696,244)</u>
Other financing sources:			
Transfer in	10,756	348,031	337,275
Transfer out	(166,690)	(201,163)	(34,473)
Proceeds from sale of equipment	-	770,800	770,800
Issuance of purchase contracts	2,000,000	7,057,727	5,057,727
Total other financing sources (uses)	<u>1,844,066</u>	<u>7,975,395</u>	<u>6,131,329</u>
Net change in fund balance (deficit)	<u>\$ 499,349</u>	<u>4,934,434</u>	<u>\$ 4,435,085</u>
Fund balance (deficit):			
Beginning of year		<u>(21,072,002)</u>	
End of year		<u>\$ (16,137,568)</u>	

OTHER SUPPLEMENTARY INFORMATION

School District U-46

Combining Balance Sheet
General Fund, by Account
Year Ended June 30, 2013

	Educational Account	Tort Immunity Account	Operations and Maintenance Account	Working Cash Account	Total
Assets					
Cash and investments	\$ 98,447,793	\$ -	\$ 7,395,204	\$ 51,613,725	\$ 157,456,722
Property taxes receivable, net of allowance	105,470,218	3,329,331	11,503,064	-	120,302,613
Grants receivable	26,588,673	-	-	-	26,588,673
Accounts receivable	569,865	-	-	-	569,865
Due from other accounts and funds	-	-	-	46,575,517	46,575,517
Inventory	88,099	-	-	-	88,099
Prepays	926,390	-	-	-	926,390
Total assets	\$ 232,091,038	\$ 3,329,331	\$ 18,898,268	\$ 98,189,242	\$ 352,507,879
Liabilities and Fund Balance (Deficit)					
Liabilities					
Accounts payable	\$ 1,751,976	\$ 558,780	\$ 3,388,959	\$ -	\$ 5,699,715
Accrued payroll	29,951,915	6,490	397,920	-	30,356,325
Payroll deductions	4,679,369	-	-	-	4,679,369
Insurance claims payable	3,902,662	-	-	-	3,902,662
Deferred property tax revenue	102,045,959	3,221,239	11,129,599	-	116,396,797
Deferred grant revenue	17,857,037	-	-	-	17,857,037
Deferred other revenue	993,448	-	-	-	993,448
Due to other accounts	-	21,148,618	4,500,000	-	25,648,618
Total liabilities	161,182,366	24,935,127	19,416,478	-	205,533,971
Fund balance (deficit)					
Nonspendable	1,014,489	-	-	-	1,014,489
Restricted	297,756	-	-	-	297,756
Unassigned	69,596,427	(21,605,796)	(518,210)	98,189,242	145,661,663
Total fund balance (deficit)	70,908,672	(21,605,796)	(518,210)	98,189,242	146,973,908
Total liabilities and fund balance	\$ 232,091,038	\$ 3,329,331	\$ 18,898,268	\$ 98,189,242	\$ 352,507,879

School District U-46

Combining Statement of Revenues, Expenditures and Changes in Fund Balance (Deficit)
 General Fund, by Account
 Year Ended June 30, 2013

	Educational Account	Tort Immunity Account	Operations and Maintenance Account	Working Cash Account	Total
Revenues:					
Property taxes	\$ 200,776,795	\$ 5,382,111	\$ 22,086,409	\$ -	\$ 228,245,315
Replacement taxes and other payments in lieu of taxes	22,500	-	-	-	22,500
Charges for services	8,734,371	-	-	-	8,734,371
Earnings on investments	2,320	50	256	272,115	274,741
Rentals and other local sources	969,423	-	1,029,815	-	1,999,238
State grants-in-aid	90,946,046	-	1,436,681	-	92,382,727
Federal grants-in-aid	35,700,980	-	-	-	35,700,980
State on-behalf of payments	52,723,457	-	-	-	52,723,457
Total revenues	389,875,892	5,382,161	24,553,161	272,115	420,083,329
Expenditures:					
Current:					
Instruction:					
Regular programs	128,556,608	-	-	-	128,556,608
Special programs	34,874,244	-	-	-	34,874,244
Other instructional programs	42,699,592	-	-	-	42,699,592
Intergovernmental: State on-behalf of payments	52,723,457	-	-	-	52,723,457
Support services:					
Pupils	26,431,868	-	-	-	26,431,868
Instructional staff	12,481,611	-	-	-	12,481,611
General administration	6,954,122	8,444,679	-	-	15,398,801
School administration	21,631,673	-	-	-	21,631,673
Business	3,185,915	-	21,617,575	-	24,803,490
Facilities acquisition and construction	-	-	580,676	-	580,676
Transportation	1,472,716	-	900	-	1,473,616
Food service	15,353,278	-	-	-	15,353,278
Central	10,962,063	-	-	-	10,962,063
Other support services	1,685,629	-	-	-	1,685,629
Community services	3,217,228	-	-	-	3,217,228
Payments to other governments	8,592,837	-	-	-	8,592,837
Capital outlay	4,613,747	-	10,604,231	-	15,217,978
Total expenditures	375,436,588	8,444,679	32,803,382	-	416,684,649
Excess (deficiency) of revenues over (under) expenditures	14,439,304	(3,062,518)	(8,250,221)	272,115	3,398,680
Other financing sources (uses):					
Transfer in	57,798	-	10,992,755	-	11,050,553
Transfer out	(1,318,514)	-	(958,903)	(10,133,250)	(12,410,667)
Total other financing sources (uses)	(1,260,716)	-	10,033,852	(10,133,250)	(1,360,114)
Net change in fund balance (deficit)	13,178,588	(3,062,518)	1,783,631	(9,861,135)	2,038,566
Fund balance (deficit):					
Beginning of year	57,730,084	(18,543,278)	(2,301,841)	108,050,377	144,935,342
End of year	\$ 70,908,672	\$ (21,605,796)	\$ (518,210)	\$ 98,189,242	\$ 146,973,908

School District U-46

Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget and Actual
 General Fund - Educational Account
 Year Ended June 30, 2013

	Original and Final Budget	Actual	Variance
Revenues:			
Property taxes	\$ 199,194,921	\$ 200,776,795	\$ 1,581,874
Replacement taxes and other payments in lieu of taxes	731,407	22,500	(708,907)
Charges for services	8,915,000	8,734,371	(180,629)
Earnings on investments	50,000	2,320	(47,680)
Rentals and other local sources	899,720	969,423	69,703
State grants-in-aid	81,447,247	90,946,046	9,498,799
Federal grants-in-aid	33,424,998	35,700,980	2,275,982
State on-behalf of payments	43,500,000	52,723,457	9,223,457
Total revenues	368,163,293	389,875,892	21,712,599
Expenditures:			
Current:			
Instruction:			
Regular programs	125,560,960	128,556,608	(2,995,648)
Special programs	39,345,954	34,874,244	4,471,710
Other instructional programs	43,032,143	42,699,592	332,551
Intergovernmental: State on-behalf of payments	43,500,000	52,723,457	(9,223,457)
Support services:			
Pupils	27,056,253	26,431,868	624,385
Instructional staff	14,445,137	12,481,611	1,963,526
General administration	7,272,015	6,954,122	317,893
School administration	21,902,204	21,631,673	270,531
Business	2,926,829	3,185,915	(259,086)
Transportation	1,607,909	1,472,716	135,193
Food service	13,851,596	15,353,278	(1,501,682)
Central	11,458,469	10,962,063	496,406
Other support	1,485,781	1,685,629	(199,848)
Community services	4,067,203	3,217,228	849,975
Payments to other governments	7,652,000	8,592,837	(940,837)
Capital outlay	1,610,937	4,613,747	(3,002,810)
Contingency	2,717,544	-	2,717,544
Total expenditures	369,492,934	375,436,588	(5,943,654)
Excess of revenues over expenditures	(1,329,641)	14,439,304	15,768,945
Other financing sources (uses):			
Transfer in	-	57,798	57,798
Transfer out	(1,218,362)	(1,318,514)	(100,152)
Total other financing sources (uses)	(1,218,362)	(1,260,716)	(42,354)
Net change in fund balance	\$ (2,548,003)	13,178,588	\$ 15,726,591
Fund balance:			
Beginning of year		57,730,084	
End of year		<u>\$ 70,908,672</u>	

School District U-46

**Schedule of Revenues, Expenditures and Changes in Fund Balance (Deficit) -
Budget and Actual
General Fund - Tort Immunity Account
Year Ended June 30, 2013**

	Original and Final Budget	Actual	Variance
Revenues:			
Property taxes	\$ 6,402,286	\$ 5,382,111	\$ (1,020,175)
Earnings on investments	1,637	50	(1,587)
Total revenues	<u>6,403,923</u>	<u>5,382,161</u>	<u>(1,021,762)</u>
Expenditures:			
Current:			
Support services:			
General administration	<u>8,775,285</u>	<u>8,444,679</u>	<u>330,606</u>
Net change in fund balance (deficit)	<u>\$ (2,371,362)</u>	<u>(3,062,518)</u>	<u>\$ (691,156)</u>
Fund balance (deficit):			
Beginning of year		<u>(18,543,278)</u>	
End of year		<u>\$ (21,605,796)</u>	

Schedule of Tort Expenditures by Object

Workers' compensation or workers' occupation disease acts payments	\$ 4,373,550
Unemployment insurance payments	347,084
Insurance payments (regular or self-insurance)	603,848
Educational, inspectional, supervisory services related to loss prevention or reduction	1,228,263
Legal service	<u>1,891,934</u>
Total tort expenditures	<u>\$ 8,444,679</u>

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

School District U-46

Schedule of Revenues, Expenditures and Changes in Fund Balance (Deficit) -
 Budget and Actual
 General Fund - Operations and Maintenance Account
 Year Ended June 30, 2013

	Original and Final Budget	Actual	Variance
Revenues:			
Property taxes	\$ 22,857,870	\$ 22,086,409	\$ (771,461)
Earnings on investments	5,163	256	(4,907)
Rentals and other local sources	950,000	1,029,815	79,815
State grants-in-aid	975,000	1,436,681	461,681
Total revenues	<u>24,788,033</u>	<u>24,553,161</u>	<u>(234,872)</u>
Expenditures:			
Current:			
Support services:			
Business	22,647,406	21,617,575	1,029,831
Facilities acquisition and construction	482,661	580,676	(98,015)
Transportation	-	900	(900)
Capital outlay	8,009,401	10,604,231	(2,594,830)
Total expenditures	<u>31,139,468</u>	<u>32,803,382</u>	<u>(1,663,914)</u>
Excess of revenues over expenditures	<u>(6,351,435)</u>	<u>(8,250,221)</u>	<u>(1,898,786)</u>
Other financing sources (uses):			
Transfer in	9,297,713	10,992,755	1,695,042
Transfer out	(897,146)	(958,903)	(61,757)
Total other financing sources (uses)	<u>8,400,567</u>	<u>10,033,852</u>	<u>1,633,285</u>
Net change in fund balance (deficit)	<u>\$ 2,049,132</u>	1,783,631	<u>\$ (265,501)</u>
Fund balance (deficit):			
Beginning of year		<u>(2,301,841)</u>	
End of year		<u>\$ (518,210)</u>	

