

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

**Audited Financial Statements
Year Ended June 30, 2012**

NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203

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Independent Auditors' Report

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

We have audited the accompanying financial statements of governmental activities, each major fund, and the aggregate remaining fund information of Naperville Community Unit School District No. 203 as of and for the year ended June 30, 2012, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. 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 *Governmental 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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 Unit School District No. 203 as of June 30, 2012, and the respective changes in financial position for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 1, 2012, on our consideration of the Naperville Community Unit 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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 response 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Naperville Community Unit School District No. 203's basic financial statements. The individual major fund financial statements and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The individual major fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. Prior auditors have previously audited, in accordance with auditing standards generally accepted in the United States, the Naperville Community Unit School District No. 203's basic financial statements for the year ended June 30, 2011, which are not presented with the accompanying financial statements. In their report dated December 21, 2011, they expressed unqualified opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information. That audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Naperville Community Unit School District No. 203's financial statements as a whole. The combining and individual major fund financial statements, related to the 2011 financial statements are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2011 financial statements. The information has been subjected to the auditing procedures applied in the audit of those financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2011 combining and individual nonmajor fund financial statements are fairly stated in all material respects in relation to the basic financial statements from which they have been derived. 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 assurance on it.



Klein, Hall & Associates, LLC
Aurora, Illinois
October 1, 2012

**NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2012
UNAUDITED**

The discussion and analysis of Naperville Community Unit School District No. 203's (the "District") financial performance provides an overall review of the District's financial activities for the year ended June 30, 2012. 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 \$18.2. This represents a 6% increase from 2011 due to revenue outpacing expenditures consistent with budget.
- General revenues accounted for \$221.0 in revenue or 78% of all revenues. Program specific revenues in the form of charges for services and fees and grants accounts for \$62.1 or 22% of total revenues of \$283.1.
- The District had \$264.9 in expenses related to government activities. However, only \$62.1 of these expenses were offset by program specific charges and grants.

Overview of the Financial Statements

This MD&A is intended to serve as an introduction to the District's basic financial statements. The basic financial statements are comprised of three components:

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

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

Government-wide financial statements

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

The statement of net assets presents information on all of the District's assets and liabilities, with the difference between the two reported as net assets. 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 assets changed during the fiscal year being reported. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and

**NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2012
UNAUDITED**

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, 2012
UNAUDITED**

Notes to basic financial statements

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

Other information

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

District-Wide Financial Analysis

The District's combined net assets were higher on June 30, 2012, than they were the year before, increasing 6% to \$308.6.

<i>Table 1</i>		
<i>Condensed Statements of Net Assets</i>		
<i>(in millions of dollars)</i>		
	<u>2011</u>	<u>2012</u>
Assets:		
Current and other assets	\$ 254.2	\$ 253.6
Capital Assets	225.8	235.3
Total Assets	<u>480.0</u>	<u>488.9</u>
Liabilities:		
Current liabilities	133.6	125.9
Long-term debt outstanding	56.0	54.4
Total Liabilities	<u>189.6</u>	<u>180.3</u>
Net Assets:		
Invested in capital assets, net of related debt	184.5	196.8
Restricted	8.2	20.4
Unrestricted	97.7	91.4
Total Net Assets	<u>\$ 290.4</u>	<u>\$ 308.6</u>

Revenues in the governmental activities of the District of \$283.1 exceeded expenses by \$18.2. This was attributable primarily to real estate tax revenue.

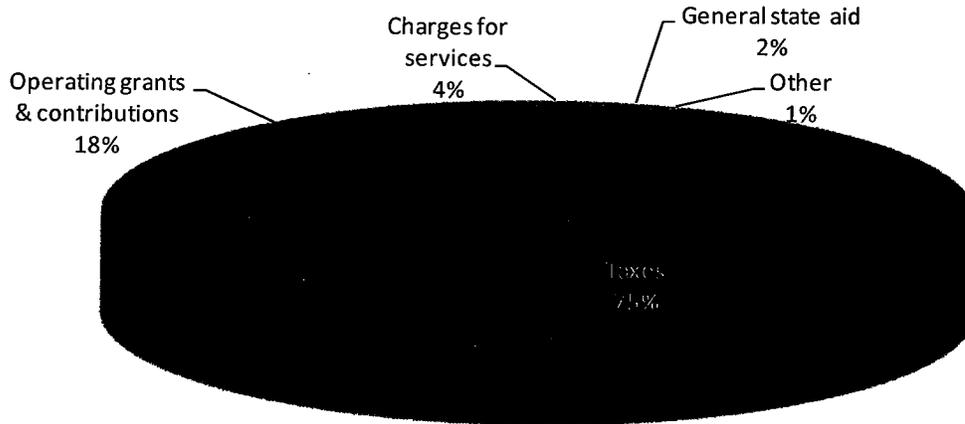
**NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2012
UNAUDITED**

<i>Table 2</i>		
<i>Changes in Net Assets</i>		
<i>(in millions of dollars)</i>		
	<u>2011</u>	<u>2012</u>
Revenues:		
<i>Program revenues:</i>		
Charges for services	\$ 8.4	\$ 10.5
Operating grants & contributions	53.6	51.6
Capital grants & contributions	0.5	-
<i>General revenues:</i>		
Taxes	203.1	213.1
General state aid	7.0	6.6
Other	0.8	1.3
Total revenues	<u>273.4</u>	<u>283.1</u>
Expenses:		
Instruction	164.5	173.0
Pupil & instructional staff services	26.6	27.0
Administration & business	22.8	26.3
Transportation	10.0	10.1
Operations & maintenance	23.1	18.0
Other	9.1	10.5
Total expenses	<u>256.1</u>	<u>264.9</u>
Increase (decrease) in net assets	<u>\$ 17.3</u>	<u>\$ 18.2</u>

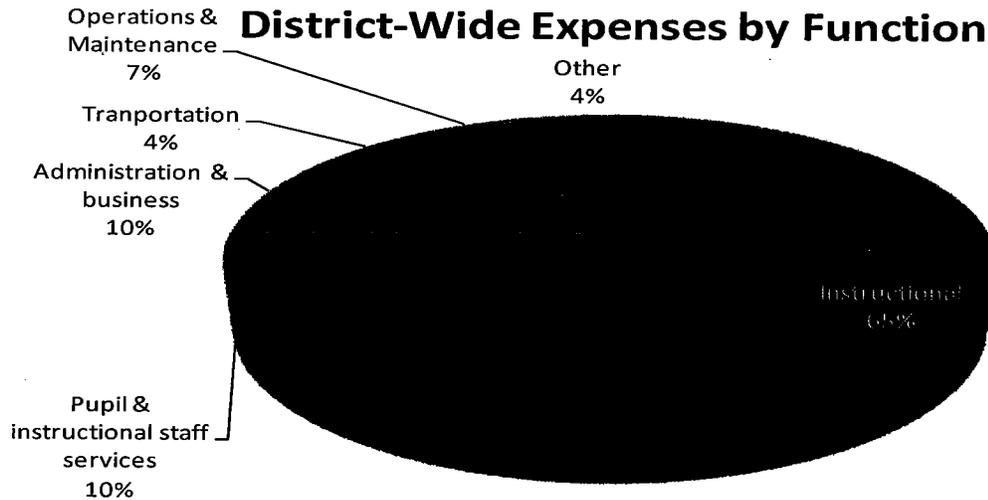
Property taxes accounted for the largest portion of the District's revenues, contributing 75%. The remainder of revenues came from state, federal grants and other sources. The total cost of all the District's programs was \$264.9, mainly related to instructing and caring for the students and student transportation at 79%.

**NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2012
UNAUDITED**

District-Wide Revenues by Source



District-Wide Expenses by Function



Financial Analysis of the District's Funds

The District's Governmental Funds balance increased from \$121.1 to \$127.7 due to an increase in local revenue from property taxes.

**NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2012
UNAUDITED**

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 \$283.1 compared to \$273.4 in the prior year, an increase of \$9.7, or 4%. There was a decrease in total expenditures compared to the prior year of \$19.6 or 7%, mainly due to a decrease 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 a favorable financial position for the District.

General Fund: The largest revenue source in the General Fund is property taxes at 72% of all revenue from that fund. Property tax revenue in the 2012 fiscal year was 6% higher than the prior fiscal year. State revenue sources represent 20% of all revenue in the General Fund, which increased by \$1.0. The District had allocated General State Aid to other funds in fiscal year 2011. This, as well as some increases in Special Education funding compared to 2011 account for the increase in state funding reflected in the General Fund. Federal revenue sources represent 3.1% of all revenues, decreasing \$3.2 from the prior year.

Total expenditures of \$220.9 in the General Fund increased by 5% over the prior year.

The fund balance at year end was \$106.7, a decrease of \$10.1 or 9.1% over the prior year, due to a transfer of funds to the Operations and Maintenance Fund.

Operations and Maintenance Fund: The fund balance in the Operations and Maintenance Fund increased \$15.8 due to a \$20.0 transfer from the General Fund.

Fire Prevention and Life Safety Fund: The fund balance in the Fire Protection and Life Safety Fund declined \$0.2 to \$1.0. The planned draw down funds repairs and renovations approved by the State for schools.

General Fund Budgetary Highlights

The District Operating Budget (excluding Capital Projects and Debt Service) budgeted for a \$3.8 increase in fund balance, realizing an actual increase of \$6.6.

Actual revenues recognized were greater than budgeted by \$36.3 (15% of budget), attributable to State Funding including an on behalf payment to the Teacher Retirement System of \$28.3.

Actual expenditures were \$33.5 over budget (14%), \$28.3 attributable to the State on behalf payment to TRS (not budgeted), and health insurance and capital outlay being greater than budgeted. The fund balance of \$127.7 is 52% of the budget.

**NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2012
UNAUDITED**

Capital Assets and Debt Administration

Capital Assets

By the end of 2012, the District had compiled a total investment of \$361.9 (\$235.3 net of accumulated depreciation) in a broad range of capital assets including buildings, land and equipment. Total depreciation expense for the year was \$11.3. More detailed information about capital assets can be found in Note 4 of the basic financial statements.

<i>Table 3 Capital Assets (net of depreciation) (in millions of dollars)</i>		
	<u>2011</u>	<u>2012</u>
Land	\$ 12.8	\$ 12.5
Construction in progress	73.1	-
Buildings	115.8	200.3
Land Improvements	6.3	5.9
Machinery and equipment	17.8	16.6
Total	<u>\$ 225.8</u>	<u>\$ 235.3</u>

Long-term Debt

The District retired \$1.8 in bonds in 2012. Capital leases and other were increased by \$0.2. The increase in Net OPEB Obligations and Compensated Absences was partially offset by a decrease in self insurance. At the end of fiscal 2012, the District had a debt margin of \$593.6. More detailed information on long-term debt can be found in Note 5 of the basic financial statements.

<i>Table 4 Outstanding Long-Term Debt (in millions of dollars)</i>		
	<u>2011</u>	<u>2012</u>
General Obligation Bonds	\$ 41.3	\$ 39.5
Capital leases and other	14.7	14.9
Total	<u>\$ 56.0</u>	<u>\$ 54.4</u>

**NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2012
UNAUDITED**

Factors Bearing on the District's Future

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

The District has four labor contracts in place. Certified teaching staff are contracted through 2012-13, Education Support Staff through 2012 (subsequent to June 30, 2012 a new contract was negotiated through 2015), Maintenance and Custodial through 2014, and Transportation Staff through 2012 (subsequent to June 30, 2013 a new contract was negotiated through 2017). The labor contracts have base increases at 75% of CPI with a floor of 1.4% and a ceiling of 2.7%. Linking contract costs to CPI gives stability to future years' costs.

