

**CITY OF NAPERVILLE,  
ILLINOIS**

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**COMPREHENSIVE ANNUAL FINANCIAL  
REPORT**



**FOR THE FISCAL YEAR ENDED  
DECEMBER 31, 2018**

**CITY OF NAPERVILLE, ILLINOIS**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

For the Year Ended  
December 31, 2018

Prepared by:  
The Finance Department

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## **INTRODUCTORY SECTION**



**CITY OF NAPERVILLE, ILLINOIS**

Elected and Appointed Officers and Officials

For the fiscal year ended December 31, 2018

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**Mayor**

Steve Chirico

**Council**

Becky Anderson  
Rebecca Boyd-Obarski  
Judith A. Brodhead  
Kevin Coyne

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

**City Manager**

Douglas A. Krieger

**Deputy City Manager**

Marcie J. Schatz

**City Clerk**

Pamela Gallahue

**Finance Director**

Rachel Mayer

**Chief of Police**

Robert W. Marshall

**Fire Chief**

Mark J. Puknaitis

**Director of Public Works**

Richard E. Dublinski

**Director of T.E.D. Business Group**

William J. Novack

**Director of Public Utilities –  
Electric**

Mark J. Curran

**Director of Public Utilities –  
Water**

Vacant

**Director of Human Resources**

James Sheehan

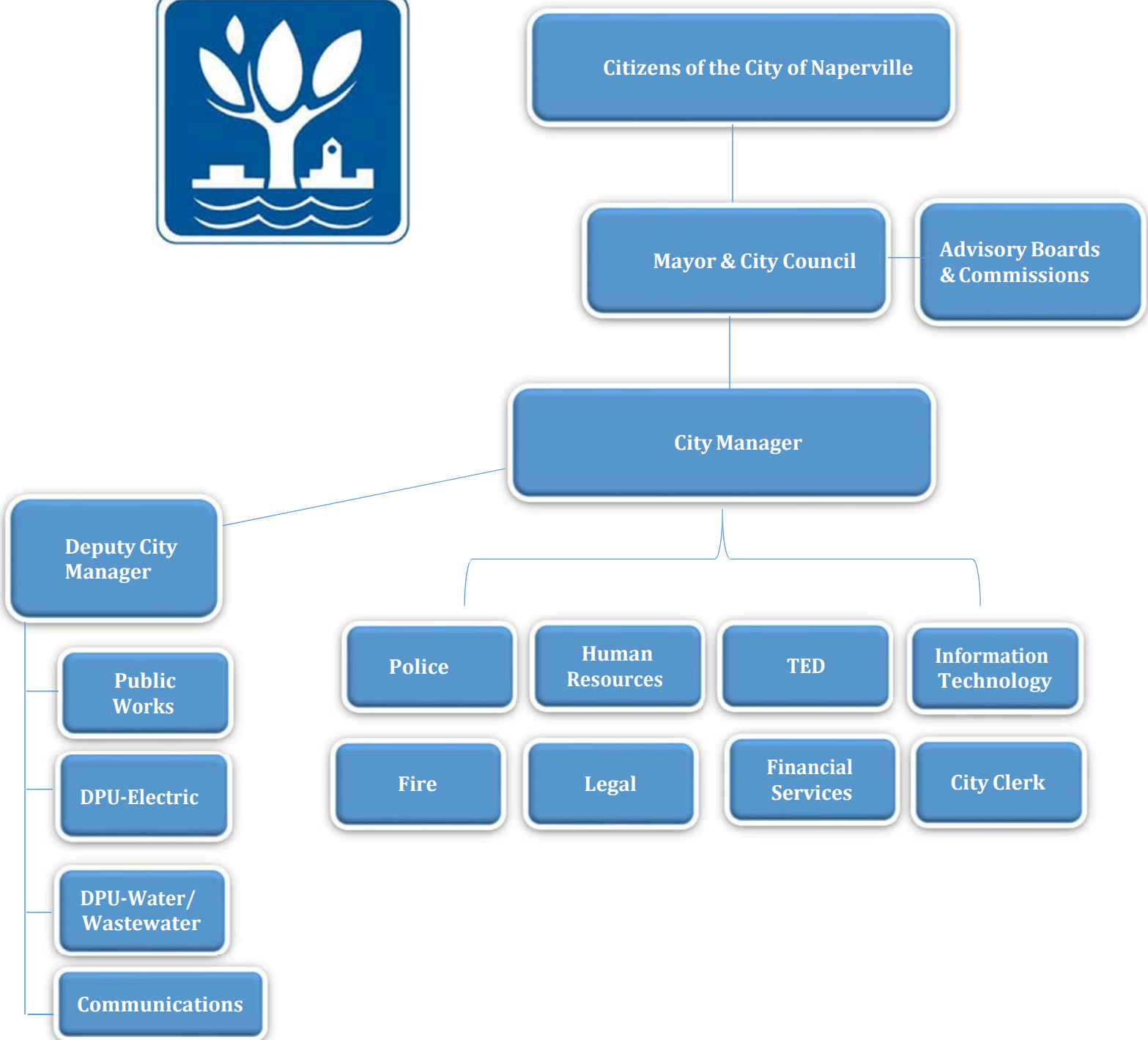
**City Attorney**

Michael DiSanto

**Director of IT**

Jeff Anderson

# City of Naperville - Organizational Chart





Government Finance Officers Association

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

Presented to

**City of Naperville  
Illinois**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2017**

*Christopher P. Morrill*

Executive Director/CEO



August 9, 2019

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

We are pleased to submit the Comprehensive Annual Financial Report of the City of Naperville for the fiscal year ended December 31, 2018. State law and local ordinances require that we publish a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States (GAAP) and audited in accordance with auditing standards generally accepted in the United States by a firm of licensed certified public accountants.

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

The City of Naperville's basic financial statements have been audited by Sikich LLP, a firm of licensed certified public accountants, with the goal of providing reasonable assurance that the basic financial statements of the City of Naperville for the fiscal year ended December 31, 2018 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall basic financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of Naperville's basic financial statements for the fiscal year ended December 31, 2018 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

# CITY OF NAPERVILLE, ILLINOIS

## Letter of Transmittal

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

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

### **Profile of the Government**

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

The City has operated under the Council-Manager form of government since 1969. Policymaking and legislative authority are vested in the City Council, which consists of a mayor and eight at-large members. The City Council sets policy for the City, passes ordinances, adopts resolutions and the annual budget, and approves all expenditures. 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 served four-year terms and the other four served two-year terms. In 2017, the seats of the individuals who served two-year terms were up for election as a four-year term, and all Council terms are again staggered four-year terms with the completion of 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.

# CITY OF NAPERVILLE, ILLINOIS

## Letter of Transmittal

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

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

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

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

### **Factors Affecting Financial Condition**

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

For the past 23 years, the City has maintained its AAA bond rating and managed its finances to support a consistently low property tax rate while providing high quality services to the community. As the City becomes more solidified as a maintenance versus growth community, new revenue streams brought in by development have waned. In addition, the City experienced depleted cash reserves and increased reliance on borrowing

# CITY OF NAPERVILLE, ILLINOIS

## Letter of Transmittal

for infrastructure maintenance projects. City Council and City staff have spent significant time exploring and planning how they envision the municipality operating both now and into the future. This exploration culminated in the adoption of a new mission statement and ends policies to support and guide the everyday operations of all City departments. Financial management was a significant component of the new ends policies which led staff to modify the philosophies that surround the budget process and financial state of the City. As part of planning for the future, the City Council established three financial principles as a guideline for long-term financial stability of the community.

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

### **Principle 1**

- The City will pass a structurally balanced operating budget annually

### **Principle 2**

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

### **Principle 3**

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

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

Aside from internal factors impacting the City's financial state, the City continues to monitor the financial climate at the state and federal level. Balancing internal factors with the general state of the economy are factored into all City financial proposals. City staff continues to monitor the financial trends of the nation, state and region allowing for

## CITY OF NAPERVILLE, ILLINOIS

### Letter of Transmittal

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

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

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

### **Awards and Acknowledgements**

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Naperville for its comprehensive annual financial report (CAFR) for the fiscal year ended December 31, 2017. This was the twenty-fifth consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements.

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



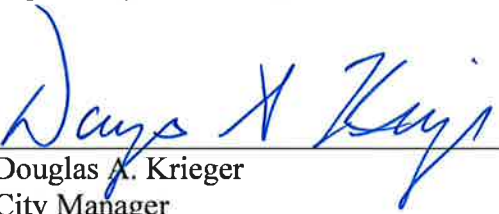
CITY OF NAPERVILLE, ILLINOIS

Letter of Transmittal

In addition, the City also received the GFOA's Distinguished Budget Presentation Award for its annual budget document dated January 1, 2019. This was the twenty-seventh 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.

Respectfully submitted,

  
\_\_\_\_\_  
Douglas A. Krieger  
City Manager

  
\_\_\_\_\_  
Rachel Mayer  
Finance Director

## **FINANCIAL SECTION**

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

**SIKICH.COM**

## **INDEPENDENT AUDITOR'S REPORT**

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Naperville, Illinois (the City), as of and for the year ended December 31, 2018, 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 42%, 43%, and 1%, respectively, of the assets, fund balances/net position and revenue/additions of the aggregate remaining fund information of the City. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Firefighters' Pension Fund of the City is based on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits in *Government Auditing Standards*, issued by the Comptroller General of the United States. The Firefighters' Pension Fund was not audited in accordance with *Government Auditing Standards*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

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

## **Opinions**

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Naperville, Illinois, as of December 31, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Change in Accounting Principle**

The City adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, which established standards for measuring and recognizing liabilities, deferred inflows and outflows of resources, and expenses for OPEB liabilities; modified certain disclosures in the notes to financial statements; and the required supplementary information. Our opinion is not modified with respect to these matters.

## **Other Matters**

### *Required Supplementary Information*

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

### *Other Information*

Our audit and the audit of other auditors was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual fund statements and schedules, other supplemental information, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund statements and schedules and other supplemental information are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. 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 August 9, 2019 on our consideration of the City of Naperville, Illinois' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Naperville, Illinois' internal control over financial reporting and compliance.

*Sikich LLP*

Naperville, Illinois  
August 9, 2019

## **BASIC FINANCIAL STATEMENTS**

# CITY OF NAPERVILLE, ILLINOIS

## Management's Discussion and Analysis

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

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

### **Financial Highlights**

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources by \$798 million (net position) for the fiscal year ended December 31, 2018.
- The City's total net position increased by \$13 million. The governmental net position increased by \$2 million (or less than 1.00%) and the business-type net position increased by \$11 million (or 2.46%).
- The City's governmental funds reported combined ending fund balances of \$69.2 million. The General Fund accounted for \$28.3 million or 40.89% of the total.
- The City issued \$4.64 million in bonded debt during the current year and retired \$15.68 million in bonded debt during the year.

### **Overview of the Financial Statements**

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

### ***Government-Wide Financial Statements***

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

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

# CITY OF NAPERVILLE, ILLINOIS

## Management's Discussion and Analysis

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

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

### ***Fund Financial Statements***

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

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

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

The City maintains 22 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 20 governmental funds are combined into a single, aggregated presentation.

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

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



## CITY OF NAPERVILLE, ILLINOIS

### Management's Discussion and Analysis

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

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

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

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

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

#### ***Notes to the Financial Statements***

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 19-70 of this report.

#### ***Other Information***

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

# CITY OF NAPERVILLE, ILLINOIS

## Management's Discussion and Analysis

### Government-wide Financial Analysis

#### *Statement of Net Position*

The City's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by 798 million for the fiscal year ended December 31, 2018. By far the largest portion of the City's net position (\$819 million) reflects its investment in capital assets (e.g., land, infrastructures, buildings, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position (\$17 million) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (deficit \$38 million) may be used to meet the City's ongoing obligations to citizens and creditors.

The following table presents a condensed summary of Net Position as of December 31, 2018 and December 31, 2017:

	Net Position (in Millions)					
	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Current and Other Assets	\$ 122	113	77	55	199	168
Capital Assets	505	511	462	477	967	988
Total Assets	627	624	539	532	1,166	1,156
Deferred Outflows	51	18	11	5	62	23
Total Assets/Deferred Outflows	678	642	550	537	1,228	1,179
Long-Term Liabilities	256	196	59	47	315	243
Other Liabilities	33	32	30	29	63	61
Total Liabilities	289	228	89	76	378	304
Deferred Inflows	50	68	2	10	52	78
Total Liabilities/Deferred Inflows	339	296	91	86	430	382
Net Position						
Net Investment in Capital Assets	413	412	406	416	819	828
Restricted	17	18	-	-	17	18
Unrestricted (Deficit)	(91)	(84)	53	35	(38)	(49)
Total Net Position	339	346	459	451	798	797

## CITY OF NAPERVILLE, ILLINOIS

### Management's Discussion and Analysis

#### **Normal Impacts**

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

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

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

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

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

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

#### **Current Year Impacts**

For the fiscal year ended December 31, 2018, the City reported positive balances in two of the three categories of net position for the governmental activities. For business-type activities, the City reported positive balances in all three categories of net position. The deficit net position for the governmental activities of \$91 million for the fiscal year ended December 31, 2018 is the result of the net pension liabilities and related activity for the City's Illinois Municipal Retirement Fund, Police Pension Fund and Firefighters' Pension Fund.

During the current fiscal year, total unrestricted net position increased by \$11 million. The governmental unrestricted net position decreased by \$7 million due to increases in the City's pension obligations from investment losses at year-end and the business-type unrestricted net position increased by \$18 million, primarily due to operating income in the City's Electric Utility Fund.

# CITY OF NAPERVILLE, ILLINOIS

## Management's Discussion and Analysis

The following table presents a condensed summary of Changes in Net Position as of December 31, 2018 and December 31, 2017:

	Change in Net Position (in Millions)					
	Governmental		Business-Type		Total	
	Activities		Activities			
	2018	2017	2018	2017	2018	2017
<b>Revenues</b>						
Program Revenues						
Charges for Services	\$ 28	26	224	213	252	239
Operating Grants/Contributions	3	2	-	-	3	2
Capital Grants/Contributions	4	4	5	6	9	10
General Revenues						
Property Taxes	35	34	-	-	35	34
Other Taxes	96	94	-	-	96	94
Other General Revenues	1	1	2	3	3	4
<b>Total Revenues</b>	<b>167</b>	<b>161</b>	<b>231</b>	<b>222</b>	<b>398</b>	<b>383</b>
<b>Expenses</b>						
General Government	15	15	-	-	15	15
Physical Environment	10	11	-	-	10	11
Public Safety	88	75	-	-	88	75
Transportation	41	49	-	-	41	49
Culture and Recreation	8	8	-	-	8	8
Interest on Long-Term Debt	3	3	-	-	3	3
Electric	-	-	154	150	154	150
Water and Wastewater	-	-	64	61	64	61
Commuter Parking	-	-	2	1	2	1
<b>Total Expenses</b>	<b>165</b>	<b>161</b>	<b>220</b>	<b>212</b>	<b>385</b>	<b>373</b>
Change in Net Position Before Transfers	2	-	11	10	13	10
Transfers	-	-	-	-	-	-
Change in Net Position	2	-	11	10	13	10
Net Position - Beginning as Restated	337	346	448	441	785	787
Net Position - Ending	339	346	459	451	798	797

## CITY OF NAPERVILLE, ILLINOIS

### Management's Discussion and Analysis

#### Normal Impacts

##### *Revenues*

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

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

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

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

##### *Expenses*

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

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

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

#### Current Year Impacts

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

##### *Revenue*

Total revenues from governmental activities increased by \$6 million from the prior year, which is due predominantly to the rebounding of certain state shared revenues, including sales tax and income tax. Also, the City reported a \$2 million increase in charges for services primarily due to ambulance transports and refuse and recycling fees.

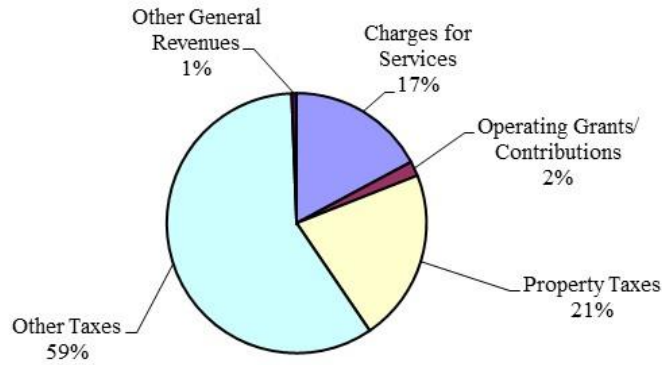
# CITY OF NAPERVILLE, ILLINOIS

## Management's Discussion and Analysis

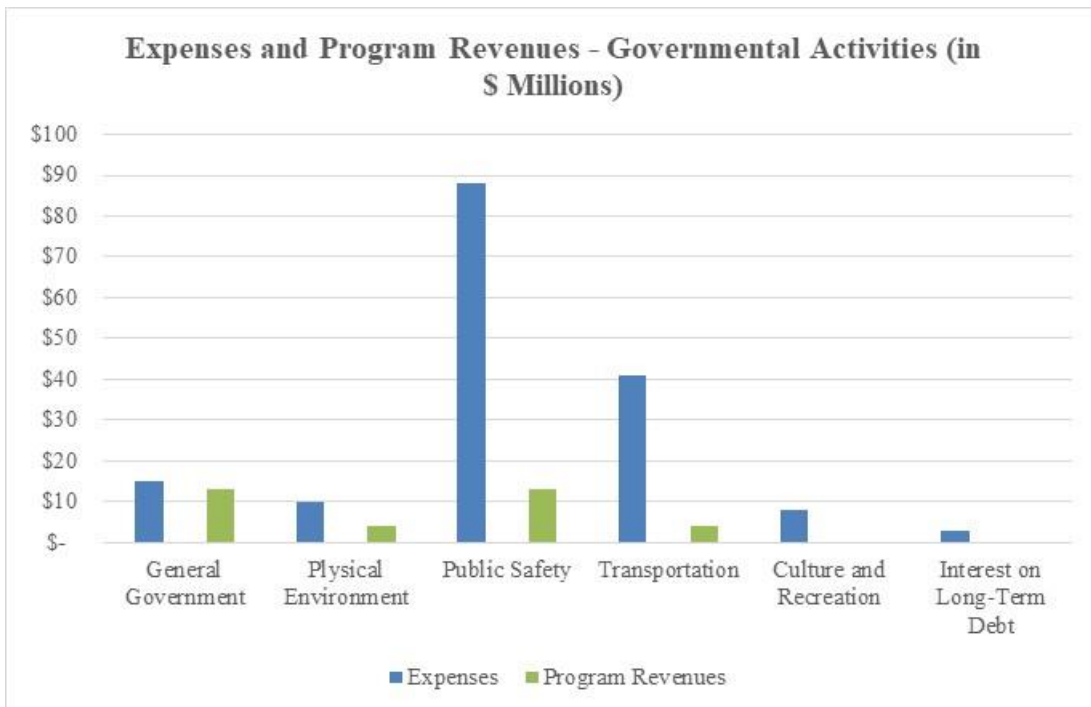
### Expenses

Total expenses increased by \$4 million or 2.48% to \$165 million, with the increase predominantly coming from the public safety function due to significant investment losses in the City's pension plans during the month of December 2018 that negatively impacted the City's net pension liabilities and related pension expense in the current year.

**Revenues by Source - Governmental Activities**



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



# CITY OF NAPERVILLE, ILLINOIS

## Management's Discussion and Analysis

**Business-type activities.** The net position for business-type activities increased by \$11 million.

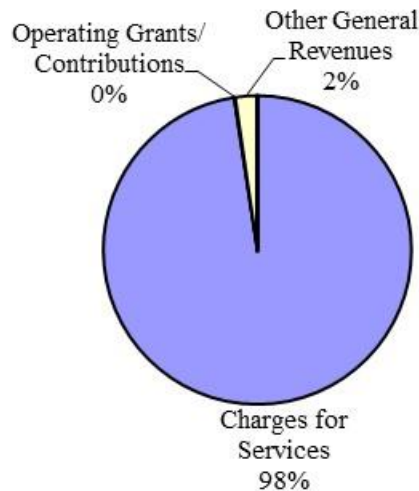
### Revenue

Overall revenues from business type activities increased \$9 million or 4.05% from the prior year with the vast majority of the increase coming from charges for services.

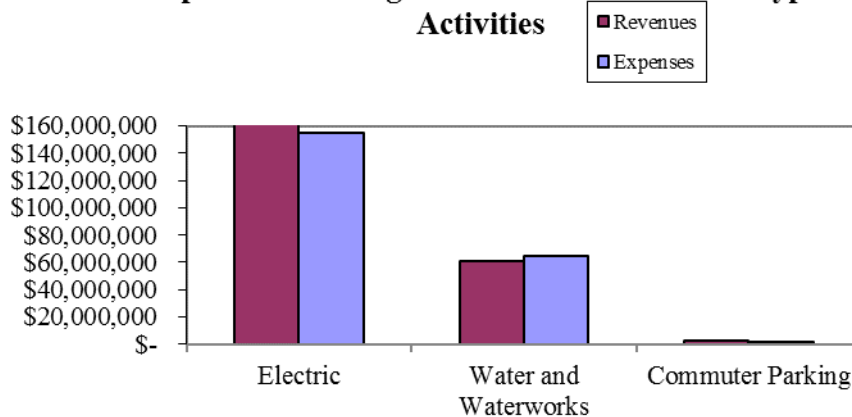
### Expenses

Total expenses increased \$8 million (or 3.77%). The Electric Utility Fund reported a \$4 million increase in expenses (or 2.67%), the Water and Wastewater Utility Fund expenses increased \$3 million (or 4.92%) and the Commuter Parking Fund reported a \$1 million increase in expenses.

**Revenues by Source - Business-Type Activities**



**Expenses and Program Revenues - 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 21 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 \$69.2 million, an increase of \$8.2 million in comparison with the prior fiscal year. Of the total fund balance amount, \$27.3 million constitutes unassigned fund balance, the remainder of fund balance is for a variety of restricted, committed and assigned purposes and is not available for new spending.

The following schedule presents the governmental funds summary of revenues for the years ended December 31, 2018 and December 31, 2017:

	<u>12/31/2018</u>	<u>Percent of Total</u>	<u>12/31/2017</u>	<u>Amount of Increase (Decrease)</u>	<u>Percent of Increase (Decrease)</u>
(Amounts Expressed in Thousands)					
<b>Revenues</b>					
Taxes	\$ 64,945	38.79%	64,990	(45)	-0.07%
Intergovernmental	68,322	40.80%	64,462	3,860	5.99%
Charges for Services	24,539	14.65%	21,290	3,249	15.26%
Net Investment Income	615	0.37%	338	277	81.95%
Fees	3,097	1.85%	3,423	(326)	-9.52%
Licenses and Permits	2,763	1.65%	3,006	(243)	-8.08%
Fines and Forfeits	1,276	0.76%	1,473	(197)	-13.37%
Contributions and Miscellaneous	1,891	1.13%	1,312	579	44.13%
Total Revenues	<u>167,448</u>	<u>100.00%</u>	<u>160,294</u>	<u>7,154</u>	<u>4.46%</u>

The largest dollar value in revenues came from taxes. Taxes include such items as utility tax, property tax (including those levied for pension purposes), hotel/motel tax, real estate transfer tax and food and beverage tax. Naperville's economic recovery has been visible since FY 2012 in all areas of tax receipts. Investment income reported a very positive result for the year, increasing \$227 thousand, also an indicator of the rebound in the markets.

The main components of intergovernmental revenues are retail sales tax and income tax, as well as governmental grants. The City strives to obtain grant funding for eligible capital projects.



**CITY OF NAPERVILLE, ILLINOIS**

Management's Discussion and Analysis

	12/31/2018	Percent of	12/31/2017	Amount of	Percent of
		Total		Increase	Increase
(Amounts Expressed in Thousands)					
<b>Expenditures</b>					
<b>Current</b>					
Public Safety	\$ 78,263	47.02%	73,845	4,418	5.98%
Transportation/Physical Environment	35,789	21.50%	34,690	1,099	3.17%
Culture and Recreation	7,145	4.29%	7,302	(157)	-2.15%
General Government	12,064	7.25%	12,482	(418)	3.35%
<b>Debt Service</b>					
Principal	10,613	6.38%	10,654	(41)	-0.38%
Interest, Fees and Issuance Costs	3,274	1.97%	3,306	(32)	-0.97%
Capital Outlay	19,306	11.60%	19,060	246	1.29%
<b>Total Expenditures</b>	<b>166,454</b>	<b>100.00%</b>	<b>161,339</b>	<b>5,115</b>	<b>3.17%</b>

Expenditures were limited to a 3.17% increase from the prior fiscal year, due to overall cost controlling measures throughout the year.

The City Council is committed to maintaining the City's infrastructure. Major capital projects during the reporting period included: continued storm sewer lining, roadway, and bridge and parking lot maintenance and well as significant investments in technology infrastructure throughout the City.

**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 income before capital fees of \$9.9 million for the fiscal year ended December 31, 2018, compared to a \$9.2 million net income 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 conducted a rate study in 2015 for the three-year period beginning January 1, 2016. City Council approved annual rate increases of 8.3%, 2.4%, 2.4% beginning in 2016, and each subsequent January 1<sup>st</sup> for two years.

Kilowatt hour consumption for 2018 totaled 1.34 billion which was a 1.4% increase from 2017. Purchased power expense for the twelve months ended December 31, 2018 is 79.04% of operating expense and fluctuates based on heating degree days, cooling degree days, rate for purchased electricity, and demand charges.

## CITY OF NAPERVILLE, ILLINOIS

### Management's Discussion and Analysis

**Water/Wastewater Utility** – The Water/Wastewater Utility recorded a net loss before capital fees of \$4.6 million for the fiscal year ended December 31, 2018, which is a 20.28% decrease from the loss for the year ended December 31, 2017.

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

Wholesale water rates, which are passed through by the City to customers based on rates applied by the DuPage Water Commission, increased 1.2% on May 1, 2018 for all customers compared to the prior period. The rate changed from \$3.65 per hundred cubic-feet to \$3.70 per hundred cubic-feet.

Overall, the City experienced a 1.6% decrease in gallons purchased compared to 2017. Purchased water expenses for the fiscal year ended December 31, 2018 were 36.6% of total operating expense and fluctuate based on rainfall and the wholesale water rate set by the Du Page Water Commission. The purchased water rate (per 1,000 gallons) increased May 1, 2018 from \$4.88 to \$4.94.

### Capital Assets and Debt Administration

**Capital Assets.** The City's investment in capital assets for its governmental and business-type activities as of December 31, 2018, amounts to \$967 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, furniture and fixtures, infrastructure, and IMEA participation right and other intangible assets. The City's investment in capital assets decreased from the prior year due to current year additions being less than depreciation expense for the year.

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Land and land improvements	\$ 184	187	18	18	202	205
Buliding and building improvements	91	93	4	5	95	98
Machinery and equipment	14	12	3	3	17	15
Infrastructure	207	201	400	415	607	616
IMEA participation right	-	-	14	13	14	13
Construction in progress	9	18	23	23	32	41
<b>Total</b>	<b>505</b>	<b>511</b>	<b>462</b>	<b>477</b>	<b>967</b>	<b>988</b>

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

# CITY OF NAPERVILLE, ILLINOIS

## Management's Discussion and Analysis

### Debt Administration

For the fiscal year ended December 31, 2018, the City had a total of \$135.2 million of outstanding debt. These issues were all general obligation bonds. The City maintained its AAA rating on general obligation bond issues from both Standard and Poor's Rating Group and Moody's Investors Service.

Data as of December 31, 2018, is as follows:

	Amount	Ratio of Bonded Debt to Assessed Valuation	Bonded Debt Per Capita
General Obligation Bonded Debt	\$ 135,220,000	1.94%	\$ 915

	Long-Term Debt Outstanding (in Thousands)					
	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
General Obligation Bonds	\$ 94,296	100,268	40,924	45,986	135,220	146,254

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

The City implemented Statement No. 75 of the Governmental Accounting Standards Board (Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions) effective for fiscal years beginning after June 15, 2017. The total unfunded actuarial accrued liability is \$14.6 million at December 31, 2018. For additional information please refer to Note 10 in the notes to the financial statements.

### Economic Factors and Next Year's Budget and Rates

- The following three financial principles guide the City's budgetary process and financial management: 1) The City will pass a structurally balanced operating budget annually; 2) The City commits to continuous improvement in the delivery of necessary and cost-effective services; and 3) The City will actively seek to increase its services to twenty-five percent and reduce its debt by twenty-five percent in the next eight years.
- In 2018, the City conducted a Special Census, which added 5,596 people to the City's population to bring the total to 147,449. The additional population will have a positive impact in 2019 on per capita revenue distributions from the state including income tax, local use tax, and motor fuel tax. The City projected an incremental \$880,000 in revenues.
- The City made significant changes in the health care plans for employees and in 2018 the City saw a 6.9% increase in dental premiums and a 0.0% increase in medical premiums.

