

An abstract geometric graphic composed of several overlapping, semi-transparent, light gray triangular and polygonal shapes. The shapes are arranged to create a sense of depth and movement, pointing towards the upper right. The overall effect is a modern, architectural design element.

# Naperville Community Unit School District No. 203

Naperville, Illinois

Annual Financial Report

Year Ended June 30, 2020

**WIPFLI**

# Naperville Community Unit School District No. 203

Year Ended June 30, 2020

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# Naperville Community Unit School District No. 203

Year Ended June 30, 2020

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## **Independent Auditor's Report**

**Board of Education  
Naperville Community Unit School District No. 203  
Naperville, Illinois**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Naperville Community Unit School District No. 203 (the "District"), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

#### ***Management's Responsibility for the Financial Statements***

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

#### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

#### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the District, as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Other Matters***

### *Required Supplementary Information*

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

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual fund financial statements and schedules, are the responsibility of management and were derived from and relate directly to the underlying accounting and other recorded used to prepare the basic financial statements. Such information has been subjected to the auditing 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 financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

We have also audited, in accordance with auditing standards generally accepted in the United States of America, the District's basic financial statements for the year ended June 30, 2019, which are not presented with the accompanying financial statements, and we expressed unmodified opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information. The audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements as a whole. The schedules of revenues, expenditures and changes in fund balances - budget and actual, related to the 2019 financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the 2019 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of those 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 2019 schedules of revenues, expenditures and changes in fund balances - budget and actual are fairly stated in material respects in relation to the basic financial statements from which they have been derived.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 2, 2020 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely 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 the effectiveness of District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Wipfli LLP". The signature is written in a cursive, flowing style.

**Aurora, Illinois  
December 2, 2020**

# Naperville Community Unit School District No. 203

## Management's Discussion and Analysis

For the Year Ended June 30, 2020

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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, 2020. The management of the District encourages readers to consider the information presented herein in conjunction with the basic financial statements to enhance their understanding of the District's financial performance. 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, after the restatement described in Note 12.
- General revenues accounted for \$265.7 in revenue or 64.6% of all revenues. Program specific revenues in the form of charges for services and fees and grants accounts for \$145.5 or 35.4% of total revenues of \$411.2.
- The District had \$399.6 in expenses related to government activities. However, only \$145.5 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 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.

# Naperville Community Unit School District No. 203

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

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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. 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.

### *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.

# Naperville Community Unit School District No. 203

## Management's Discussion and Analysis

For the Year Ended June 30, 2020

### Other information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's participation in the Illinois Municipal Retirement Fund (IMRF) and Teachers' Retirement System (TRS) pension funds and other postemployment benefits obligation.

### District-Wide Financial Analysis

The District's combined net position was lower on June 30, 2020 than it was the year before, decreasing 240% to \$(63.2) million.

	<b>2020</b>	<b>2019</b>
<b>Assets</b>		
Current and other assets	\$ 387.8	\$ 353.6
Capital Assets	112.5	114.6
Total Assets	<u>500.3</u>	<u>468.2</u>
<b>Deferred Outflows</b>		
Deferred outflows related to pensions and OPEB	14.3	31.2
<b>Liabilities</b>		
Current liabilities	31.7	26.5
Long-term debt outstanding	259.4	268.2
Total Liabilities	<u>291.1</u>	<u>294.7</u>
<b>Deferred Inflows</b>		
Property taxes levied for subsequent year	249.6	120.6
Deferred inflows related to pensions and OPEB	37.1	38.1
Total Deferred Inflows	<u>286.7</u>	<u>158.7</u>
<b>Net Position</b>		
Net investment in capital assets	95.6	97.0
Restricted	25.2	40.0
Unrestricted	(184.0)	(91.0)
Total Net Position	<u>\$ (63.2)</u>	<u>\$ 46.0</u>

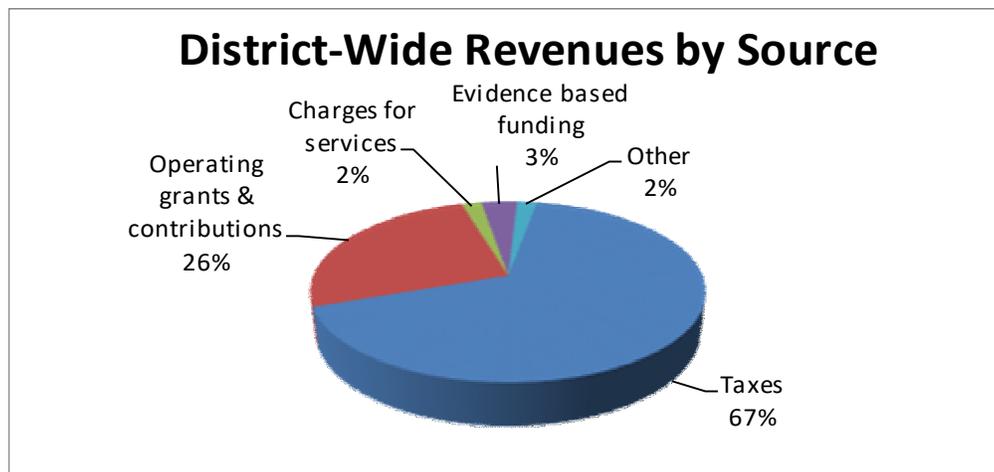
Revenues in the governmental activities of the District of \$368.7 exceeded expenses by \$12.6. This was primarily attributable to higher than anticipated investment income and a reduction of some expenses due to moving to remote learning in the spring.

# Naperville Community Unit School District No. 203

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

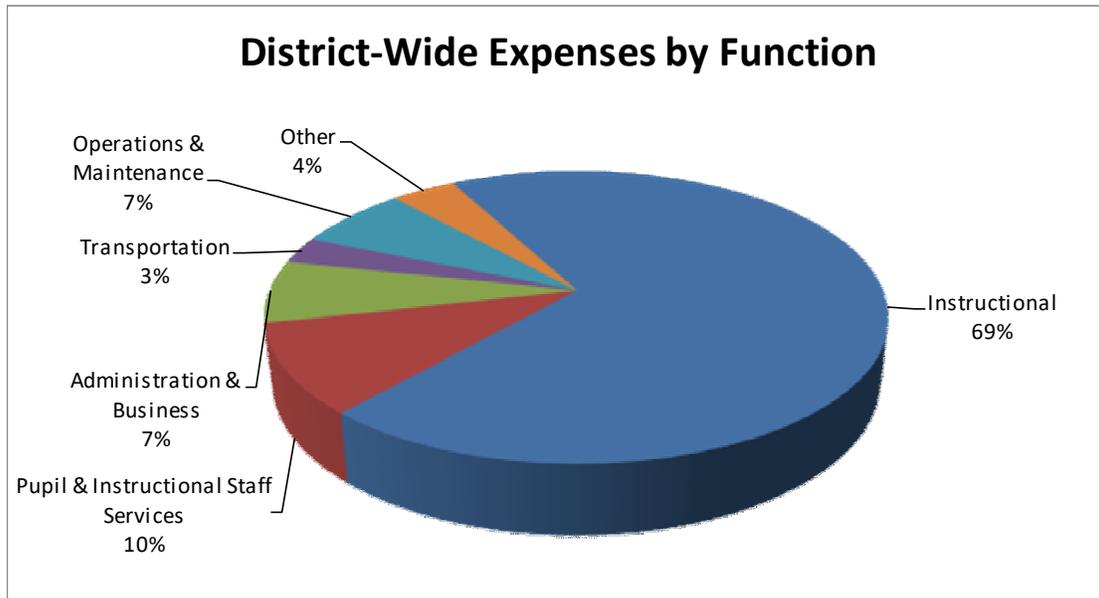
<b>Table 2</b>		
<b>Changes in Net Position</b>		
<b>(in millions of dollars)</b>		
	<b>2020</b>	<b>2019</b>
<b>Revenues</b>		
<i>Program Revenues</i>		
Charges for services	\$ 7.1	\$ 8.3
Operating grants & contributions	95.9	109.4
Capital grants & Contributions	-	-
<i>General revenues:</i>		
Taxes	245.9	241.5
Evidence based funding	12.7	12.6
Other	7.1	7.6
<b>Total revenues</b>	<b>368.7</b>	<b>379.4</b>
<b>Expenses</b>		
Instruction	248.7	261.6
Pupil & instructional staff services	33.9	36.4
Administration & Business	23.8	24.9
Transportation	11.5	13.9
Operations & maintenance	24.2	23.9
Other	14.0	13.4
<b>Total expenses</b>	<b>356.1</b>	<b>374.1</b>
<b>Increase in net position</b>	<b>12.6</b>	<b>5.3</b>
Net position - beginning of year	46.0	40.7
Restatement	(121.8)	-
<b>Net position - end of year</b>	<b>\$ (63.2)</b>	<b>\$ 46.0</b>

Property taxes accounted for the largest portion of the District's revenues, contributing 66.8%. The remainder of revenues came from state, federal grants and other sources. The total cost of all the District's programs was \$356.1, mainly related to instructing and caring for the students and student transportation, which accounts for 72.1% of the expenditures.



# Naperville Community Unit School District No. 203

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



### 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 \$354.7 compared to \$347.1 in the prior year, an increase of \$7.6 or 2.2%. There was a increase in total expenditures compared to the prior year of \$6.6 or 2%.

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 reporting an operating increase of \$18.7, due to revenue outpacing expenditures consistent with budget, which has resulted in a favorable financial position for the District.

The District Operating Funds (excluding Debt Service) budgeted for a \$12.9 increase in fund balance, realizing an actual increase of \$22.2.

The fund balance in the General Fund increased by \$11.6 to \$69.1, after the restatement described in Note 1. Of the total fund balance, \$1.3 is restricted for tort immunity. The District continues to enhance the curriculum and provide additional support to bolster student growth. A few highlights include the implementation of Next Generation Science Standards for grades 6-12, increased technology put in the hands of our students through the Digital Learning Initiative (DLI), and implemented standards based grading and reporting for grades K-5.

# Naperville Community Unit School District No. 203

## Management's Discussion and Analysis

For the Year Ended June 30, 2020

The fund balance in the Operations and Maintenance Fund increased by \$8.2, after the restatement described in Note 1 to \$16.6. The fund balance is restricted for operating and maintenance costs. The District strives to maintain safe and efficient facilities to support student learning. By committing to a proactive approach to our Operations and Maintenance, the District mitigates the risk of unexpected and costly repairs, while extending the useful life of our facilities. In the past fiscal year, continued efforts were put forth to create front entrance security enhancements and modernize school learning commons. Preventative maintenance efforts were made in areas of hard surface paving, roofing improvements, and mechanical system upgrades, as well as other minor efforts typical for buildings of their kind.

The Transportation Fund experienced an increase in fund balance, all of which is restricted for transportation purposes.

The Municipal Retirement/Social Security Fund experienced an increase in fund balance, all of which is restricted for employee retirement purposes.

### General Fund Budgetary Highlights

General Fund: The largest revenue source in the General Fund is property taxes at 65.1% of all revenue from that fund. Property tax revenue in the 2020 fiscal year increased slightly compared to the prior fiscal year. State revenue sources represent 27.2% of all revenue in the General Fund, which increased by \$3.0 compared to the prior fiscal year. Federal revenue sources represent 2.8% of all revenues, which increased by \$2.8 compared to the prior fiscal year. Total expenditures of \$284.7 in General Fund increased by 2.2% over the prior year. Actual revenues recognized were greater than budgeted by \$0.8 (0.3%). Actual expenditures were \$2.0 (0.7%) less than the budget. The fund balance at year-end was \$69.2, a decrease of \$110.6 due to the reclassification of early property taxes.

### Capital Assets and Debt Administration

#### Capital Assets

By the end of 2020, the District had compiled a total investment of \$296.4 (\$112.5 net of accumulated depreciation) in a broad range of capital assets including buildings, land and equipment. Total depreciation expense for the year was \$12.4. More detailed information about capital assets can be found in Note 4 of the basic financial statements.

	<b>2020</b>	<b>2019</b>
Land	\$ 12.8	\$ 12.8
Buildings	94.6	96.2
Land Improvements	3.0	3.0
Machinery and equipment	2.1	2.6
<b>Total</b>	<b>\$ 112.5</b>	<b>\$ 114.6</b>

# Naperville Community Unit School District No. 203

## Management's Discussion and Analysis

For the Year Ended June 30, 2020

### Long-term Debt

The District retired \$2.2 in general obligation bonds in 2020. Capital Leases, Net Pension Liabilities, Net OPEB Liabilities, and Compensated Absences decreased by \$6.6. At the end of fiscal year 2020, the District had a debt margin of \$693.5. More detailed information on long-term debt can be found in Note 5 of the basic financial statements.

	2020	2019
General Obligation Bonds	\$ 13.7	\$ 15.9
Capital leases and other	4.7	3.1
Pension and OPEB	241.0	249.2
Total	<u>\$ 259.4</u>	<u>\$ 268.2</u>

### Factors Bearing on the District's Future

At this 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 FY21; the contract has a salary schedule for FY21 that includes a base increase of 1.27% over the FY20 schedule. Contract talks for the FY22 year and beyond will begin during fiscal year 2021.

Maintenance and Custodial Staff (NUMA) are contracted through FY22; the contract has a salary schedule that includes 3% on the base and 100% of CPI-U increase in stipends (year 1), base increase of 100% of CPI-U with a floor of 1.5% and a ceiling of 2.4% and 1% increase in stipends (years 2-4)

Education Support Staff (NESPA) are contracted through FY21; all current employees will receive a base increase of 95% of CPI-U (year 2), base increase of 95% of CPI-U with a floor of 1.5% and a ceiling of 2.4% (year 3). Contract talks for the FY22 year and beyond will begin during fiscal year 2021.

Transportation Staff (NTA) are contracted through 2021; the contract has a salary schedule that includes a base increase of 2.75% (year 1), base increase of 100% of CPI-U with no floor and a ceiling of 2.5% (years 2-4). Contract talks for the FY22 year and beyond will begin during fiscal year 2021.

The District has a current balance in the self-insurance fund of \$13.4. The established reserve percentage is 30% of plan costs and the balance is approximately 35.5%. The District is continuing its efforts in implementing health and well-being initiatives focused on ensuring all employees know their benefits, understand their health, and improve their health.

# **Naperville Community Unit School District No. 203**

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

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The COVID-19 pandemic has developed rapidly in 2020, with a significant number of cases. We have taken several measures for our students and staff and securing the supply of materials that are essential to our schools. At this stage, the impact on the District is unknown and we will continue to follow the various government policies and advice and, in parallel, we will do our utmost to continue our operations in the best and safest way possible without jeopardizing the health of the students and staff.

### **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

# **Basic Financial Statements**

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# Naperville Community Unit School District No. 203

## Statement of Net Position

<i>June 30, 2020</i>	<b>Governmental Activities</b>
<b>Assets</b>	
Cash and cash equivalents	\$ 258,642,814
Receivables	
Taxes receivable	123,189,454
Intergovernmental accounts receivable	3,726,266
Other receivables	1,020,049
Prepaid items	1,300,902
Capital assets	
Land	12,787,618
Other capital assets, net of depreciation	<u>99,694,254</u>
Total assets	<u>500,361,357</u>
<b>Deferred outflow of resources</b>	
Deferred outflows related to pensions and other postemployment benefits	<u>14,316,730</u>
<b>Liabilities</b>	
Current liabilities	
Accounts payable	12,932,847
Accrued salaries and related expenses	18,203,567
Unearned revenue	581,970
Noncurrent liabilities	
Due within one year	3,843,526
Due in more than one year	<u>255,574,633</u>
Total liabilities	<u>291,136,543</u>
<b>Deferred inflow of resources</b>	
Property taxes levied for subsequent year	249,629,146
Deferred inflows related to pensions and other postemployment benefits	<u>37,097,021</u>
Total deferred inflow of resources	<u>286,726,167</u>
<b>Net position (deficit)</b>	
Net investment in capital assets	95,590,885
Restricted for	
Tort immunity	1,264,004
Operations and maintenance	16,614,159
Student transportation	6,814,247
Employee retirement	245,781
Debt service	255,088
Unrestricted	<u>(183,968,787)</u>
Total net position (deficit)	<u>\$ (63,184,623)</u>

See accompanying notes to financial statements.

# Naperville Community Unit School District No. 203

## Statement of Activities

<i>For the Year Ended June 30, 2020</i>	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Total Governmental Activities
<b>Functions/Programs</b>				
Governmental activities				
Instructional services				
Regular programs	\$ 111,040,361	\$ 4,047,513	\$ 3,490,410	\$ (103,502,438)
Special programs	31,458,269	-	7,355,274	(24,102,995)
Other programs	29,585,170	-	1,154,774	(28,430,396)
State retirement contributions	119,126,738	-	119,126,738	-
Support services				
Pupils	19,794,810	-	-	(19,794,810)
Instructional staff	14,102,118	-	330,771	(13,771,347)
General administration	4,141,634	-	-	(4,141,634)
School administration	13,920,492	-	-	(13,920,492)
Business	5,785,312	2,539,466	1,166,397	(2,079,449)
Operations and Maintenance	24,169,276	315,933	50,000	(23,803,343)
Transportation	11,519,521	152,826	5,506,333	(5,860,362)
Central	9,458,654	-	-	(9,458,654)
Other	2,225,094	-	-	(2,225,094)
Community Services	1,214,251	-	-	(1,214,251)
Non-programmed charges	217,312	-	-	(217,312)
Interest on long-term liabilities	<u>837,601</u>	<u>-</u>	<u>260,758</u>	<u>(576,843)</u>
Total governmental activities	\$ <u>398,596,613</u>	\$ <u>7,055,738</u>	\$ <u>138,441,455</u>	<u>(253,099,420)</u>
<b>General revenues</b>				
Property taxes levied for				
General purposes				193,727,585
Operations & maintenance				33,776,605
Transportation				7,561,944
Retirement				8,272,486
Personal property replacement taxes				2,622,141
Federal and state aid not restricted for specific purposes				12,666,370
Earnings on investments				5,596,960
Miscellaneous				<u>1,455,166</u>
Total general revenue				<u>265,679,257</u>
Change in net position				<u>12,579,837</u>
Net position, beginning of year as originally stated				46,011,613
Prior period adjustments				<u>(121,776,073)</u>
Net position (deficit), beginning of year as restated				<u>(75,764,460)</u>
Net position (deficit), ending				\$ <u>(63,184,623)</u>

See accompanying notes to financial statements.

