

City of Naperville, Illinois

Comprehensive Annual Financial Report

Fiscal Year: May 1, 2014 - April 30, 2015



CITY OF NAPERVILLE, ILLINOIS
COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the fiscal year ended
April 30, 2015

Prepared by:
The Finance Department



City of Naperville
Introductory Section

CITY OF NAPERVILLE, ILLINOIS

Year ended April 30, 2015

TABLE OF CONTENTS

	<u>Exhibit</u>	<u>Page(s)</u>
Introductory Section:		
Table of Contents.....		i-iii
Letter of Transmittal.....		iv-xiii
GFOA Certificate of Achievement.....		xiv
Organizational Chart		xv
List of Elected and Appointed Officers and Officials		xvi
Financial Section:		
Independent Auditor's Report.....		1-3
Management's Discussion and Analysis.....		4-18
Basic Financial Statements:		
Government-Wide Financial Statements:		
Statement of Net Position.....	A-1	19
Statement of Activities	A-2	20
Fund Financial Statements:		
Balance Sheet-Governmental Funds.....	A-3	21
Reconciliation of the Governmental Funds Balances to the Statement of Net Position	A-4	22
Statement of Revenues, Expenditures, and Changes in Fund Balances-Governmental Funds	A-5	23
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	A-6	24
Statement of Net Position-Proprietary Funds.....	A-7	25
Statement of Revenues, Expenses, and Changes in Net Position-Proprietary Funds.....	A-8	26
Statement of Cash Flows-Proprietary Funds	A-9	27-28
Statement of Fiduciary Net Position-Pension Trust Funds.....	A-10	29
Statement of Changes in Fiduciary Net Position-Pension Trust Funds...	A-11	30
Notes to Financial Statements.....		31-66
Required Supplementary Information:		
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual-General Fund	B-1	67
Notes to Required Supplementary Information-Budgetary Comparison Schedule		68
Schedule of Funding Progress-Illinois Municipal Retirement Fund	B-2	69
Schedule of Funding Progress-Police and Firefighters' Pension Plans	B-3	70
Schedule of Employer Contributions-Illinois Municipal Retirement Fund	B-4	71
Schedule of Employer Contributions-Police and Firefighters' Pension Plans	B-5	72
Schedule of Funding Progress-Other Post-Employment Benefit Plans.....	B-6	73
Schedule of Employer Contributions-Other Post-Employment Benefit Plans.....	B-7	74

CITY OF NAPERVILLE, ILLINOIS

Year ended April 30, 2015

TABLE OF CONTENTS

	<u>Exhibit</u>	<u>Page(s)</u>
Combining and Individual Fund Statements and Schedules:		
Major Governmental Funds:		
Detailed Schedule of Revenues-Budget and Actual-General Fund	C-1	75-77
Detailed Schedule of Expenditures-Budget and Actual-General Fund	C-2	78-83
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual:		
Debt Service Fund.....	C-3	84
Nonmajor Governmental Funds:		
Combining Balance Sheet.....	D-1	85-88
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances.....	D-2	89-92
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual:		
Special Revenue Funds:		
Motor Fuel Tax	D-3	93
Community Development Block Grant	D-4	94
Fair Share Assessment	D-5	95
Road and Bridge	D-6	96
Naper Settlement.....	D-7	97-98
Foreign Fire Insurance Tax.....	D-8	99
E-911 Surcharge	D-9	100
Special Events & Cultural Amenities	D-10	101
Special Service Area #24	D-11	102
Test Track	D-12	103
Water Street TIF	D-13	104
Drug Forfeiture	D-14	105
ARRA Federal Grants	D-15	106
Special Service Area #25	D-16	107
Debt Service Funds:		
Special Service Area #21	D-17	108
Special Service Area #23	D-18	109
Downtown Parking	D-19	110
Capital Projects Fund:		
Capital Projects	D-20	111
2010 G.O. Bond Fund	D-21	112
2013 G.O. Bond Fund.....	D-22	113
2014 G.O. Bond Fund.....	D-23	114
Internal Service Funds:		
Combining Statement of Net Position	E-1	115
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position	E-2	116
Combining Statement of Cash Flows	E-3	117-118
Fiduciary Funds:		
Combining Statement of Fiduciary Net Position	F-1	119
Combining Statement of Changes in Fiduciary Net Position	F-2	120
Capital Assets Used in the Operation of Governmental Funds:		
Comparative Schedules By Source.....	G-1	121
Schedule by Function and Activity	G-2	122
Schedule of Changes by Function and Activity	G-3	123

CITY OF NAPERVILLE, ILLINOIS

Year ended April 30, 2015

TABLE OF CONTENTS

	<u>Table</u>	<u>Page(s)</u>
Statistical Section (Unaudited):		
Financial Trends		
Net Position by Component.....	A-1	124
Changes in Net Position.....	A-2	125-126
Fund Balances of Governmental Funds.....	A-3	127
Changes in Fund Balances of Governmental Funds.....	A-4	128
Revenue Capacity		
Governmental Funds Tax Revenue by Source.....	B-1	129
Assessed Value and Actual Value of Taxable Property	B-2	130
Property Tax Rates-Direct and Overlapping Governments.....	B-3	131
Principal Property Taxpayers	B-4	132
Property Tax Levies and Collections.....	B-5	133
Sales Taxes by Category.....	B-6	134
Direct and Overlapping Sales Tax Rates.....	B-7	135
Debt Capacity		
Ratios of Outstanding Debt by Type.....	C-1	136
Ratios of General Bonded Debt Outstanding	C-2	137
Direct and Overlapping Governmental Activities Debt.....	C-3	138
Schedule of Legal Debt Margin.....	C-4	139
Pledged-Revenue Coverage.....	C-5	140
Demographic and Economic Information		
Demographic and Economic Information.....	D-1	141
Principal Employers.....	D-2	142
Schedule of Principal Electric System Users.....	D-3	143
Operating Information		
Full-Time Equivalent Employees	E-1	144-145
Operating Indicators	E-2	146
Capital Asset Statistics	E-3	147

CITY OF NAPERVILLE, ILLINOIS

Letter of Transmittal



September 18, 2015

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

We are pleased to submit the Comprehensive Annual Financial Report of the City of Naperville for the fiscal year ended April 30, 2015. State law and local ordinances require that we publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States (GAAP) and audited in accordance with auditing standards generally accepted in the United States by a firm of licensed certified public accountants.

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

CITY OF NAPERVILLE, ILLINOIS

Letter of Transmittal

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 April 30, 2015 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall basic financial statement presentation.

The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of Naperville's basic financial statements for the fiscal year ended April 30, 2015 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.

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.

CITY OF NAPERVILLE, ILLINOIS

Letter of Transmittal

Profile of the Government

The City of Naperville, incorporated in 1857, is located in the northeastern part of the state, which is considered to be the top growth area in the state and one of the top growth areas in the country. The City of Naperville currently occupies a land area of 39.90 square miles and serves a population of 146,128. The City of Naperville is empowered to levy a property tax on both real and personal properties located within its boundaries. It also is empowered by state statute to extend its corporate limits by annexation, which has occurred periodically when deemed appropriate by the City Council.

The City has operated under the Council-Manager form of government since 1969. Policymaking and legislative authority are vested in the City Council, which consists of a mayor and eight at-large members. The City Council sets policy for the City, passes ordinances, adopts resolutions and the annual budget, and approves all expenditures. Council members have been elected to four-year staggered terms with four council members elected every two years. However, in 2010 Naperville voters approved a referendum to establish a district election system for the selection of City Council members starting in 2015. Three years later, in April of 2013 the voters approved a referendum reversing the 2010 referendum and retaining the existing “at-large” system. With the expectation of a district system to be implemented in 2015, the four candidates elected to City Council on April 9, 2013 were elected to two-year terms. All eight City Council seats were up for election in 2015. The four Council candidates who received the most votes will serve four-year terms and the other four will serve two-year terms. In 2017, the seats of the individuals who served two-year terms will be up for election as a four-year term, and all Council terms will again be staggered four-year terms after the 2017 election. The Mayor is elected to a four-year term, and was not impacted in any way by the districting process. Mayor and the Council members are elected at large, on a non-partisan basis.

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

CITY OF NAPERVILLE, ILLINOIS

Letter of Transmittal

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

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

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

Factors Affecting Financial Condition

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

CITY OF NAPERVILLE, ILLINOIS

Letter of Transmittal

Economy

For the past 20 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. Naperville continues to see positive trends in the economic environment; however discussions of the “new normal” anticipate a more moderate growth in revenues going forward. In FY15 Retail Sales Tax receipts, the largest single revenue source in the General Fund, grew by 3% from the prior year. Additionally, home sales, while not a record high, have returned to a level just below FY08 and are in-line with a more stable real estate environment. Both of these revenues provide indication that Naperville is out of the recession and moving towards a new state of normal.

Over the last 13 years, the City operated under a financial strategy that leveraged cash balances built during the substantial growth phase to mitigate the impact of the recent recession on residents and businesses. As with other communities, Naperville saw property values fall, the decline reflected in four years of a decreasing EAV from the peak in 2009 of \$7.10 billion to the low in 2013 of \$5.92 billion. Recognizing the pressure to minimize increases in the property tax levy, Council agreed four years in a row to reduce the property tax levy rate. However, in 2014, the EAV increased by 1.1% from the prior year to \$5.99 billion and the property tax levy was increased for the first time in five years.

The recession also drove many process efficiencies and cost cutting measures which are still in place today, including a reduction of headcount by 105 FTEs and implementing a Tier II benefits package in 2011. These efforts have helped to maintain lower than average healthcare and worker’s compensation expenses.

Long-Term Financial Planning

The reduction of the City’s cash balances to their minimum level necessitated the development of a new financial strategy for the City in 2015. The new financial strategy is based on three principles aimed at passing a structurally-balanced operating budget annually, committing to continuous improvement in the delivery of necessary and cost-effective services, and actively seeking to increase reserves while also reducing debt. This strategy puts the City on a road to long-term financial stability.

CITY OF NAPERVILLE, ILLINOIS

Letter of Transmittal

Additionally, the City Council updated the City of Naperville Strategic Plan. The plan provides the vehicle through which the City shapes the future, maintains the quality of life, manages limited resources, and establishes service levels. The strategic plan includes a mission statement and a vision statement and identifies specific opportunities to attain the vision. The revised plan focuses on three major goals;

- Embrace E-Government Approaches to Improve Customer Convenience
- Improve Traffic Flow & Congestion
- Set the Standard for Community Education & Involvement

Since the Strategic Plan was adopted, some achievements include the initiation of a new IT Strategic Technology Plan, which will serve as a roadmap for future technology improvements. The current projects include implementation of the Police Department E-citation module, initiation of Traffic Management System improvements for Washington Street, and redesign of the City's website.

Many initiatives from the Strategic Plan are implemented with funds through the annual budget and the Capital Improvements Program (CIP).

The CIP summarizes all major capital expenditures planned over the next five years. Projects included in the CIP must have a minimum value of \$25,000, a multi-year useful life, and result in a capital asset. This proactive program was prepared to address the City's capital needs while remaining fiscally responsible. The plan establishes priorities and addresses capital needs, capabilities and funding sources.

Major Initiatives

With changes to the City's multi-year financial strategy, Naperville is transitioning from a growth community to a maintenance community, and City budgets continue to remain conservative and focus on maintenance of current assets and cost reduction solutions. The City Council and Mayor will continue to closely review proposed initiatives to understand the benefit and cost saving opportunities to the City, while providing for appropriate maintenance of the current City assets and infrastructure.

CITY OF NAPERVILLE, ILLINOIS

Letter of Transmittal

Operational Initiatives

General Government

- Replace City Council meeting management software to provide more transparent resource to residents and more efficient system for the City Council and staff.
- Educate the public on a myriad of the City initiatives, projects and services that impact the community throughout the year.
- Redesign the City's website to improve functionality and transparency.

Public Safety-Police and Fire

- Reduce crime and improve public safety awareness by implementing interactive neighborhood crime mapping which is accessible to the community.
- Implement a community based service to provide well-being checks to a variety of citizens with specific needs and to provide safety checks on a voluntary basis for non-emergent situations and needs.

Transportation-Public Works and Transportation, Engineering & Development

- Continue the 6 years Emerald Ash Borer Program to maintain a healthy inventory of around 13,200 ash trees.
- Begin the initial phase of a federally funded project to create a centralized traffic management system along Washington Street to improve traffic flow and congestion.

Public Utilities

- Conduct a comprehensive Electric Utility Cost-Of-Service Rate Study and maintain equitable and competitive electric rates for all customer classes.

Culture-Library and Naper Settlement

- Launch new approach to Summer Reading Program with goal of increasing participation to keep students reading over summer vacation.
- Expand technology classes in Idea Lab for middle and elementary school age students.
- Continue free general admission for all Naperville residents.
- Implement an integrated marketing program to promote a geographically wider audience.

CITY OF NAPERVILLE, ILLINOIS

Letter of Transmittal

Capital Initiatives

Department of Public Works

- Replace the current high pressure sodium (HPS) street light fixtures with Light Emitting Diode (LED) fixtures in an effort to reduce energy usage, re-lamping fees, and maintenance costs.

Department of Transportation, Engineering & Development

- Develop the Water Street District, which involves building a parking garage with an estimated 524 stalls (404 public stalls, 120 leased stalls) and also renovating and improving the Riverwalk on the south side of the river from the covered bridge to Main Street, and reconstructing of Water Street and the alley.

Department of Information Technology

- Migrate the City's current Enterprise Resource Planning (ERP) software from the current platform, which is not built to current software development standards and it does not have the capability to support customer-friendly e-government initiatives.

Other capital improvement projects included engineering or construction during the year for stormwater management, installation of traffic signals, parking lot maintenance and traffic management programs, as well as continuing our electric improvements, sewer-lining program, and road resurfacing projects.

CITY OF NAPERVILLE, ILLINOIS

Letter of Transmittal

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Naperville for its comprehensive annual financial report (CAFR) for the fiscal year ended April 30, 2014. This was the twenty first consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements.

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

In addition, the City also received the GFOA's Distinguished Budget Presentation Award for its annual budget document dated May 1, 2014. This was the twenty third consecutive year that the City has received this prestigious award. In order to qualify for the Distinguished Budget Presentation Award, the government's budget document was 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 staff of the finance department. We would like to express our appreciation to all members of the department who assisted and contributed to the preparation of this report. Credit also must be given to the Mayor and the City Council for their unfailing support in maintaining the highest standards of professionalism in the management of the City of Naperville's finances.

CITY OF NAPERVILLE, ILLINOIS

Letter of Transmittal

Respectfully submitted,

Handwritten signature of Douglas A. Krieger in blue ink, written over a horizontal line.

Douglas A. Krieger
City Manager

Handwritten signature of Rachel Mayer in blue ink, written over a horizontal line.

Rachel Mayer
Finance Director



Government Finance Officers Association

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

Presented to

**City of Naperville
Illinois**

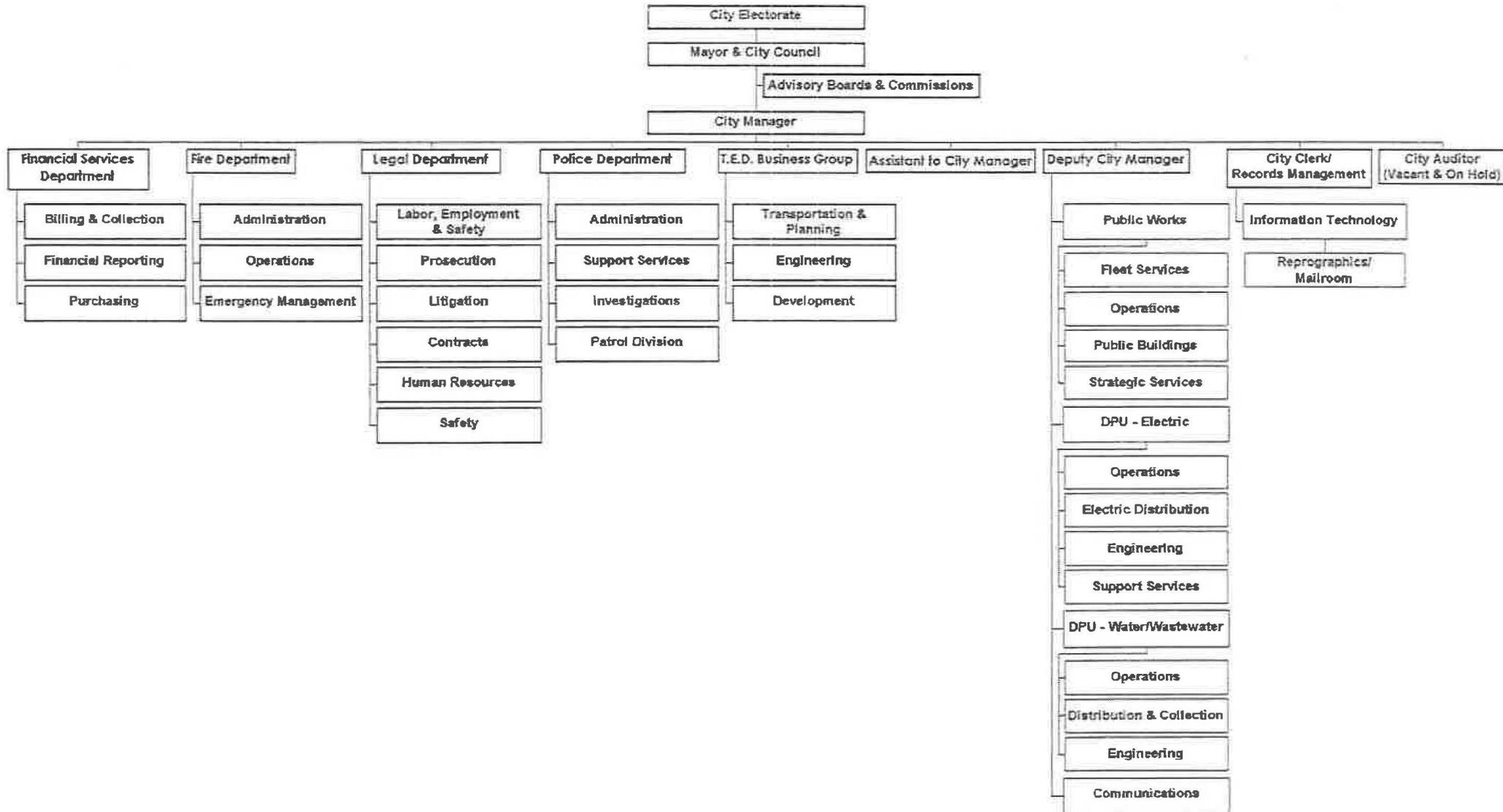
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

April 30, 2014

Executive Director/CEO



City of Naperville
Functional Organization Chart
5/1/2013



CITY OF NAPERVILLE, ILLINOIS

Elected and Appointed Officers and Officials

Year ended April 30, 2015

Mayor

A. George Pradel

Council

Judith A. Brodhead
Steve Chirico
Robert W. Fieseler
Paul J. Hinterlong

Douglas P. Krause
Joseph J. McElroy
Tom Miers
David G. Wentz

City Manager

Douglas A. Krieger

Deputy City Manager

Marcie J. Schatz

City Clerk

Pamela R. LaFeber

Finance Director

Rachel Mayer

Chief of Police

Robert W. Marshall

Fire Chief

Mark J. Puknaitis

Director of Public Works

Richard E. Dublinski

Director of T.E.D. Business Group

William J. Novack

**Director of Public Utilities –
Electric**

Mark J. Curran

**Director of Public Utilities –
Water & Wastewater**

James E. Holzapfel

Director of Human Resources

James Sheehan

Legal Director

Jill Pelka-Wilger



City of Naperville
Financial Section



630.566.8400 // www.sikich.com

1415 W. Diehl Road, Suite 400
Naperville, Illinois 60563

Certified Public Accountants & Advisors
Members of American Institute of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City of Naperville, Illinois (the City), as of and for the year ended April 30, 2015, and the related notes to financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Firefighters' Pension Fund of the City which represents 41%, 44% and 19%, respectively, of the assets, fund balances/net position and revenue/additions of the aggregate remaining fund information of the City. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Firefighters' Pension Fund of the City is based on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control.

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

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

Opinions

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City of Naperville, Illinois, as of April 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that 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 do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual fund statements and schedules and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund statements and schedules 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 information is fairly stated in all material respects in relation to the basic financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated October 1, 2015 on our consideration of the City of Naperville, Illinois' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Naperville, Illinois's internal control over financial reporting and compliance.

Handwritten signature of Schuch LLP in black ink.

Naperville, Illinois
October 1, 2015

CITY OF NAPERVILLE, ILLINOIS

Management's Discussion and Analysis

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

Since the MD&A is designed to focus on the current fiscal year's activities, resulting changes and currently known facts, please read it in conjunction with the City's basic financial statements (beginning on page 19).

Financial Highlights

- The assets of the City exceeded its liabilities by \$899 million (net position) at the end of fiscal year 2015. Of this amount, \$38 million (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position decreased by \$10.3 million. The governmental net position decreased by \$10.1 million (or 2.21%) and the business-type net position decreased by \$0.2 million (or 0.04%).
- The City's governmental funds reported combined ending fund balances of \$57.3 million. The General Fund accounted for \$29.3 million or 51% of the total.
- In FY2015 the City issued \$17.3 million in General Obligation Bonds, with this issuance the City's debt remained flat ending FY2015.
- In FY2015 three internal service funds, the Information Technology Fund, Fleet Service Fund and the Vehicle Replacement Fund, were closed to the General Fund, the Electric Utility Fund and the Water/Wastewater Fund. Assets including cash were allocated to each fund; cash was allocated \$6.7 million; \$1.0 million and \$1.0 million respectively.

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 Exhibits A-1 and A-2) are designed to provide readers with a broad overview of the City's finances, in a manner similar to private-sector business. The focus of the Statement of Net Position (the Unrestricted Net Position) is designed to be similar to bottom line results for the City and its governmental and business-type activities. This statement combines and consolidates governmental fund's current financial resources (short-term spendable resources) with capital assets and long term obligations using the accrual basis of accounting and economic resources measurement focus.

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 subsidy 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 finance the majority of these services. The business-type activities reflect private sector-type operations (Electric, Water and Wastewater, and Burlington Parking), where the fee for service typically covers all or most of the cost of operation, including depreciation.

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

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

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

The City maintains 23 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund and debt service fund, which are considered to be major funds. Data from the other 21 governmental funds are combined into a single, aggregated presentation.

The City adopts an annual budget for its general fund and all other funds. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

CITY OF NAPERVILLE, ILLINOIS

Management's Discussion and Analysis

The basic governmental fund financial statements can be found on Exhibits A-3 through A-6 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 and Burlington 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 information technology, fleet services, vehicle replacement and self-insurance. Because these services benefit governmental and business-type functions, they have been allocated within governmental activities and business-type activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Electric Utility, Water and Wastewater Utility and Burlington Parking operations. The Electric Utility Fund and the Water and Wastewater Utility both are considered to be major funds of the City. Conversely, the four internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements.

The basic proprietary fund financial statements can be found on Exhibits A-7 through A-9 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 Exhibits A-10 and A-11 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 31-66 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the budgetary comparison to actual for the general fund, as well as the City's progress in funding its obligation to provide pension and OPEB benefits to its employees. Required supplementary information can be found in Exhibits B-1 through B-7 of this report.

CITY OF NAPERVILLE, ILLINOIS

Management's Discussion and Analysis

Government-wide Financial Analysis

Statement of Net Position

The City's assets exceeded liabilities by \$899 million at the end of FY 2015. By far the largest portion of the City's net position (94.8%) reflects its investment in capital assets (e.g., land, infrastructures, buildings, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position (1.1%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (4.1%) 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 April 30, 2015 and 2014:

City of Naperville's Net Position						
As of April 30						
(in millions)						
	Governmental activities		Business-type activities		Total primary government	
	2015	2014	2015	2014	2015	2014
Current and other assets	\$ 127	124	30	38	157	162
Capital assets	505	507	503	504	1,008	1,011
Total assets	632	631	533	542	1,165	1,173
Deferred outflows of resources	1	1	1	1	2	2
Total assets and deferred outflows of resources	633	632	534	543	1,167	1,175
Long-term liabilities outstanding	124	112	63	69	187	181
Other liabilities	25	28	21	24	46	52
Total liabilities	149	140	84	93	233	233
Deferred inflows of resources	35	33	—	—	35	33
Total liabilities and deferred inflows of resources	184	173	84	93	268	266
Net position:						
Net investment in capital assets	409	412	443	438	852	850
Restricted	9	8	—	—	9	8
Unrestricted	31	39	7	12	38	51
Total net position	\$ 449	459	450	450	899	909

CITY OF NAPERVILLE, ILLINOIS

Management's Discussion and Analysis

Normal Impacts

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

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

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

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

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

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

Current Year Impacts

At the end of the current fiscal year, the City reported positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

During the current fiscal year, total unrestricted net position decreased by \$13.4 million. The governmental net position decreased by \$8.4 million and the business-type net position decreased by \$5 million, respectively.

CITY OF NAPERVILLE, ILLINOIS

Management's Discussion and Analysis

The following table presents a condensed summary of Changes in Net Position as of April 30, 2015 and 2014:

City of Naperville's Changes in Net Position						
For the Year Ended April 30						
(in millions)						
	Governmental		Business-type		Total primary	
	activities		activities		government	
	2015	2014	2015	2014	2015	2014
Revenues:						
Program revenues:						
Charges for services	\$ 15	14	186	184	201	198
Operating grants and contributions	8	7	—	—	8	7
Capital grants and contributions	12	3	7	11	19	14
General revenues:						
Property taxes	33	34	—	—	33	34
Other taxes	79	79	—	—	79	79
Others	5	2	—	—	5	2
Total revenues	<u>152</u>	<u>139</u>	<u>193</u>	<u>195</u>	<u>345</u>	<u>334</u>
Expenses:						
General government	9	9	—	—	9	9
Physical environment	9	9	—	—	9	9
Public safety	70	67	—	—	70	67
Transportation	56	50	—	—	56	50
Culture and recreation	9	10	—	—	9	10
Interest on long-term debt	4	4	—	—	4	4
Electric	—	—	145	152	145	152
Water and wastewater	—	—	51	51	51	51
Burlington commuter parking	—	—	2	2	2	2
Total expenses	<u>157</u>	<u>149</u>	<u>198</u>	<u>205</u>	<u>355</u>	<u>354</u>
Increase (Decrease) in net position before transfers	(5)	(10)	(5)	(10)	(10)	(20)
Transfers	(5)	—	5	—	—	—
Increase (Decrease) in net position	(10)	(10)	—	(10)	(10)	(20)
Net position-beginning	<u>459</u>	<u>469</u>	<u>450</u>	<u>460</u>	<u>909</u>	<u>929</u>
Net position-ending	<u>\$ 449</u>	<u>459</u>	<u>450</u>	<u>450</u>	<u>899</u>	<u>909</u>

CITY OF NAPERVILLE, ILLINOIS

Management's Discussion and Analysis

Normal Impacts

Revenues

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

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

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

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

Expenses

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

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

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

Current Year Impacts

Governmental Activities. Governmental activities decreased the City's net position by \$10.1 million.

Revenue

Total revenues from governmental activities increased by \$13 million (or 9.43%), over prior year, with an increase of \$7 million coming from additional capital grants and contributions; as well as a \$2 million increase in investment income.

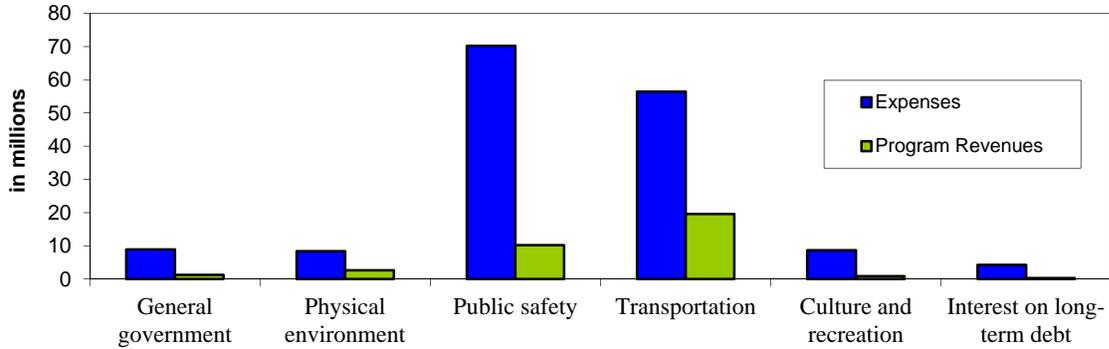
CITY OF NAPERVILLE, ILLINOIS

Management's Discussion and Analysis

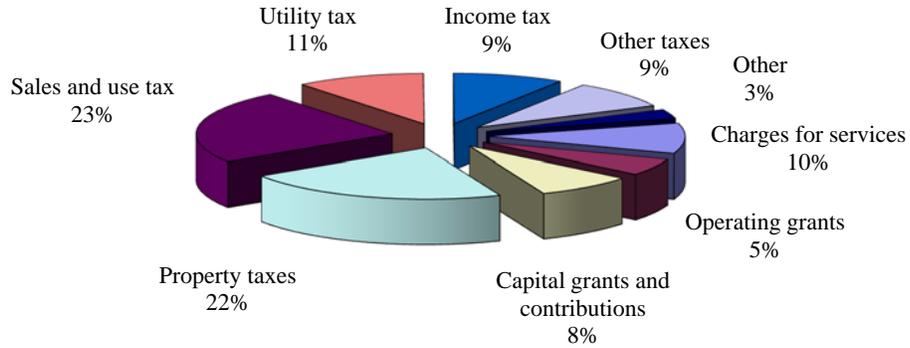
Expenses

Total expenses increased by \$8 million or 5.4% to \$157 million, the majority of increases were due to the City's Public Safety and Transportation functions.

Expenses and Program Revenues – Governmental Activities



Revenues by Source – Governmental Activities



CITY OF NAPERVILLE, ILLINOIS

Management's Discussion and Analysis

Business-type activities. The net position for business type activities was unchanged and therefore had no impact on the City's combined position.

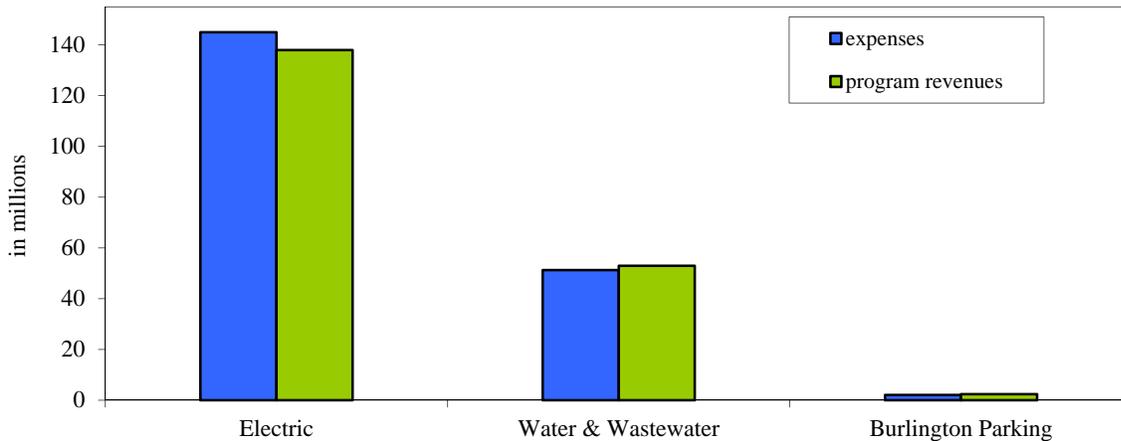
Revenue

Overall revenues from business type activities decreased \$2 million or 1% from prior year. However, charges for service saw an increase of \$2 million; off-set by a \$4 million decrease in capital grants and contributions.

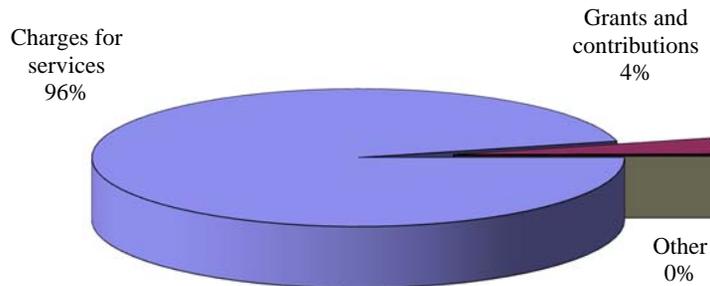
Expenses

Total expenses decreased \$7 million (3.4%), primarily due to a decrease in purchased power costs of \$6.7 million and other electric expenses. The expenses on Water/Wastewater and Burlington Commuter Parking were unchanged.

