

CITY OF NAPERVILLE, ILLINOIS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR: MAY 1, 2013 - APRIL 30, 2014



Prepared by: The City of Naperville Finance Department

CITY OF NAPERVILLE, ILLINOIS
COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the fiscal year ended
April 30, 2014

Prepared by:
The Finance Department



City of Naperville
Introductory Section

CITY OF NAPERVILLE, ILLINOIS

Year ended April 30, 2014

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September 2, 2014

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

We are pleased to submit the Comprehensive Annual Financial Report of the City of Naperville for the fiscal year ended April 30, 2014. State law, as well as local ordinances, require that we publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with auditing standards generally accepted in the United States of America 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. The goal of the independent audit was to provide reasonable assurance that the basic financial statements of the City of Naperville for the fiscal year ended April 30, 2014, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall basic financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of Naperville's basic financial statements for the fiscal year ended April 30, 2014 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, with special emphasis on internal controls and 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 39.90 square miles and serves a population of 143,289. 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 an eight-member council. 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 will be up for election in 2015. The four Council candidates who receive the most votes will serve four-year terms and the other four will serve two-year terms. In 2017, the seats of the individuals who served two-year terms will be up for election as a four-year term. All Council terms will again be staggered four-year terms after the 2017 election. The Mayor is elected to a four-year term, and was not impacted in any way by the districting process. Mayor and the Council members are elected at large, on a non-partisan basis. The City Manager is responsible for carrying out the policies and

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

The annual budget serves as the foundation for the City of Naperville's financial planning and control. All departments of the City of Naperville are required to submit requests for appropriation to the City Manager on or before the first week in November each year. The City Manager 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 prior to March 31. The City Council is required to hold public hearings on the proposed budget and adopt a final budget no later than April 30, the City's fiscal year end. The appropriated budget is prepared by fund, and department (e.g., police). Department directors may transfer appropriations within a department. Transfers of appropriations between departments, however, require the special approval of the City Council. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated 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.

Economy

The economic environment in Naperville continues to improve. The City has fully recovered from the recession with most economy driven revenue streams returning to or exceeding pre-recession highs. The City continues to budget conservatively for revenue growth, and for FY 2014 overall revenue collections exceeded the budget by over \$4

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million, or 4% above the original budget. Retail sales tax, which is the largest single revenue source of General Fund grew by 7% over the prior year, more than double the national average increase of 4% in calendar 2013. After falling by 10% during the recession, sales tax receipts recovered to their pre-recession level in FY 2012, and FY 2013 and FY 2014 each in turn set new record highs! Another major sign of recovery is the dramatic 60% increase in home sales over the level 2 years ago in FY 2012! Home sales, while not a record high, have returned to a level just below the FY 2008 sales and are roughly in line with expectations of a stable real estate environment.

With the backdrop of an improving economic environment, the City Council reached consensus at the first budget workshop in October 2013 to reduce the property tax levy for the fourth consecutive year. Property values fell in Naperville by an average of almost 18% during the recession, and the decline has been reflected in the lowering of the Equalized Assessed Valuation (EAV) over four years. In FY 2012 the EAV dropped 5.44% and a further 4.31% in FY 2013, 5.54% in FY 2014 and a decline of 2.41% in FY 2015. Recognizing the pressure to minimize increases in the property tax rate, Council agreed four years in a row to reduce the property tax levy dollars. The reductions are included in FY 2012, FY 2013 and FY 2014 financial results, and for FY 2015 the reduction was approved by Council in December 2013. Over the four year period the levy will have been reduced by \$4.5 million, 9%.

The City has been focusing for several years on the importance of employee health and safety. Healthcare costs do continue to rise, but the City has been seeing healthcare and workers compensation claims below national trends. The winter of 2013 brought record levels of snow fall and winter operation expenditures exceeded the budget by almost \$1.1 million. Cost savings across all of the other General Fund departments have been sufficient to offset the high winter operation costs and no budget amendment is required to close out the fiscal year.

At the end of FY 2013 the General Fund fund balance was almost \$13 million above the required 20% reserve level. The City Council included in FY 2014 expenditure budget an accelerated public safety pension contribution of \$6 million from the available excess balance. The incremental contribution was made in June 2013 and is included in the actual FY 2014 results. The compound interest on the accelerated payment is expected to save the City at least \$16 million over the next twenty years.

Continued increases in revenue and decreases in expenditures provided for FY 2014 to be fully balanced. At the conclusion of FY2014 the General Fund fund balance of \$25 million, an excess of \$5 million above the required 20% reserve level. Use of the excess fund balance has been considered in the development of the FY 2015 budget.

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Letter of Transmittal

Long-Term Financial Planning

The City utilizes a variety of processes that result in many documents to plan for the financial future of the City. The basis for all documents is the City's Strategic Plan.

The City Council updated the City of Naperville Strategic Plan in November 2013. The plan provides the vehicle through which the City shapes the future, maintains the quality of life, manages limited resources, and establishes service levels. This strategic plan includes a mission statement, vision statement and identifies specific opportunities to attain the vision. The revised plan focuses on three major goals;

- Be an E-Government Innovator
- Improve Traffic Flow & Congestion
- Set the Standard for Community Education & Involvement

Since the Strategic Plan was adopted, some achievements include the initiation of a new IT Strategic Technology Plan, which will serve as a roadmap for future technology improvements, upgrading of nearly all City computers to Window 7, implementation of an online employee flexible spending enrollment system in-house, and installation of in-car video systems for the police squad cars.

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

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

Additionally, the City Council reviews with staff a five-year operating financial plan. This plan forecasts revenues and expenditures of the City include property tax levy requirements.

Major Initiatives

Financial discussions with the City Council began in October 2013 with discussion on the FY 2014 year forecast and the upcoming FY 2015 budget season. Due to the economic recession, City budgets from FY 2010 forward have focused on maintenance and cost reduction savings. Minimal staffing increases and restoration of some services which had been curtailed have been approved by Council and are incorporated in the budget. The City remains conservative in its initiatives and spending levels.

CITY OF NAPERVILLE, ILLINOIS

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Operational Initiatives

Department of Public Works

The City continued the Emerald Ash Borer (EAB) program, which included the treatment of all healthy parkway trees with a hybrid of treatment options. This is the 3rd of a 6 year program for the trimming, removal and replacement of infected ash trees. City has 16,300 ash trees, approximately 26% of the City's parkway tree inventory.

The annual operating budget will continue to include approximately \$370,000 a year to maintain treatments, and the annual Capital Improvement Program budget will maintain approximately \$460,000 for the annual removal and replacement of an estimated 900 trees.

Electric Utility Fund

Based on the Electric Rate study of FY 2012, a 2% rate increase took effect on May 1, 2013. However, due to the costs of purchased power exceeding rate revenues, the Electric Utility ended FY 2014 with a negative cash position of \$13 million. A short term loan was advanced from the Water Utility Fund. An electric rate increase of 6% was approved by the Council and has been in place since May 1, 2014 with an additional increase of 7% in FY 2016. A rate study will be conducted to establish sufficient rates revenue to fully pay off the loan by the end of FY 2017 and to begin restoration for the Utility 30 day reserve.

Capital Initiatives

The City Council believes in the maintenance of capital assets. Some key maintenance initiatives are as follows:

Department of Public Works

- **Environmental Collection Center** – This is an upgrade and enhancement construction project to provide an improved drop-off location for hazardous materials and recyclables. The State of Illinois has funded 80% of the project cost.

Department of Transportation, Engineering & Development

- **Water Street District Improvements** – This project involves building a parking garage with an estimated 524 stalls. It also includes renovating and improving the Riverwalk. Construction of the garage will be completed as part of the proposed Water Street Districted Development.

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- **Route 59 improvements:** Aurora Avenue to Ferry Road – This project provides three through lanes and additional turn lanes to reduce congestion and improve safety.

Department of Public Utilities- Water

Automatic Meter Reading – In FY 2014, the Water Utility completed an RFI process to obtain information on the design and architecture of commercially available Advanced Metering Infrastructure (AMI) system that would provide system integration with the existing City digital infrastructure and operational functionality to integrate the Utility's 42000 water meters and process the obtained data for monthly utility billing. Pending the City Council's direction, an RFP will be subsequently issued for the selection of an AMI vendor with passed implementation scheduled for FY 2015 and beyond.

Naperville Settlement

Fort Payne Learning Playscape– The Fort Payne Learning Playscape is intended to provide exploration activities for the youngest visitor, ages 2 through 7, in a themed play environment built within the modified fort structure. This almost 10,000 square foot area will include a play space with climbing structures, storefront and rubber play surface, a splash pad area with spray features and seating, and a gathering space which will include a sensory garden and shade tent structure. This project offers an outdoor, environmental education experience complementary to other Naperville facilities.

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

For the Next Fiscal Year and Beyond

Even though the economy is recovering, City Council will continue to closely review proposed initiatives to understand the benefit and cost saving opportunities to the City, while providing for appropriate maintenance of the current city assets and infrastructure.

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Financial Management Policies

The City's financial management policies seek to improve the overall well being of the citizens, maintain and improve essential municipal services, and enhance the financial capability of the City.

- ***Budget Policies***

The City's budget must be funded at a level adequate to ensure continuation of service levels, within the budgetary guidelines, established each year by the City Council.

Reserve policies must be set that provide adequate protection for the future. General Fund Reserves have been set by the City Council at 20% of the approved budget appropriations. Effective April 15, 2003, each Utility Fund is to maintain a reserve equal to 30 days of operating expenditures, excluding capital and debt service payments.

The City implemented Statement 54 of the Governmental Accounting Standards Board (Fund Balance Reporting and Governmental Fund Type Definitions) at April 30, 2010. Additional information on the City's fund balance can be found in Note (1) (m) to the financial statements.

- ***Debt Management***

The City of Naperville faces continuing capital infrastructure requirements to meet the increasing needs of its citizens. The costs of these requirements will be partially met through the issuance of various types of debt instruments. In January 1993, the City of Naperville adopted a formal debt management policy. The policy was updated on January 15, 2008 and March 2, 2010. The purpose of this policy is to provide a functional tool for debt management and capital planning as well as to enhance the City's reputation for managing the debt in a conservative fashion. In accordance with this policy, the City shall pursue the following goals:

- The City shall endeavor to attain the highest possible credit rating for each debt issue.
- The City shall take all practical precautions to avoid any financial decision which will negatively impact current credit ratings on existing or future debt issues.
- The City shall effectively utilize debt capacity in relation to City growth and tax burden to meet long-term capital requirements.

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- When planning for the issuance of new debt, the City shall consider the impact of such new debt on overlapping debt and the financing plan of local governments, which overlap, or underlie the City.
- When issuing debt, the City shall assess financial alternatives to include, whenever feasible, categorical grants, revolving loans, or other state/federal aid.
- The City's financial management policies shall seek to minimize debt interest costs.
- The City's financial management policies shall seek to improve the overall well being of the citizens, maintain and improve essential municipal services, and enhance the financial capability of the City.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Naperville for its comprehensive annual financial report (CAFR) for the fiscal year ended April 30, 2013. This was the twentieth consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements.

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

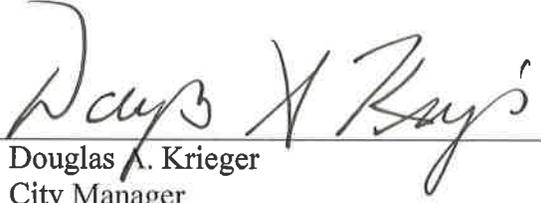
In addition, the City also received the GFOA's Distinguished Budget Presentation Award for its annual budget document dated May 1, 2013. This was the twenty second consecutive year that the City has received this prestigious award. In order to qualify for the Distinguished Budget Presentation Award, the government's budget document was judged to be proficient in several categories, including policy documentation, financial planning, and organization.

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

CITY OF NAPERVILLE, ILLINOIS

Letter of Transmittal

Respectfully submitted,



Douglas A. Krieger
City Manager



Rachel Mayer
Finance Director



Government Finance Officers Association

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

Presented to

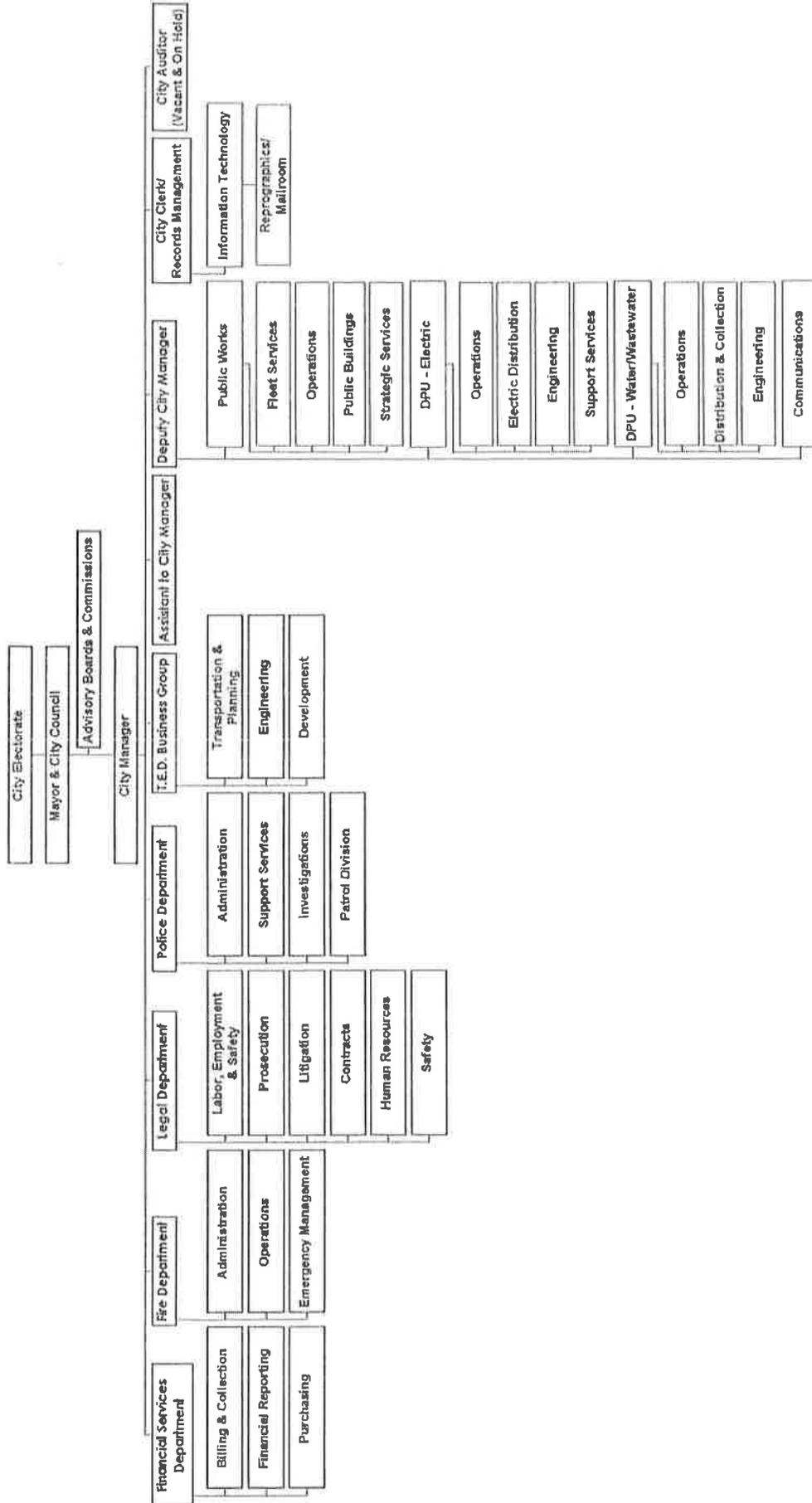
**City of Naperville
Illinois**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

April 30, 2013

Executive Director/CEO

City of Naperville
 Functional Organization Chart
 5/1/2013



CITY OF NAPERVILLE, ILLINOIS

Elected and Appointed Officers and Officials

Year ended April 30, 2014

Mayor

A. George Pradel

Council

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

Douglas P. Krause
Joseph J. McElroy
Grant E. Wehrli
David G. Wentz

City Manager

Douglas A. Krieger

Deputy City Manager

Marcie J. Schatz

City Clerk

Pamela R. LaFeber

Finance Director

Rachel Mayer

Chief of Police

Robert W. Marshall

Fire Chief

Mark J. Puknaitis

Director of Public Works

Richard E. Dublinski

Director of T.E.D. Business Group

William J. Novack

**Director of Public Utilities –
Electric**

Mark J. Curran

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

James E. Holzapfel



City of Naperville
Financial Section



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

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Naperville, Illinois (the City), as of and for the year ended April 30, 2014, 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 39%, 42% and 24%, respectively, of the assets, fund balances/net position and revenue/additions of the aggregate remaining fund information of the City. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Firefighters' Pension Fund of the City is based on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

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

Opinions

In our opinion, based on our report and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City of Naperville, Illinois, as of April 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual fund statements and schedules, and statistical section, are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual fund statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. 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.

The prior year comparative information has been derived from the City's 2013 financial statements and, in our prior year report dated August 23, 2013 we expressed unmodified opinions on the respective financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated August 29, 2014 on our consideration of the City of Naperville, Illinois' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Naperville, Illinois's internal control over financial reporting and compliance.

A handwritten signature in black ink, appearing to read "Schuch LLP". The signature is written in a cursive, flowing style.

Naperville, Illinois
August 29, 2014

CITY OF NAPERVILLE, ILLINOIS

Management's Discussion and Analysis

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

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

Financial Highlights

- The assets of the City exceeded its liabilities by \$909 million (net position) at the end of fiscal year 2014. Of this amount, \$51 million (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position decreased by \$20.4 million. The governmental net position decreased by \$9.6 million (or 2.05%) and the business-type net position decreased by \$10.8 million (or 2.34%).
- The City's governmental funds reported combined ending fund balances of \$43.8 million. Approximately 58% of this amount, \$25.3 million, is available for spending at the City's discretion (unassigned fund balance). The general fund fund balance is \$5 million above the policy reserve level.
- The City's total debt remained roughly flat. During the fiscal year, the City issued \$5.6 million General Obligation Bonds.

Overview of the Financial Statements

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

Government-Wide Financial Statements

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

CITY OF NAPERVILLE, ILLINOIS

Management's Discussion and Analysis

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

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

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

Fund Financial Statements

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

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

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

The City maintains 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 all other funds. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

CITY OF NAPERVILLE, ILLINOIS

Management's Discussion and Analysis

The basic governmental fund financial statements can be found on Exhibits A-3 through A-6 of this report.

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

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

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

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

The basic fiduciary fund financial statements can be found on Exhibits A-10 and A-11 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 31-68 of this report.

Other Information

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

CITY OF NAPERVILLE, ILLINOIS

Management's Discussion and Analysis

Government-wide Financial Analysis

Statement of Net Position

The City's assets exceeded liabilities by \$909 million at the end of FY 2014. By far the largest portion of the City's net position (93.5%) 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 (0.9%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (5.6%) may be used to meet the City's ongoing obligations to citizens and creditors.

The following table presents a condensed summary of Net Position as of April 30, 2014 and 2013:

As of April 30						
(in millions)						
	Governmental activities		Business-type activities		Total primary government	
	2014	2013	2014	2013	2014	2013
Current and other assets	\$ 124	118	38	50	162	168
Capital assets	507	517	504	503	1,011	1,020
Total assets	631	635	542	553	1,173	1,188
Deferred outflows of resources	1	2	1	1	2	3
Total assets and deferred outflows of resources	632	637	543	554	1,175	1,191
Long-term liabilities outstanding	112	113	69	74	181	187
Other liabilities	28	22	24	20	52	42
Total liabilities	140	135	93	94	233	229
Deferred inflows of resources	33	34	—	—	33	34
Total liabilities and deferred inflows of resources	173	169	93	94	266	263
Net position:						
Net investment in capital assets	412	419	438	432	850	851
Restricted	8	7	—	—	8	7
Unrestricted	39	42	12	28	51	70
Total net position	\$ 459	468	450	460	909	928

CITY OF NAPERVILLE, ILLINOIS

Management's Discussion and Analysis

Normal Impacts

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

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

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

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

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

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

Current Year Impacts

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

During the current fiscal year, total unrestricted net position decreased by \$18.6 million. The governmental net position decreased by \$2.9 million and the business-type net position decreased by \$15.7 million, respectively.

CITY OF NAPERVILLE, ILLINOIS

Management's Discussion and Analysis

The following table presents a condensed summary of Changes in Net Position as of April 30, 2014 and 2013:

City of Naperville's Changes in Net Position						
For the Year Ended April 30						
(in millions)						
	Governmental		Business-type		Total primary	
	activities		activities		government	
	2014	2013	2014	2013	2014	2013
Revenues:						
Program revenues:						
Charges for services	\$ 14	13	184	184	198	197
Operating grants and contributions	7	8	—	—	7	8
Capital grants and contributions	3	1	11	10	14	11
General revenues:						
Property taxes	34	36	—	—	34	36
Other taxes	81	74	—	—	81	74
Others	—	4	—	1	—	5
Total revenues	<u>139</u>	<u>136</u>	<u>195</u>	<u>195</u>	<u>334</u>	<u>331</u>
Expenses:						
General government	9	8	—	—	9	8
Physical environment	9	9	—	—	9	9
Public safety	67	65	—	—	67	65
Transportation	50	47	—	—	50	47
Culture and recreation	10	9	—	—	10	9
Interest on long-term debt	4	4	—	—	4	4
Electric	—	—	152	146	152	146
Water and wastewater	—	—	51	46	51	46
Burlington commuter parking	—	—	2	2	2	2
Total expenses	<u>149</u>	<u>142</u>	<u>205</u>	<u>194</u>	<u>354</u>	<u>336</u>
Increase (Decrease) in net position before transfers	(10)	(6)	(10)	1	(20)	(5)
Transfers	—	—	—	—	—	—
Increase (Decrease) in net position	(10)	(6)	(10)	1	(20)	(5)
Net position-beginning, restated	<u>469</u>	<u>474</u>	<u>460</u>	<u>459</u>	<u>929</u>	<u>933</u>
Net position-ending	<u>\$ 459</u>	<u>468</u>	<u>450</u>	<u>460</u>	<u>909</u>	<u>928</u>

CITY OF NAPERVILLE, ILLINOIS

Management's Discussion and Analysis

Normal Impacts

Revenues

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

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

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

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

Expenses

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

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

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

Current Year Impacts

Governmental Activities. Governmental activities decreased the City's net position by \$10 million.

Revenue

Total revenues increased by \$3 million (or 1.89%), which can be attributable to the strengthening economy and increases in all related revenue streams only partially offset by a reduction in the property tax. As a part of the budget process, the FY 2014 budget incorporated a reduction in property tax levy dollars of \$3 million from the prior year. This reduction resulted in a 2012 property tax rate of \$0.7756.

Retail sales tax revenue has long been the largest revenue source for the City. Retail sales tax collections had climbed to their highest point in FY 2007 of almost \$29 million, and then fell for the next three fiscal years during the economic downturn. The overall decline was 10%, with FY 2010

CITY OF NAPERVILLE, ILLINOIS

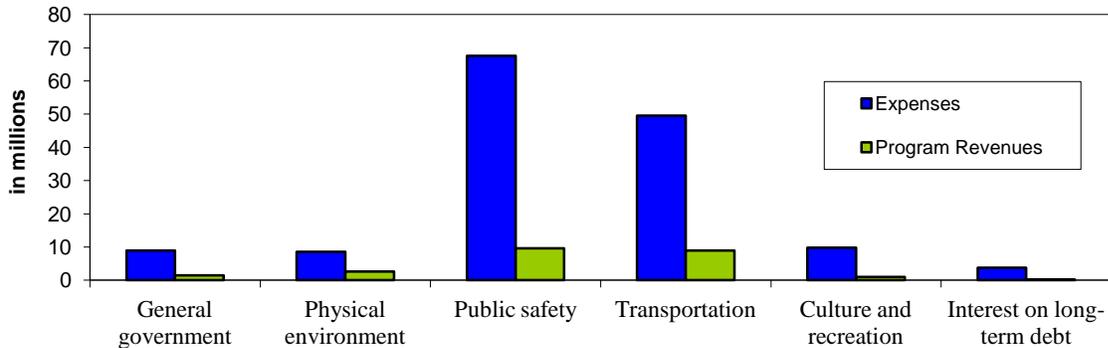
Management’s Discussion and Analysis

retail sales tax receipts just barely above \$26 million. Retail sales began to rebound in FY 2011 and FY 2012, and then set new record high in FY 2013 and grew to over \$34 million in FY 2014. Real estate transfer tax began a dramatic recovery in FY 2013 and by FY 2014 included a 60% increase in the number of home sales over the level just two years ago. Total real estate transfer tax collections in FY 2014 ended over \$4.5 million. Income tax collections also improved and benefitted as well from tax payer acceleration of capital gain transactions to take advantage of favorable tax rates.

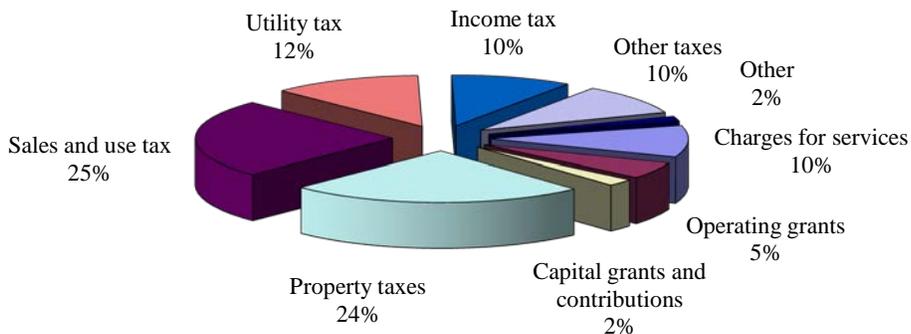
Expenses

Total expenses increased by \$7 million (or 4.27%) to \$149 million.

Expenses and Program Revenues – Governmental Activities



Revenues by Source – Governmental Activities



CITY OF NAPERVILLE, ILLINOIS
 Management's Discussion and Analysis

Business-type activities. Business-type activities decreased the City's net position by \$10 million.

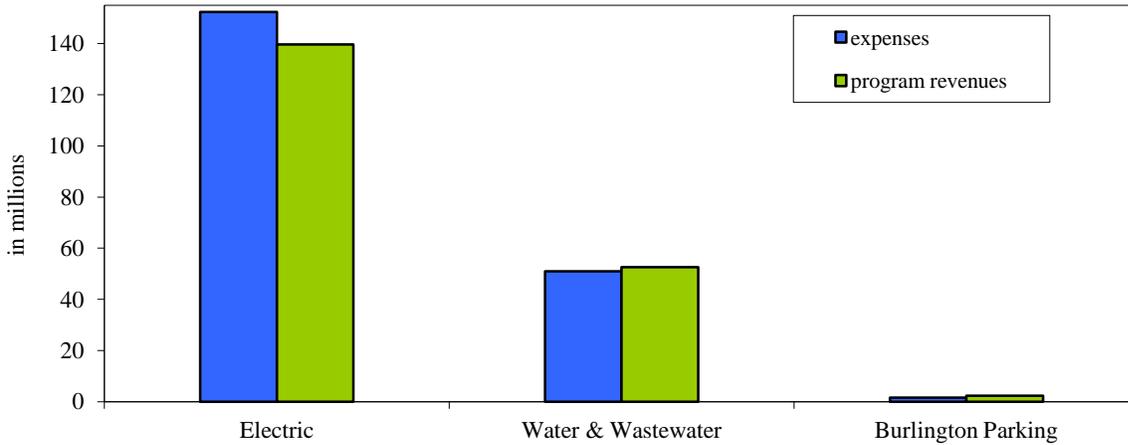
Revenue

The total revenues were unchanged.

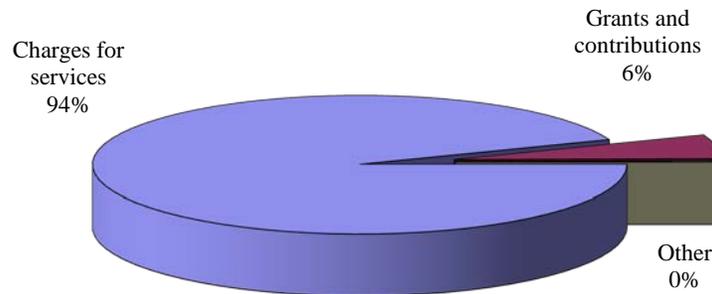
Expenses

Total expenses increased \$11 million (or 5.8%), primarily due to increased purchased power costs by \$6 million and purchased water costs by \$2 million.

Expenses and Program Revenues – Business-type Activities



Revenues by Source-Business-type Activities



CITY OF NAPERVILLE, ILLINOIS

Management's Discussion and Analysis

Financial Analysis of the City's Funds

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

Governmental Funds. The focus of the City's governmental funds, which includes the General Fund and 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 \$43.8 million, a decrease of \$1.9 million in comparison with the prior fiscal year. Of the total fund balance amount, \$25.3 million constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of fund balance is for a variety of restricted, committed and assigned purposes and is not available for new spending.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$25.5 million while total fund balance reached \$25.6 million. As a measure of the General Fund's liquidity, it may be useful to compare the unassigned fund balance to total fund expenditures. Unassigned fund balance represents 23.49% of total General Fund expenditure, while total fund balance represents 23.56% of that same amount.

The following schedule presents the governmental funds summary of revenues for the years ended April 30, 2014 and 2013:

Revenues:	FY 2014	Percent of Total	FY 2013	Amount of increase (decrease)	Percent of increase (decrease)
	(Amounts expressed in thousands)				
Taxes	\$ 112,344	81.92%	\$ 109,884	\$ 2,460	2.24%
Intergovernmental	6,737	4.91%	8,177	(1,440)	-17.61%
Charges for services	8,348	6.09%	7,894	454	5.75%
Net investment income	(98)	-0.07%	855	(953)	-111.46%
Fees	2,822	2.06%	3,311	(489)	-14.77%
Licenses and permits	2,480	1.81%	2,319	161	6.94%
Fines and forfeits	1,709	1.25%	1,718	(9)	-0.52%
Contributions and Miscellaneous	2,798	2.04%	1,315	1,483	112.78%
Total	\$ <u>137,140</u>	<u>100.01%</u>	\$ <u>135,473</u>	<u>1,667</u>	<u>1.23%</u>

The largest dollar value increases in revenues came from taxes. Taxes include such items as retail sales tax, income tax, utility tax, property tax (including pensions), hotel/motel tax, real estate transfer tax and food and beverage tax. As previously stated, Naperville's economic recovery is visible in the across the board increase in all areas of tax receipts associated with economic growth. The most notable increases were an overall \$1.2 million (or 35%) increase in real estate transfer tax receipts as both residential and commercial property sales increased, a \$2 million (or 7%) increase in retail sales and use tax receipts, and \$1 million (or 8%) increase in income tax. The economy driven revenue increases were more than sufficient to offset the lower property tax levied by City Council.

CITY OF NAPERVILLE, ILLINOIS
Management's Discussion and Analysis

The main component of intergovernmental revenue is governmental grants. The City strives to obtain grant funding for eligible capital projects. Grant revenues in the governmental funds declined by \$1.4 million (or 18%) in FY2014. The City had less construction projects completed which were funded by the federal or other governments during FY 2014 compared with FY 2013.

