

**Naperville Community Unit
School District No. 203
Naperville, Illinois**

**Annual Financial Report
Year Ended June 30, 2015**

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Independent Auditor's Report

Board of Education
Naperville Community School District No. 203
Naperville, 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 Naperville Community School District No. 203, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise Naperville Community School District No. 203's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Naperville Community School District No. 203's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Naperville Community School District No. 203, as of June 30, 2015, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

The District adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, during the year ended June 30, 2015. Statement No. 68 expands disclosures related to pensions and requires the District to report the net pension liability in the statement of net position. The adoption of this statement had no effect on any of the District's fund balances but reduced the District's governmental activities net position by \$33,876,553 as of July 1, 2014 as disclosed in note 14. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Naperville Community School District No. 203's basic financial statements. The combining and individual fund financial statements and schedules and other supplementary information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules are the responsibility of management and were 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 combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The other supplementary information 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 12, 2015 on our consideration of Naperville Community School District No. 203's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Naperville Community School District No. 203's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Klein Hall CPAs".

Klein Hall CPAs
Aurora, Illinois
October 12, 2015

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**NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2015
UNAUDITED**

The discussion and analysis of Naperville Community Unit School District No. 203's (the "District") financial performance provides an overall review of the District's financial activities for the year ended June 30, 2015. 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. All amounts, unless otherwise indicated, are expressed in millions of dollars. Certain comparative information between the current year and the prior is required to be presented in the Management's Discussion and Analysis (the "MD&A").

Financial Highlights

- In total, net position increased by \$12.6. This represents a 4% increase from 2014 due to strong tax collection, interest income growth, coupled with a constraining of expenditures.
- General revenues accounted for \$237.2 in revenue or 77% of all revenues. Program specific revenues in the form of charges for services and fees and grants accounts for \$72.3 or 23% of total revenues of \$309.5.
- The District had \$296.9 in expenses related to government activities. However, only \$72.3 of these expenses were offset by program specific charges and grants.

Overview of the Financial Statements

This MD&A 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, liabilities, and deferred inflows, with the difference between them 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 government's net position changed during the fiscal year being reported. All changes in net position are reported as soon as the underlying

**NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2015
UNAUDITED**

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 District has no business-type activities, that is, functions that are intended to recover all or a significant portion of their costs through user fees and charges. The District's governmental activities include instructional services (regular education, special education and other), supporting services, operation and maintenance of facilities and transportation services.

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, reader 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 charges in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains six individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, Operations and Maintenance Fund, Transportation Fund, Debt Service Fund, Municipal Retirement/Social Security Fund, and Fire Prevention and Life Safety Fund, all of which are considered to be major funds.

The District adopts an annual budget for each of the funds listed above with the exception of the Fire Prevention and Life Safety Fund. A budgetary comparison schedule 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 District. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the District's programs. The accounting used for fiduciary funds is much like that for the government-wide financial statements.

**NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2015
UNAUDITED**

Notes to basic financial statements

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

Other information

In addition to the basic financial 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 non-certified employees.

District-Wide Financial Analysis

The District's combined net position was higher on June 30, 2015, than they were the year before (as restated), increasing 4% to \$303.3.

Table 1		
Condensed Statements of Net Position		
(in millions of dollars)		
	<u>2014 (Restated)</u>	<u>2015</u>
Assets:		
Current and other assets	\$ 276.1	\$ 295.9
Capital Assets	242.4	238.4
Total Assets	<u>518.5</u>	<u>534.3</u>
Deferred Outflows:		
Deferred outflows related to pensions	<u>3.2</u>	<u>7.7</u>
Liabilities:		
Current liabilities	25.9	25.8
Long-term debt outstanding	93.0	84.9
Total Liabilities	<u>118.9</u>	<u>110.7</u>
Deferred Inflows:		
Unearned revenue	112.2	115.3
Deferred inflows related to pensions	-	12.7
Total Deferred Inflows	<u>112.2</u>	<u>128.0</u>
Net Position:		
Net investment in capital assets	208.0	204.9
Restricted	27.1	29.4
Unrestricted	55.5	69.0
Total Net Position	<u>\$ 290.6</u>	<u>\$ 303.3</u>

**NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2015
UNAUDITED**

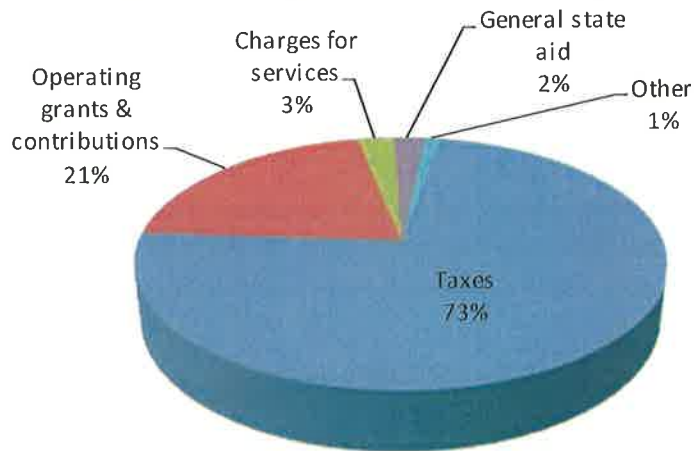
Revenues in the governmental activities of the District of \$309.5 exceeded expenses by \$12.6. This was attributable primarily to revenue outpacing expenditures consistent with budget.

Table 2		
Changes in Net Position		
(in millions of dollars)		
	<u>2014</u>	<u>2015</u>
Revenues:		
<i>Program Revenues:</i>		
Charges for services	\$ 8.3	\$ 8.0
Operating grants & contributions	65.7	64.3
Capital grants & Contributions	-	-
<i>General revenues:</i>		
Taxes	218.8	226.9
General state aid	6.9	6.9
Other	1.0	3.4
Total revenues	<u>300.7</u>	<u>309.5</u>
Expenses:		
Instruction	190.4	194.9
Pupil & instructional staff services	30.2	31.9
Administration & Business	24.1	23.5
Transportation	13.1	10.9
Operations & maintenance	23.6	23.2
Other	12.0	12.5
Total expenses	<u>293.4</u>	<u>296.9</u>
Increase (decrease) in net position	<u>\$ 7.3</u>	<u>\$ 12.6</u>

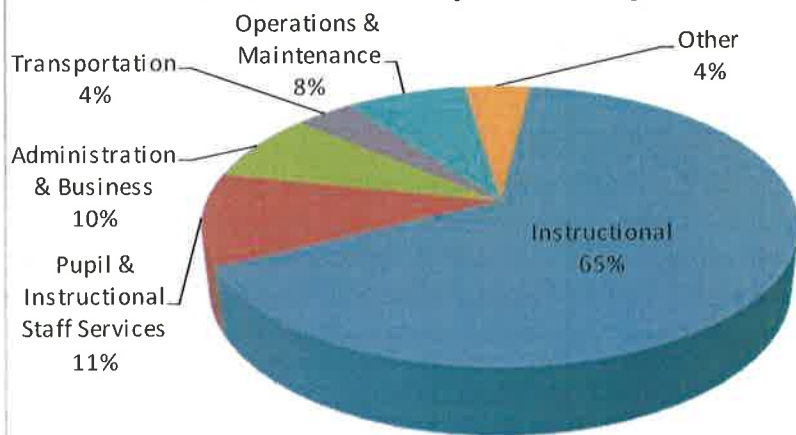
Property taxes accounted for the largest portion of the District's revenues, contributing 73%. The remainder of revenues came from state, federal grants and other sources. The total cost of all the District's programs was \$296.9, mainly related to instructing and caring for the students and student transportation, which accounts for 80% of the expenditures.

**NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2015
UNAUDITED**

District-Wide Revenues by Source



District-Wide Expenses by Function



**NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2015
UNAUDITED**

Financial Analysis of the District's Funds

The financial performance of the District's funds as a whole is reflected in the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances. Total revenue in the governmental funds was \$309.5 compared to \$300.7 in the prior year, an increase of \$8.8 or 2.9%. There was a decrease in total expenditures compared to the prior year of \$6.1 or 2%, mainly due to a decrease in purchased services and capital outlay (construction of facilities).

Consistent revenues due to property tax collections, controlled salary increases through labor contracts, and stable student enrollment has resulted in the District's Governmental Funds balance increasing from \$138.0 to \$154.8 due to revenue outpacing expenditures consistent with budget, which has resulted in a favorable financial position for the District.

The District Operating Funds (excluding Capital Projects and Debt Service) budgeted for a \$6.0 increase in fund balance, realizing an actual increase of \$16.8.

The fund balance in the General Fund increased by \$15.4 to \$125.8. Of the total fund balance, \$11.8 is committed for health insurance claims, and \$1.5 is restricted for tort immunity.

The fund balance in the Operations and Maintenance Fund increased \$0.5 to \$16.0. The fund balance of \$16.0 is restricted for operating and maintenance costs.

The Transportation and Municipal Retirement/Social Security Funds experienced increases in fund balances, all of which is restricted for transportation and employee retirement purposes, respectively.

General Fund Budgetary Highlights

General Fund: The largest revenue source in the General Fund is property taxes at 69% of all revenue from that fund. Property tax revenue in the 2015 fiscal year was 2.9% higher than the prior fiscal year. State revenue sources represent 22.5% of all revenue in the General Fund, which decreased by \$2.8. Decrease in the state on-behalf payment compared to 2014 account for the decrease in state funding reflected in the General Fund. Federal revenue sources represent 3.2% of all revenues, increasing \$1.7 from the prior year.

Total expenditures of \$242.2 in the General Fund decreased by 0.2% over the prior year.

Actual revenues recognized were greater than budgeted by \$7.1 (2.8% of budget), attributable to State Funding including an on behalf payment to the Teacher Retirement System of \$42.6, which was conservatively budgeted at \$34.0.

Actual expenditures were \$3.2 under budget (1.3%). A negative variance in Instruction of \$1.3 was offset by positive variances in Support Services and Non-programmed charges of \$3.0 and \$1.5, respectively.

The fund balance at year end was \$125.8, an increase of \$15.4 or 13.9% over the prior year.

**NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2015
UNAUDITED**

Capital Assets and Debt Administration

Capital Assets

By the end of 2015, the District had compiled a total investment of \$417.9 (\$238.4 net of accumulated depreciation) in a broad range of capital assets including buildings, land and equipment. Total depreciation expense for the year was \$14.8. More detailed information about capital assets can be found in Note 4 of the basic financial statements.

Table 3		
Capital Assets (net of depreciation)		
(in millions of dollars)		
	<u>2014</u>	<u>2015</u>
Land	\$ 12.8	\$ 12.8
Buildings	188.6	182.8
Land Improvements	26.5	33.4
Machinery and equipment	14.5	9.4
Total	<u>\$ 242.4</u>	<u>\$ 238.4</u>

Long-term Debt

The District retired \$1.9 in bonds in 2015. Net OPEB Obligations and Compensated Absences increased by \$3.9, and fiscal year 2015 is the first year that the net pension liability is reported by the District as required by GASB Statement No. 68. At the end of fiscal 2015, the District had a debt margin of \$542.5. More detailed information on long-term debt can be found in Note 5 of the basic financial statements.

Table 4		
Outstanding Long-Term Debt		
(in millions of dollars)		
	<u>2014 (Restated)</u>	<u>2015</u>
General Obligation Bonds	\$ 35.4	\$ 33.5
Capital leases and other	57.5	51.4
Total	<u>\$ 92.9</u>	<u>\$ 84.9</u>

**NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2015
UNAUDITED**

Factors Bearing on the District's Future

At the time these financial statements were prepared and audited, the District was aware of the following circumstances that will significantly affect financial operations in the future:

The District has four labor contracts in place.

- Certified Teaching Staff (NUEA) are contracted through 2016; the contracts has a base increases at 67% of CPI-U with a floor of 1.4% and a ceiling of 2.5%.
- Education Support Staff (NESPA) through 2015.
- Maintenance and Custodial Staff (NUMA) are contracted through 2019; salaries will increase by \$1.00 per hour in year #1, 3.0% year #2, and the contracts has a base increases at 100% of CPI-U with a floor of 1.4% and a ceiling of 2.5% for years #3 and #4.
- Transportation Staff (NTA) are contracted through 2017.

The District's self-insurance health program experienced a deficit of \$0.75 for the current plan year. The District has a current balance in the self insurance fund of \$16 (about 52%) – well above the reserve of 30% of plan costs. In addition, the District is taking the appropriate steps to implement the Affordable Care Act in order to avoid additional charges or fees.

Requests for Information

This financial report is designed to provide the District's citizens, taxpayers, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report, or need additional financial information, contact the Business Office:

Naperville Community Unit School District No. 203
203 West Hillside Road
Naperville, Illinois 60540

NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203
STATEMENT OF NET POSITION
JUNE 30, 2015

	<u>Governmental Activities</u>
Assets:	
Cash and investments	\$ 174,113,571
Receivables:	
Property taxes	114,881,402
Due from other governments	6,420,752
Accrued interest	285,092
Other receivables	194,670
Capital assets:	
Land	12,787,618
Other capital assets, net of depreciation	<u>225,566,660</u>
Total Assets	<u>534,249,765</u>
Deferred Outflows:	
Deferred outflows related to pensions	<u>7,717,094</u>
Liabilities:	
Accounts payable	10,185,116
Accrued salaries	15,556,026
Noncurrent liabilities:	
Due within one year	3,061,725
Due in more than one year	<u>81,856,816</u>
Total Liabilities	<u>110,659,683</u>
Deferred Inflows:	
Unearned revenue	115,329,634
Deferred inflows related to pensions	<u>12,696,076</u>
Total deferred inflows	<u>128,025,710</u>
Net Position:	
Net investment in capital assets	204,854,278
Restricted for:	
Operations and maintenance	15,962,002
Debt service	1,439,619
Transportation	6,988,793
Retirement benefits	3,563,861
Other purposes	1,475,861
Unrestricted	<u>68,997,052</u>
Total net position	<u>\$ 303,281,466</u>

See accompanying notes to basic financial statements

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NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2015

<u>Functions</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense)</u>
		<u>Charges for</u>	<u>Operating</u>	<u>Capital</u>	<u>Revenue and</u>
		<u>Services</u>	<u>Grants and</u>	<u>Grants and</u>	<u>Changes in</u>
			<u>Contributions</u>	<u>Contributions</u>	<u>Net Position</u>
					<u>Total</u>
					<u>Governmental</u>
					<u>Activities</u>
Governmental Activities:					
Instructional services:					
Regular programs	\$ 103,634,996	\$ 3,770,097	\$ 2,285,125	\$ -	\$ (97,579,774)
Special programs	31,069,949	-	13,031,938	-	(18,038,011)
Other programs	17,546,681	250,000	29,043	-	(17,267,638)
State retirement contributions	42,601,384	-	42,601,384	-	-
Support services:					
Pupils	18,305,997	-	-	-	(18,305,997)
Instructional staff	13,546,233	-	329,892	-	(13,216,341)
General administration	5,054,645	-	-	-	(5,054,645)
School administration	12,420,119	-	-	-	(12,420,119)
Business	6,072,821	3,173,936	1,165,572	-	(1,733,313)
Operation and maintenance of facilities	23,177,368	404,237	-	-	(22,773,131)
Transportation	10,944,674	408,785	4,444,054	-	(6,091,835)
Central	8,614,190	-	-	-	(8,614,190)
Other	1,662,643	-	-	-	(1,662,643)
Community service	585,157	-	-	-	(585,157)
Interest on long-term liabilities	1,642,303	-	400,167	-	(1,242,136)
Total governmental activities	\$ 296,879,160	\$ 8,007,055	\$ 64,287,175	\$ -	(224,584,930)
General revenues:					
Property taxes levied for:					
General purposes					178,535,334
Operation & maintenance					28,843,638
Transportation					6,687,014
Retirement					7,201,669
Debt service					3,111,861
Personal property replacement taxes					2,587,659
Federal and state aid not restricted to specific purposes					6,875,864
Earnings on investments					1,089,992
Miscellaneous					2,261,664
					<u>237,194,695</u>
					Change in net position
					<u>12,609,765</u>
Net position - beginning					324,548,254
Prior period adjustment					(33,876,553)
Net position - beginning, restated					<u>290,671,701</u>
Net position - ending					<u>\$ 303,281,466</u>