Expenses and Program Revenues – Business-type Activities



Revenues by Source-Business-type Activities



CITY OF NAPERVILLE, ILLINOIS

Management's Discussion and Analysis

Financial Analysis of the City's Funds

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

Governmental Funds. The focus of the City's governmental funds, which includes the General Fund and 22 other funds, is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$57.3 million, an increase of \$13.54 million in comparison with the prior fiscal year. Of the total fund balance amount, \$28.4 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 April 30, 2015 and 2014:

Revenues:	FY 2015	Percent of Total	FY 2014	Amount of increase (decrease)	Percent of increase (decrease)
	(Amounts expressed in thousands)				
Taxes	\$ 112,064	79.20%	\$ 112,344	\$ (280)	-0.25%
Intergovernmental	8,762	6.19%	6,737	2,025	30.06%
Charges for services	9,242	6.53%	8,348	894	10.71%
Net investment income	1,603	1.13%	(98)	1,701	1735.71%
Fees	3,009	2.13%	2,822	187	6.63%
Licenses and permits	2,548	1.80%	2,480	68	2.74%
Fines and forfeits	1,770	1.25%	1,709	61	3.57%
Contributions and Miscellaneous	2,503	1.77%	2,798	(295)	-10.54%
Total	\$ <u>141,501</u>	<u>100.00%</u>	\$ <u>137,140</u>	\$ <u>4,361</u>	<u>3.18%</u>

The largest dollar value in revenues came from taxes. Taxes include such items as retail sales tax, income tax, utility tax, property tax (including pensions), hotel/motel tax, real estate transfer tax and food and beverage tax. Naperville's economic recovery has been visible since FY 2012 in all areas of tax receipts. In FY 2014, the retail sales and use tax revenue increased \$1.1 million (or 3%). The economy driven revenue increases offset the lower property tax levied by City Council.

The main component of intergovernmental revenue is governmental grants. The City strives to obtain grant funding for eligible capital projects. Grant revenues in the governmental funds increased by \$2 million (or 30%) in FY2015.

License and permit revenue are driven by the City's economic recovery and growth, and as such showed a 3% increase over the prior year.

CITY OF NAPERVILLE, ILLINOIS

Management’s Discussion and Analysis

The favorable interest rate environment for fixed income securities resulted in a large increase in the net investment income to \$1.6 million from the prior year’s loss of \$0.1 million

Expenditures:	FY 2015	Percent of	FY 2014	Amount of	Percent of
		total		increase	increase
				(decrease)	(decrease)
(Amounts expressed in thousands)					
Current:					
Public safety	\$ 70,040	45.77%	\$ 71,862	\$ (1,822)	-2.54%
Transportation/ Physical Environment	35,287	23.06%	32,950	2,337	7.09%
Culture and recreation	7,142	4.67%	8,165	(1,023)	-12.53%
General government	7,241	4.73%	6,967	274	3.93%
Debt service:					
Principal	6,841	4.47%	5,648	1,193	21.12%
Interest, fees and issuance costs	4,236	2.77%	3,893	343	8.81%
Capital outlay	22,250	14.55%	16,997	5,253	30.91%
Total for all functions	\$ 153,037	100.02%	\$ 146,482	\$ 6,555	4.47%

Implementation of a city-wide recycling cart program added to Transportation/Physical Environment costs by \$2 million in FY 2015. Reduction in Special Events & Cultural Amenities (SECA) grant payments by \$0.8 million was the driver for the decrease in Culture and Recreation. Public Safety decreased \$1.8 million in FY 2015 mainly due to a one-time accelerated public safety pension contribution of \$6 million made in FY 2014, which was offset by the additional pension contributions funded by the property tax and the food and beverage taxes in FY 2015.

The City Council is committed to maintaining the City’s infrastructure. Major projects in the FY 2015 capital program included: Water Street District development, the Environmental Collection Campus, the 3rd year of Emerald Ash Borer tree removal and replacement program, storm sewer lining, roadway, bridge and parking lot maintenance, and new traffic signals.

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

Electric Utility – The Electric Utility recorded a net loss before capital fees, capital grants and transfers of \$9.8 million for FY 2015, compared to \$18.4 million net loss for the prior year.

On April 1, 2014, City Council passed Ordinance 14-030 to increase electric rates by 6% to all customers on May 1, 2014 and 7% on May 1, 2015. The City will conduct a rate study in early FY16 for the three year period beginning January 1, 2016.

Electric charges for services increased \$1.3 million (or 1%) due primarily to rate increases that helped to offset decreasing demands from the cooler summer during 2014. Kilowatt hour sales decreased by 88 million (or 6.1%) compared to the prior period.

Purchased power expense for FY 2015 is 84.8% of operating expense and fluctuates based on heating degree days, cooling degree days, rate for purchased electricity, and demand charges. Kilowatt hour purchases

CITY OF NAPERVILLE, ILLINOIS

Management's Discussion and Analysis

decreased by 73.0 million (or 4.8%) compared to the prior period. Purchased power expense decreased \$6.7 million compared to the prior period due primarily to decreased demand. Other operating expense remained flat compared to the prior year.

Water/Wastewater Utility – The Water/Wastewater Utility recorded net loss before capital fees, contributions of capital assets, and transfers of \$2.6 million for FY 2015 as compared to net income loss of \$3.2 million for the prior period. Operating income decreased \$.1 million and non-operating revenues increased \$0.7 million.

The City completed a Water and Wastewater rate study during 2011 and as a result, the water and wastewater rate increases were implemented in January 2012 and January 2013. City Council voted to hold rates steady for January 2014 and January 2015 except for the wholesale water charges passed on to customers. It is important to note that Water Utility planned for net losses in FY2014 and Fy2015; due to front loading the rate increase.

Retail water rates, passed through from the DuPage Water Commission to the City's customers, increased 16.72% on January 1, 2015 for both residential and commercial customers compared to the prior period. On January 1, 2015, the water charge to customers increased to \$3.70 per 100 CCF from \$3.17 per CCF. However, the DuPage Water Commission announced it'll be in position to retire all its debt in the near future and therefore lowered its wholesale water rates on May 1, 2015. As a result, Council voted on April 21, 2015 to lower the water charge to customers to \$3.63 per 100 CCF on May 1, 2015.

Other water charges for services and wastewater charges for services remained flat compared to the prior period. Water gallons sold to customers decreased 368.6 million or (7.22)%.

Purchased water expense for FY 2015 is 56.7% of operating expense and fluctuates based on rainfall and the wholesale water rate set by the Du Page Water Commission. The purchased water rate (per 1000 gallons) increased January 2014 to \$3.97 (from \$3.32) and January 2015 to \$4.68. Water gallons purchased decreased by 489.8 million gallons (or 8.77%) compared to the prior period. Purchased water expense increased \$1.8 million (or 8.35%) compared to the prior period. Other operating expense increased \$.4 million (2.37%) due to increased budget controls.

Capital Assets and Debt Administration

Capital Assets. The City's investment in capital assets for its governmental and business-type activities as of April 30, 2015, amounts to \$1,008 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, furniture and fixtures, infrastructure, and IMEA participation right and other intangible assets. The total decrease in the City's investment in capital assets for the current fiscal year was 0.47% (a 0.63% decrease for governmental activities and 0.31% decrease for business-type activities) as depreciation exceeded new capital outlay.

CITY OF NAPERVILLE, ILLINOIS

Management's Discussion and Analysis

	Governmental activities		Business-type activities		Total primary government	
	2015	2014	2015	2014	2015	2014
Land and land improvements	\$ 187	176	14	14	201	190
Building and building improvements	82	85	4	5	86	90
Machinery and equipment	12	16	4	3	16	19
Infrastructure	154	158	439	446	593	604
IMEA participation right	—	—	10	9	10	9
Construction in progress	70	72	32	27	102	99
Total	\$ 505	507	503	504	1,008	1,011

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

Debt Administration

At fiscal year-end, the City had a total of \$168.94 million of outstanding debt, net of applicable unamortized premium and discounts. These issues were all general obligation bonds. The City maintained its AAA rating on general obligation bond issues from both Standard and Poor's Rating Group and Moody's Investors Service.

Data as of April 30, 2015, is as follows:

	Amount	Ratio of bonded debt to assessed valuation	Bonded debt per capita
General Obligation Bonded Debt	\$168,939,429	2.819%	\$1,156

**City of Naperville's Outstanding Debt
General Obligation Bonds
as of April 30
(in thousands)**

	Governmental activities		Business-type activities		Total primary government	
	2015	2014	2015	2014	2015	2014
G.O. bonds	\$ 108,548	97,959	60,391	66,354	168,939	164,313

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

CITY OF NAPERVILLE, ILLINOIS

Management's Discussion and Analysis

The City implemented Statement No. 45 of the Governmental Accounting Standards Board (Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions) effective May 1, 2008. The total actuarial accrued liability is \$9 million. In FY 2015 the City contributed \$443,023 towards the liability. For additional information please refer to Note 10 in the notes to the financial statements.

Economic Factors and Next Year's Budget and Rates

- For the month of April 2015, the unemployment rate for the City was 4.6%. This compares favorably to the national and state unemployment rate of 5.4% and 5.5%, respectively.
- The number of total building permits dropped to just under 4,000 in calendar 2009 due to the recession. Building activity is recovering with just nearly 6,900 issued in 2014, equivalent to the total number of permits issued in 2006. The city anticipates permits to change from new building to remodeling permits as the city ages.
- Retail sales tax revenues reached an all-time high in FY 2015 of \$35.6 million
- With the challenges at the state level, the City is closely monitoring state shared revenues including, Income Tax revenues and Motor Fuel Tax revenues to determine the impact changes in these revenue streams will have on municipalities,
- On January 1, 2016 the City will increase the garbage fee to residents to help offset the costs, this will increase General Fund revenues by \$5 million.
- In January 2016 the City will implement Home Rule Sales Tax of .5% to offset debt and increase reserves.
- The City Council is committed to maintain a low property tax rate. In the calendar year 2015, the property tax rate for the City is \$0.8082, which is one of the lowest rates compared to neighboring communities.
- Starting June 2011, the City began purchasing all of its wholesale power through 2035 from the Illinois Municipal Electric Agency. A membership in the IMEA allows the City to take advantage of the economies of scale provided by this large buying group and to stabilize electric rates to its residents and businesses for years to come. This approach to providing rate stabilization capitalizes on a diverse power supply portfolio, which combines owned assets and long-term cost-based contracts and an appropriate fuel mixture.

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

CITY OF NAPERVILLE, ILLINOIS

Management's Discussion and Analysis

Requests for Information

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

BASIC FINANCIAL STATEMENTS

CITY OF NAPERVILLE, ILLINOIS

Statement of Net Position

April 30, 2015

(Amounts expressed in 000's)	Primary Government			Component
	Governmental Activities	Business-type Activities	Total	Unit Naperville Public Library
Assets:				
Cash and investments	\$ 64,196	7,511	71,707	2,509
Receivables (net of allowance for uncollectibles)	38,612	21,444	60,056	14,725
Due from other governments	12,076	111	12,187	177
Due from other funds	3,366	(3,366)	—	—
Internal balances	(5)	5	—	—
Inventories	331	4,293	4,624	—
Net pension assets	8,702	—	8,702	—
Capital assets (net of accumulated depreciation):				
Capital assets not depreciated	253,460	45,274	298,734	—
Capital assets depreciated, net	250,852	457,333	708,185	7,889
Total assets	631,590	532,605	1,164,195	25,300
Deferred outflows of resources:				
Unamortized refunding loss	1,267	504	1,771	—
Total assets and deferred outflows of resources	632,857	533,109	1,165,966	25,300
Liabilities:				
Accounts payable and other current liabilities	20,321	19,416	39,737	1,150
Accrued interest payable	1,678	980	2,658	—
Due to other governments	141	301	442	—
Unearned revenue	3,116	11	3,127	—
Long-term liabilities:				
Due within one year	15,225	5,470	20,695	427
Due in more than one year	108,800	57,437	166,237	85
Total liabilities	149,281	83,615	232,896	1,662
Deferred inflows of resources:				
Deferred property taxes revenues	34,397	—	34,397	14,718
Total deferred inflows of resources	34,397	—	34,397	14,718
Total liabilities and deferred inflows of resources	183,678	83,615	267,293	16,380
Net position:				
Net investment in capital assets	409,027	442,720	851,747	7,889
Restricted for:				
Highways, streets and parking facilities	519	—	519	—
Debt service	878	—	878	—
Culture and recreation	624	—	624	10
Physical environment	35	—	35	—
Capital projects	5,264	—	5,264	—
Public safety	1,153	—	1,153	—
Economic development	1,150	—	1,150	—
Unrestricted	30,529	6,774	37,303	1,021
Total net position	\$ 449,179	449,494	898,673	8,920

See accompanying notes to financial statements.

CITY OF NAPERVILLE, ILLINOIS

Statement of Activities

Year ended April 30, 2015

(Amounts expressed in 000's)

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Naperville Public Library
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	
Primary government:								
Governmental activities:								
General government	\$ 8,925	1,245	—	—	(7,680)		(7,680)	
Physical environment	8,381	2,099	540	—	(5,742)		(5,742)	
Public safety	70,241	7,875	2,316	—	(60,050)		(60,050)	
Culture and recreation	8,687	883	—	—	(7,804)		(7,804)	
Transportation	56,446	2,478	5,013	12,118	(36,837)		(36,837)	
Interest on long-term debt	4,288	—	297	—	(3,991)		(3,991)	
Total governmental activities	<u>156,968</u>	<u>14,580</u>	<u>8,166</u>	<u>12,118</u>	<u>(122,104)</u>		<u>(122,104)</u>	
Business-type activities:								
Electric	144,954	135,708	—	2,230		(7,016)	(7,016)	
Water and Wastewater	51,287	48,201	234	4,537		1,685	1,685	
Burlington commuter parking	2,061	2,211	—	143		293	293	
Total business-type activities	<u>198,302</u>	<u>186,120</u>	<u>234</u>	<u>6,910</u>		<u>(5,038)</u>	<u>(5,038)</u>	
Total primary government	<u>\$ 355,270</u>	<u>200,700</u>	<u>8,400</u>	<u>19,028</u>	<u>(122,104)</u>	<u>(5,038)</u>	<u>(127,142)</u>	
Component units:								
Naperville Public Library	<u>\$ 15,354</u>	<u>543</u>	<u>177</u>	<u>415</u>				<u>(14,219)</u>
General revenues:								
Property taxes					33,169	—	33,169	14,557
Utility taxes					16,123	—	16,123	—
Sales and use tax					35,580	—	35,580	—
State income tax, unrestricted					13,892	—	13,892	—
Other taxes					13,300	—	13,300	157
Franchise fees					2,538	—	2,538	—
Net investment income					1,925	282	2,207	198
Miscellaneous					—	—	—	111
Transfers					(4,577)	4,577	—	—
Total general revenues and transfers					<u>111,950</u>	<u>4,859</u>	<u>116,809</u>	<u>15,023</u>
Change in net position					(10,154)	(179)	(10,333)	804
Net position, May 1, 2014					<u>459,333</u>	<u>449,673</u>	<u>909,006</u>	<u>8,116</u>
Net position, April 30, 2015					<u>\$ 449,179</u>	<u>449,494</u>	<u>898,673</u>	<u>8,920</u>

See accompanying notes to financial statements.

CITY OF NAPERVILLE, ILLINOIS

Balance Sheet

Governmental Funds

April 30, 2015

(Amounts expressed in 000's)

Assets and Deferred Outflows of Resources	General Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
Assets:				
Cash and investments	\$ 21,818	220	38,363	60,401
Receivables:				
Property taxes	17,515	12,772	4,110	34,397
Accrued interest	82	—	97	179
Accounts receivable	2,585	—	439	3,024
Customers:				
Billed	553	—	—	553
Unbilled, estimated	442	—	—	442
Less allowance for doubtful accounts	(54)	—	—	(54)
Loans and installments	12	—	51	63
Due from other funds	3,984	—	—	3,984
Due from other governments	11,315	—	761	12,076
Inventory	331	—	—	331
Total assets	<u>58,583</u>	<u>12,992</u>	<u>43,821</u>	<u>115,396</u>
Total assets and deferred outflows of resources	<u>\$ 58,583</u>	<u>12,992</u>	<u>43,821</u>	<u>115,396</u>
Liabilities, Deferred Inflows and Fund Balances				
Liabilities:				
Accounts payable	\$ 3,610	5	7,779	11,394
Accrued wages and benefits	4,080	—	152	4,232
Due to other governmental agencies	129	—	12	141
Due to other funds	—	—	618	618
Deposits	3,944	—	—	3,944
Contract retainage payable	—	—	303	303
Unearned grant revenues and others	1	—	3,115	3,116
Total liabilities	<u>11,764</u>	<u>5</u>	<u>11,979</u>	<u>23,748</u>
Deferred inflows of resources:				
Unavailable revenue-Property taxes	17,515	12,772	4,110	34,397
Total deferred inflows of resources	<u>17,515</u>	<u>12,772</u>	<u>4,110</u>	<u>34,397</u>
Fund balances:				
Nonspendable:				
Inventory	331	—	—	331
Loans	12	—	39	51
Restricted for:				
Debt service	—	—	878	878
Physical environment	—	—	35	35
Highways, streets and parking facilities	—	—	519	519
Public safety	—	—	1,153	1,153
Capital projects	—	—	14,273	14,273
Culture and recreation	—	—	624	624
Economic development	—	—	4,137	4,137
Committed to:				
Highways, streets and parking facilities	—	—	1,623	1,623
Physical environment	—	—	94	94
Assigned to:				
Debt service	—	215	—	215
Capital projects	—	—	4,643	4,643
Culture and recreation	—	—	257	257
Unassigned	28,961	—	(543)	28,418
Total fund balances	<u>29,304</u>	<u>215</u>	<u>27,732</u>	<u>57,251</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 58,583</u>	<u>12,992</u>	<u>43,821</u>	<u>115,396</u>

See accompanying notes to financial statements.

CITY OF NAPERVILLE, ILLINOIS

Reconciliation of the Governmental Funds Balances to the Statement of Net Position

April 30, 2015

(Amounts expressed in 000's)

Fund balances - total governmental funds (Exhibit A-3)		\$	57,251
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. (See Note 4)	\$	504,312	
Less internal services funds included below		—	
Net capital assets		<u> </u>	504,312
The pension assets resulting from contributions in excess of the annual required contribution are not financial resources and therefore are not reported in the funds. (See Note 10)			8,702
The other post employment benefits obligations resulting from the annual required contribution in excess of contributions are not financial uses and therefore are not reported in the funds (See Note 6 & 10)		(1,905)	
Less internal services funds included below		—	
Net other post employment benefits obligations		<u> </u>	(1,905)
Deferred charges are not recorded in funds			
Bond refunding losses			1,267
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			(1,678)
General obligation debt		(108,548)	
Compensated absences	\$	(10,243)	
Less internal services funds included below		—	
Net compensated absences		<u> </u>	(10,243)
Total long-term liabilities (See Note 6)			(118,791)
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 assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.			<u> </u> 21
Total net position of governmental activities (Exhibit A-1)	\$		<u> </u> 449,179

See accompanying notes to financial statements.

CITY OF NAPERVILLE, ILLINOIS

Statement of Revenues, Expenditures, and Changes in Fund Balances

Governmental Funds

Year ended April 30, 2015

(Amounts expressed in 000's)

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:				
Property taxes	\$ 19,091	9,637	4,441	33,169
Utility tax	16,123	—	—	16,123
Sales and use tax	35,580	—	—	35,580
State income tax	13,892	—	—	13,892
Other taxes	7,170	232	5,898	13,300
Licenses and permits	2,480	—	68	2,548
Fines and forfeits	1,672	—	98	1,770
Net investment income	447	105	1,051	1,603
Contributions	—	104	1,771	1,875
Intergovernmental	968	194	7,600	8,762
Charges for services	8,054	—	1,188	9,242
Fees	2,992	—	17	3,009
Miscellaneous revenues	626	—	2	628
Total revenues	<u>109,095</u>	<u>10,272</u>	<u>22,134</u>	<u>141,501</u>
Expenditures:				
Current:				
General government	7,196	—	45	7,241
Physical environment	7,996	—	375	8,371
Public safety	67,841	—	2,199	70,040
Culture and recreation	1,805	—	5,337	7,142
Transportation	24,148	—	2,768	26,916
Capital outlay	—	—	22,250	22,250
Debt service:				
Principal	—	6,372	469	6,841
Interest and fees	—	3,699	332	4,031
Debt issuance costs	—	—	205	205
Total expenditures	<u>108,986</u>	<u>10,071</u>	<u>33,980</u>	<u>153,037</u>
Excess (deficiency) of revenues over expenditures	<u>109</u>	<u>201</u>	<u>(11,846)</u>	<u>(11,536)</u>
Other financing sources (uses):				
Transfers in	6,696	200	3,304	10,200
Transfers out	(3,089)	(215)	(200)	(3,504)
Sale of capital assets	—	—	515	515
Payment to refunded bond escrow agent	—	—	—	—
Refunding bonds issued	—	—	—	—
New bonds issued	—	—	17,340	17,340
Premium on bonds issued	—	—	389	389
Total other financing sources (uses)	<u>3,607</u>	<u>(15)</u>	<u>21,348</u>	<u>24,940</u>
Net change in fund balances	3,716	186	9,502	13,404
Fund balances, May 1, 2014	<u>25,588</u>	<u>29</u>	<u>18,230</u>	<u>43,847</u>
Fund balances, April 30, 2015	<u>\$ 29,304</u>	<u>215</u>	<u>27,732</u>	<u>57,251</u>

See accompanying notes to financial statements.

CITY OF NAPERVILLE, ILLINOIS

Reconciliation of the Statement of Revenues, Expenditures, and Changes in
Fund Balances of Governmental Funds to the Statement of Activities

Year ended April 30, 2015

(Amounts expressed in 000's)

Net change in fund balances – total governmental funds (Exhibit A-5) \$ 13,404

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

Capital outlays		\$ 10,608	
Loss on retirement of capital assets		(4,230)	
Depreciation (See Note 4)	\$ (18,580)		
Less internal service funds included below	1,875		
Net depreciation		<u>(16,705)</u>	(10,327)

Capital asset donations through annexation agreements			9,065
Capital asset transfer in due to closing vehicle replacement and IT internal service funds			9,228
Capital asset transfer-out to the Library			(410)

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 the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Principal repayments-G.O. bonds, SSA bonds and notes payable		6,841	
New bond proceeds, principal		(17,340)	
Premium on bonds issued		(389)	
Amortization of bond premium		298	
Amortization of refunding loss		(147)	
Net increase in accrued G.O. bond interest		<u>(203)</u>	(10,940)

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.

Police and firefighters' pension costs-increase in net pension assets		1,024	
Decrease in compensated absences (See Note 6)	81		
Less internal service funds included below	<u>(20)</u>		
Net decrease in compensated absences		61	
Increase in other post employment benefit obligation (See Note 6)	(162)		
Less internal service funds included below	<u>2</u>		
Net increase in other post employment benefit obligation		<u>(160)</u>	925

Long-term obligations transfer out due to closing of fleet internal service fund			
Compensated absences		(226)	
Other post-employment benefits obligation		<u>(23)</u>	(249)

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.

			<u>(20,850)</u>
Change in net position of governmental activities (Exhibit A-2)		\$	<u><u>(10,154)</u></u>

See accompanying notes to financial statements.

CITY OF NAPERVILLE, ILLINOIS

Statement of Net Position

Proprietary Funds

April 30, 2015

(Amounts expressed in 000's)

Assets and Deferred Outflows of Resources	Business-type activities-enterprise funds			Total	Governmental activities – internal service
	Electric Utility Fund	Water and Wastewater Utility Fund	Other Enterprise Fund		
Assets:					
Current assets:					
Cash and investments	\$ 966	1,463	5,082	7,511	3,795
Receivables:					
Accrued interest	2	1	14	17	9
Customers:					
Billed	6,760	3,143	—	9,903	(1)
Unbilled, estimated	7,472	2,413	—	9,885	—
Less allowance for doubtful accounts	(407)	(108)	—	(515)	—
Installments receivable	2,011	43	—	2,054	—
Due from other governments	18	93	—	111	—
Other receivables	88	5	7	100	—
Inventory	3,230	1,063	—	4,293	—
Total current assets	20,140	8,116	5,103	33,359	3,803
Advances to other fund	—	13,493	—	13,493	—
Capital assets (net of accumulated depreciation)					
Capital assets not depreciated	14,896	22,728	7,650	45,274	—
Capital assets depreciated, net	241,445	214,246	1,642	457,333	—
Net capital assets	256,341	236,974	9,292	502,607	—
Total assets	276,481	258,583	14,395	549,459	3,803
Deferred outflows of resources					
Unamortized refunding loss	504	—	—	504	—
Total deferred outflows of resources	504	—	—	504	—
Total assets and deferred outflows of resources	276,985	258,583	14,395	549,963	3,803
Liabilities and Deferred Inflows of Resources					
Liabilities:					
Current liabilities:					
Accounts payable	9,584	3,185	102	12,871	447
Accrued wages and benefits payable	699	451	—	1,150	—
Accrued interest payable	502	478	—	980	—
Compensated absences-current portion	667	441	—	1,108	—
Deposits	4,366	161	—	4,527	—
Contract retainage payable	129	559	179	867	—
Claims and judgments	—	—	—	—	405
Due to other government	301	—	—	301	—
Due to other funds	3,366	—	—	3,366	—
Unearned revenue	—	—	11	11	—
Other liabilities	—	1	—	1	—
General obligation bonds payable-current portion	2,981	1,381	—	4,362	—
Total current liabilities	22,595	6,657	292	29,544	852
Noncurrent liabilities:					
Advances from other fund	13,493	—	—	13,493	—
General obligation bonds payable	29,788	26,241	—	56,029	—
Claims and judgments	—	—	—	—	2,925
Compensated absences	844	358	—	1,202	—
Other postemployment benefits obligation	102	104	—	206	—
Total noncurrent liabilities	44,227	26,703	—	70,930	2,925
Total liabilities	66,822	33,360	292	100,474	3,777
Total liabilities and deferred inflows of resources	66,822	33,360	292	100,474	3,777
Net Position					
Net investment in capital assets	224,076	209,352	9,292	442,720	—
Unrestricted	(13,913)	15,871	4,811	6,769	26
Total net position	\$ 210,163	225,223	14,103	449,489	26
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				5	
Net position of business-type activities				\$ 449,494	

See accompanying notes to financial statements.

CITY OF NAPERVILLE, ILLINOIS

Statement of Revenues, Expenses, and Changes in Net Position

Proprietary Funds

Year ended April 30, 2015

(Amounts expressed in 000's)

	Business-type activities-enterprise funds				Governmental activities – internal service
	Electric Utility Fund	Water and Wastewater Utility Fund	Other Enterprise Fund	Total	
Operating revenues:					
Charges for services	\$ 132,575	47,848	2,211	182,634	27,989
Sales for resale	844	—	—	844	—
Miscellaneous	2,289	353	—	2,642	—
Total operating revenues	135,708	48,201	2,211	186,120	27,989
Operating expenses:					
Purchased power	108,584	—	—	108,584	—
Purchased water	—	22,749	—	22,749	—
Operations	5,120	10,802	1,834	17,756	—
Distribution	5,085	3,081	—	8,166	—
Other operating expenses	9,229	3,491	—	12,720	26,619
Total operating expenses before depreciation	128,018	40,123	1,834	169,975	26,619
Operating income before depreciation	7,690	8,078	377	16,145	1,370
Depreciation	(15,613)	(10,276)	(230)	(26,119)	(1,875)
Operating income (loss)	(7,923)	(2,198)	147	(9,974)	(505)
Nonoperating revenues (expenses):					
Operating grant/Intergovernmental	—	234	—	234	—
Net investment income (loss)	(272)	451	103	282	321
Gain/(loss) on disposal of capital assets	(383)	(204)	—	(587)	102
Interest expense	(1,223)	(917)	—	(2,140)	—
Total nonoperating revenues (expenses)	(1,878)	(436)	103	(2,211)	423
Net income (loss) before contributions and transfers	(9,801)	(2,634)	250	(12,185)	(82)
Capital fees	2,230	1,625	143	3,998	—
Contributions of capital assets	—	2,912	—	2,912	—
Transfers in	1,859	2,718	—	4,577	249
Transfers out	—	—	—	—	(20,501)
Change in net position	(5,712)	4,621	393	(698)	(20,334)
Total net position, May 1, 2014	215,875	220,602	13,710		20,360
Total net position, April 30, 2015	\$ 210,163	225,223	14,103		26
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds:					
				283	
				233	
				3	
Change in net position of business-type activities				\$ (179)	

See accompanying notes to financial statements.

CITY OF NAPERVILLE, ILLINOIS

Statement of Cash Flows

Proprietary Funds

Year ended April 30, 2015

(Amounts expressed in 000's)

	Business-type activities-enterprise funds				Governmental activities – internal service
	Electric Utility Fund	Water and Wastewater Utility Fund	Other Enterprise Fund	Total	
Cash flows from operating activities:					
Receipts from customers and users	\$ 134,256	47,831	2,212	184,299	—
Receipts from interfund services provided	90	—	—	90	27,990
Sales for Resale	844	—	—	844	—
Payments to suppliers	(111,636)	(29,092)	(1,204)	(141,932)	(24,652)
Payments to employees	(11,737)	(7,831)	—	(19,568)	(1,895)
Payments for interfund services used	(4,321)	(4,544)	(480)	(9,345)	—
Other receipts	2,289	353	—	2,642	—
Net cash provided (used) by operating activities	9,785	6,717	528	17,030	1,443
Cash flows from noncapital financing activities:					
Operating grant	—	234	—	234	—
Transfers In	1,036	1,036	—	2,072	249
Transfers out	—	—	—	—	(8,769)
Due to General Fund	3,366	—	—	3,366	(35)
Net cash provided by noncapital financing activities	4,402	1,270	—	5,672	(8,555)
Cash flows from capital and related financing activities:					
Purchases of capital assets	(9,626)	(11,671)	(42)	(21,339)	(3,235)
Proceeds from sales of capital assets	—	—	—	—	99
Payments of bond principal	(4,832)	(957)	—	(5,789)	—
Payment of bond interest	(1,337)	(1,174)	—	(2,511)	—
Installation, connection, and development charges collected	2,230	1,625	143	3,998	—
Net cash used in capital and related financing activities	(13,565)	(12,177)	101	(25,641)	(3,136)
Cash flows from investing activities:					
Investment sales or maturities	2,936	705	1,884	5,525	9,098
Investment purchases	(2,319)	(702)	(5,438)	(8,459)	(5,150)
Net interest received	(273)	136	99	(38)	372
Net cash provided by investing activities	344	139	(3,455)	(2,972)	4,320
Net increase (decrease) in cash and cash equivalents	966	(4,051)	(2,826)	(5,911)	(5,928)
Cash and cash equivalents, May 1, 2014	—	5,514	3,752	9,266	7,522
Cash and cash equivalents, April 30, 2015	\$ 966	1,463	926	3,355	1,594
Reconciliation to statement of net position, April 30, 2015					
Cash and cash equivalents	\$ 966	1,463	926	3,355	1,594
Investments	—	—	4,156	4,156	2,201
Cash and investments	\$ 966	1,463	5,082	7,511	3,795

CITY OF NAPERVILLE, ILLINOIS

Statement of Cash Flows

Proprietary Funds

Year ended April 30, 2015

(Amounts expressed in 000's)

	Business-type activities-enterprise funds			Total	Governmental activities – internal service
	Electric Utility Fund	Water and Wastewater Utility Fund	Other Enterprise Fund		
Reconciliation of operating income (loss) to net cash provided by operating activities:					
Operating income (loss)	\$ (7,923)	(2,198)	147	(9,974)	(505)
Adjustments to reconcile operating income to net cash from operating activities:					
Depreciation expense	15,613	10,276	230	26,119	1,875
(Increase) decrease in accounts receivable	1,430	(71)	1	1,360	1
Decrease in due from other government	82	50	—	132	—
(Increase) decrease in inventories	583	(1)	—	582	341
(Decrease) in accounts payable	(141)	(1,180)	(29)	(1,350)	(817)
Increase in contract retainage payable-operating	—	—	179	179	—
Increase in claims payable	—	—	—	—	891
Decrease in accrued wages	(34)	(169)	—	(203)	(322)
Increase (decrease) in OPEB liability	9	9	—	18	(21)
(Decrease) in unearned revenue	(96)	—	—	(96)	—
(Decrease) in due to other government	(93)	—	—	(93)	—
Increase in other liabilities	355	1	—	356	—
Total adjustments	17,708	8,915	381	27,004	1,948
Net cash provided (used) by operating activities	\$ 9,785	6,717	528	17,030	1,443
Noncash investing, capital and financing activities:					
Contributions from developers	\$ —	2,912	—	2,912	—
Capital assets transfer in/(out)	823	1,681	—	2,504	(11,732)

See accompanying notes to financial statements.