License and permit revenue are driven by the City's economic recovery and growth, and as such showed a 7% increase over the prior year.

The lower interest rate environment for fixed income securities resulted in a decline in the reported net investment income. The reduction reflects both the actual reduction in interest earnings as well as the realized and unrealized losses as the market value of the fixed income portfolio declined.

Expenditures:	FY 2014	Percent of total	FY 2013	Amount of increase (decrease)	Percent of increase (decrease)
	(Amounts expressed in thousands)				
Current:					
Public safety	\$ 71,862	49.06%	\$ 63,090	\$ 8,772	13.90%
Transportation/ Physical Environment	32,950	22.49%	30,231	2,719	8.99%
Culture and recreation	8,165	5.57%	7,275	890	12.23%
General government	6,967	4.76%	6,165	802	13.01%
Debt service:					
Principal	5,648	3.86%	12,010	(6,362)	-52.97%
Interest, fees and issuance costs	3,893	2.66%	4,006	(113)	-2.82%
Capital outlay	16,997	11.61%	15,990	1,007	6.30%
Total for all functions	<u>\$ 146,482</u>	<u>100.01%</u>	<u>\$ 138,767</u>	<u>\$ 7,715</u>	<u>5.56%</u>

The accelerated public safety contribution of \$6 million was the main reason for the increase in Public Safety. The winter operation costs can be attributable to the increase in Transportation. Due to record levels of snow fall in the FY 2014 winter, the total costs increased to \$3.9 million from \$1.7 million of FY 2013. General Government increase was mainly due to the legal settlement on the telecommunication taxes of \$484,475.

There was no current refunding on G.O. bonds in FY 2014, while a current refunding of \$3.7 million on 2001A G.O.bonds added to the debt service-principal expenditure in FY 2013.

The City Council is committed to maintain the City's infrastructure. Major projects in the FY 2014 capital program included: the Emerald Ash Borer tree removal and replacement program, storm sewer lining, roadway, bridge and parking lot maintenance, and new traffic signals.

CITY OF NAPERVILLE, ILLINOIS

Management's Discussion and Analysis

General Fund Budgetary Highlights

The difference between the original budget and the final amended budget for the General Fund was an overall improvement of over \$4 million. The revenue budget was increased by over \$3 million to reflect the higher collections resulting from the economic recovery. The expenditure and transfer out budget was reduced by over \$1 million to reflect a projection of lower overall health care and worker compensation costs.

**General Fund Budgetary Highlights
For the Fiscal Year Ended April 30, 2014**

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>
	(Amounts expressed in thousands)		
Revenues and Transfers:			
Taxes	\$ 88,295	92,095	93,163
Licenses and permits	1,950	2,250	2,377
Other revenues	13,936	13,085	12,857
Transfers In	390	390	390
Total revenues and transfers	<u>104,571</u>	<u>107,820</u>	<u>108,787</u>
Expenditures and Transfers:			
Expenditures	103,563	107,422	108,604
Transfers out	11,299	6,327	6,327
Total expenditures and transfers	<u>114,862</u>	<u>113,749</u>	<u>114,931</u>
Change in fund balance	<u>\$ (10,291)</u>	<u>(5,929)</u>	<u>(6,144)</u>

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

Electric Utility – The Electric Utility recorded a net loss before capital fees, capital grants and transfers of \$18.4 million for FY 2014, compared to \$10.4 million net loss for the prior year.

Electric rates had remained constant since May 1, 2010. The City completed an Electric rate study during 2011 and a new Electric rate structure became effective July 1, 2012 (transmission metering only) and March 1, 2013. The total level of revenue recovery was expected to stay constant through April 30, 2013. Ordinance 13-010 increased electric service rates 2% to all customers on May 1, 2013 with additional scheduled increases of 2% on for May 1, 2014 and May 1, 2015.

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.

Electric charges for services decreased \$0.6 million (or 0.5%) due primarily to the cooler summer during 2013. Kilowatt hour sales decreased by 25.3 million (or 1.7%) compared to the prior period.

Purchased power expense for FY 2014 is 85.6% of operating expense and fluctuates based on heating degree days, cooling degree days, rate for purchased electricity, and demand charges. Kilowatt hour purchases decreased by 17.0 million (or 1.1%) compared to the prior period. Purchased power expense increased \$6.4 million compared to the prior period due primarily to increased demand charges. Other operating expense remained flat compared to the prior year.

CITY OF NAPERVILLE, ILLINOIS

Management's Discussion and Analysis

Water/Wastewater Utility – The Water/Wastewater Utility recorded net loss before capital fees, contributions of capital assets, and transfers of \$3.2 million for FY 2014 as compared to net income of \$3.4 million for the prior period. Operating income decreased \$4.8 million and nonoperating revenues (expense) decreased \$0.7 million.

The City completed a Water and Wastewater rate study during 2011 and as a result, the water and wastewater rate increases were implemented in January 2012 and January 2013. City Council voted to hold rates steady for January 2014 except for the wholesale water charges passed on to customers.

Retail water rates, passed through from the DuPage Water Commission to the City's customers, increased 17.8% on January 1, 2014 for both residential and commercial customers compared to the prior period. On January 1, 2014, the water charge to customers increased to \$3.17 per 100 CCF from \$2.69 per CCF.

Other water charges for services and wastewater charges for services remained flat compared to the prior period. Water gallons sold to customers decreased 681.7 million or (11.7)%.

Purchased water expense for FY 2014 is 55.3% of operating expense and fluctuates based on rainfall and the wholesale water rate set by the Du Page Water Commission. The purchased water rate (per 1000 gallons) increased January 2013 to \$3.32 (from \$2.73) and January 2014 to \$3.97. Water gallons purchased decreased by 559.1 million gallons (or 9.1%) compared to the prior period. Purchased water expense increased \$1.9 million (or 10.2%) compared to the prior period. Other operating expense increased \$1.9 million (12.7%) due primarily to higher internal service charges of \$0.6 million, higher labor and benefits of \$0.4 million, higher contract labor of \$0.5 million, and \$0.4 million for supplies.

Capital Assets and Debt Administration

Capital Assets. The City's investment in capital assets for its governmental and business-type activities as of April 30, 2014, amounts to \$1,012 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, furniture and fixtures, infrastructure, and IMEA participation right and other intangible assets. The total decrease in the City's investment in capital assets for the current fiscal year was 0.78% (a 1.9% decrease for governmental activities and 0.31% increase for business-type activities) as depreciation exceeded new capital outlay.

	Governmental activities		Business-type activities		Total primary government	
	2014	2013	2014	2013	2014	2013
Land and land improvements	\$ 176	175	14	14	190	189
Building and building improvements	85	88	5	5	90	93
Machinery and equipment	16	15	3	4	19	19
Infrastructure	158	170	446	425	604	595
IMEA participation right	—	—	9	8	9	8
Construction in progress	72	69	27	47	99	116
Total	<u>\$ 507</u>	<u>517</u>	<u>504</u>	<u>503</u>	<u>1,011</u>	<u>1,020</u>

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

At fiscal year-end, the City had a total of \$164.31 million of outstanding debt, net of applicable unamortized premium and discounts. These issues were all general obligation bonds. The City maintained its AAA rating on general obligation bond issues from both Standard and Poor's Rating Group and Moody's Investors Service.

Data as of April 30, 2014, is as follows:

	<u>Amount</u>	<u>Ratio of bonded debt to assessed valuation</u>	<u>Bonded debt per capita</u>
General Obligation Bonded Debt	\$164,313,141	2.772%	\$1,147

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

	<u>Governmental activities</u>		<u>Business-type activities</u>		<u>Total primary government</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
G.O. bonds	\$ 97,959	97,951	66,354	71,886	164,313	169,837

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

The City implemented Statement No. 45 of the Governmental Accounting Standards Board (Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions) effective May 1, 2008. The total actuarial accrued liability is \$9 million. In FY 2014 the City contributed \$435,507 towards the liability. For additional information please refer to Note 10 in the notes to the financial statements.

Economic Factors and Next Year's Budget and Rates

- For the month of April 2014, the unemployment rate for the City was 5.7%. This compares favorably to the national and state unemployment rate of 5.9% and 7.2%, respectively.
- The number of total building permits dropped to just under 4,000 in calendar 2009 due to the recession. Building activity is recovering with just under 6,500 total permits issued in 2013.
- Retail sales tax collections reached an all time high in FY 2014 of \$33.6 million!

CITY OF NAPERVILLE, ILLINOIS

Management's Discussion and Analysis

- Inflationary trends in the region compare favorably to national indices.
- The City Council is committed to maintain a low property tax rate. In the calendar year 2014, the property tax rate for the City is \$0.7828, which is one of the lowest rates compared to neighboring communities.
- Starting June 2011, the City began purchasing all of its wholesale power through 2035 from the IMEA. A membership in the IMEA allows the City to take advantage of the economies of scale provided by this large buying group and to stabilize electric rates to its residents and businesses for years to come. This approach to providing rate stabilization capitalizes on a diverse power supply portfolio, which combines owned assets and long-term cost-based contracts and an appropriate fuel mixture.

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

Requests for Information

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

BASIC FINANCIAL STATEMENTS

CITY OF NAPERVILLE, ILLINOIS

Statement of Net Position

April 30, 2014

(Amounts expressed in 000's)	Primary Government			Component
	Governmental Activities	Business-type Activities	Total	Unit Naperville Public Library
Assets:				
Cash and investments	\$ 65,754	10,488	76,242	2,018
Receivables (net of allowance for uncollectibles)	37,138	22,842	59,980	14,476
Due from other governments	12,051	242	12,293	177
Internal balances	514	(514)	—	—
Inventories	368	4,875	5,243	—
Net pension assets	7,678	—	7,678	—
Capital assets (net of accumulated depreciation):				
Capital assets not depreciated	244,170	41,055	285,225	—
Capital assets depreciated, net	263,323	463,126	726,449	7,190
Total assets	630,996	542,114	1,173,110	23,861
Deferred outflows of resources:				
Unamortized refunding loss	1,413	552	1,965	—
Total assets and deferred outflows of resources	632,409	542,666	1,175,075	23,861
Liabilities:				
Accounts payable and other current liabilities	25,726	22,661	48,387	762
Accrued interest payable	1,475	1,041	2,516	—
Due to other governments	827	394	1,221	—
Unearned revenue	—	12	12	—
Long-term liabilities:				
Due within one year	12,460	6,867	19,327	441
Due in more than one year	100,004	62,018	162,022	81
Total liabilities	140,492	92,993	233,485	1,284
Deferred inflows of resources:				
Deferred property taxes revenues	32,584	—	32,584	14,461
Total deferred inflows of resources	32,584	—	32,584	14,461
Total liabilities and deferred inflows of resources	173,076	92,993	266,069	15,745
Net position:				
Net investment in capital assets	412,387	437,827	850,214	7,190
Restricted for:				
Highways, streets and parking facilities	508	—	508	—
Debt service	5,243	—	5,243	—
Culture and recreation	539	—	539	10
Physical environment	15	—	15	—
Public safety	1,050	—	1,050	—
Economic development	687	—	687	—
Unrestricted	38,904	11,846	50,750	916
Total net position	\$ 459,333	449,673	909,006	8,116

See accompanying notes to financial statements.

CITY OF NAPERVILLE, ILLINOIS

Statement of Activities

Year ended April 30, 2014

(Amounts expressed in 000's)

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Naperville Public Library
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-type Activities	Total	
Primary government:								
Governmental activities:								
General government	\$ 8,901	1,517	—	—	(7,384)		(7,384)	
Physical environment	8,608	2,000	610	—	(5,998)		(5,998)	
Public safety	67,578	7,788	1,808	—	(57,982)		(57,982)	
Culture and recreation	9,779	832	171	—	(8,776)		(8,776)	
Transportation	49,587	1,677	4,489	3,012	(40,409)		(40,409)	
Interest on long-term debt	3,782	—	192	—	(3,590)		(3,590)	
Total governmental activities	148,235	13,814	7,270	3,012	(124,139)		(124,139)	
Business-type activities:								
Electric	152,352	134,089	17	5,612		(12,634)	(12,634)	
Water and Wastewater	50,981	47,313	230	5,074		1,636	1,636	
Burlington commuter parking	1,559	2,257	—	—		698	698	
Total business-type activities	204,892	183,659	247	10,686		(10,300)	(10,300)	
Total primary government	\$ 353,127	197,473	7,517	13,698	(124,139)	(10,300)	(134,439)	
Component units:								
Naperville Public Library	\$ 14,009	568	209	97				(13,135)
General revenues:								
Property taxes					33,639	—	33,639	14,210
Utility taxes					16,993	—	16,993	—
Sales and use tax					34,498	—	34,498	—
State income tax, unrestricted					13,823	—	13,823	—
Other taxes					13,391	—	13,391	215
Franchise fees					2,455	—	2,455	—
Net investment income					(293)	(462)	(755)	14
Miscellaneous					—	—	—	111
Total general revenues and transfers					114,506	(462)	114,044	14,550
Change in net position					(9,633)	(10,762)	(20,395)	1,415
Net position, May 1, 2013, restated					468,966	460,435	929,401	6,701
Net position, April 30, 2014					\$ 459,333	449,673	909,006	8,116

See accompanying notes to financial statements.

CITY OF NAPERVILLE, ILLINOIS

Balance Sheet
Governmental Funds
April 30, 2014

(Amounts expressed in 000's)

Assets and Deferred Outflows of Resources	General Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
Assets:				
Cash and investments	\$ 23,688	198	28,196	52,082
Receivables:				
Property taxes	18,959	9,568	4,057	32,584
Accrued interest	81	6	77	164
Accounts receivable	2,660	—	704	3,364
Customers:				
Billed	389	—	—	389
Unbilled, estimated	568	—	—	568
Less allowance for doubtful accounts	(98)	—	(1)	(99)
Loans and installments	48	—	62	110
Due from other funds	192	—	—	192
Due from other governments	11,407	—	643	12,050
Inventory	27	—	—	27
Total assets	<u>57,921</u>	<u>9,772</u>	<u>33,738</u>	<u>101,431</u>
Total assets and deferred outflows of resources	<u>\$ 57,921</u>	<u>9,772</u>	<u>33,738</u>	<u>101,431</u>
Liabilities, Deferred Inflows and Fund Balances				
Liabilities:				
Accounts payable	\$ 3,584	2	8,909	12,495
Accrued wages and benefits	3,909	—	157	4,066
Due to other governmental agencies	619	—	208	827
Due to other funds	—	—	156	156
Deposits	4,909	173	—	5,082
Contract retainage payable	—	—	467	467
Unearned grant revenues and others	353	—	1,554	1,907
Total liabilities	<u>13,374</u>	<u>175</u>	<u>11,451</u>	<u>25,000</u>
Deferred inflows of resources:				
Unavailable revenue-Property taxes	18,959	9,568	4,057	32,584
Total deferred inflows of resources	<u>18,959</u>	<u>9,568</u>	<u>4,057</u>	<u>32,584</u>
Fund balances:				
Nonspendable:				
Inventory	27	—	—	27
Loans	48	—	62	110
Restricted for:				
Debt service	—	—	5,243	5,243
Physical environment	—	—	15	15
Highways, streets and parking facilities	—	—	508	508
Public safety	—	—	1,050	1,050
Capital projects	—	—	2,853	2,853
Culture and recreation	—	—	539	539
Economic development	—	—	687	687
Committed to:				
Highways, streets and parking facilities	—	—	2,459	2,459
Assigned to:				
Debt service	—	29	—	29
Pension funding	—	—	—	—
Capital projects	—	—	4,744	4,744
Culture and recreation	—	—	260	260
Unassigned	25,513	—	(190)	25,323
Total fund balances	<u>25,588</u>	<u>29</u>	<u>18,230</u>	<u>43,847</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 57,921</u>	<u>9,772</u>	<u>33,738</u>	<u>101,431</u>

See accompanying notes to financial statements.

CITY OF NAPERVILLE, ILLINOIS

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

April 30, 2014

(Amounts expressed in 000's)

Fund balances - total governmental funds (Exhibit A-3) \$ 43,847

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)	\$ 507,492	
Less internal services funds included below	<u>(10,737)</u>	
Net capital assets		496,756

The pension assets resulting from contributions in excess of the annual required contribution are not financial resources and therefore are not reported in the funds. (See Note 10)		7,678
--	--	-------

The other post employment benefits obligations resulting from the annual required contribution in excess of contributions are not financial uses and therefore are not reported in the funds (See Note 6 & 10)	(1,743)	
Less internal services funds included below	<u>21</u>	
Net other post employment benefits obligations		(1,722)

Deferred charges are not recorded in funds		
Bond refunding losses		1,413

Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities - both current and long-term are reported in the statement of net position.		
Accrued interest payable		(1,475)
General obligation debt	(97,959)	
Compensated absences	\$ (10,324)	
Less internal services funds included below	<u>246</u>	
Net compensated absences		(10,078)
Total long-term liabilities (See Note 6)		(108,037)

Internal service funds are used by management to charge the costs of information technology, fleet services, vehicle replacement and self insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.		<u>20,873</u>
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Total net position of governmental activities (Exhibit A-1)		<u>\$ 459,333</u>
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See accompanying notes to financial statements.

CITY OF NAPERVILLE, ILLINOIS

Statement of Revenues, Expenditures, and Changes in Fund Balances

Governmental Funds

Year ended April 30, 2014

(Amounts expressed in 000's)

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:				
Property taxes	\$ 20,964	8,384	4,291	33,639
Utility tax	16,993	—	—	16,993
Sales and use tax	34,498	—	—	34,498
State income tax	13,823	—	—	13,823
Other taxes	6,885	—	6,506	13,391
Licenses and permits	2,377	—	103	2,480
Fines and forfeits	1,626	—	83	1,709
Net investment income	(155)	13	44	(98)
Contributions	—	—	1,890	1,890
Intergovernmental	569	192	5,976	6,737
Charges for services	7,103	—	1,245	8,348
Fees	2,807	—	15	2,822
Miscellaneous revenues	907	—	1	908
Total revenues	<u>108,397</u>	<u>8,589</u>	<u>20,154</u>	<u>137,140</u>
Expenditures:				
Current:				
General government	6,929	—	38	6,967
Physical environment	8,085	—	548	8,633
Public safety	70,156	—	1,706	71,862
Culture and recreation	1,866	—	6,299	8,165
Transportation	21,567	—	2,750	24,317
Capital outlay	—	—	16,997	16,997
Debt service:				
Principal	—	5,291	357	5,648
Interest and fees	—	3,423	343	3,766
Debt issuance costs	—	—	127	127
Total expenditures	<u>108,603</u>	<u>8,714</u>	<u>29,165</u>	<u>146,482</u>
Excess (deficiency) of revenues over expenditures	<u>(206)</u>	<u>(125)</u>	<u>(9,011)</u>	<u>(9,342)</u>
Other financing sources (uses):				
Transfers in	390	200	6,539	7,129
Transfers out	(6,327)	(212)	(240)	(6,779)
New bonds issued	—	—	5,620	5,620
Premium on bonds issued	—	—	310	310
Total other financing sources (uses)	<u>(5,937)</u>	<u>(12)</u>	<u>12,229</u>	<u>6,280</u>
Net change in fund balances	(6,143)	(137)	3,218	(3,062)
Fund balances, May 1, 2013, restated	<u>31,731</u>	<u>166</u>	<u>15,012</u>	<u>46,909</u>
Fund balances, April 30, 2014	<u>\$ 25,588</u>	<u>29</u>	<u>18,230</u>	<u>43,847</u>

See accompanying notes to financial statements.

CITY OF NAPERVILLE, ILLINOIS

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

Year ended April 30, 2014

(Amounts expressed in 000's)

Net change in fund balances – total governmental funds (Exhibit A-5)		\$	(3,062)
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		\$	5,532
Loss on retirement of capital assets			(519)
Depreciation (See Note 4)	\$	(18,847)	
Less internal service funds included below		1,793	
Net depreciation		<u>(17,054)</u>	(12,041)
Capital asset donations through annexation agreements			1,659
The issuance of long-term debt (e.g., bond, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.			
Principal repayments-G.O. bonds, SSA bonds and notes payable			5,648
New bond proceeds, principal			(5,620)
Premium on bonds issued			(310)
Amortization of refunding loss			<u>(146)</u>
			(428)
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.			
Other post employment cost-increase in net OPEB obligation			(117)
Police and firefighters' pension costs-increase in net pension assets			6,032
Net decrease in compensated absences			520
Net decrease in accrued G.O. bond interest			<u>258</u>
			6,693
Internal service funds are used by management to charge the costs of information technology, fleet services, vehicle replacement and self insurance to individual funds. The net revenue of certain activities of internal service funds are reported with governmental activities.			<u>(2,454)</u>
Change in net position of governmental activities (Exhibit A-2)		\$	<u><u>(9,633)</u></u>

See accompanying notes to financial statements.

CITY OF NAPERVILLE, ILLINOIS

Statement of Net Position

Proprietary Funds

April 30, 2014

(Amounts expressed in 000's)

Assets and Deferred Outflows of Resources	Business-type activities-enterprise funds				Governmental activities – internal service
	Electric Utility Fund	Water and Wastewater Utility Fund	Other Enterprise Fund	Total	
Assets:					
Current assets:					
Cash and investments	\$ 618	5,516	4,354	10,488	13,672
Receivables:					
Accrued interest	2	41	11	54	47
Customers:					
Billed	5,678	2,551	8	8,237	12
Unbilled, estimated	9,779	2,864	—	12,643	—
Less allowance for doubtful accounts	(361)	(79)	—	(440)	—
Installments receivable	2,179	82	—	2,261	—
Due from other governments	99	143	—	242	—
Other receivables	80	7	—	87	—
Inventory	3,813	1,062	—	4,875	340
Total current assets	21,887	12,187	4,373	38,447	14,071
Advances to other fund	—	13,138	—	13,138	—
Capital assets (net of accumulated depreciation)					
Capital assets not depreciated	17,609	15,838	7,608	41,055	—
Capital assets depreciated, net	245,247	216,007	1,872	463,126	10,737
Net capital assets	262,856	231,845	9,480	504,181	10,737
Total assets	284,743	257,170	13,853	555,766	24,808
Deferred outflows of resources					
Unamortized refunding loss	552	—	—	552	—
Total deferred outflows of resources	552	—	—	552	—
Total assets and deferred outflows of resources	285,295	257,170	13,853	556,318	24,808
Liabilities and Deferred Inflows of Resources					
Liabilities:					
Current liabilities:					
Accounts payable	10,836	5,564	131	16,531	1,632
Accrued wages and benefits payable	850	472	—	1,322	76
Accrued interest payable	553	488	—	1,041	—
Compensated absences-current portion	647	431	—	1,078	84
Deposits	4,011	157	—	4,168	—
Contract retainage payable	293	246	—	539	—
Claims and judgments	—	—	—	—	418
Due to other government	394	—	—	394	—
Due to other funds	—	—	—	—	35
Unearned revenue	—	—	12	12	—
Other liabilities	96	5	—	101	—
General obligation bonds payable-current portion	4,832	957	—	5,789	—
Total current liabilities	22,512	8,320	143	30,975	2,245
Noncurrent liabilities:					
Advances from other fund	13,138	—	—	13,138	—
General obligation bonds payable	32,928	27,637	—	60,565	—
Claims and judgments	—	—	—	—	2,020
Compensated absences	748	516	—	1,264	162
Other postemployment benefits obligation	94	95	—	189	21
Total noncurrent liabilities	46,908	28,248	—	75,156	2,203
Total liabilities	69,420	36,568	143	106,131	4,448
Total liabilities and deferred inflows of resources	69,420	36,568	143	106,131	4,448
Net Position					
Net investment in capital assets	225,096	203,251	9,480	437,827	10,737
Unrestricted	(9,221)	17,351	4,230	12,360	9,623
Total net position	\$ 215,875	220,602	13,710	450,187	20,360
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				(514)	
Net position of business-type activities				\$ 449,673	

See accompanying notes to financial statements.

CITY OF NAPERVILLE, ILLINOIS

Statement of Revenues, Expenses, and Changes in Net Position

Proprietary Funds

Year ended April 30, 2014

(Amounts expressed in 000's)

	Business-type activities-enterprise funds			Total	Governmental activities – internal service
	Electric Utility Fund	Water and Wastewater Utility Fund	Other Enterprise Fund		
Operating revenues:					
Charges for services	\$ 131,284	46,890	2,257	180,431	23,885
Sales for resale	1,281	—	—	1,281	—
Miscellaneous	1,524	423	—	1,947	—
Total operating revenues	134,089	47,313	2,257	183,659	23,885
Operating expenses:					
Purchased power	115,230	—	—	115,230	—
Purchased water	—	20,996	—	20,996	—
Operations	5,203	10,178	1,315	16,696	—
Distribution	5,099	3,104	—	8,203	—
Other operating expenses	9,120	3,690	—	12,810	24,802
Total operating expenses before depreciation	134,652	37,968	1,315	173,935	24,802
Operating income before depreciation	(563)	9,345	942	9,724	(917)
Depreciation	(15,837)	(11,414)	(240)	(27,491)	(1,793)
Operating income (loss)	(16,400)	(2,069)	702	(17,767)	(2,710)
Nonoperating revenues (expenses):					
Operating grant/Intergovernmental	17	230	—	247	(1)
Net investment income (loss)	(415)	(33)	(14)	(462)	(198)
Gain/(loss) on disposal of capital assets	(472)	(472)	—	(944)	229
Interest expense	(1,116)	(848)	—	(1,964)	—
Total nonoperating revenues (expenses)	(1,986)	(1,123)	(14)	(3,123)	30
Net income (loss) before contributions and transfers	(18,386)	(3,192)	688	(20,890)	(2,680)
Capital fees	5,385	1,176	—	6,561	—
Contributions of capital assets	—	3,898	—	3,898	18
Capital grant	227	—	—	227	—
Transfers in	—	—	—	—	—
Transfers out	—	—	—	—	(350)
Change in net position	(12,774)	1,882	688	(10,204)	(3,012)
Total net position, May 1, 2013	228,649	218,720	13,022		23,372
Total net position, April 30, 2014	\$ 215,875	220,602	13,710		20,360
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds:					
				(275)	
				(279)	
				(4)	
Change in net position of business-type activities				\$ (10,762)	

See accompanying notes to financial statements.

CITY OF NAPERVILLE, ILLINOIS

Statement of Cash Flows

Proprietary Funds

Year ended April 30, 2014

(Amounts expressed in 000's)

	Business-type activities-enterprise funds			Total	Governmental activities – internal service
	Electric Utility Fund	Water and Wastewater Utility Fund	Other Enterprise Fund		
Cash flows from operating activities:					
Receipts from customers and users	\$ 130,818	47,062	2,261	180,141	—
Receipts from interfund services provided	1,281	59	—	1,340	23,899
Payments to suppliers	(116,390)	(20,191)	(689)	(137,270)	(23,645)
Payments to employees	(11,301)	(11,358)	—	(22,659)	(1,620)
Payments for interfund services used	(4,448)	(4,448)	(512)	(9,408)	—
Other receipts	1,524	423	—	1,947	—
Net cash provided (used) by operating activities	1,484	11,547	1,060	14,091	(1,366)
Cash flows from noncapital financing activities:					
Operating grant	17	230	—	247	(1)
Advances to other fund	—	(13,138)	—	(13,138)	—
Advances from other fund	13,138	—	—	13,138	35
Transfers out	—	—	—	—	(349)
Net cash provided by noncapital financing activities	13,155	(12,908)	—	247	(315)
Cash flows from capital and related financing activities:					
Purchases of capital assets	(17,965)	(7,963)	(130)	(26,058)	(2,233)
Proceeds from sales of capital assets	—	—	—	—	229
Payments of bond principal	(4,417)	(935)	—	(5,352)	—
Payment of bond interest	(1,441)	(1,197)	—	(2,638)	—
Capital Grant	227	—	—	227	—
Installation, connection, and development charges collected	5,385	1,176	—	6,561	—
Net cash used in capital and related financing activities	(18,211)	(8,919)	(130)	(27,260)	(2,004)
Cash flows from investing activities:					
Investment sales or maturities	4,090	1	1,230	5,321	4,203
Investment purchases	(118)	—	(842)	(960)	(2,634)
Net interest received	(400)	(38)	(16)	(454)	(197)
Net cash provided by investing activities	3,572	(37)	372	3,907	1,372
Net increase (decrease) in cash and cash equivalents	—	(10,317)	1,302	(9,015)	(2,313)
Cash and cash equivalents, May 1, 2013	—	15,831	2,450	18,281	9,835
Cash and cash equivalents, April 30, 2014	\$ —	5,514	3,752	9,266	7,522
Reconciliation to statement of net position, April 30, 2014					
Cash and cash equivalents	\$ —	5,514	3,752	9,266	7,522
Investments	618	2	602	1,222	6,150
Cash and investments	\$ 618	5,516	4,354	10,488	13,672

CITY OF NAPERVILLE, ILLINOIS

Statement of Cash Flows

Proprietary Funds

Year ended April 30, 2014

(Amounts expressed in 000's)

	Business-type activities-enterprise funds			Total	Governmental activities – internal service
	Electric Utility Fund	Water and Wastewater Utility Fund	Other Enterprise Fund		
Reconciliation of operating income (loss) to net cash provided by operating activities:					
Operating income (loss)	\$ (16,400)	(2,069)	702	(17,767)	(2,710)
Adjustments to reconcile operating income to net cash from operating activities:					
Depreciation expense	15,837	11,414	240	27,491	1,793
(Increase) decrease in accounts receivable	(987)	177	(7)	(817)	201
Decrease in due from other government	—	—	—	—	1
Decrease in inventories	222	40	—	262	—
Increase (decrease) in accounts payable	2,095	1,902	113	4,110	(157)
(Decrease) in claims payable	—	—	—	—	(519)
Increase in accrued wages	202	151	—	353	166
Increase (decrease) in OPEB liability	3	(2)	—	1	(141)
Increase in unearned revenue	48	—	12	60	—
(Decrease) in due to other governments	(9)	—	—	(9)	—
Increase (decrease) in other liabilities	473	(66)	—	407	—
Total adjustments	17,884	13,616	358	31,858	1,344
Net cash provided (used) by operating activities	\$ 1,484	11,547	1,060	14,091	(1,366)
Noncash investing, capital and financing activities:					
Contributions from developers	\$ —	3,898	—	3,898	—
Contributions from other funds	—	—	—	—	18

See accompanying notes to financial statements.

CITY OF NAPERVILLE, ILLINOIS

Statement of Fiduciary Net Position

Pension Trust Funds

April 30, 2014

(Amounts expressed in 000's)

Assets:		
Cash and short-term investments	\$	18,443
Receivables:		
Interest receivable		353
Investments at fair value:		
U.S. Treasury obligations		61,743
U.S. Government agencies		11,471
Corporate bonds		826
Mutual funds		118,412
Common stock		44,579
Annuities		6,168
Total investments		<u>243,199</u>
Prepaid items		<u>2</u>
Total assets		<u>261,997</u>
Liabilities:		
Accounts payable		<u>28</u>
Net position held in trust for pension benefits	\$	<u><u>261,969</u></u>

See accompanying notes to financial statements.

