

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

**Naperville, Illinois**

**Audited Financial Statements**

**Year Ended June 30, 2014**

NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203

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## *Independent Auditor's Report*

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

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

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Naperville Community School District No. 203, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise Naperville Community School District No. 203's basic financial statements as listed in the table of contents.

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

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

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

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

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

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Naperville Community School District No. 203, as of June 30, 2014, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Other Matters***

***Required Supplementary Information***

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

***Other Information***

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

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 3, 2014 on our consideration of Naperville Community School District No. 203's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Naperville Community School District No. 203's internal control over financial reporting and compliance.

*Klein Hall CPAs*

Klein Hall CPAs  
Aurora, Illinois  
October 3, 2014

**NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2014  
UNAUDITED**

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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, 2014. The management of the District encourages readers to consider the information presented herein in conjunction with the basic financial statements to enhance their understanding of the District's financial performance. 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 assets increased by \$7.3. This represents a 2.3% increase from 2013 due to net increase in the District's investment in Capital Assets.
- The District had an overall positive budget variance (net of TRS On-Behalf payments) of \$1.8, which was a combination of \$0.6 positive revenue and \$1.2 positive expenditure budget variance.
- General revenues accounted for \$226.6 in revenue or 75% of all revenues. Program specific revenues in the form of charges for services and fees and grants accounts for \$74.1 or 25% of total revenues of \$300.7.

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

The statement of activities presents information showing how the government's net position changed during the fiscal year being reported. All changes in net position are reported as soon as the underlying



**NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2014  
UNAUDITED**

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event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements present the functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities). The District has no business-type activities, that is, functions that are intended to recover all or a significant portion of their costs through user fees and charges. The District's governmental activities include instructional services (regular education, special education and other), supporting services, operation and maintenance of facilities and transportation services.

*Fund financial statements*

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

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

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

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

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

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

**NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2014  
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*Notes to basic financial statements*

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

*Other information*

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

**District-Wide Financial Analysis**

The District's combined net assets were higher on June 30, 2014, than they were the year before, increasing 2.3% to \$324.5.

<b>Table 1</b>		
<b>Condensed Statements of Net Position</b>		
<b>(in millions of dollars)</b>		
	<b>2013</b>	<b>2014</b>
<b>Assets:</b>		
Current and other assets	\$ 265.5	\$ 276.1
Capital Assets	236.2	242.4
Total Assets	<u>501.7</u>	<u>518.5</u>
<b>Liabilities:</b>		
Current liabilities	21.2	25.9
Long-term debt outstanding	55.1	55.9
Total Liabilities	<u>76.3</u>	<u>81.8</u>
<b>Deferred Inflows:</b>		
Unearned revenue	108.2	112.2
<b>Net Position:</b>		
Invested in capital assets, net of related debt	199.6	208.0
Restricted	27.5	27.1
Unrestricted	90.1	89.4
Total Net Position	<u>\$ 317.2</u>	<u>\$ 324.5</u>

**NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2014  
UNAUDITED**

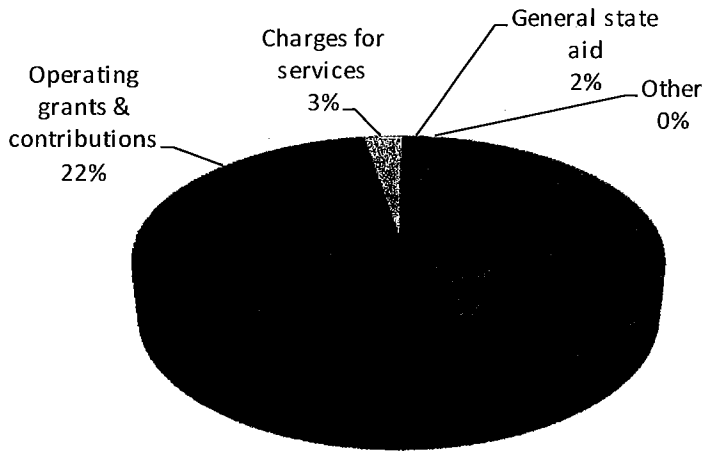
Revenues in the governmental activities of the District of \$300.7 exceeded expenses by \$7.3. This was attributable primarily to net increase in the District's investment in Capital Assets.

<b>Table 2</b>		
<b>Changes in Net Position</b>		
<b>(in millions of dollars)</b>		
	<u>2013</u>	<u>2014</u>
<b>Revenues:</b>		
<i>Program Revenues:</i>		
Charges for services	\$ 9.3	\$ 8.3
Operating grants & contributions	58.9	65.7
Capital grants & Contributions	-	-
<i>General revenues:</i>		
Taxes	209.0	218.8
General state aid	7.1	6.9
Other	2.2	1.0
<b>Total revenues</b>	<u>286.5</u>	<u>300.7</u>
<b>Expenses:</b>		
Instruction	183.1	190.4
Pupil & instructional staff services	28.4	30.2
Administration & Business	24.3	24.1
Transportation	11.0	13.1
Operations & maintenance	19.6	23.6
Other	11.5	12.0
<b>Total expenses</b>	<u>277.9</u>	<u>293.4</u>
<b>Increase (decrease) in net position</b>	<u>\$ 8.6</u>	<u>\$ 7.3</u>

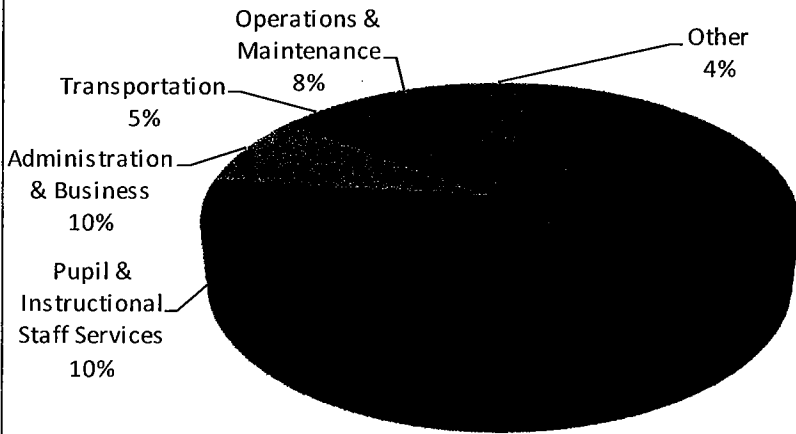
**NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2014  
UNAUDITED**

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**District-Wide Revenues by Source**



**District-Wide Expenses by Function**



**NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2014  
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**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 \$300.7 compared to \$286.4 in the prior year, an increase of \$14.3 or 5%. There was an increase in total expenditures compared to the prior year of \$20.7 or 7.4%, mainly due to an increase of capital outlay (construction of facilities).

Consistent revenues due to property tax collections, controlled salary increases through labor contracts, and stable student enrollment has resulted in the District's Governmental Funds balance increasing from \$136.1 to \$138.0, which has resulted in a favorable financial position for the District.

The District Operating Funds (excluding Capital Projects and Debt Service) budgeted for an \$0.1 increase in fund balance, realizing an actual increase of \$0.9.

Operations and Maintenance Fund: The fund balance in the Operations and Maintenance Fund decreased \$1.2 including a \$3.0 transfer from the General Fund.

**General Fund Budgetary Highlights**

General Fund: The largest revenue source in the General Fund is property taxes at 69% of all revenue from that fund. Property tax revenue in the 2014 fiscal year was 0.2% higher than the prior fiscal year. State revenue sources represent 24.7% of all revenue in the General Fund, which increased by \$9.1. Increases in TRS on-behalf funding compared to 2013 account for the increase in state funding reflected in the General Fund. Federal revenue sources represent 2.6% of all revenues, decreasing \$0.3 from the prior year.

Total expenditures of \$242.8 in the General Fund increased by 4.5% over the prior year.

Actual revenues recognized were greater than budgeted by \$44.8 (22% of budget), attributable to State Funding including an on behalf payment to the TRS of \$44.9 (not budgeted).

Actual expenditures were \$41.9 over budget (21% of budget), \$44.9 attributable to the State on behalf payment to TRS (not budgeted), and health insurance and capital outlay being greater than budgeted.

The fund balance at year end was \$110.4, an increase of \$2.7 or 2.5% over the prior year.

**NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2014  
UNAUDITED**

**Capital Assets and Debt Administration**

*Capital Assets*

By the end of 2014, the District had compiled a total investment of \$407.4 (\$242.4 net of accumulated depreciation) in a broad range of capital assets including buildings, land and equipment. Total depreciation expense for the year was \$13.9. More detailed information about capital assets can be found in Note 4 of the basic financial statements.

<b>Table 3</b>		
<b>Capital Assets (net of depreciation)</b>		
<b>(in millions of dollars)</b>		
	<u>2013</u>	<u>2014</u>
Land	\$ 12.8	\$ 12.8
Buildings	194.4	188.6
Land Improvements	13.5	26.5
Machinery and equipment	15.6	14.5
Total	<u>\$ 236.3</u>	<u>\$ 242.4</u>

*Long-term Debt*

The District retired \$2.3 in bonds in 2014. Net OPEB Obligations and Compensated Absences increased by \$3.0. At the end of fiscal 2014, the District had a debt margin of \$537.9. More detailed information on long-term debt can be found in Note 5 of the basic financial statements.

<b>Table 4</b>		
<b>Outstanding Long-Term Debt</b>		
<b>(in millions of dollars)</b>		
	<u>2013</u>	<u>2014</u>
General Obligation Bonds	\$ 37.7	\$ 35.4
Capital leases and other	17.4	20.5
Total	<u>\$ 55.1</u>	<u>\$ 55.9</u>

**NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2014  
UNAUDITED**

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**Factors Bearing on the District's Future**

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

The District has four labor contracts in place.

- Certified Teaching Staff (NUEA) are contracted through 2016.
- Education Support Staff (NESPA) through 2015.
- Maintenance and Custodial Staff (NUMA) are contracted through 2018.
- Transportation Staff (NTA) are contracted through 2017.

The District's self-insurance health program is actual performance has been favorable for the current plan year. The District has a current balance in the self-insurance fund of \$13 (about 54%) – well above the reserve of 30% of plan costs. In addition, the District is taking the appropriate steps to implement the Affordable Care Act in order to avoid additional charges and fees estimated to range from \$1.2 to \$1.7.

**Requests for Information**

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

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

**NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2014**

	<u>Governmental Activities</u>
<b>Assets:</b>	
Cash and investments	\$ 159,289,566
Receivables:	
Property taxes	113,651,164
Due from other governments	2,988,951
Other receivables	221,906
Capital assets:	
Land	12,787,618
Other capital assets, net of depreciation	<u>229,601,382</u>
Total Assets	<u>518,540,587</u>
 <b>Liabilities, Deferred Inflows and Net Position:</b>	
<b>Liabilities:</b>	
Accounts payable	10,565,398
Accrued salaries	15,387,023
Noncurrent liabilities:	
Due within one year	3,281,225
Due in more than one year	<u>52,572,724</u>
	<u>81,806,370</u>
 <b>Deferred Inflows:</b>	
Unearned revenue	<u>112,185,963</u>
 <b>Net Position:</b>	
Invested in capital assets, net of related debt	208,034,093
Restricted for:	
Operations and maintenance	15,421,815
Debt service	1,449,828
Transportation	6,189,693
Retirement benefits	3,502,314
Other purposes	587,208
Unrestricted	<u>89,363,303</u>
Total net position	<u>\$ 324,548,254</u>

See accompanying notes to basic financial statements



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**NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2014**

<u>Functions</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense)</u>
		<u>Charges for</u>	<u>Operating</u>	<u>Capital</u>	<u>Total</u>
		<u>Services</u>	<u>Grants and</u>	<u>Grants and</u>	<u>Governmental</u>
			<u>Contributions</u>	<u>Contributions</u>	<u>Activities</u>
					<u>Changes in</u>
					<u>Net Assets</u>
<b>Governmental Activities:</b>					
Instructional services:					
Regular programs	\$ 98,147,012	\$ 4,145,783	\$ 2,600,229	\$ -	\$ (91,401,000)
Special programs	29,819,917	-	11,791,868	-	(18,028,049)
Other programs	17,545,324	-	17,319	-	(17,528,005)
State retirement contributions	44,907,466	-	44,907,466	-	-
Support services:					
Pupils	17,387,221	-	-	-	(17,387,221)
Instructional staff	12,806,062	-	225,184	-	(12,580,878)
General administration	5,110,743	-	-	-	(5,110,743)
School administration	12,144,427	-	-	-	(12,144,427)
Business	6,801,913	3,534,766	1,064,676	-	(2,202,471)
Operation and maintenance of facilities	23,586,281	432,607	-	-	(23,153,674)
Transportation	13,066,550	233,872	4,706,996	-	(8,125,682)
Central	8,862,427	-	-	-	(8,862,427)
Other	877,989	-	-	-	(877,989)
Community service	550,743	-	-	-	(550,743)
Interest on long-term liabilities	1,745,844	-	420,799	-	(1,325,045)
<b>Total school district</b>	<b>\$ 293,359,919</b>	<b>\$ 8,347,028</b>	<b>\$ 65,734,537</b>	<b>\$ -</b>	<b>(219,278,354)</b>
<b>General revenues:</b>					
Property taxes levied for:					
General purposes					173,446,432
Operation & maintenance					28,161,782
Transportation					6,194,555
Retirement					6,869,905
Debt service					1,566,367
Personal property replacement taxes					2,472,244
Federal and state aid not restricted to specific purposes					6,907,859
Earnings on investments					295,855
Miscellaneous					704,101
					<u>226,619,100</u>
					Change in net assets 7,340,746
					Net position - beginning 317,207,508
					<u>Net position - ending \$ 324,548,254</u>