See accompanying notes to basic financial statements

NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2015

<u>ASSETS</u>	<u>General</u>	<u>Operations and Maintenance</u>	<u>Transportation</u>	<u>Municipal Retirement/ Social Security</u>
Assets:				
Cash and investments	\$ 146,578,115	\$ 15,939,065	\$ 5,872,488	\$ 3,453,861
Receivables:				
Property taxes	91,542,558	14,615,101	3,499,568	3,648,530
Due from other governments	5,171,510	22,937	1,116,305	110,000
Accrued interest	285,092	-	-	-
Other receivables	-	-	-	-
TOTAL ASSETS	<u>\$ 243,577,275</u>	<u>\$ 30,577,103</u>	<u>\$ 10,488,361</u>	<u>\$ 7,212,391</u>
<u>LIABILITIES DEFERRED INFLOWS AND FUND BALANCES</u>				
Liabilities:				
Accounts payable	\$ 10,185,116	\$ -	\$ -	\$ -
Accrued salaries and related expenditures	15,556,026	-	-	-
Total Liabilities	<u>25,741,142</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred inflows:				
Unavailable revenue	91,990,790	14,615,101	3,499,568	3,648,530
Fund Balances:				
Restricted	1,475,861	15,962,002	6,988,793	3,563,861
Committed	11,764,738	-	-	-
Unassigned	112,604,744	-	-	-
Total Fund Balances	<u>125,845,343</u>	<u>15,962,002</u>	<u>6,988,793</u>	<u>3,563,861</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES	<u>\$ 243,577,275</u>	<u>\$ 30,577,103</u>	<u>\$ 10,488,361</u>	<u>\$ 7,212,391</u>

See accompanying notes to basic financial statements

<u>Debt Service</u>	<u>Fire Prevention and Safety</u>	<u>Total Governmental Funds</u>
\$ 1,244,949	\$ 1,025,093	\$ 174,113,571
1,575,645	-	114,881,402
-	-	6,420,752
-	-	285,092
194,670	-	194,670
<u>\$ 3,015,264</u>	<u>\$ 1,025,093</u>	<u>\$ 295,895,487</u>
\$ -	\$ -	\$ 10,185,116
-	-	15,556,026
-	-	25,741,142
1,575,645	-	115,329,634
1,439,619	1,025,093	30,455,229
-	-	11,764,738
-	-	112,604,744
<u>1,439,619</u>	<u>1,025,093</u>	<u>154,824,711</u>
<u>\$ 3,015,264</u>	<u>\$ 1,025,093</u>	<u>\$ 295,895,487</u>

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NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2015

Total fund balances - governmental funds	\$ 154,824,711
 Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the funds. The cost of the assets is \$417,914,836 and the accumulated depreciation is \$179,560,558.	238,354,278
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds. Long-term debt	(84,918,541)
Deferred inflows and outflows of resources related to pensions are not reported in governmental funds Deferred outflows Deferred inflows	7,717,094 <u>(12,696,076)</u>
Net position of governmental activities	<u><u>\$ 303,281,466</u></u>

See accompanying notes to basic financial statements

NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2015

	General	Operations and Maintenance	Transportation	Municipal Retirement/ Social Security
REVENUES				
Local sources	\$ 191,253,044	\$ 29,611,151	\$ 6,917,964	\$ 7,431,800
State sources	57,979,965	-	4,444,054	-
Federal sources	8,338,853	-	-	-
Total Revenues	<u>257,571,862</u>	<u>29,611,151</u>	<u>11,362,018</u>	<u>7,431,800</u>
EXPENDITURES				
Current operating:				
Instruction	173,721,607	-	-	2,757,449
Supporting services	62,156,531	29,070,964	10,562,918	4,562,943
Community services	535,296	-	-	49,861
Non-programmed charges	5,737,545	-	-	-
Debt service				
Principal	-	-	-	-
Interest and other	-	-	-	-
Total Expenditures	<u>242,150,979</u>	<u>29,070,964</u>	<u>10,562,918</u>	<u>7,370,253</u>
Net change in fund balances	<u>15,420,883</u>	<u>540,187</u>	<u>799,100</u>	<u>61,547</u>
Fund Balances at beginning of year	<u>110,424,460</u>	<u>15,421,815</u>	<u>6,189,693</u>	<u>3,502,314</u>
FUND BALANCES AT END OF YEAR	<u><u>\$ 125,845,343</u></u>	<u><u>\$ 15,962,002</u></u>	<u><u>\$ 6,988,793</u></u>	<u><u>\$ 3,563,861</u></u>

See accompanying notes to basic financial statements

<u>Debt Service</u>	<u>Fire Prevention and Safety</u>	<u>Total Governmental Funds</u>
\$ 3,111,927	\$ -	\$ 238,325,886
-	-	62,424,019
<u>400,167</u>	<u>-</u>	<u>8,739,020</u>
<u>3,512,094</u>	<u>-</u>	<u>309,488,925</u>
-	-	176,479,056
-	-	106,353,356
-	-	585,157
-	-	5,737,545
1,880,000	-	1,880,000
<u>1,642,303</u>	<u>-</u>	<u>1,642,303</u>
<u>3,522,303</u>	<u>-</u>	<u>292,677,417</u>
<u>(10,209)</u>	<u>-</u>	<u>16,811,508</u>
<u>1,449,828</u>	<u>1,025,093</u>	<u>138,013,203</u>
<u>\$ 1,439,619</u>	<u>\$ 1,025,093</u>	<u>\$ 154,824,711</u>

NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2015

Net change in fund balances - total governmental funds **\$ 16,811,508**

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets with an initial, individual cost of more than \$1,000 are capitalized and the cost is allocated over their estimated lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital outlays	\$ 10,754,143	
Depreciation expense	<u>(14,788,865)</u>	(4,034,722)

Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds. These activities consist of:

Decrease in compensated absences	219,500	
Change in net pension liability	8,640,412	
Change in deferred inflows/outflows related to pensions	(8,192,967)	
Increase in other postemployment benefits	<u>(2,713,966)</u>	(2,047,021)

The governmental funds record bond and loan proceeds as other financing sources, while repayment of bond and loan principal is reported as an expenditure. Also, governmental funds report the effect of issuance costs and premiums when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The net effect of these differences in the treatment of bonds and loans and related items is as follows:

Repayment of bond and loan principal		<u>1,880,000</u>
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Change in net position of governmental activities **\$ 12,609,765**

NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUND - ACTIVITY FUND
YEAR ENDED JUNE 30, 2015

Assets:

Cash	\$ 2,630,848
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Liabilities:

Due to organizations	\$ 2,630,848
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See accompanying notes to basic financial statements

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NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203

Notes to Financial Statements (Continued)

June 30, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Naperville Community Unit School District No. 203 (the District) is governed by an elected Board of Education. The accounting policies of the District conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. A summary of the significant accounting policies, consistently applied in the preparation of the accompanying financial statements is described below.

In June 1999 the GASB unanimously approved Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*. Certain of the significant changes in the Statement include the following:

The financial statements include;

- A Management’s Discussion and Analysis (MD&A) providing an analysis of the District’s overall financial position and results of operations.
- Financial statements prepared using the full-accrual basis of accounting for all the District’s activities.
- A change in the fund financial statements to focus on major funds.

a. The Reporting Entity

In evaluating how to define the District for financial reporting purposes, management has considered all potential component units. The decision to include or exclude a potential component unit in reporting entity is made by applying the criteria established by the Governmental Accounting Standards Board (GASB). The definition of a component unit is legally separate organization for which the District is financially accountable and other organizations for which nature and significance of their relationship with the District are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete. The District is financially accountable if it appoints a voting majority of the organization’s governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the District. The District also may be financially accountable if an organization is fiscally dependent on the District, regardless of whether the organization has (1) a separately elected governing board, (2) a governing board appointed by a higher level of government or (3) a jointly appointed board. There are no component units, as defined by GASB, which are included in the District’s reporting entity. Even though there are local government agencies within the geographic area served by the District, such as the municipality, library and park district, these agencies have been excluded from the report because they are legally separate and the District is not financially accountable for them. The District is not included as a component unit in any other governmental reporting entity, as defined by GASB pronouncements.

NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203

Notes to Financial Statements (Continued)

June 30, 2015

b. Fund Accounting

The accounts of the District are organized on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements. The following summarizes the fund types used by the District:

GASB statement No. 54 refined the definitions of various governmental funds. These updated definitions are incorporated into the following fund descriptions.

Major Governmental funds include the following fund types:

General Fund - The General Fund, which consists of the legally mandated Educational Account, Tort Immunity Account and Working Cash Account is used to account for the revenues and expenditures, which are used in providing education in the District. It is used to account for all financial resources except those required to be accounted for in other funds. This Fund is used for most of the instructional and administrative aspects of the District's operations, as well as providing school lunch services to students. The revenue consists primarily of local property taxes, state government aid and student registration fees and lunch receipts from the District food service program.

Educational Account – These accounts are used for most of the instructional and administrative aspects of the District's operations, as well as providing school lunch services to students. The revenue consists primarily of local property taxes, state government aid and student registration fees and lunch receipts from the District food service program.

Tort Immunity Account – This fund accounts for revenues and expenditures related to tort immunity. Revenue is primarily derived from local property taxes.

Working Cash Account – This fund accounts for financial resources held by the District to be used as loans for working capital requirements to any other fund for which taxes are levied. The Working Cash Account was established and has been used to respond to fluctuations in cash flow resulting from unpredictable property tax collections. The earnings of the fund are allowed to be transferred to another fund under the Illinois Compiled Statutes. The principal of the fund, accumulated from bond issues, can be used as a source from which the District borrows money to support temporary deficiencies in other funds, or may be partially or fully transferred to the General Fund and the Special Revenue Funds Operation and Maintenance and Transportation Funds, upon Board approval.

NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203

Notes to Financial Statements (Continued)

June 30, 2015

Special Revenue Funds - Special Revenue Funds account for the proceeds of specific revenue sources (other than Debt Service and Capital Projects Funds) that are legally restricted to expenditures for specified purposes. The District's Special Revenue Funds are described as follows:

Operations and Maintenance Fund – These accounts are used for expenditures made for operation, repair and maintenance of District property. Revenue consists primarily of local property taxes.

Transportation Fund – This fund accounts for the revenue and expenditures relating to student transportation, both to and from school. Revenue is derived primarily from local property taxes and state reimbursement grants.

Municipal Retirement/Social Security Fund – This fund accounts for the District's portion of the pension contributions to the Illinois Municipal Retirement Fund for noncertified employees and social security contributions for applicable certified and noncertified employees. Revenue to finance the contributions is derived primarily from local property taxes.

Debt Service Funds - Debt service funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. Debt service funds should be used to report resources if legally mandated. Financial resources that are being accumulated for principal and interest maturing in future years also should be reported in debt service funds.

Debt Service Fund - The Debt Service Fund accounts for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs. Since there are no legal requirements on bond indentures, which mandate that a separate fund be established for each bond issue, the District maintains one Debt Service Fund for all bond issues.

Capital Projects Funds - Capital projects funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Capital projects funds exclude those types of capital-related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments.

Capital Projects Fund – Capital Projects Funds include the Fire Prevention and Safety Fund. The Fire Prevention and Safety Fund accounts for financial resources to be used for acquisitions and construction projects, which qualify as Fire Prevention and Safety expenditures.

NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203

Notes to Financial Statements (Continued)

June 30, 2015

Fiduciary Fund Type

Agency Funds - The Agency Funds (Activity Funds) account for assets held by the District in trustee capacity or as an agent for student organizations. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of the results of operations. In accordance with GASB 34, fiduciary funds are not included in the government-wide financial statements.

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.

The District has adopted a policy consistent with GASB Statement No. 34 to net the interfund receivables and payables for combined totals used to determine the major funds. Consequently, the interfund loan balances, which net to zero, are not utilized to determine major funds.

c. Basis of Presentation

Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. All of the District's operating activities are considered "governmental activities", that is, activities that are normally supported by taxes and intergovernmental revenues. The District has no operating activities that would be considered "business activities".

The statement of activities demonstrates the degree to which the direct expense of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to students or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement focus, 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 when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are

NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203

Notes to Financial Statements (Continued)

June 30, 2015

recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Fiduciary fund reporting focuses on net position and changes in net position. The agency fund is custodial in nature (assets equal liabilities) and does not involve measurement of results of operations.

Government 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 collectible within the current period or soon enough thereafter to pay liabilities in the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

Interest associated with the current fiscal period is considered to be susceptible to accrual and so has been recognized as a revenue of the current period. All other revenue items are considered to be measurable and available only when the District receives the cash.

Revenues – Exchange and nonexchange transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means expected to be received within sixty days of fiscal year-end.

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements that specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end: property taxes, interest, grants, entitlements and student fees.

NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203

Notes to Financial Statements (Continued)

June 30, 2015

Deferred Inflows/Unearned Revenue

Deferred inflows and unearned revenue arise when assets are recognized before revenue recognition criteria have been satisfied. On governmental fund financial statements, receivables that will not be collected within the available period have also been reported as deferred inflows.

Property taxes for which there is an enforceable legal claim as of June 30, 2015, but which were levied to finance fiscal year 2016 operations, have been recorded as deferred inflows. Grants and entitlements received before the eligibility requirements are met are recorded as unearned revenue.

At June 30, 2015, the various components of deferred inflows and unearned revenue were as follows:

Property taxes receivable for subsequent year	\$ 114,881,492
Local revenue receivable	448,142
	<u>\$ 115,329,634</u>

Expenses / Expenditures

On the accrual basis of accounting, expenses are recognized at the time they are incurred.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocation of costs, such as depreciation and amortization are not recognized in governmental funds.

d. Deposits and Investments

Under Illinois law, the District is restricted to investing funds in specific types of investment instruments. The following generally represents the types of instruments allowable by state law:

- Securities issued or guaranteed by the United States.
- Interest-bearing accounts of financial institutions insured by the Federal Deposit Insurance Corporation.
- Short-term obligations (less than 180 days) of U.S. corporations with assets over \$500,000,000 rated in the three highest classifications by at least two rating agencies.
- Insured accounts of an Illinois credit union chartered under United States or Illinois law.
- Money market mutual funds with portfolios of securities issued or guaranteed by the United States or agreements to repurchase these same types of obligations.

NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203

Notes to Financial Statements (Continued)

June 30, 2015

- Illinois Funds. (A state sponsored investment pool.)
- Repurchase agreements which meet instrument transactions requirements of Illinois law.

e. Capital Assets

Capital assets, which include land, buildings and improvements, and furniture and equipment, are reported in the government-wide financial statements. The District defines capital assets as assets with an initial, individual cost of more than \$5,000 for furniture, equipment, buildings and improvements and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of an asset are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during construction is not capitalized.

Buildings, improvements and furniture and equipment of the District are depreciated using the straight-line method over the following estimated lives:

<u>Assets</u>	<u>Years</u>
Buildings	40-50 years
Building improvements	20 years
Furniture and Equipment	5-20 years
Vehicles	8 years

f. Long-term obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed as incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203

Notes to Financial Statements (Continued)

June 30, 2015

g. Net Position

Government-Wide Statements

Net position is classified and displayed in three components:

1. Net investment in capital assets. Consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets and adjusted for any deferred inflows and outflows of resources attributable to capital assets and related debt.
2. Restricted. Consists of restricted assets reduced by liabilities and deferred inflows or resources related to those assets, with restriction constraints placed on the use either by external groups, such as creditors, grantors, contributors, or laws and regulations of other governments, or law through constitutional provisions or enabling legislation.
3. Unrestricted. Net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

It is the District's policy to first use restricted net resources prior to the use of unrestricted net resources when an expense is incurred for purposes for which both restricted and unrestricted net resources are available.

h. Fund Balance Reporting

According to Government Accounting Standards, fund balances are to be classified into five major classifications: Nonspendable Fund Balance, Restricted Fund Balance, Committed Fund Balance, Assigned Fund Balance, and Unassigned Fund Balance.

A. Nonspendable Fund Balance

The nonspendable fund balance classification 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. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example inventories and prepaid amounts.

B. Restricted Fund Balance

The restricted fund balance classification refers to amounts that are subject to outside restrictions, not controlled by the entity. Things such as restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. Special Revenue Funds are by definition restricted for those specified purposes. The District has several revenue sources received within different funds that also fall into these categories –

NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203

Notes to Financial Statements (Continued)

June 30, 2015

1. Special Education

Revenues and the related expenditures of this restricted tax levy are accounted for in the Educational Account. Expenditures exceeded revenue for this purpose, resulting in no restricted fund balance.

2. Tort Immunity

Expenditures and the related revenues are accounted for in the Tort Immunity Account. Revenues exceeded expenditures for this purpose, resulting in a restricted fund balance of \$1,475,861.

3. State and Federal Grants

Proceeds from state and federal grants and the related expenditures have been included in the General Fund and various Special Revenue Funds. At June 30, 2015, expenditures exceeded revenue from state and federal grants, resulting in no restricted balances.

4. Social Security

Expenditures and the related revenues of this restricted tax levy are accounted for in the Municipal Retirement/Social Security Fund. Revenues received exceeded expenditures for this purpose, resulting in a restricted fund balance of \$1,006,454. The remaining balance is restricted for Municipal Retirement purposes.

5. Capital Projects Funds

Expenditures and the related revenues are accounted for in the Fire Prevention and Safety Fund. All equity within this fund is restricted for the associated capital expenditures within these funds.

C. Committed Fund Balance

The committed fund balance classification refers to amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision making authority (the School Board). Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of formal action it employed to previously commit those amounts.

The District's self-insured health insurance fund represents funds which have been segregated by the District for the purpose of funding these related insurance costs. As of June 30, 2015, \$11,764,738 was committed for this purpose.

NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203

Notes to Financial Statements (Continued)

June 30, 2015

D. Assigned Fund Balance

The assigned fund balance classification refers to the amounts that are constrained by the government's intent to be used for a specific purpose, but are neither restricted nor committed. Intent should be expressed by (a) the governing body itself or (b) a body (a budget or finance committee, for example) or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes.

E. Unassigned Fund Balance

The unassigned fund balance classification is the residual classification for amounts in the General Fund for amounts that have not been restricted, committed, or assigned to specific purposes within the General Fund.

F. Reconciliation of Fund Balance Reporting

Fund	Nonspendable	Restricted	Committed	Assigned	Unassigned
Educational	\$ -	\$ -	\$ 11,764,738	\$ -	\$ 100,739,003
Operations & Maintenance	-	15,962,002	-	-	-
Debt Service	-	1,439,619	-	-	-
Transportation	-	6,988,793	-	-	-
Municipal Retirement	-	3,563,861	-	-	-
Working Cash	-	-	-	-	7,064,819
Tort Liability	-	1,475,861	-	-	-
Fire Prevention & Safety	-	1,025,093	-	-	-

G. Expenditures of Fund Balance

Unless specifically identified, expenditures disbursed act to reduce restricted balances first, then committed balances, next assigned balances, and finally act to reduce unassigned balances. Expenditures disbursed for a specifically identified purpose will act to reduce the specific classification of fund balance that is identified.

i. Property Taxes

The District must file its tax levy ordinance by the last Tuesday in December of each year. The District's property tax is levied each year on all taxable real property located in the District. The owner of real property on January 1 (the lien date) in any year is liable for taxes of that year.

The DuPage/Will County Assessor is responsible for the assessment of all taxable real property within DuPage/Will County except for certain railroad property which is assessed directly by the State.

NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203

Notes to Financial Statements (Continued)

June 30, 2015

Property taxes are collected by the DuPage/Will County Treasurer who remits to the units their respective shares of the collections. Taxes levied in one year become due and payable in two installments on June 1 and September 1 during the following year. Substantial collections are received by the District in June and September. For governmental funds, property tax revenue is recognized to the extent of taxes due and collected within the current year or expected to be collected within 60 days of year end to be used to pay liabilities of the current period.

Based upon collection histories, the District has provided at June 30, 2015 an allowance for uncollectible real property taxes equivalent to 0.5% of the current levy. All property taxes receivable over one year old have been written off.

The 2014 property tax levy is recognized as a receivable in fiscal year 2015. The District considers that the first installment of the 2014 levy is to be used to finance operations in fiscal 2015. This District has determined that the second installment of the 2014 levy is to be used to finance operations in fiscal year 2016 and has deferred the corresponding receivable.

j. Personal Property Replacement Taxes

Personal property replacement tax revenues are first allocated to the extent required by Illinois law in the Municipal Retirement/Social Security Fund with the balance allocated to funds at the discretion of the District.

k. Other receivables

The District records receivables for items such as special education costs, rent and other amounts due from individuals as other receivables.

l. Compensated Absences

Under terms of employment, employees are granted sick leave and vacations in varying amounts. Only benefits considered to be vested are disclosed in these statements.

All vested vacation and sick leave pay is accrued when incurred in the government-wide fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements, or are payable with expendable available resources.

Payments for vacation and sick leave will be made at rates in effect when the benefits are used. Accumulated vacation and sick leave liabilities at June 30, 2015 are determined on the basis of current salary rates and include salary related payments.

Employees are entitled to be compensated for vacation time. Vacations are usually taken within the fiscal year. Accrued but unpaid vacation leave at June 30, 2015, was \$1,401,225 which is reported as a long-term liability in the statement of net position. In prior years the accrued vacation liability was due within one year as all employees had until the end of August of the following year to use vacation time or it was lost. Beginning July 1, 2010 the District implemented a new policy which

NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203

Notes to Financial Statements (Continued)

June 30, 2015

accrues vacation time on a monthly basis and allows employees to carry over a maximum of 1.5 times their allotment of days (Administrators, NESBA, & Non Union) or 26/12 times their allotment of days (NUMA & NTA) in their vacation time bank. As such, the liability is not considered to be due within one year as of June 30, 2015.

All certified employees receive a specified number of sick days per year. Unused sick leave days accumulate to a maximum of 240 days. Upon retirement, a certified employee may apply up to 170 days of unused sick leave toward service credit for TRS.

Education support personnel receive fifteen sick days per year, which accumulate to a maximum of 260 days. The District does not reimburse employees for unused sick days remaining upon retirement of employment.

Due to the nature of the policies on sick leave no liability is provided in the financial statements for accumulated unpaid sick leave.

m. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net positions of the Teachers' Retirement System of the State of Illinois (TRS) and the Illinois Municipal Retirement Fund (IMRF), together "the Plans," and additions to/deductions from the Plans' fiduciary net positions have been determined on the same basis as they are reported by the Plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

n. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

o. Comparative Data

The financial statements include summarized prior-year comparative information. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the District's financial statements for the year ended June 30, 2014, from which such summarized information was derived.

NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203
Notes to Financial Statements (Continued)
June 30, 2015

NOTE 2. CASH AND INVESTMENTS

Deposits and Custodial Credit Risk

Investments held by the District which are short-term highly liquid investments having a remaining maturity of one year or less at the time of purchase are reported by the District at amortized cost. All other investments are reported at fair value. Gains or losses on the sale of investments are recognized upon realization. The District has adopted a formal written investment and cash management policy. The institutions in which investments are made must be approved by the Board of Education.

At June 30, 2015 the carrying amount of the District's deposits totaled \$110,888,016 and the bank balances totaled \$110,275,774. These amounts were entirely insured or collateralized as of June 30, 2015.

Investments

The following table represents the investments and maturities of the District as of June 30, 2015:

Investment Type	Fair Value	Maturities (in years)				Greater than 10	% of Portfolio	Agency Rating
		Less than 1	1 to 5	6 to 10				
U.S. Agency Securities	\$ 3,498,325	\$ -	\$ -	\$ 1,998,325	\$ 1,500,000	5.3%	AAA	
Municipal Bonds	41,432,178	-	2,239,335	28,156,297	11,036,546	62.9%	A- to AAA	
Negotiable CDs	20,925,900	20,415,640	510,260	-	-	31.8%	N/A	
	<u>\$ 65,856,403</u>	<u>\$ 20,415,640</u>	<u>\$ 2,749,595</u>	<u>\$ 30,154,622</u>	<u>\$ 12,536,546</u>	<u>100.0%</u>		

At year end, the District's cash and investments was comprised of the following:

	Government-wide	Fiduciary	Total
Cash & Investments	\$ 174,113,571	\$ 2,630,848	\$ 176,744,419
Total	\$ 174,113,571	\$ 2,630,848	\$ 176,744,419

**Cash and
Investments**

Deposits with financial institutions	\$ 110,888,016
Other investments	65,856,403
Total	\$ 176,744,419

NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203

Notes to Financial Statements (Continued)

June 30, 2015

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the value of an investment. The District's investment policy seeks to ensure preservation of capital in the District's overall portfolio. Return on investment is of secondary importance to safety of principal and liquidity. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, the policy requires the District investment portfolio to sufficiently liquid to enable the District to meet all operating requirements as they come due.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State statutes authorize the District to invest in direct obligations of, or obligations guaranteed by, the United States Treasury or agencies of the United States, and short-term obligations of corporations organized in the United States with assets exceeding \$500,000,000. State Statutes limit the investments in commercial paper and corporate bonds to the top four ratings of two nationally recognized statistical rating organization (NRSRO's). The District is also authorized to invest in the ISDLAF and the Illinois Funds. The District restricted its investments to only investments described above.

The Illinois School District Liquid Asset Fund Plus (ISDLAF+) is a not-for-profit investment trust formed pursuant to the Illinois Municipal Code and managed by a Board of Trustees elected from participating members. The trust is not registered with the SEC as an investment company. Investments are rated AAAM and are valued at share price, which is the price for which the investment could be sold.

Concentration of Credit Risk. Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The District's investment policy does not address concentration of credit risk but requires the Chief Investment Officer to use the judgment and care, under circumstances prevailing, "that persons of prudence, discretion and intelligence exercise is the management of their own affairs, not for speculation, but for investment, considering the safety of capital as well as probably income."

Custodial Credit Risk - Deposits. With respect to deposits, custodial credit risk refers to 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 limits the exposure to deposit custodial credit risk by requiring all deposits in excess of FDIC insurable limits to be secured by collateral in the event of default or failure of the financial institution holding the funds. As of June 30, 2015, the bank balance of the District's deposits with financial institutions totaled \$110,275,774; all of which was collateralized and insured.

Custodial Credit Risk - Investments. With respect to investments, custodial credit risk is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District's investment policy limits the exposure to investment custodial credit risk by requiring all investments be secured by private insurance or collateral.

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Notes to Financial Statements (Continued)

June 30, 2015

Separate cash and investment accounts are not maintained for all District funds; instead, the individual funds maintain their invested and uninvested balances in the common checking and investment accounts, with accounting records being maintained to show the portion of the common account balance attributable to each participating fund.

Occasionally certain funds participating in the common bank accounts will incur overdrafts (deficits) in the account. The overdrafts result from expenditures that have been approved by the Board of Education.

Foreign Currency Risk. The District held no foreign investments during the fiscal year.

NOTE 3. DUE FROM OTHER GOVERNMENTAL UNITS

Due from other governmental units is comprised of the following as of June 30, 2015:

	Other	State Aid	Federal Aid	Total
Educational Fund	\$ 2,105,017	\$ 378,428	\$ 2,688,065	\$ 5,171,510
O&M Fund	22,937	-	-	22,937
Transportation Fund	32,819	1,083,486	-	1,116,305
Municipal Retirement/ Social Security Fund	110,000	-	-	110,000
Total	\$ 2,270,773	\$ 1,461,914	\$ 2,688,065	\$ 6,420,752

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Notes to Financial Statements (Continued)
June 30, 2015

NOTE 4. CAPITAL ASSETS

A summary of changes in capital assets follows:

	Balance			Balance
	June 30, 2014	Additions	Deletions	June 30, 2015
Capital assets, not being depreciated:				
Land	\$ 12,787,618	\$ -	\$ -	\$ 12,787,618
Total capital assets not being depreciated	12,787,618	-	-	12,787,618
Capital assets, being depreciated				
Buildings	291,269,794	-	-	291,269,794
Improvements other than buildings	33,301,969	8,778,710	-	42,080,679
Equipment	70,068,912	1,975,433	267,600	71,776,745
Total capital assets being depreciated	394,640,675	10,754,143	267,600	405,127,218
Accumulated depreciation for:				
Buildings	102,648,092	5,825,396	-	108,473,488
Improvements other than buildings	6,782,541	1,884,566	-	8,667,107
Equipment	55,608,660	7,078,903	267,600	62,419,963
Total accumulated depreciation	165,039,293	14,788,865	267,600	179,560,558
Total capital assets being depreciated, net	229,601,382	(4,034,722)	-	225,566,660
Total capital assets, net	\$242,389,000	\$ (4,034,722)	\$ -	\$ 238,354,278

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Notes to Financial Statements (Continued)
June 30, 2015

Depreciation expense was charged to functions of the District as follows:

Instructional Services:

Regular programs	\$ 10,478,076
Special programs	442,613

Supporting Services:

Pupils	324,639
Instructional Staff	410,437
General Administration	273,145
School administration	1,142
Business	355,342
Operations and maintenance of facilities	712,129
Transportation	1,207,226
Central	584,116
	<u>\$ 14,788,865</u>

NOTE 5. LONG-TERM DEBT

The following is a summary of the components of long-term debt and related transactions of the District for the year ended June 30, 2015:

Long-Term Debt at June 30, 2015 is comprised of the following:

	Balance			Balance	Amount Due
	June 30, 2014	Additions	Reductions	June 30, 2015	in one year
General Obligation Bonds	\$ 35,380,000	\$ -	\$ 1,880,000	\$ 33,500,000	\$ 1,880,000
Compensated Absences	1,401,225	1,181,725	1,401,225	1,181,725	1,181,725
Net OPEB Obligation	19,072,724	2,713,966	-	21,786,690	-
Net Pension Liability	37,090,538	7,584,004	16,224,416	28,450,126	-
Total Long-Term Debt	\$ 92,944,487	\$ 11,479,695	\$ 19,505,641	\$ 84,918,541	\$ 3,061,725

NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203

Notes to Financial Statements (Continued)

June 30, 2015

General Obligation Bonds. General obligation bonds are direct obligations and pledge the full faith and credit of the District. General obligation bonds currently outstanding are as follows:

Purpose	Interest Rates	Original Indebtedness	Carrying Amount
Series 2008 General Library Building Bonds Dated May 1, 2008 are due in annual installments through February 1, 2028	3.875% - 4.00%	\$ 10,000,000	\$ 9,500,000
Series 2009 Build America Bonds dated August 26, 2009, are due in annual installments through February 1, 2029	1.50% - 5.00%	\$ 33,000,000	\$ 24,000,000
Total		\$ 43,000,000	\$ 33,500,000

Annual debt service requirements to maturity for general obligation bonds are as follows for governmental type activities:

	Principal	Interest	Total
2016	\$ 1,940,000	\$ 1,574,712	\$ 3,514,712
2017	2,000,000	1,477,712	3,477,712
2018	2,070,000	1,377,712	3,447,712
2019	2,130,000	1,274,212	3,404,212
2020	2,200,000	1,167,712	3,367,712
2021-2025	12,150,000	4,113,560	16,263,560
2026-2029	11,010,000	1,228,600	12,238,600
Total	\$ 33,500,000	\$ 12,214,220	\$ 45,714,220

The District is subject to the Illinois Compiled Statutes which limits the amount of bond indebtedness, including the installment contracts, to 13.8% of the most recent available equalized assessed valuation of the District. As of June 30, 2015, the statutory debt limit for the District was \$574,518,593 providing a debt margin of \$542,458,212 after taking into account amounts available in the Debt Service Fund.