CITY OF NAPERVILLE, ILLINOIS

Statement of Changes in Fiduciary Net Position

Pension Trust Funds

Year ended April 30, 2014

(Amounts expressed in 000's)

Additions:

Contributions:

Employer	\$ 15,662
Employee	3,335
Miscellaneous	7
	<hr/>
Total contributions	19,004
	<hr/>

Investment income

Net appreciation in fair value of investments	17,594
Interest and dividends	6,192
	<hr/>
Total investment income	23,786
	<hr/>

Less investment expense

	<hr/>
Net investment income	23,185
	<hr/>
Total additions	42,189
	<hr/>

Deductions:

Benefits	9,148
Administrative expense	183
	<hr/>
Total deductions	9,331
	<hr/>

Net increase	32,858
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Net plan position held in trust for pension benefits, May 1, 2013	<hr/>
	229,111

Net plan position held in trust for pension benefits, April 30, 2014	<hr/>
	\$ 261,969
	<hr/> <hr/>

See accompanying notes to financial statements.

CITY OF NAPERVILLE, ILLINOIS

Notes to Financial Statements

April 30, 2014

(1) Summary of Significant Accounting Policies

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

(a) Reporting Entity

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

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

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

Blended Component Unit

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

Discretely Presented Component Unit

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

Naperville Public Library (Library) – The Library is governed by a nine-member Board of Trustees appointed by the City's Mayor. The Library is financially accountable to the City as the City's approval is needed for the levy of property taxes for Library operations and to issue

CITY OF NAPERVILLE, ILLINOIS

Notes to Financial Statements

April 30, 2014

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

(b) *Basis of Presentation*

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

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

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

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

The City reports the following major governmental funds:

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

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

CITY OF NAPERVILLE, ILLINOIS

Notes to Financial Statements

April 30, 2014

The City reports the following major proprietary funds:

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

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

Additionally, the City reports the following fund types:

Internal Service Funds. These funds account for information technology, vehicle, vehicle replacement and self insurance services that are provided to other departments of the City on a cost-reimbursement basis.

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

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

The government-wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Nonexchange transactions, in which the City receives value without directly giving equal value in exchange, include property tax revenue, grants, and other contributions. On an accrual basis, revenues from property taxes are recognized in the period for which the levy is intended to finance, which is the year after the taxes are levied. For example, the 2012 levy is recognized as revenue for the year ended April 30, 2014. Revenue from grants and other contributions are recognized in the fiscal year in which all eligibility requirements imposed by the provider have been met. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis.

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

CITY OF NAPERVILLE, ILLINOIS

Notes to Financial Statements

April 30, 2014

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

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

The City reports unavailable/unearned revenue on its financial statements. Unavailable/unearned 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 revenues also arise when the resources are received by the City before it has a legal claim to them or prior to the provision of services as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the City has a legal claim to the resources, the liability or deferred inflow is removed from the financial statements and revenue is recognized.

(d) Cash and Cash Equivalents

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

(e) Investments

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

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

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

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

CITY OF NAPERVILLE, ILLINOIS

Notes to Financial Statements

April 30, 2014

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

(f) ***Unbilled Receivables***

Estimated sales for electric, water, and wastewater usage prior to April 30, 2014, which are unbilled at year end, are recognized as current year revenue and are included in unbilled receivables.

(g) ***Interfund Transactions***

The City has the following types of interfund transactions:

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

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

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

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

(h) ***Inventory and Prepaid Items***

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

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

CITY OF NAPERVILLE, ILLINOIS

Notes to Financial Statements

April 30, 2014

(i) Capital Assets

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

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

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

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

(j) Compensated Absences

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

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

Employees hired between June 9, 2001 and July 1, 2011, and existing employees who made a one-time election to switch to a paid time off (PTO) program prior to June 9, 2001 are covered by a combination of PTO and sick leave benefits. PTO days are based upon years of service, with a minimum of fifteen PTO days per year, while the amount of sick leave is fixed at ten days per year. Certain unions elected into the PTO plan, while others made it optional for employees hired after

CITY OF NAPERVILLE, ILLINOIS

Notes to Financial Statements

April 30, 2014

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 180% of annual accrued leave.

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

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

(k) Deposits

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

(l) Bond Premiums, Discounts, and Issuance Costs

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

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

(m) Fund Balance/Net Position

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

CITY OF NAPERVILLE, ILLINOIS

Notes to Financial Statements

April 30, 2014

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

The City has a policy to maintain fund balance in the general fund equal to 20% for the subsequent year's appropriations, net of interfund transfers as of April 30 each year. According to the City's FY 2015 budget, the required minimum fund balance in the general fund is \$19,725,784. As noted in GASB S-54, fund balance policies in the general fund are reported as unassigned but disclosed in the notes.

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

(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 2012 were due, payable, and collected in two installments in June and September 2013.

Revenue for property taxes is recognized in the governmental funds in the year for which the taxes are intended to finance and the funds are available. Accordingly, the City recognized revenue during the year ended April 30, 2014 for collections from the calendar year 2012 levy if it was received by June 30, 2014. Property taxes levied for calendar year 2013, which will be collected in fiscal year 2015 are recorded as receivables and unavailable revenue. The 2014 tax levy, which attached as an enforceable lien on property as January 1, 2014, has not been recorded as a receivable as of April 30, 2014, as the tax has not yet been levied by the City and will not be levied until December 2014, and, therefore, the levy is not measurable at April 30, 2014.

(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.

CITY OF NAPERVILLE, ILLINOIS

Notes to Financial Statements

April 30, 2014

(p) Use of Estimates

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

(2) Deposits and Investments

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

Deposits

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

Investments

The following table presents the investments and durations of the debt securities of the City, Police and Fire Pension Funds, and Naperville Public Library as of April 30, 2014. The relationship between the City, or the Police or Fire Pension Funds and the investment agent is a direct contractual relationship.

	<u>Fair Value</u>	<u>Modified Duration</u> (Years)
City:		
Governmental and business-type activities:		
U.S. Treasury obligations	\$ 40,972,772	3.35
U.S. government agencies	<u>20,792,138</u>	<u>3.33</u>
Subtotal	<u>61,764,910</u>	<u>3.34</u>
Fiduciary activities:		
U.S. Treasury obligations	61,742,715	3.21
U.S. government agencies	11,470,580	2.34
Corporate bonds	<u>825,510</u>	<u>6.09</u>
	<u>74,038,805</u>	<u>3.11</u>
Total debt securities	\$ <u>135,803,715</u>	

CITY OF NAPERVILLE, ILLINOIS

Notes to Financial Statements

April 30, 2014

The investments in the securities of U.S. government agencies were all rated AAA by Standard & Poor's, and Aaa by Moody's Investors Services. Illinois Funds and IMET are rated AAA. The corporate bonds were rated AAA. The securities of U.S. government agencies at April 30, 2014 consist of the following:

		<u>City</u>	<u>Fiduciary</u>
FNMA	\$	11,072,021	7,797,991
FHLMC		6,568,013	2,903,120
FHLB		819,127	—
GNMA		<u>2,332,977</u>	<u>769,469</u>
Total	\$	<u><u>20,792,138</u></u>	<u><u>11,470,580</u></u>

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

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

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

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

CITY OF NAPERVILLE, ILLINOIS

Notes to Financial Statements

April 30, 2014

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

Police Pension Fund:

Vanguard Instl Index Fund	\$ 13,128,722
Vanguard MidCap	9,810,419
PIMCO	9,147,371
American Funds-Capital	7,063,853
American Funds-Europacific	6,859,651
Principal US Property	6,348,524
DFA Emerg Mkts	6,328,552

Firefighter's Pension Fund:

Vanguard Instl Index Fund	13,419,860
Columbia Acorn Fund	9,889,878
PIMCO All Asset Fund	9,092,847
Dodge & Cox Int'l Stock	7,160,863
DFA International Small Cap	7,156,304
American Europacific Growth	6,882,139

(3) Receivables

(a) Installment Loans

The outstanding loans that are not expected to be collected within one year of April 30, 2014 are as follows:

	<u>Term</u>	<u>Due</u>	<u>Amount</u>
DuPage Mayor and Manager Association	20 years	02/01/2021	44,188
Commercial Energy Revolving Loans	5 years	Various	20,223
Computer Purchase and Loan Program	2 years	Various	52,688
Loan to the SSA 24 property owners	Various	Various	42,022

CITY OF NAPERVILLE, ILLINOIS

Notes to Financial Statements

April 30, 2014

(b) Due From Other Governments

The following receivables at April 30, 2014 are included in Due From Other Governments on the Statement of Net Position:

Governmental activities:

Sales tax	\$	7,210,397
State income tax		2,171,482
Simplified telecommunication tax		1,427,371
E-911 wireless grant		348,671
School district 203 & 204-police services		325,000
FEMA grant-Flood 13		155,595
State motor fuel tax		261,512
County court -traffic fines		66,536
DuPage County hazardous waste grant		25,000
FEMA grant-SAFER grant		24,157
State DCEO electric vehicle infrastructure grant		11,469
DuPage County roadway grant		10,655
State traffic signal energy grant		7,761
Wheatland township grant		2,500
Police secret service grant		1,629
CDBG grant		885
State tobacco grant		329
Total governmental activities		<u>12,050,949</u>

Business-type activities:

Warrenville wastewater treatment		84,960
FEMA grant-Flood 13		157,484
Electric smart grid grant		
Total business-type activities		<u>242,444</u>
Total primary government		<u><u>12,293,393</u></u>

Naperville Public Library:

Library per capita grant		<u>177,316</u>
Total Naperville Public Library		<u><u>177,316</u></u>

CITY OF NAPERVILLE, ILLINOIS

Notes to Financial Statements

April 30, 2014

(4) Capital Assets

A summary of changes in capital assets of the City and Library for the year ended April 30, 2014 is as follows:

	Balance May 1, 2013	Additions	Deductions	Balance April 30, 2014
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Primary government:				
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 18,288,074	—	—	18,288,074
Land-Infrastructure	152,671,153	1,057,776	—	153,728,929
Construction in progress	<u>68,567,885</u>	<u>5,097,909</u>	<u>(1,513,267)</u>	<u>72,152,527</u>
Total capital assets not being depreciated	<u>239,527,112</u>	<u>6,155,685</u>	<u>(1,513,267)</u>	<u>244,169,530</u>
Capital assets being depreciated:				
Land improvements	4,483,943	—	—	4,483,943
Buildings	132,542,402	444,928	—	132,987,330
Equipment	56,570,924	4,119,184	(1,504,867)	59,185,241
Infrastructure	<u>376,981,606</u>	<u>451,500</u>	<u>—</u>	<u>377,433,106</u>
Total capital assets being depreciated	<u>570,578,875</u>	<u>5,015,612</u>	<u>(1,504,867)</u>	<u>574,089,620</u>
Less accumulated depreciation:				
Land improvements	(559,916)	(264,294)	—	(824,210)
Buildings	(44,778,510)	(3,529,110)	—	(48,307,620)
Equipment	(40,920,207)	(3,729,912)	1,124,942	(43,525,177)
Infrastructure	<u>(206,786,641)</u>	<u>(11,323,039)</u>	<u>—</u>	<u>(218,109,680)</u>
Total accumulated depreciation	<u>(293,045,274)</u>	<u>(18,846,355)</u>	<u>1,124,942</u>	<u>(310,766,687)</u>
Total capital assets, being depreciated net	<u>277,533,601</u>	<u>(13,830,743)</u>	<u>(379,925)</u>	<u>263,322,933</u>
Total capital assets, net	\$ <u><u>517,060,713</u></u>	<u><u>(7,675,058)</u></u>	<u><u>(1,893,192)</u></u>	<u><u>507,492,463</u></u>

Depreciation expense for governmental activities for the year ended April 30, 2014 was charged to functions as follows:

CITY OF NAPERVILLE, ILLINOIS

Notes to Financial Statements

April 30, 2014

General government	\$ 3,583,462
Physical environment	1,135,985
Public safety	1,003,205
Culture and recreation	1,002,845
Transportation	12,120,858
	<u>\$ 18,846,355</u>

	<u>Balance May 1, 2013</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance April 30, 2014</u>
Capital assets, continued:				
Primary government:				
Business-type activities:				
Electric:				
Capital assets not being depreciated:				
Land	\$ 3,836,326	—	—	3,836,326
Construction in progress	25,016,386	13,487,095	(24,730,068)	13,773,413
Total capital assets not being depreciated	<u>28,852,712</u>	<u>13,487,095</u>	<u>(24,730,068)</u>	<u>17,609,739</u>
Capital assets being depreciated:				
Buildings and building improvements	7,205,800	437,144	—	7,642,944
Equipment	9,793,178	48,536	—	9,841,714
Infrastructure	368,672,933	24,378,779	(691,126)	392,360,586
IMEA participation right	13,744,365	3,757,182	—	17,501,547
Total capital assets being depreciated	<u>399,416,276</u>	<u>28,621,641</u>	<u>(691,126)</u>	<u>427,346,791</u>
Less accumulated depreciation:				
Buildings and building improvements	(4,179,134)	(202,823)	—	(4,381,957)
Equipment	(7,690,580)	(817,015)	—	(8,507,595)
Infrastructure	(149,063,347)	(12,017,331)	304,110	(160,776,568)
IMEA participation right	(5,634,269)	(2,799,397)	—	(8,433,666)
Total accumulated depreciation	<u>(166,567,330)</u>	<u>(15,836,566)</u>	<u>304,110</u>	<u>(182,099,786)</u>
Total capital assets, being depreciated, net	<u>232,848,946</u>	<u>12,785,075</u>	<u>(387,016)</u>	<u>245,247,005</u>
Total electric capital assets, net	\$ <u>261,701,658</u>	<u>26,272,170</u>	<u>(25,117,084)</u>	<u>262,856,744</u>

CITY OF NAPERVILLE, ILLINOIS

Notes to Financial Statements

April 30, 2014

	Balance May 1, 2013	Additions	Deductions	Balance April 30, 2014
Capital assets, continued:				
Business-type activities:				
Water/Wastewater:				
Capital assets not being depreciated:				
Land	\$ 2,565,671	—	—	2,565,671
Construction in progress	21,201,124	8,187,404	(16,116,097)	13,272,431
Total capital assets not being depreciated	<u>23,766,795</u>	<u>8,187,404</u>	<u>(16,116,097)</u>	<u>15,838,102</u>
Capital assets being depreciated:				
Equipment	6,591,457	12,152	—	6,603,609
Infrastructure	404,139,068	20,260,627	(1,420,594)	422,979,101
Total capital assets being depreciated	<u>410,730,525</u>	<u>20,272,779</u>	<u>(1,420,594)</u>	<u>429,582,710</u>
Less accumulated depreciation:				
Equipment	(4,760,018)	(605,483)	—	(5,365,501)
Infrastructure	(198,424,505)	(10,939,331)	1,153,218	(208,210,618)
Total accumulated depreciation	<u>(203,184,523)</u>	<u>(11,544,814)</u>	<u>1,153,218</u>	<u>(213,576,119)</u>
Total capital assets, being depreciated, net	<u>207,546,002</u>	<u>8,727,965</u>	<u>(267,376)</u>	<u>216,006,591</u>
Total Water/Wastewater capital assets, net	\$ <u>231,312,797</u>	<u>16,915,369</u>	<u>(16,383,473)</u>	<u>231,844,693</u>

CITY OF NAPERVILLE, ILLINOIS

Notes to Financial Statements

April 30, 2014

	Balance May 1, 2013	Additions	Deductions	Balance April 30, 2014
Capital assets, continued:				
Business-type activities, continued:				
Other:				
Capital assets not being depreciated:				
Land	\$ 7,520,323	—	—	7,520,323
Construction in progress	193,423	130,856	(236,768)	87,511
Total capital assets not being depreciated	<u>7,713,746</u>	<u>130,856</u>	<u>(236,768)</u>	<u>7,607,834</u>
Capital assets being depreciated:				
Buildings and building improvements	6,067,782	—	—	6,067,782
Machinery and equipment	753,284	236,769	—	990,053
Total capital assets being depreciated	<u>6,821,066</u>	<u>236,769</u>	<u>—</u>	<u>7,057,835</u>
Less accumulated depreciation:				
Buildings and building improvements	(4,564,768)	(169,815)	—	(4,734,583)
Machinery and equipment	(380,961)	(70,576)	—	(451,537)
Total accumulated depreciation	<u>(4,945,729)</u>	<u>(240,391)</u>	<u>—</u>	<u>(5,186,120)</u>
Total capital assets, being depreciated, net	<u>1,875,337</u>	<u>(3,622)</u>	<u>—</u>	<u>1,871,715</u>
Total other capital assets, net	<u>9,589,083</u>	<u>127,234</u>	<u>236,768</u>	<u>9,479,549</u>
Total capital assets, net	<u><u>502,603,538</u></u>	<u><u>43,314,773</u></u>	<u><u>(41,737,325)</u></u>	<u><u>504,180,986</u></u>
 Component Unit-Naperville Public Library				
Capital assets being depreciated:				
Buildings and building improvements	10,397,388	1,263,506	—	11,660,894
Equipment	2,677,628	121,449	(45,943)	2,753,134
Total capital assets being depreciated	<u>13,075,016</u>	<u>1,384,955</u>	<u>(45,943)</u>	<u>14,414,028</u>
Less accumulated depreciation:				
Buildings and building improvements	(4,847,054)	(333,969)	—	(5,181,023)
Equipment	(1,943,776)	(145,596)	45,943	(2,043,429)
Total accumulated depreciation	<u>(6,790,830)</u>	<u>(479,565)</u>	<u>45,943</u>	<u>(7,224,452)</u>
Total capital assets, being depreciated, net	<u>6,284,186</u>	<u>905,390</u>	<u>—</u>	<u>7,189,576</u>

CITY OF NAPERVILLE, ILLINOIS

Notes to Financial Statements

April 30, 2014

(5) Interfund Balances and Activity

(a) Balances Due to/from Other Funds

Balances due to/from other funds at April 30, 2014 were as follows:

Description	Amount
Due to General Fund to cover cash account temporarily overdrawn at year end	
Nonmajor Governmental Funds	\$ 156,433
Internal Service Funds	35,324
	<u>\$ 191,757</u>

(b) Advances

Advances at April 30, 2014 were as follows:

Description	Amount
Water and Wastewater Utility Fund advanced Electric Utility Fund to cover cash account temporarily overdrawn at year end	\$ 13,138,054
	<u>\$ 13,138,054</u>

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

(c) Transfers to/from Other Funds

Interfund transfers for the year ended April 30, 2014 were as follows:

	Transfers In	Transfers Out
General Fund		
Nonmajor Governmental Funds	\$ 40,000	6,327,119
Internal Service Funds	349,775	—
Total General Fund	<u>389,775</u>	<u>6,327,119</u>
Debt Service Fund		
Nonmajor Governmental Funds	<u>200,000</u>	<u>212,392</u>
Nonmajor Governmental Funds		
General Fund	6,327,119	40,000
Debt Service Fund	212,392	200,000
Total Nonmajor Governmental Funds	<u>6,539,511</u>	<u>240,000</u>
Internal Service Funds		
General Fund	<u>—</u>	<u>349,775</u>
Total transfers to/from other funds	<u>\$ 7,129,286</u>	<u>\$ 7,129,286</u>

CITY OF NAPERVILLE, ILLINOIS

Notes to Financial Statements

April 30, 2014

The purpose of significant transfers is as follows:

- \$899,054 transferred from the General Fund to the Special Service Area #24 Fund for the City's share of the downtown maintenance. This transfer will not be repaid.
- \$349,775 was transferred from the Self Insurance Fund to the General Fund for operating costs. This transfer will not be repaid.
- \$40,000 was transferred from the Special Events and Cultural Amenities Fund to the General Fund for administration costs. This transfer will not be repaid.
- \$128,065 was transferred from the General Fund to the Community Development Block Grant Fund for various capital improvement projects. This transfer will not be repaid.
- \$3,100,000 was transferred from the General Fund to the Motor Fuel Tax Fund for the street maintenance and improvement projects. This transfer will not be repaid.
- \$2,200,000 was transferred from the General Fund to the Capital Projects Fund for various capital improvement projects. This transfer will not be repaid.
- \$212,000 was transfer from Debt Service Fund to the Special Service Area #23 Fund to cover the SSA 23 debt service. This transfer will not be repaid.
- \$200,000 was transferred from the Capital Projects Fund to the Debt Service Fund to cover its deficit. This transfer will not be repaid.

As of April 30, 2014, the following funds had deficit fund balances:

Fund	Fund Balance
Road and Bridge Fund	\$ (18,744)
SSA #25	(35,332)
2010 G.O. Bond Project Fund	(136,458)

CITY OF NAPERVILLE, ILLINOIS

Notes to Financial Statements

April 30, 2014

(6) Long-term Obligations

The following is a summary of changes in long-term debt of the City for the year ended April 30, 2014:

	<u>Balance</u>			<u>Balance</u>	<u>Due Within</u>
	<u>May 1, 2013</u>	<u>Additions</u>	<u>Retirements</u>	<u>April 30, 2014</u>	<u>One Year</u>
Governmental activities:					
Bonds payable:					
General obligation bonds	\$ 94,940,248	5,620,000	(5,648,384)	94,911,864	6,841,077
Premium/(discount)	3,010,231	310,045	(273,321)	3,046,955	—
Total bonds payable	97,950,479	5,930,045	(5,921,705)	97,958,819	6,841,077
Compensated absences	10,834,050	6,385,664	(6,895,753)	10,323,961	5,200,576
Other Post-employment benefits obligation	1,619,215	496,083	(372,521)	1,742,777	—
Claims and judgment	2,957,595	14,314,608	(14,833,850)	2,438,353	418,302
Total	\$ 113,361,339	27,126,400	(28,023,829)	112,463,910	12,459,955
Business-type activities:					
Electric:					
Bonds payable:					
General obligation bonds	\$ 40,336,002	—	(4,417,116)	35,918,886	4,831,923
Premium/(discount)	2,007,362	—	(165,946)	1,841,416	—
Total bonds payable	42,343,364	—	(4,583,062)	37,760,302	4,831,923
Compensated absences	1,410,690	943,338	(959,290)	1,394,738	647,092
Other Post-employment benefits obligation	90,600	31,933	(28,853)	93,680	—
	43,844,654	975,271	(5,571,205)	39,248,720	5,479,015
Water/Wastewater:					
Bonds payable:					
General obligation bonds	29,303,750	—	(934,500)	28,369,250	957,000
Premium-G.O.bonds	239,237	—	(14,467)	224,770	—
	29,542,987	—	(948,967)	28,594,020	957,000
Compensated absences	879,102	710,730	(642,853)	946,979	430,914
Other Post-employment benefits obligation	97,243	21,950	(24,101)	95,092	—
	30,519,332	732,680	(1,615,921)	29,636,091	1,387,914
Total	\$ 74,363,986	1,707,951	(7,187,126)	68,884,811	6,866,929
Component Unit-Naperville Public Library:					
Compensated absences	\$ 457,534	625,902	(631,756)	451,680	441,350
Other Post-employment benefits obligation	59,263	20,856	(10,032)	70,087	—
Total	\$ 516,797	646,758	(641,788)	521,767	441,350

CITY OF NAPERVILLE, ILLINOIS

Notes to Financial Statements

April 30, 2014

In July, 2013, the City issued \$5,620,000 General Obligation Bonds, Series 2013. The bonds are matured annually on December 1, beginning December 1, 2014 with maturities ranging from \$200,000 to \$500,000. Interest is due semi-annually on June 1 and December 1, commencing December 1, 2013, with rates ranging from 3.00% to 4.00%.

Long-term debt at April 30, 2014 consists of the following:

(a) General Obligation Bonds

	<u>Governmental Funds</u>	<u>Enterprise Funds</u>	<u>Total</u>
April 2005, 3.0%-4.0%, due serially through December 1, 2014	\$ 468,333	936,667	1,405,000
April 2008, 3.25%-5.0%, due serially through December 1, 2038	25,791,181	8,513,819	34,305,000
March 2009, 2.0%-4.75%, due serially through December 1, 2028	25,263,750	11,261,250	36,525,000
April 2010, Series A, 4.65%-5.2%, due serially through December 1, 2028	—	7,975,000	7,975,000
April 2010, Series B, 2.85%-4.5%, due serially through December 1, 2023	15,025,000	5,500,000	20,525,000
April 2010, Series C, 1.5%-1.75%, due serially through December 1, 2014	—	1,500,000	1,500,000
April 2010, Series D, 2.0%-4.0%, due serially through December 1, 2021	5,905,000	—	5,905,000
July 2011, 2.0%-4.625%, due serially through December 1, 2029	—	16,900,000	16,900,000
September 2012, 2.0%-4.0%, due serially through December 1, 2025	16,838,600	11,701,400	28,540,000
July 2013, 3.0%-4.0%, due serially through December 1, 2031	5,620,000	—	5,620,000
	<u>\$ 94,911,864</u>	<u>64,288,136</u>	<u>159,200,000</u>

CITY OF NAPERVILLE, ILLINOIS

Notes to Financial Statements

April 30, 2014

The annual requirements to amortize all short-and long-term general obligation bonds outstanding at April 30, 2014 are as follows:

Fiscal Year Ending April 30	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2015	\$ 6,841,077	3,736,614	5,788,923	2,498,648
2016	8,347,805	3,530,863	4,362,195	2,351,300
2017	6,680,455	3,270,117	3,814,545	2,227,970
2018	8,419,084	3,040,586	4,450,916	2,112,765
2019	9,128,447	2,724,831	4,931,553	1,958,506
2020-2024	38,203,837	8,480,167	21,541,163	7,162,884
2025-2029	14,781,159	2,272,525	18,198,841	2,551,150
2030-2034	1,565,000	426,150	1,200,000	55,500
2035-2039	945,000	146,250	—	—
	<u>\$ 94,911,864</u>	<u>27,628,103</u>	<u>64,288,136</u>	<u>20,918,723</u>

Enterprise Fund Commitments

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

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

The general obligation bonds outstanding amount for the enterprise funds at April 30, 2014 is \$64,288,136.

CITY OF NAPERVILLE, ILLINOIS

Notes to Financial Statements

April 30, 2014

(b) *Defeased Debt*

The amount of defeased debt to be paid from escrow as of April 30, 2014 was \$19,485,000.

(c) *Industrial Revenue Bonds*

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

As of April 30, 2014, none of the issued industrial revenue development bonds have outstanding balances.

(7) *Subsequent Event*

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

(8) *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 utilizes a third-party administrator to process the claims. The City reimburses the administrator for the claims plus a processing fee.

The Self-Insurance Fund is supported by payments from the General Fund, Naper Settlement Fund, Electric, Water and Wastewater Utility Funds, Burlington Commuter Parking Fund, Information Technology Fund, Fleet Services Fund, and the Naperville Public Library (component unit) based upon an estimate of the annual claims and administration costs. In addition, the City has recognized a liability for claims, which were incurred but not reported at year end. At April 30, 2014 this liability totaled approximately \$392,250. The claims liability reported in the Self-Insurance Fund of \$2,438,353 at April 30, 2014 is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial

CITY OF NAPERVILLE, ILLINOIS

Notes to Financial Statements

April 30, 2014

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 in fiscal year 2014 and 2013 were:

	<u>2014</u>	<u>2013</u>
Claims liability, beginning of year	\$ 2,957,595	3,281,651
Incurred claims	14,314,608	13,097,114
Changes in estimates	(89,593)	277,764
Claim payments	<u>(14,744,257)</u>	<u>(13,698,934)</u>
Claims liability, end of year	<u>\$ 2,438,353</u>	<u>2,957,595</u>

(9) Commitments and Contingencies

DuPage Water Commission

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

The City's charter member fixed cost contribution is \$121,552.56 per month (or 20.4153%) from May 1, 2013 to April 30, 2014.

The City of Chicago's 2012 budget included a rate hike of 25 percent and 15 percent each of the following three years to cover the cost of water and sewer infrastructure upgrades.

The combined effects of the city and commission's corresponding rate hikes mean DuPage municipalities began paying 30 percent more beginning January 1, 2012 and 20 percent more beginning January 1, 2013. That would be followed by annual increases of 18 percent and 17 percent. The commission portions of those hikes are 5 percent the first two years, 3 percent in the third year and 2 percent in the fourth year.

The DuPage Water Commission increased the total rate per 1,000 gallons to municipalities to \$4.24 on January 1, 2014.

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.

CITY OF NAPERVILLE, ILLINOIS

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The City's Power Sales Contract includes a premium adjustment to IMEA to secure additional capacity and energy resources to add to its existing mix of resources in order to be able to service the City. The premium payments to be made to IMEA through 2025 is to offset the projected increase to the average power supply costs to IMEA's twenty-nine existing participating members resulting in acquisition of the resources necessary to serve the City. The projected premium payments are approximately \$72 million. The cumulative premium payments through April 30, 2014 are \$17.5 million.

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

Naperville Smart Grid Initiative (NSGI)

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

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

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

Naperville Renewable Energy Program

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

Prior to April 30, 2013, the program was managed by Community Energy and beginning May 1, 2013, the City brought the program management in-house. The City now holds primary responsibility for the program on behalf of its customers and has retained the services of Customized Energy Solutions to manage the program's administration and renewable offerings. During fiscal year 2014, the City collected \$0.4 million and due to management efficiencies will make all funds, less minimum administration costs, available through grants to directly fund local community based renewable energy projects within Naperville. The fund balance of this subfund of the electric fund at April 30, 2014 is \$0.6 million.

Enterprise Fund Commitments

In addition to the power commitment with IMEA discussed above, the enterprise funds have purchase commitments as of April 30, 2014 amounted to \$1,378,432 and \$4,574,632 for the Electric Utility Fund

CITY OF NAPERVILLE, ILLINOIS

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and the Water and Wastewater Utility Fund, respectively. These commitments primarily relate to capital projects.

Municipal Infrastructure Maintenance Fees

Effective January 1, 1998, the City imposed a municipal telecommunications infrastructure maintenance fee (IMF) on persons in the business of transmitting, supplying, or furnishing telecommunications and all associated services (e.g., telecommunications retailers) in Illinois for the “use of public right-of-ways.” The fee was authorized by state statute (35 ILCS 635). In March 2001, a wireless telecommunications provider brought action against an Illinois government challenging the constitutionality of the municipal telecommunications infrastructure maintenance fee. The Illinois Supreme Court (Court) found the IMF to be unconstitutional as applied to wireless carriers. The Court’s decision held upon appeal. The IMF was eliminated effective December 31, 2002. Potential damages to the City under this case precedent could aggregate the total of amounts remitted to the City for IMF by all carriers during the period from January 1, 1998 through December 31, 2002. The City has estimated a liability under potential IMF lawsuits in the amount of \$861,368 for amounts paid under protest during this time. Of this liability, \$297,795 was remitted to the DuPage Mayor’s and Manager’s Conference in March 2005 and was held in an account on behalf of the defendant municipalities. In April 2007, the City received \$139,492 from the DuPage Mayor’s and Manager’s Conference for a settlement and released \$347,333 to the General Fund as a revenue. The remaining \$355,731 was re-appropriated by the Council in the fiscal year 2009 for various safety equipment. The unspent balance as of April 30, 2014 was \$47,721.

Development Assistance

The City has entered into various agreements with private organizations to encourage economic development in the City. Some of these agreements provide for rebating a portion of sales tax and hotel tax to the private organizations if certain benchmarks of development are achieved. During the fiscal year ended April 30, 2014, \$48,042 in sales tax and \$475,551 in hotel tax were rebated under these agreements. Estimated remaining \$20.3 million will be payable throughout 18 years.

