CITY OF NAPERVILLE, ILLINOIS

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2025

CITY OF NAPERVILLE, ILLINOIS

ANNUAL COMPREHENSIVE
FINANCIAL REPORT

For the Year Ended
December 31, 2025

Prepared by:
The Finance Department

Page(s)

FINANCIAL SECTION (Continued)

Page(s)

FINANCIAL SECTION (Continued)

Page(s)

FINANCIAL SECTION (Continued)

STATISTICAL SECTION (Unaudited)

Page(s)

STATISTICAL SECTION (Unaudited) (Continued)

INTRODUCTORY SECTION

CITY OF NAPERVILLE, ILLINOIS

Elected and Appointed Officers and Officials

For the fiscal year ended December 31, 2025

Mayor
Scott Wehrli

Council

Patrick Kelly	Ian Holzhauer
Ashfaq Syed	Nathan Wilson
Mary Gibson	Josh McBroom
Supna Jain	Dr. Benjamin White

City Manager
Douglas A. Krieger

Deputy City Manager
Pam Gallahue PhD

Community Services Director
Melanie Marcordes

Finance Director
Raymond Munch

Chief of Police
Jason Arres

Fire Chief
Mark J. Puknaitis

Director of Public Works
Daniel Randolph

Director of T.E.D. Business Group
Jennifer Louden

Director of Public Utilities – Electric
Brian Groth

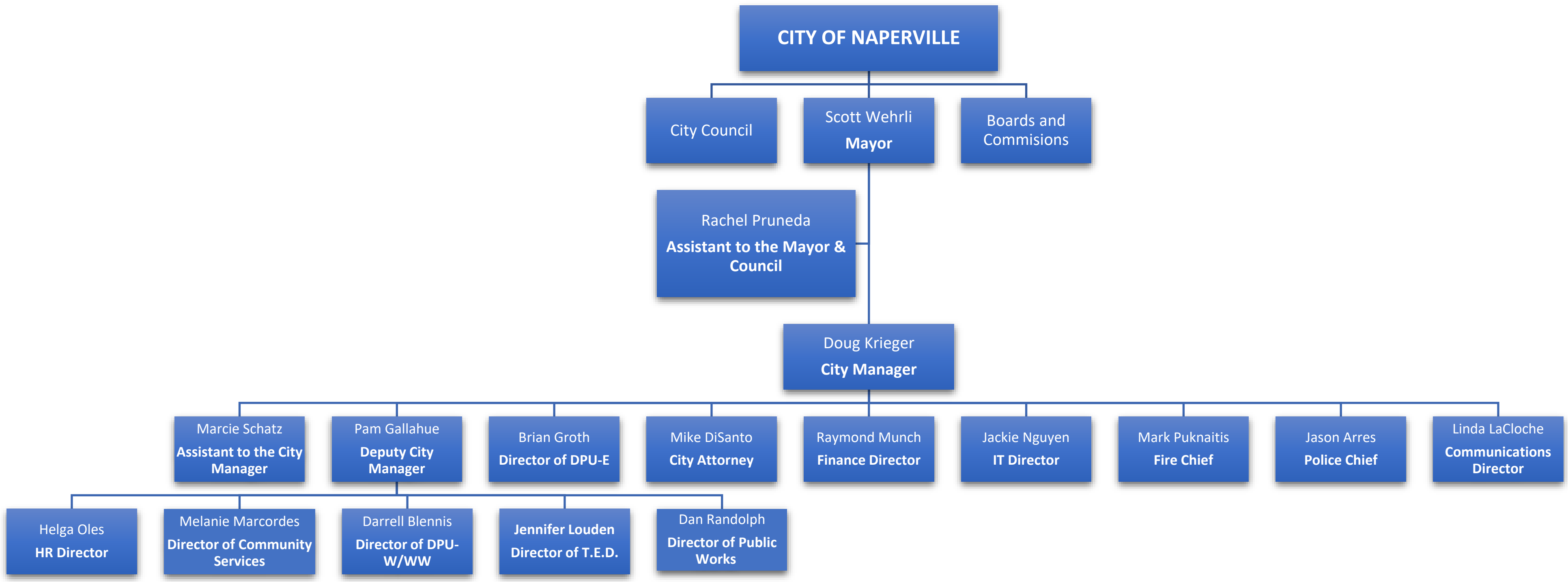
Director of Public Utilities – Water
Darrell Blenniss

Director of Human Resources
Helga Oles

City Attorney
Michael DiSanto

Director of IT
Jackie Nguyen

Communication Director
Linda LaCloche


CITY OF NAPERVILLE
City Council
Scott Wehrli
Mayor
Boards and Commisions
Rachel Pruneda
Assistant to the Mayor & Council
Doug Krieger
City Manager
Marcie Schatz
Assistant to the City Manager
Pam Gallahue
Deputy City Manager
Brian Groth
Director of DPU-E
Mike DiSanto
City Attorney
Raymond Munch
Finance Director
Jackie Nguyen
IT Director
Mark Puknaitis
Fire Chief
Jason Arres
Police Chief
Linda LaCloche
Communications Director
Helga Oles
HR Director
Melanie Marcordes
Director of Community Services
Darrell Blennis
Director of DPU-W/WW
Jennifer Louden
Director of T.E.D.
Dan Randolph
Director of Public Works

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, 2024

Christopher P. Morrill

Executive Director/CEO

Letter of Transmittal

June 23, 2026

Honorable Mayor Scott Wehrli, 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, 2025. 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 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 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 CPA LLC, 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, 2025, 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, 2025, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report. The independent audit of the basic financial statements of the City of Naperville was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements but also on the audited government's internal controls and compliance with legal requirements involving the administration of federal grants. These reports are available in the City of Naperville's separately issued Single Audit Report.

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

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 approximately 40 square miles and serves a population of 153,114. The City of Naperville is empowered to levy a property tax on both real and personal property located within its boundaries. It is also 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 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 expenditure 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 hearing, 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.

In accordance with the City's policies, the City will pass a structurally balanced operating budget each year, defined as a budget where total expected revenues are equal to total planned spending. If necessary, the fund balance may be appropriated by Council authority, and the appropriation shall be limited to the amount by which the fund balance is estimated to exceed the 20% reserve requirement in the General Fund and the 30-day reserve requirement in the Utility Funds at the beginning of the budget year. At any time in any budget year, the governing body may make supplemental appropriations to meet a pressing need for public expenditure. Such appropriation shall be adopted by the favorable votes of at least a majority of the City Council. The total amount of all such appropriations made in any budget year shall not exceed the sum of unanticipated actual revenue in excess of the budget estimates, plus transfers from other appropriations and the fund balance.

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 over 30 years, the City has maintained a 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.

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

Principle #1

- The City will pass a structurally balanced operating budget annually

Principle #2

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

Principle #3

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

Since their adoption, these principles have guided the City's financial planning and budgeting, and financial decisions have consistently been tested against these principles. The City achieved the goals established in Principle #3 in 2022 and has continued to increase cash balances and reduce debt annually. The impact of the City's active financial management can be seen in the reaffirmation of the City's AAA credit rating by Moody's and Standard & Poor's in May 2025. Both rating agencies cite the City's strong fiscal management as one of the driving factors in its AAA rating.

The City's General Fund reserves increased to $98.5 million in 2025 driven by strong revenues, which have allowed for continued investment in public services and infrastructure. This strong financial position is the result of fiscal management strategies that will help the City navigate persistent challenges at the local, national and global level, including inflation and labor costs.

The City continuously monitors the financial climate at the state and federal levels and takes 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 impacts on City revenues and expenditures. Although the State of Illinois is more financially stable than in previous years, it continues to be an external risk to the City's financial stability. The state's overall financial status and political actions impact Naperville in several ways, including reductions to intergovernmental revenue, potential for higher borrowing costs, unfunded mandates, and economic development challenges.

Despite this uncertainty created at other levels of government, the City continues to enjoy a strong local economy. Naperville continues to see consistent retail and restaurant sales that generate significant sales tax revenue. Naperville remains an attractive destination for developers, highlighted by investments such as the new Block 59 dining and entertainment district and various single- and multi-family residential developments.. 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, 2024. This was the 32nd consecutive year that the City has received this prestigious award. To be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized ACFR according to guidelines established by GFOA. This report satisfies both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for 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, 2026. The City has received this prestigious award for 33 consecutive years. 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 City of Naperville Finance Department. We would like to express our appreciation to all department members who contributed to the preparation of this report. Credit should also be given to City leadership, including the City Council, department heads, and their staff, for maintaining the highest standards of professionalism in the management of Naperville's finances throughout this reporting period.

Respectfully submitted,

Douglas A. Krieger	Raymond Munch
City Manager	Director of Finance

FINANCIAL SECTION

SIKICH®

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

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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, 2025, 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 21%, 24%, and 9% of the assets, fund balances/net position, and revenue/additions, respectively, 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, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

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

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

Other Matters

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund 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 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 23, 2026, 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 CPA LLC

Naperville, Illinois
June 23, 2026

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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

The Mayor and City Council
City of Naperville, Illinois

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the 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, 2025, and the related notes to financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 23, 2026. Our report includes a reference to other auditors who audited the financial statements of the Firefighters' Pension Fund, as described in our report on City of Naperville, Illinois' financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of the Naperville Police Pension Fund and the Naperville Public Library were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with the Naperville Police Pension Fund or the Naperville Public Library.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of the Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Sikich CPA LLC

Naperville, Illinois
June 23, 2026

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 7.

Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources by $1.03 billion (net position) as of December 31, 2025.

- The City's total net position for the fiscal year increased by $82.6 million, or 8.8%. The governmental net position increased by $46.1 million, or 10.2%, and the business-type net position increased by $36.5 million, or 7.4%.

- The City's governmental funds reported combined ending fund balances of $181.6 million. The General Fund accounted for $98.5 million, or 54.2%, of the total. The General Fund ending balance increased by $13 million, or 15.3%, from the previous reporting period.

- The City issued $45 million in General Obligation bonds while paying down $13.8 million in existing debt, resulting in total outstanding bonded debt of $118.8 million.

