

Due to ROE on October 15th  
Due to ISBE on November 15th  
SD/JA14

☒ School District  
Joint Agreement

ILLINOIS STATE BOARD OF EDUCATION  
School Business Services Division  
100 North First Street, Springfield, Illinois 62777-0001  
217/785-8779

Illinois School District/Joint Agreement  
Annual Financial Report \*  
June 30, 2014

### School District/Joint Agreement Information

(See instructions on inside of this page.)

School District/Joint Agreement Number:

31-045-0460-22

County Name:

Kane

Name of School District/Joint Agreement:

SD U-46

Address:

355 E. Chicago Street

City:

Elgin, IL

Email Address:

Zip Code:

60120-6543

### Annual Financial Report

Type of Auditor's Report Issued:

☐ Qualified

☐ Adverse

☐ Disclaimer

☒ Unqualified

Reviewed by District Superintendent/Administrator

District Superintendent/Administrator Name (Type or Print):

Jeff King - Chief Operating Officer

Email Address:

jeffking@u-46.org

Telephone:

847-988-5000

Fax Number:

847-609-2777

Signature & Date:

 12/15/14

\* This form is based on 23 Illinois Administrative Code 100, Subtitle A, Chapter 1, Subchapter C (Part 100).

ISBE Form SD50-35/JA50-60 (05/14)

### Accounting Basis:

CASH

☒ ACCRUAL

### Certified Public Accountant Information

Name of Auditing Firm:

McGladrey, LLP

Name of Audit Manager:

John George

Address:

One South Wacker Dr, Ste 800

City:

Chicago

State:

IL

Zip Code:

60606

Phone Number:

312-634-3400

Fax Number:

312-634-4505

IL License Number:

066-003346

Expiration Date:

11/30/2015

Email Address:

john.george@mcgladrey.com

### A-133 Single Audit Status:

☒ YES ☐ NO Are Federal expenditures greater than \$500,000?

☒ YES ☐ NO Is all A-133 Single Audit information completed and attached?

☒ YES ☐ NO Were any financial statement or federal awards findings issued?

Reviewed by Township Treasurer (Cook County only)

Name of Township:

Township Treasurer Name (type or print)

Email Address:

Telephone:

Fax Number:

Signature & Date:

Reviewed by Regional Superintendent/Cook ISC

Regional Superintendent/Cook ISC Name (Type or Print):

Email Address:

Telephone:

Fax Number:

Signature & Date:

This form is based on 23 Illinois Administrative Code, Subtitle A, Chapter 1, Subchapter C, Part 100.  
In some instances, use of open account codes (calls) may not be authorized by statute or administrative rule.  
Each school district or joint agreement is responsible for obtaining the concurring legal opinion and/or other supporting authorization/documentation, as necessary, to use the applicable account code (cell).

## TABLE OF CONTENTS

	TAB Name	AFR Page No.
Auditor's Questionnaire.....	Aud Quest	<u>2</u>
Comments Applicable to the Auditor's Questionnaire.....	Aud Quest	<u>2</u>
Financial Profile Information .....	FP Info	<u>3</u>
Estimated Financial Profile Summary.....	Financial Profile	<u>4</u>
<b>Basic Financial Statements</b>		
Statement of Assets and Liabilities Arising from Cash Transactions/Statement of Position .....	Assets-Liab	<u>5 - 6</u>
Statement of Revenues Received/Revenues, Expenditures Disbursed/Expenditures, Other Sources (Uses) and Changes in Fund Balances (All Funds).....	Acct Summary	<u>7 - 8</u>
Statements of Revenues Received/Revenues (All Funds).....	Revenues	<u>9 - 14</u>
Statements of Expenditures Disbursed/Expenditures Budget to Actual (All Funds).....	Expenditures	<u>15 - 22</u>
<b>Supplementary Schedules</b>		
Federal Stimulus - American Recovery and Reinvestment Act (ARRA) Schedule.....	ARRA Sched	<u>23</u>
Schedule of Ad Valorem Tax Receipts.....	Tax Sched	<u>24</u>
Schedule of Short-Term Debt/Long-Term Debt .....	Short-Term Long-Term Debt	<u>25</u>
Schedule of Restricted Local Tax Levies and Selected Revenue Sources/ Schedule of Tort Immunity Expenditures .....	Rest Tax Levies-Tort Im	<u>26</u>
<b>Statistical Section</b>		
Schedule of Capital Outlay and Depreciation.....	Cap Outlay Deprec	<u>27</u>
Estimated Operating Expenditures Per Pupil and Per Capita Tuition Charge Computation.....	PCTC-OEPP	<u>28 - 29</u>
Estimated Indirect Cost Rate for Federal Programs (Section I, Section II).....	ICR Computation	<u>30</u>
Report on Shared Services or Outsourcing .....	Shared Outsourced Serv.	<u>31</u>
Administrative Cost Worksheet.....	AC	<u>32</u>
Itemization Schedule.....	ITEMIZATION	<u>33</u>
Reference Page.....	REF	<u>34</u>
Notes, Opinion Letters, etc.....	Opinion-Notes	<u>35</u>
Deficit Reduction Calculation.....	Deficit AFR Sum Calc	<u>36</u>
Audit Checklist/Balancing Schedule.....	AUDITCHECK	<u>-</u>
<b>A-133 Single Audit Section</b>		
Annual Federal Compliance Report.....	A-133 Cover - CAP	<u>37 - 46</u>

## INSTRUCTIONS/REQUIREMENTS: For School Districts/Joint Agreements

All School Districts/Joint Agreements must complete this form (Note: joint agreement supplementary/statistical schedules may not be applicable)

**Round all amounts to the nearest dollar. Do not enter cents.** (Exception: 9 Month ADA on page 28, line 78)

This form complies with **Part 100 (Requirements for Accounting, Budgeting, Financial Reporting, and Auditing)**.

23, Illinois Administrative Code 100, Subtitle A, Chapter I, Subchapter C (Part 100)

Any errors left unresolved by the **Audit Checklist/Balancing Schedule** must be explained in the itemization page.

### Submit AFR Electronically

- \* The Annual Financial Reports (AFR) must be submitted directly through the Attachment Manager to the AFR Group by the Auditor or School District designated personnel (Please see Instructions for complete submission procedures).

[Attachment Manager Link](#)

**Note:** CD/Disk no longer accepted.

- \* AFR supporting documentation must be embedded as Microsoft Word (.doc), Word Perfect (\*.wpd) or Adobe (\*.pdf) and inserted within tab "Opinions & Notes". These documents include: The Audit, Management letter, Opinion letters, Compliance letters, Financial notes etc.... For embedding instructions see "Opinions & Notes" tab of this form.

**Note:** Adobe Acrobat (\*.pdf) files cannot be embedded if you do not have the software. Simply attach files as separate docs in the Attachment Manager and they will be embedded for you.

### Submit Paper Copy of AFR with Signatures

- 1) The auditor must send three **paper** copies of the AFR form (cover through page 8 at minimum) to the School District with the auditor signature.  
**Note:** School Districts and Regional Superintendents may prefer a complete paper copy in lieu of an electronic file. Please comply with their requests as necessary.
  - 2) Upon receipt, the School District retains one copy for their records, signs, and forwards the remaining two copies to the Regional Superintendent's office no later than October 15, annually.
  - 3) Upon receipt, the Regional Superintendent's office retains one copy for their records, signs, and forwards the remaining paper copy to ISBE no later than November 15, annually.
- \* Yellow Book, CPE, and Peer Review requirements must be met if the Auditor issues an opinion stating "Governmental Auditing Standards" were utilized.  
[Single Audit Act A-133](#)

### Qualifications of Auditing Firm

- \* School District/Joint Agreement entities must verify the qualifications of the auditing firm by requesting the most current peer review report and the corresponding acceptance letter from the approved peer review program, for the current peer review period.
- \* A school district/joint agreement who engages with an auditing firm who is not licensed and qualified will be required to complete a new audit by a qualified auditing firm at the school district's/joint agreement's expense.

## AUDITOR'S QUESTIONNAIRE

**INSTRUCTIONS:** If your review and testing of State, Local, and Federal Programs revealed any of the following statements to be true, then check the box on the left, and attach the appropriate findings/comments.

### PART A - FINDINGS

- ☐ 1. One or more school board members, administrators, certified school business officials, or other qualifying district employees failed to file economic interest statements pursuant to the *Illinois Government Ethics Act*. [5 ILCS 420/4A-101]
- ☐ 2. One or more custodians of funds failed to comply with the bonding requirements pursuant to *Sections 8-2, 10-20.19 or 19-6 of the School Code*. [105 ILCS 5/8-2; 10-20.19; 19-6]
- ☐ 3. One or more contracts were executed or purchases made contrary to the provisions of *Section 10-20.21 of the School Code*. [105 ILCS 5/10-20.21]
- ☐ 4. One or more violations of the Public Funds Deposit Act or the Public Funds Investment Act were noted [30 ILCS 225/1 et. seq. and 30 ILCS 235/1 et. seq.]
- ☐ 5. Restricted funds were commingled in the accounting records or used for other than the purpose for which they were restricted
- ☐ 6. One or more short-term loans or short-term debt instruments were executed in non-conformity with the applicable authorizing statute or without statutory authority
- ☐ 7. One or more long-term loans or long-term debt instruments were executed in non-conformity with the applicable authorizing statute or without statutory authority.
- ☐ 8. Corporate Personal Property Replacement Tax monies were deposited and/or used without first satisfying the lien imposed pursuant to the *State Revenue Sharing Act*. [30 ILCS 115/12]
- ☐ 9. One or more interfund loans were made in non-conformity with the applicable authorizing statute or without statutory authorization.
- ☐ 10. One or more interfund loans were outstanding beyond the term provided by statute.
- ☐ 11. One or more permanent transfers were made in non-conformity with the applicable authorizing statute/regulation or without statutory/regulatory authorization
- ☐ 12. Substantial, or systematic misclassification of budgetary items such as, but not limited to, revenues, receipts, expenditures, disbursements or expenses were observed.
- ☐ 13. The Chart of Accounts used to define and control budget and accounting records does not conform to the minimum requirements imposed by ISBE rules pursuant to *Sections 2-3.27 and 2-3.28 of the School Code*. [105 ILCS 5/2-3.27; 2-3.28]

### PART B - FINANCIAL DIFFICULTIES/CERTIFICATION Criteria pursuant to Section 1A-8 of the School Code [105 ILCS 5/1A-8]

- ☐ 14. The district has issued tax anticipation warrants or tax anticipation notes in anticipation of a second year's taxes when warrants or notes in anticipation of current year taxes are still outstanding, as authorized by *Sections 17-16 or 34-23 thru 34-27 of the School Code*. [105 ILCS 5/17-16 or 34-23 thru 34-27]
- ☐ 15. The district has issued short-term debt against two future revenue sources, such as, but not limited to, tax anticipation warrants and General State Aid certificates or tax anticipation warrants and revenue anticipation notes.
- ☐ 16. The district has issued school or teacher orders for wages as permitted in *Sections 8-16, 32-7.2 and 34-76 of the School Code* or issued funding bonds for this purpose pursuant to *Section 19-8 of the School Code*. [105 ILCS 5/8-6, 32-7.2, 34-76, and 19-8]
- ☐ 17. The district has for two consecutive years shown an excess of expenditures/other uses over revenues/other sources and beginning fund balances on its annual financial report for the aggregate totals of the Educational, Operations & Maintenance, Transportation, and Working Cash Funds

### PART C - OTHER ISSUES

- ☐ 18. Student Activity Funds, Imprest Funds, or other funds maintained by the district were excluded from the audit
- ☒ 19. Findings, other than those listed in Part A (above), were reported (e.g. student activity fund findings)
- ☐ 20. Federal Stimulus Funds were not maintained and expended in accordance with the American Recovery and Reinvestment Act (ARRA) of 2009. If checked, an explanation must be provided.
- ☒ 21. Check this box if the district is subject to the Property Tax Extension Limitation Law. Effective Date: 10/01/1991
- ☐ 22. If the type of Auditor Report designated on the cover page is other than an unqualified opinion and is due to reason(s) other than solely Cash Basis Accounting, please check and explain the reason(s) in the box below.

2014-001 - Unaccrued Liabilities, significant deficiency over financial reporting  
2014-002 - Monitoring and updating employee files, significant deficiency over financial reporting

**PART D - EXPLANATION OF ACCOUNTING PRACTICES FOR LATE MANDATED CATEGORICAL PAYMENTS**

(For School Districts who report on an Accrual/Modified Accrual Accounting Basis only)

School districts that report on the accrual/modified accrual basis of accounting must identify where late mandated categorical payments (Acct Codes 3100, 3105, 3110, 3500, and 3510) are recorded. Depending on the accounting procedure these amounts will be used to adjust the Direct Receipts/Revenues in calculation 1 and 2 of the Financial Profile Score. In FY2014, identify those late payments recorded as Intergovernmental Receivables, Other Receivables, or Deferred Revenue & Other Current Liabilities or Direct Receipts/Revenue. Payments should only be listed once.

23. Enter the date that the district used to accrue mandated categorical payments

Date: 08/31/2014

24. For the listed mandated categorical (Revenue Code (3110, 3500, 3510, 3100, 3105) that were vouchered prior to June 30th, but not released until after year end as reported in ISBE FRIS system, enter the amounts that were accrued in the chart below.

Account Name	3110	3500	3510	3100	3105	Total
<b>Deferred Revenues (490)</b>						
Mandated Categoricals Payments (3110, 3500, 3510, 3100, 3105)	0	0	0	0	0	0
<b>Direct Receipts/Revenue</b>						
Mandated Categoricals Payments (3110, 3500, 3510, 3100, 3105)	0	0	0	0	0	0
<b>Total</b>						0

\* Revenue Code (3110-Sp Ed Personnel, 3510-Sp Ed Transportation, 3500-Regular/Vocational Transportation, 3105-Sp Ed Funding for Children Requiring Services, 3100-Sp Ed Private Facilities)

**PART E - QUALIFICATIONS OF AUDITING FIRM**

\* School District/Joint Agreement entities must verify the qualifications of the auditing firm by requesting the most current peer review report and the corresponding acceptance letter from the approved peer review program for the current peer review.

\* A school district/joint agreement who engages with an auditing firm who is not licensed and qualified will be required to complete a new audit by a qualified auditing firm at the school district's/joint agreement's expense.

**Comments Applicable to the Auditor's Questionnaire:**

Name of Audit Firm (print)

The undersigned affirms that this audit was conducted by a qualified auditing firm and in accordance with the applicable standards [23 Illinois Administrative Code Part 100] and the scope of the audit conformed to the requirements of subsection (a) or (b) of 23 Illinois Administrative Code Part 100 Section 110, as applicable.

Signature

December 15, 2014  
mm/dd/yyyy



**INDEPENDENT AUDITOR'S REPORT ON  
THE ANNUAL FINANCIAL REPORT**

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

We have audited the basic financial statements of School District U-46 as of and for the year ended June 30, 2014, and have issued our report thereon, dated December 15, 2014, which contained unmodified opinions on those financial statements. 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 Annual Financial Report, Form ISBE SD50-35/JA50-60, of School District U-46 as of and for the year ended June 30, 2014, has been prepared in the form prescribed by the Illinois State Board of Education, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information 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. The information, except for the financial profile information, estimated financial profile summary, supplementary schedules, statistical section, estimated indirect cost rate for federal programs, report on shared services or outsourcing, administrative cost worksheet and itemization schedule, as listed in the table of contents, which were not audited, and on which we express no opinion, 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 information, except for those portions identified above as not audited, is fairly stated in all material respects in relation to the basic financial statements as a whole.

The answers to questions 1 through 24 contained in the "Auditor's Questionnaire" on page 2 are based solely on the procedures performed and data obtained during our audit of the basic financial statements of School District U-46 as of and for the year ended June 30, 2014.

*McGladrey LLP*

Chicago, Illinois  
December 15, 2014

	A	B	C	D	E	F	G	H	I	J	K	L	M
1	<b>FINANCIAL PROFILE INFORMATION</b>												
2													
3	<i>Required to be completed for School Districts only.</i>												
4													
5	<b>A. Tax Rates</b> (Enter the tax rate - ex: .0150 for \$1.50)												
6													
7	<b>Tax Year 2013</b>				Equalized Assessed Valuation (EAV):		4,109,332,004						
8													
9	Educational		Operations & Maintenance		Transportation		Combined Total		Working Cash				
10	Rate(s):	0.040578	+	0.007378	+	0.002951	=	0.050910	0.000000				
11													
12													
13	<b>B. Results of Operations *</b>												
14													
15	Receipts/Revenues		Disbursements/ Expenditures		Excess/ (Deficiency)		Fund Balance						
16	406,314,943		387,270,124		19,044,819		170,458,840						
17	* The numbers shown are the sum of entries on Pages 7 & 8, lines 8, 17, 20, and 81 for the Educational, Operations & Maintenance, Transportation and Working Cash Funds.												
18													
19													
20	<b>C. Short-Term Debt **</b>												
21	CPPRT Notes		TAWs		TANs		TO/EMP. Orders		GSA Certificates				
22	0		0		0		0		0				
23	Other		Total										
24	0		0										
25	** The numbers shown are the sum of entries on page 25.												
26													
27													
28	<b>D. Long-Term Debt</b>												
29	Check the applicable box for long-term debt allowance by type of district.												
30													
31	a. 6.9% for elementary and high school districts,				567,087,817								
32	X b. 13.8% for unit districts.												
33													
34	Long-Term Debt Outstanding:												
35													
36	c. Long-Term Debt (Principal only)				Acct								
37	Outstanding:.....				511		389,947,386						
38													
39													
40	<b>E. Material Impact on Financial Position</b>												
41	If applicable, check any of the following items that may have a material impact on the entity's financial position during future reporting periods.												
42	Attach sheets as needed explaining each item checked.												
43													
44	Pending Litigation												
45	Material Decrease in EAV												
46	Material Increase/Decrease in Enrollment												
47	Adverse Arbitration Ruling												
48	Passage of Referendum												
49	Taxes Filed Under Protest												
50	Decisions By Local Board of Review or Illinois Property Tax Appeal Board (PTAB)												
51	Other Ongoing Concerns (Describe & Itemize)												
52													
53	Comments:												
54													
55													
56													
57													
58													
59													
60													
61													

A	B	C	D	E	F	G	H	I	K	L	M	N	O	P	Q
1															
2															
3															
4															
5															
6															
7															
8															
9															
10															
11															
12															
13															
14															
15															
16															
17															
18															
19															
20															
21															
22															
23															
24															
25															
26															
27															
28															
29															
30															
31															
32															
33															
34															
35															
36															
37															
38															
39															
40															
41															

# ESTIMATED FINANCIAL PROFILE SUMMARY

(Go to the following website for reference to the Financial Profile)  
[www.isbe.net/sfms/p/profile.htm](http://www.isbe.net/sfms/p/profile.htm)

**District Name:** SD U-46  
**District Code:** 31-045-0460-22  
**County Name:** Kane

<b>1. Fund Balance to Revenue Ratio:</b>															
Total Sum of Fund Balance (P8, Cells C81, D81, F81 & I81)															
Total Sum of Direct Revenues (P7, Cell C8, D8, F8 & I8)															
Less: Operating Debt Pledged to Other Funds (P8, Cell C54 thru D74)															
(Excluding C:D57, C:D61, C:D65, C:D69 and C:D73)															
<b>2. Expenditures to Revenue Ratio:</b>															
Total Sum of Direct Expenditures (P7, Cell C17, D17, F17, I17)															
Total Sum of Direct Revenues (P7, Cell C8, D8, F8, & I8)															
Less: Operating Debt Pledged to Other Funds (P8, Cell C54 thru D74)															
(Excluding C:D57, C:D61, C:D65, C:D69 and C:D73)															
Possible Adjustment:															
<b>3. Days Cash on Hand:</b>															
Total Sum of Cash & Investments (P5, Cell C4, D4, F4, I4 & C5, D5, F5 & I5)															
Total Sum of Direct Expenditures (P7, Cell C17, D17, F17 & I17)															
<b>4. Percent of Short-Term Borrowing Maximum Remaining:</b>															
Tax Anticipation Warrants Borrowed (P25, Cell F6-7 & F11)															
EAV x 85% x Combined Tax Rates (P3, Cell J7 and J10)															
<b>5. Percent of Long-Term Debt Margin Remaining:</b>															
Long-Term Debt Outstanding (P3, Cell H37)															
Total Long-Term Debt Allowed (P3, Cell H31)															
<b>Total Profile Score:</b>															

## Estimated 2015 Financial Profile Designation: RECOGNITION

\* Total Profile Score may change based on data provided on the Financial Profile Information, page 3 and by the timing of mandated categorical payments. Final score will be calculated by ISBE.

**BASIC FINANCIAL STATEMENTS**  
**STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS**  
**STATEMENT OF POSITION AS OF JUNE 30, 2014**

	A	B	C	D	E	F	G	H	I	J	K
			(10)	(20)	(30)	(40)	(50)	(60)	(70)	(80)	(90)
	ASSETS	Acct. #	Educational	Operations & Maintenance	Debt Services	Transportation	Municipal Retirement/Social Security	Capital Projects	Working Cash	Tort	Fire Prevention & Safety
1											
2											
3	<b>CURRENT ASSETS (100)</b>										
4	Cash (Accounts 111 through 115) *										
5	Investments	120	126,552,241	11,744,939	24,440,641	400		4,373,245	51,295,050		10
6	Taxes Receivable	130									
7	Interfund Receivables	140	91,291,675	13,381,309	20,608,522	6,144,038	5,346,609			3,835,248	830,048
8	Intergovernmental Accounts Receivable	150	19,956,998			15,713,950	637,353		40,757,925		
9	Other Receivables	160	948,749	73,529		283,960	17	49,390			
10	Inventory	170	110,873								
11	Prepaid Items	180	679,314								
12	Other Current Assets (Describe & Itemize)	190									
13	<b>Total Current Assets</b>		239,539,850	25,199,777	45,049,163	22,142,348	5,983,979	4,422,635	92,052,975	3,835,248	830,058
14	<b>CAPITAL ASSETS (200)</b>										
15	Works of Art & Historical Treasures	210									
16	Land	220									
17	Building & Building Improvements	230									
18	Site Improvements & Infrastructure	240									
19	Capitalized Equipment	250									
20	Construction in Progress	260									
21	Amount Available in Debt Service Funds	340									
22	Amount to be Provided for Payment on Long-Term Debt	350									
23	<b>Total Capital Assets</b>										
24	<b>CURRENT LIABILITIES (400)</b>										
25	Interfund Payables	410		4,500,000		15,126,243	402,352			20,481,467	247,863
26	Intergovernmental Accounts Payable	420									
27	Other Payables	430	8,169,358	2,183,473		62,415		561,152		1,354,037	640,113
28	Contracts Payable	440									
29	Loans Payable	460									
30	Salaries & Benefits Payable	470	30,784,288	436,717		243,462				8,078	
31	Payroll Deductions & Withholdings	480	1,083,355				561,658				
32	Deferred Revenues & Other Current Liabilities	490	110,377,937	13,566,049	20,893,040	21,942,813	5,459,057			3,888,197	841,507
33	Due to Activity Fund Organizations	493									
34	<b>Total Current Liabilities</b>		150,414,938	20,686,239	20,893,040	37,374,933	6,423,067	561,152	0	25,731,779	1,729,483
35	<b>LONG-TERM LIABILITIES (500)</b>										
36	Long-Term Debt Payable (General Obligation, Revenue, Other)	511									
37	<b>Total Long-Term Liabilities</b>										
38	Reserved Fund Balance	714	790,187	3,330,253	24,156,123			3,861,483	92,052,975	(21,896,531)	(899,425)
39	Unreserved Fund Balance	730	88,334,725	1,183,285		(15,232,585)	(439,088)				
40	Investment in General Fixed Assets										
41	<b>Total Liabilities and Fund Balance</b>		239,539,850	25,199,777	45,049,163	22,142,348	5,983,979	4,422,635	92,052,975	3,835,248	830,058

BASIC FINANCIAL STATEMENTS  
STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS  
STATEMENT OF POSITION AS OF JUNE 30, 2014

A		B	L	M	N
ASSETS		Acct. #	Agency Fund	General Fixed Assets	General Long-Term Debt
1					
2					
3	CURRENT ASSETS (100)				
4	Cash (Accounts 111 through 115) *	120	3,665,884		
5	Investments	130			
6	Taxes Receivable	140			
7	Interfund Receivables	150			
8	Intergovernmental Accounts Receivable	160			
9	Other Receivables	170			
10	Inventory	180			
11	Prepaid Items	190			
12	Other Current Assets (Describe & Itemize)				
13	Total Current Assets		3,665,884		
14	CAPITAL ASSETS (200)				
15	Works of Art & Historical Treasures	210			
16	Land	220		27,687,264	
17	Building & Building Improvements	230		337,982,081	
18	Site Improvements & Infrastructure	240			
19	Capitalized Equipment	250		7,273,360	
20	Construction in Progress	260		2,195,121	
21	Amount Available in Debt Service Funds	340			24,156,123
22	Amount to be Provided for Payment on Long-Term Debt	350			365,791,263
23	Total Capital Assets			375,137,826	389,947,386
24	CURRENT LIABILITIES (400)				
25	Interfund Payables	410			
26	Intergovernmental Accounts Payable	420			
27	Other Payables	430			
28	Contracts Payable	440			
29	Loans Payable	460			
30	Salaries & Benefits Payable	470			
31	Payroll Deductions & Withholdings	480			
32	Deferred Revenues & Other Current Liabilities	490			
33	Due to Activity Fund Organizations	493	3,665,884		
34	Total Current Liabilities		3,665,884		
35	LONG-TERM LIABILITIES (500)				
36	Long-Term Debt Payable (General Obligation, Revenue, Other)	511			389,947,386
37	Total Long-Term Liabilities				389,947,386
38	Reserved Fund Balance	714			
39	Unreserved Fund Balance	730			
40	Investment in General Fixed Assets				
41	Total Liabilities and Fund Balance		3,665,884	375,137,826	389,947,386

## STATEMENT OF REVENUES RECEIVED/REVENUES, EXPENDITURES/DISBURSED/EXPENDITURES, OTHER

## SOURCES (USES) AND CHANGES IN FUND BALANCE

## ALL FUNDS - FOR THE YEAR ENDING JUNE 30, 2014

A	B	C	D	E	F	G	H	I	J
Description	Acct #	(10)	(20)	(30)	(40)	(50)	(60)	(70)	(80)
		Educational	Operations & Maintenance	Debt Services	Transportation	Municipal Retirement/ Social Security	Capital Projects	Working Cash	Total
1									
2									
3									
4									
5									
6									
7									
8									
9									
10									
11									
12									
13									
14									
15									
16									
17									
18									
19									
20									
21									
22									
23									
24									
25									
26									
27									
28									
29									
30									
31									
32									
33									
34									
35									
36									
37									
38									
39									
40									
41									
42									
43									
44									
45									
46									
47									

**STATEMENT OF REVENUES RECEIVED/REVENUES, EXPENDITURES/DISBURSED/EXPENDITURES, OTHER  
SOURCES (USES) AND CHANGES IN FUND BALANCE  
ALL FUNDS - FOR THE YEAR ENDING JUNE 30, 2014**

	A	B	C	D	E	F	G	H	I	J
	Description	Acct #	Educational (10)	Operations & Maintenance (20)	Debt Services (30)	Transportation (40)	Municipal Retirement/ Social Security (50)	Capital Projects (60)	Working Cash (70)	Tort (80)
2										
48	Transfer of Working Cash Fund Interest <sup>12</sup>	8120								
49	Transfer Among Funds	8130	984,604	120,589					235,000	
50	Transfer of Interest	8140								
51	Transfer from Capital Project Fund to O&M Fund	8150								
52	Transfer of Excess Fire Prevention & Safety Tax & Interest Proceeds to O&M Fund <sup>4</sup>	8160								
53	Transfer of Excess Fire Prevention & Safety Bond and Interest Proceeds to Debt Service Fund <sup>5</sup>	8170								
54	Taxes Pledged to Pay Principal on Capital Leases	8410								
55	Grants/Reimbursements Pledged to Pay Principal on Capital Leases	8420								
56	Other Revenues Pledged to Pay Principal on Capital Leases	8430	235,826	125,421						
57	Fund Balance Transfers Pledged to Pay Principal on Capital Leases	8440								
58	Taxes Pledged to Pay Interest on Capital Leases	8510								
59	Grants/Reimbursements Pledged to Pay Interest on Capital Leases	8520								
60	Other Revenues Pledged to Pay Interest on Capital Leases	8530	11,845	14,555						
61	Fund Balance Transfers Pledged to Pay Interest on Capital Leases	8540								
62	Taxes Pledged to Pay Principal on Revenue Bonds	8610								
63	Grants/Reimbursements Pledged to Pay Principal on Revenue Bonds	8620								
64	Other Revenues Pledged to Pay Principal on Revenue Bonds	8630		607,870						
65	Fund Balance Transfers Pledged to Pay Principal on Revenue Bonds	8640								
66	Taxes Pledged to Pay Interest on Revenue Bonds	8710								
67	Grants/Reimbursements Pledged to Pay Interest on Revenue Bonds	8720								
68	Other Revenues Pledged to Pay Interest on Revenue Bonds	8730		32,598						
69	Fund Balance Transfers Pledged to Pay Interest on Revenue Bonds	8740								
70	Taxes Transferred to Pay for Capital Projects	8810								
71	Grants/Reimbursements Pledged to Pay for Capital Projects	8820								
72	Other Revenues Pledged to Pay for Capital Projects	8830								
73	Fund Balance Transfers Pledged to Pay for Capital Projects	8840								
74	Transfer to Debt Service Fund to Pay Principal on ISBE Loans	8910								
75	Other Uses Not Classified Elsewhere	8990								
76	<b>Total Other Uses of Funds</b>		1,232,275 (1,232,275)	901,033 6,208,665	0 1,028,115	0 365,745	0 0	0 0	6,370,250 (6,370,250)	0 0
77	<b>Total Other Sources/Uses of Funds</b>									
78	Excess of Receipts/Revenues and Other Sources of Funds (Over/Under) Expenditures/Disbursements and Other Uses of Funds		18,216,240	5,031,748	419,058	904,983	(164,414)	(1,281,500)	(5,136,287)	(290,735)
79	<b>Fund Balances - July 1, 2013</b>		70,908,672	(518,210)	23,737,065	(16,137,568)	(274,674)	5,142,983	98,189,242	(21,605,796)
80	Other Changes in Fund Balances - Increases (Decreases) (Describe & Itemize)									
81	<b>Fund Balances - June 30, 2014</b>		89,124,912	4,513,538	24,156,123	(15,232,585)	(439,088)	3,861,483	92,052,975	(21,896,531)

BASIC FINANCIAL STATEMENT  
STATEMENT OF REVENUES RECEIVED/REVENUES, EXPENDITURES/DISBURSED/EXPENDITURES, OTHER  
SOURCES (USES) AND CHANGES IN FUND BALANCE  
ALL FUNDS - FOR THE YEAR ENDING JUNE 30, 2014

	A	B	K
	Description	Acct #	(90) Fire Prevention & Safety
1			
2	RECEIPTS/REVENUES		
3	Local Sources	1000	1,580,655
4	Flow-Through Receipts/Revenues from One District to	2000	
5	Another District		
6	State Sources	3000	0
7	Federal Sources	4000	0
8	Total Direct Receipts/Revenues		1,580,655
9	Receipts/Revenues for "On Behalf" Payments <sup>2</sup>	3998	
10	Total Receipts/Revenues		1,580,655
11	DISBURSEMENTS/EXPENDITURES		
12	Instruction	1000	
13	Support Services	2000	1,664,730
14	Community Services	3000	
15	Payments to Other Districts & Governmental Units	4000	0
16	Debt Service	5000	0
17	Total Direct Disbursements/Expenditures		1,664,730
18	Disbursements/Expenditures for "On Behalf" Payments <sup>2</sup>	4180	0
19	Total Disbursements/Expenditures		1,664,730
20	Excess of Direct Receipts/Revenues Over (Under) Direct Disbursements/Expenditures <sup>3</sup>		(84,075)
21	OTHER SOURCES/USES OF FUNDS		
22	OTHER SOURCES OF FUNDS (7000)		
23	PERMANENT TRANSFER FROM VARIOUS FUNDS		
24	Abolishment of the Working Cash Fund <sup>12</sup>	7110	
25	Abatement of the Working Cash Fund <sup>12</sup>	7110	
26	Transfer of Working Cash Fund Interest	7120	
27	Transfer Among Funds	7130	
28	Transfer of Interest	7140	
29	Transfer from Capital Project Fund to O&M Fund	7150	
30	Transfer of Excess Fire Prevention & Safety Tax and Interest Proceeds to O&M Fund <sup>4</sup>	7160	
31	Transfer to Excess Fire Prevention & Safety Bond and Interest Proceeds to Debt Service Fund <sup>5</sup>	7170	
32	SALE OF BONDS (7200)		
33	Principal on Bonds Sold	7210	
34	Premium on Bonds Sold	7220	
35	Accrued Interest on Bonds Sold	7230	
36	Sale or Compensation for Fixed Assets <sup>6</sup>	7300	
37	Transfer to Debt Service to Pay Principal on Capital Leases	7400	
38	Transfer to Debt Service to Pay Interest on Capital Leases	7500	
39	Transfer to Debt Service to Pay Principal on Revenue Bonds	7600	
40	Transfer to Debt Service Fund to Pay Interest on Revenue Bonds	7700	
41	Transfer to Capital Projects Fund	7800	
42	ISBE Loan Proceeds	7900	
43	Other Sources Not Classified Elsewhere	7990	
44	Total Other Sources of Funds		0
45	OTHER USES OF FUNDS (8000)		
46	PERMANENT TRANSFER TO VARIOUS OTHER FUNDS (8100)		
47	Abolishment or Abatement of the Working Cash Fund <sup>12</sup>	8110	

BASIC FINANCIAL STATEMENT  
STATEMENT OF REVENUES RECEIVED/REVENUES, EXPENDITURES/DISBURSED/EXPENDITURES, OTHER  
SOURCES (USES) AND CHANGES IN FUND BALANCE  
ALL FUNDS - FOR THE YEAR ENDING JUNE 30, 2014

	A	B	K
	Description	Acct #	Fire Prevention & Safety (90)
1			
2			
48	Transfer of Working Cash Fund Interest <sup>12</sup>	8120	
49	Transfer Among Funds	8130	
50	Transfer of Interest	8140	
51	Transfer from Capital Project Fund to O&M Fund	8150	
	Transfer of Excess Fire Prevention & Safety Tax & Interest Proceeds to O&M Fund <sup>4</sup>	8160	0
52	Transfer of Excess Fire Prevention & Safety Bond and Interest Proceeds to Debt Service Fund <sup>5</sup>	8170	0
53	Taxes Pledged to Pay Principal on Capital Leases	8410	
54	Grants/Reimbursements Pledged to Pay Principal on Capital Leases	8420	
55	Other Revenues Pledged to Pay Principal on Capital Leases	8430	
56	Fund Balance Transfers Pledged to Pay Principal on Capital Leases	8440	
57	Taxes Pledged to Pay Interest on Capital Leases	8510	
58	Grants/Reimbursements Pledged to Pay Interest on Capital Leases	8520	
59	Other Revenues Pledged to Pay Interest on Capital Leases	8530	
60	Fund Balance Transfers Pledged to Pay Interest on Capital Leases	8540	
61	Taxes Pledged to Pay Principal on Revenue Bonds	8610	
62	Grants/Reimbursements Pledged to Pay Principal on Revenue Bonds	8620	
63	Other Revenues Pledged to Pay Principal on Revenue Bonds	8630	
64	Fund Balance Transfers Pledged to Pay Principal on Revenue Bonds	8640	
65	Taxes Pledged to Pay Interest on Revenue Bonds	8710	
66	Grants/Reimbursements Pledged to Pay Interest on Revenue Bonds	8720	
67	Other Revenues Pledged to Pay Interest on Revenue Bonds	8730	
68	Fund Balance Transfers Pledged to Pay Interest on Revenue Bonds	8740	
69	Taxes Transferred to Pay for Capital Projects	8810	
70	Grants/Reimbursements Pledged to Pay for Capital Projects	8820	
71	Other Revenues Pledged to Pay for Capital Projects	8830	
72	Fund Balance Transfers Pledged to Pay for Capital Projects	8840	
73	Transfer to Debt Service Fund to Pay Principal on ISBE Loans	8910	
74	Other Uses Not Classified Elsewhere	8990	
75	Total Other Uses of Funds		0
76	Total Other Sources/Uses of Funds		0
77	Excess of Receipts/Revenues and Other Sources of Funds (Over/Under) Expenditures/Disbursements and Other Uses of Funds		(84,075)
78	Fund Balances - July 1, 2013		(815,350)
79	Other Changes in Fund Balances - Increases (Decreases) (Describe & Itemize)		
80			
81	Fund Balances - June 30, 2014		(899,425)