School District U-46

Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget and Actual
 General Fund - Working Cash Account
 Year Ended June 30, 2013

	Original and Final Budget	Actual	Variance
Revenues:			
Earnings on investments	\$ 250,000	\$ 272,115	\$ 22,115
Expenditures	-	-	-
Excess of revenues over expenditures	250,000	272,115	22,115
Other financing sources (uses):			
Transfer out	(8,250,000)	(10,133,250)	(1,883,250)
Total other financing sources (uses)	<u>(8,250,000)</u>	<u>(10,133,250)</u>	<u>(1,883,250)</u>
Net change in fund balance	<u>\$ (8,000,000)</u>	(9,861,135)	<u>\$ (1,861,135)</u>
Fund balance:			
Beginning of year		<u>108,050,377</u>	
End of year		<u>\$ 98,189,242</u>	

DEBT SERVICE FUND

Debt service funds are used to account for monies accumulated to retire general long-term debt. The debt service fund maintained by the District is as follows:

Debt Service Fund - To account for the periodic payment of principal and interest on the general obligation bond issues and other long-term debt of the District. Sources of funds consist primarily of local property tax revenues and transfers from other funds of the District.

School District U-46

Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget and Actual
 Debt Service Fund
 Year Ended June 30, 2013

	Original and Final Budget	Actual	Variance
Revenues:			
Property taxes	\$ 42,982,638	\$ 42,783,761	\$ (198,877)
Earnings on investments	8,816	473	(8,343)
Total revenues	<u>42,991,454</u>	<u>42,784,234</u>	<u>(207,220)</u>
Expenditures:			
Debt service			
Principal	29,332,328	29,322,190	10,138
Interest and fees	12,799,856	12,805,466	(5,610)
Total expenditures	<u>42,132,184</u>	<u>42,127,656</u>	<u>4,528</u>
Excess (deficiency) of revenues over (under) expenditures	<u>859,270</u>	<u>656,578</u>	<u>(202,692)</u>
Other financing sources (uses):			
Transfer in	1,223,729	1,213,246	(10,483)
Total other financing sources (uses)	<u>1,223,729</u>	<u>1,213,246</u>	<u>(10,483)</u>
Net change in fund balance	<u>\$ 2,082,999</u>	1,869,824	<u>\$ (213,175)</u>
Fund balance:			
Beginning of year		<u>21,867,241</u>	
End of year		<u>\$ 23,737,065</u>	

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUND

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

CAPITAL PROJECTS FUNDS

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

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

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

School District U-46

Combining Balance Sheet
 Nonmajor Governmental Funds
 Year Ended June 30, 2013

	Special Revenue Fund	Capital Projects Funds		Total Nonmajor Governmental Funds
	Municipal Retirement/ Social Security Fund	Capital Projects Fund	Fire Prevention and Safety Fund	
Assets				
Cash	\$ -	\$ 5,544,768	\$ 690,923	\$ 6,235,691
Property taxes receivable, net of allowance	4,692,769	-	759,063	5,451,832
Replacement taxes receivable	716,222	-	-	716,222
Total assets	\$ 5,408,991	\$ 5,544,768	\$ 1,449,986	\$ 12,403,745
Liabilities and Fund Balances				
Liabilities				
Accounts payable	\$ -	\$ 401,785	\$ 448,652	\$ 850,437
Payroll deductions	521,683	-	-	521,683
Deferred property tax revenue	4,540,410	-	734,418	5,274,828
Due to other funds	621,572	-	1,082,266	1,703,838
Total liabilities	5,683,665	401,785	2,265,336	8,350,786
Fund balances				
Restricted	-	5,142,983	-	5,142,983
Unassigned	(274,674)	-	(815,350)	(1,090,024)
Total fund balance (deficit)	(274,674)	5,142,983	(815,350)	4,052,959
Total liabilities and fund balances	\$ 5,408,991	\$ 5,544,768	\$ 1,449,986	\$ 12,403,745

School District U-46

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2013

	Special	Capital Projects Funds		Total Nonmajor Governmental Funds
	Revenue Fund	Municipal Retirement/ Social Security Fund	Fire Prevention and Safety Fund	
Revenues:				
Property taxes	\$ 8,924,230	\$ -	\$ 744,417	\$ 9,668,647
Replacement taxes	3,711,497	-	-	3,711,497
Earnings on investments	102	4,819	2,585	7,506
Impact fees, rentals and other local sources	-	287,448	-	287,448
Total revenues	12,635,829	292,267	747,002	13,675,098
Expenditures:				
Current:				
Instruction:				
Regular programs	1,629,350	-	-	1,629,350
Special programs	1,720,904	-	-	1,720,904
Other instructional programs	575,063	-	-	575,063
Support services:				
Pupils	1,231,879	-	-	1,231,879
Instructional staff	387,286	-	-	387,286
General administration	354,982	-	-	354,982
School administration	1,210,109	-	-	1,210,109
Business	2,034,606	-	-	2,034,606
Facilities acquisition and construction	-	152,910	107,531	260,441
Transportation	2,969,812	-	-	2,969,812
Food service	15,814	-	-	15,814
Central	745,891	-	-	745,891
Other support services	42,373	-	-	42,373
Community services	92,238	-	-	92,238
Capital outlay	-	471,292	3,877,273	4,348,565
Total expenditures	13,010,307	624,202	3,984,804	17,619,313
Net change in fund balances	(374,478)	(331,935)	(3,237,802)	(3,944,215)
Fund balances (deficits):				
Beginning of year	99,804	5,474,918	2,422,452	7,997,174
End of year	\$ (274,674)	\$ 5,142,983	\$ (815,350)	\$ 4,052,959

School District U-46

Schedule of Revenues, Expenditures and Changes in Fund Balance (Deficit) -
 Budget and Actual
 Municipal Retirement/Social Security Fund
 Year Ended June 30, 2013

	Original and Final Budget	Actual	Variance
Revenues:			
Property taxes	\$ 10,432,580	\$ 8,924,230	\$ (1,508,350)
Replacement taxes	2,879,593	3,711,497	831,904
Earnings on investments	-	102	102
Total revenues	13,312,173	12,635,829	(676,344)
Expenditures:			
Current:			
Instruction:			
Regular programs	1,918,705	1,629,350	289,355
Special programs	1,685,122	1,720,904	(35,782)
Other instructional programs	475,657	575,063	(99,406)
Support services:			
Pupils	1,024,465	1,231,879	(207,414)
Instructional staff	316,256	387,286	(71,030)
General administration	308,125	354,982	(46,857)
School administration	1,225,995	1,210,109	15,886
Business	2,126,605	2,034,606	91,999
Transportation	3,367,000	2,969,812	397,188
Food service	(87,194)	15,814	(103,008)
Central	715,903	745,891	(29,988)
Other support	58,919	42,373	16,546
Community services	139,434	92,238	47,196
Total expenditures	13,274,992	13,010,307	264,685
Net change in fund balance	\$ 37,181	(374,478)	\$ (411,659)
Fund balance (deficit):			
Beginning of year		<u>99,804</u>	
End of year		<u>\$ (274,674)</u>	

School District U-46

**Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
Capital Projects Fund
Year Ended June 30, 2013**

	Original and Final Budget	Actual	Variance
Revenues:			
Earnings on investments	\$ -	\$ 4,819	\$ 4,819
Impact fees, rentals and other local sources	75,000	287,448	212,448
Total revenues	<u>75,000</u>	<u>292,267</u>	<u>217,267</u>
Expenditures:			
Current:			
Support services:			
Facilities acquisition and construction	95,750	152,910	(57,160)
Capital outlay	1,416,000	471,292	944,708
Total expenditures	<u>1,511,750</u>	<u>624,202</u>	<u>887,548</u>
Net change in fund balance	<u>\$ (1,436,750)</u>	(331,935)	<u>\$ 1,104,815</u>
Fund balance:			
Beginning of year		<u>5,474,918</u>	
End of year		<u>\$ 5,142,983</u>	

School District U-46

Schedule of Revenues, Expenditures and Changes in Fund Balance (Deficit) -
 Budget and Actual
 Fire Prevention and Safety Fund
 Year Ended June 30, 2013

	Original and Final Budget	Actual	Variance
Revenues:			
Property taxes	\$ -	\$ 744,417	\$ 744,417
Earnings on investments	5,000	2,585	(2,415)
Total revenues	<u>5,000</u>	<u>747,002</u>	<u>742,002</u>
Expenditures:			
Current:			
Support services:			
Facilities acquisition and construction	-	107,531	(107,531)
Capital outlay	2,944,698	3,877,273	(932,575)
Total expenditures	<u>2,944,698</u>	<u>3,984,804</u>	<u>(1,040,106)</u>
Net change in fund balance	<u>\$ (2,939,698)</u>	<u>(3,237,802)</u>	<u>\$ (298,104)</u>
Fund balance (deficit):			
Beginning of year		<u>2,422,452</u>	
End of year		<u>\$ (815,350)</u>	

FIDUCIARY FUNDS

AGENCY FUNDS

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

School District U-46

**Combining Statement of Changes in Assets and Liabilities -
Agency Funds - Student Activity Funds
Year Ended June 30, 2013**

