

CITY OF NAPERVILLE,
ILLINOIS

ANNUAL COMPREHENSIVE FINANCIAL
REPORT



FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2021

CITY OF NAPERVILLE, ILLINOIS

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

For the Year Ended
December 31, 2021

Prepared by:
The Finance Department

CITY OF NAPERVILLE, ILLINOIS
TABLE OF CONTENTS

	<u>Page(s)</u>
INTRODUCTORY SECTION	
List of Principal Officials.....	i
Organization Chart.....	ii
Certificate of Achievement for Excellence in Financial Reporting.....	iii
Transmittal Letter.....	iv-viii
FINANCIAL SECTION	
INDEPENDENT AUDITORS' REPORT	1-4
GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS	
Management's Discussion and Analysis.....	MD&A 1-15
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Position.....	5-6
Statement of Activities	7-8
Fund Financial Statements	
Governmental Funds	
Balance Sheet.....	9-10
Reconciliation of Fund Balances of Governmental Funds to the Governmental Activities in the Statement of Net Position.....	11
Statement of Revenues, Expenditures, and Changes in Fund Balances	12
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Governmental Activities in the Statement of Activities	13

CITY OF NAPERVILLE, ILLINOIS
TABLE OF CONTENTS (Continued)

Page(s)

FINANCIAL SECTION (Continued)

GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS (Continued)

Basic Financial Statements (Continued)

Fund Financial Statements (Continued)

Proprietary Funds

Statement of Net Position	14-15
Statement of Revenues, Expenses, and Changes in Fund Net Position.....	16
Statement of Cash Flows	17-18

Fiduciary Funds

Statement of Fiduciary Net Position.....	19
Statement of Changes in Fiduciary Net Position.....	20

Notes to the Financial Statements	21-73
---	-------

Required Supplementary Information

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - General Fund.....	74
Notes to Required Supplementary Information - Budgetary Comparison Schedule.....	75
Schedule of Employer Contributions	
Illinois Municipal Retirement Fund	76
Police Pension Fund	77
Firefighters' Pension Fund	78
Schedule of Changes in the Employer's Net Pension Liability and Related Ratios	
Illinois Municipal Retirement Fund	79-80
Police Pension Fund	81-82
Firefighters' Pension Fund	83-84
Schedule of Changes in the Employer's Total OPEB Liability and Related Ratios	
Other Postemployment Benefit Plan	85
Schedule of Investment Returns	
Police Pension Fund	86
Firefighters' Pension Fund	87

CITY OF NAPERVILLE, ILLINOIS
TABLE OF CONTENTS (Continued)

Page(s)

FINANCIAL SECTION (Continued)

**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**

MAJOR GOVERNMENTAL FUNDS

Detailed Schedules of Revenues - Budget and Actual - General Fund.....	88-90
Detailed Schedule of Expenditures - Budget and Actual - General Fund.....	91-96
Schedules of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual -	
Debt Service	97
Capital Projects	98

NONMAJOR GOVERNMENTAL FUNDS

Combining Balance Sheet	99-101
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances.....	102-104

Special Revenue Funds

Schedules of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	
Motor Fuel Tax Fund.....	105
Community Development Block Grant Fund.....	106
Road and Bridge Fund	107
Napier Settlement Fund	108-109
Foreign Fire Insurance Tax Fund	110
E-911 Surcharge Fund	111
Food and Beverage Tax Fund.....	112
Special Service Area #33 - Downtown Maintenance Fund.....	113
Test Track Fund.....	114
Water Street TIF Fund.....	115
Drug Forfeiture Fund.....	116
Special Service Area #25 Fund.....	117
Special Service Area #31 Fund.....	118
ETSB Fund	119

Debt Service Funds

Schedules of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	
Special Service Area #21 Fund.....	120
Special Service Area #23 Fund.....	121
Downtown Parking Fund.....	122

CITY OF NAPERVILLE, ILLINOIS
TABLE OF CONTENTS (Continued)

Page(s)

FINANCIAL SECTION (Continued)

**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES (Continued)**

NONMAJOR GOVERNMENTAL FUNDS (Continued)

Capital Projects Funds	
Schedules of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	
Bond Project Fund	123

NONMAJOR ENTERPRISE FUNDS

Combining Statement of Net Position	124
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position	125
Combining Statement of Cash Flows	126

FIDUCIARY FUNDS

Combining Statement of Fiduciary Net Position	127
Combining Statement of Changes in Fiduciary Net Position	128

STATISTICAL SECTION (Unaudited)

Financial Trends	
Net Position by Component	129-130
Changes in Net Position	131-134
Fund Balances of Governmental Funds	135-136
Changes in Fund Balances of Governmental Funds	137-138
Revenue Capacity	
Governmental Funds Tax Revenue by Source	139
Assessed Value and Actual Value of Taxable Property	140
Property Tax Rates - Direct and Overlapping Governments	141
Principal Property Taxpayers	142
Property Tax Levies and Collections	143
Sales Taxes by Category	144
Direct and Overlapping Sales Tax Rates	145
Debt Capacity	
Ratios of Outstanding Debt by Type	146
Ratios of General Bonded Debt Outstanding	147
Direct and Overlapping Governmental Activities Debt	148
Schedule of Legal Debt Margin	149

CITY OF NAPERVILLE, ILLINOIS
TABLE OF CONTENTS (Continued)

	<u>Page(s)</u>
STATISTICAL SECTION (Unaudited)	
Demographic and Economic Information	
Demographic and Economic Information	150
Principal Employers	151
Operating Information	
Full-Time Equivalent Employees	152
Operating Indicators	153
Capital Asset Statistics	154

INTRODUCTORY SECTION

CITY OF NAPERVILLE, ILLINOIS

Elected and Appointed Officers and Officials

For the fiscal year ended December 31, 2021

Mayor

Steve Chirico

Council

Patrick Kelly
Theresa Sullivan
Ian Holzhauer
Paul Leong

Patricia A. Gustin
Paul J. Hinterlong
Jennifer Bruzan Taylor
Dr. Benjamin White

City Manager

Douglas A. Krieger

Deputy City Manager

Marcie J. Schatz

Community Services Director

Pamela Gallahue

Finance Director

Rachel Mayer

Chief of Police

Jason Arres

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**

Brian Groth

**Director of Public Utilities –
Water**

Darrell Blenniss

Director of Human Resources

James Sheehan

City Attorney

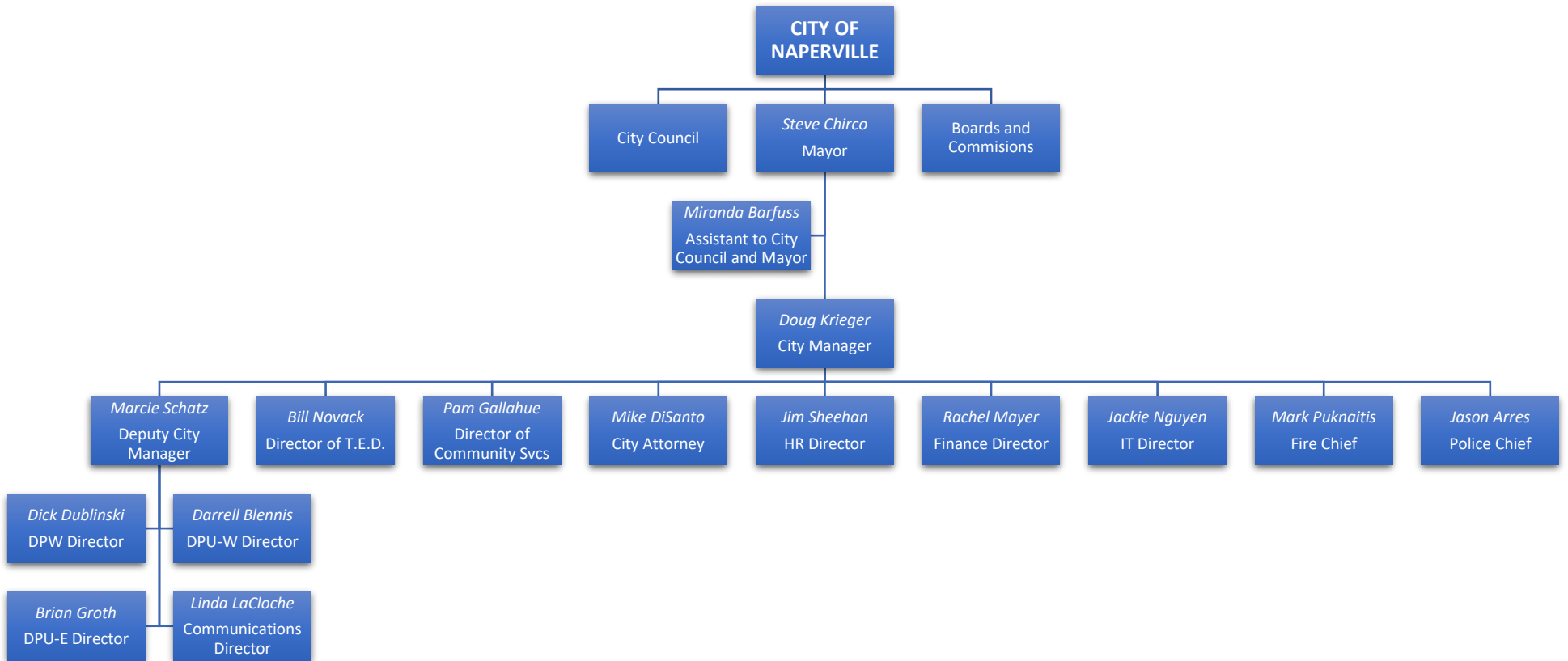
Michael DiSanto

Director of IT

Jackie Nguyen

Communication Director

Linda LaCloche





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Naperville
Illinois**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2020

Christopher P. Morill

Executive Director/CEO



June 28, 2022

Honorable Mayor Steve Chirico, City Council, and Residents of the City of Naperville:

We are pleased to submit the Annual Comprehensive Financial Report of the City of Naperville for the fiscal year ended December 31, 2021. State law and local ordinances require that we publish a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) in the United States 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, the management of the City of Naperville has established a comprehensive framework of internal controls that are 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 an 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, 2021, 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 on 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, 2021, 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 Illinois. The City of Naperville currently occupies a land area of 39.76 square miles and serves a population of 149,540. 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 council members. The City Council sets policy for the City, passes ordinances, adopts resolutions and the annual budget, and approves all expenditures. The 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, overseeing the day-to-day operations of the City, and 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 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; and construction and maintenance of highways, streets, and other infrastructure, as well as water, wastewater, and electric utilities.

The utility funds, providing electricity, water, and wastewater services, are reported as enterprise funds of the City. In addition, the Solid Waste Fund and Commuter Parking Fund are treated as enterprise funds, due to the business-like nature of their operations. Discretely presented component units are reported as a separate column in the basic

CITY OF NAPERVILLE, ILLINOIS

Letter of Transmittal

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. The budget year begins on January 1 and ends on December 31 of the same year. The annual 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 governmental fund for which an annual budget has been adopted.

Factors Affecting Financial Condition

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

For more than 25 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. Following several decades of rapid growth beginning in the 1980s, the City transitioned to a maintenance community in the 2010s. As the expansion of revenue streams fueled by development waned, the City experienced depleted cash reserves and increased reliance on borrowing for infrastructure maintenance projects.

In 2016, the City Council developed and passed a financial strategy that put the City on a road to long-term financial stability, understanding that any future growth would involve limited infill versus expansion and that assets developed in Naperville's growth phase would require more extensive maintenance in the coming decades as those assets aged. That financial strategy included 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.

CITY OF NAPERVILLE, ILLINOIS

Letter of Transmittal

As part of this financial management and planning, the City Council established the following three financial principles as a guideline for the long-term financial stability of the community.

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.

Since their adoption, these principles have guided the City's financial planning and budgeting, and financial decisions have consistently tested against these principles. The impact of the City's active financial management can be seen in its rising cash balances, decreasing debt burden, and reaffirmation of the City's AAA credit rating by both Moody's and Standard & Poor's as recently as February 2022. Both rating agencies cite the City's strong fiscal management as one of the driving factors in its AAA rating.

In 2020, the City utilized its strong fiscal management strategies to navigate the impacts of the COVID-19 global pandemic. The City took steps to ensure the continued delivery of high-quality municipal services while maintaining fiscal controls in light of declining revenues. The most severe revenue impacts created by government-imposed mitigations (e.g., closure of retail stores and restaurants) waned by the fall of 2020; however, the public health and economic environment remained uncertain.

Given that uncertainty, the City took a conservative approach to developing its 2021 budget. Revenues were forecast with the potential for continued pandemic impacts in mind, and expenditures were limited to those that could be supported by revenues forecast for the current year. By the end of the first quarter of 2021, it was clear that Naperville was in the midst of a rapid economic recovery with nearly all revenue streams returning to pre-pandemic levels. Concerns over revenues were replaced by supply chain issues and price inflation later in the year.

The City continues to closely monitor the financial climate at the state and federal levels and utilizes a conservative approach to financial planning based on potential national and regional financial impacts on the City. At the federal level, the City monitors those factors that directly impact Naperville, including changes in monetary policy and legislation that could have potential impacts on City revenues and expenditures. The State of Illinois continues to be an external risk to the City's financial stability. The state's overall financial status impacts Naperville in several ways, including the potential for higher borrowing costs, unfunded mandates, and fiscal uncertainty regarding economic development.

CITY OF NAPERVILLE, ILLINOIS

Letter of Transmittal

Despite the financial uncertainty that has existed over the past two years, the City continues to see positive economic trends, including both residential and commercial redevelopment, strong real estate sales activity, above-average employment, and consistent retail sales. These trends, when combined with the City's strong balance sheet, show Naperville has established a stable financial status. That said, the City will continue financial planning so that it may be prepared to react to any future volatility at the federal, state, or local levels.

Awards and Acknowledgements

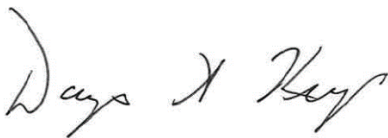
The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Naperville for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended December 31, 2020. This was the 28th consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized ACFR. 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 ACFR 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.

In addition, the City has been awarded the GFOA's Distinguished Budget Presentation Award for its annual budget document dated January 1, 2022. The City has received this prestigious award for 29 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.

The preparation of these reports would not have been possible without the efficient and dedicated services of the entire Naperville Finance Department. We would like to express our appreciation to all department members who contributed to the preparation of this report. Credit must also be given to Mayor Steve Chirico and the Naperville 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

SIKICH.COM

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

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, 2021, and the related notes to financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

We did not audit the financial statements of the Firefighters' Pension Fund of the City which represents 44%, 46%, 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.

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, 2021, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under these standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

The Firefighters' Pension Fund (fiduciary component unit), the Police Pension Fund (fiduciary component unit), and the Naperville Public Library (discretely presented component unit) were 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.

Responsibilities of Management 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements.

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

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated June 28, 2022 on our consideration of the City's 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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's internal control over financial reporting and compliance.

Sikich LLP

Naperville, Illinois
June 28, 2022

**GENERAL PURPOSE EXTERNAL
FINANCIAL STATEMENTS**

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 achieve the following:

- assist the reader in focusing on significant financial issues;
- provide an overview of the City's financial activity;
- identify changes in the City's financial position (its ability to address subsequent year's challenges);
- identify material deviations from the financial plan (the approved budget); and
- 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 5.

Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources by \$883.8 million (net position) for the fiscal year ended December 31, 2021.
- The City's total net position increased by \$64.8 million, or 7.9%. The governmental net position increased by \$50.3 million, or 14.4%, and the business-type net position increased by \$14.5 million, or 3.0%.
- The City's governmental funds reported combined ending fund balances of \$114.4 million. The General Fund accounted for \$51.9 million, or 45.5%, of the total. The General Fund ending balance increased by \$13.9 million, or 36.8%, from the previous reporting period.
- The City issued no new debt during the reporting period and paid down \$14.0 million in existing debt to reduce the total outstanding bonded debt to \$103.9 million.

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 5-8) 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 the 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.

CITY OF NAPERVILLE, ILLINOIS

Management's Discussion and Analysis

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 subsidies to various business-type activities and/or the component unit.

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 taxes finance the majority of these services. The business-type activities reflect private sector-type operations (Electric, Water and Wastewater, Solid Waste, and Commuter Parking), where service fees typically cover 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 24 individual governmental funds. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Debt Service Fund, and Capital Projects Fund, which are considered to be major funds. Data from the other 21 governmental funds are combined into a single, aggregated presentation as nonmajor funds.

CITY OF NAPERVILLE, ILLINOIS

Management's Discussion and Analysis

The City adopts an annual budget for its General Fund and most other 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 9-13 of this report.

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, solid waste, 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, solid waste, and commuter parking operations. The Electric Utility Funds and the Water and Wastewater Utility Funds both are considered to be major funds of the City.

The basic proprietary fund financial statements can be found on pages 14-18 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 19-20 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 21-73 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 experience for the General Fund, as well as the City's progress in funding its obligation to provide pension and other post-employment benefits (OPEB) to its employees. Required supplementary information can be found on pages 74-87 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 \$883.8 million for the fiscal year ended December 31, 2021. By far the largest portion of the City's net position, at \$808.4 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 \$25.0 million of the City's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of the unrestricted net position at \$50.4 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, 2021, and December 31, 2020:

	Net Position (in Millions)					
	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Current and Other Assets	\$ 207.2	165.4	116.8	105.4	323.9	270.8
Capital Assets	483.8	482.8	433.9	434.0	917.7	916.7
Total Assets	691.0	648.1	550.7	539.4	1,241.7	1,187.5
Deferred Outflows	41.1	33.6	4.5	3.0	45.6	36.6
Total Assets/Deferred Outflows	732.1	681.7	555.2	542.4	1,287.3	1,224.1
Long-Term Liabilities	199.7	227.3	32.8	38.3	232.5	265.7
Other Liabilities	26.8	20.0	21.1	25.2	47.8	45.3
Total Liabilities	226.5	247.4	53.8	63.6	280.3	310.9
Deferred Inflows	104.9	83.8	18.3	10.5	123.1	94.2
Total Liabilities/Deferred Inflows	331.4	331.1	72.1	74.0	403.4	405.2
Net Position						
Net Investment in Capital Assets	402.3	392.6	406.1	401.7	808.4	794.4
Restricted	25.0	21.0	-	-	25.0	21.0
Unrestricted (Deficit)	(26.6)	(63.2)	77.0	66.9	50.4	3.7
Total Net Position	400.7	350.4	483.1	468.6	883.8	819.0

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 – This will impact (increase/decrease) current assets and unrestricted net position.

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

Spending Borrowed Proceeds on New Capital – This 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 – This will reduce current assets and reduce long-term debt and reduce unrestricted net position and increase net investment in capital assets.

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

Current Year Impacts

For the fiscal year ended December 31, 2021, 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 in unrestricted net position for the governmental activities 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 improved to \$50.4 million compared to \$3.7 million the prior year. The governmental unrestricted net position increased by \$36.6 million due to increases in numerous governmental revenue categories and strong investment returns in all three pension funds. The business-type unrestricted net position increased by \$10.1 million to \$77.0 million, primarily due to consistent operating income and lower expenses 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, 2021, and December 31, 2020:

	Change in Net Position (in Millions)					
	Governmental		Business-Type		Total	
	Activities	Activities	Activities	Activities	2021	2020
	2021	2020	2021	2020	2021	2020
Revenues						
Program Revenues						
Charges for Services	\$ 27.9	20.8	224.3	223.7	252.2	244.5
Operating Grants/Contributions	3.5	10.5	0.5	0.9	4.0	11.4
Capital Grants/Contributions	9.3	8.9	4.8	3.9	14.0	12.8
General Revenues						
Property Taxes	40.8	38.3	-	-	40.8	38.3
Other Taxes	119.3	94.3	-	-	119.3	94.3
Other Revenues	2.0	7.3	1.2	4.9	3.2	12.2
Total Revenues	202.8	180.2	230.7	233.3	433.5	413.5
Expenses						
General Government	9.1	14.9	-	-	9.1	14.9
Physical Environment	14.1	12.8	-	-	14.1	12.8
Public Safety	82.5	84.6	-	-	82.5	84.6
Culture and Recreation	9.6	9.7	-	-	9.6	9.7
Transportation	34.5	46.5	-	-	34.5	46.5
Interest on Long-Term Debt	2.6	2.9	-	-	2.6	2.9
Electric	-	-	146.8	152.7	146.8	152.7
Water and Wastewater	-	-	60.6	63.8	60.6	63.8
Burlington Commuter Parking	-	-	1.7	2.2	1.7	2.2
Solid Waste	-	-	7.1	6.8	7.1	6.8
Total Expenses	152.5	171.3	216.2	225.6	368.7	396.9
Change in Net Position	50.3	8.9	14.5	7.7	64.8	16.6
Net Position - Beginning	350.4	341.5	468.6	460.9	819.0	802.4
Net Position - Ending	400.7	350.4	483.1	468.6	883.8	819.0

CITY OF NAPERVILLE, ILLINOIS

Management's Discussion and Analysis

Normal Impacts

Revenues

Economic Condition – This can reflect a declining, stable, or growing economic environment and has a substantial impact on property, sales, income, and 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 a 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 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 \$50.3 million.

Revenue

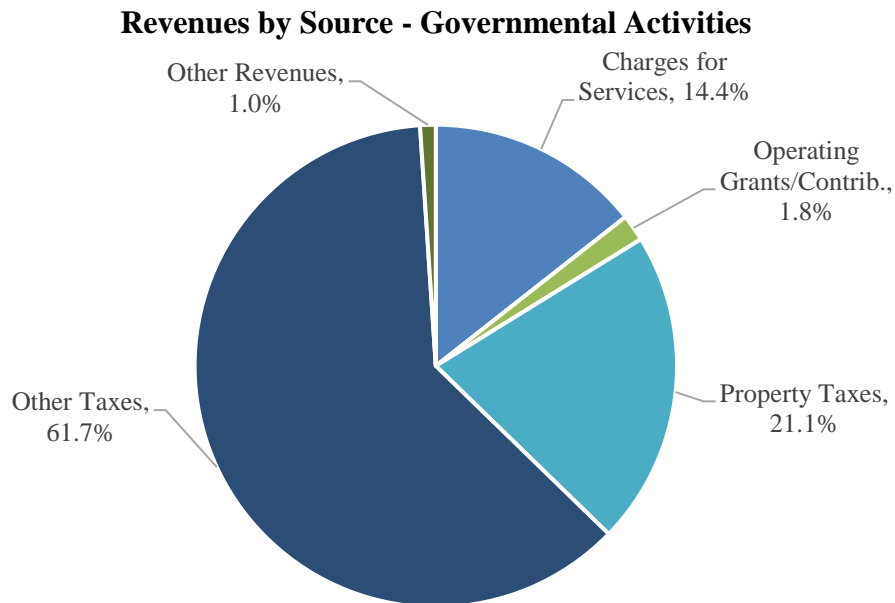
Total revenues from governmental activities increased by \$22.6 million from the prior year. The Other Taxes category increased by \$25.0 million, which is due predominantly to the increases in intergovernmental tax revenue, such as state sales tax, state income tax, and home rule sales tax. The increases were largely driven by strong economic recovery from the global coronavirus pandemic. Charges for services increased by \$7.1 million, which was primarily driven by a \$4.8 million increase in ambulance fees collected. This is the result of increased fees, as established in City code, and a higher number of ambulance transports.

CITY OF NAPERVILLE, ILLINOIS

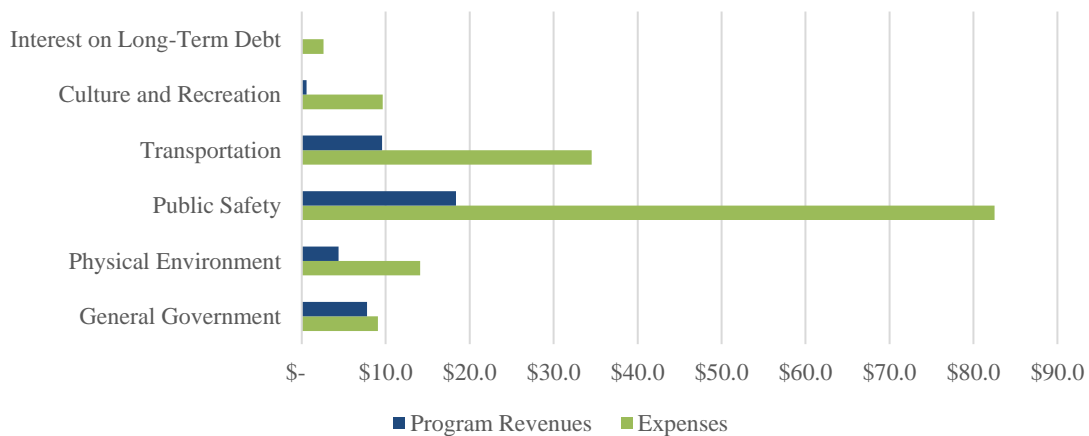
Management's Discussion and Analysis

Expenses

Total expenses related to governmental activities decreased by \$18.8 million to \$152.5 million. The decrease predominantly comes from lower expenses in the General Government and Transportation functions. General Government expenses were \$5.8 million lower than the previous year. That reduction is primarily attributable to lower IMRF pension and other post-employment benefits (OPEB) expenses. Transportation expenses were \$12.0 million lower due to an increase in capitalized assets.



Expenses & Program Revenues - Governmental Activities (\$ in Millions)



CITY OF NAPERVILLE, ILLINOIS

Management's Discussion and Analysis

Business-type activities. The net position for business-type activities increased by \$14.5 million.

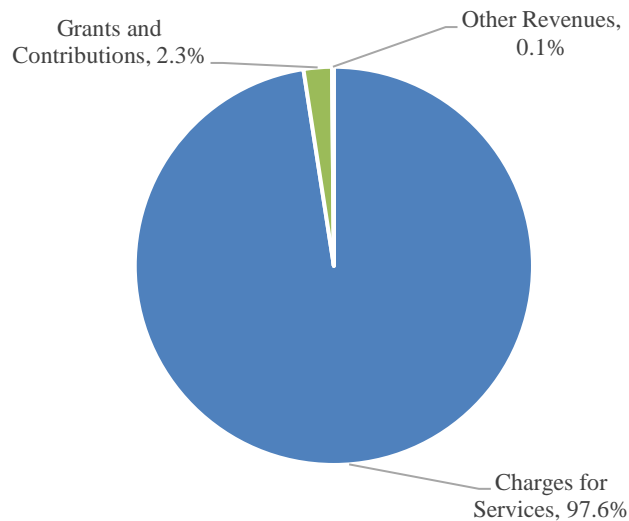
Revenue

Overall revenues from business-type activities decreased by \$2.6 million from the prior year. That decrease comes from general revenues, which declined by \$3.7 million. The primary driver of that decline is unrealized losses on investments. Program-related revenues did increase by \$1.1 million as a result of increases in charges for services and capital grants and contributions.

