SCHOOL DISTRICT U-46
ELGIN, ILLINOIS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED

JUNE 30, 2019

U46 ACADEMIC SUCCESS FOR ALL

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

SCHOOL DISTRICT U-46
ELGIN, ILLINOIS

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2019

Prepared By:

Mr. Dale Burnidge
Director of Financial Operations

Ms. Robyn Cornelissen
Financial Controller

SCHOOL DISTRICT U-46

Table of Contents

SCHOOL DISTRICT U-46

Table of Contents

SCHOOL DISTRICT U-46

Table of Contents

STATISTICAL SECTION (UNAUDITED)

This page left blank intentionally.

Tony Sanders, Chief Executive Officer

School District U-46

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

U-46.org

PLACEHOLDER FOR TRANSMITTAL LETTER

SCHOOL DISTRICT U-46

Principal Officials

Board of Education

Sue Kerr, President – term expires 2023
John Devereux, Vice President – term expires 2023
Veronica Noland, Secretary Pro-Tempore – term expires 2021
Melissa Owens, Member – term expires 2021
Eva Porter, Member – term expires 2023
Donna Smith, Member – term expires 2021
Kate Thommes, Member – term expires 2023
Hallie Furtak, Student Advisor – term expires 2020

Chief Executive Officer and Executive Staff

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

Officials Issuing Report

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

Division Issuing Report

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

ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

The Certificate of Excellence in Financial Reporting
is presented to

School District U-46

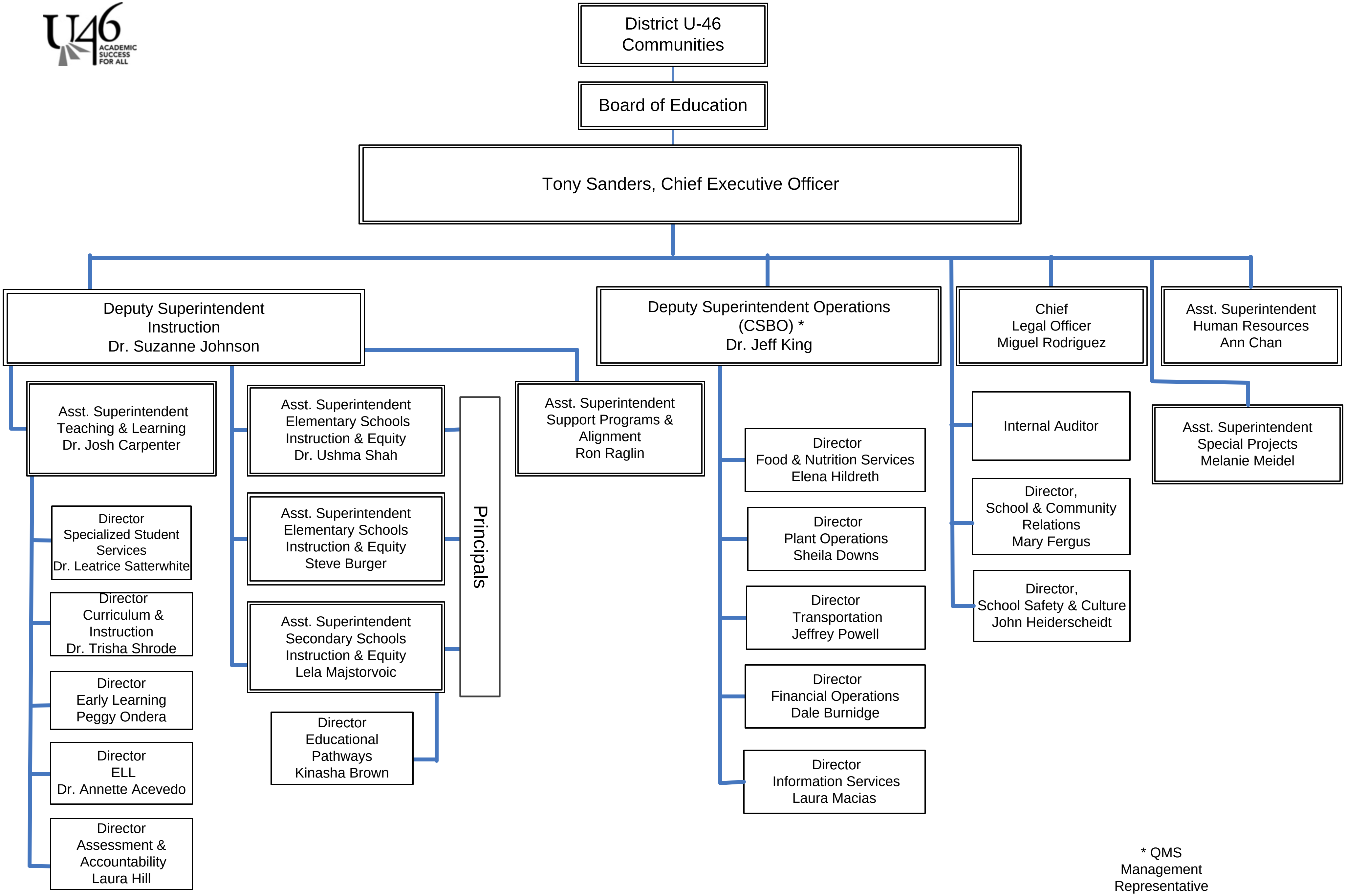
for its Comprehensive Annual Financial Report (CAFR)
for the Fiscal Year Ended June 30, 2018.

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

CERTIFICATE OF EXCELLENCE
IN FINANCIAL REPORTING

Tom Wohlleber, CSRM
President

David J. Lewis
Executive Director


District U-46 Communities
Board of Education
Tony Sanders, Chief Executive Officer
Deputy Superintendent Instruction Dr. Suzanne Johnson
Deputy Superintendent Operations (CSBO) * Dr. Jeff King
Chief Legal Officer Miguel Rodriguez
Asst. Superintendent Human Resources Ann Chan
Asst. Superintendent Teaching & Learning Dr. Josh Carpenter
Director Specialized Student Services Dr. Leatrice Satterwhite
Director Curriculum & Instruction Dr. Trisha Shrode
Director Early Learning Peggy Ondera
Director ELL Dr. Annette Acevedo
Director Assessment & Accountability Laura Hill
Asst. Superintendent Elementary Schools Instruction & Equity Dr. Ushma Shah
Asst. Superintendent Elementary Schools Instruction & Equity Steve Burger
Asst. Superintendent Secondary Schools Instruction & Equity Lela Majstorvoic
Director Educational Pathways Kinasha Brown
Principals
Asst. Superintendent Support Programs & Alignment Ron Raglin
Director Food & Nutrition Services Elena Hildreth
Director Plant Operations Sheila Downs
Director Transportation Jeffrey Powell
Director Financial Operations Dale Burnidge
Director Information Services Laura Macias
Internal Auditor
Director, School & Community Relations Mary Fergus
Director, School Safety & Culture John Heiderscheidt
Asst. Superintendent Special Projects Melanie Meidel
* QMS Management Representative

Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of School District U-46, Elgin, Illinois (the District), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of School District U-46, Elgin, Illinois as of June 30, 2019, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information
Accounting principles generally accepted in the United States of America require that the required supplementary information, such as management's discussion and analysis (pages 3-11), 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 GASB 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.

Chicago, Illinois
Report Date

REQUIRED SUPPLEMENTARY INFORMATION – MANAGEMENT'S DISCUSSION AND ANALYSIS

School District U-46

Management's Discussion and Analysis
For the Year Ended June 30, 2019

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, 2019. 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 $47.2 million (net position).

- In total, net position increased by $67.3 million. This increase was primarily the result of lower than expected actual expenses and higher than expected actual revenues.

- General revenues were $496.2 million or 66.6 percent of all revenues. Program specific revenues, in the form of charges for services and grants, were $248.6 million or 33.4 percent of total revenues of $744.8 million.

- Overall, the combined revenues of the District's governmental funds were $39.0 million more than expenditures. This surplus increased the District's governmental funds' combined fund balance by 13.2 percent to $335.0 million from $296.0 million in the prior year.

Overview of the Financial Statements

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

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

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

Government-wide financial statements

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

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

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

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

Fund financial statements

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

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances (deficits) 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 (deficits) for the District's major funds, the General Fund (the General Fund consists of four accounts: Educational Account, Tort Immunity Account, Operations and Maintenance Account and Working Cash Account), Transportation Fund, and the Debt Service Fund. Management has determined the Debt Service Fund to be major due to public interest. Data from the other three 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.

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

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

Notes to basic financial statements

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

Other information

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

District-Wide Financial Analysis

The District's net position increased by $67.3 million. At year-end, total net position was $47.2 million (see Table 1).

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

- The District retired $34.1 million of general obligation bonds, debt certificates and related discounts and premiums and increased accretion of interest on long-term debt by $5.4 million resulting in a net reduction of general obligation bonds and debt certificates of $28.7 million during the year.
- The District received $177.9 million under the Evidence Based Funding (EBF) model during the current year, which exceeded the revenue from the prior year by $20.8 million.
- During the year, the District received $8.9 million in interest and investment earnings, an increase of $2.7 million over last year.

School District U-46

Management's Discussion and Analysis (Continued)
For the Year Ended June 30, 2019

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

	Governmental Activities		
	2019	**2018**	**Percentage Change**
Assets			
Current and other assets	$ 565.2	$ 528.4	7.0%
Capital assets	398.2	392.1	1.6%
Total assets	963.4	920.5	4.7%
Deferred Outflows	58.1	40.0	45.3%
Liabilities			
Long-term liabilities	680.4	707.0	(3.8)%
Other liabilities	59.6	56.7	5.1%
Total liabilities	740.0	763.7	(3.1)%
Deferred Inflows	234.3	216.9	8.0%
Net Position, as Restated			
Net investment in capital assets	219.1	188.6	16.2%
Restricted	17.1	9.9	72.7%
Unrestricted	(189.0)	(218.6)	13.5%
Total net position, as restated	$ 47.2	$ (20.1)	(334.8)%

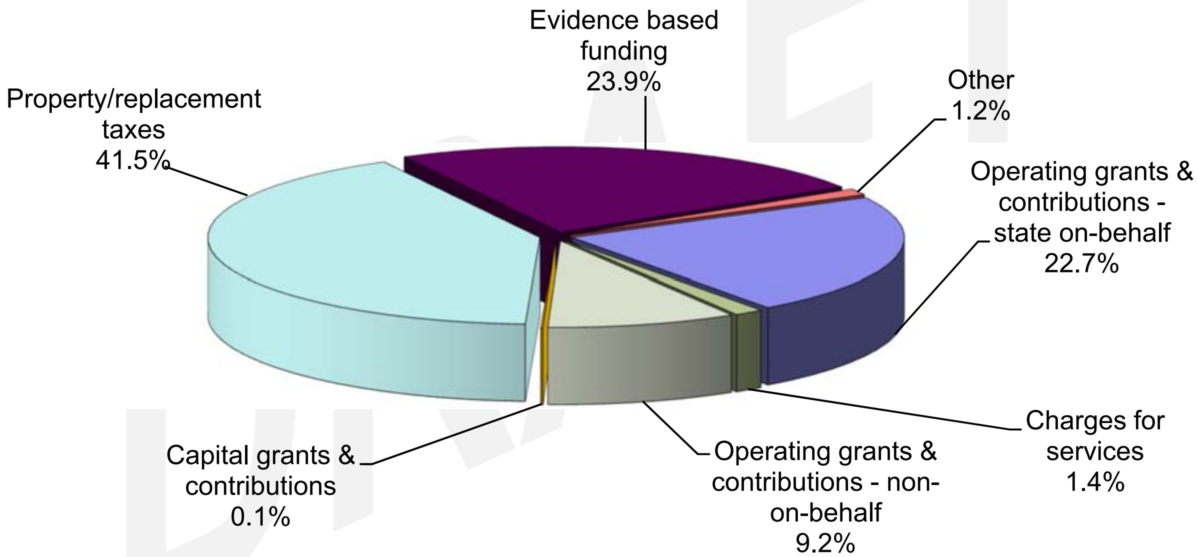
Table 2, Changes in Net Position, illustrates in summary revenues and expenses from fiscal year 2019 and the increase in net position of $67.3 million. Comparative data from fiscal year 2018 is also illustrated.

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

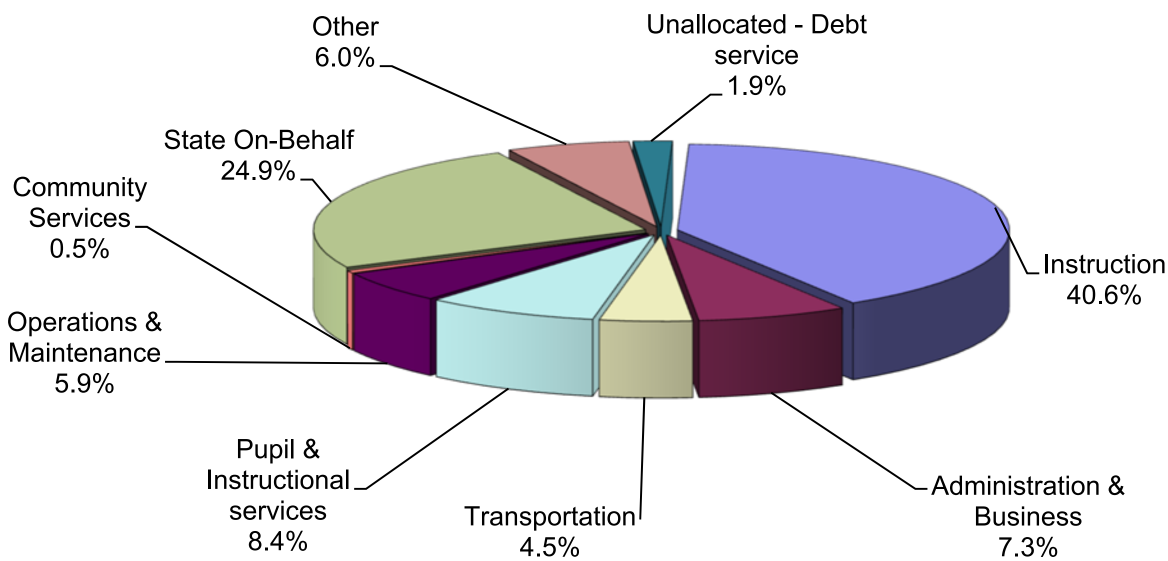
	Governmental Activities		
	2019	**2018**	**Percentage Change**
Revenues			
Program revenues			
Charges for services	$ 10.9	$ 10.4	4.8%
Operating grants and contributions - non-on-behalf	68.5	71.4	(4.1)%
Operating grants and contributions - state on-behalf contributions - TRS and THIS	168.8	175.5	(3.8)%
Capital grants and contributions	0.4	1.0	(60.0)%
General revenues			
Property and replacement taxes	309.4	306.8	0.8%
Evidenced based funding/general state aid	177.9	157.1	13.2%
Other	8.9	6.2	43.5%
Total revenues	744.8	728.4	2.3%
Expenses			
Instruction	275.1	289.0	(4.8)%
Support services	217.4	205.5	5.8%
Community services	3.4	3.8	(10.5)%
State on-behalf contributions - TRS and THIS	168.8	175.5	(3.8)%
Debt service - interest and fees	12.8	14.1	(9.2)%
Total expenses	677.5	687.9	(1.5)%
Increase in net position	$ 67.3	$ 40.5	66.2%

The District's total revenues were $744.8 million. General revenues, including taxes and Evidence Based Funding were 65.4 percent of the total or $487.3 million. Property and replacement taxes increased $2.6 million over the prior year or 0.8 percent. Evidence Based Funding brought in $177.9 million, an increase of $20.8 million or 13.2 percent. Grants and contributions for specific programs brought in $68.5 million, a decrease of 4.1 percent over the prior year. The total cost of all programs and services in 2019 was $677.5 million. The District's expenses are predominantly related to instruction and support services (caring for and transportation of students, etc.), which accounted for 72.7 percent of the total expense (see Table 2.2). The District's remaining activities, unallocated debt service, the State's on-behalf allocations of retirement and other post-employment benefits and community services, were 27.3 percent of total expense. Total revenues on the statement of activities surpassed expenses, increasing net position by $67.3 million from the prior year.

District-Wide Revenues by Source - Table 2.1



District-Wide Expenses by Function - Table 2.2



Financial Analysis of the District's Funds

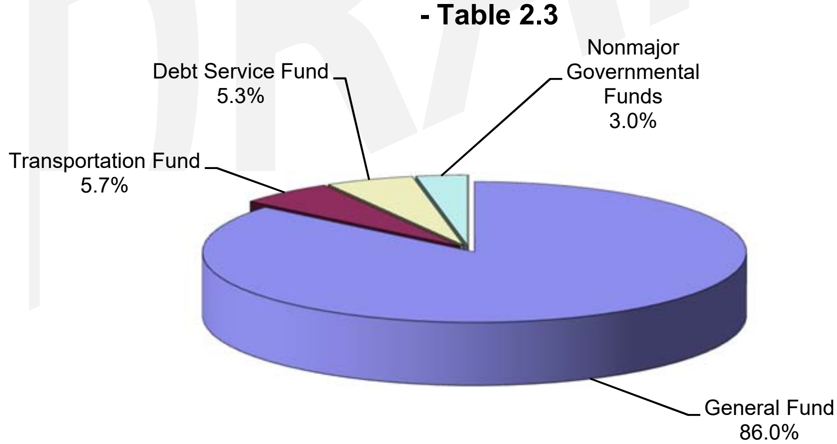
As the District completed the year, its governmental funds reported combined fund balances of $335.0 million. Revenues for the District's governmental funds were $678.0 million, while total expenditures were $639.0 million. Of the revenues and expenditures reported in the governmental funds, $96.0 million 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 $26.7 million. This was due primarily to more than expected revenues from state and federal sources, primarily Evidence Based Funding. This surplus resulted in an increase in the year-end fund balance to $279.4 million.

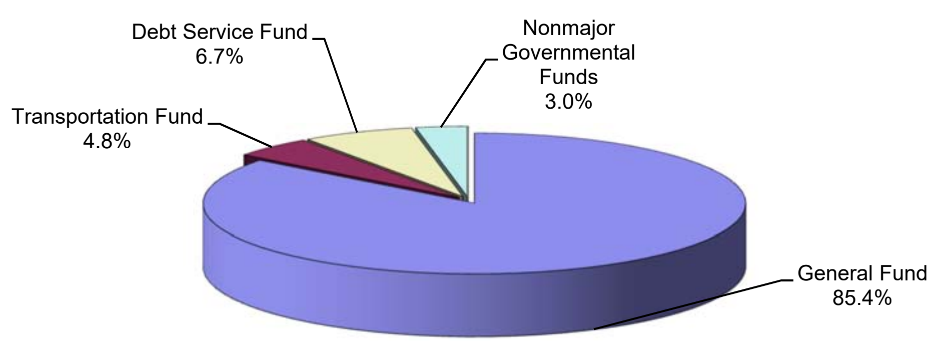
The revenues exceeded expenditures in the Transportation Fund by $7.8 million. The expected excess of revenues over expenditures was $3.1 million or $4.7 million less than actual. This was due to higher than expected state grant revenue related to the transportation claim during the year. The Transportation Fund's fund balance was increased by $7.8 million to a year-end fund balance of $18.3 million.

During the year, a portion of the 2018 levy was abated resulting in $10.3 million being transferred into the Debt Service Fund from the General Fund. This transfer accounted for most of the increase in fund balance after factoring in the deficiency of revenues under expenditures of $7.0 million. The resulting year-end fund balance in the Debt Service Fund was $32.0 million.

Revenues by Major Fund and Aggregate Nonmajor Funds - Table 2.3



Expenditures by Major Fund and Aggregate Nonmajor Funds - Table 2.4



General Fund Budgetary Highlights

While the District's budget for the General Fund anticipated that revenues would exceed expenditures by $9.2 million before other financing uses, the actual result for the year was an excess of revenues over expenditures of $37.1 million. State grants exceeded the budget by $8.8 million which is attributable to the increase in Evidence Based Funding. Regular program expenditures came in under budget by $18.1 million. Overall, actual expenditures were below budget by $13.3 million or 2.9 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)

	2019	2018	Percentage Change
Land	$ 28.4	$ 28.4	0.0%
Construction in progress	12.9	9.6	34.4%
Buildings	340.5	341.7	(0.4)%
Transportation equipment	9.4	5.7	64.9%
Other equipment	7.0	6.7	4.5%
Total	$ 398.2	$ 392.1	1.6%

At June 30, 2019, the District has outstanding commitments relating to construction projects of approximately $24.9 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 $28.7 million. The pension and postemployment benefit liabilities increased $3.9 million while the lease liability or purchase contracts decreased by $1.3 million. Claims incurred but not reported and compensated absences decreased by $0.4 million. Additional information is available in Note 4 – Long-Term Obligations.