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(10) Employee Retirement Systems and Pension Plans

Illinois Municipal Retirement Fund

(a) *Plan Description*

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

(b) *Plan Tiers*

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

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

(c) *Funding Policy*

Employees participating in IMRF are required to contribute 4.5% of their annual covered salary. The member rate is established by State statute. The City is required to contribute at an actuarially determined rate. The employer's annual required contribution rates for calendar years 2014 and 2013 were 12.36% and 12.50% of payroll, respectively. The City's contribution requirements are established and amended by the IMRF Board of Trustees.

(d) *Annual Pension Cost*

For the year ended April 30, 2014, the City's annual pension cost of \$6,296,371 was equal to the City's required and actual contributions. The required contributions were determined as part of the December 31, 2011 actuarial valuation using the entry age normal actuarial cost method. IMRF

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conducts annual actuarial valuations as of December 31 of each year. The valuation determines the actuarial liabilities for the year of the valuation. Employer contribution rates are based on the valuation two years prior. For example, the December 31, 2011 valuation determined the liabilities for calendar year 2012 and the employer rate for calendar year 2013. The actuarial assumptions included (a) 7.5% investment rate of return (net of administrative expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10.0% per year, depending on age and service attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually. The actuarial value of assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The unfunded actuarial accrued liability at December 31, 2011 is being amortized as a level percentage of projected payroll on an open 30 year basis.

The annual pension costs for fiscal years 2014, 2013 and 2012 were \$6,296,371, \$6,100,382, and \$5,845,740, respectively. For the fiscal years ended 2014, 2013 and 2012, the annual pension costs were equal to the required and actual contributions, and there were no net pension obligation for these years.

Police Pension and Firefighters' Pension Plans

(a) Plan Descriptions

The City contributes to two single-employer defined benefit pension plans: the Police Pension Plan and the Firefighters' Pension Plan (Plans). Each plan provides retirement, disability, and death benefits, and annual cost-of-living adjustments to plan members and beneficiaries. Sworn police and fire personnel are covered by the Plans. Although these are single-employer pension plans, the defined benefits and employee and employer contribution levels are governed by Illinois Compiled Statutes and may be amended only by the Illinois legislature. The City accounts for the Plans as Pension Trust Funds. The City does not, however, separately issue financial reports for the plans. Membership of each plan consisted of the following at April 30, 2014:

	Police Pension	Firefighters' Pension
	<hr/>	<hr/>
Retirees and beneficiaries currently receiving benefits	74	73
Terminated employees entitled to but not yet receiving benefits	2	3
Active plan members		
Vested	134	133
Nonvested	27	59
	<hr/>	<hr/>
Total	<u>237</u>	<u>268</u>

CITY OF NAPERVILLE, ILLINOIS

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(b) ***Plan Tiers***

The Police Pension Plan provides retirement benefits as well as death and disability benefits. Tier 1 employees (those hired prior to January 1, 2011) attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one-half of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75.00% of such salary. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a police officer who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3.00% of the original pension and 3.00% compounded annually thereafter.

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with 10 or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the police officer during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Police officers' salary for pension purposes is capped at \$106,800, plus the lesser of ½ of the annual change in the Consumer Price Index or 3.00% compounded. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75.00% of such salary. Employees with at least 10 years may retire at or after age 50 and receive a reduced benefit (i.e. ½% for each month under 55). The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1st after the police officer retires, or the first anniversary of the pension starting date, whichever is later. Non-compounding increases occur annually, each January thereafter. The increase is the lesser of 3.00% or ½ of the change in the Consumer Price Index for the proceeding calendar year.

The Firefighters' Pension Plan provides retirement benefits as well as death and disability benefits. Tier 1 employees (those hired prior to January 1, 2011) attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one-half of the salary attached to the rank held at the date of retirement. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75.00% of such salary. Employees with at least 10 years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a covered employee who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3.00% of the original pension and 3.00% compounded annually thereafter.

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with 10 or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the firefighter during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Firefighters' salary for pension purposes

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is capped at \$106,800, plus the lesser of ½ of the annual change in the Consumer Price Index or 3.00% compounded. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75.00% of such salary. Employees with at least 10 years may retire at or after age 50 and receive a reduced benefit (i.e. ½% for each month under 55). The monthly benefit of a Tier 2 firefighter shall be increased annually at age 60 on the January 1st after the firefighter retires, or the first anniversary of the pension starting date, whichever is later. Non-compounding increases occur annually, each January thereafter. The increase is the lesser of 3.00% or ½ of the change in the Consumer Price Index for the proceeding calendar year.

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

Basis of Accounting

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

Method Used to Value Investments

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

Administrative Cost

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

(d) ***Funding Policy***

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

The City's annual pension cost and net pension asset for the police and firefighters' pension plans for fiscal year 2014 were as follows:

CITY OF NAPERVILLE, ILLINOIS

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	Police Pension Plan	Firefighters' Pension Plan
Annual required contribution	\$ 4,716,716	4,928,033
Interest on net pension asset	(25,401)	(89,769)
Adjustment to annual required contribution	21,988	77,710
Annual pension cost	4,713,303	4,915,974
Contributions made	7,731,885	7,929,771
Increase in net pension asset	3,018,582	3,013,797
Net pension asset, May 1, 2013	362,868	1,282,421
Net pension asset, April 30, 2014	\$ 3,381,450	4,296,218

Employer contributions for FY 2014 were based on the following actuarial valuation and assumptions:

	Police Pension Plan	Firefighters' Pension Plan
Actuarial valuation date	4/30/2013	4/30/2013
Actuarial cost method	Entry age	Entry age
Amortization method	Level percentage of pay, closed	Level percentage of pay, closed
Remaining amortization period	20 years	20 years
Asset valuation method	Market	Market
Actuarial assumptions:		
Investment rate of return	7.0%	7.0%
Projected salary increases (includes inflation rate)	5.0%	5.0%
Inflation rate	3.0%	3.0%
Cost-of-living adjustments		
Tier 1: Compounded	3.0% per year	3.0% per year
Tier 2: Simple	2.0% per year	2.0% per year
Mortality Rate Assumption	RP2000 Mortality Table	RP2000 Mortality Table
Contribution rates for the fiscal year ended 4/30/2014:		
City	48.84%	46.66%
Plan member	9.91%	9.46%

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April 30, 2014

(e) Three-Year Trend Information

	Year ending	Annual pension cost (APC)	Percentage of APC contributed	Net pension asset
Police Pension Plan	4/30/14	\$ 4,713,303	164.0%	\$ 3,381,450
	4/30/13	4,313,306	100.4%	362,868
	4/30/12	4,330,091	100.5%	345,834
Firefighters' Pension Plan	4/30/14	\$ 4,915,974	161.3%	\$ 4,296,218
	4/30/13	4,673,411	100.6%	1,282,421
	4/30/12	4,678,138	100.7%	1,254,397

(f) Pension Financial Statements

Combining Statement of Fiduciary Net Position
Pension Trust Funds
April 30, 2014

	Police Pension Fund	Firefighters' Pension Fund	Total
Assets:			
Cash and short-term investments	\$ 10,228,397	8,215,043	18,443,440
Receivables:			
Interest receivable	156,981	195,834	352,815
Total receivables	<u>156,981</u>	<u>195,834</u>	<u>352,815</u>
Investments at fair value:			
U.S. Treasury obligations	29,876,386	31,866,329	61,742,715
U.S. Government agencies	5,747,654	5,722,926	11,470,580
Corporate bonds	412,755	412,755	825,510
Mutual funds	61,782,804	56,628,858	118,411,662
Common Stock	22,269,373	22,309,503	44,578,876
Annuities	—	6,168,235	6,168,235
Total investments	<u>120,088,972</u>	<u>123,108,606</u>	<u>243,197,578</u>
Prepaid items	—	2,602	2,602
Total assets	<u>130,474,350</u>	<u>131,522,085</u>	<u>261,996,435</u>
Liabilities – accounts payable	<u>17,322</u>	<u>10,717</u>	<u>28,039</u>
Net plan position held in trust for pension benefits	<u>\$ 130,457,028</u>	<u>131,511,368</u>	<u>261,968,396</u>

CITY OF NAPERVILLE, ILLINOIS

Notes to Financial Statements

April 30, 2014

Combining Statement of Changes in Fiduciary Net Position
Pension Trust Funds
April 30, 2014

	Police Pension Fund	Firefighters' Pension Fund	Total
	<u> </u>	<u> </u>	<u> </u>
Additions:			
Contributions:			
Employer	\$ 7,731,885	7,929,771	15,661,656
Employee	1,575,328	1,759,554	3,334,882
Miscellaneous	4,942	2,243	7,185
Total contributions	<u>9,312,155</u>	<u>9,691,568</u>	<u>19,003,723</u>
Investment income:			
Net appreciation in fair value of investments	9,016,727	8,576,871	17,593,598
Interest and dividends	2,415,413	3,776,476	6,191,889
Total investment income	<u>11,432,140</u>	<u>12,353,347</u>	<u>23,785,487</u>
Less investment expense	303,120	297,522	600,642
Net investment income	<u>11,129,020</u>	<u>12,055,825</u>	<u>23,184,845</u>
Total additions	<u>20,441,175</u>	<u>21,747,393</u>	<u>42,188,568</u>
Deductions:			
Benefits	4,788,112	4,359,965	9,148,077
Refunds of contributions	0	0	0
Administrative expense	75,936	107,192	183,128
Total deductions	<u>4,864,048</u>	<u>4,467,157</u>	<u>9,331,205</u>
Net increase	15,577,127	17,280,236	32,857,363
Net plan position held in trust for pension benefits, May 1, 2013	<u>114,879,901</u>	<u>114,231,132</u>	<u>229,111,033</u>
Net plan position held in trust for pension benefits, April 30, 2014	\$ <u><u>130,457,028</u></u>	<u><u>131,511,368</u></u>	<u><u>261,968,396</u></u>

CITY OF NAPERVILLE, ILLINOIS

Notes to Financial Statements

April 30, 2014

(g) Funded status

The funded status of the three plans as of December 31, 2013 for IMRF and as of April 30, 2014 for the Police Pension Plan and Firefighters' Pension Plan based on actuarial valuations performed as of the same date, is as follows. The actuarial assumptions used to determine the funded status of the plans are the same actuarial assumptions used to determine the employer APC of the plans as disclosed in Note 10-(d).

	Illinois Municipal Retirement	Police Pension	Firefighters' Pension
Actuarial accrued liability	\$ 152,591,142	\$ 176,330,635	\$ 171,998,295
Actuarial value of plan assets	123,148,520	130,457,028	131,511,368
Unfunded actuarial accrued liability (UAAL)	29,442,622	45,873,607	40,486,927
Funded ratio (actuarial value of plan assets/AAL)	80.7%	74.0%	76.5%
Covered payroll (active plan members)	49,874,334	15,829,607	16,996,274
UAAL as a percentage of covered payroll	59.0%	289.8%	238.2%

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

(11) Other Post-Employment Benefits

(a) Plan Descriptions

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

(b) Benefits Provided

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

CITY OF NAPERVILLE, ILLINOIS

Notes to Financial Statements

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

(c) Membership

At April 30, 2014, membership consisted of:

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

(d) Funding Policy

The City negotiates the contribution percentages between the City and employees through the union contracts and personnel policy. All retirees contribute 100% of the actuarially determined premium to the plan to cover the cost of providing the benefits to the retirees via the self-insured plan (pay as you go) which results in an implicit subsidy to the City as defined by the GASB Statement No. 45. Since the City is self-insured, this amount fluctuates on an annual basis. For the fiscal year ending April 30, 2014, retirees contributed \$0 and the City contributed \$435,507 toward the implicit subsidy. The City is not required to and currently does not advance fund the cost of benefits that will become due and payable in the future. Active employees do not contribute to the plan until retirement. The general fund typically has been used to liquidate the governmental activities the net other postemployment benefit obligation.

(e) Annual OPEB cost and Net OPEB Obligation

The City's annual OPEB cost (expense) was \$570,822 while the ARC was \$558,380 for the fiscal year ended April 30, 2014. The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for April 30, 2014 were as follows:

<u>Year ending</u>	<u>Annual OPEB cost</u>	<u>Employer contributions</u>	<u>Percentage of annual OPEB cost contributed</u>	<u>Net OPEB obligation</u>
4/30/14	\$ 570,822	\$ 435,507	76.3%	\$ 2,001,636
4/30/13	586,961	435,507	74.2%	1,866,321
4/30/12	547,897	363,068	66.3%	1,714,867

CITY OF NAPERVILLE, ILLINOIS

Notes to Financial Statements

April 30, 2014

The net OPEB obligation (NOPEBO) as of April 30, 2014, was calculated as follows:

Annual required contribution	\$	558,380
Interest on net OPEB obligation		74,653
Adjustment to annual required contribution		<u>(62,211)</u>
Annual OPEB cost		570,822
Contributions made		<u>435,507</u>
Increase in net OPEB obligation		135,315
Net OPEB obligation at May 1, 2013		<u>1,866,321</u>
Net OPEB obligation at April 30, 2014	\$	<u><u>2,001,636</u></u>

(f) Funded Status and Funding Progress

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

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

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

CITY OF NAPERVILLE, ILLINOIS

Notes to Financial Statements

April 30, 2014

Actuarial Methods and Assumptions.

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

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

12) Restatement of Fund Equity

The City has restated fund balance and net position for its fund financial statements and Government Wide financial statements as of May 1, 2013 to recognize prior years' non-refundable private contribution revenues in the Other Governmental Fund.

(1) Fund Statements

	Other Governmental Fund
Fund Balance, May 1 (As previously reported)	\$ 13,817,000
Restated for prior years' contribution revenues	1,195,000
Fund Balance, May 1 (Restated)	<u>\$ 15,012,000</u>

(2) Government-Wide Financial Statements

	Governmental Activities
Net Position, May 1 (As previously reported)	\$ 467,771,000
Restated for prior years' contribution revenues	1,195,000
Net Position, May 1 (Restated)	<u>\$ 468,966,000</u>

(13) Discretely Presented Component Unit-Naperville Public Library

The following is summary fund financial information for the Naperville Public Library (the Library) for the fiscal year ended April 30, 2014:

CITY OF NAPERVILLE, ILLINOIS

Notes to Financial Statements

April 30, 2014

Discretely Presented Component Unit – Naperville Public Library
 Statement of Net Position and Governmental Funds Combining Balance Sheet
 April 30, 2014

Assets and Deferred Outflows of Resources	General Operating	Special revenue			Total	Adjustment	Statement of Net Position
		Building Reserve	Gift and Memorial	Endowment			
Assets:							
Cash and cash equivalents	\$ 1,803,569	159,037	45,380	10,059	2,018,045	—	2,018,045
Property taxes receivable, net of allowance for uncollectible accounts	14,460,800	—	—	—	14,460,800	—	14,460,800
Interest receivable	14,538	412	65	30	15,045	—	15,045
Due from other governments	177,316	—	—	—	177,316	—	177,316
Capital assets (net):							
Capital assets depreciated, net	—	—	—	—	—	7,189,576	7,189,576
Total assets and deferred outflows of resources	\$ 16,456,223	159,449	\$ 45,445	10,089	16,671,206	7,189,576	23,860,782
Liabilities, Deferred Inflows of Resources and Fund Balance/Net Position							
Liabilities:							
Accounts payable	\$ 238,563	—	60	40	238,663	—	238,663
Accrued wages and benefits	523,491	—	—	—	523,491	—	523,491
Compensated absences	—	—	—	—	—	451,680	451,680
Other postemployment benefits obligation	—	—	—	—	—	70,087	70,087
Total liabilities	762,054	—	60	40	762,154	521,767	1,283,921
Deferred inflows of resources:							
Unavailable/earned property tax revenue	14,460,800	—	—	—	14,460,800	—	14,460,800
Total deferred inflows of resources	14,460,800	—	—	—	14,460,800	—	14,460,800
Fund Balance/Net Position:							
Fund balance:							
Restricted for culture and recreation	—	—	—	10,049	10,049	—	10,049
Committed for culture and recreation	—	159,449	45,385	—	204,834	(204,834)	—
Unassigned	1,233,369	—	—	—	1,233,369	(1,233,369)	—
Net position:							
Invested in capital assets	—	—	—	—	—	7,189,576	7,189,576
Unrestricted	—	—	—	—	—	916,436	916,436
Total fund balance/net position	1,233,369	159,449	45,385	10,049	1,448,252	6,667,809	8,116,061
Total liabilities, deferred inflows of resources and fund balances/net position	\$ 16,456,223	159,449	45,445	10,089	16,671,206	7,189,576	23,860,782

CITY OF NAPERVILLE, ILLINOIS
Notes to Financial Statements
April 30, 2014

Summary Financial Information (Continued)

Discretely Presented Component Unit – Naperville Public Library

Year ended April 30, 2014

	<u>General Operating</u>	<u>Special revenue</u>			<u>Total</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
		<u>Building Reserve</u>	<u>Gift and Memorial</u>	<u>Endowment</u>			
Revenues:							
Property taxes	\$ 14,209,727	—	—	—	14,209,727	—	14,209,727
Other taxes – personal property replacement tax	215,237	—	—	—	215,237	—	215,237
Fines and forfeits	468,759	—	—	—	468,759	—	468,759
Net investment income	13,315	961	(51)	(76)	14,149	—	14,149
Intergovernmental	182,316	97,406	—	—	279,722	—	279,722
Charges for services	8,954	—	—	—	8,954	—	8,954
Fees	91,205	—	—	—	91,205	—	91,205
Contribution	—	—	26,442	—	26,442	—	26,442
Miscellaneous	105,628	3,172	—	—	108,800	—	108,800
Total revenues	<u>15,295,141</u>	<u>101,539</u>	<u>26,391</u>	<u>(76)</u>	<u>15,422,995</u>	<u>—</u>	<u>15,422,995</u>
Expenditures/expenses:							
Current – culture and recreation	<u>14,599,068</u>	<u>308,677</u>	<u>961</u>	<u>404</u>	<u>14,909,110</u>	<u>(900,418)</u>	<u>14,008,692</u>
Total expenditures/expenses	<u>14,599,068</u>	<u>308,677</u>	<u>961</u>	<u>404</u>	<u>14,909,110</u>	<u>(900,418)</u>	<u>14,008,692</u>
Excess (deficiency) of revenues over expenditures	<u>696,073</u>	<u>(207,138)</u>	<u>25,430</u>	<u>(480)</u>	<u>513,885</u>	<u>900,418</u>	<u>1,414,303</u>
Other financing sources (uses):							
Transfers in	—	250,000	—	—	250,000	(250,000)	—
Transfers out	<u>(250,000)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(250,000)</u>	<u>250,000</u>	<u>—</u>
Total other financing sources (uses)	<u>(250,000)</u>	<u>250,000</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Net change in fund balances/net position	446,073	42,862	25,430	(480)	513,885	900,418	1,414,303
Fund balances/net position at May 1, 2013	<u>787,296</u>	<u>116,587</u>	<u>19,955</u>	<u>10,529</u>	<u>934,367</u>	<u>5,767,391</u>	<u>6,701,758</u>
Fund balances/net position at April 30, 2014	<u>\$ 1,233,369</u>	<u>159,449</u>	<u>45,385</u>	<u>10,049</u>	<u>1,448,252</u>	<u>6,667,809</u>	<u>8,116,061</u>

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF NAPERVILLE, ILLINOIS

General Fund

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

Year ended April 30, 2014

	Budgeted amount		Actual	Variance with final budget positive (negative)
	Original	Final		
Revenues:				
Property taxes	\$ 21,085,640	21,085,640	20,963,908	(121,732)
Utility tax	16,959,455	16,959,455	16,993,412	33,957
Sales and use tax	32,756,600	34,456,600	34,497,702	41,102
State income tax	12,566,556	13,366,556	13,823,030	456,474
Other taxes	4,925,500	6,225,500	6,885,019	659,519
Licenses and permits	1,950,300	2,250,300	2,376,836	126,536
Fines	2,466,149	1,766,149	1,625,987	(140,162)
Net investment income	833,050	633,050	(154,884)	(787,934)
Intergovernmental	333,086	382,591	569,106	186,515
Charges for services	6,788,518	6,788,518	7,103,204	314,686
Franchise fees	2,518,880	2,518,880	2,807,438	288,558
Miscellaneous	997,085	997,085	906,745	(90,340)
Total revenues	<u>104,180,819</u>	<u>107,430,324</u>	<u>108,397,503</u>	<u>967,179</u>
Expenditures:				
Current:				
General government	6,837,770	6,506,752	6,929,006	(422,254)
Physical environment	8,500,012	8,091,656	8,085,008	6,648
Public safety	65,443,756	69,377,147	70,157,212	(780,065)
Transportation	20,930,405	21,573,081	21,567,254	5,827
Culture and recreation	1,850,670	1,873,853	1,865,880	7,973
Total expenditures	<u>103,562,613</u>	<u>107,422,489</u>	<u>108,604,360</u>	<u>(1,181,871)</u>
Excess (deficiency) of revenues over expenditures	<u>618,206</u>	<u>7,835</u>	<u>(206,857)</u>	<u>(214,692)</u>
Other financing sources (uses):				
Transfers in	389,775	389,775	389,775	—
Transfers out	<u>(11,299,054)</u>	<u>(6,327,119)</u>	<u>(6,327,119)</u>	<u>—</u>
Total other financing sources (uses)	<u>(10,909,279)</u>	<u>(5,937,344)</u>	<u>(5,937,344)</u>	<u>—</u>
Net change in fund balances	\$ <u>(10,291,073)</u>	<u>(5,929,509)</u>	<u>(6,144,201)</u>	<u>(214,692)</u>
Fund balance, May 1, 2013			<u>31,730,774</u>	
Fund balance, April 30, 2014			\$ <u><u>25,586,573</u></u>	

See accompanying independent auditor's report

CITY OF NAPERVILLE, ILLINOIS

Notes to Required Supplementary Information -
Budgetary Comparison Schedule

April 30, 2014

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual budgets are adopted at the department level for the Governmental, Proprietary and the Fiduciary Funds. The annual budget is legally enacted and provides for a legal level of control at the department 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:

Fund	Excess
General Fund	\$ 1,181,871
Debt Service Fund	59,463
Drug Forfeiture Fund	103,704
Special Events & Culture Amenities Fund	13,501

CITY OF NAPERVILLE, ILLINOIS

Illinois Municipal Retirement Fund
Required Supplementary Information –

Schedule of Funding Progress

April 30, 2014

Actuarial valuation date	Actuarial value of assets (a)	Actuarial accrued liability (AAL) – Entry Age (b)	Unfunded	Funded ratio (a/b)	Covered payroll (c)	Percentage of covered payroll (b-a)/c
			(Assets in excess of) AAL (UAAL) (b-a)			
12/31/2013	\$ 123,148,520	152,591,142	29,442,622	80.7%	\$ 49,874,334	59.03%
12/31/2012	111,074,590	146,316,122	35,241,532	75.9%	49,460,732	71.25%
12/31/2011	105,620,996	141,622,166	36,001,170	74.6%	48,542,682	74.16%
12/31/2010	107,112,826	141,049,233	33,936,407	75.9%	51,135,311	66.37%
12/31/2009	103,151,333	139,928,523	36,777,190	73.7%	55,777,305	65.94%
12/31/2008	98,292,751	128,284,945	29,992,194	76.6%	54,644,370	54.89%

See accompanying independent auditors' report.

CITY OF NAPERVILLE, ILLINOIS

Police and Firefighters' Pension Plans

Required Supplementary Information –
Schedule of Funding Progress

April 30, 2014

<u>Actuarial valuation date</u>	<u>Actuarial value of assets (a)</u>	<u>Actuarial accrued liability (AAL) – Entry Age (b)</u>	<u>Unfunded AAL (UAAL) (b-a)</u>	<u>Funded ratio (a/b)</u>	<u>Covered payroll (c)</u>	<u>Percentage of covered payroll ((b-a)/c)</u>
Police Pension Plan:						
4/30/2014	\$ 130,457,028	176,330,635	45,873,607	74.0%	\$ 15,829,607	289.8%
4/30/2013	114,879,901	166,936,427	52,056,526	68.8%	15,797,793	329.5%
4/30/2012	103,756,759	152,748,285	48,991,526	67.9%	15,782,501	310.4%
4/30/2011	98,500,984	143,117,471	44,616,487	68.8%	15,267,563	292.2%
4/30/2010	84,681,879	126,799,040	42,117,161	66.8%	15,317,566	275.0%
4/30/2009	68,738,434	121,570,634	52,832,200	56.5%	15,997,712	330.2%
Firefighters' Pension Plan:						
4/30/2014	\$ 131,511,368	171,998,295	40,486,927	76.5%	\$ 16,996,274	238.2%
4/30/2013	114,231,134	161,826,243	47,595,109	70.6%	16,532,857	287.9%
4/30/2012	101,583,696	148,558,651	46,974,955	68.4%	16,286,493	288.4%
4/30/2011	97,172,691	139,230,306	42,057,615	69.8%	15,784,805	266.4%
4/30/2010	84,538,663	124,714,124	40,175,461	67.8%	16,296,718	246.5%
4/30/2009	68,806,896	112,222,135	43,415,239	61.3%	16,253,897	267.1%

See accompanying independent auditors' report.

CITY OF NAPERVILLE, ILLINOIS

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

April 30, 2014

Fiscal Year		Annual required contribution	Percentage contributed
4/30/2014	\$	6,296,371	100 %
4/30/2013		6,100,382	100
4/30/2012		5,845,740	100
4/30/2011		5,734,739	100
4/30/2010		5,520,973	100
4/30/2009		5,367,091	100

See accompanying independent auditors' report.

CITY OF NAPERVILLE, ILLINOIS

Police and Firefighters' Pension Plans

Required Supplementary Information –
Schedule of Employer Contributions

April 30, 2014

Year ended April 30	Police Pension Plan		Firefighters' Pension Plan	
	Annual required contribution	Percentage contributed	Annual required contribution	Percentage contributed
2014	\$ 4,716,716	163.9 %	\$ 4,928,033	160.9 %
2013	4,317,379	100.3	4,688,185	100.3
2012	4,334,585	100.4	4,695,134	100.4
2011	4,686,627	100.5	4,551,108	100.4
2010	3,664,630	100.6	3,555,244	100.7
2009	3,191,695	100.8	3,202,254	100.6

See accompanying independent auditors' report.

CITY OF NAPERVILLE, ILLINOIS
 Other Post-Employment Benefit Plan
 Requirement Supplementary Information-
 Schedule of Funding Progress
 April 30, 2014

Actuarial valuation date	Actuarial value of assets (a)	Actuarial accrued liability (AAL) – Entry Age (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a) / (b)	(c) Covered Payroll	UAAL as a Percentage of Covered Payroll ((b-a)/c)
2014	\$ —	9,043,563	9,043,563	0.00%	\$ 88,717,698	10.19%
2013	—	8,302,543	8,302,543	0.00%	84,561,057	9.82%
2012	—	8,302,543	8,302,543	0.00%	84,561,057	9.82%
2011	—	6,952,316	6,952,316	0.00%	89,483,429	7.77%
2010	—	6,952,316	6,952,316	0.00%	89,483,429	7.77%
2009	—	7,032,847	7,032,847	0.00%	88,526,959	7.94%

See accompanying independent auditors' report.

CITY OF NAPERVILLE, ILLINOIS
 Other Post-Employment Benefit Plan
 Requirement Supplementary Information-
 Schedule of Employer Contributions
 April 30, 2014

Year Ended April 30	Employer Contributions	Annual Required Contribution (ARC)*	Percentage Contributed
2014	\$ 435,507	\$ 558,380	77.99 %
2013	435,507	558,380	77.99
2012	363,068	522,396	69.50
2011	363,068	522,396	69.50
2010	363,068	669,658	54.22
2009	145,530	669,658	21.73

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

See accompanying independent auditors' report.