## CITY OF NAPERVILLE, ILLINOIS

### Management's Discussion and Analysis

- Pensions continue to be an expense that is a significant variable in the City's annual budget. Due to changes in assumptions, calculation methodology, and positive earnings, the City saw police and fire contributions decrease by \$41,508 for the 2019 budget period. This was a reversal of a long-term trend of unsustainable growth. Additionally, IMRF saw a 16% decrease in the City's funding percentage to 9.34%.
- Retail sales tax revenues continue to perform at a consistent rate and is expected to grow slightly in 2019 to a total of \$35.3 million for the fiscal year. The City entered into a sales tax rebate with Walmart in 2014. The rebate is expected to exceed its cap of \$1.75 million in 2019, resulting in the incremental revenues coming back to the City.
- At the end of 2018, the City entered into a 10-year solid waste contract with Groot. The Year 1 price is \$12.95, which is passed through to residents as part of their utility bill.
- In June 2018, the Supreme Court issued an opinion in the South Dakota v. Wayfair case, thereby allowing states to collect use tax from businesses with no physical presence in the State. The City is projecting additional revenue collections starting in 2019.
- The City Council is committed to maintain a low property tax rate; the 2018 tax levy rate for the City is 0.6870, which is the lowest rate compared to neighboring communities and one of the City's lowest over the past 50 years.
- In January 2016, the City implemented a Home Rule Sales Tax of 0.50% to reduce borrowing, offset debt, and increase reserves. The City increased the Home Rule Sales Tax to 0.75% starting in July 2018. In the calendar year 2019, the City is projecting to receive \$13.3 million.
- In 2017, City Council approved a new rate schedule for the water and wastewater utilities. New rates went into effect in 2017 and annual increases are projected through 2021. Additionally, a graduated phosphorus surcharge went into effect for wastewater customers, which will be used to fund EPA-mandated improvements at the treatment facility.
- The City conducted a rate study update for the Electric Utility in 2018; 2% rate decreases will be implemented for customers over the next three years. These reductions are due to the projected decrease in IMEA power supply costs. The rate study also adjusted the Purchased Power Adjustment (PPA) base to re-align with power costs.

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

#### **Requests for Information**

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

**CITY OF NAPERVILLE, ILLINOIS**

STATEMENT OF NET POSITION

December 31, 2018

	Primary Government			Component
	Governmental Activities	Business-Type Activities	Total	Naperville Public Library
<b>ASSETS</b>				
Cash and investments	\$ 64,990,660	\$ 45,145,205	\$ 110,135,865	\$ 1,487,918
Receivables (net of allowance for uncollectable)	42,702,611	28,084,565	70,787,176	14,687,037
Due from other governments	14,629,910	279,778	14,909,688	-
Inventories	132	4,121,086	4,121,218	-
Capital assets (net of accumulated depreciation)				
Capital assets not depreciated	189,742,141	41,179,272	230,921,413	-
Capital assets depreciated, net	315,414,553	406,675,180	722,089,733	10,752,344
IMEA participation right	-	13,777,208	13,777,208	-
<b>Total assets</b>	<b>627,480,007</b>	<b>539,262,294</b>	<b>1,166,742,301</b>	<b>26,927,299</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred items - IMRF	13,729,183	10,463,653	24,192,836	4,230,303
Deferred items - Police Pension	14,789,838	-	14,789,838	-
Deferred items - Firefighters' Pension	19,564,436	-	19,564,436	-
Unamortized refunding loss	2,637,133	1,129,242	3,766,375	-
<b>Total deferred outflows of resources</b>	<b>50,720,590</b>	<b>11,592,895</b>	<b>62,313,485</b>	<b>4,230,303</b>
<b>Total assets and deferred outflows of resources</b>	<b>678,200,597</b>	<b>550,855,189</b>	<b>1,229,055,786</b>	<b>31,157,602</b>
<b>LIABILITIES</b>				
Accounts payable and other current liabilities	11,943,466	22,814,950	34,758,416	598,581
Accrued interest payable	255,270	128,392	383,662	-
Due to other governments	301,041	980,713	1,281,754	-
Due to fiduciary funds	97,236	-	97,236	-
Unearned revenue	3,435,148	90,435	3,525,583	-
Long-term liabilities				
Due within one year	16,826,780	6,614,045	23,440,825	612,434
Due in more than one year	255,924,923	58,794,858	314,719,781	8,049,232
<b>Total liabilities</b>	<b>288,783,864</b>	<b>89,423,393</b>	<b>378,207,257</b>	<b>9,260,247</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred items - IMRF	2,633,821	2,007,358	4,641,179	811,546
Deferred items - Police Pension	7,053,402	-	7,053,402	-
Deferred items - Firefighters' Pension	3,790,345	-	3,790,345	-
Deferred items - OPEB	641,823	196,242	838,065	71,959
Deferred property taxes revenues	36,017,709	-	36,017,709	14,683,000
<b>Total deferred inflows of resources</b>	<b>50,137,100</b>	<b>2,203,600</b>	<b>52,340,700</b>	<b>15,566,505</b>
<b>Total liabilities and deferred inflows of resources</b>	<b>338,920,964</b>	<b>91,626,993</b>	<b>430,547,957</b>	<b>24,826,752</b>
<b>NET POSITION</b>				
Net investment in capital assets	413,490,509	406,121,342	819,611,851	10,752,344
Restricted for				
Debt service	4,772,700	-	4,772,700	-
Highways, streets, and parking facilities	2,304,920	-	2,304,920	-
Public safety	3,038,115	-	3,038,115	-
Capital projects	5,188,442	-	5,188,442	-
Culture and recreation	1,597,346	-	1,597,346	-
Unrestricted (deficit)	(91,112,399)	53,106,854	(38,005,545)	(4,421,494)
<b>TOTAL NET POSITION</b>	<b>\$ 339,279,633</b>	<b>\$ 459,228,196</b>	<b>\$ 798,507,829</b>	<b>\$ 6,330,850</b>

See accompanying notes to financial statements.

**CITY OF NAPERVILLE, ILLINOIS**

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2018

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>PRIMARY GOVERNMENT</b>				
Governmental Activities				
General government	\$ 14,725,239	\$ 13,485,431	\$ -	\$ -
Physical environment	10,395,423	2,142,805	1,558,480	-
Public safety	87,691,922	12,231,904	1,134,982	-
Culture and recreation	8,535,035	439,044	-	-
Transportation	41,110,225	151,337	315,939	3,813,454
Interest on long-term debt	3,086,802	-	-	-
Total governmental activities	165,544,646	28,450,521	3,009,401	3,813,454
Business-Type Activities				
Electric	154,474,395	162,771,276	-	3,869,357
Water and wastewater	64,493,541	58,754,880	266,503	1,437,286
Burlington commuter parking	1,907,067	2,391,564	-	-
Total business-type activities	220,875,003	223,917,720	266,503	5,306,643
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 386,419,649</b>	<b>\$ 252,368,241</b>	<b>\$ 3,275,904</b>	<b>\$ 9,120,097</b>
<b>COMPONENT UNIT</b>				
Naperville Public Library	\$ 16,013,732	\$ 518,829	\$ 187,760	\$ -

	<b>Net (Expense) Revenue and Changes in Net Position</b>			
	<b>Primary Government</b>			<b>Unit</b>
	<b>Governmental</b>	<b>Business-Type</b>	<b>Total</b>	<b>Naperville</b>
	<b>Activities</b>	<b>Activities</b>		<b>Public Library</b>
	\$ (1,239,808)	\$ -	\$ (1,239,808)	\$ -
	(6,694,138)	-	(6,694,138)	-
	(74,325,036)	-	(74,325,036)	-
	(8,095,991)	-	(8,095,991)	-
	(36,829,495)	-	(36,829,495)	-
	(3,086,802)	-	(3,086,802)	-
	(130,271,270)	-	(130,271,270)	-
	-	12,166,238	12,166,238	-
	-	(4,034,872)	(4,034,872)	-
	-	484,497	484,497	-
	-	8,615,863	8,615,863	-
	(130,271,270)	8,615,863	(121,655,407)	-
	-	-	-	(15,307,143)
General Revenues				
Property taxes	34,494,683	-	34,494,683	14,685,196
Utility taxes	16,008,161	-	16,008,161	-
Other taxes	14,441,592	-	14,441,592	77,812
Franchise fees	3,096,941	-	3,096,941	-
Intergovernmental - unrestricted				
Sales taxes	49,249,282	-	49,249,282	-
Income taxes	13,616,570	-	13,616,570	-
Net investment income	636,427	545,700	1,182,127	122,342
Miscellaneous	652,281	1,884,659	2,536,940	39,612
Total	132,195,937	2,430,359	134,626,296	14,924,962
CHANGE IN NET POSITION	1,924,667	11,046,222	12,970,889	(382,181)
NET POSITION, JANUARY 1	345,667,583	451,396,303	797,063,886	7,752,470
Change in accounting principle	(8,312,617)	(3,047,254)	(11,359,871)	(1,039,439)
Prior period adjustment	-	(167,075)	(167,075)	-
NET POSITION, JANUARY 1, RESTATED	337,354,966	448,181,974	785,536,940	6,713,031
<b>NET POSITION, DECEMBER 31</b>	<b>\$ 339,279,633</b>	<b>\$ 459,228,196</b>	<b>\$ 798,507,829</b>	<b>\$ 6,330,850</b>

See accompanying notes to financial statements.

**CITY OF NAPERVILLE, ILLINOIS**

BALANCE SHEET  
GOVERNMENTAL FUNDS

December 31, 2018

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	<b>General Fund</b>	<b>Debt Service Fund</b>	<b>Nonmajor</b>	<b>Total</b>
<b>ASSETS</b>				
Cash and investments	\$ 22,130,960	\$ 1,591,841	\$ 39,178,475	\$ 62,901,276
Receivables				
Property taxes	20,235,567	11,365,963	4,416,179	36,017,709
Accrued interest	77,859	74,102	129,132	281,093
Accounts receivable less allowance for doubtful accounts	5,392,985	-	962,100	6,355,085
Loans and installments	218	-	25,090	25,308
Due from other funds	147,360	-	-	147,360
Advances to other funds	521,153	-	-	521,153
Due from other governments	10,313,202	3,143,499	1,173,209	14,629,910
Inventory	132	-	-	132
<b>TOTAL ASSETS</b>	<b>\$ 58,819,436</b>	<b>\$ 16,175,405</b>	<b>\$ 45,884,185</b>	<b>\$ 120,879,026</b>

(This statement is continued on the following page.)



**CITY OF NAPERVILLE, ILLINOIS**

BALANCE SHEET (Continued)  
GOVERNMENTAL FUNDS

December 31, 2018

	<b>General Fund</b>	<b>Debt Service Fund</b>	<b>Nonmajor</b>	<b>Total</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable	\$ 4,538,784	\$ 143	\$ 1,179,970	\$ 5,718,897
Accrued wages and benefits	3,101,428	-	141,803	3,243,231
Due to other governmental agencies	274,195	-	26,846	301,041
Due to fiduciary funds	-	-	97,236	97,236
Due to other funds	-	-	147,360	147,360
Advances from other funds	-	-	521,153	521,153
Deposits	2,033,461	-	-	2,033,461
Contract retainage payable	-	-	109,748	109,748
Unearned grant revenues and others	360,990	-	3,074,158	3,435,148
<b>Total liabilities</b>	<b>10,308,858</b>	<b>143</b>	<b>5,298,274</b>	<b>15,607,275</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue - property taxes	20,235,567	11,365,963	4,416,179	36,017,709
<b>Total deferred inflows of resources</b>	<b>20,235,567</b>	<b>11,365,963</b>	<b>4,416,179</b>	<b>36,017,709</b>
<b>Total liabilities and deferred inflows of resources</b>	<b>30,544,425</b>	<b>11,366,106</b>	<b>9,714,453</b>	<b>51,624,984</b>
<b>FUND BALANCES</b>				
Nonspendable				
Inventory	132	-	-	132
Loans	218	-	-	218
Advances	521,153	-	-	521,153
Restricted for				
Debt service	-	-	5,027,970	5,027,970
Highways, streets, and parking facilities	-	-	2,304,920	2,304,920
Public safety	-	-	3,038,115	3,038,115
Capital projects	-	-	10,089,619	10,089,619
Culture and recreation	-	-	1,597,346	1,597,346
Committed to				
Highways, streets, and parking facilities	-	-	893,355	893,355
Assigned to				
Debt service	-	4,809,299	-	4,809,299
Capital projects	-	-	13,692,732	13,692,732
Unassigned	27,753,508	-	(474,325)	27,279,183
<b>Total fund balances</b>	<b>28,275,011</b>	<b>4,809,299</b>	<b>36,169,732</b>	<b>69,254,042</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 58,819,436</b>	<b>\$ 16,175,405</b>	<b>\$ 45,884,185</b>	<b>\$ 120,879,026</b>

See accompanying notes to financial statements.

**CITY OF NAPERVILLE, ILLINOIS**

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

December 31, 2018

**FUND BALANCES OF GOVERNMENTAL FUNDS** \$ 69,254,042

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) 505,156,694

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

Deferred items - IMRF	\$ 11,095,362	
Deferred items - Police Pension	7,736,436	
Deferred items - Firefighters' Pension	15,774,091	
Deferred items - OPEB	<u>(641,823)</u>	
		33,964,066

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		(255,270)
Deferred loss on refunding		2,637,133
Net pension liability		
IMRF	(23,087,367)	
Police Pension	(59,059,361)	
Firefighters' Pension	(70,253,691)	
Compensated absences	(8,299,453)	
OPEB liability	(10,268,379)	
General obligation debt	<u>(99,204,495)</u>	

Total long-term liabilities (See Note 6) (270,172,746)

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

(1,304,286)

**NET POSITION OF GOVERNMENTAL ACTIVITIES** \$ 339,279,633

See accompanying notes to financial statements.

**CITY OF NAPERVILLE, ILLINOIS**

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

For the Year Ended December 31, 2018

	<b>General Fund</b>	<b>Debt Service Fund</b>	<b>Nonmajor</b>	<b>Total</b>
<b>REVENUES</b>				
Property taxes	\$ 18,456,230	\$ 11,168,709	\$ 4,869,744	\$ 34,494,683
Utility tax	16,008,161	-	-	16,008,161
Other taxes	6,522,733	-	7,918,859	14,441,592
Licenses and permits	2,717,215	-	45,720	2,762,935
Fines and forfeits	1,215,158	-	60,717	1,275,875
Net investment income	232,758	79,870	302,331	614,959
Contributions	-	-	1,238,880	1,238,880
Intergovernmental	51,987,826	2,373,582	13,961,117	68,322,525
Charges for services	19,622,352	-	4,916,661	24,539,013
Fees	3,096,941	-	-	3,096,941
Miscellaneous revenues	354,553	-	297,728	652,281
<b>Total revenues</b>	<b>120,213,927</b>	<b>13,622,161</b>	<b>33,611,757</b>	<b>167,447,845</b>
<b>EXPENDITURES</b>				
Current				
General government	12,059,856	-	3,650	12,063,506
Physical environment	8,254,712	-	336,283	8,590,995
Public safety	74,480,884	-	3,782,514	78,263,398
Culture and recreation	58,099	-	7,086,416	7,144,515
Transportation	24,387,067	-	2,811,419	27,198,486
Capital outlay	-	-	19,305,809	19,305,809
Debt service				
Principal	-	10,106,665	506,188	10,612,853
Interest and fees	-	3,076,680	197,551	3,274,231
<b>Total expenditures</b>	<b>119,240,618</b>	<b>13,183,345</b>	<b>34,029,830</b>	<b>166,453,793</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>973,309</b>	<b>438,816</b>	<b>(418,073)</b>	<b>994,052</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	1,219,608	1,111,378	2,330,986
Transfers (out)	(1,111,378)	-	(1,219,608)	(2,330,986)
Sale of property	-	-	2,269,784	2,269,784
New bonds issued, at par	-	-	4,640,000	4,640,000
Premium on new bonds issued	-	-	260,906	260,906
<b>Total other financing sources (uses)</b>	<b>(1,111,378)</b>	<b>1,219,608</b>	<b>7,062,460</b>	<b>7,170,690</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(138,069)</b>	<b>1,658,424</b>	<b>6,644,387</b>	<b>8,164,742</b>
<b>FUND BALANCES, JANUARY 1</b>	<b>28,413,080</b>	<b>3,150,875</b>	<b>29,525,345</b>	<b>61,089,300</b>
<b>FUND BALANCES, DECEMBER 31</b>	<b>\$ 28,275,011</b>	<b>\$ 4,809,299</b>	<b>\$ 36,169,732</b>	<b>\$ 69,254,042</b>

See accompanying notes to financial statements.

**CITY OF NAPERVILLE, ILLINOIS**

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

For the Year Ended December 31, 2018

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**NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS** \$ 8,164,742

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	\$ 12,942,327	
Disposals	(2,205,000)	
Depreciation (See Note 4)	<u>(17,679,328)</u>	(6,942,001)

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

Change in deferred items - IMRF	20,261,487	
Change in deferred items - Police Pension	16,839,893	
Change in deferred items - Firefighters' Pension	18,756,397	
Change in deferred items - OPEB	<u>(641,823)</u>	55,215,954

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

Principal repayments - G.O. bonds, SSA bonds, and notes payable	10,612,853	
New bond proceeds, principal	(4,640,000)	
Change in unamortized premium	170,180	
Change in loss on refunding	<u>(249,182)</u>	5,893,851

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.

Increase in net pension liability		
IMRF	(19,688,546)	
Police Pension	(17,525,897)	
Firefighters' Pension	(22,111,700)	
Decrease in accrued interest payable	5,527	
Decrease in compensated absences (See Note 6)	26,461	
Decrease in other post employment benefit obligation (See Note 6)	<u>449,578</u>	(58,844,577)

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.

(1,563,302)

**CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES** \$ 1,924,667

See accompanying notes to financial statements.

CITY OF NAPERVILLE, ILLINOIS

STATEMENT OF NET POSITION  
 PROPRIETARY FUNDS

December 31, 2018

	Business-Type Activities - Enterprise Funds				Governmental
	Electric Utility Fund	Water and Wastewater Utility Fund	Other Enterprise Fund	Total	Activities - Internal Service Self- Insurance Fund
<b>CURRENT ASSETS</b>					
Cash and investments	\$ 26,778,473	\$ 14,072,378	\$ 4,294,354	\$ 45,145,205	\$ 2,089,384
Receivables					
Accrued interest	93,771	48,719	14,863	157,353	7,025
Accounts receivable less allowance for doubtful accounts	7,296,751	3,306,567	4,011	10,607,329	16,391
Due from other governments	-	279,778	-	279,778	-
Other receivables	12,261,305	3,673,090	-	15,934,395	-
Inventory	3,235,567	885,519	-	4,121,086	-
Total current assets	49,665,867	22,266,051	4,313,228	76,245,146	2,112,800
<b>NONCURRENT ASSETS</b>					
Capital assets (net of accumulated depreciation)					
Capital assets not depreciated	11,197,957	19,055,484	10,925,831	41,179,272	-
Capital assets depreciated, net	207,465,393	197,572,026	1,637,761	406,675,180	-
Net capital assets	218,663,350	216,627,510	12,563,592	447,854,452	-
Installments receivable	1,385,488	-	-	1,385,488	-
Intangible assets (net of accumulated depreciation)					
IMEA participation right	13,777,208	-	-	13,777,208	-
Total assets	283,491,913	238,893,561	16,876,820	539,262,294	2,112,800
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred Items - IMRF	6,148,940	4,314,713	-	10,463,653	-
Unamortized refunding loss	753,754	375,488	-	1,129,242	-
Total deferred outflows of resources	6,902,694	4,690,201	-	11,592,895	-
Total assets and deferred outflows of resources	290,394,607	243,583,762	16,876,820	550,855,189	2,112,800

(This statement is continued on the following page.)

**CITY OF NAPERVILLE, ILLINOIS**

STATEMENT OF NET POSITION (Continued)  
 PROPRIETARY FUNDS

December 31, 2018

	Business-Type Activities - Enterprise Funds				Governmental
	Electric	Water and	Other	Total	Activities -
	Utility	Wastewater	Enterprise		Internal
Fund	Utility Fund	Fund		Service	Self-
					Insurance
					Fund
<b>CURRENT LIABILITIES</b>					
Accounts payable	\$ 10,002,203	\$ 4,660,111	\$ 81,289	\$ 14,743,603	\$ 831,558
Accrued wages and benefits payable	582,567	405,620	14,847	1,003,034	6,571
Accrued interest payable	57,394	70,998	-	128,392	-
Compensated absences - current portion	613,816	392,483	-	1,006,299	-
Deposits	6,725,267	158,248	850	6,884,365	-
Contract retainage payable	-	178,366	5,582	183,948	-
Claims and judgments	-	-	-	-	429,954
Due to other government	980,713	-	-	980,713	-
Unearned revenue	90,435	-	-	90,435	-
General obligation bonds payable - current portion	3,142,900	1,836,915	-	4,979,815	-
OPEB liability - current portion	333,785	294,146	-	627,931	-
<b>Total current liabilities</b>	<b>22,529,080</b>	<b>7,996,887</b>	<b>102,568</b>	<b>30,628,535</b>	<b>1,268,083</b>
<b>NONCURRENT LIABILITIES</b>					
General obligation bonds payable	18,328,551	19,553,986	-	37,882,537	-
Compensated absences	656,436	148,201	-	804,637	-
Claims and judgments	-	-	-	-	2,149,003
Net pension liability - IMRF	10,340,225	7,255,739	-	17,595,964	-
OPEB liability	1,335,138	1,176,582	-	2,511,720	-
<b>Total noncurrent liabilities</b>	<b>30,660,350</b>	<b>28,134,508</b>	<b>-</b>	<b>58,794,858</b>	<b>2,149,003</b>
<b>Total liabilities</b>	<b>53,189,430</b>	<b>36,131,395</b>	<b>102,568</b>	<b>89,423,393</b>	<b>3,417,086</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred items - IMRF	1,179,619	827,739	-	2,007,358	-
Deferred items - OPEB	104,315	91,927	-	196,242	-
<b>Total deferred inflows of resources</b>	<b>1,283,934</b>	<b>919,666</b>	<b>-</b>	<b>2,203,600</b>	<b>-</b>
<b>Total liabilities and deferred inflows of resources</b>	<b>54,473,364</b>	<b>37,051,061</b>	<b>102,568</b>	<b>91,626,993</b>	<b>3,417,086</b>
<b>NET POSITION</b>					
Net investment in capital assets	197,945,653	195,612,097	12,563,592	406,121,342	-
Unrestricted	37,975,590	10,920,604	4,210,660	53,106,854	(1,304,286)
<b>TOTAL NET POSITION</b>	<b>\$ 235,921,243</b>	<b>\$ 206,532,701</b>	<b>\$ 16,774,252</b>	<b>\$ 459,228,196</b>	<b>\$ (1,304,286)</b>

See accompanying notes to financial statements.

**CITY OF NAPERVILLE, ILLINOIS**

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

For the Year Ended December 31, 2018

	Business-Type Activities - Enterprise Funds			Total	Governmental
	Electric Utility Fund	Water and Wastewater Utility Fund	Other Enterprise Fund		Activities - Internal Service Self- Insurance Fund
<b>OPERATING REVENUES</b>					
Charges for services	\$ 162,771,276	\$ 58,754,880	\$ 2,391,564	\$ 223,917,720	\$ 20,389,853
Miscellaneous	1,450,696	433,963	-	1,884,659	-
Total operating revenues	164,221,972	59,188,843	2,391,564	225,802,379	20,389,853
<b>OPERATING EXPENSES</b>					
Purchased power	110,057,633	-	-	110,057,633	-
Purchased water	-	26,367,477	-	26,367,477	-
Operations	10,412,674	16,051,236	1,654,211	28,118,121	-
Distribution	665,992	2,310,968	-	2,976,960	-
Other operating expenses	18,105,817	8,785,464	-	26,891,281	21,974,623
Total operating expenses	139,242,116	53,515,145	1,654,211	194,411,472	21,974,623
OPERATING INCOME (LOSS) BEFORE DEPRECIATION AND AMORTIZATION	24,979,856	5,673,698	737,353	31,390,907	(1,584,770)
Depreciation and amortization	(14,268,683)	(10,068,981)	(252,856)	(24,590,520)	-
OPERATING INCOME (LOSS)	10,711,173	(4,395,283)	484,497	6,800,387	(1,584,770)
<b>NON-OPERATING REVENUES (EXPENSES)</b>					
Net investment income	141,495	371,708	32,497	545,700	21,468
Operating grant/intergovernmental	-	266,503	-	266,503	-
Interest expense	(963,596)	(909,415)	-	(1,873,011)	-
Total non-operating revenues (expenses)	(822,101)	(271,204)	32,497	(1,060,808)	21,468
NET INCOME (LOSS) BEFORE CAPITAL FEES	9,889,072	(4,666,487)	516,994	5,739,579	(1,563,302)
<b>CAPITAL FEES</b>	3,869,357	1,437,286	-	5,306,643	-
CHANGE IN NET POSITION	13,758,429	(3,229,201)	516,994	11,046,222	(1,563,302)
NET POSITION, JANUARY 1	223,783,401	211,188,569	16,424,333	451,396,303	259,016
Change in accounting principle	(1,620,587)	(1,426,667)	-	(3,047,254)	-
Prior period adjustment	-	-	(167,075)	(167,075)	-
NET POSITION, JANUARY 1, RESTATED	222,162,814	209,761,902	16,257,258	448,181,974	259,016
<b>NET POSITION (DEFICIT), DECEMBER 31</b>	<b>\$ 235,921,243</b>	<b>\$ 206,532,701</b>	<b>\$ 16,774,252</b>	<b>\$ 459,228,196</b>	<b>\$ (1,304,286)</b>

See accompanying notes to financial statements.

CITY OF NAPERVILLE, ILLINOIS

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS

For the Year Ended December 31, 2018

	Business-Type Activities - Enterprise Funds			Governmental
	Electric Utility Fund	Water and Wastewater Utility Fund	Other Enterprise Fund	Activities - Internal Service Self- Insurance Fund
			Total	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers and users	\$ 169,073,605	\$ 60,463,500	\$ 2,243,045	\$ 231,780,150
Receipts from interfund services provided	-	-	-	20,370,740
Payments to other funds	(897,624)	(1,036,644)	-	(1,934,268)
Payments to suppliers	(124,417,001)	(42,005,489)	(1,195,823)	(167,618,313)
Payments to employees	(13,799,023)	(9,698,040)	(495,325)	(23,992,388)
Net cash from operating activities	29,959,957	7,723,327	551,897	38,235,181
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Operating grant	-	179,532	-	179,532
Advances to other fund	(8,301,140)	-	-	(8,301,140)
Advances from other fund	-	8,301,140	-	8,301,140
Payment to General Fund	-	(804,281)	-	(804,281)
Net cash from noncapital financing activities	(8,301,140)	7,676,391	-	(624,749)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Purchases of capital assets	(7,675,670)	(2,253,040)	-	(9,928,710)
Payments of bond principal	(3,121,250)	(1,940,898)	-	(5,062,148)
Payment of bond interest	(1,070,620)	(925,032)	-	(1,995,652)
Net cash from capital and related financing activities	(11,867,540)	(5,118,970)	-	(16,986,510)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Net interest received	88,727	331,470	26,437	446,634
Net cash from investing activities	88,727	331,470	26,437	446,634
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	9,880,004	10,612,218	578,334	21,070,556
CASH AND CASH EQUIVALENTS, JANUARY 1	16,898,469	3,460,160	3,716,020	24,074,649
<b>CASH AND CASH EQUIVALENTS, DECEMBER 31</b>	<b>\$ 26,778,473</b>	<b>\$ 14,072,378</b>	<b>\$ 4,294,354</b>	<b>\$ 45,145,205</b>
				<b>\$ 2,089,384</b>

(This statement is continued on the following page.)



**CITY OF NAPERVILLE, ILLINOIS**

STATEMENT OF CASH FLOWS (Continued)  
 PROPRIETARY FUNDS

For the Year Ended December 31, 2018

	<b>Business-Type Activities - Enterprise Funds</b>				<b>Governmental</b>
	<b>Electric</b>	<b>Water and</b>	<b>Other</b>	<b>Total</b>	<b>Activities -</b>
	<b>Utility</b>	<b>Wastewater</b>	<b>Enterprise</b>		<b>Internal</b>
<b>Fund</b>	<b>Utility Fund</b>	<b>Fund</b>		<b>Service</b>	<b>Self-</b>
					<b>Insurance</b>
					<b>Fund</b>
<b>RECONCILIATION OF OPERATING INCOME</b>					
<b>(LOSS) TO NET CASH FLOWS FROM</b>					
<b>OPERATING ACTIVITIES</b>					
Operating income (loss)	\$ 10,711,173	\$ (4,395,283)	\$ 484,497	\$ 6,800,387	\$ (1,584,770)
Adjustments to reconcile operating income (loss)					
to net cash from operating activities					
Other non-operating revenues					
Capital fees	3,869,357	1,437,286	-	5,306,643	-
Depreciation and amortization expense	14,268,683	10,068,981	252,856	24,590,520	-
(Increase) decrease in current assets	342,243	(19,096)	(148,519)	174,628	(19,113)
Increase (decrease) in current liabilities	768,501	631,439	(36,937)	1,363,003	858,714
Total adjustments	19,248,784	12,118,610	67,400	31,434,794	839,601
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>\$ 29,959,957</b>	<b>\$ 7,723,327</b>	<b>\$ 551,897</b>	<b>\$ 38,235,181</b>	<b>\$ (745,169)</b>

See accompanying notes to financial statements.