The District marketed its self insured health program and entered into contracts with Blue Cross Blue Shield of Illinois on October 1, 2007. Projected costs savings approaching \$2.0 compared to the standard renewal. 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.

The number of languages spoken by District students continues to increase. This has increased the need for resources within the English Language (ELL) programs. The District has been able to accommodate these increased needs (and plans to do so in the future) as revenues increase consistent with past years and general enrollment remains stable or declines slightly. This “shift in services” has helped the District meet the needs of these students.

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 ASSETS
JUNE 30, 2012

	Governmental Activities
Assets:	
Cash and investments	\$ 140,102,689
Receivables:	
Property taxes	106,421,949
Due from other governments	4,588,085
Other receivables	607,391
Prepaid Items	1,853,890
Capital assets:	
Land	12,497,354
Other capital assets, net of depreciation	222,835,480
Total Assets	488,906,838
Liabilities:	
Accounts payable	10,787,085
Accrued salaries	15,154,916
Unearned revenue	99,894,397
Noncurrent liabilities:	
Due within one year	1,790,000
Due in more than one year	52,623,689
	180,250,087
Net Assets:	
Invested in capital assets, net of related debt	196,857,927
Restricted for:	
Operations and maintenance	11,418,786
Debt service	481,049
Transportation	3,741,083
Retirement benefits	4,351,698
Other purposes	370,358
Unrestricted	91,435,850
Total net assets	\$ 308,656,751

See accompanying notes to basic financial statements

NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2012

Functions	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Assets
					Total Governmental Activities
Governmental Activities:					
Instructional services:					
Regular programs	\$ 98,638,598	\$ 4,032,341	\$ 2,945,942	\$ -	\$ (91,660,315)
Special programs	38,656,880	-	12,639,915	-	(26,016,965)
Other programs	6,331,255	1,690,477	92,674	-	(4,548,104)
State retirement contributions	29,366,535	-	29,366,535	-	-
Support services:					
Pupils	16,422,982	-	-	-	(16,422,982)
Instructional staff	10,622,269	-	274,121	-	(10,348,148)
General administration	4,983,583	-	-	-	(4,983,583)
School administration	11,369,222	-	-	-	(11,369,222)
Business	9,918,161	4,052,789	1,008,123	-	(4,857,249)
Operation and maintenance of facilities	17,978,401	466,276	-	-	(17,512,125)
Transportation	10,126,239	272,469	5,276,435	-	(4,577,335)
Central	7,849,067	-	-	-	(7,849,067)
Other	883,023	-	-	-	(883,023)
Community service	678,976	-	-	-	(678,976)
Interest on long-term liabilities	1,053,252	-	-	-	(1,053,252)
Total school district	\$ 264,878,443	\$ 10,514,352	\$ 51,603,745	\$ -	(202,760,346)

General revenues:

Property taxes levied for:

General purposes	168,305,417
Operation & maintenance	29,976,684
Transportation	5,980,555
Retirement	6,459,406
Debt service	313
Personal property replacement taxes	2,342,629
Federal and state aid not restricted to specific purposes	6,674,711
Earnings on investments	160,255
Miscellaneous	1,109,886

Total general revenues 221,009,856

Change in net assets 18,249,510

Net assets - beginning 290,407,241

Net assets - ending \$ 308,656,751

See accompanying notes to basic financial statements

NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2012

<u>ASSETS</u>	<u>General</u>	<u>Operations and Maintenance</u>	<u>Transportation</u>	<u>Municipal Retirement/ Social Security</u>
Assets:				
Cash and investments	\$120,716,558	\$ 11,689,214	\$ 2,411,354	\$ 4,019,176
Receivables:				
Property taxes	87,324,601	12,730,785	3,009,819	3,356,744
Due from other governments	3,188,657	-	1,289,428	110,000
Other receivables	314,749	43,493	9,394	-
Prepaid items	1,752,870	8,843	92,177	-
TOTAL ASSETS	<u>\$213,297,435</u>	<u>\$ 24,472,335</u>	<u>\$ 6,812,172</u>	<u>\$ 7,485,920</u>
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Accounts payable	\$ 9,620,387	\$ 1,166,698	\$ -	\$ -
Accrued salaries and related expenditures	14,894,123	-	260,793	-
Deferred revenue	82,063,028	11,886,851	2,810,296	3,134,222
Total Liabilities	<u>106,577,538</u>	<u>13,053,549</u>	<u>3,071,089</u>	<u>3,134,222</u>
Fund Balances:				
Nonspendable	1,752,870	8,843	92,177	-
Committed	13,336,252	-	-	-
Restricted	370,358	11,409,943	3,648,906	4,351,698
Unassigned	91,260,417	-	-	-
Total Fund Balances	<u>106,719,897</u>	<u>11,418,786</u>	<u>3,741,083</u>	<u>4,351,698</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$213,297,435</u>	<u>\$ 24,472,335</u>	<u>\$ 6,812,172</u>	<u>\$ 7,485,920</u>

See accompanying notes to basic financial statements

Debt Service	Fire Prevention and Safety	Total Governmental Funds
\$ 241,294	\$ 1,025,093	\$140,102,689
-	-	106,421,949
-	-	4,588,085
239,755	-	607,391
-	-	1,853,890
<u>\$ 481,049</u>	<u>\$ 1,025,093</u>	<u>\$253,574,004</u>

\$ -	\$ -	\$ 10,787,085
-	-	15,154,916
-	-	99,894,397
-	-	125,836,398

-	-	1,853,890
-	-	13,336,252
481,049	1,025,093	21,287,047
-	-	91,260,417
<u>481,049</u>	<u>1,025,093</u>	<u>127,737,606</u>
<u>\$ 481,049</u>	<u>\$ 1,025,093</u>	<u>\$253,574,004</u>

NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS
JUNE 30, 2012

Total fund balances - governmental funds	\$ 127,737,606
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 \$374,414,092 and the accumulated depreciation is \$139,081,258.	235,332,834
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>(54,413,689)</u>
Net assets of governmental activities	<u><u>\$ 308,656,751</u></u>

See accompanying notes to basic financial statements

NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2012

	General	Operations and Maintenance	Transportation	Municipal Retirement/ Social Security
REVENUES				
Local sources	\$ 181,322,640	\$ 30,658,595	\$ 6,258,502	\$ 6,609,447
State sources	46,148,538	-	5,276,435	-
Federal sources	6,367,196	-	-	-
Total Revenues	233,838,374	30,658,595	11,534,937	6,609,447
EXPENDITURES				
Current operating:				
Instruction	156,152,129	-	-	2,657,807
Supporting services	57,784,221	34,707,528	10,050,991	4,244,481
Community services	621,921	-	-	57,055
Non-programmed charges	6,331,255	-	-	-
Debt service				
Principal	-	-	-	-
Interest and other	-	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	220,889,526	34,707,528	10,050,991	6,959,343
Excess of revenues over expenditures	12,948,848	(4,048,933)	1,483,946	(349,896)
OTHER FINANCING SOURCES (USES)				
Transfers in	35,000	20,000,000	-	-
Transfers out	(23,070,401)	(136,398)	-	-
Total other financing sources (uses)	(23,035,401)	20,000,000	-	-
Net changes in fund balance	(10,086,553)	15,951,067	1,483,946	(349,896)
Fund Balances (Deficits) at beginning of year	116,806,450	(4,395,883)	2,257,137	4,701,594
FUND BALANCES AT END OF YEAR	\$ 106,719,897	\$ 11,555,184	\$ 3,741,083	\$ 4,351,698

See accompanying notes to basic financial statements

Debt Service	Fire Prevention and Safety	Total Governmental Funds
\$ 313	\$ -	\$ 224,849,497
-	-	51,424,973
486,287	-	6,853,483
486,600	-	283,127,953
-	-	158,809,936
-	-	106,787,221
-	-	678,976
-	-	6,331,255
1,856,800	-	1,856,800
1,808,910	-	1,808,910
-	221,237	221,237
3,665,710	221,237	276,494,335
(3,179,110)	(221,237)	6,633,618
3,171,799	-	23,206,799
-	-	(23,206,799)
3,171,799	-	136,398
(7,311)	(221,237)	6,770,016
488,360	1,246,330	121,103,988
\$ 481,049	\$ 1,025,093	\$ 127,737,606

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, 2012

Net change in fund balances - total governmental funds **\$ 6,633,618**

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	\$ 21,130,484	
Depreciation expense	<u>(11,322,177)</u>	9,808,307

The proceeds from the sale of capital assets are reported as revenue in the governmental funds.

However, the cost of the capital assets are removed from the capital asset account in the statement of net assets and offset against the proceeds from the sale of capital assets resulting in a gain/loss on the sale of capital assets in the statement of activities.

Cost of capital assets disposed	(309,908)
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Certain receivables included in the Statement of Net Assets - are not available to pay for current period expenditures and, therefore, are not included in the governmental funds balance sheet.

(205,443)

Interest on long-term liabilities accrued in the Statement of Net Assets in the prior year - will not be paid with current financial resources and, therefore, is not recognized in the governmental funds balance sheet.

755,658

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:

Increase in compensated absences	\$ (116,283)	
Decrease in insurance claims	2,386,747	
Increase in other postemployment benefits	<u>(2,559,986)</u>	(289,522)

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	\$ 1,760,000	
Capital lease proceeds	96,800	<u>1,856,800</u>

Change in net assets of governmental activities **\$ 18,249,510**

See accompanying notes to basic financial statements

NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUND - ACTIVITY FUND
YEAR ENDED JUNE 30, 2012

Assets:

Cash	<u>\$ 2,837,368</u>
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Liabilities:

Due to organizations	<u>\$ 2,837,368</u>
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See accompanying notes to basic financial statements

NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203

Notes to Financial Statements

June 30, 2012

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, 2012

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, 2012

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, 2012

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

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

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

Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are

NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203

Notes to Financial Statements (Continued)

June 30, 2012

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.

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

NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203
Notes to Financial Statements (Continued)
June 30, 2012

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, 2012, but which were levied to finance fiscal year 2013 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, 2012, the various components of deferred revenue and unearned revenue were as follows:

Property taxes receivable for subsequent year	\$ 99,367,149
Local revenue receivable	<u>527,248</u>
	<u>\$ 99,894,397</u>

Expenses / Expenditures

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

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

d. Deposits and Investments

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

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

NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203

Notes to Financial Statements (Continued)

June 30, 2012

- 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 assets. Bond premiums and discounts, as well as issuance costs, 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.

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

NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203

Notes to Financial Statements (Continued)

June 30, 2012

g. Fund Equity

Equity is classified as net assets and displayed in three components:

Invested in capital assets, net of related debt – 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 improvement of those assets less than any unspent debt proceeds.

Restricted net assets – Consists of net assets with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.

Unrestricted net assets – All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

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

h. Fund Balance Reporting

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

A. Nonspendable Fund Balance

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

B. Restricted Fund Balance

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

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.

NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203

Notes to Financial Statements (Continued)

June 30, 2012

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 \$370,358.

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, 2012, 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 \$1,740,679. The remaining balance is restricted for Municipal Retirement purposes.

5. Capital Projects Funds

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

C. Committed Fund Balance

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

The District's self insured health insurance fund represents funds which have been segregated by the District for the purpose of funding these related insurance costs. As of June 30, 2012, \$13,336,252 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.

NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203

Notes to Financial Statements (Continued)

June 30, 2012

No assigned balances existed as of June 30, 2012.

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	\$ 1,752,870		\$ 13,336,252		\$ 87,027,935
Operations & Maintenance	8,843				11,409,943
Debt Service		481,049			
Transportation	92,177	3,648,906			
Municipal Retirement		4,351,698			
Working Cash					4,232,482
Tort Liability		370,358			
Fire Prevention & Safety		1,025,093			

G. Expenditures of Fund Balance

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

i. Property Taxes

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

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

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.

NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203

Notes to Financial Statements (Continued)

June 30, 2012

Based upon collection histories, the District has provided at June 30, 2012 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, 2012 are determined on the basis of current salary rates and include salary related payments.

Employees are entitled to be compensated for vacation time. Vacations are usually taken within the fiscal year. Accrued but unpaid vacation leave at June 30, 2012, was \$1,171,977 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, 2012.

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.

NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203

Notes to Financial Statements (Continued)

June 30, 2012

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, 2011, from which such summarized information was derived.

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, 2012 the carrying amount of the District's deposits, which include both cash and certificates of deposit totaled \$131,404,641 and the bank balances totaled \$131,554,795. These amounts were entirely insured or collateralized as of June 30, 2012.

Investments

As of June 30, 2012, the District had the following investments and maturities.

NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203

Notes to Financial Statements (Continued)

June 30, 2012

Investment Type	Fair Value	Maturities (in years) Less than 1	% of Portfolio	Agency Rating
Illinois Funds	\$ 11,502,317	\$ 11,502,317	99.8%	AAA
Illinois School District Liquid Asset Fund	33,099	33,099	0.2%	AAA
Total	\$ 11,535,416	\$ 11,535,416	100.0%	

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

	Government-wide	Fiduciary	Total
Cash and investments	\$ 140,102,689	\$ 2,837,368	\$ 142,940,057
Total	\$ 140,102,689	\$ 2,837,368	\$ 142,940,057

	Cash and Investments
Deposits with financial institutions	\$ 131,404,641
Other investments	11,535,416
Total	\$ 142,940,057

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.

NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203

Notes to Financial Statements (Continued)

June 30, 2012

Illinois Funds is an investment pool managed by the State of Illinois, Office of the Treasurer, which allows governments within the State to pool their funds for investment purposes. Illinois Funds is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in Illinois are rated AAAM and are valued at Illinois Funds' share price, which is the price for which the investment could be sold.

Concentration of Credit Risk. Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The District's investment policy does not address concentration of credit risk but requires the Chief Investment Officer to use the judgment and care, under circumstances prevailing, "that persons of prudence, discretion and intelligence exercise in 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, 2011, the bank balance of the District's deposit with financial institutions totaled \$134,614,949; 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.

NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203
Notes to Financial Statements (Continued)
June 30, 2012

NOTE 3. DUE FROM OTHER GOVERNMENTAL UNITS

Due from other governmental units is comprised of the following as of June 30, 2012:

	Other	State Aid	Federal Aid	Total
Educational Fund	\$ 317,275	\$ 1,253,122	\$ 1,618,260	\$ 3,188,657
Transportation Fund	110,000	-	-	110,000
Municipal Retirement/Social Security Fund	-	1,289,428	-	1,289,428
Total	\$ 427,275	\$ 2,542,550	\$ 1,618,260	\$ 4,588,085

NOTE 4. CAPITAL ASSETS

A summary of changes in capital assets follows:

	Balance June 30, 2011	Additions	Deletions	Balance June 30, 2012
Capital assets, not being depreciated:				
Land	\$ 12,807,262	\$ -	\$ 309,908	\$ 12,497,354
Construction in process	73,049,458	-	73,049,458	-
Total capital assets not being depreciated	\$ 85,856,720	\$ -	\$ 73,359,366	\$ 12,497,354
Capital assets, being depreciated:				
Buildings	201,651,764	89,618,030	-	291,269,794
Improvements other than buildings	10,487,227	159,955	-	10,647,182
Equipment	55,597,805	4,401,957	-	59,999,762
Total capital assets being depreciated	\$ 267,736,796	94,179,942	\$ -	\$ 361,916,738
Accumulated depreciation for:				
Buildings	85,914,265	5,083,035	-	90,997,300
Improvements other than buildings	4,209,111	524,361	-	4,733,472
Equipment	37,635,705	5,714,781	-	43,350,486
Total accumulated depreciation	\$ 127,759,081	\$ 11,322,177	\$ -	\$ 139,081,258
Total capital assets being depreciated, net	\$ 139,977,715	\$ 82,857,765	\$ -	\$ 222,835,480
Total capital assets, net	\$ 225,834,435	\$ 82,857,765	\$ 73,359,366	\$ 235,332,834

NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203
Notes to Financial Statements (Continued)
June 30, 2012

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

<i>Instructional Services:</i>	
Regular programs	\$ 8,021,888
Special programs	338,859
<i>Supporting Services:</i>	
Pupils	248,540
Instructional Staff	314,225
General administration	209,117
School administration	874
Business	272,045
Operations and maintenance of facilities	545,198
Transportation	924,238
Central	447,193
	\$ 11,322,177

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, 2012:

Long-Term Debt at June 30, 2012 is comprised of the following:

	Balance June 30, 2011	Additions	Reductions	Balance June 30, 2012	Amount due in one year
General Obligation Bonds	\$ 41,260,000	\$ -	\$ 1,760,000	\$ 39,500,000	\$ 1,790,000
Capital Leases	96,800	-	96,800	-	-
Compensated Absences	1,055,694	116,283	-	1,171,977	-
Insurance Claims	2,386,747	-	2,386,747	-	-
Net OPEB Obligation	11,181,726	4,454,734	1,894,748	13,741,712	-
Total Long-Term Debt	\$ 55,980,967	\$ 4,571,017	\$ 6,138,295	\$ 54,413,689	\$ 1,790,000

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:

NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203

Notes to Financial Statements (Continued)

June 30, 2012

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	\$ 10,000,000
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	29,500,000
Total		\$43,000,000	\$39,500,000

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

	Principal	Interest	Total
2013	\$ 1,790,000	\$ 1,764,743	\$ 3,554,743
2014	1,830,000	1,719,097	3,549,097
2015	1,880,000	1,661,452	3,541,452
2016	1,940,000	1,594,712	3,534,712
2017	2,000,000	1,497,712	3,497,712
2018-2022	11,020,000	5,921,560	16,941,560
2023-2027	13,080,000	3,040,636	16,120,636
2028-2029	5,960,000	419,600	6,379,600
Total	\$ 39,500,000	\$ 17,619,512	\$ 57,119,512

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, 2012, the statutory debt limit for the District was \$632,620,588 providing a debt margin of \$593,601,637 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 \$481,049 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, 2012

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 certification is required. The active member contribution rate for the year ended June 30, 2012, 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, 2011 and 2010. For the year ended June 30, 2012 earnings of \$116,349,478 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, 2012, State of Illinois contributions were based on 24.91 percent of creditable earnings not paid from federal funds, and the District recognized revenue and expenditures of \$28,342,660 in pension contributions that the State of Illinois paid directly to TRS. For the years ended June 30, 2011, and June 30, 2010, the State of Illinois contribution rates as percentages of creditable earnings were 23.10 percent (\$25,672,167) and 23.38 percent (\$26,471,885), respectively.

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

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

NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203

Notes to Financial Statements (Continued)

June 30, 2012

ended June 30, 2012 were \$674,827. Contributions for the years ending June 30, 2012, and June 30, 2011, were \$662,360 and \$674,926, 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 was first effective for 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.

For the year ended June 30, 2012, the employer pension contribution was 24.91 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2011 and 2010 the employer contribution was 23.10 and 23.38 percent of salaries paid from federal and special trust funds, respectively. For the year ended June 30, 2012, salaries totaling \$2,569,229 were paid from federal and special trust funds that required employer contributions of \$639,995. For the years ended June 30, 2011 and June 30, 2010, required district contributions were \$718,780 and \$734,612, 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 is 117.5 percent and applies when the member is age 55 at retirement.

For the year ended June 30, 2012, the district paid \$120,566 to TRS for employer contributions under the ERO program. For the years ended June 30, 2011 and June 30, 2010, the district paid \$70,514 and \$54,522 in employer ERO contributions, 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, 2012, the District paid \$86,686 to TRS for employer contributions due on salary increases in excess of 6 percent. For the year ended June 30, 2011 and 2010, the District paid \$74,653 and \$80,494 to TRS in employer contributions due on salary increases in excess of 6 percent, 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 highest salary rate reported by the granting employer during the four-year sick leave review

NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203

Notes to Financial Statements (Continued)

June 30, 2012

period, and the TRS total normal cost rate (17.83 percent of salary during the year ended June 30, 2012).

For the year ended June 30, 2012, the District paid \$123 to TRS for sick leave days granted in the excess of the normal annual allotment. For the year ended June 30, 2011 and 2010, the District paid \$0 and \$0 in employer contributions granted for sick leave days, 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, 2012. The report for the year ended June 30, 2012, is expected to be available in late 2012. 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 postemployment 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 may participate in the state administered participating provider option plan or choose from several managed care options.

The State Employees Group Insurance Act of 1971 (5ILCS 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. The Illinois Department of Healthcare and Family Services (HFS) and the Illinois Department of Central Management Services (CMS) administer the plan with the cooperation of TRS. Effective July 1, 2012, in accordance with Executive Order 12-01, the plan is administered by 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 0.88 percent of pay during the year ended June 30, 2012. State of Illinois contributions were \$1,023,875, 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, 2012

State contributions intended to match active member contributions during the years ended June 30, 2011 and 2010 were 0.88 percent and 0.84 percent of pay, respectively. State contributions on behalf of district employees were \$1,005,369, and \$977,479, respectively.

Employer contributions to THIS Fund. The District also makes contributions to THIS Fund. The District THIS Fund contribution was 0.66 percent during the year ended June 30, 2012 and June 30, 2011, and 0.63 percent during the year ended June 30, 2010. For the year ended June 30, 2012, the District paid \$767,907 to the THIS Fund. For the years ended June 30, 2011 and June 30, 2010, the District paid \$754,027 and \$733,109, 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 obtained by writing to the Department of Healthcare and Family Services, 201 S. Grand Ave., Springfield, IL 62763-3838.

Illinois Municipal Retirement Fund:

Plan Description. The employer's defined benefit pension plan for Regular employees provides retirements 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), and 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 statement and required supplementary information. That report may be obtained online at 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 11.63 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 2011 was \$3,312,877. (If you made an additional payment toward your unfunded amount, add this payment to your actual contributions and recalculate the percentage of APC contributed).

NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203
Notes to Financial Statements (Continued)
June 30, 2012

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>
12/31/2011	\$3,312,877	100%	\$0
12/31/2010	3,048,382	100%	0
12/31/2009	2,463,517	100%	0

The required contribution for 2011 was determined as part of the December 31, 2009, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2009, 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. Your employer Regular plan's unfunded actuarial accrued liability at December 31, 2009 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, 2011, the most recent actuarial valuation date, the Regular plan was 73.91 percent funded. The actuarial accrued liability for benefits was \$68,555,412 and the actuarial value of assets was \$50,669,553, resulting in an underfunded actuarial accrued liability (UAAL) of \$17,885,859. The covered payroll (annual payroll of active employees covered by the plan) was \$28,485,617 and the ratio of the UAAL to the covered payroll was 63 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, 2012, cumulative expenditures had exceeded related cumulative revenues.

NOTE 8. COMMITMENTS

As of June 30, 2012, the District had entered into various contractual commitments for construction projects. The unpaid balance of these contracts is approximately \$4,000,000 as of June 30, 2012.

NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203

Notes to Financial Statements (Continued)

June 30, 2012

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, 2012, total unpaid claims, including an estimate of claims that have been incurred but not reported to the administrative agent, totaled \$5,000,668. 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, 2011 and June 30, 2012, changes in the total liability for unpaid claims are summarized as follows:

	Claims Payable Beginning of Year	Current Year Claims and Changes in Estimates	Claims Payments	Claims Payable End of Year
Fiscal Year 2012	\$ 4,533,215	\$ 27,927,210	\$ 27,459,757	\$ 5,000,668
Fiscal Year 2011	\$ 4,859,643	\$ 25,392,624	\$ 25,719,052	\$ 4,533,215

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, 2012

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, 2012

	FY 2012	FY 2011
Annual Required Contribution	\$ 4,504,246	\$ 4,209,031
Interest on net OPEB obligation	459,494	241,695
Adjustment to annual required contribution	<u>(509,006)</u>	<u>(201,412)</u>
Annual OPEB cost (expense)	4,454,734	4,249,314
Contributions made by the District	<u>(1,894,748)</u>	<u>(1,783,249)</u>
Increase in net OPEB obligations (4-5)	2,559,986	2,466,065
Net OPEB obligation – Beginning of Year	<u>11,181,726</u>	<u>8,715,661</u>
Net OPEB obligation – End of Year	<u>\$ 13,741,712</u>	<u>\$ 11,181,726</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, 2012 is as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of APC Contributed	Net OPEB Obligation (Asset)
June 30, 2012	\$4,454,734	49.40%	\$13,741,712
June 30, 2011	4,249,314	41.97%	11,181,726
June 30, 2010	4,249,314	41.97%	8,715,661
June 30, 2009	4,806,281	36.10%	6,249,590

The funded status of the Defined Post-employment Benefit Plan as of June 30, 2012, the most recent actuarial valuation date, is as follows:

Actuarial accrued liability (AAL)	\$ 48,804,199
Actuarial value of plan assets	<u>-</u>
Unfunded Actuarial Accrued Liability (UAAL)	<u>\$ 48,804,199</u>
Funded ratio (actuarial value of plan assets/AAL)	0%
Covered payroll (active plan members)	\$ 120,444,306
UAAL as a percentage of covered payroll	40.52%

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

June 30, 2012

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, 2012 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, 2012 is 30 years.

NOTE 13. INTERFUND TRANSFERS

The following interfund transfers were made during the year ended June 30, 2012:

<u>Transfer From</u>	<u>Transfer To</u>	<u>Amount</u>
General Fund – Educational Account	Operations and Maintenance Fund	\$ 20,000,000
Operations and Maintenance Fund	General Fund – Educational Account	35,000
Operations and Maintenance Fund	Debt Service Fund	101,398
General Fund – Educational Account	Debt Service Fund	<u>3,070,401</u>
	Total Transfers	<u>\$ 23,206,799</u>

The \$20,000,000 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 loans.

NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203

Schedule of Funding Progress (unaudited)

Illinois Municipal Retirement Fund

June 30, 2012

Actual 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)
12/31/2011	\$ 50,669,553	\$ 68,555,412	\$ 17,885,859	73.91%	\$ 28,485,617	62.79%
12/31/2010	47,634,130	64,422,944	16,788,814	73.94%	27,290,798	61.52%
12/31/2009	45,110,466	61,767,652	16,657,186	73.03%	27,041,896	61.60%

On a market value basis, the actuarial value of assets as of December 31, 2011 is \$48,128,178.

On a market basis, the funded ratio would be 70.20%.

NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203

Schedule of Funding Progress (unaudited)

Other Post Employment Benefits

June 30, 2012

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)
06/30/2012	\$ 0	\$48,804,199	\$48,804,199	0.00%	\$120,444,306	40.52%
06/30/2011	0	44,179,035	44,179,035	0.00	142,971,828	30.90%
06/30/2010	0	44,659,004	44,659,004	0.00	132,646,284	33.70%

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, 2012

	General Fund		
	Original and Final Budget	Actual	Variance Over/Under
REVENUES			
Local sources	\$ 171,007,713	\$ 181,322,640	\$ 10,314,927
State sources	15,947,578	46,148,538	30,200,960
Federal sources	6,686,600	6,367,196	(319,404)
Total Revenues	<u>193,641,891</u>	<u>233,838,374</u>	<u>40,196,483</u>
EXPENDITURES			
Current operating:			
Instruction	123,234,919	156,152,129	(32,917,210)
Support services	54,889,815	57,784,221	(2,894,406)
Community services	433,215	621,921	(188,706)
Non-programmed charges	6,611,131	6,331,255	279,876
Total Expenditures	<u>185,169,080</u>	<u>220,889,526</u>	<u>(35,720,446)</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 8,472,811</u>	<u>12,948,848</u>	<u>\$ 4,476,037</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	35,000	35,000	-
Transfers out	(23,070,401)	(23,070,401)	-
Total other financing sources (uses)	<u>(23,035,401)</u>	<u>(23,035,401)</u>	<u>-</u>
Net changes in fund balance	<u>\$ (14,562,590)</u>	<u>(10,086,553)</u>	<u>\$ 4,476,037</u>
Fund balances at beginning of year		<u>116,806,450</u>	
FUND BALANCES AT END OF YEAR		<u>\$ 106,719,897</u>	

Operations and Maintenance Fund			Transportation Fund		
Original and Final Budget	Actual	Variance Over/Under	Original and Final Budget	Actual	Variance Over/Under
\$ 34,744,379	\$ 30,658,595	\$ (4,085,784)	\$ 6,128,732	\$ 6,258,502	\$ 129,770
-	-	-	5,600,000	5,276,435	(323,565)
-	-	-	-	-	-
<u>34,744,379</u>	<u>30,658,595</u>	<u>(4,085,784)</u>	<u>11,728,732</u>	<u>11,534,937</u>	<u>(193,795)</u>
-	-	-	-	-	-
36,797,907	34,707,528	2,090,379	10,155,500	10,050,991	104,509
-	-	-	-	-	-
101,398	-	101,398	-	-	-
<u>36,899,305</u>	<u>34,707,528</u>	<u>2,191,777</u>	<u>10,155,500</u>	<u>10,050,991</u>	<u>104,509</u>
\$ (2,154,926)	(4,048,933)	\$ (1,894,007)	\$ 1,573,232	1,483,946	\$ (89,286)
20,000,000	20,000,000	-	-	-	-
(35,000)	(136,398)	101,398	-	-	-
<u>19,965,000</u>	<u>19,863,602</u>	<u>101,398</u>	<u>-</u>	<u>-</u>	<u>-</u>
\$ <u>17,810,074</u>	15,814,669	\$ (1,792,609)	\$ <u>1,573,232</u>	1,483,946	\$ (89,286)
	(4,395,883)			<u>2,257,137</u>	
	<u>\$ 11,418,786</u>			<u>\$ 3,741,083</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, 2012

	Municipal Retirement/Social Security Fund		
	Original and Final Budget	Actual	Variance Over/Under
REVENUES			
Local sources	\$ 6,226,772	\$ 6,609,447	\$ 382,675
Federal sources	-	-	-
Total Revenues	<u>6,226,772</u>	<u>6,609,447</u>	<u>382,675</u>
EXPENDITURES			
Current operating:			
Instruction	2,585,000	2,657,807	(72,807)
Support services	4,295,500	4,244,481	51,019
Community services	-	57,055	(57,055)
Principal retirement	-	-	-
Interest on bonds	-	-	-
Purchased services	-	-	-
Total Expenditures	<u>6,880,500</u>	<u>6,959,343</u>	<u>(78,843)</u>
Excess (deficiency) of revenues over expenditures	<u>(653,728)</u>	<u>(349,896)</u>	<u>(303,832)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net changes in fund balance	<u>\$ (653,728)</u>	<u>(349,896)</u>	<u>\$ (303,832)</u>
Fund balances at beginning of year		<u>4,701,594</u>	
FUND BALANCES AT END OF YEAR		<u>\$ 4,351,698</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
\$ 2,500	\$ 313	\$ (2,187)	\$ -	\$ -	\$ -
493,063	486,287	(6,776)	-	-	-
495,563	486,600	(8,963)	-	-	-
-	-	-	-	-	-
-	-	-	375,000	221,237	153,763
-	-	-	-	-	-
1,760,000	1,856,800	(96,800)	-	-	-
1,803,463	1,808,060	(4,597)	-	-	-
1,000	850	150	-	-	-
3,564,463	3,665,710	(101,247)	375,000	221,237	153,763
(3,068,900)	(3,179,110)	(110,210)	(375,000)	(221,237)	(153,763)
3,070,401	3,171,799	(101,398)	-	-	-
-	-	-	-	-	-
3,070,401	3,171,799	(101,398)	-	-	-
<u>\$ 1,501</u>	(7,311)	<u>\$ (8,812)</u>	<u>\$ (375,000)</u>	(221,237)	<u>\$ (153,763)</u>
	488,360			1,246,330	
	<u>\$ 481,049</u>			<u>\$ 1,025,093</u>	

NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203

Notes to Required Supplementary Information

June 30, 2012

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 20, 2011.
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, 2012

Excess of Expenditures Over Budgets in Individual Funds and Account:

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

	Budget	Actual	Excess
General Fund - Educational Account	\$ 183,699,580	\$ 190,314,611	\$ 6,615,031
Municipal Retirement/Social Security Fund	6,880,500	6,959,343	78,843
Debt Service Fund	3,564,463	3,665,710	101,247

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:

	Revenues	Expenditures
General Fund Budgetary Basis	\$ 202,895,177	\$ 190,314,611
To adjust for on-behalf payments received	29,366,535	-
To adjust for on-behalf payments made	-	29,366,535
General Fund GAAP Basis	<u>\$ 232,261,712</u>	<u>\$ 219,681,146</u>

NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203
BALANCE SHEET BY ACCOUNT
GENERAL FUND
JUNE 30, 2012

<u>ASSETS</u>	<u>Educational</u>	<u>Working Cash</u>	<u>Tort Immunity</u>	<u>Total General</u>
Cash and investments	\$ 116,167,484	\$ 4,232,482	\$ 316,592	\$120,716,558
Receivables:				-
Property taxes	86,513,543	-	811,058	87,324,601
Due from other governments	3,188,657	-	-	3,188,657
Other receivables	314,749	-	-	314,749
Prepaid items	1,752,870	-	-	1,752,870
TOTAL ASSETS	\$ 207,937,303	\$ 4,232,482	\$ 1,127,650	\$213,297,435
 <u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Accounts payable	\$ 9,620,387	\$ -	\$ -	\$ 9,620,387
Accrued salaries and related expenditures	14,894,123	-	-	14,894,123
Deferred revenue	81,305,736	-	757,292	82,063,028
Total Liabilities	105,820,246	-	757,292	106,577,538
Fund balances:				
Nonspendable	1,752,870	-	-	1,752,870
Committed	13,336,252	-	-	13,336,252
Restricted	-	-	370,358	370,358
Unassigned	87,027,935	4,232,482	-	91,260,417
Total Fund Balances	102,117,057	4,232,482	370,358	106,719,897
TOTAL LIABILITIES AND FUND BALANCES	\$ 207,937,303	\$ 4,232,482	\$ 1,127,650	\$213,297,435

NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES BY ACCOUNT
GENERAL FUND
YEAR ENDED JUNE 30, 2012

	<u>Educational</u>	<u>Working Cash</u>	<u>Tort Immunity</u>	<u>Total General</u>
REVENUES				
Local sources	\$ 179,745,978	\$ -	\$ 1,576,662	\$181,322,640
State sources	46,148,538	-	-	46,148,538
Federal sources	6,367,196	-	-	6,367,196
Total Revenues	<u>232,261,712</u>	<u>-</u>	<u>1,576,662</u>	<u>233,838,374</u>
EXPENDITURES				
Current operating:				
Instruction	156,152,129	-	-	156,152,129
Support services	56,575,841	-	1,208,380	57,784,221
Community services	621,921	-	-	621,921
Non-programmed charges	6,331,255	-	-	6,331,255
Total Expenditures	<u>219,681,146</u>	<u>-</u>	<u>1,208,380</u>	<u>220,889,526</u>
Excess of revenues over expenditures	<u>12,580,566</u>	<u>-</u>	<u>368,282</u>	<u>12,948,848</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	35,000	-	-	35,000
Transfers out	(23,070,401)	-	-	(23,070,401)
Total other financing sources (uses)	<u>(23,035,401)</u>	<u>-</u>	<u>-</u>	<u>(23,035,401)</u>
Net changes in fund balance	<u>(10,454,835)</u>	<u>-</u>	<u>368,282</u>	<u>(10,086,553)</u>
Fund balances at beginning of year	<u>112,571,892</u>	<u>4,232,482</u>	<u>2,076</u>	<u>116,806,450</u>
FUND BALANCES AT END OF YEAR	<u><u>\$ 102,117,057</u></u>	<u><u>\$ 4,232,482</u></u>	<u><u>\$ 370,358</u></u>	<u><u>\$106,719,897</u></u>

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, 2012 WITH COMPARATIVE ACTUAL TOTALS FOR 2011

	2012			2011 Actual
	Final Budget	Actual	Variance Over/Under	
REVENUES				
Local sources:				
Property taxes	\$ 156,848,702	\$ 166,750,644	\$ 9,901,942	\$ 156,972,564
Corporate replacement tax	1,750,000	2,192,629	442,629	2,397,889
Tuition	710,347	717,007	6,660	683,712
Earnings on investments	351,000	144,462	(206,538)	671,101
Food services	3,486,310	3,711,308	224,998	3,558,043
Pupil activities and textbooks	3,132,849	3,074,570	(58,279)	3,062,968
Services provided other LEA's	-	341,481	341,481	124,293
Other	3,181,684	2,813,877	(367,807)	233,762
Total local sources	169,460,892	179,745,978	10,285,086	167,704,332
State sources:				
Unrestricted:				
General state aid	7,025,345	6,674,711	(350,634)	7,025,345
Restricted:				
Other grants-in-aid	450,000	816,238	366,238	1,054,776
Special education	7,517,343	8,180,161	662,818	8,614,094
Summer school	16,700	16,713	13	16,762
Bilingual education	200,000	226,120	26,120	366,926
Vocational education	82,190	60,643	(21,547)	65,741
Reading improvement	-	-	-	182,695
Prekindergarten program for at risk students	420,000	594,426	174,426	600,834
School lunch aid	24,000	28,374	4,374	25,191
ADA safety and education block grant	-	-	-	77,874
Driver education	140,000	91,943	(48,057)	146,348
On behalf payments - State of Illinois	-	29,366,535	29,366,535	-
Unallocated	72,000	92,674	20,674	258,480
Total state sources	15,947,578	46,148,538	30,200,960	18,435,066
Federal sources:				
Restricted:				
Title I	550,000	536,596	(13,404)	544,160
Education for handicapped	4,261,000	3,626,803	(634,197)	3,895,412
School lunch programs	790,500	887,806	97,306	766,779
Title II	400,000	274,121	(125,879)	347,861
Title III	161,100	113,537	(47,563)	138,512
Medicaid matching/administrative outreach	500,000	903,341	403,341	1,073,016
ARRA funding	-	-	-	2,708,199
Other	24,000	24,992	992	84,557
Total federal sources	\$ 6,686,600	\$ 6,367,196	\$ (319,404)	\$ 9,558,496

(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, 2012 WITH COMPARATIVE ACTUAL TOTALS FOR 2011

	2012			2011 Actual
	Final Budget	Actual	Variance Over/Under	
Total revenues	\$ 192,095,070	\$ 232,261,712	\$ 40,166,642	\$ 195,697,894
EXPENDITURES				
Current operating:				
Instruction:				
Regular programs:				
Salaries	62,313,156	61,691,755	621,401	60,665,555
Employee benefits	16,805,547	50,822,878	(34,017,331)	18,144,295
Purchased services	825,030	1,022,937	(197,907)	460,786
Supplies and materials	3,793,261	4,969,663	(1,176,402)	4,448,824
Capital outlay	2,425,333	952,077	1,473,256	1,674,351
Other	14,900	1,286	13,614	2,870
Non-capitalized equipment	1,000,000	-	1,000,000	-
Total	87,177,227	119,460,596	(32,283,369)	85,396,681
Special education programs:				
Salaries	16,524,326	15,391,508	1,132,818	15,617,310
Employee benefits	4,117,182	4,717,033	(599,851)	4,174,815
Purchased services	548,762	258,954	289,808	668,626
Supplies and materials	410,135	205,415	204,720	797,474
Capital outlay	74,226	9,679	64,547	238,451
Other	12,200	9,816	2,384	14,465
Total	21,686,831	20,592,405	1,094,426	21,511,141
Educationally deprived/remedial programs:				
Salaries	-	788,683	(788,683)	805,931
Employee benefits	-	46,097	(46,097)	49,586
Total	-	834,780	(834,780)	855,517
Vocational programs:				
Salaries	3,122,988	3,124,760	(1,772)	3,086,730
Employee benefits	911,951	860,998	50,953	787,984
Purchased services	63,800	15,761	48,039	58,856
Supplies and materials	80,575	96,842	(16,267)	196,187
Capital outlay	35,500	33,720	1,780	56,843
Other	7,300	6,563	737	3,200
Total	\$ 4,222,114	\$ 4,138,644	\$ 83,470	\$ 4,189,800

(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, 2012 WITH COMPARATIVE ACTUAL TOTALS FOR 2011

	2012			2011 Actual
	Final Budget	Actual	Variance Over/Under	
Interscholastic programs:				
Salaries	\$ 2,890,548	\$ 3,034,351	\$ (143,803)	\$ 2,972,674
Employee benefits	412,645	480,731	(68,086)	474,587
Purchased services	258,380	244,530	13,850	217,598
Supplies and materials	159,700	139,572	20,128	134,167
Capital outlay	10,300	8,159	2,141	63,549
Other	85,913	112,229	(26,316)	101,346
Total	3,817,486	4,019,572	(202,086)	3,963,921
Summer school:				
Salaries	855,396	1,014,315	(158,919)	809,666
Employee benefits	2,300	21,878	(19,578)	28,215
Purchased services	10,000	-	10,000	23,056
Supplies and materials	38,966	28,984	9,982	-
Capital outlay	1,000	-	1,000	-
Total	907,662	1,065,177	(157,515)	860,937
Gifted:				
Salaries	1,831,810	1,848,661	(16,851)	1,882,571
Employee benefits	527,396	602,637	(75,241)	585,947
Total	2,359,206	2,451,298	(92,092)	2,468,518
Bilingual:				
Salaries	2,509,037	2,900,062	(391,025)	2,773,368
Employee benefits	544,856	660,056	(115,200)	592,495
Supplies and materials	500	24,181	(23,681)	343
Total	3,054,393	3,584,299	(529,906)	3,366,206
Truant's altern & optional programming				
Salaries	10,000	4,125	5,875	-
Employee benefits	-	1,233	(1,233)	1,716
Total	10,000	5,358	4,642	1,716
Total instruction	\$ 123,234,919	\$ 156,152,129	\$ (32,917,210)	\$ 122,614,437

(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, 2012 WITH COMPARATIVE ACTUAL TOTALS FOR 2011

	2012			2011 Actual
	Final Budget	Actual	Variance Over/Under	
Support services:				
Pupils:				
Attendance and social work:				
Salaries	\$ 2,386,354	\$ 2,460,184	\$ (73,830)	\$ 2,350,101
Employee benefits	508,539	629,468	(120,929)	596,544
Purchased services	-	-	-	13,739
Supplies and materials	6,266	18,033	(11,767)	5,410
Total	2,901,159	3,107,685	(206,526)	2,965,794
Guidance services:				
Salaries	3,219,054	3,427,140	(208,086)	3,410,859
Employee benefits	644,641	770,156	(125,515)	738,713
Purchased services	10,000	2,263	7,737	10,711
Supplies and materials	6,600	5,239	1,361	7,131
Total	3,880,295	4,204,798	(324,503)	4,167,414
Health services:				
Salaries	1,976,209	2,163,650	(187,441)	2,078,258
Employee benefits	442,960	504,267	(61,307)	456,254
Purchased services	90,384	6,598	83,786	77,688
Supplies and materials	21,675	19,901	1,774	41,928
Capital outlay	5,000	2,335	2,665	72,685
Total	2,536,228	2,696,751	(160,523)	2,726,813
Psychological services:				
Salaries	1,564,657	1,665,151	(100,494)	1,693,784
Employee benefits	349,430	462,279	(112,849)	424,082
Purchased services	20,000	8,200	11,800	38,511
Supplies and materials	51,500	41,650	9,850	54,108
Total	1,985,587	2,177,280	(191,693)	2,210,485
Speech pathology and audiology services:				
Salaries	2,465,375	2,555,805	(90,430)	2,307,134
Employee benefits	540,362	620,501	(80,139)	545,766
Purchased services	38,110	57,117	(19,007)	50,843
Supplies and materials	15,405	13,659	1,746	71,312
Capital outlay	-	-	-	10,482
Total	\$ 3,059,252	\$ 3,247,082	\$ (187,830)	\$ 2,985,537

(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, 2012 WITH COMPARATIVE ACTUAL TOTALS FOR 2011