The District is subject to the Illinois School Code, which limits the amount of bond indebtedness to 13.8 percent of the most recent available equalized assessed valuation of the District. As of June 30, 2019, the statutory debt limit for the District was $664.0 million providing a debt margin of $455.0 million.

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 2019 were 1.94 percent and $1,197, 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 2018 when the ratio was 2.19 percent. The bonded debt per capita decreased from fiscal year 2018 when it was $1,332.

Table 4
Outstanding Long-Term Obligations
(in millions)

	2019	2018	Percentage Change
General obligation bonds/debt certificates	$ 314.5	$ 343.2	(8.4)%
Other	365.9	363.8	0.6%
Total	$ 680.4	$ 707.0	(3.8)%

Factors Impacting the District's Future

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

- In 2017, Illinois approved a new law changing the Illinois Pension Code which will shift additional pension costs to the District for the Teachers' Retirement System. At this time, the starting date for the new law has not yet been determined.

- In the future, the District does not plan to issue additional debt to address the improvements needed for its aging facilities. All improvements will be funded using current fund balances. As can be seen in Table 1, at the end of the current fiscal year, the largest portion of the District's net position reflects its investment in capital assets (e.g., land, buildings, and equipment), less any related debts used to acquire those assets that are still outstanding. The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets are reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

- The current economy in the State continues to affect the District's state funding levels and timing of state receipts. The State of Illinois has a fiscal year 2020 budget including the new evidence based funding model for school districts. Under this restructuring of funding, School District U-46 received an additional $21.0 million in fiscal year 2019; however, future increases could be impacted by the lack of a balanced State budget.

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, 2019

	Governmental Activities
Assets and Deferred Outflows of Resources	
Assets	
Cash and investments	$ 372,044,788
Accrued interest	1,811,036
Property taxes receivable, net of allowance	157,435,171
Replacement taxes receivable	598,317
Grants receivable	31,008,261
Accounts receivable	239,757
Inventories	33,595
Prepaids	2,014,054
Capital assets not being depreciated	41,357,317
Capital assets being depreciated, net of accumulated depreciation	356,853,406
Total assets	963,395,702
Deferred outflows of resources	
Deferred pension actuarial adjustments	40,730,588
Deferred pension contributions	5,567,595
Deferred amount on refunding	91,268
Deferred other post employment benefits actuarial adjustments	384,776
Deferred other post employment benefits contributions	11,459,047
Total deferred outflows of resources	58,233,274
Total assets and deferred outflows of resources	$ 1,021,628,976
Liabilities, Deferred Inflows of Resources and Net Position	
Liabilities	
Accounts payable	$ 22,114,489
Accrued payroll	28,431,697
Payroll deductions	1,133,210
Construction retainage payable	1,041,492
Accrued interest	4,791,185
Unearned grant revenue	27,696
Unearned other revenue	1,752,989
Unclaimed property	286,507
Long-term obligations, due within one year, net of premium and discount	45,049,921
Long-term obligations, due in more than one year, net of premium and discount	635,369,929
Total liabilities	739,999,115
Deferred inflows of resources	
Deferred property taxes	153,864,673
Deferred pension actuarial adjustments	44,166,163
Deferred other post employment benefits actuarial adjustments	36,378,441
Total deferred inflows of resources	234,409,277
Net Position (Deficit)	
Net investment in capital assets	219,110,563
Restricted for:	
Capital projects	4,017,743
Student transportation	13,068,867
Unrestricted	(188,976,589)
Total net position	47,220,584
Total liabilities, deferred inflows of resources and net position	$ 1,021,628,976

See Notes to Basic Financial Statements.

School District U-46

Statement of Activities
Year Ended June 30, 2019

Functions/Programs	Expenses	Program Revenue: Charges for Services	Program Revenue: Operating Grants and Contributions	Program Revenue: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities
Governmental activities:					
Instruction:					
Regular programs	$ 150,525,965	$ 5,082,996	$ 22,232,546	$ -	$ (123,210,423)
Special programs	52,195,581	-	17,803,277	-	(34,392,304)
Other instructional programs	72,352,495	1,198,123	30,895	-	(71,123,477)
Total instruction	275,074,041	6,281,119	40,066,718	-	(228,726,204)
Support services:					
Pupils	39,501,953	-	-	-	(39,501,953)
Instructional staff	17,418,458	-	139,863	-	(17,278,595)
General administration	15,940,143	-	-	-	(15,940,143)
School administration	28,536,385	-	-	-	(28,536,385)
Business	5,124,216	-	-	-	(5,124,216)
Operations and maintenance	39,187,287	-	-	-	(39,187,287)
Transportation	30,322,006	1,023,313	14,841,444	-	(14,457,249)
Facilities acquisition and construction	551,748	-	-	351,388	(200,360)
Food service	15,130,980	3,631,095	13,461,623	41,500	2,003,238
Central	23,620,618	-	-	-	(23,620,618)
Other support services	2,099,120	-	-	-	(2,099,120)
Total support services	217,432,914	4,654,408	28,442,930	392,888	(183,942,688)
Community services	3,401,570	-	-	-	(3,401,570)
State on-behalf contributions - TRS and THIS	168,836,248	-	168,836,248	-	-
Debt service - interest and fees	12,808,157	-	-	-	(12,808,157)
Total governmental activities	$ 677,552,930	$ 10,935,527	$ 237,345,896	$ 392,888	(428,878,619)

General revenues:	
Taxes:	
Property taxes, general purposes	269,745,840
Property taxes, debt service	35,726,726
Replacement taxes and other payment in lieu of taxes	3,942,629
Unrestricted state grants	177,917,028
Interest and investment earnings	6,455,852
Other general revenues	2,386,995
Total general revenues	496,175,070
Change in net position	67,296,451
Net deficit:	
Beginning of year	(20,075,867)
End of year	$ 47,220,584

See Notes to Basic Financial Statements.

School District U-46

Balance Sheet
Governmental Funds
June 30, 2019

	Major Funds				
	General Fund	Transportation Fund	Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets					
Cash and investments	$ 318,501,619	$ 14,312,554	$ 31,601,045	$ 7,629,570	$ 372,044,788
Accrued interest	1,811,036	-	-	-	1,811,036
Property taxes receivable, net of allowance	122,909,799	8,933,648	16,924,545	8,667,179	157,435,171
Replacement taxes receivable	-	-	-	598,317	598,317
Grants receivable	11,745,045	19,263,216	-	-	31,008,261
Accounts receivable	203,272	29,316	-	7,169	239,757
Inventories	33,595	-	-	-	33,595
Prepaids	2,014,054	-	-	-	2,014,054
Total assets	$ 457,218,420	$ 42,538,734	$ 48,525,590	$ 16,902,235	$ 565,184,979
Liabilities, Deferred Inflows of Resources, and Fund Balances					
Liabilities					
Accounts payable	$ 20,123,957	$ 159,460	$ -	$ 1,831,072	$ 22,114,489
Accrued payroll	28,207,452	224,245	-	-	28,431,697
Payroll deductions	82,492	-	-	1,050,718	1,133,210
Construction retainage payable	944,888	-	-	96,604	1,041,492
Unearned grant revenue	27,696	-	-	-	27,696
Unearned other revenue	1,752,989	-	-	-	1,752,989
Unclaimed property	195,753	-	-	90,754	286,507
Total liabilities	51,335,227	383,705	-	3,069,148	54,788,080
Deferred inflows of resources					
Deferred grant revenue	6,409,323	15,111,210	-	-	21,520,533
Deferred property taxes	120,122,308	8,731,040	16,540,710	8,470,615	153,864,673
Total deferred inflows of resources	126,531,631	23,842,250	16,540,710	8,470,615	175,385,206
Fund balances					
Nonspendable	2,047,649	-	-	-	2,047,649
Restricted	964,343	13,068,867	31,984,880	5,362,472	51,380,562
Assigned	-	5,243,912	-	-	5,243,912
Unassigned	276,339,570	-	-	-	276,339,570
Total fund balances	279,351,562	18,312,779	31,984,880	5,362,472	335,011,693
Total liabilities, deferred inflows of resources and fund balances	$ 457,218,420	$ 42,538,734	$ 48,525,590	$ 16,902,235	$ 565,184,979

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, 2019

Total fund balances - governmental funds		$ 335,011,693
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	$ 729,133,795	
Accumulated depreciation	(330,923,072)	
Net capital assets		398,210,723
Interest on long-term debt is not accrued in governmental funds, but rather is recognized when due.		(4,791,185)
Certain revenues that are deferred in the fund financial statements because they are not available, are recognized as revenue in the government-wide financial statements.		21,520,533
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	40,730,588	
Deferred outflows - pension contributions	5,567,595	
Deferred inflows - pension actuarial adjustments	(44,166,163)	
		2,132,020
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	384,776	
Deferred outflows - other post employment benefit contributions	11,459,047	
Deferred inflows - other post employment benefit actuarial adjustments	(36,378,441)	
		(24,534,618)
Some liabilities reported in the statement of net position do not require the use of current financial resources and therefore are not reported as liabilities in the governmental funds. These liabilities consist of:		
General obligation bonds	(237,542,483)	
Accreted interest on long-term debt	(56,228,061)	
General obligation debt certificates	(2,085,750)	
Purchase contracts	(1,353,353)	
Compensated absences	(1,248,378)	
Other postemployment benefits - District Plan	(25,706,376)	
Other postemployment benefits - Teachers' Health Insurance Security Fund (THIS)	(242,987,411)	
Net pension liability - Illinois Municipal Retirement Fund (IMRF)	(59,176,550)	
Net pension liability - Teachers' Retirement System (TRS)	(23,609,784)	
Claims incurred but not reported	(11,861,468)	
Unamortized premiums related to debt issuance	(18,689,680)	
Unamortized discounts related to debt issuance	69,444	
Deferred amount on refunding	91,268	
		(680,328,582)
Net position of governmental activities		$ 47,220,584

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, 2019

	Major Funds				
	General Fund	Transportation Fund	Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:					
Property taxes	$ 236,088,965	$ 17,145,869	$ 35,726,726	$ 16,511,006	$ 305,472,566
Replacement taxes and payments in lieu of taxes	203,013	-	-	3,739,616	3,942,629
Charges for services	9,912,214	1,023,313	-	-	10,935,527
Earnings on investments	6,437,789	4,326	9,591	4,146	6,455,852
Rentals	790,289	-	-	-	790,289
Local grants	27,683	-	-	-	27,683
Other local sources	1,596,650	56	-	351,388	1,948,094
State grants-in-aid	191,789,349	20,531,363	-	-	212,320,712
Federal grants-in-aid	40,125,989	-	-	-	40,125,989
State on-behalf contributions - TRS and THIS	95,966,913	-	-	-	95,966,913
Total revenues	582,938,854	38,704,927	35,736,317	20,606,156	677,986,254
Expenditures:					
Current:					
Instruction:					
Regular programs	139,311,636	-	-	1,684,548	140,996,184
Special programs	46,159,831	-	-	2,287,825	48,447,656
Other instructional programs	66,390,115	-	-	1,033,598	67,423,713
Support services:					
Pupils	35,055,749	-	-	1,404,908	36,460,657
Instructional staff	15,794,596	-	-	470,826	16,265,422
General administration	14,511,215	-	-	494,419	15,005,634
School administration	25,405,150	-	-	1,321,091	26,726,241
Business	4,325,865	-	-	419,525	4,745,390
Operations and maintenance	524,989	-	-	30,264	555,253
Transportation	1,708,373	23,336,086	-	3,231,395	28,275,854
Facilities acquisition and construction	14,051,729	-	-	43,647	14,095,376
Food service	20,952,221	-	-	906,497	21,858,718
Central	1,873,470	-	-	67,530	1,941,000
Other support services	33,870,986	-	-	2,026,171	35,897,157
Community services	3,055,075	-	-	152,388	3,207,463
State on-behalf contributions - TRS and THIS	95,966,913	-	-	-	95,966,913
Intergovernmental:					
Payments to other governments	9,290,869	2,100	-	-	9,292,969
Debt service:					
Principal	-	1,333,745	23,175,681	-	24,509,426
Interest and fees	-	39,500	19,531,467	-	19,570,967
Capital outlay	17,616,378	6,226,718	-	3,904,615	27,747,711
Total expenditures	545,865,160	30,938,149	42,707,148	19,479,247	638,989,704
Excess (deficiency) of revenues over (under) expenditures	37,073,694	7,766,778	(6,970,831)	1,126,909	38,996,550
Other financing sources (uses):					
Transfer in	-	-	10,338,780	-	10,338,780
Transfer out	(10,338,780)	-	-	-	(10,338,780)
Total other financing sources (uses)	(10,338,780)	-	10,338,780	-	-
Net change in fund balances	26,734,914	7,766,778	3,367,949	1,126,909	38,996,550
Fund balances:					
Beginning of year	252,616,648	10,546,001	28,616,931	4,235,563	296,015,143
End of year	$ 279,351,562	$ 18,312,779	$ 31,984,880	$ 5,362,472	$ 335,011,693

See Notes to Basic Financial Statements.

School District U-46

Reconciliation of the Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits)
to the Statement of Activities
Year Ended June 30, 2019

Net change in fund balances (deficits)—total governmental funds		$ 38,996,550
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report purchases of capital assets as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets.		
Capital expenditures	$ 25,109,495	
Depreciation	(18,988,876)	
Capital expenditures in excess of depreciation		6,120,619
Some revenues were not collected for several months after the close of the fiscal year and therefore were not considered to be "available" and are not reported as revenue in the governmental funds. The change from fiscal year 2017 to 2018 was:		(6,006,208)
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	22,661,283	
Debt certificates	514,553	
Purchase contracts	1,333,745	
Accreted interest	9,163,870	
Total retired debt		33,673,451
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.		(5,383,140)
Items related to pension expense and revenue 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		18,160,701
Deferred inflows related to pension expense		(9,862,202)
Items related to other post employment benefit expense and revenue 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		(29,233)
Deferred inflows related to other post employment benefit expense		(7,862,948)
Some revenues and expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported in the governmental funds.		
State on-behalf contribution revenue - TRS and THIS	72,869,335	
State on-behalf expense - TRS and THIS	(72,869,335)	
Increase in other postemployment benefits - District Plan	(6,666)	
Increase in other postemployment benefits - THIS	(4,644,573)	
Increase in net pension liability - Illinois Municipal Retirement Fund (IMRF)	(42,215,138)	
Decrease in net pension liability - Teachers' Retirement System (TRS)	42,935,991	
Increase in compensated absences payable	(215,523)	
Decrease in accrued interest on debt	425,040	
Decrease in claims incurred but not reported	652,845	
Amortization of bond premiums	1,778,157	
Amortization of bond discounts	(26,237)	
Amortization of deferred amount on refunding	804,965	
		(511,139)
Change in net position of governmental activities		$ 67,296,451

See Notes to Basic Financial Statements.

School District U-46

Statement of Fiduciary Assets and Liabilities
Agency Fund
June 30, 2019

	Agency Student Activity Fund
Assets, cash and investments	$ 3,416,396
Liabilities, due to activity fund organizations	$ 3,416,396

See Notes to Basic Financial Statements.

Note 1. Summary of Significant Accounting Policies

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

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

Financial Reporting Entity

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

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

(2) Fiscal dependency on the primary government and the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government.

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

(1) The primary government is legally entitled to or has access to the component unit’s resources.

(2) The primary government is legally required or has assumed the obligation to finance the deficits of, provide support to, the component unit.

(3) The primary government is obligated in some manner for the other component unit’s debt.

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

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

Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

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

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

Note 1. Summary of Significant Accounting Policies (Continued)

Government-Wide and Fund Financial Statements (Continued)

Government-Wide Financial Statements (Continued)

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

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

Fund Financial Statements

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

The District reports the following major governmental funds:

General Fund

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

Transportation Fund

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

Debt Service Fund

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

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

Special Revenue Funds

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

Note 1. Summary of Significant Accounting Policies (Continued)

Government-Wide and Fund Financial Statements (Continued)

Fund Financial Statements (Continued)

Capital Projects Funds

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

Fiduciary Fund

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

Measurement Focus and Basis of Accounting and Financial Statement Presentation

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

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

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

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

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 2018 tax levy was passed by the Board of Education on December 4, 2018, 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 2019 in Cook County and in June and September 2019 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 2018 tax extension and 50 percent of the 2017 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, 2019, the property tax allowance was as follows:

Fund	Allowance
General Fund	$ 3,164,316
Debt Service Fund	435,723
Transportation Fund	229,997
Nonmajor Governmental Funds	223,136
	$ 4,053,172

The District has recorded a receivable for the uncollected portion of the 2018 taxes extended. The District has recorded a deferred inflow of resources net of any allowance, which approximates 50 percent of the 2018 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.

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.

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 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.

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, investments, if any, are reported at fair value, except for money market investments and participating interest earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

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, 2019, the District's nonspendable fund balances in the Governmental Funds related to inventories for $33,595, and prepaid expenses of $2,014,054.

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, 2019.

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, 2019, $5,243,912 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.

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, 2019, the District had working cash stabilization fund balances of $112,594,923 that have been classified as unassigned fund balances in the General Fund.

At June 30, 2019, the District had the following fund balances restricted for various purposes as follows:

Fund	Fund balance	Purpose of restriction
Major Funds:		
General Fund	$ 964,343	Risk and insurance
Transportation Fund	13,068,867	Student transportation
Debt Service Fund	31,984,880	Repayment of principal and interest on long-term debt
Nonmajor Funds:		
Fire Prevention and Safety Fund	524,951	School construction projects
Capital Projects Fund	3,492,792	School construction projects
Municipal Retirement /Social Security Fund	1,344,729	Employee pension
	$ 51,380,562	

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.

Note 1. Summary of Significant Accounting Policies (Continued)

Eliminations

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

Use of Estimates

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

Note 2. Deposits and Investments

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

Deposits

As of June 30, 2019, the District had deposits with federally insured financial institutions of $305,378,343 with the book balances totaling $305,078,158. The deposits held in fiduciary funds with federally insured financial institutions were $3,581,837 with the book balances totaling $3,416,396.

Custodial Credit Risk – Deposits
In the case of deposits, custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District’s investment policy requires all bank deposits in excess of FDIC insurance limits be secured by collateral. As of June 30, 2019, 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.

Note 2. Deposits and Investments (Continued)

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

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

The following schedule reports the fair values and maturities (using the segmented time distribution method) for the District's investments at June 30, 2019. The schedule also includes credit ratings by Standard & Poor's at June 30, 2019:

		Investment Maturities (in Years)		% of Total	Credit
Investment Type		Less than 1	1 - 5	Investments	Ratings
ISDLAF	$ 63,139,762	$ 63,139,762	$ -	94.29 %	AAAm
Government Money Market Funds	1,348,838	1,348,838	-	2.01	AAAm
Ilinois Funds	2,475,050	2,475,050	-	3.70	AAAm
	$ 66,963,650	$ 66,963,650	$ -	100.00 %	

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

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

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

Investment Type		Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
ISDLAF	$ 63,139,762	N/A	Daily	One Day
Government Money Market Funds	1,348,838	N/A	Daily	One Day
Illinois Funds	2,475,050	N/A	Daily	One Day
	$ 66,963,650			

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.