The payments to retire the compensated absences and other postemployment benefits will be provided by future tax levies within the General Fund and Operations and Maintenance Fund. Payments to retire bonds payable will be made from debt service levies in future periods. There is \$1,439,619 of fund equity available in the Debt Service Fund to service outstanding bonds payable.

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Notes to Financial Statements (Continued)

June 30, 2015

NOTE 6. EMPLOYEE RETIREMENT SYSTEMS

The retirement plans of the District include the Teachers' Retirement System of the State of Illinois (TRS) and the Illinois Municipal Retirement Fund (IMRF). Most funding for TRS is provided through payroll withholdings of certified employees and contributions made by the State of Illinois on-behalf of the District. IMRF is funded through property taxes and a perpetual lien of the District's corporate personal property replacement tax. Each retirement system is discussed below.

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

Plan Description

The District participates in the 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 non-annuitants 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 <http://trs.illinois.gov/pubs/cafr>; by writing to TRS at 2815 W. Washington, PO Box 19253, Springfield, IL 62794; or by calling (888) 877-0890, 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.

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Notes to Financial Statements (Continued)

June 30, 2015

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% 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, 2015, was 9.4% 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, 2015, 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 expenditures of \$41,317,041 in pension contributions from the State of Illinois.

2.2 formula contributions. The District contributes 0.58% of total creditable earnings for the 2.2 formula change. This rate is specified by statute. Contributions for the year ended June 30, 2015 were \$730,312, and are deferred because they were paid after the June 30, 2014 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 a policy adopted by the TRS Board of Trustees that has been in effect since the fiscal year ended June 30, 2006, employer contributions for employees paid from federal and special trust funds will be the same as the state contribution rate to TRS. Public Act 98-0674 now requires the two rates to be the same.

For the year ended June 30, 2015, the employer pension contribution was 33.00% of salaries paid from federal and special trust funds. For the year ended June 30, 2015, salaries totaling \$712,764 were paid from the federal and special trust funds that required employer contributions of \$235,212. These contributions are deferred because they were paid after the June 30, 2014 measurement date.

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 District is required to make a one-time contribution to TRS for members retiring under the Early Retirement Option (ERO). The payments vary depending on the member's age and salary. The maximum employer ERO contribution under the current program is 146.5% and applies when the member is age 55 at retirement. For the year ended June 30, 2015, the employer paid \$0 to TRS for employer ERO contributions.

The employer is also required to make a one-time contribution to TRS for members granted salary

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Notes to Financial Statements (Continued)

June 30, 2015

increases over 6% if those salaries are used to calculate a retiree's final average salary. A one-time contribution is also required for members granted sick leave days in excess of the normal annual allotment if those days are used as TRS service credit. For the year ended June 30, 2015, the District paid \$19,423 to TRS for employer contributions due on salary increases in excess of 6% and \$0 for sick leave days granted in excess of the normal annual allotment.

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

At June 30, 2015, the District reported a liability for its proportionate share of the 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 net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the net pension liability	\$ 15,182,313
State's proportionate share of the net pension liability associated with the District	<u>765,170,680</u>
Total	<u><u>\$ 780,352,993</u></u>

The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2013 and rolled forward to June 30, 2014. 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, 2014, relative to the projected contributions of all participating TRS employers and the state during that period. At June 30, 2014, the District's proportion was 0.02495%.

The net pension liability as of the beginning of this first measurement period under GASB Statement No. 68 was measured as of June 30, 2013, and the total pension liability was based on the June 30, 2013, actuarial valuation without any roll-up. The District's proportion of the net pension liability as of June 30, 2013, was based on the District's share of contributions to TRS for the measurement year ended June 30, 2013, relative to the projected contributions of all participating TRS employers and the state during that period. At June 30, 2013, the District's proportion was 0.05013% percent.

For the year ended June 30, 2015, the District recognized pension expense of \$41,317,041 and revenue of \$41,317,041 for support provided by the state. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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Notes to Financial Statements (Continued)

June 30, 2015

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 8,020	
Changes in assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	763,027
Changes in proportion and differences between District contributions and proportionate share of contributions	-	12,696,076
District contributions subsequent to the measurement date	965,524	-
	<u>965,524</u>	<u>-</u>
 Total	 <u>\$ 973,544</u>	 <u>\$ 13,459,103</u>

\$965,524 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. 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	Net Deferred Outflows of Resources
2015	\$ (3,270,382)
2016	(3,270,382)
2017	(3,270,382)
2018	(3,270,382)
2019	(369,555)
	<u>(369,555)</u>
 Total	 <u>\$ (13,451,083)</u>

Actuarial Assumptions

The total pension liability in the June 30, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial cost method	Entry Age Normal
Asset valuation method	Market Value of Assets
Amortization method	Level Percent of Payroll
Remaining amortization	

NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203

Notes to Financial Statements (Continued)

June 30, 2015

period	30 year, open
Inflation	3.00%
Salary increases	5.75% average, including inflation
Investment rate of return	7.50%
Mortality	RP-2000 Mortality Tables with projections using scale AA that vary by member group

For GASB disclosure purposes, the actuarial assumptions for the years ended June 30, 2014 and 2013 were assumed to be the same. However, for funding purposes, the actuarial valuations for those two years were different. The actuarial assumptions used in the June 30, 2014 valuation were based on updates to economic assumptions adopted in 2014 which lowered the investment return assumption from 8.0% to 7.5%. The salary increase and inflation assumptions were also lowered. The actuarial assumptions used in the June 30, 2013 valuation were based on the 2012 actuarial experience analysis and first adopted in the June 30, 2012 valuation. The investment return assumption was lowered from 8.5% to 8.0% and the salary increase and inflation assumptions were also lowered. Mortality assumptions were adjusted to anticipate continued improvement in mortality.

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. large cap	18%	8.23%
Global equity excluding U.S.	18%	8.58%
Aggregate bonds	16%	2.27%
U.S. TIPS	2%	3.52%
NCREIF	11%	5.81%
Opportunistic real estate	4%	9.79%
ARS	8%	3.27%
Risk parity	8%	5.57%
Diversified inflation strategy	1%	3.69%
Private equity	14%	13.03%
	<u>100%</u>	

NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203

Notes to Financial Statements (Continued)

June 30, 2015

Discount rate

The discount rate used to measure the total pension liability was 7.50%. 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, the pension plan's fiduciary net position 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. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the employer's proportionate share of the net pension liability to changes in the discount rate

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.50%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50%) or 1-percentage-point higher (8.50%) than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
District's proportionate share of the net pension liability	\$ 18,749,411	\$ 15,182,313	\$ 12,228,349

Detailed information about the TRS's fiduciary net position as of June 30, 2014 is available in the separately issued TRS Comprehensive Annual Financial Report.

Illinois Municipal Retirement Fund (IMRF)

Plan Description and Benefits

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 affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained online at www.imrf.org.

NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203

Notes to Financial Statements (Continued)

June 30, 2015

All employees (other than those covered by TRS) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. IMRF provides two tiers of pension benefits. Employees hired prior to January 1, 2011, are eligible for Tier 1 benefits. For Tier 1 employees, pension benefits vest after eight years of service. Participating members who retire at age 55 (reduced benefits) or after age 60 (full benefits) with eight years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter. Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after 10 years of service. Participating members who retire at age 62 (reduced benefits) or after age 67 (full benefits) with 10 years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter.

Plan Membership

As of June 30, 2015, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	707
Inactive employees entitled to but not yet receiving benefits	1,249
Active employees	<u>1,045</u>
Total	<u><u>3,001</u></u>

Contributions

As set by statute, Regular plan members are required to contribute 4.50% 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 actual contribution rate for calendar year 2014 was 11.15% of covered payroll. The District contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability

The District's net pension liability was measured as of December 31, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Total pension liability/(asset)	\$ 135,858,589
Plan fiduciary net position	<u>(122,590,776)</u>
Net pension liability/(asset)	<u><u>\$ 13,267,813</u></u>

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Notes to Financial Statements (Continued)

June 30, 2015

Actuarial Assumptions

The total pension liability in the December 31, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial cost method	Entry Age Normal
Asset valuation method	Market Value of Assets
Amortization method	Level Percent of Payroll
Remaining amortization period	30 year, open
Inflation	3.50%
Price inflation	2.75%
Salary increases	3.75% to 14.50%, including inflation
Investment rate of return	7.50%
Retirement age	Experience-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 2011-2013.
Mortality	An IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table (for non-disabled retirees), RP-2014 Disabled Retirees Mortality Table (for disabled retirees), and RP-2014 Employee Mortality Table (for active employees), 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 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 are summarized in the following table:

NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203
Notes to Financial Statements (Continued)
June 30, 2015

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equities	63.2%	9.15%
International equities	2.6%	9.80%
Fixed income	23.5%	3.05%
Real estate	4.3%	7.35%
Alternatives	4.5%	
Private equity		13.55%
Hedge funds		5.55%
Commodities		4.40%
Cash	1.9%	2.25%
	100.0%	

Discount Rate

The discount rate used to measure the total pension liability for IMRF was 7.50%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that District contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in Net Pension Liability

The following presents the net pension liabilities of the District, calculated using the discount rate, as well as what the District's net pension liabilities would be if they were calculated using discount rates that are 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Net pension liability (asset)	\$ 30,100,605	\$ 13,267,813	\$ (688,023)

NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203

Notes to Financial Statements (Continued)

June 30, 2015

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

For the year ended June 30, 2015, the District recognized pension expense of \$5,305,796. At June 30, 2015, 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
Difference between expected and actual experience	\$ 418,922	\$ -
Changes in assumptions	3,959,026	-
Net difference between projected and actual earnings on pension plan investments	1,298,149	-
Contributions subsequent to the measurement date	1,830,480	-
 Total	 <u>\$ 7,506,577</u>	 <u>\$ -</u>

\$1,830,480 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. 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 December 31	Net Deferred Outflows of Resources
2015	\$ 2,658,571
2016	2,368,451
2017	324,537
2018	324,538
2019	-
Total	<u>\$ 5,676,097</u>

NOTE 7. OTHER POST-EMPLOYMENT BENEFITS

Teacher Health Insurance Security (THIS)

The District participates in the Teacher Health Insurance Security (THIS) Fund, a cost-sharing, multiple-employer defined benefit post-employment healthcare plan that was established by the

NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203

Notes to Financial Statements (Continued)

June 30, 2015

Illinois legislature for the benefit of retired Illinois public school teachers employed outside the city of Chicago. The THIS Fund provides medical, prescription, and behavioral health benefits, but 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 were enrolled in Medicare Parts A and B may be eligible to enroll in Medicare Advantage Plans.

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

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

On Behalf Contributions to THIS Fund. The state of Illinois makes employer retiree health insurance contributions on behalf of the District. State contributions are intended to match contributions to THIS Fund from active members which were 1.02% of pay during the year ended June 30, 2015. State of Illinois contributions were \$1,284,342, and the district recognized revenue and expenditures of this amount during the year.

Employer contributions to THIS Fund. The District also makes contributions to THIS Fund. The District THIS Fund contribution was 0.76% during the year ended June 30, 2015. For the year ended June 30, 2015, the District paid \$956,961 to the THIS Fund, which was 100% of the required contribution.

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

NOTE 8. SPECIAL TAX LEVIES AND RESTRICTED EQUITY

Proceeds from the Special Education tax levy and the related expenditures are accounted for in the General Fund's Education Account. At June 30, 2015, cumulative expenditures had exceeded related cumulative revenues.

NOTE 9. COMMITMENTS

As of June 30, 2015, the District had entered into various contractual commitments for construction projects. The unpaid balance of these contracts is approximately \$595,489 as of June 30, 2015.

NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203
Notes to Financial Statements (Continued)
June 30, 2015

NOTE 10. RISK MANAGEMENT

The District is exposed to various risks of loss related to employee health benefits; workers' compensation claims; theft of, damage to, and destruction of assets; and natural disasters. The District has purchases insurance from private insurance companies and a risk pool for general liability, workers' compensation and other coverages not included below. Premiums have been recorded as expenditures in the appropriate funds. There have been no significant reductions in insurance coverage from coverage in the prior years. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three years.

The District is self-insured for medical and workers' compensation coverage that is provided to District personnel. A third party administrator administers claims for a monthly fee per participant. Expenditures are recorded as incurred in the form of direct contributions from the District to the third party administrator for payment of employee health claims and administration fees. The District's liability will not exceed \$210,000 per employee for medical and \$450,000 per employee for workers' compensation, as provided by stop-loss provisions incorporated in the plan.