**STATEMENT OF REVENUES RECEIVED/REVENUES  
FOR THE YEAR ENDING JUNE 30, 2014**

	A	B	C	D	E	F	G	H	I	J	K
	Description	Acct #	(10)	(20)	(30)	(40)	(50)	(60)	(70)	(80)	(90)
			Educational	Operations & Maintenance	Debt Services	Transportation	Municipal Retirement/Social Security	Capital Projects	Working Cash	Tort	Fire Prevention & Safety
1											
2											
3	<b>RECEIPTS/REVENUES FROM LOCAL SOURCES (1000)</b>										
4	<b>AD VALOREM TAXES LEVIED BY LOCAL EDUCATION AGENCY</b>										
5	Designated Purposes Levies (1110-1120) <sup>7</sup>		167,495,904	24,829,159	43,226,909	11,278,225	5,261,336			7,142,651	1,580,378
6	Leasing Purposes Levy <sup>8</sup>	1130									
7	Special Education Purposes Levy	1140	27,865,817				4,752,066				
8	FICA/Medicare Only Purposes Levies	1150									
9	Area Vocational Construction Purposes Levy	1160									
10	Summer School Purposes Levy	1170									
11	Other Tax Levies (Describe & Itemize)	1190									
12	<b>Total Ad Valorem Taxes Levied By District</b>		195,361,721	24,829,159	43,226,909	11,278,225	10,013,402	0	0	7,142,651	1,580,378
13	<b>PAYMENTS IN LIEU OF TAXES</b>										
14	Mobile Home Privilege Tax	1210									
15	Payments from Local Housing Authorities	1220									
16	Corporate Personal Property Replacement Taxes <sup>9</sup>	1230					3,754,606				
17	Other Payments in Lieu of Taxes (Describe & Itemize)	1290									
18	<b>Total Payments in Lieu of Taxes</b>		0	0	0	0	3,754,606	0	0	0	0
19	<b>TUITION</b>										
20	Regular - Tuition from Pupils or Parents (In State)	1311	2,069,037								
21	Regular - Tuition from Other Districts (In State)	1312									
22	Regular - Tuition from Other Sources (In State)	1313									
23	Regular - Tuition from Other Sources (Out of State)	1314									
24	Summer Sch - Tuition from Pupils or Parents (In State)	1321	325,625								
25	Summer Sch - Tuition from Other Districts (In State)	1322									
26	Summer Sch - Tuition from Other Sources (In State)	1323									
27	Summer Sch - Tuition from Other Sources (Out of State)	1324									
28	CTE - Tuition from Pupils or Parents (In State)	1331									
29	CTE - Tuition from Other Districts (In State)	1332									
30	CTE - Tuition from Other Sources (In State)	1333									
31	CTE - Tuition from Other Sources (Out of State)	1334									
32	Special Ed - Tuition from Pupils or Parents (In State)	1341	40,129								
33	Special Ed - Tuition from Other Districts (In State)	1342									
34	Special Ed - Tuition from Other Sources (In State)	1343									
35	Special Ed - Tuition from Other Sources (Out of State)	1344									
36	Adult - Tuition from Pupils or Parents (In State)	1351									
37	Adult - Tuition from Other Districts (In State)	1352									
38	Adult - Tuition from Other Sources (In State)	1353									
39	Adult - Tuition from Other Sources (Out of State)	1354									
40	<b>Total Tuition</b>		2,434,791								
41	<b>TRANSPORTATION FEES</b>										
42	Regular - Transp Fees from Pupils or Parents (In State)	1411									
43	Regular - Transp Fees from Other Districts (In State)	1412									
44	Regular - Transp Fees from Other Sources (In State)	1413									
45	Regular - Transp Fees from Co-curricular Activities (In State)	1415				1,652,932					
46	Regular Transp Fees from Other Sources (Out of State)	1416									
47	Summer Sch - Transp. Fees from Pupils or Parents (In State)	1421									
48	Summer Sch - Transp. Fees from Other Districts (In State)	1422									
49	Summer Sch - Transp. Fees from Other Sources (In State)	1423									
50	Summer Sch - Transp. Fees from Other Sources (Out of State)	1424									
51	CTE - Transp Fees from Pupils or Parents (In State)	1431									
52	CTE - Transp Fees from Other Districts (In State)	1432									

**STATEMENT OF REVENUES RECEIVED/REVENUES  
FOR THE YEAR ENDING JUNE 30, 2014**

	A	B	C	D	E	F	G	H	I	J	K
	Description	Acct #	(10) Educational	(20) Operations & Maintenance	(30) Debt Services	(40) Transportation	(50) Municipal Retirement/ Social Security	(60) Capital Projects	(70) Working Cash	(80) Tort	(90) Fire Prevention & Safety
1											
2											
53	CTE - Transp Fees from Other Sources (In State)	1433									
54	CTE - Transp Fees from Other Sources (Out of State)	1434									
55	Special Ed - Transp Fees from Pupils or Parents (In State)	1441									
56	Special Ed - Transp Fees from Other Districts (In State)	1442									
57	Special Ed - Transp Fees from Other Sources (In State)	1443									
58	Special Ed - Transp Fees from Other Sources (Out of State)	1444									
59	Adult - Transp Fees from Pupils or Parents (In State)	1451									
60	Adult - Transp Fees from Other Districts (In State)	1452									
61	Adult - Transp Fees from Other Sources (In State)	1453									
62	Adult - Transp Fees from Other Sources (Out of State)	1454									
63	<b>Total Transportation Fees</b>					1,652,932					
64	<b>EARNINGS ON INVESTMENTS</b>										
65	Interest on Investments	1510	3,608	400	700	171	159	1,031	233,983	94	277
66	Gain or Loss on Sale of Investments	1520									
67	<b>Total Earnings on Investments</b>		3,608	400	700	171	159	1,031	233,983	94	277
68	<b>FOOD SERVICE</b>										
69	Sales to Pupils - Lunch	1611	3,837,841								
70	Sales to Pupils - Breakfast	1612									
71	Sales to Pupils - A la Carte	1613									
72	Sales to Pupils - Other (Describe & Itemize)	1614									
73	Sales to Adults	1620									
74	Other Food Service (Describe & Itemize)	1690									
75	<b>Total Food Service</b>		3,837,841								
76	<b>DISTRICT/SCHOOL ACTIVITY INCOME</b>										
77	Admissions - Athletic	1711	122,076								
78	Admissions - Other (Describe & Itemize)	1719	67,214								
79	Fees	1720									
80	Book Store Sales	1730									
81	Other District/School Activity Revenue (Describe & Itemize)	1790									
82	<b>Total District/School Activity Income</b>		189,290	0							
83	<b>TEXTBOOK INCOME</b>										
84	Rentals - Regular Textbooks	1811	2,850,555								
85	Rentals - Summer School Textbooks	1812									
86	Rentals - Adult/Continuing Education Textbooks	1813									
87	Rentals - Other (Describe & Itemize)	1819									
88	Sales - Regular Textbooks	1821	19,909								
89	Sales - Summer School Textbooks	1822									
90	Sales - Adult/Continuing Education Textbooks	1823									
91	Sales - Other (Describe & Itemize)	1829									
92	Other (Describe & Itemize)	1890									
93	<b>Total Textbook Income</b>		2,870,464								
94	<b>OTHER REVENUE FROM LOCAL SOURCES</b>										
95	Rentals	1910	1,761	1,059,272				452,706			
96	Contributions and Donations from Private Sources	1920	124,103								
97	Impact Fees from Municipal or County Governments	1930									
98	Services Provided Other Districts	1940									
99	Refund of Prior Years' Expenditures	1950		633,072							
100	Payments of Surplus Moneys from TIF Districts	1960	44,712								
101	Drivers' Education Fees	1970	68,593								
102	Proceeds from Vendors' Contracts	1980									
103	School Facility Occupation Tax Proceeds	1983									

**STATEMENT OF REVENUES RECEIVED/REVENUES  
FOR THE YEAR ENDING JUNE 30, 2014**

	A	B	C	D	E	F	G	H	I	J	K
	Description	Acct #	(10) Educational	(20) Operations & Maintenance	(30) Debt Services	(40) Transportation	(50) Municipal Retirement/ Social Security	(60) Capital Projects	(70) Working Cash	(80) Tot	(90) Fire Prevention & Safety
1											
2											
104	Payment from Other Districts	1991									
105	Sale of Vocational Projects	1992									
106	Other Local Fees (Describe & Itemize)	1993		9,126							
107	Other Local Revenues (Describe & Itemize)	1999	429,947	25							
108	Total Other Revenue from Local Sources		669,116	1,701,495	0	0	0	452,706	0	0	0
109	Total Receipts/Revenues from Local Sources	1000	205,366,831	26,531,054	43,227,609	12,831,328	13,768,167	453,737	233,983	7,142,745	1,580,655
	<b>FLOW-THROUGH RECEIPTS/REVENUES FROM ONE DISTRICT TO ANOTHER DISTRICT (2000)</b>										
110											
111	Flow-through Revenue from State Sources	2100									
112	Flow-through Revenue from Federal Sources	2200									
113	Other Flow-Through (Describe & Itemize)	2300									
114	Total Flow-Through Receipts/Revenues from One District to Another District	2000	0	0	0	0	0				
115	<b>RECEIPTS/REVENUES FROM STATE SOURCES (3000)</b>										
116	<b>UNRESTRICTED GRANTS-IN-AID</b>										
117	General State Aid - Sec. 18-3.05	3001	87,705,198	1,176,052						1,562,356	
118	General State Aid - Hold Harmless/Supplemental	3002									
119	Reorganization Incentives (Accounts 3005-3021)	3005									
120	Other Unrestricted Grants-In-Aid from State Sources (Describe & Itemize)	3099									
121	Total Unrestricted Grants-In-Aid		87,705,198	1,176,052	0	0	0	0	0	1,562,356	0
122	<b>RESTRICTED GRANTS-IN-AID</b>										
123	<b>SPECIAL EDUCATION</b>										
124	Special Education - Private Facility Tuition	3100	2,750,817								
125	Special Education - Extraordinary	3105	5,289,844								
126	Special Education - Personnel	3110	5,825,843								
127	Special Education - Orphanage - Individual	3120	2,293,707								
128	Special Education - Orphanage - Summer	3130	263,141								
129	Special Education - Summer School	3145	52,351								
130	Special Education - Other (Describe & Itemize)	3199									
131	Total Special Education		16,475,703	0	0	0					
132	<b>CAREER AND TECHNICAL EDUCATION (CTE)</b>										
133	CTE - Technical Education - Tech Prep	3200									
134	CTE - Secondary Program Improvement (CTEI)	3220	350,026								
135	CTE - WECEP	3225									
136	CTE - Agriculture Education	3235									
137	CTE - Instructor Practicum	3240									
138	CTE - Student Organizations	3270									
139	CTE - Other (Describe & Itemize)	3299									
140	Total Career and Technical Education		350,026	0							
141	<b>BILINGUAL EDUCATION</b>										
142	Bilingual Ed - Downstate - TPI and TBE	3305	3,697,408								
143	Bilingual Education Downstate - Transitional Bilingual Education	3310									
144	Total Bilingual Ed		3,697,408								
145	State Free Lunch & Breakfast	3360	234,425								
146	School Breakfast Initiative	3365									
147	Driver Education	3370	168,798								
148	Adult Ed (from ICCB)	3410									
149	Adult Ed - Other (Describe & Itemize)	3499									

STATEMENT OF REVENUES RECEIVED/REVENUES  
FOR THE YEAR ENDING JUNE 30, 2014

	A	B	C	D	E	F	G	H	I	J	K
	Description	Acct #	(10) Educational	(20) Operations & Maintenance	(30) Debt Services	(40) Transportation	(50) Municipal Retirement/ Social Security	(60) Capital Projects	(70) Working Cash	(80) Tort	(90) Fire Prevention & Safety
1											
2											
150	TRANSPORTATION										
151	Transportation - Regular/Vocational	3500				6,368,509					
152	Transportation - Special Education	3510				6,423,203					
153	Transportation - Other (Describe & Itemize)	3599									
154	Total Transportation		0	0	0	12,791,712	0				
155	Learning Improvement - Change Grants	3610									
156	Scientific Literacy	3660									
157	Tuuant Alternative/Optional Education	3695									
158	Early Childhood - Block Grant	3705	3,856,323								
159	Reading Improvement Block Grant	3715									
160	Reading Improvement Block Grant - Reading Recovery	3720									
161	Continued Reading Improvement Block Grant	3725									
162	Continued Reading Improvement Block Grant (2% Set Aside)	3726									
163	Chicago General Education Block Grant	3766									
164	Chicago Educational Services Block Grant	3767									
165	School Safety & Educational Improvement Block Grant	3775									
166	Technology - Learning Technology Centers	3780									
167	State Charter Schools	3815									
168	Extended Learning Opportunities - Summer Bridges	3825									
169	Infrastructure Improvements - Planning/Construction	3920									
170	School Infrastructure - Maintenance Projects	3925									
171	Other Restricted Revenue from State Sources (Describe & Itemize)	3999	207,121	157,379	0	18,962	0	0	0	0	0
172	Total Restricted Grants-In-Aid		24,989,804	157,379	0	12,810,674	0	0	0	1,562,356	0
173	Total Receipts from State Sources	3000	112,695,002	1,333,431	0	12,810,674	0	0	0	0	0
174	RECEIPTS/REVENUES FROM FEDERAL SOURCES (4000)										
175	UNRESTRICTED GRANTS-IN-AID RECEIVED DIRECTLY FROM FEDERAL GOVT										
176	Federal Impact Aid	4001									
177	Other Unrestricted Grants-In-Aid Received Directly from the Fed Govt (Describe & Itemize)	4009									
178	Total Unrestricted Grants-In-Aid Received Directly from the Federal Govt		0	0	0	0	0	0	0	0	0
179	RESTRICTED GRANTS-IN-AID RECEIVED DIRECTLY FROM FEDERAL GOVT										
180	Head Start	4045									
181	Construction (Impact Aid)	4050									
182	MAGNET	4060									
183	Other Restricted Grants-In-Aid Received Directly from the Federal Govt (Describe & Itemize)	4090									
184	Total Restricted Grants-In-Aid Received Directly from Federal Govt		0	0	0	0	0	0	0	0	0
185	RESTRICTED GRANTS-IN-AID RECEIVED FROM FEDERAL GOVT THRU THE STATE										
186	TITLE V										
187	Title V - Innovation and Flexibility Formula	4100									
188	Title V - District Projects	4105									
189	Title V - Rural & Low Income Schools	4107									
190	Title V - Other (Describe & Itemize)	4199									
191	Total Title V		0	0	0	0	0	0	0	0	0
192	FOOD SERVICE										
193	Breakfast Start-Up	4200									
194	National School Lunch Program	4210	9,426,124								
195	Special Milk Program	4215									

**STATEMENT OF REVENUES RECEIVED/REVENUES  
FOR THE YEAR ENDING JUNE 30, 2014**

	A	B	C	D	E	F	G	H	I	J	K
	Description	Acct #	(10) Educational	(20) Operations & Maintenance	(30) Debt Services	(40) Transportation	(50) Municipal Retirement/ Social Security	(60) Capital Projects	(70) Working Cash	(80) Tort	(90) Fire Prevention & Safety
1											
2											
196	School Breakfast Program	4220	2,955,539								
197	Summer Food Service Admin/Program	4225									
198	Child & Adult Care Food Program	4226									
199	Fresh Fruits & Vegetables	4240									
200	Food Service - Other (Describe & Itemize)	4299					0				
201	<b>Total Food Service</b>		12,381,663								
202	<b>TITLE I</b>										
203	Title I - Low Income	4300	8,731,638								
204	Title I - Low Income - Neglected, Private	4305	7,944								
205	Title I - Comprehensive School Reform	4332									
206	Title I - Reading First	4334									
207	Title I - Even Start	4335									
208	Title I - Reading First SEA Funds	4337									
209	Title I - Migrant Education	4340									
210	Title I - Other (Describe & Itemize)	4399		0							
211	<b>Total Title I</b>		8,739,582	0							
212	<b>TITLE IV</b>										
213	Title IV - Safe & Drug Free Schools - Formula	4400									
214	Title IV - 21st Century	4421	850,412								
215	Title IV - Other (Describe & Itemize)	4499		0							
216	<b>Total Title IV</b>		850,412	0							
217	<b>FEDERAL - SPECIAL EDUCATION</b>										
218	Fed - Spec Education - Preschool Flow-Through	4600	152,633								
219	Fed - Spec Education - Preschool Discretionary	4605									
220	Fed - Spec Education - IDEA - Flow Through/Low Incidence	4620	7,372,799								
221	Fed - Spec Education - IDEA - Room & Board	4625	283,323								
222	Fed - Spec Education - IDEA - Discretionary	4630									
223	Fed - Spec Education - IDEA - Other (Describe & Itemize)	4699		0							
224	<b>Total Federal - Special Education</b>		7,818,755	0							
225	<b>CTE - PERKINS</b>										
226	CTE - Perkins - Title III E - Tech Prep	4770									
227	CTE - Other (Describe & Itemize)	4799	393,221								
228	<b>Total CTE - Perkins</b>		393,221	0							
229	Federal - Adult Education	4810									
230	ARRA - General State Aid - Education Stabilization	4850									
231	ARRA - Title I - Low Income	4851									
232	ARRA - Title I - Neglected, Private	4852									
233	ARRA - Title I - Delinquent, Private	4853									
234	ARRA - Title I - School Improvement (Part A)	4854									
235	ARRA - Title I - School Improvement (Section 1003g)	4855									
236	ARRA - IDEA - Part B - Preschool	4856									
237	ARRA - IDEA - Part B - Flow-Through	4857									
238	ARRA - Title IID - Technology Formula	4860									
239	ARRA - Title IID - Technology-Competitive	4861									
240	ARRA - McKinney - Vento Homeless Education	4862									
241	ARRA - Child Nutrition Equipment Assistance	4863									
242	Impact Aid Formula Grants	4864									
243	Impact Aid Competitive Grants	4865									
244	Qualified Zone Academy Bond Tax Credits	4866									
245	Qualified School Construction Bond Credits	4867									
246	Build America Bond Tax Credits	4868									
247	Build America Bond Interest Reimbursement	4869									

**STATEMENT OF REVENUES RECEIVED/REVENUES  
FOR THE YEAR ENDING JUNE 30, 2014**

	A	B	C	D	E	F	G	H	I	J	K
	Description	Acct #	(10) Educational	(20) Operations & Maintenance	(30) Debt Services	(40) Transportation	(50) Municipal Retirement/ Social Security	(60) Capital Projects	(70) Working Cash	(80) Tort	(90) Fire Prevention & Safety
1											
2											
248	ARRA - General State Aid - Other Govt Services Stabilization	4870									
249	Other ARRA Funds - II	4871									
250	Other ARRA Funds - III	4872									
251	Other ARRA Funds - IV	4873									
252	Other ARRA Funds - V	4874									
253	ARRA - Early Childhood	4875									
254	Other ARRA Funds VII	4876									
255	Other ARRA Funds VIII	4877									
256	Other ARRA Funds IX	4878									
257	Other ARRA Funds X	4879									
258	Other ARRA Funds XI	4880									
259	<b>Total Stimulus Programs</b>		0	0	0	0	0	0	0	0	0
260	Race to the Top Program	4901									
261	Advanced Placement Fee/International Baccalaureate	4904									
262	Emergency Immigrant Assistance	4905									
263	Title III - English Language Acquisition	4909	1,050,689								
264	Learn & Serve America	4910									
265	McKinney Education for Homeless Children	4920									
266	Title II - Eisenhower Professional Development Formula	4930	1,212,859								
267	Title II - Teacher Quality	4932									
268	Federal Charter Schools	4980									
269	Medicaid Matching Funds - Administrative Outreach	4991	734,447								
270	Medicaid Matching Funds - Fee-for-Service Program	4992	844,656								
271	Other Restricted Revenue from Federal Sources (Describe & Itemize)	4998	386,356								
272	<b>Total Restricted Grants-In-Aid Received from the Federal Govt Thru the State</b>		34,412,640	0	0	0	0	0	0	0	0
273	<b>Total Receipts/Revenues from Federal Sources</b>	4000	34,412,640	0	0	0	0	0	0	0	0
274	<b>Total Direct Receipts/Revenues</b>		352,474,473	27,864,485	43,227,609	25,742,002	13,768,167	453,737	233,983	8,705,101	1,580,655

**STATEMENT OF EXPENDITURES DISBURSED/EXPENDITURES, BUDGET TO ACTUAL  
FOR THE YEAR ENDING JUNE 30, 2014**

	A	B	C	D	E	F	G	H	I	J	K	L
	Description	Funct #	(100) Salaries	(200) Employee Benefits	(300) Purchased Services	(400) Supplies & Materials	(500) Capital Outlay	(600) Other Objects	(700) Non-Capitalized Equipment	(800) Termination Benefits	(900) Total	Budget
1												
2												
3	<b>10 - EDUCATIONAL FUND (ED)</b>											
4	<b>INSTRUCTION (ED)</b>											
5	Regular Programs	1100	92,889,042	29,151,244	1,145,631	4,033,835	848,816	313,730			128,382,298	139,079,712
6	Tuition Payment to Charter Schools	1115									0	0
7	Pre-K Programs	1125	2,696,837	932,943	327,646	22,599	1,837				3,981,862	3,876,355
8	Special Education Programs (Functions 1200-1220)	1200	14,336,221	5,630,993	675,381	187,372			13,505		20,843,472	34,552,235
9	Special Education Programs Pre-K	1225	11,135,599	3,792,109	15,580	16,779					14,960,067	2,168,609
10	Remedial and Supplemental Programs K-12	1250	1,816,138	916,935	425,776	1,190,791			614,702		4,964,342	3,937,602
11	Remedial and Supplemental Programs Pre-K	1275									0	0
12	Adult/Continuing Education Programs	1300	239								239	344,046
13	CTE Programs	1400	3,748,280	1,065,438	88,633	334,074	6,681		111,198		5,354,304	4,494,997
14	Interscholastic Programs	1500	1,834,908	303,699	92,103	340,659					2,571,369	2,156,832
15	Summer School Programs	1600	666,977	40,165	10,688	93,118					810,948	2,732,671
16	Gifted Programs	1650	2,096,651	815,262	53,375	46,643	56,355				3,068,286	4,603,409
17	Driver's Education Programs	1700	351,795	90,725							442,520	386,968
18	Bilingual Programs	1800	20,744,415	6,550,503	51,824	376,003					27,722,745	28,142,784
19	Tuam Alternative & Optional Programs	1900	427,281	107,130	5,254	6,067					545,732	641,735
20	Pre-K Programs - Private Tuition	1910									0	0
21	Regular K-12 Programs - Private Tuition	1911									0	0
22	Special Education Programs K-12 - Private Tuition	1912									0	0
23	Special Education Programs Pre-K - Tuition	1913									0	0
24	Remedial/Supplemental Programs K-12 - Private Tuition	1914									0	0
25	Remedial/Supplemental Programs Pre-K - Private Tuition	1915									0	0
26	Adult/Continuing Education Programs - Private Tuition	1916									0	0
27	CTE Programs - Private Tuition	1917									0	0
28	Interscholastic Programs - Private Tuition	1918									0	0
29	Summer School Programs - Private Tuition	1919									0	0
30	Gifted Programs - Private Tuition	1920									0	0
31	Bilingual Programs - Private Tuition	1921									0	0
32	Tuam Alternative/Optional Ed Progm - Private Tuition	1922									0	0
33	<b>Total Instruction</b>	<b>1000</b>	<b>152,744,383</b>	<b>49,397,146</b>	<b>2,891,891</b>	<b>6,647,940</b>	<b>913,689</b>	<b>313,730</b>	<b>739,405</b>	<b>0</b>	<b>213,648,184</b>	<b>227,117,955</b>
34	<b>SUPPORT SERVICES (ED)</b>											
35	<b>SUPPORT SERVICES - PUPILS</b>											
36	Attendance & Social Work Services	2110	5,537,150	1,715,113	97,225	13,341	1,097				7,363,926	8,492,718
37	Guidance Services	2120	2,721,818	860,824	36,105	21,433		8,285			3,648,465	3,874,918
38	Health Services	2130	3,337,980	506,335	554,802	12,203			29,827		4,441,147	4,263,531
39	Psychological Services	2140	1,330,818	388,590	956						1,720,164	1,885,010
40	Speech Pathology & Audiology Services	2150	2,933,178	937,674	1,800,582	50,454					5,671,434	5,536,718
41	Other Support Services - Pupils (Describe & Itemize)	2190	2,045,802	6,565	43,423						2,146,044	2,638,357
42	<b>Total Support Services - Pupils</b>	<b>2100</b>	<b>17,906,346</b>	<b>4,415,101</b>	<b>2,533,093</b>	<b>97,431</b>	<b>1,097</b>	<b>8,285</b>	<b>29,827</b>	<b>0</b>	<b>24,991,180</b>	<b>26,691,252</b>
43	<b>SUPPORT SERVICES - INSTRUCTIONAL STAFF</b>											
44	Improvement of Instruction Services	2210	5,481,214	2,283,696	776,103	305,321	14,635	76,082			8,937,051	10,110,565
45	Educational Media Services	2220	1,638,529	463,235	33,891	190,173	2,946				2,328,774	2,730,477
46	Assessment & Testing	2230	1,149,898	205,041	637,993	52,138					2,045,070	1,689,661
47	<b>Total Support Services - Instructional Staff</b>	<b>2200</b>	<b>8,269,641</b>	<b>2,951,972</b>	<b>1,447,987</b>	<b>547,632</b>	<b>17,581</b>	<b>76,082</b>	<b>0</b>	<b>0</b>	<b>13,310,895</b>	<b>14,530,703</b>
48	<b>SUPPORT SERVICES - GENERAL ADMINISTRATION</b>											
49	Board of Education Services	2310			57,139	16,210		36,785			110,134	124,287
50	Executive Administration Services	2320	2,165,763	461,827	490,966	68,826		18,504			3,205,886	2,658,732
51	Special Area Administration Services	2330	3,174,962	927,958	291,279	118,059	1,644				4,513,902	3,131,080
52	Tort Immunity Services	2360 - 2370			561,827						561,827	550,000
53	<b>Total Support Services - General Administration</b>	<b>2300</b>	<b>5,340,725</b>	<b>1,389,785</b>	<b>1,401,211</b>	<b>203,095</b>	<b>1,644</b>	<b>55,289</b>	<b>0</b>	<b>0</b>	<b>8,391,749</b>	<b>6,464,099</b>

**STATEMENT OF EXPENDITURES DISBURSED/EXPENDITURES, BUDGET TO ACTUAL  
FOR THE YEAR ENDING JUNE 30, 2014**

	A	B	C	D	E	F	G	H	I	J	K	L
	Description	Funct #	(100)	(200)	(300)	(400)	(500)	(600)	(700)	(800)	(900)	
			Salaries	Employee Benefits	Purchased Services	Supplies & Materials	Capital Outlay	Other Objects	Non-Capitalized Equipment	Termination Benefits	Total	Budget
54	<b>SUPPORT SERVICES - SCHOOL ADMINISTRATION</b>											
55	Office of the Principal Services	2410	12,337,617	3,319,919	12,576	31,525		3,400		131,803	15,836,840	16,198,959
56	Other Support Services - School Admin (Describe & Itemize)	2490	4,636,270	1,269,925	7,679	2,394		3,400			5,919,668	6,690,529
57	<b>Total Support Services - School Administration</b>	<b>2400</b>	<b>16,973,887</b>	<b>4,589,844</b>	<b>20,255</b>	<b>33,919</b>	<b>0</b>	<b>6,800</b>	<b>0</b>	<b>131,803</b>	<b>21,756,508</b>	<b>22,889,488</b>
58	<b>SUPPORT SERVICES - BUSINESS</b>											
59	Direction of Business Support Services	2510	255,511	56,017	52,888	15,692					380,108	578,488
60	Fiscal Services	2520	1,249,632	243,303	318,834	11,987	2,209	68,961			1,894,926	1,823,747
61	Operation & Maintenance of Plant Services	2540	159,151	24,632	116,449	31,685	1,159,261				1,491,178	544,805
62	Pupil Transportation Services	2550	41,724	4,376	1,374,684						1,420,784	1,038,831
63	Food Services	2580	5,670,628	1,995,972	449,552	7,340,470	581,882	14,267			16,052,771	14,667,193
64	Internal Services	2570	600,006	252,244	70,278	31,473	554,134				1,508,135	1,756,008
65	<b>Total Support Services - Business</b>	<b>2500</b>	<b>7,976,652</b>	<b>2,576,544</b>	<b>2,382,685</b>	<b>7,431,307</b>	<b>2,297,486</b>	<b>83,228</b>	<b>0</b>	<b>0</b>	<b>22,747,902</b>	<b>20,409,072</b>
66	<b>SUPPORT SERVICES - CENTRAL</b>											
67	Direction of Central Support Services	2610									0	0
68	Planning, Research, Development, & Evaluation Services	2620			51,499						51,499	60,549
69	Information Services	2630	473,893	76,290	263,053	38,340		4,714			856,290	797,908
70	Staff Services	2640	1,355,435	312,368	1,255,227	68,539	11,069	15,391			3,018,029	3,620,759
71	Data Processing Services	2660	2,598,117	315,057	5,578,007	60,829	2,796,547				11,348,557	10,079,871
72	<b>Total Support Services - Central</b>	<b>2600</b>	<b>4,427,445</b>	<b>703,715</b>	<b>7,147,786</b>	<b>167,708</b>	<b>2,807,616</b>	<b>20,105</b>	<b>0</b>	<b>0</b>	<b>15,274,375</b>	<b>14,559,087</b>
73	Other Support Services (Describe & Itemize)	2900	187,088	61,669	1,266,438	35,061					1,550,256	1,617,524
74	<b>Total Support Services (ED)</b>	<b>2000</b>	<b>61,081,784</b>	<b>16,688,630</b>	<b>16,199,455</b>	<b>8,516,153</b>	<b>5,125,424</b>	<b>249,789</b>	<b>29,827</b>	<b>131,803</b>	<b>108,022,865</b>	<b>107,161,225</b>
75	<b>COMMUNITY SERVICES (ED)</b>	<b>3000</b>	<b>2,225,348</b>	<b>448,956</b>	<b>284,304</b>	<b>250,872</b>	<b>1,302</b>	<b>9,453</b>			<b>3,220,235</b>	<b>3,338,655</b>
76	<b>PAYMENTS TO OTHER DISTRICTS &amp; GOVT UNITS (ED)</b>											
77	<b>PAYMENTS TO OTHER GOVT UNITS (IN-STATE)</b>											
78	Payments for Regular Programs	4110									0	9,000,000
79	Payments for Special Education Programs	4120			71,991						71,991	73,115
80	Payments for Adult/Continuing Education Programs	4130									0	0
81	Payments for CTE Programs	4140									0	0
82	Payments for Community College Programs	4170									0	0
83	Other Payments to In-State Govt. Units (Describe & Itemize)	4190									0	0
84	<b>Total Payments to Dist &amp; Other Govt Units (In-State)</b>	<b>4100</b>			<b>71,991</b>			<b>0</b>			<b>71,991</b>	<b>9,073,115</b>
85	Payments for Regular Programs - Tuition	4210						869,699			869,699	0
86	Payments for Special Education Programs - Tuition	4220						7,192,984			7,192,984	0
87	Payments for Adult/Continuing Education Programs - Tuition	4230									0	0
88	Payments for CTE Programs - Tuition	4240									0	0
89	Payments for Community College Programs - Tuition	4270									0	0
90	Payments for Other Programs - Tuition	4280									0	0
91	Other Payments to In-State Govt Units	4290									0	0
92	<b>Total Payments to Other District &amp; Govt Units - Tuition (In State)</b>	<b>4200</b>						<b>8,062,683</b>			<b>8,062,683</b>	<b>0</b>
93	Payments for Regular Programs - Transfers	4310									0	0
94	Payments for Special Education Programs - Transfers	4320									0	0
95	Payments for Adult/Continuing Ed Programs - Transfers	4330									0	0

**STATEMENT OF EXPENDITURES DISBURSED/EXPENDITURES, BUDGET TO ACTUAL  
FOR THE YEAR ENDING JUNE 30, 2014**

	A	B	C	D	E	F	G	H	I	J	K	L
	Description	Funct #	(100)	(200)	(300)	(400)	(500)	(600)	(700)	(800)	(900)	
			Salaries	Employee Benefits	Purchased Services	Supplies & Materials	Capital Outlay	Other Objects	Non-Capitalized Equipment	Termination Benefits	Total	Budget
1												
2												
96	Payments for CTE Programs - Transfers	4340									0	0
97	Payments for Community College Program - Transfers	4370									0	0
98	Payments for Other Programs - Transfers	4380									0	0
99	Other Payments to In-State Govt Units - Transfers	4390									0	0
100	<b>Total Payments to Other District &amp; Govt Units - Transfers (In-State)</b>	<b>4300</b>			0			0			0	0
101	Payments to Other Dist & Govt Units (Out-of-State)	4400									0	0
102	<b>Total Payments to Other District &amp; Govt Units</b>	<b>4000</b>			71,991			8,062,683			8,134,674	9,073,115
103	<b>DEBT SERVICES (ED)</b>											
104	<b>DEBT SERVICES - INTEREST ON SHORT-TERM DEBT</b>											
105	Tax Anticipation Warrants	5110									0	0
106	Tax Anticipation Notes	5120									0	0
107	Corporate Personal Prop. Repl. Tax Anticipation Notes	5130									0	0
108	State Aid Anticipation Certificates	5140									0	0
109	Other Interest on Short-Term Debt	5150									0	0
110	<b>Total Interest on Short-Term Debt</b>	<b>5100</b>						0			0	0
111	Debt Services - Interest on Long-Term Debt	5200									0	0
112	<b>Total Debt Services</b>	<b>5000</b>						0			0	0
113	<b>PROVISIONS FOR CONTINGENCIES (ED)</b>	<b>6000</b>										
114	<b>Total Direct Disbursements/Expenditures</b>		216,051,515	66,534,732	19,447,641	15,414,965	6,040,415	8,635,655	769,232	131,803	333,025,958	4,306,361
115	Excess (Deficiency) of Receipts/Revenues Over Disbursements/Expenditures										19,448,515	350,997,311
116												
117	<b>20 - OPERATIONS &amp; MAINTENANCE FUND (O&amp;M)</b>											
118	<b>SUPPORT SERVICES (O&amp;M)</b>											
119	<b>SUPPORT SERVICES - PUPILS</b>											
120	Other Support Services - Pupils (Describe & Itemize)	2190									0	0
121	<b>SUPPORT SERVICES - BUSINESS</b>											
122	Direction of Business Support Services	2510									0	0
123	Facilities Acquisition & Construction Services	2530			808,441		5,183,197	1,200			5,992,838	7,900,783
124	Operation & Maintenance of Plant Services	2540	7,242,050	1,497,755	7,061,814	6,586,412	445,016	4,946			22,837,993	22,763,198
125	Pupil Transportation Services	2550	1,100				209,471				210,571	0
126	Food Services	2560									0	0
127	<b>Total Support Services - Business</b>	<b>2500</b>	7,243,150	1,497,755	7,870,255	6,586,412	5,837,684	6,146	0	0	29,041,402	30,663,981
128	Other Support Services (Describe & Itemize)	2900									0	0
129	<b>Total Support Services</b>	<b>2000</b>	7,243,150	1,497,755	7,870,255	6,586,412	5,837,684	6,146	0	0	29,041,402	30,663,981
130	<b>COMMUNITY SERVICES (O&amp;M)</b>	<b>3000</b>									0	0
131	<b>PAYMENTS TO OTHER DIST &amp; GOVT UNITS (O&amp;M)</b>											
132	<b>PAYMENTS TO OTHER GOVT UNITS (IN-STATE)</b>											
133	Payments for Special Education Programs	4120									0	0
134	Payments for CTE Programs	4140									0	0
135	Other Payments to In-State Govt. Units (Describe & Itemize)	4190									0	0
136	<b>Total Payments to Other Govt. Units (In-State)</b>	<b>4100</b>			0			0			0	0
137	Payments to Other Govt. Units (Out of State)	4400									0	0
138	<b>Total Payments to Other Dist &amp; Govt Units</b>	<b>4000</b>			0			0			0	0
139	<b>DEBT SERVICES (O&amp;M)</b>	<b>5000</b>										
140	<b>DEBT SERVICES - INTEREST ON SHORT-TERM DEBT</b>											
141	Tax Anticipation Warrants	5110									0	0
142	Tax Anticipation Notes	5120									0	0