CITY OF NAPERVILLE, ILLINOIS

Statement of Fiduciary Net Position

Pension Trust Funds

April 30, 2015

(Amounts expressed in 000's)

Assets:	
Cash and short-term investments	\$ 13,421
Receivables:	
Interest receivable	482
Investments at fair value:	
U.S. Treasury obligations	59,294
U.S. Government agencies	10,021
Asset backed	7,852
Corporate bonds	11,093
Mutual funds	121,617
Common stock	38,771
Municipal	958
Annuities	<u>18,738</u>
Total investments	268,344
Prepaid items	<u>—</u>
Total assets	<u>282,247</u>
Liabilities:	
Accounts payable	<u>44</u>
Net position held in trust for pension benefits	<u><u>\$ 282,203</u></u>

See accompanying notes to financial statements.

CITY OF NAPERVILLE, ILLINOIS
 Statement of Changes in Fiduciary Net Position
 Pension Trust Funds
 Year ended April 30, 2015

(Amounts expressed in 000's)

Additions:	
Contributions:	
Employer	\$ 11,311
Employee	3,439
Miscellaneous	17
Total contributions	14,767
Investment income	
Net appreciation in fair value of investments	10,275
Interest and dividends	6,784
Total investment income	17,059
Less investment expense	637
Net investment income	16,422
Total additions	31,189
Deductions:	
Benefits	10,637
Refunds of contributions	77
Administrative expense	240
Total deductions	10,954
Net increase	20,235
Net plan position held in trust for pension benefits, May 1, 2014	261,968
Net plan position held in trust for pension benefits, April 30, 2015	\$ 282,203

See accompanying notes to financial statements.

CITY OF NAPERVILLE, ILLINOIS

Notes to Financial Statements

April 30, 2015

(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. 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 of Naperville has no blended component units.

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 (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 Library operations and to issue

CITY OF NAPERVILLE, ILLINOIS

Notes to Financial Statements

April 30, 2015

bonded debt on behalf of the Library. Separately audited financial statements of the Library are not available.

(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 nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties. Additionally, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

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

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

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange 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.

CITY OF NAPERVILLE, ILLINOIS

Notes to Financial Statements

April 30, 2015

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 Funds. These funds account for information technology, vehicle, vehicle replacement and self insurance services that are provided to other departments of the City on a cost-reimbursement basis. At the fiscal year end, the Information Technology Fund, the Fleet Service Fund and the Vehicle Replacement Fund were closed.

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

(c) ***Measurement Focus and Basis of Accounting***

The government-wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Nonexchange 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 2013 levy is recognized as revenue for the year ended April 30, 2015. 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 and income tax, 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. Revenues for the income tax are considered to be available if they are collected within 90 days at the end of the current fiscal year unless they are further delayed by the State. 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

CITY OF NAPERVILLE, ILLINOIS

Notes to Financial Statements

April 30, 2015

in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

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

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

(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; commercial paper rated AAA 1, 2, or 3; repurchase agreements; nonnegotiable certificates of deposits; money market accounts; and pooled investment funds. The pension trust funds investment policies also allow them to hold deposits in any bank insured by the FDIC and to invest in common and preferred stocks, corporate bonds, convertible debt securities, 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 Firefighters' Pension Fund.

Investments are reported at fair value. Fair value is determined by closing market prices at year-end as reported by the investment custodian.

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

CITY OF NAPERVILLE, ILLINOIS

Notes to Financial Statements

April 30, 2015

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. IMET is not registered with the SEC as an investment company. 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 April 30, 2015, which are unbilled at year end, are recognized as current year revenue and are included in unbilled receivables.

(g) ***Interfund Transactions***

The City has the following types of interfund transactions:

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

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

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

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

(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 in both government-wide and fund financial statements.

CITY OF NAPERVILLE, ILLINOIS

Notes to Financial Statements

April 30, 2015

(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 estimated fair market value on the date received.

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

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

	<u>Years</u>
Buildings 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 twelve days per year for members of the Fraternal Order of Police Union to fifteen days for all other union and nonunion 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 fifteen 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

CITY OF NAPERVILLE, ILLINOIS

Notes to Financial Statements

April 30, 2015

June 9, 2001. All sworn firefighters working shifts are not eligible to participate in the PTO plan. Under both plans, the maximum accrual of vacation or PTO is equal to 160% of annual accrued leave.

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

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

(k) Deposits

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

(l) Bond Premiums, Discounts, and Issuance Costs

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

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

(m) Fund Balance/Net Position

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

CITY OF NAPERVILLE, ILLINOIS

Notes to Financial Statements

April 30, 2015

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 April 30 each year. According to the City's FY 2016 budget, the required minimum fund balance in the general fund is \$21,169,723. As noted in GASB S-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 \$519,499 in the Fair Share Assessment Fund and the fund balance of \$623,934 in the Special Events & Cultural Amenities 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 2013 were due, payable, and collected in two installments in June and September 2014.

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 year ended April 30, 2015 for collections from the calendar year 2013 levy if it was received by June 30, 2015. Property taxes levied for calendar year 2014, which will be collected in fiscal year 2016 are recorded as receivables and unavailable revenue. The 2015 tax levy, which attached as an enforceable lien on property as January 1, 2015, has not been recorded as a receivable as of April 30, 2015, as the tax has not yet been levied by the City and will not be levied until December 2015, and, therefore, the levy is not measurable at April 30, 2015.

(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

CITY OF NAPERVILLE, ILLINOIS

Notes to Financial Statements

April 30, 2015

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

(2) Deposits and Investments

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

Deposits

The City, Library 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, Library, and pension fund respectively.

Investments

The following table presents the investments and durations of the debt securities of the City, Police and Fire Pension Funds, and Naperville Public Library as of April 30, 2015. The relationship between the City, or the Police or Fire Pension Funds and the investment agent is a direct contractual relationship.

	<u>Fair Value</u>	<u>Modified Duration (Years)</u>
City:		
Governmental and business-type activities:		
U.S. Treasury obligations	\$ 34,192,015	4.31
U.S. government agencies	18,477,758	2.60
Subtotal	<u>52,669,773</u>	<u>3.71</u>
Fiduciary activities:		
U.S. Treasury obligations	59,294,709	4.18
U.S. government agencies	10,021,151	2.41
Municipal	957,686	9.60
Asset backed	7,851,765	5.30
Corporate bonds	11,092,790	5.06
	<u>89,218,101</u>	<u>3.68</u>

CITY OF NAPERVILLE, ILLINOIS

Notes to Financial Statements

April 30, 2015

The investments in the securities of U.S. government agencies were all rated AAA by Standard & Poor's, and Aaa by Moody's Investors Services. Illinois Funds and IMET are rated AAA. The corporate bonds were rated AAA. The securities of U.S. government agencies at April 30, 2015 consist of the following:

		City	Fiduciary
FNMA	\$	8,426,999	7,006,513
FHLMC		6,264,171	2,430,135
FHLB		797,924	—
GNMA		2,988,664	584,504
Total	\$	<u>18,477,758</u>	<u>10,021,151</u>

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.

Interest Rate Risk. 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.

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

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

CITY OF NAPERVILLE, ILLINOIS

Notes to Financial Statements

April 30, 2015

acting as the City's or Police and Firefighters' Pension Fund's agent separate from where the investment was purchased.

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 following investments:

Police Pension Fund:

Vanguard Instl Index Fund	\$ 14,138,500
Vanguard Mid Cap Fund	10,481,044
Principal US Property	9,471,144
American Funds-Capital World Growth	7,796,765
American Europacific Growth	7,526,364
PIMCO	7,160,622

Firefighter's Pension Fund:

Vanguard Mid Cap Fund	10,510,938
Principal US Property	9,266,405
Dodge & Cox Intl	7,668,221
American Europacific Growth	7,550,169
DFA Intrntnl Small Cap	7,330,908

(3) Receivables

(a) Installment Loans

The outstanding loans that are not expected to be collected within one year of April 30, 2015 are as follows:

	<u>Term</u>	<u>Due</u>	<u>Amount</u>
DuPage Mayor and Manager Association	20 years	02/01/2021	10,393
Commercial Energy Revolving Loans	5 years	Various	11,815
Computer Purchase and Loan Program	2 years	Various	1,082
Loan to the SSA 24 property owners	Various	Various	39,172

CITY OF NAPERVILLE, ILLINOIS

Notes to Financial Statements

April 30, 2015

(b) Due From Other Governments

The following receivables at April 30, 2015 are included in Due From Other Governments on the Statement of Net Position:

Governmental activities:	
Sales tax	\$ 7,265,228
State income tax	2,289,105
Simplified telecommunication tax	1,180,152
E-911 wireless grant	388,884
State motor fuel tax	329,921
School district 203 & 204-police services	325,000
FEMA grant-Assist 13	109,926
County court -traffic fines	60,725
CDBG grant	42,000
DuPage County hazardous waste grant	33,334
FEMA grant-SAFER grant	25,923
FEMA grant-Flood 13	25,502
Total governmental activities	<u>12,075,700</u>
Business-type activities:	
Warrenville wastewater treatment	85,718
FEMA grant-Flood 13	24,966
Total business-type activities	<u>110,684</u>
Total primary government	<u>12,186,384</u>
Naperville Public Library:	
Library per capita grant	<u>177,316</u>
Total Naperville Public Library	<u>177,316</u>
Total due from other governments	\$ <u>12,363,700</u>

CITY OF NAPERVILLE, ILLINOIS

Notes to Financial Statements

April 30, 2015

(4) Capital Assets

A summary of changes in capital assets of the City and Library for the year ended April 30, 2015 is as follows:

	<u>Balance May 1, 2014</u>	<u>Additions/ Transfers</u>	<u>Deductions</u>	<u>Balance April 30, 2015</u>
Primary government:				
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 18,288,074	3,242,000	—	21,530,074
Land-Infrastructure	153,728,929	7,809,084	(11,078)	161,526,935
Construction in progress	<u>72,152,527</u>	<u>11,538,251</u>	<u>(13,287,400)</u>	<u>70,403,378</u>
Total capital assets not being depreciated	<u>244,169,530</u>	<u>22,589,335</u>	<u>(13,298,478)</u>	<u>253,460,387</u>
Capital assets being depreciated:				
Land improvements	4,483,943	—	—	4,483,943
Buildings	132,987,330	934,859	—	133,922,189
Equipment	59,185,241	1,121,853	(10,458,817)	49,848,277
Infrastructure	<u>377,433,106</u>	<u>5,248,340</u>	<u>—</u>	<u>382,681,446</u>
Total capital assets being depreciated	<u>574,089,620</u>	<u>7,305,052</u>	<u>(10,458,817)</u>	<u>570,935,855</u>
Less accumulated depreciation:				
Land improvements	(824,210)	(264,292)	—	(1,088,502)
Buildings	(48,307,620)	(3,564,447)	—	(51,872,067)
Equipment	(43,525,177)	(3,673,360)	9,262,931	(37,935,606)
Infrastructure	<u>(218,109,680)</u>	<u>(11,078,155)</u>	<u>—</u>	<u>(229,187,835)</u>
Total accumulated depreciation	<u>(310,766,687)</u>	<u>(18,580,254)</u>	<u>9,262,931</u>	<u>(320,084,010)</u>
Total capital assets, being depreciated net	<u>263,322,933</u>	<u>(11,275,202)</u>	<u>(1,195,886)</u>	<u>250,851,845</u>
Total capital assets, net	\$ <u><u>507,492,463</u></u>	<u><u>11,314,133</u></u>	<u><u>(14,494,364)</u></u>	<u><u>504,312,232</u></u>

Depreciation expense for governmental activities for the year ended April 30, 2015 was charged to functions as follows:

General government	\$ 2,385,922
Physical environment	1,772,056
Public safety	1,583,588
Culture and recreation	950,259
Transportation	11,888,429
	\$ <u><u>18,580,254</u></u>

CITY OF NAPERVILLE, ILLINOIS

Notes to Financial Statements

April 30, 2015

	Balance May 1, 2014	Additions/ Transfers	Deductions	Balance April 30, 2015
Capital assets, continued:				
Primary government:				
Business-type activities:				
Electric:				
Capital assets not being depreciated:				
Land	\$ 3,836,326	—	—	3,836,326
Construction in progress	13,773,413	3,770,069	(6,483,682)	11,059,800
Total capital assets not being depreciated	17,609,739	3,770,069	(6,483,682)	14,896,126
Capital assets being depreciated:				
Buildings and building improvements	7,642,944	—	—	7,642,944
Equipment	9,841,714	4,351,550	—	14,193,264
Infrastructure	392,360,586	7,581,050	(543,265)	399,398,371
IMEA participation right	17,501,547	3,575,446	—	21,076,993
Total capital assets being depreciated	427,346,791	15,508,046	(543,265)	442,311,572
Less accumulated depreciation:				
Buildings and building improvements	(4,381,957)	(208,287)	—	(4,590,244)
Equipment	(8,507,595)	(4,139,305)	—	(12,646,900)
Infrastructure	(160,776,568)	(11,992,490)	319,123	(172,449,935)
IMEA participation right	(8,433,666)	(2,746,316)	—	(11,179,982)
Total accumulated depreciation	(182,099,786)	(19,086,398)	319,123	(200,867,061)
Total capital assets, being depreciated, net	245,247,005	(3,578,352)	(224,142)	241,444,511
Total electric capital assets, net	\$ 262,856,744	191,717	(6,707,824)	256,340,637

CITY OF NAPERVILLE, ILLINOIS

Notes to Financial Statements

April 30, 2015

	Balance May 1, 2014	Additions/ Transfers	Deductions	Balance April 30, 2015
Capital assets, continued:				
Business-type activities:				
Water/Wastewater:				
Capital assets not being depreciated:				
Land	\$ 2,565,671	—	—	2,565,671
Construction in progress	<u>13,272,431</u>	<u>11,115,940</u>	<u>(4,226,579)</u>	<u>20,161,792</u>
Total capital assets not being depreciated	<u>15,838,102</u>	<u>11,115,940</u>	<u>(4,226,579)</u>	<u>22,727,463</u>
Capital assets being depreciated:				
Equipment	6,603,609	3,644,584	—	10,248,193
Infrastructure	<u>422,979,101</u>	<u>7,287,152</u>	<u>(1,425,386)</u>	<u>428,840,867</u>
Total capital assets being depreciated	<u>429,582,710</u>	<u>10,931,736</u>	<u>(1,425,386)</u>	<u>439,089,060</u>
Less accumulated depreciation:				
Equipment	(5,365,501)	(2,883,715)	—	(8,249,216)
Infrastructure	<u>(208,210,618)</u>	<u>(9,732,331)</u>	<u>1,349,432</u>	<u>(216,593,517)</u>
Total accumulated depreciation	<u>(213,576,119)</u>	<u>(12,616,046)</u>	<u>1,349,432</u>	<u>(224,842,733)</u>
Total capital assets, being depreciated, net	<u>216,006,591</u>	<u>(1,684,310)</u>	<u>(75,954)</u>	<u>214,246,327</u>
Total Water/Wastewater capital assets, net	\$ <u>231,844,693</u>	<u>9,431,630</u>	<u>(4,302,533)</u>	<u>236,973,790</u>

CITY OF NAPERVILLE, ILLINOIS

Notes to Financial Statements

April 30, 2015

	Balance May 1, 2014	Additions/ Transfers	Deductions	Balance April 30, 2015
Capital assets, continued:				
Business-type activities, continued:				
Other:				
Capital assets not being depreciated:				
Land	\$ 7,520,323	—	—	7,520,323
Construction in progress	87,511	41,906	—	129,417
Total capital assets not being depreciated	<u>7,607,834</u>	<u>41,906</u>	<u>—</u>	<u>7,649,740</u>
Capital assets being depreciated:				
Buildings and building improvements	6,067,782	—	—	6,067,782
Machinery and equipment	990,053	—	—	990,053
Total capital assets being depreciated	<u>7,057,835</u>	<u>—</u>	<u>—</u>	<u>7,057,835</u>
Less accumulated depreciation:				
Buildings and building improvements	(4,734,583)	(176,747)	—	(4,911,330)
Machinery and equipment	(451,537)	(53,016)	—	(504,553)
Total accumulated depreciation	<u>(4,945,729)</u>	<u>(240,391)</u>	<u>—</u>	<u>(5,186,120)</u>
Total capital assets, being depreciated, net	<u>1,871,715</u>	<u>(229,763)</u>	<u>—</u>	<u>1,641,952</u>
Total other capital assets, net	<u>9,479,549</u>	<u>(187,857)</u>	<u>—</u>	<u>9,291,692</u>
Total capital assets, net	<u><u>504,180,986</u></u>	<u><u>9,435,490</u></u>	<u><u>(11,010,357)</u></u>	<u><u>502,606,119</u></u>
 Component Unit-Naperville Public Library				
Capital assets being depreciated:				
Buildings and building improvements	11,660,894	860,121	—	12,521,015
Equipment	2,753,134	362,263	(110,923)	3,004,474
Total capital assets being depreciated	<u>14,414,028</u>	<u>1,222,384</u>	<u>(110,923)</u>	<u>15,525,489</u>
Less accumulated depreciation:				
Buildings and building improvements	(5,181,023)	(339,937)	28,104	(5,492,856)
Equipment	(2,043,429)	(177,691)	77,263	(2,143,857)
Total accumulated depreciation	<u>(7,224,452)</u>	<u>(517,628)</u>	<u>105,367</u>	<u>(7,636,713)</u>
Total capital assets, being depreciated, net	<u>7,189,576</u>	<u>704,756</u>	<u>(5,556)</u>	<u>7,888,776</u>
Total capital assets, net	<u><u>\$ 7,189,576</u></u>	<u><u>704,756</u></u>	<u><u>(5,556)</u></u>	<u><u>7,888,776</u></u>

CITY OF NAPERVILLE, ILLINOIS

Notes to Financial Statements

April 30, 2015

(5) Interfund Balances and Activity

(a) Balances Due to/from Other Funds

Balances due to/from other funds at April 30, 2015 were as follows:

Description	Amount
Due to General Fund to cover cash account temporarily overdrawn at year end	
Electric Utility Fund	\$ 3,366,474
Nonmajor Governmental Funds	617,558
	<u>\$ 3,984,032</u>

(b) Advances

Advances at April 30, 2015 were as follows:

Description	Amount
Water and Wastewater Utility Fund advanced Electric Utility Fund to cover cash account overdrawn at FY 2014 year end	\$ 13,492,782
	<u>\$ 13,492,782</u>

The interest of \$354,727 was accrued at a rate of 2.7% for FY 2015. The semi-annual repayments on October 31 and April 30 will begin in FY 2016, once the Electric Utility has reached positive cash position. All accrued interest and principal will be fully paid and the advance will be closed no later than the end of FY 2017.

CITY OF NAPERVILLE, ILLINOIS

Notes to Financial Statements

April 30, 2015

(c) Transfers to/from Other Funds

Interfund transfers for the year ended April 30, 2015 were as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund		
Nonmajor Governmental Funds	\$ —	3,089,104
Total General Fund	<u>—</u>	<u>3,089,104</u>
Debt Service Fund		
Nonmajor Governmental Funds	<u>200,000</u>	<u>215,000</u>
Nonmajor Governmental Funds		
General Fund	3,089,104	—
Debt Service Fund	<u>215,117</u>	<u>200,000</u>
Total Nonmajor Governmental Funds	<u>3,304,221</u>	<u>200,000</u>
Transfers before closing internal service funds	<u><u>3,504,221</u></u>	<u><u>3,504,104</u></u>
General Fund		
Internal Service Funds-cash	\$ <u>6,696,236</u>	<u>—</u>
Electric Utility Fund		
Internal Service Funds-cash	1,036,431	—
Internal Service Funds-capital assets	<u>822,542</u>	<u>—</u>
Total Electric Fund	<u>1,858,973</u>	<u>—</u>
Water and Wastewater Utility Fund		
Internal Service Funds-cash	1,036,431	—
Internal Service Funds-capital assets	<u>1,681,348</u>	<u>—</u>
Total Water/Wastewater Fund	<u>2,717,779</u>	<u>—</u>
Internal Service Funds		
General Fund-cash	—	6,696,236
Operation of Governmental Activities-capital assets	—	9,228,152
Operation of Governmental Activities-L-T obligations	249,082	—
Electric-cash	—	1,036,431
Electric-capital assets	—	822,542
Water-cash	—	1,036,431
Water-capital assets	—	1,681,348
Total Internal Service Funds	<u>249,082</u>	<u>20,501,140</u>
Operation of Governmental Activities:		
Internal Service Funds-capital assets	9,228,152	—
Internal Service Funds-long-term obligations	<u>—</u>	<u>249,082</u>
	<u>9,228,152</u>	<u>249,082</u>
Transfers after closing internal service funds	\$ <u><u>24,254,443</u></u>	\$ <u><u>24,254,326</u></u>

CITY OF NAPERVILLE, ILLINOIS

Notes to Financial Statements

April 30, 2015

The purpose of significant transfers is as follows:

- \$923,817 transferred from the General Fund to the Special Service Area #24 Fund for the City's share of the downtown maintenance. This transfer will not be repaid.
- \$128,065 was transferred from the General Fund to the Community Development Block Grant Fund for various capital improvement projects. This transfer will not be repaid.
- \$2,665,000 was transferred from the General Fund to the Motor Fuel Tax Fund for the street maintenance and improvement projects. This transfer will not be repaid.
- \$215,117 was transfer from Debt Service Fund to the Special Service Area #23 Fund to cover the SSA 23 debt service. This transfer will not be repaid.
- \$200,000 was transferred from the Capital Projects Fund to the Debt Service Fund to cover its deficit. This transfer will not be repaid.
- At the fiscal year end, three internal service funds, the Information Technology Fund, the Fleet Service Fund and the Vehicle Replacement Fund, were closed and transferred to the General Fund, the Electric Utility Fund and the Water/Wastewater Fund. The transferred capital assets of \$9,228,152 and long-term obligation of \$249,082 for the purpose of the Operation of Governmental Activities were reported on the Government-Wide Financial Statements.

As of April 30, 2015, the following funds had deficit fund balances:

<u>Fund</u>	<u>Fund Balance</u>
Road and Bridge Fund	\$ (10,814)
SSA #25	(532,052)
SSA #23	(518)
2013 G.O. Bond Project Fund	(46)

CITY OF NAPERVILLE, ILLINOIS

Notes to Financial Statements

April 30, 2015

(6) Long-term Obligations

The following is a summary of changes in long-term debt of the City for the year ended April 30, 2015:

	<u>Balance</u>			<u>Balance</u>	<u>Due Within</u>
	<u>May 1, 2014</u>	<u>Additions</u>	<u>Retirements</u>	<u>April 30, 2015</u>	<u>One Year</u>
Governmental activities:					
Bonds payable:					
General obligation bonds	\$ 94,911,864	17,340,000	(6,841,077)	105,410,787	9,447,805
Premium/(discount)	3,046,955	388,853	(298,474)	3,137,334	—
Total bonds payable	<u>97,958,819</u>	<u>17,728,853</u>	<u>(7,139,551)</u>	<u>108,548,121</u>	<u>9,447,805</u>
Compensated absences	10,323,961	7,381,313	(7,462,431)	10,242,843	5,372,289
Other post-employment benefits obligation	1,742,777	541,189	(379,439)	1,904,527	—
Claims and judgment	2,438,353	15,941,865	(15,050,495)	3,329,723	405,020
Total	<u>\$ 112,463,910</u>	<u>41,593,220</u>	<u>(30,031,916)</u>	<u>124,025,214</u>	<u>15,225,114</u>
Business-type activities:					
Electric:					
Bonds payable:					
General obligation bonds	\$ 35,918,886	—	(4,831,923)	31,086,963	2,980,746
Premium/(discount)	1,841,416	—	(159,626)	1,681,790	—
Total bonds payable	<u>37,760,302</u>	<u>—</u>	<u>(4,991,549)</u>	<u>32,768,753</u>	<u>2,980,746</u>
Compensated absences	1,394,738	1,293,733	(1,177,233)	1,511,238	666,886
Other post-employment benefits obligation	93,680	28,934	(20,239)	102,375	—
	<u>39,248,720</u>	<u>1,322,667</u>	<u>(6,189,021)</u>	<u>34,382,366</u>	<u>3,647,632</u>
Water/Wastewater:					
Bonds payable:					
General obligation bonds	28,369,250	—	(957,000)	27,412,250	1,381,449
Premium-G.O.bonds	224,770	—	(14,465)	210,305	—
	<u>28,594,020</u>	<u>—</u>	<u>(971,465)</u>	<u>27,622,555</u>	<u>1,381,449</u>
Compensated absences	946,979	558,987	(707,224)	798,742	440,548
Other post-employment benefits obligation	95,092	33,790	(24,964)	103,918	—
	<u>29,636,091</u>	<u>592,777</u>	<u>(1,703,653)</u>	<u>28,525,215</u>	<u>1,821,997</u>
Total	<u>\$ 68,884,811</u>	<u>1,915,444</u>	<u>(7,892,674)</u>	<u>62,907,581</u>	<u>5,469,629</u>
Component Unit-Naperville Public Library:					
Compensated absences	\$ 451,680	662,058	(678,772)	434,966	427,295
Other post-employment benefits obligation	70,087	24,886	(18,381)	76,592	—
Total	<u>\$ 521,767</u>	<u>686,944</u>	<u>(697,153)</u>	<u>511,558</u>	<u>427,295</u>

CITY OF NAPERVILLE, ILLINOIS

Notes to Financial Statements

April 30, 2015

On May 1, 2014, the City issued \$17,340,000 General Obligation Bonds, Series 2014. The bonds are matured annually on December 1, beginning December 1, 2015 with maturities ranging from \$200,000 to \$2,000,000. Interest is due semi-annually on June 1 and December 1, commencing December 1, 2014, with rates ranging from 2.00% to 3.50%.

Long-term debt at April 30, 2015 consists of the following:

(a) General Obligation Bonds

	Governmental Activities	Business-type Activities	Total
April 2008, 3.25%-5.0%, due serially through December 1, 2038	24,010,287	7,884,713	31,895,000
March 2009, 2.0%-4.75%, due serially through December 1, 2028	22,823,750	10,546,250	33,370,000
April 2010, Series A, 4.65%-5.2%, due serially through December 1, 2028	—	7,975,000	7,975,000
April 2010, Series B, 2.85%-4.5%, due serially through December 1, 2023	15,025,000	5,500,000	20,525,000
April 2010, Series D, 2.0%-4.0%, due serially through December 1, 2021	5,260,000	—	5,260,000
July 2011, 2.0%-4.625%, due serially through December 1, 2029	—	15,800,000	15,800,000
September 2012, 2.0%-4.0%, due serially through December 1, 2025	15,531,750	10,793,250	26,325,000
July 2013, 3.0%-4.0%, due serially through December 1, 2031	5,420,000	—	5,420,000
May 2014, 2.0%-3.5%, due serially through December 1, 2032	17,340,000	—	17,340,000
	<u>\$ 105,410,787</u>	<u>58,499,213</u>	<u>163,910,000</u>

CITY OF NAPERVILLE, ILLINOIS

Notes to Financial Statements

April 30, 2015

The annual requirements to amortize all short-and long-term general obligation bonds outstanding at April 30, 2015 are as follows:

Fiscal Year Ending April 30	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2016	\$ 9,447,805	4,027,163	4,362,195	2,351,300
2017	6,680,455	3,744,417	3,814,545	2,227,970
2018	10,259,084	3,514,886	4,450,916	2,112,765
2019	9,528,447	3,162,331	4,931,553	1,958,506
2020	8,919,835	2,795,586	4,865,165	1,773,852
2021-2025	39,184,130	8,829,380	22,175,870	6,296,508
2026-2030	16,616,031	2,565,526	13,898,969	1,699,174
2031-2035	4,000,000	514,100	—	—
2036-2039	775,000	99,000	—	—
	<u>\$ 105,410,787</u>	<u>29,252,389</u>	<u>58,499,213</u>	<u>18,420,075</u>

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 original general obligation bonds issuance amounts were allocated as follows:

Bonds Series	Electric	Water and Wastewater	Governmental	Total
G.O. 2001A	\$ 5,888,000	—	27,792,000	33,680,000
G.O. 2005	20,200,000	—	10,100,000	30,300,000
G.O. 2008	9,990,000	—	34,260,000	44,250,000
G.O. 2009	4,000,000	9,000,000	34,405,000	47,405,000
G.O. 2010A	—	7,975,000	—	7,975,000
G.O. 2010B	—	5,500,000	15,025,000	20,525,000
G.O. 2010C	4,500,000	—	—	4,500,000
G.O. 2011	11,000,000	8,000,000	—	19,000,000
G.O. 2012 refunding	12,482,450	—	17,962,550	30,445,000

The general obligation bonds outstanding amount for the enterprise funds at April 30, 2015 is \$58,499,213.

CITY OF NAPERVILLE, ILLINOIS

Notes to Financial Statements

April 30, 2015

(b) *Defeased Debt*

On December 1, 2014, \$19,485,000 was paid from escrow for the defeased debt. There were no remaining amounts to be paid from escrow at April 30, 2015.

(c) *Industrial Revenue Bonds*

The City has issued industrial revenue development bonds for the benefit of certain organizations. These bonds are neither a debt of the City nor a pledge of its full faith and credit, nor do they give rise to a pecuniary liability of the City or a charge against its general credit or taxing powers. The bonds are special and limited obligations of the City and are payable solely from the payments in accordance with the underlying indentures. As such, no liability for the bonds is recorded in the City's basic financial statements.

As of April 30, 2015, none of the issued industrial revenue development bonds have outstanding balances.

(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, Burlington Commuter Parking Fund, Information Technology Fund, Fleet Services Fund, and the Naperville Public 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 April 30, 2015 this liability totaled approximately \$405,020. The claims liability reported in the Self-Insurance Fund of \$3,329,723 at April 30, 2015 is based on the requirements of Governmental Accounting Standards Board 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

April 30, 2015

Changes in the Self-Insurance Fund's claims liability amount in fiscal year 2015 and 2014 were:

	<u>2015</u>	<u>2014</u>
Claims liability, beginning of year	\$ 2,438,353	2,957,595
Incurred claims	15,772,954	14,314,608
Changes in estimates	168,911	(89,593)
Claim payments	<u>(15,050,495)</u>	<u>(14,744,257)</u>
Claims liability, end of year	<u>\$ 3,329,723</u>	<u>2,438,353</u>

(8) Commitments and Contingencies

DuPage Water Commission

The City is a charter customer, along with 23 other municipalities, of the Du Page Water Commission (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.

The City's charter member fixed cost contribution is \$122,438.26 per month (or 20.5683%) from May 1, 2014 to April 30, 2015. The fixed cost contribution represents the communities' contribution to retire existing debt based on a percentage of water used as a percentage of the total water pumped by the DuPage Water Commission. The April 30, 2015 fixed cost contribution payment was the last payment to the DuPage Water Commission as the Commission retired all existing debt.

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 is to offset the projected increase to the average power supply costs to IMEA's twenty-nine existing participating members resulting in acquisition of the resources necessary to serve the City. The projected premium payments are approximately \$72 million. The cumulative premium payments through April 30, 2015 are \$21.1 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.

CITY OF NAPERVILLE, ILLINOIS

Notes to Financial Statements

April 30, 2015

Naperville Smart Grid Initiative (NSGI)

The City of Naperville was the only municipality in the State of Illinois selected for a Smart Grid Investment Grant by the U.S. Department of Energy (DOE) and was selected from more than 500 applicants. On April 21, 2010, the DOE awarded the City an \$11 million matching grant through the American Recovery and Reinvestment Act (ARRA), which requires the entire smart grid to be installed and completed within three years. The City chose to take advantage of the federal stimulus funds rather than passing along this cost to electric utility customers. This ARRA funding allowed the City to accelerate the project and obtain full efficiencies and customer benefits and savings much sooner.

Meter deployment began on January 4, 2012 and continued through October 31, 2012.

The smart grid was installed by April 2013, meeting the grant requirements. The cumulative project cost through April 30, 2014 is \$24.3 million, and \$11.0 million has been reimbursed by the DOE.

