

New Issue

Date of Sale: Thursday, May 9, 2024  
Between 10:15 and 10:30 A.M., C.S.T.  
(Open Speer Auction)

Investment Ratings:

S&P Global Ratings ... AAA (Stable Outlook)  
Moody's Investors Service ...Aaa (Stable Outlook)

### Official Statement

The delivery of the Bonds is subject to the opinion of Katten Muchin Rosenman LLP ("Bond Counsel"), to the effect that under existing law, interest on the Bonds is not includible in the gross income of the owners thereof for federal income tax purposes and that, assuming continuing compliance with the applicable requirements of the Internal Revenue Code of 1986, interest on the Bonds will continue to be excluded from the gross income of the owners thereof for federal income tax purposes. Interest on the Bonds is not an item of tax preference for purposes of computing alternative minimum taxable income for individuals. Interest on the Bonds is included in computing adjusted financial statement income of those corporations subject to the corporate alternative minimum tax. See "TAX MATTERS" herein. Interest on the Bonds is not exempt from present Illinois income taxes.



## CITY OF NAPERVILLE DuPage and Will Counties, Illinois \$19,435,000\* General Obligation Bonds, Series 2024

**Dated: Date of Delivery**

**Book-Entry**

**Due: Serially December 1, 2025-2044**

The \$19,435,000\* General Obligation Bonds, Series 2024 (the "Bonds"), are being issued by the City of Naperville, DuPage and Will Counties, Illinois (the "City"). Interest is payable semiannually on June 1 and December 1 of each year, commencing December 1, 2024. Interest is calculated based on a 360-day year of twelve 30-day months. The Bonds will be issued using a book-entry system. The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Bonds. The ownership of one fully registered Bond for each maturity will be registered in the name of Cede & Co., as nominee for DTC and no physical delivery of Bonds will be made to purchasers. The Bonds will mature on December 1 in the following years and amounts.

#### AMOUNTS\*, MATURITIES, INTEREST RATES, PRICES OR YIELDS AND CUSIP NUMBERS(1)

Principal Amount*	Due Dec. 1	Interest Rate	Yield	CUSIP(1) Number	Principal Amount*	Due Dec. 1	Interest Rate	Yield	CUSIP(1) Number
\$1,275,000	2025	%	%		\$ 860,000	2035	%	%	
1,415,000	2026	%	%		895,000	2036	%	%	
535,000	2027	%	%		925,000	2037	%	%	
565,000	2028	%	%		960,000	2038	%	%	
590,000	2029	%	%		1,000,000	2039	%	%	
620,000	2030	%	%		1,045,000	2040	%	%	
705,000	2031	%	%		1,080,000	2041	%	%	
740,000	2032	%	%		1,540,000	2042	%	%	
775,000	2033	%	%		1,605,000	2043	%	%	
820,000	2034	%	%		1,485,000	2044	%	%	

Any consecutive maturities may be aggregated into term bonds at the option of the bidder, in which case the mandatory redemption provisions shall be on the same schedule as above.

#### OPTIONAL REDEMPTION

The Bonds due December 1, 2025-2033, inclusive, are non-callable. The Bonds due December 1, 2034-2044, are callable in whole or in part on any date on or after December 1, 2033, at a price of par plus accrued interest to the redemption date. If less than all the Bonds are called, they shall be redeemed in such principal amounts and from such maturities as determined by the City and within any maturity by lot. See "OPTIONAL REDEMPTION" herein.

#### PURPOSE, LEGALITY AND SECURITY

Proceeds of the Bonds will be used to be used (i) to finance certain capital improvements in the City and (ii) pay the costs of issuance of the Bonds. See "THE PROJECT" herein.

In the opinion of Bond Counsel, the Bonds are valid and legally binding general obligations of the City and the City is obligated to levy ad valorem taxes upon all the taxable property within the City for the payment of the Bonds and the interest thereon without limitation as to rate or amount. However, the enforceability of rights or remedies with respect to the Bonds may be limited by bankruptcy, insolvency or other laws affecting creditors' rights and remedies heretofore or hereafter enacted. See "SECURITY FOR THE BONDS" herein.

This Official Statement is dated April 22, 2024, and has been prepared under the authority of the City. An electronic copy of this Official Statement is available from the www.speerfinancial.com web site under "Competitive Official Statement Sales Calendar". Additional copies may be obtained from Ms. Rachel Mayer, Finance Director/City Treasurer, City of Naperville, 400 South Eagle Street, Naperville, Illinois 60540, or from the Independent Public Finance Consultants to the City:



(1) CUSIP numbers appearing in this Official Statement have been provided by the CUSIP Service Bureau, which is managed on behalf of the American Bankers Association by S&P Capital IQ, a part of McGraw Hill Financial Inc. The City is not responsible for the selection of CUSIP numbers and makes no representation as to their correctness on the Bonds or as set forth on the cover of this Official Statement.

\*Subject to change.

For purposes of compliance with Rule 15c2-12 of the Securities and Exchange Commission, this document, as the same may be supplemented or corrected by the City from time to time (collectively, the “Official Statement”), may be treated as an Official Statement with respect to the Bonds described herein that is deemed near final as of the date hereof (or the date of any such supplement or correction) by the City.

The Official Statement, when further supplemented by an addendum or addenda specifying the maturity dates, principal amounts and interest rates of the Bonds, together with any other information required by law or deemed appropriate by the City, shall constitute a “Final Official Statement” of the City with respect to the Bonds, as that term is defined in Rule 15c2-12. Any such addendum or addenda shall, on and after the date thereof, be fully incorporated herein and made a part hereof by reference. Alternatively, such final terms of the Bonds and other information may be included in a separate document entitled “Final Official Statement” rather than through supplementing the Official Statement by an addendum or addenda.

No dealer, broker, salesman or other person has been authorized by the City to give any information or to make any representations with respect to the Bonds other than as contained in the Official Statement or the Final Official Statement and, if given or made, such other information or representations must not be relied upon as having been authorized by the City. Certain information contained in the Official Statement and the Final Official Statement may have been obtained from sources other than records of the City and, while believed to be reliable, is not guaranteed as to completeness. **THE INFORMATION AND EXPRESSIONS OF OPINION IN THE OFFICIAL STATEMENT AND THE FINAL OFFICIAL STATEMENT ARE SUBJECT TO CHANGE, AND NEITHER THE DELIVERY OF THE OFFICIAL STATEMENT OR THE FINAL OFFICIAL STATEMENT NOR ANY SALE MADE UNDER EITHER SUCH DOCUMENT SHALL CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE CITY SINCE THE RESPECTIVE DATES THEREOF.**

References herein to laws, rules, regulations, ordinances, resolutions, agreements, reports and other documents do not purport to be comprehensive or definitive. All references to such documents are qualified in their entirety by reference to the particular document, the full text of which may contain qualifications of and exceptions to statements made herein. Where full texts have not been included as appendices to the Official Statement or the Final Official Statement, they will be furnished on request. This Official Statement does not constitute an offer to sell, or solicitation of an offer to buy, any securities to any person in any jurisdiction where such offer or solicitation of such offer would be unlawful.

# TABLE OF CONTENTS

	<u>Page</u>
BOND ISSUE SUMMARY .....	1
INTRODUCTION .....	2
AUTHORIZATION AND USE OF PROCEEDS .....	2
SECURITY FOR THE BONDS .....	3
THE PROJECT .....	3
SOURCES AND USES .....	3
OPTIONAL REDEMPTION .....	3
NOTICE OF REDEMPTION .....	4
RISK FACTORS .....	4
Finances of the State of Illinois .....	4
Future Pension Plan Funding Requirements .....	5
Local Economy .....	6
Loss or Change of Bond Rating .....	6
Secondary Market for the Bonds .....	6
Continuing Disclosure .....	6
Suitability of Investment .....	6
Future Changes in Laws .....	7
Factors Relating to Tax Exemption .....	7
Bankruptcy .....	7
THE CITY .....	7
City Government and Services .....	8
Employee Relations .....	8
Education .....	9
Recreation .....	9
Transportation .....	9
SOCIOECONOMIC INFORMATION .....	10
Building Permits .....	11
Housing .....	12
Income .....	12
Retail Activity .....	14
DEFAULT RECORD .....	14
SHORT-TERM BORROWING .....	14
FUTURE DEBT PLANS .....	14
DEBT INFORMATION .....	15
PROPERTY ASSESSMENT AND TAX INFORMATION .....	16
Tax Increment Financing Districts Located within the City .....	17
REAL PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION PROCEDURES .....	18
Summary of Property Assessment, Tax Levy and Collection Procedures .....	18
Tax Levy and Collection Procedures .....	18
Unpaid Taxes and Annual Tax Sales .....	19
Exemptions .....	19
Property Tax Extension Limitation Law .....	20
Truth in Taxation Law .....	21
FINANCIAL INFORMATION .....	21
Investment and Cash Management Policy .....	21
Financial Reports .....	21
No Consent or Updated Information Requested of the Auditor .....	22
Summary Financial Information .....	23
EMPLOYEE RETIREMENT AND OTHER POSTEMPLOYMENT BENEFITS OBLIGATIONS .....	26
Background Regarding Pension Plans .....	26
IMRF Plan .....	27
Police Plan .....	29
Fire Plan .....	30
Other Post-Employment Benefits .....	31
REGISTRATION, TRANSFER AND EXCHANGE .....	31
Registration .....	31
Transfers and Exchanges .....	32
TAX EXEMPTION .....	32
Summary of Bond Counsel Opinion .....	32
Bonds Purchased at a Premium or a Discount .....	32
Exclusion From Gross Income Requirements .....	33
Risks of Non-Compliance .....	33
CONTINUING DISCLOSURE .....	35
Late Filing of Annual Reports and Corrective Action .....	37
LITIGATION .....	37
LEGAL MATTERS .....	37
INVESTMENT RATINGS .....	38
DEFEASANCE AND PAYMENT OF BONDS .....	38
UNDERWRITING .....	39
MUNICIPAL ADVISOR .....	39
CERTIFICATION .....	39
APPENDIX A - FISCAL YEAR 2022 AUDITED FINANCIAL STATEMENTS	
APPENDIX B - DESCRIBING BOOK-ENTRY-ONLY ISSUANCE	
APPENDIX C - PROPOSED FORM OF OPINION OF BOND COUNSEL	

OFFICIAL BID FORM  
OFFICIAL NOTICE OF SALE

## BOND ISSUE SUMMARY

This Bond Issue Summary is expressly qualified by the entire Official Statement, including the Official Notice of Sale and the Official Bid Form, which are provided for the convenience of potential investors and which should be reviewed in their entirety by potential investors.

<b>Issuer:</b>	City of Naperville, Illinois.
<b>Issue:</b>	\$19,435,000* General Obligation Bonds, Series 2024.
<b>Dated Date:</b>	Date of delivery, expected to be on or about May 28, 2024.
<b>Interest Due:</b>	Each June 1 and December 1, commencing December 1, 2024.
<b>Principal Due:</b>	Each December 1, commencing December 1, 2025, through December 1, 2044, as detailed on the cover page of this Official Statement.
<b>Optional Redemption:</b>	The Bonds due December 1, 2025-2033, inclusive, are non-callable. The Bonds due December 1, 2034-2044, are callable in whole or in part on any date on or after December 1, 2033, at a price of par plus accrued interest to the redemption date. If less than all the Bonds are called, they shall be redeemed in such principal amounts and from such maturities as determined by the City and within any maturity by lot. See “ <b>OPTIONAL REDEMPTION</b> ” herein.
<b>Authorization:</b>	The City is a home rule unit under the 1970 Illinois Constitution, has no statutory debt limit, and is not required to seek referendum approval to issue the Bonds.
<b>Security:</b>	The Bonds are valid and legally binding general obligations of the City and the City is obligated to levy ad valorem taxes upon all the taxable property within the City for the payment of the Bonds and the interest thereon without limitation as to rate or amount. However, the enforceability of rights or remedies with respect to the Bonds may be limited by bankruptcy, insolvency or other laws affecting creditors’ rights and remedies heretofore or hereafter enacted. See “ <b>SECURITY FOR THE BONDS</b> ” herein.
<b>Investment Ratings:</b>	The Bonds have been rated AAA (Stable Outlook) from S&P Global Ratings, a business unit of Standard & Poor’s Financial Services LLC, New York, New York (“S&P”), and Aaa (Stable Outlook) from Moody’s Investors Service, New York, New York (“Moody’s”).
<b>Purpose:</b>	The Bond proceeds are expected to be used to (i) finance certain capital improvements in the City and (ii) pay the costs of issuance of the Bonds. See “ <b>THE PROJECT</b> ” herein.
<b>Tax Exemption:</b>	Katten Muchin Rosenman LLP, Chicago, Illinois, will provide an opinion as to the tax exemption of the interest on the Bonds as discussed under “ <b>TAX EXEMPTION</b> ” in this Official Statement. Interest on the Bonds is not exempt from present State of Illinois income taxes.
<b>No Bank Qualification:</b>	The Bonds are <b>not</b> “qualified tax-exempt obligations” under Section 265(b)(3) of the Internal Revenue Code of 1986, as amended. See “ <b>TAX EXEMPTION</b> ” herein.
<b>Bond Registrar/Paying Agent:</b>	UMB Bank, St. Louis, Missouri.
<b>Delivery:</b>	The Bonds are expected to be delivered on or about May 28, 2024.
<b>Book-Entry Form:</b>	The Bonds will be registered in the name of Cede & Co. as nominee for The Depository Trust Company (“DTC”), New York, New York. DTC will act as securities depository of the Bonds. See <b>APPENDIX B</b> herein.
<b>Denomination:</b>	\$5,000 or integral multiples thereof.

\*Subject to change.

**CITY OF NAPERVILLE**  
**DuPage and Will Counties, Illinois**

Scott A. Wehrli  
*Mayor*

**City Council Members**

Jennifer Bruzan Taylor  
Allison Longenbaugh  
Dr. Benjamin M. White

Ian Holzhauer  
Paul Leong

Patrick Kelly  
Josh McBroom  
Nathan Wilson

---

**OFFICIALS**

Dawn Portner  
*City Clerk*

Douglas A. Krieger  
*City Manager*

Rachel Mayer  
*Finance Director/City Treasurer*

Speer Financial, Inc.  
*Municipal Advisor*

Katten Muchin Rosenman LLP  
*Bond Counsel*

**INTRODUCTION**

The purpose of this Official Statement is to set forth certain information concerning the City of Naperville, DuPage and Will Counties, Illinois (the “City”), in connection with the offering and sale of its \$19,435,000\* General Obligation Bonds, Series 2024 (the “Bonds”).

This Official Statement contains “forward-looking statements” that are based upon the City’s current expectations and its projections about future events. When used in this Official Statement, the words “project,” “estimate,” “intend,” “expect,” “scheduled,” “pro-forma” and similar words identify forward-looking statements. Forward-looking statements are subject to known and unknown risks, uncertainties and factors that are outside of the control of the City. Actual results could differ materially from those contemplated by the forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. Neither the City nor any other party plans to issue any updates or revisions to these forward-looking statements based on future events.

**AUTHORIZATION AND USE OF PROCEEDS**

The Bonds are being issued pursuant to the home rule powers of the City of Naperville, Illinois (the “City”), under Section 6 of Article VII of the 1970 Constitution of the State of Illinois, and pursuant to a bond ordinance adopted by the City Council on the 2nd day of April, 2024 (the “Bond Ordinance”).

The Bond proceeds are expected to be used to (i) finance certain capital improvements in the City and (ii) pay the costs of issuance of the Bonds. See “**THE PROJECT**” herein.

\*Subject to change.

## SECURITY FOR THE BONDS

The Bonds constitute valid and legally binding full faith and credit general obligations of the City, payable from any funds of the City legally available for such purpose, and all taxable property in the City is subject to the levy of taxes to pay the same without limitation as to rate or amount. The Bond Ordinance provides for the levy of ad valorem taxes, unlimited as to rate or amount, upon all taxable property within the City in amounts sufficient to pay, as and when due, all principal of and interest on the Bonds. The Bond Ordinance will be filed with the County Clerks of DuPage and Will Counties, and will serve as authorization to said County Clerks to extend and collect the property taxes as set forth in the Bond Ordinance.

## THE PROJECT

Bond proceeds will be used to finance various capital improvements throughout the City and to pay the costs of issuing the Bonds. Such capital improvements include the replacement of underground water mains at various locations, the replacement and rehabilitation of other water distribution infrastructure including meters, pumps, and tanks at various locations, the construction of an ultraviolet disinfection system at the Springbrook Water Reclamation Center, and the rehabilitation of sanitary sewer mains and lift stations at various locations.

## SOURCES AND USES

The sources and uses of funds resulting from the Bonds are shown below:

**SOURCES:**

Principal Amount .....	\$ _____
Net Original Issue Premium .....	_____
Total Sources .....	\$ _____

**USES:**

Pay Costs of the Project .....	\$ _____
Costs of Issuance(1) .....	_____
Total Uses .....	\$ _____

Note: (1) Includes estimated costs including underwriter's discount, fixed costs of issuance and contingencies.

## OPTIONAL REDEMPTION

The Bonds due December 1, 2025-2033, inclusive, are non-callable. The Bonds due December 1, 2034-2044, are callable in whole or in part on any date on or after December 1, 2033, at a price of par plus accrued interest to the redemption date. If less than all the Bonds are called, they shall be redeemed in such principal amounts and from such maturities as determined by the City and within any maturity by lot.

## NOTICE OF REDEMPTION

Notice of the redemption of Bonds shall be mailed not less than 30 days nor more than 60 days prior to the date fixed for such redemption to the registered owners of Bonds to be redeemed at their last addresses appearing on said registration books. The Bonds or portions thereof specified in said notice shall become due and payable at the applicable redemption price on the redemption date therein designated, and if, on the redemption date, moneys for payment of the redemption price of all the Bonds or portions thereof to be redeemed, together with interest to the redemption date, shall be available for such payment on said date, and if notice of redemption shall have been mailed as aforesaid (and notwithstanding any defect therein or the lack of actual receipt thereof by any registered owner) then from and after the redemption date interest on such Bonds or portions thereof shall cease to accrue and become payable.

Subject to the provisions for a conditional redemption described above, notice of redemption having been given as described above and in the Bond Ordinance, the Bonds or portions of Bonds so to be redeemed will, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the City shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest. Upon surrender of such Bonds for redemption in accordance with said notice, such Bonds will be paid by the Bond Registrar at the redemption price.

## RISK FACTORS

The purchase of the Bonds involves certain investment risks. Accordingly, each prospective purchaser of the Bonds should make an independent evaluation of the entirety of the information presented in this Official Statement and its appendices and exhibits in order to make an informed investment decision. Certain of the investment risks are described below. The following statements, however, should not be considered a complete description of all risks to be considered in the decision to purchase the Bonds, nor should the order of the presentation of such risks be construed to reflect the relative importance of the various risks. There can be no assurance that other risk factors are not material or will not become material in the future.

### Finances of the State of Illinois

While the finances of the State of Illinois (the “State”) have significantly improved in recent years, the State continues to deal with a severe underfunding of its pension systems, which, based on the comprehensive annual financial reports of the State’s five retirement systems, have a combined unfunded pension liability of approximately \$140 billion and a combined funded ratio of approximately 44%. Also, despite eight credit rating upgrades since June 2021, the State’s long term general obligation bonds carry the lowest ratings of all states.

The State enacted full budgets for the State fiscal years (each, a “State Fiscal Year”) ending June 30, 2018 (the “Fiscal Year 2018 Budget”), June 30, 2019 (the “Fiscal Year 2019 Budget”), June 30, 2020 (the “Fiscal Year 2020 Budget”), June 30, 2021 (the “Fiscal Year 2021 Budget”), June 30, 2022 (the “Fiscal Year 2022 Budget”), and June 30, 2023 (the “Fiscal Year 2023 Budget”). On June 7, 2023, the Governor signed the State’s budget (Public Act 103-006) for the fiscal year ending June 30, 2024 (the “Fiscal Year 2024 Budget”), which included a \$183 million surplus, additional contributions to the State pension system and the State’s Budget Stabilization Fund, commonly referred to as the State’s “rainy day” fund, which is set to surpass \$2 billion, and the elimination of the State’s bill backlog.

Under current law, the State shares a portion of sales tax, income tax, use tax and motor fuel tax revenue with municipalities, including the City. The State's general fiscal condition and the underfunding of the State's pension systems have materially adversely affected the State's financial condition and may result in decreased or delayed revenues allocated to the City. In addition, the Fiscal Year 2018 Budget, the Fiscal Year 2019 Budget and the Fiscal Year 2020 Budget contained a provision reducing the amount of income tax revenue to be deposited into the Local Government Distributive Fund for distribution to municipalities, like the City, by 10% for State Fiscal Year 2018 and by 5% for State Fiscal Year 2019 and State Fiscal Year 2020. Subsequent State budgets have not included any such reduction. The Fiscal Year 2018 Budget, and each budget thereafter also include a service fee for collection and processing of local imposed sales taxes. Such fee was 2% of such sales taxes for State Fiscal Year 2018 and was reduced to 1.5% of such sales taxes for State Fiscal Year 2019 and each State Fiscal Year thereafter.

The City cannot determine at this time the financial impact of these provisions on its overall financial condition, but such provisions may result in lower income tax revenues and sales tax revenues distributed to the City. The City can give no assurance that there will not be additional changes in applicable law modifying the manner in which local revenue sharing is allocated by the State, nor can the City predict the effect the State's financial problems, including those caused by the Novel Coronavirus 2019 ("COVID 19") or the various governmental or private actions in reaction thereto, may have on the City's future finances.

### **Future Pension Plan Funding Requirements**

The City participates in the Police Pension Plan and the Fire Pension Plan, both as hereinafter defined. Under the Illinois Pension Code, as amended (the "Pension Code"), the City is required to contribute to each plan in order to achieve a Funded Ratio of 90% by 2040. In order to achieve the 90% Funded Ratio for both plans by 2040, it is expected that the annual employer contributions required by the City will increase over time. The City also participates in the Illinois Municipal Retirement Plan (the "IMRF Plan"), which is a defined benefit pension plan administered by the Illinois Municipal Retirement Fund ("IMRF"); employer contributions are projected by IMRF to increase over time. Increasing annual required employer contributions for the City could have a material adverse effect on the finances of the City.

The Pension Code allows the State Comptroller, after proper procedures have taken place, to divert State payments intended for the City to the Police Pension Plan and the Fire Pension Plan to satisfy contribution shortfalls by the City. If the City does not make 100% of its annual required contributions to the Police Pension Plan and Fire Pension Plan, the City may have revenues withheld by the State Comptroller. Such withholdings by the State Comptroller could adversely affect the City's financial health and operations. See "**EMPLOYEE RETIREMENT PLANS**" herein for a more complete discussion.

### **Cybersecurity**

Computer networks and data transmission and collection are vital to the efficient operation of the City. Despite the implementation of network security measures by the City, its information technology and infrastructure may be vulnerable to deliberate attacks by hackers, malware, ransomware or computer virus, or may otherwise be breached due to employee error, malfeasance or other disruptions. Any such breach could compromise networks and the information stored thereon could be disrupted, accessed, publicly disclosed, lost or stolen. Although the City does not believe that its information technology systems are at a materially greater risk of cybersecurity attacks than other similarly situated governmental entities, any such disruption, access, disclosure or other loss of information could have an adverse effect on the City's operations and financial health. Further, as cybersecurity threats continue to evolve, the City may be required to expend significant additional resources to continue to modify and strengthen security measures, investigate and remediate any vulnerabilities, or invest in new technology designed to mitigate security risks.



## **Local Economy**

The financial health of the City is in part dependent on the strength of the local economy. Many factors affect the local economy, including rates of employment and economic growth and the level of residential and commercial development. It is not possible to predict to what extent any changes in economic conditions, demographic characteristics, population or commercial and industrial activity will occur and what impact such changes would have on the finances of the City.

## **Loss or Change of Bond Rating**

The Bonds have received a credit rating from S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC, New York, New York ("S&P") and Moody's Investors Service, Inc., New York, New York ("Moody's"). The rating can be changed or withdrawn at any time for reasons both under and outside the City's control. Any change, withdrawal or combination thereof could adversely affect the ability of investors to sell the Bonds or may affect the price at which they can be sold.

## **Secondary Market for the Bonds**

No assurance can be given that a secondary market will develop for the purchase and sale of the Bonds or, if a secondary market exists, that such Bonds can be sold for any particular price. The hereinafter-defined Underwriter is not obligated to engage in secondary market trading or to repurchase any of the Bonds at the request of the owners thereof.

Prices of the Bonds as traded in the secondary market are subject to adjustment upward and downward in response to changes in the credit markets and other prevailing circumstances. No guarantee exists as to the future market value of the Bonds. Such market value could be substantially different from the original purchase price.

## **Continuing Disclosure**

A failure by the City to comply with the Continuing Disclosure Undertaking (the "Undertaking") for continuing disclosure (see "**CONTINUING DISCLOSURE**" and "**THE UNDERTAKING**" herein) will not constitute an event of default on the Bonds. Any such failure must be reported in accordance with Rule 15c2-12 (the "Rule") adopted by the Securities and Exchange Commission (the "Commission") under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and may adversely affect the transferability and liquidity of the Bonds and their market price.

## **Suitability of Investment**

The interest rates borne by the Bonds are intended to compensate the investor for assuming the risk of investing in the Bonds. Each prospective investor should carefully examine this Official Statement and its own financial condition to make a judgment as to its ability to bear the economic risk of such an investment, and whether or not the Bonds are an appropriate investment for such investor.

## **Future Changes in Laws**

Various state and federal laws, regulations and constitutional provisions apply to the City and to the Bonds. The City can give no assurance that there will not be a change in, interpretation of, or addition to such applicable laws, provisions and regulations which would have a material effect, either directly or indirectly, on the City, or the taxing authority of the City. For example, many elements of local government finance, including the issuance of debt and the levy of property taxes, are controlled by state government. Future actions of the State may affect the overall financial conditions of the City, the taxable value of property within the City, and the ability of the City to levy property taxes or collect revenues for its ongoing operations.

## **Factors Relating to Tax Exemption**

As discussed under “**TAX EXEMPTION**” herein, interest on the Bonds could become includible in gross income for purposes of federal income taxation, retroactive to the date the Bonds were issued, as a result of future acts or omissions of the City in violation of its covenants in the Bond Ordinance. Should such an event of taxability occur, the Bonds are not subject to any special redemption.

There are or may be pending in the Congress of the United States (“Congress”) legislative proposals relating to the federal tax treatment of interest on the Bonds, including some that carry retroactive effective dates, that, if enacted, could affect the market value of the Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to Bonds issued prior to enactment. Finally, reduction or elimination of the tax-exempt status of obligations such as the Bonds could have an adverse effect on the City’s ability to access the capital markets to finance future capital or operational needs by reducing market demand for such obligations or materially increasing borrowing costs of the City.

The tax-exempt bond office of the Internal Revenue Service (the “Service”) is conducting audits of tax-exempt bonds, both compliance checks and full audits, with increasing frequency to determine whether, in the view of the Service, interest on such tax-exempt obligations is includible in the gross income of the owners thereof for federal income tax purposes. It cannot be predicted whether the Service will commence any such audit. If an audit is commenced, under current procedures the Service may treat the City as a taxpayer and the Bondholders may have no right to participate in such proceeding. The commencement of an audit with respect to any tax-exempt obligations of the City could adversely affect the market value and liquidity of the Bonds, regardless of the ultimate outcome.

## **Bankruptcy**

The rights and remedies of the Bondholders may be limited by and are subject to the provisions of federal bankruptcy laws, to other laws or equitable principles that may affect the enforcement of creditors’ rights, to the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against local governments. The opinion of Bond Counsel (as defined herein) to be delivered with respect to the Bonds will be similarly qualified.

## **THE CITY**

The City, incorporated in 1857, is located in southwestern DuPage County with a portion in Will County and covers an area of approximately 40 square miles. The City is a home-rule unit of government under the 1970 Illinois Constitution and operates under the Council-Manager form of government. The City is located along the I-88 State of Illinois designated High Technology Corridor and is home to many corporate headquarters, research centers and facilities for many well-known national and international companies. The City has been one of the fastest growing communities in the Chicago metropolitan area over the past decade and, based on U.S. Census Bureau estimates, is the fourth largest city in the state with a population of 149,540, as of the 2020 census.

## City Government and Services

Since October 1, 1969, the City has been operating under a Council-Manager form of government. The City Manager is appointed by the Council, which consists of a Mayor and eight Councilmen who are elected for overlapping four-year terms. The Council sets policy for the City, adopts ordinances and resolutions, approves the annual budget and approves all expenditures or disbursements. Total budgeted employment of the City is 958 full-time equivalent positions.

The City owns its own water, wastewater and electric distribution systems. The wastewater system has over 43,000 customers and the water system has over 44,000 customers with consumption of 5.5 billion gallons. The electric system serves over 62,000 customers. Natural gas is provided by Northern Illinois Gas, cable television is provided by Comcast, AT&T Broadband, and Astound Broadband, and telephone service is provided by AT&T and various other companies.

The City’s Police Department, consisting of 185 sworn employees and 92 equivalent civilian employees, provide police protection. The City’s Public Safety Answering Point (the “911 Center”) became accredited in fiscal year 2002, making Naperville the first City in the country with an accredited dispatch center and police and fire department.

The Fire Department, consisting of 190 full-time personnel and 17 administrative staff, provides fire protection as well as paramedic and special rescue services to the City's residents. The Department is staffed 24 hours per day and operates a total of six front line engines, two front line squads, two front line ladder trucks, two alternate response rescue vehicles and eight front line ambulances that operate out of 10 fire stations and are supervised by one Shift Commander and one Safety Officer. The City currently maintains an ISO fire insurance rating of 2. The Fire Department is accredited by the Commission for Public Safety Excellence.

The City owns and appoints a board which operates the Naperville Public Libraries. The libraries contain over 495,000 physical volumes and one million items in their electronic collection, as well as periodicals, audiovisual equipment and software available for City residents. Nichols Library was built in 1986 and is approximately 63,000 square feet in size. The Naper Boulevard Library, a 33,000 square foot branch library, was completed in December 1992. The 95th Street Library was completed in 2003 and is the biggest library of the three in the City with 73,000 square feet in size.

## Employee Relations(1)

Salaries, working conditions and benefits of certain employees in the following departments are governed through bargaining agreements:

Department	Budgeted Full Time Equivalent	Expiration
Water Technicians – IBEW – Local 196 .....	47	December 31, 2025
Water Supervisors – Local 150 .....	6	In Negotiation
Police – Officers – Labor Council/F.O.P. Lodge No. 42 .....	143	December 31, 2024
Police Detention – Labor Council/F.O.P. Lodge No. 42-1 .....	5	December 31, 2025
Police Telecommunications – Labor Council/F.O.P. Lodge No. 42-2 .....	25	December 31, 2025
Police Sergeants – MAP Chapter 363 .....	25	December 31, 2024
Police Records – MAP Chapter 582 .....	5	In Negotiation
Police – Civilian MAP 744 .....	23	December 31, 2027
Electric – IBEW – Local 9 .....	56	December 31, 2025
DPW – Operating Engineers – IUOE Local 150 .....	45	December 31, 2026
DPW – Public Buildings – IUOE Local 399 .....	11	December 31, 2024
Fire – IAFF Local 4302 .....	186	December 31, 2024

Note: (1) Source: City of Naperville.

All other employees are compensated based on a plan approved annually by the City Council.

## **Education**

There are two public school districts that serve the City. Naperville Community Unit School Number 203 has a total enrollment of over 16,000 students for the 2022-2023 school year. District 203 operates 15 elementary schools, five junior high schools and two high schools. Indian Prairie Community Unit School District Number 204 had a total enrollment of over 25,000 for the 2022-2023 school year. District 204 operates twenty-one elementary schools, seven middle schools, three high schools, one alternative school and one pre-school. There are also several private schools within the City and surrounding area.

In addition, there are many higher educational opportunities within the surrounding areas such as Northern Illinois University, North Central College, and College of DuPage. Other educational institutions in surrounding communities include Benedictine University, National-Lewis University, Illinois Institute of Technology, Aurora University, and Wheaton College as well as the many other colleges and universities within the Chicago-land area.

## **Recreation**

The City is served by the Naperville Park District (the “District”). The District maintains and operates more than 2,400 acres with 136 parks, two golf courses, four sports complexes, one activity center, two in-line skating/skateboarding facilities, an aquatic facility, nature center and several baseball and soccer fields and tennis and basketball courts. The District provides a full range of recreational activities, a public open space system, recreation facilities and special events for its citizens. The District provides more than 1,400 recreational, arts and environmental programs and special events.

The City also has a fully developed Riverwalk system that traverses through the City’s downtown. The City is also home to Naper Settlement, a historical settlement which has replica businesses and working shops, primarily from the 19th Century. In addition, the DuPage County Forest Preserve has over 4,500 areas of open space within close proximity of the City.

## **Transportation**

The City is located approximately 28 miles west of downtown Chicago along the Illinois Research and Development Corridor, which was designated in April of 1986 by the State of Illinois as an area targeted for growth as a high-technology corridor. Commuter travel to and from Chicago’s downtown is available via the Burlington-Northern Santa Fe Railway at two train stations. Also accessible to the City are Interstate 290 (the Eisenhower Expressway), Interstate 88 (Reagan Memorial Tollway), Interstate 355 (Veterans Memorial Tollway) and Interstate 55 (Stevenson Expressway). Air travel is also accessible to residents and corporations: O’Hare International Airport is located just 26 miles northeast of the City, Midway Airport is approximately 22 miles east, DuPage County Airport lies 15 miles northwest and Aurora Municipal Airport 10 miles to the west.

## SOCIOECONOMIC INFORMATION

Following are lists of large employers located in the City and in the surrounding area.

### Major City Employers(I)

Name	Product/Service	Approximate Employment
Edward Hospital	General Hospital	4,940
School District Number 204	Public School District	3,130
Nokia	Telecommunications Research	3,000
School District Number 203	Public School District	2,531
Nicor Gas	Gas Distribution Headquarters	2,140
INEOS	Testing Laboratory	1,800
EcoLab/Naico	Water Treatment	1,300
BMO Harris	National Bank	1,250
City of Naperville	Municipality	961
North Central College	Liberal Arts College	700

Note: (1) Source: 2024 Illinois Manufacturers Directory, 2024 Illinois Services Directory.

### Major Area Employers(I)

Location	Name	Product/Service	Approximate Employment
Lisle	Navistar, Inc.	Holding Company Headquarters	2,500
Aurora	Rush Copley Medical Center	General Hospital	2,200
Bolingbrook	Ulta Salon Cosmetics and Fragrance, Inc.	Cosmetics	1,500
Aurora	Amita Health Mercy Medical Center	General Hospital	1,300
Lisle	Amita Health	Medical Center	1,100
Warrenville	EN Engineering, LLC	Engineering	1,000
Lisle	Molex, LLC	Electronic Components	1,000
Bolingbrook	G&W Electric Co.	Electrical Power Equipment	1,000
Lisle	CA Technologies	Software Development	800
Aurora	Metlife, Inc.	Insurance	800
Lisle	Valid USA, Inc.	Marketing Services	700
Bolingbrook	Southern Glazer's Wine and Spirits	Distributor of Wine and Spirits	670

Note: (1) Source: 2024 Illinois Manufacturers Directory, 2024 Illinois Services Directory.

The following tables show employment by industry and by occupation for the City, DuPage County, Will County and the State of Illinois (the "State") as reported by the U.S. Census Bureau 2018-2022 American Community Survey 5-year estimated values.

### Employment By Industry(I)

Classification	The City		DuPage County		Will County		The State	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Agriculture, Forestry, Fishing and Hunting, and Mining	89	0.1%	1,501	0.3%	1,592	0.4%	64,950	1.0%
Construction	1,967	2.6%	24,539	5.0%	25,134	7.0%	342,937	5.5%
Manufacturing	7,833	10.2%	59,848	12.2%	39,811	11.1%	731,486	11.6%
Wholesale Trade	2,631	3.4%	18,085	3.7%	11,585	3.2%	175,238	2.8%
Retail Trade	6,478	8.5%	48,718	10.0%	41,360	11.5%	658,806	10.5%
Transportation and Warehousing, and Utilities	4,263	5.6%	30,893	6.3%	33,623	9.4%	434,186	6.9%
Information	1,753	2.3%	10,127	2.1%	6,011	1.7%	107,181	1.7%
Finance and Insurance, and Real Estate and Rental and Leasing	8,340	10.9%	43,612	8.9%	24,833	6.9%	463,714	7.4%
Professional, Scientific, and Management, and Administrative and Waste Management Services	15,281	19.9%	76,488	15.6%	40,082	11.2%	786,872	12.5%
Educational Services and Health Care and Social Assistance	17,219	22.5%	105,096	21.5%	77,748	21.6%	1,466,053	23.3%
Arts, Entertainment and Recreation and Accommodation and Food Services	6,019	7.9%	38,898	7.9%	28,813	8.0%	527,829	8.4%
Other Services, Except Public Administration	2,934	3.8%	20,589	4.2%	15,420	4.3%	287,651	4.6%
Public Administration	1,829	2.4%	11,006	2.2%	13,452	3.7%	233,544	3.7%
Total	76,636	100.0%	489,400	100.0%	359,464	100.0%	6,280,447	100.0%

Note: (1) Source: U.S. Bureau of the Census, American Community Survey 5-year estimates 2018 to 2022.

### Employment By Occupation(I)

Classification	The City		DuPage County		Will County		The State	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Management, Business, Science and Arts .....	48,463	63.2%	239,578	49.0%	140,787	39.2%	2,614,394	41.6%
Service.....	6,867	9.0%	60,718	12.4%	52,368	14.6%	1,018,669	16.2%
Sales and Office .....	14,955	19.5%	106,565	21.8%	76,580	21.3%	1,276,600	20.3%
Natural Resources, Construction, and Maintenance .....	1,614	2.1%	26,203	5.4%	30,283	8.4%	448,841	7.1%
Production, Transportation, and Material Moving .....	4,737	6.2%	56,336	11.5%	59,446	16.5%	921,943	14.7%
Total.....	76,636	100.0%	489,400	100.0%	359,464	100.0%	6,280,447	100.0%

Note: (1) Source: U.S. Bureau of the Census, American Community Survey 5-year estimates 2018 to 2022.

### Annual Average Unemployment Rates(I)

Calendar Year	The City	DuPage County	Will County	The State
2015.....	4.6%	4.7%	6.2%	5.9%
2016.....	4.6%	4.8%	6.1%	5.9%
2017.....	4.0%	4.1%	5.2%	5.0%
2018.....	3.1%	3.2%	4.1%	4.3%
2019.....	2.8%	2.9%	3.8%	4.0%
2020(2).....	7.0%	7.9%	9.5%	9.5%
2021(2).....	4.3%	4.5%	5.7%	6.1%
2022.....	3.4%	3.6%	4.6%	4.6%
2023.....	3.5%	3.4%	4.2%	4.5%
2024(3).....	3.7%	4.0%	5.5%	5.3%

Notes: (1) Source: Illinois Department of Employment Security.  
 (2) The increase in unemployment rates is attributed to the COVID-19 pandemic.  
 (3) Preliminary rates for February 2024.

### Building Permits

Residential building permit values have averaged \$109,002,132 annually over the last five years in the City, excluding the value of land.

### City Building Permits(I)

Calendar Year	Commercial Construction		Residential Construction		Total
	Number of Units	Value	Number of Units	Value	
2019.....	15	\$45,784,280	246	\$ 81,443,417	\$127,227,697
2020.....	16	83,597,500	301	94,667,367	178,264,867
2021.....	12	24,858,992	286	126,833,970	151,692,962
2022.....	12	34,646,414	62	109,071,084	143,717,498
2023.....	10	60,881,676	183	132,994,823	193,876,499

Note: (1) Source: The City.

## Housing

The U.S. Census Bureau 5-year estimated values reported that the median value of the City’s owner-occupied homes was \$482,600. This compares to \$361,700 for DuPage County, \$283,600 for Will County and \$239,100 for the State. The following table represents the five year average market value of specified owner-occupied units for the City, DuPage and Will Counties and the State at the time of the 2018-2022 American Community Survey.

### Home Values(I)

Value	The City		DuPage County		Will County		The State	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Under \$50,000.....	427	1.1%	3,944	1.5%	5,215	2.7%	180,748	5.5%
\$50,000 to \$99,999 .....	421	1.1%	3,223	1.3%	5,159	2.6%	324,962	9.8%
\$100,000 to \$149,999.....	1,022	2.6%	10,389	4.1%	11,752	6.0%	391,156	11.8%
\$150,000 to \$199,999.....	1,078	2.7%	16,227	6.4%	23,868	12.1%	435,868	13.2%
\$200,000 to \$299,999.....	3,122	7.8%	57,743	22.6%	62,053	31.6%	776,095	23.4%
\$300,000 to \$499,999.....	15,624	39.0%	100,561	39.4%	65,960	33.6%	785,156	23.7%
\$500,000 to \$999,999.....	16,583	41.4%	52,603	20.6%	20,925	10.6%	339,326	10.2%
\$1,000,000 or more .....	1,755	4.4%	10,496	4.1%	1,639	0.8%	79,498	2.4%
Total .....	40,032	100.0%	255,186	100.0%	196,571	100.0%	3,312,809	100.0%

Note: (1) Source: U.S. Bureau of the Census, American Community Survey 5-year estimates 2018 to 2022.

### Mortgage Status(I)

Value	The City		DuPage County		Will County		The State	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Housing Units with a Mortgage.....	27,574	68.9%	168,097	65.9%	137,021	69.7%	2,054,273	62.0%
Housing Units without a Mortgage .....	12,458	31.1%	87,089	34.1%	59,550	30.3%	1,258,536	38.0%
Total .....	40,032	100.0%	255,186	100.0%	196,571	100.0%	3,312,809	100.0%

Note: (1) Source: U.S. Bureau of the Census, American Community Survey 5-year estimates 2018 to 2022.

## Income

### Per Capita Personal Income for the Highest Income Counties in the State(I)

Rank		2018-2022
1.....	<b>DuPage County</b> .....	<b>\$55,107</b>
2.....	Lake County .....	53,677
3.....	Monroe County .....	47,248
4.....	McHenry County .....	46,322
5.....	Cook County .....	45,646
6.....	Kane County .....	44,523
7.....	<b>Will County</b> .....	<b>44,356</b>
8.....	Grundy County.....	42,192
9.....	Menard County .....	41,497
10.....	Piatt County .....	41,429

Note: (1) Source: U.S. Bureau of the Census. 2018-2022 American Community 5-Year Estimates.

The following shows a ranking of median family income for the Chicago metropolitan area from the 2018-2022 American Community Survey.

### Ranking of Median Family Income(I)

<u>County</u>	<u>Family Income</u>	<u>Rank</u>
<b>DuPage County</b> .....	<b>\$131,901</b>	<b>1</b>
Lake County.....	126,685	2
Monroe County.....	123,603	3
<b>Will County</b> .....	<b>119,675</b>	<b>4</b>
McHenry County.....	116,736	5
Kendall County.....	114,678	6
Kane County.....	112,260	7
Cook County.....	97,520	15

Note: (1) Source: U.S. Bureau of the Census 2018-2022 American Community Survey 5-Year Estimates.

The U.S. Census Bureau 5-year estimated values reported that the City had a median family income of \$170,228. This compares to \$131,901 for DuPage County, \$119,675 for Will County and \$99,215 for the State. The following table represents the distribution of family incomes for the City, DuPage and Will Counties and the State at the time of the 2018-2022 American Community Survey.

### Family Income(I)

<u>Income</u>	<u>The City</u>		<u>DuPage County</u>		<u>Will County</u>		<u>The State</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Under \$10,000.....	596	1.5%	4,268	1.7%	3,156	1.8%	92,548	3.0%
\$10,000 to \$14,999.....	339	0.8%	2,105	0.9%	1,827	1.0%	51,680	1.6%
\$15,000 to \$24,999.....	463	1.1%	5,288	2.2%	4,271	2.4%	127,333	4.1%
\$25,000 to \$34,999.....	686	1.7%	7,017	2.9%	5,644	3.2%	160,445	5.1%
\$35,000 to \$49,999.....	1,287	3.2%	13,031	5.3%	10,915	6.1%	267,949	8.5%
\$50,000 to \$74,999.....	2,811	7.0%	27,414	11.2%	21,875	12.2%	455,252	14.5%
\$75,000 to \$99,999.....	2,955	7.3%	29,591	12.1%	22,383	12.5%	423,500	13.5%
\$100,000 to \$149,999.....	7,974	19.8%	52,737	21.6%	44,837	25.1%	660,439	21.1%
\$150,000 to \$199,999.....	6,936	17.2%	37,929	15.5%	29,619	16.6%	385,443	12.3%
\$200,000 or more.....	16,239	40.3%	65,038	26.6%	34,351	19.2%	509,514	16.3%
Total.....	40,286	100.0%	244,418	100.0%	178,878	100.0%	3,134,103	100.0%

Note: (1) Source: U.S. Bureau of the Census, American Community Survey 5-year estimates 2018 to 2022.

The U.S. Census Bureau 5-year estimated values reported that the City had a median household income of \$143,754. This compares to \$107,035 for DuPage County, \$103,678 for Will County and \$78,433 for the State. The following table represents the distribution of household incomes for the City, DuPage and Will Counties and the State at the time of the 2018-2022 American Community Survey.

### Household Income(I)

<u>Income</u>	<u>The City</u>		<u>DuPage County</u>		<u>Will County</u>		<u>The State</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Under \$10,000.....	1,401	2.6%	11,096	3.2%	6,996	2.9%	261,983	5.3%
\$10,000 to \$14,999.....	863	1.6%	5,717	1.6%	4,157	1.7%	173,630	3.5%
\$15,000 to \$24,999.....	1,344	2.5%	13,518	3.9%	9,563	4.0%	332,403	6.7%
\$25,000 to \$34,999.....	1,627	3.0%	15,894	4.6%	11,382	4.8%	350,966	7.1%
\$35,000 to \$49,999.....	2,926	5.4%	25,898	7.4%	18,390	7.7%	500,799	10.1%
\$50,000 to \$74,999.....	4,805	8.9%	47,717	13.7%	33,686	14.1%	766,671	15.4%
\$75,000 to \$99,999.....	5,064	9.4%	44,271	12.7%	31,136	13.0%	639,046	12.9%
\$100,000 to \$149,999.....	10,029	18.6%	68,972	19.8%	53,089	22.2%	876,255	17.6%
\$150,000 to \$199,999.....	7,830	14.5%	44,549	12.8%	32,891	13.8%	467,313	9.4%
\$200,000 or more.....	17,926	33.3%	71,238	20.4%	37,774	15.8%	599,695	12.1%
Total.....	53,815	100.0%	348,870	100.0%	239,064	100.0%	4,968,761	100.0%

Note: (1) Source: U.S. Bureau of the Census, American Community Survey 5-year estimates 2018 to 2022.



**Retail Activity**

Following is a summary of the City’s sales tax receipts as collected and disbursed by the State of Illinois.

**Retailers’ Occupation, Service Occupation and Use Tax(1)(2)**

State Fiscal Year Ending June 30	State Sales Tax Distributions (2)	Percent Change +/-
2014 .....	\$32,014,712	6.61%
2015 .....	33,336,313	4.13%
2016 .....	33,127,574	(0.63%)
2017 .....	33,425,456	0.90%
2018 .....	33,954,574	1.58%
2019 .....	34,166,270	0.62%
2020 .....	35,291,359	3.29%
2021 .....	34,531,683	(2.15%)
2022 .....	44,290,036	28.26%
2023 .....	46,070,964	4.02%
Growth from 2014 to 2023 .....		43.91%

- Notes: (1) Source: Illinois Department of Revenue.  
 (2) Tax distributions are based on records of the Illinois Department of Revenue relating to the 1% municipal portion of the Retailers’ Occupation, Service Occupation and Use Tax, collected on behalf of the City, less a State administration fee. The municipal 1% includes tax receipts from the sale of food and drugs which are not taxed by the State. Does not include home-rule sales tax.

The City receives a 1% sales tax as part of a tax collected throughout the State. The tax proceeds are distributed based upon the point where sales originated. The City also receives a 0.75% home rule sales tax. The City uses the proceeds of the home rule sales tax for capital projects and debt service.

**DEFAULT RECORD**

The City has no record of default and has met its debt repayment obligations promptly.

**SHORT-TERM BORROWING**

The City has not issued tax anticipation warrants or revenue anticipation notes during the last five years to meet its short-term current year cash flow requirements.

**FUTURE DEBT PLANS**

The City plans to issue approximately \$44 million of general obligation bonds in 2025 to fund various capital projects throughout the City including upgrades to the City’s water and wastewater system, electric utility improvements, and general governmental infrastructure improvements.

The City has identified approximately \$373 million of capital needs within its water and wastewater infrastructure, which it is currently targeting to complete over the next five years. The City has established a fixed capital charge within its water utility billing to provide a funding source for capital projects within its water fund. The City has also established a Phosphorus Removal Fund to provide a funding source for capital projects related to the remediation of phosphorus within its wastewater system, which is funded by a graduated phosphorus surcharge on wastewater customers. It is likely that additional funding will be required to complete these capital projects, including the issuance of bonds or state revolving fund loans.

## DEBT INFORMATION

The City is a home rule unit of government under the State Constitution and, as such, is not subject to any statutory debt limitation. After giving effect to the issuance of the Bonds, the City will have outstanding \$101,930,000 (subject to change) principal amount of general obligation debt. A portion of the debt service for the City's general obligation debt is expected to be paid through sources other than general *ad valorem* taxes, including water and wastewater fund revenues, electric fund revenues, TIF revenues, and Special Service Area taxes.

### General Obligation Bonded Debt(1) (Principal Only)

Calendar Year	Series 2012	Series 2013	Series 2014	Series 2016	Series 2017	Series 2018	Series 2020	Series 2022	The Bonds(2)	Total Principal Alt. G.O. Bonds(2)	Cumulative Principal Retired(2)	
	(12/1)	(12/1)	(12/1)	(12/1)	(12/1)	(12/1)	(12/1)	(12/1)	(12/1)		Amount	Percent
2024 .....	\$1,445,000	\$ 500,000	\$ 900,000	\$ 5,975,000	\$ 310,000	\$ 180,000	\$ 2,390,000	\$ 250,000	\$ 0	\$ 11,950,000	\$ 11,950,000	11.72%
2025 .....	1,175,000	500,000	1,400,000	4,785,000	320,000	190,000	2,540,000	235,000	1,275,000	12,420,000	24,370,000	23.91%
2026 .....	0	200,000	1,000,000	3,800,000	330,000	300,000	2,305,000	245,000	1,415,000	9,595,000	33,965,000	33.32%
2027 .....	0	200,000	2,200,000	2,925,000	340,000	150,000	2,105,000	255,000	535,000	8,710,000	42,675,000	41.87%
2028 .....	0	200,000	1,100,000	3,170,000	350,000	220,000	2,205,000	265,000	565,000	8,075,000	50,750,000	49.79%
2029 .....	0	200,000	600,000	1,135,000	360,000	330,000	2,945,000	275,000	590,000	6,435,000	57,185,000	56.10%
2030 .....	0	200,000	1,200,000	775,000	370,000	160,000	2,370,000	285,000	620,000	5,980,000	63,165,000	61.97%
2031 .....	0	420,000	800,000	935,000	380,000	245,000	800,000	295,000	705,000	4,580,000	67,745,000	66.46%
2032 .....	0	0	600,000	970,000	395,000	255,000	815,000	310,000	740,000	4,085,000	71,830,000	70.47%
2033 .....	0	0	0	995,000	405,000	265,000	830,000	320,000	775,000	3,590,000	75,420,000	73.99%
2034 .....	0	0	0	1,030,000	415,000	280,000	845,000	325,000	820,000	3,715,000	79,135,000	77.64%
2035 .....	0	0	0	760,000	430,000	290,000	865,000	335,000	860,000	3,540,000	82,675,000	81.11%
2036 .....	0	0	0	0	445,000	300,000	885,000	345,000	895,000	2,870,000	85,545,000	83.93%
2037 .....	0	0	0	0	455,000	315,000	905,000	360,000	925,000	2,960,000	88,505,000	86.83%
2038 .....	0	0	0	0	0	325,000	925,000	370,000	960,000	2,580,000	91,085,000	89.36%
2039 .....	0	0	0	0	0	0	945,000	380,000	1,000,000	2,325,000	93,410,000	91.64%
2040 .....	0	0	0	0	0	0	970,000	390,000	1,045,000	2,405,000	95,815,000	94.00%
2041 .....	0	0	0	0	0	0	0	405,000	1,080,000	1,485,000	97,300,000	95.46%
2042 .....	0	0	0	0	0	0	0	0	1,540,000	1,540,000	98,840,000	96.97%
2043 .....	0	0	0	0	0	0	0	0	1,605,000	1,605,000	100,445,000	98.54%
2044 .....	0	0	0	0	0	0	0	0	1,485,000	1,485,000	101,930,000	100.00%
<b>Total .....</b>	<b>\$2,620,000</b>	<b>\$2,420,000</b>	<b>\$9,800,000</b>	<b>\$27,255,000</b>	<b>\$5,305,000</b>	<b>\$3,805,000</b>	<b>\$25,645,000</b>	<b>\$5,645,000</b>	<b>\$19,435,000</b>	<b>\$101,930,000</b>		

Notes: (1) Source: the City.  
 (2) Subject to change.

### Detailed Overlapping Bonded Debt (I) (2) (As of February 16, 2024)

	Outstanding Debt	Applicable to City	
		Percent(3)	Amount
<b>Schools:</b>			
School District Number 200 .....	\$ 29,150,000	0.29%	\$ 85,475
School District Number 202 .....	91,045,000	1.45%	1,321,881
School District Number 203 .....	4,100,000	78.53%	3,219,866
School District Number 204 .....	60,410,000	60.38%	36,475,590
School District Number 365 .....	157,778,970	0.0002%	344
Community College Number 502 .....	103,020,000	16.12%	16,611,110
Community College Number 525 .....	98,510,000	0.24%	240,015
Total Schools .....			<u>\$ 57,954,281</u>
<b>Others:</b>			
DuPage County .....	\$ 87,140,000	12.11%	\$ 10,553,277
DuPage County Forest Preserve .....	55,545,000	12.11%	6,726,897
Will County .....	342,550,000	10.85%	37,181,306
Will County Forest Preserve District .....	56,320,000	10.85%	6,113,126
Lisle Park District .....	3,660,000	0.44%	16,113
Naperville Park District .....	21,760,000	96.55%	21,009,402
Wheaton Park District .....	7,716,178	0.25%	19,675
Total Others .....			<u>\$ 81,619,795</u>
Total Schools and Others Overlapping Bonded Debt .....			<u>\$139,574,076</u>

- Note: (1) Source: DuPage and Will County Clerk.  
 (2) Includes alternate revenue source bonds. Does not include debt certificates.  
 (3) Percentages are based on 2022 Equalized Assessed Valuations, the most recent available.