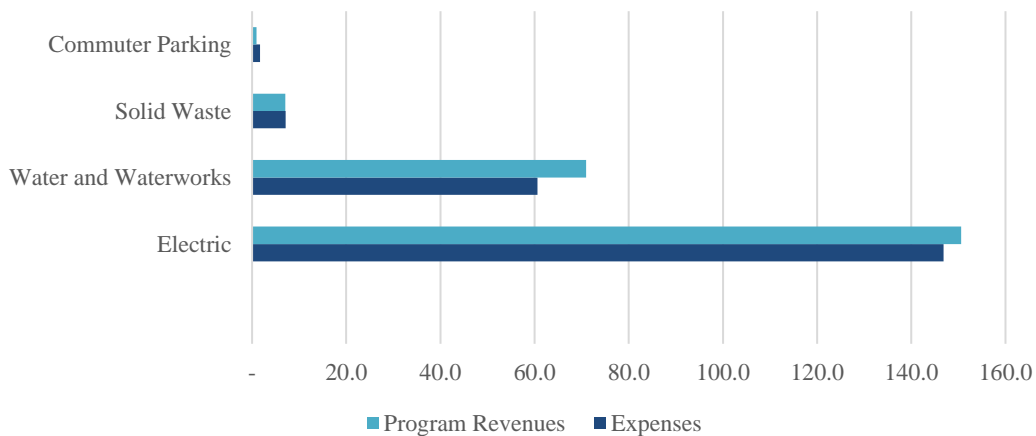
Expenses

Total expenses from business-type activities decreased by \$9.4 million, or 4.2%. Expenses in the Electric Utility Fund decreased by \$5.9 million as a result of decreases in expenses for purchased electricity and capital outlay.

Revenues by Source - Business-Type Activities



**Expenses and Program Revenues - Business-Type Activities
(\$ in Millions)**



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 include the General Fund and 23 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 \$114.4 million, an increase of \$17.6 million in comparison with the prior fiscal year. Of the total fund balance amount, \$50.8 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, 2021, and December 31, 2020:

	<u>12/31/2021</u>	<u>Percent of Total</u>	<u>12/31/2020</u>	<u>Amount of Increase (Decrease)</u>	<u>Percent of Increase (Decrease)</u>
(Amounts Expressed in Thousands)					
Revenues					
Taxes	\$ 73,732	36.35%	64,538	9,193	14.25%
Licenses and Permits	3,060	1.51%	2,006	1,054	52.54%
Fines and Forfeits	1,286	0.63%	1,012	274	27.09%
Net Investment Income	(1,840)	-0.91%	3,868	(5,708)	-147.56%
Intergovernmental	98,201	48.41%	86,904	11,297	13.00%
Charges for Services	23,818	11.74%	18,041	5,776	32.02%
Fees	2,962	1.46%	2,909	53	1.81%
Contributions and Miscellaneous	1,617	0.80%	877	740	84.41%
Total Revenues	<u>202,836</u>	<u>100.00%</u>	<u>180,156</u>	<u>22,680</u>	<u>12.59%</u>

Intergovernmental revenues represent the largest revenue source among the governmental funds, which increased by \$11.3 million, or 13.0%. Intergovernmental revenues include state shared taxes, such as sales and income taxes. Economic recovery fueled strong gains in this category, with sales tax increasing 29% and income tax increasing 22% over the prior year. Taxes accounted for \$73.7 million in revenue, an increase of \$9.2 million or 14.3%. 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 increased by \$5.8 million, or 32.0%, primarily due to increases in ambulance fees. The only declining revenue category for the year was investment income, which decreased by \$5.7 million due to rare negative market returns in fixed-income investments.

CITY OF NAPERVILLE, ILLINOIS

Management's Discussion and Analysis

	12/31/2021	Percent of	12/31/2020	Amount of	Percent of
		Total		Increase	Increase
				(Decrease)	(Decrease)
(Amounts Expressed in Thousands)					
Expenditures					
Current					
General Government	\$ 15,184	8.19%	13,713	1,471	10.73%
Transportation/Physical Environment	33,320	17.98%	30,185	3,135	10.39%
Public Safety	91,485	49.38%	90,104	1,381	1.53%
Culture and Recreation	7,441	4.02%	7,456	(15)	-0.20%
Debt Service					
Principal	9,943	5.37%	10,233	(291)	-2.84%
Interest, Fees and Issuance Costs	2,893	1.56%	3,042	(149)	-4.91%
Capital Outlay	25,020	13.50%	24,241	778	3.21%
Total Expenditures	185,284	100.00%	178,974	6,310	3.53%

Expenditures in governmental funds increased by \$6.3 million, or 3.5%, from the prior fiscal year. Public safety expenditures account for the largest portion of governmental expenditures at \$91.5 million, an increase of \$1.4 million. Salaries for police and fire personnel account for most of that amount.

Capital outlay increased by \$778,000, or 3.2%, in the current year. Major capital projects during the reporting period included continued roadway, bridge, and public facility maintenance as well as investments in technology infrastructure throughout the City.

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 net income of \$1.5 million before capital fees for the fiscal year ended December 31, 2021, compared to \$1.4 million for the prior year.

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 a rate-setting tool that allows the utility to smooth rate fluctuations using a six-month average.

Megawatt hour consumption for 2021 totaled 1.3 million, which was a 2.0% increase from 2020. The City's purchased power expense for the 12 months ended December 31, 2021 was \$110.9 million, which is 78.2% of operating and capital expenses for the year. Purchased power costs fluctuate based on heating degree days, cooling degree days, the rate for purchased electricity, and demand charges; however, they consistently account for the most significant expense to run the Electric Utility.

Water/Wastewater Utility – The Water/Wastewater Utility recorded a net income of \$9.1 million before capital fees for the fiscal year ended December 31, 2021, compared to a net income of \$3.6 million for the year ended December 31, 2020.

CITY OF NAPERVILLE, ILLINOIS

Management's Discussion and Analysis

The City completed a Water and Wastewater rate study in 2017 and as a result, water and wastewater rates were scheduled for annual increases at the beginning of each year through 2021. The Naperville 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 aging infrastructure. Retail water rates were increased by 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, are based on rates applied by the DuPage Water Commission. In 2021, the purchased water rate (per 1,000 gallons) remained flat at \$4.97.

The City experienced a 2.5% increase in gallons purchased compared to 2020. Purchased water expenses for the fiscal year ended December 31, 2021, totaled \$27.0 million and were 39.8% of total operating and capital expenses. Purchased water expenses fluctuate based on customer demand and the wholesale water rate set by the Du Page Water Commission. Capital Outlay expenses for the utility increased in 2021 as the result of a \$7 million project to install wireless water metering infrastructure across the system.

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, 2021, amounts to \$917.7 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, furniture and fixtures, infrastructure, IMEA participation right, and other intangible assets. The City's investment in capital assets increased by \$1.0 million from the prior year due to current year additions exceeding the depreciation expense for the year.

	Capital Assets - Net of Depreciation (in Millions)					
	Governmental		Business-type		Total	
	Activities		Activities			
	2021	2020	2021	2020	2021	2020
Land and land improvements	\$ 183.1	183.4	18.2	18.2	201.3	201.6
Buliding and building improvements	80.6	84.4	2.3	2.6	82.9	87.0
Machinery and equipment	14.4	14.7	3.7	3.8	18.1	18.6
Infrastructure	189.7	187.9	365.2	364.0	555.0	551.9
Construction in progress	16.0	12.3	27.3	29.4	43.3	41.7
IMEA participation right	-	-	17.2	16.0	17.2	16.0
Total	483.8	482.8	433.9	434.0	917.7	916.7

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

CITY OF NAPERVILLE, ILLINOIS

Management's Discussion and Analysis

Debt Administration

For the fiscal year ended December 31, 2021, the City had a total of \$103.9 million of outstanding debt. These issues were all general obligation bonds. The City took on no new debt in 2021 and paid down existing debt according to the established debt schedule. The City maintains a 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, 2021, is as follows:

	Amount	Ratio of Bonded Debt to Assessed Valuation	Bonded Debt Per Capita
General Obligation Bonded Debt	\$ 103,985,000	1.34%	\$ 695

	Long-Term Debt Outstanding (in Thousands)					
	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
General Obligation Bonds	\$ 78,548	88,491	25,437	29,515	103,985	118,005

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

Pension and Other Post-Employment Benefits

For the fiscal year ended December 31, 2021, the City had a total pension liability for its three pension funds of \$43.0 million compared to \$89.2 million the prior year. The decrease in net pension liability is largely attributable to investment returns that far exceed actuarial assumptions for the year.

Data as of December 31, 2021, is as follows:

	Net Pension Liability (in Millions)	
	2021	2020
IMRF	\$ (42.1)	(11.07)
Police Pension	33.86	42.42
Firefighters Pension	51.23	57.84
Total	43.02	89.19

For additional information, please refer to Note 9 in the notes 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 Post-Employment Benefits Other Than Pensions) effective for fiscal years beginning after June 15, 2017. The total actuarial accrued liability is \$21.0 million on December 31, 2021. 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 continue to 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.
- For 2022, the City budget totals \$540.58 million across all funds, with the General Fund accounting for \$135.46 million of the total budget.
- Salaries and wages account for \$107.75 million in the annual budget across all funds, an increase of \$4.32 million over 2021. The City added eight new positions in the 2022 budget across various functions.
- 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 \$639,000, or 3.5%, for the 2022 budget year. However, the City's estimated IMRF contributions decreases by \$1.3 million after the City experienced a decrease in its contribution rate to 8.58% for 2022.
- The City Council is committed to maintaining a low property tax rate, which is the primary funding source for pensions. The levy year 2021 property tax rate for the City is 0.6874, which continues to be one of the lowest rates compared to neighboring communities and one of the City's lowest over the past 50 years.
- Investments in capital infrastructure continue to be an area of focus, and significant financial resources are being allocated. In 2022, capital outlay accounts for almost 20% of the total City budget at \$107.0 million.
- The results of the 2020 U.S. Census (certified in 2021) increased the City population to 149,540. The increased share of the total state population is estimated to increase state-shared revenues, such as income, use, and motor fuel tax, by more than \$400,000.
- Retail sales tax revenue is expected to maintain the strength seen in the second half of 2021 and is estimated at \$41.8 million for 2022. Significant factors used in generating the estimate include the opening of a second Costco store, inclusion of online sales taxes, strong consumer demand, and inflation. Home rule sales tax is estimated at \$16.2 million for 2022.

CITY OF NAPERVILLE, ILLINOIS

Management's Discussion and Analysis

- Several local taxes are also benefiting from strong demand after the pandemic impacted sales in prior years. Food and beverage taxes are estimated at \$5.2 million, and hotel/motel tax is estimated at \$2.4 million.
- In 2021, City Council approved a new rate schedule for the Water and Wastewater Utility. New rates went into effect on January 1, 2022, and annual increases are projected through 2024. The new rates include an additional fixed charge for each customer that will help fund capital improvements to the water distribution system. Rates for the phosphorus surcharge for wastewater customers were also increased, which will be used to fund EPA-mandated improvements at the wastewater treatment facility. Rate increases for 2022 average 4% across customer classes. Increased rates will support ongoing operations and increased capital maintenance of the water and wastewater system.
- The City also conducted a rate study for the Electric Utility in 2021, which established rates through 2024. For 2022, rates increase 0.5% when averaged across all rate classes. The rate study also adjusted the Purchased Power Adjustment (PPA) base to re-align with power costs. The updated rates support \$15.0 million in capital investment over each of the next three years.

All of these factors were considered in preparing the City's budget and financial plans for 2022.

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 St., Naperville, Illinois, 60540.

BASIC FINANCIAL STATEMENTS

CITY OF NAPERVILLE, ILLINOIS

STATEMENT OF NET POSITION

December 31, 2021

	Primary Government			Component
	Governmental Activities	Business-Type Activities	Total	Naperville Library
ASSETS				
Cash and investments	\$ 115,601,037	\$ 64,603,410	\$ 180,204,447	\$ 1,977,297
Receivables (net of allowance for uncollectable)	56,257,356	27,395,408	83,652,764	15,346,767
Internal balances	97,111	(97,111)	-	-
Due from other governments	14,007,298	64,018	14,071,316	5,551
Inventories	-	9,329,880	9,329,880	-
Prepaid items	182,085	-	182,085	-
Capital assets (net of accumulated depreciation)				
Capital assets not depreciated	196,988,253	45,459,909	242,448,162	-
Capital assets depreciated, net	286,822,570	371,247,459	658,070,029	8,111,821
Net pension asset - IMRF	21,033,704	15,462,247	36,495,951	5,573,185
IMEA participation right	-	17,223,573	17,223,573	-
Total assets	690,989,414	550,688,793	1,241,678,207	31,014,621
DEFERRED OUTFLOWS OF RESOURCES				
Deferred items - IMRF	4,000,102	2,940,546	6,940,648	1,059,885
Deferred items - Police Pension	13,151,008	-	13,151,008	-
Deferred items - Firefighters' Pension	18,087,964	-	18,087,964	-
Deferred items - OPEB	3,934,244	343,916	4,278,160	126,974
Asset retirement obligation	-	377,880	377,880	-
Unamortized refunding loss	1,893,824	845,168	2,738,992	-
Total deferred outflows of resources	41,067,142	4,507,510	45,574,652	1,186,859
Total assets and deferred outflows of resources	732,056,556	555,196,303	1,287,252,859	32,201,480
LIABILITIES				
Accounts payable and other current liabilities	14,343,666	20,843,635	35,187,301	530,897
Accrued interest payable	209,644	80,366	290,010	-
Due to other governments	487,531	-	487,531	-
Unearned revenue	11,730,216	145,171	11,875,387	-
Long-term liabilities				
Due within one year	12,013,824	4,269,961	16,283,785	79,639
Due in more than one year	187,686,865	28,487,451	216,174,316	904,336
Total liabilities	226,471,746	53,826,584	280,298,330	1,514,872
DEFERRED INFLOWS OF RESOURCES				
Deferred items - IMRF	24,705,816	18,161,682	42,867,498	6,546,165
Deferred items - Police Pension	19,889,680	-	19,889,680	-
Deferred items - Firefighters' Pension	18,110,750	-	18,110,750	-
Deferred items - OPEB	1,084,077	94,765	1,178,842	34,987
Deferred property taxes revenues	41,092,106	-	41,092,106	15,310,000
Total deferred inflows of resources	104,882,429	18,256,447	123,138,876	21,891,152
Total liabilities and deferred inflows of resources	331,354,175	72,083,031	403,437,206	23,406,024

(This statement is continued on the following page.)

CITY OF NAPERVILLE, ILLINOIS

STATEMENT OF NET POSITION (Continued)

December 31, 2021

	Primary Government			Component Naperville Library
	Governmental Activities	Business-Type Activities	Total	
NET POSITION				
Net investment in capital assets	\$ 402,304,931	\$ 406,088,451	\$ 808,393,382	\$ 8,111,821
Restricted for				
Debt service	8,207,346	-	8,207,346	-
Highways, streets, and parking facilities	11,247,540	-	11,247,540	-
Public safety	3,837,601	-	3,837,601	-
Capital projects	43,882	-	43,882	-
Culture and recreation	1,666,971	-	1,666,971	-
Physical environment	25,324	-	25,324	-
Unrestricted (deficit)	(26,631,214)	77,024,821	50,393,607	683,635
TOTAL NET POSITION	\$ 400,702,381	\$ 483,113,272	\$ 883,815,653	\$ 8,795,456

See accompanying notes to financial statements.

CITY OF NAPERVILLE, ILLINOIS

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2021

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT				
Governmental Activities				
General government	\$ 9,080,870	\$ 7,755,065	\$ -	\$ -
Physical environment	14,098,422	2,483,906	1,908,703	-
Public safety	82,520,872	17,004,607	1,349,572	-
Culture and recreation	9,645,997	563,440	-	-
Transportation	34,532,783	87,341	213,019	9,251,690
Interest on long-term debt	2,602,225	-	-	-
Total governmental activities	152,481,169	27,894,359	3,471,294	9,251,690
Business-Type Activities				
Electric	146,824,137	147,253,149	-	3,351,560
Water and wastewater	60,580,302	69,018,800	493,682	1,436,070
Burlington commuter parking	1,693,857	951,214	-	-
Solid waste	7,124,204	7,032,760	-	-
Total business-type activities	216,222,500	224,255,923	493,682	4,787,630
TOTAL PRIMARY GOVERNMENT	\$ 368,703,669	\$ 252,150,282	\$ 3,964,976	\$ 14,039,320
COMPONENT UNIT				
Naperville Public Library	\$ 13,704,520	\$ 228,513	\$ 252,098	\$ -

	Net (Expense) Revenue and Changes in Net Position			
	Primary Government			Component
	Governmental Activities	Business-Type Activities	Total	Naperville Public Library
	\$ (1,325,805)	\$ -	\$ (1,325,805)	\$ -
	(9,705,813)	-	(9,705,813)	-
	(64,166,693)	-	(64,166,693)	-
	(9,082,557)	-	(9,082,557)	-
	(24,980,733)	-	(24,980,733)	-
	(2,602,225)	-	(2,602,225)	-
	(111,863,826)	-	(111,863,826)	-
	-	3,780,572	3,780,572	-
	-	10,368,250	10,368,250	-
	-	(742,643)	(742,643)	-
	-	(91,444)	(91,444)	-
	-	13,314,735	13,314,735	-
	(111,863,826)	13,314,735	(98,549,091)	-
	-	-	-	(13,223,909)
General Revenues				
Property taxes	40,828,100	-	40,828,100	15,021,389
Utility taxes	14,930,059	-	14,930,059	-
Real estate transfer taxes	7,425,300	-	7,425,300	-
Food and beverage taxes	5,692,416	-	5,692,416	-
Hotel/motel taxes	1,567,241			
Gas taxes	2,290,122			
Other taxes	998,415	-	998,415	231,968
Franchise fees	2,961,900	-	2,961,900	-
Intergovernmental - unrestricted				
Sales taxes	66,900,200	-	66,900,200	-
Income taxes	19,492,601	-	19,492,601	-
Net investment income (loss)	(1,908,749)	(958,144)	(2,866,893)	(11,557)
Miscellaneous	971,804	2,162,749	3,134,553	35,333
Total	162,149,409	1,204,605	163,354,014	15,277,133
CHANGE IN NET POSITION	50,285,583	14,519,340	64,804,923	2,053,224
NET POSITION, JANUARY 1	350,416,798	468,593,932	819,010,730	6,742,232
NET POSITION, DECEMBER 31	\$ 400,702,381	\$ 483,113,272	\$ 883,815,653	\$ 8,795,456

See accompanying notes to financial statements.

CITY OF NAPERVILLE, ILLINOIS

BALANCE SHEET
GOVERNMENTAL FUNDS

December 31, 2021

	General Fund	Debt Service Fund	Capital Projects Fund	Nonmajor	Total
ASSETS					
Cash and investments	\$ 42,037,485	\$ 5,346,843	\$ 31,934,571	\$ 31,661,993	\$ 110,980,892
Receivables					
Property taxes	26,581,346	8,696,877	-	5,905,043	41,183,266
Accrued interest	186,849	17,135	95,137	71,807	370,928
Accounts receivable less allowance for doubtful accounts	7,768,537	-	4,682,023	2,102,186	14,552,746
Loans and installments	218	-	-	19,116	19,334
Due from other funds	439,013	-	-	-	439,013
Advances to other funds	446,366	-	-	-	446,366
Due from other governments	11,933,628	190,952	103,538	1,779,180	14,007,298
Other	105,372	-	-	-	105,372
TOTAL ASSETS	\$ 89,498,814	\$ 14,251,807	\$ 36,815,269	\$ 41,539,325	\$ 182,105,215
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ 4,200,300	\$ 319	\$ 1,070,159	\$ 2,385,438	\$ 7,656,216
Accrued wages and benefits	2,198,400	-	-	85,058	2,283,458
Due to other governmental agencies	485,498	-	-	2,033	487,531
Due to other funds	-	-	-	341,902	341,902
Advances from other funds	-	-	-	446,366	446,366
Deposits	3,487,112	-	175,750	-	3,662,862
Contract retainage payable	-	-	-	34,299	34,299
Unearned grant revenues and others	607,343	-	4,448,933	6,673,940	11,730,216
Total liabilities	10,978,653	319	5,694,842	9,969,036	26,642,850
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	26,531,847	8,679,161	-	5,881,098	41,092,106
Total deferred inflows of resources	26,531,847	8,679,161	-	5,881,098	41,092,106
Total liabilities and deferred inflows of resources	37,510,500	8,679,480	5,694,842	15,850,134	67,734,956

(This statement is continued on the following page.)

CITY OF NAPERVILLE, ILLINOIS

BALANCE SHEET (Continued)
GOVERNMENTAL FUNDS

December 31, 2021

	General Fund	Debt Service Fund	Capital Projects Fund	Nonmajor	Total
FUND BALANCES					
Nonspendable					
Loans	\$ 218	\$ -	\$ -	\$ -	\$ 218
Advances	446,366	-	-	-	446,366
Restricted for					
Debt service	-	-	-	8,207,346	8,207,346
Highways, streets, and parking facilities	-	-	-	11,247,540	11,247,540
Public safety	-	-	-	3,837,601	3,837,601
Capital projects	-	-	-	43,882	43,882
Culture and recreation	-	-	-	1,666,971	1,666,971
Physical environment	-	-	-	25,324	25,324
Committed to					
Highways, streets, and parking facilities	-	-	-	1,430,399	1,430,399
Assigned to					
Debt service	-	5,572,327	-	-	5,572,327
Capital projects	-	-	31,120,427	-	31,120,427
Unassigned	51,541,730	-	-	(769,872)	50,771,858
Total fund balances	51,988,314	5,572,327	31,120,427	25,689,191	114,370,259
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 89,498,814	\$ 14,251,807	\$ 36,815,269	\$ 41,539,325	\$ 182,105,215

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, 2021

FUND BALANCES OF GOVERNMENTAL FUNDS	\$ 114,370,259
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	483,810,823
Deferred outflows (inflows) of resources related to the pensions not reported in the funds	
Deferred items - IMRF	\$ (20,705,714)
Deferred items - Police Pension	(6,738,672)
Deferred items - Firefighters' Pension	(22,786)
Deferred items - OPEB	<u>2,850,167</u>
	(24,617,005)
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	(209,644)
Deferred loss on refunding	1,893,824
Net pension liability	
Police Pension	(33,857,347)
Firefighters' Pension	(51,229,641)
Compensated absences	(7,382,771)
OPEB liability	(18,786,472)
General obligation debt	<u>(83,399,716)</u>
Total long-term liabilities	(194,655,947)
The net pension asset is reported only on the statement of net position	
IMRF	21,033,704
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	
	<u>(923,633)</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 400,702,381</u></u>

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, 2021

	General Fund	Debt Service Fund	Capital Projects Fund	Nonmajor	Total
REVENUES					
Property taxes	\$ 26,508,657	\$ 9,490,008	\$ -	\$ 4,829,435	\$ 40,828,100
Utility tax	14,930,059	-	-	-	14,930,059
Other taxes	9,941,830	-	-	8,031,664	17,973,494
Licenses and permits	3,014,619	-	-	45,773	3,060,392
Fines and forfeits	1,252,078	-	-	33,875	1,285,953
Net investment income (loss)	(902,996)	(130,072)	(459,819)	(346,839)	(1,839,726)
Contributions	-	-	645,090	-	645,090
Intergovernmental	69,775,977	251,596	16,317,915	11,855,469	98,200,957
Charges for services	17,651,611	-	-	6,166,141	23,817,752
Fees	2,961,900	-	-	-	2,961,900
Miscellaneous revenues	257,504	-	710,665	3,635	971,804
Total revenues	145,391,239	9,611,532	17,213,851	30,619,153	202,835,775
EXPENDITURES					
Current					
General government	15,179,744	-	-	3,800	15,183,544
Physical environment	8,425,831	-	-	1,262,017	9,687,848
Public safety	85,492,781	-	-	5,992,379	91,485,160
Culture and recreation	53,004	-	-	7,387,706	7,440,710
Transportation	19,830,581	-	-	3,801,195	23,631,776
Capital outlay	-	-	9,117,597	15,901,919	25,019,516
Debt service					
Principal	-	9,451,788	-	490,912	9,942,700
Interest and fees	-	2,843,575	-	49,217	2,892,792
Total expenditures	128,981,941	12,295,363	9,117,597	34,889,145	185,284,046
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	16,409,298	(2,683,831)	8,096,254	(4,269,992)	17,551,729
OTHER FINANCING SOURCES (USES)					
Transfers in	-	1,242,274	-	2,424,259	3,666,533
Transfers (out)	(2,424,259)	-	-	(1,242,274)	(3,666,533)
Total other financing sources (uses)	(2,424,259)	1,242,274	-	1,181,985	-
NET CHANGE IN FUND BALANCES	13,985,039	(1,441,557)	8,096,254	(3,088,007)	17,551,729
FUND BALANCES, JANUARY 1	38,003,275	7,013,884	23,024,173	28,777,198	96,818,530
FUND BALANCES, DECEMBER 31	\$ 51,988,314	\$ 5,572,327	\$ 31,120,427	\$ 25,689,191	\$ 114,370,259

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, 2021

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS		\$ 17,551,729
<p>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</p>		
Capital outlays	\$ 20,163,489	
Disposals	(38,284)	
Depreciation	<u>(19,086,219)</u>	1,038,986
<p>Deferred outflows (inflows) of resources related to the pensions not reported in the funds</p>		
Change in deferred items - IMRF	(7,252,128)	
Change in deferred items - Police Pension	(1,730,867)	
Change in deferred items - Firefighters' Pension	(2,336,503)	
Change in deferred items - OPEB	<u>(1,185,902)</u>	(12,505,400)
<p>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</p>		
Principal repayments - G.O. Bonds, SSA Bonds, and notes payable	9,942,700	
Change in unamortized premium	506,895	
Change in loss on refunding	<u>(244,947)</u>	10,204,648
<p>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</p>		
Decrease in net pension liability		
IMRF	15,401,512	
Police Pension	8,561,878	
Firefighters' Pension	6,610,710	
Decrease in accrued interest payable	28,619	
Decrease in compensated absences	1,658,188	
Decrease in other postemployment benefit obligation	<u>298,284</u>	32,559,191
<p>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</p>		
		<u>1,436,429</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES		\$ <u>50,285,583</u>

See accompanying notes to financial statements.

CITY OF NAPERVILLE, ILLINOIS

STATEMENT OF NET POSITION
PROPRIETARY FUNDS

December 31, 2021

	Business-Type Activities - Enterprise Funds				Governmental
	Electric Utility Fund	Water and Wastewater Utility Fund	Nonmajor Enterprise Funds	Total	Activities - Internal Service Self- Insurance Fund
CURRENT ASSETS					
Cash and investments	\$ 38,070,954	\$ 23,987,673	\$ 2,544,783	\$ 64,603,410	\$ 4,620,145
Receivables					
Accrued interest	122,146	80,194	8,264	210,604	14,281
Accounts receivable less allowance for doubtful accounts	17,013,641	4,408,463	483,712	21,905,816	11,429
Due from other governments	-	64,018	-	64,018	-
Other receivables	289,068	4,294,201	-	4,583,269	-
Inventory	8,629,628	700,252	-	9,329,880	-
Prepaid items	-	-	-	-	182,085
Total current assets	64,125,437	33,534,801	3,036,759	100,696,997	4,827,940
NONCURRENT ASSETS					
Capital assets (net of accumulated depreciation)					
Capital assets not depreciated	12,714,508	20,950,545	11,794,856	45,459,909	-
Capital assets depreciated, net	182,868,201	187,297,397	1,081,861	371,247,459	-
Net capital assets	195,582,709	208,247,942	12,876,717	416,707,368	-
Installments receivable	695,719	-	-	695,719	-
Net pension asset - IMRF	9,084,204	6,378,043	-	15,462,247	-
Intangible assets (net of accumulated amortization)					
IMEA participation right	17,223,573	-	-	17,223,573	-
Total non-current assets	222,586,205	214,625,985	12,876,717	450,088,907	-
Total assets	286,711,642	248,160,786	15,913,476	550,785,904	4,827,940
DEFERRED OUTFLOWS OF RESOURCES					
Deferred items - IMRF	1,727,596	1,212,950	-	2,940,546	-
Deferred items - OPEB	162,161	181,755	-	343,916	-
Unamortized refunding loss	535,943	309,225	-	845,168	-
Asset retirement obligation	-	377,880	-	377,880	-
Total deferred outflows of resources	2,425,700	2,081,810	-	4,507,510	-
Total assets and deferred outflows of resources	289,137,342	250,242,596	15,913,476	555,293,414	4,827,940

(This statement is continued on the following page.)