# Naperville Community Unit School District No. 203

## Balance Sheet - Governmental Funds

<i>June 30, 2020</i>	<b>General Fund</b>	<b>Operations and Maintenance</b>	<b>Transportation</b>
<b>Assets</b>			
Cash and cash equivalents	\$ 186,885,000	\$ 37,445,153	\$ 9,912,465
Receivables			
Taxes receivable	98,138,386	16,990,878	3,878,811
Intergovernmental accounts receivable	2,341,980	-	1,384,286
Other receivables	626,011	175,381	9,073
Prepaid items	<u>1,300,902</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 289,292,279</u>	<u>\$ 54,611,412</u>	<u>\$ 15,184,635</u>
<b>Liabilities, deferred inflows, and fund balances</b>			
<b>Liabilities</b>			
Accounts payable	\$ 3,069,025	\$ 3,491,224	\$ 450,485
Accrued salaries and related expenses	17,588,945	75,983	59,942
Unearned revenue	<u>581,970</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>21,239,940</u>	<u>3,567,207</u>	<u>510,427</u>
<b>Deferred inflow of resources</b>			
Property taxes levied for subsequent year	<u>198,866,060</u>	<u>34,430,046</u>	<u>7,859,961</u>
Total deferred inflow of resources	<u>198,866,060</u>	<u>34,430,046</u>	<u>7,859,961</u>
<b>Fund balances</b>			
Nonspendable			
Prepaid items	1,300,902	-	-
Restricted			
Tort immunity	1,264,004	-	-
Operations and maintenance	-	16,614,159	-
Student transportation	-	-	6,814,247
Employee retirement	-	-	-
Debt service	-	-	-
Unassigned	<u>66,621,373</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>69,186,279</u>	<u>16,614,159</u>	<u>6,814,247</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 289,292,279</u>	<u>\$ 54,611,412</u>	<u>\$ 15,184,635</u>

See accompanying notes to financial statements.

<b>Municipal Retirement/ Social Security</b>	<b>Debt Service</b>	<b>Total</b>
\$ 5,016,178	\$ 255,088	\$ 239,513,884
4,181,379	-	123,189,454
-	-	3,726,266
-	-	810,465
<u>-</u>	<u>-</u>	<u>1,300,902</u>
<u>\$ 9,197,557</u>	<u>\$ 255,088</u>	<u>\$ 368,540,971</u>
\$ -	\$ -	\$ 7,010,734
478,697	-	18,203,567
<u>-</u>	<u>-</u>	<u>581,970</u>
<u>478,697</u>	<u>-</u>	<u>25,796,271</u>
<u>8,473,079</u>	<u>-</u>	<u>249,629,146</u>
<u>8,473,079</u>	<u>-</u>	<u>249,629,146</u>
-	-	1,300,902
-	-	1,264,004
-	-	16,614,159
-	-	6,814,247
245,781	-	245,781
-	255,088	255,088
<u>-</u>	<u>-</u>	<u>66,621,373</u>
<u>245,781</u>	<u>255,088</u>	<u>93,115,554</u>
<u>\$ 9,197,557</u>	<u>\$ 255,088</u>	<u>\$ 368,540,971</u>

# Naperville Community Unit School District No. 203

## Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position

June 30, 2020

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<b>Total fund balances - governmental funds</b>		\$ 93,115,554
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		112,481,872
Internal service funds are used by management to account for healthcare related activities. The net position is not included in the governmental funds		13,416,401
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		
Bonds and capital leases	(16,890,987)	
Compensated absences	(1,521,438)	
Net other postemployment benefits liabilities	(206,886,339)	
Net pension liabilities	<u>(34,119,395)</u>	<u>(259,418,159)</u>
Deferred inflows and outflows of resources related to pensions and other postemployment benefits are not reported in the governmental funds		
Deferred outflows	14,316,730	
Deferred inflows	<u>(37,097,021)</u>	<u>(22,780,291)</u>
Net position (deficit) of governmental activities		<u>\$ (63,184,623)</u>

See accompanying notes to financial statements.

# Naperville Community Unit School District No. 203

## Statement of Revenues, Expenditures and Changes In Fund Balance - Governmental Funds

<i>Year Ended June 30, 2020</i>	<b>General Fund</b>	<b>Operations and Maintenance</b>	<b>Transportation</b>
<b>Revenues</b>			
Local sources			
Property taxes	\$ 193,727,585	\$ 33,776,605	\$ 7,561,944
Corporate replacement taxes	2,383,541	-	-
Charges for services	6,340,028	51,918	152,826
Earnings on investments	4,190,543	504,105	112,387
Other	1,569,193	396,939	-
State resources	81,057,876	50,000	5,506,333
Federal resources	<u>8,399,038</u>	<u>-</u>	<u>-</u>
Total revenues	<u>297,667,804</u>	<u>34,779,567</u>	<u>13,333,490</u>
<b>Expenditures</b>			
Current operating:			
Instruction	211,138,232	-	-
Support services	68,349,705	19,160,646	9,921,486
Community services	1,085,280	-	-
Non-programmed charges	217,312	-	-
Capital outlay	3,899,357	7,411,672	1,407,048
Debt service			
Payments of principal on long-term debt	-	-	-
Interest on long-term debt	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>284,689,886</u>	<u>26,572,318</u>	<u>11,328,534</u>
Excess (deficiency) of revenues over (under) expenditures	<u>12,977,918</u>	<u>8,207,249</u>	<u>2,004,956</u>
<b>Other financing sources (uses)</b>			
Proceeds from capital lease	3,486,821	-	-
Transfers in	-	-	-
Transfers out	<u>(4,833,340)</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(1,346,519)</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>11,631,399</u>	<u>8,207,249</u>	<u>2,004,956</u>
Fund balances, beginning of year as originally stated	168,162,201	25,311,016	8,593,803
Prior period adjustments	<u>(110,607,321)</u>	<u>(16,904,106)</u>	<u>(3,784,512)</u>
Fund balances, beginning of year as restated	<u>57,554,880</u>	<u>8,406,910</u>	<u>4,809,291</u>
Fund balances, end of year	<u>\$ 69,186,279</u>	<u>\$ 16,614,159</u>	<u>\$ 6,814,247</u>

See accompanying notes to financial statements.

<b>Municipal Retirement/</b>		
<b>Social Security</b>	<b>Debt Service</b>	<b>Total</b>
\$ 8,272,486	\$ -	\$ 243,338,620
238,600	-	2,622,141
-	-	6,544,772
122,728	63	4,929,826
-	-	1,966,132
-	-	86,614,209
-	<u>260,758</u>	<u>8,659,796</u>
<u>8,633,814</u>	<u>260,821</u>	<u>354,675,496</u>
3,277,832	-	214,416,064
4,841,859	-	102,273,696
128,971	-	1,214,251
-	-	217,312
-	-	12,718,077
-	4,273,289	4,273,289
-	<u>837,601</u>	<u>837,601</u>
<u>8,248,662</u>	<u>5,110,890</u>	<u>335,950,290</u>
<u>385,152</u>	<u>(4,850,069)</u>	<u>18,725,206</u>
-	-	3,486,821
-	4,833,340	4,833,340
-	-	<u>(4,833,340)</u>
-	<u>4,833,340</u>	<u>3,486,821</u>
<u>385,152</u>	<u>(16,729)</u>	<u>22,212,027</u>
4,000,741	271,817	206,339,578
<u>(4,140,112)</u>	<u>-</u>	<u>(135,436,051)</u>
<u>(139,371)</u>	<u>271,817</u>	<u>70,903,527</u>
<u>\$ 245,781</u>	<u>\$ 255,088</u>	<u>\$ 93,115,554</u>

# Naperville Community Unit School District No. 203

## Reconciliation of the Statement of Revenues, Expenditures and Changes In Fund Balance of Governmental Funds to the Statement of Activities

Year Ended June 30, 2020

**Net change in fund balances - governmental funds** \$ 22,212,027

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 \$5,000 are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period:

Capital outlay	10,081,739	
Depreciation expense	<u>12,234,320</u>	(2,152,581)

Internal service funds are used by management to account for healthcare related activities. The net revenue of certain activities of the internal service fund is reported with the governmental activities. (243,577)

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:

Change in compensated absences	(245,759)	
Change in net pension liability	13,370,820	
Change in deferred inflows/outflows related to pensions	(15,369,346)	
Change in other postemployment benefits liabilities	(5,150,857)	
Change in deferred inflows/outflows related to other postemployment benefits	<u>(627,358)</u>	(8,022,500)

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:

Capital lease proceeds	(3,486,821)	
Repayment of bond and loan principal	<u>4,273,289</u>	<u>786,468</u>

Change in net position of governmental activities \$ 12,579,837

See accompanying notes to financial statements.

# Naperville Community Unit School District No. 203

## Statement of Net Position

### Proprietary Fund

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	Internal Service Fund
<hr/>	
<i>June 30, 2020</i>	
<b>Assets</b>	
Cash and investments	\$ 19,128,930
Other receivables	<u>209,584</u>
Total assets	<u>19,338,514</u>
<b>Liabilities</b>	
Accounts payable	<u>5,922,113</u>
<b>Net Position</b>	
Unrestricted	<u>\$ 13,416,401</u>

See accompanying notes to financial statements.

# Naperville Community Unit School District No. 203

## Statement of Revenues, Expenses and Changes In Net Position Proprietary Fund

<i>Year Ended June 30, 2020</i>	Internal Service Fund
<b>Operating Revenues</b>	
Employer/employee contributions	\$ 34,206,777
Retiree contributions	1,650,002
Refunds, adjustments and other	<u>1,068,074</u>
Total operating revenues	<u>36,924,853</u>
<b>Operating Expenses</b>	
Claims paid	34,538,811
Sec. 125 plan and dental reimbursements	2,455,969
Wellness and vision reimbursements	559,565
Administrative fees and other	<u>281,219</u>
Total operating expenses	<u>37,835,564</u>
Operating loss	(910,711)
<b>Non-Operating Revenues</b>	
Earnings on investments	<u>667,134</u>
Change in net position	<u>(243,577)</u>
Net position, as originally stated	-
Prior period adjustment	<u>13,659,978</u>
Net position, as restated	<u>13,659,978</u>
Net position at end of year	<u>\$ 13,416,401</u>

See accompanying notes to financial statements.

# Naperville Community Unit School District No. 203

## Statement of Cash Flows Proprietary Fund

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<i>Year Ended June 30, 2020</i>	Internal Service Fund
<b>Cash Flows from Operating Activities</b>	
Receipts from employers and employees	\$ 34,000,887
Receipts from retirees	1,650,002
Other	1,068,074
Payments to vendors	<u>(37,722,768)</u>
Net cash from operating activities	<u>(1,003,805)</u>
<b>Cash Flows from Investing Activities</b>	
Interest	<u>667,134</u>
Net cash from investing activities	<u>667,134</u>
Net Increase in cash and cash equivalents	(336,671)
Cash and cash equivalents, beginning of year, as restated	<u>19,465,601</u>
Cash and cash equivalents, end of year	<u>\$ 19,128,930</u>

See accompanying notes to financial statements.

# Naperville Community Unit School District No. 203

## Statement of Changes in Fiduciary Net Position

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<i>June 30, 2020</i>	Student Activity
<b>Assets</b>	
Cash and cash equivalents	\$ <u>4,071,101</u>
<b>Liabilities</b>	
Due to organizations	\$ <u>4,071,101</u>

See accompanying notes to financial statements.

# Naperville Community Unit School District No. 203

## Notes to Financial Statements

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### Note 1: Summary of Significant Accounting Policies

#### Reporting Entity

Naperville Community Unit School District No. 203 (the "District") is a public school system governed by a seven-member elected board. The District is organized under the School Code of the State of Illinois, as amended. The accounting policies of the District conform to the accounting principles generally accepted in the United States of America, as applicable to local governmental units of this type. The following is a summary of the more significant accounting policies of the District.

Accounting principles generally accepted in the United States of America require that the financial reporting entity include (1) the primary government, (2) organizations for which the primary district is financially accountable and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The criteria provided by governmental accounting standards have been considered and there are no agencies or entities which should be presented with the District.

#### Basis of Presentation

##### Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) display information about the reporting government as a whole. These statements include all the financial activities of the District, except for the fiduciary funds. The fiduciary funds are only reported in the statement of fiduciary net position at the fund financial statement level. The governmental activities column incorporates data from governmental funds and internal service funds. Eliminations have been made to minimize the double counting of internal transactions. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Program revenues include (a) charges paid by the recipients for goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

The District applies restricted resources first when an expense is incurred for a purpose for which both restricted and unrestricted net position are available. Depreciation expense that can be specifically identified by function is included in the direct expenses of each function. Interest on general long-term debt is considered an indirect expense and is reported separately on the statement of activities.

# Naperville Community Unit School District No. 203

## Notes to Financial Statements

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

#### Basis of Presentation (Continued)

##### Fund Financial Statements

The fund statements provide information about the District's funds, including fiduciary funds. Separate statements for each fund category—governmental, proprietary, and fiduciary—are presented. The emphasis of fund financial statements is on major funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as other governmental funds.

The District reports the following major governmental funds:

**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 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.

**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.

# Naperville Community Unit School District No. 203

## Notes to Financial Statements

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

#### Basis of Presentation (Continued)

**Transportation Fund** – This fund, elected by the District to be reported as major, 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, elected by the District to be reported as major, 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, elected by the District to be reported as major, 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.

**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.

The District considers all governmental fund to be major.

**Proprietary Funds** - are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration.

**Internal Service Fund** - The Internal Service Fund is used to account for the financing of goods or services provided by an activity to other departments or funds of the District on a cost-reimbursement basis. The District maintains one internal service fund. The Health Insurance Fund accounts for contributions (employee, employer, and retirees) for provided group health, dental, and life insurance to District employees.

# Naperville Community Unit School District No. 203

## Notes to Financial Statements

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

#### Basis of Presentation (Continued)

##### 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. Fiduciary funds are not included in the government-wide financial statements.

##### Measurement Focus and Basis of Accounting

The government-wide, proprietary fund, and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Nonexchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, 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.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available (susceptible to accrual). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers all imposed nonexchange revenues reported in the governmental funds to be available if the revenues are collected within 60 days after the end of the current fiscal year.

Expenditures are recognized when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as program revenues include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions. Internally dedicated resources are reported as general revenue rather than as program revenues. Likewise, general revenues include all taxes.

# Naperville Community Unit School District No. 203

## Notes to Financial Statements

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### **Note 1: Summary of Significant Accounting Policies** (Continued)

#### **Measurement Focus and Basis of Accounting** (Continued)

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District's internal service fund is contributions (employee, employer, and retirees) for providing group health, dental, and life insurance to District employees. Operating expenses for the internal service fund include the cost of services, administrative expenses, and cost-rembursements. All revenues and expenses not meeting this definition are reported as nonoperating revenues.

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.

#### **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 60 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

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### **Note 1: Summary of Significant Accounting Policies** (Continued)

#### **Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position and/or balance sheet will sometimes report a separate section of deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period[s] and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents the acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

# Naperville Community Unit School District No. 203

## Notes to Financial Statements

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

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

#### Capital Assets

Purchased or constructed capital assets, including property, plant, equipment, and infrastructure (roads, bridges, and similar items), are reported at cost or estimated historical cost in the government-wide financial statements. The District defines capital assets as assets with an initial cost of more than \$5,000 and an estimated life in excess of two years.

Additions or improvements that significantly extend the useful life of an asset, or that significantly increase the capacity of an asset are capitalized. Expenditures for equipment, vehicles, real property acquisitions, improvements, and infrastructure are recorded as capital outlay. Donated assets are recorded at their fair market value at the date of donation. Maintenance and repairs of a routine nature are charged to expenses/expenditures as incurred and are not capitalized.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

	Years
Buildings	40-50 years
Buildings improvements	20 years
Furniture and equipment	5-20 years
Vehicles	8 years

#### Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bonds payable are reported net of applicable bond premium or discount.

# Naperville Community Unit School District No. 203

## Notes to Financial Statements

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

#### Long-Term Obligations (Continued)

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 are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

#### Fund Balances

In the fund financial statements, governmental funds report aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of these resources. The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form – prepaid items or inventories or (b) legally or contractually required to be maintained intact.

The spendable portion of the fund balance comprises the remaining four classifications: restricted, committed, assigned, and unassigned.

*Restricted fund balance:* This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

*Committed fund balance:* These amounts can only be used for specific purposes pursuant to constraints imposed by formal resolutions or ordinances of the District's Board – the District's highest level of decision-making authority. Those committed amounts cannot be used for any other purpose unless the District Board removes the specified use by taking the same type of action that imposed the original commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

*Assigned fund balance:* This classification reflects the amounts constrained by the District's "intent" to be used for specific purposes, but the amounts are neither restricted nor committed. The District Board has the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed.

*Unassigned fund balance:* This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

When both restricted and unrestricted resources are available for use, it is the District's policy to use externally restricted resources first, then unrestricted resources – committed, assigned, and unassigned – in order as needed.

# Naperville Community Unit School District No. 203

## Notes to Financial Statements

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### **Note 1: Summary of Significant Accounting Policies** (Continued)

#### **Property Taxes**

The District's property tax is levied each year on all taxable real property located in the counties. The 2018 property tax levy is recorded as revenue by the District in accordance with the applicable measurement focus and basis of accounting for fiscal year 2020. The District must file its tax levy by the last Tuesday of December each year. The 2018 levy was approved on December 17, 2018. The 2019 levy was approved on December 16, 2019.