### Statement of Bonded Indebtedness (I)

	Amount Applicable	Ratio To		Per Capita (2020 Census 149,540)
		Equalized Assessed	Estimated Actual	
Assessed Valuation of Taxable Property, 2022 .....	\$ 8,328,706,177	100.00%	33.33%	\$ 55,695.51
Estimated Actual Value, 2022 .....	\$24,986,118,531	300.00%	100.00%	\$167,086.52
City Direct Bonded Debt(2) .....	\$ 101,930,000	1.22%	0.41%	\$ 681.62
Overlapping Debt(3)				
Schools .....	\$ 57,954,281	0.70%	0.23%	\$ 387.55
All Others .....	81,619,795	0.98%	0.33%	545.81
Total Overlapping Bonded Debt .....	<u>\$ 139,574,076</u>	<u>1.68%</u>	<u>0.56%</u>	<u>\$ 933.36</u>
Total Net Direct & Overlapping Debt(2) .....	<u>\$ 241,504,076</u>	<u>2.90%</u>	<u>0.97%</u>	<u>\$ 1,614.98</u>

- Notes: (1) Source: The City.  
 (2) Includes the Bonds. Subject to change.  
 (3) As of February 16, 2024.

### PROPERTY ASSESSMENT AND TAX INFORMATION

For the 2022 levy year, the City's EAV was comprised of approximately 82% residential, 18% commercial and industrial, and less than 1% of farm and railroad property valuations.

### Equalized Assessed Valuation (I)

Property Class	Levy Years				
	2018	2019	2020	2021	2022
Residential .....	\$5,839,588,664	\$6,024,168,661	\$6,320,681,261	\$6,450,203,140	\$6,813,223,558
Farm .....	359,566	454,951	248,611	239,651	254,185
Commercial/Industrial .....	1,375,414,773	1,421,814,242	1,452,594,887	1,465,176,271	1,506,874,967
Railroad .....	4,322,495	5,015,287	6,014,713	7,133,537	8,353,467
Total .....	<u>\$7,219,685,498</u>	<u>\$7,451,453,141</u>	<u>\$7,779,539,472</u>	<u>\$7,922,752,599</u>	<u>\$8,328,706,177</u>
Percent change +(-)	3.84%(2)	3.21%	4.40%	1.84%	5.12%

- Notes: (1) Source: DuPage and Will County Clerks' offices.  
 (2) Percentage based on 2017 EAV of \$6,952,570,228.

### Tax Increment Financing Districts Located within the City

A portion of the City’s EAV is contained in TIF districts, as detailed below. When a TIF district is created within the boundaries of a taxing body, such as the City, the EAV of the portion of real property designated as a TIF district is frozen at the level of the tax year in which it was designated as such (the “Base EAV”). Any incremental increases in property tax revenue produced by the increase in EAV (the “Incremental EAV”) derived from the redevelopment project area during the life of the TIF district are not provided to the City until the TIF district expires. The City is not aware of any new TIF districts planned in the immediate future.

#### Tax Increment Financing Districts Located within the City(1)

<u>Location/Name of TIF</u>	<u>Expiration Year</u>	<u>Base EAV</u>	<u>2022 EAV</u>	<u>Incremental EAV</u>
Naperville TIF 1 - Water Street .....	2037	\$1,809,193	\$9,770,090	\$ 7,960,897
				Total Incremental EAV .....
				\$ 7,960,897
				2022 EAV .....
				8,328,706,177
				Enterprise Zone EAV .....
				<u>0</u>
				Total EAV .....
				\$8,336,667,074

Note: (1) Source: DuPage and Will County Clerks.

#### Representative Tax Rates(1) (Per \$100 EAV)

	<u>Levy Years</u>				
	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
<b>City Rates:</b>					
Corporate Fund .....	\$0.0439	\$0.0739	\$0.0850	\$0.0852	\$0.0841
Bonds and Interest.....	0.1591	0.1283	0.1224	0.1107	0.0984
IMRF .....	0.0305	0.0356	0.0357	0.0280	0.0247
Firefighter's Pension .....	0.1177	0.1241	0.1266	0.1269	0.1203
Police Pension.....	0.0911	0.0913	0.0949	0.0950	0.0953
Aquarium/Museum.....	0.0392	0.0380	0.0364	0.0494	0.0500
Aggregate Refunds.....	0.0000	0.0000	0.0000	0.0005	0.0004
Library .....	<u>0.2055</u>	<u>0.2025</u>	<u>0.1939</u>	<u>0.1935</u>	<u>0.1919</u>
Total City Rate.....	<u>\$0.6870</u>	<u>\$0.6937</u>	<u>\$0.6949</u>	<u>\$0.6892</u>	<u>\$0.6651</u>
DuPage County .....	0.1673	0.1655	0.1609	0.1587	0.1428
DuPage County Forest Preserve District.....	0.1278	0.1242	0.1205	0.1177	0.1130
DuPage Airport Authority .....	0.0146	0.0141	0.0148	0.0144	0.0139
Naperville Township(2) .....	0.0765	0.0732	0.0731	0.0742	0.0737
Naperville Park District .....	0.3149	0.3060	0.2931	0.3013	0.3002
Unit School District 204 .....	5.4589	5.3600	4.8841	4.9142	4.9580
Community College District Number 502 .....	<u>0.2317</u>	<u>0.2112</u>	<u>0.2114</u>	<u>0.2037</u>	<u>0.1946</u>
Total(3) .....	<u>\$7.0787</u>	<u>\$6.9479</u>	<u>\$6.4528</u>	<u>\$6.4734</u>	<u>\$6.4613</u>

Notes: (1) Source: DuPage County Clerk.  
 (2) Includes Road and Bridge.  
 (3) Representative tax rate is for Tax Code No 8043 which represents the largest tax code of the City's 2022 EAV; the latest data available.

#### Tax Extensions and Collections(1)

<u>Levy Year</u>	<u>Collection Year</u>	<u>Tax Extensions</u>	<u>Total Collected</u>	<u>Percent</u>
2018.....	2019 .....	\$49,572,297	\$49,411,057	99.67%
2019 .....	2020 .....	51,653,948	51,467,940	99.64%
2020 .....	2021 .....	54,060,616	53,834,548	99.58%
2021.....	2022 .....	54,548,152	54,512,380	99.93%
2022.....	2023 .....	57,758,836	57,711,133	99.92%

Note: (1) Source: the City.

### Principal Taxpayers(1)

<u>Taxpayer Name</u>	<u>Type of Property</u>	<u>2022 EAV(2)</u>
FPA WC Fifteen98 LLC .....	Real Property.....	\$ 24,661,630
Agellan Warrenville LP.....	Real Property.....	20,041,340
Heritage Woods Towers LLC.....	Real Property.....	19,823,410
Ryan PTS.....	Real Property.....	19,525,870
CF Railway Multifamily.....	Real Property.....	18,207,180
NS-MPG Inc. ....	Nokia Building.....	16,462,600
Inland Private Capital.....	Real Property.....	16,140,300
Sir Properties REIT LLC.....	Real Property.....	16,100,990
Edward Health Services.....	Hospital.....	16,048,010
TGM McDowell Place LLC.....	Apartment Complex.....	15,865,080
Total .....		\$182,876,410
10 Largest Taxpayers as Percent of Total.....		2.20%

Notes: (1) Source: DuPage and Will County Clerks.  
 (2) Every effort has been made to seek out and report the largest taxpayers. However, many of the taxpayers listed contain multiple parcels and it is possible that some parcels and their valuations have been overlooked. The 2022 EAV is the most current available.

## REAL PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION PROCEDURES

### Summary of Property Assessment, Tax Levy and Collection Procedures

A separate tax to pay the principal of and certain interest on the Bonds will be levied on all taxable real property within the City. The information under this caption describes the current procedures for real property assessments, tax levies and collections in the County. There can be no assurance that the procedures described herein will not change.

### Tax Levy and Collection Procedures

Local assessment officers determine the assessed valuation of taxable real property and railroad property not held or used for railroad operations. The Illinois Department of Revenue (the “Department”) assesses certain other types of taxable property, including railroad property held or used for railroad operations. Local assessment officers’ valuation determinations are subject to review at the county level and then, in general, to equalization by the Department. Such equalization is achieved by applying to each county’s assessments a multiplier determined by the Department. The purpose of equalization is to provide a common basis of assessments among counties by adjusting assessments toward the statutory standard of 33-1/3% of fair cash value. Farmland is assessed according to a statutory formula which takes into account factors such as productivity and crop mix. Taxes are extended against the assessed values after equalization.

Property tax levies of each taxing body are filed in the office of the county clerk of each county in which territory of that taxing body is located. The county clerk computes the rates and amount of taxes applicable to taxable property subject to the tax levies of each taxing body and determines the dollar amount of taxes attributable to each respective parcel of taxable property. The county clerk then supplies to the appropriate collecting officials within the county the information needed to bill the taxes attributable to the various parcels therein. After the taxes have been collected, the collecting officials distribute to the various taxing bodies their respective shares of the taxes collected. Taxes levied in one calendar year are due and payable in two installments during the next calendar year. Taxes that are not paid when due, or that are not paid by mail and postmarked on or before the due date, are subject to a penalty of 1-1/2% per month until paid. Unpaid property taxes, together with penalties, interest and costs, constitute a lien against the property subject to the tax.

## Unpaid Taxes and Annual Tax Sales

Taxes that are not paid when due, or that are not paid by mail and postmarked on or before the due date, are deemed delinquent and bear interest at the rate of 1.50% per month (or portion thereof) until paid. Unpaid property taxes, together with penalties, interest and costs, constitute a lien against the property subject to the tax. If taxes go unpaid for 13 months, each county treasurer is required to sell the delinquent property taxes at the “Annual Tax Sale” — a sale of tax liens, not properties. A public sale is held, at which time successful tax buyers pay the unpaid taxes plus penalties. Taxpayers can redeem their property by paying the amount paid at the sale, plus interest penalties and fees. If no redemption is made within the applicable redemption period, then the tax buyer can secure a court-ordered deed to the home. If a tax buyer can prove the home has been abandoned, the period for seeking a deed can be shortened to two years. Owners of vacant, commercial and industrial properties have six months to redeem their taxes before the tax buyer can seek ownership of the property.

If there is no sale of the tax lien on a parcel of property at the Annual Tax Sale, the taxes are forfeited and the property becomes eligible to be purchased at any time thereafter at an amount equal to all delinquent taxes and interest accrued to the date of purchase. Redemption periods and procedures are the same as applicable to the Annual Tax Sale. When taxes go unpaid for more than 20 years, Illinois law states that the property is “forfeited to the state.” As a practical matter, this does not happen. Instead, the taxes are wiped out, as the property remains in its distressed condition barring a change in the owner’s circumstances or it being sold.

## Exemptions

The Illinois Property Tax Code, as amended (the “Property Tax Code”), exempts certain property from taxation. Certain property is exempt from taxation on the basis of ownership and/or use, including, but not limited to, public parks, not-for-profit schools, public schools, churches, not-for-profit hospitals and public hospitals. In addition, the Property Tax Code provides a variety of homestead exemptions, which are discussed below.

An annual General Homestead Exemption provides that the EAV of certain property owned and used for residential purposes (“Residential Property”) may be reduced by the amount of any increase over the 1977 EAV, up to a maximum reduction of \$6,000. Beginning with tax year 2023, the maximum reduction in the five collar counties (DuPage, Kane, Lake, McHenry and Will) (the “Collar Counties”) is \$8,000.

The Homestead Improvement Exemption applies to Residential Property that has been improved or rebuilt in the two years following a catastrophic event, as defined in the Property Tax Code. The exemption is limited to an annual maximum amount of \$75,000 for up to four years, to the extent the assessed value is attributable solely to such improvements or rebuilding.

The Senior Citizens Homestead Exemption annually reduces the EAV on residences owned and occupied by senior citizens. Beginning with tax year 2013, the maximum exemption is \$5,000.

The Senior Citizens Assessment Freeze Homestead Exemption freezes property tax assessments for homeowners who are 65 and older, reside in their property as their principal place of residence and receive a household income not in excess of the maximum income limitation. The maximum income limitation is \$55,000 for assessment year 2008 through assessment year 2017. Beginning in assessment year 2018, the maximum income limitation is \$65,000. This exemption grants to qualifying senior citizens an exemption equal to the difference between (a) the current EAV of the residence and (b) the EAV of a senior citizen’s residence for the year prior to the year in which he or she first qualifies and applies for the exemption, plus the EAV of improvements since such year.

Purchasers of certain single family homes and residences of one to six units located in certain targeted areas (as defined in the Property Tax Code) can apply for the Community Stabilization Assessment Freeze Pilot Program. To be eligible the purchaser must meet certain requirements for rehabilitating the property, including expenditures of at least \$5 per square foot, adjusted by the Consumer Price Index (“CPI”). Upon meeting the requirements, the assessed value of the improvements is reduced by (a) 90% in the first seven years, (b) 65% in the eighth year and (c) 35% in the ninth year. The benefit ceases in the tenth year. The program will be phased out by June 30, 2029.

The Natural Disaster Homestead Exemption (the “Natural Disaster Exemption”) applies to homestead properties containing a residential structure that has been rebuilt following a natural disaster occurring in taxable year 2012 or any taxable year thereafter. A natural disaster is an occurrence of widespread or severe damage or loss of property resulting from any catastrophic cause including but not limited to fire, flood, earthquake, wind, or storm. The Natural Disaster Exemption is equal to the EAV of the residence in the first taxable year for which the taxpayer applies for the exemption minus the base amount. To be eligible for the Natural Disaster Exemption, the residential structure must be rebuilt within two years after the date of the natural disaster, and the square footage of the rebuilt residential structure may not be more than 110% of the square footage of the original residential structure as it existed immediately prior to the natural disaster. The Natural Disaster Exemption remains at a constant amount until the taxable year in which the property is sold or transferred.

Three exemptions are available to veterans of the United States armed forces. The Veterans with Disabilities Exemption for Specially-Adapted Housing exempts up to \$100,000 of the Assessed Valuation of property owned and used exclusively by veterans with a disability, their spouses or unmarried surviving spouses. Qualification for this exemption requires the veteran’s disability to be of such a nature that the federal government has authorized payment for purchase of specially adapted housing under the U.S. Code as certified to annually by the Illinois Department of Veterans Affairs or for housing or adaptations donated by a charitable organization to such disabled veteran.

The Standard Homestead Exemption for Veterans with Disabilities provides an annual homestead exemption to veterans with a service-connected disability based on the percentage of such disability. If the veteran has a (a) service-connected disability of 30% or more but less than 50%, the annual exemption is \$2,500, (b) service-connected disability of 50% or more but less than 70%, the annual exemption is \$5,000, and (c) service-connected disability of 70% or more, the property is exempt from taxation.

The Returning Veterans’ Homestead Exemption is available for property owned and occupied as the principal residence of a veteran in the assessment year, and the year following the assessment year, in which the veteran returns from an armed conflict while on active duty in the United States armed forces. This provision grants a one-time, two-year homestead exemption of \$5,000.

Finally, the Homestead Exemption for Persons with Disabilities provides an annual homestead exemption in the amount of \$2,000 for property that is owned and occupied by certain disabled persons who meet State-mandated guidelines.

### **Property Tax Extension Limitation Law**

The Property Tax Extension Limitation Law, as amended (the “Limitation Law”), limits the annual growth in the amount of property taxes to be extended for certain Illinois non-home-rule units. In general, the annual growth permitted under the Limitation Law is the lesser of 5% or the percentage increase in the CPI during the calendar year preceding the levy year. Taxes can also be increased due to new construction, referendum approval of tax rate increases, mergers and consolidations.

**The City is a Home Rule unit of government and is not subject to the Limitation Law.**

## **Truth in Taxation Law**

Legislation known as the Truth in Taxation Law (the “Law”) limits the aggregate amount of certain taxes which can be levied by, and extended for, a taxing district to 105% of the amount of taxes extended in the preceding year unless specified notice, hearing and certification requirements are met by the taxing body. The express purpose of the Law is to require published disclosure of, and hearing upon, an intention to adopt a levy in excess of the specified levels. The provisions of the Truth in Taxation Law do not apply to levies made to pay principal of and interest on the Bonds.

## **FINANCIAL INFORMATION**

### **Investment and Cash Management Policy**

The City has adopted a comprehensive Investment and Cash Management Policy (the “Policy”) addressing the administration of all funds except those restricted by specific ordinances. Examples of funds not subject to the Policy are debt service and reserve funds which are subject to limitations set forth in the bond ordinances authorizing the issuance of the related bonds.

The City Manager has delegated the responsibility of management of the Policy to the Director of Finance. In addition, the Financial Advisory Board (the “FAB”) which is appointed by the City Council will undertake specific tasks such as reviewing the Policy as assigned by the Mayor and City Council. The Director of Finance provides an investment report to FAB quarterly.

The City’s investment objective as summarized in the Policy is to preserve capital, provide liquidity, and maximize investment income. Further, the Policy establishes a standard of prudence which states the “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 contracts with financial institutions to provide investments. In order to protect the City from the failure of any financial institutions, the City requires full collateralization of all City investments in accordance with the City’s collateral agreement. The objective with all investments is to maximize returns. In order to maximize returns, funds should be kept at the money managers and only a minimum amount of cash should be on hand. The minimum amount of cash will be used to provide adequate short-term funding for payroll and accounts payable. However, the maximum that will be held is an amount equal to 10% of the annual budget.

The Policy requires that liquidity in the portfolio be maintained to meet operating needs based on cash forecasts. Repurchase agreements can be used to provide liquidity and maintain investment returns. The maximum maturity for the City investments shall be twenty years, except for CMO’s whose average life may not exceed ten years at 100 PSA. The average maturity of the total portfolio shall not exceed five years, unless otherwise recommended by the professional investment advisors.

### **Financial Reports**

The City’s financial statements are audited annually by certified public accountants. The City’s financial statements are completed on a modified accrual basis of accounting consistent with generally accepted accounting principles applicable to governmental entities. See **APPENDIX A** for more detail.



## **No Consent or Updated Information Requested of the Auditor**

The tables contained in this “**FINANCIAL INFORMATION**” section (the “Excerpted Financial Information”) are from the audited financial statements of the City, including the audited financial statements for the fiscal year ended December 31, 2022 (the “2022 Audit”), which was approved by formal action of the City Council and attached to this Official Statement as **APPENDIX A**. The City has not requested the Auditor to update information contained in the Excerpted Financial Information or the 2022 Audit; nor has the City requested that the Auditor consent to the use of the Excerpted Financial Information or the 2022 Audit in this Official Statement. Other than as expressly set forth in this Official Statement, the financial information contained in the Excerpted Financial Information and 2022 Audit has not been updated since the date of the 2022 Audit. The inclusion of the Excerpted Financial Information and 2022 Audit in this Official Statement in and of itself is not intended to demonstrate the fiscal condition of the City since the date of the 2022 Audit. Questions or inquiries relating to financial information of the City since the date of the 2022 Audit should be directed to the City.

*The remainder of this page was left intentionally blank.*

## Summary Financial Information

The following tables are summaries and do not purport to be the complete audits, copies of which are available upon request. See **APPENDIX A** for the City's 2022 Audit.

### Statement of Net Assets/Position Governmental Activities

	Audited as of December 31				
	2018	2019	2020	2021	2022
<b>ASSETS:</b>					
Cash and Investments .....	\$ 64,990,660	\$ 73,855,044	\$ 97,691,472	\$115,601,037	\$144,524,481
Receivables, net.....	42,702,611	50,685,306	49,425,378	56,257,356	62,665,689
Due from Other Governments.....	14,629,910	13,284,112	12,270,278	14,007,298	15,335,288
Internal Balances.....	0	0	13,609	97,111	246,789
Prepays .....	0	0	197,433	182,085	0
Net Pension Asset – IMRF .....	0	0	5,632,192	21,033,704	0
Capital Assets Not Being Depreciated .....	189,742,141	190,136,745	193,252,920	196,988,253	199,078,432
Capital Assets Being Depreciated, Net of Depreciation ...	<u>315,414,553</u>	<u>304,800,977</u>	<u>289,518,917</u>	<u>286,822,570</u>	<u>284,709,830</u>
Total Assets .....	\$627,479,875	\$632,762,184	\$648,002,199	\$690,989,414	\$706,560,509
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Unamortized loss on refunding .....	\$ 2,637,133	\$ 2,387,952	\$ 2,138,772	\$ 1,893,824	\$ 1,695,433
Deferred Items – IMRF .....	13,729,183	3,411,885	1,894,038	4,000,102	17,748,128
Deferred Items – Police Pension .....	14,789,838	9,733,911	10,565,541	13,151,008	35,543,892
Deferred Items – Firefighters' Pension.....	19,564,436	14,755,804	14,345,152	18,087,964	43,706,888
Deferred Items – OPEB .....	0	849,785	4,616,751	3,934,244	3,226,137
Total Deferred Outflows or Resources .....	<u>50,720,590</u>	<u>31,139,337</u>	<u>33,560,254</u>	<u>41,067,142</u>	<u>101,920,478</u>
Total Assets and Deferred Outflows of Resources.....	\$678,200,465	\$663,901,521	\$681,562,453	\$732,056,556	\$808,480,987
<b>LIABILITIES:</b>					
Accounts Payable.....	\$ 11,943,466	\$ 16,141,172	\$ 14,693,436	\$ 14,343,666	\$ 19,192,833
Accrued Interest Payable.....	255,270	221,116	238,263	209,644	184,445
Due to Other Governments.....	301,041	245,891	592,192	487,531	308,660
Due to Fiduciary Funds .....	97,236	0	0	0	0
Unearned Revenue .....	3,435,148	380,999	4,508,943	11,730,216	18,779,061
Long Term Liabilities:					
Due Within One Year.....	16,826,780	14,161,333	12,595,746	12,013,824	12,251,713
Due In More Than One Year .....	<u>255,924,923</u>	<u>221,948,125</u>	<u>214,743,427</u>	<u>187,686,865</u>	<u>285,740,952</u>
Total Liabilities.....	\$288,783,864	\$253,098,636	\$247,372,007	\$226,471,746	\$336,457,664
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Property Taxes .....	\$ 36,017,709	\$ 38,131,198	\$ 40,240,561	\$ 41,092,106	\$ 41,323,871
Deferred Lease Income .....					4,964,347
Deferred Items-IMRF.....	2,633,821	7,530,659	15,347,624	24,705,816	183,033
Deferred Items-Police Pension .....	7,053,402	10,138,985	15,573,346	19,889,680	227,579
Deferred Items-OPEB.....	641,823	550,149	580,682	1,084,077	4,916,884
Deferred Items-Firefighters' Pension .....	3,790,345	9,522,057	12,031,435	18,110,750	4,452,355
Total Deferred Inflows or Resources .....	<u>50,137,100</u>	<u>65,873,048</u>	<u>83,773,648</u>	<u>104,882,429</u>	<u>56,068,069</u>
Total Liabilities and Deferred Inflows of Resources.....	\$338,920,964	\$318,971,684	\$331,145,655	\$331,354,175	\$392,525,733
<b>NET POSITION:</b>					
Invested in Capital Assets, Net of Related Debt.....	\$413,490,509	\$409,050,496	\$392,642,118	\$402,304,931	\$409,406,154
Restricted .....	16,901,523	26,342,789	20,950,256	25,028,664	31,203,158
Unrestricted .....	<u>(91,112,399)</u>	<u>(93,892,139)</u>	<u>(63,175,576)</u>	<u>(26,631,214)</u>	<u>(24,654,058)</u>
Total Net Position .....	<u>\$339,279,633</u>	<u>\$341,501,146</u>	<u>\$350,416,798</u>	<u>\$400,702,381</u>	<u>\$415,955,254</u>

**Statement of Activities**  
**Net (Expenses) Revenues and Changes in Net Assets**  
**Functions/Programs**  
**Primary Government**

	Audited Year Ended December 31				
	2018	2019	2020	2021	2022
<b>Governmental Activities(1)</b>					
General Government.....	\$ (1,239,808)	\$ (1,258,161)	\$ (7,882,569)	\$ (1,325,805)	\$ (15,709,723)
Physical Environment.....	(6,694,138)	(8,446,787)	(9,718,557)	(9,705,813)	(10,623,513)
Public Safety.....	(74,325,036)	(79,581,164)	(64,151,674)	(64,166,693)	(85,967,793)
Culture and Recreation.....	(8,095,991)	(7,915,523)	(9,563,057)	(9,082,557)	(9,995,847)
Transportation.....	(36,829,495)	(42,690,576)	(36,809,229)	(24,980,733)	(27,596,922)
Interest on Long Term Debt.....	(3,086,802)	(2,790,200)	(2,864,386)	(2,602,225)	(2,256,576)
Total Governmental Activities.....	<u>\$(130,271,270)</u>	<u>\$(142,682,411)</u>	<u>\$(130,989,472)</u>	<u>\$(111,863,826)</u>	<u>\$(152,150,374)</u>
<b>General Revenues</b>					
Taxes					
Property.....	\$ 34,494,683	\$ 36,554,710	\$ 38,312,092	\$ 40,828,100	\$ 41,482,976
Utility.....	16,008,161	15,774,536	14,764,374	14,930,059	16,208,228
Sales and Use.....	49,249,282	54,347,750	52,044,272	66,900,200	69,548,592
State Income.....	13,616,570	15,694,332	16,023,125	19,492,601	24,367,138
Other.....	14,441,592	15,191,855	11,461,689	17,973,494	19,320,107
Franchise Fees.....	3,096,941	3,118,942	2,909,128	2,961,900	2,860,416
Investment Income.....	636,427	3,390,125	3,940,511	(1,908,749)	(7,397,289)
Miscellaneous.....	652,281	831,674	449,933	971,804	1,031,964
Gain (Loss) on Disposal of Capital Assets.....	0	0	0	0	3,115
Total.....	<u>\$ 132,195,937</u>	<u>\$ 144,903,924</u>	<u>\$ 139,905,124</u>	<u>\$ 162,149,409</u>	<u>\$ 167,425,247</u>
Change in Net Position.....	\$ 1,924,667	\$ 2,221,513	\$ 8,915,652	\$ 50,285,583	\$ 15,274,873
Net Position, January 1.....	<u>\$ 337,354,966(2)</u>	<u>\$ 339,279,633</u>	<u>\$ 341,501,146</u>	<u>\$ 350,416,798</u>	<u>\$ 400,680,381(2)</u>
Net Position, December 31.....	<u>\$ 339,279,633</u>	<u>\$ 341,501,146</u>	<u>\$ 350,416,798</u>	<u>\$ 400,702,381</u>	<u>\$ 415,955,254</u>

Notes: (1) Expenses less program revenues of Charges for Services, Operating Grants and Capital Grants.  
(2) As restated.

**General Fund**  
**Balance Sheet**

	Audited as of December 31				
	2018	2019	2020	2021	2022
<b>ASSETS:</b>					
Cash and Investments.....	\$22,130,960	\$29,732,086	\$33,415,094	\$42,037,485	\$ 58,271,058
Receivables:					
Property Taxes.....	20,235,567	23,950,908	26,392,764	26,581,346	26,996,457
Accrued Interest.....	77,859	81,582	105,221	186,849	248,580
Accounts Receivable.....	5,392,985	5,702,989	4,139,862	7,768,537	8,757,511
Leases.....	0	0	0	0	2,506,530
Due from Other Funds.....	147,360	158,628	382,782	439,013	611,934
Advances to Other Funds.....	521,153	521,153	521,153	446,366	359,966
Due from Other Governments.....	10,313,202	10,670,841	9,971,334	11,933,628	12,443,563
Other.....	0	105,372	105,372	105,372	0
Total Assets.....	<u>\$58,819,086</u>	<u>\$70,923,559</u>	<u>\$75,033,582</u>	<u>\$89,498,596</u>	<u>\$110,195,599</u>
<b>LIABILITIES:</b>					
Accounts Payable.....	\$ 4,538,784	\$ 5,590,394	\$ 2,214,291	\$ 4,200,300	\$ 6,249,607
Accrued Wages and Benefits.....	3,101,428	4,177,760	5,323,933	2,198,400	2,101,356
Due to Other Governmental Agencies.....	274,195	219,045	590,159	485,498	253,197
Deposits.....	2,033,461	2,386,990	2,146,044	3,487,112	4,343,261
Other Payables.....	360,990	11,769	413,144	607,343	833,079
Total Liabilities.....	<u>\$10,308,858</u>	<u>\$12,785,958</u>	<u>\$10,687,571</u>	<u>\$10,978,653</u>	<u>\$ 13,780,500</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Property Taxes.....	\$20,235,567	\$23,950,908	\$26,342,954	\$26,531,847	\$ 26,996,457
Leases.....	0	0	0	0	2,499,474
Total deferred inflows of resources.....	<u>20,235,567</u>	<u>23,950,908</u>	<u>26,342,954</u>	<u>26,531,847</u>	<u>29,495,931</u>
Total liabilities and deferred inflows of Resources.....	<u>\$30,544,425</u>	<u>\$36,736,866</u>	<u>\$37,030,525</u>	<u>\$37,510,500</u>	<u>\$ 43,276,431</u>
<b>Fund Balance:</b>					
Restricted.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 62,338
Nonspendable.....	521,503	521,371	521,371	446,584	360,184
Unassigned.....	<u>27,753,508</u>	<u>33,665,540</u>	<u>37,481,904</u>	<u>51,541,730</u>	<u>66,496,864</u>
Total Fund Balance.....	<u>\$28,275,011</u>	<u>\$34,186,911</u>	<u>\$38,003,275</u>	<u>\$51,988,314</u>	<u>\$ 66,919,386</u>
Total Liabilities, Deferred Inflows and Fund Balance.....	<u>\$58,819,436</u>	<u>\$70,923,777</u>	<u>\$75,033,800</u>	<u>\$89,498,814</u>	<u>\$110,195,817</u>

## General Fund Revenues and Expenditures

	Audited Year Ended December 31				
	2018	2019	2020	2021	2022
<b>REVENUES:</b>					
Property Taxes.....	\$ 18,456,230	\$ 20,374,854	\$ 24,104,495	\$ 26,508,657	\$ 26,564,918
Utility Tax.....	16,008,161	15,774,536	14,764,374	14,930,059	16,208,228
Other Taxes.....	6,522,733	6,976,883	5,591,623	9,941,830	9,732,123
Licenses and Permits.....	2,717,215	2,932,057	1,958,134	3,014,619	2,456,626
Fines and Forfeits.....	1,215,158	1,324,874	977,089	1,252,078	1,248,855
Investment Income.....	232,758	1,081,955	1,169,997	(902,996)	(3,446,459)
Intergovernmental.....	51,987,826	56,920,557	63,367,564	69,775,977	76,056,018
Charges for Services.....	19,622,352	20,529,093	12,269,753	17,651,611	17,025,068
Fees.....	3,096,941	3,118,942	2,909,128	2,961,900	2,860,416
Miscellaneous.....	354,553	427,978	143,105	257,504	389,471
<b>Total Revenues.....</b>	<b>\$120,213,927</b>	<b>\$129,461,729</b>	<b>\$127,255,262</b>	<b>\$145,391,239</b>	<b>\$149,095,264</b>
<b>EXPENDITURES:</b>					
General Government.....	\$ 12,059,856	\$ 12,506,545	\$ 13,709,425	\$ 15,179,744	\$ 15,900,912
Physical Environment.....	8,254,712	7,455,908	7,853,526	8,425,831	8,766,991
Public Safety.....	74,480,884	77,250,024	81,783,303	85,492,781	87,870,002
Culture and Recreation.....	58,099	62,682	75,964	53,004	21,576
Transportation.....	24,387,067	25,165,961	18,819,953	19,830,581	20,316,998
Debt Service.....	0	0	0	0	23,218
<b>Total Expenditures.....</b>	<b>\$119,240,618</b>	<b>\$122,441,120</b>	<b>\$122,242,171</b>	<b>\$128,981,941</b>	<b>\$132,899,697</b>
Excess (Deficiency) of Revenues Over Expenditures.....	\$ 973,309	\$ 7,020,609	\$ 5,013,091	\$ 16,409,298	\$ 16,195,567
<b>Other Financing Sources (Uses):</b>					
Transfers In (Out), net.....	\$ (1,111,378)	\$ (1,108,709)	\$ (1,196,727)	\$ (2,424,259)	\$ (1,242,495)
<b>Total Other Financing Sources (uses).....</b>	<b>\$ (1,111,378)</b>	<b>\$ (1,108,709)</b>	<b>\$ (1,196,727)</b>	<b>\$ (2,424,259)</b>	<b>\$ (1,242,495)</b>
<b>Net Change in Fund Balance.....</b>	<b>\$ (138,069)</b>	<b>\$ 5,911,900</b>	<b>\$ 3,816,364</b>	<b>\$ 13,985,039</b>	<b>\$ 14,953,072</b>
Beginning Fund Balance.....	28,413,080	28,275,011	34,186,911	38,003,275	51,966,314(1)
Ending Fund Balance.....	\$ 28,275,011	\$ 34,186,911	\$ 38,003,275	\$ 51,988,314	\$ 66,919,386

Note: (1) As restated.

## General Fund Budget and Interim Financial Information(1)

	Budgeted Twelve Months Ending 12/31/2023	Preliminary Twelve Months Ending 12/31/2023	Budgeted Twelve Months Ending 12/31/2024
<b>REVENUES:</b>			
State Shared Taxes.....	\$ 73,667,019	\$ 76,597,535	\$ 78,575,769
Property Taxes.....	26,996,457	26,982,970	28,383,463
Utility Taxes.....	15,618,000	15,344,393	14,265,000
Charges for Service.....	9,845,174	11,017,181	12,173,334
Contributions.....	170,000	89,000	150,000
Real Estate Transfer Tax.....	5,476,200	4,027,108	4,537,000
Rental Income and Franchise Fees.....	3,115,896	2,746,981	2,879,173
Interfund TF Revenues.....	4,960,518	4,520,794	5,600,273
Intergovernmental Agreement.....	1,754,264	1,639,875	1,804,750
Permits and Licenses.....	1,978,625	1,663,256	1,661,750
Fines and Fees.....	2,023,500	2,602,498	2,024,000
Hotel/Motel Tax.....	2,343,000	1,868,400	2,080,000
Grants.....	350,080	503,041	420,504
Other Revenues.....	165,000	360,953	208,000
Net Investment Income.....	(70,679)	3,276,485	1,258,820
<b>Total Revenues.....</b>	<b>\$149,675,054</b>	<b>\$154,404,775</b>	<b>\$157,171,836</b>
<b>EXPENDITURES:</b>			
Salaries and Wages.....	\$76,880,084	\$ 76,491,416	\$ 81,558,878
Benefits and Related.....	34,521,700	34,759,671	36,090,830
Purchased Items.....	11,051,742	8,835,987	11,542,225
Purchased Services.....	18,089,130	14,855,519	19,804,788
Interfund Transfer Expense.....	3,617,998	3,617,876	5,214,750
Grants and Contributions to Others.....	2,320,347	1,946,482	2,138,800
<b>Total Expenditures.....</b>	<b>\$146,481,001</b>	<b>\$140,506,951</b>	<b>\$156,350,271</b>
Revenues over (Under) Expenditures and Transfers.....	\$ 3,194,053	\$ 13,891,824	\$ 821,656

Note: (1) Source: The City.

## **EMPLOYEE RETIREMENT AND OTHER POSTEMPLOYMENT BENEFITS OBLIGATIONS**

The City participates in three defined benefit pension plans: (i) the IMRF Plan, (ii) the Police Plan, and (iii) the Fire Plan (together with the IMRF Plan and the Police Plan, the “Pension Plans”). The Pension Plans provide defined benefit pension benefits to the City’s employees, retirees and beneficiaries. The IMRF Plan is an agent multiple-employer public employee retirement plan and the Police Plan and the Fire Plan are single-employer pension plans. The City makes certain contributions to the Pension Plans on behalf of its employees, as further described in this section. The operations of the Pension Plans, including the contributions to be made to the Pension Plans, the benefits provided by the Pension Plans, and the actuarial assumptions and methods employed in generating the liabilities and contributions of the Pension Plans, are governed by the Pension Code. This section first describes certain concepts related to pensions generally, then describes the applicable provisions of Pension Plans. These concepts are more completely described in Note 9 to the 2022 Audit, as well as the supplementary schedules thereto.

The Pension Code allows the State Comptroller to divert State payments intended for the City to the Police Plan and the Fire Plan to satisfy contribution shortfalls by the City (the “Recapture Provisions”). If the City fails to contribute to the Police Plan or the Fire Plan as required by the Pension Code, the City will be subject to a reallocation of payments of State funds to the City if (i) the City fails to make the required payment for 90 days past the due date, (ii) the subject retirement fund gives notice of the failure to the City, and (iii) such retirement fund certifies to the State Comptroller that such payment has not been made. Upon the occurrence of these events, the State Comptroller will withhold payments of State funds from the City in an amount not in excess of the delinquent payment amount in the proportion of 100% of the amount of any payments of State funds to the City. Should the Recapture Provision be invoked as a result of the City’s failure to contribute all or a portion of its required contribution, a reduction in payments of State funds may have an adverse impact on the City’s finances.

### **Background Regarding Pension Plans**

#### *The Actuarial Valuation*

The disclosures in the 2022 Audit related to the Pension Plans are based in part on the actuarial valuations of the Pension Plans. In the actuarial valuations, the actuary for each of the Pension Plans measures the financial position of a Pension Plan, determines the amount to be contributed to a Pension Plan pursuant to statutory requirements, and produces information mandated by the financial reporting standards issued by the Governmental Accounting Standards Board (“GASB”), as described below.

In producing an actuarial valuation, the actuary for a Pension Plan uses demographic data (including employee age, salary and service credits), economic assumptions (including estimated future salary and interest rates), and decrement assumptions (including employee turnover, mortality and retirement rates) and employs various actuarial methods to generate the information required to be included in such valuation.

#### *GASB Standards*

Prior to the fiscal year ended December 31, 2015, the applicable GASB financial reporting standards with respect to the Pension Plans were GASB Statement No. 25 and GASB Statement No. 27 (together, the “Prior GASB Standards”). The Prior GASB Standards required the disclosure of an Annually Required Contribution (which was such pronouncement’s method for calculating the annual amounts needed to fully fund a pension plan) and the calculation of pension funding statistics such as the unfunded actuarial accrued liability (“UAAL”), which was the shortfall of the assets held by the pension plan when compared against the liabilities of such pension plan, as actuarially determined (the “Actuarial Accrued Liability”), and the “Funded Ratio,” which was the ratio, expressed as a percentage, derived from dividing the assets of the pension plan by the Actuarial Accrued Liability. In addition, the Prior GASB Standards allowed pension plans to prepare financial reports pursuant to various approved actuarial methods and to use an assumed investment rate of return determined by the pension plan for financial reporting purposes.

Beginning with the fiscal year ended December 31, 2015, the applicable GASB financial reporting standards with respect to the Pension Plans became GASB Statement No. 67 and GASB Statement No. 68 (together, the “New GASB Standards”). Unlike the Prior GASB Standards, the New GASB Standards do not establish approaches to funding pension plans, and, therefore, do not require computation of the Annually Required Contribution or a similar contribution number. Instead, the New GASB Standards provide standards solely for financial reporting and accounting related to pension plans.

The New GASB Standards require calculation and disclosure of a “Net Pension Liability” or “Net Pension Asset”, which is the difference between the actuarial present value of projected benefit payments that is attributed to past periods of employee service calculated pursuant to the methods and assumptions set forth in the New GASB Standards (referred to in such statements as the “Total Pension Liability”) and the fair market value of the pension plan’s assets (referred to as the “Fiduciary Net Position”). This concept is similar to the UAAL, which was calculated under the Prior GASB Standards, but most likely will differ from the UAAL on any calculation date because the Fiduciary Net Position is calculated at fair market value and because of the differences in the manner of calculating the Total Pension Liability as compared to the Actuarial Accrued Liability under the Prior GASB Standards.

Furthermore, the New GASB Standards employ a rate, referred to in such statements as the “Discount Rate,” which is used to discount projected benefit payments to their actuarial present values. The Discount Rate is a blended rate comprised of (1) a long-term expected rate of return on a pension plan’s investments (to the extent that such assets are projected to be sufficient to pay benefits), and (2) a tax-exempt municipal bond rate meeting certain specifications set forth in the New GASB Standards. Therefore, in certain cases in which the assets of a pension plan are not expected to be sufficient to pay the projected benefits of such pension plan, the Discount Rate calculated pursuant to the New GASB Standards may differ from the assumed investment rate of return used in reporting pursuant to the Prior GASB Standards.

#### *Pension Plans Remain Governed by the Pension Code*

As described above, each of the Prior GASB Standards and the New GASB Standards establish requirements for financial reporting purposes. However, the Pension Plans are ultimately governed by the provisions of the Pension Code in all respects, including, but not limited to, the amounts to be contributed by the City to the Pension Plans in each year.

#### **IMRF Plan**

The City participates in the IMRF Plan, which is a defined-benefit, agent multiple employer pension plan administered by the IMRF that acts as a common investment and administrative agent for units of local government and school districts in the State. The IMRF Plan is established and administered under statutes adopted by the General Assembly. The Pension Code sets the benefit provisions of the IMRF Plan, which can only be amended by the General Assembly.

Each employer participating in the IMRF Plan, including the City, has an employer reserve account with the IMRF Plan separate and distinct from all other participating employers (the “IMRF Account”) along with a unique employer contribution rate determined by the IMRF Board of Trustees (the “IMRF Board”), as described below. The employees of a participating employer receive benefits solely from such employer’s IMRF Account. Participating employers are not responsible for funding the deficits of other participating employers.

The IMRF issues a publicly available financial report that includes financial statements and required supplementary information which may be viewed at the IMRF’s website.

As of December 31, 2022, the IMRF Plan membership totaled 2,517.

See Note 9(a) to the 2022 Audit for additional information on the IMRF Plan’s actuarial methods and assumptions.

*Contributions*

Both employers and employees contribute to the IMRF Plan. At present employees contribute 4.50% of their salary to the IMRF Plan, as established by statute. Employers are required to make all additional contributions necessary to fund the benefits provided by the IMRF Plan to its employees. The annual rate at which an employer must contribute to the IMRF Plan is established by the IMRF Board. The City’s contribution rate for calendar year 2022 was 8.58% of covered payroll.

For the calendar years ended December 31, 2018, through December 31, 2022, the City contributed the following amounts to the IMRF Plan:

<u>FISCAL YEAR ENDED DECEMBER 31</u>	<u>IMRF PLAN CONTRIBUTIONS</u>
2018	\$6,037,819
2019	5,155,923
2020	6,266,110
2021	6,454,908
2022	5,223,325

Source: The 2022 Audit.

*Measures of Financial Position*

The following table presents the measures of the IMRF Plan’s financial position as of December 31, 2018 through December 31, 2022, which are presented pursuant to the New GASB Standards.

<u>FISCAL YEAR</u>	<u>TOTAL PENSION LIABILITY</u>	<u>FIDUCIARY NET POSITION</u>	<u>NET PENSION (ASSET)/LIABILITY</u>	<u>FIDUCIARY NET POSITION AS</u>	
				<u>A % OF TOTAL PENSION LIABILITY</u>	<u>DISCOUNT RATE</u>
2018	\$340,859,229	\$293,062,106	\$ 47,797,123	85.98%	7.25%
2019	357,605,672	340,365,012	17,240,660	95.18%	7.25%
2020	370,663,704	381,707,084	(11,043,380)	102.98%	7.25%
2021	393,806,390	435,875,526	(42,069,136)	110.68%	7.25%
2022	409,215,863	369,610,815	39,605,048	90.32%	7.25%

Source: The 2022 Audit

See Note 9(a) to the 2022 Audit, and the related required supplementary information disclosures, for a description of the IMRF Plan, the City’s funding policy, information on the assumptions and methods used by the actuary, and the financial reporting information required by the New GASB Standards.

## Police Plan

The City provides retirement, death and disability benefits to its sworn police personnel and retirees and their beneficiaries through the Police Plan. The Police Plan is a single-employer defined benefit contribution plan. The benefits provided by the Police Plan and the amount of employer and employee contributions to the Police Plan are governed by the Pension Code and may only be amended by the General Assembly. As of December 31, 2022, the Police Plan had 310 participants.

### *Contributions*

As stated above, both the City and its participating employees make contributions to the Police Plan. At present, employees contribute 9.90% of their salary to the Police Plan. The City is required to make all additional contributions necessary to fund the benefits provided by the Police Plan to its members.

The Pension Code requires that the City contribute annually the amount necessary to fund the normal cost of the Police Plan for such year plus an amount sufficient to bring the total assets of the Police Plan up to 90% of the total actuarial liabilities of the Police Plan by the end of fiscal year 2040, as determined by an actuary (the "Funding Requirement"). However, the City is funding using the entry age normal actuarial cost method to fund 100% of the past service cost by the year 2033. The Pension Code provides a levy of a separate tax annually by the City to generate the funds necessary to make this contribution.

As the Funding Requirement represents an amortization of the unfunded portion of the actuarial liabilities of the Police Plan over a closed period of time, the City's required contributions to the Police Plan are expected to increase, possibly by a significant margin, during the period of fiscal years leading up to 2040. For the fiscal year ended December 31, 2022, the City's contributions to the Fire Plan were 38.81% of covered payroll.

For the calendar years ended December 31, 2018, through December 31, 2022, the City contributed the following amounts to the Police Plan:

FISCAL YEAR ENDED	POLICE PLAN
<u>DECEMBER 31</u>	<u>CONTRIBUTIONS</u>
2018	\$7,129,194
2019	7,043,970
2020	7,290,728
2021	7,814,816
2022	8,089,611

---

Source: The 2022 Audit.



*Measures of Financial Position*

The following table provides statistical information for the Police Plan on December 31 of the years 2018 through 2022, which are presented pursuant to the New GASB Standards.

<u>FISCAL YEAR</u>	<u>TOTAL PENSION LIABILITY</u>	<u>FIDUCIARY NET POSITION</u>	<u>NET PENSION LIABILITY</u>	FIDUCIARY NET POSITION AS	
				<u>A % OF TOTAL PENSION LIABILITY</u>	<u>DISCOUNT RATE</u>
2018	\$226,048,834	\$166,989,473	\$59,059,361	73.87%	7.00%
2019	247,687,606	196,087,391	51,600,215	79.17%	6.90%
2020	263,283,127	220,863,902	42,419,225	83.89%	6.85%
2021	281,991,811	248,134,464	33,857,347	87.99%	6.75%
2022	298,848,620	217,241,356	81,607,264	72.69%	6.75%

Source: The 2022 Audit.

See Note 9(A) to the 2022 Audit, and the related required supplementary information disclosures, for a description of the Police Plan, the City’s funding policy, information on the assumptions and methods used by the actuary for the Police Plan, and the financial reporting information required by the Prior GASB Standards.

**Fire Plan**

The City provides retirement, death and disability benefits to its sworn fire personnel and retirees and their beneficiaries through the Fire Plan. The Fire Plan is a single-employer defined benefit contribution plan. The benefits provided by the Fire Plan and the amount of employer and employee contributions to the Fire Plan are governed by the Pension Code and may only be amended by the General Assembly. As of December 31, 2022, the Fire Plan had 333 participants.

*Contributions*

As stated above, both the City and its participating employees make contributions to the Fire Plan. At present, employees contribute 9.455% of their salary to the Fire Plan. The City is required to make all additional contributions necessary to fund the benefits provided by the Fire Plan to its members.

The Pension Code requires that the City contribute annually the Funding Requirement, the same being the amount necessary to fund the normal cost of the Fire Plan for such year plus an amount sufficient to bring the total assets of the Fire Plan up to 90% of the total actuarial liabilities of the Fire Plan by the end of fiscal year 2040, as determined by an actuary. However, the City is funding using the entry age normal actuarial cost method to fund 100% of the past service cost by the year 2033. The Pension Code provides a levy of a separate tax annually by the City to generate the funds necessary to make this contribution.

As the Funding Requirement represents an amortization of the unfunded portion of the actuarial liabilities of the Fire Plan over a closed period of time, the City’s required contributions to the Fire Plan are expected to increase, possibly by a significant margin, during the period of fiscal years leading up to 2040. For the fiscal year ended December 31, 2022, the City’s contributions to the Fire Plan were 50.06% of covered payroll.

For the calendar years ended December 31, 2018, through December 31, 2022, the City contributed the following amounts to the Fire Plan:

FISCAL YEAR ENDED <u>DECEMBER 31</u>	<u>FIRE FUND</u>
2018	\$8,896,264
2019	8,939,980
2020	9,711,228
2021	10,255,249
2022	10,619,200

Source: The 2022 Audit.

### Measures of Financial Position

The following table provides statistical information for the Fire Plan on December 31 of the years 2018 through 2022, which are presented pursuant to the New GASB Standards.

<u>FISCAL YEAR</u>	<u>TOTAL PENSION LIABILITY</u>	<u>FIDUCIARY NET POSITION</u>	<u>NET PENSION LIABILITY</u>	<u>FIDUCIARY NET POSITION AS A % OF TOTAL PENSION LIABILITY</u>	<u>DISCOUNT RATE</u>
2018	\$237,296,714	\$167,043,023	\$70,253,691	70.39%	7.00%
2019	261,001,445	197,724,396	63,277,049	75.76%	6.90%
2020	276,606,630	218,766,279	57,840,351	79.09%	6.85%
2021	298,099,247	246,869,606	51,229,641	82.81%	6.75%
2022	308,515,436	211,258,810	97,256,626	68.48%	6.75%

Source: The 2022 Audit.

See Note 9(a) to the 2022 Audit, and the related required supplementary information disclosures, for a description of the Fire Plan, the City’s funding policy, information on the assumptions and methods used by the actuary for the Fire Plan, and the financial reporting information required by the Prior GASB Standards.

### Other Post-Employment Benefits

The City’s single-employer defined benefit plan, Retiree Health Plan (“OPEB”), provides post-employment health care and life insurance benefits for eligible retirees and their spouses through the City’s group health insurance plan, which covers both active and retired members participating in the plan at blended rates. The plan is funded on a pay-as-you-go basis. Retired employees with certain exceptions are required to pay 100% of the premiums for such coverage. For additional information on the City’s OPEB, see Note 10 to the 2022 Audit, attached hereto as **APPENDIX A**.

## REGISTRATION, TRANSFER AND EXCHANGE

### Registration

The registered owner of a Bond will be deemed and regarded as the absolute owner thereof for the purpose of receiving payment of, or on account of, the principal of, premium, if any, or interest thereon and for all other purposes whatsoever, and all such payments so made to such registered owner or upon his order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and neither the City nor the Bond Registrar will be affected by any notice to the contrary.

## **Transfers and Exchanges**

The transfer of Bonds will be registrable only upon the registration books maintained by the City for that purpose at the principal corporate trust office of the Bond Registrar, by the registered owner thereof or by his attorney duly authorized in writing, upon surrender thereof together with an instrument of transfer satisfactory to the Bond Registrar and duly executed by the registered owner or his duly authorized agent. Upon such surrender for registration of transfer, the City will execute and the Bond Registrar will authenticate and deliver a new Bond or Bonds of any authorized denominations, registered in the name of the transferee, and of the same aggregate principal amount, maturity and interest rate as the surrendered Bond.

Bonds may be exchanged for an equal aggregate principal amount of Bonds of the same maturity and interest rate and of any authorized denominations, upon surrender thereof as the principal corporate trust office of the Bond Registrar with a written instrument of transfer satisfactory to the Bond Registrar, duly executed by the registered owner or his duly authorized agent.

For every such exchange or registration of transfer of Bonds, the City or the Bond Registrar may make a charge sufficient to reimburse it for any tax or other governmental charge required to be paid with respect to such exchange or registration of transfer. No charge will be made in connection with such exchange or registration of transfer to pay the cost of preparing each new Bond issued upon such exchange or registration of transfer.

## **TAX EXEMPTION**

### **Summary of Bond Counsel Opinion**

On the date of issuance and delivery of the Bonds, Bond Counsel, will deliver an approving opinion with respect to the Bonds. The form of opinion expected to be delivered by Bond Counsel is attached as **APPENDIX C**. A summary of the opinion of Bond Counsel and a general discussion of certain other tax matters relating to the Bonds are set forth below.

Bond Counsel, is of the opinion that under existing law, interest on the Bonds is not includible in the gross income of the owners thereof for Federal income tax purposes. If there is continuing compliance with the applicable requirements of the Internal Revenue Code of 1986 (the "Code"), Bond Counsel is of the opinion that interest on the Bonds will continue to be excluded from the gross income of the owners thereof for Federal income tax purposes. Bond Counsel is further of the opinion that the Bonds are not "private activity bonds" within the meaning of Section 141(a) of the Code. Accordingly, interest on the Bonds is not an item of tax preference for purposes of computing individual alternative minimum taxable income. However, interest on the Bonds is included in the adjusted financial statement income of those corporations subject to the corporate alternative minimum tax (see "Federal Income Tax Consequences – E. Corporate Owners," below). Interest on the Bonds is not exempt from State of Illinois income taxes.

The Code contains certain requirements that must be satisfied from and after the date of issuance of the Bonds. These requirements relate to the use and investment of the proceeds of the Bonds, the payment of certain amounts to the United States, the security and source of payment of the Bonds and the use of property financed with the proceeds of the Bonds. The City has covenanted in the Bond Ordinance to comply with these requirements.

### **Bonds Purchased at a Premium or a Discount**

The difference (if any) between the initial price at which a substantial amount of each maturity of the Bonds is sold to the public (the "Offering Price") and the principal amount payable at maturity of such Bonds is given special treatment for Federal income tax purposes. If the Offering Price is higher than the maturity value of a Bond, the difference between the two is known as "bond premium"; if the Offering Price is lower than the maturity value of a Bond, the difference between the two is known as "original issue discount".

Bond premium and original issue discount are amortized over the term of a Bond on the basis of the owner's yield from the date of purchase to the date of maturity, compounded at the end of each accrual period of one year or less with straight line interpolation between compounding dates, as provided more specifically in the Income Tax Regulations. The amount of bond premium accruing during each period is treated as a reduction in the amount of tax-exempt interest earned during such period and is subtracted from the owner's tax basis in the Bonds. The amount of original issue discount accruing during each period is treated as interest that is excludable from the gross income of the owner of such Bonds for Federal income tax purposes, to the same extent and with the same limitations as current interest, and is added to the owner's tax basis in the Bonds. A Bond's adjusted tax basis is used to determine whether, and to what extent, the owner realizes taxable gain or loss upon disposition of the Bonds (whether by reason of sale, acceleration, redemption prior to maturity or payment at maturity of the Bonds).

Owners of Bonds should consult their own tax advisors with respect to the state and local tax consequences of owning the Bonds. It is possible that under the applicable provisions governing the determination of state or local income taxes, accrued interest on the Bonds may be deemed to be received in the year of accrual even though there will not be a corresponding cash payment until a year later.

### **Exclusion From Gross Income Requirements**

The Code sets forth certain requirements that must be satisfied on a continuing basis in order to preserve the exclusion from gross income for Federal income tax purposes of interest on the Bonds. Among these requirements are the following:

**Limitations on Private Use.** The Code includes limitations on the amount of Bonds proceeds that may be used in the trade or business of, or used to make or finance loans to, persons other than governmental units.

**Investment Restrictions.** Except during certain "temporary periods," proceeds of the Bonds and investment earnings thereon (other than amounts held in a reasonably required reserve or replacement fund, if any, or as part of "minor portion") may generally not be invested in investments having a yield that is "materially higher" (1/8 of one percent) than the yield on the Bonds.