See accompanying notes to basic financial statements

NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2014

	General	Operations and Maintenance	Transportation	Municipal Retirement/ Social Security
<b><u>ASSETS</u></b>				
<b>Assets:</b>				
Cash and investments	\$ 132,515,905	\$ 15,138,719	\$ 6,068,909	\$ 3,325,658
Receivables:				
Property taxes	90,284,712	14,770,115	3,312,578	3,688,566
Due from other governments	2,818,028	-	60,923	110,000
Other receivables	-	16,187	-	-
<b>TOTAL ASSETS</b>	<b><u>\$ 225,618,645</u></b>	<b><u>\$ 29,925,021</u></b>	<b><u>\$ 9,442,410</u></b>	<b><u>\$ 7,124,224</u></b>
<b><u>LIABILITIES DEFERRED INFLOWS AND FUND BALANCES</u></b>				
<b>Liabilities:</b>				
Accounts payable	\$ 10,565,398	\$ -	\$ -	\$ -
Accrued salaries and related expenditures	15,387,023	-	-	-
<b>Total Liabilities</b>	<b><u>25,952,421</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
<b>Deferred inflows:</b>				
Unearned revenue	89,241,764	14,503,206	3,252,717	3,621,910
<b>Fund Balances:</b>				
Committed	17,173,783	-	-	-
Restricted	587,208	15,421,815	6,189,693	3,502,314
Unassigned	92,663,469	-	-	-
<b>Total Fund Balances</b>	<b><u>110,424,460</u></b>	<b><u>15,421,815</u></b>	<b><u>6,189,693</u></b>	<b><u>3,502,314</u></b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>	<b><u>\$ 225,618,645</u></b>	<b><u>\$ 29,925,021</u></b>	<b><u>\$ 9,442,410</u></b>	<b><u>\$ 7,124,224</u></b>

See accompanying notes to basic financial statements

Debt Service	Fire Prevention and Safety	Total Governmental Funds
\$ 1,215,282	\$ 1,025,093	\$ 159,289,566
1,595,193	-	113,651,164
-	-	2,988,951
205,719	-	221,906
<u>\$ 3,016,194</u>	<u>\$ 1,025,093</u>	<u>\$ 276,151,587</u>
\$ -	\$ -	\$ 10,565,398
-	-	15,387,023
-	-	25,952,421
<u>1,566,366</u>	-	<u>112,185,963</u>
-	-	17,173,783
1,449,828	1,025,093	28,175,951
-	-	92,663,469
<u>1,449,828</u>	<u>1,025,093</u>	<u>138,013,203</u>
<u>\$ 3,016,194</u>	<u>\$ 1,025,093</u>	<u>\$ 276,151,587</u>

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**NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203**  
**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF NET POSITION**  
**JUNE 30, 2014**

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<b>Total fund balances - governmental funds</b>	<b>\$ 138,013,203</b>
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the funds. The cost of the assets is \$407,428,293 and the accumulated depreciation is \$165,039,293.	242,389,000
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	
Long-term debt	<u>(55,853,949)</u>
<b>Net position of governmental activities</b>	<b><u><u>\$ 324,548,254</u></u></b>

See accompanying notes to basic financial statements

**NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED JUNE 30, 2014**

	General	Operations and Maintenance	Transportation	Municipal Retirement/ Social Security
<b>REVENUES</b>				
Local sources	\$ 184,157,514	\$ 28,884,803	\$ 6,429,487	\$ 7,020,054
State sources	60,846,292	-	4,706,996	-
Federal sources	6,668,309	-	-	-
<b>Total Revenues</b>	<b>251,672,115</b>	<b>28,884,803</b>	<b>11,136,483</b>	<b>7,020,054</b>
<b>EXPENDITURES</b>				
Current operating:				
Instruction	173,897,422	-	-	2,916,705
Supporting services	62,397,453	33,105,794	11,216,966	4,594,595
Community services	499,708	-	-	51,035
Non-programmed charges	6,029,252	-	-	-
Debt service				
Principal	-	-	-	-
Interest and other	-	-	-	-
Capital Outlay	-	-	-	-
<b>Total Expenditures</b>	<b>242,823,835</b>	<b>33,105,794</b>	<b>11,216,966</b>	<b>7,562,335</b>
<b>Excess of revenues over expenditures</b>	<b>8,848,280</b>	<b>(4,220,991)</b>	<b>(80,483)</b>	<b>(542,281)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	3,000,000	-	-
Transfers out	(6,085,563)	-	-	-
<b>Total other financing sources (uses)</b>	<b>(6,085,563)</b>	<b>3,000,000</b>	<b>-</b>	<b>-</b>
<b>Net changes in fund balance</b>	<b>2,762,717</b>	<b>(1,220,991)</b>	<b>(80,483)</b>	<b>(542,281)</b>
<b>Fund Balances (Deficits)</b> at beginning of year	<b>107,661,743</b>	<b>16,642,806</b>	<b>6,270,176</b>	<b>4,044,595</b>
<b>FUND BALANCES AT END OF YEAR</b>	<b>\$ 110,424,460</b>	<b>\$ 15,421,815</b>	<b>\$ 6,189,693</b>	<b>\$ 3,502,314</b>

See accompanying notes to basic financial statements

Debt Service	Fire Prevention and Safety	Total Governmental Funds
\$ 1,566,411	\$ -	\$ 228,058,269
-	-	65,553,288
420,799	-	7,089,108
<u>1,987,210</u>	<u>-</u>	<u>300,700,665</u>
-	-	176,814,127
-	-	111,314,808
-	-	550,743
-	-	6,029,252
2,330,000	-	2,330,000
1,745,844	-	1,745,844
<u>-</u>	<u>-</u>	<u>-</u>
4,075,844	-	298,784,774
<u>(2,088,634)</u>	<u>-</u>	<u>1,915,891</u>
3,085,563	-	6,085,563
<u>-</u>	<u>-</u>	<u>(6,085,563)</u>
3,085,563	-	-
996,929	-	1,915,891
452,899	1,025,093	136,097,312
<u>\$ 1,449,828</u>	<u>\$ 1,025,093</u>	<u>\$ 138,013,203</u>



**NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2014**

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**Net change in fund balances - total governmental funds** **\$ 1,915,891**

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

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

Capital outlays	\$ 19,990,577	
Depreciation expense	<u>(13,855,236)</u>	6,135,341

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

Decrease in compensated absences	\$ 78,352	
Increase in other postemployment benefits	<u>(3,118,838)</u>	(3,040,486)

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

Repayment of bond and loan principal	<u>2,330,000</u>
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**Change in net position of governmental activities** **\$ 7,340,746**

**NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203**  
**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES**  
**AGENCY FUND - ACTIVITY FUND**  
**YEAR ENDED JUNE 30, 2014**

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**Assets:**

Cash	<u>\$ 2,840,859</u>
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**Liabilities:**

Due to organizations	<u>\$ 2,840,859</u>
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See accompanying notes to basic financial statements

# NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203

Notes to Financial Statements (Continued)

June 30, 2014

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## **NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

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

The financial statements include;

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

### **a. The Reporting Entity**

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

NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203

Notes to Financial Statements (Continued)

June 30, 2014

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**b. Fund Accounting**

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

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

Major Governmental funds include the following fund types:

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

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

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

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

**NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203**

Notes to Financial Statements (Continued)

June 30, 2014

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

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

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

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

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

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

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

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

## NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203

### Notes to Financial Statements (Continued)

June 30, 2014

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#### **Fiduciary Fund Type**

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

Private-sector standards of accounting, and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the GASB. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

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

#### **c. Basis of Presentation**

##### **Government-wide and fund financial statements**

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

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

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

## NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203

### Notes to Financial Statements (Continued)

June 30, 2014

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#### **Measurement focus, basis of accounting, and financial statement presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

Government fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities in the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

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

#### **Revenues – Exchange and nonexchange transactions**

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

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

**NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203**

Notes to Financial Statements (Continued)

June 30, 2014

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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.

**Deferred Revenue**

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

Property taxes for which there is an enforceable legal claim as of June 30, 2014, but which were levied to finance fiscal year 2014 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

At June 30, 2014, the various components of deferred revenue and unearned revenue were as follows:

Property taxes receivable for subsequent year	\$ 111,597,392
Local revenue receivable	588,571
	<u>\$ 112,185,963</u>

**Expenses / Expenditures**

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

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

**d. Deposits and Investments**

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

- Securities issued or guaranteed by the United States.
- Interest-bearing accounts of financial institutions insured by the Federal Deposit Insurance Corporation.
- Short-term obligations (less than 180 days) of U.S. corporations with assets over \$500,000,000 rated in the three highest classifications by at least two rating agencies.



NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203

Notes to Financial Statements (Continued)

June 30, 2014

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- 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.

**e. Capital Assets**

Capital assets, which include land, buildings and improvements, and furniture and equipment, are reported in the government-wide financial statements. The District defines capital assets as assets with an initial, individual cost of more than \$500 for furniture, equipment, buildings and improvements and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

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

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

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

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

**f. Long-term obligations**

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

**NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203**

Notes to Financial Statements (Continued)

June 30, 2014

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

**g. Net Position**

**Government-Wide Statements**

Net position is classified and displayed in three components:

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

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

**h. Fund Balance Reporting**

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

**A. Nonspendable Fund Balance**

The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example inventories and prepaid amounts.

**NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203**

Notes to Financial Statements (Continued)

June 30, 2014

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**B. Restricted Fund Balance**

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

**1. Special Education**

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

**2. Tort Immunity**

Expenditures and the related revenues are accounted for in the Tort Immunity Account. Revenues exceeded expenditures for this purpose, resulting in a restricted fund balance of \$587,208.

**3. State and Federal Grants**

Proceeds from state and federal grants and the related expenditures have been included in the General Fund and various Special Revenue Funds. At June 30, 2014, expenditures exceeded revenue from state and federal grants, resulting in no restricted balances.

**4. Social Security**

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

**5. Capital Projects Funds**

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

**C. Committed Fund Balance**

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

**NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203**

Notes to Financial Statements (Continued)

June 30, 2014

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specified use by taking the same type of formal action it employed to previously commit those amounts.

The District's self insured health insurance fund represents funds which have been segregated by the District for the purpose of funding these related insurance costs. As of June 30, 2014, \$17,173,783 was committed for this purpose.

D. Assigned Fund Balance

The assigned fund balance classification refers to the amounts that are constrained by the government's intent to be used for a specific purpose, but are neither restricted or committed. Intent should be expressed by (a) the governing body itself or (b) a body (a budget or finance committee, for example) or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes.

No assigned balances existed as of June 30, 2014.

E. Unassigned Fund Balance

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

F. Reconciliation of Fund Balance Reporting

Fund	Nonspendable	Restricted	Committed	Assigned	Unassigned
Educational	\$ -	\$ -	\$ 17,173,783	\$ -	\$ 87,436,468
Operations & Maintenance	-	-	-	-	15,421,815
Debt Service	-	1,449,828	-	-	-
Transportation	-	6,189,693	-	-	-
Municipal Retirement	-	3,502,314	-	-	-
Working Cash	-	-	-	-	5,227,001
Tort Liability	-	587,208	-	-	-
Fire Prevention & Safety	-	1,025,093	-	-	-

G. Expenditures of Fund Balance

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

**NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203**

Notes to Financial Statements (Continued)

June 30, 2014

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**i. Property Taxes**

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

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

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

Based upon collection histories, the District has provided at June 30, 2014 an allowance for uncollectible real property taxes equivalent to 0.5% of the current levy. All property taxes receivable over one year old have been written off.

**j. Personal Property Replacement Taxes**

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

**k. Other receivables**

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

**l. Compensated Absences**

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

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

Payments for vacation and sick leave will be made at rates in effect when the benefits are used. Accumulated vacation and sick leave liabilities at June 30, 2014 are determined on the basis of current salary rates and include salary related payments.

**NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203**

Notes to Financial Statements (Continued)

June 30, 2014

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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, 2014, was \$1,401,225 which is reported as a long-term liability in the Statement of Net Assets. In prior years the accrued vacation liability was due within one year as all employees had until the end of August of the following year to use vacation time or it was lost. Beginning July 1, 2010 the District implemented a new policy which 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, 2014.

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

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

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

**m. Use of Estimates**

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

**n. 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, 2013, from which such summarized information was derived.

NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203

Notes to Financial Statements (Continued)

June 30, 2014

**NOTE 2. CASH AND INVESTMENTS**

**Deposits and Custodial Credit Risk**

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

At June 30, 2014 the carrying amount of the District's deposits, which include both cash and certificates of deposit totaled \$162,068,050 and the bank balances totaled \$161,793,502. These amounts were entirely insured or collateralized as of June 30, 2014.

**Investments**

As of June 30, 2014, the District had the following investments and maturities.