Note 2. Deposits and Investments (Continued)

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

The above deposits and investments (plus $2,980 held by the District as petty cash) are presented in the basic financial statements as cash and investments as follows:

Cash and investments per statement of net position	$ 372,044,788
Cash and investments per statement of fiduciary assets and liabilities	3,416,396
Total	$ 375,461,184

Note 3. Capital Assets

Capital asset balances and activity for the year ended June 30, 2019, are as follows:

	Balance July 1, 2018	Transfers and Additions	Transfers and Retirements	Balance June 30, 2019
Capital Assets, not being depreciated:				
Land	$ 28,397,412	$ -	$ -	$ 28,397,412
Construction in progress	9,637,202	18,092,310	14,769,607	12,959,905
Total capital assets, not being depreciated	38,034,614	18,092,310	14,769,607	41,357,317
Capital Assets, being depreciated:				
Buildings	619,822,162	12,890,471	-	632,712,633
Transportation equipment	26,993,317	6,025,984	4,694,807	28,324,494
Other equipment	23,887,014	2,870,337	18,000	26,739,351
Total capital assets being depreciated	670,702,493	21,786,792	4,712,807	687,776,478
Less accumulated depreciation:				
Buildings	278,073,668	14,139,727	-	292,213,395
Transportation equipment	21,342,254	2,307,004	4,694,807	18,954,451
Other equipment	17,231,081	2,542,145	18,000	19,755,226
Total accumulated depreciation	316,647,003	18,988,876	4,712,807	330,923,072
Total capital assets being depreciated, net	354,055,490	2,797,916	-	356,853,406
Governmental activities Capital assets, net	$ 392,090,104	$ 20,890,226	$ 14,769,607	$ 398,210,723

Note 3. Capital Assets (Continued)

Depreciation expense was charged to governmental activities as follows:

Activity	Depreciation Expense
Instruction:	
Regular programs	$ 5,830,954
Special education programs	2,003,573
Other instructional programs	2,788,335
Support services:	
Pupils	1,507,845
Instructional staff	672,663
General administration	610,540
School administration	1,105,275
Business	196,248
Operations and maintenance	1,484,542
Transportation	1,169,359
Food services	582,920
Central	903,976
Community services	132,646
Total	$ 18,988,876

Note 4. Long-Term Obligations

The following is a summary of activity for the District's long-term obligations for the year ended June 30, 2019:

	Balance July 1, 2018	Additions	Reductions	Balance June 30, 2019	Due Within One Year
G.O. Bonds/Debt Certificates Payable:					
General obligation bonds	$ 260,203,766	$ -	$ (22,661,283)	$ 237,542,483	$ 19,228,841
Accreted interest on long-term debt	60,008,791	5,383,140	(9,163,870)	56,228,061	13,406,335
Debt certificates	2,600,303	-	(514,553)	2,085,750	517,291
Unamortized premium	20,467,837	-	(1,778,157)	18,689,680	1,778,157
Unamortized discount	(95,681)	-	26,237	(69,444)	(26,237)
Total General Obligation Bonds/ Debt Certificates Payable	343,185,016	5,383,140	(34,091,626)	314,476,530	34,904,387
Purchase contracts	2,687,098	-	(1,333,745)	1,353,353	1,353,351
Compensated absences	1,032,855	1,248,378	(1,032,855)	1,248,378	1,248,378
Net pension liability - IMRF	16,961,412	27,568,168	14,646,970	59,176,550	-
Collective net pension liability - TRS	66,545,775	-	(42,935,991)	23,609,784	-
Total OPEB liability - District Plan	25,699,710	1,769,326	(1,762,660)	25,706,376	-
Collective total OPEB liability - THIS	238,342,838	4,644,573	-	242,987,411	-
Claims incurred but not reported	12,514,313	59,951,517	(60,604,362)	11,861,468	7,543,805
Total	$ 706,969,017	$ 100,565,102	$ (127,114,269)	$ 680,419,850	$ 45,049,921

Note 4. Long-Term Obligations (Continued)

At June 30, 2019, general obligation bonds consisted of the following:

General Obligation Bonds - Payable by the Debt Service Fund

$54,499,619, 2002 Illinois Development Finance Authority Program Capital Appreciation Revenue Bonds due in annual installments of $1,065,463 to $7,678,182 through 2021 with interest due annually in years of maturity at a rate yielding 5.3789%. Issued for the purpose of building new schools.	$ 8,743,645
$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.	31,643,838
$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.	5,650,000
$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.	7,545,000
$2,030,000, 2011B Taxable General Obligation Limited School Bonds due in annual installments of $200,000 to $230,000 through 2021 with interest due semiannually at 0.65%. Issued for the purpose of capital projects.	430,000
$31,045,000, 2012B Taxable General Obligation Limited School Bonds due in annual installments of $75,000 to $5,705,000 beginning in fiscal year 2016 through 2026 with interest due semiannually at 3.0% to 4.5%. Issued for the purpose of working cash and funding the tort fund.	20,770,000
$44,310,000, 2015A General Obligation Limited School Bonds due in annual installments of $2,955,000 through $8,205,000 beginning in fiscal year 2028 through 2034 with interest due semiannually at 5.00%. Issued for the purpose of working cash.	44,310,000
$10,780,000, 2015B Taxable General Obligation Limited Refunding Bonds due in annual installments of $2,170,000 through $6,215,000 beginning in fiscal year 2026 through 2028 with interest due semiannually at 3.7% to 3.95%. Issued for the purpose of refunding capital project related bonds and working cash.	10,780,000

(continued)

Note 4. Long-Term Obligations (Continued)

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

$19,235,000, 2015C General Obligation Refunding School Bonds due in annual installments of $3,740,000 through $6,095,000 beginning in fiscal year 2016 through 2020 with interest due semiannually at 4.00% to 5.00%. Issued for the purpose of refunding capital project related bonds.	$ 6,095,000
$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.	101,575,000
Total General Obligation Bonds	$ 237,542,483

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 Principal	General Obligation Interest	Total Debt Service
2020	$ 19,228,841	$ 22,943,766	$ 42,172,607
2021	15,856,253	26,482,712	42,338,965
2022	15,576,479	26,706,309	42,282,788
2023	15,255,910	26,978,127	42,234,037
2024	11,940,000	8,268,913	20,208,913
2025-2029	68,075,000	32,975,276	101,050,276
2030-2034	80,710,000	14,686,750	95,396,750
2035	10,900,000	545,000	11,445,000
	$ 237,542,483	$ 159,586,853	$ 397,129,336

Interest maturities include $56,228,061 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 are paid only when principal payments are made, not semi-annually like conventional bond issues. The District records the accretion of interest as long-term debt in the statement of net position as if the interest had been paid semi-annually. Accreted interest on long-term debt was reduced by a net total of $3,780,730 during the fiscal year ended June 30, 2019. At year-end, the total interest accreted on the capital appreciation bonds was $56,228,061.

Note 4. Long-Term Obligations (Continued)

Debt Certificates

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

$6,200,000, 2007 Debt Certificates (Qualified Zone Academy Bonds) due in annual installments of $418,578 to $432,360 through 2023 with interest due annually at 0.65%. Issued for the purpose of capital projects.	$ 1,712,734
$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.	373,016
Total Debt Certificates	$ 2,085,750

Purchase Contracts

The District has a purchase contract for buses dated August 1, 2015 due in five annual payments of $1,373,245 through October 2019. Over the life of the contract, the principal and interest portions of the contract are $6,653,797 and $212,428, respectively. Future minimum payments total $1,372,245 of which $18,892 represents interest and $1,353,353 represents principal. Payments are expected to be made from the Transportation Fund. Upon entering a contract, the District records the activity as capital outlay expenditures with an offsetting credit to "proceeds from purchase contracts." The net book value of the assets associated with the outstanding lease is $2,030,059. Some items purchased through this method, however, may not be capitalized as new equipment if the value of an individual item such as a desktop computer does not meet or exceed the District's capitalization threshold.

Note 4. Long-Term Obligations (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	Debt Certificates		Purchase Contracts		Total
Fiscal Year	Principal	Interest	Principal	Interest	Debt Service
2020	$ 517,291	$ 11,949	$ 1,353,353	$ 18,894	$ 1,901,487
2021	520,024	8,982	-	-	529,006
2022	522,821	5,952	-	-	528,773
2023	525,614	2,927	-	-	528,541
Total	$ 2,085,750	$ 29,810	$ 1,353,353	$ 18,894	$ 3,487,807

Legal Debt Margin

As of June 30, 2019, the legal debt limit of the District was $663,992,526, based upon 13.8 percent of its 2018 equalized assessed valuation of $4,811,540,043. The debt limit less outstanding debt subject to the debt limit of $240,981,586 plus amounts held in the Debt Service Fund of $31,984,880, results in a legal debt margin of $454,995,820 as of June 30, 2019.

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 $1,248,378 at June 30, 2019. The amounts will be paid from the General Fund within the next year.

Net Pension and Collective Net Pension Liability

Net pension and collective net pension liabilities of $82,786,334 at June 30, 2019 represent the District’s share of pension liability to plan members for benefits provided through defined benefit pension plans (see Note 6). $59,176,550 relates to IMRF and will be paid from the Municipal Retirement/Social Security Fund. $23,609,784 relates to TRS and will be paid from the General Fund.

Note 4. Long-Term Obligations (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, 2019 related to its own plan was $25,706,376 and $242,987,411 for its share of THIS, both amounts will be paid from the General Fund.

Debt Refunding

As of June 30, 2019, the outstanding balance of all defeased bonds totaled $98,875,000.

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, 2019, 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, 2019, total $11,861,468. 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 2019	Total 2018
Claims liability - beginning	$ 14,231,176	$ 11,569,666
Incurred claims	59,951,517	59,445,575
Claim payments and reductions	(62,321,225)	(56,784,065)
Claims liability - ending	$ 11,861,468	$ 14,231,176

Note 6. Employee Retirement Systems and Plans

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

	Net Pension Liability	Deferred Outflows	Deferred Inflows	Pension Expense
Teachers' Retirement System (TRS)	$ 23,609,784	$ 13,884,030	$ 38,259,747	$ 145,151,973
Illinois Municipal Retirement Fund (IMRF)	59,176,550	32,414,153	5,906,416	6,571,057
Total	$ 82,786,334	$ 46,298,183	$ 44,166,163	$ 151,723,030

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/fy2018; 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 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 last 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.

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. The earliest possible implementation date is July 1, 2020. Public Act 100-0587, enacted in 2018, requires TRS to offer two temporary benefit buyout programs that expire on June 30, 2021. One program allows retiring Tier 1 members to receive a partial lump-sum payment in exchange for accepting a lower, delayed annual increase. The other allows inactive vested Tier 1 and 2 members to receive a partial lump-sum payment in lieu of a retirement annuity. Both programs will begin in 2019 and will be funded by bonds issued by the state of Illinois.

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

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

On-behalf contributions to TRS
The state of Illinois makes employer pension contributions on behalf of the District. For the year ended June 30, 2019, 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 $151,897,626 in the governmental activities based on the economic resources measurement basis and revenues and expenditures of $93,142,173 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, 2019, were $1,321,249. Actual contributions were $1,326,471 and reported as deferred outflows of resources on the statement of net position because they were paid after the June 30, 2018 measurement date.

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 beginning with the year ended June 30, 2018.

Previously, employer contributions for employees paid from federal and special trust funds were at the same rate as the state contribution rate to TRS and were much higher.

For the year ended June 30, 2019, the employer pension contribution was 9.85 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2019, salaries totaling $5,493,510 were paid from federal and special trust funds that required District contributions of $541,111. Actual contributions were $541,947 and reported as deferred outflows of resources on the statement of net position because they were paid after the June 30, 2018 measurement date. As of June 30, 2019, $836 was overpaid to TRS and was also reflected as deferred.

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. The state legislature passed a law reducing that rate to 3 percent effective July 1, 2018. That provision has been repealed and effective June 5, 2019, the limiting rate is increased back to 6 percent. A one-time contribution is 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 basis, is greater that the governor's statutory salary (currently $177,412). The amount charged to the employer is the employer normal cost, or 9.85 percent.

For the year ended June 30, 2019, the District paid $203,923 to TRS for employer contributions due on salary increases in excess of the statutory limit, $1,755 for sick leave days granted in excess of the normal annual allotment and $6,460 for member salaries in excess of the governor's statutory salary.

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

At June 30, 2019, the District reported a liability for its proportionate share of the collective net pension liability (first amount shown below) that reflected a reduction for state pension support provided to the District. The state's support and total are for disclosure purposes only. The amount recognized by the District as its proportionate share of the collective net pension liability, the related state support, and the total portion of the collective net pension liability that was associated with the District were as follows:

District's proportionate share of the collective net pension liability	$ 23,609,784
State's proportionate share of the collective net pension liability associated with the District	1,617,369,178
Total	$ 1,640,978,962

The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017, and rolled forward to June 30, 2018. 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, 2018, relative to the contributions of all participating TRS employers and the State during that period. At June 30, 2018, the District's proportion was 0.0303 percent, which was a decrease of 0.0568 from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the District recognized the following pension expense/expenditures and revenue pertaining to the District's employees:

	Governmental Activities	General Fund
State on-behalf contributions - revenue and expense/expenditure	$ 151,897,626	$ 93,142,173
District TRS pension expense	(6,745,653)	1,868,418
Total TRS expense/expenditure	$ 145,151,973	$ 95,010,591

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, 2019, 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	$ 474,511	$ 5,147
Net difference between projected and actual earnings on pension plan investments	-	72,290
Changes of assumptions	1,035,515	669,152
Changes in proportion and differences between District contributions and proportionate share of contributions	10,505,586	37,513,158
Total deferred pension actuarial adjustments	12,015,612	38,259,747
District contributions subsequent to the measurement date	1,868,418	-
Total deferred amounts related to pensions	$ 13,884,030	$ 38,259,747

Of the amounts reported as deferred outflows of resources related to pensions resulting from District's contributions subsequent to the measurement date, $1,868,418 will be recognized as a reduction of the collective net pension liability in the reporting year ending June 30, 2020. 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:	
2020	$ (6,295,189)
2021	(2,654,710)
2022	(6,326,738)
2023	(7,503,637)
2024	(3,463,861)
	$ (26,244,135)

Actuarial Assumptions

The total pension liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

Note 6. Employee Retirement Systems and Plans (Continued)

Teachers' Retirement System (Continued)

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

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. equities large cap	15.0 %	6.7 %
U.S. equities small/mid cap	2.0	7.9
International equities developed	13.6	7.0
Emerging market equities	3.4	9.4
U.S. bonds core	8.0	2.2
U.S. bonds high yield	4.2	4.4
International debt developed	2.2	1.3
Emerging international debt	2.6	4.5
Real estate	16.0	5.4
Commodities (real return)	4.0	1.8
Hedge funds (absolute return)	14.0	3.9
Private equity	15.0	10.2
Total	100.0 %	

Discount Rate
At June 30, 2018, the discount rate used to measure the total pension liability was 7.00 percent, which was the same as the June 30, 2017 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, 2018 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 covered, so the long-term expected rate of return on TRS investments was applied to all periods of projected benefit payments to determine the total pension liability.

Note 6. Employee Retirement Systems and Plans (Continued)

Teachers' Retirement System (Continued)

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

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

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
District's proportionate share of the collective net pension liability	$ 28,955,168	$ 23,609,784	$ 19,305,140

TRS Fiduciary Net Position

Detailed information about the TRS's fiduciary net position as of June 30, 2017 is available in the separately issued TRS *Comprehensive Annual Financial Report*.

Illinois Municipal Retirement Fund

Plan Description

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

Benefits Provided

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

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, 2018, the following employees were covered by the benefit terms:

Retirees and Beneficiaries currently receiving benefits	1,371
Inactive Plan Members entitled to but not yet receiving benefits	1,879
Active Plan Members	2,136
Total	5,386

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 its own employees. The District's annual contribution rates for calendar years 2019 and 2018 were 9.83 percent and 11.13 percent, respectively. For the fiscal year ended June 30, 2019, the District contributed $7,367,072 to the plan. The District also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability

The District's net pension liability was measured as of December 31, 2018. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The following are the methods and assumptions used to determine total pension liability at December 31, 2018:

- The **Actuarial Cost Method** used was Entry Age Normal.
- The **Asset Valuation Method** used was Market Value of Assets.
- The **Inflation Rate** was assumed to be 2.50 percent.
- **Salary Increases** were expected to be 3.39 percent to 14.25 percent, including inflation.
- The **Investment Rate of Return** was assumed to be 7.25 percent.
- **Projected Retirement Age** was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2017 valuation according to an experience study from years 2014-2016.

Note 6. Employee Retirement Systems and Plans (Continued)

Illinois Municipal Retirement Fund (Continued)

Actuarial Assumptions (Continued)

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

		Projected Returns / Risk	
Asset Class	Target Allocation	One Year Arithmetic	Ten Year Geometric
Domestic equity	37.0 %	8.50	7.15
International equity	18.0	9.20	7.25
Fixed income	28.0	3.75	3.75
Real estate	9.0	7.30	6.25
Alternative investments	7.0		
Private equity		12.40	8.50
Hedge funds		5.75	5.50
Commodities		4.75	3.20
Cash equivalents	1.0	2.50	2.50
Total	100.0 %		

Note 6. Retirement Fund Commitments (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 (3.71 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, 2018, 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.

Note 6. Retirement Fund Commitments (Continued)

Illinois Municipal Retirement Fund (Continued)

Changes in the Net Pension Liability

The following table shows the components of the District's annual pension liability and related plan fiduciary net position for the calendar year ended December 31, 2018:

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances at January 1, 2018	$ 313,483,196	$ 296,521,784	$ 16,961,412
Changes for the year:			
Service cost	6,690,189	-	6,690,189
Interest on the total pension liability	23,132,664	-	23,132,664
Changes of benefit terms	-	-	-
Differences between expected and actual experience of the total pension liability	3,308,148	-	3,308,148
Changes of assumptions	9,203,969	-	9,203,969
Contributions - employer	-	7,630,632	(7,630,632)
Contributions - employees	-	3,049,438	(3,049,438)
Net investment income	-	(16,123,071)	16,123,071
Benefit payments, including refunds of employee contributions	(16,785,530)	(16,785,530)	-
Other (net transfer)	-	5,562,833	(5,562,833)
Net changes	25,549,440	(16,665,698)	42,215,138
Balances at December 31, 2018	$ 339,032,636	$ 279,856,086	$ 59,176,550

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

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

	1% Decrease 6.25%	Discount Rate 7.25%	1% Increase 8.25%
Total Pension Liability	$ 380,626,213	$ 339,032,636	$ 304,650,263
Plan Fiduciary Net Pension	279,856,086	279,856,086	279,856,086
Net Pension Liability (Asset)	$ 100,770,127	$ 59,176,550	$ 24,794,177

Note 6. Retirement Fund Commitments (Continued)

Illinois Municipal Retirement Fund (Continued)

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

For the year ended June 30, 2019, the District recognized pension expense of $6,571,057. At June 30, 2019, 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	$ 3,211,627	$ 1,022,618
Net difference between projected and actual earnings on pension plan investments	18,785,998	-
Changes of assumptions	6,717,351	4,883,798
Total deferred pension actuarial adjustments	28,714,976	5,906,416
District contributions subsequent to the measurement date	3,699,177	-
Total deferred amounts related to pensions	$ 32,414,153	$ 5,906,416

Of the amounts reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date, $3,699,177 will be recognized as a reduction of the net pension liability in the reporting year ended June 30, 2020. 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:	
2020	$ 6,164,240
2021	4,238,625
2022	4,737,323
2023	7,668,372
	$ 22,808,560

Note 7. Post Employment Plans Other Than Pensions

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

	Total OPEB Liability	Deferred Outflows	Deferred Inflows	OPEB Expense
Retiree Healthcare Plan - District Plan	$ 25,706,376	$ 384,776	$ -	$ 1,828,302
Teachers' Health Insurance Security Fund (THIS)	242,987,411	11,459,047	36,378,441	31,663,201
Total	$ 268,693,787	$ 11,843,823	$ 36,378,441	$ 33,491,503

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

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, 2019, the following employees were covered by the benefit terms:

Inactive Plan Members currently receiving benefits	3,380
Active Plan Members	335
	3,715

Total OPEB Liability
The District's total OPEB liability was measured as of June 30, 2019, and was determined by an actuarial valuation as of that date.

	Total OPEB Liability
Balances at July 1, 2018	$ 25,699,710
Changes for the year:	
Service cost	1,003,479
Interest on the total OPEB liability	765,847
Changes of assumptions	259,405
Benefit payments	(2,022,065)
Net changes	6,666
Balances at June 30, 2019	$ 25,706,376

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

Retiree Healthcare Plan (Continued)

Actuarial Assumptions

The following are the methods and assumptions used to determine total OPEB liability at June 30, 2019:

- The **Actuarial Cost Method** used was the Entry Age Normal.
- **Salary Increases** was assumed to be 3.50 percent, including inflation.
- For **Healthcare Cost Trend Rates**, in the 2019 fiscal year, a rate of 7.00 percent was used, with that rate gradually decreasing to an ultimate trend of 4.50 percent by fiscal year 2029.
- For IMRF employees the **Mortality Rates** used are from the RP-2014 Healthy Mortality Tables with Blue Collar Adjustments for retirees, projected generationally with Scale MP-2014. Pre- and post-commencement rates were further adjusted. Specifically for pre-commencement, male rates were multiplied by 88% for all ages and female rates were multiplied by 82% for all ages. For post-commencement, male and female rates were adjusted to match current experience.
- For TRS employees the **Mortality Rates** used are from the RP-2014 Healthy Mortality Tables with White Collar Adjustments, projected generationally with Scale MP-2014. Post-commencement rates were further adjusted. Specifically, male rates were multiplied by 115% for ages 78-114, and female rates were multiplied by 76% for ages 50-77 and 106% for ages 78-114.