**CITY OF NAPERVILLE, ILLINOIS**

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

December 31, 2018

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<b>ASSETS</b>	
Cash and short-term investments	<u>\$ 15,273,206</u>
Receivables	
Interest receivable	<u>673,684</u>
Total receivables	<u>673,684</u>
Investments at fair value	
U.S. Treasury obligations	38,331,691
U.S. Government agencies	18,385,851
Municipal bonds	1,799,492
Corporate bonds	37,915,161
Annuities	34,587,323
Common stock	31,485,303
Mutual funds	146,016,302
Asset-backed securities	8,949,888
Negotiable certificates of deposit	<u>584,510</u>
Total investments	<u>318,055,521</u>
Due from municipality	97,236
Prepaid items	<u>12,145</u>
Total assets	334,111,792
<b>LIABILITIES</b>	
Accounts payable	<u>79,296</u>
<b>NET POSITION RESTRICTED FOR PENSIONS</b>	<u><u>\$ 334,032,496</u></u>

See accompanying notes to financial statements.

**CITY OF NAPERVILLE, ILLINOIS**

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

For the Year Ended December 31, 2018

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**ADDITIONS**

Contributions	
Employer	\$ 16,228,545
Employee	<u>3,598,524</u>
Total contributions	<u>19,827,069</u>
Investment income	
Net depreciation in fair value of investments	(26,119,504)
Interest and dividends	<u>8,835,379</u>
Total investment income	(17,284,125)
Less investment expense	<u>625,226</u>
Net investment income	<u>(17,909,351)</u>
Total additions	<u>1,917,718</u>

**DEDUCTIONS**

Pension benefits	16,072,172
Refunds of contributions	5,662
Administrative expense	<u>188,224</u>
Total deductions	<u>16,266,058</u>

NET DECREASE (14,348,340)

**NET POSITION RESTRICTED FOR PENSIONS**

January 1	<u>348,380,836</u>
December 31	<u>\$ 334,032,496</u>

See accompanying notes to financial statements.

# CITY OF NAPERVILLE, ILLINOIS

## NOTES TO FINANCIAL STATEMENTS

December 31, 2018

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

#### a. Reporting Entity

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

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

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

#### Blended Component Unit

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

a. Reporting Entity (Continued)

Discretely Presented Component Unit

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

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

b. Basis of Presentation

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

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

b. Basis of Presentation (Continued)

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

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

The City reports the following major governmental funds:

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

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

The City reports the following major proprietary funds:

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

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

Additionally, the City reports the following fund types:

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

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

c. Measurement Focus and Basis of Accounting

The government-wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Non-exchange transactions, in which the City receives value without directly giving equal value in exchange, include property tax revenue, grants, and other contributions. On an accrual basis, revenues from property taxes are recognized in the period for which the levy is intended to finance, which is the year after the taxes are levied. For example, the 2017 levy is recognized as revenue for the fiscal year ended December 31, 2018. Revenue from grants and other contributions are recognized in the fiscal year in which all eligibility requirements imposed by the provider have been met. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis.

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

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

c. Measurement Focus and Basis of Accounting (Continued)

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

d. Cash and Cash Equivalents

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

e. Investments

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

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



**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

e. Investments (Continued)

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

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

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

f. Unbilled Receivables

Estimated sales for electric, water, and wastewater usage prior to December 31, 2018, which are unbilled at year end, are recognized as current year revenue and are included in accounts receivables.

The City has the following types of interfund transactions:

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

g. Interfund Transactions

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

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

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

h. Inventory and Prepaid Items

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

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

i. Capital Assets

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

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

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

j. **Compensated Absences**

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

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

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

j. Compensated Absences (Continued)

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

Employees hired after July 1, 2011 are on a PTO plan that 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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

m. Fund Balance/Net Position (Continued)

fund balance is constrained by formal actions of the City Council, which is considered the City's highest level of decision making authority. Formal actions include ordinances approved by the City Council. Assigned fund balance represents amounts constrained by the City's intent to use them for a specific purpose. The authority to assign fund balance has been delegated to the City's finance director through the approved fund balance policy of the City. Any residual fund balance of the General Fund and any deficits in other funds, if any, are reported as unassigned.

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

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

In the government-wide and proprietary fund financial statements, restricted net position is legally restricted by outside parties for a specific purpose. Net investment in capital assets, represents the City's investment in the book value of capital assets, less any outstanding debt that was issued to construct or acquire the capital asset. Unrestricted net position consists of net position that does not meet the definition of restricted or invested in capital assets, net of related debt. None of the restricted net position or restricted fund balance results from enabling legislation adopted by the City except for the fund balance of \$8,204 in the Fair Share Assessment Fund and the fund balance of \$588,472 in the Food and Beverage Tax Fund.

n. Property Taxes

Property taxes are levied each year on all taxable real property located in the City. The City must file its tax levy ordinance by the last Tuesday of December of each year. The owner of real property on January 1 (lien date) in any year is liable for taxes of that year. Property taxes are collected by the DuPage and Will County Collectors/Treasurers who remit to the City its share of the collection. Taxes levied for calendar year 2017 were due, payable, and collected in two installments in June and September 2018.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

n. Property Taxes (Continued)

Revenue for property taxes is recognized in the governmental funds in the year for which the taxes are intended to finance and the funds are available. Accordingly, the City recognized revenue during the fiscal year ended December 31, 2018 for collections from the calendar year 2017 levy if it was received by year end. Property taxes levied for calendar year 2018, which will be collected in fiscal year 2019 are recorded as receivables and unavailable revenue.

o. Deferred Outflows/Inflows of Resources

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

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."

a. 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.

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

**2. DEPOSITS AND INVESTMENTS (Continued)**

b. Investments

The following table presents the investments and durations of the debt securities of the City and the Library as of December 31, 2018.

City and Library

Investment Type	Fair Value	Modified Duration (Years)
U.S. Treasury and agency securities	\$ 86,574,625	6.00

The City has the following recurring fair value measurements as of December 31, 2018:

- U.S. Treasury securities of \$34,125,108 are valued using quoted market prices (Level 1 inputs)
- U.S. agency securities of \$52,449,517 are valued using significant other observable inputs (Level 2 inputs)

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

Police Pension

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	More Than 10
U.S. Treasury obligations	\$ 19,626,406	\$ 1,837,973	\$ 11,824,300	\$ 5,964,133	\$ -
U.S. agency obligations	9,179,205	638,563	1,265,735	2,138,505	5,136,402
Municipal bonds	907,339	-	145,466	438,369	323,504
Corporate bonds	23,299,049	683,907	8,721,552	11,776,554	2,117,036
Negotiable CD's	584,510	353,023	172,177	-	59,310
<b>TOTAL</b>	<b>\$ 53,596,509</b>	<b>\$ 3,513,466</b>	<b>\$ 22,129,230</b>	<b>\$ 20,317,561</b>	<b>\$ 7,636,252</b>

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

**2. DEPOSITS AND INVESTMENTS (Continued)**

b. Investments (Continued)

Police Pension (Continued)

The Police Pension Fund has the following recurring fair value measurements as of December 31, 2018:

Investment by Fair Value Level	December 31,	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Debt securities				
U.S. Treasury obligations	\$ 19,626,406	\$ 19,626,406	\$ -	\$ -
U.S. agency obligations	9,179,205	-	9,179,205	-
Municipal bonds	907,339	-	907,339	-
Corporate bonds	23,299,049	-	23,299,049	-
Equity securities				
Annuity contract	17,442,732	-	-	17,442,732
Common stock	11,588,509	11,588,509	-	-
Equity mutual funds	77,030,776	77,030,776	-	-
Negotiable CD's	584,510	-	584,510	-
<b>TOTAL INVESTMENTS MEASURED AT FAIR VALUE</b>	<b>\$ 159,658,526</b>	<b>\$ 108,245,691</b>	<b>\$ 33,970,103</b>	<b>\$ 17,442,732</b>

Firefighters' Pension

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	More Than 10
U.S. Treasury obligations	\$ 18,705,285	\$ 1,299,650	\$ 13,468,555	\$ 3,937,080	\$ -
U.S. agency obligations	9,206,646	551,596	1,945,275	1,775,751	4,934,024
Municipal bonds	892,153	-	145,465	520,310	226,378
Corporate bonds	14,616,112	657,852	9,540,214	3,859,956	558,090
<b>TOTAL</b>	<b>\$ 43,420,196</b>	<b>\$ 2,509,098</b>	<b>\$ 25,099,509</b>	<b>\$ 10,093,097</b>	<b>\$ 5,718,492</b>



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

**2. DEPOSITS AND INVESTMENTS (Continued)**

b. Investments (Continued)

Firefighters' Pension (Continued)

The Firefighters' Pension Fund has the following recurring fair value measurements as of December 31, 2018:

Investment by Fair Value Level	December 31,	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Debt securities				
U.S. Treasury obligations	\$ 18,705,285	\$ 18,705,285	\$ -	\$ -
U.S. agency obligations	9,206,646	-	9,206,646	-
Municipal bonds	892,153	-	892,153	-
Corporate bonds	14,616,112	-	14,616,112	-
Equity securities				
Annuity contract	17,144,591	17,144,591	-	-
Common stock	19,896,794	19,896,794	-	-
Equity mutual funds	68,985,526	68,985,526	-	-
Asset-backed securities	8,949,888	-	8,949,888	-
<b>TOTAL INVESTMENTS MEASURED AT FAIR VALUE</b>	<b>\$ 158,396,995</b>	<b>\$ 124,732,196</b>	<b>\$ 33,664,799</b>	<b>\$ -</b>

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

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

**2. DEPOSITS AND INVESTMENTS (Continued)**

b. Investments (Continued)

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

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

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

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

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

**2. DEPOSITS AND INVESTMENTS (Continued)**

b. Investments (Continued)

Police Pension Fund

Investment	Amount
Vanguard Institutional Index Fund	\$ 20,953,714
Vanguard Small Cap Fund	9,732,335
Vanguard Mid Cap Fund	9,726,436
American Europacific Growth Fund	8,623,980
Principal Annuity Contract	17,442,732

Firefighter's Pension Fund

Investment	Amount
Vanguard Instl Index Fund	\$ 16,750,148
Vanguard Mid Cap Fund	9,740,414
PIMCO All Asset Fund	8,450,519
Dodge & Cox International Stock	7,716,412
American Europacific Growth Fund	7,716,785
DFA International Small Cap Portfolio	7,276,175
Vanguard Small Cap Index	4,811,657
Principal Annuity Contract	17,144,591

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

Asset Class	Target	Long-Term Expected Real Return
Fixed income	35%	2.10%
Domestic equities	35%	5.60%
International equities	15%	5.80%
Real estate	10%	5.20%
Global tactical	5%	3.90%

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

**2. DEPOSITS AND INVESTMENTS (Continued)**

b. Investments (Continued)

The long-term expected rate of return on the Police Pension Fund’s investments was determined using an asset allocation study conducted by the Police Pension Fund’s investment management consultant in which best estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) were developed for each major assets class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates or arithmetic real rates of return for each major asset class included in the Police Pension Fund’s target asset allocation as of December 31, 2018 are listed in the table on the previous page.

For the fiscal year ended December 31, 2018, the annual money-weighted rate of return on police pension plan investments, net of pension plan investment expense, was (4.73%). The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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

Asset Class	Target	Long-Term Expected Real Return
Fixed income	35%	2.10%
Domestic equities	35%	5.60%
International equities	15%	5.80%
Real estate	10%	5.20%
Global tactical	5%	3.90%
Cash and cash equivalents	0%	0.40%

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

**2. DEPOSITS AND INVESTMENTS (Continued)**

b. Investments (Continued)

The long-term expected rate of return on the Firefighters’ Pension Fund’s investments was determined using an asset allocation study conducted by the Firefighters’ Pension Fund’s investment management consultant in which best estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) were developed for each major assets class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates or arithmetic real rates of return for each major asset class included in the Firefighters’ Pension Fund’s target asset allocation as of December 31, 2018 are listed in the table on the previous page.

For the fiscal year ended December 31, 2018, the annual money-weighted rate of return on the Firefighters’ Pension Plan investments, net of pension plan investment expense, was (5.43%). The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**3. RECEIVABLES**

a. Installment Loans

The outstanding loans that are not expected to be collected within one year of December 31, 2018 are as follows:

	Term	Due	Amount
Loan to the SSA 26 property owners	Various	Various	\$ 25,090
Electric loans	Various	Various	1,385,488

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

**4. CAPITAL ASSETS**

A summary of changes in capital assets of the City and the Library for the fiscal year ended December 31, 2018 is as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
<b>GOVERNMENTAL ACTIVITIES</b>				
Capital assets not being depreciated				
Land	\$ 21,617,947	\$ -	\$ 2,205,000	\$ 19,412,947
Land - infrastructure	161,526,935	-	-	161,526,935
Construction in progress	17,673,745	3,224,665	12,096,151	8,802,259
Total capital assets not being depreciated	<u>200,818,627</u>	<u>3,224,665</u>	<u>14,301,151</u>	<u>189,742,141</u>
Capital assets being depreciated				
Land improvements	5,456,271	-	-	5,456,271
Buildings	154,540,831	1,386,524	-	155,927,355
Equipment	56,234,197	4,457,033	507,890	60,183,340
Infrastructure	465,460,998	15,970,256	-	481,431,254
Total capital assets being depreciated	<u>681,692,297</u>	<u>21,813,813</u>	<u>507,890</u>	<u>702,998,220</u>
Less accumulated depreciation for				
Land improvements	1,890,514	361,525	-	2,252,039
Buildings	61,726,823	3,918,875	-	65,645,698
Equipment	44,174,962	2,295,085	507,890	45,962,157
Infrastructure	262,619,930	11,103,843	-	273,723,773
Total accumulated depreciation	<u>370,412,229</u>	<u>17,679,328</u>	<u>507,890</u>	<u>387,583,667</u>
Total capital assets being depreciated, net	<u>311,280,068</u>	<u>4,134,485</u>	<u>-</u>	<u>315,414,553</u>
<b>GOVERNMENTAL ACTIVITIES</b>				
<b>CAPITAL ASSETS, NET</b>	<u>\$ 512,098,695</u>	<u>\$ 7,359,150</u>	<u>\$ 14,301,151</u>	<u>\$ 505,156,694</u>

Depreciation expense for governmental activities for the fiscal year ended December 31, 2018 was charged to functions as follows:

General government	\$ 2,298,313
Physical environment	1,767,933
Public safety	1,591,140
Culture and recreation	883,966
Transportation	<u>11,137,976</u>
	<u>\$ 17,679,328</u>

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

**4. CAPITAL ASSETS (Continued)**

	Beginning Balances	Increases	Decreases	Ending Balances
<b>BUSINESS-TYPE ACTIVITIES -</b>				
<b>ELECTRIC UTILITY</b>				
Capital assets not being depreciated				
Land	\$ 3,836,327	\$ -	\$ -	\$ 3,836,327
Construction in progress	6,860,151	501,479	-	7,361,630
Total capital assets not being depreciated	10,696,478	501,479	-	11,197,957
Capital assets being depreciated				
Building and building improvements	7,707,096	-	-	7,707,096
Equipment	14,689,716	285,792	22,108	14,953,400
Infrastructure	414,220,537	3,364,943	-	417,585,480
Total capital assets being depreciated	436,617,349	3,650,735	22,108	440,245,976
Less accumulated depreciation for				
Building and building improvements	5,141,845	210,136	-	5,351,981
Equipment	13,762,466	161,030	22,108	13,901,388
Infrastructure	202,074,628	11,452,586	-	213,527,214
Total accumulated depreciation	220,978,939	11,823,752	22,108	232,780,583
Total capital assets being depreciated, net	215,638,410	(8,173,017)	-	207,465,393
<b>BUSINESS-TYPE ACTIVITIES -</b>				
<b>ELECTRIC UTILITY CAPITAL</b>				
<b>ASSETS, NET</b>				
	\$ 226,334,888	\$ (7,671,538)	\$ -	\$ 218,663,350
<b>BUSINESS-TYPE ACTIVITIES -</b>				
<b>WATER AND WASTEWATER UTILITY</b>				
Capital assets not being depreciated				
Land	\$ 2,565,671	\$ -	\$ -	\$ 2,565,671
Construction in progress	15,616,633	935,112	61,932	16,489,813
Total capital assets not being depreciated	18,182,304	935,112	61,932	19,055,484
Capital assets being depreciated				
Equipment	11,440,750	432,582	222,332	11,651,000
Infrastructure	446,810,231	947,278	-	447,757,509
Total capital assets being depreciated	458,250,981	1,379,860	222,332	459,408,509
Less accumulated depreciation for				
Equipment	9,492,551	397,033	222,332	9,667,252
Infrastructure	242,497,283	9,671,948	-	252,169,231
Total accumulated depreciation	251,989,834	10,068,981	222,332	261,836,483
Total capital assets being depreciated, net	206,261,147	(8,689,121)	222,332	197,572,026
<b>BUSINESS-TYPE ACTIVITIES -</b>				
<b>WATER AND WASTEWATER UTILITY</b>				
<b>CAPITAL ASSETS, NET</b>				
	\$ 224,443,451	\$ (7,754,009)	\$ 61,932	\$ 216,627,510

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

**4. CAPITAL ASSETS (Continued)**

	Beginning Balances	Increases	Decreases	Ending Balances
<b>BUSINESS-TYPE ACTIVITIES -</b>				
<b>OTHER ENTERPRISE</b>				
Capital assets not being depreciated				
Land	\$ 10,925,831	\$ -	\$ -	\$ 10,925,831
Total capital assets not being depreciated	10,925,831	-	-	10,925,831
Capital assets being depreciated				
Building and building improvements	6,460,233	-	-	6,460,233
Machinery and equipment	1,420,847	-	-	1,420,847
Total capital assets being depreciated	7,881,080	-	-	7,881,080
Less accumulated depreciation for				
Building and building improvements	5,368,383	175,191	-	5,543,574
Machinery and equipment	622,080	77,665	-	699,745
Total accumulated depreciation	5,990,463	252,856	-	6,243,319
Total capital assets being depreciated, net	1,890,617	(252,856)	-	1,637,761
Total other enterprise net capital assets	12,816,448	(252,856)	-	12,563,592
<b>BUSINESS-TYPE ACTIVITIES -</b>				
<b>OTHER ENTERPRISE CAPITAL</b>				
<b>ASSETS, NET</b>				
	\$ 463,594,787	\$ (15,678,403)	\$ 61,932	\$ 447,854,452
	Beginning Balances (Restated)	Increases	Decreases	Ending Balances
<b>COMPONENT UNIT - NAPERVILLE</b>				
<b>PUBLIC LIBRARY</b>				
Capital assets being depreciated				
Building and building improvements	\$ 16,816,578	\$ -	\$ -	\$ 16,816,578
Machinery and equipment	2,234,399	38,613	39,776	2,233,236
Total capital assets being depreciated	19,050,977	38,613	39,776	19,049,814
Less accumulated depreciation for				
Building and building improvements	6,153,498	816,709	-	6,970,207
Machinery and equipment	1,208,951	138,317	20,005	1,327,263
Total accumulated depreciation	7,362,449	955,026	20,005	8,297,470
<b>COMPONENT UNIT - NAPERVILLE</b>				
<b>PUBLIC LIBRARY CAPITAL ASSETS, NET</b>				
	\$ 11,688,528	\$ (916,413)	\$ 19,771	\$ 10,752,344



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

**5. INTERFUND BALANCES AND ACTIVITY**

a. Balances Due to/from Other Funds

Balances due to/from other funds at December 31, 2018 were as follows:

Receivable Fund	Payable Fund	Amount
General	Nonmajor Governmental	\$ 147,360
Pension Trust Funds	Nonmajor Governmental	<u>97,236</u>
<b>TOTAL</b>		<b><u>\$ 244,596</u></b>

Balances due from Nonmajor Governmental to General are to cover cash accounts temporarily overdrawn at year end. Balances due from Nonmajor Governmental to Pension Trust Funds is food and beverage tax due for December 2018.

b. Advances

Advances at December 31, 2018 were as follows:

Receivable Fund	Payable Fund	Amount
General	SSA #25	\$ <u>521,153</u>
<b>TOTAL</b>		<b><u>\$ 521,153</u></b>

c. Transfers to/from Other Funds

Interfund transfers for the fiscal year ended December 31, 2018 were as follows:

Transfers In	Transfers Out	Amount
Debt Service Fund	Food and Beverage Tax Fund	\$ 898,128
Debt Service Fund	Water Street TIF Fund	248,261
Debt Service Fund	Special Service Area #23 Fund	73,219
Special Service Area #26 Fund	General Fund	<u>1,111,378</u>
<b>TOTAL</b>		<b><u>\$ 2,330,986</u></b>

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

**5. INTERFUND BALANCES AND ACTIVITY (Continued)**

c. Transfers to/from Other Funds (Continued)

The purpose of significant transfers is as follows:

- \$1,219,608 was transferred from the Food and Beverage Tax Fund (\$898,128), Water Street TIF Fund (\$248,261), and Special Service Area #23 Fund (\$73,219) to the Debt Service Fund for debt service payments. This transfer will not be repaid.
- \$1,111,378 transferred from the General Fund to the Special Service Area #26 - Downtown Maintenance Fund for the City's subsidy of the downtown maintenance. This transfer will not be repaid.

As of December 31, 2018, the following funds had deficit fund balances:

Fund	Deficit
Self Insurance Fund	\$ 1,304,286
Community Development Block Grant Fund	34,933
Special Service Area #25	439,392

**6. LONG-TERM OBLIGATIONS**

The following is a summary of changes in long-term debt of the City for the fiscal year ended December 31, 2018:

Type of Debt	Beginning Balance	Additions	Deductions	Ending Balances	Amounts Due Within One Year
<b>GOVERNMENTAL ACTIVITIES</b>					
Net pension liability					
IMRF	\$ 3,398,821	\$ 19,688,546	\$ -	\$ 23,087,367	\$ -
Police Pension	41,533,464	17,525,897	-	59,059,361	-
Firefighters' Pension	48,141,991	22,111,700	-	70,253,691	-
Compensated absences	8,325,914	3,884,399	3,910,860	8,299,453	3,857,965
OPEB liability	10,717,957	-	449,578	10,268,379	2,053,676
General obligation bonds	100,268,495	4,640,000	10,612,852	94,295,643	10,485,185
Premium (discount)	5,079,032	260,906	431,086	4,908,852	-
Claims and judgements	1,951,033	16,287,208	15,659,284	2,578,957	429,954
<b>TOTAL</b>	<b>\$ 219,416,707</b>	<b>\$ 84,398,656</b>	<b>\$ 31,063,660</b>	<b>\$ 272,751,703</b>	<b>\$ 16,826,780</b>

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

**6. LONG-TERM OBLIGATIONS (Continued)**

Type of Debt	Beginning Balance	Additions	Deductions	Ending Balances	Amounts Due Within One Year
<b>BUSINESS-TYPE ACTIVITIES -</b>					
<b>ELECTRIC UTILITY</b>					
Net pension liability - IMRF	\$ 1,375,419	\$ 8,964,806	\$ -	\$ 10,340,225	\$ -
Compensated absences	1,273,163	626,680	629,591	1,270,252	613,816
OPEB liability	1,741,992	-	73,069	1,668,923	333,785
General obligation bonds	23,094,300	-	3,121,250	19,973,050	3,142,900
Premium (discount)	1,669,556	-	171,155	1,498,401	-
Total electric utility	29,154,430	9,591,486	3,995,065	34,750,851	4,090,501
<b>BUSINESS-TYPE ACTIVITIES -</b>					
<b>WATER AND WASTEWATER UTILITY</b>					
Net pension liability - IMRF	1,000,640	6,255,099	-	7,255,739	-
Compensated absences	633,406	323,966	416,688	540,684	392,483
OPEB liability	1,535,120	-	64,392	1,470,728	294,146
General obligation bonds	22,892,205	-	1,940,898	20,951,307	1,836,915
Premium (discount)	470,391	-	30,797	439,594	-
Total water and wastewater utility	26,531,762	6,579,065	2,452,775	30,658,052	2,523,544
<b>TOTAL</b>	<b>\$ 55,686,192</b>	<b>\$ 16,170,551</b>	<b>\$ 6,447,840</b>	<b>\$ 65,408,903</b>	<b>\$ 6,614,045</b>
<b>COMPONENT UNIT -</b>					
<b>NAPERVILLE PUBLIC LIBRARY</b>					
Net pension liability - IMRF	\$ 1,014,066	\$ 6,099,726	\$ -	\$ 7,113,792	\$ -
Compensated absences	422,195	382,087	407,674	396,608	382,181
OPEB liability	1,201,671	-	50,405	1,151,266	230,253
<b>TOTAL</b>	<b>\$ 2,637,932</b>	<b>\$ 6,481,813</b>	<b>\$ 458,079</b>	<b>\$ 8,661,666</b>	<b>\$ 612,434</b>

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

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

**6. LONG-TERM OBLIGATIONS (Continued)**

Long-term debt at December 31, 2018 consists of the following:

a. General Obligation Bonds

	Governmental Activities	Business-Type Activities	Total
April 2010, Series A, 4.65% to 5.25%, due serially through December 1, 2028	\$ -	\$ 7,975,000	\$ 7,975,000
April 2010, Series B, 2.85% to 4.50%, due serially through December 1, 2023	8,436,693	3,088,307	11,525,000
April 2010, Series D, 2% to 4%, due serially through December 1, 2021	2,450,000	-	2,450,000
July 2011, 2.000% to 4.625%, due serially through December 1, 2029	-	11,400,000	11,400,000
September 2012, 2% to 4%, due serially through December 1, 2025	8,793,950	6,111,050	14,905,000
July 2013, 3% to 4%, due serially through December 1, 2031	4,620,000	-	4,620,000
May 2014, 2.00% to 3.50%, due serially through December 1, 2032	14,000,000	-	14,000,000
June 2016, 2.00% to 3.50%, due serially through December 1, 2035	44,625,000	12,350,000	56,975,000
November 2017, 3%, due serially through December 1, 2037	6,730,000	-	6,730,000
November 2018, 3.125% to 5.000%, due serially through December 1, 2038	4,640,000	-	4,640,000
<b>TOTAL</b>	<b>\$ 94,295,643</b>	<b>\$ 40,924,357</b>	<b>\$ 135,220,000</b>

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

**6. LONG-TERM OBLIGATIONS (Continued)**

a. General Obligation Bonds (Continued)

The annual requirements to amortize all short-and long-term general obligation bonds outstanding at December 31, 2018 are as follows:

Fiscal Year	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2019	\$ 10,485,185	\$ 3,017,272	\$ 4,979,815	\$ 1,148,876
2020	10,233,435	2,690,589	4,241,565	996,749
2021	9,897,785	2,386,376	4,127,215	862,061
2022	9,092,385	2,073,814	3,902,615	727,023
2023	9,291,053	1,796,818	4,563,947	987,907
2024-2028	28,255,800	5,360,137	17,909,200	2,282,638
2029-2033	11,995,000	2,043,525	1,200,000	55,500
2034-2038	5,045,000	407,950	-	-
<b>TOTAL</b>	<b>\$ 94,295,643</b>	<b>\$ 19,776,481</b>	<b>\$ 40,924,357</b>	<b>\$ 7,060,754</b>

b. Enterprise Fund Commitments

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

Bonds Series	Electric Utility	Water and Wastewater Utility	Governmental Activities	Total
G.O. 2010A	\$ -	\$ 7,975,000	\$ -	\$ 7,975,000
G.O. 2010B	-	3,088,307	8,436,693	11,525,000
G.O. 2011	6,612,000	4,788,000	-	11,400,000
G.O. 2012 Refunding	6,111,050	-	8,793,950	14,905,000
G.O. 2016	7,250,000	5,100,000	44,625,000	56,975,000

The general obligation bonds outstanding amount for the enterprise funds at December 31, 2018 is \$40,924,357.

**7. RISK MANAGEMENT**

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

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

The Self-Insurance Fund is supported by payments from the General Fund, Naper Settlement Fund, Electric, Water and Wastewater Utility Funds, Commuter Parking Fund, Information Technology Fund, Fleet Services Fund, and the Library (component unit) based upon an estimate of the annual claims and administration costs. In addition, the City has recognized a liability for claims, which were incurred but not reported at year end. At December 31, 2018, this liability totaled \$429,954. The claims liability reported in the Self-Insurance Fund of \$2,149,003 at December 31, 2018 is based on the requirements of GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. There were no significant reductions in insurance coverage from the previous year.

Changes in the Self-Insurance Fund's claims liability amount for the fiscal year ended December 31, 2018 and 2017 were:

	2018	2017
CLAIMS LIABILITY, BEGINNING OF YEAR	\$ 1,951,033	\$ 2,131,777
Incurred claims	16,287,208	13,043,922
Claim payments	(15,659,284)	(13,224,666)
	\$ 2,578,957	\$ 1,951,033
CLAIMS LIABILITY, END OF YEAR		

**8. COMMITMENTS AND CONTINGENCIES**

DuPage Water Commission

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

Illinois Municipal Electric Agency (IMEA)

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

The City's Power Sales Contract includes a premium adjustment to IMEA to secure additional capacity and energy resources to add to its existing mix of resources in order to be able to service the City. The premium payments to be made to IMEA through 2025 are to offset the projected increase to the average power supply costs to IMEA's 29 existing participating members resulting in acquisition of the resources necessary to serve the City. The projected premium payments are approximately \$59.2 million. The cumulative premium payments through December 31, 2018 are \$34.1 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.