**Rebate of Arbitrage Profit.** Unless the City qualifies for one of several exemptions, earnings from the investment of the "gross proceeds" of the Bonds in excess of the earnings that would have been realized if such investments had been made at a yield equal to the yield on the Bonds are required to be paid to the United States at periodic intervals. For this purpose, the term "gross proceeds" includes the original proceeds of the Bonds, amounts received as a result of investing such proceeds, and amounts to be used to pay debt service on the Bonds.

**Covenants to Comply.** The City has covenanted in the Bond Ordinance to comply with the requirements of the Code relating to the exclusion from gross income for Federal income tax purposes of interest on the Bonds.

### **Risks of Non-Compliance**

In the event that the City fails to comply with the requirements of the Code, interest on the Bonds may become includible in the gross income of the owners thereof for Federal income tax purposes retroactive to the date of issue. In such event, the Bond Ordinance requires neither acceleration of payment of principal of, or interest on, the Bonds nor payment of any additional interest or penalties to the owners of the Bonds.

## Federal Income Tax Consequences

Pursuant to Section 103 of the Code, interest on the Bonds is not includible in the gross income of the owners thereof for Federal income tax purposes. However, the Code contains a number of other provisions relating to the treatment of interest on the Bonds which may affect the taxation of certain types of owners, depending on their particular tax situations. Some of the potentially applicable Federal income tax provisions are described in general terms below. PROSPECTIVE PURCHASERS SHOULD CONSULT THEIR TAX ADVISORS CONCERNING THE PARTICULAR FEDERAL INCOME TAX CONSEQUENCES OF THEIR OWNERSHIP OF THE BONDS.

- A. *Cost of Carry.* Owners of the Bonds will generally be denied a deduction for otherwise deductible interest on any debt that is treated for Federal income tax purposes as having been incurred or continued to purchase or carry the Bonds. Financial institutions are denied a deduction for their otherwise allowable interest expense in an amount determined by reference to their adjusted basis in the Bonds.
- B. *Individual Owner.* Receipt of interest on the Bonds may increase the amount of Social Security and Railroad Retirement benefits included in the gross income of the recipients thereof for Federal income tax purposes.
- C. *Certain Blue Cross or Blue Shield Organizations.* Receipt of interest on the Bonds may reduce a special deduction otherwise available to certain Blue Cross or Blue Shield organizations.
- D. *Property or Casualty Insurance Companies.* Receipt of interest on the Bonds may reduce otherwise deductible underwriting losses of a property or casualty insurance company.
- E. *Corporate Owners.* The Inflation Reduction Act of 2022 imposes a corporate alternative minimum tax equal to 15% of the “adjusted financial statement income” of any corporation (other than an S corporation, a regulated investment company and a real estate investment trust) having an average “adjusted financial statement income” exceeding \$1,000,000,000 over such corporation’s three preceding taxable years. The corporate alternative minimum tax is effective for taxable years beginning after December 31, 2022. Interest on tax-exempt bonds, such as interest on the Bonds, is included in the calculation of a corporation’s “adjusted financial statement income”. In addition, interest on the Bonds is taken into account in computing the earnings and profits of a corporation and consequently may be subject to federal income taxes based thereon. Thus, for example, interest on the Bonds is taken into account in computing the branch profits tax imposed on certain foreign corporations, the passive investment income tax imposed on certain S corporations and the accumulated earnings tax.
- F. *Foreign Personal Holding Company Income.* A United States shareholder of a foreign personal holding company may realize taxable income to the extent that interest on the Bonds held by such a company is properly allocable to the shareholder.
- G. *Change of Law.* The opinions of Bond Counsel and the descriptions of the tax law contained in this Official Statement are based on statutes, judicial decisions, regulations, rulings and other official interpretations of law in existence on the date the Bonds were issued. There can be no assurance that such law or the interpretation thereof will not be changed or that new provisions of law will not be enacted or promulgated at any time while the Bonds are outstanding in a manner that would adversely affect the value or the tax treatment of ownership of the Bonds.

Current and future legislative proposals, if enacted into law, administrative actions or court decisions, at either the federal or state level, may cause interest on the Bonds to be subject, directly or indirectly, to federal income taxation or to be subjected to state income taxation, or otherwise have an adverse impact on the potential benefits of the exclusion from gross income of the interest on the Bonds for federal or state income tax purposes. The introduction or enactment of any such legislative proposals, administrative actions or court decisions may also affect, perhaps significantly, the value or marketability of the Bonds. Prospective purchasers of the Bonds should consult their own advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, and regarding the impact of future legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

## CONTINUING DISCLOSURE

In the Bond Ordinance, the City has covenanted and agreed, for the benefit of the beneficial owners of the Bonds, to provide certain financial information and operating data relating to the City within 210 days after the close of the City's fiscal year (the "Annual Report"); and, in a timely manner not in excess of ten business days after the event, to provide notices of the occurrence of certain enumerated events. The Annual Report will be filed by the City with the Municipal Securities Rulemaking Board (the "MSRB") for disclosures on its Electronic Municipal Market Access ("EMMA") system. The information to be contained in the Annual Report will consist of the annual audited financial statement of the City, and updated information with respect to the statements in this Official Statement contained under the captions "**Retailers' Occupation, Service Occupation and Use Tax**", "**DEBT INFORMATION**", "**PROPERTY ASSESSMENT AND TAX INFORMATION**" and "**FINANCIAL INFORMATION**" (excluding **Preliminary Budget and Unaudited Financial Information**). Each annual audited financial statement will conform to generally accepted accounting principles applicable to governmental units and will be prepared in accordance with standards of the Governmental Accounting Standards Board. If the audited financial statement is not available, then an unaudited financial statement will be included in the Annual Report and the audited financial statement will be filed promptly after it becomes available. The notices of enumerated events and timely notice of any failure of the City to file its Annual Report within the 210-day period will be filed by the City with the MSRB for disclosures on EMMA. The City's undertaking with respect to enumerated events includes timely notice of the occurrence of any of the following events with respect to the Bonds.

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;
7. Modifications to the rights of security holders, if material;
8. Bond calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution or sale of property securing repayment of the securities, if material;

11. Rating changes;
12. Bankruptcy, insolvency, receivership or similar event of the City\*;
13. The consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material;
15. Incurrence of a Financial Obligation of the City, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the City, any of which affect Bondholders, if material;\*\* and
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the City, any of which reflect financial difficulties.\*\*

The City has agreed to the foregoing undertakings in order to assist participating underwriters of the Bonds and brokers, dealers and municipal securities dealers in complying with Securities and Exchange Commission Rule 15c2-12(b)(5) promulgated under the Securities Exchange Act of 1934. The City will provide the foregoing information for so long as Rule 15c2-12(b)(5) is applicable to the Bonds and the City remains an “obligated person” under the Rule with respect to the Bonds. No provision of the Bond Ordinance limits the remedies available to any beneficial owner of the Bonds with respect to the enforcement of the continuing disclosure covenants of the City described above. Failure to comply with the continuing disclosure covenants will not constitute an event of default under the Bond Ordinance.

The City may amend the continuing disclosure undertakings contained in the Bond Ordinance upon a change in circumstances provided that (a) the change in circumstances arises from a change in legal requirements, law, or change in the identity, nature or status of the City or the type of business conducted by the City, (b) the undertakings, as amended, would have complied with the requirements of Rule 15c2-12(b)(5) at the time of this offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances and (c) in the opinion of nationally recognized bond counsel selected by the City, the amendment does not materially impair the interests of the beneficial owners of the Bonds.

\* This event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the City in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City.

\*\*The term “financial obligation” means a: (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) a guarantee of (i) or (ii). The term “financial obligation” does not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

## **Late Filing of Annual Reports and Corrective Action**

Within the previous five years, the City has failed to comply, in all material respects, with certain previous continuing disclosure undertakings by not filing certain financial information and operating data on a timely basis. The City failed to file its annual comprehensive financial report (“ACFR”) for the fiscal years ended December 31, 2019 and December 31, 2020 on time and in accordance with previous undertakings. The December 31, 2019 ACFR was filed upon its availability on October 16, 2020, and the December 31, 2020 ACFR was filed upon its availability on August 23, 2021.

The City failed to file its December 31, 2021 and December 31, 2022 ACFRs on time and in accordance with previous undertakings, only related to its then current outstanding General Obligation Bonds issued prior to 2016. The December 31, 2021 ACFR was filed on June 30, 2022 and the December 31, 2022 ACFR was filed on June 30, 2023, each one day beyond the 180 day deadline required by previous undertakings related to general obligation bonds issued prior to 2016.

Beginning in 2016, the undertakings related to each general obligation bond issue require filings to be made within 210 days of the City’s fiscal year end. The City has procedures in place to ensure timely filings going forward and expects to file its annual ACFR on a timely basis going forward.

## **LITIGATION**

There is no litigation of any nature now pending or threatened restraining or enjoining the issuance, sale, execution or delivery of the Bonds, or in any way contesting or affecting the validity of the Bonds or any proceedings of the City taken with respect to the issuance or sale thereof. There is no litigation now pending, or to the knowledge of the City, threatened against the City that is expected to materially impact the financial condition of the City.

## **LEGAL MATTERS**

Legal matters incident to the authorization, issuance and sale of the Bonds are subject to the unqualified approving opinion of Katten Muchin Rosenman LLP, Chicago, Illinois, Bond Counsel, whose approving opinion will be delivered with the Bonds. Bond Counsel has reviewed the statements in this Official Statement appearing under the heading “**TAX EXEMPTION**” and is of the opinion that the statements contained under such heading are accurate statements or summaries of the matters set forth therein and fairly present the information purported to be shown. Except for the foregoing, however, Bond Counsel has not independently verified the accuracy or completeness of statements and information contained in the Official Statement and does not assume any responsibility of the accuracy or completeness of such statements and information.

The opinion of Bond Counsel and the descriptions of the tax law contained in this Official Statement are based on statutes, judicial decisions, regulations, rulings and other official interpretations of law in existence on the date the Bonds are issued. There can be no assurance that such law or the interpretation thereof will not be changed or that new provisions of law will not be enacted or promulgated at any time while the Bonds are outstanding in a manner that would adversely affect the value or the tax treatment of ownership of the Bonds.



## OFFICIAL STATEMENT AUTHORIZATION

This Official Statement has been authorized for distribution to prospective purchasers of the Bonds. All statements, information, and statistics herein are believed to be correct but are not guaranteed by the consultants or by the City, and all expressions of opinion, whether or not so stated, are intended only as such.

## INVESTMENT RATINGS

The Bonds have been rated “AAA (Stable Outlook)” and “Aaa (Stable Outlook)”, respectively by S&P Global Ratings, a business unit of Standard & Poor’s Financial Services LLC and Moody’s Investors Service. The City has supplied certain information and material concerning the Bonds and the City to the Rating Agencies, including certain information and materials which may not have been included in this Official Statement, as part of its application for investment ratings on the Bonds. A rating reflects only the views of the rating agency assigning such rating and an explanation of the significance of such rating may be obtained from such rating agency. Generally, such rating service bases its rating on such information and material, and also on such investigations, studies and assumptions that it may undertake independently. There is no assurance that such rating will continue for any given period of time or that it may not be lowered or withdrawn entirely by such rating service if, in its judgment, circumstances so warrant. Any such downward change in or withdrawal of such rating may have an adverse effect on the secondary market price of the Bonds. An explanation of the significance of the investment ratings may be obtained from the Rating Agency: Standard & Poor’s Corporation, 55 Water Street, New York, New York 10041, telephone 212-438-2000 and Moody’s Investors Service, 7 World Trade Center at 250 Greenwich Street, New York, New York 10007, telephone 212-553-1658.

## DEFEASANCE AND PAYMENT OF BONDS

If the City shall pay or cause to be paid to the registered owners of the Bonds, the principal, premium, if any, and interest due or to become due thereon, at the times and in the manner stipulated therein and in this ordinance, then the pledge of taxes, securities and funds hereby pledged and the covenants, agreements and other obligations of the City to the registered owners and the beneficial owners of the bonds shall be discharged and satisfied.

Any Bonds or interest installments appertaining thereto, whether at or prior to the maturity or the redemption date of such Bonds, shall be deemed to have been paid if (1) in case any such Bonds are to be redeemed prior to the maturity thereof, there shall have been taken all action necessary to call such Bonds for redemption and notice of such redemption shall have been duly given or provision shall have been made for the giving of such notice, and (2) there shall have been deposited in trust with a bank, trust company or national banking association acting as fiduciary for such purpose either (i) moneys in an amount which shall be sufficient, or (ii) “Federal Obligations” as defined below, the principal of and the interest on which when due will provide moneys which, together with any moneys on deposit with such fiduciary at the same time for such purpose, shall be sufficient, to pay when due the principal of, redemption premium, if any, and interest due and to become due on said Bonds on and prior to the applicable redemption date or maturity date thereof.

The term “Federal Obligations” means (i) non-callable, direct obligations of the United States of America, (ii) non-callable and non-prepayable, direct obligations of any agency of the United States of America, which are unconditionally guaranteed by the United States of America as to full and timely payment of principal and interest, (iii) non-callable, non-prepayable coupons or interest installments from the securities described in clause (i) or clause (ii) which are stripped pursuant to programs of the Department of the Treasury of the United States of America, or (iv) coupons or interest installments stripped from bonds of the Resolution Funding Corporation.

## UNDERWRITING

The Bonds were offered for sale by the City at a public, competitive sale on Thursday, May 9, 2024. The best bid submitted at the sale was submitted by \_\_\_\_\_ (the “Underwriter”). The City awarded the contract for sale of the Bonds to the Underwriter at a price of \$ \_\_\_\_\_. The Underwriter has represented to the City that the Bonds have been subsequently re-offered to the public initially at the yields or prices set forth in the addendum to this Official Statement.

## MUNICIPAL ADVISOR

The City has engaged Speer Financial, Inc. as Municipal Advisor (the “Municipal Advisor”) in connection with the issuance and sale of the Bonds. The Municipal Advisor is an Independent Registered Municipal Advisor in accordance with the rules of the Municipal Securities Rulemaking Board (the “MSRB”). The Municipal Advisor will not participate in the underwriting of the Bonds. The financial information included in the Official Statement has been compiled by the Municipal Advisor. Such information does not purport to be a review, audit or certified forecast of future events and may not conform with accounting principles applicable to compilations of financial information. The Municipal Advisor is not a firm of certified public accountants and does not serve in that capacity or provide accounting services in connection with the Bonds. The Municipal Advisor is not obligated to undertake any independent verification of or to assume any responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement, nor is the Municipal Advisor obligated by the City’s continuing disclosure undertaking.

## CERTIFICATION

We have examined this Official Statement dated April 22, 2024, for the \$19,435,000\* General Obligation Bonds, Series 2024, believe it to be true and correct and will provide to the purchaser of the Bonds at the time of delivery a certificate confirming to the purchaser that to the best of our knowledge and belief information in the was at the time of acceptance of the bid for the Bonds and, including any addenda thereto, was at the time of delivery of the Bonds true and correct in all material respects and does not include any untrue statement of a material fact, nor does it omit the statement of any material fact required to be stated therein, or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

/s/ **SCOTT WEHRLI**  
*Mayor*  
CITY OF NAPERVILLE

/s/ **DOUGLAS KRIEGER**  
*City Manager*  
CITY OF NAPERVILLE

*\*Subject to change.*

**APPENDIX A**

**CITY OF NAPERVILLE, DUPAGE AND WILL COUNTIES, ILLINOIS**

**FISCAL YEAR DECEMBER 31, 2022 AUDITED FINANCIAL STATEMENTS**

CITY OF NAPERVILLE,  
ILLINOIS

---

ANNUAL COMPREHENSIVE FINANCIAL  
REPORT



FOR THE FISCAL YEAR ENDED  
DECEMBER 31, 2022

**CITY OF NAPERVILLE, ILLINOIS**

**ANNUAL COMPREHENSIVE  
FINANCIAL REPORT**

For the Year Ended  
December 31, 2022

Prepared by:  
The Finance Department

**CITY OF NAPERVILLE, ILLINOIS**  
**TABLE OF CONTENTS**

---

	<u>Page(s)</u>
<b>INTRODUCTORY SECTION</b>	
List of Principal Officials.....	i
Organization Chart.....	ii
Certificate of Achievement for Excellence in Financial Reporting.....	iii
Transmittal Letter.....	iv-viii
<b>FINANCIAL SECTION</b>	
INDEPENDENT AUDITORS' REPORT .....	1-4
<b>GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS</b>	
Management's Discussion and Analysis.....	MD&A 1-16
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Position.....	5-6
Statement of Activities .....	7-8
Fund Financial Statements	
Governmental Funds	
Balance Sheet.....	9
Reconciliation of Fund Balances of Governmental Funds to the Governmental Activities in the Statement of Net Position.....	10
Statement of Revenues, Expenditures, and Changes in Fund Balances ....	11
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Governmental Activities in the Statement of Activities .....	12

**CITY OF NAPERVILLE, ILLINOIS**  
**TABLE OF CONTENTS (Continued)**

---

Page(s)

**FINANCIAL SECTION (Continued)**

**GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS (Continued)**

Basic Financial Statements (Continued)

Fund Financial Statements (Continued)

Proprietary Funds

Statement of Net Position .....	13-14
Statement of Revenues, Expenses, and Changes in Fund Net Position.....	15
Statement of Cash Flows .....	16-17

Fiduciary Funds

Statement of Fiduciary Net Position.....	18
Statement of Changes in Fiduciary Net Position.....	19

Notes to the Financial Statements .....	20-73
---	-------

Required Supplementary Information

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual	
General Fund .....	74
ARPA Fund .....	75
Notes to Required Supplementary Information - Budgetary Comparison Schedule .....	76
Schedule of Employer Contributions	
Illinois Municipal Retirement Fund .....	77
Police Pension Fund .....	78
Firefighters' Pension Fund .....	79
Schedule of Changes in the Employer's Net Pension Liability and Related Ratios	
Illinois Municipal Retirement Fund .....	80-81
Police Pension Fund .....	82-83
Firefighters' Pension Fund .....	84-85
Schedule of Changes in the Employer's Total OPEB Liability and Related Ratios	
Other Postemployment Benefit Plan .....	86
Schedule of Investment Returns	
Police Pension Fund .....	87
Firefighters' Pension Fund .....	88

**CITY OF NAPERVILLE, ILLINOIS**  
**TABLE OF CONTENTS (Continued)**

---

Page(s)

**FINANCIAL SECTION (Continued)**

**COMBINING AND INDIVIDUAL FUND  
STATEMENTS AND SCHEDULES**

**MAJOR GOVERNMENTAL FUNDS**

Detailed Schedules of Revenues - Budget and Actual - General Fund.....	89-91
Detailed Schedule of Expenditures - Budget and Actual - General Fund.....	92-97
Schedules of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Capital Projects .....	98

**NONMAJOR GOVERNMENTAL FUNDS**

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

**Special Revenue Funds**

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

**Debt Service Funds**

Schedules of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	
Special Service Area #21 Fund.....	120
Special Service Area #23 Fund.....	121
Downtown Parking Fund.....	122
Debt Service.....	123



**CITY OF NAPERVILLE, ILLINOIS**  
**TABLE OF CONTENTS (Continued)**

---

Page(s)

**FINANCIAL SECTION (Continued)**

COMBINING AND INDIVIDUAL FUND  
STATEMENTS AND SCHEDULES (Continued)

NONMAJOR GOVERNMENTAL FUNDS (Continued)

Capital Projects Funds	
Schedules of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	
Bond Project Fund .....	124

NONMAJOR ENTERPRISE FUNDS

Combining Statement of Net Position .....	125
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position .....	126
Combining Statement of Cash Flows .....	127

FIDUCIARY FUNDS

Combining Statement of Fiduciary Net Position .....	128
Combining Statement of Changes in Fiduciary Net Position .....	129

**STATISTICAL SECTION (Unaudited)**

Financial Trends	
Net Position by Component .....	130-131
Changes in Net Position .....	132-135
Fund Balances of Governmental Funds .....	136-137
Changes in Fund Balances of Governmental Funds .....	138-139
Revenue Capacity	
Governmental Funds Tax Revenue by Source .....	140
Assessed Value and Actual Value of Taxable Property .....	141
Property Tax Rates - Direct and Overlapping Governments .....	142
Principal Property Taxpayers .....	143
Property Tax Levies and Collections .....	144
Sales Taxes by Category .....	145
Direct and Overlapping Sales Tax Rates .....	146
Debt Capacity	
Ratios of Outstanding Debt by Type .....	147
Ratios of General Bonded Debt Outstanding .....	148
Direct and Overlapping Governmental Activities Debt .....	149
Schedule of Legal Debt Margin .....	150

**CITY OF NAPERVILLE, ILLINOIS**  
**TABLE OF CONTENTS (Continued)**

---

	<u>Page(s)</u>
<b>STATISTICAL SECTION (Unaudited)</b>	
Demographic and Economic Information	
Demographic and Economic Information.....	151
Principal Employers.....	152
Operating Information	
Full-Time Equivalent Employees .....	153
Operating Indicators.....	154
Capital Asset Statistics.....	155

## **INTRODUCTORY SECTION**

**CITY OF NAPERVILLE, ILLINOIS**

Elected and Appointed Officers and Officials

For the fiscal year ended December 31, 2022

---

**Mayor**

Steve Chirico

**Council**

Patrick Kelly

Theresa Sullivan

Ian Holzhauer

Paul Leong

Monica Lynn Anderson

Paul J. Hinterlong

Jennifer Bruzan Taylor

Dr. Benjamin White

**City Manager**

Douglas A. Krieger

**Deputy City Manager**

Marcie J. Schatz

**Community Services Director**

Pamela Gallahue

**Finance Director**

Rachel Mayer

**Chief of Police**

Jason Arres

**Fire Chief**

Mark J. Puknaitis

**Director of Public Works**

Richard E. Dublinski

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

William J. Novack

**Director of Public Utilities –  
Electric**

Brian Groth

**Director of Public Utilities –  
Water**

Darrell Blenniss

**Director of Human Resources**

James Sheehan

**City Attorney**

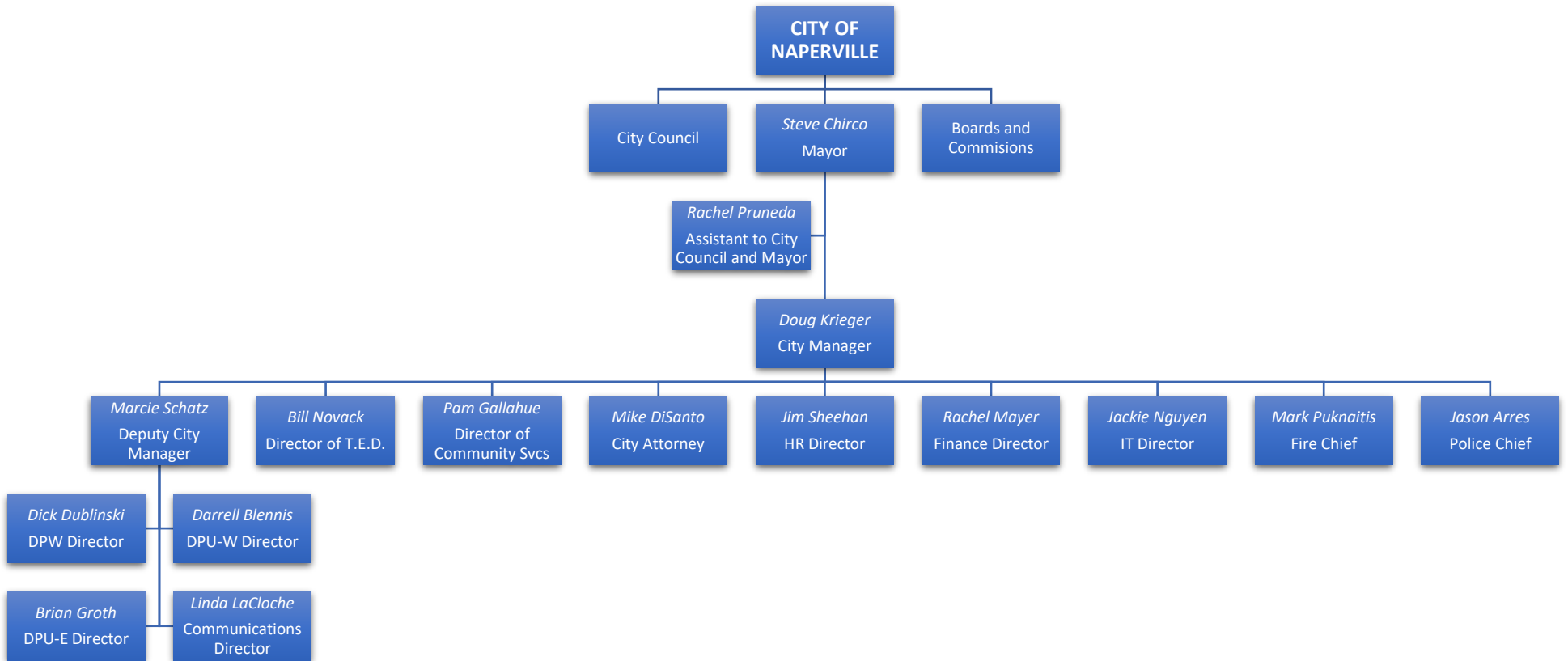
Michael DiSanto

**Director of IT**

Jackie Nguyen

**Communication Director**

Linda LaCloche





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Naperville  
Illinois**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

December 31, 2021

*Christopher P. Morill*

Executive Director/CEO



June 29, 2023

Honorable Mayor Scott Wehrl, City Council, and Residents of the City of Naperville:

We are pleased to submit the Annual Comprehensive Financial Report of the City of Naperville for the fiscal year ending December 31, 2022. State law and local ordinances require that we publish a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) in the United States and audited in accordance with auditing standards generally accepted in the United States by a firm of licensed certified public accountants.

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

The City of Naperville's basic financial statements have been audited by Sikich LLP, a firm of licensed certified public accountants, with the goal of providing reasonable assurance that the basic financial statements of the City of Naperville for the fiscal year ended December 31, 2022, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall basic financial statement presentation. The independent auditor concluded, based on the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of Naperville's basic financial statements for the fiscal year ended December 31, 2022, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

# CITY OF NAPERVILLE, ILLINOIS

## Letter of Transmittal

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

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

### **Profile of the Government**

The City of Naperville, incorporated in 1857, is located in the northeastern part of Illinois. The City of Naperville currently occupies a land area of 39.76 square miles and serves a population of 149,104. The City of Naperville is empowered to levy a property tax on both real and personal properties located within its boundaries. It also is empowered by state statute to extend its corporate limits by annexation, which has occurred periodically when deemed appropriate by the City Council.

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

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

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

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



# CITY OF NAPERVILLE, ILLINOIS

## Letter of Transmittal

financial statements to emphasize that these funds are legally separate from the primary government and to differentiate their financial position, changes in financial position, and cash flows from those of the primary government. The Naperville Public Library is reported as a discretely presented component unit.

The annual budget serves as the foundation for the City of Naperville's financial planning and control. All departments of the City of Naperville are required to submit requests for appropriation to the City Manager, who then uses these requests as the starting point for developing a proposed budget. The City Manager then presents this proposed budget to the City Council for review, public hearings, and adoption before the City's fiscal year-end. The budget year begins on January 1 and ends on December 31 of the same year. The annual budget is prepared by fund and department (e.g., police, fire, public works, etc.). Budget-to-actual comparisons are provided in this report for each governmental fund for which an annual budget has been adopted.

### **Factors Affecting Financial Condition**

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

For more than 25 years, the City has maintained its AAA bond rating and managed its finances to support a consistently low property tax rate while providing high-quality services to the community. Following several decades of rapid growth beginning in the 1980s, the City transitioned to a maintenance community in the 2010s. As the expansion of revenue streams fueled by development waned, the City experienced depleted cash reserves and increased reliance on borrowing for infrastructure maintenance projects.

In 2016, the City Council developed and passed a financial strategy that put the City on a road to long-term financial stability, understanding that any future growth would involve limited infill versus expansion and that assets developed in Naperville's growth phase would require more extensive maintenance in the coming decades as those assets aged. That financial strategy included the adoption of a new mission statement and ends policies to support and guide the everyday operations of all City departments. Financial management was a significant component of the new ends policies which led staff to modify the philosophies that surround the budget process and financial state of the City.

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

# CITY OF NAPERVILLE, ILLINOIS

## Letter of Transmittal

### **Principle #1**

- The City will pass a structurally balanced operating budget annually

### **Principle #2**

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

### **Principle #3**

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

Since their adoption, these principles have guided the City's financial planning and budgeting, and financial decisions have consistently tested against these principles. We are pleased to report that as of December 31, 2022, the City has achieved the goals established in Principle #3. The impact of the City's active financial management can be seen in its rising cash balances, decreasing debt burden, and reaffirmation of the City's AAA credit rating by both Moody's and Standard & Poor's as recently as February 2022. Both rating agencies cite the City's strong fiscal management as one of the driving factors in its AAA rating.

In 2020, the City utilized its strong fiscal management strategies to navigate the impacts of the COVID-19 global pandemic. The City took steps to ensure the continued delivery of high-quality municipal services while maintaining fiscal controls in light of declining revenues. Concerns over the long-term impacts of the pandemic quickly faded in 2021 when it became clear that Naperville was in the midst of a rapid economic recovery with nearly all revenue streams returning to pre-pandemic levels.

By 2022, high inflation and continued supply chain issues had emerged as the most prevalent fiscal challenge coming out of the pandemic. Rapidly rising costs for labor, supplies, and services were faced throughout the year; however, the budget remained intact and strong revenues resulted in a General Fund surplus on December 31, 2022.

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

Despite the uncertainty created at other levels of government, the City continues to enjoy a strong local economy. While signs of slowing have emerged in the broader economy, Naperville continues to see consistent retail and restaurant sales, which signals resilience in the local consumer base. And, while real estate sales slowed in late 2022 as interest rates

CITY OF NAPERVILLE, ILLINOIS

Letter of Transmittal

rose, developers continue to look at Naperville as a destination for business. These trends, when combined with the City's strong balance sheet, show Naperville has established a stable financial status. That said, the City will continue financial planning so that it may be prepared to react to volatility while investing in the community's future.

**Awards and Acknowledgements**

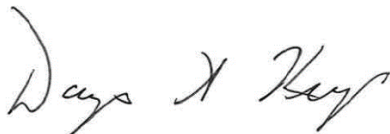
The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Naperville for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ending December 31, 2021. This was the 29<sup>th</sup> consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized ACFR. This report satisfied both GAAP and applicable legal requirements.

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

In addition, the City has been awarded the GFOA's Distinguished Budget Presentation Award for its annual budget document dated January 1, 2023. The City has received this prestigious award for 30 consecutive years. In order to qualify for the Distinguished Budget Presentation Award, a government's budget document must be judged to be proficient in several categories, including policy documentation, financial planning, and organization.

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

Respectfully submitted,



---

Douglas A. Krieger  
City Manager



---

Rachel Mayer  
Finance Director

## **FINANCIAL SECTION**

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

**SIKICH.COM**

## **INDEPENDENT AUDITOR'S REPORT**

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

### **Report on the Audit of the Financial Statements**

#### **Opinions**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Naperville, Illinois (the City), as of and for the year ended December 31, 2022, and the related notes to financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

We did not audit the financial statements of the Firefighters' Pension Fund of the City which represents 42%, 44%, and 14%, respectively, of the assets, fund balances/net position and revenue/additions of the aggregate remaining fund information of the City. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Firefighters' Pension Fund of the City is based on the report of the other auditors.

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Naperville, Illinois, as of December 31, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Change in Accounting Principle**

As discussed in Note 13 to the financial statements, the City adopted GASB Statement No. 87, *Leases*, which established a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Our opinion is not modified with respect to these matters.

## **Basis for Opinions**

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

The Firefighters' Pension Fund (fiduciary component unit), the Police Pension Fund (fiduciary component unit), and the Naperville Public Library (discretely presented component unit) were not audited in accordance with *Government Auditing Standards*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

## **Responsibilities of Management for the Financial Statements**

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

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

## **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

## **Other Matters**

### *Required Supplementary Information*

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

### *Supplementary Information*

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

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

### *Other Information*

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

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

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued a report dated June 29, 2023 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

*Sikich LLP*

Naperville, Illinois  
June 29, 2023



**GENERAL PURPOSE EXTERNAL  
FINANCIAL STATEMENTS**

## CITY OF NAPERVILLE, ILLINOIS

### Management's Discussion and Analysis

The City of Naperville's ("the City") Management's Discussion and Analysis (MD&A) is designed to achieve the following:

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

Since the MD&A is designed to focus on the current fiscal year's activities, resulting changes, and currently known facts, please read it in conjunction with the City's basic financial statements beginning on page 5.

#### **Financial Highlights**

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources by \$885.2 million (net position) as of December 31, 2022.
- The City's total net position for the fiscal year increased by \$1.4 million, or 0.2%. The governmental net position increased by \$15.3 million, or 3.8%, and the business-type net position decreased by \$13.8 million, or 2.9%.
- The City's governmental funds reported combined ending fund balances of \$131.7 million. The General Fund accounted for \$66.9 million, or 50.8%, of the total. The General Fund ending balance increased by \$15.0 million, or 28.7%, from the previous reporting period.
- The City issued \$6.8 million in new debt during the reporting period and paid down \$13.7 million in existing debt to reduce the total outstanding bonded debt to \$97.1 million.
- Net position in the City's pension trust funds decreased by \$66.5 million, or 13.4%, due to investments losses and a depreciation in the market value of investments held by pension funds.

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

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

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

The government-wide financial statements (see pages 5-8) are designed to provide readers with a broad overview of the City's finances in a manner similar to a private-sector business. The focus of the Statement of Net Position (the Unrestricted Net Position) is designed to be similar to bottom-line results for the City and its governmental and business-type activities. This statement combines and consolidates the governmental fund's current financial resources (short-term spendable resources) with capital assets and long-term obligations using the accrual basis of accounting and economic resources measurement focus.

# CITY OF NAPERVILLE, ILLINOIS

## Management's Discussion and Analysis

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

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

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

### *Fund Financial Statements*

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

**Governmental Funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike 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 26 individual governmental funds. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Capital Projects Fund, and American Rescue Plan Fund which are considered to be major funds. Data from the other 23 governmental funds are combined into a single, aggregated presentation as nonmajor funds.

## CITY OF NAPERVILLE, ILLINOIS

### Management's Discussion and Analysis

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

The basic governmental fund financial statements can be found on pages 9-12 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 government-wide financial statements. The City uses enterprise funds to account for its Electric Utility, Water and Wastewater Utility, solid waste, and commuter parking operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its self-insurance activities. Because these services predominantly benefit governmental functions, they have been allocated to the governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Electric Utility, Water and Wastewater Utility, solid waste, and commuter parking operations. The Electric Utility Funds and the Water and Wastewater Utility Funds both are major funds of the City.

The basic proprietary fund financial statements can be found on pages 13-17 of this report.

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

The basic fiduciary fund financial statements can be found on pages 18-19 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 20-73 of this report.

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

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the budgetary comparison to actual experience for the General Fund, as well as the City's progress in funding its obligation to provide pension and other post-employment benefits (OPEB) to its employees. Required supplementary information can be found on pages 74-88 of this report.

# CITY OF NAPERVILLE, ILLINOIS

## Management's Discussion and Analysis

### Government-wide Financial Analysis

#### *Statement of Net Position*

The City's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$885.2 million as of December 31, 2022. By far the largest portion of the City's net position, at \$811.7 million, reflects its investment in capital assets (e.g., land, infrastructures, buildings, machinery, and equipment); less any related debt used to acquire those assets that are 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 \$31.2 million of the City's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of the unrestricted net position at \$42.3 million may be used to meet the City's ongoing obligations to citizens and creditors.

The following table presents a condensed summary of Net Position as of December 31, 2022, and December 31, 2021:

	Net Position (in Millions)					
	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Current and Other Assets	\$ 222.8	207.2	94.4	116.8	317.2	323.9
Capital Assets	483.8	483.8	437.0	433.9	920.8	917.7
Total Assets	706.6	691.0	531.4	550.7	1,238.0	1,241.7
Deferred Outflows	101.9	41.1	15.3	4.5	117.2	45.6
Total Assets/Deferred Outflows	808.5	732.1	546.7	555.2	1,355.2	1,287.3
Long-Term Liabilities	298.0	199.7	50.3	32.8	348.3	232.5
Other Liabilities	38.5	26.8	26.4	21.1	64.8	47.8
Total Liabilities	336.5	226.5	76.7	53.8	413.1	280.3
Deferred Inflows	56.1	104.9	0.8	18.3	56.8	123.1
Total Liabilities/Deferred Inflows	392.5	331.4	77.4	72.1	469.9	403.4
Net Position						
Net Investment in Capital Assets	409.4	402.3	402.3	406.1	811.7	808.4
Restricted	31.2	25.0	-	-	31.2	25.0
Unrestricted (Deficit)	(24.7)	(26.6)	67.0	77.0	42.3	50.4
Total Net Position	416.0	400.7	469.3	483.1	885.2	883.8

## CITY OF NAPERVILLE, ILLINOIS

### Management's Discussion and Analysis

#### **Normal Impacts**

Five basic (normal) transactions will affect the comparability of the Statement of Net Position summary presentation.

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

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

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

**Principal Payment on Debt** – This will reduce current assets and reduce long-term debt and reduce unrestricted net position and increase net investment in capital assets.

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

#### **Current Year Impacts**

As of December 31, 2022, the City reported positive balances in two of the three categories of net position for governmental activities. For business-type activities, the City reported positive balances in all categories of net position. The deficit in unrestricted net position for governmental activities is the result of the net pension liabilities and related activity for the City's Illinois Municipal Retirement Fund, Police Pension Fund, and Firefighters' Pension Fund.

During the current fiscal year, the total unrestricted net position changed to \$42.3 million compared to \$50.4 million the prior year. The governmental unrestricted net position increased by \$1.9 million due to increases in numerous governmental revenue categories. Those increases were partially offset by increases in long-term liabilities resulting from investment losses in pension funds. The business-type unrestricted net position decreased by \$10.0 million to \$67.0 million, due in part to unrealized losses in the City's fixed-income investment portfolio that were allocated proportionately to the utility funds.

## CITY OF NAPERVILLE, ILLINOIS

### Management's Discussion and Analysis

The following table presents a condensed summary of Changes in Net Position for the years ended December 31, 2022, and December 31, 2021:

	Change in Net Position (in Millions)					
	Governmental		Business-Type		Total	
	Activities		Activities			
	2022	2021	2022	2021	2022	2021
<b>Revenues</b>						
Program Revenues						
Charges for Services	\$ 27.8	27.9	221.7	224.3	249.5	252.2
Operating Grants/Contributions	3.6	3.5	-	0.5	3.6	4.0
Capital Grants/Contributions	9.2	9.3	2.7	4.8	11.9	14.0
General Revenues						
Property Taxes	41.5	40.8	-	-	41.5	40.8
Other Taxes	129.4	119.3	-	-	129.4	119.3
Other Revenues	(4.0)	2.0	(3.9)	1.2	(7.9)	3.2
<b>Total Revenues</b>	<b>207.5</b>	<b>202.8</b>	<b>220.5</b>	<b>230.7</b>	<b>428.0</b>	<b>433.5</b>
<b>Expenses</b>						
General Government	23.4	9.1	-	-	23.4	9.1
Physical Environment	14.2	14.1	-	-	14.2	14.1
Public Safety	104.3	82.5	-	-	104.3	82.5
Culture and Recreation	10.4	9.6	-	-	10.4	9.6
Transportation	37.6	34.5	-	-	37.6	34.5
Interest on Long-Term Debt	2.3	2.6	-	-	2.3	2.6
Electric	-	-	154.6	146.8	154.6	146.8
Water and Wastewater	-	-	71.3	60.6	71.3	60.6
Burlington Commuter Parking	-	-	1.2	1.7	1.2	1.7
Solid Waste	-	-	7.3	7.1	7.3	7.1
<b>Total Expenses</b>	<b>192.2</b>	<b>152.5</b>	<b>234.4</b>	<b>216.2</b>	<b>426.6</b>	<b>368.7</b>
<b>Change in Net Position</b>	<b>15.3</b>	<b>50.3</b>	<b>(13.8)</b>	<b>14.5</b>	<b>1.4</b>	<b>64.8</b>
<b>Net Position - Beginning</b>	<b>400.7</b>	<b>350.4</b>	<b>483.1</b>	<b>468.6</b>	<b>883.8</b>	<b>819.0</b>
<b>Net Position - Ending</b>	<b>416.0</b>	<b>400.7</b>	<b>469.3</b>	<b>483.1</b>	<b>885.3</b>	<b>883.8</b>

# CITY OF NAPERVILLE, ILLINOIS

## Management's Discussion and Analysis

### Normal Impacts

#### *Revenues*

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

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

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

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

#### *Expenses*

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

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

**Inflation** – While inflation has a reasonably modest impact on expenses most years, the City is a major consumer of certain commodities such as supplies, fuels, and parts. Some functions may experience unusual commodity-specific increases (e.g., fuel prices).

### Current Year Impacts

**Governmental Activities.** Governmental activities increased the City's net position by \$15.3 million.

#### *Revenue*

Total revenues from governmental activities increased by \$4.7 million from the prior year. The Other Taxes category increased by \$10.1 million, which is due predominantly to the increases in intergovernmental tax revenue, such as state sales tax, state income tax, and home rule sales tax. The increases were largely driven by continued strong economic recovery from the global coronavirus pandemic combined with higher tax receipts on items impacted by rising inflation. Other governmental revenues remained relatively flat in comparison to the prior year. The lone exception was Other Revenues, which decreased by \$2.0 million, largely due to unrealized investment losses.

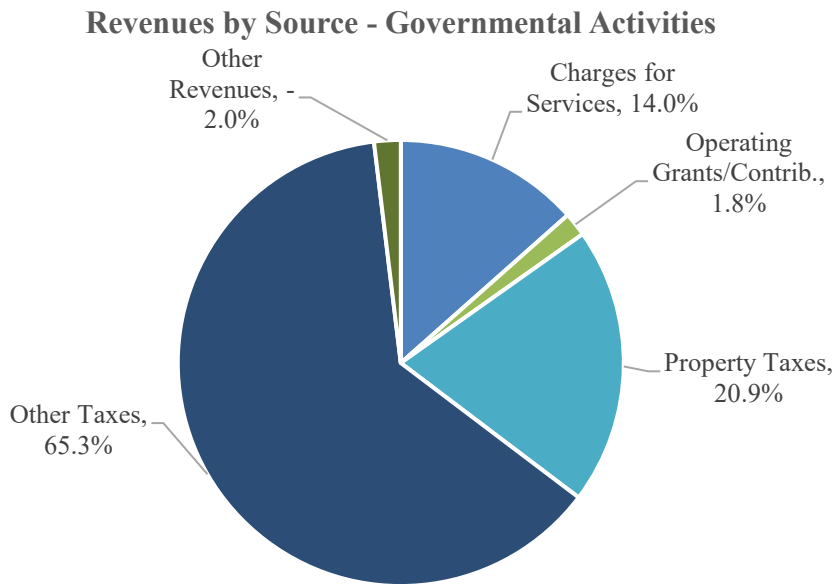


# CITY OF NAPERVILLE, ILLINOIS

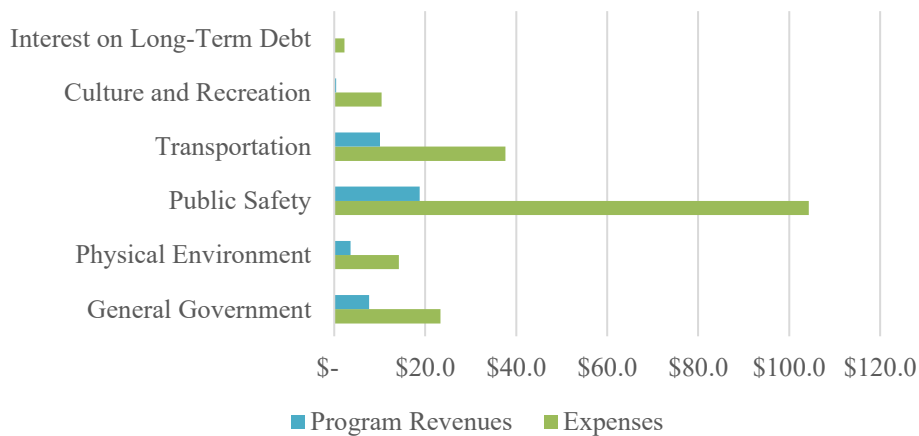
## Management's Discussion and Analysis

### Expenses

Total expenses related to governmental activities increased by \$39.7 million to \$192.2 million. The increase predominantly comes from increased expenses in the general government and public safety functions. General government expenses were \$14.3 million higher than the previous year. That increase is primarily attributable to higher IMRF pension and other post-employment benefits (OPEB) expenses. Public safety expenses were \$21.8 million higher than the previous year due to higher fire and police pension expenses.



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



**Business-type activities.** The net position for business-type activities decreased by \$13.8 million.

# CITY OF NAPERVILLE, ILLINOIS

## Management's Discussion and Analysis

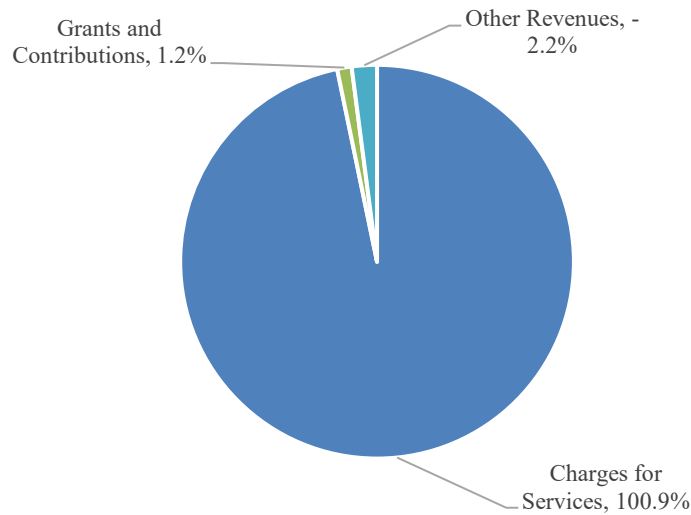
### Revenue

Overall revenues from business-type activities decreased by \$10.2 million from the prior year. That decrease comes from other revenues, which declined by \$5.1 million. The primary driver of that decline is unrealized losses on investments. Program-related revenues decreased by \$5.2 million as a result of a decrease in charges for electric service and private contributions for electric installations.

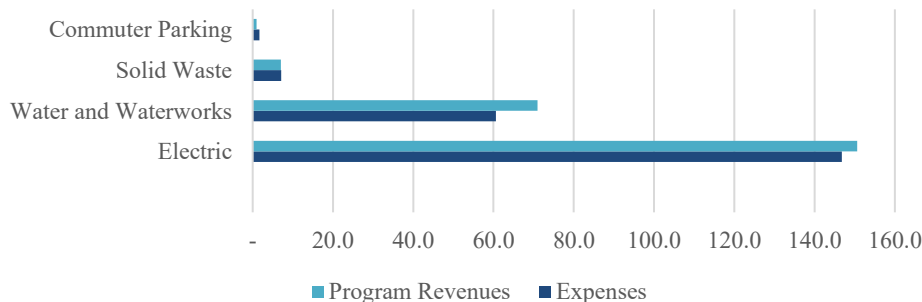
### Expenses

Total expenses from business-type activities increased by \$18.2 million, or 8.4%. Expenses in the Electric Utility Fund increased by \$7.8 million as a result of increased capital outlay and inventory expenses. Water Utility expenses increased by \$10.7 million due to increased capital outlay and higher expenses for purchased water for resale. Expenses for Commuter Parking decreased by \$0.5 million due to lower personnel and parking lot maintenance costs. Solid Waste related expenses increased by \$0.2 million due to contractual increases in waste hauling costs.

### Revenues by Source - Business-Type Activities



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



# CITY OF NAPERVILLE, ILLINOIS

## Management's Discussion and Analysis

### Financial Analysis of the City's Funds

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

**Governmental Funds.** The focus of the City's governmental funds, which include the General Fund and 25 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 \$131.7 million, an increase of \$17.3 million in comparison with the prior fiscal year. Of the total fund balance amount, \$65.8 million constitutes unassigned fund balance, which is an increase of \$15.0 million over the prior year. The remainder of the fund balance is for a variety of restricted, committed, and assigned purposes and is not available for new spending.

### Major Governmental Funds

The General Fund serves as the primary government fund responsible for supporting key public services, such as public safety, public works, and general government services. At the end of the current fiscal year, the General Fund had a total fund balance of \$66.9 million, an increase of 28.7%. Of that, \$66.5 million constitutes unassigned fund balance. The considerable increase in fund balance is the result of higher-than-expected revenues, which exceeded expenses in the fund. Revenue outperformance is seen in state sales and income taxes, ambulance fees, and real estate transfer tax.

The Capital Projects Fund supports general government capital projects, such as transportation infrastructure, public facilities, and vehicle and equipment replacement. At the end of the current fiscal year, the Capital Projects Fund had a total fund balance of \$27.3 million, a decrease of 12.2%. That fund balance is assigned to future capital projects. The fund balance decrease is attributable to an intentional drawdown of existing balances and unrealized investment losses.

The American Rescue Plan (ARPA) Fund currently holds \$13.3 million in deferred grant revenue. This represents the City's total allocation of ARPA funds. To date, none of the funds have been spent.

**CITY OF NAPERVILLE, ILLINOIS**

Management's Discussion and Analysis

The following schedule presents the governmental funds summary of revenues for the years ended December 31, 2022, and December 31, 2021:

	<b>12/31/2022</b>	<b>Percent of Total</b>	<b>12/31/2021</b>	<b>Amount of Increase (Decrease)</b>	<b>Percent of Increase (Decrease)</b>
	(Amounts Expressed in Thousands)				
<b>Revenues</b>					
Taxes	\$ 77,011	37.03%	73,732	3,280	4.45%
Licenses and Permits	2,503	1.20%	3,060	(557)	-18.21%
Fines and Forfeits	1,301	0.63%	1,286	15	1.15%
Net Investment Income	(7,397)	-3.56%	(1,840)	(5,558)	-302.09%
Intergovernmental	105,670	50.82%	98,201	7,469	7.61%
Charges for Services	24,135	11.61%	23,818	317	1.33%
Fees	2,860	1.38%	2,962	(101)	-3.43%
Contributions and Miscellaneous	1,863	0.90%	1,617	246	15.24%
Total Revenues	<u>207,946</u>	<u>100.00%</u>	<u>202,836</u>	<u>5,110</u>	<u>2.52%</u>

Governmental revenues increased by \$5.1 million, or 2.5% in 2022. Intergovernmental revenues represent the largest revenue source among the governmental funds, which increased by \$7.5 million, or 7.6%. Intergovernmental revenues include state-shared taxes, such as sales and income taxes. Economic recovery fueled strong gains in this category, with sales tax increasing 5.9% and income tax increasing 25% over the prior year. Taxes accounted for \$77.0 million in revenue, an increase of \$3.3 million or 4.5%. This category includes such items as utility tax, property tax (including those levied for pension purposes), hotel/motel tax, real estate transfer tax, and food and beverage tax. Revenue categories experiencing notable declines included licenses and permits, which declined by \$0.5 million due to it being a non-payment year for business on a two-year liquor license cycle, and investment income which declined by \$5.6 million as a result of unrealized investment losses.

	<b>12/31/2022</b>	<b>Percent of Total</b>	<b>12/31/2021</b>	<b>Amount of Increase (Decrease)</b>	<b>Percent of Increase (Decrease)</b>
	(Amounts Expressed in Thousands)				
<b>Expenditures</b>					
<b>Current</b>					
General Government	\$ 15,905	8.34%	15,184	721	4.75%
Transportation/Physical Environment	33,150	17.39%	33,320	(170)	-0.51%
Public Safety	93,806	49.21%	91,485	2,321	2.54%
Culture and Recreation	8,112	4.26%	7,441	671	9.02%
<b>Debt Service</b>					
Principal	9,550	5.01%	9,943	(393)	-3.95%
Interest, Fees and Issuance Costs	2,545	1.33%	2,893	(348)	-12.03%
Capital Outlay	27,547	14.45%	25,020	2,528	10.10%
Total Expenditures	<u>190,614</u>	<u>100.00%</u>	<u>185,284</u>	<u>5,330</u>	<u>2.88%</u>

## CITY OF NAPERVILLE, ILLINOIS

### Management's Discussion and Analysis

Expenditures in governmental funds increased by \$5.3 million, or 2.9%, from the prior fiscal year. Public safety expenditures account for the largest portion of governmental expenditures at \$93.8 million, an increase of \$2.3 million. Salaries for police and fire personnel account for most of that amount.

Capital outlay increased by \$2.5 million, or 10.1%, in the current year. Major capital projects during the reporting period included continued roadway, bridge, and public facility maintenance as well as investments in technology infrastructure throughout the City.

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

**Electric Utility** – The Electric Utility recorded a net loss of \$13.4 million before capital fees for the fiscal year ended December 31, 2022, compared to a net income of \$1.5 million for the prior year. The loss is attributable to operating expenses and depreciation costs exceeding operating revenues. The utility also saw unrealized investment losses of \$2.8 million. The Electric Utility performed slightly better on a cash flow basis, with a net decrease in cash and cash equivalents of \$9.0 million for the year ended December 31, 2022.

In 2021, the utility commissioned a rate study, which established rates through 2024. For 2022, rates increase by 0.5% when averaged across all rate classes. The rate study also adjusted the Purchased Power Adjustment (PPA) base to re-align with power costs. PPA is a rate-setting tool that allows the utility to smooth rate fluctuations using a six-month average. The updated rates support \$15.0 million in capital investment over each of the next three years.

Megawatt hour consumption for 2022 totaled 1.308 million, which was a 1.7% decrease from 2021. The City's purchased power expense for the 12 months ended December 31, 2021, was \$107.3 million, which is 75.8% of operating expenses for the year. Purchased power costs fluctuate based on heating degree days, cooling degree days, the rate for purchased electricity, and demand charges; however, they consistently account for the most significant expense to run the Electric Utility.

**Water/Wastewater Utility** – The Water/Wastewater Utility recorded a net loss of \$2.9 million before capital fees for the fiscal year ended December 31, 2022, compared to a net income of \$9.1 million for the prior year. The loss is attributable to operating expenses and depreciation costs exceeding operating revenues. The utility also saw unrealized investment losses of \$2.7 million. The Water/Wastewater Utility performed better on a cash flow basis, with a net increase in cash and cash equivalents of \$1.9 million for the year ended December 31, 2022.

In 2021, City Council approved a new rate schedule for the Water and Wastewater Utility. New rates went into effect on January 1, 2022, and annual increases are projected through 2024. The new rates include an additional fixed charge for each customer that will help fund capital improvements to the water distribution system. Rates for the phosphorus surcharge for wastewater customers were also increased, which will be used to fund EPA-mandated improvements at the wastewater treatment facility. Rate increases for 2022 average 4% across customer classes. Increased rates will support ongoing operations and increased capital maintenance of the water and wastewater system.