**STATEMENT OF EXPENDITURES DISBURSED/EXPENDITURES, BUDGET TO ACTUAL  
FOR THE YEAR ENDING JUNE 30, 2014**

	A	B	C	D	E	F	G	H	I	J	K	L
	Description	Funct #	(100)	(200)	(300)	(400)	(500)	(600)	(700)	(800)	(900)	
			Salaries	Employee Benefits	Purchased Services	Supplies & Materials	Capital Outlay	Other Objects	Non-Capitalized Equipment	Termination Benefits	Total	Budget
1												
2												
143	Corporate Personal Prop. Repl. Tax Anticipation Notes	5130									0	0
144	State Aid Anticipation Certificates	5140									0	0
145	Other Interest on Short-Term Debt (Describe & Itemize)	5150									0	0
146	Total Debt Service - Interest on Short-Term Debt	5100						0			0	0
147	DEBT SERVICE - INTEREST ON LONG-TERM DEBT	5200									0	0
148	Total Debt Services	5000						0			0	0
149	PROVISIONS FOR CONTINGENCIES (O&M)	6000										0
150	Total Direct Disbursements/Expenditures		7,243,150	1,497,755	7,870,255	6,585,412	5,837,684	6,146	0	0	29,041,402	30,663,981
151	Excess (Deficiency) of Receipts/Revenues/Over										(1,176,917)	
152												
153												
154	PAYMENTS TO OTHER DIST & GOVT UNITS (DS)	4000									0	0
155	DEBT SERVICES (DS)	5000										
156	DEBT SERVICES - INTEREST ON SHORT-TERM DEBT											
157	Tax Anticipation Warrants	5110									0	0
158	Tax Anticipation Notes	5120									0	0
159	Corporate Personal Prop. Repl. Tax Anticipation Notes	5130									0	0
160	State Aid Anticipation Certificates	5140						15,485,931			15,485,931	15,480,633
161	Other Interest on Short-Term Debt (Describe & Itemize)	5150									0	0
162	Total Debt Services - Interest on Short-Term Debt	5100						15,485,931			15,485,931	15,480,633
163	DEBT SERVICES - INTEREST ON LONG-TERM DEBT	5200									0	27,963,088
164	DEBT SERVICES - PAYMENTS OF PRINCIPAL ON LONG-TERM DEBT (Lease/Purchase Principal Retired) <sup>11</sup>	5300										
165	DEBT SERVICES - OTHER (Describe & Itemize)	5400						28,324,335			28,324,335	0
166	Total Debt Services	5000			0			26,400			26,400	388,415
167	PROVISION FOR CONTINGENCIES (DS)	6000			0			43,836,666			43,836,666	43,832,136
168	Total Disbursements/ Expenditures											
169	Excess (Deficiency) of Receipts/Revenues Over											
170	Disbursements/Expenditures										(609,057)	
171												
172	SUPPORT SERVICES (TR)											
173	SUPPORT SERVICES - PUPILS	2190									0	0
174	Other Support Services - Pupils (Describe & Itemize)											
175	SUPPORT SERVICES - BUSINESS	2550										
176	Pupil Transportation Services	2900	13,294,559	4,952,703	1,185,369	3,415,978	172,324	3,600			23,024,533	21,213,539
177	Other Support Services (Describe & Itemize)	2000									0	0
178	Total Support Services	3000	13,294,559	4,952,703	1,185,369	3,415,978	172,324	3,600	0	0	23,024,533	21,213,539
179	COMMUNITY SERVICES (TR)											
180	PAYMENTS TO OTHER DIST & GOVT UNITS (TR)											
181	PAYMENTS TO OTHER GOVT UNITS (IN-STATE)											
182	Payments for Regular Programs	4110									0	0
183	Payments for Special Education Programs	4120									0	0
184	Payments for Adult/Continuing Education Programs	4130									0	0
185	Payments for CTE Programs	4140									0	0
186	Payments for Community College Programs	4170									0	0
187	Other Payments to In-State Govt. Units (Describe & Itemize)	4190									0	0
188	Total Payments to Other Govt. Units (In-State)	4100			0			0			0	0

STATEMENT OF EXPENDITURES DISBURSED/EXPENDITURES, BUDGET TO ACTUAL  
FOR THE YEAR ENDING JUNE 30, 2014

	A	B	C	D	E	F	G	H	I	J	K	L
	Description	Funct #	(100) Salaries	(200) Employee Benefits	(300) Purchased Services	(400) Supplies & Materials	(500) Capital Outlay	(600) Other Objects	(700) Non-Capitalized Equipment	(800) Termination Benefits	(900) Total	Budget
1												
2												
189	PAYMENTS TO OTHER GOVT UNITS (OUT-OF-STATE)	4400									0	0
190	Total Payments to Other Dist & Govt Units	4000			0			0			0	0
191	DEBT SERVICES (TR)											
192	DEBT SERVICE - INTEREST ON SHORT-TERM DEBT											
193	Tax Anticipation Warrants	5110									0	0
194	Tax Anticipation Notes	5120									0	0
195	Corporate Personal Prop. Repl. Tax Anticipation Notes	5130									0	0
196	State Aid Anticipation Certificates	5140									0	0
197	Other Interest on Short-Term Debt (Describe & Itemize)	5150									0	0
198	Total Debt Services - Interest On Short-Term Debt	5100						0			0	0
199	DEBT SERVICES - INTEREST ON LONG-TERM DEBT	5200						36,792			36,792	37,553
	DEBT SERVICE - PAYMENTS OF PRINCIPAL ON LONG-TERM DEBT (Lease/Purchase Principal Retired) <sup>11</sup>	5300						2,141,439			2,141,439	2,140,676
200	DEBT SERVICES - OTHER (Describe & Itemize)	5400						2,178,231			2,178,231	2,178,229
201	Total Debt Services											0
203	PROVISION FOR CONTINGENCIES (TR)	6000										
204	Total Disbursements/Expenditures		13,294,559	4,952,703	1,185,369	3,415,978	172,324	2,181,831	0	0	25,202,764	23,391,768
205	Excess (Deficiency) of Receipts/Revenues Over Disbursements/Expenditures										539,238	
206												
207	50 - MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND (MR/SS)											
208	INSTRUCTION (MR/SS)											
209	Regular Programs	1100		1,607,981							1,607,981	1,415,037
210	Pre-K Programs	1125		160,112							160,112	159,991
211	Special Education Programs (Functions 1200-1220)	1200		1,162,115							1,162,115	1,703,823
212	Special Education Programs - Pre-K	1225		655,672							655,672	111,473
213	Remedial and Supplemental Programs - K-12	1250		83,873							83,873	37,676
214	Remedial and Supplemental Programs - Pre-K	1275									0	0
215	Adult/Continuing Education Programs	1300		42							42	1,727
216	CTE Programs	1400		78,988							78,988	67,242
217	Interscholastic Programs	1500		100,076							100,076	41,505
218	Summer School Programs	1600		25,793							25,793	18,328
219	Gifted Programs	1650		30,797							30,797	56,226
220	Driver's Education Programs	1700		5,540							5,540	3,483
221	Bilingual Programs	1800		321,506							321,506	308,967
222	Truants' Alternative & Optional Programs	1900		5,526							5,526	15,466
223	Total Instruction	1000		4,238,021							4,238,021	3,940,944
224	SUPPORT SERVICES (MR/SS)	2000										
225	SUPPORT SERVICES - PUPILS											
226	Attendance & Social Work Services	2110		345,373							345,373	343,072
227	Guidance Services	2120		146,943							146,943	136,981
228	Health Services	2130		406,636							406,636	401,159
229	Psychological Services	2140		17,177							17,177	16,828
230	Speech Pathology & Audiology Services	2150		38,753							38,753	45,120
231	Other Support Services - Pupils (Describe & Itemize)	2190		190,923							190,923	229,198
232	Total Support Services - Pupils	2100		1,145,805							1,145,805	1,172,358
233	SUPPORT SERVICES - INSTRUCTIONAL STAFF											
234	Improvement of Instruction Services	2210		138,497							138,497	129,343
235	Educational Media Services	2220		200,289							200,289	195,751
236	Assessment & Testing	2230		78,583							78,583	51,302
237	Total Support Services - Instructional Staff	2200		417,369							417,369	376,396

**STATEMENT OF EXPENDITURES DISBURSED/EXPENDITURES, BUDGET TO ACTUAL  
FOR THE YEAR ENDING JUNE 30, 2014**

	A	B	C	D	E	F	G	H	I	J	K	L
	Description	Funct #	(100) Salaries	(200) Employee Benefits	(300) Purchased Services	(400) Supplies & Materials	(500) Capital Outlay	(600) Other Objects	(700) Non-Capitalized Equipment	(800) Termination Benefits	(900) Total	Budget
1												
2	<b>SUPPORT SERVICES - GENERAL ADMINISTRATION</b>											
238	Board of Education Services	2310									0	0
239	Executive Administration Services	2320		153,491							153,491	91,550
240	Service Area Administrative Services	2330		259,523							259,523	224,462
241	Claims Paid from Self Insurance Fund	2361		83							83	0
242	Workers' Compensation or Workers' Occupation Disease Acts Payments	2362										0
243	Unemployment Insurance Payments	2363									0	0
244	Insurance Payments (Regular or Self-Insurance)	2364									0	0
245	Risk Management and Claims Services Payments	2365									0	0
246	Judgment and Settlements	2366									0	0
247	Educational, Inspectional, Supervisory Services Related to Loss Prevention or Reduction	2367									0	0
248	Reciprocal Insurance Payments	2368		65,368							65,368	56,769
249	Legal Services	2369									0	0
250	<b>Total Support Services - General Administration</b>	<b>2300</b>		<b>478,465</b>							<b>478,465</b>	<b>372,781</b>
251	<b>SUPPORT SERVICES - SCHOOL ADMINISTRATION</b>											
252	Office of the Principal Services	2410		861,000							861,000	901,283
253	Other Support Services - School Administration (Describe & Itemize)	2490		360,541							360,541	345,912
254	<b>Total Support Services - School Administration</b>	<b>2400</b>		<b>1,221,541</b>							<b>1,221,541</b>	<b>1,247,195</b>
255	<b>SUPPORT SERVICES - BUSINESS</b>											
256	Direction of Business Support Services	2510		18,070							18,070	38,600
257	Fiscal Services	2520		246,458							246,458	210,459
258	Facilities Acquisition & Construction Services	2530									0	0
259	Operation & Maintenance of Plant Services	2540		1,729,995							1,729,995	1,748,023
260	Pupil Transportation Services	2550		3,104,539							3,104,539	3,381,886
261	Food Services	2560									0	(81,717)
262	Internal Services	2570		274,373							274,373	169,691
263	<b>Total Support Services - Business</b>	<b>2500</b>		<b>5,373,435</b>							<b>5,373,435</b>	<b>5,466,942</b>
264	<b>SUPPORT SERVICES - CENTRAL</b>											
265	Direction of Central Support Services	2610									0	0
266	Planning, Research, Development, & Evaluation Services	2620									0	0
267	Information Services	2630		95,459							95,459	91,412
268	Staff Services	2640		239,677							239,677	276,385
269	Data Processing Services	2660		513,218							513,218	439,000
270	<b>Total Support Services - Central</b>	<b>2600</b>		<b>848,354</b>							<b>848,354</b>	<b>806,797</b>
271	Other Support Services (Describe & Itemize)	2900		29,382							29,382	45,752
272	<b>Total Support Services</b>	<b>2000</b>		<b>9,514,351</b>							<b>9,514,351</b>	<b>9,488,221</b>
273	<b>COMMUNITY SERVICES (MR/SS)</b>	<b>3000</b>		<b>180,209</b>							<b>180,209</b>	<b>28,317</b>
274	<b>PAYMENTS TO OTHER DIST &amp; GOVT UNITS (MR/SS)</b>											
275	Payments for Special Education Programs	4120									0	0
276	Payments for CTE Programs	4140									0	0
277	<b>Total Payments to Other Dist &amp; Govt Units</b>	<b>4000</b>		<b>0</b>							<b>0</b>	<b>0</b>
278	<b>DEBT SERVICES (MR/SS)</b>											
279	<b>DEBT SERVICE - INTEREST ON SHORT-TERM DEBT</b>											
280	Tax Anticipation Warrants	5110									0	0
281	Tax Anticipation Notes	5120									0	0
282	Corporate Personal Prop. Repl. Tax Anticipation Notes	5130									0	0
283												

**STATEMENT OF EXPENDITURES DISBURSED/EXPENDITURES, BUDGET TO ACTUAL  
FOR THE YEAR ENDING JUNE 30, 2014**

	A	B	C	D	E	F	G	H	I	J	K	L
	Description	Funct #	(100) Salaries	(200) Employee Benefits	(300) Purchased Services	(400) Supplies & Materials	(500) Capital Outlay	(600) Other Objects	(700) Non-Capitalized Equipment	(800) Termination Benefits	(900) Total	Budget
1												
2												
284	State Aid Anticipation Certificates	5140									0	0
285	Other (Describe & Itemize)	5150									0	0
286	Total Debt Services - Interest	5000						0			0	0
287	PROVISION FOR CONTINGENCIES (MR/SS)	6000										0
288	Total Disbursements/Expenditures			13,932.581				0			13,932.581	13,457,482
289	Excess (Deficiency) of Receipts/Revenues Over											
290	Disbursements/Expenditures										(164,414)	
291	<b>60 - CAPITAL PROJECTS (CP)</b>											
292	SUPPORT SERVICES (CP)											
293	SUPPORT SERVICES - BUSINESS											
294	Facilities Acquisition and Construction Services	2530			206,794		1,528,443				1,735,237	2,032,651
295	Other Support Services (Describe & Itemize)	2900									0	0
296	Total Support Services	2000	0	0	206,794	0	1,528,443	0	0	0	1,735,237	2,032,651
297	PAYMENTS TO OTHER DIST & GOVT UNITS (CP)											
298	PAYMENTS TO OTHER GOVT UNITS (In-State)											
299	Payments to Other Govt Units (In-State)	4100									0	0
300	Payments for Special Education Programs	4120									0	0
301	Payments for CTE Programs	4140									0	0
302	Other Payments to In-State Govt. Units (Describe & Itemize)	4190									0	0
303	Total Payments to Other Dist & Govt Units	4000			0						0	0
304	PROVISION FOR CONTINGENCIES (S&C/CI)	6000										
305	Total Disbursements/Expenditures		0	0	206,794	0	1,528,443	0	0	0	1,735,237	2,032,651
306	Excess (Deficiency) of Receipts/Revenues Over											
307	Disbursements/Expenditures										(1,281,500)	
308												
309												
310	<b>70 - WORKING CASH (WC)</b>											
311	<b>80 - TORT FUND (TF)</b>											
312	SUPPORT SERVICES - GENERAL ADMINISTRATION											
313	Claims Paid from Self Insurance Fund	2361									0	1,200
314	Workers' Compensation or Workers' Occupation Disease	2362										
315	Acts Payments				3,867,332						3,867,332	4,250,000
316	Unemployment Insurance Payments	2363			198,162						198,162	300,000
317	Insurance Payments (Regular or Self-Insurance)	2364			95,828						95,828	140,000
318	Risk Management and Claims Services Payments	2365									0	0
319	Judgment and Settlements	2366			50,500						50,500	20,000
320	Educational, Inspectional, Supervisory Services Related to	2367										
321	Loss Prevention or Reduction			31,007							1,367,836	1,330,756
322	Reciprocal Insurance Payments	2368	358,497		978,332						0	0
323	Legal Services	2369			3,045,178						3,045,178	2,100,000
324	Property Insurance (Buildings & Grounds)	2371			371,000						371,000	360,000
325	Vehicle Insurance (Transportation)	2372									0	0
326	Total Support Services - General Administration	2000	358,497	31,007	8,606,332	0	0	0	0	0	8,995,836	8,501,956
327	DEBT SERVICES (TF)	5000										
328	DEBT SERVICES - INTEREST ON SHORT-TERM DEBT											
329	Tax Anticipation Warrants	5110									0	0
330	Corporate Personal Prop. Repl. Tax Anticipation Notes	5130									0	0

**STATEMENT OF EXPENDITURES DISBURSED/EXPENDITURES, BUDGET TO ACTUAL  
FOR THE YEAR ENDING JUNE 30, 2014**

	A	B	C	D	E	F	G	H	I	J	K	L
	Description	Funct #	(100) Salaries	(200) Employee Benefits	(300) Purchased Services	(400) Supplies & Materials	(500) Capital Outlay	(600) Other Objects	(700) Non-Capitalized Equipment	(800) Termination Benefits	(900) Total	Budget
1												
2	Other Interest or Short-Term Debt	5150									0	0
328	Total Debt Services - Interest on Short-Term Debt	5000						0			0	0
329	PROVISIONS FOR CONTINGENCIES (TF)	6000										0
330	Total Disbursements/Expenditures		358,497	31,007	8,606,332	0	0	0	0	0	8,995,836	8,501,956
331	Excess (Deficiency) of Receipts/Revenues Over										(290,735)	
332												
333												
334	<b>90 - FIRE PREVENTION &amp; SAFETY FUND (FP&amp;S)</b>											
335	SUPPORT SERVICES (FP&S)											
336	SUPPORT SERVICES - BUSINESS											
337	Facilities Acquisition & Construction Services	2530			230,451		1,434,279				1,664,730	1,478,000
338	Operation & Maintenance of Plant Services	2540									0	0
339	Total Support Services - Business	2500	0	0	230,451	0	1,434,279	0	0	0	1,664,730	1,478,000
340	Other Support Services (Describe & Itemize)	2900									0	0
341	Total Support Services	2000	0	0	230,451	0	1,434,279	0	0	0	1,664,730	1,478,000
342	PAYMENTS TO OTHER DIST & GOVT UNITS (FP&S)											
343	Other Payments to In-State Govt. Units	4190									0	0
344	(Describe & Itemize)								0		0	0
345	Total Payments to Other Dist & Govt Units	4000										
346	DEBT SERVICES (FP&S)											
347	DEBT SERVICES- INTEREST ON SHORT-TERM DEBT											
348	Tax Anticipation Warrants	5110									0	0
349	Other Interest on Short-Term Debt (Describe & Itemize)	5150									0	0
350	Total Debt Service - Interest on Short-Term Debt	5100						0			0	0
351	DEBT SERVICES - INTEREST ON LONG-TERM DEBT	5200									0	0
352	Debt Service - Payments of Principal on Long-Term Debt	5300									0	0
353	<sup>15</sup> (Lease/Purchase Principal Retired)										0	0
354	Total Debt Service	5000							0		0	0
355	PROVISION FOR CONTINGENCIES (FP&S)	6000										
356	Total Disbursements/Expenditures		0	0	230,451	0	1,434,279	0	0	0	1,664,730	1,478,000
357	Excess (Deficiency) of Receipts/Revenues Over										(84,075)	
358	Disbursements/Expenditures											

**FEDERAL STIMULUS - AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA) of 2009**  
(Detailed Schedule of Receipts and Disbursements)

District's Accounting Basis is ACCRUAL																																									
A			B			C			D			E			F			G			H			I			J			K			L								
			ARRA Revenue Source Code			Acct #			ARRA Receipts			Salaries (100)			Employee Benefits (200)			Purchased Services (300)			Supplies & Materials (400)			Capital Outlay (500)			Other (600)			Non-Capitalized Equipment (700)			Termination Benefits (800)			Total Expenditures (900)					
1																																									
2																																									
3																																									
4	Beginning Balance July 1, 2013																																								
5	ARRA - General State Aid																																								
6	ARRA - Title I Low Income																																								
7	ARRA - Title I Neglected - Private																																								
8	ARRA - Title I Delinquent - Private																																								
9	ARRA - Title I School Improvement (Part A)																																								
10	ARRA - Title I School Improvement (Section 1003g)																																								
11	ARRA - IDEA Part B Preschool																																								
12	ARRA - IDEA Part B Flow Through																																								
13	ARRA - Title II D Technology Formula																																								
14	ARRA - Title II D Technology Competitive																																								
15	ARRA - McKinney - Vento Homeless Education																																								
16	ARRA - Child Nutrition Equipment Assistance																																								
17	Impact Aid Construction Formula																																								
18	Impact Aid Construction Competitive																																								
19	QZAB Tax Credits																																								
20	QSCB Tax Credits																																								
21	Build America Bonds Tax Credits																																								
22	Build America Bonds Interest Reimbursement																																								
23	ARRA - General State Aid - Other Govt Services Stabilization																																								
24	ARRA - Other II																																								
25	ARRA - Other III																																								
26	ARRA - Other IV																																								
27	ARRA - Other V																																								
28	ARRA - Early Childhood																																								
29	ARRA - Other VII																																								
30	ARRA - Other VIII																																								
31	ARRA - Other IX																																								
32	ARRA - Other X																																								
33	ARRA - Other XI																																								
34	Total ARRA Programs																																								
35	Ending Balance June 30, 2014																																								
36																																									
37																																									
38																																									
39																																									
40																																									
41																																									
42																																									
43																																									
44																																									
45																																									
46																																									
47																																									
48																																									
49																																									
50																																									
51																																									
52																																									
53																																									
54																																									
55																																									
56																																									

1. Were any funds from the State Fiscal Stabilization Fund Program (SF-SF) General State-Aid Accounts 4850, line 5 & 4870, line 23 used for the following non-allowable purposes:

Payments of maintenance costs;  
Stadiums or other facilities used for athletic contests, exhibitions or other events for which admission is charged to the general public;  
Purchase or upgrade of vehicles;  
Improvements of stand-alone facilities whose purpose is not the education of children such as central office administrative buildings;  
Financial assistance to students to attend private elementary or secondary schools unless the funds are used to provide special education and related services to children with disabilities as authorized by the IDEA Act;  
School modernization, renovation, or repair that is inconsistent with State Law.

2. If any above boxes are checked provide the total amount of questioned costs and provide an explanation below:

1. Were any funds from the State Fiscal Stabilization Fund Program (SFSF) General State-Aid Accounts 4850, line 5 & 4870, line 23 used for the following non-allowable purposes:

- Payments of maintenance costs;
- Stadiums or other facilities used for athletic contests, exhibitions or other events for which admission is charged to the general public;
- Purchase or upgrade of vehicles;
- Improvements of stand-alone facilities whose purpose is not the education of children such as central office administrative buildings;
- Financial assistance to students to attend private elementary or secondary schools unless the funds are used to provide special education and related services to children with disabilities as authorized by the IDEA Act;
- School modernization, renovation, or repair that is inconsistent with State Law.

2. If any above boxes are checked provide the total amount of questioned costs and provide an explanation below:

	A	B	C	D	E	F
1	<b>SCHEDULE OF AD VALOREM TAX RECEIPTS</b>					
2	<b>Description</b>	<b>Taxes Received 7-1-13 Thru 6-30-14 (from 2012 Levy &amp; Prior Levies) *</b>	<b>Taxes Received (from the 2013 Levy)</b>	<b>Taxes Received (from 2012 &amp; Prior Levies) (Column B + C)</b>	<b>Total Estimated Taxes (from the 2013 Levy)</b>	<b>Estimated Taxes Due (from the 2013 Levy) (Column E - C)</b>
3						
4	Educational	171,173,921	79,278,213	91,895,708	156,453,196	77,174,983
5	Operations & Maintenance	25,387,364	13,927,037	11,460,327	27,484,594	13,557,557
6	Debt Services **	44,254,801	21,448,997	22,805,804	42,328,958	20,879,961
7	Transportation	11,530,617	6,394,610	5,136,007	12,619,573	6,224,963
8	Municipal Retirement	5,380,407	2,912,426	2,467,981	5,747,586	2,835,160
9	Capital Improvements	0	0	0	0	0
10	Working Cash	0	0	0	0	0
11	Tort Immunity	7,303,692	3,991,660	3,312,032	7,877,423	3,885,763
12	Fire Prevention & Safety	1,616,664	863,900	752,764	1,704,881	840,981
13	Leasing Levy	0	0	0	0	0
14	Special Education	28,486,917	15,736,603	12,750,314	31,055,719	15,319,116
15	Area Vocational Construction	0	0	0	0	0
16	Social Security/Medicare Only	4,859,168	2,652,233	2,206,935	5,234,103	2,581,870
17	Summer School	0	0	0	0	0
18	Other (Describe & Itemize)	0	0	0	0	0
19	<b>Totals</b>	<b>299,993,551</b>	<b>147,205,679</b>	<b>152,787,872</b>	<b>290,506,033</b>	<b>143,300,354</b>
20						
21	* The formulas in column B are unprotected to be overridden when reporting on a ACCRUAL basis.					
22	** All tax receipts for debt service payments on bonds must be recorded on line 6 (Debt Services).					

A	B	C	D	E	F	G	H	I	J	
SCHEDULE OF SHORT-TERM DEBT										
1	Description	Outstanding Beginning 07/01/13	Issued 07/01/13 Through 06/30/14	Retired 07/01/13 Through 06/30/14	Outstanding Ending 06/30/14					
2										
3	CORPORATE PERSONAL PROPERTY REPLACEMENT TAX									
4	ANTICIPATION NOTES (CPPRT)									
5	Total CPPRT Notes									
6	TAX ANTICIPATION WARRANTS (TAW)									
7	Educational Fund									
8	Operations & Maintenance Fund									
9	Debt Services - Construction									
10	Debt Services - Working Cash									
11	Debt Services - Refunding Bonds									
12	Transportation Fund									
13	Municipal Retirement/Social Security Fund									
14	Fire Prevention & Safety Fund									
15	Other - (Describe & Itemize)		0	0	0					
16	Total TAWs									
17	TAX ANTICIPATION NOTES (TAN)									
18	Educational Fund									
19	Operations & Maintenance Fund									
20	Fire Prevention & Safety Fund									
21	Other - (Describe & Itemize)			0	0					
22	Total TANs									
23	TEACHERS/EMPLOYEES' ORDERS (T/EO)									
24	Total T/EOs (Educational, Operations & Maintenance, & Transportation Funds)									
25	GENERAL STATE-AID ANTICIPATION CERTIFICATES (GSAAC)									
26	Total GSAACs (All Funds)									
27	OTHER SHORT-TERM BORROWING									
28	Total Other Short-Term Borrowing (Describe & Itemize)									
29	SCHEDULE OF LONG-TERM DEBT									
	Identification or Name of Issue	Date of Issue (mm/dd/yy)	Amount of Original Issue	Type of Issue *	Outstanding 7/1/13 6/30/14	Issued 7/1/13 thru 6/30/14	Any differences described and itemized	Retired 7/1/13 thru 6/30/14	Outstanding 6/30/14	Amount to be Provided for Payment on Long- Term Debt
30	General Obligation School Bonds, Series 1999	02/01/99	18,300,000	6	17,050,000			0	17,050,000	15,993,801
31	General Obligation Capital Appreciation School Bonds, Series 2001	03/29/01	57,999,743	6	61,178,350		(5,887,431)	9,327,947	45,962,972	43,115,697
32	General Obligation Capital Appreciation School Bonds, Series 2002	03/25/02	54,499,619	6	99,111,898		5,402,818	0	104,514,716	98,040,328
33	General Obligation Capital Appreciation School Bonds, Series 2003	03/20/03	65,999,779	6	100,744,245		4,869,991	727,271	104,886,965	98,389,519
34	General Obligation Limited Tax School Bonds, Series 2003D	12/30/03	22,000,000	1	3,845,000		0	3,845,000	0	20,599,641
35	General Obligation School Refunding Bonds, Series 2005	02/15/05	71,790,000	3	22,325,000			365,000	21,960,000	15,069,819
36	Limited School Bonds Series 2009	09/01/09	34,405,000	3, 4, 5	16,670,000			605,000	16,065,000	15,069,819
37	General Obligation Refunding School Bonds, Series 2010	04/01/10	30,190,000	3	23,465,000			12,275,000	11,190,000	10,496,812
38	Taxable General Obligation Limited School Bonds, Series 2011	03/30/11	25,925,000	1, 3, 5, 6	25,465,000			195,000	25,270,000	23,704,596
39	Taxable General Obligation Limited School Bonds, Series 2012	03/30/11	2,030,000	6	1,630,000			200,000	1,430,000	1,341,416
40	Taxable General Obligation Limited Refunding Schools Bonds	03/15/12	415,000	3	395,000			15,000	380,000	356,460
41	General Obligation Limited School Bonds, Series 2012B	03/15/12	31,045,000	1, 3	31,045,000			0	31,045,000	29,121,851
42	2007 \$6.2M Debt Certificates	09/28/07	6,200,000	7	4,200,013			407,870	3,792,143	3,557,231
43	Long Term Purchase Contracts			8	8,903,276			2,502,686	6,400,590	6,004,092
44								0	0	0
45								0	0	0
46								0	0	0
47								0	0	0
48								0	0	0
49								0	0	0
50								0	0	0
51	* Each type of debt issued must be identified separately with the amount:									
52	1. Working Cash Fund Bonds									
53	2. Funding Bonds									
54	3. Refunding Bonds									
55	4. Fire Prevent, Safety, Environmental and Energy Bonds									
56	5. Tort Judgment Bonds									
57	6. Building Bonds									
58	7. Other Debt Certificates									
59	8. Other Purchase Contracts									
60	9. Other									
61										
62										
63										
64										
65										
66										
67										
68										
69										
70										
71										
72										
73										
74										
75										
76										
77										
78										
79										
80										
81										
82										
83										
84										
85										
86										
87										
88										
89										
90										
91										
92										
93										
94										
95										
96										
97										
98										
99										
100										
101										
102										
103										
104										
105										
106										
107										
108										
109										
110										
111										
112										
113										
114										
115										
116										
117										
118										
119										
120										
121										
122										
123										
124										
125										
126										
127										
128										
129										
130										
131										
132										
133										
134										
135										
136										
137										
138										
139										
140										
141										
142										
143										
144										
145										
146										
147										
148										
149										
150										
151										
152										
153										
154										
155										
156										
157										
158										
159										
160										
161										
162										
163										
164										
165										
166										
167										
168										
169										
170										
171										
172										
173										
174										
175										
176										
177										
178										
179										
180										
181										
182										
183										
184										
185										
186										
187										
188										
189										
190										
191										
192										
193										
194										
195										
196										
197										
198										
199										
200										
201										
202										
203										
204										
205										
206										
207										
208										
209										
210										
211										
212										
213										</

**Schedule of Restricted Local Tax Levies and Selected Revenues Sources  
Schedule of Tort Immunity Expenditures**

A	B	C	D	E	F	G	H	I	J	K
SCHEDULE OF RESTRICTED LOCAL TAX LEVIES AND SELECTED REVENUE SOURCES										
1				Description	Account No	Tort Immunity <sup>a</sup>	Special Education	Area Vocational Construction	School Facility Occupation Taxes <sup>b</sup>	Driver Education
2	Cash Basis Fund Balance as of July 1, 2013									
3	RECEIPTS:									
4	Ad Valorem Taxes Received by District				10, 20, 40 or 50-1100					
5	Earnings on Investments				10, 20, 40, 50 or 60-1500	94	27,865,817			68,593
6	Drivers' Education Fees				10-1970					
7	School Facility Occupation Tax Proceeds				30 or 60-1983					168,798
8	Driver Education				10 or 20-3370					
9	Other Receipts (Describe & Itemize on tab "Itemization 32")				--					
10	Sale of Bonds				10, 20, 40 or 60-7200					
11	Total Receipts					94	27,865,817	0	0	237,391
12	DISBURSEMENTS:									
13	Instruction				10 or 50-1000					
14	Facilities Acquisition & Construction Services				20 or 60-2530					
15	Tort Immunity Services				10, 20, 40-2360-2370					
16	DEBT SERVICE									
17	Debt Services - Interest on Long-Term Debt				30-5200					
18	Debt Services - Payments of Principal on Long-Term Debt (Lease/Purchase Principal Retired)				30-5300					
19	Debt Services Other (Describe & Itemize on tab "Itemization 32")				30-5400				0	
20	Total Debt Services									
21	Other Disbursements (Describe & Itemize on tab "Itemization 32")				--					
22	Total Disbursements					0	0	0	0	0
23	Ending Cash Basis Fund Balance as of June 30, 2014					94	27,865,817	0	0	237,391
24	Reserved Fund Balance				714					
25	Unreserved Fund Balance				730					
26						94	27,865,817	0	0	237,391
27										
SCHEDULE OF TORT IMMUNITY EXPENDITURES <sup>a</sup>										
28	Yes <input type="checkbox"/>	No <input type="checkbox"/>	Has the entity established an insurance reserve pursuant to 745 ILCS 10/9-103? If yes, list in the aggregate the following:							
29	Total Claims Payments:									
30	Total Reserve Remaining:									
31										
32	Using the following categories, list all other Tort Immunity expenditures <u>not</u> included in line 30 above. Include the total dollar amount for each category.									
33	Expenditures:									
34	Workers' Compensation Act and/or Workers' Occupational Disease Act									
35	Unemployment Insurance Act									
36	Insurance (Regular or Self-Insurance)									
37	Risk Management and Claims Service									
38	Judgments/Settlements									
39	Educational, Inspectional, Supervisory Services Related to Loss Prevention and/or Reduction									
40	Reciprocal Insurance Payments (Insurance Code 72, 76, and 81)									
41	Legal Services									
42	Principal and Interest on Tort Bonds									
43										
44										
45										
46	<sup>a</sup> Schedules for Tort Immunity are to be completed <u>only</u> if expenditures have been reported in any fund other than the Tort Immunity Fund (80) during the fiscal year as a result of existing (restricted) fund balances in those other funds that are being spent down. Cell G6 above should include interest earnings only from these restricted tort immunity monies and only if reported in a fund <u>other</u> than Tort Immunity Fund (80).									
47	<sup>b</sup> 55 ILCS 5/5-1006.7									
48										


	A	B	C	D	E	F	G	H	I	J	K	L
1												
2												
3	Schedule of Capital Outlay and Depreciation											
	Description of Assets	Acct #	Cost 7-1-13	Add: Additions 2013-14	Less: Deletions 2013-14	Cost 6-30-14	Life In Years	Accumulated Depreciation 7-1-13	Add: Depreciation Allowable 2013-14	Less: Depreciation Deletions 2013-14	Accumulated Depreciation 6-30-14	Balance Undepreciated 6-30-14
4	Works of Art & Historical Treasures	210				0					0	0
5	Land	220										
6	Non-Depreciable Land	221	27,687,264			27,687,264						27,687,264
7	Depreciable Land	222				0	50				0	0
8	Buildings	230										
9	Permanent Buildings	231	550,847,253	11,006,416		561,853,669	50	210,905,405	12,966,183		223,871,588	337,982,081
10	Temporary Buildings	232				0	25				0	0
11	Improvements Other than Buildings	240				0	20				0	0
12	Capitalized Equipment	250										
13	10 Yr Schedule	251	11,906,265	970,531		12,876,796	10	10,550,686	535,099		11,085,785	1,791,011
14	5 Yr Schedule	252	23,760,587			23,760,587	5	16,390,838	1,887,400		18,278,238	5,482,349
15	3 Yr Schedule	253				0	3				0	0
16	Construction in Progress	260	5,205,744	2,195,121	5,205,744	2,195,121	--					2,195,121
17	Total Capital Assets	200	619,407,113	14,172,068	5,205,744	628,373,437	10	237,846,929	15,388,682	0	253,235,611	375,137,826
18	Non-Capitalized Equipment	700				769,232						
19	Allowable Depreciation								76,923			
20									15,465,605			

	A	B	C	D	E	F
1	<b>ESTIMATED OPERATING EXPENSE PER PUPIL (OEPP)/PER CAPITA TUITION CHARGE (PCTC) COMPUTATIONS (2013-14)</b>					
2	<i>This schedule is completed for school districts only.</i>					
3						
4	<b>Fund</b>	<b>Sheet, Row</b>	<b>ACCOUNT NO - TITLE</b>		<b>Amount</b>	
5						
6	<b>OPERATING EXPENSE PER PUPIL</b>					
7	<b>EXPENDITURES:</b>					
8	ED	Expenditures 15-22, L113	Total Expenditures		\$	333,025,958
9	O&M	Expenditures 15-22, L149	Total Expenditures			29,041,402
10	DS	Expenditures 15-22, L167	Total Expenditures			43,836,666
11	TR	Expenditures 15-22, L203	Total Expenditures			25,202,764
12	MR/SS	Expenditures 15-22, L287	Total Expenditures			13,932,581
13	TORT	Expenditures 15-22, L330	Total Expenditures			8,995,836
14			<b>Total Expenditures</b>		\$	<b>454,035,207</b>
15						
16	<b>LESS RECEIPTS/REVENUES OR DISBURSEMENTS/EXPENDITURES NOT APPLICABLE TO THE REGULAR K-12 PROGRAM:</b>					
17						
18	TR	Revenues 9-14, L43, Col F	1412 Regular - Transp Fees from Other Districts (In State)		\$	0
19	TR	Revenues 9-14, L47, Col F	1421 Summer Sch - Transp. Fees from Pupils or Parents (In State)			0
20	TR	Revenues 9-14, L48, Col F	1422 Summer Sch - Transp. Fees from Other Districts (In State)			0
21	TR	Revenues 9-14, L49, Col F	1423 Summer Sch - Transp. Fees from Other Sources (In State)			0
22	TR	Revenues 9-14, L50 Col F	1424 Summer Sch - Transp. Fees from Other Sources (Out of State)			0
23	TR	Revenues 9-14, L52, Col F	1432 CTE - Transp Fees from Other Districts (In State)			0
24	TR	Revenues 9-14, L56, Col F	1442 Special Ed - Transp Fees from Other Districts (In State)			0
25	TR	Revenues 9-14, L59, Col F	1451 Adult - Transp Fees from Pupils or Parents (In State)			0
26	TR	Revenues 9-14, L60, Col F	1452 Adult - Transp Fees from Other Districts (In State)			0
27	TR	Revenues 9-14, L61, Col F	1453 Adult - Transp Fees from Other Sources (In State)			0
28	TR	Revenues 9-14, L62, Col F	1454 Adult - Transp Fees from Other Sources (Out of State)			0
29	O&M	Revenues 9-14, L148, Col D	3410 Adult Ed (from ICCB)			0
30	O&M-TR	Revenues 9-14, L149, Col D & F	3499 Adult Ed - Other (Describe & Itemize)			0
31	O&M-TR	Revenues 9-14, L218, Col D,F	4600 Fed - Spec Education - Preschool Flow-Through			0
32	O&M-TR	Revenues 9-14, L219, Col D,F	4605 Fed - Spec Education - Preschool Discretionary			0
33	O&M	Revenues 9-14, L229, Col D	4810 Federal - Adult Education			0
34	ED	Expenditures 15-22, L6, Col K - (G+I)	1125 Pre-K Programs			3,980,025
35	ED	Expenditures 15-22, L8, Col K - (G+I)	1225 Special Education Programs Pre-K			14,960,067
36	ED	Expenditures 15-22, L10, Col K - (G+I)	1275 Remedial and Supplemental Programs Pre-K			0
37	ED	Expenditures 15-22, L11, Col K - (G+I)	1300 Adult/Continuing Education Programs			239
38	ED	Expenditures 15-22, L14, Col K - (G+I)	1600 Summer School Programs			810,948
39	ED	Expenditures 15-22, L19, Col K	1910 Pre-K Programs - Private Tuition			0
40	ED	Expenditures 15-22, L20, Col K	1911 Regular K-12 Programs - Private Tuition			0
41	ED	Expenditures 15-22, L21, Col K	1912 Special Education Programs K-12 - Private Tuition			0
42	ED	Expenditures 15-22, L22, Col K	1913 Special Education Programs Pre-K - Tuition			0
43	ED	Expenditures 15-22, L23, Col K	1914 Remedial/Supplemental Programs K-12 - Private Tuition			0
44	ED	Expenditures 15-22, L24, Col K	1915 Remedial/Supplemental Programs Pre-K - Private Tuition			0
45	ED	Expenditures 15-22, L25, Col K	1916 Adult/Continuing Education Programs - Private Tuition			0
46	ED	Expenditures 15-22, L26, Col K	1917 CTE Programs - Private Tuition			0
47	ED	Expenditures 15-22, L27, Col K	1918 Interscholastic Programs - Private Tuition			0
48	ED	Expenditures 15-22, L28, Col K	1919 Summer School Programs - Private Tuition			0
49	ED	Expenditures 15-22, L29, Col K	1920 Gifted Programs - Private Tuition			0
50	ED	Expenditures 15-22, L30, Col K	1921 Bilingual Programs - Private Tuition			0
51	ED	Expenditures 15-22, L31, Col K	1922 Truants Alternative/Optional Ed Progrms - Private Tuition			0
52	ED	Expenditures 15-22, L74, Col K - (G+I)	3000 Community Services			3,218,933
53	ED	Expenditures 15-22, L101, Col K	4000 Total Payments to Other District & Govt Units			8,134,674
54	ED	Expenditures 15-22, L113, Col G	- Capital Outlay			6,040,415
55	ED	Expenditures 15-22, L113, Col I	- Non-Capitalized Equipment			769,232
56	O&M	Expenditures 15-22, L129, Col K - (G+I)	3000 Community Services			0
57	O&M	Expenditures 15-22, L137, Col K	4000 Total Payments to Other Dist & Govt Units			0
58	O&M	Expenditures 15-22, L149, Col G	- Capital Outlay			5,837,684
59	O&M	Expenditures 15-22, L149, Col I	- Non-Capitalized Equipment			0
60	DS	Expenditures 15-22, L153, Col K	4000 Payments to Other Dist & Govt Units			0
61	DS	Expenditures 15-22, L163, Col K	5300 Debt Service - Payments of Principal on Long-Term Debt			28,324,335
62	TR	Expenditures 15-22, L178, Col K - (G+I)	3000 Community Services			0
63	TR	Expenditures 15-22, L189, Col K	4000 Total Payments to Other Dist & Govt Units			0
64	TR	Expenditures 15-22, L199, Col K	5300 Debt Service - Payments of Principal on Long-Term Debt			2,141,439
65	TR	Expenditures 15-22, L203, Col G	- Capital Outlay			172,324
66	TR	Expenditures 15-22, L203, Col I	- Non-Capitalized Equipment			0
67	MR/SS	Expenditures 15-22, L209, Col K	1125 Pre-K Programs			160,112
68	MR/SS	Expenditures 15-22, L211, Col K	1225 Special Education Programs - Pre-K			655,672
69	MR/SS	Expenditures 15-22, L213, Col K	1275 Remedial and Supplemental Programs - Pre-K			0
70	MR/SS	Expenditures 15-22, L214, Col K	1300 Adult/Continuing Education Programs			42
71	MR/SS	Expenditures 15-22, L217, Col K	1600 Summer School Programs			25,793
72	MR/SS	Expenditures 15-22, L273, Col K	3000 Community Services			180,209
73	MR/SS	Expenditures 15-22, L277, Col K	4000 Total Payments to Other Dist & Govt Units			0
74						
75			<b>Total Deductions</b>		\$	<b>75,412,143</b>
76			<b>Total Operating Expenses (Regular K-12)</b>			<b>378,623,064</b>
77			<b>9 Mo ADA (See the General State Aid Claim for 2013-2014 (ISBE 54-33, L12)</b>			<b>35,779.00</b>
78			<b>Estimated OEPP *</b>		\$	<b>10,582.27</b>
79						