	Assets/ Liabilities Balance at July 1, 2012	Additions	Deletions	Assets/ Liabilities Balance at June 30, 2013
High Schools				
Bartlett	\$ 672,896	\$ 1,707,102	\$ 1,775,819	\$ 604,179
Elgin	638,262	1,016,642	1,094,987	559,917
Larkin	513,858	772,448	669,120	617,186
Streamwood	257,317	913,081	878,804	291,594
Gifford	145,544	155,712	210,263	90,993
South Elgin	381,026	1,470,985	1,267,438	584,573
Total High Schools	2,608,903	6,035,970	5,896,431	2,748,442
Middle Schools				
Abbott	35,112	61,285	60,618	35,779
Canton	46,888	73,918	78,358	42,448
Eastview	128,677	146,066	142,601	132,142
Ellis	16,356	74,036	75,819	14,573
Kenyon Woods	96,075	175,829	183,231	88,673
Kimball	31,329	85,664	77,426	39,566
Larsen	44,246	77,964	74,759	47,451
Tefft	53,728	93,445	100,314	46,858
Total Middle Schools	452,411	788,206	793,127	447,490
Elementary Schools				
Bartlett	21,564	29,807	43,056	8,316
Centennial	13,528	82,546	79,357	16,717
Century Oaks	17,169	25,001	28,656	13,514
Channing	8,874	15,888	20,825	3,938
Clinton	12,238	33,216	28,892	16,562
Coleman	1,034	54,111	51,129	4,016
Creekside	9,650	27,173	27,698	9,125
Fox Meadow	20,352	48,770	54,092	15,030
Garfield	6,790	12,758	14,864	4,684
Harriet Gifford	27,967	47,359	48,778	26,548
Glenbrook	9,708	29,755	32,057	7,405
Hanover Countryside	18,154	29,910	32,691	15,372
Hawk Hollow	3,505	36,312	28,470	11,347
Heritage	11,463	43,887	50,965	4,385
Highland	8,784	26,210	28,339	6,655
Hillcrest	11,383	35,202	36,086	10,499
Hilltop	26,287	55,978	63,163	19,101

(Continued)

School District U-46

**Combining Statement of Changes in Assets and Liabilities -
Agency Funds - Student Activity Funds (Continued)
Year Ended June 30, 2013**

	Assets/ Liabilities Balance at July 1, 2012	Additions	Deletions	Assets/ Liabilities Balance at June 30, 2013
Elementary Schools (Continued)				
Horizon	\$ 22,787	\$ 54,727	\$ 63,475	\$ 14,039
Huff	9,069	21,754	15,346	15,478
Laurel Hill	18,730	40,581	38,581	20,730
Liberty	23,949	36,522	43,184	17,287
Lincoln	6,076	31,073	27,888	9,261
Lords Park	12,644	52,457	53,407	11,694
Lowrie	2,031	11,534	13,276	289
McKinley	19,386	27,496	32,860	14,022
Nature Ridge	7,213	45,011	45,537	6,687
Oakhill	6,090	20,569	22,225	4,435
Ontarioville	21,487	58,838	55,908	24,417
Otter Creek	17,699	56,260	56,450	17,510
Parkwood	5,720	18,440	13,663	10,497
Prairieview	7,424	50,816	44,665	13,576
Ridge Circle	7,674	43,662	41,817	11,019
Sheridan	8,666	35,001	33,739	9,928
Spring Trail	11,196	22,243	23,457	9,983
Sunnydale	9,176	35,809	25,952	19,033
Sycamore Trails	40,336	91,342	87,864	43,814
Timber Trails	12,733	32,623	31,433	13,923
Washington	15,142	29,743	35,476	9,409
Wayne	33,581	33,719	35,132	32,169
Willard	4,464	5,869	8,096	2,237
Total Elementary Schools	<u>551,723</u>	<u>1,489,973</u>	<u>1,518,546</u>	<u>523,150</u>
Other				
Adult Education	2,169	831	1,914	1,086
Safe Program	102,939	249,586	232,924	119,601
SWEP	14,647	41,097	39,142	16,602
Central School Programs	5,956	3,331	6,688	2,599
DORS	4,046	40,003	34,165	9,884
Total Other	<u>129,757</u>	<u>334,848</u>	<u>314,833</u>	<u>149,772</u>
Total All Agency Funds	<u>\$ 3,742,794</u>	<u>\$ 8,648,998</u>	<u>\$ 8,522,937</u>	<u>\$ 3,868,855</u>

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

School District U-46

Schedule of Bonded Debt and Annual Interest Requirements
Year Ended June 30, 2013

	Total	2014	2015	2016	2017	2018	Thereafter
February 1999 Issue							
Principal	\$ 17,050,000	\$ -	\$ -	\$ 1,725,000	\$ 3,300,000	\$ 5,025,000	\$ 7,000,000
Interest	4,338,000	863,000	863,000	863,000	776,750	611,750	360,500
	<u>21,388,000</u>	<u>863,000</u>	<u>863,000</u>	<u>2,588,000</u>	<u>4,076,750</u>	<u>5,636,750</u>	<u>7,360,500</u>
March 2001 Issue							
Principal	32,573,726	9,327,947	9,173,427	14,072,352	-	-	-
Interest	34,066,274	8,647,053	9,436,573	15,982,648	-	-	-
	<u>66,640,000</u>	<u>17,975,000</u>	<u>18,610,000</u>	<u>30,055,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
March 2002 Issue							
Principal	54,499,619	-	-	373,209	13,773,167	12,786,097	27,567,146
Interest	75,345,381	-	-	401,791	16,386,833	16,738,903	41,817,854
	<u>129,845,000</u>	<u>-</u>	<u>-</u>	<u>775,000</u>	<u>30,160,000</u>	<u>29,525,000</u>	<u>69,385,000</u>
March 2003B Issue							
Principal	58,542,650	727,271	727,445	970,121	966,120	966,844	54,184,849
Interest	95,337,350	557,729	627,555	934,879	1,033,880	1,143,156	91,040,151
	<u>153,880,000</u>	<u>1,285,000</u>	<u>1,355,000</u>	<u>1,905,000</u>	<u>2,000,000</u>	<u>2,110,000</u>	<u>145,225,000</u>
December 2003D Issue							
Principal	3,845,000	3,845,000	-	-	-	-	-
Interest	215,320	215,320	-	-	-	-	-
	<u>4,060,320</u>	<u>4,060,320</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
February 2005 Issue							
Principal	22,325,000	365,000	935,000	1,985,000	3,060,000	4,155,000	11,825,000
Interest	4,742,750	890,919	877,231	841,000	761,600	639,200	732,800
	<u>27,067,750</u>	<u>1,255,919</u>	<u>1,812,231</u>	<u>2,826,000</u>	<u>3,821,600</u>	<u>4,794,200</u>	<u>12,557,800</u>
September 2009 Issue							
Principal	16,670,000	605,000	4,320,000	2,495,000	1,135,000	1,175,000	6,940,000
Interest	3,638,264	655,163	637,013	507,413	426,325	386,600	1,025,750
	<u>20,308,264</u>	<u>1,260,163</u>	<u>4,957,013</u>	<u>3,002,413</u>	<u>1,561,325</u>	<u>1,561,600</u>	<u>7,965,750</u>
April 2010 Issue							
Principal	23,465,000	12,275,000	11,190,000	-	-	-	-
Interest	1,386,200	938,600	447,600	-	-	-	-
	<u>24,851,200</u>	<u>13,213,600</u>	<u>11,637,600</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
March 2011A Issue							
Principal	25,465,000	195,000	215,000	1,430,000	4,020,000	4,200,000	15,405,000
Interest	8,144,950	1,304,250	1,298,985	1,292,105	1,237,050	1,058,160	1,954,400
	<u>33,609,950</u>	<u>1,499,250</u>	<u>1,513,985</u>	<u>2,722,105</u>	<u>5,257,050</u>	<u>5,258,160</u>	<u>17,359,400</u>
March 2011B Issue							
Principal	1,630,000	200,000	200,000	200,000	200,000	200,000	630,000
Interest	48,360	10,595	9,295	7,995	6,695	5,395	8,385
	<u>1,678,360</u>	<u>210,595</u>	<u>209,295</u>	<u>207,995</u>	<u>206,695</u>	<u>205,395</u>	<u>638,385</u>
March 2012A Issue							
Principal	395,000	15,000	370,000	10,000	-	-	-
Interest	12,953	6,478	6,290	185	-	-	-
	<u>407,953</u>	<u>21,478</u>	<u>376,290</u>	<u>10,185</u>	<u>-</u>	<u>-</u>	<u>-</u>
March 2012B Issue							
Principal	31,045,000	-	-	1,110,000	70,000	75,000	29,790,000
Interest	14,888,325	1,369,525	1,369,525	1,369,525	1,325,125	1,323,025	8,131,600
	<u>45,933,325</u>	<u>1,369,525</u>	<u>1,369,525</u>	<u>2,479,525</u>	<u>1,395,125</u>	<u>1,398,025</u>	<u>37,921,600</u>
Total All Issues:							
Principal	287,505,995	27,555,218	27,130,872	24,370,682	26,524,287	28,582,941	153,341,995
Interest	242,164,127	15,458,632	15,573,067	22,200,541	21,954,258	21,906,189	145,071,440
	<u>\$ 529,670,122</u>	<u>\$ 43,013,850</u>	<u>\$ 42,703,939</u>	<u>\$ 46,571,223</u>	<u>\$ 48,478,545</u>	<u>\$ 50,489,130</u>	<u>\$ 298,413,435</u>

STATISTICAL SECTION

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

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

Sources:

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

School District U-46

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

	2004	2005	2006	2007	2008	2009***	2010	2011	2012	2013
Governmental Activities										
Net investment in capital assets	\$ 34,335,864	\$ 52,605,851	\$ 64,420,112	\$ 73,707,762	\$ 78,790,983	\$ 85,142,936	\$ 92,321,821	\$ 101,691,947	\$ 115,440,308	\$ 141,336,967
Restricted	65,108,916	43,262,743	30,051,687	30,965,329	20,069,311	16,184,054	2,863,666	83,078,457	81,367,132	21,712,904
Unrestricted	10,141,200	16,572,791	24,805,863	29,891,301	33,233,204	(52,913,595)	(67,581,131)	(103,290,222)	(83,366,008)	(28,795,357)
Total Government Activities										
Net Position	\$ 109,585,980	\$ 112,441,385	\$ 119,277,662	\$ 134,564,392	\$ 132,093,498	\$ 48,413,395	\$ 27,604,356	\$ 81,480,182	\$ 113,441,432	\$ 134,254,514

Source: Annual Financial Statements 2004-2013.

