



# SCHOOL DISTRICT U-46

Kane, Cook and DuPage  
Counties, Illinois

## ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended  
June 30, 2021



355 E. Chicago Street  
Elgin, IL 60120  
[www.u-46.org](http://www.u-46.org)

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

**ANNUAL COMPREHENSIVE FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED  
JUNE 30, 2021**

Prepared By:

Mr. Dale Burnidge  
Director of Financial Operations

# SCHOOL DISTRICT U-46

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Tony Sanders, Superintendent

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[www.u-46.org](http://www.u-46.org)

December 20, 2021

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

We are pleased to submit the Annual Comprehensive Financial Report (ACFR) of School District U-46, Elgin, Illinois, (the District) as of and for the year ended June 30, 2021. The audit was completed and the Independent Auditor's Report was issued on December 20, 2021.

### **Management Responsibilities**

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

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

### **Financial Reporting**

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

### **Independent Audit**

The School Code of Illinois and the District's adopted policy require an annual audit of the books and accounts of the District by an independent certified public accountant in conformance with prescribed standards and legal requirements. The certified public accountant is selected by the Board of Education. The selected certified public accountants, RSM US LLP, have issued an unmodified ("clean") opinion on the District's financial statements for the year ended June 30, 2021 (pages 1 - 2). The submission of the ACFR is intended to meet these annual requirements.

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

## **DISTRICT PROFILE**

### **Legal Autonomy and Fiscal Independence**

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

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

### **Size and Scope**

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

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

### **Budget Control**

All governmental funds of the District adopt annual budgets. A report of actual activity compared to budget is prepared by the Finance Department and reported to the District's Board of Education on a monthly basis. Account balances are compared to the annual budget with accumulation to the cost center, fund and total District levels. Full disclosures are made if extraordinary variances appear during the year. Further budgetary information such as the budget process and legal level of budgetary control are addressed in Notes to Required Supplementary Information – Note 1 (page 65).

## **ECONOMIC CONDITION**

### **Local Economy and Economic Outlook**

The COVID-19 global pandemic has caused varying degrees of uncertainty for all school districts. Due to the pandemic, the state's unemployment rate has remained in a range between 7.0 and 7.7 percent from January 2021 to August 2021. Although local property tax revenue is the district's largest revenue source, the State of Illinois contributes approximately 35% of our funding. Prior to the pandemic the State of Illinois was in financial difficulty and was often slow in paying funds vouchered by the State Board of Education for mandated categorical payments, however the adoption of the Evidence- Based Funding for Student Success Act (EBF) has positively impacted the District with increased funding. Due to the additional Federal funds provided to the state, categorical payments have been paid timely during this past year. The State Teachers Retirement System pension obligation continues to be underfunded and there are proposals to shift that cost to school districts.

Approximately half of the District's revenues are sourced from property taxes. The property tax base is derived from the Equalized Assessed Valuation (EAV) of the property within the District's boundaries. District property values peaked at \$6,112,265,852 in tax year 2009 and have declined each year thereafter until hitting a low of \$4,070,166,849 in tax year 2014. The EAV over the last six tax years has increased and the most recent EAV, 2020 tax year, is \$5,392,991,871 which is an increase over the prior year of 2.37 percent. Property tax revenue growth from year to year closely tracks the Consumer Price Index (CPI) for the related period. Within the past ten years CPI has peaked at 3.0 percent in 2011 and hit a low of 0.7 percent in 2015. In 2020, the CPI was 1.4 percent, between the 10-year average of 1.8 percent and the 3-year average of 1.9 percent.

### **Long-term financial planning**

The District continues to review all expenditures to assure that the district is making efficient and fiscally responsible decisions. With its conservative budgeting, U-46 has weathered both the recession and the recent Illinois budget crisis. School District U-46 has earned the State Board of Education's top financial profile rating called "financial recognition" in fiscal year 2020 for the ninth consecutive year.

During this same time period the District's General Fund balance has increased \$179,737,318 from \$144,935,342 in fiscal year 2012 to \$324,672,660 in fiscal year 2021. Over the next five years management will continue to maintain a minimum balance of 20 percent of annual operating fund expenditures to operating fund balance (Educational, Operations and Maintenance, and Transportation make up the District's Operating Fund).

In 2015 the District refunded several debt issuances originally issued from 1999 to 2009 with the purpose of improving interest rates and smoothing out the debt service payments over the next several years. As of June 30, 2021, the District's net general bonded debt was \$218,531,075, down from \$405,899,465 (46%) a decade ago. Three (3) bonds are set to expire in just over one (1) year (January of 2023) along with debt certificates. Management will continue to identify and recommend solutions for maintaining a responsible level of debt while addressing the District's capital project needs and fully anticipates the outstanding debt to decline over the next few years.

### **Projected Enrollment**

The District's enrollment decreased 3.5 percent from 2020 to 2021 and is projected to decrease approximately 2 percent per year over the next three years. The COVID-19 global pandemic was a factor in the decreased enrollment for 2021. Lower birth rates in the area over the last 5 years is the primary factor for the reduction in the projected enrollments. For further historical enrollment information refer to District Enrollment by school in the Statistical Section (page 116).

### **Age of School Buildings**

In addition to the 53 school buildings, one alternative high school and two Pre-K centers the District operates six other buildings. A majority of the buildings built before 2000 have had additions and/or renovations since they were built. The average age of the 53 school buildings, one alternative high school and two Pre-K centers, not including subsequent renovations, is 53.5 years. For the buildings that had an addition and/or renovation the average age of the last addition and/or renovation is 21 years. The District is in the process of developing an Educational Facility Master Plan to address the adequacy and readiness of the schools.

### **Relevant Financial Policies**

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

The Board of Education (the Board) adopted the annual budget (September 2020), subsequent to a public hearing and prior to filing the annual tax levy. The Board recognizes the right of the public to be informed about the budgeting of public tax monies and therefore made the budget available for public examination at least thirty days prior to the final adoption as set forth in the Illinois School Code. The Superintendent

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

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

### Major Initiatives/ Strategic Goals

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

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

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



## AWARDS AND ACKNOWLEDGEMENTS

The Association of School Business Officials (ASBO) International has awarded School District U-46 its Certificate of Excellence in Financial Reporting for having met or exceeded the program's high standards for financial reporting and accountability for the past five fiscal years. The District was recognized for its Annual Comprehensive Financial Report for the fiscal year ending June 30, 2020.

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

It is our intention that this Annual Comprehensive Financial Report will provide the District's management, outside investors, interested District residents, and any other stakeholders with a meaningful financial presentation. We hope that all readers of this report will obtain a clear and concise understanding of the District's financial condition as of June 30, 2021.

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

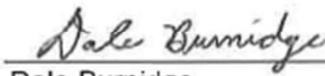
In closing, without the leadership and support of the School District U-46 Board of Education, preparation of this report would not have been possible.

Respectfully submitted,



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Tony Sanders  
Superintendent



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Dale Burnidge  
Director of Financial Operations

## **SCHOOL DISTRICT U-46**

### **Principal Officials**

#### **Board of Education**

Sue Kerr, President – term expires 2023  
Melissa Owens, Vice President – term expires 2025  
Kate Thommes, Secretary Pro-Tempore – term expires 2023  
John Devereux, Member – term expires 2023  
Dawn Martin, Member – term expires 2025  
Veronica Noland, Member – term expires 2025  
Eva Porter, Member – term expires 2023  
Jessica Pearce, Student Advisor – term expires 2022

#### **Superintendent and Executive Staff**

Tony Sanders, Superintendent  
Trisha Olson, Chief Legal Officer  
Dr. Suzanne Johnson, Deputy Superintendent, Instruction  
Dr. Josh Carpenter, Assistant Superintendent, Teaching and Learning  
Lela Majstorovic, Assistant Superintendent, Schools  
Dr. Teresa Lance, Assistant Superintendent Equity and Innovation  
Ann Chan, Assistant Superintendent, Human Resources

#### **Official Issuing Report**

Dale Burnidge, Director of Financial Operations

#### **Division Issuing Report**

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



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

**School District U-46**

**for its Comprehensive Annual Financial Report  
for the Fiscal Year Ended June 30, 2020.**

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



A handwritten signature in black ink that reads 'W. Edward Chabal'.

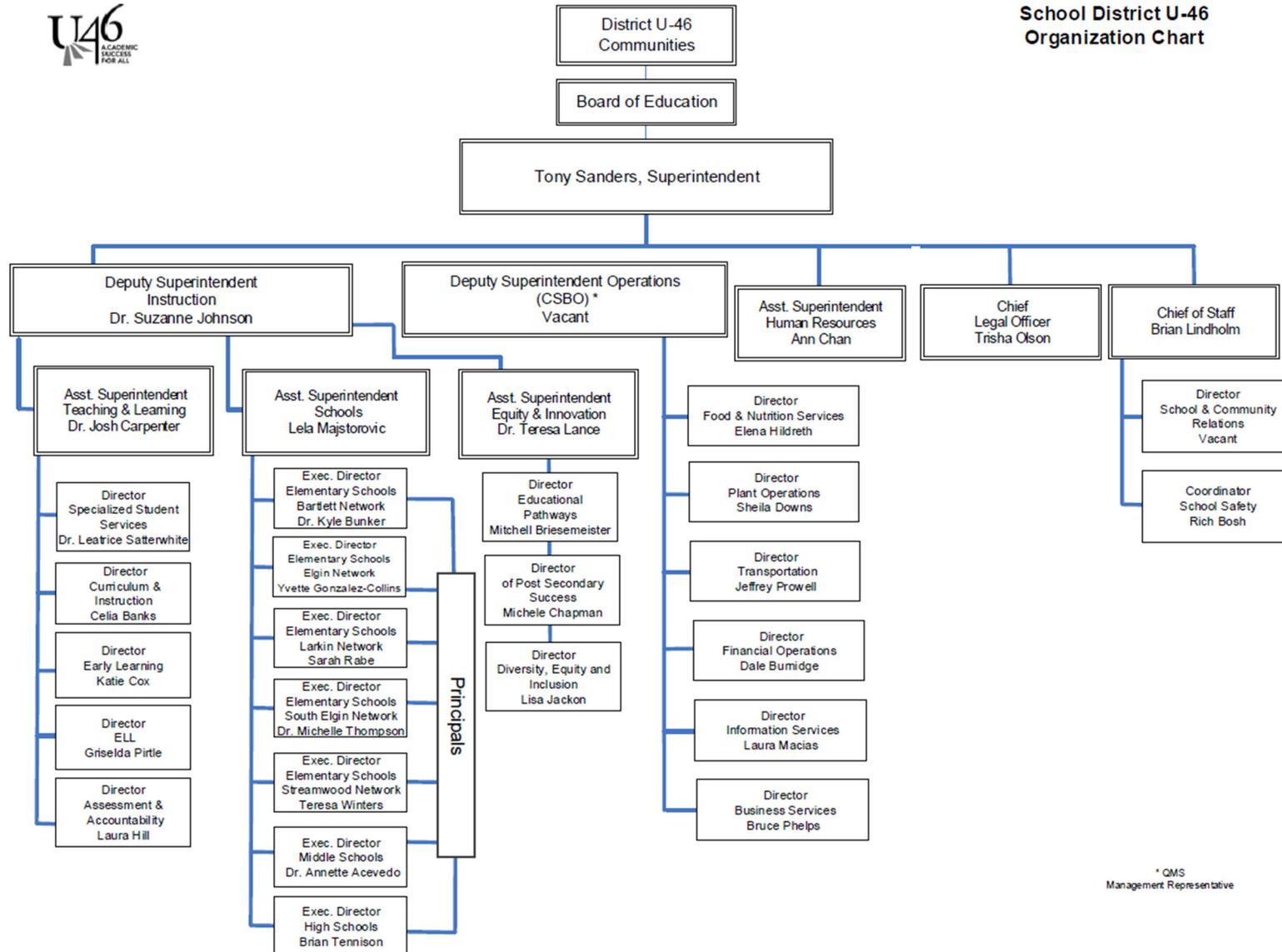
**W. Edward Chabal  
President**

A handwritten signature in black ink that reads 'David J. Lewis'.

**David J. Lewis  
Executive Director**



**School District U-46  
Organization Chart**





RSM US LLP

## Independent Auditor's Report

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

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of School District U-46, Elgin, Illinois (the District) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

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

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

### Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of School District U-46, Elgin, Illinois as of June 30, 2021, 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 1 to the financial statements, during the year ended June 30, 2021, the District implemented the provisions of Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*, which required a restatement to the June 30, 2020 net position and fund balance. Our opinion is not modified with respect to this matter.

**Other Matters***Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the required supplementary information, such as management's discussion and analysis (pages 3-12), schedules of net pension and other postemployment benefits (OPEB) liabilities, employer contributions, and budgetary comparison information and related notes (pages 57-67), be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying supplementary information, such as the combining and individual fund financial statements, schedule of bonded debt and interest requirements, and the other information, such as the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

*RSM US LLP*

Chicago, Illinois  
December 20, 2021

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

## **School District U-46**

### **Management's Discussion and Analysis For the Year Ended June 30, 2021**

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The discussion and analysis of School District U-46's (the District) financial performance provides an overall review of the District's financial activities for the year ended June 30, 2021. The management of the District encourages readers to consider the information presented herein in conjunction with the basic financial statements to enhance their understanding of the District's financial performance. Certain comparative information between the current year and the prior year is required to be presented in the Management's Discussion and Analysis (the MD&A).

#### **Financial Highlights**

- The assets and deferred outflows of resources of the District exceeded its assets and deferred outflows of resources at the close of the fiscal year by \$208.7 million (net position).
- In total, net position increased by \$77.3 million. This increase was primarily the result of lower than expected actual expenses and higher than expected actual revenues.
- General revenues were \$523.7 million or 63.1 percent of all revenues. Program specific revenues, in the form of charges for services and grants, were \$306.3 million or 36.9 percent of total revenues of \$830.0 million.
- Overall, the combined revenues of the District's governmental funds were \$38.3 million more than expenditures. This surplus increased the District's governmental funds' combined fund balance by 10.6 percent to \$399.7 million from \$361.4 million in the prior year, restated.

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

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

- Government-wide financial statements,
- Fund financial statements, and
- Notes to basic financial statements

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

## School District U-46

### Management's Discussion and Analysis (Continued) For the Year Ended June 30, 2021

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#### *Government-wide financial statements*

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

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

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

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

#### *Fund financial statements*

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

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

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

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

## School District U-46

### Management's Discussion and Analysis (Continued) For the Year Ended June 30, 2021

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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.

#### *Notes to basic financial statements*

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

#### *Other information*

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

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

The District's net position increased by \$77.3 million. At year-end, total net position was \$208.7 million (see Table 1).

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

- The District retired \$35.2 million of general obligation bonds, debt certificates and related discounts and premiums and accreted interest on long-term debt during the year.
- The District recognized \$284.2 million in property taxes for general purposes, which exceeded the revenue from the prior year by \$6.9 million.
- During the year, the District received \$0.7 million in interest and investment earnings, a decrease of \$5.6 million over last year.

School District U-46

Management's Discussion and Analysis (Continued)  
For the Year Ended June 30, 2021

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

	<b>Governmental Activities</b>		<b>Percentage Change</b>
	<b>2021</b>	<b>2020*</b>	
<b>Assets</b>			
Current assets	\$ 638.9	\$ 605.2	5.6%
Capital assets	436.5	429.4	1.7%
Net pension asset	1.5	-	100.0%
<b>Total assets</b>	<b>1,076.9</b>	<b>1,034.6</b>	<b>4.1%</b>
<b>Deferred Outflows</b>	<b>37.4</b>	<b>36.2</b>	<b>3.3%</b>
<b>Liabilities</b>			
Long-term liabilities	574.7	633.6	(9.3)%
Other liabilities	64.2	70.2	(8.5)%
<b>Total liabilities</b>	<b>638.9</b>	<b>703.8</b>	<b>(9.2)%</b>
<b>Deferred Inflows</b>	<b>266.7</b>	<b>235.7</b>	<b>13.2%</b>
<b>Net Position</b>			
Net investment in capital assets	293.0	270.9	8.2%
Restricted	34.2	26.3	30.0%
Unrestricted	(118.5)	(165.9)	28.6%
<b>Total net position, as restated</b>	<b>\$ 208.7</b>	<b>\$ 131.3</b>	<b>58.9%</b>

\* The current assets and restricted net position amounts shown above for 2020 have been adjusted for the District's implementation of GASB Statement No. 84.

**School District U-46**

**Management's Discussion and Analysis (Continued)  
For the Year Ended June 30, 2021**

Table 2, Changes in Net Position, illustrates in summary revenues and expenses from fiscal year 2021 and the increase in net position of \$77.3 million. Comparative data from fiscal year 2020 is also illustrated.

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

	<u>Governmental Activities</u>		<b>Percentage Change</b>
	<b>2021</b>	<b>2020</b>	
<b>Revenues</b>			
Program revenues			
Charges for services	\$ 4.6	\$ 9.4	(51.1)%
Operating grants and contributions - non-on-behalf	83.7	77.8	7.6%
Operating grants and contributions - state on-behalf contributions - TRS and THIS	217.5	198.3	9.7%
Capital grants and contributions	0.5	1.5	(66.7)%
General revenues			
Property and replacement taxes	323.0	314.5	2.7%
Evidence based funding	197.0	197.9	(0.5)%
Other	3.7	9.0	(58.9)%
<b>Total revenues</b>	<b>830.0</b>	<b>808.4</b>	<b>2.7%</b>
<b>Expenses</b>			
Instruction	317.3	295.1	7.5%
Support services	204.6	219.4	(6.7)%
Community services	2.4	3.4	(29.4)%
State on-behalf contributions - TRS and THIS	217.5	198.3	9.7%
Debt service - interest and fees	10.9	11.5	(5.2)%
<b>Total expenses</b>	<b>752.7</b>	<b>727.8</b>	<b>3.4%</b>
<b>Increase in net position</b>	<b>\$ 77.3</b>	<b>\$ 80.6</b>	<b>(4.1)%</b>

No adjustments were made to the 2020 numbers above for the District's implementation of GASB Statement No. 84.

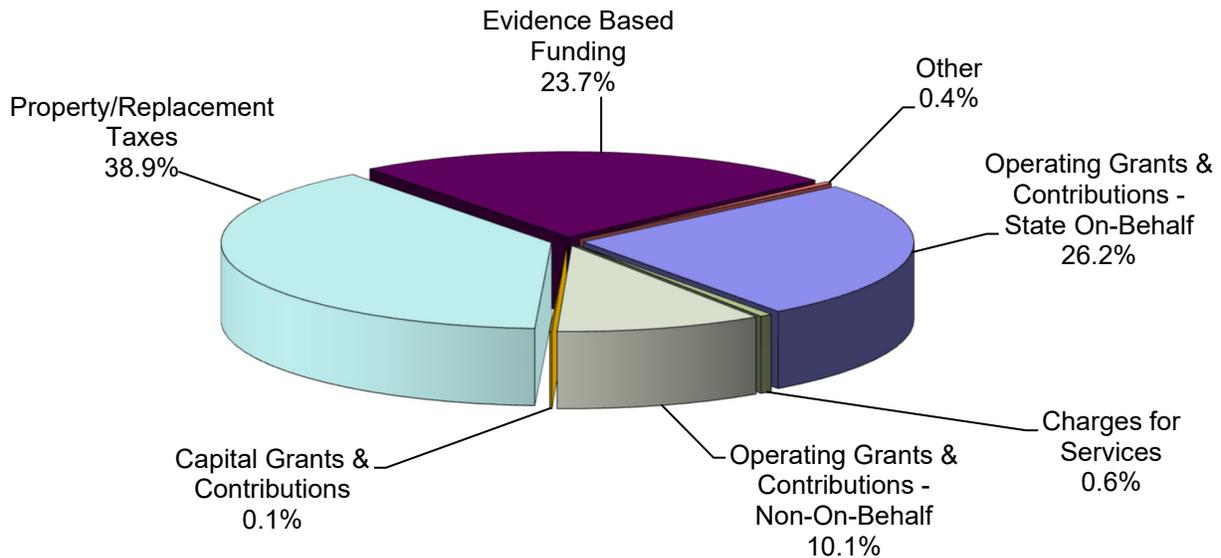
**School District U-46**

**Management's Discussion and Analysis (Continued)  
For the Year Ended June 30, 2021**

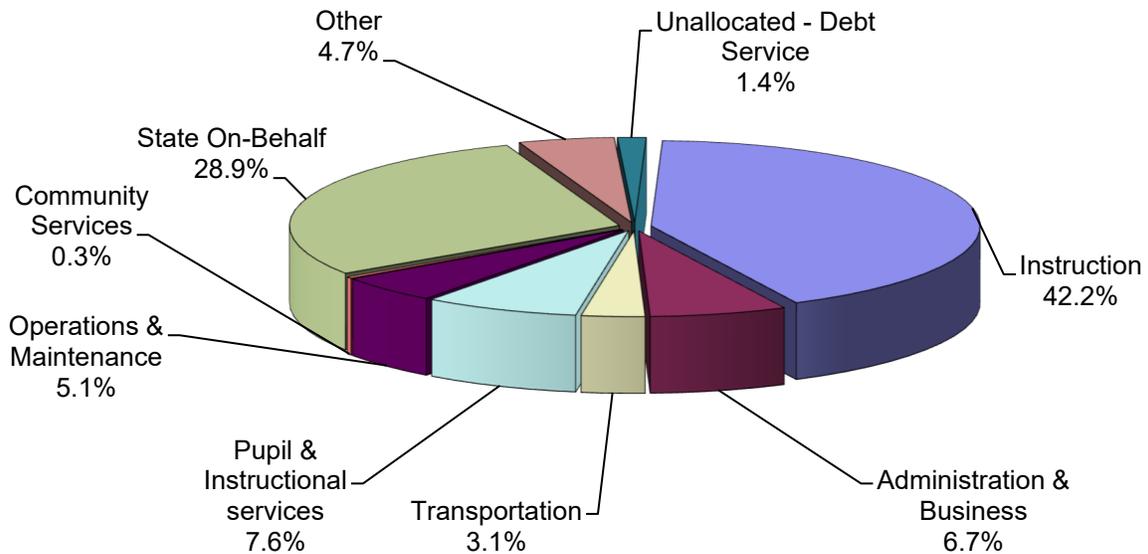
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The District's total revenues were \$830.0 million. General revenues, including taxes and Evidence Based Funding were 63.1 percent of the total or \$520.0 million. Property and replacement taxes increased \$8.5 million over the prior year or 2.7 percent. Evidence Based Funding brought in \$197.0 million, a decrease of \$0.9 million or 0.5 percent. Grants and contributions for specific programs brought in \$84.2 million, an increase of 6.2 percent over the prior year. The total cost of all programs and services in 2021 was \$752.7 million. The District's expenses are predominantly related to instruction and support services (caring for and transportation of students, etc.), which accounted for 69.3 percent of the total expense (see Table 2.2). The District's remaining activities, unallocated debt service, the State's on-behalf allocations of retirement and other post-employment benefits and community services, were 30.7 percent of total expense. Total revenues on the statement of activities surpassed expenses, increasing net position by \$77.3 million from the prior year.

**District-Wide Revenues by Source - Table 2.1**



**District-Wide Expenses by Function - Table 2.2**



**School District U-46**

**Management's Discussion and Analysis (Continued)  
For the Year Ended June 30, 2021**

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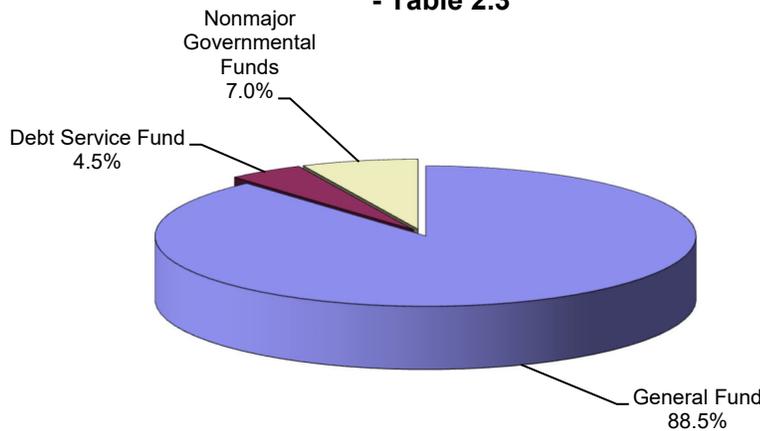
**Financial Analysis of the District's Funds**

As the District completed the year, its governmental funds reported combined fund balances of \$399.7 million. Revenues for the District's governmental funds were \$728.6 million, while total expenditures were \$690.4 million. Of the revenues and expenditures reported in the governmental funds, \$113.8 million of the revenues and expenditures were attributable to State on-behalf payments. These on-behalf payments include contributions made to Teachers' Retirement System (TRS) and Teachers' Health Insurance Security Fund (THIS) by the State of Illinois on behalf of School District U-46.

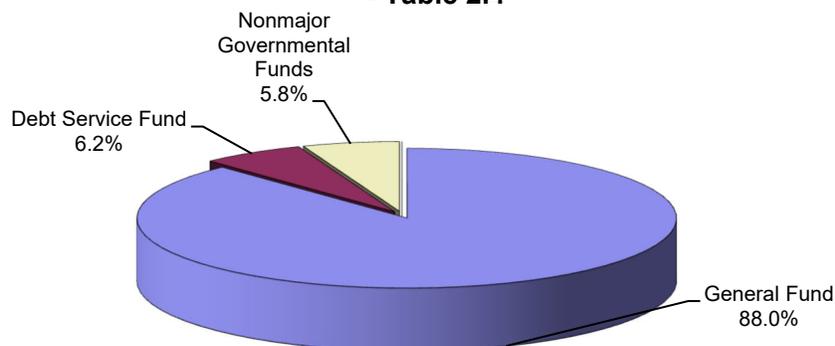
The General Fund experienced a current year surplus of \$37.3 million before other financing sources (uses) and transfers out. This was due to more than expected revenues from state and federal sources. This surplus resulted in an increase in the year-end fund balance to \$324.7 million.

During the year, a portion of the 2020 levy was abated resulting in \$10.4 million being transferred into the Debt Service Fund from the General Fund. This transfer accounted for most of the increase in fund balance after factoring in the deficiency of revenues under expenditures of \$9.8 million. The resulting year-end fund balance in the Debt Service Fund was \$33.2 million.

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



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



## School District U-46

### Management's Discussion and Analysis (Continued) For the Year Ended June 30, 2021

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#### General Fund Budgetary Highlights

While the District's budget for the General Fund anticipated that revenues would exceed expenditures by \$15.1 million before other financing uses, the actual result for the year was an excess of revenues over expenditures of \$22.2 million. State and federal grants exceeded the budget by \$15.8 million which is attributable to additional funding provided by the CARES Act in response to the COVID-19 pandemic. Regular program expenditures came in under budget by \$20.9 million, offset by an increase in capital outlay expenditures over budget of \$4.6 million. Overall, actual expenditures were below budget by \$16.3 million or 3.2 percent.