Printed: 12/15/2014  
31-045-0460-22.xls

# ESTIMATED INDIRECT COST DATA

	A	B	C	D	E	F	G	H
1	<b>ESTIMATED INDIRECT COST RATE DATA</b>							
2	<b>SECTION I</b>							
3	<b>Financial Data To Assist Indirect Cost Rate Determination</b>							
4	<i>(Source document for the computation of the Indirect Cost Rate is found in the "Expenditures 15-22" tab.)</i>							
5	<p><b>ALL OBJECTS EXCLUDE CAPITAL OUTLAY.</b> With the exception of line 11, enter the disbursements/expenditures included within the following functions charged directly to and reimbursed from federal grant programs. Also, include all amounts paid to or for other employees within each function that work with specific federal grant programs in the same capacity as those charged to and reimbursed from the same federal grant programs. For example, if a district received funding for a Title I clerk, all other salaries for Title I clerks performing like duties in that function must be included. Include any benefits and/or purchased services paid on or to persons whose salaries are classified as direct costs in the function listed.</p>							
6	<b>Support Services - Direct Costs (1-2000) and (5-2000)</b>							
7	Direction of Business Support Services (1-2510) and (5-2510)							
8	Fiscal Services (1-2520) and (5-2520)							
9	Operation and Maintenance of Plant Services (1, 2, and 5-2540)							
10	Food Services (1-2560) <i>Must be less than (P16, Col E-F, L62)</i>							
11	Value of Commodities Received for Fiscal Year 2014 <i>(Include the value of commodities when determining if an A-133 is required)</i>							
12	Internal Services (1-2570) and (5-2570)							
13	Staff Services (1-2640) and (5-2640)							
14	Data Processing Services (1-2660) and (5-2660)							
15	<b>SECTION II</b>							
16	<b>Estimated Indirect Cost Rate for Federal Programs</b>							
17								
18								
19	<b>Instruction</b>							
20	<b>Support Services:</b>							
21	Pupil							
22	Instructional Staff							
23	General Admin.							
24	School Admin							
25	<b>Business:</b>							
26	Direction of Business Spt. Srv.							
27	Fiscal Services							
28	Oper. & Maint. Plant Services							
29	Pupil Transportation							
30	Food Services							
31	Internal Services							
32	<b>Central:</b>							
33	Direction of Central Spt. Srv.							
34	Plan, Rsrch, Dvlp. Eval. Srv.							
35	Information Services							
36	Staff Services							
37	Data Processing Services							
38	<b>Other:</b>							
39	<b>Community Services</b>							
40	<b>Total</b>							
41								
42								
43								
44								
45								

A		B	C	D	E
<b>REPORT ON SHARED SERVICES OR OUTSOURCING</b> School Code, Section 17-1.1 (Public Act 97-0357) Fiscal Year Ending June 30, 2014					
Complete the following for attempts to improve fiscal efficiency through shared services or outsourcing in the prior, current and next fiscal years. For additional information, please see the following website: <a href="http://www.isbe.net/sfrms/atfr/atfr.htm">http://www.isbe.net/sfrms/atfr/atfr.htm</a> .					
1	SD U-46				
2	31-045-0460-22				
3					
5					
6					
7					
8	<input type="checkbox"/> Check if the schedule is not applicable.	Prior Fiscal Year	Current Fiscal Year	Next Fiscal Year	Name of the Local Education Agency (LEA) Participating in the Joint Agreement, Cooperative or Shared Service.
9	Indicate with an (X) if Deficit Reduction Plan Is Required for Annual Budget 				
10	Service or Function (Check all that apply)			Barriers to Implementation	(Limit text to 200 characters, for additional space use line 33 and 38)
11	Curriculum Planning				
12	Custodial Services				
13	Educational Shared Programs				
14	Employee Benefits				
15	Energy Purchasing				
16	Food Services				
17	Grant Writing				
18	Grounds Maintenance Services				
19	Insurance				
20	Investment Pools				
21	Legal Services				
22	Maintenance Services				
23	Personnel Recruitment				
24	Professional Development				
25	Shared Personnel				
26	Special Education Cooperatives				
27	STEM (science, technology, engineering and math) Program Offerings				
28	Supply & Equipment Purchasing				
29	Technology Services				
30	Transportation				
31	Vocational Education Cooperatives				
32	All Other Joint/Cooperative Agreements	x	x		Northern Kane County Regional Technical Education System
33	Other				
34					
35	Additional space for Column (D) - Barriers to Implementation:				
36					
37					
38					
40	Additional space for Column (E) - Name of LEA:				
41					
42					
43					
44					

ILLINOIS STATE BOARD OF EDUCATION  
School Business Services Division (N-330)  
100 North First Street  
Springfield, IL 62777-0001

School District Name: SD U-46  
RCDT Number: 31-045-0460-22

**LIMITATION OF ADMINISTRATIVE COSTS WORKSHEET**  
(Section 17-1.5 of the School Code)

Description	Funct. No.	Actual Expenditures, Fiscal Year 2014			Budgeted Expenditures, Fiscal Year 2015		
		(10) Educational Fund	(20) Operations & Maintenance Fund	Total	(10) Educational Fund	(20) Operations & Maintenance Fund	Total
1. Executive Administration Services	2320	3,205,886		3,205,886	2,957,018		2,957,018
2. Special Area Administration Services	2330	4,513,902		4,513,902	4,760,210		4,760,210
3. Other Support Services - School Administration	2490	5,919,668		5,919,668	6,249,772		6,249,772
4. Direction of Business Support Services	2510	380,108	0	380,108	528,162		528,162
5. Internal Services	2570	1,508,135		1,508,135	1,833,887		1,833,887
6. Direction of Central Support Services	2610	0		0			0
7. Deduct - Early Retirement or other pension obligations required by state law and included above.				0			0
8. Totals		15,527,699	0	15,527,699	16,329,049	0	16,329,049
Percent Increase (Decrease) for FY2015 (Budgeted) over FY2014 (Actual)							5%

**CERTIFICATION**

I certify that the amounts shown above as "Actual Expenditures, Fiscal Year 2014" agree with the amounts on the district's Annual Financial Report for Fiscal Year 2014. I also certify that the amounts shown above as "Budgeted Expenditures, Fiscal Year 2015" agree with the amounts on the budget adopted by the Board of Education.

12/15/14  
(Date)

  
Signature of Superintendent

If line 9 is greater than 5% please check one box below.

- ☐ The District is ranked by ISBE in the lowest 25th percentile of like districts in administrative expenditures per student (4th quartile) and will waive the limitation by board action, subsequent to a public hearing. Waiver resolution must be adopted no later than June 30.
- ☐ The district is unable to waive the limitation by board action and will be requesting a waiver from the General Assembly pursuant to the procedures in Chapter 105 ILCS 5/2-3.25g. Waiver applications must be postmarked by August 15, 2014 to ensure inclusion in the Fall 2014 report, postmarked by January 16, 2015 to ensure inclusion in the Spring 2014 report, or postmarked by August 14, 2015 to ensure inclusion in the Fall 2015 report. Information on the waiver process can be found at [www.isbe.net/isbewaivers/default.htm](http://www.isbe.net/isbewaivers/default.htm).
- ☐ The district will amend their budget to become in compliance with the limitation. Budget amendments must be adopted no later than June 30.

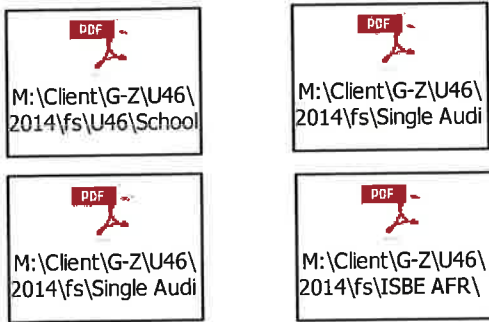
**This page is provided for detailed itemizations as requested within the body of the report.**

Type Below.

1. Revenues 9-14, [Fund 10] 1719 - \$67,214 Summer camp fees
2. Revenues 9-14, [Fund 20] 1993 - \$9,126 Other local fees
3. Revenues 9-14, [Fund 10] 1999 - \$429,947 Other local revenue
4. Revenues 9-14, [Fund 20] 1999 - \$25 Other local revenue
5. Revenues 9-14, [Fund 10] 3999 - \$10,500 National Board Certification, \$105,530 Safe Schools Grant, \$34,234 State Library Grant, \$47,873 Organage Tuition
6. Revenues 9-14, [Fund 20] 3999 - \$157,379 Other state source
7. Revenues 9-14, [Fund 40] 3999 - \$18,962 Other state source
8. Revenues 9-14, [Fund 10] 4799 - \$431,665 Voc Ed Perkins Title lic
9. Revenues 9-14, [Fund 10] 4998 - \$101,774 Dept of Rehab Services; \$118,384 COPS Grant
10. Expenditures 15-22, [Fund 10] 2190 - \$2,146,044 Salaries and benefits
11. Expenditures 15-22, [Fund 10] 2490 - \$5,919,668 Teacher and Administrative salaries and benefits
12. Expenditures 15-22, [Fund 10] 2900 - \$248,757 Teacher salaries and benefits; \$1,266,438 Instructional professional services; 35,061 Supplies
13. Expenditures 15-22, [Fund 30] 5400 - \$26,400 Bond interest
14. Expenditures 15-22, [Fund 50] 2190 - \$190,923 Municipal retirement, federal ins control act and medicare contribution
15. Expenditures 15-22, [Fund 50] 2490 - \$360,541 Municipal retirement, federal ins control act and medicare contribution
16. Expenditures 15-22, [Fund 50] 2900 - \$29,382 Municipal retirement, federal ins control act and medicare contribution
17. Debt principal retirement of \$28,324,335 (P15-22, Cell H163) + Capital lease retirement related to Transportation Fund of \$2,141,439 (P15-22, Cell 200) = \$30,465,774 (P25, Cell H49)
18. Differences in long-term debt schedule (P25: cells G32, G33, G34) for General Obligation Capital Appropriations bond series 2001, 2002, and 2003B are accreted interest
19. Cell D28 in the AUDITCHECK Tab - Info has been entered, however, it is \$0 so based on the check formula it is saying no data is entered.

Reference Pages.

- <sup>1</sup> Do not enter negative numbers. Reports with negative numbers will be returned for correction.
- <sup>2</sup> GASB Statement No. 24; Accounting and Financial Reporting for Certain Grants and Other Financial Assistance. The "On Behalf of" Payments should only be reflected on this page.
- <sup>3</sup> Equals Line 8 minus Line 17
- <sup>4</sup> May require notification to the county clerk to abate an equal amount from taxes next extended. Refer to Section 17-2.11 for the applicable provisions and other "limited" transfer authority to O&M through June 30, 2013
- <sup>5</sup> Requires notification to the county clerk to abate an equal amount from taxes next extended. See Section 10-22.14
- <sup>6</sup> Use of proceeds from the sale of school sites buildings, or other real estate is limited. See Sections 5-22 and 10-22.8 of the School Code.
- <sup>7</sup> Include revenue accounts 1110 through 1115, 1117, 1118 & 1120. Include taxes for bonds sold that are in addition to those identified separately.
- <sup>8</sup> Educational Fund (10) - Computer Technology only.
- <sup>9</sup> Corporate personal property replacement tax revenue must be first applied to the Municipal Retirement/Social Security Fund to replace tax revenue lost due to the abolition of the corporate personal property tax (30 ILCS 115/12). This provision does not apply to taxes levied for Medicare-Only purposes.
- <sup>10</sup> Include only tuition payments made to private facilities. See Function 4200 or 4400 for public facility disbursements/expenditures.
- <sup>11</sup> Payment towards the retirement of lease/purchase agreements or bonded/other indebtedness (principal only) otherwise reported within the fund—e.g. alternate revenue bonds( Describe & Itemize).
- <sup>12</sup> Only abolishment of Working Cash Fund must transfer its funds directly to the Educational Fund upon adoption of a resolution and at the close of the current school Year (see 105 ILCS 5/20-8 for further explanation)  
Only abatement of working cash fund can transfer its funds to any fund in most need of money (see 105 ILCS 5/20-10 for further explanation)

**Instructions to insert word doc or pdf files:**

Choose: **Insert** - Select: **Object** - Select **Create New** tab -  
Select file type **Adobe Acrobat or Microsoft Word Document** - Select **Create from File** tab - Select **Browse** -  
Select **file that you want to embed** - Check **Display as icon** - Select **OK**.

If you have trouble inserting pdf files it is because you do not have the Adobe program.

	A	B	C	D	E	F	G	H
1	<b>DEFICIT ANNUAL FINANCIAL REPORT (AFR) SUMMARY INFORMATION</b>							
2	<b>New Provisions in the School Code, Section 17-1 (105 ILCS 5/17-1)</b>							
3	<p><b>Instructions:</b> If the Annual Financial Report (AFR) reflects that a "deficit reduction plan" is required as calculated below, then the school district is to complete the "deficit reduction plan" in the annual budget and submit the plan to Illinois State Board of Education (ISBE) within 30 days after accepting the audit report. This may require the FY2015 annual budget to be amended to include a "deficit reduction plan" and narrative.</p>							
4	<p>The "deficit reduction plan" is developed using ISBE guidelines and format in the School District Budget Form 50-36. A plan is required when the operating funds listed below result in direct revenues (line 7) being less than direct expenditures (line 8) by an amount equal to or greater than one-third (1/3) of the ending fund balance (line 10). That is, if the ending fund balance is less than three times the deficit spending, the district must adopt and submit an original budget/amended budget with ISBE that provides a "deficit reduction plan" to balance the shortfall within the next three years.</p>							
5	<p><b>DEFICIT AFR SUMMARY INFORMATION - Operating Funds Only</b> (All AFR pages must be completed to generate the following calculation)</p>							
6		EDUCATIONAL	OPERATIONS & MAINTENANCE	TRANSPORTATION	WORKING CASH	TOTAL		
7	Direct Revenues	352,474,473	27,864,485	25,742,002	233,983	406,314,943		
8	Direct Expenditures	333,025,958	29,041,402	25,202,764		387,270,124		
9	Difference	19,448,515	(1,176,917)	539,238	233,983	19,044,819		
10	Fund Balance - June 30, 2014	89,124,912	4,513,538	(15,232,585)	92,052,975	170,458,840		
11								
12								
13								
14								

**Balanced - no deficit reduction plan is required.**

## Audit Checklist

All entries must balance within the individual fund statements and schedules as instructed below.

Any error messages left unresolved below, will be returned to the school district/joint agreement.

**Round all entries to the nearest dollar.**

- ☐ 1. The auditor's Opinion and Notes to the Financial Statements are embedded in the "Opinion-Notes 34" tab.
- ☐ 2. Student Activity Funds, Convenience Accounts, and other agency funds are included, if applicable.
- ☐ 3. All audit questions on page 2 are answered appropriately by checking all that apply. This page must also be certified with the signature of the CPA firm. Comments and explanations
- ☐ 4. All **Other** accounts and functions labeled "(describe & itemize)" are properly noted on the "Itemization 32" tab.
- ☐ 5. In all funds, Function No. 2900 does not include Worker's Compensation or Unemployment Insurance.
- ☐ 6. Tuition paid to another school district or to a joint agreement (in state) is coded to Function 4200, and Other Objects (600).
- ☐ 7. Business Manager/Bookkeeper Costs are charged to the proper Function (No. 2510/2520).
- ☐ 8. If district is subject to PTELL on tab "Aud Quest 2", line 21 be sure to check the box and enter the effective date.

## Balancing Schedule

### Check this Section for Error Messages

The following assures that various entries are in balance. Any out of balance condition is followed by an error message in **RED** and must be resolved before submitting to ISBE. One or more errors detected may cause this AFR to be returned for corrections and resubmission. If impossible for entries to balance please explain on the itemization page.

Description:	Error Message
<b>1. Cover Page: The Accounting Basis must be Cash or Accrual.</b>	
<b>2. The A-133 related documents must be completed and attached.</b>	
What Basis of Accounting is used?	ACCRUAL
Accounting for late payments (Audit Questionnaire Section D)	ENTER ACCOUNTING INFO
Are Federal Expenditures greater than \$500,000?	OK
Is all A133 information completed and enclosed?	OK
Is Budget Deficit Reduction Plan Required?	Congratulations! You have a balanced AFR.
<b>3. Page 3: Financial Information must be completed.</b>	
Section A: Tax rates are not entered in the following format: [1.50 should be .0150]. Please enter with the correct decimal point.	OK
Section D: Check a or b that agrees with the school district type.	OK
<b>4. Page 5: Cells C4:L4 Acct 111-115 - Cash Balances cannot be negative.</b>	
Fund (10) ED: Cash balances cannot be negative.	OK
Fund (20) O&M: Cash balances cannot be negative.	OK
Fund (30) DS: Cash balances cannot be negative.	OK
Fund (40) TR: Cash balances cannot be negative.	OK
Fund (50) MR/SS: Cash balances cannot be negative.	OK
Fund (60) CP: Cash balances cannot be negative.	OK
Fund (70) WC: Cash balances cannot be negative.	OK
Fund (80) Tort: Cash balances cannot be negative.	OK
Fund (90) FP&S: Cash balances cannot be negative.	OK
<b>5. Page 5 &amp; 6: Total Current &amp; Capital Assets must = Total Liabilities &amp; Fund Balance.</b>	
Fund 10, Cell C13 must = Cell C41.	OK
Fund 20, Cell D13 must = Cell D41.	OK
Fund 30, Cell E13 must = Cell E41.	OK
Fund 40, Cell F13 must = Cell F41.	OK
Fund 50, Cell G13 must = Cell G41.	OK
Fund 60, Cell H13 must = Cell H41.	OK
Fund 70, Cell I13 must = Cell I41.	OK
Fund 80, Cell J13 must = Cell J41.	OK
Fund 90, Cell K13 must = Cell K41.	OK
Agency Fund, Cell L13 must = Cell L41.	OK
General Fixed Assets, Cell M23 must = Cell M41.	OK
General Long-Term Debt, Cell N23 must = Cell N41.	OK
<b>6. Page 5: Sum of Reserved &amp; Unreserved Fund Balance must = Page 8, Ending Fund Balance.</b>	
Fund 10, Cells C38+C39 must = Cell C81.	OK
Fund 20, Cells D38+D39 must = Cell D81.	OK
Fund 30, Cells E38+E39 must = Cell E81.	OK
Fund 40, Cells F38+F39 must = Cell F81.	OK
Fund 50, Cells G38+G39 must = Cell G81.	OK
Fund 60, Cells H38+H39 must = Cell H81.	OK
Fund 70, Cells I38+I39 must = Cell I81.	OK
Fund 80, Cells J38+J39 must = Cell J81.	OK
Fund 90, Cells K38+K39 must = Cell K81.	OK
<b>8. Page 25: Schedule of Bonds Payable must = Pages 5, 8 &amp; 18: Basic Financial Statements.</b>	
<b>Note: Explain any unreconcilable differences in the Itemization sheet.</b>	
Total Long-Term Debt Issued (P25, Cell F49) must = Principal on Long-Term Debt Sold (P8, Cells C33:F33, H33:K33).	OK
Total Long-Term Debt (Principal) Retired (P18, Cells H163) must = Debt Service - Long-Term Debt (Principal) Retired (P25, Cells H49).	ERROR!
<b>9. Page 7 &amp; 8: Other Sources of Funds (L 24:42) must = Other Uses of Funds (P8, L46:59).</b>	
Acct 7130 - Transfer Among Funds, Cells C27:K27 must = Acct 8130 Transfer Among Funds, Cells C49:K49	OK
Acct 7140 - Transfer of Interest, Cells C28:K28 must = Acct 8140 Transfer of Interest, Cells C50:K50.	OK
Acct 7900 - ISBE Loan Proceeds (Cells C42:K42) must = Acct 8910 - Transfers to Debt Service Fund to Pay Principal on ISBE Loans (Cells C74:K74)	OK
<b>10. Restricted Local Tax Levies Page 26, Line 25 must = Reserved Fund Balance, Pages 5 &amp; 6, Line 38.</b>	
Reserved Fund Balance, Page 5, Cells C38:H38 must be => Reserve Fund Balance Cell G25:K25.	OK
Unreserved Fund Balance, Page 5, Cells C39:H39 must be > 0	OK
<b>11. Page 5: "On behalf" payments to the Educational Fund</b>	
Fund (10) ED: Account 3998 must be entered	OK
<b>12. Page 28: The 9 Month ADA must be entered on Line 77.</b>	OK
<b>13. Page 32: LIMITATION OF ADMINISTRATIVE COST, Budget Information must be completed and submitted to ISBE.</b>	OK
<b>14. Page 31: SHARED OUTSOURCED SERVICES, Completed.</b>	OK

**ANNUAL FEDERAL FINANCIAL COMPLIANCE REPORT (COVER SHEET)**  
**DISTRICT/JOINT AGREEMENT**  
**Year Ending June 30, 2014**

DISTRICT/JOINT AGREEMENT NAME <b>SD U-46</b>	RCDT NUMBER <b>31-045-0460-22</b>	CPA FIRM 9-DIGIT STATE REGISTRATION NUMBER <b>066-003346</b>
ADMINISTRATIVE AGENT IF JOINT AGREEMENT (as applicable) <b>Jeff King - Chief Operating Officer</b>		NAME AND ADDRESS OF AUDIT FIRM <b>McGladrey, LLP</b> <b>One South Wacker Dr, Ste 800</b> <b>Chicago IL 60606</b>
ADDRESS OF AUDITED ENTITY (Street and/or P.O. Box, City, State, Zip Code)  <b>355 E. Chicago Street</b>  <b>Elgin, IL</b> <b>60120-6543</b>		E-MAIL ADDRESS <b>john.george@mcgladrey.com</b>
		NAME OF AUDIT SUPERVISOR <b>John George</b>
		CPA FIRM TELEPHONE NUMBER <b>312-634-3400</b> FAX NUMBER <b>312-634-4505</b>

**THE FOLLOWING INFORMATION MUST BE INCLUDED IN THE A-133 SINGLE AUDIT REPORT:**

- ☒ A copy of the CPA firm's most recent peer review report and acceptance letter has been submitted to ISBE (either with the audit or under separate cover).
- ☒ Financial Statements including footnotes § .310 (a)
- ☒ Schedule of Expenditures of Federal Awards including footnotes § .310 (b)
- ☒ Independent Auditor's Report § .505
- ☒ Independent Auditor's Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* § .505
- ☒ Independent Auditor's Report on Compliance with Requirements Applicable to each Major Program and Internal Control over Compliance in Accordance with OMB Circular A-133 § .505
- ☒ Schedule of Findings and Questioned Costs § .505 (d)
- ☒ Summary Schedule of Prior Year Audit Findings § .315 (b)
- ☒ Corrective Action Plan § .315 (c)

**THE FOLLOWING INFORMATION IS HIGHLY RECOMMENDED TO BE INCLUDED:**

- ☐ Copy of Federal Data Collection Form § .320 (b)
- ☐ Copy(ies) of Management Letter(s)

**SD U-46**  
**31-045-0460-22**

**A-133 SINGLE AUDIT INFORMATION CHECKLIST**

The following checklist is **OPTIONAL**; it is not a required form for completion of A-133 Single Audit information. The purpose of the checklist is to assist in determining if appropriate information has been correctly completed within the Annual Financial Report (AFR). This is not a complete listing of all A-133 requirements, but highlights some of the more common errors found during ISBE reviews.

**GENERAL INFORMATION**

- ☐ 1. **Signed** copies of audit opinion letters have been included with audit package submitted to ISBE.
- ☐ 2. All opinion letters use the **most current audit language and formatting** as mandated in SAS 115/SAS 117 and other pronouncements.
- ☐ 3. **ALL** Single Audit forms within the AFR Excel workbook have been completed, where appropriate.  
 - For those forms that are not applicable, "N/A" or similar language has been indicated.
- ☐ 4. **ALL** Federal revenues reported in FRIS Report 0053 (Summary of Payments) are accounted for in the Schedule of Expenditures of Federal Awards (SEFA).  
 Programs funded through ARRA are identified separately in SEFA
- ☐ 5. Federal revenues reported on the AFR reconcile to Federal revenues reported on the SEFA.  
 - Verify or reconcile on reconciliation worksheet.
- ☐ 6. The total value of non-cash **COMMODITIES** has been included within the AFR on the **INDIRECT COSTS** page (ICR Computation 30) on Line 11.  
 It **should not** be included in the Statement of Revenues Received (REVENUES 9-14) within the AFR Accounts 4210 - 4299.  
 Those accounts are specific cash programs, not non-cash assistance such as **COMMODITIES**.
- ☐ 7. Complete audit package (Data Collection Form, audit reports, etc.) has been submitted electronically to the Federal Audit Clearinghouse in Jeffersonville, Indiana.

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

- ☐ 8. Programs funded through ARRA (Federal Stimulus funds) are identified separately from "regular" Federal programs  
 - Program name includes "ARRA - " prefix  
 - Correct ARRA CFDA and ISBE program numbers are listed
- ☐ 9. All prior year's projects are included and reconciled to final FRIS report amounts.  
 - Including receipt/revenue and expenditure/disbursement amounts.
- ☐ 10. All current year's projects are included and reconciled to most recent FRIS report filed.  
 - Including revenue and expenditure/disbursement amounts.
- ☐ 11. Differences in reported spending amounts on the SEFA and the final FRIS reports should be detailed and/or documented in a finding, with discrepancies reported as Questioned Costs.
- ☐ 12. Prior-year and Current-year Child Nutrition Programs (CNP) are included on the SEFA (with prior-year program showing total cash received):  
 Project year runs from October 1 to September 30, so projects will cross fiscal year;  
 This means that audited year revenues will include funds from both the prior year and current year projects.
- ☐ 13. Each CNP project should be reported on separate line (one line per project year per program).
- ☐ 14. Total CNP Revenue amounts are consistent with grant amounts awarded by ISBE for each program by project year.
- ☐ 15. Total CNP Expenditure amounts are consistent with grant amounts awarded by ISBE for each program by project year.
- ☐ 16. Exceptions should result in a finding with Questioned Costs.
- ☐ 17. The total value of non-cash **COMMODITIES** has been reported on the SEFA (CFDA 10.555).  
 - The value is determined from the following, with each item on a separate line:  
☐ \* **Non-Cash Commodities**: Monthly Commodities Bulletin for April (From the Illinois Commodities System accessed through ISBE web site)  
 Total commodities = A PAL Allocated + B PAL Allocated + Processing Deductions + Total Bonus Allocated  
 Verify Non-Cash Commodities amount on ISBE web site: <http://www.isbe.net/business.htm>.  
☐ \* **Non-Cash Commodities**: Commodities information for non-cash items received through **Other Food Services**  
 Districts should track separately through year; no specific report available from ISBE  
 Verify Non-Cash Commodities amount through Other Food Services on ISBE web site: <http://www.isbe.net/business.htm>.  
☐ \* **Department of Defense Fresh Fruits and Vegetables** (District should track through year)  
 - The two commodity programs should be reported on separate lines on the SEFA.  
 Verify Non-Cash Commodities amount through DoD Fresh Fruits and Vegetables on ISBE web site: <http://www.isbe.net/business.htm>.  
☐ \* Amounts verified for **Fresh Fruits and Vegetables cash** grant program (ISBE code 4240)  
 CFDA number: 10.582
- ☐ 18. **TOTALS** have been calculated for Federal revenue and expenditure amounts (Column totals).
- ☐ 19. Obligations and Encumbrances are included where appropriate.
- ☐ 20. **FINAL STATUS** amounts are calculated, where appropriate.
- ☐ 21. Medicaid Fee-for-Service funds, E-Rate reimbursements and Build America Bond interest subsidies have **not** been included on the SEFA.
- ☐ 22. **All** programs tested (not just Type A programs) are indicated by either an \* or (M) on the SEFA.
- ☐ 23. **NOTES TO THE SEFA** within the AFR Excel workbook (SEFA NOTES) have been completed.  
 Including, but not limited to:  
☐ 24. Basis of Accounting  
☐ 25. Name of Entity  
☐ 26. Type of Financial Statements  
☐ 27. Subrecipient information (Mark "N/A" if not applicable)  
☐ \* ARRA funds are listed separately from "regular" Federal awards

**SUMMARY OF AUDITOR RESULTS/FINDINGS/CORRECTIVE ACTION PLAN**

- ☐ 28. Audit opinions expressed in opinion letters match opinions reported in Summary.
- ☐ 29. **All** Summary of Auditor Results questions have been answered.
- ☐ 30. All tested programs are listed.
- ☐ 31. Correct testing threshold has been entered. (OMB A-133, §.520)

**Findings have been filled out completely and correctly (if none, mark "N/A").**

- ☐ 32. Financial Statement and/or Federal Awards Findings information has been completely filled out for each finding, with finding numbers in correct format.
- ☐ 32. Finding completed for **each Significant Deficiency** and for **each Material Weakness** noted in opinion letters.
- ☐ 33. Separate finding for each Federal program (i.e., don't report same finding for multiple programs on one sheet).
- ☐ 34. Separate finding sheet for each finding on programs (e.g., excess interest earned and unallowable expenditures are two findings and should be reported separately, even if both are on same program).
- ☐ 35. Questioned Costs have been calculated where there are questioned costs.
- ☐ 36. Questioned Costs are separated by project year **and** by program (and sub-project, if necessary).
- ☐ 37. Questioned Costs have been calculated for Interest Earned on **Excess Cash on Hand**.

- Should be based on actual amount of interest earned
- Questioned Cost amounts are broken out between programs if multiple programs are listed on the finding



38. **A CORRECTIVE ACTION PLAN** has been completed for each finding.