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

School District U-46

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

	2004	2005	2006	2007
Expenses				
Instruction:				
Regular programs	\$ 108,496,336	\$ 122,273,162	\$ 116,971,571	\$ 121,509,088
Special programs	37,556,152	40,375,369	37,621,812	36,386,694
Intergovernmental	316,226	669,590	-	-
Other instructional programs	30,486,120	31,956,031	34,864,900	40,308,314
Support services:				
Pupils	20,909,671	19,587,987	21,227,982	25,735,341
Instructional staff	16,830,978	19,854,703	14,308,445	15,010,469
General administration	3,841,967	4,636,611	6,135,468	8,815,798
School administration	16,631,620	18,077,013	20,650,619	23,905,980
Business	36,235,931	39,868,936	32,975,398	33,503,729
Facilities acquisition and construction	2,578,959	2,329,344	8,318,368	3,165,269
Transportation	14,099,921	14,917,148	20,628,584	22,172,911
Food service	-	-	11,995,150	12,952,500
Central	10,574,772	10,418,182	16,399,058	11,363,644
Other support services	-	-	73,677	239,079
Community services	2,391,101	2,113,949	2,804,104	2,736,807
Payments to other governments	-	-	9,914,016	9,732,031
State on-behalf of payments	18,199,329	16,153,122	11,323,546	16,971,766
Debt service-interest and fees	11,195,807	15,453,266	10,513,740	10,899,062
Total Expenses	330,344,890	358,684,413	376,726,438	395,408,482
Program Revenues				
Charges for services:				
Instruction:				
Regular programs	4,138,429	4,028,606	4,114,154	4,086,733
Special programs	-	-	351,522	484,804
Other instructional programs	-	-	1,046,348	344,730
Support services:				
Business	745,941	662,703	731,305	539,475
Transportation	280,587	253,830	274,392	338,703
Food service	4,548,712	4,861,266	5,476,413	5,851,771
Central	549,405	972,333	-	-
Operating grants and contributions	74,679,814	67,389,659	76,422,653	83,720,626
Capital grants and contributions	33,832,588	-	5,298,022	-
Total Program Revenues	118,775,476	78,168,397	93,714,809	95,366,842
Net (Expense)/Revenue	\$ (211,569,414)	\$ (280,516,016)	\$ (283,011,629)	\$ (300,041,640)

See related notes on page 73.

2008	2009	2010	2011	2012	2013
\$ 125,646,518	\$ 137,125,857	\$ 137,890,395	\$ 144,380,708	\$ 152,872,982	\$ 159,832,952
36,975,245	41,208,041	41,712,599	46,118,818	44,739,728	45,013,457
-	-	-	-	-	-
42,977,356	44,374,036	48,183,615	46,960,015	50,529,484	53,371,025
28,465,667	31,056,604	28,016,638	31,664,589	33,039,723	34,560,394
16,002,400	15,277,003	14,617,298	15,267,864	14,662,297	15,818,248
10,639,115	15,766,957	19,269,678	19,982,097	21,364,385	19,146,851
23,795,853	25,573,421	22,622,794	25,801,537	26,796,191	27,992,117
34,977,725	32,327,285	28,657,512	30,761,571	30,533,039	32,515,833
4,809,177	2,127,637	817,683	788,055	1,068,238	1,020,435
25,428,117	26,720,118	29,013,273	28,651,615	30,391,920	31,579,650
14,132,310	15,564,304	13,421,176	17,147,240	19,112,487	18,987,979
12,401,649	12,354,945	10,080,473	9,985,364	13,012,548	14,274,661
217,789	279,403	1,314,514	1,999,655	1,551,123	1,753,291
2,830,678	2,748,556	4,046,637	5,232,372	3,848,600	4,166,826
7,792,609	7,953,269	7,550,943	-	-	-
25,808,108	34,630,042	46,868,682	-	-	-
11,231,187	22,434,615	22,460,154	21,642,152	21,160,999	21,603,612
424,131,503	467,522,093	476,544,064	446,383,652	464,683,744	481,637,331
4,171,676	3,835,651	3,731,249	4,189,130	3,975,846	4,306,692
33,907	133,984	62,124	34,484	61,891	96
817,186	840,330	608,591	1,111,162	992,260	671,584
800,326	599,605	665,891	986,932	1,250,793	603,076
214,325	568,588	381,504	968,503	1,337,334	1,894,652
6,493,626	6,187,525	5,097,756	4,693,018	4,503,273	3,853,180
-	-	-	-	-	-
86,648,476	121,403,854	127,700,014	141,292,679	122,517,107	135,611,514
17,771	720,545	820,523	964,778	181,534	287,448
99,197,293	134,290,082	139,067,652	154,240,686	134,820,038	147,228,242
\$ (324,934,210)	\$ (333,232,011)	\$ (337,476,412)	\$ (292,142,966)	\$ (329,863,706)	\$ (334,409,089)

(Continued)

School District U-46

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

	2004	2005	2006	2007
General Revenues				
Property taxes:				
Levied for general purposes	\$ 170,219,123	\$ 180,240,614	\$ 185,184,977	\$ 205,075,226
Levied for Debt Service	21,998,446	25,750,372	28,312,083	32,321,416
Payments in lieu of taxes	2,368,771	2,779,771	3,580,340	3,975,944
Other taxes	52,810	17,310	-	-
Unrestricted state grants	70,034,193	70,827,051	69,525,159	67,600,037
Interest and investment earnings	1,023,851	2,198,338	3,242,618	5,599,826
Intergovernmental	167,819	-	-	-
Other general revenues	3,543,029	1,557,965	383,062	755,921
Total General Revenues	<u>269,408,042</u>	<u>283,371,421</u>	<u>290,228,239</u>	<u>315,328,370</u>
Change in Net Position	<u>\$ 57,838,628</u>	<u>\$ 2,855,405</u>	<u>\$ 7,216,610</u>	<u>\$ 15,286,730</u>

Source: Annual Financial Statements 2004-2013.

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

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

2008	2009	2010	2011	2012	2013
\$ 212,797,890	\$ 221,434,756	\$ 226,224,333	\$ 238,078,583	\$ 248,081,083	\$ 246,568,726
33,390,049	34,386,905	35,039,161	38,974,113	41,611,064	42,783,761
4,578,094	3,854,557	3,134,569	4,040,837	4,654,710	3,774,777
-	-	-	-	-	-
68,831,087	53,944,813	51,743,683	64,161,401	66,160,166	59,961,675
4,157,558	1,114,337	103,114	133,167	319,526	282,805
-	-	-	-	-	-
257,229	307,682	422,513	630,691	998,407	1,850,427
324,011,907	315,043,050	316,667,373	346,018,792	361,824,956	355,222,171
\$ (922,303)	\$ (18,188,961)	\$ (20,809,039)	\$ 53,875,826	\$ 31,961,250	\$ 20,813,082

School District U-46

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

	2004	2005	2006	2007	2008	2009**	2010	2011***	2012	2013
General Fund										
Reserved	\$ 523,537	\$ 430,692	\$ 418,907	\$ 289,686	\$ 196,756	\$ 209,973	\$ 4,105,974	N/A	N/A	N/A
Unreserved	(30,329,088)	(24,144,308)	(23,336,444)	(3,706,770)	(3,811,497)	(41,915,757)	(37,312,889)	N/A	N/A	N/A
Nonspendable	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$ 1,761,685	\$ 2,378,365	\$ 1,014,489
Restricted	N/A	N/A	N/A	N/A	N/A	N/A	N/A	91,707,158	108,539,319	297,756
Unassigned	N/A	N/A	N/A	N/A	N/A	N/A	N/A	8,192,571	34,017,658	145,661,663
Total General Fund	\$ (29,805,551)	\$ (23,713,616)	\$ (22,917,537)	\$ (3,417,084)	\$ (3,614,741)	\$ (41,705,784)	\$ (33,206,915)	\$ 101,661,414	\$ 144,935,342	\$ 146,973,908
All Other Governmental Funds										
Reserved	\$ 58,050,081	\$ 34,861,508	\$ 44,461,483	\$ 39,893,973	\$ 34,413,254	\$ 24,458,580	\$ 35,837,628	N/A	N/A	N/A
Unreserved, reported in:										
Special revenue funds	81,495,543	82,687,642	81,803,600	77,448,850	68,104,806	66,977,428	62,132,362	N/A	N/A	N/A
Restricted	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$ 33,724,667	\$ 29,864,415	\$ 28,880,048
Unassigned	N/A	N/A	N/A	N/A	N/A	N/A	N/A	(18,760,402)	(21,072,002)	(17,227,592)
Total all other governmental funds	\$ 139,545,624	\$ 117,549,150	\$ 126,265,083	\$ 117,342,823	\$ 102,518,060	\$ 91,436,008	\$ 97,969,990	\$ 14,964,265	\$ 8,792,413	\$ 11,652,456

Source: Annual Financial Statements 2004-2013.

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

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

School District U-46

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

	2004	2005	2006	2007
Revenues				
Local sources:				
Property taxes	\$ 192,217,569	\$ 205,990,986	\$ 213,497,060	\$ 237,396,642
Replacement taxes and other payments in lieu of taxes	2,421,581	2,797,081	3,580,340	3,975,944
Charges for services	10,263,074	10,778,738	11,262,829	11,106,741
Earnings on investments	1,023,851	2,198,338	3,242,618	5,599,826
Impact fees, rentals and other local sources	3,583,289	1,557,965	8,835,819	3,342,112
Total local sources	209,509,364	223,323,108	240,418,666	261,421,265
State sources:				
State grants-in-aid	142,495,982	99,375,099	108,890,420	109,958,592
State on-behalf of payments	18,199,329	16,153,122	11,323,546	16,971,766
Total state sources	160,695,311	115,528,221	120,213,966	126,930,358
Federal sources,				
Federal grants-in-aid	17,978,843	22,688,489	23,045,877	22,240,757
Total revenues	388,183,518	361,539,818	383,678,509	410,592,380
Expenditures				
Current:				
Instruction:				
Regular programs	99,549,504	110,704,325	112,582,971	117,128,966
Special programs	37,556,152	40,375,369	36,107,752	35,000,057
Other instructional programs	30,486,120	31,956,031	33,043,871	38,392,080
Intergovernmental state on-behalf of payments	18,199,329	16,153,122	11,323,546	16,971,766
Total instruction	185,791,105	199,188,847	193,058,140	207,492,869
Support services:				
Pupils	20,909,671	19,587,987	20,312,308	24,744,332
Instructional staff	9,432,636	10,288,164	13,701,183	14,386,197
General administration	3,841,967	4,636,611	5,877,931	8,469,365
School administration	16,631,620	18,077,013	19,819,625	22,995,799
Business	30,315,208	31,286,691	31,389,541	32,008,895
Facilities acquisition and construction	2,578,959	2,329,344	2,098,316	1,116,531
Transportation	14,099,921	14,917,148	19,785,158	21,977,006
Food service	8,592,162	9,228,946	11,225,155	12,317,378
Central	10,574,772	10,418,182	11,605,338	10,938,383
Other support	-	-	73,677	239,079
Total support services	116,976,916	120,770,086	135,888,232	149,192,965
Community services	2,391,101	2,113,949	2,687,395	2,626,570
Payments to other governments	-	-	9,914,016	9,732,031

(Continued)