CITY OF NAPERVILLE, ILLINOIS

STATEMENT OF NET POSITION (Continued)
 PROPRIETARY FUNDS

December 31, 2021

	Business-Type Activities - Enterprise Funds				Governmental
	Electric Utility Fund	Water and Wastewater Utility Fund	Nonmajor Enterprise Funds	Total	Activities - Internal Service Self- Insurance Fund
CURRENT LIABILITIES					
Accounts payable	\$ 8,793,347	\$ 1,877,717	\$ 675,925	\$ 11,346,989	\$ 697,922
Accrued wages and benefits payable	460,653	345,578	15,097	821,328	8,909
Accrued interest payable	34,166	46,200	-	80,366	-
Compensated absences - current portion	215,893	67,680	-	283,573	-
Deposits	6,885,252	144,660	895	7,030,807	-
Contract retainage payable	-	1,644,511	-	1,644,511	-
Claims and judgments	-	-	-	-	609,968
Due to other funds	-	-	97,111	97,111	-
Unearned revenue	109,520	35,651	-	145,171	-
General obligation bonds payable - current portion	2,267,700	1,645,000	-	3,912,700	-
OPEB liability - current portion	34,745	38,943	-	73,688	-
Total current liabilities	18,801,276	5,845,940	789,028	25,436,244	1,316,799
NONCURRENT LIABILITIES					
General obligation bonds payable	10,209,628	14,565,330	-	24,774,958	-
Compensated absences	1,326,197	415,749	-	1,741,946	-
Claims and judgments	-	-	-	-	4,434,774
OPEB liability	739,591	828,956	-	1,568,547	-
Asset retirement obligation	-	402,000	-	402,000	-
Total noncurrent liabilities	12,275,416	16,212,035	-	28,487,451	4,434,774
Total liabilities	31,076,692	22,057,975	789,028	53,923,695	5,751,573
DEFERRED INFLOWS OF RESOURCES					
Deferred items - IMRF	10,670,146	7,491,536	-	18,161,682	-
Deferred items - OPEB	44,683	50,082	-	94,765	-
Total deferred inflows of resources	10,714,829	7,541,618	-	18,256,447	-
Total liabilities and deferred inflows of resources	41,791,521	29,599,593	789,028	72,180,142	5,751,573
NET POSITION					
Net investment in capital assets	200,864,897	192,346,837	12,876,717	406,088,451	-
Unrestricted (deficit)	46,480,924	28,296,166	2,247,731	77,024,821	(923,633)
TOTAL NET POSITION	\$ 247,345,821	\$ 220,643,003	\$ 15,124,448	\$ 483,113,272	\$ (923,633)

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, 2021

	Business-Type Activities - Enterprise Funds			Total	Governmental
	Electric Utility Fund	Water and Wastewater Utility Fund	Nonmajor Enterprise Funds		Activities - Internal Service Self- Insurance Fund
OPERATING REVENUES					
Charges for services	\$ 147,253,149	\$ 69,018,800	\$ 7,983,974	\$ 224,255,923	\$ 25,476,790
Miscellaneous	1,650,138	512,611	-	2,162,749	-
Total operating revenues	148,903,287	69,531,411	7,983,974	226,418,672	25,476,790
OPERATING EXPENSES					
Purchased power	103,992,536	-	-	103,992,536	-
Purchased water	-	27,048,748	-	27,048,748	-
Operations	10,739,162	14,484,878	8,656,569	33,880,609	-
Distribution	2,611,232	2,614,683	-	5,225,915	-
Other operating expenses	15,479,987	6,165,268	30,000	21,675,255	23,971,338
Total operating expenses	132,822,917	50,313,577	8,686,569	191,823,063	23,971,338
OPERATING INCOME (LOSS) BEFORE DEPRECIATION AND AMORTIZATION	16,080,370	19,217,834	(702,595)	34,595,609	1,505,452
Depreciation and amortization	(13,611,168)	(9,795,401)	(131,492)	(23,538,061)	-
OPERATING INCOME (LOSS)	2,469,202	9,422,433	(834,087)	11,057,548	1,505,452
NON-OPERATING REVENUES (EXPENSES)					
Net investment income (loss)	(551,437)	(366,764)	(39,943)	(958,144)	(69,023)
Operating grant/intergovernmental	-	493,682	-	493,682	-
Interest expense	(390,052)	(471,324)	-	(861,376)	-
Total non-operating revenues (expenses)	(941,489)	(344,406)	(39,943)	(1,325,838)	(69,023)
NET INCOME (LOSS) BEFORE CAPITAL FEES	1,527,713	9,078,027	(874,030)	9,731,710	1,436,429
CAPITAL FEES	3,351,560	1,436,070	-	4,787,630	-
CHANGE IN NET POSITION	4,879,273	10,514,097	(874,030)	14,519,340	1,436,429
NET POSITION (DEFICIT), JANUARY 1	242,466,548	210,128,906	15,998,478	468,593,932	(2,360,062)
NET POSITION (DEFICIT), DECEMBER 31	\$ 247,345,821	\$ 220,643,003	\$ 15,124,448	\$ 483,113,272	\$ (923,633)

See accompanying notes to financial statements.

CITY OF NAPERVILLE, ILLINOIS

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

For the Year Ended December 31, 2021

	Business-Type Activities - Enterprise Funds			Total	Governmental
	Electric Utility Fund	Water and Wastewater Utility Fund	Nonmajor Enterprise Funds		Activities - Internal Service Self-Insurance Fund
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers and users	\$ 155,533,281	\$ 70,446,970	\$ 8,029,439	\$ 234,009,690	\$ -
Receipts from interfund services provided	-	-	-	-	25,491,563
Payments to other funds	(1,093,020)	(1,232,880)	-	(2,325,900)	-
Payments to suppliers	(126,386,831)	(44,692,842)	(7,876,422)	(178,956,095)	(23,662,354)
Payments to employees	(15,224,039)	(11,158,466)	(827,262)	(27,209,767)	(451,348)
Net cash from operating activities	12,829,391	13,362,782	(674,245)	25,517,928	1,377,861
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Operating grant	-	909,041	-	909,041	-
Due to/from other funds	-	-	83,502	83,502	-
Net cash from noncapital financing activities	-	909,041	83,502	992,543	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Purchases of capital and intangible assets	(8,670,718)	(13,131,068)	-	(21,801,786)	-
Payments of bond principal	(2,497,300)	(1,580,000)	-	(4,077,300)	-
Payment of bond interest	(562,437)	(639,602)	-	(1,202,039)	-
Net cash from capital and related financing activities	(11,730,455)	(15,350,670)	-	(27,081,125)	-
CASH FLOWS FROM INVESTING ACTIVITIES					
Net interest received	54,951	43,495	-	98,446	-
Net cash from investing activities	54,951	43,495	-	98,446	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,153,887	(1,035,352)	(590,743)	(472,208)	1,377,861
CASH AND CASH EQUIVALENTS, JANUARY 1	36,917,067	25,023,025	3,135,526	65,075,618	3,242,284
CASH AND CASH EQUIVALENTS, DECEMBER 31	\$ 38,070,954	\$ 23,987,673	\$ 2,544,783	\$ 64,603,410	\$ 4,620,145

(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, 2021

	Business-Type Activities - Enterprise Funds			Total	Governmental
	Electric Utility Fund	Water and Wastewater Utility Fund	Nonmajor Enterprise Funds		Activities - Internal Service Self- Insurance Fund
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES					
Operating income (loss)	\$ 2,469,202	\$ 9,422,433	\$ (834,087)	\$ 11,057,548	\$ 1,505,452
Adjustments to reconcile operating income (loss) to net cash from operating activities					
Other non-operating revenues					
Capital fees	3,351,560	1,436,070	-	4,787,630	-
Depreciation and amortization expense	13,611,168	9,795,401	131,492	23,538,061	-
Unrealized gains/losses	(558,120)	(387,608)	(30,270)	(975,998)	(76,910)
(Increase) decrease in assets and deferred outflows of resources	(1,410,513)	(944,011)	45,465	(2,309,059)	14,773
Increase (decrease) in liabilities and deferred inflows of resources	(4,633,906)	(5,959,503)	13,155	(10,580,254)	(65,454)
Total adjustments	10,360,189	3,940,349	159,842	14,460,380	(127,591)
NET CASH FROM OPERATING ACTIVITIES	\$ 12,829,391	\$ 13,362,782	\$ (674,245)	\$ 25,517,928	\$ 1,377,861
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES					
Capital assets acquired through accounts payable	\$ 124,046	\$ 1,569,806	\$ -	\$ 1,693,852	\$ -
Unrealized gains/losses	(558,120)	(387,608)	(30,270)	(975,998)	(76,910)
TOTAL NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES	\$ (434,074)	\$ 1,182,198	\$ (30,270)	\$ 717,854	\$ (76,910)

See accompanying notes to financial statements.

CITY OF NAPERVILLE, ILLINOIS

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

December 31, 2021

ASSETS	
Cash and short-term investments	<u>\$ 15,184,036</u>
Receivables	
Interest receivable	<u>1,322,747</u>
Total receivables	<u>1,322,747</u>
Investments at fair value	
U.S. Treasury obligations	90,538,453
U.S. Government agencies	13,950,915
Municipal bonds	1,717,505
Corporate bonds	44,364,579
Annuities	35,938,844
Common stock	31,335,044
Mutual funds	<u>260,659,780</u>
Total investments	<u>478,505,120</u>
Due from municipality	68,979
Prepaid items	<u>11,291</u>
Total assets	495,092,173
LIABILITIES	
Accounts payable	<u>88,103</u>
NET POSITION RESTRICTED FOR PENSIONS	<u><u>\$ 495,004,070</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, 2021

ADDITIONS

Contributions	
Employer	\$ 18,245,336
Employee	4,132,522
Other	<u>458,679</u>
Total contributions	<u>22,836,537</u>
Investment income	
Net appreciation in fair value of investments	39,984,464
Interest and dividends	<u>14,896,294</u>
Total investment income	54,880,758
Less investment expense	<u>679,038</u>
Net investment income	<u>54,201,720</u>
Other income	<u>287</u>
Total additions	<u>77,038,544</u>

DEDUCTIONS

Pension benefits	21,431,950
Refunds of contributions	43,407
Administrative expense	<u>189,298</u>
Total deductions	<u>21,664,655</u>

NET INCREASE 55,373,889

NET POSITION RESTRICTED FOR PENSIONS

January 1	<u>439,630,181</u>
December 31	<u>\$ 495,004,070</u>

See accompanying notes to financial statements.

CITY OF NAPERVILLE, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

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,

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

a. Reporting Entity (Continued)

Fiduciary Component Units (Continued)

Firefighters' Pension Employees Retirement System (Continued)

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.

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b. Basis of Presentation (Continued)

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.

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.

Capital Projects Fund - This fund is used to account for major capital improvement projects on an as needed basis. Yearly transfers from the other funds are done for funding of capital improvement projects.

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 2020 levy is recognized as revenue for the fiscal year ended December 31, 2021. Revenue from grants and other contributions are recognized in the fiscal year in which all 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c. Measurement Focus and Basis of Accounting (Continued)

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.

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; investment grade corporate bonds defined as any bond rated BBB or better by Standard and Poor's; 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

e. Investments (Continued)

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.

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, 2021, 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

g. Interfund Transactions (Continued)

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.

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i. Capital Assets (Continued)

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

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

j. Compensated Absences (Continued)

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 eliminated the distinction between vacation and sick leave. The City revised that plan on January 21, 2020. Under the revised PTO plan, vacation leave is based on years of service, with a minimum accrual of 120 hours annually. Sick leave is also provided at 80 hours annually, with a maximum accrual of 480 hours. However, sick leave is not paid out at separation or retirement.

k. Deposits

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

m. Fund Balance/Net Position (Continued)

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.

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 \$6,931 in the Fair Share Assessment Fund and the fund balance of \$1,632,490 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 2020 were due, payable, and collected in two installments in June and September 2021.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

n. Property Taxes (Continued)

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, 2021 for collections from the calendar year 2020 levy if it was received by year end or within 60 days after year end. Property taxes levied for calendar year 2021, which will be collected in fiscal year 2022, are recorded as receivables and unavailable/deferred 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.

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.

q. Postponement of Implementation of Certain Authoritative Guidance

In accordance with the provisions of GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, the City has delayed the implementation of GASB Statement No. 87, *Leases*, to December 31, 2022.

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."

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

2. DEPOSITS AND INVESTMENTS (Continued)

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 of the debt securities of the City and the Library as of December 31, 2021.

City and Library

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	More than 10
U.S. Treasury obligations	\$ 79,953,820	\$ 4,504,500	\$ 57,569,435	\$ 17,879,885	\$ -
U.S. agency obligations	30,851,140	1,363,107	4,784,221	2,176,520	22,527,292
Corporate bonds	54,309,276	499,755	25,332,936	28,199,395	277,190
TOTAL	\$ 165,114,236	\$ 6,367,362	\$ 87,686,592	\$ 48,255,800	\$ 22,804,482

The City has the following recurring fair value measurements as of December 31, 2021:

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	\$ 79,953,820	\$ 79,953,820	\$ -	\$ -
U.S. agency obligations	30,851,140	-	30,851,140	-
Corporate bonds	54,309,276	-	54,309,276	-
TOTAL INVESTMENTS MEASURED AT FAIR VALUE	\$ 165,114,236	\$ 79,953,820	\$ 85,160,416	\$ -

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	\$ 44,042,782	\$ 4,463,787	\$ 22,639,572	\$ 16,734,205	\$ 205,218
U.S. agency obligations	6,676,094	19,563	2,829,190	1,568,921	2,258,420
Municipal bonds	961,036	61,462	630,297	162,210	107,067
Corporate bonds	23,886,359	1,297,731	13,909,311	7,063,289	1,616,028
TOTAL	\$ 75,566,271	\$ 5,842,543	\$ 40,008,370	\$ 25,528,625	\$ 4,186,733

The Police Pension Fund has the following recurring fair value measurements as of December 31, 2021:

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	\$ 44,042,782	\$ 44,042,782	\$ -	\$ -
U.S. agency obligations	6,676,094	-	6,676,094	-
Municipal bonds	961,036	-	961,036	-
Corporate bonds	23,886,359	-	23,886,359	-
Equity securities				
Annuity contract	18,133,218	-	-	18,133,218
Equity mutual funds	145,152,317	145,152,317	-	-
TOTAL INVESTMENTS MEASURED AT FAIR VALUE	\$ 238,851,806	\$ 189,195,099	\$ 31,523,489	\$ 18,133,218

Firefighters' Pension

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	More Than 10
U.S. Treasury obligations	\$ 46,495,671	\$ 2,055,582	\$ 27,435,720	\$ 16,799,152	\$ 205,217
U.S. agency obligations	7,274,821	17,031	3,320,230	827,197	3,110,363
Municipal bonds	756,469	-	518,091	156,803	81,575
Corporate bonds	20,478,220	1,297,375	11,614,545	6,507,944	1,058,356
TOTAL	\$ 75,005,181	\$ 3,369,988	\$ 42,888,586	\$ 24,291,096	\$ 4,455,511

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, 2021:

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	\$ 46,495,671	\$ 46,495,671	\$ -	\$ -
U.S. agency obligations	7,274,821	-	7,274,821	-
Municipal bonds	756,469	-	756,469	-
Corporate bonds	20,478,220	-	20,478,220	-
Equity securities				
Annuity contract	17,805,626	17,805,626	-	-
Common stock	31,335,044	31,335,044	-	-
Equity mutual funds	115,507,463	115,507,463	-	-
TOTAL INVESTMENTS				
MEASURED AT FAIR VALUE	\$ 239,653,314	\$ 211,143,804	\$ 28,509,510	\$ -

The investments in the securities of U.S. Treasury obligations were all rated AAA by Moody's Investors Services. The U.S. agency obligations were not rated. The municipal bonds were unrated or 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 Funds 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 City and Police and Firefighters' Pension Funds 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	\$ 37,525,271
Vanguard Small Cap Fund	15,802,725
Vanguard Mid Cap Fund	15,830,435
Vanguard Index Fund	12,461,891
DFA Emerging Markets Core Equity	12,510,359
American Europacific Growth Fund	15,722,772
Pimco All Asset Fund	12,117,993
Principal Annuity Contract	18,133,218

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%	1.60%
Domestic equities	32.50%	5.20%
International equities	17.50%	5.60%
Real estate	10.00%	4.90%
Global tactical	5.00%	2.40%
Cash	0.00%	0.20%

ILCS limits 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, 2021 are listed in the table on the previous page.

For the fiscal year ended December 31, 2021, the annual money-weighted rate of return on police pension plan investments, net of pension plan investment expense, was 12.57%. 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%	1.60%
Domestic equities	32.50%	5.20%
International equities	17.50%	5.60%
Real estate	10.00%	4.90%
Global tactical	5.00%	2.40%
Cash	0.00%	0.02%

ILCS limits 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, 2021 are listed in the table on the previous page.

For the fiscal year ended December 31, 2021, the annual money-weighted rate of return on the firefighters’ pension plan investments, net of pension plan investment expense, was 12.27%. 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, 2021 are as follows:

	Term	Due	Amount
Loan to the SSA 33 property owners	Various	Various	\$ 19,116
Electric loans	Various	Various	695,719

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, 2021 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	12,313,038	4,869,445	1,134,112	16,048,371
Total capital assets not being depreciated	193,252,920	4,869,445	1,134,112	196,988,253
Capital assets being depreciated				
Land improvements	5,456,271	-	-	5,456,271
Buildings	157,938,011	-	-	157,938,011
Equipment	65,378,609	2,548,281	320,721	67,606,169
Infrastructure	487,053,991	13,879,875	-	500,933,866
Total capital assets being depreciated	715,826,882	16,428,156	320,721	731,934,317
Less accumulated depreciation for				
Land improvements	2,975,089	361,525	-	3,336,614
Buildings	73,503,171	3,848,351	-	77,351,522
Equipment	50,642,735	2,875,814	282,437	53,236,112
Infrastructure	299,186,970	12,000,529	-	311,187,499
Total accumulated depreciation	426,307,965	19,086,219	282,437	445,111,747
Total capital assets being depreciated, net	289,518,917	(2,658,063)	38,284	286,822,570
GOVERNMENTAL ACTIVITIES				
CAPITAL ASSETS, NET	\$ 482,771,837	\$ 2,211,382	\$ 1,172,396	\$ 483,810,823

Depreciation expense for governmental activities for the fiscal year ended December 31, 2021 was charged to functions as follows:

General government	\$ 2,481,208
Physical environment	1,908,622
Public safety	1,717,760
Culture and recreation	954,311
Transportation	12,024,318
TOTAL	\$ 19,086,219

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	9,583,336	420,632	1,125,787	8,878,181
Total capital assets not being depreciated	13,419,663	420,632	1,125,787	12,714,508
Tangible capital assets being depreciated				
Building and building improvements	7,707,096	-	-	7,707,096
Equipment	15,129,874	305,028	-	15,434,902
Infrastructure	422,035,217	5,868,201	-	427,903,418
Total tangible capital assets being depreciated	444,872,187	6,173,229	-	451,045,416
Intangible capital assets being amortized				
IMEA participation right	40,726,440	3,326,690	-	44,053,130
Total intangible capital assets being amortized	40,726,440	3,326,690	-	44,053,130
Less accumulated depreciation for tangible capital assets				
Building and building improvements	5,772,253	210,136	-	5,982,389
Equipment	14,209,899	127,149	-	14,337,048
Infrastructure	236,648,459	11,209,319	-	247,857,778
Total accumulated depreciation for tangible capital assets	256,630,611	11,546,604	-	268,177,215
Less accumulated amortization for intangible capital assets				
IMEA participation right	24,764,993	2,064,564	-	26,829,557
Total accumulated amortization for intangible capital assets	24,764,993	2,064,564	-	26,829,557
Total tangible and intangible capital assets being depreciated and amortized, net	204,203,023	(4,111,249)	-	200,091,774
BUSINESS-TYPE ACTIVITIES -				
ELECTRIC UTILITY CAPITAL ASSETS, NET				
	\$ 217,622,686	\$ (3,690,617)	\$ 1,125,787	\$ 212,806,282

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

4. CAPITAL ASSETS (Continued)

	Beginning Balances	Increases	Decreases	Ending Balances
BUSINESS-TYPE ACTIVITIES -				
WATER AND WASTEWATER UTILITY				
Capital assets not being depreciated				
Land	\$ 2,565,671	\$ -	\$ -	\$ 2,565,671
Construction in progress	19,787,447	1,197,231	2,599,804	18,384,874
Total capital assets not being depreciated	<u>22,353,118</u>	<u>1,197,231</u>	<u>2,599,804</u>	<u>20,950,545</u>
Capital assets being depreciated				
Equipment	12,740,018	182,079	-	12,922,097
Infrastructure	449,560,482	15,921,368	-	465,481,850
Total capital assets being depreciated	<u>462,300,500</u>	<u>16,103,447</u>	<u>-</u>	<u>478,403,947</u>
Less accumulated depreciation for				
Equipment	10,413,571	403,570	-	10,817,141
Infrastructure	270,897,578	9,391,831	-	280,289,409
Total accumulated depreciation	<u>281,311,149</u>	<u>9,795,401</u>	<u>-</u>	<u>291,106,550</u>
Total capital assets being depreciated, net	<u>180,989,351</u>	<u>6,308,046</u>	<u>-</u>	<u>187,297,397</u>
BUSINESS-TYPE ACTIVITIES -				
WATER AND WASTEWATER UTILITY				
CAPITAL ASSETS, NET				
	<u>\$ 203,342,469</u>	<u>\$ 7,505,277</u>	<u>\$ 2,599,804</u>	<u>\$ 208,247,942</u>
BUSINESS-TYPE ACTIVITIES -				
NONMAJOR ENTERPRISE				
Capital assets not being depreciated				
Land	\$ 11,794,856	\$ -	\$ -	\$ 11,794,856
Total capital assets not being depreciated	<u>11,794,856</u>	<u>-</u>	<u>-</u>	<u>11,794,856</u>
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	<u>7,881,080</u>	<u>-</u>	<u>-</u>	<u>7,881,080</u>
Less accumulated depreciation for				
Building and building improvements	5,823,814	58,619	-	5,882,433
Machinery and equipment	843,913	72,873	-	916,786
Total accumulated depreciation	<u>6,667,727</u>	<u>131,492</u>	<u>-</u>	<u>6,799,219</u>
Total capital assets being depreciated, net	<u>1,213,353</u>	<u>(131,492)</u>	<u>-</u>	<u>1,081,861</u>
Total nonmajor enterprise net capital assets	<u>13,008,209</u>	<u>(131,492)</u>	<u>-</u>	<u>12,876,717</u>
BUSINESS-TYPE ACTIVITIES -				
NET				
	<u>\$ 433,973,364</u>	<u>\$ 3,683,168</u>	<u>\$ 3,725,591</u>	<u>\$ 433,930,941</u>

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

4. CAPITAL ASSETS (Continued)

	Beginning Balances	Increases	Decreases	Ending Balances
COMPONENT UNIT - NAPERVILLE				
PUBLIC LIBRARY				
Capital assets being depreciated				
Building and building improvements	\$ 16,853,975	\$ -	\$ -	\$ 16,853,975
Machinery and equipment	2,304,436	50,901	11,355	2,343,982
Total capital assets being depreciated	<u>19,158,411</u>	<u>50,901</u>	<u>11,355</u>	<u>19,197,957</u>
Less accumulated depreciation for				
Building and building improvements	8,631,083	828,465	-	9,459,548
Machinery and equipment	1,513,140	123,543	10,095	1,626,588
Total accumulated depreciation	<u>10,144,223</u>	<u>952,008</u>	<u>10,095</u>	<u>11,086,136</u>
COMPONENT UNIT - NAPERVILLE				
PUBLIC LIBRARY CAPITAL ASSETS, NET	<u>\$ 9,014,188</u>	<u>\$ (901,107)</u>	<u>\$ 1,260</u>	<u>\$ 8,111,821</u>

5. INTERFUND BALANCES AND ACTIVITY

a. Balances Due to/from Other Funds

Balances due to/from other funds at December 31, 2021 were as follows:

Receivable Fund	Payable Fund	Amount
General	Special Service Area #30 Fund	\$ 74,318
General	Solid Waste Fund	97,111
General	Special Service Area #31 Fund	<u>267,584</u>
TOTAL		<u><u>\$ 439,013</u></u>

Balances due from the Special Service Area #30 Fund, Special Service Area #31 Fund (Nonmajor Governmental) and Solid Waste Fund (Nonmajor Enterprise) to General are to cover cash accounts temporarily overdrawn at year end.

b. Advances

Advances at December 31, 2021 were as follows:

Receivable Fund	Payable Fund	Amount
General	Special Service Area #25 Fund	\$ 446,366
TOTAL		<u><u>\$ 446,366</u></u>

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

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

5. INTERFUND BALANCES AND ACTIVITY (Continued)

c. Transfers to/from Other Funds

Interfund transfers for the fiscal year ended December 31, 2021 were as follows:

Transfers In	Transfers Out	Amount
Debt Service Fund	Food & Beverage Fund	\$ 715,307
Debt Service Fund	Water Street TIF Fund	359,033
Debt Service Fund	Special Service Area #23 Fund	99,931
Debt Service Fund	Special Service Area #25 Fund	68,003
Naper Settlement Fund	General Fund	1,000,000
Special Service Area #33 Fund	General Fund	<u>1,424,259</u>
TOTAL		<u>\$ 3,666,533</u>

The purpose of significant transfers is as follows:

- \$715,307 was transferred from the Food & Beverage Fund to the Debt Service Fund for debt service payments. This transfer will not be repaid.
- \$359,033 was transferred from the Water Street TIF Fund to the Debt Service Fund for debt service payments. This transfer will not be repaid.
- \$1,424,259 transferred from the General Fund to the Special Service Area #33 - Downtown Maintenance Fund for the City's subsidy of the downtown maintenance. This transfer will not be repaid.
- \$1,000,000 transferred from the General Fund to the Naper Settlement Fund for the City's subsidy to eliminate cash deficit. This transfer will not be repaid.

d. Deficit Fund Balances/Net Position

As of December 31, 2021, the following funds had deficit fund balances/net position:

Fund	Deficit
Self Insurance Fund	\$ 923,633
Special Service Area #25	427,970
Special Service Area #30	74,318
Special Service Area #31	267,584

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

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, 2021:

Type of Debt	Beginning Balance	Additions	Deductions/ Refundings	Ending Balances	Amounts Due Within One Year
GOVERNMENTAL ACTIVITIES					
Net pension liability					
Police Pension	\$ 42,419,225	\$ -	\$ 8,561,878	\$ 33,857,347	\$ -
Firefighters' Pension	57,840,351	-	6,610,710	51,229,641	-
Compensated absences	9,040,959	2,607,546	4,265,734	7,382,771	1,033,588
OPEB liability	19,084,757	-	298,285	18,786,472	842,968
General obligation bonds	88,490,500	-	9,942,700	78,547,800	9,527,300
Premium (discount)	5,358,811	-	506,895	4,851,916	-
Claims and judgements	5,104,570	14,697,868	14,757,696	5,044,742	609,968
TOTAL	\$ 227,339,173	\$ 17,305,414	\$ 44,943,898	\$ 199,700,689	\$ 12,013,824
BUSINESS-TYPE ACTIVITIES - ELECTRIC UTILITY					
Compensated absences	\$ 2,073,641	\$ 258,759	\$ 790,310	\$ 1,542,090	\$ 215,893
OPEB liability	801,269	-	26,933	774,336	34,745
General obligation bonds	13,459,500	-	2,497,300	10,962,200	2,267,700
Premium (discount)	1,752,359	-	237,231	1,515,128	-
Total electric utility	18,086,769	258,759	3,551,774	14,793,754	2,518,338
BUSINESS-TYPE ACTIVITIES - WATER AND WASTEWATER UTILITY					
Compensated absences	969,306	249,826	735,703	483,429	67,680
OPEB liability	889,972	-	22,073	867,899	38,943
Asset retirement obligation	402,000	-	-	402,000	-
General obligation bonds	16,055,000	-	1,580,000	14,475,000	1,645,000
Premium (discount)	1,918,702	-	183,372	1,735,330	-
Total water and wastewater utility	20,234,980	249,826	2,521,148	17,963,658	1,751,623
TOTAL	\$ 38,321,749	\$ 508,585	\$ 6,072,922	\$ 32,757,412	\$ 4,269,961
COMPONENT UNIT - NAPERVILLE PUBLIC LIBRARY					
Compensated absences	\$ 421,751	\$ 14,954	\$ 59,045	\$ 377,660	\$ 52,433
OPEB liability	587,557	18,758	-	606,315	27,206
TOTAL	\$ 1,009,308	\$ 33,712	\$ 59,045	\$ 983,975	\$ 79,639

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

6. LONG-TERM OBLIGATIONS (Continued)

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 liability for governmental activities.