#### Capital Asset and Debt Administration

##### *Capital assets*

Table 3 illustrates capital assets, net of depreciation:

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

	2021	2020	Percentage Change
Land	\$ 28.4	\$ 28.4	0.0%
Construction in progress	10.8	28.1	(61.6)%
Buildings	385.3	356.6	8.0%
Transportation equipment	8.0	11.2	(28.6)%
Other equipment	4.1	5.1	(19.6)%
Total	<u>\$ 436.6</u>	<u>\$ 429.4</u>	<u>1.7%</u>

At June 30, 2021, the District has outstanding commitments relating to construction projects of approximately \$14.0 million.

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

##### *Long-term Obligations*

Table 4 on the following page illustrates the District's outstanding long-term obligations. The District reduced outstanding general obligation bonded debt, debt certificates and related items by \$31.6 million. The pension and postemployment benefit liabilities decreased \$27.2 million primarily due to the prior year IMRF net pension liability which is now in a net asset position and not included in year-end liabilities. Claims incurred but not reported and compensated absences decreased by \$1.5 million. Additional information is available in Note 4 - Long-Term Obligations and Net Pension Asset.

The District is subject to the Illinois School Code, which limits the amount of bond indebtedness to 13.8 percent of the most recent available equalized assessed valuation of the District. As of June 30, 2021, the statutory debt limit for the District was \$744.2 million providing a debt margin of \$573.9 million.

## School District U-46

### Management's Discussion and Analysis (Continued) For the Year Ended June 30, 2021

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The ratio of general bonded debt to assessed valuation and the amount of bonded debt per capita are useful indicators of the District's debt position to District management, residents, and investors. These indicators for the District at the end of fiscal year 2021 were 1.35 percent and \$925, respectively. Due to the increase in taxable property value and the reduction of outstanding bonded debt, the general bonded debt to assessed valuation decreased compared to fiscal year 2020 when the ratio was 1.58 percent. The bonded debt per capita decreased from fiscal year 2020 when it was \$1,059.

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

	<b>2021</b>	<b>2020</b>	<b>Percentage Change</b>
General obligation bonds/debt certificates	\$ 252.8	\$ 284.4	(11.1)%
Other	322.0	349.2	(7.8)%
<b>Total</b>	<b>\$ 574.8</b>	<b>\$ 633.6</b>	<b>(9.3)%</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.

- In 2017, Illinois approved a new law changing the Illinois Pension Code which will shift additional pension costs to the District for the Teachers' Retirement System. At this time, the starting date for the new law has not yet been determined.
- In the future, the District does not plan to issue additional debt to address the improvements needed for its aging facilities. All improvements will be funded using current fund balances. As can be seen in Table 1, at the end of the current fiscal year, the largest portion of the District's net position reflects its investment in capital assets (e.g., land, buildings, and equipment), less any related debts used to acquire those assets that are still outstanding. The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets are reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.
- The District is in the process of finalizing an Educational Facility Master Plan (EFMP) to determine the future use of buildings, which includes possible decommissioning, repurposing, or demolishing and reconstructing of existing buildings.

**School District U-46**

**Management's Discussion and Analysis (Continued)  
For the Year Ended June 30, 2021**

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**Requests for Information**

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

## **BASIC FINANCIAL STATEMENTS**

School District U-46

Statement of Net Position  
June 30, 2021

	Governmental Activities
<b>Assets and Deferred Outflows of Resources</b>	
Assets	
Cash and investments	\$ 447,667,641
Accrued interest	77,968
Property taxes receivable, net of allowance	155,367,528
Replacement taxes receivable	1,054,020
Grants receivable	32,856,249
Accounts receivable	802,053
Inventories	28,721
Prepays	943,909
Capital assets not being depreciated	39,152,597
Capital assets being depreciated, net of accumulated depreciation	397,387,191
Net pension asset	1,518,253
	<hr/>
Total assets	1,076,856,130
	<hr/>
Deferred outflows of resources	
Deferred pension actuarial adjustments	6,366,557
Deferred pension contributions	6,289,515
Deferred amount on refunding	1,133,370
Deferred other post employment benefit actuarial adjustments	21,302,455
Deferred other post employment benefit contributions	2,314,359
	<hr/>
Total deferred outflows of resources	37,406,256
	<hr/>
<b>Total assets and deferred outflows of resources</b>	<b>\$ 1,114,262,386</b>
	<hr/> <hr/>
<b>Liabilities, Deferred Inflows of Resources and Net Position</b>	
Liabilities	
Accounts payable	\$ 24,029,360
Accrued payroll	33,009,902
Payroll deductions	1,611,945
Construction retainage payable	836,738
Accrued interest	4,378,221
Unclaimed property	286,507
Long-term obligations, due within one year, net of premium and discount	42,667,079
Long-term obligations, due in more than one year, net of premium and discount	532,070,422
	<hr/>
Total liabilities	638,890,174
	<hr/>
Deferred inflows of resources	
Property taxes levied for subsequent years	160,956,560
Deferred pension actuarial adjustments	54,824,698
Deferred other post employment benefit actuarial adjustments	50,917,736
	<hr/>
Total deferred inflows of resources	266,698,994
	<hr/>
Net position (deficit)	
Net investment in capital assets	293,017,860
Restricted for:	
Capital projects	10,109,911
Student activities	3,034,993
Student transportation	21,045,156
Unrestricted	(118,534,702)
	<hr/>
<b>Total net position</b>	<b>208,673,218</b>
	<hr/>
<b>Total liabilities, deferred inflows of resources and net position</b>	<b>\$ 1,114,262,386</b>
	<hr/> <hr/>

See Notes to Basic Financial Statements.

School District U-46

Statement of Activities  
Year Ended June 30, 2021

Functions/Programs	Expenses	Program Revenue		Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions		
<b>Governmental activities:</b>					
Instruction:					
Regular programs	\$ 167,627,992	\$ 2,351,944	\$ 28,925,860	\$ -	\$ (136,350,188)
Special programs	62,657,332	-	16,054,433	-	(46,602,899)
Other instructional programs	87,042,707	2,127,610	930,545	-	(83,984,552)
Total instruction	317,328,031	4,479,554	45,910,838	-	(266,937,639)
Support services:					
Pupils	40,482,492	-	-	-	(40,482,492)
Instructional staff	16,913,448	-	341,115	-	(16,572,333)
General administration	10,800,910	-	-	-	(10,800,910)
School administration	32,447,609	-	-	-	(32,447,609)
Business	6,951,536	-	-	-	(6,951,536)
Operations and maintenance	38,369,411	-	-	-	(38,369,411)
Transportation	23,225,057	98,325	14,131,078	-	(8,995,654)
Facilities acquisition and construction	91,267	-	-	499,371	408,104
Food service	15,287,236	15,373	23,358,120	-	8,086,257
Central	13,818,689	-	-	-	(13,818,689)
Other support	6,200,186	-	-	-	(6,200,186)
Total support services	204,587,841	113,698	37,830,313	499,371	(166,144,459)
Community services	2,372,729	-	-	-	(2,372,729)
State on-behalf contributions - TRS and THIS	217,500,750	-	217,500,750	-	-
Debt service - interest and fees	10,869,264	-	-	-	(10,869,264)
<b>Total governmental activities</b>	<b>\$ 752,658,615</b>	<b>\$ 4,593,252</b>	<b>\$ 301,241,901</b>	<b>\$ 499,371</b>	<b>(446,324,091)</b>
General revenues:					
Taxes:					
Property taxes, general purposes					284,246,845
Property taxes, debt service					33,056,922
Replacement taxes and other payment in lieu of taxes					5,666,362
Unrestricted state grants					197,009,477
Interest and investment earnings					747,119
Other general revenues					2,909,013
Total general revenues					523,635,738
Change in net position					77,311,647
Net position:					
Beginning of year, as restated					131,361,571
End of year					\$ 208,673,218

See Notes to Basic Financial Statements.

School District U-46

Balance Sheet  
Governmental Funds  
June 30, 2021

	Major Funds			Total Governmental Funds
	General Fund	Debt Service Fund	Nonmajor Governmental Funds	
<b>Assets</b>				
Cash and investments	\$ 373,323,327	\$ 33,755,819	\$ 40,588,495	\$ 447,667,641
Accrued interest	77,968	-	-	77,968
Property taxes receivable, net of allowance	126,323,275	15,990,418	13,053,835	155,367,528
Replacement taxes receivable	-	-	1,054,020	1,054,020
Grants receivable	15,985,495	-	16,870,754	32,856,249
Accounts receivable	741,735	-	60,318	802,053
Inventories	28,721	-	-	28,721
Prepays	943,909	-	-	943,909
<b>Total assets</b>	<b>\$ 517,424,430</b>	<b>\$ 49,746,237</b>	<b>\$ 71,627,422</b>	<b>\$ 638,798,089</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>				
Liabilities				
Accounts payable	\$ 22,485,774	\$ -	\$ 1,543,586	\$ 24,029,360
Accrued payroll	32,675,605	-	334,297	33,009,902
Payroll deductions	250,442	-	1,361,503	1,611,945
Construction retainage payable	698,972	-	137,766	836,738
Unclaimed property	195,753	-	90,754	286,507
<b>Total liabilities</b>	<b>56,306,546</b>	<b>-</b>	<b>3,467,906</b>	<b>59,774,452</b>
Deferred inflows of resources				
Unavailable grant revenue	5,577,725	-	12,832,156	18,409,881
Property taxes levied for subsequent years	130,867,499	16,565,641	13,523,420	160,956,560
<b>Total deferred inflows of resources</b>	<b>136,445,224</b>	<b>16,565,641</b>	<b>26,355,576</b>	<b>179,366,441</b>
Fund balances				
Nonspendable	972,630	-	-	972,630
Restricted	3,639,600	33,180,596	35,291,910	72,112,106
Assigned	-	-	6,512,030	6,512,030
Unassigned	320,060,430	-	-	320,060,430
<b>Total fund balances</b>	<b>324,672,660</b>	<b>33,180,596</b>	<b>41,803,940</b>	<b>399,657,196</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 517,424,430</b>	<b>\$ 49,746,237</b>	<b>\$ 71,627,422</b>	<b>\$ 638,798,089</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, 2021**

Total fund balances - governmental funds		\$ 399,657,196
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	\$ 803,238,790	
Accumulated depreciation	<u>(366,699,002)</u>	
Net capital assets		436,539,788
Interest on long-term debt is not accrued in governmental funds, but rather is recognized when due.		(4,378,221)
Certain revenues that are not recognized in the fund financial statements because they are not available are recognized as revenue in the government-wide financial statements.		18,409,881
Certain pension-related items are reported in the government-wide financial statements but not in the fund statements. These amounts consist of:		
Deferred outflows - pension actuarial adjustments	6,366,557	
Deferred outflows - pension contributions	6,289,515	
Deferred inflows - pension actuarial adjustments	<u>(54,824,698)</u>	
		(42,168,626)
Certain other post employment benefit-related items are reported in the government-wide financial statements but not in the fund statements. These amounts consist of:		
Deferred outflows - other post employment benefit actuarial adjustments	21,302,455	
Deferred outflows - other post employment benefit contributions	2,314,359	
Deferred inflows - other post employment benefit actuarial adjustments	<u>(50,917,736)</u>	
		(27,300,922)
Some assets (liabilities) reported in the statement of net position do not require the use of current financial resources and therefore are not reported as assets (liabilities) in the governmental funds. These assets (liabilities) consist of:		
General obligation bonds	(202,457,389)	
Accreted interest on long-term debt	(33,518,950)	
General obligation debt certificates	(1,048,435)	
Compensated absences	(784,227)	
Other postemployment benefits - District Plan	(28,994,127)	
Other postemployment benefits - THIS	(256,662,793)	
Net pension asset - IMRF	1,518,253	
Net pension liability - TRS	(24,912,130)	
Claims incurred but not reported	(10,624,118)	
Unamortized premiums related to debt issuance	(15,752,302)	
Unamortized discounts related to debt issuance	16,970	
Deferred amount on refunding	<u>1,133,370</u>	
		<u>(572,085,878)</u>
Net position of governmental activities		<u>\$ 208,673,218</u>

See Notes to Basic Financial Statements.

School District U-46

Statement of Revenues, Expenditures and Changes in Fund Balances  
 Governmental Funds  
 Year Ended June 30, 2021

	Major Funds			Total Governmental Funds
	General Fund	Debt Service Fund	Nonmajor Governmental Funds	
Revenues:				
Property taxes	\$ 255,898,532	\$ 33,056,922	\$ 28,348,313	\$ 317,303,767
Replacement taxes and payments in lieu of taxes	32,270	-	5,634,092	5,666,362
Charges for services	4,494,927	-	98,325	4,593,252
Earnings on investments	746,091	522	506	747,119
Rentals	362,321	-	-	362,321
Local grants	149,080	-	-	149,080
Other local sources	2,513,609	-	501,243	3,014,852
State grants-in-aid	212,491,173	-	16,262,086	228,753,259
Federal grants-in-aid	54,193,943	-	-	54,193,943
State on-behalf contributions - TRS and THIS	113,839,996	-	-	113,839,996
<b>Total revenues</b>	<b>644,721,942</b>	<b>33,057,444</b>	<b>50,844,565</b>	<b>728,623,951</b>
Expenditures:				
Current:				
Instruction:				
Regular programs	153,982,813	-	1,581,610	155,564,423
Special programs	54,702,455	-	2,824,202	57,526,657
Other instructional programs	79,661,533	-	1,183,089	80,844,622
Support services:				
Pupils	37,248,822	-	1,422,101	38,670,923
Instructional staff	15,724,947	-	518,904	16,243,851
General administration	9,869,299	-	484,092	10,353,391
School administration	28,547,316	-	1,420,513	29,967,829
Business	6,348,179	-	530,316	6,878,495
Operations and maintenance	35,722,139	-	2,258,781	37,980,920
Transportation	98,879	-	22,947,062	23,045,941
Facilities acquisition and construction	96,435	-	-	96,435
Food service	14,980,780	-	163,981	15,144,761
Central	12,682,514	-	999,134	13,681,648
Other support	6,481,346	-	74,057	6,555,403
Community services	2,186,643	-	159,904	2,346,547
State on-behalf contributions - TRS and THIS	113,839,996	-	-	113,839,996
Intergovernmental:				
Payments to other governments	9,467,245	-	-	9,467,245
Debt service:				
Principal	-	16,376,277	-	16,376,277
Interest and fees	-	26,491,669	-	26,491,669
Capital outlay	25,765,609	-	3,528,376	29,293,985
<b>Total expenditures</b>	<b>607,406,950</b>	<b>42,867,946</b>	<b>40,096,122</b>	<b>690,371,018</b>
Excess (deficiency) of revenues over (under) expenditures	37,314,992	(9,810,502)	10,748,443	38,252,933
Other financing sources (uses):				
Gain on sale of capital assets	31,211	-	-	31,211
Transfer in	-	10,365,690	-	10,365,690
Transfer out	(10,365,690)	-	-	(10,365,690)
<b>Total other financing sources (uses)</b>	<b>(10,334,479)</b>	<b>10,365,690</b>	<b>-</b>	<b>31,211</b>
<b>Net change in fund balances</b>	<b>26,980,513</b>	<b>555,188</b>	<b>10,748,443</b>	<b>38,284,144</b>
Fund balances:				
Beginning of year, as restated	297,692,147	32,625,408	31,055,497	361,373,052
End of year	\$ 324,672,660	\$ 33,180,596	\$ 41,803,940	\$ 399,657,196

See Notes to Basic Financial Statements.

**School District U-46**

**Reconciliation of the Governmental Funds  
Statement of Revenues, Expenditures and Changes in Fund Balances  
to the Statement of Activities  
Year Ended June 30, 2021**

Net change in fund balances — total governmental funds		\$ 38,284,144
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	\$ 28,203,792	
Depreciation	<u>(21,056,947)</u>	
Capital expenditures in excess of depreciation		7,146,845
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.		
		(2,345,654)
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	15,856,253	
Debt certificates	520,024	
Accreted interest	<u>17,483,753</u>	
Total retired debt		33,860,030
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.		
		(3,530,078)
Changes related to pension obligations are reported as deferred inflows and outflows on the government-wide financial statements but not on the fund statements.		
Deferred outflows related to pension expense		(8,994,511)
Deferred inflows related to pension expense		(12,026,771)
Changes related to OPEB obligations are reported as deferred inflows and outflows on the government-wide financial statements but not on the fund statements.		
Deferred outflows related to other post employment benefit expense		9,970,787
Deferred inflows related to other post employment benefit expense		(15,477,064)
Some revenues and expenses reported in the statement of activities do not provide (use) current financial resources and therefore are not reported in the governmental funds.		
State on-behalf contribution revenue - TRS and THIS	103,660,754	
State on-behalf expense - TRS and THIS	(103,660,754)	
Increase in other postemployment benefits - District Plan	(1,095,283)	
Increase in other postemployment benefits - THIS	(2,300,953)	
Decrease in net pension liability - IMRF	31,874,715	
Increase in net pension liability - TRS	(1,196,268)	
Decrease in compensated absences payable	722,194	
Decrease in accrued interest on debt	129,808	
Decrease in claims incurred but not reported	750,784	
Amortization of bond premiums	1,328,022	
Amortization of bond discounts	(26,237)	
Amortization of deferred amount on refunding	<u>237,137</u>	
		<u>30,423,919</u>
Change in net position of governmental activities		<u>\$ 77,311,647</u>

See Notes to Basic Financial Statements.

## School District U-46

### Notes to Basic Financial Statements

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

School District U-46 was incorporated in 1875 and operates as a public school system governed by an elected seven-member board of education. The District is organized under the School Code of the State of Illinois, as amended. The District covers a 90 square mile area extending into three counties, Cook, DuPage and Kane and serves the communities of Bartlett, Elgin, Hanover Park, South Elgin, Streamwood, Wayne and portions of Carol Stream, Hoffman Estates, St. Charles, Schaumburg, and West Chicago.

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

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

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

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

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

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

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

#### ***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 assets and liabilities with the difference reported as net position.

## School District U-46

### Notes to Basic Financial Statements

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

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

##### ***Government-Wide Financial Statements (Continued)***

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

##### ***Fund Financial Statements***

Separate financial statements are provided for governmental funds. The fund financial statements provide information about the District's funds. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column.

The District reports the following major governmental funds:

##### *General Fund*

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

##### *Debt Service Fund*

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

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

##### *Special Revenue Funds*

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

## School District U-46

### Notes to Basic Financial Statements

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

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

##### *Fund Financial Statements (Continued)*

##### *Capital Projects Funds*

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

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

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

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

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

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

## School District U-46

### Notes to Basic Financial Statements

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#### 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 2020 tax levy was passed by the Board of Education on December 14, 2020, and attached as an enforceable lien on the property as of the preceding January 1. The taxes become due and collectible in March and August 2021 in Cook County and in June and September 2021 in DuPage County and Kane County, and are collected by the County Collector, who in turn returns to the District its respective share. The District typically receives the remittances from the County Treasurer within one month after collection.

The District has recognized as revenue approximately 50 percent of the 2020 tax extension and 50 percent of the 2019 tax extension in the current fiscal year based on estimated collections, as this is the period for which the taxes have been levied (intended to finance). Property taxes are recorded net of estimated allowance for uncollectible accounts. The allowance for uncollectible accounts is based on collection history and is estimated at 1.3 percent of the total levy. As of June 30, 2021, the property tax allowance was as follows:

Fund	Allowance
General Fund	\$ 3,447,371
Debt Service Fund	436,380
Nonmajor Governmental Funds	356,241
	<hr/>
	\$ 4,239,992
	<hr/> <hr/>

The District has recorded a receivable for the uncollected portion of the 2020 taxes extended. The District has recorded a deferred inflow of resources net of any allowance, which approximates 50 percent of the 2020 tax extension which will be recognized as revenue in the following fiscal year, the period for which those taxes were levied.

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

##### ***Investments***

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

##### ***Prepaid Items***

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

##### ***Inventories***

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

## School District U-46

### Notes to Basic Financial Statements

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

##### **Capital Assets**

Capital assets are recorded at historical cost and depreciated over their estimated useful lives (excluding salvage value). Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value rather than fair value. Estimated useful life is management's estimate of how long the asset is expected to meet service demands.

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

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

##### **Interfund Transactions**

The District has the following types of interfund transactions:

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

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

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

##### **Compensated Absences**

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

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

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

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

## School District U-46

### Notes to Basic Financial Statements

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

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

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

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

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

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

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

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

##### ***Debt Premium, Discount and Debt Issuance/Refunding Costs***

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

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

## School District U-46

### Notes to Basic Financial Statements

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

##### **Postemployment Benefits Other Than Pensions (OPEB)**

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

##### **Fund Balances**

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

**Nonspendable** – includes amounts that cannot be spent because they are either: a) not in spendable form; or b) legally or contractually required to be maintained intact. At June 30, 2021, the District's nonspendable fund balances in the Governmental Funds related to inventories for \$28,721, and prepaid expenses of \$943,909.

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

**Committed** – includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the District's highest level of decision-making authority. The highest level of decision-making authority rests with the District's Board of Education. Committed amounts cannot be used for any other purpose unless the District removes or changes the specified use by taking the same action it employed to previously commit those amounts. The District passes formal resolutions to commit their fund balances. There are no committed fund balances as of June 30, 2021.

**Assigned** – includes amounts that are constrained by the District's *intent* to be used for specific purposes, but that are neither restricted nor committed. Intent is expressed by: a) the District's Board of Education itself; or b) a body or official to which the Board of Education has delegated the authority to assign amounts to be used for specific purposes. The District's Board of Education has not delegated authority to any other body or official to assign amounts for a specific purpose within the General Fund. Within the other governmental fund types (special revenue, debt service, capital projects) resources are assigned in accordance with the established fund purpose and approved budget/appropriation. Residual fund balances in these fund types that are not restricted or committed are reported as assigned. At June 30, 2021, \$6,512,030 was assigned in the Transportation Fund for costs associated with transportation.

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

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

## School District U-46

### Notes to Basic Financial Statements

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

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

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

The General Fund includes the Working Cash stabilization account. Under the State of Illinois School Code (School Code), the District is authorized to incur indebtedness and issue bonds and to levy a tax annually on all taxable property of the District in order to enable the District to have in its treasury at all times sufficient money to meet demands thereon. These working cash funds may be lent to other District governmental funds in need, but may only be expended for other purposes upon the passage of a resolution by the Board of Education to abolish the funds to the Educational Account, of the General Fund, or abate the fund to any fund of the District most in need. At June 30, 2021, the District had working cash stabilization fund balances of \$112,662,044 that have been classified as unassigned fund balances in the General Fund.

At June 30, 2021, the District had the following fund balances restricted for various purposes as follows:

Fund	Fund balance	Purpose of restriction
Major Funds:		
General Fund	\$ 3,034,993	Student activities
General Fund	604,607	Risk and insurance
Debt Service Fund	33,180,596	Repayment of principal and interest on long-term debt
Nonmajor Funds:		
Fire Prevention and Safety Fund	5,974,802	School construction projects
Capital Projects Fund	4,135,109	School construction projects
Transportation Fund	21,045,156	Student transportation
Municipal Retirement /Social Security Fund	4,136,843	Employee pension and social security
	<u>\$ 72,112,106</u>	

##### **Net Position**

Net position consists of the following categories:

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

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

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

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

## School District U-46

### Notes to Basic Financial Statements

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

##### **Eliminations**

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

##### **Use of Estimates**

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

##### **Restatement**

The District's governmental activities net position and fund balance of the General Fund have been restated as of June 30, 2020. The restatement is a result of the implementation of GASB statement No. 84, *Fiduciary Activities*. In accordance with GASB 84, the District now considers its student activity accounts to be part of the General Fund instead of separate fiduciary balances as the District has both control over the assets and administrative involvement in determining how the assets are used.

The restatement as of June 30, 2020 is as follows:

	Governmental Activities	General Fund
Net position/Fund balance, June 30, 2020, as previously reported	\$ 127,822,649	\$ 294,153,225
Addition of student activity funds	3,538,922	3,538,922
Net position/Fund balance as restated, June 30, 2020	<u>\$ 131,361,571</u>	<u>\$ 297,692,147</u>

##### **Subsequent Event**

On October 5, 2021, the District issued the \$18,730,000 General Obligation Limited Refunding School Bonds Series 2021 in order to fully refund General Obligation Limited School Bonds Series 2009 and partially refund General Obligation Limited School Bonds Series 2012B. Series 2021 is payable through January 1, 2026.

#### Note 2. Deposits and Investments

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

## School District U-46

### Notes to Basic Financial Statements

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#### Note 2. Deposits and Investments (Continued)

##### *Deposits*

As of June 30, 2021, the District had deposits with federally insured financial institutions of \$154,679,138 with the book balances totaling \$153,439,406.

##### *Custodial Credit Risk – Deposits*

In the case of deposits, custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District's investment policy requires all bank deposits in excess of Federal Deposit Insurance Corporation insurance limits be secured by collateral. As of June 30, 2021, 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.

##### *Custodial Credit Risk – Investments*

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

The following schedule reports the values and maturities (using the segmented time distribution method) for the District's investments and credit ratings by Standard & Poor's at June 30, 2021:

Investment Type	Investment Maturities (in Years)		% of Total Investments	Credit Ratings	
	Less than 1	1 - 5			
ISDLAF	\$ 277,163,848	\$ 277,163,848	\$ -	94.21 %	AAAm
Government Money Market Funds	1,363,674	1,363,674	-	0.46	AAAm
Illinois Funds	5,766,407	5,766,407	-	1.96	AAAm
US Treasury Notes	9,928,306	-	9,928,306	3.37	AA+
	<u>\$ 294,222,235</u>	<u>\$ 284,293,929</u>	<u>\$ 9,928,306</u>	<u>100.00 %</u>	

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

## School District U-46

### Notes to Basic Financial Statements

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#### Note 2. Deposits and Investments (Continued)

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Investments are classified according to the following hierarchy.

Level 1 – Investments reflect prices quoted in active markets.

Level 2 – Investments reflect prices that are based on similar observable assets either directly or indirectly, which may include inputs in markets that are not considered to be active.

Level 3 – Investments reflect prices based upon unobservable sources.

Fair value of the District's US Treasury Notes are determined by the District from observable market quotations as provided by the District's investment manager and are considered level 1 investments.