## CITY OF NAPERVILLE, ILLINOIS

### Management's Discussion and Analysis

Wholesale water rates, which are passed through by the City to customers, are based on rates applied by the DuPage Water Commission. In 2022, the purchased water rate (per 1,000 gallons) increased by 4.2% from \$4.97 to \$5.18 (effective May 1, 2022).

Purchased water expenses for the fiscal year ended December 31, 2022, totaled \$29.1 million and were 48.5% of total operating expenses. Purchased water expenses fluctuate based on customer demand and the wholesale water rate set by the DuPage Water Commission. In 2022, the utility purchased 5.6 billion gallons of water, an increase of 4.5% from the prior year.

### Capital Assets and Debt Administration

**Capital Assets.** The City's investment in capital assets for its governmental and business-type activities as of December 31, 2022, amounts to \$920.8 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, furniture and fixtures, infrastructure, IMEA participation right, and other intangible assets. The City's investment in capital assets increased by \$3.0 million from the prior year due to current-year additions exceeding the depreciation expense for the year.

	Capital Assets - Net of Depreciation (in Millions)					
	Governmental		Business-type		Total	
	Activities		Activities			
	2022	2021	2022	2021	2022	2021
Land and land improvements	\$ 182.8	183.1	18.2	18.2	201.0	201.3
Building and building improvements	76.8	80.6	2.0	2.3	78.8	82.9
Machinery and equipment	15.0	14.4	3.6	3.7	18.5	18.1
Infrastructure	191.1	189.7	367.3	365.2	558.4	555.0
Construction in progress	18.1	16.0	27.3	27.3	45.4	43.3
IMEA participation right	-	-	18.6	17.2	18.6	17.2
Intangible assets - equipment	0.1	0.1	-	-	0.1	0.1
Total	483.8	483.9	437.0	433.9	920.8	917.8

The 2021 balances of capital assets were restated to reflect the implementation of GASB Statement No. 87, Leases.

The City implemented GASB Statement No. 87 – Leases, for the fiscal year ended December 31, 2022. This resulted in a restatement of 2021 capital asset balances due to the addition of a copier lease, which is listed as an intangible asset.

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

### Debt Administration

For the fiscal year ended December 31, 2022, the City had a total of \$97.1 million of outstanding debt. These issues were all general obligation bonds. The City issued \$6.8 million in new debt in 2022 and paid down existing debt according to the established debt schedule. The City maintains a AAA rating on general obligation bond issues from both Standard and Poor's Rating Group and Moody's Investors Service.

**CITY OF NAPERVILLE, ILLINOIS**

Management's Discussion and Analysis

Data as of December 31, 2022, is as follows:

	Amount	Ratio of Bonded Debt to Assessed Valuation	Bonded Debt Per Capita
General Obligation Bonded Debt	\$ 97,100,000	1.23%	\$ 651

Long-Term Debt Outstanding (in Thousands)

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
General Obligation Bonds	\$ 69,020	78,548	28,080	25,437	97,100	103,985

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

**Pension and Other Post-Employment Benefits**

For the fiscal year ended December 31, 2022, the City had a total pension liability for its three pension funds of \$218.5 million compared to \$43.2 million the prior year. The decrease in net pension liability is largely attributable to net investment losses resulting from negative returns in both equity and fixed-income markets for the year.

Data as of December 31, 2022, is as follows:

	Net Pension Liability (in Millions)	
	2022	2021
IMRF*	\$ 39.6	\$ (42.1)
Police Pension	\$ 81.6	\$ 33.9
Firefighters Pension	\$ 97.3	\$ 51.2
Total	\$ 218.5	\$ 43.0

\*The IMRF amounts include liabilities for both the City and the Naperville Public Library

For additional information, please refer to Note 9 in the notes to the financial statements.

## CITY OF NAPERVILLE, ILLINOIS

### Management's Discussion and Analysis

The City implemented Statement No. 75 of the Governmental Accounting Standards Board (Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions) effective for fiscal years beginning after June 15, 2017. The total actuarial accrued liability is \$16.2 million on December 31, 2022, compared to \$21.0 million for the prior year. The change is largely attributable to assumption changes in the discount rate and updated healthcare cost trend rates. 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 2023, the City budget totals \$603.46 million across all funds, with the General Fund accounting for \$145.81 million of the total budget.
- Salaries and wages account for \$114.46 million in the annual budget across all funds, an increase of \$6.71 million over 2022. This included a 3.0% merit pool increase for non-union employees, plus a one-time 1.0% wage bonus. Union wages increased according to contractual agreements. The City added eight new positions for 2023 across various functions.
- Pensions continue to be an expense that is a significant variable in the City's annual budget. However, the City's actuarial-required contributions for police and fire pension funds decreased by \$762,354, or 4.1%, for the 2023 budget year. This is the most notable decrease in required annual funding in nearly 20 years. The City's estimated IMRF contributions decreased by \$356,125 after the City experienced a decrease in its contribution rate to 7.26% for 2023.
- The Human Resources Department continues to actively manage the City's health benefit plans with the assistance of a third-party benefits consultant. The City has enjoyed positive claims experiences in recent years, limiting the increase in health insurance premiums to just 3.3% while holding dental premiums flat for 2023. The 2023 budget includes \$19.8 million in total healthcare expenses related claims and program administration.
- Investments in capital infrastructure continue to be an area of focus and significant financial resources are being allocated. In 2023, capital outlay accounts for almost 15% of the total City budget at \$93.3 million. Areas of significant investment include water, wastewater, and electric utility infrastructure, roads and bridges, public facilities, and technology enhancements.
- The City Council is committed to maintaining a low property tax rate, which is the primary funding source for pensions, the Naperville Public Library, and Naper Settlement. The levy year 2022 property tax rate for the City is 0.6645, which continues to be one of the lowest rates compared to neighboring communities and the City's lowest rate over the past 50 years.
- Retail sales tax revenue is expected to maintain the strength seen in 2022 and is estimated at \$46.23 million for 2023. Significant factors used in generating the estimate include continued strength in the local economy, steady consumer demand, and price inflation. Home rule sales tax is estimated at \$19.41 million for 2023.



## CITY OF NAPERVILLE, ILLINOIS

### Management's Discussion and Analysis

- Several local taxes are also estimated to grow in 2023. Food and beverage taxes are estimated at \$6.78 million and hotel/motel tax is estimated at \$3.61 million. Both of these taxes signal a full recovery from the impact the pandemic had on the hospitality industry.
- Real estate transfer taxes are expected to decline in 2023 after reaching historic highs in 2022. The revenue estimate for 2023 has been reduced to \$5.48 million in light of rising mortgage rates and lower inventory of available properties for sale.

All of these factors were considered in preparing the City's budget and financial plans for 2023.

#### **Requests for Information**

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

## **BASIC FINANCIAL STATEMENTS**

**CITY OF NAPERVILLE, ILLINOIS**

STATEMENT OF NET POSITION

December 31, 2022

	Primary Government			Component Naperville Library
	Governmental Activities	Business-Type Activities	Total	
<b>ASSETS</b>				
Cash and investments	\$ 144,524,481	\$ 57,437,127	\$ 201,961,608	\$ 2,699,359
Receivables (net of allowance for uncollectable)	62,665,689	28,130,348	90,796,037	15,976,219
Internal balances	246,789	(246,789)	-	-
Due from other governments	15,335,288	-	15,335,288	-
Inventories	-	9,069,176	9,069,176	-
Capital assets (net of accumulated depreciation and amortization)				
Capital assets not depreciated nor amortized	199,078,432	45,452,339	244,530,771	-
Capital assets depreciated and amortized, net	284,709,830	372,982,889	657,692,719	7,279,082
IMEA participation right, net	-	18,594,092	18,594,092	-
<b>Total assets</b>	<b>706,560,509</b>	<b>531,419,182</b>	<b>1,237,979,691</b>	<b>25,954,660</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred items - IMRF	17,748,128	13,785,199	31,533,327	4,685,826
Deferred items - Police Pension	35,543,892	-	35,543,892	-
Deferred items - Firefighters' Pension	43,706,888	-	43,706,888	-
Deferred items - OPEB	3,226,137	319,802	3,545,939	96,319
Asset retirement obligation	-	424,775	424,775	-
Unamortized refunding loss	1,695,433	750,478	2,445,911	-
<b>Total deferred outflows of resources</b>	<b>101,920,478</b>	<b>15,280,254</b>	<b>117,200,732</b>	<b>4,782,145</b>
<b>Total assets and deferred outflows of resources</b>	<b>808,480,987</b>	<b>546,699,436</b>	<b>1,355,180,423</b>	<b>30,736,805</b>
<b>LIABILITIES</b>				
Accounts payable and other current liabilities	19,192,833	25,673,253	44,866,086	401,862
Accrued interest payable	184,445	87,198	271,643	-
Due to other governments	308,660	-	308,660	-
Unearned revenue	18,779,061	595,755	19,374,816	-
Long-term liabilities				
Due within one year	12,251,713	5,183,064	17,434,777	70,922
Due in more than one year	285,740,952	45,111,699	330,852,651	5,813,686
<b>Total liabilities</b>	<b>336,457,664</b>	<b>76,650,969</b>	<b>413,108,633</b>	<b>6,286,470</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred items - IMRF	183,033	142,164	325,197	48,324
Deferred items - Police Pension	227,579	-	227,579	-
Deferred items - Firefighters' Pension	4,452,355	-	4,452,355	-
Deferred items - OPEB	4,916,884	487,403	5,404,287	146,797
Deferred lease income	4,964,347	133,062	5,097,409	-
Deferred property taxes revenues	41,323,871	-	41,323,871	15,960,000
<b>Total deferred inflows of resources</b>	<b>56,068,069</b>	<b>762,629</b>	<b>56,830,698</b>	<b>16,155,121</b>
<b>Total liabilities and deferred inflows of resources</b>	<b>392,525,733</b>	<b>77,413,598</b>	<b>469,939,331</b>	<b>22,441,591</b>

(This statement is continued on the following page.)

**CITY OF NAPERVILLE, ILLINOIS**

STATEMENT OF NET POSITION (Continued)

December 31, 2022

	<b>Primary Government</b>			<b>Component Naperville Library</b>
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>	
<b>NET POSITION</b>				
Net investment in capital assets	\$ 409,406,154	\$ 402,320,350	\$ 811,726,504	\$ 7,279,082
Restricted for				
Debt service	8,637,934	-	8,637,934	-
Highways, streets, and parking facilities	15,902,749	-	15,902,749	-
Public safety	5,002,776	-	5,002,776	-
Capital projects	40,272	-	40,272	-
Culture and recreation	1,594,103	-	1,594,103	-
Physical environment	25,324	-	25,324	-
Unrestricted (deficit)	(24,654,058)	66,965,488	42,311,430	1,016,132
<b>TOTAL NET POSITION</b>	<b>\$ 415,955,254</b>	<b>\$ 469,285,838</b>	<b>\$ 885,241,092</b>	<b>\$ 8,295,214</b>

See accompanying notes to financial statements.

**CITY OF NAPERVILLE, ILLINOIS**

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2022

FUNCTIONS/PROGRAMS	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>PRIMARY GOVERNMENT</b>				
Governmental Activities				
General government	\$ 23,356,344	\$ 7,646,621	\$ -	\$ -
Physical environment	14,241,358	1,953,593	1,664,252	-
Public safety	104,747,654	17,619,846	1,160,015	-
Culture and recreation	10,430,293	434,446	-	-
Transportation	37,641,900	102,338	737,705	9,204,935
Interest on long-term debt	2,256,576	-	-	-
Total governmental activities	192,674,125	27,756,844	3,561,972	9,204,935
Business-Type Activities				
Electric	154,575,088	142,738,759	-	1,749,100
Water and wastewater	71,302,915	70,542,687	-	970,264
Burlington commuter parking	1,165,552	1,174,957	-	-
Solid waste	7,331,487	7,254,949	-	-
Total business-type activities	234,375,042	221,711,352	-	2,719,364
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 427,049,167</b>	<b>\$ 249,468,196</b>	<b>\$ 3,561,972</b>	<b>\$ 11,924,299</b>
<b>COMPONENT UNIT</b>				
Naperville Public Library	\$ 16,647,056	\$ 212,806	\$ 223,800	\$ -

	<b>Net (Expense) Revenue and Changes in Net Position</b>			
	<b>Primary Government</b>			<b>Component</b>
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>	<b>Naperville Public Library</b>
	\$ (15,709,723)	\$ -	\$ (15,709,723)	\$ -
	(10,623,513)	-	(10,623,513)	-
	(85,967,793)	-	(85,967,793)	-
	(9,995,847)	-	(9,995,847)	-
	(27,596,922)	-	(27,596,922)	-
	(2,256,576)	-	(2,256,576)	-
	(152,150,374)	-	(152,150,374)	-
	-	(10,087,229)	(10,087,229)	-
	-	210,036	210,036	-
	-	9,405	9,405	-
	-	(76,538)	(76,538)	-
	-	(9,944,326)	(9,944,326)	-
	(152,150,374)	(9,944,326)	(162,094,700)	-
	-	-	-	(16,210,450)
General Revenues				
Property taxes	41,482,976	-	41,482,976	15,312,842
Utility taxes	16,208,228	-	16,208,228	-
Real estate transfer taxes	6,637,702	-	6,637,702	-
Food and beverage taxes	6,556,725	-	6,556,725	-
Hotel/motel taxes	1,597,457	-	1,597,457	-
Gas taxes	2,391,599	-	2,391,599	-
Other taxes	2,136,624	-	2,136,624	469,353
Franchise fees	2,860,416	-	2,860,416	-
Intergovernmental - unrestricted				
Sales taxes	69,548,592	-	69,548,592	-
Income taxes	24,367,138	-	24,367,138	-
Gain on sale of capital assets	3,115	-	3,115	-
Net investment income (loss)	(7,397,289)	(5,646,500)	(13,043,789)	(106,128)
Miscellaneous	1,031,964	1,763,392	2,795,356	34,141
Total	167,425,247	(3,883,108)	163,542,139	15,710,208
CHANGE IN NET POSITION	15,274,873	(13,827,434)	1,447,439	(500,242)
NET POSITION, JANUARY 1	400,702,381	483,113,272	883,815,653	8,795,456
Change in accounting principle	(22,000)	-	(22,000)	-
NET POSITION, JANUARY 1, RESTATED	400,680,381	483,113,272	883,793,653	8,795,456
<b>NET POSITION, DECEMBER 31</b>	<b>\$ 415,955,254</b>	<b>\$ 469,285,838</b>	<b>\$ 885,241,092</b>	<b>\$ 8,295,214</b>

See accompanying notes to financial statements.

**CITY OF NAPERVILLE, ILLINOIS**

BALANCE SHEET  
GOVERNMENTAL FUNDS

December 31, 2022

	<b>General Fund</b>	<b>Capital Projects Fund</b>	<b>ARPA Fund</b>	<b>Nonmajor</b>	<b>Total</b>
<b>ASSETS</b>					
Cash and investments	\$ 58,271,058	\$ 30,076,728	\$ 13,308,689	\$ 35,797,912	\$ 137,454,387
Receivables					
Property taxes	26,996,457	-	-	14,327,414	41,323,871
Accrued interest	248,580	144,481	-	71,491	464,552
Accounts receivable less allowance for doubtful accounts	8,757,511	4,990,554	-	2,095,766	15,843,831
Loans and installments	218	-	-	17,166	17,384
Leases	2,506,530	-	-	2,472,337	4,978,867
Due from other funds	611,934	-	-	-	611,934
Advances to other funds	359,966	-	-	-	359,966
Due from other governments	12,443,563	856,875	-	2,034,850	15,335,288
<b>TOTAL ASSETS</b>	<b>\$ 110,195,817</b>	<b>\$ 36,068,638</b>	<b>\$ 13,308,689</b>	<b>\$ 56,816,936</b>	<b>\$ 216,390,080</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts payable	\$ 6,249,607	\$ 4,065,617	\$ -	\$ 1,365,190	\$ 11,680,414
Accrued wages and benefits	2,101,356	-	-	94,426	2,195,782
Due to other governmental agencies	253,197	-	-	55,463	308,660
Due to other funds	-	-	-	365,145	365,145
Advances from other funds	-	-	-	359,966	359,966
Deposits	4,343,261	175,750	-	-	4,519,011
Contract retainage payable	-	-	-	210,699	210,699
Unearned grant revenues and others	833,079	4,495,075	13,308,689	142,218	18,779,061
<b>Total liabilities</b>	<b>13,780,500</b>	<b>8,736,442</b>	<b>13,308,689</b>	<b>2,593,107</b>	<b>38,418,738</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue - leases	2,499,474	-	-	2,464,873	4,964,347
Unavailable revenue - property taxes	26,996,457	-	-	14,327,414	41,323,871
<b>Total deferred inflows of resources</b>	<b>29,495,931</b>	<b>-</b>	<b>-</b>	<b>16,792,287</b>	<b>46,288,218</b>
<b>Total liabilities and deferred inflows of resources</b>	<b>43,276,431</b>	<b>8,736,442</b>	<b>13,308,689</b>	<b>19,385,394</b>	<b>84,706,956</b>
<b>FUND BALANCES</b>					
Nonspendable					
Loans	218	-	-	-	218
Advances	359,966	-	-	-	359,966
Restricted for					
Debt service	-	-	-	8,637,934	8,637,934
Highways, streets, and parking facilities	-	-	-	15,902,749	15,902,749
Public safety	62,338	-	-	4,940,438	5,002,776
Capital projects	-	-	-	40,272	40,272
Culture and recreation	-	-	-	1,594,103	1,594,103
Physical environment	-	-	-	25,324	25,324
Committed to					
Highways, streets, and parking facilities	-	-	-	1,852,281	1,852,281
Assigned to					
Debt service	-	-	-	5,116,862	5,116,862
Capital projects	-	27,332,196	-	-	27,332,196
Unassigned (deficit)	66,496,864	-	-	(678,421)	65,818,443
<b>Total fund balances</b>	<b>66,919,386</b>	<b>27,332,196</b>	<b>-</b>	<b>37,431,542</b>	<b>131,683,124</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 110,195,817</b>	<b>\$ 36,068,638</b>	<b>\$ 13,308,689</b>	<b>\$ 56,816,936</b>	<b>\$ 216,390,080</b>

See accompanying notes to financial statements.

**CITY OF NAPERVILLE, ILLINOIS**

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

December 31, 2022

<b>FUND BALANCES OF GOVERNMENTAL FUNDS</b>	<b>\$ 131,683,124</b>
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>	
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds</p>	483,788,262
<p>Deferred outflows (inflows) of resources related to the pensions not reported in the funds</p>	
Deferred items - IMRF	\$ 17,565,095
Deferred items - Police Pension	35,316,313
Deferred items - Firefighters' Pension	39,254,533
Deferred items - OPEB	<u>(1,690,747)</u>
	90,445,194
<p>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</p>	
Accrued interest payable	(184,445)
Deferred loss on refunding	1,695,433
Net pension liability	
IMRF	(19,407,288)
Police Pension	(81,607,264)
Firefighters' Pension	(97,256,626)
Compensated absences	(7,815,213)
OPEB liability	(14,383,406)
Leases payable	(74,769)
General obligation debt	<u>(73,411,141)</u>
Total long-term liabilities	(293,955,707)
<p>Internal service funds are used by management to charge the costs of self-insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position</p>	
	<u>2,483,393</u>
<b>NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b><u><u>\$ 415,955,254</u></u></b>

See accompanying notes to financial statements.



**CITY OF NAPERVILLE, ILLINOIS**

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

For the Year Ended December 31, 2022

	<b>General Fund</b>	<b>Capital Projects Fund</b>	<b>ARPA Fund</b>	<b>Nonmajor</b>	<b>Total</b>
<b>REVENUES</b>					
Property taxes	\$ 26,564,918	\$ -	\$ -	\$ 14,918,058	\$ 41,482,976
Utility tax	16,208,228	-	-	-	16,208,228
Other taxes	9,732,123	-	-	9,587,984	19,320,107
Licenses and permits	2,456,626	-	-	46,346	2,502,972
Fines and forfeits	1,248,855	-	-	51,900	1,300,755
Net investment income (loss)	(3,446,459)	(2,684,333)	-	(1,266,497)	(7,397,289)
Contributions	-	827,314	-	4,092	831,406
Intergovernmental	76,056,018	18,116,475	-	11,497,079	105,669,572
Charges for services	17,025,068	-	-	7,109,708	24,134,776
Fees	2,860,416	-	-	-	2,860,416
Miscellaneous revenues	389,471	598,074	-	44,419	1,031,964
<b>Total revenues</b>	<b>149,095,264</b>	<b>16,857,530</b>	<b>-</b>	<b>41,993,089</b>	<b>207,945,883</b>
<b>EXPENDITURES</b>					
Current					
General government	15,900,912	-	-	4,012	15,904,924
Physical environment	8,766,991	-	-	836,938	9,603,929
Public safety	87,870,002	-	-	5,935,932	93,805,934
Culture and recreation	21,576	-	-	8,090,002	8,111,578
Transportation	20,316,998	-	-	3,228,986	23,545,984
Capital outlay	-	20,652,692	-	6,894,381	27,547,073
Debt service					
Principal	22,752	-	-	9,527,300	9,550,052
Interest and fees	466	-	-	2,544,193	2,544,659
<b>Total expenditures</b>	<b>132,899,697</b>	<b>20,652,692</b>	<b>-</b>	<b>37,061,744</b>	<b>190,614,133</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>16,195,567</b>	<b>(3,795,162)</b>	<b>-</b>	<b>4,931,345</b>	<b>17,331,750</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Sale of capital assets	-	-	-	3,115	3,115
Transfers in	334,520	6,931	-	4,160,917	4,502,368
Transfers (out)	(1,577,015)	-	-	(2,925,353)	(4,502,368)
<b>Total other financing sources (uses)</b>	<b>(1,242,495)</b>	<b>6,931</b>	<b>-</b>	<b>1,238,679</b>	<b>3,115</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>14,953,072</b>	<b>(3,788,231)</b>	<b>-</b>	<b>6,170,024</b>	<b>17,334,865</b>
<b>FUND BALANCES, JANUARY 1</b>	<b>51,988,314</b>	<b>31,120,427</b>	<b>-</b>	<b>31,261,518</b>	<b>114,370,259</b>
Change in accounting principle	(22,000)	-	-	-	(22,000)
<b>FUND BALANCES, JANUARY 1</b>	<b>51,966,314</b>	<b>31,120,427</b>	<b>-</b>	<b>31,261,518</b>	<b>114,348,259</b>
<b>FUND BALANCES, DECEMBER 31</b>	<b>\$ 66,919,386</b>	<b>\$ 27,332,196</b>	<b>\$ -</b>	<b>\$ 37,431,542</b>	<b>\$ 131,683,124</b>

See accompanying notes to financial statements.

**CITY OF NAPERVILLE, ILLINOIS**

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

For the Year Ended December 31, 2022

<b>NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS</b>		<b>\$ 17,334,865</b>
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation or amortization expense. This is the amount by which capital outlays exceeded depreciation in the current period</p>		
Capital outlays	\$ 18,707,136	
Depreciation and amortization	<u>(18,827,218)</u>	(120,082)
<p>Deferred outflows (inflows) of resources related to the pensions not reported in the funds</p>		
Change in deferred items - IMRF	38,270,809	
Change in deferred items - Police Pension	42,054,985	
Change in deferred items - Firefighters' Pension	39,277,319	
Change in deferred items - OPEB	<u>(4,540,914)</u>	115,062,199
<p>The issuance of long-term debt (e.g., bond, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction; however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items</p>		
Principal repayments - G.O. Bonds, SSA Bonds, notes payable, leases payable	9,550,052	
Change in unamortized premium	461,275	
Change in loss on refunding	<u>(198,391)</u>	9,812,936
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds</p>		
Increase in net pension liability		
IMRF	(40,440,992)	
Police Pension	(47,749,917)	
Firefighters' Pension	(46,026,985)	
Decrease in accrued interest payable	25,199	
Increase in compensated absences	(432,442)	
Decrease in other postemployment benefit obligation	<u>4,403,066</u>	(130,222,071)
<p>Internal service funds are used by management to charge the costs of information technology, fleet services, vehicle replacement, and self-insurance to individual funds. The net revenue of certain activities of internal service funds are reported with governmental activities</p>		
		<u>3,407,026</u>
<b>CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES</b>		<b>\$ 15,274,873</b>

See accompanying notes to financial statements.

**CITY OF NAPERVILLE, ILLINOIS**

STATEMENT OF NET POSITION  
PROPRIETARY FUNDS

December 31, 2022

	Business-Type Activities - Enterprise Funds				Governmental
	Electric Utility Fund	Water and Wastewater Utility Fund	Nonmajor Enterprise Funds	Total	Activities - Internal Service Self- Insurance Fund
<b>CURRENT ASSETS</b>					
Cash and investments	\$ 29,042,451	\$ 25,947,330	\$ 2,447,346	\$ 57,437,127	\$ 7,070,094
Receivables					
Accrued interest	150,726	141,833	10,156	302,715	23,684
Accounts receivable less allowance for doubtful accounts	17,242,723	4,278,163	573,021	22,093,907	13,500
Leases	-	133,383	-	133,383	-
Other receivables	589,986	4,436,651	-	5,026,637	-
Inventory	7,862,856	1,206,320	-	9,069,176	-
Total current assets	54,888,742	36,143,680	3,030,523	94,062,945	7,107,278
<b>NONCURRENT ASSETS</b>					
Capital assets (net of accumulated depreciation)					
Capital assets not depreciated	13,043,888	20,613,595	11,794,856	45,452,339	-
Capital assets depreciated, net	179,633,198	192,387,309	962,382	372,982,889	-
Net capital assets	192,677,086	213,000,904	12,757,238	418,435,228	-
Installments receivable	573,706	-	-	573,706	-
Intangible assets (net of accumulated amortization)					
IMEA participation right	18,594,092	-	-	18,594,092	-
Total non-current assets	211,844,884	213,000,904	12,757,238	437,603,026	-
Total assets	266,733,626	249,144,584	15,787,761	531,665,971	7,107,278
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred items - IMRF	7,878,346	5,906,853	-	13,785,199	-
Deferred items - OPEB	142,372	177,430	-	319,802	-
Unamortized refunding loss	463,340	287,138	-	750,478	-
Asset retirement obligation	-	424,775	-	424,775	-
Total deferred outflows of resources	8,484,058	6,796,196	-	15,280,254	-
Total assets and deferred outflows of resources	275,217,684	255,940,780	15,787,761	546,946,225	7,107,278

(This statement is continued on the following page.)

**CITY OF NAPERVILLE, ILLINOIS**

STATEMENT OF NET POSITION (Continued)  
 PROPRIETARY FUNDS

December 31, 2022

	Business-Type Activities - Enterprise Funds				Governmental
	Electric Utility Fund	Water and Wastewater Utility Fund	Nonmajor Enterprise Funds	Total	Activities -
					Internal Service Self- Insurance Fund
<b>CURRENT LIABILITIES</b>					
Accounts payable	\$ 10,376,929	\$ 3,367,795	\$ 660,448	\$ 14,405,172	\$ 577,666
Accrued wages and benefits payable	365,373	263,433	10,994	639,800	9,261
Accrued interest payable	27,790	59,408	-	87,198	-
Compensated absences - current portion	204,626	70,264	-	274,890	-
Deposits	7,233,067	143,391	895	7,377,353	-
Contract retainage payable	-	3,250,928	-	3,250,928	-
Claims and judgments	-	-	-	-	518,992
Due to other funds	-	-	246,789	246,789	-
Unearned revenue	566,985	28,770	-	595,755	-
General obligation bonds payable - current portion	2,200,300	2,625,000	-	4,825,300	-
OPEB liability - current portion	36,894	45,980	-	82,874	-
<b>Total current liabilities</b>	<b>21,011,964</b>	<b>9,854,969</b>	<b>919,126</b>	<b>31,786,059</b>	<b>1,105,919</b>
<b>NONCURRENT LIABILITIES</b>					
General obligation bonds payable	7,772,097	18,776,124	-	26,548,221	-
Compensated absences	1,256,986	431,619	-	1,688,605	-
Claims and judgments	-	-	-	-	3,517,966
Net pension liability - IMRF	8,614,841	6,459,046	-	15,073,887	-
OPEB liability	597,855	745,075	-	1,342,930	-
Asset retirement obligation	-	458,056	-	458,056	-
<b>Total noncurrent liabilities</b>	<b>18,241,779</b>	<b>26,869,920</b>	<b>-</b>	<b>45,111,699</b>	<b>3,517,966</b>
<b>Total liabilities</b>	<b>39,253,743</b>	<b>36,724,889</b>	<b>919,126</b>	<b>76,897,758</b>	<b>4,623,885</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred revenue - leases	-	133,062	-	133,062	-
Deferred items - IMRF	81,248	60,916	-	142,164	-
Deferred items - OPEB	216,985	270,418	-	487,403	-
<b>Total deferred inflows of resources</b>	<b>298,233</b>	<b>464,396</b>	<b>-</b>	<b>762,629</b>	<b>-</b>
<b>Total liabilities and deferred inflows of resources</b>	<b>39,551,976</b>	<b>37,189,285</b>	<b>919,126</b>	<b>77,660,387</b>	<b>4,623,885</b>
<b>NET POSITION</b>					
Net investment in capital assets	200,927,122	188,635,990	12,757,238	402,320,350	-
Unrestricted	34,738,586	30,115,505	2,111,397	66,965,488	2,483,393
<b>TOTAL NET POSITION</b>	<b>\$ 235,665,708</b>	<b>\$ 218,751,495</b>	<b>\$ 14,868,635</b>	<b>\$ 469,285,838</b>	<b>\$ 2,483,393</b>

See accompanying notes to financial statements.

**CITY OF NAPERVILLE, ILLINOIS**

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

For the Year Ended December 31, 2022

	<b>Business-Type Activities - Enterprise Funds</b>				<b>Governmental Activities - Internal Service</b>
	<b>Electric Utility Fund</b>	<b>Water and Wastewater Utility Fund</b>	<b>Nonmajor Enterprise Funds</b>	<b>Total</b>	<b>Self- Insurance Fund</b>
<b>OPERATING REVENUES</b>					
Charges for services	\$ 142,738,759	\$ 70,542,687	\$ 8,429,906	\$ 221,711,352	\$ 25,715,287
Miscellaneous	1,261,347	502,045	-	1,763,392	-
Total operating revenues	144,000,106	71,044,732	8,429,906	223,474,744	25,715,287
<b>OPERATING EXPENSES</b>					
Purchased power	107,332,443	-	-	107,332,443	-
Purchased water	-	29,146,166	-	29,146,166	-
Operations	13,421,206	19,375,849	8,213,016	41,010,071	-
Distribution	2,838,102	2,802,083	-	5,640,185	-
Other operating expenses	17,859,010	8,829,850	164,544	26,853,404	21,845,678
Total operating expenses	141,450,761	60,153,948	8,377,560	209,982,269	21,845,678
OPERATING INCOME BEFORE DEPRECIATION AND AMORTIZATION	2,549,345	10,890,784	52,346	13,492,475	3,869,609
Depreciation and amortization	(12,854,119)	(10,568,898)	(119,479)	(23,542,496)	-
OPERATING INCOME (LOSS)	(10,304,774)	321,886	(67,133)	(10,050,021)	3,869,609
<b>NON-OPERATING REVENUES (EXPENSES)</b>					
Net investment income (loss)	(2,854,231)	(2,603,589)	(188,680)	(5,646,500)	(462,583)
Interest expense	(270,208)	(580,069)	-	(850,277)	-
Total non-operating revenues (expenses)	(3,124,439)	(3,183,658)	(188,680)	(6,496,777)	(462,583)
NET INCOME (LOSS) BEFORE CAPITAL FEES	(13,429,213)	(2,861,772)	(255,813)	(16,546,798)	3,407,026
<b>CAPITAL FEES</b>	1,749,100	970,264	-	2,719,364	-
CHANGE IN NET POSITION	(11,680,113)	(1,891,508)	(255,813)	(13,827,434)	3,407,026
NET POSITION (DEFICIT), JANUARY 1	247,345,821	220,643,003	15,124,448	483,113,272	(923,633)
<b>NET POSITION, DECEMBER 31</b>	<b>\$ 235,665,708</b>	<b>\$ 218,751,495</b>	<b>\$ 14,868,635</b>	<b>\$ 469,285,838</b>	<b>\$ 2,483,393</b>

See accompanying notes to financial statements.

CITY OF NAPERVILLE, ILLINOIS

STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS

For the Year Ended December 31, 2022

	Business-Type Activities - Enterprise Funds				Governmental
	Electric Utility Fund	Water and Wastewater Utility Fund	Nonmajor Enterprise Funds	Total	Activities - Internal Service Self- Insurance Fund
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from customers and users	\$ 144,049,584	\$ 71,025,380	\$ 8,340,597	\$ 223,415,561	\$ -
Receipts from interfund services provided	-	-	-	-	25,895,301
Payments to other funds	(1,248,372)	(1,379,088)	-	(2,627,460)	-
Payments to suppliers	(121,470,079)	(47,021,553)	(7,830,398)	(176,322,030)	(22,531,364)
Payments to employees	(16,032,997)	(11,609,224)	(566,742)	(28,208,963)	(442,002)
Net cash from operating activities	5,298,136	11,015,515	(56,543)	16,257,108	2,921,935
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Operating grant	-	64,018	-	64,018	-
Due to/from other funds	-	-	149,678	149,678	-
Net cash from noncapital financing activities	-	64,018	149,678	213,696	-
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Purchases of capital and intangible assets	(10,484,016)	(12,070,932)	-	(22,554,948)	-
Proceeds from bond issuance	-	7,294,166	-	7,294,166	-
Payments of bond principal	(2,267,700)	(1,920,000)	-	(4,187,700)	-
Payment of bond interest	(441,212)	(728,146)	-	(1,169,358)	-
Capital fees	1,749,100	970,264	-	2,719,364	-
Net cash from capital and related financing activities	(11,443,828)	(6,454,648)	-	(17,898,476)	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Investment sales or maturities	16,703,589	15,718,091	1,125,448	33,547,128	2,624,735
Investment purchases	(19,639,433)	(18,406,806)	(1,317,701)	(39,363,940)	(3,105,054)
Net interest received	53,033	23,487	1,681	78,201	8,333
Net cash from investing activities	(2,882,811)	(2,665,228)	(190,572)	(5,738,611)	(471,986)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(9,028,503)	1,959,657	(97,437)	(7,166,283)	2,449,949
CASH AND CASH EQUIVALENTS, JANUARY 1	38,070,954	23,987,673	2,544,783	64,603,410	4,620,145
CASH AND CASH EQUIVALENTS, DECEMBER 31	\$ 29,042,451	\$ 25,947,330	\$ 2,447,346	\$ 57,437,127	\$ 7,070,094

(This statement is continued on the following page.)

CITY OF NAPERVILLE, ILLINOIS

STATEMENT OF CASH FLOWS (Continued)  
 PROPRIETARY FUNDS

For the Year Ended December 31, 2022

	Business-Type Activities - Enterprise Funds				Governmental
	Electric Utility Fund	Water and Wastewater Utility Fund	Nonmajor Enterprise Funds	Total	Activities - Internal Service Self- Insurance Fund
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Operating income (loss)	\$ (10,304,774)	\$ 321,886	\$ (67,133)	\$ (10,050,021)	\$ 3,869,609
Adjustments to reconcile operating income (loss) to net cash from operating activities					
Depreciation and amortization expense	12,854,119	10,568,898	119,479	23,542,496	-
(Increase) decrease in assets and deferred outflows of resources	(5,772,176)	(5,388,074)	(89,309)	(11,249,559)	180,014
Increase (decrease) in liabilities and deferred inflows of resources	8,520,967	5,512,805	(19,580)	14,014,192	(1,127,688)
Total adjustments	15,602,910	10,693,629	10,590	26,307,129	(947,674)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>\$ 5,298,136</b>	<b>\$ 11,015,515</b>	<b>\$ (56,543)</b>	<b>\$ 16,257,108</b>	<b>\$ 2,921,935</b>
<b>NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Capital assets acquired through accounts payable	\$ 834,999	\$ 3,250,928	\$ -	\$ 4,085,927	\$ -
Unrealized gains/(losses)	(2,935,844)	(2,688,715)	(192,253)	(5,816,812)	(480,319)
<b>TOTAL NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<b>\$ (2,100,845)</b>	<b>\$ 562,213</b>	<b>\$ (192,253)</b>	<b>\$ (1,730,885)</b>	<b>\$ (480,319)</b>

See accompanying notes to financial statements.

**CITY OF NAPERVILLE, ILLINOIS**

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

December 31, 2022

---

<b>ASSETS</b>	
Cash and short-term investments	<u>\$ 6,275,808</u>
Investments held in Illinois	
Firefighters' Pension Investment Fund	209,146,516
Investments held in Illinois	
Police Officers' Pension Investment Fund	<u>212,771,822</u>
Total investments	<u>421,918,338</u>
Due from municipality	315,442
Prepaid items	<u>795</u>
Total assets	428,510,383
<b>LIABILITIES</b>	
Accounts payable	<u>10,217</u>
<b>NET POSITION RESTRICTED FOR PENSIONS</b>	<u><u>\$ 428,500,166</u></u>

See accompanying notes to financial statements.



**CITY OF NAPERVILLE, ILLINOIS**

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

For the Year Ended December 31, 2022

---

**ADDITIONS**

Contributions	
Employer	\$ 19,037,081
Employee	4,071,311
Other	<u>1,165,117</u>
Total contributions	<u>24,273,509</u>
Investment income	
Net (depreciation) in fair value of investments	(70,344,011)
Interest and dividends	<u>3,882,040</u>
Total investment income	(66,461,971)
Less investment expense	<u>325,722</u>
Net investment income	<u>(66,787,693)</u>
Other income	<u>103</u>
Total additions	<u>(42,514,081)</u>

**DEDUCTIONS**

Pension benefits	23,800,428
Refunds of contributions	349
Administrative expense	<u>189,046</u>
Total deductions	<u>23,989,823</u>

NET (DECREASE) (66,503,904)

**NET POSITION RESTRICTED FOR PENSIONS**

January 1	<u>495,004,070</u>
December 31	<u>\$ 428,500,166</u>

See accompanying notes to financial statements.

# CITY OF NAPERVILLE, ILLINOIS

## NOTES TO FINANCIAL STATEMENTS

December 31, 2022

---

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

#### a. Reporting Entity

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

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

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

#### Blended Component Unit

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

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

a. Reporting Entity (Continued)

Discretely Presented Component Unit

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

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

Fiduciary Component Units

Police Pension Employees Retirement System

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

Firefighters' Pension Employees Retirement System

The City's sworn firefighters participate in the Firefighters' Pension Employees Retirement System (FPERS). FPERS functions for the benefit of these employees and is governed by a five-member pension board. Two members are appointed by the City's Mayor, one elected pension beneficiary, and two elected fire employees constitute the pension board. The City is obligated to fund all FPERS costs not funded by FPERS participants based upon actuarial valuations,

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

a. Reporting Entity (Continued)

Fiduciary Component Units (Continued)

Firefighters' Pension Employees Retirement System (Continued)

which creates a financial burden on the City. The State of Illinois is authorized to establish benefit levels and the City is authorized to approve the actuarial assumptions used in the determination of contribution levels, which results in the FPERS being fiscally dependent on the City. FPERS is reported as a pension trust fund. FPERS issues a stand-alone financial report.

b. Basis of Presentation

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

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

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

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

b. Basis of Presentation (Continued)

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

The City reports the following major governmental funds:

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

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

ARPA Fund - This fund is used to account for the receipt of American Rescue Plan Act monies approved by the Federal Government and are for specific projects.

The City reports the following major proprietary funds:

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

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

Additionally, the City reports the following fund types:

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

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

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

c. Measurement Focus and Basis of Accounting

The government-wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Non-exchange transactions, in which the City receives value without directly giving equal value in exchange, include property tax revenue, grants, and other contributions. On an accrual basis, revenues from property taxes are recognized in the period for which the levy is intended to finance, which is the year after the taxes are levied. For example, the 2021 levy is recognized as revenue for the fiscal year ended December 31, 2022. Revenue from grants and other contributions are recognized in the fiscal year in which all eligibility requirements imposed by the provider have been met. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis.

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

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

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

c. Measurement Focus and Basis of Accounting (Continued)

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

d. Cash and Cash Equivalents

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

e. Investments

State statutes and the City's investment policy authorize the City to invest in obligations of the U.S. Treasury, agencies, and instrumentalities; state and local obligations rated within the two highest classifications established by Moody's, Standard & Poor's and Fitch; commercial paper rated AAA 1, 2, or 3; repurchase agreements; non-negotiable certificates of deposits; money market accounts; investment grade corporate bonds defined as any bond rated BBB or better by Standard and Poor's; and pooled investment funds.

The City's investment policy also requires collateral for all deposits unless FDIC coverage is available. The collateral must have a market value of not less than 100% of all deposits. Wheaton Bank & Trust Company holds the collateral in the name of the City of Naperville.

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

e. Investments (Continued)

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

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

The Illinois Metropolitan Investment Fund (IMET) is a local government investment pool. Created in 1996 as a not-for-profit trust formed under the Intergovernmental Cooperation Act and the Illinois Municipal Code. IMET was formed to provide Illinois government agencies with safe, liquid, attractive alternatives for investing and is managed by a Board of Trustees elected from the participating members. IMET offers participants two separate vehicles to meet their investment needs. The IMET Core Fund is designed for public funds that may be invested for longer than one year. The Core Fund carries the highest rating available (AAAf/bf) from Moody's for such funds. Member withdrawals can be made from the core fund with a five-day notice. The IMET Convenience Fund (CVF) is designed to accommodate funds requiring high liquidity, including short term cash management programs and temporary investment of bond proceeds. It is comprised of collateralized and FHLB LoC backed bank deposits, FDIC insured certificates of deposit and US government securities. Member withdrawals are generally on the same day as requested. Investments in IMET are valued at IMET's share price, which is the price the investment could be sold.

f. Unbilled Receivables

Estimated sales for electric, water, and wastewater usage prior to December 31, 2022, which are unbilled at year end, are recognized as current year revenue and are included in accounts receivables.



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

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 using the consumption method in both government-wide and fund financial statements.

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

i. Capital Assets

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

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

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

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

Intangible assets represent the City's right-to-use a leased asset. These intangible assets, as defined by GASB Statement No. 87, *Leases*, are for lease contracts of nonfinancial assets including equipment.

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.

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

j. Compensated Absences (Continued)

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

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

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

Employees hired after July 1, 2011 are on a PTO plan that eliminated the distinction between vacation and sick leave. The City revised that plan on January 21, 2020. Under the revised PTO plan, vacation leave is based on years of service, with a minimum accrual of 120 hours annually. Sick leave is also provided at 80 hours annually, with a maximum accrual of 480 hours. However, sick leave is not paid out at separation or retirement.

k. Deposits

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

l. Bond Premiums, Discounts, and Issuance Costs

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

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

1. Bond Premiums, Discounts, and Issuance Costs (Continued)

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

m. Fund Balance/Net Position

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

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

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

In the government-wide and proprietary fund financial statements, restricted net position is legally restricted by outside parties for a specific purpose. Net investment in capital assets, represents the City's investment in the book value of capital assets, less any outstanding debt that was issued to construct or acquire the capital asset. Unrestricted net position consists of net position that does not meet the definition of restricted or invested in capital assets, net of related debt. None of the restricted net position or restricted fund balance results from enabling legislation adopted by the City except for the fund balance of \$1,310,693 in the Food and Beverage Tax Fund.

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

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 2021 were due, payable, and collected in two installments in June and September 2022.

Revenue for property taxes is recognized in the governmental funds in the year for which the taxes are intended to finance and the funds are available. Accordingly, the City recognized revenue during the fiscal year ended December 31, 2022 for collections from the calendar year 2021 levy if it was received by year end or within 60 days after year end. Property taxes levied for calendar year 2022, which will be collected in fiscal year 2023, are recorded as receivables and unavailable/deferred revenue.

o. Deferred Outflows/Inflows of Resources

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

p. Use of Estimates

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

**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."

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

a. Pension Investment Funds

The Illinois Police Officers' Pension Investment Fund (IPOPIF) is an investment trust fund responsible for the consolidation and fiduciary management of the pension assets of Illinois suburban and downstate police pension funds. IPOPIF was created by Public Act 101-0610 and codified within the Illinois Pension Code, becoming effective January 1, 2020, to streamline investments and eliminate unnecessary and redundant administrative costs, thereby ensuring assets are available to fund pension benefits for the beneficiaries of the participating pension funds as defined in 40 ILCS 5/ 22B-105. Participation in IPOPIF by Illinois suburban and downstate police pension funds is mandatory.

The Illinois Firefighters' Pension Investment Fund (IFPIF) is an investment trust fund responsible for the consolidation and fiduciary management of the pension assets of Illinois suburban and downstate firefighter pension funds. IFPIF was created by Public Act 101-0610, and codified within the Illinois Pension Code, becoming effective January 1, 2020, to streamline investments and eliminate unnecessary and redundant administrative costs, thereby ensuring assets are available to fund pension benefits for the beneficiaries of the participating pension funds. Participation in IFPIF by Illinois suburban and downstate firefighter pension funds is mandatory.

b. Deposits with Financial Institutions

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 investment policy requires 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 agent separate from where the investment was purchased.

The City's and the Library's 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 and the Library, respectively.

The Police Pension Fund and Firefighters' Pension Fund retain all of their available cash with one financial institution. Available cash is determined to be that amount which is required for the current expenditures of the fund. The excess of available cash is required to be transferred to IPOPIF or IFPIF for purposes of the long-term investment for the fund.

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

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

c. Investments

The following table presents the investments of the debt securities of the City and the Library as of December 31, 2022.

City and Library

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	More than 10
U.S. Treasury obligations	\$ 85,004,484	\$ -	\$ 74,304,948	\$ 10,699,536	\$ -
U.S. agency obligations	40,316,068	1,118,283	11,820,752	3,156,767	24,220,266
Corporate bonds	48,961,581	975,196	29,999,493	17,515,302	471,590
<b>TOTAL</b>	<b>\$174,282,133</b>	<b>\$ 2,093,479</b>	<b>\$ 116,125,193</b>	<b>\$ 31,371,605</b>	<b>\$ 24,691,856</b>

The City has the following recurring fair value measurements as of December 31, 2022:

Investment by Fair Value Level	December 31	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Debt securities				
U.S. Treasury obligations	\$ 85,004,484	\$ 85,004,484	\$ -	\$ -
U.S. agency obligations	40,316,068	-	40,316,068	-
Corporate bonds	48,961,581	-	48,961,581	-
<b>TOTAL INVESTMENTS MEASURED AT FAIR VALUE</b>	<b>\$ 174,282,133</b>	<b>\$ 85,004,484</b>	<b>\$ 89,277,649</b>	<b>\$ -</b>

The relationship between the City and the investment agent is a direct contractual relationship.

Investments of the Police Pension Fund are combined in a commingled external investment pool and held by IPOPIF. A schedule of investment expenses is included in IPOPIF's annual report. For additional information on IPOPIF's investments, please refer to their annual report as of June 30, 2022. A copy of that report can be obtained from IPOPIF at 456 Fulton Street, Suite 402, Peoria, IL 61602 or at [www.ipopif.org](http://www.ipopif.org).

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

c. Investments (Continued)

IPOPIF's investment policy was originally adopted by the Board of Trustees on December 17, 2021. IPOPIF has the authority to invest trust fund assets in any type of security subject to the requirements and restrictions set forth in the Illinois Pension Code and is not restricted by the Pension Code sections that pertain exclusively to the Article 3 participating police pension funds. IPOPIF shall be subject to the provisions of the Illinois Pension Code including, but not limited to, utilization of emerging investment managers and utilization of businesses owned by minorities, women, and persons with disabilities.

Investments of the Firefighters' Pension Fund are combined in a commingled external investment pool and held by IFPIF. A schedule of investment expenses is included in IFPIF's annual report. For additional information on IFPIF's investments, please refer to their annual report as of June 30, 2022. A copy of that report can be obtained from IFPIF at 1919 South Highland Avenue, Building A, Suite 237, Lombard, IL 60148 or at [www.ifpif.org](http://www.ifpif.org).

IFPIF's current investment policy was adopted by the Board of Trustees on June 17, 2022. IFPIF is authorized to invest in all investments allowed by Illinois Compiled Statutes (ILCS). The IFPIF shall not be subject to any of the limitations applicable to investments of pension fund assets currently held by the transferor pension funds under Sections 1-113.1 through 1-113.12 or Article 4 of the Illinois Pension Code.

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

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.



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

c. Investments (Continued)

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 investment policy requires 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 agent separate from where the investment was purchased.

Credit Risk - The City's investment and cash management policy prescribes 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 limits their exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing in obligations guaranteed by the United States Government or securities issued by agencies of the United States Government that are explicitly guaranteed by the United States Government. The City investment policy also allows investment grade corporate bonds rated at or above BBB- by Standard and Poor's, Baa3 by Moody's; and BBB-by Fitch by at least two of the three rating agencies. However, the City's investment policy does not specifically limit the City to these types of investments.

Concentration of Credit Risk - The City's investment policy follows the requirements of the State of Illinois Public Funds Investment Act, which prescribes allowable investment vehicles. No single investment, except those guaranteed by the United States Government, may exceed 5% of the fund's total market value.

Fair Value Measurement - The Police Pension Fund and Firefighters' Pension Fund categorizes fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The Police Pension Fund and Firefighters' Pension Fund held no investments subject to fair value measurement at December 31, 2022.

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

c. Investments (Continued)

Net Asset Value - The Net Asset Value (NAV) of the Police Pension Fund's pooled investment in IPOPIF was \$212,771,822 at December 31, 2022. Investments in IPOPIF are valued at IPOPIF's share price, which is the price the investment could be sold. There are no unfunded commitments at December 31, 2022. The fund may redeem shares with a seven calendar day notice. IPOPIF may, at its sole discretion and based on circumstances, process redemption requests with fewer than a seven calendar day notice. Regular redemptions of the same amount on a particular day of the month may be arranged with IPOPIF. The NAV of the Firefighters' Pension Fund's pooled investment in IFPIF was \$209,146,516 at December 31, 2022. The pooled investments consist of the investments as noted in the target allocation table available at [www.ifpif.org](http://www.ifpif.org). Investments in IFPIF are valued at IFPIF's share price, which is the price the investment could be sold. There are no unfunded commitments at December 31, 2022. The plan may redeem shares by giving notice by 5:00 pm central time on the 1<sup>st</sup> of each month. Requests properly submitted on or before the 1<sup>st</sup> of each month will be processed for redemption by the 14<sup>th</sup> of the month. Expedited redemptions may be processed at the sole discretion of IFPIF.

Investment Rate of Return - For the year ended December 31, 2022, the annual money-weighted rate of return on Police Pension Fund investments and Firefighters' Pension Fund investments, net of pension plan investment expense, was (12.30%) and (15.80%), respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**3. RECEIVABLES**

a. Installment Loans

The outstanding loans that are not expected to be collected within one year of December 31, 2022 are as follows:

	Term	Due	Amount
Loan to the SSA 33 property owners	Various	Various	\$ 17,166
Electric loans	Various	Various	573,706

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

**4. CAPITAL ASSETS**

A summary of changes in capital assets of the City and the Library for the fiscal year ended December 31, 2022 is as follows:

	Beginning Balances, Restated*	Increases	Decreases	Ending Balances
<b>GOVERNMENTAL ACTIVITIES</b>				
Capital assets not being depreciated				
Land	\$ 19,412,947	\$ -	\$ -	\$ 19,412,947
Land - infrastructure	161,526,935	-	-	161,526,935
Construction in progress	16,048,371	4,791,395	2,701,216	18,138,550
Total capital assets not being depreciated	196,988,253	4,791,395	2,701,216	199,078,432
Tangible capital assets being depreciated				
Land improvements	5,456,271	-	-	5,456,271
Buildings	157,938,011	-	-	157,938,011
Equipment	67,606,169	3,564,901	1,141,512	70,029,558
Infrastructure	500,933,866	13,052,056	-	513,985,922
Total tangible capital assets being depreciated	731,934,317	16,616,957	1,141,512	747,409,762
Intangible capital assets being amortized				
Equipment	97,521	-	-	97,521
Total intangible capital assets being amortized	97,521	-	-	97,521
Less accumulated depreciation for tangible capital assets				
Land improvements	3,336,614	288,017	-	3,624,631
Buildings	77,351,522	3,814,108	-	81,165,630
Equipment	53,236,112	2,973,115	1,141,512	55,067,715
Infrastructure	311,187,499	11,729,328	-	322,916,827
Total accumulated depreciation for tangible capital assets	445,111,747	18,804,568	1,141,512	462,774,803
Less accumulated amortization for intangible capital assets				
Equipment	-	22,650	-	22,650
Total accumulated amortization for intangible capital assets	-	22,650	-	22,650
Total tangible and intangible capital assets being depreciated and amortized, net	286,920,091	(2,210,261)	-	284,709,830
<b>GOVERNMENTAL ACTIVITIES</b>				
<b>CAPITAL ASSETS, NET</b>				
	\$ 483,908,344	\$ 2,581,134	\$ 2,701,216	\$ 483,788,262

\*The beginning balances of capital assets were restated to reflect the implementation of GASB Statement No. 87, *Leases*.

