

**CITY OF NAPERVILLE,
ILLINOIS**

**COMPREHENSIVE ANNUAL FINANCIAL
REPORT**



**FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2019**

CITY OF NAPERVILLE, ILLINOIS

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

For the Year Ended
December 31, 2019

Prepared by:
The Finance Department

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INTRODUCTORY SECTION

CITY OF NAPERVILLE, ILLINOIS

Elected and Appointed Officers and Officials

For the fiscal year ended December 31, 2019

Mayor

Steve Chirico

Council

Patrick Kelly
Theresa Sullivan
Judith A. Brodhead
Kevin Coyne

Patricia A. Gustin
Paul J. Hinterlong
John Krummen
Dr. Benjamin White

City Manager

Douglas A. Krieger

Deputy City Manager

Marcie J. Schatz

City Clerk

Pamela Gallahue

Finance Director

Rachel Mayer

Chief of Police

Robert W. Marshall

Fire Chief

Mark J. Puknaitis

Director of Public Works

Richard E. Dublinski

Director of T.E.D. Business Group

William J. Novack

**Director of Public Utilities –
Electric**

Lucy Podlesny

**Director of Public Utilities –
Water**

Darrell Blenniss

Director of Human Resources

James Sheehan

City Attorney

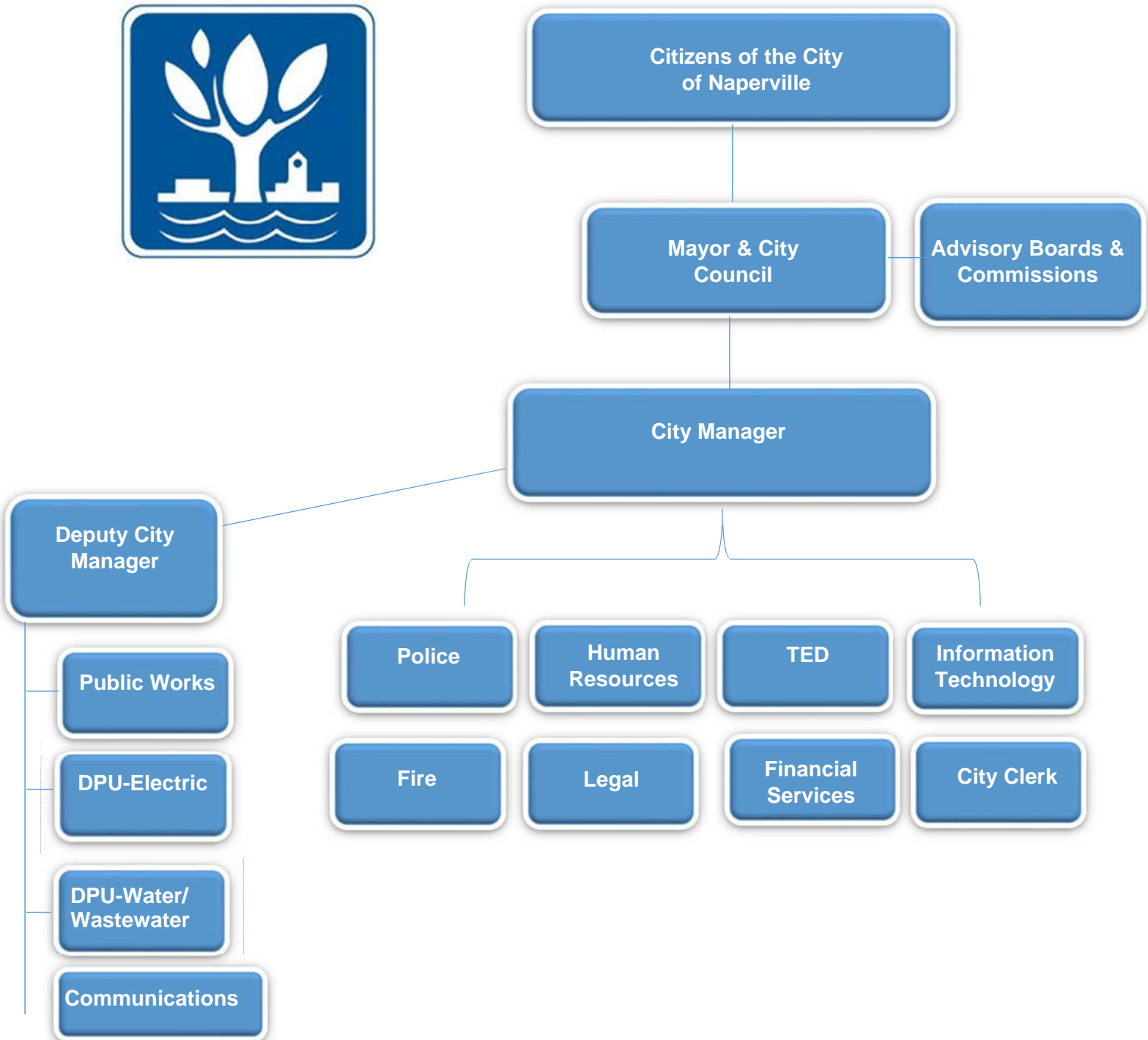
Michael DiSanto

Director of IT

Jackie Nguyen



Organizational Chart





Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Naperville
Illinois**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2018

Christopher P. Morrill

Executive Director/CEO



October 16, 2020

To the Honorable Mayor,
Members of the City Council, and
Citizens of the City of Naperville:

We are pleased to submit the Comprehensive Annual Financial Report of the City of Naperville for the fiscal year ended December 31, 2019. State law and local ordinances require that we publish a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States (GAAP) and audited in accordance with auditing standards generally accepted in the United States by a firm of licensed certified public accountants.

This report consists of management's representations concerning the finances of the City of Naperville. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City of Naperville has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft or misuse and to compile sufficient reliable information for the preparation of the City of Naperville's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City of Naperville's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City of Naperville's basic financial statements have been audited by Sikich LLP, a firm of licensed certified public accountants, with the goal of providing reasonable assurance that the basic financial statements of the City of Naperville for the fiscal year ended December 31, 2019 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall basic financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of Naperville's basic financial statements for the fiscal year ended December 31, 2019 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

CITY OF NAPERVILLE, ILLINOIS

Letter of Transmittal

The independent audit of the basic financial statements of the City of Naperville was part of a broader, federally mandated “Single Audit” designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government’s internal controls and compliance with legal requirements involving the administration of federal grants. These reports are available in the City of Naperville’s separately issued Single Audit Report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management’s Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City of Naperville’s MD&A can be found immediately following the report of the independent auditors.

Profile of the Government

The City of Naperville, incorporated in 1857, is located in the northeastern part of the state, which is considered to be the top growth area in the state and one of the top growth areas in the country. The City of Naperville currently occupies a land area of 39.40 square miles and serves a population of 147,449. The City of Naperville is empowered to levy a property tax on both real and personal properties located within its boundaries. It also is empowered by state statute to extend its corporate limits by annexation, which has occurred periodically when deemed appropriate by the City Council.

The City has operated under the Council-Manager form of government since 1969. Policymaking and legislative authority are vested in the City Council, which consists of a mayor and eight at-large members. The City Council sets policy for the City, passes ordinances, adopts resolutions and the annual budget, and approves all expenditures. Mayor and the Council members are elected at large, on a non-partisan basis.

The City Manager is responsible for carrying out the policies and ordinances of the City Council, for overseeing the day-to-day operations of the City, and for appointing the directors of the City’s departments.

The City includes all the funds of the primary government (i.e. the City of Naperville as legally defined), as well as all of its component units. Component units are legally separate entities for which the City is financially accountable. The City provides a full range of services including police and fire protection; refuse and recycling services; planning and development review; construction and maintenance of highways, streets and other infrastructure, as well as water, wastewater, and electric utilities.

CITY OF NAPERVILLE, ILLINOIS

Letter of Transmittal

The utility funds, providing electricity, water, and wastewater services, are reported as enterprise funds of the City. In addition, the Commuter Parking Fund, is treated as an enterprise fund, due to the business-like nature of its operations. Discretely presented component units are reported as a separate column in the basic financial statements to emphasize that these funds are legally separate from the primary government, and to differentiate their financial position, changes in financial position and cash flows from those of the primary government. The Naperville Public Library is reported as a discretely presented component unit.

The annual budget serves as the foundation for the City of Naperville's financial planning and control. All departments of the City of Naperville are required to submit requests for appropriation to the City Manager, who then uses these requests as the starting point for developing a proposed budget. The City Manager then presents this proposed budget to the City Council for review, public hearings and adoption before the City's fiscal year end. In September 2015, the City Council approved the transition to a calendar year budget in 2016. This means the budget year now begins on January 1 and ends on December 31 of the same year. Previously, the City operated on a fiscal year basis, which began on May 1 and ended on April 30 of the following year. Each year, the budget is prepared by fund, and department (e.g., police, fire, public works, etc.). Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an annual budget has been adopted.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City of Naperville operates.

For the past 24 years, the City has maintained its AAA bond rating and managed its finances to support a consistently low property tax rate while providing high quality services to the community. As the City becomes more solidified as a maintenance versus growth community, new revenue streams brought in by development have waned. In addition, the City experienced depleted cash reserves and increased reliance on borrowing for infrastructure maintenance projects. City Council and City staff have spent significant time exploring and planning how they envision the municipality operating both now and into the future. This exploration culminated in the adoption of a new mission statement and ends policies to support and guide the everyday operations of all City departments. Financial management was a significant component of the new ends policies which led staff to modify the philosophies that surround the budget process and financial state of the City. As part of planning for the future, the City Council established three financial principles as a guideline for long-term financial stability of the community.

CITY OF NAPERVILLE, ILLINOIS

Letter of Transmittal

In 2016, City Council developed and passed a financial strategy that put the City on a road to long-term financial stability. This strategy is rooted in financial principles that are designed to help accomplish the City's long-term financial goals. The principles were developed beginning in May 2015, and throughout the process members of the community, including residents, businesses, City Council and staff, provided valuable input regarding the City's current state, present opportunities and the impact of potential decisions on the City as a whole. The following three financial principles were formally adopted.

Principle 1

- The City will pass a structurally balanced operating budget annually

Principle 2

- The City commits to continuous improvement in the delivery of necessary and cost-effective services

Principle 3

- The City will actively seek to increase its reserves to twenty-five percent (25%) and reduce its debt by twenty-five percent (25%) in the next eight (8) years.

Principle 1 provides guidance on how City expenditures and revenues will be reviewed in the future. Principle 2 provides guidance on balancing the quality of service provided to the community against the revenues required to provide those services. Principle 3 provides guidance on the appropriate level of debt, the aggressiveness of the City's debt reduction plan and how debt policies shape future property tax levies and the City's AAA bond rating. These principles are meant to guide the City's financial planning and budgeting through the next several years, and all financial decisions will be consistently tested against these principles. These principles have already borne results. For example, when the City issued General Obligation bonds in 2018, the AAA credit rating was reaffirmed by both Moody's and Standard & Poor's, citing strong fiscal management as one of the driving factors.

Aside from internal factors impacting the City's financial state, the City continues to monitor the financial climate at the state and federal level. Balancing internal factors with the general state of the economy are factored into all City financial proposals. City staff continues to monitor the financial trends of the nation, state and region allowing for proactive action to any significant changes in the City's financial climate. At the federal level, the City monitors those factors that directly impact Naperville, including changes in healthcare, marketplace fairness initiatives, and other legislation that could have potential impacts on City revenues and expenditures. The State of Illinois continues to be a significant external risk for the City's financial stability. The state has approved several proposals that directly impact the City's revenues. Aside from these proposals, the state's overall financial status impacts Naperville in a number of ways; including the potential for higher borrowing costs, less state support, and fiscal uncertainty regarding economic development. Staff continues to monitor activity at the federal and state level and plans conservatively based on potential financial impacts that could reach the City.

CITY OF NAPERVILLE, ILLINOIS

Letter of Transmittal

Overall the City has seen positive economic trends including both residential and commercial growth, increased real estate activity, above average employment, and consistent retail sales. These trends for the City's economic condition are encouraging and show Naperville has moved into a stable financial status. However, the City will stay its course of conservative planning so that it may be prepared to react to any financial volatility at the federal, state, or local level.

City staff analyzes its services on a regular basis by looking at comparable communities, evaluating outsourcing, and examining process improvements. In addition, staff evaluates themselves through community engagement and satisfaction survey data. There is a consistent commitment to proactive internal reviews that align with the philosophy of providing improved services at a lower cost. Finally, staff evaluates the appropriateness of the public sector providing a service versus the private sector. This continual analysis provides the ultimate benefit to our residents and community partners.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Naperville for its comprehensive annual financial report (CAFR) for the fiscal year ended December 31, 2018. This was the twenty-sixth consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of only one year. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

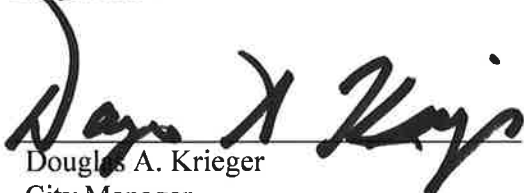
CITY OF NAPERVILLE, ILLINOIS

Letter of Transmittal

In addition, the City has applied for the GFOA's Distinguished Budget Presentation Award for its annual budget document dated January 1, 2020. The City has received this prestigious award for twenty-seven consecutive years. In order to qualify for the Distinguished Budget Presentation Award, a government's budget document must be judged to be proficient in several categories, including policy documentation, financial planning, and organization. As of the publication of this report, the City had not received a determination on its application.

The preparation of these reports would not have been possible without the efficient and dedicated services of the entire staff of the finance department. We would like to express our appreciation to all members of the department who assisted and contributed to the preparation of this report. Credit also must be given to the Mayor and the City Council for their unfailing support in maintaining the highest standards of professionalism in the management of the City of Naperville's finances.

Respectfully submitted,


Douglas A. Krieger
City Manager


Rachel Mayer
Finance Director

FINANCIAL SECTION

1415 West Diehl Road, Suite 400
Naperville, IL 60563
630.566.8400

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INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor
Members of the City Council
City of Naperville
400 South Eagle Street
Naperville, Illinois 60540

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Naperville, Illinois (the City), as of and for the year ended December 31, 2019, and the related notes to financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Firefighters' Pension Fund of the City which represents 43%, 44%, and 28%, respectively, of the assets, fund balances/net position and revenue/additions of the aggregate remaining fund information of the City. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Firefighters' Pension Fund of the City is based on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits in *Government Auditing Standards*, issued by the Comptroller General of the United States. The Firefighters' Pension Fund was not audited in accordance with *Government Auditing Standards*. 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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control.

Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Naperville, Illinois, as of December 31, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

The City adopted GASB Statement No. 83, *Certain Asset Retirement Obligations*, which established standards for measuring and recognizing liabilities, deferred outflows of resources and expenses for asset retirement obligations; and modified certain disclosures in the notes to financial statements. The City also adopted GASB Statement No. 84, *Fiduciary Activities*, which established standards for reporting fiduciary funds and modified certain disclosures in the notes to the financial statements. Our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other 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 and the other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We and the other auditors do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit and the audit of other auditors was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual fund statements and schedules, other supplemental information, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund statements and schedules and other supplemental information are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the report of the other auditors, the combining and individual fund statements and schedules and other supplemental information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated October 16, 2020 on our consideration of the City of Naperville, Illinois' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants 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* in considering the City of Naperville, Illinois' internal control over financial reporting and compliance.

Sikich LLP

Naperville, Illinois
October 16, 2020

CITY OF NAPERVILLE, ILLINOIS

Management's Discussion and Analysis

The City of Naperville's (the City) Management's Discussion and Analysis (MD&A) is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the City's financial activity, (c) identify changes in the City's financial position (its ability to address subsequent year's challenges), (d) identify material deviations from the financial plan (the approved budget), and (e) identify individual fund issues or concerns.

Since the MD&A is designed to focus on the current fiscal year's activities, resulting changes and currently known facts, please read it in conjunction with the City's basic financial statements (beginning on page 4).

Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources by \$802 million (net position) for the fiscal year ended December 31, 2019.
- The City's total net position increased by \$4 million. The governmental net position increased by \$2 million or 0.59% and the business-type net position increased by \$2 million or 0.44%.
- The City's governmental funds reported combined ending fund balances of \$79.4 million. The General Fund accounted for \$34.2 million or 43% of the total. The General Fund ending balance increased \$5.9 million or 20.9% from the previous reporting period.
- The City retired \$15.47 million in bonded debt and issued no new debt during the reporting period.

Overview of the Financial Statements

This MD&A is intended to serve as an introduction to the basic financial statements. The City of Naperville's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains required supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The government-wide financial statements (see pages 4-6) are designed to provide readers with a broad overview of the City's finances, in a manner similar to private-sector business. The focus of the Statement of Net Position (the Unrestricted Net Position) is designed to be similar to bottom line results for the City and its governmental and business-type activities. This statement combines and consolidates governmental fund's current financial resources (short-term spendable resources) with capital assets and long-term obligations using the accrual basis of accounting and economic resources measurement focus.

The Statement of Activities is focused on both the gross and net cost of various activities (including governmental and business-type), which are supported by the government's general taxes and other resources. This is intended to summarize and simplify the user's analysis of the cost of various governmental services and /or subsidy to various business-type activities and/or the component unit.

CITY OF NAPERVILLE, ILLINOIS

Management's Discussion and Analysis

The governmental activities reflect the City's basic services, including public safety, transportation, general government administration, physical environment, culture and recreation. Taxes on property, shared state sales, local utility and shared state income finance the majority of these services. The business-type activities reflect private sector-type operations (Electric, Water and Wastewater, and Commuter Parking), where the fee for service typically covers all or most of the cost of operation, including depreciation.

The government-wide financial statements include not only the City itself (known as the primary government), but also a legally separate unit, Naperville Public Library, for which the City is financially accountable. Financial information for this component unit is reported separately from the financial information presented for the primary government itself.

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 City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental 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 government's near-term financing requirements.

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

The City maintains 23 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 and Debt Service Fund, which are considered to be major funds. Data from the other 21 governmental funds are combined into a single, aggregated presentation.

The City adopts an annual budget for its General Fund and most governmental funds. Budgetary comparison schedules have been disclosed to demonstrate compliance with these budgets.

The basic governmental fund financial statements can be found on pages 7-11 of this report.

CITY OF NAPERVILLE, ILLINOIS

Management's Discussion and Analysis

Proprietary Funds. The City maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its Electric Utility, Water and Wastewater Utility and Commuter Parking operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its self-insurance activities. Because these services predominantly benefit governmental functions, they have been allocated to the governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Electric Utility, Water and Wastewater Utility and Commuter Parking operations. The Electric Utility Fund and the Water and Wastewater Utility both are considered to be major funds of the City.

The basic proprietary fund financial statements can be found on pages 12-16 of this report.

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

The basic fiduciary fund financial statements can be found on pages 17-18 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 19-71 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the budgetary comparison to actual for the General Fund, as well as the City's progress in funding its obligation to provide pension and OPEB benefits to its employees. Required supplementary information can be found on pages 72-82 of this report.

CITY OF NAPERVILLE, ILLINOIS

Management's Discussion and Analysis

Government-wide Financial Analysis

Statement of Net Position

The City's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$802 million for the fiscal year ended December 31, 2019. By far the largest portion of the City's net position (\$803 million) reflects its investment in capital assets (e.g., land, infrastructures, buildings, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position (\$26 million) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (deficit \$27 million) may be used to meet the City's ongoing obligations to citizens and creditors.

The following table presents a condensed summary of Net Position as of December 31, 2019 and December 31, 2018:

	Net Position (in Millions)					
	Governmental		Business-type		Total	
	2019	2018	2019	2018	2019	2018
Current and Other Assets	\$ 138	122	93	77	231	199
Capital Assets	495	505	445	462	940	967
Total Assets	633	627	538	539	1,171	1,166
Deferred Outflows	31	51	4	11	35	62
Total Assets/Deferred Outflows	664	678	542	550	1,206	1,228
Long-Term Liabilities	236	256	50	59	286	315
Other Liabilities	21	33	25	30	46	63
Total Liabilities	257	289	75	89	332	378
Deferred Inflows	66	50	6	2	72	52
Total Liabilities/Deferred Inflows	323	339	81	91	404	430
Net Position						
Net Investment in Capital Assets	409	413	394	406	803	819
Restricted	19	17	-	-	19	17
Unrestricted (Deficit)	(87)	(91)	67	53	(20)	(38)
Total Net Position	341	339	461	459	802	798

CITY OF NAPERVILLE, ILLINOIS

Management's Discussion and Analysis

Normal Impacts

There are five basic (normal) transactions that will affect the comparability of the Statement of Net Position summary presentation.

Net Results of Activities – which will impact (increase/decrease) current assets and unrestricted net position.

Borrowing for Capital – which will increase current assets and long-term debt.

Spending Borrowed Proceeds on New Capital – which will reduce current assets and increase capital assets. There is a second impact, an increase in invested in capital assets and an increase in related net debt which will not change net investment in capital assets.

Principal Payment on Debt – which will (a) reduce current assets and reduce long-term debt and (b) reduce unrestricted net position and increase net investment in capital assets.

Reduction of Capital Assets through Depreciation – which will reduce capital assets and net investment in capital assets.

Current Year Impacts

For the fiscal year ended December 31, 2019, the City reported positive balances in two of the three categories of net position for the governmental activities. For business-type activities, the City reported positive balances in all three categories of net position. The deficit unrestricted net position for the governmental activities of \$87 million for the fiscal year ended December 31, 2019 is the result of the net pension liabilities and related activity for the City's Illinois Municipal Retirement Fund, Police Pension Fund and Firefighters' Pension Fund.

During the current fiscal year, total unrestricted net position increased by \$18 million. The governmental unrestricted net position increased by \$4 million due to increases in investment income and sales tax revenue and the business-type unrestricted net position increased by \$14 million, primarily due to operating income in the City's Electric Utility Fund and Water and Wastewater Utility Fund.

CITY OF NAPERVILLE, ILLINOIS

Management's Discussion and Analysis

The following table presents a condensed summary of Changes in Net Position as of December 31, 2019 and December 31, 2018:

	Change in Net Position (in Millions)					
	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenues						
Program Revenues						
Charges for Services	\$ 32	28	213	224	245	252
Operating Grants/Contributions	3	3	0	-	3	3
Capital Grants/Contributions	5	4	4	5	9	9
General Revenues						
Property Taxes	37	35		-	37	35
Other Taxes	101	96		-	101	96
Other Revenues	7	1	5	2	12	3
Total Revenues	<u>185</u>	<u>167</u>	<u>222</u>	<u>231</u>	<u>407</u>	<u>398</u>
Expenses						
General Government	16	15		-	16	15
Physical Environment	12	10		-	12	10
Public Safety	96	88		-	96	88
Culture and Recreation	8	8		-	8	8
Transportation	48	41		-	48	41
Interest on Long-Term Debt	3	3		-	3	3
Electric	-	-	154	154	154	154
Water and Wastewater	-	-	64	64	64	64
Burlington Commuter Parking	-	-	2	2	2	2
Total Expenses	<u>183</u>	<u>165</u>	<u>221</u>	<u>220</u>	<u>403</u>	<u>385</u>
Change in Net Position	2	2	2	11	4	13
Net Position - Beginning as Restated	<u>339</u>	<u>337</u>	<u>459</u>	<u>448</u>	<u>798</u>	<u>785</u>
Net Position - Ending	<u>341</u>	<u>339</u>	<u>461</u>	<u>459</u>	<u>802</u>	<u>798</u>

CITY OF NAPERVILLE, ILLINOIS

Management's Discussion and Analysis

Normal Impacts

Revenues

Economic Condition – which can reflect a declining, stable or growing economic environment and has a substantial impact on property, sales, income, utility tax revenues as well as public spending habits for building permits, elective user fees and volumes of consumption.

Increase/Decrease in the City Approved Rates – while certain tax rates are set by statute, the City has significant authority to impose and periodically increase/decrease rates (electric, water/wastewater, impact fees, building fees, ambulance fees, etc.)

Changing Patterns in Intergovernmental and Grant Revenue – (both recurring and non-recurring) – certain recurring revenue (state shared revenues, etc.) may experience significant changes periodically while non-recurring (or one-time) grants are less predictable and often distorting in their impact on year-to-year comparison.

Market Impact on Investment Income – the City's investment portfolio is managed utilizing investments of various maturities. Changes in market conditions will cause investment income to fluctuate due to the related appreciation or depreciation of these assets.

Expenses

Changes in Authorized Personnel – changes in service demand may cause the City to increase/decrease authorized staffing.

Salary Increase (annual adjustments and merit) – the ability to attract and retain human and intellectual resources requires the City to strive to approach a competitive salary range position in the marketplace.

Inflation – while overall inflation appears to be reasonably modest, the City is a major consumer of certain commodities such as supplies, fuels and parts. Some functions may experience unusual commodity-specific increases. (e.g., fuel prices)

Current Year Impacts

Governmental Activities. Governmental activities increased the City's net position by \$2 million.

Revenue

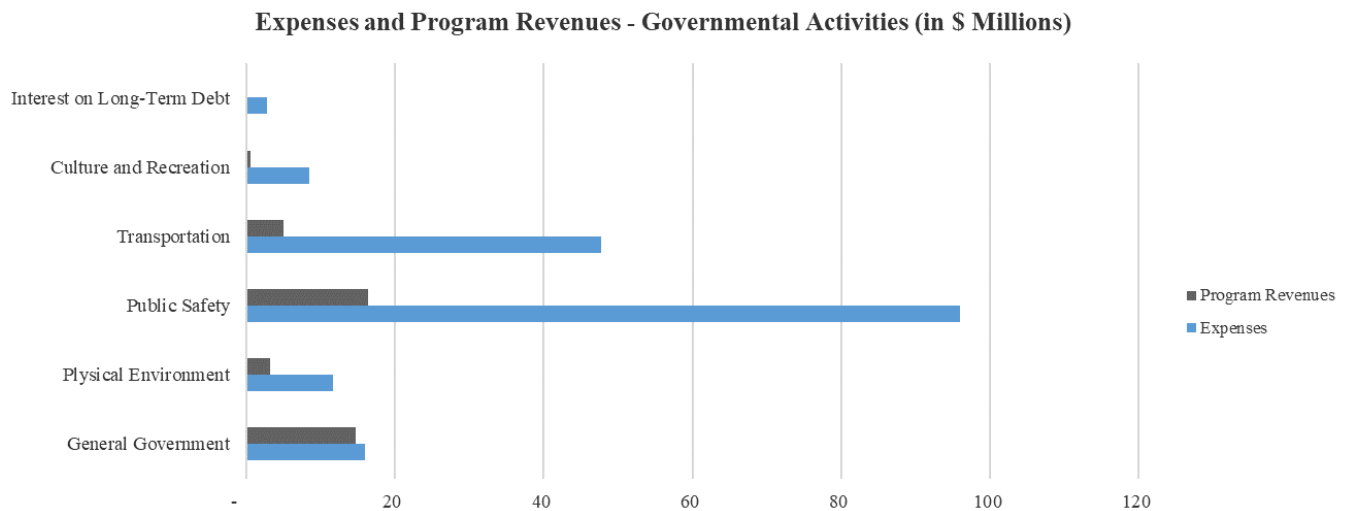
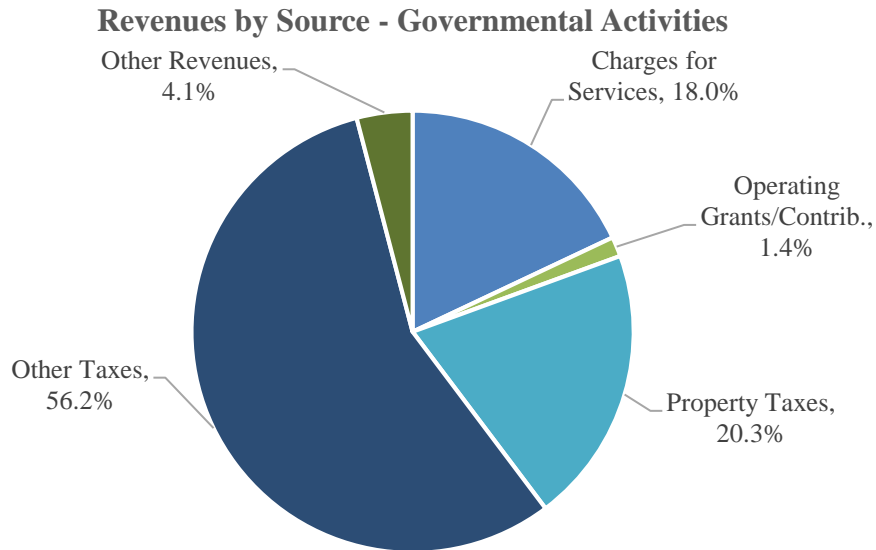
Total revenues from governmental activities increased by \$18 million from the prior year. Other Taxes increased \$5 million which is due predominantly to the increases of certain state shared revenues, including sales tax and income tax. Charges for services, which includes items such as ambulance fees and refuse/recycling fees, increased by \$4 million.

CITY OF NAPERVILLE, ILLINOIS

Management's Discussion and Analysis

Expenses

Total expenses related to governmental activities increased by \$18 million or 10.9% to \$183 million, with the increase predominantly coming from the public safety function due to the City's net pension liabilities and the transportation function due to capital outlay.



CITY OF NAPERVILLE, ILLINOIS

Management's Discussion and Analysis

Business-type activities. The net position for business-type activities increased by \$2 million.

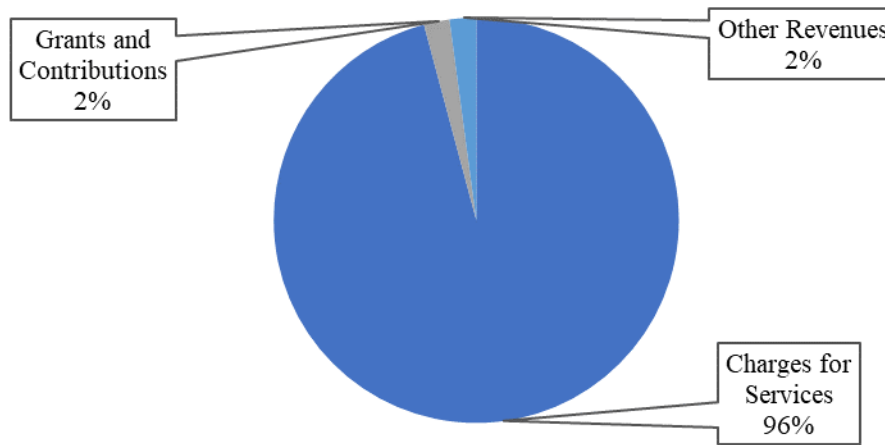
Revenue

Overall revenues from business type activities decreased \$9 million or 3.9% from the prior year with the majority of the decrease coming from charges for services. This decrease is the result of a planned rate reduction.

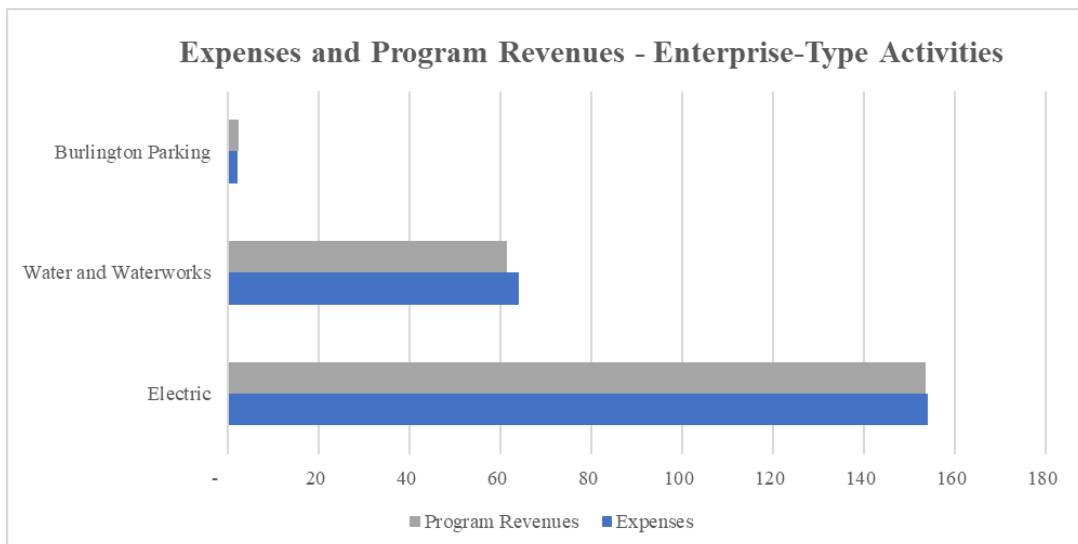
Expenses

Total expenses remained the same. Expenses remained consistent across all segments of the business-type funds, including the Electric Utility Fund, the Water and Wastewater Utility Fund and the Commuter Parking Fund.

Revenues by Source - Business-Type Activities



Expenses and Program Revenues - Enterprise-Type Activities



CITY OF NAPERVILLE, ILLINOIS

Management's Discussion and Analysis

Financial Analysis of the City's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the City's governmental funds, which includes the General Fund and 22 other funds, is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$79.4 million, an increase of \$10.1 million in comparison with the prior fiscal year. Of the total fund balance amount, \$32.9 million constitutes unassigned fund balance, the remainder of fund balance is for a variety of restricted, committed and assigned purposes and is not available for new spending.

The following schedule presents the governmental funds summary of revenues for the years ended December 31, 2019 and December 31, 2018:

	<u>12/31/2019</u>	<u>Percent of Total</u>	<u>12/31/2018</u>	<u>Amount of Increase (Decrease)</u>	<u>Percent of Increase (Decrease)</u>
(Amounts Expressed in Thousands)					
Revenues					
Taxes	\$ 67,521	36.55%	64,945	2,576	3.97%
Licenses and Permits	2,970	1.61%	2,763	207	7.49%
Fines and Forfeits	1,386	0.75%	1,276	110	8.59%
Net Investment Income	3,352	1.81%	615	2,737	445.10%
Intergovernmental	77,192	41.79%	68,322	8,870	12.98%
Charges for Services	27,891	15.10%	24,539	3,352	13.66%
Fees	3,119	1.69%	3,097	22	0.71%
Contributions and Miscellaneous	1,296	0.70%	1,891	(595)	-31.48%
Total Revenues	184,726	100.00%	167,448	17,278	10.32%

The largest dollar value in revenues came from Intergovernmental revenues, which increased \$8.8 million or 12.9%. Intergovernmental revenues include state shared taxes, such as sales and income taxes. Taxes accounted for \$67.5 million in revenue. This category includes such items as utility tax, property tax (including those levied for pension purposes), hotel/motel tax, real estate transfer tax and food and beverage tax. Charges for Services also increased by \$3.3 million or 13.6% primarily due to increase in ambulance fees and refuse/recycling fees. Investment income reported a very positive result for the year, increasing \$2.7 million due to strong market returns.