	2012			2011 Actual
	Final Budget	Actual	Variance Over/Under	
Other support services:				
Salaries	\$ 84,707	\$ 311,969	\$ (227,262)	\$ 81,890
Employee benefits	9,759	12,358	(2,599)	13,030
Purchased services	175,000	-	175,000	194,450
Total	269,466	324,327	(54,861)	289,370
Total pupils	14,631,987	15,757,923	(1,125,936)	15,345,413
Instructional staff:				
Improvement of instruction services:				
Salaries	3,068,622	3,551,884	(483,262)	3,636,860
Employee benefits	856,574	831,397	25,177	759,838
Purchased services	513,539	654,791	(141,252)	514,302
Supplies and materials	183,100	150,460	32,640	22,398
Capital outlay	301,000	319,279	(18,279)	-
Other	163,400	122,836	40,564	131,903
Total	5,086,235	5,630,647	(544,412)	5,065,301
Educational media services:				
Salaries	3,110,251	3,145,951	(35,700)	3,104,162
Employee benefits	847,723	922,091	(74,368)	861,923
Purchased services	4,500	6,459	(1,959)	2,986
Supplies and materials	229,095	231,161	(2,066)	223,461
Capital outlay	247,392	230,465	16,927	219,198
Total	4,438,961	4,536,127	(97,166)	4,411,730
Assessment and testing:				
Salaries	190,548	136,219	54,329	184,077
Employee benefits	41,048	30,849	10,199	44,263
Purchased services	185,500	102,670	82,830	109,773
Supplies and materials	111,200	100,015	11,185	206,687
Capital outlay	35,000	-	35,000	-
Other	1,800	30	1,770	568
Total	565,096	369,783	195,313	545,368
Total instructional staff	\$ 10,090,292	\$ 10,536,557	\$ (446,265)	\$ 10,022,399

(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, 2012 WITH COMPARATIVE ACTUAL TOTALS FOR 2011

	2012			2011 Actual
	Final Budget	Actual	Variance Over/Under	
General administration:				
Board of education:				
Salaries	\$ 155,469	\$ 93,491	\$ 61,978	\$ 90,311
Employee benefits	21,681	11,360	10,321	18,537
Purchased services	641,000	723,945	(82,945)	718,784
Supplies and materials	36,150	51,069	(14,919)	61,259
Other	55,000	39,953	15,047	57,348
Total	909,300	919,818	(10,518)	946,239
Executive administration:				
Salaries	776,560	886,879	(110,319)	853,860
Employee benefits	185,568	193,410	(7,842)	202,022
Purchased services	103,000	72,684	30,316	54,688
Supplies and materials	28,000	18,770	9,230	16,109
Capital outlay	-	281	(281)	4,670
Other	6,000	7,302	(1,302)	2,409
Total	1,099,128	1,179,326	(80,198)	1,133,758
Special area administration services:				
Salaries	1,033,583	1,031,718	1,865	1,065,794
Employee benefits	239,948	246,583	(6,635)	263,902
Purchased services	8,236	2,902	5,334	4,117
Supplies and materials	16,705	5,970	10,735	6,619
Capital outlay	5,000	1,090	3,910	-
Total	1,303,472	1,288,263	15,209	1,340,432
Tort immunity services:				
Purchased services	-	79,264	(79,264)	-
Total	-	79,264	(79,264)	-
Total general administration	\$ 3,311,900	\$ 3,466,671	\$ (154,771)	\$ 3,420,429

(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, 2012 WITH COMPARATIVE ACTUAL TOTALS FOR 2011

	2012			2011 Actual
	Final Budget	Actual	Variance Over/Under	
School administration:				
Office of the principal:				
Salaries	\$ 6,749,709	\$ 7,123,066	\$ (373,357)	\$ 6,840,148
Employee benefits	1,946,107	2,000,634	(54,527)	1,881,746
Purchased services	48,915	105,023	(56,108)	108,286
Supplies and materials	11,000	8,651	2,349	12,708
Capital outlay	-	-	-	8,663
Other	12,000	13,107	(1,107)	11,443
Total	8,767,731	9,250,481	(482,750)	8,862,994
Other support services school administration:				
Salaries	1,278,969	1,247,397	31,572	1,294,090
Employee benefits	302,344	328,431	(26,087)	316,746
Total	1,581,313	1,575,828	5,485	1,610,836
Total school administration	10,349,044	10,826,309	(477,265)	10,473,830
Business:				
Director of business support services:				
Salaries	167,092	175,197	(8,105)	167,552
Employee benefits	28,310	31,548	(3,238)	37,179
Purchased services	2,000	165	1,835	564
Supplies and materials	1,000	369	631	-
Capital outlay	-	648	(648)	1,944
Other	1,500	-	1,500	-
Total	199,902	207,927	(8,025)	207,239
Fiscal services:				
Salaries	524,311	516,546	7,765	520,825
Employee benefits	85,000	105,495	(20,495)	106,511
Purchased services	133,350	84,654	48,696	77,096
Supplies and materials	9,500	9,642	(142)	7,710
Capital outlay	387,000	386,493	507	-
Other	1,500	1,191	309	1,067
Total	1,140,661	1,104,021	36,640	713,209

(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, 2012 WITH COMPARATIVE ACTUAL TOTALS FOR 2011

	2012			2011 Actual
	Final Budget	Actual	Variance Over/Under	
Operation and maintenance of plant services:				
Employee benefits	\$ -	\$ -	\$ -	\$ 214
Purchased services	-	1,037,636	(1,037,636)	19,649
Supplies and materials	-	36,600	(36,600)	15,280
Capital outlay	-	134,489	(134,489)	-
Total	-	1,208,725	(1,208,725)	35,143
Pupil transportation services:				
Salaries	-	-	-	1,393
Employee benefits	-	-	-	19
Total	-	-	-	1,412
Food services:				
Salaries	585,000	615,505	(30,505)	610,724
Employee benefits	50,000	134,196	(84,196)	140,849
Purchased services	4,079,000	4,183,184	(104,184)	3,958,283
Supplies and materials	28,000	34,131	(6,131)	116,481
Capital outlay	37,500	4,259	33,241	112,607
Other	100,000	1,228	98,772	13,625
Non-capitalized equipment	100,000	-	100,000	-
Total	4,979,500	4,972,503	6,997	4,952,569
Internal services:				
Salaries	164,355	153,487	10,868	134,119
Employee benefits	67,500	47,365	20,135	39,725
Supplies and materials	-	80,393	(80,393)	-
Total	231,855	281,245	(49,390)	173,844
Total business	6,551,918	7,774,421	(1,222,503)	6,083,416
Central:				
Planning, R&D, and evaluation:				
Salaries	14,504	14,504	-	13,981
Employee benefits	24,670	5,132	19,538	4,497
Total	\$ 39,174	\$ 19,636	\$ 19,538	\$ 18,478

(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, 2012 WITH COMPARATIVE ACTUAL TOTALS FOR 2011

	2012			2011 Actual
	Final Budget	Actual	Variance Over/Under	
Information services:				
Salaries	\$ 81,952	\$ 82,278	\$ (326)	\$ 63,117
Employee benefits	15,000	5,852	9,148	6,042
Purchased services	111,000	81,570	29,430	69,953
Supplies and materials	12,000	4,456	7,544	6,379
Other	1,100	1,759	(659)	509
Total	221,052	175,915	45,137	146,000
Staff services:				
Salaries	639,598	698,221	(58,623)	661,482
Employee benefits	1,929,900	1,917,801	12,099	136,347
Purchased services	122,500	93,404	29,096	94,751
Supplies and materials	11,500	5,263	6,237	11,695
Other	5,700	3,996	1,704	3,588
Total	2,709,198	2,718,685	(9,487)	907,863
Data processing services:				
Salaries	1,379,949	1,607,665	(227,716)	1,345,509
Employee benefits	240,000	286,686	(46,686)	238,750
Purchased services	794,946	794,575	371	1,249,330
Supplies and materials	1,470,759	1,376,145	94,614	890,040
Capital outlay	597,805	393,050	204,755	1,261,685
Other	15,000	5,209	9,791	1,623
Total	4,498,459	4,463,330	35,129	4,986,937
Total central	7,467,883	7,377,566	90,317	6,059,278
Other support services:				
Salaries	243,791	245,258	(1,467)	222,444
Employee benefits	70,000	63,837	6,163	60,658
Purchased services	675,000	525,795	149,205	555,901
Supplies and materials	4,000	1,504	2,496	4,420
Capital outlay	24,500	-	24,500	7,019
Total	1,017,291	836,394	180,897	850,442
Total support services	\$ 53,420,315	\$ 56,575,841	\$ (3,155,526)	\$ 52,255,207

(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, 2012 WITH COMPARATIVE ACTUAL TOTALS FOR 2011

	2012			2011 Actual
	Final Budget	Actual	Variance Over/Under	
Community services:				
Salaries	\$ 300,840	\$ 410,141	\$ (109,301)	\$ 338,272
Employee benefits	30,000	94,128	(64,128)	50,422
Purchased services	28,275	35,388	(7,113)	18,766
Supplies and materials	71,100	78,589	(7,489)	136,289
Capital outlay	1,000	-	1,000	4,313
Other	2,000	3,675	(1,675)	88,974
Total community services	433,215	621,921	(188,706)	637,036
Non-programmed charges:				
Payments for regular programs:				
Purchased services	80,000	-	80,000	750
Other	-	-	-	8,631
Total	80,000	-	80,000	9,381
Payments for special education programs:				
Purchased services	6,531,131	6,331,255	199,876	4,930,701
Other	-	-	-	754,964
Total	6,531,131	6,331,255	199,876	5,685,665
Payments for regular programs	-	-	-	15,280
Total non-programmed charges	6,611,131	6,331,255	279,876	5,710,326
Total expenditures	183,699,580	219,681,146	(35,981,566)	181,217,006
Excess of revenues over expenditures	\$ 8,395,490	\$ 12,580,566	\$ 4,185,076	\$ 14,480,888

(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, 2012 WITH COMPARATIVE ACTUAL TOTALS FOR 2011

	2012			2011 Actual
	Final Budget	Actual	Variance Over/Under	
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 35,000	\$ 35,000	\$ -	\$ -
Transfers out	(23,070,401)	(23,070,401)	-	-
Total other financing sources (uses)	(23,035,401)	(23,035,401)	-	-
Net changes in fund balance	<u>\$ (14,639,911)</u>	(10,454,835)	<u>\$ 4,185,076</u>	14,480,888
Fund balance at beginning of year		<u>112,571,892</u>		<u>98,091,004</u>
FUND BALANCE AT END OF YEAR		<u>\$ 102,117,057</u>		<u>\$ 112,571,892</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, 2012 WITH COMPARATIVE ACTUAL TOTALS FOR 2011

	2012			2011 Actual
	Final Budget	Actual	Variance Over/Under	
REVENUES				
Local sources:				
Earnings on investments	\$ 15,000	\$ -	\$ (15,000)	\$ 5,988
Total local sources	15,000	-	(15,000)	5,988
Total revenues	15,000	-	(15,000)	5,988
Excess of revenues over expenditures	<u>\$ 15,000</u>	-	<u>\$ (15,000)</u>	5,988
Fund balance at beginning of year		4,232,482		4,226,494
FUND BALANCE AT END OF YEAR		<u>\$ 4,232,482</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, 2012 WITH COMPARATIVE ACTUAL TOTALS FOR 2011