Naperville Renewable Energy Program

The City of Naperville participates in a Renewable Energy Program to make the choice for a clean energy future. This program enables customers to support clean energy resources such as wind and sun that protect our environment and make a difference for future generations. The program is comprised predominantly of unbundled wind “renewable energy certificates” (“RECs”), as well as a small volume of unbundled solar RECs. The current REC mix is 99% wind, 1% solar. On a dollar spent basis, the mix in FY 2015 was 57% wind and 43% solar because the solar REC’s are much more expensive. The program includes a strong local component, sourcing all of its RECs from Illinois projects. The local component is an integral part of the program, and Naperville will continue to source 100% of its renewable energy offering from Illinois-sited renewable energy facilities.

Prior to April 30, 2013, the program was managed by Community Energy and beginning May 1, 2013, the City brought the program management in-house. The City now holds primary responsibility for the program on behalf of its customers and has retained the services of Customized Energy Solutions to manage the program’s administration and renewable offerings. During fiscal year 2015, the City collected \$0.3 million and due to management efficiencies will make all funds, less minimum administration costs, available through grants to directly fund local community based renewable energy projects within Naperville. The fund balance of this subfund of the electric fund at April 30, 2015 is \$0.9 million.

Enterprise Fund Commitments

In addition to the power commitment with IMEA discussed above, the enterprise funds have purchase commitments as of April 30, 2015 amounted to \$836,432 and \$2,566,862 for the Electric Utility Fund and the Water and Wastewater Utility Fund, respectively. These commitments primarily relate to capital projects.

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 fiscal year ended April 30, 2015, \$362,042 in sales tax and \$492,016 in hotel tax were rebated under these agreements. Estimated remaining \$21 million will be payable throughout 24 years.

CITY OF NAPERVILLE, ILLINOIS

Notes to Financial Statements

April 30, 2015

(9) Employee Retirement Systems and Pension Plans

Illinois Municipal Retirement Fund

(a) *Plan Description*

The City contributes to the Illinois Municipal Retirement Fund (IMRF), which provides retirement, disability, and death benefits to plan members and beneficiaries. IMRF is an agent-multiple-employer public employee retirement system that acts as a common investment and administrative agent for local governments and school districts in Illinois. All employees, except those covered by the police and fire pension plans, in positions that meet or exceed the prescribed minimum hours standard must be enrolled in IMRF as participating members. The Illinois Pension Code establishes the benefit provisions of the plan that can only be amended by the Illinois General Assembly. IMRF issues a publicly available financial report that includes financial statements and supplementary information for the plan as a whole, but not for individual employers. The report may be obtained from the Illinois Municipal Retirement Fund, 2211 York Road, Suite 500, Oak Brook, Illinois 60521.

(b) *Plan Tiers*

IMRF provides two tiers of pension benefits. Employees hired prior to January 1, 2011, are eligible for Tier 1 benefits. For Tier 1 employees, pension benefits vest after eight years of service. Participating members who retire at age 55 (reduced benefits) or after age 60 (full benefits) with eight years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter.

Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after 10 years of service. Participating members who retire at age 62 (reduced benefits) or after age 67 (full benefits) with 10 years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter.

(c) *Funding Policy*

Employees participating in IMRF are required to contribute 4.5% of their annual covered salary. The member rate is established by State statute. The City is required to contribute at an actuarially determined rate. The employer's annual required contribution rates for calendar years 2015 and 2014 were 11.61% and 12.36% of payroll, respectively. The City's contribution requirements are established and amended by the IMRF Board of Trustees.

(d) *Annual Pension Cost*

For the year ended April 30, 2015, the City's annual pension cost of \$6,226,285 was equal to the City's required and actual contributions. The required contributions were determined as part of the

CITY OF NAPERVILLE, ILLINOIS

Notes to Financial Statements

April 30, 2015

December 31, 2012 actuarial valuation using the entry age normal actuarial cost method. IMRF conducts annual actuarial valuations as of December 31 of each year. The valuation determines the actuarial liabilities for the year of the valuation. Employer contribution rates are based on the valuation two years prior. For example, the December 31, 2012 valuation determined the liabilities for calendar year 2013 and the employer rate for calendar year 2014. The actuarial assumptions included (a) 7.5% investment rate of return (net of administrative expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10.0% per year, depending on age and service attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually. The actuarial value of assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The unfunded actuarial accrued liability at December 31, 2012 is being amortized as a level percentage of projected payroll on an open 29 year basis.

The annual pension costs for fiscal years 2015, 2014 and 2013 were \$6,226,285, \$6,296,371, and \$6,100,382 respectively. For the fiscal years ended 2015, 2014 and 2013, the annual pension costs were equal to the required and actual contributions, and there were no net pension obligation for these years.

Police Pension and Firefighters' Pension Plans

(a) Plan Descriptions

The City contributes to two single-employer defined benefit pension plans: the Police Pension Plan and the Firefighters' Pension Plan (Plans). Each plan provides retirement, disability, and death benefits, and annual cost-of-living adjustments to plan members and beneficiaries. Sworn police and fire personnel are covered by the Plans. Although these are single-employer pension plans, the defined benefits and employee and employer contribution levels are governed by Illinois Compiled Statutes and may be amended only by the Illinois legislature. The City accounts for the Plans as Pension Trust Funds. The Police Pension Plan issues separate audited financial statements. These statements are available at the City website. The Firefighters' Pension Plan issues separate audited financial statements. These statements are available at the City website. Membership of each plan consisted of the following at April 30, 2015:

	Police Pension	Firefighters' Pension
	<hr/>	<hr/>
Retirees and beneficiaries currently receiving benefits	82	82
Terminated employees entitled to but not yet receiving benefits	1	2
Active plan members		
Vested	132	128
Nonvested	34	64
	<hr/>	<hr/>
Total	249	276
	<hr/> <hr/>	<hr/> <hr/>

CITY OF NAPERVILLE, ILLINOIS

Notes to Financial Statements

April 30, 2015

(b) *Plan Tiers*

The Police Pension Plan provides retirement benefits as well as death and disability benefits. Tier 1 employees (those hired prior to January 1, 2011) attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one-half 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 75.00% 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 3.00% of the original pension and 3.00% compounded annually thereafter.

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with 10 or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the police officer during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Police officers' salary for pension purposes is capped at \$106,800, plus the lesser of ½ of the annual change in the Consumer Price Index or 3.00% compounded. 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 75.00% of such salary. Employees with at least 10 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. Non-compounding increases occur annually, each January thereafter. The increase is the lesser of 3.00% or ½ of the change in the Consumer Price Index for the proceeding calendar year.

The Firefighters' Pension Plan provides retirement benefits as well as death and disability benefits. Tier 1 employees (those hired prior to January 1, 2011) attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one-half of the salary attached to the rank held at the date of retirement. 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 75.00% of such salary. Employees with at least 10 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 covered employee 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 3.00% of the original pension and 3.00% compounded annually thereafter.

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with 10 or more years of creditable service are entitled to receive an annual retirement benefit equal to 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 pension purposes is capped at \$106,800, plus the lesser of ½ of the annual change in the Consumer Price Index or

CITY OF NAPERVILLE, ILLINOIS

Notes to Financial Statements

April 30, 2015

3.00% compounded. 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 75.00% of such salary. Employees with at least 10 years may retire at or after age 50 and receive a reduced benefit (i.e. ½% for each month under 55). The monthly benefit of a Tier 2 firefighter shall be increased annually at age 60 on the January 1st after the firefighter retires, or the first anniversary of the pension starting date, whichever is later. Non-compounding increases occur annually, each January thereafter. The increase is the lesser of 3.00% or ½ of the change in the Consumer Price Index for the proceeding calendar year.

(c) ***Summary of Significant Accounting Policies and Plan Asset Matters***

Basis of Accounting

The financial statements are prepared using the accrual basis of accounting. Employee and employer contributions are recognized as revenues when due, pursuant to formal commitments, as well as statutory or contractual requirements. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan.

Method Used to Value Investments

Investments are reported at fair value. Securities traded on a national exchange are valued at the last reported sales price. Investments that do not have an established market are reported at estimated fair value.

Administrative Cost

The costs of administering the plan are financed through investment earnings.

(d) ***Funding Policy***

The City funds its contribution to the Police and Firefighters' pension plans through an annual tax levy. The levy amount is actuarially determined as the annual contribution necessary to fund the normal cost, plus the amount to amortize the unfunded accrued liability.

The City's annual pension cost and net pension asset for the police and firefighters' pension plans for fiscal year 2015 were as follows:

CITY OF NAPERVILLE, ILLINOIS

Notes to Financial Statements

April 30, 2015

	Police Pension Plan	Firefighters' Pension Plan
Annual required contribution	\$ 5,156,419	5,183,001
Interest on net pension asset	(236,702)	(300,735)
Adjustment to annual required contribution	213,785	271,619
Annual pension cost	5,133,502	5,153,885
Contributions made	5,641,180	5,670,039
Increase in net pension asset	507,678	516,154
Net pension asset, May 1, 2014	3,381,450	4,296,218
Net pension asset, April 30, 2015	\$ 3,889,128	4,812,372

Employer contributions for FY 2015 were based on the following actuarial valuation and assumptions:

	Police Pension Plan	Firefighters' Pension Plan
Actuarial valuation date	4/30/2014	4/30/2014
Actuarial cost method	Entry age	Entry age
Amortization method	Level percentage of pay, closed	Level percentage of pay, closed
Remaining amortization period	19 years	19 years
Asset valuation method	Market	Market
Actuarial assumptions:		
Investment rate of return	7.0%	7.0%
Projected salary increases (includes inflation rate)	5.0%	5.0%
Inflation rate	3.0%	3.0%
Cost-of-living adjustments		
Tier 1: Compounded	3.0% per year	3.0% per year
Tier 2: Simple	2.0% per year	2.0% per year
Mortality Rate Assumption	RP2000 Mortality Table	RP2000 Mortality Table
Contribution rates for the fiscal year ended 4/30/2015:		
City	34.47%	33.03%
Plan member	9.91%	9.46%

CITY OF NAPERVILLE, ILLINOIS

Notes to Financial Statements

April 30, 2015

(e) Three-Year Trend Information

	<u>Year ending</u>	<u>Annual pension cost (APC)</u>	<u>Percentage of APC contributed</u>	<u>Net pension asset</u>
Police Pension Plan	4/30/15	\$ 5,133,502	109.9%	\$ 3,889,128
	4/30/14	4,713,303	164.0%	3,381,450
	4/30/13	4,313,306	100.4%	362,868
Firefighters' Pension Plan	4/30/15	\$ 5,153,885	110.0%	\$ 4,812,372
	4/30/14	4,915,974	161.3%	4,296,218
	4/30/13	4,673,411	100.6%	1,282,421

(f) Funded status

The funded status of the three plans as of December 31, 2014 for IMRF and as of April 30, 2015 for the Police Pension Plan and Firefighters' Pension Plan based on actuarial valuations performed as of the same date, is as follows. The actuarial assumptions used to determine the funded status of the plans are the same actuarial assumptions used to determine the employer APC of the plans as disclosed in Note 10-(d).

	<u>Illinois Municipal Retirement</u>	<u>Police Pension</u>	<u>Firefighters' Pension</u>
Actuarial accrued liability	\$ 164,513,934	\$ 192,796,750	\$ 185,338,048
Actuarial value of plan assets	130,819,215	140,794,605	141,407,899
Unfunded actuarial accrued liability (UAAL)	33,694,719	52,002,145	43,930,149
Funded ratio (actuarial value of plan assets/AAL)	79.5%	73.0%	76.3%
Covered payroll (active plan members)	51,188,474	16,365,735	17,165,868
UAAL as a percentage of covered payroll	65.8%	317.8%	255.9%

See the schedules of funding progress in the required supplementary information immediately following the notes to financial statements for additional information related to the funded status of the plans.

CITY OF NAPERVILLE, ILLINOIS

Notes to Financial Statements

April 30, 2015

(11) Other Post-Employment Benefits

(a) Plan Descriptions

In addition to providing the pension benefits described, the City provides post-employment health care and life insurance benefits (OPEB) for retired employees through a single employer defined benefit plan. The benefits, benefit levels, employee contributions and any employer contributions are governed by the City and can be amended by the City through its personnel manual and union contracts. The plan is not accounted for as a trust fund, as an irrevocable trust has not been established to account for the plan. The plan does not issue a separate report. The actuarial valuation for the OPEB plan is performed every two years. The April 30, 2014 actuarial valuation is used for the following sections.

(b) Benefits Provided

The City provides post-employment health care and life insurance benefits to its retirees. To be eligible for benefits, an employee must qualify for retirement under one of the City's retirement plans or meet COBRA requirements.

All health care benefits are provided through the City's self-insured health plan. The benefit levels are the same as those afforded to active employees. Benefits include general inpatient and outpatient medical services; mental, nervous, and substance abuse care; vision care; dental care; and prescriptions. Eligibility in City sponsored health care plans is discontinued upon eligibility for federally sponsored health care benefits. Retirees who are eligible for health care program participation are also eligible for participation in the life insurance program in the amount of \$5,000.

(c) Membership

At April 30, 2014, membership consisted of:

Retirees and beneficiaries currently receiving benefits	92
Terminated employees entitled to but not yet receiving benefits	—
Active plan members	<u>1,121</u>
Total	<u>1,213</u>

(d) Funding Policy

The City negotiates the contribution percentages between the City and employees through the union contracts and personnel policy. All retirees contribute 100% of the actuarially determined premium to the plan to cover the cost of providing the benefits to the retirees via the self-insured plan (pay as you go) which results in an implicit subsidy to the City as defined by the GASB Statement No. 45. Since the City is self-insured, this amount fluctuates on an annual basis. For the fiscal year ending April 30, 2015, retirees contributed \$0 and the City contributed \$443,023 toward the implicit subsidy. The City is not required to and currently does not advance fund the cost of benefits that will become due and payable in the future. Active employees do not contribute to the plan until

CITY OF NAPERVILLE, ILLINOIS

Notes to Financial Statements

April 30, 2015

retirement. The general fund typically has been used to liquidate the governmental activities the net other postemployment benefit obligation.

(e) Annual OPEB cost and Net OPEB Obligation

The City's annual OPEB cost (expense) was \$628,799 while the ARC was \$615,455 for the fiscal year ended April 30, 2015. The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for April 30, 2015 were as follows:

<u>Year ending</u>	<u>Annual OPEB cost</u>	<u>Employer contributions</u>	<u>Percentage of annual OPEB cost contributed</u>	<u>Net OPEB obligation</u>
4/30/15	\$ 628,799	\$ 443,023	70.5%	\$ 2,187,412
4/30/14	570,822	435,507	76.3%	2,001,636
4/30/13	586,961	435,507	74.2%	1,866,321

The net OPEB obligation (NOPEBO) as of April 30, 2015, was calculated as follows:

(f) Funded Status and Funding Progress

The funded status of the plan as of April 30, 2014, was as follows:

Actuarial accrued liability (AAL)	\$	9,043,563
Actuarial value of plan assets		—
Unfunded actuarial accrued liability (UAAL)	\$	9,043,563
Funded ratio (actuarial value of plan assets/AAL)		0.0%
Covered payroll (active plan members)	\$	88,717,697
UAAL as a percentage of covered payroll		10.2%

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

CITY OF NAPERVILLE, ILLINOIS

Notes to Financial Statements

April 30, 2015

shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions.

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

In the April 30, 2014 actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions included a 4.00% investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of 7.50% initially and 5.50% ultimately. Both rates include a 3.00% inflation assumption. The actuarial value of assets was not determined as the City has not advance funded its obligation. The plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at April 30, 2014, was 30 years.

(12) Discretely Presented Component Unit-Naperville Public Library

The following is summary fund financial information for the Naperville Public Library (the Library) for the fiscal year ended April 30, 2015:

CITY OF NAPERVILLE, ILLINOIS

Notes to Financial Statements

April 30, 2015

Discretely Presented Component Unit – Naperville Public Library
 Statement of Net Position and Governmental Funds Combining Balance Sheet
 April 30, 2015

Assets and Deferred Outflows of Resources	General Operating	Special revenue			Total	Adjustment	Statement of Net Position
		Building Reserve	Gift and Memorial	Endowment			
Assets:							
Cash and cash equivalents	\$ 1,772,377	680,534	45,786	10,247	2,508,944	—	2,508,944
Property taxes receivable, net of allowance for uncollectible accounts	14,718,200	—	—	—	14,718,200	—	14,718,200
Interest receivable	4,836	1,857	125	28	6,846	—	6,846
Due from other governments	177,316	—	—	—	177,316	—	177,316
Capital assets (net):							
Capital assets depreciated, net	—	—	—	—	—	7,888,776	7,888,776
Total assets and deferred outflows of resources	\$ 16,672,729	682,391	\$ 45,911	10,275	17,411,306	7,888,776	25,300,082
Liabilities, Deferred Inflows of Resources and Fund Balance/Net Position							
Liabilities:							
Accounts payable	\$ 87,113	434,496	7	2	521,618	—	521,618
Accrued wages and benefits	581,691	—	—	—	581,691	—	581,691
Retainage payable	—	46,971	—	—	46,971	—	46,971
Compensated absences	—	—	—	—	—	434,966	434,966
Other postemployment benefits obligation	—	—	—	—	—	76,592	76,592
Total liabilities	668,804	481,467	7	2	1,150,280	511,558	1,661,838
Deferred inflows of resources:							
Unavailable/earned property tax revenue	14,718,200	—	—	—	14,718,200	—	14,718,200
Total deferred inflows of resources	14,718,200	—	—	—	14,718,200	—	14,718,200
Fund Balance/Net Position:							
Fund balance:							
Restricted for culture and recreation	—	—	—	10,273	10,273	—	10,273
Committed for culture and recreation	—	200,924	45,904	—	246,828	(246,828)	—
Unassigned	1,285,725	—	—	—	1,285,725	(1,285,725)	—
Net position:							
Invested in capital assets	—	—	—	—	—	7,888,776	7,888,776
Unrestricted	—	—	—	—	—	1,020,995	1,020,995
Total fund balance/net position	1,285,725	200,924	45,904	10,273	1,542,826	7,377,218	8,920,044
Total liabilities, deferred inflows of resources and fund balances/net position	\$ 16,672,729	682,391	45,911	10,275	17,411,306	7,888,776	25,300,082

CITY OF NAPERVILLE, ILLINOIS
Notes to Financial Statements
April 30, 2015

Summary Financial Information (Continued)

Discretely Presented Component Unit – Naperville Public Library

Year ended April 30, 2015

	General Operating	Special revenue			Total	Adjustments	Statement of Activities
		Building Reserve	Gift and Memorial	Endowment			
Revenues:							
Property taxes	\$ 14,557,063	—	—	—	14,557,063	—	14,557,063
Other taxes – personal property replacement tax	156,579	—	—	—	156,579	—	156,579
Fines and forfeits	449,121	—	—	—	449,121	—	449,121
Net investment income	197,581	(1,216)	1,005	224	197,594	—	197,594
Intergovernmental	177,316	—	—	—	177,316	—	177,316
Charges for services	5,543	—	—	—	5,543	—	5,543
Fees	88,745	—	—	—	88,745	—	88,745
Contribution	—	5,000	—	—	5,000	409,967	414,967
Miscellaneous	109,068	783	1,645	—	111,496	—	111,496
Total revenues	15,741,016	4,567	2,650	224	15,748,457	409,967	16,158,424
Expenditures/expenses:							
Current – culture and recreation	14,830,291	821,461	2,131	—	15,653,883	(299,442)	15,354,441
Total expenditures/expenses	14,830,291	821,461	2,131	—	15,653,883	(299,442)	15,354,441
Excess (deficiency) of revenues over expenditures	910,725	(816,894)	519	224	94,574	709,409	803,983
Other financing sources (uses):							
Transfers in	—	858,369	—	—	858,369	(858,369)	—
Transfers out	(858,369)	—	—	—	(858,369)	858,369	—
Total other financing sources (uses)	(858,369)	858,369	—	—	—	—	—
Net change in fund balances/net position	52,356	41,475	519	224	94,574	709,409	803,983
Fund balances/net position at May 1, 2014	1,233,369	159,449	45,385	10,049	1,448,252	6,667,809	8,116,061
Fund balances/net position at April 30, 2015	\$ 1,285,725	200,924	45,904	10,273	1,542,826	7,377,218	8,920,044

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF NAPERVILLE, ILLINOIS

General Fund

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

Year ended April 30, 2015

	Budgeted amount		Actual	Variance with final budget positive (negative)
	Original	Final		
Revenues:				
Property taxes	\$ 18,959,495	18,959,495	19,091,251	131,756
Utility tax	16,959,754	16,959,754	16,122,673	(837,081)
Sales and use tax	35,834,864	35,834,864	35,580,425	(254,439)
State income tax	13,366,556	13,366,556	13,892,316	525,760
Other taxes	6,534,665	6,534,665	7,170,303	635,638
Licenses and permits	2,427,760	2,427,760	2,480,281	52,521
Fines	1,666,149	1,666,149	1,671,508	5,359
Net investment income	531,803	531,803	446,828	(84,975)
Intergovernmental	1,144,950	1,144,950	968,101	(176,849)
Charges for services	6,651,399	6,651,399	8,053,628	1,402,229
Franchise fees	2,525,716	2,525,716	2,991,646	465,930
Miscellaneous	369,585	369,585	625,857	256,272
Total revenues	<u>106,972,696</u>	<u>106,972,696</u>	<u>109,094,817</u>	<u>2,122,121</u>
Expenditures:				
Current:				
General government	9,181,789	9,181,789	7,195,743	1,986,046
Physical environment	8,584,850	8,584,850	7,995,585	589,265
Public safety	68,562,503	68,562,503	67,841,098	721,405
Transportation	21,882,711	21,882,711	24,147,686	(2,264,975)
Culture and recreation	1,825,132	1,825,132	1,804,510	20,622
Total expenditures	<u>110,036,985</u>	<u>110,036,985</u>	<u>108,984,622</u>	<u>1,052,363</u>
Excess (deficiency) of revenues over expenditures	<u>(3,064,289)</u>	<u>(3,064,289)</u>	<u>110,195</u>	<u>3,174,484</u>
Other financing sources (uses):				
Transfers in	—	—	6,696,237	6,696,237
Transfers out	<u>(3,716,882)</u>	<u>(3,716,882)</u>	<u>(3,089,104)</u>	<u>627,778</u>
Total other financing sources (uses)	<u>(3,716,882)</u>	<u>(3,716,882)</u>	<u>3,607,133</u>	<u>7,324,015</u>
Net change in fund balances	\$ <u>(6,781,171)</u>	<u>(6,781,171)</u>	<u>3,717,328</u>	<u>10,498,499</u>
Fund balance, May 1, 2014			<u>25,586,573</u>	
Fund balance, April 30, 2015			\$ <u>29,303,901</u>	

See accompanying independent auditor's report

CITY OF NAPERVILLE, ILLINOIS

Notes to Required Supplementary Information -
Budgetary Comparison Schedule

April 30, 2015

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual budgets are adopted at the fund level for the Governmental and Proprietary Funds. The annual budget is legally enacted and provides for a legal level of control at the fund level. All annual appropriations lapse at fiscal year end. Several budget amendments were made during the current fiscal year.

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

<u>Fund</u>	<u>Excess</u>
Water Street TIF Fund	\$ 2,451,855
2013 G.O. Bond Fund	597,162

CITY OF NAPERVILLE, ILLINOIS

Illinois Municipal Retirement Fund
Required Supplementary Information –

Schedule of Funding Progress

April 30, 2015

Actuarial valuation date	Actuarial value of assets (a)	Actuarial accrued liability (AAL) – Entry Age (b)	Unfunded	Funded ratio (a/b)	Covered payroll (c)	Percentage of covered payroll ((b-a)/c)
			(Assets in excess of) AAL (UAAL) (b-a)			
12/31/2014	\$ 130,819,215	164,513,934	33,694,719	79.5%	\$ 51,188,474	65.82%
12/31/2013	123,148,520	152,591,142	29,442,622	80.7%	49,875,054	59.03%
12/31/2012	111,074,590	146,316,122	35,241,532	75.9%	49,460,732	71.25%
12/31/2011	105,620,996	141,622,166	36,001,170	74.6%	48,542,682	74.16%
12/31/2010	107,112,826	141,049,233	33,936,407	75.9%	51,135,311	66.37%
12/31/2009	103,151,333	139,928,523	36,777,190	73.7%	55,777,305	65.94%

See accompanying independent auditors' report.

CITY OF NAPERVILLE, ILLINOIS

Police and Firefighters' Pension Plans

Required Supplementary Information –
Schedule of Funding Progress

April 30, 2015

Actuarial valuation date	Actuarial value of assets (a)	Actuarial accrued liability (AAL) – Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded ratio (a/b)	Covered payroll (c)	Percentage of covered payroll ((b-a)/c)
Police Pension Plan:						
4/30/2015	\$ 140,794,605	192,796,750	52,002,145	73.0%	\$ 16,365,735	317.8%
4/30/2014	130,457,028	176,330,635	45,873,607	74.0%	15,829,607	289.8%
4/30/2013	114,879,901	166,936,427	52,056,526	68.8%	15,797,793	329.5%
4/30/2012	103,756,759	152,748,285	48,991,526	67.9%	15,782,501	310.4%
4/30/2011	98,500,984	143,117,471	44,616,487	68.8%	15,267,563	292.2%
4/30/2010	84,681,879	126,799,040	42,117,161	66.8%	15,317,566	275.0%
Firefighters' Pension Plan:						
4/30/2015	\$ 141,407,899	185,338,048	43,930,149	76.3%	\$ 17,165,868	255.9%
4/30/2014	131,511,368	171,998,295	40,486,927	76.5%	16,996,274	238.2%
4/30/2013	114,231,134	161,826,243	47,595,109	70.6%	16,532,857	287.9%
4/30/2012	101,583,696	148,558,651	46,974,955	68.4%	16,286,493	288.4%
4/30/2011	97,172,691	139,230,306	42,057,615	69.8%	15,784,805	266.4%
4/30/2010	84,538,663	124,714,124	40,175,461	67.8%	16,296,718	246.5%

See accompanying independent auditors' report.

CITY OF NAPERVILLE, ILLINOIS

Illinois Municipal Retirement Fund
Required Supplementary Information –
Schedule of Employer Contributions

April 30, 2015

Fiscal Year		Annual required contribution	Percentage contributed
4/30/2015	\$	6,226,285	100 %
4/30/2014		6,296,371	100
4/30/2013		6,100,382	100
4/30/2012		5,845,740	100
4/30/2011		5,734,739	100
4/30/2010		5,520,973	100

See accompanying independent auditors' report.

CITY OF NAPERVILLE, ILLINOIS

Police and Firefighters' Pension Plans

Required Supplementary Information –
Schedule of Employer Contributions

April 30, 2015

Year ended	Police Pension Plan			Firefighters' Pension Plan		
	Annual	Percentage		Annual	Percentage	
April 30	required	contribution	contributed	required	contribution	contributed
2015	\$ 5,156,419	109.4	%	\$ 5,183,001	109.4	%
2014	4,716,716	163.9		4,928,033	160.9	
2013	4,317,379	100.3		4,688,185	100.3	
2012	4,334,585	100.4		4,695,134	100.4	
2011	4,686,627	100.5		4,551,108	100.4	
2010	3,664,630	100.6		3,555,244	100.7	

See accompanying independent auditors' report.

CITY OF NAPERVILLE, ILLINOIS
 Other Post-Employment Benefit Plan
 Requirement Supplementary Information-
 Schedule of Funding Progress
 April 30, 2015

Actuarial valuation date	Actuarial value of assets (a)	Actuarial accrued liability (AAL) – Entry Age (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a) / (b)	(c) Covered Payroll	UAAL as a Percentage of Covered Payroll ((b-a)/c)
2015	\$ —	9,043,563	9,043,563	0.00%	\$ 88,717,698	10.19%
2014	—	9,043,563	9,043,563	0.00%	88,717,698	10.19%
2013	—	8,302,543	8,302,543	0.00%	84,561,057	9.82%
2012	—	8,302,543	8,302,543	0.00%	84,561,057	9.82%
2011	—	6,952,316	6,952,316	0.00%	89,483,429	7.77%
2010	—	6,952,316	6,952,316	0.00%	89,483,429	7.77%

See accompanying independent auditors' report.

CITY OF NAPERVILLE, ILLINOIS
 Other Post-Employment Benefit Plan
 Requirement Supplementary Information-
 Schedule of Employer Contributions
 April 30, 2015

Year Ended April 30	Employer Contributions	Annual Required Contribution (ARC)*	Percentage Contributed
2015	\$ 443,023	\$ 615,455	71.98 %
2014	435,507	558,380	77.99
2013	435,507	558,380	77.99
2012	363,068	522,396	69.50
2011	363,068	522,396	69.50
2010	363,068	669,658	54.22

The City is not required to and currently does not advance fund the cost of benefits that will become due and payable in the future.

See accompanying independent auditors' report.

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 for the payment of principal and interest on general obligation bonds in accordance with the bond ordinance authorizing the issuance of the bonds.