Investment Type	Fair Value	Maturities	% of Portfolio	Agency Rating
		(in years) Less than 1		
Illinois Funds	\$ 62,375	\$ 62,375	100.0%	AAA
	\$ 62,375	\$ 62,375	100.0%	

**NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203**  
Notes to Financial Statements (Continued)  
June 30, 2014

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

	<b>Government-wide</b>	<b>Fiduciary</b>	<b>Total</b>
Cash & Investments	\$ 159,289,566	\$ 2,840,859	\$ 162,130,425
<b>Total</b>	<b>\$ 159,289,566</b>	<b>\$ 2,840,859</b>	<b>\$ 162,130,425</b>

**Cash and  
Investments**

Deposits with financial institutions	\$ 162,068,050
Other investments	62,375
<b>Total</b>	<b>\$ 162,130,425</b>

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

*Credit Risk.* Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State Statutes limit the investments in commercial paper and corporate bonds to the top three ratings of two nationally recognized statistical rating organization (NRSRO's). The District's investment policy authorizes the following investments:

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

*Concentration of Credit Risk.* Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The District's investment policy does not address concentration of credit risk but requires the Chief Investment Officer to use the judgment and care, under circumstances prevailing, "that persons of prudence, discretion and



**NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203**

Notes to Financial Statements (Continued)

June 30, 2014

intelligence exercise is the management of their own affairs, not for speculation, but for investment, considering the safety of capital as well as probably income.”

*Custodial Credit Risk - Deposits.* With respect to deposits, custodial credit risk refers to the risk that, in the event of a bank failure, the District’s deposits may not be returned to it. The District’s investment policy limits the exposure to deposit custodial credit risk by requiring all deposits in excess of FDIC insurable limits to be secured by collateral in the event of default or failure of the financial institution holding the funds. As of June 30, 2014, the bank balance of the District’s deposits with financial institutions totaled \$161,793,502; all of which was collateralized and insured.

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

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

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

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

**NOTE 3. DUE FROM OTHER GOVERNMENTAL UNITS**

Due from other governmental units is comprised of the following as of June 30, 2014:

	<b>Other</b>	<b>State Aid</b>	<b>Federal Aid</b>	<b>Total</b>
Educational Fund	\$ 484,425	\$ 412,827	\$1,920,776	\$ 2,818,028
Transportation Fund	60,923			60,923
Municipal Retirement/Social Security Fund	110,000			110,000
<b>Total</b>	<b>\$ 655,348</b>	<b>\$ 412,827</b>	<b>\$1,920,776</b>	<b>2,988,951</b>

**NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203**

Notes to Financial Statements (Continued)

June 30, 2014

**NOTE 4. CAPITAL ASSETS**

A summary of changes in capital assets follows:

	<b>Balance</b>			<b>Balance</b>
	<b>June 30, 2013</b>	<b>Additions</b>	<b>Deletions</b>	<b>June 30, 2014</b>
Capital assets, not being depreciated:				
Land	\$ 12,787,618	\$ -	\$ -	\$ 12,787,618
Construction in process	-	-	-	-
Total capital assets not being depreciated	<u>12,787,618</u>	-	-	<u>12,787,618</u>
Capital assets, being depreciated				
Buildings	291,269,794	-	-	291,269,794
Improvements other than buildings	19,006,799	14,295,170	-	33,301,969
Equipment	64,689,505	5,695,407	316,000	70,068,912
Total capital assets being depreciated	<u>374,966,098</u>	<u>19,990,577</u>	<u>316,000</u>	<u>394,640,675</u>
Accumulated depreciation for:				
Buildings	96,822,696	5,825,396	-	102,648,092
Improvements other than buildings	5,474,822	1,307,719	-	6,782,541
Equipment	49,202,539	6,722,121	316,000	55,608,660
Total accumulated depreciation	<u>151,500,057</u>	<u>13,855,236</u>	<u>316,000</u>	<u>165,039,293</u>
Total capital assets being depreciated, net	<u>223,466,041</u>	<u>6,135,341</u>	-	<u>229,601,382</u>
<b>Total capital assets, net</b>	<b><u>\$236,253,659</u></b>	<b><u>\$ 6,135,341</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 242,389,000</u></b>

**NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203**

Notes to Financial Statements (Continued)

June 30, 2014

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

***Instructional Services:***

Regular programs	\$ 9,816,590
Special programs	414,671

***Supporting Services:***

Pupils	304,144
Instructional Staff	384,526
General Administration	255,901
School administration	1,070
Business	332,909
Operations and maintenance of facilities	667,172
Transportation	1,131,013
Central	547,240
	<u>\$ 13,855,236</u>

**NOTE 5. LONG-TERM DEBT**

The following is a summary of the components of long-term debt and related transactions of the District for the year ended June 30, 2014:

Long-Term Debt at June 30, 2014 is comprised of the following:

	<b>Balance</b>			<b>Balance</b>	<b>Amount Due</b>
	<b>June 30, 2013</b>	<b>Additions</b>	<b>Reductions</b>	<b>June 30, 2014</b>	<b>in one year</b>
General Obligation Bonds	\$ 37,710,000	\$ -	\$ 2,330,000	\$ 35,380,000	\$ 1,880,000
Compensated Absences	1,479,577	1,401,225	1,479,577	1,401,225	1,401,225
Net OPEB Obligation	15,953,886	3,118,838	-	19,072,724	-
<b>Total Long-Term Debt</b>	<b>\$ 55,143,463</b>	<b>\$ 4,520,063</b>	<b>\$ 3,809,577</b>	<b>\$ 55,853,949</b>	<b>\$ 3,281,225</b>

**NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203**

Notes to Financial Statements (Continued)

June 30, 2014

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

Purpose	Interest Rates	Original Indebtedness	Carrying Amount
Series 2008 General Library Building Bonds Dated May 1, 2008 are due in annual installments through February 1, 2028	3.875% - 4.00%	\$ 10,000,000	\$ 9,500,000
Series 2009 Build America Bonds dated August 26, 2009, are due in annual installments through February 1, 2029	1.50% - 5.00%	\$ 33,000,000	\$ 25,880,000
<b>Total</b>		<b>\$ 43,000,000</b>	<b>\$ 35,380,000</b>

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

	Principal	Interest	Total
2015	\$ 1,880,000	\$ 1,641,452	\$ 3,521,452
2016	1,940,000	1,574,712	3,514,712
2017	2,000,000	1,477,712	3,477,712
2018	2,070,000	1,377,712	3,447,712
2019	2,130,000	1,274,212	3,404,212
2020-2024	11,760,000	4,701,560	16,461,560
2025-2029	13,600,000	1,808,312	15,408,312
<b>Total</b>	<b>\$ 35,380,000</b>	<b>\$ 13,855,672</b>	<b>\$ 49,235,672</b>

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, 2014, the statutory debt limit for the District was \$571,848,064 providing a debt margin of \$537,917,892 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 \$1,449,828 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 (Continued)  
June 30, 2014

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**NOTE 6. RETIREMENT FUND COMMITMENTS**

**Retirement Plans**

The District participates in two retirement systems: The Teachers' Retirement System of the State of Illinois (TRS) and the Illinois Municipal Retirement Fund (IMRF). Members of TRS consist of all active nonannuitants who are employed by a TRS-covered employer to provide services for which teacher certification is required. Employees, other than teachers, who meet prescribed annual hourly standards are members of IMRF.

**Illinois Teachers' Retirement System:**

The District participates in the Teachers' Retirement System of the State of Illinois (TRS). TRS is a cost-sharing multiple-employer defined benefit pension plan that was created by the Illinois legislature for the benefit of Illinois public school teachers employed outside the city of Chicago. The Illinois Pension Code outlines the benefit provisions of TRS, and amendments to the plan can be made only by legislative action with the Governor's approval. The State of Illinois maintains primary responsibility for funding the plan, but contributions from participating employers and members are also required. The TRS Board of Trustees is responsible for the System's administration.

TRS members include all active nonannuitants who are employed by a TRS-covered employer to provide services for which teacher licensure is required. The active member contribution rate for the year ended June 30, 2014, was 9.4 percent of creditable earnings. The same contribution rate applies to members whose first contributing service is on or after Jan. 1, 2011, the effective date of the benefit changes contained in Public Act 96-0889. These contributions, which may be paid on behalf of employees by the employer, are submitted to TRS by the employer. The active member contribution rate was also 9.4 percent for the years ended June 30, 2013 and 2012. For the year ended June 30, 2014 earnings of \$123,978,643 were reported to TRS.

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

**On-behalf contributions.** The State of Illinois makes employer pension contributions on behalf of the District. For the year ended June 30, 2014, State of Illinois contributions were based on 35.41 percent of creditable earnings not paid from federal funds, and the District recognized revenue and expenditures of \$43,724,873 in pension contributions that the State of Illinois paid directly to TRS. For the years ended June 30, 2013, and June 30, 2012, contribution rates were 28.05 percent (\$32,876,694) and 24.91 percent (\$28,342,660), respectively.

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

## NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203

### Notes to Financial Statements (Continued)

June 30, 2014

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**2.2 Formula Contributions.** Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. This rate is specified by statute. Contributions for the year ended June 30, 2014 were \$719,076. Contributions for the years ending June 30, 2013, and June 30, 2012, were \$696,134 and \$674,827, respectively.

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

For the year ended June 30, 2014, the employer pension contribution was 35.41 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2013 and 2012 the employer contribution was 28.05 and 24.91 percent, respectively. For the year ended June 30, 2014, salaries totaling \$553,416 were paid from federal and special trust funds that required employer contributions of \$195,964. For the years ended June 30, 2013 and June 30, 2012, required district contributions were \$789,775 and \$639,995, respectively.

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

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

For the year ended June 30, 2014, the district paid \$226,891 to TRS for employer contributions under the ERO program. For the years ended June 30, 2013 and June 30, 2012, the district paid \$310,799 and \$120,566, respectively.

#### **Salary increases over 6 percent and excess sick leave.**

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

For the year ended June 30, 2014, the District paid \$16,699 to TRS for employer contributions due on salary increases in excess of 6 percent. For the year ended June 30, 2013 and 2012, the District paid \$31,715 and \$86,686, respectively.

If an employer grants sick leave days in excess of the normal annual allotment and those days are used as TRS service credit, the employer makes a contribution to TRS. The contribution is based on the number of excess sick leave days used as service credit, the

## NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203

### Notes to Financial Statements (Continued)

June 30, 2014

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highest salary rate reported by the granting employer during the four-year sick leave review period, and the TRS total normal cost rate (17.29 percent of salary during the year ended June 30, 2014).

For the year ended June 30, 2014, the District paid \$0 to TRS for sick leave days granted in the excess of the normal annual allotment. For the year ended June 30, 2013 and 2012, the District paid \$0 and \$123, respectively.

TRS financial information, an explanation of TRS benefits, and descriptions of member, employer and state funding requirements can be found in the TRS *Comprehensive Annual Financial Report* for the year ended June 30, 2014. The report for the year ended June 30, 2014, is expected to be available in late 2014. The reports may be obtained by writing to the Teachers' Retirement System of the State of Illinois, 2815 West Washington Street, P.O. Box 19253, Springfield, IL 62794-9253. The most current report is also available on the TRS Web site at <http://trs.illinois.gov>.

#### **Teacher's Health Insurance Security (THIS)**

The District participates in the Teacher Health Insurance Security (THIS) Fund, a cost-sharing, multiple-employer defined benefit post-employment healthcare plan that was established by the Illinois legislature for the benefit of Illinois public school teachers employed outside the city of Chicago. The THIS Fund provides medical, prescription, and behavioral health benefits, but it does not provide vision, dental or life insurance benefits to annuitants of the Teachers' Retirement System (TRS). Annuitants not enrolled in Medicare may participate in the state administered participating provider option plan or choose from several managed care options. Beginning February 1, 2014, annuitants who were enrolled in Medicare Parts A and B may be eligible to enroll in Medicare Advantage plans.

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

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

**On Behalf Contributions to THIS Fund.** The state of Illinois makes employer retiree health insurance contributions on behalf of the District. State contributions are intended to match contributions to THIS Fund from active members which were 0.97 percent of pay during the year ended June 30, 2014. State of Illinois contributions were \$1,202,593, and the district recognized revenue and expenditures of this amount during the year.

**NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203**

Notes to Financial Statements (Continued)

June 30, 2014

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State contributions intended to match active member contributions during the years ended June 30, 2013 and 2012 were 0.92 and 0.88 percent of pay, respectively. State contributions on behalf of district employees were \$1,104,212, and \$1,023,875, respectively.

**Employer contributions to THIS Fund.** The District also makes contributions to THIS Fund. The District THIS Fund contribution was 0.72 percent during the year ended June 30, 2014 and 0.69 and 0.66 percent during the years ended June 30, 2013, and June 30, 2012. For the year ended June 30, 2014, the District paid \$892,646 to the THIS Fund. For the years ended June 30, 2013 and June 30, 2012, the District paid \$828,159 and \$767,907, respectively, which was 100 percent of the required contribution.

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

**Illinois Municipal Retirement Fund:**

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

*Funding Policy.* As set by statute, your employer Regular plan members are required to contribute 4.50% of their annual covered salary. The statutes required employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer annual required contribution rate for calendar year 2011 was 11.86 percent. Your 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 the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

*Annual Pension Cost.* The required contribution for calendar year 2013 was \$3,533,523.



**NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203**  
Notes to Financial Statements (Continued)  
June 30, 2014

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

<u>Calendar Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
12/31/2013	\$ 3,533,523	100%	\$ -
12/31/2012	3,324,397	100%	-
12/31/2011	3,312,877	100%	-

The required contribution for 2013 was determined as part of the December 31, 2011, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2011, included (a) 7.5% investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10% per year depending on age and service, attributable to seniority/merit, and (d) post retirement benefit increases of 3% annually. The actuarial value of your employer Regular plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The employer Regular plan's unfunded actuarial accrued liability at December 31, 2011 is being amortized as a level percentage of projected payroll on an open 30 year basis.