At June 30, 2015, total unpaid claims, including an estimate of claims that have been incurred but not reported to the administrative agent, totaled \$4,800,862. The estimates are developed based on reports prepared by the administrative agent. The District does not allocate overhead costs or other non-incremental costs to the claims liability. For the two years ended June 30, 2014 and June 30, 2015, changes in the total liability for unpaid medical claims are summarized as follows:

	Claims Payable Beginning of Year	Current Year Claims and Changes in Estimates	Claims Payments	Claims Payable End of Year
Fiscal Year 2015	\$ 4,366,102	\$ 32,539,291	\$ 32,104,531	\$ 4,800,862
Fiscal Year 2014	4,334,994	28,915,681	28,884,573	\$ 4,366,102

NOTE 11. COLLECTIVE LIABILITY INSURANCE COOPERATIVE (CLIC)

The District is a member of CLIC, which has been formed to provide casualty, workman's compensation, property and liability protections and to administer some or all insurance coverages and protection other than health, life and accident coverages procured by the member districts. It is intended, by the creation of CLIC to allow a member District to equalize annual fluctuations in insurance costs by establishing a program whereby reserves may be created and temporary deficits of individual Districts covered and to ultimately equalize the risks and stabilize the costs of providing casualty, property and liability protections. If, during any fiscal year, the funds on hand in the account of CLIC are not sufficient to pay expenses of administration, the Board of Directors shall require supplementary payment from all members. Such payment shall be made in the same proportion as prior payments during that year to CLIC. Complete financial statements for CLIC can be obtained from its administrator, 1441 Lake Street, Libertyville, IL 60048.

NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203

Notes to Financial Statements (Continued)

June 30, 2015

NOTE 12. JOINT AGREEMENTS

The District is a member of DuPage Area Occupational Education System (DAOES), a joint agreement that provides certain special education services to residents of many school districts. The District believes that because it does not control the selection of the governing authority, and because of the control over employment of management personnel, operations, scope of public service, and special financing relationships exercised by the joint agreement governing board, this is not included as a component unit of the District. Financial statements for the DAOES may be obtained by writing to 301 S. Swift Road, Addison, IL 60101 or online at <http://www.tcdupage.org/Page/702>.

NOTE 13. OTHER POST-EMPLOYMENT BENEFITS

Defined Post-employment Benefit Plan

The District administers a single-employer defined benefit healthcare plan (the "Defined Post-employment Benefit Plan"). The plan provides medical and prescription drug and dental benefits for eligible retirees and their spouses through the District's self-insured insurance plan or TRS (TRIP), which covers both active and retired members. Benefit provisions are established through collective bargaining agreements and state that eligible retirees and their spouses receive healthcare insurance for a limited period of (5 years for IMRF and 10 years or \$48,000, whichever comes first, for TRS) at established contribution rates. The Defined Post-employment Benefit Plan does not issue a publicly available financial report.

Contribution requirements are established through collective bargaining agreements and may be amended only through negotiations between the board and the union. The District pays 100% of the premiums (medical and dental) for individuals eligible for health benefits from the Teacher's Retirement System (TRS). For individuals retiring under IMRF, the District pays 90% of the medical premium for exempt retirees and 85% for non-exempt retirees. Dental premiums are paid 100% by the retiree. The District makes the same monthly health insurance contribution on behalf of the retiree as it makes on behalf of all other active employees during the year. Administrative costs of the Defined Post-employment Benefit Plan are financed through investment earnings.

The District's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC). The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203

Notes to Financial Statements (Continued)

June 30, 2015

The following table shows the components of the District's annual OPEB cost for the year, the amount actually contributed to the Defined Post-employment Benefit Plan, and changes in the District's net OPEB obligation to the Defined Post-employment Benefit Plan:

	<u>FY 2015</u>	<u>FY 2014</u>
Annual Required Contribution	\$ 5,588,193	\$ 5,588,193
Interest on net OPEB obligation	769,010	638,155
Adjustment to annual required contribution	<u>(870,859)</u>	<u>(722,674)</u>
Annual OPEB cost (expense)	5,486,344	5,503,674
Contributions made by the District	<u>(2,772,378)</u>	<u>(2,384,836)</u>
Increase in net OPEB obligations (4-5)	2,713,966	3,118,838
Net OPEB obligation - Beginning of Year	<u>19,072,724</u>	<u>15,953,886</u>
Net OPEB obligation - End of Year	<u>\$ 21,786,690</u>	<u>\$ 19,072,724</u>

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the Defined Post-employment Benefits Plan, and the net OPEB obligation for June 30, 2015 is as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of APC Contributed</u>	<u>Net OPEB Obligation (Asset)</u>
June 30, 2015	\$ 5,486,344	50.53%	\$ 21,786,690
June 30, 2014	5,503,674	43.33%	19,072,724
June 30, 2013	4,535,103	51.22%	15,953,886

The funded status of the Defined Post-employment Benefit Plan as of June 30, 2015, the most recent actuarial valuation date, is as follows:

Actuarial Accrued Liability (AAL)	\$ 46,937,502
Actuarial value of plan assets	-
Unfunded Actuarial Accrued Liability (UAAL)	<u>\$ 46,937,502</u>
Funded ratio (actuarial value of plan assets/AAL)	0%
Covered payroll (active plan members)	N/A
UAAL as a percentage of covered payroll	N/A

NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203

Notes to Financial Statements (Concluded)

June 30, 2015

Actuarial valuations of an ongoing plan involve estimates for the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made amount to the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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

In the June 30, 2015 actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions include a 3.50 percent investment rate of return and an annual healthcare cost trend rate of 8.5% for TRIP premiums initially and then graded down to 5.6% over 6 years, 8.5% for medical and prescription drugs initially, then graded down to 5.6% over 7 years, and 4.9% for dental. The actuarial value of the plan assets are determined using techniques that spread the effects of short-term volatility in the market value of investments over a thirty year period. The plan's unfunded actuarial accrued liability is being amortized as a level percentage of payroll on an open basis. The remaining amortization period at June 30, 2015 is 30 years.

NOTE 14. CHANGE IN ACCOUNTING PRINCIPLE

During the fiscal year ended June 30, 2015 the District implemented the requirements of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27*. This statement requires the District to report a net pension liability on the statement of net position for both of its pension funds. As a result, the net position of governmental activities has been restated by (\$33,876,553) as of July 1, 2014.

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NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203
SCHEDULE OF CHANGES IN THE EMPLOYER'S NET PENSION LIABILITY
AND RELATED RATIOS
ILLINOIS MUNICIPAL RETIREMENT FUND
YEAR ENDED JUNE 30, 2015

	2015
TOTAL PENSION LIABILITY	
Service Cost	\$ 3,747,419
Interest	9,067,363
Changes of Benefit Terms	-
Differences Between Expected and Actual Experience	642,263
Changes of Assumptions	6,069,719
Benefit Payments, Including Refunds of Member Contributions	(5,385,288)
Net Change in Total Pension Liability	14,141,476
Total Pension Liability - Beginning	121,717,113
TOTAL PENSION LIABILITY - ENDING	\$ 135,858,589
PLAN FIDUCIARY NET POSITION	
Contributions - Employer	\$ 3,397,889
Contributions - Member	1,426,742
Net Investment Income	7,060,932
Benefit Payments, Including Refunds of Member Contributions	(5,385,288)
Administrative Expense	57,197
Net Change in Plan Fiduciary Net Position	6,557,472
Plan Net Position - Beginning	116,033,304
PLAN NET POSITION - ENDING	\$ 122,590,776
EMPLOYER'S NET PENSION LIABILITY (ASSET)	\$ 13,267,813
Plan Fiduciary Net Position	
as a Percentage of the Total Pension Liability	90.23%
Covered-Employee Payroll	\$ 30,486,599
Employer's Net Pension Liability	
as a Percentage of Covered - Employee Payroll	43.52%

NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203
SCHEDULE OF EMPLOYER CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND
LAST CALENDAR YEAR

Calendar Year	Actuarially Determined Contribution	Contributions in Relation to Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2014	\$ 3,365,720	\$ 3,397,889	\$ (32,169)	\$ 30,486,599	11.15%

Notes to Schedule

Valuation date: Actuarially determined contribution rates are calculated as of December 31 of 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 contribution rates:

Actuarial cost method	Aggregate entry age normal
Amortization method	Level percent of pay, closed
Remaining amortization period	29 years
Asset valuation method	5-year smoothed market; 20% corridor
Inflation	3.00%
Salary increases	4.00%
Investment rate of return	7.50%
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2011 valuation pursuant to an experience study of the period 2008 - 2010.
Mortality	RP-2000 Combined Healthy Mortality Table, adjusted for mortality improvements to 2020 using projection scale AA. For men 120% of the table rates were used. For women, 92% of the table rates were used. For disabled lives, the mortality rates are the rates applicable to non-disabled lives set forward 10 years.

NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE
NET PENSION LIABILITY
TEACHERS' RETIREMENT SYSTEM
YEAR ENDED JUNE 30, 2015

	2015
District's proportion of the net pension liability	0.02495%
District's proportionate share of the net pension liability	\$ 15,182,313
State's proportionate share of the net pension liability associated with the District	765,170,680
Total	\$ 780,352,993
District's covered-employee payroll	125,915,919
District's proportionate share of the net pension liability as a percentage of it's covered-employee payroll	12.06%
Plan fiduciary net position as a percentage of the total pension liability	43.00%

Notes to Schedule

Changes of assumptions

Amounts reported in 2014 reflect an investment rate of return of 7.5%, an inflation rate of 3.0% and real return of 4.5%, and a salary increase assumption of 5.75%. In 2013, assumptions used were an investment rate of return of 8.0%, an inflation rate of 3.25% and real return of 4.75%, and salary increases of 6.00%. However, the total pension liability at the beginning and end of the year was calculated using the same assumptions, so the

NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203
SCHEDULE OF EMPLOYER CONTRIBUTIONS
TEACHERS' RETIREMENT SYSTEM
LAST FISCAL YEAR

Fiscal Year	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2015	\$ 965,524	\$ 965,524	\$ -	\$ 125,915,919	0.77%

NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203
Schedule of Funding Progress (unaudited)
Other Post Employment Benefits
June 30, 2015

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
6/30/2014	\$ -	\$ 46,937,502	\$ 46,937,502	0.00%	N/A	N/A
6/30/2013	-	45,700,283	45,700,283	0.00%	N/A	N/A
6/30/2012	-	44,804,199	44,804,199	0.00%	120,444,306	40.52%

Valuations must be performed every two years for OPEB plans with more than 200 members and at least every three years for plans with fewer than 200 members. A valuation was not performed for the year ended June 30, 2015.

NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES - BUDGET AND ACTUAL - GENERAL FUND
AND MAJOR SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2015

	General Fund		
	Original and Final Budget	Actual	Variance Over/Under
REVENUES			
Local sources	\$ 190,932,554	\$ 191,253,044	\$ 320,490
State sources	49,951,344	57,979,965	8,028,621
Federal sources	9,538,108	8,338,853	(1,199,255)
 Total Revenues	 <u>250,422,006</u>	 <u>257,571,862</u>	 <u>7,149,856</u>
 EXPENDITURES			
Current operating:			
Instruction	172,381,888	173,721,607	(1,339,719)
Support services	65,180,051	62,156,531	3,023,520
Community services	601,490	535,296	66,194
Non-programmed charges	7,196,915	5,737,545	1,459,370
 Total Expenditures	 <u>245,360,344</u>	 <u>242,150,979</u>	 <u>3,209,365</u>
 Net change in fund balances	 <u>\$ 5,061,662</u>	 15,420,883	 <u>\$ 10,359,221</u>
 Fund balances at beginning of year		 <u>110,424,460</u>	
 FUND BALANCES AT END OF YEAR		 <u>\$ 125,845,343</u>	

Operations and Maintenance Fund			Transportation Fund		
Original and Final Budget	Actual	Variance Over/Under	Original and Final Budget	Actual	Variance Over/Under
\$ 29,557,250	\$ 29,611,151	\$ 53,901	\$ 6,861,950	\$ 6,917,964	\$ 56,014
-	-	-	4,796,200	4,444,054	(352,146)
-	-	-	-	-	-
<u>29,557,250</u>	<u>29,611,151</u>	<u>53,901</u>	<u>11,658,150</u>	<u>11,362,018</u>	<u>(296,132)</u>
-	-	-	-	-	-
28,888,700	29,070,964	(182,264)	11,441,500	10,562,918	878,582
-	-	-	-	-	-
-	-	-	100,000	-	100,000
<u>28,888,700</u>	<u>29,070,964</u>	<u>(182,264)</u>	<u>11,541,500</u>	<u>10,562,918</u>	<u>978,582</u>
<u>\$ 668,550</u>	540,187	<u>\$ (128,363)</u>	<u>\$ 116,650</u>	799,100	<u>\$ 682,450</u>
	<u>15,421,815</u>			<u>6,189,693</u>	
	<u>\$ 15,962,002</u>			<u>\$ 6,988,793</u>	

NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES - BUDGET AND ACTUAL - GENERAL FUND
AND MAJOR SPECIAL REVENUE FUND (CONTINUED)
YEAR ENDED JUNE 30, 2015

	<u>Municipal Retirement/Social Security Fund</u>		
	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
REVENUES			
Local sources	\$ 7,432,200	\$ 7,431,800	\$ (400)
Total Revenues	<u>7,432,200</u>	<u>7,431,800</u>	<u>(400)</u>
EXPENDITURES			
Current operating:			
Instruction	2,617,600	2,757,449	(139,849)
Support services	4,597,000	4,562,943	34,057
Community services	<u>48,000</u>	<u>49,861</u>	<u>(1,861)</u>
Total Expenditures	<u>7,262,600</u>	<u>7,370,253</u>	<u>(107,653)</u>
Net change in fund balance	<u>\$ 169,600</u>	61,547	<u>\$ (108,053)</u>
Fund balance at beginning of year		<u>3,502,314</u>	
FUND BALANCE AT END OF YEAR		<u>\$ 3,563,861</u>	

NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203

Notes to Required Supplementary Information

June 30, 2015

Budgetary Data

Annual budgets for all Governmental Funds are adopted on the modified accrual basis, consistent with generally accepted accounting principles (GAAP) for local governments.

The Board of Education follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The Superintendent submits to the Board of Education a proposed operating budget for the fiscal year commencing July 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted and the proposed budget is available for inspection to obtain taxpayer comments.
3. Prior to October 1 the budget is legally adopted through passage of a resolution. On or before the last Tuesday in December, a tax levy ordinance is filed with the County Clerk to obtain tax revenues.
4. The Superintendent is authorized to transfer up to 10% of the total budget between departments within any fund without Board of Education approval; however, any revisions that alter the total expenditures of any fund must be approved by the Board of Education following the public hearing process mandated by law. The budget, which was not amended, was adopted on June 16, 2014.
5. Formal budgetary integration is employed as a management control device during the year for all Governmental Funds.
6. The District has adopted a legal budget for all its Governmental Funds. The legal level of budgetary control is at the individual fund level, therefore, actual expenditures for the governmental funds may not legally exceed the total budgeted for such funds. However, under the State Budget Act expenditures may exceed the budget if additional resources are available to finance such expenditures.
7. The budget lapses at the end of each fiscal year.

NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203
Notes to Required Supplementary Information
June 30, 2015

Excess of Expenditures Over Budgets in Individual Funds and Account:

Expenditures exceeded the budgeted amount in the following Fund and Account:

	Budget		Actual		Excess
Operations and Maintenance Fund	\$ 28,888,700	\$	29,070,964	\$	182,264
IMRF/Social Security Fund	7,262,600		7,370,253		107,653

The expenditure variance was sufficiently absorbed by surpluses that existed at the beginning of the fiscal year and were approved by the Board of Education. Under the State Budget Act expenditures may exceed the budget if additional resources are available to finance such expenditures.

NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203
BALANCE SHEET BY ACCOUNT
GENERAL FUND
JUNE 30, 2015

<u>ASSETS</u>	<u>Educational</u>	<u>Working Cash</u>	<u>Tort Immunity</u>	<u>Total General</u>
Cash and investments	\$ 137,891,446	\$ 7,064,819	\$ 1,621,850	\$ 146,578,115
Receivables:				
Property taxes	89,643,812	860,205	1,038,541	91,542,558
Due from other governments	5,171,510	-	-	5,171,510
Accrued interest	285,092	-	-	285,092
TOTAL ASSETS	\$ 232,991,860	\$ 7,925,024	\$ 2,660,391	\$ 243,577,275
 <u>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</u>				
Liabilities:				
Accounts payable	\$ 10,039,127	\$ -	\$ 145,989	\$ 10,185,116
Accrued salaries and related expenditures	15,556,026	-	-	15,556,026
Total Liabilities	25,595,153	-	145,989	25,741,142
Deferred inflows:				
Unavailable revenue	90,092,044	860,205	1,038,541	91,990,790
Fund balances:				
Restricted	-	-	1,475,861	1,475,861
Committed	11,764,738	-	-	11,764,738
Unassigned	105,539,925	7,064,819	-	112,604,744
Total Fund Balances	117,304,663	7,064,819	1,475,861	125,845,343
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES	\$ 232,991,860	\$ 7,925,024	\$ 2,660,391	\$ 243,577,275

NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES BY ACCOUNT
GENERAL FUND
YEAR ENDED JUNE 30, 2015

	Educational	Working Cash	Tort Immunity	Total General
REVENUES				
Local sources	\$ 187,275,152	\$ 1,837,818	\$ 2,140,074	\$ 191,253,044
State sources	57,979,965	-	-	57,979,965
Federal sources	8,338,853	-	-	8,338,853
Total Revenues	253,593,970	1,837,818	2,140,074	257,571,862
EXPENDITURES				
Current operating:				
Instruction	173,721,607	-	-	173,721,607
Support services	60,905,110	-	1,251,421	62,156,531
Community services	535,296	-	-	535,296
Non-programmed charges	5,737,545	-	-	5,737,545
Total Expenditures	240,899,558	-	1,251,421	242,150,979
Net change in fund balances	12,694,412	1,837,818	888,653	15,420,883
Fund balances at beginning of year	104,610,251	5,227,001	587,208	110,424,460
FUND BALANCES				
AT END OF YEAR	\$ 117,304,663	\$ 7,064,819	\$ 1,475,861	\$ 125,845,343

NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
EDUCATIONAL ACCOUNT
YEAR ENDED JUNE 30, 2015 WITH COMPARATIVE ACTUAL TOTALS FOR 2014

	2015			2014 Actual
	Final Budget	Actual	Variance Over/Under	
REVENUES				
Local sources:				
Property taxes	\$ 175,470,000	\$ 174,668,379	\$ (801,621)	\$ 170,600,950
Corporate replacement tax	2,270,000	2,357,659	87,659	2,322,244
Other payments in lieu of tax	-	557,689	557,689	-
Tuition	724,000	834,759	110,759	710,764
Earnings on investments	119,200	1,085,130	965,930	287,770
Food services	3,758,000	3,173,936	(584,064)	3,534,766
Pupil activities and textbooks	3,222,854	2,871,618	(351,236)	3,044,698
Services provided other LEA's	325,000	178,328	(146,672)	329,786
Other	976,300	1,547,654	571,354	479,450
Total local sources	186,865,354	187,275,152	409,798	181,310,428
State sources:				
Unrestricted:				
General state aid	6,260,800	6,078,550	(182,250)	6,155,769
Restricted:				
Other grants-in-aid	937,800	797,314	(140,486)	752,090
Special education	7,646,600	7,625,648	(20,952)	7,906,625
Summer school	15,300	9,766	(5,534)	-
Bilingual education	320,000	105,697	(214,303)	378,052
Vocational education	170,421	164,833	(5,588)	157,119
Prekindergarten program for at risk stude	450,604	433,293	(17,311)	450,604
School lunch aid	15,000	7,678	(7,322)	13,198
Driver education	122,000	126,759	4,759	108,050
On behalf payments - State of Illinois	34,000,000	42,601,384	8,601,384	44,907,466
Unallocated	12,819	29,043	16,224	17,319
Total state sources	49,951,344	57,979,965	8,028,621	60,846,292
Federal sources:				
Restricted:				
Title I	730,000	867,856	137,856	863,855
Education for handicapped	6,708,453	5,396,524	(1,311,929)	3,885,243
School lunch programs	907,500	1,157,894	250,394	1,051,478
Title II	281,457	329,892	48,435	225,184
Title III - Language Instruction Program	171,998	175,504	3,506	130,322
Title III - Immigrant Education Program	-	15,895	15,895	-
Medicaid matching/administrative outrea	738,700	370,296	(368,404)	436,258
Other	-	24,992	24,992	75,969
Total federal sources	9,538,108	8,338,853	(1,199,255)	6,668,309
Total revenues	\$ 246,354,806	\$ 253,593,970	\$ 7,239,164	\$ 248,825,029

(Continued)

NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
EDUCATIONAL ACCOUNT
YEAR ENDED JUNE 30, 2015 WITH COMPARATIVE ACTUAL TOTALS FOR 2014

	2015			2014
	Final Budget	Actual	Variance Over/Under	Actual
EXPENDITURES				
Current operating:				
Instruction:				
Regular programs:				
Salaries	\$ 68,069,290	\$ 64,132,449	\$ 3,936,841	\$ 64,713,743
Employee benefits	19,001,938	18,463,243	538,695	16,985,444
On behalf payments	34,000,000	42,601,384	(8,601,384)	44,907,466
Purchased services	1,326,375	1,417,995	(91,620)	1,294,552
Supplies and materials	6,368,293	5,711,336	656,957	5,604,332
Capital outlay	323,759	423,659	(99,900)	1,054,661
Other	12,000	5,419	6,581	6,296
Total	129,101,655	132,755,485	(3,653,830)	134,566,494
Special education programs:				
Salaries	19,153,929	18,135,662	1,018,267	17,273,100
Employee benefits	5,579,032	4,942,545	636,487	4,498,245
Purchased services	291,337	152,514	138,823	277,903
Supplies and materials	365,914	491,605	(125,691)	188,656
Capital outlay	25,000	30,476	(5,476)	4,054
Other	15,500	10,974	4,526	9,596
Total	25,430,712	23,763,776	1,666,936	22,251,554
Vocational programs:				
Salaries	3,327,725	2,813,143	514,582	3,139,392
Employee benefits	914,500	754,212	160,288	865,232
Purchased services	3,000	5,784	(2,784)	5,196
Supplies and materials	158,254	117,196	41,058	182,861
Capital outlay	50,532	114,962	(64,430)	34,262
Other	1,000	9,913	(8,913)	26,738
Total	4,455,011	3,815,210	639,801	4,253,681
Interscholastic programs:				
Salaries	3,242,700	3,352,401	(109,701)	3,159,655
Employee benefits	566,100	515,808	50,292	528,504
Purchased services	300,000	271,439	28,561	238,589
Supplies and materials	125,000	170,580	(45,580)	140,649
Capital outlay	3,000	1,446	1,554	2,450
Other	60,000	124,243	(64,243)	108,485
Total	\$ 4,296,800	\$ 4,435,917	\$ (139,117)	\$ 4,178,332

(Continued)

NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
EDUCATIONAL ACCOUNT
YEAR ENDED JUNE 30, 2015 WITH COMPARATIVE ACTUAL TOTALS FOR 2014

	2015			2014
	Final Budget	Actual	Variance Over/Under	Actual
Summer school:				
Salaries	\$ 902,100	\$ 1,029,672	\$ (127,572)	\$ 682,925
Employee benefits	14,900	39,442	(24,542)	24,816
Purchased services	2,000	-	2,000	-
Supplies and materials	3,000	44,509	(41,509)	21,098
Total	922,000	1,113,623	(191,623)	728,839
Gifted:				
Salaries	2,251,500	1,957,325	294,175	2,188,126
Employee benefits	703,300	508,844	194,456	644,570
Total	2,954,800	2,466,169	488,631	2,832,696
Bilingual:				
Salaries	4,123,840	4,226,245	(102,405)	4,013,820
Employee benefits	1,086,570	1,132,772	(46,202)	1,032,500
Supplies and materials	-	-	-	28,668
Total	5,210,410	5,359,017	(148,607)	5,074,988
Truant's altern & optional programming				
Salaries	7,500	9,726	(2,226)	8,468
Employee benefits	3,000	2,684	316	2,370
Total	10,500	12,410	(1,910)	10,838
Total instruction	172,381,888	173,721,607	(1,339,719)	173,897,422
Support services:				
Pupils:				
Attendance and social work:				
Salaries	2,650,700	2,742,869	(92,169)	2,558,274
Employee benefits	716,800	781,769	(64,969)	677,005
Purchased services	8,000	-	8,000	3,800
Supplies and materials	13,500	7,373	6,127	9,844
Total	\$ 3,389,000	\$ 3,532,011	\$ (143,011)	\$ 3,248,923

(Continued)

NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
EDUCATIONAL ACCOUNT
YEAR ENDED JUNE 30, 2015 WITH COMPARATIVE ACTUAL TOTALS FOR 2014

	2015			2014
	Final Budget	Actual	Variance Over/Under	Actual
Guidance services:				
Salaries	\$ 3,231,700	\$ 3,003,620	\$ 228,080	\$ 3,057,666
Employee benefits	798,200	787,813	10,387	760,284
Purchased services	10,000	12,245	(2,245)	9,645
Supplies and materials	7,000	6,963	37	7,050
Total	4,046,900	3,810,641	236,259	3,834,645
Health services:				
Salaries	2,561,500	2,797,790	(236,290)	2,675,717
Employee benefits	565,200	595,454	(30,254)	509,693
Purchased services	8,500	16,659	(8,159)	3,296
Supplies and materials	35,000	32,283	2,717	24,593
Capital outlay	5,000	-	5,000	-
Total	3,175,200	3,442,186	(266,986)	3,213,299
Psychological services:				
Salaries	1,830,700	1,928,401	(97,701)	1,765,429
Employee benefits	512,500	544,823	(32,323)	497,503
Purchased services	10,000	10,000	-	4,700
Supplies and materials	40,000	38,785	1,215	4,878
Total	2,393,200	2,522,009	(128,809)	2,272,510
Speech pathology and audiology services:				
Salaries	2,927,400	3,008,040	(80,640)	2,866,465
Employee benefits	781,400	822,767	(41,367)	772,349
Purchased services	60,000	43,427	16,573	91,897
Supplies and materials	28,890	22,305	6,585	26,328
Total	3,797,690	3,896,539	(98,849)	3,757,039
Other support services:				
Salaries	96,000	99,707	(3,707)	95,632
Employee benefits	10,700	15,186	(4,486)	14,599
Purchased services	200,000	134,120	65,880	119,672
Total	306,700	249,013	57,687	229,903
Total pupils	\$ 17,108,690	\$ 17,452,399	\$ (343,709)	\$ 16,556,319

(Continued)

NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
EDUCATIONAL ACCOUNT
YEAR ENDED JUNE 30, 2015 WITH COMPARATIVE ACTUAL TOTALS FOR 2014

	2015			2014
	Final Budget	Actual	Variance Over/Under	Actual
Instructional staff:				
Improvement of instruction services:				
Salaries	\$ 4,918,762	\$ 4,786,190	\$ 132,572	\$ 4,305,200
Employee benefits	1,074,300	1,166,559	(92,259)	1,032,991
Purchased services	471,815	508,867	(37,052)	363,987
Supplies and materials	529,757	254,896	274,861	326,901
Capital outlay	20,000	2,138	17,862	327,199
Other	239,400	142,933	96,467	147,772
Total	7,254,034	6,861,583	392,451	6,504,050
Educational media services:				
Salaries	3,369,500	3,214,134	155,366	3,344,323
Employee benefits	1,076,100	982,682	93,418	952,105
Purchased services	50,000	83,401	(33,401)	55,059
Supplies and materials	715,935	809,115	(93,180)	309,751
Capital outlay	-	144,798	(144,798)	133,997
Total	5,211,535	5,234,130	(22,595)	4,795,235
Assessment and testing:				
Salaries	400,900	312,647	88,253	318,817
Employee benefits	121,000	88,497	32,503	93,256
Purchased services	149,500	255,149	(105,649)	283,683
Supplies and materials	33,580	14,761	18,819	56,191
Other	4,200	4,258	(58)	450
Total	709,180	675,312	33,868	752,397
Total instructional staff	13,174,749	12,771,025	403,724	12,051,682
General administration:				
Board of education:				
Salaries	245,665	122,583	123,082	115,954
Employee benefits	29,700	25,441	4,259	26,151
Purchased services	666,500	490,022	176,478	615,262
Supplies and materials	47,000	55,270	(8,270)	42,523
Other	70,000	67,548	2,452	65,344
Total	\$ 1,058,865	\$ 760,864	\$ 298,001	\$ 865,234

(Continued)

NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
EDUCATIONAL ACCOUNT
YEAR ENDED JUNE 30, 2015 WITH COMPARATIVE ACTUAL TOTALS FOR 2014

	2015			2014
	Final Budget	Actual	Variance Over/Under	Actual
Executive administration:				
Salaries	\$ 920,400	\$ 1,083,756	\$ (163,356)	\$ 943,680
Employee benefits	172,000	224,106	(52,106)	218,426
Purchased services	171,000	36,830	134,170	24,699
Supplies and materials	15,700	25,247	(9,547)	24,857
Other	23,400	11,876	11,524	13,497
Total	1,302,500	1,381,815	(79,315)	1,225,159
Special area administration services:				
Salaries	1,023,400	970,438	52,962	1,002,449
Employee benefits	279,400	237,241	42,159	246,784
Purchased services	17,000	20,017	(3,017)	17,519
Supplies and materials	63,000	35,323	27,677	8,050
Capital outlay	5,000	3,664	1,336	-
Total	1,387,800	1,266,683	121,117	1,274,802
Total general administration	3,749,165	3,409,362	339,803	3,365,195
School administration:				
Office of the principal:				
Salaries	7,677,500	7,415,681	261,819	7,366,647
Employee benefits	2,530,400	2,201,869	328,531	2,090,547
Purchased services	88,415	74,766	13,649	91,146
Supplies and materials	11,500	11,659	(159)	9,219
Other	13,000	12,889	111	13,159
Total	10,320,815	9,716,864	603,951	9,570,718
Other support services school administration:				
Salaries	1,437,100	1,628,338	(191,238)	1,476,559
Employee benefits	427,400	488,625	(61,225)	422,113
Purchased services	-	-	-	85,000
Supplies and materials	-	5,000	(5,000)	-
Total	1,864,500	2,121,963	(257,463)	1,983,672
Total school administration	\$ 12,185,315	\$ 11,838,827	\$ 346,488	\$ 11,554,390

(Continued)

NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
EDUCATIONAL ACCOUNT
YEAR ENDED JUNE 30, 2015 WITH COMPARATIVE ACTUAL TOTALS FOR 2014