MAJOR GOVERNMENTAL FUNDS

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

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

CITY OF NAPERVILLE, ILLINOIS

General Fund

Detailed Schedule of Revenues – Budget and Actual

Year ended April 30, 2014

	Original budget	Final budget	Actual	Variance with final budget- positive (negative)
Property taxes:				
General	\$ 11,436,964	11,436,964	11,362,353	(74,611)
Police Pension	4,720,643	4,720,643	4,701,885	(18,758)
Firefighters' Pension	4,928,033	4,928,033	4,899,670	(28,363)
Total property taxes	<u>21,085,640</u>	<u>21,085,640</u>	<u>20,963,908</u>	<u>(121,732)</u>
Utility tax	16,959,455	16,959,455	16,993,412	33,957
Sales and use tax	32,756,600	34,456,600	34,497,702	41,102
State income tax	12,566,556	13,366,556	13,823,030	456,474
Other taxes:				
Auto rental tax	95,000	95,000	101,619	6,619
Food and beverage tax	900,000	900,000	872,872	(27,128)
Charitable games tax	—	—	1,313	1,313
Personal property replacement tax	225,000	225,000	233,173	8,173
Real estate transfer tax	2,935,500	3,835,500	4,517,112	681,612
Hotel/Motel tax	770,000	1,170,000	1,158,930	(11,070)
Total other taxes	<u>4,925,500</u>	<u>6,225,500</u>	<u>6,885,019</u>	<u>659,519</u>
Total taxes	\$ <u>88,293,751</u>	\$ <u>92,093,751</u>	\$ <u>93,163,071</u>	\$ <u>1,069,320</u>
Licenses:				
Liquor	\$ 400,000	400,000	447,217	47,217
Business license	130,000	130,000	122,916	(7,084)
Alarm board	—	—	(61)	(61)
Scavenger	—	—	2,250	2,250
Total licenses	\$ <u>530,000</u>	\$ <u>530,000</u>	\$ <u>572,322</u>	\$ <u>42,322</u>
Permits:				
Small permits	\$ 250,000	250,000	235,994	(14,006)
Building permits/sf & dup	—	—	8,602	8,602
Inspection – mechanical	—	—	4	4
Inspection – backflow	—	—	4	4
Plan review – inspection storage	500	500	1,350	850
Sale of permit pouches	800	800	1,541	741
Animal	3,000	3,000	4,902	1,902
Single family (duplex) fees	250,000	250,000	472,372	222,372
1&2 Fam room addition fees	225,000	225,000	235,707	10,707
Multi family new-fees	80,000	80,000	101,243	21,243
Commercial new fees	150,000	450,000	270,801	(179,199)
Commercial – simple occup	8,000	8,000	8,777	777
Commercial alteration	350,000	350,000	332,594	(17,406)
Demolitions	30,000	30,000	52,228	22,228
Fire alarm/sprinkler	73,000	73,000	78,395	5,395
Total permits	\$ <u>1,420,300</u>	\$ <u>1,720,300</u>	\$ <u>1,804,514</u>	\$ <u>84,214</u>
Fines:				
Police fines	\$ 2,211,002	1,511,002	1,262,486	(248,516)
Police – false alarms	90,789	90,789	95,548	4,759
Fire – false alarms	2,500	2,500	600	(1,900)
Fines-court-enforcement	—	—	91,770	91,770
Parking fines	154,860	154,860	166,707	11,847
Alcohol & tobacco fines	2,000	2,000	5,000	3,000
Animal fines	4,998	4,998	3,876	(1,122)
Total fines	\$ <u>2,466,149</u>	\$ <u>1,766,149</u>	\$ <u>1,625,987</u>	\$ <u>(140,162)</u>
Net investment income	\$ 833,050	633,050	(154,884)	(787,934)

CITY OF NAPERVILLE, ILLINOIS

General Fund

Detailed Schedule of Revenues – Budget and Actual

Year ended April 30, 2014

	Original budget	Final budget	Actual	Variance with final budget- positive (negative)
Intergovernmental revenue:				
Bullet proof vest grant	\$ 1,850	1,850	—	(1,850)
FEMA flood 13	—	—	16,060	16,060
Police federal grant	—	—	10,637	10,637
Secret services	—	—	4,059	4,059
IEMA-Citizen corps-	5,500	5,500	—	(5,500)
ILEAS	40,000	40,000	31,674	(8,326)
Click it or ticket	70,000	70,000	61,727	(8,273)
Tobacco grant	8,800	8,800	10,683	1,883
Police training grant	11,936	11,936	11,936	—
FEMA reimbursement	40,000	40,000	—	(40,000)
TED-ride dupage grant	—	49,505	137,019	87,514
FEMA safer grant	—	—	24,157	24,157
Dupage County HHW project	100,000	100,000	100,000	—
Kane County HHW service	10,000	10,000	10,000	—
Will County	25,000	25,000	25,000	—
Aurora HHW contribution	20,000	20,000	20,000	—
IDOT-TED-traffic signal energy	—	—	56,341	56,341
IEMA performance grant	—	—	49,813	49,813
Total intergovernmental revenue	\$ 333,086	382,591	569,106	186,515
Charges for services:				
P.U.D. filing fees	\$ 41,210	41,210	80,030	38,820
Clerical Processing fee	—	—	25	25
Annexation fees	1,000	1,000	2,600	1,600
Residential engineering fee	2,000	2,000	60,386	58,386
Commercial engineering fee	20,000	20,000	121,013	101,013
Sale of printed material	3,500	3,500	1,591	(1,909)
Accident reports	17,187	17,187	18,996	1,809
Police ranging services	300	300	237	(63)
Meeting room fees	—	—	1,000	1,000
Bail bond fees	109,875	109,875	87,794	(22,081)
Administrative tow fee	250,000	250,000	239,765	(10,235)
Ambulance report	2,800	2,800	3,175	375
Clerk fees	6,500	6,500	7,702	1,202
Mowing services	—	—	28,140	28,140
Other fees	20,000	20,000	21,850	1,850
Landscaping reimbursement	105,500	105,500	116,984	11,484
Voluntary cart program	85,000	85,000	86,564	1,564
Cart delivery charge	4,000	4,000	3,890	(110)
DPW-services for DPU	75,000	75,000	85,865	10,865
N.F.P.D. – contract	1,116,832	1,116,832	1,024,000	(92,832)
Fire protection-other	—	—	3,029	3,029
Elevator inspections	70,000	70,000	72,825	2,825
Ambulance fees	2,312,880	2,312,880	2,525,375	212,495
Water surcharge-unicorp.	20,000	20,000	6,506	(13,494)
Police services	344,740	344,740	392,917	48,177
Billable police services	166,498	166,498	201,912	35,414
Billable fire services	55,000	55,000	47,073	(7,927)
Fire reimbursements	175,304	175,304	28,823	(146,481)
Billable TED service	3,887	3,887	4,010	123
Fire alarm monitoring	740,000	740,000	734,719	(5,281)
Billable DPW services	57,833	57,833	108,149	50,316
Garbage collection fee	981,672	981,672	986,259	4,587
Total charges for services	\$ 6,788,518	6,788,518	7,103,204	314,686
Franchise fees:				
Rent income				
WideOpenWest – cable franchise fee	\$ 610,000	610,000	654,474	44,474
WideOpenWest – 1% support fee	120,000	120,000	130,895	10,895
Comcast – cable franchise fee	1,138,128	1,138,128	1,383,051	244,923
Comcast – 1% support fee	228,626	228,626	198,367	(30,259)
AT&T-cable franchise fee	208,046	208,046	223,542	15,496
AT&T- 1% support fee	41,600	41,600	44,508	2,908
Lease revenue	170,680	170,680	172,601	1,921
Old Second-ATM	1,800	1,800	—	(1,800)
Total franchise fees	\$ 2,518,880	2,518,880	2,807,438	288,558

CITY OF NAPERVILLE, ILLINOIS

General Fund

Detailed Schedule of Revenues – Budget and Actual

Year ended April 30, 2014

	Original budget	Final budget	Actual	Variance with final budget- positive (negative)
Miscellaneous:				
Late payment charge	\$ 40,000	40,000	57,356	17,356
Sale of surplus property	3,000	3,000	—	(3,000)
Miscellaneous revenues	1,000	1,000	190	(810)
Non refundable bid deposit	900	900	1,505	605
Bad debt recovery	610,000	610,000	613,025	3,025
Lien fees	1,000	1,000	9,336	8,336
Sister city donation	—	—	25	25
Damage to city property	40,000	40,000	51,151	11,151
Miscellaneous non revenues	128,685	128,685	95,450	(33,235)
NSF check charge	25,000	25,000	20,125	(4,875)
DPW-disposal/scrap	7,500	7,500	51,651	44,151
DPW-mulch sales	40,000	40,000	6,800	(33,200)
Cashier over/short	—	—	131	131
Article 36 towing	100,000	100,000	—	(100,000)
Total miscellaneous	\$ 997,085	997,085	906,745	(90,340)
Total revenues	\$ 104,180,819	107,430,324	108,397,503	967,179

See accompanying independent auditors' report.

CITY OF NAPERVILLE, ILLINOIS

General Fund

Detailed Schedule of Expenditures – Budget and Actual

Year ended April 30, 2014

	<u>Original budget</u>	<u>Final budget</u>	<u>Actual</u>	<u>Variance with final budget- positive (negative)</u>
General Government:				
Legislative:				
Mayor and City Council:				
Salaries	\$ 247,733	245,070	245,069	1
Employee benefits	146,105	140,755	137,193	3,562
Technical services	5,400	3,840	3,840	—
Other purchased services	47,030	45,590	41,658	3,932
Supplies	3,975	3,975	1,743	2,232
Internal services	17,253	17,253	16,869	384
Total Mayor and City Council	<u>\$ 467,496</u>	<u>456,483</u>	<u>446,372</u>	<u>10,111</u>
Alcohol and Tobacco Commission:				
Salaries	\$ 6,146	6,146	6,135	11
Employee benefits	3,455	3,470	3,468	2
Professional services	4,600	2,085	—	2,085
Other purchased services	3,134	3,134	1,693	1,441
Supplies	28,200	18,652	18,652	—
Total Alcohol and Tobacco Commission	<u>\$ 45,535</u>	<u>33,487</u>	<u>29,948</u>	<u>3,539</u>
Legal:				
Legal Department:				
Salaries	\$ 1,247,122	1,260,399	1,259,399	1,000
Employee benefits	410,031	396,067	396,062	5
Technical services	7,000	1,499	1,499	—
Professional services	41,685	19,990	19,989	1
Purchase property service	3,800	7,485	7,485	—
Other purchased services	26,969	27,119	26,045	1,074
Supplies	54,303	41,120	40,885	235
Property	—	300	300	—
Internal services	40,904	40,904	40,184	720
Total Legal	<u>\$ 1,831,814</u>	<u>1,794,883</u>	<u>1,791,848</u>	<u>3,035</u>
Executive:				
City Manager's Office:				
Salaries	\$ 582,507	560,006	560,005	1
Employee benefits	175,944	166,799	166,735	64
Technical service	—	280	280	—
Professional services	151,000	65,606	65,606	—
Other purchased services	51,877	42,417	39,799	2,618
Supplies	3,500	6,291	5,977	314
Internal services	16,868	41,768	41,768	—
Total City Manager's Office	<u>\$ 981,696</u>	<u>883,167</u>	<u>880,170</u>	<u>2,997</u>
Sister Cities Commission:				
Other purchased services	\$ 2,900	2,900	1,649	1,251
Total Sister Cities Commission	<u>\$ 2,900</u>	<u>2,900</u>	<u>1,649</u>	<u>1,251</u>
Executive:				
Board of Fire and Police:				
Salaries	\$ 43,794	41,738	41,736	2
Employee benefits	16,434	15,650	15,650	—
Professional services	24,340	31,289	31,287	2
Other purchased services	29,155	24,943	24,942	1
Supplies	1,700	2,217	2,215	2
Total Board of Fire and Police	<u>\$ 115,423</u>	<u>115,837</u>	<u>115,830</u>	<u>7</u>
Communications:				
Salaries	\$ 290,418	301,760	301,760	—
Employee benefits	114,111	95,538	94,700	838
Technical services	2,450	2,450	206	2,244
Professional services	2,620	2,620	1,639	981
Purchase property services	1,850	1,850	—	1,850
Other purchased services	9,650	8,409	6,517	1,892
Supplies	4,000	5,241	3,771	1,470
Internal services	17,267	17,267	17,267	—
Total Communications	<u>\$ 442,366</u>	<u>435,135</u>	<u>425,860</u>	<u>9,275</u>

CITY OF NAPERVILLE, ILLINOIS

General Fund

Detailed Schedule of Expenditures – Budget and Actual

Year ended April 30, 2014

	Original budget	Final budget	Actual	Variance with final budget- positive (negative)
General Government, continued:				
Human Resources:				
Salaries	\$ 603,949	485,444	485,443	1
Employee benefits	280,666	197,205	197,203	2
Technical services	8,000	8,000	8,000	—
Professional services	53,247	51,091	47,538	3,553
Other purchased services	49,737	44,998	41,447	3,551
Supplies	47,590	30,280	23,987	6,293
Internal services	44,359	44,359	44,359	—
Total Human Resources	\$ 1,087,548	861,377	847,977	13,400
City Clerk:				
City Clerk's Office:				
Salaries	\$ 336,981	342,081	342,081	—
Employee benefits	97,149	97,834	97,830	4
Professional services	12,400	8,442	8,441	1
Other purchased services	12,360	8,639	7,924	715
Supplies	2,950	2,998	2,546	452
Other services and charges	5,000	5,880	5,880	—
Internal services	21,104	21,104	21,104	—
Total City Clerk's Office	\$ 487,944	486,978	485,806	1,172
Reproduction Micrographics Service:				
Salaries	\$ 133,245	135,031	134,953	78
Employee benefits	68,793	67,007	66,450	557
Technical services	113,500	94,262	94,261	1
Purchase property service	7,952	2,298	1,745	553
Other purchased services	25	25	—	25
Supplies	62,482	41,154	40,976	178
Internal services	(29,566)	(29,566)	(29,950)	384
Total Reproduction Micrographics Service	\$ 356,431	310,211	308,435	1,776
Information Technology				
Salaries	\$ 1,420,515	1,402,480	1,399,522	2,958
Employee benefits	522,766	482,226	475,800	6,426
Technical services	190,800	94,570	94,570	—
Professional services	—	100	100	—
Purchase property service	6,500	6,500	4,407	2,093
Other purchased services	756,128	674,120	672,083	2,037
Property	16,500	—	—	—
Supplies	27,600	23,870	22,125	1,745
Internal services	57,822	57,822	57,822	—
Total Information Technology	\$ 2,998,631	2,741,688	2,726,429	15,259
Financial Administration:				
Administration:				
Salaries	\$ 1,031,835	1,006,408	1,006,407	1
Employee benefits	347,163	334,450	334,446	4
Professional services	62,726	94,060	94,059	1
Purchase property service	2,000	3,020	3,020	—
Other purchased services	25,644	20,943	20,940	3
Supplies	17,453	13,165	13,163	2
Internal services	51,282	51,282	51,282	—
Total Administration	\$ 1,538,103	1,523,328	1,523,317	11
Billing and Collection:				
Salaries	\$ 666,715	693,755	693,755	—
Employee benefits	263,321	252,226	252,222	4
Technical service	6,000	6,092	6,091	1
Professional services	130,000	212,750	212,749	1
Purchase property service	500	726	726	—
Other purchased services	315,000	366,415	366,415	—
Supplies	23,000	20,776	20,775	1
Internal services	44,370	44,370	44,370	—
Total Billing and Collection	\$ 1,448,906	1,597,110	1,597,103	7
Procurement Services:				
Salaries	\$ 352,444	368,281	368,281	—
Employee benefits	110,012	112,751	112,748	3
Other purchased services	7,500	5,745	5,744	1
Supplies	5,100	3,629	3,627	2
Total Procurement Services	\$ 475,056	490,406	490,400	6

CITY OF NAPERVILLE, ILLINOIS

General Fund

Detailed Schedule of Expenditures – Budget and Actual

Year ended April 30, 2014

	Original budget	Final budget	Actual	Variance with final budget- positive (negative)
General Government, continued:				
Meter Reading:				
Salaries	\$ 44,818	45,322	45,321	1
Employee benefits	14,637	14,673	14,671	2
Technical services	335,000	342,293	342,292	1
Purchase property service	23,500	21,564	21,563	1
Other purchased services	500	—	—	—
Supplies	13,000	—	—	—
Internal services	11,363	11,027	11,027	—
Total Meter Reading	\$ 442,818	434,879	434,874	5
General services	(249,553)	(25,773)	(26,143)	370
Tax lawsuit settlement	—	—	484,475	(484,475)
Internal services-overhead	(5,635,344)	(5,635,344)	(5,635,344)	—
Total general government	\$ 6,837,770	6,506,752	6,929,006	(422,254)
Physical Environment:				
Development Review Team:				
Salaries	\$ 1,819,864	1,872,128	1,872,127	1
Employee benefits	649,513	649,970	648,679	1,291
Technical services	65,210	62,680	62,680	—
Internal services	94,842	81,810	81,810	—
Total Development Review Team	\$ 2,629,429	2,666,588	2,665,296	1,292
Special Projects Team:				
Salaries	\$ 1,145,697	1,192,134	1,192,132	2
Employee benefits	445,802	474,302	474,276	26
Professional services	5,036	5,036	5,036	—
Other purchased services	64,480	58,124	57,495	629
Supplies	83,082	71,447	71,374	73
Internal services	282,211	282,211	282,211	—
Total Special Projects Team	\$ 2,026,308	2,083,254	2,082,524	730
Planning:				
Salaries	\$ 284,249	281,590	281,213	377
Employee benefits	98,414	98,414	94,175	4,239
Professional services	85,000	50,000	50,000	—
Total Planning	\$ 467,663	430,004	425,388	4,616
Public Buildings:				
Salaries	\$ 1,304,815	1,196,171	1,196,170	1
Employee benefits	534,168	439,323	439,319	4
Technical services	418,684	355,724	355,724	—
Professional services	12,500	6,203	6,203	—
Purchase property service	455,139	425,531	425,530	1
Other purchased services	4,246	4,971	4,970	1
Supplies	1,068,308	1,082,836	1,082,834	2
Property	95,332	82,456	82,455	1
Internal Service	8,777	2,729	2,729	—
Total Public Buildings	\$ 3,901,969	3,595,944	3,595,934	10
General services	(64,716)	(223,493)	(223,493)	—
Internal service-overhead	(460,641)	(460,641)	(460,641)	—
Total physical environment	\$ 8,500,012	8,091,656	8,085,008	6,648
Public Safety:				
Police:				
Office of Chief of Police:				
Salaries	\$ 644,885	503,157	503,155	2
Employee benefits	665,011	603,834	603,831	3
Professional services	40,320	14,198	14,197	1
Other purchased services	34,185	32,605	32,353	252
Supplies	64,000	34,754	34,753	1
Other services & charges	4,000	4,000	4,000	—
Internal service	596,947	596,947	596,947	—
Total Office of Chief of Police	\$ 2,049,348	1,789,495	1,789,236	259

CITY OF NAPERVILLE, ILLINOIS

General Fund

Detailed Schedule of Expenditures – Budget and Actual

Year ended April 30, 2014

	Original budget	Final budget	Actual	Variance with final budget- positive (negative)
Public Safety, continued:				
Administrative Services:				
Salaries	\$ 1,747,729	1,599,225	1,599,223	2
Employee benefits	598,771	514,602	514,598	4
Technical services	13,000	358	357	1
Professional services	16,300	7,494	7,493	1
Purchase property service	42,591	15,701	15,701	—
Other purchased services	136,887	127,122	125,193	1,929
Supplies	207,845	186,604	303,897	(117,293)
Internal services	6,012,503	9,376,590	9,376,590	—
Total Administrative Services	\$ 8,775,626	11,827,696	11,943,052	(115,356)
Patrol:				
Salaries	\$ 13,215,736	13,459,099	13,459,096	3
Employee benefits	2,129,443	2,217,735	2,217,732	3
Technical services	10,000	10,000	7,318	2,682
Professional services	22,295	13,490	12,078	1,412
Purchase property service	7,693	7,209	4,592	2,617
Supplies	97,884	83,340	83,339	1
Property	20,000	19,978	19,904	74
Internal services	(789)	(767)	(767)	—
Total Patrol	\$ 15,502,262	15,810,084	15,803,292	6,792
Investigations:				
Salaries	\$ 6,691,567	6,677,297	6,677,295	2
Employee benefits	1,184,459	1,184,459	1,178,574	5,885
Professional services	84,222	71,898	70,881	1,017
Purchase property service	4,700	1,249	537	712
Other purchased services	6,500	7,350	7,349	1
Supplies	37,264	39,865	38,743	1,122
Other services and charges	—	5,318	5,318	—
Total Investigations	\$ 8,008,712	7,987,436	7,978,697	8,739
Communications:				
Salaries	\$ 2,544,445	2,374,726	2,373,568	1,158
Employee benefits	870,544	812,553	803,743	8,810
Technical services	36,107	32,132	32,132	—
Professional services	9,240	4,500	2,525	1,975
Purchase property service	463,485	307,867	307,867	—
Other purchased services	234,718	193,947	190,909	3,038
Supplies	56,160	40,617	36,281	4,336
Internal services	(773,714)	(773,714)	(773,714)	—
Total Communications	\$ 3,440,985	2,992,628	2,973,311	19,317
Fire:				
Fire Administration:				
Salaries	\$ 1,616,458	1,722,794	1,722,792	2
Employee benefits	792,382	791,933	791,931	2
Professional services	284,100	284,100	281,573	2,527
Purchase property service	24,700	14,141	14,140	1
Other purchased services	39,910	46,278	43,443	2,835
Supplies	243,095	218,085	217,671	414
Internal services	5,265,352	8,267,497	8,267,496	1
Total Fire Administration	\$ 8,265,997	11,344,828	11,339,046	5,782
Operations Division:				
Salaries	\$ 17,936,483	17,926,505	17,926,502	3
Employee benefits	2,741,182	2,803,646	2,803,644	2
Professional services	119,400	81,007	81,007	—
Purchase property service	77,050	58,636	57,791	845
Other purchased services	88,925	54,764	52,681	2,083
Supplies	624,740	438,063	436,284	1,779
Property	31,000	3,204	3,204	—
Internal services	755,927	691,055	690,740	315
Total Operations Division	\$ 22,374,707	22,056,880	22,051,853	5,027
General services	(726,881)	(2,184,900)	(2,184,900)	—
Internal service-overhead	(2,247,000)	(2,247,000)	(1,536,375)	(710,625)
Total public safety	\$ 65,443,756	69,377,147	70,157,212	(780,065)

CITY OF NAPERVILLE, ILLINOIS

General Fund

Detailed Schedule of Expenditures – Budget and Actual

Year ended April 30, 2014

	Original budget	Final budget	Actual	Variance with final budget- positive (negative)
Transportation:				
Public Works:				
Administration:				
Salaries	\$ 355,446	351,717	351,716	1
Employee benefits	211,818	207,326	207,322	4
Professional services	7,030	11,416	11,415	1
Other purchased services	24,070	21,964	21,962	2
Supplies	16,100	12,261	12,259	2
Internal services	35,560	261,249	261,249	—
Total Administration	\$ 650,024	865,933	865,923	10
Strategic Services:				
Salaries	\$ 404,427	418,836	418,835	1
Employee benefits	134,342	127,127	127,122	5
Technical services	261,096	288,751	288,750	1
Professional services	15,131	5,958	5,957	1
Purchase property service	6,856,675	6,713,707	6,713,707	—
Other purchased services	11,025	4,469	4,469	—
Supplies	195,998	142,406	142,405	1
Internal services	(39,539)	(40,331)	(40,331)	—
Total Strategic Services	\$ 7,839,155	7,660,923	7,660,914	9
Operations & Maintenance:				
Salaries	\$ 4,279,853	4,893,125	4,893,124	1
Employee benefits	1,497,386	1,628,613	1,628,610	3
Technical services	1,425,375	1,727,691	1,727,691	—
Professional services	10,000	5,361	5,361	—
Purchase property service	291,118	250,989	250,987	2
Other purchased services	51,530	42,259	42,256	3
Supplies	1,364,745	1,491,582	1,491,577	5
Property	—	35,178	35,178	—
Internal services	2,065,353	1,960,458	1,960,458	—
Total Operations & Maintenance	\$ 10,985,360	12,035,256	12,035,242	14
Transportation & Engineering:				
Administration:				
Salaries	\$ 1,146,096	987,325	987,323	2
Employee benefits	391,904	328,187	325,367	2,820
Technical services	254,248	315,699	315,697	2
Professional services	105,763	51,157	49,394	1,763
Purchase property service	290,520	293,815	293,814	1
Other purchased services	650	650	316	334
Supplies	135,960	119,640	118,768	872
Total Administration	\$ 2,325,141	2,096,473	2,090,679	5,794
General services	(85,484)	(301,713)	(301,713)	—
Internal services-overhead	(783,791)	(783,791)	(783,791)	—
Total transportation	\$ 20,930,405	21,573,081	21,567,254	5,827

CITY OF NAPERVILLE, ILLINOIS

General Fund

Detailed Schedule of Expenditures – Budget and Actual

Year ended April 30, 2014

	<u>Original budget</u>	<u>Final budget</u>	<u>Actual</u>	<u>Variance with final budget- positive (negative)</u>
Culture and Recreation:				
Carillon				
Purchased services	1,200	1,200	—	1,200
Supplies	4,000	4,000	745	3,255
Internal services	114,835	114,835	113,615	1,220
Total Carillon	<u>120,035</u>	<u>120,035</u>	<u>114,360</u>	<u>5,675</u>
Riverwalk				
Salaries	\$ 24,833	24,833	24,734	99
Employee benefits	5,207	5,207	5,174	33
Professional services	213,139	183,660	183,659	1
Other purchased services	2,410	2,410	353	2,057
Supplies	270	270	162	108
Total Riverwalk	<u>245,859</u>	<u>216,380</u>	<u>214,082</u>	<u>2,298</u>
General services	1,484,776	1,537,438	1,537,438	—
Total culture and recreation	<u>\$ 1,850,670</u>	<u>1,873,853</u>	<u>1,865,880</u>	<u>7,973</u>
Total expenditures	<u>\$ 103,562,613</u>	<u>107,422,489</u>	<u>108,604,360</u>	<u>(1,181,871)</u>

See accompanying independent auditors' report.

CITY OF NAPERVILLE, ILLINOIS

Debt Service Fund

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

Year ended April 30, 2014

	<u>Original budget</u>	<u>Final budget</u>	<u>Actual</u>	Variance with final budget- positive (negative)
Revenues:				
Property taxes	\$ 8,431,873	8,431,873	8,383,726	(48,147)
Intergovernment revenues	208,525	208,525	191,938	(16,587)
Net investment income	68,651	68,651	13,427	(55,224)
Total revenues	<u>8,709,049</u>	<u>8,709,049</u>	<u>8,589,091</u>	<u>(119,958)</u>
Expenditures – debt service:				
Principal	5,290,999	5,290,999	5,290,998	1
Interest and fees	3,352,979	3,363,055	3,422,519	(59,464)
Total expenditures	<u>8,643,978</u>	<u>8,654,054</u>	<u>8,713,517</u>	<u>(59,463)</u>
Excess of revenues over expenditures	<u>65,071</u>	<u>54,995</u>	<u>(124,426)</u>	<u>(179,421)</u>
Other financing sources (uses):				
Transfers in	—	—	200,000	200,000
Transfers out	(214,667)	(214,667)	(212,392)	2,275
Total other financing sources (uses)	<u>(214,667)</u>	<u>(214,667)</u>	<u>(12,392)</u>	<u>202,275</u>
Net change in fund balances	<u>\$ (149,596)</u>	<u>(159,672)</u>	(136,818)	<u>22,854</u>
Fund balance, May 1, 2013			<u>166,083</u>	
Fund balance, April 30, 2014			<u>\$ 29,265</u>	

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NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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

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

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

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

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

Water Street TIF Fund – to account for the receipt and disbursement of Water Street TIF, a financing mechanism for the Water Street Redevelopment Project. The eligible costs are restricted to the Water Street redevelopment project and may include, but not limited to, water storm, sanitary sewer, the service of public facilities and spaces pursuant to the Act, and road improvements.

Drug Forfeiture Funds – to account for the accumulation of funds seized by the City's authorities and restricted by the State and Federal governments for drug prevention expenditures.

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

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

NONMAJOR GOVERNMENTAL FUNDS

DEBT SERVICE FUNDS

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

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

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

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

CAPITAL PROJECTS FUND

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

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

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

CITY OF NAPERVILLE, ILLINOIS

Nonmajor Governmental Funds

Combining Balance Sheet

April 30, 2014

<u>Assets and Deferred Outflows of Resources</u>	<u>Special Revenue Funds</u>					
	<u>Motor Fuel Tax Fund</u>	<u>Community Development Block Grant Fund</u>	<u>Fair Share Assessment Fund</u>	<u>Road and Bridge Fund</u>	<u>Naper Settlement Fund</u>	<u>Foreign Fire Insurance Tax Fund</u>
Assets:						
Cash and investments	\$ 2,476,230	21,484	506,689	—	427,791	340,883
Receivables:						
Property taxes	—	—	—	—	2,927,272	—
Interest	9,703	—	1,483	—	2,649	625
Accounts receivable	174,000	—	—	62,532	245	—
Less allowance for doubtful accounts	—	—	—	(564)	—	—
Loans and installments	—	—	—	—	—	—
Due from other governments	264,012	885	—	—	7,769	—
Total assets	<u>2,923,945</u>	<u>22,369</u>	<u>508,172</u>	<u>61,968</u>	<u>3,365,726</u>	<u>341,508</u>
Total assets and deferred outflows of resources	\$ <u>2,923,945</u>	<u>22,369</u>	<u>508,172</u>	<u>61,968</u>	<u>3,365,726</u>	<u>341,508</u>
Liabilities, Deferred Inflows of Resources and Fund Balances						
Liabilities:						
Accounts payable	\$ 1,135,461	20,000	—	5,183	52,800	—
Accrued wages and benefits	—	2,369	—	—	125,245	—
Due to other governments	—	—	—	—	—	—
Due to other funds	—	—	—	75,459	—	—
Contract retainage payable	326,236	—	—	—	—	—
Unearned grant revenues and others	—	—	—	70	470	—
Total liabilities	<u>1,461,697</u>	<u>22,369</u>	<u>—</u>	<u>80,712</u>	<u>178,515</u>	<u>—</u>
Deferred inflows of resources:						
Unavailable revenue-property taxes	—	—	—	—	2,927,272	—
Total deferred inflows of resources	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>2,927,272</u>	<u>—</u>
Fund balances:						
Nonspendable:						
Loans	—	—	—	—	—	—
Restricted for:						
Debt service	—	—	—	—	—	—
Physical environment	—	—	—	—	—	—
Highways, streets and parking facilities	—	—	508,172	—	—	—
Public safety	—	—	—	—	—	341,508
Capital projects	—	—	—	—	—	—
Culture and recreation	—	—	—	—	—	—
Economic development	—	—	—	—	—	—
Committed to:						
Highways, streets and parking facilities	1,462,248	—	—	—	—	—
Public safety	—	—	—	—	—	—
Assigned to:						
Capital projects	—	—	—	—	—	—
Culture and recreation	—	—	—	—	259,939	—
Unassigned	—	—	—	(18,744)	—	—
Total fund balances	<u>1,462,248</u>	<u>—</u>	<u>508,172</u>	<u>(18,744)</u>	<u>259,939</u>	<u>341,508</u>
Total liabilities, deferred inflows of resources and fund balances	\$ <u>2,923,945</u>	<u>22,369</u>	<u>508,172</u>	<u>61,968</u>	<u>3,365,726</u>	<u>341,508</u>

See accompanying independent auditors' report.

Special Revenue Funds							
E-911 Surcharge Fund	Special Events & Cultural Amenities Fund	SSA#24 Fund	Test Track Fund	Water Street TIF Fund	Drug Forfeiture Fund	American Recovery and Reinvestment Act Federal Grants Fund	SSA #25 Fund
294,991	474,418	1,185,963	—	685,120	765,226	14,840	—
—	—	788,762	—	73,090	—	—	68,000
—	208	4,983	—	1,956	2,346	—	—
65,000	217,000	—	57,901	—	—	—	—
—	—	—	—	—	—	—	—
—	—	42,022	—	—	—	20,223	—
348,671	—	11,469	—	—	—	—	—
708,662	691,626	2,033,199	57,901	760,166	767,572	35,063	68,000
708,662	691,626	2,033,199	57,901	760,166	767,572	35,063	68,000
—	150,735	178,048	2,205	—	24,165	—	10,054
—	1,645	27,917	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	55,696	—	—	—	25,278
—	—	—	—	—	—	—	—
—	—	—	—	—	743,407	—	—
—	152,380	205,965	57,901	—	767,572	—	35,332
—	—	788,762	—	73,090	—	—	68,000
—	—	788,762	—	73,090	—	—	68,000
—	—	42,022	—	—	—	20,223	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	14,840	—
708,662	—	—	—	—	—	—	—
—	539,246	—	—	—	—	—	—
—	—	—	—	687,076	—	—	—
—	—	996,450	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	(35,332)
708,662	539,246	1,038,472	—	687,076	—	35,063	(35,332)
708,662	691,626	2,033,199	57,901	760,166	767,572	35,063	68,000

CITY OF NAPERVILLE, ILLINOIS

Nonmajor Governmental Funds

Combining Balance Sheet

April 30, 2014

	Debt Service Funds		
	Special Service Areas Funds #21	#23	Downtown Parking Fund
Assets and Deferred Outflows of Resources			
Assets:			
Cash and investments	\$ 860,799	—	4,279,969
Receivables:			
Property taxes	200,000	—	—
Interest	2,725	—	11,360
Accounts receivable	—	—	88,000
Less allowance for doubtful accounts	—	—	—
Loans and installments	—	—	—
Due from other governments	—	—	—
Total assets	<u>1,063,524</u>	<u>—</u>	<u>4,379,329</u>
Total assets and deferred outflows of resources	\$ <u><u>1,063,524</u></u>	<u><u>—</u></u>	<u><u>4,379,329</u></u>
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities:			
Accounts payable	\$ —	—	—
Accrued wages and benefits	—	—	—
Due to other governments	—	—	—
Due to other funds	—	—	—
Contract retainage payable	—	—	—
Unearned grant revenues and others	—	—	—
Total liabilities	<u>—</u>	<u>—</u>	<u>—</u>
Deferred inflows of resources:			
Unavailable revenue-property taxes	200,000	—	—
Total deferred inflows of resources	<u>200,000</u>	<u>—</u>	<u>—</u>
Fund balances:			
Nonspendable:			
Loans	—	—	—
Restricted for:			
Debt service	863,524	—	4,379,329
Physical environment	—	—	—
Highways, streets and parking facilities	—	—	—
Public safety	—	—	—
Capital projects	—	—	—
Culture and recreation	—	—	—
Economic development	—	—	—
Committed to:			
Highways, streets and parking facilities	—	—	—
Assigned to:			
Capital projects	—	—	—
Culture and recreation	—	—	—
Unassigned	—	—	—
Total fund balances	<u>863,524</u>	<u>—</u>	<u>4,379,329</u>
Total liabilities, deferred inflows of resources and fund balances	\$ <u><u>1,063,524</u></u>	<u><u>—</u></u>	<u><u>4,379,329</u></u>

See accompanying independent auditors' report.

