

SCHOOL DISTRICT U-46

Kane, Cook and DuPage
Counties, Illinois

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For The Fiscal Year Ended
June 30, 2020



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

SCHOOL DISTRICT U-46 ELGIN, ILLINOIS

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2020**

Prepared By:

Mr. Dale Burnidge
Director of Financial Operations

Ms. Robyn Cornelissen
Financial Controller

SCHOOL DISTRICT U-46

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Tony Sanders, Superintendent

www.u-46.org

January 29, 2021

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

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) of School District U-46, Elgin, Illinois, (the District) as of and for the year ended June 30, 2020. The audit was completed and the Independent Auditor's Report was issued on January 29, 2021.

Management Responsibilities

Management of the District is responsible for establishing and maintaining a comprehensive framework of internal control to provide a reasonable basis for asserting that the financial statements are fairly presented and to ensure that adequate accounting data is properly recorded to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP). The information contained in this report is based on the comprehensive framework of internal control that has been established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Responsibility for the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the District. To the best of our knowledge and belief, the enclosed data, as presented, is accurate in all material respects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the District as shown by the disclosure of all financial activity of its various funds; and that all disclosures, necessary for public understanding of the District's financial status, have been incorporated within this report.

Financial Reporting

The CAFR includes all funds of the District and is presented in three sections: Introductory, Financial, and Statistical. The Introductory Section includes this transmittal letter, the District's organizational chart, and a list of principal officers and elected officials. The Financial Section includes the Independent Auditor's Report on the financial statements and schedules referenced below under the Independent Audit heading. The Management's Discussion and Analysis (MD&A) is immediately following the Independent Auditor's Report and provides a narrative introduction, overview and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction. The remainder of the Financial Section contains the audited, basic financial statements including notes to the financial statements, required and other supplemental information such as the combining and individual fund financial statements and schedules. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis.

Independent Audit

The School Code of Illinois and the District's adopted policy require an annual audit of the books and accounts of the District by an independent certified public accountant in conformance with prescribed standards and legal requirements. The certified public accountant is selected by the Board of Education. The selected certified public accountants, RSM US LLP, have issued an unmodified ("clean") opinion on the District's financial statements for the year ended June 30, 2020 (pages 1 - 2). The submission of the CAFR is intended to meet these annual requirements.

The District is required to undergo an annual single audit in conformity with the provisions of Title 2 U. S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Information related to this single audit, including a schedule of federal financial assistance and the independent auditor's reports on the internal control structure and on compliance with applicable laws and regulations, is included under separate cover.

DISTRICT PROFILE

Legal Autonomy and Fiscal Independence

School District U-46 is organized under the School Code of the State of Illinois, as amended. The District exists as a legal entity deriving its just powers from the General Assembly of the State of Illinois through the State Board of Education for the purpose of providing a system of free public education. The District constitutes a body politic and corporate with all powers as prescribed by laws including but not limited to the power to sue and be sued, purchase, hold and sell personal property and real estate, and enter into such obligations as are authorized or implied by law. It has the statutory authority to adopt its own budget, levy taxes and issue bonded debt without the approval of another government and it is not considered a component unit of any other entity.

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

Size and Scope

The District is the second-largest school district in Illinois. Covering 90 square miles, the District is located approximately 45 minutes northwest of Chicago. The District serves nearly 37,000 children in grades Pre-K-12 at our 53 school buildings, one alternative high school and two pre-K centers throughout the communities of Bartlett, Elgin, Hanover Park, South Elgin, Streamwood, Wayne, and portions of Carol Stream, Hoffman Estates, St. Charles, Schaumburg, and West Chicago.

The District offers general, special and vocational education and continues to support and expand various programs including Dual Language programs, gifted offerings, social and emotional supports, and services for students with special needs. Community involvement plays a valuable role within the District and the opportunities to engage parents, businesses and community leaders have continued to increase.

Budget Control

All governmental funds of the District adopt annual budgets. A report of actual activity compared to budget is prepared by the Finance Department and reported to the District's Board of Education on a monthly basis. Account balances are compared to the annual budget with accumulation to the cost center, fund and total District levels. Full disclosures are made if extraordinary variances appear during the year. Further budgetary information such as the budget process and legal level of budgetary control are addressed in Notes to Required Supplementary Information – Note 1 (page 68).

ECONOMIC CONDITION

Local Economy and Economic Outlook

The COVID-19 global pandemic has caused varying degrees of uncertainty for all school districts. Due to the pandemic, the state's unemployment rate has increased to 7.5 as of December 2020. Although local property tax revenue is the district's largest revenue source, the State of Illinois contributes approximately 35% of our funding. The State of Illinois is in financial difficulty and is often slow in paying funds vouchered by the State Board of Education for mandated categorical payments, however the adoption of the Evidence-Based Funding for Student Success Act (EBF) has positively impacted the district. EBF has combined General State Aid and four (4) other categorical programs allowing the district to receive revenue on a timelier basis. The State Teachers Retirement System pension obligation continues to be underfunded and there are proposals to shift that cost to school districts.

Approximately half of the District's revenues are sourced from property taxes. The property tax base is derived from the Equalized Assessed Valuation (EAV) of the property within the District's boundaries. District property values peaked at \$6,112,265,852 in tax year 2009 and have declined each year thereafter until hitting a low of \$4,070,166,849 in tax year 2014. The EAV over the last three tax years has increased and the most recent EAV, 2019 tax year, is \$5,268,100,965 which is an increase over the prior year of 9.49 percent. Property tax revenue growth from year to year closely tracks the Consumer Price Index (CPI) for the related period. Within the past ten years CPI has peaked at 3.0 percent in 2011 and hit a low of 0.7 percent in 2015. In 2019, the CPI was 2.3 percent, between the 10-year average of 1.8 percent and the 3-year average of 2.1 percent.

Long-term financial planning

The District continues to review all expenditures to assure that the district is making efficient and fiscally responsible decisions. With its conservative budgeting, U-46 has weathered both the recession and the recent Illinois budget crisis. School District U-46 has earned the State Board of Education's top financial profile rating called "financial recognition" in fiscal year 2019 for the eighth consecutive year.

During this same time period the District's General Fund balance has increased \$192,491,811 from \$101,661,414 in fiscal year 2011 to \$294,153,225 in fiscal year 2020. Over the next five years management will continue to maintain a minimum balance of 20 percent of annual operating fund expenditures to operating fund balance (Educational, Operations and Maintenance, and Transportation make up the District's Operating Fund).

In 2015 the District refunded several debt issuances originally issued from 1999 to 2009 with the purpose of improving interest rates and smoothing out the debt service payments over the next several years. As of June 30, 2020, the District's net general bonded debt was \$250,197,976, down from \$405,424,315 (38%) a decade ago. Five (5) bonds are set to expire in just over two (2) years (January of 2023) along with debt certificates. Management will continue to identify and recommend solutions for maintaining a responsible level of debt while addressing the District's capital project needs and fully anticipates the outstanding debt to decline over the next few years.

Projected Enrollment

The District's enrollment decreased 1.2 percent from 2019 to 2020 and is projected to decrease approximately 2 percent per year over the next three years. Lower birth rates in the area over the last 5 years is the primary factor for the reduction in the projected enrollments. For further historical enrollment information refer to District Enrollment by school in the Statistical Section (page 117).

Age of School Buildings

In addition to the 53 school buildings, one alternative high school and two Pre-K centers the District operates six other buildings. A majority of the buildings built before 2000 have had additions and/or renovations since they were built. The average age of the 53 school buildings, one alternative high school and two Pre-K centers, not including subsequent renovations, is 52.5 years. For the buildings that had an addition and/or renovation the average age of the last addition and/or renovation is 20 years.

Relevant Financial Policies

The District's budget serves as the guide to direct and control expenditures and is the spending plan of the ensuing year.

The Board of Education (the Board) adopted the annual budget (September 2019), subsequent to a public hearing and prior to filing the annual tax levy. The Board recognizes the right of the public to be informed about the budgeting of public tax monies and therefore made the budget available for public examination at least thirty days prior to the final adoption as set forth in the Illinois School Code. The Chief Executive

Officer or designee has posted the District's final budget, itemized by receipts and expenditures, on the District's official website, and notified parents or guardians of the budget's posting and provide the website's address. The Board may amend the budget by the same procedures that adhere to the original adoption when transfers exceed the ten percent limitations. The Board may authorize the treasurer to make loans, interfund transfers, and transfer within funds from the Operations and Maintenance Fund, Educational Fund, Transportation Fund, and/or Working Cash Fund in accordance with the Illinois School Code.

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

Major Initiatives/ Strategic Goals

The District's Strategic Plan is the roadmap we will use to improve District operations, student achievement, staffing, and community engagement.

While approved by our Board of Education, this Strategic Plan represents the vision of our community. Hundreds of community members, from employees to local leaders, participated in the development of the plan. Administration and Board members, working with the school consultant firm, District Management Council, led efforts to solicit community feedback through interviews, several District-hosted public meetings and calls for feedback via the District's website, social media sites and newsletters. We carefully and collaboratively wrote and re-wrote drafts to put forth a final vision that represents the shared values and goals of our many partners.

The Strategic Plan aims to guide both Board members and employees for the next five years as they work together and with students, families and our community at large to meet these four aspirational goals and priorities.



AWARDS AND ACKNOWLEDGEMENTS

The Association of School Business Officials (ASBO) International has awarded School District U-46 its Certificate of Excellence in Financial Reporting for having met or exceeded the program's high standards for financial reporting and accountability for the past three fiscal years. The District was recognized for its Comprehensive Annual Financial Report for the fiscal year ending June 30, 2019.

A Certificate of Excellence is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the program's requirements and we are submitting it to the ASBO to determine its eligibility for continued certification.

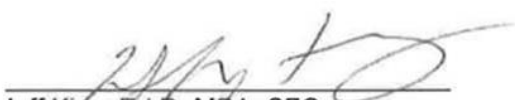
It is our intention that this Comprehensive Annual Financial Report will provide the District's management, outside investors, interested District residents, and any other stakeholders with a meaningful financial presentation. We hope that all readers of this report will obtain a clear and concise understanding of the District's financial condition as of June 30, 2020.

The preparation of the CAFR on a timely basis was made possible by the dedicated service of the Finance Department staff. Each member of the Finance Department has our sincere appreciation for the contributions made in the preparation of this report.

In closing, without the leadership and support of the School District U-46 Board of Education, preparation of this report would not have been possible.

Respectfully submitted,



Tony Sanders
Superintendent

Jeff King, Ed.D, MBA, SFO
Deputy Superintendent of Operations/CSBO

Dale Burnidge
Director of Financial Operations

Robyn Cornelissen
Financial Controller

SCHOOL DISTRICT U-46

Principal Officials

Board of Education

Sue Kerr, President – term expires 2023
John Devereux, Vice President – term expires 2023
Veronica Noland, Secretary Pro-Tempore – term expires 2021
Melissa Owens, Member – term expires 2021
Eva Porter, Member – term expires 2023
Donna Smith, Member – term expires 2021
Kate Thommes, Member – term expires 2023
Olivia Howell, Student Advisor – term expires 2021

Chief Executive Officer and Executive Staff

Tony Sanders, Superintendent
Miguel Rodriguez, Chief Legal Officer
Dr. Suzanne Johnson, Deputy Superintendent, Instruction
Dr. Josh Carpenter, Assistant Superintendent, Teaching and Learning
Dr. Ushma Shah, Assistant Superintendent, Elementary Education
Steve Burger, Assistant Superintendent, Elementary Education
Lela Majstorovic, Assistant Superintendent, Secondary Education
Dr. Jeffrey King, Deputy Superintendent of Operations/Chief School Business Official
Ann Chan, Assistant Superintendent, Human Resources

Officials Issuing Report

Dr. Jeffrey King, Deputy Superintendent of Operations/Chief School Business Official
Dale Burnidge, Director of Financial Operations
Robyn Cornelissen, Financial Controller

Division Issuing Report

Sara McGregor, Accounts Payable Manager
Diane Belton, Payroll Coordinator
Ray Shifrin, Pension Specialist
Kathy Fitzpatrick, Grants Manager
Aleli Go, Grants Accounting Specialist
Judy Freeman, General Accountant
Paz Pamatmat, Financial Analyst
Rosita Mania, Senior Accountant
Berenice Toppel, Accounting Assistant



**The Certificate of Excellence in Financial Reporting |
is presented to**

School District U-46

**for its Comprehensive Annual Financial Report (CAFR)
for the Fiscal Year Ended June 30, 2019.**

The CAFR meets the criteria established for
ASBO International's Certificate of Excellence.



A handwritten signature in black ink, reading 'Claire Hertz'.

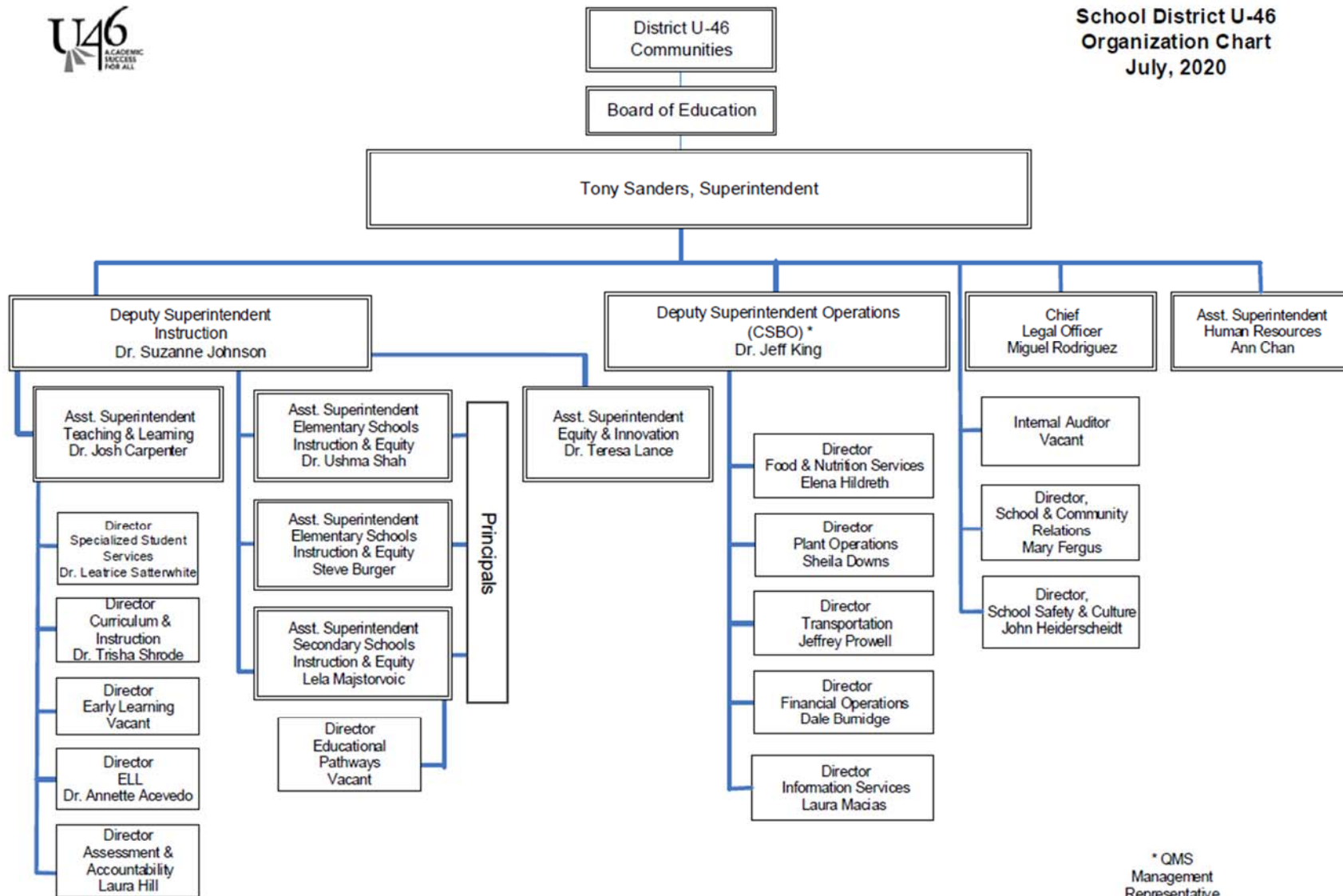
Claire Hertz, SFO
President

A handwritten signature in black ink, reading 'David J. Lewis'.

David J. Lewis
Executive Director



**School District U-46
Organization Chart
July, 2020**



* QMS
Management
Representative

Independent Auditor's Report

Members of 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, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

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, 2020, 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 required supplementary information, such as management's discussion and analysis (pages 3-12), schedules of net pension and other postemployment benefits (OPEB) liabilities, employer contributions, and budgetary comparison information and related notes (pages 60-70), 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 accompanying supplementary information, such as the combining and individual fund financial statements, schedule of bonded debt and interest requirements, and the other information, such as the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying supplementary information as listed in the table of contents is the responsibility of management and was derived from and relates 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 accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

RSM VS LLP

Chicago, Illinois
January 29, 2021

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

School District U-46

Management's Discussion and Analysis For the Year Ended June 30, 2020

The discussion and analysis of 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, 2020. The management of the District encourages readers to consider the information presented herein in conjunction with the basic financial statements to enhance their understanding of the District's financial performance. Certain comparative information between the current year and the prior year is required to be presented in the Management's Discussion and Analysis (the MD&A).

Financial Highlights

- The assets and deferred outflows of resources of the District exceeded its assets and deferred outflows of resources at the close of the fiscal year by \$127.8 million (net position).
- In total, net position increased by \$80.6 million. This increase was primarily the result of lower than expected actual expenses and higher than expected actual revenues.
- General revenues were \$521.4 million or 64.5 percent of all revenues. Program specific revenues, in the form of charges for services and grants, were \$287.0 million or 35.5 percent of total revenues of \$808.5 million.
- Overall, the combined revenues of the District's governmental funds were \$22.8 million more than expenditures. This surplus increased the District's governmental funds' combined fund balance by 6.8 percent to \$357.8 million from \$335.0 million 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 basic 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, 2020

Government-wide financial statements

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

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

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

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

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

School District U-46

Management's Discussion and Analysis (Continued) For the Year Ended June 30, 2020

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 statements 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 basic financial statements

The notes to basic 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 statements 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 employees and to provide for the District's retiree's health plan.

District-Wide Financial Analysis

The District's net position increased by \$80.6 million. At year-end, total net position was \$127.8 million (see Table 1).

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

- The District retired \$34.7 million of general obligation bonds, debt certificates and related discounts and premiums and accreted interest on long-term debt during the year.
- The District received \$197.9 million under the Evidence Based Funding (EBF) model during the current year, which exceeded the revenue from the prior year by \$20.0 million.
- During the year, the District received \$6.4 million in interest and investment earnings, a decrease of \$2.5 million over last year.

School District U-46

Management's Discussion and Analysis (Continued)
For the Year Ended June 30, 2020

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

	Governmental Activities		Percentage Change
	2020	2019	
Assets			
Current and other assets	\$ 601.7	\$ 565.2	6.5%
Capital assets	429.4	398.2	7.8%
Total assets	1,031.1	963.4	7.0%
Deferred Outflows	36.2	58.2	(37.8)%
Liabilities			
Long-term liabilities	633.6	680.4	(6.9)%
Other liabilities	70.2	59.6	17.8%
Total liabilities	703.8	740.0	(4.9)%
Deferred Inflows	235.7	234.4	0.6%
Net Position			
Net investment in capital assets	270.9	219.1	23.6%
Restricted	22.8	17.1	33.3%
Unrestricted	(165.9)	(189.0)	12.2%
Total net position	\$ 127.8	\$ 47.2	170.8%

School District U-46

Management's Discussion and Analysis (Continued)
For the Year Ended June 30, 2020

Table 2, Changes in Net Position, illustrates in summary revenues and expenses from fiscal year 2020 and the increase in net position of \$80.6 million. Comparative data from fiscal year 2019 is also illustrated.

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

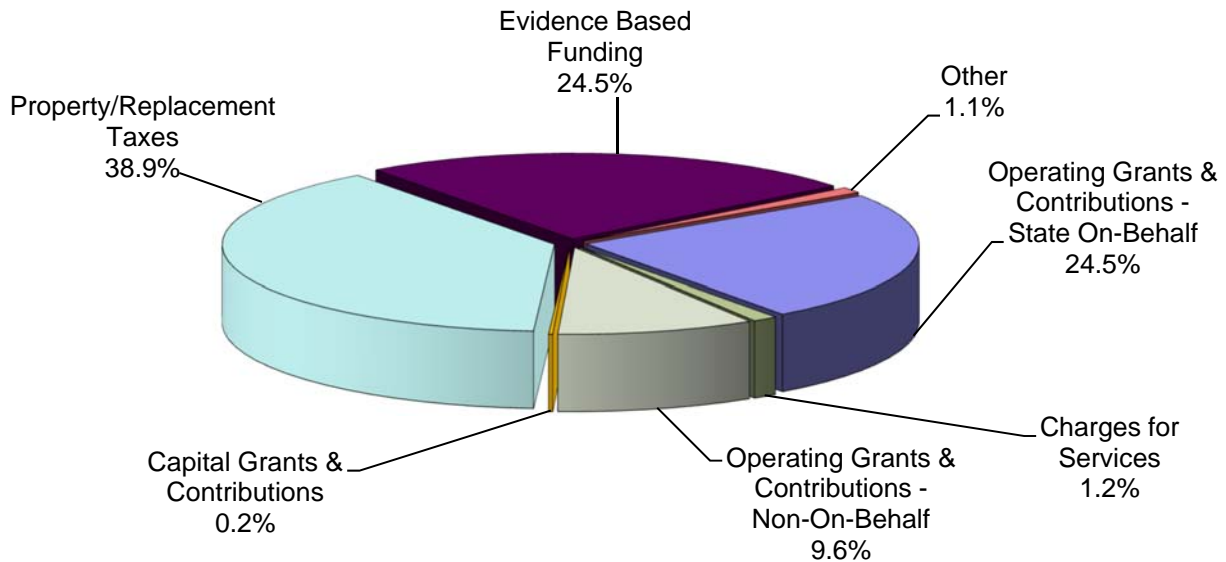
	Governmental Activities		Percentage Change
	2020	2019	
Revenues			
Program revenues			
Charges for services	\$ 9.4	\$ 10.9	(13.8)%
Operating grants and contributions - non-on-behalf	77.8	68.5	13.6%
Operating grants and contributions - state on-behalf contributions - TRS and THIS	198.3	168.8	17.5%
Capital grants and contributions	1.5	0.4	275.0%
General revenues			
Property and replacement taxes	314.5	309.4	1.6%
Evidence based funding	197.9	177.9	11.2%
Other	9.0	8.9	1.1%
Total revenues	808.4	744.8	8.5%
Expenses			
Instruction	295.1	275.1	7.3%
Support services	219.4	217.4	0.9%
Community services	3.4	3.4	0.0%
State on-behalf contributions - TRS and THIS	198.3	168.8	17.5%
Debt service - interest and fees	11.6	12.8	(9.4)%
Total expenses	727.8	677.5	7.4%
Increase in net position	\$ 80.6	\$ 67.3	19.8%

School District U-46

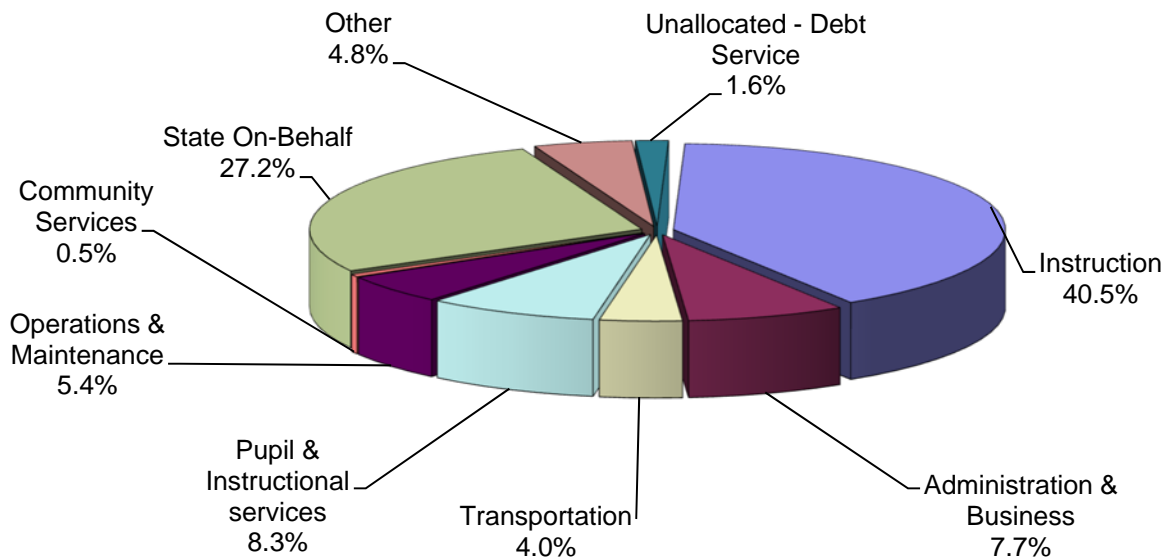
Management's Discussion and Analysis (Continued) For the Year Ended June 30, 2020

The District's total revenues were \$808.4 million. General revenues, including taxes and Evidence Based Funding were 64.5 percent of the total or \$521.4 million. Property and replacement taxes increased \$5.1 million over the prior year or 1.6 percent. Evidence Based Funding brought in \$197.9 million, an increase of \$20.0 million or 11.2 percent. Grants and contributions for specific programs brought in \$79.3 million, an increase of 15.1 percent over the prior year. The total cost of all programs and services in 2020 was \$727.8 million. The District's expenses are predominantly related to instruction and support services (caring for and transportation of students, etc.), which accounted for 70.7 percent of the total expense (see Table 2.2). The District's remaining activities, unallocated debt service, the State's on-behalf allocations of retirement and other post-employment benefits and community services, were 29.3 percent of total expense. Total revenues on the statement of activities surpassed expenses, increasing net position by \$80.6 million from the prior year.

District-Wide Revenues by Source - Table 2.1



District-Wide Expenses by Function - Table 2.2



School District U-46

Management's Discussion and Analysis (Continued) For the Year Ended June 30, 2020

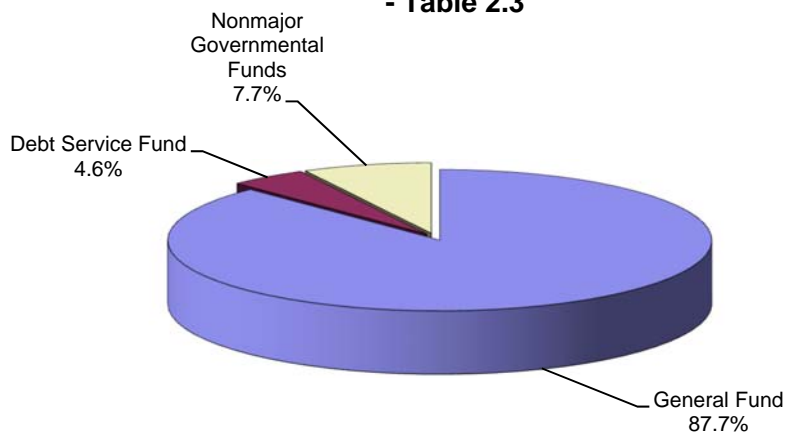
Financial Analysis of the District's Funds

As the District completed the year, its governmental funds reported combined fund balances of \$357.8 million. Revenues for the District's governmental funds were \$715.4 million, while total expenditures were \$692.6 million. Of the revenues and expenditures reported in the governmental funds, \$104.5 million of the revenues and expenditures were attributable to State on-behalf payments. These on-behalf payments include contributions made to Teachers' Retirement System (TRS) and Teachers' Health Insurance Security Fund (THIS) by the State of Illinois on behalf of School District U-46.