CITY OF NAPERVILLE, ILLINOIS

General Fund

Detailed Schedule of Revenues – Budget and Actual

Year ended April 30, 2015

	Original budget	Final budget	Actual	Variance with final budget- positive (negative)
Property taxes:				
General	\$ 8,620,075	8,620,075	8,680,112	60,037
Police Pension	5,156,419	5,156,419	5,191,180	34,761
Firefighters' Pension	5,183,001	5,183,001	5,219,959	36,958
Total property taxes	<u>18,959,495</u>	<u>18,959,495</u>	<u>19,091,251</u>	<u>131,756</u>
Utility tax	16,959,754	16,959,754	16,122,673	(837,081)
Sales and use tax	35,834,864	35,834,864	35,580,425	(254,439)
State income tax	13,366,556	13,366,556	13,892,316	525,760
Other taxes:				
Auto rental tax	95,000	95,000	118,224	23,224
Food and beverage tax	1,400,000	1,400,000	1,411,902	11,902
Personal property replacement tax	225,000	225,000	280,928	55,928
Real estate transfer tax	3,815,565	3,815,565	4,125,194	309,629
Hotel/Motel tax	999,100	999,100	1,234,055	234,955
Total other taxes	<u>6,534,665</u>	<u>6,534,665</u>	<u>7,170,303</u>	<u>635,638</u>
Total taxes	<u>\$ 91,655,334</u>	<u>91,655,334</u>	<u>91,856,968</u>	<u>201,634</u>
Licenses:				
Liquor	\$ 493,370	493,370	448,696	(44,674)
Business license	133,900	133,900	133,098	(802)
Scavenger	—	—	1,850	1,850
Total licenses	<u>\$ 627,270</u>	<u>627,270</u>	<u>583,644</u>	<u>(43,626)</u>
Permits:				
Small permits	\$ 258,324	258,324	222,273	(36,051)
Inspection – electrical	—	—	75	75
Inspection – mechanical	—	—	4	4
Plan review – inspection storage	515	515	450	(65)
Animal	3,090	3,090	1,456	(1,634)
Single family (duplex) fees	360,500	360,500	530,065	169,565
1&2 Fam room addition fees	231,750	231,750	262,224	30,474
Multi family new-fees	150,000	150,000	166,614	16,614
Commercial new fees	250,000	250,000	240,107	(9,893)
Commercial – simple occup	9,104	9,104	8,668	(436)
Commercial alteration	430,000	430,000	334,803	(95,197)
Demolitions	29,761	29,761	55,802	26,041
Fire alarm/sprinkler	77,446	77,446	74,096	(3,350)
Total permits	<u>\$ 1,800,490</u>	<u>1,800,490</u>	<u>1,896,637</u>	<u>96,147</u>
Total licenses and permits	<u>\$ 2,427,760</u>	<u>2,427,760</u>	<u>2,480,281</u>	<u>52,521</u>
Fines:				
Police fines	\$ 1,411,002	1,411,002	1,124,497	(286,505)
Police – false alarms	90,789	90,789	74,665	(16,124)
Fire – false alarms	2,500	2,500	6,706	4,206
Fines-court-enforcement	—	—	82,230	82,230
Parking fines	154,860	154,860	208,910	54,050
Alcohol & tobacco fines	2,000	2,000	19,350	17,350
Animal fines	4,998	4,998	5,072	74
DUI Fines	—	—	106,429	106,429
Sex offender registration	—	—	3,007	3,007
Forfeiture and seizure	—	—	40,642	40,642
Total fines	<u>\$ 1,666,149</u>	<u>1,666,149</u>	<u>1,671,508</u>	<u>5,359</u>
Net investment income	<u>\$ 531,803</u>	<u>531,803</u>	<u>446,828</u>	<u>(84,975)</u>

CITY OF NAPERVILLE, ILLINOIS

General Fund

Detailed Schedule of Revenues – Budget and Actual

Year ended April 30, 2015

	Original budget	Final budget	Actual	Variance with final budget- positive (negative)
Intergovernmental revenue:				
Bullet proof vest grant	\$ 12,180	12,180	—	(12,180)
Secret services	—	—	1,565	1,565
IEMA-Citizen corps-	5,500	5,500	—	(5,500)
IEMA Proj NFDEMA	43,000	43,000	—	(43,000)
ILEAS	30,000	30,000	21,719	(8,281)
Click it or ticket	70,000	70,000	60,071	(9,929)
Tobacco grant	8,800	8,800	8,471	(329)
Police training grant	30,470	30,470	24,376	(6,094)
MABAS/ITTF Deploy drill	60,000	60,000	38,412	(21,588)
FEMA reimbursement	40,000	40,000	—	(40,000)
TED-ride dupage grant	150,000	150,000	46,122	(103,878)
FEMA safer grant	500,000	500,000	452,433	(47,567)
Assist to FF grant 13	—	—	109,926	109,926
Dupage County HHW project	100,000	100,000	100,000	—
Kane County HHW service	10,000	10,000	10,000	—
Will County	25,000	25,000	25,000	—
Aurora HHW contribution	20,000	20,000	20,000	—
IDOT-TED-traffic signal energy	40,000	40,000	44,214	4,214
IEMA performance grant	—	—	3,671	3,671
Miscellaneous-Other	—	—	2,121	2,121
Total intergovernmental revenue	\$ 1,144,950	1,144,950	968,101	(176,849)
Charges for services:				
P.U.D. filing fees	\$ 25,000	25,000	106,550	81,550
Annexation fees	4,000	4,000	6,400	2,400
Residential engineering fee	105,000	105,000	146,170	41,170
Commercial engineering fee	50,000	50,000	46,026	(3,974)
Plat review fees – easement	—	—	2,760	2,760
Sale of printed material	3,500	3,500	1,663	(1,837)
Accident reports	17,726	17,726	19,150	1,424
Photo lab	300	300	113	(187)
Meeting room fees	—	—	750	750
Bail bond fees	105,000	105,000	64,041	(40,959)
Administrative tow fee	268,000	268,000	174,200	(93,800)
Ambulance report	2,800	2,800	2,771	(29)
Clerk fees	6,000	6,000	11,477	5,477
Mowing services	—	—	26,236	26,236
Landscaping reimbursement	71,186	71,186	116,485	45,299
Voluntary cart program	85,545	85,545	180,483	94,938
Cart delivery charge	4,000	4,000	6,380	2,380
Recycling Cart program	—	—	771,335	771,335
DPW-services for DPU	55,000	55,000	74,747	19,747
N.F.P.D. – contract	1,064,175	1,064,175	1,055,340	(8,835)
FPDRSV Rev deferred	—	—	48,492	48,492
Elevator inspections	70,000	70,000	55,436	(14,564)
Ambulance fees	2,330,000	2,330,000	2,648,271	318,271
Water surcharge-unicorp.	20,000	20,000	—	(20,000)
Police services	358,000	358,000	398,566	40,566
Billable police services	165,000	165,000	179,900	14,900
Billable fire services	35,350	35,350	50,071	14,721
Fire reimbursements	—	—	6,345	6,345
Billable TED service	3,000	3,000	36,215	33,215
Fire alarm monitoring	740,000	740,000	718,917	(21,083)
Billable DPW services	57,833	57,833	93,825	35,992
Garbage collection fee	984,984	984,984	983,413	(1,571)
Total charges for services	\$ 6,651,399	6,651,399	8,053,628	1,402,229
Franchise fees:				
Rent income				
WideOpenWest – cable franchise fee	\$ 610,000	610,000	676,360	66,360
WideOpenWest – 1% support fee	120,000	120,000	134,672	14,672
Comcast – cable franchise fee	1,138,128	1,138,128	1,341,984	203,856
Comcast – 1% support fee	228,626	228,626	267,597	38,971
AT&T-cable franchise fee	208,046	208,046	337,928	129,882
AT&T- 1% support fee	41,600	41,600	67,586	25,986
Lease revenue	179,316	179,316	165,519	(13,797)
Total franchise fees	\$ 2,525,716	2,525,716	2,991,646	465,930

CITY OF NAPERVILLE, ILLINOIS

General Fund

Detailed Schedule of Revenues – Budget and Actual

Year ended April 30, 2015

	Original budget	Final budget	Actual	Variance with final budget- positive (negative)
Miscellaneous:				
Misc contribution	\$ —	—	7,190	7,190
Interest on Assessments	—	—	99	99
Late payment charge	40,000	40,000	(1,772)	(41,772)
Sale of surplus property	3,000	3,000	—	(3,000)
Miscellaneous revenues	128,685	128,685	275,216	146,531
Non refundable bid deposit	900	900	1,140	240
Bad debt recovery	—	—	75,659	75,659
Lien fees	1,000	1,000	368	(632)
Insurance reimbursements	—	—	492	492
Reimbursement-CEI	—	—	50	50
Damage to city property	40,000	40,000	6,161	(33,839)
Miscellaneous non revenues	1,000	1,000	234,400	233,400
NSF check charge	25,000	25,000	19,150	(5,850)
DPW-disposal/scrap	15,000	15,000	7,969	(7,031)
DPW-mulch sales	15,000	15,000	—	(15,000)
Cashier over/short	—	—	(265)	(265)
Article 36 towing	100,000	100,000	—	(100,000)
Total miscellaneous	\$ 369,585	369,585	625,857	256,272
Total revenues	\$ 106,972,696	106,972,696	109,094,817	2,122,121

See accompanying independent auditors' report.

CITY OF NAPERVILLE, ILLINOIS

General Fund

Detailed Schedule of Expenditures – Budget and Actual

Year ended April 30, 2015

	Original budget	Final budget	Actual	Variance with final budget- positive (negative)
General Government:				
Legislative:				
Mayor and City Council:				
Salaries	\$ 251,987	251,987	261,818	(9,831)
Employee benefits	144,069	144,069	127,803	16,266
Technical services	5,400	5,400	4,800	600
Other purchased services	58,005	58,005	47,224	10,781
Supplies	4,275	4,275	2,630	1,645
Internal services	(79,679)	(79,679)	(79,679)	—
Total Mayor and City Council	\$ 384,057	384,057	364,596	19,461
Alcohol and Tobacco Commission:				
Salaries	\$ 6,205	6,205	6,159	46
Employee benefits	3,556	3,556	3,577	(21)
Professional services	4,600	4,600	—	4,600
Other purchased services	4,150	4,150	3,808	342
Supplies	28,200	28,200	19,106	9,094
Total Alcohol and Tobacco Commission	\$ 46,711	46,711	32,650	14,061
Legal:				
Legal Department:				
Salaries	\$ 1,254,121	1,254,121	1,119,902	134,219
Employee benefits	406,731	406,731	355,599	51,132
Technical services	7,300	7,300	211	7,089
Professional services	44,200	44,200	17,447	26,753
Purchase property service	4,500	4,500	—	4,500
Other purchased services	31,558	31,558	20,477	11,081
Supplies	51,775	51,775	37,572	14,203
Internal services	(825,384)	(825,384)	(825,386)	2
Total Legal	\$ 974,801	974,801	725,822	248,979
Executive:				
City Manager's Office:				
Salaries	\$ 598,059	598,060	536,175	61,885
Employee benefits	186,743	186,743	160,743	26,000
Technical service	—	—	40	(40)
Professional services	97,000	97,000	100,238	(3,238)
Other purchased services	52,877	52,877	59,117	(6,240)
Supplies	3,500	3,500	8,250	(4,750)
Internal services	(143,173)	(143,173)	(143,173)	—
Total City Manager's Office	\$ 795,006	795,007	721,390	73,617
Sister Cities Commission:				
Other purchased services	\$ 3,000	3,000	2,866	134
Total Sister Cities Commission	\$ 3,000	3,000	2,866	134
Executive:				
Board of Fire and Police:				
Salaries	\$ 44,671	44,671	54,014	(9,343)
Employee benefits	16,960	16,960	21,105	(4,145)
Professional services	25,720	25,720	67,818	(42,098)
Other purchased services	37,805	37,805	42,470	(4,665)
Supplies	1,600	1,600	2,119	(519)
Total Board of Fire and Police	\$ 126,756	126,756	187,526	(60,770)
Communications:				
Salaries	\$ 307,220	307,220	298,516	8,704
Employee benefits	88,696	88,696	86,018	2,678
Technical services	2,470	2,470	566	1,904
Professional services	2,100	2,100	683	1,417
Purchase property services	1,850	1,850	285	1,565
Other purchased services	17,660	17,660	43,680	(26,020)
Supplies	4,800	4,800	1,156	3,644
Internal services	(82,501)	(82,501)	(82,501)	—
Total Communications	\$ 342,295	342,295	348,403	(6,108)

CITY OF NAPERVILLE, ILLINOIS

General Fund

Detailed Schedule of Expenditures – Budget and Actual

Year ended April 30, 2015

	Original budget	Final budget	Actual	Variance with final budget- positive (negative)
General Government, continued:				
Human Resources:				
Salaries	\$ 642,923	642,923	447,889	195,034
Employee benefits	278,787	278,787	185,574	93,213
Technical services	7,000	7,000	—	7,000
Professional services	53,822	53,822	84,898	(31,076)
Other purchased services	49,737	49,737	32,573	17,164
Supplies	47,488	47,488	18,893	28,595
Internal services	(210,138)	(210,138)	(210,144)	6
Total Human Resources	\$ 869,619	869,619	559,683	309,936
City Clerk:				
City Clerk's Office:				
Salaries	\$ 345,193	345,193	361,482	(16,289)
Employee benefits	99,530	99,530	106,537	(7,007)
Professional services	12,700	12,700	11,605	1,095
Other purchased services	10,310	10,310	5,535	4,775
Supplies	3,120	3,120	5,193	(2,073)
Internal services	(1,089)	(1,089)	(1,089)	—
Other services and charges	5,000	5,000	8,423	(3,423)
Total City Clerk's Office	\$ 474,764	474,764	497,686	(22,922)
Reproduction Micrographics Service:				
Salaries	\$ 139,961	139,961	137,732	2,229
Employee benefits	69,139	69,139	62,906	6,233
Technical services	110,000	110,000	95,560	14,440
Purchase property service	5,000	5,000	387	4,613
Other purchased services	25	25	—	25
Property	35,000	35,000	22,726	12,274
Supplies	49,170	49,170	35,088	14,082
Internal services	(18,491)	(18,491)	(18,491)	—
Total Reproduction Micrographics Service	\$ 389,804	389,804	335,908	53,896
Information Technology				
Salaries	\$ 1,902,430	1,902,430	1,669,797	232,633
Employee benefits	674,179	674,179	574,426	99,753
Technical services	203,300	203,300	296,505	(93,205)
Professional services	67,500	67,500	31,296	36,204
Purchase property service	6,400	6,400	1,818	4,582
Other purchased services	788,578	788,578	736,967	51,611
Property	22,000	22,000	2,918	19,082
Supplies	48,350	48,350	62,808	(14,458)
Internal services	(1,347,308)	(1,347,308)	(1,347,314)	6
Total Information Technology	\$ 2,365,429	2,365,429	2,029,221	336,208
Financial Administration:				
Administration:				
Salaries	\$ 1,036,115	1,036,115	948,489	87,626
Employee benefits	361,272	361,272	295,775	65,497
Professional services	54,935	54,935	109,773	(54,838)
Purchase property service	2,000	2,000	3,662	(1,662)
Other purchased services	27,164	27,164	15,069	12,095
Supplies	17,453	17,453	22,941	(5,488)
Internal services	(460,754)	(460,754)	(460,753)	(1)
Total Administration	\$ 1,038,185	1,038,185	934,956	103,229
Billing and Collection:				
Salaries	\$ 751,802	751,802	745,010	6,792
Employee benefits	281,313	281,313	282,608	(1,295)
Technical service	6,000	6,000	5,844	156
Professional services	130,000	130,000	116,634	13,366
Purchase property service	500	500	359	141
Other purchased services	332,000	332,000	329,105	2,895
Supplies	23,000	23,000	27,278	(4,278)
Internal services	(1,563,789)	(1,563,789)	(1,563,783)	(6)
Total Billing and Collection	\$ (39,174)	(39,174)	(56,945)	17,771
Procurement Services:				
Salaries	\$ 379,903	379,903	443,884	(63,981)
Employee benefits	115,458	115,458	115,608	(150)
Technical service	—	—	14,790	(14,790)
Purchase property service	6,500	6,500	2,120	4,380
Supplies	3,600	3,600	3,203	397
Internal services	(197,959)	(197,959)	(197,958)	(1)
Total Procurement Services	\$ 307,502	307,502	381,647	(74,145)

CITY OF NAPERVILLE, ILLINOIS

General Fund

Detailed Schedule of Expenditures – Budget and Actual

Year ended April 30, 2015

	Original budget	Final budget	Actual	Variance with final budget- positive (negative)
General Government, continued:				
Meter Reading:				
Salaries	\$ 44,818	44,818	40,590	4,228
Employee benefits	14,876	14,876	14,095	781
Technical services	335,000	335,000	254,059	80,941
Purchase property service	23,500	23,500	18,060	5,440
Other purchased services	500	500	36	464
Supplies	13,000	13,000	210	12,790
Internal services	(474,674)	(474,674)	(474,674)	—
Total Meter Reading	\$ (42,980)	(42,980)	(147,624)	104,644
General services	1,146,014	1,146,013	277,958	868,055
Total general government	\$ 9,181,789	9,181,789	7,195,743	1,986,046
Physical Environment:				
Development Review Team:				
Salaries	\$ 1,918,334	1,918,334	1,897,509	20,825
Employee benefits	669,261	669,261	631,383	37,878
Technical services	68,071	68,071	60,142	7,929
Internal services	(171,209)	(171,209)	(166,381)	(4,828)
Total Development Review Team	\$ 2,484,457	2,484,457	2,422,653	61,804
Special Projects Team:				
Salaries	\$ 1,179,666	1,179,666	1,175,981	3,685
Employee benefits	489,895	489,895	431,079	58,816
Technical services	10,000	10,000	—	10,000
Professional services	5,238	5,238	5,238	—
Other purchased services	65,295	65,295	55,988	9,307
Supplies	54,987	54,987	31,576	23,411
Property	1,500	1,500	—	1,500
Internal services	227,688	227,688	227,688	—
Total Special Projects Team	\$ 2,034,269	2,034,269	1,927,550	106,719
Planning:				
Salaries	\$ 331,679	331,679	290,000	41,679
Employee benefits	114,868	114,868	89,077	25,791
Professional services	65,680	65,680	37,983	27,697
Total Planning	\$ 512,227	512,227	417,060	95,167
Public Buildings:				
Salaries	\$ 1,318,500	1,318,500	1,272,475	46,025
Employee benefits	535,558	535,558	441,600	93,958
Technical services	392,756	392,756	343,779	48,977
Professional services	20,000	20,000	3,000	17,000
Purchase property service	513,397	513,397	424,534	88,863
Other purchased services	5,246	5,246	3,052	2,194
Supplies	1,056,250	1,056,250	1,073,859	(17,609)
Property	100,000	100,000	53,834	46,166
Internal Service	(431,769)	(431,769)	(431,770)	1
Total Public Buildings	\$ 3,509,938	3,509,938	3,184,363	325,575
General services	43,959	43,959	43,959	—
Total physical environment	\$ 8,584,850	8,584,850	7,995,585	589,265
Public Safety:				
Police:				
Office of Chief of Police:				
Salaries	\$ 561,493	561,493	584,236	(22,743)
Employee benefits	374,811	374,811	397,424	(22,613)
Professional services	31,500	21,500	25,154	(3,654)
Other purchased services	34,185	34,185	32,344	1,841
Supplies	64,050	74,050	43,875	30,175
Other services & charges	4,000	4,000	4,000	—
Internal service	673,331	673,331	673,331	—
Total Office of Chief of Police	\$ 1,743,370	1,743,370	1,760,364	(16,994)

CITY OF NAPERVILLE, ILLINOIS

General Fund

Detailed Schedule of Expenditures – Budget and Actual

Year ended April 30, 2015

	Original budget	Final budget	Actual	Variance with final budget- positive (negative)
Public Safety, continued:				
Administrative Services:				
Salaries	\$ 1,865,074	1,865,074	1,457,149	407,925
Employee benefits	532,094	532,094	403,655	128,439
Technical services	13,000	13,000	376	12,624
Professional services	16,275	16,275	8,877	7,398
Purchase property service	46,620	46,620	33,379	13,241
Other purchased services	210,303	210,303	149,403	60,900
Supplies	309,667	309,667	375,765	(66,098)
Internal services	7,007,125	7,007,125	7,105,662	(98,537)
Total Administrative Services	\$ 10,000,158	10,000,158	9,534,266	465,892
Patrol:				
Salaries	\$ 13,384,135	13,384,135	12,971,574	412,561
Employee benefits	2,083,063	2,083,063	2,069,826	13,237
Technical services	10,000	10,000	8,321	1,679
Professional services	45,700	45,700	18,179	27,521
Purchase property service	8,500	6,512	7,254	(742)
Other purchased services	—	—	5,405	(5,405)
Supplies	121,429	123,417	88,814	34,603
Property	68,000	68,000	63,967	4,033
Internal services	(347,975)	(347,975)	(347,814)	(161)
Total Patrol	\$ 15,372,852	15,372,852	14,885,526	487,326
Investigations:				
Salaries	\$ 6,723,944	6,723,944	6,997,109	(273,165)
Employee benefits	1,100,191	1,100,191	1,207,741	(107,550)
Professional services	100,040	100,040	82,020	18,020
Purchase property service	4,700	4,700	1,742	2,958
Other purchased services	6,500	6,500	5,299	1,201
Supplies	37,800	37,800	28,387	9,413
Property	—	—	29,642	(29,642)
Total Investigations	\$ 7,973,175	7,973,175	8,351,940	(378,765)
Communications:				
Salaries	\$ 2,616,229	2,616,229	2,487,106	129,123
Employee benefits	903,082	903,082	866,700	36,382
Technical services	36,107	36,107	35,607	500
Professional services	12,580	12,580	3,165	9,415
Purchase property service	585,205	585,205	535,310	49,895
Other purchased services	237,056	237,056	187,235	49,821
Supplies	48,160	48,160	27,538	20,622
Internal services	(2,963,899)	(2,963,899)	(2,718,725)	(245,174)
Total Communications	\$ 1,474,520	1,474,520	1,423,936	50,584
Fire:				
Fire Administration:				
Salaries	\$ 1,587,219	1,587,219	1,589,560	(2,341)
Employee benefits	574,540	574,540	561,601	12,939
Professional services	329,100	329,100	405,904	(76,804)
Purchase property service	27,000	27,000	15,865	11,135
Other purchased services	50,825	50,825	46,742	4,083
Supplies	155,066	155,066	156,093	(1,027)
Internal services	5,933,920	5,933,920	5,970,878	(36,958)
Total Fire Administration	\$ 8,657,670	8,657,670	8,746,643	(88,973)
Operations Division:				
Salaries	\$ 18,309,338	18,309,338	18,250,639	58,699
Employee benefits	2,755,999	2,755,999	2,842,666	(86,667)
Professional services	147,200	147,200	150,930	(3,730)
Purchase property service	78,250	78,250	48,512	29,738
Other purchased services	132,625	132,625	56,124	76,501
Supplies	665,225	665,225	505,847	159,378
Property	33,000	33,000	54,521	(21,521)
Internal services	800,340	800,340	810,403	(10,063)
Total Operations Division	\$ 22,921,977	22,921,977	22,719,642	202,335
General services	418,781	418,781	418,781	—
Total public safety	\$ 68,562,503	68,562,503	67,841,098	721,405

CITY OF NAPERVILLE, ILLINOIS

General Fund

Detailed Schedule of Expenditures – Budget and Actual

Year ended April 30, 2015

	Original budget	Final budget	Actual	Variance with final budget- positive (negative)
Transportation:				
Public Works:				
Administration:				
Salaries	\$ 364,282	364,282	373,697	(9,415)
Employee benefits	221,408	221,408	230,378	(8,970)
Professional services	7,030	7,030	6,813	217
Other purchased services	24,355	24,355	32,054	(7,699)
Supplies	16,100	16,100	13,239	2,861
Internal services	62,739	62,739	212,951	(150,212)
Total Administration	\$ 695,914	695,914	869,132	(173,218)
Strategic Services:				
Salaries	\$ 425,672	425,672	443,489	(17,817)
Employee benefits	132,530	132,530	126,679	5,851
Technical services	315,956	315,956	325,831	(9,875)
Professional services	5,495	5,495	27,434	(21,939)
Purchase property service	6,985,232	6,985,232	6,805,406	179,826
Other purchased services	14,920	14,920	22,946	(8,026)
Supplies	197,770	197,770	2,070,350	(1,872,580)
Internal services	(37,809)	(37,809)	(37,737)	(72)
Total Strategic Services	\$ 8,039,766	8,039,766	9,784,398	(1,744,632)
Operations & Maintenance:				
Salaries	\$ 4,350,524	4,350,524	4,805,329	(454,805)
Employee benefits	1,490,933	1,490,933	1,596,004	(105,071)
Technical services	1,578,255	1,578,255	1,341,371	236,884
Professional services	7,500	7,500	5,004	2,496
Purchase property service	307,519	307,519	316,954	(9,435)
Other purchased services	52,530	52,530	38,815	13,715
Supplies	1,427,963	1,427,963	1,586,260	(158,297)
Internal services	2,289,092	2,289,092	2,304,213	(15,121)
Total Operations & Maintenance	\$ 11,504,316	11,504,316	11,993,950	(489,634)
Transportation & Engineering:				
Administration:				
Salaries	\$ 1,067,002	1,067,002	984,754	82,248
Employee benefits	345,220	345,220	320,159	25,061
Technical services	300,000	300,000	300,000	—
Professional services	114,000	114,000	64,541	49,459
Purchase property service	311,400	311,400	271,271	40,129
Other purchased services	500	500	58	442
Supplies	154,100	154,100	149,675	4,425
Internal services	(760,291)	(760,291)	(760,296)	5
Total Administration	\$ 1,531,931	1,531,931	1,330,162	201,769
General services	110,784	110,784	170,044	(59,260)
Total transportation	\$ 21,882,711	21,882,711	24,147,686	(2,264,975)

CITY OF NAPERVILLE, ILLINOIS

General Fund

Detailed Schedule of Expenditures – Budget and Actual

Year ended April 30, 2015

	<u>Original budget</u>	<u>Final budget</u>	<u>Actual</u>	<u>Variance with final budget- positive (negative)</u>
Culture and Recreation:				
Carillon				
Purchased services	1,200	1,200	—	1,200
Supplies	1,200	1,200	763	437
Other services & charges	115,567	115,567	115,567	—
Total Carillon	<u>117,967</u>	<u>117,967</u>	<u>116,330</u>	<u>1,637</u>
Riverwalk				
Salaries	\$ 25,441	25,441	25,331	110
Employee benefits	5,326	5,326	5,201	125
Professional services	219,264	219,264	187,509	31,755
Other purchased services	2,410	2,410	179	2,231
Supplies	270	270	157	113
Internal services	(148,106)	(148,106)	(146,494)	(1,612)
Total Riverwalk	<u>104,605</u>	<u>104,605</u>	<u>71,883</u>	<u>32,722</u>
General services	1,602,560	1,602,560	1,616,297	(13,737)
Total culture and recreation	<u>\$ 1,825,132</u>	<u>1,825,132</u>	<u>1,804,510</u>	<u>20,622</u>
 Total expenditures	 <u>\$ 110,036,985</u>	 <u>110,036,985</u>	 <u>108,984,622</u>	 <u>1,052,363</u>

CITY OF NAPERVILLE, ILLINOIS

Debt Service Fund

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

Year ended April 30, 2015

	<u>Original budget</u>	<u>Final budget</u>	<u>Actual</u>	<u>Variance with final budget- positive (negative)</u>
Revenues:				
Property taxes	\$ 9,567,996	9,567,996	9,637,440	69,444
Food & beverage tax	—	—	231,727	231,727
Intergovernment revenues	187,672	187,672	193,397	5,725
Contribution	—	—	103,849	103,849
Net investment income	60,000	60,000	105,360	45,360
Total revenues	<u>9,815,668</u>	<u>9,815,668</u>	<u>10,271,773</u>	<u>456,105</u>
Expenditures – debt service:				
Principal	6,371,851	6,371,851	6,371,850	1
Interest and fees	3,418,157	3,418,157	3,699,587	(281,430)
Total expenditures	<u>9,790,008</u>	<u>9,790,008</u>	<u>10,071,437</u>	<u>(281,429)</u>
Excess of revenues over expenditures	<u>25,660</u>	<u>25,660</u>	<u>200,336</u>	<u>174,676</u>
Other financing sources (uses):				
Transfers in	200,000	200,000	200,000	—
Transfers out	(215,117)	(215,117)	(215,117)	—
Total other financing sources (uses)	<u>(15,117)</u>	<u>(15,117)</u>	<u>(15,117)</u>	<u>—</u>
Net change in fund balances	<u>\$ 10,543</u>	<u>10,543</u>	185,219	<u>174,676</u>
Fund balance, May 1, 2014			<u>29,265</u>	
Fund balance, April 30, 2015			<u>\$ 214,484</u>	

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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

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

Special Events & Cultural Amenities Fund – to account for the accumulation of 75% of the Food and Beverage tax, restricted to fund the social and artistic events and entities, providing cultural experiences for the Naperville community and its visitors.

Special Service Area #24 Fund – to account for the cost-sharing paid by property owners and the City, restricted to fund the maintenance and support services for enhancing downtown Naperville including improvements to the Chicago Avenue parking deck.

Test Track Fund – to account for the car dealership contributions restricted to fund the auto test track 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 Funds – 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.

American Recovery and Reinvestment Federal Grants Fund – to account for the receipt and disbursement of Energy Efficiency Conservation Block Program and Police Technology grants, restricted and approved by the Federal government under the American Recovery and Reinvestment Act.

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

DEBT SERVICE FUNDS

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

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

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

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

CAPITAL PROJECTS FUND

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

2010 General Obligation Bond Fund – to account for the proceeds of \$20,525,000 to be restrictedly used for the capital improvements, including the construction of the Maplebrook sound walls, repair and replacement on municipal building improvements and equipment, Huffman Street/Steeple Run watershed improvements, and other street, traffic signal, and bridge capital improvements.

2013 General Obligation Bond Fund – to account for the proceeds of \$5,620,000 to be restrictedly used for the capital improvements, including upgrades and repairs to capital equipment, municipal buildings/lots and Information Technology items; construction of traffic signals and streets including upgrading intersections; stormwater management programs; citywide LED street lighting conversion; Emerald Ash Borer tree removal and replacement; reconstruction/rehabilitation of bridges; and Riverwalk improvements.

2014 General Obligation Bond Fund – to account for the proceeds of \$11,120,000 to be restrictedly used for the capital improvements, including upgrades and repairs to capital equipment, municipal buildings/lots and Information Technology items; construction of traffic signals and streets including upgrading intersections; stormwater management programs; citywide LED street lighting conversion; Emerald Ash Borer tree removal and replacement; reconstruction/rehabilitation of bridges; and Riverwalk improvements.

CITY OF NAPERVILLE, ILLINOIS

Nonmajor Governmental Funds

Combining Balance Sheet

April 30, 2015

	Special Revenue Funds					
	Motor Fuel Tax Fund	Community Development Block Grant Fund	Fair Share Assessment Fund	Road and Bridge Fund	Napier Settlement Fund	Foreign Fire Insurance Tax Fund
Assets and Deferred Outflows of Resources						
Assets:						
Cash and investments	\$ 1,474,696	55,140	518,164	—	419,956	369,247
Receivables:						
Property taxes	—	—	—	—	2,927,272	—
Interest	4,025	—	1,414	—	1,123	536
Accounts receivable	170,568	—	—	61,436	723	—
Less allowance for doubtful accounts	—	—	—	—	—	—
Loans and installments	—	—	—	—	—	—
Due from other governments	329,921	42,000	—	—	—	—
Total assets	<u>1,979,210</u>	<u>97,140</u>	<u>519,578</u>	<u>61,436</u>	<u>3,349,074</u>	<u>369,783</u>
Total assets and deferred outflows of resources	\$ <u>1,979,210</u>	<u>97,140</u>	<u>519,578</u>	<u>61,436</u>	<u>3,349,074</u>	<u>369,783</u>
Liabilities, Deferred Inflows of Resources and Fund Balances						
Liabilities:						
Accounts payable	\$ 899,041	—	79	—	39,716	30
Accrued wages and benefits	—	2,777	—	—	124,769	—
Due to other governments	—	—	—	—	—	—
Due to other funds	—	—	—	72,237	—	—
Contract retainage payable	238,518	—	—	—	—	—
Unearned grant revenues and others	—	—	—	13	470	—
Total liabilities	<u>1,137,559</u>	<u>2,777</u>	<u>79</u>	<u>72,250</u>	<u>164,955</u>	<u>30</u>
Deferred inflows of resources:						
Unavailable revenue-property taxes	—	—	—	—	2,927,272	—
Total deferred inflows of resources	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>2,927,272</u>	<u>—</u>
Fund balances:						
Nonspendable:						
Loans	—	—	—	—	—	—
Restricted for:						
Debt service	—	—	—	—	—	—
Physical environment	—	—	—	—	—	—
Highways, streets and parking facilities	—	—	519,499	—	—	—
Public safety	—	—	—	—	—	369,753
Capital projects	—	—	—	—	—	—
Culture and recreation	—	—	—	—	—	—
Economic development	—	—	—	—	—	—
Committed to:						
Debt Service						
Highways, streets and parking facilities	841,651	—	—	—	—	—
Public safety	—	—	—	—	—	—
Capital projects	—	—	—	—	—	—
Culture and recreation	—	—	—	—	—	—
Physical environment	—	94,363	—	—	—	—
Assigned to:						
Physical environment	—	—	—	—	—	—
Debt Service	—	—	—	—	—	—
Highways and streets	—	—	—	—	—	—
Public safety	—	—	—	—	—	—
Capital projects	—	—	—	—	—	—
Culture and recreation	—	—	—	—	256,847	—
Unassigned	—	—	—	(10,814)	—	—
Total fund balances	<u>841,651</u>	<u>94,363</u>	<u>519,499</u>	<u>(10,814)</u>	<u>256,847</u>	<u>369,753</u>
Total liabilities, deferred inflows of resources and fund balances	\$ <u>1,979,210</u>	<u>97,140</u>	<u>519,578</u>	<u>61,436</u>	<u>3,349,074</u>	<u>369,783</u>

See accompanying independent auditors' report.

CITY OF NAPERVILLE, ILLINOIS

Nonmajor Governmental Funds

Combining Balance Sheet

April 30, 2015

Assets and Deferred Outflows of Resources	Debt Service Funds		
	Special Service Areas Funds		Downtown Parking
	#21	#23	Fund
Assets:			
Cash and investments	\$ 875,987	—	5,156,293
Receivables:			
Property taxes	200,000	15,380	—
Interest	2,391	—	14,071
Accounts receivable	—	—	94,000
Less allowance for doubtful accounts	—	—	—
Loans and installments	—	—	—
Due from other governments	—	—	—
Total assets	<u>1,078,378</u>	<u>15,380</u>	<u>5,264,364</u>
Total assets and deferred outflows of resources	<u>\$ 1,078,378</u>	<u>15,380</u>	<u>5,264,364</u>
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities:			
Accounts payable	\$ —	—	776
Accrued wages and benefits	—	—	—
Due to other governments	—	—	—
Due to other funds	—	518	—
Contract retainage payable	—	—	—
Unearned grant revenues and others	—	—	—
Total liabilities	<u>—</u>	<u>518</u>	<u>776</u>
Deferred inflows of resources:			
Unavailable revenue-property taxes	<u>200,000</u>	<u>15,380</u>	<u>—</u>
Total deferred inflows of resources	<u>200,000</u>	<u>15,380</u>	<u>—</u>
Fund balances:			
Nonspendable:			
Loans	—	—	—
Restricted for:			
Debt service	878,378	—	—
Physical environment	—	—	—
Highways, streets and parking facilities	—	—	—
Public safety	—	—	—
Capital projects	—	—	5,263,588
Culture and recreation	—	—	—
Economic development	—	—	—
Committed to:			
Debt Service	—	—	—
Highways, streets and parking facilities	—	—	—
Public safety	—	—	—
Capital projects	—	—	—
Culture and recreation	—	—	—
Physical environment	—	—	—
Assigned to:			
Physical environment	—	—	—
Debt Service	—	—	—
Highways and streets	—	—	—
Public safety	—	—	—
Capital projects	—	—	—
Culture and recreation	—	—	—
Unassigned	—	(518)	—
Total fund balances	<u>878,378</u>	<u>(518)</u>	<u>5,263,588</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,078,378</u>	<u>15,380</u>	<u>5,264,364</u>

See accompanying independent auditors' report.