	2015			2014
	Final Budget	Actual	Variance Over/Under	Actual
Business:				
Director of business support services:				
Salaries	\$ 183,500	\$ 172,115	\$ 11,385	\$ 170,972
Employee benefits	48,500	41,028	7,472	39,781
Purchased services	500	1,408	(908)	-
Total	232,500	214,551	17,949	210,753
Fiscal services:				
Salaries	586,800	590,796	(3,996)	554,081
Employee benefits	175,600	141,637	33,963	140,036
Purchased services	135,500	70,970	64,530	87,946
Supplies and materials	6,000	5,130	870	4,103
Capital outlay	25,000	3,327	21,673	26,640
Other	2,500	1,904	596	955
Total	931,400	813,764	117,636	813,761
Operation and maintenance of plant services:				
Purchased services	579,052	677,474	(98,422)	1,280,474
Supplies and materials	47,000	57,732	(10,732)	41,820
Capital outlay	50,000	44,577	5,423	1,239,625
Total	676,052	779,783	(103,731)	2,561,919
Pupil transportation services:				
Salaries	20,000	11,820	8,180	-
Total	20,000	11,820	8,180	-
Food services:				
Salaries	779,600	753,231	26,369	712,722
Employee benefits	193,800	150,522	43,278	153,882
Purchased services	4,490,500	3,248,274	1,242,226	4,020,480
Supplies and materials	49,200	33,074	16,126	66,364
Capital outlay	45,000	9,654	35,346	29,834
Other	-	1,009	(1,009)	637
Total	\$ 5,558,100	\$ 4,195,764	\$ 1,362,336	\$ 4,983,919

(Continued)

NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
EDUCATIONAL ACCOUNT
YEAR ENDED JUNE 30, 2015 WITH COMPARATIVE ACTUAL TOTALS FOR 2014

	2015			2014
	Final Budget	Actual	Variance Over/Under	Actual
Internal services:				
Salaries	\$ 146,700	\$ 147,097	\$ (397)	\$ 139,945
Employee benefits	54,900	51,414	3,486	48,382
Supplies and materials	100,000	80,931	19,069	70,706
Total	301,600	279,442	22,158	259,033
Total business	7,719,652	6,295,124	1,424,528	8,829,385
Central:				
Planning, R&D, and evaluation:				
Salaries	16,000	16,251	(251)	15,730
Employee benefits	5,900	5,738	162	5,594
Total	21,900	21,989	(89)	21,324
Information services:				
Salaries	86,500	90,000	(3,500)	54,595
Employee benefits	13,100	-	13,100	7,248
Purchased services	99,700	64,469	35,231	59,289
Supplies and materials	7,500	4,147	3,353	6,475
Other	2,000	1,996	4	263
Total	208,800	160,612	48,188	127,870
Staff services:				
Salaries	806,900	854,412	(47,512)	792,002
Employee benefits	2,145,100	1,812,623	332,477	1,936,499
Purchased services	148,020	158,022	(10,002)	161,087
Supplies and materials	7,500	11,263	(3,763)	5,086
Other	5,700	4,470	1,230	3,280
Total	3,113,220	2,840,790	272,430	2,897,954
Data processing services:				
Salaries	1,824,900	1,961,697	(136,797)	1,891,727
Employee benefits	286,560	373,084	(86,524)	363,945
Purchased services	632,300	259,477	372,823	631,519
Supplies and materials	1,892,600	1,678,955	213,645	1,465,975
Capital outlay	420,000	202,511	217,489	433,491
Other	15,000	29,248	(14,248)	3,019
Total	5,071,360	4,504,972	566,388	4,789,676
Total central	\$ 8,415,280	\$ 7,528,363	\$ 886,917	\$ 7,836,824

(Continued)

NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
EDUCATIONAL ACCOUNT
YEAR ENDED JUNE 30, 2015 WITH COMPARATIVE ACTUAL TOTALS FOR 2014

	2015			2014 Actual
	Final Budget	Actual	Variance Over/Under	
Other support services:				
Salaries	\$ 314,700	\$ 290,383	\$ 24,317	\$ 287,946
Employee benefits	77,000	529,280	(452,280)	71,921
Purchased services	472,000	490,288	(18,288)	452,819
Supplies and materials	6,500	1,401	5,099	6,713
Capital outlay	-	-	-	5,850
Other objects	-	298,658	(298,658)	-
Total	<u>870,200</u>	<u>1,610,010</u>	<u>(739,810)</u>	<u>825,249</u>
Total support services	<u>63,223,051</u>	<u>60,905,110</u>	<u>2,317,941</u>	<u>61,019,044</u>
Community services:				
Salaries	339,294	301,494	37,800	330,377
Employee benefits	72,706	49,924	22,782	59,862
Purchased services	78,290	99,378	(21,088)	38,027
Supplies and materials	100,300	80,286	20,014	65,628
Other	10,900	4,214	6,686	5,814
Total community services	<u>601,490</u>	<u>535,296</u>	<u>66,194</u>	<u>499,708</u>
Non-programmed charges:				
Payments for regular programs:				
Other	-	150,701	(150,701)	143,948
Total	<u>-</u>	<u>150,701</u>	<u>(150,701)</u>	<u>143,948</u>
Payments for special education programs:				
Other	6,659,015	5,586,844	1,072,171	5,885,304
Total	<u>6,659,015</u>	<u>5,586,844</u>	<u>1,072,171</u>	<u>5,885,304</u>
Provision for contingencies	<u>537,900</u>	<u>-</u>	<u>537,900</u>	<u>-</u>
Total non-programmed charges	<u>7,196,915</u>	<u>5,737,545</u>	<u>1,459,370</u>	<u>6,029,252</u>
Total expenditures	<u>243,403,344</u>	<u>240,899,558</u>	<u>2,503,786</u>	<u>241,445,426</u>
Excess of revenues over expenditures	<u>\$ 2,951,462</u>	<u>\$ 12,694,412</u>	<u>\$ 9,742,950</u>	<u>\$ 7,379,603</u>

(Continued)

NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
EDUCATIONAL ACCOUNT
YEAR ENDED JUNE 30, 2015 WITH COMPARATIVE ACTUAL TOTALS FOR 2014

	2015			2014 Actual
	Final Budget	Actual	Variance Over/Under	
OTHER FINANCING SOURCES (USES)				
Transfers out	\$ -	\$ -	\$ -	\$ (6,085,563)
Total other financing sources (uses)	-	-	-	(6,085,563)
Net change in fund balance	<u>\$ 2,951,462</u>	12,694,412	<u>\$ 9,742,950</u>	1,294,040
Fund balance at beginning of year		<u>104,610,251</u>		<u>103,316,211</u>
FUND BALANCE AT END OF YEAR		<u>\$ 117,304,663</u>		<u>\$ 104,610,251</u>

NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
WORKING CASH ACCOUNT
YEAR ENDED JUNE 30, 2015 WITH COMPARATIVE ACTUAL TOTALS FOR 2014

	2015			2014 Actual
	Final Budget	Actual	Variance Over/Under	
REVENUES				
Local sources:				
Property taxes	\$ 2,038,500	\$ 1,837,783	\$ (200,717)	\$ 994,519
Earnings on investments	-	35	35	-
Total local sources	<u>2,038,500</u>	<u>1,837,818</u>	<u>(200,682)</u>	<u>994,519</u>
Total revenues	<u>2,038,500</u>	<u>1,837,818</u>	<u>(200,682)</u>	<u>994,519</u>
Net change in fund balance	<u>\$ 2,038,500</u>	<u>1,837,818</u>	<u>\$ (200,682)</u>	<u>994,519</u>
Fund balance at beginning of year		<u>5,227,001</u>		<u>4,232,482</u>
FUND BALANCE AT END OF YEAR		<u>\$ 7,064,819</u>		<u>\$ 5,227,001</u>

NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
TORT IMMUNITY ACCOUNT
YEAR ENDED JUNE 30, 2015 WITH COMPARATIVE ACTUAL TOTALS FOR 2014

	2015			2014 Actual
	Final Budget	Actual	Variance Over/Under	
REVENUES				
Local sources:				
Property taxes	\$ 2,027,200	\$ 2,029,172	\$ 1,972	\$ 1,850,963
Earnings on investments	1,500	491	(1,009)	1,604
Other	-	110,411	110,411	-
Total local sources	<u>2,028,700</u>	<u>2,140,074</u>	<u>111,374</u>	<u>1,852,567</u>
Total revenues	<u>2,028,700</u>	<u>2,140,074</u>	<u>111,374</u>	<u>1,852,567</u>
EXPENDITURES				
Current operating:				
Support services:				
Workers compensation insurance:				
Purchased services	1,241,500	1,211,569	29,931	749,995
Total	<u>1,241,500</u>	<u>1,211,569</u>	<u>29,931</u>	<u>749,995</u>
Unemployment insurance payments				
Purchased services	175,000	39,852	135,148	118,771
Total	<u>175,000</u>	<u>39,852</u>	<u>135,148</u>	<u>118,771</u>
Insurance payments (regular or self-insurance):				
Purchased services	540,500	-	540,500	495,095
Total	<u>540,500</u>	<u>-</u>	<u>540,500</u>	<u>495,095</u>
Risk management and claims services payments:				
Purchased services	-	-	-	14,548
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,548</u>
Total support services	<u>1,957,000</u>	<u>1,251,421</u>	<u>705,579</u>	<u>1,378,409</u>
Total expenditures	<u>1,957,000</u>	<u>1,251,421</u>	<u>705,579</u>	<u>1,378,409</u>
Net change in fund balance	<u>\$ 71,700</u>	888,653	<u>\$ 816,953</u>	474,158
Fund balance at beginning of year		<u>587,208</u>		<u>113,050</u>
FUND BALANCE AT END OF YEAR		<u>\$ 1,475,861</u>		<u>\$ 587,208</u>

NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
MAJOR SPECIAL REVENUE FUND - OPERATIONS AND MAINTENANCE FUND
YEAR ENDED JUNE 30, 2015 WITH COMPARATIVE ACTUAL TOTALS FOR 2014

	2015			2014 Actual
	Final Budget	Actual	Variance Over/Under	
REVENUES				
Local sources:				
Property taxes	\$ 28,971,000	\$ 28,843,638	\$ (127,362)	\$ 28,161,782
Pupil activities - fees	65,000	63,720	(1,280)	60,535
Earnings on investments	-	4,021	4,021	6,153
Rentals	475,000	404,237	(70,763)	432,607
Other	46,250	295,535	249,285	223,726
Total local sources	<u>29,557,250</u>	<u>29,611,151</u>	<u>53,901</u>	<u>28,884,803</u>
Total revenues	<u>29,557,250</u>	<u>29,611,151</u>	<u>53,901</u>	<u>28,884,803</u>
EXPENDITURES				
Current operating:				
Operations and maintenance of plant services:				
Salaries	8,876,400	8,327,131	549,269	8,267,774
Employee benefits	2,091,400	2,039,971	51,429	1,997,044
Purchased services	2,735,650	2,850,703	(115,053)	3,021,063
Supplies and materials	5,181,000	5,467,581	(286,581)	5,131,148
Capital outlay	9,792,250	10,384,557	(592,307)	14,629,630
Other	212,000	1,021	210,979	59,135
Total	<u>28,888,700</u>	<u>29,070,964</u>	<u>(182,264)</u>	<u>33,105,794</u>
Total support services	<u>28,888,700</u>	<u>29,070,964</u>	<u>(182,264)</u>	<u>33,105,794</u>
Total expenditures	<u>28,888,700</u>	<u>29,070,964</u>	<u>(182,264)</u>	<u>33,105,794</u>
Excess (deficiency) of revenues over expenditures	<u>668,550</u>	<u>540,187</u>	<u>(128,363)</u>	<u>(4,220,991)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	3,000,000
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,000,000</u>
Net change in fund balance	<u>\$ 668,550</u>	<u>540,187</u>	<u>\$ (128,363)</u>	<u>(1,220,991)</u>
Fund balance at beginning of year		<u>15,421,815</u>		<u>16,642,806</u>
FUND BALANCE AT END OF YEAR		<u>\$ 15,962,002</u>		<u>\$ 15,421,815</u>

NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
MAJOR SPECIAL REVENUE FUND - TRANSPORTATION FUND
YEAR ENDED JUNE 30, 2015 WITH COMPARATIVE ACTUAL TOTALS FOR 2014

	2015			2014 Actual
	Final Budget	Actual	Variance Over/Under	
REVENUES				
Local sources:				
Property taxes	\$ 6,680,800	\$ 6,687,014	\$ 6,214	\$ 6,194,555
Transportation fees from pupils or parer	5,000	8,450	3,450	8,284
Transportation fees from private sources	25,000	34,090	9,090	71,707
Transportation fees from co-curricular	150,000	187,917	37,917	153,881
Earnings on investments	1,150	118	(1,032)	135
Other	-	375	375	925
Total local sources	6,861,950	6,917,964	56,014	6,429,487
State sources:				
Restricted:				
Transportation aid	4,796,200	4,444,054	(352,146)	4,706,996
Total state sources	4,796,200	4,444,054	(352,146)	4,706,996
Total revenues	11,658,150	11,362,018	(296,132)	11,136,483
EXPENDITURES				
Current operating:				
Support services:				
Pupil transportation services:				
Salaries	3,976,200	3,729,863	246,337	3,775,013
Employee benefits	1,187,900	1,240,891	(52,991)	1,163,957
Purchased services	3,868,000	3,433,321	434,679	3,435,723
Supplies and materials	1,133,000	893,029	239,971	1,069,143
Capital outlay	1,276,100	1,265,684	10,416	1,772,930
Other	300	130	170	200
Total support services	11,441,500	10,562,918	878,582	11,216,966
Provision for contingencies	100,000	-	100,000	-
Total expenditures	11,541,500	10,562,918	978,582	11,216,966
Net change in fund balance	<u>\$ 116,650</u>	799,100	<u>\$ 682,450</u>	(80,483)
Fund balance at beginning of year		<u>6,189,693</u>		<u>6,270,176</u>
FUND BALANCE AT END OF YEAR		<u><u>\$ 6,988,793</u></u>		<u><u>\$ 6,189,693</u></u>

NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
MAJOR SPECIAL REVENUE FUND - MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND
YEAR ENDED JUNE 30, 2015 WITH COMPARATIVE ACTUAL TOTALS FOR 2014

	2015			2014 Actual
	Final Budget	Actual	Variance Over/Under	
REVENUES				
Local sources:				
Property taxes	\$ -	\$ 3,429,513	\$ 3,429,513	\$ 3,343,562
Social security/Medicare only levy	7,202,200	3,772,156	(3,430,044)	3,526,343
Replacement taxes	230,000	230,000	-	150,000
Earnings on investments	-	131	131	149
Total local sources	7,432,200	7,431,800	(400)	7,020,054
Total revenues	7,432,200	7,431,800	(400)	7,020,054
EXPENDITURES				
Current operating:				
Instruction:				
Regular programs	941,000	995,060	(54,060)	1,182,367
Pre kindergarten programs			-	
Special education programs	1,342,200	1,289,775	52,425	1,268,388
Educationally deprived/remedial programs	-	139,908	(139,908)	116,030
Vocational programs	51,000	45,480	5,520	55,145
Interscholastic programs	76,500	93,824	(17,324)	86,971
Summer school programs	76,600	45,690	30,910	30,467
Gifted programs	25,900	26,094	(194)	67,833
Bilingual programs	104,300	121,484	(17,184)	109,388
Truant's alternative and optional programs	100	134	(34)	116
Total instruction	2,617,600	2,757,449	(139,849)	2,916,705
Support services:				
Pupils:				
Attendance and social work services	64,300	61,134	3,166	64,008
Guidance services	58,800	60,845	(2,045)	61,974
Health services	309,700	312,927	(3,227)	315,233
Psychological services	23,800	26,627	(2,827)	26,078
Speech pathology and audiology services	49,500	64,044	(14,544)	56,195
Other	1,200	3,382	(2,182)	3,270
Total pupils	507,300	528,959	(21,659)	526,758
Instructional staff:				
Improvement of instruction services	82,700	95,979	(13,279)	87,258
Education media	241,500	231,208	10,292	241,830
Assessment and testing	43,200	37,584	5,616	40,766
Total instructional staff	\$ 367,400	\$ 364,771	\$ 2,629	\$ 369,854