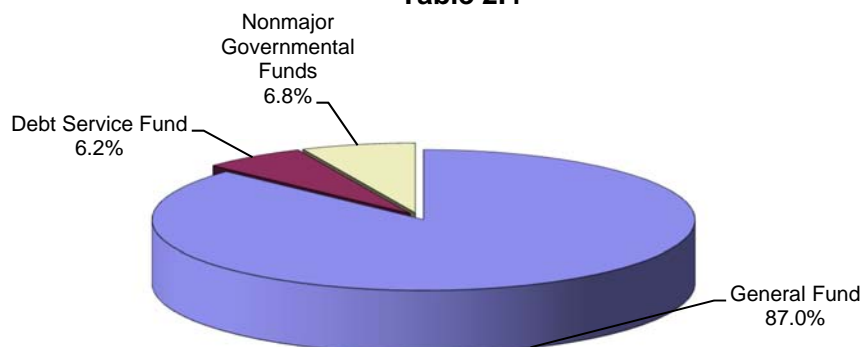
The General Fund experienced a current year surplus of \$25.1 million before other financing sources (uses) and transfers out. This was due to more than expected revenues from state and federal sources, primarily Evidence Based Funding. This surplus resulted in an increase in the year-end fund balance to \$294.2 million.

During the year, a portion of the 2019 levy was abated resulting in \$10.3 million being transferred into the Debt Service Fund from the General Fund. This transfer accounted for most of the increase in fund balance after factoring in the deficiency of revenues under expenditures of \$9.7 million. The resulting year-end fund balance in the Debt Service Fund was \$32.6 million.

**Revenues by Major Fund and Aggregate Nonmajor Funds
- Table 2.3**



**Expenditures by Major Fund and Aggregate Nonmajor Funds
- Table 2.4**



School District U-46

Management's Discussion and Analysis (Continued) For the Year Ended June 30, 2020

General Fund Budgetary Highlights

While the District's budget for the General Fund anticipated that revenues would exceed expenditures by \$11.8 million before other financing uses, the actual result for the year was an excess of revenues over expenditures of \$25.1 million. State and federal grants exceeded the budget by \$13.4 million which is attributable to the increase in Evidence Based Funding and additional funding provided by the CARES Act in response to the COVID-19 pandemic. Regular program expenditures came in under budget by \$13.0 million, offset by an increase in capital outlay expenditures over budget of 7.5 million. Overall, actual expenditures were below budget by \$3.4 million or 0.7 percent.

Capital Asset and Debt Administration

Capital assets

Table 3 illustrates capital assets, net of depreciation:

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

	2020	2019	Percentage Change
Land	\$ 28.4	\$ 28.4	0.0%
Construction in progress	28.1	12.9	117.8%
Buildings	356.6	340.5	4.7%
Transportation equipment	11.2	9.4	19.1%
Other equipment	5.1	7.0	(27.1)%
Total	\$ 429.4	\$ 398.2	7.8%

At June 30, 2020, the District has outstanding commitments relating to construction projects of approximately \$19.0 million.

Additional information about the District's capital assets is included in Note 3 to the basic financial statements.

Long-term Obligations

Table 4 on the following page illustrates the District's outstanding long-term obligations. The District reduced outstanding general obligation bonded debt, debt certificates and related items by \$30.1 million. The pension and postemployment benefit liabilities decreased \$15.1 million while the lease liability or purchase contracts decreased by \$1.3 million and were fully paid off at year-end. Claims incurred but not reported and compensated absences decreased by \$0.2 million. Additional information is available in Note 4 - Long-Term Obligations.

The District is subject to the Illinois School Code, which limits the amount of bond indebtedness to 13.8 percent of the most recent available equalized assessed valuation of the District. As of June 30, 2020, the statutory debt limit for the District was \$727.0 million providing a debt margin of \$539.7 million.

School District U-46

Management's Discussion and Analysis (Continued) For the Year Ended June 30, 2020

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, residents, and investors. These indicators for the District at the end of fiscal year 2020 were 1.58 percent and \$1,059, respectively. Due to the increase in taxable property value and the reduction of outstanding bonded debt, the general bonded debt to assessed valuation decreased compared to fiscal year 2019 when the ratio was 1.94 percent. The bonded debt per capita decreased from fiscal year 2019 when it was \$1,191.

Table 4
Outstanding Long-Term Obligations
(in millions)

	2020	2019	Percentage Change
General obligation bonds/debt certificates	\$ 284.4	\$ 314.5	(9.6)%
Other	349.2	365.9	(4.6)%
Total	\$ 633.6	\$ 680.4	(6.9)%

Factors Impacting the District's Future

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

- In 2017, Illinois approved a new law changing the Illinois Pension Code which will shift additional pension costs to the District for the Teachers' Retirement System. At this time, the starting date for the new law has not yet been determined.
- In the future, the District does not plan to issue additional debt to address the improvements needed for its aging facilities. All improvements will be funded using current fund balances. 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 debts used to acquire those assets that are still outstanding. The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets are reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.
- The current economy in the state continues to affect the District's state funding levels and timing of state receipts. The State of Illinois has a fiscal year 2021 budget including the new evidence based funding model for school districts. Under this restructuring of funding, School District U-46 received an additional \$20.0 million in fiscal year 2020; however, future increases could be impacted by the lack of a balanced State budget.
- The COVID-19 pandemic disrupted the District's operations and the end of 2019-2020 school year was completed via remote learning. The District started the 2020-2021 school year via remote learning and the ongoing nature of the pandemic is anticipated to continue to impact the District, but the financial impact of the pandemic is unknown.

School District U-46**Management's Discussion and Analysis (Continued)**
For the Year Ended June 30, 2020

Requests for Information

This financial report is designed to provide the District's residents, 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 Deputy Superintendent of Operations/CSBO, School District U-46, 355 E. Chicago St., Elgin, IL 60120.

BASIC FINANCIAL STATEMENTS

School District U-46

**Statement of Net Position
June 30, 2020**

	Governmental Activities
Assets and Deferred Outflows of Resources	
Assets	
Cash and investments	\$ 392,968,639
Accrued interest	1,354,213
Property taxes receivable, net of allowance	164,298,932
Replacement taxes receivable	576,569
Grants receivable	35,217,903
Accounts receivable	1,691,364
Inventories	30,589
Prepays	5,585,822
Capital assets not being depreciated	56,459,468
Capital assets being depreciated, net of accumulated depreciation	372,933,475
Total assets	<u>1,031,116,974</u>
Deferred outflows of resources	
Deferred pension actuarial adjustments	15,342,410
Deferred pension contributions	6,308,173
Deferred amount on refunding	896,233
Deferred other post employment benefit actuarial adjustments	11,402,575
Deferred other post employment benefit contributions	2,243,452
Total deferred outflows of resources	<u>36,192,843</u>
Total assets and deferred outflows of resources	<u><u>\$ 1,067,309,817</u></u>
Liabilities, Deferred Inflows of Resources and Net Position	
Liabilities	
Accounts payable	\$ 28,818,613
Accrued payroll	31,371,515
Payroll deductions	1,598,840
Insurance claims payable	180,020
Construction retainage payable	2,128,540
Accrued interest	4,508,029
Unearned other revenue	1,332,299
Unclaimed property	286,507
Long-term obligations, due within one year, net of premium and discount	43,561,003
Long-term obligations, due in more than one year, net of premium and discount	590,045,171
Total liabilities	<u>703,830,537</u>
Deferred inflows of resources	
Property taxes levied for subsequent years	157,418,032
Deferred pension actuarial adjustments	42,797,927
Deferred other post employment benefit actuarial adjustments	35,440,672
Total deferred inflows of resources	<u>235,656,631</u>
Net Position (Deficit)	
Net investment in capital assets	270,921,253
Restricted for:	
Capital projects	8,368,227
Student transportation	14,388,869
Unrestricted	(165,855,700)
Total net position	<u>127,822,649</u>
Total liabilities, deferred inflows of resources and net position	<u><u>\$ 1,067,309,817</u></u>

See Notes to Basic Financial Statements.

School District U-46

Statement of Activities
Year Ended June 30, 2020

					Net (Expense) Revenue and Changes in Net Position
Functions/Programs	Expenses	Program Revenue			Governmental Activities
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
Instruction:					
Regular programs	\$ 159,523,555	\$ 4,750,338	\$ 26,332,123	\$ -	\$ (128,441,094)
Special programs	59,861,128	-	16,677,724	-	(43,183,404)
Other instructional programs	75,723,499	949,299	505,798	-	(74,268,402)
Total instruction	295,108,182	5,699,637	43,515,645	-	(245,892,900)
Support services:					
Pupils	41,572,446	-	-	-	(41,572,446)
Instructional staff	18,920,152	-	378,839	-	(18,541,313)
General administration	18,148,152	-	-	-	(18,148,152)
School administration	31,882,138	-	-	-	(31,882,138)
Business	5,766,295	-	-	-	(5,766,295)
Operations and maintenance	38,850,073	-	-	-	(38,850,073)
Transportation	28,900,682	1,166,393	15,830,697	-	(11,903,592)
Facilities acquisition and construction	603,941	-	50,000	1,495,917	941,976
Food service	17,429,534	2,520,934	18,041,879	-	3,133,279
Central	15,043,573	-	-	-	(15,043,573)
Other support	2,306,935	-	-	-	(2,306,935)
Total support services	219,423,921	3,687,327	34,301,415	1,495,917	(179,939,262)
Community services	3,447,026	-	-	-	(3,447,026)
State on-behalf contributions - TRS and THIS	198,339,607	-	198,339,607	-	-
Debt service - interest and fees	11,548,756	-	-	-	(11,548,756)
Total governmental activities	\$ 727,867,492	\$ 9,386,964	\$ 276,156,667	\$ 1,495,917	(440,827,944)
General revenues:					
Taxes:					
Property taxes, general purposes					277,298,923
Property taxes, debt service					32,997,333
Replacement taxes and other payment in lieu of taxes					4,234,667
Unrestricted state grants					197,899,007
Interest and investment earnings					6,396,483
Other general revenues					2,603,596
Total general revenues					521,430,009
Change in net position					80,602,065
Net deficit:					
Beginning of year					47,220,584
End of year					\$ 127,822,649

See Notes to Basic Financial Statements.

School District U-46

**Balance Sheet
Governmental Funds
June 30, 2020**

	Major Funds		Nonmajor	Total
	General	Debt	Governmental	Governmental
	Fund	Service	Funds	Funds
		Fund		
Assets				
Cash and investments	\$ 333,844,998	\$ 31,899,736	\$ 27,223,905	\$ 392,968,639
Accrued interest	1,354,213	-	-	1,354,213
Property taxes receivable, net of allowance	131,367,813	17,327,252	15,603,867	164,298,932
Replacement taxes receivable	-	-	576,569	576,569
Grants receivable	16,211,415	-	19,006,488	35,217,903
Accounts receivable	888,322	-	803,042	1,691,364
Inventories	30,589	-	-	30,589
Prepays	5,585,822	-	-	5,585,822
Total assets	\$ 489,283,172	\$ 49,226,988	\$ 63,213,871	\$ 601,724,031
Liabilities, Deferred Inflows of Resources, and Fund Balances				
Liabilities				
Accounts payable	\$ 28,026,827	\$ -	\$ 791,786	\$ 28,818,613
Accrued payroll	31,295,894	-	75,621	31,371,515
Payroll deductions	422,779	-	1,176,061	1,598,840
Insurance claims payable	180,020	-	-	180,020
Construction retainage payable	2,067,242	-	61,298	2,128,540
Unearned other revenue	1,332,299	-	-	1,332,299
Unclaimed property	195,753	-	90,754	286,507
Total liabilities	63,520,814	-	2,195,520	65,716,334
Deferred inflows of resources				
Unavailable grant revenue	5,743,052	-	15,012,483	20,755,535
Property taxes levied for subsequent years	125,866,081	16,601,580	14,950,371	157,418,032
Total deferred inflows of resources	131,609,133	16,601,580	29,962,854	178,173,567
Fund balances				
Nonspendable	5,616,411	-	-	5,616,411
Restricted	-	32,625,408	24,643,664	57,269,072
Assigned	-	-	6,411,833	6,411,833
Unassigned	288,536,814	-	-	288,536,814
Total fund balances	294,153,225	32,625,408	31,055,497	357,834,130
Total liabilities, deferred inflows of resources and fund balances	\$ 489,283,172	\$ 49,226,988	\$ 63,213,871	\$ 601,724,031

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, 2020**

Total fund balances - governmental funds		\$ 357,834,130
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	\$ 775,145,239	
Accumulated depreciation	(345,752,296)	
Net capital assets		429,392,943
Interest on long-term debt is not accrued in governmental funds, but rather is recognized when due.		(4,508,029)
Certain revenues that are not recognized in the fund financial statements because they are not available, are recognized as revenue in the government-wide financial statements.		20,755,535
Certain pension-related items are reported in the government-wide financial statements but not in the fund statements. These amounts consist of:		
Deferred outflows - pension actuarial adjustments	15,342,410	
Deferred outflows - pension contributions	6,308,173	
Deferred inflows - pension actuarial adjustments	(42,797,927)	
		(21,147,344)
Certain other post employment benefit-related items are reported in the government-wide financial statements but not in the fund statements. These amounts consist of:		
Deferred outflows - other post employment benefit actuarial adjustments	11,402,575	
Deferred outflows - other post employment benefit contributions	2,243,452	
Deferred inflows - other post employment benefit actuarial adjustments	(35,440,672)	
		(21,794,645)
Some assets (liabilities) reported in the statement of net position do not require the use of current financial resources and therefore are not reported as assets (liabilities) in the governmental funds. These assets (liabilities) consist of:		
General obligation bonds	(218,313,642)	
Accreted interest on long-term debt	(47,472,625)	
General obligation debt certificates	(1,568,459)	
Compensated absences	(1,506,421)	
Other postemployment benefits - District Plan	(27,898,844)	
Other postemployment benefits - Teachers' Health Insurance Security Fund (THIS)	(254,361,840)	
Net pension liability - Illinois Municipal Retirement Fund (IMRF)	(30,356,462)	
Net pension liability - Teachers' Retirement System (TRS)	(23,715,862)	
Claims incurred but not reported	(11,374,902)	
Unamortized premiums related to debt issuance	(17,080,324)	
Unamortized discounts related to debt issuance	43,207	
Deferred amount on refunding	896,233	
		(632,709,941)
Net position of governmental activities		\$ 127,822,649
See Notes to Basic Financial Statements.		

School District U-46

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

Year Ended June 30, 2020

	Major Funds		Nonmajor	Total
	General	Debt	Governmental	Governmental
	Fund	Service	Funds	Funds
		Fund		
Revenues:				
Property taxes	\$ 245,249,760	\$ 32,997,333	\$ 32,049,163	\$ 310,296,256
Replacement taxes and payments in lieu of taxes	191,075	-	4,043,592	4,234,667
Charges for services	8,220,571	-	1,166,393	9,386,964
Earnings on investments	6,380,869	7,620	7,994	6,396,483
Rentals	712,964	-	-	712,964
Local grants	166,634	-	-	166,634
Other local sources	1,889,104	-	1,497,445	3,386,549
State grants-in-aid	212,163,141	-	15,929,424	228,092,565
Federal grants-in-aid	47,994,424	-	227,442	48,221,866
State on-behalf contributions - TRS and THIS	104,503,036	-	-	104,503,036
Total revenues	627,471,578	33,004,953	54,921,453	715,397,984
Expenditures:				
Current:				
Instruction:				
Regular programs	146,976,719	-	1,650,645	148,627,364
Special programs	52,146,271	-	2,652,572	54,798,843
Other instructional programs	69,466,892	-	1,080,428	70,547,320
Support services:				
Pupils	37,226,975	-	1,473,481	38,700,456
Instructional staff	17,216,123	-	528,453	17,744,576
General administration	16,551,357	-	508,144	17,059,501
School administration	28,203,293	-	1,390,010	29,593,303
Business	5,078,114	-	329,339	5,407,453
Operations and maintenance	34,189,273	-	2,260,611	36,449,884
Transportation	1,178,559	-	25,946,041	27,124,600
Facilities acquisition and construction	602,029	-	-	602,029
Food service	16,040,810	-	314,913	16,355,723
Central	13,170,844	-	943,610	14,114,454
Other support	2,226,338	-	73,287	2,299,625
Community services	3,036,244	-	199,716	3,235,960
State on-behalf contributions - TRS and THIS	104,503,036	-	-	104,503,036
Intergovernmental:				
Payments to other governments	9,581,182	-	-	9,581,182
Debt service:				
Principal	-	19,745,957	1,353,351	21,099,308
Interest and fees	-	22,955,715	19,894	22,975,609
Capital outlay	44,938,609	-	6,816,712	51,755,321
Total expenditures	602,332,668	42,701,672	47,541,207	692,575,547
Excess (deficiency) of revenues over (under) expenditures	25,138,910	(9,696,719)	7,380,246	22,822,437
Other financing sources (uses):				
Transfer in	-	10,337,247	-	10,337,247
Transfer out	(10,337,247)	-	-	(10,337,247)
Total other financing sources (uses)	(10,337,247)	10,337,247	-	-
Net change in fund balances	14,801,663	640,528	7,380,246	22,822,437
Fund balances:				
Beginning of year	279,351,562	31,984,880	23,675,251	335,011,693
End of year	\$ 294,153,225	\$ 32,625,408	\$ 31,055,497	\$ 357,834,130

See Notes to Basic Financial Statements.

School District U-46

**Reconciliation of the Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
to the Statement of Activities
Year Ended June 30, 2020**

Net change in fund balances — total governmental funds		\$ 22,822,437
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	\$ 51,743,099	
Depreciation	(20,560,879)	
Capital expenditures in excess of depreciation		31,182,220
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.		(764,998)
Repayment of debt principal and accreted interest is an expenditure in the governmental funds, but the repayment reduced long-term obligations in the statement of net position. The following amounts were retired:		
General obligation bonds	19,228,841	
Debt certificates	517,291	
Purchase contracts	1,353,353	
Accreted interest	13,406,334	
Total retired debt		34,505,819
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.		(4,650,898)
Changes related to pension obligations are reported as deferred inflows and outflows on the government-wide financial statements but not on the fund statements.		
Deferred outflows related to pension expense		(24,647,600)
Deferred inflows related to pension expense		1,368,236
Changes related to OPEB obligations are reported as deferred inflows and outflows on the government-wide financial statements but not on the fund statements.		
Deferred outflows related to other post employment benefit expense		1,802,204
Deferred inflows related to other post employment benefit expense		937,769
Some revenues and expenses reported in the statement of activities do not provide (use) current financial resources and therefore are not reported in the governmental funds.		
State on-behalf contribution revenue - TRS and THIS	93,836,571	
State on-behalf expense - TRS and THIS	(93,836,571)	
Increase in other postemployment benefits - District Plan	(2,192,468)	
Increase in other postemployment benefits - THIS	(11,374,429)	
Increase in net pension liability - Illinois Municipal Retirement Fund (IMRF)	28,820,088	
Decrease in net pension liability - Teachers' Retirement System (TRS)	(106,078)	
Increase in compensated absences payable	(258,043)	
Decrease in accrued interest on debt	283,156	
Decrease in claims incurred but not reported	486,566	
Amortization of bond premiums	1,609,356	
Amortization of bond discounts	(26,237)	
Amortization of deferred amount on refunding	804,965	
		18,046,876
Change in net position of governmental activities		\$ 80,602,065

See Notes to Basic Financial Statements.

School District U-46

Statement of Fiduciary Assets and Liabilities

Agency Fund

June 30, 2020

	<u>Agency Student Activity Fund</u>
Assets , cash and investments	<u><u>\$ 3,538,922</u></u>
Liabilities , due to activity fund organizations	<u><u>\$ 3,538,922</u></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 was incorporated in 1875 and 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 covers a 90 square mile area extending into three counties, Cook, DuPage and Kane and 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 GASB, the financial reporting entity consists of the primary government, as well as component units, which are legally separate organizations for which elected officials of the primary government are financially accountable. Financial accountability is defined as:

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

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

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

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

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

Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

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

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

School District U-46

Notes to Basic Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Government-Wide and Fund Financial Statements (Continued)

Government-Wide Financial Statements (Continued)

The statement of activities demonstrates the degree to which the direct expenses of a given function (i.e., instruction, support services, etc.) are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Indirect expenses of other functions are not allocated to those functions but are reported separately in the statement of activities. Depreciation expense is specifically identified by function and is included in the direct expense to each function. Interest and other long-term debt related items are considered indirect expenses and are reported separately on the statement of activities. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs (including fees), and (b) grants and contributions that are restricted to meeting the operational requirements of a particular program or are capital in nature. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

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

Fund Financial Statements

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

The District reports the following major governmental funds:

General Fund

The General Fund is 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 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 other District funds.

Debt Service Fund

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

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

Special Revenue Funds

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

School District U-46

Notes to Basic Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Government-Wide and Fund Financial Statements (Continued)

Fund Financial Statements (Continued)

Capital Projects Funds

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

Fiduciary Fund

The reporting focuses on assets and liabilities. The District's fiduciary funds are agency funds, the Student Activity Funds, and are accounted for on the accrual basis. 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. 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 60 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 60 days of the end of the fiscal period and intended to finance the current period.

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

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

School District U-46

Notes to Basic Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Real Estate and Other Taxes

Property taxes are levied each year on all taxable real property in the District on or before the last Tuesday in December. The 2019 tax levy was passed by the Board of Education on December 16, 2019, and attached as an enforceable lien on the property as of the preceding January 1. The taxes become due and collectible in March and August 2020 in Cook County and in June and September 2020 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 typically receives the remittances from the County Treasurer within one month after collection.

The District has recognized as revenue approximately 50 percent of the 2019 tax extension and 50 percent of the 2018 tax extension in the current fiscal year based on estimated collections, as this is the period for which the taxes have been levied (intended to finance). Property taxes are recorded net of estimated allowance for uncollectible accounts. The allowance for uncollectible accounts is based on collection history and is estimated at 1.3 percent of the total levy. As of June 30, 2020, the property tax allowance was as follows:

Fund	Allowance
General Fund	\$ 3,315,622
Debt Service Fund	437,326
Nonmajor Governmental Funds	393,830
	<u>\$ 4,146,778</u>

The District has recorded a receivable for the uncollected portion of the 2019 taxes extended. The District has recorded a deferred inflow of resources net of any allowance, which approximates 50 percent of the 2019 tax extension which will be recognized as revenue in the following fiscal year, the period for which those taxes were levied.

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

Investments

The investments are stated at fair value, based on quoted market prices unless otherwise specified in Note 2, Deposits and Investments.

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.

School District U-46

Notes to Basic Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Capital Assets

Capital assets are recorded at historical cost and depreciated over their estimated useful lives (excluding salvage value). Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value rather than fair value. 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	5-10 years
Other equipment	3-10 years

Interfund Transactions

The District has the following types of interfund transactions:

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

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

Reimbursements – interfund transactions that constitute reimbursement of a fund for expenditures initially made from it that are properly applicable to another fund. Interfund reimbursements are recorded as expenditures in the reimbursing fund and reductions of expenditures in the fund that was originally charged.

Compensated Absences

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

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

The District reports deferred inflows of resources, deferred outflows of resources and unearned revenue on its financial statements. Deferred inflows of resources are the acquisition of net position or fund balance that is applicable to future reporting periods. Deferred outflows of resources are the consumption of net position that is applicable to future reporting periods.

Property taxes that are received or recorded as receivables prior to the period the levy is intended to finance are recorded as deferred inflows of resources on both fund financial statements and government-wide financial statements. Potential grant revenue is recorded as deferred inflows of resources on the fund financial statements when it has not yet met both the "measurable" and "available" criteria for recognition in the current period.

School District U-46

Notes to Basic Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Deferred Inflows of Resources, Deferred Outflows of Resources and Unearned Revenue (Continued)

The net difference between projected and actual earnings on pension plan or other post employment benefit plan investments, changes in benefits, changes in actuarial assumptions used in determining the total liability of the plan and changes in proportion and differences between employer contributions and proportionate share of contributions are reported as deferred outflows or inflows of resources on the government-wide financial statements. The District's payments to the plans made subsequent to the liability measurement date are also considered to be deferred outflows of resources on the government-wide financial statements. See Note 6 and Note 7 for further discussion of the District's deferred outflows and inflows of resources related to pensions and other post employment benefits, respectively.

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

Long-Term Obligations

Long-term debt is recognized as a liability of a governmental fund when due or when resources have been accumulated in the debt service fund for payment early in the following year. Other obligations (e.g., compensated absences, claims and judgments, pension 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.

Debt Premium, Discount and Debt Issuance/Refunding Costs

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

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

Notes to Basic Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Postemployment Benefits Other Than Pensions (OPEB)

The District participates in two OPEB plans, the Teachers' Health Insurance Security Fund (THIS) plan provided by the State and an OPEB plan provided by the District. For purposes of measuring the District's collective OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the THIS OPEB Plan and additions to/deductions from the THIS Plan's fiduciary net position have been determined on the same basis as they are reported by the THIS Plan. For this purpose, the THIS Plan recognizes benefit payments when due and payable in accordance with the benefit terms.

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, 2020, the District's nonspendable fund balances in the Governmental Funds related to inventories for \$30,589, and prepaid expenses of \$5,585,822.

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

Committed – includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the District's highest level of decision-making authority. The highest level of decision-making authority rests with the District's Board of Education. Committed amounts cannot be used for any other purpose unless the District removes or changes the specified use by taking the same action it employed to previously commit those amounts. The District passes formal resolutions to commit their fund balances. There are no committed fund balances as of June 30, 2020.

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. At June 30, 2020, \$6,411,833 was assigned in the Transportation Fund for costs associated with transportation.

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

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

School District U-46

Notes to Basic Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Fund Balances (Continued)

The District seeks to maintain year-end fund balances at no less than 20 percent of the annual expenditures to operating funds. For management purposes, the District considers the Educational Fund, Operations and Maintenance Fund and the Transportation Fund in aggregate to make up the operating funds.

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, 2020, the District had working cash stabilization fund balances of \$112,720,155 that have been classified as unassigned fund balances in the General Fund.

At June 30, 2020, the District had the following fund balances restricted for various purposes as follows:

Fund	Fund balance	Purpose of restriction
Major Funds:		
Debt Service Fund	\$ 32,625,408	Repayment of principal and interest on long-term debt
Nonmajor Funds:		
Fire Prevention and Safety Fund	3,379,517	School construction projects
Capital Projects Fund	4,988,710	School construction projects
Transportation Fund	14,388,869	Student transportation
Municipal Retirement /Social Security Fund	1,886,568	Employee pension and social security
	<u>\$ 57,269,072</u>	

Net Position

Net position consists of the following categories:

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

Restricted net position – results when constraints placed on net position 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.

School District U-46

Notes to Basic Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

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. 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; and (9) 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, 2020, the District had deposits with federally insured financial institutions of \$344,111,303 with the book balances totaling \$343,250,771. The deposits held in fiduciary funds with federally insured financial institutions were \$3,720,461 with the book balances totaling \$3,538,922.

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 Federal Deposit Insurance Corporation insurance limits be secured by collateral. As of June 30, 2020, 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.

School District U-46

Notes to Basic Financial Statements

Note 2. Deposits and Investments (Continued)

Concentration of Credit Risk

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

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 (ISDLAF), Illinois Funds, and the Government Money Market Funds held by the District are not subject to custodial credit risk.