An actuarial assumption was changed from the prior year. The discount rate was changed from 2.98 percent to 2.79 percent to reflect the change in the S&P Municipal Bond 20 Year High Grade Rate Index from the prior year.

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, 2018). 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 2.79 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 1.79%	Current Discount Rate 2.79%	1% Increase 3.79%
Total OPEB liability	$ 27,106,632	$ 25,706,376	$ 24,364,642

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

Retiree Healthcare Plan (Continued)

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

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

	1% Decrease 6.00%	Healthcare Cost Trend Rate Assumptions 7.00%	1% Increase 8.00%
Total OPEB liability	$ 24,649,549	$ 25,706,376	$ 26,886,134

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

For the year ended June 30, 2019, the District recognized OPEB expense of $1,828,302. At June 30, 2019, 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	$ -	$ -
Changes of assumptions	384,776	-
Total deferred amounts related to OPEB	$ 384,776	$ -

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

Year ending June 30:	
2020	$ 58,976
2021	58,976
2022	58,976
2023	58,976
2024	58,976
Thereafter	89,896
	$ 384,776

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

Teachers' Health Insurance Security Fund

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

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

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

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, 2019, 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, 2019, the District paid $2,095,775 to the THIS Fund, which was 100 percent of the required contribution. These contributions are deferred because they were paid after the June 30, 2018 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, 2019, State of Illinois contributions on behalf of the District's employees were $2,824,740 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.

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

Teachers' Health Insurance Security Fund (Continued)

OPEB Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources
At June 30, 2019, 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	$	242,987,411
The State's proportionate share of the collective total OPEB liability associated with the employer		326,279,389
Total THIS total collective OPEB liability associated with the employer	$	569,266,800

The collective total OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the collective total OPEB liability was determined by an actuarial valuation as of June 30, 2017, and rolled forward to June 30, 2018. 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, 2018, relative to the contributions of all participating employers and the State during that period. At June 30, 2018, the District's proportion was 0.9223 percent, which was an increase of 0.0038 from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the District recognized the following for OPEB expense/expenditure and revenue pertaining to the District's employees:

	Governmental Activities	General Fund
State on-behalf contributions - OPEB revenue and expense/expenditure	$ 16,938,606	$ 2,824,740
District OPEB expense	14,724,595	2,095,775
Total OPEB expense/expenditure	$ 31,663,201	$ 4,920,515

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

Teachers' Health Insurance Security Fund (Continued)

At June 30, 2019, 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	$ -	$ 871,843
Net difference between projected and actual earnings on OPEB investments	-	7,458
Changes of assumptions	-	35,383,048
Changes in proportion and differences between employer contributions and proportionate share of contributions	9,363,272	116,092
Total deferred OPEB actuarial adjustments	9,363,272	36,378,441
Employer contribution subsequent to the measurement date	2,095,775	-
Total deferred amounts related to OPEB	$ 11,459,047	$ 36,378,441

The District reported $2,095,775 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, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in expense as follows:

Year ending June 30:	
2020	$ (4,838,370)
2021	(4,838,370)
2022	(4,838,370)
2023	(4,837,711)
2024	(4,836,341)
Thereafter	(2,826,007)
	$ (27,015,169)

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of June 30, 2017, and rolled forward to June 30, 2018 based on the entry age normal cost method and using the following actuarial assumptions:

Discount rate	3.62% at June 30, 2018
Inflation	2.75%
Salary increases	Depends on service and ranges from 9.25% at 1 year of service to 3.25% at 20 or more years of service. Salary increase includes a 3.25% wage inflation assumption.
Investment rate of return	0%, net of OPEB plan investment expense, including inflation

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

Teachers' Health Insurance Security Fund (Continued)

Healthcare cost trend rates	Actual trend used for fiscal year 2018. For fiscal years on and after 2019, trend starts at 8.00% and 9.00% for non-Medicare costs and post-Medicare costs, respectively, and gradually decreases to an ultimate trend of 4.50%. Additional trend rate of 0.36% is added to non-Medicare cost on and after 2022 to account for the Excise Tax.

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.

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 Disabled Annuitant table. Mortality rates for pre-retirement were based on the RP-2014 White Collar Table, sex distinct. All tables reflect future mortality improvements using Projection Scale MP-2014.

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2014.

The following OPEB-related assumption changes were made since the June 30, 2014, OPEB actuarial valuation date:

- The discount rate was changed from 3.56 percent at June 30, 2016 to 3.62 percent at June 30, 2017;
- The healthcare trend assumption was updated based on claim and enrollment experience through June 30, 2017, projected plan cost for plan year end June 30, 2018, premium changes through plan year end 2019, and expectation of future trend increases after June 30, 2018;
- The Excise trend rate adjustment was updated based on available premium and enrollment information as of June 30, 2018;
- Per capita claim costs were updated based on projected claims and enrollment experience through June 30, 2018 and updated premium rates through plan year 2019; 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, 2018, was 3.62 percent, which was an increase from the June 30, 2017, rate of 3.56 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.

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 3.62 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 (4.62 percent) or lower (2.62 percent) than the current rate:

	1% Decrease 2.62%	Discount Rate 3.62%	1% Increase 4.62%
Employer's proportionate share of the collective total OPEB liability	$ 292,164,453	$ 242,987,411	$ 204,166,254

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	$ 197,023,471	$ 242,987,411	$ 304,911,962

(a) One percentage point decrease in healthcare trend rates are 7.00 percent in 2019 decreasing to an ultimate trend rate of 3.86 percent in 2026 for non-Medicare coverage, and 8.00 percent in 2019 decreasing to an ultimate trend rate of 3.50 percent in 2028 for Medicare coverage.

(b) One percentage point increase in healthcare trend rates are 9.00 percent in 2019 decreasing to an ultimate trend rate of 5.86 percent in 2026, for non-Medicare coverage, and 10.00 percent in 2019 decreasing to an ultimate trend rate of 5.50 percent in 2028 for Medicare coverage.

OPEB Plan Fiduciary Net Position

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

Payable to the OPEB Plan

The District had no outstanding amount of contributions to the THIS plan for the year ended June 30, 2019.

Note 8. Other Financial Disclosures

Expenditures Exceeding Budgets

The District adopts annual budgets for all funds except the Student Activity Fund, an agency fund. The funds with annually adopted budgets and excesses of expenditures over budgeted expenditures during fiscal year 2018 are as follows:

Fund	Final Budget	Actual Expenditures	Amount Over Budget
Nonmajor Funds:			
Fire Prevention and Safety Fund	$ 3,900,000	$ 3,934,879	$ 34,879

Interfund Transfers

During fiscal year 2019, the District transferred $10,338,780 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 2018 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, 2019.

Note 10. Commitments

At June 30, 2019, the District had approximately $24,900,000 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, Fire Prevention and Safety Fund and the Capital Projects Fund.

Note 11. Authoritative Pronouncements Issued But Not Yet Adopted

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

Statement No. 84, *Fiduciary Activities*, will be effective for the District beginning with its year ending June 30, 2020. This Statement is intended to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported.

Statement No. 87, *Leases*, will be effective for the District beginning with its year ending June 30, 2021. This Statement is intended to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments.

Statement No. 89, *Accounting for Interest Cost Incurred before the End of Construction Period*, will be effective for the District beginning with its year ending June 30, 2021. 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.

Statement No. 90, *Majority Equity Interests - an amendment of GASB Statements No. 14 and No. 61*, will be effective for the District beginning with its year ending June 30, 2020. This Statement improves financial reporting by providing users of financial statements with essential information related to presentation of majority equity interests in legally separate organizations that previously were reported inconsistently. In addition, requiring reporting of information about component units if the government acquires a 100 percent equity interest provides information about the cost of services to be provided by the component unit in relation to the consideration provided to acquire the component unit.

GASB Statement No. 91, *Conduit Debt Obligations*, will be effective for the District beginning with its year ending June 30, 2022. 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.

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

REQUIRED SUPPLEMENTARY INFORMATION

School District U-46

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

Fiscal Year Ended*	2019	2018	2017	2016	2015
District's proportion of the collective net pension liability	0.0303%	0.0871%	0.0827%	0.0517%	0.0814%
District's proportionate share of the collective net pension liability	$ 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	1,617,369,178	1,557,896,054	1,609,322,179	1,275,250,978	1,173,916,748
Total	$ 1,640,978,962	$ 1,624,441,829	$ 1,674,570,214	$ 1,309,119,362	$ 1,223,425,090
District's covered-employee payroll	$ 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 employee payroll	10.9%	31.5%	31.9%	17.1%	26.3%
Plan fiduciary net position as a percentage of the total pension liability	40.0%	39.3%	36.4%	41.5%	43.0%

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

Notes to schedule

1. For the 2018, 2017 and 2016 measurement years, the assumed investment rate of return was 7.0 percent, including and inflation rate of 2.5 percent and a real return of 4.5 percent. Salary increases were assumed to vary by service credit.
2. 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 Jun 30, 2014.

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	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Contractually-required contribution	$ 1,862,360	$ 1,770,395	$ 2,800,714	$ 3,175,233	$ 2,337,303	$ 2,502,668	$ 2,652,392	$ 2,487,278	$ 2,257,952	$ 1,910,370	$ 1,686,057
Contributions in relation to the contractually-required contribution	1,868,418	1,699,413	3,589,872	2,444,400	2,311,171	2,502,668	2,652,392	2,487,278	2,257,952	1,910,370	1,686,057
Contribution (excess) deficiency	$ (6,058)	$ 70,982	$ (789,158)	$ 730,833	$ 26,132	$ -	$ -	$ -	$ -	$ -	$ -
District's covered-employee payroll	$ 227,801,600	$ 215,651,921	$ 211,077,112	$ 204,244,433	$ 198,258,595	$ 188,448,392	$ 187,379,565	$ 182,339,091	$ 177,710,000	$ 196,649,683	$ 196,303,175
Contributions as a percentage of covered-employee payroll	0.82%	0.79%	1.70%	1.20%	1.17%	1.33%	1.42%	1.36%	1.27%	0.97%	0.86%

Notes to Schedules

Changes of Assumptions

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

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.

For the 2014 measurement year, the assumed investment rate of return was also 7.5 percent, including an inflation rate of 3.0 percent and a real return of 4.5 percent. However, salary increases were assumed to vary by age.

School District U-46

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

Calendar year ended December 31	2018	2017	2016	2015	2014
Total Pension Liability					
Service Cost	$ 6,690,189	$ 7,088,356	$ 7,287,074	$ 6,752,927	$ 6,492,825
Interest in the Total Pension Liability	23,132,664	22,710,668	21,991,405	20,550,703	18,815,885
Changes of Benefit Terms	-	-	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	3,308,148	1,653,787	(5,058,203)	5,258,888	916,388
Changes of Assumptions	9,203,969	(9,673,308)	(1,091,259)	359,033	9,485,528
Benefit Payments, including Refunds of Employee Contributions	(16,785,530)	(15,122,077)	(14,112,060)	(12,956,579)	(11,667,594)
Net Change in Total Pension Liability	25,549,440	6,657,426	9,016,957	19,964,972	24,043,032
Total Pension Liability - Beginning	313,483,196	306,825,770	297,808,813	277,843,841	253,800,809
Total Pension Liability - Ending	$ 339,032,636	$ 313,483,196	$ 306,825,770	$ 297,808,813	$ 277,843,841
Plan Fiduciary Net Position					
Contributions - Employer	$ 7,630,632	$ 7,505,169	$ 7,623,785	$ 7,321,744	$ 6,915,065
Contributions - Employees	3,049,438	2,991,943	2,932,617	2,914,439	2,714,707
Net Investment Income	(16,123,071)	45,723,969	17,057,396	1,228,293	14,218,684
Benefit Payments, including Refunds of Employee Contributions	(16,785,530)	(15,122,077)	(14,112,060)	(12,956,579)	(11,667,594)
Other (Net Transfer)	5,562,833	(6,145,971)	237,493	2,302,834	725,835
Net Change in Plan Fiduciary Net Position	(16,665,698)	34,953,033	13,739,231	810,731	12,906,697
Plan Fiduciary Net Position - Beginning	296,521,784	261,568,751	247,829,520	247,018,789	234,112,092
Plan Fiduciary Net Position - Ending	$ 279,856,086	$ 296,521,784	$ 261,568,751	$ 247,829,520	$ 247,018,789
Net Pension Liability	$ 59,176,550	$ 16,961,412	$ 45,257,019	$ 49,979,293	$ 30,825,052
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	82.55%	94.59%	85.25%	83.22%	88.91%
Covered Valuation Payroll	$ 67,513,152	$ 65,500,573	$ 64,026,568	$ 64,024,510	$ 59,788,613
Net Pension Liability as a Percentage of Covered Valuation Payroll	87.65%	25.90%	70.68%	78.06%	51.56%

** 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, 2018	Actuarially Determined Contribution		Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a % of Covered Valuation Payroll
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%
2010	5,649,358		5,649,358	-	57,887,168	9.76%

Notes to Schedule of Contributions

Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2018 Contribution Rate**

Valuation Date

Notes	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 2018 Contribution Rate

Actuarial Cost Method:	Aggregate entry age normal
Amortization Method:	Level percentage of payroll, closed
Remaining Amortization Period:	25-year closed period
Asset Valuation Method:	5-year smoothed market; 20 percent corridor
Wage Growth:	3.50 percent
Price Inflation:	2.75 percent
Salary Increases:	3.75 percent to 14.50 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 2014 valuation pursuant to an experience study of the period 2011 to 2013.
Mortality:	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-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-2014 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, 2016 actuarial valuation.*

School District U-46

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

Fiscal Year Ended	2019	2018
Total OPEB Liability		
Service cost	$ 1,003,479	$ 1,003,974
Interest cost	765,847	806,590
Change of benefit terms	-	(2,003,354)
Differences between expected and actual experience	-	-
Changes of assumptions	259,405	210,570
Benefit payments, including refunds of employee contributions	(2,022,065)	(2,157,596)
Net change in total pension liability	6,666	(2,139,816)
Total OPEB liability - beginning	25,699,710	27,839,526
Total OPEB liability - ending	$ 25,706,376	$ 25,699,710
Covered employee payroll	$ 211,666,809	$ 219,201,030
Total OPEB liability as a percentage of covered employee payroll	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.

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*	2019	2018
District's proportion of the collective total OPEB liability	0.9223%	0.9185%
District's proportionate share of the collective total OPEB liability	$ 242,987,411	$ 238,342,838
The State's proportionate share of the collective total OPEB liability associated with the District	326,279,389	313,003,345
Total	$ 569,266,800	$ 551,346,183
Employee covered payroll	$ 215,651,921	$ 211,077,112
Collective total OPEB liability as a percentage of the employee covered payroll	112.6757%	112.9174%
Plan fiduciary net position as a percentage of the total OPEB liability	0.0000%	0.0000%

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

Notes to schedule

1. The following actuarial assumptions were changed for 2019:
   - The discount rate was changed to 3.62 percent from 3.56 percent.
   - The healthcare trend assumption was updated based on claim and enrollment experience through June 30, 2017, projected plan cost for plan year end June 30, 2018, premium changes through plan year end 2019, and expectation of future trend increases after June 30, 2018.
   - The Excise trend rate adjustment was updated based on available premium and enrollment information as of June 30, 2018.
   - Per capita claim costs were updated based on projected claims and enrollment experience through June 30, 2018 and updated premium rates through plan year 2019.
   - 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	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Contractually-required contribution	$ 2,095,775	$ 1,897,737	$ 1,773,048	$ 1,633,955	$ 1,506,765	$ 1,356,828	$ 1,292,919	$ 1,203,438	$ 1,172,886	$ 1,238,893	$ 1,236,710
Contributions in relation to the contractually-required contribution	2,095,775	1,951,741	1,773,048	1,633,955	1,506,765	1,356,828	1,292,919	1,203,438	1,172,886	1,238,893	1,236,710
Contribution (excess) deficiency	$ -	$ (54,004)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered-employee payroll	$ 227,801,600	$ 215,651,921	$ 211,077,112	$ 204,244,433	$ 198,258,595	$ 188,448,392	$ 187,379,565	$ 182,339,091	$ 177,710,000	$ 196,649,683	$ 196,303,175
Contributions as a percentage of covered-employee payroll	0.92%	0.91%	0.84%	0.80%	0.76%	0.72%	0.69%	0.66%	0.66%	0.63%	0.63%

GENERAL FUND

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

MAJOR SPECIAL REVENUE FUNDS

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

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

School District U-46

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
General Fund - Budgetary Basis
Year Ended June 30, 2019

	Original and Final Budget	Actual	Variance
Revenues:			
Property taxes	$ 237,007,010	$ 236,088,965	$ (918,045)
Replacement taxes and payments in lieu of taxes	75,000	203,013	128,013
Charges for services	8,735,000	9,912,214	1,177,214
Earnings on investments	4,008,900	6,437,789	2,428,889
Rentals	600,000	790,289	190,289
Local grants	25,000	27,683	2,683
Other local sources	875,000	1,596,650	721,650
State grants-in-aid	183,015,149	191,789,349	8,774,200
Federal grants-in-aid	38,102,075	40,125,989	2,023,914
Total revenues	472,443,134	486,971,941	14,528,807
Expenditures:			
Current:			
Instruction:			
Regular programs	157,416,434	139,311,636	18,104,798
Special programs	45,202,385	46,159,831	(957,446)
Other instructional programs	64,154,124	66,390,115	(2,235,991)
Support services:			
Pupils	31,817,722	35,055,749	(3,238,027)
Instructional staff	13,432,536	15,794,596	(2,362,060)
General administration	14,723,810	14,511,215	212,595
School administration	25,374,375	25,405,150	(30,775)
Business	3,799,897	4,325,865	(525,968)
Operations and maintenance	28,465,920	33,870,986	(5,405,066)
Transportation	1,553,587	1,708,373	(154,786)
Facilities acquisition and construction	2,075,000	524,989	1,550,011
Food service	14,630,038	14,051,729	578,309
Central	10,710,826	20,952,221	(10,241,395)
Other support	1,615,971	1,873,470	(257,499)
Community services	3,393,451	3,055,075	338,376
Intergovernmental:			
Payments to other governments	9,966,313	9,290,869	675,444
Capital outlay	28,876,693	17,616,378	11,260,315
Contingency	6,000,000	-	6,000,000
Total expenditures	463,209,082	449,898,247	13,310,835
Excess (deficiency) of revenues over (under) expenditures	9,234,052	37,073,694	27,839,642
Other financing uses:			
Transfer out	(10,035,995)	(10,338,780)	(302,785)
Total other financing uses	(10,035,995)	(10,338,780)	(302,785)
Net change in fund balance	$ (801,943)	26,734,914	$ 27,536,857
Fund balance:			
Beginning of year		252,616,648	
End of year		$ 279,351,562	

School District U-46

Schedule of Revenues, Expenditures and Changes in Fund Balance (Deficit) -
Budget and Actual
Transportation Fund
Year Ended June 30, 2019

	Original and Final Budget	Actual	Variance
Revenues:			
Property taxes	$ 17,181,103	$ 17,145,869	$ (35,234)
Charges for services	1,400,000	1,023,313	(376,687)
Earnings on investments	600	4,326	3,726
Other local sources	-	56	56
State grants-in-aid	16,355,841	20,531,363	4,175,522
Total revenues	34,937,544	38,704,927	3,767,383
Expenditures:			
Current:			
Support services:			
Transportation	24,755,176	23,336,086	1,419,090
Intergovernmental:			
Payments to other governments	-	2,100	(2,100)
Debt service:			
Principal	1,333,745	1,333,745	-
Interest and fees	39,500	39,500	-
Capital outlay	5,743,734	6,226,718	(482,984)
Total expenditures	31,872,155	30,938,149	934,006
Net change in fund balance	$ 3,065,389	7,766,778	$ 4,701,389
Fund balance:			
Beginning of year		10,546,001	
End of year		$ 18,312,779	

Note 1. Budgets and Budgetary Accounting

The annual budgets are adopted on the modified accrual basis of accounting at the fund level. All budgets lapse at fiscal year-end. The District maintains a system to measure the uncommitted budget amount available for expenditures at any time during the year. For budgetary purposes, appropriations lapse at June 30, 2019, and outstanding encumbrances are canceled at that date.

On or before July 1 of each year, the Chief Executive Officer is to submit for review by the Board of Education a proposed budget for the school year commencing on that date. After reviewing the proposed budget, the Board of Education holds public hearings and a final budget must be prepared and adopted no later than September 30. The 2018-19 budget was adopted September 24, 2018.