Naperville Renewable Energy Program

The City participates in a Renewable Energy Program to make the choice for a clean energy future. This program enables customers to support clean energy resources such as wind and sun that protect our environment and make a difference for future generations. The program is comprised predominantly of unbundled wind "renewable energy certificates" (RECs), as well as a small volume of unbundled solar RECs. The current REC mix is 99% wind, 1% solar. On a dollar spent basis, the mix in fiscal year 2018 was 93% wind and 7% solar because the solar REC's are much more expensive. The program includes a strong local component, sourcing all of its RECs from Illinois projects. The local component is an integral part of the program, and the City will continue to source 100% of its renewable energy offering from Illinois-sited renewable energy facilities.

**8. COMMITMENTS AND CONTINGENCIES (Continued)**

The City holds primary responsibility for the program on behalf of its customers and has retained the services of Customized Energy Solutions to manage the program's administration and renewable offerings. During fiscal year 2018, the City collected \$0.3 million and due to management efficiencies will make all funds, less minimum administration costs, available through grants to directly fund local community based renewable energy projects within the City. The fund balance of this subfund of the electric fund at December 31, 2018 is \$1.5 million.

Development Assistance

The City has entered into various agreements with private organizations to encourage economic development in the City. Some of these agreements provide for rebating a portion of sales tax and hotel tax to the private organizations if certain benchmarks of development are achieved. During the year ended December 31, 2018, \$606,101 in sales tax and \$1,371,825 in hotel tax were rebated under these agreements. Estimated remaining \$27.9 million will be payable throughout 19 years.

**9. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS**

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

The table below is a summary for all pension plans as of and for the year ended December 31, 2018:

	IMRF (City Share)	Police Pension	Firefighters' Pension	Total
Net pension liability	\$ 40,683,331	\$ 59,059,361	\$ 70,253,691	\$ 169,996,383
Deferred outflows of resources	24,192,836	14,789,838	19,564,436	58,547,110
Deferred inflows of resources	4,641,179	7,053,402	3,790,345	15,484,926
Pension expense	5,980,069	7,910,325	12,359,527	26,249,921



**9. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)**

The pension expense recognized for all plans was \$26,249,921 for the City and \$1,045,661 for the Library for the year ended December 31, 2018.

a. Plan Descriptions

Illinois Municipal Retirement Fund

*Plan Administration*

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

*Benefits Provided*

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

IMRF provides two tiers of pension benefits. Employees hired before January 1, 2011, are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last ten years of service, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of

**9. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)**

a. Plan Descriptions

Illinois Municipal Retirement Fund (Continued)

*Benefits Provided (Continued)*

their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last ten years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the *lesser* of:

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

*Plan Membership*

As of December 31, 2018, the following employees were covered by the benefit terms:

Inactive plan members currently receiving benefits	740
Inactive plan members entitled to but not yet receiving benefits	694
Active plan members	808
<b>TOTAL</b>	<b>2,242</b>

*Contributions*

As set by statute, the City's RP Members are required to contribute 4.50% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The City's annual contribution rate for calendar year 2018 was 11.41% of covered payroll.

*Net Pension Liability*

The City's net pension liability was measured as of December 31, 2018. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

**9. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)**

a. Plan Descriptions

Illinois Municipal Retirement Fund (Continued)

*Actuarial Assumptions*

The total pension liability was determined by an actuarial valuation performed, as of December 31, 2018, using the following actuarial methods and assumptions:

Actuarial cost method	Entry-age normal
Asset valuation method	Market
Actuarial assumptions	
Interest rate	7.25%
Salary increases	3.39% to 14.25%
Cost of living adjustments	3.00%
Inflation	2.50%

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

*Discount Rate*

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

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

**9. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)**

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

*Discount Rate Sensitivity*

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net pension liability	\$ 89,755,806	\$ 47,797,123	\$ 13,318,597

*Changes in the Net Pension Liability*

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT JANUARY 1, 2018	\$ 316,564,984	\$ 309,776,038	\$ 6,788,946
Changes for the period			
Service cost	5,185,160	-	5,185,160
Interest	23,410,727	-	23,410,727
Difference between expected and actual experience	480,406	-	480,406
Changes in assumptions	9,247,031	-	9,247,031
Employer contributions	-	6,037,819	(6,037,819)
Employee contributions	-	2,500,845	(2,500,845)
Net investment income	-	(15,495,449)	15,495,449
Benefit payments and refunds	(14,029,079)	(14,029,079)	-
Other (net transfer)	-	4,271,932	(4,271,932)
BALANCES AT DECEMBER 31, 2018	\$ 340,859,229	\$ 293,062,106	\$ 47,797,123

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

**9. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)**

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Assumptions related to the discount rate were changed from 7.50% to 7.25%.

	<u>City</u>	<u>Library</u>	<u>Total</u>
BEGINNING NET PENSION LIABILITY AT JANUARY 1, 2018	\$ 5,774,880	\$ 1,014,066	\$ 6,788,946
EMPLOYER CONTRIBUTIONS - 2018	\$ 5,139,192	\$ 898,627	\$ 6,037,819
ENDING NET PENSION LIABILITY AT DECEMBER 31, 2018	\$ 40,683,331	\$ 7,113,792	\$ 47,797,123

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

For the fiscal year ended December 31, 2018, the City recognized pension expense of \$5,980,069 and the Library recognized \$1,045,661. At December 31, 2018, the City reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Total</u>
Difference between expected and actual experience	\$ 2,376,117	\$ 554,317	\$ 1,821,800
Changes in assumption	6,710,006	4,898,407	1,811,599
Net difference between projected and actual earnings on pension plan investments	19,337,015	-	19,337,015
TOTAL	\$ 28,423,138	\$ 5,452,724	\$ 22,970,414

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

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**9. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)**

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

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

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

<u>Fiscal Year</u>	<u>City Net Deferred Inflows of Resources</u>	<u>Library Net Deferred Inflows of Resources</u>	<u>Total</u>
2019	\$ 5,905,349	\$ 1,032,595	\$ 6,937,944
2020	3,505,736	613,005	4,118,741
2021	3,555,442	621,696	4,177,138
2022	6,585,130	1,151,461	7,736,591
2023	-	-	-
Thereafter	-	-	-
<b>TOTAL</b>	<b><u>\$ 19,551,657</u></b>	<b><u>\$ 3,418,757</u></b>	<b><u>\$ 22,970,414</u></b>

Police Pension Plan

*Plan Administration*

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

**9. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)**

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

*Plan Membership*

At December 31, 2018, the measurement date, membership consisted of the following:

Inactive plan members currently receiving benefits	91
Inactive plan members entitled to but not yet receiving benefits	7
Active plan members	<u>167</u>
 TOTAL	 <u><u>265</u></u>

*Benefits Provided*

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

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

Covered employees hired on or after January 1, 2011 (Tier 2), attaining the age of 55 or older with ten or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the police officer during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Police officer salary for the pension purposes is capped at \$106,800, plus the lesser of ½ of the annual change in the Consumer Price Index or 3% compounded. The annual benefit shall be increased by 2.50% of such a

**9. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)**

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

*Benefits Provided (Continued)*

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

*Contributions*

Covered employees are required to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The City is required to contribute the remaining amounts necessary to finance the plan and the administrative costs as actuarially determined by an enrolled actuary. However, effective January 1, 2011, ILCS requires the City to contribute a minimum amount annually calculated using the projected unit credit actuarial cost method that will result in the funding of 90% of the past service cost by the year 2040. However, the City is funding using the entry age normal actuarial cost method to fund 100% of the past service cost by the year 2033. For the fiscal year ended December 31, 2018, the City's contribution was 40.60% of covered payroll.

*Actuarial Assumptions*

The total pension liability was determined by an actuarial valuation performed, as of December 31, 2018, using the following actuarial methods and assumptions:

Actuarial cost method	Entry-age normal
Asset valuation method	Market
Actuarial assumptions	
Interest rate	7.00%
Salary increases	4.00% to 11.00%
Cost of living adjustments	3.00%
Inflation	2.50%



**9. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)**

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

*Actuarial Assumptions (Continued)*

Mortality rates were based on the RP-2000 Combined Healthy Mortality Table with a blue collar adjustment. The actuarial assumptions used in the December 31, 2018 valuation were based on the results of an actuarial experience study conducted by the Illinois Department of Insurance dated 2012.

*Discount Rate*

The discount rate used to measure the total pension liability was 7%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that city contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Police Pension Fund's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

*Discount Rate Sensitivity*

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

	1% Decrease (6%)	Current Discount Rate (7%)	1% Increase (8%)
Net pension liability	\$ 92,078,036	\$ 59,059,361	\$ 32,021,562

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

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**9. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)**

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

*Changes in the Net Pension Liability*

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT JANUARY 1, 2018	\$ 215,474,918	\$ 173,941,454	\$ 41,533,464
Changes for the period			
Service cost	4,341,621	-	4,341,621
Interest	15,123,748	-	15,123,748
Difference between expected and actual experience	(1,365,474)	-	(1,365,474)
Changes in assumptions	-	-	-
Employer contributions	-	7,224,321	(7,224,321)
Employee contributions	-	1,763,521	(1,763,521)
Net investment income	-	(8,335,403)	8,335,403
Benefit payments and refunds	(7,525,979)	(7,525,979)	-
Other (net transfer)	-	(78,441)	78,441
BALANCES AT DECEMBER 31, 2018	<u>\$ 226,048,834</u>	<u>\$ 166,989,473</u>	<u>\$ 59,059,361</u>

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

**9. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)**

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

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

For the fiscal year ended December 31, 2018, the City recognized pension expense of \$7,910,325. At December 31, 2018, the City reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Total
Difference between expected and actual experience	\$ 1,052,440	\$ (7,053,402)	\$ (6,000,962)
Changes in assumption	1,508,169	-	1,508,169
Net difference between projected and actual earnings on pension plan investments	12,229,229	-	12,229,229
<b>TOTAL</b>	<u>\$ 14,789,838</u>	<u>\$ (7,053,402)</u>	<u>\$ 7,736,436</u>

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

Fiscal Year	Net Deferred Outflows (Inflows) of Resources
2019	\$ (2,510,701)
2020	(474,964)
2021	(830,874)
2022	(4,147,476)
2023	227,579
Thereafter	-
<b>TOTAL</b>	<u>\$ (7,736,436)</u>

**9. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)**

a. Plan Descriptions (Continued)

Firefighters' Pension Plan

*Plan Administration*

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

*Plan Membership*

At December 31, 2018, the measurement date, membership consisted of the following:

Inactive plan members currently receiving benefits	115
Inactive plan members entitled to but not yet receiving benefits	8
Active plan members	<u>185</u>
<b>TOTAL</b>	<b><u><u>308</u></u></b>

*Benefits Provided*

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

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

**9. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)**

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

*Benefits Provided (Continued)*

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

*Contributions*

Covered employees are required to contribute 9.455% of their base salary to the Firefighters' Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The City is required to contribute the remaining amounts necessary to finance the plan and the administrative costs as actuarially determined by an enrolled actuary. However, effective January 1, 2011, ILCS requires the City to contribute a minimum amount annually calculated using the projected unit credit actuarial cost method that will result in the funding of 90% of the past service cost by the year 2040. However, the City is funding using the entry age normal actuarial cost method to fund 100% of the past service cost by the year 2033. For the fiscal year ended December 31, 2018, the City's contribution was 46.98% of covered payroll.

**9. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)**

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

*Actuarial Assumptions*

The total pension liability was determined by an actuarial valuation performed, as of December 31, 2018, using the following actuarial methods and assumptions:

Actuarial cost method	Entry-age normal
Asset valuation method	Market
Actuarial assumptions	
Interest rate	7.00%
Salary increases	4.00% to 12.00%
Cost of living adjustments	3.00%
Inflation	2.50%

Mortality rates were based on the RP-2000 Combined Healthy Mortality Table with a blue collar adjustment. The actuarial assumptions used in the December 31, 2018 valuation were based on the results of an actuarial experience study conducted by the Illinois Department of Insurance dated 2012.

*Discount Rate*

The discount rate used to measure the total pension liability was 7%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that city contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Firefighters' Pension Fund's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

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

**9. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)**

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

*Discount Rate Sensitivity*

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

	1% Decrease (6%)	Current Discount Rate (7%)	1% Increase (8%)
Net pension liability	\$ 105,004,725	\$ 70,253,691	\$ 41,884,647

*Changes in the Net Pension Liability*

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT JANUARY 1, 2018	\$ 222,581,373	\$ 174,439,382	\$ 48,141,991
Changes for the period			
Service cost	5,195,663	-	5,195,663
Interest	15,645,078	-	15,645,078
Difference between expected and actual experience	2,403,795	-	2,403,795
Changes in assumptions	-	-	-
Employer contributions	-	9,004,224	(9,004,224)
Employee contributions	-	1,812,343	(1,812,343)
Contributions buy-back	22,660	22,660	-
Net investment income	-	(9,573,948)	9,573,948
Benefit payments and refunds	(8,551,855)	(8,551,855)	-
Other (net transfer)	-	(109,783)	109,783
BALANCES AT DECEMBER 31, 2018	\$ 237,296,714	\$ 167,043,023	\$ 70,253,691

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

**9. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)**

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

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

For the fiscal year ended December 31, 2018, the City recognized pension expense of \$12,359,527. At December 31, 2018, the City reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Total
Difference between expected and actual experience	\$ 3,388,553	\$ (3,790,345)	\$ (401,792)
Changes in assumption	2,899,580	-	2,899,580
Net difference between projected and actual earnings on pension plan investments	13,276,303	-	13,276,303
<b>TOTAL</b>	<u><u>\$ 19,564,436</u></u>	<u><u>\$ (3,790,345)</u></u>	<u><u>\$ 15,774,091</u></u>

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

Fiscal Year	Net Deferred Outflows (Inflows) of Resources
2019	\$ 5,508,317
2020	2,586,236
2021	2,633,463
2022	4,537,430
2023	165,246
Thereafter	343,399
<b>TOTAL</b>	<u><u>\$ 15,774,091</u></u>



**10. OTHER POSTEMPLOYMENT BENEFITS**

a. Plan Description

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

b. Benefits Provided

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

c. Membership

At December 31, 2018, membership consisted of:

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

**10. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

d. Total OPEB Liability

The City's total OPEB liability of \$14,559,296 was measured as of December 31, 2018 and was determined by an actuarial valuation as of December 31, 2018.

e. Actuarial Assumptions and Other Inputs

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

Actuarial cost method	Entry-age normal
Actuarial value of assets	Not applicable
Salary increases	Varies by service
Discount rate	4.10%
Healthcare cost trend rates	8.00% initial trend rate to 4.00% ultimate trend rate

The discount rate used in the determination of the total OPEB liability is based on the municipal bond rate. The municipal bond rate was based on the index rate for 20-year tax exempt general obligation municipal bonds rated AA or better at December 31, 2018.

Firefighters' and Police Pension Plan Participants:

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

IMRF Participants:

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

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

**10. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

f. Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
BALANCES AT JANUARY 1, 2018	<u>\$ 15,196,740</u>
Changes for the period	
Service cost	592,889
Interest	530,864
Difference between expected and actual experience	-
Changes in benefit terms	-
Changes in assumptions	(1,040,027)
Benefit payments	<u>(721,170)</u>
Net changes	<u>(637,444)</u>
BALANCES AT DECEMBER 31, 2018	<u>\$ 14,559,296</u>

Changes in assumptions reflect a change in the discount rate from 3.44% for the reporting period ending December 31, 2017 to 4.10% for the reporting period ending December 31, 2018.

g. Rate Sensitivity

The following is a sensitivity analysis of the total OPEB liability to changes in the discount rate and the healthcare cost trend rate. The table below presents the total OPEB liability of the City calculated using the discount rate of 4.10% as well as what the City total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.10%) or 1 percentage point higher (5.10%) than the current rate:

	1% Decrease (3.10%)	Current Discount Rate (4.10%)	1% Increase (5.10%)
Total OPEB liability	\$ 16,187,495	\$ 14,559,296	\$ 13,199,669

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

**10. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

g. Rate Sensitivity (Continued)

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

	1% Decrease	Current Healthcare Rate	1% Increase
Total OPEB liability	\$ 12,929,429	\$ 14,559,296	\$ 16,558,339

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

For the year ended December 31, 2018, the City recognized OPEB expense of \$1,002,750. At December 31, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -
Changes in assumptions	-	910,024
<b>TOTAL</b>	<b>\$ -</b>	<b>\$ 910,024</b>

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

<u>Year Ending December 31,</u>	
2019	\$ (130,003)
2020	(130,003)
2021	(130,003)
2022	(130,003)
2023	(130,003)
Thereafter	(260,009)
<b>TOTAL</b>	<b>\$ (910,024)</b>

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

**11. DISCRETELY PRESENTED COMPONENT UNIT - NAPERVILLE PUBLIC LIBRARY**

The following is summary fund financial information for the Library for the fiscal year ended December 31, 2018:

**Balance Sheet**

	General Operating	Special Revenue			Total	Adjustment	Statement of Net Position
		Building Reserve	Gift and Memorial	Endowment			
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>							
<b>ASSETS</b>							
Cash and cash equivalents	\$ 1,212,152	\$ 236,366	\$ 39,400	\$ -	\$ 1,487,918	\$ -	\$ 1,487,918
Property taxes receivable, net of allowance for uncollectible accounts	14,683,000	-	-	-	14,683,000	-	14,683,000
Interest receivable	3,224	677	136	-	4,037	-	4,037
Capital assets (net)							
Capital assets not depreciated	-	-	-	-	-	-	-
Capital assets depreciated, net	-	-	-	-	-	10,752,344	10,752,344
<b>Total assets</b>	<b>15,898,376</b>	<b>237,043</b>	<b>39,536</b>	<b>-</b>	<b>16,174,955</b>	<b>10,752,344</b>	<b>26,927,299</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>							
Deferred items - IMRF	-	-	-	-	-	4,230,303	4,230,303
<b>Total deferred outflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,230,303</b>	<b>4,230,303</b>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 15,898,376</b>	<b>\$ 237,043</b>	<b>\$ 39,536</b>	<b>\$ -</b>	<b>\$ 16,174,955</b>	<b>\$ 14,982,647</b>	<b>\$ 31,157,602</b>

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

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

Balance Sheet (Continued)

	General Operating	Special Revenue			Total	Adjustment	Statement of Net Position
		Building Reserve	Gift and Memorial	Endowment			
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES/ NET POSITION</b>							
<b>LIABILITIES</b>							
Accounts payable	\$ 127,696	\$ 54,897	\$ 164	\$ -	\$ 182,757	\$ -	\$ 182,757
Accrued wages and benefits	415,824	-	-	-	415,824	-	415,824
Compensated absences	-	-	-	-	-	396,608	396,608
Net pension liability	-	-	-	-	-	7,113,792	7,113,792
OPEB liability	-	-	-	-	-	1,151,266	1,151,266
<b>Total liabilities</b>	<b>543,520</b>	<b>54,897</b>	<b>164</b>	<b>-</b>	<b>598,581</b>	<b>8,661,666</b>	<b>9,260,247</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Deferred items - IMRF	-	-	-	-	-	811,546	811,546
Deferred items - OPEB	-	-	-	-	-	71,959	71,959
Unavailable/earned property tax revenue	14,683,000	-	-	-	14,683,000	-	14,683,000
<b>Total deferred inflows of resources</b>	<b>14,683,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14,683,000</b>	<b>883,505</b>	<b>15,566,505</b>
<b>FUND BALANCES/ NET POSITION</b>							
<b>Fund balances</b>							
Committed for culture and recreation	-	182,146	39,372	-	221,518	(221,518)	-
Unassigned	671,856	-	-	-	671,856	(671,856)	-
<b>Net position</b>							
Invested in capital assets	-	-	-	-	-	10,752,344	10,752,344
Unrestricted	-	-	-	-	-	(4,421,494)	(4,421,494)
<b>Total fund balances/ net position</b>	<b>671,856</b>	<b>182,146</b>	<b>39,372</b>	<b>-</b>	<b>893,374</b>	<b>5,437,476</b>	<b>6,330,850</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES/ NET POSITION</b>	<b>\$ 15,898,376</b>	<b>\$ 237,043</b>	<b>\$ 39,536</b>	<b>\$ -</b>	<b>\$ 16,174,955</b>	<b>\$ 14,982,647</b>	<b>\$ 31,157,602</b>

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

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

Statement of Net Position

	General Operating	Special Revenue			Total	Adjustment	Statement of Activities
		Building Reserve	Gift and Memorial	Endowment			
<b>REVENUES</b>							
Property taxes	\$ 14,685,196	\$ -	\$ -	\$ -	\$ 14,685,196	\$ -	\$ 14,685,196
Other taxes - personal property replacement tax	77,812	-	-	-	77,812	-	77,812
Fines and forfeits	348,384	-	-	-	348,384	-	348,384
Net investment income	118,645	3,476	221	-	122,342	-	122,342
Intergovernmental	-	-	2,566	-	2,566	-	2,566
Charges for services	14,444	-	-	-	14,444	-	14,444
Fees	156,001	-	-	-	156,001	-	156,001
Contribution	177,316	-	7,878	-	185,194	-	185,194
Miscellaneous	34,693	4,919	-	-	39,612	-	39,612
<b>Total revenues</b>	<b>15,612,491</b>	<b>8,395</b>	<b>10,665</b>	<b>-</b>	<b>15,631,551</b>	<b>-</b>	<b>15,631,551</b>
<b>EXPENDITURES/EXPENSES</b>							
Current							
Culture and recreation	14,844,063	283,272	8,065	-	15,135,400	878,332	16,013,732
<b>Total expenditures/ expenses</b>	<b>14,844,063</b>	<b>283,272</b>	<b>8,065</b>	<b>-</b>	<b>15,135,400</b>	<b>878,332</b>	<b>16,013,732</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>768,428</b>	<b>(274,877)</b>	<b>2,600</b>	<b>-</b>	<b>496,151</b>	<b>(878,332)</b>	<b>(382,181)</b>
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers in	-	110,000	10,554	-	120,554	(120,554)	-
Transfers (out)	(110,000)	-	-	(10,554)	(120,554)	120,554	-
<b>Total other financing sources (uses)</b>	<b>(110,000)</b>	<b>110,000</b>	<b>10,554</b>	<b>(10,554)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES/NET POSITION</b>	<b>658,428</b>	<b>(164,877)</b>	<b>13,154</b>	<b>(10,554)</b>	<b>496,151</b>	<b>(878,332)</b>	<b>(382,181)</b>
<b>FUND BALANCES/ NET POSITION AT JANUARY 1, 2018</b>	<b>13,428</b>	<b>347,023</b>	<b>26,218</b>	<b>10,554</b>	<b>397,223</b>	<b>7,355,247</b>	<b>7,752,470</b>
Change in accounting principle	-	-	-	-	-	(1,039,439)	(1,039,439)
<b>FUND BALANCES/ NET POSITION AT JANUARY 1, 2018 RESTATED</b>	<b>13,428</b>	<b>347,023</b>	<b>26,218</b>	<b>10,554</b>	<b>397,223</b>	<b>6,315,808</b>	<b>6,713,031</b>
<b>FUND BALANCES/ NET POSITION AT DECEMBER 31, 2018</b>	<b>\$ 671,856</b>	<b>\$ 182,146</b>	<b>\$ 39,372</b>	<b>\$ -</b>	<b>\$ 893,374</b>	<b>\$ 5,437,476</b>	<b>\$ 6,330,850</b>

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

**12. CHANGE IN ACCOUNTING PRINCIPLE/PRIOR PERIOD ADJUSTMENTS**

For the fiscal year ended December 31, 2018, the City implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. With the implementation, the City is required to retroactively record the total OPEB liability and write-off the net OPEB obligation. In addition to the change in accounting principle, the City had prior period adjustments as described below.

The beginning net position/fund balance reported in the government-wide activities, business-type activities, major funds, and aggregate non-major funds' financial statements has been restated as follows:

	Governmental Activities	Business-Type Activities	Electric Utility	Water and Wastewater Utility	Other Enterprise
FUND BALANCE/NET POSITION, JANUARY 1	\$ 345,667,583	\$ 451,396,303	\$ 223,783,401	\$ 211,188,569	\$ 16,424,333
RESTATEMENTS					
Write-off net OPEB obligation	2,405,340	229,858	121,405	108,453	-
Total OPEB liability	(10,717,957)	(3,277,112)	(1,741,992)	(1,535,120)	-
Total change in accounting principle	(8,312,617)	(3,047,254)	(1,620,587)	(1,426,667)	-
Properly report revenues	-	(167,075)	-	-	(167,075)
Total change in accounting principle and prior period adjustment	(8,312,617)	(3,214,329)	(1,620,587)	(1,426,667)	(167,075)
FUND BALANCE/NET POSITION, JANUARY 1 (RESTATED)	\$ 337,354,966	\$ 448,181,974	\$ 222,162,814	\$ 209,761,902	\$ 16,257,258



**REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF NAPERVILLE, ILLINOIS**

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

For the Year Ended December 31, 2018

	<u>Budgeted Amount</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Property taxes	\$ 18,823,569	\$ 18,323,569	\$ 18,456,230	\$ 132,661
Utility tax	16,330,000	16,550,000	16,008,161	(541,839)
Other taxes	7,345,000	7,625,000	6,522,733	(1,102,267)
Licenses and permits	2,480,250	2,480,250	2,717,215	236,965
Fines	1,685,000	1,685,000	1,215,158	(469,842)
Net investment income	174,500	174,500	232,758	58,258
Intergovernmental	51,773,200	51,993,720	51,987,826	(5,894)
Charges for services	18,734,437	18,734,437	19,622,352	887,915
Franchise fees	3,355,000	3,355,000	3,096,941	(258,059)
Miscellaneous	367,000	367,000	354,553	(12,447)
<b>Total revenues</b>	<b>121,067,956</b>	<b>121,288,476</b>	<b>120,213,927</b>	<b>(1,074,549)</b>
<b>EXPENDITURES</b>				
Current				
General government	10,833,399	10,833,399	12,059,856	(1,226,457)
Physical environment	8,028,479	8,028,479	8,254,712	(226,233)
Public safety	76,323,419	76,543,939	74,480,884	2,063,055
Transportation	24,679,568	24,679,568	24,387,067	292,501
Culture and recreation	82,902	82,902	58,099	24,803
<b>Total expenditures</b>	<b>119,947,767</b>	<b>120,168,287</b>	<b>119,240,618</b>	<b>927,669</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>1,120,189</b>	<b>1,120,189</b>	<b>973,309</b>	<b>(146,880)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers (out)	(1,111,378)	(1,111,378)	(1,111,378)	-
<b>Total other financing sources (uses)</b>	<b>(1,111,378)</b>	<b>(1,111,378)</b>	<b>(1,111,378)</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ 8,811</b>	<b>\$ 8,811</b>	<b>(138,069)</b>	<b>\$ (146,880)</b>
<b>FUND BALANCE, JANUARY 1</b>			<u>28,413,080</u>	
<b>FUND BALANCE, DECEMBER 31</b>			<u>\$ 28,275,011</u>	

(See independent auditor's report.)

**CITY OF NAPERVILLE, ILLINOIS**

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

December 31, 2018

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Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual budgets are adopted at the fund level for the Governmental and Proprietary Funds except for the Fair Share Assessment, Foreign Fire Insurance, and Water Street TIF 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>
Food and Beverage Tax	\$ 91,687
E-911 Surcharge	717,646

**CITY OF NAPERVILLE, ILLINOIS**

SCHEDULE OF EMPLOYER CONTRIBUTIONS  
ILLINOIS MUNICIPAL RETIREMENT FUND

Last Four Fiscal Years

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

Notes to the Required Supplementary Information

Actuarial cost method	Entry-age normal
Amortization method	Level % pay (closed)
Remaining amortization period	26 years
Asset valuation method	Five-year smoothed market
Inflation	2.75%
Salary increases	3.75% to 14.50%
Investment rate of return	7.50%
Retirement age	See the notes to the financial statements
Mortality	MP-2014 (base year 2012)

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

(See independent auditor's report.)