- Net position in the City's pension trust funds increased by $91.2 million, or 17%, due to investment gains and an appreciation in the market value of investments.

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 7-10) 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.

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 most 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 24 individual governmental funds. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Capital Projects Fund, and Debt Service Fund, which are considered to be major funds. Data from the other 21 governmental funds are combined into a single, aggregated presentation as nonmajor funds.

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

The basic governmental fund financial statements can be found on pages 11-14 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 15-19 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 20-21 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 22-77 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 78-92 of this report.

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 $1.0 billion as of December 31, 2025. By far the largest portion of the City's net position, at $904.9 million, reflects its investment in capital assets (e.g., land, infrastructure, 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 $52.6 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 $68.4 million may be used to meet the City's ongoing obligations to citizens and creditors.

The following table presents a condensed summary of Net Position as of December 31, 2025, and December 31, 2024:

	Net Position (in Millions)					
	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Current and Other Assets	$ 263.8	228.0	117.2	95.8	381.1	323.8
Capital Assets	524.7	508.6	529.2	476.7	1,053.9	985.3
Total Assets	788.6	736.6	646.5	572.5	1,435.0	1,309.1
Deferred Outflows	27.5	45.1	2.3	7.8	29.8	52.9
Total Assets/Deferred Outflows	816.0	781.6	648.8	580.4	1,464.8	1,362.0
Long-Term Liabilities	180.6	249.1	72.8	56.3	253.4	305.3
Other Liabilities	20.5	25.1	37.4	31.0	57.9	56.1
Total Liabilities	201.1	274.2	110.2	87.3	311.3	361.5
Deferred Inflows	118.1	56.8	9.5	0.4	127.6	57.2
Total Liabilities/Deferred Inflows	319.2	331.0	119.6	87.8	438.9	418.7
Net Position						
Net Investment in Capital Assets	457.5	446.6	447.3	429.2	904.9	875.8
Restricted	47.2	37.7	5.4	-	52.6	37.7
Unrestricted (Deficit)	(7.9)	(33.6)	76.3	63.4	68.4	29.8
Total Net Position	496.8	450.7	529.1	492.6	1,025.9	943.3

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

During the current fiscal year, the total unrestricted net position changed to $68.4 million compared to $29.8 million the prior year. This represents a $38.6 million or 129.4% increase resulting from a significant increase in net investment income for each of the City's pension plans. As of December 31, 2025, 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 totaled $7.9 million, a $25.7 million decrease compared to 2025. The deficit is the result of the net pension liabilities and related activity for the Police Pension Fund and Firefighters' Pension Fund. It also relates to the increase in the compensated absences liability and the decrease in the net position of the internal services funds, which impacts governmental activities. As of December 31, 2025, the deficit was reduced from $33.6 million to $7.9 million as a result of investment gains in all pension funds. Most notably, the Illinois Municipal Retirement Fund ended the year with a net pension asset, indicating the plan is fully funded and has surplus assets to manage future economic downturns and investment volatility.

The business-type unrestricted net position increased by $12.9 million to $76.3 million, due to an increase in operating income in the Electric and Water/Wastewater Utility funds.

The following table presents a condensed summary of Changes in Net Position for the years ended December 31, 2025, and December 31, 2024:

	Change in Net Position (in Millions)					
	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Revenues						
Program Revenues						
Charges for Services	$ 31.6	29.5	255.6	229.1	287.2	258.7
Operating Grants/Contributions	4.4	3.6	0.0	0.0	4.4	3.6
Capital Grants/Contributions	8.6	7.6	6.9	5.1	15.5	12.8
General Revenues						
Property Taxes	44.1	43.4	-	-	44.1	43.4
Other Taxes	144.7	131.4	-	-	144.7	131.4
Other Revenues	20.7	10.2	9.2	4.8	29.9	15.0
Total Revenues	254.0	225.8	271.7	239.0	525.7	464.8
Expenses						
General Government	24.8	45.9	-	-	24.8	45.9
Physical Environment	13.2	13.6	-	-	13.2	13.6
Public Safety	107.8	124.9	-	-	107.8	124.9
Culture and Recreation	11.0	10.6	-	-	11.0	10.6
Transportation	49.1	35.7	-	-	49.1	35.7
Interest on Long-Term Debt	1.9	1.9	-	-	1.9	1.9
Electric	-	-	154.9	152.2	154.9	152.2
Water and Wastewater	-	-	70.7	69.5	70.7	69.5
Burlington Commuter Parking	-	-	1.5	1.9	1.5	1.9
Solid Waste	-	-	8.1	7.8	8.1	7.8
Total Expenses	207.8	232.5	235.2	231.4	443.0	463.9
Change in Net Position	46.1	(7.2)	36.5	8.0	82.6	0.9
Net Position - Beginning	450.7	457.8	492.6	484.6	943.3	942.4
Net Position - Ending	496.8	450.7	529.1	492.6	1,025.9	943.3

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

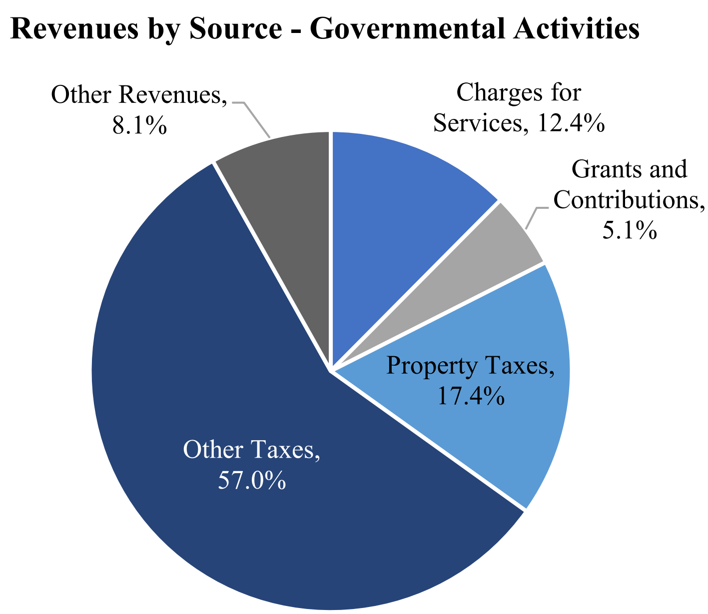
Governmental Activities. Governmental activities increased the City's net position by $46.1 million.

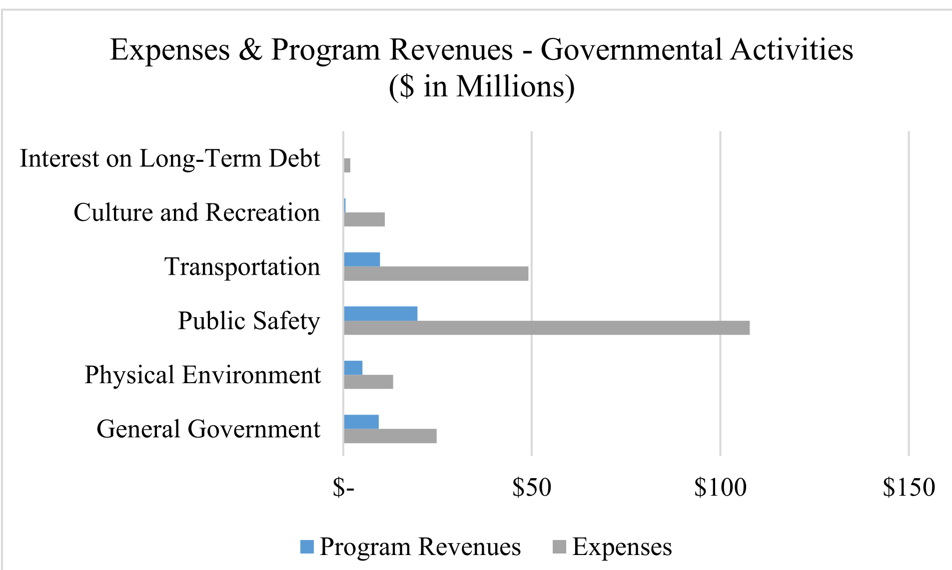
Revenue

Total revenues from governmental activities increased by $28.2 million from the prior year. The Other Taxes category increased by $13.3 million resulting from higher revenues in most tax categories. Specifically, sales tax and state-shared income tax revenues increased $9.2 million and $3.6 million, respectively, as the City continues to benefit from a strong local economy. Utility tax revenue also increased nearly $1.9 million resulting from an adjustment to the commercial electric use tax rate that went into effect in 2025.

Expenses

Total expenses related to governmental activities decreased by $24.6 million to $207.8 million. The decrease is driven by lower capital projects spending in 2025 as compared to 2024, specifically relating to general government and public safety functions.





Business-type activities. The net position for business-type activities increased by $36.5 million.