*Funded Status and Funding Progress.* As of December 31, 2013, the most recent actuarial valuation date, the Regular plan was 77.30 percent funded. The actuarial accrued liability for benefits was \$73,517,992 and the actuarial value of assets was \$56,830,799, resulting in an underfunded actuarial accrued liability (UAAL) of \$16,687,193. The covered payroll (annual payroll of active employees covered by the plan) was \$29,793,619 and the ratio of the UAAL to the covered payroll was 59 percent.

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

**NOTE 7. SPECIAL TAX LEVIES AND RESTRICTED EQUITY**

Proceeds from the Special Education tax levy and the related expenditures are accounted for in the General Fund's Education Account. At June 30, 2014, cumulative expenditures had exceeded related cumulative revenues.

**NOTE 8. COMMITMENTS**

As of June 30, 2014, the District had entered into various contractual commitments for construction projects. The unpaid balance of these contracts is approximately \$595,489 as of June 30, 2014.

**NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203**

Notes to Financial Statements (Continued)

June 30, 2014

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**NOTE 9. RISK MANAGEMENT**

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

The District is self-insured for medical and workers' compensation coverage that is provided to District personnel. A third party administrator administers claims for a monthly fee per participant. Expenditures are recorded as incurred in the form of direct contributions from the District to the third party administrator for payment of employee health claims and administration fees. The District's liability will not exceed \$210,000 per employee for medical and \$400,000 per employee for workers' compensation, as provided by stop-loss provisions incorporated in the plan.

At June 30, 2014, total unpaid claims, including an estimate of claims that have been incurred but not reported to the administrative agent, totaled \$4,366,102. The estimates are developed based on reports prepared by the administrative agent. The District does not allocate overhead costs or other nonincremental costs to the claims liability. For the two years ended June 30, 2013 and June 30, 2014, changes in the total liability for unpaid claims are summarized as follows:

	<b>Claims Payable Beginning of Year</b>	<b>Current Year Claims and Changes in Estimates</b>	<b>Claims Payments</b>	<b>Claims Payable End of Year</b>
Fiscal Year 2014	\$ 4,334,994	\$ 28,915,681	\$ 28,884,573	\$ 4,366,102
Fiscal Year 2013	5,000,668	28,105,070	28,770,744	4,334,994

**NOTE 10. COLLECTIVE LIABILITY INSURANCE COOPERATIVE (CLIC)**

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

NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203

Notes to Financial Statements (Continued)

June 30, 2014

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**NOTE 11. 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.

**NOTE 12. OTHER POST-EMPLOYMENT BENEFITS**

**Defined Post-employment Benefit Plan**

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

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

The District's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC). The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the District's annual OPEB cost for the year, the amount actually contributed to the Defined Post-employment Benefit Plan, and changes in the District's net OPEB obligation to the Defined Post-employment Benefit Plan:

**NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203**

Notes to Financial Statements (Continued)

June 30, 2014

	<u>FY 2014</u>	<u>FY 2013</u>
Annual Required Contribution	\$ 5,588,193	\$ 4,594,332
Interest on net OPEB obligation	638,155	549,668
Adjustment to annual required contribution	<u>(722,674)</u>	<u>(608,897)</u>
Annual OPEB cost (expense)	5,503,674	4,535,103
Contributions made by the District	<u>(2,384,836)</u>	<u>(2,322,929)</u>
Increase in net OPEB obligations (4-5)	3,118,838	2,212,174
Net OPEB obligation - Beginning of Year	<u>15,953,886</u>	<u>13,741,712</u>
Net OPEB obligation - End of Year	<u>\$ 19,072,724</u>	<u>\$ 15,953,886</u>

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the Defined Post-employment Benefits Plan, and the net OPEB obligation for June 30, 2014 is as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of APC Contributed</u>	<u>Net OPEB Obligation (Asset)</u>
June 30, 2014	\$ 5,503,674	0.00%	\$ 19,072,724
June 30, 2013	4,535,103	51.22%	15,953,886
June 30, 2012	4,454,734	49.40%	13,741,712
June 30, 2011	4,249,314	41.97%	11,181,726

The funded status of the Defined Post-employment Benefit Plan as of June 30, 2014, the most recent actuarial valuation date, is as follows:

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

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

**NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203**

Notes to Financial Statements (Continued)

June 30, 2014

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

In the June 30, 2014 actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions include a 3.50 percent investment rate of return and an annual healthcare cost trend rate of 8.5% for TRIP premiums initially and then graded down to 5.6% over 6 years, 8.5% for medical and prescription drugs initially, then graded down to 5.6% over 7 years, and 4.9% for dental. The actuarial value of the plan assets are determined using techniques that spread the effects of short-term volatility in the market value of investments over a thirty year period. The plan's unfunded actuarial accrued liability is being amortized as a level percentage of payroll on an open basis. The remaining amortization period at June 30, 2014 is 30 years.

**NOTE 13. INTERFUND TRANSFERS**

The following interfund transfers were made during the year ended June 30, 2014:

<u>Transfer From</u>	<u>Transfer To</u>	<u>Amount</u>
General Fund-Educational Account	Operations and Maintenance Fund	\$ 3,000,000
General Fund - Educational account	Debt Service Fund	3,085,563
	<b>Total Transfers</b>	<b><u><u>\$ 6,085,563</u></u></b>

The \$3,000,000 transfer to the Operations and Maintenance Fund provided funds for operations. Transfers to the Debt Service Fund were made to provide funds for the debt service payments on bonds.

**NOTE 11. CHANGE IN ACCOUNTING PRINCIPLE**

During the fiscal year ended June 30, 2014 the District implemented the requirements of GASB Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position" and GASB Statement 65, "Items Previously Reported as Assets and Liabilities." Statement 63 is effective for the District's fiscal year ending June 30, 2014 and provides a new statement of net position format to report all assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position (which is the net residual amount of the other elements). This Statement requires that deferred outflows of resources and deferred inflows of resources be reported separately from assets and liabilities. This Statement also amends certain provisions of GASB Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments, and related pronouncements to reflect the residual measure in the statement of financial position as net position, rather than net assets. As such, the District modified its government-wide financial statement presentation to incorporate these requirements.

**NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203**

Notes to Financial Statements (Concluded)

June 30, 2014

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Statement 65 is effective for the District's fiscal year ended June 30, 2014. This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. This Statement also provides other financial reporting guidance related to the impact of the financial statement elements deferred outflows of resources and deferred inflows of resources, such as changes in the determination of the major fund calculations and limiting the use of the term deferred in financial statement presentations.

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**NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203**  
 Schedule of Funding Progress (unaudited)  
 Illinois Municipal Retirement Fund  
 June 30, 2014

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
12/31/2013	\$ 56,830,799	\$ 73,517,992	\$ 16,687,193	77.30%	\$ 29,793,619	56.01%
12/31/2012	53,156,430	70,016,408	\$ 16,859,978	75.92%	28,511,120	59.13%
12/31/2011	50,669,553	68,555,412	17,885,859	73.91%	28,485,617	62.79%

On a market value basis, the actuarial value of assets as of December 31, 2013 is \$67,971,352.  
 On a market basis, the funded ratio would be 92.46%.

The actuarial value of assets and accrued liability cover active and inactive members who have service credit with Naperville Community Unit School District No. 203. They do not include amounts for retirees. The actuarial accrued liability for retirees is 100% funded.



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**NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203**  
**Schedule of Funding Progress (unaudited)**  
**Other Post Employment Benefits**  
**June 30, 2014**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial	Unfunded	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a
		Accrued Liability (AAL) Entry Age (b)	AAL (UAAL) (b-a)			Percentage of Covered Payroll [(b-a)/c]
6/30/2014	\$ -	\$ 46,937,502	\$ 46,937,502	0.00%	N/A	N/A
6/30/2013	-	45,700,283	45,700,283	0.00%	N/A	N/A
6/30/2012	-	44,804,199	44,804,199	0.00%	120,444,306	40.52%
6/30/2011	-	44,179,035	44,179,035	0.00%	142,971,828	30.90%

Valuations must be performed every two years for OPEB plans with more than 200 members and at least every three years for plans with fewer than 200 members.

**NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND**  
**BALANCES - BUDGET AND ACTUAL - GENERAL FUND,**  
**OPERATIONS AND MAINTENANCE FUND AND TRANSPORTATION FUND**  
**YEAR ENDED JUNE 30, 2014**

	General Fund		
	Original and Final Budget	Actual	Variance Over/Under
<b>REVENUES</b>			
Local sources	\$ 184,794,996	\$ 184,157,514	\$ (637,482)
State sources	15,169,594	60,846,292	45,676,698
Federal sources	6,878,050	6,668,309	(209,741)
<b>Total Revenues</b>	<b>206,842,640</b>	<b>251,672,115</b>	<b>44,829,475</b>
<b>EXPENDITURES</b>			
Current operating:			
Instruction	130,112,097	173,897,422	(43,785,325)
Support services	62,208,172	62,397,453	(189,281)
Community services	570,978	499,708	71,270
Non-programmed charges	8,016,656	6,029,252	1,987,404
<b>Total Expenditures</b>	<b>200,907,903</b>	<b>242,823,835</b>	<b>(41,915,932)</b>
Excess (deficiency) of revenues over expenditures	5,934,737	8,848,280	2,913,543
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	-	-	-
Transfers out	(6,085,563)	(6,085,563)	-
<b>Total other financing sources (uses)</b>	<b>(6,085,563)</b>	<b>(6,085,563)</b>	<b>-</b>
Net changes in fund balance	<u>\$ (150,826)</u>	2,762,717	<u>\$ 2,913,543</u>
Fund balances at beginning of year		107,661,743	
<b>FUND BALANCES</b>			
<b>AT END OF YEAR</b>		<u>\$ 110,424,460</u>	

Operations and Maintenance Fund			Transportation Fund		
Original and Final Budget	Actual	Variance Over/Under	Original and Final Budget	Actual	Variance Over/Under
\$ 29,061,687	\$ 28,884,803	\$ (176,884)	\$ 6,437,528	\$ 6,429,487	\$ (8,041)
-	-	-	5,456,000	4,706,996	(749,004)
-	-	-	-	-	-
<u>29,061,687</u>	<u>28,884,803</u>	<u>(176,884)</u>	<u>11,893,528</u>	<u>11,136,483</u>	<u>(757,045)</u>
-	-	-	-	-	-
31,653,029	33,105,794	(1,452,765)	11,374,650	11,216,966	157,684
-	-	-	-	-	-
200,000	-	200,000	100,000	-	100,000
<u>31,853,029</u>	<u>33,105,794</u>	<u>(1,252,765)</u>	<u>11,474,650</u>	<u>11,216,966</u>	<u>257,684</u>
<u>(2,791,342)</u>	<u>(4,220,991)</u>	<u>(1,429,649)</u>	<u>418,878</u>	<u>(80,483)</u>	<u>(499,361)</u>
3,000,000	3,000,000	-	-	-	-
-	-	-	-	-	-
<u>3,000,000</u>	<u>3,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 208,658</u>	<u>(1,220,991)</u>	<u>\$ (1,429,649)</u>	<u>\$ 418,878</u>	<u>(80,483)</u>	<u>\$ (499,361)</u>
	<u>16,642,806</u>			<u>6,270,176</u>	
	<u>\$ 15,421,815</u>			<u>\$ 6,189,693</u>	

**NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND**  
**BALANCES - BUDGET AND ACTUAL - MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND,**  
**DEBT SERVICE FUND AND FIRE PREVENTION AND SAFETY FUND**  
**YEAR ENDED JUNE 30, 2014**

	Municipal Retirement/Social Security Fund		
	Original and Final Budget	Actual	Variance Over/Under
<b>REVENUES</b>			
Local sources	\$ 6,959,252	\$ 7,020,054	\$ 60,802
Federal sources	-	-	-
<b>Total Revenues</b>	<u>6,959,252</u>	<u>7,020,054</u>	<u>60,802</u>
<b>EXPENDITURES</b>			
Current operating:			
Instruction	2,810,000	2,916,705	(106,705)
Support services	4,527,250	4,594,595	(67,345)
Community services	-	51,035	(51,035)
Principal retirement	-	-	-
Interest on bonds	-	-	-
<b>Total Expenditures</b>	<u>7,337,250</u>	<u>7,562,335</u>	<u>(225,085)</u>
Excess (deficiency) of revenues over expenditures	<u>(377,998)</u>	<u>(542,281)</u>	<u>164,283</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	-	-	-
Transfers out	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>
Net changes in fund balance	<u><u>\$ (377,998)</u></u>	<u>(542,281)</u>	<u><u>\$ 164,283</u></u>
Fund balances at beginning of year		<u>4,044,595</u>	
<b>FUND BALANCES AT END OF YEAR</b>		<u><u>\$ 3,502,314</u></u>	

Debt Service Fund			Fire Prevention and Safety Fund		
Original and Final Budget	Actual	Variance Over/Under	Original and Final Budget	Actual	Variance Over/Under
\$ 250	\$ 1,566,411	\$ 1,566,161	\$ -	\$ -	\$ -
435,723	420,799	(14,924)	-	-	-
435,973	1,987,210	1,551,237	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,830,000	2,330,000	(500,000)	-	-	-
1,720,098	1,745,844	(25,746)	-	-	-
3,550,098	4,075,844	(525,746)	-	-	-
(3,114,125)	(2,088,634)	1,025,491	-	-	-
3,085,563	3,085,563	-	-	-	-
-	-	-	-	-	-
3,085,563	3,085,563	-	-	-	-
<u>\$ (28,562)</u>	996,929	<u>\$ 1,025,491</u>	<u>\$ -</u>	-	<u>\$ -</u>
	452,899			1,025,093	
	<u>\$ 1,449,828</u>			<u>\$ 1,025,093</u>	

## NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203

Notes to Required Supplementary Information

June 30, 2014

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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:

1. The Superintendent submits to the Board of Education a proposed operating budget for the fiscal year commencing July 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted and the proposed budget is available for inspection to obtain taxpayer comments.
3. Prior to October 1 the budget is legally adopted through passage of a resolution. On or before the last Tuesday in December, a tax levy ordinance is filed with the County Clerk to obtain tax revenues.
4. The Superintendent is authorized to transfer up to 10% of the total budget between departments within any fund without Board of Education approval; however, any revisions that alter the total expenditures of any fund must be approved by the Board of Education following the public hearing process mandated by law. The budget, which was not amended, was adopted on June 17, 2013.
5. Formal budgetary integration is employed as a management control device during the year for all Governmental Funds.
6. The District has adopted a legal budget for all its Governmental Funds. The legal level of budgetary control is at the individual fund level, therefore, actual expenditures for the governmental funds may not legally exceed the total budgeted for such funds. However, under the State Budget Act expenditures may exceed the budget if additional resources are available to finance such expenditures.
7. The budget lapses at the end of each fiscal year.

**NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203**

Notes to Required Supplementary Information

June 30, 2014

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**Excess of Expenditures Over Budgets in Individual Funds and Account:**

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

	<u>Budget</u>	<u>Actual</u>	<u>Excess</u>
General Fund - Educational Account	\$ 200,907,903	\$ 242,823,835	\$ 41,915,932
Operations and Maintenance Fund	31,853,029	33,105,794	1,252,765
IMRF/Social Security Fund	7,337,250	7,562,335	225,085
Debt Service Fund	3,550,098	4,075,844	525,746

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

**Budget Reconciliations**

The Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds (GAAP basis) includes “on-behalf” payments received and made for the amounts contributed by the State of Illinois for the employer’s share of the Teacher’s Retirement System pension. The District does not budget for these amounts. The differences between the budget and GAAP basis are as follows:

	<u>Revenues</u>	<u>Expenditures</u>
General Fund Budgetary Basis	\$ 206,764,649	\$ 197,916,369
To adjust for on-behalf payments received	44,907,466	-
To adjust for on-behalf payments made	-	44,907,466
General Fund GAAP Basis	<u>\$ 251,672,115</u>	<u>\$ 242,823,835</u>



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**NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203**  
**BALANCE SHEET BY ACCOUNT**  
**GENERAL FUND**  
**JUNE 30, 2014**

<u>ASSETS</u>	<u>Educational</u>	<u>Working Cash</u>	<u>Tort Immunity</u>	<u>Total General</u>
Cash and investments	\$ 126,738,589	\$ 5,208,698	\$ 568,618	\$ 132,515,905
Receivables:				
Property taxes	88,243,140	1,012,821	1,028,751	90,284,712
Due from other governments	2,818,028	-	-	2,818,028
<b>TOTAL ASSETS</b>	<b>\$ 217,799,757</b>	<b>\$ 6,221,519</b>	<b>\$ 1,597,369</b>	<b>\$ 225,618,645</b>
 <b><u>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</u></b>				
<b>Liabilities:</b>				
Accounts payable	\$ 10,565,398	\$ -	\$ -	\$ 10,565,398
Accrued salaries and related expenditures	15,387,023	-	-	15,387,023
<b>Total Liabilities</b>	<b>25,952,421</b>	<b>-</b>	<b>-</b>	<b>25,952,421</b>
<b>Deferred inflows:</b>				
Unearned revenue	87,237,085	994,518	1,010,161	89,241,764
<b>Fund balances:</b>				
Committed	17,173,783	-	-	17,173,783
Restricted	-	-	587,208	587,208
Unassigned	87,436,468	5,227,001	-	92,663,469
<b>Total Fund Balances</b>	<b>104,610,251</b>	<b>5,227,001</b>	<b>587,208</b>	<b>110,424,460</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>	<b>\$ 217,799,757</b>	<b>\$ 6,221,519</b>	<b>\$ 1,597,369</b>	<b>\$ 225,618,645</b>

**NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES BY ACCOUNT**  
**GENERAL FUND**  
**YEAR ENDED JUNE 30, 2014**

	Educational	Working Cash	Tort Immunity	Total General
<b>REVENUES</b>				
Local sources	\$ 181,310,428	\$ 994,519	\$ 1,852,567	\$ 184,157,514
State sources	60,846,292	-	-	60,846,292
Federal sources	6,668,309	-	-	6,668,309
<b>Total Revenues</b>	<b>248,825,029</b>	<b>994,519</b>	<b>1,852,567</b>	<b>251,672,115</b>
<b>EXPENDITURES</b>				
Current operating:				
Instruction	173,897,422	-	-	173,897,422
Support services	61,019,044	-	1,378,409	62,397,453
Community services	499,708	-	-	499,708
Non-programmed charges	6,029,252	-	-	6,029,252
<b>Total Expenditures</b>	<b>241,445,426</b>	<b>-</b>	<b>1,378,409</b>	<b>242,823,835</b>
Excess of revenues over expenditures	7,379,603	994,519	474,158	8,848,280
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(6,085,563)	-	-	(6,085,563)
<b>Total other financing sources (uses)</b>	<b>(6,085,563)</b>	<b>-</b>	<b>-</b>	<b>(6,085,563)</b>
Net changes in fund balance	1,294,040	994,519	474,158	2,762,717
Fund balances at beginning of year	103,316,211	4,232,482	113,050	107,661,743
<b>FUND BALANCES AT END OF YEAR</b>	<b>\$ 104,610,251</b>	<b>\$ 5,227,001</b>	<b>\$ 587,208</b>	<b>\$ 110,424,460</b>

**NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**EDUCATIONAL ACCOUNT**  
**YEAR ENDED JUNE 30, 2014 WITH COMPARATIVE ACTUAL TOTALS FOR 2013**

	2014			2013 Actual
	Final Budget	Actual	Variance Over/Under	
<b>REVENUES</b>				
Local sources:				
Property taxes	\$ 170,146,658	\$ 170,600,950	\$ 454,292	\$ 167,018,934
Corporate replacement tax	2,000,000	2,322,244	322,244	1,891,668
Other payments in lieu of tax	420,000	-	(420,000)	-
Tuition	725,000	710,764	(14,236)	735,751
Earnings on investments	127,500	287,770	160,270	208,679
Food services	3,900,000	3,534,766	(365,234)	3,478,212
Pupil activities and textbooks	3,235,000	3,044,698	(190,302)	2,891,011
Services provided other LEA's	-	329,786	329,786	325,981
Other	2,425,000	479,450	(1,945,550)	2,957,941
<b>Total local sources</b>	<b>182,979,158</b>	<b>181,310,428</b>	<b>(1,668,730)</b>	<b>179,508,177</b>
State sources:				
Unrestricted:				
General state aid	5,740,594	6,155,769	415,175	6,130,450
Restricted:				
Other grants-in-aid	950,000	752,090	(197,910)	937,816
Special education	7,550,000	7,906,625	356,625	9,677,226
Summer school	50,000	-	(50,000)	15,329
Bilingual education	215,000	378,052	163,052	217,581
Vocational education	50,000	157,119	107,119	175,075
Prekindergarten program for at risk student	450,000	450,604	604	450,604
School lunch aid	30,000	13,198	(16,802)	17,402
Driver education	122,000	108,050	(13,950)	167,250
On behalf payments - State of Illinois	-	44,907,466	44,907,466	33,980,906
Unallocated	12,000	17,319	5,319	13,001
<b>Total state sources</b>	<b>15,169,594</b>	<b>60,846,292</b>	<b>45,676,698</b>	<b>51,782,640</b>
Federal sources:				
Restricted:				
Title I	570,000	863,855	293,855	353,223
Education for handicapped	4,085,000	3,885,243	(199,757)	4,320,660
School lunch programs	906,000	1,051,478	145,478	991,200
Title II	275,500	225,184	(50,316)	345,374
Title III	118,750	130,322	11,572	141,984
Medicaid matching/administrative outreach	900,000	436,258	(463,742)	741,741
Other	22,800	75,969	53,169	64,942
<b>Total federal sources</b>	<b>\$ 6,878,050</b>	<b>\$ 6,668,309</b>	<b>\$ (209,741)</b>	<b>\$ 6,959,124</b>

(Continued)

**NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**EDUCATIONAL ACCOUNT**  
**YEAR ENDED JUNE 30, 2014 WITH COMPARATIVE ACTUAL TOTALS FOR 2013**

	2014			2013 Actual
	Final Budget	Actual	Variance Over/Under	
Total revenues	\$ 205,026,802	\$ 248,825,029	\$ 43,798,227	\$ 238,249,941
<b>EXPENDITURES</b>				
Current operating:				
Instruction:				
Regular programs:				
Salaries	64,877,751	64,713,743	164,008	63,279,613
Employee benefits	18,465,278	16,985,444	1,479,834	18,814,337
On behalf payments	-	44,907,466	(44,907,466)	33,980,906
Purchased services	1,273,270	1,294,552	(21,282)	1,402,722
Supplies and materials	4,226,312	5,604,332	(1,378,020)	5,870,833
Capital outlay	2,131,036	1,054,661	1,076,375	417,252
Other	5,000	6,296	(1,296)	4,886
Total	90,978,647	134,566,494	(43,587,847)	123,770,549
Special education programs:				
Salaries	17,406,761	17,273,100	133,661	15,951,593
Employee benefits	4,925,092	4,498,245	426,847	4,783,716
Purchased services	226,756	277,903	(51,147)	178,799
Supplies and materials	406,038	188,656	217,382	786,623
Capital outlay	25,000	4,054	20,946	6,585
Other	12,200	9,596	2,604	9,748
Total	23,001,847	22,251,554	750,293	21,717,064
Educationally deprived/remedial programs:				
Salaries	-	-	-	680,701
Employee benefits	-	-	-	64,303
Total	-	-	-	745,004
Vocational programs:				
Salaries	3,174,656	3,139,392	35,264	3,054,293
Employee benefits	900,191	865,232	34,959	920,589
Purchased services	9,800	5,196	4,604	6,801
Supplies and materials	165,701	182,861	(17,160)	140,963
Capital outlay	85,300	34,262	51,038	88,340
Other	21,050	26,738	(5,688)	18,748
Total	\$ 4,356,698	\$ 4,253,681	\$ 103,017	\$ 4,229,734

(Continued)

**NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**EDUCATIONAL ACCOUNT**  
**YEAR ENDED JUNE 30, 2014 WITH COMPARATIVE ACTUAL TOTALS FOR 2013**

	2014			2013
	Final Budget	Actual	Variance Over/Under	Actual
<b>Interscholastic programs:</b>				
Salaries	\$ 3,057,822	\$ 3,159,655	\$ (101,833)	\$ 3,133,170
Employee benefits	438,455	528,504	(90,049)	491,434
Purchased services	299,293	238,589	60,704	244,643
Supplies and materials	123,268	140,649	(17,381)	148,676
Capital outlay	3,000	2,450	550	455
Other	75,232	108,485	(33,253)	124,284
<b>Total</b>	<b>3,997,070</b>	<b>4,178,332</b>	<b>(181,262)</b>	<b>4,142,662</b>
<b>Summer school:</b>				
Salaries	883,568	682,925	200,643	878,689
Employee benefits	2,415	24,816	(22,401)	21,629
Purchased services	16,300	-	16,300	-
Supplies and materials	32,649	21,098	11,551	28,527
<b>Total</b>	<b>934,932</b>	<b>728,839</b>	<b>206,093</b>	<b>928,845</b>
<b>Gifted:</b>				
Salaries	2,078,124	2,188,126	(110,002)	2,048,115
Employee benefits	602,355	644,570	(42,215)	653,474
<b>Total</b>	<b>2,680,479</b>	<b>2,832,696</b>	<b>(152,217)</b>	<b>2,701,589</b>
<b>Bilingual:</b>				
Salaries	3,450,068	4,013,820	(563,752)	3,315,085
Employee benefits	677,983	1,032,500	(354,517)	933,749
Supplies and materials	26,873	28,668	(1,795)	26,744
<b>Total</b>	<b>4,154,924</b>	<b>5,074,988</b>	<b>(920,064)</b>	<b>4,275,578</b>
<b>Truant's altern &amp; optional programming</b>				
Salaries	7,500	8,468	(968)	9,819
Employee benefits	-	2,370	(2,370)	3,061
<b>Total</b>	<b>7,500</b>	<b>10,838</b>	<b>(3,338)</b>	<b>12,880</b>
<b>Total instruction</b>	<b>\$ 130,112,097</b>	<b>\$ 173,897,422</b>	<b>\$ (43,785,325)</b>	<b>\$ 162,523,905</b>

(Continued)

**NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**EDUCATIONAL ACCOUNT**  
**YEAR ENDED JUNE 30, 2014 WITH COMPARATIVE ACTUAL TOTALS FOR 2013**