Long-term debt at December 31, 2021 consists of the following:

a. General Obligation Bonds

	Governmental Activities	Business-Type Activities	Total
September 2012, 2% to 4%, due serially through December 1, 2025	\$ 3,787,800	\$ 2,632,200	\$ 6,420,000
July 2013, 3% to 4%, due serially through December 1, 2031	3,420,000	-	3,420,000
May 2014, 2.00% to 3.50%, due serially through December 1, 2032	12,800,000	-	12,800,000
June 2016, 2.00% to 3.50%, due serially through December 1, 2035	30,655,000	7,690,000	38,345,000
November 2018, 3%, due serially through December 1, 2037	5,900,000	-	5,900,000
November 2019, 3.125% to 5.000%, due serially through December 1, 2038	4,170,000	-	4,170,000
November 2020, 2% to 5%, due serially through December 1, 2040	17,815,000	15,115,000	32,930,000
TOTAL	<u>\$ 78,547,800</u>	<u>\$ 25,437,200</u>	<u>\$ 103,985,000</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, 2021 are as follows:

Fiscal Year	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2022	\$ 9,527,300	\$ 2,541,631	\$ 3,912,700	\$ 964,388
2023	9,779,700	2,233,739	3,915,300	819,580
2024	7,922,550	1,891,451	3,777,450	659,918
2025	7,383,250	1,624,849	3,526,750	504,670
2026	5,810,000	1,374,419	2,125,000	356,450
2027-2031	21,210,000	4,291,044	8,180,000	544,550
2032-2036	12,075,000	1,624,556	-	-
2037-2041	4,840,000	280,880	-	-
TOTAL	\$ 78,547,800	\$ 15,862,569	\$ 25,437,200	\$ 3,849,556

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. 2012 Refunding	\$ 2,632,200	\$ -	\$ 3,787,800	\$ 6,420,000
G.O. 2016	4,180,000	3,510,000	30,655,000	38,345,000
G.O. 2020 Refunding	4,150,000	10,965,000	17,815,000	32,930,000

The general obligation bonds outstanding amount for the enterprise funds at December 31, 2021 is \$25,437,200.

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 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, 2021, this liability totaled \$609,968. The claims liability reported in the Self-Insurance Fund of \$5,044,742 at December 31, 2021 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, 2021 and 2020 were:

	2021	2020
CLAIMS LIABILITY, BEGINNING OF YEAR	\$ 5,104,570	\$ 4,943,155
Incurred claims	14,697,868	15,481,241
Claim payments	(14,757,696)	(15,319,826)
CLAIMS LIABILITY, END OF YEAR	\$ 5,044,742	\$ 5,104,570

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, 2021 are \$44.1 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 Naperville Electric Utility's Renewable Energy Program was founded in 2004 to allow residential utility customers to support renewable energy through the purchase of Renewable Energy Certificates (RECs). It was expanded in 2012 to provide renewable energy grants for nonresidential customers. In 2019, the program was further expanded to offer a residential solar grant and implement an educational initiative. In 2020, the utility added energy efficiency grants available to all customers and increased the solar incentive for residential customers. In 2021, the City stopped purchasing RECs, knowing that the greenest watt is the watt not generated. The City now uses Renewable Energy Program funds toward renewable energy grants and energy efficiency projects for residential and nonresidential customers.

The City holds primary responsibility for the program on behalf of its customers. During fiscal year 2021, 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 and energy efficiency projects within the City. The fund balance of this subfund of the electric fund at December 31, 2021 is \$0.7 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, 2021, \$758,168 in sales tax and \$740,765 in hotel tax were rebated under these agreements. Estimated remaining \$29.8 million will be payable throughout 17 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, 2021:

	IMRF (City Share)	Police Pension	Firefighters' Pension	Total
Net pension liability (asset)	\$ (36,495,951)	\$ 33,857,347	\$ 51,229,641	\$ 48,591,037
Deferred outflows of resources	6,940,648	13,151,008	18,087,964	38,179,620
Deferred inflows of resources	42,867,498	19,889,680	18,110,750	80,867,928
Pension expense (income)	(7,772,701)	1,054,264	6,085,854	(632,583)

The pension income recognized for all plans was \$(632,583) for the City and \$(1,393,955) for the Library for the year ended December 31, 2021.

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 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.

9. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Benefits Provided (Continued)

Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 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, 2021, the following employees were covered by the benefit terms:

Inactive plan members currently receiving benefits	879
Inactive plan members entitled to but not yet receiving benefits	735
Active plan members	<u>818</u>
TOTAL	<u><u>2,432</u></u>

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 2021 was 10.85% of covered payroll.

Net Pension Liability

The City's net pension liability (asset) was measured as of December 31, 2021. The total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date.

9. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation performed, as of December 31, 2021, 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	2.85% to 13.75%
Cost of living adjustments	3.00%
Inflation	2.25%

For nondisabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.

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.

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)

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)	\$ 2,720,224	\$ (42,069,136)	\$ (77,640,395)

Changes in the Net Pension Liability (Asset)

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability (Asset)
BALANCES AT JANUARY 1, 2021	\$ 370,663,704	\$ 381,707,084	\$ (11,043,380)
Changes for the period			
Service cost	5,333,756	-	5,333,756
Interest	26,395,701	-	26,395,701
Difference between expected and actual experience	9,917,115	-	9,917,115
Changes in assumptions	-	-	-
Employer contributions	-	6,825,231	(6,825,231)
Employee contributions	-	2,703,955	(2,703,955)
Net investment income	-	63,393,933	(63,393,933)
Benefit payments and refunds	(18,503,886)	(18,503,886)	-
Other (net transfer)	-	(250,791)	250,791
Net changes	23,142,686	54,168,442	(31,025,756)
BALANCES AT DECEMBER 31, 2021	\$ 393,806,390	\$ 435,875,526	\$ (42,069,136)

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 (Asset) (Continued)

	<u>City</u>	<u>Library</u>	<u>Total</u>
BEGINNING NET PENSION LIABILITY AT JANUARY 1, 2021	\$ (9,451,068)	\$ (1,592,312)	\$ (11,043,380)
EMPLOYER CONTRIBUTIONS - 2021	\$ 5,921,046	\$ 904,185	\$ 6,825,231
ENDING NET PENSION LIABILITY (ASSET) AT DECEMBER 31, 2021	<u>\$ (36,495,951)</u>	<u>\$ (5,573,185)</u>	<u>\$ (42,069,136)</u>

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

For the fiscal year ended December 31, 2021, the City recognized pension income of \$(7,772,701) and the Library recognized \$(1,393,955). At December 31, 2021, the City and Library combined report deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Total</u>
Difference between expected and actual experience	\$ 8,000,533	\$ -	\$ 8,000,533
Changes in assumption	-	(1,136,590)	(1,136,590)
Net difference between projected and actual earnings on pension plan investments	-	(48,277,073)	(48,277,073)
TOTAL	<u>\$ 8,000,533</u>	<u>\$ (49,413,663)</u>	<u>\$ (41,413,130)</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 (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>City Net Deferred Inflows of Resources</u>	<u>Library Net Deferred Inflows of Resources</u>	<u>Total</u>
2022	\$ (6,831,217)	\$ (1,043,172)	\$ (7,874,389)
2023	(13,683,989)	(2,089,640)	(15,773,629)
2024	(9,156,007)	(1,398,186)	(10,554,193)
2025	(6,255,637)	(955,282)	(7,210,919)
2026	-	-	-
Thereafter	-	-	-
TOTAL	<u><u>\$ (35,926,850)</u></u>	<u><u>\$ (5,486,280)</u></u>	<u><u>\$ (41,413,130)</u></u>

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.

9. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Plan Membership

At December 31, 2021, the measurement date, membership consisted of the following:

Inactive plan members currently receiving benefits	112
Inactive plan members entitled to but not yet receiving benefits	7
Active plan members	<u>172</u>
 TOTAL	 <u><u>291</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.

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 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

9. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Benefits Provided (Continued)

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 officer 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, 2021, the City's contribution was 36.66% 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, 2021, using the following actuarial methods and assumptions:

Actuarial cost method	Entry-age normal
Asset valuation method	Fair value
Actuarial assumptions	
Interest rate	6.75%
Salary increases	3.00% to 10.00%
Cost of living adjustments	3.00%
Inflation	2.50%

Mortality rates were based on the PubS-2010 Mortality Table projected five years past the valuation date with Scale MP-2019. The actuarial assumptions used in the December 31, 2021 valuation were based on the results of an actuarial experience study conducted by the Illinois Department of Insurance dated 2019.

Discount Rate

The discount rate used to measure the total pension liability at December 31, 2021 was 6.75%. The discount rate at December 31, 2020 was 6.85%. 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 (asset) to changes in the discount rate. The table below presents the pension liability (asset) of the City calculated using the discount rate as well as what the City's net pension liability (asset) 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 (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Net pension liability (asset)	\$ 75,709,085	\$ 33,857,347	\$ (176,202)

Changes in the Net Pension Liability

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT JANUARY 1, 2021	\$ 263,283,127	\$ 220,863,902	\$ 42,419,225
Changes for the period			
Service cost	4,248,416	-	4,248,416
Interest	17,961,116	-	17,961,116
Difference between expected and actual experience	2,955,362	-	2,955,362
Changes in assumptions	3,736,061	-	3,736,061
Changes of benefit terms	-	-	-
Employer contributions	-	7,885,275	(7,885,275)
Employee contributions	-	2,112,322	(2,112,322)
Buy back contributions	458,679	458,679	-
Net investment income	-	27,524,492	(27,524,492)
Benefit payments and refunds	(10,650,950)	(10,650,950)	-
Other (net transfer)	-	(59,256)	59,256
Net changes	18,708,684	27,270,562	(8,561,878)
BALANCES AT DECEMBER 31, 2021	\$ 281,991,811	\$ 248,134,464	\$ 33,857,347

There was a change in assumptions related to the discount rate, which was updated from 6.85% to 6.75%.

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

For the fiscal year ended December 31, 2021, the City recognized pension expense of \$1,054,264. At December 31, 2021, 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	\$ 4,375,862	\$ (455,158)	\$ 3,920,704
Changes in assumption	8,775,146	-	8,775,146
Net difference between projected and actual earnings on pension plan investments	-	(19,434,522)	(19,434,522)
TOTAL	\$ 13,151,008	\$ (19,889,680)	\$ (6,738,672)

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
2022	\$ (665,119)
2023	(5,040,174)
2024	(1,420,109)
2025	(728,507)
2026	1,115,237
Thereafter	-
TOTAL	\$ (6,738,672)

9. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

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.

Plan Membership

At December 31, 2021, the measurement date, membership consisted of the following:

Inactive plan members currently receiving benefits	135
Inactive plan members entitled to but not yet receiving benefits	3
Active plan members	<u>193</u>
TOTAL	<u><u>331</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.

9. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Firefighters' 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 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 $\frac{1}{2}$ 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., $\frac{1}{2}$ % 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 $\frac{1}{2}$ 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, 2021, the City's contribution was 48% of covered payroll.

9. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation performed, as of December 31, 2021, using the following actuarial methods and assumptions:

Actuarial cost method	Entry-age normal
Asset valuation method	Fair value
Actuarial assumptions	
Interest rate	6.75%
Salary increases	3.00% to 9.00%
Cost of living adjustments	3.00%
Inflation	2.50%

Mortality rates were based on the PubS-2010 Mortality Table projected five years past the valuation date with Scale MP-2019. The actuarial assumptions used in the December 31, 2021 valuation were based on the results of an actuarial experience study conducted by the Illinois Department of Insurance dated 2019.

Discount Rate

The discount rate used to measure the total pension liability at December 31, 2021 was 6.75%. The discount rate at December 31, 2020 was 6.85%. 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.

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)

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 (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Net pension liability	\$ 95,721,364	\$ 51,229,641	\$ 15,137,437

Changes in the Net Pension Liability

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT JANUARY 1, 2021	\$ 276,606,630	\$ 218,766,279	\$ 57,840,351
Changes for the period			
Service cost	5,780,537	-	5,780,537
Interest	18,972,785	-	18,972,785
Changes of benefit terms	-	-	-
Difference between expected and actual experience	3,606,171	-	3,606,171
Changes in assumptions	3,957,531	-	3,957,531
Employer contributions	-	10,360,061	(10,360,061)
Employee contributions	-	2,020,200	(2,020,200)
Net investment income	-	26,677,515	(26,677,515)
Benefit payments and refunds	(10,824,407)	(10,824,407)	-
Other (net transfer)	-	(130,042)	130,042
Net changes	21,492,617	28,103,327	(6,610,710)
BALANCES AT DECEMBER 31, 2021	\$ 298,099,247	\$ 246,869,606	\$ 51,229,641

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 (Continued)

There was a change in assumptions related to the discount rate, which was updated from 6.85% to 6.75%.

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

For the fiscal year ended December 31, 2021, the City recognized pension expense of \$6,085,854. At December 31, 2021, 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	\$ 4,719,543	\$ (2,419,148)	\$ 2,300,395
Changes in assumption	13,368,421	-	13,368,421
Net difference between projected and actual earnings on pension plan investments	-	(15,691,602)	(15,691,602)
TOTAL	\$ 18,087,964	\$(18,110,750)	\$ (22,786)

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
2022	\$ 160,983
2023	(4,211,201)
2024	(487,933)
2025	388,336
2026	2,716,974
Thereafter	1,410,055
TOTAL	\$ (22,786)

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, 2020 (most recent available), membership consisted of:

Inactive employees currently receiving benefit payments	125
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	<u>1,208</u>
TOTAL	<u>1,333</u>
Participating employers	<u><u>1</u></u>

d. Total OPEB Liability

The City's total OPEB liability of \$21,035,022 was measured as of December 31, 2021 and was determined by an actuarial valuation as of December 31, 2020.

10. OTHER POSTEMPLOYMENT BENEFITS (Continued)

e. Actuarial Assumptions and Other Inputs

The total OPEB liability at December 31, 2021, as determined by an actuarial valuation as of December 31, 2020 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, 2021.

Actuarial cost method	Entry-age normal
Actuarial value of assets	Not applicable
Salary increases	Varies by service
Discount rate	2.25%
Healthcare cost trend rates	7.50% 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, 2021.

Firefighters' and Police Pension Plan Participants

For healthy lives, the PubS-2010 Mortality table with projection to five years past the valuation date with MP-2019 was used. For disabled lives, the PubS-2010 Disabled Mortality table with projection to five years past the valuation date with MP-2019 was used.

IMRF Participants

For female lives, 99% of the RP-2014 Blue Collar table was used. For male lives, 100% of the Blue Collar RP-2014 table was used. All tables include fully generational adjustments for mortality 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, 2021	<u>\$ 21,363,554</u>
Changes for the period	
Service cost	985,979
Interest	422,281
Difference between expected and actual experience	-
Changes in benefit terms	-
Changes in assumptions	(792,930)
Benefit payments	<u>(943,862)</u>
Net changes	<u>(328,532)</u>
BALANCES AT DECEMBER 31, 2021	<u><u>\$ 21,035,022</u></u>

Changes in assumptions reflect a change in the discount rate from 1.93% for the reporting period ended December 31, 2020, to 2.25% for the reporting period ended December 31, 2021.

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 2.25% 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 (1.25%) or 1 percentage point higher (3.25%) than the current rate:

	1% Decrease (1.25%)	Current Discount Rate (2.25%)	1% Increase (3.25%)
Total OPEB liability	\$ 23,695,117	\$ 21,035,022	\$ 18,852,118

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 4.00% to 7.50% 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	\$ 18,249,520	\$ 21,035,022	\$ 24,524,920

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

For the year ended December 31, 2021, the City and Library recognized OPEB expense of \$947,126 and \$51,029, respectively. At December 31, 2021, 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	\$ 15,084	\$ -	\$ 15,084
Changes in assumption	4,390,050	(1,213,829)	3,176,221
TOTAL	\$ 4,405,134	\$ (1,213,829)	\$ 3,191,305

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

Year Ending December 31,	
2022	\$ 533,757
2023	533,757
2024	533,757
2025	533,754
2026	663,763
Thereafter	392,517
TOTAL	\$ 3,191,305

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, 2021:

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	\$ 1,833,825	\$ 103,537	\$ 39,935	\$ 1,977,297	\$ -	\$ 1,977,297
Property taxes receivable, net of allowance for uncollectible accounts	15,338,047	-	-	15,338,047	-	15,338,047
Other receivable	6,328	-	-	6,328	-	6,328
Interest receivable	2,110	143	139	2,392	-	2,392
Due from other governments	5,551	-	-	5,551	-	5,551
Due from other funds	58,419	-	-	58,419	(58,419)	-
Capital assets (net)						
Capital assets depreciated, net	-	-	-	-	8,111,821	8,111,821
Net pension asset	-	-	-	-	5,573,185	5,573,185
Total assets	17,244,280	103,680	40,074	17,388,034	13,626,587	31,014,621
DEFERRED OUTFLOWS OF RESOURCES						
Deferred items - IMRF	-	-	-	-	1,059,885	1,059,885
Deferred items - OPEB	-	-	-	-	126,974	126,974
Total deferred outflows of resources	-	-	-	-	1,186,859	1,186,859
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 17,244,280	\$ 103,680	\$ 40,074	\$ 17,388,034	\$ 14,813,446	\$ 32,201,480

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	\$ 319,440	\$ -	\$ 30	\$ 319,470	\$ -	\$ 319,470
Accrued wages and benefits	211,427	-	-	211,427	-	211,427
Due to other funds	-	58,419	-	58,419	(58,419)	-
Compensated absences	-	-	-	-	377,660	377,660
OPEB liability	-	-	-	-	606,315	606,315
Total liabilities	530,867	58,419	30	589,316	925,556	1,514,872
DEFERRED INFLOWS OF RESOURCES						
Deferred items - IMRF	-	-	-	-	6,546,165	6,546,165
Deferred items - OPEB	-	-	-	-	34,987	34,987
Unavailable/earned property tax revenue	15,310,000	-	-	15,310,000	-	15,310,000
Total deferred inflows of resources	15,310,000	-	-	15,310,000	6,581,152	21,891,152
FUND BALANCES/ NET POSITION						
Fund balances						
Committed for culture and recreation	-	45,261	40,044	85,305	(85,305)	-
Unassigned	1,403,413	-	-	1,403,413	(1,403,413)	-
Net position						
Invested in capital assets	-	-	-	-	8,111,821	8,111,821
Unrestricted	-	-	-	-	683,635	683,635
Total fund balances/ net position	1,403,413	45,261	40,044	1,488,718	7,306,738	8,795,456
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES/ NET POSITION	\$ 17,244,280	\$ 103,680	\$ 40,074	\$ 17,388,034	\$ 14,813,446	\$ 32,201,480

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		Total	Adjustment	Statement of Activities
		Building Reserve	Gift and Memorial			
REVENUES						
Property taxes	\$ 15,021,389	\$ -	\$ -	\$ 15,021,389	\$ -	\$ 15,021,389
Other taxes - personal property replacement tax	231,968	-	-	231,968	-	231,968
Fines and forfeits	87,771	-	-	87,771	-	87,771
Net investment income (loss)	(10,204)	(685)	(668)	(11,557)	-	(11,557)
Charges for services	13,380	-	-	13,380	-	13,380
Fees	127,362	-	-	127,362	-	127,362
Contribution	246,767	-	5,331	252,098	-	252,098
Miscellaneous	35,331	2	-	35,333	-	35,333
Total revenues	15,753,764	(683)	4,663	15,757,744	-	15,757,744
EXPENDITURES/EXPENSES						
Current						
Culture and recreation	15,067,460	-	25,895	15,093,355	(1,388,835)	13,704,520
Total expenditures/ expenses	15,067,460	-	25,895	15,093,355	(1,388,835)	13,704,520
NET CHANGE IN FUND BALANCES/NET POSITION	686,304	(683)	(21,232)	664,389	1,388,835	2,053,224
FUND BALANCES/ NET POSITION AT JANUARY 1, 2021	717,109	45,944	61,276	824,329	5,917,903	6,742,232
FUND BALANCES/ NET POSITION AT DECEMBER 31, 2021	\$ 1,403,413	\$ 45,261	\$ 40,044	\$ 1,488,718	\$ 7,306,738	\$ 8,795,456

12. SUBSEQUENT EVENT

On March 9, 2022, the City issued \$6,830,000 General Obligation Bonds, Series 2022A. The bonds will finance certain capital improvements.

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, 2021

	Budgeted Amount		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property taxes	\$ 26,342,954	\$ 26,342,954	\$ 26,508,657	\$ 165,703
Utility tax	15,510,000	15,510,000	14,930,059	(579,941)
Other taxes	6,820,867	6,820,867	9,941,830	3,120,963
Licenses and permits	2,507,480	2,507,480	3,014,619	507,139
Fines	1,326,000	1,326,000	1,252,078	(73,922)
Net investment income (loss)	467,557	467,557	(902,996)	(1,370,553)
Intergovernmental	59,354,960	59,354,960	69,775,977	10,421,017
Charges for services	14,648,516	14,648,516	17,651,611	3,003,095
Franchise fees	3,005,000	3,005,000	2,961,900	(43,100)
Miscellaneous	309,500	309,500	257,504	(51,996)
Total revenues	130,292,834	130,292,834	145,391,239	15,098,405
EXPENDITURES				
Current				
General government	14,448,806	14,664,072	15,179,744	(515,672)
Physical environment	8,729,558	8,729,558	8,425,831	303,727
Public safety	84,638,559	84,423,293	85,492,781	(1,069,488)
Transportation	20,958,943	20,958,943	19,830,581	1,128,362
Culture and recreation	89,545	89,545	53,004	36,541
Total expenditures	128,865,411	128,865,411	128,981,941	(116,530)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,427,423	1,427,423	16,409,298	14,981,875
OTHER FINANCING SOURCES (USES)				
Transfers (out)	(1,424,259)	(2,424,259)	(2,424,259)	-
Total other financing sources (uses)	(1,424,259)	(2,424,259)	(2,424,259)	-
NET CHANGE IN FUND BALANCE	\$ 3,164	\$ (996,836)	13,985,039	\$ 14,981,875
FUND BALANCE, JANUARY 1			38,003,275	
FUND BALANCE, DECEMBER 31			\$ 51,988,314	

(See independent auditor's report.)

CITY OF NAPERVILLE, ILLINOIS

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

December 31, 2021

Budgets are adopted on a basis consistent with GAAP. Annual budgets are adopted at the fund level for the Governmental and Proprietary Funds except for the Fair Share Assessment, Special Service Area #30, and ARPA 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.