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

Investment Type		Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
ISDLAF	\$ 277,163,848	N/A	Daily	One Day
Government Money Market Funds	1,363,674	N/A	Daily	One Day
Illinois Funds	5,766,407	N/A	Daily	One Day
	<u>\$ 284,293,929</u>			

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

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

The above deposits and investments (plus \$6,000 held by the District as petty cash) are presented in the basic financial statements as cash and investments as follows:

Cash and investments per statement of net position \$ 447,667,641

**School District U-46**

**Notes to Basic Financial Statements**

**Note 3. Capital Assets**

Capital asset balances and activity for the year ended June 30, 2021, are as follows:

	Balance July 1, 2020	Transfers and Additions	Transfers and Retirements	Balance June 30, 2021
Capital Assets, not being depreciated:				
Land	\$ 28,394,912	\$ -	\$ -	\$ 28,394,912
Construction in progress	28,064,556	27,154,240	44,461,111	10,757,685
Total capital assets, not being depreciated	56,459,468	27,154,240	44,461,111	39,152,597
Capital Assets, being depreciated:				
Buildings	662,792,731	44,461,110	-	707,253,841
Transportation equipment	28,774,495	-	-	28,774,495
Other equipment	27,118,545	1,049,553	110,241	28,057,857
Total capital assets being depreciated	718,685,771	45,510,663	110,241	764,086,193
Less accumulated depreciation:				
Buildings	306,201,478	15,778,687	-	321,980,165
Transportation equipment	17,533,826	3,240,045	-	20,773,871
Other equipment	22,016,992	2,038,215	110,241	23,944,966
Total accumulated depreciation	345,752,296	21,056,947	110,241	366,699,002
Total capital assets being depreciated, net	372,933,475	24,453,716	-	397,387,191
Governmental activities				
Capital assets, net	\$ 429,392,943	\$ 51,607,956	\$ 44,461,111	\$ 436,539,788

**School District U-46**

**Notes to Basic Financial Statements**

**Note 3. Capital Assets (Continued)**

Depreciation expense was charged to governmental activities as follows:

Activity	Depreciation Expense
Instruction:	
Regular programs	\$ 6,709,087
Special programs	2,480,974
Other instructional programs	3,486,617
Support services:	
Pupils	1,667,776
Instructional staff	700,555
General administration	446,515
School administration	1,292,434
Business	296,652
Operations and maintenance	1,638,018
Transportation	993,911
Food services	653,154
Central	590,054
Community services	101,200
Total	<u>\$ 21,056,947</u>

**Note 4. Long-Term Obligations and Net Pension Asset**

The following is a summary of activity for the District's long-term obligations and net pension asset for the year ended June 30, 2021:

	Balance July 1, 2020	Additions	Reductions	Balance June 30, 2021	Due Within One Year
G.O. Bonds/Debt Certificates Payable:					
General obligation bonds	\$ 218,313,642	\$ -	\$ (15,856,253)	\$ 202,457,389	\$ 15,576,479
Accreted interest on long-term debt	47,472,625	3,530,078	(17,483,753)	33,518,950	17,958,521
Debt certificates	1,568,459	-	(520,024)	1,048,435	522,821
Unamortized premium	17,080,324	-	(1,328,022)	15,752,302	1,328,021
Unamortized discount	(43,207)	-	26,237	(16,970)	(16,593)
Total General Obligation Bonds/ Debt Certificates Payable	284,391,843	3,530,078	(35,161,815)	252,760,106	35,369,249
Compensated absences	1,506,421	-	(722,194)	784,227	784,227
Net pension liability (asset) - IMRF	30,356,462	35,680,730	(67,555,445)	(1,518,253)	-
Collective net pension liability - TRS	23,715,862	1,196,268	-	24,912,130	-
Total OPEB liability - District Plan	27,898,844	2,862,259	(1,766,976)	28,994,127	-
Collective total OPEB liability - THIS	254,361,840	2,300,953	-	256,662,793	-
Claims incurred but not reported	11,374,902	61,018,794	(61,769,578)	10,624,118	6,513,603
Total	<u>\$ 633,606,174</u>	<u>\$ 106,589,082</u>	<u>\$ (166,976,008)</u>	<u>\$ 573,219,248</u>	<u>\$ 42,667,079</u>

## School District U-46

### Notes to Basic Financial Statements

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#### Note 4. Long-Term Obligations and Net Pension Asset (Continued)

At June 30, 2021, general obligation bonds consisted of the following:

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

\$65,999,779, 2003B Capital Appreciation School Bonds due in annual installments of \$960,659 to \$10,591,479 through 2023 with interest due annually in years of maturity at a rate yielding 5.35%. Issued for the purpose of building new schools.	\$ 20,622,389
\$34,405,000, 2009 General Obligation Limited School Bonds due in annual installments of \$1,175,000 to \$1,480,000 through 2023 with interest due semiannually at 4.00% to 5.00%. Issued for the purpose of capital projects and funding the tort fund.	2,885,000
\$25,925,000, 2011A Taxable General Obligation Limited School Bonds due in annual installments of \$1,515,000 to \$3,085,000 through 2022 with interest due semiannually at 4.75% to 6.0%. Issued for the purpose of capital projects and working cash.	1,515,000
\$31,045,000, 2012B Taxable General Obligation Limited School Bonds due in annual installments of \$75,000 to \$5,705,000 beginning in fiscal year 2016 through 2026 with interest due semiannually at 3.0% to 4.5%. Issued for the purpose of working cash and funding the tort fund.	20,770,000
\$44,310,000, 2015A General Obligation Limited School Bonds due in annual installments of \$2,955,000 through \$8,205,000 beginning in fiscal year 2028 through 2034 with interest due semiannually at 5.00%. Issued for the purpose of working cash.	44,310,000
\$10,780,000, 2015B Taxable General Obligation Limited Refunding Bonds due in annual installments of \$2,170,000 through \$6,215,000 beginning in fiscal year 2026 through 2028 with interest due semiannually at 3.7% to 3.95%. Issued for the purpose of refunding capital project related bonds and working cash.	10,780,000
\$101,575,000, 2015D General Obligation Refunding School Bonds due in annual installments of \$6,480,000 through \$10,900,000 beginning in fiscal year 2024 through 2035 with interest due semiannually at 5.00%. Issued for the purpose of refunding capital project related bonds.	<u>101,575,000</u>
Total General Obligation Bonds	<u><u>\$ 202,457,389</u></u>

**School District U-46**

**Notes to Basic Financial Statements**

**Note 4. Long-Term Obligations and Net Pension Asset (Continued)**

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

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

Due in Fiscal Year	General Obligation		Total Debt Service
	Principal	Interest	
2022	\$ 15,576,479	\$ 26,706,309	\$ 42,282,788
2023	15,255,910	26,978,128	42,234,038
2024	11,940,000	8,268,913	20,208,913
2025	12,400,000	7,808,813	20,208,813
2026	12,995,000	7,217,338	20,212,338
2027 - 2031	74,720,000	26,328,625	101,048,625
2032 - 2035	59,570,000	6,852,250	66,422,250
	<u>\$ 202,457,389</u>	<u>\$ 110,160,376</u>	<u>\$ 312,617,765</u>

Interest maturities include \$33,518,950 of accreted interest on capital appreciation bonds.

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

The District has two outstanding capital appreciation bond issues. Interest on the capital appreciation bonds is paid only when principal payments are made, not semi-annually like conventional bond issues. The District records the accretion of interest as long-term debt in the statement of net position as if the interest had been paid semi-annually.

***Debt Certificates***

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

\$6,200,000, 2007 Debt Certificates (Qualified Zone Academy Bonds) due in annual installments of \$418,578 to \$432,360 through 2023 with interest due annually at 0.65%. Issued for the purpose of capital projects.	\$ 861,927
\$466,270, 2017 Debt Certificates (Qualified Zone Academy Bonds) due in annual installments of \$93,254 through 2023 with interest due semiannually at 0.25%. Issued for the purpose of capital projects.	<u>186,508</u>
Total Debt Certificates	<u>\$ 1,048,435</u>

## School District U-46

### Notes to Basic Financial Statements

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#### Note 4. Long-Term Obligations and Net Pension Asset (Continued)

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

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

Due in Fiscal Year	Debt Certificates	
	Principal	Interest
2022	\$ 522,821	\$ 5,952
2023	525,614	2,927
Total	<u>\$ 1,048,435</u>	<u>\$ 8,879</u>

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

As of June 30, 2021, the legal debt limit of the District was \$744,232,878, based upon 13.8 percent of its 2020 equalized assessed valuation of \$5,392,991,871. The debt limit less outstanding debt subject to the debt limit of \$203,505,824 plus amounts held in the Debt Service Fund of \$33,180,596, results in a legal debt margin of \$573,907,650 as of June 30, 2021.

##### **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 four personal days per year to its employees. Personal balances left over at the end of the year are carried forward into the sick day balance for the next year. The District also offers up to 14 sick days per year. Accumulated personal and sick days are not paid out upon termination. If an employee is vested in the Teachers' Retirement System (TRS) or the Illinois Municipal Retirement Fund (IMRF), the employee is allowed extra service credit based on unused sick days. Since accrued personal and sick days are not paid out upon termination, the District does not accrue a payable for these days at year-end. Based on accumulated vacation days as of year-end, the District's maximum liability for accumulated vacation days to be paid upon its employees' termination was calculated to be \$784,227 at June 30, 2021. The amounts will be paid from the General Fund within the next year.

##### **Net Pension Asset and Collective Net Pension Liability**

The District had a net pension asset of \$1,518,253 and a collective net pension liability of \$24,912,130 at June 30, 2021 which represent the District's share of pension asset/liability to plan members for benefits provided through defined benefit pension plans (see Note 6). The \$1,518,253 asset relates to IMRF. Payments to IMRF in future fiscal years will be paid from the Municipal Retirement/Social Security Fund. The \$24,912,130 liability relates to TRS and will be paid from the General Fund.

## School District U-46

### Notes to Basic Financial Statements

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#### Note 4. Long-Term Obligations and Net Pension Asset (Continued)

##### *Other Postemployment Benefits Liability*

The other postemployment benefits (OPEB) liability represents the long-term actuarially determined liability for healthcare insurance for eligible retirees and their dependents through the District's group health insurance plan and the District's share of the Teachers' Health Insurance Security Fund (THIS) plan (see Note 7). The District's OPEB liability at June 30, 2021 related to its own plan was \$28,994,127 and \$256,662,793 for its share of THIS; both amounts will be paid from the General Fund.

##### *Debt Refunding*

As of June 30, 2021, the outstanding balance of all defeased bonds totaled \$49,400,000.

#### Note 5. Risk Management

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

The District is also self-insured for medical claims to cover its employees and their qualifying dependents. The District funds a self-insurance account and has engaged an outside agency to administer its medical claims. The District does not assume unlimited liability for medical claims. As of June 30, 2021, 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, 2021, total \$10,624,118. 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 2021	Total 2020
Claims liability - beginning	\$ 11,374,902	\$ 11,861,468
Incurred claims	61,018,794	61,403,282
Claim payments and reductions	(61,769,578)	(61,889,848)
Claims liability - ending	<u>\$ 10,624,118</u>	<u>\$ 11,374,902</u>

## School District U-46

### Notes to Basic Financial Statements

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#### Note 6. Employee Retirement Systems and Plans

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

	Net Pension Liability (Asset)	Deferred Outflows	Deferred Inflows	Pension Expense
Teachers' Retirement System (TRS)	\$ 24,912,130	\$ 4,642,507	\$ 19,587,439	\$ 208,260,094
Illinois Municipal Retirement Fund (IMRF)	(1,518,253)	8,013,565	35,237,259	469,233
Total	<u>\$ 23,393,877</u>	<u>\$ 12,656,072</u>	<u>\$ 54,824,698</u>	<u>\$ 208,729,327</u>

#### *Teachers' Retirement System*

##### *Plan Description*

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

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

##### *Benefits Provided*

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

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

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

## School District U-46

### Notes to Basic Financial Statements

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#### Note 6. Employee Retirement Systems and Plans (Continued)

##### *Teachers' Retirement System (Continued)*

Public Act 100-0023, enacted in 2017, creates an optional Tier 3 hybrid retirement plan, but it has not yet gone into effect. Public Act 100-0587, enacted in 2018, requires TRS to offer two temporary benefit buyout programs that expire on June 30, 2024. One program allows retiring Tier 1 members to receive a partial lump-sum payment in exchange for accepting a lower, delayed annual increase. The other allows inactive vested Tier 1 and 2 members to receive a partial lump-sum payment in lieu of a retirement annuity. Both programs began in 2019 and are funded by bonds issued by the state of Illinois.

##### **Contributions**

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

Contributions from active members and TRS contributing employers are also required by the Illinois Pension Code. The contribution rates are specified in the pension code. The active member contribution rate for the year ended June 30, 2020, was 9.0 percent of creditable earnings. The member contribution, which may be paid on behalf of employees by the employer, is submitted to TRS by the employer.

##### **On-behalf contributions to TRS**

The state of Illinois makes employer pension contributions on behalf of the District. For the year ended June 30, 2021, state of Illinois contributions recognized by the District were based on the state's proportionate share of the collective net pension liability associated with the District, and the District recognized revenue and expenses of \$207,809,120 in the governmental activities based on the economic resources measurement basis and revenues and expenditures of \$110,720,642 in the General Fund based on the current financial resources measurement basis.

##### **2.2 formula contributions**

Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. The contribution rate is specified by statute. Required contributions for the year ended June 30, 2021, were \$1,459,053. Actual contributions were \$1,453,283 and reported as deferred outflows of resources on the statement of net position because they were paid after the June 30, 2020 measurement date. As of June 30, 2021, \$5,770 was due and payable to TRS.

##### **Federal and special trust fund contributions**

When TRS members are paid from federal and special trust funds administered by the District, there is a statutory requirement for the District to pay an employer pension contribution from those funds. Under Public Act 100-0340, the federal and special trust fund contribution rate is the total employer normal cost.

For the year ended June 30, 2021, the employer pension contribution was 10.41 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2021, salaries totaling \$5,297,111 were paid from federal and special trust funds that required District contributions of \$551,429. Actual contributions were \$598,575 and reported as deferred outflows of resources on the statement of net position because they were paid after the June 30, 2020 measurement date. As of June 30, 2021, \$47,146 was due from TRS.

School District U-46

Notes to Basic Financial Statements

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

**Teachers' Retirement System (Continued)**

**Employer retirement cost contributions**

Under GASB Statement No. 68, contributions that an employer is required to pay because of a TRS member retiring are categorized as specific liability payments. The employer is required to make a one-time contribution to TRS for members granted salary increases over 6 percent if those salaries are used to calculate a retiree's final average salary. A one-time contribution is also required for members granted sick leave days in excess of the normal annual allotment if those days are used as TRS service credit. Additionally PA 100-0023 requires school districts to pay for a portion of the cost of a member's pension if that member's salary, determined on a full-time equivalent basis, is greater than the governor's statutory salary (currently \$181,600). The amount charged to the employer is the employer normal cost, or 10.41 percent.

For the year ended June 30, 2021, the District paid \$451,460 to TRS for employer contributions due on salary increases in excess of the statutory limit and \$18,042 for member salaries in excess of the governor's statutory salary. The District made no payments for sick leave days granted in excess of the normal annual allotment.

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

At June 30, 2021, the District reported a liability for its proportionate share of the collective net pension liability (first amount shown below) that reflected a reduction for state pension support provided to the District. The state's support and total are for disclosure purposes only. The amount recognized by the District as its proportionate share of the collective net pension liability, the related state support, and the total portion of the collective net pension liability that was associated with the District were as follows:

District's proportionate share of the collective net pension liability	\$ 24,912,130
State's proportionate share of the collective net pension liability associated with the District	<u>1,951,247,392</u>
Total	<u>\$ 1,976,159,522</u>

The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2019, and rolled forward to June 30, 2020. The District's proportion of the net pension liability was based on the District's share of contributions to TRS for the measurement year ended June 30, 2020, relative to the contributions of all participating TRS employers and the state during that period. At June 30, 2020, the District's proportion was 0.0289 percent, which was a decrease of 0.0003 from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the District recognized the following pension expense/expenditures and revenue pertaining to the District's employees:

	<u>Governmental Activities</u>	<u>General Fund</u>
State on-behalf contributions - revenue and expense/expenditure	\$ 207,809,120	\$ 110,720,642
District TRS pension (benefit) expense	450,974	2,010,482
Total TRS expense/expenditure	<u>\$ 208,260,094</u>	<u>\$ 112,731,124</u>

School District U-46

Notes to Basic Financial Statements

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

**Teachers' Retirement System (Continued)**

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

At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 241,427	\$ 6,649
Net difference between projected and actual earnings on pension plan investments	743,839	-
Changes of assumptions	102,078	261,388
Changes in proportion and differences between District contributions and proportionate share of contributions	1,503,305	19,319,402
Total deferred pension actuarial adjustments	<u>2,590,649</u>	<u>19,587,439</u>
District contributions subsequent to the measurement date	<u>2,051,858</u>	-
Total deferred amounts related to pensions	<u>\$ 4,642,507</u>	<u>\$ 19,587,439</u>

Of the amounts reported as deferred outflows of resources related to pensions resulting from District's contributions subsequent to the measurement date, \$2,051,858 will be recognized as a reduction of the collective net pension liability in the reporting year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending June 30:	
2022	\$ (6,244,820)
2023	(7,429,015)
2024	(3,391,162)
2025	90,034
2026	(21,827)
	<u>\$ (16,996,790)</u>

**Actuarial Assumptions**

The total pension liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

## School District U-46

### Notes to Basic Financial Statements

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#### Note 6. Employee Retirement Systems and Plans (Continued)

##### *Teachers' Retirement System (Continued)*

##### **Actuarial Assumptions**

In the June 30, 2020 and 2019 actuarial valuation, mortality rates were based on the RP-2014 White Collar Table with adjustments as appropriate for TRS experience. The rates are used on a fully-generational basis using projection tables MP-2017 and MP-2014 for 2020 and 2019, respectively.

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. equities large cap	16.5 %	6.1 %
U.S. equities small/mid cap	2.3	7.2
International equities developed	12.2	7.0
Emerging market equities	3.0	9.4
U.S. bonds core	7.0	2.2
U.S. bonds high yield	2.5	4.1
International debt developed	3.1	1.5
Emerging international debt	3.2	4.5
Real estate	16.0	5.7
Private debt	5.2	6.3
Hedge funds	10.0	4.3
Private equity	15.0	10.5
Infrastructure	4.0	6.2
Total	<u>100.0 %</u>	

##### **Discount Rate**

At June 30, 2020, the discount rate used to measure the total pension liability was 7.00 percent, which was the same as the June 30, 2019 rate. The projection of cash flows used to determine the discount rate assumed that employee contributions, employer contributions, and state contributions will be made at the current statutorily-required rates.

Based on those assumptions, TRS's fiduciary net position at June 30, 2020 was projected to be available to make all projected future benefit payments of current active and inactive members and all benefit recipients. Tier I's liability is partially funded by Tier II members, as the Tier II member contribution is higher than the cost of Tier II benefits. Due to this subsidy, contributions from future members in excess of the service cost are also included in the determination of the discount rate. All projected future payments were projected to be available to make all benefit payments, so a long-term expected rate of return on TRS investments was applied to all periods of projected benefit payments to determine the total pension liability.

## School District U-46

### Notes to Basic Financial Statements

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#### Note 6. Employee Retirement Systems and Plans (Continued)

##### *Teachers' Retirement System (Continued)*

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

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

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
District's proportionate share of the collective net pension liability	\$ 30,238,788	\$ 24,912,130	\$ 20,526,749

##### ***TRS Fiduciary Net Position***

Detailed information about the TRS's fiduciary net position as of June 30, 2020 is available in the separately issued TRS *Annual Comprehensive Financial Report*.

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

##### ***Plan Description***

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

##### ***Benefits Provided***

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

## School District U-46

### Notes to Basic Financial Statements

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#### Note 6. Employee Retirement Systems and Plans (Continued)

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

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

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

##### **Employees Covered by Benefit Terms**

As of December 31, 2020, the following employees were covered by the benefit terms:

Retirees and Beneficiaries currently receiving benefits	1,523
Inactive Plan Members entitled to but not yet receiving benefits	2,097
Active Plan Members	<u>2,073</u>
Total	<u><u>5,693</u></u>

##### **Contributions**

As set by statute, the District's Regular Plan Members are required to contribute 4.5 percent of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of their own employees. The District's annual contribution rates for calendar years 2021 and 2020 were 10.93 percent and 11.31 percent, respectively. For the fiscal year ended June 30, 2021, the District contributed \$7,852,268 to the plan. The District also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

##### **Net Pension Asset**

The District's net pension asset was measured as of December 31, 2020. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of that date.

##### **Actuarial Assumptions**

The following are the methods and assumptions used to determine total pension liability at December 31, 2020:

- The **Actuarial Cost Method** used was Entry Age Normal.
- The **Asset Valuation Method** used was Market Value of Assets.
- The **Inflation Rate** was assumed to be 2.25 percent.
- **Salary Increases** were expected to be 2.85 percent to 13.75 percent, including inflation.
- The **Investment Rate of Return** was assumed to be 7.25 percent.

School District U-46

Notes to Basic Financial Statements

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Note 6. Employee Retirement Systems and Plans (Continued)

*Illinois Municipal Retirement Fund (Continued)*

*Actuarial Assumptions (Continued)*

- **Projected Retirement Age** was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2020 valuation according to an experience study from years 2017-2019.
- For **Non-disabled Retirees**, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106 percent) and Female (adjusted 105 percent) tables, and future mortality improvements projected using scale MP-2000.
- For **Disabled Retirees**, the Pub 2010, amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.
- For **Active Members**, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.
- The **long-term expected rate of return** on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Projected Returns / Risk	
		One Year Arithmetic	Ten Year Geometric
Domestic equity	37.0 %	6.35 %	5.00 %
International equity	18.0	7.65	6.00
Fixed income	28.0	1.40	1.30
Real estate	9.0	7.10	6.20
Alternative investments	7.0		
Private equity		10.35	6.95
Commodities		3.90	2.85
Cash equivalents	<u>1.0</u>	0.70	0.70
Total	<u><u>100.0 %</u></u>		

**School District U-46**

**Notes to Basic Financial Statements**

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

***Illinois Municipal Retirement Fund (Continued)***

***Actuarial Assumptions (Continued)***

***Single Discount Rate***

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

- The long-term expected rate of return on pension plan investments (7.25 percent) during the period in which the fiduciary net position is projected to be sufficient to pay benefits, and
- The tax-exempt municipal bond rate (2.00 percent) based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date to the extent that the contributions for use with the long-term expected rate of return are not met.

Based on those assumptions, IMRF's fiduciary net position at December 31, 2020, was projected to be available to make all projected future benefit payments of current active and inactive members and all benefit recipients. For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.25 percent and the municipal bond rate was not used.

***Changes in the Net Pension Liability (Asset)***

The following table shows the components of the District's annual pension liability and related plan fiduciary net position for the calendar year ended December 31, 2020:

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balance at beginning of year	\$ 356,064,513	\$ 325,708,051	\$ 30,356,462
Changes for the year:			
Service cost	7,705,149	-	7,705,149
Interest on the total pension liability	25,418,742	-	25,418,742
Changes of benefit terms	-	-	-
Differences between expected and actual experience of the total pension liability	(6,808,476)	-	(6,808,476)
Changes of assumptions	(3,116,072)	-	(3,116,072)
Contributions - employer	-	8,043,625	(8,043,625)
Contributions - employees	-	3,203,606	(3,203,606)
Net investment income	-	46,383,666	(46,383,666)
Benefit payments, including refunds of employee contributions	(18,627,500)	(18,627,500)	-
Other (net transfer)	-	(2,556,839)	2,556,839
Net changes	4,571,843	36,446,558	(31,874,715)
Balance at end of year	\$ 360,636,356	\$ 362,154,609	\$ (1,518,253)

**School District U-46**

**Notes to Basic Financial Statements**

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

**Illinois Municipal Retirement Fund (Continued)**

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

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

	1% Decrease 6.25%	Current Single Discount Rate 7.25%	1% Increase 8.25%
Total Pension Liability	\$ 401,370,203	\$ 360,636,356	\$ 328,551,316
Plan Fiduciary Net Pension	362,154,609	362,154,609	362,154,609
Net Pension Liability (Asset)	<u>\$ 39,215,594</u>	<u>\$ (1,518,253)</u>	<u>\$ (33,603,293)</u>

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

For the year ended June 30, 2021, the District recognized pension expense of \$469,233. At June 30, 2021, the District reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,031,793	\$ 4,952,446
Net difference between projected and actual earnings on pension plan investments	-	28,018,200
Changes of assumptions	1,744,115	2,266,613
Total deferred pension actuarial adjustments	<u>3,775,908</u>	<u>35,237,259</u>
District contributions subsequent to the measurement date	<u>4,237,657</u>	-
Total deferred amounts related to pensions	<u>\$ 8,013,565</u>	<u>\$ 35,237,259</u>

Of the amounts reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date, \$4,237,657 will be recognized as an increase to the net pension asset in the reporting year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending June 30:	
2022	\$ (8,255,579)
2023	(5,629,383)
2024	(12,950,377)
2025	(4,626,012)
	<u>\$ (31,461,351)</u>

**School District U-46**

**Notes to Basic Financial Statements**

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**Note 7. Post-Employment Plans Other Than Pensions**

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

	Total OPEB Liability	Deferred Outflows	Deferred Inflows	OPEB Expense
Retiree Healthcare Plan - District Plan	\$ 28,994,127	\$ 3,911,178	\$ 924,637	\$ 2,406,027
Teachers' Health Insurance Security Fund (THIS)	256,662,793	19,705,636	49,993,099	20,260,202
Total	<u>\$ 285,656,920</u>	<u>\$ 23,616,814</u>	<u>\$ 50,917,736</u>	<u>\$ 22,666,229</u>

***Retiree Healthcare Plan***

***Plan Description***

The District administers a single employer defined benefit healthcare plan, the "Retiree Healthcare Plan" or "the Plan." The Plan provides healthcare insurance for eligible retirees and their dependents through the District's group health insurance plan, which covers both active and retired members. The Plan does not issue a stand-alone financial report.

***Benefits Provided***

Benefit provisions are established through negotiations between the District and the unions representing District employees and are renegotiated each bargaining period. Certain retirees are eligible until the first month of Medicare eligibility and others are eligible for their lifetime. Certified retirees receive coverage under the TRS health plan and non-certified retirees receive coverage under the District's health plan. The District's contributions vary based on the union to which the employee belongs, the employees' years of service, and the year in which the employee retired.

***Employees Covered by Benefit Terms***

At June 30, 2021, the following employees were covered by the benefit terms:

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

School District U-46

Notes to Basic Financial Statements

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

**Retiree Healthcare Plan (Continued)**

**Total OPEB Liability**

The District's total OPEB liability was measured as of June 30, 2021, and was determined by an actuarial valuation as of that date.

	Total OPEB Liability
Balances at July 1, 2020	<u>\$ 27,898,844</u>
Changes for the year:	
Service cost	1,148,731
Interest on the total OPEB liability	749,319
Changes of assumptions	964,209
Benefit payments	<u>(1,766,976)</u>
Net changes	<u>1,095,283</u>
Balances at June 30, 2021	<u><u>\$ 28,994,127</u></u>

**Actuarial Assumptions**

The following are the methods and assumptions used to determine total OPEB liability at June 30, 2021:

- The **Actuarial Cost Method** used was the Entry Age Normal.
- **Salary Increases** was assumed to be 2.75 percent, including inflation.
- For **Healthcare Cost Trend Rates**, in the 2022 fiscal year, a rate of 6.75 percent was used, with that rate gradually decreasing to an ultimate trend of 4.50 percent by fiscal year 2031.
- For IMRF employees the **Mortality Rates** used are from the PUB-2010 Healthy Mortality Tables below-median income, general employee and retiree, projected generationally with Scale MP - 2020. For post-commencement, male rates were multiplied by 106 percent for all ages and female rates were multiplied by 105 percent for all ages.
- For TRS employees the **Mortality Rates** used are from the RP-2014 Healthy Mortality Tables with White Collar Adjustments, projected generationally with Scale MP-2017. Pre- and post-commencement rates were further adjusted. Specifically, for pre-commencement, rates were multiplied by 104 percent for all ages. For post-commencement, male rates were multiplied by 94% for ages under 81 and 110 percent for ages 81-114, and female rates were multiplied by 70 percent for ages under 78 and 110 percent for ages 78-114.