	2014			2013 Actual
	Final Budget	Actual	Variance Over/Under	
Support services:				
Pupils:				
Attendance and social work:				
Salaries	\$ 2,481,694	\$ 2,558,274	\$ (76,580)	\$ 2,386,692
Employee benefits	717,684	677,005	40,679	644,892
Purchased services	8,000	3,800	4,200	7,459
Supplies and materials	6,000	9,844	(3,844)	10,543
Total	3,213,378	3,248,923	(35,545)	3,049,586
Guidance services:				
Salaries	3,607,222	3,057,666	549,556	3,396,925
Employee benefits	904,912	760,284	144,628	837,931
Purchased services	12,000	9,645	2,355	2,375
Supplies and materials	6,600	7,050	(450)	6,564
Total	4,530,734	3,834,645	696,089	4,243,795
Health services:				
Salaries	2,356,541	2,675,717	(319,176)	2,385,200
Employee benefits	533,382	509,693	23,689	548,068
Purchased services	16,600	3,296	13,304	3,140
Supplies and materials	22,000	24,593	(2,593)	21,863
Capital outlay	5,000	-	5,000	-
Total	2,933,523	3,213,299	(279,776)	2,958,271
Psychological services:				
Salaries	1,780,450	1,765,429	15,021	1,749,298
Employee benefits	436,593	497,503	(60,910)	530,241
Purchased services	10,000	4,700	5,300	14,445
Supplies and materials	5,000	4,878	122	21,024
Total	2,232,043	2,272,510	(40,467)	2,315,008
Speech pathology and audiology services:				
Salaries	2,483,924	2,866,465	(382,541)	2,642,017
Employee benefits	590,441	772,349	(181,908)	708,285
Purchased services	50,000	91,897	(41,897)	80,700
Supplies and materials	28,890	26,328	2,562	14,448
Total	\$ 3,153,255	\$ 3,757,039	\$ (603,784)	\$ 3,445,450

(Continued)

**NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**EDUCATIONAL ACCOUNT**  
**YEAR ENDED JUNE 30, 2014 WITH COMPARATIVE ACTUAL TOTALS FOR 2013**

	2014			2013 Actual
	Final Budget	Actual	Variance Over/Under	
<b>Other support services:</b>				
Salaries	\$ 139,315	\$ 95,632	\$ 43,683	\$ 91,652
Employee benefits	8,916	14,599	(5,683)	14,220
Purchased services	200,000	119,672	80,328	231,495
<b>Total</b>	<b>348,231</b>	<b>229,903</b>	<b>118,328</b>	<b>337,367</b>
<b>Total pupils</b>	<b>16,411,164</b>	<b>16,556,319</b>	<b>(145,155)</b>	<b>16,349,477</b>
<b>Instructional staff:</b>				
<b>Improvement of instruction services:</b>				
Salaries	3,986,127	4,305,200	(319,073)	3,781,214
Employee benefits	885,859	1,032,991	(147,132)	918,252
Purchased services	499,694	363,987	135,707	363,386
Supplies and materials	455,543	326,901	128,642	228,322
Capital outlay	426,000	327,199	98,801	236,674
Other	178,700	147,772	30,928	123,332
<b>Total</b>	<b>6,431,923</b>	<b>6,504,050</b>	<b>(72,127)</b>	<b>5,651,180</b>
<b>Educational media services:</b>				
Salaries	3,261,413	3,344,323	(82,910)	3,268,865
Employee benefits	980,836	952,105	28,731	1,015,544
Purchased services	50,000	55,059	(5,059)	33,903
Supplies and materials	249,370	309,751	(60,381)	315,124
Capital outlay	200,000	133,997	66,003	71,768
<b>Total</b>	<b>4,741,619</b>	<b>4,795,235</b>	<b>(53,616)</b>	<b>4,705,204</b>
<b>Assessment and testing:</b>				
Salaries	247,691	318,817	(71,126)	273,676
Employee benefits	66,829	93,256	(26,427)	85,022
Purchased services	157,080	283,683	(126,603)	172,405
Supplies and materials	68,800	56,191	12,609	90,333
Other	3,000	450	2,550	2,746
<b>Total</b>	<b>543,400</b>	<b>752,397</b>	<b>(208,997)</b>	<b>624,182</b>
<b>Total instructional staff</b>	<b>\$ 11,716,942</b>	<b>\$ 12,051,682</b>	<b>\$ (334,740)</b>	<b>\$ 10,980,566</b>

(Continued)



**NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**EDUCATIONAL ACCOUNT**  
**YEAR ENDED JUNE 30, 2014 WITH COMPARATIVE ACTUAL TOTALS FOR 2013**

	2014			2013 Actual
	Final Budget	Actual	Variance Over/Under	
<b>General administration:</b>				
<b>Board of education:</b>				
Salaries	\$ 168,404	\$ 115,954	\$ 52,450	\$ 109,947
Employee benefits	23,699	26,151	(2,452)	24,353
Purchased services	751,500	615,262	136,238	861,385
Supplies and materials	59,800	42,523	17,277	42,039
Other	67,500	65,344	2,156	67,334
<b>Total</b>	<b>1,070,903</b>	<b>865,234</b>	<b>205,669</b>	<b>1,105,058</b>
<b>Executive administration:</b>				
Salaries	821,342	943,680	(122,338)	725,262
Employee benefits	171,474	218,426	(46,952)	158,133
Purchased services	89,000	24,699	64,301	22,978
Supplies and materials	26,500	24,857	1,643	18,692
Capital outlay	-	-	-	167
Other	8,000	13,497	(5,497)	8,231
<b>Total</b>	<b>1,116,316</b>	<b>1,225,159</b>	<b>(108,843)</b>	<b>933,463</b>
<b>Special area administration services:</b>				
Salaries	1,078,201	1,002,449	75,752	1,125,861
Employee benefits	279,065	246,784	32,281	278,294
Purchased services	17,000	17,519	(519)	2,870
Supplies and materials	16,000	8,050	7,950	12,073
Capital outlay	5,000	-	5,000	-
<b>Total</b>	<b>1,395,266</b>	<b>1,274,802</b>	<b>120,464</b>	<b>1,419,098</b>
<b>Total general administration</b>	<b>\$ 3,582,485</b>	<b>\$ 3,365,195</b>	<b>\$ 217,290</b>	<b>\$ 3,457,619</b>

(Continued)

**NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**EDUCATIONAL ACCOUNT**  
**YEAR ENDED JUNE 30, 2014 WITH COMPARATIVE ACTUAL TOTALS FOR 2013**

	2014			2013 Actual
	Final Budget	Actual	Variance Over/Under	
<b>School administration:</b>				
Office of the principal:				
Salaries	\$ 7,339,573	\$ 7,366,647	\$ (27,074)	\$ 7,375,030
Employee benefits	2,160,360	2,090,547	69,813	2,164,924
Purchased services	88,415	91,146	(2,731)	110,245
Supplies and materials	11,500	9,219	2,281	11,893
Capital outlay	-	-	-	13,090
Other	13,000	13,159	(159)	-
<b>Total</b>	<b>9,612,848</b>	<b>9,570,718</b>	<b>42,130</b>	<b>9,675,182</b>
<b>Other support services school administration:</b>				
Salaries	1,493,806	1,476,559	17,247	1,439,968
Employee benefits	339,179	422,113	(82,934)	398,722
Purchased services	-	85,000	(85,000)	-
<b>Total</b>	<b>1,832,985</b>	<b>1,983,672</b>	<b>(150,687)</b>	<b>1,838,690</b>
<b>Total school administration</b>	<b>11,445,833</b>	<b>11,554,390</b>	<b>(108,557)</b>	<b>11,513,872</b>
<b>Business:</b>				
Director of business support services:				
Salaries	161,548	170,972	(9,424)	186,974
Employee benefits	36,462	39,781	(3,319)	30,445
Purchased services	4,500	-	4,500	3,376
Supplies and materials	1,000	-	1,000	-
Other	1,500	-	1,500	40
<b>Total</b>	<b>205,010</b>	<b>210,753</b>	<b>(5,743)</b>	<b>220,835</b>
<b>Fiscal services:</b>				
Salaries	547,086	554,081	(6,995)	521,773
Employee benefits	98,936	140,036	(41,100)	133,437
Purchased services	81,000	87,946	(6,946)	71,079
Supplies and materials	6,500	4,103	2,397	4,176
Capital outlay	30,000	26,640	3,360	2,938,243
Other	2,000	955	1,045	860
<b>Total</b>	<b>\$ 765,522</b>	<b>\$ 813,761</b>	<b>\$ (48,239)</b>	<b>\$ 3,669,568</b>

(Continued)

**NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**EDUCATIONAL ACCOUNT**  
**YEAR ENDED JUNE 30, 2014 WITH COMPARATIVE ACTUAL TOTALS FOR 2013**

	2014			2013 Actual
	Final Budget	Actual	Variance Over/Under	
<b>Operation and maintenance of plant services:</b>				
Purchased services	\$ 789,844	\$ 1,280,474	\$ (490,630)	\$ 802,931
Supplies and materials	39,070	41,820	(2,750)	251,876
Capital outlay	155,000	1,239,625	(1,084,625)	150,046
<b>Total</b>	<b>983,914</b>	<b>2,561,919</b>	<b>(1,578,005)</b>	<b>1,204,853</b>
<b>Food services:</b>				
Salaries	600,000	712,722	(112,722)	635,324
Employee benefits	100,000	153,882	(53,882)	149,547
Purchased services	4,326,000	4,020,480	305,520	4,055,831
Supplies and materials	35,500	66,364	(30,864)	37,207
Capital outlay	45,000	29,834	15,166	-
Other	-	637	(637)	672
<b>Total</b>	<b>5,106,500</b>	<b>4,983,919</b>	<b>122,581</b>	<b>4,878,581</b>
<b>Internal services:</b>				
Salaries	159,570	139,945	19,625	149,227
Employee benefits	10,801	48,382	(37,581)	47,578
Supplies and materials	75,000	70,706	4,294	-
<b>Total</b>	<b>245,371</b>	<b>259,033</b>	<b>(13,662)</b>	<b>196,805</b>
<b>Total business</b>	<b>7,306,317</b>	<b>8,829,385</b>	<b>(1,523,068)</b>	<b>10,170,642</b>
<b>Central:</b>				
<b>Planning, R&amp;D, and evaluation:</b>				
Salaries	15,340	15,730	(390)	15,039
Employee benefits	19,638	5,594	14,044	5,666
<b>Total</b>	<b>\$ 34,978</b>	<b>\$ 21,324</b>	<b>\$ 13,654</b>	<b>\$ 20,705</b>

(Continued)

**NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**EDUCATIONAL ACCOUNT**  
**YEAR ENDED JUNE 30, 2014 WITH COMPARATIVE ACTUAL TOTALS FOR 2013**

	2014			2013 Actual
	Final Budget	Actual	Variance Over/Under	
<b>Information services:</b>				
Salaries	\$ 86,437	\$ 54,595	\$ 31,842	\$ 84,723
Employee benefits	6,420	7,248	(828)	26,496
Purchased services	102,000	59,289	42,711	92,608
Supplies and materials	10,000	6,475	3,525	5,266
Other	2,300	263	2,037	1,370
<b>Total</b>	<b>207,157</b>	<b>127,870</b>	<b>79,287</b>	<b>210,463</b>
<b>Staff services:</b>				
Salaries	737,796	792,002	(54,206)	792,549
Employee benefits	2,088,213	1,936,499	151,714	1,947,266
Purchased services	138,170	161,087	(22,917)	132,056
Supplies and materials	11,500	5,086	6,414	7,803
Other	5,700	3,280	2,420	3,698
<b>Total</b>	<b>2,981,379</b>	<b>2,897,954</b>	<b>83,425</b>	<b>2,883,372</b>
<b>Data processing services:</b>				
Salaries	1,684,858	1,891,727	(206,869)	1,665,611
Employee benefits	308,937	363,945	(55,008)	307,819
Purchased services	645,900	631,519	14,381	671,307
Supplies and materials	1,563,390	1,465,975	97,415	1,621,202
Capital outlay	2,022,000	433,491	1,588,509	239,679
Other	15,000	3,019	11,981	2,464
<b>Total</b>	<b>6,240,085</b>	<b>4,789,676</b>	<b>1,450,409</b>	<b>4,508,082</b>
<b>Total central</b>	<b>9,463,599</b>	<b>7,836,824</b>	<b>1,626,775</b>	<b>7,622,622</b>
<b>Other support services:</b>				
Salaries	263,720	287,946	(24,226)	257,284
Employee benefits	69,612	71,921	(2,309)	-
Purchased services	447,000	452,819	(5,819)	453,719
Supplies and materials	1,500	6,713	(5,213)	84,805
Capital outlay	-	5,850	(5,850)	-
<b>Total</b>	<b>781,832</b>	<b>825,249</b>	<b>(43,417)</b>	<b>795,808</b>
<b>Total support services</b>	<b>\$ 60,708,172</b>	<b>\$ 61,019,044</b>	<b>\$ (310,872)</b>	<b>\$ 60,890,606</b>

(Continued)

**NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**EDUCATIONAL ACCOUNT**  
**YEAR ENDED JUNE 30, 2014 WITH COMPARATIVE ACTUAL TOTALS FOR 2013**

	2014			2013 Actual
	Final Budget	Actual	Variance Over/Under	
Community services:				
Salaries	\$ 336,028	\$ 330,377	\$ 5,651	\$ 320,900
Employee benefits	91,356	59,862	31,494	71,895
Purchased services	51,232	38,027	13,205	25,813
Supplies and materials	92,362	65,628	26,734	59,279
Other	-	5,814	(5,814)	5,300
Total community services	<u>570,978</u>	<u>499,708</u>	<u>71,270</u>	<u>483,187</u>
Non-programmed charges:				
Payments for regular programs:				
Other	<u>183,000</u>	<u>143,948</u>	<u>39,052</u>	<u>-</u>
Total	<u>183,000</u>	<u>143,948</u>	<u>39,052</u>	<u>-</u>
Payments for special education programs:				
Other	<u>6,658,656</u>	<u>5,885,304</u>	<u>773,352</u>	<u>6,476,856</u>
Total	<u>6,658,656</u>	<u>5,885,304</u>	<u>773,352</u>	<u>6,476,856</u>
Provision for contingencies	<u>1,100,000</u>	<u>-</u>	<u>1,100,000</u>	<u>-</u>
Total non-programmed charges	<u>7,941,656</u>	<u>6,029,252</u>	<u>1,912,404</u>	<u>6,476,856</u>
Total expenditures	<u>199,332,903</u>	<u>241,445,426</u>	<u>(42,112,523)</u>	<u>230,374,554</u>
Excess of revenues over expenditures	<u>\$ 5,693,899</u>	<u>\$ 7,379,603</u>	<u>\$ 1,685,704</u>	<u>\$ 7,875,387</u>