CITY OF NAPERVILLE, ILLINOIS

Management's Discussion and Analysis

	12/31/2019	Percent of Total	12/31/2018	Amount of Increase (Decrease)	Percent of Increase (Decrease)
(Amounts Expressed in Thousands)					
Expenditures					
Current					
General Government	\$ 12,510	7.17%	12,064	446	-3.70%
Transportation/Physical Environment	36,869	21.12%	35,789	1,080	3.02%
Public Safety	81,088	46.44%	78,263	2,825	3.61%
Culture and Recreation	7,360	4.22%	7,145	215	3.01%
Debt Service					
Principal	10,485	6.01%	10,613	(128)	-1.20%
Interest, Fees and Issuance Costs	3,019	1.73%	3,274	(255)	-7.78%
Capital Outlay	23,263	13.32%	19,306	3,957	20.49%
Total Expenditures	174,595	100.00%	166,454	8,141	4.89%

Expenditures increased \$8.1 million or 4.89% increase from the prior fiscal year. Public safety expenses increased by \$2.8 million or 3.61%, with a portion of that increase attributable to increased salary and benefit costs.

The City Council is committed to maintaining the City's infrastructure. Capital outlay increased by \$3.9 million in the current year. Major capital projects during the reporting period included: continued storm sewer lining, roadway, and bridge and parking lot maintenance and well as significant investments in technology infrastructure throughout the City.

The General Fund reported an increase in fund balance for the year of \$5.9 million, from beginning fund balance of \$28.3 million to \$34.2 million. Of the total 34.2 million in fund balance, \$33.7 million, or 98.5 percent, represents unassigned fund balance that can be used to meet future operational needs of the Fund. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance in the General Fund represents approximately 27.5 percent of total General Fund expenditures, or approximately 3.3 months of operations.

The Debt Service Fund reported an increase in fund balance of \$0.5 million. Ending fund balance of \$5.3 million is assigned to future debt service related costs.

Proprietary Funds. The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Electric Utility – The Electric Utility recorded a net loss before capital fees of \$524 thousand for the fiscal year ended December 31, 2019, compared to \$9.9 million net income for the prior year.

CITY OF NAPERVILLE, ILLINOIS

Management's Discussion and Analysis

In 2018, the utility commissioned a rate study to provide direction for the following three years. As an outcome of this study, the City Council approved a rate decrease of 2% each year through 2021. The Purchased Power Adjustment (PPA) was also realigned as a result of the study. PPA is rate-setting tool that allows the utility to smooth rate fluctuations using a six-month average.

Kilowatt hour consumption for 2019 totaled 1.27 billion which was a 5.2% decrease from 2018. Purchased power expense for the twelve months ended December 31, 2019 is 77.21% of operating expense and fluctuates based on heating degree days, cooling degree days, rate for purchased electricity, and demand charges.

Water/Wastewater Utility – The Water/Wastewater Utility recorded a net loss before capital fees of \$2.5 million for the fiscal year ended December 31, 2019, which is a 46.12% decrease from the loss for the year ended December 31, 2018.

The City completed a Water and Wastewater rate study during 2017 and as a result, water and wastewater rates were scheduled for annual increases at the beginning of each year through 2021. City Council approved rate increases to provide a balanced operation in the Water and Wastewater Utilities Funds. The structure of the new rates included significant increases in 2018 to support the needs of an aging infrastructure. Retail water rates were increased 19%, while customer charges were adjusted between 15% and 30% depending on meter size. A phosphorus surcharge was also approved to provide funding for anticipated facility upgrades to the City's reclamation center, which will be required by the State of Illinois by 2028.

Wholesale water rates, which are passed through by the City to customers based on rates applied by the DuPage Water Commission, increased 0.6% on May 1, 2019 for all customers compared to the prior period. The rate changed from \$3.70 per hundred cubic-feet to \$3.72 per hundred cubic-feet.

Overall, the City experienced a 7.9% decrease in gallons purchased compared to 2018. Purchased water expenses for the fiscal year ended December 31, 2019 were 45.68% of total operating expense and fluctuate based on rainfall and the wholesale water rate set by the Du Page Water Commission. The purchased water rate (per 1,000 gallons) increased May 1, 2019 from \$4.94 to \$4.97.

Capital Assets and Debt Administration

Capital Assets. The City's investment in capital assets for its governmental and business-type activities as of December 31, 2019, amounts to \$926 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, furniture and fixtures, infrastructure, and IMEA participation right and other intangible assets. The City's investment in capital assets decreased from the prior year due to current year additions being less than depreciation expense for the year.

CITY OF NAPERVILLE, ILLINOIS

Management's Discussion and Analysis

	Capital Assets - Net of Depreciation (in Millions)					
	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Land and land improvements	\$ 184	184	17	17	201	201
Buliding and building improvements	87	91	3	4	90	95
Machinery and equipment	15	14	3	3	18	17
Infrastructure	200	207	383	400	583	607
Construction in progress	9	9	25	23	34	32
Total	495	505	431	447	926	952

Additional information on the City's capital assets can be found in Note 4 to the financial statements.

Debt Administration

For the fiscal year ended December 31, 2019, the City had a total of \$119.7 million of outstanding debt. These issues were all general obligation bonds. The City maintained its AAA rating on general obligation bond issues from both Standard and Poor's Rating Group and Moody's Investors Service.

Data as of December 31, 2019, is as follows:

	Amount	Ratio of Bonded Debt to Assessed Valuation	Bonded Debt Per Capita
General Obligation Bonded Debt	\$ 119,755,000	1.66%	\$ 807

	Long-Term Debt Outstanding (in Thousands)					
	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
General Obligation Bonds	\$ 83,810	94,296	35,945	40,924	119,755	135,220

Additional information on the City's long-term obligations can be found in Note 6 to the financial statements.

CITY OF NAPERVILLE, ILLINOIS

Management's Discussion and Analysis

The City implemented Statement No. 75 of the Governmental Accounting Standards Board (Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions) effective for fiscal years beginning after June 15, 2017. The City's total OPEB liability is \$15.0 million at December 31, 2019. For additional information please refer to Note 10 in the notes to the financial statements.

Economic Factors and Next Year's Budget and Rates

- The following three financial principles guide the City's budgetary process and financial management: 1) The City will pass a structurally balanced operating budget annually; 2) The City commits to continuous improvement in the delivery of necessary and cost-effective services; and 3) The City will actively seek to increase its services to twenty-five percent and reduce its debt by twenty-five percent in the next eight years.
- In 2018, the City conducted a Special Census, which added 5,596 people to the City's population to bring the total to 147,449. The additional population had a positive impact in 2019 on per capita revenue distributions from the state including income tax, local use tax, and motor fuel tax.
- Pensions continue to be an expense that is a significant variable in the City's annual budget. The City's actuarial required contributions for police and fire pension funds increased by \$966 thousand for the 2020 budget period. Additionally, IMRF changed its assumed rate of return resulting the City's rate increasing to 11.05% for 2020. This resulted in a \$1.15 million increase across all funds.
- Retail sales tax revenues continue to perform at a consistent rate and is expected to grow slightly in 2020 to a total of \$35.87 million for the fiscal year.
- As a result of the South Dakota vs. Wayfair Supreme Court decision, the State of Illinois anticipates higher collection rates for local use tax. In 2020, local use tax is projected to increase by 13.0%
- The City began receiving additional ambulance fees in 2020 for Medicaid transports under the Ground Emergency Medical Transport (GEMT) supplemental funding program. Additional revenue is estimated to be \$900,000.
- The City Council is committed to maintain a low property tax rate; the 2019 tax levy rate for the City is 0.6937, which is the lowest rate compared to neighboring communities and one of the City's lowest over the past 50 years.
- In January 2016, the City implemented a Home Rule Sales Tax of 0.50% to reduce borrowing, offset debt, and increase reserves. The City increased the Home Rule Sales Tax to 0.75% starting in July 2018. In the calendar year 2020, the City is projecting to receive \$14.0 million.
- In 2017, City Council approved a new rate schedule for the Water and Wastewater Utility. New rates went into effect in 2017 and annual increases are projected through 2021. Additionally, a graduated phosphorus surcharge went into effect for wastewater customers, which will be used to fund EPA-mandated improvements at the treatment facility.

CITY OF NAPERVILLE, ILLINOIS

Management's Discussion and Analysis

- The City conducted a rate study update for the Electric Utility in 2018; 2% rate decreases will be implemented for customers through 2020. These reductions are due to the projected decrease in IMEA power supply costs. The rate study also adjusted the Purchased Power Adjustment (PPA) base to re-align with power costs.
- A new Solid Waste Fund was established for 2020 to better account for the cost associated with refuse and recycling services provided by the City. Naperville maintains one of the lowest refuse collection rates in the area at just \$12.95 per month per household.
- The City, region, and nation continue to experience the ongoing economic effects of the COVID-19 pandemic that began in mid-March. To provide Council with current data to make strategic financial decisions at the appropriate time, staff provided financial reports to the Council at its second meeting of each month.
- October marked seven months since the City began experiencing the financial impact of the pandemic. Constantly evolving mitigation efforts during the first four months of the pandemic resulted in significant fluctuations in state and local revenues over the past several months. Although the City has seen three consecutive months of improvement in most revenues, consumer spending habits continue to change, and no clear trends have been established as to the pace of recovery through the end of 2020 and into 2021.

All of these factors were considered in preparing the City's budget and financial plans.

Requests for Information

This financial report is designed to provide a general overview of the City of Naperville's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director, 400 South Eagle Street, Naperville, Illinois 60540.

BASIC FINANCIAL STATEMENTS

CITY OF NAPERVILLE, ILLINOIS

STATEMENT OF NET POSITION

December 31, 2019

	Primary Government			Component
	Governmental Activities	Business-Type Activities	Total	Naperville Public Library
ASSETS				
Cash and investments	\$ 73,855,044	\$ 61,486,925	\$ 135,341,969	\$ 1,540,414
Receivables (net of allowance for uncollectable)	50,685,306	26,802,636	77,487,942	14,937,142
Due from other governments	13,284,112	162,870	13,446,982	-
Inventories	-	3,991,599	3,991,599	-
Capital assets (net of accumulated depreciation)				
Capital assets not depreciated	190,136,745	41,791,548	231,928,293	-
Capital assets depreciated, net	304,800,977	389,099,789	693,900,766	9,890,866
IMEA participation right	-	14,245,590	14,245,590	-
Total assets	632,762,184	537,580,957	1,170,343,141	26,368,422
DEFERRED OUTFLOWS OF RESOURCES				
Deferred items - IMRF	3,411,885	2,600,357	6,012,242	1,051,286
Deferred items - Police Pension	9,733,911	-	9,733,911	-
Deferred items - Firefighters' Pension	14,755,804	-	14,755,804	-
Deferred items - OPEB	849,785	259,768	1,109,553	95,304
Asset retirement obligation	-	393,960	393,960	-
Unamortized refunding loss	2,387,952	1,034,551	3,422,503	-
Total deferred outflows of resources	31,139,337	4,288,636	35,427,973	1,146,590
Total assets and deferred outflows of resources	663,901,521	541,869,593	1,205,771,114	27,515,012
LIABILITIES				
Accounts payable and other current liabilities	16,141,172	24,229,705	40,370,877	613,788
Accrued interest payable	221,116	115,716	336,832	-
Due to other governments	245,891	604,410	850,301	-
Unearned revenue	3,809,690	114,591	3,924,281	-
Long-term liabilities				
Due within one year	14,161,333	5,235,633	19,396,966	313,387
Due in more than one year	221,948,125	44,789,500	266,737,625	3,938,954
Total liabilities	256,527,327	75,089,555	331,616,882	4,866,129
DEFERRED INFLOWS OF RESOURCES				
Deferred items - IMRF	7,530,659	5,739,467	13,270,126	2,320,383
Deferred items - Police Pension	10,138,985	-	10,138,985	-
Deferred items - Firefighters' Pension	9,522,057	-	9,522,057	-
Deferred items - OPEB	550,149	168,172	718,321	61,700
Deferred property taxes revenues	38,131,198	-	38,131,198	14,935,000
Total deferred inflows of resources	65,873,048	5,907,639	71,780,687	17,317,083
Total liabilities and deferred inflows of resources	322,400,375	80,997,194	403,397,569	22,183,212
NET POSITION				
Net investment in capital assets	409,050,496	394,245,304	803,295,800	9,890,866
Restricted for				
Debt service	6,568,618	-	6,568,618	-
Highways, streets, and parking facilities	4,388,700	-	4,388,700	-
Public safety	6,137,651	-	6,137,651	-
Capital projects	1,005,736	-	1,005,736	-
Culture and recreation	1,583,509	-	1,583,509	-
Physical environment	16,074	-	16,074	-
Unrestricted (deficit)	(87,249,638)	66,627,095	(20,622,543)	(4,559,066)
TOTAL NET POSITION	\$ 341,501,146	\$ 460,872,399	\$ 802,373,545	\$ 5,331,800

See accompanying notes to financial statements.

CITY OF NAPERVILLE, ILLINOIS

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2019

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT				
Governmental Activities				
General government	\$ 15,956,930	\$ 14,698,769	\$ -	\$ -
Physical environment	11,705,841	2,176,185	1,082,869	-
Public safety	95,906,986	14,852,549	1,473,273	-
Culture and recreation	8,451,704	536,181	-	-
Transportation	47,730,401	127,125	40,504	4,872,196
Interest on long-term debt	2,790,200	-	-	-
Total governmental activities	182,542,062	32,390,809	2,596,646	4,872,196
Business-Type Activities				
Electric	154,109,675	150,322,513	-	3,321,726
Water and wastewater	64,140,791	60,241,600	143,422	1,080,359
Burlington commuter parking	2,289,246	2,368,597	-	-
Total business-type activities	220,539,712	212,932,710	143,422	4,402,085
TOTAL PRIMARY GOVERNMENT	\$ 403,081,774	\$ 245,323,519	\$ 2,740,068	\$ 9,274,281
COMPONENT UNIT				
Naperville Public Library	\$ 16,656,347	\$ 487,560	\$ 188,251	\$ -

	Net (Expense) Revenue and Changes in Net Position			
	Primary Government			Unit
	Governmental Activities	Business-Type Activities	Total	Naperville Public Library
	\$ (1,258,161)	\$ -	\$ (1,258,161)	\$ -
	(8,446,787)	-	(8,446,787)	-
	(79,581,164)	-	(79,581,164)	-
	(7,915,523)	-	(7,915,523)	-
	(42,690,576)	-	(42,690,576)	-
	(2,790,200)	-	(2,790,200)	-
	(142,682,411)	-	(142,682,411)	-
	-	(465,436)	(465,436)	-
	-	(2,675,410)	(2,675,410)	-
	-	79,351	79,351	-
	-	(3,061,495)	(3,061,495)	-
	(142,682,411)	(3,061,495)	(145,743,906)	-
	-	-	-	(15,980,536)
General Revenues				
Property taxes	36,554,710	-	36,554,710	14,781,671
Utility taxes	15,774,536	-	15,774,536	-
Other taxes	15,191,855	-	15,191,855	141,932
Franchise fees	3,118,942	-	3,118,942	-
Intergovernmental - unrestricted				
Sales taxes	54,347,750	-	54,347,750	-
Income taxes	15,694,332	-	15,694,332	-
Net investment income	3,390,125	2,809,594	6,199,719	17,439
Miscellaneous	831,674	1,896,104	2,727,778	40,444
Total	144,903,924	4,705,698	149,609,622	14,981,486
CHANGE IN NET POSITION	2,221,513	1,644,203	3,865,716	(999,050)
NET POSITION, JANUARY 1	339,279,633	459,228,196	798,507,829	6,330,850
NET POSITION, DECEMBER 31	\$ 341,501,146	\$ 460,872,399	\$ 802,373,545	\$ 5,331,800

See accompanying notes to financial statements.

CITY OF NAPERVILLE, ILLINOIS

BALANCE SHEET
GOVERNMENTAL FUNDS

December 31, 2019

	General Fund	Debt Service Fund	Nonmajor	Total
ASSETS				
Cash and investments	\$ 29,732,086	\$ 4,920,092	\$ 38,594,516	\$ 73,246,694
Receivables				
Property taxes	23,950,908	9,832,400	4,347,890	38,131,198
Accrued interest	81,582	7,351	151,668	240,601
Accounts receivable less allowance for doubtful accounts	5,702,989	-	6,462,079	12,165,068
Loans and installments	218	-	23,729	23,947
Due from other funds	158,628	-	-	158,628
Advances to other funds	521,153	-	369,173	890,326
Due from other governments	10,670,841	400,000	2,213,271	13,284,112
Other	105,372	-	-	105,372
TOTAL ASSETS	\$ 70,923,777	\$ 15,159,843	\$ 52,162,326	\$ 138,245,946

(This statement is continued on the following page.)

CITY OF NAPERVILLE, ILLINOIS

BALANCE SHEET (Continued)
GOVERNMENTAL FUNDS

December 31, 2019

	General Fund	Debt Service Fund	Nonmajor	Total
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 5,590,394	\$ 25	\$ 3,257,811	\$ 8,848,230
Accrued wages and benefits	4,177,760	-	177,811	4,355,571
Due to other governmental agencies	219,045	-	26,846	245,891
Due to other funds	-	-	158,628	158,628
Advances from other funds	-	-	890,326	890,326
Deposits	2,386,990	-	-	2,386,990
Contract retainage payable	-	-	34,377	34,377
Unearned grant revenues and others	411,769	-	3,397,921	3,809,690
Total liabilities	12,785,958	25	7,943,720	20,729,703
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	23,950,908	9,832,400	4,347,890	38,131,198
Total deferred inflows of resources	23,950,908	9,832,400	4,347,890	38,131,198
Total liabilities and deferred inflows of resources	36,736,866	9,832,425	12,291,610	58,860,901
FUND BALANCES				
Nonspendable				
Loans	218	-	-	218
Advances	521,153	-	-	521,153
Restricted for				
Debt service	-	-	6,568,618	6,568,618
Highways, streets, and parking facilities	-	-	4,388,700	4,388,700
Public safety	-	-	6,137,651	6,137,651
Capital projects	-	-	1,005,736	1,005,736
Culture and recreation	-	-	1,583,509	1,583,509
Physical environment	-	-	16,074	16,074
Committed to				
Highways, streets, and parking facilities	-	-	891,137	891,137
Assigned to				
Debt service	-	5,327,418	-	5,327,418
Capital projects	-	-	20,082,467	20,082,467
Unassigned	33,665,540	-	(803,176)	32,862,364
Total fund balances	34,186,911	5,327,418	39,870,716	79,385,045
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 70,923,777	\$ 15,159,843	\$ 52,162,326	\$ 138,245,946

See accompanying notes to financial statements.

CITY OF NAPERVILLE, ILLINOIS

**RECONCILIATION OF FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET POSITION**

December 31, 2019

FUND BALANCES OF GOVERNMENTAL FUNDS \$ 79,385,045

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds 494,937,722

Deferred outflows (inflows) of resources related to the pensions not reported in the funds.

Deferred items - IMRF	\$ (4,118,774)	
Deferred items - Police Pension	(405,074)	
Deferred items - Firefighters' Pension	5,233,747	
Deferred items - OPEB	<u>299,636</u>	
		1,009,535

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities - both current and long-term are reported in the statement of net position.

Accrued interest payable		(221,116)
Deferred loss on refunding		2,387,952
Net pension liability		
IMRF	(8,327,728)	
Police Pension	(51,600,215)	
Firefighters' Pension	(63,277,049)	
Compensated absences	(8,199,138)	
OPEB liability	(11,486,995)	
General obligation debt	<u>(88,275,178)</u>	

Total long-term liabilities (231,166,303)

Internal service funds are used by management to charge the costs of self-insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.

(4,831,689)

NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 341,501,146

See accompanying notes to financial statements.

CITY OF NAPERVILLE, ILLINOIS

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS**

For the Year Ended December 31, 2019

	General Fund	Debt Service Fund	Nonmajor	Total
REVENUES				
Property taxes	\$ 20,374,854	\$ 11,445,960	\$ 4,733,896	\$ 36,554,710
Utility tax	15,774,536	-	-	15,774,536
Other taxes	6,976,883	-	8,214,972	15,191,855
Licenses and permits	2,932,057	-	37,770	2,969,827
Fines and forfeits	1,324,874	-	60,723	1,385,597
Net investment income	1,081,955	233,589	2,036,840	3,352,384
Contributions	-	-	463,990	463,990
Intergovernmental	56,920,557	396,202	19,874,954	77,191,713
Charges for services	20,529,093	-	7,361,513	27,890,606
Fees	3,118,942	-	-	3,118,942
Miscellaneous revenues	427,978	-	403,696	831,674
Total revenues	129,461,729	12,075,751	43,188,354	184,725,834
EXPENDITURES				
Current				
General government	12,506,545	-	3,725	12,510,270
Physical environment	7,455,908	-	653,586	8,109,494
Public safety	77,250,024	-	3,838,154	81,088,178
Culture and recreation	62,682	-	7,297,625	7,360,307
Transportation	25,165,961	-	3,593,477	28,759,438
Capital outlay	-	-	23,262,653	23,262,653
Debt service				
Principal	-	9,981,135	504,050	10,485,185
Interest and fees	-	2,946,007	73,299	3,019,306
Total expenditures	122,441,120	12,927,142	39,226,569	174,594,831
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	7,020,609	(851,391)	3,961,785	10,131,003
OTHER FINANCING SOURCES (USES)				
Transfers in	-	1,369,510	5,541,749	6,911,259
Transfers (out)	(1,108,709)	-	(5,802,550)	(6,911,259)
Total other financing sources (uses)	(1,108,709)	1,369,510	(260,801)	-
NET CHANGE IN FUND BALANCES	5,911,900	518,119	3,700,984	10,131,003
FUND BALANCES, JANUARY 1	28,275,011	4,809,299	36,169,732	69,254,042
FUND BALANCES, DECEMBER 31	\$ 34,186,911	\$ 5,327,418	\$ 39,870,716	\$ 79,385,045

See accompanying notes to financial statements.

CITY OF NAPERVILLE, ILLINOIS

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE
GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2019

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS \$ 10,131,003

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital outlays	\$ 9,718,181	
Disposals	(47,441)	
Depreciation	<u>(19,889,712)</u>	(10,218,972)

Deferred outflows (inflows) of resources related to the pensions not reported in the funds.

Change in deferred items - IMRF	(15,214,137)	
Change in deferred items - Police Pension	(8,141,510)	
Change in deferred items - Firefighters' Pension	(10,540,344)	
Change in deferred items - OPEB	<u>941,459</u>	(32,954,532)

The issuance of long-term debt (e.g., bond, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction; however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Principal repayments - G.O. Bonds, SSA Bonds, and notes payable	10,485,185	
Change in unamortized premium	444,132	
Change in loss on refunding	<u>(249,180)</u>	10,680,137

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Decrease in net pension liability		
IMRF	14,759,639	
Police Pension	7,459,146	
Firefighters' Pension	6,976,642	
Decrease in accrued interest payable	34,154	
Decrease in compensated absences	100,315	
Increase in other postemployment benefit obligation	<u>(1,218,616)</u>	28,111,280

Internal service funds are used by management to charge the costs of information technology, fleet services, vehicle replacement, and self-insurance to individual funds. The net revenue of certain activities of internal service funds are reported with governmental activities.

(3,527,403)

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 2,221,513

See accompanying notes to financial statements.

CITY OF NAPERVILLE, ILLINOIS

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS

December 31, 2019

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service
	Electric Utility Fund	Water and Wastewater Utility Fund	Other Enterprise Fund	Total	Self- Insurance Fund
CURRENT ASSETS					
Cash and investments	\$ 38,278,415	\$ 18,322,253	\$ 4,886,257	\$ 61,486,925	\$ 608,350
Receivables					
Accrued interest	127,857	58,633	15,586	202,076	3,015
Accounts receivable less allowance for doubtful accounts	6,203,245	3,223,264	14,695	9,441,204	16,105
Due from other governments	-	162,870	-	162,870	-
Other receivables	11,892,628	4,261,400	-	16,154,028	-
Inventory	3,102,038	889,561	-	3,991,599	-
Total current assets	59,604,183	26,917,981	4,916,538	91,438,702	627,470
NONCURRENT ASSETS					
Capital assets (net of accumulated depreciation)					
Capital assets not depreciated	11,630,746	19,234,971	10,925,831	41,791,548	-
Capital assets depreciated, net	198,295,199	189,413,926	1,390,664	389,099,789	-
Net capital assets	209,925,945	208,648,897	12,316,495	430,891,337	-
Installments receivable	1,005,328	-	-	1,005,328	-
Intangible assets (net of accumulated depreciation)					
IMEA participation right	14,245,590	-	-	14,245,590	-
Total assets	284,781,046	235,566,878	17,233,033	537,580,957	627,470
DEFERRED OUTFLOWS OF RESOURCES					
Deferred items - IMRF	1,528,093	1,072,264	-	2,600,357	-
Deferred items - OPEB	138,077	121,691	-	259,768	-
Unamortized refunding loss	681,151	353,400	-	1,034,551	-
Asset retirement obligation	-	393,960	-	393,960	-
Total deferred outflows of resources	2,347,321	1,941,315	-	4,288,636	-
Total assets and deferred outflows of resources	287,128,367	237,508,193	17,233,033	541,869,593	627,470

(This statement is continued on the following page.)

CITY OF NAPERVILLE, ILLINOIS

STATEMENT OF NET POSITION (Continued)
 PROPRIETARY FUNDS

December 31, 2019

	Business-Type Activities - Enterprise Funds				Governmental
	Electric Utility Fund	Water and Wastewater Utility Fund	Other Enterprise Fund	Total	Activities - Internal Service Self- Insurance Fund
CURRENT LIABILITIES					
Accounts payable	\$ 11,173,002	\$ 4,441,641	\$ 142,877	\$ 15,757,520	\$ 504,578
Accrued wages and benefits payable	730,901	502,112	28,579	1,261,592	11,426
Accrued interest payable	49,308	66,408	-	115,716	-
Compensated absences - current portion	215,168	76,618	-	291,786	-
Deposits	6,984,932	159,599	895	7,145,426	-
Contract retainage payable	-	59,585	5,582	65,167	-
Claims and judgments	-	-	-	-	482,619
Due to other government	604,410	-	-	604,410	-
Unearned revenue	114,591	-	-	114,591	-
General obligation bonds payable - current portion	2,674,650	1,566,915	-	4,241,565	-
OPEB liability - current portion	373,291	328,991	-	702,282	-
Total current liabilities	22,920,253	7,201,869	177,933	30,300,055	998,623
NONCURRENT LIABILITIES					
General obligation bonds payable	15,482,745	17,956,274	-	33,439,019	-
Compensated absences	1,321,749	470,653	-	1,792,402	-
Claims and judgments	-	-	-	-	4,460,536
Net pension liability - IMRF	3,729,771	2,617,181	-	6,346,952	-
OPEB liability	1,493,163	1,315,964	-	2,809,127	-
Asset retirement obligation	-	402,000	-	402,000	-
Total noncurrent liabilities	22,027,428	22,762,072	-	44,789,500	4,460,536
Total liabilities	44,947,681	29,963,941	177,933	75,089,555	5,459,159
DEFERRED INFLOWS OF RESOURCES					
Deferred items - IMRF	3,372,784	2,366,683	-	5,739,467	-
Deferred items - OPEB	89,390	78,782	-	168,172	-
Total deferred inflows of resources	3,462,174	2,445,465	-	5,907,639	-
Total liabilities and deferred inflows of resources	48,409,855	32,409,406	177,933	80,997,194	5,459,159
NET POSITION					
Net investment in capital assets	192,449,701	189,479,108	12,316,495	394,245,304	-
Unrestricted	46,268,811	15,619,679	4,738,605	66,627,095	(4,831,689)
TOTAL NET POSITION	\$ 238,718,512	\$ 205,098,787	\$ 17,055,100	\$ 460,872,399	\$ (4,831,689)

See accompanying notes to financial statements.

CITY OF NAPERVILLE, ILLINOIS

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
 PROPRIETARY FUNDS

For the Year Ended December 31, 2019

	Business-Type Activities - Enterprise Funds			Total	Governmental
	Electric Utility Fund	Water and Wastewater Utility Fund	Other Enterprise Fund		Activities - Internal Service Self- Insurance Fund
OPERATING REVENUES					
Charges for services	\$ 150,322,513	\$ 60,241,600	\$ 2,368,597	\$ 212,932,710	\$ 21,017,042
Miscellaneous	1,448,853	447,251	-	1,896,104	-
Total operating revenues	151,771,366	60,688,851	2,368,597	214,828,814	21,017,042
OPERATING EXPENSES					
Purchased power	107,012,649	-	-	107,012,649	-
Purchased water	-	24,466,096	-	24,466,096	-
Operations	9,763,817	17,325,829	2,042,149	29,131,795	-
Distribution	924,803	2,003,431	-	2,928,234	-
Other operating expenses	20,894,052	9,769,740	-	30,663,792	24,582,186
Total operating expenses	138,595,321	53,565,096	2,042,149	194,202,566	24,582,186
OPERATING INCOME (LOSS) BEFORE DEPRECIATION AND AMORTIZATION	13,176,045	7,123,755	326,448	20,626,248	(3,565,144)
Depreciation and amortization	(14,812,539)	(9,734,474)	(247,097)	(24,794,110)	-
OPERATING INCOME (LOSS)	(1,636,494)	(2,610,719)	79,351	(4,167,862)	(3,565,144)
NON-OPERATING REVENUES (EXPENSES)					
Net investment income	1,813,852	794,245	201,497	2,809,594	37,741
Operating grant/intergovernmental	-	143,422	-	143,422	-
Interest expense	(701,815)	(841,221)	-	(1,543,036)	-
Total non-operating revenues (expenses)	1,112,037	96,446	201,497	1,409,980	37,741
NET INCOME (LOSS) BEFORE CAPITAL FEES	(524,457)	(2,514,273)	280,848	(2,757,882)	(3,527,403)
CAPITAL FEES	3,321,726	1,080,359	-	4,402,085	-
CHANGE IN NET POSITION	2,797,269	(1,433,914)	280,848	1,644,203	(3,527,403)
NET POSITION (DEFICIT), JANUARY 1	235,921,243	206,532,701	16,774,252	459,228,196	(1,304,286)
NET POSITION (DEFICIT), DECEMBER 31	\$ 238,718,512	\$ 205,098,787	\$ 17,055,100	\$ 460,872,399	\$ (4,831,689)

See accompanying notes to financial statements.

CITY OF NAPERVILLE, ILLINOIS

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

For the Year Ended December 31, 2019

	Business-Type Activities - Enterprise Funds				Governmental
	Electric Utility Fund	Water and Wastewater Utility Fund	Other Enterprise Fund	Total	Activities - Internal Service Self- Insurance Fund
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers and users	\$ 156,959,591	\$ 61,264,203	\$ 2,357,913	\$ 220,581,707	\$ -
Receipts from interfund services provided	-	-	-	-	21,017,328
Payments to other funds	(1,126,800)	(1,235,052)	-	(2,361,852)	-
Payments to suppliers	(122,226,465)	(43,059,778)	(1,500,151)	(166,786,394)	(22,198,227)
Payments to employees	(13,713,930)	(9,526,606)	(466,633)	(23,707,169)	(341,886)
Net cash from operating activities	19,892,396	7,442,767	391,129	27,726,292	(1,522,785)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Operating grant	-	260,330	-	260,330	-
Net cash from noncapital financing activities	-	260,330	-	260,330	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Purchases of capital assets	(6,220,866)	(1,546,118)	-	(7,766,984)	-
Payments of bond principal	(3,142,901)	(1,836,915)	-	(4,979,816)	-
Payment of bond interest	(808,453)	(854,520)	-	(1,662,973)	-
Net cash from capital and related financing activities	(10,172,220)	(4,237,553)	-	(14,409,773)	-
CASH FLOWS FROM INVESTING ACTIVITIES					
Net interest received	1,779,766	784,331	200,774	2,764,871	41,751
Net cash from investing activities	1,779,766	784,331	200,774	2,764,871	41,751
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	11,499,942	4,249,875	591,903	16,341,720	(1,481,034)
CASH AND CASH EQUIVALENTS, JANUARY 1	26,778,473	14,072,378	4,294,354	45,145,205	2,089,384
CASH AND CASH EQUIVALENTS, DECEMBER 31	\$ 38,278,415	\$ 18,322,253	\$ 4,886,257	\$ 61,486,925	\$ 608,350

(This statement is continued on the following page.)

CITY OF NAPERVILLE, ILLINOIS

STATEMENT OF CASH FLOWS (Continued)
 PROPRIETARY FUNDS

For the Year Ended December 31, 2019

	Business-Type Activities - Enterprise Funds				Governmental
	Electric Utility Fund	Water and Wastewater Utility Fund	Other Enterprise Fund	Total	Activities - Internal Service Self- Insurance Fund
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES					
Operating income (loss)	\$ (1,636,494)	\$ (2,610,719)	\$ 79,351	\$ (4,167,862)	\$ (3,565,144)
Adjustments to reconcile operating income (loss) to net cash from operating activities					
Other non-operating revenues					
Capital fees	3,321,726	1,080,359	-	4,402,085	-
Depreciation and amortization expense	14,812,539	9,734,474	247,097	24,794,110	-
(Increase) decrease in assets and deferred outflows of resources	6,458,642	2,217,749	(10,684)	8,665,707	286
Increase (decrease) in liabilities and deferred inflows of resources	(3,064,017)	(2,979,096)	75,365	(5,967,748)	2,042,073
Total adjustments	21,528,890	10,053,486	311,778	31,894,154	2,042,359
NET CASH FROM OPERATING ACTIVITIES	\$ 19,892,396	\$ 7,442,767	\$ 391,129	\$ 27,726,292	\$ (1,522,785)
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES					
Capital assets acquired through accounts payable	322,650	209,743	-	532,393	-
TOTAL NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES	\$ 322,650	\$ 209,743	\$ -	\$ 532,393	\$ -

See accompanying notes to financial statements.