**CITY OF NAPERVILLE, ILLINOIS**

**SCHEDULE OF EMPLOYER CONTRIBUTIONS  
POLICE PENSION FUND**

Last Five Fiscal Years

<b>FISCAL YEAR ENDED</b>	<b>April 30,</b>	<b>December 31,</b>			
	<b>2015*</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
Actuarially determined contributions	\$ 5,156,419	\$ 4,809,036	\$ 5,829,394	\$ 6,538,474	\$ 7,129,194
Contributions in relation to the actuarially determined contribution	5,156,419	4,809,036	5,829,394	6,538,474	7,129,194
<b>CONTRIBUTION DEFICIENCY (Excess)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
Additional voluntary contribution	484,761	536,397	500,194	139,333	95,127
<b>Total contributions</b>	<b>\$ 5,641,180</b>	<b>\$ 5,345,433</b>	<b>\$ 6,329,588</b>	<b>\$ 6,677,807</b>	<b>\$ 7,224,321</b>
Covered payroll	\$ 16,365,735	\$ 16,683,031	\$ 17,893,623	\$ 18,050,807	\$ 17,795,368
Contributions as a percentage of covered payroll	34.47%	32.04%	35.37%	36.99%	40.60%

Notes to the Required Supplementary Information

Actuarial cost method	Entry-age normal
Amortization method	Level % pay (closed)
Remaining amortization period	16 years
Asset valuation method	Market value
Inflation	2.50%
Salary increases	5.00%
Investment rate of return	7.00%
Retirement age	100% by age 70
Mortality	RP 2000 Mortality Table (CHBCA)

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

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

(See independent auditor's report.)

**CITY OF NAPERVILLE, ILLINOIS**

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

Last Five Fiscal Years

<b>FISCAL YEAR ENDED</b>	<b>April 30,</b>	<b>December 31,</b>			
	<b>2015*</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
Actuarially determined contributions	\$ 5,183,001	\$ 4,820,338	\$ 5,871,947	\$ 7,237,440	\$ 8,896,264
Contributions in relation to the actuarially determined contribution	5,183,001	4,820,338	5,871,947	7,237,440	8,896,264
<b>CONTRIBUTION DEFICIENCY (Excess)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
Additional voluntary contribution	487,038	535,385	543,549	100,760	107,960
Total contributions	\$ 5,670,039	\$ 5,355,723	\$ 6,415,496	\$ 7,338,200	\$ 9,004,224
Covered payroll	\$ 17,165,868	\$ 18,315,408	\$ 18,576,954	\$ 19,262,676	\$ 19,168,091
Contributions as a percentage of covered payroll	33.03%	29.24%	34.53%	38.10%	46.98%

Notes to the Required Supplementary Information

Actuarial cost method	Entry-age normal
Amortization method	Level % pay (closed)
Remaining amortization period	16 years
Asset valuation method	Five-year smoothed market
Inflation	2.50%
Salary increases	5.00%
Investment rate of return	7.00%
Retirement age	100% by age 70
Mortality	RP 2000 Mortality Table (CHBCA)

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

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

(See independent auditor's report.)

**CITY OF NAPERVILLE, ILLINOIS**

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

Last Four Fiscal Years

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

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

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

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

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

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

(See independent auditor's report.)

**CITY OF NAPERVILLE, ILLINOIS**

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

Last Five Fiscal Years

MEASUREMENT DATE	April 30,	December 31,			
	2015*	2015	2016	2017	2018
<b>TOTAL PENSION LIABILITY</b>					
Service cost	\$ 3,442,284	\$ 2,635,406	\$ 4,113,967	\$ 4,277,831	\$ 4,341,621
Interest	12,150,401	8,904,818	13,993,038	14,216,220	15,123,748
Changes in benefit terms	-	-	-	-	-
Differences between expected and actual experience	(2,006,971)	(1,398,497)	(11,518,319)	1,578,661	(1,365,474)
Change of assumptions	8,387,367	-	3,016,340	-	-
Benefit payments, including refunds of member contributions	(5,506,966)	(3,958,442)	(6,365,209)	(6,817,646)	(7,525,979)
Net change in total pension liability	16,466,115	6,183,285	3,239,817	13,255,066	10,573,916
Total pension liability - beginning	176,330,635	192,796,750	198,980,035	202,219,852	215,474,918
<b>TOTAL PENSION LIABILITY - ENDING</b>	<b>\$ 192,796,750</b>	<b>\$ 198,980,035</b>	<b>\$ 202,219,852</b>	<b>\$ 215,474,918</b>	<b>\$ 226,048,834</b>
<b>PLAN FIDUCIARY NET POSITION</b>					
Contributions - employer	\$ 5,641,180	\$ 5,345,433	\$ 6,329,588	\$ 6,677,807	\$ 7,224,321
Contributions - members	1,599,368	1,117,257	1,773,258	1,788,835	1,763,521
Contributions - other	8,066	2,237	21,704	-	-
Net investment income	8,726,002	(4,333,440)	11,562,097	20,204,239	(8,335,403)
Benefit payments, including refunds of member contributions	(5,506,966)	(3,950,028)	(6,386,913)	(6,817,646)	(7,525,979)
Administrative expense	(130,073)	(67,226)	(53,912)	(66,441)	(78,441)
Net change in plan fiduciary net position	10,337,577	(1,885,767)	13,245,822	21,786,794	(6,951,981)
Plan fiduciary net position - beginning	130,457,028	140,794,605	138,908,838	152,154,660	173,941,454
<b>PLAN FIDUCIARY NET POSITION - ENDING</b>	<b>\$ 140,794,605</b>	<b>\$ 138,908,838</b>	<b>\$ 152,154,660</b>	<b>\$ 173,941,454</b>	<b>\$ 166,989,473</b>
<b>EMPLOYER'S NET PENSION LIABILITY</b>	<b>\$ 52,002,145</b>	<b>\$ 60,071,197</b>	<b>\$ 50,065,192</b>	<b>\$ 41,533,464</b>	<b>\$ 59,059,361</b>
Plan fiduciary net position as a percentage of the total pension liability	73.03%	69.81%	75.24%	80.72%	73.87%
Covered payroll	\$ 16,365,735	\$ 16,683,031	\$ 17,893,623	\$ 18,050,807	\$ 17,795,368
Employer's net pension liability as a percentage of covered payroll	317.75%	360.07%	279.79%	230.09%	331.88%

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

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

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

- For healthy lives, the mortality rates were updated from RP-2000 Combined Healthy Mortality with a blue collar adjustment to RP-2000 Combined Healthy Mortality with a blue collar adjustment, projected to the valuation date using Scale BB.
- For disabled lives, the mortality rates were updated from RP-2000 Disabled Retiree Mortality to RP-2000 Disabled Retiree Mortality, projected to the valuation date using Scale BB.
- The Salary Scale assumptions was changed from 5.00% to service based.

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

(See independent auditor's report.)



**CITY OF NAPERVILLE, ILLINOIS**

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

Last Five Fiscal Years

MEASUREMENT DATE	April 30,	December 31,			
	2015*	2015	2016	2017	2018
<b>TOTAL PENSION LIABILITY</b>					
Service cost	\$ 3,852,140	\$ 3,038,367	\$ 5,196,429	\$ 5,414,018	\$ 5,195,663
Interest	11,857,616	8,558,822	14,032,562	14,813,198	15,645,078
Changes in benefit terms	-	-	-	-	-
Differences between expected and actual experience	(82,734)	5,414,803	(5,954,167)	(96,584)	2,403,795
Change of assumptions	2,920,299	-	4,639,327	-	-
Contributions buy-back	-	-	-	15,593	22,660
Benefit payments, including refunds of member contributions	(5,207,568)	(3,869,445)	(6,423,714)	(7,535,884)	(8,551,855)
Net change in total pension liability	13,339,753	13,142,547	11,490,437	12,610,341	14,715,341
Total pension liability - beginning	171,998,295	185,338,048	198,480,595	209,971,032	222,581,373
<b>TOTAL PENSION LIABILITY - ENDING</b>	<b>\$ 185,338,048</b>	<b>\$ 198,480,595</b>	<b>\$ 209,971,032</b>	<b>\$ 222,581,373</b>	<b>\$ 237,296,714</b>
<b>PLAN FIDUCIARY NET POSITION</b>					
Contributions - employer	\$ 5,670,039	\$ 5,355,723	\$ 6,415,496	\$ 7,338,200	\$ 9,004,224
Contributions - members	1,839,016	1,181,158	1,756,451	1,821,286	1,812,343
Contributions buy-back	-	-	-	15,593	22,660
Net investment income	7,705,014	(4,543,027)	11,586,944	20,265,831	(9,573,948)
Benefit payments, including refunds of member contributions	(5,207,568)	(3,869,445)	(6,423,714)	(7,535,884)	(8,551,855)
Administrative expense	(109,970)	(82,866)	(123,773)	(126,490)	(109,783)
Net change in plan fiduciary net position	9,896,531	(1,958,457)	13,211,404	21,778,536	(7,396,359)
Plan fiduciary net position - beginning	131,511,368	141,407,899	139,449,442	152,660,846	174,439,382
<b>PLAN FIDUCIARY NET POSITION - ENDING</b>	<b>\$ 141,407,899</b>	<b>\$ 139,449,442</b>	<b>\$ 152,660,846</b>	<b>\$ 174,439,382</b>	<b>\$ 167,043,023</b>
<b>EMPLOYER'S NET PENSION LIABILITY</b>	<b>\$ 43,930,149</b>	<b>\$ 59,031,153</b>	<b>\$ 57,310,186</b>	<b>\$ 48,141,991</b>	<b>\$ 70,253,691</b>
Plan fiduciary net position as a percentage of the total pension liability	76.30%	70.26%	72.71%	78.37%	70.39%
Covered payroll	\$ 17,165,868	\$ 18,315,408	\$ 18,576,954	\$ 19,262,676	\$ 19,168,091
Employer's net pension liability as a percentage of covered payroll	255.92%	322.30%	308.50%	249.92%	366.51%

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

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

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

- For healthy lives, the mortality rates were updated from RP-2000 Combined Healthy Mortality with a blue collar adjustment to RP-2000 Combined Healthy Mortality with a blue collar adjustment, projected to the valuation date using Scale BB.
- For disabled lives, the mortality rates were updated from RP-2000 Disabled Retiree Mortality to RP-2000 Disabled Retiree Mortality, projected to the valuation date using Scale BB.
- The Salary Scale assumptions was changed from 5.00% to service based.

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

(See independent auditor's report.)

**CITY OF NAPERVILLE, ILLINOIS**

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

Last Fiscal Year

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<b>MEASUREMENT DATE DECEMBER 31,</b>	<b>2018</b>
<b>TOTAL OPEB LIABILITY</b>	
Service cost	\$ 592,889
Interest	530,864
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes of assumptions	(1,040,027)
Benefit payments, including refunds of member contributions	<u>(721,170)</u>
Net change in total OPEB liability	(637,444)
Total OPEB liability - beginning	<u>15,196,740</u>
<b>TOTAL OPEB LIABILITY - ENDING</b>	<b><u><u>\$ 14,559,296</u></u></b>
Covered payroll	\$ 85,747,519
Employer's total OPEB liability as a percentage of covered payroll	16.98%

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

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

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

(See independent auditor's report.)

**CITY OF NAPERVILLE, ILLINOIS**

**SCHEDULE OF INVESTMENT RETURNS  
POLICE PENSION FUND**

Last Five Fiscal Years

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

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

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

(See independent auditor's report.)

**CITY OF NAPERVILLE, ILLINOIS**

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

Last Five Fiscal Years

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

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

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

(See independent auditor's report.)

## **MAJOR GOVERNMENTAL FUNDS**

### **GENERAL FUND**

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

### **DEBT SERVICE FUND**

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

**CITY OF NAPERVILLE, ILLINOIS**

DETAILED SCHEDULE OF REVENUES - BUDGET AND ACTUAL  
GENERAL FUND

For the Year Ended December 31, 2018

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>TAXES</b>				
Property taxes				
General	\$ 3,828,237	\$ 3,328,237	\$ 3,354,287	\$ 26,050
Police Pension	6,614,131	6,614,131	6,661,021	46,890
Firefighters' Pension	8,381,201	8,381,201	8,440,922	59,721
Total property taxes	18,823,569	18,323,569	18,456,230	132,661
Utility tax	16,330,000	16,550,000	16,008,161	(541,839)
Other taxes				
Auto rental tax	115,000	115,000	115,063	63
Real estate transfer tax	5,445,000	5,445,000	4,665,203	(779,797)
Hotel/motel tax	1,435,000	1,715,000	1,422,992	(292,008)
Charitable games tax	-	-	886	886
Personal property replacement tax	350,000	350,000	318,589	(31,411)
Total other taxes	7,345,000	7,625,000	6,522,733	(1,102,267)
Total taxes	42,498,569	42,498,569	40,987,124	(1,511,445)
<b>LICENSES AND PERMITS</b>				
Licenses				
Liquor	353,700	353,700	549,927	196,227
Business license	2,250	2,250	18,258	16,008
Basset	-	-	44,660	44,660
Contractor license	125,000	125,000	71,725	(53,275)
Total licenses	480,950	480,950	684,570	203,620
Permits				
Commercial	1,049,000	1,049,000	1,129,664	80,664
Residential	845,000	845,000	806,974	(38,026)
Plan review	200	200	180	(20)
Fire alarm/sprinkler	85,100	85,100	72,907	(12,193)
Other	20,000	20,000	22,920	2,920
Total permits	1,999,300	1,999,300	2,032,645	33,345
Total licenses and permits	2,480,250	2,480,250	2,717,215	236,965

(This schedule is continued on the following pages.)

**CITY OF NAPERVILLE, ILLINOIS**

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

For the Year Ended December 31, 2018

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>FINES</b>				
Traffic	\$ 1,200,000	\$ 1,200,000	\$ 785,489	\$ (414,511)
Ordinance violations	25,000	25,000	19,202	(5,798)
Parking	160,000	160,000	174,733	14,733
Other	300,000	300,000	235,734	(64,266)
<b>Total fines</b>	<b>1,685,000</b>	<b>1,685,000</b>	<b>1,215,158</b>	<b>(469,842)</b>
<b>NET INVESTMENT INCOME</b>	<b>174,500</b>	<b>174,500</b>	<b>232,758</b>	<b>58,258</b>
<b>INTERGOVERNMENTAL REVENUE</b>				
Sales and use tax	37,558,000	37,558,000	37,784,871	226,871
State income tax	13,813,000	13,813,000	13,616,570	(196,430)
Federal grants	393,400	393,400	570,263	176,863
State grants	8,800	8,800	16,122	7,322
Other	-	220,520	-	(220,520)
<b>Total intergovernmental revenue</b>	<b>51,773,200</b>	<b>51,993,720</b>	<b>51,987,826</b>	<b>(5,894)</b>
<b>CHARGES FOR SERVICES</b>				
Operational transfer	-	-	4,134,751	4,134,751
Developer contributions	210,000	210,000	172,150	(37,850)
Rental income	65,050	65,050	75,296	10,246
Administrative tow fee	250,000	250,000	78,620	(171,380)
DPW - services for DPU	209,908	209,908	217,525	7,617
N.F.P.D. - contract	1,101,000	1,101,000	1,126,084	25,084
Ambulance fees	4,500,000	4,500,000	4,965,430	465,430
Fire services	286,125	286,125	347,587	61,462
Fire alarm monitoring	700,000	700,000	647,342	(52,658)
Police services	756,590	756,590	780,271	23,681
Billable TED service	40,000	40,000	34,832	(5,168)
TED services	750	750	15,533	14,783
Engineering fees	200,000	200,000	110,159	(89,841)
Entitlement fees	119,500	119,500	148,059	28,559
Garbage collection fee	6,498,863	6,498,863	6,488,099	(10,764)
Household hazardous waste	155,000	155,000	125,274	(29,726)
Other charges for services	3,641,651	3,641,651	155,340	(3,486,311)
<b>Total charges for services</b>	<b>18,734,437</b>	<b>18,734,437</b>	<b>19,622,352</b>	<b>887,915</b>

(This schedule is continued on the following page.)

**CITY OF NAPERVILLE, ILLINOIS**

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

For the Year Ended December 31, 2018

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>FRANCHISE FEES</b>				
WideOpenWest - cable franchise fee	\$ 650,000	\$ 650,000	\$ 518,878	\$ (131,122)
WideOpenWest - 1% support fee	135,000	135,000	103,776	(31,224)
Comcast - cable franchise fee	1,600,000	1,600,000	1,596,287	(3,713)
Comcast - 1% support fee	320,000	320,000	319,255	(745)
Rents and royalties	-	-	-	-
Lease revenue	170,000	170,000	195,619	25,619
AT&T - cable franchise fee	400,000	400,000	302,655	(97,345)
AT&T - 1% support fee	80,000	80,000	60,471	(19,529)
<b>Total franchise fees</b>	<b>3,355,000</b>	<b>3,355,000</b>	<b>3,096,941</b>	<b>(258,059)</b>
<b>MISCELLANEOUS</b>				
Late payment charge	37,000	37,000	26,997	(10,003)
Sale of surplus property	5,000	5,000	92,563	87,563
Bad debt recovery	60,000	60,000	128,290	68,290
Damage to city property	20,000	20,000	9,444	(10,556)
Rebate programs	245,000	245,000	83,036	(161,964)
Miscellaneous revenues	-	-	14,223	14,223
<b>Total miscellaneous</b>	<b>367,000</b>	<b>367,000</b>	<b>354,553</b>	<b>(12,447)</b>
<b>TOTAL REVENUES</b>	<b>\$ 121,067,956</b>	<b>\$ 121,288,476</b>	<b>\$ 120,213,927</b>	<b>\$ (1,074,549)</b>

(See independent auditor's report.)



**CITY OF NAPERVILLE, ILLINOIS**

DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL  
GENERAL FUND

For the Year Ended December 31, 2018

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget- Positive (Negative)</b>
<b>GENERAL GOVERNMENT</b>				
Legislative				
Mayor and City Council				
Salaries and wages	\$ 181,134	\$ 181,134	\$ 181,432	\$ (298)
Benefits and related	49,414	49,414	56,096	(6,682)
Contracted services	14,500	14,500	8,436	6,064
Internal services	2,300	2,300	2,304	(4)
Supplies	2,450	2,450	565	1,885
<b>Total Mayor and City Council</b>	<b>249,798</b>	<b>249,798</b>	<b>248,833</b>	<b>965</b>
Alcohol and Tobacco Commission				
Benefits and related	1,806	1,806	-	1,806
Contracted services	5,000	5,000	344	4,656
Supplies	18,250	18,250	7,696	10,554
<b>Total Alcohol and Tobacco Commission</b>	<b>25,056</b>	<b>25,056</b>	<b>8,040</b>	<b>17,016</b>
Legal				
Legal department				
Salaries and wages	522,284	522,284	497,933	24,351
Benefits and related	160,458	160,458	183,045	(22,587)
Contracted services	60,000	60,000	19,660	40,340
Internal services	2,300	2,300	2,304	(4)
Supplies	29,500	29,500	21,229	8,271
<b>Total legal department</b>	<b>774,542</b>	<b>774,542</b>	<b>724,171</b>	<b>50,371</b>
Executive				
City Manager's Office				
Salaries and wages	417,574	417,574	412,578	4,996
Benefits and related	154,085	154,085	135,235	18,850
Contracted services	109,037	109,037	114,597	(5,560)
Internal services	3,680	3,680	3,684	(4)
Supplies	18,300	18,300	8,324	9,976
<b>Total City Manager's Office</b>	<b>702,676</b>	<b>702,676</b>	<b>674,418</b>	<b>28,258</b>
Sister Cities Commission				
Contracted services	3,350	3,350	2,256	1,094
<b>Total Sister Cities Commission</b>	<b>3,350</b>	<b>3,350</b>	<b>2,256</b>	<b>1,094</b>

(This schedule is continued on the following pages.)

**CITY OF NAPERVILLE, ILLINOIS**

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

For the Year Ended December 31, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
<b>GENERAL GOVERNMENT (Continued)</b>				
Executive (Continued)				
Board of Fire and Police				
Salaries and wages	\$ 63,373	\$ 63,373	\$ 63,664	\$ (291)
Benefits and related	26,316	26,316	23,318	2,998
Contracted services	115,810	115,810	95,447	20,363
Supplies	2,100	2,100	4,488	(2,388)
Total Board of Fire and Police	207,599	207,599	186,917	20,682
Communications				
Salaries and wages	282,264	282,264	249,912	32,352
Benefits and related	107,314	107,314	68,776	38,538
Contracted services	140,730	140,730	124,789	15,941
Supplies	1,500	1,500	776	724
Total communications	531,808	531,808	444,253	87,555
Human resources				
Salaries and wages	551,849	551,849	495,426	56,423
Benefits and related	184,997	184,997	168,216	16,781
Contracted services	217,058	217,058	166,927	50,131
Internal services	1,840	1,840	1,836	4
Supplies	21,300	21,300	8,199	13,101
Total human resources	977,044	977,044	840,604	136,440
City Clerk				
City Clerk's Office				
Salaries and wages	497,305	497,305	427,807	69,498
Benefits and related	169,734	169,734	157,575	12,159
Contracted services	103,261	103,261	18,782	84,479
Internal services	3,063	3,063	1,836	1,227
Supplies	4,200	4,200	2,341	1,859
Total City Clerk's Office	777,563	777,563	608,341	169,222
Reproduction micrographics service				
Salaries and wages	117,489	117,489	119,180	(1,691)
Benefits and related	59,190	59,190	62,711	(3,521)
Contracted services	5,500	5,500	90,855	(85,355)
Internal services	-	-	113	(113)
Supplies	36,400	36,400	21,665	14,735
Total reproduction micrographics service	218,579	218,579	294,524	(75,945)

(This schedule is continued on the following pages.)

**CITY OF NAPERVILLE, ILLINOIS**

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

For the Year Ended December 31, 2018

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget- Positive (Negative)</b>
<b>GENERAL GOVERNMENT (Continued)</b>				
City Clerk (Continued)				
Information technology				
Salaries and wages	\$ 1,526,970	\$ 1,526,970	\$ 1,550,863	\$ (23,893)
Benefits and related	708,180	708,180	708,321	(141)
Contracted services	3,042,575	3,042,575	2,895,250	147,325
Supplies	531,550	531,550	428,589	102,961
Internal services	(917,458)	(917,458)	(935,292)	17,834
Capital maintenance	235,000	235,000	59,846	175,154
Total information technology	5,126,817	5,126,817	4,707,577	419,240
Financial administration				
Administration				
Salaries and wages	637,353	637,353	588,025	49,328
Benefits and related	183,023	183,023	173,600	9,423
Contracted services	484,141	484,141	588,975	(104,834)
Internal services	12,899	12,899	12,912	(13)
Supplies	21,850	21,850	15,310	6,540
Total administration	1,339,266	1,339,266	1,378,822	(39,556)
Billing and collection				
Salaries and wages	42,494	42,494	42,451	43
Benefits and related	15,320	15,320	15,528	(208)
Contracted services	25,750	25,750	33,765	(8,015)
Supplies	-	-	412	(412)
Total billing and collection	83,564	83,564	92,156	(8,592)
Procurement services				
Salaries and wages	279,629	279,629	261,361	18,268
Benefits and related	117,448	117,448	113,137	4,311
Contracted services	4,500	4,500	1,385	3,115
Total procurement services	401,577	401,577	375,883	25,694
General services	(585,840)	(585,840)	1,473,061	(2,058,901)
Total general government	10,833,399	10,833,399	12,059,856	(1,226,457)
<b>PHYSICAL ENVIRONMENT</b>				
Development review team				
Salaries and wages	1,785,571	1,785,571	1,769,132	16,439
Benefits and related	638,962	638,962	589,883	49,079
Contracted services	54,000	54,000	43,403	10,597
Total development review team	2,478,533	2,478,533	2,402,418	76,115

(This schedule is continued on the following pages.)

**CITY OF NAPERVILLE, ILLINOIS**

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

For the Year Ended December 31, 2018

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget- Positive (Negative)</b>
<b>PHYSICAL ENVIRONMENT (Continued)</b>				
Special projects team				
Salaries and wages	\$ 903,737	\$ 903,737	\$ 1,161,358	\$ (257,621)
Benefits and related	331,946	331,946	415,572	(83,626)
Contracted services	78,750	78,750	59,230	19,520
Internal services	51,520	51,520	51,516	4
Supplies	60,650	60,650	58,877	1,773
Capital maintenance	2,000	2,000	-	2,000
Total special projects team	<u>1,428,603</u>	<u>1,428,603</u>	<u>1,746,553</u>	<u>(317,950)</u>
Planning				
Salaries and wages	340,087	340,087	327,416	12,671
Benefits and related	88,772	88,772	81,802	6,970
Contracted services	10,000	10,000	-	10,000
Total planning	<u>438,859</u>	<u>438,859</u>	<u>409,218</u>	<u>29,641</u>
Public buildings				
Salaries and wages	1,202,208	1,202,208	1,272,755	(70,547)
Benefits and related	447,023	447,023	421,921	25,102
Contracted services	641,664	641,664	669,462	(27,798)
Internal services	250	250	-	250
Supplies	1,251,339	1,251,339	1,275,821	(24,482)
Capital maintenance	140,000	140,000	56,564	83,436
Total public buildings	<u>3,682,484</u>	<u>3,682,484</u>	<u>3,696,523</u>	<u>(14,039)</u>
Total physical environment	<u>8,028,479</u>	<u>8,028,479</u>	<u>8,254,712</u>	<u>(226,233)</u>
<b>PUBLIC SAFETY</b>				
Police				
Police administration				
Salaries and wages	2,059,670	2,059,670	1,715,752	343,918
Benefits and related	7,510,872	7,510,872	7,363,906	146,966
Contracted services	448,985	448,985	418,051	30,934
Internal services	147,660	147,660	147,660	-
Supplies	293,950	293,950	364,567	(70,617)
Total police administration	<u>10,461,137</u>	<u>10,461,137</u>	<u>10,009,936</u>	<u>451,201</u>
Patrol				
Salaries and wages	14,385,001	14,385,001	14,268,844	116,157
Benefits and related	2,171,279	2,171,279	2,212,000	(40,721)
Contracted services	24,175	24,175	31,533	(7,358)
Supplies	87,554	87,554	54,616	32,938
Capital maintenance	20,000	20,000	11,634	8,366
Total patrol	<u>16,688,009</u>	<u>16,688,009</u>	<u>16,578,627</u>	<u>109,382</u>

(This schedule is continued on the following pages.)

**CITY OF NAPERVILLE, ILLINOIS**

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

For the Year Ended December 31, 2018

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget- Positive (Negative)</b>
<b>PUBLIC SAFETY (Continued)</b>				
Police (Continued)				
Investigations				
Salaries and wages	\$ 7,613,909	\$ 7,613,909	\$ 7,558,428	\$ 55,481
Benefits and related	1,343,897	1,343,897	1,282,087	61,810
Contracted services	244,352	244,352	250,850	(6,498)
Supplies	94,668	94,668	131,192	(36,524)
Total investigations	9,296,826	9,296,826	9,222,557	74,269
Communications				
Salaries and wages	2,366,459	2,366,459	2,299,187	67,272
Benefits and related	812,588	812,588	767,022	45,566
Contracted services	662,068	662,068	590,075	71,993
Supplies	54,304	54,304	36,503	17,801
Total communications	3,895,419	3,895,419	3,692,787	202,632
Fire				
Fire administration				
Salaries and wages	1,749,678	1,749,678	1,685,151	64,527
Benefits and related	9,066,298	9,066,298	9,110,404	(44,106)
Contracted services	542,256	542,256	432,217	110,039
Internal services	50,600	50,600	50,604	(4)
Supplies	114,950	114,950	65,572	49,378
Total fire administration	11,523,782	11,523,782	11,343,948	179,834
Operations division				
Salaries and wages	20,013,131	20,233,651	19,432,197	801,454
Benefits and related	3,258,634	3,258,634	3,083,860	174,774
Contracted services	410,335	410,335	428,273	(17,938)
Internal services	3,396	3,396	-	3,396
Supplies	772,750	772,750	688,916	83,834
Capital maintenance	-	-	(217)	217
Total operations division	24,458,246	24,678,766	23,633,029	1,045,737
Total public safety	76,323,419	76,543,939	74,480,884	2,063,055
<b>TRANSPORTATION</b>				
Public works				
Administration				
Salaries and wages	1,133,274	1,133,274	1,174,964	(41,690)
Benefits and related	546,419	546,419	462,934	83,485
Contracted services	7,465,538	7,465,538	7,241,402	224,136
Internal services	67,410	67,410	67,164	246
Supplies	188,520	188,520	303,009	(114,489)
Total administration	9,401,161	9,401,161	9,249,473	151,688

(This schedule is continued on the following page.)