Capital Projects Funds				Total Nonmajor Governmental Funds
Capital Projects Fund	2010 G.O. Bond Project Fund	2013 G.O. Bond Project Fund	2014 G.O. Bond Project Fund	
9,119,921	3,823,252	217,111	9,495,138	\$ 38,363,056
—	—	—	—	—
19,292	10,411	5,067	21,380	4,109,658
2,221	—	—	—	96,808
—	—	—	—	438,762
—	—	—	—	—
—	—	—	—	50,987
—	—	—	—	760,805
9,141,434	3,833,663	222,178	9,516,518	43,820,076
9,141,434	3,833,663	222,178	9,516,518	\$ 43,820,076
2,164,890	3,822,401	222,178	474,442	\$ 7,778,877
—	—	—	—	151,521
—	11,262	—	—	12,182
—	—	—	—	617,558
—	—	—	32,966	302,866
2,333,355	—	—	—	3,114,960
4,498,245	3,833,663	222,178	507,408	11,977,964
—	—	—	—	4,109,658
—	—	—	—	4,109,658
—	—	—	—	39,172
—	—	—	—	878,378
—	—	—	—	35,063
—	—	—	—	519,499
—	—	—	—	1,153,258
—	—	—	9,009,110	14,272,698
—	—	—	—	623,934
—	—	—	—	4,136,907
—	—	—	—	—
—	—	—	—	1,622,530
—	—	—	—	—
—	—	—	—	—
—	—	—	—	—
—	—	—	—	94,363
—	—	—	—	—
—	—	—	—	—
—	—	—	—	—
—	—	—	—	—
—	—	—	—	—
4,643,189	—	—	—	4,643,189
—	—	—	—	256,847
—	—	—	—	(543,384)
4,643,189	—	—	9,009,110	27,732,454
9,141,434	3,833,663	222,178	9,516,518	43,820,076

CITY OF NAPERVILLE, ILLINOIS

Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Year ended April 30, 2015

	Special Revenue Funds					Foreign Fire Insurance Tax Fund
	Motor Fuel Tax Fund	Community Development Block Grant Fund	Fair Share Assessment Fund	Road and Bridge Fund	Naper Settlement Fund	
Revenues:						
Property taxes	\$ —	—	—	352,752	2,948,518	—
Other taxes	2,043,628	—	—	716,570	—	—
Licenses and permits	—	—	—	68,247	—	—
Fines and forfeits	—	—	—	—	—	—
Net investment income (loss)	23,205	—	11,327	(4,250)	37,180	4,237
Contributions	—	—	—	—	—	—
Intergovernmental	4,879,986	382,799	—	—	—	183,419
Charges for services	—	—	—	—	413,375	—
Other internal service revenue	—	—	—	—	—	—
Fees	—	—	—	—	—	—
Miscellaneous	—	—	—	564	49	—
Total revenues	6,946,819	382,799	11,327	1,133,883	3,399,122	187,656
Expenditures:						
Current:						
General government	—	42,000	—	—	—	—
Physical environment	—	374,501	—	—	—	—
Public safety	—	—	—	—	—	159,411
Culture and recreation	—	—	—	—	3,402,214	—
Transportation	—	—	—	725,953	—	—
Capital outlay	9,604,638	—	—	400,000	—	—
Debt service:						
Principal	—	—	—	—	—	—
Interest	—	—	—	—	—	—
Total expenditures	9,604,638	416,501	—	1,125,953	3,402,214	159,411
Excess (deficiency) of revenues over expenditures	(2,657,819)	(33,702)	11,327	7,930	(3,092)	28,245
Other financing sources (uses):						
Transfers in	2,037,222	128,065	—	—	—	—
Transfers out	—	—	—	—	—	—
Sales of capital assets	—	—	—	—	—	—
New bonds issued	—	—	—	—	—	—
Premium on bonds issued	—	—	—	—	—	—
Total other financing sources (uses)	2,037,222	128,065	—	—	—	—
Net change in fund balances	(620,597)	94,363	11,327	7,930	(3,092)	28,245
Fund balances, May 1, 2014	1,462,248	—	508,172	(18,744)	259,939	341,508
Fund balances, April 30, 2015	\$ 841,651	94,363	519,499	(10,814)	256,847	369,753

See accompanying independent auditors' report.

Special Revenue Funds							
E-911 Surcharge Fund	Special Events & Cultural Amenities Fund	SSA #24 Fund	Test Track Fund	Water Street TIF Fund	Drug Forfeiture Fund	American Recovery and Reinvestment Act Federal Grants Fund	SSA #25 Fund
—	—	796,652	—	73,090	—	—	68,010
—	2,000,000	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	97,763	—	—	—	—	—
545	19,491	35,529	—	10,027	17,254	—	1
—	—	—	42,963	—	—	—	—
1,166,888	—	—	—	—	167,202	—	—
762,236	—	12,780	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	1,469	—	—	—	—	—
<u>1,929,669</u>	<u>2,019,491</u>	<u>944,193</u>	<u>42,963</u>	<u>83,117</u>	<u>184,456</u>	<u>—</u>	<u>68,011</u>
—	—	—	—	3,343	—	—	—
—	—	—	—	—	—	—	—
1,854,826	—	—	—	—	184,456	—	—
—	1,934,803	—	—	—	—	—	—
—	—	1,954,358	42,963	—	—	—	44,680
—	—	132,073	—	3,253,455	—	—	520,051
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
<u>1,854,826</u>	<u>1,934,803</u>	<u>2,086,431</u>	<u>42,963</u>	<u>3,256,798</u>	<u>184,456</u>	<u>—</u>	<u>564,731</u>
<u>74,843</u>	<u>84,688</u>	<u>(1,142,238)</u>	<u>—</u>	<u>(3,173,681)</u>	<u>—</u>	<u>—</u>	<u>(496,720)</u>
—	—	923,817	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	403,512	—	—	—
—	—	—	—	6,220,000	—	—	—
—	—	—	—	—	—	—	—
—	—	923,817	—	6,623,512	—	—	—
74,843	84,688	(218,421)	—	3,449,831	—	—	(496,720)
708,662	539,246	1,038,472	—	687,076	—	35,063	(35,332)
<u>783,505</u>	<u>623,934</u>	<u>820,051</u>	<u>—</u>	<u>4,136,907</u>	<u>—</u>	<u>35,063</u>	<u>(532,052)</u>

CITY OF NAPERVILLE, ILLINOIS

Nonmajor Governmental Funds

Combining Statement of Revenue, Expenditures, and Changes in Fund Balances

Year Ended April 30, 2015

	Debt Service Funds			
	Special Service Areas Funds		Downtown Parking Fund	Capital Projects Fund
	#21	#23		
Revenues:				
Property taxes	\$ 202,026	—	—	—
Other taxes	—	—	1,138,126	—
Licenses and permits	—	—	—	—
Fines and forfeits	—	—	—	—
Net investment income (loss)	23,379	(518)	104,995	181,204
Contribution	—	—	—	1,728,088
Intergovernmental	—	—	—	820,000
Charges for services	—	—	—	—
Fees	16,641	—	—	—
Miscellaneous	—	—	—	—
Total revenues	242,046	(518)	1,243,121	2,729,292
Expenditures:				
Current:				
General government	—	—	—	—
Physical environment	—	—	—	—
Public safety	—	—	—	—
Culture and recreation	—	—	—	—
Transportation	—	—	—	—
Capital outlay	—	—	—	2,742,312
Debt service:				
Principal	165,238	75,000	228,989	—
Interest	61,954	140,117	129,873	—
Debt issuance costs	—	—	—	—
Total expenditures	227,192	215,117	358,862	2,742,312
Excess (deficiency) of revenues over expenditures	14,854	(215,635)	884,259	(13,020)
Other financing sources (uses):				
Transfers in	—	215,117	—	—
Transfers out	—	—	—	(200,000)
Sales of capital assets	—	—	—	111,904
New bonds issued	—	—	—	—
Premium on bonds issued	—	—	—	—
Total other financing sources (uses)	—	215,117	—	(88,096)
Net change in fund balances	14,854	(518)	884,259	(101,116)
Fund balances, May 1, 2014	863,524	—	4,379,329	4,744,305
Fund balances, April 30, 2015	\$ 878,378	(518)	5,263,588	4,643,189

See accompanying independent auditors' report.

Capital Projects Funds			
2010 G.O. Bond Project Fund	2013 G.O. Bond Project Fund	2014 G.O. Bond Project Fund	Total Nonmajor Governmental Funds
—	—	—	4,441,048
—	—	—	5,898,324
—	—	—	68,247
—	—	—	97,763
100,115	129,698	357,747	1,051,166
—	—	—	1,771,051
—	—	—	7,600,294
—	—	—	1,188,391
—	—	—	16,641
—	—	—	2,082
100,115	129,698	357,747	22,135,007
—	—	—	45,343
—	—	—	374,501
—	—	—	2,198,693
—	—	—	5,337,017
—	—	—	2,767,954
(36,343)	2,982,862	2,652,351	22,251,399
—	—	—	469,227
—	—	—	331,944
—	—	205,139	205,139
(36,343)	2,982,862	2,857,490	33,981,217
136,458	(2,853,164)	(2,499,743)	(11,846,210)
—	—	—	3,304,221
—	—	—	(200,000)
—	—	—	515,416
—	—	11,120,000	17,340,000
—	—	388,853	388,853
—	—	11,508,853	21,348,490
136,458	(2,853,164)	9,009,110	9,502,280
(136,458)	2,853,164	—	18,230,174
—	—	9,009,110	27,732,454

CITY OF NAPERVILLE, ILLINOIS

Motor Fuel Tax Fund

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

Year ended April 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget- Positive (Negative)
Revenues:				
Other taxes – local gasoline	\$ 2,100,000	2,100,000	2,043,628	(56,372)
Net investment income (loss)	50,421	50,421	23,205	(27,216)
Contribution	—	—	—	—
Intergovernmental revenue – allotments from state and grants	<u>4,310,000</u>	<u>4,310,000</u>	<u>4,879,986</u>	<u>569,986</u>
Total revenues	<u>6,460,421</u>	<u>6,460,421</u>	<u>6,946,819</u>	<u>486,398</u>
Expenditures:				
Capital outlay	<u>11,200,000</u>	<u>11,200,000</u>	<u>9,604,638</u>	<u>1,595,362</u>
Total expenditures	<u>11,200,000</u>	<u>11,200,000</u>	<u>9,604,638</u>	<u>1,595,362</u>
Excess of revenues over expenditures	<u>(4,739,579)</u>	<u>(4,739,579)</u>	<u>(2,657,819)</u>	<u>2,081,760</u>
Other financing source (use):				
Transfers in	<u>3,265,000</u>	<u>3,265,000</u>	<u>2,037,222</u>	<u>(1,227,778)</u>
Total other financing source (use)	<u>3,265,000</u>	<u>3,265,000</u>	<u>2,037,222</u>	<u>(1,227,778)</u>
Net change in fund balances	<u>\$ (1,474,579)</u>	<u>(1,474,579)</u>	<u>(620,597)</u>	<u>853,982</u>
Fund balance, May 1, 2014			<u>1,462,248</u>	
Fund balance, April 30, 2015			<u>\$ 841,651</u>	

See accompanying independent auditors' report.

CITY OF NAPERVILLE, ILLINOIS

Community Development Block Grant Fund

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

Year ended April 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget- Positive (Negative)
Revenues:				
Intergovernmental-federal grant	\$ 707,299	707,299	382,799	<u>(324,500)</u>
Expenditures:				
General government				
Personal services	48,023	48,023	42,000	6,023
Physical environment				
Outside agencies	787,341	787,341	374,501	412,840
Total expenditures	<u>835,364</u>	<u>835,364</u>	<u>416,501</u>	<u>418,863</u>
Other financing source (use):				
Transfers in	128,065	128,065	128,065	—
Total other financing source (use)	<u>128,065</u>	<u>128,065</u>	<u>128,065</u>	—
Net change in fund balances	\$ —	—	94,363	<u>94,363</u>
Fund balance, May 1, 2014			—	
Fund balance, April 30, 2015			<u>\$ 94,363</u>	

See accompanying independent auditors' report.

CITY OF NAPERVILLE, ILLINOIS

Fair Share Assessment Fund

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

Year ended April 30, 2015

	<u>Original budget</u>	<u>Final budget</u>	<u>Actual</u>	<u>Variance with final budget- positive (negative)</u>
Revenues:				
Net investment income (loss)	\$ —	—	11,327	11,327
Total revenues	<u>—</u>	<u>—</u>	<u>11,327</u>	<u>11,327</u>
Expenditures:				
Capital outlay	90,977	90,977	—	90,977
Total expenditures	<u>90,977</u>	<u>90,977</u>	<u>—</u>	<u>90,977</u>
Net change in fund balances	<u><u>\$ (90,977)</u></u>	<u><u>(90,977)</u></u>	11,327	<u><u>102,304</u></u>
Fund balance, May 1, 2014			<u>508,172</u>	
Fund balance, April 30, 2015			<u><u>\$ 519,499</u></u>	

See accompanying independent auditors' report.

CITY OF NAPERVILLE, ILLINOIS

Road and Bridge Fund

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

Year ended April 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
Revenues:				
Property tax	\$ 450,000	450,000	352,752	(97,248)
Other taxes:				
Local gasoline	700,000	700,000	681,209	(18,791)
Personal property replacement tax	40,000	40,000	35,361	(4,639)
Licenses and permits	90,000	90,000	68,247	(21,753)
Net investment income (loss)	7,580	7,580	(4,250)	(11,830)
Miscellaneous	—	—	564	564
Total revenues	<u>1,287,580</u>	<u>1,287,580</u>	<u>1,133,883</u>	<u>(153,697)</u>
Expenditures:				
Transportation:				
Professional services	70,000	70,000	45,805	24,195
Supplies	115,000	115,000	32,460	82,540
Internal services	647,692	647,692	647,688	4
Capital outlay	400,000	400,000	400,000	—
Total expenditures	<u>1,232,692</u>	<u>1,232,692</u>	<u>1,125,953</u>	<u>106,739</u>
Net change in fund balances	\$ <u>54,888</u>	<u>54,888</u>	7,930	<u>(46,958)</u>
Fund balance, May 1, 2014			<u>(18,744)</u>	
Fund balance, April 30, 2015			\$ <u>(10,814)</u>	

See accompanying independent auditors' report.

CITY OF NAPERVILLE, ILLINOIS

Napier Settlement Fund

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

Year ended April 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
Revenues:				
Property taxes	\$ 2,927,272	2,927,272	2,948,518	21,246
Net investment income	17,500	17,500	37,180	19,680
Contributions	394,071	394,071	—	(394,071)
Charges for services:				
School services and programs	184,800	184,800	169,453	(15,347)
Museum tours	13,400	13,400	9,115	(4,285)
Public program revenue	78,000	78,000	59,926	(18,074)
Gate admissions	43,500	43,500	46,555	3,055
Settlement – weddings	96,933	96,933	83,913	(13,020)
Settlement – other	54,440	54,440	42,333	(12,107)
Settlement – MCOM	—	—	2,080	2,080
Miscellaneous	—	—	49	49
Total revenues	3,809,916	3,809,916	3,399,122	(410,794)
Expenditures – culture and recreation:				
Settlement administration:				
Salaries	526,472	526,472	475,130	51,342
Employee benefits	189,234	189,234	152,934	36,300
Technical services	28,000	28,000	23,857	4,143
Professional	35,506	35,506	11,262	24,244
Other purchased services	29,307	29,307	16,379	12,928
Supplies	18,320	18,320	13,009	5,311
Internal services	114,708	114,708	114,700	8
Visitor services:				
Salaries	539,019	539,019	501,420	37,599
Employee benefits	182,367	182,367	144,277	38,090
Technical services	15,000	15,000	14,572	428
Professional	6,000	6,000	1,074	4,926
Purchase property services	870	870	—	870
Other purchased services	6,596	6,596	3,052	3,544
Supplies	22,700	22,700	21,632	1,068
Building and grounds:				
Salaries	235,254	235,254	219,022	16,232
Employee benefits	109,565	109,565	89,880	19,685
Technical services	99,392	99,392	99,344	48
Professional	5,700	5,700	5,700	—
Purchase property services	150,342	150,342	143,569	6,773
Supplies	171,342	171,342	158,446	12,896
Property	149,546	149,546	147,086	2,460
Internal services	4,374	4,374	4,374	—
Development:				
Salaries	377,388	377,388	316,950	60,438
Employee benefits	156,945	156,945	93,968	62,977
Technical services	3,944	3,944	3,943	1

CITY OF NAPERVILLE, ILLINOIS

Naper Settlement Fund

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

Year ended April 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
Expenditures – culture and recreation, continued:				
Artifact & preservation:				
Salaries	236,060	236,060	223,789	12,271
Employee benefits	83,538	83,538	73,895	9,643
Technical services	6,623	6,623	2,521	4,102
Supplies	6,827	6,827	6,826	1
Public relations/marketing:				
Salaries	126,641	126,641	123,606	3,035
Employee benefits	48,516	48,516	43,020	5,496
Technical services	12,325	12,325	10,488	1,837
Professional	10,000	10,000	6,163	3,837
Other purchased services	147,638	147,638	133,928	13,710
Supplies	3,095	3,095	2,398	697
Total expenditures	<u>3,859,154</u>	<u>3,859,154</u>	<u>3,402,214</u>	<u>456,940</u>
Net change in fund balances	<u>\$ (49,238)</u>	<u>(49,238)</u>	<u>(3,092)</u>	<u>46,146</u>
Fund balance, May 1, 2014			<u>259,939</u>	
Fund balance, April 30, 2015			<u>\$ 256,847</u>	

See accompanying independent auditors' report.

CITY OF NAPERVILLE, ILLINOIS

Foreign Fire Insurance Tax Fund

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

Year ended April 30, 2015

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Net investment income (loss)	\$ —	—	4,237	4,237
Intergovernmental – foreign fire insurance tax	173,777	173,777	183,419	9,642
Total revenues	<u>173,777</u>	<u>173,777</u>	<u>187,656</u>	<u>13,879</u>
Expenditures-public safety:				
Salaries	500	500	—	500
Employee benefits	10,000	10,000	—	10,000
Technical services	1,000	1,000	—	1,000
Professional services	2,687	2,687	—	2,687
Purchase property services	5,000	5,000	—	5,000
Other purchased services	26,950	26,950	—	26,950
Supplies	114,500	114,500	159,411	(44,911)
Property	57,500	57,500	—	57,500
Total expenditures	<u>218,137</u>	<u>218,137</u>	<u>159,411</u>	<u>58,726</u>
Net change in fund balances	\$ <u>(44,360)</u>	<u>(44,360)</u>	28,245	<u>72,605</u>
Fund balance, May 1, 2014			<u>341,508</u>	
Fund balance, April 30, 2015			\$ <u>369,753</u>	

See accompanying independent auditors' report.

CITY OF NAPERVILLE, ILLINOIS

E-911 Surcharge Fund

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

Year ended April 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget- Positive (Negative)
Revenues:				
Net investment income (loss)	\$ —	—	545	545
Intergovernmental	1,000,000	1,000,000	1,166,888	166,888
Charges for services	<u>1,100,000</u>	<u>1,100,000</u>	<u>762,236</u>	<u>(337,764)</u>
Total revenues	2,100,000	2,100,000	1,929,669	(170,331)
Expenditures - public safety:				
Internal services	<u>2,100,000</u>	<u>2,100,000</u>	<u>1,854,826</u>	<u>245,174</u>
Net change in fund balances	\$ <u>—</u>	<u>—</u>	74,843	<u>74,843</u>
Fund balance, May 1, 2014			<u>708,662</u>	
Fund balance, April 30, 2015			<u>\$ <u>783,505</u></u>	

See accompanying independent auditors' report.

CITY OF NAPERVILLE, ILLINOIS

Special Events & Cultural Amenities Fund

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

Year ended April 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget- Positive (Negative)
Revenues:				
Food and beverage tax	\$ 2,000,000	2,000,000	2,000,000	—
Net investment income (loss)	7,500	7,500	19,491	11,991
Total revenues	<u>2,007,500</u>	<u>2,007,500</u>	<u>2,019,491</u>	<u>11,991</u>
Expenditures:				
Culture and recreation:				
Salaries	388,125	388,125	361,850	26,275
Employee benefits	62,057	62,057	38,649	23,408
Supplies	8,697	8,697	7,735	962
Internal services	64,329	64,329	64,033	296
Outside agencies	1,476,792	1,612,792	1,462,536	150,256
Total expenditures	<u>2,000,000</u>	<u>2,136,000</u>	<u>1,934,803</u>	<u>201,197</u>
Excess of revenues over expenditures	<u>7,500</u>	<u>(128,500)</u>	<u>84,688</u>	<u>213,188</u>
Net change in fund balances	<u>\$ 7,500</u>	<u>(128,500)</u>	<u>84,688</u>	<u>213,188</u>
Fund balance, May 1, 2014			<u>539,246</u>	
Fund balance, April 30, 2015			<u>\$ 623,934</u>	

See accompanying independent auditors' report.

CITY OF NAPERVILLE, ILLINOIS

Special Service Area #24 Fund

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

Year ended April 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget- Positive (Negative)
Revenues:				
Property taxes	\$ 788,762	788,762	796,652	7,890
Fines	70,000	70,000	97,763	27,763
Net investment income (loss)	27,100	27,100	35,529	8,429
Charges for services	10,000	10,000	12,780	2,780
Miscellaneous	—	—	1,469	1,469
Total revenues	<u>895,862</u>	<u>895,862</u>	<u>944,193</u>	<u>48,331</u>
Expenditures:				
Transportation:				
Salaries	380,062	380,062	416,899	(36,837)
Employee benefits	138,745	138,745	146,597	(7,852)
Technical services	389,990	389,990	345,760	44,230
Professional	20,700	20,700	2,352	18,348
Purchase property services	82,925	82,925	72,037	10,888
Other purchased services	329,640	329,640	326,900	2,740
Supplies	229,450	229,450	179,641	49,809
Internal services	467,271	467,271	464,172	3,099
Capital outlay	132,073	132,073	132,073	—
Total expenditures	<u>2,170,856</u>	<u>2,170,856</u>	<u>2,086,431</u>	<u>84,425</u>
Excess (deficiency) of revenues over net expenditures	<u>(1,274,994)</u>	<u>(1,274,994)</u>	<u>(1,142,238)</u>	<u>132,756</u>
Other financing source:				
Transfers in	923,817	923,817	923,817	—
Net change in fund balances	<u>\$ (351,177)</u>	<u>(351,177)</u>	<u>(218,421)</u>	<u>132,756</u>
Fund balance, May 1, 2014			1,038,472	
Fund balance, April 30, 2015			<u>\$ 820,051</u>	

See accompanying independent auditors' report.

CITY OF NAPERVILLE, ILLINOIS

Test Track Fund

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

Year ended April 30, 2015

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Contributions	\$ 50,696	50,696	42,963	(7,733)
Total revenues	<u>50,696</u>	<u>50,696</u>	<u>42,963</u>	<u>(7,733)</u>
Expenditures:				
Transportation:				
Purchase property services	20,900	20,900	10,781	10,119
Other purchased service	3,420	3,420	1,843	1,577
Supplies	13,500	13,500	17,463	(3,963)
Internal service	12,876	12,876	12,876	—
Total expenditures	<u>50,696</u>	<u>50,696</u>	<u>42,963</u>	<u>7,733</u>
Net change in fund balances	<u>\$ —</u>	<u>—</u>	<u>—</u>	<u>—</u>
Fund balance, May 1, 2014			<u>—</u>	
Fund balance, April 30, 2015			<u>\$ —</u>	

See accompanying independent auditors' report.

CITY OF NAPERVILLE, ILLINOIS

Water Street TIF Fund

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

Year ended April 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget- Positive (Negative)
Revenues:				
Property taxes	\$ 70,000	70,000	73,090	3,090
Net investment income (loss)	9,000	9,000	10,027	1,027
Total revenues	<u>79,000</u>	<u>79,000</u>	<u>83,117</u>	<u>4,117</u>
Expenditures:				
General government:				
Professional services	103,343	103,343	3,343	100,000
Capital outlay	701,600	701,600	3,253,455	(2,551,855)
Total expenditures	<u>804,943</u>	<u>804,943</u>	<u>3,256,798</u>	<u>(2,451,855)</u>
Excess (deficiency) of revenues over expenditures	(725,943)	(725,943)	(3,173,681)	(2,447,738)
Other financing use				
New bonds issued	—	—	6,220,000	6,220,000
Sale of capital assets	—	—	403,512	403,512
Net change in fund balances	<u><u>\$ (725,943)</u></u>	<u><u>(725,943)</u></u>	3,449,831	<u><u>4,175,774</u></u>
Fund balance, May 1, 2014			<u>687,076</u>	
Fund balance, April 30, 2015			<u><u>\$ 4,136,907</u></u>	

See accompanying independent auditors' report.

CITY OF NAPERVILLE, ILLINOIS

Drug Forfeiture Fund

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

Year ended April 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
Revenues:				
Net investment income (loss)	\$ —	—	17,254	17,254
Intergovernmental	421,809	421,809	167,202	(254,607)
Total revenues	<u>421,809</u>	<u>421,809</u>	<u>184,456</u>	<u>(237,353)</u>
Expenditures-public safety:				
Professional services	16,903	16,903	9,206	7,697
Purchase property services	30,903	30,903	3,599	27,304
Other purchased services	104,100	104,100	52,199	51,901
Supplies	185,903	185,903	85,229	100,674
Property	—	—	20,642	(20,642)
Internal services	75,000	75,000	7,032	67,968
Outside agencies	9,000	9,000	6,549	2,451
Total expenditures	<u>421,809</u>	<u>421,809</u>	<u>184,456</u>	<u>237,353</u>
Net change in fund balances	<u>\$ —</u>	<u>—</u>	<u>—</u>	<u>—</u>
Fund balance, May 1, 2014			<u>—</u>	
Fund balance, April 30, 2015			<u>\$ —</u>	

See accompanying independent auditors' report.

CITY OF NAPERVILLE, ILLINOIS

American Reinvestment and Recovery Act Federal Grants Fund

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

Year ended April 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
Revenues:				
Net investment income (loss)	\$ —	\$ —	—	\$ —
Expenditures: None	—	—	—	—
Net change in fund balances	\$ —	—	—	—
Fund balance, May 1, 2014			35,063	
Fund balance, April 30, 2015			\$ 35,063	

See accompanying independent auditors' report.

CITY OF NAPERVILLE, ILLINOIS

Special Service Area #25 Fund

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

Year ended April 30, 2015

	<u>Original budget</u>	<u>Final budget</u>	<u>Actual</u>	Variance with final budget- positive (negative)
Revenues:				
Property taxes	\$ 68,000	68,000	68,010	10
Net investment income (loss)	—	—	1	1
Total revenues	<u>68,000</u>	<u>68,000</u>	<u>68,011</u>	<u>11</u>
Expenditures:				
Transportation:				
Professional services	52,115	52,115	44,680	7,435
Purchase property services	4,500	4,500	—	4,500
Capital outlay:				
Transportation	<u>750,000</u>	<u>750,000</u>	<u>520,051</u>	<u>229,949</u>
Total expenditures	<u>806,615</u>	<u>806,615</u>	<u>564,731</u>	<u>241,884</u>
Net change in fund balances	<u><u>\$ (738,615)</u></u>	<u><u>(738,615)</u></u>	<u><u>(496,720)</u></u>	<u><u>241,895</u></u>
Fund balance, May 1, 2014			<u>(35,332)</u>	
Fund balance, April 30, 2015			<u><u>\$ (532,052)</u></u>	

See accompanying independent auditors' report.

CITY OF NAPERVILLE, ILLINOIS

Special Service Area #21 Fund

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

Year ended April 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget- Positive (Negative)
Revenues:				
Property taxes	\$ 200,000	200,000	202,026	2,026
Net investment income (loss)	10,000	10,000	23,379	13,379
Fees	12,000	12,000	16,641	4,641
Total revenues	<u>222,000</u>	<u>222,000</u>	<u>242,046</u>	<u>20,046</u>
Expenditures – debt service:				
Principal	165,238	165,238	165,238	—
Interest	62,948	62,948	61,954	994
Total expenditures	<u>228,186</u>	<u>228,186</u>	<u>227,192</u>	<u>994</u>
Net change in fund balances	<u>\$ (6,186)</u>	<u>(6,186)</u>	14,854	<u>21,040</u>
Fund balance, May 1, 2014			<u>863,524</u>	
Fund balance, April 30, 2015			<u>\$ 878,378</u>	

See accompanying independent auditors' report.

CITY OF NAPERVILLE, ILLINOIS

Special Service Area #23 Fund

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

Year ended April 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget- Positive (Negative)
Revenues:				
Net investment income	—	—	(518)	(518)
Total revenues	—	—	(518)	(518)
Expenditures:				
Debt service:				
Principal	75,000	75,000	75,000	—
Interest	140,117	140,117	140,117	—
Total expenditures	215,117	215,117	215,117	—
Excess (deficiency) of revenues over expenditures	(215,117)	(215,117)	(215,635)	(518)
Other financing use				
Transfer in	215,117	215,117	215,117	—
Net change in fund balances	\$ —	—	(518)	(518)
Fund balance, May 1, 2014			—	
Fund balance, April 30, 2015			\$ (518)	

See accompanying independent auditors' report.

CITY OF NAPERVILLE, ILLINOIS

Downtown Parking Fund

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

Year ended April 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
Revenues:				
Other taxes	\$ 1,100,000	1,100,000	1,138,126	38,126
Net investment income (loss)	49,000	49,000	104,995	55,995
Total revenues	<u>1,149,000</u>	<u>1,149,000</u>	<u>1,243,121</u>	<u>94,121</u>
Expenditures – debt service:				
Principal	228,989	228,989	228,989	—
Interest	129,873	129,873	129,873	—
Capital outlay	5,100,000	5,100,000	—	5,100,000
Total expenditures	<u>5,458,862</u>	<u>5,458,862</u>	<u>358,862</u>	<u>5,100,000</u>
Net change in fund balances	<u>\$ (4,309,862)</u>	<u>(4,309,862)</u>	884,259	<u>5,194,121</u>
Fund balance, May 1, 2014			<u>4,379,329</u>	
Fund balance, April 30, 2015			<u>\$ 5,263,588</u>	

See accompanying independent auditors' report.

CITY OF NAPERVILLE, ILLINOIS

Capital Projects Fund

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

Year ended April 30, 2015

	Original budget	Final budget	Actual	Variance with final budget- positive (negative)
Revenues:				
Net investment income (loss)	\$ 100,000	100,000	181,204	81,204
Contributions	1,103,000	1,103,000	1,728,088	625,088
Intergovernmental	2,119,000	2,119,000	820,000	(1,299,000)
Total revenues	<u>3,322,000</u>	<u>3,322,000</u>	<u>2,729,292</u>	<u>(592,708)</u>
Expenditures:				
Capital outlay:				
General government	46,497	46,497	31,373	15,124
Public safety	—	—	60,360	(60,360)
Culture and recreation	582,826	582,826	826	582,000
Transportation	5,391,136	5,391,136	2,649,753	2,741,383
Total expenditures	<u>6,020,459</u>	<u>6,020,459</u>	<u>2,742,312</u>	<u>3,278,147</u>
Deficiency of revenues over expenditures	(2,698,459)	(2,698,459)	(13,020)	2,685,439
Other financing sources:				
Transfer out	(200,000)	(200,000)	(200,000)	—
Sale of capital assets	—	—	111,904	111,904
Total other financing sources	<u>(200,000)</u>	<u>(200,000)</u>	<u>(88,096)</u>	<u>111,904</u>
Net change in fund balances	<u>\$ (2,898,459)</u>	<u>(2,898,459)</u>	<u>(101,116)</u>	<u>2,797,343</u>
Fund balance, May 1, 2014			4,744,305	
Fund balance, April 30, 2015			<u>\$ 4,643,189</u>	

See accompanying independent auditors' report.