CITY OF NAPERVILLE, ILLINOIS

**STATEMENT OF FIDUCIARY NET POSITION
PENSION TRUST FUNDS**

December 31, 2019

ASSETS	
Cash and short-term investments	<u>\$ 21,394,667</u>
Receivables	
Interest receivable	<u>956,669</u>
Total receivables	<u>956,669</u>
Investments at fair value	
U.S. Treasury obligations	50,144,868
U.S. Government agencies	21,197,025
Municipal bonds	2,692,256
Corporate bonds	40,893,782
Annuities	33,595,054
Common stock	24,601,063
Mutual funds	198,108,952
Negotiable certificates of deposit	<u>175,346</u>
Total investments	<u>371,408,346</u>
Due from municipality	86,084
Prepaid items	<u>13,296</u>
Total assets	393,859,062
LIABILITIES	
Accounts payable	<u>47,275</u>
NET POSITION RESTRICTED FOR PENSIONS	<u><u>\$ 393,811,787</u></u>

See accompanying notes to financial statements.

CITY OF NAPERVILLE, ILLINOIS

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION TRUST FUNDS**

For the Year Ended December 31, 2019

ADDITIONS

Contributions	
Employer	\$ 16,186,608
Employee	<u>3,763,677</u>
Total contributions	<u>19,950,285</u>
Investment income	
Net appreciation in fair value of investments	49,661,129
Interest and dividends	<u>9,041,431</u>
Total investment income	58,702,560
Less investment expense	<u>581,087</u>
Net investment income	<u>58,121,473</u>
Other income	<u>1,330</u>
Total additions	<u>78,073,088</u>

DEDUCTIONS

Pension benefits	17,977,812
Refunds of contributions	101,422
Administrative expense	<u>214,563</u>
Total deductions	<u>18,293,797</u>

NET INCREASE 59,779,291

NET POSITION RESTRICTED FOR PENSIONS

January 1	<u>334,032,496</u>
December 31	<u><u>\$ 393,811,787</u></u>

See accompanying notes to financial statements.

CITY OF NAPERVILLE, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Naperville, Illinois (the City) was incorporated in 1857. The City is a home-rule community operating under a council-manager form of government. The City Council is comprised of the Mayor and eight council members. The City provides services to the community which includes: police, fire, electric utility, water and wastewater utility, community development, street maintenance, refuse and recycling, transportation planning, and general services. The following significant accounting policies apply to the City and its component unit, the Naperville Public Library.

a. Reporting Entity

The City follows accounting principles generally accepted in the United States of America established by the Governmental Accounting Standards Board (GASB). The financial reporting entity consists of the primary government, as well as its component units, which are legally separate organizations for which the elected officials of the primary government are financially accountable. Financial accountability is defined as:

1. Appointment of a voting majority of the component unit's board, and either (a) the ability to impose will by the primary government or (b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government; or
2. Fiscal dependency on the primary government and there is a potential to provide specific financial benefits or to impose specific financial burdens.

The accompanying financial statements present the City of Naperville, Illinois (the primary government) and its component units. The financial data of the component unit is included in the City's reporting entity because of the significance of its operational or financial relationship with the City.

Blended Component Unit

A blended component unit is a legally separate entity from the City, but is so intertwined with the City that it is, in substance, the same as the City. The City has no blended component units.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

a. Reporting Entity (Continued)

Discretely Presented Component Unit

A discretely presented component unit is an entity that is legally separate from the City, but for which the City is financially accountable, or whose relationship with the City is such that exclusion would cause the City's basic financial statements to be misleading or incomplete. The City's discretely presented component unit is reported in a separate column to emphasize that it is legally separate from the City.

Naperville Public Library (the Library) - The Library is governed by a nine-member Board of Trustees appointed by the City's Mayor. The Library is financially accountable to the City as the City's approval is needed for the levy of property taxes for the Library operations and to issue bonded debt on behalf of the Library. Separately audited financial statements of the Library are not available.

Fiduciary Component Units

Police Pension Employees Retirement System

The City's police employees participate in the Police Pension Employees Retirement System (PPERS). PPERS functions for the benefit of these employees and is governed by a five-member pension board. Two members are appointed by the City's Mayor, one elected by pension beneficiaries, and two elected police employees constitute the pension board. The City is obligated to fund all PPERS costs not funded by PPERS participants based upon actuarial valuations, which creates a financial burden on the City. The State of Illinois is authorized to establish benefit levels and the City is authorized to approve the actuarial assumptions used in the determination of contribution levels, which results in the PPERS being fiscally dependent upon the City. PPERS is reported as a pension trust fund. PPERS issues a stand-alone financial report.

Firefighters' Pension Employees Retirement System

The City's sworn firefighters participate in the Firefighters' Pension Employees Retirement System (FPERS). FPERS functions for the benefit of these employees and is governed by a five-member pension board. Two members are appointed by the City's Mayor, one elected pension beneficiary, and two elected fire employees constitute the pension board. The City is obligated to fund all FPERS costs not funded by FPERS participants based upon actuarial valuations, which creates a financial on the City. The State of Illinois is authorized to establish benefit levels and the City is authorized to approve the actuarial assumptions used in the determination of contribution levels, which results in the FPERS being fiscally dependent on the City. FPERS is reported as a pension trust fund. FPERS issues a stand-alone financial report.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b. Basis of Presentation

Government-Wide Financial Statements - The government-wide statement of net position and statement of activities report the overall financial activity of the City and its component units, excluding fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities of the City. Interfund services provided and used are not eliminated on these statements. These statements distinguish between the governmental and business-type activities of the City. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties. Additionally, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

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

Fund Financial Statements - The fund financial statements provide information about the City's funds, including its fiduciary funds. Separate statements for each fund category-governmental, proprietary, and fiduciary are presented. The emphasis on fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies and investment earnings, result from non-exchange transactions or ancillary activities. Operating expenses include all expenses directly related to providing enterprise fund services. Incidental expenses are reported as non-operating expenses.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b. Basis of Presentation (Continued)

The City reports the following major governmental funds:

General Fund - This fund is the general operating fund of the City. The general fund should be used to account for and report all financial resources not accounted for and reported in another fund.

Debt Service Fund - This fund is funded by a property tax restricted to the payment of principal and interest on general obligation bonds in accordance with the bond ordinance authorizing the issuance of the bonds.

The City reports the following major proprietary funds:

Electric Utility Fund - This fund accounts for the City's electric transmission and distribution operations.

Water and Wastewater Utility Fund - This fund accounts for the City's water and sewerage operations. The City operates the sewerage treatment plant, sewerage pumping stations, and collection systems and the water distribution system.

Additionally, the City reports the following fund types:

Internal Service Fund - This fund account for self-insurance services that are provided to other departments of the City on a cost-reimbursement basis.

Pension Trust Funds - These funds account for the accumulation of retirement and disability benefits for police and firefighters' pension plans.

c. Measurement Focus and Basis of Accounting

The government-wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Non-exchange transactions, in which the City receives value without directly giving equal value in exchange, include property tax revenue, grants, and other contributions. On an accrual basis, revenues from property taxes are recognized in the period for which the levy is intended to finance, which is the year after the taxes are levied. For example, the 2018 levy is recognized as revenue for the fiscal year ended December 31, 2019. Revenue from grants and other contributions are recognized in the fiscal year in which all

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c. Measurement Focus and Basis of Accounting (Continued)

eligibility requirements imposed by the provider have been met. Eligibility requirements include timing requirements, which 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 City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues, except for property taxes, to be available if they are collected within 90 days of the end of the current fiscal period. Revenues for property taxes are considered to be available if they are collected within 60 days of the end of the current fiscal year for the year intended to finance. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, principal and interest on general long-term debt, claims and judgments are recorded only when payment is due. Compensated absences are recorded only when retirement or separation has occurred. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, sales tax, utilities taxes, motor fuel taxes, hotel/motel tax, food and beverage tax, E-911 surcharge, franchise taxes, ambulance fee, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports unavailable/unearned and deferred revenue on its financial statements. Unavailable/unearned and deferred revenues arise when a potential revenue does not meet both the measurable and available or earned criteria for recognition in the current period. Unavailable/unearned and deferred revenues also arise when the resources are received by the City before it has a legal claim to them or prior to the provision of services as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the City has a legal claim to the resources, the liability or deferred inflow is removed from the financial statements and revenue is recognized.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d. Cash and Cash Equivalents

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

e. Investments

State statutes and the City's investment policy authorize the City to invest in obligations of the U.S. Treasury, agencies, and instrumentalities; state and local obligations rated within the two highest classifications established by Moody's, Standard & Poor's, and Fitch; commercial paper rated AAA 1, 2, or 3; repurchase agreements; non-negotiable certificates of deposits; money market accounts; and pooled investment funds. The pension trust funds investment policies also allow them to hold deposits in any bank insured by the FDIC and to invest in common and preferred stocks, corporate bonds, convertible debt securities, real estate investment trusts, mutual funds, insured separate accounts, and direct obligations of the U.S. Government including GNMA securities.

The City's and pension trust fund investment policies also require collateral for all deposits unless FDIC coverage is available. The collateral must have a market value of not less than 100% of all deposits. Bank of America holds the collaterals in the names of the City of Naperville, the Naperville Police Pension Fund, and the Naperville Firefighters' Pension Fund.

Investments are generally reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Short-term investments are reported at cost, which approximates fair value. For investments, the City categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs valued using quoted matrix pricing models; Level 3 inputs are significant unobservable inputs.

The Illinois Public Treasurers' Investment Pool, known as The Illinois Funds, operates as a qualified external investment pool in accordance with the criteria established in GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, and thus, reports all investments at amortized cost rather than fair value. The investment in The Illinois Funds by participants is also reported at amortized cost. The Illinois Funds does not have any limitations or restrictions on participant withdrawals. The Illinois Treasurer's Office issues a separate financial report for The Illinois Funds which may be obtained by contacting the Administrative Office at Illinois Business Center, 400 West Monroe Street, Suite 401, Springfield, Illinois 62704.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

e. Investments (Continued)

Illinois Metropolitan Investment Fund (IMET) is a not-for-profit investment trust formed pursuant to the Illinois Municipal Code and managed by a Board of Trustees elected from the participating members. Investments in IMET are valued at IMET's share price, the price for which the investment could be sold.

f. Unbilled Receivables

Estimated sales for electric, water, and wastewater usage prior to December 31, 2019, which are unbilled at year end, are recognized as current year revenue and are included in accounts receivables.

g. Interfund Transactions

The City has the following types of interfund transactions:

Loans - amounts provided with a requirement for repayment. If repayment is expected within one year, interfund loans are reported as interfund receivables (i.e., due from other funds) in lender funds and interfund payables (i.e., due to other funds) in borrower funds. If repayment is expected in more than one year, the amounts are reported as advances.

Services Provided and Used - sales and purchases of goods and services between funds for a price approximating their external exchange value. Interfund services provided and used are reported as revenues in seller funds and expenditures or expenses in purchaser funds. Unpaid amounts are reported as interfund receivables and payables in the fund balance sheets or fund statements of net position.

Reimbursements - repayments from the funds responsible for particular expenditures or expenses to the funds that initially paid for them. Reimbursements are reported as expenditures in the reimbursing fund and as a reduction of expenditures in the reimbursed fund.

Transfers - flows of assets (such as cash or goods) without equivalent flows of assets in return and without a requirement for repayment. In governmental funds, transfers are reported as other financing uses in the funds making transfers and as other financing sources in the funds receiving transfers. In proprietary funds, transfers are reported after nonoperating revenues and expenses.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

h. Inventory and Prepaid Items

Inventory, such as spare parts for electric, waterlines, and vehicles, is accounted for using the consumption method and is valued using a weighted average cost. Inventory reported in the governmental funds is not available for appropriation and therefore results in nonspendable fund balance.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items using the consumption method in both government-wide and fund financial statements.

i. Capital Assets

Capital assets, which include property, plant, equipment, infrastructure assets (e.g., roads, bridges, traffic controls, drainage systems, and similar items), and IMEA participation right and other intangible assets, reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 for buildings, building improvements, and equipment, and \$25,000 for infrastructure with an estimated useful life in excess of two years. The capitalization threshold for the Library assets is \$1,000 except for the IT related items which threshold is under \$1,000. Purchased capital assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets are valued at their acquisition value on the date received.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized, whereas improvements extending the useful lives of the related capital assets are capitalized.

Capital assets of the City and its component unit (Naperville Public Library) are depreciated using the straight-line method over the following useful lives:

	<u>Years</u>
Building and building improvements	20-40
Equipment	3-12
Infrastructure	25-50
IMEA participation right	25

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

j. Compensated Absences

The liability for compensated absences reported in the government-wide and proprietary fund statements consists of unpaid, accumulated vacation and sick leave balances. Using the termination method, the City accrues the earned benefits to the extent it is probable that the benefits will result in termination cash payments. The general fund typically has been used to liquidate the governmental activities compensated absences.

Employees hired prior to June 9, 2001, are eligible to be covered under a traditional vacation and sick leave benefit plan. Vacation leave is tied to years of service, with a minimum of two weeks and a maximum of five weeks. Sick leave benefit days vary from 12 days per year for members of the Fraternal Order of Police Union to 15 days for all other union and non-union employees, except for sworn firefighters working 24-hour shifts. Firefighters earn seven shift days per year each January 1.

Employees hired between June 9, 2001 and July 1, 2011, and existing employees who made a one-time election to switch to a paid time off (PTO) program prior to June 9, 2001 are covered by a combination of PTO and sick leave benefits. PTO days are based upon years of service, with a minimum of 15 PTO days per year, while the amount of sick leave is fixed at ten days per year. Certain unions elected into the PTO plan, while others made it optional for employees hired after June 9, 2001. All sworn firefighters working shifts are not eligible to participate in the PTO plan. Under both plans, the maximum accrual of vacation or PTO is equal to 160% of annual accrued leave.

Sick leave benefits can accumulate on an unlimited basis for employees in the traditional plan, but are limited to 120 days for those in the PTO plan. Upon retirement, the City cashes out up to 90 days of sick leave for employees as a retirement bonus. Members of the Fraternal Order of Police upon retirement can cash out up to 120 days. For sworn firefighters on shifts, they can cash out up to 42 shift days as a retirement bonus. Library employees may not accumulate sick time beyond one year.

Employees hired after July 1, 2011 are on a PTO plan that eliminates the distinction between vacation and sick leave. The PTO plan eliminates all future sick leave payouts. The plan provides fifteen (15) days of PTO accrued annually, and includes all time off with the exception of recognized holidays and funeral leave.

k. Deposits

The City receives deposits from contractors performing work in the City. These deposits are recorded within the General Fund.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

l. Bond Premiums, Discounts, and Issuance Costs

In the government-wide and proprietary fund financial statements, bond premiums, and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

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 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.

m. Fund Balance/Net Position

Governmental funds equity is classified as fund balance. Fund balance is further classified as nonspendable, restricted, committed, assigned, or unassigned. Nonspendable fund balance is reported for amounts that are either not in spendable form or legally or contractually required to be maintained intact. Restrictions of fund balance are reported for amounts constrained by legal restrictions from outside parties for use for a specific purpose, or externally imposed by outside entities. Committed fund balance is constrained by formal actions of the City Council, which is considered the City's highest level of decision making authority. Formal actions include ordinances approved by the City Council. Assigned fund balance represents amounts constrained by the City's intent to use them for a specific purpose. The authority to assign fund balance has been delegated to the City's finance director through the approved fund balance policy of the City. Any residual fund balance of the General Fund and any deficits in other funds, if any, are reported as unassigned.

The City's flow of funds assumption prescribes that the funds with the highest level of constraint are expended first. If restricted or unrestricted funds are available for spending, the restricted funds are spent first. Additionally, if different levels of unrestricted funds are available for spending, the City considers committed funds to be expended first followed by assigned and then unassigned funds.

The City has a policy to maintain fund balance in the General Fund equal to 20% for the subsequent year's appropriations, net of interfund transfers as of December 31 each year. As noted in GASB Statement No. 54, fund balance policies in the General Fund are reported as unassigned but disclosed in the notes.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

m. Fund Balance/Net Position (Continued)

In the government-wide and proprietary fund financial statements, restricted net position is legally restricted by outside parties for a specific purpose. Net investment in capital assets, represents the City's investment in the book value of capital assets, less any outstanding debt that was issued to construct or acquire the capital asset. Unrestricted net position consists of net position that does not meet the definition of restricted or invested in capital assets, net of related debt. None of the restricted net position or restricted fund balance results from enabling legislation adopted by the City except for the fund balance of \$7,183 in the Fair Share Assessment Fund and the fund balance of \$888,071 in the Food and Beverage Tax Fund.

n. Property Taxes

Property taxes are levied each year on all taxable real property located in the City. The City must file its tax levy ordinance by the last Tuesday of December of each year. The owner of real property on January 1 (lien date) in any year is liable for taxes of that year. Property taxes are collected by the DuPage and Will County Collectors/Treasurers who remit to the City its share of the collection. Taxes levied for calendar year 2018 were due, payable, and collected in two installments in June and September 2019.

Revenue for property taxes is recognized in the governmental funds in the year for which the taxes are intended to finance and the funds are available. Accordingly, the City recognized revenue during the fiscal year ended December 31, 2019 for collections from the calendar year 2018 levy if it was received by year end. Property taxes levied for calendar year 2019, which will be collected in fiscal year 2020 are recorded as receivables and unavailable revenue.

o. Deferred Outflows/Inflows of Resources

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

p. Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumption that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

2. DEPOSITS AND INVESTMENTS

The City maintains a cash and investment pool that is available for use by all funds. Each fund’s portion of this pool is displayed in the basic financial statements as “cash and investments.”

a. Deposits

The City’s, the Library’s, and pension funds’ investment policies require all uninsured deposits with financial institutions, unless FDIC coverage is available, to be covered by collateral by up to 100%, with the collateral held by an independent third party acting as the City’s agent and held in the name of the City, the Library, and pension funds, respectively.

b. Investments

The following table presents the investments and durations of the debt securities of the City and the Library as of December 31, 2019.

City and Library

Investment Type	Fair Value	Modified Duration (Years)
U.S. Treasury and agency securities	\$ 100,264,739	6.40

The City has the following recurring fair value measurements as of December 31, 2019:

- U.S. Treasury securities of \$37,684,671 are valued using quoted market prices (Level 1 inputs)
- U.S. agency securities of \$62,580,068 are valued using significant other observable inputs (Level 2 inputs)

The relationship between the City, or the Police or Firefighters’ Pension Funds and the investment agent is a direct contractual relationship.

CITY OF NAPERVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

2. DEPOSITS AND INVESTMENTS (Continued)

b. Investments (Continued)

Police Pension

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	More Than 10
U.S. Treasury obligations	\$ 24,825,019	\$ 7,086,083	\$ 10,051,757	\$ 7,687,179	\$ -
U.S. agency obligations	6,407,908	22,817	1,251,202	1,251,747	3,882,142
Municipal bonds	1,536,805	101,462	451,208	681,512	302,623
Corporate bonds	24,119,922	747,186	9,813,471	11,032,623	2,526,642
Negotiable CD's	175,346	175,346	-	-	-
TOTAL	\$ 57,065,000	\$ 8,132,894	\$ 21,567,638	\$ 20,653,061	\$ 6,711,407

The Police Pension Fund has the following recurring fair value measurements as of December 31, 2019:

Investment by Fair Value Level	December 31	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Debt securities				
U.S. Treasury obligations	\$ 24,825,019	\$ 24,825,019	\$ -	\$ -
U.S. agency obligations	6,407,908	-	6,407,908	-
Municipal bonds	1,536,805	-	1,536,805	-
Corporate bonds	24,119,922	-	24,119,922	-
Equity securities				
Annuity contract	16,930,465	-	-	16,930,465
Equity mutual funds	112,108,060	112,108,060	-	-
Negotiable CD's	175,346	-	175,346	-
TOTAL INVESTMENTS MEASURED AT FAIR VALUE	\$ 186,103,525	\$ 136,933,079	\$ 32,239,981	\$ 16,930,465

Firefighters' Pension

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	More Than 10
U.S. Treasury obligations	\$ 25,319,849	\$ 6,832,748	\$ 9,014,130	\$ 9,287,213	\$ 185,758
U.S. agency obligations	14,789,117	392,741	3,323,966	4,408,514	6,663,896
Municipal bonds	1,155,451	-	322,774	513,285	319,392
Corporate bonds	16,773,860	787,243	8,217,670	6,900,196	868,751
TOTAL	\$ 58,038,277	\$ 8,012,732	\$ 20,878,540	\$ 21,109,208	\$ 8,037,797

CITY OF NAPERVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

2. DEPOSITS AND INVESTMENTS (Continued)

b. Investments (Continued)

Firefighters' Pension (Continued)

The Firefighters' Pension Fund has the following recurring fair value measurements as of December 31, 2019:

Investment by Fair Value Level	December 31	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Debt securities				
U.S. Treasury obligations	\$ 25,319,849	\$ 25,319,849	\$ -	\$ -
U.S. agency obligations	14,789,117	-	14,789,117	-
Municipal bonds	1,155,451	-	1,155,451	-
Corporate bonds	16,773,860	-	16,773,860	-
Equity securities				
Annuity contract	16,664,589	16,664,589	-	-
Common stock	24,601,063	24,601,063	-	-
Equity mutual funds	86,000,892	86,000,892	-	-
TOTAL INVESTMENTS MEASURED AT FAIR VALUE	\$ 185,304,821	\$ 152,586,393	\$ 32,718,428	\$ -

The investments in the securities of U.S. Government agencies were all rated A3 to AAA by Moody's Investors Services. The municipal bonds were rated at or above A2 by Moody's Investors Services. Corporate bonds were rated at or above Baa3 by Moody's Investors Services.

Interest Rate Risk - Interest rate risk is the risk that change in interest rates will adversely affect the fair value of an investment. In accordance with the City's investment policy, the City invests in mortgage-backed securities. These securities are reported at fair value and are based on the cash flows from interest and principal payments by the underlying mortgages. As a result, they are sensitive to prepayments by mortgagees, which may result from a decline in interest rates. For example, if interest rates decline and homeowners refinance mortgages, thereby prepaying the mortgages underlying these securities, the cash flow from interest payments is reduced and the value of these securities declines. Likewise, if homeowners pay on mortgages longer than anticipated, the cash flows are greater and the return on the initial investment would be higher than anticipated. The City invests in mortgage-backed securities to diversify the portfolio and to increase the return while minimizing the extent of risk.

2. DEPOSITS AND INVESTMENTS (Continued)

b. Investments (Continued)

Through its investment policy, the City manages its exposure to fair value losses arising from increasing interest rates by limiting the weighted average duration to no more than four years. Interest rate risk for investments held by the Police and Firefighters' Pension Funds is managed by establishing investment parameters for the investment managers.

Custodial Credit Risk - Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the City will not be able to recover the value of its investments that are in possession of an outside party. To limit its exposure, the City and the Police and Firefighters' Pension Funds investment policies require all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment (DVP) basis with the underlying investments held by a third party acting as the City's or Police and Firefighters' Pension Fund's agent separate from where the investment was purchased.

Credit Risk - The City's investment and cash management policy, as well as the investment policies of the Police and Firefighters' Pension Funds, prescribe to the "prudent person" rule, which states "Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived." The City and the Police and Firefighters' Pension Funds limits their exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing in obligations guaranteed by the United States Government or securities issued by agencies of the United States Government that are explicitly guaranteed by the United States Government. The Police and Firefighters' Pension investment policies also allow investment grade corporate bonds rated at or above BBB-by Standard and Poor's, Baa3 by Moody's; and BBB-by Fitch by at least two of the three rating agencies. However, the City's and the Police and Firefighters' Pension Funds' investment policies do not specifically limit the City and Police and Firefighters' Pension Funds to these types of investments.

Concentration of Credit Risk - The City's investment policy follows the requirements of the State of Illinois Public Funds Investment Act, which prescribes allowable investment vehicles. No single investment, except those guaranteed by the United States Government, may exceed 5% of the fund's total market value. The Police and Firefighters' Pension Funds each have separate investment policies, which establish criteria for allowable investments. Both funds follow the requirements of the Illinois Pension Code. There are no significant investments (other than U.S. Government guaranteed obligations) in any one organization that represent 5% or more of net position available for benefits except for the investments listed on the next page.

CITY OF NAPERVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

2. DEPOSITS AND INVESTMENTS (Continued)

b. Investments (Continued)

Police Pension Fund

Investment	Amount
Vanguard Institutional Index Fund	\$ 29,706,821
Vanguard Small Cap Fund	12,370,752
Vanguard Mid Cap Fund	12,369,332
Vanguard Index Fund	11,261,106
DFA Emerging Markets Core Equity	9,866,025
Pimco All Asset Fund	9,338,324
American Europacific Growth Fund	12,296,846
Principal Annuity Contract	16,930,465

Firefighter's Pension Fund

There are no significant investments (other than U.S. Government guaranteed obligations) in any one organization that represent 5% or more of net position available for benefits.

The Police Pension Fund's investment policy in accordance with Illinois Compiled Statutes (ILCS) establishes the following target allocation across asset classes:

Asset Class	Target	Long-Term Expected Real Return
Fixed income	35.00%	2.10%
Domestic equities	32.50%	5.60%
International equities	17.50%	5.80%
Real estate	10.00%	3.70%
Global tactical	5.00%	5.00%

ILCS limit the Police Pension Fund's investments in equities, mutual funds, and variable annuities to 65%. Securities in any one company should not exceed 5% of the total fund.

2. DEPOSITS AND INVESTMENTS (Continued)

b. Investments (Continued)

The long-term expected rate of return on the Police Pension Fund’s investments was determined using an asset allocation study conducted by the Police Pension Fund’s investment management consultant in which best estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) were developed for each major assets class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates or arithmetic real rates of return for each major asset class included in the Police Pension Fund’s target asset allocation as of December 31, 2019 are listed in the table on the previous page.

For the fiscal year ended December 31, 2019, the annual money-weighted rate of return on police pension plan investments, net of pension plan investment expense, was 16.89%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

The Firefighters’ Pension Fund’s investment policy in accordance with ILCS establishes the following target allocation across asset classes:

Asset Class	Target	Long-Term Expected Real Return
Fixed income	35.00%	2.10%
Domestic equities	32.50%	5.60%
International equities	17.50%	5.80%
Real estate	10.00%	3.70%
Global tactical	5.00%	5.00%
Cash and cash equivalents	0.00%	0.70%

ILCS limit the Firefighters’ Pension Fund’s investments in equities, mutual funds, and variable annuities to 65%. Securities in any one company should not exceed 5% of the total fund.

2. DEPOSITS AND INVESTMENTS (Continued)

b. Investments (Continued)

The long-term expected rate of return on the Firefighters’ Pension Fund’s investments was determined using an asset allocation study conducted by the Firefighters’ Pension Fund’s investment management consultant in which best estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) were developed for each major assets class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates or arithmetic real rates of return for each major asset class included in the Firefighters’ Pension Fund’s target asset allocation as of December 31, 2019 are listed in the table on the previous page.

For the fiscal year ended December 31, 2019, the annual money-weighted rate of return on the Firefighters’ Pension Plan investments, net of pension plan investment expense, was 17.67%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

3. RECEIVABLES

a. Installment Loans

The outstanding loans that are not expected to be collected within one year of December 31, 2019 are as follows:

	Term	Due	Amount
Loan to the SSA 26 property owners	Various	Various	\$ 23,729
Electric loans	Various	Various	1,005,328

CITY OF NAPERVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

4. CAPITAL ASSETS

A summary of changes in capital assets of the City and the Library for the fiscal year ended December 31, 2019 is as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
GOVERNMENTAL ACTIVITIES				
Capital assets not being depreciated				
Land	\$ 19,412,947	\$ -	\$ -	\$ 19,412,947
Land - infrastructure	161,526,935	-	-	161,526,935
Construction in progress	8,802,259	3,385,017	2,990,413	9,196,863
Total capital assets not being depreciated	189,742,141	3,385,017	2,990,413	190,136,745
Capital assets being depreciated				
Land improvements	5,456,271	-	-	5,456,271
Buildings	155,927,355	893,460	-	156,820,815
Equipment	60,183,340	3,230,666	638,079	62,775,927
Infrastructure	481,431,254	5,199,451	-	486,630,705
Total capital assets being depreciated	702,998,220	9,323,577	638,079	711,683,718
Less accumulated depreciation for				
Land improvements	2,252,039	361,525	-	2,613,564
Buildings	65,645,698	3,932,911	-	69,578,609
Equipment	45,962,157	2,684,864	590,638	48,056,383
Infrastructure	273,723,773	12,910,412	-	286,634,185
Total accumulated depreciation	387,583,667	19,889,712	590,638	406,882,741
Total capital assets being depreciated, net	315,414,553	(10,566,135)	47,441	304,800,977
GOVERNMENTAL ACTIVITIES				
CAPITAL ASSETS, NET	\$ 505,156,694	\$ (7,181,118)	\$ 3,037,854	\$ 494,937,722

Depreciation expense for governmental activities for the fiscal year ended December 31, 2019 was charged to functions as follows:

General government	\$ 2,585,662
Physical environment	1,988,971
Public safety	1,790,074
Culture and recreation	994,486
Transportation	12,530,519
TOTAL	\$ 19,889,712

CITY OF NAPERVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

4. CAPITAL ASSETS (Continued)

	Beginning Balances	Increases	Decreases	Ending Balances
BUSINESS-TYPE ACTIVITIES -				
ELECTRIC UTILITY				
Capital assets not being depreciated				
Land	\$ 3,836,327	\$ -	\$ -	\$ 3,836,327
Construction in progress	7,361,630	432,789	-	7,794,419
Total capital assets not being depreciated	11,197,957	432,789	-	11,630,746
Capital assets being depreciated				
Building and building improvements	7,707,096	-	-	7,707,096
Equipment	14,953,400	78,664	-	15,032,064
Infrastructure	417,585,480	2,654,070	-	420,239,550
Total capital assets being depreciated	440,245,976	2,732,734	-	442,978,710
Less accumulated depreciation for				
Building and building improvements	5,351,981	210,136	-	5,562,117
Equipment	13,901,388	161,560	-	14,062,948
Infrastructure	213,527,214	11,531,232	-	225,058,446
Total accumulated depreciation	232,780,583	11,902,928	-	244,683,511
Total capital assets being depreciated, net	207,465,393	(9,170,194)	-	198,295,199
BUSINESS-TYPE ACTIVITIES -				
ELECTRIC UTILITY CAPITAL				
ASSETS, NET				
	\$ 218,663,350	\$ (8,737,405)	\$ -	\$ 209,925,945
BUSINESS-TYPE ACTIVITIES -				
WATER AND WASTEWATER UTILITY				
Capital assets not being depreciated				
Land	\$ 2,565,671	\$ -	\$ -	\$ 2,565,671
Construction in progress	16,489,813	1,421,690	1,242,203	16,669,300
Total capital assets not being depreciated	19,055,484	1,421,690	1,242,203	19,234,971
Capital assets being depreciated				
Equipment	11,651,000	183,039	-	11,834,039
Infrastructure	447,757,509	1,393,335	-	449,150,844
Total capital assets being depreciated	459,408,509	1,576,374	-	460,984,883
Less accumulated depreciation for				
Equipment	9,667,252	387,717	-	10,054,969
Infrastructure	252,169,231	9,346,757	-	261,515,988
Total accumulated depreciation	261,836,483	9,734,474	-	271,570,957
Total capital assets being depreciated, net	197,572,026	(8,158,100)	-	189,413,926
BUSINESS-TYPE ACTIVITIES -				
WATER AND WASTEWATER UTILITY				
CAPITAL ASSETS, NET				
	\$ 216,627,510	\$ (6,736,410)	\$ 1,242,203	\$ 208,648,897

CITY OF NAPERVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

4. CAPITAL ASSETS (Continued)

	Beginning Balances	Increases	Decreases	Ending Balances
BUSINESS-TYPE ACTIVITIES -				
OTHER ENTERPRISE				
Capital assets not being depreciated				
Land	\$ 10,925,831	\$ -	\$ -	\$ 10,925,831
Total capital assets not being depreciated	10,925,831	-	-	10,925,831
Capital assets being depreciated				
Building and building improvements	6,460,233	-	-	6,460,233
Machinery and equipment	1,420,847	-	-	1,420,847
Total capital assets being depreciated	7,881,080	-	-	7,881,080
Less accumulated depreciation for				
Building and building improvements	5,543,574	175,013	-	5,718,587
Machinery and equipment	699,745	72,084	-	771,829
Total accumulated depreciation	6,243,319	247,097	-	6,490,416
Total capital assets being depreciated, net	1,637,761	(247,097)	-	1,390,664
Total other enterprise net capital assets	12,563,592	(247,097)	-	12,316,495
BUSINESS-TYPE ACTIVITIES -				
OTHER ENTERPRISE CAPITAL				
ASSETS, NET	\$ 447,854,452	\$ (15,720,912)	\$ 1,242,203	\$ 430,891,337
	Beginning Balances	Increases	Decreases	Ending Balances
COMPONENT UNIT - NAPERVILLE				
PUBLIC LIBRARY				
Capital assets being depreciated				
Building and building improvements	\$ 16,816,578	\$ 37,397	\$ -	\$ 16,853,975
Machinery and equipment	2,233,236	65,415	42,351	2,256,300
Total capital assets being depreciated	19,049,814	102,812	42,351	19,110,275
Less accumulated depreciation for				
Building and building improvements	6,970,207	830,053	-	7,800,260
Machinery and equipment	1,327,263	133,841	41,955	1,419,149
Total accumulated depreciation	8,297,470	963,894	41,955	9,219,409
COMPONENT UNIT - NAPERVILLE				
PUBLIC LIBRARY CAPITAL ASSETS, NET	\$ 10,752,344	\$ (861,082)	\$ 396	\$ 9,890,866

CITY OF NAPERVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

5. INTERFUND BALANCES AND ACTIVITY

a. Balances Due to/from Other Funds

Balances due to/from other funds at December 31, 2019 were as follows:

Receivable Fund	Payable Fund	Amount
General	Test Track Fund	\$ 65,702
General	Community Development Block Grant Fund	92,926
TOTAL		<u>\$ 158,628</u>

Balances due from Test Track Fund (Nonmajor Governmental) and Community Development Block Grant Fund (Nonmajor Governmental) to General are to cover cash accounts temporarily overdrawn at year end.

b. Advances

Advances at December 31, 2019 were as follows:

Receivable Fund	Payable Fund	Amount
General	Special Service Area #25 Fund	\$ 521,153
Bond Project Fund	Special Service Area #30 Fund	74,318
Bond Project Fund	Special Service Area #31 Fund	294,855
TOTAL		<u>\$ 890,326</u>

Balances due from Special Service Area #25 (Nonmajor Governmental) to General are to cover cash accounts overdrawn at year end. Balances due from Special Service Area #30 (Nonmajor Governmental) Special Service Area #31 (Nonmajor Governmental) to Bond Project are to cover cash accounts overdrawn at year end.

c. Transfers to/from Other Funds

Interfund transfers for the fiscal year ended December 31, 2019 were as follows:

Transfers In	Transfers Out	Amount
Bond Project Fund	Water Street TIF Fund	\$ 4,433,040
Debt Service Fund	Water Street TIF Fund	264,845
Debt Service Fund	Special Service Area #23 Fund	66,087
Debt Service Fund	Food and Beverage Fund	970,531
Debt Service Fund	Special Service Area #25 Fund	68,047
Special Service Area #26 Fund	General Fund	1,108,709
TOTAL		<u>\$ 6,911,259</u>

CITY OF NAPERVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

5. INTERFUND BALANCES AND ACTIVITY (Continued)

c. Transfers to/from Other Funds (Continued)

The purpose of significant transfers is as follows:

- \$4,433,040 was transferred from the Water Street TIF Fund to the Bond Project Fund for capital projects. This transfer will not be repaid.
- \$1,369,510 was transferred from the Food and Beverage Tax Fund (\$970,531), Water Street TIF Fund (\$264,845), Special Service Area # 23 Fund (\$66,087), and Special Service Area #25 Fund (\$68,047) to the Debt Service Fund for debt service payments. This transfer will not be repaid.
- \$1,108,709 transferred from the General Fund to the Special Service Area #26 - Downtown Maintenance Fund for the City's subsidy of the downtown maintenance. This transfer will not be repaid.

d. Deficit Fund Balances/Net Position

As of December 31, 2019, the following funds had deficit fund balances/net position:

Fund	Deficit
Self Insurance Fund	\$ 4,831,689
Special Service Area #25	434,003
Special Service Area #30	74,318
Special Service Area #21	294,855

6. LONG-TERM OBLIGATIONS

The following is a summary of changes in long-term debt of the City for the fiscal year ended December 31, 2019:

Type of Debt	Beginning Balance	Additions	Deductions	Ending Balances	Amounts Due Within One Year
GOVERNMENTAL ACTIVITIES					
Net pension liability					
IMRF	\$ 23,087,367	\$ -	\$ 14,759,639	\$ 8,327,728	\$ -
Police Pension	59,059,361	-	7,459,146	51,600,215	-
Firefighters' Pension	70,253,691	-	6,976,642	63,277,049	-
Compensated absences	8,299,453	3,757,650	3,857,965	8,199,138	1,147,880
OPEB liability	10,268,379	1,218,616	-	11,486,995	2,297,399
General obligation bonds	94,295,643	-	10,485,185	83,810,458	10,233,435
Premium (discount)	4,908,852	-	444,132	4,464,720	-
Claims and judgements	2,578,957	20,832,784	18,468,586	4,943,155	482,619
TOTAL	\$ 272,751,703	\$ 25,809,050	\$ 62,451,295	\$ 236,109,458	\$ 14,161,333

CITY OF NAPERVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

6. LONG-TERM OBLIGATIONS (Continued)

Type of Debt	Beginning Balance	Additions	Deductions	Ending Balances	Amounts Due Within One Year
BUSINESS-TYPE ACTIVITIES -					
ELECTRIC UTILITY					
Net pension liability - IMRF	\$ 10,340,225	\$ -	\$ 6,610,454	\$ 3,729,771	\$ -
Compensated absences	1,270,252	880,481	613,816	1,536,917	215,168
OPEB liability	1,668,923	197,531	-	1,866,454	373,291
General obligation bonds	19,973,050	-	3,142,900	16,830,150	2,674,650
Premium (discount)	1,498,401	-	171,156	1,327,245	-
Total electric utility	<u>34,750,851</u>	<u>1,078,012</u>	<u>10,538,326</u>	<u>25,290,537</u>	<u>3,263,109</u>
BUSINESS-TYPE ACTIVITIES -					
WATER AND WASTEWATER UTILITY					
Net pension liability - IMRF	7,255,739	-	4,638,558	2,617,181	-
Compensated absences	540,684	399,070	392,483	547,271	76,618
OPEB liability	1,470,728	174,227	-	1,644,955	328,991
Asset retirement obligation	-	402,000	-	402,000	-
General obligation bonds	20,951,307	-	1,836,915	19,114,392	1,566,915
Premium (discount)	439,594	-	30,797	408,797	-
Total water and wastewater utility	<u>30,658,052</u>	<u>975,297</u>	<u>6,898,753</u>	<u>24,734,596</u>	<u>1,972,524</u>
TOTAL	<u>\$ 65,408,903</u>	<u>\$ 2,053,309</u>	<u>\$ 17,437,079</u>	<u>\$ 50,025,133</u>	<u>\$ 5,235,633</u>
COMPONENT UNIT -					
NAPERVILLE PUBLIC LIBRARY					
Net pension liability - IMRF	\$ 7,113,792	\$ -	\$ 4,547,812	\$ 2,565,980	\$ -
Compensated absences	396,608	383,658	382,181	398,085	55,732
OPEB liability	1,151,266	137,010	-	1,288,276	257,655
TOTAL	<u>\$ 8,661,666</u>	<u>\$ 520,668</u>	<u>\$ 4,929,993</u>	<u>\$ 4,252,341</u>	<u>\$ 313,387</u>

The General Fund has typically been used in prior years to liquidate the compensated absences liability, the net pension liabilities and the other postemployment benefit obligation for governmental activities.

CITY OF NAPERVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

6. LONG-TERM OBLIGATIONS (Continued)

Long-term debt at December 31, 2019 consists of the following:

a. General Obligation Bonds

	Governmental Activities	Business-Type Activities	Total
April 2010, Series A, 4.65% to 5.25%, due serially through December 1, 2028	\$ -	\$ 7,975,000	\$ 7,975,000
April 2010, Series B, 2.85% to 4.50%, due serially through December 1, 2023	6,606,608	2,418,392	9,025,000
April 2010, Series D, 2% to 4%, due serially through December 1, 2021	1,670,000	-	1,670,000
July 2011, 2.000% to 4.625%, due serially through December 1, 2029	-	10,300,000	10,300,000
September 2012, 2% to 4%, due serially through December 1, 2025	6,793,850	4,721,150	11,515,000
July 2013, 3% to 4%, due serially through December 1, 2031	4,420,000	-	4,420,000
May 2014, 2.00% to 3.50%, due serially through December 1, 2032	14,000,000	-	14,000,000
June 2016, 2.00% to 3.50%, due serially through December 1, 2035	39,420,000	10,530,000	49,950,000
November 2018, 3%, due serially through December 1, 2037	6,460,000	-	6,460,000
November 2019, 3.125% to 5.000%, due serially through December 1, 2038	4,440,000	-	4,440,000
TOTAL	<u>\$ 83,810,458</u>	<u>\$ 35,944,542</u>	<u>\$ 119,755,000</u>

CITY OF NAPERVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

6. LONG-TERM OBLIGATIONS (Continued)

a. General Obligation Bonds (Continued)

The annual requirements to amortize all short and long-term general obligation bonds outstanding at December 31, 2019 are as follows:

Fiscal Year	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2020	\$ 10,233,435	\$ 2,690,589	\$ 4,241,565	\$ 996,749
2021	9,897,785	2,386,376	4,127,215	862,061
2022	9,092,385	2,073,814	3,902,615	727,023
2023	9,291,053	1,796,818	4,563,947	987,907
2024	7,332,550	1,484,545	5,477,450	811,268
2025-2029	23,548,250	4,467,143	13,631,750	1,526,870
2030-2034	11,095,000	1,627,375	-	-
2035-2038	3,320,000	232,550	-	-
TOTAL	\$ 83,810,458	\$ 16,759,210	\$ 35,944,542	\$ 5,911,878

b. Enterprise Fund Commitments

The City has issued the general obligation bonds to fund various Electric and Water/Wastewater capital projects. The proportionate share of the general obligation bond liabilities have been recorded in the respective enterprise funds. The current general obligation bonds issuance amounts were allocated as follows:

Bonds Series	Electric Utility	Water and Wastewater Utility	Governmental Activities	Total
G.O. 2010A	\$ -	\$ 7,975,000	\$ -	\$ 7,975,000
G.O. 2010B	-	2,418,392	6,606,608	9,025,000
G.O. 2011	5,974,000	4,326,000	-	10,300,000
G.O. 2012 Refunding	4,721,150	-	6,793,850	11,515,000
G.O. 2016	6,135,000	4,395,000	39,420,000	49,950,000

The general obligation bonds outstanding amount for the enterprise funds at December 31, 2019 is \$35,944,542.

6. LONG-TERM OBLIGATIONS (Continued)

c. Asset Retirement Obligation

The City has recognized an asset retirement obligation (ARO) and related deferred outflow of resources in connection with its obligation to seal and abandon various water wells at the end of their estimated useful lives in accordance with federal, state, and/or local requirements. The ARO was measured using actual historical costs for similar abandonments, adjusted for inflation through the end of the year. The estimated remaining useful lives of the water wells are 50 years.

7. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City accounts for its risk financing activities in the Self-Insurance Fund (internal service fund). The Self-Insurance Fund pays all general liability, unemployment and workers' compensation, and auto and collision claims for which the City is held liable. The City has a \$2.0 million retention limit for general, auto liability, and workers' compensation. In addition, the City carries a policy for excess coverage for general and auto liability of \$10.0 million.

The City is self-insured for health and dental claims, which are also being accounted for in the Self-Insurance Fund. The City has \$300,000 specific stop loss coverage for PPO and \$200,000 for HMO health claims. The City has a \$2.0 million retention limit for health and dental claims. The City utilizes a third-party administrator to process the claims. The City reimburses the administrator for the claims plus a processing fee.

The Self-Insurance Fund is supported by payments from the General Fund, Naper Settlement Fund, Electric, Water and Wastewater Utility Funds, Commuter Parking Fund, Information Technology Fund, Fleet Services Fund, and the Library (component unit) based upon an estimate of the annual claims and administration costs. In addition, the City has recognized a liability for claims, which were incurred but not reported at year end. At December 31, 2019, this liability totaled \$482,619. The claims liability reported in the Self-Insurance Fund of \$4,460,536 at December 31, 2019 is based on the requirements of GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. There were no significant reductions in insurance coverage from the previous year.

CITY OF NAPERVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

7. RISK MANAGEMENT (Continued)

Changes in the Self-Insurance Fund's claims liability amount for the fiscal year ended December 31, 2019 and 2018 were:

	2019	2018
CLAIMS LIABILITY, BEGINNING OF YEAR	\$ 2,578,957	\$ 1,951,033
Incurred claims	20,832,784	16,287,208
Claim payments	(18,468,586)	(15,659,284)
	\$ 4,943,155	\$ 2,578,957

8. COMMITMENTS AND CONTINGENCIES

DuPage Water Commission

The City is a charter customer, along with 23 other municipalities, of the DuPage Water Commission (the Commission). The Commission is a Joint Action Agency empowered to finance, construct, acquire, and operate a water supply system to serve municipalities to obtain Lake Michigan water from the City of Chicago and distribute it to customers through a comprehensive distribution system. The City began receiving Lake Michigan water in March 1992. Pursuant to its agreement with the Commission, in January 1989, the City began making payments for its portion of certain commission costs in an amount set forth by the Commission. The City has also adjusted its water rates accordingly to cover such costs. The related costs and revenues have been recorded as operating expenses and revenues of the Water and Wastewater Utility (Enterprise) Fund. The Commission has capitalized all costs including financing components associated with the development of the water facility.

Illinois Municipal Electric Agency (IMEA)

The City is a member of the IMEA, a not-for-profit joint action power purchasing agency. The City had not, in the past, purchased power from IMEA. In June 2011, the City began purchasing all of its wholesale power through 2035 from the IMEA.

The City's Power Sales Contract includes a premium adjustment to IMEA to secure additional capacity and energy resources to add to its existing mix of resources in order to be able to service the City. The premium payments to be made to IMEA through 2025 are to offset the projected increase to the average power supply costs to IMEA's 29 existing participating members resulting in acquisition of the resources necessary to serve the City. The projected premium payments are approximately \$59.2 million. The cumulative premium payments through December 31, 2019 are \$37.5 million.

The City's obligation is to purchase its full requirements for power and energy from the IMEA beginning June 1, 2011 and to pay a proportionate share of all IMEA costs.

8. COMMITMENTS AND CONTINGENCIES (Continued)

Naperville Renewable Energy Program

The City participates in a Renewable Energy Program to make the choice for a clean energy future. This program enables customers to support clean energy resources such as wind and sun that protect our environment and make a difference for future generations. The program is comprised predominantly of unbundled wind “renewable energy certificates” (RECs), as well as a small volume of unbundled solar RECs. The current REC mix is 98.8% wind, 1.2% solar. On a dollar spent basis, the mix in fiscal year 2019 was 93.1% wind and 6.9% solar because the solar REC’s are much more expensive. The program includes a strong local component, sourcing all of its RECs from Illinois projects. The local component is an integral part of the program, and the City will continue to source 100% of its renewable energy offering from Illinois-sited renewable energy facilities.

The City holds primary responsibility for the program on behalf of its customers and has retained the services of Customized Energy Solutions to manage the program’s administration and renewable offerings. During fiscal year 2019, the City collected \$0.3 million and due to management efficiencies will make all funds, less minimum administration costs, available through grants to directly fund local community based renewable energy projects within the City. The fund balance of this subfund of the electric fund at December 31, 2019 is \$1.5 million.

Development Assistance

The City has entered into various agreements with private organizations to encourage economic development in the City. Some of these agreements provide for rebating a portion of sales tax and hotel tax to the private organizations if certain benchmarks of development are achieved. During the year ended December 31, 2019, \$187,921 in sales tax and \$1,540,318 in hotel tax were rebated under these agreements. Estimated remaining \$26.1 million will be payable throughout 19 years.

9. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS

The City contributes to three defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), a defined benefit agent multiple-employer public employee retirement system, the Police Pension Plan which is a single-employer pension plan, and the Firefighters’ Pension Plan which is a single-employer pension plan. A separate report is issued for the Police Pension Plan and Firefighters’ Pension Plan and may be obtained by writing to the City at 400 South Eagle Street, Naperville, Illinois 60540. IMRF issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole, but not by individual employer. That report may be obtained online at www.imrf.org. The benefits, benefit levels, employee contributions, and employer contributions are governed by ILCS and can only be amended by the Illinois General Assembly.

CITY OF NAPERVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)

The table below is a summary for all pension plans as of and for the year ended December 31, 2019:

	IMRF (City Share)	Police Pension	Firefighters' Pension	Total
Net pension liability	\$ 14,674,680	\$ 51,600,215	\$ 63,277,049	\$ 129,551,944
Deferred outflows of resources	6,012,242	9,733,911	14,755,804	30,501,957
Deferred inflows of resources	13,270,126	10,138,985	9,522,057	32,931,168
Pension expense	5,246,848	7,818,866	12,613,808	25,679,522

The pension expense recognized for all plans was \$25,679,522 for the City and \$944,651 for the Library for the year ended December 31, 2019.

a. Plan Descriptions

Illinois Municipal Retirement Fund

Plan Administration

All employees (other than those covered by the Police and Firefighters' Pension Plan) hired in positions that need or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. The plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required, benefits and refunds are recognized as an expense and liability when due and payable.

Benefits Provided

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

IMRF provides two tiers of pension benefits. Employees hired before January 1, 2011, are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an

9. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Benefits Provided (Continued)

amount equal to 1 2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last ten years of service, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

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

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

Plan Membership

As of December 31, 2019, the following employees were covered by the benefit terms:

Inactive plan members currently receiving benefits	782
Inactive plan members entitled to but not yet receiving benefits	712
Active plan members	<u>817</u>
TOTAL	<u><u>2,311</u></u>

9. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Contributions

As set by statute, the City's RP Members are required to contribute 4.50% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The City's annual contribution rate for calendar year 2019 was 9.56% of covered payroll.

Net Pension Liability

The City's net pension liability was measured as of December 31, 2019. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation performed, as of December 31, 2019, using the following actuarial methods and assumptions:

Actuarial cost method	Entry-age normal
Asset valuation method	Fair value
Actuarial assumptions	
Interest rate	7.25%
Salary increases	3.35% to 14.25%
Cost of living adjustments	3.00%
Inflation	2.50%

9. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Actuarial Assumptions (Continued)

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

Discount Rate

The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, IMRF's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Discount Rate Sensitivity

The following presents the plan's net pension liability (asset), calculated using a single discount rate of 7.25%, as well as what the plan's net pension liability (asset) would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net pension liability (asset)	\$ 60,686,884	\$ 17,240,660	\$ (18,478,928)

CITY OF NAPERVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Changes in the Net Pension Liability

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT JANUARY 1, 2019	\$ 340,859,229	\$ 293,062,106	\$ 47,797,123
Changes for the period			
Service cost	5,406,119	-	5,406,119
Interest	24,350,281	-	24,350,281
Difference between expected and actual experience	2,382,717	-	2,382,717
Changes in assumptions	-	-	-
Employer contributions	-	5,155,923	(5,155,923)
Employee contributions	-	2,665,789	(2,665,789)
Net investment income	-	53,839,947	(53,839,947)
Benefit payments and refunds	(15,392,674)	(15,392,674)	-
Other (net transfer)	-	1,033,921	(1,033,921)
BALANCES AT DECEMBER 31, 2019	<u>\$ 357,605,672</u>	<u>\$ 340,365,012</u>	<u>\$ 17,240,660</u>
	<u>City</u>	<u>Library</u>	<u>Total</u>
BEGINNING NET PENSION LIABILITY AT JANUARY 1, 2019	<u>\$ 40,683,331</u>	<u>\$ 7,113,792</u>	<u>\$ 47,797,123</u>
EMPLOYER CONTRIBUTIONS - 2019	<u>\$ 4,388,551</u>	<u>\$ 767,372</u>	<u>\$ 5,155,923</u>
ENDING NET PENSION LIABILITY AT DECEMBER 31, 2019	<u>\$ 14,674,680</u>	<u>\$ 2,565,980</u>	<u>\$ 17,240,660</u>

CITY OF NAPERVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

For the fiscal year ended December 31, 2019, the City recognized pension expense of \$5,246,848 and the Library recognized \$944,651. At December 31, 2019, the City reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Total
Difference between expected and actual experience	\$ 2,909,035	\$ -	\$ 2,909,035
Changes in assumption	4,154,493	(2,318,297)	1,836,196
Net difference between projected and actual earnings on pension plan investments	-	(13,272,212)	(13,272,212)
TOTAL	\$ 7,063,528	\$ (15,590,509)	\$ (8,526,981)

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

Fiscal Year	City Net Deferred Inflows of Resources	Library Net Deferred Inflows of Resources	Total
2020	\$ (1,505,717)	\$ (263,286)	\$ (1,769,003)
2021	(1,456,011)	(254,595)	(1,710,606)
2022	1,292,592	226,020	1,518,612
2023	(5,588,748)	(977,236)	(6,565,984)
2024	-	-	-
Thereafter	-	-	-
TOTAL	\$ (7,257,884)	\$ (1,269,097)	\$ (8,526,981)

9. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan

Plan Administration

The Police Pension Plan is a single-employer defined benefit pension plan that covers all sworn police personnel. The defined benefits and employee and minimum employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/3-1) and may be amended only by the Illinois legislature. The City accounts for the Police Pension Fund as a pension trust fund. The Police Pension Fund is governed by a five-member pension board. Two members of the Board of Trustees are appointed by the City Mayor, one member is elected by pension beneficiaries and two members are elected by active police employees.

Plan Membership

At December 31, 2019, the measurement date, membership consisted of the following:

Inactive plan members currently receiving benefits	98
Inactive plan members entitled to but not yet receiving benefits	11
Active plan members	<u>161</u>
TOTAL	<u><u>270</u></u>

Benefits Provided

The following is a summary of the Police Pension Plan as provided for in Illinois State Statutes.

The Police Pension Plan provides retirement benefits through two tiers of benefits as well as death and disability benefits. Covered employees hired before January 1, 2011 (Tier 1), attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit of ½ of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years, to a maximum of 75% of such salary. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a police officer who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original pension and 3% compounded annually thereafter.

9. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Benefits Provided (Continued)

Covered employees hired on or after January 1, 2011 (Tier 2), attaining the age of 55 or older with ten or more years of creditable service are entitled to receive an annual retirement benefit equal to the greater of the average monthly salary obtaining by dividing the total salary during the 48 consecutive months of service within the last 60 months in which the total salary was the highest by the number of months in that period; or the average monthly salary obtained by dividing the total salary of the police officer during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Police officer salary for the pension purposes is capped at \$106,800, plus the lesser of ½ of the annual change in the Consumer Price Index or 3% compounded. The annual benefit shall be increased by 2.50% of such a salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e., ½% for each month under 55). The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1st after the police office retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3% of ½ of the change in the Consumer Price Index for the proceeding calendar year.

Contributions

Covered employees are required to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The City is required to contribute the remaining amounts necessary to finance the plan and the administrative costs as actuarially determined by an enrolled actuary. However, effective January 1, 2011, ILCS requires the City to contribute a minimum amount annually calculated using the projected unit credit actuarial cost method that will result in the funding of 90% of the past service cost by the year 2040. However, the City is funding using the entry age normal actuarial cost method to fund 100% of the past service cost by the year 2033. For the fiscal year ended December 31, 2019, the City's contribution was 37.48% of covered payroll.

9. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation performed, as of December 31, 2019, using the following actuarial methods and assumptions:

Actuarial cost method	Entry-age normal
Asset valuation method	Fair value
Actuarial assumptions	
Interest rate	6.90%
Salary increases	3.00% to 10.00%
Cost of living adjustments	3.00%
Inflation	2.50%

Mortality rates were based on the RP-2000 Combined Healthy Mortality Table with a blue collar adjustment. The actuarial assumptions used in the December 31, 2019 valuation were based on the results of an actuarial experience study conducted by the Illinois Department of Insurance dated 2012.

Discount Rate

The discount rate used to measure the total pension liability at December 31, 2019 was 6.90%. The discount rate at December 31, 2018 was 7.00%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that city contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Police Pension Fund's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

CITY OF NAPERVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Discount Rate Sensitivity

The following is a sensitive analysis of the net pension liability to changes in the discount rate. The table below presents the pension liability of the City calculated using the discount rate as well as what the City's net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
Net pension liability	\$ 88,816,399	\$ 51,600,215	\$ 21,365,172

Changes in the Net Pension Liability

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT JANUARY 1, 2019	\$ 226,048,834	\$ 166,989,473	\$ 59,059,361
Changes for the period			
Service cost	4,181,667	-	4,181,667
Interest	15,819,177	-	15,819,177
Difference between expected and actual experience	529,725	-	529,725
Changes in assumptions	8,997,231	-	8,997,231
Changes of benefit terms	595,481	-	595,481
Employer contributions	-	7,136,502	(7,136,502)
Employee contributions	-	1,862,260	(1,862,260)
Net investment income	-	28,666,783	(28,666,783)
Benefit payments and refunds	(8,484,509)	(8,484,509)	-
Other (net transfer)	-	(83,118)	83,118
BALANCES AT DECEMBER 31, 2019	<u>\$ 247,687,606</u>	<u>\$ 196,087,391</u>	<u>\$ 51,600,215</u>

CITY OF NAPERVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Changes in the Net Pension Liability (Continued)

Changes in assumptions related to changes in mortality rates updated to reflect PubS-2010 tables, discount rate was updated from 7.00% to 6.90%, termination and disability rates were updated to the rates determined in the State of Illinois Department of Insurance experience study dated October 5, 2017, and retirement and salary increase rates were updated to the rates determined in the experience study dates June 25, 2019. Changes in benefit terms were a result of Public Act 101-0610.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

For the fiscal year ended December 31, 2019, the City recognized pension expense of \$7,818,866. At December 31, 2019, the City reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Total
Difference between expected and actual experience	\$ 1,230,770	\$ (4,749,756)	\$ (3,518,986)
Changes in assumption	8,503,141	-	8,503,141
Net difference between projected and actual earnings on pension plan investments	-	(5,389,229)	(5,389,229)
TOTAL	\$ 9,733,911	\$ (10,138,985)	\$ (405,074)

CITY OF NAPERVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources (Continued)

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

<u>Fiscal Year</u>	<u>Net Deferred Outflows (Inflows) of Resources</u>
2020	\$ (1,329,695)
2021	(973,785)
2022	2,342,817
2023	(2,032,238)
2024	1,587,827
Thereafter	<u>-</u>
TOTAL	<u><u>\$ (405,074)</u></u>

Firefighters' Pension Plan

Plan Administration

The Firefighters' Pension Plan is a single-employer defined benefit pension plan that covers all sworn firefighter personnel. The defined benefits and employee and minimum employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/4-1) and may be amended only by the Illinois legislature. The City accounts for the Firefighters' Pension Fund as a pension trust fund. The Firefighters' Pension Fund is governed by a five-member pension board. Two members of the Board of Trustees are appointed by the City Mayor, one member is elected by pension beneficiaries and two members are elected by active fire employees.

9. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Plan Membership

At December 31, 2019, the measurement date, membership consisted of the following:

Inactive plan members currently receiving benefits	119
Inactive plan members entitled to but not yet receiving benefits	6
Active plan members	<u>193</u>
TOTAL	<u><u>318</u></u>

Benefits Provided

The following is a summary of the Firefighters' Pension Plan as provided for in Illinois State Statutes.

The Firefighters' Pension Plan provides retirement benefits through two tiers of benefits as well as death and disability benefits. Covered employees hired before January 1, 2011 (Tier 1), attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit of ½ of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years, to a maximum of 75% of such salary. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a firefighter who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original pension and 3% compounded annually thereafter.

Covered employees hired on or after January 1, 2011 (Tier 2), attaining the age of 55 or older with ten or more years of creditable service are entitled to receive an annual retirement benefit equal to the greater of the average monthly salary obtaining by dividing the total salary during the 48 consecutive months of service within the last of 60 months in which the total salary was the highest by the number of months in that period; or the average monthly salary obtained by dividing the total salary of the firefighter during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Firefighters' salary for the pension purposes is capped at \$106,800, plus the lesser of ½ of the annual change in the Consumer Price Index or 3% compounded.

9. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Benefits Provided (Continued)

The annual benefit shall be increased by 2.50% of such a salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e., ½% for each month under 55). The monthly benefit of a Tier 2 firefighter shall be increased annually at age 60 on the January 1st after the police office retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3% of ½ of the change in the Consumer Price Index for the proceeding calendar year.

Contributions

Covered employees are required to contribute 9.455% of their base salary to the Firefighters' Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The City is required to contribute the remaining amounts necessary to finance the plan and the administrative costs as actuarially determined by an enrolled actuary. However, effective January 1, 2011, ILCS requires the City to contribute a minimum amount annually calculated using the projected unit credit actuarial cost method that will result in the funding of 90% of the past service cost by the year 2040. However, the City is funding using the entry age normal actuarial cost method to fund 100% of the past service cost by the year 2033. For the fiscal year ended December 31, 2019, the City's contribution was 44.46% of covered payroll.

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation performed, as of December 31, 2019, using the following actuarial methods and assumptions:

Actuarial cost method	Entry-age normal
Asset valuation method	Fair value
Actuarial assumptions	
Interest rate	6.90%
Salary increases	3.00% to 9.00%
Cost of living adjustments	3.00%
Inflation	2.50%

9. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Actuarial Assumptions (Continued)

Mortality rates were based on the RP-2000 Combined Healthy Mortality Table with a blue collar adjustment. The actuarial assumptions used in the December 31, 2019 valuation were based on the results of an actuarial experience study conducted by the Illinois Department of Insurance dated 2012.

Discount Rate

The discount rate used to measure the total pension liability at December 31, 2019 was 6.90%. The discount rate at December 31, 2018 was 7.00%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that city contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Firefighters' Pension Fund's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

Discount Rate Sensitivity

The following is a sensitive analysis of the net pension liability to changes in the discount rate. The table below presents the pension liability of the City calculated using the discount rate as well as what the City's net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
Net pension liability	\$ 102,526,158	\$ 63,277,049	\$ 31,461,301

CITY OF NAPERVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Changes in the Net Pension Liability

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT JANUARY 1, 2019	\$ 237,296,714	\$ 167,043,023	\$ 70,253,691
Changes for the period			
Service cost	5,419,442	-	5,419,442
Interest	16,654,316	-	16,654,316
Changes of benefit terms	770,343	-	770,343
Difference between expected and actual experience	(1,444,815)	-	(1,444,815)
Changes in assumptions	11,900,170	-	11,900,170
Employer contributions		9,050,106	(9,050,106)
Employee contributions	-	1,901,417	(1,901,417)
Net investment income	-	29,461,291	(29,461,291)
Benefit payments and refunds	(9,594,725)	(9,594,725)	-
Other (net transfer)	-	(136,716)	136,716
BALANCES AT DECEMBER 31, 2019	<u>\$ 261,001,445</u>	<u>\$ 197,724,396</u>	<u>\$ 63,277,049</u>

Changes in assumptions related to changes in mortality rates updated to reflect PubS-2010 tables, discount rate was updated from 7.00% to 6.90%, termination and disability rates were updated to the rates determined in the State of Illinois Department of Insurance experience study dated October 5, 2017, and retirement and salary increase rates were updated to the rates determined in the experience study dates June 25, 2019. Changes in benefit terms were a result of Public Act 101-0610.

CITY OF NAPERVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

For the fiscal year ended December 31, 2019, the City recognized pension expense of \$12,613,808. At December 31, 2019, the City reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Total
Difference between expected and actual experience	\$ 2,023,493	\$ (4,296,490)	\$ (2,272,997)
Changes in assumption	12,732,311	-	12,732,311
Net difference between projected and actual earnings on pension plan investments	-	(5,225,567)	(5,225,567)
TOTAL	<u>\$ 14,755,804</u>	<u>\$ (9,522,057)</u>	<u>\$ 5,233,747</u>

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

Fiscal Year	Net Deferred Outflows (Inflows) of Resources
2020	\$ 348,040
2021	395,267
2022	2,299,234
2023	(2,072,950)
2024	1,650,318
Thereafter	2,613,838
TOTAL	<u>\$ 5,233,747</u>

10. OTHER POSTEMPLOYMENT BENEFITS

a. Plan Description

In addition to providing the pension benefits described in Note 9, the City provides postemployment health care benefits (OPEB) for retired employees through a single-employer defined benefit plan. The benefits, benefit levels, employee contributions, and employer contributions are governed by the City and can be amended by the City through its personnel manual, except for the implicit subsidy which is governed by the State Legislature and ILCS. The plan does not issue a separate report. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. The activity of the plan is reported in the City's governmental and business-type activities.

b. Benefits Provided

The City provides continued health insurance coverage at the active employee rates to all eligible retirees in accordance with ILCS, which creates an implicit subsidy of retiree health insurance since the retiree does not pay an age adjusted premium. To be eligible for benefits, an employee must qualify for retirement under the City's retirement plan. The benefit levels are the same as those afforded to active employees. Once reaching Medicare age, retirees are covered by a Medicare supplement plan as opposed to the City's active employee health plan. For certain disabled employees who qualify for health insurance benefits under the Public Safety Employee Benefits Act (PSEBA), the City is required to pay 100% of the cost of basic health insurance for the employee and their dependents for their lifetime.

c. Membership

At December 31, 2018 (most recent available), membership consisted of:

Inactive employees currently receiving benefit payments	137
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	<u>1,019</u>
TOTAL	<u><u>1,156</u></u>
Participating employers	<u><u>1</u></u>

10. OTHER POSTEMPLOYMENT BENEFITS (Continued)

d. Total OPEB Liability

The City’s total OPEB liability of \$16,286,680 was measured as of December 31, 2019 and was determined by an actuarial valuation as of December 31, 2018.

e. Actuarial Assumptions and Other Inputs

The total OPEB liability at December 31, 2019, as determined by an actuarial valuation as of December 31, 2018 actuarial valuation, was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified. The total OPEB liability was rolled forward by the actuary using updating procedures to December 31, 2019.

Actuarial cost method	Entry-age normal
Actuarial value of assets	Not applicable
Salary increases	Varies by service
Discount rate	3.26%
Healthcare cost trend rates	8.00% initial trend rate to 4.00% ultimate trend rate

The discount rate used in the determination of the total OPEB liability is based on the municipal bond rate. The municipal bond rate was based on the index rate for 20-year tax exempt general obligation municipal bonds rated AA or better at December 31, 2019.

Firefighters’ and Police Pension Plan Participants

For healthy lives, the RP-2000 Combined Healthy Mortality table with Blue Collar adjustment was used, with projection to the valuation date with Scale BB. For disabled lives, the RP-2000 Disabled Retiree Mortality table was used, with projection to the valuation date with Scale BB.

IMRF Participants

For female lives, 99% of the RP-2014 Blue Collar table was used. For male lives, a 100% of the Blue Collar RP-2014 table was used. All tables include fully generational adjustments for mortality improvements using improvement scale MP-2017.