School District U-46

Notes to Basic Financial Statements

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

**Retiree Healthcare Plan (Continued)**

The following assumptions were changed since the prior valuation:

- The discount rate was changed from 2.66 percent to 2.18 percent based on the change in the S&P Municipal Bond 20 Year High Grade Rate Index from the prior year.
- The salary scale was updated to 2.75 percent to reflect the most recent TRS and IMRF experience studies.
- The mortality, termination and retirement rates for IMRF participants were updated to reflect the 2020 IMRF experience study.

**Discount Rate**

Since the Plan is financed on a pay-as-you-go basis, a long-term rate of return was not used and the discount rate used to measure the total OPEB liability was the 20-year municipal bond yield, (source was the S&P Municipal Bond 20 Year High Grade Rate Index as of June 30, 2021). The projection of cash flows used to determine the discount rate assumed the employee and employer contributions would be made at the current rates. Based on those assumptions, the Plan's fiduciary net position was not projected to be sufficient to make projected OPEB payments for current active and inactive employees beyond the current year.

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

The following presents the District's total OPEB liability, calculated using a Discount Rate of 2.18 percent, as well as what the District's total OPEB liability would be if it were calculated using a Discount Rate that is one percentage point higher or lower than the current rate:

	1% Decrease 1.18%	Current Discount Rate 2.18%	1% Increase 3.18%
Total OPEB liability	\$ 30,613,241	\$ 28,994,127	\$ 27,428,777

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

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

	1% Decrease	Healthcare Cost Trend Rate Assumptions	1% Increase
Total OPEB liability	\$ 27,884,936	\$ 28,994,127	\$ 30,223,136

**School District U-46**

**Notes to Basic Financial Statements**

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

**Retiree Healthcare Plan (Continued)**

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

For the year ended June 30, 2021, the District recognized OPEB expense of \$2,406,027. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 924,637
Changes of assumptions	3,911,178	-
Total deferred amounts related to OPEB	<u>\$ 3,911,178</u>	<u>\$ 924,637</u>

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

Year ending June 30:	
2022	\$ (507,977)
2023	(507,977)
2024	(507,977)
2025	(507,977)
2026	(479,920)
Thereafter	(474,713)
	<u>\$ (2,986,541)</u>

**Teachers' Health Insurance Security Fund**

**Plan Description**

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

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

## School District U-46

### Notes to Basic Financial Statements

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

##### *Teachers' Health Insurance Security Fund (Continued)*

###### **Benefits Provided**

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

###### **Contributions**

The State Employees Group Insurance Act of 1971 (5 ILCS 375/6) specifies the contribution requirements of the participating school districts and covered employees. For the year ended June 30, 2021, required contributions are as follows:

- Active members contribute 1.24 percent of covered payroll.
- Employers contribute 0.92 percent of covered payroll. The percentage of employer required contributions in the future will not exceed 105 percent of the percentage of salary actually required to be paid in the previous fiscal year. For the year ended June 30, 2021, the District paid \$2,314,359 to the THIS Fund, which was 100 percent of the required contribution. These contributions are deferred because they were paid after the June 30, 2020 measurement date.
- The State of Illinois makes contributions on behalf of the District. State contributions are intended to match contributions to the THIS Fund from active members. The State contributed 1.24 percent of covered payroll. For the year ended June 30, 2021, State of Illinois contributions on behalf of the District's employees were \$3,119,354 and the District recognized revenue and expenditures for this on-behalf contribution amount during the year in the General Fund.
- Retired members contribute through premium payments based on the coverage elected, Medicare eligibility, and the age of the member and dependents. The premium for retired members is not permitted to increase by more than 5.0 percent per year by statute. The Federal Government provides a Medicare Part D subsidy.

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

At June 30, 2021, the District reported a liability for its proportionate share of the collective total OPEB liability that reflected a reduction for state pension support provided for the District. The state's support and total are for disclosure purposes only. The OPEB proportionate shares are as follows:

Employer's proportionate share of the collective total OPEB liability	\$ 256,662,793
The State's proportionate share of the collective total OPEB liability associated with the employer	<u>347,708,201</u>
Total THIS total collective OPEB liability associated with the employer	<u><u>\$ 604,370,994</u></u>

**School District U-46**

**Notes to Basic Financial Statements**

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

**Teachers' Health Insurance Security Fund (Continued)**

The collective total OPEB liability was measured as of June 30, 2020, and the total OPEB liability used to calculate the collective total OPEB liability was determined by an actuarial valuation as of June 30, 2019, and rolled forward to June 30, 2020. The District's proportionate share of the total OPEB liability was based on the District's share of contributions to THIS for the measurement year ended June 30, 2020, relative to the contributions of all participating employers and the State during that period. At June 30, 2020, the District's proportion was 0.96 percent, which was an increase of 0.41 percent from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the District recognized the following for OPEB expense/expenditure and revenue pertaining to the District's employees:

	Governmental Activities	General Fund
	<u>                    </u>	<u>                    </u>
State on-behalf contributions - OPEB revenue and expense/expenditure	\$ 9,691,630	\$ 3,119,354
District OPEB expense	10,568,572	2,314,359
Total OPEB expense/expenditure	<u>\$ 20,260,202</u>	<u>\$ 5,433,713</u>

At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u>                    </u>	<u>                    </u>
Differences between expected and actual experience	\$ -	\$ 6,819,263
Net difference between projected and actual earnings on OPEB investments	-	7,307
Changes of assumptions	86,912	42,336,209
Changes in proportion and differences between employer contributions and proportionate share of contributions	17,304,365	830,320
Total deferred OPEB actuarial adjustments	<u>17,391,277</u>	<u>49,993,099</u>
Employer contribution subsequent to the measurement date	<u>2,314,359</u>	-
Total deferred amounts related to OPEB	<u>\$ 19,705,636</u>	<u>\$ 49,993,099</u>

School District U-46

Notes to Basic Financial Statements

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

**Teachers' Health Insurance Security Fund (Continued)**

The District reported \$2,314,359 as deferred outflows of resources resulting from District contributions subsequent to the measurement date that will be recognized as a reduction of the collective total OPEB liability in the year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in expense as follows:

Year ending June 30:	
2022	\$ (6,838,048)
2023	(6,837,362)
2024	(6,835,936)
2025	(5,329,011)
2026	(2,795,286)
Thereafter	(3,966,179)
	<u>\$ (32,601,822)</u>

**Actuarial Assumptions**

The total OPEB liability was determined by an actuarial valuation as of June 30, 2019, and rolled forward to June 30, 2020 based on the entry age normal cost method and using the following actuarial assumptions:

Discount rate	2.45% at June 30, 2020
Inflation	2.50%
Salary increases	Depends on service and ranges from 9.50 percent at 1 year of service to 4.00 percent at 20 or more years of service. Salary increase includes a 3.25 percent wage inflation assumption.
Investment rate of return	0 percent, net of OPEB plan investment expense, including inflation
Healthcare cost trend rates	Actual trend used for fiscal year 2020. For fiscal years after 2021, trend starts at 8.25 percent for non-Medicare costs and post-Medicare costs, respectively, and gradually decreases to an ultimate trend of 4.25 percent in 2037. There is no additional trend rate adjustment due to the repeal of the Excise Tax.
Mortality	Mortality rates for retirement and beneficiary annuitants were based on the RP-2014 White Collar Annuitant Mortality Table, adjusted for TRS experience. For disabled annuitants, mortality rates were based on the RP-2014 Disable Annuitant Table. Mortality rates for pre-retirement were based on the RP-2014 White Collar Table. All tables reflect future mortality improvements using Projection Scale MP-2017.

## School District U-46

### Notes to Basic Financial Statements

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

##### *Teachers' Health Insurance Security Fund (Continued)*

Eighty percent of future retirees that are currently active are assumed to elect healthcare coverage, with 80 percent electing single coverage and 20 percent electing two-person coverage. Seventy percent of current deferred vested participants with at least seven years of service and younger than 70 as of June 30, 2019, are assumed to elect healthcare coverage, with 80 percent electing single coverage and 20 percent electing two-person coverage. Thirty-five percent of current deferred vested participants with five to seven years of service and younger than age 70 as of June 30, 2019, are assumed to be eligible under State Employees' Group Insurance Program (SEGIP) or Teachers' Retirement Insurance Program (TRIP) before retirement and elect healthcare coverage, with 80 percent electing single coverage and 20 percent electing two-person coverage. The liability for this group is allocated equally to TRIP and SEGIP.

The pension-related assumptions disclosed in the TRS experience study for the period July 1, 2014 through June 30, 2017, were applied to the THIS actuarial valuation as of June 30, 2019.

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

- The discount rate was changed from 3.13 percent at June 30, 2019 to 2.45 percent at June 30, 2020;
- The healthcare trend assumption was updated based on claim and enrollment experience through June 30, 2019, projected plan cost for plan year end June 30, 2020, premium changes through plan year end 2021, and expectation of future trend increases after June 30, 2020;
- Since the Excise Tax was repealed, the Excise Tax trend rate adjustment was removed;
- Per capita claim costs for plan year end June 30, 2020, were updated based on projected claims and enrollment experience through June 30, 2020, and updated premium rates through plan year 2021; and
- Healthcare plan participation rates by plan were updated based on observed experience.

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

##### ***Discount Rate***

Since THIS is financed on a pay-as-you-go basis, a long-term rate of return was not used and the discount rate used to measure the total OPEB liability was the 20-year general obligation bond index rate (source was Fidelity Index's 20-year municipal GO AA Index). The discount rate as of June 30, 2020 was 2.45 percent which was an decrease from the June 30, 2019 rate of 3.13 percent. The projection of cash flows used to determine the discount rate assumed that employee, employer, and State contributions would be made at the current statutorily required rates. Based on those assumptions, THIS's fiduciary net position was not projected to be sufficient to make projected OPEB payments for current active and inactive employees beyond the current year.

School District U-46

Notes to Basic Financial Statements

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

**Teachers' Health Insurance Security Fund (Continued)**

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

The following presents the plan's total OPEB liability, calculated using a Single Discount Rate of 2.45 percent, as well as what the plan's total OPEB liability would be if it were calculated using a Single Discount rate that is one percentage point higher or lower than the current rate:

	1% Decrease 1.45%	Current Discount Rate 2.45%	1% Increase 3.45%
Employer's proportionate share of the collective total OPEB liability	\$ 308,472,450	\$ 256,662,793	\$ 215,616,678

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

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

	1% Decrease (a)	Healthcare Cost Trend Rate Assumptions	1% Increase (b)
Employer's proportionate share of the collective total OPEB liability	\$ 206,435,146	\$ 256,662,793	\$ 324,561,343

(a) One percentage point decrease in healthcare trend rates are 7.25 percent in 2021 decreasing to an ultimate trend rate of 3.25 percent in 2037, for non-Medicare and post-Medicare coverage.

(b) One percentage point increase in healthcare trend rates are 9.25 percent in 2021 decreasing to an ultimate trend rate of 5.25 percent in 2037, for non-Medicare and post-Medicare coverage.

**OPEB Plan Fiduciary Net Position**

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

**Payable to the OPEB Plan**

The District had no outstanding amount of contributions to the THIS plan for the year ended June 30, 2021.

## School District U-46

### Notes to Basic Financial Statements

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#### Note 8. Other Financial Disclosures

##### *Expenditures Exceeding Budgets*

The District adopts annual budgets for all funds. The funds with annually adopted budgets and excesses of expenditures over budgeted expenditures during fiscal year 2021 are as follows:

Fund	Final Budget	Actual Expenditures	Amount Over Budget
Major Funds:			
General Fund			
Operations and Maintenance Account	\$ 56,172,132	\$ 58,306,436	\$ 2,134,304
Nonmajor Funds:			
Capital Projects Fund	300,000	1,352,972	1,052,972

##### *Interfund Transfers*

During fiscal year 2021, the District transferred \$10,365,690 from the General Fund to the Debt Service Fund to provide resources to pay principal and interest on debt certificates and purchase contracts and to abate a portion of the 2020 property tax levy.

#### Note 9. Contingent Liabilities

##### *Litigation*

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

##### *Grants*

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government and the Illinois State Board of Education. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2021.

#### Note 10. Commitments

At June 30, 2021, the District had approximately \$14,000,000 in outstanding construction project commitments. The projects were comprised of work to be done at various school buildings and to be paid from the Operations and Maintenance Account of the General Fund, and the Fire Prevention and Safety Fund.

#### Note 11. Authoritative Pronouncements Issued But Not Yet Adopted

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

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

## School District U-46

### Notes to Basic Financial Statements

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

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

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

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

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

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

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

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

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

## **REQUIRED SUPPLEMENTARY INFORMATION**

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

Schedule of District Contributions – Teachers' Retirement System

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

Schedule of District Contributions – Illinois Municipal Retirement Fund

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

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

Schedule of District Contributions – Teachers' Health Insurance Security Fund

Budgetary Comparison Information: General Fund

Notes to Required Supplementary Information (RSI)

**School District U-46**

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

Fiscal Year Ended*	2021	2020	2019	2018	2017	2016	2015
District's proportion of the collective net pension liability	0.0289%	0.0292%	0.0303%	0.0871%	0.0827%	0.0517%	0.0814%
District's proportionate share of the collective net pension liability	\$ 24,912,130	\$ 23,715,862	\$ 23,609,784	\$ 66,545,775	\$ 65,248,035	\$ 33,868,384	\$ 49,508,342
State's proportionate share of the collective net pension liability associated with the District	1,951,247,392	1,687,832,038	1,617,369,178	1,557,896,054	1,609,322,179	1,275,250,978	1,173,916,748
<b>Total</b>	<b>\$ 1,976,159,522</b>	<b>\$ 1,711,547,900</b>	<b>\$ 1,640,978,962</b>	<b>\$ 1,624,441,829</b>	<b>\$ 1,674,570,214</b>	<b>\$ 1,309,119,362</b>	<b>\$ 1,223,425,090</b>
District's covered payroll	\$ 243,853,436	\$ 227,801,600	\$ 215,651,921	\$ 211,077,112	\$ 204,244,433	\$ 198,258,595	\$ 188,448,392
District's proportionate share of the collective net pension liability as a percentage of its covered payroll	10.2%	10.4%	10.9%	31.5%	31.9%	17.1%	26.3%
Plan fiduciary net position as a percentage of the total pension liability	37.8%	39.6%	40.0%	39.3%	36.4%	41.5%	43.0%

**Notes to schedule**

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

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

**School District U-46**

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

Fiscal Year Ended	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Contractually-required contribution	\$ 2,010,482	\$ 2,083,042	\$ 1,862,360	\$ 1,770,395	\$ 2,800,714	\$ 3,175,233	\$ 2,337,303	\$ 2,502,668	\$ 2,652,392	\$ 2,487,278
Contributions in relation to the contractually-required contribution	2,051,858	1,911,459	1,868,418	1,699,413	3,589,872	2,444,400	2,311,171	2,502,668	2,652,392	2,487,278
Contribution (excess) deficiency	\$ (41,376)	\$ 171,583	\$ (6,058)	\$ 70,982	\$ (789,158)	\$ 730,833	\$ 26,132	\$ -	\$ -	\$ -
District's covered payroll	\$ 251,560,800	\$ 243,853,436	\$ 227,801,600	\$ 215,651,921	\$ 211,077,112	\$ 204,244,433	\$ 198,258,595	\$ 188,448,392	\$ 187,379,565	\$ 182,339,091
Contributions as a percentage of covered payroll	0.82%	0.78%	0.82%	0.79%	1.70%	1.20%	1.17%	1.33%	1.42%	1.36%

**Notes to Schedules**

**Changes of Assumptions**

For the 2020 through 2016 measurement years, the assumed investment rate of return was 7.0 percent, including an inflation rate of 2.5 percent and a real return of 4.5 percent. Salary increases were assumed to vary by service credit and were consistent in 2020 and 2019. These actuarial assumptions were based on an experience study dated September 18, 2018.

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

School District U-46

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

Calendar year ended December 31	2020	2019	2018	2017	2016	2015
Total Pension Liability						
Service Cost	\$ 7,705,149	\$ 7,240,886	\$ 6,690,189	\$ 7,088,356	\$ 7,287,074	\$ 6,752,927
Interest in the Total Pension Liability	25,418,742	24,206,866	23,132,664	22,710,668	21,991,405	20,550,703
Changes of Benefit Terms	-	-	-	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	(6,808,476)	3,114,679	3,308,148	1,653,787	(5,058,203)	5,258,888
Changes of Assumptions	(3,116,072)	-	9,203,969	(9,673,308)	(1,091,259)	359,033
Benefit Payments, including Refunds of Employee Contributions	(18,627,500)	(17,530,554)	(16,785,530)	(15,122,077)	(14,112,060)	(12,956,579)
Net Change in Total Pension Liability	4,571,843	17,031,877	25,549,440	6,657,426	9,016,957	19,964,972
Total Pension Liability - Beginning	356,064,513	339,032,636	313,483,196	306,825,770	297,808,813	277,843,841
Total Pension Liability - Ending	<u>\$ 360,636,356</u>	<u>\$ 356,064,513</u>	<u>\$ 339,032,636</u>	<u>\$ 313,483,196</u>	<u>\$ 306,825,770</u>	<u>\$ 297,808,813</u>
Plan Fiduciary Net Position						
Contributions - Employer	\$ 8,043,625	\$ 7,224,938	\$ 7,630,632	\$ 7,505,169	\$ 7,623,785	\$ 7,321,744
Contributions - Employees	3,203,606	3,373,975	3,049,438	2,991,943	2,932,617	2,914,439
Net Investment Income	46,383,666	52,625,457	(16,123,071)	45,723,969	17,057,396	1,228,293
Benefit Payments, including Refunds of Employee Contributions	(18,627,500)	(17,530,554)	(16,785,530)	(15,122,077)	(14,112,060)	(12,956,579)
Other (Net Transfer)	(2,556,839)	158,149	5,562,833	(6,145,971)	237,493	2,302,834
Net Change in Plan Fiduciary Net Position	36,446,558	45,851,965	(16,665,698)	34,953,033	13,739,231	810,731
Plan Fiduciary Net Position - Beginning	325,708,051	279,856,086	296,521,784	261,568,751	247,829,520	247,018,789
Plan Fiduciary Net Position - Ending	<u>\$ 362,154,609</u>	<u>\$ 325,708,051</u>	<u>\$ 279,856,086</u>	<u>\$ 296,521,784</u>	<u>\$ 261,568,751</u>	<u>\$ 247,829,520</u>
Net Pension Liability	<u>\$ (1,518,253)</u>	<u>\$ 30,356,462</u>	<u>\$ 59,176,550</u>	<u>\$ 16,961,412</u>	<u>\$ 45,257,019</u>	<u>\$ 49,979,293</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	100.42%	91.47%	82.55%	94.59%	85.25%	83.22%
Covered Payroll	\$ 70,841,717	\$ 73,292,380	\$ 67,513,152	\$ 65,500,573	\$ 64,026,568	\$ 64,024,510
Net Pension Liability as a Percentage of Covered Payroll	-2.14%	41.42%	87.65%	25.90%	70.68%	78.06%

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

**School District U-46**

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

Fiscal Year Ending June 30	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a % of Covered Valuation Payroll
2021	\$ 7,864,535	\$ 7,852,268	\$ 12,267	\$ 70,838,769	11.08%
2020	7,909,693	7,902,178	7,515	74,611,892	10.60%
2019	7,514,214	7,630,632	(116,418)	67,513,152	11.30%
2018	7,499,816	7,505,169	(5,353)	65,500,573	11.46%
2017	7,567,940	7,623,785	(55,845)	64,025,539	11.91%
2016	7,305,197	7,321,744	(16,547)	61,906,562	11.83%
2015	6,833,838	6,915,065	(81,227)	58,046,942	11.91%
2014	7,099,132	7,099,132	-	54,960,594	12.92%
2013	6,696,410	6,696,410	-	53,247,560	12.58%
2012	6,153,219	6,153,219	-	52,980,936	11.61%
2011	5,767,622	5,767,622	-	55,405,801	10.41%

**School District U-46**

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

Fiscal Year Ended	2021	2020	2019	2018
Total OPEB Liability				
Service cost	\$ 1,148,731	\$ 1,006,873	\$ 1,003,479	\$ 1,003,974
Interest cost	749,319	716,716	765,847	806,590
Change of benefit terms	-	-	-	(2,003,354)
Differences between expected and actual experience	-	(1,247,373)	-	-
Changes of assumptions	964,209	3,779,446	259,405	210,570
Benefit payments, including refunds of employee contributions	(1,766,976)	(2,063,194)	(2,022,065)	(2,157,596)
Net change in total pension liability	1,095,283	2,192,468	6,666	(2,139,816)
Total OPEB liability - beginning	27,898,844	25,706,376	25,699,710	27,839,526
Total OPEB liability - ending	\$ 28,994,127	\$ 27,898,844	\$ 25,706,376	\$ 25,699,710
Covered payroll	\$ 218,547,893	\$ 227,354,884	\$ 211,666,809	\$ 219,201,030
Total OPEB liability as a percentage of covered payroll	13.27%	12.27%	12.14%	11.72%

**Notes to Schedule:**

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

- 2021 - 2.18%
- 2020 - 2.66%
- 2019 - 2.79%
- 2018 - 3.51%

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

**School District U-46**

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

Fiscal Year Ended*	2021	2020	2019	2018
District's proportion of the collective total OPEB liability	0.9600%	0.9190%	0.9223%	0.9185%
District's proportionate share of the collective total OPEB liability	\$ 256,662,793	\$ 254,361,840	\$ 242,987,411	\$ 238,342,838
The State's proportionate share of the collective total OPEB liability associated with the District	347,708,201	344,438,459	326,279,389	313,003,345
<b>Total</b>	<b>\$ 604,370,994</b>	<b>\$ 598,800,299</b>	<b>\$ 569,266,800</b>	<b>\$ 551,346,183</b>
Covered payroll	\$ 243,853,436	\$ 227,801,600	\$ 215,651,921	\$ 211,077,112
Collective total OPEB liability as a percentage of the covered payroll	105.2529%	111.6594%	112.6757%	112.9174%
Plan fiduciary net position as a percentage of the total OPEB liability	0.0000%	0.0000%	0.0000%	0.0000%

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

**Notes to schedule**

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

- The following are discount rates used in each period.
  - 2021 - 2.45%
  - 2020 - 3.13%
  - 2019 - 3.62%
  - 2018 - 3.56%
- The healthcare trend assumption was updated each year based on claim and enrollment experience, projected plan cost for the applicable plan year, premium changes through the applicable plan year, and expectation of future trend increases.
- The excise trend rate adjustment was updated based on available premium and enrollment information for the applicable plan year.
- Per capita claim costs were updated based on projected claims and enrollment experience for the applicable plan year and updated premium rates for the applicable plan year.
- Healthcare plan participation rates by plan were updated based on observed experience.

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

**School District U-46**

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

Fiscal Year Ended	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Contractually-required contribution	\$ 2,314,359	\$ 2,243,452	\$ 2,095,775	\$ 1,897,737	\$ 1,773,048	\$ 1,633,955	\$ 1,506,765	\$ 1,356,828	\$ 1,292,919	\$ 1,203,438
Contributions in relation to the contractually-required contribution	2,314,359	2,243,452	2,095,775	1,951,741	1,773,048	1,633,955	1,506,765	1,356,828	1,292,919	1,203,438
Contribution (excess) deficiency	\$ -	\$ -	\$ -	\$ (54,004)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 251,560,800	\$ 243,853,436	\$ 227,801,600	\$ 215,651,921	\$ 211,077,112	\$ 204,244,433	\$ 198,258,595	\$ 188,448,392	\$ 187,379,565	\$ 182,339,091
Contributions as a percentage of covered payroll	0.92%	0.92%	0.92%	0.91%	0.84%	0.80%	0.76%	0.72%	0.69%	0.66%

## GENERAL FUND

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

School District U-46

**Schedule of Revenues, Expenditures and Changes in Fund Balance -  
Budget and Actual  
General Fund - Budgetary Basis  
Year Ended June 30, 2021**

	Original and Final Budget	Actual	Variance
<b>Revenues:</b>			
Property taxes	\$ 258,721,750	\$ 255,898,532	\$ (2,823,218)
Replacement taxes and payments in lieu of taxes	200,000	32,270	(167,730)
Charges for services	11,519,000	4,494,927	(7,024,073)
Earnings on investments	1,062,500	746,091	(316,409)
Rentals	750,000	362,321	(387,679)
Local grants	-	149,080	149,080
Other local sources	1,845,954	2,513,609	667,655
State grants-in-aid	206,524,331	212,491,173	5,966,842
Federal grants-in-aid	44,354,421	54,193,943	9,839,522
<b>Total revenues</b>	<b>524,977,956</b>	<b>530,881,946</b>	<b>5,903,990</b>
<b>Expenditures:</b>			
<b>Current:</b>			
<b>Instruction:</b>			
Regular programs	173,334,430	153,982,813	19,351,617
Special programs	52,484,311	54,702,455	(2,218,144)
Other instructional programs	70,175,512	79,661,533	(9,486,021)
<b>Support services:</b>			
Pupils	38,003,555	37,248,822	754,733
Instructional staff	16,253,045	15,724,947	528,098
General administration	10,144,828	9,869,299	275,529
School administration	29,801,687	28,547,316	1,254,371
Business	5,221,431	6,348,179	(1,126,748)
Operations and maintenance	38,708,628	35,722,139	2,986,489
Transportation	1,683,100	98,879	1,584,221
Facilities acquisition and construction	200,000	96,435	103,565
Food service	16,492,716	14,980,780	1,511,936
Central	17,080,396	12,682,514	4,397,882
Other support	6,559,272	6,481,346	77,926
Community services	1,710,866	2,186,643	(475,777)
<b>Intergovernmental:</b>			
Payments to other governments	10,851,097	9,467,245	1,383,852
Capital outlay	21,178,238	25,765,609	(4,587,371)
<b>Total expenditures</b>	<b>509,883,112</b>	<b>493,566,954</b>	<b>16,316,158</b>
Excess of revenues over expenditures	15,094,844	37,314,992	22,220,148
<b>Other financing sources (uses):</b>			
Proceeds from sale of capital assets	-	31,211	31,211
Transfer out	(10,365,715)	(10,365,690)	25
<b>Total other financing uses</b>	<b>(10,365,715)</b>	<b>(10,334,479)</b>	<b>31,236</b>
<b>Net change in fund balance</b>	<b>\$ 4,729,129</b>	<b>26,980,513</b>	<b>\$ 22,251,384</b>
<b>Fund balance:</b>			
Beginning of year, as restated		297,692,147	
End of year		<b>\$ 324,672,660</b>	

## School District U-46

### Notes to Required Supplementary Information (RSI)

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#### Note 1. Budgets and Budgetary Accounting

The annual budgets are adopted on the modified accrual basis of accounting at the fund level. All budgets lapse at fiscal year-end. The District maintains a system to measure the uncommitted budget amount available for expenditures at any time during the year. For budgetary purposes, appropriations lapse at June 30, 2021, 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 2020-21 budget was adopted September 20, 2020.