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

**4. CAPITAL ASSETS (Continued)**

Depreciation and amortization expense for governmental activities for the fiscal year ended December 31, 2022 was charged to functions as follows:

General government	\$ 2,447,538
Physical environment	1,882,722
Public safety	1,694,450
Culture and recreation	941,361
Transportation	<u>11,861,147</u>
<b>TOTAL</b>	<b><u>\$ 18,827,218</u></b>

	Beginning Balances	Increases	Decreases	Ending Balances
<b>BUSINESS-TYPE ACTIVITIES -</b>				
<b>ELECTRIC UTILITY</b>				
Capital assets not being depreciated				
Land	\$ 3,836,327	\$ -	\$ -	\$ 3,836,327
Construction in progress	8,878,181	329,380	-	9,207,561
Total capital assets not being depreciated	<u>12,714,508</u>	<u>329,380</u>	<u>-</u>	<u>13,043,888</u>
Tangible capital assets being depreciated				
Building and building improvements	7,707,096	-	-	7,707,096
Equipment	15,434,902	150,733	-	15,585,635
Infrastructure	427,903,418	7,568,474	-	435,471,892
Total tangible capital assets being depreciated	<u>451,045,416</u>	<u>7,719,207</u>	<u>-</u>	<u>458,764,623</u>
Intangible capital assets being amortized				
IMEA participation right	44,053,130	3,270,428	-	47,323,558
Total intangible capital assets being amortized	<u>44,053,130</u>	<u>3,270,428</u>	<u>-</u>	<u>47,323,558</u>
Less accumulated depreciation for tangible capital assets				
Building and building improvements	5,982,389	210,136	-	6,192,525
Equipment	14,337,048	151,556	-	14,488,604
Infrastructure	247,857,778	10,592,518	-	258,450,296
Total accumulated depreciation for tangible capital assets	<u>268,177,215</u>	<u>10,954,210</u>	<u>-</u>	<u>279,131,425</u>
Less accumulated amortization for intangible capital assets				
IMEA participation right	26,829,557	1,899,909	-	28,729,466
Total accumulated amortization for intangible capital assets	<u>26,829,557</u>	<u>1,899,909</u>	<u>-</u>	<u>28,729,466</u>
Total tangible and intangible capital assets being depreciated and amortized, net	<u>200,091,774</u>	<u>(1,864,484)</u>	<u>-</u>	<u>198,227,290</u>
<b>BUSINESS-TYPE ACTIVITIES -</b>				
<b>ELECTRIC UTILITY CAPITAL</b>				
<b>ASSETS, NET</b>	<b><u>\$ 212,806,282</u></b>	<b><u>\$ (1,535,104)</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 211,271,178</u></b>

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

**4. CAPITAL ASSETS (Continued)**

	Beginning Balances	Increases	Decreases	Ending Balances
<b>BUSINESS-TYPE ACTIVITIES -</b>				
<b>WATER AND WASTEWATER UTILITY</b>				
Capital assets not being depreciated				
Land	\$ 2,565,671	\$ -	\$ -	\$ 2,565,671
Construction in progress	18,384,874	1,153,686	1,490,636	18,047,924
Total capital assets not being depreciated	<u>20,950,545</u>	<u>1,153,686</u>	<u>1,490,636</u>	<u>20,613,595</u>
Capital assets being depreciated				
Equipment	12,922,097	335,211	-	13,257,308
Infrastructure	465,481,850	15,323,599	-	480,805,449
Total capital assets being depreciated	<u>478,403,947</u>	<u>15,658,810</u>	<u>-</u>	<u>494,062,757</u>
Less accumulated depreciation for				
Equipment	10,817,141	380,998	-	11,198,139
Infrastructure	280,289,409	10,187,900	-	290,477,309
Total accumulated depreciation	<u>291,106,550</u>	<u>10,568,898</u>	<u>-</u>	<u>301,675,448</u>
Total capital assets being depreciated, net	<u>187,297,397</u>	<u>5,089,912</u>	<u>-</u>	<u>192,387,309</u>
<b>BUSINESS-TYPE ACTIVITIES -</b>				
<b>WATER AND WASTEWATER UTILITY</b>				
<b>CAPITAL ASSETS, NET</b>				
	<u>\$ 208,247,942</u>	<u>\$ 6,243,598</u>	<u>\$ 1,490,636</u>	<u>\$ 213,000,904</u>
<b>BUSINESS-TYPE ACTIVITIES -</b>				
<b>NONMAJOR ENTERPRISE</b>				
Capital assets not being depreciated				
Land	\$ 11,794,856	\$ -	\$ -	\$ 11,794,856
Total capital assets not being depreciated	<u>11,794,856</u>	<u>-</u>	<u>-</u>	<u>11,794,856</u>
Capital assets being depreciated				
Building and building improvements	6,460,233	-	-	6,460,233
Machinery and equipment	1,420,847	-	-	1,420,847
Total capital assets being depreciated	<u>7,881,080</u>	<u>-</u>	<u>-</u>	<u>7,881,080</u>
Less accumulated depreciation for				
Building and building improvements	5,882,433	46,606	-	5,929,039
Machinery and equipment	916,786	72,873	-	989,659
Total accumulated depreciation	<u>6,799,219</u>	<u>119,479</u>	<u>-</u>	<u>6,918,698</u>
Total capital assets being depreciated, net	<u>1,081,861</u>	<u>(119,479)</u>	<u>-</u>	<u>962,382</u>
Total nonmajor enterprise net capital assets	<u>12,876,717</u>	<u>(119,479)</u>	<u>-</u>	<u>12,757,238</u>
<b>BUSINESS-TYPE ACTIVITIES - NET</b>	<u>\$ 433,930,941</u>	<u>\$ 4,589,015</u>	<u>\$ 1,490,636</u>	<u>\$ 437,029,320</u>

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

**4. CAPITAL ASSETS (Continued)**

	Beginning Balances	Increases	Decreases	Ending Balances
COMPONENT UNIT - NAPERVILLE				
PUBLIC LIBRARY				
Capital assets being depreciated				
Building and building improvements	\$ 16,853,975	\$ -	\$ -	\$ 16,853,975
Machinery and equipment	2,343,982	84,914	56,533	2,372,363
Total capital assets being depreciated	<u>19,197,957</u>	<u>84,914</u>	<u>56,533</u>	<u>19,226,338</u>
Less accumulated depreciation for				
Building and building improvements	9,459,548	803,581	-	10,263,129
Machinery and equipment	1,626,588	111,268	53,729	1,684,127
Total accumulated depreciation	<u>11,086,136</u>	<u>914,849</u>	<u>53,729</u>	<u>11,947,256</u>
COMPONENT UNIT - NAPERVILLE				
PUBLIC LIBRARY CAPITAL ASSETS, NET	<u>\$ 8,111,821</u>	<u>\$ (829,935)</u>	<u>\$ 2,804</u>	<u>\$ 7,279,082</u>

**5. INTERFUND BALANCES AND ACTIVITY**

a. Balances Due to/from Other Funds

Balances due to/from other funds at December 31, 2022 were as follows:

Receivable Fund	Payable Fund	Amount
General	Special Service Area #30 Fund	\$ 74,318
General	Solid Waste Fund	246,789
General	Special Service Area #31 Fund	244,137
General	CDBG Fund	<u>46,690</u>
TOTAL		<u>\$ 611,934</u>

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

b. Advances

Advances at December 31, 2022 were as follows:

Receivable Fund	Payable Fund	Amount
General	Special Service Area #25 Fund	\$ 359,966
TOTAL		<u>\$ 359,955</u>

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

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

---

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

c. Transfers to/from Other Funds

Interfund transfers for the fiscal year ended December 31, 2022 were as follows:

Transfers In	Transfers Out	Amount
General Fund	Special Service Area #21 Fund	\$ 334,520
Special Service Area #33 Fund	General Fund	1,577,015
Capital Projects Fund	Fair Share Tax Assessment Fund	6,931
Debt Service Fund	Food and Beverage Fund	1,877,364
Debt Service Fund	Water Street TIF Fund	607,587
Debt Service Fund	Special Service Area #23 Fund	98,951
<b>TOTAL</b>		<b><u>\$ 4,502,368</u></b>

The purpose of significant transfers is as follows:

- \$334,520 was transferred from the Special Service Area #21 Fund to the General Fund for reimbursement of prior transfers. This transfer will not be repaid.
- \$1,577,015 was transferred from the General Fund to the Special Service Area #33 Fund for annual funding. This transfer will not be repaid.
- \$1,877,364 was transferred from the Food and Beverage Fund to the Debt Service Fund for debt service payments. This transfer will not be repaid.

d. Deficit Fund Balances/Net Position

As of December 31, 2022, the following funds had deficit fund balances/net position:

Fund	Deficit
Special Service Area #25	\$ 359,966
Special Service Area #30	74,318
Special Service Area #31	244,137
Solid Waste Fund	256,558

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

**6. LONG-TERM OBLIGATIONS**

The following is a summary of changes in long-term debt of the City for the fiscal year ended December 31, 2022:

Type of Debt	Beginning Balance, Restated**	Additions	Deductions/ Refundings	Ending Balances	Amounts Due Within One Year
<b>GOVERNMENTAL ACTIVITIES</b>					
Net pension liability					
IMRF*	\$ -	\$ 19,407,288	\$ -	\$ 19,407,288	\$ -
Police Pension	33,857,347	47,749,917	-	81,607,264	-
Firefighters' Pension	51,229,641	46,026,985	-	97,256,626	-
Compensated absences	7,382,771	1,466,030	1,033,588	7,815,213	1,094,130
OPEB liability	18,786,472	-	4,403,066	14,383,406	836,028
General obligation bonds	78,547,800	-	9,527,300	69,020,500	9,779,700
Premium (discount)	4,851,916	-	461,275	4,390,641	-
Leases payable	97,521	-	22,752	74,769	22,863
Claims and judgements	5,044,742	12,443,858	13,451,642	4,036,958	518,992
<b>TOTAL</b>	<b>\$ 199,798,210</b>	<b>\$ 127,094,078</b>	<b>\$ 28,899,623</b>	<b>\$ 297,992,665</b>	<b>\$ 12,251,713</b>
<b>BUSINESS-TYPE ACTIVITIES - ELECTRIC UTILITY</b>					
Compensated absences	\$ 1,542,090	\$ 135,415	\$ 215,893	\$ 1,461,612	\$ 204,626
IMRF*	-	8,614,841	-	8,614,841	-
OPEB liability	774,336	-	139,587	634,749	36,894
General obligation bonds	10,962,200	-	2,267,700	8,694,500	2,200,300
Premium (discount)	1,515,128	-	237,231	1,277,897	-
Total electric utility	14,793,754	8,750,256	2,860,411	20,683,599	2,441,820
<b>BUSINESS-TYPE ACTIVITIES - WATER AND WASTEWATER UTILITY</b>					
Compensated absences	483,429	86,134	67,680	501,883	70,264
IMRF*	-	6,459,046	-	6,459,046	-
OPEB liability	867,899	-	76,844	791,055	45,980
Asset retirement obligation	402,000	56,056	-	458,056	-
General obligation bonds	14,475,000	6,830,000	1,920,000	19,385,000	2,625,000
Premium (discount)	1,735,330	464,166	183,372	2,016,124	-
Total water and wastewater utility	17,963,658	13,895,402	2,247,896	29,611,164	2,741,244
<b>TOTAL</b>	<b>\$ 32,757,412</b>	<b>\$ 22,645,658</b>	<b>\$ 5,108,307</b>	<b>\$ 50,294,763</b>	<b>\$ 5,183,064</b>
<b>COMPONENT UNIT - NAPERVILLE PUBLIC LIBRARY</b>					
Compensated absences	\$ 377,660	\$ 6,080	\$ 52,433	\$ 331,307	\$ 45,962
IMRF*	-	5,123,873	-	5,123,873	-
OPEB liability	606,315	-	176,887	429,428	24,960
<b>TOTAL</b>	<b>\$ 983,975</b>	<b>\$ 5,129,953</b>	<b>\$ 229,320</b>	<b>\$ 5,884,608</b>	<b>\$ 70,922</b>

\*The IMRF net pension liability was a net pension asset as of January 1, 2022.

\*\*The beginning balances of long-term debt were restated to reflect the implementation of GASB Statement No. 87, *Leases*.



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

---

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

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

Long-term debt at December 31, 2022 consists of the following:

a. General Obligation Bonds

	Governmental Activities	Business-Type Activities	Total
September 2012, 2% to 4%, due serially through December 1, 2025	\$ 2,625,500	\$ 1,824,500	\$ 4,450,000
July 2013, 3% to 4%, due serially through December 1, 2031	2,920,000	-	2,920,000
May 2014, 2.00% to 3.50%, due serially through December 1, 2032	11,800,000	-	11,800,000
June 2016, 2.00% to 3.50%, due serially through December 1, 2035	26,540,000	6,265,000	32,805,000
November 2017, 3%, due serially through December 1, 2037	5,605,000	-	5,605,000
November 2018, 3.125% to 5%, due serially through December 1, 2038	3,980,000	-	3,980,000
November 2020, 2% to 5%, due serially through December 1, 2040	15,550,000	13,435,000	28,985,000
March 2022, 3% to 4%, due serially through December 1, 2041	-	6,555,000	6,555,000
<b>TOTAL</b>	<b>\$ 69,020,500</b>	<b>\$ 28,079,500</b>	<b>\$ 97,100,000</b>

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

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

a. General Obligation Bonds (Continued)

The annual requirements to amortize all short and long-term general obligation bonds outstanding at December 31, 2022 are as follows:

Fiscal Year	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2023	\$ 9,779,700	\$ 2,233,739	\$ 4,825,300	\$ 1,046,380
2024	7,922,550	1,891,451	4,027,450	850,318
2025	7,383,250	1,624,849	3,761,750	685,070
2026	5,810,000	1,374,419	2,370,000	527,450
2027	5,745,000	1,173,319	2,430,000	426,600
2028-2031	18,500,000	3,606,955	7,435,000	924,150
2032-2036	10,715,000	1,263,601	1,685,000	386,400
2037-2041	3,165,000	152,608	1,545,000	117,600
<b>TOTAL</b>	<b>\$ 69,020,500</b>	<b>\$ 13,320,941</b>	<b>\$ 28,079,500</b>	<b>\$ 4,963,968</b>

b. Enterprise Fund Commitments

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

Bonds Series	Electric Utility	Water and Wastewater Utility	Governmental Activities	Total
G.O. 2012 Refunding	\$ 1,824,500	\$ -	\$ 2,625,500	\$ 4,450,000
G.O. 2016 Refunding	3,220,000	3,045,000	26,540,000	32,805,000
G.O. 2020 Refunding	3,650,000	9,785,000	15,550,000	28,985,000

The general obligation bonds outstanding amount for the enterprise funds at December 31, 2022 is \$28,079,500.

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

c. Asset Retirement Obligation

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

d. Leases Payable

The City entered into a lease arrangement on April 21, 2021 for the right-to-use copiers. Payments of \$1,935 are due in monthly installments through April 20, 2026. Total intangible right-to-use assets acquired under this agreement are \$97,521.

Annual debt service to maturity requirements are as follows:

Fiscal Year	Governmental Activities	
	Principal	Interest
2023	\$ 22,863	\$ 355
2024	22,990	228
2025	23,117	101
2026	5,799	5
<b>TOTAL</b>	<b>\$ 74,769</b>	<b>\$ 689</b>

**7. RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City accounts for its risk financing activities in the Self-Insurance Fund (internal service fund). The Self-Insurance Fund pays all general liability, unemployment and workers' compensation, and auto and collision claims for which the City is held liable. The City has a \$2 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 million.

The City is self-insured for health and dental claims, which are also being accounted for in the Self-Insurance Fund. The City has \$300,000 specific stop loss coverage for PPO and \$200,000 for HMO health claims. The City has a \$2 million retention limit for health and dental claims. The City utilizes a third-party administrator to process the claims. The City reimburses the administrator for the claims plus a processing fee.

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

---

**7. RISK MANAGEMENT (Continued)**

The Self-Insurance Fund is supported by payments from the General Fund, Naper Settlement Fund, Electric, Water and Wastewater Utility Funds, Commuter Parking Fund, and the Library (component unit) based upon an estimate of the annual claims and administration costs. In addition, the City has recognized a liability for claims, which were incurred but not reported at year end. At December 31, 2022, this liability totaled \$518,992. The claims liability reported in the Self-Insurance Fund of \$4,036,958 at December 31, 2022 is based on the requirements of GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. There were no significant reductions in insurance coverage from the previous year.

Changes in the Self-Insurance Fund's claims liability amount for the fiscal year ended December 31, 2022 and 2021 were:

	2022	2021
CLAIMS LIABILITY, BEGINNING OF YEAR	\$ 5,044,742	\$ 5,104,570
Incurred claims	12,443,858	14,697,868
Claim payments	(13,451,642)	(14,757,696)
CLAIMS LIABILITY, END OF YEAR	\$ 4,036,958	\$ 5,044,742

**8. COMMITMENTS AND CONTINGENCIES**

DuPage Water Commission

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

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

Illinois Municipal Electric Agency

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

The City's Power Sales Contract includes a premium adjustment to IMEA to secure additional capacity and energy resources to add to its existing mix of resources in order to be able to service the City. The premium payments to be made to IMEA through 2025 are to offset the projected increase to the average power supply costs to IMEA's 29 existing participating members resulting in acquisition of the resources necessary to serve the City. The projected premium payments are approximately \$61.5 million. The cumulative premium payments through December 31, 2022 are \$47.3 million.

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

Naperville Renewable Energy Program

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

The City holds primary responsibility for the program on behalf of its customers. During fiscal year 2022, the City collected \$0.27 million and due to management efficiencies will make all funds, less minimum administration costs, available through grants to directly fund local community based renewable energy and energy efficiency projects within the City. The fund balance of this subfund of the electric fund at December 31, 2022 is \$0.57 million.

Development Assistance

The City has entered into various agreements with private organizations to encourage economic development in the City. Some of these agreements provide for rebating a portion of sales tax and hotel tax to the private organizations if certain benchmarks of development are achieved. During the year ended December 31, 2022, \$1.98 million in sales tax and \$1.59 million in hotel tax were rebated under these agreements. The remaining \$26.39 million will be payable over the next 16 years or sooner if the rebate thresholds are reached.

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

---

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

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

The table below is a summary for all pension plans as of and for the year ended December 31, 2022:

	IMRF (City Share)	Police Pension	Firefighters' Pension	Total
Net pension liability	\$ 34,481,175	\$ 81,607,264	\$ 97,256,626	\$ 213,345,065
Deferred outflows of resources	31,533,327	35,543,892	43,706,888	110,784,107
Deferred inflows of resources	325,197	227,579	4,452,355	5,005,131
Pension expense	8,505,371	13,957,655	17,524,024	39,987,050

The pension expense recognized for all plans was \$39,987,050 for the City and \$1,266,227 for the Library for the year ended December 31, 2022.

a. Plan Descriptions

Illinois Municipal Retirement Fund

*Plan Administration*

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

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

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

*Benefits Provided*

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

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

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

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

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

---

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

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

*Plan Membership*

As of December 31, 2022, the following employees were covered by the benefit terms:

Inactive plan members currently receiving benefits	933
Inactive plan members entitled to but not yet receiving benefits	775
Active plan members	809
<b>TOTAL</b>	<b>2,517</b>

*Contributions*

As set by statute, the City's RP Members are required to contribute 4.50% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The City's annual contribution rate for calendar year 2022 was 8.58% of covered payroll.

*Net Pension Liability*

The City's net pension liability was measured as of December 31, 2022. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

*Actuarial Assumptions*

The total pension liability was determined by an actuarial valuation performed, as of December 31, 2022, using the following actuarial methods and assumptions:

Actuarial cost method	Entry-age normal
Asset valuation method	Fair value
Actuarial assumptions	
Interest rate	7.25%
Salary increases	2.85% to 13.75%
Cost of living adjustments	3.00%
Inflation	2.25%



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

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

*Actuarial Assumptions (Continued)*

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

*Discount Rate*

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

*Discount Rate Sensitivity*

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net pension liability	\$ 85,211,293	\$ 39,605,048	\$ 3,404,584

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

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

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

*Changes in the Net Pension Liability (Asset)*

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability (Asset)
BALANCES AT JANUARY 1, 2022	\$ 393,806,390	\$ 435,875,526	\$ (42,069,136)
Changes for the period			
Service cost	5,586,570	-	5,586,570
Interest	28,031,226	-	28,031,226
Difference between expected and actual experience	1,715,817	-	1,715,817
Changes in assumptions	-	-	-
Employer contributions	-	5,356,176	(5,356,176)
Employee contributions	-	2,773,279	(2,773,279)
Net investment income	-	(54,058,150)	54,058,150
Benefit payments and refunds	(19,924,140)	(19,924,140)	-
Other (net transfer)	-	(411,876)	411,876
Net changes	15,409,473	(66,264,711)	81,674,184
BALANCES AT DECEMBER 31, 2022	\$ 409,215,863	\$ 369,610,815	\$ 39,605,048
	City	Library	Total
BEGINNING NET PENSION LIABILITY (ASSET) AT JANUARY 1, 2022	\$ (36,495,951)	\$ (5,573,185)	\$ (42,069,136)
EMPLOYER CONTRIBUTIONS - 2022	\$ 4,663,225	\$ 692,951	\$ 5,356,176
ENDING NET PENSION LIABILITY AT DECEMBER 31, 2022	\$ 34,481,175	\$ 5,123,873	\$ 39,605,048

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

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

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

*Changes in the Net Pension Liability (Continued)*

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

For the fiscal year ended December 31, 2022, the City recognized pension expense of \$8,505,371 and the Library recognized \$1,266,227. At December 31, 2022, the City and Library combined report deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Total
Difference between expected and actual experience	\$ 5,603,265	\$ -	\$ 5,603,265
Changes in assumption	-	(373,521)	(373,521)
Net difference between projected and actual earnings on pension plan investments	30,615,888	-	30,615,888
<b>TOTAL</b>	<b>\$ 36,219,153</b>	<b>\$ (373,521)</b>	<b>\$ 35,845,632</b>

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

Fiscal Year	City Net Deferred Outflows of Resources	Library Net Deferred Outflows of Resources	Total
2023	\$ 1,544,886	\$ 229,571	\$ 1,774,457
2024	6,089,062	904,829	6,993,891
2025	8,735,824	1,298,136	10,033,960
2026	14,838,358	2,204,966	17,043,324
2027	-	-	-
Thereafter	-	-	-
<b>TOTAL</b>	<b>\$ 31,208,130</b>	<b>\$ 4,637,502</b>	<b>\$ 35,845,632</b>

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

a. Plan Descriptions (Continued)

Police Pension Plan

*Plan Administration*

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

*Plan Membership*

At December 31, 2022, the measurement date, membership consisted of the following:

Inactive plan members currently receiving benefits	129
Inactive plan members entitled to but not yet receiving benefits	5
Active plan members	176
<b>TOTAL</b>	<b>310</b>

*Benefits Provided*

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

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

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

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

*Benefits Provided (Continued)*

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

*Contributions*

Covered employees are required to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The City is required to contribute the remaining amounts necessary to finance the plan and the administrative costs as actuarially determined by an enrolled actuary. However, effective January 1, 2011, ILCS requires the City to contribute a minimum amount annually calculated using the projected unit credit actuarial cost method that will result in the funding of 90% of the past service cost by the year 2040. However, the City is funding using the entry age normal actuarial cost method to fund 100% of the past service cost by the year 2033. For the fiscal year ended December 31, 2022, the City's contribution was 38.81% of covered payroll.

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

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

*Actuarial Assumptions*

The total pension liability was determined by an actuarial valuation performed, as of December 31, 2022, using the following actuarial methods and assumptions:

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

Mortality rates were based on the PubS-2010 Mortality Table projected five years past the valuation date with Scale MP-2021. The actuarial assumptions used in the December 31, 2022 valuation were based on the results of an actuarial experience study conducted by the Illinois Department of Insurance dated 2019.

*Discount Rate*

The discount rate used to measure the total pension liability at December 31, 2022 was 6.75%. The discount rate at December 31, 2021 was 6.75%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that city contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Police Pension Fund's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

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

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

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

*Discount Rate Sensitivity*

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

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Net pension liability	\$ 125,379,981	\$ 81,607,264	\$ 45,992,845

*Changes in the Net Pension Liability*

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT JANUARY 1, 2022	\$ 281,991,811	\$ 248,134,464	\$ 33,857,347
Changes for the period			
Service cost	4,371,545	-	4,371,545
Interest	18,929,691	-	18,929,691
Difference between expected and actual experience	4,237,446	-	4,237,446
Changes in assumptions	-	-	-
Changes of benefit terms	-	-	-
Employer contributions	-	8,262,723	(8,262,723)
Employee contributions	-	2,065,729	(2,065,729)
Buy back contributions	1,165,117	1,165,117	-
Net investment income	-	(30,462,666)	30,462,666
Benefit payments and refunds	(11,846,990)	(11,846,990)	-
Administrative expense	-	(77,021)	77,021
Net changes	16,856,809	(30,893,108)	47,749,917
BALANCES AT DECEMBER 31, 2022	\$ 298,848,620	\$ 217,241,356	\$ 81,607,264

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

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

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

*Changes in the Net Pension Liability (Continued)*

The plan's fiduciary net position as a percentage of the total pension liability was 72.69% at December 31, 2022.

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

For the fiscal year ended December 31, 2022, the City recognized pension expense of \$13,957,655. At December 31, 2022, the City reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Total
Difference between expected and actual experience	\$ 6,817,726	\$ (227,579)	\$ 6,590,147
Changes in assumption	6,362,144	-	6,362,144
Net difference between projected and actual earnings on pension plan investments	22,364,022	-	22,364,022
<b>TOTAL</b>	<u>\$ 35,543,892</u>	<u>\$ (227,579)</u>	<u>\$ 35,316,313</u>

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

Fiscal Year	Net Deferred Outflows (Inflows) of Resources
2023	\$ 5,004,618
2024	8,624,683
2025	9,316,285
2026	11,160,029
2027	605,349
Thereafter	605,349
<b>TOTAL</b>	<u>\$ 35,316,313</u>



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

a. Plan Descriptions (Continued)

Firefighters' Pension Plan

*Plan Administration*

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

*Plan Membership*

At December 31, 2022, the measurement date, membership consisted of the following:

Inactive plan members currently receiving benefits	144
Inactive plan members entitled to but not yet receiving benefits	6
Active plan members	<u>183</u>
<b>TOTAL</b>	<b><u><u>333</u></u></b>

*Benefits Provided*

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

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

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

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

*Benefits Provided (Continued)*

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

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

*Contributions*

Covered employees are required to contribute 9.455% of their base salary to the Firefighters' Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The City is required to contribute the remaining amounts necessary to finance the plan and the administrative costs as actuarially determined by an enrolled actuary. However, effective January 1, 2011, ILCS requires the City to contribute a minimum amount annually calculated using the projected unit credit actuarial cost method that will result in the funding of 90% of the past service cost by the year 2040. However, the City is funding using the entry age normal actuarial cost method to fund 100% of the past service cost by the year 2033. For the fiscal year ended December 31, 2022, the City's contribution was 50.06% of covered payroll.

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

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

*Actuarial Assumptions*

The total pension liability was determined by an actuarial valuation performed, as of December 31, 2022, using the following actuarial methods and assumptions:

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

Mortality rates were based on the PubS-2010 Mortality Table projected five years past the valuation date with Scale MP-2019. The actuarial assumptions used in the December 31, 2022 valuation were based on the results of an actuarial experience study conducted by the Illinois Department of Insurance dated 2019.

*Discount Rate*

The discount rate used to measure the total pension liability at December 31, 2022 was 6.75%. The discount rate at December 31, 2021 was 6.75%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that city contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Firefighters' Pension Fund's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

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

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

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

*Discount Rate Sensitivity*

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

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Net pension liability	\$ 142,772,688	\$ 97,256,626	\$ 60,279,309

*Changes in the Net Pension Liability*

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT JANUARY 1, 2022	\$ 298,099,247	\$ 246,869,606	\$ 51,229,641
Changes for the period			
Service cost	5,731,999	-	5,731,999
Interest	20,105,169	-	20,105,169
Changes of benefit terms	-	-	-
Difference between expected and actual experience	(3,467,192)	-	(3,467,192)
Changes in assumptions	-	-	-
Employer contributions	-	10,774,358	(10,774,358)
Employee contributions	-	2,005,582	(2,005,582)
Net investment income	-	(36,324,924)	36,324,924
Benefit payments and refunds	(11,953,787)	(11,953,787)	-
Administrative expense	-	(112,025)	112,025
Net changes	10,416,189	(35,610,796)	46,026,985
BALANCES AT DECEMBER 31, 2022	\$ 308,515,436	\$ 211,258,810	\$ 97,256,626

The plan's fiduciary net position as a percentage of the total pension liability was 68.48% at December 31, 2022.

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

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

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

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

For the fiscal year ended December 31, 2022, the City recognized pension expense of \$17,524,024. At December 31, 2022, the City reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Total
Difference between expected and actual experience	\$ 3,761,253	\$ (4,452,355)	\$ (691,102)
Changes in assumption	10,505,820	-	10,505,820
Net difference between projected and actual earnings on pension plan investments	29,439,815	-	29,439,815
<b>TOTAL</b>	<u>\$ 43,706,888</u>	<u>\$ (4,452,355)</u>	<u>\$ 39,254,533</u>

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

<u>Fiscal Year</u>	<u>Net Deferred Outflows (Inflows) of Resources</u>
2023	\$ 5,896,031
2024	9,619,299
2025	10,495,568
2026	12,824,206
2027	914,742
Thereafter	<u>(495,313)</u>
<b>TOTAL</b>	<u>\$ 39,254,533</u>

**10. OTHER POSTEMPLOYMENT BENEFITS**

a. Plan Description

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

b. Benefits Provided

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

c. Membership

At December 31, 2022, membership consisted of:

Inactive employees currently receiving benefit payments	108
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	<u>1,170</u>
<b>TOTAL</b>	<u><u>1,278</u></u>
Participating employers	<u><u>1</u></u>

d. Total OPEB Liability

The City's total OPEB liability of \$16,238,638 was measured as of December 31, 2022 and was determined by an actuarial valuation as of December 31, 2022.

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

e. Actuarial Assumptions and Other Inputs

The total OPEB liability at December 31, 2022, as determined by an actuarial valuation as of December 31, 2022 actuarial valuation, was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified.

Actuarial cost method	Entry-age normal
Actuarial value of assets	Not applicable
Salary increases	Varies by service
Discount rate	4.31%
Healthcare cost trend rates	7.50% initial trend rate to 4.00% ultimate trend rate

The discount rate used in the determination of the total OPEB liability is based on the municipal bond rate. The municipal bond rate was based on the index rate for 20-year tax exempt general obligation municipal bonds rated AA or better at December 31, 2022.

**Firefighters' and Police Pension Plan Participants**

For healthy lives, the PubS-2010 Mortality table with projection to five years past the valuation date with MP-2020 was used. For disabled lives, the PubS-2010 Disabled Mortality table with projection to five years past the valuation date with MP-2020 was used.

**IMRF Participants**

For active lives, the PubG-2010 amount-weighted, below-median income table with scale MP-2020 was used. For healthy inactive lives, the PubG-2010 amount-weighted, below-median income, Male (adjusted 106%) and Female (adjusted 105%) table with scale MP-2020 was used. For disabled lives, the PubG-2010 amount-weighted table with scale MP-2020 was used.

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

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

f. Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
BALANCES AT JANUARY 1, 2022	<u>\$ 21,035,022</u>
Changes for the period	
Service cost	953,588
Interest	483,393
Difference between expected and actual experience	(746,187)
Changes in benefit terms	-
Changes in assumptions	(4,472,526)
Benefit payments	<u>(1,014,652)</u>
Net changes	<u>(4,796,384)</u>
BALANCES AT DECEMBER 31, 2022	<u><u>\$ 16,238,638</u></u>

Changes in assumptions reflect a change in the discount rate from 2.25% for the reporting period ended December 31, 2021, to 4.31% for the reporting period ended December 31, 2022. Also reflected as assumption changes are updated health care costs and premiums and updated health care cost trend rates, updated termination and retirement, and mortality rates.

g. Rate Sensitivity

The following is a sensitivity analysis of the total OPEB liability to changes in the discount rate and the healthcare cost trend rate. The table below presents the total OPEB liability of the City calculated using the discount rate of 4.31% as well as what the City total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.31%) or 1 percentage point higher (5.31%) than the current rate:

	1% Decrease (3.31%)	Current Discount Rate (4.31%)	1% Increase (5.31%)
Total OPEB liability	\$ 17,880,110	\$ 16,238,638	\$ 14,829,962



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

---

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

g. Rate Sensitivity (Continued)

The table below presents the total OPEB liability of the City calculated using the healthcare rate of 4.00% to 7.50% as well as what the City's total OPEB liability would be if it were calculated using a healthcare rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1% Decrease	Current Healthcare Rate	1% Increase
Total OPEB liability	\$ 14,522,700	\$ 16,238,638	\$ 18,312,618

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

For the year ended December 31, 2022, the City and Library recognized OPEB expense of \$338,169 and \$(34,422), respectively. At December 31, 2022, the City and Library reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Total
Difference between expected and actual experience	\$ 12,570	\$ (652,914)	\$ (640,344)
Changes in assumption	3,629,688	(4,898,170)	(1,268,482)
<b>TOTAL</b>	<b>\$ 3,642,258</b>	<b>\$ (5,551,084)</b>	<b>\$ (1,908,826)</b>

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

Year Ending December 31,	
2023	\$ (118,582)
2024	(118,582)
2025	(118,585)
2026	11,424
2027	(160,704)
Thereafter	<u>(1,403,797)</u>
<b>TOTAL</b>	<b><u>\$ (1,908,826)</u></b>

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

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

The following is summary fund financial information for the Library for the fiscal year ended December 31, 2022:

Balance Sheet

	General Operating	Special Revenue		Total	Adjustment	Statement of Net Position
		Building Reserve	Gift and Memorial			
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>						
<b>ASSETS</b>						
Cash and cash equivalents	\$ 1,785,288	\$ 871,903	\$ 42,168	\$ 2,699,359	\$ -	\$ 2,699,359
Property taxes receivable, net of allowance for uncollectible accounts	15,960,000	-	-	15,960,000	-	15,960,000
Other receivable	10,440	-	-	10,440	-	10,440
Interest receivable	5,779	-	-	5,779	-	5,779
Capital assets (net)						
Capital assets depreciated, net	-	-	-	-	7,279,082	7,279,082
<b>Total assets</b>	<b>17,761,507</b>	<b>871,903</b>	<b>42,168</b>	<b>18,675,578</b>	<b>7,279,082</b>	<b>25,954,660</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Deferred items - IMRF	-	-	-	-	4,685,826	4,685,826
Deferred items - OPEB	-	-	-	-	96,319	96,319
<b>Total deferred outflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,782,145</b>	<b>4,782,145</b>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 17,761,507</b>	<b>\$ 871,903</b>	<b>\$ 42,168</b>	<b>\$ 18,675,578</b>	<b>\$ 12,061,227</b>	<b>\$ 30,736,805</b>

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

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

Balance Sheet (Continued)

	General Operating	Special Revenue			Adjustment	Statement of Net Position
		Building Reserve	Gift and Memorial	Total		
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES/ NET POSITION</b>						
<b>LIABILITIES</b>						
Accounts payable	\$ 188,317	\$ -	\$ -	\$ 188,317	\$ -	\$ 188,317
Accrued wages and benefits	213,545	-	-	213,545	-	213,545
Compensated absences	-	-	-	-	331,307	331,307
Net pension liability	-	-	-	-	5,123,873	5,123,873
OPEB liability	-	-	-	-	429,428	429,428
<b>Total liabilities</b>	<b>401,862</b>	<b>-</b>	<b>-</b>	<b>401,862</b>	<b>5,884,608</b>	<b>6,286,470</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Deferred items - IMRF	-	-	-	-	48,324	48,324
Deferred items - OPEB	-	-	-	-	146,797	146,797
Unavailable/earned property tax revenue	15,960,000	-	-	15,960,000	-	15,960,000
<b>Total deferred inflows of resources</b>	<b>15,960,000</b>	<b>-</b>	<b>-</b>	<b>15,960,000</b>	<b>195,121</b>	<b>16,155,121</b>
<b>FUND BALANCES/ NET POSITION</b>						
<b>Fund balances</b>						
Committed for culture and recreation	-	871,903	42,168	914,071	(914,071)	-
Unassigned	1,399,645	-	-	1,399,645	(1,399,645)	-
<b>Net position</b>						
Invested in capital assets	-	-	-	-	7,279,082	7,279,082
Unrestricted	-	-	-	-	1,016,132	1,016,132
<b>Total fund balances/ net position</b>	<b>1,399,645</b>	<b>871,903</b>	<b>42,168</b>	<b>2,313,716</b>	<b>5,981,498</b>	<b>8,295,214</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES/ NET POSITION</b>	<b>\$ 17,761,507</b>	<b>\$ 871,903</b>	<b>\$ 42,168</b>	<b>\$ 18,675,578</b>	<b>\$ 12,061,227</b>	<b>\$ 30,736,805</b>

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

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

Statement of Net Position

	General Operating	Special Revenue			Adjustment	Statement of Activities
		Building Reserve	Gift and Memorial	Total		
<b>REVENUES</b>						
Property taxes	\$ 15,312,842	\$ -	\$ -	\$ 15,312,842	\$ -	\$ 15,312,842
Other taxes - personal property replacement tax	469,353	-	-	469,353	-	469,353
Fines and forfeits	43,376	-	-	43,376	-	43,376
Net investment income (loss)	(106,341)	155	58	(106,128)	-	(106,128)
Charges for services	24,978	-	-	24,978	-	24,978
Fees	144,452	-	-	144,452	-	144,452
Contribution	220,572	-	3,228	223,800	-	223,800
Miscellaneous	32,728	1,413	-	34,141	-	34,141
<b>Total revenues</b>	<b>16,141,960</b>	<b>1,568</b>	<b>3,2886</b>	<b>16,146,814</b>	<b>-</b>	<b>16,146,814</b>
<b>EXPENDITURES/EXPENSES</b>						
Current						
Culture and recreation	15,295,728	24,926	1,162	15,321,816	1,325,240	16,647,056
<b>Total expenditures/ expenses</b>	<b>15,295,728</b>	<b>24,926</b>	<b>1,162</b>	<b>15,321,816</b>	<b>1,325,240</b>	<b>16,647,056</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>846,232</b>	<b>(23,358)</b>	<b>2,124</b>	<b>824,998</b>	<b>(1,325,240)</b>	<b>(500,242)</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	-	850,000	-	850,000	(850,000)	-
Transfers (out)	(850,000)	-	-	(850,000)	850,000	-
<b>Total other financing sources (uses)</b>	<b>(850,000)</b>	<b>850,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES/NET POSITION</b>	<b>(3,768)</b>	<b>826,642</b>	<b>2,124</b>	<b>824,998</b>	<b>(1,325,240)</b>	<b>(500,242)</b>
<b>FUND BALANCES/ NET POSITION AT JANUARY 1, 2022</b>	<b>1,403,413</b>	<b>45,261</b>	<b>40,044</b>	<b>1,488,718</b>	<b>7,306,738</b>	<b>8,795,456</b>
<b>FUND BALANCES/ NET POSITION AT DECEMBER 31, 2022</b>	<b>\$ 1,399,645</b>	<b>\$ 871,903</b>	<b>\$ 42,168</b>	<b>\$ 2,313,716</b>	<b>\$ 5,981,498</b>	<b>\$ 8,295,214</b>

## **12. LESSOR DISCLOSURES**

In accordance with GASB Statement No. 87, *Leases*, the City's lessor activity is as follows:

The City entered into a lease arrangement on September 30, 2010 to lease DuPage Children's Museum. Payments of \$5,171 are due to the City in monthly installments through October 31, 2060. The lease agreement is noncancelable and maintains an interest rate of 1.541%. During the fiscal year, the City collected \$62,056 and recognized a \$46,736 reduction in the related deferred inflow of resources. The remaining lease receivable and offsetting deferred inflow of resources for this agreement is \$1,778,225 and \$1,768,183, respectively, as of December 31, 2022.

The City entered into a lease arrangement on June 30, 1998 to lease cell tower space. Payments of \$3,450 are due to the City in monthly installments through August 31, 2023. The lease agreement is noncancelable and maintains an interest rate of 0.33%. During the fiscal year, the City collected \$41,400 and recognized a \$41,292 reduction in the related deferred inflow of resources. The remaining lease receivable and offsetting deferred inflow of resources for this agreement is \$27,566 and \$27,528, respectively, as of December 31, 2022.

The City entered into a lease arrangement on September 1, 1998 to lease cell tower space. Payments of \$3,450 are due to the City in monthly installments through August 31, 2023. The lease agreement is noncancelable and maintains an interest rate of 0.33%. During the fiscal year, the City collected \$41,400 and recognized a \$41,292 reduction in the related deferred inflow of resources. The remaining lease receivable and offsetting deferred inflow of resources for this agreement is \$27,566 and \$27,528, respectively, as of December 31, 2022.

The City entered into a lease arrangement on December 2, 2008 to lease cell tower space. Payments of \$3,663 with annual percentage increases of 4% are due to the City in monthly installments through November 30, 2023. The lease agreement is noncancelable and maintains an interest rate of 0.33%. During the fiscal year, the City collected \$43,958 and recognized a \$44,662 reduction in the related deferred inflow of resources. The remaining lease receivable and offsetting deferred inflow of resources for this agreement is \$41,837 and \$40,940, respectively, as of December 31, 2022.

The City entered into a lease arrangement on May 3, 2019 to lease Trillium Fuel Station land. Payments of \$1,500 with annual Consumer Price Index (CPI) increases are due to the City in monthly installments through May 2, 2029. The lease agreement is noncancelable and maintains an interest rate of 0.978%. During the fiscal year, the City collected \$18,000 and recognized a \$17,360 reduction in the related deferred inflow of resources. The remaining lease receivable and offsetting deferred inflow of resources for this agreement is \$111,906 and \$111,326, respectively, as of December 31, 2022.

**12. LESSOR DISCLOSURES (Continued)**

The City entered into a lease arrangement on January 18, 1994 to lease cell tower space. Payments of \$11,000 are due in annual installments beginning on January 17, 2024 through January 17, 2026. The lease agreement is noncancelable and maintains an interest rate of 0.426%. During the fiscal year, the City did not collect any payments and recognized a \$10,813 reduction in the related deferred inflow of resources. The remaining lease receivable and offsetting deferred inflow of resources for this agreement is \$21,764 and \$32,950, respectively, as of December 31, 2022.

The City entered into a lease arrangement on September 20, 2005 to lease cell tower space. Payments of \$3,992 with annual fixed increases are due to the City in monthly installments through May 31, 2030. The lease agreement is noncancelable and maintains an interest rate of 0.426%. During the fiscal year, the City collected \$48,744 and recognized a \$53,508 reduction in the related deferred inflow of resources. The remaining lease receivable and offsetting deferred inflow of resources for this agreement is \$403,282 and \$396,851, respectively, as of December 31, 2022.

The City entered into a lease arrangement on September 21, 2005 to lease cell tower space. Payments of \$2,798 with annual percentage increases of 15% are due to the City in monthly installments through October 31, 2025. The lease agreement is noncancelable and maintains an interest rate of 0.552%. During the fiscal year, the City collected \$33,581 and recognized a \$33,236 reduction in the related deferred inflow of resources. The remaining lease receivable and offsetting deferred inflow of resources for this agreement is \$94,384 and \$94,168, respectively, as of December 31, 2022.

The City entered into a lease arrangement on August 30, 2000 to lease cell tower space. Payments of \$4,198 are due in monthly installments to the City through August 29, 2025. The lease agreement is noncancelable and maintains an interest rate of 0.512%. During the fiscal year, the City collected \$50,371 and recognized a \$49,950 reduction in the related deferred inflow of resources. The remaining lease receivable and offsetting deferred inflow of resources for this agreement is \$133,383 and \$133,062, respectively, as of December 31, 2022.

The City entered into a lease arrangement on June 20, 2006 to lease a parking lot. Payments of \$3,250 are due in quarterly installments to the City through June 19, 2026. The lease agreement is noncancelable and maintains an interest rate of 0.552%. During the fiscal year, the City collected \$13,000 and recognized a \$12,210 reduction in the related deferred inflow of resources. The remaining lease receivable and offsetting deferred inflow of resources for this agreement is \$41,845 and \$42,360, respectively, as of December 31, 2022.

The City entered into a lease arrangement on March 31, 2015 to lease a parking tower. Payments of \$29,229 are due in quarterly installments to the City through December 31, 2047. The lease agreement is noncancelable and maintains an interest rate of 1.511%. During the fiscal year, the City collected \$116,917 and recognized a \$96,901 reduction in the related deferred inflow of resources. The remaining lease receivable and offsetting deferred inflow of resources for this agreement is \$2,430,492 and \$2,422,513, respectively, as of December 31, 2022.

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

---

**13. CHANGE IN ACCOUNTING PRINCIPLE**

For the fiscal year ended December 31, 2022, the City implemented GASB Statement No. 87, *Leases*. With the implementation, the City is required to record the beginning net position/fund balance of lease arrangements as intangible capital assets, lease liabilities, lease receivables, and deferred inflows of resources.

The beginning net position of the General Fund has been restated to reflect the new guidance as follows:

GENERAL FUND

BEGINNING FUND BALANCE, AS PREVIOUSLY REPORTED	<u>\$ 51,988,314</u>
Recording of lease receivable	2,766,484
Recording of deferred inflow of resources	<u>(2,788,484)</u>
Total net restatement	<u>(22,000)</u>
BEGINNING BALANCE, AS RESTATED	<u>\$ 51,966,314</u>

The beginning net position of the governmental activities has been restated to reflect the new guidance as follows:

GOVERNMENTAL ACTIVITIES

BEGINNING NET POSITION, AS PREVIOUSLY REPORTED	<u>\$ 400,702,381</u>
Recording of lease receivable	2,766,484
Recording of deferred inflow of resources	<u>(2,788,484)</u>
Total net restatement	<u>(22,000)</u>
BEGINNING NET POSITION, AS RESTATED	<u>\$ 400,680,381</u>

**14. SUBSEQUENT EVENT**

On March 22, 2023, the City approved Ordinance No. 23-041, Approving the Block 59 Business District Redevelopment Agreement Between Brixmor Heritage Square, LLC and the City. As part of this agreement, the City established a business district and is subject to reimburse the developer for certain eligible costs in an amount not to exceed \$13,400,000 in addition to accrued interest on the note solely from business district taxes.

**REQUIRED SUPPLEMENTARY INFORMATION**



**CITY OF NAPERVILLE, ILLINOIS**

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

For the Year Ended December 31, 2022

	Budgeted Amount		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Property taxes	\$ 26,531,847	\$ 26,531,847	\$ 26,564,918	\$ 33,071
Utility tax	15,445,000	15,445,000	16,208,228	763,228
Other taxes	8,100,266	8,100,266	9,732,123	1,631,857
Licenses and permits	2,624,280	2,624,280	2,456,626	(167,654)
Fines	1,134,000	1,134,000	1,248,855	114,855
Net investment income (loss)	426,764	426,764	(3,446,459)	(3,873,223)
Intergovernmental	65,188,405	65,188,405	76,056,018	10,867,613
Charges for services	14,685,276	14,685,276	17,025,068	2,339,792
Franchise fees	2,991,340	2,991,340	2,860,416	(130,924)
Miscellaneous	281,000	281,000	389,471	108,471
<b>Total revenues</b>	<b>137,408,178</b>	<b>137,408,178</b>	<b>149,095,264</b>	<b>11,687,086</b>
<b>EXPENDITURES</b>				
Current				
General government	16,224,117	16,224,117	15,900,912	323,205
Physical environment	9,284,124	9,284,124	8,766,991	517,133
Public safety	86,348,219	86,348,219	87,870,002	(1,521,783)
Transportation	21,971,615	21,971,615	20,316,998	1,654,617
Culture and recreation	53,360	53,360	21,576	31,784
Debt service				
Principal	-	-	22,752	(22,752)
Interest and fees	-	-	466	(466)
<b>Total expenditures</b>	<b>133,881,435</b>	<b>133,881,435</b>	<b>132,899,697</b>	<b>981,738</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>3,526,743</b>	<b>3,526,743</b>	<b>16,195,567</b>	<b>12,668,824</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	334,520	334,520
Transfers (out)	(1,577,015)	(1,577,015)	(1,577,015)	-
<b>Total other financing sources (uses)</b>	<b>(1,577,015)</b>	<b>(1,577,015)</b>	<b>(1,242,495)</b>	<b>334,520</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ 1,949,728</b>	<b>\$ 1,949,728</b>	<b>14,953,072</b>	<b>\$ 13,003,344</b>
<b>FUND BALANCE, JANUARY 1</b>			<b>51,988,314</b>	
Change in accounting principle			(22,000)	
<b>FUND BALANCE, JANUARY 1 (RESTATED)</b>			<b>51,966,314</b>	
<b>FUND BALANCE, DECEMBER 31</b>			<b>\$ 66,919,386</b>	

(See independent auditor's report.)

**CITY OF NAPERVILLE, ILLINOIS**

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

For the Year Ended December 31, 2022

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>				
Intergovernmental	\$ 6,654,345	\$ 6,654,345	\$ -	\$ (6,654,345)
Investment income	91,607	91,607	-	(91,607)
Total revenues	<u>6,745,952</u>	<u>6,745,952</u>	-	<u>(6,745,952)</u>
<b>EXPENDITURES</b>				
None	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ 6,745,952</u>	<u>\$ 6,745,952</u>	-	<u>\$ (6,745,952)</u>
FUND BALANCE, JANUARY 1			<u>-</u>	
<b>FUND BALANCE, DECEMBER 31</b>			<u>\$ -</u>	

(See independent auditor's report.)

**CITY OF NAPERVILLE, ILLINOIS**

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

December 31, 2022

---

Budgets are adopted on a basis consistent with GAAP. Annual budgets are adopted at the fund level for the Governmental and Proprietary Funds except for the Fair Share Assessment and Special Service Area #30 Funds. The annual budget is legally enacted and provides for a legal level of control at the fund level. All annual appropriations lapse at fiscal year end. No budget amendments were made during the current fiscal year.

During the year ended December 31, 2022, expenditures exceeded budget in the following funds:

<u>Fund</u>	<u>Budget</u>	<u>Expenditures</u>
Water Street TIF	\$ 3,868	\$ 4,012
Food and Beverage Tax	3,630,515	3,978,262
E-911 Surcharge	2,900,000	3,082,216
CDBG	557,688	836,938

**CITY OF NAPERVILLE, ILLINOIS**

SCHEDULE OF EMPLOYER CONTRIBUTIONS  
ILLINOIS MUNICIPAL RETIREMENT FUND

Last Eight Fiscal Years

<b>FISCAL YEAR ENDED DECEMBER 31,</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Actuarially determined contributions	\$ 6,026,372	\$ 6,217,283	\$ 6,233,486	\$ 6,037,819	\$ 5,155,923	\$ 6,266,110	\$ 6,454,908	\$ 5,223,325
Contributions in relation to the actuarially determined contribution	6,026,372	6,217,283	6,233,486	6,037,819	5,155,923	6,266,110	6,454,908	5,223,325
<b>CONTRIBUTION DEFICIENCY (Excess)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
Covered payroll	\$ 51,417,441	\$ 51,486,313	\$ 52,718,201	\$ 52,896,450	\$ 53,906,933	\$ 56,081,457	\$ 59,492,079	\$ 60,877,903
Contributions as a percentage of covered payroll	11.72%	12.08%	11.82%	11.41%	9.56%	11.17%	10.85%	8.58%

Notes to the Required Supplementary Information

Actuarial cost method	Entry-age normal
Amortization method	Level % pay (closed)
Remaining amortization period	21 years
Asset valuation method	Five-year smoothed market
Inflation	2.25%
Salary increases	2.85% to 13.75%
Investment rate of return	7.25%
Retirement age	See the notes to financial statements
Mortality	See the notes to financial statements

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

(See independent auditor's report.)

CITY OF NAPERVILLE, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS  
POLICE PENSION FUND

Last Ten Fiscal Years

FISCAL YEAR ENDED	April 30,		December 31,							
	2014	2015*	2015	2016	2017	2018	2019	2020	2021	2022
Actuarially determined contributions	\$ 4,716,716	\$ 5,156,419	\$ 4,809,036	\$ 5,829,394	\$ 6,538,474	\$ 7,129,194	\$ 7,043,970	\$ 7,290,728	\$ 7,814,816	\$ 8,089,611
Contributions in relation to the actuarially determined contribution	4,716,716	5,156,419	4,809,036	5,829,394	6,538,474	7,129,194	7,043,970	7,290,728	7,814,816	8,089,611
<b>CONTRIBUTION DEFICIENCY (Excess)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
Additional voluntary contribution	\$ 3,015,169	\$ 484,761	\$ 536,397	\$ 500,194	\$ 139,333	\$ 95,127	\$ 92,532	\$ 1,000	\$ 70,459	\$ 173,112
Total contributions	<u>\$ 7,731,885</u>	<u>\$ 5,641,180</u>	<u>\$ 5,345,433</u>	<u>\$ 6,329,588</u>	<u>\$ 6,677,807</u>	<u>\$ 7,224,321</u>	<u>\$ 7,136,502</u>	<u>\$ 7,291,728</u>	<u>\$ 7,885,275</u>	<u>\$ 8,262,723</u>
Covered payroll	\$ 15,829,607	\$ 16,365,735	\$ 16,683,031	\$ 17,893,623	\$ 18,050,807	\$ 17,795,368	\$ 18,791,726	\$ 19,141,544	\$ 21,315,055	\$ 20,844,894
Contributions as a percentage of covered payroll	29.80%	31.51%	28.83%	32.58%	36.22%	40.06%	37.48%	38.09%	36.66%	38.81%

Notes to the Required Supplementary Information

Actuarial cost method	Entry-age normal
Amortization method	Level % pay (closed)
Remaining amortization period	11 years
Asset valuation method	Five-year smoothed market
Inflation	2.50%
Salary increases	5.00%
Investment rate of return	6.75%
Retirement age	Tier 1: Age 50 and 20 years of Credited Service Tier 2: Age 55 and 10 years of Credited Service
Mortality	PubS-2010, projected 5 years past the valuation date with Scale MP-2020

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

(See independent auditor's report.)

**CITY OF NAPERVILLE, ILLINOIS**

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

Last Nine Fiscal Years

<b>FISCAL YEAR ENDED</b>	<b>April 30,</b>	<b>December 31,</b>							
	<b>2015*</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Actuarially determined contributions	\$ 5,183,001	\$ 4,820,338	\$ 5,871,947	\$ 7,237,440	\$ 8,896,264	\$ 8,939,980	\$ 9,711,228	\$ 10,255,249	\$ 10,619,200
Contributions in relation to the actuarially determined contribution	5,183,001	4,820,338	5,871,947	7,237,440	8,896,264	8,939,980	9,711,228	10,255,249	10,619,200
<b>CONTRIBUTION DEFICIENCY (Excess)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
Additional voluntary contribution	\$ 487,038	\$ 535,385	\$ 543,549	\$ 100,760	\$ 107,960	\$ 110,126	\$ -	\$ 104,812	\$ 155,158
Total contributions	<u>\$ 5,670,039</u>	<u>\$ 5,355,723</u>	<u>\$ 6,415,496</u>	<u>\$ 7,338,200</u>	<u>\$ 9,004,224</u>	<u>\$ 9,050,106</u>	<u>\$ 9,711,228</u>	<u>\$ 10,360,061</u>	<u>\$ 10,774,358</u>
Covered payroll	\$ 17,165,868	\$ 18,315,408	\$ 18,576,954	\$ 19,262,676	\$ 19,168,091	\$ 20,110,175	\$ 21,705,627	\$ 21,366,473	\$ 21,211,867
Contributions as a percentage of covered payroll	30.19%	26.32%	31.61%	37.57%	46.41%	44.46%	44.74%	48.00%	50.06%

Notes to the Required Supplementary Information

Actuarial cost method	Entry-age normal
Amortization method	Level % pay (closed)
Remaining amortization period	11 years
Asset valuation method	Five-year smoothed market
Inflation	2.50%
Salary increases	5.00%
Investment rate of return	6.75%
Retirement age	Tier 1: Age 50 and 20 years of Credited Service Tier 2: Age 55 and 10 years of Credited Service
Mortality	PubS-2010, project 5 years past the valuation date with Scale MP-2020

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

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

(See independent auditor's report.)