The following schedule reports the fair values and maturities (using the segmented time distribution method) for the District's investments and credit ratings by Standard & Poor's at June 30, 2020:

Investment Type	Investment Maturities (in Years)				% of Total Investments	Credit Ratings	
	Less than 1		1 - 5				
ISDLAF	\$	41,741,684	\$	41,741,684	\$	83.97 %	AAAm
Government Money Market Funds		1,363,234		1,363,234		2.74	AAAm
Illinois Funds		6,606,950		6,606,950		13.29	AAAm
	\$	49,711,868	\$	49,711,868	\$	100.00 %	

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.

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles.

The District's investments are measured at the net asset value (NAV) or amortized cost as follows:

Investment Type		Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
ISDLAF	\$ 41,741,684	N/A	Daily	One Day
Government Money Market Funds	1,363,234	N/A	Daily	One Day
Illinois Funds	6,606,950	N/A	Daily	One Day
	<u>\$ 49,711,868</u>			

The Illinois School District Liquid Asset Fund is an unrated, not-for-profit investment trust formed pursuant to the Illinois Municipal Code and managed by a Board of Trustees, elected from the participating members. It is not registered with the Securities Exchange Commission (SEC) as an investment company. The fair value of the pool is the same as the value of the pool shares and is measured at NAV.

School District U-46

Notes to Basic Financial Statements

Note 2. Deposits and Investments (Continued)

The Illinois Public Treasurers' Investment Pool, known as The Illinois Funds, is not registered with the SEC but operates as a 2a7-like pool and thus reports all investments at amortized cost rather than market value. The Illinois Treasurer's investment policies are governed by State statute. In addition, the Treasurer's Office has adopted its own investment practices that supplement the statutory requirement. The fair value of the pool is the same as the value of the pool shares.

The above deposits and investments (plus \$6,000 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	\$ 392,968,639
Cash and investments per statement of fiduciary assets and liabilities	<u>3,538,922</u>
Total	<u><u>\$ 396,507,561</u></u>

Note 3. Capital Assets

Capital asset balances and activity for the year ended June 30, 2020, are as follows:

	Balance July 1, 2019	Transfers and Additions	Transfers and Retirements	Balance June 30, 2020
Capital Assets, not being depreciated:				
Land	\$ 28,397,412	\$ -	\$ 2,500	\$ 28,394,912
Construction in progress	12,959,905	44,965,532	29,860,881	28,064,556
Total capital assets, not being depreciated	<u>41,357,317</u>	<u>44,965,532</u>	<u>29,863,381</u>	<u>56,459,468</u>
Capital Assets, being depreciated:				
Buildings	632,712,633	30,757,688	677,590	662,792,731
Transportation equipment	28,324,494	5,302,446	4,852,445	28,774,495
Other equipment	26,739,351	580,814	201,620	27,118,545
Total capital assets being depreciated	<u>687,776,478</u>	<u>36,640,948</u>	<u>5,731,655</u>	<u>718,685,771</u>
Less accumulated depreciation:				
Buildings	292,213,395	14,665,673	677,590	306,201,478
Transportation equipment	18,954,451	3,431,820	4,852,445	17,533,826
Other equipment	19,755,226	2,463,386	201,620	22,016,992
Total accumulated depreciation	<u>330,923,072</u>	<u>20,560,879</u>	<u>5,731,655</u>	<u>345,752,296</u>
Total capital assets being depreciated, net	<u>356,853,406</u>	<u>16,080,069</u>	<u>-</u>	<u>372,933,475</u>
Governmental activities Capital assets, net	<u><u>\$ 398,210,723</u></u>	<u><u>\$ 61,045,601</u></u>	<u><u>\$ 29,863,381</u></u>	<u><u>\$ 429,392,943</u></u>

School District U-46

Notes to Basic Financial Statements

Note 3. Capital Assets (Continued)

Depreciation expense was charged to governmental activities as follows:

Activity	Depreciation Expense
Instruction:	
Regular programs	\$ 6,369,671
Special programs	2,348,494
Other instructional programs	3,023,421
Support services:	
Pupils	1,658,572
Instructional staff	760,473
General administration	731,113
School administration	1,268,270
Business	231,745
Operations and maintenance	1,562,120
Transportation	1,162,469
Food services	700,951
Central	604,898
Community services	138,682
Total	<u>\$ 20,560,879</u>

Note 4. Long-Term Obligations

The following is a summary of activity for the District's long-term obligations for the year ended June 30, 2020:

	Balance July 1, 2019	Additions	Reductions	Balance June 30, 2020	Due Within One Year
G.O. Bonds/Debt Certificates Payable:					
General obligation bonds	\$ 237,542,483	\$ -	\$ (19,228,841)	\$ 218,313,642	\$ 15,856,253
Accreted interest on long-term debt	56,228,061	4,650,898	(13,406,334)	47,472,625	17,408,269
Debt certificates	2,085,750	-	(517,291)	1,568,459	520,024
Unamortized premium	18,689,680	-	(1,609,356)	17,080,324	1,609,357
Unamortized discount	(69,444)	-	26,237	(43,207)	(26,237)
Total General Obligation Bonds/ Debt Certificates Payable	314,476,530	4,650,898	(34,735,585)	284,391,843	35,367,666
Purchase contracts	1,353,353	-	(1,353,353)	-	-
Compensated absences	1,248,378	1,708,587	(1,450,544)	1,506,421	1,506,421
Net pension liability - IMRF	59,176,550	34,562,431	(63,382,519)	30,356,462	-
Collective net pension liability - TRS	23,609,784	3,304,000	(3,197,922)	23,715,862	-
Total OPEB liability - District Plan	25,706,376	5,503,035	(3,310,567)	27,898,844	-
Collective total OPEB liability - THIS	242,987,411	11,374,429	-	254,361,840	-
Claims incurred but not reported	11,861,468	61,403,282	(61,889,848)	11,374,902	6,686,916
Total	<u>\$ 680,419,850</u>	<u>\$ 122,506,662</u>	<u>\$ (169,320,338)</u>	<u>\$ 633,606,174</u>	<u>\$ 43,561,003</u>

School District U-46

Notes to Basic Financial Statements

Note 4. Long-Term Obligations (Continued)

At June 30, 2020, general obligation bonds consisted of the following:

General Obligation Bonds - Payable by the Debt Service Fund

\$54,499,619, 2002 Illinois Development Finance Authority Program Capital Appreciation Revenue Bonds due in annual installments of \$1,065,463 to \$7,678,182 through 2021 with interest due annually in years of maturity at a rate yielding 5.3789%. Issued for the purpose of building new schools.	\$ 1,065,463
\$65,999,779, 2003B Capital Appreciation School Bonds due in annual installments of \$960,659 to \$10,591,479 through 2023 with interest due annually in years of maturity at a rate yielding 5.35%. Issued for the purpose of building new schools.	30,683,179
\$34,405,000, 2009 General Obligation Limited School Bonds due in annual installments of \$1,175,000 to \$1,480,000 through 2023 with interest due semiannually at 4.00% to 5.00%. Issued for the purpose of capital projects and funding the tort fund.	4,300,000
\$25,925,000, 2011A Taxable General Obligation Limited School Bonds due in annual installments of \$1,515,000 to \$3,085,000 through 2022 with interest due semiannually at 4.75% to 6.0%. Issued for the purpose of capital projects and working cash.	4,600,000
\$2,030,000, 2011B Taxable General Obligation Limited School Bonds due in annual installments of \$200,000 to \$230,000 through 2021 with interest due semiannually at 0.65%. Issued for the purpose of capital projects.	230,000
\$31,045,000, 2012B Taxable General Obligation Limited School Bonds due in annual installments of \$75,000 to \$5,705,000 beginning in fiscal year 2016 through 2026 with interest due semiannually at 3.0% to 4.5%. Issued for the purpose of working cash and funding the tort fund.	20,770,000
\$44,310,000, 2015A General Obligation Limited School Bonds due in annual installments of \$2,955,000 through \$8,205,000 beginning in fiscal year 2028 through 2034 with interest due semiannually at 5.00%. Issued for the purpose of working cash.	44,310,000
\$10,780,000, 2015B Taxable General Obligation Limited Refunding Bonds due in annual installments of \$2,170,000 through \$6,215,000 beginning in fiscal year 2026 through 2028 with interest due semiannually at 3.7% to 3.95%. Issued for the purpose of refunding capital project related bonds and working cash.	10,780,000

(continued)

School District U-46

Notes to Basic Financial Statements

Note 4. Long-Term Obligations (Continued)

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

\$101,575,000, 2015D General Obligation Refunding School Bonds due in annual installments of \$6,480,000 through \$10,900,000 beginning in fiscal year 2024 through 2035 with interest due semiannually at 5.00%. Issued for the purpose of refunding capital project related bonds.

101,575,000

Total General Obligation Bonds

\$ 218,313,642

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	General Obligation		Total Debt Service
	Principal	Interest	
2021	\$ 15,856,253	\$ 26,482,712	\$ 42,338,965
2022	15,576,479	26,706,309	42,282,788
2023	15,255,910	26,978,127	42,234,037
2024	11,940,000	8,268,913	20,208,913
2025	12,400,000	7,808,812	20,208,812
2026-2030	71,305,000	29,746,964	101,051,964
2031-2035	75,980,000	10,651,250	86,631,250
	<u>\$ 218,313,642</u>	<u>\$ 136,643,087</u>	<u>\$ 354,956,729</u>

Interest maturities include \$47,472,625 of accreted interest on capital appreciation bonds.

Accreted Interest on Long-term Debt - Capital Appreciation Bonds

The District has two outstanding capital appreciation bond issues. Interest on the capital appreciation bonds is 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.

School District U-46

Notes to Basic Financial Statements

Note 4. Long-Term Obligations (Continued)

Debt Certificates

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

\$6,200,000, 2007 Debt Certificates (Qualified Zone Academy Bonds) due in annual installments of \$418,578 to \$432,360 through 2023 with interest due annually at 0.65%. Issued for the purpose of capital projects.	\$ 1,288,697
\$466,270, 2017 Debt Certificates (Qualified Zone Academy Bonds) due in annual installments of \$93,254 through 2023 with interest due semiannually at 0.25%. Issued for the purpose of capital projects.	<u>279,762</u>
Total Debt Certificates	<u><u>\$ 1,568,459</u></u>

Debt Service Requirements to Maturity – Debt Certificates and Purchase Contracts

Annual debt service requirements to maturity for debt certificates and purchase contracts to be paid from the Transportation Fund and the Debt Service Fund through transfers from the General Fund are as follows:

Due in Fiscal Year	Debt Certificates	
	Principal	Interest
2021	\$ 520,024	\$ 8,982
2022	522,821	5,952
2023	<u>525,614</u>	<u>2,927</u>
Total	<u><u>\$ 1,568,459</u></u>	<u><u>\$ 17,861</u></u>

Legal Debt Margin

As of June 30, 2020, the legal debt limit of the District was \$726,997,933, based upon 13.8 percent of its 2019 equalized assessed valuation of \$5,268,100,965. The debt limit less outstanding debt subject to the debt limit of \$219,882,101 plus amounts held in the Debt Service Fund of \$32,625,408, results in a legal debt margin of \$539,741,240 as of June 30, 2020.

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.

School District U-46

Notes to Basic Financial Statements

Note 4. Long-Term Obligations (Continued)

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 four personal days per year to its employees. Personal balances left over at the end of the year are carried forward into the sick day balance for the next year. The District also offers up to 14 sick days per year. Accumulated personal and sick days are not paid out upon termination. If an employee is vested in the Teachers' Retirement System (TRS) or the Illinois Municipal Retirement Fund (IMRF), the employee is allowed extra service credit based on unused sick days. Since accrued personal and sick days are not paid out upon termination, the District does not accrue a payable for these days at year-end. Based on accumulated vacation days as of year-end, the District's maximum liability for accumulated vacation days to be paid upon its employees' termination was calculated to be \$1,506,421 at June 30, 2020. The amounts will be paid from the General Fund within the next year.

Net Pension and Collective Net Pension Liability

Net pension and collective net pension liabilities of \$54,072,324 at June 30, 2020 represent the District's share of pension liability to plan members for benefits provided through defined benefit pension plans (see Note 6). \$30,356,462 relates to IMRF and will be paid from the Municipal Retirement/Social Security Fund. \$23,715,862 relates to TRS and will be paid from the General Fund.

Other Postemployment Benefits Liability

The other postemployment benefits (OPEB) liability represents the long-term actuarially determined liability for healthcare insurance for eligible retirees and their dependents through the District's group health insurance plan and the District's share of the Teachers' Health Insurance Security Fund (THIS) plan (see Note 7). The District's OPEB liability at June 30, 2020 related to its own plan was \$27,898,844 and \$254,361,840 for its share of THIS; both amounts will be paid from the General Fund.

Debt Refunding

As of June 30, 2020, the outstanding balance of all defeased bonds totaled \$72,215,000.

Note 5. 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, 2020, the District had purchased (stop-loss) insurance to cover claims in excess of \$500,000 per person per year and \$2,000,000 lifetime.

School District U-46

Notes to Basic Financial Statements

Note 5. Risk Management (Continued)

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, 2020, total \$11,374,902. 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 2020	Total 2019
Claims liability - beginning	\$ 11,861,468	\$ 14,231,176
Incurred claims	61,403,282	59,951,517
Claim payments and reductions	(61,889,848)	(62,321,225)
Claims liability - ending	<u>\$ 11,374,902</u>	<u>\$ 11,861,468</u>

Note 6. Employee Retirement Systems and Plans

The following is a summary of all pension related items presented in the governmental activities. Details related to these plans are presented separately on the following pages.

	Net Pension Liability	Deferred Outflows	Deferred Inflows	Pension Expense
Teachers' Retirement System (TRS)	\$ 23,715,862	\$ 8,873,745	\$ 27,256,775	\$ 179,522,272
Illinois Municipal Retirement Fund (IMRF)	30,356,462	12,776,838	15,541,152	8,374,438
Total	<u>\$ 54,072,324</u>	<u>\$ 21,650,583</u>	<u>\$ 42,797,927</u>	<u>\$ 187,896,710</u>

Teachers' Retirement System

Plan Description

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. TRS members include all active nonannuitants who are employed by a TRS-covered employer to provide services for which teacher licensure is required. The Illinois Pension Code outlines the benefit provisions of TRS, and amendments to the plan can be made only by legislative action with the Governor's approval. The TRS Board of Trustees is responsible for the System's administration.

TRS issues a publicly available financial report that can be obtained at <https://www.trsil.org/financial/cafrs/fy2019>; by writing to TRS at 2815 W. Washington, PO Box 19253, Springfield, IL 62794; or by calling (888) 678-3675, option 2.

Notes to Basic Financial Statements

Note 6. Employee Retirement Systems and Plans (Continued)

Teachers' Retirement System (Continued)

Benefits Provided

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

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

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

Public Act 100-0023, enacted in 2017, creates an optional Tier 3 hybrid retirement plan, but it has not yet gone into effect. Public Act 100-0587, enacted in 2018, requires TRS to offer two temporary benefit buyout programs that expire on June 30, 2021. One program allows retiring Tier 1 members to receive a partial lump-sum payment in exchange for accepting a lower, delayed annual increase. The other allows inactive vested Tier 1 and 2 members to receive a partial lump-sum payment in lieu of a retirement annuity. Both programs began in 2019 and are funded by bonds issued by the state of Illinois.

Contributions

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

Contributions from active members and TRS contributing employers are also required by the Illinois Pension Code. The contribution rates are specified in the pension code. The active member contribution rate for the year ended June 30, 2019, was 9.0 percent of creditable earnings. The member contribution, which may be paid on behalf of employees by the employer, is submitted to TRS by the employer.

On-behalf contributions to TRS

The state of Illinois makes employer pension contributions on behalf of the District. For the year ended June 30, 2020, state of Illinois contributions recognized by the District were based on the state's proportionate share of the collective net pension liability associated with the District, and the District recognized revenue and expenses of \$183,256,471 in the governmental activities based on the economic resources measurement basis and revenues and expenditures of \$101,479,253 in the General Fund based on the current financial resources measurement basis.

School District U-46

Notes to Basic Financial Statements

Note 6. Employee Retirement Systems and Plans (Continued)

Teachers' Retirement System (Continued)

2.2 formula contributions

Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. The contribution rate is specified by statute. Required contributions for the year ended June 30, 2020, were \$1,414,349. Actual contributions were \$1,407,241 and reported as deferred outflows of resources on the statement of net position because they were paid after the June 30, 2019 measurement date. As of June 30, 2020, \$7,108 was due and payable to TRS.

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 Public Act 100-0340, the federal and special trust fund contribution rate is the total employer normal cost.

For the year ended June 30, 2020, the employer pension contribution was 10.66 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2020, salaries totaling \$6,722,908 were paid from federal and special trust funds that required District contributions of \$668,692. Actual contributions were \$504,218 and reported as deferred outflows of resources on the statement of net position because they were paid after the June 30, 2019 measurement date. As of June 30, 2020, \$164,474 was due and payable to TRS.

Employer retirement cost contributions

Under GASB Statement No. 68, contributions that an employer is required to pay because of a TRS member retiring are categorized as specific liability payments. The employer is required to make a one-time contribution to TRS for members granted salary increases over 6 percent if those salaries are used to calculate a retiree's final average salary. A one-time contribution is also required for members granted sick leave days in excess of the normal annual allotment if those days are used as TRS service credit. Additionally PA 100-0023 requires school districts to pay for a portion of the cost of a member's pension if that member's salary, determined on a full-time equivalent basis, is greater than the governor's statutory salary (currently \$177,500). The amount charged to the employer is the employer normal cost, or 10.66 percent.

For the year ended June 30, 2020, the District paid \$165,085 to TRS for employer contributions due on salary increases in excess of the statutory limit and \$11,824 for member salaries in excess of the governor's statutory salary. The District made no payments for sick leave days granted in excess of the normal annual allotment.

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

At June 30, 2020, the District reported a liability for its proportionate share of the collective net pension liability (first amount shown below) that reflected a reduction for state pension support provided to the District. The state's support and total are for disclosure purposes only. The amount recognized by the District as its proportionate share of the collective net pension liability, the related state support, and the total portion of the collective net pension liability that was associated with the District were as follows:

District's proportionate share of the collective net pension liability	\$ 23,715,862
State's proportionate share of the collective net pension liability associated with the District	<u>1,687,832,038</u>
Total	<u><u>\$ 1,711,547,900</u></u>

School District U-46**Notes to Basic Financial Statements**

Note 6. Employee Retirement Systems and Plans (Continued)***Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)******Teachers' Retirement System (Continued)***

The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018, and rolled forward to June 30, 2019. The District's proportion of the net pension liability was based on the District's share of contributions to TRS for the measurement year ended June 30, 2019, relative to the contributions of all participating TRS employers and the State during that period. At June 30, 2019, the District's proportion was 0.0292 percent, which was a decrease of 0.0011 from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the District recognized the following pension expense/expenditures and revenue pertaining to the District's employees:

	Governmental Activities	General Fund
State on-behalf contributions - revenue		
and expense/expenditure	\$ 183,256,471	\$ 101,479,253
District TRS pension (benefit) expense	(3,734,200)	1,911,459
Total TRS expense/expenditure	<u>\$ 179,522,271</u>	<u>\$ 103,390,712</u>

At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 388,876	\$ -
Net difference between projected and actual earnings on pension plan investments	37,568	-
Changes of assumptions	531,397	455,223
Changes in proportion and differences between District contributions and proportionate share of contributions	<u>6,004,445</u>	<u>26,801,552</u>
Total deferred pension actuarial adjustments	6,962,286	27,256,775
District contributions subsequent to the measurement date	<u>1,911,459</u>	-
Total deferred amounts related to pensions	<u><u>\$ 8,873,745</u></u>	<u><u>\$ 27,256,775</u></u>

School District U-46

Notes to Basic Financial Statements

Note 6. Employee Retirement Systems and Plans (Continued)

Teachers' Retirement System (Continued)

Of the amounts reported as deferred outflows of resources related to pensions resulting from District's contributions subsequent to the measurement date, \$1,911,459 will be recognized as a reduction of the collective net pension liability in the reporting year ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending June 30:

2021	\$ (4,230,142)
2022	(4,799,854)
2023	(4,646,962)
2024	(4,606,631)
2025	(2,010,900)
	<u>\$ (20,294,489)</u>

Actuarial Assumptions

The total pension liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary increases	varies by amount of service credit
Investment rate of return	7.00 percent, net of pension plan investment expense, including inflation

In the June 30, 2019 actuarial valuation, mortality rates were based on the RP-2014 White Collar Table with appropriate adjustments for TRS experience. The rates are based on a fully-generational basis using projection table MP-2017. In the June 30, 2018 actuarial valuation, mortality rates were also based on the RP-2014 White Collar Table with appropriate adjustments for TRS experience. The rates were used on a fully-generational basis using projection table MP-2014.

School District U-46**Notes to Basic Financial Statements**

Note 6. Employee Retirement Systems and Plans (Continued)***Teachers' Retirement System (Continued)***

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. equities large cap	15.0 %	6.3 %
U.S. equities small/mid cap	2.0	7.7
International equities developed	13.6	7.0
Emerging market equities	3.4	9.5
U.S. bonds core	8.0	2.2
U.S. bonds high yield	4.2	4.0
International debt developed	2.2	1.1
Emerging international debt	2.6	4.4
Real estate	16.0	5.2
Commodities (real return)	4.0	1.8
Hedge funds (absolute return)	14.0	4.1
Private equity	15.0	9.7
Total	<u>100.0 %</u>	

Discount Rate

At June 30, 2019, the discount rate used to measure the total pension liability was 7.00 percent, which was the same as the June 30, 2018 rate. The projection of cash flows used to determine the discount rate assumed that employee contributions, employer contributions, and state contributions will be made at the current statutorily-required rates.

Based on those assumptions, TRS's fiduciary net position at June 30, 2019 was projected to be available to make all projected future benefit payments of current active and inactive members and all benefit recipients. Tier I's liability is partially funded by Tier II members, as the Tier II member contribution is higher than the cost of Tier II benefits. Due to this subsidy, contributions from future members in excess of the service cost are also included in the determination of the discount rate. All projected future payments were projected to be available to make all benefit payments, so a long-term expected rate of return on TRS investments was applied to all periods of projected benefit payments to determine the total pension liability.

School District U-46

Notes to Basic Financial Statements

Note 6. Employee Retirement Systems and Plans (Continued)

Teachers' Retirement System (Continued)

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

The following presents the District's proportionate share of the collective net pension liability calculated using the discount rate of 7.00 percent, as well as what the District's proportionate share of the collective net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate.

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
District's proportionate share of the collective net pension liability	\$ 28,966,848	\$ 23,715,862	\$ 19,398,508

TRS Fiduciary Net Position

Detailed information about the TRS's fiduciary net position as of June 30, 2019 is available in the separately issued TRS *Comprehensive Annual Financial Report*.

Illinois Municipal Retirement Fund

Plan Description

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

Benefits Provided

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

School District U-46

Notes to Basic Financial Statements

Note 6. Employee Retirement Systems and Plans (Continued)

Illinois Municipal Retirement Fund (Continued)

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

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

Employees Covered by Benefit Terms

As of December 31, 2019, the following employees were covered by the benefit terms:

Retirees and Beneficiaries currently receiving benefits	1,439
Inactive Plan Members entitled to but not yet receiving benefits	1,988
Active Plan Members	<u>2,239</u>
Total	<u><u>5,666</u></u>

Contributions

As set by statute, the District's Regular Plan Members are required to contribute 4.5 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 their own employees. The District's annual contribution rates for calendar years 2020 and 2019 were 11.31 percent and 9.83 percent, respectively. For the fiscal year ended June 30, 2020, the District contributed \$7,902,178 to the plan. The District also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability

The District's net pension liability was measured as of December 31, 2019. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The following are the methods and assumptions used to determine total pension liability at December 31, 2019:

- The **Actuarial Cost Method** used was Entry Age Normal.
- The **Asset Valuation Method** used was Market Value of Assets.
- The **Inflation Rate** was assumed to be 2.50 percent.
- **Salary Increases** were expected to be 3.35 percent to 14.25 percent, including inflation.
- The **Investment Rate of Return** was assumed to be 7.25 percent.
- **Projected Retirement Age** was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2017 valuation according to an experience study from years 2014-2016.

School District U-46

Notes to Basic Financial Statements

Note 6. Employee Retirement Systems and Plans (Continued)

Illinois Municipal Retirement Fund (Continued)

Actuarial Assumptions (Continued)

- For **Non-disabled Retirees**, an IMRF-specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF-specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience.
- For **Disabled Retirees**, an IMRF-specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustments that were applied for non-disabled lives.
- For **Active Members**, an IMRF-specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.
- The **long-term expected rate of return** on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Projected Returns / Risk	
		One Year Arithmetic	Ten Year Geometric
Domestic equity	37.0 %	7.05 %	5.75 %
International equity	18.0	8.10	6.50
Fixed income	28.0	3.70	3.25
Real estate	9.0	6.35	5.20
Alternative investments	7.0		
Private equity		11.30	7.60
Commodities		4.65	3.60
Cash equivalents	<u>1.0</u>	1.85	1.85
Total	<u><u>100.0</u></u> %		

School District U-46**Notes to Basic Financial Statements**

Note 6. Employee Retirement Systems and Plans (Continued)***Illinois Municipal Retirement Fund (Continued)******Actuarial Assumptions (Continued)******Single Discount Rate***

A Single Discount Rate of 7.25 percent was used to measure the total pension liability. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

- The long-term expected rate of return on pension plan investments (7.25 percent) during the period in which the fiduciary net position is projected to be sufficient to pay benefits, and
- The tax-exempt municipal bond rate (2.75 percent) based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date to the extent that the contributions for use with the long-term expected rate of return are not met.

Based on those assumptions, IMRF's fiduciary net position at December 31, 2019, was projected to be available to make all projected future benefit payments of current active and inactive members and all benefit recipients. For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.25 percent and the municipal bond rate was not used.

Changes in the Net Pension Liability

The following table shows the components of the District's annual pension liability and related plan fiduciary net position for the calendar year ended December 31, 2019:

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at beginning of year	\$ 339,032,636	\$ 279,856,086	\$ 59,176,550
Changes for the year:			
Service cost	7,240,886	-	7,240,886
Interest on the total pension liability	24,206,866	-	24,206,866
Changes of benefit terms	-	-	-
Differences between expected and actual experience of the total pension liability	3,114,679	-	3,114,679
Changes of assumptions	-	-	-
Contributions - employer	-	7,224,938	(7,224,938)
Contributions - employees	-	3,373,975	(3,373,975)
Net investment income	-	52,625,457	(52,625,457)
Benefit payments, including refunds of employee contributions	(17,530,554)	(17,530,554)	-
Other (net transfer)	-	158,149	(158,149)
Net changes	17,031,877	45,851,965	(28,820,088)
Balance at end of year	\$ 356,064,513	\$ 325,708,051	\$ 30,356,462

School District U-46

Notes to Basic Financial Statements

Note 6. Employee Retirement Systems and Plans (Continued)

Illinois Municipal Retirement Fund (Continued)

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

The following presents the District's net pension liability, calculated using a Single Discount Rate of 7.25 percent, as well as what the District's net pension liability would be if it were calculated using a Single Discount Rate that is 1 percent lower or 1 percent higher:

	1% Decrease 6.25%	Discount Rate 7.25%	1% Increase 8.25%
Total Pension Liability	\$ 399,300,518	\$ 356,064,513	\$ 320,285,659
Plan Fiduciary Net Pension	325,708,051	325,708,051	325,708,051
Net Pension Liability (Asset)	<u>\$ 73,592,467</u>	<u>\$ 30,356,462</u>	<u>\$ (5,422,392)</u>

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

For the year ended June 30, 2020, the District recognized pension expense of \$8,374,438. At June 30, 2020, the District reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 4,149,391	\$ -
Net difference between projected and actual earnings on pension plan investments	-	13,383,039
Changes of assumptions	4,230,733	2,158,113
Total deferred pension actuarial adjustments	<u>8,380,124</u>	<u>15,541,152</u>
District contributions subsequent to the measurement date	<u>4,396,714</u>	<u>-</u>
Total deferred amounts related to pensions	<u>\$ 12,776,838</u>	<u>\$ 15,541,152</u>

Of the amounts reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date, \$4,396,714 will be recognized as a reduction of the net pension liability in the reporting year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending June 30:	
2021	\$ (1,422,778)
2022	(924,080)
2023	1,702,116
2024	(6,516,286)
	<u>\$ (7,161,028)</u>

School District U-46

Notes to Basic Financial Statements

Note 7. Post Employment Plans Other Than Pensions (Continued)

The following is a summary of all other postemployment benefits (OPEB) other than pension related items presented in the governmental activities. Details related to these plans are presented separately in the following pages.