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

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

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

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

Revenues - budgetary basis	\$ 530,881,946
Unbudgeted retirement/OPEB contributions made by the State	113,839,996
Revenues - GAAP basis	<u>\$ 644,721,942</u>
Expenditures - budgetary basis	\$ 493,566,954
Unbudgeted retirement/OPEB contributions made by the State	113,839,996
Expenditures - GAAP basis	<u>\$ 607,406,950</u>

## School District U-46

### Notes to Required Supplementary Information (RSI)

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#### Note 2. Notes to Schedule of Contributions - IMRF

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

**Methods and assumptions used to determine 2020 contribution rate\*:**

Actuarial Cost Method:	Aggregate entry age normal
Amortization Method:	Level percentage of payroll, closed
Remaining Amortization Period:	23-year closed period
Asset Valuation Method:	5-year smoothed market; 20 percent corridor
Wage Growth:	3.25 percent
Price Inflation:	2.50 percent
Salary Increases:	3.35 percent to 14.25 percent, including inflation
Investment Rate of Return:	7.25 percent
Retirement Age:	Experienced-based table of rates that are specific to the type of eligibility condition; last updated for the 2017 valuation pursuant to an experience study of the period 2014 to 2016.
Mortality:	For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table, adjusted to match current IMRF experience. For disabled lives, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (based year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustments that were applied for non-disabled lives. For active members, an IMRF-specific mortality table was used with fully generational projection scale MP-2017 (based year 2015). Employee Mortality Table with adjustments to match current IMRF experience.

**Other Information**

Notes There were no benefit changes during the year.

\* Based on Valuation Assumptions used in the December 31, 2018 actuarial valuation.

## School District U-46

### Notes to Required Supplementary Information (RSI)

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#### Note 3. Notes to Schedule of Contributions - Teachers' Health Insurance Security Fund

Valuation Date	June 30, 2019
Measurement Date	June 30, 2020
Fiscal Year-End	June 30, 2021

*Methods and assumptions used to determine contribution rates:*

Actuarial Cost Method	Entry Age Normal, used to measure the Total OPEB Liability
Contribution Policy	Benefits are financed on a pay-as-you go basis. Contribution rates are defined by statute. For fiscal year-end June 30, 2020, contribution rates are 1.24% of pay for active members, 0.92% of pay for school districts and 1.24% of pay for the State. Retired members contribute a percentage of premium rates. The goal of the policy is to finance current year costs plus a margin for incurred but not paid plan costs.
Asset Valuation Method	Market value
Investment Rate of Return	0%, net of OPEB plan investment expense, including inflation
Inflation	2.50%
Salary Increases	Depends on service and ranges from 9.50% at less than 1 year of service to 4.00% at 20 or more years of service. Salary increase includes a 3.25% wage inflation assumption.
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the June 30, 2018, actuarial valuation.
Mortality	Retirement and Beneficiary Annuitants: RP-2014 White Collar Annuitant Mortality Table. Disabled Annuitants: RP-2014 Disabled Annuitant Table. Pre-Retirement: RP-2014 White Collar Table. All tables reflect future mortality improvements using Projection Scale MP-2017.
Healthcare Cost Trend Rates	Trend for fiscal year 2020 based on expected increases used to develop average costs. For fiscal years on or after 2021, trend starts at 8.25% for non-Medicare costs and Medicare costs and gradually decreases to an ultimate trend of 4.25%. There is no additional trend rate adjustment due to the repeal of the Excise tax.
Aging Factors	Based on the 2013 SOA Study "Health Care Costs – From Birth to Death"
Expenses	Health administrative expenses are included in the development of the per capita claims costs. Operating expenses are included as a component of the Annual OPEB Expense.

**OTHER SUPPLEMENTARY INFORMATION**

School District U-46

Combining Balance Sheet  
General Fund, by Account  
June 30, 2021

	Educational Account	Tort Immunity Account	Operations and Maintenance Account	Working Cash Account	Elimination	Total
<b>Assets</b>						
Cash and investments	\$ 260,001,698	\$ 736,753	\$ 800	\$ 112,584,076	\$ -	\$ 373,323,327
Accrued Interest	-	-	-	77,968	-	77,968
Property taxes receivable, net of allowance	104,788,372	2,730,865	18,804,038	-	-	126,323,275
Grants receivable	15,985,495	-	-	-	-	15,985,495
Accounts receivable	736,913	-	4,822	-	-	741,735
Due from other accounts and funds	1,451,861	-	-	-	(1,451,861)	-
Inventories	28,721	-	-	-	-	28,721
Prepays	943,909	-	-	-	-	943,909
<b>Total assets</b>	<b>\$ 383,936,969</b>	<b>\$ 3,467,618</b>	<b>\$ 18,809,660</b>	<b>\$ 112,662,044</b>	<b>\$ (1,451,861)</b>	<b>\$ 517,424,430</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balance (Deficit)</b>						
Liabilities						
Accounts payable	\$ 15,818,620	\$ 4,840	\$ 6,662,314	\$ -	\$ -	\$ 22,485,774
Accrued payroll	32,204,761	29,068	441,776	-	-	32,675,605
Payroll deductions	250,442	-	-	-	-	250,442
Construction retainage payable	-	-	698,972	-	-	698,972
Due to other accounts and funds	-	-	1,451,861	-	(1,451,861)	-
Unclaimed property	195,753	-	-	-	-	195,753
<b>Total liabilities</b>	<b>48,469,576</b>	<b>33,908</b>	<b>9,254,923</b>	<b>-</b>	<b>(1,451,861)</b>	<b>56,306,546</b>
Deferred inflows of resources						
Unavailable grant revenue	5,577,725	-	-	-	-	5,577,725
Property taxes levied for subsequent years	108,557,921	2,829,103	19,480,475	-	-	130,867,499
<b>Total deferred inflows of resources</b>	<b>114,135,646</b>	<b>2,829,103</b>	<b>19,480,475</b>	<b>-</b>	<b>-</b>	<b>136,445,224</b>
Fund balance (deficit)						
Nonspendable	972,630	-	-	-	-	972,630
Restricted	3,034,993	604,607	-	-	-	3,639,600
Unassigned	217,324,124	-	(9,925,738)	112,662,044	-	320,060,430
<b>Total fund balance (deficit)</b>	<b>221,331,747</b>	<b>604,607</b>	<b>(9,925,738)</b>	<b>112,662,044</b>	<b>-</b>	<b>324,672,660</b>
<b>Total liabilities, deferred inflows of resources and fund balance (deficit)</b>	<b>\$ 383,936,969</b>	<b>\$ 3,467,618</b>	<b>\$ 18,809,660</b>	<b>\$ 112,662,044</b>	<b>\$ (1,451,861)</b>	<b>\$ 517,424,430</b>

School District U-46

Combining Statement of Revenues, Expenditures and Changes in Fund Balance (Deficit)  
 General Fund, by Account  
 Year Ended June 30, 2021

	Educational Account	Tort Immunity Account	Operations and Maintenance Account	Working Cash Account	Elimination	Total
<b>Revenues:</b>						
Property taxes	\$ 213,168,256	\$ 5,661,666	\$ 37,068,610	\$ -	\$ -	\$ 255,898,532
Replacement taxes and payments in lieu of taxes	32,270	-	-	-	-	32,270
Charges for services	4,494,927	-	-	-	-	4,494,927
Earnings on investments	3,541	92	569	741,889	-	746,091
Rentals	254,471	-	107,850	-	-	362,321
Local grants	149,080	-	-	-	-	149,080
Other local sources	464,723	-	2,048,886	-	-	2,513,609
State grants-in-aid	195,054,629	-	17,436,544	-	-	212,491,173
Federal grants-in-aid	54,193,943	-	-	-	-	54,193,943
State on-behalf contributions - TRS and THIS	113,839,996	-	-	-	-	113,839,996
<b>Total revenues</b>	<b>581,655,836</b>	<b>5,661,758</b>	<b>56,662,459</b>	<b>741,889</b>	<b>-</b>	<b>644,721,942</b>
<b>Expenditures:</b>						
<b>Current:</b>						
<b>Instruction:</b>						
Regular programs	153,982,813	-	-	-	-	153,982,813
Special programs	54,702,455	-	-	-	-	54,702,455
Other instructional programs	79,661,533	-	-	-	-	79,661,533
<b>Support services:</b>						
Pupils	37,248,822	-	-	-	-	37,248,822
Instructional staff	15,724,947	-	-	-	-	15,724,947
General administration	9,411,057	458,242	-	-	-	9,869,299
School administration	28,547,316	-	-	-	-	28,547,316
Business	6,348,179	-	-	-	-	6,348,179
Operations and maintenance	1,822,955	-	33,899,184	-	-	35,722,139
Transportation	98,879	-	-	-	-	98,879
Facilities acquisition and construction	-	-	96,435	-	-	96,435
Food service	14,980,780	-	-	-	-	14,980,780
Central	12,682,514	-	-	-	-	12,682,514
Other support	2,278,684	4,202,662	-	-	-	6,481,346
Community services	2,186,643	-	-	-	-	2,186,643
State on-behalf contributions - TRS and THIS	113,839,996	-	-	-	-	113,839,996
<b>Intergovernmental:</b>						
Payments to other governments	9,467,245	-	-	-	-	9,467,245
Capital outlay	1,454,792	-	24,310,817	-	-	25,765,609
<b>Total expenditures</b>	<b>544,439,610</b>	<b>4,660,904</b>	<b>58,306,436</b>	<b>-</b>	<b>-</b>	<b>607,406,950</b>
Excess (deficiency) of revenues over (under) expenditures	37,216,226	1,000,854	(1,643,977)	741,889	-	37,314,992
<b>Other financing sources (uses):</b>						
Proceeds from sale of capital assets	-	-	31,211	-	-	31,211
Transfer in	-	-	800,000	-	(800,000)	-
Transfer out	(9,605,212)	-	(760,478)	(800,000)	800,000	(10,365,690)
<b>Total other financing sources (uses)</b>	<b>(9,605,212)</b>	<b>-</b>	<b>70,733</b>	<b>(800,000)</b>	<b>-</b>	<b>(10,334,479)</b>
<b>Net change in fund balance (deficit)</b>	<b>27,611,014</b>	<b>1,000,854</b>	<b>(1,573,244)</b>	<b>(58,111)</b>	<b>-</b>	<b>26,980,513</b>
<b>Fund balance (deficit):</b>						
Beginning of year, as restated	193,720,733	(396,247)	(8,352,494)	112,720,155	-	297,692,147
End of year	\$ 221,331,747	\$ 604,607	\$ (9,925,738)	\$ 112,662,044	\$ -	\$ 324,672,660

School District U-46

**Schedule of Revenues, Expenditures and Changes in Fund Balance -  
Budget and Actual  
General Fund - Educational Account - Budgetary Basis  
Year Ended June 30, 2021**

	Original and Final Budget	Actual	Variance
Revenues:			
Property taxes	\$ 216,561,539	\$ 213,168,256	\$ (3,393,283)
Replacement taxes and payments in lieu of taxes	200,000	32,270	(167,730)
Charges for services	11,519,000	4,494,927	(7,024,073)
Earnings on investments	50,000	3,541	(46,459)
Rentals	-	254,471	254,471
Local grants	-	149,080	149,080
Other local sources	250,000	464,723	214,723
State grants-in-aid	189,024,331	195,054,629	6,030,298
Federal grants-in-aid	44,354,421	54,193,943	9,839,522
<b>Total revenues</b>	<b>461,959,291</b>	<b>467,815,840</b>	<b>5,856,549</b>
Expenditures:			
Current:			
Instruction:			
Regular programs	173,334,430	153,982,813	19,351,617
Special programs	52,484,311	54,702,455	(2,218,144)
Other instructional programs	70,175,512	79,661,533	(9,486,021)
Support services:			
Pupils	38,003,555	37,248,822	754,733
Instructional staff	16,253,045	15,724,947	528,098
General administration	9,665,520	9,411,057	254,463
School administration	29,801,687	28,547,316	1,254,371
Business	5,221,431	6,348,179	(1,126,748)
Operations and maintenance	3,061,496	1,822,955	1,238,541
Transportation	1,683,100	98,879	1,584,221
Food service	16,492,716	14,980,780	1,511,936
Central	17,080,396	12,682,514	4,397,882
Other support	2,077,841	2,278,684	(200,843)
Community services	1,710,866	2,186,643	(475,777)
Intergovernmental:			
Payments to other governments	10,851,097	9,467,245	1,383,852
Capital outlay	853,238	1,454,792	(601,554)
<b>Total expenditures</b>	<b>448,750,241</b>	<b>430,599,614</b>	<b>18,150,627</b>
Excess of revenues over expenditures	13,209,050	37,216,226	24,007,176
Other financing uses:			
Transfer out	(9,605,212)	(9,605,212)	-
<b>Total other financing uses</b>	<b>(9,605,212)</b>	<b>(9,605,212)</b>	<b>-</b>
<b>Net change in fund balance</b>	<b>\$ 3,603,838</b>	<b>27,611,014</b>	<b>\$ 24,007,176</b>
Fund balance:			
Beginning of year, as restated		193,720,733	
End of year		<u>\$ 221,331,747</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, 2021**

	Original and Final Budget	Actual	Variance
Revenues:			
Property taxes	\$ 6,105,644	\$ 5,661,666	\$ (443,978)
Earnings on investments	2,500	92	(2,408)
<b>Total revenues</b>	<u>6,108,144</u>	<u>5,661,758</u>	<u>(446,386)</u>
Expenditures:			
Current:			
Support services:			
General administration	479,308	458,242	21,066
Central	4,481,431	4,202,662	278,769
<b>Total expenditures</b>	<u>4,960,739</u>	<u>4,660,904</u>	<u>299,835</u>
<b>Net change in fund balance</b>	<u>\$ 1,147,405</u>	1,000,854	<u>\$ (146,551)</u>
Fund (deficit) balance:			
Beginning of year		<u>(396,247)</u>	
End of year		<u>\$ 604,607</u>	

Schedule of Tort Expenditures by Object

Workers' compensation or workers' occupation disease acts payments	\$ 2,371,008
Insurance payments (regular or self-insurance)	706,494
Educational, inspectional, supervisory services related to loss prevention or reduction	1,542,685
Legal service	<u>40,717</u>
<b>Total tort expenditures</b>	<u>\$ 4,660,904</u>

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

School District U-46

Schedule of Revenues, Expenditures and Changes in Fund Balance -  
 Budget and Actual  
 General Fund - Operations and Maintenance Account  
 Year Ended June 30, 2021

	Original and Final Budget	Actual	Variance
Revenues:			
Property taxes	\$ 36,054,567	\$ 37,068,610	\$ 1,014,043
Earnings on investments	10,000	569	(9,431)
Rentals	750,000	107,850	(642,150)
Other local sources	1,595,954	2,048,886	452,932
State grants-in-aid	17,500,000	17,436,544	(63,456)
<b>Total revenues</b>	<u>55,910,521</u>	<u>56,662,459</u>	<u>751,938</u>
Expenditures:			
Current:			
Support services:			
Operations and maintenance	35,647,132	33,899,184	1,747,948
Facilities acquisition and construction	200,000	96,435	103,565
Capital outlay	20,325,000	24,310,817	(3,985,817)
<b>Total expenditures</b>	<u>56,172,132</u>	<u>58,306,436</u>	<u>(2,134,304)</u>
Deficiency of revenues under expenditures	<u>(261,611)</u>	<u>(1,643,977)</u>	<u>(1,382,366)</u>
Other financing sources (uses):			
Proceeds from sale of capital assets	-	31,211	31,211
Transfer in	1,000,000	800,000	(200,000)
Transfer out	(760,503)	(760,478)	25
<b>Total other financing sources (uses)</b>	<u>239,497</u>	<u>70,733</u>	<u>(168,764)</u>
<b>Net change in fund balance</b>	<u>\$ (22,114)</u>	<u>(1,573,244)</u>	<u>\$ (1,551,130)</u>
Fund deficit:			
Beginning of year		<u>(8,352,494)</u>	
End of year		<u>\$ (9,925,738)</u>	

School District U-46

Schedule of Revenues, Expenditures and Changes in Fund Balance -  
 Budget and Actual  
 General Fund - Working Cash Account  
 Year Ended June 30, 2021

	Original and Final Budget	Actual	Variance
Revenues:			
Earnings on investments	\$ 1,000,000	\$ 741,889	\$ (258,111)
Other financing uses:			
Transfer out	<u>(1,000,000)</u>	<u>(800,000)</u>	<u>200,000</u>
<b>Net change in fund balance</b>	<b><u><u>\$ -</u></u></b>	<b><u><u>(58,111)</u></u></b>	<b><u><u>\$ (58,111)</u></u></b>
Fund balance:			
Beginning of year		<u>112,720,155</u>	
End of year		<b><u><u>\$ 112,662,044</u></u></b>	

## **DEBT SERVICE FUND**

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

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

**School District U-46**

**Schedule of Revenues, Expenditures and Changes in Fund Balance -  
Budget and Actual  
Debt Service Fund  
Year Ended June 30, 2021**

	Original and Final Budget	Actual	Variance
<b>Revenues:</b>			
Property taxes	\$ 32,469,788	\$ 33,056,922	\$ 587,134
Earnings on investments	10,000	522	(9,478)
<b>Total revenues</b>	<u>32,479,788</u>	<u>33,057,444</u>	<u>577,656</u>
<b>Expenditures:</b>			
Debt service			
Principal	16,376,274	16,376,277	(3)
Interest and fees	26,491,696	26,491,669	27
<b>Total expenditures</b>	<u>42,867,970</u>	<u>42,867,946</u>	<u>24</u>
Deficiency of revenues under expenditures	(10,388,182)	(9,810,502)	577,680
<b>Other financing sources:</b>			
Transfer in	<u>10,365,715</u>	<u>10,365,690</u>	<u>(25)</u>
<b>Net change in fund balance</b>	<u>\$ (22,467)</u>	<u>555,188</u>	<u>\$ 577,655</u>
<b>Fund balance:</b>			
Beginning of year		<u>32,625,408</u>	
End of year		<u>\$ 33,180,596</u>	

## **NONMAJOR GOVERNMENTAL FUNDS**

### **SPECIAL REVENUE FUND**

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

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

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

### **CAPITAL PROJECTS FUNDS**

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

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

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

School District U-46

Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2021

	Special Revenue Funds		Capital Projects Funds		Total Nonmajor Governmental Funds
	Transportation Fund	Municipal Retirement/ Social Security Fund	Capital Projects Fund	Fire Prevention and Safety Fund	
<b>Assets</b>					
Cash	\$ 24,058,694	\$ 4,668,002	\$ 5,153,521	\$ 6,708,278	\$ 40,588,495
Property taxes receivable, net of allowance	4,524,561	6,217,902	-	2,311,372	13,053,835
Replacement taxes receivable	-	1,054,020	-	-	1,054,020
Grants receivable	16,870,754	-	-	-	16,870,754
Accounts receivable	-	-	60,318	-	60,318
<b>Total assets</b>	<b>\$ 45,454,009</b>	<b>\$ 11,939,924</b>	<b>\$ 5,213,839</b>	<b>\$ 9,019,650</b>	<b>\$ 71,627,422</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>					
Liabilities					
Accounts payable	\$ 43,047	\$ -	\$ 898,370	\$ 602,169	\$ 1,543,586
Accrued payroll	334,297	-	-	-	334,297
Payroll deductions	-	1,361,503	-	-	1,361,503
Construction retainage payable	-	-	89,606	48,160	137,766
Unclaimed property	-	-	90,754	-	90,754
<b>Total liabilities</b>	<b>377,344</b>	<b>1,361,503</b>	<b>1,078,730</b>	<b>650,329</b>	<b>3,467,906</b>
Deferred inflows of resources					
Property taxes levied for subsequent years	4,687,323	6,441,578	-	2,394,519	13,523,420
Unavailable grant revenue	12,832,156	-	-	-	12,832,156
<b>Total deferred inflows of resources</b>	<b>17,519,479</b>	<b>6,441,578</b>	<b>-</b>	<b>2,394,519</b>	<b>26,355,576</b>
Fund balances					
Assigned	6,512,030	-	-	-	6,512,030
Restricted	21,045,156	4,136,843	4,135,109	5,974,802	35,291,910
<b>Total fund balances</b>	<b>27,557,186</b>	<b>4,136,843</b>	<b>4,135,109</b>	<b>5,974,802</b>	<b>41,803,940</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 45,454,009</b>	<b>\$ 11,939,924</b>	<b>\$ 5,213,839</b>	<b>\$ 9,019,650</b>	<b>\$ 71,627,422</b>

School District U-46

Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
 Nonmajor Governmental Funds  
 Year Ended June 30, 2021

	Special Revenue Funds		Capital Projects Funds		Total Nonmajor Governmental Funds
	Transportation Fund	Municipal Retirement/ Social Security Fund	Capital Projects Fund	Fire Prevention and Safety Fund	
Revenues:					
Property taxes	\$ 10,628,778	\$ 13,008,415	\$ -	\$ 4,711,120	\$ 28,348,313
Replacement taxes	-	5,634,092	-	-	5,634,092
Charges for services	98,325	-	-	-	98,325
Earnings on investments	189	245	-	72	506
Other local sources	1,872	-	499,371	-	501,243
State grants-in-aid	16,262,086	-	-	-	16,262,086
<b>Total revenues</b>	<b>26,991,250</b>	<b>18,642,752</b>	<b>499,371</b>	<b>4,711,192</b>	<b>50,844,565</b>
Expenditures:					
Current:					
Instruction:					
Regular programs	-	1,581,610	-	-	1,581,610
Special programs	-	2,824,202	-	-	2,824,202
Other instructional programs	-	1,183,089	-	-	1,183,089
Support services:					
Pupils	-	1,422,101	-	-	1,422,101
Instructional staff	-	518,904	-	-	518,904
General administration	-	484,092	-	-	484,092
School administration	-	1,420,513	-	-	1,420,513
Business	-	530,316	-	-	530,316
Operations and maintenance	-	2,258,781	-	-	2,258,781
Transportation	20,175,269	2,771,793	-	-	22,947,062
Food service	-	163,981	-	-	163,981
Central	-	999,134	-	-	999,134
Other support	-	74,057	-	-	74,057
Community services	-	159,904	-	-	159,904
Capital outlay	59,497	-	1,352,972	2,115,907	3,528,376
<b>Total expenditures</b>	<b>20,234,766</b>	<b>16,392,477</b>	<b>1,352,972</b>	<b>2,115,907</b>	<b>40,096,122</b>
<b>Net change in fund balances</b>	<b>6,756,484</b>	<b>2,250,275</b>	<b>(853,601)</b>	<b>2,595,285</b>	<b>10,748,443</b>
Fund balances:					
Beginning of year	20,800,702	1,886,568	4,988,710	3,379,517	31,055,497
End of year	\$ 27,557,186	\$ 4,136,843	\$ 4,135,109	\$ 5,974,802	\$ 41,803,940

School District U-46

Schedule of Revenues, Expenditures and Changes in Fund Balance -  
 Budget and Actual  
 Transportation Fund  
 Year Ended June 30, 2021

	Original and Final Budget	Actual	Variance
Revenues:			
Property taxes	\$ 9,725,726	\$ 10,628,778	\$ 903,052
Charges for services	1,200,000	98,325	(1,101,675)
Earnings on investments	5,000	189	(4,811)
Other local sources	-	1,872	1,872
State grants-in-aid	12,532,995	16,262,086	3,729,091
<b>Total revenues</b>	<u>23,463,721</u>	<u>26,991,250</u>	<u>3,527,529</u>
Expenditures:			
Current:			
Support services:			
Transportation	25,064,201	20,175,269	4,888,932
Capital outlay	-	59,497	(59,497)
<b>Total expenditures</b>	<u>25,064,201</u>	<u>20,234,766</u>	<u>4,829,435</u>
<b>Net change in fund balance</b>	<u>\$ (1,600,480)</u>	6,756,484	<u>\$ 8,356,964</u>
Fund balance:			
Beginning of year		<u>20,800,702</u>	
End of year		<u>\$ 27,557,186</u>	

School District U-46

Schedule of Revenues, Expenditures and Changes in Fund Balance -  
 Budget and Actual  
 Municipal Retirement/Social Security Fund  
 Year Ended June 30, 2021

	Original and Final Budget	Actual	Variance
Revenues:			
Property taxes	\$ 13,457,602	\$ 13,008,415	\$ (449,187)
Replacement taxes	3,000,000	5,634,092	2,634,092
Earnings on investments	4,000	245	(3,755)
<b>Total revenues</b>	<u>16,461,602</u>	<u>18,642,752</u>	<u>2,181,150</u>
Expenditures:			
Current:			
Instruction:			
Regular programs	2,919,051	1,581,610	1,337,441
Special programs	2,159,686	2,824,202	(664,516)
Other instructional programs	745,303	1,183,089	(437,786)
Support services:			
Pupils	1,317,525	1,422,101	(104,576)
Instructional staff	437,566	518,904	(81,338)
General administration	495,218	484,092	11,126
School administration	1,401,345	1,420,513	(19,168)
Business	537,984	530,316	7,668
Operations and maintenance	2,109,509	2,258,781	(149,272)
Transportation	3,280,313	2,771,793	508,520
Food service	176,152	163,981	12,171
Central	1,013,187	999,134	14,053
Other support	20	74,057	(74,037)
Community services	5,495	159,904	(154,409)
<b>Total expenditures</b>	<u>16,598,354</u>	<u>16,392,477</u>	<u>205,877</u>
<b>Net change in fund balance</b>	<u>\$ (136,752)</u>	2,250,275	<u>\$ 2,387,027</u>
Fund balance:			
Beginning of year		<u>1,886,568</u>	
End of year		<u>\$ 4,136,843</u>	

**School District U-46**

**Schedule of Revenues, Expenditures and Changes in Fund Balance -  
Budget and Actual  
Capital Projects Fund  
Year Ended June 30, 2021**

	Original and Final Budget	Actual	Variance
<b>Revenues:</b>			
Other local sources	\$ 300,000	\$ 499,371	\$ 199,371
<b>Total revenues</b>	<u>300,000</u>	<u>499,371</u>	<u>199,371</u>
<b>Expenditures:</b>			
Capital outlay	300,000	1,352,972	(1,052,972)
<b>Total expenditures</b>	<u>300,000</u>	<u>1,352,972</u>	<u>(1,052,972)</u>
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>(853,601)</u>	<u>\$ (853,601)</u>
<b>Fund balance:</b>			
Beginning of year		<u>4,988,710</u>	
End of year		<u>\$ 4,135,109</u>	

**School District U-46**

**Schedule of Revenues, Expenditures and Changes in Fund Balance -  
Budget and Actual  
Fire Prevention and Safety Fund  
Year Ended June 30, 2021**

	Original and Final Budget	Actual	Variance
Revenues:			
Property taxes	\$ 4,746,850	\$ 4,711,120	\$ (35,730)
Earnings on investments	1,000	72	(928)
<b>Total revenues</b>	<u>4,747,850</u>	<u>4,711,192</u>	<u>(36,658)</u>
Expenditures:			
Capital outlay	4,750,000	2,115,907	2,634,093
<b>Total expenditures</b>	<u>4,750,000</u>	<u>2,115,907</u>	<u>2,634,093</u>
<b>Net change in fund balance</b>	<u>\$ (2,150)</u>	2,595,285	<u>\$ 2,597,435</u>
Fund balance:			
Beginning of year		<u>3,379,517</u>	
End of year		<u>\$ 5,974,802</u>	

## **STUDENT ACTIVITY ACCOUNTS**

Student activity accounts are resources in the control of the District to be used for student related activities. These resources are generated by specific fees for the activities and the District has rules in place that dictate how the resources may be spent. These accounts are considered part of the activity of the District's General Fund and the total year-end balances and activity by school summarized on the following pages are included in the General Fund's balance sheet and statement of revenues, expenditures, and changes in fund balance.