During the year ended December 31, 2021, expenditures exceeded budget in the following funds:

<u>Fund</u>	<u>Budget</u>	<u>Expenditures</u>
ETSB	\$ 2,300,000	\$ 2,332,533
E-911 Surcharge	2,900,000	3,224,411
Foreign Fire	275,500	400,526
Naper Settlement	3,888,859	4,151,518
CDBG	1,233,723	1,262,017
Debt Service	12,293,229	12,295,363
General	128,865,411	128,981,941

CITY OF NAPERVILLE, ILLINOIS
SCHEDULE OF EMPLOYER CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND

Last Seven Fiscal Years

FISCAL YEAR ENDED DECEMBER 31,	2015	2016	2017	2018	2019	2020	2021
Actuarially determined contributions	\$ 6,026,372	\$ 6,217,283	\$ 6,233,486	\$ 6,037,819	\$ 5,155,923	\$ 6,266,110	\$ 6,454,908
Contributions in relation to the actuarially determined contribution	6,026,372	6,217,283	6,233,486	6,037,819	5,155,923	6,266,110	6,454,908
CONTRIBUTION DEFICIENCY (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 51,417,441	\$ 51,486,313	\$ 52,718,201	\$ 52,896,450	\$ 53,906,933	\$ 56,081,457	\$ 59,492,079
Contributions as a percentage of covered payroll	11.72%	12.08%	11.82%	11.41%	9.56%	11.17%	10.85%

Notes to the Required Supplementary Information

Actuarial cost method	Entry-age normal
Amortization method	Level % pay (closed)
Remaining amortization period	22 years
Asset valuation method	Five-year smoothed market
Inflation	2.50%
Salary increases	3.35% to 14.25%
Investment rate of return	7.25%
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 Eight Fiscal Years

FISCAL YEAR ENDED	April 30,	December 31,						
	2015*	2015	2016	2017	2018	2019	2020	2021
Actuarially determined contributions	\$ 5,156,419	\$ 4,809,036	\$ 5,829,394	\$ 6,538,474	\$ 7,129,194	\$ 7,043,970	\$ 7,290,728	\$ 7,814,816
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	7,290,728	7,814,816
CONTRIBUTION DEFICIENCY (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Additional voluntary contribution	484,761	536,397	500,194	139,333	95,127	92,532	1,000	70,459
Total contributions	\$ 5,641,180	\$ 5,345,433	\$ 6,329,588	\$ 6,677,807	\$ 7,224,321	\$ 7,136,502	\$ 7,291,728	\$ 7,885,275
Covered payroll	\$ 16,365,735	\$ 16,683,031	\$ 17,893,623	\$ 18,050,807	\$ 17,795,368	\$ 18,791,726	\$ 19,141,544	\$ 21,315,055
Contributions as a percentage of covered payroll	31.51%	28.83%	32.58%	36.22%	40.06%	37.48%	38.09%	36.66%
Notes to the Required Supplementary Information								
Actuarial cost method	Entry-age normal							
Amortization method	Level % pay (closed)							
Remaining amortization period	12 years							
Asset valuation method	Five-year smoothed market							
Inflation	2.50%							
Salary increases	5.00%							
Investment rate of return	6.85%							
Retirement age	Tier 1: Age 50 and 20 years of Credited Service Tier 2: Age 55 and 10 years of Credited Service							
Mortality	PubS-2010, projected 5 years past the valuation date with Scale MP-2019							

*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 Eight Fiscal Years

FISCAL YEAR ENDED	April 30,	December 31,						
	2015*	2015	2016	2017	2018	2019	2020	2021
Actuarially determined contributions	\$ 5,183,001	\$ 4,820,338	\$ 5,871,947	\$ 7,237,440	\$ 8,896,264	\$ 8,939,980	\$ 9,711,228	\$ 10,255,249
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	9,711,228	10,255,249
CONTRIBUTION DEFICIENCY (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Additional voluntary contribution	487,038	535,385	543,549	100,760	107,960	110,126	-	104,812
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>	<u>\$ 9,711,228</u>	<u>\$ 10,360,061</u>
Covered payroll	\$ 17,165,868	\$ 18,315,408	\$ 18,576,954	\$ 19,262,676	\$ 19,168,091	\$ 20,110,175	\$ 21,705,627	\$ 21,366,473
Contributions as a percentage of covered payroll	30.19%	26.32%	31.61%	37.57%	46.41%	44.46%	44.74%	48.00%
Notes to the Required Supplementary Information								
Actuarial cost method	Entry-age normal							
Amortization method	Level % pay (closed)							
Remaining amortization period	12 years							
Asset valuation method	Five-year smoothed market							
Inflation	2.50%							
Salary increases	5.00%							
Investment rate of return	6.85%							
Retirement age	Tier 1: Age 50 and 20 years of Credited Service Tier 2: Age 55 and 10 years of Credited Service							
Mortality	PubS-2010, project 5 years past the valuation date with Scale MP-2019							

*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 Seven Fiscal Years

MEASUREMENT DATE DECEMBER 31,	2015	2016	2017	2018	2019	2020	2021
TOTAL PENSION LIABILITY							
Service cost	\$ 5,623,110	\$ 5,569,481	\$ 5,538,779	\$ 5,185,160	\$ 5,406,119	\$ 5,532,729	\$ 5,333,756
Interest	20,562,051	21,744,892	22,718,596	23,410,727	24,350,281	25,520,573	26,395,701
Changes in benefit terms	-	-	-	-	-	-	-
Differences between expected and actual experience	626,724	(2,265,178)	4,058,008	480,406	2,382,717	1,395,718	9,917,115
Change of assumptions	358,132	(740,500)	(9,514,997)	9,247,031	-	(2,662,728)	-
Benefit payments, including refunds of member contributions	(10,515,189)	(11,410,419)	(12,761,262)	(14,029,079)	(15,392,674)	(16,728,260)	(18,503,886)
Net change in total pension liability	16,654,828	12,898,276	10,039,124	24,294,245	16,746,443	13,058,032	23,142,686
Total pension liability - beginning	276,972,756	293,627,584	306,525,860	316,564,984	340,859,229	357,605,672	370,663,704
TOTAL PENSION LIABILITY - ENDING	\$ 293,627,584	\$ 306,525,860	\$ 316,564,984	\$ 340,859,229	\$ 357,605,672	\$ 370,663,704	\$ 393,806,390
PLAN FIDUCIARY NET POSITION							
Contributions - employer	\$ 6,026,372	\$ 6,217,283	\$ 6,233,486	\$ 6,037,819	\$ 5,155,923	\$ 6,266,110	\$ 6,825,231
Contributions - members	2,325,703	2,364,110	2,431,700	2,500,845	2,665,789	2,567,185	2,703,955
Net investment income	1,278,894	17,659,805	46,307,985	(15,495,449)	53,839,947	47,837,703	63,393,933
Benefit payments, including refunds of member contributions	(10,515,189)	(11,410,419)	(12,761,262)	(14,029,079)	(15,392,674)	(16,728,260)	(18,503,886)
Other	(715,829)	1,156,632	(3,683,564)	4,271,932	1,033,921	1,399,334	(250,791)
Net change in plan fiduciary net position	(1,600,049)	15,987,411	38,528,345	(16,713,932)	47,302,906	41,342,072	54,168,442
Plan fiduciary net position - beginning	256,860,331	255,260,282	271,247,693	309,776,038	293,062,106	340,365,012	381,707,084
PLAN FIDUCIARY NET POSITION - ENDING	\$ 255,260,282	\$ 271,247,693	\$ 309,776,038	\$ 293,062,106	\$ 340,365,012	\$ 381,707,084	\$ 435,875,526
EMPLOYER'S NET PENSION LIABILITY (ASSET)	\$ 38,367,302	\$ 35,278,167	\$ 6,788,946	\$ 47,797,123	\$ 17,240,660	\$ (11,043,380)	\$ (42,069,136)

MEASUREMENT DATE DECEMBER 31,	2015	2016	2017	2018	2019	2020	2021
Plan fiduciary net position as a percentage of the total pension liability	86.93%	88.49%	97.86%	85.98%	95.18%	102.98%	110.68%
Covered payroll	\$ 51,417,441	\$ 51,486,313	\$ 52,718,201	\$ 52,896,450	\$ 53,906,933	\$ 56,081,457	\$ 59,432,005
Employer's net pension liability as a percentage of covered payroll	74.62%	68.52%	12.88%	90.36%	31.98%	(19.69%)	(70.79%)

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%.

Measurement Date December 31, 2020 - There was a change with respect to actuarial assumptions. Changes in assumptions related to the inflation rate, salary increases, and the mortality 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 CHANGES IN THE EMPLOYER'S
NET PENSION LIABILITY AND RELATED RATIOS
POLICE PENSION FUND**

Last Eight Fiscal Years

MEASUREMENT DATE	April 30,	December 31,						
	2015*	2015	2016	2017	2018	2019	2020	2021
TOTAL PENSION LIABILITY								
Service cost	\$ 3,442,284	\$ 2,635,406	\$ 4,113,967	\$ 4,277,831	\$ 4,341,621	\$ 4,181,667	\$ 3,975,082	\$ 4,248,416
Interest	12,150,401	8,904,818	13,993,038	14,216,220	15,123,748	15,819,177	17,044,614	17,961,116
Changes in benefit terms	-	-	-	-	-	595,481	-	-
Differences between expected and actual experience	(2,006,971)	(1,398,497)	(11,518,319)	1,578,661	(1,365,474)	529,725	2,077,633	2,955,362
Change of assumptions	8,387,367	-	3,016,340	-	-	8,997,231	1,744,714	3,736,061
Contributions - buy back	-	-	-	-	-	-	32,078	458,679
Benefit payments, including refunds of member contributions	(5,506,966)	(3,958,442)	(6,365,209)	(6,817,646)	(7,525,979)	(8,484,509)	(9,278,600)	(10,650,950)
Net change in total pension liability	16,466,115	6,183,285	3,239,817	13,255,066	10,573,916	21,638,772	15,595,521	18,708,684
Total pension liability - beginning	176,330,635	192,796,750	198,980,035	202,219,852	215,474,918	226,048,834	247,687,606	263,283,127
TOTAL PENSION LIABILITY - ENDING	\$ 192,796,750	\$ 198,980,035	\$ 202,219,852	\$ 215,474,918	\$ 226,048,834	\$ 247,687,606	\$ 263,283,127	\$ 281,991,811
PLAN FIDUCIARY NET POSITION								
Contributions - employer	\$ 5,641,180	\$ 5,345,433	\$ 6,329,588	\$ 6,677,807	\$ 7,224,321	\$ 7,136,502	\$ 7,291,728	\$ 7,885,275
Contributions - members	1,599,368	1,117,257	1,773,258	1,788,835	1,763,521	1,862,260	1,896,927	2,112,322
Contributions - other	8,066	2,237	21,704	-	-	-	32,078	458,679
Net investment income	8,726,002	(4,333,440)	11,562,097	20,204,239	(8,335,403)	28,666,783	24,922,152	27,524,492
Benefit payments, including refunds of member contributions	(5,506,966)	(3,950,028)	(6,386,913)	(6,817,646)	(7,525,979)	(8,484,509)	(9,278,600)	(10,650,950)
Administrative expense	(130,073)	(67,226)	(53,912)	(66,441)	(78,441)	(83,118)	(87,774)	(59,256)
Net change in plan fiduciary net position	10,337,577	(1,885,767)	13,245,822	21,786,794	(6,951,981)	29,097,918	24,776,511	27,270,562
Plan fiduciary net position - beginning	130,457,028	140,794,605	138,908,838	152,154,660	173,941,454	166,989,473	196,087,391	220,863,902
PLAN FIDUCIARY NET POSITION - ENDING	\$ 140,794,605	\$ 138,908,838	\$ 152,154,660	\$ 173,941,454	\$ 166,989,473	\$ 196,087,391	\$ 220,863,902	\$ 248,134,464
EMPLOYER'S NET PENSION LIABILITY	\$ 52,002,145	\$ 60,071,197	\$ 50,065,192	\$ 41,533,464	\$ 59,059,361	\$ 51,600,215	\$ 42,419,225	\$ 33,857,347

MEASUREMENT DATE	April 30,	December 31,						
	2015*	2015	2016	2017	2018	2019	2020	2021
Plan fiduciary net position as a percentage of the total pension liability	73.03%	69.81%	75.24%	80.72%	73.87%	79.17%	83.89%	87.99%
Covered payroll	\$ 16,365,735	\$ 16,683,031	\$ 17,893,623	\$ 18,050,807	\$ 17,795,368	\$ 18,791,726	\$ 19,141,544	\$ 21,315,055
Employer's net pension liability as a percentage of covered payroll	317.75%	360.07%	279.79%	230.09%	331.88%	274.59%	221.61%	158.84%

*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.

Measurement Date December 31, 2020, amounts reported as changes of assumptions resulted from the following assumption changes:

The discount rate was updated from 6.90% to 6.85%.

Measurement Date December 31, 2021, amounts reported as changes of assumptions resulted from the following assumption changes:

The discount rate was updated from 6.85% to 6.75%.

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
FIREFIGHTERS' PENSION PLAN

Last Eight Fiscal Years

MEASUREMENT DATE	April 30,	December 31,						
	2015*	2015	2016	2017	2018	2019	2020	2021
TOTAL PENSION LIABILITY								
Service cost	\$ 3,852,140	\$ 3,038,367	\$ 5,196,429	\$ 5,414,018	\$ 5,195,663	\$ 5,419,442	\$ 5,343,193	\$ 5,780,537
Interest	11,857,616	8,558,822	14,032,562	14,813,198	15,645,078	16,654,316	18,019,207	18,972,785
Changes in benefit terms	-	-	-	-	-	770,343	-	-
Differences between expected and actual experience	(82,734)	5,414,803	(5,954,167)	(96,584)	2,403,795	(1,444,815)	797,795	3,606,171
Change of assumptions	2,920,299	-	4,639,327	-	-	11,900,170	1,838,412	3,957,531
Contributions buy-back	-	-	-	15,593	22,660	-	-	-
Benefit payments, including refunds of member contributions	(5,207,568)	(3,869,445)	(6,423,714)	(7,535,884)	(8,551,855)	(9,594,725)	(10,393,422)	(10,824,407)
Net change in total pension liability	13,339,753	13,142,547	11,490,437	12,610,341	14,715,341	23,704,731	15,605,185	21,492,617
Total pension liability - beginning	171,998,295	185,338,048	198,480,595	209,971,032	222,581,373	237,296,714	261,001,445	276,606,630
TOTAL PENSION LIABILITY - ENDING	\$ 185,338,048	\$ 198,480,595	\$ 209,971,032	\$ 222,581,373	\$ 237,296,714	\$ 261,001,445	\$ 276,606,630	\$ 298,099,247
PLAN FIDUCIARY NET POSITION								
Contributions - employer	\$ 5,670,039	\$ 5,355,723	\$ 6,415,496	\$ 7,338,200	\$ 9,004,224	\$ 9,050,106	\$ 9,711,228	\$ 10,360,061
Contributions - members	1,839,016	1,181,158	1,756,451	1,821,286	1,812,343	1,901,417	2,052,267	2,020,200
Contributions buy-back	-	-	-	15,593	22,660	-	-	-
Net investment income	7,705,014	(4,543,027)	11,586,944	20,265,831	(9,573,948)	29,456,020	19,784,694	26,677,515
Benefit payments, including refunds of member contributions	(5,207,568)	(3,869,445)	(6,423,714)	(7,535,884)	(8,551,855)	(9,594,725)	(10,393,422)	(10,824,407)
Administrative expense	(109,970)	(82,866)	(123,773)	(126,490)	(109,783)	(131,445)	(112,884)	(130,042)
Net change in plan fiduciary net position	9,896,531	(1,958,457)	13,211,404	21,778,536	(7,396,359)	30,681,373	21,041,883	28,103,327
Plan fiduciary net position - beginning	131,511,368	141,407,899	139,449,442	152,660,846	174,439,382	167,043,023	197,724,396	218,766,279
PLAN FIDUCIARY NET POSITION - ENDING	\$ 141,407,899	\$ 139,449,442	\$ 152,660,846	\$ 174,439,382	\$ 167,043,023	\$ 197,724,396	\$ 218,766,279	\$ 246,869,606
EMPLOYER'S NET PENSION LIABILITY	\$ 43,930,149	\$ 59,031,153	\$ 57,310,186	\$ 48,141,991	\$ 70,253,691	\$ 63,277,049	\$ 57,840,351	\$ 51,229,641

MEASUREMENT DATE	April 30,	December 31,						
	2015*	2015	2016	2017	2018	2019	2020	2021
Plan fiduciary net position as a percentage of the total pension liability	76.30%	70.26%	72.71%	78.37%	70.39%	75.76%	79.09%	82.81%
Covered payroll	\$ 17,165,868	\$ 18,315,408	\$ 18,576,954	\$ 19,262,676	\$ 19,168,091	\$ 20,110,175	\$ 21,705,627	\$ 21,366,473
Employer's net pension liability as a percentage of covered payroll	255.92%	322.30%	308.50%	249.92%	366.51%	314.65%	266.48%	239.77%

*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 reates 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.

Measurement Date December 31, 2020, amounts reported as changes of assumptions resulted from the following assumption changes:

The discount rate was updated from 6.90% to 6.85%.

Measurement Date December 31, 2021, amounts reported as changes of assumptions resulted from the following assumption changes:

The discount rate was updated from 6.85% to 6.75%.

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
TOTAL OPEB LIABILITY AND RELATED RATIOS
OTHER POSTEMPLOYMENT BENEFIT PLAN

Last Four Fiscal Years

MEASUREMENT DATE DECEMBER 31,	2018	2019	2020	2021
TOTAL OPEB LIABILITY				
Service cost	\$ 592,889	\$ 530,088	\$ 657,205	\$ 985,979
Interest	530,864	602,786	538,707	422,281
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	-	-	20,112	-
Changes of assumptions	(1,040,027)	1,376,979	4,705,917	(792,930)
Benefit payments, including refunds of member contributions	(721,170)	(782,469)	(845,067)	(943,862)
Net change in total OPEB liability	(637,444)	1,727,384	5,076,874	(328,532)
Total OPEB liability - beginning	15,196,740	14,559,296	16,286,680	21,363,554
TOTAL OPEB LIABILITY - ENDING	\$ 14,559,296	\$ 16,286,680	\$ 21,363,554	\$ 21,035,022
Covered-employee payroll	\$ 85,747,519	\$ 88,525,739	\$ 96,082,777	\$ 99,858,830
Employer's total OPEB liability as a percentage of covered-employee payroll	16.98%	18.40%	22.23%	21.06%

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

December 31, 2021: Changes in assumptions reflect a change in the discount rate from 1.93% to 2.25%.

December 31, 2020: Changes in assumptions reflect a change in the discount rate from 3.26% to 1.93%, updated retirement, termination, disability, and mortality tables, updated salary increase rates, updated health care costs and premiums and updated health care cost trend rates

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 GASB 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 Eight Fiscal Years

FISCAL YEAR ENDED	April 30, 2015*	December 31,						
		2015	2016	2017	2018	2019	2020	2021
Annual money-weighted rate of return, net of investment expense	6.60%	(3.10%)	8.41%	13.29%	(4.73%)	16.89%	12.78%	12.57%

*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 Eight Fiscal Years

FISCAL YEAR ENDED	April 30, 2015*	December 31,						
		2015	2016	2017	2018	2019	2020	2021
Annual money-weighted rate of return, net of investment expense	6.00%	(3.20%)	8.32%	13.31%	(5.43%)	17.67%	10.03%	12.27%

*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.

CAPITAL PROJECTS FUND

Capital Projects Fund - This fund is used to account for major capital improvement projects on an as needed basis. Yearly transfers from the other funds are done for funding of capital improvement projects.

CITY OF NAPERVILLE, ILLINOIS

DETAILED SCHEDULE OF REVENUES - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended December 31, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
TAXES				
Property taxes				
General	\$ 9,286,719	\$ 9,286,719	\$ 9,347,105	\$ 60,386
Police Pension	7,307,901	7,307,901	7,352,763	44,862
Firefighters' Pension	9,748,334	9,748,334	9,808,789	60,455
Total property taxes	26,342,954	26,342,954	26,508,657	165,703
Utility tax	15,510,000	15,510,000	14,930,059	(579,941)
Other taxes				
Auto rental tax	110,000	110,000	161,369	51,369
Real estate transfer tax	4,199,250	4,199,250	7,425,300	3,226,050
Hotel/motel tax	1,120,000	1,120,000	1,567,241	447,241
Charitable games tax	1,000	1,000	-	(1,000)
Cannabis tax	132,705	132,705	246,662	113,957
Other tax	1,000,000	1,000,000	-	(1,000,000)
Personal property replacement tax	257,912	257,912	541,258	283,346
Total other taxes	6,820,867	6,820,867	9,941,830	3,120,963
Total taxes	48,673,821	48,673,821	51,380,546	2,706,725
LICENSES AND PERMITS				
Licenses				
Liquor	550,000	550,000	687,469	137,469
Business license	6,030	6,030	20	(6,010)
Basset	37,500	37,500	34,455	(3,045)
Electric license	43,850	43,850	47,748	3,898
Contractor license	29,900	29,900	24,825	(5,075)
Other licenses	2,000	2,000	-	(2,000)
Total licenses	669,280	669,280	794,517	125,237
Permits				
Commercial	990,000	990,000	1,343,270	353,270
Residential	745,000	745,000	756,403	11,403
Plan review	200	200	150	(50)
Fire alarm/sprinkler	56,000	56,000	62,809	6,809
Tobacco	18,000	18,000	16,832	(1,168)
Other	29,000	29,000	40,638	11,638
Total permits	1,838,200	1,838,200	2,220,102	381,902
Total licenses and permits	2,507,480	2,507,480	3,014,619	507,139

(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, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
FINES				
Traffic	\$ 900,000	\$ 900,000	\$ 1,000,242	\$ 100,242
Ordinance violations	27,000	27,000	15,185	(11,815)
Parking	175,000	175,000	77,635	(97,365)
Other	224,000	224,000	159,016	(64,984)
Total fines	1,326,000	1,326,000	1,252,078	(73,922)
NET INVESTMENT INCOME (LOSS)	467,557	467,557	(902,996)	(1,370,553)
INTERGOVERNMENTAL REVENUE				
Sales and use tax	45,138,829	45,138,829	49,767,407	4,628,578
State income tax	13,565,308	13,565,308	19,492,601	5,927,293
Federal grants	552,023	552,023	424,634	(127,389)
State grants	38,800	38,800	91,335	52,535
Other	60,000	60,000	-	(60,000)
Total intergovernmental revenue	59,354,960	59,354,960	69,775,977	10,421,017
CHARGES FOR SERVICES				
Operational transfer	4,207,250	4,207,250	4,509,617	302,367
Developer contributions	150,000	150,000	178,948	28,948
Rental income	67,000	67,000	66,457	(543)
Administrative tow fee	120,000	120,000	230,515	110,515
DPW - services for DPU	193,837	193,837	139,118	(54,719)
N.F.P.D. - contract	1,285,721	1,285,721	1,219,021	(66,700)
Ambulance fees	6,000,000	6,000,000	8,752,437	2,752,437
Fire services	364,772	364,772	211,541	(153,231)
Fire alarm monitoring	700,000	700,000	727,781	27,781
Police services	788,936	788,936	685,650	(103,286)
Billable TED service	40,000	40,000	82,239	42,239
TED services	-	-	67,872	67,872
Engineering fees	100,000	100,000	285,845	185,845
Entitlement fees	100,000	100,000	101,603	1,603
Household hazardous waste	155,000	155,000	187,500	32,500
Other charges for services	376,000	376,000	205,467	(170,533)
Total charges for services	14,648,516	14,648,516	17,651,611	3,003,095
FRANCHISE FEES				
WideOpenWest - cable franchise fee	420,000	420,000	388,009	(31,991)
WideOpenWest - 1% support fee	90,000	90,000	77,602	(12,398)
Comcast - cable franchise fee	1,580,000	1,580,000	1,628,007	48,007
Comcast - 1% support fee	320,000	320,000	325,594	5,594
Lease revenue	250,000	250,000	294,605	44,605
AT&T - cable franchise fee	285,000	285,000	206,736	(78,264)
AT&T - 1% support fee	60,000	60,000	41,347	(18,653)
Total franchise fees	3,005,000	3,005,000	2,961,900	(43,100)

(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, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
MISCELLANEOUS				
Late payment charge	\$ 30,000	\$ 30,000	\$ 48,237	\$ 18,237
Sale of surplus property	100,000	100,000	89,118	(10,882)
Bad debt recovery (loss)	50,000	50,000	47,514	(2,486)
Damage to city property	10,000	10,000	11,492	1,492
Rebate programs	50,000	50,000	49,656	(344)
Tree reimbursement	49,500	49,500	400	(49,100)
Miscellaneous revenues	20,000	20,000	11,087	(8,913)
Total miscellaneous	309,500	309,500	257,504	(51,996)
TOTAL REVENUES	\$ 130,292,834	\$ 130,292,834	\$ 145,391,239	\$ 15,098,405

(See independent auditor's report.)

CITY OF NAPERVILLE, ILLINOIS

DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended December 31, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
GENERAL GOVERNMENT				
Legislative				
Mayor and City Council				
Salaries and wages	\$ 220,427	\$ 220,428	\$ 161,060	\$ 59,368
Benefits and related	77,134	77,134	61,024	16,110
Contracted services	19,260	19,260	37,352	(18,092)
Internal services	12,950	12,950	12,948	2
Supplies	2,450	2,450	838	1,612
Total Mayor and City Council	332,221	332,222	273,222	59,000
Alcohol and Tobacco Commission				
Contracted services	21,700	21,700	7,061	14,639
Supplies	3,050	3,050	1,083	1,967
Total Alcohol and Tobacco Commission	24,750	24,750	8,144	16,606
Legal				
Legal department				
Salaries and wages	540,714	540,714	564,849	(24,135)
Benefits and related	184,004	184,004	191,402	(7,398)
Contracted services	43,000	43,000	20,523	22,477
Internal services	12,950	12,950	12,948	2
Supplies	17,500	17,500	9,435	8,065
Total legal department	798,168	798,168	799,157	(989)
Executive				
City Manager's Office				
Salaries and wages	516,937	516,937	546,897	(29,960)
Benefits and related	188,241	188,241	171,719	16,522
Contracted services	270,750	270,750	187,418	83,332
Internal services	20,719	20,719	20,724	(5)
Supplies	30,600	30,600	24,298	6,302
Total City Manager's Office	1,027,247	1,027,247	951,056	76,191
Sister Cities Commission				
Contracted services	3,350	3,350	2,159	1,191
Total Sister Cities Commission	3,350	3,350	2,159	1,191

(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, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
GENERAL GOVERNMENT (Continued)				
Executive (Continued)				
Board of Fire and Police				
Salaries and wages	\$ 55,078	\$ 55,078	\$ 8,553	\$ 46,525
Benefits and related	19,458	19,458	2,874	16,584
Contracted services	113,677	113,677	100,305	13,372
Supplies	4,100	4,100	3,086	1,014
Total Board of Fire and Police	192,313	192,313	114,818	77,495
Communications				
Salaries and wages	407,584	407,584	437,618	(30,034)
Benefits and related	148,368	148,368	139,110	9,258
Contracted services	155,380	155,380	153,595	1,785
Supplies	500	500	286	214
Total communications	711,832	711,832	730,609	(18,777)
Human resources				
Salaries and wages	582,348	582,348	639,173	(56,825)
Benefits and related	217,073	217,073	261,134	(44,061)
Contracted services	236,648	236,648	189,460	47,188
Internal services	10,359	10,359	10,356	3
Supplies	11,860	11,860	3,554	8,306
Total human resources	1,058,288	1,058,288	1,103,677	(45,389)
City Clerk				
Community Services Department				
Salaries and wages	459,503	459,503	447,153	12,350
Benefits and related	170,694	170,694	187,199	(16,505)
Contracted services	33,756	33,756	34,849	(1,093)
Internal services	10,359	10,359	10,356	3
Supplies	3,200	3,200	6,158	(2,958)
Total Community Services Department	677,512	677,512	685,715	(8,203)
Reproduction micrographics service				
Salaries and wages	128,216	128,216	130,839	(2,623)
Benefits and related	67,080	67,080	66,022	1,058
Contracted services	177,056	177,056	153,576	23,480
Internal services	(37,753)	(37,753)	(37,740)	(13)
Supplies	22,150	22,150	16,959	5,191
Total reproduction micrographics service	356,749	356,749	329,656	27,093

(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, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
GENERAL GOVERNMENT (Continued)				
City Clerk (Continued)				
Information technology				
Salaries and wages	\$ 2,431,499	\$ 2,431,499	\$ 2,466,183	\$ (34,684)
Benefits and related	841,818	841,818	862,111	(20,293)
Contracted services	4,498,017	4,498,017	3,592,122	905,895
Supplies	727,100	727,100	454,802	272,298
Internal services	(999,214)	(999,214)	(999,216)	2
Total information technology	7,499,220	7,499,220	6,376,002	1,123,218
Financial administration				
Administration				
Salaries and wages	614,374	614,374	699,562	(85,188)
Benefits and related	213,552	213,552	219,675	(6,123)
Contracted services	570,591	570,591	683,689	(113,098)
Internal services	46,617	46,617	46,620	(3)
Supplies	30,400	30,400	34,523	(4,123)
Total administration	1,475,534	1,475,534	1,684,069	(208,535)
Billing and collection				
Salaries and wages	42,523	199,881	137,071	62,810
Benefits and related	14,906	72,813	45,515	27,298
Contracted services	15,000	15,000	5,956	9,044
Total billing and collection	72,429	287,694	188,542	99,152
Procurement services				
Salaries and wages	300,060	300,060	274,061	25,999
Benefits and related	115,385	115,385	101,287	14,098
Total procurement services	415,445	415,445	375,348	40,097
General services	(196,252)	(196,252)	1,557,570	(1,753,822)
Total general government	14,448,806	14,664,072	15,179,744	(515,672)
PHYSICAL ENVIRONMENT				
Development review team				
Salaries and wages	1,852,962	1,852,962	1,914,397	(61,435)
Benefits and related	698,928	698,928	699,119	(191)
Contracted services	63,000	63,000	32,220	30,780
Capital maintenance	25,000	25,000	24,590	410
Total development review team	2,639,890	2,639,890	2,670,326	(30,436)