	Total OPEB Liability	Deferred Outflows	Deferred Inflows	OPEB Expense
Retiree Healthcare Plan - District Plan	\$ 27,898,844	\$ 3,616,314	\$ 1,086,005	\$ 2,110,129
Teachers' Health Insurance Security Fund (THIS)	254,361,840	10,029,713	34,354,667	28,088,897
Total	<u>\$ 282,260,684</u>	<u>\$ 13,646,027</u>	<u>\$ 35,440,672</u>	<u>\$ 30,199,026</u>

Retiree Healthcare Plan

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. The Plan does not issue a stand-alone financial report.

Benefits Provided

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. Certified retirees receive coverage under the TRS health plan and non-certified retirees receive coverage under the District's health plan. The District's contributions vary based on the union to which the employee belongs, the employees' years of service, and the year in which the employee retired.

Employees Covered by Benefit Terms

At June 30, 2020, the following employees were covered by the benefit terms:

Inactive Plan Members currently receiving benefits	206
Active Plan Members	<u>3,549</u>
	<u>3,755</u>

School District U-46

Notes to Basic Financial Statements

Note 7. Post Employment Plans Other Than Pensions (Continued)

Retiree Healthcare Plan (Continued)

Total OPEB Liability

The District's total OPEB liability was measured as of June 30, 2020, and was determined by an actuarial valuation as of that date.

	Total OPEB Liability
Balances at July 1, 2019	<u>\$ 25,706,376</u>
Changes for the year:	
Service cost	1,006,873
Interest on the total OPEB liability	716,716
Differences between expected and actual experience of the total OPEB liability	(1,247,373)
Changes of assumptions	3,779,446
Benefit payments	<u>(2,063,194)</u>
Net changes	<u>2,192,468</u>
Balances at June 30, 2020	<u><u>\$ 27,898,844</u></u>

Actuarial Assumptions

The following are the methods and assumptions used to determine total OPEB liability at June 30, 2020:

- The **Actuarial Cost Method** used was the Entry Age Normal.
- **Salary Increases** was assumed to be 3.00 percent, including inflation.
- For **Healthcare Cost Trend Rates**, in the 2021 fiscal year, a rate of 7.00 percent was used, with that rate gradually decreasing to an ultimate trend of 4.50 percent by fiscal year 2031.
- For IMRF employees the **Mortality Rates** used are from the RP-2014 Healthy Mortality Tables with Blue Collar Adjustments for retirees, projected generationally with Scale MP-2017. Pre- and post-commencement rates were further adjusted. Specifically for both pre- and post-commencement, male rates were multiplied by 100 percent for all ages and female rates were multiplied by 99 percent for all ages. For post-commencement, male and female rates were adjusted to match current experience.
- For TRS employees the **Mortality Rates** used are from the RP-2014 Healthy Mortality Tables with White Collar Adjustments, projected generationally with Scale MP-2017. Pre- and post-commencement rates were further adjusted. Specifically, for pre-commencement, rates were multiplied by 104 percent for all ages. For post-commencement, male rates were multiplied by 94% for ages under 81 and 110 percent for ages 81-114, and female rates were multiplied by 70 percent for ages under 78 and 110 percent for ages 78-114.

School District U-46

Notes to Basic Financial Statements

Note 7. Post Employment Plans Other Than Pensions (Continued)

Retiree Healthcare Plan (Continued)

The following assumptions were changed since the prior valuation:

- The discount rate was changed from 2.79 percent to 2.66 percent based on the change in the S&P Municipal Bond 20 Year High Grade Rate Index from the prior year.
- Morbidity rates, which are based on the June 2013 Society of Actuaries Study entitled "Health Care Costs – From Birth to Death", were updated to reflect current demographics of the covered population based on the provided census data.
- The healthcare cost trend was updated to a graded scale beginning with 7.00 percent in the 2020/2021 fiscal year grading down to an ultimate rate of 4.50 percent.
- The salary scale was updated to reflect the 2018 TRS and 2018 IMRF experience studies.
- The mortality, termination, and retirement rates were updated to reflect the 2018 TRS and 2018 IMRF experience studies.
- The participation assumption was updated for Non-Union and SEIU participants based on recent experience and to better reflect anticipated future experience under the plan.

Discount Rate

Since the Plan is financed on a pay-as-you-go basis, a long-term rate of return was not used and the discount rate used to measure the total OPEB liability was the 20-year municipal bond yield, (source was the S&P Municipal Bond 20 Year High Grade Rate Index as of June 30, 2019). The projection of cash flows used to determine the discount rate assumed the employee and employer contributions would be made at the current rates. Based on those assumptions, the Plan's fiduciary net position was not projected to be sufficient to make projected OPEB payments for current active and inactive employees beyond the current year.

Sensitivity of the District's Total OPEB Liability to Changes in the Discount Rate

The following presents the District's total OPEB liability, calculated using a Discount Rate of 2.66 percent, as well as what the District's total OPEB liability would be if it were calculated using a Discount Rate that is one percentage point higher or lower than the current rate:

	1% Decrease 1.66%	Current Discount Rate 2.66%	1% Increase 3.66%
Total OPEB liability	\$ 29,487,937	\$ 27,898,844	\$ 26,366,231

School District U-46

Notes to Basic Financial Statements

Note 7. Post Employment Plans Other Than Pensions (Continued)

Retiree Healthcare Plan (Continued)

Sensitivity of Total OPEB Liability to Changes in the Healthcare Cost Trend Rate

The following presents the District's total OPEB liability, calculated using the healthcare cost trend rates as well as what the District's total OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point higher or lower, than the current healthcare cost trend rates.

	1% Decrease 6.00%	Healthcare Cost Trend Rate Assumptions 7.00%	1% Increase 8.00%
Total OPEB liability	\$ 26,845,921	\$ 27,898,844	\$ 29,062,542

OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2020, the District recognized OPEB expense of \$2,110,129. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 3,616,314	\$ -
Changes of assumptions	-	1,086,005
Total deferred amounts related to OPEB	<u>\$ 3,616,314</u>	<u>\$ 1,086,005</u>

Amounts reported as deferred outflows of resources and deferred outflows of resources related to OPEB will be recognized in OPEB expense in future periods as follows:

Year ending June 30:	
2020	\$ (386,540)
2021	(386,540)
2022	(386,540)
2023	(386,540)
2024	(386,540)
Thereafter	(597,609)
	<u>\$ (2,530,309)</u>

School District U-46

Notes to Basic Financial Statements

Note 7. Post Employment Plans Other Than Pensions (Continued)

Retiree Healthcare Plan (Continued)

Teachers' Health Insurance Security Fund

Plan Description

The District participates in the Teachers' Health Insurance Security Fund (THIS) of the State of Illinois. THIS is a cost-sharing multiple-employer defined benefit post-employment healthcare plan (OPEB) established by the Illinois legislature for the benefit of eligible retired Illinois public school teachers employed outside the City of Chicago (members). All District employees receiving monthly benefits from the Teachers' Retirement System (TRS) who have at least eight years of creditable service with TRS, the survivor of an annuitant or benefit recipient who had at least eight years of creditable service or a recipient of a monthly disability benefit are eligible to enroll in THIS.

The State Employees Group Insurance Act of 1971 (5 ILCS 375) outlines the benefit provisions of the THIS Plan and amendments to the Plan can be made only by legislative action with the Governor's approval. The Plan is administered by the Illinois Department of Central Management Services. The publicly available financial report of the Plan may be found on the website of the Illinois Auditor General. The current reports are listed under "Central Management Services" (<http://www.auditor.illinois.gov/Audit-Reports/CMS-THISF.asp>).

Benefits Provided

THIS provides medical, prescription, and behavioral health benefits for eligible retirees and their dependents, but it does not provide vision, dental, or life insurance benefits to annuitants of the Teachers' Retirement System (TRS). Annuitants not enrolled in Medicare may participate in the state-administered participating provider option plan or choose from several managed care options. Annuitants who are enrolled in Medicare Parts A and B may be eligible to enroll in a Medicare Advantage plan. The premiums charged reflect approximately a 75 percent subsidy for members that elect a managed care plan or elect the Teachers' Choice Health Plan (TCHP) plan if a managed care plan is either not available or only partially available. Members receive approximately a 50 percent subsidy if they elect the TCHP when a managed care plan is available. Medicare primary dependent beneficiaries enrolled in a managed care plan or in the TCHP when no managed care plan is available receive a premium subsidy.

School District U-46

Notes to Basic Financial Statements

Note 7. Post Employment Plans Other Than Pensions (Continued)

Teachers' Health Insurance Security Fund (Continued)

Contributions

The State Employees Group Insurance Act of 1971 (5 ILCS 375/6) specifies the contribution requirements of the participating school districts and covered employees. For the year ended June 30, 2020, required contributions are as follows:

- Active members contribute 1.24 percent of covered payroll.
- Employers contribute 0.92 percent of covered payroll. 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. For the year ended June 30, 2020, the District paid \$2,243,452 to the THIS Fund, which was 100 percent of the required contribution. These contributions are deferred because they were paid after the June 30, 2019 measurement date.
- The State of Illinois makes contributions on behalf of the District. State contributions are intended to match contributions to the THIS Fund from active members. The State contributed 1.24 percent of covered payroll. For the year ended June 30, 2020, State of Illinois contributions on behalf of the District's employees were \$3,023,783 and the District recognized revenue and expenditures for this on-behalf contribution amount during the year in the General Fund.
- Retired members contribute through premium payments based on the coverage elected, Medicare eligibility, and the age of the member and dependents. The premium for retired members is not permitted to increase by more than 5.0 percent per year by statute. The Federal Government provides a Medicare Part D subsidy.

OPEB Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources

At June 30, 2020, the District reported a liability for its proportionate share of the collective total OPEB liability that reflected a reduction for state pension support provided for the District. The state's support and total are for disclosure purposes only. The OPEB proportionate shares are as follows:

Employer's proportionate share of the collective total OPEB liability	\$ 254,361,840
The State's proportionate share of the collective total OPEB liability associated with the employer	<u>344,438,459</u>
Total THIS total collective OPEB liability associated with the employer	<u><u>\$ 598,800,299</u></u>

The collective total OPEB liability was measured as of June 30, 2019, and the total OPEB liability used to calculate the collective total OPEB liability was determined by an actuarial valuation as of June 30, 2018, and rolled forward to June 30, 2019. The District's proportionate share of the total OPEB liability was based on the District's share of contributions to THIS for the measurement year ended June 30, 2019, relative to the contributions of all participating employers and the State during that period. At June 30, 2019, the District's proportion was 0.9190 percent, which was a decrease of 0.0033 from its proportion measured as of June 30, 2018.

School District U-46**Notes to Basic Financial Statements****Note 7. Post Employment Plans Other Than Pensions (Continued)*****Teachers' Health Insurance Security Fund (Continued)***

For the year ended June 30, 2020, the District recognized the following for OPEB expense/expenditure and revenue pertaining to the District's employees:

	Governmental Activities	General Fund
State on-behalf contributions - OPEB revenue and expense/expenditure	\$ 15,083,136	\$ 3,023,783
District OPEB expense	13,005,761	2,243,452
Total OPEB expense/expenditure	<u>\$ 28,088,897</u>	<u>\$ 5,267,235</u>

At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 4,220,934
Net difference between projected and actual earnings on OPEB investments	-	8,328
Changes of assumptions	96,431	29,158,151
Changes in proportion and differences between employer contributions and proportionate share of contributions	<u>7,689,830</u>	<u>967,254</u>
Total deferred OPEB actuarial adjustments	7,786,261	34,354,667
Employer contribution subsequent to the measurement date	<u>2,243,452</u>	-
Total deferred amounts related to OPEB	<u>\$ 10,029,713</u>	<u>\$ 34,354,667</u>

The District reported \$2,243,452 as deferred outflows of resources resulting from District contributions subsequent to the measurement date that will be recognized as a reduction of the collective total OPEB liability in the year ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in expense as follows:

<u>Year ending June 30:</u>	
2021	\$ (3,204,874)
2022	(3,204,874)
2023	(3,204,874)
2024	(3,204,874)
2025	(3,204,874)
Thereafter	(10,544,036)
	<u>\$ (26,568,406)</u>

Notes to Basic Financial Statements

Note 7. Post Employment Plans Other Than Pensions (Continued)

Teachers' Health Insurance Security Fund (Continued)

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of June 30, 2018, and rolled forward to June 30, 2019 based on the entry age normal cost method and using the following actuarial assumptions:

Discount rate	3.13% at June 30, 2019
Inflation	2.50%
Salary increases	Depends on service and ranges from 9.50 percent at 1 year of service to 4.00 percent at 19 or more years of service. Salary increase includes a 3.25 percent wage inflation assumption.
Investment rate of return	0 percent, net of OPEB plan investment expense, including inflation
Healthcare cost trend rates	Actual trend used for fiscal year 2019. For fiscal years on and after 2020, trend starts at 8.00 percent and 9.00 percent for non-Medicare costs and post-Medicare costs, respectively, and gradually decreases to an ultimate trend of 4.81 and 4.50 percent, respectively. Additional trend rate of 0.31 percent is added to non-Medicare cost on and after 2020 to account for the Excise Tax.
Mortality	<p><u>Healthy life mortality, post-retirement:</u> RP-2014 White Collar Annuitant Tables, sex distinct with female rates multiplied by 70 percent for ages under 78 and 110 percent for ages 78 to 114 and male rates multiplied by 94 percent for ages under 81 and 110 percent for ages 81 to 114</p> <p><u>Healthy life mortality, post-retirement beneficiary:</u> RP-2014 Annuitant Tables, sex distinct with female and male rates multiplied by 96 percent and 116 percent, respectively, for ages 50 to 114</p> <p><u>Healthy life mortality, pre-retirement:</u> RP-2014 White Collar Mortality Tables, sex distinct with female and male rates multiplied by 104 percent for all ages</p> <p><u>Disabled life mortality, post-retirement:</u> RP-2014 Disabled Tables, sex distinct with female and male rates multiplied by 117 percent for ages 45 to 99</p> <p>(Future annual improvements in mortality are based on the Society of Actuaries Mortality Projections Scale MP-2017.)</p>

Eighty percent of future retirees that are currently active are assumed to elect healthcare coverage, with 80 percent electing single coverage and 20 percent electing two-person coverage. Seventy percent of current deferred vested participants with at least seven years of service and younger than 70 as of June 30, 2018, are assumed to elect healthcare coverage, with 80 percent electing single coverage and 20 percent electing two-person coverage. Thirty-five percent of current deferred vested participants with five to seven years of service and younger than age 70 as of June 30, 2018, are assumed to be eligible under State Employees' Group Insurance Program (SEGIP) or Teachers' Retirement Insurance Program (TRIP) before retirement and elect healthcare coverage, with 80 percent electing single coverage and 20 percent electing two-person coverage. The liability for this group is allocated equally to TRIP and SEGIP. Lastly, eighty percent of active male participants and seventy percent of active female participants are assumed to be married. If no data is available, the female spouse is assumed to be three years younger than the male spouse.

School District U-46

Notes to Basic Financial Statements

Note 7. Post Employment Plans Other Than Pensions (Continued)

Teachers' Health Insurance Security Fund (Continued)

The pension-related assumptions disclosed in the TRS experience study for the period July 1, 2014 through June 30, 2017, were applied to the THIS actuarial valuation as of June 30, 2018.

The following OPEB-related assumption changes were made since the June 30, 2018, OPEB actuarial valuation date:

- The discount rate was changed from 3.62 percent at June 30, 2018 to 3.13 percent at June 30, 2019;
- The healthcare trend assumption was updated based on claim and enrollment experience through June 30, 2018, projected plan cost for plan year-end June 30, 2019, premium changes through plan year-end 2020, and expectation of future trend increases after June 30, 2019;
- The Excise trend rate adjustment was updated based on available premium and enrollment information as of June 30, 2019;
- Per capita claim costs for the plan year ended June 30, 2019 were updated based on projected claims and enrollment experience through June 30, 2019 and updated premium rates through plan year 2020; and
- Healthcare plan participation rates by plan were updated based on observed experience.
- In December 2019, the Patient Protection Affordability and Care Act (PPACA) excise tax was repealed. Since the repeal of the excise tax occurred after the June 30, 2019 measurement date, the impact was not included in the plan's actuarial valuation. The impact on the total OPEB liability is unknown at this time.

The long-term expected rate of return assumption was set to zero. As such, ranges of expected future real rates of return by asset class were not developed.

Discount Rate

Since THIS is financed on a pay-as-you-go basis, a long-term rate of return was not used and the discount rate used to measure the total OPEB liability was the 20-year general obligation bond index rate (source was Fidelity Index's 20-year municipal GO AA Index). The discount rate as of June 30, 2019 was 3.13 percent which was an decrease from the June 30, 2018 rate of 3.62 percent. The projection of cash flows used to determine the discount rate assumed that employee, employer, and State contributions would be made at the current statutorily-required rates. Based on those assumptions, THIS's fiduciary net position was not projected to be sufficient to make projected OPEB payments for current active and inactive employees beyond the current year.

Sensitivity of the Employer's Proportionate Share of the Total OPEB Liability to Changes in the Single Discount Rate

The following presents the plan's total OPEB liability, calculated using a Single Discount Rate of 3.13 percent, as well as what the plan's total OPEB liability would be if it were calculated using a Single Discount rate that is one percentage point higher or lower than the current rate:

	1% Decrease 2.13%	Discount Rate 3.13%	1% Increase 4.13%
Employer's proportionate share of the collective total OPEB liability	\$ 305,835,281	\$ 254,361,840	\$ 213,708,910

School District U-46**Notes to Basic Financial Statements****Note 7. Post Employment Plans Other Than Pensions (Continued)****Teachers' Health Insurance Security Fund (Continued)****Sensitivity of Total OPEB Liability to Changes in the Healthcare Cost Trend Rate**

The following presents the plan's total OPEB liability, calculated using the healthcare cost trend rates as well as what the plan's total OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point higher or lower, than the current healthcare cost trend rates.

		Healthcare Cost Trend Rate Assumptions	
	1% Decrease (a)		1% Increase (b)
Employer's proportionate share of the collective total OPEB liability	\$ 205,503,641	\$ 254,361,840	\$ 320,351,074

(a) One percentage point decrease in healthcare trend rates are 7.00 percent in 2020 decreasing to an ultimate trend rate of 3.81 percent in 2027 for non-Medicare coverage, and 8.00 percent in 2020 decreasing to an ultimate trend rate of 3.50 percent in 2029 for Medicare coverage.

(b) One percentage point increase in healthcare trend rates are 9.00 percent in 2020 decreasing to an ultimate trend rate of 5.81 percent in 2027, for non-Medicare coverage, and 10.00 percent in 2020 decreasing to an ultimate trend rate of 5.50 percent in 2029 for Medicare coverage.

OPEB Plan Fiduciary Net Position

Detailed information about the THIS plan fiduciary net position is available in the separately issued THIS financial report.

Payable to the OPEB Plan

The District had no outstanding amount of contributions to the THIS plan for the year ended June 30, 2020.

Note 8. Other Financial Disclosures**Expenditures Exceeding Budgets**

The District adopts annual budgets for all funds except the Student Activity Fund, an agency fund. The funds with annually adopted budgets and excesses of expenditures over budgeted expenditures during fiscal year 2020 are as follows:

Fund	Final Budget	Actual Expenditures	Amount Over Budget
Major Funds:			
General Fund			
Operations and Maintenance Account	\$ 67,268,960	\$ 74,828,757	\$ 7,559,797
Tort Immunity Account	5,998,138	6,718,375	720,237
Nonmajor Funds:			
IMRF/Social Security Fund	16,092,028	16,525,645	433,617

School District U-46

Notes to Basic Financial Statements

Note 8. Other Financial Disclosures (Continued)

Interfund Transfers

During fiscal year 2020, the District transferred \$10,337,247 from the General Fund to the Debt Service Fund to provide resources to pay principal and interest on debt certificates and purchase contracts and to abate a portion of the 2019 property tax levy.

Note 9. 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, 2020.

Note 10. Commitments

At June 30, 2020, the District had approximately \$19,000,000 in outstanding construction project commitments. The projects were comprised of work to be done at various school buildings and to be paid from the Operations and Maintenance Account of the General Fund, and the Fire Prevention and Safety Fund.

Note 11. Authoritative Pronouncements Issued But Not Yet Adopted

In May 2020, the GASB issued Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance* that provides temporary relief in light of the COVID-19 pandemic. The effective dates of various pronouncements are postponed. The pronouncements below have been updated for the applicable implementation dates. The statements that might impact the District are as follows:

Statement No. 84, *Fiduciary Activities*, will be effective for the District beginning with its year ending June 30, 2021. This Statement is intended to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported.

Statement No. 87, *Leases*, will be effective for the District beginning with its year ending June 30, 2022. This Statement is intended to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments.

Statement No. 89, *Accounting for Interest Cost Incurred before the End of Construction Period*, will be effective for the District beginning with its year ending June 30, 2022. This Statement establishes accounting requirements for interest cost incurred before the end of a construction period and requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset on the statement of net position.

School District U-46

Notes to Basic Financial Statements

Note 11. Authoritative Pronouncements Issued But Not Yet Adopted (Continued)

Statement No. 90, *Majority Equity Interests - an amendment of GASB Statements No. 14 and No. 61*, will be effective for the District beginning with its year ending June 30, 2021. This Statement improves financial reporting by providing users of financial statements with essential information related to presentation of majority equity interests in legally separate organizations that previously were reported inconsistently. In addition, requiring reporting of information about component units if the government acquires a 100 percent equity interest provides information about the cost of services to be provided by the component unit in relation to the consideration provided to acquire the component unit.

GASB Statement No. 91, *Conduit Debt Obligations*, will be effective for the District beginning with its year ending June 30, 2023. This Statement establishes a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice. Under Statement 91 a government entity no longer reports a liability for any conduit debt that it has issued; however, the issuer should recognize a liability for any additional commitments or voluntary commitments to support the debt service.

GASB Statement No. 92, *Omnibus 2020*, addresses practice issues that have been identified during implementation and application of certain GASB statements and other technical pronouncements. The Statement addresses a variety of topics. The Statement will enhance comparability in the application of accounting and financial reporting requirements and will improve the consistency of authoritative literature. The Statement will be effective for the District with its year ending June 30, 2022.

GASB No. 93, *Replacement of Interbank Offered Rates* establishes how the District will report the change of any of its variable payment debt that are tied to the London Interbank Offered Rate (LIBOR) when the LIBOR standard is no longer used after December 31, 2021. This statement will be effective for the City with its year ending June 30, 2022.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* will improve financial reporting by addressing issues related to public-private and public-public partnerships and provides guidance for accounting and reporting for availability payment arrangements. This statement will be effective for the District with its year ending June 30, 2023.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITA)* will improve financial reporting by establishing a definition for SBITAs and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. The statement will be effective for the District with its year ending June 30, 2023.

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans* will result in more consistent financial reporting of defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans, while mitigating the costs associated with reporting those plans. The requirements also will enhance the relevance, consistency, and comparability of (1) the information related to Section 457 plans that meet the definition of a pension plan and the benefits provided through those plans and (2) investment information for all Section 457 plans. The statement will be effective for the District with its year ending June 30, 2022.

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

School District U-46

Notes to Basic Financial Statements

Note 12. Coronavirus Disease 2019

On January 30, 2020, the World Health Organization declared the coronavirus disease 2019 (COVID-19) outbreak a "Public Health Emergency of International Concern" and on March 11, 2020, declared it to be a pandemic. It is unknown how long the adverse conditions associated with the coronavirus will last and what the complete financial effect will be to the District. The District started the 2020-2021 school year via remote learning and is continually evaluating the situation to transition to hybrid and in person learning.

Additionally, it is reasonably possible that estimates made in the financial statements have been, or will be, materially and adversely impacted in the near term as a result of these conditions, including expected credit losses on receivables and investments; net pension and OPEB liabilities and related deferred assets and liabilities; and contingent obligations.

REQUIRED SUPPLEMENTARY INFORMATION

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

Schedule of District Contributions – Teachers' Retirement System

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

Schedule of District Contributions – Illinois Municipal Retirement Fund

Schedule of Changes in the Total OPEB Liability and Related Ratios – District OPEB Plan

Schedule of the District's Proportionate Share of the Collective Total OPEB Liability – Teachers' Health Insurance Security Fund

Schedule of District Contributions – Teachers' Health Insurance Security Fund

Budgetary Comparison Information: General Fund

Notes to Required Supplementary Information (RSI)

School District U-46

**Schedule of the District's Proportionate Share of the Collective Net Pension Liability
Teachers' Retirement System**

Fiscal Year Ended*	2020	2019	2018	2017	2016	2015
District's proportion of the collective net pension liability	0.0292%	0.0303%	0.0871%	0.0827%	0.0517%	0.0814%
District's proportionate share of the collective net pension liability	\$ 23,715,862	\$ 23,609,784	\$ 66,545,775	\$ 65,248,035	\$ 33,868,384	\$ 49,508,342
State's proportionate share of the collective net pension liability associated with the District	1,687,832,038	1,617,369,178	1,557,896,054	1,609,322,179	1,275,250,978	1,173,916,748
Total	\$ 1,711,547,900	\$ 1,640,978,962	\$ 1,624,441,829	\$ 1,674,570,214	\$ 1,309,119,362	\$ 1,223,425,090
District's covered payroll	\$ 227,801,600	\$ 215,651,921	\$ 211,077,112	\$ 204,244,433	\$ 198,258,595	\$ 188,448,392
District's proportionate share of the collective net pension liability as a percentage of its covered payroll	10.4%	10.9%	31.5%	31.9%	17.1%	26.3%
Plan fiduciary net position as a percentage of the total pension liability	40.0%	40.0%	39.3%	36.4%	41.5%	43.0%

Notes to schedule

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

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

School District U-46

**Schedule of District Contributions
Teachers' Retirement System**

Fiscal Year Ended	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Contractually-required contribution	\$ 2,083,042	\$ 1,862,360	\$ 1,770,395	\$ 2,800,714	\$ 3,175,233	\$ 2,337,303	\$ 2,502,668	\$ 2,652,392	\$ 2,487,278	\$ 2,257,952
Contributions in relation to the contractually-required contribution	1,911,459	1,868,418	1,699,413	3,589,872	2,444,400	2,311,171	2,502,668	2,652,392	2,487,278	2,257,952
Contribution (excess) deficiency	\$ 171,583	\$ (6,058)	\$ 70,982	\$ (789,158)	\$ 730,833	\$ 26,132	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 243,853,436	\$ 227,801,600	\$ 215,651,921	\$ 211,077,112	\$ 204,244,433	\$ 198,258,595	\$ 188,448,392	\$ 187,379,565	\$ 182,339,091	\$ 177,710,000
Contributions as a percentage of covered payroll	0.78%	0.82%	0.79%	1.70%	1.20%	1.17%	1.33%	1.42%	1.36%	1.27%

Notes to Schedules

Changes of Assumptions

For the 2019, 2018, 2017 and 2016 measurement years, the assumed investment rate of return was 7.0 percent, including an inflation rate of 2.5 percent and a real return of 4.5 percent. Salary increases were assumed to vary by service credit, but the rates of increase in the 2018 measurement year were slightly higher.