**CITY OF NAPERVILLE, ILLINOIS**

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

For the Year Ended December 31, 2018

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget- Positive (Negative)</b>
<b>TRANSPORTATION (Continued)</b>				
Public works (Continued)				
Operations and maintenance				
Salaries and wages	\$ 4,465,491	\$ 4,465,491	\$ 4,575,499	\$ (110,008)
Benefits and related	1,522,222	1,522,222	1,507,869	14,353
Contracted services	1,739,275	1,739,275	1,927,676	(188,401)
Supplies	1,303,346	1,303,346	1,366,424	(63,078)
<b>Total operations and maintenance</b>	<b>9,030,334</b>	<b>9,030,334</b>	<b>9,377,468</b>	<b>(347,134)</b>
Fleet services				
Salaries and wages	1,192,682	1,192,682	1,216,251	(23,569)
Benefits and related	438,739	438,739	439,119	(380)
Contracted services	499,340	499,340	715,949	(216,609)
Supplies	2,069,705	2,069,705	1,833,050	236,655
<b>Total fleet services</b>	<b>4,200,466</b>	<b>4,200,466</b>	<b>4,204,369</b>	<b>(3,903)</b>
Transportation and engineering				
Administration				
Salaries and wages	819,638	819,638	555,148	264,490
Benefits and related	305,524	305,524	198,282	107,242
Contracted services	745,645	745,645	646,146	99,499
Supplies	176,800	176,800	156,181	20,619
<b>Total administration</b>	<b>2,047,607</b>	<b>2,047,607</b>	<b>1,555,757</b>	<b>491,850</b>
<b>Total transportation</b>	<b>24,679,568</b>	<b>24,679,568</b>	<b>24,387,067</b>	<b>292,501</b>
<b>CULTURE AND RECREATION</b>				
Riverwalk				
Salaries and wages	28,072	28,072	28,248	(176)
Benefits and related	5,370	5,370	5,383	(13)
Contracted services	49,060	49,060	24,249	24,811
Supplies	400	400	219	181
<b>Total Riverwalk</b>	<b>82,902</b>	<b>82,902</b>	<b>58,099</b>	<b>24,803</b>
<b>Total culture and recreation</b>	<b>82,902</b>	<b>82,902</b>	<b>58,099</b>	<b>24,803</b>
<b>TOTAL EXPENDITURES</b>	<b>\$ 119,947,767</b>	<b>\$ 120,168,287</b>	<b>\$ 119,240,618</b>	<b>\$ 927,669</b>

(See independent auditor's report.)

**CITY OF NAPERVILLE, ILLINOIS**

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

For the Year Ended December 31, 2018

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>				
Property taxes	\$ 12,476,012	\$ 11,081,970	\$ 11,168,709	\$ 86,739
Intergovernmental revenues				
Sales tax	-	1,100,000	2,073,679	973,679
Other	-	-	299,903	299,903
Net investment income	25,000	25,000	79,870	54,870
<b>Total revenues</b>	<b>12,501,012</b>	<b>12,206,970</b>	<b>13,622,161</b>	<b>1,415,191</b>
<b>EXPENDITURES</b>				
Debt service				
Principal	10,121,665	10,106,665	10,106,665	-
Interest and fees	3,155,722	3,076,680	3,076,680	-
<b>Total expenditures</b>	<b>13,277,387</b>	<b>13,183,345</b>	<b>13,183,345</b>	<b>-</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(776,375)</b>	<b>(976,375)</b>	<b>438,816</b>	<b>1,415,191</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	801,375	1,001,375	1,219,608	218,233
<b>Total other financing sources (uses)</b>	<b>801,375</b>	<b>1,001,375</b>	<b>1,219,608</b>	<b>218,233</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ 25,000</b>	<b>\$ 25,000</b>	<b>1,658,424</b>	<b>\$ 1,633,424</b>
<b>FUND BALANCE, JANUARY 1</b>			<b>3,150,875</b>	
<b>FUND BALANCE, DECEMBER 31</b>			<b>\$ 4,809,299</b>	

(See independent auditor's report.)

## **NONMAJOR GOVERNMENTAL FUNDS**

### **SPECIAL REVENUE FUNDS**

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

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

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

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

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

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

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

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



## **NONMAJOR GOVERNMENTAL FUNDS (Continued)**

### **SPECIAL REVENUE FUNDS (Continued)**

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

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

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

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

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

American Recovery and Reinvestment Act 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.

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

## **NONMAJOR GOVERNMENTAL FUNDS (Continued)**

### **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 FUNDS**

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

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

**CITY OF NAPERVILLE, ILLINOIS**

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS

December 31, 2018

	<b>Special Revenue Funds</b>					
	<b>Motor Fuel Tax Fund</b>	<b>Community Development Block Grant Fund</b>	<b>Fair Share Assessment Fund</b>	<b>Road and Bridge Fund</b>	<b>Naper Settlement Fund</b>	<b>Foreign Fire Insurance Tax Fund</b>
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>						
<b>ASSETS</b>						
Cash and investments	\$ 1,366,978	\$ 7	\$ 8,392	\$ 494,616	\$ 1,176,298	\$ 429,686
Receivables						
Property taxes	-	-	-	-	2,796,952	-
Interest	4,747	(282)	29	1,688	3,584	-
Accounts receivable less allowance for doubtful accounts	-	-	-	181,253	-	-
Loans and installments	-	-	-	-	-	-
Due from other governments	308,100	91,877	-	-	-	-
<b>Total assets</b>	<b>1,679,825</b>	<b>91,602</b>	<b>8,421</b>	<b>677,557</b>	<b>3,976,834</b>	<b>429,686</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
None	-	-	-	-	-	-
<b>Total deferred outflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 1,679,825</b>	<b>\$ 91,602</b>	<b>\$ 8,421</b>	<b>\$ 677,557</b>	<b>\$ 3,976,834</b>	<b>\$ 429,686</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>						
<b>LIABILITIES</b>						
Accounts payable	\$ 247	\$ 44,877	\$ 217	\$ 1,223	\$ 78,988	\$ -
Accrued wages and benefits	-	-	-	20,226	91,550	-
Due to other governments	-	-	-	-	-	-
Due to fiduciary funds	-	-	-	-	-	-
Due to other funds	-	81,658	-	-	-	-
Advances from other funds	-	-	-	-	-	-
Contract retainage payable	58,891	-	-	-	-	-
Unearned grant revenues and others	-	-	-	1,749	470	-
<b>Total liabilities</b>	<b>59,138</b>	<b>126,535</b>	<b>217</b>	<b>23,198</b>	<b>171,008</b>	<b>-</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable revenue-property taxes	-	-	-	-	2,796,952	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,796,952</b>	<b>-</b>
<b>Total liabilities and deferred inflows of resources</b>	<b>59,138</b>	<b>126,535</b>	<b>217</b>	<b>23,198</b>	<b>2,967,960</b>	<b>-</b>
<b>FUND BALANCES</b>						
Restricted for						
Debt service	-	-	-	-	-	-
Highways, streets, and parking facilities	1,620,687	-	8,204	654,359	-	-
Public safety	-	-	-	-	-	429,686
Capital projects	-	-	-	-	-	-
Culture and recreation	-	-	-	-	1,008,874	-
Committed to						
Highways, streets, and parking facilities	-	-	-	-	-	-
Assigned to						
Capital projects	-	-	-	-	-	-
Unassigned (deficit)	-	(34,933)	-	-	-	-
<b>Total fund balances (deficit)</b>	<b>1,620,687</b>	<b>(34,933)</b>	<b>8,204</b>	<b>654,359</b>	<b>1,008,874</b>	<b>429,686</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 1,679,825</b>	<b>\$ 91,602</b>	<b>\$ 8,421</b>	<b>\$ 677,557</b>	<b>\$ 3,976,834</b>	<b>\$ 429,686</b>

Special Revenue Funds									
E-911 Surcharge Fund	Food and Beverage Tax Fund	Special Service Area #26 Downtown Maintenance Fund	Test Track Fund	Water Street TIF Fund	Drug Forfeiture Fund	American Recovery and Reinvestment Act Federal Grants Fund	Special Service Area #25 Fund	ETSB Fund	Total Special Revenue Funds
\$ 256,709	\$ 426,506	\$ 967,179	\$ 55,452	\$ 5,188,860	\$ 856,811	\$ -	\$ 81,481	\$ 832,264	\$ 12,141,239
-	-	987,537	-	264,751	-	-	68,000	-	4,117,240
3,865	1,443	279	191	17,950	2,952	-	280	-	36,726
64,000	402,706	-	34,766	-	-	-	-	10,947	693,672
-	-	25,090	-	-	-	-	-	-	25,090
767,429	-	-	-	-	-	-	-	-	1,167,406
1,092,003	830,655	1,980,085	90,409	5,471,561	859,763	-	149,761	843,211	18,181,373
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
\$ 1,092,003	\$ 830,655	\$ 1,980,085	\$ 90,409	\$ 5,471,561	\$ 859,763	\$ -	\$ 149,761	\$ 843,211	\$ 18,181,373
\$ -	\$ 139,352	\$ 61,828	\$ 446	\$ -	\$ 983	\$ -	\$ -	\$ 158,719	\$ 486,880
-	5,595	24,432	-	-	-	-	-	-	141,803
-	-	-	-	-	26,846	-	-	-	26,846
-	97,236	-	-	-	-	-	-	-	97,236
-	-	-	65,702	-	-	-	-	-	147,360
-	-	-	-	-	-	-	521,153	-	521,153
-	-	12,933	-	-	-	-	-	-	71,824
-	-	-	2,591	-	-	-	-	-	4,810
-	242,183	99,193	68,739	-	27,829	-	521,153	158,719	1,497,912
-	-	987,537	-	264,751	-	-	68,000	-	4,117,240
-	-	987,537	-	264,751	-	-	68,000	-	4,117,240
-	242,183	1,086,730	68,739	264,751	27,829	-	589,153	158,719	5,615,152
-	-	-	-	-	-	-	-	-	-
-	-	-	21,670	-	-	-	-	-	2,304,920
1,092,003	-	-	-	-	831,934	-	-	684,492	3,038,115
-	-	-	-	5,206,810	-	-	-	-	5,206,810
-	588,472	-	-	-	-	-	-	-	1,597,346
-	-	893,355	-	-	-	-	-	-	893,355
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	(439,392)	-	(474,325)
1,092,003	588,472	893,355	21,670	5,206,810	831,934	-	(439,392)	684,492	12,566,221
\$ 1,092,003	\$ 830,655	\$ 1,980,085	\$ 90,409	\$ 5,471,561	\$ 859,763	\$ -	\$ 149,761	\$ 843,211	\$ 18,181,373

(This statement is continued on the following page.)

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

December 31, 2018

	<u>Debt Service Funds</u>		<u>Capital Projects Funds</u>			<b>Total Nonmajor Governmental Funds</b>
	<u>Special Service Areas Funds</u>		<b>Downtown Parking Fund</b>	<b>Capital Projects Fund</b>	<b>Bond Project Fund</b>	
	<u>#21</u>	<u>#23</u>				
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>						
<b>ASSETS</b>						
Cash and investments	\$ 789,231	\$ 94,463	\$ 3,896,493	\$ 17,144,627	\$ 5,112,422	\$ 39,178,475
Receivables						
Property taxes	200,000	98,939	-	-	-	4,416,179
Interest	1,323	326	13,510	59,569	17,678	129,132
Accounts receivable	-	-	234,804	33,624	-	962,100
Loans and installments	-	-	-	-	-	25,090
Due from other governments	-	-	-	5,803	-	1,173,209
	<hr/>					
Total assets	990,554	193,728	4,144,807	17,243,623	5,130,100	45,884,185
<hr/>						
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
None	-	-	-	-	-	-
	<hr/>					
Total deferred outflows of resources	-	-	-	-	-	-
<hr/>						
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 990,554</b>	<b>\$ 193,728</b>	<b>\$ 4,144,807</b>	<b>\$ 17,243,623</b>	<b>\$ 5,130,100</b>	<b>\$ 45,884,185</b>
<hr/>						
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>						
<b>LIABILITIES</b>						
Accounts payable	\$ -	\$ -	\$ 2,180	\$ 467,404	\$ 223,506	\$ 1,179,970
Accrued wages and benefits	-	-	-	-	-	141,803
Due to other governments	-	-	-	-	-	26,846
Due to fiduciary funds	-	-	-	-	-	97,236
Due to other funds	-	-	-	-	-	147,360
Advances from other funds	-	-	-	-	-	521,153
Contract retainage payable	-	-	-	14,139	23,785	109,748
Unearned grant revenues and others	-	-	-	3,069,348	-	3,074,158
	<hr/>					
Total liabilities	-	-	2,180	3,550,891	247,291	5,298,274
<hr/>						
<b>DEFERRED INFLOWS OF BALANCES</b>						
Unavailable revenue - property taxes	200,000	98,939	-	-	-	4,416,179
	<hr/>					
Total deferred inflows of resources	200,000	98,939	-	-	-	4,416,179
	<hr/>					
Total liabilities and deferred inflows of resources	200,000	98,939	2,180	3,550,891	247,291	9,714,453
<hr/>						
<b>FUND BALANCES</b>						
Restricted for						
Debt service	790,554	94,789	4,142,627	-	-	5,027,970
Highways, streets, and parking facilities	-	-	-	-	-	2,304,920
Public safety	-	-	-	-	-	3,038,115
Capital projects	-	-	-	-	4,882,809	10,089,619
Culture and recreation	-	-	-	-	-	1,597,346
Committed to						
Highways, streets, and parking facilities	-	-	-	-	-	893,355
Assigned to						
Capital projects	-	-	-	13,692,732	-	13,692,732
Unassigned (deficit)	-	-	-	-	-	(474,325)
	<hr/>					
Total fund balances (deficit)	790,554	94,789	4,142,627	13,692,732	4,882,809	36,169,732
<hr/>						
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 990,554</b>	<b>\$ 193,728</b>	<b>\$ 4,144,807</b>	<b>\$ 17,243,623</b>	<b>\$ 5,130,100</b>	<b>\$ 45,884,185</b>
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(See independent auditor's report.)

**CITY OF NAPERVILLE, ILLINOIS**

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

For the Year Ended December 31, 2018

	<b>Special Revenue Funds</b>					
	<b>Motor Fuel</b>	<b>Community</b>	<b>Fair Share</b>	<b>Road and</b>	<b>Naper</b>	<b>Foreign</b>
	<b>Tax Fund</b>	<b>Development</b>	<b>Assessment</b>	<b>Bridge</b>	<b>Settlement</b>	<b>Fire</b>
	<b>Block</b>	<b>Fund</b>	<b>Fund</b>	<b>Fund</b>	<b>Insurance</b>	<b>Tax Fund</b>
	<b>Grant Fund</b>					
<b>REVENUES</b>						
Property taxes	\$ -	\$ -	\$ -	\$ 335,183	\$ 2,920,957	\$ -
Other taxes	-	-	-	2,583,981	-	-
Licenses and permits	-	-	-	45,720	-	-
Fines and forfeits	-	-	-	-	-	-
Net investment income (loss)	6,367	-	(740)	6,227	22,407	1,066
Contributions	-	-	-	-	-	-
Intergovernmental	3,813,454	336,283	-	-	-	226,478
Charges for services	-	-	-	-	439,045	-
Miscellaneous	-	-	-	(584)	-	-
<b>Total revenues</b>	<b>3,819,821</b>	<b>336,283</b>	<b>(740)</b>	<b>2,970,527</b>	<b>3,382,409</b>	<b>227,544</b>
<b>EXPENDITURES</b>						
Current						
General government	-	-	-	-	-	-
Physical environment	-	336,283	-	-	-	-
Public safety	-	-	-	-	-	336,148
Culture and recreation	-	-	-	-	3,482,215	-
Transportation	-	-	-	582,561	-	-
Capital outlay	2,948,388	-	-	2,358,346	-	-
Debt service						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
<b>Total expenditures</b>	<b>2,948,388</b>	<b>336,283</b>	<b>-</b>	<b>2,940,907</b>	<b>3,482,215</b>	<b>336,148</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>871,433</b>	<b>-</b>	<b>(740)</b>	<b>29,620</b>	<b>(99,806)</b>	<b>(108,604)</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-
Sale of property	-	-	-	-	-	-
New bonds issued	-	-	-	-	-	-
Premium on bonds issued	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>871,433</b>	<b>-</b>	<b>(740)</b>	<b>29,620</b>	<b>(99,806)</b>	<b>(108,604)</b>
<b>FUND BALANCES (DEFICIT), JANUARY 1</b>	<b>749,254</b>	<b>(34,933)</b>	<b>8,944</b>	<b>624,739</b>	<b>1,108,680</b>	<b>538,290</b>
<b>FUND BALANCES (DEFICIT), DECEMBER 31</b>	<b>\$ 1,620,687</b>	<b>\$ (34,933)</b>	<b>\$ 8,204</b>	<b>\$ 654,359</b>	<b>\$ 1,008,874</b>	<b>\$ 429,686</b>

Special Revenue Funds								
E-911 Surcharge Fund	Food and Beverage Tax Fund	Special Service Area #26 Downtown Maintenance Fund	Test Track Fund	Water Street TIF Fund	Drug Forfeiture Fund	American Recovery and Reinvestment Act Federal Grants Fund	Special Service Area #25 Fund	ETSB Fund
\$ -	\$ -	\$ 1,022,295	\$ -	\$ 248,261	\$ -	\$ -	\$ 68,046	\$ -
-	4,503,557	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	60,717	-	-	-	-	-	-
6,805	(5,235)	12,505	-	48,105	6,204	-	725	6,365
-	-	-	-	-	-	-	-	-
-	-	-	-	-	178,135	-	-	-
3,116,896	-	12,980	52,400	-	-	-	-	1,178,423
-	7,508	13,507	-	-	3,096	-	-	-
3,123,701	4,505,830	1,122,004	52,400	296,366	187,435	-	68,771	1,184,788
-	-	-	-	3,650	-	-	-	-
-	-	-	-	-	-	-	-	-
2,867,646	-	-	-	-	78,424	-	-	500,296
-	3,604,201	-	-	-	-	-	-	-
-	-	2,198,148	30,710	-	-	-	-	-
-	-	-	-	17,075	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
2,867,646	3,604,201	2,198,148	30,710	20,725	78,424	-	-	500,296
256,055	901,629	(1,076,144)	21,690	275,641	109,011	-	68,771	684,492
-	-	1,111,378	-	-	-	-	-	-
-	(898,128)	-	-	(248,261)	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	(898,128)	1,111,378	-	(248,261)	-	-	-	-
256,055	3,501	35,234	21,690	27,380	109,011	-	68,771	684,492
835,948	584,971	858,121	(20)	5,179,430	722,923	-	(508,163)	-
\$ 1,092,003	\$ 588,472	\$ 893,355	\$ 21,670	\$ 5,206,810	\$ 831,934	\$ -	\$ (439,392)	\$ 684,492

(This statement is continued on the following page.)

**CITY OF NAPERVILLE, ILLINOIS**

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

For the Year Ended December 31, 2018

	Debt Service Funds			Capital Projects Funds		
	Special Service Area Funds		Downtown	Capital	Bond	Total
	#21	#23	Parking Fund	Projects Fund	Project Fund	Nonmajor Governmental Funds
<b>REVENUES</b>						
Property taxes	\$ 201,783	\$ 73,219	\$ -	\$ -	\$ -	\$ 4,869,744
Other taxes	-	-	831,321	-	-	7,918,859
Licenses and permits	-	-	-	-	-	45,720
Fines and forfeits	-	-	-	-	-	60,717
Net investment income (loss)	8,951	728	16,680	111,105	54,066	302,331
Contributions	-	-	-	1,238,880	-	1,238,880
Intergovernmental	-	-	579,128	8,827,639	-	13,961,117
Charges for services	-	-	116,917	-	-	4,916,661
Miscellaneous	-	-	-	274,201	-	297,728
<b>Total revenues</b>	<b>210,734</b>	<b>73,947</b>	<b>1,544,046</b>	<b>10,451,825</b>	<b>54,066</b>	<b>33,611,757</b>
<b>EXPENDITURES</b>						
Current						
General government	-	-	-	-	-	3,650
Physical environment	-	-	-	-	-	336,283
Public safety	-	-	-	-	-	3,782,514
Culture and recreation	-	-	-	-	-	7,086,416
Transportation	-	-	-	-	-	2,811,419
Capital outlay	-	-	-	8,332,714	5,649,286	19,305,809
Debt service						
Principal	206,188	-	300,000	-	-	506,188
Interest	38,547	-	49,000	-	110,004	197,551
<b>Total expenditures</b>	<b>244,735</b>	<b>-</b>	<b>349,000</b>	<b>8,332,714</b>	<b>5,759,290</b>	<b>34,029,830</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(34,001)</b>	<b>73,947</b>	<b>1,195,046</b>	<b>2,119,111</b>	<b>(5,705,224)</b>	<b>(418,073)</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	-	-	-	-	-	1,111,378
Transfers (out)	-	(73,219)	-	-	-	(1,219,608)
Sale of property	-	-	-	2,269,784	-	2,269,784
New bonds issued	-	-	-	-	4,640,000	4,640,000
Premium on bonds issued	-	-	-	-	260,906	260,906
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>(73,219)</b>	<b>-</b>	<b>2,269,784</b>	<b>4,900,906</b>	<b>7,062,460</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(34,001)</b>	<b>728</b>	<b>1,195,046</b>	<b>4,388,895</b>	<b>(804,318)</b>	<b>6,644,387</b>
<b>FUND BALANCES (DEFICIT), JANUARY 1</b>	<b>824,555</b>	<b>94,061</b>	<b>2,947,581</b>	<b>9,303,837</b>	<b>5,687,127</b>	<b>29,525,345</b>
<b>FUND BALANCES (DEFICIT), DECEMBER 31</b>	<b>\$ 790,554</b>	<b>\$ 94,789</b>	<b>\$ 4,142,627</b>	<b>\$ 13,692,732</b>	<b>\$ 4,882,809</b>	<b>\$ 36,169,732</b>

(See independent auditor's report.)



**CITY OF NAPERVILLE, ILLINOIS**

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

For the Year Ended December 31, 2018

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>				
Net investment income	\$ 7,500	\$ 7,500	\$ 6,367	\$ (1,133)
Intergovernmental revenue - allotments from state and grants	3,820,000	3,820,000	3,813,454	(6,546)
Total revenues	3,827,500	3,827,500	3,819,821	(7,679)
<b>EXPENDITURES</b>				
Capital outlay	3,820,000	3,820,000	2,948,388	871,612
Total expenditures	3,820,000	3,820,000	2,948,388	871,612
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ 7,500</b>	<b>\$ 7,500</b>	871,433	<b>\$ 863,933</b>
FUND BALANCE, JANUARY 1			749,254	
<b>FUND BALANCE, DECEMBER 31</b>			<b>\$ 1,620,687</b>	

(See independent auditor's report.)

**CITY OF NAPERVILLE, ILLINOIS**

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

For the Year Ended December 31, 2018

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget- Positive (Negative)</b>
<b>REVENUES</b>				
Intergovernmental - federal grant	\$ 450,000	\$ 450,000	\$ 336,283	\$ (113,717)
Net investment income (loss)	-	-	-	-
Total revenues	<u>450,000</u>	<u>450,000</u>	<u>336,283</u>	<u>(113,717)</u>
<b>EXPENDITURES</b>				
Physical environment				
Grants and contributions	<u>450,000</u>	<u>450,000</u>	<u>336,283</u>	<u>113,717</u>
Total expenditures	<u>450,000</u>	<u>450,000</u>	<u>336,283</u>	<u>113,717</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
FUND BALANCE (DEFICIT), JANUARY 1			<u>(34,933)</u>	
<b>FUND BALANCE (DEFICIT), DECEMBER 31</b>			<u>\$ (34,933)</u>	

(See independent auditor's report.)

**CITY OF NAPERVILLE, ILLINOIS**

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

For the Year Ended December 31, 2018

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>				
Property tax	\$ 280,000	\$ 280,000	\$ 335,183	\$ 55,183
Other taxes				
Local gasoline	2,710,000	2,710,000	2,557,906	(152,094)
Personal property replacement tax	40,000	40,000	26,075	(13,925)
Licenses and permits	50,000	50,000	45,720	(4,280)
Net investment income	1,900	1,900	6,227	4,327
Miscellaneous	100	100	(584)	(684)
<b>Total revenues</b>	<b>3,082,000</b>	<b>3,082,000</b>	<b>2,970,527</b>	<b>(111,473)</b>
<b>EXPENDITURES</b>				
Transportation				
Salaries and wages	519,963	519,963	439,170	80,793
Benefits and related	199,652	199,652	143,391	56,261
Capital outlay	2,362,385	2,362,385	2,358,346	4,039
<b>Total expenditures</b>	<b>3,082,000</b>	<b>3,082,000</b>	<b>2,940,907</b>	<b>141,093</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>-</b>	<b>-</b>	<b>29,620</b>	<b>29,620</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>29,620</b>	<b>\$ 29,620</b>
<b>FUND BALANCE, JANUARY 1</b>			<b>624,739</b>	
<b>FUND BALANCE, DECEMBER 31</b>			<b>\$ 654,359</b>	

(See independent auditor's report.)

**CITY OF NAPERVILLE, ILLINOIS**

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

For the Year Ended December 31, 2018

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>				
Property taxes	\$ 2,898,272	\$ 2,898,272	\$ 2,920,957	\$ 22,685
Net investment income	10,400	10,400	22,407	12,007
Charges for services				
School services and programs	185,000	185,000	174,026	(10,974)
Museum tours	10,000	10,000	10,369	369
Public program revenue	72,000	72,000	75,583	3,583
Gate admissions	52,000	52,000	36,717	(15,283)
Settlement - weddings	100,000	100,000	65,203	(34,797)
Settlement - other	103,000	103,000	77,147	(25,853)
Contributions	613,727	613,727	-	(613,727)
 Total revenues	 4,044,399	 4,044,399	 3,382,409	 (661,990)
<b>EXPENDITURES</b>				
Culture and recreation				
Settlement administration				
Salaries and wages	539,640	539,640	483,060	56,580
Benefits and related	275,596	275,596	183,875	91,721
Contracted services	89,039	89,039	48,794	40,245
Supplies	27,155	27,155	19,788	7,367
Internal services	116,398	116,398	115,308	1,090
Visitor services				
Salaries and wages	588,732	588,732	628,530	(39,798)
Benefits and related	190,172	190,172	184,614	5,558
Contracted services	20,250	20,250	12,932	7,318
Supplies	21,800	21,800	28,330	(6,530)
Building and grounds				
Salaries and wages	180,457	180,457	151,561	28,896
Benefits and related	94,977	94,977	65,216	29,761
Contracted services	352,262	352,262	471,924	(119,662)
Internal services	289	289	288	1
Supplies	167,411	167,411	151,883	15,528
Capital maintenance	110,000	110,000	203,500	(93,500)
Development				
Salaries	459,629	459,629	170,978	288,651
Employee benefits	193,323	193,323	52,664	140,659

(This statement is continued on the following page.)

**CITY OF NAPERVILLE, ILLINOIS**

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

For the Year Ended December 31, 2018

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance with</u> <u>Final Budget -</u> <u>Positive</u> <u>(Negative)</u>
	<u>Budget</u>	<u>Budget</u>		
<b>EXPENDITURES (Continued)</b>				
Culture and recreation (Continued)				
Artifact and preservation				
Salaries and wages	\$ 254,676	\$ 254,676	\$ 182,990	\$ 71,686
Benefits and related	119,309	119,309	61,306	58,003
Contracted services	6,800	6,800	11,969	(5,169)
Supplies	3,875	3,875	4,450	(575)
Public relations/marketing				
Salaries and wages	165,573	165,573	85,612	79,961
Benefits and related	87,248	87,248	42,219	45,029
Contracted services	152,643	152,643	116,273	36,370
Supplies	2,145	2,145	4,151	(2,006)
Total expenditures	<u>4,219,399</u>	<u>4,219,399</u>	<u>3,482,215</u>	<u>737,184</u>
NET CHANGE IN FUND BALANCE	<u>\$ (175,000)</u>	<u>\$ (175,000)</u>	(99,806)	<u>\$ 75,194</u>
FUND BALANCE, JANUARY 1			<u>1,108,680</u>	
FUND BALANCE, DECEMBER 31			<u>\$ 1,008,874</u>	

(See independent auditor's report.)

**CITY OF NAPERVILLE, ILLINOIS**

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

For the Year Ended December 31, 2018

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>				
Net investment income	\$ -	\$ -	\$ 6,805	\$ 6,805
Charges for services	2,150,000	2,150,000	3,116,896	966,896
<b>Total revenues</b>	<b>2,150,000</b>	<b>2,150,000</b>	<b>3,123,701</b>	<b>973,701</b>
<b>EXPENDITURES</b>				
Public safety				
Internal services	2,150,000	2,150,000	2,867,646	(717,646)
<b>Total expenditures</b>	<b>2,150,000</b>	<b>2,150,000</b>	<b>2,867,646</b>	<b>(717,646)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ -</b>	<b>\$ -</b>	<b>256,055</b>	<b>\$ 256,055</b>
<b>FUND BALANCE, JANUARY 1</b>			<b>835,948</b>	
<b>FUND BALANCE, DECEMBER 31</b>			<b>\$ 1,092,003</b>	

(See independent auditor's report.)

**CITY OF NAPERVILLE, ILLINOIS**

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

For the Year Ended December 31, 2018

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>				
Food and beverage tax	\$ 4,190,001	\$ 4,190,001	\$ 4,503,557	\$ 313,556
Net investment income	10,700	10,700	(5,235)	(15,935)
Miscellaneous	10,000	10,000	7,508	(2,492)
	<hr/>			
Total revenues	4,210,701	4,210,701	4,505,830	295,129
<hr/>				
<b>EXPENDITURES</b>				
Culture and recreation				
Salaries and wages	669,937	669,937	573,381	96,556
Benefits and related	1,065,773	1,065,773	1,189,360	(123,587)
Contracted services	172,598	172,598	179,699	(7,101)
Supplies	33,067	33,067	26,506	6,561
Grants and contributions	1,571,139	1,571,139	1,635,038	(63,899)
Capital maintenance	-	-	217	(217)
	<hr/>			
Total expenditures	3,512,514	3,512,514	3,604,201	(91,687)
<hr/>				
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	698,187	698,187	901,629	203,442
<hr/>				
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers (out)	(690,375)	(690,375)	(898,128)	(207,753)
	<hr/>			
Total other financing sources (uses)	(690,375)	(690,375)	(898,128)	(207,753)
<hr/>				
NET CHANGE IN FUND BALANCE	\$ 7,812	\$ 7,812	3,501	\$ (4,311)
<hr/>				
FUND BALANCE, JANUARY 1			584,971	
<hr/>				
FUND BALANCE, DECEMBER 31			\$ 588,472	
<hr/>				

(See independent auditor's report.)