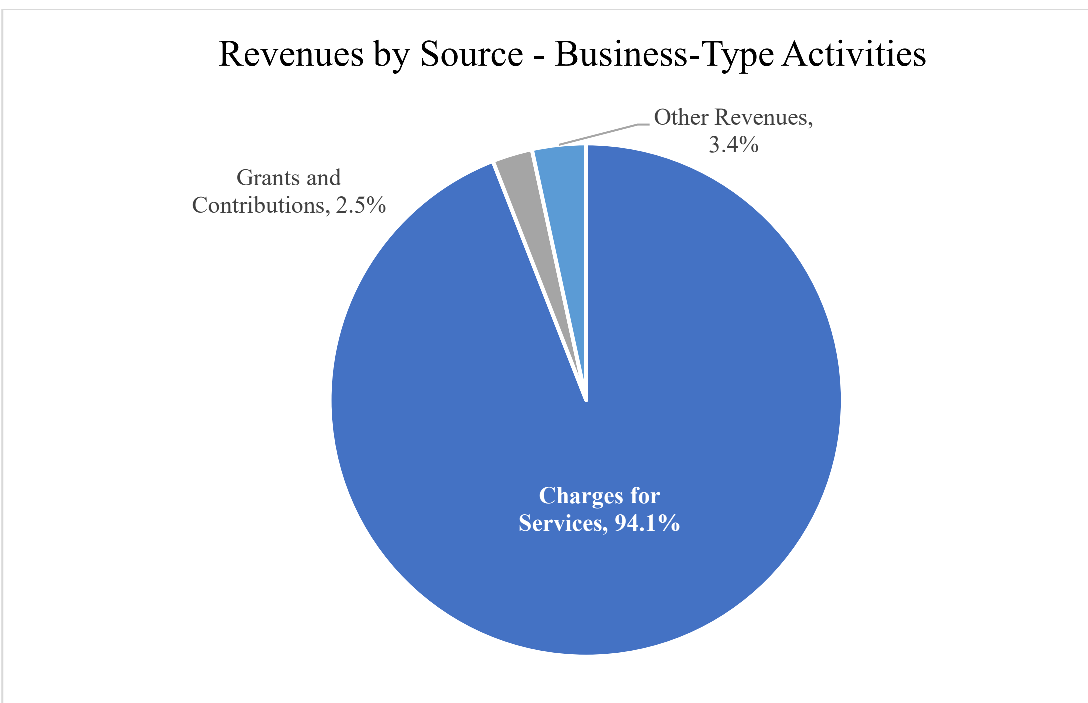
Revenue

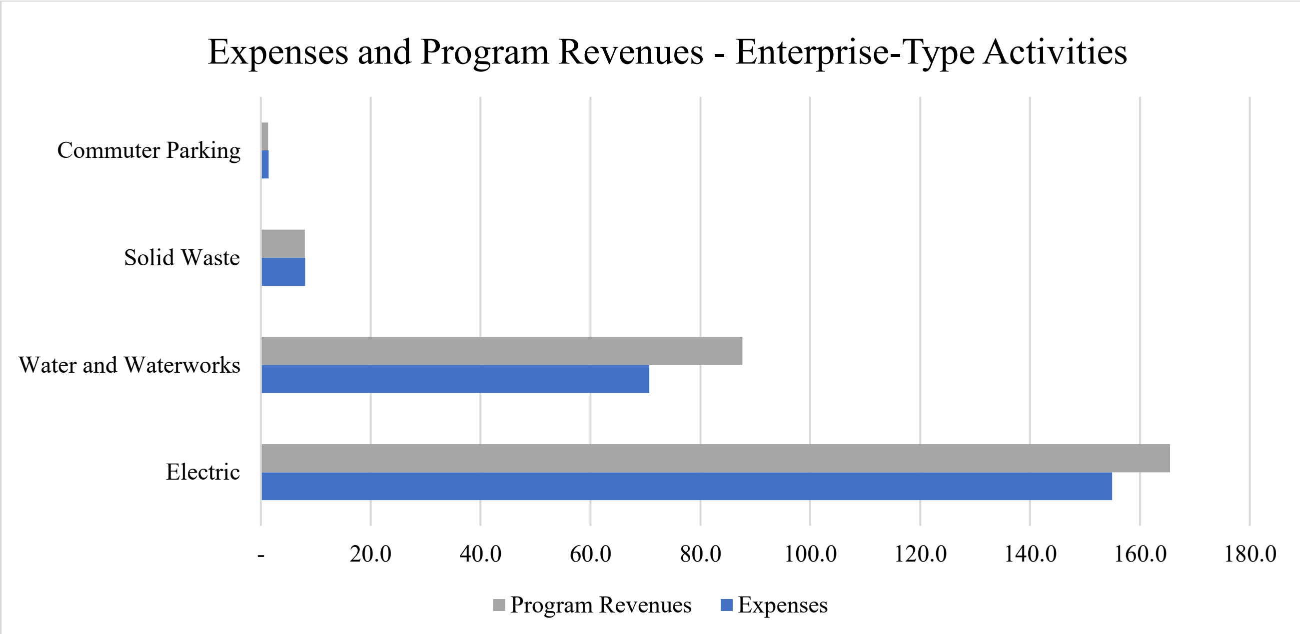
Overall revenues from business-type activities increased by $32.6 million from the prior year. The primary reason is a $26.5 increase in revenue from charges for services related to electric and water/wastewater rate increases. Other revenues increased by $4.5 million primarily relating to installation fees in the Electric Utility resulting from development activity.

Expenses

Total expenses from business-type activities increased by $3.8 million, or 1.6%. Expenses in the Electric Utility Fund increased by $2.7 million primarily due to operation and distribution expenses. The variances in purchased power and other operating expenses are related to a reclassification of the annual inventory adjustment entry.

Water Utility expenses increased by $1.2 million resulting from higher costs for purchase and distribution of water, which were offset by a slight decline in other operating costs. Expenses for commuter parking increased by $0.4 million due to ongoing management of personnel and operating costs. Solid waste expenses increased by $0.3 million due to contractual increases in waste hauling costs.





Financial Analysis of the City's Funds

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

Governmental Funds. The focus of the City's governmental funds, which include the General Fund and 23 other funds, is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of $181.6 million, an increase of $30.2 million in comparison with the prior fiscal year. Of the total fund balance amount, $97.5 million constitutes unassigned fund balance, which is an increase of $13.1 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 $98.5 million, an increase of 15.3%. Of that, $97.8 million constitutes unassigned fund balance. The considerable increase in the 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 tax, which continued to see better-than-expected growth due to strength in the local and state economies. Sales tax also benefited from legislative changes that increased receipts from remote retailers. Investment and interest income were also significant drivers of the increasing fund balance as the interest rate and general market environment were more stable than in prior years. In addition, development in Naperville continues to evolve and expand as represented by increases in commercial and residential permit fees.

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 $36.1 million, an increase of 74.4%. That fund balance is assigned to future capital projects. The fund balance increase is attributable higher than anticipated home rule sales tax receipts, offset by delays in the completion of capital projects.

The Debt Service Fund is funded by a property tax restricted to the payment of principal and interest on general obligation bonds in accordance with the bond ordinance authorizing the issuance of the bonds. At the end of the current fiscal year, the Debt Service Fund had a total fund balance of $4.6 million, a decrease of 15.3%. The decline in fund balance is the result of the defeasance of 2013 General Obligation bonds that occurred during the reporting period.

The following schedule presents the governmental funds summary of revenues for the years ended December 31, 2025, and December 31, 2024:

		12/31/2025	Percent of Total	12/31/2024	Amount of Increase (Decrease)	Percent of Increase (Decrease)
		(Amounts Expressed in Thousands)				
Revenues						
Taxes	$	77,608	30.70%	74,371	3,237	4.35%
Licenses and Permits		3,233	1.28%	3,116	118	3.78%
Fines and Forfeits		1,307	0.52%	1,285	22	1.75%
Net Investment Income		10,336	4.09%	6,200	4,136	66.70%
Intergovernmental		121,899	48.23%	111,525	10,373	9.30%
Charges for Services		27,053	10.70%	25,146	1,908	7.59%
Fees		2,288	0.91%	2,522	(234)	-9.29%
Contributions and Miscellaneous		9,041	3.58%	1,295	7,746	598.02%
Total Revenues		252,766	100.00%	225,460	27,306	12.11%

Governmental revenues increased by $27.3 million, or 12.1%, in 2025. Intergovernmental revenues represent the largest revenue source among the governmental funds, which increased by $10.3 million, or 9.3%, resulting from an increase in state-shared taxes, such as sales and income taxes. Continued strength in the local economy resulted in strong gains in this category, with sales increasing by 12.2% and income tax increasing by 6.2%. Taxes accounted for $77.6 million in revenue, an increase of $3.2 million, or 4.3%. This category includes such items as utility tax, property tax (including those levied for pension purposes), hotel/motel tax, real estate transfer tax, and food and beverage tax.

Expenditures		12/31/2025	Percent of Total	12/31/2024	Amount of Increase (Decrease)	Percent of Increase (Decrease)
		(Amounts Expressed in Thousands)				
Current						
General Government	$	21,883	9.14%	21,714	169	0.78%
Transportation/Physical Environment		46,693	19.51%	36,035	10,658	29.58%
Public Safety		110,325	46.09%	105,467	4,858	4.61%
Culture and Recreation		9,916	4.14%	9,912	4	0.04%
Debt Service						
Principal		11,598	4.84%	10,488	1,109	10.58%
Interest, Fees and Issuance Costs		2,203	0.92%	2,107	96	4.57%
Capital Outlay		36,764	15.36%	48,962	(12,199)	-24.91%
Total Expenditures		239,382	100.00%	234,686	4,696	2.00%

Expenditures in governmental funds increased by $4.7 million, or 2%, from the prior fiscal year. Public safety expenditures account for the largest portion of governmental expenditures at $110.3 million, an increase of $4.9 million. Salaries for personnel and related expenditures account for most of that amount, and are due to collectively bargained wage increases.

Capital outlay decreased by $12.2 million, or 24.9%, in the current year due to the timing and completion of projects compared to the prior 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.

Significant General Fund budgetary variances

As of December 31, 2025, General Fund expenditures totaled $160.5 million, which was $4.3 million less than the final budget of $164.8 million. Total expenditures for General Government were under budget by $2.1 million resulting from lower than budgeted spending in IT and several other departments. Similarly, Transportation expenditures were significantly under budget by $2.6 million predominantly in contracted services and supplies. Public Safety expenditures exceeded the final budget by less than $0.1 million as a result of higher salary and benefit expenses relating to union contract increases and retirement payouts.

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

Electric Utility – The Electric Utility recorded a net income of nearly $10 million before capital fees for the fiscal year ended December 31, 2025, compared to a net loss of $7.9 million for the prior year. The gain is attributable to a $20.1 million increase in operating revenues, while operating expenses increased slightly by $2.1 million. Charges for services increased by $17.8 million due to scheduled rate increases and adjustments to purchased power assumptions. Additionally, the Utility's net investment income totaled nearly $0.6 million. The utility also issued $10 million in new debt to reimburse capital project expenditures. As a result, the Electric Utility's net cash and cash equivalents increased approximately $0.5 million for the year ended December 31, 2025.