- Including Finding number, action plan details, projected date of completion, name and title of contact person

**SD U-46  
31-045-0460-22**

**RECONCILIATION OF FEDERAL REVENUES**

Annual Financial Report to Schedule of Expenditures of Federal Awards

**TOTAL FEDERAL REVENUE IN AFR**

Account Summary 7-8, Line 7	Account 4000	\$ 34,412,640
Flow-through Federal Revenues		
Revenues 9-14, Line 112	Account 2200	-
Value of Commodities		
Indirect Cost Info 30, Line 11		995,884
Less: Medicaid Fee-for-Service		
Revenues 9-14, Line 270	Account 4992	(844,656)
<b>AFR TOTAL FEDERAL REVENUES:</b>		<b>\$ 34,563,868</b>

**ADJUSTMENTS TO AFR FEDERAL REVENUE AMOUNTS:**

Reason for Adjustment:

		\$ 34,563,868
<b>ADJUSTED AFR FEDERAL REVENUES</b>		<b>\$ 34,563,868</b>

Total Current Year Federal Revenues Reported on SEFA:		
Federal Revenues	Column D	\$ 34,563,868

**Adjustments to SEFA Federal Revenues:**

Reason for Adjustment:

		\$ 34,563,868
<b>ADJUSTED SEFA FEDERAL REVENUE:</b>		<b>\$ 34,563,868</b>
<b>DIFFERENCE:</b>		<b>\$ -</b>

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR Ended JUNE 30, 2014**

(attachment of ISBE 62-18)  
County \_\_\_\_\_  
District/Joint Agreement No. \_\_\_\_\_  
School District U46 \_\_\_\_\_  
District/Joint Agreement No. \_\_\_\_\_  
U46 \_\_\_\_\_

[illegible]

Federal Agency/ Pass-through Grantor/ Program Name	CFDA Number (A)	ISBE Project Number (B)	Revenues		Expenditures		Obligations/ Encumbrances (G)	Final Status (H)	Budget (I)
			7/1/12- 6/30/13 (C)	7/1/13- 6/30/14 (D)	7/1/12- 6/30/13 (E)	7/1/13- 6/30/14 (F)			
U.S. Department of Education:									
Direct grants:									
Fund for the Improvement of Education: Teaching American History									
	84.215X	U215X080096	\$ 878	\$ -	\$ 412	\$ -	\$ -	412	364,428
Passed through Illinois State Board of Education:									
Title I Part A Cluster									
Title I Grants to Local Education Agencies: Title I : Low Income									
84.010A	14-4300-00		-	8,522,849	-	8,522,849	-	8,522,849	10,375,697
	13-4300-00		9,309,646	208,789	9,313,488	208,789	-	9,522,277	10,263,435
	12-4300-00		602,626	-	606,350	-	-	8,879,749	9,500,851
			9,912,272	8,731,638	9,919,838	8,731,638	-	26,924,875	30,139,983
Title I Grants to Local Education Agencies: Title I : Low Income - Neglected Priv.									
84.010A	14-4305-00		-	7,944	-	7,944	-	7,944	47,818
	13-4305-00		53,131	-	53,131	-	-	53,131	53,131
			53,131	7,944	53,131	7,944	-	61,075	100,949
Total Title I Part A Cluster									
			9,965,403	8,739,582	9,972,969	8,739,582	-	26,985,950	30,240,932

**Safe and Drug-Free Schools and Communities-State Grants**  
**Title IV : Safe and Drug Free Schools -Formula**

Twenty-First Century Community Learning Centers:  
 Title IV - 21st Century Community Learning Centers

Special Education Cluster (IDEA)

ILLINOIS STATE BOARD OF EDUCATION  
100 NORTH FIRST STREET  
SPRINGFIELD, ILLINOIS 62777-0001

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR Ended JUNE 30, 2014

(Attachment of ISBE 62-18)

County  
District/Joint Agreement Name  
School District U46  
District/Joint Agreement No.  
U46

Federal Agency/ Pass-through Grantor/ Program Name	CFDA Number (A)	ISBE Project Number (B)	Revenues		Expenditures		Obligations/ Encumbrances (G)	Final Status (H)	Budget (I)
			7/1/12- 6/30/13 (C)	7/1/13- 6/30/14 (D)	7/1/12- 6/30/13 (E)	7/1/13- 6/30/14 (F)			
Special Education - Preschool Grants: Pre-School Flow Through (M)	84.173A	14-4600-00	-	152,633	-	152,633	5,000	157,633	193,771
		13-4600-00	167,467	-	167,467	-	-	167,467	185,004
		12-4600-00	-	-	1,051	-	-	163,863	177,692
			167,467	152,633	168,518	152,633	5,000	488,963	556,467
Special Education - Grants to States: IDEA Flow Through (M)	84.027A	14-4620-00	-	7,357,065	-	7,357,065	100,000	7,457,065	8,758,306
		13-4620-00	7,658,384	15,734	7,658,384	15,734	-	7,674,118	8,459,057
		12-4620-00	78,366	-	599,036	-	-	7,362,418	7,740,089
			7,736,750	7,372,799	8,167,420	7,372,799	100,000	22,493,601	24,957,452
Special Education - Grants to States: IDEA Room & Board (M)	84.027A	2014-4625-00	-	219,971	-	219,971	-	291,971	N/A
		2013-4625-00	241,032	73,352	241,032	73,352	-	314,384	N/A
		2012-4625-00	63,242	-	51,070	-	-	19,031	N/A
			304,274	293,323	292,102	293,323	-	726,386	N/A
Total Special Education Cluster (IDEA)			8,208,491	7,818,755	8,628,040	7,818,755	105,000	23,708,950	25,513,919
English Language Acquisition Grants: Title III : Language Instruction Program - Limited English (M)	84.365A	14-4909-00	-	956,688	-	956,688	-	956,688	1,323,747
		13-4909-00	1,129,738	94,001	1,129,738	94,001	-	1,223,739	1,408,386
		12-4909-00	86,871	-	86,871	-	-	1,232,877	1,429,631
			1,216,609	1,050,689	1,216,609	1,050,689	-	3,413,304	4,161,764
Improving Teacher Quality State Grants: Title II : Teacher Quality	84.367A	14-4932-00	-	1,024,638	-	1,024,638	-	1,024,638	1,828,783
		13-4932-00	596,150	188,221	596,150	188,221	-	784,371	1,706,127
		12-4932-00	142,291	-	142,291	-	-	1,139,043	1,823,131
			738,441	1,212,859	738,441	1,212,859	-	2,948,052	5,358,041
Passed through Illinois Department of Human Services Rehabilitation Services - Vocational Rehabilitation Grants to States: Rehabilitation Services	84.126	940CK001618	-	101,774	-	101,774	-	101,774	N/A
		940CK001618	47,449	-	47,449	-	-	47,449	N/A
			47,449	101,774	47,449	101,774	-	149,223	N/A

Passed through Illinois Community College Board:

(attachment of ISBE 62-18)

ILLINOIS STATE BOARD OF EDUCATION  
100 NORTH FIRST STREET  
SPRINGFIELD, ILLINOIS 62777-0001

County  
District/Joint Agreement Name  
School District U46  
District/Joint Agreement No.  
U46

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR Ended JUNE 30, 2014

Federal Agency/ Pass-through Grantor/ Program Name	CFDA Number (A)	ISBE Project Number (B)	Revenues		Expenditures				Obligations/ Encumbrances (G)	Final Status (H)	Budget (I)
			7/1/12- 6/30/13 (C)	7/1/13- 6/30/14 (D)	7/1/12- 6/30/13 (E)	7/1/13- 6/30/14 (F)					
Adult Education - Basic Grants to States; Federal - Adult Education : Basic	84.002A	13-4810-00	43,966	-	46,967	-	-	-	-	46,967	46,967
Passed through Northern Kane County Regional Vocational System: Career and Technical Education - Basic Grants to States: Perkins IIC Grant	84.048A	14-4745-00 13-4745-00	- 409,689 409,689	341,459 51,762 393,221	- 408,436 408,436	341,459 51,979 393,438	-	-	-	341,459 408,936 801,874	N/A N/A N/A
Total U.S. Department of Education			21,663,997	20,167,292	22,092,394	20,167,509	105,000	-	-	61,045,205	69,019,121
U.S. Department of Agriculture:											
Passed through Illinois State Board of Education: Commodity Supplemental Food Program											
National School Lunch Program	10.555	14-4299-00 13-4299-00	- 867,285 867,285	995,884 - 995,884	- 867,285 867,285	995,884 - 995,884	-	-	-	995,884 867,285 1,863,169	N/A N/A N/A
	10.555	14-4210-00 13-4210-00 12-4210-00	- 7,630,218 1,341,058 8,971,276	7,841,310 1,584,814 - 9,426,124	- 7,630,218 1,341,058 8,971,276	7,841,310 1,584,814 - 9,426,124	-	-	-	7,841,310 9,215,032 1,341,058 25,270,313	N/A N/A N/A N/A
	10.553	14-4220-00 13-4220-00 12-4220-00	- 2,350,642 375,702 2,726,344	2,497,428 458,111 - 2,955,539	- 2,350,642 375,702 2,726,344	2,497,428 458,111 - 2,955,539	-	-	-	2,497,428 2,808,753 2,000,411 7,306,592	N/A N/A N/A N/A
Total Child Nutrition Cluster			12,564,905	13,377,547	12,564,905	13,377,547	-	-	-	34,440,074	N/A
Fresh Fruits and Vegetables Program	10.582	13-4240-12 13-4240-11	85,138 18,447 103,585	- - 3,703	85,138 18,447 103,585	- - 3,703	-	-	-	85,138 18,447 107,288	N/A N/A N/A
Total U.S. Department of Agriculture			12,668,490	13,377,547	12,668,490	13,377,547	-	-	-	34,543,659	N/A
U.S. Department of Justice: Passed through Village of Streamwood: Secure our Schools											
16.710	2008CKWX0652		9,513	-	9,513	-	-	-	-	9,513	9,513

ILLINOIS STATE BOARD OF EDUCATION  
100 NORTH FIRST STREET  
SPRINGFIELD, ILLINOIS 62777-0001

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR Ended JUNE 30, 2014

(attachment of ISBE 62-18)  
County  
District/Joint Agreement Name  
School District U46  
District/Joint Agreement No.  
U46

Federal Agency/ Pass-through Grantor/ Program Name	CFDA Number (A)	ISBE Project Number (B)	Revenues					Expenditures			Final Status (H)	Budget (I)
			7/1/12- 6/30/13 (C)	7/1/13- 6/30/14 (D)	7/1/12- 6/30/13 (E)	7/1/13- 6/30/14 (F)	Obligations/ Encumbrances (G)					
Passed through City of Elgin: COPS Office	16.710	2010CKWX0728	-	118,384	-	118,384	-	-	-	-	118,384	229,150
<b>Total U.S. Department of Agriculture</b>			<b>9,513</b>	<b>118,384</b>	<b>9,513</b>	<b>118,384</b>	-	-	-	-	<b>127,897</b>	<b>238,663</b>
U.S. Department of Health and Human Services: Passed through Northwestern Illinois Association: Medical Assistance Program	93.778	14-4991-00 13-4991-00	- 979,249	734,447	- 967,249	734,447	-	-	-	-	734,447 976,249	N/A N/A
			979,249	734,447	979,249	734,447	-	-	-	-	1,710,696	N/A
Passed through Illinois Department of Human Services Affordable Care Act Maternal, Infant and Early Childhood Home Visiting Program	93.505	14-4877-00 13-4877-00	- 199,254	166,198	- 177,046	181,074	-	-	-	-	181,074 177,046	N/A N/A
			199,254	166,198	177,046	181,074	-	-	-	-	358,120	N/A
Passed through MDRC Maternal, Infant and Early Childhood Home Visiting Research Programs	93.615	13-4876-00	15,000	-	1,148	-	-	-	-	-	1,148	N/A
Passed through Illinois Department of Human Services ARRA - Head Start	93.708	13-4879-00	38,419	-	38,417	-	-	-	-	-	38,417	N/A
<b>Total U.S. Department of Health and Human Services</b>			<b>1,231,922</b>	<b>900,645</b>	<b>1,192,860</b>	<b>915,521</b>	-	-	-	-	<b>2,108,381</b>	<b>N/A</b>
<b>Total Federal Awards</b>			<b>\$ 35,573,922</b>	<b>\$ 34,563,868</b>	<b>\$ 35,963,257</b>	<b>\$ 34,578,961</b>	<b>\$ 105,000</b>	<b>\$ 97,825,142</b>	<b>\$ 69,257,784</b>			

CFDA Catalog of Federal Domestic Assistance  
See Notes to Schedule of Expenditures of Federal Awards

• (M) Program was audited as a major program as defined by OMB Circular A-133

The accompanying noted are an integral part of this schedule.

1 To meet state or other requirements, auditees may decide to include certain nonfederal awards (for example, state awards) in this schedule. If such nonfederal data are presented, they should be segregated and clearly designated as nonfederal. The title of the schedule should also be modified to indicate that nonfederal awards are included.

ILLINOIS STATE BOARD OF EDUCATION  
100 NORTH FIRST STREET  
SPRINGFIELD, ILLINOIS 62777-0001

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR Ended JUNE 30, 2014

(Attachment of ISBE 62-18)  
County  
District/Joint Agreement Name  
School District U46  
District/Joint Agreement No.  
U46

Federal Agency/ Pass-through Grantor/ Program Name	CFDA Number (A)	ISBE Project Number (B)	Revenues		Expenditures		Obligations/ Encumbrances (G)	Final Status (H)	Budget (I)
			7/1/12- 6/30/13 (C)	7/1/13- 6/30/14 (D)	7/1/12- 6/30/13 (E)	7/1/13- 6/30/14 (F)			

2 When the CFDA number is not available, the auditee should indicate that the CFDA number is not available and include in the schedule the program's name and, if applicable, other identifying number.

3 When awards are received as a subrecipient, the identifying number assigned by the pass-through entity should be included in the schedule.

4 Circular A-133 requires that the value of federal awards expended in the form of non-cash assistance, the amount of insurance in effect during the year, and loans or loan guarantees outstanding at year end be included in either the schedule or a note to the schedule. Although it is not required, Circular A-133 states that it is preferable to present this information in the schedule (versus the notes to the schedule). If the auditee presents non-cash assistance in the notes to the schedule, the auditor should be aware that such amounts must still be included in part III of the data collection form.

**SD U-46**  
**31-045-0460-22**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (SEFA)**  
**Year Ending June 30, 2014**

### Note 1: Basis of Presentation<sup>5</sup>

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of School District U-46 and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Office of Management and Budget Circular A-133, Audits of States, Local Governments and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

### Note 2: Subrecipients<sup>6</sup>

Of the federal expenditures presented in the schedule, School District U-46 provided federal awards to subrecipients as follows:

[illegible]

### Note 3: Non-Cash Assistance

**Note 3: Non-Cash Assistance**  
The following amounts were expended in the form of non-cash assistance by School District U-46 and **are** included in the Schedule of Expenditures of Federal Awards:

NON-CASH COMMODITIES (CFDA 10.555)\*\*:

\$995,884

OTHER NON-CASH ASSISTANCE

\$0

#### Note 4: Other Information

Insurance provided by Federal agencies in effect during the fiscal year:

Property

No

Auto

No

## General Liability

No

## Workers Compensation

No

Loans/Loan Guarantees Outstanding at June 30:

No

District had Federal grants requiring matching expenditures

Yes

(Yes/No)

\*\* The amount reported here should match the value reported for non-cash Commodities on the Indirect Cost Rate Computation page.

---

<sup>5</sup> This note is included to meet the Circular A-133 requirement that the schedule include notes that describe the significant accounting policies used in preparing the schedule.

<sup>6</sup> Circular A-133 requires the Schedule of Expenditures of Federal Awards to include, to the extent practical, an identification of the total amount provided to subrecipients, from each federal program. Although this example includes the required subrecipie information in the notes to the schedule, the information may be included on the face of the schedule as a separate column or section, if that is preferred by the auditee.

**SD U-46**  
**31-045-0460-22**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**Year Ending June 30, 2014**

**SECTION I - SUMMARY OF AUDITOR'S RESULTS**

**FINANCIAL STATEMENTS**

Type of auditor's report issued: Unmodified  
(Unmodified, Qualified, Adverse, Disclaimer)

**INTERNAL CONTROL OVER FINANCIAL REPORTING:**

- Material weakness(es) identified?        YES   X   None Reported
- Significant Deficiency(s) identified that are not considered to be material weakness(es)?   X   YES        None Reported
- Noncompliance material to financial statements noted?        YES   X   NO

**FEDERAL AWARDS**

**INTERNAL CONTROL OVER MAJOR PROGRAMS:**

- Material weakness(es) identified?        YES   X   None Reported
- Significant Deficiency(s) identified that are not considered to be material weakness(es)?        YES   X   None Reported

Type of auditor's report issued on compliance for major programs: Unmodified  
(Unmodified, Qualified, Adverse, Disclaimer<sup>7</sup>)

Any audit findings disclosed that are required to be reported in accordance with Circular A-133, § .510(a)?        YES   X   NO

**IDENTIFICATION OF MAJOR PROGRAMS:<sup>8</sup>**

CFDA NUMBER(S) <sup>9</sup>	NAME OF FEDERAL PROGRAM or CLUSTER <sup>10</sup>
84.173A and 84.027A	Special Education Cluster (IDEA)
84.365A	Title III : Language Instruction Program - Limited English

Dollar threshold used to distinguish between Type A and Type B programs: \$1,037,369.00

Auditee qualified as low-risk auditee?   X   YES        NO

<sup>7</sup> If the audit report for one or more major programs is other than unmodified, indicate the type of report issued for each program. Example: "Unmodified for all major programs except for [name of program], which was modified and [name of program], which was a disclaimer."

<sup>8</sup> Major programs should generally be reported in the same order as they appear on the SEFA.

<sup>9</sup> When the CFDA number is not available, include other identifying number, if applicable.

<sup>10</sup> The name of the federal program or cluster should be the same as that listed in the SEFA. For clusters, auditors are only required to list the name of the cluster.

**SD U-46**  
**31-045-0460-22**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**Year Ending June 30, 2014**

**SECTION II - FINANCIAL STATEMENT FINDINGS**

1. FINDING NUMBER:<sup>11</sup> **2014- 001** 2. THIS FINDING IS: ☐ New ☒ Repeat from Prior Year?  
 Year originally reported? **2010**

**3. Criteria or specific requirement**

In accordance with Generally Accepted Accounting Principles ("GAAP"), all liabilities and related expenses should be recorded in the period when the goods are purchased or when the services are performed.

**4. Condition**

The District does not have adequate controls in place to ensure that liabilities relating to accounts payable, claims payments, and legal expenditures are recorded in the proper period.

**5. Context<sup>12</sup>**

During our testing we noted that 4 invoices totaling approximately \$250,000 relating to goods delivered prior to the year-end but not recorded as payables as of June 30, 2014. In addition, claims payable and accrued legal expenditures were approximately understated by \$400,000 each. Though the checks and in some cases invoices were not written or received until after year end, the expenses should have been accounted for in the period when the related services were performed.

**6. Effect**

Not recording expenses in the proper period could lead to liabilities, expenses and the financial statements of the District being materially misstated.

**7. Cause**

According to District management, some invoices dated after June 30th were related to goods or services provided prior to year-end, but were not recorded as payables at year-end. The District did not include these amounts in the initial accrual.

**8. Recommendation**

We recommend that the District establish controls to ensure that all invoices are recorded in the accounting system in the proper period. Proper cutoffs are critical for the accuracy of the accrual basis of accounting.

**9. Management's response<sup>13</sup>**

Management concurs with the finding.

**For ISBE Review**

Date: \_\_\_\_\_ Resolution Criteria Code Number \_\_\_\_\_  
 Initials: \_\_\_\_\_ Disposition of Questioned Costs Code Letter \_\_\_\_\_

<sup>11</sup> A suggested format for assigning reference numbers is to use the digits of the fiscal year being audited followed by a numeric sequence of findings. For example, findings identified and reported in the audit of fiscal year 2014 would be assigned a reference number of 2014-001, 2014-002, etc. The sheet is formatted so that only the number need be entered (1, 2, etc.).

<sup>12</sup> Provide sufficient information for judging the prevalence and consequences of the finding, such as relation to universe of costs and/or number of items examined and quantification of audit findings in dollars.

<sup>13</sup> See paragraphs 5.18 through 5.20 and 7.38 through 7.42 of Government Auditing Standards for additional guidance on reporting management's response.

**SD U-46**  
**31-045-0460-22**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**Year Ending June 30, 2014**

**SECTION II - FINANCIAL STATEMENT FINDINGS**

1. FINDING NUMBER:<sup>11</sup> **2014- 001** 2. THIS FINDING IS: ☐ New ☒ Repeat from Prior Year?  
Year originally reported? **2010**

**3. Criteria or specific requirement**

In accordance with Generally Accepted Accounting Principles ("GAAP"), all liabilities and related expenses should be recorded in the period when the goods are purchased or when the services are performed.

**4. Condition**

The District does not have adequate controls in place to ensure that liabilities relating to accounts payable, claims payments, and legal expenditures are recorded in the proper period.

**5. Context<sup>12</sup>**

During our testing we noted that 4 invoices totaling approximately \$250,000 relating to goods delivered prior to the year-end but not recorded as payables as of June 30, 2014. In addition, claims payable and accrued legal expenditures were approximately understated by \$400,000 each. Though the checks and in some cases invoices were not written or received until after year end, the expenses should have been accounted for in the period when the related services were performed.

**6. Effect**

Not recording expenses in the proper period could lead to liabilities, expenses and the financial statements of the District being materially misstated.

**7. Cause**

According to District management, some invoices dated after June 30th were related to goods or services provided prior to year-end, but were not recorded as payables at year-end. The District did not include these amounts in the initial accrual.

**8. Recommendation**

We recommend that the District establish controls to ensure that all invoices are recorded in the accounting system in the proper period. Proper cutoffs are critical for the accuracy of the accrual basis of accounting.

**9. Management's response<sup>13</sup>**

Management concurs with the finding.

**For ISBE Review**

Date: \_\_\_\_\_ Resolution Criteria Code Number \_\_\_\_\_  
Initials: \_\_\_\_\_ Disposition of Questioned Costs Code Letter \_\_\_\_\_

<sup>11</sup> A suggested format for assigning reference numbers is to use the digits of the fiscal year being audited followed by a numeric sequence of findings. For example, findings identified and reported in the audit of fiscal year 2014 would be assigned a reference number of 2014-001, 2014-002, etc. The sheet is formatted so that only the number need be entered (1, 2, etc.).

<sup>12</sup> Provide sufficient information for judging the prevalence and consequences of the finding, such as relation to universe of costs and/or number of items examined and quantification of audit findings in dollars.

<sup>13</sup> See paragraphs 5.18 through 5.20 and 7.38 through 7.42 of Government Auditing Standards for additional guidance on reporting management's response.

SD U-46  
31-045-0460-22  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
Year Ending June 30, 2014

**SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

1. FINDING NUMBER:<sup>14</sup> **2014-** \_\_\_\_\_ 2. THIS FINDING IS: ☐ New ☐ Repeat from Prior year?  
Year originally reported? \_\_\_\_\_

3. Federal Program Name and Year: \_\_\_\_\_

4. Project No.: \_\_\_\_\_ 5. CFDA No.: \_\_\_\_\_

6. Passed Through: \_\_\_\_\_

7. Federal Agency: \_\_\_\_\_

8. Criteria or specific requirement (including statutory, regulatory, or other citation)  
NONE

9. Condition<sup>15</sup> \_\_\_\_\_

10. Questioned Costs<sup>16</sup> \_\_\_\_\_

11. Context<sup>17</sup> \_\_\_\_\_

12. Effect \_\_\_\_\_

13. Cause \_\_\_\_\_

14. Recommendation \_\_\_\_\_

15. Management's response<sup>18</sup> \_\_\_\_\_

**For ISBE Review**

Date: \_\_\_\_\_ Resolution Criteria Code Number \_\_\_\_\_  
Initials: \_\_\_\_\_ Disposition of Questioned Costs Code Letter \_\_\_\_\_

<sup>14</sup> See footnote 11.

<sup>15</sup> Include facts that support the deficiency identified on the audit finding.

<sup>16</sup> Identify questioned costs as required by sections 510(a)(3) and 510 (a) (4) of Circular A-133.

<sup>17</sup> See footnote 12.

<sup>18</sup> To the extent practical, indicate when management does not agree with the finding, questioned cost, or both.

**SD U-46**  
**31-045-0460-22**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS<sup>19</sup>**  
**Year Ending June 30, 2014**

[If there are no prior year audit findings, please submit schedule and indicate NONE]

<u>Finding Number</u>	<u>Condition</u>	<u>Current Status<sup>20</sup></u>
13-01	The District does not have adequate procedures in place to ensure that liabilities are recorded in the proper period.	While the District has taken steps to improve controls over accruing liabilities at year end certain exceptions were noted again this year relating to accrued liabilities but not specifically construction related accruals, therefore, this finding is repeated as Finding 2014-001 in the current year.
13-02 & 13-03	The District does not have adequate controls in place to ensure that personnel information is properly maintained and updated in their system.	In the prior year this finding indicated it could potentially impact all federal programs when that was not the case. This prior year finding impacted two of the three major programs identified in the prior year audit and should have been stated as such. The two programs this finding impacted in the prior year were 84.365A Title III – Language Instruction Program – Limited English and 84.173A/84.392A and 84.027A/84.391A Special Education Cluster (IDEA). The last of the major programs identified in the prior year was 10.555/10.553 Child Nutrition Cluster. This program provides awards based on the number of eligible meals and snacks served, therefore, this prior year finding would not impact the 10.555/10.553 Child Nutrition Cluster. In addition, based on current year audit procedures, this finding has been reduced to a control deficiency and as such is not included in this report as a finding for the year ended June 30, 2014.

---

When possible, all prior findings should be on the same page

<sup>19</sup> See the instructions in the Guide to Auditing and Reporting for Illinois Public Local Education Agencies for an explanation of this schedule.

<sup>20</sup> Current Status should include one of the following:

- A statement that corrective action was taken
- A description of any partial or planned corrective action
- An explanation if the corrective action taken was significantly different from that previously reported or in the management decision received from the pass-through entity.

**SD U-46**  
**31-045-0460-22**  
**CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS<sup>21</sup>**  
**Year Ending June 30, 2014**

**Corrective Action Plan**

Finding No.:     **2014- 001**

Condition:

The District does not have adequate controls in place to ensure that liabilities relating to construction in progress, claims payments, and legal expenditures are recorded in the proper period.

Plan:

The Director of Financial Operations will have the accounts payable staff and an accounting staff member review the invoices paid after June 30th, to enable the District to determine if any of the invoices should be included in the amounts payable at year end.

Anticipated Date of Completion:     June 30, 2015

Name of Contact Person:             Dale Burnidge, Director of Financial Operations

Management Response:             Management concurs with the finding

---

<sup>21</sup> See the instructions in the Guide to Auditing and Reporting for Illinois Public Local Education Agencies for an explanation of this schedule.

**SD U-46**  
**31-045-0460-22**  
**CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS<sup>21</sup>**  
**Year Ending June 30, 2014**

**Corrective Action Plan**

Finding No.: **2014- 002**

**Condition:**

The District does not have adequate controls in place to ensure that employee benefit information is properly tracked, maintained, and updated in their data files.

**Plan:**

The District has developed accurate reports for future use in collecting the post retirement benefit data. The Director of Financial Operations and the Benefits Coordinator will review the workflow for updating benefits data in the Human Resources and Payroll system.

Anticipated Date of Completion: June 30, 2015

Name of Contact Person: Dale Burnidge, Director of Financial Operations

Management Response: Management concurs with the finding

<sup>21</sup> See the instructions in the Guide to Auditing and Reporting for Illinois Public Local Education Agencies for an explanation of this schedule.



Tony Sanders, Chief Executive Officer

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

**U-46.org**

---

**Corrective Action Plan**  
**Year Ended June 30, 2014**

---

**Finding 2014-001: Unrecorded Liabilities**

Condition:

The District does not have adequate controls in place to ensure that liabilities relating to accounts payable, claims payments, and legal expenditures are recorded in the proper period.

Plan:

The Director of Financial Operations will have the accounts payable staff and an accounting staff member review the invoices paid after June 30<sup>th</sup>, to enable the District to determine if any of the invoices should be included in the amounts payable at year end.

Anticipated Date of Completion:

June 30, 2015

Responsible Employee:

Director of Financial Operations

View of Responsible Officials:

Management concurs with the finding.

**Finding 2014-002: Other Post Employment Benefits Data Provided to the Actuary**

Condition:

The District does not have adequate controls in place to ensure that employee benefit information is properly tracked, maintained, and updated in their data files.

Plan:

The District has developed accurate reports for future use in collecting the post retirement benefit data. The Director of Financial Operations and the Benefits Coordinator will review the workflow for updating benefits data in the Human Resources and Payroll system.

Anticipated Date of Completion:

June 30, 2015

Responsible Employee:

Director of Financial Operations

View of Responsible Officials:

Management concurs with the finding.

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

**ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED  
JUNE 30, 2014**

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

**ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED  
JUNE 30, 2014**

Prepared By

Finance Department

## SCHOOL DISTRICT U-46

### Table of Contents

	Page
<b>INTRODUCTORY SECTION</b>	
Principal Officials	i
Organization Chart	ii
<b>FINANCIAL SECTION</b>	
Independent Auditor's Report	1-2
Required Supplementary Information: Management's Discussion and Analysis (MD&A)	3-12
Basic Financial Statements:	
Government-Wide Financial Statements (GWFS):	
Statement of Net Position	13
Statement of Activities	14
Fund Financial Statements (FFS):	
Governmental Funds:	
Balance Sheet - Governmental Funds	15
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	16
Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits) - Governmental Funds	17-18
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits) to the Statement of Activities	19
Fiduciary Funds:	
Statement of Fiduciary Assets and Liabilities	20
Notes to Basic Financial Statements	21-47
Required Supplementary Information:	
Schedule of Funding Progress - Illinois Municipal Retirement Fund	48
Schedule of Funding Progress - Retiree Healthcare Plan	49
Budgetary Comparison Information:	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund	50
Schedule of Revenues, Expenditures and Changes in Fund Balance (Deficit) - Budget and Actual - Transportation Fund	51

## SCHOOL DISTRICT U-46

### Table of Contents

---

	Page
Other Supplementary Information:	
Combining Balance Sheet - General Fund, by Account	52
Combining Statement of Revenues, Expenditures and Changes in Fund Balance (Deficit) - General Fund, by Account	53
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund - Educational Account	54
Schedule of Revenues, Expenditures and Changes in Fund Balance (Deficit)- Budget and Actual - General Fund - Tort Immunity Account	55
Schedule of Revenues, Expenditures and Changes in Fund Balance (Deficit)- Budget and Actual - General Fund - Operations and Maintenance Account	56
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Working Cash Account	57
Debt Service Fund:	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Debt Service Fund	58
Nonmajor Governmental Funds:	
Combining Balance Sheet - Nonmajor Governmental Funds	59
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds	60
Schedule of Revenues, Expenditures and Changes in Fund Balance (Deficit) - Budget and Actual - Municipal Retirement/Social Security Fund	61
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Capital Projects Fund	62
Schedule of Revenues, Expenditures and Changes in Fund Balance (Deficit) - Budget and Actual - Fire Prevention and Safety Fund	63
Fiduciary Funds - Agency Funds:	
Combining Statement of Changes in Assets and Liabilities - Agency Funds – Student Activity Funds	64-65
Schedule of Bonded Debt and Annual Interest Requirements	66

## **SCHOOL DISTRICT U-46**

### **Principal Officials**

### **BOARD OF EDUCATION**

	<u>Position</u>	<u>Term Expires</u>
Donna Smith	President	2017
Amy Kerber	Vice President	2015
Traci O'Neal Ellis	Secretary Pro-Tempore	2015
Maria Bidelman	Member	2015
Jennifer Shroder	Member	2015
Veronica Noland	Member	2017
Linda Campos-Moreira	Member	2015
Megha Bhattacharya	Student Advisor	2015

### **SUPERINTENDENT AND EXECUTIVE STAFF**

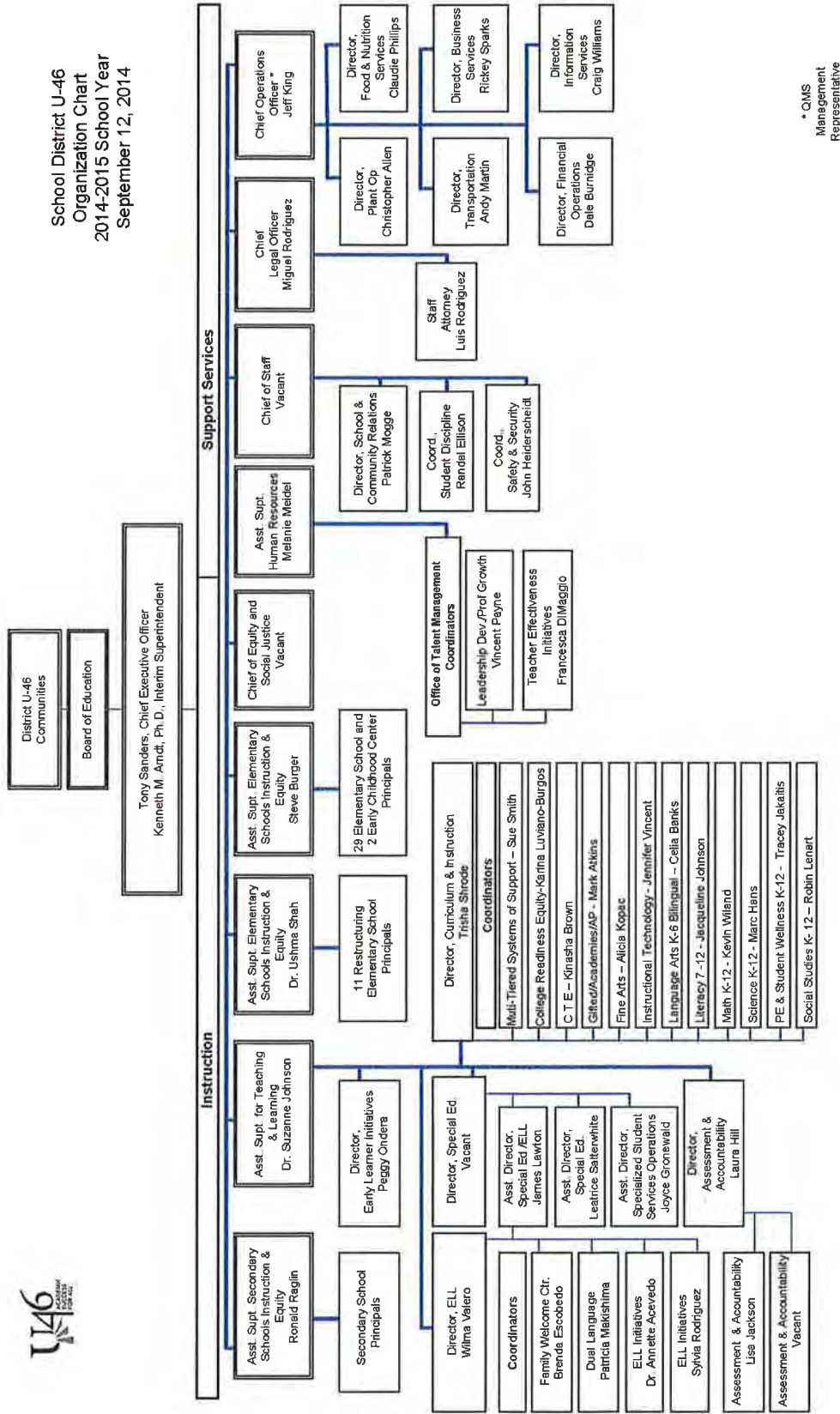
Dr. Kenneth Arndt	Interim Superintendent of Schools
Tony Sanders	Chief Executive Officer
Miguel Rodriguez	Chief Legal Officer
Ushma Shah	Assistant Superintendent, Elementary Education
Steve Burger	Assistant Superintendent, Elementary Education
Ron Raglin	Assistant Superintendent, Secondary Education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

### **OFFICIALS ISSUING REPORT**

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

### **DIVISION ISSUING REPORT**

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



## **Independent Auditor's Report**



## Independent Auditor's Report

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

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of School District U-46, Elgin, Illinois (the District) as of and for the year ended June 30, 2014, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

### Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of School District U-46, Elgin, Illinois, as of June 30, 2014, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Emphasis of Matter***

As discussed in Note 12 to the financial statements, during the year ended June 30, 2014 the District implemented the provisions of GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, which required a restatement of opening net position of \$1,009,112. Our opinions are not modified with respect to this matter.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3-12, schedules of funding progress on pages 48-49 and budgetary schedules on pages 50-51 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Other Information***

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

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

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2014 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

*McGladrey LLP*

Chicago, Illinois  
December 15, 2014

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

## **SCHOOL DISTRICT U-46**

### **Management's Discussion and Analysis For the Year Ended June 30, 2014**

---

The discussion and analysis of Elgin School District U-46's (the District) financial performance provides an overall review of the District's financial activities for the year ended June 30, 2014. The management of the District encourages readers to consider the information presented herein in conjunction with the basic financial statements to enhance their understanding of the District's financial performance. Certain comparative information between the current year and the prior is required to be presented in the Management's Discussion and Analysis (the MD&A).

#### **Financial Highlights**

- The assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$169,577,480 (net position). Of this amount, a deficit of (\$15,532,403) represents unrestricted net position.
- In total, net position increased by \$36,332,078, which represents a 27.2% overall increase from the prior year. This increase was primarily the result of higher than expected revenue from State sources, and lower than expected expenses.
- General revenues were \$382,965,001 or 70.9% of all revenues. Program specific revenues, in the form of charges for services and grants, were \$156,949,507 or 29.1% of total revenues of \$539,914,508.
- Overall, the combined revenues of the District's governmental funds were \$16,615,038 more than expenditures. After adding net other financing sources, fund balances increased by \$16,615,038. This operating surplus increased the District's governmental funds' combined fund balance by 10.4% to \$175,241,402 from \$158,626,364 in the prior year.

#### **Overview of the Financial Statements**

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

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

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

## SCHOOL DISTRICT U-46

### Management's Discussion and Analysis (Continued) For the Year Ended June 30, 2014

---

#### *Government-wide financial statements*

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

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

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

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

#### *Fund financial statements*

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

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

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

## **SCHOOL DISTRICT U-46**

### **Management's Discussion and Analysis (Continued) For the Year Ended June 30, 2014**

---

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

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

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

#### *Notes to the financial statements*

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

#### *Other information*

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

### **District-Wide Financial Analysis**

The District's net position increased by \$36.3 million or 27.2% compared to the prior year. At year-end, total net position was \$169.6 million (see Table 1).

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

- The District continued to use bond proceeds to construct, improve and expand its facilities, spending \$8,966,324 on capital asset additions.
- The District's expenditures to maintain and operate the facilities within Board policy and guidelines continue to exceed its primary revenues, forcing the District to fund the increase with new debt and available net position. In an effort to continually monitor and contain total operating costs of the District, the District performed efficiency audits that highlighted various areas of cost containment reduction.

**SCHOOL DISTRICT U-46**

Management's Discussion and Analysis (Continued)  
For the Year Ended June 30, 2014

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

	<b>Governmental Activities</b>		<b>Percentage Change</b>
	<b>2014</b>	<b>2013</b>	
<b>Assets</b>			
Current and other assets	\$ 398.3	\$ 388.6	2.5%
Capital assets	375.2	381.6	(1.7)%
<b>Total assets</b>	<b>773.5</b>	<b>770.2</b>	<b>0.4%</b>
<b>Deferred Outflows</b>	<b>3.1</b>	<b>4.2</b>	<b>(26.2)%</b>
<b>Liabilities</b>			
Long-term liabilities	413.6	441.6	(6.3)%
Other liabilities	49.9	50.7	(1.6)%
<b>Total liabilities</b>	<b>463.5</b>	<b>492.3</b>	<b>(5.9)%</b>
<b>Deferred Inflows</b>	<b>143.5</b>	<b>148.8</b>	<b>(3.6)%</b>
<b>Net Position</b>			
Net investment in capital assets	158.7	141.4	12.2%
Restricted	26.4	21.7	21.7%
Unrestricted	(15.5)	(29.8)	(48.0)%
<b>Total net position, as restated</b>	<b>\$ 169.6</b>	<b>\$ 133.3</b>	<b>27.2%</b>

## SCHOOL DISTRICT U-46

Management's Discussion and Analysis (Continued)  
For the Year Ended June 30, 2014

Table 2, Changes in Net Position, illustrates in summary form revenues and expenses from FY 2014 and the increase in net position of \$36.3 million. Comparative data from FY 2013 is also illustrated.