**School District U-46**

**Schedule of Changes in Student Activity Accounts  
June 30, 2021**

	Balance at July 1, 2020	Additions	Deletions	Balance at June 30, 2021
<b>High Schools</b>				
Bartlett	\$ 435,942	\$ 349,444	\$ 429,923	\$ 355,463
Dream Academy	20,255	572	2,268	18,559
Elgin	460,905	287,392	342,535	405,762
Larkin	576,492	277,682	436,357	417,817
South Elgin	557,536	390,461	469,106	478,891
Streamwood	492,325	290,705	342,899	440,131
<b>Total High Schools</b>	<b>2,543,455</b>	<b>1,596,256</b>	<b>2,023,088</b>	<b>2,116,623</b>
<b>Middle Schools</b>				
Abbott	32,372	13,369	11,404	34,337
Canton	27,867	13,346	12,801	28,412
Eastview	101,948	18,241	18,554	101,635
Ellis	22,387	9,228	6,990	24,625
Kenyon Woods	97,294	13,151	17,228	93,217
Kimball	37,533	12,113	9,202	40,444
Larsen	39,728	10,796	10,951	39,573
Tefft	39,642	20,208	16,321	43,529
<b>Total Middle Schools</b>	<b>398,771</b>	<b>110,452</b>	<b>103,451</b>	<b>405,772</b>
<b>Elementary Schools</b>				
Bartlett	9,217	1,055	1,252	9,020
Centennial	30,589	2,880	2,637	30,832
Century Oaks	12,133	2,241	4,600	9,774
Channing	4,907	1,800	1,788	4,919
Clinton	6,569	2,222	2,402	6,389
Coleman	7,938	4,918	4,882	7,974
Creekside	19,036	6,782	16,103	9,715
Fox Meadow	14,986	2,276	3,777	13,485
Garfield	8,452	451	1,675	7,228
Glenbrook	12,763	3,515	5,989	10,289
Hanover Countryside	12,423	6,437	2,856	16,004
Harriet Gifford	31,126	3,274	14,777	19,623
Hawk Hollow	9,089	1,699	3,752	7,036
Heritage	9,349	4,666	4,048	9,967
Highland	10,753	865	2,969	8,649
Hillcrest	3,070	1,362	1,079	3,353
Hilltop	41,099	4,136	5,735	39,500

(Continued)

**School District U-46**

**Schedule of Changes in Student Activity Accounts  
June 30, 2021**

	Balance at July 1, 2020	Additions	Deletions	Balance at June 30, 2021
<b>Elementary Schools (Continued)</b>				
Horizon	\$ 32,536	\$ 4,174	\$ 7,136	\$ 29,574
Huff	26,132	1,045	8,970	18,207
Illinois Park	724	-	363	361
Independence	8,597	5,377	2,130	11,844
Laurel Hill	11,492	1,478	4,136	8,834
Liberty	6,336	2,144	6,448	2,032
Lincoln	5,924	244	(50)	6,218
Lords Park	17,824	2,659	6,358	14,125
Lowrie	7,765	1,326	3,737	5,354
McKinley	18,769	1,196	1,341	18,624
Nature Ridge	4,227	2,137	2,554	3,810
Oakhill	5,618	2,628	6,482	1,764
Ontarioville	9,551	2,734	6,719	5,566
Otter Creek	6,656	1,802	1,085	7,373
Parkwood	12,310	7,943	13,111	7,142
Prairieview	29,562	1,823	3,949	27,436
Ridge Circle	8,861	2,176	2,953	8,084
Ronald D. O'Neal	7,138	4,247	4,470	6,915
Spring Trail	6,428	2,035	2,757	5,706
Sunnydale	8,509	1,099	2,740	6,868
Sycamore Trails	58,465	3,765	12,919	49,311
Timber Trails	11,174	756	987	10,943
Washington	13,468	511	3,737	10,242
Wayne	8,718	822	1,533	8,007
Willard	8,269	1,460	3,741	5,988
<b>Total Elementary Schools</b>	<b>578,552</b>	<b>106,160</b>	<b>190,627</b>	<b>494,085</b>
<b>Other</b>				
SWEP	17,275	8,084	7,563	17,796
Central School Programs	869	520	672	717
<b>Total Other</b>	<b>18,144</b>	<b>8,604</b>	<b>8,235</b>	<b>18,513</b>
<b>Total Student Activity Accounts</b>	<b>\$ 3,538,922</b>	<b>\$ 1,821,472</b>	<b>\$ 2,325,401</b>	<b>\$ 3,034,993</b>

School District U-46

Schedule of Bonded Debt and Annual Interest Requirements  
Year Ended June 30, 2021

	Total	2022	2023	2024	2025	2026	Thereafter
March 2003B Issue							
Principal	\$ 20,622,389	\$ 10,591,479	\$ 10,030,910	\$ -	\$ -	\$ -	\$ -
Interest	36,432,611	17,958,521	18,474,090	-	-	-	-
	<u>57,055,000</u>	<u>28,550,000</u>	<u>28,505,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
September 2009 Issue							
Principal	2,885,000	1,405,000	1,480,000	-	-	-	-
Interest	203,450	136,850	66,600	-	-	-	-
	<u>3,088,450</u>	<u>1,541,850</u>	<u>1,546,600</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
March 2011A Issue							
Principal	1,515,000	1,515,000	-	-	-	-	-
Interest	90,900	90,900	-	-	-	-	-
	<u>1,605,900</u>	<u>1,605,900</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
March 2012B Issue							
Principal	20,770,000	2,065,000	3,745,000	5,460,000	5,705,000	3,795,000	-
Interest	3,037,525	924,325	841,725	673,200	427,500	170,775	-
	<u>23,807,525</u>	<u>2,989,325</u>	<u>4,586,725</u>	<u>6,133,200</u>	<u>6,132,500</u>	<u>3,965,775</u>	<u>-</u>
February 2015A Issue							
Principal	44,310,000	-	-	-	-	-	44,310,000
Interest	22,171,750	2,215,500	2,215,500	2,215,500	2,215,500	2,215,500	11,094,250
	<u>66,481,750</u>	<u>2,215,500</u>	<u>2,215,500</u>	<u>2,215,500</u>	<u>2,215,500</u>	<u>2,215,500</u>	<u>55,404,250</u>
February 2015B Issue							
Principal	10,780,000	-	-	-	-	2,170,000	8,610,000
Interest	2,480,690	411,063	411,063	411,063	411,063	411,063	425,375
	<u>13,260,690</u>	<u>411,063</u>	<u>411,063</u>	<u>411,063</u>	<u>411,063</u>	<u>2,581,063</u>	<u>9,035,375</u>
February 2015D Issue							
Principal	101,575,000	-	-	6,480,000	6,695,000	7,030,000	81,370,000
Interest	45,743,450	4,969,150	4,969,150	4,969,150	4,754,750	4,420,000	21,661,250
	<u>147,318,450</u>	<u>4,969,150</u>	<u>4,969,150</u>	<u>11,449,150</u>	<u>11,449,750</u>	<u>11,450,000</u>	<u>103,031,250</u>
Total All Issues:							
Principal	202,457,389	15,576,479	15,255,910	11,940,000	12,400,000	12,995,000	134,290,000
Interest	110,160,376	26,706,309	26,978,128	8,268,913	7,808,813	7,217,338	33,180,875
	<u>\$ 312,617,765</u>	<u>\$ 42,282,788</u>	<u>\$ 42,234,038</u>	<u>\$ 20,208,913</u>	<u>\$ 20,208,813</u>	<u>\$ 20,212,338</u>	<u>\$ 167,470,875</u>

## STATISTICAL SECTION

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

### **Financial Trends**

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

### **Revenue Capacity**

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

### **Debt Capacity**

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

### **Demographic and Economic Information**

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

### **Operating Information**

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

#### *Sources:*

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

**School District U-46**

**Net Position (Deficit) by Component  
Last Ten Fiscal Years**

	2012	2013 <sup>1</sup>	2014 <sup>2</sup>	2015	2016	2017 <sup>3</sup>	2018	2019	2020	2021 <sup>4</sup>
<b>Governmental Activities</b>										
Net investment in capital assets	\$ 115,440,308	\$ 141,336,967	\$ 158,733,858	\$ 119,555,624	\$ 143,066,834	\$ 162,058,302	\$ 188,622,845	\$ 219,110,563	\$ 270,921,253	\$ 293,017,860
Restricted	81,367,132	21,712,904	26,376,025	3,403,730	1,582,926	3,415,400	9,900,299	17,086,610	22,757,096	34,190,060
Unrestricted	(83,366,008)	(29,804,469)	(88,630,189)	(16,236,147)	13,982,977	(226,048,083)	(218,599,011)	(188,976,589)	(165,855,700)	(118,534,702)
Total Government Activities										
Net Position (Deficit)	\$ 113,441,432	\$ 133,245,402	\$ 96,479,694	\$ 106,723,207	\$ 158,632,737	\$ (60,574,381)	\$ (20,075,867)	\$ 47,220,584	\$ 127,822,649	\$ 208,673,218

Source: Annual Financial Statements 2012-2021.

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

<sup>2</sup> Effective July 1, 2014, the District adopted provisions of Governmental Accounting Standards Board Statement No. 68 (GASB 68), Accounting and Financial Reporting for Pensions. Pursuant to GASB 68 the District recognized their long-term pension obligations and retrospectively restated the Net Position of the Governmental Activities for the year 2014. For the year 2013 and prior, the Net Position has not been restated for purposes related to GASB 68 and is shown as originally reported or restated as a result of a past GASB implementation.

<sup>3</sup> Effective July 1, 2017, the District adopted provisions of Governmental Accounting Standards Board Statement No. 75 (GASB 75), Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. Pursuant to GASB 75 the District recognized their long-term obligations for other post employment benefits and retrospectively restated the Net Position of the Governmental Activities for the year 2017. For the year 2016 and prior, the Net Position has not been restated for purposes related to GASB 75 and is shown as originally reported or restated as a result of a past GASB implementation.

<sup>4</sup> Effective July 1, 2020, the District adopted provisions of Governmental Accounting Standards Board Statement No. 84 (GASB 84), Fiduciary Activities. Pursuant to GASB 84, the District recognized additional funds as part of governmental activities. Prior to the adoption of GASB 84, these funds had been considered Agency Funds and reported as Fiduciary Funds in the District's financial statements. For the year 2020 and prior, the Net Position has not been restated for purposes related to GASB 84 and is shown as originally reported or restated as a result of a past GASB implementation.

**School District U-46**

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

	2012	2013	2014	2015
<b>Expenses</b>				
Instruction:				
Regular programs	\$ 152,872,982	\$ 159,832,952	\$ 166,693,993	\$ 179,329,755
Special programs	44,739,728	45,013,457	47,004,205	51,357,285
Other instructional programs	50,529,484	53,371,025	56,641,884	64,182,882
Support services:				
Pupils	33,039,723	34,560,394	32,493,352	36,396,881
Instructional staff	14,662,297	15,818,248	17,146,414	19,619,071
General administration	21,364,385	19,146,851	22,364,803	20,838,375
School administration	26,796,191	27,992,117	28,737,936	30,764,990
Business	30,533,039	32,515,833	35,461,199	36,554,226
Operations and maintenance	-	-	-	-
Transportation	30,391,920	31,579,650	34,307,231	37,497,103
Facilities acquisition and construction	1,068,238	1,020,435	1,325,382	3,643,244
Food service	19,112,487	18,987,979	19,253,272	18,393,024
Central	13,012,548	14,274,661	16,669,932	17,035,282
Other support	1,551,123	1,753,291	1,576,585	460,712
Community services	3,848,600	4,166,826	3,992,913	4,303,234
State on-behalf payments	-	-	-	-
Debt service-interest and fees	21,160,999	21,603,612	19,913,329	47,648,191
<b>Total Expenses</b>	<b>464,683,744</b>	<b>481,637,331</b>	<b>503,582,430</b>	<b>568,024,255</b>
<b>Program Revenues</b>				
Charges for services:				
Instruction:				
Regular programs	3,975,846	4,306,692	2,374,713	2,740,137
Special programs	61,891	96	40,129	27,305
Other instructional programs	992,260	671,584	3,160,349	2,602,409
Support services:				
Business	1,250,793	603,076	1,061,033	-
Transportation	1,337,334	1,894,652	1,654,326	1,455,864
Food service	4,503,273	3,853,180	3,828,751	3,278,823
Operating grants and contributions	122,517,107	135,611,514	144,377,500	175,270,234
Capital grants and contributions	181,534	287,448	452,706	820,530
<b>Total Program Revenues</b>	<b>134,820,038</b>	<b>147,228,242</b>	<b>156,949,507</b>	<b>186,195,302</b>
<b>Net (Expense) Revenue</b>	<b>\$ (329,863,706)</b>	<b>\$ (334,409,089)</b>	<b>\$ (346,632,923)</b>	<b>\$ (381,828,953)</b>

See related notes on page 87.

2016	2017	2018	2019	2020	2021
\$ 203,137,860	\$ 228,013,812	\$ 164,139,239	\$ 150,525,965	\$ 159,523,555	\$ 167,627,992
57,737,468	65,998,471	52,159,551	52,195,581	59,861,128	62,657,332
87,016,438	104,755,592	72,641,845	72,352,495	75,723,499	87,042,707
40,501,388	46,601,131	38,768,141	39,501,953	41,572,446	40,482,492
17,345,435	18,460,720	16,050,602	17,418,458	18,920,152	16,913,448
15,930,930	16,990,192	15,958,730	15,940,143	18,148,152	10,800,910
29,482,482	32,634,709	28,353,074	28,536,385	31,882,138	32,447,609
5,018,491	4,646,020	4,866,686	5,124,216	5,766,295	6,951,536
29,996,953	30,376,085	33,331,248	39,187,287	38,850,073	38,369,411
31,357,962	30,287,605	33,111,957	30,322,006	28,900,682	23,225,057
2,061,193	1,857,521	1,172,201	551,748	603,941	91,267
16,329,585	16,797,450	17,557,209	15,130,980	17,429,534	15,287,236
13,186,379	13,075,487	14,115,899	23,620,618	15,043,573	13,818,689
787,174	1,440,556	2,206,497	2,099,120	2,306,935	6,200,186
4,407,964	4,624,227	3,784,264	3,401,570	3,447,026	2,372,729
-	-	175,531,224	168,836,248	198,339,607	217,500,750
16,758,074	15,369,249	14,131,444	12,808,157	11,548,756	10,869,264
571,055,776	631,928,827	687,879,811	677,552,930	727,867,492	752,658,615
2,727,584	5,190,125	4,992,240	5,082,996	4,750,338	2,351,944
40,600	39,106	-	-	-	-
3,255,960	889,942	610,437	1,198,123	949,299	2,127,610
-	-	-	-	-	-
2,355,249	1,439,237	1,240,389	1,023,313	1,166,393	98,325
3,734,037	3,528,555	3,572,207	3,631,095	2,520,934	15,373
189,171,948	226,471,760	246,855,405	237,345,896	276,156,667	301,241,901
306,943	409,674	977,224	392,888	1,495,917	499,371
201,592,321	237,968,399	258,247,902	248,674,311	287,039,548	306,334,524
\$ (369,463,455)	\$ (393,960,428)	\$ (429,631,909)	\$ (428,878,619)	\$ (440,827,944)	\$ (446,324,091)

(Continued)

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

	2012	2013	2014	2015
<b>General Revenues</b>				
Taxes:				
Property taxes, general purposes	\$ 248,081,083	\$ 246,568,726	\$ 250,205,536	\$ 250,658,393
Property taxes, debt service	41,611,064	42,783,761	43,226,909	42,283,872
Replacement taxes and other payment in lieu of taxes	4,654,710	3,774,777	3,799,318	4,107,409
Unrestricted state grants	66,160,166	59,961,675	84,499,884	92,992,560
Interest and investment earnings	319,526	-	240,423	63,897
Other general revenues	998,407	1,079,624	992,931	1,966,335
Total General Revenues	<u>361,824,956</u>	<u>354,168,563</u>	<u>382,965,001</u>	<u>392,072,466</u>
<b>Change in Net Position</b>	<u>\$ 31,961,250</u>	<u>\$ 19,759,474</u>	<u>\$ 36,332,078</u>	<u>\$ 10,243,513</u>

Source: Annual Financial Statements 2012-2021.

Notes: Beginning in fiscal year 2011, payments to other governments and State on-behalf payments were allocated between instruction and support service expenses and shown accordingly. In fiscal year 2018, State on-behalf payments were reported separately again to more clearly present the change in expenses due to outside factors. Beginning in fiscal year 2016, Operations and Maintenance expense was reported on its own row, whereas fiscal years 2015 and prior were included in Business expense.

2016	2017	2018	2019	2020	2021
\$ 259,485,732	\$ 260,999,080	\$ 264,219,826	\$ 269,745,840	\$ 277,298,923	\$ 284,246,845
42,089,518	39,920,250	38,758,711	35,726,726	32,997,333	33,056,922
3,317,225	4,395,273	3,769,443	3,942,629	4,234,667	5,666,362
115,242,487	120,158,178	157,137,958	177,917,028	197,899,007	197,009,477
426,318	1,628,143	4,411,435	6,455,852	6,396,483	747,119
811,705	3,734,702	1,833,050	2,386,995	2,603,596	2,909,013
421,372,985	430,835,626	470,130,423	496,175,070	521,430,009	523,635,738
\$ 51,909,530	\$ 36,875,198	\$ 40,498,514	\$ 67,296,451	\$ 80,602,065	\$ 77,311,647

School District U-46

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

	2012	2013	2014	2015	2016**	2017	2018	2019	2020	2021
<b>General Fund</b>										
Nonspendable	\$ 2,378,365	\$ 1,014,489	\$ 790,187	\$ 856,536	\$ 1,068,571	\$ 4,015,786	\$ 3,085,115	\$ 2,047,649	\$ 5,616,411	\$ 972,630
Restricted	108,539,319	297,756	3,330,253	914,855	601,756	211,138	-	964,343	-	3,639,600
Unassigned	34,017,658	145,661,663	159,674,454	203,035,498	212,605,175	219,325,243	249,531,533	276,339,570	288,536,814	320,060,430
<b>Total General Fund</b>	<b>\$ 144,935,342</b>	<b>\$ 146,973,908</b>	<b>\$ 163,794,894</b>	<b>\$ 204,806,889</b>	<b>\$ 214,275,502</b>	<b>\$ 223,552,167</b>	<b>\$ 252,616,648</b>	<b>\$ 279,351,562</b>	<b>\$ 294,153,225</b>	<b>\$ 324,672,660</b>
<b>All Other Governmental Funds</b>										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,128	\$ -	\$ -	\$ -
Assigned	-	-	-	-	-	-	4,220,543	5,243,912	6,411,833	6,512,030
Restricted	29,864,415	28,880,048	28,017,606	29,088,709	28,909,949	31,594,117	39,157,824	50,416,219	57,269,072	68,472,506
Unassigned	(21,072,002)	(17,227,592)	(16,571,098)	(11,437,340)	(8,025,505)	(658,511)	-	-	-	-
<b>Total all other governmental funds</b>	<b>\$ 8,792,413</b>	<b>\$ 11,652,456</b>	<b>\$ 11,446,508</b>	<b>\$ 17,651,369</b>	<b>\$ 20,884,444</b>	<b>\$ 30,935,606</b>	<b>\$ 43,398,495</b>	<b>\$ 55,660,131</b>	<b>\$ 63,680,905</b>	<b>\$ 74,984,536</b>

Source: Annual Financial Statements 2012-2021.

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

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**School District U-46**

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

	2012	2013	2014	2015
<b>Revenues</b>				
Local sources:				
Property taxes	\$ 289,692,147	\$ 289,352,487	\$ 293,432,445	\$ 292,942,265
Replacement taxes and other payments in lieu of taxes	3,642,927	3,733,997	3,754,606	4,107,409
Charges for services	10,805,515	10,612,329	10,956,865	10,104,538
Earnings on investments	319,526	282,805	240,423	63,897
Impact fees, rentals and other local sources	3,752,842	2,286,686	2,870,732	2,963,771
<b>Total local sources</b>	<b>308,212,957</b>	<b>306,268,304</b>	<b>311,255,071</b>	<b>310,181,880</b>
State sources:				
State grants-in-aid	108,491,808	108,809,995	128,344,057	138,062,156
State on-behalf payments	45,591,003	52,723,457	66,995,465	96,534,999
<b>Total state sources</b>	<b>154,082,811</b>	<b>161,533,452</b>	<b>195,339,522</b>	<b>234,597,155</b>
Federal sources:				
Federal grants-in-aid	33,912,188	35,700,980	34,451,084	34,609,687
<b>Total revenues</b>	<b>496,207,956</b>	<b>503,502,736</b>	<b>541,045,677</b>	<b>579,388,722</b>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular programs	127,064,616	130,185,958	133,321,829	135,272,777
Special programs	37,183,726	36,595,148	37,608,482	38,773,455
Other instructional programs	42,005,491	43,274,655	45,343,690	48,506,061
<b>Total instruction</b>	<b>206,253,833</b>	<b>210,055,761</b>	<b>216,274,001</b>	<b>222,552,293</b>
Support services:				
Pupils	27,444,523	27,663,747	26,060,806	27,542,911
Instructional staff	12,189,512	12,868,897	13,716,670	14,753,713
General administration	17,767,485	15,753,783	17,859,279	15,610,556
School administration	22,275,360	22,841,782	22,978,049	23,190,864
Business	25,396,979	26,838,096	28,301,788	27,251,136
Operations and maintenance	-	-	-	-
Transportation	25,260,870	25,693,690	27,440,574	28,103,698
Facilities acquisition and construction	1,060,755	841,117	1,355,140	3,695,335
Food service	15,884,358	15,369,092	15,408,947	13,819,753
Central	10,819,203	11,707,954	13,318,618	12,735,595
Other support	1,550,758	1,728,002	1,579,638	465,401
<b>Total support services</b>	<b>159,649,803</b>	<b>161,306,160</b>	<b>168,019,509</b>	<b>167,168,962</b>
State on-behalf payments	45,591,003	52,723,457	66,995,465	96,534,999
Community services	3,195,043	3,309,466	3,209,716	3,265,642
Intergovernmental:				
Payments to other governments	7,507,509	8,592,837	8,134,674	8,507,064

2016**	2017	2018	2019	2020	2021
\$ 301,575,250	\$ 300,919,330	\$ 302,978,537	\$ 305,472,566	\$ 310,296,256	\$ 317,303,767
3,317,225	4,395,272	3,769,443	3,942,629	4,234,667	5,666,362
11,448,630	11,086,965	10,415,273	10,935,527	9,386,964	4,593,252
426,318	1,628,146	4,411,435	6,455,852	6,396,483	747,119
1,226,220	4,640,718	2,849,911	2,766,066	4,266,147	3,526,253
317,993,643	322,670,431	324,424,599	329,572,640	334,580,517	331,836,753
146,310,918	157,372,473	193,454,449	212,320,712	228,092,565	228,753,259
106,664,731	160,409,310	86,890,974	95,966,913	104,503,036	113,839,996
252,975,649	317,781,783	280,345,423	308,287,625	332,595,601	342,593,255
39,907,563	38,327,985	40,295,443	40,125,989	48,221,866	54,193,943
610,876,855	678,780,199	645,065,465	677,986,254	715,397,984	728,623,951
141,296,937	138,497,126	144,715,944	140,996,184	148,627,364	155,564,423
41,486,045	43,524,745	45,162,060	48,447,656	54,798,843	57,526,657
55,017,352	58,539,509	63,335,522	67,423,713	70,547,320	80,844,622
237,800,334	240,561,380	253,213,526	256,867,553	273,973,527	293,935,702
29,996,313	32,837,494	33,168,544	36,460,657	38,700,456	38,670,923
13,597,365	13,697,748	14,030,288	16,265,422	17,744,576	16,243,851
13,621,937	14,084,604	14,169,223	15,005,634	17,059,501	10,353,391
23,400,106	24,424,064	24,926,645	26,726,241	29,593,303	29,967,829
4,451,828	4,104,249	4,203,434	4,745,390	5,407,453	6,878,495
27,011,231	27,376,091	29,279,921	35,897,157	36,449,884	37,980,920
28,184,168	27,528,948	28,725,199	28,275,854	27,124,600	23,045,941
1,989,410	1,553,336	1,124,908	555,253	602,029	96,435
14,658,019	15,281,310	14,211,637	14,095,376	16,355,723	15,144,761
11,814,204	11,799,232	11,969,012	21,858,718	14,114,454	13,681,648
756,799	1,373,466	1,894,549	1,941,000	2,299,625	6,555,403
169,481,380	174,060,542	177,703,360	201,826,702	205,451,604	198,619,597
106,664,731	160,409,310	86,890,974	95,966,913	104,503,036	113,839,996
3,380,731	3,421,758	3,303,479	3,207,463	3,235,960	2,346,547
8,132,631	8,604,268	9,820,359	9,292,969	9,581,182	9,467,245

(Continued)

**School District U-46**

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

	2012	2013	2014	2015
<b>Total current</b>	<b>\$ 422,197,191</b>	<b>\$ 435,987,681</b>	<b>\$ 462,633,365</b>	<b>\$ 498,028,960</b>
Debt service:				
Principal	30,763,865	30,005,118	30,465,774	29,288,687
Interest and fees	12,896,130	12,850,947	15,549,123	17,940,188
Capital outlay	14,633,641	27,588,908	15,782,377	29,175,410
<b>Total Expenditures</b>	<b>480,490,827</b>	<b>506,432,654</b>	<b>524,430,639</b>	<b>574,433,245</b>
Excess of revenues over (under) expenditures	15,717,129	(2,929,918)	16,615,038	4,955,477
Other financing sources (uses):				
Proceeds from issuance of bonds	31,460,000	-	-	175,900,000
Premium on bonds sold	1,522,879	-	-	25,200,979
Discount on bonds sold	(5,801)	-	-	-
Proceeds from sale of equipment	-	770,800	-	-
Proceeds from issuance of purchase contracts	1,198,870	7,057,727	-	-
Transfer to escrow agent	(12,791,001)	-	-	(158,839,600)
Transfers in	2,274,500	1,762,440	1,393,860	1,359,141
Transfers out	(2,274,500)	(1,762,440)	(1,393,860)	(1,359,141)
<b>Total other financing sources (uses)</b>	<b>21,384,947</b>	<b>7,828,527</b>	<b>-</b>	<b>42,261,379</b>
<b>Net Change in Fund Balances</b>	<b>\$ 37,102,076</b>	<b>\$ 4,898,609</b>	<b>\$ 16,615,038</b>	<b>\$ 47,216,856</b>
Debt service expenditure as a percentage of noncapital expenditures	9.37%	8.85%	9.80%	9.31%

Source: Annual Financial Statements 2012-2021.