Megawatt-hour consumption for 2025 totaled 1.23 million, which was a 3.1% decrease from 2024. The City's purchased power expense for the 12 months ended December 31, 2024, was $111.7 million, which is 79.2% 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 income of $19.8 million before capital fees for the fiscal year ended December 31, 2025, compared to a net income of $11.3 million for the prior year. The gain is attributable to higher operating revenues totaling $7.9 million, while operating expenses increased by $1.2 million. The utility also realized investment income of $3.2 million. The Water/Wastewater Utility experienced a net increase in cash and cash equivalents of $6.5 million for the year ended December 31, 2025, due largely to the issuance of debt to reimburse prior year capital expenses.

Wholesale water rates, which are passed through by the City to customers, are based on rates applied by the DuPage Water Commission. In 2024, the purchased water rate (per 1,000 gallons) increased by 3.9% from $5.58 to $5.80 (effective May 1, 2025).

Purchased water expenses for the fiscal year ended December 31, 2025, totaled $27.8 million and were 49.5% of total operating expenses. Purchased water expenses fluctuate based on customer demand and the wholesale water rate set by the DuPage Water Commission. In 2025, the Utility purchased 5.04 billion gallons of water, reflecting the continued decline in overall water consumption due to conservation efforts and the increased use of high-efficiency appliances.

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, 2025, amounts to $1.05 billion (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, furniture and fixtures, infrastructure, IMEA participation rights, and other intangible assets. The City's investment in capital assets increased by $68.6 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 Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Land and land improvements	$ 181.9	182.2	18.2	18.2	200.1	200.4
Building and building improvements	79.8	80.7	1.3	1.5	81.1	82.2
Machinery and equipment	17.8	16.8	8.7	7.1	26.5	23.9
Infrastructure	203.5	187.1	403.0	378.3	606.5	565.4
Construction in progress	33.1	32.7	73.0	48.8	106.1	81.5
IMEA participation right	-	-	23.5	21.7	23.5	21.7
Intangible assets - equipment	2.7	2.6	-	-	2.7	2.6
Intangible assets - software	5.9	6.6	1.5	1.0	7.4	7.6
Total	524.7	508.6	529.2	476.7	1,053.9	985.3

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, 2025, the City had a total of $118.8 million of outstanding debt. These issues were all general obligation bonds. The City issued $45 million in General Obligation bonds while paying down $13.8 million in existing debt, resulting in total outstanding bonded debt of $118.8 million. The City maintains a AAA rating on general obligation bond issues from both Standard and Poor's Rating Group and Moody's Investors Service.

Data as of December 31, 2025, is as follows:

	Amount	Ratio of Bonded Debt to Assessed Valuation	Bonded Debt Per Capita
General Obligation Bonded Debt	$ 118,760,000	1.20%	$ 776

	Long-Term Debt Outstanding (in Thousands)					
	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
General Obligation Bonds	$ 56,780	51,318	61,980	38,372	118,760	89,690

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, 2025, the City had total pension liabilities for its three pension funds of $66.1 million compared to $165.2 million the prior year. The decrease in net pension liability is largely related to significant investment gains in all pension plans. As of December 31, 2025, IMRF was measured as a net pension asset signifying that the pension plan was fully funded with reserves to withstand future changes to the pension plan.

Data as of December 31, 2025, is as follows:

	Net Pension Liability/(Asset) (in Millions)	
	2025	2024
IMRF*	$ (14.8)	$ 22.1
Police Pension	$ 40.1	$ 70.0
Firefighters Pension	$ 40.8	$ 73.1
Total	$ 66.1	$ 165.2

*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.

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 was $17.4 million on December 31, 2025, compared to $17.1 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 2026, the City budget totals $685.3 million across all funds, with the General Fund accounting for $174.8 million of the total budget.

- Salaries and wages account for $140.3 million in the annual budget across all funds, an increase of $8.9 million over 2025. This included a cost-of-living and merit pool increase for non-union employees. Union wages increased according to contractual agreements.

- Pensions continue to be an expense that is a significant variable in the City's annual budget. The City's actuarially required contributions for police and fire pension funds increased by nearly $1 million for the 2026 budget year. The City's estimated IMRF contributions increased by $0.8 million after the City experienced an increase in its contribution rate to 7.80% for 2026.

- Rising healthcare costs, higher prescription drug prices and usage, general inflation, and federal policies have all led to increased rates in both public and private health insurance markets. The City's medical insurance premiums are budgeted to increase by 18.5% in 2026, a sharp increase from the 6.9% rise in 2025.
- Investments in capital infrastructure continue to be an area of focus and significant financial resources are being allocated. In 2026, capital outlay accounts for almost 26% of the total City budget at $179.6 million. Areas of significant investment include water, wastewater, and electric utility infrastructure, roads and bridges, public facilities, and technology enhancements.
- As the City continues its investment in capital infrastructure, it is necessary to finance certain improvements through the issuance of debt. In summer 2026, the city will issue general obligation bonds totaling $40 million. Those bonds will reimburse capital project costs from 2025 and early 2026 across electric and water utility funds.
- 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 2025 property tax rate for the City is 0.5583, 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 2025 and is estimated at $52.2 million for 2026. Significant factors used in generating the estimate include continued strength in the local economy, steady consumer demand, and legislative changes that will result in higher destination-based taxes from e-commerce sales. Home rule sales tax is estimated at $25.1 million for 2026.
- The 2026 budget includes a 1% local grocery tax to replace the State tax that was eliminated as of January 1, 2026. The local grocery tax is estimated at s $6.5 million annually and supports essential City services, including public safety and public works.
- The Water and Electric Utility budgeted rate increases align with rate study recommendations. For 2026, the Electric Utility rate study proposed an average rate increase of 5.1%. Budgeted rate increases for Water and Wastewater Utility are 12% and 10%, respectively, to fund large capital projects in the coming years.

All these factors were considered in preparing the City's budget and financial plans for 2026.

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, 2025

	Primary Government			Component Unit
	Governmental Activities	**Business-Type Activities**	**Total**	**Naperville Library**
ASSETS				
Cash and investments	$ 167,601,025	$ 56,182,963	$ 223,783,988	$ 3,225,323
Receivables (net of allowance for uncollectable)	70,962,026	33,314,222	104,276,248	17,827,768
Internal balances	168,978	(168,978)	-	-
Due from other governments	17,555,681	-	17,555,681	-
Inventories	-	22,483,161	22,483,161	-
Net pension asset	7,554,928	5,430,661	12,985,589	1,826,228
Capital assets (net of accumulated depreciation and amortization)				
Capital assets not depreciated nor amortized	213,992,744	91,223,044	305,215,788	-
Capital assets depreciated and amortized, net	310,736,302	414,498,180	725,234,482	9,301,512
IMEA participation right, net	-	23,491,789	23,491,789	-
Total assets	788,571,684	646,455,042	1,435,026,726	32,180,831
DEFERRED OUTFLOWS OF RESOURCES				
Deferred items - IMRF	1,803,782	1,296,600	3,100,382	436,022
Deferred items - Police Pension	13,245,638	-	13,245,638	-
Deferred items - Firefighters' Pension	9,778,181	-	9,778,181	-
Deferred items - OPEB	1,523,205	133,440	1,656,645	40,774
Asset retirement obligation	-	397,073	397,073	-
Unamortized refunding loss	1,107,563	470,375	1,577,938	-
Total deferred outflows of resources	27,458,369	2,297,488	29,755,857	476,796
Total assets and deferred outflows of resources	816,030,053	648,752,530	1,464,782,583	32,657,627
LIABILITIES				
Accounts payable and other current liabilities	15,453,812	36,821,117	52,274,929	511,119
Accrued interest payable	397,431	276,270	673,701	7,243
Due to other governments	24,053	-	24,053	-
Due to fiduciary funds	1,204,682	-	1,204,682	-
Unearned revenue	3,412,182	274,077	3,686,259	-
Long-term liabilities				
Due within one year	12,025,264	5,022,900	17,048,164	284,727
Due in more than one year	168,606,994	67,757,665	236,364,659	1,259,457
Total liabilities	201,124,418	110,152,029	311,276,447	2,062,546
DEFERRED INFLOWS OF RESOURCES				
Deferred items - IMRF	12,801,953	9,202,349	22,004,302	3,094,574
Deferred items - Police Pension	23,572,873	-	23,572,873	-
Deferred items - Firefighters' Pension	28,666,405	-	28,666,405	-
Deferred items - OPEB	3,294,045	288,575	3,582,620	88,178
Deferred lease income	4,653,748	-	4,653,748	-
Deferred property taxes revenues	45,123,533	-	45,123,533	17,818,697
Total deferred inflows of resources	118,112,557	9,490,924	127,603,481	21,001,449
Total liabilities and deferred inflows of resources	319,236,975	119,642,953	438,879,928	23,063,995

(This statement is continued on the following page.)