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	$	486,971,941
Unbudgeted retirement/OPEB contributions made by the State		95,966,913
Revenues - GAAP basis	$	582,938,854
Expenditures - budgetary basis	$	449,898,247
Unbudgeted retirement/OPEB contributions made by the State		95,966,913
Expenditures - GAAP basis	$	545,865,160

School District U-46

Notes to Required Supplementary Information (RSI)

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

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

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry Age Normal, used to measure the Total OPEB Liability
Contribution Policy	Benefits are financed on a pay-as-you go basis. Contribution rates are defined by statute. For fiscal year end June 30, 3018, contribution rates are 1.18% of pay for active members, 0.84% of pay for school districts and 1.18% of pay for the State. Retired members contribute a percentage of premium rates. The goal of the policy is to finance current year costs plus a margin for incurred but note paid plan costs.
Asset Valuation Method	Market value
Investment Rate of Return	0%, net of OPEB plan investment expense, including inflation
Inflation	2.75%
Salary Increases	Depends on service and ranges from 9.25% at less than 1 year of service to 3.25% at 20 or more years of service. Salary increase incudes a 3.25% wage inflation assumption.
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the June 30, 2016, actuarial valuation.
Mortality	Retirement and Beneficiary Annuitants: RP-2014 White Collar Annuitant Mortality Table. Disabled Annuitants: RP-2014 Disabled Annuitant Table. Pre-Retirement: RP-2014 White Collar Table. Tables are adjusted for SURS experience. All tables reflect future mortality improvements using Projection Scale MP-2014.
Healthcare Cost Trend Rates	Actual trend used for fiscal year 2018. For fiscal years on and after 2018, trend starts at 8.00% and 9.00% for non-Medicare costs and post-Medicare costs, respectively, and gradually decreases to an ultimate trend of 4.50%. Additional trend rate of 0.59% is added to non-Medicare cost on and after 2020 to account for the Excise tax.
Aging Factors	Based on the 2013 SOA Study "Health Care Costs – From Birth to Death"
Expenses	Health administrative expenses are included in the development of the per capita claims costs. Operating expenses are included as a component of the Annual OPEB Expense.

OTHER SUPPLEMENTARY INFORMATION

School District U-46

Combining Balance Sheet
General Fund, by Account
June 30, 2019

	Educational Account	Tort Immunity Account	Operations and Maintenance Account	Working Cash Account	Total
Assets					
Cash and investments	$ 193,709,091	$ 958,315	$ 13,050,326	$ 110,783,887	$ 318,501,619
Accrued Interest	-	-	-	1,811,036	1,811,036
Property taxes receivable, net of allowance	102,514,127	2,597,442	17,798,230	-	122,909,799
Grants receivable	11,745,045	-	-	-	11,745,045
Accounts receivable	139,357	-	63,915	-	203,272
Inventories	33,595	-	-	-	33,595
Prepaids	2,014,054	-	-	-	2,014,054
Total assets	$ 310,155,269	$ 3,555,757	$ 30,912,471	$ 112,594,923	$ 457,218,420
Liabilities, Deferred Inflows of Resources, and Fund Balance (Deficit)					
Liabilities					
Accounts payable	$ 13,986,561	$ 44,880	$ 6,092,516	$ -	$ 20,123,957
Accrued payroll	27,866,318	8,000	333,134	-	28,207,452
Payroll deductions	82,492	-	-	-	82,492
Construction retainage payable	218,758	-	726,130	-	944,888
Unearned grant revenue	27,696	-	-	-	27,696
Unearned other revenue	1,752,989	-	-	-	1,752,989
Unclaimed property	195,753	-	-	-	195,753
Total liabilities	44,130,567	52,880	7,151,780	-	51,335,227
Deferred inflows of resources					
Deferred grant revenue	6,409,323	-	-	-	6,409,323
Deferred property taxes	100,189,193	2,538,534	17,394,581	-	120,122,308
Total deferred inflows of resources	106,598,516	2,538,534	17,394,581	-	126,531,631
Fund balance (deficit)					
Nonspendable	2,047,649	-	-	-	2,047,649
Restricted	-	964,343	-	-	964,343
Unassigned	157,378,537	-	6,366,110	112,594,923	276,339,570
Total fund balance (deficit)	159,426,186	964,343	6,366,110	112,594,923	279,351,562
Total liabilities, deferred inflows of resources and fund balance	$ 310,155,269	$ 3,555,757	$ 30,912,471	$ 112,594,923	$ 457,218,420

School District U-46

Combining Statement of Revenues, Expenditures and Changes in Fund Balance (Deficit)
General Fund, by Account
Year Ended June 30, 2019

	Educational Account	Tort Immunity Account	Operations and Maintenance Account	Working Cash Account	Elimination	Total
Revenues:						
Property taxes	$ 195,592,423	$ 6,387,091	$ 34,109,451	$ -	$ -	$ 236,088,965
Replacement taxes and payments in lieu of taxes	203,013	-	-	-	-	203,013
Charges for services	9,912,214	-	-	-	-	9,912,214
Earnings on investments	49,452	1,903	8,601	6,377,833	-	6,437,789
Rentals	600	-	789,689	-	-	790,289
Local grants	27,683	-	-	-	-	27,683
Other local sources	244,112	-	1,352,538	-	-	1,596,650
State grants-in-aid	184,166,865	-	7,622,484	-	-	191,789,349
Federal grants-in-aid	40,125,989	-	-	-	-	40,125,989
State on-behalf contributions - TRS and THIS	95,966,913	-	-	-	-	95,966,913
Total revenues	526,289,264	6,388,994	43,882,763	6,377,833	-	582,938,854
Expenditures:						
Current:						
Instruction:						
Regular programs	139,311,636	-	-	-	-	139,311,636
Special programs	46,159,831	-	-	-	-	46,159,831
Other instructional programs	66,390,115	-	-	-	-	66,390,115
Support services:						
Pupils	35,055,749	-	-	-	-	35,055,749
Instructional staff	15,794,596	-	-	-	-	15,794,596
General administration	9,144,118	5,367,097	-	-	-	14,511,215
School administration	25,405,150	-	-	-	-	25,405,150
Business	4,325,865	-	-	-	-	4,325,865
Operations and maintenance	-	-	524,989	-	-	524,989
Transportation	1,708,373	-	-	-	-	1,708,373
Facilities acquisition and construction	14,051,729	-	-	-	-	14,051,729
Food service	20,952,221	-	-	-	-	20,952,221
Central	1,873,470	-	-	-	-	1,873,470
Other support services	745,508	-	33,125,478	-	-	33,870,986
Community services	3,055,075	-	-	-	-	3,055,075
State on-behalf contributions - TRS and THIS	95,966,913	-	-	-		95,966,913
Intergovernmental:						
Payments to other governments	9,290,869	-	-	-	-	9,290,869
Capital outlay	6,896,061	-	10,720,317	-	-	17,616,378
Total expenditures	496,127,279	5,367,097	44,370,784	-	-	545,865,160
Excess (deficiency) of revenues resources and fund balance	30,161,985	1,021,897	(488,021)	6,377,833	-	37,073,694
Other financing uses:						
Transfer in	-	-	6,000,000	-	(6,000,000)	-
Transfer out	(9,605,212)	-	(733,568)	(6,000,000)	6,000,000	(10,338,780)
Total other financing sources (uses)	(9,605,212)	-	5,266,432	(6,000,000)	-	(10,338,780)
Net change in fund balance (deficit)	20,556,773	1,021,897	4,778,411	377,833	-	26,734,914
Fund balance (deficit):						
Beginning of year	138,869,413	(57,554)	1,587,699	112,217,090	-	252,616,648
End of year	$ 159,426,186	$ 964,343	$ 6,366,110	$ 112,594,923	$ -	$ 279,351,562

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, 2019

	Original and Final Budget	Actual	Variance
Revenues:			
Property taxes	$ 194,980,171	$ 195,592,423	$ 612,252
Replacement taxes and payments in lieu of taxes	75,000	203,013	128,013
Charges for services	8,735,000	9,912,214	1,177,214
Earnings on investments	7,500	49,452	41,952
Local grants	25,000	27,683	2,683
Other local sources	75,000	244,112	169,112
State grants-in-aid	175,515,149	184,166,865	8,651,716
Federal grants-in-aid	38,102,075	40,125,989	2,023,914
Total revenues	417,514,895	430,322,351	12,807,456
Expenditures:			
Current:			
Instruction:			
Regular programs	157,416,434	139,311,636	18,104,798
Special programs	45,202,385	46,159,831	(957,446)
Other instructional programs	64,154,124	66,390,115	(2,235,991)
Support services:			
Pupils	31,817,722	35,055,749	(3,238,027)
Instructional staff	13,432,536	15,794,596	(2,362,060)
General administration	8,729,103	9,144,118	(415,015)
School administration	25,374,375	25,405,150	(30,775)
Business	3,799,897	4,325,865	(525,968)
Operations and maintenance	1,014,456	745,508	268,948
Transportation	1,553,430	1,708,373	(154,943)
Facilities acquisition and construction	-	-	-
Food service	14,630,038	14,051,729	578,309
Central	10,710,826	20,952,221	(10,241,395)
Other support	1,615,971	1,873,470	(257,499)
Community services	3,393,451	3,055,075	338,376
Intergovernmental:			
Payments to other governments	9,966,313	9,290,869	675,444
Capital outlay	11,676,693	6,896,061	4,780,632
Contingency	6,000,000	-	6,000,000
Total expenditures	410,487,754	400,160,366	10,327,388
Excess of revenues over expenditures	7,027,141	30,161,985	23,134,844
Other financing uses:			
Transfer out	(9,302,326)	(9,605,212)	(302,886)
Total other financing uses	(9,302,326)	(9,605,212)	(302,886)
Net change in fund balance	$ (2,275,185)	20,556,773	$ 22,831,958
Fund balance:			
Beginning of year		138,869,413	
End of year		$ 159,426,186	

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, 2019

	Original and Final Budget	Actual	Variance
Revenues:			
Property taxes	$ 6,408,885	$ 6,387,091	$ (21,794)
Earnings on investments	400	1,903	1,503
Total revenues	6,409,285	6,388,994	(20,291)
Expenditures:			
Current:			
Support services:			
General administration	5,994,707	5,367,097	627,610
Total expenditures	5,994,707	5,367,097	627,610
Net change in fund balance	$ 414,578	1,021,897	$ 607,319
Fund balance (deficit):			
Beginning of year		(57,554)	
End of year		$ 964,343	

Schedule of Tort Expenditures by Object

Workers' compensation or workers' occupation disease acts payments	$ 3,082,739
Insurance payments (regular or self-insurance)	608,431
Educational, inspectional, supervisory services related to loss prevention or reduction	1,460,986
Legal service	214,941
Total tort expenditures	$ 5,367,097

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

School District U-46

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
General Fund - Operations and Maintenance Account
Year Ended June 30, 2019

	Original and Final Budget	Actual	Variance
Revenues:			
Property taxes	$ 35,617,954	$ 34,109,451	$ (1,508,503)
Earnings on investments	1,000	8,601	7,601
Rentals	600,000	789,689	189,689
Other local sources	800,000	1,352,538	552,538
State grants-in-aid	7,500,000	7,622,484	122,484
Total revenues	44,518,954	43,882,763	(636,191)
Expenditures:			
Current:			
Support services:			
Operations and maintenance	27,451,464	33,125,478	(5,674,014)
Transportation	157	-	157
Facilities acquisition and construction	2,075,000	524,989	1,550,011
Capital outlay	17,200,000	10,720,317	6,479,683
Total expenditures	46,726,621	44,370,784	2,355,837
Deficiency of revenues under expenditures	(2,207,667)	(488,021)	1,719,646
Other financing sources (uses):			
Transfer in	4,000,000	6,000,000	2,000,000
Transfer out	(733,669)	(733,568)	101
Total other financing sources (uses)	3,266,331	5,266,432	2,000,101
Net change in fund balance	$ 1,058,664	4,778,411	$ 3,719,747
Fund balance:			
Beginning of year		1,587,699	
End of year		$ 6,366,110	

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, 2019

	Original and Final Budget	Actual	Variance
Revenues:			
Earnings on investments	$ 4,000,000	$ 6,377,833	$ 2,377,833
Other financing uses:			
Transfer out	(4,000,000)	(6,000,000)	(2,000,000)
Net change in fund balance	$ -	377,833	$ 377,833
Fund balance:			
Beginning of year		112,217,090	
End of year		$ 112,594,923	

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, 2019

	Original and Final Budget	Actual	Variance
Revenues:			
Property taxes	$ 33,260,797	$ 35,726,726	$ 2,465,929
Earnings on investments	1,600	9,591	7,991
Total revenues	33,262,397	35,736,317	2,473,920
Expenditures:			
Debt service			
Principal	23,175,681	23,175,681	-
Interest and fees	19,531,567	19,531,467	100
Total expenditures	42,707,248	42,707,148	100
Deficiency of revenues under expenditures	(9,444,851)	(6,970,831)	2,474,020
Other financing sources:			
Transfer in	10,035,995	10,338,780	302,785
Net change in fund balance	$ 591,144	3,367,949	$ 2,776,805
Fund balance:			
Beginning of year		28,616,931	
End of year		$ 31,984,880	

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUND

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

CAPITAL PROJECTS FUNDS

Capital projects funds account for the resources used by the District for the acquisition and/or construction of capital facilities. The Capital Projects 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, 2019

	Special Revenue Fund	Capital Projects Funds		
	Municipal Retirement/ Social Security Fund	Capital Projects Fund	Fire Prevention and Safety Fund	Total Nonmajor Governmental Funds
Assets				
Cash	$ 1,647,716	$ 3,576,377	$ 2,405,477	$ 7,629,570
Property taxes receivable, net of allowance	6,588,179	-	2,079,000	8,667,179
Replacement taxes receivable	598,317	-	-	598,317
Accounts receivable	-	7,169	-	7,169
Total assets	$ 8,834,212	$ 3,583,546	$ 4,484,477	$ 16,902,235
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities				
Accounts payable	$ -	$ -	$ 1,831,072	$ 1,831,072
Payroll deductions	1,050,718	-	-	1,050,718
Construction retainage payable	-	-	96,604	96,604
Unclaimed property	-	90,754	-	90,754
Total liabilities	1,050,718	90,754	1,927,676	3,069,148
Deferred inflows of resources				
Deferred property taxes	6,438,765	-	2,031,850	8,470,615
Fund balances				
Restricted	1,344,729	3,492,792	524,951	5,362,472
Total fund balances	1,344,729	3,492,792	524,951	5,362,472
Total liabilities, deferred inflows of resources and fund balances	$ 8,834,212	$ 3,583,546	$ 4,484,477	$ 16,902,235

School District U-46

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2019

	Special Revenue Fund	Capital Projects Funds		
	Municipal Retirement/ Social Security Fund	Capital Projects Fund	Fire Prevention and Safety Fund	Total Nonmajor Governmental Funds
Revenues:				
Property taxes	$ 12,505,743	$ -	$ 4,005,263	$ 16,511,006
Replacement taxes	3,739,616	-	-	3,739,616
Earnings on investments	3,144	-	1,002	4,146
Other local sources	-	351,388	-	351,388
Total revenues	16,248,503	351,388	4,006,265	20,606,156
Expenditures:				
Current:				
Instruction:				
Regular programs	1,684,548	-	-	1,684,548
Special programs	2,287,825	-	-	2,287,825
Other instructional programs	1,033,598	-	-	1,033,598
Support services:				
Pupils	1,404,908	-	-	1,404,908
Instructional staff	470,826	-	-	470,826
General administration	494,419	-	-	494,419
School administration	1,321,091	-	-	1,321,091
Business	419,525	-	-	419,525
Operations and maintenance	2,026,171	-	-	2,026,171
Transportation	3,231,395	-	-	3,231,395
Food service	43,647	-	-	43,647
Facilities acquisition and construction	-	-	30,264	30,264
Central	906,497	-	-	906,497
Other support services	67,530	-	-	67,530
Community services	152,388	-	-	152,388
Capital outlay	-	-	3,904,615	3,904,615
Total expenditures	15,544,368	-	3,934,879	19,479,247
Net change in fund balances	704,135	351,388	71,386	1,126,909
Fund balances:				
Beginning of year	640,594	3,141,404	453,565	4,235,563
End of year	$ 1,344,729	$ 3,492,792	$ 524,951	$ 5,362,472

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, 2019

	Original and Final Budget	Actual	Variance
Revenues:			
Property taxes	$ 12,375,869	$ 12,505,743	$ 129,874
Replacement taxes	3,750,000	3,739,616	(10,384)
Earnings on investments	500	3,144	2,644
Total revenues	16,126,369	16,248,503	122,134
Expenditures:			
Current:			
Instruction:			
Regular programs	1,389,526	1,684,548	(295,022)
Special programs	2,374,647	2,287,825	86,822
Other instructional programs	1,055,002	1,033,598	21,404
Support services:			
Pupils	1,600,595	1,404,908	195,687
Instructional staff	476,556	470,826	5,730
General administration	495,598	494,419	1,179
School administration	1,342,950	1,321,091	21,859
Business	509,446	419,525	89,921
Operations and maintenance	1,987,878	2,026,171	(38,293)
Transportation	3,502,524	3,231,395	271,129
Food service	151,365	43,647	107,718
Central	958,152	906,497	51,655
Other support	60,452	67,530	(7,078)
Community services	168,350	152,388	15,962
Total expenditures	16,073,041	15,544,368	528,673
Net change in fund balance	$ 53,328	704,135	$ 650,807
Fund balance:			
Beginning of year		640,594	
End of year		$ 1,344,729	

School District U-46

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
Capital Projects Fund
Year Ended June 30, 2019

	Original and Final Budget	Actual	Variance
Revenues:			
Other local sources	$ 300,000	$ 351,388	$ 51,388
Total revenues	300,000	351,388	51,388
Expenditures:			
Current:			
Support services:			
Facilities acquisition and construction	-	-	-
Capital outlay	300,000	-	300,000
Total expenditures	300,000	-	300,000
Net change in fund balance	$ -	351,388	$ 351,388
Fund balance:			
Beginning of year		3,141,404	
End of year		$ 3,492,792	

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, 2019**

	Original and Final Budget	Actual	Variance
Revenues:	$ 3,997,330	$ 4,005,263	$ 7,933
Property taxes	100	1,002	902
Earnings on investments	3,997,430	4,006,265	8,835
Total revenues			
Expenditures:			
Current:			
Support services:			
Facilities acquisition and construction	-	30,264	(30,264)
Capital outlay	3,900,000	3,904,615	(4,615)
Total expenditures	3,900,000	3,934,879	(34,879)
Net change in fund balance	$ 97,430	71,386	$ (26,044)
Fund balance:			
Beginning of year		453,565	
End of year		$ 524,951	

FIDUCIARY FUNDS

AGENCY FUNDS

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

School District U-46

**Combining Statement of Changes in Assets and Liabilities -
Agency Funds - Student Activity Funds
June 30, 2019**

	Assets/ Liabilities Balance at July 1, 2018	Additions	Deletions	Assets/ Liabilities Balance at June 30, 2019
High Schools				
Bartlett	$ 464,062	$ 1,361,733	$ 1,328,031	$ 497,764
Dream Academy	6,170	10,297	8,163	8,304
Elgin	745,446	929,858	1,183,112	492,192
Larkin	691,693	713,146	943,501	461,338
South Elgin	507,600	1,300,445	1,341,253	466,792
Streamwood	624,529	978,757	1,106,468	496,818
Total High Schools	3,039,500	5,294,236	5,910,528	2,423,208
Middle Schools				
Abbott	49,161	71,215	80,799	39,577
Canton	27,562	61,477	59,081	29,958
Eastview	120,193	145,558	150,663	115,088
Ellis	15,891	43,310	38,281	20,920
Kenyon Woods	102,226	124,492	129,508	97,210
Kimball	28,536	85,582	76,029	38,089
Larsen	54,339	63,006	81,778	35,567
Tefft	52,610	70,444	81,181	41,873
Total Middle Schools	450,518	665,084	697,320	418,282
Elementary Schools				
Bartlett	8,425	14,525	15,173	7,777
Centennial	16,275	26,550	16,170	26,655
Century Oaks	16,297	8,792	12,826	12,263
Channing	9,413	9,102	11,891	6,624
Clinton	11,529	30,686	31,817	10,398
Coleman	8,636	37,494	38,969	7,161
Creekside	22,410	55,990	62,096	16,304
Fox Meadow	15,651	33,625	35,813	13,463
Garfield	6,059	12,834	11,947	6,946
Glenbrook	8,932	40,398	39,025	10,305
Hanover Countryside	7,452	30,682	26,913	11,221
Harriet Gifford	34,363	40,637	44,902	30,098
Hawk Hollow	7,837	25,449	26,218	7,068
Heritage	5,430	39,128	34,792	9,766
Highland	9,481	30,636	28,369	11,748
Hillcrest	6,237	25,622	28,910	2,949
Hilltop	52,334	71,253	75,853	47,734