The township assessors are responsible for assessment of all taxable real property within the County. The County Clerks compute the annual tax of each parcel of real property and prepares tax books used by the County Collectors as a basis for issuing tax bills to all taxpayers in the County.

Property taxes are collected by the County Treasurers, who remits to the units their respective share of the collections. Taxes levied in 2019 became due and payable in two installments, generally in June 2020 and September 2020. The owner of real property on January 1 (lien date) in any year is liable for taxes of that year.

#### **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, 2020 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, 2020, was \$1,521,438, 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 that 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, 2020.

All certified employees receive a specified number of sick days per year. Unused sick leave days accumulate to a maximum of 340 days. Upon retirement, a certified employee may apply up to 170 days of unused sick leave toward service credit for TRS.

# Naperville Community Unit School District No. 203

## Notes to Financial Statements

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### **Note 1: Summary of Significant Accounting Policies** (Continued)

#### **Compensated Absences** (Continued)

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.

#### **Pension Plans**

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.

#### **Use of Estimates**

The preparation of financial statements in accordance with accounting principles generally accepted in the United States 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 expenditures during the reporting period. Actual results could differ from those estimates.

#### **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, 2019, from which such summarized information was derived.

# Naperville Community Unit School District No. 203

## Notes to Financial Statements

### Note 2: Cash and Investments

#### Custodial Credit Risk – Deposits

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, 2020, the carrying amount of the District's deposits totaled \$199,160,017 and the bank balances totaled \$200,392,812. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The District's investment policy requires pledging of collateral for all deposits in excess of FDIC limits to be held by a third party custodian. All deposits were either insured or collateralized.

#### Investments

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The Illinois School District Liquid Asset Fund Plus (ISDLAF+) is an investment pool created and regulated by the Illinois General Assembly. The fair value of the District's investment in ISDLAF+ has been determined using the net asset value (NAV) per share (or its equivalent) of the investments. The NAV of the Liquid Class and MAX Class are determined as of the close of business on each Illinois banking day. The Multi-Class Series invests in high-quality short-term debt instruments (money market instruments), and shares may be redeemed on any Illinois banking day. The Term Series invest in high-quality debt instruments, which are generally money market instruments but may include instruments with a maturity over one year, and shares may be redeemed with seven days' advance notice. There were no known restrictions on redemption of the District's investments as of June 30, 2020.

All investments listed below are valued used Level 2 inputs.

As of June 30, 2020, the District had the following fair values and investment maturities:

	Fair Value	Investment Maturities (in Years)				Greater than 10	Percent of Portfolio	Applicable Agency Rating
		Less than 1	1 - 5	6 - 10				
U.S. Agency Securities	\$ 34,182,100	\$ 4,484,341	\$ 12,956,758	\$ 15,769,425	\$ 971,576	53.8 %	AAA	
Municipal Bonds	18,421,347	2,750,461	10,456,888	4,947,318	266,680	29.0 %	AA- to AAA	
ISDLAF+ Liquid	433	433	-	-	-	- %	AAAm	
ISDLAF+ Max	<u>10,950,018</u>	<u>10,950,018</u>	-	-	-	<u>17.2 %</u>	AAAm	
Total investments	<u>\$ 63,553,898</u>	<u>\$ 18,185,253</u>	<u>\$ 23,413,646</u>	<u>\$ 20,716,743</u>	<u>\$ 1,238,256</u>	<u>100.0 %</u>		

# Naperville Community Unit School District No. 203

## Notes to Financial Statements

### Note 2: Cash and Investments (Continued)

As of June 30, 2020, the District had the following cash and investments:

	Governmental- wide	Fiduciary	Total
Cash and investments	<u>\$ 258,642,814</u>	<u>\$ 4,071,101</u>	<u>\$ 262,713,915</u>
			Cash and Investments
Deposits with financial institutions			\$ 199,160,017
Other investments			<u>63,553,898</u>
Total			<u>\$ 262,713,915</u>

#### Interest rate risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair 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

The District's investments are rated, as shown above, by the applicable rating agency. 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.

#### 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."

# Naperville Community Unit School District No. 203

## Notes to Financial Statements

### Note 2: Cash and Investments (Continued)

#### 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 held by a third party custodian.

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.

### Note 3: Due From Other Governments

Due from other governments at June 30, 2020 consists of amounts owed to the District from other governmental entities. These consist of the following:

	State Aid	Federal Aid	Total
<b>Educational Fund</b>			
Special education - private facility	\$ 499,446	\$ -	\$ 499,446
Special education - orphanage	147,445	-	147,445
Agriculture education	961	-	961
State free lunch and breakfast	4,565	-	4,565
Drivers education	57,016	-	57,016
Other state programs	12,002	-	12,002
Summer food service program	-	97,585	97,585
Title I - low income	-	275,260	275,260
Special education - IDEA flow-through	-	751,942	751,942
Special education - IDEA room and board	-	32,502	32,502
Early childhood - preschool at risk	153,323	-	153,323
Title II - teacher quality	-	6,634	6,634
ROE - alternative learning opportunities program	-	97,721	97,721
Medicare fee for service	-	201,050	201,050
Other federal programs	-	4,528	4,528
<b>Transportation Fund</b>			
Transportation - regular	286,607	-	286,607
Transportation - special education	<u>1,097,679</u>	<u>-</u>	<u>1,097,679</u>
<b>Total</b>	<u>\$ 2,259,044</u>	<u>\$ 1,467,222</u>	<u>\$ 3,726,266</u>

# Naperville Community Unit School District No. 203

## Notes to Financial Statements

### Note 4: Capital Assets

Governmental activities capital asset balances and activity for the year ended June 30, 2020, were as follows:

<b>Governmental Activities</b>	Balance 7/1/2019	Additions	Deletions	Balance 06/30/2020
Capital assets, not being depreciated:				
Land	\$ <u>12,787,618</u>	\$ -	\$ -	\$ <u>12,787,618</u>
Total capital assets, not being depreciated	<u>12,787,618</u>	-	-	<u>12,787,618</u>
Capital assets, being depreciated:				
Buildings	231,207,274	4,390,837	-	235,598,111
Improvements other than buildings	11,179,926	3,290,243	-	14,470,169
Equipment	<u>31,212,929</u>	<u>2,579,612</u>	<u>(178,953)</u>	<u>33,613,588</u>
Total capital assets, being depreciated	<u>273,600,129</u>	<u>10,260,692</u>	<u>(178,953)</u>	<u>283,681,868</u>
Accumulated depreciation:				
Buildings	(135,001,350)	(5,963,760)	-	(140,965,110)
Improvements other than buildings	(8,165,390)	(3,307,216)	-	(11,472,606)
Equipment	<u>(28,586,554)</u>	<u>(3,142,297)</u>	<u>178,953</u>	<u>(31,549,898)</u>
Total accumulated depreciation	<u>(171,753,294)</u>	<u>(12,413,273)</u>	<u>178,953</u>	<u>(183,987,614)</u>
Total capital assets, being depreciated, net	<u>101,846,835</u>	<u>(2,152,581)</u>	-	<u>99,694,254</u>
Governmental activities capital assets, net	<u>\$ 114,634,453</u>	<u>\$ (2,152,581)</u>	<u>\$ -</u>	<u>\$ 112,481,872</u>

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

<i>Instructional Services</i>	
Regular programs	\$ 8,794,942
Special programs	371,515
<i>Supporting Services</i>	
Pupils	272,491
Instructional staff	344,507
General administration	229,269
School administration	958
Business	298,262
Operations and maintenance of facilities	597,737
Transportation	1,013,304
Central	<u>490,288</u>
Total depreciation expense	<u>\$ 12,413,273</u>

# Naperville Community Unit School District No. 203

## Notes to Financial Statements

### Note 5: Long-Term Debt

Long-term debt consisted of the following at June 30, 2020:

	Balance 7/1/2019	Additions	Reductions	Balance 06/30/2020	Amounts due Within One Year
General obligation bonds	\$ 15,860,000	\$ -	\$ 2,200,000	\$ 13,660,000	\$ 2,270,000
Capital leases	1,817,455	3,486,821	2,073,289	3,230,987	1,573,526
Compensated absences	1,275,679	1,521,438	1,275,679	1,521,438	-
Net pension liability	47,490,215	8,872	13,379,692	34,119,395	-
Net OPEB liability	<u>201,735,482</u>	<u>6,989,935</u>	<u>1,839,078</u>	<u>206,886,339</u>	<u>-</u>
<b>Total</b>	<b><u>\$ 268,178,831</u></b>	<b><u>\$ 12,007,066</u></b>	<b><u>\$ 20,767,738</u></b>	<b><u>\$ 259,418,159</u></b>	<b><u>\$ 3,843,526</u></b>

*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 2009 Build America Bonds dated August 26, 2009, are due in annual installments through February 1, 2029	1.50% - 5.00%	\$ <u>33,000,000</u>	\$ <u>13,660,000</u>
Total		<u>\$ 33,000,000</u>	<u>\$ 13,660,000</u>

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

Fiscal Year	Principal	Interest	Total
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 - 2029	<u>3,020,000</u>	<u>604,000</u>	<u>3,624,000</u>
<b>Total</b>	<b><u>\$ 13,660,000</u></b>	<b><u>\$ 2,844,000</u></b>	<b><u>\$ 16,504,000</u></b>

# Naperville Community Unit School District No. 203

## Notes to Financial Statements

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### Note 5: Long-Term Debt (Continued)

The District entered into a technology leases during fiscal year 2020. The lease calls for annual payments plus interest at 3.09% payable from the Debt Service Fund through transfers from the Educational Account of the General Fund. The lease currently extends into fiscal year 2022. Total assets received under the lease amount to \$3,486,021.

Remaining principal and interest requirements for all capital leases are as follows:

<u>Fiscal Year</u>	<u>Amount</u>
2021	\$ 1,661,370
2022	1,373,285
2023	<u>338,545</u>
Total minimum lease payments	3,373,200
Less: amount representing interest	<u>(142,213)</u>
Present value of minimum lease payments	\$ <u>3,230,987</u>

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, 2020, the statutory debt limit for the District was \$693,525,970 providing a debt margin of \$676,890,072 after taking into account amounts available in the Debt Service Fund.

The payments to retire the compensated absences and other post-employment 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 \$255,088 of fund equity available in the Debt Service Fund to service outstanding bonds payable.

# Naperville Community Unit School District No. 203

## Notes to Financial Statements

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### 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.

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

##### *Benefits Provided*

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

Tier II members qualify for retirement benefits at age 67 with 10 years of service, or a discounted annuity can be paid at age 62 with 10 years of service. Creditable earnings for retirement purposes are capped and the final average salary is based on the highest consecutive eight years of creditable service rather than the 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.

# Naperville Community Unit School District No. 203

## Notes to Financial Statements

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### **Note 6: Employee Retirement Systems** (Continued)

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

#### *Contributions*

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

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

**On-behalf contributions to TRS.** The State of Illinois makes employer pension contributions on-behalf of the District. For the year ended June 30, 2020, State of Illinois contributions recognized by the District were based on the State's proportionate share of the pension expense associated with the District, and the District recognized revenue and expenditures of \$61,601,389 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, 2020 were \$791,199, and are deferred because they were paid after the June 30, 2020 measurement date.

Federal and special trust fund contributions. When TRS members are paid from federal and special trust funds administered by the District, there is a statutory requirement for the District to pay an employer pension contribution from those funds. Under Public Act 100-0340, the federal and special trust fund contribution rate is the total employer normal cost beginning with the year ended June 30, 2018.

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

For the year ended June 30, 2020, the employer pension contribution was 10.66% of salaries paid from federal and special trust funds. For the year ended June 30, 2020, \$804,226 of salaries were paid from the federal and special trust funds and contributions for the year ended June 30, 2020 were \$92,632 are deferred because they were paid after the June 30, 2019 measurement date.

# Naperville Community Unit School District No. 203

## Notes to Financial Statements

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### Note 6: Employee Retirement Systems (Continued)

**Employer retirement cost contributions.** Under GASB Statement No. 68, contributions that an employer is required to pay because of a TRS member retiring are categorized as specific liability payments. The District is required to make a one-time contribution to TRS for members granted salary increases over 6 percent if those salaries are used to calculate a retiree's final average salary.

A one-time contribution is also required for members granted sick leave days in excess of the normal annual allotment if those days are used as TRS service credit. For the year ended June 30, 2020, the District did not make any payments for salary increases over 6 percent, salary increases over 3 percent, or excess sick leave contributions.

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

At June 30, 2020, the District reported a liability for its proportionate share of the 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	\$ 14,235,440
State's proportionate share of the net pension liability associated with the District	<u>1,013,120,762</u>
Total	<u>\$ 1,027,356,202</u>

The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018 and rolled forward to June 30, 2020. The employer's proportion of the net pension liability was based on the employer's share of contributions to TRS for the measurement year ended June 30, 2020, relative to the contributions of all participating TRS employers and the state during that period. At June 30, 2020, the employer's proportion was 0.017551%, which was a decrease of 0.000699% from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the District recognized pension expense of \$109,999,652 and revenue of \$109,999,652 for support provided by the state. At June 30, 2020, the District had deferred outflows of resources and deferred inflows of resources related to pensions from the following sources, which are not reported due to the regulatory basis of accounting:

# Naperville Community Unit School District No. 203

## Notes to Financial Statements

### Note 6: Employee Retirement Systems (Continued)

	Deferred Outflows of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ 233,423	\$ -
Changes in assumptions	318,971	273,248
Net difference between projected and actual earnings in pension plan investments	22,550	-
Changes in proportion and differences between District contributions and proportionate share of contributions	<u>13,614</u>	<u>4,177,709</u>
Total deferred amounts to be recognized in OPEB expense in future periods	588,558	4,450,957
District's contributions subsequent to the measurement date	<u>894,673</u>	<u>-</u>
Total	<u>\$ 1,483,231</u>	<u>\$ 4,450,957</u>

\$894,673 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, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Net Deferred Outflows (Inflows) of Resources
2021	\$ (1,043,804)
2022	(1,204,974)
2023	(1,070,611)
2024	(505,814)
2025	<u>(37,196)</u>
Total	<u>\$ (3,862,399)</u>

#### Actuarial Assumptions

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

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

# Naperville Community Unit School District No. 203

## Notes to Financial Statements

### Note 6: Employee Retirement Systems (Continued)

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

The long-term (20-year) expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class that were used by the actuary are summarized in the following table:

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

#### Discount Rate

At June 30, 2020, the discount rate used to measure the total pension liability was 7.0%, which was the same as the June 30, 2018 rate. The projection of cash flows used to determine the discount rate assumed that employee contributions, employer contributions, and State contributions will be made at the current statutorily-required rates.

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

# Naperville Community Unit School District No. 203

## Notes to Financial Statements

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### Note 6: Employee Retirement Systems (Continued)

#### *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 7.00%, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:)

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
District's proportionate share of the net Pension liability	\$ 17,387,344	\$ 14,235,440	\$ 11,643,950

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

#### **b. Illinois Municipal Retirement Fund (IMRF)**

##### *Plan Description and Benefits*

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

**Benefits provided** - IMRF has three benefit plans. The vast majority of IMRF members participate in the Regular Plan (RP). The Sheriff's Law Enforcement Personnel (SLEP) plan is for sheriffs, deputy sheriffs, and selected police chiefs. Counties could adopt the Elected County Official (ECO) plan for officials elected prior to August 8, 2011 (the ECO plan was closed to new participants after that date).

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

# Naperville Community Unit School District No. 203

## Notes to Financial Statements

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### Note 6: Employee Retirement Systems (Continued)

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

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

**Employees Covered by the Benefit Terms** - At the December 31, 2019 valuation date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	1,066
Inactive employees entitled to but not yet receiving benefits	1,436
Active employees	<u>1,025</u>
 Total	 <u><u>3,527</u></u>

**Contributions** - As set by statute, the employer's Regular Plan Members are required to contribute 4.5% 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 employer's annual contribution rate for calendar year 2019 was 10.54%. For the fiscal year ended June 30, 2020, the employer contributed \$3,755,405 to the plan. The employer also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

**Net Pension Liability** - The employer's Net Pension Liability was measured as of December 31, 2019, and the total pension liability used to calculate the Net Pension Liability was determined by an annual actuarial valuation as of that date.

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

Actuarial cost method	Entry Age Normal
Asset valuation method	Market Value of Assets
Inflation	2.50%
Salary increases	3.35% to 14.25%, including inflation
Investment rate of return	7.25%
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2017 valuation pursuant to an experience study of the period 2014-2016.

# Naperville Community Unit School District No. 203

## Notes to Financial Statements

### Note 6: Employee Retirement Systems (Continued)

Mortality For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustments that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

Other information: Notes There were no benefit changes during the year.

The **long-term expected rate of return** on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table as of December 31, 2019:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equities	37.0 %	5.75 %
International equities	18.0 %	6.50 %
Fixed income	28.0 %	3.25 %
Real estate	7.0 %	5.20 %
Alternatives	9.0 %	3.20-8.50 %
Cash	1.0 %	1.85 %
Total	100.0 %	

#### **Single Discount Rate**

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

The long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and

The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

# Naperville Community Unit School District No. 203

## Notes to Financial Statements

### Note 6: Employee Retirement Systems (Continued)

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.25%, the municipal bond rate is 2.75%, and the resulting single discount rate is 7.25%.

**Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate** - The following presents the plan's net pension liability, calculated using the single discount rate of 7.25 percent, as well as what the plan's net pension liability would be if it were calculated using a single discount rate that is 1% lower or 1% higher:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net pension liability	\$ 39,908,036	\$ 19,883,955	\$ 3,134,316

Due to the District preparing its financial statements on the basis of the financial reporting provisions of the Illinois State Board of Education, pension liabilities and deferred inflows and outflows referred to throughout the note disclosure are not recognized in the actual financial statements.