Capital Projects Funds			Total Nonmajor Governmental Funds
Capital Projects Fund	2010 G.O. Bond Project Fund	2013 G.O. Bond Project Fund	
7,932,541	3,874,338	4,054,678	\$ 28,195,960
—	—	—	4,057,124
17,117	11,646	10,467	77,268
39,331	—	—	704,009
—	—	—	(564)
—	—	—	62,245
10,655	—	—	643,461
<u>7,999,644</u>	<u>3,885,984</u>	<u>4,065,145</u>	<u>33,739,503</u>
<u>7,999,644</u>	<u>3,885,984</u>	<u>4,065,145</u>	<u>\$ 33,739,503</u>
2,445,339	3,786,528	1,099,102	\$ 8,909,620
—	—	—	157,176
—	125,697	81,960	207,657
—	—	—	156,433
—	110,217	30,919	467,372
810,000	—	—	1,553,947
<u>3,255,339</u>	<u>4,022,442</u>	<u>1,211,981</u>	<u>11,452,205</u>
—	—	—	4,057,124
—	—	—	4,057,124
—	—	—	62,245
—	—	—	5,242,853
—	—	—	14,840
—	—	—	508,172
—	—	—	1,050,170
—	—	2,853,164	2,853,164
—	—	—	539,246
—	—	—	687,076
—	—	—	2,458,698
4,744,305	—	—	4,744,305
—	—	—	259,939
—	(136,458)	—	(190,534)
<u>4,744,305</u>	<u>(136,458)</u>	<u>2,853,164</u>	<u>18,230,174</u>
<u>7,999,644</u>	<u>3,885,984</u>	<u>4,065,145</u>	<u>33,739,503</u>

CITY OF NAPERVILLE, ILLINOIS

Nonmajor Governmental Funds

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

Year ended April 30, 2014

	Special Revenue Funds					Foreign Fire Insurance Tax Fund
	Motor Fuel Tax Fund	Community Development Block Grant Fund	Fair Share Assessment Fund	Road and Bridge Fund	Naper Settlement Fund	
Revenues:						
Property taxes	\$ —	—	—	424,446	2,811,128	—
Other taxes	2,095,685	—	—	734,798	—	—
Licenses and permits	—	—	—	103,035	—	—
Fines and forfeits	—	—	—	—	—	—
Net investment income (loss)	(75,808)	—	(3,688)	(16,530)	1,462	(2,822)
Contributions	—	—	—	—	163,642	—
Intergovernmental	4,256,100	454,756	—	—	7,769	177,751
Charges for services	—	—	—	—	458,364	—
Other internal service revenue	—	—	—	—	—	—
Fees	—	—	—	—	—	—
Miscellaneous	—	—	—	849	50	—
Total revenues	6,275,977	454,756	(3,688)	1,246,598	3,442,415	174,929
Expenditures:						
Current:						
General government	—	34,778	—	—	—	—
Physical environment	—	548,043	—	—	—	—
Public safety	—	—	—	—	—	194,912
Culture and recreation	—	—	—	—	3,432,879	—
Transportation	—	—	—	777,480	—	—
Capital outlay	10,310,010	—	—	494,627	—	—
Debt service:						
Principal	—	—	—	—	—	—
Interest	—	—	—	—	—	—
Total expenditures	10,310,010	582,821	—	1,272,107	3,432,879	194,912
Excess (deficiency) of revenues over expenditures	(4,034,033)	(128,065)	(3,688)	(25,509)	9,536	(19,983)
Other financing sources (uses):						
New bonds issued	—	—	—	—	—	—
Premium on bonds issued	—	—	—	—	—	—
Transfers in	3,100,000	128,065	—	—	—	—
Transfers out	—	—	—	—	—	—
Total other financing sources (uses)	3,100,000	128,065	—	—	—	—
Net change in fund balances	(934,033)	—	(3,688)	(25,509)	9,536	(19,983)
Fund balances, May 1, 2013, restated	2,396,281	—	511,860	6,765	250,403	361,491
Fund balances, April 30, 2014	\$ 1,462,248	—	508,172	(18,744)	259,939	341,508

See accompanying independent auditors' report.

Special Revenue Funds							
E-911 Surcharge Fund	Special Events & Cultural Amenities Fund	SSA #24 Fund	Test Track Fund	Water Street TIF Fund	Drug Forfeiture Fund	American Recovery and Reinvestment Act Federal Grants Fund	SSA #25 Fund
—	—	784,157	—	71,904	—	—	68,001
—	2,617,615	—	—	—	—	—	—
—	—	83,133	—	—	—	—	—
(334)	10,387	(12,158)	—	(3,989)	(5,523)	(1,975)	(1)
—	—	—	39,557	—	—	—	—
1,122,909	—	11,195	—	—	289,537	—	—
775,464	—	10,840	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	522	—	—	—	—	—
1,898,039	2,628,002	877,689	39,557	67,915	284,014	(1,975)	68,000
—	—	—	—	3,215	—	—	—
1,189,377	—	—	—	—	284,014	—	—
—	2,774,198	—	—	—	—	—	—
—	—	1,885,753	39,557	—	—	—	48,085
—	—	112,179	—	—	—	—	—
—	—	—	—	—	—	—	—
1,189,377	2,774,198	1,997,932	39,557	3,215	284,014	—	48,085
708,662	(146,196)	(1,120,243)	—	64,700	—	(1,975)	19,915
—	—	—	—	—	—	—	—
—	—	899,054	—	—	—	—	—
—	(40,000)	—	—	—	—	—	—
—	(40,000)	899,054	—	—	—	—	—
708,662	(186,196)	(221,189)	—	64,700	—	(1,975)	19,915
—	725,442	1,259,661	—	622,376	—	37,038	(55,247)
708,662	539,246	1,038,472	—	687,076	—	35,063	(35,332)

CITY OF NAPERVILLE, ILLINOIS

Nonmajor Governmental Funds

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

Year Ended April 30, 2014

	Debt Service Funds		
	Special Service Areas Funds		Downtown Parking Fund
	#21	#23	
Revenues:			
Property taxes	\$ 131,304	—	—
Other taxes	—	—	1,058,184
Licenses and permits	—	—	—
Fines and forfeits	—	—	—
Net investment income (loss)	(4,913)	—	(20,608)
Contribution	—	—	—
Intergovernmental	—	—	—
Charges for services	—	—	—
Fees	15,128	—	—
Miscellaneous	—	—	—
Total revenues	141,519	—	1,037,576
Expenditures:			
Current:			
General government	—	—	—
Physical environment	—	—	—
Public safety	—	—	—
Culture and recreation	—	—	—
Transportation	—	—	—
Capital outlay	—	—	—
Debt service:			
Principal	153,413	70,000	133,973
Interest	66,175	142,392	134,227
Debt issuance costs	—	—	—
Total expenditures	219,588	212,392	268,200
Excess (deficiency) of revenues over expenditures	(78,069)	(212,392)	769,376
Other financing sources (uses):			
New bonds issued	—	—	—
Premium on bonds issued	—	—	—
Transfers in	—	212,392	—
Transfers out	—	—	—
Total other financing sources (uses)	—	212,392	—
Net change in fund balances	(78,069)	—	769,376
Fund balances, May 1, 2013, restated	941,593	—	3,609,953
Fund balances, April 30, 2014	\$ 863,524	—	4,379,329

See accompanying independent auditors' report.

Capital Projects Funds			
Capital Projects Fund	2010 G.O. Bond Project Fund	2013 G.O. Bond Project Fund	Total Nonmajor Governmental Funds
—	—	—	4,290,940
—	—	—	6,506,282
—	—	—	103,035
—	—	—	83,133
(27,556)	102,862	105,239	44,045
1,686,664	—	—	1,889,863
(344,203)	—	—	5,975,814
—	—	—	1,244,668
—	—	—	15,128
—	—	—	1,421
<u>1,314,905</u>	<u>102,862</u>	<u>105,239</u>	<u>20,154,329</u>
—	—	—	37,993
—	—	—	548,043
—	—	37,321	1,705,624
—	—	92,359	6,299,436
—	—	—	2,750,875
2,877,604	276,843	2,925,845	16,997,108
—	—	—	357,386
—	—	—	342,794
—	—	126,595	126,595
<u>2,877,604</u>	<u>276,843</u>	<u>3,182,120</u>	<u>29,165,854</u>
<u>(1,562,699)</u>	<u>(173,981)</u>	<u>(3,076,881)</u>	<u>(9,011,525)</u>
—	—	5,620,000	5,620,000
—	—	310,045	310,045
2,200,000	—	—	6,539,511
(200,000)	—	—	(240,000)
<u>2,000,000</u>	<u>—</u>	<u>5,930,045</u>	<u>12,229,556</u>
437,301	(173,981)	2,853,164	3,218,031
<u>4,307,004</u>	<u>37,523</u>	<u>—</u>	<u>15,012,143</u>
<u>4,744,305</u>	<u>(136,458)</u>	<u>2,853,164</u>	<u>18,230,174</u>

CITY OF NAPERVILLE, ILLINOIS

Motor Fuel Tax Fund

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

Year ended April 30, 2014

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Other taxes – local gasoline	\$ 2,050,000	2,050,000	2,095,685	45,685
Net investment income (loss)	40,000	40,000	(75,808)	(115,808)
Contribution	—	—	—	—
Intergovernmental revenue – allotments from state and grants	4,229,000	4,229,000	4,256,100	27,100
Total revenues	<u>6,319,000</u>	<u>6,319,000</u>	<u>6,275,977</u>	<u>(43,023)</u>
Expenditures:				
Capital outlay	11,138,921	11,138,921	10,310,010	828,911
Total expenditures	<u>11,138,921</u>	<u>11,138,921</u>	<u>10,310,010</u>	<u>828,911</u>
Excess of revenues over expenditures	<u>(4,819,921)</u>	<u>(4,819,921)</u>	<u>(4,034,033)</u>	<u>785,888</u>
Other financing source (use):				
Transfers in	3,700,000	3,700,000	3,100,000	(600,000)
Total other financing source (use)	<u>3,700,000</u>	<u>3,700,000</u>	<u>3,100,000</u>	<u>(600,000)</u>
Net change in fund balances	<u>\$ (1,119,921)</u>	<u>(1,119,921)</u>	<u>(934,033)</u>	<u>185,888</u>
Fund balance, May 1, 2013			<u>2,396,281</u>	
Fund balance, April 30, 2014			<u>\$ 1,462,248</u>	

See accompanying independent auditors' report.

CITY OF NAPERVILLE, ILLINOIS

Community Development Block Grant Fund

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

Year ended April 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget- Positive (Negative)
Revenues:				
Intergovernmental-federal grant	\$ 621,778	621,778	454,756	(167,022)
Expenditures:				
General government				
Personal services	34,778	34,778	34,778	—
Professional services	—	—	—	—
Physical environment				
Outside agencies	715,065	715,065	548,043	167,022
Total expenditures	<u>749,843</u>	<u>749,843</u>	<u>582,821</u>	<u>167,022</u>
Other financing source (use):				
Transfers in	128,065	128,065	128,065	—
Total other financing source (use)	<u>128,065</u>	<u>128,065</u>	<u>128,065</u>	<u>—</u>
Net change in fund balances	\$ —	—	—	—
Fund balance, May 1, 2013			—	
Fund balance, April 30, 2014			<u>\$ —</u>	

See accompanying independent auditors' report.

CITY OF NAPERVILLE, ILLINOIS

Fair Share Assessment Fund

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

Year ended April 30, 2014

	<u>Original budget</u>	<u>Final budget</u>	<u>Actual</u>	Variance with final budget- positive (negative)
Revenues:				
Net investment income (loss)	\$ —	—	(3,688)	(3,688)
Total revenues	—	—	(3,688)	(3,688)
Expenditures:				
Capital outlay	90,977	90,977	—	90,977
Total expenditures	90,977	90,977	—	90,977
Net change in fund balances	\$ <u>(90,977)</u>	<u>(90,977)</u>	(3,688)	<u>87,289</u>
Fund balance, May 1, 2013			511,860	
Fund balance, April 30, 2014			\$ <u>508,172</u>	

See accompanying independent auditors' report.

CITY OF NAPERVILLE, ILLINOIS

Road and Bridge Fund

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

Year ended April 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
Revenues:				
Property tax	\$ 450,000	450,000	424,446	(25,554)
Other taxes:				
Local gasoline	700,000	700,000	698,562	(1,438)
Personal property replacement tax	40,000	40,000	36,236	(3,764)
Licenses and permits	70,000	70,000	103,035	33,035
Net investment income (loss)	7,580	7,580	(16,530)	(24,110)
Miscellaneous	—	—	849	849
Total revenues	<u>1,267,580</u>	<u>1,267,580</u>	<u>1,246,598</u>	<u>(20,982)</u>
Expenditures:				
Transportation:				
Professional services	70,000	70,000	61,262	8,738
Purchase property services	—	—	122	(122)
Supplies	100,000	100,000	68,404	31,596
Internal services	647,692	647,692	647,692	—
Capital outlay	500,000	500,000	494,627	5,373
Total expenditures	<u>1,317,692</u>	<u>1,317,692</u>	<u>1,272,107</u>	<u>45,585</u>
Net change in fund balances	\$ <u>(50,112)</u>	<u>(50,112)</u>	<u>(25,509)</u>	<u>24,603</u>
Fund balance, May 1, 2013			<u>6,765</u>	
Fund balance, April 30, 2014			\$ <u>(18,744)</u>	

See accompanying independent auditors' report.

CITY OF NAPERVILLE, ILLINOIS

Naperville Settlement Fund

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

Year ended April 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
Revenues:				
Property taxes	\$ 2,827,272	2,827,272	2,811,128	(16,144)
Net investment income	31,800	31,800	1,462	(30,338)
Contributions	335,382	335,382	163,642	(171,740)
Intergovernmental:				
Federal grants	—	—	7,769	7,769
Charges for services:				
School services and programs	176,000	176,000	168,183	(7,817)
Museum tours	13,400	13,400	13,620	220
Public program revenue	72,500	72,500	82,019	9,519
Gate admissions	42,000	42,000	43,411	1,411
Settlement – weddings	95,285	95,285	94,956	(329)
Settlement – other	17,200	17,200	18,090	890
Settlement – special event	41,000	41,000	38,085	(2,915)
Miscellaneous	—	—	50	50
Total revenues	<u>3,651,839</u>	<u>3,651,839</u>	<u>3,442,415</u>	<u>(209,424)</u>
Expenditures – culture and recreation:				
Settlement administration:				
Salaries	509,029	509,029	472,501	36,528
Employee benefits	181,049	181,049	151,008	30,041
Technical services	25,318	25,318	25,318	—
Professional	11,658	11,658	—	11,658
Other purchased services	22,516	22,516	18,086	4,430
Supplies	17,129	17,129	16,864	265
Internal services	118,475	118,475	112,880	5,595
Visitor services:				
Salaries	534,844	534,844	495,758	39,086
Employee benefits	175,024	175,024	152,847	22,177
Technical services	14,956	14,956	14,955	1
Professional	7,200	7,200	5,966	1,234
Purchase property services	60	60	20	40
Other purchased services	7,122	7,122	3,624	3,498
Supplies	22,725	22,725	21,179	1,546
Building and grounds:				
Salaries	228,961	228,961	222,031	6,930
Employee benefits	101,650	101,650	94,544	7,106
Technical services	99,392	99,392	99,392	—
Purchase property services	138,434	138,434	155,070	(16,636)
Other purchased services	1,005	1,005	359	646
Supplies	177,827	177,827	163,052	14,775
Property	135,679	135,679	135,678	1
Internal services	1,680	1,680	1,584	96
Development:				
Salaries	442,339	442,339	347,576	94,763
Employee benefits	155,660	155,660	101,482	54,178

CITY OF NAPERVILLE, ILLINOIS

Naperville Settlement Fund

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

Year ended April 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
Expenditures – culture and recreation, continued:				
Artifact & preservation:				
Salaries	228,866	228,866	222,637	6,229
Employee benefits	79,631	79,631	74,667	4,964
Technical services	6,537	6,537	1,935	4,602
Other purchased services	2,185	2,185	1,555	630
Supplies	8,311	8,311	8,096	215
Property				—
Public relations/marketing:				
Salaries	127,590	127,590	121,440	6,150
Employee benefits	52,373	52,373	40,538	11,835
Technical services	12,225	12,225	5,402	6,823
Professional	24,000	24,000	21,539	2,461
Other purchased services	135,853	135,853	121,751	14,102
Supplies	2,578	2,578	1,545	1,033
Total expenditures	<u>3,809,881</u>	<u>3,809,881</u>	<u>3,432,879</u>	<u>377,002</u>
Net change in fund balances	<u>\$ (158,042)</u>	<u>(158,042)</u>	9,536	<u>167,578</u>
Fund balance, May 1, 2013			<u>250,403</u>	
Fund balance, April 30, 2014			<u>\$ 259,939</u>	

See accompanying independent auditors' report.

CITY OF NAPERVILLE, ILLINOIS

Foreign Fire Insurance Tax Fund

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

Year ended April 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
Revenues:				
Net investment income (loss)	\$ —	—	(2,822)	(2,822)
Intergovernmental – foreign fire insurance tax	161,644	161,644	177,751	16,107
Total revenues	<u>161,644</u>	<u>161,644</u>	<u>174,929</u>	<u>13,285</u>
Expenditures-public safety:				
Salaries	500	500	—	500
Employee benefits	10,000	10,000	—	10,000
Technical services	1,000	1,000	—	1,000
Professional services	6,000	6,000	—	6,000
Purchase property services	5,000	5,000	—	5,000
Other purchased services	26,950	26,950	—	26,950
Supplies	112,000	112,000	194,912	(82,912)
Property	55,000	55,000	—	55,000
Internal services	—	—	—	—
Capital outlay	—	—	—	—
Total expenditures	<u>216,450</u>	<u>216,450</u>	<u>194,912</u>	<u>21,538</u>
Net change in fund balances	<u>\$ (54,806)</u>	<u>(54,806)</u>	<u>(19,983)</u>	<u>34,823</u>
Fund balance, May 1, 2013			<u>361,491</u>	
Fund balance, April 30, 2014			<u>\$ 341,508</u>	

See accompanying independent auditors' report.

CITY OF NAPERVILLE, ILLINOIS

E-911 Surcharge Fund

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

Year ended April 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget- Positive (Negative)
Revenues:				
Net investment income (loss)	\$ —	—	(334)	(334)
Intergovernmental	1,000,000	1,000,000	1,122,909	122,909
Charges for services	<u>900,000</u>	<u>900,000</u>	<u>775,464</u>	<u>(124,536)</u>
Total revenues	1,900,000	1,900,000	1,898,039	(1,961)
Expenditures - public safety:				
Internal services	<u>1,900,000</u>	<u>1,900,000</u>	<u>1,189,377</u>	<u>710,623</u>
Net change in fund balances	\$ <u>—</u>	<u>—</u>	708,662	<u>708,662</u>
Fund balance, May 1, 2013			<u>—</u>	
Fund balance, April 30, 2014			<u>\$ 708,662</u>	

See accompanying independent auditors' report.

CITY OF NAPERVILLE, ILLINOIS

Special Events & Cultural Amenities Fund

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

Year ended April 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
Revenues:				
Food and beverage tax	\$ 2,549,250	2,549,250	2,617,615	68,365
Net investment income (loss)	6,200	6,200	10,387	4,187
Total revenues	<u>2,555,450</u>	<u>2,555,450</u>	<u>2,628,002</u>	<u>72,552</u>
Expenditures:				
Culture and recreation:				
Salaries	406,475	406,475	367,430	39,045
Employee benefits	63,590	63,590	44,102	19,488
Supplies	8,129	8,129	6,333	1,796
Internal services	6,474	6,474	45,474	(39,000)
Outside agencies	2,276,029	2,276,029	2,310,859	(34,830)
Total expenditures	<u>2,760,697</u>	<u>2,760,697</u>	<u>2,774,198</u>	<u>(13,501)</u>
Excess of revenues over expenditures	<u>(205,247)</u>	<u>(205,247)</u>	<u>(146,196)</u>	<u>59,051</u>
Other financing source:				
Transfers out	<u>(40,000)</u>	<u>(40,000)</u>	<u>(40,000)</u>	<u>—</u>
Net change in fund balances	<u><u>\$ (245,247)</u></u>	<u><u>(245,247)</u></u>	<u><u>(186,196)</u></u>	<u><u>59,051</u></u>
Fund balance, May 1, 2013			<u>725,442</u>	
Fund balance, April 30, 2014			<u><u>\$ 539,246</u></u>	

See accompanying independent auditors' report.

CITY OF NAPERVILLE, ILLINOIS

Special Service Area #24 Fund

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

Year ended April 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
Revenues:				
Property taxes	\$ 776,382	776,382	784,157	7,775
Licenses and permits	—	—	—	—
Fines	70,000	70,000	83,133	13,133
Net investment income (loss)	27,100	27,100	(12,158)	(39,258)
Intergovernmental	—	—	11,195	11,195
Charges for services	10,000	10,000	10,840	840
Miscellaneous	—	—	522	522
Total revenues	<u>883,482</u>	<u>883,482</u>	<u>877,689</u>	<u>(5,793)</u>
Expenditures:				
Transportation:				
Salaries	377,248	377,248	338,830	38,418
Employee benefits	139,864	139,864	117,811	22,053
Technical services	474,950	474,950	398,554	76,396
Professional	45,661	45,661	33,309	12,352
Purchase property services	77,235	77,235	91,261	(14,026)
Other purchased services	329,990	329,990	326,900	3,090
Supplies	229,650	229,650	160,385	69,265
Internal services	601,549	601,549	569,582	31,967
Capital outlay	419,842	419,842	112,179	307,663
Total expenditures	2,695,989	2,695,989	2,148,811	547,178
Internal services-overhead	(150,879)	(150,879)	(150,879)	—
Net expenditures	<u>2,545,110</u>	<u>2,545,110</u>	<u>1,997,932</u>	<u>547,178</u>
Excess (deficiency) of revenues over net expenditures	(1,661,628)	(1,661,628)	(1,120,243)	541,385
Other financing source:				
Transfers in	899,054	899,054	899,054	—
Net change in fund balances	<u><u>\$ (762,574)</u></u>	<u><u>(762,574)</u></u>	<u><u>(221,189)</u></u>	<u><u>541,385</u></u>
Fund balance, May 1, 2013			1,259,661	
Fund balance, April 30, 2014			<u><u>\$ 1,038,472</u></u>	

See accompanying independent auditors' report.

CITY OF NAPERVILLE, ILLINOIS

Test Track Fund

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

Year ended April 30, 2014

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Contributions	\$ 52,948	52,948	39,557	(13,391)
Total revenues	<u>52,948</u>	<u>52,948</u>	<u>39,557</u>	<u>(13,391)</u>
Expenditures:				
Transportation:				
Other purchased service	52,948	52,948	39,557	13,391
Total expenditures	<u>52,948</u>	<u>52,948</u>	<u>39,557</u>	<u>13,391</u>
Net change in fund balances	\$ <u>—</u>	<u>—</u>	—	<u>—</u>
Fund balance, May 1, 2013			—	
Fund balance, April 30, 2014			\$ <u>—</u>	

See accompanying independent auditors' report.

CITY OF NAPERVILLE, ILLINOIS

Water Street TIF Fund

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

Year ended April 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
Revenues:				
Property taxes	\$ 75,000	75,000	71,904	(3,096)
Net investment income (loss)	13,500	13,500	(3,989)	(17,489)
Total revenues	<u>88,500</u>	<u>88,500</u>	<u>67,915</u>	<u>(20,585)</u>
Expenditures:				
General government:				
Professional services	<u>103,215</u>	<u>103,215</u>	<u>3,215</u>	<u>100,000</u>
Total expenditures	<u>103,215</u>	<u>103,215</u>	<u>3,215</u>	<u>100,000</u>
Net change in fund balances	<u><u>\$ (14,715)</u></u>	<u><u>(14,715)</u></u>	64,700	<u><u>79,415</u></u>
Fund balance, May 1, 2013			<u>622,376</u>	
Fund balance, April 30, 2014			<u><u>\$ 687,076</u></u>	

See accompanying independent auditors' report.

CITY OF NAPERVILLE, ILLINOIS

Drug Forfeiture Fund

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

Year ended April 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
Revenues:				
Net investment income (loss)	\$ —	—	(5,523)	(5,523)
Intergovernmental	180,310	180,310	289,537	109,227
Total revenues	<u>180,310</u>	<u>180,310</u>	<u>284,014</u>	<u>103,704</u>
Expenditures-public safety:				
Professional services	30,647	30,647	2,728	27,919
Purchase property services	—	—	14,994	(14,994)
Other purchased services	57,681	57,681	56,747	934
Supplies	82,291	82,291	157,672	(75,381)
Property	—	—	27,362	(27,362)
Internal services	3,153	3,153	17,822	(14,669)
Outside agencies	6,538	6,538	6,689	(151)
Total expenditures	<u>180,310</u>	<u>180,310</u>	<u>284,014</u>	<u>(103,704)</u>
Net change in fund balances	<u>\$ —</u>	<u>—</u>	<u>—</u>	<u>—</u>
Fund balance, May 1, 2013			—	
Fund balance, April 30, 2014			<u>\$ —</u>	

See accompanying independent auditors' report.

CITY OF NAPERVILLE, ILLINOIS

American Reinvestment and Recovery Act Federal Grants Fund

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

Year ended April 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget- Positive (Negative)
Revenues:				
Net investment income (loss)	\$ —	\$ —	(1,975)	\$ (1,975)
Expenditures: None	—	—	—	—
Net change in fund balances	\$ —	—	(1,975)	(1,975)
Fund balance, May 1, 2013			37,038	
Fund balance, April 30, 2014			\$ 35,063	

See accompanying independent auditors' report.

CITY OF NAPERVILLE, ILLINOIS

Special Service Area #25 Fund

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

Year ended April 30, 2014

	<u>Original budget</u>	<u>Final budget</u>	<u>Actual</u>	Variance with final budget- positive (negative)
Revenues:				
Property taxes	\$ 68,000	68,000	68,001	1
Net investment income (loss)	—	—	(1)	(1)
Total revenues	<u>68,000</u>	<u>68,000</u>	<u>68,000</u>	<u>—</u>
Expenditures:				
Transportation:				
Professional services	15,216	15,216	48,085	(32,869)
Supplies	3,000	3,000	—	3,000
Capital outlay:				
Transportation	<u>65,000</u>	<u>65,000</u>	<u>—</u>	<u>65,000</u>
Total expenditures	<u>83,216</u>	<u>83,216</u>	<u>48,085</u>	<u>35,131</u>
Net change in fund balances	<u>\$ (15,216)</u>	<u>(15,216)</u>	19,915	<u>35,131</u>
Fund balance, May 1, 2013			<u>(55,247)</u>	
Fund balance, April 30, 2014			<u>\$ (35,332)</u>	

See accompanying independent auditors' report.

CITY OF NAPERVILLE, ILLINOIS

Special Service Area #21 Fund

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

Year ended April 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
Revenues:				
Property taxes	\$ 130,000	130,000	131,304	1,304
Net investment income (loss)	14,800	14,800	(4,913)	(19,713)
Fees	12,000	12,000	15,128	3,128
Total revenues	<u>156,800</u>	<u>156,800</u>	<u>141,519</u>	<u>(15,281)</u>
Expenditures – debt service:				
Principal	153,413	153,413	153,413	—
Interest	66,525	66,525	66,175	350
Total expenditures	<u>219,938</u>	<u>219,938</u>	<u>219,588</u>	<u>350</u>
Net change in fund balances	<u><u>\$ (63,138)</u></u>	<u><u>(63,138)</u></u>	<u><u>(78,069)</u></u>	<u><u>(14,931)</u></u>
Fund balance, May 1, 2013			<u>941,593</u>	
Fund balance, April 30, 2014			<u><u>\$ 863,524</u></u>	

See accompanying independent auditors' report.

CITY OF NAPERVILLE, ILLINOIS

Special Service Area #23 Fund

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

Year ended April 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
Revenues:				
Property taxes	\$ —	—	—	—
Total revenues	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Expenditures:				
Debt service:				
Principal	70,000	70,000	70,000	—
Interest	144,667	144,667	142,392	2,275
Total expenditures	<u>214,667</u>	<u>214,667</u>	<u>212,392</u>	<u>2,275</u>
Excess (deficiency) of revenues over expenditures	<u>(214,667)</u>	<u>(214,667)</u>	<u>(212,392)</u>	<u>2,275</u>
Other financing use				
Transfer in	<u>214,667</u>	<u>214,667</u>	<u>212,392</u>	<u>(2,275)</u>
Net change in fund balances	<u>\$ —</u>	<u>—</u>	<u>—</u>	<u>—</u>
Fund balance, May 1, 2013			<u>—</u>	
Fund balance, April 30, 2014			<u>\$ —</u>	

See accompanying independent auditors' report.

CITY OF NAPERVILLE, ILLINOIS

Downtown Parking Fund

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

Year ended April 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
Revenues:				
Other taxes	\$ 1,233,013	1,233,013	1,058,184	(174,829)
Net investment income (loss)	56,500	56,500	(20,608)	(77,108)
Total revenues	<u>1,289,513</u>	<u>1,289,513</u>	<u>1,037,576</u>	<u>(251,937)</u>
Expenditures – debt service:				
Principal	133,973	133,973	133,973	—
Interest	134,227	134,227	134,227	—
Total expenditures	<u>268,200</u>	<u>268,200</u>	<u>268,200</u>	<u>—</u>
Net change in fund balances	<u>\$ 1,021,313</u>	<u>1,021,313</u>	769,376	<u>(251,937)</u>
Fund balance, May 1, 2013			<u>3,609,953</u>	
Fund balance, April 30, 2014			<u>\$ 4,379,329</u>	

See accompanying independent auditors' report.

CITY OF NAPERVILLE, ILLINOIS

Capital Projects Fund

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

Year ended April 30, 2014

	<u>Original budget</u>	<u>Final budget</u>	<u>Actual</u>	Variance with final budget- positive (negative)
Revenues:				
Net investment income (loss)	\$ 30,000	30,000	(27,556)	(57,556)
Contributions	—	—	1,686,664	1,686,664
Intergovernmental	—	—	(344,203)	(344,203)
Total revenues	<u>30,000</u>	<u>30,000</u>	<u>1,314,905</u>	<u>1,284,905</u>
Expenditures:				
Capital outlay:				
General government	—	75,100	36,483	38,617
Physical environment	—	—	3,000	(3,000)
Public safety	—	1,309	430,484	(429,175)
Culture and recreation	—	101,221	57,080	44,141
Transportation	5,332,168	5,264,538	2,350,557	2,913,981
Total expenditures	<u>5,332,168</u>	<u>5,442,168</u>	<u>2,877,604</u>	<u>2,564,564</u>
Deficiency of revenues over expenditures	(5,302,168)	(5,412,168)	(1,562,699)	3,849,469
Other financing sources:				
Transfers in	2,200,000	2,200,000	2,200,000	—
Transfer out	—	—	(200,000)	(200,000)
Total other financing sources	<u>2,200,000</u>	<u>2,200,000</u>	<u>2,000,000</u>	<u>(200,000)</u>
Net change in fund balances	<u>\$ (3,102,168)</u>	<u>(3,212,168)</u>	437,301	<u>3,649,469</u>
Fund balance, May 1, 2013, restated			4,307,004	
Fund balance, April 30, 2014			<u>\$ 4,744,305</u>	

See accompanying independent auditors' report.