CITY OF NAPERVILLE, ILLINOIS

2010 G.O Bond Fund

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

Year ended April 30, 2015

	<u>Original budget</u>	<u>Final budget</u>	<u>Actual</u>	Variance with final budget- positive (negative)
Revenues:				
Net investment income	\$ —	—	100,115	100,115
Total revenues	<u>—</u>	<u>—</u>	<u>100,115</u>	<u>100,115</u>
Expenditures:				
Capital outlay				
Transportation	163,051	163,051	(36,343)	199,394
Total expenditures	<u>163,051</u>	<u>163,051</u>	<u>(36,343)</u>	<u>199,394</u>
Net change in fund balances	<u>\$ (163,051)</u>	<u>(163,051)</u>	136,458	<u>299,509</u>
Fund balance, May 1, 2014			<u>(136,458)</u>	
Fund balance, April 30, 2015			<u>\$ —</u>	

See accompanying independent auditors' report.

CITY OF NAPERVILLE, ILLINOIS

2013 G.O Bond Fund

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

Year ended April 30, 2015

	Original budget	Final budget	Actual	Variance with final budget- positive (negative)
Revenues:				
Net investment income	\$ —	—	129,698	129,698
Total revenues	<u>—</u>	<u>—</u>	<u>129,698</u>	<u>129,698</u>
Expenditures:				
Capital outlay				
General government	—	—	80,419	(80,419)
Public safety	150,203	150,203	429,850	(279,647)
Culture and recreation	396,000	396,000	456,303	(60,303)
Transportation	1,839,543	1,839,543	2,016,290	(176,747)
Total expenditures	<u>2,385,746</u>	<u>2,385,746</u>	<u>2,982,862</u>	<u>(597,116)</u>
Net change in fund balances	<u>\$ (2,385,746)</u>	<u>(2,385,746)</u>	<u>(2,853,164)</u>	<u>(467,418)</u>
Fund balance, May 1, 2014			<u>2,853,164</u>	
Fund balance, April 30, 2015			<u>\$ —</u>	

See accompanying independent auditors' report.

CITY OF NAPERVILLE, ILLINOIS

2014 G.O Bond Fund

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

Year ended April 30, 2015

	Original budget	Final budget	Actual	Variance with final budget- positive (negative)
Revenues:				
Net investment income	\$ —	—	357,747	357,747
Total revenues	<u>—</u>	<u>—</u>	<u>357,747</u>	<u>357,747</u>
Expenditures:				
Capital outlay				
General government	912,000	912,000	116,786	795,214
Public safety	712,000	712,000	134,937	577,063
Culture and recreation	1,324,500	1,324,500	533,460	791,040
Transportation	14,394,772	14,394,772	1,867,168	12,527,604
Debt issuance costs	—	—	205,139	(205,139)
Total expenditures	<u>17,343,272</u>	<u>17,343,272</u>	<u>2,857,490</u>	<u>14,485,782</u>
Deficiency of revenues over expenditures	<u>(17,343,272)</u>	<u>(17,343,272)</u>	<u>(2,499,743)</u>	<u>(14,128,035)</u>
Other financing sources:				
New bonds issued	17,343,272	17,343,272	11,120,000	(6,223,272)
Premium on bonds issued	—	—	388,853	388,853
Total other financing sources	<u>17,343,272</u>	<u>17,343,272</u>	<u>11,508,853</u>	<u>(5,834,419)</u>
Net change in fund balances	<u>\$ —</u>	<u>—</u>	<u>9,009,110</u>	<u>9,009,110</u>
Fund balance, May 1, 2014			—	
Fund balance, April 30, 2015			<u>\$ 9,009,110</u>	

See accompanying independent auditors' report.

INTERNAL SERVICE FUNDS

Information Technology Fund – to account for the replacements of the City’s data processing system. Financing is provided through charges to various City funds. At the fiscal year end, the fund was closed and transferred to the General Fund, the Electric Utility Fund and the Water/Wastewater Fund.

Fleet Services Fund – to account for the maintenance of the City fleet. Financing is provided through charges to various City funds and investment earnings. At the fiscal year end, the fund was closed and transferred to the General Fund, the Electric Utility Fund and the Water/Wastewater Fund.

Vehicle Replacement Fund – to account for the acquisition of the City fleet. Financing is provided by transfers from various City funds and investment earnings. At the fiscal year end, the fund was closed and transferred to the General Fund, the Electric Utility Fund and the Water/Wastewater Fund.

Self-Insurance Fund – to account for the operations of the City’s self-insurance plan. Financing is provided through self-imposed premiums and investment earnings.

CITY OF NAPERVILLE, ILLINOIS

Internal Service Funds

Combining Statement of Net Position

April 30, 2015

Assets	Information Technology Fund	Fleet Services Fund	Vehicle Replacement Fund	Self- Insurance Fund	Total
Current assets:					
Cash and investments	\$ —	—	—	3,794,962	3,794,962
Interest receivable	—	—	—	8,874	8,874
Accounts receivable	—	—	—	(569)	(569)
Total current assets	—	—	—	3,803,267	3,803,267
Total assets	—	—	—	3,803,267	3,803,267
Liabilities					
Current liabilities:					
Accounts payable	—	—	—	447,440	447,440
Claims and judgments	—	—	—	405,020	405,020
Total current liabilities	—	—	—	852,460	852,460
Noncurrent liabilities:					
Claims and judgments	—	—	—	2,924,703	2,924,703
Total noncurrent liabilities	—	—	—	2,924,703	2,924,703
Total liabilities	—	—	—	3,777,163	3,777,163
Net Position					
Unrestricted	—	—	—	26,104	26,104
Total net position	\$ —	—	—	26,104	26,104

See accompanying independent auditors' report.

CITY OF NAPERVILLE, ILLINOIS
Internal Service Funds
Combining Statement of Revenues, Expenses, and
Changes in Net Position
Year ended April 30, 2015

	Information Technology Fund	Fleet Services Fund	Vehicle Replacement Fund	Self- Insurance Fund	Total
Operating revenues – charges for services	\$ 2,103,293	4,476,769	2,422,900	18,986,007	27,988,969
Operating expenses:					
Claims expense	—	—	—	15,772,954	15,772,954
Personal services	—	1,512,844	—	—	1,512,844
Contractual services	1,261,917	9,995	—	4,208,935	5,480,847
Repairs and service	333,575	346,379	—	—	679,954
Materials and supplies	512,472	2,029,314	116,701	39,245	2,697,732
Internal service charges	16,008	82,980	—	369,108	468,096
Taxes-license plates	—	6,891	—	—	6,891
Total operating expenses before depreciation	<u>2,123,972</u>	<u>3,988,403</u>	<u>116,701</u>	<u>20,390,242</u>	<u>26,619,318</u>
Operating income (loss) before depreciation	(20,679)	488,366	2,306,199	(1,404,235)	1,369,651
Depreciation	(135,952)	—	(1,739,415)	—	(1,875,367)
Operating income (loss)	<u>(156,631)</u>	<u>488,366</u>	<u>566,784</u>	<u>(1,404,235)</u>	<u>(505,716)</u>
Nonoperating revenues:					
Net investment income	17,244	(17,180)	212,140	109,144	321,348
Gain (loss) on disposal of capital assets	—	—	102,561	—	102,561
Total nonoperating revenues	<u>17,244</u>	<u>(17,180)</u>	<u>314,701</u>	<u>109,144</u>	<u>423,909</u>
Net income (loss) before contributions and transfers	(139,387)	471,186	881,485	(1,295,091)	(81,807)
Transfers in	—	249,082	—	—	249,082
Transfers out	(792,295)	(480,844)	(19,228,003)	—	(20,501,142)
Change in net position	(931,682)	239,424	(18,346,518)	(1,295,091)	(20,333,867)
Total net position, May 1, 2014	<u>931,682</u>	<u>(239,424)</u>	<u>18,346,518</u>	<u>1,321,195</u>	<u>20,359,971</u>
Total net position, April 30, 2015	<u>\$ —</u>	<u>—</u>	<u>—</u>	<u>26,104</u>	<u>26,104</u>

See accompanying independent auditors' report.

CITY OF NAPERVILLE, ILLINOIS

Internal Service Funds

Combining Statement of Cash Flows

Year ended April 30, 2015

	Information Technology Fund	Fleet Services Fund	Vehicle Replacement Fund	Self- Insurance Fund	Total
Cash flows from operating activities:					
Receipts from interfund services provided	2,103,293	4,476,769	2,422,900	18,986,567	27,989,529
Payments to suppliers	(2,192,938)	(2,348,968)	(116,701)	(19,992,955)	(24,651,562)
Payments to employees	—	(1,855,511)	—	(39,474)	(1,894,985)
Net cash from operating activities	(89,645)	272,290	2,306,199	(1,045,862)	1,442,982
Cash flows from noncapital financing activities:					
Due to General fund	—	(35,324)	—	—	(35,324)
Transfer in	—	249,082	—	—	249,082
Transfer out	(315,708)	(480,844)	(7,972,548)	—	(8,769,100)
Net cash from noncapital financing activities	(315,708)	(267,086)	(7,972,548)	—	(8,555,342)
Cash flows from capital and related financing activities:					
Purchases of capital assets	(51,945)	—	(3,183,211)	—	(3,235,156)
Sale of capital assets	—	—	99,003	—	99,003
Net cash from capital and related financing activities	(51,945)	—	(3,084,208)	—	(3,136,153)
Cash flows from investing activities:					
Investment sales or maturities	817,674	—	6,210,275	2,070,901	9,098,850
Investment purchases	(381,319)	—	(3,188,836)	(1,580,238)	(5,150,393)
Net interest received	20,943	(5,204)	239,367	116,728	371,834
Net cash from investing activities	457,298	(5,204)	3,260,806	607,391	4,320,291
Net increase in cash and cash equivalents	—	—	(5,489,751)	(438,471)	(5,928,222)
Cash and cash equivalents, May 1, 2014	—	—	5,489,751	2,032,015	7,521,766
Cash and cash equivalents, April 30, 2015	\$ —	\$ —	\$ —	\$ 1,593,544	\$ 1,593,544
Reconciliation to statement of net position, April 30, 2015					
Cash and cash equivalents	\$ —	—	—	1,593,544	1,593,544
Investments	—	—	—	2,201,418	2,201,418
Cash and investments	\$ —	\$ —	\$ —	\$ 3,794,962	\$ 3,794,962

CITY OF NAPERVILLE, ILLINOIS

Internal Service Funds

Combining Statement of Cash Flows

Year ended April 30, 2015

	Information Technology Fund	Fleet Services Fund	Vehicle Replacement Fund	Self- Insurance Fund	Total
Reconciliation of operating income to net cash					
from operating activities:					
Operating income (loss)	\$ (156,631)	488,366	566,784	(1,404,235)	(505,716)
Adjustments to reconcile operating income (loss)					
to net cash provided from operating activities					
Depreciation expense	135,952	—	1,739,415	—	1,875,367
Decrease in accounts receivable	—	—	—	560	560
Decrease in inventories	—	340,676	—	—	340,676
(Decrease) in accounts payable	(68,966)	(214,085)	—	(533,557)	(816,608)
Increase in claims payable	—	—	—	891,370	891,370
(Decrease) in OPEB liability	—	(20,689)	—	—	(20,689)
(Decrease) in accrued wages	—	(321,978)	—	—	(321,978)
Total adjustments	66,986	(216,076)	1,739,415	358,373	1,948,698
Net cash from operating activities	\$ (89,645)	272,290	2,306,199	(1,045,862)	1,442,982
Noncash investing, capital, and financing activities:					
Capital assets transfer out due to fund close	(476,587)	—	(11,255,455)	—	(11,732,042)

See accompanying independent auditors' report.

FIDUCIARY FUNDS

Police & 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
April 30, 2015

	<u>Police Pension</u>	<u>Firefighters' Pension</u>	<u>Total</u>
Assets:			
Cash and short-term investments	\$ 6,567,783	6,853,615	13,421,398
Receivables:			
Interest receivable	225,927	255,717	481,644
Investments at fair value:			
U.S. Treasury obligations	29,483,661	29,811,048	59,294,709
U.S. Government agencies	4,966,166	5,054,985	10,021,151
Asset backed	3,829,782	4,021,983	7,851,765
Corporate bonds	5,338,228	5,754,562	11,092,790
Mutual funds	61,096,984	60,519,925	121,616,909
Common stock	19,365,759	19,404,883	38,770,642
Municipal	478,843	478,843	957,686
Annuities	9,471,144	9,266,405	18,737,549
	<u>134,030,567</u>	<u>134,312,634</u>	<u>268,343,201</u>
Total investments			
Prepaid items	-	-	-
	<u>140,824,277</u>	<u>141,421,966</u>	<u>282,246,243</u>
Total assets			
Liabilities:			
Accounts payable	29,672	14,067	43,739
	<u>29,672</u>	<u>14,067</u>	<u>43,739</u>
Net position held in trust for pension benefits	\$ <u>140,794,605</u>	<u>141,407,899</u>	<u>282,202,504</u>

CITY OF NAPERVILLE, ILLINOIS

Combining Statement of Changes in Fiduciary Net Position

Pension Trust Funds

Year ended April 30, 2015

	<u>Police Pension</u>	<u>Firefighters' Pension</u>	<u>Total</u>
Additions:			
Contributions:			
Employer	\$ 5,641,180	5,670,039	11,311,219
Employee	1,599,368	1,839,016	3,438,384
Miscellaneous	8,066	8,919	16,985
Total contributions	<u>7,248,614</u>	<u>7,517,974</u>	<u>14,766,588</u>
Investment income			
Net appreciation in fair value of investments	6,406,159	3,868,543	10,274,702
Interest and dividends	2,660,047	4,124,378	6,784,425
Total investment income	<u>9,066,206</u>	<u>7,992,921</u>	<u>17,059,127</u>
Less investment expense	<u>340,204</u>	<u>296,827</u>	<u>637,031</u>
Net investment income	<u>8,726,002</u>	<u>7,696,094</u>	<u>16,422,096</u>
Total additions	<u>15,974,616</u>	<u>15,214,068</u>	<u>31,188,684</u>
Deductions:			
Benefits	5,502,515	5,134,995	10,637,510
Refunds of contributions	4,451	72,573	77,024
Administrative expense	130,073	109,969	240,042
Total deductions	<u>5,637,039</u>	<u>5,317,537</u>	<u>10,954,576</u>
Net increase	10,337,577	9,896,531	20,234,108
Net plan position held in trust for pension benefits, May 1, 2014	<u>130,457,028</u>	<u>131,511,368</u>	<u>261,968,396</u>
Net plan position held in trust for pension benefits, April 30, 2015	<u>\$ 140,794,605</u>	<u>141,407,899</u>	<u>282,202,504</u>

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS

CITY OF NAPERVILLE, ILLINOIS

Capital Assets Used in the Operation of Governmental Funds

Comparative Schedules by Source

April 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Governmental funds capital assets:		
Land and land improvements	\$ 26,014,017	22,772,017
Buildings	133,922,189	132,987,330
Machinery and equipment	49,848,277	25,031,425
Infrastructure	382,681,446	377,433,108
Land-Infrastructure	161,526,935	153,728,928
Construction in progress	70,403,378	72,152,527
Total government funds capital assets	<u>\$ 824,396,242</u>	<u>784,105,335</u>
Investments in governmental funds capital assets by source:		
General Fund	\$ 49,848,277	25,031,425
Capital Projects Funds	571,064,774	556,846,897
Grants and Donations	203,483,191	202,227,013
Total governmental funds capital assets	<u>\$ 824,396,242</u>	<u>784,105,335</u>

This schedule presents only the capital assets balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net position.

See accompanying independent auditors' report.

CITY OF NAPERVILLE, ILLINOIS

Capital Assets Used in the Operation of Governmental Funds

Schedule by Function and Activity

April 30, 2015

Function and activity	Land	Buildings	Machinery and equipment	Infrastructure	Construction in progress	Total
General government:						
Legal	\$ —	—	90,568	—	—	90,568
Executive	—	232,975	1,301,106	—	—	1,534,081
Human resources	—	—	40,770	—	—	40,770
Finance/purchasing	—	—	1,171,626	—	—	1,171,626
General services	—	17,670,855	—	—	—	17,670,855
Information technology	—	33,208	15,099,039	—	167,805	15,300,052
Total general government	—	17,937,038	17,703,109	—	167,805	35,807,952
Public safety:						
Police	—	12,335,416	6,723,266	—	270,307	19,328,989
Fire	—	16,198,464	11,535,767	—	374,100	28,108,331
Total public safety	—	28,533,880	18,259,033	—	644,407	47,437,320
Highways and streets:						
Transportation/engineering	13,878,843	22,942,475	781,574	—	948,838	38,551,730
Infrastructure	161,526,935	—	—	384,124,339	64,200,029	609,851,303
Total highways and streets	175,405,778	22,942,475	781,574	384,124,339	65,148,867	648,403,033
Public works	6,971,202	37,085,057	11,460,289	—	2,885,207	58,401,755
Culture and recreation	5,163,971	27,423,739	1,644,272	—	114,200	34,346,182
Total governmental funds capital assets	\$ 187,540,951	133,922,189	49,848,277	384,124,339	68,960,486	824,396,242

This schedule presents only the capital assets balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net position.

See accompanying independent auditors' report.

CITY OF NAPERVILLE, ILLINOIS

Capital Assets Used in the Operation of Governmental Funds

Schedule of Changes by Function and Activity

Year Ended April 30, 2015

Function and activity	Balance May 1, 2014	Additions/ Transfer	Deductions	Balance April 30, 2015
General government:				
Legal	\$ 5,061	85,507	—	90,568
Executive	1,442,187	121,871	29,976	1,534,082
Human resources	40,770	—	—	40,770
Finance/purchasing	1,158,163	13,463	—	1,171,626
General services	17,670,855	—	—	17,670,855
Information technology	11,941,345	3,602,044	243,337	15,300,052
Total general government	<u>32,258,381</u>	<u>3,822,885</u>	<u>273,313</u>	<u>35,807,953</u>
Public safety:				
Police	16,857,996	3,452,914	981,921	19,328,989
Fire	18,864,358	9,243,972	—	28,108,330
Total public safety	<u>35,722,354</u>	<u>12,696,886</u>	<u>981,921</u>	<u>47,437,319</u>
Highways and streets:				
Transportation/engineering	34,838,087	8,398,535	3,242,000	39,994,622
Infrastructure	601,301,303	15,303,381	8,196,273	608,408,411
Total highways and streets	<u>636,139,390</u>	<u>23,701,916</u>	<u>11,438,273</u>	<u>648,403,033</u>
Public works	46,030,492	12,660,164	288,901	58,401,755
Culture and recreation	33,954,718	707,535	316,071	34,346,182
Total governmental funds capital assets	<u>\$ 784,105,335</u>	<u>53,589,386</u>	<u>13,298,479</u>	<u>824,396,242</u>

This schedule presents only the capital assets balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net position.

See accompanying independent auditors' report.



City of Naperville
Statistical Section

**Statistical
Section**

STATISTICAL SECTION

This part of the City's 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 displays about the City's overall financial health.

<u>Contents</u>	<u>Page(s)</u>
(A) Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have been changed over time.	124-128
(B) Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue sources, the sales tax and the property tax.	129-135
(C) Debt Capacity The 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.	136-140
(D) 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.	141-143
(E) 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.	144-147

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

CITY OF NAPERVILLE, ILLINOIS

NET POSITION BY COMPONENT

Last Ten Fiscal Years
(amounts expressed in thousands)

		Fiscal Year									
		2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental Activities											
Net Investment in Capital Assets	\$	412,870	434,299	453,418	450,286	446,437	446,569	427,459	419,148	412,387	409,027
Restricted		15,934	11,685	7,874	10,484	7,063	5,129	6,031	6,787	8,042	9,623
Unrestricted		50,243	41,346	32,466	21,009	18,818	31,009	40,417	41,836	38,904	30,529
Total Governmental Activities	\$	479,047	487,330	493,758	481,779	472,318	482,707	473,907	467,771	459,333	449,179
Business-type Activities											
Net Investment in Capital Assets	\$	416,969	437,950	443,782	450,479	447,279	443,008	439,216	432,913	437,827	442,720
Restricted		14,851	5,133	5,200	5,331	5,285	-	-	-	-	-
Unrestricted		36,507	34,081	19,521	7,293	4,157	13,890	19,899	27,522	11,846	6,674
Total Business-type Activities	\$	468,327	477,164	468,503	463,103	456,721	456,898	459,115	460,435	449,673	449,394
Primary Government											
Net Investment in Capital Assets	\$	829,839	872,249	897,200	900,765	893,716	889,577	866,675	852,061	850,214	851,747
Restricted		30,785	16,818	13,074	15,815	12,348	5,129	6,031	6,787	8,042	9,623
Unrestricted		86,750	75,427	51,987	28,302	22,975	44,899	60,316	69,358	50,750	37,203
Total Primary Government	\$	947,374	964,494	962,261	944,882	929,039	939,605	933,022	928,206	909,006	898,573

Source: Audited Financial Statements

Table A-2

CITY OF NAPERVILLE, ILLINOIS
CHANGES IN NET POSITION
Last Ten Fiscal Years
(amounts expressed in thousands)

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses										
Governmental Activities										
General government	\$ 7,945	7,738	8,367	9,654	6,983	5,129	6,742	7,986	8,901	8,925
Physical environment	11,529	10,805	10,940	10,142	9,457	8,147	8,514	9,455	8,608	8,381
Public safety	56,157	58,933	61,071	64,461	64,190	65,495	66,165	65,017	67,578	70,241
Culture and recreation	7,167	9,355	7,936	8,075	8,677	10,370	8,531	8,426	9,779	8,687
Transportation	37,091	39,252	42,247	49,588	46,711	46,240	51,352	47,120	49,587	56,446
Interest on long-term debt	3,087	2,780	2,599	3,643	4,172	4,465	4,593	4,161	3,782	4,288
Total Governmental Activities Expenses	122,976	128,863	133,160	145,563	140,190	139,846	145,897	142,165	148,235	156,968
Business-type Activities										
Electric	98,204	98,915	127,542	128,724	125,021	133,761	136,090	145,585	152,352	144,954
Water and wastewater	33,791	34,886	35,096	37,047	37,372	40,692	40,724	46,037	50,981	51,287
Burlington commuter parking	953	988	1,380	1,759	1,568	1,764	1,309	2,033	1,559	2,061
Total Business-type Activities Expenses	132,948	134,789	164,018	167,530	163,961	176,217	178,123	193,655	204,892	198,302
Total Primary Government Expenses	\$ 255,924	263,652	297,178	313,093	304,151	316,063	324,020	335,820	353,127	355,270
Program Revenues										
Governmental Activities										
Charges for Services										
General government	\$ 1,272	1,410	1,343	1,332	1,131	3,027	1,539	1,609	1,517	1,245
Physical environment	2,501	2,427	2,122	1,493	1,171	1,104	1,414	1,746	2,000	2,099
Public safety	6,155	6,824	6,990	8,498	8,518	9,801	8,416	7,700	7,788	7,875
Culture and recreation	495	555	584	551	520	494	910	855	832	883
Transportation	988	632	742	920	667	689	1,491	1,467	1,677	2,478
Operating Grants and Contributions										
Physical environment	187	135	151	145	545	1,544	572	1,422	610	540
Public safety	1,392	1,287	1,339	1,560	1,366	1,727	1,703	1,932	1,808	2,316
Culture and recreation	669	631	484	427	83	67	16	87	171	-
Transportation	4,155	4,165	4,057	3,861	3,877	4,763	4,746	4,405	4,489	5,013
Interest on long-term debt	-	-	-	-	-	309	285	209	192	297
Capital Grants and Contributions										
Culture and recreation	3,223	-	-	-	-	-	-	-	-	-
Transportation	10,619	16,111	13,799	8,328	8,046	9,366	2,869	1,086	3,012	12,118
Total Governmental Activities Program Revenues	31,656	34,177	31,611	27,115	25,924	32,891	23,961	22,518	24,096	34,864
Business-type Activities										
Charges for Services										
Electric	92,925	95,405	110,015	126,359	123,939	135,435	131,064	134,580	134,089	135,708
Water and wastewater	29,854	26,601	27,430	26,701	27,383	29,716	38,659	47,518	47,313	48,201
Burlington commuter parking	1,417	1,453	1,462	2,161	2,291	2,265	2,185	2,191	2,257	2,211

Table A-2

CITY OF NAPERVILLE, ILLINOIS
CHANGES IN NET POSITION
Last Ten Fiscal Years
(amounts expressed in thousands)

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Business-type Activities (Continued)										
Operating Grants and Contributions										
Electric	-	-	-	31	37	5	0	82	17	0
Water and wastewater	-	-	-	-	25	210	176	336	230	234
Burlington commuter parking	-	-	491	-	100	21	65	-	-	-
Capital Grants and Contributions										
Electric	3,883	5,208	4,848	2,703	1,828	5,503	3,943	7,957	5,612	2,230
Water and wastewater	6,398	7,074	3,546	3,351	1,800	1,096	1,356	1,879	5,074	4,537
Total Business-type Activities Program Revenues	134,477	135,741	147,792	161,306	157,403	174,251	177,448	194,543	194,592	193,264
Total Primary Government Program Revenues	\$ 166,133	169,918	179,403	188,421	183,327	207,142	201,409	217,061	218,688	228,128
Net (Expense) Revenue										
Governmental Activities	(91,320)	(94,686)	(101,549)	(118,448)	(114,266)	(106,955)	(121,936)	(119,647)	(124,139)	(122,104)
Business-type Activities	1,529	952	(16,226)	(6,224)	(6,558)	(1,966)	(675)	888	(10,300)	(5,038)
Total Primary Government Net (Expense) Revenue	\$ (89,791)	(93,734)	(117,775)	(124,672)	(120,824)	(108,921)	(122,611)	(118,759)	(134,439)	(127,142)
General Revenues and Other Changes in Net Position										
Governmental Activities										
Taxes										
Property	27,498	27,912	29,891	34,360	37,818	39,464	38,479	36,227	33,639	33,169
Utility	16,866	15,791	16,603	17,585	16,422	16,390	16,580	16,604	16,993	16,123
Sales and use	27,204	28,979	28,396	26,981	26,041	28,600	30,610	32,263	34,498	35,580
State income	10,423	11,496	12,559	12,532	11,482	11,271	11,581	12,784	13,823	13,892
Other	11,572	11,736	10,572	8,704	8,742	10,592	10,677	12,006	13,391	13,300
Franchise fees	1,350	1,456	1,646	1,714	1,790	2,020	2,141	2,437	2,455	2,538
Net investment income (loss)	1,994	5,636	5,836	4,634	2,572	2,766	3,130	1,190	(293)	1,925
Transfers	(36)	(38)	2,474	(41)	(62)	(61)	(62)	-	-	(4,577)
Total Governmental Activities	96,871	102,968	107,977	106,469	104,805	111,042	113,136	113,511	114,506	111,950
Business-type Activities										
Net investment income (loss)	1,248	2,920	2,170	783	114	451	825	432	(462)	282
DWC refund	-	-	7,353	-	-	-	-	-	-	-
Miscellaneous revenues	796	-	-	-	-	-	-	-	-	-
Transfers	36	38	(1,958)	41	62	61	62	-	-	4,577
Total Business-type Activities	2,080	2,958	7,565	824	176	512	887	432	(462)	4,859
Total Primary Government	\$ 98,951	105,926	115,542	107,293	104,981	111,554	114,023	113,943	114,044	116,809
Change in Net Position										
Governmental Activities	5,551	8,282	6,428	(11,979)	(9,461)	4,087	(8,800)	(6,136)	(9,633)	(10,154)
Business-type Activities	3,609	3,910	(8,661)	(5,400)	(6,382)	(1,454)	212	1,320	(10,762)	(179)
Total Primary Government Change in Net Position	\$ 9,160	12,192	(2,233)	(17,379)	(15,843)	2,633	(8,588)	(4,816)	(20,395)	(10,333)

Source: Audited Financial Statements

CITY OF NAPERVILLE, ILLINOIS

FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years
(amounts expressed in thousands)

	Fiscal Year									
	2006	2007	2008	2009	2010 (b)	2011	2012	2013	2014	2015
General Fund										
Reserved	\$ 434	232	438	201	-	-	-	-	-	-
Unreserved	20,937	19,463	21,444	20,249	-	-	-	-	-	-
Nonspendable	-	-	-	-	170	149	122	158	75	343
Assigned	-	-	-	-	-	-	-	6,000	-	-
Unassigned	-	-	-	-	20,768	22,782	27,037	25,573	25,513	28,961
Total General Fund	\$ 21,371	19,695	21,882	20,450	20,938	22,931	27,159	31,731	25,588	29,304
All Other Governmental Funds										
Reserved	\$ 27,061	19,823	40,544 (a)	38,855	-	-	-	-	-	-
Unreserved, reported in										
Special Revenue Funds	930	775	697	1,009	-	-	-	-	-	-
Capital Project Funds	15,928	10,963	698	(256)	-	-	-	-	-	-
Nonspendable	-	-	-	-	-	86	54	75	62	39
Restricted	-	-	-	-	33,199	16,775	7,819	6,825	10,895	21,619
Committed	-	-	-	-	1,158	3,546	4,563	3,860	2,459	1,717
Assigned	-	-	-	-	1,465	1,596	5,002	3,278	5,033	5,115
Unassigned (deficit)	-	-	-	-	-	-	-	(55)	(190)	(543)
Total All Other Governmental Funds	\$ 43,919	31,561	41,939	39,608	35,822	22,003	17,438	13,983	18,259	27,947

(a) Increase is mainly due to a new issuance of G.O. bonds, which resulted in an increase in the reserved for capital projects.

(b) Statement No. 54 of the Governmental Accounting Standards Board was implemented at April 30, 2010.

Source: Audited Financial Statements

CITY OF NAPERVILLE, ILLINOIS

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years
(amounts expressed in thousands)

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues										
Taxes	\$ 93,562	95,914	98,021	100,162	100,505	106,317	107,927	109,884	112,344	112,064
Licenses and Permits	2,768	2,690	2,649	2,097	1,733	1,652	1,926	2,319	2,480	2,548
Fines and Forfeitures	2,287	2,108	2,257	2,890	3,258	3,137	2,554	1,718	1,709	1,770
Investment Income	1,561	4,101	3,807	3,165	1,996	2,051	2,155	855	(98)	1,603
Intergovernmental	7,226	8,216	6,838	10,354	8,528	12,766	9,164	8,177	6,737	8,762
Charges for Services	5,885	6,497	5,804	6,518	6,100	7,582	7,870	7,894	8,348	9,242
Fees	2,900	3,874	4,734	3,165	2,255	2,602	2,893	3,311	2,822	3,009
Contributions	98	9	45	48	46	53	58	106	1,890	1,875
Miscellaneous	463	392	911	789	563	2,165	1,012	1,209	908	628
Total Revenues	116,750	123,801	125,066	129,188	124,984	138,325	135,559	135,473	137,140	141,501
Expenditures										
General Government	6,474	6,364	6,665	8,127	6,007	5,943	5,126	6,165	6,967	7,241
Physical Environment	9,586	10,235	10,583	9,814	9,408	8,151	8,414	9,082	8,633	8,371
Public Safety	54,083	57,363	59,790	61,054	61,668	64,006	64,069	63,090	71,862	70,040
Culture and Recreation	6,901	8,455	7,394	7,299	7,815	7,660	7,571	7,275	8,165	7,142
Transportation	20,688	20,925	22,086	22,983	21,026	21,946	21,080	21,072	24,317	26,916
Capital Outlay	35,000	23,404	34,394	48,805	29,978	32,956	14,624	16,067	16,997	22,250
Debt Service										
Principal	7,237	8,235	5,726	5,580	5,614	5,444	6,087	12,010	5,648	6,841
Interest	3,023	2,904	2,579	3,005	3,833	4,329	4,527	3,880	3,766	4,031
Other Charges	-	-	292	193	214	-	-	126	127	205
Total Expenditures	142,992	137,885	149,509	166,860	145,563	150,435	131,498	138,767	146,482	153,037
Excess of Revenues over (under) Expenditures	(26,242)	(14,084)	(24,443)	(37,672)	(20,579)	(12,110)	4,061	(3,294)	(9,342)	(11,536)
Other financing Sources (Uses)										
Transfers In	16,618	1,616	8,061	2,101	4,555	6,350	4,448	5,573	7,129	10,200
Transfers Out	(12,755)	(1,567)	(5,630)	(1,573)	(7,852)	(6,066)	(9,665)	(5,224)	(6,779)	(3,504)
Sale of Capital Assets	-	-	4,394	-	-	-	819	200	-	515
Bond Proceeds-Principal	196	-	-	-	-	-	-	-	-	-
Payment to Refunded Bond Escrow Agent	-	-	(4,316)	(6,233)	(8,588)	-	-	(16,550)	-	-
Bonds Issued, at Par	-	-	34,260	39,405	28,585	-	-	-	5,620	17,340
Refunding Bonds Issued	-	-	-	-	-	-	-	17,963	-	-
Premium on Bonds Issued	-	-	239	209	581	-	-	2,449	310	389
Total Other Financing Sources (Uses)	4,059	49	37,008	33,909	17,281	284	(4,398)	4,411	6,280	24,940
Net Change in Fund Balances	\$ (22,183)	(14,035)	12,565	(3,763)	(3,298)	(11,826)	(337)	1,117	(3,062)	13,404
Debt Service as a Percentage of										
Noncapital Expenditures	8.97%	9.15%	6.69%	6.66%	7.48%	7.51%	8.16%	11.89%	6.68%	7.63%

(a) Increase is mainly due to a current refunding on 2001 A G.O. bonds payment of \$3.7 million.