2008	2009	2010	2011	2012	2013
\$ 246,187,939	\$ 255,821,661	\$ 261,263,494	\$ 277,052,696	\$ 289,692,147	\$ 289,352,487
4,578,094	3,773,557	3,053,569	3,959,837	3,642,927	3,733,997
11,730,720	11,384,259	9,772,661	10,880,592	10,805,515	10,612,329
4,157,558	1,114,337	103,114	133,167	319,526	282,805
2,382,271	2,142,626	2,286,164	2,687,134	3,752,842	2,286,686
269,036,582	274,236,440	276,479,002	294,713,426	308,212,957	306,268,304
101,647,698	94,968,684	85,042,918	109,760,781	108,491,808	108,809,995
25,808,108	34,630,042	46,868,682	41,387,470	45,591,003	52,723,457
127,455,806	129,598,726	131,911,600	151,148,251	154,082,811	161,533,452
26,716,812	39,563,940	53,206,061	42,256,544	33,912,188	35,700,980
423,209,200	443,399,106	461,596,663	488,118,221	496,207,956	503,502,736
121,094,338	128,971,936	131,049,168	119,418,719	127,064,616	130,185,958
35,606,891	39,218,924	39,539,625	38,124,984	37,183,726	36,595,148
41,194,495	45,643,301	45,761,230	39,038,710	42,005,491	43,274,655
25,808,108	34,630,042	46,868,682	41,387,470	45,591,003	52,723,457
223,703,832	248,464,203	263,218,705	237,969,883	251,844,836	262,779,218
27,417,732	29,984,096	26,418,768	25,731,889	27,444,523	27,663,747
15,410,170	14,710,807	13,924,195	12,744,126	12,189,512	12,868,897
10,242,630	14,447,028	18,379,668	16,791,704	17,767,485	15,753,783
22,920,993	24,691,749	21,475,686	21,432,466	22,275,360	22,841,782
33,685,788	31,040,810	27,357,981	25,915,150	25,396,979	26,838,096
1,356,116	1,042,244	752,369	604,006	1,060,755	841,117
25,380,780	23,855,721	23,081,648	23,703,791	25,260,870	25,693,690
13,320,933	14,992,526	12,692,710	14,128,009	15,884,358	15,369,092
12,276,504	11,830,777	9,579,069	8,312,235	10,819,203	11,707,954
217,009	279,403	1,313,172	1,993,812	1,550,758	1,728,002
162,228,655	166,875,161	154,975,266	151,357,188	159,649,803	161,306,160
2,711,317	2,646,368	3,812,527	4,278,777	3,195,043	3,309,466
7,792,609	7,956,101	7,550,943	7,131,341	7,507,509	8,592,837

School District U-46

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

	2004	2005	2006	2007
Total current	\$ 305,159,122	\$ 322,072,882	\$ 341,547,783	\$ 369,044,435
Debt service:				
Principal	9,082,695	12,721,835	16,023,117	20,172,487
Interest and fees	11,195,807	13,162,462	10,513,740	10,899,062
Capital outlay	61,803,665	33,280,962	29,029,135	15,285,123
Intergovernmental	316,226	669,590	-	-
Total Expenditures	387,557,515	381,907,731	397,113,775	415,401,107
Excess of revenues over (under) expenditures	626,003	(20,367,913)	(13,435,266)	(4,808,727)
Other financing sources (uses):				
Issuance of bonds	34,000,000	71,790,000	15,000,000	4,000,000
Premium on bonds sold	-	3,571,614	240,245	-
Discount on bonds sold	-	-	-	-
Accrued interest on bonds sold	-	-	24,294	-
Proceeds from sale of equipment	-	(74,237,418)	-	-
Issuance of debt certificates	-	-	-	7,266,920
Premium on debt certificates sold	-	-	-	102,832
Issuance of purchase contracts	675,935	3,339,178	7,682,739	4,017,168
Transfers in	-	771,260	1,830,161	5,747,053
Transfers out	-	(771,260)	(1,830,161)	(5,747,053)
Total other financing sources (uses)	34,675,935	4,463,374	22,947,278	15,386,920
Net Change in Fund Balances	\$ 35,301,938	\$ (15,904,539)	\$ 9,512,012	\$ 10,578,193
Debt service expenditure as a percentage of noncapital expenditures	6.23%	7.42%	7.21%	7.77%

Source: Annual Financial Statements 2004-2013.

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

2008	2009	2010	2011	2012	2013
\$ 396,436,413	\$ 425,941,833	\$ 429,557,441	\$ 400,737,189	\$ 422,197,191	\$ 435,987,681
24,988,439	27,544,950	33,602,191	30,572,146	30,763,865	30,005,118
11,231,187	12,718,067	9,765,565	12,444,322	12,896,130	12,850,947
15,729,322	17,611,198	4,603,283	9,723,218	14,633,641	27,588,908
-	-	-	-	-	-
448,385,361	483,816,048	477,528,480	453,476,875	480,490,827	506,432,654
(25,176,161)	(40,416,942)	(15,931,817)	34,641,346	15,717,129	(2,929,918)
-	-	64,595,000	27,955,000	31,460,000	-
-	-	3,176,086	-	1,522,879	-
-	-	-	(440,725)	(5,801)	-
-	-	-	-	-	-
-	-	(36,806,418)	(10,293,017)	(12,791,001)	770,800
6,200,000	-	-	-	-	-
-	-	-	-	-	-
3,953,741	4,195,926	-	-	1,198,870	7,057,727
-	4,324,525	4,424,969	2,476,070	2,274,500	1,762,440
-	(4,324,525)	(4,424,969)	(2,476,070)	(2,274,500)	(1,762,440)
10,153,741	4,195,926	30,964,668	17,221,258	21,384,947	7,828,527
\$ (15,022,420)	\$ (36,221,016)	\$ 15,032,851	\$ 51,862,604	\$ 37,102,076	\$ 4,898,609
8.37%	8.64%	9.17%	9.69%	9.37%	8.85%

School District U-46

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

Tax Levy Year	Residential Property	Farm Property	Commercial Property	Industrial Property	Railroad Property	Total Equalized Assessed Valuation
2012	\$ 3,807,985,296	\$ 3,652,052	\$ 504,703,405	\$ 325,759,522	\$ 1,737,141	\$ 4,643,837,416
2011	4,195,437,297	4,023,638	556,055,585	358,904,655	1,913,890	5,116,335,065
2010	4,650,255,991	4,418,413	608,681,253	398,128,663	1,943,447	5,663,427,767
2009	5,018,610,526	4,482,824	657,518,565	430,218,669	1,435,268	6,112,265,852
2008 (2)	4,868,224,359	4,337,570	632,483,830	402,270,282	1,258,245	5,908,574,286
2007	4,752,496,742	4,239,339	613,782,014	395,753,570	1,024,950	5,767,296,615
2006	4,296,541,049	4,623,682	550,364,947	338,152,754	813,429	5,190,495,861
2005	3,966,354,659	4,868,297	547,744,374	319,885,730	722,871	4,839,575,931
2004	3,638,891,994	5,114,394	511,655,692	299,473,286	756,122	4,455,891,488
2003	3,257,785,319	5,285,417	466,263,706	269,936,931	698,418	3,999,969,791

Source: District Records

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

Kane County Total Direct Tax Rate (1)	Cook County Total Direct Tax Rate (1)	DuPage County Total Direct Tax Rate (1)	Estimated Actual Taxable Value	Percentage of Estimated Actual Taxable Value
6.3706	6.5400	6.1068	\$ 13,931,512,248	33.33%
5.8307	5.5062	5.6118	15,349,005,195	33.33%
5.2661	5.0254	4.8392	16,990,283,301	33.33%
4.5494	4.3390	4.6019	18,336,797,556	33.33%
4.2066	4.4342	4.2591	17,725,722,858	33.33%
4.3696	4.5650	4.2737	17,301,889,845	33.33%
4.6949	4.8735	4.6781	15,571,487,583	33.33%
4.7346	4.7457	4.6015	14,518,727,793	33.33%
4.7024	4.9445	4.6020	13,367,674,464	33.33%
4.9769	5.6059	4.6866	11,999,909,373	33.33%

School District U-46

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

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Direct										
School District U-46	6.3706	5.8307	5.2661	4.5494	4.2066	4.3659	4.6954	4.7345	4.7024	4.9424
Overlapping										
Kane County	0.4336	0.3990	0.3730	0.3361	0.3336	0.3322	0.3452	0.3367	0.3467	0.3578
Kane County Forest Preserve District	0.2710	0.2609	0.2201	0.1997	0.1932	0.1974	0.1747	0.1904	0.1432	0.1270
Gail Borden Library District	0.4791	0.4084	0.3650	0.3380	0.3175	0.3111	0.3378	0.3171	0.3700	0.3445
Elgin Township	0.0997	0.0890	0.0783	0.0706	0.0692	0.0693	0.0715	0.0759	0.0776	0.0807
Elgin Township Road Fund	0.0762	0.0660	0.0581	0.0524	0.0514	0.0515	0.0531	0.0563	0.0770	0.0599
City of Elgin	1.9344	1.9836	1.9210	1.9202	1.9200	1.9200	1.9501	1.9201	1.9198	1.9047
Fox River Water Reclamation District	0.0344	0.0299	0.0273	0.0249	0.0240	0.0246	0.0270	N/A	N/A	N/A
Community College District 509	0.5215	0.4456	0.4407	0.3833	0.3175	0.3280	0.3398	0.4010	0.4154	0.3854
Total	10.2205	9.5130	8.7497	7.8746	7.4330	7.6000	7.9946	8.0320	8.0521	8.2024