(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, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
PHYSICAL ENVIRONMENT (Continued)				
Special projects team				
Salaries and wages	\$ 834,362	\$ 834,362	\$ 885,973	\$ (51,611)
Benefits and related	336,309	336,309	335,737	572
Contracted services	100,130	100,130	64,953	35,177
Internal services	290,063	290,063	290,064	(1)
Supplies	54,665	54,665	33,380	21,285
Total special projects team	1,615,529	1,615,529	1,610,107	5,422
Planning				
Salaries and wages	404,891	404,891	418,792	(13,901)
Benefits and related	97,296	97,296	107,037	(9,741)
Contracted services	135,000	135,000	54,840	80,160
Total planning	637,187	637,187	580,669	56,518
Public buildings				
Salaries and wages	1,000,229	1,000,229	979,106	21,123
Benefits and related	349,399	349,399	349,414	(15)
Contracted services	1,249,164	1,249,164	1,031,288	217,876
Supplies	1,238,160	1,238,160	1,164,618	73,542
Capital maintenance	-	-	40,303	(40,303)
Total public buildings	3,836,952	3,836,952	3,564,729	272,223
Total physical environment	8,729,558	8,729,558	8,425,831	303,727
PUBLIC SAFETY				
Police				
Police administration				
Salaries and wages	2,089,104	2,089,104	1,783,076	306,028
Benefits and related	8,427,209	8,427,209	8,314,823	112,386
Contracted services	755,716	755,716	750,801	4,915
Internal services	831,341	831,341	831,360	(19)
Supplies	477,450	477,450	602,961	(125,511)
Total police administration	12,580,820	12,580,820	12,283,021	297,799
Patrol				
Salaries and wages	15,912,424	15,912,424	16,633,340	(720,916)
Benefits and related	2,667,896	2,667,896	2,548,091	119,805
Contracted services	91,125	91,125	74,349	16,776
Supplies	94,150	94,150	93,042	1,108
Total patrol	18,765,595	18,765,595	19,348,822	(583,227)

(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, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
PUBLIC SAFETY (Continued)				
Police (Continued)				
Investigations				
Salaries and wages	\$ 8,166,949	\$ 8,166,949	\$ 8,322,729	\$ (155,780)
Benefits and related	1,359,794	1,359,794	1,343,073	16,721
Contracted services	218,148	218,148	205,056	13,092
Supplies	199,100	199,100	124,347	74,753
Total investigations	9,943,991	9,943,991	9,995,205	(51,214)
Communications				
Salaries and wages	2,464,062	2,306,704	2,164,282	142,422
Benefits and related	812,400	754,492	712,455	42,037
Contracted services	816,248	816,248	614,611	201,637
Supplies	42,975	42,975	30,912	12,063
Total communications	4,135,685	3,920,419	3,522,260	398,159
Fire				
Fire administration				
Salaries and wages	2,077,271	2,077,271	2,121,279	(44,008)
Benefits and related	10,757,238	10,757,238	10,741,587	15,651
Contracted services	909,200	909,200	693,521	215,679
Internal services	289,543	289,543	289,412	131
Supplies	558,100	558,100	360,792	197,308
Total fire administration	14,591,352	14,591,352	14,206,591	384,761
Operations division				
Salaries and wages	21,033,147	21,033,147	22,429,810	(1,396,663)
Benefits and related	3,056,244	3,056,244	3,254,672	(198,428)
Contracted services	290,450	290,450	250,973	39,477
Supplies	241,275	241,275	201,427	39,848
Total operations division	24,621,116	24,621,116	26,136,882	(1,515,766)
Total public safety	84,638,559	84,423,293	85,492,781	(1,069,488)
TRANSPORTATION				
Public works				
Administration				
Salaries and wages	1,136,215	1,136,215	1,149,787	(13,572)
Benefits and related	569,641	569,641	540,376	29,265
Contracted services	685,550	685,550	378,704	306,846
Internal services	378,118	378,118	378,120	(2)
Supplies	376,950	376,950	307,845	69,105
Total administration	3,146,474	3,146,474	2,754,832	391,642

(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, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
TRANSPORTATION (Continued)				
Public works (Continued)				
Operations and maintenance				
Salaries and wages	\$ 5,081,416	\$ 5,081,416	\$ 5,077,489	\$ 3,927
Benefits and related	1,639,675	1,639,675	1,753,608	(113,933)
Contracted services	2,386,325	2,386,325	2,538,826	(152,501)
Supplies	1,433,017	1,433,017	1,312,439	120,578
Total operations and maintenance	10,540,433	10,540,433	10,682,362	(141,929)
Fleet services				
Salaries and wages	1,397,104	1,397,104	1,298,095	99,009
Benefits and related	480,749	480,749	459,264	21,485
Contracted services	736,245	736,245	595,563	140,682
Supplies	2,133,805	2,133,805	1,790,349	343,456
Capital maintenance	-	-	1,194	(1,194)
Total fleet services	4,747,903	4,747,903	4,144,465	603,438
Transportation and engineering				
Administration				
Salaries and wages	1,059,290	1,059,290	1,014,224	45,066
Benefits and related	335,538	335,538	329,295	6,243
Contracted services	978,305	978,305	767,346	210,959
Supplies	151,000	151,000	138,057	12,943
Total administration	2,524,133	2,524,133	2,248,922	275,211
Total transportation	20,958,943	20,958,943	19,830,581	1,128,362
CULTURE AND RECREATION				
Riverwalk				
Salaries and wages	30,306	30,306	21,439	8,867
Benefits and related	5,729	5,729	13,657	(7,928)
Contracted services	53,360	53,360	17,908	35,452
Supplies	150	150	-	150
Total Riverwalk	89,545	89,545	53,004	36,541
Total culture and recreation	89,545	89,545	53,004	36,541
TOTAL EXPENDITURES	\$ 128,865,411	\$ 128,865,411	\$ 128,981,941	\$ (116,530)

(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, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES				
Property taxes	\$ 9,427,981	\$ 9,427,981	\$ 9,490,008	\$ 62,027
Intergovernmental revenues				
Sales tax	250,000	250,000	250,000	-
Other	-	-	1,596	1,596
Net investment income (loss)	93,094	93,094	(130,072)	(223,166)
Total revenues	9,771,075	9,771,075	9,611,532	(159,543)
EXPENDITURES				
Debt service				
Principal	9,451,788	9,451,788	9,451,788	-
Interest and fees	2,841,441	2,841,441	2,843,575	(2,134)
Total expenditures	12,293,229	12,293,229	12,295,363	(2,134)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(2,522,154)	(2,522,154)	(2,683,831)	(161,677)
OTHER FINANCING SOURCES (USES)				
Transfers in	1,266,833	1,266,833	1,242,274	(24,559)
Total other financing sources (uses)	1,266,833	1,266,833	1,242,274	(24,559)
NET CHANGE IN FUND BALANCE	\$ (1,255,321)	\$ (1,255,321)	(1,441,557)	\$ (186,236)
FUND BALANCE, JANUARY 1			7,013,884	
FUND BALANCE, DECEMBER 31			\$ 5,572,327	

(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, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES				
Net investment income (loss)	\$ 282,161	\$ 282,161	\$ (459,819)	\$ (741,980)
Contributions	5,678,737	5,678,737	645,090	(5,033,647)
Intergovernmental				
Sales taxes	5,900,032	5,900,032	16,104,896	10,204,864
Grants	-	-	213,019	213,019
Miscellaneous	249,500	249,500	710,665	461,165
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	12,110,430	12,110,430	17,213,851	5,103,421
	<hr/>	<hr/>	<hr/>	<hr/>
EXPENDITURES				
Capital outlay	12,359,137	12,359,137	9,117,597	3,241,540
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	12,359,137	12,359,137	9,117,597	3,241,540
	<hr/>	<hr/>	<hr/>	<hr/>
NET CHANGE IN FUND BALANCE	\$ (248,707)	\$ (248,707)	8,096,254	\$ 8,344,961
	<hr/>	<hr/>	<hr/>	<hr/>
FUND BALANCE, JANUARY 1			23,024,173	
			<hr/>	
FUND BALANCE, DECEMBER 31			\$ 31,120,427	
			<hr/>	

(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 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 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.

NONMAJOR GOVERNMENTAL FUNDS (Continued)

SPECIAL REVENUE FUNDS (Continued)

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

Food and Beverage Tax Fund - to account for the accumulation of the citywide 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 #33 - 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 downtown parking decks.

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.

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.

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.

ETSB Fund - to account for the receipt of all surcharge and other monies paid or collected on behalf of the City of Aurora 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.

ARPA Fund - to account for the receipt of American Rescue Plan Act monies approved by the Federal government and restricted to specific projects.

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.

NONMAJOR GOVERNMENTAL FUNDS (Continued)

DEBT SERVICE FUNDS (Continued)

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.

CAPITAL PROJECTS FUNDS

Bond Project Fund - to account for bond proceeds utilized to fund capital improvements, including upgrades and repairs to capital equipment, municipal buildings/lots, and technology items; construction of traffic signals and streets including upgrading intersections; stormwater management programs; citywide LED street lighting conversion; Emerald Ash Bore tree removal and replacement; reconstruction/rehabilitation of bridges; and Riverwalk improvements. The City borrows on a project reimbursement basis and all issuances are accounted for in a single fund.

CITY OF NAPERVILLE, ILLINOIS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

December 31, 2021

	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	\$ 10,291,207	\$ 183,592	\$ 6,931	\$ 294,467	\$ 129,346	\$ 359,112
Receivables						
Property taxes	-	-	-	294	3,912,871	-
Interest	32,952	-	-	2,243	-	-
Accounts receivable less allowance for doubtful accounts	-	-	-	272,531	-	-
Loans and installments	-	-	-	-	-	-
Due from other governments	548,313	236,666	-	-	-	-
Total assets	<u>10,872,472</u>	<u>420,258</u>	<u>6,931</u>	<u>569,535</u>	<u>4,042,217</u>	<u>359,112</u>
DEFERRED OUTFLOWS OF RESOURCES						
None	-	-	-	-	-	-
Total deferred outflows of resources	-	-	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 10,872,472</u>	<u>\$ 420,258</u>	<u>\$ 6,931</u>	<u>\$ 569,535</u>	<u>\$ 4,042,217</u>	<u>\$ 359,112</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
LIABILITIES						
Accounts payable	\$ -	\$ 394,934	\$ -	\$ 248,136	\$ 43,014	\$ -
Accrued wages and benefits	-	-	-	8,844	56,636	-
Due to other governments	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-
Advances from other funds	-	-	-	-	-	-
Contract retainage payable	34,299	-	-	-	-	-
Unearned grant revenues and others	-	-	-	5,871	470	-
Total liabilities	<u>34,299</u>	<u>394,934</u>	<u>-</u>	<u>262,851</u>	<u>100,120</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue-property taxes	-	-	-	-	3,907,616	-
Total deferred inflows of resources	-	-	-	-	3,907,616	-
Total liabilities and deferred inflows of resources	<u>34,299</u>	<u>394,934</u>	<u>-</u>	<u>262,851</u>	<u>4,007,736</u>	<u>-</u>
FUND BALANCES						
Restricted for						
Debt service	-	-	-	-	-	-
Highways, streets, and parking facilities	10,838,173	-	6,931	306,684	-	-
Public safety	-	-	-	-	-	359,112
Capital projects	-	-	-	-	-	-
Culture and recreation	-	-	-	-	34,481	-
Physical environment	-	25,324	-	-	-	-
Committed to						
Highways, streets, and parking facilities	-	-	-	-	-	-
Assigned to						
Capital projects	-	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	-	-
Total fund balances (deficit)	<u>10,838,173</u>	<u>25,324</u>	<u>6,931</u>	<u>306,684</u>	<u>34,481</u>	<u>359,112</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 10,872,472</u>	<u>\$ 420,258</u>	<u>\$ 6,931</u>	<u>\$ 569,535</u>	<u>\$ 4,042,217</u>	<u>\$ 359,112</u>

Special Revenue Funds											
E-911 Surcharge Fund	Food and Beverage Tax Fund	Special Service Area #33 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	ARPA Fund	ETSB Fund	Total Special Revenue Funds
\$ 295,586	\$ 1,284,870	\$ 1,433,499	\$ 7,271	\$ 43,328	\$ 1,151,237	\$ -	\$ -	\$ -	\$ 6,654,345	\$ 260,777	\$ 22,395,568
-	-	1,199,007	-	607,536	-	86,396	-	-	-	-	5,806,104
947	3,704	3,418	80	554	3,492	-	-	-	-	1,540	48,930
-	669,857	-	91,176	-	-	-	-	-	-	776,608	1,810,172
-	-	19,116	-	-	-	-	-	-	-	-	19,116
994,201	-	-	-	-	-	-	-	-	-	-	1,779,180
1,290,734	1,958,431	2,655,040	98,527	651,418	1,154,729	86,396	-	-	6,654,345	1,038,925	31,859,070
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
\$ 1,290,734	\$ 1,958,431	\$ 2,655,040	\$ 98,527	\$ 651,418	\$ 1,154,729	\$ 86,396	\$ -	\$ -	\$ 6,654,345	\$ 1,038,925	\$ 31,859,070
\$ -	\$ 314,333	\$ 7,811	\$ 184	\$ -	\$ 3,866	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,012,278
-	1,755	17,823	-	-	-	-	-	-	-	-	85,058
-	-	-	-	-	2,033	-	-	-	-	-	2,033
-	-	-	-	-	-	-	74,318	267,584	-	-	341,902
-	-	-	-	-	-	446,366	-	-	-	-	446,366
-	9,853	-	2,591	-	-	-	-	-	6,654,345	-	34,299
-	325,941	25,634	2,775	-	5,899	446,366	74,318	267,584	6,654,345	-	6,673,130
-	-	1,199,007	-	607,536	-	68,000	-	-	-	-	5,782,159
-	-	1,199,007	-	607,536	-	68,000	-	-	-	-	5,782,159
-	325,941	1,224,641	2,775	607,536	5,899	514,366	74,318	267,584	6,654,345	-	14,377,225
-	-	-	-	-	-	-	-	-	-	-	-
1,290,734	-	-	95,752	-	-	-	-	-	-	-	11,247,540
-	-	-	-	-	1,148,830	-	-	-	-	1,038,925	3,837,601
-	-	-	-	43,882	-	-	-	-	-	-	43,882
-	1,632,490	-	-	-	-	-	-	-	-	-	1,666,971
-	-	-	-	-	-	-	-	-	-	-	25,324
-	-	1,430,399	-	-	-	-	-	-	-	-	1,430,399
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	(427,970)	(74,318)	(267,584)	-	-	(769,872)
1,290,734	1,632,490	1,430,399	95,752	43,882	1,148,830	(427,970)	(74,318)	(267,584)	-	1,038,925	17,481,845
\$ 1,290,734	\$ 1,958,431	\$ 2,655,040	\$ 98,527	\$ 651,418	\$ 1,154,729	\$ 86,396	\$ -	\$ -	\$ 6,654,345	\$ 1,038,925	\$ 31,859,070

(This statement is continued on the following page.)

CITY OF NAPERVILLE, ILLINOIS
COMBINING BALANCE SHEET (Continued)
NONMAJOR GOVERNMENTAL FUNDS

December 31, 2021

	Debt Service Funds				Total Nonmajor Governmental Funds
	Special Service Areas Funds		Downtown Parking Fund	Bond Project Fund	
	#21	#23			
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES					
ASSETS					
Cash and investments	\$ 379,056	\$ 107,599	\$ 7,406,610	\$ 1,373,160	\$ 31,661,993
Receivables					
Property taxes	-	98,939	-	-	5,905,043
Interest	-	-	22,877	-	71,807
Accounts receivable less allowance for doubtful accounts	-	-	292,014	-	2,102,186
Loans and installments	-	-	-	-	19,116
Due from other governments	-	-	-	-	1,779,180
Total assets	<u>379,056</u>	<u>206,538</u>	<u>7,721,501</u>	<u>1,373,160</u>	<u>41,539,325</u>
DEFERRED OUTFLOWS OF RESOURCES					
None	-	-	-	-	-
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 379,056</u>	<u>\$ 206,538</u>	<u>\$ 7,721,501</u>	<u>\$ 1,373,160</u>	<u>\$ 41,539,325</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ -	\$ 1,373,160	\$ 2,385,438
Accrued wages and benefits	-	-	-	-	85,058
Due to other governments	-	-	-	-	2,033
Due to other funds	-	-	-	-	341,902
Advances from other funds	-	-	-	-	446,366
Contract retainage payable	-	-	-	-	34,299
Unearned grant revenues and others	-	-	810	-	6,673,940
Total liabilities	<u>-</u>	<u>-</u>	<u>810</u>	<u>1,373,160</u>	<u>9,969,036</u>
DEFERRED INFLOWS OF BALANCES					
Unavailable revenue - property taxes	-	98,939	-	-	5,881,098
Total deferred inflows of resources	<u>-</u>	<u>98,939</u>	<u>-</u>	<u>-</u>	<u>5,881,098</u>
Total liabilities and deferred inflows of resources	<u>-</u>	<u>98,939</u>	<u>810</u>	<u>1,373,160</u>	<u>15,850,134</u>
FUND BALANCES					
Restricted for					
Debt service	379,056	107,599	7,720,691	-	8,207,346
Highways, streets, and parking facilities	-	-	-	-	11,247,540
Public safety	-	-	-	-	3,837,601
Capital projects	-	-	-	-	43,882
Culture and recreation	-	-	-	-	1,666,971
Physical environment	-	-	-	-	25,324
Committed to					
Highways, streets, and parking facilities	-	-	-	-	1,430,399
Assigned to					
Capital projects	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	(769,872)
Total fund balances (deficit)	<u>379,056</u>	<u>107,599</u>	<u>7,720,691</u>	<u>-</u>	<u>25,689,191</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 379,056</u>	<u>\$ 206,538</u>	<u>\$ 7,721,501</u>	<u>\$ 1,373,160</u>	<u>\$ 41,539,325</u>

(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, 2021

	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	E-911 Surcharge Fund
REVENUES							
Property taxes	\$ -	\$ -	\$ -	\$ 305,528	\$ 2,814,741	\$ -	\$ -
Other taxes	-	-	-	2,339,248	-	-	-
Licenses and permits	-	-	-	45,773	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Net investment income (loss)	(159,261)	-	-	(10,842)	-	200	(4,584)
Intergovernmental	9,251,690	1,262,017	-	-	-	339,537	-
Charges for services	-	-	-	-	563,443	-	3,037,760
Miscellaneous	-	-	-	-	-	-	-
Total revenues	9,092,429	1,262,017	-	2,679,707	3,378,184	339,737	3,033,176
EXPENDITURES							
Current							
General government	-	-	-	-	-	-	-
Physical environment	-	1,262,017	-	-	-	-	-
Public safety	-	-	-	-	-	400,526	3,224,411
Culture and recreation	-	-	-	-	4,151,518	-	-
Transportation	-	-	-	713,498	-	-	-
Capital outlay	6,207,973	-	-	1,974,603	-	-	-
Debt service							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Total expenditures	6,207,973	1,262,017	-	2,688,101	4,151,518	400,526	3,224,411
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	2,884,456	-	-	(8,394)	(773,334)	(60,789)	(191,235)
OTHER FINANCING SOURCES (USES)							
Transfers in	-	-	-	-	1,000,000	-	-
Transfers (out)	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	1,000,000	-	-
NET CHANGE IN FUND BALANCES	2,884,456	-	-	(8,394)	226,666	(60,789)	(191,235)
FUND BALANCES (DEFICIT), JANUARY 1	7,953,717	25,324	6,931	315,078	(192,185)	419,901	1,481,969
FUND BALANCES (DEFICIT), DECEMBER 31	\$ 10,838,173	\$ 25,324	\$ 6,931	\$ 306,684	\$ 34,481	\$ 359,112	\$ 1,290,734

Special Revenue Funds									
Food and Beverage Tax Fund	Special Service Area #33 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	ARPA Fund	ETSB Fund
\$ -	\$ 1,154,928	\$ -	\$ 359,033	\$ -	\$ 68,003	\$ -	\$ 27,271	\$ -	\$ -
4,914,519	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	33,875	-	-	-	-	-	-	-	-
(17,903)	(16,515)	(381)	(2,674)	(16,876)	-	-	-	-	(7,440)
-	-	-	-	224,328	-	-	-	-	-
-	7,065	88,411	-	-	-	-	-	-	2,352,545
3,451	184	-	-	-	-	-	-	-	-
4,900,067	1,179,537	88,030	356,359	207,452	68,003	-	27,271	-	2,345,105
-	-	-	3,800	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	34,909	-	-	-	-	2,332,533
3,236,188	-	-	-	-	-	-	-	-	-
-	2,270,324	31,188	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
3,236,188	2,270,324	31,188	3,800	34,909	-	-	-	-	2,332,533
1,663,879	(1,090,787)	56,842	352,559	172,543	68,003	-	27,271	-	12,572
-	1,424,259	-	-	-	-	-	-	-	-
(715,307)	-	-	(359,033)	-	(68,003)	-	-	-	-
(715,307)	1,424,259	-	(359,033)	-	(68,003)	-	-	-	-
948,572	333,472	56,842	(6,474)	172,543	-	-	27,271	-	12,572
683,918	1,096,927	38,910	50,356	976,287	(427,970)	(74,318)	(294,855)	-	1,026,353
\$ 1,632,490	\$ 1,430,399	\$ 95,752	\$ 43,882	\$ 1,148,830	\$ (427,970)	\$ (74,318)	\$ (267,584)	\$ -	\$ 1,038,925

(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, 2021

	Debt Service Funds		Capital Projects		Total Nonmajor Governmental Funds
	Special Service Area Funds		Downtown Parking Fund	Bond Project Fund	
	#21	#23			
REVENUES					
Property taxes	\$ -	\$ 99,931	\$ -	\$ -	\$ 4,829,435
Other taxes	-	-	777,897	-	8,031,664
Licenses and permits	-	-	-	-	45,773
Fines and forfeits	-	-	-	-	33,875
Net investment income (loss)	-	-	(110,563)	-	(346,839)
Intergovernmental	-	-	777,897	-	11,855,469
Charges for services	-	-	116,917	-	6,166,141
Miscellaneous	-	-	-	-	3,635
Total revenues	-	99,931	1,562,148	-	30,619,153
EXPENDITURES					
Current					
General government	-	-	-	-	3,800
Physical environment	-	-	-	-	1,262,017
Public safety	-	-	-	-	5,992,379
Culture and recreation	-	-	-	-	7,387,706
Transportation	-	-	786,185	-	3,801,195
Capital outlay	-	-	-	7,719,343	15,901,919
Debt service					
Principal	210,912	-	280,000	-	490,912
Interest	13,573	-	35,644	-	49,217
Total expenditures	224,485	-	1,101,829	7,719,343	34,889,145
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(224,485)	99,931	460,319	(7,719,343)	(4,269,992)
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	2,424,259
Transfers (out)	-	(99,931)	-	-	(1,242,274)
Total other financing sources (uses)	-	(99,931)	-	-	1,181,985
NET CHANGE IN FUND BALANCES	(224,485)	-	460,319	(7,719,343)	(3,088,007)
FUND BALANCES (DEFICIT), JANUARY 1	603,541	107,599	7,260,372	7,719,343	28,777,198
FUND BALANCES (DEFICIT), DECEMBER 31	\$ 379,056	\$ 107,599	\$ 7,720,691	\$ -	\$ 25,689,191

(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, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES				
Net investment income (loss)	\$ 57,786	\$ 57,786	\$ (159,261)	\$ (217,047)
Intergovernmental revenue - allotments from state and grants	9,148,647	9,148,647	9,251,690	103,043
Total revenues	<u>9,206,433</u>	<u>9,206,433</u>	<u>9,092,429</u>	<u>(114,004)</u>
EXPENDITURES				
Capital outlay	<u>9,889,201</u>	<u>9,889,201</u>	<u>6,207,973</u>	<u>3,681,228</u>
Total expenditures	<u>9,889,201</u>	<u>9,889,201</u>	<u>6,207,973</u>	<u>3,681,228</u>
NET CHANGE IN FUND BALANCE	<u>\$ (682,768)</u>	<u>\$ (682,768)</u>	2,884,456	<u>\$ 3,567,224</u>
FUND BALANCE, JANUARY 1			<u>7,953,717</u>	
FUND BALANCE, DECEMBER 31			<u>\$ 10,838,173</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, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES				
Intergovernmental - federal grant	\$ 1,233,723	\$ 1,233,723	\$ 1,262,017	\$ 28,294
Total revenues	<u>1,233,723</u>	<u>1,233,723</u>	<u>1,262,017</u>	<u>28,294</u>
EXPENDITURES				
Physical environment				
Grants and contributions	1,233,723	1,233,723	1,262,017	(28,294)
Total expenditures	<u>1,233,723</u>	<u>1,233,723</u>	<u>1,262,017</u>	<u>(28,294)</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
FUND BALANCE, JANUARY 1			<u>25,324</u>	
FUND BALANCE, DECEMBER 31			<u>\$ 25,324</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, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES				
Property tax	\$ 305,275	\$ 305,275	\$ 305,528	\$ 253
Other taxes				
Local gasoline	2,496,000	2,496,000	2,290,122	(205,878)
Personal property replacement tax	37,420	37,420	49,126	11,706
Licenses and permits	45,000	45,000	45,773	773
Net investment income	10,397	10,397	(10,842)	(21,239)
Total revenues	2,894,092	2,894,092	2,679,707	(214,385)
EXPENDITURES				
Transportation				
Salaries and wages	511,713	511,713	524,603	(12,890)
Benefits and related	185,854	185,854	185,305	549
Contracted services	-	-	3,590	(3,590)
Capital outlay	2,295,000	2,295,000	1,974,603	320,397
Total expenditures	2,992,567	2,992,567	2,688,101	304,466
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(98,475)	(98,475)	(8,394)	90,081
NET CHANGE IN FUND BALANCES	\$ (98,475)	\$ (98,475)	(8,394)	\$ 90,081
FUND BALANCE, JANUARY 1			<u>315,078</u>	
FUND BALANCE, DECEMBER 31			<u>\$ 306,684</u>	

(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, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES				
Property taxes	\$ 2,796,952	\$ 2,796,952	\$ 2,814,741	\$ 17,789
Net investment income	26,103	26,103	-	(26,103)
Charges for services				
School services and programs	125,109	125,109	28,993	(96,116)
Museum tours	15,200	15,200	3,794	(11,406)
Public program revenue	75,480	75,480	90,613	15,133
Gate admissions	39,185	39,185	35,091	(4,094)
Settlement - weddings	71,820	71,820	66,116	(5,704)
Settlement - other	143,189	143,189	338,836	195,647
 Total revenues	 3,293,038	 3,293,038	 3,378,184	 85,146
EXPENDITURES				
Culture and recreation				
Settlement administration				
Salaries and wages	416,353	416,353	698,708	(282,355)
Benefits and related	296,679	296,679	266,998	29,681
Contracted services	87,912	87,912	46,121	41,791
Supplies	24,905	24,905	21,290	3,615
Internal services	133,758	133,758	133,752	6
Visitor services				
Salaries and wages	635,732	635,732	613,007	22,725
Benefits and related	166,745	166,745	162,923	3,822
Contracted services	21,875	21,875	8,256	13,619
Supplies	20,300	20,300	15,738	4,562
Building and grounds				
Salaries and wages	151,441	151,441	153,955	(2,514)
Benefits and related	63,661	63,661	61,925	1,736
Contracted services	352,671	352,671	333,444	19,227
Internal services	8,306	8,306	8,304	2
Supplies	135,269	135,269	132,736	2,533
Capital maintenance	128,159	128,159	196,654	(68,495)
Development				
Salaries	408,515	408,515	404,486	4,029
Employee benefits	141,844	141,844	120,908	20,936

(This schedule 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, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
EXPENDITURES (Continued)				
Culture and recreation (Continued)				
Artifact and preservation				
Salaries and wages	\$ 162,047	\$ 162,047	\$ 94,964	\$ 67,083
Benefits and related	49,064	49,064	66,127	(17,063)
Contracted services	12,800	12,800	139,296	(126,496)
Supplies	4,000	4,000	3,043	957
Public relations/marketing				
Salaries and wages	233,787	233,787	233,661	126
Benefits and related	74,198	74,198	86,952	(12,754)
Contracted services	156,693	156,693	146,347	10,346
Supplies	2,145	2,145	1,923	222
Total expenditures	<u>3,888,859</u>	<u>3,888,859</u>	<u>4,151,518</u>	<u>(262,659)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(595,821)</u>	<u>(595,821)</u>	<u>(773,334)</u>	<u>(177,513)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	1,000,000	1,000,000
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>1,000,000</u>	<u>1,000,000</u>
NET CHANGE IN FUND BALANCE	<u>\$ (595,821)</u>	<u>\$ (595,821)</u>	226,666	<u>\$ 822,487</u>
FUND BALANCE (DEFICIT), JANUARY 1			<u>(192,185)</u>	
FUND BALANCE, DECEMBER 31			<u>\$ 34,481</u>	

(See independent auditor's report.)