For the 2015 measurement year, the assumed investment rate of return was 7.5 percent, including an inflation rate of 3.0 percent and a real return of 4.5 percent. Salary increases were assumed to vary by service credit. Various other changes in assumptions were adopted based on the experience analysis for the three-year period ending June 30, 2014.

School District U-46
Schedule of Changes in the Net Pension Liability and Related Ratios - Illinois Municipal Retirement Fund

Calendar year ended December 31	2019	2018	2017	2016	2015
Total Pension Liability					
Service Cost	\$ 7,240,886	\$ 6,690,189	\$ 7,088,356	\$ 7,287,074	\$ 6,752,927
Interest in the Total Pension Liability	24,206,866	23,132,664	22,710,668	21,991,405	20,550,703
Changes of Benefit Terms	-	-	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	3,114,679	3,308,148	1,653,787	(5,058,203)	5,258,888
Changes of Assumptions	-	9,203,969	(9,673,308)	(1,091,259)	359,033
Benefit Payments, including Refunds of Employee Contributions	(17,530,554)	(16,785,530)	(15,122,077)	(14,112,060)	(12,956,579)
Net Change in Total Pension Liability	17,031,877	25,549,440	6,657,426	9,016,957	19,964,972
Total Pension Liability - Beginning	339,032,636	313,483,196	306,825,770	297,808,813	277,843,841
Total Pension Liability - Ending	<u>\$ 356,064,513</u>	<u>\$ 339,032,636</u>	<u>\$ 313,483,196</u>	<u>\$ 306,825,770</u>	<u>\$ 297,808,813</u>
Plan Fiduciary Net Position					
Contributions - Employer	\$ 7,224,938	\$ 7,630,632	\$ 7,505,169	\$ 7,623,785	\$ 7,321,744
Contributions - Employees	3,373,975	3,049,438	2,991,943	2,932,617	2,914,439
Net Investment Income	52,625,457	(16,123,071)	45,723,969	17,057,396	1,228,293
Benefit Payments, including Refunds of Employee Contributions	(17,530,554)	(16,785,530)	(15,122,077)	(14,112,060)	(12,956,579)
Other (Net Transfer)	158,149	5,562,833	(6,145,971)	237,493	2,302,834
Net Change in Plan Fiduciary Net Position	45,851,965	(16,665,698)	34,953,033	13,739,231	810,731
Plan Fiduciary Net Position - Beginning	279,856,086	296,521,784	261,568,751	247,829,520	247,018,789
Plan Fiduciary Net Position - Ending	<u>\$ 325,708,051</u>	<u>\$ 279,856,086</u>	<u>\$ 296,521,784</u>	<u>\$ 261,568,751</u>	<u>\$ 247,829,520</u>
Net Pension Liability	<u>\$ 30,356,462</u>	<u>\$ 59,176,550</u>	<u>\$ 16,961,412</u>	<u>\$ 45,257,019</u>	<u>\$ 49,979,293</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	91.47%	82.55%	94.59%	85.25%	83.22%
Covered Payroll	\$ 73,292,380	\$ 67,513,152	\$ 65,500,573	\$ 64,026,568	\$ 64,024,510
Net Pension Liability as a Percentage of Covered Payroll	41.42%	87.65%	25.90%	70.68%	78.06%

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

School District U-46

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

Fiscal Year Ending June 30	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a % of Covered Valuation Payroll
2020	\$ 7,909,693 *	\$ 7,902,178	\$ 7,515	\$ 74,611,892	10.60%
2019	7,514,214	7,630,632	(116,418)	67,513,152	11.30%
2018	7,499,816	7,505,169	(5,353)	65,500,573	11.46%
2017	7,567,940	7,623,785	(55,845)	64,025,539	11.91%
2016	7,305,197	7,321,744	(16,547)	61,906,562	11.83%
2015	6,833,838	6,915,065	(81,227)	58,046,942	11.91%
2014	7,099,132	7,099,132	-	54,960,594	12.92%
2013	6,696,410	6,696,410	-	53,247,560	12.58%
2012	6,153,219	6,153,219	-	52,980,936	11.61%
2011	5,767,622	5,767,622	-	55,405,801	10.41%

*** Based on Valuation Assumptions used in the December 31, 2017 actuarial valuation, note two year lag between valuation and rate setting.*

School District U-46**Schedule of Changes in the Total OPEB Liability and Related Ratios
District OPEB Plan**

Fiscal Year Ended	2020	2019	2018
Total OPEB Liability			
Service cost	\$ 1,006,873	\$ 1,003,479	\$ 1,003,974
Interest cost	716,716	765,847	806,590
Change of benefit terms	-	-	(2,003,354)
Differences between expected and actual experience	(1,247,373)	-	-
Changes of assumptions	3,779,446	259,405	210,570
Benefit payments, including refunds of employee contributions	(2,063,194)	(2,022,065)	(2,157,596)
Net change in total pension liability	2,192,468	6,666	(2,139,816)
Total OPEB liability - beginning	25,706,376	25,699,710	27,839,526
Total OPEB liability - ending	<u>\$ 27,898,844</u>	<u>\$ 25,706,376</u>	<u>\$ 25,699,710</u>
Covered payroll	\$ 227,354,884	\$ 211,666,809	\$ 219,201,030
Total OPEB liability as a percentage of covered payroll	12.27%	12.14%	11.72%

Notes to Schedule:

Changes of benefit assumptions. Changes of assumptions reflect the effects of changes in the discount rate. The following are the discount rates used in each period.

2020 - 2.66%

2019 - 2.79%

2018 - 3.51%

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

School District U-46

**Schedule of the District's Proportionate Share of the Collective Total OPEB Liability
Teachers' Health Insurance Security Fund**

Fiscal Year Ended*	2020	2019	2018
District's proportion of the collective total OPEB liability	0.9190%	0.9223%	0.9185%
District's proportionate share of the collective total OPEB liability	\$ 254,361,840	\$ 242,987,411	\$ 238,342,838
The State's proportionate share of the collective total OPEB liability associated with the District	344,438,459	326,279,389	313,003,345
Total	<u>\$ 598,800,299</u>	<u>\$ 569,266,800</u>	<u>\$ 551,346,183</u>
Covered payroll	\$ 227,801,600	\$ 215,651,921	\$ 211,077,112
Collective total OPEB liability as a percentage of the covered payroll	111.6594%	112.6757%	112.9174%
Plan fiduciary net position as a percentage of the total OPEB liability	0.0000%	0.0000%	0.0000%

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

Notes to schedule

Changes of benefit assumptions . Changes of assumptions are as follows:

- The following are discount rates used in each period.
 - 2020 - 3.13%
 - 2019 - 3.62%
 - 2018 - 3.56%
- The healthcare trend assumption was updated each year based on claim and enrollment experience, projected plan cost for the applicable plan year, premium changes through the applicable plan year, and expectation of future trend increases.
- The excise trend rate adjustment was updated based on available premium and enrollment information for the applicable plan year.
- Per capita claim costs were updated based on projected claims and enrollment experience for the applicable plan year and updated premium rates for the applicable plan year.
- Healthcare plan participation rates by plan were updated based on observed experience.

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

School District U-46

**Schedule of District Contributions
Teachers' Health Insurance Security Fund**

Fiscal Year Ended	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Contractually-required contribution	\$ 2,243,452	\$ 2,095,775	\$ 1,897,737	\$ 1,773,048	\$ 1,633,955	\$ 1,506,765	\$ 1,356,828	\$ 1,292,919	\$ 1,203,438	\$ 1,172,886
Contributions in relation to the contractually-required contribution	2,243,452	2,095,775	1,951,741	1,773,048	1,633,955	1,506,765	1,356,828	1,292,919	1,203,438	1,172,886
Contribution (excess) deficiency	\$ -	\$ -	\$ (54,004)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 243,853,436	\$ 227,801,600	\$ 215,651,921	\$ 211,077,112	\$ 204,244,433	\$ 198,258,595	\$ 188,448,392	\$ 187,379,565	\$ 182,339,091	\$ 177,710,000
Contributions as a percentage of covered payroll	0.92%	0.92%	0.91%	0.84%	0.80%	0.76%	0.72%	0.69%	0.66%	0.66%

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.

School District U-46

**Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
General Fund - Budgetary Basis
Year Ended June 30, 2020**

	Original and Final Budget	Actual	Variance
Revenues:			
Property taxes	\$ 245,008,637	\$ 245,249,760	\$ 241,123
Replacement taxes and payments in lieu of taxes	200,000	191,075	(8,925)
Charges for services	9,819,000	8,220,571	(1,598,429)
Earnings on investments	9,062,500	6,380,869	(2,681,631)
Rentals	750,000	712,964	(37,036)
Local grants	-	166,634	166,634
Other local sources	1,400,000	1,889,104	489,104
State grants-in-aid	207,965,775	212,163,141	4,197,366
Federal grants-in-aid	38,754,421	47,994,424	9,240,003
Total revenues	512,960,333	522,968,542	10,008,209
Expenditures:			
Current:			
Instruction:			
Regular programs	159,938,229	146,976,719	12,961,510
Special programs	47,487,123	52,146,271	(4,659,148)
Other instructional programs	68,291,450	69,466,892	(1,175,442)
Support services:			
Pupils	36,340,614	37,226,975	(886,361)
Instructional staff	15,631,430	17,216,123	(1,584,693)
General administration	15,355,237	16,551,357	(1,196,120)
School administration	28,247,969	28,203,293	44,676
Business	4,815,921	5,078,114	(262,193)
Operations and maintenance	34,267,120	34,189,273	77,847
Transportation	1,701,380	1,178,559	522,821
Facilities acquisition and construction	100,835	602,029	(501,194)
Food service	14,772,659	16,040,810	(1,268,151)
Central	20,412,544	13,170,844	7,241,700
Other support	1,772,012	2,226,338	(454,326)
Community services	3,366,937	3,036,244	330,693
Intergovernmental:			
Payments to other governments	11,225,000	9,581,182	1,643,818
Capital outlay	37,467,376	44,938,609	(7,471,233)
Total expenditures	501,193,836	497,829,632	3,364,204
Excess of revenues over expenditures	11,766,497	25,138,910	13,372,413
Other financing uses:			
Transfer out	(10,337,247)	(10,337,247)	-
Total other financing uses	(10,337,247)	(10,337,247)	-
Net change in fund balance	\$ 1,429,250	14,801,663	\$ 13,372,413

School District U-46

Notes to Required Supplementary Information (RSI)

Note 1. Budgets and Budgetary Accounting

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, 2019, and outstanding encumbrances are canceled at that date.

On or before July 1 of each year, the Chief Executive Officer 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 2019-20 budget was adopted September 23, 2019.

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

The budget amounts shown are as originally adopted because there were no amendments during the past fiscal year.

For budgetary purposes, the District does not recognize as revenues the retirement contributions made by the State to the Teachers' Retirement System of the State of Illinois (TRS) and Teachers' Health Insurance Security Fund of the State of Illinois (THIS) on behalf of the District as well as the related expenditures.

The following schedule reconciles the revenues and expenditures on the budgetary basis with the amounts presented in accordance with accounting principles generally accepted in the United States of America for the District's General Fund only.

Revenues - budgetary basis	\$ 522,968,542
Unbudgeted retirement/OPEB contributions made by the State	104,503,036
Revenues - GAAP basis	<u>\$ 627,471,578</u>
Expenditures - budgetary basis	\$ 497,829,632
Unbudgeted retirement/OPEB contributions made by the State	104,503,036
Expenditures - GAAP basis	<u>\$ 602,332,668</u>

School District U-46

Notes to Required Supplementary Information (RSI)

Note 2. Notes to Schedule of Contributions

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

Methods and assumptions used to determine 2019 contribution rate*:

Actuarial Cost Method:	Aggregate entry age normal
Amortization Method:	Level percentage of payroll, closed
Remaining Amortization Period:	24-year closed period
Asset Valuation Method:	5-year smoothed market; 20 percent corridor
Wage Growth:	3.25 percent
Price Inflation:	2.50 percent
Salary Increases:	3.35 percent to 14.25 percent, including inflation
Investment Rate of Return:	7.50 percent
Retirement Age:	Experienced-based table of rates that are specific to the type of eligibility condition; last updated for the 2017 valuation pursuant to an experience study of the period 2014 to 2016.
Mortality:	For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table, adjusted to match current IMRF experience. For disabled lives, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (based year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustments that were applied for non-disabled lives. For active members, an IMRF-specific mortality table was used with fully generational projection scale MP-2017 (based year 2015). Employee Mortality Table with adjustments to match current IMRF experience.

Other Information

Notes There were no benefit changes during the year.

Based on Valuation Assumptions used in the December 31, 2017 actuarial valuation.

School District U-46

Notes to Required Supplementary Information (RSI)

Note 2. Notes to Schedule of Contributions - Teachers' Health Insurance Security Fund

Valuation Date	June 30, 2017
Measurement Date	June 30, 2018
Fiscal Year-End	June 30, 2019

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method Entry Age Normal, used to measure the Total OPEB Liability

Contribution Policy Benefits are financed on a pay-as-you go basis. Contribution rates are defined by statute. For fiscal year-end June 30, 2018, contribution rates are 1.18% of pay for active members, 0.84% of pay for school districts and 1.18% of pay for the State. Retired members contribute a percentage of premium rates. The goal of the policy is to finance current year costs plus a margin for incurred but not paid plan costs.

Asset Valuation Method Market value

Investment Rate of Return 0%, net of OPEB plan investment expense, including inflation

Inflation 2.75%

Salary Increases Depends on service and ranges from 9.25% at less than 1 year of service to 3.25% at 20 or more years of service. Salary increase includes a 3.25% wage inflation assumption.

Retirement Age Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the June 30, 2016, actuarial valuation.

Mortality Retirement and Beneficiary Annuitants: RP-2014 White Collar Annuitant Mortality Table. Disabled Annuitants: RP-2014 Disabled Annuitant Table. Pre-Retirement: RP-2014 White Collar Table. Tables are adjusted for SURS experience. All tables reflect future mortality improvements using Projection Scale MP-2014.

Healthcare Cost Trend Rates Actual trend used for fiscal year 2018. For fiscal years on and after 2018, trend starts at 8.00% and 9.00% for non-Medicare costs and post-Medicare costs, respectively, and gradually decreases to an ultimate trend of 4.50%. Additional trend rate of 0.59% is added to non-Medicare cost on and after 2020 to account for the Excise tax.

Aging Factors Based on the 2013 SOA Study "Health Care Costs – From Birth to Death"

Expenses Health administrative expenses are included in the development of the per capita claims costs. Operating expenses are included as a component of the Annual OPEB Expense.

OTHER SUPPLEMENTARY INFORMATION

School District U-46

Combining Balance Sheet
General Fund, by Account
June 30, 2020

	Educational Account	Tort Immunity Account	Operations and Maintenance Account	Working Cash Account	Elimination	Total
Assets						
Cash and investments	\$ 221,358,628	\$ -	\$ 1,120,428	\$ 111,365,942	\$ -	\$ 333,844,998
Accrued Interest	-	-	-	1,354,213	-	1,354,213
Property taxes receivable, net of allowance	109,904,362	2,977,109	18,486,342	-	-	131,367,813
Grants receivable	16,211,415	-	-	-	-	16,211,415
Accounts receivable	408,082	-	480,240	-	-	888,322
Due from other accounts and funds	500,170	-	-	-	(500,170)	-
Inventories	30,589	-	-	-	-	30,589
Prepays	5,527,927	-	57,895	-	-	5,585,822
Total assets	\$ 353,941,173	\$ 2,977,109	\$ 20,144,905	\$ 112,720,155	\$ (500,170)	\$ 489,283,172
Liabilities, Deferred Inflows of Resources, and Fund Balance (Deficit)						
Liabilities						
Accounts payable	\$ 19,609,941	\$ 17,973	\$ 8,398,913	\$ -	\$ -	\$ 28,026,827
Accrued payroll	30,973,991	2,786	319,117	-	-	31,295,894
Payroll deductions	422,779	-	-	-	-	422,779
Construction retainage payable	-	-	2,067,242	-	-	2,067,242
Insurance claims payable	180,020	-	-	-	-	180,020
Unearned other revenue	1,332,299	-	-	-	-	1,332,299
Due to other accounts	-	500,170	-	-	(500,170)	-
Unclaimed property	195,753	-	-	-	-	195,753
Total liabilities	52,714,783	520,929	10,785,272	-	(500,170)	63,520,814
Deferred inflows of resources						
Unavailable grant revenue	5,743,052	-	-	-	-	5,743,052
Property taxes levied for subsequent years	105,301,527	2,852,427	17,712,127	-	-	125,866,081
Total deferred inflows of resources	111,044,579	2,852,427	17,712,127	-	-	131,609,133
Fund balance (deficit)						
Nonspendable	5,558,516	-	57,895	-	-	5,616,411
Unassigned	184,623,295	(396,247)	(8,410,389)	112,720,155	-	288,536,814
Total fund balance (deficit)	190,181,811	(396,247)	(8,352,494)	112,720,155	-	294,153,225
Total liabilities, deferred inflows of resources and fund balance	\$ 353,941,173	\$ 2,977,109	\$ 20,144,905	\$ 112,720,155	\$ (500,170)	\$ 489,283,172

School District U-46

Combining Statement of Revenues, Expenditures and Changes in Fund Balance (Deficit)
General Fund, by Account
Year Ended June 30, 2020

	Educational Account	Tort Immunity Account	Operations and Maintenance Account	Working Cash Account	Elimination	Total
Revenues:						
Property taxes	\$ 204,884,481	\$ 5,356,607	\$ 35,008,672	\$ -	\$ -	\$ 245,249,760
Replacement taxes and payments in lieu of taxes	191,075	-	-	-	-	191,075
Charges for services	8,220,571	-	-	-	-	8,220,571
Earnings on investments	46,398	1,178	8,061	6,325,232	-	6,380,869
Rentals	76,342	-	636,622	-	-	712,964
Local grants	166,634	-	-	-	-	166,634
Other local sources	466,919	-	1,422,185	-	-	1,889,104
State grants-in-aid	194,596,493	-	17,566,648	-	-	212,163,141
Federal grants-in-aid	47,994,424	-	-	-	-	47,994,424
State on-behalf contributions - TRS and THIS	104,503,036	-	-	-	-	104,503,036
Total revenues	561,146,373	5,357,785	54,642,188	6,325,232	-	627,471,578
Expenditures:						
Current:						
Instruction:						
Regular programs	146,976,719	-	-	-	-	146,976,719
Special programs	52,146,271	-	-	-	-	52,146,271
Other instructional programs	69,466,892	-	-	-	-	69,466,892
Support services:						
Pupils	37,226,975	-	-	-	-	37,226,975
Instructional staff	17,216,123	-	-	-	-	17,216,123
General administration	9,850,955	6,700,402	-	-	-	16,551,357
School administration	28,203,293	-	-	-	-	28,203,293
Business	5,078,114	-	-	-	-	5,078,114
Operations and maintenance	1,856,127	-	32,333,146	-	-	34,189,273
Transportation	1,178,559	-	-	-	-	1,178,559
Facilities acquisition and construction	-	-	602,029	-	-	602,029
Food service	16,040,810	-	-	-	-	16,040,810
Central	13,170,844	-	-	-	-	13,170,844
Other support	2,208,365	17,973	-	-	-	2,226,338
Community services	3,036,244	-	-	-	-	3,036,244
State on-behalf contributions - TRS and THIS	104,503,036	-	-	-	-	104,503,036
Intergovernmental:						
Payments to other governments	9,581,182	-	-	-	-	9,581,182
Capital outlay	3,045,027	-	41,893,582	-	-	44,938,609
Total expenditures	520,785,536	6,718,375	74,828,757	-	-	602,332,668
Excess (deficiency) of revenues over (under) expenditures	40,360,837	(1,360,590)	(20,186,569)	6,325,232	-	25,138,910
Other financing uses:						
Transfer in	-	-	6,200,000	-	(6,200,000)	-
Transfer out	(9,605,212)	-	(732,035)	(6,200,000)	6,200,000	(10,337,247)
Total other financing sources (uses)	(9,605,212)	-	5,467,965	(6,200,000)	-	(10,337,247)
Net change in fund balance (deficit)	30,755,625	(1,360,590)	(14,718,604)	125,232	-	14,801,663
Fund balance (deficit):						
Beginning of year	159,426,186	964,343	6,366,110	112,594,923	-	279,351,562
End of year	\$ 190,181,811	\$ (396,247)	\$ (8,352,494)	\$ 112,720,155	\$ -	\$ 294,153,225

School District U-46

**Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual**

**General Fund - Educational Account - Budgetary Basis
Year Ended June 30, 2020**

	Original and Final Budget	Actual	Variance
Revenues:			
Property taxes	\$ 202,670,971	\$ 204,884,481	\$ 2,213,510
Replacement taxes and payments in lieu of taxes	200,000	191,075	(8,925)
Charges for services	9,819,000	8,220,571	(1,598,429)
Earnings on investments	50,000	46,398	(3,602)
Rentals	-	76,342	76,342
Local grants	-	166,634	166,634
Other local sources	150,000	466,919	316,919
State grants-in-aid	190,465,775	194,596,493	4,130,718
Federal grants-in-aid	38,754,421	47,994,424	9,240,003
Total revenues	442,110,167	456,643,337	14,533,170
Expenditures:			
Current:			
Instruction:			
Regular programs	159,938,229	146,976,719	12,961,510
Special programs	47,487,123	52,146,271	(4,659,148)
Other instructional programs	68,291,450	69,466,892	(1,175,442)
Support services:			
Pupils	36,340,614	37,226,975	(886,361)
Instructional staff	15,631,430	17,216,123	(1,584,693)
General administration	9,357,099	9,850,955	(493,856)
School administration	28,247,969	28,203,293	44,676
Business	4,815,921	5,078,114	(262,193)
Operations and maintenance	1,258,995	1,856,127	(597,132)
Transportation	1,701,380	1,178,559	522,821
Food service	14,772,659	16,040,810	(1,268,151)
Central	20,412,544	13,170,844	7,241,700
Other support	1,772,012	2,208,365	(436,353)
Community services	3,366,937	3,036,244	330,693
Intergovernmental:			
Payments to other governments	11,225,000	9,581,182	1,643,818
Capital outlay	3,307,376	3,045,027	262,349
Total expenditures	427,926,738	416,282,500	11,644,238
Excess of revenues over expenditures	14,183,429	40,360,837	26,177,408
Other financing uses:			
Transfer out	(9,605,212)	(9,605,212)	-
Total other financing uses	(9,605,212)	(9,605,212)	-
Net change in fund balance	\$ 4,578,217	30,755,625	\$ 26,177,408
Fund balance:			
Beginning of year		159,426,186	
End of year		<u>\$ 190,181,811</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, 2020**

	Original and Final Budget	Actual	Variance
Revenues:			
Property taxes	\$ 6,020,362	\$ 5,356,607	\$ (663,755)
Earnings on investments	2,500	1,178	(1,322)
Total revenues	<u>6,022,862</u>	<u>5,357,785</u>	<u>(665,077)</u>
Expenditures:			
Current:			
Support services:			
General administration	5,998,138	6,700,402	(702,264)
Central	-	17,973	(17,973)
Total expenditures	<u>5,998,138</u>	<u>6,718,375</u>	<u>(720,237)</u>
Net change in fund balance	<u>\$ 24,724</u>	<u>(1,360,590)</u>	<u>\$ (1,385,314)</u>
Fund balance (deficit):			
Beginning of year		<u>964,343</u>	
End of year		<u>\$ (396,247)</u>	

Schedule of Tort Expenditures by Object

Workers' compensation or workers' occupation disease acts payments	\$ 2,656,830
Insurance payments (regular or self-insurance)	2,362,435
Educational, inspectional, supervisory services related to loss prevention or reduction	1,544,009
Legal service	<u>155,101</u>
Total tort expenditures	<u>\$ 6,718,375</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 -
Budget and Actual
General Fund - Operations and Maintenance Account
Year Ended June 30, 2020**

	Original and Final Budget	Actual	Variance
Revenues:			
Property taxes	\$ 36,317,304	\$ 35,008,672	\$ (1,308,632)
Earnings on investments	10,000	8,061	(1,939)
Rentals	750,000	636,622	(113,378)
Other local sources	1,250,000	1,422,185	172,185
State grants-in-aid	17,500,000	17,566,648	66,648
Total revenues	<u>55,827,304</u>	<u>54,642,188</u>	<u>(1,185,116)</u>
Expenditures:			
Current:			
Support services:			
Operations and maintenance	33,008,125	32,333,146	674,979
Facilities acquisition and construction	100,835	602,029	(501,194)
Capital outlay	34,160,000	41,893,582	(7,733,582)
Total expenditures	<u>67,268,960</u>	<u>74,828,757</u>	<u>(7,559,797)</u>
Deficiency of revenues under expenditures	<u>(11,441,656)</u>	<u>(20,186,569)</u>	<u>(8,744,913)</u>
Other financing sources (uses):			
Transfer in	9,000,000	6,200,000	(2,800,000)
Transfer out	(732,035)	(732,035)	-
Total other financing sources (uses)	<u>8,267,965</u>	<u>5,467,965</u>	<u>(2,800,000)</u>
Net change in fund balance	<u><u>\$ (3,173,691)</u></u>	<u>(14,718,604)</u>	<u><u>\$ (11,544,913)</u></u>
Fund balance:			
Beginning of year		<u>6,366,110</u>	
End of year		<u><u>\$ (8,352,494)</u></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, 2020

	Original and Final Budget	Actual	Variance
Revenues:			
Earnings on investments	\$ 9,000,000	\$ 6,325,232	\$ (2,674,768)
Other financing uses:			
Transfer out	(9,000,000)	(6,200,000)	2,800,000
Net change in fund balance	\$ -	125,232	\$ 125,232
Fund balance:			
Beginning of year		112,594,923	
End of year		\$ 112,720,155	

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, 2020**

	Original and Final Budget	Actual	Variance
Revenues:			
Property taxes	\$ 32,567,221	\$ 32,997,333	\$ 430,112
Earnings on investments	10,000	7,620	(2,380)
Total revenues	<u>32,577,221</u>	<u>33,004,953</u>	<u>427,732</u>
Expenditures:			
Debt service			
Principal	19,745,957	19,745,957	-
Interest and fees	22,955,715	22,955,715	-
Total expenditures	<u>42,701,672</u>	<u>42,701,672</u>	<u>-</u>
Deficiency of revenues under expenditures	(10,124,451)	(9,696,719)	427,732
Other financing sources:			
Transfer in	<u>10,337,247</u>	<u>10,337,247</u>	<u>-</u>
Net change in fund balance	<u><u>\$ 212,796</u></u>	<u>640,528</u>	<u><u>\$ 427,732</u></u>
Fund balance:			
Beginning of year		<u>31,984,880</u>	
End of year		<u><u>\$ 32,625,408</u></u>	

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUND

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 special revenue funds maintained by the District are 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.