**CITY OF NAPERVILLE, ILLINOIS**

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

Last Eight Fiscal Years

<b>MEASUREMENT DATE DECEMBER 31,</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
<b>TOTAL PENSION LIABILITY</b>								
Service cost	\$ 5,623,110	\$ 5,569,481	\$ 5,538,779	\$ 5,185,160	\$ 5,406,119	\$ 5,532,729	\$ 5,333,756	\$ 5,586,570
Interest	20,562,051	21,744,892	22,718,596	23,410,727	24,350,281	25,520,573	26,395,701	28,031,226
Changes in benefit terms	-	-	-	-	-	-	-	-
Differences between expected and actual experience	626,724	(2,265,178)	4,058,008	480,406	2,382,717	1,395,718	9,917,115	1,715,817
Change of assumptions	358,132	(740,500)	(9,514,997)	9,247,031	-	(2,662,728)	-	-
Benefit payments, including refunds of member contributions	(10,515,189)	(11,410,419)	(12,761,262)	(14,029,079)	(15,392,674)	(16,728,260)	(18,503,886)	(19,924,140)
Net change in total pension liability	16,654,828	12,898,276	10,039,124	24,294,245	16,746,443	13,058,032	23,142,686	15,409,473
Total pension liability - beginning	276,972,756	293,627,584	306,525,860	316,564,984	340,859,229	357,605,672	370,663,704	393,806,390
<b>TOTAL PENSION LIABILITY - ENDING</b>	<b>\$ 293,627,584</b>	<b>\$ 306,525,860</b>	<b>\$ 316,564,984</b>	<b>\$ 340,859,229</b>	<b>\$ 357,605,672</b>	<b>\$ 370,663,704</b>	<b>\$ 393,806,390</b>	<b>\$ 409,215,863</b>
<b>PLAN FIDUCIARY NET POSITION</b>								
Contributions - employer	\$ 6,026,372	\$ 6,217,283	\$ 6,233,486	\$ 6,037,819	\$ 5,155,923	\$ 6,266,110	\$ 6,825,231	\$ 5,356,176
Contributions - members	2,325,703	2,364,110	2,431,700	2,500,845	2,665,789	2,567,185	2,703,955	2,773,279
Net investment income	1,278,894	17,659,805	46,307,985	(15,495,449)	53,839,947	47,837,703	63,393,933	(54,058,150)
Benefit payments, including refunds of member contributions	(10,515,189)	(11,410,419)	(12,761,262)	(14,029,079)	(15,392,674)	(16,728,260)	(18,503,886)	(19,924,140)
Other	(715,829)	1,156,632	(3,683,564)	4,271,932	1,033,921	1,399,334	(250,791)	(411,876)
Net change in plan fiduciary net position	(1,600,049)	15,987,411	38,528,345	(16,713,932)	47,302,906	41,342,072	54,168,442	(66,264,711)
Plan fiduciary net position - beginning	256,860,331	255,260,282	271,247,693	309,776,038	293,062,106	340,365,012	381,707,084	435,875,526
<b>PLAN FIDUCIARY NET POSITION - ENDING</b>	<b>\$ 255,260,282</b>	<b>\$ 271,247,693</b>	<b>\$ 309,776,038</b>	<b>\$ 293,062,106</b>	<b>\$ 340,365,012</b>	<b>\$ 381,707,084</b>	<b>\$ 435,875,526</b>	<b>\$ 369,610,815</b>
<b>EMPLOYER'S NET PENSION LIABILITY (ASSET)</b>	<b>\$ 38,367,302</b>	<b>\$ 35,278,167</b>	<b>\$ 6,788,946</b>	<b>\$ 47,797,123</b>	<b>\$ 17,240,660</b>	<b>\$ (11,043,380)</b>	<b>\$ (42,069,136)</b>	<b>\$ 39,605,048</b>

<b>MEASUREMENT DATE DECEMBER 31,</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Plan fiduciary net position as a percentage of the total pension liability	86.93%	88.49%	97.86%	85.98%	95.18%	102.98%	110.68%	90.32%
Covered payroll	\$ 51,417,441	\$ 51,486,313	\$ 52,718,201	\$ 52,896,450	\$ 53,906,933	\$ 56,081,457	\$ 59,432,005	\$ 60,878,390
Employer's net pension liability as a percentage of covered payroll	74.62%	68.52%	12.88%	90.36%	31.98%	(19.69%)	(70.79%)	65.06%

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

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

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

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

Measurement Date December 31, 2020 - There was a change with respect to actuarial assumptions. Changes in assumptions related to the inflation rate, salary increases, and the mortality rate.

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

(See independent auditor's report.)



**CITY OF NAPERVILLE, ILLINOIS**

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

Last Nine Fiscal Years

MEASUREMENT DATE	April 30,	December 31,							
	2015*	2015	2016	2017	2018	2019	2020	2021	2022
<b>TOTAL PENSION LIABILITY</b>									
Service cost	\$ 3,442,284	\$ 2,635,406	\$ 4,113,967	\$ 4,277,831	\$ 4,341,621	\$ 4,181,667	\$ 3,975,082	\$ 4,248,416	\$ 4,371,545
Interest	12,150,401	8,904,818	13,993,038	14,216,220	15,123,748	15,819,177	17,044,614	17,961,116	18,929,691
Changes in benefit terms	-	-	-	-	-	595,481	-	-	-
Differences between expected and actual experience	(2,006,971)	(1,398,497)	(11,518,319)	1,578,661	(1,365,474)	529,725	2,077,633	2,955,362	4,237,446
Change of assumptions	8,387,367	-	3,016,340	-	-	8,997,231	1,744,714	3,736,061	-
Contributions - buy back	-	-	-	-	-	-	32,078	458,679	1,165,117
Benefit payments, including refunds of member contributions	(5,506,966)	(3,958,442)	(6,365,209)	(6,817,646)	(7,525,979)	(8,484,509)	(9,278,600)	(10,650,950)	(11,846,990)
Net change in total pension liability	16,466,115	6,183,285	3,239,817	13,255,066	10,573,916	21,638,772	15,595,521	18,708,684	16,856,809
Total pension liability - beginning	176,330,635	192,796,750	198,980,035	202,219,852	215,474,918	226,048,834	247,687,606	263,283,127	281,991,811
<b>TOTAL PENSION LIABILITY - ENDING</b>	<b>\$ 192,796,750</b>	<b>\$ 198,980,035</b>	<b>\$ 202,219,852</b>	<b>\$ 215,474,918</b>	<b>\$ 226,048,834</b>	<b>\$ 247,687,606</b>	<b>\$ 263,283,127</b>	<b>\$ 281,991,811</b>	<b>\$ 298,848,620</b>
<b>PLAN FIDUCIARY NET POSITION</b>									
Contributions - employer	\$ 5,641,180	\$ 5,345,433	\$ 6,329,588	\$ 6,677,807	\$ 7,224,321	\$ 7,136,502	\$ 7,291,728	\$ 7,885,275	\$ 8,262,723
Contributions - members	1,599,368	1,117,257	1,773,258	1,788,835	1,763,521	1,862,260	1,896,927	2,112,322	2,065,729
Contributions - other	8,066	2,237	21,704	-	-	-	32,078	458,679	1,165,117
Net investment income	8,726,002	(4,333,440)	11,562,097	20,204,239	(8,335,403)	28,666,783	24,922,152	27,524,492	(30,462,666)
Benefit payments, including refunds of member contributions	(5,506,966)	(3,950,028)	(6,386,913)	(6,817,646)	(7,525,979)	(8,484,509)	(9,278,600)	(10,650,950)	(11,846,990)
Administrative expense	(130,073)	(67,226)	(53,912)	(66,441)	(78,441)	(83,118)	(87,774)	(59,256)	(77,021)
Net change in plan fiduciary net position	10,337,577	(1,885,767)	13,245,822	21,786,794	(6,951,981)	29,097,918	24,776,511	27,270,562	(30,893,108)
Plan fiduciary net position - beginning	130,457,028	140,794,605	138,908,838	152,154,660	173,941,454	166,989,473	196,087,391	220,863,902	248,134,464
<b>PLAN FIDUCIARY NET POSITION - ENDING</b>	<b>\$ 140,794,605</b>	<b>\$ 138,908,838</b>	<b>\$ 152,154,660</b>	<b>\$ 173,941,454</b>	<b>\$ 166,989,473</b>	<b>\$ 196,087,391</b>	<b>\$ 220,863,902</b>	<b>\$ 248,134,464</b>	<b>\$ 217,241,356</b>
<b>EMPLOYER'S NET PENSION LIABILITY</b>	<b>\$ 52,002,145</b>	<b>\$ 60,071,197</b>	<b>\$ 50,065,192</b>	<b>\$ 41,533,464</b>	<b>\$ 59,059,361</b>	<b>\$ 51,600,215</b>	<b>\$ 42,419,225</b>	<b>\$ 33,857,347</b>	<b>\$ 81,607,264</b>

MEASUREMENT DATE	April 30,	December 31,							
	2015*	2015	2016	2017	2018	2019	2020	2021	2022
Plan fiduciary net position as a percentage of the total pension liability	73.03%	69.81%	75.24%	80.72%	73.87%	79.17%	83.89%	87.99%	72.69%
Covered payroll	\$ 16,365,735	\$ 16,683,031	\$ 17,893,623	\$ 18,050,807	\$ 17,795,368	\$ 18,791,726	\$ 19,141,544	\$ 21,315,055	\$ 20,844,894
Employer's net pension liability as a percentage of covered payroll	317.75%	360.07%	279.79%	230.09%	331.88%	274.59%	221.61%	158.84%	391.50%

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

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

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

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

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

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

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

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

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

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

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

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

(See independent auditor's report.)

**CITY OF NAPERVILLE, ILLINOIS**

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

Last Nine Fiscal Years

MEASUREMENT DATE	April 30,	December 31,							
	2015*	2015	2016	2017	2018	2019	2020	2021	2022
<b>TOTAL PENSION LIABILITY</b>									
Service cost	\$ 3,852,140	\$ 3,038,367	\$ 5,196,429	\$ 5,414,018	\$ 5,195,663	\$ 5,419,442	\$ 5,343,193	\$ 5,780,537	\$ 5,731,999
Interest	11,857,616	8,558,822	14,032,562	14,813,198	15,645,078	16,654,316	18,019,207	18,972,785	20,105,169
Changes in benefit terms	-	-	-	-	-	770,343	-	-	-
Differences between expected and actual experience	(82,734)	5,414,803	(5,954,167)	(96,584)	2,403,795	(1,444,815)	797,795	3,606,171	(3,467,192)
Change of assumptions	2,920,299	-	4,639,327	-	-	11,900,170	1,838,412	3,957,531	-
Contributions buy-back	-	-	-	15,593	22,660	-	-	-	-
Benefit payments, including refunds of member contributions	(5,207,568)	(3,869,445)	(6,423,714)	(7,535,884)	(8,551,855)	(9,594,725)	(10,393,422)	(10,824,407)	(11,953,787)
Net change in total pension liability	13,339,753	13,142,547	11,490,437	12,610,341	14,715,341	23,704,731	15,605,185	21,492,617	10,416,189
Total pension liability - beginning	171,998,295	185,338,048	198,480,595	209,971,032	222,581,373	237,296,714	261,001,445	276,606,630	298,099,247
<b>TOTAL PENSION LIABILITY - ENDING</b>	<b>\$ 185,338,048</b>	<b>\$ 198,480,595</b>	<b>\$ 209,971,032</b>	<b>\$ 222,581,373</b>	<b>\$ 237,296,714</b>	<b>\$ 261,001,445</b>	<b>\$ 276,606,630</b>	<b>\$ 298,099,247</b>	<b>\$ 308,515,436</b>
<b>PLAN FIDUCIARY NET POSITION</b>									
Contributions - employer	\$ 5,670,039	\$ 5,355,723	\$ 6,415,496	\$ 7,338,200	\$ 9,004,224	\$ 9,050,106	\$ 9,711,228	\$ 10,360,061	\$ 10,774,358
Contributions - members	1,839,016	1,181,158	1,756,451	1,821,286	1,812,343	1,901,417	2,052,267	2,020,200	2,005,582
Contributions buy-back	-	-	-	15,593	22,660	-	-	-	-
Net investment income	7,705,014	(4,543,027)	11,586,944	20,265,831	(9,573,948)	29,456,020	19,784,694	26,677,515	(36,324,924)
Benefit payments, including refunds of member contributions	(5,207,568)	(3,869,445)	(6,423,714)	(7,535,884)	(8,551,855)	(9,594,725)	(10,393,422)	(10,824,407)	(11,953,787)
Administrative expense	(109,970)	(82,866)	(123,773)	(126,490)	(109,783)	(131,445)	(112,884)	(130,042)	(112,025)
Net change in plan fiduciary net position	9,896,531	(1,958,457)	13,211,404	21,778,536	(7,396,359)	30,681,373	21,041,883	28,103,327	(35,610,796)
Plan fiduciary net position - beginning	131,511,368	141,407,899	139,449,442	152,660,846	174,439,382	167,043,023	197,724,396	218,766,279	246,869,606
<b>PLAN FIDUCIARY NET POSITION - ENDING</b>	<b>\$ 141,407,899</b>	<b>\$ 139,449,442</b>	<b>\$ 152,660,846</b>	<b>\$ 174,439,382</b>	<b>\$ 167,043,023</b>	<b>\$ 197,724,396</b>	<b>\$ 218,766,279</b>	<b>\$ 246,869,606</b>	<b>\$ 211,258,810</b>
<b>EMPLOYER'S NET PENSION LIABILITY</b>	<b>\$ 43,930,149</b>	<b>\$ 59,031,153</b>	<b>\$ 57,310,186</b>	<b>\$ 48,141,991</b>	<b>\$ 70,253,691</b>	<b>\$ 63,277,049</b>	<b>\$ 57,840,351</b>	<b>\$ 51,229,641</b>	<b>\$ 97,256,626</b>

MEASUREMENT DATE	April 30,	December 31,							
	2015*	2015	2016	2017	2018	2019	2020	2021	2022
Plan fiduciary net position as a percentage of the total pension liability	76.30%	70.26%	72.71%	78.37%	70.39%	75.76%	79.09%	82.81%	68.48%
Covered payroll	\$ 17,165,868	\$ 18,315,408	\$ 18,576,954	\$ 19,262,676	\$ 19,168,091	\$ 20,110,175	\$ 21,705,627	\$ 21,366,473	\$ 21,211,867
Employer's net pension liability as a percentage of covered payroll	255.92%	322.30%	308.50%	249.92%	366.51%	314.65%	266.48%	239.77%	458.50%

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

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

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

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

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

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

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

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

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

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

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

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

(See independent auditor's report.)

**CITY OF NAPERVILLE, ILLINOIS**

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

Last Five Fiscal Years

MEASUREMENT DATE DECEMBER 31,	2018	2019	2020	2021	2022
<b>TOTAL OPEB LIABILITY</b>					
Service cost	\$ 592,889	\$ 530,088	\$ 657,205	\$ 985,979	\$ 953,588
Interest	530,864	602,786	538,707	422,281	483,393
Changes of benefit terms	-	-	-	-	-
Differences between expected and actual experience	-	-	20,112	-	(746,187)
Changes of assumptions	(1,040,027)	1,376,979	4,705,917	(792,930)	(4,472,526)
Benefit payments, including refunds of member contributions	(721,170)	(782,469)	(845,067)	(943,862)	(1,014,652)
Net change in total OPEB liability	(637,444)	1,727,384	5,076,874	(328,532)	(4,796,384)
Total OPEB liability - beginning	15,196,740	14,559,296	16,286,680	21,363,554	21,035,022
<b>TOTAL OPEB LIABILITY - ENDING</b>	<b>\$ 14,559,296</b>	<b>\$ 16,286,680</b>	<b>\$ 21,363,554</b>	<b>\$ 21,035,022</b>	<b>\$ 16,238,638</b>
Covered-employee payroll	\$ 85,747,519	\$ 88,525,739	\$ 96,082,777	\$ 99,858,830	\$ 94,853,762
Employer's total OPEB liability as a percentage of covered-employee payroll	16.98%	18.40%	22.23%	21.06%	17.12%

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

December 31, 2022: Changes in assumptions reflect a change in the discount rate from 2.25% to 4.31%. Also reflected as assumption changes are updated health care costs and premiums and updated health care cost trend rates, updated termination and retirement, and mortality rates.

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

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

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

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

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

(See independent auditor's report.)

**CITY OF NAPERVILLE, ILLINOIS**

SCHEDULE OF INVESTMENT RETURNS  
POLICE PENSION FUND

Last Nine Fiscal Years

---

<b>FISCAL YEAR ENDED</b>	<b>April 30,</b>	<b>December 31,</b>							
	<b>2015*</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Annual money-weighted rate of return, net of investment expense	6.60%	(3.10%)	8.41%	13.29%	(4.73%)	16.89%	12.78%	12.57%	(12.30%)

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

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

(See independent auditor's report.)

**CITY OF NAPERVILLE, ILLINOIS**  
**SCHEDULE OF INVESTMENT RETURNS**  
**FIREFIGHTERS' PENSION FUND**

Last Nine Fiscal Years

---

<b>FISCAL YEAR ENDED</b>	<b>April 30,</b>	<b>December 31,</b>							
	<b>2015*</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Annual money-weighted rate of return, net of investment expense	6.00%	(3.20%)	8.32%	13.31%	(5.43%)	17.67%	10.03%	12.27%	(15.80%)

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

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

(See independent auditor's report.)

## **MAJOR GOVERNMENTAL FUNDS**

### **GENERAL FUND**

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

### **CAPITAL PROJECTS FUND**

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

### **ARPA FUND**

Special Revenue Fund - This fund is used to account for the receipt of American Rescue Plan Act monies approved by the Federal Government and are for specific projects.



**CITY OF NAPERVILLE, ILLINOIS**

DETAILED SCHEDULE OF REVENUES - BUDGET AND ACTUAL  
GENERAL FUND

For the Year Ended December 31, 2022

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>TAXES</b>				
Property taxes				
General	\$ 8,963,424	\$ 8,963,424	\$ 8,998,588	\$ 35,164
Police Pension	7,519,417	7,519,417	7,520,556	1,139
Firefighters' Pension	10,049,006	10,049,006	10,045,774	(3,232)
Total property taxes	26,531,847	26,531,847	26,564,918	33,071
Utility tax	15,445,000	15,445,000	16,208,228	763,228
Other taxes				
Auto rental tax	110,000	110,000	157,982	47,982
Real estate transfer tax	4,991,000	4,991,000	6,637,702	1,646,702
Hotel/motel tax	1,229,950	1,229,950	1,597,457	367,507
Charitable games tax	-	-	3,209	3,209
Cannabis tax	269,172	269,172	240,580	(28,592)
Other tax	1,125,000	1,125,000	-	(1,125,000)
Personal property replacement tax	375,144	375,144	1,095,193	720,049
Total other taxes	8,100,266	8,100,266	9,732,123	1,631,857
Total taxes	50,077,113	50,077,113	52,505,269	2,428,156
<b>LICENSES AND PERMITS</b>				
Licenses				
Liquor	550,000	550,000	512,190	(37,810)
Business license	4,030	4,030	1,075	(2,955)
Basset	37,500	37,500	46,397	8,897
Electric license	43,850	43,850	31,515	(12,335)
Contractor license	29,900	29,900	18,785	(11,115)
Other licenses	2,000	2,000	-	(2,000)
Total licenses	667,280	667,280	609,962	(57,318)
Permits				
Commercial	1,130,000	1,130,000	1,029,547	(100,453)
Residential	710,000	710,000	707,666	(2,334)
Plan review	-	-	150	150
Fire alarm/sprinkler	70,000	70,000	63,148	(6,852)
Tobacco	18,000	18,000	17,400	(600)
Other	29,000	29,000	28,753	(247)
Total permits	1,957,000	1,957,000	1,846,664	(110,336)
Total licenses and permits	2,624,280	2,624,280	2,456,626	(167,654)

(This schedule is continued on the following pages.)

**CITY OF NAPERVILLE, ILLINOIS**

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

For the Year Ended December 31, 2022

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>FINES</b>				
Traffic	\$ 800,000	\$ 800,000	\$ 953,282	\$ 153,282
Ordinance violations	17,000	17,000	8,172	(8,828)
Parking	100,000	100,000	76,795	(23,205)
Other	217,000	217,000	210,606	(6,394)
Total fines	1,134,000	1,134,000	1,248,855	114,855
<b>NET INVESTMENT INCOME (LOSS)</b>	426,764	426,764	(3,446,459)	(3,873,223)
<b>INTERGOVERNMENTAL REVENUE</b>				
Sales and use tax	46,470,481	46,470,481	51,280,773	4,810,292
State income tax	18,270,788	18,270,788	24,367,138	6,096,350
Federal grants	346,016	346,016	285,826	(60,190)
State grants	36,120	36,120	122,281	86,161
Other	65,000	65,000	-	(65,000)
Total intergovernmental revenue	65,188,405	65,188,405	76,056,018	10,867,613
<b>CHARGES FOR SERVICES</b>				
Operational transfer	4,145,323	4,145,323	4,304,089	158,766
Developer contributions	170,000	170,000	101,984	(68,016)
Rental income	67,000	67,000	32,115	(34,885)
Administrative tow fee	240,000	240,000	312,245	72,245
DPW - services for DPU	154,013	154,013	230,947	76,934
N.F.P.D. - contract	1,284,776	1,284,776	1,294,133	9,357
Ambulance fees	6,000,000	6,000,000	8,110,043	2,110,043
Fire services	363,739	363,739	266,909	(96,830)
Fire alarm monitoring	700,000	700,000	688,287	(11,713)
Police services	810,425	810,425	845,741	35,316
Billable TED service	40,000	40,000	57,001	17,001
TED services	-	-	116,582	116,582
Engineering fees	75,000	75,000	127,990	52,990
Entitlement fees	90,000	90,000	116,553	26,553
Household hazardous waste	155,000	155,000	128,750	(26,250)
Other charges for services	390,000	390,000	291,699	(98,301)
Total charges for services	14,685,276	14,685,276	17,025,068	2,339,792
<b>FRANCHISE FEES</b>				
WideOpenWest - cable franchise fee	410,000	410,000	287,390	(122,610)
WideOpenWest - 1% support fee	79,500	79,500	52,201	(27,299)
Comcast - cable franchise fee	1,580,000	1,580,000	1,671,996	91,996
Comcast - 1% support fee	320,000	320,000	334,399	14,399
Lease revenue	311,340	311,340	304,135	(7,205)
AT&T - cable franchise fee	250,000	250,000	175,246	(74,754)
AT&T - 1% support fee	40,500	40,500	35,049	(5,451)
Total franchise fees	2,991,340	2,991,340	2,860,416	(130,924)

(This schedule is continued on the following page.)

CITY OF NAPERVILLE, ILLINOIS

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

For the Year Ended December 31, 2022

---

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>MISCELLANEOUS</b>				
Late payment charge	\$ 30,000	\$ 30,000	\$ 50,565	\$ 20,565
Sale of surplus property	75,000	75,000	41,128	(33,872)
Bad debt recovery	50,000	50,000	30,449	(19,551)
Damage to city property	10,000	10,000	32,238	22,238
Rebate programs	45,000	45,000	48,870	3,870
Tree reimbursement	51,000	51,000	280	(50,720)
Miscellaneous revenues	20,000	20,000	185,941	165,941
Total miscellaneous	281,000	281,000	389,471	108,471
<b>TOTAL REVENUES</b>	<b>\$ 137,408,178</b>	<b>\$ 137,408,178</b>	<b>\$ 149,095,264</b>	<b>\$ 11,687,086</b>

---

(See independent auditor's report.)

**CITY OF NAPERVILLE, ILLINOIS**

DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL  
GENERAL FUND

For the Year Ended December 31, 2022

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>GENERAL GOVERNMENT</b>				
Legislative				
Mayor and City Council				
Salaries and wages	\$ 226,854	\$ 226,854	\$ 165,683	\$ 61,171
Benefits and related	68,382	68,382	54,620	13,762
Contracted services	19,260	19,260	13,318	5,942
Internal services	15,827	15,827	15,828	(1)
Supplies	2,450	2,450	5,833	(3,383)
Total Mayor and City Council	332,773	332,773	255,282	77,491
Alcohol and Tobacco Commission				
Contracted services	21,700	21,700	8,453	13,247
Supplies	3,050	3,050	1,736	1,314
Total Alcohol and Tobacco Commission	24,750	24,750	10,189	14,561
Legal				
Legal department				
Salaries and wages	566,106	566,106	565,727	379
Benefits and related	179,340	179,340	182,229	(2,889)
Contracted services	38,500	38,500	26,829	11,671
Internal services	15,827	15,827	15,828	(1)
Supplies	16,000	16,000	7,403	8,597
Total legal department	815,773	815,773	798,016	17,757
Executive				
City Manager's Office				
Salaries and wages	562,639	562,639	564,872	(2,233)
Benefits and related	168,187	168,187	157,815	10,372
Contracted services	224,327	224,327	130,987	93,340
Internal services	25,322	25,322	25,320	2
Supplies	26,600	26,600	16,205	10,395
Total City Manager's Office	1,007,075	1,007,075	895,199	111,876
Sister Cities Commission				
Contracted services	3,350	3,350	1,069	2,281
Total Sister Cities Commission	3,350	3,350	1,069	2,281

(This schedule is continued on the following pages.)

**CITY OF NAPERVILLE, ILLINOIS**

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

For the Year Ended December 31, 2022

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>GENERAL GOVERNMENT (Continued)</b>				
Executive (Continued)				
Board of Fire and Police				
Salaries and wages	\$ -	\$ -	\$ 639	\$ (639)
Benefits and related	-	-	221	(221)
Contracted services	168,175	168,175	117,354	50,821
Supplies	4,100	4,100	320	3,780
<b>Total Board of Fire and Police</b>	<b>172,275</b>	<b>172,275</b>	<b>118,534</b>	<b>53,741</b>
Communications				
Salaries and wages	471,477	471,477	408,456	63,021
Benefits and related	110,049	110,049	118,139	(8,090)
Contracted services	156,380	156,380	156,753	(373)
Supplies	3,000	3,000	2,641	359
<b>Total communications</b>	<b>740,906</b>	<b>740,906</b>	<b>685,989</b>	<b>54,917</b>
Human resources				
Salaries and wages	607,279	607,279	634,768	(27,489)
Benefits and related	241,705	241,705	228,173	13,532
Contracted services	236,648	236,648	262,082	(25,434)
Internal services	12,661	12,661	12,672	(11)
Supplies	9,860	9,860	4,831	5,029
<b>Total human resources</b>	<b>1,108,153</b>	<b>1,108,153</b>	<b>1,142,526</b>	<b>(34,373)</b>
City Clerk				
Community Services Department				
Salaries and wages	527,136	527,136	459,677	67,459
Benefits and related	195,909	195,909	186,596	9,313
Contracted services	39,601	39,601	42,666	(3,065)
Internal services	12,661	12,661	12,672	(11)
Supplies	3,200	3,200	4,181	(981)
<b>Total Community Services Department</b>	<b>778,507</b>	<b>778,507</b>	<b>705,792</b>	<b>72,715</b>
Reproduction micrographics service				
Salaries and wages	130,377	130,377	132,066	(1,689)
Benefits and related	64,544	64,544	56,691	7,853
Contracted services	163,556	163,556	114,565	48,991
Internal services	(46,417)	(46,417)	(46,416)	(1)
Supplies	24,200	24,200	23,154	1,046
<b>Total reproduction micrographics service</b>	<b>336,260</b>	<b>336,260</b>	<b>280,060</b>	<b>56,200</b>

(This schedule is continued on the following pages.)

**CITY OF NAPERVILLE, ILLINOIS**

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

For the Year Ended December 31, 2022

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>GENERAL GOVERNMENT (Continued)</b>				
City Clerk (Continued)				
Information technology				
Salaries and wages	\$ 2,901,721	\$ 2,901,721	\$ 2,634,656	\$ 267,065
Benefits and related	892,266	892,266	806,792	85,474
Contracted services	4,810,343	4,810,343	4,040,799	769,544
Supplies	635,700	635,700	711,392	(75,692)
Internal services	(1,202,306)	(1,202,306)	(1,202,304)	(2)
Total information technology	8,037,724	8,037,724	6,991,335	1,046,389
Financial administration				
Administration				
Salaries and wages	911,471	911,471	900,935	10,536
Benefits and related	281,224	281,224	264,699	16,525
Contracted services	768,987	768,987	828,754	(59,767)
Internal services	56,975	56,975	56,976	(1)
Supplies	35,000	35,000	32,994	2,006
Total administration	2,053,657	2,053,657	2,084,358	(30,701)
Billing and collection				
Salaries and wages	145,919	145,919	165,775	(19,856)
Benefits and related	50,018	50,018	52,418	(2,400)
Contracted services	8,000	8,000	18,705	(10,705)
Total billing and collection	203,937	203,937	236,898	(32,961)
Procurement services				
Salaries and wages	-	-	1,363	(1,363)
Benefits and related	-	-	226	(226)
Total procurement services	-	-	1,589	(1,589)
General services				
	608,977	608,977	1,694,076	(1,085,099)
Total general government	16,224,117	16,224,117	15,900,912	323,205
<b>PHYSICAL ENVIRONMENT</b>				
Development review team				
Salaries and wages	1,993,049	1,993,049	1,950,970	42,079
Benefits and related	741,551	741,551	682,557	58,994
Contracted services	63,000	63,000	19,260	43,740
Capital maintenance	4,000	4,000	7,805	(3,805)
Total development review team	2,801,600	2,801,600	2,660,592	141,008

(This schedule is continued on the following pages.)

**CITY OF NAPERVILLE, ILLINOIS**

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

For the Year Ended December 31, 2022

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>PHYSICAL ENVIRONMENT (Continued)</b>				
Special projects team				
Salaries and wages	\$ 976,779	\$ 976,779	\$ 1,022,165	\$ (45,386)
Benefits and related	353,393	353,393	376,667	(23,274)
Contracted services	137,660	137,660	93,180	44,480
Internal services	354,512	354,512	354,516	(4)
Supplies	78,620	78,620	70,618	8,002
Total special projects team	<u>1,900,964</u>	<u>1,900,964</u>	<u>1,917,146</u>	<u>(16,182)</u>
Planning				
Salaries and wages	413,508	413,508	444,394	(30,886)
Benefits and related	103,052	103,052	100,374	2,678
Contracted services	110,000	110,000	36,542	73,458
Total planning	<u>626,560</u>	<u>626,560</u>	<u>581,310</u>	<u>45,250</u>
Public buildings				
Salaries and wages	1,045,761	1,045,761	1,031,281	14,480
Benefits and related	342,051	342,051	361,483	(19,432)
Contracted services	1,334,010	1,334,010	958,299	375,711
Supplies	1,233,178	1,233,178	1,256,880	(23,702)
Total public buildings	<u>3,955,000</u>	<u>3,955,000</u>	<u>3,607,943</u>	<u>347,057</u>
Total physical environment	<u>9,284,124</u>	<u>9,284,124</u>	<u>8,766,991</u>	<u>517,133</u>
<b>PUBLIC SAFETY</b>				
Police				
Police administration				
Salaries and wages	1,905,634	1,905,634	1,871,819	33,815
Benefits and related	8,518,566	8,518,566	8,515,794	2,772
Contracted services	893,196	893,196	929,772	(36,576)
Internal services	1,016,057	1,016,057	1,016,052	5
Supplies	509,850	509,850	498,767	11,083
Total police administration	<u>12,843,303</u>	<u>12,843,303</u>	<u>12,832,204</u>	<u>11,099</u>
Patrol				
Salaries and wages	16,258,722	16,258,722	16,565,059	(306,337)
Benefits and related	2,483,060	2,483,060	2,558,714	(75,654)
Contracted services	62,625	62,625	45,238	17,387
Supplies	75,150	75,150	75,042	108
Total patrol	<u>18,879,557</u>	<u>18,879,557</u>	<u>19,244,053</u>	<u>(364,496)</u>

(This schedule is continued on the following pages.)

**CITY OF NAPERVILLE, ILLINOIS**

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

For the Year Ended December 31, 2022

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>PUBLIC SAFETY (Continued)</b>				
Police (Continued)				
Investigations				
Salaries and wages	\$ 8,645,157	\$ 8,645,157	\$ 8,751,533	\$ (106,376)
Benefits and related	1,316,281	1,316,281	1,314,085	2,196
Contracted services	235,559	235,559	271,159	(35,600)
Supplies	130,500	130,500	103,196	27,304
<b>Total investigations</b>	<b>10,327,497</b>	<b>10,327,497</b>	<b>10,439,973</b>	<b>(112,476)</b>
Communications				
Salaries and wages	2,331,275	2,331,275	2,454,380	(123,105)
Benefits and related	760,897	760,897	731,416	29,481
Contracted services	724,307	724,307	694,351	29,956
Supplies	42,975	42,975	25,561	17,414
<b>Total communications</b>	<b>3,859,454</b>	<b>3,859,454</b>	<b>3,905,708</b>	<b>(46,254)</b>
Fire				
Fire administration				
Salaries and wages	2,082,957	2,082,957	2,042,205	40,752
Benefits and related	11,022,396	11,022,396	11,053,216	(30,820)
Contracted services	927,950	927,950	737,803	190,147
Internal services	353,166	353,166	352,953	213
Supplies	576,350	576,350	602,269	(25,919)
<b>Total fire administration</b>	<b>14,962,819</b>	<b>14,962,819</b>	<b>14,788,446</b>	<b>174,373</b>
Operations division				
Salaries and wages	21,562,551	21,562,551	22,700,877	(1,138,326)
Benefits and related	3,330,613	3,330,613	3,469,940	(139,327)
Contracted services	308,425	308,425	243,341	65,084
Supplies	274,000	274,000	245,460	28,540
<b>Total operations division</b>	<b>25,475,589</b>	<b>25,475,589</b>	<b>26,659,618</b>	<b>(1,184,029)</b>
<b>Total public safety</b>	<b>86,348,219</b>	<b>86,348,219</b>	<b>87,870,002</b>	<b>(1,521,783)</b>
<b>TRANSPORTATION</b>				
Public works				
Administration				
Salaries and wages	1,243,479	1,243,479	1,199,355	44,124
Benefits and related	596,068	596,068	551,628	44,440
Contracted services	906,640	906,640	337,623	569,017
Internal services	462,132	462,132	462,132	-
Supplies	418,600	418,600	287,722	130,878
<b>Total administration</b>	<b>3,626,919</b>	<b>3,626,919</b>	<b>2,838,460</b>	<b>788,459</b>

(This schedule is continued on the following page.)



**CITY OF NAPERVILLE, ILLINOIS**

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

For the Year Ended December 31, 2022

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>TRANSPORTATION (Continued)</b>				
Public works (Continued)				
Operations and maintenance				
Salaries and wages	\$ 5,106,564	\$ 5,106,564	\$ 5,078,152	\$ 28,412
Benefits and related	1,604,815	1,604,815	1,552,306	52,509
Contracted services	2,404,990	2,404,990	2,258,789	146,201
Supplies	1,665,985	1,665,985	1,396,876	269,109
Total operations and maintenance	10,782,354	10,782,354	10,286,123	496,231
Fleet services				
Salaries and wages	1,440,486	1,440,486	1,385,523	54,963
Benefits and related	480,251	480,251	451,791	28,460
Contracted services	776,470	776,470	636,233	140,237
Supplies	2,288,735	2,288,735	2,256,693	32,042
Total fleet services	4,985,942	4,985,942	4,730,240	255,702
Transportation and engineering				
Administration				
Salaries and wages	1,044,378	1,044,378	1,045,430	(1,052)
Benefits and related	313,417	313,417	330,811	(17,394)
Contracted services	1,057,005	1,057,005	947,731	109,274
Supplies	161,600	161,600	138,203	23,397
Total administration	2,576,400	2,576,400	2,462,175	114,225
Total transportation	21,971,615	21,971,615	20,316,998	1,654,617
<b>CULTURE AND RECREATION</b>				
Riverwalk				
Contracted services	53,210	53,210	21,576	31,634
Supplies	150	150	-	150
Total Riverwalk	53,360	53,360	21,576	31,784
Total culture and recreation	53,360	53,360	21,576	31,784
<b>DEBT SERVICE</b>				
Principal	-	-	22,752	(22,752)
Interest and fees	-	-	466	(466)
Total debt service	-	-	23,218	(23,218)
<b>TOTAL EXPENDITURES</b>	<b>\$ 133,881,435</b>	<b>\$ 133,881,435</b>	<b>\$ 132,899,697</b>	<b>\$ 981,738</b>

(See independent auditor's report.)

**CITY OF NAPERVILLE, ILLINOIS**

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

For the Year Ended December 31, 2022

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>				
Net investment income (loss)	\$ 327,157	\$ 327,157	\$ (2,684,333)	\$ (3,011,490)
Contributions	10,143,000	10,143,000	827,314	(9,315,686)
Intergovernmental				
Sales taxes	14,576,674	14,576,674	17,378,770	2,802,096
Grants	8,424,000	8,424,000	737,705	(7,686,295)
Miscellaneous	240,000	240,000	598,074	358,074
<b>Total revenues</b>	<b>33,710,831</b>	<b>33,710,831</b>	<b>16,857,530</b>	<b>(16,853,301)</b>
<b>EXPENDITURES</b>				
Capital outlay	36,506,130	36,506,130	20,652,692	15,853,438
<b>Total expenditures</b>	<b>36,506,130</b>	<b>36,506,130</b>	<b>20,652,692</b>	<b>15,853,438</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(2,795,299)</b>	<b>(2,795,299)</b>	<b>(3,795,162)</b>	<b>(999,863)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	6,931	6,931
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>6,931</b>	<b>6,931</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (2,795,299)</b>	<b>\$ (2,795,299)</b>	<b>(3,788,231)</b>	<b>\$ (992,932)</b>
<b>FUND BALANCE, JANUARY 1</b>			<b>31,120,427</b>	
<b>FUND BALANCE, DECEMBER 31</b>			<b>\$ 27,332,196</b>	

(See independent auditor's report.)

## **NONMAJOR GOVERNMENTAL FUNDS**

### **SPECIAL REVENUE FUNDS**

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

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

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

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

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

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

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

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

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

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

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

Special Service Area #33 - Downtown Maintenance Fund - to account for the cost-sharing paid by property owners and the City, restricted to fund the maintenance and support services for enhancing downtown Naperville including improvements to the downtown parking decks.

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

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

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

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

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

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

Special Service Area #30 Fund - to account for a capital project involving design and construction of improvements to renovate the streetscape in the Downtown Central Business District. Work will include installation of new sidewalks, curbs, and parkway features as identified in the Naperville Downtown 2030 Plan.

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

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

### **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.

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

### **DEBT SERVICE FUNDS (Continued)**

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.

Debt Service Fund - to account for property taxes restricted for the payment of principal and interest on general obligation bonds in accordance with the bond ordinance authorizing the issuance of the bonds.

### **CAPITAL PROJECTS FUNDS**

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

CITY OF NAPERVILLE, ILLINOIS

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS

December 31, 2022

	Special Revenue Funds					
	Motor Fuel Tax Fund	Community Development Block Grant Fund	Fair Share Assessment Fund	Road and Bridge Fund	Naper Settlement Fund	Foreign Fire Insurance Tax Fund
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>						
<b>ASSETS</b>						
Cash and investments	\$ 13,327,199	\$ -	\$ -	\$ 2,161,230	\$ 407,385	\$ 476,807
Receivables						
Property taxes	-	-	-	-	4,162,796	-
Interest	-	-	-	5,202	-	-
Accounts receivable less allowance for doubtful accounts	-	-	-	250,076	-	-
Loans and installments	-	-	-	-	-	-
Leases	-	-	-	-	-	-
Due from other governments	583,661	437,522	-	-	-	-
Total assets	13,910,860	437,522	-	2,416,508	4,570,181	476,807
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
None	-	-	-	-	-	-
Total deferred outflows of resources	-	-	-	-	-	-
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 13,910,860</b>	<b>\$ 437,522</b>	<b>\$ -</b>	<b>\$ 2,416,508</b>	<b>\$ 4,570,181</b>	<b>\$ 476,807</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>						
<b>LIABILITIES</b>						
Accounts payable	\$ 245,737	\$ 365,508	\$ -	\$ 1,949	\$ 65,499	\$ -
Accrued wages and benefits	-	-	-	14,446	58,006	-
Due to other governments	-	-	-	-	-	-
Due to other funds	-	46,690	-	-	-	-
Advances from other funds	-	-	-	-	-	-
Contract retainage payable	210,699	-	-	-	-	-
Unearned grant revenues and others	-	-	-	46,954	470	-
Total liabilities	456,436	412,198	-	63,349	123,975	-
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable revenue - leases	-	-	-	-	-	-
Unavailable revenue-property taxes	-	-	-	-	4,162,796	-
Total deferred inflows of resources	-	-	-	-	4,162,796	-
Total liabilities and deferred inflows of resources	456,436	412,198	-	63,349	4,286,771	-
<b>FUND BALANCES</b>						
Restricted for						
Debt service	-	-	-	-	-	-
Highways, streets, and parking facilities	13,454,424	-	-	2,353,159	-	-
Public safety	-	-	-	-	-	476,807
Capital projects	-	-	-	-	-	-
Culture and recreation	-	-	-	-	283,410	-
Physical environment	-	25,324	-	-	-	-
Committed to						
Highways, streets, and parking facilities	-	-	-	-	-	-
Assigned to						
Debt service	-	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	-	-
Total fund balances (deficit)	13,454,424	25,324	-	2,353,159	283,410	476,807
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 13,910,860</b>	<b>\$ 437,522</b>	<b>\$ -</b>	<b>\$ 2,416,508</b>	<b>\$ 4,570,181</b>	<b>\$ 476,807</b>

Special Revenue Funds									
E-911 Surcharge Fund	Food and Beverage Tax Fund	Special Service Area #33 Downtown Maintenance Fund	Test Track Fund	Water Street TIF Fund	Drug Forfeiture Fund	Special Service Area #25 Fund	Special Service Area #30 Fund	Special Service Area #31 Fund	ETSB Fund
\$ 820,258	\$ 1,293,769	\$ 1,959,961	\$ 27,335	\$ 40,272	\$ 1,286,536	\$ -	\$ -	\$ -	\$ 629,638
-	-	1,252,829	-	635,868	-	68,000	-	-	-
-	9,508	4,557	-	-	-	-	-	-	-
-	611,195	-	68,317	-	-	-	-	-	805,762
-	-	17,166	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
1,013,667	-	-	-	-	-	-	-	-	-
1,833,925	1,914,472	3,234,513	95,652	676,140	1,286,536	68,000	-	-	1,435,400
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
\$ 1,833,925	\$ 1,914,472	\$ 3,234,513	\$ 95,652	\$ 676,140	\$ 1,286,536	\$ 68,000	\$ -	\$ -	\$ 1,435,400
\$ -	\$ 533,105	\$ 109,111	\$ 486	\$ -	\$ 36,767	\$ -	\$ -	\$ -	\$ -
-	1,682	20,292	-	-	-	-	-	-	-
-	-	-	-	-	55,463	-	-	-	-
-	-	-	-	-	-	-	74,318	244,137	-
-	-	-	-	-	-	359,966	-	-	-
-	-	-	-	-	-	-	-	-	-
-	68,992	-	-	-	-	-	-	-	-
-	603,779	129,403	486	-	92,230	359,966	74,318	244,137	-
-	-	-	-	-	-	-	-	-	-
-	-	1,252,829	-	635,868	-	68,000	-	-	-
-	-	1,252,829	-	635,868	-	68,000	-	-	-
-	603,779	1,382,232	486	635,868	92,230	427,966	74,318	244,137	-
-	-	-	-	-	-	-	-	-	-
-	-	-	95,166	-	-	-	-	-	-
1,833,925	-	-	-	40,272	1,194,306	-	-	-	1,435,400
-	1,310,693	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	1,852,281	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	(359,966)	(74,318)	(244,137)	-
1,833,925	1,310,693	1,852,281	95,166	40,272	1,194,306	(359,966)	(74,318)	(244,137)	1,435,400
\$ 1,833,925	\$ 1,914,472	\$ 3,234,513	\$ 95,652	\$ 676,140	\$ 1,286,536	\$ 68,000	\$ -	\$ -	\$ 1,435,400

(This statement is continued on the following page.)



CITY OF NAPERVILLE, ILLINOIS

COMBINING BALANCE SHEET (Continued)  
NONMAJOR GOVERNMENTAL FUNDS

December 31, 2022

	Debt Service Funds				Total Nonmajor Governmental Funds
	Special Service Areas Funds		Downtown Parking Fund	Debt Service	
	#21	#23			
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>					
<b>ASSETS</b>					
Cash and investments	\$ -	\$ 107,599	\$ 8,161,573	\$ 5,098,350	\$ 35,797,912
Receivables					
Property taxes	-	98,939	-	8,108,982	14,327,414
Interest	-	-	32,776	19,448	71,491
Accounts receivable less allowance for doubtful accounts	-	-	360,416	-	2,095,766
Loans and installments	-	-	-	-	17,166
Leases	-	-	2,472,337	-	2,472,337
Due from other governments	-	-	-	-	2,034,850
Total assets	-	206,538	11,027,102	13,226,780	56,816,936
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
None	-	-	-	-	-
Total deferred outflows of resources	-	-	-	-	-
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ -</b>	<b>\$ 206,538</b>	<b>\$ 11,027,102</b>	<b>\$ 13,226,780</b>	<b>\$ 56,816,936</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts payable	\$ -	\$ -	\$ 6,092	\$ 936	\$ 1,365,190
Accrued wages and benefits	-	-	-	-	94,426
Due to other governments	-	-	-	-	55,463
Due to other funds	-	-	-	-	365,145
Advances from other funds	-	-	-	-	359,966
Contract retainage payable	-	-	-	-	210,699
Unearned grant revenues and others	-	-	25,802	-	142,218
Total liabilities	-	-	31,894	936	2,593,107
<b>DEFERRED INFLOWS OF BALANCES</b>					
Unavailable revenue - leases	-	-	2,464,873	-	2,464,873
Unavailable revenue - property taxes	-	98,939	-	8,108,982	14,327,414
Total deferred inflows of resources	-	98,939	2,464,873	8,108,982	16,792,287
Total liabilities and deferred inflows of resources	-	98,939	2,496,767	8,109,918	19,385,394
<b>FUND BALANCES</b>					
Restricted for					
Debt service	-	107,599	8,530,335	-	8,637,934
Highways, streets, and parking facilities	-	-	-	-	15,902,749
Public safety	-	-	-	-	4,940,438
Capital projects	-	-	-	-	40,272
Culture and recreation	-	-	-	-	1,594,103
Physical environment	-	-	-	-	25,324
Committed to					
Highways, streets, and parking facilities	-	-	-	-	1,852,281
Assigned to					
Debt service	-	-	-	5,116,862	5,116,862
Unassigned (deficit)	-	-	-	-	(678,421)
Total fund balances (deficit)	-	107,599	8,530,335	5,116,862	37,431,542
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ -</b>	<b>\$ 206,538</b>	<b>\$ 11,027,102</b>	<b>\$ 13,226,780</b>	<b>\$ 56,816,936</b>

(See independent auditor's report.)

**CITY OF NAPERVILLE, ILLINOIS**

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

For the Year Ended December 31, 2022

	<b>Special Revenue Funds</b>					
	<b>Motor Fuel Tax Fund</b>	<b>Community Development Block Grant Fund</b>	<b>Fair Share Assessment Fund</b>	<b>Road and Bridge Fund</b>	<b>Naper Settlement Fund</b>	<b>Foreign Fire Insurance Tax Fund</b>
<b>REVENUES</b>						
Property taxes	\$ -	\$ -	\$ -	\$ 290,138	\$ 3,922,944	\$ -
Other taxes	-	-	-	2,531,259	-	-
Licenses and permits	-	-	-	46,346	-	-
Fines and forfeits	-	-	-	-	-	-
Contributions	-	-	-	4,092	-	-
Net investment income (loss)	225,718	-	-	(96,633)	164	708
Intergovernmental	9,204,935	836,938	-	-	-	410,986
Charges for services	-	-	-	-	434,446	-
Miscellaneous	-	-	-	1,168	-	-
<b>Total revenues</b>	<b>9,430,653</b>	<b>836,938</b>	<b>-</b>	<b>2,776,370</b>	<b>4,357,554</b>	<b>411,694</b>
<b>EXPENDITURES</b>						
Current						
General government	-	-	-	-	-	-
Physical environment	-	836,938	-	-	-	-
Public safety	-	-	-	-	-	293,999
Culture and recreation	-	-	-	-	4,111,740	-
Transportation	-	-	-	649,916	-	-
Capital outlay	6,814,402	-	-	79,979	-	-
Debt service	-	-	-	-	-	-
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
<b>Total expenditures</b>	<b>6,814,402</b>	<b>836,938</b>	<b>-</b>	<b>729,895</b>	<b>4,111,740</b>	<b>293,999</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>2,616,251</b>	<b>-</b>	<b>-</b>	<b>2,046,475</b>	<b>245,814</b>	<b>117,695</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Sale of capital assets	-	-	-	-	3,115	-
Transfers in	-	-	-	-	-	-
Transfers (out)	-	-	(6,931)	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>(6,931)</b>	<b>-</b>	<b>3,115</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>2,616,251</b>	<b>-</b>	<b>(6,931)</b>	<b>2,046,475</b>	<b>248,929</b>	<b>117,695</b>
<b>FUND BALANCES (DEFICIT), JANUARY 1</b>	<b>10,838,173</b>	<b>25,324</b>	<b>6,931</b>	<b>306,684</b>	<b>34,481</b>	<b>359,112</b>
<b>FUND BALANCES (DEFICIT), DECEMBER 31</b>	<b>\$ 13,454,424</b>	<b>\$ 25,324</b>	<b>\$ -</b>	<b>\$ 2,353,159</b>	<b>\$ 283,410</b>	<b>\$ 476,807</b>

**Special Revenue Funds**

<b>E-911 Surcharge Fund</b>	<b>Food and Beverage Tax Fund</b>	<b>Special Service Area #33 Downtown Maintenance Fund</b>	<b>Test Track Fund</b>	<b>Water Street TIF Fund</b>	<b>Drug Forfeiture Fund</b>	<b>Special Service Area #25 Fund</b>	<b>Special Service Area #30 Fund</b>	<b>Special Service Area #31 Fund</b>	<b>ETSB Fund</b>
\$ -	\$ -	\$ 1,193,823	\$ -	\$ 607,536	\$ -	\$ 68,002	\$ -	\$ 23,447	\$ -
-	5,667,676	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	51,900	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
911	(176,648)	(84,560)	49	453	1,802	2	-	-	1,008
-	-	-	-	-	155,171	-	-	-	-
3,624,496	-	-	30,737	-	-	-	-	-	2,843,687
-	42,801	450	-	-	-	-	-	-	-
<b>3,625,407</b>	<b>5,533,829</b>	<b>1,161,613</b>	<b>30,786</b>	<b>607,989</b>	<b>156,973</b>	<b>68,004</b>	<b>-</b>	<b>23,447</b>	<b>2,844,695</b>
-	-	-	-	4,012	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
3,082,216	-	-	-	-	111,497	-	-	-	2,448,220
-	3,978,262	-	-	-	-	-	-	-	-
-	-	2,316,746	31,372	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
<b>3,082,216</b>	<b>3,978,262</b>	<b>2,316,746</b>	<b>31,372</b>	<b>4,012</b>	<b>111,497</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,448,220</b>
543,191	1,555,567	(1,155,133)	(586)	603,977	45,476	68,004	-	23,447	396,475
-	-	-	-	-	-	-	-	-	-
-	-	1,577,015	-	-	-	-	-	-	-
-	(1,877,364)	-	-	(607,587)	-	-	-	-	-
-	(1,877,364)	1,577,015	-	(607,587)	-	-	-	-	-
543,191	(321,797)	421,882	(586)	(3,610)	45,476	68,004	-	23,447	396,475
1,290,734	1,632,490	1,430,399	95,752	43,882	1,148,830	(427,970)	(74,318)	(267,584)	1,038,925
<b>\$ 1,833,925</b>	<b>\$ 1,310,693</b>	<b>\$ 1,852,281</b>	<b>\$ 95,166</b>	<b>\$ 40,272</b>	<b>\$ 1,194,306</b>	<b>\$ (359,966)</b>	<b>\$ (74,318)</b>	<b>\$ (244,137)</b>	<b>\$ 1,435,400</b>

(This statement is continued on the following page.)

**CITY OF NAPERVILLE, ILLINOIS**

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

For the Year Ended December 31, 2022

	<b>Debt Service Funds</b>				
	<b>Special Service Area Funds</b>		<b>Downtown Parking Fund</b>	<b>Debt Service</b>	<b>Total Nonmajor Governmental Funds</b>
	<b>#21</b>	<b>#23</b>			
<b>REVENUES</b>					
Property taxes	\$ -	\$ 98,942	\$ -	\$ 8,713,226	\$ 14,918,058
Other taxes	-	-	889,049	500,000	9,587,984
Licenses and permits	-	-	-	-	46,346
Fines and forfeits	-	-	-	-	51,900
Contributions	-	-	-	-	4,092
Net investment income (loss)	-	9	(608,943)	(530,537)	(1,266,497)
Intergovernmental	-	-	889,049	-	11,497,079
Charges for services	-	-	176,342	-	7,109,708
Miscellaneous	-	-	-	-	44,419
<b>Total revenues</b>	<b>-</b>	<b>98,951</b>	<b>1,345,497</b>	<b>8,682,689</b>	<b>41,993,089</b>
<b>EXPENDITURES</b>					
Current					
General government	-	-	-	-	4,012
Physical environment	-	-	-	-	836,938
Public safety	-	-	-	-	5,935,932
Culture and recreation	-	-	-	-	8,090,002
Transportation	-	-	230,952	-	3,228,986
Capital outlay	-	-	-	-	6,894,381
Debt service					
Principal	39,400	-	275,000	9,212,900	9,527,300
Interest	5,136	-	29,901	2,509,156	2,544,193
<b>Total expenditures</b>	<b>44,536</b>	<b>-</b>	<b>535,853</b>	<b>11,722,056</b>	<b>37,061,744</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(44,536)</b>	<b>98,951</b>	<b>809,644</b>	<b>(3,039,367)</b>	<b>4,931,345</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Sale of capital assets	-	-	-	-	3,115
Transfers in	-	-	-	2,583,902	4,160,917
Transfers (out)	(334,520)	(98,951)	-	-	(2,925,353)
<b>Total other financing sources (uses)</b>	<b>(334,520)</b>	<b>(98,951)</b>	<b>-</b>	<b>2,583,902</b>	<b>1,238,679</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(379,056)</b>	<b>-</b>	<b>809,644</b>	<b>(455,465)</b>	<b>6,170,024</b>
<b>FUND BALANCES (DEFICIT), JANUARY 1</b>	<b>379,056</b>	<b>107,599</b>	<b>7,720,691</b>	<b>5,572,327</b>	<b>31,261,518</b>
<b>FUND BALANCES (DEFICIT), DECEMBER 31</b>	<b>\$ -</b>	<b>\$ 107,599</b>	<b>\$ 8,530,335</b>	<b>\$ 5,116,862</b>	<b>\$ 37,431,542</b>

(See independent auditor's report.)

**CITY OF NAPERVILLE, ILLINOIS**

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

For the Year Ended December 31, 2022

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>				
Net investment income	\$ 105,288	\$ 105,288	\$ 225,718	\$ 120,430
Intergovernmental revenue - allotments from state and grants	9,410,480	9,410,480	9,204,935	(205,545)
Total revenues	9,515,768	9,515,768	9,430,653	(85,115)
<b>EXPENDITURES</b>				
Capital outlay	10,482,000	10,482,000	6,814,402	3,667,598
Total expenditures	10,482,000	10,482,000	6,814,402	3,667,598
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (966,232)</b>	<b>\$ (966,232)</b>	2,616,251	<b>\$ 3,582,483</b>
FUND BALANCE, JANUARY 1			10,838,173	
<b>FUND BALANCE, DECEMBER 31</b>			<b>\$ 13,454,424</b>	

(See independent auditor's report.)