(Continued)

NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
MAJOR SPECIAL REVENUE FUND - MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND
YEAR ENDED JUNE 30, 2015 WITH COMPARATIVE ACTUAL TOTALS FOR 2014

	2015			2014 Actual
	Final Budget	Actual	Variance Over/Under	
General administration:				
Board of education services	\$ 28,300	\$ 29,288	\$ (988)	\$ 28,060
Executive administration services	35,800	44,417	(8,617)	37,673
Special area administration services	44,900	47,012	(2,112)	45,505
Total general administration	<u>109,000</u>	<u>120,717</u>	<u>(11,717)</u>	<u>111,238</u>
School administration:				
Office of the principal services	547,000	528,968	18,032	540,183
Other support services	45,700	51,182	(5,482)	48,784
Total school administration	<u>592,700</u>	<u>580,150</u>	<u>12,550</u>	<u>588,967</u>
Business:				
Director of business support services	2,600	2,421	179	2,433
Fiscal services	115,100	114,154	946	111,471
Operation and maintenance of plant services	1,605,900	1,498,216	107,684	1,546,566
Pupil transportation services	663,100	701,828	(38,728)	718,571
Food services	59,700	70,245	(10,545)	61,695
Internal services	27,200	27,138	62	25,939
Total business	<u>2,473,600</u>	<u>2,414,002</u>	<u>59,598</u>	<u>2,466,675</u>
Central:				
Planning, R&D, and evaluation services	200	222	(22)	214
Information services	14,700	17,233	(2,533)	10,356
Staff services	132,500	139,086	(6,586)	130,089
Data processing services	345,100	345,170	(70)	337,704
Total central	<u>492,500</u>	<u>501,711</u>	<u>(9,211)</u>	<u>478,363</u>
Other support services	<u>54,500</u>	<u>52,633</u>	<u>1,867</u>	<u>52,740</u>
Total support services	<u>4,597,000</u>	<u>4,562,943</u>	<u>34,057</u>	<u>4,594,595</u>
Community services	<u>48,000</u>	<u>49,861</u>	<u>(1,861)</u>	<u>51,035</u>
Total expenditures	<u>7,262,600</u>	<u>7,370,253</u>	<u>(107,653)</u>	<u>7,562,335</u>
Net change in fund balance	<u>\$ 169,600</u>	61,547	<u>\$ (108,053)</u>	(542,281)
Fund balance at beginning of year		<u>3,502,314</u>		<u>4,044,595</u>
FUND BALANCE AT END OF YEAR		<u>\$ 3,563,861</u>		<u>\$ 3,502,314</u>

NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
MAJOR DEBT SERVICE FUND
YEAR ENDED JUNE 30, 2015 WITH COMPARATIVE ACTUAL TOTALS FOR 2014

	2015			2014 Actual
	Final Budget	Actual	Variance Over/Under	
REVENUES				
Local sources:				
Property taxes	\$ 3,132,400	\$ 3,111,861	\$ (20,539)	\$ 1,566,367
Earnings on investments	-	66	66	44
Total local sources	3,132,400	3,111,927	(20,473)	1,566,411
Federal sources:				
Unrestricted:				
Bond interest reimbursement	415,400	400,167	(15,233)	420,799
Total federal sources	415,400	400,167	(15,233)	420,799
Total revenues	3,547,800	3,512,094	(35,706)	1,987,210
EXPENDITURES				
Debt service:				
Principal retirement	1,880,000	1,880,000	-	2,330,000
Interest on bonds	1,661,452	1,641,453	19,999	1,744,844
Purchased services	1,000	850	150	1,000
Total expenditures	3,542,452	3,522,303	20,149	4,075,844
Excess (deficiency) of revenues over expenditures	5,348	(10,209)	(15,557)	(2,088,634)
OTHER FINANCING SOURCES				
Transfers in	-	-	-	3,085,563
Total other financing sources	-	-	-	3,085,563
Net change in fund balance	\$ 5,348	(10,209)	\$ (15,557)	996,929
Fund balance at beginning of year		1,449,828		452,899
FUND BALANCE AT END OF YEAR		\$ 1,439,619		\$ 1,449,828

NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
FIDUCIARY FUND - AGENCY FUND - ACTIVITY FUNDS
YEAR ENDED JUNE 30, 2015

	<u>Balance</u> <u>July 1, 2014</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2015</u>
Assets:				
Cash	<u>\$ 2,840,859</u>	<u>\$ 5,326,527</u>	<u>\$ 5,536,538</u>	<u>\$ 2,630,848</u>
Liabilities:				
Due to organizations	<u>\$ 2,840,859</u>	<u>\$ 5,326,527</u>	<u>\$ 5,536,538</u>	<u>\$ 2,630,848</u>

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NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203
FIVE YEAR SUMMARY OF TAX LEVIES AND COLLECTIONS
JUNE 30, 2015

	2014		2013		2012	
Tax Levies and Collections						
Assessed valuation	\$ 4,163,178,209		\$ 4,143,826,550		\$ 4,584,207,156	
Property tax extensions:						
Educational Fund	\$ 145,723,727		\$ 150,006,148		\$ 166,634,619	
Operations and Maintenance Fund	29,000,699		29,006,413		28,236,137	
Debt Service Fund	3,126,547		3,132,733		-	
Transportation Fund	6,944,181		6,505,434		6,082,028	
Municipal Retirement Fund	3,401,317		3,432,246		3,364,526	
Tort Immunity Fund	2,060,773		2,020,321		1,738,338	
Working Cash	1,706,903		1,989,037		-	
Special Education Fund	32,156,388		23,290,880		5,862,039	
Social Security Fund	3,838,450		3,811,574		3,364,526	
Total levies extended	\$ 227,958,985		\$ 223,194,786		\$ 215,282,213	
Total collected through June 30, 2014	\$ -		\$ 109,543,622		\$ 212,279,532	
Total collected in year ended June 30, 2015	113,077,494		113,299,957		-	
Total collections	\$ 113,077,494		\$ 222,843,579		\$ 212,279,532	
Percentage of extensions collected	49.60%		99.84%		98.61%	
	2014 Rate		2013 Rate		2012 Rate	
	DuPage	Will	DuPage	Will	DuPage	Will
Rates extended by year of levy (per \$100 of: assessed valuation):						
Educational	3.5003	3.5003	3.6200	3.6199	3.8631	3.8631
Operations and Maintenance	0.6966	0.6966	0.7000	0.6999	0.6546	0.6546
Debt Service	0.0751	0.0751	0.0756	0.0756	-	-
Transportation	0.1668	0.1668	0.1570	0.1569	0.1410	0.1410
Illinois Municipal Retirement	0.0817	0.0817	0.0829	0.0821	0.0780	0.0780
Tort Immunity	0.0495	0.0495	0.0488	0.0483	0.0403	0.0403
Special Education	0.7724	0.7724	0.5619	0.5637	0.1359	0.1359
Fire Prevention and Life Safety	-	-	-	-	-	-
Working Cash	0.0410	0.0410	0.0480	0.0480	-	-
Social Security	0.0922	0.0922	0.0920	0.0918	0.0780	0.0780
Total rates extended	5.4756	5.4756	5.3862	5.3862	4.9909	4.9909

Source of information: DuPage and Will Counties, Rate and Extension Reports for 2010-2014

2011		2010	
\$	4,584,207,156	\$	4,828,639,663
\$	163,572,332	\$	156,849,126
	29,976,684		33,901,879
	313		-
	5,980,555		5,813,682
	3,230,987		3,031,962
	1,554,773		1,453,421
	-		-
	3,178,312		-
	3,228,419		3,031,962
\$	210,722,375	\$	204,082,032
\$	207,363,633	\$	204,305,701
\$	207,363,633	\$	204,305,701
	98.41%		100.11%

2011 Rate		2010 Rate	
DuPage	Will	DuPage	Will
3.6487	3.5920	3.2142	3.2142
0.5486	0.5430	0.7021	0.7021
-	-	-	-
0.1297	0.1284	0.1204	0.1204
0.0724	0.0716	0.0628	0.0627
0.0350	0.0346	0.0301	0.0301
0.0998	0.0987	0.0341	0.0342
-	-	-	-
-	-	-	-
0.0724	0.0716	0.0628	0.0627
4.6066	4.5399	4.2265	4.2264

NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203
OPERATING COST AND TUITION CHARGE
LAST THREE FISCAL YEARS

Operating Cost Per Pupil	<u>2015</u>	<u>2014</u>	<u>2013</u>
Average Daily Attendance (ADA):	<u>15,682</u>	<u>15,897</u>	<u>16,035</u>
Operating Costs:			
Educational	\$ 198,298,174	\$ 196,537,960	\$ 196,393,648
Operations and Maintenance	29,070,964	33,105,794	24,903,619
Debt Service	3,522,303	4,075,844	3,555,742
Transportation	10,562,918	11,216,966	10,417,934
Municipal Retirement/Social Security	7,370,253	7,562,335	6,944,664
Tort	<u>1,251,421</u>	<u>1,378,409</u>	<u>1,881,316</u>
Subtotal	<u>250,076,033</u>	<u>253,877,308</u>	<u>244,096,923</u>
Less Revenue/Expenditures of Nonregular Programs:			
Pre-K programs	-	-	212,539
Summer school	1,159,313	759,306	974,877
Capital outlay	12,631,453	19,694,623	12,496,069
Debt principal retired	1,880,000	2,330,000	1,790,000
Community services	585,157	550,743	537,784
Payments to other districts & governmental units	<u>5,737,545</u>	<u>6,029,252</u>	<u>6,476,856</u>
Subtotal	<u>21,993,468</u>	<u>29,363,924</u>	<u>22,488,125</u>
Operating costs	<u>\$ 228,082,565</u>	<u>\$ 224,513,384</u>	<u>\$ 221,608,798</u>
Operating Cost Per Pupil - Based on ADA	<u>\$ 14,544</u>	<u>\$ 14,123</u>	<u>\$ 13,820</u>
Tuition Charge			
Operating Costs	228,082,565	224,513,384	221,608,798
Less - revenues from specific programs, such as special education or lunch programs	<u>28,013,896</u>	<u>27,002,949</u>	<u>31,887,087</u>
Net operating costs	200,068,669	197,510,435	189,721,711
Depreciation allowance	<u>14,788,865</u>	<u>13,855,236</u>	<u>12,782,999</u>
Allowable Tuition Costs	<u>\$ 214,857,534</u>	<u>\$ 211,365,671</u>	<u>\$ 202,504,710</u>
Tuition Charge Per Pupil - Based on ADA	<u>\$ 13,701</u>	<u>\$ 13,296</u>	<u>\$ 12,629</u>

Source of information: Annual Financial Report

NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203
2008 GENERAL OBLIGATION BONDS
JUNE 30, 2015

YEAR ENDED JUNE 30,	PRINCIPAL	INTEREST	TOTAL
2016	\$ -	\$ 374,712	\$ 374,712
2017	-	374,712	374,712
2018	-	374,712	374,712
2019	-	374,712	374,712
2020	-	374,712	374,712
2021	-	374,712	374,712
2022	-	374,712	374,712
2023	-	374,712	374,712
2024	-	374,712	374,712
2025	1,510,000	374,712	1,884,712
2026	2,720,000	316,200	3,036,200
2027	2,830,000	210,800	3,040,800
2028	2,440,000	97,600	2,537,600
Total	\$ 9,500,000	\$ 4,371,720	\$ 13,871,720

Paying Agent: Bond Trust Services Corporation, Minnesota

Principal payment date: February

Interest payment dates: February and August

Interest rates: 3.875% - 4.000%

NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203
2009 GENERAL OBLIGATION BONDS
JUNE 30, 2015

YEAR ENDED JUNE 30,	PRINCIPAL	INTEREST	TOTAL
2016	\$ 1,940,000	\$ 1,200,000	\$ 3,140,000
2017	2,000,000	1,103,000	3,103,000
2018	2,070,000	1,003,000	3,073,000
2019	2,130,000	899,500	3,029,500
2020	2,200,000	793,000	2,993,000
2021	2,270,000	683,000	2,953,000
2022	2,350,000	569,500	2,919,500
2023	2,430,000	452,000	2,882,000
2024	2,510,000	330,500	2,840,500
2025	1,080,000	205,000	1,285,000
2026	-	151,000	151,000
2027	-	151,000	151,000
2028	-	151,000	151,000
2029	3,020,000	151,000	3,171,000
Total	\$ 24,000,000	\$ 7,842,500	\$ 31,842,500

Paying Agent: Bond Trust Services Corporation, Minnesota

Principal payment date: February 1

Interest payment dates: February 1 and August 1

Interest rates: 1.50% to 5.00%

NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203
EMPLOYEE HEALTH BENEFIT PLAN RESERVE
SCHEDULE OF ASSETS AND CHANGES IN FUND BALANCE
JUNE 30, 2015

	<u>2015</u>	<u>2014</u>
Assets		
Cash	\$ 16,565,600	\$ 17,194,480
Total assets	<u>\$ 16,565,600</u>	<u>\$ 17,194,480</u>
Liabilities and fund balance		
Accrued claims outstanding	\$ 4,800,862	\$ 4,366,102
Total liabilities	<u>4,800,862</u>	<u>4,366,102</u>
Fund balances		
Increases during the year		
Contributions	<u>30,422,355</u>	<u>29,912,946</u>
Total increases during the year	<u>30,422,355</u>	<u>29,912,946</u>
Decreases during the year		
Employer benefit claims, premiums and other services	<u>31,485,995</u>	<u>28,108,201</u>
Total decreases during the year	<u>31,485,995</u>	<u>28,108,201</u>
Net increase (decrease) during the year	(1,063,640)	1,804,745
Beginning fund balance	<u>12,828,378</u>	<u>11,023,633</u>
Ending fund balance	<u>11,764,738</u>	<u>12,828,378</u>
Total liabilities and fund balance	<u>\$ 16,565,600</u>	<u>\$ 17,194,480</u>

Description of reserve:

This reserve was established in fiscal year 1982 to account for amounts reserved to pay employee health benefit plan claims for medical, dental, and vision expense reimbursements. The reserve is funded based upon actuarial assumptions of future claims to be paid. Premiums for minimum insurance coverage (the insurance carrier pays all claims over a maximum limit) are paid from this fund. The Board of Education may elect to reduce the level of contributions into the reserve in order to maintain the fund at a specified limit. If claims exceed the fund balance, the General Fund is obligated to pay the additional claims.

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