### Changes in Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2018	<u>\$ 170,967,383</u>	<u>\$ 137,703,736</u>	<u>\$ 33,263,647</u>
Changes for the year:			
Service cost	3,359,664	-	3,359,664
Interest on the total Pension liability	12,158,197	-	12,158,197
Differences between expected and actual experience of the total Pension liability	3,133,771	-	3,133,771
Contributions - employer	-	3,498,093	(3,498,093)
Contributions - employees	-	1,502,448	(1,502,448)
Net investment income	-	26,455,097	(26,455,097)
Benefit payments, including refunds of employee contributions	(9,895,880)	(9,895,880)	-
Other (net transfer)	-	<u>575,686</u>	<u>(575,686)</u>
Net changes	<u>8,755,752</u>	<u>22,135,444</u>	<u>(13,379,692)</u>
Balances at December 31, 2019	<u>\$ 179,723,135</u>	<u>\$ 159,839,180</u>	<u>\$ 19,883,955</u>

# Naperville Community Unit School District No. 203

## Notes to Financial Statements

### Note 6: Employee Retirement Systems (Continued)

**Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions -** For year ended June 30, 2019, the District recognized pension expense of \$6,743,413. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources which are not reported due to the financial reporting provisions of the Illinois State Board of Education.

	Deferred Outflows of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ 2,424,446	\$ -
Changes in assumptions	897,423	-
Net difference between projected and actual earnings on pension plan investments	<u>-</u>	<u>6,698,685</u>
Total deferred amounts to be recognized in OPEB expense in future periods	3,321,869	6,698,685
District's contributions subsequent to the measurement date	<u>2,136,933</u>	<u>-</u>
Total	<u>\$ 5,458,802</u>	<u>\$ 6,698,685</u>

\$2,136,933 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, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Net Deferred Outflows (Inflows) of Resources
2021	\$ 823,005
2022	(1,453,046)
2023	578,857
2024	<u>(3,325,632)</u>
Total	<u>\$ (3,376,816)</u>

# Naperville Community Unit School District No. 203

## Notes to Financial Statements

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### Note 7: Other Postemployment Benefits

#### a. Teacher Health Insurance Security (THIS)

*Plan Description.* The District participates in the THIS. The THIS is a cost-sharing, multiple-employer defined benefit post-employment healthcare plan (OPEB) that was established by the Illinois legislature for the benefit of Illinois public school teachers employed outside the City of Chicago. THIS members are retirees of public schools who were certified educators or administrators. Eligibility is currently limited to former full-time employees, and others who were not full-time employees that meet certain requirements, and their dependents. The State Employees Group Insurance Act of 1971 (5 ILCS 375/6.5) (SEGIA) establishes the eligibility and benefit provisions of the plan.

The THIS issues a publicly available financial report that can be obtained at the website of the Illinois Auditor General: <https://www.auditor.illinois.gov/Audit-Report/ABC-List.asp>. The current reports are listed under "Central Management Services"; prior reports are available under "Healthcare and Family Services".

#### *Benefits Provided*

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.

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.

#### *Contributions*

The SEGIA requires that all active contributors to the TRS, who are not employees of a department, make contributions to the plan at a rate of 1.24% of salary and for every employer of a teacher to contribute an amount equal to 0.92% of each teacher's salary. Additionally, the SEGIA requires the State to match the employees' contribution on-behalf of the employer. The Department determines, by rule, the percentage required, which each year shall not exceed 105% of the percentage of salary actually required to be paid in the previous fiscal year. In addition, under the State Pension Funds Continuing Appropriations Act (40 ILCS 15/1.3), there is appropriated, on a continuing annual basis, from the General Revenue Fund, an account of the General Fund, to the State Comptroller for deposit in the THIS, an amount equal to the amount certified by the Board of Trustees of TRS as the estimated total amount of contributions to be paid under 5 ILCS 376/6.6(a) in that fiscal year.

The SEGIA requires that the Department's Director determine the rates and premiums of annuitants and dependent beneficiaries and establish the cost-sharing parameters, as well as funding. Member premiums are set by this statute, which provides for a subsidy of either 50% or 75%, depending upon member benefit choices. Dependents are eligible for coverage, at a rate of 100% of the cost of coverage.

# Naperville Community Unit School District No. 203

## Notes to Financial Statements

### Note 7: Other Postemployment Benefits (Continued)

**On-behalf contributions to THIS.** The state of Illinois makes employer retiree health insurance contributions on behalf of the District. In the fund financial statements, the State contributions are intended to match contributions to THIS Fund from active members which were 1.24% of pay during the year ended June 30, 2020. In the government-wide financial statements, the State of Illinois contributions also include a proportional allocation of the State's OPEB expense (based on the portion of the District's share of the expense compared to all School Districts aggregate). For the year ended June 30, 2020, the District recognized revenues and expenses of \$9,127,086 in the governmental activities based on the economic resources measurement focus and revenues and expenditures in the amount of \$1,691,529 in the General Fund based on the current financial resources measurement focus for the State of Illinois contributions on behalf of the District.

**Employer contributions to THIS Fund.** The District also makes contributions to THIS Fund. The District THIS Fund contribution was 0.92% during the year ended June 30, 2020. For the year ended June 30, 2020, the District paid \$1,255,005 to the THIS Fund, which was 100 percent of the required contribution.

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

At June 30, 2020, the District's reported a liability for its proportionate share of the net OPEB liability. The State's support and total are for disclosure purposes only. The amount recognized by the District as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the District were as follows:

District's proportionate share of the net OPEB liability	\$ 153,919,109
State's proportionate share of the net OPEB liability associated with the District	<u>208,426,112</u>
Total	<u>\$ 362,345,221</u>

The net OPEB liability was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2019 and rolled forward to June 30, 2020. The District's proportion of the net OPEB liability was based on the District's share of contributions to TRS for the measurement year ended June 30, 2020, relative to the projected contributions of all participating TRS employers and the state during that period. At June 30, 2020, the District's proportion was 0.556117%, which was a decrease of 0.001576% from its proportion measured as of June 30, 2019.

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

	Governmental Activities	General Fund
State on-behalf contributions		
State On Behalf Contributions - OPEB revenue and expense/expenditure	\$ 9,127,086	\$ 1,691,529
District OPEB expense/expenditure	<u>7,163,647</u>	<u>1,255,005</u>
Total OPEB expense/expenditure	<u>\$ 16,290,733</u>	<u>\$ 2,946,534</u>

# Naperville Community Unit School District No. 203

## Notes to Financial Statements

### Note 7: Other Postemployment Benefits (Continued)

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

	Deferred Outflows of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ -	\$ 2,554,166
Changes in assumptions	58,352	17,644,143
Net difference between projected and actual earnings in OPEB plan investments	-	5,040
Changes in proportion and differences between District contributions and proportionate share of contributions	<u>2,113,412</u>	<u>1,443,408</u>
Total deferred amounts to be recognized in OPEB expense in future periods	2,171,764	21,646,757
District's contributions subsequent to the measurement date	<u>1,255,005</u>	<u>-</u>
Total	<u>\$ 3,426,769</u>	<u>\$ 21,646,757</u>

\$1,255,005 reported as deferred inflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30	Net Deferred Inflows of Resources
2021	\$ (3,836,032)
2022	(3,836,032)
2023	(3,835,635)
2024	(3,834,809)
2025	(2,758,205)
2026	(936,704)
2027	(339,205)
2028	<u>(98,371)</u>
Total	<u>\$ (19,474,993)</u>

#### Actuarial Valuation Method

The actuarial valuation was based on the Entry Age Normal cost method. Under this method, the normal cost and actuarial accrued liability are directly proportional to the employee's salary. The normal cost rate equals the present value of future benefits at entry age divided by the present value of future salary at entry age. The normal cost at the member's attained age equals the normal cost rate at entry age multiplied by the salary at attained age. The actuarial accrued liability equals the present value of benefits at attained age less present value of future salaries at attained age multiplied by normal cost rate at entry age.

# Naperville Community Unit School District No. 203

## Notes to Financial Statements

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### Note 7: Other Postemployment Benefits (Continued)

#### *Actuarial Assumptions.*

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

Inflation	2.50%
Salary increases	Depends on service and ranges from 9.50% at 1 year of service to 4.00% at 20 or more years of service. Salary increase includes a 3.25% wage inflation assumption
Investment rate of return	0.00%, net of OPEB plan investment expense, including inflation
Healthcare cost trend rates	Actual trend used for fiscal year 2019. For fiscal years on and after 2020, trend starts at 8.00% and 9.00% for non-Medicare costs and post-Medicare costs, respectively, and gradually decreases to an ultimate trend of 4.50%. Additional trend rate of 0.31% is added to non-Medicare costs on and after 2022 to account for Excise Tax.

Mortality rates for retirement and beneficiary annuitants were based on the RP-2014 White Collar Annuitant Mortality Table, adjusted for TRS experience. For disabled annuitants mortality rates were based on the RP-Disabled Annuitant table. Mortality rates for pre-retirement were based on the RP-2014 White Collar Table. All tables reflect future mortality improvements using Projection Scale MP-2017.

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2014 through June 30, 2017.

#### *Discount Rate*

Projected benefit payments were discounted to their actuarial present value using a Single Discount Rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bond with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met). Since the THIS is financed on a pay-as-you-go basis, a discount rate consistent with the 20-year general obligation bond index has been selected. The discount rates are 3.62% as of June 30, 2018, and 3.13% as of June 30, 2020. The decrease in the single discount rate from 3.62% to 3.13% caused the total OPEB liability to increase by approximately \$2.296 million from 2018 to 2020.

# Naperville Community Unit School District No. 203

## Notes to Financial Statements

### Note 7: Other Postemployment Benefits (Continued)

*Sensitivity of the Employer's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Healthcare Cost Trend Rate*

The following presents the District's proportionate share of the net OPEB liability calculated using the discount rate of 3.13%, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.13%) or 1-percentage-point higher (4.13%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
	2.13%	3.13%	4.13%
District's proportionate share of the net OPEB liability	\$ 185,066,630	\$ 153,919,109	\$ 129,319,246

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

	1% Decrease	Healthcare Cost Trend Rate	1% Increase
	(a)	Assumptions	(b)
District's proportionate share of the net OPEB liability	\$ 124,354,084	\$ 153,919,109	\$ 193,850,407

- a. One percentage point decrease in healthcare trend rates are 7.00% in 2020 decreasing to an ultimate trend rate of 3.81% in 2027, for non-Medicare coverage, and 8.00% in 2020 decreasing to an ultimate trend rate of 3.50% in 2027 for Medicare coverage.
- b. One percentage point increase in healthcare trend rates are 9.00% in 2020 decreasing to an ultimate trend rate of 5.81% in 2027, for non-Medicare coverage, and 10.00% in 2020 decreasing to an ultimate trend rate of 5.50% in 2027 for Medicare coverage.

#### b. 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.

# Naperville Community Unit School District No. 203

## Notes to Financial Statements

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### Note 7: Other Postemployment Benefits (Continued)

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.

#### *Funding Policy*

All plan funding is done on a pay-as-you go basis. Eligibility – Teachers hired prior to January 1, 2011 are eligible at the earliest of: 1. Age 55 with 20 years of service; 2. Age 60 with 10 years of service; or 3. Age 62 with 5 years of service. Teachers hired after January 1, 2011 are eligible at the earliest of: 1. Age 57 with 20 years of service; or 2. Age 62 with 10 years of service. Non-Teachers (Certified and Support Staff) are eligible at age 55 with 10 years of service. Surviving spouses of support staff are eligible to remain on the District's plan until age 65. Retired teachers are eligible for the Teachers' Retirement Insurance Program (TRIP) with the State of Illinois. Retirees are responsible for the portion of premium rates not covered by the District's health plan and are responsible for the full premium rate. For retired teachers, the District contributes the full premium to TRIP for the first two years after retirement. After two years, the teachers are responsible for the premium rates.

For fiscal year June 30, 2020, the District contributed \$4,591,919 to the Plan, total retiree contributions were not determined.

#### *Employees Covered by Benefit Terms*

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

Total active employees	2,381
Inactive employees currently receiving benefit payments	491
Inactive employees entitled to but not yet receiving benefit payments	<u>-</u>
Total	<u><u>2,872</u></u>

#### *Net OPEB Liability*

The District's net OPEB liability was measured as of June 30, 2020. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2017.

# Naperville Community Unit School District No. 203

## Notes to Financial Statements

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### Note 7: Other Postemployment Benefits (Continued)

#### *Actuarial Assumptions*

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

Actuarial cost method	Entry Age Normal Level % of Salary
Asset valuation method	Market Value
Payroll increases	2.50
Investment rate of return	N/A
Retirement age	IMRF 2017 for IMRF Employees TRS 2017 for TRS Employees
Mortality	IMRF Mortality follows the Sex Distinct Raw Rates as developed in the RP-2014 study, with Blue Collar Adjustment. These rates are improved generationally using MP-2017 (base year 2015) improvement rates. TRS Mortality follows the Sex Distinct Raw Rates as developed in the RP-2014 study, with White Collar Adjustment. These rates are improved generationally using MP-2017 (base year 2015) improvement rates. Spouse Mortality follows the Sex Distinct Raw Rates as developed in the RP-2014 study. These rates are improved generationally using MP-2017 (base year 2015) improvement rates.
Other information: Notes	For fiscal years on and after 2020, trend starts at 6.00%, and gradually decreases to an ultimate trend of 5.00%.

#### *Discount Rate*

The District does not have a dedicated Trust to pay the benefits of the Plan. Per GASB 75, this discount rate is a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale). The discount rate used is 2.21%, which is the Bond Buyer 20-Bond GO Index as of June 25, 2020.

# Naperville Community Unit School District No. 203

## Notes to Financial Statements

### Note 7: Other Postemployment Benefits (Continued)

#### Changes in Net OPEB Liability

	Total OPEB Liability (A)	Plan Fiduciary Net Position (B)	Net OPEB Liability (A) - (B)
Balances at June 30, 2018	\$ <u>54,806,308</u>	\$ <u>-</u>	\$ <u>54,806,308</u>
Changes for the year:			
Service cost	2,599,839	-	2,599,839
Interest on the total OPEB liability	1,837,862	-	1,837,862
Differences between expected and actual experience of the total OPEB liability	(4,686,200)	-	(4,686,200)
Changes of assumptions	3,001,340	-	3,001,340
Contributions - employer	-	4,591,919	4,591,919
Benefit payments, including refunds of employee contributions	<u>(4,591,919)</u>	<u>(4,591,919)</u>	<u>(9,183,838)</u>
Net changes	<u>(1,839,078)</u>	<u>-</u>	<u>(1,839,078)</u>
Balances at June 30, 2020	\$ <u>52,967,230</u>	\$ <u>-</u>	\$ <u>52,967,230</u>

#### 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 2.21%, 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 (1.21%) or 1-percentage-point higher (3.21%) than the current rate:

	1% Decrease (1.21%)	Current Discount Rate (2.21%)	1% Increase (3.21%)
Total OPEB liability	\$ 58,355,118	\$ 52,967,230	\$ 48,484,108

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

	1% Decrease	Healthcare Cost Trend Rate Assumptions	1% Increase
Total OPEB liability	\$ 49,199,588	\$ 52,967,230	\$ 57,756,352

# Naperville Community Unit School District No. 203

## Notes to Financial Statements

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### Note 7: Other Postemployment Benefits (Continued)

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

For the year ended June 30, 2020, the District recognized OPEB expense of \$4,462,571. At June 30, 2020, the District reported \$3,947,928 deferred outflows of resources and \$4,300,622 deferred inflows of resources related to OPEB. The following represents the deferred outflows of resources related to OPEB:

	Deferred Outflows of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ -	\$ 4,300,622
Changes in assumptions	<u>3,947,928</u>	<u>-</u>
Total	<u>\$ 3,947,928</u>	<u>\$ 4,300,622</u>

The total deferred outflows related to OPEB will be recognized in future years as follows:

Year Ending June 30	Net Deferred Outflows (Inflows) of Resources
2021	\$ 24,870
2022	24,870
2023	24,870
2024	24,870
2025	24,870
Thereafter	<u>(477,044)</u>
Total	<u>\$ (352,694)</u>

# Naperville Community Unit School District No. 203

## Notes to Financial Statements

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### Note 8: 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.

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 \$235,000 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, 2020, total unpaid claims, including an estimate of claims that have been incurred but not reported to the administrative agent, totaled \$5,922,113. 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, 2020 and 2018, 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 2020	\$ 5,651,923	\$ 38,408,970	\$ 38,138,780	\$ 5,922,113
Fiscal year 2018	5,337,060	36,151,090	35,836,227	5,651,923

### Note 9: 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, 555 North Main Street, Wauconda, Illinois 60084.

# Naperville Community Unit School District No. 203

## Notes to Financial Statements

### Note 10: 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 11: Interfund Transfers

For the year ended June 30, 2020, the general fund (educational account) transferred \$4,833,340 for principal and interest payments to the debt service funds to fund capital lease and certain bond issues.

### Note 12: Prior Period Adjustments

The District recorded the following prior period adjustments during the year ended June 30, 2020:

<i>Year Ended June 30, 2020</i>	Governmental Activities	<u>Governmental Activities</u> Internal Services Fund	General Fund	Operations and Maintenance Fund	Transportation Fund	Municipal Retirement/ Social Security Fund
To record deferral of property taxes	\$(121,786,111)	\$ -	\$ (96,957,381)	\$ (16,904,106)	\$ (3,784,512)	\$ (4,140,112)
To record claims payable	10,038	(5,809,317)	5,819,355	-	-	-
To establish Internal Service Fund	-	19,469,295	(19,469,295)	-	-	-
Total prior period adjustments	<u>\$(121,776,073)</u>	<u>\$ 13,659,978</u>	<u>\$(110,607,321)</u>	<u>\$ (16,904,106)</u>	<u>\$ (3,784,512)</u>	<u>\$ (4,140,112)</u>

The District adjusted beginning balances to reflect the deferral of the first installment of property tax revenue.