**CITY OF NAPERVILLE, ILLINOIS**

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

For the Year Ended December 31, 2018

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>				
Property taxes	\$ 1,013,351	\$ 1,013,351	\$ 1,022,295	\$ 8,944
Fines	50,000	50,000	60,717	10,717
Net investment income	7,500	7,500	12,505	5,005
Charges for services	10,000	10,000	12,980	2,980
Miscellaneous	116,725	116,725	13,507	(103,218)
<b>Total revenues</b>	<b>1,197,576</b>	<b>1,197,576</b>	<b>1,122,004</b>	<b>(75,572)</b>
<b>EXPENDITURES</b>				
Transportation				
Salaries and wages	655,611	655,611	634,250	21,361
Benefits and related	199,401	199,401	193,938	5,463
Contracted services	1,072,730	1,072,730	735,394	337,336
Supplies	280,600	280,600	273,415	7,185
Internal services	62,612	62,612	62,616	(4)
Capital maintenance	623,000	623,000	298,535	324,465
<b>Total expenditures</b>	<b>2,893,954</b>	<b>2,893,954</b>	<b>2,198,148</b>	<b>695,806</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(1,696,378)</b>	<b>(1,696,378)</b>	<b>(1,076,144)</b>	<b>620,234</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	1,078,275	1,078,275	1,111,378	33,103
<b>Total other financing sources (uses)</b>	<b>1,078,275</b>	<b>1,078,275</b>	<b>1,111,378</b>	<b>33,103</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (618,103)</b>	<b>\$ (618,103)</b>	<b>35,234</b>	<b>\$ 653,337</b>
<b>FUND BALANCE, JANUARY 1</b>			<b>858,121</b>	
<b>FUND BALANCE, DECEMBER 31</b>			<b>\$ 893,355</b>	

(See independent auditor's report.)



**CITY OF NAPERVILLE, ILLINOIS**

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

For the Year Ended December 31, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>REVENUES</b>				
Charges for services	\$ 55,815	\$ 55,815	\$ 52,400	\$ (3,415)
Total revenues	<u>55,815</u>	<u>55,815</u>	<u>52,400</u>	<u>(3,415)</u>
<b>EXPENDITURES</b>				
Transportation				
Contracted services	34,315	34,315	12,290	22,025
Supplies	21,500	21,500	18,420	3,080
Total expenditures	<u>55,815</u>	<u>55,815</u>	<u>30,710</u>	<u>25,105</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	21,690	<u>\$ 21,690</u>
FUND BALANCE (DEFICIT), JANUARY 1			<u>(20)</u>	
<b>FUND BALANCE, DECEMBER 31</b>			<u>\$ 21,670</u>	

(See independent auditor's report.)

**CITY OF NAPERVILLE, ILLINOIS**

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

For the Year Ended December 31, 2018

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>				
Net investment income	\$ 6,550	\$ 6,550	\$ 6,204	\$ (346)
Intergovernmental	281,500	281,500	178,135	(103,365)
Miscellaneous	-	-	3,096	3,096
<b>Total revenues</b>	<b>288,050</b>	<b>288,050</b>	<b>187,435</b>	<b>(100,615)</b>
<b>EXPENDITURES</b>				
Public safety				
Contracted services	66,500	66,500	41,744	24,756
Internal services	25,000	25,000	3,950	21,050
Supplies	151,000	151,000	32,730	118,270
Capital maintenance	30,000	30,000	-	30,000
<b>Total expenditures</b>	<b>272,500</b>	<b>272,500</b>	<b>78,424</b>	<b>194,076</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ 15,550</b>	<b>\$ 15,550</b>	<b>109,011</b>	<b>\$ 93,461</b>
<b>FUND BALANCE, JANUARY 1</b>			<b>722,923</b>	
<b>FUND BALANCE, DECEMBER 31</b>			<b>\$ 831,934</b>	

(See independent auditor's report.)

**CITY OF NAPERVILLE, ILLINOIS**

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

For the Year Ended December 31, 2018

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>				
Property taxes	\$ 68,000	\$ 68,000	\$ 68,046	\$ 46
Net investment income	-	-	725	725
	<hr/>			
Total revenues	68,000	68,000	68,771	771
<hr/>				
<b>EXPENDITURES</b>				
None	-	-	-	-
	<hr/>			
Total expenditures	-	-	-	-
<hr/>				
NET CHANGE IN FUND BALANCE	<u>\$ 68,000</u>	<u>\$ 68,000</u>	68,771	<u>\$ 771</u>
FUND BALANCE (DEFICIT), JANUARY 1			<u>(508,163)</u>	
<b>FUND BALANCE (DEFICIT), DECEMBER 31</b>			<u><u>\$ (439,392)</u></u>	

(See independent auditor's report.)

**CITY OF NAPERVILLE, ILLINOIS**

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

For the Year Ended December 31, 2018

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>				
Net investment income	\$ -	\$ -	\$ 6,365	\$ 6,365
Charges for services	2,042,000	2,042,000	1,178,423	(863,577)
Total revenues	<u>2,042,000</u>	<u>2,042,000</u>	<u>1,184,788</u>	<u>(857,212)</u>
<b>EXPENDITURES</b>				
Public safety				
Grants and contributions	2,042,000	2,042,000	500,296	1,541,704
Total expenditures	<u>2,042,000</u>	<u>2,042,000</u>	<u>500,296</u>	<u>1,541,704</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ -</u>	<u>\$ -</u>	684,492	<u>\$ 684,492</u>
<b>FUND BALANCE, JANUARY 1</b>			<u>-</u>	
<b>FUND BALANCE, DECEMBER 31</b>			<u>\$ 684,492</u>	

(See independent auditor's report.)

**CITY OF NAPERVILLE, ILLINOIS**

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

For the Year Ended December 31, 2018

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>				
Property taxes	\$ 200,000	\$ 200,000	\$ 201,783	\$ 1,783
Net investment income	10,000	10,000	8,951	(1,049)
<b>Total revenues</b>	<b>210,000</b>	<b>210,000</b>	<b>210,734</b>	<b>734</b>
<b>EXPENDITURES</b>				
Debt service				
Principal	206,188	206,188	206,188	-
Interest	38,547	38,547	38,547	-
<b>Total expenditures</b>	<b>244,735</b>	<b>244,735</b>	<b>244,735</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (34,735)</b>	<b>\$ (34,735)</b>	<b>(34,001)</b>	<b>\$ 734</b>
<b>FUND BALANCE, JANUARY 1</b>			<b>824,555</b>	
<b>FUND BALANCE, DECEMBER 31</b>			<b>\$ 790,554</b>	

(See independent auditor's report.)

**CITY OF NAPERVILLE, ILLINOIS**

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

For the Year Ended December 31, 2018

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>				
Property taxes	\$ 98,939	\$ 98,939	\$ 73,219	\$ (25,720)
Net investment income	-	-	728	728
<b>Total revenues</b>	<b>98,939</b>	<b>98,939</b>	<b>73,947</b>	<b>(24,992)</b>
<b>EXPENDITURES</b>				
None	-	-	-	-
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>98,939</b>	<b>98,939</b>	<b>73,947</b>	<b>(24,992)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers (out)	(76,000)	(76,000)	(73,219)	2,781
<b>Total other financing sources (uses)</b>	<b>(76,000)</b>	<b>(76,000)</b>	<b>(73,219)</b>	<b>2,781</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ 22,939</b>	<b>\$ 22,939</b>	<b>728</b>	<b>\$ (22,211)</b>
<b>FUND BALANCE, JANUARY 1</b>			<u>94,061</u>	
<b>FUND BALANCE, DECEMBER 31</b>			<u>\$ 94,789</u>	

(See independent auditor's report.)

**CITY OF NAPERVILLE, ILLINOIS**

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

For the Year Ended December 31, 2018

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>				
Other taxes				
Food and beverage tax	\$ 900,000	\$ 900,000	\$ 831,321	\$ (68,679)
Net investment income	29,500	29,500	16,680	(12,820)
Intergovernmental				
Sales tax	432,250	432,250	579,128	146,878
Charges for services	-	-	116,917	116,917
<b>Total revenues</b>	<b>1,361,750</b>	<b>1,361,750</b>	<b>1,544,046</b>	<b>182,296</b>
<b>EXPENDITURES</b>				
Debt service				
Principal	300,000	300,000	300,000	-
Interest	49,000	49,000	49,000	-
<b>Total expenditures</b>	<b>349,000</b>	<b>349,000</b>	<b>349,000</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ 1,012,750</b>	<b>\$ 1,012,750</b>	<b>1,195,046</b>	<b>\$ 182,296</b>
<b>FUND BALANCE, JANUARY 1</b>			<b>2,947,581</b>	
<b>FUND BALANCE, DECEMBER 31</b>			<b>\$ 4,142,627</b>	

(See independent auditor's report.)

**CITY OF NAPERVILLE, ILLINOIS**

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

For the Year Ended December 31, 2018

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>				
Net investment income	\$ 92,000	\$ 92,000	\$ 111,105	\$ 19,105
Contributions	3,083,769	3,083,769	1,238,880	(1,844,889)
Intergovernmental				
Sales taxes	8,485,750	8,485,750	8,811,603	325,853
Grants	-	-	16,036	16,036
Miscellaneous	100,000	100,000	274,201	174,201
	<hr/>			
Total revenues	11,761,519	11,761,519	10,451,825	(1,309,694)
<hr/>				
<b>EXPENDITURES</b>				
Capital outlay	11,867,264	11,867,264	8,332,714	3,534,550
	<hr/>			
Total expenditures	11,867,264	11,867,264	8,332,714	3,534,550
<hr/>				
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(105,745)	(105,745)	2,119,111	2,224,856
<hr/>				
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of property	-	-	2,269,784	2,269,784
	<hr/>			
Total other financing sources (uses)	-	-	2,269,784	2,269,784
<hr/>				
NET CHANGE IN FUND BALANCE	\$ (105,745)	\$ (105,745)	4,388,895	\$ 4,494,640
<hr/>				
FUND BALANCE, JANUARY 1			9,303,837	
<hr/>				
<b>FUND BALANCE, DECEMBER 31</b>			\$ 13,692,732	
<hr/>				

(See independent auditor's report.)



**CITY OF NAPERVILLE, ILLINOIS**

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

For the Year Ended December 31, 2018

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>				
Net investment income	\$ 60,000	\$ 60,000	\$ 54,066	\$ (5,934)
Total revenues	60,000	60,000	54,066	(5,934)
<b>EXPENDITURES</b>				
Capital outlay	7,821,966	7,821,966	5,649,286	2,172,680
Debt service				
Interest	-	-	110,004	(110,004)
Total expenditures	7,821,966	7,821,966	5,759,290	2,062,676
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(7,761,966)	(7,761,966)	(5,705,224)	2,056,742
<b>OTHER FINANCING SOURCES (USES)</b>				
New bonds issued	7,135,000	7,135,000	4,640,000	(2,495,000)
Premium on bonds issued	-	-	260,906	260,906
Total other financing sources (uses)	7,135,000	7,135,000	4,900,906	(2,234,094)
NET CHANGE IN FUND BALANCE	<u>\$ (626,966)</u>	<u>\$ (626,966)</u>	(804,318)	<u>\$ (177,352)</u>
FUND BALANCE, JANUARY 1			<u>5,687,127</u>	
FUND BALANCE, DECEMBER 31			<u>\$ 4,882,809</u>	

(See independent auditor's report.)

## **FIDUCIARY FUNDS**

### **PENSION TRUST FUNDS**

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

**CITY OF NAPERVILLE, ILLINOIS**

COMBINING STATEMENT OF FIDUCIARY NET POSITION  
PENSION TRUST FUNDS

December 31, 2018

	<b>Police Pension</b>	<b>Firefighters' Pension</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and short-term investments	\$ 7,009,854	\$ 8,263,352	\$ 15,273,206
Receivables			
Interest receivable	336,697	336,987	673,684
Investments at fair value			
U.S. Treasury obligations	19,626,406	18,705,285	38,331,691
U.S. Government agencies	9,179,205	9,206,646	18,385,851
Municipal bonds	907,339	892,153	1,799,492
Corporate bonds	23,299,049	14,616,112	37,915,161
Annuities	17,442,732	17,144,591	34,587,323
Common stock	11,588,509	19,896,794	31,485,303
Mutual funds	77,030,776	68,985,526	146,016,302
Asset-backed securities	-	8,949,888	8,949,888
Negotiable certificates of deposit	584,510	-	584,510
Total investments	159,658,526	158,396,995	318,055,521
Due from municipality	48,618	48,618	97,236
Prepaid items	11,100	1,045	12,145
Total assets	167,064,795	167,046,997	334,111,792
<b>LIABILITIES</b>			
Accounts payable	75,322	3,974	79,296
<b>NET POSITION RESTRICTED FOR PENSIONS</b>	<b>\$ 166,989,473</b>	<b>\$ 167,043,023</b>	<b>\$ 334,032,496</b>

(See independent auditor's report.)

**CITY OF NAPERVILLE, ILLINOIS**

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

For the Year Ended December 31, 2018

	<b>Police Pension</b>	<b>Firefighters' Pension</b>	<b>Total</b>
<b>ADDITIONS</b>			
Contributions			
Employer	\$ 7,224,321	\$ 9,004,224	\$ 16,228,545
Employee	1,763,521	1,835,003	3,598,524
Total contributions	<u>8,987,842</u>	<u>10,839,227</u>	<u>19,827,069</u>
Investment income			
Net depreciation in fair value of investments	(12,483,466)	(13,636,038)	(26,119,504)
Interest and dividends	4,420,948	4,414,431	8,835,379
Total investment income	<u>(8,062,518)</u>	<u>(9,221,607)</u>	<u>(17,284,125)</u>
Less investment expense	272,885	352,341	625,226
Net investment income	<u>(8,335,403)</u>	<u>(9,573,948)</u>	<u>(17,909,351)</u>
Total additions	<u>652,439</u>	<u>1,265,279</u>	<u>1,917,718</u>
<b>DEDUCTIONS</b>			
Pension benefits	7,520,317	8,551,855	16,072,172
Refunds of contributions	5,662	-	5,662
Administrative expense	78,441	109,783	188,224
Total deductions	<u>7,604,420</u>	<u>8,661,638</u>	<u>16,266,058</u>
NET DECREASE	(6,951,981)	(7,396,359)	(14,348,340)
<b>NET POSITION RESTRICTED FOR PENSIONS</b>			
January 1	<u>173,941,454</u>	<u>174,439,382</u>	<u>348,380,836</u>
December 31	<u>\$ 166,989,473</u>	<u>\$ 167,043,023</u>	<u>\$ 334,032,496</u>

(See independent auditor's report.)

**CITY OF NAPERVILLE, ILLINOIS**

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

For the Year Ended December 31, 2018

<b>CSFA Number</b>	<b>Program Name</b>	<b>State</b>	<b>Federal</b>	<b>Other</b>	<b>Total</b>
444-26-1565	Tobacco Enforcement Program	\$ 8,360	\$ -	\$ -	\$ 8,360
494-00-0967	High-Growth Cities Program	182,632	-	-	182,632
494-00-1488	Motor Fuel Tax Program	2,765,756	-	-	2,765,756
494-10-0343	State and Community Highway Safety/National Priority Safety Program	-	58,943	-	58,943
494-42-0495	Local Surface Transportation Program	-	16,036	-	16,036
532-10-0372	IDOT Highway Planning and Construction (CMAQ Clean Diesel funds)	-	16,121	-	16,121
546-00-1469	Edward Byrne Memorial Justice Assistance Grant Program (JAG) FFY16	-	37,995	-	37,995
588-40-0450	Emergency Management Performance Grants	-	42,431	-	42,431
	All other costs not allocated	-	707,793	382,583,582	383,291,375
	<b>TOTALS</b>	<u>\$ 2,956,748</u>	<u>\$ 879,319</u>	<u>\$ 382,583,582</u>	<u>\$ 386,419,649</u>

(See independent auditor's report.)

**STATISTICAL SECTION (UNAUDITED)**

## STATISTICAL SECTION (Unaudited)

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

<u>Contents</u>	<u>Page(s)</u>
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	119-128
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	129-135
Debt Capacity These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	136-141
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.	142-143
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.	144-146

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

**CITY OF NAPERVILLE, ILLINOIS**

**NET POSITION BY COMPONENT**

Last Ten Fiscal Years  
(Amounts expressed in thousands)

<b>Fiscal Year</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
<b>GOVERNMENTAL ACTIVITIES</b>				
Net investment in capital assets	\$ 446,437	\$ 446,569	\$ 427,459	\$ 419,148
Restricted	7,063	5,129	6,031	6,787
Unrestricted	18,818	31,009	40,417	41,836
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>\$ 472,318</b>	<b>\$ 482,707</b>	<b>\$ 473,907</b>	<b>\$ 467,771</b>
<b>BUSINESS-TYPE ACTIVITIES</b>				
Net investment in capital assets	\$ 447,279	\$ 443,008	\$ 439,216	\$ 432,913
Restricted	5,285	-	-	-
Unrestricted	4,157	13,890	19,899	27,522
<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>	<b>\$ 456,721</b>	<b>\$ 456,898</b>	<b>\$ 459,115</b>	<b>\$ 460,435</b>
<b>PRIMARY GOVERNMENT</b>				
Net investment in capital assets	\$ 893,716	\$ 889,577	\$ 866,675	\$ 852,061
Restricted	12,348	5,129	6,031	6,787
Unrestricted	22,975	44,899	60,316	69,358
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 929,039</b>	<b>\$ 939,605</b>	<b>\$ 933,022</b>	<b>\$ 928,206</b>

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

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

Data Source

Audited Financial Statements



<b>2014</b>	<b>2015</b>	<b>2015**/***</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
\$ 412,387	\$ 409,027	\$ 420,617	\$ 425,260	\$ 411,982	\$ 413,491
8,042	9,623	9,635	7,993	17,301	16,902
38,904	30,529	(87,728)	(86,883)	(83,615)	(91,112)
<b>\$ 459,333</b>	<b>\$ 449,179</b>	<b>\$ 342,524</b>	<b>\$ 346,370</b>	<b>\$ 345,668</b>	<b>\$ 339,281</b>
\$ 437,827	\$ 442,720	\$ 426,461	\$ 422,141	\$ 416,692	\$ 406,121
-	-	-	-	-	-
11,846	6,674	8,693	18,661	34,704	53,107
<b>\$ 449,673</b>	<b>\$ 449,394</b>	<b>\$ 435,154</b>	<b>\$ 440,802</b>	<b>\$ 451,396</b>	<b>\$ 459,228</b>
\$ 850,214	\$ 851,747	\$ 847,078	\$ 847,401	\$ 828,674	\$ 819,612
8,042	9,623	9,635	7,993	17,301	16,902
50,750	37,203	(79,035)	(68,222)	(48,911)	(38,005)
<b>\$ 909,006</b>	<b>\$ 898,573</b>	<b>\$ 777,678</b>	<b>\$ 787,172</b>	<b>\$ 797,064</b>	<b>\$ 798,509</b>

**CITY OF NAPERVILLE, ILLINOIS**

**CHANGES IN NET POSITION**

Last Ten Fiscal Years  
(Amounts expressed in thousands)

<b>Fiscal Year</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
<b>EXPENSES</b>				
Governmental activities				
General government	\$ 6,983	\$ 5,129	\$ 6,742	\$ 7,986
Physical environment	9,457	8,147	8,514	9,455
Public safety	64,190	65,495	66,165	65,017
Culture and recreation	8,677	10,370	8,531	8,426
Transportation	46,711	46,240	51,352	47,120
Interest on long-term debt	4,172	4,465	4,593	4,161
Total governmental activities expenses	140,190	139,846	145,897	142,165
Business-type activities				
Electric	125,021	133,761	136,090	145,585
Water and wastewater	37,372	40,692	40,724	46,037
Burlington commuter parking	1,568	1,764	1,309	2,033
Total business-type activities expenses	163,961	176,217	178,123	193,655
<b>TOTAL PRIMARY GOVERNMENT EXPENSES</b>	<b>\$ 304,151</b>	<b>\$ 316,063</b>	<b>\$ 324,020</b>	<b>\$ 335,820</b>
<b>PROGRAM REVENUES</b>				
Governmental activities				
Charges for services				
General government	\$ 1,131	\$ 3,027	\$ 1,539	\$ 1,609
Physical environment	1,171	1,104	1,414	1,746
Public safety	8,518	9,801	8,416	7,700
Culture and recreation	520	494	910	855
Transportation	667	689	1,491	1,467
Operating grants and contributions				
General government				
Physical environment	545	1,544	572	1,422
Public safety	1,366	1,727	1,703	1,932
Culture and recreation	83	67	16	87
Transportation	3,877	4,763	4,746	4,405
Interest on long-term debt	-	309	285	209
Capital grants and contributions				
Transportation	8,046	9,366	2,869	1,086
Total governmental activities program revenues	25,924	32,891	23,961	22,518
Business-type activities				
Charges for services				
Electric	123,939	135,435	131,064	134,580
Water and wastewater	27,383	29,716	38,659	47,518
Burlington commuter parking	2,291	2,265	2,185	2,191
Operating grants and contributions				
Electric	37	5	-	82
Water and wastewater	25	210	176	336
Burlington commuter parking	100	21	65	-
Capital grants and contributions				
Electric	1,828	5,503	3,943	7,957
Water and wastewater	1,800	1,096	1,356	1,879
Total business-type activities program revenues	157,403	174,251	177,448	194,543
<b>TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES</b>	<b>\$ 183,327</b>	<b>\$ 207,142</b>	<b>\$ 201,409</b>	<b>\$ 217,061</b>

	2014	2015	2015*	2016	2017	2018
\$	8,901	\$ 8,925	\$ 11,331	\$ 14,918	\$ 15,250	\$ 14,725
	8,608	8,381	6,784	9,996	10,376	10,396
	67,578	70,241	63,792	78,039	74,934	87,692
	9,779	8,687	4,846	7,516	8,366	8,535
	49,587	56,446	25,941	37,830	48,964	41,110
	3,782	4,288	2,512	3,524	3,122	3,087
	148,235	156,968	115,206	151,823	161,012	165,545
	152,352	144,954	103,759	151,588	150,148	154,474
	50,981	51,287	41,990	56,926	60,591	64,494
	1,559	2,061	905	1,770	1,423	1,907
	204,892	198,302	146,654	210,284	212,162	220,875
\$	353,127	\$ 355,270	\$ 261,860	\$ 362,107	\$ 373,174	\$ 386,420
\$	1,517	\$ 1,245	\$ 4,133	\$ 13,151	\$ 12,252	\$ 13,485
	2,000	2,099	1,357	2,215	2,401	2,143
	7,788	7,875	5,021	8,081	10,448	12,232
	832	883	301	467	538	439
	1,677	2,478	164	195	129	151
	610	540	1,003	1,737	968	1,558
	1,808	2,316	1,731	1,185	899	1,135
	171	-	-	-	-	-
	4,489	5,013	-	38	361	316
	192	297	-	-	-	-
	3,012	12,118	2,541	3,736	3,679	3,814
	24,096	34,864	16,251	30,805	31,675	35,273
	134,089	135,708	96,128	155,122	157,317	162,771
	47,313	48,201	35,071	51,004	53,627	58,755
	2,257	2,211	1,473	2,298	2,528	2,392
	17	-	-	(18)	-	-
	230	234	235	224	307	267
	-	-	-	-	-	-
	5,612	2,230	2,226	3,157	4,070	3,869
	5,074	4,537	931	1,778	1,978	1,437
	194,592	193,121	136,064	213,565	219,827	229,491
\$	218,688	\$ 227,985	\$ 152,315	\$ 244,370	\$ 251,502	\$ 264,764

**CITY OF NAPERVILLE, ILLINOIS**

CHANGES IN NET POSITION (Continued)

Last Ten Fiscal Years  
(amounts expressed in thousands)

<b>Fiscal Year</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
<b>NET (EXPENSE) REVENUE</b>				
Governmental activities	\$ (114,266)	\$ (106,955)	\$ (121,936)	\$ (119,647)
Business-type activities	(6,558)	(1,966)	(675)	888
<b>TOTAL PRIMARY GOVERNMENT NET (EXPENSE) REVENUE</b>	<b>\$ (120,824)</b>	<b>\$ (108,921)</b>	<b>\$ (122,611)</b>	<b>\$ (118,759)</b>
<b>GENERAL REVENUES AND OTHER CHANGES IN NET POSITION</b>				
Governmental activities				
Taxes				
Property	\$ 37,818	\$ 39,464	\$ 38,479	\$ 36,227
Utility	16,422	16,390	16,580	16,604
Sales and use	26,041	28,600	30,610	32,263
State income	11,482	11,271	11,581	12,784
Other	8,742	10,592	10,677	12,006
Franchise fees	1,790	2,020	2,141	2,437
Net investment income (loss)	2,572	2,766	3,130	1,190
Miscellaneous	-	-	-	-
Transfers	(62)	(61)	(62)	-
Total governmental activities	104,805	111,042	113,136	113,511
Business-type activities				
Net investment income (loss)	114	451	825	432
Miscellaneous revenues	-	-	-	-
Transfers	62	61	62	-
Total business-type activities	176	512	887	432
<b>TOTAL PRIMARY GOVERNMENT CHANGE IN NET POSITION</b>	<b>\$ 104,981</b>	<b>\$ 111,554</b>	<b>\$ 114,023</b>	<b>\$ 113,943</b>
<b>CHANGE IN NET POSITION</b>				
Governmental activities	\$ (9,461)	\$ 4,087	\$ (8,800)	\$ (6,136)
Business-type activities	(6,382)	(1,454)	212	1,320
<b>TOTAL PRIMARY GOVERNMENT CHANGE IN NET POSITION</b>	<b>\$ (15,843)</b>	<b>\$ 2,633</b>	<b>\$ (8,588)</b>	<b>\$ (4,816)</b>

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

Data Source

Audited Financial Statements

	2014	2015	2015*	2016	2017	2018
\$	(124,139)	\$ (122,104)	\$ (98,955)	\$ (121,018)	\$ (129,337)	\$ (130,272)
	(10,300)	(5,181)	(10,590)	3,281	7,665	8,616
\$	(134,439)	\$ (127,285)	\$ (109,545)	\$ (117,737)	\$ (121,672)	\$ (121,656)
\$	33,639	\$ 33,169	\$ 34,849	\$ 33,355	\$ 34,129	\$ 34,495
	16,993	16,123	10,108	15,137	15,399	16,008
	34,498	35,580	25,189	44,355	46,082	49,249
	13,823	13,892	9,925	13,809	13,029	13,617
	13,391	13,300	9,820	14,489	15,462	14,442
	2,455	2,538	2,162	3,230	3,423	3,097
	(293)	1,925	198	(109)	355	636
	-	-	609	597	756	652
	-	(4,577)	-	-	-	-
	114,506	111,950	92,860	124,863	128,635	132,196
	(462)	282	137	310	580	546
	-	-	1,189	2,057	2,351	1,885
	-	4,577	-	-	-	-
	(462)	4,859	1,326	2,367	2,931	2,431
\$	114,044	\$ 116,809	\$ 94,186	\$ 127,230	\$ 131,566	\$ 134,627
\$	(9,633)	\$ (10,154)	\$ (6,095)	\$ 3,845	\$ (702)	\$ 1,924
	(10,762)	(322)	(9,264)	5,648	10,596	11,047
\$	(20,395)	\$ (10,476)	\$ (15,359)	\$ 9,493	\$ 9,894	\$ 12,971

**CITY OF NAPERVILLE, ILLINOIS**

**FUND BALANCES OF GOVERNMENTAL FUNDS**

Last Ten Fiscal Years  
(Amounts expressed in thousands)

<b>Fiscal Year</b>	<b>2010*</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
<b>GENERAL FUND</b>				
Reserved	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-
Nonspendable	170	149	122	158
Assigned	-	-	-	6,000
Unassigned	22,768	22,782	27,037	25,573
<b>TOTAL GENERAL FUND</b>	<b>\$ 22,938</b>	<b>\$ 22,931</b>	<b>\$ 27,159</b>	<b>\$ 31,731</b>
<b>ALL OTHER GOVERNMENTAL FUNDS</b>				
Reserved	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in				
Special Revenue Funds	-	-	-	-
Capital Project Funds	-	-	-	-
Nonspendable	-	86	54	75
Restricted	33,199	16,775	7,819	6,825
Committed	1,158	3,546	4,563	3,860
Assigned	1,465	1,596	5,002	3,278
Unassigned (deficit)	-	-	-	(55)
<b>TOTAL ALL OTHER GOVERNMENTAL FUNDS</b>	<b>\$ 35,822</b>	<b>\$ 22,003</b>	<b>\$ 17,438</b>	<b>\$ 13,983</b>

\*Statement No. 54 of the Governmental Accounting Standards Board was implemented at April 30, 2010.