CITY OF NAPERVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

10. OTHER POSTEMPLOYMENT BENEFITS (Continued)

f. Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
BALANCES AT JANUARY 1, 2019	<u>\$ 14,559,296</u>
Changes for the period	
Service cost	530,088
Interest	602,786
Difference between expected and actual experience	-
Changes in benefit terms	-
Changes in assumptions	1,376,979
Benefit payments	<u>(782,469)</u>
Net changes	<u>1,727,384</u>
BALANCES AT DECEMBER 31, 2019	<u>\$ 16,286,680</u>

Changes in assumptions reflect a change in the discount rate from 4.10% for the reporting period ending December 31, 2018 to 3.26% for the reporting period ended December 31, 2019.

g. Rate Sensitivity

The following is a sensitivity analysis of the total OPEB liability to changes in the discount rate and the healthcare cost trend rate. The table below presents the total OPEB liability of the City calculated using the discount rate of 3.26% as well as what the City total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.26%) or 1 percentage point higher (4.26%) than the current rate:

	1% Decrease (2.26%)	Current Discount Rate (3.26%)	1% Increase (4.26%)
Total OPEB liability	\$ 18,246,844	\$ 16,286,680	\$ 14,670,744

CITY OF NAPERVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

10. OTHER POSTEMPLOYMENT BENEFITS (Continued)

g. Rate Sensitivity (Continued)

The table below presents the total OPEB liability of the City calculated using the healthcare rate of 4% to 8% as well as what the City's total OPEB liability would be if it were calculated using a healthcare rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1% Decrease	Current Healthcare Rate	1% Increase
Total OPEB liability	\$ 14,211,040	\$ 16,286,680	\$ 18,872,514

h. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2019, the City and Library recognized OPEB expense of \$361,075 and \$31,447, respectively. At December 31, 2019, the City and Library reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Total
Difference between expected and actual experience	\$ -	\$ -	\$ -
Changes in assumption	1,204,857	(780,021)	424,836
TOTAL	\$ 1,204,857	\$ (780,021)	\$ 424,836

Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in OPEB expense as follows:

Year Ending December 31,	
2020	\$ 42,119
2021	42,119
2022	42,119
2023	42,119
2024	42,119
Thereafter	214,241
TOTAL	\$ 424,836

CITY OF NAPERVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

11. DISCRETELY PRESENTED COMPONENT UNIT - NAPERVILLE PUBLIC LIBRARY

The following is summary fund financial information for the Library for the fiscal year ended December 31, 2019:

Balance Sheet

	General Operating	Special Revenue			Adjustment	Statement of Net Position
		Building Reserve	Gift and Memorial	Total		
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES						
ASSETS						
Cash and cash equivalents	\$ 1,361,108	\$ 137,779	\$ 41,527	\$ 1,540,414	\$ -	\$ 1,540,414
Property taxes receivable, net of allowance for uncollectible accounts	14,935,000	-	-	14,935,000	-	14,935,000
Interest receivable	1,311	687	144	2,142	-	2,142
Capital assets (net) Capital assets depreciated, net	-	-	-	-	9,890,866	9,890,866
Total assets	16,297,419	138,466	41,671	16,477,556	9,890,866	26,368,422
DEFERRED OUTFLOWS OF RESOURCES						
Deferred items - IMRF	-	-	-	-	1,051,286	1,051,286
Deferred items - OPEB	-	-	-	-	95,304	95,304
Total deferred outflows of resources	-	-	-	-	1,146,590	1,146,590
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 16,297,419	\$ 138,466	\$ 41,671	\$ 16,477,556	\$ 11,037,456	\$ 27,515,012

CITY OF NAPERVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

11. DISCRETELY PRESENTED COMPONENT UNIT - NAPERVILLE PUBLIC LIBRARY (Continued)

Balance Sheet (Continued)

	General Operating	Special Revenue			Adjustment	Statement of Net Position
		Building Reserve	Gift and Memorial	Total		
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES/ NET POSITION						
LIABILITIES						
Accounts payable	\$ 82,443	\$ 36	\$ 2	\$ 82,481	\$ -	\$ 82,481
Accrued wages and benefits	531,307	-	-	531,307	-	531,307
Compensated absences	-	-	-	-	398,085	398,085
Net pension liability	-	-	-	-	2,565,980	2,565,980
OPEB liability	-	-	-	-	1,288,276	1,288,276
Total liabilities	613,750	36	2	613,788	4,252,341	4,866,129
DEFERRED INFLOWS OF RESOURCES						
Deferred items - IMRF	-	-	-	-	2,320,383	2,320,383
Deferred items - OPEB	-	-	-	-	61,700	61,700
Unavailable/earned property tax revenue	14,935,000	-	-	14,935,000	-	14,935,000
Total deferred inflows of resources	14,935,000	-	-	14,935,000	2,382,083	17,317,083
FUND BALANCES/ NET POSITION						
Fund balances						
Committed for culture and recreation	-	138,430	41,669	180,099	(180,099)	-
Unassigned	748,669	-	-	748,669	(748,669)	-
Net position						
Invested in capital assets	-	-	-	-	9,890,866	9,890,866
Unrestricted	-	-	-	-	(4,559,066)	(4,559,066)
Total fund balances/ net position	748,669	138,430	41,669	928,768	4,403,032	5,331,800
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES/ NET POSITION	\$ 16,297,419	\$ 138,466	\$ 41,671	\$ 16,477,556	\$ 11,037,456	\$ 27,515,012

CITY OF NAPERVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

11. DISCRETELY PRESENTED COMPONENT UNIT - NAPERVILLE PUBLIC LIBRARY (Continued)

Statement of Net Position

	General Operating	Special Revenue			Adjustment	Statement of Activities
		Building Reserve	Gift and Memorial	Total		
REVENUES						
Property taxes	\$ 14,781,671	\$ -	\$ -	\$ 14,781,671	\$ -	\$ 14,781,671
Other taxes - personal						
property replacement tax	141,932	-	-	141,932	-	141,932
Fines and forfeits	305,271	-	-	305,271	-	305,271
Net investment income	7,206	8,329	1,904	17,439	-	17,439
Charges for services	16,231	-	-	16,231	-	16,231
Fees	166,058	-	-	166,058	-	166,058
Contribution	184,311	-	3,940	188,251	-	188,251
Miscellaneous	39,525	919	-	40,444	-	40,444
Total revenues	15,642,205	9,248	5,844	15,657,297	-	15,657,297
EXPENDITURES/EXPENSES						
Current						
Culture and recreation	15,415,392	202,964	3,547	15,621,903	1,034,444	16,656,347
Total expenditures/ expenses	15,415,392	202,964	3,547	15,621,903	1,034,444	16,656,347
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	226,813	(193,716)	2,297	35,394	(1,034,444)	(999,050)
OTHER FINANCING SOURCES (USES)						
Transfers in	-	150,000	-	150,000	(150,000)	-
Transfers (out)	(150,000)	-	-	(150,000)	150,000	-
Total other financing sources (uses)	(150,000)	150,000	-	-	-	-
NET CHANGE IN FUND BALANCES/NET POSITION	76,813	(43,716)	2,297	35,394	(1,034,444)	(999,050)
FUND BALANCES/ NET POSITION AT JANUARY 1, 2019	671,856	182,146	39,372	893,374	5,437,476	6,330,850
FUND BALANCES/ NET POSITION AT DECEMBER 31, 2019	\$ 748,669	\$ 138,430	\$ 41,669	\$ 928,768	\$ 4,403,032	\$ 5,331,800

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF NAPERVILLE, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND**

For the Year Ended December 31, 2019

	<u>Budgeted Amount</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Property taxes	\$ 20,235,567	\$ 20,235,567	\$ 20,374,854	\$ 139,287
Utility tax	15,800,000	15,800,000	15,774,536	(25,464)
Other taxes	7,570,000	7,570,000	6,976,883	(593,117)
Licenses and permits	3,031,685	3,031,685	2,932,057	(99,628)
Fines	1,505,000	1,505,000	1,324,874	(180,126)
Net investment income	557,068	557,068	1,081,955	524,887
Intergovernmental	54,022,150	54,022,150	56,920,557	2,898,407
Charges for services	19,875,513	19,875,513	20,529,093	653,580
Franchise fees	3,052,500	3,052,500	3,118,942	66,442
Miscellaneous	284,500	284,500	427,978	143,478
Total revenues	<u>125,933,983</u>	<u>125,933,983</u>	<u>129,461,729</u>	<u>3,527,746</u>
EXPENDITURES				
Current				
General government	12,756,843	13,030,843	12,506,545	524,298
Physical environment	8,197,963	8,197,963	7,455,908	742,055
Public safety	77,810,930	77,810,930	77,250,024	560,906
Transportation	25,919,969	25,919,969	25,165,961	754,008
Culture and recreation	84,493	84,493	62,682	21,811
Total expenditures	<u>124,770,198</u>	<u>125,044,198</u>	<u>122,441,120</u>	<u>2,603,078</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>1,163,785</u>	<u>889,785</u>	<u>7,020,609</u>	<u>6,130,824</u>
OTHER FINANCING SOURCES (USES)				
Transfers (out)	<u>(1,108,709)</u>	<u>(1,108,709)</u>	<u>(1,108,709)</u>	<u>-</u>
Total other financing sources (uses)	<u>(1,108,709)</u>	<u>(1,108,709)</u>	<u>(1,108,709)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ 55,076</u>	<u>\$ (218,924)</u>	<u>5,911,900</u>	<u>\$ 6,130,824</u>
FUND BALANCE, JANUARY 1			<u>28,275,011</u>	
FUND BALANCE, DECEMBER 31			<u><u>\$ 34,186,911</u></u>	

(See independent auditor's report.)

CITY OF NAPERVILLE, ILLINOIS

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION -
BUDGETARY COMPARISON SCHEDULE**

December 31, 2019

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual budgets are adopted at the fund level for the Governmental and Proprietary Funds except for the Fair Share Assessment, Foreign Fire Insurance, and Special Service Area #31 funds. The annual budget is legally enacted and provides for a legal level of control at the fund level. All annual appropriations lapse at fiscal year end. Several budget amendments were made during the current fiscal year.

The following funds had an excess of actual expenditures over budget for the fiscal year:

<u>Fund</u>	<u>Excess</u>
Community Development Block Grant	\$ 107,586
Road and Bridge	94,777
Water Street TIF	7,946

CITY OF NAPERVILLE, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND

Last Five Fiscal Years

FISCAL YEAR ENDED DECEMBER 31,	2015	2016	2017	2018	2019
Actuarially determined contributions	\$ 6,026,372	\$ 6,217,283	\$ 6,233,486	\$ 6,037,819	\$ 5,155,923
Contributions in relation to the actuarially determined contribution	6,026,372	6,217,283	6,233,486	6,037,819	5,155,923
CONTRIBUTION DEFICIENCY (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 51,417,441	\$ 51,486,313	\$ 52,718,201	\$ 52,896,450	\$ 53,906,933
Contributions as a percentage of covered payroll	11.72%	12.08%	11.82%	11.41%	9.56%

Notes to the Required Supplementary Information

Actuarial cost method	Entry-age normal
Amortization method	Level % pay (closed)
Remaining amortization period	24 years
Asset valuation method	Five-year smoothed market
Inflation	2.50%
Salary increases	3.35% to 14.25%
Investment rate of return	7.50%
Retirement age	See the notes to financial statements
Mortality	See the notes to financial statements

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

CITY OF NAPERVILLE, ILLINOIS

**SCHEDULE OF EMPLOYER CONTRIBUTIONS
POLICE PENSION FUND**

Last Six Fiscal Years

FISCAL YEAR ENDED	April 30,	December 31,				
	2015*	2015	2016	2017	2018	2019
Actuarially determined contributions	\$ 5,156,419	\$ 4,809,036	\$ 5,829,394	\$ 6,538,474	\$ 7,129,194	\$ 7,043,970
Contributions in relation to the actuarially determined contribution	5,156,419	4,809,036	5,829,394	6,538,474	7,129,194	7,043,970
CONTRIBUTION DEFICIENCY (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Additional voluntary contribution	484,761	536,397	500,194	139,333	95,127	92,532
Total contributions	<u>\$ 5,641,180</u>	<u>\$ 5,345,433</u>	<u>\$ 6,329,588</u>	<u>\$ 6,677,807</u>	<u>\$ 7,224,321</u>	<u>\$ 7,136,502</u>
Covered payroll	\$ 16,365,735	\$ 16,683,031	\$ 17,893,623	\$ 18,050,807	\$ 17,795,368	\$ 18,791,726
Contributions as a percentage of covered payroll	31.51%	28.83%	32.58%	36.22%	40.06%	37.48%

Notes to the Required Supplementary Information

Actuarial cost method	Entry-age normal
Amortization method	Level % pay (closed)
Remaining amortization period	15 years
Asset valuation method	Market value
Inflation	2.50%
Salary increases	5.00%
Investment rate of return	7.00%
Retirement age	Tier 1: Age 50 and 20 years of Credited Service Tier 2: Age 55 and 10 years of Credited Service
Mortality	RP 2000 Mortality Table (CHBCA)

*The City changed its fiscal year from April 30 to December 31, 2015.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

CITY OF NAPERVILLE, ILLINOIS

**SCHEDULE OF EMPLOYER CONTRIBUTIONS
FIREFIGHTERS' PENSION FUND**

Last Six Fiscal Years

FISCAL YEAR ENDED	April 30,	December 31,				
	2015*	2015	2016	2017	2018	2019
Actuarially determined contributions	\$ 5,183,001	\$ 4,820,338	\$ 5,871,947	\$ 7,237,440	\$ 8,896,264	\$ 8,939,980
Contributions in relation to the actuarially determined contribution	5,183,001	4,820,338	5,871,947	7,237,440	8,896,264	8,939,980
CONTRIBUTION DEFICIENCY (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Additional voluntary contribution	487,038	535,385	543,549	100,760	107,960	110,126
Total contributions	<u>\$ 5,670,039</u>	<u>\$ 5,355,723</u>	<u>\$ 6,415,496</u>	<u>\$ 7,338,200</u>	<u>\$ 9,004,224</u>	<u>\$ 9,050,106</u>
Covered payroll	\$ 17,165,868	\$ 18,315,408	\$ 18,576,954	\$ 19,262,676	\$ 19,168,091	\$ 20,110,175
Contributions as a percentage of covered payroll	30.19%	26.32%	31.61%	37.57%	46.41%	44.46%

Notes to the Required Supplementary Information

Actuarial cost method	Entry-age normal
Amortization method	Level % pay (closed)
Remaining amortization period	15 years
Asset valuation method	Five-year smoothed market
Inflation	2.50%
Salary increases	5.00%
Investment rate of return	7.00%
Retirement age	Tier 1: Age 50 and 20 years of Credited Service Tier 2: Age 55 and 10 years of Credited Service
Mortality	RP 2000 Mortality Table (CHBCA)

*The City changed its fiscal year from April 30 to December 31, 2015.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

CITY OF NAPERVILLE, ILLINOIS

SCHEDULE OF CHANGES IN THE EMPLOYER'S
NET PENSION LIABILITY AND RELATED RATIOS
ILLINOIS MUNICIPAL RETIREMENT FUND

Last Five Fiscal Years

MEASUREMENT DATE DECEMBER 31,	2015	2016	2017	2018	2019
TOTAL PENSION LIABILITY					
Service cost	\$ 5,623,110	\$ 5,569,481	\$ 5,538,779	\$ 5,185,160	\$ 5,406,119
Interest	20,562,051	21,744,892	22,718,596	23,410,727	24,350,281
Changes in benefit terms	-	-	-	-	-
Differences between expected and actual experience	626,724	(2,265,178)	4,058,008	480,406	2,382,717
Change of assumptions	358,132	(740,500)	(9,514,997)	9,247,031	-
Benefit payments, including refunds of member contributions	(10,515,189)	(11,410,419)	(12,761,262)	(14,029,079)	(15,392,674)
Net change in total pension liability	16,654,828	12,898,276	10,039,124	24,294,245	16,746,443
Total pension liability - beginning	276,972,756	293,627,584	306,525,860	316,564,984	340,859,229
TOTAL PENSION LIABILITY - ENDING	\$ 293,627,584	\$ 306,525,860	\$ 316,564,984	\$ 340,859,229	\$ 357,605,672
PLAN FIDUCIARY NET POSITION					
Contributions - employer	\$ 6,026,372	\$ 6,217,283	\$ 6,233,486	\$ 6,037,819	\$ 5,155,923
Contributions - members	2,325,703	2,364,110	2,431,700	2,500,845	2,665,789
Net investment income	1,278,894	17,659,805	46,307,985	(15,495,449)	53,839,947
Benefit payments, including refunds of member contributions	(10,515,189)	(11,410,419)	(12,761,262)	(14,029,079)	(15,392,674)
Other	(715,829)	1,156,632	(3,683,564)	4,271,932	1,033,921
Net change in plan fiduciary net position	(1,600,049)	15,987,411	38,528,345	(16,713,932)	47,302,906
Plan fiduciary net position - beginning	256,860,331	255,260,282	271,247,693	309,776,038	293,062,106
PLAN FIDUCIARY NET POSITION - ENDING	\$ 255,260,282	\$ 271,247,693	\$ 309,776,038	\$ 293,062,106	\$ 340,365,012
EMPLOYER'S NET PENSION LIABILITY	\$ 38,367,302	\$ 35,278,167	\$ 6,788,946	\$ 47,797,123	\$ 17,240,660
Plan fiduciary net position as a percentage of the total pension liability	86.93%	88.49%	97.86%	85.98%	95.18%
Covered payroll	\$ 51,417,441	\$ 51,486,313	\$ 52,718,201	\$ 52,896,450	\$ 53,906,933
Employer's net pension liability as a percentage of covered payroll	74.62%	68.52%	12.88%	90.36%	31.98%

Measurement Date December 31, 2015 - There was a change with respect to actuarial assumptions. Certain demographic assumptions were changed, which impacted mortality rates, mortality improvement rates, retirement rates, disability rates, and termination rates.

Measurement Date December 31, 2016 - There was a change with respect to actuarial assumptions. Changes in assumptions related to mortality were made since the prior measurement date. Additionally, the discount rate was changed from 7.48% to 7.50%.

Measurement Date December 31, 2017 - Assumptions related to salary increases were changed from 3.75% - 14.50% to 3.39% - 14.25%. Assumptions related to price inflation were changed from 2.75% to 2.50%. Additionally, certain demographic assumptions were changed, which impacted mortality rates and retirement rates.

Measurement Date December 31, 2018 - There was a change with respect to actuarial assumptions. Changes in assumptions related to the discount rate. The discount rate was changed from 7.50% to 7.25%.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

CITY OF NAPERVILLE, ILLINOIS

SCHEDULE OF CHANGES IN THE EMPLOYER'S
NET PENSION LIABILITY AND RELATED RATIOS
POLICE PENSION FUND

Last Six Fiscal Years

MEASUREMENT DATE	April 30, 2015*	December 31, 2015
TOTAL PENSION LIABILITY		
Service cost	\$ 3,442,284	\$ 2,635,406
Interest	12,150,401	8,904,818
Changes in benefit terms	-	-
Differences between expected and actual experience	(2,006,971)	(1,398,497)
Change of assumptions	8,387,367	-
Benefit payments, including refunds of member contributions	<u>(5,506,966)</u>	<u>(3,958,442)</u>
Net change in total pension liability	16,466,115	6,183,285
Total pension liability - beginning	<u>176,330,635</u>	<u>192,796,750</u>
TOTAL PENSION LIABILITY - ENDING	<u>\$ 192,796,750</u>	<u>\$ 198,980,035</u>
PLAN FIDUCIARY NET POSITION		
Contributions - employer	\$ 5,641,180	\$ 5,345,433
Contributions - members	1,599,368	1,117,257
Contributions - other	8,066	2,237
Net investment income	8,726,002	(4,333,440)
Benefit payments, including refunds of member contributions	(5,506,966)	(3,950,028)
Administrative expense	<u>(130,073)</u>	<u>(67,226)</u>
Net change in plan fiduciary net position	10,337,577	(1,885,767)
Plan fiduciary net position - beginning	<u>130,457,028</u>	<u>140,794,605</u>
PLAN FIDUCIARY NET POSITION - ENDING	<u>\$ 140,794,605</u>	<u>\$ 138,908,838</u>
EMPLOYER'S NET PENSION LIABILITY	<u>\$ 52,002,145</u>	<u>\$ 60,071,197</u>
Plan fiduciary net position as a percentage of the total pension liability	73.03%	69.81%
Covered payroll	\$ 16,365,735	\$ 16,683,031
Employer's net pension liability as a percentage of covered payroll	317.75%	360.07%

*The City changed from fiscal years ended April 30 to December 31 effective December 31, 2015.

Measurement Date April 30, 2015 - Changes made to mortality rate.

Measurement Date December 31, 2016, amounts reported as changes of assumptions resulted from the following assumption changes:

For healthy lives, the mortality rates were updated from RP-2000 Combined Healthy Mortality with a blue collar adjustment to RP-2000 Combined Healthy Mortality with a blue collar adjustment, projected to the valuation date using Scale BB.

For disabled lives, the mortality rates were updated from RP-2000 Disabled Retiree Mortality to RP-2000 Disabled Retiree Mortality, projected to the valuation date using Scale BB.

The Salary Scale assumptions was changed from 5.00% to service based.

Measurement Date December 31, 2019, change of assumptions related to changes in mortality rates updated to reflect PubS-2010 tables, discount rate was updated from 7.00% to 6.90%, termination and disability rates were updated to the rates determined in the State of Illinois Department of Insurance experience study dated October 5, 2017, and retirement and salary increase rates were updated to the rates determined in the experience study dates June 25, 2019. Changes in benefit terms were a result of Public Act 101-0610.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

December 31,			
2016	2017	2018	2019
\$ 4,113,967	\$ 4,277,831	\$ 4,341,621	\$ 4,181,667
13,993,038	14,216,220	15,123,748	15,819,177
-	-	-	595,481
(11,518,319)	1,578,661	(1,365,474)	529,725
3,016,340	-	-	8,997,231
(6,365,209)	(6,817,646)	(7,525,979)	(8,484,509)
3,239,817	13,255,066	10,573,916	21,638,772
198,980,035	202,219,852	215,474,918	226,048,834
<u>\$ 202,219,852</u>	<u>\$ 215,474,918</u>	<u>\$ 226,048,834</u>	<u>\$ 247,687,606</u>
\$ 6,329,588	\$ 6,677,807	\$ 7,224,321	\$ 7,136,502
1,773,258	1,788,835	1,763,521	1,862,260
21,704	-	-	-
11,562,097	20,204,239	(8,335,403)	28,666,783
(6,386,913)	(6,817,646)	(7,525,979)	(8,484,509)
(53,912)	(66,441)	(78,441)	(83,118)
13,245,822	21,786,794	(6,951,981)	29,097,918
138,908,838	152,154,660	173,941,454	166,989,473
<u>\$ 152,154,660</u>	<u>\$ 173,941,454</u>	<u>\$ 166,989,473</u>	<u>\$ 196,087,391</u>
<u>\$ 50,065,192</u>	<u>\$ 41,533,464</u>	<u>\$ 59,059,361</u>	<u>\$ 51,600,215</u>
75.24%	80.72%	73.87%	79.17%
\$ 17,893,623	\$ 18,050,807	\$ 17,795,368	\$ 18,791,726
279.79%	230.09%	331.88%	274.59%

(See independent auditor's report.)

CITY OF NAPERVILLE, ILLINOIS

SCHEDULE OF CHANGES IN THE EMPLOYER'S
NET PENSION LIABILITY AND RELATED RATIOS
FIREFIGHTERS' PENSION PLAN

Last Six Fiscal Years

MEASUREMENT DATE	April 30, 2015*	December 31, 2015
TOTAL PENSION LIABILITY		
Service cost	\$ 3,852,140	\$ 3,038,367
Interest	11,857,616	8,558,822
Changes in benefit terms	-	-
Differences between expected and actual experience	(82,734)	5,414,803
Change of assumptions	2,920,299	-
Contributions buy-back	-	-
Benefit payments, including refunds of member contributions	<u>(5,207,568)</u>	<u>(3,869,445)</u>
Net change in total pension liability	13,339,753	13,142,547
Total pension liability - beginning	<u>171,998,295</u>	<u>185,338,048</u>
TOTAL PENSION LIABILITY - ENDING	<u>\$ 185,338,048</u>	<u>\$ 198,480,595</u>
PLAN FIDUCIARY NET POSITION		
Contributions - employer	\$ 5,670,039	\$ 5,355,723
Contributions - members	1,839,016	1,181,158
Contributions buy-back	-	-
Net investment income	7,705,014	(4,543,027)
Benefit payments, including refunds of member contributions	(5,207,568)	(3,869,445)
Administrative expense	<u>(109,970)</u>	<u>(82,866)</u>
Net change in plan fiduciary net position	9,896,531	(1,958,457)
Plan fiduciary net position - beginning	<u>131,511,368</u>	<u>141,407,899</u>
PLAN FIDUCIARY NET POSITION - ENDING	<u>\$ 141,407,899</u>	<u>\$ 139,449,442</u>
EMPLOYER'S NET PENSION LIABILITY	<u>\$ 43,930,149</u>	<u>\$ 59,031,153</u>
Plan fiduciary net position as a percentage of the total pension liability	76.30%	70.26%
Covered payroll	\$ 17,165,868	\$ 18,315,408
Employer's net pension liability as a percentage of covered payroll	255.92%	322.30%

*The City changed from fiscal years ended April 30 to December 31 effective December 31, 2015.

Measurement Date April 30, 2015 - Changes made to mortality rate.

Measurement Date December 31, 2016, amounts reported as changes of assumptions resulted from the following assumption changes:

For healthy lives, the mortality rates were updated from RP-2000 Combined Healthy Mortality with a blue collar adjustment to RP-2000 Combined Healthy Mortality with a blue collar adjustment, projected to the valuation date using Scale BB.

For disabled lives, the mortality rates were updated from RP-2000 Disabled Retiree Mortality to RP-2000 Disabled Retiree Mortality, projected to the valuation date using Scale BB.

The Salary Scale assumptions was changed from 5.00% to service based.

Measurement Date December 31, 2019, change of assumptions related to changes in mortality rates updated to reflect PubS-2010 tables, discount rate was updated from 7.00% to 6.90%, termination and disability rates were updated to the rates determined in the State of Illinois Department of Insurance experience study dated October 5, 2017, and retirement and salary increase rates were updated to the rates determined in the experience study dates June 25, 2019. Changes in benefit terms were a result of Public Act 101-0610.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

December 31,			
2016	2017	2018	2019
\$ 5,196,429	\$ 5,414,018	\$ 5,195,663	\$ 5,419,442
14,032,562	14,813,198	15,645,078	16,654,316
-	-	-	770,343
(5,954,167)	(96,584)	2,403,795	(1,444,815)
4,639,327	-	-	11,900,170
-	15,593	22,660	-
(6,423,714)	(7,535,884)	(8,551,855)	(9,594,725)
11,490,437	12,610,341	14,715,341	23,704,731
198,480,595	209,971,032	222,581,373	237,296,714
<u>\$ 209,971,032</u>	<u>\$ 222,581,373</u>	<u>\$ 237,296,714</u>	<u>\$ 261,001,445</u>
\$ 6,415,496	\$ 7,338,200	\$ 9,004,224	\$ 9,050,106
1,756,451	1,821,286	1,812,343	1,901,417
-	15,593	22,660	-
11,586,944	20,265,831	(9,573,948)	29,456,020
(6,423,714)	(7,535,884)	(8,551,855)	(9,594,725)
(123,773)	(126,490)	(109,783)	(131,445)
13,211,404	21,778,536	(7,396,359)	30,681,373
139,449,442	152,660,846	174,439,382	167,043,023
<u>\$ 152,660,846</u>	<u>\$ 174,439,382</u>	<u>\$ 167,043,023</u>	<u>\$ 197,724,396</u>
<u>\$ 57,310,186</u>	<u>\$ 48,141,991</u>	<u>\$ 70,253,691</u>	<u>\$ 63,277,049</u>
72.71%	78.37%	70.39%	75.76%
\$ 18,576,954	\$ 19,262,676	\$ 19,168,091	\$ 63,277,049
308.50%	249.92%	366.51%	100.00%

(See independent auditor's report.)

CITY OF NAPERVILLE, ILLINOIS

SCHEDULE OF CHANGES IN THE EMPLOYER'S
TOTAL OPEB LIABILITY AND RELATED RATIOS
OTHER POSTEMPLOYMENT BENEFIT PLAN

Last Two Fiscal Years

MEASUREMENT DATE DECEMBER 31,	2018	2019
TOTAL OPEB LIABILITY		
Service cost	\$ 592,889	\$ 530,088
Interest	530,864	602,786
Changes of benefit terms	-	-
Differences between expected and actual experience	-	-
Changes of assumptions	(1,040,027)	1,376,979
Benefit payments, including refunds of member contributions	(721,170)	(782,469)
Net change in total OPEB liability	(637,444)	1,727,384
Total OPEB liability - beginning	15,196,740	14,559,296
TOTAL OPEB LIABILITY - ENDING	\$ 14,559,296	\$ 16,286,680
Covered payroll	\$ 85,747,519	\$ 88,525,739
Employer's total OPEB liability as a percentage of covered payroll	16.98%	18.40%

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

December 31, 2019: Changes in assumptions relate to a decrease in the discount rate from 4.10% to 3.26%

December 31, 2018: Because this is implementation year of GASB 74/75, the beginning Total OPEB Liability is based on the same data and plan provisions as the ending total OPEB liability. For the purpose of developing changes in OPEB Liability for GABS 74/75 reporting, the only change in assumptions was the discount rate.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

CITY OF NAPERVILLE, ILLINOIS

**SCHEDULE OF INVESTMENT RETURNS
POLICE PENSION FUND**

Last Six Fiscal Years

FISCAL YEAR ENDED	April 30,	December 31,				
	2015*	2015	2016	2017	2018	2019
Annual money-weighted rate of return, net of investment expense	6.60%	(3.10%)	8.41%	13.29%	(4.73%)	16.89%

*The City changed from fiscal years ended April 30 to December 31 effective December 31, 2015.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

CITY OF NAPERVILLE, ILLINOIS

**SCHEDULE OF INVESTMENT RETURNS
FIREFIGHTERS' PENSION FUND**

Last Six Fiscal Years

FISCAL YEAR ENDED	April 30,	December 31,				
	2015*	2015	2016	2017	2018	2019
Annual money-weighted rate of return, net of investment expense	6.00%	(3.20%)	8.32%	13.31%	(5.43%)	17.67%

*The City changed from fiscal years ended April 30 to December 31 effective December 31, 2015.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

MAJOR GOVERNMENTAL FUNDS

GENERAL FUND

General Fund - This fund is the general operating fund of the City. The General Fund should be used to account for and report all financial resources not accounted for and reported in another fund.

DEBT SERVICE FUND

Debt Service Fund - This fund is funded by a property tax restricted for the payment of principal and interest on general obligation bonds in accordance with the bond ordinance authorizing the issuance of the bonds.

CITY OF NAPERVILLE, ILLINOIS

**DETAILED SCHEDULE OF REVENUES - BUDGET AND ACTUAL
GENERAL FUND**

For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
TAXES				
Property taxes				
General	\$ 5,317,611	\$ 5,317,611	\$ 5,355,030	\$ 37,419
Police Pension	6,510,973	6,510,973	6,553,610	42,637
Firefighters' Pension	8,406,983	8,406,983	8,466,214	59,231
Total property taxes	<u>20,235,567</u>	<u>20,235,567</u>	<u>20,374,854</u>	<u>139,287</u>
Utility tax	<u>15,800,000</u>	<u>15,800,000</u>	<u>15,774,536</u>	<u>(25,464)</u>
Other taxes				
Auto rental tax	115,000	115,000	127,110	12,110
Real estate transfer tax	5,220,000	5,220,000	4,845,347	(374,653)
Hotel/motel tax	1,930,000	1,930,000	1,650,536	(279,464)
Charitable games tax	-	-	3,000	3,000
Personal property replacement tax	305,000	305,000	350,890	45,890
Total other taxes	<u>7,570,000</u>	<u>7,570,000</u>	<u>6,976,883</u>	<u>(593,117)</u>
Total taxes	<u>43,605,567</u>	<u>43,605,567</u>	<u>43,126,273</u>	<u>(479,294)</u>
LICENSES AND PERMITS				
Licenses				
Liquor	776,625	776,625	832,544	55,919
Business license	5,250	5,250	54,294	49,044
Basset	40,000	40,000	-	(40,000)
Electric license	47,000	47,000	-	(47,000)
Contractor license	-	-	85,275	85,275
Other licenses	30,000	30,000	-	(30,000)
Total licenses	<u>898,875</u>	<u>898,875</u>	<u>972,113</u>	<u>73,238</u>
Permits				
Commercial	1,116,500	1,116,500	1,141,496	24,996
Residential	852,500	852,500	721,405	(131,095)
Plan review	200	200	490	290
Fire alarm/sprinkler	93,610	93,610	73,978	(19,632)
Tobacco	20,000	20,000	-	(20,000)
Other	50,000	50,000	22,575	(27,425)
Total permits	<u>2,132,810</u>	<u>2,132,810</u>	<u>1,959,944</u>	<u>(172,866)</u>
Total licenses and permits	<u>3,031,685</u>	<u>3,031,685</u>	<u>2,932,057</u>	<u>(99,628)</u>

(This schedule is continued on the following pages.)

CITY OF NAPERVILLE, ILLINOIS

DETAILED SCHEDULE OF REVENUES - BUDGET AND ACTUAL (Continued)
GENERAL FUND

For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
FINES				
Traffic	\$ 1,000,000	\$ 1,000,000	\$ 913,760	\$ (86,240)
Ordinance violations	25,000	25,000	28,775	3,775
Parking	190,000	190,000	174,023	(15,977)
Other	290,000	290,000	208,316	(81,684)
Total fines	1,505,000	1,505,000	1,324,874	(180,126)
NET INVESTMENT INCOME	557,068	557,068	1,081,955	524,887
INTERGOVERNMENTAL REVENUE				
Sales and use tax	39,088,334	39,088,334	40,028,139	939,805
State income tax	13,983,366	13,983,366	15,694,332	1,710,966
Federal grants	750,450	750,450	827,105	76,655
State grants	-	-	16,122	16,122
Other	200,000	200,000	354,859	154,859
Total intergovernmental revenue	54,022,150	54,022,150	56,920,557	2,898,407
CHARGES FOR SERVICES				
Operational transfer	4,238,331	4,238,331	4,178,238	(60,093)
Developer contributions	185,000	185,000	178,513	(6,487)
Rental income	62,050	62,050	76,496	14,446
Administrative tow fee	150,000	150,000	123,316	(26,684)
DPW - services for DPU	212,730	212,730	183,014	(29,716)
N.F.P.D. - contract	1,198,855	1,198,855	1,160,651	(38,204)
Ambulance fees	4,600,000	4,600,000	5,339,134	739,134
Fire services	377,040	377,040	334,714	(42,326)
Fire alarm monitoring	700,000	700,000	721,221	21,221
Police services	750,457	750,457	712,818	(37,639)
Billable TED service	40,000	40,000	125,369	85,369
TED services	750	750	71,359	70,609
Engineering fees	165,000	165,000	216,241	51,241
Entitlement fees	110,000	110,000	159,836	49,836
Garbage collection fee	6,526,800	6,526,800	6,600,082	73,282
Household hazardous waste	155,000	155,000	100,833	(54,167)
Other charges for services	403,500	403,500	247,258	(156,242)
Total charges for services	19,875,513	19,875,513	20,529,093	653,580

(This schedule is continued on the following page.)