The District established an Internal Service Fund to account for the transactions related to the District's health care activities. Those activities were previously accounted for in the General Fund's Educational Account.

# Naperville Community Unit School District No. 203

## Notes to Financial Statements

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### **Note 13: Risks and Uncertainties**

Beginning in March 2020, the United States economy began suffering adverse effects from the COVID 19 Virus Crisis ("CV19 Crisis"). As of the date of issuance of the financial statements, the District has not suffered material adverse impact from the CV19 Crisis. The future impact of the CV19 Crisis on the District cannot be reasonably estimated at this time.

**Naperville Community Unit School District No. 203**  
**Schedule of the District's Proportionate Share of the Net Pension Liability**  
**Teachers' Retirement System**  
 Last Six Fiscal Years

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	2020*	2019*	2018*
District's proportion of the net pension liability	0.017551 %	0.018250 %	0.025790 %
District's proportion share of the net pension liability	\$ 14,235,440	\$ 14,226,568	\$ 19,701,890
State's proportionate share of the net pension liability associated with the District	<u>1,013,120,762</u>	<u>974,579,515</u>	<u>961,288,070</u>
Total	<u>\$ 1,027,356,202</u>	<u>\$ 988,806,083</u>	<u>\$ 980,989,960</u>
District's covered payroll	\$ 136,566,790	\$ 132,151,066	\$ 129,379,983
District's proportionate share of the net pension liability as a percentage of covered payroll	10.42 %	10.77 %	15.23 %
Plan fiduciary net position as a percentage of the total pension liability	39.60 %	40.00 %	39.30 %

\* The amounts presented have a measurement date of the previous fiscal year.

The District implemented GASB Statement No. 68 in fiscal year 2015.  
 Information prior to fiscal year 2015 is not available.

<u>2017*</u>	<u>2016*</u>	<u>2014*</u>
0.025740 %	0.027560 %	0.024950 %
\$ 20,319,181	\$ 18,052,011	\$ 15,182,313
<u>1,008,172,207</u>	<u>815,650,689</u>	<u>765,170,680</u>
<u>\$1,028,491,388</u>	<u>\$ 833,702,700</u>	<u>\$ 780,352,993</u>
\$ 127,884,574	\$ 125,915,919	\$ 124,055,093
15.89 %	14.34 %	12.24 %
36.40 %	41.50 %	43.00 %

# Naperville Community Unit School District No. 203

## Schedule of Employer Contributions

### Teachers' Retirement System

Last Six Calendar Years

Fiscal Year	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2020	\$ 876,930	\$ 883,660	\$ (6,730)	\$ 136,413,636	0.65 %
2019	892,013	892,013	-	136,566,790	0.65 %
2018	867,413	867,413	-	132,151,066	0.66 %
2017	1,066,891	1,066,891	-	129,379,983	0.82 %
2016	1,002,314	1,002,314	-	127,884,574	0.78 %
2015	965,524	965,524	-	125,915,919	0.77 %

#### Notes to Schedule

##### Changes of Assumptions

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

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

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

The District implemented GASB Statement No. 68 in fiscal year 2015.

Information prior to fiscal year 2015 is not available.

# Naperville Community Unit School District No. 203

## Schedule of Changes in the Employer's Net Pension Liability and Related Ratios

### Illinois Municipal Retirement Fund

Last Six Calendar Years

	2019	2018	2017	2016
<b>Total Pension Liability</b>				
Service cost	\$ 3,359,664	\$ 3,236,880	\$ 3,550,601	\$ 3,593,425
Interest	12,158,197	11,639,453	11,369,709	10,735,307
Differences between expected and actual experience	3,133,771	2,696,843	1,853,547	1,337,192
Changes of assumption	-	4,341,107	(4,688,328)	(688,798)
Benefit payments, including refunds of member contributions	<u>(9,895,880)</u>	<u>(9,042,328)</u>	<u>(7,621,836)</u>	<u>(6,970,199)</u>
Net change in total pension liability	8,755,752	12,871,955	4,463,693	8,006,927
Total pension liability, beginning	<u>170,967,383</u>	<u>158,095,428</u>	<u>153,631,735</u>	<u>145,561,808</u>
<b>Total pension liability, ending</b>	<b><u>\$ 179,723,135</u></b>	<b><u>\$ 170,967,383</u></b>	<b><u>\$ 158,095,428</u></b>	<b><u>\$ 153,568,735</u></b>
<b>Plan Fiduciary Net Position</b>				
Contributions - employer	\$ 3,498,093	\$ 3,839,511	\$ 3,720,926	\$ 3,760,006
Contributions - member	1,502,448	1,488,187	1,474,862	1,446,053
Net investment income	26,455,097	(8,515,297)	22,677,817	8,332,891
Benefit payments, including refunds of member contributions	(9,895,880)	(9,042,328)	(7,621,836)	(6,907,199)
Administrative expense	<u>575,686</u>	<u>2,628,506</u>	<u>(2,127,549)</u>	<u>602,854</u>
Net change in plan fiduciary net position	22,135,444	(9,601,421)	18,124,220	7,234,605
Plan net position, beginning	<u>137,703,736</u>	<u>147,305,157</u>	<u>129,180,937</u>	<u>121,946,332</u>
<b>Plan net position, ending</b>	<b><u>\$ 159,839,180</u></b>	<b><u>\$ 137,703,736</u></b>	<b><u>\$ 147,305,157</u></b>	<b><u>\$ 129,180,937</u></b>
<b>Employer's net pension liability (asset)</b>	<b><u>\$ 19,883,955</u></b>	<b><u>\$ 33,263,647</u></b>	<b><u>\$ 10,790,271</u></b>	<b><u>\$ 24,387,798</u></b>
Plan fiduciary net position as a percentage of the total pension liability	88.94 %	80.54 %	93.17 %	84.08 %
Covered payroll	\$ 33,192,591	\$ 32,499,111	\$ 32,092,728	\$ 31,836,599
Employer's net pension liability as a percentage of covered payroll	59.90 %	102.35 %	33.62 %	76.80 %

The District implemented GASB Statement No. 68 in fiscal year 2015.  
Information prior to fiscal year 2015 is not available.

<u>2015</u>	<u>2014</u>
\$ 3,491,743	\$ 3,747,419
10,052,411	9,067,363
2,257,306	642,263
329,642	6,069,719
<u>(6,427,883)</u>	<u>(5,385,288)</u>
9,703,219	14,141,476
<u>135,858,589</u>	<u>121,717,113</u>
<u>\$ 145,561,808</u>	<u>135,858,589</u>
\$ 3,533,292	\$ 3,397,889
1,408,064	1,426,742
609,238	7,060,932
(6,427,883)	(5,385,288)
<u>232,845</u>	<u>57,197</u>
(644,444)	6,557,472
<u>122,590,776</u>	<u>116,033,304</u>
<u>\$ 121,946,332</u>	<u>\$ 122,590,776</u>
<u>\$ 23,615,476</u>	<u>\$ 13,267,813</u>
83.78 %	90.23 %
\$ 31,101,492	\$ 30,486,599
75.93 %	43.52 %

# Naperville Community Unit School District No. 203

## Schedule of Employer Contributions

### Illinois Municipal Retirement Fund

Last Six Fiscal Years

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2020	\$ 3,755,405	\$ 3,755,405	\$ -	\$ 32,812,905	11.44 %
2019	3,681,801	3,681,801	-	33,317,273	11.05 %
2018	3,740,100	3,740,100	-	31,991,347	11.69 %
2017	3,738,790	3,738,790	-	32,230,863	11.60 %
2016	3,615,502	3,615,502	-	31,422,014	11.51 %
2015	3,365,720	3,397,889	(32,169)	30,483,599	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	25-year closed period
Asset valuation method	5-year smoothed market; 20% corridor
Wage growth	3.50%
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 2017 valuation pursuant to an experience study of the period 2014 - 2016.
Mortality	For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

The District implemented GASB Statement No. 68 in fiscal year 2015. Information prior to fiscal year 2015 is not available.

**Naperville Community Unit School District No. 203**  
**Schedule of the District's Proportionate Share of the Net OPEB Liability**  
**Teachers' Health Insurance Security Fund**  
 Last Three Fiscal Years

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	2020*	2019*	2018
District's proportion of the net OPEB liability	0.556117 %	0.557693 %	0.562232 %
District's proportion share of the net OPEB liability	\$ 153,919,109	\$ 146,929,174	\$ 145,896,779
State's proportionate share of the net OPEB liability associated with the District	<u>208,426,112</u>	<u>197,294,076</u>	<u>191,598,724</u>
	<u>\$ 362,345,221</u>	<u>\$ 344,223,250</u>	<u>\$ 337,495,503</u>
District's covered payroll	\$ 136,413,636	\$ 136,566,790	\$ 132,151,066
District's proportionate share of the net OPEB liability as a percentage of covered payroll	112.83 %	107.59 %	110.40 %
Plan fiduciary net position as a percentage of the total OPEB liability	(0.22)%	(0.07)%	(0.17)%

\* The amounts presented have a measurement date of the previous fiscal year.

The District implemented GASB Statement No. 75 in fiscal year 2018.  
 Information prior to fiscal year 2018 is not available.

# Naperville Community Unit School District No. 203

## Schedule of Employer Contributions Teachers' Health Insurance Security Fund

Last Three Fiscal Years

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Fiscal Year	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contribution s as a Percentage of Covered Payroll
2020	\$ 1,255,005	\$ 1,255,005	\$ -	\$ 136,413,636	0.92 %
2019	1,256,414	1,256,414	-	136,566,790	0.92 %
2018	1,162,929	1,162,929	-	132,151,066	0.88 %

The District implemented GASB Statement No. 75 in fiscal year 2018.  
Information prior to fiscal year 2018 is not available.

# Naperville Community Unit School District No. 203

## Schedule of Changes in the Employer's Net

### OPEB Liability and Related Ratios

### Other Post-Employment Benefits

Last Three Fiscal Years

	2020	2019	2018
<b>Total Pension Liability</b>			
Service cost	\$ 2,599,839	\$ 3,079,096	\$ 2,964,375
Interest	1,837,862	1,964,890	1,969,428
Differences between expected and actual experience	(4,686,200)	-	-
Changes of assumptions	3,001,340	1,520,535	-
Benefit payments, including refunds of member contributions	<u>(4,591,919)</u>	<u>(5,061,124)</u>	<u>(5,040,984)</u>
Net change in total pension liability	(1,839,078)	1,503,397	(107,181)
Total pension liability, beginning	<u>54,806,308</u>	<u>53,302,911</u>	<u>53,410,092</u>
<b>Total pension liability, ending</b>	<u><b>\$ 52,967,230</b></u>	<u><b>\$ 54,806,308</b></u>	<u><b>\$ 53,302,911</b></u>
<b>Plan Fiduciary Net Position</b>			
Contributions - employer	\$ 4,591,919	\$ 5,061,124	\$ 5,040,984
Benefit payments, including refunds of member contributions	<u>(4,591,919)</u>	<u>(5,061,124)</u>	<u>(5,040,984)</u>
Net change in plan fiduciary net position	-	-	-
<b>Plan net position, ending</b>	<u><b>\$ -</b></u>	<u><b>\$ -</b></u>	<u><b>\$ -</b></u>
<b>Employer's net pension liability (asset)</b>	<u><b>\$ 52,967,230</b></u>	<u><b>\$ 54,806,308</b></u>	<u><b>\$ 53,302,911</b></u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.00 %	0.00 %	0.00 %
Covered payroll	\$ 158,609,016	\$ 173,809,492	\$ 169,984,833
Employer's net OPEB liability as a percentage of covered payroll	33.39 %	31.53 %	31.36 %

The District implemented GASB Statement No. 75 in fiscal year 2018. Information prior to fiscal year 2018 is not available.

# Naperville Community Unit School District No. 203

## Schedule of Employer Contributions

### Other Post-Employment Benefits

Last Three Fiscal Years

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Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2020	\$ -	\$ -	\$ -	\$ 158,609,016	0.00 %
2019	-	-	-	173,809,492	0.00 %
2018	-	-	-	169,984,833	0.00 %

The District implemented GASB Statement No. 75 in fiscal year 2018.  
Information prior to fiscal year 2018 is not available.

# 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 Funds

<i>Year Ended June 30, 2020</i>	General Fund			Operations and Maintenance		
	Final Budget	Actual	Variance with Final Budget	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>						
Local sources	\$ 209,055,997	\$ 208,210,890	\$ (845,107)	\$ 35,231,022	\$ 34,729,567	\$ (501,455)
State resources	80,989,999	81,057,876	67,877	-	50,000	50,000
Federal resources	<u>6,872,278</u>	<u>8,399,038</u>	<u>1,526,760</u>	-	-	-
Total revenues	<u>296,918,274</u>	<u>297,667,804</u>	<u>749,530</u>	<u>35,231,022</u>	<u>34,779,567</u>	<u>(451,455)</u>
<b>Expenditures</b>						
Current operating						
Instruction	214,898,968	214,902,533	(3,565)	-	-	-
Support services	69,023,377	68,484,761	538,616	33,289,715	26,572,318	6,717,397
Community services	1,198,476	1,085,280	113,196	-	-	-
Non-programmed charges	559,000	217,312	341,688	-	-	-
Provisions for contingencies	<u>1,000,000</u>	-	<u>1,000,000</u>	<u>55,000</u>	-	<u>55,000</u>
Total expenditures	<u>286,679,821</u>	<u>284,689,886</u>	<u>1,989,935</u>	<u>33,344,715</u>	<u>26,572,318</u>	<u>6,772,397</u>
Excess of revenue over (under) expenditures	<u>10,238,453</u>	<u>12,977,918</u>	<u>2,739,465</u>	<u>1,886,307</u>	<u>8,207,249</u>	<u>6,320,942</u>
<b>Other Financing Sources (Uses)</b>						
Proceeds from capital leases	-	3,486,821	3,486,821	-	-	-
Transfers out	<u>(5,000,301)</u>	<u>(4,833,340)</u>	<u>166,961</u>	-	-	-
Total other financing sources (uses)	<u>(5,000,301)</u>	<u>(1,346,519)</u>	<u>3,653,782</u>	-	-	-
Net change in fund balances	<u>\$ 10,238,453</u>	<u>11,631,399</u>	<u>\$ (1,240,405)</u>	<u>\$ 1,886,307</u>	<u>8,207,249</u>	<u>\$ (7,223,852)</u>
Fund balances, beginning of year as originally stated		168,162,201			25,311,016	
Prior period adjustment		<u>(110,607,321)</u>			<u>(16,904,106)</u>	
Fund balances, beginning of year as restated		<u>57,554,880</u>			<u>8,406,910</u>	
Fund balances, end of year		<u>\$ 69,186,279</u>			<u>\$ 16,614,159</u>	

See Independent Accountant's Audit Report on Supplementary Information.

# 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 Funds

<i>Year Ended June 30, 2020</i>	Transportation			Municipal Retirement/Social Security		
	Final Budget	Actual	Variance with Final Budget	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>						
Local sources	\$ 7,964,652	\$ 7,827,157	\$ (137,495)	\$ 8,727,968	\$ 8,633,814	\$ (94,154)
State resources	<u>5,750,000</u>	<u>5,506,333</u>	<u>(243,667)</u>	-	-	-
Total revenues	<u>13,714,652</u>	<u>13,333,490</u>	<u>(381,162)</u>	<u>8,727,968</u>	<u>8,633,814</u>	<u>(94,154)</u>
<b>Expenditures</b>						
Instruction	-	-	-	3,714,718	3,277,832	436,886
Support services	13,107,306	11,328,534	1,778,772	4,541,437	4,841,859	(300,422)
Community services	2,496	-	2,496	246,067	128,971	117,096
Provisions for Contingencies	<u>30,000</u>	-	<u>30,000</u>	<u>40,000</u>	-	<u>40,000</u>
Total expenditures	<u>13,139,802</u>	<u>11,328,534</u>	<u>1,811,268</u>	<u>8,542,222</u>	<u>8,248,662</u>	<u>293,560</u>
Net change in fund balances	<u>\$ 574,850</u>	<u>2,004,956</u>	<u>\$ (2,192,430)</u>	<u>\$ 185,746</u>	<u>385,152</u>	<u>\$ (387,714)</u>
Fund balances, beginning of year as originally stated		8,593,803			4,000,741	
Prior period adjustment		<u>(3,784,512)</u>			<u>(4,140,112)</u>	
Fund balances, beginning of year as restated		<u>4,809,291</u>			<u>(139,371)</u>	
Fund balances, end of year		<u>\$ 6,814,247</u>			<u>\$ 245,781</u>	

See Independent Accountant's Audit Report on Supplementary Information.

# Naperville Community Unit School District No. 203

## Notes to Required Supplementary Information

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### 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:

- 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.
- Public hearings are conducted and the proposed budget is available for inspection to obtain taxpayer comments.
- 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.
- 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 17, 2019.
- Formal budgetary integration is employed as a management control device during the year for all Governmental Funds.
- 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.
- The budget lapses at the end of each fiscal year.