Source: District Records

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

School District U-46

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

	2012	2011	2010	2009
Rates Extended				
Educational	3.8833	3.4078	3.4930	3.0397
Tort immunity/liability insurance	0.1434	0.0847	0.0778	0.0657
Special education	0.5507	0.4180	0.0373	0.0347
Operations and maintenance	0.5014	0.4323	0.3971	0.3348
Transportation	0.2189	0.1438	0.1271	0.1012
Municipal retirement - IMRF	0.1087	0.0899	0.0794	0.0706
Social security	0.1003	0.0830	0.0794	0.0706
Bond and interest/supp.	0.8029	0.6783	0.5875	0.4889
Working cash	-	-	-	-
Life safety	0.0344	-	-	-
Life safety limited bonds	-	-	-	-
Limited bonds	0.1955	0.1684	0.1468	0.1326
Total Rates Extended	6.5395	5.5062	5.0254	4.3388
Levies Extended				
Educational	\$ 77,521,882	\$ 74,345,887	\$ 84,561,841	\$ 79,727,190
Tort immunity/liability insurance	2,862,907	1,847,319	1,883,010	1,723,705
Special education	10,992,581	9,118,407	902,377	912,245
Operations and maintenance	10,008,905	9,433,590	9,613,134	8,783,919
Transportation	4,371,211	3,136,504	3,076,398	2,654,041
Municipal retirement - IMRF	2,168,185	1,961,136	1,922,137	1,852,918
Social security	2,002,190	1,810,111	1,922,137	1,852,918
Bond and interest/supp.	16,028,963	14,798,101	14,223,828	12,823,465
Working cash	-	-	-	-
Life safety	688,573	-	-	-
Life safety limited bonds	-	-	-	-
Limited bonds	3,902,150	3,673,366	3,552,765	3,478,715
Total Levies Extended	\$ 130,547,547	\$ 120,124,421	\$ 121,657,627	\$ 113,809,116
Current year collections	\$ 62,462,919	\$ 62,309,872	\$ 58,289,670	\$ 52,012,181
Subsequent year collections	-	54,034,910	61,655,603	59,198,269
Total Collections	\$ 62,462,919	\$ 116,344,782	\$ 119,945,273	\$ 111,210,450
Percentage of extensions collected				
Current year collections	47.85%	51.87%	47.91%	45.70%
Total collections	47.85%	96.85%	98.59%	97.72%

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

2008	2007	2006	2005	2004	2003
3.1247	3.1657	3.4172	3.2886	3.5377	3.9875
0.0538	0.0755	0.0517	0.0667	0.0093	0.1163
0.0361	0.0363	0.0385	0.0368	0.0371	0.0391
0.3090	0.3396	0.3650	0.3458	0.3644	0.3858
0.1053	0.0968	0.1043	0.1103	0.1300	0.1873
0.0900	0.0903	0.0963	0.0938	0.0929	0.0600
0.0900	0.0903	0.0963	0.0938	0.0929	0.0600
0.4771	0.4934	0.5093	0.5035	0.5560	0.6201
-	-	-	-	-	-
0.0121	0.0291	0.0297	0.0350	0.0348	0.0447
0.0549	0.0696	0.0824	0.0883	-	-
0.0812	0.0784	0.0828	0.0831	0.0894	0.1051
4.4342	4.5650	4.8735	4.7457	4.9445	5.6059

\$ 78,974,704	\$ 72,626,540	\$ 67,827,228	\$ 62,226,815	\$ 60,060,840	\$ 54,260,960
1,360,208	1,097,746	1,376,253	1,262,617	157,999	1,661,891
913,505	818,047	758,809	696,155	630,560	553,280
7,810,356	7,756,943	7,130,735	6,541,959	6,187,370	5,453,760
2,661,968	2,216,304	2,276,429	2,088,467	2,206,960	2,647,840
2,274,271	2,046,320	1,933,406	1,773,767	1,576,400	1,896,960
2,274,271	2,046,320	1,933,406	1,773,767	1,576,400	1,896,960
12,059,412	14,335,764	13,506,762	9,527,480	9,439,584	8,765,003
-	-	-	-	-	-
307,021	630,281	719,310	659,917	591,150	632,320
1,387,752	-	-	1,671,134	-	-
2,052,967	-	-	1,571,578	1,518,504	1,486,387
\$ 112,076,435	\$ 103,574,265	\$ 97,462,338	\$ 89,793,656	\$ 83,945,767	\$ 79,255,361

\$ 48,524,841	\$ 44,393,116	\$ 40,051,415	N/A	N/A	N/A
60,647,647	58,889,045	55,660,927	N/A	N/A	N/A
\$ 109,172,488	\$ 103,282,161	\$ 95,712,342	\$ 87,178,630	\$ 83,386,746	\$ 74,898,338

43.30%	41.09%	N/A	N/A	N/A	N/A
97.41%	98.20%	97.09%	99.33%	94.50%	99.94%

School District U-46

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

	2012	2011	2010	2009
Rates Extended				
Educational	4.0429	3.5530	3.3878	3.2406
Tort immunity/liability insurance	0.1414	0.0854	0.0723	0.0703
Special education	0.5467	0.4226	0.0349	0.0370
Operations and maintenance	0.4687	0.4355	0.3690	0.3569
Transportation	0.2303	0.1448	0.1404	0.1079
Municipal retirement - IMRF	0.0988	0.0907	0.0738	0.0757
Social security	0.0778	0.0837	0.0738	0.0757
Bond and interest/supp.	0.7818	0.6377	0.5501	0.5015
Bond and interest - limited	0.1905	0.1584	0.1371	0.1363
Working cash	-	-	-	-
Life safety	0.0263	-	-	-
Total Rates Extended	6.6052	5.6118	4.8392	4.6019
Levies Extended				
Educational	\$ 42,676,422	\$ 41,017,023	\$ 42,636,618	\$ 44,130,824
Tort immunity/liability insurance	1,492,603	985,886	909,920	957,353
Special education	5,770,907	4,878,636	439,228	503,870
Operations and maintenance	4,947,547	5,027,558	4,643,991	4,860,301
Transportation	2,431,022	1,671,620	1,766,982	1,469,393
Municipal retirement - IMRF	1,042,922	1,047,071	928,798	1,030,890
Social security	821,249	966,261	928,798	1,030,890
Bond and interest/supp.	8,252,598	7,361,823	6,923,196	6,829,470
Bond and interest limited	2,010,898	1,828,623	1,725,450	1,856,147
Working cash	-	-	-	-
Life safety	277,620	-	-	-
Total Levies Extended	\$ 69,723,788	\$ 64,784,500	\$ 60,902,982	\$ 62,669,138
Current year collections	\$ 33,209,714	\$ 31,108,515	\$ 30,363,549	\$ 30,004,777
Subsequent year collections	-	33,516,034	30,498,793	32,603,756
Total Collections	\$ 33,209,714	\$ 64,624,549	\$ 60,862,342	\$ 62,608,533
Percentage of extensions collected				
Current year collections	47.63%	48.02%	49.86%	47.88%
Total collections	47.63%	99.75%	99.93%	99.90%

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

2008	2007	2006	2005	2004	2003
2.9813	2.9817	3.2879	3.2315	3.2108	3.5482
0.0746	0.0710	0.0833	0.0656	0.1039	0.1016
0.0343	0.0342	0.0379	0.0332	0.0372	0.0400
0.3200	0.3199	0.3532	0.3117	0.3404	0.3750
0.0995	0.0914	0.0956	0.1085	0.0999	0.1200
0.0852	0.0852	0.0887	0.0921	0.0966	0.1371
0.0852	0.0852	0.0887	0.0921	0.0966	0.1371
0.4412	0.4441	0.4703	0.4716	0.5005	0.5461
0.1258	0.1328	0.1527	0.1609	0.0806	0.0927
-	-	-	-	-	-
0.0120	0.0277	0.0198	0.0344	0.0355	-
4.2591	4.2732	4.6781	4.6016	4.6020	5.0978

\$ 40,903,191	\$ 39,146,450	\$ 40,689,543	\$ 37,027,378	\$ 34,706,373	\$ 32,933,000
1,023,506	1,114,644	1,030,883	861,855	1,123,082	940,164
470,593	449,008	469,033	436,133	402,104	371,622
4,390,374	4,199,936	4,371,041	4,096,415	3,679,472	3,480,929
1,365,132	1,387,725	1,183,102	982,168	1,079,845	1,111,837
1,168,937	1,118,583	1,097,711	1,092,069	1,044,175	1,272,402
1,168,937	1,118,583	1,097,711	1,092,069	1,044,175	1,272,402
6,053,228	7,574,064	7,709,962	7,317,092	6,281,261	5,944,946
1,725,966	-	-	-	-	-
-	-	-	-	-	-
164,639	-	245,036	327,389	383,729	-
\$ 58,434,503	\$ 56,108,993	\$ 57,894,022	\$ 53,232,568	\$ 49,744,216	\$ 47,327,302

\$ 27,377,411	\$ 26,097,148	\$ 27,397,647	N/A	N/A	N/A
31,001,864	29,954,558	30,436,037	N/A	N/A	N/A
\$ 58,379,275	\$ 56,051,706	\$ 57,833,684	\$ 53,189,547	\$ 49,458,970	\$ 47,309,522

46.85%	46.51%	47.32%	N/A	N/A	N/A
99.91%	99.90%	99.90%	99.92%	99.43%	99.96%

School District U-46

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

	2012	2011	2010	2009
Rates Extended				
Educational	3.9022	3.8426	3.7483	3.1850
Tort immunity/liability insurance	0.1379	0.0922	0.0795	0.0688
Special education	0.5296	0.4551	0.0381	0.0364
Operations and maintenance	0.4822	0.4707	0.4057	0.3509
Transportation	0.2105	0.1566	0.1298	0.1060
Municipal retirement - IMRF	0.1045	0.0979	0.0811	0.0740
Social security	0.0965	0.0904	0.0811	0.0740
Bond and interest/supp.	0.8066	0.6922	0.6133	0.5332
Working cash	-	-	-	-
Working cash bonds	0.0841	0.0756	0.0929	0.0821
Life safety	-	-	-	-
Fire safety bonds	-	-	-	-
Prior year adjustment	(0.0769)	(0.1425)	(0.0037)	0.0390
Levies Extended	6.2771	5.8307	5.2661	4.5494
Levies Extended				
Educational	\$ 62,297,953	\$ 64,322,072	\$ 74,365,813	\$ 67,765,315
Tort immunity/liability insurance	2,200,917	1,543,760	1,577,458	1,464,219
Special education	8,454,302	7,617,338	756,543	774,122
Operations and maintenance	7,697,564	7,878,911	8,048,261	7,465,272
Transportation	3,361,286	2,620,542	2,575,447	2,255,567
Municipal retirement - IMRF	1,668,327	1,638,626	1,609,644	1,573,986
Social security	1,539,831	1,512,582	1,609,644	1,573,986
Bond and interest/supp.	13,486,795	12,951,697	12,167,590	11,345,247
Working cash	-	-	-	-
Working cash bonds	1,405,806	1,414,548	1,842,955	1,747,089
Life safety	528,948	-	-	-
Prior year adjustment	(1,224,095)	(2,536,414)	(73,448)	830,738
Total Levies Extended	\$ 101,417,634	\$ 98,963,662	\$ 104,479,907	\$ 96,795,541
Current year collections	\$ 50,178,087	\$ 48,496,568	\$ 50,460,307	\$ 48,399,771
Subsequent year collections	-	50,131,935	53,806,269	48,250,917
Total Collections	\$ 50,178,087	\$ 98,628,503	\$ 104,266,576	\$ 96,650,688
All Three Counties Combined				
Total levies extended	\$ 301,688,969	\$ 283,872,583	\$ 287,040,516	\$ 273,273,795
Current year collections	\$ 145,850,720	\$ 141,914,955	\$ 139,113,526	\$ 130,416,729
Subsequent year collections	-	137,682,879	145,960,665	140,052,942
Total collections	\$ 145,850,720	\$ 279,597,834	\$ 285,074,191	\$ 270,469,672
Percentage of extensions collected				
Current year collections	48.34%	49.99%	48.46%	47.72%
Total collections	48.34%	98.49%	99.31%	98.97%