	2012			2011 Actual
	Final Budget	Actual	Variance Over/Under	
REVENUES				
Local sources:				
Property taxes	\$ 1,453,421	\$ 1,554,773	\$ 101,352	\$ 1,729,604
Earnings on investments	3,400	2,331	(1,069)	3,404
Other	75,000	19,558	(55,442)	25,346
Total local sources	<u>1,531,821</u>	<u>1,576,662</u>	<u>44,841</u>	<u>1,758,354</u>
Total revenues	<u>1,531,821</u>	<u>1,576,662</u>	<u>44,841</u>	<u>1,758,354</u>
EXPENDITURES				
Current operating:				
Support services:				
Workers compensation insurance:				
Purchased services	900,000	682,938	217,062	888,672
Total	<u>900,000</u>	<u>682,938</u>	<u>217,062</u>	<u>888,672</u>
Unemployment insurance payments				
Purchased services	154,500	119,191	35,309	229,861
Total	<u>154,500</u>	<u>119,191</u>	<u>35,309</u>	<u>229,861</u>
Insurance payments (regular or self-insurance:				
Purchased services	415,000	406,251	8,749	419,217
Total	<u>415,000</u>	<u>406,251</u>	<u>8,749</u>	<u>419,217</u>
Educational, inspectional, supervisory services:				
Purchased services	-	-	-	11,976
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,976</u>
Total support services	<u>1,469,500</u>	<u>1,208,380</u>	<u>261,120</u>	<u>1,549,726</u>
Total expenditures	<u>1,469,500</u>	<u>1,208,380</u>	<u>261,120</u>	<u>1,549,726</u>
Excess of revenues over expenditures	<u>\$ 62,321</u>	368,282	<u>\$ 305,961</u>	208,628
Fund balance at beginning of year		<u>2,076</u>		<u>(206,552)</u>
FUND BALANCE AT END OF YEAR		<u>\$ 370,358</u>		<u>\$ 2,076</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, 2012 WITH COMPARATIVE ACTUAL TOTALS FOR 2011

	2012			2011 Actual
	Final Budget	Actual	Variance Over/Under	
REVENUES				
Local sources:				
Property taxes	\$ 33,901,879	\$ 29,976,684	\$ (3,925,195)	\$ 29,099,437
Pupil activities - fees	60,000	58,360	(1,640)	-
Impact fees from other governments	5,000	-	(5,000)	-
Earnings on investments	35,500	13,381	(22,119)	25,218
Rentals	532,000	466,276	(65,724)	-
Other	210,000	143,894	(66,106)	525,466
Total local sources	34,744,379	30,658,595	(4,085,784)	29,650,121
Total revenues	34,744,379	30,658,595	(4,085,784)	29,650,121
EXPENDITURES				
Current operating:				
Support services:				
Facility acquisition and construction services:				
Salaries	-	67,374	(67,374)	-
Employee benefits	-	18,315	(18,315)	-
Capital outlay	12,797,411	-	12,797,411	(1,933)
Total	12,797,411	85,689	12,711,722	(1,933)
Operations and maintenance of plant services:				
Salaries	8,120,000	8,183,630	(63,630)	8,094,502
Employee benefits	1,860,000	1,866,922	(6,922)	1,736,939
Purchased services	2,200,000	2,478,540	(278,540)	2,189,277
Supplies and materials	4,464,399	4,021,052	443,347	4,486,308
Capital outlay	7,148,597	18,057,826	(10,909,229)	34,181,073
Other	7,500	13,869	(6,369)	23,046
Non-capitalized equipment	200,000	-	200,000	-
Total	24,000,496	34,621,839	(10,621,343)	50,711,145
Total support services	36,797,907	34,707,528	2,090,379	50,709,212
Non-programmed charges:				
Other	101,398	-	101,398	-
Total non-programmed charges	\$ 101,398	\$ -	\$ 101,398	\$ -

(Continued)

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, 2012 WITH COMPARATIVE ACTUAL TOTALS FOR 2011

	2012			2011 Actual
	Final Budget	Actual	Variance Over/Under	
Total expenditures	\$ 36,899,305	\$ 34,707,528	\$ 2,191,777	\$ 50,709,212
Deficiency of revenues over expenditures	(2,154,926)	(4,048,933)	(1,894,007)	(21,059,091)
OTHER FINANCING SOURCES (USES)				
Transfers in	20,000,000	20,000,000	-	-
Transfers out	(35,000)	(136,398)	101,398	(101,445)
Total other financing sources (uses)	19,965,000	19,863,602	101,398	(101,445)
Net changes in fund balance	<u>\$ 17,810,074</u>	15,814,669	<u>\$ (1,792,609)</u>	(21,160,536)
Fund balance (deficit) at beginning of year		(4,395,883)		16,764,653
FUND BALANCE (DEFICIT) AT END OF YEAR		<u>\$ 11,418,786</u>		<u>\$ (4,395,883)</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, 2012 WITH COMPARATIVE ACTUAL TOTALS FOR 2011

	2012			2011 Actual
	Final Budget	Actual	Variance Over/Under	
REVENUES				
Local sources:				
Property taxes	\$ 5,813,682	\$ 5,980,555	\$ 166,873	\$ 5,154,378
Transportation fees from pupils or parents	190,000	7,500	(182,500)	22,395
Transportation fees from private sources	-	32,630	32,630	29,864
Transportation fees from co-curricular	-	146,804	146,804	131,377
Transportation fees - other sources	-	85,535	85,535	-
Earnings on investments	50	40	(10)	2,673
Other	125,000	5,438	(119,562)	704
Total local sources	6,128,732	6,258,502	129,770	5,341,391
State sources:				
Restricted:				
Transportation aid	5,600,000	5,276,435	(323,565)	5,645,813
Total state sources	5,600,000	5,276,435	(323,565)	5,645,813
Total revenues	11,728,732	11,534,937	(193,795)	10,987,204
EXPENDITURES				
Current operating:				
Support services:				
Pupil transportation services:				
Salaries	3,710,000	4,063,073	(353,073)	3,624,675
Employee benefits	1,044,000	1,101,628	(57,628)	951,424
Purchased services	3,175,500	3,066,852	108,648	2,842,117
Supplies and materials	1,005,000	969,775	35,225	864,442
Capital outlay	1,120,000	848,990	271,010	1,504,046
Other	1,000	673	327	980
Non-capitalized equipment	100,000	-	100,000	-
Total support services	\$ 10,155,500	\$ 10,050,991	\$ 104,509	\$ 9,787,684

(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, 2012 WITH COMPARATIVE ACTUAL TOTALS FOR 2011

	2012			2011 Actual
	Final Budget	Actual	Variance Over/Under	
Total expenditures	\$ 10,155,500	\$ 10,050,991	\$ 104,509	\$ 9,787,684
Excess (deficiency) of revenues over expenditures	<u>\$ 1,573,232</u>	1,483,946	<u>\$ (89,286)</u>	1,199,520
Fund balance at beginning of year		<u>2,257,137</u>		<u>1,057,617</u>
FUND BALANCE AT END OF YEAR		<u>\$ 3,741,083</u>		<u>\$ 2,257,137</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, 2012 WITH COMPARATIVE ACTUAL TOTALS FOR 2011

	2012			2011 Actual
	Final Budget	Actual	Variance Over/Under	
REVENUES				
Local sources:				
Property taxes	\$ 6,064,772	\$ 3,230,987	\$ (2,833,785)	\$ 3,022,557
Social security/medicare only levy	-	3,228,419	3,228,419	3,012,506
Replacement taxes	150,000	150,000	-	150,000
Earnings on investments	12,000	41	(11,959)	9,728
Total local sources	6,226,772	6,609,447	382,675	6,194,791
Total revenues	6,226,772	6,609,447	382,675	6,194,791
EXPENDITURES				
Current operating:				
Instruction:				
Regular programs	1,720,000	979,761	740,239	976,122
Special education programs	650,000	1,133,798	(483,798)	1,121,350
Special education pre kindergarten programs	-	-	-	2,117
Educationally deprived/remedial programs	65,000	135,044	(70,044)	139,040
Vocational programs	-	52,316	(52,316)	50,933
Interscholastic programs	-	72,677	(72,677)	68,258
Summer school programs	-	51,765	(51,765)	36,384
Gifted programs	55,000	65,568	(10,568)	65,456
Bilingual programs	95,000	166,821	(71,821)	152,104
Truant's alternative and optional programs	-	57	(57)	258
Total instruction	2,585,000	2,657,807	(72,807)	2,612,022
Support services:				
Pupils:				
Attendance and social work services	16,000	53,337	(37,337)	45,027
Guidance services	33,000	70,442	(37,442)	67,830
Health services	142,000	235,246	(93,246)	207,065
Psychological services	-	23,526	(23,526)	23,984
Speech pathology and audiology services	-	33,724	(33,724)	31,257
Other	-	2,579	(2,579)	2,680
Total pupils	\$ 191,000	\$ 418,854	\$ (227,854)	\$ 377,843

(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, 2012 WITH COMPARATIVE ACTUAL TOTALS FOR 2011

	2012			2011 Actual
	Final Budget	Actual	Variance Over/Under	
Instructional staff:				
Improvement of instruction services	\$ 23,000	\$ 79,190	\$ (56,190)	\$ 85,387
Education media	233,000	226,613	6,387	220,295
Assessment and testing	-	15,428	(15,428)	15,596
Total instructional staff	256,000	321,231	(65,231)	321,278
General administration:				
Board of education services	8,200	20,995	(12,795)	17,779
Executive administration services	30,000	33,603	(3,603)	34,802
Special area administration services	40,000	46,188	(6,188)	42,693
Total general administration	78,200	100,786	(22,586)	95,274
School administration:				
Office of the principal services	500,000	499,486	514	475,187
Other support services	40,000	42,553	(2,553)	40,418
Total school administration	540,000	542,039	(2,039)	515,605
Business:				
Director of business support services	-	2,544	(2,544)	2,395
Fiscal services	80,000	100,485	(20,485)	96,356
Facility acquisition and construction services	-	11,971	(11,971)	21,254
Operation and maintenance of plant services	1,750,000	1,500,165	249,835	1,463,033
Pupil transportation services	1,045,300	706,387	338,913	667,974
Food services	-	53,587	(53,587)	52,799
Internal services	60,000	22,445	37,555	21,850
Total business	2,935,300	2,397,584	537,716	2,325,661
Central:				
Planning, R&D, and evaluation services	-	197	(197)	191
Information services	15,000	15,793	(793)	11,940
Staff services	60,000	120,271	(60,271)	110,315
Data processing services	220,000	281,097	(61,097)	234,323
Total central	\$ 295,000	\$ 417,358	\$ (122,358)	\$ 356,769

(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, 2012 WITH COMPARATIVE ACTUAL TOTALS FOR 2011

	2012			2011 Actual
	Final Budget	Actual	Variance Over/Under	
Other:				
Other support services	\$ -	\$ 46,629	\$ (46,629)	\$ 41,872
Total other	-	46,629	(46,629)	41,872
Total support services	4,295,500	4,244,481	51,019	4,034,302
Community services	-	57,055	(57,055)	28,157
Non-programmed charges	-	-	-	157
Total expenditures	6,880,500	6,959,343	(78,843)	6,674,638
Deficiency of revenues over expenditures	<u>\$ (653,728)</u>	(349,896)	<u>\$ 303,832</u>	(479,847)
Fund balance at beginning of year		4,701,594		5,181,441
FUND BALANCE AT END OF YEAR		<u>\$ 4,351,698</u>		<u>\$ 4,701,594</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, 2012 WITH COMPARATIVE ACTUAL TOTALS FOR 2011