# Naperville Community Unit School District No. 203

## Combining Balance Sheets by Account

### General Fund

<i>June 30, 2020</i>	Educational	Working Cash	Tort Immunity	Total
<b>Assets</b>				
Cash and cash equivalents	\$ 171,013,038	\$ 14,176,034	\$ 1,695,928	\$ 186,885,000
Receivables				
Taxes receivable	97,104,201	491,052	543,133	98,138,386
State and federal aid	2,341,980	-	-	2,341,980
Other receivables	626,011	-	-	626,011
Prepaid items	<u>1,167,241</u>	<u>-</u>	<u>133,661</u>	<u>1,300,902</u>
Total assets	<u>\$ 272,252,471</u>	<u>\$ 14,667,086</u>	<u>\$ 2,372,722</u>	<u>\$ 289,292,279</u>
<b>Liabilities, Deferred Inflows, and Fund Balances</b>				
Accounts payable	\$ 3,060,903	\$ -	\$ 8,122	\$ 3,069,025
Accrued salaries and related expenditures	17,588,945	-	-	17,588,945
Unearned revenue	<u>581,970</u>	<u>-</u>	<u>-</u>	<u>581,970</u>
Total liabilities	<u>21,231,818</u>	<u>-</u>	<u>8,122</u>	<u>21,239,940</u>
<b>Deferred inflow of resources</b>				
Property taxes levied for subsequent year	<u>196,770,405</u>	<u>995,059</u>	<u>1,100,596</u>	<u>198,866,060</u>
Total deferred inflow of resources	<u>196,770,405</u>	<u>995,059</u>	<u>1,100,596</u>	<u>198,866,060</u>
<b>Fund balances</b>				
Nonspendable				
Prepaid items	1,167,241	-	-	1,167,241
Restricted				
Tort immunity	-	-	1,264,004	1,264,004
Unassigned	<u>53,083,007</u>	<u>13,672,027</u>	<u>-</u>	<u>66,755,034</u>
Total fund balance	<u>54,250,248</u>	<u>13,672,027</u>	<u>1,264,004</u>	<u>69,186,279</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 272,252,471</u>	<u>\$ 14,667,086</u>	<u>\$ 2,372,722</u>	<u>\$ 289,292,279</u>

See Independent Accountant's Audit Report on Supplementary Information.

# Naperville Community Unit School District No. 203

## Combining Schedule of Revenues, Expenditures and Changes

### In Fund Balances - General Fund

<i>Year Ended June 30, 2020</i>	<b>Educational</b>	<b>Working Cash</b>	<b>Tort Immunity</b>	<b>Total</b>
<b>Revenues</b>				
Local sources	\$ 206,049,494	\$ 1,026,808	\$ 1,134,588	\$ 208,210,890
State resources	81,057,876	-	-	81,057,876
Federal resources	<u>8,399,038</u>	<u>-</u>	<u>-</u>	<u>8,399,038</u>
Total revenues	<u>295,506,408</u>	<u>1,026,808</u>	<u>1,134,588</u>	<u>297,667,804</u>
<b>Expenditures</b>				
Instruction	214,902,533	-	-	214,902,533
Support services	67,304,054	-	1,180,707	68,484,761
Community services	1,085,280	-	-	1,085,280
Non-programmed charges	<u>217,312</u>	<u>-</u>	<u>-</u>	<u>217,312</u>
Total expenditures	<u>283,509,179</u>	<u>-</u>	<u>1,180,707</u>	<u>284,689,886</u>
Excess of revenues over (under) expenditures	<u>11,997,229</u>	<u>1,026,808</u>	<u>(46,119)</u>	<u>12,977,918</u>
<b>Other financing sources (uses)</b>				
Proceeds from capital leases	3,486,821	-	-	3,486,821
Transfers out	<u>(4,833,340)</u>	<u>-</u>	<u>-</u>	<u>(4,833,340)</u>
Total other financing sources (uses)	<u>(1,346,519)</u>	<u>-</u>	<u>-</u>	<u>(1,346,519)</u>
Net change in fund balance	<u>10,650,710</u>	<u>1,026,808</u>	<u>(46,119)</u>	<u>11,631,399</u>
Fund balances, beginning of year as originally stated	153,144,582	13,151,634	1,865,985	168,162,201
Prior period adjustment	<u>(109,545,044)</u>	<u>(506,415)</u>	<u>(555,862)</u>	<u>(110,607,321)</u>
Fund balance, beginning of year as restated	<u>43,599,538</u>	<u>12,645,219</u>	<u>1,310,123</u>	<u>57,554,880</u>
Fund balances, end of year	<u>\$ 54,250,248</u>	<u>\$ 13,672,027</u>	<u>\$ 1,264,004</u>	<u>\$ 69,186,279</u>

See Independent Accountant's Audit Report on Supplementary Information.

# Naperville Community Unit School District No. 203

## Schedule of Revenues, Expenditures and

## Changes in Fund Balance

## Budget and Actual

Year Ended June 30, 2020 with Comparative Actual Totals for 2019	Educational Fund			
	2020		2019	
	Original and Final Budget	Actual	Variance with Final Budget	Actual
<b>Revenues</b>				
Local sources				
Property taxes	\$ 194,086,646	\$ 191,605,021	\$ (2,481,625)	\$ 189,137,896
Corporate replacement taxes	1,821,000	2,383,541	562,541	2,156,852
Tuition	832,000	711,916	(120,084)	800,506
Earnings on investments	2,400,000	4,159,211	1,759,211	3,124,230
Food services	3,114,585	2,539,466	(575,119)	3,331,572
Pupil activities and textbooks	2,245,935	2,078,787	(167,148)	-
Textbook income	972,839	1,009,859	37,020	5,166,396
Services provided other districts	370,000	166,211	(203,789)	232,051
Other	<u>1,030,000</u>	<u>1,395,482</u>	<u>365,482</u>	<u>1,229,209</u>
Total local sources	<u>206,873,005</u>	<u>206,049,494</u>	<u>(823,511)</u>	<u>205,178,712</u>
State sources				
Unrestricted				
Evidence based funding formula	12,665,000	12,666,370	1,370	12,647,083
Restricted				
Other grants-in-aid	750,000	1,142,772	392,772	807,586
Special education	1,500,000	2,062,811	562,811	2,057,999
Career and technical education	152,653	147,610	(5,043)	246,581
Prekindergarten program for at risk students	1,767,239	1,633,423	(133,816)	1,685,087
School lunch aid	8,000	9,028	1,028	13,817
Driver education	135,000	90,942	(44,058)	101,777
On behalf payments - State of Illinois	64,000,000	63,292,918	(707,082)	60,525,910
Unallocated	<u>12,107</u>	<u>12,002</u>	<u>(105)</u>	<u>12,107</u>
Total state sources	<u>80,989,999</u>	<u>81,057,876</u>	<u>67,877</u>	<u>78,097,947</u>
Federal sources				
Restricted				
Title I	1,017,015	1,362,844	345,829	564,842
Education for handicapped	3,911,636	4,089,949	178,313	2,207,071
School lunch programs	1,005,500	1,157,369	151,869	1,081,547
Title II	289,118	330,771	41,653	149,370
Title III - tech prep	45,685	41,482	(4,203)	-
Title III - immigrant education program	89,761	45,840	(43,921)	121,329
Title III - language instruction program	163,563	117,441	(46,122)	36,963
Medicaid matching/ administrative outreach	350,000	226,446	(123,554)	1,332,776
Medicaid matching/fee-for-service	-	976,068	976,068	-
Other	<u>-</u>	<u>50,828</u>	<u>50,828</u>	<u>56,046</u>
Total federal sources	<u>6,872,278</u>	<u>8,399,038</u>	<u>1,526,760</u>	<u>5,549,944</u>
Total revenues	<u>\$ 294,735,282</u>	<u>\$ 295,506,408</u>	<u>\$ 771,126</u>	<u>\$ 288,826,603</u>

# Naperville Community Unit School District No. 203

## Schedule of Revenues, Expenditures and

### Changes in Fund Balance

#### Budget and Actual (Continued)

Year Ended June 30, 2020 with Comparative Actual Totals for 2019	Educational Fund			
	2020		2019	
	Final Budget	Actual	Variance with Final Budget	Actual
<b>Expenditures</b>				
Current operating				
Instruction				
Regular programs				
Salaries	\$ 75,310,741	\$ 72,284,961	\$ 3,025,780	\$ 72,860,614
Employee benefits	11,375,970	11,720,056	(344,086)	10,625,844
On behalf payments - state of Illinois	64,000,000	63,292,918	707,082	60,525,910
Purchased services	1,575,585	1,110,400	465,185	1,308,011
Supplies and materials	5,883,818	4,359,832	1,523,986	4,750,552
Capital outlay	15,500	3,621,531	(3,606,031)	1,222,382
Other objects	<u>15,000</u>	<u>11,937</u>	<u>3,063</u>	<u>309</u>
Total	<u>158,176,614</u>	<u>156,401,635</u>	<u>1,774,979</u>	<u>151,293,622</u>
Special education programs				
Salaries	20,266,266	20,956,908	(690,642)	20,955,512
Employee benefits	5,138,507	4,834,091	304,416	5,013,816
Purchased services	65,000	77,298	(12,298)	60,033
Supplies and materials	799,563	578,997	220,566	450,101
Capital outlay	133,000	47,878	85,122	70,625
Other objects	<u>18,500</u>	<u>4,041</u>	<u>14,459</u>	<u>19,741</u>
Total	<u>26,420,836</u>	<u>26,499,213</u>	<u>(78,377)</u>	<u>26,569,828</u>
Special education Pre-K programs				
Salaries	1,161,307	1,107,370	53,937	1,166,486
Employee benefits	<u>228,780</u>	<u>191,631</u>	<u>37,149</u>	<u>216,381</u>
Total	<u>1,390,087</u>	<u>1,299,001</u>	<u>91,086</u>	<u>1,382,867</u>
Remedial and supplemental programs K-12				
Salaries	946,696	970,948	(24,252)	-
Employee benefits	<u>539,436</u>	<u>594,833</u>	<u>(55,397)</u>	<u>-</u>
Total	<u>1,486,132</u>	<u>1,565,781</u>	<u>(79,649)</u>	<u>-</u>
CTE programs				
Salaries	3,211,182	3,233,584	(22,402)	3,312,390
Employee benefits	451,651	385,610	66,041	447,376
Purchased services	8,000	968	7,032	8,937
Supplies and materials	123,840	116,111	7,729	119,812
Capital outlay	<u>88,124</u>	<u>92,000</u>	<u>(3,876)</u>	<u>81,241</u>
Total	<u>3,882,797</u>	<u>3,828,273</u>	<u>54,524</u>	<u>3,969,756</u>

# Naperville Community Unit School District No. 203

## Schedule of Revenues, Expenditures and

### Changes in Fund Balance

#### Budget and Actual (Continued)

<i>Year Ended June 30, 2020 with Comparative Actual Totals for 2019</i>	Educational Fund			
	2020		2019	
	Final Budget	Actual	Variance with Final Budget	Actual
<b>Interscholastic programs</b>				
Salaries	\$ 5,034,915	\$ 4,656,327	\$ 378,588	\$ 5,203,621
Employee benefits	190,139	147,419	42,720	205,867
Purchased services	283,400	214,959	68,441	279,441
Supplies and materials	267,715	196,148	71,567	260,313
Capital outlay	3,000	2,892	108	6,652
Other objects	<u>95,100</u>	<u>107,795</u>	<u>(12,695)</u>	<u>153,674</u>
Total	<u>5,874,269</u>	<u>5,325,540</u>	<u>548,729</u>	<u>6,109,568</u>
<b>Summer school programs</b>				
Salaries	1,163,600	1,209,955	(46,355)	1,168,785
Employee benefits	27,520	30,666	(3,146)	25,227
Purchased services	35,000	63,875	(28,875)	66,218
Supplies and materials	46,000	41,852	4,148	85,024
Other objects	<u>45,000</u>	<u>2,960</u>	<u>42,040</u>	<u>15,696</u>
Total	<u>1,317,120</u>	<u>1,349,308</u>	<u>(32,188)</u>	<u>1,360,950</u>
<b>Gifted programs</b>				
Salaries	2,315,622	2,647,490	(331,868)	2,499,778
Employee benefits	<u>368,728</u>	<u>372,841</u>	<u>(4,113)</u>	<u>360,001</u>
Total	<u>2,684,350</u>	<u>3,020,331</u>	<u>(335,981)</u>	<u>2,859,779</u>
<b>Bilingual programs</b>				
Salaries	6,687,134	7,000,275	(313,141)	6,394,054
Employee benefits	1,297,159	1,330,268	(33,109)	1,268,393
Purchased services	9,000	-	9,000	-
Supplies and materials	<u>153,000</u>	<u>64,839</u>	<u>88,161</u>	<u>117,754</u>
Total	<u>8,146,293</u>	<u>8,395,382</u>	<u>(249,089)</u>	<u>7,780,201</u>
<b>Truant alternative programs</b>				
Salaries	19,000	4,435	14,565	7,082
Employee benefits	<u>1,470</u>	<u>67</u>	<u>1,403</u>	<u>106</u>
Total	<u>20,470</u>	<u>4,502</u>	<u>15,968</u>	<u>7,188</u>

# Naperville Community Unit School District No. 203

## Schedule of Revenues, Expenditures and

### Changes in Fund Balance

#### Budget and Actual (Continued)

<i>Year Ended June 30, 2020 with Comparative Actual Totals for 2019</i>	Educational Fund			
	2020		2019	
	Final Budget	Actual	Variance with Final Budget	Actual
Regular K-12 programs private tuition				
Other objects	\$ 5,500,000	\$ -	\$ 5,500,000	\$ -
Special education programs private tuition				
Other objects	<u>-</u>	<u>7,213,567</u>	<u>(7,213,567)</u>	<u>7,127,236</u>
Total	<u>5,500,000</u>	<u>7,213,567</u>	<u>(1,713,567)</u>	<u>7,127,236</u>
Total instruction	<u>214,898,968</u>	<u>214,902,533</u>	<u>(3,565)</u>	<u>208,460,995</u>
Support services				
Pupils				
Attendance and social work				
Salaries	3,540,469	3,441,898	98,571	3,567,728
Employee benefits	527,446	528,625	(1,179)	530,381
Supplies and materials	<u>2,000</u>	<u>3,132</u>	<u>(1,132)</u>	<u>4,043</u>
Total	<u>4,069,915</u>	<u>3,973,655</u>	<u>96,260</u>	<u>4,102,152</u>
Guidance services				
Salaries	3,427,114	3,609,766	(182,652)	3,616,185
Employee benefits	608,125	574,285	33,840	609,495
Purchased services	12,500	4,850	7,650	13,634
Supplies and materials	<u>28,000</u>	<u>6,010</u>	<u>21,990</u>	<u>5,174</u>
Total	<u>4,075,739</u>	<u>4,194,911</u>	<u>(119,172)</u>	<u>4,244,488</u>
Health services				
Salaries	3,808,578	3,340,318	468,260	3,359,306
Employee benefits	542,188	565,178	(22,990)	532,786
Purchased services	-	128,168	(128,168)	-
Supplies and materials	<u>45,000</u>	<u>71,245</u>	<u>(26,245)</u>	<u>21,595</u>
Total	<u>4,395,766</u>	<u>4,104,909</u>	<u>290,857</u>	<u>3,913,687</u>
Psychological services				
Salaries	3,764,153	3,806,394	(42,241)	3,593,621
Employee benefits	576,969	591,008	(14,039)	559,250
Purchased services	150,000	98,427	51,573	81,571
Supplies and materials	<u>-</u>	<u>92</u>	<u>(92)</u>	<u>-</u>
Total	<u>4,491,122</u>	<u>4,495,921</u>	<u>(4,799)</u>	<u>4,234,442</u>

# Naperville Community Unit School District No. 203

## Schedule of Revenues, Expenditures and

### Changes in Fund Balance

#### Budget and Actual (Continued)

<i>Year Ended June 30, 2020 with Comparative Actual Totals for 2019</i>	Educational Fund			
	2020		2019	
	Final Budget	Actual	Variance with Final Budget	Actual
Speech pathology and audiology services				
Salaries	\$ 3,595,161	\$ 3,566,414	\$ 28,747	\$ 3,542,694
Employee benefits	584,227	562,444	21,783	591,594
Purchased services	45,000	176,682	(131,682)	222,466
Supplies and materials	<u>900</u>	<u>598</u>	<u>302</u>	<u>181</u>
Total	<u>4,225,288</u>	<u>4,306,138</u>	<u>(80,850)</u>	<u>4,356,935</u>
Other support services				
Salaries	79,917	122,440	(42,523)	170,106
Employee benefits	811	1,631	(820)	6,828
Purchased services	<u>230,000</u>	<u>213,920</u>	<u>16,080</u>	<u>247,868</u>
Total	<u>310,728</u>	<u>337,991</u>	<u>(27,263)</u>	<u>424,802</u>
Total pupils	<u>21,568,558</u>	<u>21,413,525</u>	<u>155,033</u>	<u>21,276,506</u>
Instructional staff				
Improvement of instruction services				
Salaries	5,869,603	5,703,272	166,331	5,721,101
Employee benefits	849,800	785,559	64,241	780,391
Purchased services	1,080,803	684,484	396,319	681,318
Supplies and materials	173,713	90,645	83,068	93,976
Capital outlay	25,000	78,173	(53,173)	656
Other objects	<u>10,000</u>	<u>446</u>	<u>9,554</u>	<u>23,105</u>
Total	<u>8,008,919</u>	<u>7,342,579</u>	<u>666,340</u>	<u>7,300,547</u>
Educational media services				
Salaries	3,571,838	3,700,452	(128,614)	3,786,233
Employee benefits	1,128,020	1,050,538	77,482	1,081,378
Purchased services	120,000	250,682	(130,682)	196,373
Supplies and materials	<u>331,349</u>	<u>317,601</u>	<u>13,748</u>	<u>309,777</u>
Total	<u>5,151,207</u>	<u>5,319,273</u>	<u>(168,066)</u>	<u>5,373,761</u>