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

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

2008	2007	2006	2005	2004	2003
3.0879	3.1403	3.2437	3.2774	3.2313	3.5172
0.0774	0.0749	0.0828	0.1758	0.1132	0.1026
0.0354	0.0359	0.0375	0.0384	0.0366	0.0400
0.3313	0.3369	0.3523	0.3602	0.3433	0.3750
0.1031	0.0961	0.0950	0.0865	0.1007	0.1000
0.0881	0.0949	0.0946	0.0961	0.0966	0.1000
0.0881	0.0895	0.0946	0.0961	0.0966	0.1000
0.4998	0.5259	0.5457	0.5653	0.5056	0.5062
-	-	-	-	-	-
0.0763	0.0732	0.0764	0.0793	0.0814	0.0859
0.0119	0.0288	0.0310	0.0288	0.0352	0.0500
-	-	-	-	-	-
(0.1927)	(0.1252)	0.0418	0.0307	0.0619	-
4.2066	4.3712	4.6954	4.8346	4.7024	4.9769
\$ 66,591,910	\$ 63,520,045	\$ 63,479,651	\$ 59,980,963	\$ 55,494,332	\$ 55,449,834
1,668,808	1,550,644	1,619,646	1,005,824	1,546,693	1,617,523
763,076	726,919	734,842	658,030	584,238	630,613
7,145,642	6,814,216	6,894,983	6,168,980	5,477,181	5,912,000
2,223,643	2,248,910	1,857,834	1,923,970	2,065,062	1,576,533
1,899,782	1,810,734	1,850,465	1,542,284	1,442,263	1,576,533
1,899,782	1,810,734	1,850,465	1,542,284	1,442,263	1,576,533
10,779,074	12,081,955	12,175,338	11,502,431	9,806,016	9,334,654
-	-	-	-	-	-
1,645,622	-	-	-	-	-
256,466	-	606,129	450,826	524,474	788,267
(4,156,375)	-	-	-	-	-
\$ 90,717,430	\$ 90,564,157	\$ 91,069,353	\$ 84,775,592	\$ 78,382,522	\$ 78,462,490
\$ 41,642,782	\$ 43,644,195	\$ 44,190,832	N/A	N/A	N/A
48,754,604	46,773,020	46,740,095	N/A	N/A	N/A
\$ 90,397,386	\$ 90,417,215	\$ 90,930,927	\$ 84,236,617	\$ 78,306,490	\$ 77,498,803
\$ 261,228,368	\$ 250,247,415	\$ 246,425,713	\$ 227,801,816	\$ 212,072,505	\$ 205,045,153
\$ 117,545,034	\$ 114,134,459	\$ 111,639,894	N/A	N/A	N/A
140,404,115	135,616,623	132,837,059	N/A	N/A	N/A
\$ 257,949,149	\$ 249,751,082	\$ 244,476,953	\$ 224,604,794	\$ 211,152,206	\$ 199,706,663
45.00%	45.61%	45.30%	N/A	N/A	N/A
98.74%	99.80%	99.21%	98.60%	99.57%	97.40%

School District U-46

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

Fiscal Year	General Obligation Bonds	Debt Certificates	Certificates of Participation	Installment Notes	Claims and Judgments
2013	\$ 287,505,995	\$ 4,200,013	\$ -	\$ -	\$ 15,707,626
2012	315,894,005	4,605,167	-	-	10,081,533
2011	322,144,437	5,150,170	-	40,880	10,706,179
2010	323,698,890	11,232,573	-	90,617	7,456,768
2009	316,460,991	12,392,393	-	152,087	-
2008	339,318,830	13,182,152	-	207,661	-
2007	364,109,311	7,124,536	-	263,235	-
2006	380,083,840	-	-	318,809	-
2005	381,051,383	-	-	374,383	-
2004	390,302,644	-	-	429,957	60,000

Source: District Records

Note: This schedule includes all debt financed with general governmental resources for which there is an established repayment schedule. Accreted interest on debt, retirement obligations and estimated liabilities such as compensated absences are not included. Beginning with fiscal year 2011 Claims and Judgments include only claims incurred but not reported (IBNR), whereas, prior years may include claims payable amounts as well.

Purchase Contracts	Total Outstanding Debt	Estimated Actual Taxable Property Value	Percentage Estimated Actual Taxable Property Value	Estimated Population	Total Outstanding Debt Per Capita
\$ 8,903,276	\$ 316,316,911	\$ 13,931,512,248	2.27 %	240,000	\$ 1,318
3,057,503	333,638,208	15,349,005,195	2.17	240,000	1,390
5,281,183	343,322,849	16,990,283,301	2.02	240,000	1,431
9,346,736	351,825,584	18,336,797,556	1.92	240,000	1,466
14,272,637	343,278,108	17,725,722,858	1.94	240,000	1,430
12,268,058	364,976,701	17,301,889,845	2.11	240,000	1,521
11,282,489	382,779,571	15,571,487,583	2.46	240,000	1,595
10,616,133	391,018,782	14,518,727,793	2.69	240,000	1,629
5,118,046	386,543,812	13,367,674,464	2.89	240,000	1,611
3,477,957	394,270,558	11,999,909,373	3.29	240,000	1,643

School District U-46

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

Fiscal Year	General Bonded Debt	Less: Amount Available in Debt Service Fund	Net General Bonded Debt	Estimated Actual Taxable Property Value	Percentage of Net General Bonded Debt to Estimated Actual Valuation
2013	\$ 287,505,995	\$ 23,737,065	\$ 263,768,930	\$ 13,931,512,248	1.89%
2012	315,894,005	21,867,241	294,026,764	15,349,005,195	1.92%
2011	322,144,437	19,252,458	302,891,979	16,990,283,301	1.78%
2010	323,698,890	17,992,384	305,706,506	18,336,797,556	1.67%
2009	316,460,991	18,241,011	298,219,980	17,725,722,858	1.68%
2008	339,318,830	16,473,510	322,845,320	17,301,889,845	1.87%
2007	364,109,311	18,848,214	345,261,097	15,571,487,583	2.22%
2006	380,083,840	17,341,682	362,742,158	14,518,727,793	2.50%
2005	381,051,383	15,885,536	365,165,847	13,367,674,464	2.73%
2004	390,302,644	14,755,200	375,547,444	11,999,909,373	3.13%

Source: District Records

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

Estimated Population		Net General Bonded Debt Per Capita
240,000	\$	1,099
240,000		1,225
240,000		1,262
240,000		1,274
240,000		1,243
240,000		1,345
240,000		1,439
240,000		1,511
240,000		1,522
240,000		1,565

School District U-46

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

	2013	2012	2011	2010
Debt limit	\$ 640,849,563	\$ 706,054,239	\$ 781,553,032	\$ 835,725,768
Total net debt applicable to limit	276,872,219	301,689,434	313,364,212	326,376,432
Legal debt margin	<u>\$ 363,977,344</u>	<u>\$ 404,364,805</u>	<u>\$ 468,188,820</u>	<u>\$ 509,349,336</u>
Total net debt applicable to the limit as a percentage of debt limit	43%	43%	40%	39%

Note: Legal debt margin from 2004 was 15.0% and from 2005-2013 was 13.8%.

Legal Debt Margin Calculation for Fiscal 2013

Assessed Value	\$ 4,643,837,416
Debt limit (13.8%) of assessed value	<u>640,849,563</u>
Debt outstanding applicable to the limit:	
General obligation bonds	287,505,995
General obligation debt certificates	4,200,013
Purchase contracts	<u>8,903,276</u>
Total debt outstanding applicable to the limit	300,609,284
Less: Amount set aside for repayment of debt	<u>23,737,065</u>
Total net debt applicable to the limit	<u>276,872,219</u>
Total legal debt margin	<u>\$ 363,977,344</u>

Source: District Records

2009	2008	2007	2006	2005	2004
\$ 815,383,251	\$ 760,735,825	\$ 723,059,131	\$ 667,861,478	\$ 575,703,963	\$ 551,995,831
325,037,097	339,318,830	364,109,311	380,083,840	381,051,383	390,302,644
\$ 490,346,154	\$ 421,416,995	\$ 358,949,820	\$ 287,777,638	\$ 194,652,580	\$ 161,693,187
40%	45%	50%	57%	66%	71%

School District U-46

**District Employment Statistics
Last Ten Fiscal Years**

Staff	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Teachers	2,311	2,243	2,203	2,516	2,582	2,440	2,474	2,290	2,242	2,107
Building substitutes	-	-	-	-	23	22	24	30	27	10
Noon hour supervisors (part-time)	89	91	93	102	119	137	115	109	120	107
Educational assistants/paraprofessionals	460	414	338	398	446	428	441	404	548	421
Secretary/clerical	211	205	212	268	304	294	297	292	267	261
Transportation	208	209	201	224	237	225	213	204	198	379
Custodial/maintenance	121	107	118	131	122	123	128	145	128	145
Technical/other	151	116	165	149	164	163	151	116	146	107
Food service	177	164	154	169	155	147	145	138	123	121
School administration	93	94	92	97	102	99	101	95	93	105
Supervisors/directors/coordinators	31	32	28	43	34	28	29	32	26	33
Central administration	39	35	33	25	33	33	32	29	33	28
Divisionals	16	15	16	20	25	23	24	19	20	20
Superintendent/executive staff	8	9	7	9	10	10	11	11	9	9
Total staff	3,914	3,733	3,660	4,151	4,356	4,172	4,185	3,914	3,980	3,853