CITY OF NAPERVILLE, ILLINOIS

2010 G.O Bond Fund

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

Year ended April 30, 2014

	<u>Original budget</u>	<u>Final budget</u>	<u>Actual</u>	<u>Variance with final budget- positive (negative)</u>
Revenues:				
Net investment income	\$ —	—	102,862	102,862
Total revenues	<u>—</u>	<u>—</u>	<u>102,862</u>	<u>102,862</u>
Expenditures:				
Capital outlay				
Transportation	335,885	335,885	276,843	59,042
Total expenditures	<u>335,885</u>	<u>335,885</u>	<u>276,843</u>	<u>59,042</u>
Net change in fund balances	\$ <u>(335,885)</u>	<u>(335,885)</u>	<u>(173,981)</u>	<u>161,904</u>
Fund balance, May 1, 2013			37,523	
Fund balance, April 30, 2014			\$ <u>(136,458)</u>	

See accompanying independent auditors' report.

CITY OF NAPERVILLE, ILLINOIS

2013 G.O Bond Fund

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

Year ended April 30, 2014

	<u>Original budget</u>	<u>Final budget</u>	<u>Actual</u>	Variance with final budget- positive (negative)
Revenues:				
Net investment income	\$ —	—	105,239	105,239
Total revenues	<u>—</u>	<u>—</u>	<u>105,239</u>	<u>105,239</u>
Expenditures:				
Capital outlay				
Public safety	—	222,156	37,321	184,835
Culture and recreation	—	642,500	92,359	550,141
Transportation	—	4,755,344	2,925,845	1,829,499
Debt issuance costs	—	—	126,595	(126,595)
Total expenditures	<u>—</u>	<u>5,620,000</u>	<u>3,182,120</u>	<u>2,437,880</u>
Deficiency of revenues over expenditures	<u>—</u>	<u>(5,620,000)</u>	<u>(3,076,881)</u>	<u>(2,332,641)</u>
Other financing sources:				
New bonds issued	—	5,620,000	5,620,000	—
Premium on bonds issued	—	—	310,045	310,045
Total other financing sources	<u>—</u>	<u>5,620,000</u>	<u>5,930,045</u>	<u>310,045</u>
Net change in fund balances	<u>\$ —</u>	<u>—</u>	<u>2,853,164</u>	<u>2,853,164</u>
Fund balance, May 1, 2013			<u>—</u>	
Fund balance, April 30, 2014			<u>\$ 2,853,164</u>	

See accompanying independent auditors' report.

INTERNAL SERVICE FUNDS

Information Technology Fund – to account for the replacements of the City’s data processing system. Financing is provided through charges to various City funds.

Fleet Services Fund – to account for the maintenance of the City fleet. Financing is provided through charges to various City funds and investment earnings.

Vehicle Replacement Fund – to account for the acquisition of the City fleet. Financing is provided by transfers from various City funds and investment earnings.

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

CITY OF NAPERVILLE, ILLINOIS

Internal Service Funds

Combining Statement of Net Position

April 30, 2014

Assets	Information Technology Fund	Fleet Services Fund	Vehicle Replacement Fund	Self- Insurance Fund	Total
Current assets:					
Cash and investments	\$ 436,355	—	8,511,189	4,724,096	13,671,640
Interest receivable	3,699	—	27,227	16,458	47,384
Accounts receivable	—	11,976	—	(9)	11,967
Due from other governments	—	—	—	—	—
Inventory	—	340,676	—	—	340,676
Total current assets	440,054	352,652	8,538,416	4,740,545	14,071,667
Noncurrent assets:					
Capital assets depreciated, net	560,594	—	10,176,192	—	10,736,786
Total capital assets	560,594	—	10,176,192	—	10,736,786
Total assets	1,000,648	352,652	18,714,608	4,740,545	24,808,453
Liabilities					
Current liabilities:					
Accounts payable	68,966	214,085	368,090	980,997	1,632,138
Accrued wages and benefits	—	75,706	—	—	75,706
Compensated absences-current portion	—	84,181	—	—	84,181
Due to other funds	—	35,324	—	—	35,324
Claims and judgments	—	—	—	418,302	418,302
Total current liabilities	68,966	409,296	368,090	1,399,299	2,245,651
Noncurrent liabilities:					
Claims and judgments	—	—	—	2,020,051	2,020,051
Compensated absences	—	162,091	—	—	162,091
Other postemployment benefits obligation	—	20,689	—	—	20,689
Total noncurrent liabilities	—	182,780	—	2,020,051	2,202,831
Total liabilities	68,966	592,076	368,090	3,419,350	4,448,482
Net Position					
Invested in capital assets	560,594	—	10,176,192	—	10,736,786
Unrestricted	371,088	(239,424)	8,170,326	1,321,195	9,623,185
Total net position	\$ 931,682	(239,424)	18,346,518	1,321,195	20,359,971

See accompanying independent auditors' report.

CITY OF NAPERVILLE, ILLINOIS
Internal Service Funds
Combining Statement of Revenues, Expenses, and
Changes in Net Position
Year ended April 30, 2014

	Information Technology Fund	Fleet Services Fund	Vehicle Replacement Fund	Self- Insurance Fund	Total
Operating revenues – charges for services	\$ 1,991,710	4,104,227	1,629,750	16,159,612	23,885,299
Operating expenses:					
Claims expense	—	—	—	14,314,608	14,314,608
Personal services	—	1,514,563	—	—	1,514,563
Contractual services	1,116,007	12,575	—	4,188,175	5,316,757
Repairs and service	250,239	354,059	—	—	604,298
Materials and supplies	410,401	2,432,947	43,175	80,503	2,967,026
Internal service charges	1,015	78,855	—	—	79,870
Taxes-license plates	—	5,454	—	—	5,454
Total operating expenses before depreciation	<u>1,777,662</u>	<u>4,398,453</u>	<u>43,175</u>	<u>18,583,286</u>	<u>24,802,576</u>
Operating income (loss) before depreciation	214,048	(294,226)	1,586,575	(2,423,674)	(917,277)
Depreciation	<u>(144,372)</u>	<u>—</u>	<u>(1,648,437)</u>	<u>—</u>	<u>(1,792,809)</u>
Operating income (loss)	<u>69,676</u>	<u>(294,226)</u>	<u>(61,862)</u>	<u>(2,423,674)</u>	<u>(2,710,086)</u>
Nonoperating revenues:					
Net investment income	(16,479)	(6,330)	(75,476)	(99,640)	(197,925)
Grant	—	(1,309)	—	—	(1,309)
Gain (loss) on disposal of capital assets	—	—	229,286	—	229,286
Total nonoperating revenues	<u>(16,479)</u>	<u>(7,639)</u>	<u>153,810</u>	<u>(99,640)</u>	<u>30,052</u>
Net income (loss) before contributions and transfers	53,197	(301,865)	91,948	(2,523,314)	(2,680,034)
Contributions of capital assets	—	—	17,659	—	17,659
Transfers out	<u>—</u>	<u>—</u>	<u>—</u>	<u>(349,775)</u>	<u>(349,775)</u>
Change in net position	53,197	(301,865)	109,607	(2,873,089)	(3,012,150)
Total net position, May 1	<u>878,485</u>	<u>62,441</u>	<u>18,236,911</u>	<u>4,194,284</u>	<u>23,372,121</u>
Total net position, April 30	<u>\$ 931,682</u>	<u>(239,424)</u>	<u>18,346,518</u>	<u>1,321,195</u>	<u>20,359,971</u>

See accompanying independent auditors' report.

CITY OF NAPERVILLE, ILLINOIS

Internal Service Funds

Combining Statement of Cash Flows

Year ended April 30, 2014

	Information Technology Fund	Fleet Services Fund	Vehicle Replacement Fund	Self- Insurance Fund	Total
Cash flows from operating activities:					
Receipts from interfund services provided	1,991,710	4,117,768	1,629,750	16,159,583	23,898,811
Payments to suppliers	(1,939,265)	(2,863,402)	(43,175)	(18,799,531)	(23,645,373)
Payments to employees	—	(1,489,456)	—	(130,567)	(1,620,023)
Net cash from operating activities	52,445	(235,090)	1,586,575	(2,770,515)	(1,366,585)
Cash flows from noncapital financing activities:					
Grants	—	(1,309)	—	—	(1,309)
Due to General fund	—	35,324	—	—	35,324
Transfer out	—	—	—	(349,775)	(349,775)
Net cash from noncapital financing activities	—	34,015	—	(349,775)	(315,760)
Cash flows from capital and related financing activities:					
Purchases of capital assets	(224,683)	—	(2,008,487)	—	(2,233,170)
Sale of capital assets	—	—	229,286	—	229,286
Net cash from capital and related financing activities	(224,683)	—	(1,779,201)	—	(2,003,884)
Cash flows from investing activities:					
Investment sales or maturities	257,623	218,613	2,406,136	1,321,379	4,203,751
Investment purchases	(84,381)	—	(1,645,876)	(903,866)	(2,634,123)
Net interest received	(14,389)	(17,538)	(74,869)	(90,102)	(196,898)
Net cash from investing activities	158,853	201,075	685,391	327,411	1,372,730
Net increase in cash and cash equivalents	(13,385)	—	492,765	(2,792,879)	(2,313,499)
Cash and cash equivalents, May 1, 2013	13,385	—	4,996,986	4,824,894	9,835,265
Cash and cash equivalents, April 30, 2014	\$ —	—	5,489,751	2,032,015	7,521,766
Reconciliation to statement of net position, April 30, 2014					
Cash and cash equivalents	\$ —	—	5,489,751	2,032,015	7,521,766
Investments	436,355	—	3,021,438	2,692,081	6,149,874
Cash and investments	\$ 436,355	—	8,511,189	4,724,096	13,671,640

CITY OF NAPERVILLE, ILLINOIS

Internal Service Funds
Combining Statement of Cash Flows
Year ended April 30, 2014

	<u>Information Technology Fund</u>	<u>Fleet Services Fund</u>	<u>Vehicle Replacement Fund</u>	<u>Self- Insurance Fund</u>	<u>Total</u>
Reconciliation of operating income to net cash					
from operating activities:					
Operating income (loss)	\$ 69,676	(294,226)	(61,862)	(2,423,674)	(2,710,086)
Adjustments to reconcile operating income (loss)					
to net cash provided from operating activities					
Depreciation expense	144,372	—	1,648,437	—	1,792,809
(Increase) decrease in accounts receivable	188,332	12,232	—	(29)	200,535
Decrease in due from other government	—	1,309	—	—	1,309
(Increase) in inventories	—	(309)	—	—	(309)
Increase (decrease) in accounts payable	(349,935)	20,797	—	172,430	(156,708)
(Decrease) in claims payable	—	—	—	(519,242)	(519,242)
(Decrease) in OPEB liability	—	(140,799)	—	—	(140,799)
Increase in accrued wages	—	165,906	—	—	165,906
Total adjustments	(17,231)	59,136	1,648,437	(346,841)	1,343,501
Net cash from operating activities	\$ 52,445	(235,090)	1,586,575	(2,770,515)	(1,366,585)
Noncash investing, capital, and financing activities:					
Contributions from other funds	\$ —	—	17,659	—	17,659

See accompanying independent auditors' report.

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS

CITY OF NAPERVILLE, ILLINOIS

Capital Assets Used in the Operation of Governmental Funds

Comparative Schedules by Source

April 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Governmental funds capital assets:		
Land and land improvements	\$ 22,772,017	22,772,017
Buildings	132,987,330	132,542,402
Machinery and equipment	25,031,425	23,898,580
Infrastructure	377,433,108	376,981,606
Land-Infrastructure	153,728,928	152,671,153
Construction in progress	<u>72,152,527</u>	<u>68,567,885</u>
Total government funds capital assets	<u>\$ 784,105,335</u>	<u>777,433,643</u>
Investments in governmental funds capital assets by source:		
General Fund	\$ 25,031,425	23,898,580
Capital Projects Funds	556,846,897	551,908,863
Grants and Donations	<u>202,227,013</u>	<u>201,626,200</u>
Total governmental funds capital assets	<u>\$ 784,105,335</u>	<u>777,433,643</u>

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

See accompanying independent auditors' report.

CITY OF NAPERVILLE, ILLINOIS

Capital Assets Used in the Operation of Governmental Funds

Schedule by Function and Activity

April 30, 2014

Function and activity	Land	Buildings	Machinery and equipment	Infrastructure	Construction in progress	Total
General government:						
Legal	\$ —	—	5,061	—	—	5,061
Executive	—	232,975	1,196,130	—	13,082	1,442,187
Human resources	—	—	40,770	—	—	40,770
Finance/purchasing	—	—	1,158,163	—	—	1,158,163
General services	—	17,670,855	—	—	—	17,670,855
Information technology	—	33,208	11,883,014	—	25,123	11,941,345
Total general government	—	17,937,038	14,283,138	—	38,205	32,258,381
Public safety:						
Police	—	11,801,542	4,325,581	—	730,873	16,857,996
Fire	—	16,189,972	2,674,386	—	—	18,864,358
Total public safety	—	27,991,514	6,999,967	—	730,873	35,722,354
Highways and streets:						
Transportation/engineering	10,636,844	22,942,475	337,849	—	920,919	34,838,087
Infrastructure	153,728,928	—	—	377,433,108	70,139,267	601,301,303
Total highways and streets	164,365,772	22,942,475	337,849	377,433,108	71,060,186	636,139,390
Public works	6,971,202	37,019,957	1,820,270	—	219,063	46,030,492
Culture and recreation	5,163,971	27,096,346	1,590,201	—	104,200	33,954,718
Total governmental funds capital assets	\$ 176,500,945	132,987,330	25,031,425	377,433,108	72,152,527	784,105,335

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

See accompanying independent auditors' report.

CITY OF NAPERVILLE, ILLINOIS

Capital Assets Used in the Operation of Governmental Funds

Schedule of Changes by Function and Activity

Year Ended April 30, 2014

<u>Function and activity</u>	<u>Balance May 1, 2013</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance April 30, 2014</u>
General government:				
Legal	\$ 5,061	—	—	5,061
Executive	1,429,105	13,082	—	1,442,187
Human resources	40,770	—	—	40,770
Finance/purchasing	1,158,163	—	—	1,158,163
General services	17,670,855	—	—	17,670,855
Information technology	11,917,945	261,745	238,345	11,941,345
Total general government	<u>32,221,899</u>	<u>274,827</u>	<u>238,345</u>	<u>32,258,381</u>
Public safety:				
Police	16,285,069	697,807	124,880	16,857,996
Fire	18,827,037	74,642	37,321	18,864,358
Total public safety	<u>35,112,106</u>	<u>772,449</u>	<u>162,201</u>	<u>35,722,354</u>
Highways and streets:				
Transportation/engineering	34,790,628	134,639	87,180	34,838,087
Infrastructure	596,161,223	5,140,080	—	601,301,303
Total highways and streets	<u>630,951,851</u>	<u>5,274,719</u>	<u>87,180</u>	<u>636,139,390</u>
Public works	45,233,484	1,672,550	875,542	46,030,492
Culture and recreation	33,914,303	190,414	149,999	33,954,718
Total governmental funds capital assets	<u>\$ 777,433,643</u>	<u>8,184,959</u>	<u>1,513,267</u>	<u>784,105,335</u>

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

See accompanying independent auditors' report.

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City of Naperville
Statistical Section

STATISTICAL SECTION

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

<u>Contents</u>	<u>Page(s)</u>
(A) Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have been changed over time.	123-127
(B) Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue sources, the sales tax and the property tax.	128-134
(C) Debt Capacity The schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	135-139
(D) Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	140-142
(E) Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	143-146

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

CITY OF NAPERVILLE, ILLINOIS

NET POSITION BY COMPONENT

Last Ten Fiscal Years
(amounts expressed in thousands)

		Fiscal Year									
		2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental Activities											
Net Investment in Capital Assets	\$	387,653	412,870	434,299	453,418	450,286	446,437	446,569	427,459	419,148	412,387
Restricted		24,389	15,934	11,685	7,874	10,484	7,063	5,129	6,031	6,787	8,042
Unrestricted		61,454	50,243	41,346	32,466	21,009	18,818	31,009	40,417	41,836	38,904
Total Governmental Activities	\$	473,496	479,047	487,330	493,758	481,779	472,318	482,707	473,907	467,771	459,333
Business-type Activities											
Net Investment in Capital Assets	\$	421,041	416,969	437,950	443,782	450,479	447,279	443,008	439,216	432,913	437,827
Restricted		14,475	14,851	5,133	5,200	5,331	5,285	-	-	-	-
Unrestricted		29,202	36,507	34,081	19,521	7,293	4,157	13,890	19,899	27,522	11,846
Total Business-type Activities	\$	464,718	468,327	477,164	468,503	463,103	456,721	456,898	459,115	460,435	449,673
Primary Government											
Net Investment in Capital Assets	\$	808,694	829,839	872,249	897,200	900,765	893,716	889,577	866,675	852,061	850,214
Restricted		38,864	30,785	16,818	13,074	15,815	12,348	5,129	6,031	6,787	8,042
Unrestricted		90,656	86,750	75,427	51,987	28,302	22,975	44,899	60,316	69,358	50,750
Total Primary Government	\$	938,214	947,374	964,494	962,261	944,882	929,039	939,605	933,022	928,206	909,006

Source: Audited Financial Statements

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

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Expenses										
Governmental Activities										
General government	\$ 7,540	7,945	7,738	8,367	9,654	6,983	5,129	6,742	7,986	8,901
Physical environment	10,842	11,529	10,805	10,940	10,142	9,457	8,147	8,514	9,455	8,608
Public safety	51,703	56,157	58,933	61,071	64,461	64,190	65,495	66,165	65,017	67,578
Culture and recreation	5,109	7,167	9,355	7,936	8,075	8,677	10,370	8,531	8,426	9,779
Transportation	35,291	37,091	39,252	42,247	49,588	46,711	46,240	51,352	47,120	49,587
Interest on long-term debt	3,097	3,087	2,780	2,599	3,643	4,172	4,465	4,593	4,161	3,782
Total Governmental Activities Expenses	113,582	122,976	128,863	133,160	145,563	140,190	139,846	145,897	142,165	148,235
Business-type Activities										
Electric	86,123	98,204	98,915	127,542	128,724	125,021	133,761	136,090	145,585	152,352
Water and wastewater	32,132	33,791	34,886	35,096	37,047	37,372	40,692	40,724	46,037	50,981
Burlington commuter parking	1,207	953	988	1,380	1,759	1,568	1,764	1,309	2,033	1,559
Total Business-type Activities Expenses	119,462	132,948	134,789	164,018	167,530	163,961	176,217	178,123	193,655	204,892
Total Primary Government Expenses	\$ 233,044	255,924	263,652	297,178	313,093	304,151	316,063	324,020	335,820	353,127
Program Revenues										
Governmental Activities										
Charges for Services										
General government	\$ 1,385	1,272	1,410	1,343	1,332	1,131	3,027	1,539	1,609	1,517
Physical environment	2,609	2,501	2,427	2,122	1,493	1,171	1,104	1,414	1,746	2,000
Public safety	5,684	6,155	6,824	6,990	8,498	8,518	9,801	8,416	7,700	7,788
Culture and recreation	459	495	555	584	551	520	494	910	855	832
Transportation	854	988	632	742	920	667	689	1,491	1,467	1,677
Operating Grants and Contributions										
Physical environment	178	187	135	151	145	545	1,544	572	1,422	610
Public safety	1,105	1,392	1,287	1,339	1,560	1,366	1,727	1,703	1,932	1,808
Culture and recreation	547	669	631	484	427	83	67	16	87	171
Transportation	4,144	4,155	4,165	4,057	3,861	3,877	4,763	4,746	4,405	4,489
Interest on long-term debt	-	-	-	-	-	-	309	285	209	192
Capital Grants and Contributions										
Culture and recreation	-	3,223	-	-	-	-	-	-	-	-
Transportation	22,694	10,619	16,111	13,799	8,328	8,046	9,366	2,869	1,086	3,012
Total Governmental Activities Program Revenues	39,659	31,656	34,177	31,611	27,115	25,924	32,891	23,961	22,518	24,096
Business-type Activities										
Charges for Services										
Electric	85,961	92,925	95,405	110,015	126,359	123,939	135,435	131,064	134,580	134,089
Water and wastewater	27,512	29,854	26,601	27,430	26,701	27,383	29,716	38,659	47,518	47,313
Burlington commuter parking	1,378	1,417	1,453	1,462	2,161	2,291	2,265	2,185	2,191	2,257

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

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Business-type Activities (Continued)										
Operating Grants and Contributions										
Electric	-	-	-	-	31	37	5	0	82	17
Water and wastewater	-	-	-	-	-	25	210	176	336	230
Burlington commuter parking	209	-	-	491	-	100	21	65	-	-
Capital Grants and Contributions										
Electric	3,339	3,883	5,208	4,848	2,703	1,828	5,503	3,943	7,957	5,612
Water and wastewater	1,920	6,398	7,074	3,546	3,351	1,800	1,096	1,356	1,879	5,074
Total Business-type Activities Program Revenues	120,319	134,477	135,741	147,792	161,306	157,403	174,251	177,448	194,543	194,592
Total Primary Government Program Revenues	\$ 159,978	166,133	169,918	179,403	188,421	183,327	207,142	201,409	217,061	218,688
Net (Expense) Revenue										
Governmental Activities	(73,923)	(91,320)	(94,686)	(101,549)	(118,448)	(114,266)	(106,955)	(121,936)	(119,647)	(124,139)
Business-type Activities	857	1,529	952	(16,226)	(6,224)	(6,558)	(1,966)	(675)	888	(10,300)
Total Primary Government Net (Expense) Revenue	\$ (73,066)	(89,791)	(93,734)	(117,775)	(124,672)	(120,824)	(108,921)	(122,611)	(118,759)	(134,439)
General Revenues and Other Changes in Net Position										
Governmental Activities										
Taxes										
Property	27,671	27,498	27,912	29,891	34,360	37,818	39,464	38,479	36,227	33,639
Utility	16,008	16,866	15,791	16,603	17,585	16,422	16,390	16,580	16,604	16,993
Sales and use	26,554	27,204	28,979	28,396	26,981	26,041	28,600	30,610	32,263	34,498
State income	9,234	10,423	11,496	12,559	12,532	11,482	11,271	11,581	12,784	13,823
Other	10,707	11,572	11,736	10,572	8,704	8,742	10,592	10,677	12,006	13,391
Franchise fees	1,301	1,350	1,456	1,646	1,714	1,790	2,020	2,141	2,437	2,455
Net investment income (loss)	3,831	1,994	5,636	5,836	4,634	2,572	2,766	3,130	1,190	(293)
Gain of disposal of capital assets	151	-	-	-	-	-	-	-	-	-
Transfers	(4,088)	(36)	(38)	2,474	(41)	(62)	(61)	(62)	-	-
Total Governmental Activities	91,369	96,871	102,968	107,977	106,469	104,805	111,042	113,136	113,511	114,506
Business-type Activities										
Net investment income (loss)	1,785	1,248	2,920	2,170	783	114	451	825	432	(462)
ComEd refund	-	-	-	-	-	-	-	-	-	-
DWC refund	-	-	-	7,353	-	-	-	-	-	-
Miscellaneous revenues	435	796	-	-	-	-	-	-	-	-
Transfers	3,751	36	38	(1,958)	41	62	61	62	-	-
Total Business-type Activities	5,971	2,080	2,958	7,565	824	176	512	887	432	(462)
Total Primary Government	\$ 97,340	98,951	105,926	115,542	107,293	104,981	111,554	114,023	113,943	114,044
Change in Net Position										
Governmental Activities	17,446	5,551	8,282	6,428	(11,979)	(9,461)	4,087	(8,800)	(6,136)	(9,633)
Business-type Activities	6,828	3,609	3,910	(8,661)	(5,400)	(6,382)	(1,454)	212	1,320	(10,762)
Total Primary Government Change in Net Position	\$ 24,274	9,160	12,192	(2,233)	(17,379)	(15,843)	2,633	(8,588)	(4,816)	(20,395)

Source: Audited Financial Statements

CITY OF NAPERVILLE, ILLINOIS
FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years
(amounts expressed in thousands)

	Fiscal Year									
	2005	2006	2007	2008	2009	2010 (b)	2011	2012	2013	2014
General Fund										
Reserved	\$ 586	434	232	438	201	-	-	-	-	-
Unreserved	29,800	20,937	19,463	21,444	20,249	-	-	-	-	-
Nonspendable	-	-	-	-	-	170	149	122	158	75
Assigned	-	-	-	-	-	-	-	-	6,000	-
Unassigned	-	-	-	-	-	20,768	22,782	27,037	25,573	25,513
Total General Fund	\$ 30,386	21,371	19,695	21,882	20,450	20,938	22,931	27,159	31,731	25,588
All Other Governmental Funds										
Reserved	\$ 44,486	27,061	19,823	40,544 (a)	38,855	-	-	-	-	-
Unreserved, reported in										
Special Revenue Funds	2,320	930	775	697	1,009	-	-	-	-	-
Capital Project Funds	10,281	15,928	10,963	698	(256)	-	-	-	-	-
Nonspendable	-	-	-	-	-	-	86	54	75	62
Restricted	-	-	-	-	-	33,199	16,775	7,819	6,825	10,895
Committed	-	-	-	-	-	1,158	3,546	4,563	3,860	2,459
Assigned	-	-	-	-	-	1,465	1,596	5,002	3,278	5,033
Unassigned (deficit)	-	-	-	-	-	-	-	-	(55)	(190)
Total All Other Governmental Funds	\$ 57,087	43,919	31,561	41,939	39,608	35,822	22,003	17,438	13,983	18,259

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

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

Source: Audited Financial Statements

CITY OF NAPERVILLE, ILLINOIS
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

	Last Ten Fiscal Years (amounts expressed in thousands)									
	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Revenues										
Taxes	\$ 90,174	93,562	95,914	98,021	100,162	100,505	106,317	107,927	109,884	112,344
Licenses and Permits	2,640	2,768	2,690	2,649	2,097	1,733	1,652	1,926	2,319	2,480
Fines and Forfeitures	2,488	2,287	2,108	2,257	2,890	3,258	3,137	2,554	1,718	1,709
Investment Income	2,851	1,561	4,101	3,807	3,165	1,996	2,051	2,155	855	(98)
Intergovernmental	7,693	7,226	8,216	6,838	10,354	8,528	12,766	9,164	8,177	6,737
Charges for Services	5,242	5,885	6,497	5,804	6,518	6,100	7,582	7,870	7,894	8,348
Fees	3,788	2,900	3,874	4,734	3,165	2,255	2,602	2,893	3,311	2,822
Contributions	1	98	9	45	48	46	53	58	106	1,890
Miscellaneous	638	463	392	911	789	563	2,165	1,012	1,209	908
Total Revenues	115,515	116,750	123,801	125,066	129,188	124,984	138,325	135,559	135,473	137,140
Expenditures										
General Government	6,235	6,474	6,364	6,665	8,127	6,007	5,943	5,126	6,165	6,967
Physical Environment	8,763	9,586	10,235	10,583	9,814	9,408	8,151	8,414	9,082	8,633
Public Safety	50,610	54,083	57,363	59,790	61,054	61,668	64,006	64,069	63,090	71,862
Culture and Recreation	4,807	6,901	8,455	7,394	7,299	7,815	7,660	7,571	7,275	8,165
Transportation	18,792	20,688	20,925	22,086	22,983	21,026	21,946	21,080	21,072	24,317
General Services	-	-	-	-	-	-	-	-	-	-
Capital Outlay	17,585	35,000	23,404	34,394	48,805	29,978	32,956	14,624	16,067	16,997
Debt Service										
Principal	7,407	7,237	8,235	5,726	5,580	5,614	5,444	6,087	12,010	5,648
Interest	3,255	3,023	2,904	2,579	3,005	3,833	4,329	4,527	3,880	3,766
Other Charges	87	-	-	292	193	214	-	-	126	127
Total Expenditures	117,541	142,992	137,885	149,509	166,860	145,563	150,435	131,498	138,767	146,482
Excess of Revenues over (under) Expenditures	(2,026)	(26,242)	(14,084)	(24,443)	(37,672)	(20,579)	(12,110)	4,061	(3,294)	(9,342)
Other financing Sources (Uses)										
Transfers In	6,868	16,618	1,616	8,061	2,101	4,555	6,350	4,448	5,573	7,129
Transfers Out	(6,789)	(12,755)	(1,567)	(5,630)	(1,573)	(7,852)	(6,066)	(9,665)	(5,224)	(6,779)
Sale of Capital Assets	158	-	-	4,394	-	-	-	819	200	-
Bond Proceeds-Principal	-	196	-	-	-	-	-	-	-	-
Payment to Refunded Bond Escrow Agent	(9,754)	-	-	(4,316)	(6,233)	(8,588)	-	-	(16,550)	-
Bonds Issued, at Par	19,895	-	-	34,260	39,405	28,585	-	-	-	5,620
Refunding Bonds Issued	-	-	-	-	-	-	-	-	17,963	-
Premium on Bonds Issued	347	-	-	239	209	581	-	-	2,449	310
Total Other Financing Sources (Uses)	10,725	4,059	49	37,008	33,909	17,281	284	(4,398)	4,411	6,280
Net Change in Fund Balances	\$ 8,699	(22,183)	(14,035)	12,565	(3,763)	(3,298)	(11,826)	(337)	1,117	(3,062)
Debt Service as a Percentage of Noncapital Expenditures	10.10%	8.97%	9.15%	6.93%	6.81%	7.65%	7.51%	8.16%	11.99% (a)	6.77%

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

Source: Audited Financial Statements.

CITY OF NAPERVILLE, ILLINOIS
GOVERNMENTAL FUNDS TAX REVENUE BY SOURCE

Last Ten Fiscal Years
(amounts expressed in thousands)

Fiscal Year		Sales and Use Tax	Property Tax	Utility Tax	State Income Tax	Other Tax	Total
2005	\$	26,554	27,671	16,008	9,234	10,707	90,174
2006		27,203	27,498	16,866	10,423	11,572	93,562
2007		28,979	27,912	15,791	11,496	11,736	95,914
2008		28,396	29,891	16,603	12,559	10,572	98,021
2009		26,981	34,360	17,585	12,532	8,704	100,162
2010		26,041	37,818	16,422	11,482	8,742	100,505
2011		28,600	39,464	16,390	11,271	10,592	106,317
2012		30,610	38,479	16,580	11,581	10,677	107,927
2013		32,263	36,227	16,604	12,784	12,006	109,884
2014		34,498	33,639	16,993	13,823	13,391	112,344

Source: Audited Financial Statements

CITY OF NAPERVILLE, ILLINOIS

ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY

Last Ten Levy Years

Levy Calendar Year	Residential Property	Farm Property	Commercial and Industrial Property	Railroad Property	Total Taxable Assessed Value	Direct Tax Rate	Estimated Actual Taxable Value	Percent of Assessed Value
						(per \$100 Assessment)		
2004	\$ 4,094,583,900	1,227,800 *	1,107,663,232	1,117,760	5,204,592,692	0.7438	15,613,778,076	33.333%
2005	4,458,089,250	234,422	1,165,279,631	1,048,928	5,624,652,231	0.7125	16,873,956,693	33.333%
2006	4,889,098,205	170,668	1,232,033,979	1,094,113	6,122,396,965	0.6966	18,367,190,895	33.333%
2007	5,312,341,984	100,648	1,304,566,827	1,225,143	6,618,234,602	0.7166	19,854,703,806	33.333%
2008	5,611,215,473	508,876	1,398,092,647	1,465,280	7,011,282,276	0.7167	21,033,846,828	33.333%
2009	5,787,763,209	150,465	1,315,446,717	1,753,540	7,105,113,931	0.7166	21,315,341,793	33.333%
2010	5,486,898,369	228,129	1,229,589,941	2,023,287	6,718,739,726	0.7390	20,156,219,178	33.333%
2011	5,256,081,268	314,912	1,170,708,392	2,364,303	6,429,468,875	0.7515	19,288,406,625	33.333%
2012	4,964,302,585	334,456	1,105,830,624	2,509,329	6,072,976,994	0.7756	18,218,930,982	33.333%
2013	4,866,627,723	315,592	1,056,949,654	2,706,677	5,926,599,646	0.7828	17,779,798,938	33.333%

Source: Office of the County Clerk

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

* increase due to annexation in the Wheatland Township.