# Naperville Community Unit School District No. 203

## Schedule of Revenues, Expenditures and

## Changes in Fund Balance

## Budget and Actual (Continued)

Year Ended June 30, 2020 with Comparative Actual Totals for 2019	Educational Fund			
	2020		2019	
	Final Budget	Actual	Variance with Final Budget	Actual
Assessment and training				
Salaries	\$ 226,253	\$ 243,573	\$ (17,320)	\$ 231,259
Employee benefits	81,938	97,885	(15,947)	81,966
Purchased services	310,303	266,979	43,324	192,454
Supplies and materials	44,243	81,352	(37,109)	55,619
Other objects	<u>204</u>	<u>-</u>	<u>204</u>	<u>300</u>
Total	<u>662,941</u>	<u>689,789</u>	<u>(26,848)</u>	<u>561,598</u>
Total instructional staff	<u>13,823,067</u>	<u>13,351,641</u>	<u>471,426</u>	<u>13,235,906</u>
General administration				
Board of education				
Salaries	231,931	125,207	106,724	103,440
Employee benefits	49,007	48,477	530	53,852
Purchased services	569,000	367,368	201,632	406,412
Supplies and materials	106,996	35,844	71,152	70,132
Other objects	<u>60,000</u>	<u>63,513</u>	<u>(3,513)</u>	<u>89,458</u>
Total	<u>1,016,934</u>	<u>640,409</u>	<u>376,525</u>	<u>723,294</u>
Executive administration				
Salaries	918,736	873,809	44,927	1,205,441
Employee benefits	173,599	193,997	(20,398)	265,763
Purchased services	72,300	25,757	46,543	50,716
Supplies and materials	26,450	14,494	11,956	19,780
Other objects	<u>6,500</u>	<u>3,098</u>	<u>3,402</u>	<u>14,981</u>
Total	<u>1,197,585</u>	<u>1,111,155</u>	<u>86,430</u>	<u>1,556,681</u>
Special area administrative services				
Salaries	741,133	548,220	192,913	890,062
Employee benefits	202,912	174,280	28,632	260,409
Purchased services	92,850	132,024	(39,174)	84,110
Supplies and materials	10,000	3,992	6,008	2,981
Capital outlay	<u>5,000</u>	<u>4,302</u>	<u>698</u>	<u>2,820</u>
Total	<u>1,051,895</u>	<u>862,818</u>	<u>189,077</u>	<u>1,240,382</u>
Total general administration	<u>3,266,414</u>	<u>2,614,382</u>	<u>652,032</u>	<u>3,520,357</u>

# Naperville Community Unit School District No. 203

## Schedule of Revenues, Expenditures and

### Changes in Fund Balance

#### Budget and Actual (Continued)

<i>Year Ended June 30, 2020 with Comparative Actual Totals for 2019</i>	Educational Fund			
	2020		2019	
	Final Budget	Actual	Variance with Final Budget	Actual
School administration				
Office of the principal				
Salaries	\$ 7,890,309	\$ 8,266,256	\$ (375,947)	\$ 7,993,669
Employee benefits	2,031,597	2,675,011	(643,414)	2,538,441
Purchased services	60,700	49,860	10,840	54,398
Supplies and materials	12,500	4,304	8,196	6,084
Other objects	<u>30,000</u>	<u>32,688</u>	<u>(2,688)</u>	<u>54,643</u>
Total	<u>10,025,106</u>	<u>11,028,119</u>	<u>(1,003,013)</u>	<u>10,647,235</u>
Other support services				
Salaries	1,511,184	1,772,317	(261,133)	1,738,612
Employee benefits	319,730	449,081	(129,351)	461,830
Purchased services	-	44,775	(44,775)	-
Supplies and materials	5,000	2,539	2,461	25,558
Other objects	<u>50,000</u>	<u>15,000</u>	<u>35,000</u>	<u>15,000</u>
Total	<u>1,885,914</u>	<u>2,283,712</u>	<u>(397,798)</u>	<u>2,241,000</u>
Total school administration	<u>11,911,020</u>	<u>13,311,831</u>	<u>(1,400,811)</u>	<u>12,888,235</u>
Business				
Director of business				
Salaries	195,000	216,478	(21,478)	90,930
Employee benefits	42,075	45,698	(3,623)	21,212
Purchased services	-	-	-	21,340
Supplies and materials	<u>-</u>	<u>-</u>	<u>-</u>	<u>5</u>
Total	<u>237,075</u>	<u>262,176</u>	<u>(25,101)</u>	<u>133,487</u>
Fiscal services				
Salaries	637,696	480,567	157,129	601,872
Employee benefits	114,924	79,733	35,191	129,701
Purchased services	75,000	133,311	(58,311)	102,097
Supplies and materials	10,500	9,386	1,114	15,088
Other objects	<u>1,000</u>	<u>4,594</u>	<u>(3,594)</u>	<u>3,499</u>
Total	<u>839,120</u>	<u>707,591</u>	<u>131,529</u>	<u>852,257</u>

# Naperville Community Unit School District No. 203

## Schedule of Revenues, Expenditures and

### Changes in Fund Balance

#### Budget and Actual (Continued)

<i>Year Ended June 30, 2020 with Comparative Actual Totals for 2019</i>	Educational Fund			
	2020		2019	
	Final Budget	Actual	Variance with Final Budget	Actual
<b>Operation and maintenance of plant services</b>				
Purchased services	\$ 918,400	\$ 1,205,224	\$ (286,824)	\$ 740,117
Supplies and materials	326,000	488,979	(162,979)	528,508
Capital outlay	<u>25,000</u>	<u>-</u>	<u>25,000</u>	<u>17,050</u>
Total	<u>1,269,400</u>	<u>1,694,203</u>	<u>(424,803)</u>	<u>1,285,675</u>
<b>Food services</b>				
Salaries	753,800	1,042,150	(288,350)	1,115,656
Employee benefits	112,485	5,620	106,865	6,853
Purchased services	3,470,000	2,938,470	531,530	3,291,331
Supplies and materials	126,600	38,676	87,924	48,696
Capital outlay	20,000	-	20,000	73,395
Other objects	<u>1,000</u>	<u>81</u>	<u>919</u>	<u>527</u>
Total	<u>4,483,885</u>	<u>4,024,997</u>	<u>458,888</u>	<u>4,536,458</u>
<b>Internal services</b>				
Salaries	182,723	168,525	14,198	165,857
Employee benefits	66,668	66,806	(138)	66,665
Supplies and materials	<u>65,000</u>	<u>53,525</u>	<u>11,475</u>	<u>71,035</u>
Total	<u>314,391</u>	<u>288,856</u>	<u>25,535</u>	<u>303,557</u>
Total business	<u>7,143,871</u>	<u>6,977,823</u>	<u>166,048</u>	<u>7,111,434</u>
<b>Central</b>				
<b>Information services</b>				
Salaries	100,488	105,058	(4,570)	91,167
Employee benefits	-	310	(310)	243
Purchased services	101,700	38,857	62,843	51,568
Supplies and materials	61,000	53,885	7,115	2,514
Other objects	<u>2,500</u>	<u>2,372</u>	<u>128</u>	<u>2,908</u>
Total	<u>265,688</u>	<u>200,482</u>	<u>65,206</u>	<u>148,400</u>

# Naperville Community Unit School District No. 203

## Schedule of Revenues, Expenditures and

## Changes in Fund Balance

## Budget and Actual (Continued)

<i>Year Ended June 30, 2020 with Comparative Actual Totals for 2019</i>	Educational Fund			
	2020		2019	
	Final Budget	Actual	Variance with Final Budget	Actual
Staff services				
Salaries	\$ 836,918	\$ 1,018,027	\$ (181,109)	\$ 925,832
Employee benefits	2,181,147	2,154,664	26,483	2,061,182
Purchased services	143,900	109,941	33,959	92,826
Supplies and materials	6,500	1,996	4,504	3,563
Other objects	<u>3,000</u>	<u>980</u>	<u>2,020</u>	<u>4,766</u>
Total	<u>3,171,465</u>	<u>3,285,608</u>	<u>(114,143)</u>	<u>3,088,169</u>
Data processing services				
Salaries	1,943,751	2,026,680	(82,929)	1,967,495
Employee benefits	400,080	401,145	(1,065)	404,622
Purchased services	893,000	582,975	310,025	644,115
Supplies and materials	2,082,700	1,902,727	179,973	1,932,440
Capital outlay	125,000	17,429	107,571	117,935
Other objects	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,246</u>
Total	<u>5,444,531</u>	<u>4,930,956</u>	<u>513,575</u>	<u>5,069,853</u>
Total central	<u>8,881,684</u>	<u>8,417,046</u>	<u>464,638</u>	<u>8,306,422</u>
Other support services				
Salaries	489,199	519,833	(30,634)	466,140
Employee benefits	120,188	118,952	1,236	108,086
Purchased services	547,250	534,566	12,684	709,538
Supplies and materials	28,126	9,303	18,823	2,813
Capital outlay	-	35,152	(35,152)	-
Other objects	<u>500</u>	<u>-</u>	<u>500</u>	<u>17,840</u>
Total other support services	<u>1,185,263</u>	<u>1,217,806</u>	<u>(32,543)</u>	<u>1,304,417</u>
Total support services	<u>67,779,877</u>	<u>67,304,054</u>	<u>475,823</u>	<u>67,643,277</u>
Community services				
Salaries	687,728	677,472	10,256	600,902
Employee benefits	112,302	125,856	(13,554)	115,160
Purchased services	270,673	220,694	49,979	226,240
Supplies and materials	123,223	58,153	65,070	100,185
Other objects	<u>4,550</u>	<u>3,105</u>	<u>1,445</u>	<u>2,336</u>
Total	<u>1,198,476</u>	<u>1,085,280</u>	<u>113,196</u>	<u>1,044,823</u>

# Naperville Community Unit School District No. 203

## Schedule of Revenues, Expenditures and

### Changes in Fund Balance

#### Budget and Actual (Continued)

<i>Year Ended June 30, 2020 with Comparative Actual Totals for 2019</i>	Educational Fund			
	2020		2019	
	Final Budget	Actual	Variance with Final Budget	Actual
Non-programmed charges				
Payments for regular programs				
Other objects	\$ -	\$ 5,689	\$ (5,689)	\$ 15,785
Payments for special education programs				
Other objects	409,000	60,387	348,613	260,854
Payments for CTE programs				
Other objects	<u>150,000</u>	<u>151,236</u>	<u>(1,236)</u>	<u>165,112</u>
Total	<u>559,000</u>	<u>217,312</u>	<u>341,688</u>	<u>441,751</u>
Total non-programmed services	<u>559,000</u>	<u>217,312</u>	<u>341,688</u>	<u>441,751</u>
Provision for contingencies	<u>1,000,000</u>	-	<u>1,000,000</u>	-
Total expenditures	<u>285,436,321</u>	<u>283,509,179</u>	<u>1,927,142</u>	<u>277,590,846</u>
Excess of revenue over (under) expenditures	<u>9,298,961</u>	<u>11,997,229</u>	<u>2,698,268</u>	<u>11,235,757</u>
<b>Other Financing Sources (Uses)</b>				
Proceeds from capital leases	-	3,486,821	3,486,821	1,097,055
Transfers out	<u>(5,000,301)</u>	<u>(4,833,340)</u>	<u>166,961</u>	<u>(2,331,888)</u>
Total other financing sources (uses)	<u>(5,000,301)</u>	<u>(1,346,519)</u>	<u>3,653,782</u>	<u>(1,234,833)</u>
Net change in fund balance	<u>\$ 4,298,660</u>	<u>10,650,710</u>	<u>\$ 6,352,050</u>	<u>10,000,924</u>
Fund balances, beginning of year as originally stated		153,144,582		143,143,658
Prior period adjustment		<u>(109,545,044)</u>		-
Fund balances, beginning of year as restated		<u>43,599,538</u>		<u>143,143,658</u>
Fund balances, end of year		<u>\$ 54,250,248</u>		<u>\$ 153,144,582</u>

# Naperville Community Unit School District No. 203

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

<i>Year Ended June 30, 2020 with Comparative Actual Totals for 2019</i>	Working Cash Fund			
	2020		2019	
	Original and Final Budget	Actual	Variance with Final Budget	Actual
<b>Revenues</b>				
Local sources				
Property taxes	\$ 1,024,957	\$ 1,011,882	\$ (13,075)	\$ 952,982
Earnings on investments	<u>18,000</u>	<u>14,926</u>	<u>(3,074)</u>	<u>22,577</u>
Total revenues	<u>1,042,957</u>	<u>1,026,808</u>	<u>(16,149)</u>	<u>975,559</u>
Net change in fund balance	<u>\$ 1,042,957</u>	<u>1,026,808</u>	<u>\$ (16,149)</u>	<u>975,559</u>
Fund balances, beginning of year as originally stated		13,151,634		12,176,075
Prior period adjustment		<u>(506,415)</u>		<u>-</u>
Fund balance, beginning of year as restated		<u>12,645,219</u>		<u>12,176,075</u>
Fund balances, end of year		<u>\$ 13,672,027</u>		<u>\$ 13,151,634</u>

# Naperville Community Unit School District No. 203

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

Year Ended June 30, 2020 with Comparative Actual Totals for 2019	Tort Immunity Account			
	2020		2019	
	Original and Final Budget	Actual	Variance with Final Budget	Actual
<b>Revenues</b>				
Local sources				
Property taxes	\$ 1,125,035	\$ 1,110,682	\$ (14,353)	\$ 1,081,570
Earnings on investments	15,000	16,406	1,406	25,230
Other	-	7,500	7,500	33,587
	<u>1,140,035</u>	<u>1,134,588</u>	<u>(5,447)</u>	<u>1,140,387</u>
Total local sources				
	<u>1,140,035</u>	<u>1,134,588</u>	<u>(5,447)</u>	<u>1,140,387</u>
Total revenues				
	<u>1,140,035</u>	<u>1,134,588</u>	<u>(5,447)</u>	<u>1,140,387</u>
<b>Expenditures</b>				
Current operating				
Support services				
Workers compensations insurance				
Purchased services	703,500	691,740	11,760	560,180
	<u>703,500</u>	<u>691,740</u>	<u>11,760</u>	<u>560,180</u>
Unemployment insurance payments				
Purchased services	30,000	25,552	4,448	24,159
	<u>30,000</u>	<u>25,552</u>	<u>4,448</u>	<u>24,159</u>
Insurance payments (regular or self-insurance):				
Purchased services	510,000	463,415	46,585	461,900
	<u>510,000</u>	<u>463,415</u>	<u>46,585</u>	<u>461,900</u>
Total support services	<u>1,243,500</u>	<u>1,180,707</u>	<u>62,793</u>	<u>1,046,239</u>
Total expenditures	<u>1,243,500</u>	<u>1,180,707</u>	<u>62,793</u>	<u>1,046,239</u>
Net change in fund balance	<u>\$ (103,465)</u>	<u>(46,119)</u>	<u>\$ 57,346</u>	<u>94,148</u>
Fund balances, beginning of year as originally stated		1,865,985		1,771,837
Prior period adjustment		(555,862)		-
Fund balance, beginning of year as restated		<u>1,310,123</u>		<u>1,771,837</u>
Fund balances, end of year		<u>\$ 1,264,004</u>		<u>\$ 1,865,985</u>

# Naperville Community Unit School District No. 203

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

Year Ended June 30, 2020 with Comparative Actual Totals for 2019	Operations and Maintenance			
	2020		2019	
	Original and Final Budget	Actual	Variance with Final Budget	Actual
<b>Revenues</b>				
Local sources				
Property taxes	\$ 34,213,022	\$ 33,776,605	\$ (436,417)	\$ 32,774,880
Pupil activities - fees	66,000	51,918	(14,082)	32,427
Earnings on investments	452,000	504,105	52,105	762,564
Rentals	400,000	315,933	(84,067)	447,686
Other	<u>100,000</u>	<u>81,006</u>	<u>(18,994)</u>	<u>96,030</u>
Total local sources	<u>35,231,022</u>	<u>34,729,567</u>	<u>(501,455)</u>	<u>34,113,587</u>
State sources				
Restricted				
School Infrastructure - Maintenance Projects	<u>-</u>	<u>50,000</u>	<u>50,000</u>	<u>-</u>
Total revenues	<u>35,231,022</u>	<u>34,779,567</u>	<u>(451,455)</u>	<u>34,113,587</u>
<b>Expenditures</b>				
Current operating				
Operations and maintenance of plant services:				
Salaries	8,685,450	8,414,975	270,475	8,350,959
Employee benefits	2,203,735	2,677,894	(474,159)	2,662,747
Purchased services	3,592,351	2,652,745	939,606	2,753,783
Supplies and materials	5,903,000	5,415,032	487,968	5,280,663
Capital outlay	12,904,079	7,411,672	5,492,407	6,084,650
Other objects	<u>1,100</u>	<u>-</u>	<u>1,100</u>	<u>180</u>
Total	<u>33,289,715</u>	<u>26,572,318</u>	<u>6,717,397</u>	<u>25,132,982</u>
Provisions for Contingencies	<u>55,000</u>	<u>-</u>	<u>55,000</u>	<u>-</u>
Total expenditures	<u>33,344,715</u>	<u>26,572,318</u>	<u>6,772,397</u>	<u>25,132,982</u>
Net change in fund balance	<u>\$ 1,886,307</u>	<u>8,207,249</u>	<u>\$ 6,320,942</u>	<u>8,980,605</u>
Fund balances, beginning of year as originally stated		25,311,016		16,330,411
Prior period adjustment		<u>(16,904,106)</u>		<u>-</u>
Fund balance, beginning of year as restated		<u>8,406,910</u>		<u>16,330,411</u>
Fund balances, end of year		<u>\$ 16,614,159</u>		<u>\$ 25,311,016</u>