Source: District Business Office

N/A: Not Available

School District U-46

**Average Daily Attendance and Operating Expenditures Per Pupil
Last Ten Fiscal Years**

Year Ended June 30,	Expenditures*	Deductions**	Operating Expenditures	Average Daily Attendance	Operating Expenditures Per Pupil
2013	\$ 449,100,191	\$ 85,496,629	363,603,562	35,995	\$ 10,102
2012	429,938,191	82,315,321	347,622,870	35,983	9,661
2011	453,476,875	101,996,241	351,480,634	36,668	9,247
2010	426,098,295	66,647,497	359,450,798	36,456	9,860
2009	436,222,997	48,149,501	388,073,496	36,289	10,694
2008	411,555,432	48,103,164	363,452,268	36,205	10,039
2007	388,225,546	44,684,034	343,541,512	35,898	9,570
2006	364,221,923	44,715,700	319,506,223	35,238	9,067
2005	337,783,251	37,008,190	300,775,061	33,824	8,892
2004	311,302,492	31,733,948	279,568,544	34,954	7,998

Source: Annual Financial Report to State Board of Education

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

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

School District U-46

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

Function	2013	2012	2011	2010
Instruction				
Student enrollment:				
Elementary	22,375	22,348	22,853	22,863
Middle school	6,012	6,006	5,972	6,107
High school	12,403	12,048	12,327	11,998
Total student enrollment	<u>40,790</u>	<u>40,402</u>	<u>41,152</u>	<u>40,968</u>
Support services - pupil				
% of students with disabilities	12.9%	13.2%	13.0%	14.3%
Support services - pupil				
Information technology services work orders completed	46,646	43,176	33,519	45,661
School administration				
Student attendance rate	94.20%	94.20%	94.00%	94.10%
Business				
Fiscal				
Purchase orders processed	9,440	10,051	9,579	9,013
Nonpayroll checks issued	7,977	8,352	7,967	7,779
Maintenance				
Maintenance work orders completed	27,201	23,276	25,709	26,669
District square footage maintained by custodians and maintenance staff	5,492,057	5,492,057	5,492,057	5,492,057
District acreage maintained by grounds staff	805	805	805	805
Transportation				
Average number of students Transported daily				
Regular, public schools	24,891	24,447	24,375	24,028
Non-public	14	18	25	10
Special education	1,743	2,132	2,133	2,125
Total number of students transported	<u>24,891</u>	<u>26,597</u>	<u>26,533</u>	<u>26,163</u>
Student transportation miles traveled				
Regular education	2,623,820	2,406,833	2,066,821	2,598,143
Special education	1,663,595	2,427,205	2,290,604	2,379,919
Non-reimbursable	357,238	316,234	226,244	349,651
Total student transportation miles traveled	<u>4,644,653</u>	<u>5,150,272</u>	<u>4,583,669</u>	<u>5,327,713</u>

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

N/A: Not Available

2009	2008	2007	2006	2005	2004
22,734	22,765	22,795	22,662	22,156	22,346
6,102	6,264	6,170	6,039	6,002	5,880
11,976	11,680	11,415	10,955	10,509	10,305
40,812	40,709	40,380	39,656	38,667	38,531
13.2%	13.7%	13.2%	N/A	N/A	N/A
40,270	42,080	48,540	N/A	N/A	N/A
94.3%	94.3%	94.3%	N/A	N/A	N/A
11,507	13,906	13,398	N/A	N/A	N/A
9,627	9,734	10,923	N/A	N/A	N/A
30,690	28,840	24,800	N/A	N/A	N/A
5,492,057	5,492,057	5,492,057	5,492,057	5,492,057	5,492,057
805	805	805	N/A	N/A	N/A
23,477	23,628	21,820	22,520	22,203	21,871
6	-	-	1	3	719
2,333	2,077	2,321	2,414	2,145	2,527
25,816	25,705	24,141	24,935	24,351	25,117
3,214,182	2,110,472	2,692,281	2,103,142	1,915,477	2,085,656
2,721,107	2,566,295	2,117,736	1,912,868	1,829,338	1,878,036
490,778	508,435	452,050	479,193	389,606	320,036
6,426,067	5,185,202	5,262,067	4,495,203	4,134,421	4,283,728

School District U-46

District Enrollment by School
Last Ten Fiscal Years

School	2012-2013*	2011-2012*	2010-2011*	2009-2010*	2008-2009*	2007-2008*	2006-2007*
Bartlett	604	599	620	619	619	631	642
Centennial	477	484	521	551	527	544	566
Century Oaks	537	532	527	502	490	473	448
Channing	622	655	667	626	619	578	534
Clinton	495	446	425	417	436	457	434
Coleman	572	565	589	574	586	601	593
Creekside	668	572	522	610	543	557	586
Fox Meadow	741	788	823	774	773	799	769
Garfield	432	451	470	437	432	460	466
Harriet Gifford	518	511	457	487	485	495	495
Glenbrook	513	514	454	491	426	436	426
Hanover Countryside	483	439	418	448	433	455	450
Hawk Hollow	454	469	517	504	503	518	527
Heritage	510	535	480	507	507	544	538
Highland	517	532	546	526	524	553	555
Hillcrest	618	606	655	656	656	617	608
Hilltop	719	690	681	675	633	623	709
Horizon	518	531	552	551	551	617	622
Huff	680	659	669	629	627	624	660
Illinois Park	386	413	456	481	479	419	273
Independence	245	344	244	276	279	259	315
Laurel Hill	494	481	518	490	490	462	392
Liberty	516	643	594	547	546	548	656
Lincoln	656	699	691	664	664	618	625
Lords Park	688	724	743	783	782	796	831
Lowrie	401	404	423	445	445	423	409
Mckinley	436	435	407	432	432	442	454
Nature Ridge	706	732	775	755	772	795	742
Oakhill	526	551	590	550	649	655	624
Ontarioville	621	638	590	550	550	513	524
Otter Creek	671	668	627	620	605	531	588
Parkwood	471	410	459	437	437	413	461
Prairieview	389	397	450	479	479	510	577
Ridge Circle	521	495	514	555	530	546	627
Sheridan	515	497	487	494	495	517	528
Spring Trail	433	445	459	500	498	500	538
Sunnydale	348	385	423	456	431	437	449
Sycamore Trail	548	532	531	525	525	577	587
Timber Trails	596	580	533	482	506	462	454
Washington	436	437	467	436	436	443	458
Wayne	451	473	566	570	581	598	626
Willard	374	387	383	395	395	378	429
Streamwood Elementary	N/A						
Woodland Heights	N/A	N/A	330	357	358	341	N/A
Abbott	474	487	548	523	523	529	555
Canton	634	736	732	780	780	909	965
Eastview	912	971	1,009	1,016	1,016	1,081	1,119
Ellis	661	645	596	549	546	512	489
Kenyon Woods	1,072	1,009	1,056	1,064	1,064	976	880
Kimball	675	671	623	679	679	765	793
Larsen	693	666	647	696	695	657	565
Tefft	815	821	761	800	799	835	804
Bartlett High School	2,653	2,664	2,671	2,728	2,725	2,698	2,850
Central School Programs	341	95	144	105	89	108	106
Elgin High School	2,443	2,378	2,373	2,191	2,188	2,089	2,147
Gifford High School	179	153	152	132	160	155	165
Larkin High School	1,942	1,995	2,148	2,178	2,169	2,163	2,289
South Elgin High School	2,675	2,682	2,569	2,383	2,372	2,157	1,555
Streamwood High School	2,072	2,081	2,270	2,281	2,273	2,310	2,303
**Total Enrollment	40,347	40,402	41,152	40,968	40,812	40,709	40,380

Source: District records

Notes:

* Enrollment based on Fall Housing Report

** Elementary totals include Pre-K students

N/A: Not Applicable

2005-2006*	2004-2005*	2003-2004*
660	672	703
632	639	805
474	501	605
514	546	567
434	413	586
583	551	747
671	718	576
785	702	701
475	505	589
496	454	524
455	526	469
468	418	581
548	583	528
556	536	651
554	553	560
555	522	309
722	610	N/A
626	605	634
661	701	722
N/A	N/A	628
290	N/A	N/A
417	434	558
635	609	548
589	554	N/A
807	798	777
433	418	425
480	456	477
679	588	494
626	622	650
566	597	566
584	589	586
462	429	437
541	557	602
562	606	679
550	585	558
546	595	632
436	417	424
620	622	675
423	383	N/A
501	501	509
590	603	454
456	438	371
N/A	N/A	N/A
N/A	N/A	439
548	561	788
929	825	943
1,068	1,114	1,173
497	513	609
859	812	N/A
759	792	951
579	536	610
800	849	806
2,893	3,070	2,897
118	101	107
2,228	2,344	2,311
131	137	139
2,422	2,546	2,550
956	N/A	N/A
2,207	2,311	2,301
39,656	38,667	38,531

School District U-46

**District Facility Information
June 30, 2013**

Building	Year Built	Year of Most Recent Addition	Square Footage
<i>Schools:</i>			
Garfield	1887	1998	45,448
Lowrie	1887	2000	41,252
McKinley	1887	2000	48,325
Washington	1893	2004	53,139
Gifford Street High School/Central Building	1911	1939	223,214
Bartlett	1928	2002	60,591
Ontarioville	1928	2001	47,821
Abbott	1932	2001	108,303
Wayne	1947	2003	59,875
Harriet Gifford	1949	2003	55,902
Larsen	1951	2002	103,886
Ellis	1952	2003	110,135
Coleman	1954	1998	53,307
Hanover Countryside	1954	1991	46,062
Huff	1954	1997	61,634
Willard	1954	2002	42,250
Clinton	1958	1999	47,233
Woodland Heights	1958	2001	37,736
Highland	1959	1999	49,276
Kimball	1959	2002	124,531
Laurel Hill	1962	1998	35,463
Streamwood Elementary	1962	1998	33,811
Larkin High	1962	2003	348,387
OakHill	1965	2003	61,958
Tefft	1965	1965	136,946
Hillcrest	1967	1999	46,553
Sunnydale	1967	2003	46,670
Channing	1968	2003	53,833
Ridge Circle	1969	2002	65,048
Century Oaks	1970	2000	50,827
Eastview	1970	2001	167,341
Glenbrook	1971	1998	46,815
Parkwood	1971	1999	42,903

(Continued)

School District U-46

**District Facility Information (Continued)
June 30, 2013**

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

Source: District records
N/A: Not Available

School District U-46

Miscellaneous Statistics

June 30, 2013

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

Date of incorporation	1875
Median family income	
Kane County*	76,300 *
City of Elgin*	62,086
Per capita personal income	
Kane County*	28,845 *
City of Elgin*	22,635
Population	
Kane County	510,736 *
City of Elgin	107,027
Area served	90 Square miles
Number of schools	57
Student population	40,347
Certified staff	2,311
Pupil/certified staff ratio	17.5/1
Faculty holding master's degree or higher	1,563

Communities served:

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

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

**School District Report Card on ISBE website 2011.