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 Funds maintained by the District are as follows:

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

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

School District U-46

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2020

	Special Revenue Funds		Capital Projects Funds		Total
	Transportation	Municipal	Capital	Fire	Nonmajor
	Fund	Retirement/ Social Security Fund	Projects Fund	Prevention and Safety Fund	Governmental Funds
Assets					
Cash	\$ 16,008,200	\$ 2,197,071	\$ 5,036,183	\$ 3,982,451	\$ 27,223,905
Property taxes receivable, net of allowance	6,269,801	6,900,355	-	2,433,711	15,603,867
Replacement taxes receivable	-	576,569	-	-	576,569
Grants receivable	19,006,488	-	-	-	19,006,488
Accounts receivable	759,761	-	43,281	-	803,042
Total assets	\$ 42,044,250	\$ 9,673,995	\$ 5,079,464	\$ 6,416,162	\$ 63,213,871
Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities					
Accounts payable	\$ 148,225	\$ -	\$ -	\$ 643,561	\$ 791,786
Accrued payroll	75,621	-	-	-	75,621
Payroll deductions	-	1,176,061	-	-	1,176,061
Construction retainage payable	-	-	-	61,298	61,298
Unclaimed property	-	-	90,754	-	90,754
Total liabilities	223,846	1,176,061	90,754	704,859	2,195,520
Deferred inflows of resources					
Property taxes levied for subsequent years	6,007,219	6,611,366	-	2,331,786	14,950,371
Unavailable grant revenue	15,012,483	-	-	-	15,012,483
Total deferred inflows of resources	21,019,702	6,611,366	-	2,331,786	29,962,854
Fund balances					
Assigned	6,411,833	-	-	-	6,411,833
Restricted	14,388,869	1,886,568	4,988,710	3,379,517	24,643,664
Total fund balances	20,800,702	1,886,568	4,988,710	3,379,517	31,055,497
Total liabilities, deferred inflows of resources and fund balances	\$ 42,044,250	\$ 9,673,995	\$ 5,079,464	\$ 6,416,162	\$ 63,213,871

School District U-46

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2020

	Special Revenue Funds		Capital Projects Funds		Total
	Transportation	Municipal Retirement/ Social Security	Capital Projects	Fire Prevention and Safety	Nonmajor Governmental
	Fund	Fund	Fund	Fund	Funds
Revenues:					
Property taxes	\$ 14,677,912	\$ 13,020,880	\$ -	\$ 4,350,371	\$ 32,049,163
Replacement taxes	-	4,043,592	-	-	4,043,592
Charges for services	1,166,393	-	-	-	1,166,393
Earnings on investments	4,040	3,012	1	941	7,994
Other local sources	1,528	-	1,495,917	-	1,497,445
State grants-in-aid	15,929,424	-	-	-	15,929,424
Federal grants-in-aid	227,442	-	-	-	227,442
Total revenues	32,006,739	17,067,484	1,495,918	4,351,312	54,921,453
Expenditures:					
Current:					
Instruction:					
Regular programs	-	1,650,645	-	-	1,650,645
Special programs	-	2,652,572	-	-	2,652,572
Other instructional programs	-	1,080,428	-	-	1,080,428
Support services:					
Pupils	-	1,473,481	-	-	1,473,481
Instructional staff	-	528,453	-	-	528,453
General administration	-	508,144	-	-	508,144
School administration	-	1,390,010	-	-	1,390,010
Business	-	329,339	-	-	329,339
Operations and maintenance	-	2,260,611	-	-	2,260,611
Transportation	22,825,605	3,120,436	-	-	25,946,041
Food service	-	314,913	-	-	314,913
Central	-	943,610	-	-	943,610
Other support	-	73,287	-	-	73,287
Community services	-	199,716	-	-	199,716
Debt service					
Principal	1,353,351	-	-	-	1,353,351
Interest and fees	19,894	-	-	-	19,894
Capital outlay	5,319,966	-	-	1,496,746	6,816,712
Total expenditures	29,518,816	16,525,645	-	1,496,746	47,541,207
Net change in fund balances	2,487,923	541,839	1,495,918	2,854,566	7,380,246
Fund balances:					
Beginning of year	18,312,779	1,344,729	3,492,792	524,951	23,675,251
End of year	\$ 20,800,702	\$ 1,886,568	\$ 4,988,710	\$ 3,379,517	\$ 31,055,497

School District U-46

**Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
Transportation Fund
Year Ended June 30, 2020**

	Original and Final Budget	Actual	Variance
Revenues:			
Property taxes	\$ 12,423,472	\$ 14,677,912	\$ 2,254,440
Charges for services	1,200,000	1,166,393	(33,607)
Earnings on investments	5,000	4,040	(960)
Other local sources	-	1,528	1,528
State grants-in-aid	16,383,000	15,929,424	(453,576)
Federal grants-in-aid	-	227,442	227,442
Total revenues	30,011,472	32,006,739	1,995,267
Expenditures:			
Current:			
Support services:			
Transportation	24,467,739	22,825,605	1,642,134
Debt service:			
Principal	1,353,351	1,353,351	-
Interest and fees	19,894	19,894	-
Capital outlay	4,121,556	5,319,966	(1,198,410)
Total expenditures	29,962,540	29,518,816	443,724
Net change in fund balance	\$ 48,932	2,487,923	\$ 2,438,991
Fund balance:			
Beginning of year		18,312,779	
End of year		<u>\$ 20,800,702</u>	

School District U-46

**Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual**

Municipal Retirement/Social Security Fund

Year Ended June 30, 2020

	Original and Final Budget	Actual	Variance
Revenues:			
Property taxes	\$ 12,821,687	\$ 13,020,880	\$ 199,193
Replacement taxes	3,300,000	4,043,592	743,592
Earnings on investments	4,000	3,012	(988)
Total revenues	16,125,687	17,067,484	941,797
Expenditures:			
Current:			
Instruction:			
Regular programs	1,413,191	1,650,645	(237,454)
Special programs	2,443,377	2,652,572	(209,195)
Other instructional programs	1,074,440	1,080,428	(5,988)
Support services:			
Pupils	1,654,028	1,473,481	180,547
Instructional staff	493,427	528,453	(35,026)
General administration	508,729	508,144	585
School administration	1,384,667	1,390,010	(5,343)
Business	517,931	329,339	188,592
Operations and maintenance	2,041,577	2,260,611	(219,034)
Transportation	3,161,486	3,120,436	41,050
Food service	163,605	314,913	(151,308)
Central	987,305	943,610	43,695
Other support	62,291	73,287	(10,996)
Community services	185,974	199,716	(13,742)
Total expenditures	16,092,028	16,525,645	(433,617)
Net change in fund balance	\$ 33,659	541,839	\$ 508,180

Fund balance:

Beginning of year

1,344,729

End of year

\$ 1,886,568

School District U-46

**Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
Capital Projects Fund
Year Ended June 30, 2020**

	Original and Final Budget	Actual	Variance
Revenues:			
Other local sources	\$ 300,000	\$ 1,495,917	\$ 1,195,917
Earnings on investments	-	1	1
Total revenues	<u>300,000</u>	<u>1,495,918</u>	<u>1,195,918</u>
Expenditures:			
Capital outlay	<u>300,000</u>	-	<u>300,000</u>
Total expenditures	<u>300,000</u>	-	<u>300,000</u>
Net change in fund balance	<u>\$ -</u>	1,495,918	<u>\$ 1,495,918</u>
Fund balance:			
Beginning of year		<u>3,492,792</u>	
End of year		<u>\$ 4,988,710</u>	

School District U-46

**Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
Fire Prevention and Safety Fund
Year Ended June 30, 2020**

	Original and Final Budget	Actual	Variance
Revenues:			
Property taxes	\$ 4,054,928	\$ 4,350,371	\$ 295,443
Earnings on investments	1,000	941	(59)
Total revenues	<u>4,055,928</u>	<u>4,351,312</u>	<u>295,384</u>
Expenditures:			
Capital outlay	4,000,000	1,496,746	2,503,254
Total expenditures	<u>4,000,000</u>	<u>1,496,746</u>	<u>2,503,254</u>
Net change in fund balance	<u>\$ 55,928</u>	2,854,566	<u>\$ 2,798,638</u>
Fund balance:			
Beginning of year		<u>524,951</u>	
End of year		<u>\$ 3,379,517</u>	

FIDUCIARY FUNDS

AGENCY FUNDS

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

School District U-46

**Combining Statement of Changes in Assets and Liabilities -
Agency Funds - Student Activity Funds
June 30, 2020**

	Assets/ Liabilities Balance at July 1, 2019	Additions	Deletions	Assets/ Liabilities Balance at June 30, 2020
High Schools				
Bartlett	\$ 497,764	\$ 948,629	\$ 1,010,451	\$ 435,942
Dream Academy	8,304	19,397	7,446	20,255
Elgin	492,192	721,629	752,916	460,905
Larkin	461,338	597,975	482,821	576,492
South Elgin	466,792	1,039,310	948,566	557,536
Streamwood	496,818	664,439	668,932	492,325
Total High Schools	2,423,208	3,991,379	3,871,132	2,543,455
Middle Schools				
Abbott	39,577	47,838	55,043	32,372
Canton	29,958	52,137	54,228	27,867
Eastview	115,088	86,145	99,285	101,948
Ellis	20,920	43,188	41,721	22,387
Kenyon Woods	97,210	90,452	90,368	97,294
Kimball	38,089	64,168	64,724	37,533
Larsen	35,567	42,220	38,059	39,728
Tefft	41,873	43,529	45,760	39,642
Total Middle Schools	418,282	469,677	489,188	398,771
Elementary Schools				
Bartlett	7,777	12,870	11,430	9,217
Centennial	26,655	17,669	13,735	30,589
Century Oaks	12,263	8,688	8,818	12,133
Channing	6,624	10,753	12,470	4,907
Clinton	10,398	16,103	19,932	6,569
Coleman	7,161	40,801	40,024	7,938
Creekside	16,304	21,975	19,243	19,036
Fox Meadow	13,463	18,585	17,062	14,986
Garfield	6,946	16,868	15,362	8,452
Glenbrook	10,305	25,674	23,216	12,763
Hanover Countryside	11,221	16,158	14,956	12,423
Harriet Gifford	30,098	26,475	25,447	31,126
Hawk Hollow	7,068	26,127	24,106	9,089
Heritage	9,766	21,911	22,328	9,349
Highland	11,748	21,801	22,796	10,753
Hillcrest	2,949	15,120	14,999	3,070
Hilltop	47,734	51,472	58,107	41,099

(Continued)

School District U-46

**Combining Statement of Changes in Assets and Liabilities -
Agency Funds - Student Activity Funds (Continued)
June 30, 2020**

	Assets/ Liabilities Balance at July 1, 2019	Additions	Deletions	Assets/ Liabilities Balance at June 30, 2020
Elementary Schools (Continued)				
Horizon	\$ 23,223	\$ 59,894	\$ 50,581	\$ 32,536
Huff	13,644	37,982	25,494	26,132
Illinois Park	435	646	357	724
Independence	667	23,402	15,472	8,597
Laurel Hill	14,348	9,861	12,717	11,492
Liberty	2,671	27,609	23,944	6,336
Lincoln	4,898	10,826	9,800	5,924
Lords Park	13,447	62,469	58,092	17,824
Lowrie	6,446	10,660	9,341	7,765
McKinley	22,019	14,473	17,723	18,769
Nature Ridge	369	21,412	17,554	4,227
Oakhill	5,991	23,083	23,456	5,618
Ontarioville	18,145	21,012	29,606	9,551
Otter Creek	8,459	14,480	16,283	6,656
Parkwood	9,257	19,544	16,491	12,310
Prairieview	22,481	24,010	16,929	29,562
Ridge Circle	8,627	23,035	22,801	8,861
Ronald D. O'Neal	7,678	13,115	13,655	7,138
Spring Trail	5,732	10,786	10,090	6,428
Sunnydale	5,872	13,365	10,728	8,509
Sycamore Trails	63,967	44,021	49,523	58,465
Timber Trails	8,736	13,128	10,690	11,174
Washington	18,293	16,356	21,181	13,468
Wayne	8,759	18,694	18,735	8,718
Willard	13,792	12,118	17,641	8,269
Total Elementary Schools	546,436	915,031	882,915	578,552
Other				
SWEP	27,251	33,147	43,123	17,275
Central School Programs	1,219	676	1,026	869
Total Other	28,470	33,823	44,149	18,144
Total All Agency Funds	\$ 3,416,396	\$ 5,409,910	\$ 5,287,384	\$ 3,538,922

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, 2020**

	Total	2021	2022	2023	2024	2025	Thereafter
March 2002 Issue							
Principal	\$ 1,065,463	\$ 1,065,463	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	1,819,540	1,819,540	-	-	-	-	-
	<u>2,885,003</u>	<u>2,885,003</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
March 2003B Issue							
Principal	30,683,179	10,060,790	10,591,479	10,030,910	-	-	-
Interest	52,096,821	15,664,210	17,958,521	18,474,090	-	-	-
	<u>82,780,000</u>	<u>25,725,000</u>	<u>28,550,000</u>	<u>28,505,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
September 2009 Issue							
Principal	4,300,000	1,415,000	1,405,000	1,480,000	-	-	-
Interest	411,050	207,600	136,850	66,600	-	-	-
	<u>4,711,050</u>	<u>1,622,600</u>	<u>1,541,850</u>	<u>1,546,600</u>	<u>-</u>	<u>-</u>	<u>-</u>
March 2011A Issue							
Principal	4,600,000	3,085,000	1,515,000				-
Interest	360,730	269,830	90,900				-
	<u>4,960,730</u>	<u>3,354,830</u>	<u>1,605,900</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
March 2011B Issue							
Principal	230,000	230,000	-	-	-	-	-
Interest	1,495	1,495	-	-	-	-	-
	<u>231,495</u>	<u>231,495</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
March 2012B Issue							
Principal	20,770,000	-	2,065,000	3,745,000	5,460,000	5,705,000	3,795,000
Interest	3,961,850	924,325	924,325	841,725	673,200	427,500	170,775
	<u>24,731,850</u>	<u>924,325</u>	<u>2,989,325</u>	<u>4,586,725</u>	<u>6,133,200</u>	<u>6,132,500</u>	<u>3,965,775</u>
February 2015A Issue							
Principal	44,310,000	-	-	-	-	-	44,310,000
Interest	24,387,250	2,215,500	2,215,500	2,215,500	2,215,500	2,215,500	13,309,750
	<u>68,697,250</u>	<u>2,215,500</u>	<u>2,215,500</u>	<u>2,215,500</u>	<u>2,215,500</u>	<u>2,215,500</u>	<u>57,619,750</u>
February 2015B Issue							
Principal	10,780,000	-	-	-	-	-	10,780,000
Interest	2,891,751	411,062	411,063	411,062	411,063	411,062	836,439
	<u>13,671,751</u>	<u>411,062</u>	<u>411,063</u>	<u>411,062</u>	<u>411,063</u>	<u>411,062</u>	<u>11,616,439</u>
February 2015D Issue							
Principal	101,575,000	-	-	-	6,480,000	6,695,000	88,400,000
Interest	50,712,600	4,969,150	4,969,150	4,969,150	4,969,150	4,754,750	26,081,250
	<u>152,287,600</u>	<u>4,969,150</u>	<u>4,969,150</u>	<u>4,969,150</u>	<u>11,449,150</u>	<u>11,449,750</u>	<u>114,481,250</u>
Total All Issues:							
Principal	218,313,642	15,856,253	15,576,479	15,255,910	11,940,000	12,400,000	147,285,000
Interest	136,643,087	26,482,712	26,706,309	26,978,127	8,268,913	7,808,812	40,398,214
	<u>\$ 354,956,729</u>	<u>\$ 42,338,965</u>	<u>\$ 42,282,788</u>	<u>\$ 42,234,037</u>	<u>\$ 20,208,913</u>	<u>\$ 20,208,812</u>	<u>\$ 187,683,214</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 (Deficit) by Component
Last Ten Fiscal Years**

	2011	2012	2013**	2014***	2015	2016	2017****	2018	2019	2020
Governmental Activities										
Net investment in capital assets	\$ 101,691,947	\$ 115,440,308	\$ 141,336,967	\$ 158,733,858	\$ 119,555,624	\$ 143,066,834	\$ 162,058,302	\$ 188,622,845	\$ 219,110,563	\$ 270,921,253
Restricted	83,078,457	81,367,132	21,712,904	26,376,025	3,403,730	1,582,926	3,415,400	9,900,299	17,086,610	22,757,096
Unrestricted	(103,290,222)	(83,366,008)	(29,804,469)	(88,630,189)	(16,236,147)	13,982,977	(226,048,083)	(218,599,011)	(188,976,589)	(165,855,700)
Total Government Activities										
Net Position (Deficit)	<u>\$ 81,480,182</u>	<u>\$ 113,441,432</u>	<u>\$ 133,245,402</u>	<u>\$ 96,479,694</u>	<u>\$ 106,723,207</u>	<u>\$ 158,632,737</u>	<u>\$ (60,574,381)</u>	<u>\$ (20,075,867)</u>	<u>\$ 47,220,584</u>	<u>\$ 127,822,649</u>

Source: Annual Financial Statements 2011-2020.

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

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

**** Effective July 1, 2017, the District adopted provisions of Governmental Accounting Standards Board Statement No. 75 (GASB 75), *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Pursuant to GASB 75 the District recognized their long-term obligations for other post employment benefits and retrospectively restated the Net Position of the Governmental Activities for the year 2017. For the year 2016 and prior, the Net Position has not been restated for purposes related to GASB 75 and is shown as originally reported or restated as a result of a past GASB implementation.

School District U-46

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

	2011	2012	2013	2014
Expenses				
Instruction:				
Regular programs	\$ 144,380,708	\$ 152,872,982	\$ 159,832,952	\$ 166,693,993
Special programs	46,118,818	44,739,728	45,013,457	47,004,205
Other instructional programs	46,960,015	50,529,484	53,371,025	56,641,884
Support services:				
Pupils	31,664,589	33,039,723	34,560,394	32,493,352
Instructional staff	15,267,864	14,662,297	15,818,248	17,146,414
General administration	19,982,097	21,364,385	19,146,851	22,364,803
School administration	25,801,537	26,796,191	27,992,117	28,737,936
Business	30,761,571	30,533,039	32,515,833	35,461,199
Operations and maintenance	-	-	-	-
Transportation	28,651,615	30,391,920	31,579,650	34,307,231
Facilities acquisition and construction	788,055	1,068,238	1,020,435	1,325,382
Food service	17,147,240	19,112,487	18,987,979	19,253,272
Central	9,985,364	13,012,548	14,274,661	16,669,932
Other support	1,999,655	1,551,123	1,753,291	1,576,585
Community services	5,232,372	3,848,600	4,166,826	3,992,913
State on-behalf payments	-	-	-	-
Debt service-interest and fees	21,642,152	21,160,999	21,603,612	19,913,329
Total Expenses	446,383,652	464,683,744	481,637,331	503,582,430
Program Revenues				
Charges for services:				
Instruction:				
Regular programs	4,189,130	3,975,846	4,306,692	2,374,713
Special programs	34,484	61,891	96	40,129
Other instructional programs	1,111,162	992,260	671,584	3,160,349
Support services:				
Business	986,932	1,250,793	603,076	1,061,033
Transportation	968,503	1,337,334	1,894,652	1,654,326
Food service	4,693,018	4,503,273	3,853,180	3,828,751
Operating grants and contributions	141,292,679	122,517,107	135,611,514	144,377,500
Capital grants and contributions	964,778	181,534	287,448	452,706
Total Program Revenues	154,240,686	134,820,038	147,228,242	156,949,507
Net (Expense) Revenue	\$ (292,142,966)	\$ (329,863,706)	\$ (334,409,089)	\$ (346,632,923)

See related notes on page 83.

2015	2016	2017	2018	2019	2020
\$ 179,329,755	\$ 203,137,860	\$ 228,013,812	\$ 164,139,239	\$ 150,525,965	\$ 159,523,555
51,357,285	57,737,468	65,998,471	52,159,551	52,195,581	59,861,128
64,182,882	87,016,438	104,755,592	72,641,845	72,352,495	75,723,499
36,396,881	40,501,388	46,601,131	38,768,141	39,501,953	41,572,446
19,619,071	17,345,435	18,460,720	16,050,602	17,418,458	18,920,152
20,838,375	15,930,930	16,990,192	15,958,730	15,940,143	18,148,152
30,764,990	29,482,482	32,634,709	28,353,074	28,536,385	31,882,138
36,554,226	5,018,491	4,646,020	4,866,686	5,124,216	5,766,295
-	29,996,953	30,376,085	33,331,248	39,187,287	38,850,073
37,497,103	31,357,962	30,287,605	33,111,957	30,322,006	28,900,682
3,643,244	2,061,193	1,857,521	1,172,201	551,748	603,941
18,393,024	16,329,585	16,797,450	17,557,209	15,130,980	17,429,534
17,035,282	13,186,379	13,075,487	14,115,899	23,620,618	15,043,573
460,712	787,174	1,440,556	2,206,497	2,099,120	2,306,935
4,303,234	4,407,964	4,624,227	3,784,264	3,401,570	3,447,026
-	-	-	175,531,224	168,836,248	198,339,607
47,648,191	16,758,074	15,369,249	14,131,444	12,808,157	11,548,756
568,024,255	571,055,776	631,928,827	687,879,811	677,552,930	727,867,492
2,740,137	2,727,584	5,190,125	4,992,240	5,082,996	4,750,338
27,305	40,600	39,106	-	-	-
2,602,409	3,255,960	889,942	610,437	1,198,123	949,299
-	-	-	-	-	-
1,455,864	2,355,249	1,439,237	1,240,389	1,023,313	1,166,393
3,278,823	3,734,037	3,528,555	3,572,207	3,631,095	2,520,934
175,270,234	189,171,948	226,471,760	246,855,405	237,345,896	276,156,667
820,530	306,943	409,674	977,224	392,888	1,495,917
186,195,302	201,592,321	237,968,399	258,247,902	248,674,311	287,039,548
\$ (381,828,953)	\$ (369,463,455)	\$ (393,960,428)	\$ (429,631,909)	\$ (428,878,619)	\$ (440,827,944)

(Continued)

School District U-46**Changes in Net Position (Continued)
Last Ten Fiscal Years**

	2011	2012	2013	2014
General Revenues				
Taxes:				
Property taxes, general purposes	\$ 238,078,583	\$ 248,081,083	\$ 246,568,726	\$ 250,205,536
Property taxes, debt service	38,974,113	41,611,064	42,783,761	43,226,909
Replacement taxes and other payment in lieu of taxes	4,040,837	4,654,710	3,774,777	3,799,318
Unrestricted state grants	64,161,401	66,160,166	59,961,675	84,499,884
Interest and investment earnings	133,167	319,526	-	240,423
Other general revenues	630,691	998,407	1,079,624	992,931
Total General Revenues	346,018,792	361,824,956	354,168,563	382,965,001
Change in Net Position	<u>\$ 53,875,826</u>	<u>\$ 31,961,250</u>	<u>\$ 19,759,474</u>	<u>\$ 36,332,078</u>

Source: Annual Financial Statements 2011-2020.

Notes: Beginning in fiscal year 2011, payments to other governments and State on-behalf payments were allocated between instruction and support service expenses and shown accordingly. In fiscal year 2018, State on-behalf payments were reported separately again to more clearly present the change in expenses due to outside factors.
Beginning in fiscal year 2016, Operations and Maintenance expense was reported on its

2015	2016	2017	2018	2019	2020
\$ 250,658,393	\$ 259,485,732	\$ 260,999,080	\$ 264,219,826	\$ 269,745,840	\$ 277,298,923
42,283,872	42,089,518	39,920,250	38,758,711	35,726,726	32,997,333
4,107,409	3,317,225	4,395,273	3,769,443	3,942,629	4,234,667
92,992,560	115,242,487	120,158,178	157,137,958	177,917,028	197,899,007
63,897	426,318	1,628,143	4,411,435	6,455,852	6,396,483
1,966,335	811,705	3,734,702	1,833,050	2,386,995	2,603,596
392,072,466	421,372,985	430,835,626	470,130,423	496,175,070	521,430,009
\$ 10,243,513	\$ 51,909,530	\$ 36,875,198	\$ 40,498,514	\$ 67,296,451	\$ 80,602,065

School District U-46

Fund Balances, Governmental Funds

Last Ten Fiscal Years

	2011	2012	2013	2014	2015	2016**	2017	2018	2019	2020
General Fund										
Nonspendable	\$ 1,761,685	\$ 2,378,365	\$ 1,014,489	\$ 790,187	\$ 856,536	\$ 1,068,571	\$ 4,015,786	\$ 3,085,115	2,047,649	\$ 5,616,411
Restricted	91,707,158	108,539,319	297,756	3,330,253	914,855	601,756	211,138	-	964,343	-
Unassigned	8,192,571	34,017,658	145,661,663	159,674,454	203,035,498	212,605,175	219,325,243	249,531,533	276,339,570	288,536,814
Total General Fund	<u>\$ 101,661,414</u>	<u>\$ 144,935,342</u>	<u>\$ 146,973,908</u>	<u>\$ 163,794,894</u>	<u>\$ 204,806,889</u>	<u>\$ 214,275,502</u>	<u>\$ 223,552,167</u>	<u>\$ 252,616,648</u>	<u>\$ 279,351,562</u>	<u>\$ 294,153,225</u>
All Other Governmental Funds										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,128	-	\$ -
Assigned	-	-	-	-	-	-	-	4,220,543	5,243,912	6,411,833
Restricted	33,724,667	29,864,415	29,864,415	28,017,606	29,088,709	28,909,949	31,594,117	39,157,824	50,416,219	57,269,072
Unassigned	(18,760,402)	(21,072,002)	(21,072,002)	(16,571,098)	(11,437,340)	(8,025,505)	(658,511)	-	-	-
Total all other governmental funds	<u>\$ 14,964,265</u>	<u>\$ 8,792,413</u>	<u>\$ 8,792,413</u>	<u>\$ 11,446,508</u>	<u>\$ 17,651,369</u>	<u>\$ 20,884,444</u>	<u>\$ 30,935,606</u>	<u>\$ 43,398,495</u>	<u>\$ 55,660,131</u>	<u>\$ 63,680,905</u>

Source: Annual Financial Statements 2011-2020.

** The District restated fiscal year 2016 ending fund balance in the Non-Major Governmental Funds in the amount of \$970,017 to adjust for the Illinois Municipal Retirement Fund (IMRF) payable in the Municipal Retirement/Social Security Fund. The amounts are shown above as restated.