CITY OF NAPERVILLE, ILLINOIS

PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS

Last Ten Levy Years

Tax Levy Calendar Year	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
City Direct Rates										
General Corporate	\$ 0.1348	0.1001	0.1554	0.1949	0.2139	0.1963	0.1882	0.1381	0.1457	0.1009
Naperville Public Library	0.2402	0.2404	0.2302	0.2231	0.1989	0.1828	0.1872	0.2076	0.2374	0.2465
Police Pension	0.0471	0.0494	0.0468	0.0488	0.0528	0.0667	0.0652	0.0679	0.0787	0.0879
Firefighters' Pension	0.0545	0.0515	0.0497	0.0489	0.0513	0.0647	0.0706	0.0737	0.0820	0.0884
Bond and Interest-general obligation bond	0.1821	0.1886	0.1318	0.1162	0.1192	0.1274	0.1472	0.1799	0.1403	0.1631
Illinois Municipal retirement	0.0401	0.0378	0.0383	0.0383	0.0380	0.0395	0.0391	0.0409	0.0444	0.0461
Naper Settlement	0.0450	0.0447	0.0444	0.0464	0.0426	0.0392	0.0415	0.0434	0.0471	0.0499
Total Direct Rate	0.7438	0.7125	0.6966	0.7166	0.7167	0.7166	0.7390	0.7515	0.7756	0.7828
Overlapping Rates										
Naperville Park District	0.2854	0.2619	0.2562	0.2481	0.2480	0.2574	0.2798	0.2969	0.3148	0.3358
Unit School #203	4.3566	4.2258	4.0673	3.9292	3.8593	3.9502	4.2265	4.5400	4.9909	5.3862
Unit School #204	5.0036	4.8815	4.6678	4.4930	4.3995	4.4987	4.8927	5.2200	5.7047	5.9601
College of DuPage #502	0.1972	0.1874	0.1929	0.1888	0.1845	0.2127	0.2349	0.2495	0.2681	0.2956
DuPage Forest Preserve	0.1358	0.1271	0.1303	0.1187	0.1206	0.1217	0.1321	0.1414	0.1542	0.1657
DuPage Airport Authority	0.0213	0.0198	0.0183	0.0170	0.0160	0.0148	0.0158	0.0169	0.0168	0.0178
DuPage County	0.1850	0.1797	0.1713	0.1651	0.1557	0.1554	0.1659	0.1773	0.1929	0.2040
Will County	0.5708	0.5380	0.5027	0.4826	0.4751	0.4833	0.5274	0.5351	0.5696	0.6340
Lisle Township	0.0447	0.0438	0.0424	0.0410	0.0406	0.0408	0.0445	0.0480	0.0261	0.0548
Naperville Township	0.0454	0.0444	0.0437	0.0423	0.0419	0.0419	0.0454	0.0483	0.0379	0.0515
Wheatland Township	0.0336	0.0331	0.0319	0.0303	0.0314	0.0319	0.0331	0.0328	0.0344	0.0378

Source: Office of the County Clerk

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

Tax Levy Calendar Year	2013			2004		
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Valuation	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Valuation
NS-MPG Inc.	\$ 25,664,100	1	0.43%	\$ 50,212,750	1	1.04%
Tellabs Operations Inc.	14,647,500	2	0.25%	12,096,720	10	0.25%
Wells Real Estate Funds	14,227,090	3	0.24%	-	-	0.00%
Ondeo Nalco Center	13,934,700	4	0.24%	-	-	0.00%
Edward Health Services	13,024,190	5	0.22%	22,145,320	4	0.46%
BP-Amoco Oil Company	12,568,030	6	0.21%	19,157,250	7	0.40%
UBS Realty Investors LLC	12,069,070	7	0.20%	-	0	0.00%
AMFP II Oakhurst North	11,973,900	8	0.20%	31,979,020	2	0.66%
Amlt Residential	11,271,820	9	0.19%	-	-	0.00%
ING Clarion	11,239,000	10	0.19%	-	-	0.00%
Tellabs Operations Inc.				23,919,580	3	0.50%
EQR-RE Tax Department				21,535,430	5	0.45%
La Salle National Bank				16,639,950	8	0.34%
Center Point Properties				20,119,390	6	0.42%
Gale and Wentworth				13,831,240	9	0.29%
	<u>\$ 140,619,400</u>		<u>1.94%</u>	<u>\$ 231,636,650</u>		<u>3.76%</u>

Source: Office of the County Clerk

Note:

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

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

Levy Calendar Year	Tax Extended	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2003	\$ 37,615,080	37,331,948	99.25%	3,815	37,335,763	99.26%
2004	38,711,760	38,531,979	99.54%	10,620	38,542,599	99.56%
2005	40,075,647	39,878,461	99.51%	11,450	39,889,910	99.54%
2006	42,648,617	42,427,184	99.48%	23,873	42,451,057	99.54%
2007	47,426,269	47,203,394	99.53%	13,060	47,216,455	99.56%
2008	50,249,860	50,021,253	99.55%	12,094	50,033,347	99.57%
2009	50,915,246	50,579,647	99.34%	10,542	50,590,189	99.36%
2010	49,651,487	49,321,096	99.33%	3,452	49,324,548	99.34%
2011	48,317,459	47,929,719	99.20%	9,853	47,939,572	99.22%
2012	47,102,010	46,358,636	98.42%	-	46,358,636	98.42%

Source: Office of the County Clerk

Note : Property in the City is reassessed each year. Property is assessed at 33% of actual value.
Amounts levied and collected include Library Fund and do not include Road and Bridge Fund.
The tax extended for the levy calendar year 2013 was \$46,393,422.

CITY OF NAPERVILLE, ILLINOIS

SALES TAXES BY CATEGORY

Last Ten Calendar Years

Calendar Year	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Merchandise	\$ 2,073,885	2,228,720	2,265,426	2,245,993	2,179,149	2,104,686	2,103,314	2,133,600	2,175,020	1,985,901
Food	2,780,956	2,757,561	2,820,886	2,924,185	3,224,528	3,130,912	3,210,537	3,268,563	3,440,483	3,586,963
Drinking and Eating Places	2,239,094	2,339,662	2,393,428	2,555,064	2,679,705	2,717,794	2,885,101	2,883,546	3,162,362	3,352,311
Apparel	668,971	659,602	669,829	665,161	690,165	742,079	767,404	933,475	1,004,555	1,067,110
Furniture & H.H. & Radio	1,955,916	2,224,168	2,238,171	2,223,337	1,895,857	1,657,778	1,862,218	2,098,296	2,194,838	2,347,163
Lumber, Building Hardware	1,572,647	1,665,287	1,641,592	1,435,948	1,298,336	1,201,680	1,235,492	1,242,769	1,302,937	1,520,274
Automobile and Filling Stations	7,644,017	8,708,048	8,990,471	9,291,220	8,656,627	7,840,138	8,807,116	9,555,249	10,494,788	12,237,637
Drugs and Miscellaneous Retail	2,855,521	2,927,449	3,047,909	3,119,875	3,080,902	3,107,887	3,336,129	3,642,704	3,692,042	3,869,309
Agriculture and All Others	2,145,087	2,211,006	2,213,918	2,176,653	1,815,359	1,484,390	1,560,231	1,483,822	1,501,727	1,509,790
Manufacturers	649,797	711,636	661,897	656,275	737,556	615,111	675,725	461,688	521,896	527,545
TOTAL	\$ 24,585,893	26,433,138	26,943,527	27,293,710	26,258,182	24,602,456	26,443,266	27,703,710	29,490,651	32,004,003
City's direct sales tax rate	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%

Source: Illinois Department of Revenue

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

Fiscal Year	City Direct Rate	State Rate	Regional Transportation Authority Rate	County Rate	DuPage Water Commission
2005	1.00%	5.00%	0.25%	0.25%	0.25%
2006	1.00%	5.00%	0.25%	0.25%	0.25%
2007	1.00%	5.00%	0.25%	0.25%	0.25%
2008	1.00%	5.00%	0.75%	0.25%	0.25%
2009	1.00%	5.00%	0.75%	0.25%	0.25%
2010	1.00%	5.00%	0.75%	0.25%	0.25%
2011	1.00%	5.00%	0.75%	0.25%	0.25%
2012	1.00%	5.00%	0.75%	0.25%	0.25%
2013	1.00%	5.00%	0.75%	0.25%	0.25%
2014	1.00%	5.00%	0.75%	0.25%	0.25%

Source: Illinois Department of Revenue

CITY OF NAPERVILLE, ILLINOIS
 RATIOS OF OUTSTANDING DEBT BY TYPE
 Last Ten Fiscal Years

Fiscal Year Ended	Governmental Activities		Business-Type Activities			Total Primary Government	Percentage of Personal Income*	Per Capita*
	General Obligation Bonds	Special Service Area Bonds	General Obligation Bonds	Revenue Bonds	IEPA Loan			
2005	\$ 74,714,850	90,000	25,594,949	17,416,040	3,023,709	120,839,548	2.05%	870.59
2006	67,504,847	45,000	24,526,045	14,525,037	2,604,639	109,205,568	1.81%	770.69
2007	59,492,136	-	23,923,807	7,634,133	2,169,728	93,219,804	1.54%	655.83
2008	84,019,224	-	32,891,688	6,493,993	1,718,378	125,123,283	1.97%	883.66
2009	111,889,364	-	40,352,985	5,308,769	1,249,966	158,801,084	2.45%	1,098.51
2010	122,474,459	-	56,584,111	4,073,712	763,848	183,896,130	2.78%	1,266.20
2011	116,918,354	-	54,185,617	-	259,354	171,363,325	2.66%	1,208.03
2012	105,219,222	-	75,012,910	-	-	180,232,132	2.79%	1,270.56
2013	97,950,479	-	71,886,351	-	-	169,836,830	2.63%	1,185.27
2014	97,958,819	-	66,354,322	-	-	164,313,141	2.49%	1,146.73

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

* See the Schedule of Demographic and Economic Statistics on page 140 for personal income and population data.

CITY NAPERVILLE, ILLINOIS

RATIOS OF GENERAL BONDED DEBT OUTSTANDING

Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds		Less: Amounts Available In Debt Service Funds**	Total	Percentage of Estimated Actual Taxable Value of Property*	Per Capita
	Governmental Activities	Business-Type Activities				
2005	\$ 74,714,850	25,594,949	1,647,659	98,662,140	0.63%	710.81
2006	67,504,847	24,526,045	1,393,674	90,637,218	0.54%	639.65
2007	59,492,136	23,923,807	1,860,605	81,555,338	0.44%	573.77
2008	84,019,224	32,891,688	1,193,278	115,717,634	0.58%	817.24
2009	111,889,364	40,352,985	2,388,640	149,853,709	0.71%	1,036.62
2010	122,474,459	56,584,111	2,706,329	176,352,241	0.83%	1,214.25
2011	116,918,354	54,185,617	4,028,824	167,075,147	0.83%	1,177.80
2012	105,219,222	75,012,910	5,156,557	175,075,575	0.91%	1,234.20
2013	97,950,479	71,886,351	4,717,628	165,119,202	0.91%	1,152.35
2014	97,958,819	66,354,322	5,272,118	159,041,023	0.89%	1,109.93

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

* See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property on page 129 for property value data

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

Table C-3

CITY OF NAPERVILLE, ILLINOIS

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

April 30, 2014

Governmental Unit	Gross Debt	Percentage Debt Applicable to the City of Naperville (1)	City of Naperville's Share of Debt
City of Naperville	\$ 94,911,864	100.000%	\$ 94,911,864
School District #200	\$ 182,985,000	0.336%	\$ 615,522
School District #202	9,194,048	1.703%	156,579
School District #203	37,710,000	77.144%	29,090,906
School District #204	292,390,000	58.693%	171,613,469
School District #365	201,049,589	0.000%	508
School District #502 ⁽²⁾	255,980,000	16.898%	43,254,622
Lisle Park District ⁽²⁾	11,650,368	0.441%	51,338
Naperville Park District ⁽²⁾	18,180,000	94.792%	17,233,205
Wheaton Park District	26,240,000	0.369%	96,726
Will County Forest Preserve	143,953,104	10.233%	14,731,110
DuPage County ⁽²⁾	136,950,000	11.931%	16,340,057
DuPage County Forest Preserve	187,300,103	11.931%	22,347,531
	<u>1,503,582,212</u>		<u>315,531,573</u>
	<u>\$ 1,598,494,076</u>		<u>\$ 410,443,437</u>

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

⁽¹⁾ Determined by ratio of assessed valuation of property subject to taxation in the City of Naperville to valuation of property subject to taxation in overlapping unit.⁽²⁾ Excludes outstanding General Obligation (Alternate Revenue Bonds), which are expected to be paid from sources other than general taxation.

CITY OF NAPERVILLE, ILLINOIS
SCHEDULE OF LEGAL DEBT MARGIN

April 30, 2014

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

CITY OF NAPERVILLE, ILLINOIS

PLEDGED-REVENUE COVERAGE

Last Ten Fiscal Years
(Amounts expressed in thousands)

Fiscal Year	Electric Revenue Bonds (5)								Water Revenue Bonds							
	Electric Charges and Other	Less: Operating Expenses (1)	Net Operating Revenue	Net Available Revenue per Ordinance (2)	Debt Service (3)			Coverage (4)	Water Charges and Other	Less: Operating Expenses (1)	Net Operating Revenue	Net Available Revenue per Ordinance (2)	Debt Service (3)			Coverage(4)
2005	\$ 85,961	77,412	8,549	12,909	1,720	767		5.19	27,512	25,643	1,869	4,450	404	565		4.59
2006	92,925	85,515	7,410	12,140	2,880	1,256		2.94	29,854	24,981	4,873	7,167	1,439	552		3.60
2007									26,483	25,881	602	4,014	1,490	500		2.02
2008				see note (5)					27,430	24,842	2,588	5,743	1,100	446		3.71
2009									26,701	26,346	355	1,453	1,145	382		0.95
2010									27,383	27,177	206	536	1,195	584		0.30
2011												see note (6)				
2012																
2013																
2014																

Source: City of Naperville Annual Financial Reports

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

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

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

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

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

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

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

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

CITY OF NAPERVILLE, ILLINOIS

DEMOGRAPHIC AND ECONOMIC INFORMATION

Last Ten Fiscal Years

Fiscal Year	Population	Personal Income (amounts expressed in thousands)	Per Capita Personal Income	Median Age	Education Level in Years of Formal Schooling	School Enrollment	Unemployment Rate
2005	138,802	\$ 5,897,558	\$ 42,489	34.2	15.13	46,183	4.2
2006	141,698	6,020,606	42,489	34.2	15.13	45,683	3.0
2007	142,140	6,039,386	42,489	34.2	15.13	45,529	3.3
2008	141,596	6,341,660	44,787	35.9	15.13	47,274	3.6
2009	144,560	6,221,284	43,036	35.9	15.13	47,522	6.2
2010	145,235	6,606,450	45,488	34.8	15.13	47,274	8.0
2011	141,853	6,452,609	45,488	35.0	15.13	47,946	6.1
2012	141,853	6,452,609	45,488	37.9	15.41	47,572	6.7
2013	143,289	6,449,724	45,012	39.2	15.41	46,790	7.1
2014	143,289	6,606,769	46,108	38.7	14.97	46,790	5.7

Source:

- Population: FY15 Budget Book (U.S. Bureau of Census Estimate)
- Per Capita Income: FY15 Budget Book (U.S. Bureau of Census Estimate)
- Median Age: FY15 Budget Book (U.S. Bureau of Census Estimate)
- Education Level: US Bureau of Census, 2010
- School Enrollment: FY14 Budget Book (School District 203 & 204)
- Unemployment Rate: Illinois Department of Employment Security

Table D-2

CITY OF NAPERVILLE, ILLINOIS

PRINCIPAL EMPLOYERS

Current Year and Nine Years Ago

2014				2003*			
Employer	Employees	Rank	% of Total City Population	Employer	Employees	Rank	% of Total City Population
Edward Hospital & Health Services	4,680	1	3.27%	Lucent Technologies	5,000	1	3.75%
Alcatel-Lucent	3,400	2	2.37%	Edward Hospital	3,500	2	2.62%
Indian Prairie School District 204	2,958	3	2.06%	Naperville School District 203	2,358	3	1.77%
Naperville School District 203	2,516	4	1.76%	Nicor Gas	2,100	4	1.57%
Nicor gas	2,381	5	1.66%	Indian Prairie School District 204	2,000	5	1.50%
BP America	1,500	6	1.05%	Amoco Research Center	1,400	6	1.05%
Office Max	1,500	7	1.05%	Nalco Chemical Co.	1,340	7	1.00%
BMO Harris	1,000	8	0.70%	Tellabs, Inc.	1,100	8	0.82%
Nalco	1,000	9	0.70%	City of Naperville	1,056	9	0.79%
City of Naperville	961	10	0.67%	North Central College	426	10	0.32%
Total	<u>21,896</u>		<u>15.28%</u>	Total	<u>20,280</u>		<u>15.19%</u>

*Information not available for 2004 and 2005. 2003 data is provided.

Source: Naperville Development Partnership and Naperville Convention & Visitors Bureau

CITY OF NAPERVILLE
SCHEDULE OF PRINCIPAL ELECTRIC SYSTEM USERS

Current Year and Nine Years Ago						
FY 2014						
Name	Business/Service	KWH Billed		Revenue Billed		
		KWH	% of City Total	Amount	% of City Total	
Lucent Technologies	Research and Manufacturing	104,296,357	6.94%	\$ 7,121,451	5.42%	
Mondelez Global (Kraft Foods)	Food Manufacturing	33,434,371	2.22%	\$ 2,417,783	1.84%	
Edward Hospital	Hospital	29,522,237	1.96%	\$ 2,102,557	1.60%	
Tellabs	Research and Manufacturing	24,308,892	1.62%	\$ 1,796,823	1.37%	
BP America (Amoco Corp.)	Research and Manufacturing	23,217,081	1.54%	\$ 1,889,571	1.44%	
School District 203 Includes NNHS	Public Schools	20,087,776	1.34%	\$ 2,107,167	1.61%	
City of Naperville -Springbrook	Wastewater treatment plant	17,873,998	1.19%	\$ 1,263,724	0.96%	
Calamos Real Estate, LLC	Management Corporation	16,429,801	1.09%	\$ 1,449,599	1.10%	
School District 204 (includes Nequa)	Public Schools	15,181,308	1.01%	\$ 1,489,310	1.13%	
Northern Trust Company	Management Corporation	12,712,822	0.85%	\$ 863,043	0.66%	
Albertson's (Jewel) Grocery Stores	Grocery Stores - JEWEL	12,585,702	0.84%	\$ 948,984	0.72%	
North Central College	Private College	11,275,601	0.75%	\$ 979,610	0.75%	
M & J Wilkow, LTD	Real Estate/Property Mgmt.	10,563,417	0.70%	\$ 921,811	0.70%	
Dominick's Grocery Stores	Grocery Stores - Dominick's	8,211,040	0.55%	\$ 605,285	0.46%	
Phoenix Closures	Manufacturing	7,832,524	0.52%	\$ 585,926	0.45%	
DART Warehouse Corp.	Warehouse	7,184,737	0.48%	\$ 569,392	0.43%	
Crate & Barrel #199	Warehouse	6,975,619	0.46%	\$ 562,640	0.43%	
Monarch Landing	Retirement Community	6,380,140	0.42%	\$ 505,005	0.38%	
BMO Harris Bank	Bank / Investment Services	6,144,905	0.41%	\$ 570,354	0.43%	
Handi-Foil of America	Manufacturing	6,015,236	0.40%	\$ 491,352	0.37%	
Total Top 20 Customers		380,233,564	25.30%	29,241,388	22.27%	
Total City of Naperville		1,502,872,905		\$ 131,284,000		
FY 2005						
Name	Business/Service	KWH Billed		Revenue Billed		
		KWH	% of City Total	Amount	% of City Total	
Lucent	Research and Manufacturing	78,130,237	5.56%	\$ 3,041,768	3.54%	
BP America (Amoco Corp.)	Research and Manufacturing	59,468,920	4.23%	2,551,948	2.97%	
Kraft Foods	Food Manufacturing	41,405,842	2.95%	1,635,243	1.90%	
Phoenix Closures	Manufacturing	24,808,617	1.77%	983,827	1.14%	
Edward Hospital	Hospital	24,686,504	1.76%	994,379	1.16%	
Tellabs	Research and Manufacturing	24,417,826	1.74%	1,018,879	1.19%	
City of Naperville -Springbrook Plant	Wastewater treatment plant	21,390,495	1.52%	861,494	1.00%	
Dist 204	Public School	17,823,095	1.27%	922,126	1.07%	
Dist 203	Public School	12,124,640	0.86%	740,314	0.86%	
Crate & Barrel #199	Warehouse	9,842,050	0.70%	474,542	0.55%	
Opus North Mgmt Corp	Management Corporation	9,007,767	0.64%	504,536	0.59%	
North Central College	Private College	7,367,064	0.52%	396,959	0.46%	
Northern Trust Company	Management Corporation	7,288,500	0.52%	333,337	0.39%	
Holiday Inn	Hotel	6,132,204	0.44%	304,463	0.35%	
Dist 203 -- NNHS	Public School	6,024,000	0.43%	297,589	0.35%	
Olympia Properties	Management Corporation	4,689,367	0.33%	273,127	0.32%	
The Preserve at Cress Creek	Appartment Complex	4,665,288	0.33%	98,385	0.11%	
C.B. Richard Ellis	Management Corporation	4,645,766	0.33%	258,037	0.30%	
Albertson's (Jewel Food Stores)	Retail Food	4,362,421	0.31%	213,117	0.25%	
Chrysler Corp.	Research and Manufacturing	4,330,500	0.31%	206,570	0.24%	
Total Top 20 Customers		372,611,103	26.51%	\$16,110,640	18.74%	
Total City of Naperville		1,405,558,911		\$ 85,961,000		

Source: City of Naperville-Department of Public Utilities

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

Function/Program	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Government										
Mayor & Council	11.00	12.00	12.00	12.00	12.00	11.12	11.12	11.12	11.12	11.12
Board of Fire & Police	1.00	1.12	1.12	1.12	1.12	0.88	0.88	0.88	0.88	0.88
Legal	8.50	9.50	11.00	12.00	11.50	10.50	10.50	10.50	10.50	14.00
City Manager's Office	27.25	26.87	27.87	15.87	12.87	11.62	10.12	10.12	13.12	11.12
City Clerk	-	-	-	8.00	6.00	5.50	5.50	5.50	5.50	5.50
Finance	44.88	43.88	44.34	46.82	42.49	35.63	35.63	35.63	35.63	36.63
Human Resources	17.63	17.63	15.13	17.75	12.75	10.50	9.50	9.50	9.50	9.00
Information Technology	20.12	20.75	20.75	23.75	21.37	19.85	19.37	18.75	19.75	21.75
TED Business Group										
Support Services Team	32.34	32.37	32.37	33.37	27.75	23.25	21.75	21.75	21.00	20.58
Development Services Team	35.35	35.06	35.06	33.87	29.87	27.98	25.89	24.73	25.21	25.71
Planning Services Team	6.75	6.75	7.75	9.25	7.27	6.06	4.75	4.75	4.25	4.75
Engineering & Transportation Team	17.34	17.34	17.00	19.12	17.77	14.68	14.64	14.64	16.14	15.14
Trans/Traffic Services Team	11.55	11.50	11.50	-	-	-	-	-	-	-
Riverwalk Commission	-	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Public Works										
Administration	3.00	3.00	3.00	2.00	5.00	5.00	4.00	4.00	5.00	5.00
Strategic Services	9.10	9.10	8.10	8.10	5.41	5.41	5.20	5.20	5.60	5.60
Operations & Maintenance	48.69	49.69	53.69	62.69	60.69	56.69	58.51	58.10	56.20	56.20
Public Building Operations	23.00	23.00	23.00	23.00	22.00	21.00	20.00	20.00	20.00	20.46

(continued)

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

Function/Program	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Public Safety										
Police										
Officers	187.00	188.00	188.00	189.00	185.00	176.00	167.00	165.00	165.00	167.00
Civilians	116.04	119.04	121.04	121.04	114.04	108.88	106.54	104.92	104.92	108.67
Fire										
Firefighters and officers	190.00	190.00	190.00	202.00	200.00	197.00	193.00	193.00	193.00	193.00
Civilians	10.00	10.00	11.00	11.00	8.00	10.00	10.00	10.00	9.00	9.00
SSA# 20/22	5.92	5.92	6.75	6.75	5.75	4.75	4.75	4.75	5.00	5.00
Community Development Block Grant	0.75	0.50	0.50	0.50	0.50	-	1.00	0.75	0.50	0.67
Fleet Services	18.00	18.00	18.00	18.50	18.50	17.50	16.50	16.50	16.50	16.50
Electric Utility										
Administration	5.88	5.88	5.88	5.88	5.88	5.00	5.00	4.50	3.00	3.00
Support Services	9.00	9.00	9.00	9.00	9.00	9.00	9.00	8.00	8.00	8.00
Eng & Tech Services	36.53	36.53	36.53	33.53	32.53	32.00	32.00	32.00	32.00	31.00
Electric Distribution	49.63	49.63	49.63	54.63	51.63	51.00	51.00	51.00	51.00	50.00
Supply & Control	23.75	25.00	25.00	23.00	23.00	23.00	23.00	23.00	23.00	22.00
Water Utility										
Administration	5.88	5.88	6.38	6.38	6.38	5.50	5.50	3.50	2.00	2.00
Supply & Reclamation	30.37	30.87	30.08	30.58	30.58	29.48	29.48	29.00	29.47	29.47
Distribution & Collection	45.97	46.61	46.77	46.77	46.27	44.09	44.09	40.00	40.47	40.47
Civil Environ. Eng & Cons.	13.79	12.79	12.79	12.79	13.79	13.20	13.00	11.00	11.00	11.00
Special Events and Cultural Amenities Fund	-	1.00	1.00	1.00	1.00	1.50	0.50	0.50	0.50	0.50
TOTAL	1,066.01	1,074.71	1,082.53	1,101.56	1,048.21	994.07	969.22	953.09	954.26	961.22

Source: City Budget

CITY OF NAPERVILLE, ILLINOIS

OPERATING INDICATORS

Last Ten Fiscal Years

Function/Program	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Public Safety										
Police (1)										
Physical arrests (DUI)	950	808	665	622	622	578	622	574	549	424
Parking violations	21,340	22,956	23,137	18,397	18,896	17,898	19,278	15,654	16,600	14,148
Traffic violations	34,500	29,929	38,900	28,227	27,780	25,611	21,546	18,521	17,769	13,924
Fire										
Emergency responses	10,607	11,549	10,108	9,679	9,435	9,251	10,388	9,260	12,000	9,898
Fires Extinguished	75	69	73	85	83	93	90	87	90	109
Public Works										
Total curbside refuse collected (tons)	44,250	43,146	45,533	44,867	42,198	39,909	38,781	38,367	37,803	37,077
Total curbside recycling collected (tons)	16,477	18,943	20,411	19,796	18,675	17,095	17,251	17,069	16,469	15,605
Snow and ice control events	28	40	30	44	37	36	44	16	18	49
Tons of salt used	10,000	12,900	13,500	22,000	20,300	18,000	16,046	8,251	13,686	21,964
Water/Wastewater (1)										
New connections	428	308	330	349	152	121	56	107	171	283
Water main breaks	59	117	62	68	75	73	84	37	64	92
Average daily consumption	16.73	16.66	16.41	18.73	16.29	15.26	15.29	15.16	16.64	15.11
Peak daily consumption	32.91	31.10	30.77	33.04	30.82	27.37	28.34	30.79	34.19	29.55
Average daily wastewater treated (million gal)	18.8	19.5	22.3	22.8	23.3	22.1	21.4	21.6	18.3	19.7
Electric (1)										
Peak monthly demand	313,334	351,739	372,583	362,000	348,000	358,000	369,000	390,853	402,273	365,033
Peak Month Energy Use (million)	138.3	161.4	166.0	192.9	165.0	136.9	172.1	172.7	184.1	151.9

(1) Records for Police, Water/Wastewater and Electric are maintained on a calendar year basis. The statistics for 2014 are based on actual from January 1, 2014 to April 30, 2014 and extrapolated for the remainder of the year.

Source: Various city departments

CITY OF NAPERVILLE, ILLINOIS

CAPITAL ASSET STATISTICS

Last Ten Fiscal Years

Function/Program	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Public Safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Area patrols	10	10	10	10	10	10	10	10	10	10
Patrol units	81	81	81	81	80	83	78	78	80	85
Fire										
Fire stations	8	8	9	9	9	10	10	10	10	10
Front Line Apparatus (engines & ambulance)	17	17	17	18	18	19	18	18	18	18
Transportation										
Arterial streets (centerline miles)	122	125	127	127	127	127	127	127	127	127
Residential streets (centerline miles)	313	320	325	325	325	325	325	325	327	327
Traffic signals	151	155	159	162	163	163	163	163	163	163
Public Works										
Streetlights	10,243	10,243	10,596	10,612	10,994	11,040	11,312	11,462	11,480	11,542
Storm sewers (miles)	745	750	870	875	877	818	861	870	879	886
Water										
Water mains (miles)	582.4	598.1	608.7	615.7	629.4	636.4	641.1	688.7	693.7	708.2
Fire hydrants	8,000	8,208	8,406	8,452	8,672	8,809	8,897	8,967	9,055	9,157
Storage capacity (gallons)	43.90	43.90	43.90	43.90	43.90	43.90	43.90	43.90	43.90	43.90
Sanitary sewers (miles)	472.30	472.30	474.53	477.02	484.54	489.52	492.80	530.93	534.09	539.34
Treatment capacity (gallons)	26.25	26.25	26.25	26.25	26.25	26.25	26.20	26.25	26.25	26.25
Electric										
Number of distribution stations	16	16	16	16	16	16	16	16	16	16
Transmission & Distribution Line Mileage (excluding secondary distribution)	900.55	914.58	924.21	949.42	958.15	970.26	973.89	977.83	979.98	984.19

Source: Various city departments.

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