**CITY OF NAPERVILLE, ILLINOIS**

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

For the Year Ended December 31, 2022

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>				
Intergovernmental - federal grant	\$ 557,688	\$ 557,688	\$ 836,938	\$ 279,250
Total revenues	<u>557,688</u>	<u>557,688</u>	<u>836,938</u>	<u>279,250</u>
<b>EXPENDITURES</b>				
Physical environment				
Grants and contributions	557,688	557,688	836,938	(279,250)
Total expenditures	<u>557,688</u>	<u>557,688</u>	<u>836,938</u>	<u>(279,250)</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
FUND BALANCE, JANUARY 1			<u>25,324</u>	
<b>FUND BALANCE, DECEMBER 31</b>			<u><u>\$ 25,324</u></u>	

(See independent auditor's report.)

**CITY OF NAPERVILLE, ILLINOIS**

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

For the Year Ended December 31, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>REVENUES</b>				
Property tax	\$ 303,146	\$ 303,146	\$ 290,138	\$ (13,008)
Other taxes				
Local gasoline	2,736,000	2,736,000	2,391,599	(344,401)
Personal property replacement tax	43,285	43,285	139,660	96,375
Licenses and permits	40,000	40,000	46,346	6,346
Contributions	-	-	4,092	4,092
Net investment income (loss)	1,345	1,345	(96,633)	(97,978)
Miscellaneous	-	-	1,168	1,168
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	3,123,776	3,123,776	2,776,370	(347,406)
<b>EXPENDITURES</b>				
Transportation				
Salaries and wages	493,664	493,664	487,477	6,187
Benefits and related	168,926	168,926	162,439	6,487
Capital outlay	2,295,000	2,295,000	79,979	2,215,021
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	2,957,590	2,957,590	729,895	2,227,695
<b>NET CHANGE IN FUND BALANCES</b>	<u>\$ 166,186</u>	<u>\$ 166,186</u>	2,046,475	<u>\$ 1,880,289</u>
<b>FUND BALANCE, JANUARY 1</b>			<u>306,684</u>	
<b>FUND BALANCE, DECEMBER 31</b>			<u>\$ 2,353,159</u>	

(See independent auditor's report.)

**CITY OF NAPERVILLE, ILLINOIS**

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

For the Year Ended December 31, 2022

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>				
Property taxes	\$ 3,907,616	\$ 3,907,616	\$ 3,922,944	\$ 15,328
Net investment income	444	444	164	(280)
Charges for services				
School services and programs	107,835	107,835	75,233	(32,602)
Museum tours	12,008	12,008	4,950	(7,058)
Public program revenue	91,200	91,200	117,854	26,654
Gate admissions	32,550	32,550	39,635	7,085
Settlement - weddings	90,220	90,220	98,029	7,809
Settlement - other	97,648	97,648	98,745	1,097
 Total revenues	 4,339,521	 4,339,521	 4,357,554	 18,033
<b>EXPENDITURES</b>				
Culture and recreation				
Settlement administration				
Salaries and wages	670,015	670,015	826,127	(156,112)
Benefits and related	295,689	295,689	262,192	33,497
Contracted services	64,815	64,815	66,022	(1,207)
Supplies	27,001	27,001	11,814	15,187
Internal services	149,684	149,684	149,688	(4)
Visitor services				
Salaries and wages	666,408	666,408	513,466	152,942
Benefits and related	161,753	161,753	137,622	24,131
Contracted services	14,700	14,700	10,789	3,911
Supplies	11,700	11,700	11,094	606
Building and grounds				
Salaries and wages	155,984	155,984	155,897	87
Benefits and related	57,552	57,552	58,985	(1,433)
Contracted services	363,762	363,762	372,656	(8,894)
Internal services	8,474	8,474	8,472	2
Supplies	141,196	141,196	151,589	(10,393)
Capital maintenance	112,380	112,380	125,150	(12,770)
Development				
Salaries	454,578	454,578	417,635	36,943
Employee benefits	137,253	137,253	108,404	28,849

(This schedule is continued on the following page.)



**CITY OF NAPERVILLE, ILLINOIS**

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

For the Year Ended December 31, 2022

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>EXPENDITURES (Continued)</b>				
Culture and recreation (Continued)				
Artifact and preservation				
Salaries and wages	\$ 218,118	\$ 218,118	\$ 191,355	\$ 26,763
Benefits and related	106,521	106,521	74,174	32,347
Contracted services	10,650	10,650	28,734	(18,084)
Supplies	10,182	10,182	2,219	7,963
Public relations/marketing				
Salaries and wages	240,365	240,365	205,579	34,786
Benefits and related	97,310	97,310	79,262	18,048
Contracted services	147,338	147,338	142,815	4,523
Supplies	1,500	1,500	-	1,500
Total expenditures	<u>4,324,928</u>	<u>4,324,928</u>	<u>4,111,740</u>	<u>213,188</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>14,593</u>	<u>14,593</u>	<u>245,814</u>	<u>231,221</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of capital assets	-	-	3,115	3,115
Total other financing sources (uses)	-	-	3,115	3,115
NET CHANGE IN FUND BALANCE	<u>\$ 14,593</u>	<u>\$ 14,593</u>	248,929	<u>\$ 234,336</u>
FUND BALANCE, JANUARY 1			<u>34,481</u>	
<b>FUND BALANCE, DECEMBER 31</b>			<u>\$ 283,410</u>	

(See independent auditor's report.)

**CITY OF NAPERVILLE, ILLINOIS**

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

For the Year Ended December 31, 2022

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>				
Net investment income	\$ -	\$ -	\$ 708	\$ 708
Insurance tax	305,000	305,000	410,986	105,986
Total revenues	<u>305,000</u>	<u>305,000</u>	<u>411,694</u>	<u>106,694</u>
<b>EXPENDITURES</b>				
Public safety				
Supplies	315,000	315,000	293,999	21,001
Total expenditures	<u>315,000</u>	<u>315,000</u>	<u>293,999</u>	<u>21,001</u>
NET CHANGE IN FUND BALANCE	<u>\$ (10,000)</u>	<u>\$ (10,000)</u>	117,695	<u>\$ 127,695</u>
FUND BALANCE, JANUARY 1			<u>359,112</u>	
<b>FUND BALANCE, DECEMBER 31</b>			<u><u>\$ 476,807</u></u>	

(See independent auditor's report.)

**CITY OF NAPERVILLE, ILLINOIS**

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

For the Year Ended December 31, 2022

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>				
Net investment income	\$ 11,119	\$ 11,119	\$ 911	\$ (10,208)
Charges for services	3,125,000	3,125,000	3,624,496	499,496
Total revenues	<u>3,136,119</u>	<u>3,136,119</u>	<u>3,625,407</u>	<u>489,288</u>
<b>EXPENDITURES</b>				
Public safety				
Internal services	2,900,000	2,900,000	3,082,216	(182,216)
Total expenditures	<u>2,900,000</u>	<u>2,900,000</u>	<u>3,082,216</u>	<u>(182,216)</u>
NET CHANGE IN FUND BALANCE	<u>\$ 236,119</u>	<u>\$ 236,119</u>	543,191	<u>\$ 307,072</u>
FUND BALANCE, JANUARY 1			<u>1,290,734</u>	
<b>FUND BALANCE, DECEMBER 31</b>			<u><u>\$ 1,833,925</u></u>	

(See independent auditor's report.)

**CITY OF NAPERVILLE, ILLINOIS**

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

For the Year Ended December 31, 2022

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>				
Food and beverage tax	\$ 4,561,555	\$ 4,561,555	\$ 5,667,676	\$ 1,106,121
Net investment income (loss)	13,486	13,486	(176,648)	(190,134)
Miscellaneous	5,000	5,000	42,801	37,801
<b>Total revenues</b>	<b>4,580,041</b>	<b>4,580,041</b>	<b>5,533,829</b>	<b>953,788</b>
<b>EXPENDITURES</b>				
Culture and recreation				
Salaries and wages	65,822	65,822	66,823	(1,001)
Benefits and related	1,159,840	1,159,840	1,475,378	(315,538)
Contracted services	300,133	300,133	321,632	(21,499)
Grants and contributions	2,104,720	2,104,720	2,114,429	(9,709)
<b>Total expenditures</b>	<b>3,630,515</b>	<b>3,630,515</b>	<b>3,978,262</b>	<b>(347,747)</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>949,526</b>	<b>949,526</b>	<b>1,555,567</b>	<b>606,041</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers (out)	(500,000)	(500,000)	(1,877,364)	(1,377,364)
<b>Total other financing sources (uses)</b>	<b>(500,000)</b>	<b>(500,000)</b>	<b>(1,877,364)</b>	<b>(1,377,364)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ 449,526</b>	<b>\$ 449,526</b>	<b>(321,797)</b>	<b>\$ (771,323)</b>
<b>FUND BALANCE, JANUARY 1</b>			<u>1,632,490</u>	
<b>FUND BALANCE, DECEMBER 31</b>			<u>\$ 1,310,693</u>	

(See independent auditor's report.)

**CITY OF NAPERVILLE, ILLINOIS**

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

For the Year Ended December 31, 2022

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>				
Property taxes	\$ 1,199,007	\$ 1,199,007	\$ 1,193,823	\$ (5,184)
Fines	60,000	60,000	51,900	(8,100)
Net investment income (loss)	18,185	18,185	(84,560)	(102,745)
Charges for services	10,000	10,000	-	(10,000)
Miscellaneous	-	-	450	450
<b>Total revenues</b>	<b>1,287,192</b>	<b>1,287,192</b>	<b>1,161,613</b>	<b>(125,579)</b>
<b>EXPENDITURES</b>				
Transportation				
Salaries and wages	722,089	722,089	613,079	109,010
Benefits and related	226,101	226,101	188,561	37,540
Contracted services	1,338,800	1,338,800	1,106,113	232,687
Supplies	290,215	290,215	194,909	95,306
Internal services	72,902	72,902	72,912	(10)
Capital maintenance	214,100	214,100	141,172	72,928
<b>Total expenditures</b>	<b>2,864,207</b>	<b>2,864,207</b>	<b>2,316,746</b>	<b>547,461</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(1,577,015)</b>	<b>(1,577,015)</b>	<b>(1,155,133)</b>	<b>421,882</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	1,577,015	1,577,015	1,577,015	-
<b>Total other financing sources (uses)</b>	<b>1,577,015</b>	<b>1,577,015</b>	<b>1,577,015</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ -</b>	<b>\$ -</b>	<b>421,882</b>	<b>\$ 421,882</b>
<b>FUND BALANCE, JANUARY 1</b>			<b>1,430,399</b>	
<b>FUND BALANCE, DECEMBER 31</b>			<b>\$ 1,852,281</b>	

(See independent auditor's report.)

**CITY OF NAPERVILLE, ILLINOIS**

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

For the Year Ended December 31, 2022

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>				
Charges for services	\$ 56,000	\$ 56,000	\$ 30,737	\$ (25,263)
Net investment income	419	419	49	(370)
<b>Total revenues</b>	<b>56,419</b>	<b>56,419</b>	<b>30,786</b>	<b>(25,633)</b>
<b>EXPENDITURES</b>				
Transportation				
Contracted services	45,545	45,545	25,600	19,945
Supplies	21,100	21,100	5,772	15,328
<b>Total expenditures</b>	<b>66,645</b>	<b>66,645</b>	<b>31,372</b>	<b>35,273</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (10,226)</b>	<b>\$ (10,226)</b>	<b>(586)</b>	<b>\$ 9,640</b>
<b>FUND BALANCE, JANUARY 1</b>			<b>95,752</b>	
<b>FUND BALANCE, DECEMBER 31</b>			<b>\$ 95,166</b>	

(See independent auditor's report.)

**CITY OF NAPERVILLE, ILLINOIS**

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

For the Year Ended December 31, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>REVENUES</b>				
Property taxes	\$ 373,395	\$ 373,395	\$ 607,536	\$ 234,141
Net investment income	630	630	453	(177)
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	374,025	374,025	607,989	233,964
	<hr/>	<hr/>	<hr/>	<hr/>
<b>EXPENDITURES</b>				
General government				
Contracted services	3,868	3,868	4,012	(144)
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	3,868	3,868	4,012	(144)
	<hr/>	<hr/>	<hr/>	<hr/>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	370,157	370,157	603,977	233,820
	<hr/>	<hr/>	<hr/>	<hr/>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers (out)	(373,395)	(373,395)	(607,587)	(234,192)
	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	(373,395)	(373,395)	(607,587)	(234,192)
	<hr/>	<hr/>	<hr/>	<hr/>
NET CHANGE IN FUND BALANCE	<u>\$ (3,238)</u>	<u>\$ (3,238)</u>	(3,610)	<u>\$ (372)</u>
FUND BALANCE, JANUARY 1			<u>43,882</u>	
<b>FUND BALANCE, DECEMBER 31</b>			<u><u>\$ 40,272</u></u>	

(See independent auditor's report.)

**CITY OF NAPERVILLE, ILLINOIS**

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

For the Year Ended December 31, 2022

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>				
Net investment income	\$ 13,232	\$ 13,232	\$ 1,802	\$ (11,430)
Intergovernmental	281,500	281,500	155,171	(126,329)
<b>Total revenues</b>	<b>294,732</b>	<b>294,732</b>	<b>156,973</b>	<b>(137,759)</b>
<b>EXPENDITURES</b>				
Public safety				
Contracted services	66,500	66,500	42,757	23,743
Internal services	25,000	25,000	1,544	23,456
Supplies	151,000	151,000	67,196	83,804
Capital maintenance	30,000	30,000	-	30,000
Outside agencies	9,000	9,000	-	9,000
<b>Total expenditures</b>	<b>281,500</b>	<b>281,500</b>	<b>111,497</b>	<b>170,003</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ 13,232</b>	<b>\$ 13,232</b>	<b>45,476</b>	<b>\$ 32,244</b>
<b>FUND BALANCE, JANUARY 1</b>			<b>1,148,830</b>	
<b>FUND BALANCE, DECEMBER 31</b>			<b>\$ 1,194,306</b>	

(See independent auditor's report.)



**CITY OF NAPERVILLE, ILLINOIS**

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

For the Year Ended December 31, 2022

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>				
Property taxes	\$ 68,000	\$ 68,000	\$ 68,002	\$ 2
Investment income	1,276	1,276	2	(1,274)
Total revenues	<u>69,276</u>	<u>69,276</u>	<u>68,004</u>	<u>(1,272)</u>
<b>EXPENDITURES</b>				
None	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers (out)	<u>(68,000)</u>	<u>(68,000)</u>	-	68,000
Total other financing sources (uses)	<u>(68,000)</u>	<u>(68,000)</u>	-	68,000
NET CHANGE IN FUND BALANCE	<u>\$ 1,276</u>	<u>\$ 1,276</u>	68,004	<u>\$ 66,728</u>
FUND BALANCE (DEFICIT), JANUARY 1			<u>(427,970)</u>	
FUND BALANCE (DEFICIT), DECEMBER 31			<u>\$ (359,966)</u>	

(See independent auditor's report.)

**CITY OF NAPERVILLE, ILLINOIS**

SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
SPECIAL SERVICE AREA #31 FUND

For the Year Ended December 31, 2022

	<u>Original</u>	<u>Final</u>		<u>Variance with</u>
	<u>Budget</u>	<u>Budget</u>	<u>Actual</u>	<u>Final Budget -</u>
				<u>Positive</u>
				<u>(Negative)</u>
<b>REVENUES</b>				
Property taxes	\$ 23,445	\$ 23,445	\$ 23,447	\$ 2
Total revenues	<u>23,445</u>	<u>23,445</u>	<u>23,447</u>	<u>2</u>
<b>EXPENDITURES</b>				
None	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>23,445</u>	<u>23,445</u>	<u>23,447</u>	<u>2</u>
NET CHANGE IN FUND BALANCE	<u>\$ 23,445</u>	<u>\$ 23,445</u>	<u>23,447</u>	<u>\$ 2</u>
FUND BALANCE (DEFICIT), JANUARY 1			<u>(267,584)</u>	
<b>FUND BALANCE (DEFICIT), DECEMBER 31</b>			<u>\$ (244,137)</u>	

(See independent auditor's report.)

**CITY OF NAPERVILLE, ILLINOIS**

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

For the Year Ended December 31, 2022

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>				
Net investment income	\$ 6,302	\$ 6,302	\$ 1,008	\$ (5,294)
Charges for services	2,400,000	2,400,000	2,843,687	443,687
Total revenues	2,406,302	2,406,302	2,844,695	438,393
<b>EXPENDITURES</b>				
Public safety				
Grants and contributions	2,800,000	2,800,000	2,448,220	351,780
Total expenditures	2,800,000	2,800,000	2,448,220	351,780
NET CHANGE IN FUND BALANCE	<u>\$ (393,698)</u>	<u>\$ (393,698)</u>	396,475	<u>\$ 790,173</u>
FUND BALANCE, JANUARY 1			<u>1,038,925</u>	
<b>FUND BALANCE, DECEMBER 31</b>			<u><u>\$ 1,435,400</u></u>	

(See independent auditor's report.)

**CITY OF NAPERVILLE, ILLINOIS**

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

For the Year Ended December 31, 2022

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>				
Net investment income	\$ 5,140	\$ 5,140	\$ -	\$ (5,140)
Total revenues	<u>5,140</u>	<u>5,140</u>	<u>-</u>	<u>(5,140)</u>
<b>EXPENDITURES</b>				
Debt service				
Principal	39,400	39,400	39,400	-
Interest	5,136	5,136	5,136	-
Total expenditures	<u>44,536</u>	<u>44,536</u>	<u>44,536</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(39,396)</u>	<u>(39,396)</u>	<u>(44,536)</u>	<u>(5,140)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers (out)	<u>-</u>	<u>-</u>	<u>(334,520)</u>	<u>(334,520)</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(334,520)</u>	<u>(334,520)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (39,396)</u>	<u>\$ (39,396)</u>	<u>(379,056)</u>	<u>\$ (339,660)</u>
FUND BALANCE, JANUARY 1			<u>379,056</u>	
<b>FUND BALANCE, DECEMBER 31</b>			<u>\$ -</u>	

(See independent auditor's report.)

**CITY OF NAPERVILLE, ILLINOIS**

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

For the Year Ended December 31, 2022

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>				
Property taxes	\$ 98,939	\$ 98,939	\$ 98,942	\$ 3
Net investment income	1,473	1,473	9	(1,464)
<b>Total revenues</b>	<b>100,412</b>	<b>100,412</b>	<b>98,951</b>	<b>(1,461)</b>
<b>EXPENDITURES</b>				
None	-	-	-	-
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>100,412</b>	<b>100,412</b>	<b>98,951</b>	<b>(1,461)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers (out)	(98,939)	(98,939)	(98,951)	(12)
<b>Total other financing sources (uses)</b>	<b>(98,939)</b>	<b>(98,939)</b>	<b>(98,951)</b>	<b>(12)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ 1,473</b>	<b>\$ 1,473</b>	<b>-</b>	<b>\$ (1,473)</b>
<b>FUND BALANCE, JANUARY 1</b>			<u>107,599</u>	
<b>FUND BALANCE, DECEMBER 31</b>			<u>\$ 107,599</u>	

(See independent auditor's report.)

**CITY OF NAPERVILLE, ILLINOIS**

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

For the Year Ended December 31, 2022

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>				
Other taxes				
Food and beverage tax	\$ 662,671	\$ 662,671	\$ 889,049	\$ 226,378
Net investment income (loss)	96,887	96,887	(608,943)	(705,830)
Intergovernmental				
Sales tax	662,671	662,671	889,049	226,378
Charges for services	116,917	116,917	176,342	59,425
	<u>1,539,146</u>	<u>1,539,146</u>	<u>1,345,497</u>	<u>(193,649)</u>
<b>EXPENDITURES</b>				
Transportation				
Contracted services	50,000	50,000	-	50,000
Capital maintenance	231,667	231,667	230,952	715
Debt service				
Principal	275,000	275,000	275,000	-
Interest	29,900	29,900	29,901	(1)
	<u>586,567</u>	<u>586,567</u>	<u>535,853</u>	<u>50,714</u>
NET CHANGE IN FUND BALANCE	<u>\$ 952,579</u>	<u>\$ 952,579</u>	809,644	<u>\$ (142,935)</u>
FUND BALANCE, JANUARY 1			<u>7,720,691</u>	
<b>FUND BALANCE, DECEMBER 31</b>			<u><u>\$ 8,530,335</u></u>	

(See independent auditor's report.)

**CITY OF NAPERVILLE, ILLINOIS**

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

For the Year Ended December 31, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>REVENUES</b>				
Property taxes	\$ 8,679,161	\$ 8,679,161	\$ 8,713,226	\$ 34,065
Intergovernmental revenues				
Sales tax	500,000	500,000	500,000	-
Net investment income (loss)	73,438	73,438	(530,537)	(603,975)
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	9,252,599	9,252,599	8,682,689	(569,910)
<b>EXPENDITURES</b>				
Debt service				
Principal	9,212,900	9,212,900	9,212,900	-
Interest and fees	2,509,457	2,509,457	2,509,156	301
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	11,722,357	11,722,357	11,722,056	301
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>				
	<hr/>	<hr/>	<hr/>	<hr/>
	(2,469,758)	(2,469,758)	(3,039,367)	(569,609)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	1,040,334	1,040,334	2,583,902	1,543,568
	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	1,040,334	1,040,334	2,583,902	1,543,568
<b>NET CHANGE IN FUND BALANCE</b>				
	<hr/>	<hr/>	<hr/>	<hr/>
	\$ (1,429,424)	\$ (1,429,424)	(455,465)	\$ 973,959
<b>FUND BALANCE, JANUARY 1</b>				
			<hr/>	
			5,572,327	
<b>FUND BALANCE, DECEMBER 31</b>				
			<hr/>	
			\$ 5,116,862	

(See independent auditor's report.)

**CITY OF NAPERVILLE, ILLINOIS**

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

For the Year Ended December 31, 2022

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>				
Net investment income	\$ 6,883	\$ 6,883	\$ -	\$ (6,883)
Total revenues	<u>6,883</u>	<u>6,883</u>	<u>-</u>	<u>(6,883)</u>
<b>EXPENDITURES</b>				
Capital outlay	11,202,000	11,202,000	-	11,202,000
Total expenditures	<u>11,202,000</u>	<u>11,202,000</u>	<u>-</u>	<u>11,202,000</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(11,195,117)</u>	<u>(11,195,117)</u>	<u>-</u>	<u>11,195,117</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Bonds issued, at par	11,202,000	11,202,000	-	(11,202,000)
Total other financing sources (uses)	<u>11,202,000</u>	<u>11,202,000</u>	<u>-</u>	<u>(11,202,000)</u>
NET CHANGE IN FUND BALANCE	<u>\$ 6,883</u>	<u>\$ 6,883</u>	<u>-</u>	<u>\$ (6,883)</u>
FUND BALANCE, JANUARY 1			<u>-</u>	
FUND BALANCE, DECEMBER 31			<u>\$ -</u>	

(See independent auditor's report.)



**NONMAJOR ENTERPRISE FUNDS**

**CITY OF NAPERVILLE, ILLINOIS**

COMBINING STATEMENT OF NET POSITION  
NONMAJOR ENTERPRISE FUNDS

December 31, 2022

	<b>Burlington Commuter Fund</b>	<b>Solid Waste Fund</b>	<b>Total</b>
<b>CURRENT ASSETS</b>			
Cash and investments	\$ 2,418,961	\$ 28,385	\$ 2,447,346
Receivables			
Accrued interest	10,156	-	10,156
Accounts receivable less allowance for doubtful accounts	-	573,021	573,021
Total current assets	<u>2,429,117</u>	<u>601,406</u>	<u>3,030,523</u>
<b>NONCURRENT ASSETS</b>			
Capital assets (net of accumulated depreciation)			
Capital assets not depreciated	11,794,856	-	11,794,856
Capital assets depreciated, net	962,382	-	962,382
Net capital assets	<u>12,757,238</u>	<u>-</u>	<u>12,757,238</u>
Total assets	<u>15,186,355</u>	<u>601,406</u>	<u>15,787,761</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
None	-	-	-
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>15,186,355</u>	<u>601,406</u>	<u>15,787,761</u>
<b>CURRENT LIABILITIES</b>			
Accounts payable	49,273	611,175	660,448
Accrued wages and benefits payable	10,994	-	10,994
Deposits	895	-	895
Due to other funds	-	246,789	246,789
Total current liabilities	<u>61,162</u>	<u>857,964</u>	<u>919,126</u>
Total liabilities	<u>61,162</u>	<u>857,964</u>	<u>919,126</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
None	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and deferred inflows of resources	<u>61,162</u>	<u>857,964</u>	<u>919,126</u>
<b>NET POSITION</b>			
Net investment in capital assets	12,757,238	-	12,757,238
Unrestricted (deficit)	2,367,955	(256,558)	2,111,397
<b>TOTAL NET POSITION (DEFICIT)</b>	<u>\$ 15,125,193</u>	<u>\$ (256,558)</u>	<u>\$ 14,868,635</u>

(See independent auditor's report.)

**CITY OF NAPERVILLE, ILLINOIS**

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

For the Year Ended December 31, 2022

	<b>Burlington Commuter Fund</b>	<b>Solid Waste Fund</b>	<b>Total</b>
<b>OPERATING REVENUES</b>			
Charges for services	\$ 1,174,957	\$ 7,254,949	\$ 8,429,906
Total operating revenues	1,174,957	7,254,949	8,429,906
<b>OPERATING EXPENSES</b>			
Operations	881,529	7,331,487	8,213,016
Other operating expenses	164,544	-	164,544
Total operating expenses	1,046,073	7,331,487	8,377,560
OPERATING INCOME (LOSS) BEFORE DEPRECIATION AND AMORTIZATION	128,884	(76,538)	52,346
Depreciation and amortization	(119,479)	-	(119,479)
OPERATING INCOME (LOSS)	9,405	(76,538)	(67,133)
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Net investment income (loss)	(188,680)	-	(188,680)
Total non-operating revenues (expenses)	(188,680)	-	(188,680)
CHANGE IN NET POSITION	(179,275)	(76,538)	(255,813)
NET POSITION (DEFICIT), JANUARY 1	15,304,468	(180,020)	15,124,448
<b>NET POSITION (DEFICIT), DECEMBER 31</b>	<b>\$ 15,125,193</b>	<b>\$ (256,558)</b>	<b>\$ 14,868,635</b>

(See independent auditor's report.)

**CITY OF NAPERVILLE, ILLINOIS**

COMBINING STATEMENT OF CASH FLOWS  
NONMAJOR ENTERPRISE FUNDS

For the Year Ended December 31, 2022

	<b>Burlington Commuter Fund</b>	<b>Solid Waste Fund</b>	<b>Total</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers and users	\$ 1,174,957	\$ 7,165,640	\$ 8,340,597
Payments to suppliers	(517,522)	(7,312,876)	(7,830,398)
Payments to employees	(566,742)	-	(566,742)
Net cash from operating activities	<u>90,693</u>	<u>(147,236)</u>	<u>(56,543)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Due to/from other funds	-	149,678	149,678
Net cash from noncapital financing activities	<u>-</u>	<u>149,678</u>	<u>149,678</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
None	-	-	-
Net cash from capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Investment sales or maturities	1,125,448	-	1,125,448
Investment purchases	(1,317,701)	-	(1,317,701)
Net interest received	1,681	-	1,681
Net cash from investing activities	<u>(190,572)</u>	<u>-</u>	<u>(190,572)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(99,879)	2,442	(97,437)
CASH AND CASH EQUIVALENTS, JANUARY 1	<u>2,518,840</u>	<u>25,943</u>	<u>2,544,783</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ 2,418,961</u>	<u>\$ 28,385</u>	<u>\$ 2,447,346</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Operating income (loss)	\$ 9,405	\$ (76,538)	\$ (67,133)
Adjustments to reconcile operating income (loss) to net cash from operating activities			
Depreciation and amortization expense	119,479	-	119,479
(Increase) decrease in assets and deferred outflows of resources	-	(89,309)	(89,309)
Increase (decrease) in liabilities and deferred inflows of resources	(38,191)	18,611	(19,580)
Total adjustments	<u>81,288</u>	<u>(70,698)</u>	<u>10,590</u>
NET CASH FROM OPERATING ACTIVITIES	<u>\$ 90,693</u>	<u>\$ (147,236)</u>	<u>\$ (56,543)</u>

(See independent auditor's report.)

## **FIDUCIARY FUNDS**

### **PENSION TRUST FUNDS**

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

**CITY OF NAPERVILLE, ILLINOIS**

COMBINING STATEMENT OF FIDUCIARY NET POSITION  
PENSION TRUST FUNDS

December 31, 2022

	<b>Police Pension</b>	<b>Firefighters' Pension</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and short-term investments	\$ 4,319,498	\$ 1,956,310	\$ 6,275,808
Investments held in the Illinois Firefighters' Pension Investment Fund	-	209,146,516	209,146,516
Investments held in the Illinois Police Officers' Pension Investment Fund	212,771,822	-	212,771,822
Total investments	212,771,822	209,146,516	421,918,338
Due from municipality	157,721	157,721	315,442
Prepays	-	795	795
Total assets	217,249,041	211,261,342	428,510,383
<b>LIABILITIES</b>			
Accounts payable	7,685	2,532	10,217
<b>NET POSITION RESTRICTED FOR PENSIONS</b>	<b>\$ 217,241,356</b>	<b>\$ 211,258,810</b>	<b>\$ 428,500,166</b>

(See independent auditor's report.)

**CITY OF NAPERVILLE, ILLINOIS**

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

For the Year Ended December 31, 2022

	<b>Police Pension</b>	<b>Firefighters' Pension</b>	<b>Total</b>
<b>ADDITIONS</b>			
Contributions			
Employer	\$ 8,262,723	\$ 10,774,358	\$ 19,037,081
Employee	2,065,729	2,005,582	4,071,311
Other	1,165,117	-	1,165,117
 Total contributions	 11,493,569	 12,779,940	 24,273,509
Investment income			
Net (depreciation) in fair value of investments	(32,277,411)	(38,066,600)	(70,344,011)
Interest and dividends	1,925,116	1,956,924	3,882,040
 Total investment income (loss)	 (30,352,295)	 (36,109,676)	 (66,461,971)
Less investment expense	110,371	215,351	325,722
 Net investment income (loss)	 (30,462,666)	 (36,325,027)	 (66,787,693)
Other income	-	103	103
 Total additions	 (18,969,097)	 (23,544,984)	 (42,514,081)
<b>DEDUCTIONS</b>			
Pension benefits	11,846,641	11,953,787	23,800,428
Refunds of contributions	349	-	349
Administrative expense	77,021	112,025	189,046
 Total deductions	 11,924,011	 12,065,812	 23,989,823
 NET DECREASE	 (30,893,108)	 (35,610,796)	 (66,503,904)
<b>NET POSITION RESTRICTED FOR PENSIONS</b>			
January 1	248,134,464	246,869,606	495,004,070
December 31	\$ 217,241,356	\$ 211,258,810	\$ 428,500,166

(See independent auditor's report.)

**STATISTICAL SECTION (UNAUDITED)**



## STATISTICAL SECTION (Unaudited)

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

<u>Contents</u>	<u>Page(s)</u>
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	130-139
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	140-146
Debt Capacity These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	147-150
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.	151-152
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.	153-155

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

**CITY OF NAPERVILLE, ILLINOIS**

**NET POSITION BY COMPONENT**

Last Ten Fiscal Years  
(Amounts expressed in thousands)

<b>Fiscal Year</b>	<b>2014</b>	<b>2015</b>	<b>2015*/**</b>	<b>2016</b>
<b>GOVERNMENTAL ACTIVITIES</b>				
Net investment in capital assets	\$ 412,387	\$ 409,027	\$ 420,617	\$ 425,260
Restricted	8,042	9,623	9,635	7,993
Unrestricted	38,904	30,529	(87,728)	(86,883)
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>\$ 459,333</b>	<b>\$ 449,179</b>	<b>\$ 342,524</b>	<b>\$ 346,370</b>
<b>BUSINESS-TYPE ACTIVITIES</b>				
Net investment in capital assets	\$ 437,827	\$ 442,720	\$ 426,461	\$ 422,141
Restricted	-	-	-	-
Unrestricted	11,846	6,674	8,693	18,661
<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>	<b>\$ 449,673</b>	<b>\$ 449,394</b>	<b>\$ 435,154</b>	<b>\$ 440,802</b>
<b>PRIMARY GOVERNMENT</b>				
Net investment in capital assets	\$ 850,214	\$ 851,747	\$ 847,078	\$ 847,401
Restricted	8,042	9,623	9,635	7,993
Unrestricted	50,750	37,203	(79,035)	(68,222)
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 909,006</b>	<b>\$ 898,573</b>	<b>\$ 777,678</b>	<b>\$ 787,172</b>

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

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

Data Source

Audited Financial Statements

	2017	2018	2019	2020	2021	2022
\$	411,982	\$ 413,491	\$ 409,050	\$ 392,642	\$ 402,305	\$ 409,406
	17,301	16,902	19,684	20,950	25,029	31,203
	(83,615)	(91,112)	(87,250)	(63,176)	(26,631)	(24,654)
\$	345,668	\$ 339,281	\$ 341,484	\$ 350,416	\$ 400,703	\$ 415,955
\$	416,692	\$ 406,121	\$ 394,245	\$ 401,728	\$ 406,088	\$ 402,320
	-	-	-	-	-	-
	34,704	53,107	66,627	66,866	77,025	66,966
\$	451,396	\$ 459,228	\$ 460,872	\$ 468,594	\$ 483,113	\$ 469,286
\$	828,674	\$ 819,612	\$ 803,295	\$ 794,370	\$ 808,393	\$ 811,726
	17,301	16,902	19,684	20,950	25,029	31,203
	(48,911)	(38,005)	(20,623)	3,690	50,394	42,312
\$	797,064	\$ 798,509	\$ 802,356	\$ 819,010	\$ 883,816	\$ 885,241

**CITY OF NAPERVILLE, ILLINOIS**

CHANGES IN NET POSITION

Last Ten Fiscal Years  
(Amounts expressed in thousands)

<b>Fiscal Year</b>	<b>2014</b>	<b>2015</b>	<b>2015*</b>	<b>2016</b>
<b>EXPENSES</b>				
Governmental activities				
General government	\$ 8,901	\$ 8,925	\$ 11,331	\$ 14,918
Physical environment	8,608	8,381	6,784	9,996
Public safety	67,578	70,241	63,792	78,039
Culture and recreation	9,779	8,687	4,846	7,516
Transportation	49,587	56,446	25,941	37,830
Interest on long-term debt	3,782	4,288	2,512	3,524
Total governmental activities expenses	<u>148,235</u>	<u>156,968</u>	<u>115,206</u>	<u>151,823</u>
Business-type activities				
Electric	152,352	144,954	103,759	151,588
Water and wastewater	50,981	51,287	41,990	56,926
Burlington commuter parking	1,559	2,061	905	1,770
Solid waste	-	-	-	-
Total business-type activities expenses	<u>204,892</u>	<u>198,302</u>	<u>146,654</u>	<u>210,284</u>
<b>TOTAL PRIMARY GOVERNMENT EXPENSES</b>	<u>\$ 353,127</u>	<u>\$ 355,270</u>	<u>\$ 261,860</u>	<u>\$ 362,107</u>
<b>PROGRAM REVENUES</b>				
Governmental activities				
Charges for services				
General government	\$ 1,517	\$ 1,245	\$ 4,133	\$ 13,151
Physical environment	2,000	2,099	1,357	2,215
Public safety	7,788	7,875	5,021	8,081
Culture and recreation	832	883	301	467
Transportation	1,677	2,478	164	195
Operating grants and contributions				
General government				
Physical environment	610	540	1,003	1,737
Public safety	1,808	2,316	1,731	1,185
Culture and recreation	171	-	-	-
Transportation	4,489	5,013	-	38
Interest on long-term debt	192	297	-	-
Capital grants and contributions				
Transportation	3,012	12,118	2,541	3,736
Total governmental activities program revenues	<u>24,096</u>	<u>34,864</u>	<u>16,251</u>	<u>30,805</u>
Business-type activities				
Charges for services				
Electric	134,089	135,708	96,128	155,122
Water and wastewater	47,313	48,201	35,071	51,004
Burlington commuter parking	2,257	2,211	1,473	2,298
Solid waste	-	-	-	-
Operating grants and contributions				
Electric	17	-	-	(18)
Water and wastewater	230	234	235	224
Burlington commuter parking	-	-	-	-
Capital grants and contributions				
Electric	5,612	2,230	2,226	3,157
Water and wastewater	5,074	4,537	931	1,778
Total business-type activities program revenues	<u>194,592</u>	<u>193,121</u>	<u>136,064</u>	<u>213,565</u>
<b>TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES</b>	<u>\$ 218,688</u>	<u>\$ 227,985</u>	<u>\$ 152,315</u>	<u>\$ 244,370</u>

	2017	2018	2019	2020**	2021	2022
\$	15,250	\$ 14,725	\$ 15,957	\$ 14,855	\$ 9,081	\$ 23,356
	10,376	10,396	11,706	12,823	14,098	14,241
	74,934	87,692	95,907	84,571	82,521	104,748
	8,366	8,535	8,452	9,656	9,646	10,430
	48,964	41,110	47,730	46,544	34,533	37,642
	3,122	3,087	2,790	2,864	2,602	2,257
	161,012	165,545	182,542	171,313	152,481	192,674
	150,148	154,474	154,110	152,678	146,824	154,575
	60,591	64,494	64,141	63,845	60,580	71,303
	1,423	1,907	2,289	2,228	1,694	1,166
	-	-	-	6,841	7,124	7,331
	212,162	220,875	220,540	225,592	216,222	234,375
\$	373,174	\$ 386,420	\$ 403,082	\$ 396,905	\$ 368,703	\$ 427,049
\$	12,252	\$ 13,485	\$ 14,699	\$ 6,972	\$ 7,755	\$ 7,647
	2,401	2,143	2,176	1,876	2,484	1,954
	10,448	12,232	14,853	11,854	17,005	17,620
	538	439	536	54	563	434
	129	151	127	89	87	102
	968	1,558	1,083	1,228	1,909	1,664
	899	1,135	1,473	8,565	1,350	1,160
	-	-	-	39	-	-
	361	316	41	702	213	738
	-	-	-	-	-	-
	3,679	3,814	4,872	8,945	9,252	9,205
	31,675	35,273	39,860	40,324	40,618	40,524
	157,317	162,771	150,322	150,717	147,253	142,739
	53,627	58,755	60,242	65,129	69,019	70,543
	2,528	2,392	2,369	1,062	951	1,175
	-	-	-	6,753	7,033	7,255
	-	-	-	100	-	-
	307	267	143	785	493	-
	-	-	-	-	-	-
	4,070	3,869	3,322	2,396	3,352	1,749
	1,978	1,437	1,080	1,456	1,436	970
	219,827	229,491	217,478	228,398	229,537	224,431
\$	251,502	\$ 264,764	\$ 257,338	\$ 268,722	\$ 270,155	\$ 264,955

**CITY OF NAPERVILLE, ILLINOIS**  
**CHANGES IN NET POSITION (Continued)**

Last Ten Fiscal Years  
(amounts expressed in thousands)

Fiscal Year	2014	2015	2015*	2016
<b>NET (EXPENSE) REVENUE</b>				
Governmental activities	\$ (124,139)	\$ (122,104)	\$ (98,955)	\$ (121,018)
Business-type activities	(10,300)	(5,181)	(10,590)	3,281
<b>TOTAL PRIMARY GOVERNMENT NET (EXPENSE) REVENUE</b>	<b>\$ (134,439)</b>	<b>\$ (127,285)</b>	<b>\$ (109,545)</b>	<b>\$ (117,737)</b>
<b>GENERAL REVENUES AND OTHER CHANGES IN NET POSITION</b>				
Governmental activities				
Taxes				
Property	\$ 33,639	\$ 33,169	\$ 34,849	\$ 33,355
Utility	16,993	16,123	10,108	15,137
Sales and use	34,498	35,580	25,189	44,355
State income	13,823	13,892	9,925	13,809
Real estate transfer	4,517	4,125	3,537	5,221
Food and beverage	3,262	3,138	2,835	4,955
Hotel/motel	-	-	-	-
Gas	-	-	-	-
Other***	5,612	6,037	3,448	4,313
Franchise fees	2,455	2,538	2,162	3,230
Net investment income (loss)	(293)	1,925	198	(109)
Miscellaneous	-	-	609	597
Transfers	-	(4,577)	-	-
Total governmental activities	114,506	111,950	92,860	124,863
Business-type activities				
Net investment income (loss)	(462)	282	137	310
Miscellaneous revenues	-	-	1,189	2,057
Transfers	-	4,577	-	-
Total business-type activities	(462)	4,859	1,326	2,367
<b>TOTAL PRIMARY GOVERNMENT CHANGE IN NET POSITION</b>	<b>\$ 114,044</b>	<b>\$ 116,809</b>	<b>\$ 94,186</b>	<b>\$ 127,230</b>
Governmental activities	\$ (9,633)	\$ (10,154)	\$ (6,095)	\$ 3,845
Business-type activities	(10,762)	(322)	(9,264)	5,648
<b>TOTAL PRIMARY GOVERNMENT CHANGE IN NET POSITION</b>	<b>\$ (20,395)</b>	<b>\$ (10,476)</b>	<b>\$ (15,359)</b>	<b>\$ 9,493</b>

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

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

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

Data Source

Audited Financial Statements

	2017	2018	2019	2020	2021	2022
\$	(129,337)	\$ (130,272)	\$ (130,272)	\$ (142,682)	\$ (111,863)	\$ (152,150)
	7,665	8,616	8,616	(3,062)	13,315	(9,944)
\$	(121,672)	\$ (121,656)	\$ (121,656)	\$ (145,744)	\$ (98,548)	\$ (162,094)
\$	34,129	\$ 34,495	\$ 36,555	\$ 38,312	\$ 40,828	\$ 41,483
	15,399	16,008	15,775	14,764	14,930	16,208
	46,082	49,249	54,348	52,044	66,900	69,549
	13,029	13,617	15,694	16,023	19,493	24,367
	5,506	4,665	4,845	4,265	7,425	6,638
	3,907	5,335	5,480	3,812	5,692	6,557
	-	-	-	-	1,567	1,597
	-	-	-	-	2,290	2,392
	6,049	4,442	4,867	3,385	999	2,136
	3,423	3,097	3,119	2,909	2,962	2,860
	355	636	3,390	3,941	(1,909)	(7,397)
	756	652	831	450	972	1,032
	-	-	-	-	-	-
	128,635	132,196	144,904	139,905	162,149	167,422
	580	546	2,810	3,366	(958)	(5,647)
	2,351	1,885	1,896	1,550	2,162	1,764
	-	-	-	-	-	-
	2,931	2,431	4,706	4,916	1,204	(3,883)
\$	131,566	\$ 134,627	\$ 149,610	\$ 144,821	\$ 163,353	\$ 163,539
\$	(702)	\$ 1,924	\$ 14,632	\$ (2,777)	\$ 50,286	\$ 15,272
	10,596	11,047	13,322	1,854	14,519	(13,827)
\$	9,894	\$ 12,971	\$ 27,954	\$ (923)	\$ 64,805	\$ 1,445

**CITY OF NAPERVILLE, ILLINOIS**

**FUND BALANCES OF GOVERNMENTAL FUNDS**

Last Ten Fiscal Years  
(Amounts expressed in thousands)

<b>Fiscal Year</b>	<b>2014</b>	<b>2015</b>	<b>2015*</b>	<b>2016</b>
<b>GENERAL FUND</b>				
Nonspendable	\$ 75	\$ 343	\$ 13	\$ 32
Restricted	-	-	-	-
Assigned	-	-	-	-
Unassigned	25,513	28,961	28,358	26,826
<b>TOTAL GENERAL FUND</b>	<b>\$ 25,588</b>	<b>\$ 29,304</b>	<b>\$ 28,371</b>	<b>\$ 26,857</b>
<b>ALL OTHER GOVERNMENTAL FUNDS</b>				
Nonspendable	\$ 62	\$ 39	\$ 38	\$ 35
Restricted	10,895	21,619	8,772	15,723
Committed	2,459	1,717	1,268	638
Assigned	5,033	5,115	5,780	12,076
Unassigned (deficit)	(190)	(543)	(763)	(576)
<b>TOTAL ALL OTHER GOVERNMENTAL FUNDS</b>	<b>\$ 18,259</b>	<b>\$ 27,947</b>	<b>\$ 15,095</b>	<b>\$ 27,896</b>

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

Data Source

Audited Financial Statements



2017	2018	2019	2020	2021	2022
\$ 529	\$ 522	\$ 521	\$ 521	\$ 446	\$ 360
-	-	-	-	-	62
-	-	-	-	-	-
27,884	27,754	33,666	37,482	51,542	66,497
\$ 28,413	\$ 28,276	\$ 34,187	\$ 38,003	\$ 51,988	\$ 66,919
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
19,906	22,057	19,684	22,532	25,029	31,141
858	893	891	1,097	1,430	1,852
12,455	18,502	25,410	36,177	36,693	32,449
(543)	(474)	(803)	(989)	(770)	(678)
\$ 32,676	\$ 40,978	\$ 45,182	\$ 58,817	\$ 62,382	\$ 64,764

**CITY OF NAPERVILLE, ILLINOIS**

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years  
(Amounts expressed in thousands)

<b>Fiscal Year</b>	<b>2014</b>	<b>2015</b>	<b>2015**/**</b>	<b>2016</b>
<b>REVENUES</b>				
Taxes	\$ 112,344	\$ 112,064	\$ 54,777	\$ 63,391
Licenses and permits	2,480	2,548	1,421	2,685
Fines and forfeitures	1,709	1,770	1,162	1,659
Investment income	(98)	1,603	201	(125)
Intergovernmental	6,737	8,762	40,368	64,221
Charges for services	8,348	9,242	9,138	18,741
Fees	2,822	3,009	2,173	3,247
Contributions	1,890	1,875	280	413
Miscellaneous	908	628	609	597
<b>Total revenues</b>	<b>137,140</b>	<b>141,501</b>	<b>110,129</b>	<b>154,829</b>
<b>EXPENDITURES</b>				
General government	6,967	7,241	7,737	12,091
Physical environment	8,633	8,371	5,655	8,269
Public safety	71,862	70,040	50,462	72,028
Culture and recreation	8,165	7,142	4,422	6,652
Transportation	24,317	26,916	17,879	28,115
Capital outlay	16,997	22,250	24,743	21,896
Debt service				
Principal	5,648	6,841	9,448	6,920
Interest	3,766	4,031	4,027	3,811
Other charges	127	205	-	-
<b>Total expenditures</b>	<b>146,482</b>	<b>153,037</b>	<b>124,373</b>	<b>159,782</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(9,342)</b>	<b>(11,536)</b>	<b>(14,244)</b>	<b>(4,953)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	7,129	10,200	8,950	5,089
Transfers (out)	(6,779)	(3,504)	(8,950)	(5,089)
Sale of capital assets	-	515	-	769
Payment to refunded bond escrow agent	-	-	-	(35,679)
Bonds issued, at par	5,620	17,340	-	14,334
Refunding bonds issued	-	-	-	33,900
Premium on bonds issued	310	389	-	2,919
<b>Total other financing sources (uses)</b>	<b>6,280</b>	<b>24,940</b>	<b>-</b>	<b>16,243</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ (3,062)</b>	<b>\$ 13,404</b>	<b>\$ (14,244)</b>	<b>\$ 11,290</b>
<b>DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES</b>	<b>6.68%</b>	<b>7.63%</b>	<b>13.67%</b>	<b>7.85%</b>

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

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

Data Source

Audited Financial Statements.