CITY OF NAPERVILLE, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOREIGN FIRE INSURANCE TAX FUND**

For the Year Ended December 31, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES				
Net investment income	\$ -	\$ -	\$ 200	\$ 200
Insurance tax	290,000	290,000	339,537	49,537
Total revenues	<u>290,000</u>	<u>290,000</u>	<u>339,737</u>	<u>49,737</u>
EXPENDITURES				
Public safety				
Supplies	275,500	275,500	400,526	(125,026)
Total expenditures	<u>275,500</u>	<u>275,500</u>	<u>400,526</u>	<u>(125,026)</u>
NET CHANGE IN FUND BALANCE	<u>\$ 14,500</u>	<u>\$ 14,500</u>	(60,789)	<u>\$ (75,289)</u>
FUND BALANCE, JANUARY 1			<u>419,901</u>	
FUND BALANCE, DECEMBER 31			<u><u>\$ 359,112</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, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES				
Net investment income (loss)	\$ 9,945	\$ 9,945	\$ (4,584)	\$ (14,529)
Charges for services	2,900,000	2,900,000	3,037,760	137,760
Total revenues	<u>2,909,945</u>	<u>2,909,945</u>	<u>3,033,176</u>	<u>123,231</u>
EXPENDITURES				
Public safety				
Internal services	2,900,000	2,900,000	3,224,411	(324,411)
Total expenditures	<u>2,900,000</u>	<u>2,900,000</u>	<u>3,224,411</u>	<u>(324,411)</u>
NET CHANGE IN FUND BALANCE	<u>\$ 9,945</u>	<u>\$ 9,945</u>	(191,235)	<u>\$ (201,180)</u>
FUND BALANCE, JANUARY 1			<u>1,481,969</u>	
FUND BALANCE, DECEMBER 31			<u><u>\$ 1,290,734</u></u>	

(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, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES				
Food and beverage tax	\$ 4,055,315	\$ 4,055,315	\$ 4,914,519	\$ 859,204
Net investment income (loss)	13,262	13,262	(17,903)	(31,165)
Miscellaneous	4,500	4,500	3,451	(1,049)
Total revenues	4,073,077	4,073,077	4,900,067	826,990
EXPENDITURES				
Culture and recreation				
Salaries and wages	506,473	506,473	286,789	219,684
Benefits and related	1,042,972	1,042,972	1,092,025	(49,053)
Contracted services	296,622	296,622	309,109	(12,487)
Supplies	25,001	25,001	16,767	8,234
Grants and contributions	1,604,430	1,604,430	1,531,498	72,932
Total expenditures	3,475,498	3,475,498	3,236,188	239,310
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	597,579	597,579	1,663,879	1,066,300
OTHER FINANCING SOURCES (USES)				
Transfers (out)	(590,380)	(590,380)	(715,307)	(124,927)
Total other financing sources (uses)	(590,380)	(590,380)	(715,307)	(124,927)
NET CHANGE IN FUND BALANCE	\$ 7,199	\$ 7,199	948,572	\$ 941,373
FUND BALANCE, JANUARY 1			683,918	
FUND BALANCE, DECEMBER 31			\$ 1,632,490	

(See independent auditor's report.)

CITY OF NAPERVILLE, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL SERVICE AREA #33 - DOWNTOWN MAINTENANCE FUND

For the Year Ended December 31, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES				
Property taxes	\$ 1,146,702	\$ 1,146,702	\$ 1,154,928	\$ 8,226
Fines	60,000	60,000	33,875	(26,125)
Net investment income (loss)	18,449	18,449	(16,515)	(34,964)
Charges for services	10,000	10,000	7,065	(2,935)
Miscellaneous	10,225	10,225	184	(10,041)
Total revenues	1,245,376	1,245,376	1,179,537	(65,839)
EXPENDITURES				
Transportation				
Salaries and wages	694,367	694,367	595,009	99,358
Benefits and related	214,601	214,601	200,512	14,089
Contracted services	1,228,420	1,228,420	1,161,936	66,484
Supplies	319,600	319,600	234,663	84,937
Internal services	78,216	78,216	78,204	12
Capital maintenance	100,000	100,000	-	100,000
Total expenditures	2,635,204	2,635,204	2,270,324	364,880
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,389,828)	(1,389,828)	(1,090,787)	299,041
OTHER FINANCING SOURCES (USES)				
Transfers in	1,424,259	1,424,259	1,424,259	-
Total other financing sources (uses)	1,424,259	1,424,259	1,424,259	-
NET CHANGE IN FUND BALANCE	\$ 34,431	\$ 34,431	333,472	\$ 299,041
FUND BALANCE, JANUARY 1			1,096,927	
FUND BALANCE, DECEMBER 31			\$ 1,430,399	

(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, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES				
Charges for services	\$ 56,000	\$ 56,000	\$ 88,411	\$ 32,411
Net investment income (loss)	-	-	(381)	(381)
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	56,000	56,000	88,030	32,030
EXPENDITURES				
Transportation				
Contracted services	34,715	34,715	25,177	9,538
Supplies	21,500	21,500	6,011	15,489
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	56,215	56,215	31,188	25,027
NET CHANGE IN FUND BALANCE	\$ (215)	\$ (215)	56,842	\$ 57,057
FUND BALANCE, JANUARY 1			<hr/>	38,910
FUND BALANCE, DECEMBER 31			<hr/>	\$ 95,752

(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, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
REVENUES				
Property taxes	\$ 345,000	\$ 345,000	\$ 359,033	\$ 14,033
Net investment income (loss)	18,449	18,449	(2,674)	(21,123)
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	363,449	363,449	356,359	(7,090)
EXPENDITURES				
General government				
Contracted services	3,800	3,800	3,800	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	3,800	3,800	3,800	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES				
	<hr/>	<hr/>	<hr/>	<hr/>
	359,649	359,649	352,559	(7,090)
OTHER FINANCING SOURCES (USES)				
Transfers (out)	(543,453)	(543,453)	(359,033)	184,420
	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	(543,453)	(543,453)	(359,033)	184,420
NET CHANGE IN FUND BALANCE				
	<hr/>	<hr/>	<hr/>	<hr/>
	\$ (183,804)	\$ (183,804)	(6,474)	\$ 177,330
FUND BALANCE, JANUARY 1				
			<hr/>	
			50,356	
FUND BALANCE, DECEMBER 31				
			<hr/>	
			\$ 43,882	

(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, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES				
Net investment income (loss)	\$ 20,400	\$ 20,400	\$ (16,876)	\$ (37,276)
Intergovernmental	281,500	281,500	224,328	(57,172)
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	301,900	301,900	207,452	(94,448)
EXPENDITURES				
Public safety				
Contracted services	66,500	66,500	10,498	56,002
Internal services	25,000	25,000	2,971	22,029
Supplies	151,000	151,000	21,440	129,560
Capital maintenance	30,000	30,000	-	30,000
Outside agencies	9,000	9,000	-	9,000
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	281,500	281,500	34,909	246,591
NET CHANGE IN FUND BALANCE	<u>\$ 20,400</u>	<u>\$ 20,400</u>	172,543	<u>\$ 152,143</u>
FUND BALANCE, JANUARY 1			<u>976,287</u>	
FUND BALANCE, DECEMBER 31			<u><u>\$ 1,148,830</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 #25 FUND

For the Year Ended December 31, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
REVENUES				
Property taxes	\$ 68,000	\$ 68,000	\$ 68,003	\$ 3
Total revenues	68,000	68,000	68,003	3
EXPENDITURES				
None	-	-	-	-
Total expenditures	-	-	-	-
OTHER FINANCING SOURCES (USES)				
Transfers (out)	(68,000)	(68,000)	(68,003)	(3)
Total other financing sources (uses)	(68,000)	(68,000)	(68,003)	(3)
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
FUND BALANCE (DEFICIT), JANUARY 1			<u>(427,970)</u>	
FUND BALANCE (DEFICIT), DECEMBER 31			<u>\$ (427,970)</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 #31 FUND

For the Year Ended December 31, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES				
Property taxes	\$ 27,000	\$ 27,000	\$ 27,271	\$ 271
Total revenues	<u>27,000</u>	<u>27,000</u>	<u>27,271</u>	<u>271</u>
EXPENDITURES				
None	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>27,000</u>	<u>27,000</u>	<u>27,271</u>	<u>271</u>
NET CHANGE IN FUND BALANCE	<u>\$ 27,000</u>	<u>\$ 27,000</u>	27,271	<u>\$ 271</u>
FUND BALANCE (DEFICIT), JANUARY 1			<u>(294,855)</u>	
FUND BALANCE (DEFICIT), DECEMBER 31			<u>\$ (267,584)</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, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES				
Net investment income (loss)	\$ 8,894	\$ 8,894	\$ (7,440)	\$ (16,334)
Charges for services	2,300,000	2,300,000	2,352,545	52,545
Total revenues	2,308,894	2,308,894	2,345,105	36,211
EXPENDITURES				
Public safety				
Grants and contributions	2,300,000	2,300,000	2,332,533	(32,533)
Total expenditures	2,300,000	2,300,000	2,332,533	(32,533)
NET CHANGE IN FUND BALANCE	<u>\$ 8,894</u>	<u>\$ 8,894</u>	12,572	<u>\$ 3,678</u>
FUND BALANCE, JANUARY 1			<u>1,026,353</u>	
FUND BALANCE, DECEMBER 31			<u><u>\$ 1,038,925</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, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES				
Net investment income	\$ 14,306	\$ 14,306	\$ -	\$ (14,306)
Total revenues	14,306	14,306	-	(14,306)
EXPENDITURES				
Debt service				
Principal	210,913	210,913	210,912	1
Interest	13,573	13,573	13,573	-
Total expenditures	224,486	224,486	224,485	1
NET CHANGE IN FUND BALANCE	<u>\$ (210,180)</u>	<u>\$ (210,180)</u>	(224,485)	<u>\$ (14,305)</u>
FUND BALANCE, JANUARY 1			<u>603,541</u>	
FUND BALANCE, DECEMBER 31			<u><u>\$ 379,056</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 #23 FUND

For the Year Ended December 31, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES				
Property taxes	\$ 65,000	\$ 65,000	\$ 99,931	\$ 34,931
Total revenues	65,000	65,000	99,931	34,931
EXPENDITURES				
None	-	-	-	-
Total expenditures	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	65,000	65,000	99,931	34,931
OTHER FINANCING SOURCES (USES)				
Transfers (out)	(65,000)	(65,000)	(99,931)	(34,931)
Total other financing sources (uses)	(65,000)	(65,000)	(99,931)	(34,931)
NET CHANGE IN FUND BALANCE	\$ -	\$ -	-	\$ -
FUND BALANCE, JANUARY 1			107,599	
FUND BALANCE, DECEMBER 31			\$ 107,599	

(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, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES				
Other taxes				
Food and beverage tax	\$ 657,213	\$ 657,213	\$ 777,897	\$ 120,684
Net investment income (loss)	101,891	101,891	(110,563)	(212,454)
Intergovernmental				
Sales tax	657,213	657,213	777,897	120,684
Charges for services	116,917	116,917	116,917	-
	<u>1,533,234</u>	<u>1,533,234</u>	<u>1,562,148</u>	<u>28,914</u>
EXPENDITURES				
Transportation				
Contracted services	-	-	6,000	(6,000)
Capital maintenance	1,310,100	1,310,100	780,185	529,915
Debt service				
Principal	280,000	280,000	280,000	-
Interest	35,644	35,644	35,644	-
	<u>1,625,744</u>	<u>1,625,744</u>	<u>1,101,829</u>	<u>523,915</u>
NET CHANGE IN FUND BALANCE	<u><u>\$ (92,510)</u></u>	<u><u>\$ (92,510)</u></u>	460,319	<u><u>\$ 552,829</u></u>
FUND BALANCE, JANUARY 1			<u>7,260,372</u>	
FUND BALANCE, DECEMBER 31			<u><u>\$ 7,720,691</u></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, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES				
Net investment income	\$ 133,005	\$ 133,005	\$ -	\$ (133,005)
Total revenues	133,005	133,005	-	(133,005)
EXPENDITURES				
Capital outlay	20,758,094	20,758,094	7,719,343	13,038,751
Total expenditures	20,758,094	20,758,094	7,719,343	13,038,751
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(20,625,089)	(20,625,089)	(7,719,343)	12,905,746
OTHER FINANCING SOURCES (USES)				
Bonds issued, at par	13,318,525	13,318,525	-	(13,318,525)
Total other financing sources (uses)	13,318,525	13,318,525	-	(13,318,525)
NET CHANGE IN FUND BALANCE	<u>\$ (7,306,564)</u>	<u>\$ (7,306,564)</u>	(7,719,343)	<u>\$ (412,779)</u>
FUND BALANCE, JANUARY 1			<u>7,719,343</u>	
FUND BALANCE, DECEMBER 31			<u><u>\$ -</u></u>	

(See independent auditor's report.)

NONMAJOR ENTERPRISE FUNDS

CITY OF NAPERVILLE, ILLINOIS

COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS

December 31, 2021

	Burlington Commuter Fund	Solid Waste Fund	Total
CURRENT ASSETS			
Cash and investments	\$ 2,518,840	\$ 25,943	\$ 2,544,783
Receivables			
Accrued interest	8,264	-	8,264
Accounts receivable less allowance for doubtful accounts	-	483,712	483,712
Total current assets	<u>2,527,104</u>	<u>509,655</u>	<u>3,036,759</u>
NONCURRENT ASSETS			
Capital assets (net of accumulated depreciation)			
Capital assets not depreciated	11,794,856	-	11,794,856
Capital assets depreciated, net	<u>1,081,861</u>	<u>-</u>	<u>1,081,861</u>
Net capital assets	<u>12,876,717</u>	<u>-</u>	<u>12,876,717</u>
Total assets	<u>15,403,821</u>	<u>509,655</u>	<u>15,913,476</u>
DEFERRED OUTFLOWS OF RESOURCES			
None	-	-	-
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>15,403,821</u>	<u>509,655</u>	<u>15,913,476</u>
CURRENT LIABILITIES			
Accounts payable	83,361	592,564	675,925
Accrued wages and benefits payable	15,097	-	15,097
Deposits	895	-	895
Due to other funds	-	97,111	97,111
Total current liabilities	<u>99,353</u>	<u>689,675</u>	<u>789,028</u>
Total liabilities	<u>99,353</u>	<u>689,675</u>	<u>789,028</u>
DEFERRED INFLOWS OF RESOURCES			
None	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and deferred inflows of resources	<u>99,353</u>	<u>689,675</u>	<u>789,028</u>
NET POSITION			
Net investment in capital assets	12,876,717	-	12,876,717
Unrestricted (deficit)	<u>2,427,751</u>	<u>(180,020)</u>	<u>2,247,731</u>
TOTAL NET POSITION (DEFICIT)	<u>\$ 15,304,468</u>	<u>\$ (180,020)</u>	<u>\$ 15,124,448</u>

(See independent auditor's report.)

CITY OF NAPERVILLE, ILLINOIS

COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
NONMAJOR ENTERPRISE FUNDS

For the Year Ended December 31, 2021

	Burlington Commuter Fund	Solid Waste Fund	Total
OPERATING REVENUES			
Charges for services	\$ 951,214	\$ 7,032,760	\$ 7,983,974
Total operating revenues	951,214	7,032,760	7,983,974
OPERATING EXPENSES			
Operations	1,532,365	7,124,204	8,656,569
Other operating expenses	30,000	-	30,000
Total operating expenses	1,562,365	7,124,204	8,686,569
OPERATING INCOME (LOSS) BEFORE DEPRECIATION AND AMORTIZATION	(611,151)	(91,444)	(702,595)
Depreciation and amortization	(131,492)	-	(131,492)
OPERATING INCOME (LOSS)	(742,643)	(91,444)	(834,087)
NON-OPERATING REVENUES (EXPENSES)			
Net investment income (loss)	(39,943)	-	(39,943)
Total non-operating revenues (expenses)	(39,943)	-	(39,943)
CHANGE IN NET POSITION	(782,586)	(91,444)	(874,030)
NET POSITION (DEFICIT), JANUARY 1	16,087,054	(88,576)	15,998,478
NET POSITION (DEFICIT), DECEMBER 31	\$ 15,304,468	\$ (180,020)	\$ 15,124,448

(See independent auditor's report.)

CITY OF NAPERVILLE, ILLINOIS

**COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS**

For the Year Ended December 31, 2021

	Burlington Commuter Fund	Solid Waste Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 984,355	\$ 7,045,084	\$ 8,029,439
Payments to suppliers	(771,680)	(7,104,742)	(7,876,422)
Payments to employees	(827,262)	-	(827,262)
Net cash from operating activities	<u>(614,587)</u>	<u>(59,658)</u>	<u>(674,245)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Due to/from other funds	-	83,502	83,502
Net cash from noncapital financing activities	<u>-</u>	<u>83,502</u>	<u>83,502</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
None	-	-	-
Net cash from capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
None	-	-	-
Net cash from investing activities	<u>-</u>	<u>-</u>	<u>-</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(614,587)	23,844	(590,743)
CASH AND CASH EQUIVALENTS, JANUARY 1	<u>3,133,427</u>	<u>2,099</u>	<u>3,135,526</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ 2,518,840</u>	<u>\$ 25,943</u>	<u>\$ 2,544,783</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES			
Operating income (loss)	\$ (742,643)	\$ (91,444)	\$ (834,087)
Adjustments to reconcile operating income (loss) to net cash from operating activities			
Depreciation and amortization expense	131,492	-	131,492
Unrealized gains/losses	(30,270)	-	(30,270)
(Increase) decrease in assets and deferred outflows of resources	33,141	12,324	45,465
Increase (decrease) in liabilities and deferred inflows of resources	(6,307)	19,462	13,155
Total adjustments	<u>128,056</u>	<u>31,786</u>	<u>159,842</u>
NET CASH FROM OPERATING ACTIVITIES	<u>\$ (614,587)</u>	<u>\$ (59,658)</u>	<u>\$ (674,245)</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, 2021

	Police Pension	Firefighters' Pension	Total
ASSETS			
Cash and short-term investments	\$ 8,668,639	\$ 6,515,397	\$ 15,184,036
Receivables			
Interest receivable	643,159	679,588	1,322,747
Investments at fair value			
U.S. Treasury obligations	44,042,782	46,495,671	90,538,453
U.S. Government agencies	6,676,094	7,274,821	13,950,915
Municipal bonds	961,036	756,469	1,717,505
Corporate bonds	23,886,359	20,478,220	44,364,579
Annuities	18,133,218	17,805,626	35,938,844
Common stock	-	31,335,044	31,335,044
Mutual funds	145,152,317	115,507,463	260,659,780
Total investments	238,851,806	239,653,314	478,505,120
Due from municipality	25,330	43,649	68,979
Prepaid items	11,291	-	11,291
Total assets	248,200,225	246,891,948	495,092,173
LIABILITIES			
Accounts payable	65,761	22,342	88,103
NET POSITION RESTRICTED FOR PENSIONS	\$ 248,134,464	\$ 246,869,606	\$ 495,004,070

(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, 2021

	Police Pension	Firefighters' Pension	Total
ADDITIONS			
Contributions			
Employer	\$ 7,885,275	\$ 10,360,061	\$ 18,245,336
Employee	2,112,322	2,020,200	4,132,522
Other	458,679	-	458,679
Total contributions	<u>10,456,276</u>	<u>12,380,261</u>	<u>22,836,537</u>
Investment income			
Net appreciation in fair value of investments	20,042,413	19,942,051	39,984,464
Interest and dividends	7,736,655	7,159,639	14,896,294
Total investment income	27,779,068	27,101,690	54,880,758
Less investment expense	254,576	424,462	679,038
Net investment income	<u>27,524,492</u>	<u>26,677,228</u>	<u>54,201,720</u>
Other income	-	287	287
Total additions	<u>37,980,768</u>	<u>39,057,776</u>	<u>77,038,544</u>
DEDUCTIONS			
Pension benefits	10,644,203	10,787,747	21,431,950
Refunds of contributions	6,747	36,660	43,407
Administrative expense	59,256	130,042	189,298
Total deductions	<u>10,710,206</u>	<u>10,954,449</u>	<u>21,664,655</u>
NET INCREASE	27,270,562	28,103,327	55,373,889
NET POSITION RESTRICTED FOR PENSIONS			
January 1	<u>220,863,902</u>	<u>218,766,279</u>	<u>439,630,181</u>
December 31	<u>\$ 248,134,464</u>	<u>\$ 246,869,606</u>	<u>\$ 495,004,070</u>

(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.	129-138
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	139-145
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.	146-149
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.	150-151
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.	152-154

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

CITY OF NAPERVILLE, ILLINOIS

NET POSITION BY COMPONENT

Last Ten Fiscal Years
(Amounts expressed in thousands)

Fiscal Year	2013	2014	2015	2015*/**
GOVERNMENTAL ACTIVITIES				
Net investment in capital assets	\$ 419,148	\$ 412,387	\$ 409,027	\$ 420,617
Restricted	6,787	8,042	9,623	9,635
Unrestricted	41,836	38,904	30,529	(87,728)
TOTAL GOVERNMENTAL ACTIVITIES	\$ 467,771	\$ 459,333	\$ 449,179	\$ 342,524
BUSINESS-TYPE ACTIVITIES				
Net investment in capital assets	\$ 432,913	\$ 437,827	\$ 442,720	\$ 426,461
Restricted	-	-	-	-
Unrestricted	27,522	11,846	6,674	8,693
TOTAL BUSINESS-TYPE ACTIVITIES	\$ 460,435	\$ 449,673	\$ 449,394	\$ 435,154
PRIMARY GOVERNMENT				
Net investment in capital assets	\$ 852,061	\$ 850,214	\$ 851,747	\$ 847,078
Restricted	6,787	8,042	9,623	9,635
Unrestricted	69,358	50,750	37,203	(79,035)
TOTAL PRIMARY GOVERNMENT	\$ 928,206	\$ 909,006	\$ 898,573	\$ 777,678

*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

2016	2017	2018	2019	2020	2021
\$ 425,260	\$ 411,982	\$ 413,491	\$ 409,050	\$ 392,642	\$ 402,305
7,993	17,301	16,902	19,684	20,950	25,029
(86,883)	(83,615)	(91,112)	(87,250)	(63,176)	(26,631)
\$ 346,370	\$ 345,668	\$ 339,281	\$ 341,484	\$ 350,416	\$ 400,703
\$ 422,141	\$ 416,692	\$ 406,121	\$ 394,245	\$ 401,728	\$ 406,088
-	-	-	-	-	-
18,661	34,704	53,107	66,627	66,866	77,025
\$ 440,802	\$ 451,396	\$ 459,228	\$ 460,872	\$ 468,594	\$ 483,113
\$ 847,401	\$ 828,674	\$ 819,612	\$ 803,295	\$ 794,370	\$ 808,393
7,993	17,301	16,902	19,684	20,950	25,029
(68,222)	(48,911)	(38,005)	(20,623)	3,690	50,394
\$ 787,172	\$ 797,064	\$ 798,509	\$ 802,356	\$ 819,010	\$ 883,816

CITY OF NAPERVILLE, ILLINOIS

CHANGES IN NET POSITION

Last Ten Fiscal Years
(Amounts expressed in thousands)

Fiscal Year	2013	2014	2015	2015*
EXPENSES				
Governmental activities				
General government	\$ 7,986	\$ 8,901	\$ 8,925	\$ 11,331
Physical environment	9,455	8,608	8,381	6,784
Public safety	65,017	67,578	70,241	63,792
Culture and recreation	8,426	9,779	8,687	4,846
Transportation	47,120	49,587	56,446	25,941
Interest on long-term debt	4,161	3,782	4,288	2,512
Total governmental activities expenses	<u>142,165</u>	<u>148,235</u>	<u>156,968</u>	<u>115,206</u>
Business-type activities				
Electric	145,585	152,352	144,954	103,759
Water and wastewater	46,037	50,981	51,287	41,990
Burlington commuter parking	2,033	1,559	2,061	905
Solid waste	-	-	-	-
Total business-type activities expenses	<u>193,655</u>	<u>204,892</u>	<u>198,302</u>	<u>146,654</u>
TOTAL PRIMARY GOVERNMENT EXPENSES	<u>\$ 335,820</u>	<u>\$ 353,127</u>	<u>\$ 355,270</u>	<u>\$ 261,860</u>
PROGRAM REVENUES				
Governmental activities				
Charges for services				
General government	\$ 1,609	\$ 1,517	\$ 1,245	\$ 4,133
Physical environment	1,746	2,000	2,099	1,357
Public safety	7,700	7,788	7,875	5,021
Culture and recreation	855	832	883	301
Transportation	1,467	1,677	2,478	164
Operating grants and contributions				
General government				
Physical environment	1,422	610	540	1,003
Public safety	1,932	1,808	2,316	1,731
Culture and recreation	87	171	-	-
Transportation	4,405	4,489	5,013	-
Interest on long-term debt	209	192	297	-
Capital grants and contributions				
Transportation	1,086	3,012	12,118	2,541
Total governmental activities program revenues	<u>22,518</u>	<u>24,096</u>	<u>34,864</u>	<u>16,251</u>
Business-type activities				
Charges for services				
Electric	134,580	134,089	135,708	96,128
Water and wastewater	47,518	47,313	48,201	35,071
Burlington commuter parking	2,191	2,257	2,211	1,473
Solid waste	-	-	-	-
Operating grants and contributions				
Electric	82	17	-	-
Water and wastewater	336	230	234	235
Burlington commuter parking	-	-	-	-
Capital grants and contributions				
Electric	7,957	5,612	2,230	2,226
Water and wastewater	1,879	5,074	4,537	931
Total business-type activities program revenues	<u>194,543</u>	<u>194,592</u>	<u>193,121</u>	<u>136,064</u>
TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES	<u>\$ 217,061</u>	<u>\$ 218,688</u>	<u>\$ 227,985</u>	<u>\$ 152,315</u>

	2016	2017	2018	2019	2020	2021
\$	14,918	\$ 15,250	\$ 14,725	\$ 15,957	\$ 14,855	\$ 9,081
	9,996	10,376	10,396	11,706	12,823	14,098
	78,039	74,934	87,692	95,907	84,571	82,521
	7,516	8,366	8,535	8,452	9,656	9,646
	37,830	48,964	41,110	47,730	46,544	34,533
	3,524	3,122	3,087	2,790	2,864	2,602
	151,823	161,012	165,545	182,542	171,313	152,481
	151,588	150,148	154,474	154,110	152,678	146,824
	56,926	60,591	64,494	64,141	63,845	60,580
	1,770	1,423	1,907	2,289	2,228	1,694
	-	-	-	-	6,841	7,124
	210,284	212,162	220,875	220,540	225,592	216,222
\$	362,107	\$ 373,174	\$ 386,420	\$ 403,082	\$ 396,905	\$ 368,703
\$	13,151	\$ 12,252	\$ 13,485	\$ 14,699	\$ 6,972	\$ 7,755
	2,215	2,401	2,143	2,176	1,876	2,484
	8,081	10,448	12,232	14,853	11,854	17,005
	467	538	439	536	54	563
	195	129	151	127	89	87
	1,737	968	1,558	1,083	1,228	1,909
	1,185	899	1,135	1,473	8,565	1,350
	-	-	-	-	39	-
	38	361	316	41	702	213
	-	-	-	-	-	-
	3,736	3,679	3,814	4,872	8,945	9,252
	30,805	31,675	35,273	39,860	40,324	40,618
	155,122	157,317	162,771	150,322	150,717	147,253
	51,004	53,627	58,755	60,242	65,129	69,019
	2,298	2,528	2,392	2,369	1,062	951
	-	-	-	-	6,753	7,033
	(18)	-	-	-	100	-
	224	307	267	143	785	493
	-	-	-	-	-	-
	3,157	4,070	3,869	3,322	2,396	3,352
	1,778	1,978	1,437	1,080	1,456	1,436
	213,565	219,827	229,491	217,478	228,398	229,537
\$	244,370	\$ 251,502	\$ 264,764	\$ 257,338	\$ 268,722	\$ 270,155

CITY OF NAPERVILLE, ILLINOIS

CHANGES IN NET POSITION (Continued)

Last Ten Fiscal Years
(amounts expressed in thousands)

Fiscal Year	2013	2014	2015	2015*
NET (EXPENSE) REVENUE				
Governmental activities	\$ (119,647)	\$ (124,139)	\$ (122,104)	\$ (98,955)
Business-type activities	888	(10,300)	(5,181)	(10,590)
TOTAL PRIMARY GOVERNMENT NET (EXPENSE) REVENUE	\$ (118,759)	\$ (134,439)	\$ (127,285)	\$ (109,545)
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION				
Governmental activities				
Taxes				
Property	\$ 36,227	\$ 33,639	\$ 33,169	\$ 34,849
Utility	16,604	16,993	16,123	10,108
Sales and use	32,263	34,498	35,580	25,189
State income	12,784	13,823	13,892	9,925
Real estate transfer	3,337	4,517	4,125	3,537
Food and beverage	3,583	3,262	3,138	2,835
Hotel/motel	-	-	-	-
Gas	-	-	-	-
Other***	5,086	5,612	6,037	3,448
Franchise fees	2,437	2,455	2,538	2,162
Net investment income (loss)	1,190	(293)	1,925	198
Miscellaneous	-	-	-	609
Transfers	-	-	(4,577)	-
Total governmental activities	113,511	114,506	111,950	92,860
Business-type activities				
Net investment income (loss)	432	(462)	282	137
Miscellaneous revenues	-	-	-	1,189
Transfers	-	-	4,577	-
Total business-type activities	432	(462)	4,859	1,326
TOTAL PRIMARY GOVERNMENT CHANGE IN NET POSITION	\$ 113,943	\$ 114,044	\$ 116,809	\$ 94,186
TOTAL PRIMARY GOVERNMENT CHANGE IN NET POSITION	\$ (6,136)	\$ (9,633)	\$ (10,154)	\$ (6,095)
Governmental activities	\$ (6,136)	\$ (9,633)	\$ (10,154)	\$ (6,095)
Business-type activities	1,320	(10,762)	(322)	(9,264)
TOTAL PRIMARY GOVERNMENT CHANGE IN NET POSITION	\$ (4,816)	\$ (20,395)	\$ (10,476)	\$ (15,359)

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

** The City moved the Solid Waste Fund from governmental activities to business-type activities as of December 31, 2020.

***The City began presenting hotel/motel taxes and gas taxes separately from other taxes during the fiscal year ended December 31, 2021.