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

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

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

2016**	2017	2018	2019	2020	2021
\$ 525,459,807	\$ 587,057,258	\$ 530,931,698	\$ 567,161,600	\$ 596,745,309	\$ 618,209,087
22,564,859	22,680,171	24,054,232	24,509,426	21,099,308	16,376,277
23,310,522	22,785,737	21,394,575	19,570,967	22,975,609	26,491,669
34,158,576	26,929,206	27,623,860	27,747,711	51,755,321	29,293,985
605,493,764	659,452,372	604,004,365	638,989,704	692,575,547	690,371,018
5,383,091	19,327,827	41,061,100	38,996,550	22,822,437	38,252,933
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
664,800	-	-	-	-	31,211
6,653,797	-	-	-	-	-
-	-	-	-	-	-
3,727,365	5,544,138	7,543,037	16,338,780	10,337,247	10,365,690
(3,727,365)	(5,544,138)	(7,543,037)	(16,338,780)	(10,337,247)	(10,365,690)
7,318,597	-	-	-	-	31,211
\$ 12,701,688	\$ 19,327,827	\$ 41,061,100	\$ 38,996,550	\$ 22,822,437	\$ 38,284,144
8.04%	7.12%	7.85%	6.90%	6.88%	6.47%

School District U-46

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

Levy Year	County	Residential Property	Farm Property	Commercial Property
2020	Kane	\$ 1,561,479,828	\$ 4,942,721	\$ 295,035,598
2020	Cook	1,664,482,136	271,878	348,344,988
2020	DuPage	1,168,591,998	552,186	40,928,270
2020	All	4,394,553,962	5,766,785	684,308,856
2019	Kane	1,486,459,186	4,851,699	285,465,140
2019	Cook	1,683,691,956	250,549	349,735,045
2019	DuPage	1,129,333,828	522,403	39,620,620
2019	All	4,299,484,970	5,624,651	674,820,805
2018	Kane	1,396,230,749	4,751,363	257,653,344
2018	Cook	1,482,500,165	229,887	292,104,980
2018	DuPage	1,088,656,730	515,570	38,721,840
2018	All	3,967,387,644	5,496,820	588,480,164
2017	Kane	1,325,324,126	4,623,456	253,703,319
2017	Cook	1,514,094,942	239,335	299,217,235
2017	DuPage	1,051,192,472	483,525	36,988,640
2017	All	3,890,611,540	5,346,316	589,909,194
2016	Kane	1,228,489,115	4,300,745	250,638,601
2016	Cook	1,522,843,405	266,444	287,410,378
2016	DuPage	1,005,299,675	478,237	35,238,540
2016	All	3,756,632,195	5,045,426	573,287,519
2015	Kane	1,119,472,730	3,894,961	238,469,133
2015	Cook	1,288,877,948	288,813	270,499,844
2015	DuPage	948,804,496	473,062	33,359,380
2015	All	3,357,155,174	4,656,836	542,328,357
2014	Kane	1,072,691,800	3,696,245	223,422,439
2014	Cook	1,335,038,197	291,179	276,661,777
2014	DuPage	919,089,436	464,297	33,064,550
2014	All	3,326,819,433	4,451,721	533,148,766
2013	Kane	1,102,287,009	3,400,185	238,161,645
2013	Cook	1,295,154,141	232,770	226,551,718
2013	DuPage	943,539,480	451,120	34,607,230
2013	All	3,340,980,630	4,084,075	499,320,593
2012	Kane	1,230,049,711	2,948,286	252,746,828
2012	Cook	1,569,656,648	228,260	247,244,287
2012	DuPage	1,015,572,450	437,990	37,121,460
2012	All	3,815,278,809	3,614,536	537,112,575
2011	Kane	1,403,073,572	3,084,634	265,234,409
2011	Cook	1,730,661,333	228,889	260,289,640
2011	DuPage	1,111,525,478	568,127	40,020,780
2011	All	4,245,260,383	3,881,650	565,544,829

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

Notes: The 2020 levy year is the current levy year for the District as the property tax levy is on a calendar year in the State of Illinois. DuPage and Kane counties assess property as approximately 33.33 percent of actual value. Cook County assesses property as approximately 10 percent of actual value for residential properties and 25 percent of actual value for commercial and industrial property. Estimated actual taxable value is calculated by dividing taxable value by percentage. Tax rates are per \$100 of assessed value.

Industrial Property	Railroad Property	Total Taxable Equalized Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Percentage of Est. Actual Taxable Value
\$ 146,357,393	\$ 2,167,873	\$ 2,009,983,413	5.7275	\$ 6,029,950,239	33.33%
153,766,439	2,077,858	2,168,943,299	6.5746	6,506,829,897	33.33%
2,162,836	1,829,869	1,214,065,159	5.6366	3,642,195,477	33.33%
<u>302,286,668</u>	<u>6,075,600</u>	<u>5,392,991,871</u>		<u>16,178,975,613</u>	
140,553,322	1,941,130	1,919,270,477	5.7890	5,757,811,431	33.33%
140,124,904	1,789,381	2,175,591,835	6.4390	6,526,775,505	33.33%
1,994,269	1,767,533	1,173,238,653	5.7783	3,519,715,959	33.33%
<u>282,672,495</u>	<u>5,498,044</u>	<u>5,268,100,965</u>		<u>15,804,302,895</u>	
129,812,092	1,820,868	1,790,268,416	6.1237	5,370,805,248	33.33%
113,037,065	1,775,595	1,889,647,692	7.1200	5,668,943,076	33.33%
1,963,259	1,766,536	1,131,623,935	5.9746	3,394,871,805	33.33%
<u>244,812,416</u>	<u>5,362,999</u>	<u>4,811,540,043</u>		<u>14,434,620,129</u>	
132,002,713	1,744,753	1,717,398,367	6.3696	5,152,195,101	33.33%
118,476,108	1,686,439	1,933,714,059	6.9318	5,801,142,177	33.33%
1,956,449	1,777,227	1,092,398,313	6.1638	3,277,194,939	33.33%
<u>252,435,270</u>	<u>5,208,419</u>	<u>4,743,510,739</u>		<u>14,230,532,217</u>	
136,507,859	1,663,356	1,621,599,676	6.5487	4,864,799,028	33.33%
113,264,832	2,041,772	1,925,826,831	6.8370	5,777,480,493	33.33%
1,950,749	2,104,638	1,045,071,839	6.3384	3,135,215,517	33.33%
<u>251,723,440</u>	<u>5,809,766</u>	<u>4,592,498,346</u>		<u>13,777,495,038</u>	
124,953,952	1,546,941	1,488,337,717	7.1238	4,465,013,151	33.33%
91,942,586	1,848,249	1,653,457,440	7.9470	4,960,372,320	33.33%
1,944,259	1,844,159	986,425,356	6.8325	2,959,276,068	33.33%
<u>218,840,797</u>	<u>5,239,349</u>	<u>4,128,220,513</u>		<u>12,384,661,539</u>	
104,901,611	1,368,917	1,406,081,012	8.0229	4,218,243,036	33.33%
94,788,944	1,532,574	1,708,312,671	7.6680	5,124,938,013	33.33%
1,554,803	1,600,080	955,773,166	6.4133	2,867,319,498	33.33%
<u>201,245,358</u>	<u>4,501,571</u>	<u>4,070,166,849</u>		<u>12,210,500,547</u>	
96,171,351	1,547,962	1,441,568,152	5.9395	4,324,704,456	33.33%
163,051,097	1,308,781	1,686,298,507	7.5800	5,058,895,521	33.33%
1,557,563	1,309,952	981,465,345	7.8519	2,944,396,035	33.33%
<u>260,780,011</u>	<u>4,166,695</u>	<u>4,109,332,004</u>		<u>12,327,996,012</u>	
104,353,069	1,873,298	1,591,971,192	6.3706	4,775,913,576	33.33%
178,579,242	568,434	1,996,276,871	6.5400	5,988,830,613	33.33%
1,538,858	918,595	1,055,589,353	6.6052	3,166,768,059	33.33%
<u>284,471,169</u>	<u>3,360,327</u>	<u>4,643,837,416</u>		<u>13,931,512,248</u>	
107,924,673	952,421	1,780,269,709	5.5589	5,340,809,127	33.33%
189,744,920	707,052	2,181,631,834	5.5062	6,544,895,502	33.33%
1,444,933	874,204	1,154,433,522	5.6118	3,463,300,566	33.33%
<u>299,114,526</u>	<u>2,533,677</u>	<u>5,116,335,065</u>		<u>15,349,005,195</u>	

**School District U-46**

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

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Direct										
School District U-46	5.7275	5.7890	6.1237	6.3696	6.5487	7.1238	8.0229	6.4086	6.3706	5.8307
Overlapping										
Kane County	0.3618	0.3739	0.3877	0.4025	0.4201	0.4479	0.4684	0.4623	0.4336	0.3990
Kane County Forest Preserve District	0.1477	0.1549	0.1607	0.1658	0.2253	0.2944	0.3126	0.3039	0.2710	0.2609
Gail Borden Library District	0.4647	0.4445	0.4630	0.4729	0.4898	0.5294	0.5796	0.5087	0.4791	0.4084
Elgin Township	0.1069	0.1121	0.1164	0.1192	0.1020	0.1102	0.1160	0.1114	0.0997	0.0890
Elgin Township Road Fund	0.0707	0.0723	0.0745	0.0758	0.0785	0.0849	0.0893	0.0858	0.0762	0.0660
City of Elgin	1.7706	1.8788	2.0240	2.1494	2.2396	2.4110	2.3218	2.1668	1.9344	1.9836
Fox River Water Reclamation District	0.0266	0.0278	0.0291	0.0302	0.0315	0.0339	0.0409	0.3697	0.0344	0.0299
Community College District 509	0.4439	0.4865	0.5075	0.4999	0.5296	0.5609	0.6076	0.5707	0.5215	0.4456
<b>Total</b>	<b>9.1204</b>	<b>9.3397</b>	<b>9.8866</b>	<b>10.2854</b>	<b>10.6651</b>	<b>11.5963</b>	<b>12.5591</b>	<b>10.9879</b>	<b>10.2205</b>	<b>9.5130</b>

Source: Kane County District Rate Listing

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

**School District U-46**

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

Name	Rank	2020 Equalized Assessed Valuation	Percent of District's Total EAV	Rank	2011 Equalized Assessed Valuation	Percent of District's Total EAV
Target Corporation	1	\$ 19,691,747	0.37%	2	\$19,156,505	0.37%
Continental 368 Fund LLC	2	15,345,679	0.28		-	-
Core MR Westview LLC	3	14,886,254	0.28		-	-
900 S Barrington LLC	4	12,400,790	0.23		-	-
Property Valuation Service	5	11,749,296	0.22	5	9,608,325	0.19
MHC-Deanza Financing Limited Partnership	6	10,984,488	0.20		-	-
Hunter Ridge Apartments LLC	7	9,309,607	0.17		-	-
Harbor Group Intl LLC	8	8,045,087	0.15		-	-
Gifford 300 LLC	9	7,855,719	0.15		-	-
BCH Princeton LLC	10	7,470,716	0.14		-	-
Bradley Operating Limited		-	-	1	19,531,671	0.38
Walmart Stores		-	-	3	17,668,431	0.35
IRC		-	-	4	13,987,052	0.27
Heidner Property Mgmt		-	-	6	8,018,446	0.16
Hanover Park Village		-	-	7	7,411,234	0.14
Willo Arms Associates Limited		-	-	8	7,300,481	0.14
Ball Aerosol & Special		-	-	9	6,302,223	0.12
DGJ Activities LLC		-	-	10	5,836,740	0.11
		<u>\$117,739,385</u>	<u>2.18%</u>		<u>\$114,821,108</u>	<u>2.24%</u>

Note: 2020 tax levy is the current levy in the District's fiscal year 2021.

**School District U-46**

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

	2020	2019	2018	2017
<b>Rates Extended</b>				
Educational	3.6974	3.5819	3.8664	3.6224
Tort immunity/liability insurance	0.1155	0.1164	0.1174	0.1765
Special education	0.7342	0.7149	0.7669	0.7285
Operations and maintenance	0.7857	0.7227	0.7960	0.7613
Transportation	0.1913	0.2451	0.4037	0.3834
Municipal retirement - IMRF	0.1232	0.1296	0.1542	0.1518
Social security	0.1398	0.1401	0.1435	0.1243
Bond and interest/supp.	0.5048	0.5072	0.5687	0.6890
Life safety	0.0977	0.0952	0.0939	0.0892
Limited bonds	0.1850	0.1853	0.2092	0.2054
<b>Total Rates Extended</b>	<b>6.5746</b>	<b>6.4384</b>	<b>7.1199</b>	<b>6.9318</b>
<b>Levies Extended</b>				
Educational	\$ 80,194,953	\$ 77,928,345	\$ 73,060,819	\$ 70,045,692
Tort immunity/liability insurance	2,504,181	2,531,250	2,217,411	3,413,679
Special education	15,925,655	15,552,411	14,491,778	14,084,997
Operations and maintenance	17,042,544	15,723,317	15,041,994	14,721,239
Transportation	4,150,122	5,332,717	7,628,557	7,414,659
Municipal retirement - IMRF	2,671,126	2,822,252	2,914,489	2,936,498
Social security	3,030,882	3,046,277	2,711,778	2,404,258
Bond and interest/supp.	10,947,801	11,035,683	10,747,123	17,295,922
Life safety	2,120,912	2,069,343	1,774,756	1,725,192
Limited bonds	4,011,994	4,032,317	3,953,558	-
<b>Total Levies Extended</b>	<b>\$ 142,600,170</b>	<b>\$ 140,073,912</b>	<b>\$ 134,542,263</b>	<b>\$ 134,042,136</b>
Current year collections	\$ 73,815,721	\$ 70,805,557	\$ 70,902,525	\$ 69,891,692
Subsequent year collections	-	66,136,047	61,392,321	61,954,439
<b>Total Collections</b>	<b>\$ 73,815,721</b>	<b>\$ 136,941,604</b>	<b>\$ 132,294,846</b>	<b>\$ 131,846,131</b>
<b>Percentage of extensions collected</b>				
Current year collections	51.76%	50.55%	52.70%	52.14%
Total collections	51.76%	97.76%	98.33%	98.36%

Source: District records

2016	2015	2014	2013	2012	2011
3.6211	4.1504	3.9493	4.0325	3.8833	3.4078
0.2171	0.3278	0.3135	0.2099	0.1434	0.0847
0.7161	0.8260	0.7898	0.8065	0.5507	0.4180
0.6938	0.7743	0.7404	0.7328	0.5014	0.4323
0.3769	0.4217	0.4034	0.3362	0.2189	0.1438
0.1461	0.1634	0.1599	0.1532	0.1087	0.0899
0.1201	0.1333	0.1437	0.1397	0.1003	0.0830
0.6950	0.8608	0.8906	0.9020	0.8029	0.6783
0.0439	0.0481	0.0459	0.0455	0.0344	-
0.2062	0.2404	0.2310	0.2217	0.1955	0.1684
6.8363	7.9462	7.6675	7.5800	6.5395	5.5062
\$ 69,737,305	\$ 68,624,895	\$ 67,465,304	\$ 68,000,191	\$ 77,521,882	\$ 74,345,887
4,183,246	5,419,725	5,354,975	3,539,198	2,862,907	1,847,319
13,790,836	13,655,426	13,493,060	13,599,343	10,992,581	9,118,407
13,360,616	12,802,965	12,649,854	12,357,671	10,008,905	9,433,590
7,258,230	6,973,059	6,889,998	5,670,010	4,371,211	3,136,504
2,811,300	2,700,054	2,732,058	2,584,066	2,168,185	1,961,136
2,311,690	2,204,271	2,455,683	2,356,571	2,002,190	1,810,111
13,384,565	14,232,830	15,214,588	15,210,102	16,028,963	14,798,101
846,561	795,392	785,114	765,842	688,573	-
3,970,856	3,974,341	3,946,992	3,738,151	3,902,150	3,673,366
\$ 131,655,205	\$ 131,382,958	\$ 130,987,626	\$ 127,821,145	\$ 130,547,547	\$ 120,124,421
\$ 68,927,167	\$ 67,753,981	\$ 65,702,776	\$ 66,860,960	\$ 62,462,919	\$ 62,309,872
61,009,329	61,729,996	61,964,879	57,636,244	64,717,012	54,034,910
\$ 129,936,496	\$ 129,483,977	\$ 127,667,655	\$ 124,497,204	\$ 127,179,931	\$ 116,344,782
52.35%	51.57%	50.16%	52.31%	47.85%	51.87%
98.69%	98.55%	97.47%	97.40%	97.42%	96.85%

**School District U-46**

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

	2020	2019	2018	2017
<b>Rates Extended</b>				
Educational	3.1729	3.2277	3.2501	3.2369
Tort immunity/liability insurance	0.0992	0.1050	0.0988	0.1578
Special education	0.6302	0.6444	0.6447	0.6509
Operations and maintenance	0.6885	0.6514	0.6817	0.6802
Transportation	0.1643	0.2210	0.3396	0.3426
Municipal retirement - IMRF	0.1058	0.1169	0.1298	0.1358
Social security	0.1200	0.1263	0.1207	0.1113
Bond and interest/supp.	0.4183	0.4393	0.4605	0.5928
Bond and interest - limited	0.1535	0.1605	0.1696	0.1758
Life safety	0.0839	0.0858	0.0791	0.0797
<b>Total Rates Extended</b>	<b>5.6366</b>	<b>5.7783</b>	<b>5.9746</b>	<b>6.1638</b>
<b>Levies Extended</b>				
Educational	\$ 38,521,073	\$ 37,868,624	\$ 36,778,910	\$ 35,359,841
Tort immunity/liability insurance	1,204,353	1,231,901	1,118,044	1,723,805
Special education	7,651,039	7,560,350	7,295,580	7,110,421
Operations and maintenance	8,358,839	7,642,477	7,714,280	7,430,493
Transportation	1,994,709	2,592,857	3,842,995	3,742,557
Municipal retirement - IMRF	1,284,481	1,371,516	1,468,848	1,483,477
Social security	1,456,878	1,481,800	1,365,870	1,215,839
Bond and interest/supp.	5,078,434	5,154,037	5,211,128	6,475,737
Bond and interest limited	1,863,590	1,883,048	1,919,234	1,920,436
Life safety	1,018,601	1,006,639	895,115	870,641
<b>Total Levies Extended</b>	<b>\$ 68,431,997</b>	<b>\$ 67,793,249</b>	<b>\$ 67,610,004</b>	<b>\$ 67,333,247</b>
Current year collections	\$ 33,615,324	\$ 33,797,675	\$ 33,586,889	\$ 35,016,881
Subsequent year collections	-	33,880,558	33,872,164	32,198,766
<b>Total Collections</b>	<b>\$ 33,615,324</b>	<b>\$ 67,678,233</b>	<b>\$ 67,459,053</b>	<b>\$ 67,215,647</b>
<b>Percentage of extensions collected</b>				
Current year collections	49.12%	49.85%	49.68%	52.01%
Total collections	49.12%	99.83%	99.78%	99.83%

Source: District records

2016	2015	2014	2013	2012	2011
3.3740	3.5870	3.2785	4.2826	4.0429	3.5530
0.2024	0.2834	0.2778	0.2083	0.1414	0.0854
0.6673	0.7137	0.6664	0.8370	0.5467	0.4226
0.6464	0.6692	0.6414	0.7251	0.4687	0.4355
0.3512	0.3645	0.3529	0.3337	0.2303	0.1448
0.1360	0.1413	0.1389	0.1517	0.0988	0.0907
0.1119	0.1153	0.1253	0.1376	0.0778	0.0837
0.6231	0.7163	0.7072	0.9078	0.7818	0.6377
0.1850	0.2001	0.1850	0.2231	0.1905	0.1584
0.0411	0.0417	0.0399	0.0450	0.0263	-
6.3384	6.8325	6.4133	7.8519	6.6052	5.6118

\$ 35,260,724	\$ 35,383,078	\$ 31,335,023	\$ 42,032,235	\$ 42,676,422	\$ 41,017,023
2,115,225	2,795,529	2,655,138	2,044,392	1,492,603	985,886
6,973,764	7,040,118	6,369,272	8,214,865	5,770,907	4,878,636
6,755,344	6,601,158	6,130,329	7,116,605	4,947,547	5,027,558
3,670,292	3,595,520	3,372,924	3,275,150	2,431,022	1,671,620
1,421,298	1,393,819	1,327,569	1,488,883	1,042,922	1,047,071
1,169,435	1,137,348	1,197,584	1,350,496	821,249	966,261
6,511,843	7,065,765	6,759,228	8,909,743	8,252,598	7,361,823
1,933,383	1,973,837	1,768,180	2,189,649	2,010,898	1,828,623
429,525	411,339	381,353	441,659	277,620	-
\$ 66,240,833	\$ 67,397,511	\$ 61,296,600	\$ 77,063,677	\$ 69,723,788	\$ 64,784,500

\$ 33,249,188	\$ 33,404,036	\$ 29,852,672	\$ 37,119,808	\$ 33,209,714	\$ 31,108,515
32,932,240	33,885,194	31,125,026	39,827,829	36,441,218	33,516,034
\$ 66,181,428	\$ 67,289,230	\$ 60,977,698	\$ 76,947,637	\$ 69,650,932	\$ 64,624,549

50.19%	49.56%	48.70%	48.17%	47.63%	48.02%
99.91%	99.84%	99.48%	99.85%	99.90%	99.75%

**School District U-46**

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

	2020	2019	2018	2017
<b>Rates Extended</b>				
Educational	3.2276	3.2331	3.3243	3.3443
Tort immunity/liability insurance	0.1008	0.1050	0.1009	0.1629
Special education	0.6410	0.6453	0.6594	0.6725
Operations and maintenance	0.7008	0.6523	0.6970	0.7029
Transportation	0.1670	0.2212	0.3471	0.3539
Municipal retirement - IMRF	0.1075	0.1171	0.1326	0.1402
Social security	0.1220	0.1264	0.1234	0.1148
Bond and interest/supp.	0.5809	0.6008	0.6521	0.7944
Working cash bonds	-	-	-	-
Life safety	0.0853	0.0859	0.0808	0.0824
Prior year adjustment	(0.0055)	0.0018	0.0061	0.0013
<b>Levies Extended</b>	<b>5.7274</b>	<b>5.7889</b>	<b>6.1237</b>	<b>6.3696</b>
<b>Levies Extended</b>				
Educational	\$ 64,873,309	\$ 62,051,039	\$ 59,514,490	\$ 57,435,637
Tort immunity/liability insurance	2,026,124	2,015,994	1,806,679	2,798,226
Special education	12,883,460	12,385,149	11,804,804	11,549,908
Operations and maintenance	14,086,128	12,519,809	12,478,640	12,071,205
Transportation	3,356,484	4,245,336	6,214,318	6,078,812
Municipal retirement - IMRF	2,161,094	2,246,510	2,373,246	2,407,366
Social security	2,452,772	2,426,596	2,208,336	1,971,316
Bond and interest/supp.	11,676,951	11,531,710	11,674,441	13,642,436
Working cash bonds	-	-	-	-
Life safety	1,714,234	1,648,333	1,445,909	1,414,288
Prior year adjustment	(109,607)	35,481	109,387	21,788
<b>Total Levies Extended</b>	<b>\$ 115,120,949</b>	<b>\$ 111,105,957</b>	<b>\$ 109,630,250</b>	<b>\$ 109,390,982</b>
Current year collections	\$ 59,114,552	\$ 45,933,903	\$ 45,804,761	\$ 52,908,367
Subsequent year collections	-	64,883,488	63,210,161	55,742,569
<b>Total Collections</b>	<b>\$ 59,114,552</b>	<b>\$ 110,817,391</b>	<b>\$ 109,014,922</b>	<b>\$ 108,650,936</b>
Percentage of extensions collected				
Current year collections	51.35%	41.34%	41.78%	48.37%
Total collections	51.35%	99.74%	99.44%	99.32%
<b>All Three Counties Combined</b>				
Total levies extended	\$ 326,153,116	\$ 318,973,118	\$ 311,782,517	\$ 310,766,365
Current year collections	\$ 166,545,597	\$ 150,537,135	\$ 150,294,175	\$ 157,816,940
Subsequent year collections	-	164,900,093	158,474,646	149,895,774
<b>Total collections</b>	<b>\$ 166,545,597</b>	<b>\$ 315,437,228</b>	<b>\$ 308,768,821</b>	<b>\$ 307,712,714</b>
Percentage of extensions collected				
Current year collections	51.06%	47.19%	48.20%	50.78%
Total collections	51.06%	98.89%	99.03%	99.02%