(Continued)

School District U-46

**Combining Statement of Changes in Assets and Liabilities -
Agency Funds - Student Activity Funds (Continued)
June 30, 2019**

	Assets/ Liabilities Balance at July 1, 2018	Additions	Deletions	Assets/ Liabilities Balance at June 30, 2019
Elementary Schools (Continued)				
Horizon	$ 30,653	$ 80,793	$ 88,223	$ 23,223
Huff	14,890	26,444	27,690	13,644
Illinois Park	796	426	787	435
Independence	389	2,817	2,539	667
Laurel Hill	11,995	15,930	13,577	14,348
Liberty	5,000	32,667	34,996	2,671
Lincoln	6,724	19,030	20,856	4,898
Lords Park	15,453	56,737	58,743	13,447
Lowrie	4,879	11,536	9,969	6,446
McKinley	20,103	25,375	23,459	22,019
Nature Ridge	2,418	31,454	33,503	369
Oakhill	4,269	25,858	24,136	5,991
Ontarioville	13,369	35,831	31,055	18,145
Otter Creek	13,499	31,124	36,164	8,459
Parkwood	8,907	22,140	21,790	9,257
Prairieview	20,361	43,880	41,760	22,481
Ridge Circle	7,906	41,366	40,645	8,627
Ronald D. O'Neal	10,965	12,548	15,835	7,678
Spring Trail	7,664	20,015	21,947	5,732
Sunnydale	7,897	14,570	16,595	5,872
Sycamore Trails	67,875	85,594	89,502	63,967
Timber Trails	9,128	25,138	25,530	8,736
Washington	18,443	24,839	24,989	18,293
Wayne	13,531	41,029	45,801	8,759
Willard	13,820	16,632	16,660	13,792
Total Elementary Schools	577,695	1,277,176	1,308,435	546,436
Other				
SWEP	23,747	44,673	41,169	27,251
Central School Programs	1,099	970	850	1,219
Total Other	24,846	45,643	42,019	28,470
Total All Agency Funds	$ 4,092,559	$ 7,282,139	$ 7,958,302	$ 3,416,396

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

PRELIMINARY DRAFT
FOR REVIEW AND DISCUSSION
--SUBJECT TO CHANGE—
NOT TO BE REPRODUCED

School District U-46

Schedule of Bonded Debt and Annual Interest Requirements
Year Ended June 30, 2019

	Total	2020	2021	2022	2023	2024	Thereafter
March 2002 Issue							
Principal	$ 8,743,645	$ 7,678,182	$ 1,065,463	$ -	$ -	$ -	$ -
Interest	13,856,533	12,036,993	1,819,540	-	-	-	-
	22,600,178	19,715,175	2,885,003	-	-	-	-
March 2003B Issue							
Principal	31,643,838	960,659	10,060,790	10,591,479	10,030,910	-	-
Interest	53,466,162	1,369,341	15,664,210	17,958,521	18,474,090	-	-
	85,110,000	2,330,000	25,725,000	28,550,000	28,505,000	-	-
September 2009 Issue							
Principal	5,650,000	1,350,000	1,415,000	1,405,000	1,480,000	-	-
Interest	686,150	275,100	207,600	136,850	66,600	-	-
	6,336,150	1,625,100	1,622,600	1,541,850	1,546,600	-	-
March 2011A Issue							
Principal	7,545,000	2,945,000	3,085,000	1,515,000			-
Interest	795,480	434,750	269,830	90,900			-
	8,340,480	3,379,750	3,354,830	1,605,900	-	-	-
March 2011B Issue							
Principal	430,000	200,000	230,000	-	-	-	-
Interest	4,290	2,795	1,495	-	-	-	-
	434,290	202,795	231,495	-	-	-	-
March 2012B Issue							
Principal	20,770,000	-	-	2,065,000	3,745,000	5,460,000	9,500,000
Interest	4,886,175	924,325	924,325	924,325	841,725	673,200	598,275
	25,656,175	924,325	924,325	2,989,325	4,586,725	6,133,200	10,098,275
February 2015A Issue							
Principal	44,310,000	-	-	-	-	-	44,310,000
Interest	26,602,750	2,215,500	2,215,500	2,215,500	2,215,500	2,215,500	15,525,250
	70,912,750	2,215,500	2,215,500	2,215,500	2,215,500	2,215,500	59,835,250
February 2015B Issue							
Principal	10,780,000	-	-	-	-	-	10,780,000
Interest	3,302,813	411,062	411,062	411,063	411,062	411,063	1,247,501
	14,082,813	411,062	411,062	411,063	411,062	411,063	12,027,501
February 2015C Issue							
Principal	6,095,000	6,095,000	-	-	-	-	-
Interest	304,750	304,750	-	-	-	-	-
	6,399,750	6,399,750	-	-	-	-	-
February 2015D Issue							
Principal	101,575,000	-	-	-	-	6,480,000	95,095,000
Interest	55,681,750	4,969,150	4,969,150	4,969,150	4,969,150	4,969,150	30,836,000
	157,256,750	4,969,150	4,969,150	4,969,150	4,969,150	11,449,150	125,931,000
Total All Issues:							
Principal	237,542,483	19,228,841	15,856,253	15,576,479	15,255,910	11,940,000	159,685,000
Interest	159,586,853	22,943,766	26,482,712	26,706,309	26,978,127	8,268,913	48,207,026
	$ 397,129,336	$ 42,172,607	$ 42,338,965	$ 42,282,788	$ 42,234,037	$ 20,208,913	$ 207,892,026

STATISTICAL SECTION

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

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

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

School District U-46

Net Position (Deficit) by Component
Last Ten Fiscal Years

	2010	2011	2012	2013**	2014***	2015	2016	2017****	2018	2019
Governmental Activities										
Net investment in capital assets	$ 92,321,821	$ 101,691,947	$ 115,440,308	$ 141,336,967	$ 158,733,858	$ 119,555,624	$ 143,066,834	$ 162,058,302	$ 188,622,845	$ 219,110,563
Restricted	2,863,666	83,078,457	81,367,132	21,712,904	26,376,025	3,403,730	1,582,926	3,415,400	9,900,299	17,086,610
Unrestricted	(67,581,131)	(103,290,222)	(83,366,008)	(29,804,469)	(88,630,189)	(16,236,147)	13,982,977	(185,549,569)	(218,599,011)	(188,976,589)
Total Government Activities Net Position (Deficit)	$ 27,604,356	$ 81,480,182	$ 113,441,432	$ 133,245,402	$ 96,479,694	$ 106,723,207	$ 158,632,737	$ (20,075,867)	$ (20,075,867)	$ 47,220,584

Source: Annual Financial Statements 2010-2019.

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

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

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

School District U-46

Changes in Net Position
Last Ten Fiscal Years

	2010	2011	2012	2013
Expenses				
Instruction:				
Regular programs	$ 137,890,395	$ 144,380,708	$ 152,872,982	$ 159,832,952
Special programs	41,712,599	46,118,818	44,739,728	45,013,457
Other instructional programs	48,183,615	46,960,015	50,529,484	53,371,025
Support services:				
Pupils	28,016,638	31,664,589	33,039,723	34,560,394
Instructional staff	14,617,298	15,267,864	14,662,297	15,818,248
General administration	19,269,678	19,982,097	21,364,385	19,146,851
School administration	22,622,794	25,801,537	26,796,191	27,992,117
Business	28,657,512	30,761,571	30,533,039	32,515,833
Operations and maintenance	-	-	-	-
Transportation	29,013,273	28,651,615	30,391,920	31,579,650
Facilities acquisition and construction	817,683	788,055	1,068,238	1,020,435
Food service	13,421,176	17,147,240	19,112,487	18,987,979
Central	10,080,473	9,985,364	13,012,548	14,274,661
Other support services	1,314,514	1,999,655	1,551,123	1,753,291
Community services	4,046,637	5,232,372	3,848,600	4,166,826
Payments to other governments	7,550,943	-	-	-
State on-behalf payments	46,868,682	-	-	-
Debt service-interest and fees	22,460,154	21,642,152	21,160,999	21,603,612
Total Expenses	476,544,064	446,383,652	464,683,744	481,637,331
Program Revenues				
Charges for services:				
Instruction:				
Regular programs	3,731,249	4,189,130	3,975,846	4,306,692
Special programs	62,124	34,484	61,891	96
Other instructional programs	608,591	1,111,162	992,260	671,584
Support services:				
Business	665,891	986,932	1,250,793	603,076
Transportation	381,504	968,503	1,337,334	1,894,652
Food service	5,097,756	4,693,018	4,503,273	3,853,180
Operating grants and contributions	127,700,014	141,292,679	122,517,107	135,611,514
Capital grants and contributions	820,523	964,778	181,534	287,448
Total Program Revenues	139,067,652	154,240,686	134,820,038	147,228,242
Net (Expense) Revenue	$ (337,476,412)	$ (292,142,966)	$ (329,863,706)	$ (334,409,089)

See related notes on page 83.

2014	2015	2016	2017	2018	2019
$ 166,693,993	$ 179,329,755	$ 203,137,860	$ 228,013,812	$ 164,139,239	$ 150,525,965
47,004,205	51,357,285	57,737,468	65,998,471	52,159,551	52,195,581
56,641,884	64,182,882	87,016,438	104,755,592	72,641,845	72,352,495
32,493,352	36,396,881	40,501,388	46,601,131	38,768,141	39,501,953
17,146,414	19,619,071	17,345,435	18,460,720	16,050,602	17,418,458
22,364,803	20,838,375	15,930,930	16,990,192	15,958,730	15,940,143
28,737,936	30,764,990	29,482,482	32,634,709	28,353,074	28,536,385
35,461,199	36,554,226	5,018,491	4,646,020	4,866,686	5,124,216
-	-	29,996,953	30,376,085	33,331,248	39,187,287
34,307,231	37,497,103	31,357,962	30,287,605	33,111,957	30,322,006
1,325,382	3,643,244	2,061,193	1,857,521	1,172,201	551,748
19,253,272	18,393,024	16,329,585	16,797,450	17,557,209	15,130,980
16,669,932	17,035,282	13,186,379	13,075,487	14,115,899	23,620,618
1,576,585	460,712	787,174	1,440,556	2,206,497	2,099,120
3,992,913	4,303,234	4,407,964	4,624,227	3,784,264	3,401,570
-	-	-	-	-	-
-	-	-	-	175,531,224	168,836,248
19,913,329	47,648,191	16,758,074	15,369,249	14,131,444	12,808,157
503,582,430	568,024,255	571,055,776	631,928,827	687,879,811	677,552,930
2,374,713	2,740,137	2,727,584	5,190,125	4,992,240	5,082,996
40,129	27,305	40,600	39,106	-	-
3,160,349	2,602,409	3,255,960	889,942	610,437	1,198,123
1,061,033	-	-	-	-	-
1,654,326	1,455,864	2,355,249	1,439,237	1,240,389	1,023,313
3,828,751	3,278,823	3,734,037	3,528,555	3,572,207	3,631,095
144,377,500	175,270,234	189,171,948	226,471,760	246,855,405	237,345,896
452,706	820,530	306,943	409,674	977,224	392,888
156,949,507	186,195,302	201,592,321	237,968,399	258,247,902	248,674,311
$ (346,632,923)	$ (381,828,953)	$ (369,463,455)	$ (393,960,428)	$ (429,631,909)	$ (428,878,619)

(Continued)

School District U-46

Changes in Net Position (Continued)
Last Ten Fiscal Years

	2010	2011	2012	2013
General Revenues				
Property taxes:				
Levied for general purposes	$ 226,224,333	$ 238,078,583	$ 248,081,083	$ 246,568,726
Levied for Debt Service	35,039,161	38,974,113	41,611,064	42,783,761
Payments in lieu of taxes	3,134,569	4,040,837	4,654,710	3,774,777
Unrestricted state grants	51,743,683	64,161,401	66,160,166	59,961,675
Interest and investment earnings	103,114	133,167	319,526	-
Other general revenues	422,513	630,691	998,407	1,079,624
Total General Revenues	316,667,373	346,018,792	361,824,956	354,168,563
Change in Net Position	$ (20,809,039)	$ 53,875,826	$ 31,961,250	$ 19,759,474

Source: Annual Financial Statements 2010-2019.

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 it was included in Business expense.

2014	2015	2016	2017	2018	2019
$ 250,205,536	$ 250,658,393	$ 259,485,732	$ 260,999,080	$ 264,219,826	$ 269,745,840
43,226,909	42,283,872	42,089,518	39,920,250	38,758,711	35,726,726
3,799,318	4,107,409	3,317,225	4,395,273	3,769,443	3,942,629
84,499,884	92,992,560	115,242,487	120,158,178	157,137,958	177,917,028
240,423	63,897	426,318	1,628,143	4,411,435	6,455,852
992,931	1,966,335	811,705	3,734,702	1,833,050	2,386,995
382,965,001	392,072,466	421,372,985	430,835,626	470,130,423	496,175,070
$ 36,332,078	$ 10,243,513	$ 51,909,530	$ 36,875,198	$ 40,498,514	$ 67,296,451

School District U-46

Fund Balances, Governmental Funds
Last Ten Fiscal Years

	2010	2011***	2012	2013	2014	2015	2016**	2017	2018	2019
General Fund										
Reserved	$ 4,105,974	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Unreserved	(37,312,889)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Nonspendable	N/A	$ 1,761,685	$ 2,378,365	$ 1,014,489	$ 790,187	$ 856,536	$ 1,068,571	$ 4,015,786	$ 3,085,115	$ 2,047,649
Restricted	N/A	91,707,158	108,539,319	297,756	3,330,253	914,855	601,756	211,138	-	964,343
Unassigned	N/A	8,192,571	34,017,658	145,661,663	159,674,454	203,035,498	212,605,175	219,325,243	249,531,533	276,339,570
Total General Fund	$ (33,206,915)	$ 101,661,414	$ 144,935,342	$ 146,973,908	$ 163,794,894	$ 204,806,889	$ 214,275,502	$ 223,552,167	$ 252,616,648	$ 279,351,562
All Other Governmental Funds										
Reserved	$ 35,837,628	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Unreserved, reported in:										
Special revenue funds	62,132,362	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Nonspendable	N/A	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 20,128	$ -
Assigned	N/A	-	-	-	-	-	-	-	4,220,543	5,243,912
Restricted	N/A	33,724,667	29,864,415	29,864,415	28,017,606	29,088,709	28,909,949	31,594,117	39,157,824	50,416,219
Unassigned	N/A	(18,760,402)	(21,072,002)	(21,072,002)	(16,571,098)	(11,437,340)	(8,025,505)	(658,511)	-	-
Total all other governmental funds	$ 97,969,990	$ 14,964,265	$ 8,792,413	$ 8,792,413	$ 11,446,508	$ 17,651,369	$ 20,884,444	$ 30,935,606	$ 43,398,495	$ 55,660,131

Source: Annual Financial Statements 2010-2019.

** 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.

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

This page left blank intentionally.

School District U-46

Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years

	2010	2011	2012	2013
Revenues				
Local sources:				
Property taxes	$ 261,263,494	$ 277,052,696	$ 289,692,147	$ 289,352,487
Replacement taxes and other payments in lieu of taxes	3,053,569	3,959,837	3,642,927	3,733,997
Charges for services	9,772,661	10,880,592	10,805,515	10,612,329
Earnings on investments	103,114	133,167	319,526	282,805
Impact fees, rentals and other local sources	2,286,164	2,687,134	3,752,842	2,286,686
Total local sources	276,479,002	294,713,426	308,212,957	306,268,304
State sources:				
State grants-in-aid	85,042,918	109,760,781	108,491,808	108,809,995
State on-behalf payments	46,868,682	41,387,470	45,591,003	52,723,457
Total state sources	131,911,600	151,148,251	154,082,811	161,533,452
Federal sources,				
Federal grants-in-aid	53,206,061	42,256,544	33,912,188	35,700,980
Total revenues	461,596,663	488,118,221	496,207,956	503,502,736
Expenditures				
Current:				
Instruction:				
Regular programs	131,049,168	119,418,719	127,064,616	130,185,958
Special programs	39,539,625	38,124,984	37,183,726	36,595,148
Other instructional programs	45,761,230	39,038,710	42,005,491	43,274,655
Total instruction	216,350,023	196,582,413	206,253,833	210,055,761
Support services:				
Pupils	26,418,768	25,731,889	27,444,523	27,663,747
Instructional staff	13,924,195	12,744,126	12,189,512	12,868,897
General administration	18,379,668	16,791,704	17,767,485	15,753,783
School administration	21,475,686	21,432,466	22,275,360	22,841,782
Business	27,357,981	25,915,150	25,396,979	26,838,096
Operations and maintenance	-	-	-	-
Transportation	23,081,648	23,703,791	25,260,870	25,693,690
Facilities acquisition and construction	752,369	604,006	1,060,755	841,117
Food service	12,692,710	14,128,009	15,884,358	15,369,092
Central	9,579,069	8,312,235	10,819,203	11,707,954
Other support	1,313,172	1,993,812	1,550,758	1,728,002
Total support services	154,975,266	151,357,188	159,649,803	161,306,160
State on-behalf payments	46,868,682	41,387,470	45,591,003	52,723,457
Community services	3,812,527	4,278,777	3,195,043	3,309,466
Intergovernmental:				
Payments to other governments	7,550,943	7,131,341	7,507,509	8,592,837

2014	2015	2016**	2017	2018	2019
$ 293,432,445	$ 292,942,265	$ 301,575,250	$ 300,919,330	$ 302,978,537	$ 305,472,566
3,754,606	4,107,409	3,317,225	4,395,272	3,769,443	3,942,629
10,956,865	10,104,538	11,448,630	11,086,965	10,415,273	10,935,527
240,423	63,897	426,318	1,628,146	4,411,435	6,455,852
2,870,732	2,963,771	1,226,220	4,640,718	2,849,911	2,766,066
311,255,071	310,181,880	317,993,643	322,670,431	324,424,599	329,572,640
128,344,057	138,062,156	146,310,918	157,372,473	193,454,449	212,320,712
66,995,465	96,534,999	106,664,731	160,409,310	86,890,974	95,966,913
195,339,522	234,597,155	252,975,649	317,781,783	280,345,423	308,287,625
34,451,084	34,609,687	39,907,563	38,327,985	40,295,443	40,125,989
541,045,677	579,388,722	610,876,855	678,780,199	645,065,465	677,986,254
133,321,829	135,272,777	141,296,937	138,497,126	144,715,944	140,996,184
37,608,482	38,773,455	41,486,045	43,524,745	45,162,060	48,447,656
45,343,690	48,506,061	55,017,352	58,539,509	63,335,522	67,423,713
216,274,001	222,552,293	237,800,334	240,561,380	253,213,526	256,867,553
26,060,806	27,542,911	29,996,313	32,837,494	33,168,544	36,460,657
13,716,670	14,753,713	13,597,365	13,697,748	14,030,288	16,265,422
17,859,279	15,610,556	13,621,937	14,084,604	14,169,223	15,005,634
22,978,049	23,190,864	23,400,106	24,424,064	24,926,645	26,726,241
28,301,788	27,251,136	4,451,828	4,104,249	4,203,434	4,745,390
-	-	27,011,231	27,376,091	29,279,921	35,897,157
27,440,574	28,103,698	28,184,168	27,528,948	28,725,199	28,275,854
1,355,140	3,695,335	1,989,410	1,553,336	1,124,908	555,253
15,408,947	13,819,753	14,658,019	15,281,310	14,211,637	14,095,376
13,318,618	12,735,595	11,814,204	11,799,232	11,969,012	21,858,718
1,579,638	465,401	756,799	1,373,466	1,894,549	1,941,000
168,019,509	167,168,962	169,481,380	174,060,542	177,703,360	201,826,702
66,995,465	96,534,999	106,664,731	160,409,310	86,890,974	95,966,913
3,209,716	3,265,642	3,380,731	3,421,758	3,303,479	3,207,463
8,134,674	8,507,064	8,132,631	8,604,268	9,820,359	9,292,969

(Continued)

School District U-46

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

	2010	2011	2012	2013
Total current	$ 429,557,441	$ 400,737,189	$ 422,197,191	$ 435,987,681
Debt service:				
Principal	33,602,191	30,572,146	30,763,865	30,005,118
Interest and fees	9,765,565	12,444,322	12,896,130	12,850,947
Capital outlay	4,603,283	9,723,218	14,633,641	27,588,908
Total Expenditures	477,528,480	453,476,875	480,490,827	506,432,654
Excess of revenues over (under) expenditures	(15,931,817)	34,641,346	15,717,129	(2,929,918)
Other financing sources (uses):				
Proceeds from issuance of bonds	64,595,000	27,955,000	31,460,000	-
Premium on bonds sold	3,176,086	-	1,522,879	-
Discount on bonds sold	-	(440,725)	(5,801)	-
Proceeds from sale of equipment	-	-	-	770,800
Proceeds from issuance of purchase contracts	-	-	1,198,870	7,057,727
Transfer to escrow agent	(36,806,418)	(10,293,017)	(12,791,001)	-
Transfers in	4,424,969	2,476,070	2,274,500	1,762,440
Transfers out	(4,424,969)	(2,476,070)	(2,274,500)	(1,762,440)
Total other financing sources (uses)	30,964,668	17,221,258	21,384,947	7,828,527
Net Change in Fund Balances	$ 15,032,851	$ 51,862,604	$ 37,102,076	$ 4,898,609
Debt service expenditure as a percentage of noncapital expenditures	9.17%	9.69%	9.37%	8.85%

Source: Annual Financial Statements 2010-2019.