(Continued)

**NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**EDUCATIONAL ACCOUNT**  
**YEAR ENDED JUNE 30, 2014 WITH COMPARATIVE ACTUAL TOTALS FOR 2013**

	2014			2013 Actual
	Final Budget	Actual	Variance Over/Under	
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	\$ -	\$ -	\$ -	\$ -
Transfers out	(6,085,563)	(6,085,563)	-	(6,676,233)
Total other financing sources (uses)	(6,085,563)	(6,085,563)	-	(6,676,233)
Net changes in fund balance	<u>\$ (391,664)</u>	1,294,040	<u>\$ 1,685,704</u>	1,199,154
Fund balance at beginning of year		<u>103,316,211</u>		<u>102,117,057</u>
<b>FUND BALANCE AT END OF YEAR</b>		<u>\$ 104,610,251</u>		<u>\$ 103,316,211</u>

**NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**WORKING CASH ACCOUNT**  
**YEAR ENDED JUNE 30, 2014 WITH COMPARATIVE ACTUAL TOTALS FOR 2013**

	2014			2013 Actual
	Final Budget	Actual	Variance Over/Under	
<b>REVENUES</b>				
Local sources:				
Property taxes	-	994,519	994,519	-
Earnings on investments	2,000	-	(2,000)	-
Total local sources	2,000	994,519	(2,000)	-
Total revenues	2,000	994,519	(2,000)	-
Excess of revenues over expenditures	<u>\$ 2,000</u>	994,519	<u>\$ (2,000)</u>	-
Fund balance at beginning of year		4,232,482		4,232,482
<b>FUND BALANCE AT END OF YEAR</b>		<u>\$ 5,227,001</u>		<u>\$ 4,232,482</u>

**NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**TORT IMMUNITY ACCOUNT**  
**YEAR ENDED JUNE 30, 2014 WITH COMPARATIVE ACTUAL TOTALS FOR 2013**

	2014			2013 Actual
	Final Budget	Actual	Variance Over/Under	
<b>REVENUES</b>				
Local sources:				
Property taxes	\$ 1,738,338	\$ 1,850,963	\$ 112,625	\$ 1,622,103
Earnings on investments	500	1,604	1,104	1,905
Other	75,000	-	(75,000)	-
Total local sources	1,813,838	1,852,567	38,729	1,624,008
Total revenues	1,813,838	1,852,567	38,729	1,624,008
<b>EXPENDITURES</b>				
Current operating:				
Support services:				
Workers compensation insurance:				
Purchased services	1,000,000	749,995	250,005	1,881,316
Total	1,000,000	749,995	250,005	1,881,316
Unemployment insurance payments				
Purchased services	50,000	118,771	(68,771)	-
Total	50,000	118,771	(68,771)	-
Insurance payments (regular or self-insurance):				
Purchased services	350,000	495,095	(145,095)	-
Total	350,000	495,095	(145,095)	-
Risk management and claims services payments:				
Purchased services	20,000	14,548	5,452	-
Total	20,000	14,548	5,452	-
Property insurance:				
Purchased services	50,000	-	50,000	-
Total	50,000	-	50,000	-
Vehicle insurance:				
Purchased services	30,000	-	30,000	-
Total	30,000	-	30,000	-
Total support services	\$ 1,500,000	\$ 1,378,409	\$ 121,591	\$ 1,881,316



**NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**TORT IMMUNITY ACCOUNT**  
**YEAR ENDED JUNE 30, 2014 WITH COMPARATIVE ACTUAL TOTALS FOR 2013**

	2014			2013
	Final Budget	Actual	Variance Over/Under	Actual
Provision for contingencies	\$ 75,000	\$ -	\$ 75,000	\$ -
Total expenditures	1,575,000	1,378,409	196,591	1,881,316
Excess (deficiency) of revenues over expenditures	<u>\$ 238,838</u>	474,158	<u>\$ 235,320</u>	(257,308)
Fund balance at beginning of year		<u>113,050</u>		<u>370,358</u>
FUND BALANCE AT END OF YEAR		<u>\$ 587,208</u>		<u>\$ 113,050</u>

**NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**MAJOR SPECIAL REVENUE FUND - OPERATIONS AND MAINTENANCE FUND**  
**YEAR ENDED JUNE 30, 2014 WITH COMPARATIVE ACTUAL TOTALS FOR 2013**

	2014			2013 Actual
	Final Budget	Actual	Variance Over/Under	
<b>REVENUES</b>				
Local sources:				
Property taxes	\$ 28,236,137	\$ 28,161,782	\$ (74,355)	\$ 25,938,177
Pupil activities - fees	65,000	60,535	(4,465)	58,993
Impact fees from other governments	10,000	-	(10,000)	-
Earnings on investments	10,250	6,153	(4,097)	15,047
Rentals	530,000	432,607	(97,393)	475,793
Other	210,300	223,726	13,426	39,629
<b>Total local sources</b>	<b>29,061,687</b>	<b>28,884,803</b>	<b>(176,884)</b>	<b>26,527,639</b>
<b>Total revenues</b>	<b>29,061,687</b>	<b>28,884,803</b>	<b>(176,884)</b>	<b>26,527,639</b>
<b>EXPENDITURES</b>				
Current operating:				
Operations and maintenance of plant services:				
Salaries	8,298,863	8,267,774	31,089	8,059,903
Employee benefits	2,012,700	1,997,044	15,656	1,991,565
Purchased services	2,413,150	3,021,063	(607,913)	2,948,259
Supplies and materials	4,281,000	5,131,148	(850,148)	4,672,028
Capital outlay	14,635,316	14,629,630	5,686	7,218,637
Other	12,000	59,135	(47,135)	13,227
<b>Total</b>	<b>31,653,029</b>	<b>33,105,794</b>	<b>(1,452,765)</b>	<b>24,903,619</b>
<b>Total support services</b>	<b>31,653,029</b>	<b>33,105,794</b>	<b>(1,452,765)</b>	<b>24,903,619</b>
Provision for contingencies	\$ 200,000	\$ -	\$ 200,000	\$ -

**NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**MAJOR SPECIAL REVENUE FUND - OPERATIONS AND MAINTENANCE FUND**  
**YEAR ENDED JUNE 30, 2014 WITH COMPARATIVE ACTUAL TOTALS FOR 2013**

	2014			2013 Actual
	Final Budget	Actual	Variance Over/Under	
Total expenditures	\$ 31,853,029	\$ 33,105,794	\$ (1,252,765)	\$ 24,903,619
Excess (deficiency) of revenues over expenditures	(2,791,342)	(4,220,991)	(1,429,649)	1,624,020
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	3,000,000	3,000,000	-	3,600,000
Total other financing sources (uses)	3,000,000	3,000,000	-	3,600,000
Net changes in fund balance	<u>\$ 208,658</u>	(1,220,991)	<u>\$ (1,429,649)</u>	5,224,020
Fund balance (deficit) at beginning of year		<u>16,642,806</u>		<u>11,418,786</u>
<b>FUND BALANCE (DEFICIT) AT END OF YEAR</b>		<u><u>\$ 15,421,815</u></u>		<u><u>\$ 16,642,806</u></u>

**NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**MAJOR SPECIAL REVENUE FUND - TRANSPORTATION FUND**  
**YEAR ENDED JUNE 30, 2014 WITH COMPARATIVE ACTUAL TOTALS FOR 2013**

	2014			2013 Actual
	Final Budget	Actual	Variance Over/Under	
<b>REVENUES</b>				
Local sources:				
Property taxes	\$ 6,082,028	\$ 6,194,555	\$ 112,527	\$ 5,835,166
Transportation fees from pupils or parents	235,000	8,284	(226,716)	5,600
Transportation fees from private sources	-	71,707	71,707	53,877
Transportation fees from co-curricular	-	153,881	153,881	168,547
Transportation fees - other sources	-	-	-	92,189
Earnings on investments	500	135	(365)	62
Other	120,000	925	(119,075)	565
<b>Total local sources</b>	<b>6,437,528</b>	<b>6,429,487</b>	<b>(8,041)</b>	<b>6,156,006</b>
State sources:				
Restricted:				
Transportation aid	5,456,000	4,706,996	(749,004)	6,791,021
<b>Total state sources</b>	<b>5,456,000</b>	<b>4,706,996</b>	<b>(749,004)</b>	<b>6,791,021</b>
<b>Total revenues</b>	<b>11,893,528</b>	<b>11,136,483</b>	<b>(757,045)</b>	<b>12,947,027</b>
<b>EXPENDITURES</b>				
Current operating:				
Support services:				
Pupil transportation services:				
Salaries	3,930,000	3,775,013	154,987	3,578,682
Employee benefits	1,252,950	1,163,957	88,993	1,254,454
Purchased services	3,276,400	3,435,723	(159,323)	3,495,780
Supplies and materials	1,133,000	1,069,143	63,857	964,681
Capital outlay	1,782,000	1,772,930	9,070	1,124,142
Other	300	200	100	195
<b>Total support services</b>	<b>11,374,650</b>	<b>11,216,966</b>	<b>157,684</b>	<b>10,417,934</b>
Provision for contingencies	\$ 100,000	\$ -	\$ 100,000	\$ -

(Continued)

**NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**MAJOR SPECIAL REVENUE FUND - TRANSPORTATION FUND**  
**YEAR ENDED JUNE 30, 2014 WITH COMPARATIVE ACTUAL TOTALS FOR 2013**

	2014			2013 Actual
	Final Budget	Actual	Variance Over/Under	
Total expenditures	\$ 11,474,650	\$ 11,216,966	\$ 157,684	\$ 10,417,934
Excess (deficiency) of revenues over expenditures	<u>\$ 418,878</u>	(80,483)	<u>\$ (499,361)</u>	2,529,093
Fund balance at beginning of year		<u>6,270,176</u>		<u>3,741,083</u>
FUND BALANCE AT END OF YEAR		<u>\$ 6,189,693</u>		<u>\$ 6,270,176</u>

**NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**MAJOR SPECIAL REVENUE FUND - MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND**  
**YEAR ENDED JUNE 30, 2014 WITH COMPARATIVE ACTUAL TOTALS FOR 2013**

	2014			2013 Actual
	Final Budget	Actual	Variance Over/Under	
<b>REVENUES</b>				
Local sources:				
Property taxes	\$ 6,729,052	\$ 3,343,562	\$ (3,385,490)	\$ 3,240,344
Social security/medicare only levy	-	3,526,343	3,526,343	3,247,148
Replacement taxes	230,000	150,000	(80,000)	150,000
Earnings on investments	200	149	(51)	69
<b>Total local sources</b>	<b>6,959,252</b>	<b>7,020,054</b>	<b>60,802</b>	<b>6,637,561</b>
<b>Total revenues</b>	<b>6,959,252</b>	<b>7,020,054</b>	<b>60,802</b>	<b>6,637,561</b>
<b>EXPENDITURES</b>				
Current operating:				
Instruction:				
Regular programs	1,850,000	1,182,367	667,633	968,653
Special education programs	720,000	1,268,388	(548,388)	1,170,947
Educationally deprived/remedial programs	75,000	116,030	(41,030)	117,061
Vocational programs	-	55,145	(55,145)	50,050
Interscholastic programs	-	86,971	(86,971)	73,630
Summer school programs	-	30,467	(30,467)	46,032
Gifted programs	62,000	67,833	(5,833)	70,200
Bilingual programs	103,000	109,388	(6,388)	119,985
Truant's alternative and optional programs	-	116	(116)	128
<b>Total instruction</b>	<b>2,810,000</b>	<b>2,916,705</b>	<b>(106,705)</b>	<b>2,616,686</b>
Support services:				
Pupils:				
Attendance and social work services	17,200	64,008	(46,808)	55,308
Guidance services	36,000	61,974	(25,974)	68,730
Health services	148,000	315,233	(167,233)	261,531
Psychological services	-	26,078	(26,078)	25,647
Speech pathology and audiology services	-	56,195	(56,195)	30,471
Other	-	3,270	(3,270)	2,987
<b>Total pupils</b>	<b>\$ 201,200</b>	<b>\$ 526,758</b>	<b>\$ (325,558)</b>	<b>\$ 444,674</b>

(Continued)

**NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**MAJOR SPECIAL REVENUE FUND - MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND**  
**YEAR ENDED JUNE 30, 2014 WITH COMPARATIVE ACTUAL TOTALS FOR 2013**