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

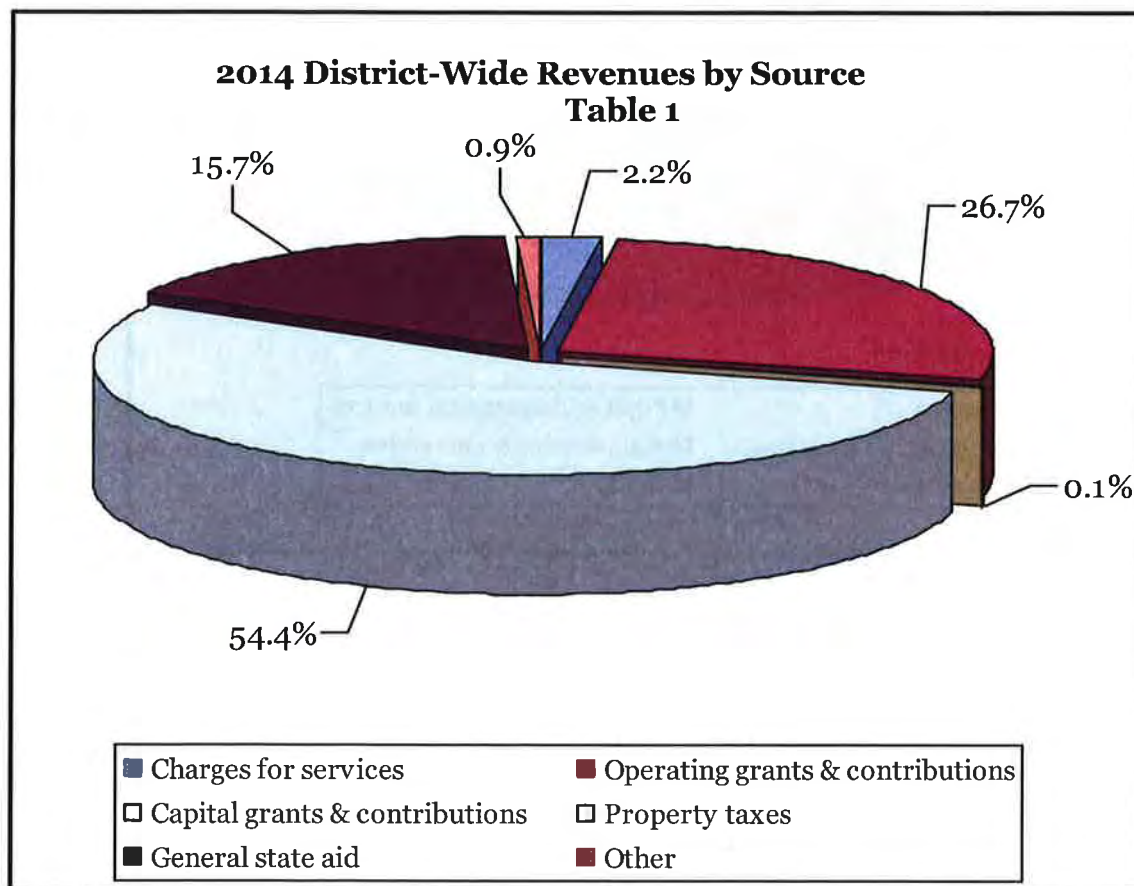
	<u>Governmental Activities</u>		<u>Percentage Change</u>
	<u>2014</u>	<u>2013</u>	
<b>Revenues</b>			
Program revenues			
Charges for services	\$ 12.1	\$ 11.3	7.1%
Operating grants and contributions	144.4	135.6	6.5%
Capital grants and contributions	0.5	0.3	66.7%
General revenues			
Property and replacement taxes	293.4	293.1	0.1%
General state aid	84.5	60.0	40.8%
Other	5.0	2.2	127.3%
<b>Total revenues</b>	<u>539.9</u>	<u>502.5</u>	<u>7.4%</u>
<b>Expenses</b>			
Instruction	270.3	258.2	4.7%
Support services	209.3	197.6	5.9%
Community services	4.0	4.2	(4.8)%
Debt service - interest and fees	20.0	22.6	(11.5)%
<b>Total expenses</b>	<u>503.6</u>	<u>482.6</u>	<u>4.4%</u>
<b>Increase in net position, as restated</b>	<u>\$ 36.3</u>	<u>\$ 19.9</u>	<u>82.4%</u>

## SCHOOL DISTRICT U-46

Management's Discussion and Analysis (Continued)  
For the Year Ended June 30, 2014

---

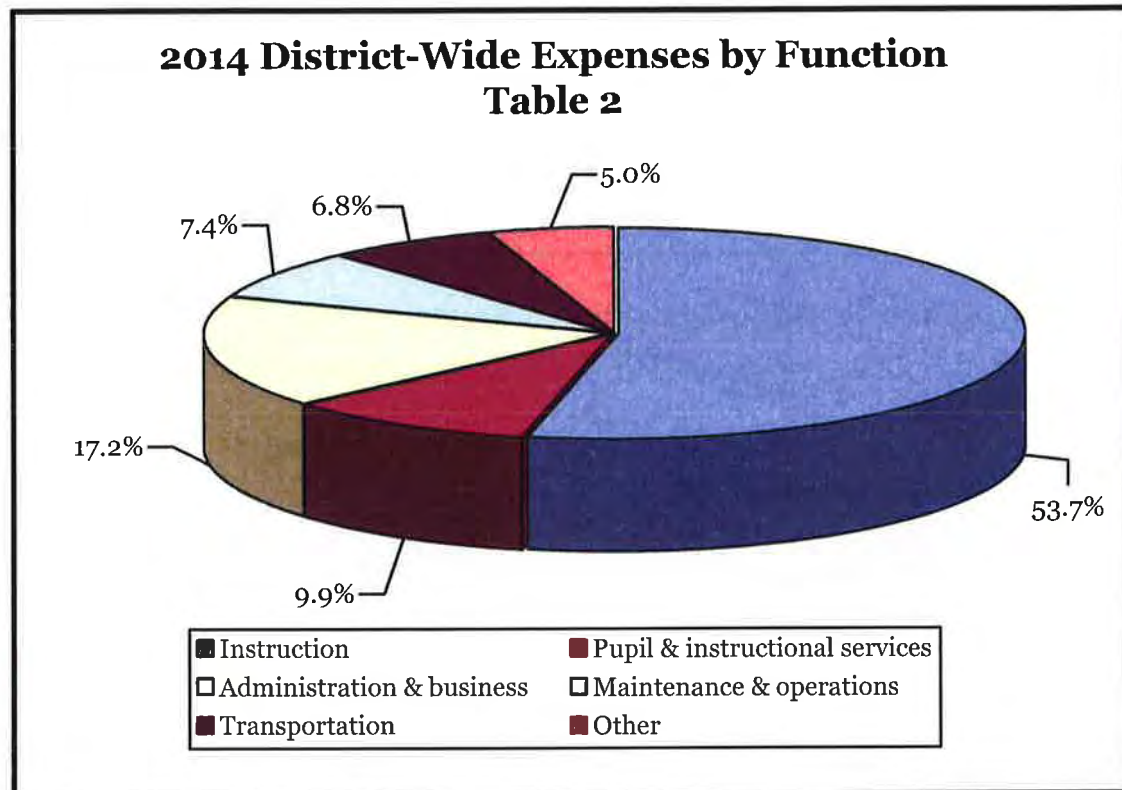
The District's total revenues were \$539.9 million. General revenues, including taxes and general state aid were 70.9% of the total or \$382.9 million. Property taxes (other than for debt service) increased \$4.1 million over the prior year or 1.4%. Grants and contributions for specific programs and general state aid brought in \$241.5 million, a 16.5% increase from the prior year. The total cost of all programs and services in 2014 was \$503.6 million. The District's expenses are predominantly related to instruction and support services (caring for and transportation of students, etc.). These expenses accounted for 95.2% of the total (see Table 2). The District's other activities were 4.8% of total costs. Total revenues on the statement of activities surpassed expenses, increasing net position by \$36.3 million from the prior year.



## SCHOOL DISTRICT U-46

Management's Discussion and Analysis (Continued)  
For the Year Ended June 30, 2014

---



### Financial Analysis of the District's Funds

As the District completed the year, its governmental funds reported combined fund balances of \$175,241,402. Revenues for the District's governmental funds were \$541,045,677, while total expenditures were \$524,430,639.

The General Fund experienced a current year operating surplus after net other financing sources of \$16,820,986. This surplus resulted in an increase in the year-end fund balance to \$163,794,894.

The fund balance of the Transportation Fund increased by \$904,983 as total revenue was greater than the current year costs for pupil transportation when excluding capital outlay.

The fund balance of the Debt Service Fund increased by \$419,058.

## SCHOOL DISTRICT U-46

Management's Discussion and Analysis (Continued)  
For the Year Ended June 30, 2014

---

### General Fund Budgetary Highlights

While the District's budget for the General Fund anticipated that expenditures would exceed revenues by \$5,788,369 before other financing sources (uses), the actual result for the year was an excess of revenues over expenditures of \$18,214,846. State and federal sources were over budget by a combined \$20,056,105 as actual grant revenues and state on-behalf payments exceeded budget. Property taxes were \$2,315,759 less than budget. Expenditures came in under budget by \$4,604,587 or 1%.

### Capital Asset and Debt Administration

#### *Capital assets*

Table 3 illustrates capital assets, net of depreciation:

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

	2014	2013	Percentage Change
Land	\$ 27.7	\$ 27.7	0.0%
Construction in progress	2.2	5.2	(57.7)%
Buildings	338.0	340.0	(0.6)%
Transportation equipment	5.5	7.4	(25.7)%
Other equipment	1.8	1.3	38.5%
Total	<u>\$ 375.2</u>	<u>\$ 381.6</u>	<u>(1.7)%</u>

At June 30, 2014, the District has outstanding commitments relating to construction projects of approximately \$10.4 million.

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

#### *Long-term Obligations*

Table 4 on the following page illustrates the District's outstanding long-term obligations. The District did not issue any new bond debt in FY 2014. The balance of bond debt was reduced by the repayment of existing bond debt of \$27.6 million. The District's other long-term obligations decreased by \$0.1 million related to accreted interest on capital appreciation bonds when combined with decreases in outstanding purchase contracts, other post-employment benefits and claims. Additional information is available in Note 5 – Long-Term Obligations.

The District is subject to the Illinois School Code, which limits the amount of bond indebtedness to 13.8% of the most recent available equalized assessed valuation of the District. As of June 30, 2014, the statutory debt limit for the District was \$567,087,817 providing a debt margin of \$321,100,430.

## SCHOOL DISTRICT U-46

### Management's Discussion and Analysis (Continued) For the Year Ended June 30, 2014

The ratio of general bonded debt to assessed valuation and the amount of bonded debt per capita are useful indicators of the District's debt position to District management, citizens, and investors. These indicators for the District at the end of fiscal year 2014 were 1.91 percent and \$982, respectively. Due to the decline in taxable property value, the general bonded debt to assessed valuation increased compared to fiscal year 2013 in which the ratio was 1.89 percent. The bonded debt per capita decreased from fiscal year 2013 when it was \$1,099.

**Table 4**  
**Outstanding Long-Term Obligations**  
(in millions)

	2014	2013	Percentage Change
General obligation bonds/Debt Certificates	\$ 263.7	\$ 291.7	(9.6)%
Other	149.9	149.9	0.0%
<b>Total</b>	<b>\$ 413.6</b>	<b>\$ 441.6</b>	<b>(6.3)%</b>

#### Factors Impacting the District's Future

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

- The Illinois pension reform law (Senate Bill 1) which was to take effect on June 1, 2014 has been challenged, and a temporary injunction has delayed the implementation of the new law until the court makes a ruling. Should the law be found unconstitutional, a different pension reform bill could shift additional pension costs to the District.
- Because the State does not provide an ongoing capital improvements budget plan, in the future, the District will be forced to issue additional debt to address the improvements needed for its aging facilities. As can be seen in Table 1, at the end of the current fiscal year, the largest portion of the District's net position reflects its investment in capital assets (e.g., land, buildings, and equipment), less any related debt used to acquire those assets that are still outstanding. The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets are reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.
- The current economy in the state continues to affect the District's state funding levels and timing of state receipts. The General State Aid formula was funded at 89% in fiscal year 2014.

## **SCHOOL DISTRICT U-46**

Management's Discussion and Analysis (Continued)  
For the Year Ended June 30, 2014

---

### **Requests for Information**

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



## **BASIC FINANCIAL STATEMENTS**

**School District U-46**

**Statement of Net Position  
June 30, 2014**

	Governmental Activities
<b>Assets and Deferred Outflows of Resources</b>	
<b>Assets</b>	
Cash and investments	\$ 218,406,526
Property taxes receivable, net of allowance	141,437,449
Replacement taxes receivable	637,353
Grants receivable	35,670,948
Accounts receivable	1,355,645
Inventory	110,873
Prepays	679,314
Capital assets not being depreciated	29,882,385
Capital assets being depreciated, net of accumulated depreciation	<u>345,255,441</u>
<b>Total assets</b>	<u>773,435,934</u>
Deferred outflows of resources	
Deferred loss on refunding	<u>3,088,325</u>
<b>Total assets and deferred outflows of resources</b>	<u><u>\$ 776,524,259</u></u>
<b>Liabilities, Deferred Inflows of Resources and Net Position</b>	
<b>Liabilities</b>	
Accounts payable	\$ 8,808,290
Accrued payroll	31,472,545
Payroll deductions	1,645,013
Insurance claims payable	4,162,258
Accrued interest	2,845,508
Unearned other revenue	1,012,247
Long-term obligations, due within one year	43,110,440
Long-term obligations, due in more than one year	<u>370,461,732</u>
<b>Total liabilities</b>	<u>463,518,033</u>
Deferred inflows of resources	
Deferred property taxes	<u>143,428,746</u>
Commitments (Note 11)	
<b>Net Position</b>	
Net investment in capital assets	158,733,858
Restricted for:	
Capital projects	1,735,157
Operating and maintenance	3,330,253
Debt service	21,310,615
Unrestricted deficit	<u>(15,532,403)</u>
<b>Total net position</b>	<u>169,577,480</u>
<b>Total liabilities, deferred inflows of resources and net position</b>	<u><u>\$ 776,524,259</u></u>

See Notes to Basic Financial Statements.

**School District U-46**

**Statement of Activities  
Year Ended June 30, 2014**

Functions/Programs	Expenses	Program Revenue			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Governmental activities:</b>					
Instruction:					
Regular programs	\$ 166,693,993	\$ 2,374,713	\$ 52,559,699	\$ -	\$ (111,759,581)
Special programs	47,004,205	40,129	41,647,365	-	(5,316,711)
Other instructional programs	56,641,884	3,160,349	7,958,311	-	(45,523,224)
Total instruction	270,340,082	5,575,191	102,165,375	-	(162,599,516)
Support services:					
Pupils	32,493,352	-	4,540,039	-	(27,953,313)
Instructional staff	17,146,414	-	2,389,574	-	(14,756,840)
General administration	22,364,803	-	3,111,256	-	(19,253,547)
School administration	28,737,936	-	4,002,994	-	(24,734,942)
Business	35,461,199	1,061,033	5,221,505	-	(29,178,661)
Facilities acquisition and construction	1,325,382	-	-	452,706	(872,676)
Transportation	34,307,231	1,654,326	4,692,620	-	(27,960,285)
Food service	19,253,272	3,828,751	15,374,745	-	(49,776)
Central	16,669,932	-	2,320,229	-	(14,349,703)
Other support services	1,576,585	-	-	-	(1,576,585)
Total support services	209,336,106	6,544,110	41,652,962	452,706	(160,686,328)
Community services	3,992,913	-	559,163	-	(3,433,750)
Debt service - interest and fees	19,913,329	-	-	-	(19,913,329)
<b>Total governmental activities</b>	<b>\$ 503,582,430</b>	<b>\$ 12,119,301</b>	<b>\$ 144,377,500</b>	<b>\$ 452,706</b>	<b>(346,632,923)</b>
General revenues:					
Taxes:					
Property taxes, general purposes					250,205,536
Property taxes, debt service					43,226,909
Replacement taxes and other payment in lieu of taxes					3,799,318
Unrestricted state grants					84,499,884
Interest and investment earnings					240,423
Other general revenues					992,931
Total general revenues					382,965,001
Change in net position					36,332,078
Net position:					
Beginning of year, as restated (Note 12)					133,245,402
End of year					<u>\$ 169,577,480</u>

See Notes to Basic Financial Statements.

**School District U-46**

**Balance Sheet  
Governmental Funds  
June 30, 2014**

	Major Funds			Nonmajor	Total
	General	Transportation	Debt	Governmental	Governmental
	Fund	Fund	Service	Funds	Funds
			Fund		
<b>Assets</b>					
Cash and investments	\$ 189,592,230	\$ 400	\$ 24,440,641	\$ 4,373,255	\$ 218,406,526
Property taxes receivable, net of allowance	108,508,232	6,144,038	20,608,522	6,176,657	141,437,449
Grants receivable	19,956,998	15,713,950	-	-	35,670,948
Replacement taxes receivable	-	-	-	637,353	637,353
Accounts receivable	1,022,278	283,960	-	49,407	1,355,645
Due from other funds	15,776,458	-	-	-	15,776,458
Inventory	110,873	-	-	-	110,873
Prepays	679,314	-	-	-	679,314
<b>Total assets</b>	<b>\$ 335,646,383</b>	<b>\$ 22,142,348</b>	<b>\$ 45,049,163</b>	<b>\$ 11,236,672</b>	<b>\$ 414,074,566</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)</b>					
<b>Liabilities</b>					
Accounts payable	\$ 7,544,610	\$ 62,415	\$ -	\$ 1,201,265	\$ 8,808,290
Accrued payroll	31,229,083	243,462	-	-	31,472,545
Payroll deductions	1,083,355	-	-	561,658	1,645,013
Insurance claims payable	4,162,258	-	-	-	4,162,258
Unearned other revenue	1,012,247	-	-	-	1,012,247
Due to other funds	-	15,126,243	-	650,215	15,776,458
<b>Total liabilities</b>	<b>45,031,553</b>	<b>15,432,120</b>	<b>-</b>	<b>2,413,138</b>	<b>62,876,811</b>
<b>Deferred inflows of resources</b>					
Deferred grant revenue	16,813,656	15,713,951	-	-	32,527,607
Deferred property taxes	110,006,280	6,228,862	20,893,040	6,300,564	143,428,746
<b>Total deferred inflows of resources</b>	<b>126,819,936</b>	<b>21,942,813</b>	<b>20,893,040</b>	<b>6,300,564</b>	<b>175,956,353</b>
<b>Fund balances (deficits)</b>					
Nonspendable	790,187	-	-	-	790,187
Restricted	3,330,253	-	24,156,123	3,861,483	31,347,859
Unassigned	159,674,454	(15,232,585)	-	(1,338,513)	143,103,356
<b>Total fund balances (deficits)</b>	<b>163,794,894</b>	<b>(15,232,585)</b>	<b>24,156,123</b>	<b>2,522,970</b>	<b>175,241,402</b>
<b>Total liabilities, deferred inflows of resources and fund balances (deficits)</b>	<b>\$ 335,646,383</b>	<b>\$ 22,142,348</b>	<b>\$ 45,049,163</b>	<b>\$ 11,236,672</b>	<b>\$ 414,074,566</b>

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, 2014**

---

Total fund balances - governmental funds	\$ 175,241,402
--	----------------

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	\$ 628,373,437	
Accumulated depreciation	(253,235,611)	
Net capital assets		375,137,826

Interest on long-term debt is not accrued in governmental funds, but rather is recognized when due.	(2,845,508)
---	-------------

Certain revenues that are deferred in the fund financial statements because they are not available, are recognized as revenue in the government wide financial statements.	32,527,607
--	------------

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

General obligation bonds	(259,950,777)	
Accreted interest on long-term debt	(119,803,876)	
General obligation debt certificates	(3,792,143)	
Purchase contracts	(6,400,590)	
Compensated absences	(856,442)	
Other post employment benefits	(5,824,702)	
IMRF pension obligation	(490,730)	
Claims incurred but not reported	(13,624,879)	
Unamortized premiums related to debt issuance	(3,143,136)	
Unamortized discounts related to debt issuance	315,103	
Deferred loss on refunding	3,088,325	
		(410,483,847)

Net position of governmental activities	<u>\$ 169,577,480</u>
---	-----------------------

See Notes to Basic Financial Statements.

**School District U-46**

**Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits)**  
**Governmental Funds**  
**Year Ended June 30, 2014**

	Major Funds		
	General Fund	Transportation Fund	Debt Service Fund
<b>Revenues:</b>			
Property taxes	\$ 227,333,531	\$ 11,278,225	\$ 43,226,909
Replacement taxes and other payments in lieu of taxes	-	-	-
Charges for services	9,303,933	1,652,932	-
Earnings on investments	238,085	171	700
Impact fees, rentals and other local sources	2,399,064	18,962	-
State grants-in-aid	115,552,345	12,791,712	-
Federal grants-in-aid	34,451,084	-	-
State on-behalf of payments	66,995,465	-	-
<b>Total revenues</b>	<b>456,273,507</b>	<b>25,742,002</b>	<b>43,227,609</b>
<b>Expenditures:</b>			
Current:			
Instruction:			
Regular programs	131,553,736	-	-
Special programs	35,790,695	-	-
Other instructional programs	44,691,549	-	-
Intergovernmental state on-behalf of payments	66,995,465	-	-
Support services:			
Pupils	24,915,001	-	-
Instructional staff	13,299,301	-	-
General administration	17,380,814	-	-
School administration	21,756,508	-	-
Business	26,032,892	-	-
Facilities acquisition and construction	917,895	-	-
Transportation	1,421,884	22,852,209	-
Food service	15,470,889	-	-
Central	12,470,264	-	-
Other support services	1,550,256	-	-
Community services	3,029,507	-	-
Payments to other governments	8,134,674	-	-
Debt service:			
Principal	-	2,141,439	28,324,335
Interest and fees	-	36,792	15,512,331
Capital outlay	12,647,331	172,324	-
<b>Total expenditures</b>	<b>438,058,661</b>	<b>25,202,764</b>	<b>43,836,666</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>18,214,846</b>	<b>539,238</b>	<b>(609,057)</b>
<b>Other financing sources (uses):</b>			
Transfer in	-	365,745	1,028,115
Transfer out	(1,393,860)	-	-
<b>Total other financing sources (uses)</b>	<b>(1,393,860)</b>	<b>365,745</b>	<b>1,028,115</b>
<b>Net change in fund balances (deficits)</b>	<b>16,820,986</b>	<b>904,983</b>	<b>419,058</b>
<b>Fund balances (deficits):</b>			
Beginning of year	146,973,908	(16,137,568)	23,737,065
End of year	\$ 163,794,894	\$ (15,232,585)	\$ 24,156,123

See Notes to Basic Financial Statements.

Nonmajor Governmental Funds	Total Governmental Funds
\$ 11,593,780	\$ 293,432,445
3,754,606	3,754,606
-	10,956,865
1,467	240,423
452,706	2,870,732
-	128,344,057
-	34,451,084
-	66,995,465
15,802,559	541,045,677

1,768,093	133,321,829
1,817,787	37,608,482
652,141	45,343,690
-	66,995,465

1,145,805	26,060,806
417,369	13,716,670
478,465	17,859,279
1,221,541	22,978,049
2,268,896	28,301,788
437,245	1,355,140
3,166,481	27,440,574
(61,942)	15,408,947
848,354	13,318,618
29,382	1,579,638
180,209	3,209,716
-	8,134,674

-	30,465,774
-	15,549,123
2,962,722	15,782,377
17,332,548	524,430,639

(1,529,989)	16,615,038
-------------	------------

-	1,393,860
-	(1,393,860)

(1,529,989)	16,615,038
-------------	------------

4,052,959	158,626,364
-----------	-------------

\$ 2,522,970	\$ 175,241,402
--------------	----------------

**School District U-46**

**Reconciliation of the Governmental Funds**

**Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits)**

**to the Statement of Activities**

**Year Ended June 30, 2014**

---

Net change in fund balances (deficits)—total governmental funds	\$ 16,615,038
---	---------------

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	\$ 8,966,324	
Depreciation	<u>(15,388,682)</u>	
Depreciation in excess of capital expenditures		(6,422,358)

Some revenues were not collected for several months after the close of the fiscal year and therefore were not considered to be "available" and are not reported as revenue in the governmental funds. The change from fiscal year 2013 to 2014 was:

(1,131,169)

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	27,555,218	
Debt certificates	407,870	
Purchase contracts	2,502,686	
Accreted interest	<u>9,204,781</u>	
Total retired debt		39,670,555

The accretion of interest on long-term debt is not reported as an expenditure in governmental funds but as an addition to principal outstanding in the statement of activities.

(13,590,159)

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported in the governmental funds.

Increase in other postemployment benefits	(408,202)	
Increase in IMRF pension obligation	(9,766)	
Increase in compensated absences payable	(495,780)	
Decrease in accrued interest on debt	338,155	
Decrease in claims incurred but not reported	2,082,747	
Amortization of bond premiums	862,850	
Amortization of bond discounts	(40,593)	
Amortization of deferred loss on refunding	<u>(1,139,240)</u>	
		<u>1,190,171</u>

Change in net position of governmental activities	<u>\$ 36,332,078</u>
---	----------------------

See Notes to Basic Financial Statements.

**School District U-46**

**Statement of Fiduciary Assets and Liabilities**

**Agency Fund**

**June 30, 2014**

	<u>Agency Student Activity Fund</u>
<b>Assets</b> , cash and investments	<u>\$ 3,665,884</u>
<b>Liabilities</b> , due to activity fund organizations	<u>\$ 3,665,884</u>

See Notes to Basic Financial Statements.

## School District U-46

### Notes to Basic Financial Statements

---

#### **Note 1. Summary of Significant Accounting Policies**

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

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

#### ***Financial Reporting Entity***

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

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

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

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

#### ***Government-Wide and Fund Financial Statements***

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

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

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

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

## School District U-46

### Notes to Basic Financial Statements

---

#### Note 1. Summary of Significant Accounting Policies (Continued)

##### ***Government-wide and Fund Financial Statements (Continued)***

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

The District reports the following major governmental funds:

##### ***General Fund***

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

##### ***Transportation Fund***

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

##### ***Debt Service Fund***

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

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

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

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

## School District U-46

### Notes to Basic Financial Statements

---

#### Note 1. Summary of Significant Accounting Policies (Continued)

##### ***Government-wide and Fund Financial Statements (Continued)***

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

##### ***Measurement Focus and Basis of Accounting and Financial Statement Presentation***

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

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

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

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

The Governmental Accounting Standard Board (GASB) has issued Statement No. 65, *Items Previously Recorded as Assets and Liabilities* (GASB 65), which was adopted by the District for the year ended June 30, 2014. GASB 65 now establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities. In accordance with GASB 65 the District now reports both deferred inflows of resources and deferred outflows of resources on its financial statements. In addition, the impact of implementing this statement resulted in a restatement of the beginning Net Position for Governmental Activities. See Note 12 for details of the impact of this restatement.

## 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 2013 tax levy was passed by the Board of Education on December 9, 2013, and attached as an enforceable lien on the property as of the preceding January 1. The taxes become due and collectible in March and September 2014 in Cook County and in June and September 2014 in DuPage County and Kane County, and are collected by the County Collector, who in turn returns to the District its respective share. The District receives the remittances from the County Treasurer within one month after collection.

The District has recognized as revenue 50% of the 2013 tax extension and 50% of the 2012 tax extension in the current fiscal year based on estimated collections, as this is the period for which the taxes have been levied (intended to finance). Property taxes are recorded net of estimated losses on collections of 1.3%. As of June 30, 2014 the property tax allowance was as follows:

Fund	
General Fund	\$ 1,429,187
Debt Service Fund	271,439
Transportation Fund	80,925
Nonmajor Governmental Funds	81,354
	<u>\$ 1,862,905</u>

The District has recorded a receivable for the uncollected portion of the 2013 taxes extended. The District has recorded a deferred inflow of resources net of any allowance, which approximates 50% of the 2013 tax extension which will be recognized as revenue in fiscal year 2014, the period for which those taxes were levied.

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

##### Investments

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

##### Prepaid Items

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

##### Inventories

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

##### Capital Assets

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

## School District U-46

### Notes to Basic Financial Statements

---

#### Note 1. Summary of Significant Accounting Policies (Continued)

##### ***Capital Assets (Continued)***

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

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

##### ***Interfund Transactions***

The District has the following types of interfund transactions:

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

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

##### ***Compensated Absences***

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

##### ***Deferred Inflow of Resources and Unearned Revenue***

The District reports both deferred inflow of resources and unearned revenue on its financial statements. Deferred inflows of resources arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred inflows of resources also arise when property taxes are received or recorded as receivables prior to the period the levy is intended to finance.

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

##### ***Long-Term Obligations***

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

Notes to Basic Financial Statements

---

**Note 1. Summary of Significant Accounting Policies (Continued)**

***Long-Term Obligations (Continued)***

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 losses, are capitalized and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium and discount. Deferred refunding losses are reported as deferred outflow of resources and amortized over the term of the related debt. All amortization is computed using the straight-line method. Debt issuance costs are expensed when incurred.

***Fund Balances***

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

***Nonspendable*** – includes amounts that cannot be spent because they are either: a) not in spendable form; or b) legally or contractually required to be maintained intact. At June 30, 2014, the District's nonspendable fund balances in the general fund related to inventory for \$110,873, and prepaid expenses of \$679,314.

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

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

## School District U-46

### Notes to Basic Financial Statements

---

#### Note 1. Summary of Significant Accounting Policies (Continued)

##### ***Fund Balances (Continued)***

**Assigned** – includes amounts that are constrained by the District's *intent* to be used for specific purposes, but that are neither restricted nor committed. Intent is expressed by: a) the District's Board of Education itself; or b) a body or official to which the Board of Education has delegated the authority to assign amounts to be used for specific purposes. The District's Board of Education has not delegated authority to any other body or official to assign amounts for a specific purpose within the General Fund. Within the other governmental fund types (special revenue, debt service, capital projects) resources are assigned in accordance with the established fund purpose and approved budget/appropriation. Residual fund balances in these fund types that are not restricted or committed are reported as assigned.

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

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

The General Fund includes the Working Cash stabilization account. Under the State of Illinois School Code (School Code), the District is authorized to incur indebtedness and issue bonds and to levy a tax annually on all taxable property of the District in order to enable the District to have in its treasury at all times sufficient money to meet demands thereon. These working cash funds may be lent to other District governmental funds in need, but may only be expended for other purposes upon the passage of a resolution by the Board of Education to abolish the funds to the educational account, of the General Fund, or abate the fund to any fund of the District most in need. At June 30, 2014, the District had working cash stabilization fund balances of \$92,052,975 that have been classified as unassigned fund balances in the General fund.

At June 30, 2014, the District had the following fund balances restricted for various purposes as follows:

Fund	Fund balance	Purpose of restriction
General Fund	\$ 3,330,253	Operations and maintenance
Debt Service Fund	24,156,123	Repayment of principal and interest on long-term debt
Capital Projects Fund	3,861,483	School construction projects
	<u>\$ 31,347,859</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.

Notes to Basic Financial Statements

---

**Note 1. Summary of Significant Accounting Policies (Continued)**

***Net Position (Continued)***

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

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

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

***Eliminations***

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

***Use of Estimates***

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

**Note 2. Budgetary Information**

Annual budgets are adopted for all governmental fund types. The annual budgets are adopted on the modified accrual basis of accounting at the fund level. All budgets lapse at fiscal year-end. The District maintains a system to measure the uncommitted budget amount available for expenditures at any time during the year. For budgetary purposes, appropriations lapse at June 30, 2014 and outstanding encumbrances are canceled at that date.

On or before July 1 of each year, the Superintendent is to submit for review by the Board of Education a proposed budget for the school year commencing on that date. After reviewing the proposed budget, the Board of Education holds public hearings and a final budget must be prepared and adopted no later than September 30. The 2013-14 budget was adopted September 23, 2013.

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

## School District U-46

### Notes to Basic Financial Statements

---

#### **Note 3. Deposits and Investments**

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

#### ***Deposits***

As of June 30, 2014, the District had deposits with federally insured financial institutions of \$213,765,822 with the book balances totaling \$208,254,452.

*Custodial credit risk – deposits.* In the case of deposits, custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District's investment policy requires all bank deposits in excess of FDIC insurance limits be secured by collateral. As of June 30, 2014, the District was not exposed to custodial credit risk.

#### ***Investments***

##### ***Interest Rate Risk***

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

##### ***Credit Risk***

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

##### ***Concentration of Credit Risk***

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

## School District U-46

### Notes to Basic Financial Statements

#### Note 3. Deposits and Investments (Continued)

The following schedule reports the fair values and maturities (using the segmented time distribution method) for the District's investments at June 30, 2014. The schedule also includes credit ratings by Standard & Poor's at June 30, 2014:

Investment Type	Fair Value	Investment Maturities (in Years)		% of Total Investments	Credit Ratings
		Less than 1	1 - 5		
Illinois School District Liquid Asset Fund	\$ 2,126,326	\$ 2,126,326	\$ -	15.39%	AAAm
Government Money Market Funds	1,294,313	1,294,313	-	9.37%	AAAm
	3,420,639	\$ 3,420,639	\$ -		
Illinois Funds	10,391,369			58.90%	AAAm
	<u>\$ 13,812,008</u>			<u>83.66%</u>	

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

#### *Custodial Credit Risk – Investments*

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

The above deposits and investments (plus \$5,950 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	\$ 218,406,526
Cash and investments per statement of fiduciary assets and liabilities	<u>3,665,884</u>
Total	<u>\$ 222,072,410</u>

**School District U-46**

**Notes to Basic Financial Statements**

**Note 4. Capital Assets**

Capital asset balances and activity for the year ended June 30, 2014, are as follows:

	Balance July 1, 2013	Transfers and Additions	Transfers and Retirements	Balance June 30, 2014
Capital Assets, not being depreciated:				
Land	\$ 27,687,264	\$ -	\$ -	\$ 27,687,264
Construction in progress	5,205,744	2,195,121	5,205,744	2,195,121
Total capital assets, not being depreciated	32,893,008	2,195,121	5,205,744	29,882,385
Capital Assets, being depreciated:				
Buildings	550,847,253	11,006,416	-	561,853,669
Transportation equipment	23,760,587	-	-	23,760,587
Other equipment	11,906,265	970,531	-	12,876,796
Total capital assets being depreciated	586,514,105	11,976,947	-	598,491,052
Less accumulated depreciation:				
Buildings	210,905,405	12,966,183	-	223,871,588
Transportation equipment	16,390,838	1,887,400	-	18,278,238
Other equipment	10,550,686	535,099	-	11,085,785
Total accumulated depreciation	237,846,929	15,388,682	-	253,235,611
Total capital assets being depreciated, net	348,667,176	(3,411,735)	-	345,255,441
Governmental activities				
Capital assets, net	\$ 381,560,184	\$ (1,216,614)	\$ 5,205,744	\$ 375,137,826

# School District U-46

## Notes to Basic Financial Statements

### Note 4. Capital Assets (Continued)

Depreciation expense was charged to governmental activities as follows:

Activity	Depreciation Expense
Instruction:	
Regular programs	\$ 5,334,934
Special education programs	1,504,921
Other instructional programs	1,814,448
Support services:	
Pupils	1,042,835
Instructional staff	548,879
General administration	714,647
School administration	919,477
Business	1,132,509
Transportation	1,098,047
Food services	616,596
Central	532,951
Community services	128,438
Total	<u>\$ 15,388,682</u>

### Note 5. Long-Term Obligations

The following is a summary of activity for the District's long-term debt for the year ended June 30, 2014:

	Balance July 1, 2013	Additions	Reductions	Balance June 30, 2014	Due Within One Year
G.O. Bonds/Debt Certificates Payable:					
General obligation bonds	\$ 287,505,995	\$ -	\$ (27,555,218)	\$ 259,950,777	\$ 27,130,872
Accreted interest on long-term debt	115,418,498	13,590,159	(9,204,781)	119,803,876	10,064,128
Debt certificates	4,200,013	-	(407,870)	3,792,143	410,521
Unamortized premium	4,005,986	-	(862,850)	3,143,136	745,029
Unamortized discount	(355,696)	-	40,593	(315,103)	(40,593)
Total G.O. Bonds/Debt Certificates Payable	<u>410,774,796</u>	<u>13,590,159</u>	<u>(37,990,126)</u>	<u>386,374,829</u>	<u>38,309,957</u>
Purchase contracts	8,903,276	-	(2,502,686)	6,400,590	1,747,294
Compensated absences	360,662	12,766,283	(12,270,503)	856,442	856,442
IMRF pension obligation	480,964	9,766	-	490,730	-
Other post employment benefits	5,416,500	408,202	-	5,824,702	-
Claims incurred but not reported	15,707,626	47,569,059	(49,651,806)	13,624,879	2,196,747
Total	<u>\$ 441,643,824</u>	<u>\$ 74,343,469</u>	<u>\$ (102,415,121)</u>	<u>\$ 413,572,172</u>	<u>\$ 43,110,440</u>

## School District U-46

### Notes to Basic Financial Statements

---

#### Note 5. Long-Term Obligations (Continued)

At June 30, 2014 general obligation bonds consisted of the following:

***General Obligation Bonds - Payable by the Debt Service Fund:***

\$18,300,000, 1999 School Building Bonds due in installments of \$1,725,000 to \$7,000,000 through 2019 with interest due semiannually at 5.05% to 5.25%.	\$ 17,050,000
\$57,999,743, 2001 Capital Appreciation Construction Bonds due in annual installments of \$2,677,017 to \$14,072,352 through 2016 with interest due semiannually at 5.2% to 9.0%.	23,245,779
\$54,499,619, 2002 Illinois Development Finance Authority Program Capital Appreciation Revenue Bonds due in annual installments of \$373,209 to \$14,528,432 in years 2016 through 2021 with interest due annually in years of maturity at a rate yielding 5.3789%.	54,499,619
\$65,999,779, 2003B Capital Appreciation School Bonds due in annual installments of \$727,271 to \$18,975,627 through 2023 with interest due annually in years of maturity at a rate yielding 3.45% to 5.37%.	57,815,379
\$71,790,000, 2005 General Obligation School Refunding Bonds with annual installments ranging from \$365,000 to \$15,085,000 through 2020 with interest due semiannually at rates ranging from 3.00% to 5.00%.	21,960,000
\$34,405,000 2009 General Obligation Limited School Bonds due in annual installments of \$605,000 to \$4,320,000 through 2023 with interest due semiannually at 2.0% to 5.00%.	16,065,000
\$30,190,000 2010 General Obligation Refunding due in annual installments of \$3,555,000 to \$12,275,000 through 2015 with interest due semiannually at 2.00% to 4.00%.	11,190,000
\$25,925,000, 2011A Taxable General Obligation Limited School Bonds due in annual installments of \$195,000 to \$4,860,000 beginning in fiscal year 2012 through 2022 with interest due semiannually at 1.65% to 6.0%.	25,270,000

**School District U-46****Notes to Basic Financial Statements****Note 5. Long-Term Obligations (Continued)****General Obligation Bonds - Payable by the Debt Service Fund: (Continued)**

\$2,030,000, 2011B Taxable General Obligation Limited School Bonds due in annual installments of \$200,000 to \$230,000 beginning in fiscal year 2012 through 2021 with interest due semiannually at 0.65%. 1,430,000

\$415,000, 2012A Taxable General Obligation Limited Refunding School Bonds due in annual installments of \$10,000 to \$370,000 beginning in fiscal year 2013 through 2016 with interest due semiannually at 0.65% to 1.85%. 380,000

\$31,045,000, 2012B Taxable General Obligation Limited School Bonds due in annual installments of \$70,000 to \$7,855,000 beginning in fiscal year 2016 through 2026 with interest due semiannually at 3.0% to 4.5%. 31,045,000

Total General Obligation Bonds \$ 259,950,777

**Debt Service Requirements to Maturity - General Obligation Bonds:**

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

Due in Fiscal Year	Principal	Interest	Total Debt Service
2015	\$ 27,130,872	\$ 15,573,067	\$ 42,703,939
2016	24,370,682	22,200,541	46,571,223
2017	26,524,287	21,954,258	48,478,545
2018	28,582,941	21,906,189	50,489,130
2019	31,008,281	21,578,349	52,586,630
2020-2024	109,733,714	122,712,566	232,446,280
2025-2026	12,600,000	780,525	13,380,525
	<u>\$ 259,950,777</u>	<u>\$ 226,705,495</u>	<u>\$ 486,656,272</u>

Interest maturities include \$119,803,876 of accreted interest on capital appreciation bonds.