** 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.

2014	2015	2016	2017	2018	2019
$ 462,633,365	$ 498,028,960	$ 525,459,807	$ 587,057,258	$ 530,931,698	$ 567,161,600
30,465,774	29,288,687	22,564,859	22,680,171	24,054,232	24,509,426
15,549,123	17,940,188	23,310,522	22,785,737	21,394,575	19,570,967
15,782,377	29,175,410	34,158,576	26,929,206	27,623,860	27,747,711
524,430,639	574,433,245	605,493,764	659,452,372	604,004,365	638,989,704
16,615,038	4,955,477	5,383,091	19,327,827	41,061,100	38,996,550
-	175,900,000	-	-	466,270	-
-	25,200,979	-	-	-	-
-	-	-	-	-	-
-	-	664,800	-	-	-
-	-	6,653,797	-	-	-
-	(158,839,600)	-	-	-	-
1,393,860	1,359,141	3,727,365	5,544,138	7,543,037	16,338,780
(1,393,860)	(1,359,141)	(3,727,365)	(5,544,138)	(7,543,037)	(16,338,780)
-	42,261,379	7,318,597	-	466,270	-
$ 16,615,038	$ 47,216,856	$ 12,701,688	$ 19,327,827	$ 41,527,370	$ 38,996,550
9.80%	9.31%	8.04%	7.12%	7.85%	6.90%

School District U-46

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

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

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

Notes: The 2018 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
$ 129,812,092	$ 1,820,868	$ 1,790,268,416	6.1237	$ 5,370,805,248	33.33%
113,037,065	1,775,595	1,889,647,692	7.1200	5,668,943,076	33.33%
1,963,259	1,766,536	1,131,623,935	5.9746	3,394,871,805	33.33%
244,812,416	5,362,999	4,811,540,043		14,434,620,129	
132,002,713	1,744,753	1,717,398,367	6.3696	5,152,195,101	33.33%
118,476,108	1,686,439	1,933,714,059	6.9318	5,801,142,177	33.33%
1,956,449	1,777,227	1,092,398,313	6.1638	3,277,194,939	33.33%
252,435,270	5,208,419	4,743,510,739		14,230,532,217	
136,507,859	1,663,356	1,621,599,676	6.5487	4,864,799,028	33.33%
113,264,832	2,041,772	1,925,826,831	6.8370	5,777,480,493	33.33%
1,950,749	2,104,638	1,045,071,839	6.3384	3,135,215,517	33.33%
251,723,440	5,809,766	4,592,498,346		13,777,495,038	
124,953,952	1,546,941	1,488,337,717	7.1238	4,465,013,151	33.33%
91,942,586	1,848,249	1,653,457,440	7.9470	4,960,372,320	33.33%
1,944,259	1,844,159	986,425,356	6.8325	2,959,276,068	33.33%
218,840,797	5,239,349	4,128,220,513		12,384,661,539	
104,901,611	1,368,917	1,406,081,012	8.0229	4,218,243,036	33.33%
94,788,944	1,532,574	1,708,312,671	7.6680	5,124,938,013	33.33%
1,554,803	1,600,080	955,773,166	6.4133	2,867,319,498	33.33%
201,245,358	4,501,571	4,070,166,849		12,210,500,547	
96,171,351	1,547,962	1,441,568,152	5.9395	4,324,704,456	33.33%
163,051,097	1,308,781	1,686,298,507	7.5800	5,058,895,521	33.33%
1,557,563	1,309,952	981,465,345	7.8519	2,944,396,035	33.33%
260,780,011	4,166,695	4,109,332,004		12,327,996,012	
104,353,069	1,873,298	1,591,971,192	6.3706	4,775,913,576	33.33%
178,579,242	568,434	1,996,276,871	6.5400	5,988,830,613	33.33%
1,538,858	918,595	1,055,589,353	6.6052	3,166,768,059	33.33%
284,471,169	3,360,327	4,643,837,416		13,931,512,248	
107,924,673	952,421	1,780,269,709	5.5589	5,340,809,127	33.33%
189,744,920	707,052	2,181,631,834	5.5062	6,544,895,502	33.33%
1,444,933	874,204	1,154,433,522	5.6118	3,463,300,566	33.33%
299,114,526	2,533,677	5,116,335,065		15,349,005,195	
119,782,385	909,185	1,984,011,132	5.2661	5,952,033,396	33.33%
236,263,977	774,398	2,420,882,545	5.0254	7,262,647,635	33.33%
1,445,733	937,427	1,258,534,090	4.8392	3,775,602,270	33.33%
357,492,095	2,621,010	5,663,427,767		16,990,283,301	

School District U-46

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

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Direct										
School District U-46	6.1237	6.3696	6.5487	7.1238	8.0229	6.4086	6.3706	5.8307	5.2661	4.5494
Overlapping										
Kane County	0.3877	0.4025	0.4201	0.4479	0.4684	0.4623	0.4336	0.3990	0.3730	0.3361
Kane County Forest Preserve District	0.1607	0.1658	0.2253	0.2944	0.3126	0.3039	0.2710	0.2609	0.2201	0.1997
Gail Borden Library District	0.4630	0.4729	0.4898	0.5294	0.5796	0.5087	0.4791	0.4084	0.3650	0.3380
Elgin Township	0.1164	0.1192	0.1020	0.1102	0.1160	0.1114	0.0997	0.0890	0.0783	0.0706
Elgin Township Road Fund	0.0745	0.0758	0.0785	0.0849	0.0893	0.0858	0.0762	0.0660	0.0581	0.0524
City of Elgin	2.0240	2.1494	2.2396	2.4110	2.3218	2.1668	1.9344	1.9836	1.9210	1.9202
Fox River Water Reclamation District	0.0291	0.0302	0.0315	0.0339	0.0409	0.3697	0.0344	0.0299	0.0273	0.0249
Community College District 509	0.5075	0.4999	0.5296	0.5609	0.6076	0.5707	0.5215	0.4456	0.4407	0.3833
Total	9.8866	10.2853	10.6651	11.5963	12.5591	10.9879	10.2205	9.5130	8.7497	7.8746

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 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	2018 Equalized Assessed Valuation	Percent of District's Total EAV	Rank	2009 Equalized Assessed Valuation	Percent of District's Total EAV
Target Corporation	1	$18,239,027	0.38%	3	$20,001,348	0.33%
Walmart Stores	2	11,924,494	0.25	4	19,479,522	0.32
Property Valution Service	3	10,101,970	0.21	6	13,175,773	0.22
MHC-Deanza Financing - B&D Equity Property Tax Group	4	9,857,193	0.20		-	-
MS Clarement LP	5	8,527,947	0.18		-	-
Hunter Elgin Management	6	7,872,487	0.16		-	-
EREP Cobbler Crossing	7	6,039,131	0.13		-	-
Sambell Streamwood	8	5,565,976	0.12		-	-
Exeter Brewster Creek	9	5,403,090	0.11		-	-
Home Depot	10	5,045,055	0.10	9	6,824,449	0.11
Bradley Operate Limited		-	-	1	29,158,799	0.48
MDKTSTP Ent Fin Dept		-	-	2	20,945,694	0.34
IRC		-	-	5	16,471,033	0.27
Stag Capital Partners		-	-	7	11,235,704	0.18
Willo Arms Associates Limited		-	-	8	8,839,116	0.14
Ball Aerosol & Special		-	-	10	6,740,153	0.11
		$88,576,370	1.84%		$152,871,591	2.50%

Note: 2018 tax levy is the current levy in the District's fiscal year 2019.
Source: Cook, Kane and DuPage County Clerk's and Assessor's Offices

School District U-46

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

	2018	2017	2016	2015	2014
Rates Extended					
Educational	3.8664	3.6224	3.6211	4.1504	3.9493
Tort immunity/liability insurance	0.1174	0.1765	0.2171	0.3278	0.3135
Special education	0.7669	0.7285	0.7161	0.8260	0.7898
Operations and maintenance	0.7960	0.7613	0.6938	0.7743	0.7404
Transportation	0.4037	0.3834	0.3769	0.4217	0.4034
Municipal retirement - IMRF	0.1542	0.1518	0.1461	0.1634	0.1599
Social security	0.1435	0.1243	0.1201	0.1333	0.1437
Bond and interest/supp.	0.5687	0.6890	0.6950	0.8608	0.8906
Life safety	0.0939	0.0892	0.0439	0.0481	0.0459
Limited bonds	0.2092	0.2054	0.2062	0.2404	0.2310
Total Rates Extended	7.1199	6.9318	6.8363	7.9462	7.6675
Levies Extended					
Educational	$ 73,060,819	$ 70,045,692	$ 69,737,305	$ 68,624,895	$ 67,465,304
Tort immunity/liability insurance	2,217,411	3,413,679	4,183,246	5,419,725	5,354,975
Special education	1,449,178	14,084,997	13,790,836	13,655,426	13,493,060
Operations and maintenance	15,041,994	14,721,239	13,360,616	12,802,965	12,649,854
Transportation	7,628,557	7,414,659	7,258,230	6,973,059	6,889,998
Municipal retirement - IMRF	2,914,489	2,936,498	2,811,300	2,700,054	2,732,058
Social security	2,711,778	2,404,258	2,311,690	2,204,271	2,455,683
Bond and interest/supp.	10,747,123	17,295,922	13,384,565	14,232,830	15,214,588
Life safety	1,774,756	1,725,192	846,561	795,392	785,114
Limited bonds	3,953,558	-	3,970,856	3,974,341	3,946,992
Total Levies Extended	$ 121,499,663	$ 134,042,136	$ 131,655,205	$ 131,382,958	$ 130,987,626
Current year collections	$ 70,902,525	$ 69,891,692	$ 68,927,167	$ 67,753,981	$ 65,702,776
Subsequent year collections	-	61,954,439	61,009,329	61,729,996	61,964,879
Total Collections	$ 70,902,525	$ 131,846,131	$ 129,936,496	$ 129,483,977	$ 127,667,655
Percentage of extensions collected					
Current year collections	58.36%	52.14%	52.35%	51.57%	50.16%
Total collections	58.36%	98.36%	98.69%	98.55%	97.47%

2013	2012	2011	2010	2009
4.0325	3.8833	3.4078	3.4930	3.0397
0.2099	0.1434	0.0847	0.0778	0.0657
0.8065	0.5507	0.4180	0.0373	0.0347
0.7328	0.5014	0.4323	0.3971	0.3348
0.3362	0.2189	0.1438	0.1271	0.1012
0.1532	0.1087	0.0899	0.0794	0.0706
0.1397	0.1003	0.0830	0.0794	0.0706
0.9020	0.8029	0.6783	0.5875	0.4889
0.0455	0.0344	-	-	-
0.2217	0.1955	0.1684	0.1468	0.1326
7.5800	6.5395	5.5062	5.0254	4.3388
$ 68,000,191	$ 77,521,882	$ 74,345,887	$ 84,561,841	$ 79,727,190
3,539,198	2,862,907	1,847,319	1,883,010	1,723,705
13,599,343	10,992,581	9,118,407	902,377	912,245
12,357,671	10,008,905	9,433,590	9,613,134	8,783,919
5,670,010	4,371,211	3,136,504	3,076,398	2,654,041
2,584,066	2,168,185	1,961,136	1,922,137	1,852,918
2,356,571	2,002,190	1,810,111	1,922,137	1,852,918
15,210,102	16,028,963	14,798,101	14,223,828	12,823,465
765,842	688,573	-	-	-
3,738,151	3,902,150	3,673,366	3,552,765	3,478,715
$ 127,821,145	$ 130,547,547	$ 120,124,421	$ 121,657,627	$ 113,809,116
$ 66,860,960	$ 62,462,919	$ 62,309,872	$ 58,289,670	$ 52,012,181
57,636,244	64,717,012	54,034,910	61,655,603	59,198,269
$ 124,497,204	$ 127,179,931	$ 116,344,782	$ 119,945,273	$ 111,210,450
52.31%	47.85%	51.87%	47.91%	45.70%
97.40%	97.42%	96.85%	98.59%	97.72%

School District U-46

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

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

2013	2012	2011	2010	2009
4.2826	4.0429	3.5530	3.3878	3.2406
0.2083	0.1414	0.0854	0.0723	0.0703
0.8370	0.5467	0.4226	0.0349	0.0370
0.7251	0.4687	0.4355	0.3690	0.3569
0.3337	0.2303	0.1448	0.1404	0.1079
0.1517	0.0988	0.0907	0.0738	0.0757
0.1376	0.0778	0.0837	0.0738	0.0757
0.9078	0.7818	0.6377	0.5501	0.5015
0.2231	0.1905	0.1584	0.1371	0.1363
0.0450	0.0263	-	-	-
7.8519	6.6052	5.6118	4.8392	4.6019
$ 42,032,235	$ 42,676,422	$ 41,017,023	$ 42,636,618	$ 44,130,824
2,044,392	1,492,603	985,886	909,920	957,353
8,214,865	5,770,907	4,878,636	439,228	503,870
7,116,605	4,947,547	5,027,558	4,643,991	4,860,301
3,275,150	2,431,022	1,671,620	1,766,982	1,469,393
1,488,883	1,042,922	1,047,071	928,798	1,030,890
1,350,496	821,249	966,261	928,798	1,030,890
8,909,743	8,252,598	7,361,823	6,923,196	6,829,470
2,189,649	2,010,898	1,828,623	1,725,450	1,856,147
441,659	277,620	-	-	-
$ 77,063,677	$ 69,723,788	$ 64,784,500	$ 60,902,982	$ 62,669,138
$ 37,119,808	$ 33,209,714	$ 31,108,515	$ 30,363,549	$ 30,004,777
39,827,829	36,441,218	33,516,034	30,498,793	32,603,756
$ 76,947,637	$ 69,650,932	$ 64,624,549	$ 60,862,342	$ 62,608,533
48.17%	47.63%	48.02%	49.86%	47.88%
99.85%	99.90%	99.75%	99.93%	99.90%

School District U-46

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

	2018	2017	2016	2015	2014
Rates Extended					
Educational	3.3243	3.3443	3.4863	3.8188	3.9615
Tort immunity/liability insurance	0.1009	0.1629	0.2091	0.3016	0.3085
Special education	0.6594	0.6725	0.6894	0.7599	0.7860
Operations and maintenance	0.6970	0.7029	0.6679	0.7124	0.7286
Transportation	0.3471	0.3539	0.3628	0.3880	0.3969
Municipal retirement - IMRF	0.1326	0.1402	0.1406	0.1503	0.1573
Social security	0.1234	0.1148	0.1156	0.1227	0.1414
Bond and interest/supp.	0.6521	0.7944	0.8347	0.9596	1.0423
Working cash bonds	-	-	-	-	-
Life safety	0.0808	0.0824	0.0423	0.0442	0.0452
Prior year adjustment	0.0061	0.0013	-	0.1071	0.3000
Levies Extended	6.1237	6.3696	6.5487	7.3646	7.8677
Levies Extended					
Educational	$ 59,514,490	$ 57,435,637	$ 56,533,961	$ 54,836,681	$ 52,470,474
Tort immunity/liability insurance	1,806,679	2,798,226	3,390,761	4,330,910	4,085,778
Special education	11,804,804	11,549,908	11,180,092	10,912,435	10,411,350
Operations and maintenance	12,478,640	12,071,205	10,830,991	10,230,276	9,650,033
Transportation	6,214,318	6,078,812	5,883,473	5,572,272	5,257,196
Municipal retirement - IMRF	2,373,246	2,407,366	2,280,376	2,157,751	2,083,776
Social security	2,208,336	1,971,316	1,874,467	1,761,778	1,873,095
Bond and interest/supp.	11,674,441	13,642,436	13,534,845	13,994,649	14,233,892
Working cash bonds	-	-	-	-	-
Life safety	1,445,909	1,414,288	686,106	635,186	598,959
Prior year adjustment	109,387	21,788	(908)	1,593,496	12,143,717
Total Levies Extended	$ 109,630,250	$ 109,390,982	$ 106,194,164	$ 106,025,434	$ 112,808,270
Current year collections	$ 45,804,761	$ 52,908,367	$ 52,182,995	$ 51,819,201	$ 56,658,282
Subsequent year collections	-	55,742,569	53,570,607	53,741,374	55,941,528
Total Collections	$ 45,804,761	$ 108,650,936	$ 105,753,602	$ 105,560,575	$ 112,599,810
Percentage of extensions collected					
Current year collections	41.78%	48.37%	49.14%	48.87%	50.23%
Total collections	41.78%	99.32%	99.59%	99.56%	99.82%
All Three Counties Combined					
Total levies extended	$ 298,739,917	$ 310,766,365	$ 304,090,202	$ 304,805,903	$ 305,092,496
Current year collections	$ 150,294,175	$ 157,816,940	$ 154,359,350	$ 152,977,218	$ 152,213,730
Subsequent year collections	-	149,895,774	147,512,176	149,356,564	149,031,433
Total collections	$ 150,294,175	$ 307,712,714	$ 301,871,526	$ 302,333,782	$ 301,245,163
Percentage of extensions collected					
Current year collections	50.31%	50.78%	50.76%	50.19%	49.89%
Total collections	50.31%	99.02%	99.27%	99.19%	98.74%

Source: District records

2013	2012	2011	2010	2009
3.8031	3.9022	3.8426	3.7483	3.1850
0.1879	0.1379	0.0922	0.0795	0.0688
0.7571	0.5296	0.4551	0.0381	0.0364
0.6563	0.4822	0.4707	0.4057	0.3509
0.3010	0.2105	0.1566	0.1298	0.1060
0.1372	0.1045	0.0979	0.0811	0.0740
0.1251	0.0965	0.0904	0.0811	0.0740
0.9663	0.8066	0.6922	0.6133	0.5332
-	0.0841	0.0756	0.0929	0.0821
0.0408	-	-	-	-
(0.5662)	(0.0769)	(0.1425)	(0.0037)	0.0390
6.4086	6.2771	5.8307	5.2661	4.5494
$ 50,845,761	$ 62,297,953	$ 64,322,072	$ 74,365,813	$ 67,765,315
2,512,489	2,200,917	1,543,760	1,577,458	1,464,219
10,122,444	8,454,302	7,617,338	756,543	774,122
8,773,890	7,697,564	7,878,911	8,048,261	7,465,272
4,024,671	3,361,286	2,620,542	2,575,447	2,255,567
1,834,269	1,668,327	1,638,626	1,609,644	1,573,986
1,672,599	1,539,831	1,512,582	1,609,644	1,573,986
13,452,011	13,486,795	12,951,697	12,167,590	11,345,247
-	1,405,806	1,414,548	1,842,955	1,747,089
544,792	528,948	-	-	-
(8,161,715)	(1,224,095)	(2,536,414)	(73,448)	830,738
$ 85,621,211	$ 101,417,634	$ 98,963,662	$ 104,479,907	$ 96,795,541
$ 43,224,911	$ 50,178,087	$ 48,496,568	$ 50,460,307	$ 48,399,771
42,024,315	50,939,324	50,131,935	53,806,269	48,250,917
$ 85,249,226	$ 101,117,411	$ 98,628,503	$ 104,266,576	$ 96,650,688
50.48%	49.48%	49.00%	48.30%	50.00%
99.57%	99.70%	99.66%	99.80%	99.85%
$ 290,506,033	$ 301,688,969	$ 283,872,583	$ 287,040,516	$ 273,273,795
$ 147,205,680	$ 145,850,720	$ 141,914,955	$ 139,113,526	$ 130,416,729
139,488,388	152,097,554	137,682,879	145,960,665	140,052,942
$ 286,694,068	$ 297,948,274	$ 279,597,834	$ 285,074,191	$ 270,469,672
50.67%	48.34%	49.99%	48.46%	47.72%
98.69%	98.76%	98.49%	99.31%	98.97%