	2017	2018	2019	2020	2021	2022
\$	64,990	\$ 64,944	\$ 67,521	\$ 64,538	\$ 73,734	\$ 77,015
	3,006	2,763	2,970	2,006	3,060	2,503
	1,473	1,276	1,385	1,012	1,286	1,301
	338	615	3,352	3,868	(1,840)	(7,397)
	64,462	68,323	77,192	86,904	98,201	105,670
	21,290	24,539	27,890	18,041	23,818	24,135
	3,423	3,097	3,119	2,909	2,962	2,860
	556	1,239	464	427	645	831
	756	652	832	450	972	1,032
	160,294	167,448	184,725	180,155	202,838	207,950
	12,482	12,064	12,510	13,713	15,184	15,905
	8,247	8,591	8,110	8,422	9,688	9,604
	73,845	78,263	81,088	90,104	91,485	93,806
	7,302	7,145	7,360	7,456	7,441	8,112
	26,443	27,198	28,759	21,762	23,632	23,546
	19,060	19,306	23,263	24,241	25,020	27,547
	10,654	10,613	10,485	10,233	9,943	9,550
	3,306	3,274	3,019	3,042	2,893	2,545
	-	-	-	-	-	-
	161,339	166,454	174,594	178,973	185,286	190,615
	(1,045)	994	10,131	1,182	17,552	17,335
	4,594	2,331	6,911	4,886	3,667	4,502
	(4,594)	(2,331)	(6,911)	(4,886)	(3,667)	(4,502)
	221	2,270	-	-	-	-
	-	-	-	(4,777)	-	-
	6,980	4,640	-	15,225	-	-
	-	-	-	4,465	-	-
	179	261	-	1,338	-	-
	7,380	7,171	-	16,251	-	-
\$	6,335	\$ 8,165	\$ 10,131	\$ 17,433	\$ 17,552	\$ 17,335
	9.21%	9.05%	8.19%	7.75%	7.77%	7.04%

**CITY OF NAPERVILLE, ILLINOIS**

GOVERNMENTAL FUNDS TAX REVENUE BY SOURCE

Last Ten Fiscal Years  
(Amounts expressed in thousands)

Fiscal Year	Intergovernmental Taxes			Taxes				Total
	Sales and Use Tax	State Income Tax	Total Intergovernmental Taxes	Property Tax	Utility Tax	Other Tax	Total Taxes	
2014	\$ 34,498	\$ 13,823	\$ 48,321	\$ 33,639	\$ 16,993	\$ 13,391	\$ 64,023	\$ 112,344
2015	35,580	13,892	49,472	33,169	16,123	13,300	62,592	112,064
2015*	25,189	9,925	35,114	34,849	10,108	9,820	54,777	89,891
2016	44,355	13,809	58,164	33,355	15,137	14,489	62,981	121,145
2017	46,082	13,029	59,111	34,129	15,399	15,462	64,990	124,101
2018	49,249	13,617	62,866	34,495	16,008	14,442	64,945	127,811
2019	54,348	15,694	70,042	36,555	15,775	15,192	67,522	137,564
2020	52,044	16,023	68,067	38,312	14,764	11,462	64,538	132,605
2021	66,900	19,493	86,393	40,828	14,930	14,116	69,874	156,267
2022	69,549	24,367	93,916	41,483	16,208	15,331	73,022	166,938

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

Data Source

Audited Financial Statements

**CITY OF NAPERVILLE, ILLINOIS**

ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY

Last Ten Levy Years

<b>Levy Year</b>	<b>Residential Property</b>	<b>Farm Property</b>	<b>Commercial and Industrial Property</b>	<b>Railroad Property</b>	<b>Total Taxable Assessed Value</b>	<b>Direct Tax Rate</b>	<b>Estimated Actual Taxable Value</b>	<b>Percent of Assessed Value</b>
2012	\$ 4,964,302,585	\$ 334,456	\$ 1,105,830,624	\$ 2,509,329	\$ 6,072,976,994	\$ 0.7756	\$ 18,218,930,982	33.333%
2013	4,866,627,723	315,592	1,056,949,654	2,706,677	5,926,599,646	0.7828	17,779,798,938	33.333%
2014	4,917,955,140	215,985	1,071,651,247	2,731,565	5,992,553,937	0.8082	17,977,661,811	33.333%
2015	5,056,340,567	190,521	1,219,286,607	2,838,480	6,278,656,175	0.7392	18,835,968,525	33.333%
2016	5,384,396,867	130,047	1,279,947,209	3,194,886	6,667,669,009	0.7004	20,003,007,027	33.333%
2017	5,615,923,169	233,148	1,332,878,028	3,535,883	6,952,570,228	0.6815	20,857,710,684	33.333%
2018	5,951,453,369	359,566	1,263,550,068	4,322,495	7,219,685,498	0.6870	21,659,056,494	33.333%
2019	6,024,168,661	454,951	1,421,814,242	5,015,287	7,451,453,141	0.6937	22,354,359,423	33.333%
2020	6,320,681,261	348,611	1,452,597,887	6,014,713	7,779,642,472	0.6949	23,338,927,416	33.333%
2021	6,450,203,140	239,651	1,465,176,271	7,133,537	7,922,752,599	0.6887	23,768,257,797	33.333%

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

Data Source

Office of the County Clerk

**CITY OF NAPERVILLE, ILLINOIS**

**PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS**

Last Ten Levy Years

<b>Levy Year</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
<b>CITY DIRECT RATES</b>										
General Corporate	0.1457	0.1009	0.0803	0.1060	0.0789	0.0188	0.0439	0.0739	0.0850	0.0852
Naperville Public Library	0.2374	0.2465	0.2481	0.2288	0.2119	0.2119	0.2055	0.2025	0.1939	0.1935
Police Pension	0.0787	0.0879	0.0845	0.0938	0.0917	0.0961	0.0911	0.0913	0.0949	0.0950
Firefighters' Pension	0.0820	0.0884	0.0846	0.0945	0.1023	0.1218	0.1177	0.1241	0.1266	0.1269
Bond and interest - general obligation bond	0.1403	0.1631	0.2153	0.1249	0.1297	0.1538	0.1591	0.1283	0.1224	0.1107
Illinois Municipal Retirement	0.0444	0.0461	0.0460	0.0441	0.0415	0.0369	0.0305	0.0356	0.0357	0.0280
Naper Settlement	0.0471	0.0499	0.0494	0.0471	0.0444	0.0422	0.0392	0.0380	0.0364	0.0494
<b>Total direct rates</b>	<b>0.7756</b>	<b>0.7828</b>	<b>0.8082</b>	<b>0.7392</b>	<b>0.7004</b>	<b>0.6815</b>	<b>0.6870</b>	<b>0.6937</b>	<b>0.6949</b>	<b>0.6887</b>
<b>OVERLAPPING RATES</b>										
Naperville Park District	0.3148	0.3358	0.3397	0.3317	0.3195	0.3162	0.3149	0.3060	0.2931	0.3013
Unit School #203	4.9909	5.3862	5.4756	5.3549	5.0547	5.0062	4.9259	4.9672	4.8841	4.9142
Unit School #204	5.7047	5.9498	6.0149	5.8505	5.6004	5.4967	5.4589	5.3600	5.2956	5.1346
College of DuPage #502	0.2681	0.2956	0.2975	0.2786	0.2626	0.2431	0.2317	0.2112	0.2114	0.2034
DuPage Forest Preserve	0.1542	0.1657	0.1691	0.1622	0.1514	0.1306	0.1278	0.1242	0.1205	0.1177
DuPage Airport Authority	0.0168	0.0178	0.0196	0.0188	0.0176	0.0166	0.0146	0.0141	0.0148	0.0144
DuPage County	0.1929	0.2040	0.2057	0.1971	0.1848	0.1749	0.1673	0.1655	0.1609	0.1587
Will County	0.5696	0.5994	0.6210	0.6408	0.6182	0.5986	0.5927	0.5842	0.5788	0.5761
Lisle Township	0.0261	0.0548	0.0561	0.0553	0.0528	0.0512	0.0496	0.0428	0.0393	0.0407
Naperville Township	0.0379	0.0515	0.0413	0.0452	0.0435	0.0426	0.0424	0.0419	0.0414	0.0417
Wheatland Township	0.0344	0.0378	0.0378	0.0336	0.0737	0.0738	0.0738	0.0725	0.0727	0.0725

Data Source

Office of the County Clerk

**CITY OF NAPERVILLE, ILLINOIS**

**PRINCIPAL PROPERTY TAXPAYERS**

Current Year and Nine Years Ago

Taxpayer	2021 Tax Levy			2012 Tax Levy		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Valuation	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Valuation
Ryan PTS	\$ 18,829,190	1	0.24%			
CF Railway Multifamily	18,675,550	2	0.24%			
TGM McDowell Place LLC	19,091,410	3	0.24%			
Sir Properties REIT LLC	16,117,210	4	0.20%			
Inland Private Capital	16,100,990	5	0.20%			
BMO Harris Bank	15,529,970	6	0.20%			
RRE Grand Reserve Holding	15,192,800	7	0.19%			
Pensam Group LLC	14,746,220	8	0.19%			
Moran Canyon Owners	14,024,280	9	0.18%			
Duke Secured Finan 2009	12,597,890	10	0.16%			
Edward Health Services				\$ 27,315,890	1	0.45%
Wells Real Estate Funds				15,170,510	2	0.25%
Tellabs Operations Inc.				14,951,000	3	0.25%
Ondeo Nalco Center				14,223,430	4	0.23%
Naperville Country Lakes				13,847,770	5	0.23%
BP-Amoco Oil Company				13,218,310	6	0.22%
Nicor Gas				11,546,960	7	0.19%
Amlı Residential				11,505,370	8	0.19%
ING Clarion				11,471,880	9	0.19%
Wolf, Daniel A				11,075,930	10	0.18%
	<u>\$ 160,905,510</u>		<u>2.04%</u>	<u>\$ 144,327,050</u>		<u>2.38%</u>

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

Data Source

Office of the County Clerk

**CITY OF NAPERVILLE, ILLINOIS**  
**PROPERTY TAX LEVIES AND COLLECTIONS**

Last Ten Levy Years

Levy Year	Tax Extended	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2012	\$ 47,102,010	\$ 46,358,636	98.42%	\$ 11,716	\$ 46,370,352	98.45%
2013	46,393,422	46,183,534	99.55%	2,530	46,186,064	99.55%
2014	48,431,821	48,159,391	99.44%	29,969	48,189,360	99.50%
2015	46,260,521	45,964,584	99.36%	43,167	46,007,751	99.45%
2016	48,062,829	47,802,851	99.46%	-	47,802,851	99.46%
2017	47,381,766	47,231,092	99.68%	-	47,231,092	99.68%
2018	49,572,297	49,411,057	99.67%	-	49,411,057	99.67%
2019	51,653,948	51,361,583	99.43%	106,357	51,467,940	99.64%
2020	54,060,715	53,734,031	99.40%	100,517	53,834,548	99.58%
2021	54,548,152	54,512,380	99.93%	-	54,512,380	99.93%

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

Data Source

Office of the County Clerk



**CITY OF NAPERVILLE, ILLINOIS**

**SALES TAXES BY CATEGORY**

Last Ten Calendar Years

<b>Calendar Year</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
General merchandise	\$ 1,985,901	\$ 2,055,475	\$ 1,973,827	\$ 1,734,850	\$ 1,682,829	\$ 1,727,680	\$ 1,703,036	\$ 1,614,668	\$ 1,786,154	\$ 1,892,063
Food	3,586,963	3,457,404	3,537,170	4,030,651	4,277,657	4,126,200	4,119,877	4,502,795	4,370,417	4,536,041
Drinking and eating places	3,352,311	3,420,229	3,433,778	3,843,978	4,047,681	4,115,550	4,310,007	3,306,793	4,437,113	5,000,516
Apparel	1,067,110	1,088,821	1,152,420	1,210,325	1,203,706	1,174,380	1,155,698	734,756	1,227,069	1,343,490
Furniture, H.H., and radio	2,347,163	2,272,010	2,231,986	1,959,765	1,898,165	1,869,238	1,927,766	1,837,713	2,237,779	1,980,303
Lumber, building hardware	1,520,274	1,656,157	1,709,368	1,667,454	1,694,172	1,739,712	1,747,880	1,920,452	2,407,099	2,490,932
Automobile and filling stations	12,237,637	12,751,291	12,870,415	12,566,087	12,688,204	13,091,973	13,846,632	12,714,540	16,934,243	17,570,813
Drugs and miscellaneous retail	3,869,309	4,097,497	3,205,869	3,904,515	3,904,594	3,561,337	3,753,949	3,717,717	6,827,819	6,195,666
Agriculture and all others	1,509,790	1,620,270	2,576,081	1,866,766	1,997,162	2,220,590	2,223,796	1,917,751	2,282,461	2,753,803
Manufacturers	527,545	530,662	561,411	534,413	478,725	639,803	710,328	652,495	602,943	841,674
<b>TOTAL</b>	<b>\$ 32,004,003</b>	<b>\$ 32,949,816</b>	<b>\$ 33,252,325</b>	<b>\$ 33,318,804</b>	<b>\$ 33,872,895</b>	<b>\$ 34,266,463</b>	<b>\$ 35,498,969</b>	<b>\$ 32,919,680</b>	<b>\$ 43,113,097</b>	<b>\$ 44,605,301</b>
City's direct sales tax rate	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%

Data Source

Illinois Department of Revenue

**CITY OF NAPERVILLE, ILLINOIS**

**DIRECT AND OVERLAPPING SALES TAX RATES**

Last Ten Fiscal Years

---

<b>Fiscal Year</b>	<b>City Direct Rate</b>	<b>City Home Rule Rate</b>	<b>State Rate</b>	<b>Regional Transportation Authority Rate</b>	<b>County Rate</b>
2014	1.00%	0.00%	5.00%	0.75%	0.25%
2015	1.00%	0.00%	5.00%	0.75%	0.25%
2015*	1.00%	0.00%	5.00%	0.75%	0.25%
2016	1.00%	0.50%	5.00%	0.75%	0.25%
2017	1.00%	0.50%	5.00%	0.75%	0.25%
2018	1.00%	0.75%	5.00%	0.75%	0.25%
2019	1.00%	0.75%	5.00%	0.75%	0.25%
2020	1.00%	0.75%	5.00%	0.75%	0.25%
2021	1.00%	0.75%	5.00%	0.75%	0.25%
2022	1.00%	0.75%	5.00%	0.75%	0.25%

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

Data Source

Illinois Department of Revenue

**CITY OF NAPERVILLE, ILLINOIS**

**RATIOS OF OUTSTANDING DEBT BY TYPE**

Last Ten Fiscal Years

<b>Fiscal Year Ended</b>	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total Primary Government</b>	<b>Percentage of Personal Income*</b>	<b>Per Capita*</b>
	<b>General Obligation Bonds</b>	<b>General Obligation Bonds</b>	<b>Revenue Bonds</b>	<b>IEPA Loan</b>			
2014	\$ 97,958,819	\$ 66,354,322	\$ -	\$ -	\$ 164,313,141	2.55%	\$ 1,158.33
2015	108,548,121	60,391,308	-	-	168,939,429	2.56%	1,179.01
2015**	98,808,280	55,863,868	-	-	154,672,148	2.27%	1,058.47
2016	109,264,633	52,899,322	-	-	162,163,955	2.38%	1,117.92
2017	105,347,527	48,126,452	-	-	153,473,979	2.19%	1,052.71
2018	99,204,495	42,862,352	-	-	142,066,847	1.92%	963.50
2019	88,275,178	37,680,584	-	-	125,955,762	1.60%	848.48
2020	93,849,312	33,185,561	-	-	127,034,873	1.55%	855.75
2021	83,399,716	28,687,658	-	-	112,087,374	1.36%	749.55
2022	73,411,141	31,373,521	-	-	104,784,662	1.13%	702.76

\*See the schedule of Demographic and Economic Information on page 151 for personal income and population data.

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

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

**CITY OF NAPERVILLE, ILLINOIS**

**RATIOS OF GENERAL BONDED DEBT OUTSTANDING**

Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds		Less: Amounts Available In Debt Service Funds**	Total	Percentage of Estimated Actual Taxable Value of Property*	Per Capita
	Governmental Activities	Business-Type Activities				
2014	\$ 97,958,819	\$ 66,354,322	\$ 5,272,118	\$ 159,041,023	0.87%	\$ 1,109.93
2015	108,548,121	60,391,308	6,355,932	162,583,497	0.91%	1,134.65
2015***	98,808,280	55,863,868	4,997,000	149,675,148	0.83%	1,024.27
2016	109,264,633	52,899,322	3,169,205	158,994,750	0.84%	1,096.08
2017	105,347,527	48,126,452	3,866,197	149,607,782	0.75%	1,026.19
2018	99,204,495	42,862,352	5,027,970	137,038,877	0.66%	929.40
2019	88,275,178	37,680,584	6,568,618	119,387,144	0.55%	804.23
2020	93,849,312	33,185,561	7,971,512	119,063,361	0.53%	802.05
2021	83,399,716	28,687,658	8,207,346	103,880,028	0.45%	694.66
2022	73,411,141	31,373,521	8,637,934	96,146,728	0.40%	644.83

\*See the schedule of Assessed Value and Actual Value of Taxable Property on page 141 for property value data.

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

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

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

**CITY OF NAPERVILLE, ILLINOIS**

**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**

December 31, 2022

<b>Governmental Unit</b>	<b>Gross Debt</b>	<b>Percentage Debt Applicable to the City of Naperville (1)</b>	<b>City of Naperville's Share of Debt</b>
City of Naperville	\$ 73,411,141	100.00%	\$ 73,411,141
School District #200	62,615,000	0.240%	150,276
School District #202	132,790,000	4.580%	6,081,782
School District #203	9,040,000	77.210%	6,979,784
School District #204	107,120,000	42.810%	45,858,072
School District #365	279,789,334	6.690%	18,717,906
Community College District #502	123,615,000	12.480%	15,427,152
Community College District #525	165,716,325	0.240%	397,719
Lisle Park District	3,920,000	0.120%	4,704
Naperville Park District	25,450,000	94.920%	24,157,140
Wheaton Park District	10,650,986	0.360%	38,344
Will County	359,115,000	14.460%	51,928,029
Will County Forest Preserve	68,580,000	14.460%	9,916,668
DuPage County	98,919,801	11.130%	11,009,774
DuPage County Forest Preserve	86,520,878	11.130%	9,629,774
	<u>1,533,842,324</u>		<u>200,297,124</u>
	<u>\$ 1,607,253,465</u>		<u>\$ 273,708,265</u>

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

Data Sources

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

**CITY OF NAPERVILLE, ILLINOIS**

**SCHEDULE OF LEGAL DEBT MARGIN**

December 31, 2022

---

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

**CITY OF NAPERVILLE, ILLINOIS**

**DEMOGRAPHIC AND ECONOMIC INFORMATION**

Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>Population</b>	<b>Personal Income (amounts expressed in thousands)</b>	<b>Per Capita Personal Income</b>	<b>Median Age</b>	<b>Education Level Bachelor's Degree or Higher (% person 25+)</b>	<b>School Enrollment</b>	<b>Unemployment Rate</b>
2014	143,289	\$ 6,449,724,468	\$ 45,012	39.2	66.1%	46,790	7.1
2015	143,289	6,606,769,212	46,108	38.7	65.5%	46,790	5.7
2015*	146,128	6,809,272,544	46,598	38.2	65.5%	45,020	4.6
2016	145,058	6,803,945,000	46,905	38.6	66.0%	45,071	4.6
2017	145,789	7,018,136,671	48,139	38.5	69.6%	44,524	4.0
2018	147,449	7,385,278,063	50,087	35.0	67.8%	44,513	3.6
2019	148,449	7,876,852,389	53,061	38.7	68.2%	43,952	3.5
2020	148,449	8,198,392,923	55,227	40.5	69.9%	42,675	8.7
2021	149,540	8,258,645,580	55,227	35.0	69.9%	45,234	3.9
2022	149,104	9,244,597,104	62,001	39.1	70.7%	41,696	2.1

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

Data Sources

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

**CITY OF NAPERVILLE, ILLINOIS**

**PRINCIPAL EMPLOYERS**

Current Year and Nine Years Ago

<b>2022</b>				<b>2013</b>			
<b>Employer</b>	<b>Employees</b>	<b>Rank</b>	<b>% of Total City Population</b>	<b>Employer</b>	<b>Employees</b>	<b>Rank</b>	<b>% of Total City Population</b>
Edward Hospital & Health Services	4,940	1	3.31%	Edward Hospital & Health Services	4,444	1	3.13%
Indian Prairie School District 204	3,130	2	2.10%	Alcatel-Lucent	3,400	2	2.40%
Nokia	3,000	3	2.01%	Indian Prairie School District 204	3,127	3	2.20%
Naperville School District 203	2,531	4	1.70%	Naperville School District 203	2,593	4	1.83%
Nicor	2,140	5	1.44%	Nicor Gas	2,550	5	1.80%
BP America	1,800	6	1.21%	BP America	1,500	6	1.06%
Nalco	1,300	7	0.87%	Office Max	1,500	7	1.06%
BMO Harris	1,250	8	0.84%	BMO Harris	1,200	8	0.85%
City of Naperville	961	9	0.64%	Nalco	1,000	9	0.70%
KeHe	673	10	0.45%	City of Naperville	953	10	0.67%
<b>TOTAL</b>	<b>21,725</b>		<b>14.57%</b>		<b>22,267</b>		<b>15.70%</b>

Data Sources

Naperville Development Partnership and Naperville Convention & Visitors Bureau



**CITY OF NAPERVILLE, ILLINOIS**

**FULL-TIME EQUIVALENT EMPLOYEES**

Last Ten Fiscal Years

<b>Function/Program</b>	<b>2013</b>	<b>2014</b>	<b>2015*</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Mayor and Council	11.12	11.12	11.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00
Legal	10.50	14.00	14.00	13.50	13.50	9.00	9.00	9.00	9.00	9.00
City Manager's Office	13.12	11.12	11.12	11.12	10.13	11.63	12.63	13.63	13.63	15.63
City Clerk	5.50	5.50	6.50	8.00	7.25	6.00	6.00	6.00	7.00	8.00
Special Events and Cultural	0.50	0.50	0.62	0.62	1.00	1.00	1.00	1.00	1.00	1.00
Community Development Block Grant	0.50	0.67	0.67	0.67	1.00	1.00	1.00	1.00	1.00	1.00
Information Technology	19.75	21.75	27.00	27.00	26.00	26.00	30.00	35.00	36.00	38.00
Finance	35.63	36.63	35.63	35.63	33.63	33.13	35.13	35.14	46.13	47.14
Human Resources	9.50	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	10.00
Board of Fire and Police	0.88	0.88	1.00	1.00	1.00	1.00	1.00	1.00	1.00	-
TED Business Group	66.60	66.18	66.66	68.66	64.00	63.00	63.00	63.00	63.20	64.10
Riverwalk Commission	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Public Works	108.30	108.76	108.88	109.39	103.63	103.63	100.63	100.63	99.63	99.63
Police	269.92	275.67	275.54	274.90	271.88	268.10	269.12	273.12	265.13	267.13
Fire	202.00	202.00	202.00	202.00	202.00	201.00	201.00	201.00	201.00	201.00
Electric Utility	117.00	114.00	112.00	112.00	106.00	106.00	106.00	103.00	103.00	103.00
Water Utility	82.94	82.94	83.56	83.79	84.50	82.50	83.00	84.00	83.50	85.50
<b>TOTAL</b>	<b>954.26</b>	<b>961.22</b>	<b>965.68</b>	<b>968.78</b>	<b>946.02</b>	<b>933.49</b>	<b>939.01</b>	<b>947.02</b>	<b>950.72</b>	<b>961.63</b>

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

Data Source

City Budget

**CITY OF NAPERVILLE, ILLINOIS**

**OPERATING INDICATORS**

Last Ten Fiscal Years

<b>Function/Program</b>	<b>2014</b>	<b>2015</b>	<b>2015*</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
<b>PUBLIC SAFETY</b>										
Police (1)										
Physical arrests (DUI)	424	374	369	312	266	272	295	240	227	224
Parking violations	14,148	13,630	13,582	18,206	17,246	15,488	15,918	5,784	9,004	8,987
Traffic violations	13,924	12,319	12,532	15,831	15,743	15,544	17,763	9,143	11,428	11,081
Fire										
Emergency responses	12,210	12,792	12,979	13,677	14,631	14,583	15,549	14,170	15,938	16,859
Fires extinguished	78	93	87	106	158	192	199	34	25	20
<b>PUBLIC WORKS</b>										
Total curbside refuse collected (tons)	37,077	36,657	36,272	37,405	37,539	36,982	41,227	42,881	40,557	39,195
Total curbside recycling collected (tons)	15,605	15,692	15,872	15,655	15,650	15,503	15,116	14,117	13,368	13,625
Snow and ice control events	49	25	24	29	17	19	25	17	22	16
Tons of salt used	21,964	11,768	11,692	10,908	6,525	9,700	6,344	5,177	12,800	6,243
<b>WATER/WASTEWATER (1)</b>										
New connections	283	291	342	300	733	290	203	209	159	213
Water main breaks	92	75	68	80	81	84	106	90	119	103
Average daily consumption	15.11	13.90	14.10	14.46	41.90	14.65	13.45	14.42	14.85	15.56
Peak daily consumption	29.55	22.90	24.26	25.21	26.20	26.14	26.13	28.83	26.86	26.49
Average daily wastewater treated (million gal)	19.70	19.40	18.16	19.47	26.25	19.74	19.55	20.22	17.28	18.31
<b>ELECTRIC (1)</b>										
Peak monthly demand	365,033	322,831	328,597	352,640	330,946	343,568	341,992	325,810	340,721	340,744
Peak month energy use (million)	151.90	142.80	143.40	154.60	144.60	145.60	150.70	148.90	146.80	134.34

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

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

Data Source

Various city departments

**CITY OF NAPERVILLE, ILLINOIS**

CAPITAL ASSET STATISTICS

Last Ten Fiscal Years

<b>Function/Program</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
<b>PUBLIC SAFETY</b>										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Area patrols	10	10	10	12	12	12	12	12	12	12
Patrol units	80	85	85	89	89	89	89	95	93	101
Fire										
Fire stations	10	10	10	10	10	10	10	10	10	10
Front line apparatus (engines and ambulance)	18	18	18	18	18	18	18	18	18	18
<b>TRANSPORTATION</b>										
Arterial streets (centerline miles)	127	127	138	140	140	140	140	140	140	140
Traffic signals	163	164	164	165	165	167	168	168	169	169
<b>PUBLIC WORKS</b>										
Streetlights	11,480	11,542	11,705	12,080	12,154	12,254	12,665	12,806	12,820	12,919
Storm sewers (miles)	879	886	895	987	852	855	639	745	745	983
<b>WATER</b>										
Water mains (miles)	693.7	708.2	714.5	723.2	732.7	735.6	741.0	742.8	747.5	748.2
Fire hydrants	9,055	9,157	9,236	9,378	9,451	9,480	9,522	9,559	9,625	9,641
Storage capacity (million gallons)	43.90	43.90	43.90	43.90	43.90	43.90	43.90	43.90	44.00	43.90
Sanitary sewers (miles)	534.09	539.34	543.28	551.40	553.26	562.31	564.52	565.94	566.00	566.50
Treatment capacity (million gallons per day)	26.25	26.25	26.25	26.25	26.25	26.25	26.25	26.25	26.25	26.25
<b>ELECTRIC</b>										
Number of distribution stations	16	16	16	16	16	16	16	16	16	16
Transmission and distribution line mileage (excluding secondary distribution)	979.98	984.19	999.49	1,007.90	1,017.77	1,017.77	1,028.50	1,028.47	1,030.76	1,031.56

Data Source

Various city departments.

**APPENDIX B**  
**DESCRIBING BOOK-ENTRY-ONLY ISSUANCE**

1. The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the Bonds (the “Securities”). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for each issue of the Securities, each in the aggregate principal amount of such issue, and will be deposited with DTC.

2. DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a Standard & Poor’s rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC’s records. The ownership interest of each actual purchaser of each Security (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or the Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to any Tender/Remarketing Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to any Tender/Remarketing Agent. The requirement for physical delivery of Securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to any Tender/Remarketing Agent's DTC account.

10. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to the City or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

11. The City may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

12. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the accuracy thereof.

**APPENDIX C**  
**PROPOSED FORM OF OPINION OF BOND COUNSEL**  
**[TO BE DATED CLOSING DATE]**

\_\_\_\_\_, 2024

The City Council of the  
City of Naperville, Illinois

Dear Members:

We have examined a record of proceedings relating to the issuance of \$ \_\_\_\_\_ principal amount of General Obligation Bonds, Series 2024 (the “Bonds”), of the City of Naperville, a municipal corporation and a home rule unit of the State of Illinois. The Bonds are authorized and issued pursuant to the provisions of Section 6 of Article VII of the Illinois Constitution of 1970 and the City of Naperville Municipal Code and by virtue of an ordinance adopted by the City Council of the City on April 2, 2024 and entitled: “Ordinance Authorizing the Issuance of Not to Exceed \$25,000,000 General Obligation Bonds, Series 2024, of the City of Naperville, Illinois” (the “Bond Ordinance”).

The Bonds are issuable in the form of fully registered bonds in the denominations of \$5,000 or any integral multiple thereof. Bonds delivered on original issuance are dated \_\_\_\_\_, 2024. The Bonds mature on December 1 in each of the following years in the respective principal amount set opposite each such year in the following table, and the Bonds maturing in each such year bear interest from their date payable on December 1, 2024 and semiannually thereafter on each June 1 and December 1 at the respective rate of interest per annum set forth opposite such year:

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2025			2035		
2026			2036		
2027			2037		
2028			2038		
2029			2039		
2030			2040		
2031			2041		
2032			2042		
2033			2043		
2034			2044		

The Bonds maturing on or after December 1, 2034, are subject to redemption prior to maturity at the option of the City, in such principal amounts and from such maturities as the City shall determine and by lot within a single maturity, on December 1, 2033 and on any date thereafter, at a redemption price equal to the principal amount thereof to be redeemed.

In our opinion, the Bonds are valid and legally binding general obligations of the City of Naperville and the City is obligated to levy ad valorem taxes upon all the taxable property within the City for the payment of the Bonds and the interest thereon without limitation as to rate or amount. However, the enforceability of rights or remedies with respect to the Bonds may be limited by bankruptcy, insolvency or other laws affecting creditors’ rights and remedies heretofore or hereafter enacted.

We are of the opinion that under existing law, interest on the Bonds is not includable in the gross income of the owners thereof for Federal income tax purposes. If there is continuing compliance with the requirements of the Internal Revenue Code of 1986 (the "Code"), we are of the opinion that interest on the Bonds will continue to be excluded from the gross income of the owners thereof for Federal income tax purposes. In addition, interest on the Bonds does not constitute an item of tax preference in computing alternative minimum taxable income for purposes of the individual alternative minimum tax. You are advised, however, that interest on the Bonds is included in computing the adjusted financial statement income of those corporations subject to the corporate alternative minimum tax.

The Code contains certain requirements that must be satisfied from and after the date hereof in order to preserve the exclusion from gross income for Federal income tax purposes of interest on the Bonds. These requirements relate to the use and investment of the proceeds of the Bonds, the payment of certain amounts to the United States, the security and source of payment of the Bonds and the use of the property financed with the proceeds of the Bonds. The City has covenanted in the Bond Ordinance to comply with these requirements.

Interest on the Bonds is not exempt from Illinois income taxes.

Very truly yours,

**OFFICIAL BID FORM**  
(Open Speer Auction)

City of Naperville  
400 South Eagle Street  
Naperville, Illinois 60540

May 9, 2024  
Speer Financial, Inc.

Members of the City Council:

For the \$19,435,000\* General Obligation Bonds, Series 2024, of the City of Naperville, Illinois, as described in the annexed Official Notice of Sale, which is expressly made a part of this bid, we will pay you \$ \_\_\_\_\_ (no less than \$19,240,650) from the date of delivery for Bonds, expected to be on or about May 28, 2024, bearing interest as follows (each rate a multiple of 1/8 or 1/100 of 1%). Interest is due June 1 and December 1 of each year commencing December 1, 2024. **The premium or discount, if any, is subject to adjustment allowing the same \$ \_\_\_\_\_ gross spread per \$1,000 bond as bid herein.**

**MATURITIES\* - DECEMBER 1**

\$1,275,000..... 2025	\$740,000..... 2032	\$ 960,000 ..... 2038
1,415,000..... 2026	775,000..... 2033	1,000,000 ..... 2039
535,000..... 2027	820,000..... 2034	1,045,000 ..... 2040
565,000..... 2028	860,000..... 2035	1,080,000 ..... 2041
590,000..... 2029	895,000..... 2036	1,540,000 ..... 2042
620,000..... 2030	925,000..... 2037	1,605,000 ..... 2043
705,000..... 2031		1,485,000 ..... 2044

*Any consecutive maturities may be aggregated into term bonds at the option of the bidder, in which case the mandatory redemption provisions shall be on the same schedule as above.*

The Bonds are to be executed and delivered to us in accordance with the terms of this bid accompanied by the approving legal opinion of Katten Muchin Rosenman LLP, Chicago, Illinois. The City will pay for the legal opinion. The underwriter agrees to **apply for CUSIP numbers within 24 hours** and pay the fee charged by the CUSIP Service Bureau and will accept the Bonds with the CUSIP numbers as entered on the Bonds.

As evidence of our good faith, if we are the winning bidder, we will wire transfer the amount of **TWO PERCENT OF PAR** (the "Deposit") **WITHIN TWO HOURS** after the bid opening time to the City's good faith bank and under the terms provided in the Official Notice of Sale for the Bonds. Alternatively, we have wire transferred or enclosed herewith a check payable to the order of the Treasurer of the City in the amount of the Deposit under the terms provided in the Official Notice of Sale for the Bonds.

Form of Deposit (Check One)

Prior to Bid Opening:  
 Certified/Cashier's Check   
 Wire Transfer   
  
Within TWO hours of Bidding:  
 Wire Transfer   
  
 Amount: \$388,700

Account Manager Information

Name \_\_\_\_\_  
 Address \_\_\_\_\_  
  
 By \_\_\_\_\_  
 City \_\_\_\_\_ State/Zip \_\_\_\_\_  
 Direct Phone (\_\_\_\_\_) \_\_\_\_\_  
 FAX Number (\_\_\_\_\_) \_\_\_\_\_  
 E-Mail Address \_\_\_\_\_

Bidders Option Insurance

<p align="center"><b>We have purchased insurance from:</b></p> <p align="center"><u>Name of Insurer</u> (Please fill in)</p> <p align="center">_____</p> <p><b>Premium:</b> _____</p> <p><b>Maturities: (Check One)</b></p> <p><input type="checkbox"/> _____ Years</p> <p><input type="checkbox"/> All</p>
---

The foregoing bid was accepted and the Bonds sold by Ordinance of the City on May 9, 2024, and receipt is hereby acknowledged of the good faith Deposit which is being held in accordance with the terms of the annexed Official Notice of Sale.

CITY OF NAPERVILLE, ILLINOIS

\_\_\_\_\_  
Authorized Officer

\*Subject to change.

----- NOT PART OF THE BID -----  
(Calculation of true interest cost)

	Bid	Post Sale Revision
Gross Interest	\$	
Less Premium/Plus Discount	\$	
True Interest Cost	\$	
True Interest Rate	%	
TOTAL BOND YEARS	234,209.46	
AVERAGE LIFE	12.051 Years	



## OFFICIAL NOTICE OF SALE

**\$19,435,000\***

**CITY OF NAPERVILLE**  
**DuPage and Will Counties, Illinois**  
**General Obligation Bonds, Series 2024**  
*(OPEN SPEER AUCTION)*

The City of Naperville, Illinois (the "City"), will receive electronic bids on the SpeerAuction ("*SpeerAuction*") website address "www.SpeerAuction.com" for its \$19,435,000\* General Obligation Bonds, Series 2024 (the "Bonds"), on an all or none basis between 10:15 A.M. and 10:30 A.M., C.D.T., May 9, 2024. To bid, bidders must have: (1) completed the registration form on the SpeerAuction website, and (2) requested and received admission to the City's sale (as described below). Award will be made or all bids rejected at a meeting of the City on that date. The City reserves the right to change the date or time for receipt of bids. Any such change shall be made not less than twenty-four (24) hours prior to the revised date and time for receipt of the bids for the Bonds and shall be communicated by publishing the changes in the Amendments Page of the SpeerAuction webpage and through *Thomson Municipal News*.

The Bonds are valid and legally binding general obligations of the City and the City is obligated to levy ad valorem taxes upon all the taxable property within the City for the payment of the Bonds and the interest thereon without limitation as to rate or amount. However, the enforceability of rights or remedies with respect to the Bonds may be limited by bankruptcy, insolvency or other laws affecting creditors' rights and remedies heretofore or hereafter enacted.

### Bidding Details

Bidders should be aware of the following bidding details associated with the sale of the Bonds.

- (1) All bids must be submitted on the SpeerAuction website at www.SpeerAuction.com. **No telephone, telefax or personal delivery bids will be accepted.** The use of SpeerAuction shall be at the bidder's risk and expense and the City shall have no liability with respect thereto, including (without limitation) liability with respect to incomplete, late arriving and non-arriving bid. Any questions regarding bidding on the SpeerAuction website should be directed to Grant Street Group at (412) 391-5555 x 370.
- (2) Bidders may change and submit bids as many times as they like during the bidding time period; provided, however, each and any bid submitted subsequent to a bidder's initial bid must result in a lower true interest cost ("TIC") with respect to a bid, when compared to the immediately preceding bid of such bidder. In the event that the revised bid does not produce a lower TIC with respect to a bid the prior bid will remain valid.
- (3) If any bid in the auction becomes a leading bid two (2) minutes prior to the end of the auction, then the auction will be automatically extended by two (2) minutes from the time such bid was received by SpeerAuction. The auction end time will continue to be extended, indefinitely, until a single leading bid remains the leading bid for at least two minutes.
- (4) The last valid bid submitted by a bidder before the end of the bidding time period will be compared to all other final bids submitted by others to determine the winning bidder or bidders.
- (5) During the bidding, no bidder will see any other bidder's bid, but bidders will be able to see the ranking of their bid relative to other bids (i.e., "Leader", "Cover", "3rd" etc.)
- (6) On the Auction Page, bidders will be able to see whether a bid has been submitted.

### Rules of SpeerAuction

Bidders must comply with the Rules of SpeerAuction in addition to the requirements of this Official Notice of Sale. To the extent there is a conflict between the Rules of SpeerAuction and this Official Notice of Sale, this Official Notice of Sale shall control.

### Establishment of Issue Price (10% Test May Apply if Competitive Sale Requirements are Not Satisfied)

- (a) The winning bidder shall assist the City in establishing the issue price of the Bonds and shall execute and deliver to the City at closing an "issue price" or similar certificate setting forth the reasonably expected initial offering price to the Public or the sales price or prices of the Bonds, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as **Exhibit A** to this Notice of Sale, with such modifications as may be appropriate or necessary, in the reasonable judgment of the winning bidder, the City and Katten Muchin Rosenman LLP ("Bond Counsel"). All actions to be taken by the City under this Notice of Sale to establish the issue price of the Bonds may be taken on behalf of the City by the City's municipal advisor and any notice or report to be provided to the City may be provided to Speer Financial, Inc., Chicago, Illinois ("*Speer*").

*\*Subject to change.*

- (b) The City intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining “competitive sale” for purposes of establishing the issue price of the Bonds) will apply to the initial sale of the Bonds (the “competitive sale requirements”) because:
- (1) the City shall disseminate this Notice of Sale to potential Underwriters in a manner that is reasonably designed to reach potential Underwriters;
  - (2) all bidders shall have an equal opportunity to bid;
  - (3) the City may receive bids from at least three Underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
  - (4) the City anticipates awarding the sale of the Bonds to the bidder who submits a firm offer to purchase the Bonds at the lowest true interest cost, as set forth in this Notice of Sale.

Any bid submitted pursuant to this Notice of Sale shall be considered a firm offer for the purchase of the Bonds, as specified in the bid.

- (c) In the event that the competitive sale requirements are not satisfied, the City shall so advise the winning bidder. **The City will not require bidders to comply with the “hold-the-offering-price rule” and therefore does not intend to use the initial offering price to the Public as of the Sale Date of any maturity of the Bonds as the issue price of that maturity, though the winning bidder may elect to apply the “hold the offering price rule” (as described below). Bids will not be subject to cancellation in the event that the competitive sale requirements are not satisfied. Unless a bidder intends to apply the “hold-the-offering-price rule” as described below, bidders should prepare their bids on the assumption that all of the maturities of the Bonds will be subject to the 10% test (as described below) in order to establish the issue price of the Bonds.** If the competitive sale requirements are not satisfied, the 10% test shall apply to determine the issue price of each maturity of the Bonds unless the winning bidder shall request that the “hold-the-offering-price rule” (as described below) shall apply. The winning bidder must notify Speer of its intention to apply the “hold-the-offering-price rule” at or prior to the time the Bonds are awarded.

- (i) If the winning bidder does not request that the “hold-the-offering-price rule” apply to determine the issue price of the Bonds, the following two paragraphs shall apply:

The City shall treat the first price at which 10% of a maturity of the Bonds (the “10% test”) is sold to the Public as the issue price of that maturity, applied on a maturity-by-maturity basis. The winning bidder shall advise the City if any maturity of the Bonds satisfies the 10% test as of the date and time of the award of the Bonds.

Until the 10% test has been satisfied as to each maturity of the Bonds, the winning bidder agrees to promptly report to the City the prices at which the unsold Bonds of that maturity have been sold to the Public. That reporting obligation shall continue, whether or not the closing date has occurred, until the 10% test has been satisfied as to the Bonds of that maturity or until all Bonds of that maturity have been sold to the Public. In addition, if the 10% test has not been satisfied with respect to any maturity of the Bonds prior to closing, then the purchaser shall provide the City with a representation as to the price of prices, as of the date of closing, at which the purchaser reasonably expects to sell the remaining Bonds of such maturity.

- (ii) If the winning bidder does request that the “hold-the-offering-price rule” apply to determine the issue price of the Bonds, the following three paragraphs shall apply:

The City may determine to treat (i) pursuant to the 10% test, the first price at which 10% of a maturity of the Bonds is sold to the Public as the issue price of that maturity and/or (ii) the initial offering price to the Public as of the Sale Date of any maturity of the Bonds as the issue price of that maturity (the “hold-the-offering-price rule”), in each case applied on a maturity-by-maturity basis. The winning bidder shall advise the City if any maturity of the Bonds satisfies the 10% test as of the date and time of the award of the Bonds. The City shall promptly advise the winning bidder, at or before the time of award of the Bonds, which maturities of the Bonds shall be subject to the 10% test or shall be subject to the hold-the-offering-price rule or both. Bids will *not* be subject to cancellation in the event that the City determines to apply the hold-the-offering-price rule to any maturity of the Bonds.

By submitting a bid, the winning bidder shall (i) confirm that the Underwriters have offered or will offer the Bonds to the Public on or before the date of award at the offering price or prices (the “initial offering price”), and (ii) agree, on behalf of the Underwriters participating in the purchase of the Bonds, that the Underwriters will neither offer nor sell unsold Bonds of any maturity to which the hold-the-offering-price rule shall apply to any person at a price that is higher than the initial offering price to the Public during the period starting on the Sale Date and ending on the earlier of the following:

- (1) the close of the fifth business day after the Sale Date; or
- (2) the date on which the Underwriters have sold at least 10% of that maturity of the Bonds to the Public at a price that is no higher than the initial offering price to the Public.

The City acknowledges that, in making the representation set forth above, the winning bidder will rely on (i) the agreement of each Underwriter to comply with the hold-the-offering-price rule, as set forth in an agreement among Underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Bonds to the Public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an Underwriter is a party to a retail distribution agreement that was employed in connection with the initial sale of the Bonds to the Public, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-the-offering-price rule, as set forth in the retail distribution agreement and the related pricing wires. The City further acknowledges that each Underwriter shall be solely liable for its failure to comply with its agreement regarding the hold-the-offering-price rule and that no Underwriter shall be liable for the failure of any other Underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a retail distribution agreement to comply with its corresponding agreement regarding the hold-the-offering-price applicable to the Bonds.

- (d) By submitting a bid, each bidder confirms that: (i) any agreement among Underwriters, any selling group agreement and each retail distribution agreement (to which the bidder is a party) relating to the initial sale of the Bonds to the Public, together with the related pricing wires, contains or will contain language obligating each Underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such retail distribution agreement, as applicable, to (a) report the prices at which it sells to the Public the unsold Bonds of each maturity allotted to it until it is notified by the winning bidder that either the 10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the Public and (b) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the winning bidder and as set forth in the related pricing wires which shall be at least until the 10% test has been satisfied as to the Bonds of that maturity or until the close of the fifth business day following the date of the award, and (ii) any agreement among Underwriters relating to the initial sale of the Bonds to the Public, together with the related pricing wires, contains or will contain language obligating each Underwriter that is a party to a retail distribution agreement to be employed in connection with the initial sale of the Bonds to the Public to require each broker-dealer that is a party to such retail distribution agreement to (a) report the prices at which it sells to the Public the unsold Bonds of each maturity allotted to it until it is notified by the winning bidder or such Underwriter that either the 10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the Public and (b) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the winning bidder or such Underwriter and as set forth in the related pricing wires, which shall be at least until the 10% test has been satisfied as to the Bonds of that maturity or until the close of the fifth business day following the date of the award.
- (e) Sales of any Bonds to any person that is a Related Party to an Underwriter shall not constitute sales to the Public for purposes of this Notice of Sale. Further, for purposes of this Notice of Sale:
  - (i) “Public” means any person other than an Underwriter or a Related Party,
  - (ii) “Underwriter” means (A) any person that agrees pursuant to a written contract with the City (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public including, specifically, the purchaser, and (b) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public),

- (iii) a purchaser of any of the Bonds is a “Related Party” to an Underwriter if the Underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and
- (iv) “Sale Date” means the date that the Bonds are awarded by the City to the winning bidder.

#### Rules

- (1) A bidder (“Bidder”) submitting a winning bid (“Winning Bid”) is irrevocably obligated to purchase the Bonds at the rates and prices of the winning bid, if acceptable to the City, as set forth in the related Official Notice of Sale. Winning Bids are not officially awarded to Winning Bidders until formally accepted by the City.
- (2) Neither the City, Speer Financial, Inc., nor Grant Street Group (the “Auction Administrator”) is responsible for technical difficulties that result in loss of Bidder’s internet connection with SpeerAuction, slowness in transmission of bids, or other technical problems.
- (3) If for any reason a Bidder is disconnected from the Auction Page during the auction after having submitted a Winning Bid, such bid is valid and binding upon such Bidder, unless the City exercises its right to reject bids, as set forth herein.
- (4) Bids which generate error messages are not accepted until the error is corrected and bid is received prior to the deadline.
- (5) Bidders accept and agree to abide by all terms and conditions specified in the Official Notice of Sale (including amendments, if any) related to the auction.
- (6) Neither the City, Speer Financial, Inc., nor the Auction Administrator is responsible to any bidder for any defect or inaccuracy in the Official Notice of Sale, amendments, or Preliminary Official Statement as they appear on SpeerAuction.
- (7) Only Bidders who request and receive admission to an auction may submit bids. SpeerAuction and the Auction Administrator reserve the right to deny access to SpeerAuction website to any Bidder, whether registered or not, at any time and for any reason whatsoever, in their sole and absolute discretion.
- (8) Neither the City, Speer Financial, Inc., nor the Auction Administrator is responsible for protecting the confidentiality of a Bidder’s SpeerAuction password.
- (9) If two bids submitted in the same auction by the same or two or more different Bidders result in same True Interest Cost, the first confirmed bid received by SpeerAuction prevails. Any change to a submitted bid constitutes a new bid, regardless of whether there is a corresponding change in True Interest Cost.
- (10) Bidders must compare their final bids to those shown on the Observation Page immediately after the bidding time period ends, and if they disagree with the final results shown on the Observation Page they must report them to SpeerAuction within 15 minutes after the bidding time period ends. Regardless of the final results reported by SpeerAuction, Bonds are definitively awarded to the winning bidder only upon official award by the City. If, for any reason, the City fails to: (i) award Bonds to the winner reported by SpeerAuction, or (ii) deliver Bonds to winning bidder at settlement, neither the City, Speer Financial, Inc., nor the Auction Administrator will be liable for damages.

The City reserves the right to reject all proposals, to reject any bid proposal not conforming to this Official Notice of Sale, and to waive any irregularity or informality with respect to any proposal. Additionally, the City reserves the right to modify or amend this Official Notice of Sale; however, any such modification or amendment shall not be made less than twenty-four (24) hours prior to the date and time for receipt of bids on the Bonds and any such modification or amendment will be announced on the Amendments Page of the SpeerAuction webpage and through *Thomson Municipal News*.

The Bonds will be in fully registered form in the denominations of \$5,000 and integral multiples thereof in the name of Cede & Co. as nominee of The Depository Trust Company (“DTC”), New York, New York, to which principal and interest payments on the Bonds will be paid. Individual purchases will be in book-entry only form. Interest on each Bond shall be paid by check or draft of the Bond Registrar to the person in whose name such bond is registered at the close of business on the fifteenth day of the month next preceding an interest payment date. The principal of the Bonds shall be payable in lawful money of the United States of America at the principal office maintained for the purpose by the Bond Registrar in St. Louis, Missouri. Interest is due semiannually on June 1 and December 1 of each year commencing December 1, 2024, and is payable by UMB Bank, St. Louis, Missouri (the “Bond Registrar”). The Bonds are dated the date of delivery, expected to be on or about May 28, 2024.

If the winning bidder is not a direct participant of DTC and does not have clearing privileges with DTC, the Bonds will be issued as Registered Bonds in the name of the purchaser. At the request of such winning bidder, the City will assist in the timely conversion of the Registered Bonds into book-entry bonds with DTC as described herein.

**MATURITIES\* – DECEMBER 1**

\$1,275,000.....	2025	\$740,000.....	2032	\$ 960,000.....	2038
1,415,000.....	2026	775,000.....	2033	1,000,000.....	2039
535,000.....	2027	820,000.....	2034	1,045,000.....	2040
565,000.....	2028	860,000.....	2035	1,080,000.....	2041
590,000.....	2029	895,000.....	2036	1,540,000.....	2042
620,000.....	2030	925,000.....	2037	1,605,000.....	2043
705,000.....	2031			1,485,000.....	2044

*Any consecutive maturities may be aggregated into term bonds at the option of the bidder, in which case the mandatory redemption provisions shall be on the same schedule as above.*

The Bonds due December 1, 2025-2033, inclusive, are non-callable. The Bonds due December 1, 2034-2044, are callable in whole or in part on any date on or after December 1, 2033, at a price of par plus accrued interest to the redemption date. If less than all the Bonds are called, they shall be redeemed in such principal amounts and from such maturities as determined by the City and within any maturity by lot

All interest rates must be in multiples of one-eighth or one one-hundredth of one percent (1/8 or 1/100 of 1%), and not more than one rate for a single maturity shall be specified. The differential between the highest rate bid and the lowest rate bid shall not exceed three percent (3%). The maximum rate shall not exceed five percent (5%). All bids must be for all of the Bonds, must be for not less than \$19,240,650.

Award of the Bonds: The Bonds will be awarded on the basis of true interest cost, determined in the following manner. True interest cost shall be computed by determining the annual interest rate (compounded semi-annually) necessary to discount the debt service payments on the Bonds from the payment dates thereof to the dated date and to the bid price. For the purpose of calculating true interest cost, the Bonds shall be deemed to become due in the principal amounts and at the times set forth in the table of maturities set forth above. In the event two or more qualifying bids produce the identical lowest true interest cost, the winning bid shall be the bid that was submitted first in time on the SpeerAuction webpage.

The Bonds will be awarded to the bidder complying with the terms of this Official Notice of Sale whose bid produces the lowest true interest cost rate to the City as determined by the City’s Municipal Advisor, which determination shall be conclusive and binding on all bidders; *provided*, that the City reserves the right to reject all bids or any non-conforming bid and reserves the right to waive any informality in any bid. Bidders should verify the accuracy of their final bids and compare them to the winning bids reported on the SpeerAuction Observation Page immediately after the bidding.

**The discount or premium, if any, is subject to pro rata adjustment if the maturity amounts of the Bonds are changed, allowing the same dollar amount of profit per \$1,000 bond as submitted on the Official Bid Form.**

The true interest cost of each bid will be computed by SpeerAuction and reported on the Observation Page of the SpeerAuction webpage immediately following the date and time for receipt of bids. These true interest costs are subject to verification by the City’s Municipal Advisor, will be posted for information purposes only and will not signify an actual award of any bid or an official declaration of the winning bid. The City or its Municipal Advisor will notify the bidder to whom the Bonds will be awarded, if and when such award is made.

The winning bidder will be required to make the standard filings and maintain the appropriate records routinely required pursuant to MSRB Rules G-8, G-11 and G-32. The winning bidder will be required to pay the standard MSRB charge for Bonds purchased. In addition, the winning bidder who is a member of the Securities Industry and Financial Markets Association (“SIFMA”) will be required to pay SIFMA’s standard charge per bond.

The winning bidder is required to wire transfer from a solvent bank or trust company to the City’s good faith bank the amount of **TWO PERCENT OF PAR** (the “Deposit”) **WITHIN TWO HOURS** after the bid opening time as evidence of the good faith of the bidder. Alternatively, a bidder may submit its Deposit upon or prior to the submission of its bid in the form of a certified or cashier’s check on, or a wire transfer from, a solvent bank or trust company for **TWO PERCENT OF PAR** payable to the Treasurer of the City. The City reserves the right to award the Bonds to a winning bidder whose wire transfer is initiated but not received within such two-hour time period provided that such winning bidder’s federal wire reference number has been received. In the event the Deposit is not received as provided above, the City may award the Bonds to the bidder submitting the next best bid provided such bidder agrees to such award.

The Deposit of the successful bidder will be retained by the City pending delivery of the Bonds and all others will be promptly returned. Should the successful bidder fail to take up and pay for the Bonds when tendered in accordance with this Notice of Sale and said bid, said Deposit shall be retained as full and liquidated damages to the City caused by failure of the bidder to carry out the offer of purchase. Such Deposit will otherwise be applied on the purchase price upon delivery of the Bonds. No interest on the Deposit will accrue to the purchaser.

\*Subject to change.

If a wire transfer is used for the Deposit, it must be sent according to the following wire instructions:

Amalgamated Bank of Chicago  
Corporate Trust  
30 North LaSalle Street, 38th Floor  
Chicago, IL 60602  
ABA # 071003405  
Credit To: 3281 Speer Bidding Escrow  
RE: City of Naperville, DuPage and Will Counties, Illinois  
bid for \$19,435,000\* General Obligation Bonds, Series 2024

Contemporaneously with such wire transfer, the bidder shall send an email to [biddingscrow@aboc.com](mailto:biddingscrow@aboc.com) with the following information: (1) indication that a wire transfer has been made, (2) the amount of the wire transfer, (3) the issue to which it applies, and (4) the return wire instructions if such bidder is not awarded the Bonds. The City and any bidder who chooses to wire the Deposit hereby agree irrevocably that Speer Financial, Inc. (“Speer”) shall be the escrow holder of the Deposit wired to such account subject only to these conditions and duties: (i) if the bid is not accepted, Speer shall, at its expense, promptly return the Deposit amount to the unsuccessful bidder; (ii) if the bid is accepted, the Deposit shall be forwarded to the City; (iii) Speer shall bear all costs of maintaining the escrow account and returning the funds to the bidder; (iv) Speer shall not be an insurer of the Deposit amount and shall have no liability except if it willfully fails to perform, or recklessly disregards, its duties specified herein; and (v) income earned on the Deposit, if any, shall be retained by Speer.

The City covenants and agrees to enter into a written agreement or contract, constituting an undertaking (the “Undertaking”) to provide ongoing disclosure about the City for the benefit of the beneficial owners of the Bonds on or before the date of delivery of the Bonds as required under Section (b)(5) of Rule 15c2-12 (the “Rule”) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934. The Undertaking shall be as described in the Official Statement, with such changes as may be agreed in writing by the Underwriter.

By submitting a bid, any bidder makes the representation that it understands Bond Counsel represents the City in the Bond transaction and, if such bidder has retained Bond Counsel in an unrelated matter, such bidder represents that the signatory to the bid is duly authorized to, and does consent to and waive for and on behalf of such bidder any conflict of interest of Bond Counsel arising from any adverse position to the City in this matter; such consent and waiver shall supersede any formalities otherwise required in any separate understandings, guidelines or contractual arrangements between the bidder and Bond Counsel.

Bonds will be delivered to the successful purchaser against full payment in immediately available funds as soon as they can be prepared and executed, which is expected to be on or about May 28, 2024. Should delivery be delayed beyond sixty (60) days from the date of sale for any reason beyond the control of the City except failure of performance by the purchaser, the City may cancel the award or the purchaser may withdraw the good faith deposit and thereafter the purchaser’s interest in and liability for the Bonds will cease.

The Official Statement, when further supplemented by an addendum or addenda specifying the maturity dates, principal amounts, and interest rates of the Bonds, and any other information required by law or deemed appropriate by the City, shall constitute a “Final Official Statement” of the City with respect to the Bonds, as that term is defined in the Rule. Any such addendum or addenda shall, on and after the date thereof, be fully incorporated herein and made a part hereof by reference. Alternatively, such final terms of the Bonds and other information may be included in a separate document entitled “Final Official Statement” rather than through supplementing the Official Statement by an addendum or addenda. By awarding the Bonds to any underwriter or underwriting syndicate, the City agrees that, no more than seven (7) business days after the date of such award, it shall provide, without cost to the senior managing underwriter of the syndicate to which the Bonds are awarded, up to 100 copies of the Final Official Statement to permit each “Participating Underwriter” (as that term is defined in the Rule) to comply with the provisions of such Rule. The City shall treat the senior managing underwriter of the syndicate to which the Bonds are awarded as its designated agent for purposes of distributing copies of the Final Official Statement to each Participating Underwriter. Any underwriter executing and delivering an Official Bid Form with respect to the Bonds agrees thereby that if its bid is accepted by the City it shall enter into a contractual relationship with all Participating Underwriters of the Bonds for purposes of assuring the receipt by each such Participating Underwriter of the Final Official Statement.

By submission of its bid, the senior managing underwriter of the successful bidder agrees to supply all necessary pricing information and any Participating Underwriter identification necessary to complete the Official Statement within 24 hours after award of the Bonds. Additional copies of the Final Official Statement may be obtained by Participating Underwriters from the printer at cost.

The City will, at its expense, deliver the Bonds to the purchaser in New York, New York, through the facilities of DTC and will pay for the bond attorney’s opinion. At the time of closing, the City will also furnish to the purchaser the following documents, each dated as of the date of delivery of the Bonds: (1) the unqualified opinion of Katten Muchin Rosenman LLP, Chicago, Illinois, that the Bonds are valid and legally binding general obligations of the City of Naperville and the City is obligated to levy ad valorem taxes upon all the taxable property within the City for the payment of the Bonds and the interest thereon without limitation as to rate or amount. However, the enforceability of rights or remedies with respect to the Bonds may be limited by bankruptcy, insolvency or other laws affecting creditors’ rights and remedies heretofore or hereafter enacted; (2) the opinion of said attorneys that the interest on the Bonds is exempt from federal income taxes as and to the extent set forth in the Official Statement for the Bonds; and (3) a no litigation certificate by the City.

*\*Subject to change.*

The City **does not** intend to designate the Bonds as “qualified tax-exempt obligations” pursuant to the small issuer exception provided by Section 265(b) (3) of the Internal Revenue Code of 1986, as amended.

The City has authorized the printing and distribution of an Official Statement containing pertinent information relative to the City and the Bonds. Copies of such Official Statement or additional information may be obtained from , Ms. Rachel Mayer, Finance Director/City Treasurer, City of Naperville, 400 South Eagle Street, Naperville, Illinois 60540 or an electronic copy of this Official Statement is available from the [www.speerfinancial.com](http://www.speerfinancial.com) web site under “Debt Auction Center/Competitive Sales Calendar” from the Independent Public Finance Consultants to the City, Speer Financial, Inc., 230 West Monroe Street, Ste. 2630, Chicago, Illinois 60606 telephone (312) 346-3700.

/s/ **SCOTT WEHRLI**  
*Mayor*  
CITY OF NAPERVILLE

/s/ **DOUGLAS KRIEGER**  
*City Manager*  
CITY OF NAPERVILLE

**Exhibit A**

---

**FORM OF ISSUE PRICE CERTIFICATE –  
AT LEAST 10% OF EACH MATURITY ACTUALLY SOLD AT A SINGLE PRICE**

---

**\$\_\_\_\_,\_\_\_\_,000  
CITY OF NAPERVILLE  
DUPAGE AND WILL COUNTIES, ILLINOIS  
GENERAL OBLIGATION BONDS, SERIES 2024**

**ISSUE PRICE CERTIFICATE**

The undersigned, on behalf of \_\_\_\_\_ (the “Underwriter”), hereby certifies as set forth below with respect to the sale of the above-captioned obligations (the “Bonds”).

**1. Reasonably Expected Initial Offering Price.**

(a) As of the Sale Date, the reasonably expected initial offering prices of the Bonds to the Public by the Underwriter are the prices listed in Schedule A (the “Expected Offering Prices”). The Expected Offering Prices are the prices for the Maturities of the Bonds used by the Underwriter in formulating its bid to purchase the Bonds. Attached as Schedule B is a true and correct copy of the bid provided by the Underwriter to purchase the Bonds.

(b) The Underwriter was not given the opportunity to review other bids prior to submitting its bid.

(c) The bid submitted by the Underwriter constituted a firm offer to purchase the Bonds.

**2. Defined Terms.**

(a) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

(b) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an underwriter or a related party to an underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(c) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is \_\_\_\_\_, 2024.

(d) An *underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the Public).



The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Underwriter's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986 and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Compliance Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Katten Muchin Rosenman LLP in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

\_\_\_\_\_, as Underwriter

By: \_\_\_\_\_

Name: \_\_\_\_\_

Dated: \_\_\_\_\_, 2024

**SCHEDULE A**

**EXPECTED OFFERING PRICES**

*(Attached)*

**SCHEDULE B**

**COPY OF UNDERWRITER'S BID**

*(Attached)*