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

Data Source

Audited Financial Statements

2014	2015	2015**	2016	2017	2018
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
75	343	13	32	529	522
-	-	-	-	-	-
25,513	28,961	28,358	26,826	27,884	27,754
<u>\$ 25,588</u>	<u>\$ 29,304</u>	<u>\$ 28,370</u>	<u>\$ 26,858</u>	<u>\$ 28,413</u>	<u>\$ 28,276</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
62	39	38	35	-	-
10,895	21,619	8,772	15,723	19,906	22,057
2,459	1,717	1,268	638	858	893
5,033	5,115	5,780	12,076	12,455	18,502
(190)	(543)	(763)	(576)	(543)	(474)
<u>\$ 18,259</u>	<u>\$ 27,947</u>	<u>\$ 15,095</u>	<u>\$ 27,896</u>	<u>\$ 32,676</u>	<u>\$ 40,978</u>

**CITY OF NAPERVILLE, ILLINOIS**

**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**

Last Ten Fiscal Years  
(Amounts expressed in thousands)

<b>Fiscal Year</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
<b>REVENUES</b>				
Taxes	\$ 100,505	\$ 106,317	\$ 107,927	\$ 109,884
Licenses and permits	1,733	1,652	1,926	2,319
Fines and forfeitures	3,258	3,137	2,554	1,718
Investment income	1,996	2,051	2,155	855
Intergovernmental	8,528	12,766	9,164	8,177
Charges for services	6,100	7,582	7,870	7,894
Fees	2,255	2,602	2,893	3,311
Contributions	46	53	58	106
Miscellaneous	563	2,165	1,012	1,209
<b>Total revenues</b>	<b>124,984</b>	<b>138,325</b>	<b>135,559</b>	<b>135,473</b>
<b>EXPENDITURES</b>				
General government	6,007	5,943	5,126	6,165
Physical environment	9,408	8,151	8,414	9,082
Public safety	61,668	64,006	64,069	63,090
Culture and recreation	7,815	7,660	7,571	7,275
Transportation	21,026	21,946	21,080	21,072
Capital outlay	29,978	32,956	14,624	16,067
Debt service				
Principal	5,614	5,444	6,087	12,010
Interest	3,833	4,329	4,527	3,880
Other charges	214	-	-	126
<b>Total expenditures</b>	<b>145,563</b>	<b>150,435</b>	<b>131,498</b>	<b>138,767</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(20,579)</b>	<b>(12,110)</b>	<b>4,061</b>	<b>(3,294)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	4,555	6,350	4,448	5,573
Transfers (out)	(7,852)	(6,066)	(9,665)	(5,224)
Sale of capital assets	-	-	819	200
Payment to refunded bond escrow agent	(8,588)	-	-	(16,550)
Bonds issued, at par	28,585	-	-	-
Refunding bonds issued	-	-	-	17,963
Premium on bonds issued	581	-	-	2,449
<b>Total other financing sources (uses)</b>	<b>17,281</b>	<b>284</b>	<b>(4,398)</b>	<b>4,411</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ (3,298)</b>	<b>\$ (11,826)</b>	<b>\$ (337)</b>	<b>\$ 1,117</b>
<b>DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES</b>	<b>7.48%</b>	<b>7.51%</b>	<b>8.16%</b>	<b>11.89%</b>

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

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

Data Source

Audited Financial Statements.



	2014	2015	2015**/**	2016	2017	2018
\$	112,344	\$ 112,064	\$ 54,777	\$ 63,391	\$ 64,990	\$ 64,944
	2,480	2,548	1,421	2,685	3,006	2,763
	1,709	1,770	1,162	1,659	1,473	1,276
	(98)	1,603	201	(125)	338	615
	6,737	8,762	40,368	64,221	64,462	68,323
	8,348	9,242	9,138	18,741	21,290	24,539
	2,822	3,009	2,173	3,247	3,423	3,097
	1,890	1,875	280	413	556	1,239
	908	628	609	597	756	652
	137,140	141,501	110,129	154,829	160,294	167,448
	6,967	7,241	7,737	12,091	12,482	12,064
	8,633	8,371	5,655	8,269	8,247	8,591
	71,862	70,040	50,462	72,028	73,845	78,263
	8,165	7,142	4,422	6,652	7,302	7,145
	24,317	26,916	17,879	28,115	26,443	27,198
	16,997	22,250	24,743	21,896	19,060	19,306
	5,648	6,841	9,448	6,920	10,654	10,613
	3,766	4,031	4,027	3,811	3,306	3,274
	127	205	-	-	-	-
	146,482	153,037	124,373	159,782	161,339	166,454
	(9,342)	(11,536)	(14,244)	(4,953)	(1,045)	994
	7,129	10,200	8,950	5,089	4,594	2,331
	(6,779)	(3,504)	(8,950)	(5,089)	(4,594)	(2,331)
	-	515	-	769	221	2,270
	-	-	-	(35,679)	-	-
	5,620	17,340	-	14,334	6,980	4,640
	-	-	-	33,900	-	-
	310	389	-	2,919	179	261
	6,280	24,940	-	16,243	7,380	7,171
\$	(3,062)	\$ 13,404	\$ (14,244)	\$ 11,290	\$ 6,335	\$ 8,165
	6.68%	7.63%	13.67%	7.85%	9.21%	9.05%

**CITY OF NAPERVILLE, ILLINOIS**

**GOVERNMENTAL FUNDS TAX REVENUE BY SOURCE**

Last Ten Fiscal Years  
(Amounts expressed in thousands)

Fiscal Year	Intergovernmental Taxes			Taxes				Total Taxes	Total
	Sales and Use Tax	State Income Tax	Total Intergovernmental Taxes	Property Tax	Utility Tax	Other Tax			
2010	\$ 26,041	\$ 11,482	\$ 37,523	\$ 37,818	\$ 16,422	\$ 8,742	\$ 62,982	\$ 100,505	
2011	28,600	11,271	39,871	39,464	16,390	10,592	66,446	106,317	
2012	30,610	11,581	42,191	38,479	16,580	10,677	65,736	107,927	
2013	32,263	12,784	45,047	36,227	16,604	12,006	64,837	109,884	
2014	34,498	13,823	48,321	33,639	16,993	13,391	64,023	112,344	
2015	35,580	13,892	49,472	33,169	16,123	13,300	62,592	112,064	
2015*	25,189	9,925	35,114	34,849	10,108	9,820	54,777	89,891	
2016	44,355	13,809	58,164	33,355	15,137	14,489	62,981	121,145	
2017	46,082	13,029	59,111	34,129	15,399	15,462	64,990	124,101	
2018	49,249	13,617	62,866	34,495	16,008	14,442	64,945	127,811	

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

Data Source

Audited Financial Statements

**CITY OF NAPERVILLE, ILLINOIS**

ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY

Last Ten Levy Years

<b>Levy Year</b>	<b>Residential Property</b>	<b>Farm Property</b>	<b>Commercial and Industrial Property</b>	<b>Railroad Property</b>	<b>Total Taxable Assessed Value</b>	<b>Direct Tax Rate</b>	<b>Estimated Actual Taxable Value</b>	<b>Percent of Assessed Value</b>
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%
2015	5,056,340,567	190,521	1,219,286,607	2,838,480	6,278,656,175	0.7392	18,835,968,525	33.333%
2016	5,384,396,867	130,047	1,279,947,209	3,194,886	6,667,669,009	0.0422	20,003,007,027	33.333%
2017	5,615,923,169	233,148	1,332,878,028	3,535,883	6,952,570,228	0.6815	20,857,710,684	33.333%

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

Data Source

Office of the County Clerk

**CITY OF NAPERVILLE, ILLINOIS**

PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS

Last Ten Levy Years

<b>Levy Year</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>CITY DIRECT RATES</b>										
General Corporate	0.2139	0.1963	0.1882	0.1381	0.1457	0.1009	0.0803	0.1060	0.0789	0.0188
Naperville Public Library	0.1989	0.1828	0.1872	0.2076	0.2374	0.2465	0.2481	0.2288	0.2119	0.2119
Police Pension	0.0528	0.0667	0.0652	0.0679	0.0787	0.0879	0.0845	0.0938	0.0917	0.0961
Firefighters' Pension	0.0513	0.0647	0.0706	0.0737	0.0820	0.0884	0.0846	0.0945	0.1023	0.1218
Bond and interest - general obligation bond	0.1192	0.1274	0.1472	0.1799	0.1403	0.1631	0.2153	0.1249	0.1297	0.1538
Illinois Municipal Retirement	0.0380	0.0395	0.0391	0.0409	0.0444	0.0461	0.0460	0.0441	0.0415	0.0369
Naper Settlement	0.0426	0.0392	0.0415	0.0434	0.0471	0.0499	0.0494	0.0471	0.0444	0.0422
<b>Total direct rates</b>	<b>0.7167</b>	<b>0.7166</b>	<b>0.7390</b>	<b>0.7515</b>	<b>0.7756</b>	<b>0.7828</b>	<b>0.8082</b>	<b>0.7392</b>	<b>0.7004</b>	<b>0.6815</b>
<b>OVERLAPPING RATES</b>										
Naperville Park District	0.2480	0.2574	0.2798	0.2969	0.3148	0.3358	0.3397	0.3317	0.3195	0.3162
Unit School #203	3.8593	3.9502	4.2265	4.5400	4.9909	5.3862	5.4756	5.3549	5.0547	5.0062
Unit School #204	4.3995	4.4987	4.8927	5.2200	5.7047	5.9498	6.0149	5.8505	5.6004	5.4967
College of DuPage #502	0.1845	0.2127	0.2349	0.2495	0.2681	0.2956	0.2975	0.2786	0.2626	0.2431
DuPage Forest Preserve	0.1206	0.1217	0.1321	0.1414	0.1542	0.1657	0.1691	0.1622	0.1514	0.1306
DuPage Airport Authority	0.0160	0.0148	0.0158	0.0169	0.0168	0.0178	0.0196	0.0188	0.0176	0.0166
DuPage County	0.1557	0.1554	0.1659	0.1773	0.1929	0.2040	0.2057	0.1971	0.1848	0.1749
Will County	0.4751	0.4833	0.5274	0.5351	0.5696	0.5994	0.6210	0.6408	0.6182	0.5986
Lisle Township	0.0406	0.0408	0.0445	0.0480	0.0261	0.0548	0.0561	0.0553	0.0528	0.0512
Naperville Township	0.0419	0.0419	0.0454	0.0483	0.0379	0.0515	0.0413	0.0452	0.0435	0.0426
Wheatland Township	0.0314	0.0319	0.0331	0.0328	0.0344	0.0378	0.0378	0.0336	0.0737	0.0738

Data Source

Office of the County Clerk

**CITY OF NAPERVILLE, ILLINOIS**

**PRINCIPAL PROPERTY TAXPAYERS**

Current Year and Nine Years Ago

Taxpayer	2017 Tax Levy			2008 Tax Levy		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Valuation	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Valuation
NS-MPG Inc.	\$ 30,104,500	1	0.43%	\$ 78,683,980	1	1.12%
ROC II IL Addison of Naperville	22,568,380	2	0.32%			
Allegan Warrenville LP	18,337,610	3	0.26%			
AMLI Residential	17,977,750	4	0.26%	12,655,050	10	0.18%
Tellabs Inc	16,669,240	5	0.24%	21,881,310	6	0.31%
ING Clarion	16,357,420	6	0.24%	38,027,750	2	0.54%
PBH Cress Creek LLC	15,783,140	7	0.23%			
BP-Amoco Oil Company	14,906,690	8	0.21%	30,747,460	4	0.44%
Ondeo Nalco Center	14,560,600	9	0.21%			
UBS Realty Investors LLC	12,773,480	10	0.18%			
Edward Hospital				32,078,940	3	0.46%
Nalco Chemical Company				24,791,750	5	0.35%
Wells Real Estate Funds				19,481,140	6	0.28%
Northwestern Mutual Life				15,787,250	8	0.23%
Nicor Gas				12,808,280	9	0.18%
	<u>\$ 180,038,810</u>		<u>2.58%</u>	<u>\$ 286,942,910</u>		<u>4.09%</u>

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

Data Source

Office of the County Clerk

**CITY OF NAPERVILLE, ILLINOIS**

**PROPERTY TAX LEVIES AND COLLECTIONS**

Last Ten Levy Years

Levy Year	Tax Extended	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
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%	2,530	46,186,064	99.55%
2014	48,431,821	48,159,391	99.44%	29,969	48,189,360	99.50%
2015	46,260,521	45,964,584	99.36%	43,167	46,007,751	99.45%
2016	48,062,829	47,802,851	99.46%	-	47,802,851	99.46%
2017	47,381,766	47,231,092	99.68%	-	47,231,092	99.68%

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

Data Source

Office of the County Clerk

**CITY OF NAPERVILLE, ILLINOIS**

SALES TAXES BY CATEGORY

Last Ten Calendar Years

<b>Calendar Year</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
General merchandise	\$ 2,104,686	\$ 2,103,314	\$ 2,133,600	\$ 2,175,020	\$ 1,985,901	\$ 2,055,475	\$ 1,973,827	\$ 1,734,850	\$ 1,682,829	\$ 1,727,680
Food	3,130,912	3,210,537	3,268,563	3,440,483	3,586,963	3,457,404	3,537,170	4,030,651	4,277,657	4,126,200
Drinking and eating places	2,717,794	2,885,101	2,883,546	3,162,362	3,352,311	3,420,229	3,433,778	3,843,978	4,047,681	4,115,550
Apparel	742,079	767,404	933,475	1,004,555	1,067,110	1,088,821	1,152,420	1,210,325	1,203,706	1,174,380
Furniture, H.H. and radio	1,657,778	1,862,218	2,098,296	2,194,838	2,347,163	2,272,010	2,231,986	1,959,765	1,898,165	1,869,238
Lumber, building hardware	1,201,680	1,235,492	1,242,769	1,302,937	1,520,274	1,656,157	1,709,368	1,667,454	1,694,172	1,739,712
Automobile and filling stations	7,840,138	8,807,116	9,555,249	10,494,788	12,237,637	12,751,291	12,870,415	12,566,087	12,688,204	13,091,973
Drugs and miscellaneous retail	3,107,887	3,336,129	3,642,704	3,692,042	3,869,309	4,097,497	3,205,869	3,904,515	3,904,594	3,561,337
Agriculture and all others	1,484,390	1,560,231	1,483,822	1,501,727	1,509,790	1,620,270	2,576,081	1,866,766	1,997,162	2,220,590
Manufacturers	615,111	675,725	461,688	521,896	527,545	530,662	561,411	534,413	478,725	639,803
<b>TOTAL</b>	<b>\$ 24,602,455</b>	<b>\$ 26,443,267</b>	<b>\$ 27,703,712</b>	<b>\$ 29,490,648</b>	<b>\$ 32,004,003</b>	<b>\$ 32,949,816</b>	<b>\$ 33,252,325</b>	<b>\$ 33,318,804</b>	<b>\$ 33,872,895</b>	<b>\$ 34,266,463</b>
City's direct sales tax rate	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%

Data Source

Illinois Department of Revenue

**CITY OF NAPERVILLE, ILLINOIS**

**DIRECT AND OVERLAPPING SALES TAX RATES**

Last Ten Fiscal Years

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<b>Fiscal Year</b>	<b>City Direct Rate</b>	<b>City Home Rule Rate</b>	<b>State Rate</b>	<b>Regional Transportation Authority Rate</b>	<b>County Rate</b>
2010	1.00%	0.00%	5.00%	0.75%	0.25%
2011	1.00%	0.00%	5.00%	0.75%	0.25%
2012	1.00%	0.00%	5.00%	0.75%	0.25%
2013	1.00%	0.00%	5.00%	0.75%	0.25%
2014	1.00%	0.00%	5.00%	0.75%	0.25%
2015	1.00%	0.00%	5.00%	0.75%	0.25%
2015*	1.00%	0.00%	5.00%	0.75%	0.25%
2016	1.00%	0.50%	5.00%	0.75%	0.25%
2017	1.00%	0.50%	5.00%	0.75%	0.25%
2018	1.00%	0.50%	5.00%	0.75%	0.25%

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

Data Source

Illinois Department of Revenue



**CITY OF NAPERVILLE, ILLINOIS**

**RATIOS OF OUTSTANDING DEBT BY TYPE**

Last Ten Fiscal Years

Fiscal Year Ended	Governmental Activities		Business-Type Activities		Total Primary Government	Percentage of Personal Income*	Per Capita*
	General Obligation Bonds	General Obligation Bonds	Revenue Bonds	IEPA Loan			
2010	\$ 122,474,459	\$ 56,584,111	\$ 4,073,712	\$ 763,848	\$ 183,896,130	2.84%	\$ 1,272.11
2011	116,918,354	54,185,617	-	259,354	171,363,325	2.59%	1,179.90
2012	105,219,222	75,012,910	-	-	180,232,132	2.79%	1,270.56
2013	97,950,479	71,886,351	-	-	169,836,830	2.63%	1,197.27
2014	97,958,819	66,354,322	-	-	164,313,141	2.55%	1,146.73
2015	108,548,121	60,391,308	-	-	168,939,429	2.56%	1,179.01
2015**	98,808,280	55,863,868	-	-	154,672,148	2.27%	1,058.47
2016	109,264,633	52,899,322	-	-	162,163,955	2.38%	1,117.92
2017	105,347,527	48,126,452	-	-	153,473,979	2.19%	1,052.71
2018	99,204,495	42,862,352	-	-	142,066,847	1.92%	963.50

\*See the Schedule of Demographic and Economic Statistics on page 142 for personal income and population data.

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

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

**CITY OF NAPERVILLE, ILLINOIS**

**RATIOS OF GENERAL BONDED DEBT OUTSTANDING**

Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds		Less: Amounts Available	Total	Percentage of Estimated Actual Taxable Value of Property*	Per Capita
	Governmental Activities	Business-Type Activities	In Debt Service Funds**			
2010	\$ 122,474,459	\$ 56,584,111	\$ 2,706,329	\$ 176,352,241	0.84%	\$ 1,219.92
2011	116,918,354	54,185,617	4,028,824	167,075,147	0.78%	1,150.38
2012	105,219,222	75,012,910	5,156,557	175,075,575	0.87%	1,234.20
2013	97,950,479	71,886,351	4,717,628	165,119,202	0.86%	1,164.02
2014	97,958,819	66,354,322	5,272,118	159,041,023	0.87%	1,109.93
2015	108,548,121	60,391,308	6,355,932	162,583,497	0.91%	1,134.65
2015***	98,808,280	55,863,868	4,997,000	149,675,148	0.83%	1,024.27
2016	109,264,633	52,899,322	3,169,205	158,994,750	0.84%	1,096.08
2017	105,347,527	48,126,452	3,866,197	149,607,782	0.75%	1,023.81
2018	99,204,495	42,862,352	5,027,970	137,038,877	0.66%	937.80

\*See the Schedule of Assessed Value and Actual Value of Taxable Property on page 130 for property value data.

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

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

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

**CITY OF NAPERVILLE, ILLINOIS**

**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**

December 31, 2018

<b>Governmental Unit</b>	<b>Gross Debt</b>	<b>Percentage Debt Applicable to the City of Naperville (1)</b>	<b>City of Naperville's Share of Debt</b>
City of Naperville	\$ 99,204,495	100.00%	\$ 99,204,495
School District #200	135,320,000	0.34%	460,088
School District #202	211,430,000	1.65%	3,488,595
School District #203	34,000,000	77.69%	26,414,600
School District #204	197,885,000	60.23%	119,186,136
School District #365	160,429,465	0.01%	16,043
Community College District #502	227,460,000	16.13%	36,689,298
Community College District #525	179,530,000	0.27%	484,731
Lisle Park District	9,555,000	0.44%	42,042
Naperville Park District	21,875,000	96.37%	21,080,938
Wheaton Park District	29,194,650	0.26%	75,906
Will County	281,380,000	11.23%	31,598,974
Will County Forest Preserve	108,309,792	11.23%	12,163,190
DuPage County	160,900,000	12.25%	19,710,250
DuPage County Forest Preserve	111,117,382	12.25%	13,611,879
	<u>1,868,386,289</u>		<u>285,022,670</u>
	<u>\$ 1,967,590,784</u>		<u>\$ 384,227,165</u>

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

Data Sources

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

**CITY OF NAPERVILLE, ILLINOIS**

**SCHEDULE OF LEGAL DEBT MARGIN**

December 31, 2018

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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)					Debt Service (3)		Coverage (4)
	Electric Charges and Other	Less: Operating Expenses (1)	Net Operating Revenue	Net Available Revenue per Ordinance (2)	Principal	Interest		
2010								
2011								
2012								
2013								
2014								
2015								
2015*								
2016								
2017								
2018								

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

Note: Details of the City's outstanding debt can be found in the notes to 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 Water Revenue Bonds were defeased on January 5, 2011.

Data Source

City of Naperville Annual Financial Reports

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<b>Water Revenue Bonds</b>						
<b>Water Charges and Other</b>	<b>Less: Operating Expenses (1)</b>	<b>Net Operating Revenue</b>	<b>Net Available Revenue per Ordinance (2)</b>	<b>Debt Service (3)</b>		<b>Coverage(4)</b>
				<b>Principal</b>	<b>Interest</b>	
\$ 27,383	\$ 27,177	\$ 206	\$ 536	\$ 1,195	\$ 584	0.30
<u>see note (5)</u>						

**CITY OF NAPERVILLE, ILLINOIS**

**DEMOGRAPHIC AND ECONOMIC INFORMATION**

Last Ten Fiscal Years

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<b>Fiscal Year</b>	<b>Population</b>	<b>Personal Income (amounts expressed in thousands)</b>	<b>Per Capita Personal Income</b>	<b>Median Age</b>	<b>Education Level in Years of Formal Schooling</b>	<b>School Enrollment</b>	<b>Unemployment Rate</b>
2010	144,560	\$ 6,221,284,160	\$ 43,036	35.9	15.13	47,522	6.2
2011	145,235	6,606,449,680	45,488	34.8	15.13	47,274	8.0
2012	141,853	6,452,609,264	45,488	35.0	15.13	47,946	6.1
2013	141,853	6,452,609,264	45,488	37.9	15.41	47,572	6.7
2014	143,289	6,449,724,468	45,012	39.2	15.41	46,790	7.1
2015	143,289	6,606,769,212	46,108	38.7	14.97	46,790	5.7
2015*	146,128	6,809,272,544	46,598	38.2	17.81	45,020	4.6
2016	145,058	6,803,945,000	46,905	38.6	17.81	45,071	4.6
2017	145,789	7,018,136,671	48,139	38.5	17.81	44,524	4.0
2018	147,449	7,385,278,063	50,087	35.0	17.81	44,513	3.6

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

Data Sources

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

**CITY OF NAPERVILLE, ILLINOIS**

PRINCIPAL EMPLOYERS

Current Year and Nine Years Ago

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

Data Sources

2018 Illinois Manufacturers Directory, 2018 Illinois Services Directory



**CITY OF NAPERVILLE, ILLINOIS**

**FULL-TIME EQUIVALENT EMPLOYEES**

Last Ten Fiscal Years

<b>Function/Program</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015*</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
Mayor and Council	12.00	11.12	11.12	11.12	11.12	11.12	11.00	11.00	11.00	11.00
Legal	11.50	10.50	10.50	10.50	10.50	14.00	14.00	13.50	13.50	9.00
City Manager's Office	12.87	11.62	10.12	10.12	13.12	11.12	11.12	11.12	10.13	11.63
City Clerk	6.00	5.50	5.50	5.50	5.50	5.50	6.50	8.00	7.25	6.00
Special Events and Cultural	1.00	1.50	0.50	0.50	0.50	0.50	0.62	0.62	1.00	1.00
Community Development Block Grant	0.50	-	1.00	0.75	0.50	0.67	0.67	0.67	1.00	1.00
Information Technology	21.37	19.85	19.37	18.75	19.75	21.75	27.00	27.00	26.00	26.00
Finance	42.49	35.63	35.63	35.63	35.63	36.63	35.63	35.63	33.63	33.13
Human Resources	12.75	10.50	9.50	9.50	9.50	9.00	9.00	9.00	9.00	9.00
Board of Fire and Police	1.12	0.88	0.88	0.88	0.88	0.88	1.00	1.00	1.00	1.00
TED Business Group	82.66	71.97	67.03	65.87	66.60	66.18	66.66	68.66	64.00	63.00
Riverwalk Commission	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Public Works	117.35	110.35	108.96	108.55	108.30	108.76	108.88	109.39	103.63	103.63
Police	299.04	284.88	273.54	269.92	269.92	275.67	275.54	274.90	271.88	268.10
Fire	208.00	207.00	203.00	203.00	202.00	202.00	202.00	202.00	202.00	201.00
Electric Utility	122.04	120.00	120.00	118.50	117.00	114.00	112.00	112.00	106.00	106.00
Water Utility	97.02	92.27	92.07	83.50	82.94	82.94	83.56	83.79	84.50	82.50
<b>TOTAL</b>	<b>1,048.21</b>	<b>994.07</b>	<b>969.22</b>	<b>953.09</b>	<b>954.26</b>	<b>961.22</b>	<b>965.68</b>	<b>968.78</b>	<b>946.02</b>	<b>933.49</b>

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

Data Source

City Budget

**CITY OF NAPERVILLE, ILLINOIS**

OPERATING INDICATORS

Last Ten Fiscal Years

<b>Function/Program</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2015*</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
<b>PUBLIC SAFETY</b>										
Police (1)										
Physical arrests (DUI)	578	622	574	549	424	374	369	312	266	272
Parking violations	17,898	19,278	15,654	16,600	14,148	13,630	13,582	18,206	17,246	15,488
Traffic violations	25,611	21,546	18,521	17,769	13,924	12,319	12,532	15,831	15,743	15,544
Fire										
Emergency responses	10,957	11,575	11,264	11,760	12,210	12,792	12,979	13,677	14,631	14,583
Fires extinguished	89	90	86	83	78	93	87	106	158	192
<b>PUBLIC WORKS</b>										
Total curbside refuse collected (tons)	39,909	38,781	38,367	37,803	37,077	36,657	36,272	37,405	37,539	36,982
Total curbside recycling collected (tons)	17,095	17,251	17,069	16,469	15,605	15,692	15,872	15,655	15,650	15,503
Snow and ice control events	36	44	16	18	49	25	24	29	17	19
Tons of salt used	18,000	16,046	8,251	13,686	21,964	11,768	11,692	10,908	6,525	9,700
<b>WATER/WASTEWATER (1)</b>										
New connections	121	56	107	171	283	291	342	300	733	290
Water main breaks	73	84	37	64	92	75	68	80	81	84
Average daily consumption	15.26	15.29	15.16	16.64	15.11	13.90	14.10	14.46	41.90	14.65
Peak daily consumption	27.37	28.34	30.79	34.19	29.55	22.90	24.26	25.21	26.20	26.14
Average daily wastewater treated (million gal)	22.10	21.40	21.59	18.30	19.70	19.40	18.16	19.47	26.25	19.74
<b>ELECTRIC (1)</b>										
Peak monthly demand	358,000	369,000	390,853	402,273	365,033	322,831	328,597	352,640	330,946	343,568
Peak month energy use (million)	136.90	172.10	172.70	184.10	151.90	142.80	143.40	154.60	144.60	145.60

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

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

Data Source

Various city departments

**CITY OF NAPERVILLE, ILLINOIS**

CAPITAL ASSET STATISTICS

Last Ten Fiscal Years

<b>Function/Program</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
<b>PUBLIC SAFETY</b>										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Area patrols	10	10	10	10	10	10	10	12	12	12
Patrol units	80	83	78	78	80	85	85	89	89	89
Fire										
Fire stations	9	10	10	10	10	10	10	10	10	10
Front line apparatus (engines and ambulance)	18	19	18	18	18	18	18	18	18	18
<b>TRANSPORTATION</b>										
Arterial streets (centerline miles)	127	127	127	127	127	127	138	140	140	140
Traffic signals	163	163	163	163	163	164	164	165	165	167
<b>PUBLIC WORKS</b>										
Streetlights	10,994	11,040	11,312	11,462	11,480	11,542	11,705	12,080	12,154	12,254
Storm sewers (miles)	877	818	861	870	879	886	895	987	852	855
<b>WATER</b>										
Water mains (miles)	629.4	636.4	641.1	688.7	693.7	708.2	714.5	723.2	732.7	735.6
Fire hydrants	8,672	8,809	8,897	8,967	9,055	9,157	9,236	9,378	9,451	9,480
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)	484.54	489.52	492.80	530.93	534.09	539.34	543.28	551.40	553.26	562.31
Treatment capacity (million gallons per day)	26.25	26.25	26.20	26.25	26.25	26.25	26.25	26.25	26.25	26.25
<b>ELECTRIC</b>										
Number of distribution stations	16	16	16	16	16	16	16	16	16	16
Transmission and distribution line mileage (excluding secondary distribution)	958.15	970.26	973.89	977.83	979.98	984.19	999.49	1,007.90	1,017.77	1,017.77

Data Source

Various city departments.