Source: District records

2016	2015	2014	2013	2012	2011
3.4863	3.8188	3.9615	3.8031	3.9022	3.8426
0.2091	0.3016	0.3085	0.1879	0.1379	0.0922
0.6894	0.7599	0.7860	0.7571	0.5296	0.4551
0.6679	0.7124	0.7286	0.6563	0.4822	0.4707
0.3628	0.3880	0.3969	0.3010	0.2105	0.1566
0.1406	0.1503	0.1573	0.1372	0.1045	0.0979
0.1156	0.1227	0.1414	0.1251	0.0965	0.0904
0.8347	0.9596	1.0423	0.9663	0.8066	0.6922
-	-	-	-	0.0841	0.0756
0.0423	0.0442	0.0452	0.0408	-	-
-	0.1071	0.3000	(0.5662)	(0.0769)	(0.1425)
6.5487	7.3646	7.8677	6.4086	6.2771	5.8307
\$ 56,533,961	\$ 54,836,681	\$ 52,470,474	\$ 50,845,761	\$ 62,297,953	\$ 64,322,072
3,390,761	4,330,910	4,085,778	2,512,489	2,200,917	1,543,760
11,180,092	10,912,435	10,411,350	10,122,444	8,454,302	7,617,338
10,830,991	10,230,276	9,650,033	8,773,890	7,697,564	7,878,911
5,883,473	5,572,272	5,257,196	4,024,671	3,361,286	2,620,542
2,280,376	2,157,751	2,083,776	1,834,269	1,668,327	1,638,626
1,874,467	1,761,778	1,873,095	1,672,599	1,539,831	1,512,582
13,534,845	13,994,649	14,233,892	13,452,011	13,486,795	12,951,697
-	-	-	-	1,405,806	1,414,548
686,106	635,186	598,959	544,792	528,948	-
(908)	1,593,496	12,143,717	(8,161,715)	(1,224,095)	(2,536,414)
\$ 106,194,164	\$ 106,025,434	\$ 112,808,270	\$ 85,621,211	\$ 101,417,634	\$ 98,963,662
\$ 52,182,995	\$ 51,819,201	\$ 56,658,282	\$ 43,224,911	\$ 50,178,087	\$ 48,496,568
53,570,607	53,741,374	55,941,528	42,024,315	50,939,324	50,131,935
\$ 105,753,602	\$ 105,560,575	\$ 112,599,810	\$ 85,249,226	\$ 101,117,411	\$ 98,628,503
49.14%	48.87%	50.23%	50.48%	49.48%	49.00%
99.59%	99.56%	99.82%	99.57%	99.70%	99.66%
\$ 304,090,202	\$ 304,805,903	\$ 305,092,496	\$ 290,506,033	\$ 301,688,969	\$ 283,872,583
\$ 154,359,350	\$ 152,977,218	\$ 152,213,730	\$ 147,205,680	\$ 145,850,720	\$ 141,914,955
147,512,176	149,356,564	149,031,433	139,488,388	152,097,554	137,682,879
\$ 301,871,526	\$ 302,333,782	\$ 301,245,163	\$ 286,694,068	\$ 297,948,274	\$ 279,597,834
50.76%	50.19%	49.89%	50.67%	48.34%	49.99%
99.27%	99.19%	98.74%	98.69%	98.76%	98.49%

**School District U-46**

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

Fiscal Year	General Oblig. Bonds Net of Related Premiums and Discounts	Accreted Interest on Long-Term Debt	Debt Certificates	Installment Notes	Purchase Contracts	Less: Amount Available in Debt Service Fund
2021	\$ 218,192,721	\$ 33,518,950	\$ 1,048,435	\$ -	\$ -	\$ 33,180,596
2020	235,350,759	47,472,625	1,568,459	-	-	32,625,408
2019	256,162,719	56,228,061	2,085,750	-	1,353,353	31,984,880
2018	280,575,922	60,008,791	2,600,303	-	2,687,098	28,616,931
2017	303,217,738	64,392,849	2,552,611	-	5,432,856	27,934,843
2016	324,525,540	69,018,018	2,968,433	-	8,141,320	26,112,980
2015	345,263,357	74,017,139	3,381,622	-	4,653,296	23,941,233
2014	262,778,810	119,803,876	3,792,143	-	6,400,590	24,156,123
2013	291,156,285	115,418,498	4,200,013	-	8,903,276	23,737,065
2012	320,366,552	107,400,154	4,605,167	-	3,057,503	21,867,241

Source: All Years: outstanding debt and debt service fund - District records  
Population and income data - calendar year 2011-2019 (most recent available) - U.S. Census Bureau

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

Net Total Outstanding Debt	Estimated Actual Taxable Property Value	Percentage Estimated Actual Taxable Property Value	Estimated Population	Net Total Outstanding Debt Per Capita	Estimated Personal Income	Percentage of Net Total Outstanding Debt to Est. Personal Income
\$ 219,579,510	\$ 16,178,975,613	1.36%	236,340	\$ 929	\$ 8,099,844,480	2.71%
251,766,435	15,804,302,895	1.59	236,340	1,065	8,099,844,480	3.11
283,845,003	14,434,620,129	1.97	235,359	1,206	7,556,436,054	3.76
317,255,183	14,955,593,412	2.12	233,865	1,357	7,157,672,190	4.43
347,661,211	14,230,532,217	2.44	235,930	1,474	7,060,205,250	4.92
378,540,331	12,384,661,539	3.06	233,144	1,624	7,212,775,928	5.25
403,374,181	12,210,500,547	3.30	236,931	1,702	6,513,470,121	6.19
368,619,296	12,327,996,012	2.99	236,501	1,559	6,622,264,501	5.57
395,941,007	13,931,512,248	2.84	235,918	1,678	6,676,007,564	5.93
413,562,135	15,349,005,195	2.69	235,085	1,759	6,438,978,150	6.42

**School District U-46**

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

Fiscal Year	General Obligation Bonds Net of Related Premiums and Discounts	Accreted Interest on Long-Term Debt	Less: Amount Available in Debt Service Fund	Net General Bonded Debt	Estimated Actual Taxable Property Value
2021	\$ 218,192,721	\$ 33,518,950	\$ 33,180,596	\$ 218,531,075	\$ 16,178,975,613
2020	235,350,759	47,472,625	32,625,408	250,197,976	15,804,302,895
2019	256,162,719	56,228,061	31,984,880	280,405,900	14,434,620,129
2018	280,575,922	60,008,791	28,616,931	311,967,782	14,230,532,217
2017	303,217,738	64,392,849	27,934,843	339,675,744	13,777,495,038
2016	324,525,540	69,018,018	26,112,980	367,430,578	12,384,661,539
2015	345,263,357	74,017,139	23,941,233	395,339,263	12,210,500,547
2014	262,778,810	119,803,876	24,156,123	358,426,563	12,327,996,012
2013	291,156,285	115,418,498	23,737,065	382,837,718	13,931,512,248
2012	320,366,552	107,400,154	21,867,241	405,899,465	15,349,005,195

Source: All Years: general bonded debt and debt service fund - District records  
Population and income data - calendar year 2011-2019 (most recent available) - U.S.  
Census Bureau

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

Percentage of Net General Bonded Debt to Estimated Actual Valuation	Estimated Population	Net General Bonded Debt Per Capita	Estimated Personal Income	Percentage of Net General Bonded Debt to Est. Personal Income
1.35%	236,340	\$ 925	\$ 8,099,844,480	2.70%
1.58	236,340	1,059	8,099,844,480	3.09
1.94	235,359	1,191	7,556,436,054	3.71
2.19	233,865	1,334	7,157,672,190	4.34
2.29	235,930	1,440	7,060,205,250	5.05
2.97	233,144	1,576	7,212,775,928	5.09
3.24	236,931	1,669	6,513,470,121	6.07
2.91	236,501	1,516	6,622,264,501	5.41
2.75	235,918	1,623	6,676,007,564	5.73
2.64	235,085	1,727	6,438,978,150	6.30

**School District U-46**

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

	2021	2020	2019	2018
Debt limit	\$ 744,232,878	\$ 726,997,933	\$ 663,992,526	\$ 654,604,482
Total net debt applicable to limit	170,325,228	187,256,693	208,996,706	236,874,236
Legal debt margin	<u>\$ 573,907,650</u>	<u>\$ 539,741,240</u>	<u>\$ 454,995,820</u>	<u>\$ 417,730,246</u>
Total net debt applicable to the limit as a percentage of debt limit	23%	26%	31%	36%

Note: Legal debt limit from 2012-2021 was 13.8% of the EAV.

**Legal Debt Margin Calculation for Fiscal 2021**

Assessed Value	\$ 5,392,991,871
Debt limit (13.8%) of assessed value	<u>744,232,878</u>
Debt outstanding applicable to the limit:	
General obligation bonds	202,457,389
General obligation debt certificates	<u>1,048,435</u>
Total debt outstanding applicable to the limit	203,505,824
Less: Amount set aside for repayment of debt	<u>33,180,596</u>
Total net debt applicable to the limit	<u>170,325,228</u>
Total legal debt margin	<u>\$ 573,907,650</u>

Source: District Records

2017	2016	2015	2014	2013	2012
\$ 633,764,772	\$ 569,694,431	\$ 561,683,025	\$ 567,087,817	\$ 640,849,563	\$ 706,054,239
261,144,286	285,646,318	303,729,127	245,987,387	276,872,219	301,689,434
\$ 372,620,486	\$ 284,048,113	\$ 257,953,898	\$ 321,100,430	\$ 363,977,344	\$ 404,364,805
41%	50%	54%	43%	43%	43%

**School District U-46**

**Direct and Overlapping General Obligation Bonded Debt  
Current Fiscal Year**

<b>Governmental Unit</b>	<b>Outstanding Debt</b>	<b>Overlapping Percentage</b>	<b>Direct and Overlapping Debt</b>
<u>Taxing Districts:</u>			
Cook County	\$2,596,351,750	1.246%	\$ 32,350,543
Cook County Forest Preserve District	130,570,000	1.246%	1,626,902
DuPage County	25,025,000 (1)(3)	2.816%	704,704
DuPage County Forest Preserve District	75,815,000	2.816%	2,134,950
Kane County Forest Preserve District	115,640,000 (1)	12.834%	14,841,238
Metropolitan Water Reclamation District	2,694,934,289 (4)	1.244%	33,524,983
<u>Municipalities:</u>			
Bartlett	54,475,000	100.000%	54,475,000
Elgin	13,875,000 (5)	70.061%	9,720,964
Hanover Park	11,670,000 (1)	37.396%	4,364,113
Hoffman Estates	98,374,030	9.921%	9,759,688
Schaumburg	296,490,000	2.086%	6,184,781
Streamwood	17,600,000	96.760%	17,029,760
<u>Library Districts:</u>			
Gail Borden	2,505,000	82.371%	2,063,394
Poplar Creek	12,065,000	77.169%	9,310,440
<u>Park Districts:</u>			
Bartlett Park	18,995,000	100.000%	18,995,000
Carol Stream Park	58,549,389 (2)	7.709%	4,513,572
Dundee Township Park	2,071,355 (1)	0.624%	12,925
Hanover Park Park	1,639,215 (1)	40.382%	661,948
Hoffman Estates Park	7,940,000 (1)(3)	9.987%	792,968
Schaumburg Park	18,495,035 (1)	2.011%	371,935
St. Charles Park	19,295,000 (1)	2.253%	434,716
Streamwood Park	4,334,000	100.000%	4,334,000
West Chicago	14,689,405 (1)	1.454%	213,584
<u>Miscellaneous:</u>			
Bartlett SSA #1 - Bluff City	2,710,000	100.000%	2,710,000
Wayne SSA #5	220,000	25.994%	57,187
South Elgin Fire District	8,855,000	52.100%	4,613,455
<u>School Districts:</u>			
Community College District #509	146,490,000	40.100%	<u>58,742,490</u>
Total Overlapping General Obligation Bonded Debt			294,545,239
Direct Debt:			
Community Unit School District #46	202,457,389 (2)	100.000%	<u>202,457,389</u>
Total Direct and Overlapping General Obligation Bonded Debt			<u>\$ 497,002,628</u>

- (1) Excludes principal amounts of outstanding General Obligation Alternate Revenue Source Bonds which are expected to be paid from sources other than general taxation. Excludes Illinois EPA Revolving Loan Fund Bonds.
- (2) Includes original principal amounts of outstanding General Obligation Capital Appreciation Bonds.
- (3) Excludes outstanding Debt Certificates.
- (4) Includes Illinois EPA Revolving Loan Fund Bonds.
- (5) Excludes self-supporting bonds for which abatements are filed annually.

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

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

**School District U-46**

**Principal Employers  
Current Fiscal Year and Nine Fiscal Years Ago**

Employer	Industry	2021			2012		
		Number of Employees	Rank	Percentage of Total District Population	Number of Employees	Rank	Percentage of Total District Population
School District U-46	Education	4,490	1	1.9%	3,660	3	1.6%
Northwest Community Healthcare	Medical	4,000	2	1.7	4,000	2	1.7
Fermi Research Alliance	Research	4,000	3	1.7	-	-	-
Transform Holdco, LLC	Retail	3,200	4	1.4	-	-	-
Hearthside Food Solutions LLC	Food Products	3,000	5	1.3	-	-	-
Beacon Sales Acquisition, Inc.	Building Materials	3,000	6	1.3	-	-	-
Zurich North America	Insurance	2,500	7	1.1	2,500	6	1.1
Chase	Banking	2,500	8	1.1	-	-	-
St. Alexius Medical Center	Medical	2,500	9	1.1	2,750	5	1.2
Advocate Sherman Hospital	Medical	2,200	10	0.9	2,200	9	0.9
Sears Holdings	Retail	-	-	-	6,200	1	2.6
AT&T Inc.	Communications	-	-	-	3,000	4	1.3
Caterpillar, Inc.	Construction	-	-	-	2,500	7	1.1
North Grumman Corp	Technology	-	-	-	2,350	8	1.0
Motorola Inc.	Communications	-	-	-	2,145	10	0.9
Total employment of district principal employers		<u>31,390</u>			<u>31,305</u>		
Total district population		<u>236,340</u>			<u>235,085</u>		

Source: City of Elgin 2020 CAFR, Kane County 2020 CAFR, Village of Hoffman Estates 2020 CAFR  
Population data - calendar year 2011 and 2019 (most recent available) - U.S. Census Bureau

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

**School District U-46**

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

Staff	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Teachers	2,697	2,668	2,587	2,504	2,480	2,426	2,395	2,360	2,311	2,243
Noon hour supervisors (part-time)	85	93	90	86	91	80	80	71	89	90
Educational assistants/paraprofessionals	525	544	490	527	511	422	530	443	460	414
Secretary/clerical	250	255	249	224	233	229	212	214	211	205
Transportation	415	451	458	411	403	404	400	220	207	209
Custodial/maintenance	171	172	163	145	139	139	131	128	121	107
Technical/other	363	383	341	266	258	194	187	168	151	156
Food service	150	156	155	149	158	153	148	162	177	164
School administration	152	141	112	109	104	99	95	92	93	94
Supervisors/directors/coordinators	42	40	41	39	39	40	37	39	31	32
Central administration	38	36	39	34	32	29	41	37	39	35
High school divisionals	-	6	18	15	17	17	17	16	16	15
Superintendent/cabinet	10	9	11	9	10	10	8	10	8	9
<b>Total staff</b>	<b>4,898</b>	<b>4,954</b>	<b>4,754</b>	<b>4,518</b>	<b>4,475</b>	<b>4,242</b>	<b>4,281</b>	<b>3,960</b>	<b>3,914</b>	<b>3,773</b>

Source: District Human Resources Records

**School District U-46**

**Demographic and Economic Statistics  
Last Ten Fiscal Years**

School District U-46					
Calendar Year	Fiscal Year	(a) Estimated District Population	(b) Estimated Per Capita Income	(a) x (b) Estimated Personal Income	Unemployment Rate
2019*	2021	236,340	\$ 34,272	\$ 8,099,844,480	8.0%
2019	2020	236,340	34,272	8,099,844,480	3.7
2018	2019	235,359	32,106	7,556,436,054	4.4
2017	2018	233,865	30,606	7,157,672,190	4.6
2016	2017	235,930	29,925	7,060,205,250	5.4
2015	2016	233,144	30,937	7,212,775,928	6.0
2014	2015	236,931	27,491	6,513,470,121	6.1
2013	2014	236,501	28,001	6,622,264,501	8.5
2012	2013	235,918	28,298	6,676,007,564	9.1
2011	2012	235,085	27,390	6,438,978,150	9.4

Source: United States Census Bureau

\* Most recent available

## School District U-46

### Operating Indicators by Function Last Ten Fiscal Years

Function	2021	2020	2019	2018
Instruction				
Student enrollment:				
Elementary	18,571	19,873	20,339	20,782
Middle school	5,745	5,864	5,862	6,030
High school	12,074	11,991	11,969	11,952
Total student enrollment	<u>36,390</u>	<u>37,728</u>	<u>38,170</u>	<u>38,764</u>
Support services - pupil				
% of students with disabilities	14.5%	15.2%	14.0%	13.9%
Support services - pupil				
Information technology services				
work orders completed	33,623	36,606	35,010	37,404
School administration				
Student attendance rate	93.5%	91.3%	92.8%	93.0%
Business				
Fiscal				
Purchase orders processed	8,366	8,384	9,337	9,033
Nonpayroll checks issued	6,008	6,592	7,017	6,852
Maintenance				
Maintenance work orders completed	34,881	33,849	33,823	32,095
District square footage maintained by				
custodians and maintenance staff	5,740,620	5,740,620	5,706,771	5,706,771
District acreage maintained by				
grounds staff	826	826	821	821
Transportation				
Average number of students				
Transported daily				
Regular, public schools	23,612	22,862	22,484	23,229
Non-public	53	56	-	-
Special education	1,531	2,125	1,872	2,168
Total number of students transported	<u>25,196</u>	<u>25,043</u>	<u>24,356</u>	<u>25,397</u>
Student transportation miles traveled				
Regular education	802,029	1,435,392	2,492,105	1,959,678
Special education	776,663	1,335,696	2,089,628	1,992,878
Non-reimbursable	-	104,679	155,361	127,555
Total student transportation	<u>1,578,692</u>	<u>2,875,767</u>	<u>4,737,094</u>	<u>4,080,111</u>

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

2017	2016	2015	2014	2013	2012
21,393	21,676	22,354	22,285	22,375	22,348
5,995	5,719	5,822	6,034	6,012	6,006
12,185	12,257	12,047	12,068	11,960	12,048
<u>39,573</u>	<u>39,652</u>	<u>40,223</u>	<u>40,387</u>	<u>40,347</u>	<u>40,402</u>
13.0%	13.1%	12.8%	12.5%	12.9%	13.2%
39,555	35,521	31,738	38,866	46,646	43,176
92.8%	94.1%	94.3%	94.6%	94.3%	94.2%
8,992	9,596	7,912	9,440	10,051	9,579
6,996	7,335	7,491	7,977	8,352	7,967
23,341	29,057	27,035	17,575	27,201	23,276
5,611,259	5,535,666	5,492,057	5,492,057	5,492,057	5,492,057
811	805	805	805	805	805
26,698	26,982	24,772	25,160	24,891	24,447
-	8	7	16	14	18
2,380	2,088	2,064	1,720	1,743	2,132
<u>29,078</u>	<u>29,078</u>	<u>26,843</u>	<u>26,896</u>	<u>26,648</u>	<u>26,597</u>
1,957,058	2,520,791	2,512,688	2,516,457	2,623,820	2,406,833
2,025,432	1,699,136	1,083,595	1,519,958	1,663,595	2,427,205
150,027	154,797	297,215	269,997	357,238	316,234
<u>4,132,517</u>	<u>4,374,724</u>	<u>3,893,498</u>	<u>4,306,412</u>	<u>4,644,653</u>	<u>5,150,272</u>

**School District U-46**

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

School	2020-2021	2019-2020	2018-2019	2017-2018	2016-2017	2015-2016	2014-2015	2013-2014	2012-2013	2011-2012
Bartlett	449	485	504	543	566	557	556	581	604	599
Centennial	474	476	451	494	520	484	458	480	477	484
Century Oaks	459	479	526	519	563	560	548	581	537	532
Channing	397	452	438	463	484	630	625	594	622	655
Clinton	447	433	454	461	481	452	439	458	495	446
Coleman	602	648	675	724	695	555	567	550	572	565
Creekside	511	538	555	581	639	698	655	662	668	572
Fox Meadow	439	512	551	592	616	701	734	764	741	788
Garfield	272	277	300	326	366	419	425	410	432	451
Glenbrook	477	497	493	506	554	536	541	520	513	514
Hanover Countryside	395	393	384	383	423	429	448	461	483	439
Harriet Gifford	394	402	418	437	473	529	541	510	518	511
Hawk Hollow	350	373	365	373	373	359	391	409	454	469
Heritage	413	424	451	463	481	473	498	503	510	535
Highland	571	610	614	636	617	489	515	493	517	532
Hillcrest	436	494	489	495	534	584	648	621	618	606
Hilltop	557	566	596	622	625	665	667	712	719	690
Horizon	526	579	573	621	606	603	531	525	518	531
Huff	511	585	595	636	692	643	660	677	680	659
Illinois Park	365	443	461	476	402	397	463	467	386	413
Independence	264	325	316	280	215	260	290	281	245	344
Laurel Hill	421	472	487	521	566	523	526	501	494	481
Liberty	534	597	617	637	656	682	733	687	516	643
Lincoln	457	469	413	382	426	627	646	649	656	699
Lords Park	583	655	668	741	773	694	761	733	688	724
Lowrie	379	385	392	401	391	385	400	407	401	404
Mckinley	331	368	389	395	397	386	404	414	436	435
Nature Ridge	565	599	596	641	652	686	706	695	706	732
Oakhill	419	437	424	431	441	478	480	477	526	551
Ontarioville	463	528	553	536	569	587	638	625	621	638
Otter Creek	657	676	677	697	698	730	806	731	671	668
Parkwood	337	353	375	364	414	421	435	427	471	410
Prairieview	324	332	344	335	353	383	407	400	389	397
Ridge Circle	475	475	523	526	543	506	518	513	521	495
Ronald O'Neal/Sheridan	514	529	546	549	534	557	566	528	515	497
Spring Trail	357	341	347	362	358	368	364	385	433	445
Sunnydale	370	380	383	395	394	404	393	381	348	385
Sycamore Trail	618	664	686	656	634	604	591	583	548	532
Timber Trails	374	413	468	484	493	511	556	586	596	580
Washington	381	391	396	404	405	411	438	481	436	437
Wayne	306	350	370	334	363	375	416	447	451	473
Willard	265	293	319	323	335	335	370	376	374	387
One HOPE United	50	80	62	82	73	N/A	N/A	N/A	N/A	N/A
More at 4	82	95	95	93	82	N/A	N/A	N/A	N/A	N/A
Abbott	658	666	689	684	612	489	498	539	474	487
Canton	460	505	496	537	597	638	658	646	634	736
Eastview	729	785	823	842	835	838	922	923	912	971
Ellis	736	755	719	691	705	627	600	634	661	645
Kenyon Woods	920	962	968	1,041	1,074	1,002	959	1,039	1,072	1,009
Kimball	609	626	612	570	592	621	642	682	675	671
Larsen	624	654	634	680	709	684	709	718	693	666
Tefft	1,009	911	921	964	871	820	831	853	815	821
Bartlett High School	2,389	2,410	2,418	2,426	2,495	2,548	2,590	2,610	2,653	2,664
Central School Programs	101	125	103	101	167	107	109	132	341	95
Elgin High School	2,664	2,601	2,609	2,593	2,581	2,550	2,478	2,453	2,443	2,378
Dream Academy/Gifford HS	152	191	171	131	124	157	150	140	179	153
Larkin High School	2,117	2,062	2,052	2,084	2,090	2,109	1,950	1,962	1,942	1,995
Phoenix	43	37	N/A							
South Elgin High School	2,816	2,736	2,674	2,682	2,738	2,770	2,791	2,745	2,675	2,682
Streamwood High School	1,792	1,829	1,942	1,958	1,990	2,016	1,982	2,026	2,072	2,081
<b>Total Enrollment</b>	<b>36,390</b>	<b>37,728</b>	<b>38,170</b>	<b>38,904</b>	<b>39,655</b>	<b>39,652</b>	<b>40,223</b>	<b>40,387</b>	<b>40,347</b>	<b>40,402</b>

Source: District records

Notes:

Enrollment based on enrollment as of 10/01/20

Elementary totals include Pre-K students

N/A: Not Applicable

**School District U-46**

**District Facility Information  
June 30, 2021**

Building	Year Built	Year of Most Recent Addition	Square Footage
<i>Schools:</i>			
Garfield	1887	1998	45,448
Lowrie	1887	2000	41,252
McKinley	1887	2000	48,325
Washington	1893	2004	53,139
Gifford Street High School/Central Building	1911	1939	223,214
Bartlett	1928	2002	60,591
Ontarioville	1928	2013	55,531
Abbott	1932	2001	108,303
Wayne	1947	2003	59,875
Harriet Gifford	1949	2003	55,902
Larsen	1951	2002	103,886
Ellis	1952	2003	110,135
Coleman	1954	2016	67,746
Hanover Countryside	1954	1991	46,062
Huff	1954	1997	61,634
Willard	1954	2002	42,250
Clinton	1958	1999	47,233
Woodland Heights	1958	2001	37,736
Highland	1959	2016	61,726
Kimball	1959	2002	124,531
Laurel Hill	1962	2016	44,473
Streamwood Elementary	1962	1998	33,868
Larkin High	1962	2003	348,387
OakHill	1965	2003	61,958
Tefft	1965	1965	136,946
Hillcrest	1967	1999	46,553
Sunnydale	1967	2003	46,670
Channing	1968	2003	53,833
Ridge Circle	1969	2002	65,048
Century Oaks	1970	2000	50,827
Eastview	1970	2001	167,341
Glenbrook	1971	1998	47,036
Parkwood	1971	1999	51,216

(Continued)

**School District U-46**

**District Facility Information (Continued)**

**June 30, 2021**

Building	Year Built	Year of Most Recent Addition	Square Footage
<i>Schools (Continued):</i>			
Elgin High School	1972	2003	365,242
Sheridan/Ronald O'Neal	1973	1999	46,832
Heritage	1976	1999	47,185
Independence	1976	1998	32,150
Canton	1976		126,942
Herizon	1977	2002	63,828
Lords Park	1977	1998	61,823
Streamwood High School	1978	2002	311,063
Centennial	1991	2001	75,404
Prairieview	1992	2001	74,101
Sycamore Trails	1992	2001	74,295
Fox Meadow	1996	2001	69,390
Spring Trail	1996		59,778
Bartlett High School	1997	2001	397,787
Creekside	1998		58,732
Illinois Park	1999		50,385
Nature Ridge	1999	2003	57,678
Hawk Hollow	2002		53,125
Liberty	2002		61,630
Otter Creek	2002		62,612
Hilltop	2003		63,656
Lincoln	2003		53,178
Timber Trails	2003		56,454
Kenyon Woods	2003		153,563
South Elgin High School	2004		384,365
<i>Other Buildings:</i>			
4 South Gifford	N/A		5,676
Center House	1955		1,490
1150 Bowes Rd	1997		40,000
Observatory	1910		3,590
Transportation	N/A		31,130
Plant operation	2001		30,000
1019 E Chicago Street	1965	2002	95,512
Warehouse	2002		29,500
955 E. Chicago Street	1983		17,191
967 E. Chicago Street	1984		14,450
Total			5,738,412

Source: District records

N/A: Not Available

**School District U-46**

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

Year Ended June 30,	Expenditures*	Deductions**	Operating Expenditures	Average Daily Attendance***	Operating Expenditures Per Pupil
2021	\$ 570,736,742	\$ 72,158,373	\$ 498,578,369	33,094	\$ 15,066
2020	586,575,765	97,843,283	488,732,482	34,597	14,126
2019	539,087,912	75,519,913	463,567,999	34,844	13,304
2018	513,582,969	71,012,679	442,570,290	34,963	12,658
2017	498,153,015	70,293,040	427,859,975	35,816	11,946
2016	493,979,652	73,577,129	420,402,523	34,759	12,095
2015	474,895,225	75,458,737	399,436,488	35,026	11,404
2014	454,035,207	75,412,143	378,623,064	35,779	10,582
2013	449,100,191	85,496,629	363,603,562	35,995	10,102
2012	429,938,191	82,315,321	347,622,870	35,983	9,661

Source: Annual Financial Report to State Board of Education

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

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

\*\*\*Values reflect only district calculations. Charter school tuition and ADA are not included.

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