	2014			2013 Actual
	Final Budget	Actual	Variance Over/Under	
<b>Instructional staff:</b>				
Improvement of instruction services	\$ 23,500	\$ 87,258	\$ (63,758)	\$ 80,713
Education media	220,000	241,830	(21,830)	227,755
Assessment and testing	-	40,766	(40,766)	34,426
Total instructional staff	<u>243,500</u>	<u>369,854</u>	<u>(126,354)</u>	<u>342,894</u>
<b>General administration:</b>				
Board of education services	8,500	28,060	(19,560)	24,983
Executive administration services	32,500	37,673	(5,173)	30,759
Special area administration services	43,000	45,505	(2,505)	47,102
Total general administration	<u>84,000</u>	<u>111,238</u>	<u>(27,238)</u>	<u>102,844</u>
<b>School administration:</b>				
Office of the principal services	510,000	540,183	(30,183)	516,723
Other support services	42,000	48,784	(6,784)	45,660
Total school administration	<u>552,000</u>	<u>588,967</u>	<u>(36,967)</u>	<u>562,383</u>
<b>Business:</b>				
Director of business support services	-	2,433	(2,433)	2,622
Fiscal services	80,000	111,471	(31,471)	102,741
Operation and maintenance of plant services	1,911,550	1,546,566	364,984	1,453,958
Pupil transportation services	1,100,000	718,571	381,429	702,800
Food services	-	61,695	(61,695)	52,715
Internal services	60,000	25,939	34,061	24,847
Total business	<u>3,151,550</u>	<u>2,466,675</u>	<u>684,875</u>	<u>2,339,683</u>
<b>Central:</b>				
Planning, R&D, and evaluation services	-	214	(214)	198
Information services	15,000	10,356	4,644	16,036
Staff services	60,000	130,089	(70,089)	127,664
Data processing services	220,000	337,704	(117,704)	288,688
Total central	<u>\$ 295,000</u>	<u>\$ 478,363</u>	<u>\$ (183,363)</u>	<u>\$ 432,586</u>

(Continued)

**NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**MAJOR SPECIAL REVENUE FUND - MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND**  
**YEAR ENDED JUNE 30, 2014 WITH COMPARATIVE ACTUAL TOTALS FOR 2013**

	2014			2013 Actual
	Final Budget	Actual	Variance Over/Under	
Other:				
Other support services	\$ -	\$ 52,740	\$ (52,740)	\$ 48,317
Total other	-	52,740	(52,740)	48,317
Total support services	4,527,250	4,594,595	(67,345)	4,273,381
Community services	-	51,035	(51,035)	54,597
Total expenditures	7,337,250	7,562,335	(225,085)	6,944,664
Deficiency of revenues over expenditures	<u>\$ (377,998)</u>	(542,281)	<u>\$ (164,283)</u>	(307,103)
Fund balance at beginning of year		4,044,595		4,351,698
FUND BALANCE AT END OF YEAR		<u>\$ 3,502,314</u>		<u>\$ 4,044,595</u>



**NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**MAJOR DEBT SERVICE FUND**  
**YEAR ENDED JUNE 30, 2014 WITH COMPARATIVE ACTUAL TOTALS FOR 2013**

	2014			2013 Actual
	Final Budget	Actual	Variance Over/Under	
<b>REVENUES</b>				
Local sources:				
Property taxes	\$ -	\$ 1,566,367	\$ 1,566,367	\$ -
Earnings on investments	250	44	(206)	-
<b>Total local sources</b>	<b>250</b>	<b>1,566,411</b>	<b>1,566,161</b>	<b>-</b>
Federal sources:				
Unrestricted:				
Bond interest reimbursement	435,723	420,799	(14,924)	451,359
<b>Total federal sources</b>	<b>435,723</b>	<b>420,799</b>	<b>(14,924)</b>	<b>451,359</b>
<b>Total revenues</b>	<b>435,973</b>	<b>1,987,210</b>	<b>1,551,237</b>	<b>451,359</b>
<b>EXPENDITURES</b>				
Debt service:				
Principal retirement	1,830,000	2,330,000	(500,000)	1,790,000
Interest on bonds	1,719,098	1,744,844	(25,746)	1,764,742
Purchased services	1,000	1,000	-	1,000
<b>Total expenditures</b>	<b>3,550,098</b>	<b>4,075,844</b>	<b>(525,746)</b>	<b>3,555,742</b>
Excess (deficiency) of revenues over expenditures	(3,114,125)	(2,088,634)	1,025,491	(3,104,383)
<b>OTHER FINANCING SOURCES</b>				
Transfers in	3,085,563	3,085,563	-	3,076,233
<b>Total other financing sources</b>	<b>3,085,563</b>	<b>3,085,563</b>	<b>-</b>	<b>3,076,233</b>
Net changes in fund balance	<u>\$ (28,562)</u>	996,929	<u>\$ 1,025,491</u>	(28,150)
Fund balance at beginning of year		452,899		481,049
<b>FUND BALANCE AT END OF YEAR</b>		<u><u>\$ 1,449,828</u></u>		<u><u>\$ 452,899</u></u>

**NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**MAJOR CAPITAL PROJECTS FUND - FIRE PREVENTION AND SAFETY FUND**  
**YEAR ENDED JUNE 30, 2014 WITH COMPARATIVE ACTUAL TOTALS FOR 2013**

	2014			2013 Actual
	Final Budget	Actual	Variance Over/Under	
<b>EXPENDITURES</b>				
Current operating:				
Support services:				
Facilities acquisition and construction:				
Capital outlay	\$ -	\$ -	\$ -	\$ -
Total support services	-	-	-	-
Total expenditures	-	-	-	-
Deficiency of revenues over expenditures	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>-</u>
Fund balance at beginning of year		1,025,093		1,025,093
<b>FUND BALANCE AT END OF YEAR</b>		<u>\$ 1,025,093</u>		<u>\$ 1,025,093</u>

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**NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203**  
**SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES**  
**FIDUCIARY FUND - AGENCY FUND - ACTIVITY FUNDS**  
**YEAR ENDED JUNE 30, 2014**

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	Balance July 1, 2013	Additions	Deductions	Balance June 30, 2014
<b>Assets:</b>				
Cash	\$ 2,680,854	\$ 5,336,348	\$ 5,176,343	\$ 2,840,859
<b>Liabilities:</b>				
Due to organizations	\$ 2,680,854	\$ 5,336,348	\$ 5,176,343	\$ 2,840,859

**NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203**  
**FIVE YEAR SUMMARY OF TAX LEVIES AND COLLECTIONS**  
**JUNE 30, 2014**

	2013	2012	2011
Tax Levies and Collections			
Assessed valuation	\$ 4,143,826,550	\$ 4,584,207,156	\$ 4,584,207,156
Property tax extensions:			
Educational Fund	\$ 150,006,148	\$ 166,634,619	\$ 163,572,332
Operations and Maintenance Fund	29,006,413	28,236,137	29,976,684
Debt Service Fund	3,132,733	-	313
Transportation Fund	6,505,434	6,082,028	5,980,555
Municipal Retirement Fund	3,432,246	3,364,526	3,230,987
Tort Immunity Fund	2,020,321	1,738,338	1,554,773
Working Cash	1,989,037	-	-
Special Education Fund	23,290,880	5,862,039	3,178,312
Social Security Fund	3,811,574	3,364,526	3,228,419
Total levies extended	\$ 223,194,786	\$ 215,282,213	\$ 210,722,375
Total collected through June 30, 2013	\$ -	\$ 102,668,829	\$ 207,363,633
Total collected in year ended June 30, 2014	109,543,622	109,610,703	-
Total collections	\$ 109,543,622	\$ 212,279,532	\$ 207,363,633
Percentage of extensions collected	49.08%	98.61%	98.41%
	2013 Rate	2012 Rate	2011 Rate
	DuPage	Will	DuPage
Rates extended by year of levy (per \$100 of assessed valuation):			
Educational	3.6200	3.6199	3.8631
Operations and Maintenance	0.7000	0.6999	0.6546
Debt Service	0.0756	0.0756	-
Transportation	0.1570	0.1569	0.1410
Illinois Municipal Retirement	0.0829	0.0821	0.0780
Tort Immunity	0.0488	0.0483	0.0403
Special Education	0.5619	0.5637	0.1359
Fire Prevention and Life Safety	-	-	-
Working Cash	0.0480	0.0480	-
Social Security	0.0920	0.0918	0.0780
Total rates extended	5.3862	5.3862	4.9909

Source of information: Dekalb County Levy, Rate and Extension Reports for 2009-2013

2010		2009	
<u>\$ 4,828,639,663</u>		<u>\$ 4,997,542,884</u>	
\$ 156,849,126	\$ 155,548,522		
33,901,879	24,447,540		
-	3,095,739		
5,813,682	4,522,777		
3,031,962	3,013,519		
1,453,421	2,009,012		
-	-		
-	1,759,136		
3,031,962	3,013,519		
<u>\$ 204,082,032</u>		<u>\$ 197,409,764</u>	
\$ 204,305,701	\$ 197,166,546		
-	-		
<u>\$ 204,305,701</u>		<u>\$ 197,166,546</u>	
<u>100.11%</u>		<u>99.88%</u>	

2010 Rate		2009 Rate	
DuPage	Will	DuPage	Will
3.2142	3.2142	3.1125	3.1125
0.7021	0.7021	0.4892	0.4891
-	-	0.0620	0.0614
0.1204	0.1204	0.0905	0.0905
0.0628	0.0627	0.0603	0.0603
0.0301	0.0301	0.0402	0.0402
0.0341	0.0342	0.0352	0.0352
-	-	-	-
-	-	-	-
0.0628	0.0627	0.0603	0.0603
<u>4.2265 4.2264</u>		<u>3.9502 3.9495</u>	

**NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203**  
**OPERATING COST AND TUITION CHARGE**  
**JUNE 30, 2014**

<b>Operating Cost Per Pupil</b>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Average Daily Attendance (ADA):	<u>15,897</u>	<u>16,035</u>	<u>16,336</u>
<b>Operating Costs:</b>			
Educational	\$ 196,537,960	\$ 196,393,648	\$ 190,314,611
Operations and Maintenance	33,105,794	24,903,619	34,707,528
Debt Service	4,075,844	3,555,742	3,665,710
Transportation	11,216,966	10,417,934	10,050,991
Municipal Retirement/Social Security	7,562,335	6,944,664	6,959,343
Tort	<u>1,378,409</u>	<u>1,881,316</u>	<u>1,208,380</u>
Subtotal	<u>253,877,308</u>	<u>244,096,923</u>	<u>246,906,563</u>
<b>Less Revenue/Expenditures of Nonregular Programs:</b>			
Pre-K programs	-	212,539	-
Summer school	759,306	974,877	1,116,942
Capital outlay	19,694,623	12,496,069	21,382,840
Debt principal retired	2,330,000	1,790,000	1,856,800
Community services	550,743	537,784	678,976
Payments to other districts & governmental units	<u>6,029,252</u>	<u>6,476,856</u>	<u>6,331,255</u>
Subtotal	<u>29,363,924</u>	<u>22,488,125</u>	<u>31,366,813</u>
Operating costs	<u>\$ 224,513,384</u>	<u>\$ 221,608,798</u>	<u>\$ 215,539,750</u>
Operating Cost Per Pupil - Based on ADA	<u>\$ 14,123</u>	<u>\$ 13,820</u>	<u>\$ 13,194</u>
<b>Tuition Charge</b>			
Operating Costs	224,513,384	221,608,798	215,539,750
Less - revenues from specific programs, such as special education or lunch programs	<u>27,002,949</u>	<u>31,887,087</u>	<u>28,670,129</u>
Net operating costs	197,510,435	189,721,711	186,869,621
Depreciation allowance	<u>13,855,236</u>	<u>12,782,999</u>	<u>11,322,177</u>
Allowable Tuition Costs	<u>\$ 211,365,671</u>	<u>\$ 202,504,710</u>	<u>\$ 198,191,798</u>
Tuition Charge Per Pupil - Based on ADA	<u>\$ 13,296</u>	<u>\$ 12,629</u>	<u>\$ 12,132</u>

Source of information: Annual Financial Report

**NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203**  
**2008 GENERAL OBLIGATION BONDS**  
**JUNE 30, 2014**

YEAR ENDED JUNE 30,	PRINCIPAL	INTEREST	TOTAL
2015	\$ -	\$ 374,712	\$ 374,712
2016	-	374,712	374,712
2017	-	374,712	374,712
2018	-	374,712	374,712
2019	-	374,712	374,712
2020	-	374,712	374,712
2021	-	374,712	374,712
2022	-	374,712	374,712
2023	-	374,712	374,712
2024	-	374,712	374,712
2025	1,510,000	374,712	1,884,712
2026	2,720,000	316,200	3,036,200
2027	2,830,000	210,800	3,040,800
2028	2,440,000	97,600	2,537,600
<b>Total</b>	<b>\$ 9,500,000</b>	<b>\$ 4,746,432</b>	<b>\$ 14,246,432</b>

Paying Agent: Bond Trust Services Corporation, Minnesota

Principal payment date: February

Interest payment dates: February and August

Interest rates: 3.875% - 4.000%



**NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203**  
**2009 GENERAL OBLIGATION BONDS**  
**JUNE 30, 2014**

YEAR ENDED JUNE 30,	PRINCIPAL	INTEREST	TOTAL
2015	\$ 1,880,000	\$ 1,266,740	\$ 3,146,740
2016	1,940,000	1,200,000	3,140,000
2017	2,000,000	1,103,000	3,103,000
2018	2,070,000	1,003,000	3,073,000
2019	2,130,000	899,500	3,029,500
2020	2,200,000	793,000	2,993,000
2021	2,270,000	683,000	2,953,000
2022	2,350,000	569,500	2,919,500
2023	2,430,000	452,000	2,882,000
2024	2,510,000	330,500	2,840,500
2025	1,080,000	205,000	1,285,000
2026	-	151,000	151,000
2027	-	151,000	151,000
2028	-	151,000	151,000
2029	3,020,000	151,000	3,171,000
<b>Total</b>	<b>\$ 25,880,000</b>	<b>\$ 9,109,240</b>	<b>\$ 34,989,240</b>

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%