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School District U-46

Changes in Fund Balances, Governmental Funds Last Ten Fiscal Years

	2011	2012	2013	2014
Revenues				
Local sources:				
Property taxes	\$ 277,052,696	\$ 289,692,147	\$ 289,352,487	\$ 293,432,445
Replacement taxes and other payments in lieu of taxes	3,959,837	3,642,927	3,733,997	3,754,606
Charges for services	10,880,592	10,805,515	10,612,329	10,956,865
Earnings on investments	133,167	319,526	282,805	240,423
Impact fees, rentals and other local sources	2,687,134	3,752,842	2,286,686	2,870,732
Total local sources	294,713,426	308,212,957	306,268,304	311,255,071
State sources:				
State grants-in-aid	109,760,781	108,491,808	108,809,995	128,344,057
State on-behalf payments	41,387,470	45,591,003	52,723,457	66,995,465
Total state sources	151,148,251	154,082,811	161,533,452	195,339,522
Federal sources:				
Federal grants-in-aid	42,256,544	33,912,188	35,700,980	34,451,084
Total revenues	488,118,221	496,207,956	503,502,736	541,045,677
Expenditures				
Current:				
Instruction:				
Regular programs	119,418,719	127,064,616	130,185,958	133,321,829
Special programs	38,124,984	37,183,726	36,595,148	37,608,482
Other instructional programs	39,038,710	42,005,491	43,274,655	45,343,690
Total instruction	196,582,413	206,253,833	210,055,761	216,274,001
Support services:				
Pupils	25,731,889	27,444,523	27,663,747	26,060,806
Instructional staff	12,744,126	12,189,512	12,868,897	13,716,670
General administration	16,791,704	17,767,485	15,753,783	17,859,279
School administration	21,432,466	22,275,360	22,841,782	22,978,049
Business	25,915,150	25,396,979	26,838,096	28,301,788
Operations and maintenance	-	-	-	-
Transportation	23,703,791	25,260,870	25,693,690	27,440,574
Facilities acquisition and construction	604,006	1,060,755	841,117	1,355,140
Food service	14,128,009	15,884,358	15,369,092	15,408,947
Central	8,312,235	10,819,203	11,707,954	13,318,618
Other support	1,993,812	1,550,758	1,728,002	1,579,638
Total support services	151,357,188	159,649,803	161,306,160	168,019,509
State on-behalf payments	41,387,470	45,591,003	52,723,457	66,995,465
Community services	4,278,777	3,195,043	3,309,466	3,209,716
Intergovernmental:				
Payments to other governments	7,131,341	7,507,509	8,592,837	8,134,674

2015	2016**	2017	2018	2019	2020
\$ 292,942,265	\$ 301,575,250	\$ 300,919,330	\$ 302,978,537	\$ 305,472,566	\$ 310,296,256
4,107,409	3,317,225	4,395,272	3,769,443	3,942,629	4,234,667
10,104,538	11,448,630	11,086,965	10,415,273	10,935,527	9,386,964
63,897	426,318	1,628,146	4,411,435	6,455,852	6,396,483
2,963,771	1,226,220	4,640,718	2,849,911	2,766,066	4,266,147
310,181,880	317,993,643	322,670,431	324,424,599	329,572,640	334,580,517
138,062,156	146,310,918	157,372,473	193,454,449	212,320,712	228,092,565
96,534,999	106,664,731	160,409,310	86,890,974	95,966,913	104,503,036
234,597,155	252,975,649	317,781,783	280,345,423	308,287,625	332,595,601
34,609,687	39,907,563	38,327,985	40,295,443	40,125,989	48,221,866
579,388,722	610,876,855	678,780,199	645,065,465	677,986,254	715,397,984
135,272,777	141,296,937	138,497,126	144,715,944	140,996,184	148,627,364
38,773,455	41,486,045	43,524,745	45,162,060	48,447,656	54,798,843
48,506,061	55,017,352	58,539,509	63,335,522	67,423,713	70,547,320
222,552,293	237,800,334	240,561,380	253,213,526	256,867,553	273,973,527
27,542,911	29,996,313	32,837,494	33,168,544	36,460,657	38,700,456
14,753,713	13,597,365	13,697,748	14,030,288	16,265,422	17,744,576
15,610,556	13,621,937	14,084,604	14,169,223	15,005,634	17,059,501
23,190,864	23,400,106	24,424,064	24,926,645	26,726,241	29,593,303
27,251,136	4,451,828	4,104,249	4,203,434	4,745,390	5,407,453
-	27,011,231	27,376,091	29,279,921	35,897,157	36,449,884
28,103,698	28,184,168	27,528,948	28,725,199	28,275,854	27,124,600
3,695,335	1,989,410	1,553,336	1,124,908	555,253	602,029
13,819,753	14,658,019	15,281,310	14,211,637	14,095,376	16,355,723
12,735,595	11,814,204	11,799,232	11,969,012	21,858,718	14,114,454
465,401	756,799	1,373,466	1,894,549	1,941,000	2,299,625
167,168,962	169,481,380	174,060,542	177,703,360	201,826,702	205,451,604
96,534,999	106,664,731	160,409,310	86,890,974	95,966,913	104,503,036
3,265,642	3,380,731	3,421,758	3,303,479	3,207,463	3,235,960
8,507,064	8,132,631	8,604,268	9,820,359	9,292,969	9,581,182

(Continued)

School District U-46

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

	2011	2012	2013	2014
Total current	\$ 400,737,189	\$ 422,197,191	\$ 435,987,681	\$ 462,633,365
Debt service:				
Principal	30,572,146	30,763,865	30,005,118	30,465,774
Interest and fees	12,444,322	12,896,130	12,850,947	15,549,123
Capital outlay	9,723,218	14,633,641	27,588,908	15,782,377
Total Expenditures	453,476,875	480,490,827	506,432,654	524,430,639
Excess of revenues over (under) expenditures	34,641,346	15,717,129	(2,929,918)	16,615,038
Other financing sources (uses):				
Proceeds from issuance of bonds	27,955,000	31,460,000	-	-
Premium on bonds sold	-	1,522,879	-	-
Discount on bonds sold	(440,725)	(5,801)	-	-
Proceeds from sale of equipment	-	-	770,800	-
Proceeds from issuance of purchase contracts	-	1,198,870	7,057,727	-
Transfer to escrow agent	(10,293,017)	(12,791,001)	-	-
Transfers in	2,476,070	2,274,500	1,762,440	1,393,860
Transfers out	(2,476,070)	(2,274,500)	(1,762,440)	(1,393,860)
Total other financing sources (uses)	17,221,258	21,384,947	7,828,527	-
Net Change in Fund Balances	\$ 51,862,604	\$ 37,102,076	\$ 4,898,609	\$ 16,615,038
Debt service expenditure as a percentage of noncapital expenditures	9.69%	9.37%	8.85%	9.80%

Source: Annual Financial Statements 2011-2020.

** The District restated fiscal year 2016 ending fund balance in the Non-Major Governmental Funds in the amount of \$970,017 to adjust for the Illinois Municipal Retirement Fund (IMRF) payable in the Municipal Retirement/Social Security Fund. The amounts are shown above as restated.

Beginning in fiscal year 2016, Operations and Maintenance expenditures was reported on a separate row, whereas fiscal years 2015 and prior were included in Business expenditures.

Beginning in fiscal year 2016, State on-behalf payments were allocated to the different functions. This stopped in fiscal year 2018 to more clearly present the changes in revenues and expenses that are due to outside factors. The amounts shown above were reclassified to remove the allocation of the on-behalf payments to the different functions.

2015	2016**	2017	2018	2019	2020
\$ 498,028,960	\$ 525,459,807	\$ 587,057,258	\$ 530,931,698	\$ 567,161,600	\$ 596,745,309
29,288,687	22,564,859	22,680,171	24,054,232	24,509,426	21,099,308
17,940,188	23,310,522	22,785,737	21,394,575	19,570,967	22,975,609
29,175,410	34,158,576	26,929,206	27,623,860	27,747,711	51,755,321
574,433,245	605,493,764	659,452,372	604,004,365	638,989,704	692,575,547
4,955,477	5,383,091	19,327,827	41,061,100	38,996,550	22,822,437
175,900,000	-	-	-	-	-
25,200,979	-	-	-	-	-
-	-	-	-	-	-
-	664,800	-	-	-	-
-	6,653,797	-	-	-	-
(158,839,600)	-	-	-	-	-
1,359,141	3,727,365	5,544,138	7,543,037	16,338,780	(10,337,247)
(1,359,141)	(3,727,365)	(5,544,138)	(7,543,037)	(16,338,780)	10,337,247
42,261,379	7,318,597	-	-	-	-
\$ 47,216,856	\$ 12,701,688	\$ 19,327,827	\$ 41,061,100	\$ 38,996,550	\$ 22,822,437
9.31%	8.04%	7.12%	7.85%	6.90%	6.88%

School District U-46

Equalized Assessed Valuation and Estimated Actual Value of on Taxable Property Last Ten Levy Years

Levy Year	County	Residential Property	Farm Property	Commercial Property
2019	Kane	\$ 1,486,459,186	\$ 4,851,699	\$ 285,465,140
2019	Cook	1,683,691,956	250,549	349,735,045
2019	DuPage	1,129,333,828	522,403	39,620,620
2019	All	4,299,484,970	5,624,651	674,820,805
2018	Kane	1,396,230,749	4,751,363	257,653,344
2018	Cook	1,482,500,165	229,887	292,104,980
2018	DuPage	1,088,656,730	515,570	38,721,840
2018	All	3,967,387,644	5,496,820	588,480,164
2017	Kane	1,325,324,126	4,623,456	253,703,319
2017	Cook	1,514,094,942	239,335	299,217,235
2017	DuPage	1,051,192,472	483,525	36,988,640
2017	All	3,890,611,540	5,346,316	589,909,194
2016	Kane	1,228,489,115	4,300,745	250,638,601
2016	Cook	1,522,843,405	266,444	287,410,378
2016	DuPage	1,005,299,675	478,237	35,238,540
2016	All	3,756,632,195	5,045,426	573,287,519
2015	Kane	1,119,472,730	3,894,961	238,469,133
2015	Cook	1,288,877,948	288,813	270,499,844
2015	DuPage	948,804,496	473,062	33,359,380
2015	All	3,357,155,174	4,656,836	542,328,357
2014	Kane	1,072,691,800	3,696,245	223,422,439
2014	Cook	1,335,038,197	291,179	276,661,777
2014	DuPage	919,089,436	464,297	33,064,550
2014	All	3,326,819,433	4,451,721	533,148,766
2013	Kane	1,102,287,009	3,400,185	238,161,645
2013	Cook	1,295,154,141	232,770	226,551,718
2013	DuPage	943,539,480	451,120	34,607,230
2013	All	3,340,980,630	4,084,075	499,320,593
2012	Kane	1,230,049,711	2,948,286	252,746,828
2012	Cook	1,569,656,648	228,260	247,244,287
2012	DuPage	1,015,572,450	437,990	37,121,460
2012	All	3,815,278,809	3,614,536	537,112,575
2011	Kane	1,403,073,572	3,084,634	265,234,409
2011	Cook	1,730,661,333	228,889	260,289,640
2011	DuPage	1,111,525,478	568,127	40,020,780
2011	All	4,245,260,383	3,881,650	565,544,829
2010	Kane	1,570,900,929	3,440,317	288,978,316
2010	Cook	1,910,951,304	243,584	272,649,282
2010	DuPage	1,214,186,104	566,546	41,398,280
2010	All	4,696,038,337	4,250,447	603,025,878

Source: Kane, Cook and DuPage County Clerk Tax Extension Offices

Notes: The 2019 levy year is the current levy year for the District as the property tax levy is on a calendar year in the State of Illinois. DuPage and Kane counties assess property as approximately 33.33 percent of actual value. Cook County assesses property as approximately 10 percent of actual value for residential properties and 25 percent of actual value for commercial and industrial property. Estimated actual taxable value is calculated by dividing taxable value by percentage. Tax rates are per \$100 of assessed value.

Industrial Property	Railroad Property	Total Taxable Equalized Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Percentage of Est. Actual Taxable Value
\$ 140,553,322	\$ 1,941,130	\$ 1,919,270,477	5.7890	\$ 5,757,811,431	33.33%
140,124,904	1,789,381	2,175,591,835	6.4390	6,526,775,505	33.33%
1,994,269	1,767,533	1,173,238,653	5.7783	3,519,715,959	33.33%
282,672,495	5,498,044	5,268,100,965		15,804,302,895	
129,812,092	1,820,868	1,790,268,416	6.1237	5,370,805,248	33.33%
113,037,065	1,775,595	1,889,647,692	7.1200	5,668,943,076	33.33%
1,963,259	1,766,536	1,131,623,935	5.9746	3,394,871,805	33.33%
244,812,416	5,362,999	4,811,540,043		14,434,620,129	
132,002,713	1,744,753	1,717,398,367	6.3696	5,152,195,101	33.33%
118,476,108	1,686,439	1,933,714,059	6.9318	5,801,142,177	33.33%
1,956,449	1,777,227	1,092,398,313	6.1638	3,277,194,939	33.33%
252,435,270	5,208,419	4,743,510,739		14,230,532,217	
136,507,859	1,663,356	1,621,599,676	6.5487	4,864,799,028	33.33%
113,264,832	2,041,772	1,925,826,831	6.8370	5,777,480,493	33.33%
1,950,749	2,104,638	1,045,071,839	6.3384	3,135,215,517	33.33%
251,723,440	5,809,766	4,592,498,346		13,777,495,038	
124,953,952	1,546,941	1,488,337,717	7.1238	4,465,013,151	33.33%
91,942,586	1,848,249	1,653,457,440	7.9470	4,960,372,320	33.33%
1,944,259	1,844,159	986,425,356	6.8325	2,959,276,068	33.33%
218,840,797	5,239,349	4,128,220,513		12,384,661,539	
104,901,611	1,368,917	1,406,081,012	8.0229	4,218,243,036	33.33%
94,788,944	1,532,574	1,708,312,671	7.6680	5,124,938,013	33.33%
1,554,803	1,600,080	955,773,166	6.4133	2,867,319,498	33.33%
201,245,358	4,501,571	4,070,166,849		12,210,500,547	
96,171,351	1,547,962	1,441,568,152	5.9395	4,324,704,456	33.33%
163,051,097	1,308,781	1,686,298,507	7.5800	5,058,895,521	33.33%
1,557,563	1,309,952	981,465,345	7.8519	2,944,396,035	33.33%
260,780,011	4,166,695	4,109,332,004		12,327,996,012	
104,353,069	1,873,298	1,591,971,192	6.3706	4,775,913,576	33.33%
178,579,242	568,434	1,996,276,871	6.5400	5,988,830,613	33.33%
1,538,858	918,595	1,055,589,353	6.6052	3,166,768,059	33.33%
284,471,169	3,360,327	4,643,837,416		13,931,512,248	
107,924,673	952,421	1,780,269,709	5.5589	5,340,809,127	33.33%
189,744,920	707,052	2,181,631,834	5.5062	6,544,895,502	33.33%
1,444,933	874,204	1,154,433,522	5.6118	3,463,300,566	33.33%
299,114,526	2,533,677	5,116,335,065		15,349,005,195	
119,782,385	909,185	1,984,011,132	5.2661	5,952,033,396	33.33%
236,263,977	774,398	2,420,882,545	5.0254	7,262,647,635	33.33%
1,445,733	937,427	1,258,534,090	4.8392	3,775,602,270	33.33%
357,492,095	2,621,010	5,663,427,767		16,990,283,301	

School District U-46

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

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Direct										
School District U-46	5.7890	6.1237	6.3696	6.5487	7.1238	8.0229	6.4086	6.3706	5.8307	5.2661
Overlapping										
Kane County	0.3739	0.3877	0.4025	0.4201	0.4479	0.4684	0.4623	0.4336	0.3990	0.3730
Kane County Forest Preserve District	0.1549	0.1607	0.1658	0.2253	0.2944	0.3126	0.3039	0.2710	0.2609	0.2201
Gail Borden Library District	0.4445	0.4630	0.4729	0.4898	0.5294	0.5796	0.5087	0.4791	0.4084	0.3650
Elgin Township	0.1121	0.1164	0.1192	0.1020	0.1102	0.1160	0.1114	0.0997	0.0890	0.0783
Elgin Township Road Fund	0.0723	0.0745	0.0758	0.0785	0.0849	0.0893	0.0858	0.0762	0.0660	0.0581
City of Elgin	1.8788	2.0240	2.1494	2.2396	2.4110	2.3218	2.1668	1.9344	1.9836	1.9210
Fox River Water Reclamation District	0.0278	0.0291	0.0302	0.0315	0.0339	0.0409	0.3697	0.0344	0.0299	0.0273
Community College District 509	0.4865	0.5075	0.4999	0.5296	0.5609	0.6076	0.5707	0.5215	0.4456	0.4407
Total	9.3397	9.8866	10.2854	10.6651	11.5963	12.5591	10.9879	10.2205	9.5130	8.7497

Source: Kane County District Rate Listing

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 are per \$100 of Equalized Assessed Valuation. The most recent levy year with full information available is presented.

School District U-46

**Principal Property Taxpayers
Current Fiscal Year and Nine Fiscal Years Ago**

		2019			2010	
		Equalized	Percent of		Equalized	Percent of
Name	Rank	Assessed	District's	Rank	Assessed	District's
		Valuation	Total EAV		Valuation	Total EAV
Target Corporation	1	\$22,269,361	0.42%	3	\$21,280,707	0.38%
Walmart Stores	2	16,048,162	0.30	4	18,888,792	0.33
Continental 368 Fund LLC	3	14,617,717	0.28		-	0.00
Core MR Westview LLC	4	14,341,891	0.27		-	0.00
Property Valuation Service	5	12,078,113	0.23	6	10,673,761	0.19
MHC-Deanza Financing Limited Partnership	6	10,463,410	0.20	10	6,214,123	0.11
Hunter Ridge Apartments LLC	7	9,035,898	0.17		-	0.00
EREP Cobbler Crossing	8	8,273,436	0.16		-	0.00
BCH Princeton LLC	9	8,002,259	0.15		-	0.00
Harbor Group Intl LLC	10	7,277,867	0.14		-	0.00
MDKTSTP Ent Fin Dept		-	-	1	24,931,447	0.44
Bradley Operating Limited		-	-	2	23,186,770	0.41
IRC		-	-	5	16,549,807	0.29
Willo Arms Associates Limited		-	-	7	8,245,127	0.15
Ball Aerosol & Special		-	-	8	7,001,056	0.12
Home Prop Of Ny		-	-	9	6,535,172	0.12
		\$122,408,114	2.32%		\$143,506,762	2.53%

Note: 2019 tax levy is the current levy in the District's fiscal year 2020.
Source: Cook, Kane and DuPage County Clerk's and Assessor's Offices

School District U-46

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

	2019	2018	2017	2016	2015	2014
Rates Extended						
Educational	3.5819	3.8664	3.6224	3.6211	4.1504	3.9493
Tort immunity/liability insurance	0.1164	0.1174	0.1765	0.2171	0.3278	0.3135
Special education	0.7149	0.7669	0.7285	0.7161	0.8260	0.7898
Operations and maintenance	0.7227	0.7960	0.7613	0.6938	0.7743	0.7404
Transportation	0.2451	0.4037	0.3834	0.3769	0.4217	0.4034
Municipal retirement - IMRF	0.1296	0.1542	0.1518	0.1461	0.1634	0.1599
Social security	0.1401	0.1435	0.1243	0.1201	0.1333	0.1437
Bond and interest/supp.	0.5072	0.5687	0.6890	0.6950	0.8608	0.8906
Life safety	0.0952	0.0939	0.0892	0.0439	0.0481	0.0459
Limited bonds	0.1853	0.2092	0.2054	0.2062	0.2404	0.2310
Total Rates Extended	6.4384	7.1199	6.9318	6.8363	7.9462	7.6675
Levies Extended						
Educational	\$ 77,928,345	\$ 73,060,819	\$ 70,045,692	\$ 69,737,305	\$ 68,624,895	\$ 67,465,304
Tort immunity/liability insurance	2,531,250	2,217,411	3,413,679	4,183,246	5,419,725	5,354,975
Special education	15,552,411	14,491,778	14,084,997	13,790,836	13,655,426	13,493,060
Operations and maintenance	15,723,317	15,041,994	14,721,239	13,360,616	12,802,965	12,649,854
Transportation	5,332,717	7,628,557	7,414,659	7,258,230	6,973,059	6,889,998
Municipal retirement - IMRF	2,822,252	2,914,489	2,936,498	2,811,300	2,700,054	2,732,058
Social security	3,046,277	2,711,778	2,404,258	2,311,690	2,204,271	2,455,683
Bond and interest/supp.	11,035,683	10,747,123	17,295,922	13,384,565	14,232,830	15,214,588
Life safety	2,069,343	1,774,756	1,725,192	846,561	795,392	785,114
Limited bonds	4,032,317	3,953,558	-	3,970,856	3,974,341	3,946,992
Total Levies Extended	\$ 140,073,912	\$ 134,542,263	\$ 134,042,136	\$ 131,655,205	\$ 131,382,958	\$ 130,987,626
Current year collections	\$ 70,805,557	\$ 70,902,525	\$ 69,891,692	\$ 68,927,167	\$ 67,753,981	\$ 65,702,776
Subsequent year collections	-	61,392,321	61,954,439	61,009,329	61,729,996	61,964,879
Total Collections	\$ 70,805,557	\$ 132,294,846	\$ 131,846,131	\$ 129,936,496	\$ 129,483,977	\$ 127,667,655
Percentage of extensions collected						
Current year collections	50.55%	52.70%	52.14%	52.35%	51.57%	50.16%
Total collections	50.55%	98.33%	98.36%	98.69%	98.55%	97.47%

2013	2012	2011	2010
4.0325	3.8833	3.4078	3.4930
0.2099	0.1434	0.0847	0.0778
0.8065	0.5507	0.4180	0.0373
0.7328	0.5014	0.4323	0.3971
0.3362	0.2189	0.1438	0.1271
0.1532	0.1087	0.0899	0.0794
0.1397	0.1003	0.0830	0.0794
0.9020	0.8029	0.6783	0.5875
0.0455	0.0344	-	-
0.2217	0.1955	0.1684	0.1468
7.5800	6.5395	5.5062	5.0254

\$ 68,000,191	\$ 77,521,882	\$ 74,345,887	\$ 84,561,841
3,539,198	2,862,907	1,847,319	1,883,010
13,599,343	10,992,581	9,118,407	902,377
12,357,671	10,008,905	9,433,590	9,613,134
5,670,010	4,371,211	3,136,504	3,076,398
2,584,066	2,168,185	1,961,136	1,922,137
2,356,571	2,002,190	1,810,111	1,922,137
15,210,102	16,028,963	14,798,101	14,223,828
765,842	688,573	-	-
3,738,151	3,902,150	3,673,366	3,552,765
\$ 127,821,145	\$ 130,547,547	\$ 120,124,421	\$ 121,657,627

\$ 66,860,960	\$ 62,462,919	\$ 62,309,872	\$ 58,289,670
57,636,244	64,717,012	54,034,910	61,655,603
\$ 124,497,204	\$ 127,179,931	\$ 116,344,782	\$ 119,945,273

52.31%	47.85%	51.87%	47.91%
97.40%	97.42%	96.85%	98.59%

School District U-46

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

	2019	2018	2017	2016	2015	2014
Rates Extended						
Educational	3.2277	3.2501	3.2369	3.3740	3.5870	3.2785
Tort immunity/liability insurance	0.1050	0.0988	0.1578	0.2024	0.2834	0.2778
Special education	0.6444	0.6447	0.6509	0.6673	0.7137	0.6664
Operations and maintenance	0.6514	0.6817	0.6802	0.6464	0.6692	0.6414
Transportation	0.2210	0.3396	0.3426	0.3512	0.3645	0.3529
Municipal retirement - IMRF	0.1169	0.1298	0.1358	0.1360	0.1413	0.1389
Social security	0.1263	0.1207	0.1113	0.1119	0.1153	0.1253
Bond and interest/supp.	0.4393	0.4605	0.5928	0.6231	0.7163	0.7072
Bond and interest - limited	0.1605	0.1696	0.1758	0.1850	0.2001	0.1850
Life safety	0.0858	0.0791	0.0797	0.0411	0.0417	0.0399
Total Rates Extended	5.7783	5.9746	6.1638	6.3384	6.8325	6.4133
Levies Extended						
Educational	\$ 37,868,624	\$ 36,778,910	\$ 35,359,841	\$ 35,260,724	\$ 35,383,078	\$ 31,335,023
Tort immunity/liability insurance	1,231,901	1,118,044	1,723,805	2,115,225	2,795,529	2,655,138
Special education	7,560,350	7,295,580	7,110,421	6,973,764	7,040,118	6,369,272
Operations and maintenance	7,642,477	7,714,280	7,430,493	6,755,344	6,601,158	6,130,329
Transportation	2,592,857	3,842,995	3,742,557	3,670,292	3,595,520	3,372,924
Municipal retirement - IMRF	1,371,516	1,468,848	1,483,477	1,421,298	1,393,819	1,327,569
Social security	1,481,800	1,365,870	1,215,839	1,169,435	1,137,348	1,197,584
Bond and interest/supp.	5,154,037	5,211,128	6,475,737	6,511,843	7,065,765	6,759,228
Bond and interest limited	1,883,048	1,919,234	1,920,436	1,933,383	1,973,837	1,768,180
Life safety	1,006,639	895,115	870,641	429,525	411,339	381,353
Total Levies Extended	\$ 67,793,249	\$ 67,610,004	\$ 67,333,247	\$ 66,240,833	\$ 67,397,511	\$ 61,296,600
Current year collections	\$ 33,797,675	\$ 33,586,889	\$ 35,016,881	\$ 33,249,188	\$ 33,404,036	\$ 29,852,672
Subsequent year collections	-	33,872,164	32,198,766	32,932,240	33,885,194	31,125,026
Total Collections	\$ 33,797,675	\$ 67,459,053	\$ 67,215,647	\$ 66,181,428	\$ 67,289,230	\$ 60,977,698
Percentage of extensions collected						
Current year collections	49.85%	49.68%	52.01%	50.19%	49.56%	48.70%
Total collections	49.85%	99.78%	99.83%	99.91%	99.84%	99.48%

2013	2012	2011	2010
4.2826	4.0429	3.5530	3.3878
0.2083	0.1414	0.0854	0.0723
0.8370	0.5467	0.4226	0.0349
0.7251	0.4687	0.4355	0.3690
0.3337	0.2303	0.1448	0.1404
0.1517	0.0988	0.0907	0.0738
0.1376	0.0778	0.0837	0.0738
0.9078	0.7818	0.6377	0.5501
0.2231	0.1905	0.1584	0.1371
0.0450	0.0263	-	-
7.8519	6.6052	5.6118	4.8392

\$ 42,032,235	\$ 42,676,422	\$ 41,017,023	\$ 42,636,618
2,044,392	1,492,603	985,886	909,920
8,214,865	5,770,907	4,878,636	439,228
7,116,605	4,947,547	5,027,558	4,643,991
3,275,150	2,431,022	1,671,620	1,766,982
1,488,883	1,042,922	1,047,071	928,798
1,350,496	821,249	966,261	928,798
8,909,743	8,252,598	7,361,823	6,923,196
2,189,649	2,010,898	1,828,623	1,725,450
441,659	277,620	-	-
\$ 77,063,677	\$ 69,723,788	\$ 64,784,500	\$ 60,902,982

\$ 37,119,808	\$ 33,209,714	\$ 31,108,515	\$ 30,363,549
39,827,829	36,441,218	33,516,034	30,498,793
\$ 76,947,637	\$ 69,650,932	\$ 64,624,549	\$ 60,862,342