Source: Audited Financial Statements.

CITY OF NAPERVILLE, ILLINOIS

GOVERNMENTAL FUNDS TAX REVENUE BY SOURCE

Last Ten Fiscal Years
(amounts expressed in thousands)

Fiscal Year	Sales and Use Tax	Property Tax	Utility Tax	State Income Tax	Other Tax	Total
2006	\$ 27,203	27,498	16,866	10,423	11,572	93,562
2007	28,979	27,912	15,791	11,496	11,736	95,914
2008	28,396	29,891	16,603	12,559	10,572	98,021
2009	26,981	34,360	17,585	12,532	8,704	100,162
2010	26,041	37,818	16,422	11,482	8,742	100,505
2011	28,600	39,464	16,390	11,271	10,592	106,317
2012	30,610	38,479	16,580	11,581	10,677	107,927
2013	32,263	36,227	16,604	12,784	12,006	109,884
2014	34,498	33,639	16,993	13,823	13,391	112,344
2015	35,580	33,169	16,123	13,892	13,300	112,064

Source: Audited Financial Statements

CITY OF NAPERVILLE, ILLINOIS

ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY

Last Ten Levy Years

Levy Calendar 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
2005	\$ 4,458,089,250	234,422	1,165,279,631	1,048,928	5,624,652,231	0.7125	16,873,956,693	33.333%
2006	4,889,098,205	170,668	1,232,033,979	1,094,113	6,122,396,965	0.6966	18,367,190,895	33.333%
2007	5,312,341,984	100,648	1,304,566,827	1,225,143	6,618,234,602	0.7166	19,854,703,806	33.333%
2008	5,611,215,473	508,876	1,398,092,647	1,465,280	7,011,282,276	0.7167	21,033,846,828	33.333%
2009	5,787,763,209	150,465	1,315,446,717	1,753,540	7,105,113,931	0.7166	21,315,341,793	33.333%
2010	5,486,898,369	228,129	1,229,589,941	2,023,287	6,718,739,726	0.7390	20,156,219,178	33.333%
2011	5,256,081,268	314,912	1,170,708,392	2,364,303	6,429,468,875	0.7515	19,288,406,625	33.333%
2012	4,964,302,585	334,456	1,105,830,624	2,509,329	6,072,976,994	0.7756	18,218,930,982	33.333%
2013	4,866,627,723	315,592	1,056,949,654	2,706,677	5,926,599,646	0.7828	17,779,798,938	33.333%
2014	4,917,955,140	215,985	1,071,651,247	2,731,565	5,992,553,937	0.8082	17,977,661,811	33.333%

Source: Office of the County Clerk

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

* increase due to annexation in the Wheatland Township.

CITY OF NAPERVILLE, ILLINOIS

PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS

Last Ten Levy Years

Tax Levy Calendar Year	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
City Direct Rates										
General Corporate	\$ 0.1001	0.1554	0.1949	0.2139	0.1963	0.1882	0.1381	0.1457	0.1009	0.0803
Naperville Public Library	0.2404	0.2302	0.2231	0.1989	0.1828	0.1872	0.2076	0.2374	0.2465	0.2481
Police Pension	0.0494	0.0468	0.0488	0.0528	0.0667	0.0652	0.0679	0.0787	0.0879	0.0845
Firefighters' Pension	0.0515	0.0497	0.0489	0.0513	0.0647	0.0706	0.0737	0.0820	0.0884	0.0846
Bond and Interest-general obligation bond	0.1886	0.1318	0.1162	0.1192	0.1274	0.1472	0.1799	0.1403	0.1631	0.2153
Illinois Municipal retirement	0.0378	0.0383	0.0383	0.0380	0.0395	0.0391	0.0409	0.0444	0.0461	0.0460
Naper Settlement	0.0447	0.0444	0.0464	0.0426	0.0392	0.0415	0.0434	0.0471	0.0499	0.0494
Total Direct Rate	0.7125	0.6966	0.7166	0.7167	0.7166	0.7390	0.7515	0.7756	0.7828	0.8082
Overlapping Rates										
Naperville Park District	0.2619	0.2562	0.2481	0.2480	0.2574	0.2798	0.2969	0.3148	0.3358	0.3397
Unit School #203	4.2258	4.0673	3.9292	3.8593	3.9502	4.2265	4.5400	4.9909	5.3862	5.4756
Unit School #204	4.8815	4.6678	4.4930	4.3995	4.4987	4.8927	5.2200	5.7047	5.9498	6.0149
College of DuPage #502	0.1874	0.1929	0.1888	0.1845	0.2127	0.2349	0.2495	0.2681	0.2956	0.2975
DuPage Forest Preserve	0.1271	0.1303	0.1187	0.1206	0.1217	0.1321	0.1414	0.1542	0.1657	0.1691
DuPage Airport Authority	0.0198	0.0183	0.0170	0.0160	0.0148	0.0158	0.0169	0.0168	0.0178	0.0196
DuPage County	0.1797	0.1713	0.1651	0.1557	0.1554	0.1659	0.1773	0.1929	0.2040	0.2057
Will County	0.5380	0.5027	0.4826	0.4751	0.4833	0.5274	0.5351	0.5696	0.5994	0.6210
Lisle Township	0.0438	0.0424	0.0410	0.0406	0.0408	0.0445	0.0480	0.0261	0.0548	0.0561
Naperville Township	0.0444	0.0437	0.0423	0.0419	0.0419	0.0454	0.0483	0.0379	0.0515	0.0413
Wheatland Township	0.0331	0.0319	0.0303	0.0314	0.0319	0.0331	0.0328	0.0344	0.0378	0.0378

Source: Office of the County Clerk

Table B-4

CITY OF NAPERVILLE, ILLINOIS
 PRINCIPAL PROPERTY TAXPAYERS
 Current Year and Nine Years Ago

Tax Levy Calendar Year	2014			2005		
Taxpayer	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.	\$ 32,997,130	1	0.55%	\$ 46,471,720	1	0.83%
BP-Amoco Oil Company	16,163,620	2	0.27%	28,857,330	2	0.51%
Tellabs Inc.	14,647,500	3	0.24%	24,472,330	4	0.44%
Wells Real Estate Funds	14,227,090	4	0.24%			0.00%
Ondeo Nalco Center	13,934,700	5	0.23%	22,838,850	5	0.41%
Agellan Warrenville LP	13,278,140	6	0.22%			0.00%
UBS Realty Investors LLC	13,009,000	7	0.22%			0.00%
Nicor Gas	11,312,560	8	0.19%	12,274,570	10	0.22%
Amlt Residential	11,271,820	9	0.19%			0.00%
Banner Property Management	10,539,260	10	0.18%			0.00%
Aimco				27,224,130	3	0.48%
Edward Hospital				15,949,970	6	0.28%
Center Point Properties				14,409,630	7	0.26%
The Gale Company LLC				13,809,420	8	0.25%
EQR-RE Tax Department				13,370,490	9	0.24%
	<u>\$ 151,380,820</u>		<u>2.53%</u>	<u>\$ 219,678,440</u>		<u>3.91%</u>

Source: Office of the County Clerk

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.

CITY OF NAPERVILLE, ILLINOIS
PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Levy Years

Levy Calendar 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
2004	\$ 38,711,760	38,531,979	99.54%	10,620	38,542,599	99.56%
2005	40,075,647	39,878,461	99.51%	11,450	39,889,910	99.54%
2006	42,648,617	42,427,184	99.48%	23,873	42,451,057	99.54%
2007	47,426,269	47,203,394	99.53%	13,060	47,216,455	99.56%
2008	50,249,860	50,021,253	99.55%	12,094	50,033,347	99.57%
2009	50,915,246	50,579,647	99.34%	23,231	50,602,878	99.39%
2010	49,651,487	49,321,096	99.33%	19,667	49,340,763	99.37%
2011	48,317,459	47,929,719	99.20%	21,943	47,951,662	99.24%
2012	47,102,010	46,358,636	98.42%	11,716	46,370,352	98.45%
2013	46,393,422	46,183,534	99.55%	-	46,183,534	99.55%

Source: Office of the County Clerk

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.
The tax extended for the levy calendar year 2014 was \$48,431,821.

CITY OF NAPERVILLE, ILLINOIS

SALES TAXES BY CATEGORY

Last Ten Calendar Years

Calendar Year	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Merchandise	\$ 2,228,720	2,265,426	2,245,993	2,179,149	2,104,686	2,103,314	2,133,600	2,175,020	1,985,901	2,055,475
Food	2,757,561	2,820,886	2,924,185	3,224,528	3,130,912	3,210,537	3,268,563	3,440,483	3,586,963	3,457,404
Drinking and Eating Places	2,339,662	2,393,428	2,555,064	2,679,705	2,717,794	2,885,101	2,883,546	3,162,362	3,352,311	3,420,229
Apparel	659,602	669,829	665,161	690,165	742,079	767,404	933,475	1,004,555	1,067,110	1,088,821
Furniture & H.H. & Radio	2,224,168	2,238,171	2,223,337	1,895,857	1,657,778	1,862,218	2,098,296	2,194,838	2,347,163	2,272,010
Lumber, Building Hardware	1,665,287	1,641,592	1,435,948	1,298,336	1,201,680	1,235,492	1,242,769	1,302,937	1,520,274	1,656,157
Automobile and Filling Stations	8,708,048	8,990,471	9,291,220	8,656,627	7,840,138	8,807,116	9,555,249	10,494,788	12,237,637	12,751,291
Drugs and Miscellaneous Retail	2,927,449	3,047,909	3,119,875	3,080,902	3,107,887	3,336,129	3,642,704	3,692,042	3,869,309	4,097,497
Agriculture and All Others	2,211,006	2,213,918	2,176,653	1,815,359	1,484,390	1,560,231	1,483,822	1,501,727	1,509,790	1,620,270
Manufacturers	711,636	661,897	656,275	737,556	615,111	675,725	461,688	521,896	527,545	530,662
TOTAL	\$ 26,433,138	26,943,527	27,293,710	26,258,182	24,602,456	26,443,266	27,703,710	29,490,651	32,004,003	32,949,815
City's direct sales tax rate	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%

Source: Illinois Department of Revenue

Table B-7

CITY OF NAPERVILLE, ILLINOIS
DIRECT AND OVERLAPPING SALES TAX RATES
Last Ten Fiscal Years

Fiscal Year	City Direct Rate	State Rate	Regional Transportation Authority Rate	County Rate	DuPage Water Commission
2006	1.00%	5.00%	0.25%	0.25%	0.25%
2007	1.00%	5.00%	0.25%	0.25%	0.25%
2008	1.00%	5.00%	0.75%	0.25%	0.25%
2009	1.00%	5.00%	0.75%	0.25%	0.25%
2010	1.00%	5.00%	0.75%	0.25%	0.25%
2011	1.00%	5.00%	0.75%	0.25%	0.25%
2012	1.00%	5.00%	0.75%	0.25%	0.25%
2013	1.00%	5.00%	0.75%	0.25%	0.25%
2014	1.00%	5.00%	0.75%	0.25%	0.25%
2015	1.00%	5.00%	0.75%	0.25%	0.25%

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	Special Service Area Bonds	General Obligation Bonds	Revenue Bonds	IEPA Loan			
2006	\$ 67,504,847	45,000	24,526,045	14,525,037	2,604,639	109,205,568	1.81%	770.69
2007	59,492,136	-	23,923,807	7,634,133	2,169,728	93,219,804	1.54%	655.83
2008	84,019,224	-	32,891,688	6,493,993	1,718,378	125,123,283	1.97%	883.66
2009	111,889,364	-	40,352,985	5,308,769	1,249,966	158,801,084	2.45%	1,098.51
2010	122,474,459	-	56,584,111	4,073,712	763,848	183,896,130	2.78%	1,266.20
2011	116,918,354	-	54,185,617	-	259,354	171,363,325	2.66%	1,208.03
2012	105,219,222	-	75,012,910	-	-	180,232,132	2.79%	1,270.56
2013	97,950,479	-	71,886,351	-	-	169,836,830	2.63%	1,185.27
2014	97,958,819	-	66,354,322	-	-	164,313,141	2.49%	1,146.73
2015	108,548,121	-	60,391,308	-	-	168,939,429	2.48%	1,156.11

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

* See the Schedule of Demographic and Economic Statistics on page 139 for personal income and population data.

CITY 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				
2006	\$ 67,504,847	24,526,045	1,393,674	90,637,218	0.54%	639.65
2007	59,492,136	23,923,807	1,860,605	81,555,338	0.44%	573.77
2008	84,019,224	32,891,688	1,193,278	115,717,634	0.58%	817.24
2009	111,889,364	40,352,985	2,388,640	149,853,709	0.71%	1,036.62
2010	122,474,459	56,584,111	2,706,329	176,352,241	0.83%	1,214.25
2011	116,918,354	54,185,617	4,028,824	167,075,147	0.83%	1,177.80
2012	105,219,222	75,012,910	5,156,557	175,075,575	0.91%	1,234.20
2013	97,950,479	71,886,351	4,717,628	165,119,202	0.91%	1,152.35
2014	97,958,819	66,354,322	5,272,118	159,041,023	0.89%	1,109.93
2015	108,548,121	60,391,308	6,355,932	162,583,497	0.90%	1,112.61

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

* See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property on page 128 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.

Table C-3

CITY OF NAPERVILLE, ILLINOIS

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

April 30, 2015

Governmental Unit	Gross Debt	Percentage Debt Applicable to the City of Naperville (1)	City of Naperville's Share of Debt
City of Naperville	\$ 108,548,121	100.000%	\$ 108,548,121
School District #200	\$ 173,690,000	0.353%	\$ 612,775
School District #202	6,775,000	1.794%	121,518
School District #203	33,500,000	77.189%	25,858,245
School District #204	256,960,000	59.568%	153,067,213
School District #365	313,410,761	0.000%	843
Community College District #502 (2)	283,460,000	17.351%	49,182,235
Lisle Park District (2)	12,526,984	0.442%	55,363
Naperville Park District (2)	18,180,000	96.139%	17,478,130
Wheaton Park District	38,154,423	0.373%	142,169
Will County Forest Preserve	159,130,505	10.700%	17,026,514
DuPage County (2)	266,392,785	12.148%	32,362,372
DuPage County Forest Preserve	195,151,058	12.148%	23,707,666
	<u>1,757,331,516</u>		<u>319,615,042</u>
	<u>\$ 1,865,879,637</u>		<u>\$ 428,163,163</u>

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

(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.

(2) Excludes outstanding General Obligation (Alternate Revenue Bonds), which are expected to be paid from sources other than general taxation.

CITY OF NAPERVILLE, ILLINOIS
SCHEDULE OF LEGAL DEBT MARGIN

April 30, 2015

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

PLEDGED-REVENUE COVERAGE

Last Ten Fiscal Years
(Amounts expressed in thousands)

Fiscal Year	Electric Revenue Bonds (5)								Water Revenue Bonds						
	Electric Charges and Other	Less: Operating Expenses (1)	Net Operating Revenue	Net Available Revenue per Ordinance (2)	Debt Service (3)			Coverage (4)	Water Charges and Other	Less: Operating Expenses (1)	Net Operating Revenue	Net Available Revenue per Ordinance (2)	Debt Service (3)		
2006	\$ 92,925	85,515	7,410	12,140	2,880	1,256	2.94		29,854	24,981	4,873	7,167	1,439	552	3.60
2007									26,483	25,881	602	4,014	1,490	500	2.02
2008				<u>see note (5)</u>					27,430	24,842	2,588	5,743	1,100	446	3.71
2009									26,701	26,346	355	1,453	1,145	382	0.95
2010									27,383	27,177	206	536	1,195	584	0.30
2011												<u>see note (6)</u>			
2012															
2013															
2014															
2015															

Source: City of Naperville Annual Financial Reports

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

Water Charges and Other includes investment earnings but not tap on fees.

(1) Operating expenses do not include interest or depreciation.

(2) Revenues based on existing revenue bond ordinances. Amount available for debt service is the net operating revenue plus interest income and installation connection and development charges (not including contributions of capital assets).

(3) The principal and interest does not include principal amounts refunded.

(4) Coverage=Net available revenue/(Principal+Interest)

(5) All Electric Revenue Bonds were defeased on 6/21/2006.

(6) All Water Revenue Bonds were defeased on 01/05/2011.

CITY OF NAPERVILLE, ILLINOIS

DEMOGRAPHIC AND ECONOMIC INFORMATION

Last Ten Fiscal Years

Fiscal Year	Population	Personal Income (amounts expressed in thousands)	Per Capita Personal Income	Median Age	Education Level in Years of Formal Schooling	School Enrollment	Unemployment Rate
2006	141,698	6,020,606	42,489	34.2	15.13	45,683	3.0
2007	142,140	6,039,386	42,489	34.2	15.13	45,529	3.3
2008	141,596	6,341,660	44,787	35.9	15.13	47,274	3.6
2009	144,560	6,221,284	43,036	35.9	15.13	47,522	6.2
2010	145,235	6,606,450	45,488	34.8	15.13	47,274	8.0
2011	141,853	6,452,609	45,488	35.0	15.13	47,946	6.1
2012	141,853	6,452,609	45,488	37.9	15.41	47,572	6.7
2013	143,289	6,449,724	45,012	39.2	15.41	46,790	7.1
2014	143,289	6,606,769	46,108	38.7	14.97	46,790	5.7
2015	146,128	6,809,273	46,598	38.2	17.81	45,020	4.6

Source:

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

Table D-2

CITY OF NAPERVILLE, ILLINOIS

PRINCIPAL EMPLOYERS

Current Year and Nine Years Ago

2015				2006			
Employer	Employees	Rank	% of Total City Population	Employer	Employees	Rank	% of Total City Population
Edward Hospital & Health Services	4,700	1	3.22%	Lucent Technologies	4,600	1	3.31%
Alcatel-Lucent	3,400	2	2.33%	Edward Hospital & Health Services	4,000	2	2.88%
Indian Prairie School District 204	3,022	3	2.07%	Nicor Gas	3,773	3	2.72%
Naperville School District 203	2,350	4	1.61%	Indian Prairie School District 204	3,000	4	2.16%
Nicor gas	2,140	5	1.46%	Naperville School District 203	2,400	5	1.73%
BP America	1,800	6	1.23%	BP	1,800	6	1.30%
BMO Harris	1,200	7	0.82%	Tellabs, Inc.	1,200	7	0.86%
Nalco	1,000	8	0.68%	City of Naperville	1,074	8	0.77%
City of Naperville	965	9	0.66%	Ondeo Nalco Co.	1,000	9	0.72%
North Central College	625	10	0.43%	North Central College	450	10	0.32%
				ConAgra	450	10	0.32%
Total	<u>21,202</u>		<u>14.51%</u>	Total	<u>23,747</u>		<u>17.11%</u>

Source: Naperville Development Partnership and Naperville Convention & Visitors Bureau

CITY OF NAPERVILLE
SCHEDULE OF PRINCIPAL ELECTRIC SYSTEM USERS

Current Year and Nine Years Ago						
FY 2015						
Name	Business/Service	KWH Billed		Revenue Billed		
		KWH	% of City Total	Amount	% of City Total	
Lucent Technologies	Research and Manufacturing	102,675,660	7.18%	\$ 7,409,351	5.51%	
Mondelez Global (Kraft Foods)	Food Manufacturing	35,604,528	2.49%	\$2,765,828	2.06%	
Edward Hospital	Hospital	31,808,381	2.22%	\$2,422,902	1.80%	
Tellabs	Research and Manufacturing	24,171,787	1.69%	\$1,895,659	1.41%	
School District 203 Includes NNHS	Public Schools	19,447,811	1.36%	\$2,193,740	1.63%	
City of Naperville -Springbrook	Wastewater treatment plant	17,567,146	1.23%	\$1,370,516	1.02%	
Calamos Real Estate, LLC	Management Corporation	16,745,508	1.17%	\$1,568,082	1.17%	
School District 204 (includes Nequa	Public Schools	14,804,968	1.04%	\$1,541,306	1.15%	
Northern Trust Company	Management Corporation	12,539,236	0.88%	\$901,568	0.67%	
Albertson's (Jewel) Grocery Stores	Grocery Stores - JEWEL	11,976,388	0.84%	\$933,222	0.69%	
North Central College	Private College	10,644,563	0.74%	\$977,672	0.73%	
BMO Harris Bank	Bank / Investment Services	7,770,719	0.54%	\$761,218	0.57%	
Phoenix Closures	Manufacturing	7,215,156	0.50%	\$567,255	0.42%	
Walmart Stores incl Sam's Club	Retail Stores	6,874,934	0.48%	\$527,196	0.39%	
Crate & Barrel #199	Warehouse	6,622,378	0.46%	\$566,748	0.42%	
DART Warehouse Corp.	Warehouse	6,515,006	0.46%	\$566,226	0.42%	
Handi-Foil of America	Manufacturing	5,986,257	0.42%	\$513,411	0.38%	
Agellan Warrenville, LP	Real Estate/Property Mgmt.	5,286,074	0.37%	\$658,171	0.49%	
Monarch Landing	Retirement Community	5,130,622	0.36%	\$489,166	0.36%	
US Equities Realty	Real Estate/Property Mgmt.	4,983,797	0.35%	\$411,276	0.31%	
Total Top 20 Customers		354,370,919	24.78%	29,040,513	21.58%	
Total City of Naperville		1,430,138,393		\$ 134,547,609		
FY 2006						
Name	Business/Service	KWH Billed		Revenue Billed		
		KWH	% of City Total	Amount	% of City Total	
Lucent Technologies	Research and Manufacturing	73,027,677	4.77%	\$ 2,805,915	3.09%	
BP America (Amoco Corp.)	Research and Manufacturing	57,527,655	3.76%	2,645,791	2.92%	
Kraft Foods	Food Manufacturing	46,966,289	3.07%	1,832,415	2.02%	
Edward Hospital	Hospital	26,504,687	1.73%	1,061,646	1.17%	
Tellabs	Research and Manufacturing	25,226,457	1.65%	1,035,695	1.14%	
Phoenix Closures	Manufacturing	23,841,248	1.56%	948,215	1.04%	
City of Naperville -Springbrook	Wastewater treatment plant	20,657,036	1.35%	608,668	0.67%	
School District 204	Public Schools	17,862,084	1.17%	925,382	1.02%	
School District 203	Public Schools	12,145,440	0.79%	738,424	0.81%	
Crate & Barrel #199	Warehouse	10,708,250	0.70%	508,893	0.56%	
Opus North Mgmt Corp	Management Corporation	10,565,484	0.69%	540,778	0.60%	
NALCO Company	Research and Manufacturing	9,611,374	0.63%	464,313	0.51%	
Northern Trust Company	Management Corporation	7,896,750	0.52%	355,006	0.39%	
Calamos Holdings, LLC	Management Corporation	6,938,399	0.45%	359,854	0.40%	
Holiday Inn	Hotel	6,264,648	0.41%	311,115	0.34%	
North Central College	Private College	6,143,314	0.40%	333,371	0.37%	
District 203 - Naperville North High School	Public School	6,016,800	0.39%	299,723	0.33%	
The Preserve at Cress Creek	Apartment Complex	5,039,670	0.33%	100,989	0.11%	
Costco Wholesale	Grocery & Retail Store	4,593,375	0.30%	229,820	0.25%	
Dominicks (3116 S. Route 59)	Grocery & Retail Store	4,395,905	0.29%	199,761	0.22%	
Total Top 20 Customers		381,932,541	24.96%	\$16,305,772	17.97%	
Total City of Naperville		1,530,161,034		\$ 90,740,185		

Source: City of Naperville-Department of Public Utilities

Table E-1

CITY OF NAPERVILLE, ILLINOIS
 FULL-TIME EQUIVALENT EMPLOYEES
 Last Ten Fiscal Years

Function/Program	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Government										
Mayor & Council	12.00	12.00	12.00	12.00	11.12	11.12	11.12	11.12	11.12	11.00
Board of Fire & Police	1.12	1.12	1.12	1.12	0.88	0.88	0.88	0.88	0.88	1.00
Legal	9.50	11.00	12.00	11.50	10.50	10.50	10.50	10.50	14.00	14.00
City Manager's Office	26.87	27.87	15.87	12.87	11.62	10.12	10.12	13.12	11.12	11.12
City Clerk	-	-	8.00	6.00	5.50	5.50	5.50	5.50	5.50	6.50
Finance	43.88	44.34	46.82	42.49	35.63	35.63	35.63	35.63	36.63	35.63
Human Resources	17.63	15.13	17.75	12.75	10.50	9.50	9.50	9.50	9.00	9.00
Information Technology	20.75	20.75	23.75	21.37	19.85	19.37	18.75	19.75	21.75	27.00
TED Business Group										
Support Services Team	32.37	32.37	33.37	27.75	23.25	21.75	21.75	21.00	20.58	20.87
Development Services Team	35.06	35.06	33.87	29.87	27.98	25.89	24.73	25.21	25.71	26.40
Planning Services Team	6.75	7.75	9.25	7.27	6.06	4.75	4.75	4.25	4.75	5.04
Engineering & Transportation Team	17.34	17.00	19.12	17.77	14.68	14.64	14.64	16.14	15.14	14.35
Trans/Traffic Services Team	11.50	11.50	-	-	-	-	-	-	-	-
Riverwalk Commission	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Public Works										
Administration	3.00	3.00	2.00	5.00	5.00	4.00	4.00	5.00	5.00	5.00
Strategic Services	9.10	8.10	8.10	5.41	5.41	5.20	5.20	5.60	5.60	5.60
Operations & Maintenance	49.69	53.69	62.69	60.69	56.69	58.51	58.10	56.20	56.20	56.20
Public Building Operations	23.00	23.00	23.00	22.00	21.00	20.00	20.00	20.00	20.46	20.46

(continued)

Table E-1

CITY OF NAPERVILLE, ILLINOIS
 FULL-TIME EQUIVALENT EMPLOYEES
 Last Ten Fiscal Years

Function/Program	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Public Safety										
Police										
Officers	188.00	188.00	189.00	185.00	176.00	167.00	165.00	165.00	167.00	168.00
Civilians	119.04	121.04	121.04	114.04	108.88	106.54	104.92	104.92	108.67	107.54
Fire										
Firefighters and officers	190.00	190.00	202.00	200.00	197.00	193.00	193.00	193.00	193.00	193.00
Civilians	10.00	11.00	11.00	8.00	10.00	10.00	10.00	9.00	9.00	9.00
SSA# 20/22	5.92	6.75	6.75	5.75	4.75	4.75	4.75	5.00	5.00	5.00
Community Development Block Grant	0.50	0.50	0.50	0.50	-	1.00	0.75	0.50	0.67	0.67
Fleet Services	18.00	18.00	18.50	18.50	17.50	16.50	16.50	16.50	16.50	16.62
Electric Utility										
Administration	5.88	5.88	5.88	5.88	5.00	5.00	4.50	3.00	3.00	3.00
Support Services	9.00	9.00	9.00	9.00	9.00	9.00	8.00	8.00	8.00	8.00
Eng & Tech Services	36.53	36.53	33.53	32.53	32.00	32.00	32.00	32.00	31.00	31.00
Electric Distribution	49.63	49.63	54.63	51.63	51.00	51.00	51.00	51.00	50.00	48.00
Supply & Control	25.00	25.00	23.00	23.00	23.00	23.00	23.00	23.00	22.00	22.00
Water Utility										
Administration	5.88	6.38	6.38	6.38	5.50	5.50	3.50	2.00	2.00	2.38
Supply & Reclamation	30.87	30.08	30.58	30.58	29.48	29.48	29.00	29.47	29.47	29.47
Distribution & Collection	46.61	46.77	46.77	46.27	44.09	44.09	40.00	40.47	40.47	40.71
Civil Environ. Eng & Cons.	12.79	12.79	12.79	13.79	13.20	13.00	11.00	11.00	11.00	11.00
Special Events and Cultural Amenities Fund	1.00	1.00	1.00	1.00	1.50	0.50	0.50	0.50	0.50	0.62
TOTAL	1,074.71	1,082.53	1,101.56	1,048.21	994.07	969.22	953.09	954.26	961.22	965.68

Source: City Budget

CITY OF NAPERVILLE, ILLINOIS

OPERATING INDICATORS

Last Ten Fiscal Years

Function/Program	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Public Safety										
Police (1)										
Physical arrests (DUI)	808	665	622	622	578	622	574	549	424	374
Parking violations	22,956	23,137	18,397	18,896	17,898	19,278	15,654	16,600	14,148	13,630
Traffic violations	29,929	38,900	28,227	27,780	25,611	21,546	18,521	17,769	13,924	12,319
Fire										
Emergency responses	11,549	10,108	9,679	9,435	10,957	11,575	11,264	11,760	12,210	12,792
Fires Extinguished	69	73	85	83	89	90	86	83	78	93
Public Works										
Total curbside refuse collected (tons)	43,146	45,533	44,867	42,198	39,909	38,781	38,367	37,803	37,077	36,657
Total curbside recycling collected (tons)	18,943	20,411	19,796	18,675	17,095	17,251	17,069	16,469	15,605	15,692
Snow and ice control events	40	30	44	37	36	44	16	18	49	25
Tons of salt used	12,900	13,500	22,000	20,300	18,000	16,046	8,251	13,686	21,964	11,768
Water/Wastewater (1)										
New connections	308	330	349	152	121	56	107	171	283	291
Water main breaks	117	62	68	75	73	84	37	64	92	75
Average daily consumption	16.66	16.41	18.73	16.29	15.26	15.29	15.16	16.64	15.11	13.90
Peak daily consumption	31.10	30.77	33.04	30.82	27.37	28.34	30.79	34.19	29.55	22.90
Average daily wastewater treated (million gal)	19.5	22.3	22.8	23.3	22.1	21.4	21.6	18.3	19.7	19.4
Electric (1)										
Peak monthly demand	351,739	372,583	362,000	348,000	358,000	369,000	390,853	402,273	365,033	322,831
Peak Month Energy Use (million)	161.4	166.0	192.9	165.0	136.9	172.1	172.7	184.1	151.9	142.8

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

Source: Various city departments

CITY OF NAPERVILLE, ILLINOIS

CAPITAL ASSET STATISTICS

Last Ten Fiscal Years

Function/Program	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Public Safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Area patrols	10	10	10	10	10	10	10	10	10	10
Patrol units	81	81	81	80	83	78	78	80	85	85
Fire										
Fire stations	8	9	9	9	10	10	10	10	10	10
Front Line Apparatus (engines & ambulance)	17	17	18	18	19	18	18	18	18	18
Transportation										
Arterial streets (centerline miles)	125	127	127	127	127	127	127	127	127	138
Residential streets (centerline miles)	320	325	325	325	325	325	325	327	327	364
Traffic signals	155	159	162	163	163	163	163	163	164	164
Public Works										
Streetlights	10,243	10,596	10,612	10,994	11,040	11,312	11,462	11,480	11,542	11,705
Storm sewers (miles)	750	870	875	877	818	861	870	879	886	895
Water										
Water mains (miles)	598.1	608.7	615.7	629.4	636.4	641.1	688.7	693.7	708.2	714.5
Fire hydrants	8,208	8,406	8,452	8,672	8,809	8,897	8,967	9,055	9,157	9,236
Storage capacity (million gallons)	43.90	43.90	43.90	43.90	43.90	43.90	43.90	43.90	43.90	43.90
Sanitary sewers (miles)	472.30	474.53	477.02	484.54	489.52	492.80	530.93	534.09	539.34	543.28
Treatment capacity (million gallons per day)	26.25	26.25	26.25	26.25	26.25	26.20	26.25	26.25	26.25	26.25
Electric										
Number of distribution stations	16	16	16	16	16	16	16	16	16	16
Transmission & Distribution Line Mileage (excluding secondary distribution)	914.58	924.21	949.42	958.15	970.26	973.89	977.83	979.98	984.19	999.49

Source: Various city departments.



400 South Eagle Street
Naperville, Illinois 60540
(630) 420-4115
www.naperville.il.us