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Naperville Library
NET POSITION				
Net investment in capital assets	$ 457,526,072	$ 447,338,912	$ 904,864,984	$ 8,802,248
Restricted				
Debt service	14,621,652	-	14,621,652	-
Economic development	244,713	-	244,713	-
Highways, streets, and parking facilities	14,365,403	-	14,365,403	-
Public safety	7,645,997	-	7,645,997	-
Capital projects	49,149	-	49,149	-
Culture and recreation	2,664,070	-	2,664,070	-
Physical environment	25,324	-	25,324	-
Net pension asset	7,554,928	5,430,661	12,985,589	1,826,228
Unrestricted (deficit)	(7,904,230)	76,340,004	68,435,774	(1,034,844)
TOTAL NET POSITION	$ 496,793,078	$ 529,109,577	$ 1,025,902,655	$ 9,593,632

CITY OF NAPERVILLE, ILLINOIS

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2025

		Program Revenues		
FUNCTIONS/PROGRAMS	**Expenses**	**Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**
PRIMARY GOVERNMENT				
Governmental Activities				
General government	$ 24,802,779	$ 9,378,316	$ -	$ -
Physical environment	13,217,612	3,160,834	1,950,697	-
Public safety	107,773,006	18,309,548	1,366,630	-
Culture and recreation	11,048,539	606,183	-	-
Transportation	49,143,089	138,859	1,034,412	8,609,338
Interest and fiscal charges	1,862,979	-	-	-
Total governmental activities	207,848,004	31,593,740	4,351,739	8,609,338
Business-Type Activities				
Electric	154,937,735	160,020,866	7,361	5,439,440
Water and wastewater	70,696,392	86,231,127	-	1,431,155
Burlington commuter parking	1,460,215	1,338,580	-	-
Solid waste	8,083,383	7,984,738	-	-
Total business-type activities	235,177,725	255,575,311	7,361	6,870,595
TOTAL PRIMARY GOVERNMENT	$ 443,025,729	$ 287,169,051	$ 4,359,100	$ 15,479,933
COMPONENT UNIT				
Naperville Public Library	$ 18,610,963	$ 272,415	$ 407,593	$ 779,265

	Net (Expense) Revenue and Changes in Net Position			
	Primary Government			Unit
	Governmental Activities	Business-Type Activities	Total	Naperville Public Library
	$ (15,424,463)	$ -	$ (15,424,463)	$ -
	(8,106,081)	-	(8,106,081)	-
	(88,096,828)	-	(88,096,828)	-
	(10,442,356)	-	(10,442,356)	-
	(39,360,480)	-	(39,360,480)	-
	(1,862,979)	-	(1,862,979)	-
	(163,293,187)	-	(163,293,187)	-
	-	10,529,932	10,529,932	-
	-	16,965,890	16,965,890	-
	-	(121,635)	(121,635)	-
	-	(98,645)	(98,645)	-
	-	27,275,542	27,275,542	-
	(163,293,187)	27,275,542	(136,017,645)	-
	-	-	-	(17,151,690)
General Revenues				
Property taxes	44,078,636	-	44,078,636	17,075,231
Utility taxes	16,126,901	-	16,126,901	-
Other taxes				
Real estate transfer taxes	4,972,820	-	4,972,820	-
Food and beverage taxes	7,476,263	-	7,476,263	-
Hotel/motel taxes	2,167,695	-	2,167,695	-
Gas taxes	2,368,476	-	2,368,476	-
Other taxes	417,572	-	417,572	-
Franchise fees	2,287,744	-	2,287,744	-
Intergovernmental - unrestricted				
Sales taxes	84,164,385	-	84,164,385	-
Income taxes	26,968,690	-	26,968,690	-
Replacement taxes	467,227	-	467,227	-
Net investment income	10,335,998	3,969,031	14,305,029	108,602
Miscellaneous	7,584,766	5,455,708	13,040,474	19,526
Gain on sale of capital assets	-	(194,778)	(194,778)	-
Total	209,417,173	9,229,961	218,647,134	17,203,359
CHANGE IN NET POSITION	46,123,986	36,505,503	82,629,489	51,669
NET POSITION, JANUARY 1	450,669,092	492,604,074	943,273,166	9,541,963
NET POSITION, DECEMBER 31	$ 496,793,078	$ 529,109,577	$ 1,025,902,655	$ 9,593,632

See accompanying notes to financial statements.

CITY OF NAPERVILLE, ILLINOIS

BALANCE SHEET
GOVERNMENTAL FUNDS

December 31, 2025

	General Fund	Debt Service Fund	Capital Projects Fund	Nonmajor	Total
ASSETS					
Cash and investments	$ 82,791,776	$ 4,588,199	$ 34,226,328	$ 42,539,236	$ 164,145,539
Receivables					
Property taxes	32,684,624	6,065,926	-	6,372,983	45,123,533
Accrued interest	600,677	29,622	191,332	157,353	978,984
Accounts receivable less allowance for doubtful accounts	9,867,910	-	7,309,561	2,312,177	19,489,648
Loans and installments	218	-	-	-	218
Leases	2,612,855	-	-	2,183,610	4,796,465
Due from other funds	184,904	-	-	-	184,904
Advances to other funds	329,487	-	-	-	329,487
Due from other governments	15,426,962	-	463,363	1,665,356	17,555,681
TOTAL ASSETS	$ 144,499,413	$ 10,683,747	$ 42,190,584	$ 55,230,715	$ 252,604,459
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts payable	$ 3,064,498	$ 79	$ 2,686,924	$ 2,020,536	$ 7,772,037
Accrued wages and benefits	2,602,734	-	-	164,393	2,767,127
Deposits	4,012,264	-	175,750	-	4,188,014
Due to other governments	24,053	-	-	-	24,053
Due to fiduciary funds	-	-	-	1,204,682	1,204,682
Due to other funds	-	-	-	15,926	15,926
Advances from other funds	-	-	-	329,487	329,487
Unearned grant revenues and others	1,074,284	-	2,206,933	123,807	3,405,024
Total liabilities	10,777,833	79	5,069,607	3,858,831	19,706,350
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - leases	2,521,936	-	-	2,131,812	4,653,748
Unavailable revenue - property taxes	32,684,624	6,065,926	-	6,372,983	45,123,533
Unavailable revenue - intergovernmental	-	-	1,015,655	489,732	1,505,387
Total deferred inflows of resources	35,206,560	6,065,926	1,015,655	8,994,527	51,282,668
Total liabilities and deferred inflows of resources	45,984,393	6,066,005	6,085,262	12,853,358	70,989,018
FUND BALANCES					
Nonspendable					
Loans	218	-	-	-	218
Advances	329,487	-	-	-	329,487
Restricted					
Debt service	-	-	-	14,621,652	14,621,652
Economic development	-	-	-	244,713	244,713
Highways, streets, and parking facilities	-	-	-	14,365,403	14,365,403
Public safety	387,684	-	-	7,258,313	7,645,997
Capital projects	-	-	-	49,149	49,149
Culture and recreation	-	-	-	2,664,070	2,664,070
Physical environment	-	-	-	25,324	25,324
Committed					
Highways, streets, and parking facilities	-	-	-	3,478,220	3,478,220
Assigned					
Debt service	-	4,617,742	-	-	4,617,742
Capital projects	-	-	36,105,322	-	36,105,322
Unassigned (deficit)	97,797,631	-	-	(329,487)	97,468,144
Total fund balances	98,515,020	4,617,742	36,105,322	42,377,357	181,615,441
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	$ 144,499,413	$ 10,683,747	$ 42,190,584	$ 55,230,715	$ 252,604,459

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, 2025

FUND BALANCES OF GOVERNMENTAL FUNDS		$ 181,615,441
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds		524,729,046
Deferred outflows (inflows) of resources related to the pensions not reported in the funds		
Deferred items - IMRF	$ (10,998,171)	
Deferred items - Police Pension	(10,327,235)	
Deferred items - Firefighters' Pension	(18,888,224)	
Deferred items - OPEB	(1,770,840)	
		(41,984,470)
Long-term liabilities/assets are not due and payable in the current period and, therefore, are not reported in the funds. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities - both current and long-term are reported in the statement of net position		
Accrued interest payable		(397,431)
Deferred loss on refunding		1,107,563
Net pension liability/asset		
IMRF asset	7,554,928	
Police Pension	(40,109,984)	
Firefighters' Pension	(40,796,330)	
Compensated absences	(12,200,108)	
OPEB liability	(15,588,465)	
Leases payable	(2,243,705)	
SBITAs payable	(5,137,294)	
General obligation debt	(56,780,000)	
Premium on general obligation debt	(3,733,720)	
Total long-term liabilities		(169,034,678)
Revenues are recognized for governmental activities when earned regardless of availability		1,505,387
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		(747,780)
NET POSITION OF GOVERNMENTAL ACTIVITIES		$ 496,793,078

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, 2025

	General Fund	Debt Service Fund	Capital Projects Fund	Nonmajor	Total
REVENUES					
Property taxes	$ 30,175,192	$ 7,462,334	$ -	$ 6,441,110	$ 44,078,636
Utility tax	16,126,901	-	-	-	16,126,901
Other taxes	7,558,087	-	-	9,844,739	17,402,826
Intergovernmental	87,905,384	-	24,161,371	9,831,837	121,898,592
Charges for services	20,491,413	-	-	6,561,862	27,053,275
Licenses and permits	3,164,985	-	-	68,254	3,233,239
Fines and forfeits	1,236,621	-	-	70,605	1,307,226
Franchise fees	2,287,744	-	-	-	2,287,744
Contributions	-	-	1,451,454	4,972	1,456,426
Investment income	5,591,674	430,183	2,079,237	2,234,904	10,335,998
Miscellaneous	633,442	-	6,899,791	51,533	7,584,766
Total revenues	175,171,443	7,892,517	34,591,853	35,109,816	252,765,629
EXPENDITURES					
Current					
General government	21,336,078	-	-	547,226	21,883,304
Physical environment	10,461,197	-	-	499,243	10,960,440
Public safety	103,875,873	-	-	6,448,946	110,324,819
Culture and recreation	86,405	-	-	9,830,054	9,916,459
Transportation	23,755,292	-	-	11,977,163	35,732,455
Capital outlay	-	-	34,079,083	2,684,506	36,763,589
Debt service					
Principal	2,513,841	8,603,250	255,586	224,876	11,597,553
Interest and fiscal charges	165,956	1,897,324	128,863	11,247	2,203,390
Total expenditures	162,194,642	10,500,574	34,463,532	32,223,261	239,382,009
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	12,976,801	(2,608,057)	128,321	2,886,555	13,383,620
OTHER FINANCING SOURCES (USES)					
Transfers in	-	1,769,200	235,734	2,671,489	4,676,423
Transfers (out)	(1,651,489)	-	-	(3,024,934)	(4,676,423)
Bond issuance	-	-	14,265,000	-	14,265,000
Bond premium issuance	-	-	811,559	-	811,559
Lease issuance	107,587	-	-	-	107,587
SBITA issuance	1,608,895	-	-	77,111	1,686,006
Total other financing sources (uses)	64,993	1,769,200	15,312,293	(276,334)	16,870,152
NET CHANGE IN FUND BALANCES	13,041,794	(838,857)	15,440,614	2,610,221	30,253,772
FUND BALANCES, JANUARY 1	85,473,226	5,456,599	20,664,708	39,767,136	151,361,669
FUND BALANCES, DECEMBER 31	$ 98,515,020	$ 4,617,742	$ 36,105,322	$ 42,377,357	$ 181,615,441

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, 2025

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS		$ 30,253,772
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		
Capital outlays	$ 36,563,742	
Depreciation and amortization	(20,386,747)	
		16,176,995
The loss on disposal of capital assets is reported only in the statement of activities		(70,886)
The gain on disposal of SBITA liabilities is reported only in the statement of activities		70,276
Deferred outflows (inflows) of resources related to the pensions not reported in the funds		
Change in deferred items - IMRF	(19,931,456)	
Change in deferred items - Police Pension	(28,642,079)	
Change in deferred items - Firefighters' Pension	(29,300,888)	
Change in deferred items - OPEB	(88,810)	
		(77,963,233)
The issuance of long-term debt (e.g., bond, leases, SBITAs) 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		
SBITA issuance	(1,686,006)	
Lease issuance	(107,587)	
Bond issuance	(14,265,000)	
Premium on bond issuance	(811,559)	
Principal repayments - G.O. Bonds, leases payable, SBITAs payable	11,597,553	
Change in unamortized premium	545,930	
Change in loss on refunding	(191,088)	
		(4,917,757)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds		
(Increase) Decrease in net pension liability/asset		
IMRF asset	18,654,862	
Police Pension	29,910,271	
Firefighters' Pension	32,343,736	
Increase in accrued interest payable	(14,431)	
Decrease in compensated absences	439,187	
Increase in other postemployment benefit obligation	(387,927)	
		80,945,698
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the governmental funds		1,206,361
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		422,760
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES		$ 46,123,986

See accompanying notes to financial statements.