Data Source

Audited Financial Statements

	2016	2017	2018	2019	2020	2021
\$	(121,018)	\$ (129,337)	\$ (130,272)	\$ (142,682)	\$ (130,989)	\$ (111,863)
	3,281	7,665	8,616	(3,062)	2,806	13,315
\$	(117,737)	\$ (121,672)	\$ (121,656)	\$ (145,744)	\$ (128,183)	\$ (98,548)
\$	33,355	\$ 34,129	\$ 34,495	\$ 36,555	\$ 38,312	\$ 40,828
	15,137	15,399	16,008	15,775	14,764	14,930
	44,355	46,082	49,249	54,348	52,044	66,900
	13,809	13,029	13,617	15,694	16,023	19,493
	5,221	5,506	4,665	4,845	4,265	7,425
	4,955	3,907	5,335	5,480	3,812	5,692
	-	-	-	-	-	1,567
	-	-	-	-	-	2,290
	4,313	6,049	4,442	4,867	3,385	999
	3,230	3,423	3,097	3,119	2,909	2,962
	(109)	355	636	3,390	3,941	(1,909)
	597	756	652	831	450	972
	-	-	-	-	-	-
	124,863	128,635	132,196	144,904	139,905	162,149
	310	580	546	2,810	3,366	(958)
	2,057	2,351	1,885	1,896	1,550	2,162
	-	-	-	-	-	-
	2,367	2,931	2,431	4,706	4,916	1,204
\$	127,230	\$ 131,566	\$ 134,627	\$ 149,610	\$ 144,821	\$ 163,353
\$	3,845	\$ (702)	\$ 1,924	\$ 2,222	\$ 8,916	\$ 50,286
	5,648	10,596	11,047	1,644	7,722	14,519
\$	9,493	\$ 9,894	\$ 12,971	\$ 3,866	\$ 16,638	\$ 64,805

CITY OF NAPERVILLE, ILLINOIS

FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years
(Amounts expressed in thousands)

Fiscal Year	2013	2014	2015	2015*
GENERAL FUND				
Nonspendable	\$ 158	\$ 75	\$ 343	\$ 13
Assigned	6,000	-	-	-
Unassigned	25,573	25,513	28,961	28,358
TOTAL GENERAL FUND	\$ 31,731	\$ 25,588	\$ 29,304	\$ 28,370
ALL OTHER GOVERNMENTAL FUNDS				
Nonspendable	\$ 75	\$ 62	\$ 39	\$ 38
Restricted	6,825	10,895	21,619	8,772
Committed	3,860	2,459	1,717	1,268
Assigned	3,278	5,033	5,115	5,780
Unassigned (deficit)	(55)	(190)	(543)	(763)
TOTAL ALL OTHER GOVERNMENTAL FUNDS	\$ 13,983	\$ 18,259	\$ 27,947	\$ 15,095

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

Data Source

Audited Financial Statements

2016	2017	2018	2019	2020	2021
\$ 32	\$ 529	\$ 522	\$ 521	\$ 521	\$ 446
-	-	-	-	-	-
26,826	27,884	27,754	33,666	37,482	51,542
\$ 26,858	\$ 28,413	\$ 28,276	\$ 34,187	\$ 38,003	\$ 51,988
\$ 35	\$ -	\$ -	\$ -	\$ -	\$ -
15,723	19,906	22,057	19,684	22,532	25,029
638	858	893	891	1,097	1,430
12,076	12,455	18,502	25,410	36,177	36,693
(576)	(543)	(474)	(803)	(989)	(770)
\$ 27,896	\$ 32,676	\$ 40,978	\$ 45,182	\$ 58,817	\$ 62,382

CITY OF NAPERVILLE, ILLINOIS

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years
(Amounts expressed in thousands)

Fiscal Year	2013	2014	2015	2015**/**
REVENUES				
Taxes	\$ 109,884	\$ 112,344	\$ 112,064	\$ 54,777
Licenses and permits	2,319	2,480	2,548	1,421
Fines and forfeitures	1,718	1,709	1,770	1,162
Investment income	855	(98)	1,603	201
Intergovernmental	8,177	6,737	8,762	40,368
Charges for services	7,894	8,348	9,242	9,138
Fees	3,311	2,822	3,009	2,173
Contributions	106	1,890	1,875	280
Miscellaneous	1,209	908	628	609
Total revenues	135,473	137,140	141,501	110,129
EXPENDITURES				
General government	6,165	6,967	7,241	7,737
Physical environment	9,082	8,633	8,371	5,655
Public safety	63,090	71,862	70,040	50,462
Culture and recreation	7,275	8,165	7,142	4,422
Transportation	21,072	24,317	26,916	17,879
Capital outlay	16,067	16,997	22,250	24,743
Debt service				
Principal	12,010	5,648	6,841	9,448
Interest	3,880	3,766	4,031	4,027
Other charges	126	127	205	-
Total expenditures	138,767	146,482	153,037	124,373
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(3,294)	(9,342)	(11,536)	(14,244)
OTHER FINANCING SOURCES (USES)				
Transfers in	5,573	7,129	10,200	8,950
Transfers (out)	(5,224)	(6,779)	(3,504)	(8,950)
Sale of capital assets	200	-	515	-
Payment to refunded bond escrow agent	(16,550)	-	-	-
Bonds issued, at par	-	5,620	17,340	-
Refunding bonds issued	17,963	-	-	-
Premium on bonds issued	2,449	310	389	-
Total other financing sources (uses)	4,411	6,280	24,940	-
NET CHANGE IN FUND BALANCES	\$ 1,117	\$ (3,062)	\$ 13,404	\$ (14,244)
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES	11.89%	6.68%	7.63%	13.67%

*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.

	2016	2017	2018	2019	2020	2021
\$	63,391	\$ 64,990	\$ 64,944	\$ 67,521	\$ 64,538	\$ 73,734
	2,685	3,006	2,763	2,970	2,006	3,060
	1,659	1,473	1,276	1,385	1,012	1,286
	(125)	338	615	3,352	3,868	(1,840)
	64,221	64,462	68,323	77,192	86,904	98,201
	18,741	21,290	24,539	27,890	18,041	23,818
	3,247	3,423	3,097	3,119	2,909	2,962
	413	556	1,239	464	427	645
	597	756	652	832	450	972
	154,829	160,294	167,448	184,725	180,155	202,838
	12,091	12,482	12,064	12,510	13,713	15,184
	8,269	8,247	8,591	8,110	8,422	9,688
	72,028	73,845	78,263	81,088	90,104	91,485
	6,652	7,302	7,145	7,360	7,456	7,441
	28,115	26,443	27,198	28,759	21,762	23,632
	21,896	19,060	19,306	23,263	24,241	25,020
	6,920	10,654	10,613	10,485	10,233	9,943
	3,811	3,306	3,274	3,019	3,042	2,893
	-	-	-	-	-	-
	159,782	161,339	166,454	174,594	178,973	185,286
	(4,953)	(1,045)	994	10,131	1,182	17,552
	5,089	4,594	2,331	6,911	4,886	3,667
	(5,089)	(4,594)	(2,331)	(6,911)	(4,886)	(3,667)
	769	221	2,270	-	-	-
	(35,679)	-	-	-	(4,777)	-
	14,334	6,980	4,640	-	15,225	-
	33,900	-	-	-	4,465	-
	2,919	179	261	-	1,338	-
	16,243	7,380	7,171	-	16,251	-
\$	11,290	\$ 6,335	\$ 8,165	\$ 10,131	\$ 17,433	\$ 17,552
	7.85%	9.21%	9.05%	8.19%	7.84%	7.31%

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			
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	
2020	52,044	16,023	68,067	38,312	14,764	11,462	64,538	132,605	
2021	66,900	19,493	86,393	40,828	14,930	14,116	69,874	156,267	

*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

ASSESSED 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
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%
2019	6,024,168,661	454,951	1,421,814,242	5,015,287	7,451,453,141	0.6937	22,354,359,423	33.333%
2020	6,320,681,261	348,611	1,452,597,887	6,014,713	7,779,642,472	0.6949	23,338,927,416	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	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
CITY DIRECT RATES										
General Corporate	0.1381	0.1457	0.1009	0.0803	0.1060	0.0789	0.0188	0.0439	0.0739	0.0850
Naperville Public Library	0.2076	0.2374	0.2465	0.2481	0.2288	0.2119	0.2119	0.2055	0.2025	0.1939
Police Pension	0.0679	0.0787	0.0879	0.0845	0.0938	0.0917	0.0961	0.0911	0.0913	0.0949
Firefighters' Pension	0.0737	0.0820	0.0884	0.0846	0.0945	0.1023	0.1218	0.1177	0.1241	0.1266
Bond and interest - general obligation bond	0.1799	0.1403	0.1631	0.2153	0.1249	0.1297	0.1538	0.1591	0.1283	0.1224
Illinois Municipal Retirement	0.0409	0.0444	0.0461	0.0460	0.0441	0.0415	0.0369	0.0305	0.0356	0.0357
Naper Settlement	0.0434	0.0471	0.0499	0.0494	0.0471	0.0444	0.0422	0.0392	0.0380	0.0364
Total direct rates	0.7515	0.7756	0.7828	0.8082	0.7392	0.7004	0.6815	0.6870	0.6937	0.6949
OVERLAPPING RATES										
Naperville Park District	0.2969	0.3148	0.3358	0.3397	0.3317	0.3195	0.3162	0.3149	0.3060	0.2931
Unit School #203	4.5400	4.9909	5.3862	5.4756	5.3549	5.0547	5.0062	4.9259	4.9672	4.8841
Unit School #204	5.2200	5.7047	5.9498	6.0149	5.8505	5.6004	5.4967	5.4589	5.3600	5.2956
College of DuPage #502	0.2495	0.2681	0.2956	0.2975	0.2786	0.2626	0.2431	0.2317	0.2112	0.2114
DuPage Forest Preserve	0.1414	0.1542	0.1657	0.1691	0.1622	0.1514	0.1306	0.1278	0.1242	0.1205
DuPage Airport Authority	0.0169	0.0168	0.0178	0.0196	0.0188	0.0176	0.0166	0.0146	0.0141	0.0148
DuPage County	0.1773	0.1929	0.2040	0.2057	0.1971	0.1848	0.1749	0.1673	0.1655	0.1609
Will County	0.5351	0.5696	0.5994	0.6210	0.6408	0.6182	0.5986	0.5927	0.5842	0.5788
Lisle Township	0.0480	0.0261	0.0548	0.0561	0.0553	0.0528	0.0512	0.0496	0.0428	0.0393
Naperville Township	0.0483	0.0379	0.0515	0.0413	0.0452	0.0435	0.0426	0.0424	0.0419	0.0414
Wheatland Township	0.0328	0.0344	0.0378	0.0378	0.0336	0.0737	0.0738	0.0738	0.0725	0.0727

Data Source

Office of the County Clerk

CITY OF NAPERVILLE, ILLINOIS

PRINCIPAL PROPERTY TAXPAYERS

Current Year and Nine Years Ago

Taxpayer	2020 Tax Levy			2011 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.	\$ 24,001,500	1	0.31%			
FPAS Addison LLC	19,750,440	2	0.25%			
Allegan Warrenville LP	19,091,410	3	0.25%			
Ryan PTS	18,121,280	4	0.23%			
CF Railway Multifamily	17,946,310	5	0.23%			
PBH Cress Creek LLC	17,378,260	6	0.22%			
Sir Properties REIT LLC	16,665,000	7	0.21%			
BMO Harris Bank	15,415,040	8	0.20%			
Lincoln at the Parks	15,250,880	9	0.20%			
TGM McDowell Place LLC	14,531,880	10	0.19%			
Chicago Title Land Trust				\$ 72,054,510	1	1.12%
North Star Trust Company				69,823,757	2	1.09%
Wells Real Estate Funds				68,803,110	3	1.07%
AMLI Residential				68,765,998	4	1.07%
AIMCO Country Lakes LLC				54,201,490	5	0.84%
Crane and Norcross				46,226,920	6	0.72%
NS-MPG Inc				40,768,527	7	0.63%
Edward Hospital				33,524,838	8	0.52%
Center Pointe Properties				32,576,770	9	0.51%
White Oak Realty Properties				26,032,720	10	0.40%
	<u>\$ 178,152,000</u>		<u>2.29%</u>	<u>\$ 512,778,640</u>		<u>7.97%</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.

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
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%
2019	51,653,948	51,361,583	99.43%	106,357	51,467,940	99.64%
2020	54,060,715	53,734,031	99.40%	100,517	53,834,548	99.58%

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	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General merchandise	\$ 2,175,020	\$ 1,985,901	\$ 2,055,475	\$ 1,973,827	\$ 1,734,850	\$ 1,682,829	\$ 1,727,680	\$ 1,703,036	\$ 1,614,668	\$ 1,786,154
Food	3,440,483	3,586,963	3,457,404	3,537,170	4,030,651	4,277,657	4,126,200	4,119,877	4,502,795	4,370,417
Drinking and eating places	3,162,362	3,352,311	3,420,229	3,433,778	3,843,978	4,047,681	4,115,550	4,310,007	3,306,793	4,437,113
Apparel	1,004,555	1,067,110	1,088,821	1,152,420	1,210,325	1,203,706	1,174,380	1,155,698	734,756	1,227,069
Furniture, H.H., and radio	2,194,838	2,347,163	2,272,010	2,231,986	1,959,765	1,898,165	1,869,238	1,927,766	1,837,713	2,237,779
Lumber, building hardware	1,302,937	1,520,274	1,656,157	1,709,368	1,667,454	1,694,172	1,739,712	1,747,880	1,920,452	2,407,099
Automobile and filling stations	10,494,788	12,237,637	12,751,291	12,870,415	12,566,087	12,688,204	13,091,973	13,846,632	12,714,540	16,934,243
Drugs and miscellaneous retail	3,692,042	3,869,309	4,097,497	3,205,869	3,904,515	3,904,594	3,561,337	3,753,949	3,717,717	6,827,819
Agriculture and all others	1,501,727	1,509,790	1,620,270	2,576,081	1,866,766	1,997,162	2,220,590	2,223,796	1,917,751	2,282,461
Manufacturers	521,896	527,545	530,662	561,411	534,413	478,725	639,803	710,328	652,495	602,943
TOTAL	\$ 29,490,648	\$ 32,004,003	\$ 32,949,816	\$ 33,252,325	\$ 33,318,804	\$ 33,872,895	\$ 34,266,463	\$ 35,498,969	\$ 32,919,680	\$ 43,113,097
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
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%	0.75%	5.00%	0.75%	0.25%
2019	1.00%	0.75%	5.00%	0.75%	0.25%
2020	1.00%	0.75%	5.00%	0.75%	0.25%
2021	1.00%	0.75%	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			
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
2020	93,849,312	33,185,561	-	-	127,034,873	1.55%	855.75
2021	83,399,716	28,687,658	-	-	112,087,374	1.36%	749.55

*See the schedule of Demographic and Economic Information on page 150 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 In Debt Service Funds**	Total	Percentage of Estimated Actual Taxable Value of Property*	Per Capita
	Governmental Activities	Business-Type Activities				
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%	1,026.19
2018	99,204,495	42,862,352	5,027,970	137,038,877	0.66%	929.40
2019	88,275,178	37,680,584	6,568,618	119,387,144	0.55%	804.23
2020	93,849,312	33,185,561	7,971,512	119,063,361	0.53%	802.05
2021	83,399,716	28,687,658	8,207,346	103,880,028	0.45%	694.66

*See the schedule of Assessed Value and Actual Value of Taxable Property on page 140 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, 2021

Governmental Unit	Gross Debt	Percentage Debt Applicable to the City of Naperville (1)	City of Naperville's Share of Debt
City of Naperville	\$ 83,399,716	100.00%	\$ 83,399,716
School District #200	80,100,000	0.230%	184,230
School District #202	155,560,000	5.080%	7,902,448
School District #203	11,390,000	77.090%	8,780,551
School District #204	129,130,000	42.950%	55,461,335
School District #365	304,437,487	7.320%	22,284,824
Community College District #502	144,715,000	11.500%	16,642,225
Community College District #525	178,490,608	1.880%	3,355,623
Lisle Park District	5,065,000	0.440%	22,286
Naperville Park District	29,835,000	94.850%	28,298,498
Wheaton Park District	13,252,185	0.340%	45,057
Will County	372,255,000	14.630%	54,460,907
Will County Forest Preserve	92,402,454	14.630%	13,518,479
DuPage County	113,593,149	11.290%	12,824,667
DuPage County Forest Preserve	67,720,183	11.290%	7,645,609
	<u>1,697,946,066</u>		<u>231,426,739</u>
	<u>\$ 1,781,345,782</u>		<u>\$ 314,826,455</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, 2021

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 Bachelor's Degree or Higher (% person 25+)	School Enrollment	Unemployment Rate
2013	141,853	\$ 6,452,609,264	\$ 45,488	37.9	65.9%	47,572	6.7
2014	143,289	6,449,724,468	45,012	39.2	66.1%	46,790	7.1
2015	143,289	6,606,769,212	46,108	38.7	65.5%	46,790	5.7
2015*	146,128	6,809,272,544	46,598	38.2	65.5%	45,020	4.6
2016	145,058	6,803,945,000	46,905	38.6	66.0%	45,071	4.6
2017	145,789	7,018,136,671	48,139	38.5	69.6%	44,524	4.0
2018	147,449	7,385,278,063	50,087	35.0	67.8%	44,513	3.6
2019	148,449	7,876,852,389	53,061	38.7	68.2%	43,952	3.5
2020	148,449	8,198,392,923	55,227	40.5	69.9%	42,675	8.7
2021	149,540	8,258,645,580	55,227	35.0	69.9%	45,234	3.9

*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

Current Year and Nine Years Ago

2021				2012			
Employer	Employees	Rank	% of Total City Population	Employer	Employees	Rank	% of Total City Population
Edward Hospital & Health Services	4,940	1	3.30%	Edward Hospital & Health Services	4,339	1	3.06%
Indian Prairie School District 204	3,022	2	2.02%	Nicor Gas	3,700	2	2.61%
Nokia	3,000	3	2.01%	Lucent/Alcatel	3,600	3	2.54%
Naperville School District 203	2,367	4	1.58%	Naperville School District 204	3,184	4	2.24%
Nicor	2,140	5	1.43%	Naperville School District 203	2,575	5	1.82%
BP America	1,800	6	1.20%	BP America	1,750	6	1.23%
Nalco	1,300	7	0.87%	Office Max	1,500	7	1.06%
BMO Harris	1,250	8	0.84%	Tellabs, Inc.	1,200	8	0.85%
City of Naperville	951	9	0.64%	Nalco Co.	1,000	9	0.70%
KeHe	673	10	0.45%	City of Naperville	961	10	0.68%
TOTAL	21,443		14.34%		23,809		16.79%

Data Sources

Naperville Development Partnership and Naperville Convention & Visitors Bureau

CITY OF NAPERVILLE, ILLINOIS

FULL-TIME EQUIVALENT EMPLOYEES

Last Ten Fiscal Years

Function/Program	2012	2013	2014	2015*	2016	2017	2018	2019	2020	2021
Mayor and Council	11.12	11.12	11.12	11.00	11.00	11.00	11.00	11.00	11.00	11.00
Legal	10.50	10.50	14.00	14.00	13.50	13.50	9.00	9.00	9.00	9.00
City Manager's Office	10.12	13.12	11.12	11.12	11.12	10.13	11.63	12.63	13.63	13.63
City Clerk	5.50	5.50	5.50	6.50	8.00	7.25	6.00	6.00	6.00	7.00
Special Events and Cultural	0.50	0.50	0.50	0.62	0.62	1.00	1.00	1.00	1.00	1.00
Community Development Block Grant	0.75	0.50	0.67	0.67	0.67	1.00	1.00	1.00	1.00	1.00
Information Technology	18.75	19.75	21.75	27.00	27.00	26.00	26.00	30.00	35.00	36.00
Finance	35.63	35.63	36.63	35.63	35.63	33.63	33.13	35.13	35.14	46.13
Human Resources	9.50	9.50	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00
Board of Fire and Police	0.88	0.88	0.88	1.00	1.00	1.00	1.00	1.00	1.00	1.00
TED Business Group	65.87	66.60	66.18	66.66	68.66	64.00	63.00	63.00	63.00	63.20
Riverwalk Commission	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Public Works	108.55	108.30	108.76	108.88	109.39	103.63	103.63	100.63	100.63	99.63
Police	269.92	269.92	275.67	275.54	274.90	271.88	268.10	269.12	273.12	265.13
Fire	203.00	202.00	202.00	202.00	202.00	202.00	201.00	201.00	201.00	201.00
Electric Utility	118.50	117.00	114.00	112.00	112.00	106.00	106.00	106.00	103.00	103.00
Water Utility	83.50	82.94	82.94	83.56	83.79	84.50	82.50	83.00	84.00	83.50
TOTAL	953.09	954.26	961.22	965.68	968.78	946.02	933.49	939.01	947.02	950.72

*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	2013	2014	2015	2015*	2016	2017	2018	2019	2020	2021
PUBLIC SAFETY										
Police (1)										
Physical arrests (DUI)	549	424	374	369	312	266	272	295	240	227
Parking violations	16,600	14,148	13,630	13,582	18,206	17,246	15,488	15,918	5,784	9,004
Traffic violations	17,769	13,924	12,319	12,532	15,831	15,743	15,544	17,763	9,143	11,428
Fire										
Emergency responses	11,760	12,210	12,792	12,979	13,677	14,631	14,583	15,549	14,170	15,938
Fires extinguished	83	78	93	87	106	158	192	199	34	25
PUBLIC WORKS										
Total curbside refuse collected (tons)	37,803	37,077	36,657	36,272	37,405	37,539	36,982	41,227	42,881	40,557
Total curbside recycling collected (tons)	16,469	15,605	15,692	15,872	15,655	15,650	15,503	15,116	14,117	13,368
Snow and ice control events	18	49	25	24	29	17	19	25	17	22
Tons of salt used	13,686	21,964	11,768	11,692	10,908	6,525	9,700	6,344	5,177	12,800
WATER/WASTEWATER (1)										
New connections	171	283	291	342	300	733	290	203	209	159
Water main breaks	64	92	75	68	80	81	84	106	90	119
Average daily consumption	16.64	15.11	13.90	14.10	14.46	41.90	14.65	13.45	14.42	14.85
Peak daily consumption	34.19	29.55	22.90	24.26	25.21	26.20	26.14	26.13	28.83	26.86
Average daily wastewater treated (million gal)	18.30	19.70	19.40	18.16	19.47	26.25	19.74	19.55	20.22	17.28
ELECTRIC (1)										
Peak monthly demand	402,273	365,033	322,831	328,597	352,640	330,946	343,568	341,992	325,810	340,721
Peak month energy use (million)	184.10	151.90	142.80	143.40	154.60	144.60	145.60	150.70	148.90	146.80

*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	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
PUBLIC SAFETY										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Area patrols	10	10	10	10	12	12	12	12	12	12
Patrol units	78	80	85	85	89	89	89	89	95	93
Fire										
Fire stations	10	10	10	10	10	10	10	10	10	10
Front line apparatus (engines and ambulance)	18	18	18	18	18	18	18	18	18	18
TRANSPORTATION										
Arterial streets (centerline miles)	127	127	127	138	140	140	140	140	140	140
Traffic signals	163	163	164	164	165	165	167	168	168	169
PUBLIC WORKS										
Streetlights	11,462	11,480	11,542	11,705	12,080	12,154	12,254	12,665	12,806	12,820
Storm sewers (miles)	870	879	886	895	987	852	855	639	745	745
WATER										
Water mains (miles)	688.7	693.7	708.2	714.5	723.2	732.7	735.6	741.0	742.8	747.5
Fire hydrants	8,967	9,055	9,157	9,236	9,378	9,451	9,480	9,522	9,559	9,625
Storage capacity (million gallons)	43.90	43.90	43.90	43.90	43.90	43.90	43.90	43.90	43.90	44.00
Sanitary sewers (miles)	530.93	534.09	539.34	543.28	551.40	553.26	562.31	564.52	565.94	566.00
Treatment capacity (million gallons per day)	26.25	26.25	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)	977.83	979.98	984.19	999.49	1,007.90	1,017.77	1,017.77	1,028.50	1,028.47	1,030.76

Data Source

Various city departments.