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
2019	$ 256,162,719	$ 56,228,061	$ 2,085,750	$ -	$ 1,353,353	$ 31,984,880
2018	280,575,922	60,008,791	2,600,303	-	2,687,098	28,616,931
2017	303,217,738	64,392,849	2,552,611	-	5,432,856	27,934,843
2016	324,525,540	69,018,018	2,968,433	-	8,141,320	26,112,980
2015	345,263,357	74,017,139	3,381,622	-	4,653,296	23,941,233
2014	262,778,810	119,803,876	3,792,143	-	6,400,590	24,156,123
2013	291,156,285	115,418,498	4,200,013	-	8,903,276	23,737,065
2012	320,366,552	107,400,154	4,605,167	-	3,057,503	21,867,241
2011	325,824,472	98,852,301	5,150,170	40,880	5,281,183	19,252,458
2010	328,600,879	89,607,053	11,232,573	90,617	9,346,736	17,992,384

Source: All Years: outstanding debt and debt service fund - District records
Population and income data - 2019 estimated; 2010-2018 - 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
$ 283,845,003	$ 14,434,620,129	1.97%	234,226	$ 1,212	$ 7,059,805,866	4.02%
317,255,183	14,955,593,412	2.12	234,226	1,354	7,059,805,866	4.49
347,661,211	14,230,532,217	2.44	235,930	1,474	6,770,719,140	5.13
378,540,331	12,384,661,539	3.06	233,144	1,624	6,657,985,776	5.69
403,374,181	12,210,500,547	3.30	236,931	1,702	6,568,842,616	6.14
368,619,296	12,327,996,012	2.99	236,501	1,559	6,818,160,000	5.41
395,941,007	13,931,512,248	2.84	235,918	1,678	6,830,160,000	5.80
413,562,135	15,349,005,195	2.69	235,085	1,759	6,744,480,000	6.13
415,896,548	16,990,283,301	2.45	231,031	1,800	6,537,360,000	6.36
420,885,474	18,336,797,556	2.30	223,175	1,886	6,437,760,000	6.54

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
2019	$ 256,162,719	$ 56,228,061	$ 31,984,880	$ 280,405,900	$ 14,434,620,129
2018	280,575,922	60,008,791	28,616,931	311,967,782	14,230,532,217
2017	303,217,738	64,392,849	27,934,843	339,675,744	13,777,495,038
2016	324,525,540	69,018,018	26,112,980	367,430,578	12,384,661,539
2015	345,263,357	74,017,139	23,941,233	395,339,263	12,210,500,547
2014	262,778,810	119,803,876	24,156,123	358,426,563	12,327,996,012
2013	291,156,285	115,418,498	23,737,065	382,837,718	13,931,512,248
2012	320,366,552	107,400,154	21,867,241	405,899,465	15,349,005,195
2011	325,824,472	98,852,301	19,252,458	405,424,315	16,990,283,301
2010	328,600,879	89,607,053	17,992,384	400,215,548	18,336,797,556

Source: All Years: general bonded debt and debt service fund - District records
2015-2018: population and income data - U.S. Census Bureau: ACS 2009-2013, 2010-2014, and 2011-2015, respectively
2008-2014: district records and U.S. Census Bureau 2010 Census
ACS - American Community Study

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
1.94%	234,226	$ 1,197	$ 7,059,805,866	3.97%
2.19	234,226	1,332	7,059,805,866	4.34
2.29	235,930	1,440	6,770,719,140	5.05
2.97	233,144	1,576	6,657,985,776	5.52
3.24	236,931	1,669	6,568,842,616	6.02
2.91	236,501	1,516	6,818,160,000	5.26
2.75	235,918	1,623	6,830,160,000	5.61
2.64	235,085	1,727	6,744,480,000	6.02
2.39	231,031	1,755	6,537,360,000	6.20
2.18	223,175	1,793	6,437,760,000	6.22

School District U-46

Legal Debt Margin Information
Last Ten Fiscal Years

	2019	2018	2017	2016
Debt limit	$ 663,992,526	$ 654,604,482	$ 633,764,772	$ 569,694,431
Total net debt applicable to limit	208,996,706	236,874,236	261,144,286	285,646,318
Legal debt margin	$ 454,995,820	$ 417,730,246	$ 372,620,486	$ 284,048,113
Total net debt applicable to the limit as a percentage of debt limit	31%	36%	41%	50%

Note: Legal debt limit from 2010-2019 was 13.8% of the EAV.

Legal Debt Margin Calculation for Fiscal 2019	
Assessed Value	$ 4,811,540,043
Debt limit (13.8%) of assessed value	663,992,526
Debt outstanding applicable to the limit:	
General obligation bonds	237,542,483
General obligation debt certificates	2,085,750
Purchase contracts	1,353,353
Total debt outstanding applicable to the limit	240,981,586
Less: Amount set aside for repayment of debt	31,984,880
Total net debt applicable to the limit	208,996,706
Total legal debt margin	$ 454,995,820

Source: District Records

2015	2014	2013	2012	2011	2010
$ 561,683,025	$ 567,087,817	$ 640,849,563	$ 706,054,239	$ 781,553,032	$ 835,725,768
303,729,127	245,987,387	276,872,219	301,689,434	313,364,212	326,376,432
$ 257,953,898	$ 321,100,430	$ 363,977,344	$ 404,364,805	$ 468,188,820	$ 509,349,336
54%	43%	43%	43%	40%	39%

School District U-46

Direct and Overlapping General Obligation Bonded Debt
Current Fiscal Year

Governmental Unit	Outstanding Debt		Overlapping Percentage	Direct and Overlapping Debt
Cook County	$2,950,121,750	(1)	1.190%	$ 35,106,449
Cook County Forest Preserve District	145,190,000		1.190%	1,727,761
DuPage County	29,680,000	(1)(3)	2.828%	839,350
DuPage County Forest Preserve District	102,721,129	(2)	2.828%	2,904,954
Kane County	0	(1)	12.483%	-
Kane County Forest Preserve District	139,615,000	(1)	12.483%	17,428,140
Metropolitan Water Reclamation District	2,377,123,381	(4)	1.187%	28,216,455
Municipalities:				
Bartlett	35,145,000		100.000%	35,145,000
Elgin	19,320,000	(5)	70.490%	13,618,668
Hanover Park	15,605,000		38.335%	5,982,177
Hoffman Estates	97,555,000		10.207%	9,957,439
Schaumburg	295,620,000	(6)	1.974%	5,835,539
South Elgin	0	(1)(4)	51.331%	-
Streamwood	2,355,000		96.694%	2,277,144
West Chicago	0	(1)	1.244%	-
Library Districts:				
Gail Borden	7,385,000		81.656%	6,030,296
Poplar Creek	14,580,000		78.190%	11,400,102
Park Districts:				
Bartlett Park	21,460,000		100.000%	21,460,000
Carol Stream Park	47,253,536	(2)	7.278%	3,439,112
Dundee Township Park	1,955,390	(1)	0.623%	12,182
Hanover Park Park	1,720,320	(1)	41.263%	709,856
Hoffman Estates Park	14,196,000	(1)(3)	10.383%	1,473,971
Schaumburg Park	18,162,000	(1)	1.890%	343,262
St. Charles Park	19,410,000	(1)	2.378%	461,570
Streamwood Park	4,222,000	(1)	100.000%	4,222,000
West Chicago	15,860,000	(1)	1.593%	252,650
Miscellaneous:				
Bartlett SSA #1 - Bluff City	4,625,000		100.000%	4,625,000
Wayne SSA #5	415,000		25.186%	104,522
South Elgin Fire District	9,465,000	(1)	49.406%	4,676,278
School Districts:				
Community College District #509	168,661,266	(2)	39.465%	66,562,169
Total Overlapping General Obligation Bonded Debt				284,812,043
Direct Debt:				
Community Unit School District #46	237,542,483	(2)	100.000%	237,542,483
Total Direct and Overlapping General Obligation Bonded Debt				$ 522,354,526

(1) Excludes principal amounts of outstanding General Obligation Alternate Revenue Source Bonds which are expected to be paid from sources other than general taxation
(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
(6) Includes self-supporting bonds

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

		2019			2010		
Employer	**Industry**	**Number of Employees**	**Rank**	**Percentage of Total District Population**	**Number of Employees**	**Rank**	**Percentage of Total District Population**
School District U-46	Education	4,610	1	2.0%	5,000	1	2.1%
Sears Holdings Corp.	Retail	4,300	2	1.8	4,500	3	1.9
Northwest Community Healthcare	Medical	4,000	3	1.7	4,000	4	1.7
Greencore USA	Retail	3,000	4	1.3	-	-	-
Chase	Banking	2,500	5	1.1	-	-	-
Zurich North America	Insurance	2,500	6	1.1	2,690	6	1.1
Caterpillar, Inc.	Construction	2,300	7	1.0	3,000	5	1.3
Advocate Sherman Hospital	Medical	2,200	8	0.9	-	-	-
Rush-Copley Medical Center Hospit	Medical	2,200	9	0.9	-	-	-
St. Alexius Medical Center	Medical	2,045	10	0.9	2,045	9	0.9
AT&T (Ameritech)	Communications	-	-	-	4,700	2	2.0
Sherman Hospital General Hospital	Medical	-	-	-	2,200	7	0.9
Motorola Inc.	Communications	-	-	-	2,145	8	0.9
Level 3 Communications, Inc.	Communications	-	-	-	2,000	10	0.8
Total employment of district principal employers		29,655			32,280		
Total district population		234,226			223,175		

Source: District Records, City of Elgin 2018 CAFR, Kane County 2018 CAFR, Village of Hoffman Estates 2018 CAFR

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

School District U-46

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

Staff	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Teachers	2,587	2,521	2,484	2,399	2,421	2,362	2,311	2,243	2,203	2,516
Building substitutes	-	-	-	-	5	5	-	-	-	-
Noon hour supervisors (part-time)	93	84	90	78	80	76	89	91	93	102
Educational assistants/paraprofessionals	591	533	488	440	452	422	460	414	338	398
Secretary/clerical	216	218	232	222	229	222	211	205	212	268
Transportation	440	434	391	414	403	400	416	418	402	448
Custodial/maintenance	172	144	136	136	139	126	121	107	118	131
Technical/other	257	236	215	197	194	207	151	116	165	149
Food service	151	148	144	150	153	155	177	164	154	169
School administration	114	108	101	98	99	102	93	94	92	97
Supervisors/directors/coordinators	30	27	41	42	40	34	31	32	28	43
Central administration	45	42	34	31	29	33	39	35	33	25
Divisionals	18	15	17	17	17	16	16	15	16	20
Superintendent/executive staff	11	10	10	10	10	9	8	9	7	9
Total staff	4,725	4,520	4,383	4,234	4,271	4,169	4,122	3,942	3,861	4,375

Source: District Records

School District U-46

Demographic and Economic Statistics
Last Ten Fiscal Years

		School District U-46			
		(a)	(b)	(a) x (b)	
Calendar Year	Fiscal Year	Estimated District Population	Estimated Per Capita Income	Estimated Personal Income	Unemployment Rate
2018	2019	234,226	$ 30,141	$ 7,059,805,866	3.9%
2017	2018	234,226	30,141	7,059,805,866	4.5
2016	2017	235,930	29,925	7,060,205,250	5.5
2015	2016	233,144	30,937	7,212,775,928	6.1
2014	2015	236,931	27,491	6,513,470,121	5.9
2013	2014	236,501	28,001	6,622,264,501	8.2
2012	2013	235,918	28,298	6,676,007,564	9.2
2011	2012	235,085	27,390	6,438,978,150	9.5
2010	2011	231,031	26,212	6,055,784,572	9.9
2009	2010	223,175	25,895	5,779,116,625	11.1

Source: United States Census Bureau - American FactFinder (last publication 2017)
ACS - American Community Study

2009-2018: Unemployment Rate - U.S. Dept. of Labor: Local Area Unemployment Statistics

School District U-46

Operating Indicators by Function
Last Ten Fiscal Years

Function	2019	2018	2017	2016	2015
Instruction					
Student enrollment:					
Elementary	20,339	20,782	21,393	21,676	22,354
Middle school	5,862	6,030	5,995	5,719	5,822
High school	11,969	11,952	12,185	12,257	12,047
Total student enrollment	38,170	38,764	39,573	39,652	40,223
Support services - pupil					
% of students with disabilities	13.5%	13.3%	13.0%	13.1%	12.8%
Support services - pupil					
Information technology services					
work orders completed	35,010	37,404	39,555	35,521	31,738
School administration					
Student attendance rate	92.8%	93.0%	92.8%	94.1%	94.3%
Business					
Fiscal					
Purchase orders processed	9,337	9,033	8,992	9,596	7,912
Nonpayroll checks issued	7,017	6,852	6,996	7,335	7,491
Maintenance					
Maintenance work orders completed	33,823	32,095	23,341	29,057	27,035
District square footage maintained by					
custodians and maintenance staff	5,706,771	5,706,771	5,611,259	5,535,666	5,492,057
District acreage maintained by					
grounds staff	821	821	811	805	805
Transportation					
Average number of students					
Transported daily					
Regular, public schools	19,824	23,229	26,698	26,982	24,772
Non-public	-	-	-	8	7
Special education	1,872	2,168	2,380	2,088	2,064
Total number of students transported	21,696	25,397	29,078	29,078	26,843
Student transportation miles traveled					
Regular education	2,492,105	1,959,678	1,957,058	2,520,791	2,512,688
Special education	2,089,628	1,992,878	2,025,432	1,699,136	1,083,595
Non-reimbursable	155,361	127,555	150,027	154,797	297,215
Total student transportation miles traveled	4,737,094	4,080,111	4,132,517	4,374,724	3,893,498

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

2014	2013	2012	2011	2010
22,285	22,375	22,348	22,853	22,863
6,034	6,012	6,006	5,972	6,107
12,068	11,960	12,048	12,327	11,998
40,387	40,347	40,402	41,152	40,968
12.5%	12.9%	13.2%	13.0%	14.3%
38,866	46,646	43,176	33,519	45,661
94.6%	94.3%	94.2%	94.0%	94.1%
9,440	10,051	9,579	9,579	9,013
7,977	8,352	7,967	7,967	7,779
17,575	27,201	23,276	25,709	26,669
5,492,057	5,492,057	5,492,057	5,492,057	5,492,057
805	805	805	805	805
25,160	24,891	24,447	24,375	24,028
16	14	18	25	10
1,720	1,743	2,132	2,133	2,125
26,896	26,648	26,597	26,533	26,163
2,516,457	2,623,820	2,406,833	2,066,821	2,598,143
1,519,958	1,663,595	2,427,205	2,290,604	2,379,919
269,997	357,238	316,234	226,244	349,651
4,306,412	4,644,653	5,150,272	4,583,669	5,327,713

School District U-46

District Enrollment by School
Last Ten Fiscal Years

School	2018-2019	2017-2018	2016-2017	2015-2016	2014-2015	2013-2014	2012-2013	2011-2012	2010-2011	2009-2010
Bartlett	504	543	566	557	556	581	604	599	620	619
Centennial	451	494	520	484	458	480	477	484	521	551
Century Oaks	526	519	563	560	548	581	537	532	527	502
Channing	438	463	484	630	625	594	622	655	667	626
Clinton	454	461	481	452	439	458	495	446	425	417
Coleman	675	724	695	555	567	550	572	565	589	574
Creekside	555	581	639	698	655	662	668	572	522	610
Fox Meadow	551	592	616	701	734	764	741	788	823	774
Garfield	300	326	366	419	425	410	432	451	470	437
Harriet Gifford	493	437	473	529	541	510	518	511	457	487
Glenbrook	384	506	554	536	541	520	513	514	454	491
Hanover Countryside	418	383	423	429	448	461	483	439	418	448
Hawk Hollow	365	373	373	359	391	409	454	469	517	504
Heritage	451	463	481	473	498	503	510	535	480	507
Highland	614	636	617	489	515	493	517	532	546	526
Hillcrest	489	495	534	584	648	621	618	606	655	656
Hilltop	596	622	625	665	667	712	719	690	681	675
Horizon	573	621	606	603	531	525	518	531	552	551
Huff	595	636	692	643	660	677	680	659	669	629
Illinois Park	461	476	402	397	463	467	386	413	456	481
Independence	316	280	215	260	290	281	245	344	244	276
Laurel Hill	487	521	566	523	526	501	494	481	518	490
Liberty	617	637	656	682	733	687	516	643	594	547
Lincoln	413	382	426	627	646	649	656	699	691	664
Lords Park	668	741	773	694	761	733	688	724	743	783
Lowrie	392	401	391	385	400	407	401	404	423	445
Mckinley	389	395	397	386	404	414	436	435	407	432
Nature Ridge	596	641	652	686	706	695	706	732	775	755
Oakhill	424	431	441	478	480	477	526	551	590	550
Ontarioville	553	536	569	587	638	625	621	638	590	550
Otter Creek	677	697	698	730	806	731	671	668	627	620
Parkwood	375	364	414	421	435	427	471	410	459	437
Prairieview	344	335	353	383	407	400	389	397	450	479
Ridge Circle	523	526	543	506	518	513	521	495	514	555
Sheridan/Ronald O'Neal	546	549	534	557	566	528	515	497	487	494
Spring Trail	347	362	358	368	364	385	433	445	459	500
Sunnydale	383	395	394	404	393	381	348	385	423	456
Sycamore Trail	686	656	634	604	591	583	548	532	531	525
Timber Trails	468	484	493	511	556	586	596	580	533	482
Washington	396	404	405	411	438	481	436	437	467	436
Wayne	370	334	363	375	416	447	451	473	566	570
Willard	319	323	335	335	370	376	374	387	383	395
One HOPE United	62	82	73	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Woodland Hghts	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	330	357
More at 4	95	93	82	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Abbott	689	684	612	489	498	539	474	487	548	523
Canton	496	537	597	638	658	646	634	736	732	780
Eastview	823	842	835	838	922	923	912	971	1,009	1,016
Ellis	719	691	705	627	600	634	661	645	596	549
Kenyon Woods	968	1,041	1,074	1,002	959	1,039	1,072	1,009	1,056	1,064
Kimball	612	570	592	621	642	682	675	671	623	679
Larsen	634	680	709	684	709	718	693	666	647	696
Tefft	921	964	871	820	831	853	815	821	761	800
Bartlett High School	2,418	2,426	2,495	2,548	2,590	2,610	2,653	2,664	2,671	2,728
Central School Programs	103	101	167	107	109	132	341	95	144	105
Elgin High School	2,609	2,593	2,581	2,550	2,478	2,453	2,443	2,378	2,373	2,191
Dream Academy/Gifford HS	171	131	124	157	150	140	179	153	152	132
Larkin High School	2,052	2,084	2,090	2,109	1,950	1,962	1,942	1,995	2,148	2,178
South Elgin High School	2,674	2,682	2,738	2,770	2,791	2,745	2,675	2,682	2,569	2,383
Streamwood High School	1,942	1,958	1,990	2,016	1,982	2,026	2,072	2,081	2,270	2,281
Total Enrollment	38,170	38,904	39,655	39,652	40,223	40,387	40,347	40,402	41,152	40,968

Source: District records

Notes:
Enrollment based on enrollment as of 9/30/18
Elementary totals include Pre-K students

N/A: Not Applicable

School District U-46

District Facility Information
June 30, 2019

Building	Year Built	Year of Most Recent Addition	Square Footage
Schools:			
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, 2019

Building	Year Built	Year of Most Recent Addition	Square Footage
Schools (Continued):			
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
Other Buildings:			
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
Total			5,706,771

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
2019	$ 539,087,912	$ 77,214,358	$ 461,873,554	38,090	$ 12,126
2018	513,582,969	79,703,598	433,879,371	34,963	12,410
2017	498,153,015	70,293,040	427,859,975	35,816	11,946
2016	493,979,652	73,577,129	420,402,523	34,759	12,095
2015	474,895,225	75,458,737	399,436,488	35,026	11,404
2014	454,035,207	75,412,143	378,623,064	35,779	10,582
2013	449,100,191	85,496,629	363,603,562	35,995	10,102
2012	429,938,191	82,315,321	347,622,870	35,983	9,661
2011	453,476,875	101,996,241	351,480,634	36,668	9,247
2010	426,098,295	66,647,497	359,450,798	36,456	9,860

Source: Annual Financial Report to State Board of Education

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

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

This page left blank intentionally.