CITY OF NAPERVILLE, ILLINOIS

STATEMENT OF NET POSITION
PROPRIETARY FUNDS

December 31, 2025

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service
	Electric Utility Fund	Water and Wastewater Utility Fund	Nonmajor Enterprise Funds	Total	Self-Insurance Fund
CURRENT ASSETS					
Cash and investments	$ 8,966,271	$ 45,178,276	$ 2,038,416	$ 56,182,963	$ 3,455,486
Receivables					
Accrued interest	49,737	293,860	12,617	356,214	19,273
Accounts receivable less allowance for doubtful accounts	20,684,476	11,336,761	627,812	32,649,049	553,905
Inventory	20,830,727	1,652,434	-	22,483,161	-
Total current assets	50,531,211	58,461,331	2,678,845	111,671,387	4,028,664
NONCURRENT ASSETS					
Capital assets (net of accumulated depreciation and amortization)					
Capital assets not depreciated or amortized	20,021,757	59,406,431	11,794,856	91,223,044	-
Capital assets depreciated or amortized, net	197,413,420	216,415,052	669,708	414,498,180	-
Intangible assets (net of accumulated amortization)					
IMEA participation right	23,491,789	-	-	23,491,789	-
Total capital assets	240,926,966	275,821,483	12,464,564	529,213,013	-
Net pension asset- IMRF	3,159,459	2,271,202	-	5,430,661	-
Installments receivable	308,959	-	-	308,959	-
Total noncurrent assets	244,395,384	278,092,685	12,464,564	534,952,633	-
Total assets	294,926,595	336,554,016	15,143,409	646,624,020	4,028,664
DEFERRED OUTFLOWS OF RESOURCES					
Deferred items - IMRF	754,337	542,263	-	1,296,600	-
Deferred items - OPEB	67,386	66,054	-	133,440	-
Asset retirement obligation	-	397,073	-	397,073	-
Unamortized refunding loss	249,500	220,875	-	470,375	-
Total deferred outflows of resources	1,071,223	1,226,265	-	2,297,488	-
Total assets and deferred outflows of resources	295,997,818	337,780,281	15,143,409	648,921,508	4,028,664

(This statement is continued on the following page.)

CITY OF NAPERVILLE, ILLINOIS

STATEMENT OF NET POSITION (Continued)
PROPRIETARY FUNDS

December 31, 2025

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service
	Electric Utility Fund	Water and Wastewater Utility Fund	Nonmajor Enterprise Funds	Total	Self-Insurance Fund
CURRENT LIABILITIES					
Accounts payable	$ 14,840,218	$ 12,941,894	$ 734,603	$ 28,516,715	$ 708,526
Accrued wages and benefits payable	598,275	422,594	16,505	1,037,374	18,108
Accrued interest payable	81,381	194,889	-	276,270	-
Deposits	7,077,065	189,198	765	7,267,028	-
Claims and judgments	-	-	-	-	664,111
Unearned revenue	131,106	142,971	-	274,077	7,158
Due to other funds	-	-	168,978	168,978	-
Compensated absences - current portion	343,827	210,552	-	554,379	-
General obligation bonds payable - current portion	750,000	3,040,000	-	3,790,000	-
SBITA payable - current portion	348,573	247,669	-	596,242	-
OPEB liability - current portion	41,550	40,729	-	82,279	-
Total current liabilities	24,211,995	17,430,496	920,851	42,563,342	1,397,903
NONCURRENT LIABILITIES					
Claims and judgments	-	-	-	-	3,378,541
Compensated absences	1,602,976	964,728	-	2,567,704	-
General obligation bonds payable	12,721,675	49,999,627	-	62,721,302	-
SBITA payable	407,462	319,799	-	727,261	-
OPEB liability	648,071	635,271	-	1,283,342	-
Asset retirement obligation	-	458,056	-	458,056	-
Total noncurrent liabilities	15,380,184	52,377,481	-	67,757,665	3,378,541
Total liabilities	39,592,179	69,807,977	920,851	110,321,007	4,776,444
DEFERRED INFLOWS OF RESOURCES					
Deferred items - IMRF	5,353,755	3,848,594	-	9,202,349	-
Deferred items - OPEB	145,728	142,847	-	288,575	-
Total deferred inflows of resources	5,499,483	3,991,441	-	9,490,924	-
Total liabilities and deferred inflows of resources	45,091,662	73,799,418	920,851	119,811,931	4,776,444
NET POSITION					
Net investment in capital assets	223,220,737	211,653,611	12,464,564	447,338,912	-
Restricted for net pension asset	3,159,459	2,271,202	-	5,430,661	-
Unrestricted (deficit)	24,525,960	50,056,050	1,757,994	76,340,004	(747,780)
TOTAL NET POSITION (DEFICIT)	$ 250,906,156	$ 263,980,863	$ 14,222,558	$ 529,109,577	$ (747,780)

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, 2025

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service
	Electric Utility Fund	Water and Wastewater Utility Fund	Nonmajor Enterprise Funds	Total	Self-Insurance Fund
OPERATING REVENUES					
Charges for services	$ 160,020,866	$ 86,231,127	$ 9,323,318	$ 255,575,311	$ 29,663,192
Miscellaneous	4,466,228	989,480	-	5,455,708	-
Total operating revenues	164,487,094	87,220,607	9,323,318	261,031,019	29,663,192
OPERATING EXPENSES					
Purchased power	111,687,979	-	-	111,687,979	-
Purchased water	-	28,943,291	-	28,943,291	-
Operations	13,240,417	20,410,473	9,487,530	43,138,420	-
Distribution	3,968,203	3,128,431	-	7,096,634	-
Other operating expenses	12,239,051	5,924,051	-	18,163,102	29,449,873
Total operating expenses	141,135,650	58,406,246	9,487,530	209,029,426	29,449,873
OPERATING INCOME (LOSS) BEFORE DEPRECIATION AND AMORTIZATION	23,351,444	28,814,361	(164,212)	52,001,593	213,319
Depreciation and amortization	(13,552,193)	(10,685,946)	(56,068)	(24,294,207)	-
OPERATING INCOME (LOSS)	9,799,251	18,128,415	(220,280)	27,707,386	213,319
NON-OPERATING REVENUES (EXPENSES)					
Net investment income	584,459	3,247,388	137,184	3,969,031	209,441
Interest expense	(249,892)	(1,604,200)	-	(1,854,092)	-
Gain/(loss) on sale of capital assets	(185,291)	(9,487)	-	(194,778)	-
Intergovernmental	7,361	-	-	7,361	-
Total non-operating revenues (expenses)	156,637	1,633,701	137,184	1,927,522	209,441
NET INCOME (LOSS) BEFORE CAPITAL FEES	9,955,888	19,762,116	(83,096)	29,634,908	422,760
CAPITAL FEES	5,439,440	1,431,155	-	6,870,595	-
CHANGE IN NET POSITION	15,395,328	21,193,271	(83,096)	36,505,503	422,760
NET POSITION (DEFICIT), JANUARY 1	235,510,828	242,787,592	14,305,654	492,604,074	(1,170,540)
NET POSITION (DEFICIT), DECEMBER 31	$ 250,906,156	$ 263,980,863	$ 14,222,558	$ 529,109,577	$ (747,780)

See accompanying notes to financial statements.