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

The District has three outstanding capital appreciation bond issues. Interest on the capital appreciation bonds are paid only when principal payments are made, not semi-annually like conventional bond issues. The District records the accretion of interest as long-term debt in the statement of net position as if the interest had been paid semi-annually. Accreted interest on long-term debt was increased by a net total of \$4,385,378 during the fiscal year ended June 30, 2014. At year end, the total interest accreted on the capital appreciation bonds was \$119,803,876.

**School District U-46****Notes to Basic Financial Statements****Note 5. Long-Term Obligations (Continued)*****Debt Certificates:***

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

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

\$ 3,792,143

***Purchase Contracts:***

As of June 30, 2014, the District had entered into 5 lease/purchase contracts for copiers, buses, computer equipment, and other equipment. The total cost of the property currently under leases is \$13,497,447. Future minimum payments total \$6,609,570 of which \$208,980 represents interest and \$6,400,590 represents principal. Payments are expected to be made from the Transportation Fund and the Debt Service Fund through transfers from the General Fund. Upon entering a contract, the District records the activity as capital outlay expenditures with an offsetting credit to "proceeds from purchase contracts". Some items purchased through this method however, may not be capitalized as new equipment if the value of an individual item such as a desktop computer does not meet or exceed the District's capitalization threshold.

***Debt Service Requirements to Maturity – Debt Certificates and Purchase Contracts:***

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

Due in Fiscal Year	Debt Certificates		Purchase Contracts		Total Debt Service
	Principal	Interest	Principal	Interest	
2015	\$ 410,521	\$ 24,649	\$ 1,747,294	\$ 90,173	\$ 2,272,637
2016	413,189	21,981	1,808,876	63,586	2,307,632
2017	415,822	19,348	1,413,085	36,736	1,884,991
2018	418,578	16,592	1,431,335	18,486	1,884,991
2019	421,299	13,871	-	-	435,170
2020-2023	1,712,734	27,945	-	-	1,740,679
Total	<u>\$ 3,792,143</u>	<u>\$ 124,386</u>	<u>\$ 6,400,590</u>	<u>\$ 208,981</u>	<u>\$ 10,526,100</u>

## School District U-46

### Notes to Basic Financial Statements

---

#### **Note 5. Long-Term Obligations (Continued)**

##### ***Legal Debt Margin:***

As of June 30, 2014, the legal debt limit of the District was \$567,087,817, based upon 13.8% percent of its 2013 equalized assessed valuation of \$4,109,332,004. The debt limit less outstanding debt subject to the debt limit of \$270,143,510 plus amounts held in the Debt Service Fund of \$24,156,123, results in a legal debt margin of \$321,100,430 as of June 30, 2014.

##### ***Compensated Absences:***

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

The District provides up to 20 vacation days per year, most of which must be used by August 31st of the following year. Some vacation days may be used up until October 31st of the following year depending on the employee union. The District provides up to 3 personal days per year to its employees. Personal balances left over at the end of the year are carried forward into the sick day balance for the next year. The District also offers up to 12 sick days per year. Accumulated personal and sick days are not paid out upon termination. If an employee is vested in the Teachers' Retirement System (TRS) or the Illinois Municipal Retirement Fund (IMRF), the employee is allowed extra service credit based on unused sick days. Since accrued personal and sick days are not paid out upon termination, the District does not accrue a payable for these days at year-end. Based on accumulated vacation days as of year-end, the District's maximum liability for accumulated vacation days to be paid upon its employees' termination was calculated to be \$856,442 at June 30, 2014. The amounts will be paid from the General Fund within the next year.

##### ***Illinois Municipal Retirement Fund (IMRF) Pension Obligation:***

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

##### ***Other Postemployment Benefits Payable:***

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

##### ***Debt Refunding:***

As of June 30, 2014, the outstanding balance of all defeased bonds totaled \$25,725,000.

Notes to Basic Financial Statements

**Note 6. Risk Management**

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

The District is also self-insured for medical claims to cover its employees and their qualifying dependents. The District funds a self-insurance account and has engaged an outside agency to administer its medical claims. The District does not assume unlimited liability for medical claims. As of June 30, 2014, the District had purchased (stop-loss) insurance to cover claims in excess of \$500,000 per person per year and \$2,000,000 lifetime. Estimated claims incurred but not yet submitted by insurers were estimated based on historical trends as provided by the District's third party administrator. Estimated insurance claims incurred but not reported (IBNR) liabilities at June 30, 2014, total \$13,624,879 and claims payable totaled \$4,162,258. 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 2014	Total 2013
Claims liability - beginning	\$ 19,610,288	\$ 14,733,824
Incurred claims	51,731,317	53,384,272
Claim payments	53,554,468	48,507,808
Claims liability - ending	<u>\$ 17,787,137</u>	<u>\$ 19,610,288</u>

## School District U-46

### Notes to Basic Financial Statements

---

#### **Note 7. Employee Retirement Systems and Plans**

##### ***Teachers' Retirement System of the State of Illinois***

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

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

TRS members include all active nonannuitants who are employed by a TRS-covered employer to provide services for which teacher certification is required. The active member contribution rate for the year ended June 30, 2014, was 9.4 percent of creditable earnings. The same contribution rate applies to members whose first contributing service is on or after January 1, 2011, the effective date of the benefit changes contained in Public Act 96-0889. These contributions, which may be paid on behalf of employees by the employer, are submitted to TRS by the employer. The active member contribution rate was also 9.4 percent for the years ended June 30, 2013 and 2012.

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

##### ***On Behalf Contributions to TRS***

The state of Illinois makes employer pension contributions on behalf of the District. For the year ended June 30, 2014, state of Illinois contributions were based on 35.41 percent of creditable earnings not paid from federal funds, and the District recognized revenue and expenditures of \$65,337,119 in pension contributions that the state of Illinois paid directly to TRS. For the years ended June 30, 2013 and June 30, 2012, the state of Illinois contribution rates as percentages of creditable earnings not paid from federal funds were 28.05 percent (\$50,999,565) and 24.91 percent (\$43,986,419), respectively.

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

##### ***2.2 Formula Contributions***

Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. This rate is specified by statute. Contributions for the year ended June 30, 2014 were \$1,110,211. Contributions for the years ending June 30, 2013 and June 30, 2014, were \$1,091,976 and \$1,061,617, respectively.

##### ***Federal and Special Trust Fund Contributions***

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

## School District U-46

### Notes to Basic Financial Statements

---

#### **Note 7. Employee Retirement Systems and Plans (Continued)**

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

For the year ended June 30, 2014, the employer pension contribution was 35.41 percent of salaries paid from federal and special trust funds. For the years ended June 30, 2013 and 2012, the employer contribution was 28.05 percent and 24.91 percent of salaries paid from federal and special trust funds, respectively. For the year ended June 30, 2014, salaries totaling \$3,932,383 were paid from federal and special trust funds that required employer contributions of \$1,392,457. For the years ended June 30, 2013 and June 30, 2012, required District contributions were \$1,560,416 and \$1,425,661, respectively.

##### ***Early Retirement Option (ERO)***

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

The maximum employer ERO contribution under the current program is 146.5 percent and applies when the member is age 55 at retirement.

For the year ended June 30, 2014, the District paid \$1,616,726 to TRS for employer contributions under the ERO program. For the years ended June 30, 2013 and June 30, 2012, the District paid \$1,091,976 and \$1,061,617 in employer ERO contributions, respectively.

##### ***Salary Increases Over 6 Percent and Excess Sick Leave***

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

For the year ended June 30, 2014, the District paid \$136,025 to TRS for employer contributions due on salary increases in excess of 6 percent. For the years ended June 30, 2013 and June 30, 2012, the District paid \$141,051 and \$109,958, respectively.

If an employer grants sick leave days in excess of the normal annual allotment and those days are used as TRS service credit, the employer makes a contribution to TRS. The contribution is based on the number of excess sick leave days used as service credit, the highest salary rate reported by the granting employer during the four-year sick leave review period, and the TRS total normal cost rate (17.29 percent of salary during the year ended June 30, 2014).

For the year ended June 30, 2014, the District paid \$12,346 to TRS for sick leave days granted in the excess of the normal annual allotment. For the years ended June 30, 2013 and June 30, 2012, the District paid \$18,611 and \$18,267, respectively.

Notes to Basic Financial Statements

---

**Note 7. Employee Retirement Systems and Plans (Continued)**

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

*Further Information on TRS*

TRS financial information, an explanation of TRS benefits, and descriptions of member, employer and state funding requirements can be found in the TRS *Comprehensive Annual Financial Report* for the year ended June 30, 2013. The report for the year ended June 30, 2014, is expected to be available in late 2014.

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

***THIS Fund***

*Employer Contributions*

The District participates in the Teachers' Health Insurance Security (THIS) Fund, a cost-sharing, multiple-employer defined benefit post-employment healthcare plan that was established by the Illinois legislature for the benefit of retired Illinois public school teachers employed outside the city of Chicago. The THIS Fund provides medical, prescription, and behavioral health benefits, but 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. Beginning February 1, 2014, annuitants who were enrolled in Medicare Parts A and B may be eligible to enroll in Medicare Advantage plans.

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

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

*On Behalf Contributions to the THIS Fund*

The state of Illinois makes employer retiree health insurance contributions on behalf of the District. State contributions are intended to match contributions to the THIS Fund from active members which were 0.97 percent of pay during the year ended June 30, 2014. State of Illinois contributions were \$1,658,346 and the District recognized revenue and expenditures of this amount during the year.

State contributions intended to match active member contributions during the years ended June 30, 2013 and June 30, 2012 were 0.92 percent and 0.88 percent of pay, respectively. State contributions on behalf of District employees were \$1,723,892 and \$1,604,584, respectively.

## School District U-46

### Notes to Basic Financial Statements

---

#### **Note 7. Employee Retirement Systems and Plans (Continued)**

##### ***THIS Fund (Continued)***

##### *Employer Contributions to the THIS Fund*

The District also makes contributions to the THIS Fund. The District's THIS Fund contribution was 0.72 percent during the year ended June 30, 2014 and 0.69 percent and 0.66 percent during the years ended June 30, 2013 and June 30, 2012, respectively. For the year ended June 30, 2014, the District paid \$1,356,828 to the THIS Fund. For the years ended June 30, 2013 and June 30, 2012, the District paid \$1,292,919 and \$1,203,438, respectively, which was 100 percent of the required contribution.

##### *Further Information on THIS Fund*

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

##### ***Illinois Municipal Retirement***

##### *Plan Description*

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

##### *Funding Policy*

As set by statute, the District's Regular plan members are required to contribute 4.50 percent of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The contribution rates for calendar years 2014 and 2013 used by the District were 12.05 and 12.19 percent, respectively, of annual covered payroll. The annual required contribution rates for calendar years 2014 and 2013 were 12.05 and 12.19 percent, respectively. The District also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

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

## School District U-46

### Notes to Basic Financial Statements

#### Note 7. Employee Retirement Systems and Plans (Continued)

##### *Illinois Municipal Retirement (Continued)*

##### *Funding Policy (Continued)*

The required contributions for 2014 and 2013 were determined as part of the December 31, 2012 and 2011 actuarial valuations using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2011, included (a) 7.5 percent investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00 percent a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4 percent to 12 percent per year depending on age and service, attributable to seniority/merit, and (d) post retirement benefit increases of 3 percent annually. The actuarial value of your employer Regular plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20 percent corridor between the actuarial and market value of assets. The employer Regular plan's unfunded actuarial accrued liability at December 31, 2011 is being amortized as a level percentage of projected payroll on an open 30-year basis.

##### *Annual Pension Cost and Pension Obligation*

The following table shows the components of the District's annual pension cost for the fiscal year ended June 30, 2014, the amount actually contributed to the plan and changes in the District's net pension obligation to the plan:

	Government-Wide Activities
Annual required contribution	\$ 7,099,132
Interest on net IMRF obligation	36,072
Adjustment to annual required contribution	(26,306)
Annual IMRF cost	7,108,898
Contributions made	7,099,132
Increase in net IMRF obligation	9,766
Net IMRF obligation - beginning of year	480,964
Net IMRF obligation - end of year	\$ 490,730

##### *Three-Year Trend Information for the Regular Plan*

Year Ending June 30,	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2014	\$ 7,108,898	99%	\$ 490,730
2013	6,696,410	99%	480,964
2012	6,153,219	99%	470,892

## School District U-46

### Notes to Basic Financial Statements

---

#### **Note 7. Employee Retirement Systems and Plans (Continued)**

##### ***Illinois Municipal Retirement (Continued)***

###### *Funded Status and Funding Progress*

As of December 31, 2013, the most recent actuarial valuation date, the Regular plan was 70.85 percent funded. The actuarial accrued liability for benefits was \$139,077,095 and the actuarial value of assets was \$98,541,485, resulting in an underfunded actuarial accrued liability (UAAL) of \$40,535,610. The covered payroll for calendar year 2013 (annual payroll of active employees covered by the plan) was \$56,305,271 and the ratio of the UAAL to the covered payroll was 72 percent.

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

#### **Note 8. Other Postemployment Benefits**

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

###### *Plan Description*

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

###### *Funding Policy*

Contribution requirements are also negotiated between the District and union representatives. All plan funding is done on a pay-as-you-go basis. Funding varies from 0 percent to 100 percent, depending on the retiree's status at the time of retirement. Currently, the current and retired employees pay a specified blended premium rate for healthcare insurance and the District pays the difference. For fiscal year 2014, the District contributed \$2,082,022 to the Plan. Plan members receiving benefits contributed \$192,182, or approximately 8.5 percent of the total premiums.

## School District U-46

### Notes to Basic Financial Statements

#### Note 8. Other Postemployment Benefits (Continued)

##### *Annual OPEB Cost and Net OPEB Obligation*

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

	Government-Wide Activities
Annual required contribution	\$ 2,563,258
Interest on net OPEB obligation	270,825
Adjustment to annual required contribution	(343,859)
Annual OPEB cost	2,490,224
Contributions made	2,082,022
Increase in net OPEB obligation	408,202
Net OPEB obligation - beginning of year	5,416,500
Net OPEB obligation - end of year	\$ 5,824,702

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2014 and the preceding two years were as follows:

Year Ending June 30,	Annual OPEB Cost (APC)	Percentage of APC Contributed	Net OPEB Obligation
2014	\$ 2,490,224	83.6%	\$ 5,824,702
2013	3,197,487	61.8	5,416,500
2012	3,139,107	62.8	4,196,205

The District has reported the net OPEB obligation of \$5,824,702 in the statement of net position. Payments to liquidate the liability have typically been made by the General Fund.

##### *Funded Status and Funding Progress*

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

## School District U-46

### Notes to Basic Financial Statements

---

#### Note 8. Other Postemployment Benefits (Continued)

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

#### *Methods and Assumptions*

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

Significant methods and assumptions were as follows:

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

#### Note 9. Other Financial Disclosures

##### ***Expenditures Exceeding Operating Budgets***

Expenditures exceeded budgeted expenditures in the following funds during fiscal year 2014:

Fund	Final Budget	Actual Expenditures	Amount Over Budget
Transportation Fund	\$ 23,391,768	\$ 25,202,764	\$ 1,810,996
Fire Prevention and Safety Fund	1,478,000	1,664,730	186,730
Debt Service Fund	43,832,136	43,836,666	4,530
Municipal Retirement/Social Security Fund	13,457,482	13,932,581	475,099

## School District U-46

### Notes to Basic Financial Statements

---

#### Note 9. Other Financial Disclosures (Continued)

##### **Interfund Transfers**

During 2014, the District transferred \$1,028,115 from the General Fund to the Debt Service Fund to provide resources to pay principal and interest on debt certificates and purchase contracts. The General Fund also transferred \$365,745 to the Transportation Fund for the purpose of financing transportation related expenses.

##### **Due To/From Other Funds**

Interfund debt balances as of June 30, 2014 are as follows:

Fund	Due From Other Funds	Due To Other Funds
Major governmental funds		
General	\$ 15,776,458	\$ -
Transportation	-	15,126,243
Nonmajor Governmental Funds	-	650,215
Total	<u>\$ 15,776,458</u>	<u>\$ 15,776,458</u>

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

##### **Deficit Fund Balances**

The Transportation Fund had a deficit fund balance as of June 30, 2014 of (\$15,232,585). District management expects to reduce this deficit with future revenues and budget cuts.

The Municipal Retirement/Social Security Fund had a deficit fund balance as of June 30, 2014 of (\$439,088). District management expects to reduce this deficit with future revenues.

The Fire Prevention and Safety Fund had a deficit fund balance as of June 30, 2014 of (\$899,425). District management expects to reduce this deficit with future revenues.

#### Note 10. Contingent Liabilities

##### **Litigation**

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

##### **Grants**

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government and the Illinois State Board of Education. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2014.

## School District U-46

### Notes to Basic Financial Statements

---

#### Note 11. Commitments

At June 30, 2014, the District had approximately \$10.4 million in outstanding construction project commitments. The projects were comprised of work to be done at various school buildings to be paid from the Fire Prevention and Safety Fund and the Capital Projects Fund.

#### Note 12. Restatement for Implementation of New Accounting Standard

As shown in the following table, the financial statements of the District have been restated for the implementation of GASB Statement No. 65, *Items Previously Recorded as Assets and Liabilities* (GASB 65). The Statement of Net Position of the District included unamortized bond issuance costs within the Governmental Activities of the District in previous years. However, pursuant to GASB 65 applicable debt issuance costs should now be recognized in the period incurred as an expense. Therefore, the District restated the Net Position of the Governmental Activities as follows.

	Governmental Activities
Net Position, June 30, 2013, as previously stated	\$ 134,254,514
Implementation of GASB 65	(1,009,112)
Net Position, June 30, 2013 as restated	<u>\$ 133,245,402</u>

#### Note 13. New Accounting Pronouncements

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

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

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

Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, will be effective for the District beginning with its year ended June 30, 2015. This improves accounting and financial reporting by addressing an issue in Statement No. 68, *Accounting and Financial Reporting for Pensions*, concerning transition provisions related to certain pension contributions made to defined benefit pension plans prior to implementation of that Statement by employers and non-employer contributing entities. The provisions of this Statement should be applied simultaneously with the provisions of GASB Statement No. 68.

Management has not currently determined what impact, if any, these Statements may have on its financial statements; however, GASBs 68 and 71 are expected to have a material impact when implemented.

## **REQUIRED SUPPLEMENTARY INFORMATION**

Schedule of Funding Progress - Illinois Municipal Retirement Fund

Schedule of Funding Progress - Retiree Healthcare Plan

Budgetary Comparison Information: General Fund and Major Special Revenue Funds

**School District U-46**

**Schedule of Funding Progress  
Illinois Municipal Retirement Fund  
Year Ended June 30, 2014**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/13	\$ 98,541,485	\$ 139,077,095	\$ 40,535,610	70.85 %	\$ 56,305,271	71.99 %
12/31/12	89,186,003	133,644,371	44,458,368	66.73	53,615,916	82.92
12/31/11	85,231,336	130,367,306	45,135,970	65.38	52,879,203	85.36

On a market value basis, the actuarial value of assets as of December 31, 2013 is \$121,018,981. On a market basis, the funded ratio would be 87.02%. The actuarial value of assets and accrued liability cover active and inactive members who have service credit with the District. They do not include amounts for retirees. The actuarial accrued liability for retirees is 100% funded.

**School District U-46**

**Schedule of Funding Progress  
Retiree Healthcare Plan  
June 30, 2014**

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

The District has elected to have valuations performed biennially.

## **GENERAL FUND**

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

## **MAJOR SPECIAL REVENUE FUNDS**

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

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

**School District U-46**

**Schedule of Revenues, Expenditures and Changes in Fund Balance -  
Budget and Actual  
General Fund  
Year Ended June 30, 2014**

	Original and Final Budget	Actual	Variance
<b>Revenues:</b>			
Property taxes	\$ 229,649,290	\$ 227,333,531	\$ (2,315,759)
Replacement taxes and other payments in lieu of taxes	11,000	-	(11,000)
Charges for services	8,365,000	9,303,933	938,933
Earnings on investments	306,800	238,085	(68,715)
Impact fees, rentals and other local sources	1,600,000	2,399,064	799,064
State grants-in-aid	111,996,317	115,552,345	3,556,028
Federal grants-in-aid	32,446,472	34,451,084	2,004,612
State on-behalf of payments	52,500,000	66,995,465	14,495,465
<b>Total revenues</b>	<b>436,874,879</b>	<b>456,273,507</b>	<b>19,398,628</b>
<b>Expenditures:</b>			
<b>Current:</b>			
<b>Instruction:</b>			
Regular programs	142,550,014	131,553,736	10,996,278
Special programs	36,641,639	35,790,695	850,944
Other instructional programs	46,831,357	44,691,549	2,139,808
Intergovernmental: State on-behalf of payments	52,500,000	66,995,465	(14,495,465)
<b>Support services:</b>			
Pupils	26,668,977	24,915,001	1,753,976
Instructional staff	14,523,448	13,299,301	1,224,147
General administration	14,928,051	17,380,814	(2,452,763)
School administration	22,889,485	21,756,508	1,132,977
Business	26,701,909	26,032,892	669,017
Facilities acquisition and construction	661,954	917,895	(255,941)
Transportation	1,038,831	1,421,884	(383,053)
Food service	13,821,722	15,470,889	(1,649,167)
Central	11,746,599	12,470,264	(723,665)
Other support	1,617,523	1,550,256	67,267
Community services	3,333,150	3,029,507	303,643
Payments to other governments	9,073,115	8,134,674	938,441
Capital outlay	12,829,092	12,647,331	181,761
Contingency	4,306,382	-	4,306,382
<b>Total expenditures</b>	<b>442,663,248</b>	<b>438,058,661</b>	<b>4,604,587</b>
<b>Excess of revenues over expenditures</b>	<b>(5,788,369)</b>	<b>18,214,846</b>	<b>24,003,215</b>
<b>Other financing sources (uses):</b>			
Transfer in	-	-	-
Transfer out	(1,122,949)	(1,393,860)	(270,911)
<b>Total other financing sources (uses)</b>	<b>(1,122,949)</b>	<b>(1,393,860)</b>	<b>(270,911)</b>
<b>Net change in fund balance</b>	<b>\$ (6,911,318)</b>	<b>16,820,986</b>	<b>\$ 23,732,304</b>
<b>Fund balance:</b>			
Beginning of year		146,973,908	
End of year		<u>\$ 163,794,894</u>	

**School District U-46**

**Schedule of Revenues, Expenditures and Changes in Fund Balance (Deficit) -  
Budget and Actual  
Transportation Fund  
Year Ended June 30, 2014**

	Original and Final Budget	Actual	Variance
<b>Revenues:</b>			
Property taxes	\$ 10,278,144	\$ 11,278,225	\$ 1,000,081
Charges for services	1,230,000	1,652,932	422,932
Earnings on investments	1,000	171	(829)
Rentals and other local sources	-	18,962	18,962
State grants-in-aid	12,781,549	12,791,712	10,163
<b>Total revenues</b>	<u>24,290,693</u>	<u>25,742,002</u>	<u>1,451,309</u>
<b>Expenditures:</b>			
Current:			
Support services:			
Transportation	21,208,538	22,852,209	(1,643,671)
Debt service			
Principal	2,140,677	2,141,439	(762)
Interest and fees	37,553	36,792	761
Capital outlay	5,000	172,324	(167,324)
<b>Total expenditures</b>	<u>23,391,768</u>	<u>25,202,764</u>	<u>(1,810,996)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>898,925</u>	<u>539,238</u>	<u>(359,687)</u>
<b>Other financing sources (uses):</b>			
Transfer in	260,756	365,745	104,989
Transfer out	(166,690)	-	166,690
<b>Total other financing sources (uses)</b>	<u>94,066</u>	<u>365,745</u>	<u>271,679</u>
<b>Net change in fund balance (deficit)</b>	<u>\$ 992,991</u>	<u>904,983</u>	<u>\$ (88,008)</u>
<b>Fund balance (deficit):</b>			
Beginning of year		<u>(16,137,568)</u>	
End of year		<u>\$ (15,232,585)</u>	

## OTHER SUPPLEMENTARY INFORMATION

School District U-46

Combining Balance Sheet  
General Fund, by Account  
June 30, 2014

	Educational Account	Tort Immunity Account	Operations and Maintenance Account	Working Cash Account	Total
<b>Assets</b>					
Cash and investments	\$ 126,552,241	\$ -	\$ 11,744,939	\$ 51,295,050	\$ 189,592,230
Property taxes receivable, net of allowance	91,291,675	3,835,248	13,381,309	-	108,508,232
Grants receivable	19,956,998	-	-	-	19,956,998
Replacement taxes receivable	-	-	-	-	-
Accounts receivable	948,749	-	73,529	-	1,022,278
Due from other accounts and funds	-	-	-	40,757,925	40,757,925
Inventory	110,873	-	-	-	110,873
Prepays	679,314	-	-	-	679,314
<b>Total assets</b>	<b>\$ 239,539,850</b>	<b>\$ 3,835,248</b>	<b>\$ 25,199,777</b>	<b>\$ 92,052,975</b>	<b>\$ 360,627,850</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balance (Deficit)</b>					
<b>Liabilities</b>					
Accounts payable	\$ 4,007,100	\$ 1,354,037	\$ 2,183,473	\$ -	\$ 7,544,610
Accrued payroll	30,784,288	8,078	436,717	-	31,229,083
Payroll deductions	1,083,355	-	-	-	1,083,355
Insurance claims payable	4,162,258	-	-	-	4,162,258
Unearned other revenue	1,012,247	-	-	-	1,012,247
Due to other accounts	-	20,481,467	4,500,000	-	24,981,467
<b>Total liabilities</b>	<b>41,049,248</b>	<b>21,843,582</b>	<b>7,120,190</b>	<b>-</b>	<b>70,013,020</b>
<b>Deferred inflows of resources</b>					
Deferred grant revenue	16,813,656	-	-	-	16,813,656
Deferred property taxes	92,552,034	3,888,197	13,566,049	-	110,006,280
<b>Total deferred inflows of resources</b>	<b>109,365,690</b>	<b>3,888,197</b>	<b>13,566,049</b>	<b>-</b>	<b>126,819,936</b>
<b>Fund balance (deficit)</b>					
Nonspendable	790,187	-	-	-	790,187
Restricted	-	-	3,330,253	-	3,330,253
Unassigned	88,334,725	(21,896,531)	1,183,285	92,052,975	159,674,454
<b>Total fund balance (deficit)</b>	<b>89,124,912</b>	<b>(21,896,531)</b>	<b>4,513,538</b>	<b>92,052,975</b>	<b>163,794,894</b>
<b>Total liabilities, deferred inflows of resources and fund balance (deficit)</b>	<b>\$ 239,539,850</b>	<b>\$ 3,835,248</b>	<b>\$ 25,199,777</b>	<b>\$ 92,052,975</b>	<b>\$ 360,627,850</b>

**School District U-46**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balance (Deficit)**

**General Fund, by Account**

**Year Ended June 30, 2014**

	Educational Account	Tort Immunity Account	Operations and Maintenance Account	Working Cash Account	Total
<b>Revenues:</b>					
Property taxes	\$ 195,361,721	\$ 7,142,651	\$ 24,829,159	\$ -	\$ 227,333,531
Charges for services	9,303,933	-	-	-	9,303,933
Earnings on investments	3,608	94	400	233,983	238,085
Rentals and other local sources	697,569	-	1,701,495	-	2,399,064
State grants-in-aid	112,656,558	1,562,356	1,333,431	-	115,552,345
Federal grants-in-aid	34,451,084	-	-	-	34,451,084
State on-behalf of payments	66,995,465	-	-	-	66,995,465
<b>Total revenues</b>	<b>419,469,938</b>	<b>8,705,101</b>	<b>27,864,485</b>	<b>233,983</b>	<b>456,273,507</b>
<b>Expenditures:</b>					
<b>Current:</b>					
<b>Instruction:</b>					
Regular programs	131,553,736	-	-	-	131,553,736
Special programs	35,790,695	-	-	-	35,790,695
Other instructional programs	44,691,549	-	-	-	44,691,549
Intergovernmental: State on-behalf of payments	66,995,465	-	-	-	66,995,465
<b>Support services:</b>					
Pupils	24,915,001	-	-	-	24,915,001
Instructional staff	13,299,301	-	-	-	13,299,301
General administration	8,384,978	8,995,836	-	-	17,380,814
School administration	21,756,508	-	-	-	21,756,508
Business	3,639,915	-	22,392,977	-	26,032,892
Facilities acquisition and construction	108,254	-	809,641	-	917,895
Transportation	1,420,784	-	1,100	-	1,421,884
Food service	15,470,889	-	-	-	15,470,889
Central	12,470,264	-	-	-	12,470,264
Other support services	1,550,256	-	-	-	1,550,256
Community services	3,029,507	-	-	-	3,029,507
Payments to other governments	8,134,674	-	-	-	8,134,674
Capital outlay	6,809,647	-	5,837,684	-	12,647,331
<b>Total expenditures</b>	<b>400,021,423</b>	<b>8,995,836</b>	<b>29,041,402</b>	<b>-</b>	<b>438,058,661</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>19,448,515</b>	<b>(290,735)</b>	<b>(1,176,917)</b>	<b>233,983</b>	<b>18,214,846</b>
<b>Other financing sources (uses):</b>					
Transfer in	-	-	7,109,698	-	7,109,698
Transfer out	(1,232,275)	-	(901,033)	(6,370,250)	(8,503,558)
<b>Total other financing sources (uses)</b>	<b>(1,232,275)</b>	<b>-</b>	<b>6,208,665</b>	<b>(6,370,250)</b>	<b>(1,393,860)</b>
<b>Net change in fund balance (deficit)</b>	<b>18,216,240</b>	<b>(290,735)</b>	<b>5,031,748</b>	<b>(6,136,267)</b>	<b>16,820,986</b>
<b>Fund balance (deficit):</b>					
Beginning of year	70,908,672	(21,605,796)	(518,210)	98,189,242	146,973,908
End of year	\$ 89,124,912	\$ (21,896,531)	\$ 4,513,538	\$ 92,052,975	\$ 163,794,894

School District U-46

**Schedule of Revenues, Expenditures and Changes in Fund Balance -  
Budget and Actual  
General Fund - Educational Account  
Year Ended June 30, 2014**

	Original and Final Budget	Actual	Variance
Revenues:			
Property taxes	\$ 200,078,333	\$ 195,361,721	\$ (4,716,612)
Replacement taxes and other payments in lieu of taxes	11,000	-	(11,000)
Charges for services	8,365,000	9,303,933	938,933
Earnings on investments	50,000	3,608	(46,392)
Rentals and other local sources	650,000	697,569	47,569
State grants-in-aid	109,371,317	112,656,558	3,285,241
Federal grants-in-aid	32,446,472	34,451,084	2,004,612
State on-behalf of payments	52,500,000	66,995,465	14,495,465
<b>Total revenues</b>	<b>403,472,122</b>	<b>419,469,938</b>	<b>15,997,816</b>
Expenditures:			
Current:			
Instruction:			
Regular programs	142,550,014	131,553,736	10,996,278
Special programs	36,641,639	35,790,695	850,944
Other instructional programs	46,831,357	44,691,549	2,139,808
Intergovernmental: State on-behalf of payments	52,500,000	66,995,465	(14,495,465)
Support services:			
Pupils	26,668,977	24,915,001	1,753,976
Instructional staff	14,523,448	13,299,301	1,224,147
General administration	6,426,095	8,384,978	(1,958,883)
School administration	22,889,485	21,756,508	1,132,977
Business	4,091,711	3,639,915	451,796
Facilities acquisition and construction	-	108,254	(108,254)
Transportation	1,038,831	1,420,784	(381,953)
Food service	13,821,722	15,470,889	(1,649,167)
Central	11,746,599	12,470,264	(723,665)
Other support	1,617,523	1,550,256	67,267
Community services	3,333,150	3,029,507	303,643
Payments to other governments	9,073,115	8,134,674	938,441
Capital outlay	5,437,263	6,809,647	(1,372,384)
Contingency	4,306,382	-	4,306,382
<b>Total expenditures</b>	<b>403,497,311</b>	<b>400,021,423</b>	<b>3,475,888</b>
Excess (deficiency) of revenues over (under) expenditures	(25,189)	19,448,515	19,473,704
Other financing sources (uses):			
Transfer out	(1,240,439)	(1,232,275)	8,164
<b>Total other financing sources (uses)</b>	<b>(1,240,439)</b>	<b>(1,232,275)</b>	<b>8,164</b>
<b>Net change in fund balance</b>	<b>\$ (1,265,628)</b>	<b>18,216,240</b>	<b>\$ 19,481,868</b>
Fund balance:			
Beginning of year		70,908,672	
End of year		<u>\$ 89,124,912</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, 2014**

	Original and Final Budget	Actual	Variance
Revenues:			
Property taxes	\$ 7,211,443	\$ 7,142,651	\$ (68,792)
Earnings on investments	1,637	94	(1,543)
State grants-in-aid	1,500,000	1,562,356	62,356
<b>Total revenues</b>	<b>8,713,080</b>	<b>8,705,101</b>	<b>(7,979)</b>
Expenditures:			
Current:			
Support services:			
General administration	8,501,956	8,995,836	(493,880)
<b>Net change in fund balance (deficit)</b>	<b>\$ 211,124</b>	<b>(290,735)</b>	<b>\$ (501,859)</b>
Fund balance (deficit):			
Beginning of year		(21,605,796)	
End of year		<u>\$ (21,896,531)</u>	

**Schedule of Tort Expenditures by Object**

Workers' compensation or workers' occupation disease acts payments	\$ 3,867,332
Unemployment insurance payments	198,162
Insurance payments (regular or self-insurance)	548,335
Educational, inspectional, supervisory services related to loss prevention or reduction	1,336,829
Legal service	3,045,178
<b>Total tort expenditures</b>	<b>\$ 8,995,836</b>

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

**School District U-46**

**Schedule of Revenues, Expenditures and Changes in Fund Balance (Deficit) -  
Budget and Actual  
General Fund - Operations and Maintenance Account  
Year Ended June 30, 2014**

	Original and Final Budget	Actual	Variance
<b>Revenues:</b>			
Property taxes	\$ 22,359,514	\$ 24,829,159	\$ 2,469,645
Earnings on investments	5,163	400	(4,763)
Rentals and other local sources	950,000	1,701,495	751,495
State grants-in-aid	1,125,000	1,333,431	208,431
<b>Total revenues</b>	<u>24,439,677</u>	<u>27,864,485</u>	<u>3,424,808</u>
<b>Expenditures:</b>			
Current:			
Support services:			
Business	22,610,198	22,392,977	217,221
Facilities acquisition and construction	661,954	809,641	(147,687)
Transportation	-	1,100	(1,100)
Capital outlay	7,391,829	5,837,684	1,554,145
<b>Total expenditures</b>	<u>30,663,981</u>	<u>29,041,402</u>	<u>1,622,579</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(6,224,304)</u>	<u>(1,176,917)</u>	<u>5,047,387</u>
<b>Other financing sources (uses):</b>			
Transfer in	7,396,190	7,109,698	(286,492)
Transfer out	(791,200)	(901,033)	(109,833)
<b>Total other financing sources (uses)</b>	<u>6,604,990</u>	<u>6,208,665</u>	<u>(396,325)</u>
<b>Net change in fund balance (deficit)</b>	<u>\$ 380,686</u>	<u>5,031,748</u>	<u>\$ 4,651,062</u>
<b>Fund balance (deficit):</b>			
Beginning of year		<u>(518,210)</u>	
End of year		<u>\$ 4,513,538</u>	