CITY OF NAPERVILLE, ILLINOIS

DETAILED SCHEDULE OF REVENUES - BUDGET AND ACTUAL (Continued)
GENERAL FUND

For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
FRANCHISE FEES				
WideOpenWest - cable franchise fee	\$ 535,000	\$ 535,000	\$ 473,103	\$ (61,897)
WideOpenWest - 1% support fee	105,000	105,000	94,621	(10,379)
Comcast - cable franchise fee	1,550,000	1,550,000	1,588,276	38,276
Comcast - 1% support fee	315,000	315,000	317,470	2,470
Lease revenue	175,000	175,000	301,391	126,391
AT&T - cable franchise fee	310,000	310,000	286,734	(23,266)
AT&T - 1% support fee	62,500	62,500	57,347	(5,153)
Total franchise fees	3,052,500	3,052,500	3,118,942	66,442
MISCELLANEOUS				
Late payment charge	30,000	30,000	38,275	8,275
Sale of surplus property	25,000	25,000	250,638	225,638
Bad debt recovery	60,000	60,000	49,166	(10,834)
Damage to city property	20,000	20,000	(457)	(20,457)
Rebate programs	80,000	80,000	59,212	(20,788)
Tree reimbursement	49,500	49,500	-	(49,500)
Miscellaneous revenues	20,000	20,000	31,144	11,144
Total miscellaneous	284,500	284,500	427,978	143,478
TOTAL REVENUES	\$ 125,933,983	\$ 125,933,983	\$ 129,461,729	\$ 3,527,746

(See independent auditor's report.)

CITY OF NAPERVILLE, ILLINOIS

DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
GENERAL GOVERNMENT				
Legislative				
Mayor and City Council				
Salaries and wages	\$ 227,227	\$ 227,227	\$ 280,759	\$ (53,532)
Benefits and related	64,714	64,714	65,150	(436)
Contracted services	12,900	12,900	13,079	(179)
Internal services	2,453	2,453	2,448	5
Supplies	2,450	2,450	1,634	816
Total Mayor and City Council	309,744	309,744	363,070	(53,326)
Alcohol and Tobacco Commission				
Contracted services	31,700	31,700	6,743	24,957
Supplies	3,050	3,050	1,501	1,549
Total Alcohol and Tobacco Commission	34,750	34,750	8,244	26,506
Legal				
Legal department				
Salaries and wages	614,275	614,275	618,835	(4,560)
Benefits and related	186,259	186,259	190,860	(4,601)
Contracted services	54,000	54,000	22,364	31,636
Internal services	2,453	2,453	2,448	5
Supplies	25,000	25,000	12,763	12,237
Total legal department	881,987	881,987	847,270	34,717
Executive				
City Manager's Office				
Salaries and wages	444,157	444,157	497,038	(52,881)
Benefits and related	121,776	121,776	141,285	(19,509)
Contracted services	141,826	141,826	130,160	11,666
Internal services	3,924	3,924	3,924	-
Supplies	16,800	16,800	11,684	5,116
Total City Manager's Office	728,483	728,483	784,091	(55,608)
Sister Cities Commission				
Contracted services	3,350	3,350	1,779	1,571
Total Sister Cities Commission	3,350	3,350	1,779	1,571

(This schedule is continued on the following pages.)

CITY OF NAPERVILLE, ILLINOIS

DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (Continued)
GENERAL FUND

For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
GENERAL GOVERNMENT (Continued)				
Executive (Continued)				
Board of Fire and Police				
Salaries and wages	\$ 64,841	\$ 64,841	\$ 37,441	\$ 27,400
Benefits and related	25,240	25,240	10,122	15,118
Contracted services	119,060	119,060	80,015	39,045
Supplies	2,100	2,100	2,884	(784)
Total Board of Fire and Police	211,241	211,241	130,462	80,779
Communications				
Salaries and wages	333,043	333,043	305,860	27,183
Benefits and related	79,690	79,690	75,743	3,947
Contracted services	133,980	133,980	134,287	(307)
Supplies	500	500	3,265	(2,765)
Total communications	547,213	547,213	519,155	28,058
Human resources				
Salaries and wages	548,973	548,973	502,723	46,250
Benefits and related	170,439	170,439	158,779	11,660
Contracted services	230,890	230,890	198,401	32,489
Internal services	1,962	1,962	1,968	(6)
Supplies	9,860	9,860	3,679	6,181
Total human resources	962,124	962,124	865,550	96,574
City Clerk				
City Clerk's Office				
Salaries and wages	442,171	442,171	396,623	45,548
Benefits and related	142,996	142,996	145,454	(2,458)
Contracted services	32,429	32,429	29,810	2,619
Internal services	1,962	1,962	1,968	(6)
Supplies	3,750	3,750	2,670	1,080
Total City Clerk's Office	623,308	623,308	576,525	46,783
Reproduction micrographics service				
Salaries and wages	121,281	121,281	124,550	(3,269)
Benefits and related	56,970	56,970	57,181	(211)
Contracted services	168,705	442,705	253,280	189,425
Internal services	(35,952)	(35,952)	(37,176)	1,224
Supplies	31,950	31,950	22,962	8,988
Total reproduction micrographics service	342,954	616,954	420,797	196,157

(This schedule is continued on the following pages.)

CITY OF NAPERVILLE, ILLINOIS

DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (Continued)
GENERAL FUND

For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
GENERAL GOVERNMENT (Continued)				
City Clerk (Continued)				
Information technology				
Salaries and wages	\$ 2,054,233	\$ 2,054,233	\$ 1,770,068	\$ 284,165
Benefits and related	555,925	555,925	571,546	(15,621)
Contracted services	3,411,465	3,411,465	2,536,899	874,566
Supplies	831,250	831,250	617,650	213,600
Internal services	(1,030,833)	(1,030,833)	(1,030,848)	15
Capital maintenance	124,000	124,000	82,327	41,673
Total information technology	5,946,040	5,946,040	4,547,642	1,398,398
Financial administration				
Administration				
Salaries and wages	622,853	622,853	587,787	35,066
Benefits and related	195,747	195,747	192,623	3,124
Contracted services	576,800	576,800	717,636	(140,836)
Internal services	15,791	15,791	15,792	(1)
Supplies	10,350	10,350	15,521	(5,171)
Total administration	1,421,541	1,421,541	1,529,359	(107,818)
Billing and collection				
Salaries and wages	103,889	103,889	93,604	10,285
Benefits and related	37,682	37,682	37,978	(296)
Contracted services	36,750	36,750	31,797	4,953
Total billing and collection	178,321	178,321	163,379	14,942
Procurement services				
Salaries and wages	302,849	302,849	315,676	(12,827)
Benefits and related	119,119	119,119	108,381	10,738
Contracted services	2,750	2,750	2,526	224
Total procurement services	424,718	424,718	426,583	(1,865)
General services				
Total general government	141,069	141,069	1,322,639	(1,181,570)
Total general government	12,756,843	13,030,843	12,506,545	524,298
PHYSICAL ENVIRONMENT				
Development review team				
Salaries and wages	1,688,433	1,688,433	1,550,103	138,330
Benefits and related	576,432	576,432	537,008	39,424
Contracted services	54,000	54,000	32,218	21,782
Total development review team	2,318,865	2,318,865	2,119,329	199,536

(This schedule is continued on the following pages.)

CITY OF NAPERVILLE, ILLINOIS

DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (Continued)
GENERAL FUND

For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
PHYSICAL ENVIRONMENT (Continued)				
Special projects team				
Salaries and wages	\$ 990,627	\$ 990,627	\$ 862,602	\$ 128,025
Benefits and related	352,562	352,562	302,663	49,899
Contracted services	105,650	105,650	77,585	28,065
Internal services	142,966	142,966	142,968	(2)
Supplies	70,150	70,150	31,358	38,792
Total special projects team	1,661,955	1,661,955	1,417,176	244,779
Planning				
Salaries and wages	351,334	351,334	378,144	(26,810)
Benefits and related	84,021	84,021	82,440	1,581
Contracted services	165,000	165,000	131,985	33,015
Total planning	600,355	600,355	592,569	7,786
Public buildings				
Salaries and wages	955,741	955,741	904,519	51,222
Benefits and related	330,437	330,437	301,404	29,033
Contracted services	1,075,434	1,075,434	894,825	180,609
Supplies	1,255,176	1,255,176	1,214,546	40,630
Capital maintenance	-	-	11,540	(11,540)
Total public buildings	3,616,788	3,616,788	3,326,834	289,954
Total physical environment	8,197,963	8,197,963	7,455,908	742,055
PUBLIC SAFETY				
Police				
Police administration				
Salaries and wages	1,753,584	1,753,584	1,799,914	(46,330)
Benefits and related	7,203,503	7,203,503	7,251,666	(48,163)
Contracted services	573,555	573,555	542,751	30,804
Internal services	480,223	480,223	480,228	(5)
Supplies	455,950	455,950	605,565	(149,615)
Total police administration	10,466,815	10,466,815	10,680,124	(213,309)
Patrol				
Salaries and wages	15,230,050	15,230,050	14,873,857	356,193
Benefits and related	2,338,145	2,338,145	2,293,090	45,055
Contracted services	64,770	64,770	58,593	6,177
Supplies	91,004	91,004	49,194	41,810
Capital maintenance	20,000	20,000	17,274	2,726
Total patrol	17,743,969	17,743,969	17,292,008	451,961

(This schedule is continued on the following pages.)

CITY OF NAPERVILLE, ILLINOIS

DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (Continued)
GENERAL FUND

For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
PUBLIC SAFETY (Continued)				
Police (Continued)				
Investigations				
Salaries and wages	\$ 7,596,322	\$ 7,596,322	\$ 7,730,060	\$ (133,738)
Benefits and related	1,295,941	1,295,941	1,236,109	59,832
Contracted services	282,847	282,847	270,406	12,441
Supplies	141,800	141,800	102,440	39,360
Total investigations	9,316,910	9,316,910	9,339,015	(22,105)
Communications				
Salaries and wages	2,358,044	2,358,044	2,281,918	76,126
Benefits and related	710,003	710,003	741,470	(31,467)
Contracted services	648,113	648,113	560,397	87,716
Supplies	41,975	41,975	24,719	17,256
Total communications	3,758,135	3,758,135	3,608,504	149,631
Fire				
Fire administration				
Salaries and wages	1,605,849	1,605,849	1,605,988	(139)
Benefits and related	9,057,477	9,057,477	9,091,740	(34,263)
Contracted services	636,935	636,935	486,077	150,858
Internal services	259,352	259,352	259,356	(4)
Supplies	63,550	63,550	47,316	16,234
Total fire administration	11,623,163	11,623,163	11,490,477	132,686
Operations division				
Salaries and wages	20,526,287	20,526,287	20,627,851	(101,564)
Benefits and related	3,100,080	3,100,080	3,181,713	(81,633)
Contracted services	470,525	470,525	404,363	66,162
Internal services	4,046	4,046	-	4,046
Supplies	801,000	801,000	625,969	175,031
Total operations division	24,901,938	24,901,938	24,839,896	62,042
Total public safety	77,810,930	77,810,930	77,250,024	560,906
TRANSPORTATION				
Public works				
Administration				
Salaries and wages	1,220,427	1,220,427	1,102,288	118,139
Benefits and related	449,623	449,623	422,546	27,077
Contracted services	7,157,645	7,157,645	6,932,896	224,749
Internal services	153,644	153,644	153,648	(4)
Supplies	338,700	338,700	328,698	10,002
Total administration	9,320,039	9,320,039	8,940,076	379,963

(This schedule is continued on the following page.)

CITY OF NAPERVILLE, ILLINOIS

DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (Continued)
GENERAL FUND

For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
TRANSPORTATION (Continued)				
Public works (Continued)				
Operations and maintenance				
Salaries and wages	\$ 4,811,030	\$ 4,811,030	\$ 4,875,093	\$ (64,063)
Benefits and related	1,492,811	1,492,811	1,478,118	14,693
Contracted services	1,983,705	1,983,705	2,057,577	(73,872)
Supplies	1,429,018	1,429,018	1,286,801	142,217
Total operations and maintenance	9,716,564	9,716,564	9,697,589	18,975
Fleet services				
Salaries and wages	1,228,273	1,228,273	1,236,898	(8,625)
Benefits and related	423,870	423,870	436,078	(12,208)
Contracted services	641,370	641,370	724,970	(83,600)
Supplies	2,359,905	2,359,905	1,827,874	532,031
Total fleet services	4,653,418	4,653,418	4,225,820	427,598
Transportation and engineering				
Administration				
Salaries and wages	858,835	858,835	978,990	(120,155)
Benefits and related	243,868	243,868	298,298	(54,430)
Contracted services	958,945	958,945	878,097	80,848
Supplies	168,300	168,300	147,091	21,209
Total administration	2,229,948	2,229,948	2,302,476	(72,528)
Total transportation	25,919,969	25,919,969	25,165,961	754,008
CULTURE AND RECREATION				
Riverwalk				
Salaries and wages	28,923	28,923	29,096	(173)
Benefits and related	5,060	5,060	5,068	(8)
Contracted services	50,360	50,360	28,505	21,855
Supplies	150	150	13	137
Total Riverwalk	84,493	84,493	62,682	21,811
Total culture and recreation	84,493	84,493	62,682	21,811
TOTAL EXPENDITURES	\$ 124,770,198	\$ 125,044,198	\$ 122,441,120	\$ 2,603,078

(See independent auditor's report.)

CITY OF NAPERVILLE, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
DEBT SERVICE FUND**

For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES				
Property taxes	\$ 11,461,518	\$ 11,461,518	\$ 11,445,960	\$ (15,558)
Intergovernmental revenues				
Sales tax	475,000	475,000	475,000	-
Other	-	-	(78,798)	(78,798)
Net investment income	25,324	25,324	233,589	208,265
Total revenues	11,961,842	11,961,842	12,075,751	113,909
EXPENDITURES				
Debt service				
Principal	9,996,135	9,996,135	9,981,135	15,000
Interest and fees	3,024,528	3,024,528	2,946,007	78,521
Total expenditures	13,020,663	13,020,663	12,927,142	93,521
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,058,821)	(1,058,821)	(851,391)	207,430
OTHER FINANCING SOURCES (USES)				
Transfers in	1,084,145	1,084,145	1,369,510	285,365
Total other financing sources (uses)	1,084,145	1,084,145	1,369,510	285,365
NET CHANGE IN FUND BALANCE	\$ 25,324	\$ 25,324	518,119	\$ 492,795
FUND BALANCE, JANUARY 1			4,809,299	
FUND BALANCE, DECEMBER 31			\$ 5,327,418	

(See independent auditor's report.)

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special Revenue Funds are established to account for the proceeds of specific revenue sources (other than special assessments or for major capital projects) that are legally restricted or committed to expenditures for specific purposes.

Motor Fuel Tax Fund - to account for the state allotments approved by the Illinois Department of Transportation and 75% of the local motor fuel tax and restricted to fund the street maintenance and various improvements projects.

Community Development Block Grant Fund - to account for the Community Development Block Grant approved by the Federal government and restricted to fund the Housing and Urban Development (HUD) projects.

Fair Share Assessment Fund - to account for street maintenance and improvement projects financed and restricted by the impact fees ordinance. All projects require the advance approval of the Transportation Management Advisory Committee and City Council. In 2009, the City Council rescinded the impact fees ordinance. No impact fees revenue has been received since FY 2010.

Road and Bridge Fund - to account for the accumulation of 25% of the local motor fuel tax and the City's share of the four Townships' roadway funds, restricted for the street maintenance.

Naper Settlement Fund - to account for a property tax, one primary revenue source, levied and restricted for the operation and maintenance of the Naper Settlement Museum. In addition, there are donations, fees, and interest earnings assigned to supplement the Settlement's program. The Settlement is administered by a Board of Directors, appointed by the City Council. The City Council approves the annual budget and property tax levy.

Foreign Fire Insurance Tax Fund - to account for state allotment of charges assessed to insurance companies who insure out of state organizations that do business in the State of Illinois and is restricted for fire department related purposes.

E-911 Surcharge Fund - to account for the receipt of E911 surcharges restricted to fund the operation of the E-911 system.

NONMAJOR GOVERNMENTAL FUNDS (Continued)

SPECIAL REVENUE FUNDS (Continued)

Food and Beverage Tax Fund - to account for the accumulation of 75% of the Food and Beverage tax, restricted to fund the social and artistic events and entities, providing cultural experiences for the Naperville community and its visitors, and also a portion is used to fund police and fire pensions.

Special Service Area #26 - Downtown Maintenance Fund - to account for the cost-sharing paid by property owners and the City, restricted to fund the maintenance and support services for enhancing downtown Naperville including improvements to the Chicago Avenue parking deck.

Test Track Fund - to account for the car dealership contributions restricted to fund the auto test rack maintenance.

Water Street TIF Fund - to account for the receipt and disbursement of Water Street TIF, a financing mechanism for the Water Street Redevelopment Project and to account for the 2014 G.O. bond proceeds of \$6,220,000 to be restrictedly used for the Water Street Improvements. The eligible costs are restricted to the Water Street redevelopment project and may include, but not limited to, water storm, sanitary sewer, the service of public facilities and spaces pursuant to the Act, and road improvements.

Drug Forfeiture Fund - to account for the accumulation of funds seized by the City's authorities and restricted by the state and federal governments for drug prevention expenditures.

Special Service Area #25 Fund - to account for the cost-sharing paid by property owners and the City, restricted to fund the traffic signal for enhancing south Naperville at Lacrosse St. and Rt. 59.

ETSB Fund - to account for the receipt of all surcharge and other monies paid or collected to fund the operation of the E911 system and to account for the disbursement of funds associated with the design, implementation, and maintenance of an emergency telephone system.

NONMAJOR GOVERNMENTAL FUNDS (Continued)

SPECIAL REVENUE FUNDS (Continued)

Special Service Area #30 Fund - to account for a capital project involving design and construction of improvements to renovate the streetscape in the Downtown Central Business District. Work will include installation of new sidewalks, curbs, and parkway features as identified in the Naperville Downtown 2030 Plan. Bonds will be issued to pay for 2021 construction work. SSA 30 will provide a financing mechanism for the debt service.

Special Service Area #31 Fund - to account for City-required streetscape improvements following the redevelopment of the downtown property at 41 W. Jefferson Ave. Due to the cost to bring the streetscape up to current City standards, the City considered an SSA as a mechanism for financing these improvements. The City reimbursed the property owner for the full costs related to the improvements in 2019 and will begin to levy property taxes in 2021 to recoup the amount, plus interest, over the next 15 years.

DEBT SERVICE FUNDS

The following Debt Service Funds are established to account for the restricted resources required for the payment of principal and interest on the City's general obligation debts. The debt service funds are legal in nature. They are established in accordance with the City's ordinances.

Special Service Area #21 Fund - to establish a financing mechanism for repayment of a proportionate share of the cost to design and construct a parking deck on Van Buren Street.

Special Service Area #23 Fund - to establish a financing mechanism to collect a portion of the debt service for the Van Buren parking deck expansion. The City ceased to levy SSA #23 in December 2012 and will not levy it until December 2014.

Downtown Parking Fund - to account for the collection of the Downtown Food and Beverage Tax in repayment of one-third of the debt service for the acquisition of the Van Buren parking deck expansion.

NONMAJOR GOVERNMENTAL FUNDS (Continued)

CAPITAL PROJECTS FUNDS

Capital Projects Fund - to account for major capital improvement projects (CIP's) on an as needed basis. Yearly transfers from the other funds are done for funding of CIP projects.

Bond Project Fund - to account for the proceeds of \$11,120,000 to be restricted for the capital improvements, including upgrades and repairs to capital equipment, municipal buildings/lots, and Information Technology items; construction of traffic signals and streets including upgrading intersections; stormwater management programs; citywide LED street lighting conversion; Emerald Ash Borer tree removal and replacement; reconstruction/rehabilitation of bridges; and Riverwalk improvements.

CITY OF NAPERVILLE, ILLINOIS

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

December 31, 2019

	Special Revenue Funds					
	Motor Fuel Tax Fund	Community Development Block Grant Fund	Fair Share Assessment Fund	Road and Bridge Fund	Naper Settlement Fund	Foreign Fire Insurance Tax Fund
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES						
ASSETS						
Cash and investments	\$ 3,111,466	\$ -	\$ 7,222	\$ 559,781	\$ 1,237,888	\$ 435,907
Receivables						
Property taxes	-	-	-	-	2,796,952	-
Interest	7,178	-	-	3,893	3,822	-
Accounts receivable less allowance for doubtful accounts	-	-	-	232,411	-	-
Loans and installments	-	-	-	-	-	-
Advances to other funds	-	-	-	-	-	-
Due from other governments	647,254	367,803	-	-	-	-
Total assets	3,765,898	367,803	7,222	796,085	4,038,662	435,907
DEFERRED OUTFLOWS OF RESOURCES						
None	-	-	-	-	-	-
Total deferred outflows of resources	-	-	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 3,765,898	\$ 367,803	\$ 7,222	\$ 796,085	\$ 4,038,662	\$ 435,907
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
LIABILITIES						
Accounts payable	\$ 180,796	\$ 258,803	\$ 39	\$ 2,454	\$ 432,764	\$ -
Accrued wages and benefits	-	-	-	29,234	113,038	-
Due to other governments	-	-	-	-	-	-
Due to other funds	-	92,926	-	-	-	-
Advances from other funds	-	-	-	-	-	-
Contract retainage payable	-	-	-	-	-	-
Unearned grant revenues and others	-	-	-	3,951	470	-
Total liabilities	180,796	351,729	39	35,639	546,272	-
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue-property taxes	-	-	-	-	2,796,952	-
Total deferred inflows of resources	-	-	-	-	2,796,952	-
Total liabilities and deferred inflows of resources	180,796	351,729	39	35,639	3,343,224	-
FUND BALANCES						
Restricted for						
Debt service	-	-	-	-	-	-
Highways, streets, and parking facilities	3,585,102	-	7,183	760,446	-	-
Public safety	-	-	-	-	-	435,907
Capital projects	-	-	-	-	-	-
Culture and recreation	-	-	-	-	695,438	-
Physical environment	-	16,074	-	-	-	-
Committed to						
Highways, streets, and parking facilities	-	-	-	-	-	-
Assigned to						
Capital projects	-	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	-	-
Total fund balances (deficit)	3,585,102	16,074	7,183	760,446	695,438	435,907
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 3,765,898	\$ 367,803	\$ 7,222	\$ 796,085	\$ 4,038,662	\$ 435,907

Special Revenue Funds										
E-911 Surchage Fund	Food and Beverage Tax Fund	Special Service Area #26 Downtown Maintenance Fund	Test Track Fund	Water Street TIF Fund	Drug Forfeiture Fund	Special Service Area #25 Fund	Special Service Area #30 Fund	Special Service Area #31 Fund	ETSB Fund	Total Special Revenue Funds
\$ 535,504	\$ 714,116	\$ 976,840	\$ 66,962	\$ 992,266	\$ 1,032,329	\$ 86,757	\$ -	\$ -	\$ 478,852	\$ 10,235,890
-	-	1,046,216	-	337,783	-	68,000	-	-	-	4,248,951
1,218	3,519	4,622	-	17,880	3,311	393	-	-	592	46,428
-	528,209	-	37,300	-	-	-	-	-	2,484,044	3,281,964
-	-	23,729	-	-	-	-	-	-	-	23,729
-	-	-	-	-	-	-	-	-	-	-
781,475	-	-	-	-	-	-	-	-	416,739	2,213,271
1,318,197	1,245,844	2,051,407	104,262	1,347,929	1,035,640	155,150	-	-	3,380,227	20,050,233
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
\$ 1,318,197	\$ 1,245,844	\$ 2,051,407	\$ 104,262	\$ 1,347,929	\$ 1,035,640	\$ 155,150	\$ -	\$ -	\$ 3,380,227	\$ 20,050,233
\$ -	\$ 351,399	\$ 60,529	\$ -	\$ 4,410	\$ 3,181	\$ -	\$ -	\$ -	\$ 2,293	\$ 1,296,668
-	6,374	29,165	-	-	-	-	-	-	-	177,811
-	-	-	-	-	26,846	-	-	-	-	26,846
-	-	-	65,702	-	-	-	-	-	-	158,628
-	-	-	-	-	-	521,153	74,318	294,855	-	890,326
-	-	24,360	-	-	-	-	-	-	-	24,360
-	-	-	2,591	-	-	-	-	-	-	7,012
-	357,773	114,054	68,293	4,410	30,027	521,153	74,318	294,855	2,293	2,581,651
-	-	1,046,216	-	337,783	-	68,000	-	-	-	4,248,951
-	-	1,046,216	-	337,783	-	68,000	-	-	-	4,248,951
-	357,773	1,160,270	68,293	342,193	30,027	589,153	74,318	294,855	2,293	6,830,602
-	-	-	-	-	-	-	-	-	-	-
-	-	-	35,969	-	-	-	-	-	-	4,388,700
1,318,197	-	-	-	1,005,736	1,005,613	-	-	-	3,377,934	6,137,651
-	888,071	-	-	-	-	-	-	-	-	1,005,736
-	-	-	-	-	-	-	-	-	-	1,583,509
-	-	-	-	-	-	-	-	-	-	16,074
-	-	891,137	-	-	-	-	-	-	-	891,137
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	(434,003)	(74,318)	(294,855)	-	(803,176)
1,318,197	888,071	891,137	35,969	1,005,736	1,005,613	(434,003)	(74,318)	(294,855)	3,377,934	13,219,631
\$ 1,318,197	\$ 1,245,844	\$ 2,051,407	\$ 104,262	\$ 1,347,929	\$ 1,035,640	\$ 155,150	\$ -	\$ -	\$ 3,380,227	\$ 20,050,233

(This statement is continued on the following page.)

CITY OF NAPERVILLE, ILLINOIS

COMBINING BALANCE SHEET (Continued)
NONMAJOR GOVERNMENTAL FUNDS

December 31, 2019

	Debt Service Funds		Capital Projects Funds			Total Nonmajor Governmental Funds
	Special Service Areas Funds		Downtown Parking Fund	Capital Projects Fund	Bond Project Fund	
	#21	#23				
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES						
ASSETS						
Cash and investments	\$ 786,846	\$ 100,048	\$ 5,486,279	\$ 15,192,971	\$ 6,792,482	\$ 38,594,516
Receivables						
Property taxes	-	98,939	-	-	-	4,347,890
Interest	3,028	433	17,372	70,124	14,283	151,668
Accounts receivable less allowance for doubtful accounts	-	-	175,000	3,005,115	-	6,462,079
Loans and installments	-	-	-	-	-	23,729
Advances to other funds	-	-	-	-	369,173	369,173
Due from other governments	-	-	-	-	-	2,213,271
Total assets	789,874	199,420	5,678,651	18,268,210	7,175,938	52,162,326
DEFERRED OUTFLOWS OF RESOURCES						
None	-	-	-	-	-	-
Total deferred outflows of resources	-	-	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 789,874	\$ 199,420	\$ 5,678,651	\$ 18,268,210	\$ 7,175,938	\$ 52,162,326
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
LIABILITIES						
Accounts payable	\$ -	\$ -	\$ 388	\$ 1,673,445	\$ 287,310	\$ 3,257,811
Accrued wages and benefits	-	-	-	-	-	177,811
Due to other governments	-	-	-	-	-	26,846
Due to other funds	-	-	-	-	-	158,628
Advances from other funds	-	-	-	-	-	890,326
Contract retainage payable	-	-	-	1,080	8,937	34,377
Unearned grant revenues and others	-	-	-	3,390,909	-	3,397,921
Total liabilities	-	-	388	5,065,434	296,247	7,943,720
DEFERRED INFLOWS OF BALANCES						
Unavailable revenue - property taxes	-	98,939	-	-	-	4,347,890
Total deferred inflows of resources	-	98,939	-	-	-	4,347,890
Total liabilities and deferred inflows of resources	-	98,939	388	5,065,434	296,247	12,291,610
FUND BALANCES						
Restricted for						
Debt service	789,874	100,481	5,678,263	-	-	6,568,618
Highways, streets, and parking facilities	-	-	-	-	-	4,388,700
Public safety	-	-	-	-	-	6,137,651
Capital projects	-	-	-	-	-	1,005,736
Culture and recreation	-	-	-	-	-	1,583,509
Physical environment	-	-	-	-	-	16,074
Committed to						
Highways, streets, and parking facilities	-	-	-	-	-	891,137
Assigned to						
Capital projects	-	-	-	13,202,776	6,879,691	20,082,467
Unassigned (deficit)	-	-	-	-	-	(803,176)
Total fund balances (deficit)	789,874	100,481	5,678,263	13,202,776	6,879,691	39,870,716
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 789,874	\$ 199,420	\$ 5,678,651	\$ 18,268,210	\$ 7,175,938	\$ 52,162,326

(See independent auditor's report.)

CITY OF NAPERVILLE, ILLINOIS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended December 31, 2019

	Special Revenue Funds					
	Motor Fuel	Community	Fair Share	Road and	Naper	Foreign
	Tax Fund	Development	Assessment	Bridge	Settlement	Fire
	Grant Fund	Fund	Fund	Fund	Fund	Insurance
						Tax Fund
REVENUES						
Property taxes	\$ -	\$ -	\$ -	\$ 318,120	\$ 2,816,634	\$ -
Other taxes	-	-	-	2,734,851	-	-
Licenses and permits	-	-	-	37,770	-	-
Fines and forfeits	-	-	-	-	-	-
Net investment income (loss)	97,033	-	(1,021)	53,235	49,752	981
Contributions	-	-	-	-	-	-
Intergovernmental	4,872,196	697,676	-	-	-	255,910
Charges for services	-	-	-	-	536,181	-
Miscellaneous	-	6,917	-	(250)	-	-
Total revenues	4,969,229	704,593	(1,021)	3,143,726	3,402,567	256,891
EXPENDITURES						
Current						
General government	-	-	-	-	-	-
Physical environment	-	653,586	-	-	-	-
Public safety	-	-	-	-	-	250,670
Culture and recreation	-	-	-	-	3,716,003	-
Transportation	-	-	-	817,371	-	-
Capital outlay	3,004,814	-	-	2,220,268	-	-
Debt service						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total expenditures	3,004,814	653,586	-	3,037,639	3,716,003	250,670
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,964,415	51,007	(1,021)	106,087	(313,436)	6,221
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
NET CHANGE IN FUND BALANCES	1,964,415	51,007	(1,021)	106,087	(313,436)	6,221
FUND BALANCES (DEFICIT), JANUARY 1	1,620,687	(34,933)	8,204	654,359	1,008,874	429,686
FUND BALANCES (DEFICIT), DECEMBER 31	\$ 3,585,102	\$ 16,074	\$ 7,183	\$ 760,446	\$ 695,438	\$ 435,907

Special Revenue Funds

E-911 Surcharge Fund	Food and Beverage Tax Fund	Special Service Area #26 Downtown Maintenance Fund	Test Track Fund	Water Street TIF Fund	Drug Forfeiture Fund	Special Service Area #25 Fund	Special Service Area #30 Fund	Special Service Area #31 Fund	ETSB Fund
\$ -	\$ -	\$ 997,997	\$ -	\$ 264,845	\$ -	\$ 68,047	\$ -	\$ -	\$ -
-	4,796,631	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	60,723	-	-	-	-	-	-	-
16,702	46,320	61,250	-	243,562	43,370	5,389	-	-	8,108
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	164,057	-	-	-	-
3,067,948	-	12,510	56,963	-	-	-	-	-	3,380,614
-	8,801	8,585	-	-	-	-	-	-	-
3,084,650	4,851,752	1,141,065	56,963	508,407	207,427	73,436	-	-	3,388,722
-	-	-	-	3,725	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
2,858,456	-	-	-	-	33,748	-	-	-	695,280
-	3,581,622	-	-	-	-	-	-	-	-
-	-	2,251,992	42,664	-	-	-	74,318	294,855	-
-	-	-	-	7,871	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
2,858,456	3,581,622	2,251,992	42,664	11,596	33,748	-	74,318	294,855	695,280
226,194	1,270,130	(1,110,927)	14,299	496,811	173,679	73,436	(74,318)	(294,855)	2,693,442
-	-	1,108,709	-	-	-	-	-	-	-
-	(970,531)	-	-	(4,697,885)	-	(68,047)	-	-	-
-	(970,531)	1,108,709	-	(4,697,885)	-	(68,047)	-	-	-
226,194	299,599	(2,218)	14,299	(4,201,074)	173,679	5,389	(74,318)	(294,855)	2,693,442
1,092,003	588,472	893,355	21,670	5,206,810	831,934	(439,392)	-	-	684,492
\$ 1,318,197	\$ 888,071	\$ 891,137	\$ 35,969	\$ 1,005,736	\$ 1,005,613	\$ (434,003)	\$ (74,318)	\$ (294,855)	\$ 3,377,934

(This statement is continued on the following page.)

CITY OF NAPERVILLE, ILLINOIS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (Continued)
NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended December 31, 2019

	Debt Service Funds			Capital Projects Funds		Total Nonmajor Governmental Funds
	Special Service Area Funds		Downtown Parking Fund	Capital Projects Fund	Bond Project Fund	
	#21	#23				
REVENUES						
Property taxes	\$ 202,166	\$ 66,087	\$ -	\$ -	\$ -	\$ 4,733,896
Other taxes	-	-	683,490	-	-	8,214,972
Licenses and permits	-	-	-	-	-	37,770
Fines and forfeits	-	-	-	-	-	60,723
Net investment income (loss)	41,503	5,692	227,318	943,718	193,928	2,036,840
Contributions	-	-	-	463,990	-	463,990
Intergovernmental	-	-	762,808	13,122,307	-	19,874,954
Charges for services	-	-	307,297	-	-	7,361,513
Miscellaneous	-	-	-	379,643	-	403,696
Total revenues	243,669	71,779	1,980,913	14,909,658	193,928	43,188,354
EXPENDITURES						
Current						
General government	-	-	-	-	-	3,725
Physical environment	-	-	-	-	-	653,586
Public safety	-	-	-	-	-	3,838,154
Culture and recreation	-	-	-	-	-	7,297,625
Transportation	-	-	112,277	-	-	3,593,477
Capital outlay	-	-	-	15,399,614	2,630,086	23,262,653
Debt service						
Principal	214,050	-	290,000	-	-	504,050
Interest	30,299	-	43,000	-	-	73,299
Total expenditures	244,349	-	445,277	15,399,614	2,630,086	39,226,569
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(680)	71,779	1,535,636	(489,956)	(2,436,158)	3,961,785
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	4,433,040	5,541,749
Transfers (out)	-	(66,087)	-	-	-	(5,802,550)
Total other financing sources (uses)	-	(66,087)	-	-	4,433,040	(260,801)
NET CHANGE IN FUND BALANCES	(680)	5,692	1,535,636	(489,956)	1,996,882	3,700,984
FUND BALANCES (DEFICIT), JANUARY 1	790,554	94,789	4,142,627	13,692,732	4,882,809	36,169,732
FUND BALANCES (DEFICIT), DECEMBER 31	\$ 789,874	\$ 100,481	\$ 5,678,263	\$ 13,202,776	\$ 6,879,691	\$ 39,870,716

(See independent auditor's report.)