CITY OF NAPERVILLE, ILLINOIS

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

For the Year Ended December 31, 2025

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service
	Electric Utility Fund	**Water and Wastewater Utility Fund**	**Nonmajor Enterprise Funds**	**Total**	**Self-Insurance Fund**
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers and users	$ 162,695,946	$ 85,941,626	$ 9,298,439	$ 257,936,011	$ -
Receipts from interfund services provided	-	-	-	-	29,650,293
Payments to other funds	(1,164,916)	(4,500,352)	(95,736)	(5,761,004)	-
Payments to suppliers	(124,984,762)	(42,636,818)	(8,857,079)	(176,478,659)	(29,024,439)
Payments to employees	(20,231,931)	(14,619,589)	(489,559)	(35,341,079)	(575,579)
Net cash from operating activities	16,314,337	24,184,867	(143,935)	40,355,269	50,275
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Due to/from other funds	-	-	99,930	99,930	-
Intergovernmental receipts	65,797	-	-	65,797	-
Net cash from noncapital financing activities	65,797	-	99,930	165,727	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Purchases of capital and intangible assets	(29,437,908)	(36,941,334)	-	(66,379,242)	-
Proceeds from sale of capital assets	21,221	-	-	21,221	-
Issuance of bonds	9,505,000	19,145,000	-	28,650,000	-
Issuance of premium on bonds	539,766	956,895	-	1,496,661	-
Payments of bond principal	(1,656,750)	(3,385,000)	-	(5,041,750)	-
Payments of SBITA principal	(570,659)	(263,045)	-	(833,704)	-
Interest payments	(448,801)	(1,801,861)	-	(2,250,662)	-
Capital fees	5,439,440	1,431,155	-	6,870,595	-
Net cash from capital and related financing activities	(16,608,691)	(20,858,190)	-	(37,466,881)	-
CASH FLOWS FROM INVESTING ACTIVITIES					
Investment sales or maturities	7,859,324	22,141,151	1,993,771	31,994,246	3,045,465
Investment purchases	(8,376,015)	(23,596,761)	(2,124,846)	(34,097,622)	(3,245,681)
Investment income	1,232,388	4,673,927	270,318	6,176,633	458,374
Net cash from investing activities	715,697	3,218,317	139,243	4,073,257	258,158
NET INCREASE IN CASH AND CASH EQUIVALENTS	487,140	6,544,994	95,238	7,127,372	308,433
CASH AND CASH EQUIVALENTS, JANUARY 1	8,479,131	38,633,282	1,943,178	49,055,591	3,147,053
CASH AND CASH EQUIVALENTS, DECEMBER 31	$ 8,966,271	$ 45,178,276	$ 2,038,416	$ 56,182,963	$ 3,455,486

(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, 2025

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service
	Electric Utility Fund	Water and Wastewater Utility Fund	Nonmajor Enterprise Funds	Total	Self-Insurance Fund
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES					
Operating income (loss)	$ 9,799,251	$ 18,128,415	$ (220,280)	$ 27,707,386	$ 213,319
Adjustments to reconcile operating income (loss) to net cash from operating activities					
Depreciation and amortization expense	13,552,193	10,685,946	56,068	24,294,207	-
Change in assets, liabilities, and deferred items					
Accounts receivable	(1,822,479)	(1,279,336)	(24,879)	(3,126,694)	(2,779)
Other receivables	31,331	-	-	31,331	-
Inventory	(5,144,551)	(750,758)	-	(5,895,309)	-
Accounts payable	369,730	(2,609,414)	42,797	(2,196,887)	(477,814)
Deposits payable	(15,470)	39,097	-	23,627	-
Claims payable	-	-	-	-	327,262
Accrued wages and benefits payable	(23,095)	6,803	2,359	(13,933)	407
Unearned revenues	(875,496)	(213,033)	-	(1,088,529)	(10,120)
Lease revenue items	-	355	-	355	-
Pension items - IMRF/OPEB	472,872	302,290	-	775,162	-
Compensated absences	(29,949)	(125,498)	-	(155,447)	-
Total adjustments	6,515,086	6,056,452	76,345	12,647,883	(163,044)
NET CASH FROM OPERATING ACTIVITIES	$ 16,314,337	$ 24,184,867	$ (143,935)	$ 40,355,269	$ 50,275
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES					
Capital assets acquired through accounts payable	$ 3,728,019	$ 10,781,652	$ -	$ 14,509,671	$ -
Capital assets acquired through SBITAs	626,019	585,432	-	1,211,451	-
Loss on disposal of capital assets	(206,512)	(9,487)	-	(215,999)	-
Unrealized investment gains/losses	495,469	2,927,381	125,692	3,548,542	191,993
TOTAL NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES	$ 4,642,995	$ 14,284,978	$ 125,692	$ 19,053,665	$ 191,993

See accompanying notes to financial statements.

CITY OF NAPERVILLE, ILLINOIS

STATEMENT OF FIDUCIARY NET POSITION
PENSION TRUST FUNDS

December 31, 2025

ASSETS	
Cash and short-term investments	$ 346,637
Investments held in Illinois Firefighters' Pension Investment Fund	314,829,672
Investments held in Illinois Police Officers' Pension Investment Fund	310,153,207
Total investments	624,982,879
Due from municipality	1,204,682
Prepaid items	20,068
Total assets	626,554,266
LIABILITIES	
Accounts payable	13,680
NET POSITION RESTRICTED FOR PENSIONS	$ 626,540,586

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, 2025

ADDITIONS	
Contributions	
Employer	$ 21,457,090
Employee	4,904,609
Other	657,450
Total contributions	27,019,149
Investment income	
Net appreciation in fair value of investments	87,391,936
Interest and dividends	7,029,481
Total investment income	94,421,417
Less investment expense	(831,883)
Net investment income	93,589,534
Other income	3,208
Total additions	120,611,891
DEDUCTIONS	
Pension benefits	29,052,381
Refunds of contributions	145,802
Administrative expense	188,517
Total deductions	29,386,700
NET INCREASE	91,225,191
NET POSITION RESTRICTED FOR PENSIONS	
January 1	535,315,395
December 31	$ 626,540,586

See accompanying notes to financial statements.

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.

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

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

The City reports the following major proprietary funds:

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

Water and Wastewater Utility Fund - This fund accounts for the City’s water and sewerage operations. The City operates the sewerage treatment plant, sewerage pumping stations, 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 and additions are recorded when earned and expenses and deductions 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 2024 levy is recognized as revenue for the fiscal year ended December 31, 2025. 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, acquisitions under leases and subscription-based information technology arrangements 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/deferred and unearned revenue on its financial statements. Unavailable/deferred and unearned revenues arise when a potential revenue does not meet both the measurable and available or earned criteria for recognition in the current period. Unearned revenues also arise when the resources are received by the City before it has a legal claim to them or prior to the provision of services as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the City has a legal claim to the resources, the liability or deferred inflow is removed from the financial statements and revenue is recognized.

d. Cash and Cash Equivalents

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

e. Investments

State statutes and the City's investment policy authorize the City to invest in obligations of the U.S. Treasury, agencies, and instrumentalities; state and local obligations 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.

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

f. Unbilled Receivables

Estimated sales for electric, water, and wastewater usage prior to December 31, 2025, which are unbilled at year end, are recognized as current year revenue and are included in accounts receivables.

g. Interfund Transactions

The City has the following types of interfund transactions:

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

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 $25,000 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
Intangibles	2-9*

Intangible right-to-use assets represent the City's right-to-use a lease asset. These intangible assets, as defined by GASB Statement No. 87, *Leases*, and GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, are for lease contracts of nonfinancial assets including equipment and software.

*Intangibles are amortized over the shorter of the lease/subscription term or useful life of the intangible asset.

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.

In accordance with GASB Statement No. 101, *Compensated Absences,* employee’s sick time liability is recognized for the portion of accumulating sick leave benefits that is estimated to be more likely than not to be used for time off or otherwise paid in cash or settled through noncash means.

k. Deposits

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

l. Bond Premiums, Discounts, and Issuance Costs

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

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

m. Fund Balance/Net Position

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

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

m. Fund Balance/Net Position (Continued)

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 book value of capital assets less any outstanding long-term debt to acquire or construct the capital assets as well as any other non-debt capital related liabilities. 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 $1,678,389 in the Food and Beverage Tax Fund.

n. Property Taxes

Property taxes are levied each year on all taxable real property located in the City. The City must file its tax levy ordinance by the last Tuesday of December of each year. The owner of real property on January 1 (lien date) in any year is liable for taxes of that year. Property taxes are collected by the DuPage and Will County Collectors/Treasurers who remit to the City its share of the collection. Taxes levied for calendar year 2024 were due, payable, and collected in two installments in June and September 2025.

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, 2025 for collections from the calendar year 2024 levy if it was received by year end or withing 60 days after year end. Property taxes levied for calendar year 2025, which will be collected in fiscal year 2026, 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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."

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 for deposits with financial institutions is the risk that in the event of bank failure, the entity's deposits may not be returned to it. 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 investment policies require that deposits are insured by agencies or instrumentalities of the federal government. At December 31, 2025, all of the City's deposits were fully collateralized.

2. DEPOSITS AND INVESTMENTS (Continued)

b. Deposits with Financial Institutions (Continued)

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.

c. Investments

<u>City and Library Investments</u>

The following table presents the investments of the debt securities of the City and the Library as of December 31, 2025:

		Investment Maturities (in Years)			
Investment Type	Fair Value	Less than 1	1-5	6-10	More than 10
U.S. Treasury obligations	$ 93,219,707	$ 2,413,026	$ 63,006,683	$ 27,799,998	$ -
U.S. agency obligations	35,083,017	1,130,973	3,767,966	9,343,411	20,840,667
Municipal bonds	583,213	-	583,213	-	-
Corporate bonds	68,307,044	6,628,938	38,845,358	19,855,705	2,977,043
TOTAL	$197,192,981	$10,172,937	$106,203,220	$ 56,999,114	$ 23,817,710

The City and Library categorize the 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 (quoted matrix pricing models); and Level 3 inputs are significant unobservable inputs.

The City has the following recurring fair value measurements as of December 31, 2025: the U.S. Treasury obligations are valued using quoted prices (Level 1 inputs) and the U.S. agency obligations, municipal bonds, and corporate bonds are valued using quoted matrix pricing models (Level 2 inputs).

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

2. DEPOSITS AND INVESTMENTS (Continued)

c. Investments (Continued)

City and Library Investments (Continued)

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.

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.

2. DEPOSITS AND INVESTMENTS (Continued)

c. Investments (Continued)

City and Library Investments (Continued)

The U.S. agency obligations are rated AAA and the municipal and corporate bonds are rated from AAA to Baa3 at December 31, 2025. The U.S. Treasury obligations are not rated.

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 City’s investments.

Pension Investments

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, 2025. A copy of that report can be obtained from IPOPIF at 456 Fulton Street, Suite 402, Peoria, IL 61602 or at www.ipopif.org.

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, 2025. 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.

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.

2. DEPOSITS AND INVESTMENTS (Continued)

c. Investments (Continued)

Pension Investments (Continued)

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, 2025.

Net Asset Value - The Net Asset Value (NAV) of the Police Pension Fund's pooled investment in IPOPIF was $310,153,207 at December 31, 2025. 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, 2025. 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 $314,829,672 at December 31, 2025. The pooled investments consist of the investments as noted in the target allocation table available at 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, 2025. The plan may redeem shares by giving notice by 5:00 pm central time on the 1st of each month. Requests properly submitted on or before the 1st of each month will be processed for redemption by the 14th of the month. Expedited redemptions may be processed at the sole discretion of IFPIF.