**School District U-46**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**

**Nonmajor Governmental Funds**

**Year Ended June 30, 2014**

	Special Revenue Fund	Capital Projects Funds		Total Nonmajor Governmental Funds
	Municipal Retirement/ Social Security Fund	Capital Projects Fund	Fire Prevention and Safety Fund	
Revenues:				
Property taxes	\$ 10,013,402	\$ -	\$ 1,580,378	\$ 11,593,780
Replacement taxes	3,754,606	-	-	3,754,606
Earnings on investments	159	1,031	277	1,467
Impact fees, rentals and other local sources	-	452,706	-	452,706
<b>Total revenues</b>	<b>13,768,167</b>	<b>453,737</b>	<b>1,580,655</b>	<b>15,802,559</b>
Expenditures:				
Current:				
Instruction:				
Regular programs	1,768,093	-	-	1,768,093
Special programs	1,817,787	-	-	1,817,787
Other instructional programs	652,141	-	-	652,141
Support services:				
Pupils	1,145,805	-	-	1,145,805
Instructional staff	417,369	-	-	417,369
General administration	478,465	-	-	478,465
School administration	1,221,541	-	-	1,221,541
Business	2,268,896	-	-	2,268,896
Facilities acquisition and construction	-	206,794	230,451	437,245
Transportation	3,166,481	-	-	3,166,481
Food service	(61,942)	-	-	(61,942)
Central	848,354	-	-	848,354
Other support services	29,382	-	-	29,382
Community services	180,209	-	-	180,209
Capital outlay	-	1,528,443	1,434,279	2,962,722
<b>Total expenditures</b>	<b>13,932,581</b>	<b>1,735,237</b>	<b>1,664,730</b>	<b>17,332,548</b>
<b>Net change in fund balances (deficits)</b>	<b>(164,414)</b>	<b>(1,281,500)</b>	<b>(84,075)</b>	<b>(1,529,989)</b>
Fund balances (deficits):				
Beginning of year	(274,674)	5,142,983	(815,350)	4,052,959
End of year	\$ (439,088)	\$ 3,861,483	\$ (899,425)	\$ 2,522,970

**School District U-46**

**Schedule of Revenues, Expenditures and Changes in Fund Balance (Deficit) -  
Budget and Actual  
Municipal Retirement/Social Security Fund  
Year Ended June 30, 2014**

	Original and Final Budget	Actual	Variance
Revenues:			
Property taxes	\$ 9,862,797	\$ 10,013,402	\$ 150,605
Replacement taxes	3,600,000	3,754,606	154,606
Earnings on investments	-	159	159
<b>Total revenues</b>	<b>13,462,797</b>	<b>13,768,167</b>	<b>305,370</b>
Expenditures:			
Current:			
Instruction:			
Regular programs	1,575,034	1,768,093	(193,059)
Special programs	1,815,255	1,817,787	(2,532)
Other instructional programs	550,621	652,141	(101,520)
Support services:			
Pupils	1,172,362	1,145,805	26,557
Instructional staff	376,393	417,369	(40,976)
General administration	372,779	478,465	(105,686)
School administration	1,247,190	1,221,541	25,649
Business	2,166,788	2,268,896	(102,108)
Transportation	3,381,887	3,166,481	215,406
Food service	(81,700)	(61,942)	(19,758)
Central	806,797	848,354	(41,557)
Other support	45,756	29,382	16,374
Community services	28,320	180,209	(151,889)
<b>Total expenditures</b>	<b>13,457,482</b>	<b>13,932,581</b>	<b>(475,099)</b>
<b>Net change in fund balance (deficit)</b>	<b>\$ 5,315</b>	<b>(164,414)</b>	<b>\$ (169,729)</b>
Fund balance (deficit):			
Beginning of year		(274,674)	
End of year		<u>\$ (439,088)</u>	

**School District U-46**

**Schedule of Revenues, Expenditures and Changes in Fund Balance -  
Budget and Actual  
Capital Projects Fund  
Year Ended June 30, 2014**

	Original and Final Budget	Actual	Variance
Revenues:			
Earnings on investments	\$ -	\$ 1,031	\$ 1,031
Impact fees, rentals and other local sources	315,000	452,706	137,706
<b>Total revenues</b>	<u>315,000</u>	<u>453,737</u>	<u>138,737</u>
Expenditures:			
Current:			
Support services:			
Facilities acquisition and construction	39,814	206,794	(166,980)
Capital outlay	1,992,837	1,528,443	464,394
<b>Total expenditures</b>	<u>2,032,651</u>	<u>1,735,237</u>	<u>297,414</u>
<b>Net change in fund balance</b>	<u>\$ (1,717,651)</u>	<u>(1,281,500)</u>	<u>\$ 436,151</u>
Fund balance:			
Beginning of year		<u>5,142,983</u>	
End of year		<u>\$ 3,861,483</u>	

**School District U-46**

**Schedule of Revenues, Expenditures and Changes in Fund Balance (Deficit) -  
Budget and Actual  
Fire Prevention and Safety Fund  
Year Ended June 30, 2014**

	Original and Final Budget	Actual	Variance
Revenues:			
Property taxes	\$ 1,475,705	\$ 1,580,378	\$ 104,673
Earnings on investments	5,000	277	(4,723)
<b>Total revenues</b>	<u>1,480,705</u>	<u>1,580,655</u>	<u>99,950</u>
Expenditures:			
Current:			
Support services:			
Facilities acquisition and construction	-	230,451	(230,451)
Capital outlay	1,478,000	1,434,279	43,721
<b>Total expenditures</b>	<u>1,478,000</u>	<u>1,664,730</u>	<u>(186,730)</u>
<b>Net change in fund balance (deficit)</b>	<u>\$ 2,705</u>	<u>(84,075)</u>	<u>\$ (86,780)</u>
Fund balance (deficit):			
Beginning of year		<u>(815,350)</u>	
End of year		<u>\$ (899,425)</u>	

## **FIDUCIARY FUNDS**

### **AGENCY FUNDS**

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

**School District U-46**

**Combining Statement of Changes in Assets and Liabilities -  
Agency Funds - Student Activity Funds  
June 30, 2014**

	Assets/ Liabilities Balance at July 1, 2013	Additions	Deletions	Assets/ Liabilities Balance at June 30, 2014
<b>High Schools</b>				
Bartlett	\$ 604,179	\$ 1,473,546	\$ 1,492,779	\$ 584,946
Elgin	559,917	1,103,608	1,108,391	555,134
Larkin	617,186	904,205	896,255	625,136
Streamwood	291,594	1,020,023	1,009,491	302,126
Gifford	90,993	67,650	28,715	129,928
South Elgin	584,573	1,579,605	1,699,097	465,081
<b>Total High Schools</b>	<b>2,748,442</b>	<b>6,148,637</b>	<b>6,234,728</b>	<b>2,662,351</b>
<b>Middle Schools</b>				
Abbott	35,779	75,168	85,202	25,745
Canton	42,448	85,941	98,787	29,602
Eastview	132,142	150,546	178,714	103,974
Ellis	14,573	85,281	78,015	21,839
Kenyon Woods	88,673	147,881	151,196	85,358
Kimball	39,566	88,737	95,396	32,907
Larsen	47,451	79,439	87,710	39,181
Tefft	46,858	88,591	102,505	32,944
<b>Total Middle Schools</b>	<b>447,490</b>	<b>801,583</b>	<b>877,524</b>	<b>371,549</b>
<b>Elementary Schools</b>				
Bartlett	8,316	28,708	29,853	7,171
Centennial	16,717	63,325	61,479	18,563
Century Oaks	13,514	23,309	23,880	12,943
Channing	3,938	18,965	15,628	7,275
Clinton	16,562	31,967	38,040	10,489
Coleman	4,017	54,979	55,900	3,096
Creekside	9,124	57,421	56,389	10,156
Fox Meadow	15,031	64,177	64,332	14,877
Garfield	4,685	10,339	8,538	6,485
Glenbrook	7,405	43,019	43,621	6,802
Hanover Countryside	15,372	37,919	35,448	17,844
Harriet Gifford	26,547	40,638	40,739	26,446
Hawk Hollow	11,347	37,605	34,035	14,917
Heritage	4,384	51,148	50,026	5,506
Highland	6,655	26,330	27,587	5,398
Hillcrest	10,499	31,982	35,120	7,361
Hilltop	19,101	51,511	51,181	19,431

(Continued)

**School District U-46**

**Combining Statement of Changes in Assets and Liabilities -  
Agency Funds - Student Activity Funds (Continued)  
June 30, 2014**

	Assets/ Liabilities Balance at July 1, 2013	Additions	Deletions	Assets/ Liabilities Balance at June 30, 2014
<b>Elementary Schools (Continued)</b>				
Horizon	\$ 14,040	\$ 76,377	\$ 79,199	\$ 11,217
Huff	15,478	20,806	21,441	14,843
Laurel Hill	20,729	35,535	35,856	20,408
Liberty	17,286	42,603	48,962	10,927
Lincoln	9,261	30,495	30,049	9,707
Lords Park	11,693	50,914	50,327	12,280
Lowrie	289	12,147	11,244	1,192
McKinley	14,022	34,613	33,765	14,871
Nature Ridge	6,688	42,191	45,396	3,482
Oakhill	4,435	33,645	33,533	4,546
Ontarioville	24,417	49,408	58,037	15,788
Otter Creek	17,510	50,378	54,329	13,559
Parkwood	10,496	16,268	17,025	9,739
Prairieview	13,576	49,123	50,219	12,479
Ridge Circle	9,519	40,908	42,934	11,019
Sheridan	9,929	28,333	30,442	7,820
Spring Trail	9,983	27,865	31,791	6,058
Sunnydale	19,033	43,741	43,446	19,328
Sycamore Trails	43,813	101,362	84,421	60,755
Timber Trails	13,923	30,348	33,095	11,177
Washington	9,409	35,943	35,312	10,039
Wayne	32,169	39,241	46,856	24,554
Willard	2,237	24,598	21,986	4,850
<b>Total Elementary Schools</b>	<b>523,150</b>	<b>1,590,183</b>	<b>1,611,462</b>	<b>501,871</b>
<b>Other</b>				
Adult Education	1,087	-	1,087	-
Safe Program	119,601	207,326	224,980	101,947
SWEP	16,602	42,550	40,783	18,369
Central School Programs	2,599	2,950	1,310	4,239
DORS	9,884	32,000	36,326	5,558
<b>Total Other</b>	<b>149,773</b>	<b>284,826</b>	<b>304,486</b>	<b>130,113</b>
<b>Total All Agency Funds</b>	<b>\$ 3,868,855</b>	<b>\$ 8,825,228</b>	<b>\$ 9,028,199</b>	<b>\$ 3,665,884</b>

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, 2014**

	<b>Total</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>Thereafter</b>
February 1999 Issue							
Principal	\$ 17,050,000	\$ -	\$ 1,725,000	\$ 3,300,000	\$ 5,025,000	\$ 7,000,000	\$ -
Interest	3,475,000	863,000	863,000	776,750	611,750	360,500	-
	<u>20,525,000</u>	<u>863,000</u>	<u>2,588,000</u>	<u>4,076,750</u>	<u>5,636,750</u>	<u>7,360,500</u>	<u>-</u>
March 2001 Issue							
Principal	23,245,779	9,173,427	14,072,352	-	-	-	-
Interest	<u>25,419,221</u>	<u>9,436,573</u>	<u>15,982,648</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>48,665,000</u>	<u>18,610,000</u>	<u>30,055,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
March 2002 Issue							
Principal	54,499,619	-	373,209	13,773,167	12,786,097	11,825,531	15,741,615
Interest	<u>75,345,381</u>	<u>-</u>	<u>401,791</u>	<u>16,386,833</u>	<u>16,738,903</u>	<u>16,969,469</u>	<u>24,848,385</u>
	<u>129,845,000</u>	<u>-</u>	<u>775,000</u>	<u>30,160,000</u>	<u>29,525,000</u>	<u>28,795,000</u>	<u>40,590,000</u>
March 2003B Issue							
Principal	57,815,379	727,445	970,121	966,120	966,844	962,750	53,222,099
Interest	<u>94,779,621</u>	<u>627,555</u>	<u>934,879</u>	<u>1,033,880</u>	<u>1,143,156</u>	<u>1,252,250</u>	<u>89,787,901</u>
	<u>152,595,000</u>	<u>1,355,000</u>	<u>1,905,000</u>	<u>2,000,000</u>	<u>2,110,000</u>	<u>2,215,000</u>	<u>143,010,000</u>
February 2005 Issue							
Principal	21,960,000	935,000	1,985,000	3,060,000	4,155,000	5,330,000	6,495,000
Interest	<u>3,851,831</u>	<u>877,231</u>	<u>841,000</u>	<u>761,600</u>	<u>639,200</u>	<u>473,000</u>	<u>259,800</u>
	<u>25,811,831</u>	<u>1,812,231</u>	<u>2,826,000</u>	<u>3,821,600</u>	<u>4,794,200</u>	<u>5,803,000</u>	<u>6,754,800</u>
September 2009 Issue							
Principal	16,065,000	4,320,000	2,495,000	1,135,000	1,175,000	1,290,000	5,650,000
Interest	<u>2,983,101</u>	<u>637,013</u>	<u>507,413</u>	<u>426,325</u>	<u>386,600</u>	<u>339,800</u>	<u>686,150</u>
	<u>19,048,101</u>	<u>4,957,013</u>	<u>3,002,413</u>	<u>1,561,325</u>	<u>1,561,600</u>	<u>1,629,800</u>	<u>6,336,150</u>
April 2010 Issue							
Principal	11,190,000	11,190,000	-	-	-	-	-
Interest	<u>447,600</u>	<u>447,600</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>11,637,600</u>	<u>11,637,600</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
March 2011A Issue							
Principal	25,270,000	215,000	1,430,000	4,020,000	4,200,000	4,400,000	11,005,000
Interest	<u>6,840,700</u>	<u>1,298,985</u>	<u>1,292,105</u>	<u>1,237,050</u>	<u>1,058,160</u>	<u>858,660</u>	<u>1,095,740</u>
	<u>32,110,700</u>	<u>1,513,985</u>	<u>2,722,105</u>	<u>5,257,050</u>	<u>5,258,160</u>	<u>5,258,660</u>	<u>12,100,740</u>
March 2011B Issue							
Principal	1,430,000	200,000	200,000	200,000	200,000	200,000	430,000
Interest	<u>37,765</u>	<u>9,295</u>	<u>7,995</u>	<u>6,695</u>	<u>5,395</u>	<u>4,095</u>	<u>4,290</u>
	<u>1,467,765</u>	<u>209,295</u>	<u>207,995</u>	<u>206,695</u>	<u>205,395</u>	<u>204,095</u>	<u>434,290</u>
March 2012A Issue							
Principal	380,000	370,000	10,000	-	-	-	-
Interest	<u>6,475</u>	<u>6,290</u>	<u>185</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>386,475</u>	<u>376,290</u>	<u>10,185</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
March 2012B Issue							
Principal	31,045,000	-	1,110,000	70,000	75,000	-	29,790,000
Interest	<u>13,518,800</u>	<u>1,369,525</u>	<u>1,369,525</u>	<u>1,325,125</u>	<u>1,323,025</u>	<u>1,320,775</u>	<u>6,810,825</u>
	<u>44,563,800</u>	<u>1,369,525</u>	<u>2,479,525</u>	<u>1,395,125</u>	<u>1,398,025</u>	<u>1,320,775</u>	<u>36,600,825</u>
Total All Issues:							
Principal	259,950,777	27,130,872	24,370,682	26,524,287	28,582,941	31,008,281	122,333,714
Interest	<u>226,705,495</u>	<u>15,573,067</u>	<u>22,200,541</u>	<u>21,954,258</u>	<u>21,906,189</u>	<u>21,578,349</u>	<u>123,493,091</u>
	<u>\$ 486,656,272</u>	<u>\$ 42,703,939</u>	<u>\$ 46,571,223</u>	<u>\$ 48,478,545</u>	<u>\$ 50,489,130</u>	<u>\$ 52,586,630</u>	<u>\$ 245,826,805</u>

# SCHOOL DISTRICT U-46

REPORTS REQUIRED BY OMB CIRCULAR A-133 AND  
GOVERNMENT AUDITING STANDARDS

YEAR ENDED JUNE 30, 2014

## Contents

	<u>Page</u>
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	1 – 2
Independent Auditor's Report on Compliance For Each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by OMB Circular A-133	3 – 5
Schedule of Expenditures of Federal Awards	6 – 9
Notes to Schedule of Expenditures of Federal Awards	10
Schedule of Findings and Questioned Costs	11 – 14
Summary Schedule of Prior Audit Findings	15



**Independent Auditor's Report on Internal Control Over Financial Reporting and on  
Compliance and Other Matters Based on an Audit of Financial Statements  
Performed in Accordance with *Government Auditing Standards***

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of School District U-46 ("District") as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 15, 2014.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control described in the accompanying schedule of findings and questioned costs as Findings 2014-001 and 2014-002 that we consider to be significant deficiencies.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **School District U-46's Responses to Findings**

The District's responses to the findings identified in our audit are described in the accounting schedule of findings and questioned costs. The District's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "McGladrey LLP".

Chicago, Illinois  
December 15, 2014



**Independent Auditor's Report on Compliance For Each Major Federal Program;  
Report on Internal Control Over Compliance; and Report on the Schedule of  
Expenditures of Federal Awards Required by OMB Circular A-133**

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

**Report on Compliance for Each Major Federal Program**

We have audited the School District U-46's ("District") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2014. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

***Auditor's Responsibilities***

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

***Opinion on Each Major Federal Program***

In our opinion, School District U-46 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014.

## **Report on Internal Control Over Compliance**

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

## **Report on the Schedule of Expenditures of Federal Awards Required by OMB Circular A-133**

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated December 15, 2014 which contained unmodified opinions on those financial statements. 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 schedule of expenditures of federal awards for the year ended June 30, 2014 is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information 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. The 2014 information has been subjected to the auditing procedures applied in the audits of the basic financial statements for the year ended June 30, 2014, 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 2014 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2014.

We also previously audited, in accordance with auditing standards generally accepted in the United States, the District's basic financial statements as of and for the year ended June 30, 2013 (not presented herein), and have issued our report thereon dated December 13, 2013, which contained unmodified opinions on the respective financial statements of the governmental activities, the major fund, and the aggregate remaining fund information. The schedule of expenditures of federal awards for the year ended June 30, 2013 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2013 financial statements. The 2013 information has been subjected to the auditing procedures applied in the audit of the 2013 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those basic financial statements or to those 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 2013 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2013.

*McGladrey LLP*

Chicago, Illinois  
December 15, 2014

(attachment of ISBE 62-18)

County  
District/Joint Agreement Name  
School District U46  
District/Joint Agreement No.  
U46

ILLINOIS STATE BOARD OF EDUCATION  
100 NORTH FIRST STREET  
SPRINGFIELD, ILLINOIS 62777-0001

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR Ended JUNE 30, 2014

Federal Agency/ Pass-through Grantor/ Program Name	CFDA Number (A)	ISBE Project Number (B)	Revenues		Expenditures		Obligations/ Encumbrances (G)	Final Status (H)	Budget (I)
			7/1/12- 6/30/13 (C)	7/1/13- 6/30/14 (D)	7/1/12- 6/30/13 (E)	7/1/13- 6/30/14 (F)			
U.S. Department of Education: Direct grants:									
Fund for the Improvement of Education: Teaching American History	84.215X	U215X080096	\$ 878	\$ -	\$ 412	\$ -	\$ -	\$ 195,256	364,428
Passed through Illinois State Board of Education:									
Title I Part A Cluster									
Title I Grants to Local Education Agencies: Title I : Low Income	84.010A	14-4300-00 13-4300-00 12-4300-00	- 9,309,646 602,626	8,522,849 208,789 -	- 9,313,488 606,350	8,522,849 208,789 -	- -	8,522,849 9,522,277 8,879,749	10,375,697 10,263,435 9,500,851
			9,912,272	8,731,638	9,919,838	8,731,638	-	26,924,875	30,139,983
Title I Grants to Local Education Agencies: Title I : Low Income - Neglected Priv.	84.010A	14-4305-00 13-4305-00	- 53,131	7,944 -	- 53,131	7,944 -	- -	7,944 53,131	47,818 53,131
			53,131	7,944	53,131	7,944	-	61,075	100,949
Total Title I Part A Cluster			9,965,403	8,739,582	9,972,969	8,739,582	-	26,985,950	30,240,932
Safe and Drug-Free Schools and Communities-State Grants Title IV : Safe and Drug Free Schools - Formula	84.186A	12-4400-00	1,300	-	1,300	-	-	4,861	5,291
Twenty-First Century Community Learning Centers: Title IV - 21st Century Community Learning Centers	84.287C	14-4421-12 14-4421-10 13-4421-12 13-4421-10 12-4421-12 12-4421-10	- - 623,943 228,745 137,339 41,744	596,054 170,160 63,307 20,891 -	- 623,943 228,745 137,339 41,744	596,054 170,160 63,307 20,891 -	- -	596,054 170,160 687,250 249,636 733,286 354,382	832,281 250,000 804,281 249,636 832,281 359,300
			1,031,771	850,412	1,031,771	850,412	-	2,790,768	3,327,779

(attachment of ISBE 62-18)

County  
District/Joint Agreement Name  
School District U46  
District/Joint Agreement No.  
U46

ILLINOIS STATE BOARD OF EDUCATION  
100 NORTH FIRST STREET  
SPRINGFIELD, ILLINOIS 62777-0001

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR Ended JUNE 30, 2014

Federal Agency/ Pass-through Grantor/ Program Name	CFDA Number (A)	ISBE Project Number (B)	Revenues		Expenditures			Obligations/ Encumbrances (G)	Final Status (H)	Budget (I)
			7/1/12- 6/30/13 (C)	7/1/13- 6/30/14 (D)	7/1/12- 6/30/13 (E)	7/1/13- 6/30/14 (F)				
Special Education Cluster (IDEA)										
Special Education - Preschool Grants: Pre-School Flow Through	84.173A	14-4600-00 13-4600-00 12-4600-00	- 167,467 -	152,633 - -	167,467 1,051 -	152,633 - -	5,000 - -	157,633 167,467 163,863	193,771 185,004 177,692	
			167,467	152,633	168,518	152,633	5,000	488,963	556,467	
Special Education - Grants to States: IDEA Flow Through	84.027A	14-4620-00 13-4620-00 12-4620-00	- 7,658,384 78,366	7,357,065 15,734 -	- 7,658,384 509,036	7,357,065 15,734 -	100,000 - -	7,457,065 7,674,118 7,362,418	8,758,306 8,459,057 7,740,089	
			7,736,750	7,372,799	8,167,420	7,372,799	100,000	22,493,601	24,957,452	
Special Education - Grants to States: IDEA Room & Board	84.027A	14-4625-00 13-4625-00 12-4625-00	- 241,032 63,242	219,971 73,352 -	- 241,032 51,070	219,971 73,352 -	- -	219,971 314,384 192,031	N/A N/A N/A	
			304,274	293,323	292,102	293,323	-	726,386	N/A	
			8,208,491	7,818,755	8,628,040	7,818,755	105,000	23,708,950	25,513,919	
Total Special Education Cluster (IDEA)										
English Language Acquisition Grants: Title III : Language Instruction Program - Limited English	84.365A	14-4909-00 13-4909-00 12-4909-00	- 1,129,738 86,871	956,688 94,001 -	- 1,129,738 86,871	956,688 94,001 -	- -	956,688 1,223,739 1,232,877	1,323,747 1,408,386 1,429,631	
			1,216,609	1,050,689	1,216,609	1,050,689	-	3,413,304	4,161,764	
Improving Teacher Quality State Grants: Title II : Teacher Quality	84.367A	14-4932-00 13-4932-00 12-4932-00	- 596,150 142,291	1,024,638 188,221 -	- 596,150 142,291	1,024,638 188,221 -	- -	1,024,638 784,371 1,139,043	1,828,783 1,706,127 1,823,131	
			738,441	1,212,859	738,441	1,212,859	-	2,948,052	5,358,041	
Passed through Illinois Department of Human Services Rehabilitation Services - Vocational Rehabilitation Grants to States: Rehabilitation Services										
84.126	940CK001618 940CK001618	- 47,449	101,774 -	- 47,449	- 47,449	101,774 -	- -	101,774 47,449	101,774 47,449	N/A N/A
		47,449	101,774	47,449	101,774	-	149,223	N/A		
Passed through Illinois Community College Board: Adult Education - Basic Grants to States: Federal - Adult Education : Basic										
84.002A	13-4810-00	43,966	-	-	46,967	-	-	46,967	46,967	

ILLINOIS STATE BOARD OF EDUCATION  
100 NORTH FIRST STREET  
SPRINGFIELD, ILLINOIS 62777-0001

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR Ended JUNE 30, 2014

(attachment of ISBE 62-18)

County  
District/Joint Agreement Name  
School District U46  
District/Joint Agreement No.  
U46

Federal Agency/ Pass-through Grantor/ Program Name	CFDA Number (A)	ISBE Project Number (B)	Revenues		Expenditures			Obligations/ Encumbrances (G)	Final Status (H)	Budget (I)
			7/1/12- 6/30/13 (C)	7/1/13- 6/30/14 (D)	7/1/12- 6/30/13 (E)	7/1/13- 6/30/14 (F)				
Passed through Northern Kane County Regional Vocational System: Career and Technical Education - Basic Grants to States: Perkins IIC Grant	84.048A	14-4745-00	-	341,459	-	-	341,459	-	341,459	N/A
		13-4745-00	409,689	51,762	408,436	408,436	51,979	-	460,415	N/A
			409,689	393,221	408,436	408,436	393,438	-	801,874	N/A
Total U.S. Department of Education			21,663,997	20,167,292	22,092,394	20,167,509	105,000	61,045,205	69,019,121	
U.S. Department of Agriculture:										
Passed through Illinois State Board of Education: Commodity Supplemental Food Program	10.555	14-4299-00	-	995,884	-	-	995,884	-	995,884	N/A
		13-4299-00	867,285	-	867,285	867,285	-	-	867,285	N/A
			867,285	995,884	867,285	867,285	995,884	-	1,863,169	N/A
National School Lunch Program	10.555	14-4210-00	-	7,841,310	-	-	7,841,310	-	7,841,310	N/A
		13-4210-00	7,630,218	1,584,814	7,630,218	7,630,218	1,584,814	-	9,215,032	N/A
		12-4210-00	1,341,058	-	1,341,058	1,341,058	-	-	8,213,971	N/A
School Breakfast Program	10.553		8,971,276	9,426,124	8,971,276	9,426,124	-	-	25,270,313	N/A
		14-4220-00	-	2,497,428	-	-	2,497,428	-	2,497,428	N/A
		13-4220-00	2,350,642	458,111	2,350,642	458,111	-	-	2,808,753	N/A
		12-4220-00	375,702	-	375,702	375,702	-	-	2,000,411	N/A
Total Child Nutrition Cluster			2,726,344	2,955,539	2,726,344	2,955,539	-	-	7,306,592	N/A
			12,564,905	13,377,547	12,564,905	13,377,547	-	-	34,440,074	N/A
Fresh Fruits and Vegetables Program	10.582	13-4240-13	85,138	-	85,138	-	-	-	85,138	N/A
		13-4240-12	18,447	-	18,447	-	-	-	18,447	N/A
			103,585	-	103,585	-	-	-	103,585	N/A
Total U.S. Department of Agriculture			12,668,490	13,377,547	12,668,490	13,377,547	-	34,543,659	N/A	

(Attachment of ISBE 62-18)

County  
District/Joint Agreement Name  
School District U46  
District/Joint Agreement No.  
U46

ILLINOIS STATE BOARD OF EDUCATION  
100 NORTH FIRST STREET  
SPRINGFIELD, ILLINOIS 62777-0001

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR Ended JUNE 30, 2014

Federal Agency/ Pass-through Grantor/ Program Name	CFDA Number (A)	ISBE Project Number (B)	Revenues		Expenditures			Obligations/ Encumbrances (G)	Final Status (H)	Budget (I)
			7/1/12- 6/30/13 (C)	7/1/13- 6/30/14 (D)	7/1/12- 6/30/13 (E)	7/1/13- 6/30/14 (F)				
U.S. Department of Health and Human Services: Passed through Illinois Department of Healthcare and Family Services Passed through Northwestern Illinois Association: Medical Assistance Program	93.778	14-4991-00 13-4991-00	- 979,249 979,249	734,447 - 734,447	- 976,249 976,249	734,447 - 734,447	- - -	734,447 976,249 1,710,696	N/A N/A N/A	
	93.505	14-4977-00 13-4977-00	- 199,254 199,254	166,198 - 166,198	- 177,046 177,046	181,074 - 181,074	- - -	181,074 177,046 358,120	N/A N/A N/A	
	93.615	13-4876-00	15,000	-	1,148	-	-	1,148	N/A	
Passed through MDRC Maternal, Infant and Early Childhood Home Visiting Research Programs	93.708	13-4879-00	38,419	-	38,417	-	-	38,417	N/A	
	Total U.S. Department of Health and Human Services		1,231,922	900,645	1,192,860	915,521	-	2,108,381	N/A	
Total Federal Awards			\$ 35,573,922	\$ 34,563,868	\$ 35,963,257	\$ 34,578,961	\$ 105,000	\$ 97,825,142	\$ 69,257,784	

CFDA Catalog of Federal Domestic Assistance  
See Notes to Schedule of Expenditures of Federal Awards

## School District U-46

### Notes to Schedule of Expenditures of Federal Awards

---

#### Note 1. Significant Accounting Policies

The accompanying schedule of expenditures of federal awards includes the federal grant activity of School District U-46 and is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of financial statements.

No funds were identified as having been provided to subrecipients by the District under the meaning of Sections 105 and 210 of OMB Circular A-133, and accordingly, no funds identified in the Schedule of Expenditures of Federal Awards are attributable to subrecipient entities as required under Section 310(b) of OMB Circular A-133. There were no federal awards expended for insurance or any loans or loan guarantees outstanding at year-end. For the year ended June 30, 2014, the District did receive \$995,884 of noncash assistance in the form of food commodities that is included under the Department of Agriculture passed through the Illinois State Board of Education (CFDA #10.555). For the year ended June 30, 2013, the District did receive \$867,285 of noncash assistance in the form of food commodities that is included under the Department of Agriculture passed through the Illinois State Board of Education (CFDA #10.555).

Basis of accounting: The schedule has been prepared using the modified accrual basis of accounting which is the same basis used in preparing the basic financial statements of the District.

#### Note 2. CFDA Totals

Total federal expenditures for CFDA Numbers with multiple ISBE project numbers are as follows:

CFDA Number	2013	2014
84.010	\$ 9,972,969	\$ 8,739,582
84.027	8,408,452	7,666,122
10.555	9,838,561	10,422,008

**School District U-46**

**Schedule of Findings and Questioned Costs  
Year Ended June 30, 2014**

---

**I. SUMMARY OF AUDITOR'S RESULTS**

*Financial Statements*

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified?	<u>      </u> Yes	<u>  X  </u> No
Significant deficiency(ies) identified?	<u>  X  </u> Yes	<u>      </u> None Reported
Noncompliance material to financial statements noted?	<u>      </u> Yes	<u>  X  </u> No

*Federal Awards*

Internal control over major programs:

Material weakness(es) identified?	<u>      </u> Yes	<u>  X  </u> No
Significant deficiency(ies) identified?	<u>      </u> Yes	<u>  X  </u> None Reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133?	<u>      </u> Yes	<u>  X  </u> No
--	-------------------	-----------------

Identification of major programs:

CFDA Numbers

Name of Federal Program or Cluster

84.173A and 84.027A

Special Education Cluster (IDEA)

84.365A

Title III – Language Instruction  
Program – Limited English

Dollar threshold used to distinguish between  
type A and type B programs

\$1,037,369

Auditee qualified as low-risk auditee?	<u>  X  </u> Yes	<u>      </u> No
--	------------------	------------------

**School District U-46**

**Schedule of Findings and Questioned Costs (Continued)  
Year Ended June 30, 2014**

---

**II. FINANCIAL STATEMENT FINDINGS**

**Finding 2014-001: Unrecorded Liabilities**

Criteria or specific requirement:

In accordance with Generally Accepted Accounting Principles ("GAAP"), all liabilities and related expenses should be recorded in the period when the goods are purchased or when the services are performed.

Condition:

The District does not have adequate controls in place to ensure that liabilities relating to accounts payable, claims payments, and legal expenditures are recorded in the proper period.

Context:

During our testing we noted that 4 invoices totaling approximately \$250,000 relating to goods delivered prior to the year-end but not recorded as payables as of June 30, 2014. In addition, claims payable and accrued legal expenditures were approximately understated by \$400,000 each. Though the checks and in some cases invoices were not written or received until after year end, the expenses should have been accounted for in the period when the related services were performed.

Effect:

Not recording expenses in the proper period could lead to liabilities, expenses and the financial statements of the District being materially misstated.

Cause:

According to District management, some invoices dated after June 30<sup>th</sup> were related to goods or services provided prior to year-end, but were not recorded as payables at year-end. The District did not include these amounts in the initial accrual.

Recommendation:

We recommend that the District establish controls to ensure that all invoices are recorded in the accounting system in the proper period. Proper cutoffs are critical for the accuracy of the accrual basis of accounting.

Views of responsible officials:

Management concurs with the finding.

**School District U-46**

**Schedule of Findings and Questioned Costs (Continued)  
Year Ended June 30, 2014**

---

**II. FINANCIAL STATEMENT FINDINGS (Continued)**

**Finding 2014-002: Other Post Employment Benefits Data Provided to the Actuary**

Criteria or specific requirement:

In accordance with the Governmental Accounting Standards Board Statement No. 45, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, the District is required to report the value and associated costs of benefits provided.

Condition:

The District does not have adequate controls in place to ensure that employee benefit information is properly tracked, maintained, and updated in their data files.

Context:

During our testing, we identified 18 retired benefit participants and 7 active benefit participants that were improperly excluded from the data provided to the actuary to perform the actuarial valuation of other post employment benefits as of June 30<sup>th</sup>. Further, we noted that the data provided to the actuary included incorrect hire dates of employees, which resulted in the data showing an average of approximately 3.5 service years less than actual service years for employees.

Effect:

Inadequate tracking and maintenance of accurate information in employee benefit data files could result in discrepancies in the GASB 45 valuation of the other post employment benefits liability. In addition, the District's expense and liability for payroll and post-retirement benefits could be misstated if adequate information is not maintained to support complete and accurate employee benefit data.

Cause:

The District has recently transitioned to new software for Human Resources and Payroll, and had to write new reports. Some employees who recently retired, or were released at the end of the school year, were inadvertently left off the list due to the timing of when we collected the data. Regarding the hire dates, the original data sent to the actuary used the hire date of the current position, instead of the original hire date with the District.

Recommendation:

We recommend that the District establish controls to ensure that adequate information is maintained in all data files. The Finance and Human Resources departments should conduct a periodic review of all employee data files to ensure that accurate information is maintained therein, to support complete and accurate employee benefit data.

Views of responsible officials:

Management concurs with the finding.

**School District U-46**

**Schedule of Findings and Questioned Costs (Continued)**  
**Year Ended June 30, 2014**

---

**III. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

There were no findings or questioned costs for federal awards reported.

## School District U-46

### Summary Schedule of Prior Audit Findings Year Ended June 30, 2014

---

#### II. FINANCIAL STATEMENT FINDINGS

##### Finding 13-01: Unrecorded Liabilities

*Condition and Context:* The District does not have adequate procedures in place to ensure that liabilities are recorded in the proper period. During our testing to search for unrecorded liabilities, we noted that several invoices totaling approximately \$1,560,000 relating to progress billings for construction services performed prior to the year-end were not recorded as payables as of June 30, 2013. We also noted the District did not accrue for approximately \$501,000 of retainage payable incurred before year end. Though the checks and in some cases invoices were not written or received until after year end, the expenses should have been accounted for in the period when the related services were performed.

*Current status:* While the District has taken steps to improve controls over accruing liabilities at year end certain exceptions were noted again this year relating to accrued liabilities but not specifically construction related accruals, therefore, this finding is repeated as Finding 2014-001 in the current year.

##### Finding 13-02: Maintenance of Personnel Files

*Condition and Context:* The District does not have adequate controls in place to ensure that personnel information is properly maintained and updated in their system. During payroll testing, we noted 1 instance of lack of adequate documentation in personnel files out of 23 samples selected and 4 instances of untimely updates to the payroll system out of 23 samples selected. During our testing, we noted one discrepancy in the salary amount stated in the employment contract and actual salary payment to the employees. In addition, for four terminations, we noted updates to the District's payroll system did not occur in a timely fashion.

*Current status:* Base on current year audit procedures, this finding has been reduced to a control deficiency and as such is not included in this report as a finding for the year ended June 30, 2014.

#### III. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

##### Finding 13-03: Maintenance of Personnel Files

###### Information on the federal program:

Title III – Language Instruction Program – Limited English CFDA 84.365 and Special Education Cluster (IDEA) CFDA 84.173/84.392A and 84.027/84.391A are impacted by this finding.

###### Questioned Costs:

None

###### Condition and Context:

See Finding 13-02 above

*Current status:* In the prior year this finding indicated it could potentially impact all federal programs when that was not the case. This prior year finding impacted two of the three major programs identified in the prior year audit and should have been stated as such. The two programs this finding impacted in the prior year were 84.365A Title III – Language Instruction Program – Limited English and 84.173A/84.392A and 84.027A/84.391A Special Education Cluster (IDEA). The last of the major programs identified in the prior year was 10.555/10.553 Child Nutrition Cluster. This program provides awards based on the number of eligible meals and snacks served, therefore, this prior year finding would not impact the 10.555/10.553 Child Nutrition Cluster. In addition, based on current year audit procedures, this finding has been reduced to a control deficiency and as such is not included in this report as a finding for the year ended June 30, 2014.