CITY OF NAPERVILLE, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
MOTOR FUEL TAX FUND

For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES				
Net investment income	\$ 16,513	\$ 16,513	\$ 97,033	\$ 80,520
Intergovernmental revenue - allotments from state and grants	3,846,460	3,846,460	4,872,196	1,025,736
Total revenues	<u>3,862,973</u>	<u>3,862,973</u>	<u>4,969,229</u>	<u>1,106,256</u>
EXPENDITURES				
Capital outlay	3,850,000	3,850,000	3,004,814	845,186
Total expenditures	<u>3,850,000</u>	<u>3,850,000</u>	<u>3,004,814</u>	<u>845,186</u>
NET CHANGE IN FUND BALANCE	<u>\$ 12,973</u>	<u>\$ 12,973</u>	1,964,415	<u>\$ 1,951,442</u>
FUND BALANCE, JANUARY 1			<u>1,620,687</u>	
FUND BALANCE, DECEMBER 31			<u>\$ 3,585,102</u>	

(See independent auditor's report.)

CITY OF NAPERVILLE, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
COMMUNITY DEVELOPMENT BLOCK GRANT FUND**

For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES				
Intergovernmental - federal grant	\$ 546,835	\$ 546,835	\$ 697,676	\$ 150,841
Miscellaneous	-	-	6,917	6,917
Total revenues	<u>546,835</u>	<u>546,835</u>	<u>704,593</u>	<u>157,758</u>
EXPENDITURES				
Physical environment				
Grants and contributions	<u>546,000</u>	<u>546,000</u>	653,586	(107,586)
Total expenditures	<u>546,000</u>	<u>546,000</u>	<u>653,586</u>	<u>(107,586)</u>
NET CHANGE IN FUND BALANCE	<u>\$ 835</u>	<u>\$ 835</u>	51,007	<u>\$ 50,172</u>
FUND BALANCE (DEFICIT), JANUARY 1			<u>(34,933)</u>	
FUND BALANCE, DECEMBER 31			<u>\$ 16,074</u>	

(See independent auditor's report.)

CITY OF NAPERVILLE, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
ROAD AND BRIDGE FUND

For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES				
Property tax	\$ 327,250	\$ 327,250	\$ 318,120	\$ (9,130)
Other taxes				
Local gasoline	2,532,000	2,532,000	2,689,116	157,116
Personal property replacement tax	35,000	35,000	45,735	10,735
Licenses and permits	50,000	50,000	37,770	(12,230)
Net investment income	10,570	10,570	53,235	42,665
Miscellaneous	100	100	(250)	(350)
Total revenues	2,954,920	2,954,920	3,143,726	188,806
EXPENDITURES				
Transportation				
Salaries and wages	485,379	485,379	552,251	(66,872)
Benefits and related	167,483	167,483	174,161	(6,678)
Supplies	-	-	90,959	(90,959)
Capital outlay	2,290,000	2,290,000	2,220,268	69,732
Total expenditures	2,942,862	2,942,862	3,037,639	(94,777)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	12,058	12,058	106,087	94,029
NET CHANGE IN FUND BALANCES	\$ 12,058	\$ 12,058	106,087	\$ 94,029
FUND BALANCE, JANUARY 1			654,359	
FUND BALANCE, DECEMBER 31			\$ 760,446	

(See independent auditor's report.)

CITY OF NAPERVILLE, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
NAPER SETTLEMENT FUND

For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES				
Property taxes	\$ 2,796,952	\$ 2,796,952	\$ 2,816,634	\$ 19,682
Net investment income	29,392	29,392	49,752	20,360
Charges for services				
School services and programs	185,000	185,000	221,034	36,034
Museum tours	14,000	14,000	5,381	(8,619)
Public program revenue	72,000	72,000	88,233	16,233
Gate admissions	52,000	52,000	34,558	(17,442)
Settlement - weddings	100,000	100,000	73,892	(26,108)
Settlement - other	103,000	103,000	113,083	10,083
Contributions	532,648	532,648	-	(532,648)
 Total revenues	 3,884,992	 3,884,992	 3,402,567	 (482,425)
EXPENDITURES				
Culture and recreation				
Settlement administration				
Salaries and wages	293,196	293,196	534,118	(240,922)
Benefits and related	253,186	253,186	199,214	53,972
Contracted services	101,387	101,387	107,232	(5,845)
Supplies	40,570	40,570	88,358	(47,788)
Internal services	129,603	129,603	128,460	1,143
Visitor services				
Salaries and wages	725,666	725,666	552,661	173,005
Benefits and related	282,113	282,113	145,331	136,782
Contracted services	20,250	20,250	16,463	3,787
Supplies	23,300	23,300	30,321	(7,021)
Building and grounds				
Salaries and wages	152,892	152,892	114,135	38,757
Benefits and related	59,440	59,440	53,997	5,443
Contracted services	356,432	356,432	434,682	(78,250)
Internal services	8,505	8,505	8,508	(3)
Supplies	174,667	174,667	165,924	8,743
Capital maintenance	110,000	110,000	268,836	(158,836)
Development				
Salaries	387,935	387,935	196,404	191,531
Employee benefits	150,995	150,995	57,262	93,733

(This statement is continued on the following page.)

CITY OF NAPERVILLE, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (Continued)
NAPER SETTLEMENT FUND

For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
EXPENDITURES (Continued)				
Culture and recreation (Continued)				
Artifact and preservation				
Salaries and wages	\$ 175,712	\$ 175,712	\$ 158,667	\$ 17,045
Benefits and related	68,310	68,310	47,714	20,596
Contracted services	6,800	6,800	14,972	(8,172)
Supplies	4,625	4,625	3,585	1,040
Public relations/marketing				
Salaries and wages	230,479	230,479	179,923	50,556
Benefits and related	89,602	89,602	71,034	18,568
Contracted services	171,693	171,693	126,904	44,789
Supplies	2,145	2,145	11,298	(9,153)
Total expenditures	<u>4,019,503</u>	<u>4,019,503</u>	<u>3,716,003</u>	<u>303,500</u>
NET CHANGE IN FUND BALANCE	<u>\$ (134,511)</u>	<u>\$ (134,511)</u>	(313,436)	<u>\$ (178,925)</u>
FUND BALANCE, JANUARY 1			<u>1,008,874</u>	
FUND BALANCE, DECEMBER 31			<u><u>\$ 695,438</u></u>	

(See independent auditor's report.)

CITY OF NAPERVILLE, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
E-911 SURCHARGE FUND**

For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES				
Net investment income	\$ -	\$ -	\$ 16,702	\$ 16,702
Charges for services	2,900,000	2,900,000	3,067,948	167,948
Total revenues	2,900,000	2,900,000	3,084,650	184,650
EXPENDITURES				
Public safety				
Internal services	2,900,000	2,900,000	2,858,456	41,544
Total expenditures	2,900,000	2,900,000	2,858,456	41,544
NET CHANGE IN FUND BALANCE	\$ -	\$ -	226,194	\$ 226,194
FUND BALANCE, JANUARY 1			1,092,003	
FUND BALANCE, DECEMBER 31			\$ 1,318,197	

(See independent auditor's report.)

CITY OF NAPERVILLE, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOOD AND BEVERAGE TAX FUND

For the Year Ended December 31, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
REVENUES				
Food and beverage tax	\$ 4,357,001	\$ 4,357,001	\$ 4,796,631	\$ 439,630
Net investment income	12,355	12,355	46,320	33,965
Miscellaneous	10,000	10,000	8,801	(1,199)
	<hr/>			
Total revenues	4,379,356	4,379,356	4,851,752	472,396
<hr/>				
EXPENDITURES				
Culture and recreation				
Salaries and wages	733,349	733,349	534,417	198,932
Benefits and related	1,110,347	1,110,347	1,210,229	(99,882)
Contracted services	285,743	285,743	280,543	5,200
Supplies	27,016	27,016	29,336	(2,320)
Grants and contributions	1,440,566	1,440,566	1,527,097	(86,531)
	<hr/>			
Total expenditures	3,597,021	3,597,021	3,581,622	15,399
<hr/>				
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	782,335	782,335	1,270,130	487,795
<hr/>				
OTHER FINANCING SOURCES (USES)				
Transfers (out)	(759,980)	(759,980)	(970,531)	(210,551)
	<hr/>			
Total other financing sources (uses)	(759,980)	(759,980)	(970,531)	(210,551)
<hr/>				
NET CHANGE IN FUND BALANCE	<u>\$ 22,355</u>	<u>\$ 22,355</u>	299,599	<u>\$ 277,244</u>
<hr/>				
FUND BALANCE, JANUARY 1			<u>588,472</u>	
<hr/>				
FUND BALANCE, DECEMBER 31			<u><u>\$ 888,071</u></u>	

(See independent auditor's report.)

CITY OF NAPERVILLE, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL SERVICE AREA #26 - DOWNTOWN MAINTENANCE FUND**

For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES				
Property taxes	\$ 987,537	\$ 987,537	\$ 997,997	\$ 10,460
Fines	60,000	60,000	60,723	723
Net investment income	21,032	21,032	61,250	40,218
Charges for services	10,000	10,000	12,510	2,510
Miscellaneous	15,225	15,225	8,585	(6,640)
Total revenues	1,093,794	1,093,794	1,141,065	47,271
EXPENDITURES				
Transportation				
Salaries and wages	600,751	600,751	582,698	18,053
Benefits and related	158,942	158,942	156,185	2,757
Contracted services	1,162,066	1,162,066	1,056,738	105,328
Supplies	279,600	279,600	222,271	57,329
Internal services	164,938	164,938	164,940	(2)
Capital maintenance	100,000	100,000	69,160	30,840
Total expenditures	2,466,297	2,466,297	2,251,992	214,305
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,372,503)	(1,372,503)	(1,110,927)	261,576
OTHER FINANCING SOURCES (USES)				
Transfers in	1,108,709	1,108,709	1,108,709	-
Total other financing sources (uses)	1,108,709	1,108,709	1,108,709	-
NET CHANGE IN FUND BALANCE	\$ (263,794)	\$ (263,794)	(2,218)	\$ 261,576
FUND BALANCE, JANUARY 1			893,355	
FUND BALANCE, DECEMBER 31			\$ 891,137	

(See independent auditor's report.)

CITY OF NAPERVILLE, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
TEST TRACK FUND**

For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES				
Charges for services	\$ 56,215	\$ 56,215	\$ 56,963	\$ 748
Total revenues	<u>56,215</u>	<u>56,215</u>	<u>56,963</u>	<u>748</u>
EXPENDITURES				
Transportation				
Contracted services	34,715	34,715	32,329	2,386
Supplies	21,500	21,500	10,335	11,165
Total expenditures	<u>56,215</u>	<u>56,215</u>	<u>42,664</u>	<u>13,551</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	14,299	<u>\$ 14,299</u>
FUND BALANCE, JANUARY 1			<u>21,670</u>	
FUND BALANCE, DECEMBER 31			<u>\$ 35,969</u>	

(See independent auditor's report.)

CITY OF NAPERVILLE, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
WATER STREET TIF FUND

For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES				
Property taxes	\$ 379,352	\$ 379,352	\$ 264,845	\$ (114,507)
Net investment income	123,245	123,245	243,562	120,317
Total revenues	502,597	502,597	508,407	5,810
EXPENDITURES				
General government				
Contracted services	3,650	3,650	3,725	(75)
Capital maintenance	-	-	7,871	(7,871)
Total expenditures	3,650	3,650	11,596	(7,946)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	498,947	498,947	496,811	(2,136)
OTHER FINANCING SOURCES (USES)				
Transfers (out)	(248,165)	(248,165)	(4,697,885)	(4,449,720)
Total other financing sources (uses)	(248,165)	(248,165)	(4,697,885)	(4,449,720)
NET CHANGE IN FUND BALANCE	\$ 250,782	\$ 250,782	(4,201,074)	\$ (4,451,856)
FUND BALANCE, JANUARY 1			5,206,810	
FUND BALANCE, DECEMBER 31			\$ 1,005,736	

(See independent auditor's report.)

CITY OF NAPERVILLE, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
DRUG FORFEITURE FUND**

For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES				
Net investment income	\$ 17,556	\$ 17,556	\$ 43,370	\$ 25,814
Intergovernmental	281,500	281,500	164,057	(117,443)
Total revenues	299,056	299,056	207,427	(91,629)
EXPENDITURES				
Public safety				
Contracted services	66,500	66,500	13,506	52,994
Internal services	25,000	25,000	6,442	18,558
Supplies	151,000	151,000	13,800	137,200
Capital maintenance	30,000	30,000	-	30,000
Outside agencies	9,000	9,000	-	9,000
Total expenditures	281,500	281,500	33,748	247,752
NET CHANGE IN FUND BALANCE	\$ 17,556	\$ 17,556	173,679	\$ 156,123
FUND BALANCE, JANUARY 1			831,934	
FUND BALANCE, DECEMBER 31			\$ 1,005,613	

(See independent auditor's report.)

CITY OF NAPERVILLE, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL SERVICE AREA #25 FUND

For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES				
Property taxes	\$ 68,000	\$ 68,000	\$ 68,047	\$ 47
Net investment income	-	-	5,389	5,389
 Total revenues	 68,000	 68,000	 73,436	 5,436
EXPENDITURES				
None	-	-	-	-
 Total expenditures	 -	 -	 -	 -
OTHER FINANCING SOURCES (USES)				
Transfers (out)	-	-	(68,047)	(68,047)
 Total other financing sources (uses)	 -	 -	 (68,047)	 (68,047)
 NET CHANGE IN FUND BALANCE	 \$ 68,000	 \$ 68,000	 5,389	 \$ (62,611)
 FUND BALANCE (DEFICIT), JANUARY 1			 (439,392)	
 FUND BALANCE (DEFICIT), DECEMBER 31			 \$ (434,003)	

(See independent auditor's report.)

CITY OF NAPERVILLE, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL SERVICE AREA #30 FUND

For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES				
None	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES				
Transportation				
Contracted services	150,000	150,000	74,318	75,682
Capital maintenance	2,000,000	2,000,000	-	2,000,000
Total expenditures	<u>2,150,000</u>	<u>2,150,000</u>	<u>74,318</u>	<u>2,075,682</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(2,150,000)</u>	<u>(2,150,000)</u>	<u>(74,318)</u>	<u>2,075,682</u>
OTHER FINANCING SOURCES (USES)				
New bonds issued	<u>2,150,000</u>	<u>2,150,000</u>	-	<u>(2,150,000)</u>
Total other financing sources (uses)	<u>2,150,000</u>	<u>2,150,000</u>	-	<u>(2,150,000)</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>(74,318)</u>	<u>\$ (74,318)</u>
FUND BALANCE, JANUARY 1			<u>-</u>	
FUND BALANCE (DEFICIT), DECEMBER 31			<u>\$ (74,318)</u>	

(See independent auditor's report.)

CITY OF NAPERVILLE, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
ETSB FUND

For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES				
Net investment income	\$ -	\$ -	\$ 8,108	\$ 8,108
Charges for services	1,200,000	1,200,000	3,380,614	2,180,614
Total revenues	<u>1,200,000</u>	<u>1,200,000</u>	<u>3,388,722</u>	<u>2,188,722</u>
EXPENDITURES				
Public safety				
Grants and contributions	1,200,000	1,200,000	695,280	504,720
Total expenditures	<u>1,200,000</u>	<u>1,200,000</u>	<u>695,280</u>	<u>504,720</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	2,693,442	<u>\$ 2,693,442</u>
FUND BALANCE, JANUARY 1			<u>684,492</u>	
FUND BALANCE, DECEMBER 31			<u><u>\$ 3,377,934</u></u>	

(See independent auditor's report.)

CITY OF NAPERVILLE, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL SERVICE AREA #21 FUND

For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES				
Property taxes	\$ 200,000	\$ 200,000	\$ 202,166	\$ 2,166
Net investment income	20,647	20,647	41,503	20,856
Total revenues	220,647	220,647	243,669	23,022
EXPENDITURES				
Debt service				
Principal	214,050	214,050	214,050	-
Interest	30,299	30,299	30,299	-
Total expenditures	244,349	244,349	244,349	-
NET CHANGE IN FUND BALANCE	\$ (23,702)	\$ (23,702)	(680)	\$ 23,022
FUND BALANCE, JANUARY 1			790,554	
FUND BALANCE, DECEMBER 31			\$ 789,874	

(See independent auditor's report.)

CITY OF NAPERVILLE, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL SERVICE AREA #23 FUND

For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES				
Property taxes	\$ 98,939	\$ 98,939	\$ 66,087	\$ (32,852)
Net investment income	(1,028)	(1,028)	5,692	6,720
Total revenues	97,911	97,911	71,779	(26,132)
EXPENDITURES				
None	-	-	-	-
Total expenditures	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	97,911	97,911	71,779	(26,132)
OTHER FINANCING SOURCES (USES)				
Transfers (out)	(76,000)	(76,000)	(66,087)	9,913
Total other financing sources (uses)	(76,000)	(76,000)	(66,087)	9,913
NET CHANGE IN FUND BALANCE	\$ 21,911	\$ 21,911	5,692	\$ (16,219)
FUND BALANCE, JANUARY 1			<u>94,789</u>	
FUND BALANCE, DECEMBER 31			<u>\$ 100,481</u>	

(See independent auditor's report.)

CITY OF NAPERVILLE, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
DOWNTOWN PARKING FUND

For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES				
Other taxes				
Food and beverage tax	\$ 690,000	\$ 690,000	\$ 683,490	\$ (6,510)
Net investment income	65,373	65,373	227,318	161,945
Intergovernmental				
Sales tax	690,000	690,000	762,808	72,808
Charges for services	116,917	116,917	307,297	190,380
Total revenues	1,562,290	1,562,290	1,980,913	418,623
EXPENDITURES				
Transportation				
Contracted services	54,000	54,000	-	54,000
Capital maintenance	200,000	200,000	112,277	87,723
Debt service				
Principal	290,000	290,000	290,000	-
Interest	43,000	43,000	43,000	-
Total expenditures	533,000	533,000	445,277	87,723
NET CHANGE IN FUND BALANCE	\$ 1,029,290	\$ 1,029,290	1,535,636	\$ 506,346
FUND BALANCE, JANUARY 1			4,142,627	
FUND BALANCE, DECEMBER 31			\$ 5,678,263	

(See independent auditor's report.)

CITY OF NAPERVILLE, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CAPITAL PROJECTS FUND

For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES				
Net investment income	\$ 308,532	\$ 308,532	\$ 943,718	\$ 635,186
Contributions	3,814,993	3,814,993	463,990	(3,351,003)
Intergovernmental				
Sales taxes	12,628,751	12,628,751	13,081,803	453,052
Grants	-	-	40,504	40,504
Miscellaneous	100,000	100,000	379,643	279,643
Total revenues	16,852,276	16,852,276	14,909,658	(1,942,618)
EXPENDITURES				
Capital outlay	19,141,203	19,141,203	15,399,614	3,741,589
Total expenditures	19,141,203	19,141,203	15,399,614	3,741,589
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(2,288,927)	(2,288,927)	(489,956)	1,798,971
NET CHANGE IN FUND BALANCE	\$ (2,288,927)	\$ (2,288,927)	(489,956)	\$ 1,798,971
FUND BALANCE, JANUARY 1			<u>13,692,732</u>	
FUND BALANCE, DECEMBER 31			<u>\$ 13,202,776</u>	

(See independent auditor's report.)

CITY OF NAPERVILLE, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
BOND PROJECT FUND**

For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES				
Net investment income	\$ 150,292	\$ 150,292	\$ 193,928	\$ 43,636
Total revenues	150,292	150,292	193,928	43,636
EXPENDITURES				
Capital outlay	6,117,906	6,117,906	2,630,086	3,487,820
Total expenditures	6,117,906	6,117,906	2,630,086	3,487,820
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(5,967,614)	(5,967,614)	(2,436,158)	3,531,456
OTHER FINANCING SOURCES (USES)				
New bonds issued	5,975,000	5,975,000	-	(5,975,000)
Transfers in	-	-	4,433,040	4,433,040
Total other financing sources (uses)	5,975,000	5,975,000	4,433,040	(1,541,960)
NET CHANGE IN FUND BALANCE	<u>\$ 7,386</u>	<u>\$ 7,386</u>	1,996,882	<u>\$ 1,989,496</u>
FUND BALANCE, JANUARY 1			<u>4,882,809</u>	
FUND BALANCE, DECEMBER 31			<u><u>\$ 6,879,691</u></u>	

(See independent auditor's report.)

FIDUCIARY FUNDS

PENSION TRUST FUNDS

Police and Firefighters' Pension Trust Funds - to account for the accumulation of retirement and disability benefits as required by state statute. Resources are contributed by employees at rates fixed by law and by the City determined by an actuarial study.

CITY OF NAPERVILLE, ILLINOIS

**COMBINING STATEMENT OF FIDUCIARY NET POSITION
PENSION TRUST FUNDS**

December 31, 2019

	Police Pension	Firefighters' Pension	Total
ASSETS			
Cash and short-term investments	\$ 9,505,665	\$ 11,889,002	\$ 21,394,667
Receivables			
Interest receivable	468,978	487,691	956,669
Investments at fair value			
U.S. Treasury obligations	24,825,019	25,319,849	50,144,868
U.S. Government agencies	6,407,908	14,789,117	21,197,025
Municipal bonds	1,536,805	1,155,451	2,692,256
Corporate bonds	24,119,922	16,773,860	40,893,782
Annuities	16,930,465	16,664,589	33,595,054
Common stock	-	24,601,063	24,601,063
Mutual funds	112,108,060	86,000,892	198,108,952
Negotiable certificates of deposit	175,346	-	175,346
Total investments	186,103,525	185,304,821	371,408,346
Due from municipality	42,542	43,542	86,084
Prepaid items	12,241	1,055	13,296
Total assets	196,132,951	197,726,111	393,859,062
LIABILITIES			
Accounts payable	45,560	1,715	47,275
NET POSITION RESTRICTED FOR PENSIONS	\$ 196,087,391	\$ 197,724,396	\$ 393,811,787

(See independent auditor's report.)

CITY OF NAPERVILLE, ILLINOIS

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION TRUST FUNDS**

For the Year Ended December 31, 2019

	Police Pension	Firefighters' Pension	Total
ADDITIONS			
Contributions			
Employer	\$ 7,136,502	\$ 9,050,106	\$ 16,186,608
Employee	1,862,260	1,901,417	3,763,677
Total contributions	<u>8,998,762</u>	<u>10,951,523</u>	<u>19,950,285</u>
Investment income			
Net appreciation in fair value of investments	24,466,257	25,194,872	49,661,129
Interest and dividends	4,423,944	4,617,487	9,041,431
Total investment income	<u>28,890,201</u>	<u>29,812,359</u>	<u>58,702,560</u>
Less investment expense	223,418	357,669	581,087
Net investment income	<u>28,666,783</u>	<u>29,454,690</u>	<u>58,121,473</u>
Other income	-	1,330	1,330
Total additions	<u>37,665,545</u>	<u>40,407,543</u>	<u>78,073,088</u>
DEDUCTIONS			
Pension benefits	8,426,752	9,551,060	17,977,812
Refunds of contributions	57,757	43,665	101,422
Administrative expense	83,118	131,445	214,563
Total deductions	<u>8,567,627</u>	<u>9,726,170</u>	<u>18,293,797</u>
NET INCREASE	29,097,918	30,681,373	59,779,291
NET POSITION RESTRICTED FOR PENSIONS			
January 1	<u>166,989,473</u>	<u>167,043,023</u>	<u>334,032,496</u>
December 31	<u>\$ 196,087,391</u>	<u>\$ 197,724,396</u>	<u>\$ 393,811,787</u>

(See independent auditor's report.)

CITY OF NAPERVILLE, ILLINOIS

**ILLINOIS GRANT ACCOUNTABILITY AND TRANSPARENCY ACT
CONSOLIDATED YEAR END FINANCIAL REPORT**

For the Year Ended December 31, 2019

CSFA Number	Program Name	State	Federal	Other	Total
444-26-1565	Tobacco Enforcement Program	\$ 8,360	\$ -	\$ -	\$ 8,360
494-00-0967	High-Growth Cities Program	34,998	-	-	34,998
494-00-1488	Motor Fuel Tax Program	2,969,816	-	-	2,969,816
494-10-0343	State and Community Highway Safety/National Priority Safety Program	-	63,139	-	63,139
494-42-0495	Local Surface Transportation Program	-	44,838	-	44,838
546-00-1469	Edward Byrne Memorial Justice Assistance Grant Program (JAG) FFY16	-	61,010	-	61,010
588-40-0450	Emergency Management Performance Grants	-	19,101	-	19,101
	All other costs not allocated	-	1,761,157	398,119,355	399,880,512
TOTALS		\$ 3,013,174	\$ 1,949,245	\$ 398,119,355	\$ 403,081,774

(See independent auditor's report.)

STATISTICAL SECTION (UNAUDITED)

STATISTICAL SECTION (Unaudited)

This part of the City of Naperville, Illinois' comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

<u>Contents</u>	<u>Page(s)</u>
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	123-132
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	133-139
Debt Capacity These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	140-143
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	144-145
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	146-148

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report for the relevant year.

CITY OF NAPERVILLE, ILLINOIS

NET POSITION BY COMPONENT

Last Ten Fiscal Years
(Amounts expressed in thousands)

Fiscal Year	2011	2012	2013	2014
GOVERNMENTAL ACTIVITIES				
Net investment in capital assets	\$ 446,569	\$ 427,459	\$ 419,148	\$ 412,387
Restricted	5,129	6,031	6,787	8,042
Unrestricted	31,009	40,417	41,836	38,904
TOTAL GOVERNMENTAL ACTIVITIES	\$ 482,707	\$ 473,907	\$ 467,771	\$ 459,333
BUSINESS-TYPE ACTIVITIES				
Net investment in capital assets	\$ 443,008	\$ 439,216	\$ 432,913	\$ 437,827
Restricted	-	-	-	-
Unrestricted	13,890	19,899	27,522	11,846
TOTAL BUSINESS-TYPE ACTIVITIES	\$ 456,898	\$ 459,115	\$ 460,435	\$ 449,673
PRIMARY GOVERNMENT				
Net investment in capital assets	\$ 889,577	\$ 866,675	\$ 852,061	\$ 850,214
Restricted	5,129	6,031	6,787	8,042
Unrestricted	44,899	60,316	69,358	50,750
TOTAL PRIMARY GOVERNMENT	\$ 939,605	\$ 933,022	\$ 928,206	\$ 909,006

*The City changed its fiscal year end from April 30 to December 31 as of December 31, 2015.

**The City implemented GASB Statement No. 68 as of December 31, 2015.

Data Source

Audited Financial Statements

2015	2015*/**	2016	2017	2018	2019
\$ 409,027	\$ 420,617	\$ 425,260	\$ 411,982	\$ 413,491	\$ 409,050
9,623	9,635	7,993	17,301	16,902	19,684
30,529	(87,728)	(86,883)	(83,615)	(91,112)	(87,250)
\$ 449,179	\$ 342,524	\$ 346,370	\$ 345,668	\$ 339,281	\$ 341,484
\$ 442,720	\$ 426,461	\$ 422,141	\$ 416,692	\$ 406,121	\$ 394,245
-	-	-	-	-	-
6,674	8,693	18,661	34,704	53,107	66,627
\$ 449,394	\$ 435,154	\$ 440,802	\$ 451,396	\$ 459,228	\$ 460,872
\$ 851,747	\$ 847,078	\$ 847,401	\$ 828,674	\$ 819,612	\$ 803,295
9,623	9,635	7,993	17,301	16,902	19,684
37,203	(79,035)	(68,222)	(48,911)	(38,005)	(20,623)
\$ 898,573	\$ 777,678	\$ 787,172	\$ 797,064	\$ 798,509	\$ 802,356

CITY OF NAPERVILLE, ILLINOIS

CHANGES IN NET POSITION

Last Ten Fiscal Years
(Amounts expressed in thousands)

Fiscal Year	2011	2012	2013	2014
EXPENSES				
Governmental activities				
General government	\$ 5,129	\$ 6,742	\$ 7,986	\$ 8,901
Physical environment	8,147	8,514	9,455	8,608
Public safety	65,495	66,165	65,017	67,578
Culture and recreation	10,370	8,531	8,426	9,779
Transportation	46,240	51,352	47,120	49,587
Interest on long-term debt	4,465	4,593	4,161	3,782
Total governmental activities expenses	139,846	145,897	142,165	148,235
Business-type activities				
Electric	133,761	136,090	145,585	152,352
Water and wastewater	40,692	40,724	46,037	50,981
Burlington commuter parking	1,764	1,309	2,033	1,559
Total business-type activities expenses	176,217	178,123	193,655	204,892
TOTAL PRIMARY GOVERNMENT EXPENSES	\$ 316,063	\$ 324,020	\$ 335,820	\$ 353,127
PROGRAM REVENUES				
Governmental activities				
Charges for services				
General government	\$ 3,027	\$ 1,539	\$ 1,609	\$ 1,517
Physical environment	1,104	1,414	1,746	2,000
Public safety	9,801	8,416	7,700	7,788
Culture and recreation	494	910	855	832
Transportation	689	1,491	1,467	1,677
Operating grants and contributions				
General government				
Physical environment	1,544	572	1,422	610
Public safety	1,727	1,703	1,932	1,808
Culture and recreation	67	16	87	171
Transportation	4,763	4,746	4,405	4,489
Interest on long-term debt	309	285	209	192
Capital grants and contributions				
Transportation	9,366	2,869	1,086	3,012
Total governmental activities program revenues	32,891	23,961	22,518	24,096
Business-type activities				
Charges for services				
Electric	135,435	131,064	134,580	134,089
Water and wastewater	29,716	38,659	47,518	47,313
Burlington commuter parking	2,265	2,185	2,191	2,257
Operating grants and contributions				
Electric	5	-	82	17
Water and wastewater	210	176	336	230
Burlington commuter parking	21	65	-	-
Capital grants and contributions				
Electric	5,503	3,943	7,957	5,612
Water and wastewater	1,096	1,356	1,879	5,074
Total business-type activities program revenues	174,251	177,448	194,543	194,592
TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES	\$ 207,142	\$ 201,409	\$ 217,061	\$ 218,688

	2015	2015*	2016	2017	2018	2019
\$	8,925	\$ 11,331	\$ 14,918	\$ 15,250	\$ 14,725	\$ 15,957
	8,381	6,784	9,996	10,376	10,396	11,706
	70,241	63,792	78,039	74,934	87,692	95,907
	8,687	4,846	7,516	8,366	8,535	8,452
	56,446	25,941	37,830	48,964	41,110	47,730
	4,288	2,512	3,524	3,122	3,087	2,790
	156,968	115,206	151,823	161,012	165,545	182,542
	144,954	103,759	151,588	150,148	154,474	154,110
	51,287	41,990	56,926	60,591	64,494	64,141
	2,061	905	1,770	1,423	1,907	2,289
	198,302	146,654	210,284	212,162	220,875	220,540
\$	355,270	\$ 261,860	\$ 362,107	\$ 373,174	\$ 386,420	\$ 403,082
\$	1,245	\$ 4,133	\$ 13,151	\$ 12,252	\$ 13,485	\$ 14,699
	2,099	1,357	2,215	2,401	2,143	2,176
	7,875	5,021	8,081	10,448	12,232	14,853
	883	301	467	538	439	536
	2,478	164	195	129	151	127
	540	1,003	1,737	968	1,558	1,083
	2,316	1,731	1,185	899	1,135	1,473
	-	-	-	-	-	-
	5,013	-	38	361	316	41
	297	-	-	-	-	-
	12,118	2,541	3,736	3,679	3,814	4,872
	34,864	16,251	30,805	31,675	35,273	39,860
	135,708	96,128	155,122	157,317	162,771	150,322
	48,201	35,071	51,004	53,627	58,755	60,242
	2,211	1,473	2,298	2,528	2,392	2,369
	-	-	(18)	-	-	-
	234	235	224	307	267	143
	-	-	-	-	-	-
	2,230	2,226	3,157	4,070	3,869	3,322
	4,537	931	1,778	1,978	1,437	1,080
	193,121	136,064	213,565	219,827	229,491	217,478
\$	227,985	\$ 152,315	\$ 244,370	\$ 251,502	\$ 264,764	\$ 257,338

CITY OF NAPERVILLE, ILLINOIS

CHANGES IN NET POSITION (Continued)

Last Ten Fiscal Years
(amounts expressed in thousands)

Fiscal Year	2011	2012	2013	2014
NET (EXPENSE) REVENUE				
Governmental activities	\$ (106,955)	\$ (121,936)	\$ (119,647)	\$ (124,139)
Business-type activities	(1,966)	(675)	888	(10,300)
TOTAL PRIMARY GOVERNMENT NET (EXPENSE) REVENUE	\$ (108,921)	\$ (122,611)	\$ (118,759)	\$ (134,439)
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION				
Governmental activities				
Taxes				
Property	\$ 39,464	\$ 38,479	\$ 36,227	\$ 33,639
Utility	16,390	16,580	16,604	16,993
Sales and use	28,600	30,610	32,263	34,498
State income	11,271	11,581	12,784	13,823
Other	10,592	10,677	12,006	13,391
Franchise fees	2,020	2,141	2,437	2,455
Net investment income (loss)	2,766	3,130	1,190	(293)
Miscellaneous	-	-	-	-
Transfers	(61)	(62)	-	-
Total governmental activities	111,042	113,136	113,511	114,506
Business-type activities				
Net investment income (loss)	451	825	432	(462)
Miscellaneous revenues	-	-	-	-
Transfers	61	62	-	-
Total business-type activities	512	887	432	(462)
TOTAL PRIMARY GOVERNMENT	\$ 111,554	\$ 114,023	\$ 113,943	\$ 114,044
CHANGE IN NET POSITION				
Governmental activities	\$ 4,087	\$ (8,800)	\$ (6,136)	\$ (9,633)
Business-type activities	(1,454)	212	1,320	(10,762)
TOTAL PRIMARY GOVERNMENT CHANGE IN NET POSITION	\$ 2,633	\$ (8,588)	\$ (4,816)	\$ (20,395)

*The City changed its fiscal year end from April 30 to December 31 as of December 31, 2015.