	2012			2011 Actual
	Final Budget	Actual	Variance Over/Under	
REVENUES				
Local sources:				
Property taxes	\$ -	\$ 313	\$ 313	\$ 1,548,127
Earnings on investments	2,500	-	(2,500)	1,643
Total local sources	<u>2,500</u>	<u>313</u>	<u>(2,187)</u>	<u>1,549,770</u>
Federal sources:				
Unrestricted:				
Bond interest reimbursement	493,063	486,287	(6,776)	497,630
Total federal sources	<u>493,063</u>	<u>486,287</u>	<u>(6,776)</u>	<u>497,630</u>
Total revenues	<u>495,563</u>	<u>486,600</u>	<u>(8,963)</u>	<u>2,047,400</u>
EXPENDITURES				
Debt service:				
Principal retirement	1,760,000	1,856,800	(96,800)	1,832,500
Interest on bonds	1,803,463	1,808,060	(4,597)	1,838,508
Purchased services	1,000	850	150	1,000
Total expenditures	<u>3,564,463</u>	<u>3,665,710</u>	<u>(101,247)</u>	<u>3,672,008</u>
Excess (deficiency) of revenues over expenditures	<u>(3,068,900)</u>	<u>(3,179,110)</u>	<u>(110,210)</u>	<u>2,047,400</u>
OTHER FINANCING SOURCES				
Transfers in	<u>3,070,401</u>	<u>3,171,799</u>	<u>(101,398)</u>	<u>101,445</u>
Total other financing sources	<u>3,070,401</u>	<u>3,171,799</u>	<u>(101,398)</u>	<u>101,445</u>
Net changes in fund balance	<u>\$ 1,501</u>	<u>(7,311)</u>	<u>(8,812)</u>	<u>(1,523,163)</u>
Fund balance at beginning of year		<u>488,360</u>		<u>2,011,523</u>
FUND BALANCE AT END OF YEAR		<u>\$ 481,049</u>		<u>\$ 488,360</u>

NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
MAJOR CAPITAL PROJECTS FUND
YEAR ENDED JUNE 30, 2012 WITH COMPARATIVE ACTUAL TOTALS FOR 2011

	2012			2011 Actual
	Final Budget	Actual	Variance Over/Under	
REVENUES				
Local sources:				
Earnings on investments	\$ -	\$ -	\$ -	\$ 59,920
Other	-	-	-	1,583
Total local sources	-	-	-	61,503
State sources:				
Restricted:				
Other restricted revenue from state sources	-	-	-	333,978
Total state sources	-	-	-	333,978
Total revenues	-	-	-	395,481
EXPENDITURES				
Current operating:				
Support services:				
Facilities acquisition and construction:				
Salaries	-	-	-	115,752
Employee benefits	-	-	-	17,430
Purchased services	-	-	-	950,112
Supplies & materials	-	-	-	6,505,272
Capital outlay	-	-	-	7,257,022
Total support services	-	-	-	14,845,588
Total expenditures	-	-	-	14,845,588
Excess (deficiency) of revenues over expenditures	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>(14,450,107)</u>
Fund balance at beginning of year		-		14,450,107
FUND BALANCE AT END OF YEAR		<u>\$ -</u>		<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, 2012 WITH COMPARATIVE ACTUAL TOTALS FOR 2011

	2012			2011 Actual
	Final Budget	Actual	Variance Over/Under	
EXPENDITURES				
Current operating:				
Support services:				
Facilities acquisition and construction:				
Purchased services	\$ -	\$ -	\$ -	\$ 53,168
Capital outlay	375,000	221,237	153,763	937,248
Total support services	375,000	221,237	153,763	990,416
Total expenditures	375,000	221,237	153,763	990,416
Deficiency of revenues over expenditures	<u>\$ (375,000)</u>	(221,237)	<u>\$ (153,763)</u>	(990,416)
Fund balance at beginning of year		1,246,330		2,236,746
FUND BALANCE AT END OF YEAR		<u>\$ 1,025,093</u>		<u>\$ 1,246,330</u>

NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
FIDUCIARY FUND - AGENCY FUND - ACTIVITY FUNDS
YEAR ENDED JUNE 30, 2012

	Balance July 1, 2011	Additions	Deductions	Balance June 30, 2012
Assets:				
Cash	\$ 2,285,327	\$ 5,264,266	\$ 4,712,225	\$ 2,837,368
Liabilities:				
Due to organizations	\$ 2,285,327	\$ 5,264,266	\$ 4,712,225	\$ 2,837,368

NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203
FIVE YEAR SUMMARY OF TAX LEVIES AND COLLECTIONS
JUNE 30, 2012

	2011	2010	2009
Tax Levies and Collections			
Assessed valuation	\$ 4,584,207,156	\$ 4,828,639,663	\$ 4,997,542,884
Property tax extensions:			
Educational Fund	\$ 163,572,332	\$ 156,849,126	\$ 155,548,522
Operations and Maintenance Fund	29,976,684	33,901,879	24,447,540
Debt Service Fund	313	-	3,095,739
Transportation Fund	5,980,555	5,813,682	4,522,777
Municipal Retirement Fund	3,230,987	3,031,962	3,013,519
Tort Immunity Fund	1,554,773	1,453,421	2,009,012
Special Education Fund	3,178,312	-	1,759,136
Social Security Fund	3,228,419	3,031,962	3,013,519
Total levies extended	\$ 210,722,375	\$ 204,082,032	\$ 197,409,764
Total collected through June 30, 2011	\$ -	\$ 100,686,375	\$ 197,146,466
Total collected in year ended June 30, 2012	101,076,688	103,619,326	20,080
Total collections	\$ 101,076,688	\$ 204,305,701	\$ 197,166,546
Percentage of extensions collected	47.97%	100.11%	99.88%

	2011 Rate		2010 Rate		2009 Rate	
	DuPage	Will	DuPage	Will	DuPage	Will
Rates extended by year of levy (per \$100 of assessed valuation):						
Educational	3.6487	3.5920	3.2142	3.2142	3.1125	3.1125
Operations and Maintenance	0.5486	0.5430	0.7021	0.7021	0.4892	0.4891
Debt Service	-	-	-	-	0.0620	0.0614
Transportation	0.1297	0.1284	0.1204	0.1204	0.0905	0.0905
Illinois municipal retirement	0.0724	0.0716	0.0628	0.0627	0.0603	0.0603
Tort Immunity	0.0350	0.0346	0.0301	0.0301	0.0402	0.0402
Special Education	0.0998	0.0987	0.0341	0.0342	0.0352	0.0352
Fire Prevention and Life Safety	-	-	-	-	-	-
Working Cash	-	-	-	-	-	-
Social Security	0.0724	0.0716	0.0628	0.0627	0.0603	0.0603
Total rates extended	4.6066	4.5399	4.2265	4.2264	3.9502	3.9495

Source of information: Dekalb County Levy, Rate and Extension Reports for 2007-2011

2008		2007	
\$	4,944,002,672	\$	4,638,626,443
\$	157,485,822	\$	148,811,775
	22,248,012		19,973,925
	-		-
	3,955,202		3,251,677
	2,966,402		3,720,178
	988,801		1,860,089
	1,977,601		1,396,227
	2,966,402		3,251,667
\$	192,588,242	\$	182,265,538
\$	192,372,258	\$	181,932,892
	-		-
\$	192,372,258	\$	181,932,892
	99.89%		99.82%

2008 Rate		2007 Rate	
DuPage	Will	DuPage	Will
3.1854	3.1854	3.2032	3.2033
0.4500	0.4500	0.4333	0.4333
-	-	-	-
0.0800	0.0800	0.0815	0.0815
0.0600	0.0600	0.0705	0.0705
0.0200	0.0200	0.0302	0.0302
0.0400	0.0400	0.0400	0.0400
-	-	-	-
-	-	-	-
0.0600	0.0600	0.0705	0.0705
3.8954	3.8954	3.9292	3.9293

NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203
OPERATING COST AND TUITION CHARGE
 JUNE 30, 2012

Operating Cost Per Pupil	2012	2011	2010
Average Daily Attendance (ADA):	16,336	16,721	16,793
Operating Costs:			
Educational	\$ 190,314,611	\$ 181,217,006	\$ 176,524,416
Operations and Maintenance	34,707,528	50,709,212	22,430,602
Debt Service	3,665,710	3,672,008	1,115,107
Transportation	10,050,991	9,787,684	9,868,094
Municipal Retirement/Social Security	6,959,343	6,674,638	6,165,544
Tort	1,208,380	1,549,726	1,810,538
Subtotal	246,906,563	253,610,274	217,914,301
Less Revenue/Expenditures of Nonregular Programs:			
Pre-K programs	-	2,117	1,874
Summer school	1,116,942	897,321	1,130,261
Capital outlay	21,382,840	39,419,646	10,668,440
Debt principal retired	1,856,800	1,832,500	88,400
Community services	678,976	660,880	864,930
Payments to other districts & governmental units	6,331,255	5,710,483	5,934,028
Subtotal	31,366,813	48,522,947	18,687,933
Operating costs	\$ 215,539,750	\$ 205,087,327	\$ 199,226,368
Operating Cost Per Pupil - Based on ADA	\$ 13,194	\$ 12,265	\$ 11,864
Tuition Charge			
Operating Costs	215,539,750	205,087,327	199,226,368
Less - revenues from specific programs, such as special education or lunch programs	28,670,129	32,083,217	25,994,065
Net operating costs	186,869,621	173,004,110	173,232,303
Depreciation allowance	11,322,177	10,117,177	9,432,291
Allowable Tuition Costs	\$ 198,191,798	\$ 183,121,287	\$ 182,664,594
Tuition Charge Per Pupil - Based on ADA	\$ 12,132	\$ 10,952	\$ 10,877

Source of information: Annual Financial Report

NAPERVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 203
 2008 GENERAL OBLIGATION BONDS
 JUNE 30, 2012

YEAR ENDED JUNE 30,	PRINCIPAL	INTEREST	TOTAL
2013	\$ -	\$ 394,713	\$ 394,713
2014	-	394,712	394,712
2015	-	394,712	394,712
2016	-	394,712	394,712
2017	-	394,712	394,712
2018	-	394,712	394,712
2019	-	394,712	394,712
2020	-	394,712	394,712
2021	-	394,712	394,712
2022	-	394,712	394,712
2023	-	394,712	394,712
2024	-	394,712	394,712
2025	1,510,000	394,712	1,904,712
2026	2,720,000	336,200	3,056,200
2027	2,830,000	230,800	3,060,800
2028	2,940,000	117,600	3,057,600
Total	<u>\$ 10,000,000</u>	<u>\$ 5,815,857</u>	<u>\$ 15,815,857</u>

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, 2012

YEAR ENDED JUNE 30,	PRINCIPAL	INTEREST	TOTAL
2013	\$ 1,790,000	\$ 1,370,030	\$ 3,160,030
2014	1,830,000	1,324,385	3,154,385
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
Total	<u>\$ 29,500,000</u>	<u>\$ 11,803,655</u>	<u>\$ 41,303,655</u>

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%