# Naperville Community Unit School District No. 203

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

Year Ended June 30, 2020 with Comparative Actual Totals for 2019	Transportation Fund			
	2020		2019	
	Original and Final Budget	Actual	Variance with Final Budget	Actual
<b>Revenues</b>				
Local sources				
Property taxes	\$ 7,659,652	\$ 7,561,944	\$ (97,708)	\$ 7,206,669
Transportation fees from pupils or parents	10,000	8,825	(1,175)	(75)
Transportation fees from other districts	70,000	11,855	(58,145)	19,200
Transportation fees from other sources	15,000	5,636	(9,364)	78,027
Transportation fees from co-curricular	120,000	126,510	6,510	132,933
Earnings on investments	90,000	112,387	22,387	165,105
Other	-	-	-	9,831
<b>Total local sources</b>	<u>7,964,652</u>	<u>7,827,157</u>	<u>(137,495)</u>	<u>7,611,690</u>
State sources				
Restricted				
Transportation aid	<u>5,750,000</u>	<u>5,506,333</u>	<u>(243,667)</u>	<u>5,744,492</u>
<b>Total revenues</b>	<u>13,714,652</u>	<u>13,333,490</u>	<u>(381,162)</u>	<u>13,356,182</u>
<b>Expenditures</b>				
Current operating				
Support services - transportation				
Salaries	4,308,580	3,909,512	399,068	3,759,800
Employee benefits	1,225,495	1,450,438	(224,943)	1,402,993
Purchased services	5,566,808	4,139,569	1,427,239	6,271,216
Supplies and materials	598,800	421,967	176,833	551,765
Capital outlay	1,406,973	1,407,048	(75)	919,496
Other objects	650	-	650	200
<b>Total</b>	<u>13,107,306</u>	<u>11,328,534</u>	<u>1,778,772</u>	<u>12,905,470</u>
Community services	<u>2,496</u>	<u>-</u>	<u>2,496</u>	<u>1,675</u>
Provisions for Contingencies	<u>30,000</u>	<u>-</u>	<u>30,000</u>	<u>-</u>
<b>Total expenditures</b>	<u>13,139,802</u>	<u>11,328,534</u>	<u>1,811,268</u>	<u>12,907,145</u>
<b>Net change in fund balance</b>	<u>\$ 574,850</u>	<u>2,004,956</u>	<u>\$ 1,430,106</u>	<u>449,037</u>
Fund balances, beginning of year as originally stated		8,593,803		8,144,766
Prior period adjustment		<u>(3,784,512)</u>		<u>-</u>
Fund balance, beginning of year as restated		<u>4,809,291</u>		<u>8,144,766</u>
<b>Fund balances, end of year</b>		<u>\$ 6,814,247</u>		<u>\$ 8,593,803</u>

# Naperville Community Unit School District No. 203

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

Year Ended June 30, 2020 with Comparative Actual Totals for 2019	Municipal Retirement/Social Security Fund			
	2020		2019	
	Original and Final Budget	Actual	Variance with Final Budget	Actual
<b>Revenues</b>				
Local sources				
Designated Purposes Levies	\$ 3,984,735	\$ 3,933,907	\$ 50,828	\$ 3,783,283
FICA/Medicare Only Purposes Levies	4,394,633	4,338,579	56,054	4,182,532
Corporate personal property replacement taxes	238,600	238,600	-	238,600
Earnings on investments	<u>110,000</u>	<u>122,728</u>	<u>(12,728)</u>	<u>183,533</u>
Total revenues	<u>8,727,968</u>	<u>8,633,814</u>	<u>94,154</u>	<u>8,387,948</u>
<b>Expenditures</b>				
Current operating				
Instruction				
Regular programs	1,432,781	1,114,202	318,579	1,095,550
Pre-K programs	-	-	-	19,828
Special education programs	1,515,967	1,543,005	(27,038)	1,452,009
Special education Pre-K	26,804	20,164	6,640	-
Remedial and support programs K-12 programs	112,265	159,590	(47,325)	161,372
CTE programs	67,451	52,050	15,401	50,017
Interscholastic programs	360,473	126,711	233,762	163,270
Summer school programs	15,422	88,915	(73,493)	90,081
Gifted programs	33,843	-	33,843	-
Bilingual programs	149,570	173,131	(23,561)	160,602
Truant alternative & optional programs	<u>142</u>	<u>64</u>	<u>78</u>	<u>103</u>
Total instruction	<u>3,714,718</u>	<u>3,277,832</u>	<u>436,886</u>	<u>3,192,832</u>
Support services				
Pupils				
Attendance and social work services	71,302	80,846	(9,544)	77,430
Guidance services	70,745	63,182	7,563	62,320
Health services	278,241	314,056	(35,815)	303,573
Supporting services - Psychological	59,172	52,056	7,116	51,219
Speech pathology and audiology services	90,990	89,603	1,387	86,007
Supporting services - other - pupils	<u>6,714</u>	<u>4,580</u>	<u>2,134</u>	<u>9,982</u>
Total pupils	<u>577,164</u>	<u>604,323</u>	<u>(27,159)</u>	<u>590,531</u>
Instructional staff				
Improvement of instruction services	117,871	122,300	(4,429)	126,281
Educational media services	276,041	244,358	31,683	233,121
Assessment and testing	<u>34,580</u>	<u>39,312</u>	<u>(4,732)</u>	<u>39,659</u>
Total instructional staff	<u>428,492</u>	<u>405,970</u>	<u>22,522</u>	<u>399,061</u>

# Naperville Community Unit School District No. 203

## Schedule of Revenues, Expenditures and

### Changes in Fund Balance

#### Budget and Actual (Continued)

<i>Year Ended June 30, 2020 with Comparative Actual Totals for 2019</i>	Municipal Retirement/Social Security Fund			
	2020		2019	
	Final Budget	Actual	Variance with Final Budget	Actual
<b>General administration</b>				
Board of Education	\$ 42,755	\$ 31,283	\$ 11,472	\$ 29,301
Executive Administration	42,175	35,660	6,515	39,887
Service area administration services	<u>54,696</u>	<u>50,333</u>	<u>4,363</u>	<u>54,281</u>
Total general administration	<u>139,626</u>	<u>117,276</u>	<u>22,350</u>	<u>123,469</u>
<b>School administration</b>				
Office of the Principal	444,744	559,119	(114,375)	541,076
Other support services	<u>137,328</u>	<u>48,584</u>	<u>88,744</u>	<u>53,106</u>
Total school administration	<u>582,072</u>	<u>607,703</u>	<u>(25,631)</u>	<u>594,182</u>
<b>Business</b>				
Director of business support services	3,916	3,091	825	1,295
Fiscal services	95,879	90,201	5,678	110,911
Operation and maintenance of plant services	1,368,070	1,531,508	(163,438)	1,495,123
Pupil transportation services	758,548	723,752	34,796	699,987
Food services	18,266	80,175	(61,909)	86,234
Internal services	<u>38,720</u>	<u>29,963</u>	<u>8,757</u>	<u>29,678</u>
Total business	<u>2,283,399</u>	<u>2,458,690</u>	<u>(175,291)</u>	<u>2,423,228</u>
<b>Central</b>				
Information services	20,409	19,267	1,142	16,647
Staff services	118,711	138,009	(19,298)	147,630
Data processing services	<u>302,468</u>	<u>394,044</u>	<u>(91,576)</u>	<u>369,482</u>
Total central	<u>441,588</u>	<u>551,320</u>	<u>(109,732)</u>	<u>533,759</u>
Other support services	<u>89,096</u>	<u>96,577</u>	<u>(7,481)</u>	<u>84,787</u>
Total support services	<u>4,541,437</u>	<u>4,841,859</u>	<u>(300,422)</u>	<u>4,749,017</u>
Community services	<u>246,067</u>	<u>128,971</u>	<u>117,096</u>	<u>111,481</u>
Provisions for Contingencies	<u>40,000</u>	<u>-</u>	<u>40,000</u>	<u>-</u>
Total expenditures	<u>8,542,222</u>	<u>8,248,662</u>	<u>293,560</u>	<u>8,053,330</u>

# Naperville Community Unit School District No. 203

## Schedule of Revenues, Expenditures and

### Changes in Fund Balance

#### Budget and Actual (Continued)

<i>Year Ended June 30, 2020 with Comparative Actual Totals for 2019</i>	Municipal Retirement/Social Security Fund			
	2020		2019	
	Final Budget	Actual	Variance with Final Budget	Actual
Net change in fund balance	<u>\$ 185,746</u>	<u>\$ 385,152</u>	<u>\$ (199,406)</u>	<u>\$ 334,618</u>
Fund balance, beginning of year as originally stated		4,000,741		3,666,123
Prior period adjustment		<u>(4,140,112)</u>		<u>-</u>
Fund balance, beginning of year as restated		<u>(139,371)</u>		<u>3,666,123</u>
Fund balances, end of year		<u>\$ 245,781</u>		<u>\$ 4,000,741</u>

# Naperville Community Unit School District No. 203

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

Year Ended June 30, 2020 with Comparative Actual Totals for 2019	Debt Service Fund			
	2020		2019	
	Original and Final Budget	Actual	Variance with Final Budget	Actual
<b>Revenues</b>				
Local sources				
Earnings on investments	\$ 10,000	\$ 63	\$ (9,937)	\$ 12,076
Total local sources	<u>10,000</u>	<u>63</u>	<u>(9,937)</u>	<u>12,076</u>
Federal sources				
Unrestricted				
Bond interest reimbursement	277,550	260,758	(16,792)	296,287
Total federal sources	<u>277,550</u>	<u>260,758</u>	<u>(16,792)</u>	<u>296,287</u>
Total revenues	<u>287,550</u>	<u>260,821</u>	<u>(26,729)</u>	<u>308,363</u>
<b>Expenditures</b>				
Debt service				
Principal retirement	4,392,051	4,273,289	118,762	3,724,449
Interest on bonds	885,800	837,601	48,199	940,475
Other	1,000	-	1,000	400
Total expenditures	<u>5,278,851</u>	<u>5,110,890</u>	<u>167,961</u>	<u>4,665,324</u>
Excess (deficiency) of revenue over (under) expenditures	<u>(4,991,301)</u>	<u>(4,850,069)</u>	<u>141,232</u>	<u>(4,356,961)</u>
<b>Other Financing Sources</b>				
Transfers in	<u>5,000,301</u>	<u>4,833,340</u>	<u>(166,961)</u>	<u>2,331,888</u>
Total other financing sources	<u>5,000,301</u>	<u>4,833,340</u>	<u>(166,961)</u>	<u>2,331,888</u>
Net change in fund balance	<u>\$ 9,000</u>	(16,729)	<u>\$ (25,729)</u>	(2,025,073)
Fund balances, beginning of year		<u>271,817</u>		<u>2,296,890</u>
Fund balances, end of year		<u>\$ 255,088</u>		<u>\$ 271,817</u>

# Naperville Community Unit School District No. 203

## Schedule of Changes in Assets and Liabilities Fiduciary Funds - Agency Funds - Activity Funds

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	Balance 7/1/2019	Additions	Reductions	Balance 06/30/20
<b>Assets</b>				
Cash	\$ <u>3,851,654</u>	\$ <u>4,456,168</u>	\$ <u>4,236,721</u>	\$ <u>4,071,101</u>
<b>Liabilities</b>				
Due to organizations	\$ <u>3,851,654</u>	\$ <u>4,456,168</u>	\$ <u>4,236,721</u>	\$ <u>4,071,101</u>

# Naperville Community Unit School District No. 203

## Assessed Valuations, Tax Rates, Extensions and Collections

### Last Six Tax Levy Years

	2019		2018		2017	
Tax Levies and Collections						
Assessed valuation	\$	5,025,550,514	\$	4,944,725,198	\$	4,767,236,629
Property tax extensions						
Educational Fund	\$	161,692,062	\$	157,477,634	\$	156,680,025
Operations and Maintenance Fund		34,430,047		33,808,212		32,294,053
Debt Service Fund		-		-		-
Transportation Fund		7,859,961		7,569,023		6,963,889
Municipal Retirement Fund		4,030,492		3,937,587		3,690,256
Tort Immunity Fund		1,100,596		1,111,723		1,042,779
Working Cash		995,059		1,012,829		909,309
Special Education Fund		35,078,343		34,312,574		32,942,383
Social Security Fund		4,442,587		4,342,636		4,090,289
Total levies extended	\$	249,629,147	\$	243,572,218	\$	238,612,983
Current year collections	\$	126,439,692	\$	123,863,133	\$	131,401,172
Subsequent collections		-		119,357,364		106,912,449
Total collections	\$	126,439,692	\$	243,220,497	\$	238,313,621
Percentage of extensions collected		50.65%		99.86%		99.87%
	2019 Rate		2018 Rate		2017 Rate	
	DuPage	Will	DuPage	Will	DuPage	Will
Rates extended by year of levy (per \$100 of assessed valuation)						
Educational	3.2174	3.2174	3.1833	3.2005	3.2862	3.2908
Operations and Maintenance	0.6851	0.6851	0.6843	0.6775	0.6780	0.6713
Debt Service	-	-	-	-	-	-
Transportation	0.1564	0.1564	0.1532	0.1517	0.1462	0.1448
Illinois Municipal Retirement	0.0802	0.0802	0.0797	0.0789	0.0774	0.0775
Tort Immunity	0.0219	0.0219	0.0225	0.0223	0.0219	0.0216
Special Education	0.6980	0.6980	0.6945	0.6877	0.6918	0.6828
Working Cash	0.0198	0.0198	0.0205	0.0203	0.0189	0.0209
Social Security	0.0884	0.0884	0.0879	0.0870	0.0858	0.0858
Total rates extended	4.9672	4.9672	4.9259	4.9259	5.0062	4.9955

Source of information: DuPage and Will Counties, Rate and Extension Reports for 2014-2019

2016		2015		2014	
\$	4,592,630,325	\$	4,327,743,513	\$	4,163,178,209
\$	153,006,473	\$	150,471,480	\$	145,723,727
	30,477,252		29,428,656		29,000,699
	-		3,121,888		3,126,547
	6,363,378		6,924,390		6,944,181
	3,634,091		3,462,195		3,401,317
	1,001,194		1,514,711		2,060,773
	1,998,204		1,781,463		1,706,903
	31,629,445		31,143,844		32,156,388
	4,037,833		3,894,969		3,838,450
\$	232,147,870	\$	231,743,596	\$	227,958,985
\$	117,982,192	\$	116,501,691	\$	113,077,494
	113,890,518		115,293,818		114,105,318
\$	231,872,710	\$	231,795,509	\$	227,182,812
	99.88%		100.02%		99.66%

2016 Rate		2015 Rate		2014 Rate	
DuPage	Will	DuPage	Will	DuPage	Will
3.3312	3.3353	3.4800	3.4458	3.5003	3.5003
0.6642	0.6576	0.6800	0.6800	0.6966	0.6966
-	-	0.0722	0.0715	0.0751	0.0751
0.1382	0.1422	0.1600	0.1600	0.1668	0.1668
0.0792	0.0784	0.0800	0.0800	0.0817	0.0817
0.0218	0.0218	0.0350	0.0350	0.0495	0.0495
0.6887	0.6887	0.7165	0.7511	0.7724	0.7724
0.0435	0.0436	0.0412	0.0408	0.0410	0.0410
0.0880	0.0871	0.0900	0.0900	0.0922	0.0922
5.0548	5.0547	5.3549	5.3542	5.4756	5.4756

# Naperville Community Unit School District No. 203

## Operating Cost and Tuition Charge

### Last Four Fiscal Years

<b>Operating Cost Per Pupil</b>	2020	2019	2018	2017
Average Daily Attendance (ADA)	15,817	15,585	15,497	15,481
<b>Operating Costs</b>				
Educational	\$ 220,216,261	\$ 217,064,936	\$ 211,671,740	\$ 204,830,278
Operations and Maintenance	26,572,318	25,132,982	30,786,101	33,566,740
Debt Service	5,110,890	4,665,324	14,296,090	4,538,642
Transportation	11,328,534	12,907,145	12,662,933	11,388,517
Municipal Retirement/Social Security	8,248,662	8,053,330	7,849,431	7,764,022
Tort	1,180,707	1,046,239	1,184,878	1,586,768
Subtotal	<u>272,657,372</u>	<u>268,869,956</u>	<u>278,451,173</u>	<u>263,674,967</u>
<b>Less Revenue/Expenditures of Nonregular Programs</b>				
Transportation fees from other districts	11,855	19,200	20,795	26,376
Pre-K programs	1,319,165	1,402,695	1,060,990	1,521,452
Pre-K programs - private tuition	7,213,567	7,127,236	5,749,191	-
Summer school	1,438,223	1,451,031	1,448,176	1,229,599
Capital outlay	12,718,077	8,596,902	12,256,705	14,402,327
Debt principal retired	4,273,289	3,724,449	12,879,633	3,037,342
Community services	1,214,251	1,157,979	918,056	703,338
Payments to other districts & governmental units	217,312	441,751	733,471	5,489,626
Operating costs	<u>28,405,739</u>	<u>23,921,243</u>	<u>35,067,017</u>	<u>26,410,060</u>
Operating Cost Per Pupil - Based on ADA	<u>\$ 244,251,633</u>	<u>\$ 244,948,713</u>	<u>\$ 243,384,156</u>	<u>\$ 237,264,907</u>
Operating Cost Per Pupil - Based ADA	<u>\$ 15,442</u>	<u>\$ 15,717</u>	<u>\$ 15,705</u>	<u>\$ 15,326</u>
<b>Tuition Charge</b>				
Operating Costs	244,251,633	244,948,713	243,384,156	237,264,907
Less - revenues from specific programs, such as special education or lunch programs	<u>(28,092,394)</u>	<u>(26,646,993)</u>	<u>(23,970,939)</u>	<u>(22,932,624)</u>
Net operating costs	216,159,239	218,301,720	219,413,217	214,332,283
Depreciation allowance	<u>12,413,273</u>	<u>17,112,999</u>	<u>7,546,008</u>	<u>16,524,231</u>
Allowable Tuition Costs	<u>\$ 228,572,512</u>	<u>\$ 235,414,719</u>	<u>\$ 226,959,225</u>	<u>\$ 230,856,514</u>
Tuition Charge Per Pupil - Based on ADA	<u>\$ 14,451</u>	<u>\$ 15,105</u>	<u>\$ 14,646</u>	<u>\$ 14,912</u>

Source of information: Annual Financial Report

# Naperville Community Unit School District No. 203

## 2009 General Obligation Bonds

June 30, 2019

YEAR ENDED JUNE 30,	PRINCIPAL	INTEREST	TOTAL
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	\$ 13,660,000	\$ 2,844,000	\$ 16,504,000

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%