Data Source

Audited Financial Statements

	2015	2015*	2016	2017	2018	2019
\$	(122,104)	\$ (98,955)	\$ (121,018)	\$ (129,337)	\$ (130,272)	\$ (142,682)
	(5,181)	(10,590)	3,281	7,665	8,616	(3,062)
\$	(127,285)	\$ (109,545)	\$ (117,737)	\$ (121,672)	\$ (121,656)	\$ (145,744)
\$	33,169	\$ 34,849	\$ 33,355	\$ 34,129	\$ 34,495	\$ 36,555
	16,123	10,108	15,137	15,399	16,008	15,775
	35,580	25,189	44,355	46,082	49,249	54,348
	13,892	9,925	13,809	13,029	13,617	15,694
	13,300	9,820	14,489	15,462	14,442	15,192
	2,538	2,162	3,230	3,423	3,097	3,119
	1,925	198	(109)	355	636	3,390
	-	609	597	756	652	831
	(4,577)	-	-	-	-	-
	111,950	92,860	124,863	128,635	132,196	144,904
	282	137	310	580	546	2,810
	-	1,189	2,057	2,351	1,885	1,896
	4,577	-	-	-	-	-
	4,859	1,326	2,367	2,931	2,431	4,706
\$	116,809	\$ 94,186	\$ 127,230	\$ 131,566	\$ 134,627	\$ 149,610
\$	(10,154)	\$ (6,095)	\$ 3,845	\$ (702)	\$ 1,924	\$ 2,222
	(322)	(9,264)	5,648	10,596	11,047	1,644
\$	(10,476)	\$ (15,359)	\$ 9,493	\$ 9,894	\$ 12,971	\$ 3,866

CITY OF NAPERVILLE, ILLINOIS

FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years
(Amounts expressed in thousands)

Fiscal Year	2011	2012	2013	2014
GENERAL FUND				
Reserved	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-
Nonspendable	149	122	158	75
Assigned	-	-	6,000	-
Unassigned	22,782	27,037	25,573	25,513
TOTAL GENERAL FUND	\$ 22,931	\$ 27,159	\$ 31,731	\$ 25,588
ALL OTHER GOVERNMENTAL FUNDS				
Reserved	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in				
Special Revenue Funds	-	-	-	-
Capital Project Funds	-	-	-	-
Nonspendable	86	54	75	62
Restricted	16,775	7,819	6,825	10,895
Committed	3,546	4,563	3,860	2,459
Assigned	1,596	5,002	3,278	5,033
Unassigned (deficit)	-	-	(55)	(190)
TOTAL ALL OTHER GOVERNMENTAL FUNDS	\$ 22,003	\$ 17,438	\$ 13,983	\$ 18,259

*The City changed its fiscal year end from April 30 to December 31 as of December 31, 2015.

Data Source

Audited Financial Statements

2015	2015*	2016	2017	2018	2019
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
343	13	32	529	522	521
-	-	-	-	-	-
28,961	28,358	26,826	27,884	27,754	33,666
<u>\$ 29,304</u>	<u>\$ 28,370</u>	<u>\$ 26,858</u>	<u>\$ 28,413</u>	<u>\$ 28,276</u>	<u>\$ 34,187</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
39	38	35	-	-	-
21,619	8,772	15,723	19,906	22,057	19,684
1,717	1,268	638	858	893	891
5,115	5,780	12,076	12,455	18,502	25,410
(543)	(763)	(576)	(543)	(474)	(803)
<u>\$ 27,947</u>	<u>\$ 15,095</u>	<u>\$ 27,896</u>	<u>\$ 32,676</u>	<u>\$ 40,978</u>	<u>\$ 45,182</u>

CITY OF NAPERVILLE, ILLINOIS

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years
(Amounts expressed in thousands)

Fiscal Year	2011	2012	2013	2014
REVENUES				
Taxes	\$ 106,317	\$ 107,927	\$ 109,884	\$ 112,344
Licenses and permits	1,652	1,926	2,319	2,480
Fines and forfeitures	3,137	2,554	1,718	1,709
Investment income	2,051	2,155	855	(98)
Intergovernmental	12,766	9,164	8,177	6,737
Charges for services	7,582	7,870	7,894	8,348
Fees	2,602	2,893	3,311	2,822
Contributions	53	58	106	1,890
Miscellaneous	2,165	1,012	1,209	908
Total revenues	138,325	135,559	135,473	137,140
EXPENDITURES				
General government	5,943	5,126	6,165	6,967
Physical environment	8,151	8,414	9,082	8,633
Public safety	64,006	64,069	63,090	71,862
Culture and recreation	7,660	7,571	7,275	8,165
Transportation	21,946	21,080	21,072	24,317
Capital outlay	32,956	14,624	16,067	16,997
Debt service				
Principal	5,444	6,087	12,010	5,648
Interest	4,329	4,527	3,880	3,766
Other charges	-	-	126	127
Total expenditures	150,435	131,498	138,767	146,482
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(12,110)	4,061	(3,294)	(9,342)
OTHER FINANCING SOURCES (USES)				
Transfers in	6,350	4,448	5,573	7,129
Transfers (out)	(6,066)	(9,665)	(5,224)	(6,779)
Sale of capital assets	-	819	200	-
Payment to refunded bond escrow agent	-	-	(16,550)	-
Bonds issued, at par	-	-	-	5,620
Refunding bonds issued	-	-	17,963	-
Premium on bonds issued	-	-	2,449	310
Total other financing sources (uses)	284	(4,398)	4,411	6,280
NET CHANGE IN FUND BALANCES	\$ (11,826)	\$ (337)	\$ 1,117	\$ (3,062)
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES	7.51%	8.16%	11.89%	6.68%

*The City changed its fiscal year end from April 30 to December 31 as of December 31, 2015.

**At December 31, 2015, sales and income taxes were moved from the "Taxes" category to the "Intergovernmental" category.

Data Source

Audited Financial Statements.

	2015	2015**/**	2016	2017	2018	2019
\$	112,064	\$ 54,777	\$ 63,391	\$ 64,990	\$ 64,944	\$ 67,521
	2,548	1,421	2,685	3,006	2,763	2,970
	1,770	1,162	1,659	1,473	1,276	1,385
	1,603	201	(125)	338	615	3,352
	8,762	40,368	64,221	64,462	68,323	77,192
	9,242	9,138	18,741	21,290	24,539	27,890
	3,009	2,173	3,247	3,423	3,097	3,119
	1,875	280	413	556	1,239	464
	628	609	597	756	652	832
	141,501	110,129	154,829	160,294	167,448	184,725
	7,241	7,737	12,091	12,482	12,064	12,510
	8,371	5,655	8,269	8,247	8,591	8,110
	70,040	50,462	72,028	73,845	78,263	81,088
	7,142	4,422	6,652	7,302	7,145	7,360
	26,916	17,879	28,115	26,443	27,198	28,759
	22,250	24,743	21,896	19,060	19,306	23,263
	6,841	9,448	6,920	10,654	10,613	10,485
	4,031	4,027	3,811	3,306	3,274	3,019
	205	-	-	-	-	-
	153,037	124,373	159,782	161,339	166,454	174,594
	(11,536)	(14,244)	(4,953)	(1,045)	994	10,131
	10,200	8,950	5,089	4,594	2,331	6,911
	(3,504)	(8,950)	(5,089)	(4,594)	(2,331)	(6,911)
	515	-	769	221	2,270	-
	-	-	(35,679)	-	-	-
	17,340	-	14,334	6,980	4,640	-
	-	-	33,900	-	-	-
	389	-	2,919	179	261	-
	24,940	-	16,243	7,380	7,171	-
\$	13,404	\$ (14,244)	\$ 11,290	\$ 6,335	\$ 8,165	\$ 10,131
	7.63%	13.67%	7.85%	9.21%	9.05%	8.19%

CITY OF NAPERVILLE, ILLINOIS

GOVERNMENTAL FUNDS TAX REVENUE BY SOURCE

Last Ten Fiscal Years
(Amounts expressed in thousands)

Fiscal Year	Intergovernmental Taxes			Taxes				Total Taxes	Total
	Sales and Use Tax	State Income Tax	Total Intergovernmental Taxes	Property Tax	Utility Tax	Other Tax			
2011	\$ 28,600	\$ 11,271	\$ 39,871	\$ 39,464	\$ 16,390	\$ 10,592	\$ 66,446	\$ 106,317	
2012	30,610	11,581	42,191	38,479	16,580	10,677	65,736	107,927	
2013	32,263	12,784	45,047	36,227	16,604	12,006	64,837	109,884	
2014	34,498	13,823	48,321	33,639	16,993	13,391	64,023	112,344	
2015	35,580	13,892	49,472	33,169	16,123	13,300	62,592	112,064	
2015*	25,189	9,925	35,114	34,849	10,108	9,820	54,777	89,891	
2016	44,355	13,809	58,164	33,355	15,137	14,489	62,981	121,145	
2017	46,082	13,029	59,111	34,129	15,399	15,462	64,990	124,101	
2018	49,249	13,617	62,866	34,495	16,008	14,442	64,945	127,811	
2019	54,348	15,694	70,042	36,555	15,775	15,192	67,522	137,564	

*The City changed its fiscal year end from April 30 to December 31 as of December 31, 2015.

Data Source

Audited Financial Statements

CITY OF NAPERVILLE, ILLINOIS

ASSESSSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY

Last Ten Levy Years

Levy Year	Residential Property	Farm Property	Commercial and Industrial Property	Railroad Property	Total Taxable Assessed Value	Direct Tax Rate	Estimated Actual Taxable Value	Percent of Assessed Value
2009	\$ 5,787,763,209	\$ 150,465	\$ 1,315,446,717	\$ 1,753,540	\$ 7,105,113,931	0.7166	\$ 21,315,341,793	33.333%
2010	5,486,898,369	228,129	1,229,589,941	2,023,287	6,718,739,726	0.7390	20,156,219,178	33.333%
2011	5,256,081,268	314,912	1,170,708,392	2,364,303	6,429,468,875	0.7515	19,288,406,625	33.333%
2012	4,964,302,585	334,456	1,105,830,624	2,509,329	6,072,976,994	0.7756	18,218,930,982	33.333%
2013	4,866,627,723	315,592	1,056,949,654	2,706,677	5,926,599,646	0.7828	17,779,798,938	33.333%
2014	4,917,955,140	215,985	1,071,651,247	2,731,565	5,992,553,937	0.8082	17,977,661,811	33.333%
2015	5,056,340,567	190,521	1,219,286,607	2,838,480	6,278,656,175	0.7392	18,835,968,525	33.333%
2016	5,384,396,867	130,047	1,279,947,209	3,194,886	6,667,669,009	0.7004	20,003,007,027	33.333%
2017	5,615,923,169	233,148	1,332,878,028	3,535,883	6,952,570,228	0.6815	20,857,710,684	33.333%
2018	5,951,453,369	359,566	1,263,550,068	4,322,495	7,219,685,498	0.6870	21,659,056,494	33.333%

Note: Property in the City is reassessed each year. Property is assessed at 33% of actual value.

Data Source

Office of the County Clerk

CITY OF NAPERVILLE, ILLINOIS

PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS

Last Ten Levy Years

Levy Year	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
CITY DIRECT RATES										
General Corporate	0.1963	0.1882	0.1381	0.1457	0.1009	0.0803	0.1060	0.0789	0.0188	0.0439
Naperville Public Library	0.1828	0.1872	0.2076	0.2374	0.2465	0.2481	0.2288	0.2119	0.2119	0.2055
Police Pension	0.0667	0.0652	0.0679	0.0787	0.0879	0.0845	0.0938	0.0917	0.0961	0.0911
Firefighters' Pension	0.0647	0.0706	0.0737	0.0820	0.0884	0.0846	0.0945	0.1023	0.1218	0.1177
Bond and interest - general obligation bond	0.1274	0.1472	0.1799	0.1403	0.1631	0.2153	0.1249	0.1297	0.1538	0.1591
Illinois Municipal Retirement	0.0395	0.0391	0.0409	0.0444	0.0461	0.0460	0.0441	0.0415	0.0369	0.0305
Naper Settlement	0.0392	0.0415	0.0434	0.0471	0.0499	0.0494	0.0471	0.0444	0.0422	0.0392
Total direct rates	0.7166	0.7390	0.7515	0.7756	0.7828	0.8082	0.7392	0.7004	0.6815	0.6870
OVERLAPPING RATES										
Naperville Park District	0.2574	0.2798	0.2969	0.3148	0.3358	0.3397	0.3317	0.3195	0.3162	0.3149
Unit School #203	3.9502	4.2265	4.5400	4.9909	5.3862	5.4756	5.3549	5.0547	5.0062	4.9259
Unit School #204	4.4987	4.8927	5.2200	5.7047	5.9498	6.0149	5.8505	5.6004	5.4967	5.4589
College of DuPage #502	0.2127	0.2349	0.2495	0.2681	0.2956	0.2975	0.2786	0.2626	0.2431	0.2317
DuPage Forest Preserve	0.1217	0.1321	0.1414	0.1542	0.1657	0.1691	0.1622	0.1514	0.1306	0.1278
DuPage Airport Authority	0.0148	0.0158	0.0169	0.0168	0.0178	0.0196	0.0188	0.0176	0.0166	0.0146
DuPage County	0.1554	0.1659	0.1773	0.1929	0.2040	0.2057	0.1971	0.1848	0.1749	0.1673
Will County	0.4833	0.5274	0.5351	0.5696	0.5994	0.6210	0.6408	0.6182	0.5986	0.5927
Lisle Township	0.0408	0.0445	0.0480	0.0261	0.0548	0.0561	0.0553	0.0528	0.0512	0.0496
Naperville Township	0.0419	0.0454	0.0483	0.0379	0.0515	0.0413	0.0452	0.0435	0.0426	0.0424
Wheatland Township	0.0319	0.0331	0.0328	0.0344	0.0378	0.0378	0.0336	0.0737	0.0738	0.0738

Data Source

Office of the County Clerk

CITY OF NAPERVILLE, ILLINOIS

PRINCIPAL PROPERTY TAXPAYERS

Current Year and Nine Years Ago

Taxpayer	2017 Tax Levy			2008 Tax Levy		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Valuation	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Valuation
NS-MPG Inc.	\$ 30,104,500	1	0.42%	\$ 78,683,980	1	1.11%
ROC II IL Addison of Naperville	22,568,380	2	0.31%			
Allegan Warrenville LP	18,337,610	3	0.25%			
AMLI Residential	17,977,750	4	0.25%	12,655,050	10	0.18%
Tellabs Inc.	16,669,240	5	0.23%	21,881,310	6	0.31%
ING Clarion	16,357,420	6	0.23%	38,027,750	2	0.54%
PBH Cress Creek LLC	15,783,140	7	0.22%			
BP-Amoco Oil Company	14,906,690	8	0.21%	30,747,460	4	0.43%
Ondeo Nalco Center	14,560,600	9	0.20%			
UBS Realty Investors LLC	12,773,480	10	0.18%			
Edward Hospital				32,078,940	3	0.45%
Nalco Chemical Company				24,791,750	5	0.35%
Wells Real Estate Funds				19,481,140	6	0.27%
Northwestern Mutual Life				15,787,250	8	0.22%
Nicor Gas				12,808,280	9	0.18%
	<u>\$ 180,038,810</u>		<u>2.50%</u>	<u>\$ 286,942,910</u>		<u>4.04%</u>

Note: Every effort has been made to seek out and report the largest taxpayers. However, many of the tax payers contain multiple parcels, and it is possible that some parcels and their valuations have been overlooked.

Prior year and eight years ago is the most up to date information that is available.

Data Source

Office of the County Clerk

CITY OF NAPERVILLE, ILLINOIS

PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Levy Years

Levy Year	Tax Extended	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2009	\$ 50,915,246	\$ 50,579,647	99.34%	\$ 23,231	\$ 50,602,878	99.39%
2010	49,651,487	49,321,096	99.33%	19,667	49,340,763	99.37%
2011	48,317,459	47,929,719	99.20%	21,943	47,951,662	99.24%
2012	47,102,010	46,358,636	98.42%	11,716	46,370,352	98.45%
2013	46,393,422	46,183,534	99.55%	2,530	46,186,064	99.55%
2014	48,431,821	48,159,391	99.44%	29,969	48,189,360	99.50%
2015	46,260,521	45,964,584	99.36%	43,167	46,007,751	99.45%
2016	48,062,829	47,802,851	99.46%	-	47,802,851	99.46%
2017	47,381,766	47,231,092	99.68%	-	47,231,092	99.68%
2018	49,572,297	49,411,057	99.67%	-	49,411,057	99.67%

Note: Property in the City is reassessed each year. Property is assessed at 33% of actual value. Amounts levied and collected include Library Fund and do not include Road and Bridge Fund.

Data Source

Office of the County Clerk

CITY OF NAPERVILLE, ILLINOIS

SALES TAXES BY CATEGORY

Last Ten Calendar Years

Calendar Year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General merchandise	\$ 2,103,314	\$ 2,133,600	\$ 2,175,020	\$ 1,985,901	\$ 2,055,475	\$ 1,973,827	\$ 1,734,850	\$ 1,682,829	\$ 1,727,680	\$ 1,703,036
Food	3,210,537	3,268,563	3,440,483	3,586,963	3,457,404	3,537,170	4,030,651	4,277,657	4,126,200	4,119,877
Drinking and eating places	2,885,101	2,883,546	3,162,362	3,352,311	3,420,229	3,433,778	3,843,978	4,047,681	4,115,550	4,310,007
Apparel	767,404	933,475	1,004,555	1,067,110	1,088,821	1,152,420	1,210,325	1,203,706	1,174,380	1,155,698
Furniture, H.H., and radio	1,862,218	2,098,296	2,194,838	2,347,163	2,272,010	2,231,986	1,959,765	1,898,165	1,869,238	1,927,766
Lumber, building hardware	1,235,492	1,242,769	1,302,937	1,520,274	1,656,157	1,709,368	1,667,454	1,694,172	1,739,712	1,747,880
Automobile and filling stations	8,807,116	9,555,249	10,494,788	12,237,637	12,751,291	12,870,415	12,566,087	12,688,204	13,091,973	13,846,632
Drugs and miscellaneous retail	3,336,129	3,642,704	3,692,042	3,869,309	4,097,497	3,205,869	3,904,515	3,904,594	3,561,337	3,753,949
Agriculture and all others	1,560,231	1,483,822	1,501,727	1,509,790	1,620,270	2,576,081	1,866,766	1,997,162	2,220,590	2,223,796
Manufacturers	675,725	461,688	521,896	527,545	530,662	561,411	534,413	478,725	639,803	710,328
TOTAL	\$ 26,443,267	\$ 27,703,712	\$ 29,490,648	\$ 32,004,003	\$ 32,949,816	\$ 33,252,325	\$ 33,318,804	\$ 33,872,895	\$ 34,266,463	\$ 35,498,969
City's direct sales tax rate	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%

Data Source

Illinois Department of Revenue

CITY OF NAPERVILLE, ILLINOIS

DIRECT AND OVERLAPPING SALES TAX RATES

Last Ten Fiscal Years

Fiscal Year	City Direct Rate	City Home Rule Rate	State Rate	Regional Transportation Authority Rate	County Rate
2011	1.00%	0.00%	5.00%	0.75%	0.25%
2012	1.00%	0.00%	5.00%	0.75%	0.25%
2013	1.00%	0.00%	5.00%	0.75%	0.25%
2014	1.00%	0.00%	5.00%	0.75%	0.25%
2015	1.00%	0.00%	5.00%	0.75%	0.25%
2015*	1.00%	0.00%	5.00%	0.75%	0.25%
2016	1.00%	0.50%	5.00%	0.75%	0.25%
2017	1.00%	0.50%	5.00%	0.75%	0.25%
2018	1.00%	0.50%	5.00%	0.75%	0.25%
2019	1.00%	0.50%	5.00%	0.75%	0.25%

*The City changed its fiscal year end from April 30 to December 31 as of December 31, 2015.

Data Source

Illinois Department of Revenue

CITY OF NAPERVILLE, ILLINOIS

RATIOS OF OUTSTANDING DEBT BY TYPE

Last Ten Fiscal Years

Fiscal Year Ended	Governmental Activities		Business-Type Activities		Total Primary Government	Percentage of Personal Income*	Per Capita*
	General Obligation Bonds	General Obligation Bonds	Revenue Bonds	IEPA Loan			
2011	\$ 116,918,354	\$ 54,185,617	\$ -	\$ 259,354	\$ 171,363,325	2.59%	\$ 1,179.90
2012	105,219,222	75,012,910	-	-	180,232,132	2.79%	1,270.56
2013	97,950,479	71,886,351	-	-	169,836,830	2.63%	1,197.27
2014	97,958,819	66,354,322	-	-	164,313,141	2.55%	1,146.73
2015	108,548,121	60,391,308	-	-	168,939,429	2.56%	1,179.01
2015**	98,808,280	55,863,868	-	-	154,672,148	2.27%	1,058.47
2016	109,264,633	52,899,322	-	-	162,163,955	2.38%	1,117.92
2017	105,347,527	48,126,452	-	-	153,473,979	2.19%	1,052.71
2018	99,204,495	42,862,352	-	-	142,066,847	1.92%	963.50
2019	88,275,178	37,680,584	-	-	125,955,762	1.60%	848.48

*See the schedule of Demographic and Economic Information on page 146 for personal income and population data.

**The City changed its fiscal year end from April 30 to December 31 as of December 31, 2015.

Note: Details of the City's outstanding debt can be found in the notes to financial statements.

CITY OF NAPERVILLE, ILLINOIS

RATIOS OF GENERAL BONDED DEBT OUTSTANDING

Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds		Less: Amounts Available	Total	Percentage of Estimated Actual Taxable Value of Property*	Per Capita
	Governmental Activities	Business-Type Activities	In Debt Service Funds**			
2011	\$ 116,918,354	\$ 54,185,617	\$ 4,028,824	\$ 167,075,147	0.78%	\$ 1,150.38
2012	105,219,222	75,012,910	5,156,557	175,075,575	0.87%	1,234.20
2013	97,950,479	71,886,351	4,717,628	165,119,202	0.86%	1,164.02
2014	97,958,819	66,354,322	5,272,118	159,041,023	0.87%	1,109.93
2015	108,548,121	60,391,308	6,355,932	162,583,497	0.91%	1,134.65
2015***	98,808,280	55,863,868	4,997,000	149,675,148	0.83%	1,024.27
2016	109,264,633	52,899,322	3,169,205	158,994,750	0.84%	1,096.08
2017	105,347,527	48,126,452	3,866,197	149,607,782	0.75%	1,023.81
2018	99,204,495	42,862,352	5,027,970	137,038,877	0.66%	937.80
2019	88,275,178	37,680,584	6,568,618	119,387,144	0.55%	817.00

*See the schedule of Assessed Value and Actual Value of Taxable Property on page 134 for property value data.

**Including restricted and assigned fund balances of Debt Service Fund, SSA 21, 23, and Downtown Parking Funds, which were set up for paying G.O. debt.

***The City changed its fiscal year end from April 30 to December 31 as of December 31, 2015.

Note: Details of the City's outstanding debt can be found in the notes to financial statements.

CITY OF NAPERVILLE, ILLINOIS

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

December 31, 2019

Governmental Unit	Gross Debt	Percentage Debt Applicable to the City of Naperville (1)	City of Naperville's Share of Debt
City of Naperville	\$ 88,275,178	100.00%	\$ 88,275,178
School District #200	109,075,000	0.340%	370,855
School District #202	211,430,000	1.650%	3,488,595
School District #203	23,730,000	77.690%	18,435,837
School District #204	188,745,000	60.230%	113,681,114
School District #365	185,524,465	0.010%	18,552
Community College District #502	165,320,000	16.130%	26,666,116
Community College District #525	73,435,000	0.270%	198,275
Lisle Park District	8,534,644	0.440%	37,552
Naperville Park District	35,893,965	96.370%	34,591,014
Wheaton Park District	15,713,571	0.260%	40,855
Will County	307,315,681	11.230%	34,511,551
Will County Forest Preserve	107,309,792	11.230%	12,050,890
DuPage County	186,444,944	12.250%	22,839,506
DuPage County Forest Preserve	102,445,805	12.250%	12,549,611
	<u>1,720,917,867</u>		<u>279,480,323</u>
	<u>\$ 1,809,193,045</u>		<u>\$ 367,755,501</u>

(1) Determined by ratio of assessed valuation of property subject to taxation in the City of Naperville to valuation of property subject to taxation in overlapping unit.

Data Sources

DuPage County Clerk, Will County Clerk, or Local Government Entity

CITY OF NAPERVILLE, ILLINOIS

SCHEDULE OF LEGAL DEBT MARGIN

December 31, 2019

Under the 1970 Illinois Constitution, there is no legal limit for home rule municipalities except as set by the General Assembly.

CITY OF NAPERVILLE, ILLINOIS

DEMOGRAPHIC AND ECONOMIC INFORMATION

Last Ten Fiscal Years

Fiscal Year	Population	Personal Income (amounts expressed in thousands)	Per Capita Personal Income	Median Age	Education Level in Years of Formal Schooling	School Enrollment	Unemployment Rate
2011	145,235	\$ 6,606,449,680	\$ 45,488	34.8	15.13	47,274	8.0
2012	141,853	6,452,609,264	45,488	35.0	15.13	47,946	6.1
2013	141,853	6,452,609,264	45,488	37.9	15.41	47,572	6.7
2014	143,289	6,449,724,468	45,012	39.2	15.41	46,790	7.1
2015	143,289	6,606,769,212	46,108	38.7	14.97	46,790	5.7
2015*	146,128	6,809,272,544	46,598	38.2	17.81	45,020	4.6
2016	145,058	6,803,945,000	46,905	38.6	17.81	45,071	4.6
2017	145,789	7,018,136,671	48,139	38.5	17.81	44,524	4.0
2018	147,449	7,385,278,063	50,087	35.0	17.81	44,513	3.6
2019	148,449	7,876,852,389	53,061	38.7	17.81	43,952	3.5

*The City changed its fiscal year end from April 30 to December 31 as of December 31, 2015.

Data Sources

Population: U.S. Bureau of Census Estimate
 Per capita income: U.S Bureau of Census Estimate
 Median age: U.S. Bureau of Census Estimate
 Education level: U.S. Bureau of Census Estimate
 School enrollment: Illinois Report Card
 Unemployment rate: Illinois Department of Employment Security

CITY OF NAPERVILLE, ILLINOIS

PRINCIPAL EMPLOYERS

Prior Year and Ten Years Ago

2018				2009			
Employer	Employees	Rank	% of Total City Population	Employer	Employees	Rank	% of Total City Population
Edward Hospital & Health Services	4,458	1	3.02%	Edward Hospital & Health Services	4,288	1	2.97%
Indian Prairie School District 204	3,022	2	2.05%	Lucent/Alcatel	3,800	2	2.63%
Nokia	2,750	3	1.87%	Nicor Gas	3,700	3	2.56%
Naperville School District 203	2,367	4	1.61%	Naperville School District 204	3,184	4	2.20%
BP America	1,200	5	0.81%	Naperville School District 203	2,575	5	1.78%
BMO Harris	1,200	6	0.81%	BP America	1,750	6	1.21%
Nalco	1,200	7	0.81%	Office Max	1,500	7	1.04%
City of Naperville	961	8	0.65%	Tellabs, Inc.	1,200	8	0.83%
North Central College	700	9	0.47%	City of Naperville	1,044	9	0.72%
Coriant	600	10	0.41%	Nalco Co.	1,000	10	0.69%
TOTAL	18,458		12.51%		24,041		16.63%

Data Sources

Naperville Development Partnership and Naperville Convention & Visitors Bureau

Prior year and ten years ago is the most up to date information that is available.

CITY OF NAPERVILLE, ILLINOIS

FULL-TIME EQUIVALENT EMPLOYEES

Last Ten Fiscal Years

Function/Program	2010	2011	2012	2013	2014	2015*	2016	2017	2018	2019
Mayor and Council	11.12	11.12	11.12	11.12	11.12	11.00	11.00	11.00	11.00	11.00
Legal	10.50	10.50	10.50	10.50	14.00	14.00	13.50	13.50	9.00	9.00
City Manager's Office	11.62	10.12	10.12	13.12	11.12	11.12	11.12	10.13	11.63	12.63
City Clerk	5.50	5.50	5.50	5.50	5.50	6.50	8.00	7.25	6.00	6.00
Special Events and Cultural	1.50	0.50	0.50	0.50	0.50	0.62	0.62	1.00	1.00	1.00
Community Development Block Grant	-	1.00	0.75	0.50	0.67	0.67	0.67	1.00	1.00	1.00
Information Technology	19.85	19.37	18.75	19.75	21.75	27.00	27.00	26.00	26.00	30.00
Finance	35.63	35.63	35.63	35.63	36.63	35.63	35.63	33.63	33.13	35.13
Human Resources	10.50	9.50	9.50	9.50	9.00	9.00	9.00	9.00	9.00	9.00
Board of Fire and Police	0.88	0.88	0.88	0.88	0.88	1.00	1.00	1.00	1.00	1.00
TED Business Group	71.97	67.03	65.87	66.60	66.18	66.66	68.66	64.00	63.00	63.00
Riverwalk Commission	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Public Works	110.35	108.96	108.55	108.30	108.76	108.88	109.39	103.63	103.63	100.63
Police	284.88	273.54	269.92	269.92	275.67	275.54	274.90	271.88	268.10	269.12
Fire	207.00	203.00	203.00	202.00	202.00	202.00	202.00	202.00	201.00	201.00
Electric Utility	120.00	120.00	118.50	117.00	114.00	112.00	112.00	106.00	106.00	106.00
Water Utility	92.27	92.07	83.50	82.94	82.94	83.56	83.79	84.50	82.50	83.00
TOTAL	994.07	969.22	953.09	954.26	961.22	965.68	968.78	946.02	933.49	939.01

*The City changed its fiscal year end from April 30 to December 31 as of December 31, 2015.

Data Source

City Budget

CITY OF NAPERVILLE, ILLINOIS

OPERATING INDICATORS

Last Ten Fiscal Years

Function/Program	2011	2012	2013	2014	2015	2015*	2016	2017	2018	2019
PUBLIC SAFETY										
Police (1)										
Physical arrests (DUI)	622	574	549	424	374	369	312	266	272	295
Parking violations	19,278	15,654	16,600	14,148	13,630	13,582	18,206	17,246	15,488	15,918
Traffic violations	21,546	18,521	17,769	13,924	12,319	12,532	15,831	15,743	15,544	17,763
Fire										
Emergency responses	11,575	11,264	11,760	12,210	12,792	12,979	13,677	14,631	14,583	15,549
Fires extinguished	90	86	83	78	93	87	106	158	192	199
PUBLIC WORKS										
Total curbside refuse collected (tons)	38,781	38,367	37,803	37,077	36,657	36,272	37,405	37,539	36,982	41,227
Total curbside recycling collected (tons)	17,251	17,069	16,469	15,605	15,692	15,872	15,655	15,650	15,503	15,116
Snow and ice control events	44	16	18	49	25	24	29	17	19	25
Tons of salt used	16,046	8,251	13,686	21,964	11,768	11,692	10,908	6,525	9,700	6,344
WATER/WASTEWATER (1)										
New connections	56	107	171	283	291	342	300	733	290	203
Water main breaks	84	37	64	92	75	68	80	81	84	106
Average daily consumption	15.29	15.16	16.64	15.11	13.90	14.10	14.46	41.90	14.65	13.45
Peak daily consumption	28.34	30.79	34.19	29.55	22.90	24.26	25.21	26.20	26.14	26.13
Average daily wastewater treated (million gal)	21.40	21.59	18.30	19.70	19.40	18.16	19.47	26.25	19.74	19.55
ELECTRIC (1)										
Peak monthly demand	369,000	390,853	402,273	365,033	322,831	328,597	352,640	330,946	343,568	341,992
Peak month energy use (million)	172.10	172.70	184.10	151.90	142.80	143.40	154.60	144.60	145.60	150.70

*The City changed its fiscal year end from April 30 to December 31 as of December 31, 2015.

(1) Records for Police, Water/Wastewater, and Electric are maintained on a calendar year basis. The statistics for April 30, 2015 are based on actual from January 1, 2015 to April 30, 2015 and extrapolated for the remainder of the year.

Data Source

Various city departments

CITY OF NAPERVILLE, ILLINOIS

CAPITAL ASSET STATISTICS

Last Ten Fiscal Years

Function/Program	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
PUBLIC SAFETY										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Area patrols	10	10	10	10	10	10	12	12	12	12
Patrol units	83	78	78	80	85	85	89	89	89	89
Fire										
Fire stations	10	10	10	10	10	10	10	10	10	10
Front line apparatus (engines and ambulance)	19	18	18	18	18	18	18	18	18	18
TRANSPORTATION										
Arterial streets (centerline miles)	127	127	127	127	127	138	140	140	140	140
Traffic signals	163	163	163	163	164	164	165	165	167	168
PUBLIC WORKS										
Streetlights	11,040	11,312	11,462	11,480	11,542	11,705	12,080	12,154	12,254	12,665
Storm sewers (miles)	818	861	870	879	886	895	987	852	855	639
WATER										
Water mains (miles)	636.4	641.1	688.7	693.7	708.2	714.5	723.2	732.7	735.6	741.0
Fire hydrants	8,809	8,897	8,967	9,055	9,157	9,236	9,378	9,451	9,480	9,522
Storage capacity (million gallons)	43.90	43.90	43.90	43.90	43.90	43.90	43.90	43.90	43.90	43.90
Sanitary sewers (miles)	489.52	492.80	530.93	534.09	539.34	543.28	551.40	553.26	562.31	564.52
Treatment capacity (million gallons per day)	26.25	26.20	26.25	26.25	26.25	26.25	26.25	26.25	26.25	26.25
ELECTRIC										
Number of distribution stations	16	16	16	16	16	16	16	16	16	16
Transmission and distribution line mileage (excluding secondary distribution)	970.26	973.89	977.83	979.98	984.19	999.49	1,007.90	1,017.77	1,017.77	1,028.50

Data Source

Various city departments.