48.17%	47.63%	48.02%	49.86%
99.85%	99.90%	99.75%	99.93%

School District U-46

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

	2019	2018	2017	2016	2015
Rates Extended					
Educational	3.2331	3.3243	3.3443	3.4863	3.8188
Tort immunity/liability insurance	0.1050	0.1009	0.1629	0.2091	0.3016
Special education	0.6453	0.6594	0.6725	0.6894	0.7599
Operations and maintenance	0.6523	0.6970	0.7029	0.6679	0.7124
Transportation	0.2212	0.3471	0.3539	0.3628	0.3880
Municipal retirement - IMRF	0.1171	0.1326	0.1402	0.1406	0.1503
Social security	0.1264	0.1234	0.1148	0.1156	0.1227
Bond and interest/supp.	0.6008	0.6521	0.7944	0.8347	0.9596
Working cash bonds	-	-	-	-	-
Life safety	0.0859	0.0808	0.0824	0.0423	0.0442
Prior year adjustment	0.0018	0.0061	0.0013	-	0.1071
Levies Extended	5.7889	6.1237	6.3696	6.5487	7.3646
Levies Extended					
Educational	\$ 62,051,039	\$ 59,514,490	\$ 57,435,637	\$ 56,533,961	\$ 54,836,681
Tort immunity/liability insurance	2,015,994	1,806,679	2,798,226	3,390,761	4,330,910
Special education	12,385,149	11,804,804	11,549,908	11,180,092	10,912,435
Operations and maintenance	12,519,809	12,478,640	12,071,205	10,830,991	10,230,276
Transportation	4,245,336	6,214,318	6,078,812	5,883,473	5,572,272
Municipal retirement - IMRF	2,246,510	2,373,246	2,407,366	2,280,376	2,157,751
Social security	2,426,596	2,208,336	1,971,316	1,874,467	1,761,778
Bond and interest/supp.	11,531,710	11,674,441	13,642,436	13,534,845	13,994,649
Working cash bonds	-	-	-	-	-
Life safety	1,648,333	1,445,909	1,414,288	686,106	635,186
Prior year adjustment	35,481	109,387	21,788	(908)	1,593,496
Total Levies Extended	\$ 111,105,957	\$ 109,630,250	\$ 109,390,982	\$ 106,194,164	\$ 106,025,434
Current year collections	\$ 45,933,903	\$ 45,804,761	\$ 52,908,367	\$ 52,182,995	\$ 51,819,201
Subsequent year collections	-	63,210,161	55,742,569	53,570,607	53,741,374
Total Collections	\$ 45,933,903	\$ 109,014,922	\$ 108,650,936	\$ 105,753,602	\$ 105,560,575
Percentage of extensions collected					
Current year collections	41.34%	41.78%	48.37%	49.14%	48.87%
Total collections	41.34%	99.44%	99.32%	99.59%	99.56%
All Three Counties Combined					
Total levies extended	\$ 318,973,118	\$ 311,782,517	\$ 310,766,365	\$ 304,090,202	\$ 304,805,903
Current year collections	\$ 150,537,135	\$ 150,294,175	\$ 157,816,940	\$ 154,359,350	\$ 152,977,218
Subsequent year collections	-	158,474,646	149,895,774	147,512,176	149,356,564
Total collections	\$ 150,537,135	\$ 308,768,821	\$ 307,712,714	\$ 301,871,526	\$ 302,333,782
Percentage of extensions collected					
Current year collections	47.19%	48.20%	50.78%	50.76%	50.19%
Total collections	47.19%	99.03%	99.02%	99.27%	99.19%

Source: District records

2014	2013	2012	2011	2010
3.9615	3.8031	3.9022	3.8426	3.7483
0.3085	0.1879	0.1379	0.0922	0.0795
0.7860	0.7571	0.5296	0.4551	0.0381
0.7286	0.6563	0.4822	0.4707	0.4057
0.3969	0.3010	0.2105	0.1566	0.1298
0.1573	0.1372	0.1045	0.0979	0.0811
0.1414	0.1251	0.0965	0.0904	0.0811
1.0423	0.9663	0.8066	0.6922	0.6133
-	-	0.0841	0.0756	0.0929
0.0452	0.0408	-	-	-
0.3000	(0.5662)	(0.0769)	(0.1425)	(0.0037)
7.8677	6.4086	6.2771	5.8307	5.2661

\$ 52,470,474	\$ 50,845,761	\$ 62,297,953	\$ 64,322,072	\$ 74,365,813
4,085,778	2,512,489	2,200,917	1,543,760	1,577,458
10,411,350	10,122,444	8,454,302	7,617,338	756,543
9,650,033	8,773,890	7,697,564	7,878,911	8,048,261
5,257,196	4,024,671	3,361,286	2,620,542	2,575,447
2,083,776	1,834,269	1,668,327	1,638,626	1,609,644
1,873,095	1,672,599	1,539,831	1,512,582	1,609,644
14,233,892	13,452,011	13,486,795	12,951,697	12,167,590
-	-	1,405,806	1,414,548	1,842,955
598,959	544,792	528,948	-	-
12,143,717	(8,161,715)	(1,224,095)	(2,536,414)	(73,448)
\$ 112,808,270	\$ 85,621,211	\$ 101,417,634	\$ 98,963,662	\$ 104,479,907
\$ 56,658,282	\$ 43,224,911	\$ 50,178,087	\$ 48,496,568	\$ 50,460,307
55,941,528	42,024,315	50,939,324	50,131,935	53,806,269
\$ 112,599,810	\$ 85,249,226	\$ 101,117,411	\$ 98,628,503	\$ 104,266,576

50.23%	50.48%	49.48%	49.00%	48.30%
99.82%	99.57%	99.70%	99.66%	99.80%

\$ 305,092,496	\$ 290,506,033	\$ 301,688,969	\$ 283,872,583	\$ 287,040,516
\$ 152,213,730	\$ 147,205,680	\$ 145,850,720	\$ 141,914,955	\$ 139,113,526
149,031,433	139,488,388	152,097,554	137,682,879	145,960,665
\$ 301,245,163	\$ 286,694,068	\$ 297,948,274	\$ 279,597,834	\$ 285,074,191

49.89%	50.67%	48.34%	49.99%	48.46%
98.74%	98.69%	98.76%	98.49%	99.31%

School District U-46

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

Fiscal Year	General Oblig. Bonds Net of Related Premiums and Discounts	Accreted Interest on Long-Term Debt	Debt Certificates	Installment Notes	Purchase Contracts	Less: Amount Available in Debt Service Fund
2020	\$ 235,350,759	\$ 47,472,625	\$ 1,568,459	\$ -	\$ -	\$ 32,625,408
2019	256,162,719	56,228,061	2,085,750	-	1,353,353	31,984,880
2018	280,575,922	60,008,791	2,600,303	-	2,687,098	28,616,931
2017	303,217,738	64,392,849	2,552,611	-	5,432,856	27,934,843
2016	324,525,540	69,018,018	2,968,433	-	8,141,320	26,112,980
2015	345,263,357	74,017,139	3,381,622	-	4,653,296	23,941,233
2014	262,778,810	119,803,876	3,792,143	-	6,400,590	24,156,123
2013	291,156,285	115,418,498	4,200,013	-	8,903,276	23,737,065
2012	320,366,552	107,400,154	4,605,167	-	3,057,503	21,867,241
2011	325,824,472	98,852,301	5,150,170	40,880	5,281,183	19,252,458

Source: All Years: outstanding debt and debt service fund - District records
Population and income data - 2011-2020 - U.S. Census Bureau

Note: This schedule includes all debt financed with general governmental resources for which there is an established repayment schedule. Other long-term liabilities such as retirement obligations and estimated liabilities such as compensated absences and claims incurred but not reported (IBNR) are not included.

Net Total Outstanding Debt	Estimated Actual Taxable Property Value	Percentage Estimated Actual Taxable Property Value	Estimated Population	Net Total Outstanding Debt Per Capita	Estimated Personal Income	Percentage of Net Total Outstanding Debt to Est. Personal Income
\$ 251,766,435	\$ 18,336,797,556	1.37%	236,340	\$ 1,065	\$ 8,099,844,480	3.11%
283,845,003	14,434,620,129	1.97	235,359	1,206	7,556,436,054	3.76
317,255,183	14,955,593,412	2.12	233,865	1,357	7,157,672,190	4.43
347,661,211	14,230,532,217	2.44	235,930	1,474	7,060,205,250	4.92
378,540,331	12,384,661,539	3.06	233,144	1,624	7,212,775,928	5.25
403,374,181	12,210,500,547	3.30	236,931	1,702	6,513,470,121	6.19
368,619,296	12,327,996,012	2.99	236,501	1,559	6,622,264,501	5.57
395,941,007	13,931,512,248	2.84	235,918	1,678	6,676,007,564	5.93
413,562,135	15,349,005,195	2.69	235,085	1,759	6,438,978,150	6.42
415,896,548	16,990,283,301	2.45	231,031	1,800	6,055,784,572	6.87

School District U-46

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

Fiscal Year	General Obligation Bonds Net of Related Premiums and Discounts	Accreted Interest on Long-Term Debt	Less: Amount Available in Debt Service Fund	Net General Bonded Debt	Estimated Actual Taxable Property Value
2020	\$ 235,350,759	\$ 47,472,625	\$ 32,625,408	\$ 250,197,976	\$ 15,804,302,895
2019	256,162,719	56,228,061	31,984,880	280,405,900	14,434,620,129
2018	280,575,922	60,008,791	28,616,931	311,967,782	14,230,532,217
2017	303,217,738	64,392,849	27,934,843	339,675,744	13,777,495,038
2016	324,525,540	69,018,018	26,112,980	367,430,578	12,384,661,539
2015	345,263,357	74,017,139	23,941,233	395,339,263	12,210,500,547
2014	262,778,810	119,803,876	24,156,123	358,426,563	12,327,996,012
2013	291,156,285	115,418,498	23,737,065	382,837,718	13,931,512,248
2012	320,366,552	107,400,154	21,867,241	405,899,465	15,349,005,195
2011	325,824,472	98,852,301	19,252,458	405,424,315	16,990,283,301

Source: All Years: general bonded debt and debt service fund - District records
Population and income data - 2011-2020 - U.S. Census Bureau

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

Percentage of Net General Bonded Debt to Estimated Actual Valuation	Estimated Population	Net General Bonded Debt Per Capita	Estimated Personal Income	Percentage of Net General Bonded Debt to Est. Personal Income
1.58%	236,340	\$ 1,059	\$ 8,099,844,480	3.09%
1.94	235,359	1,191	7,556,436,054	3.71
2.19	233,865	1,334	7,157,672,190	4.34
2.29	235,930	1,440	7,060,205,250	5.05
2.97	233,144	1,576	7,212,775,928	5.09
3.24	236,931	1,669	6,513,470,121	6.07
2.91	236,501	1,516	6,622,264,501	5.41
2.75	235,918	1,623	6,676,007,564	5.73
2.64	235,085	1,727	6,438,978,150	6.30
2.39	231,031	1,755	6,055,784,572	6.69

School District U-46**Legal Debt Margin Information
Last Ten Fiscal Years**

	2020	2019	2018	2017
Debt limit	\$ 726,997,933	\$ 663,992,526	\$ 654,604,482	\$ 633,764,772
Total net debt applicable to limit	187,256,693	208,996,706	236,874,236	261,144,286
Legal debt margin	<u>\$ 539,741,240</u>	<u>\$ 454,995,820</u>	<u>\$ 417,730,246</u>	<u>\$ 372,620,486</u>
Total net debt applicable to the limit as a percentage of debt limit	26%	31%	36%	41%

Note: Legal debt limit from 2011-2020 was 13.8% of the EAV.

Legal Debt Margin Calculation for Fiscal 2020

Assessed Value	\$ 5,268,100,965
Debt limit (13.8%) of assessed value	<u>726,997,933</u>
Debt outstanding applicable to the limit:	
General obligation bonds	218,313,642
General obligation debt certificates	<u>1,568,459</u>
Total debt outstanding applicable to the limit	219,882,101
Less: Amount set aside for repayment of debt	<u>32,625,408</u>
Total net debt applicable to the limit	<u>187,256,693</u>
Total legal debt margin	<u><u>\$ 539,741,240</u></u>

Source: District Records

2016	2015	2014	2013	2012	2011
\$ 569,694,431	\$ 561,683,025	\$ 567,087,817	\$ 640,849,563	\$ 706,054,239	\$ 781,553,032
285,646,318	303,729,127	245,987,387	276,872,219	301,689,434	313,364,212
\$ 284,048,113	\$ 257,953,898	\$ 321,100,430	\$ 363,977,344	\$ 404,364,805	\$ 468,188,820
50%	54%	43%	43%	43%	40%

School District U-46

Direct and Overlapping General Obligation Bonded Debt Current Fiscal Year

Governmental Unit	Outstanding Debt	Overlapping Percentage	Direct and Overlapping Debt
Cook County	\$2,803,851,750	1.302%	\$ 36,506,150
Cook County Forest Preserve District	140,990,000	1.302%	1,835,690
DuPage County	27,410,000 (1)(3)	2.826%	774,607
DuPage County Forest Preserve District	93,615,000	2.826%	2,645,560
Kane County Forest Preserve District	128,900,000 (1)	12.784%	16,478,576
Metropolitan Water Reclamation District	2,274,859,669 (4)	1.300%	29,573,176
<u>Municipalities:</u>			
Bartlett	40,555,000	100.000%	40,555,000
Elgin	16,290,000 (5)	71.082%	11,579,258
Hanover Park	12,980,000	37.486%	4,865,683
Hoffman Estates	103,135,850	9.844%	10,152,693
Schaumburg	284,875,000	2.208%	6,290,040
Streamwood	19,360,000	96.774%	18,735,446
<u>Library Districts:</u>			
Gail Borden	4,990,000	82.753%	4,129,375
Poplar Creek	13,370,000	78.208%	10,456,410
<u>Park Districts:</u>			
Bartlett Park	20,260,000	100.000%	20,260,000
Carol Stream Park	45,963,294 (2)	7.555%	3,472,527
Dundee Township Park	2,002,135 (1)	0.631%	12,633
Hanover Park Park	1,684,630 (1)	40.723%	686,032
Hoffman Estates Park	7,725,000 (1)(3)	9.923%	766,552
Schaumburg Park	18,213,305 (1)	2.122%	386,486
St. Charles Park	16,550,000 (1)	2.267%	375,189
Streamwood Park	4,093,000	100.000%	4,093,000
West Chicago	15,880,005 (1)	1.466%	232,801
<u>Miscellaneous:</u>			
Bartlett SSA #1 - Bluff City	3,610,000	100.000%	3,610,000
Wayne SSA #5	320,000	26.284%	84,109
South Elgin Fire District	9,165,000	51.369%	4,707,969
<u>School Districts:</u>			
Community College District #509	162,125,146 (2)	40.490%	<u>65,644,472</u>
Total Overlapping General Obligation Bonded Debt			298,909,431
Direct Debt:			
Community Unit School District #46	218,313,638 (2)	100.000%	<u>218,313,638</u>
Total Direct and Overlapping General Obligation Bonded Debt			<u>\$ 517,223,069</u>

(1) Excludes principal amounts of outstanding General Obligation Alternate Revenue Source Bonds which are expected to be paid from sources other than general taxation. Excludes Illinois EPA Revolving Loan Fund Bonds.

(2) Includes original principal amounts of outstanding General Obligation Capital Appreciation Bonds.

(3) Excludes outstanding Debt Certificates.

(4) Includes Illinois EPA Revolving Loan Fund Bonds.

(5) Excludes self-supporting bonds for which abatements are filed annually.

Note: The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the District's taxable assessed value that is within the government's boundaries and dividing it by the District's total taxable assessed value.

Source: Offices of the County Clerks of Cook, DuPage and Kane Counties, Illinois

School District U-46

Principal Employers

Current Fiscal Year and Nine Fiscal Years Ago

Employer	Industry	2020			2011		
		Number of Employees	Rank	Percentage of Total District Population	Number of Employees	Rank	Percentage of Total District Population
School District U-46	Education	4,270	1	1.8%	4,170	2	1.8%
Sears Holdings	Retail	4,250	2	1.8	6,200	1	2.7
Northwest Community Healthcare	Medical	4,000	3	1.7	4,000	3	1.7
Transform Holdco, LLC	Retail	3,200	4	1.4	-	-	-
Allied Building Products Corp	Building Materials	3,000	5	1.3	-	-	-
Hearthside Food Solutions LLC	Food Products	3,000	6	1.3	-	-	-
Zurich North America	Insurance	2,500	7	1.1	2,690	6	1.2
Chase	Banking	2,500	8	1.1	-	-	-
Advocate Sherman Hospital	Medical	2,200	9	0.9	2,000	10	0.9
Rush-Copley Medical Center	Medical	2,200	10	0.9	-	-	-
AT&T Inc.	Communications	-	-	-	3,000	4	1.3
St. Alexius Medical Center	Medical	-	-	-	2,750	5	1.2
Caterpillar, Inc.	Construction	-	-	-	2,500	7	1.1
North Grumman Corp	Technology	-	-	-	2,145	8	0.9
Motorola Inc.	Communications	-	-	-	2,145	9	0.9
Total employment of district principal employers		<u>31,120</u>			<u>31,600</u>		
Total district population		<u>236,340</u>			<u>231,031</u>		

Source: District Records, City of Elgin 2019 CAFR, Kane County 2019 CAFR, Village of Hoffman Estates 2019 CAFR

Note: The listing above indicates the area's largest employers within or near the District boundaries and their approximate number of employees. The purpose of this exhibit is to represent large area employees that may employ residents of the District.

School District U-46

**District Employment Statistics
Full-Time Equivalents (FTE)
Last Ten Fiscal Years**

Staff	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Teachers	2,668	2,587	2,504	2,480	2,426	2,395	2,360	2,311	2,243	2,203
Noon hour supervisors (part-time)	93	90	86	91	80	80	71	89	90	93
Educational assistants/paraprofessionals	544	490	527	511	422	530	443	460	414	339
Secretary/clerical	255	249	224	233	229	212	214	211	205	212
Transportation	451	458	411	403	404	400	220	207	209	200
Custodial/maintenance	172	163	145	139	139	131	128	121	107	118
Technical/other	383	341	266	258	194	187	168	151	156	166
Food service	156	155	149	158	153	148	162	177	164	154
School administration	141	112	109	104	99	95	92	93	94	108
Supervisors/directors/coordinators	40	41	39	39	40	37	39	31	32	28
Central administration	36	39	34	32	29	41	37	39	35	33
Divisionals	6	18	15	17	17	17	16	16	15	-
Superintendent/executive staff	9	11	9	10	10	8	10	8	9	7
Total staff	4,954	4,754	4,518	4,475	4,242	4,281	3,960	3,914	3,773	3,661

Source: District Human Resources Records

School District U-46

Demographic and Economic Statistics Last Ten Fiscal Years

School District U-46					
Calendar Year	Fiscal Year	(a) Estimated District Population	(b) Estimated Per Capita Income	(a) x (b) Estimated Personal Income	Unemployment Rate
2019	2020	236,340	\$ 34,272	\$ 8,099,844,480	3.7%
2018	2019	235,359	32,106	7,556,436,054	4.4
2017	2018	233,865	30,606	7,157,672,190	4.6
2016	2017	235,930	29,925	7,060,205,250	5.4
2015	2016	233,144	30,937	7,212,775,928	6.0
2014	2015	236,931	27,491	6,513,470,121	6.1
2013	2014	236,501	28,001	6,622,264,501	8.5
2012	2013	235,918	28,298	6,676,007,564	9.1
2011	2012	235,085	27,390	6,438,978,150	9.4
2010	2011	231,031	26,212	6,055,784,572	9.5

Source: United States Census Bureau

School District U-46

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

Function	2020	2019	2018	2017	2016
Instruction					
Student enrollment:					
Elementary	19,873	20,339	20,782	21,393	21,676
Middle school	5,864	5,862	6,030	5,995	5,719
High school	11,991	11,969	11,952	12,185	12,257
Total student enrollment	37,728	38,170	38,764	39,573	39,652
Support services - pupil					
% of students with disabilities	15.2%	14.0%	13.9%	13.0%	13.1%
Support services - pupil					
Information technology services					
work orders completed	36,606	35,010	37,404	39,555	35,521
School administration					
Student attendance rate	91.3%	92.8%	93.0%	92.8%	94.1%
Business					
Fiscal					
Purchase orders processed	8,384	9,337	9,033	8,992	9,596
Nonpayroll checks issued	6,592	7,017	6,852	6,996	7,335
Maintenance					
Maintenance work orders completed	33,849	33,823	32,095	23,341	29,057
District square footage maintained by					
custodians and maintenance staff	5,740,620	5,706,771	5,706,771	5,611,259	5,535,666
District acreage maintained by					
grounds staff	826	821	821	811	805
Transportation					
Average number of students					
Transported daily					
Regular, public schools	22,862	22,484	23,229	26,698	26,982
Non-public	56	-	-	-	8
Special education	2,125	1,872	2,168	2,380	2,088
Total number of students transported	25,043	24,356	25,397	29,078	29,078
Student transportation miles traveled					
Regular education	1,435,392	2,492,105	1,959,678	1,957,058	2,520,791
Special education	1,335,696	2,089,628	1,992,878	2,025,432	1,699,136
Non-reimbursable	104,679	155,361	127,555	150,027	154,797
Total student transportation					
miles traveled	2,875,767	4,737,094	4,080,111	4,132,517	4,374,724

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

2015	2014	2013	2012	2011
22,354	22,285	22,375	22,348	22,853
5,822	6,034	6,012	6,006	5,972
12,047	12,068	11,960	12,048	12,327
40,223	40,387	40,347	40,402	41,152
12.8%	12.5%	12.9%	13.2%	13.0%
31,738	38,866	46,646	43,176	33,519
94.3%	94.6%	94.3%	94.2%	94.0%
7,912	9,440	10,051	9,579	9,579
7,491	7,977	8,352	7,967	7,967
27,035	17,575	27,201	23,276	25,709
5,492,057	5,492,057	5,492,057	5,492,057	5,492,057
805	805	805	805	805
24,772	25,160	24,891	24,447	24,375
7	16	14	18	25
2,064	1,720	1,743	2,132	2,133
26,843	26,896	26,648	26,597	26,533
2,512,688	2,516,457	2,623,820	2,406,833	2,066,821
1,083,595	1,519,958	1,663,595	2,427,205	2,290,604
297,215	269,997	357,238	316,234	226,244
3,893,498	4,306,412	4,644,653	5,150,272	4,583,669

School District U-46

**District Enrollment by School
Last Ten Fiscal Years**

School	2019-2020	2018-2019	2017-2018	2016-2017	2015-2016	2014-2015	2013-2014	2012-2013	2011-2012	2010-2011
Bartlett	485	504	543	566	557	556	581	604	599	620
Centennial	476	451	494	520	484	458	480	477	484	521
Century Oaks	479	526	519	563	560	548	581	537	532	527
Channing	452	438	463	484	630	625	594	622	655	667
Clinton	433	454	461	481	452	439	458	495	446	425
Coleman	648	675	724	695	555	567	550	572	565	589
Creekside	538	555	581	639	698	655	662	668	572	522
Fox Meadow	512	551	592	616	701	734	764	741	788	823
Garfield	277	300	326	366	419	425	410	432	451	470
Glenbrook	497	493	506	554	536	541	520	513	514	454
Hanover Countryside	393	384	383	423	429	448	461	483	439	418
Harriet Gifford	402	418	437	473	529	541	510	518	511	457
Hawk Hollow	373	365	373	373	359	391	409	454	469	517
Heritage	424	451	463	481	473	498	503	510	535	480
Highland	610	614	636	617	489	515	493	517	532	546
Hillcrest	494	489	495	534	584	648	621	618	606	655
Hilltop	566	596	622	625	665	667	712	719	690	681
Horizon	579	573	621	606	603	531	525	518	531	552
Huff	585	595	636	692	643	660	677	680	659	669
Illinois Park	443	461	476	402	397	463	467	386	413	456
Independence	325	316	280	215	260	290	281	245	344	244
Laurel Hill	472	487	521	566	523	526	501	494	481	518
Liberty	597	617	637	656	682	733	687	516	643	594
Lincoln	469	413	382	426	627	646	649	656	699	691
Lords Park	655	668	741	773	694	761	733	688	724	743
Lowrie	385	392	401	391	385	400	407	401	404	423
Mckinley	368	389	395	397	386	404	414	436	435	407
Nature Ridge	599	596	641	652	686	706	695	706	732	775
Oakhill	437	424	431	441	478	480	477	526	551	590
Ontarioville	528	553	536	569	587	638	625	621	638	590
Otter Creek	676	677	697	698	730	806	731	671	668	627
Parkwood	353	375	364	414	421	435	427	471	410	459
Prairieview	332	344	335	353	383	407	400	389	397	450
Ridge Circle	475	523	526	543	506	518	513	521	495	514
Sheridan/Ronald O'Neal	529	546	549	534	557	566	528	515	497	487
Spring Trail	341	347	362	358	368	364	385	433	445	459
Sunnydale	380	383	395	394	404	393	381	348	385	423
Sycamore Trail	664	686	656	634	604	591	583	548	532	531
Timber Trails	413	468	484	493	511	556	586	596	580	533
Washington	391	396	404	405	411	438	481	436	437	467
Wayne	350	370	334	363	375	416	447	451	473	566
Willard	293	319	323	335	335	370	376	374	387	383
One HOPE United	80	62	82	73	N/A	N/A	N/A	N/A	N/A	N/A
Woodland Heights	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	330
More at 4	95	95	93	82	N/A	N/A	N/A	N/A	N/A	N/A
Abbott	666	689	684	612	489	498	539	474	487	548
Canton	505	496	537	597	638	658	646	634	736	732
Eastview	785	823	842	835	838	922	923	912	971	1,009
Ellis	755	719	691	705	627	600	634	661	645	596
Kenyon Woods	962	968	1,041	1,074	1,002	959	1,039	1,072	1,009	1,056
Kimball	626	612	570	592	621	642	682	675	671	623
Larsen	654	634	680	709	684	709	718	693	666	647
Tefft	911	921	964	871	820	831	853	815	821	761
Bartlett High School	2,410	2,418	2,426	2,495	2,548	2,590	2,610	2,653	2,664	2,671
Central School Programs	125	103	101	167	107	109	132	341	95	144
Elgin High School	2,601	2,609	2,593	2,581	2,550	2,478	2,453	2,443	2,378	2,373
Dream Academy/Gifford HS	191	171	131	124	157	150	140	179	153	152
Larkin High School	2,062	2,052	2,084	2,090	2,109	1,950	1,962	1,942	1,995	2,148
Phoenix	37	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
South Elgin High School	2,736	2,674	2,682	2,738	2,770	2,791	2,745	2,675	2,682	2,569
Streamwood High School	1,829	1,942	1,958	1,990	2,016	1,982	2,026	2,072	2,081	2,270
Total Enrollment	37,728	38,170	38,904	39,655	39,652	40,223	40,387	40,347	40,402	41,152

Source: District records

Notes:

Enrollment based on enrollment as of 10/01/19

Elementary totals include Pre-K students

N/A: Not Applicable

School District U-46

District Facility Information June 30, 2020

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	2013	55,531
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	2016	67,746
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	2016	61,726
Kimball	1959	2002	124,531
Laurel Hill	1962	2016	44,473
Streamwood Elementary	1962	1998	33,868
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	47,036
Parkwood	1971	1999	51,216

(Continued)

School District U-46

District Facility Information (Continued)

June 30, 2020

Building	Year Built	Year of Most Recent Addition	Square Footage
<i>Schools (Continued):</i>			
Elgin High School	1972	2003	365,242
Sheridan/Ronald O'Neal	1973	1999	46,832
Heritage	1976	1999	47,185
Independence	1976	1998	32,150
Canton	1976		126,942
Herizon	1977	2002	63,828
Lords Park	1977	1998	61,823
Streamwood High School	1978	2002	311,063
Centennial	1991	2001	75,404
Prairieview	1992	2001	74,101
Sycamore Trails	1992	2001	74,295
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		63,656
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
Center House	1955		1,490
1150 Bowes Rd	1997		40,000
Observatory	1910		3,590
Transportation	N/A		31,130
Plant operation	2001		30,000
1019 E Chicago Street	1965	2002	95,512
Warehouse	2002		29,500
955 E. Chicago Street	1983		17,191
967 E. Chicago Street	1984		14,450
Total			<u><u>5,738,412</u></u>

Source: District records

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
2020	\$ 586,575,765	\$ 97,843,283	\$ 488,732,482	34,597	\$ 14,126
2019	539,087,912	75,519,913	463,567,999	34,844	13,304
2018	513,582,969	71,012,679	442,570,290	34,963	12,658
2017	498,153,015	70,293,040	427,859,975	35,816	11,946
2016	493,979,652	73,577,129	420,402,523	34,759	12,095
2015	474,895,225	75,458,737	399,436,488	35,026	11,404
2014	454,035,207	75,412,143	378,623,064	35,779	10,582
2013	449,100,191	85,496,629	363,603,562	35,995	10,102
2012	429,938,191	82,315,321	347,622,870	35,983	9,661
2011	453,476,875	101,996,241	351,480,634	36,668	9,247

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.

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