Investment Rate of Return - For the year ended December 31, 2025, the annual money-weighted rate of return on Police Pension Fund investments and Firefighters' Pension Fund investments, net of pension plan investment expense, was 17.79% and 17.53%, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

3. RECEIVABLES

Installment Loans - Electric Utility Fund

At December 31, 2025, the City had various outstanding electric loans that are not expected to be collected within one year. The total receivable of these loans as of December 31, 2025 is $308,959.

4. CAPITAL ASSETS

A summary of changes in capital assets of the City and the Library for the fiscal year ended December 31, 2025 is as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
GOVERNMENTAL ACTIVITIES				
Capital assets not being depreciated				
Land	$ 19,412,947	$ -	$ -	$ 19,412,947
Land - infrastructure	161,526,935	-	-	161,526,935
Construction in progress	32,677,897	16,599,328	16,224,363	33,052,862
Total capital assets not being depreciated	213,617,779	16,599,328	16,224,363	213,992,744
Tangible capital assets being depreciated				
Land improvements	5,456,271	-	-	5,456,271
Buildings	169,468,424	3,310,856	-	172,779,280
Equipment	77,405,307	4,455,742	1,079,125	80,781,924
Infrastructure	531,585,163	26,628,586	-	558,213,749
Total tangible capital assets being depreciated	783,915,165	34,395,184	1,079,125	817,231,224
Intangible capital assets being amortized				
Equipment	3,139,842	107,587	-	3,247,429
Software	10,259,064	1,686,006	420,252	11,524,818
Total intangible capital assets being amortized	13,398,906	1,793,593	420,252	14,772,247
Total capital assets being depreciated and amortized	797,314,071	36,188,777	1,499,377	832,003,471
Less accumulated depreciation for tangible capital assets				
Land improvements	4,187,301	281,335	-	4,468,636
Buildings	88,816,602	4,120,979	-	92,937,581
Equipment	60,642,569	3,404,397	1,079,125	62,967,841
Infrastructure	344,476,786	10,244,781	-	354,721,567
Total accumulated depreciation for tangible capital assets	498,123,258	18,051,492	1,079,125	515,095,625
Less accumulated amortization for intangible capital assets				
Equipment	535,500	-	-	535,500
Software	3,650,155	2,335,255	349,366	5,636,044
Total accumulated amortization for intangible capital assets	4,185,655	2,335,255	349,366	6,171,544
Total depreciation and amortization	502,308,913	20,386,747	1,428,491	521,267,169
Total tangible and intangible capital assets being depreciated and amortized, net	295,005,158	15,802,030	70,886	310,736,302
GOVERNMENTAL ACTIVITIES CAPITAL ASSETS, NET	$ 508,622,937	$ 32,401,358	$ 16,295,249	$ 524,729,046

4. CAPITAL ASSETS (Continued)

Depreciation and amortization expense for governmental activities for the fiscal year ended December 31, 2025 was charged to functions as follows:

General government	$ 2,650,276
Physical environment	2,038,675
Public safety	1,834,808
Culture and recreation	1,019,338
Transportation	12,843,650
TOTAL	$ 20,386,747

	Beginning Balances	Increases	Decreases	Ending Balances
BUSINESS-TYPE ACTIVITIES - ELECTRIC UTILITY				
Capital assets not being depreciated				
Land	$ 3,836,327	$ -	$ -	$ 3,836,327
Construction in progress	10,181,309	6,836,830	832,709	16,185,430
Total capital assets not being depreciated	14,017,636	6,836,830	832,709	20,021,757
Tangible capital assets being depreciated				
Building and building improvements	7,707,096	-	-	7,707,096
Equipment	17,951,279	1,491,616	-	19,442,895
Infrastructure	461,657,512	20,982,562	-	482,640,074
Total tangible capital assets being depreciated	487,315,887	22,474,178	-	509,790,065
Intangible capital assets being amortized				
IMEA participation right	53,632,477	3,220,835	-	56,853,312
Software	1,484,263	626,019	529,094	1,581,188
Total intangible capital assets being amortized	55,116,740	3,846,854	529,094	58,434,500
Total capital assets being depreciated and amortized	542,432,627	26,321,032	529,094	568,224,565
Less accumulated depreciation for tangible capital assets				
Building and building improvements	6,598,543	199,800	-	6,798,343
Equipment	14,848,469	388,009	-	15,236,478
Infrastructure	279,948,081	11,183,443	-	291,131,524
Total accumulated depreciation for tangible capital assets	301,395,093	11,771,252	-	313,166,345
Less accumulated amortization for intangible capital assets				
IMEA participation right	31,961,267	1,400,256	-	33,361,523
Software	733,385	380,685	322,582	791,488
Total accumulated amortization for intangible capital assets	32,694,652	1,780,941	322,582	34,153,011
Total depreciation and amortization	334,089,745	13,552,193	322,582	347,319,356
Total tangible and intangible capital assets being depreciated and amortized, net	208,342,882	12,768,839	206,512	220,905,209
BUSINESS-TYPE ACTIVITIES - ELECTRIC UTILITY CAPITAL ASSETS, NET	$ 222,360,518	$ 19,605,669	$ 1,039,221	$ 240,926,966

4. CAPITAL ASSETS (Continued)

	Beginning Balances	Increases	Decreases	Ending Balances
BUSINESS-TYPE ACTIVITIES - WATER AND WASTEWATER UTILITY				
Capital assets not being depreciated				
Land	$ 2,565,671	$ -	$ -	$ 2,565,671
Construction in progress	38,618,268	32,577,221	14,354,729	56,840,760
Total capital assets not being depreciated	41,183,939	32,577,221	14,354,729	59,406,431
Tangible capital assets being depreciated				
Equipment	15,753,192	914,803	374,231	16,293,764
Infrastructure	508,508,674	25,003,005	-	533,511,679
Total tangible capital assets being depreciated	524,261,866	25,917,808	374,231	549,805,443
Intangible capital assets being amortized				
Software	489,914	585,432	9,487	1,065,859
Total intangible capital assets being amortized	489,914	585,432	9,487	1,065,859
Total capital assets being depreciated and amortized	524,751,780	26,503,240	383,718	550,871,302
Less accumulated depreciation for tangible capital assets				
Equipment	12,011,277	438,564	374,231	12,075,610
Infrastructure	311,901,188	10,089,338	-	321,990,526
Total accumulated depreciation for tangible capital assets	323,912,465	10,527,902	374,231	334,066,136
Less accumulated amortization for intangible capital assets				
Software	232,070	158,044	-	390,114
Total accumulated amortization for intangible capital assets	232,070	158,044	-	390,114
Total depreciation and amortization	324,144,535	10,685,946	374,231	334,456,250
Total tangible and intangible capital assets being depreciated and amortized, net	200,607,245	15,817,294	9,487	216,415,052
BUSINESS-TYPE ACTIVITIES - WATER AND WASTEWATER UTILITY CAPITAL ASSETS, NET	$ 241,791,184	$ 48,394,515	$ 14,364,216	$ 275,821,483

4. CAPITAL ASSETS (Continued)

	Beginning Balances	Increases	Decreases	Ending Balances
BUSINESS-TYPE ACTIVITIES - NONMAJOR ENTERPRISE				
Capital assets not being depreciated				
Land	$ 11,794,856	$ -	$ -	$ 11,794,856
Total capital assets not being depreciated	11,794,856	-	-	11,794,856
Capital assets being depreciated				
Building and building improvements	6,460,233	-	-	6,460,233
Machinery and equipment	1,420,847	-	-	1,420,847
Total capital assets being depreciated	7,881,080	-	-	7,881,080
Less accumulated depreciation for				
Building and building improvements	6,021,214	45,526	-	6,066,740
Machinery and equipment	1,134,090	10,542	-	1,144,632
Total accumulated depreciation	7,155,304	56,068	-	7,211,372
Total capital assets being depreciated, net	725,776	(56,068)	-	669,708
Total nonmajor enterprise net capital assets	12,520,632	(56,068)	-	12,464,564
BUSINESS-TYPE ACTIVITIES - NET	$ 476,672,334	$ 67,944,116	$ 15,403,437	$ 529,213,013
COMPONENT UNIT - NAPERVILLE PUBLIC LIBRARY				
Capital assets being depreciated				
Building and building improvements	$ 19,812,706	$ 656,800	$ -	$ 20,469,506
Machinery and equipment	2,880,471	91,894	100,921	2,871,444
Total capital assets being depreciated	22,693,177	748,694	100,921	23,340,950
Intangible capital assets being amortized				
Software	612,575	148,816	-	761,391
Total intangible capital assets being amortized	612,575	148,816	-	761,391
Total capital assets being depreciated and amortized	23,305,752	897,510	100,921	24,102,341
Less accumulated depreciation for				
Building and building improvements	11,885,570	940,441	-	12,826,011
Machinery and equipment	1,696,082	171,040	100,921	1,766,201
Total accumulated depreciation	13,581,652	1,111,481	100,921	14,592,212
Less accumulated amortization for intangible capital assets				
Software	84,638	123,979	-	208,617
Total accumulated amortization for intangible capital assets	84,638	123,979	-	208,617
Total depreciation and amortization	13,666,290	1,235,460	100,921	14,800,829
COMPONENT UNIT - NAPERVILLE PUBLIC LIBRARY CAPITAL ASSETS, NET	$ 9,639,462	$ (337,950)	$ -	$ 9,301,512

5. INTERFUND BALANCES AND ACTIVITY

a. Balances Due to/from Other Funds

Balances due to/from other funds at December 31, 2025 were as follows:

Receivable Fund	Payable Fund	Amount
General	Nonmajor Governmental	$ 15,926
General	Nonmajor Enterprise	168,978
TOTAL		$ 184,904

Short term interfund loan balances are to cover cash accounts temporarily overdrawn at year end. Repayment is expected within one year.

b. Advances

Advances at December 31, 2025 were as follows:

Receivable Fund	Payable Fund	Amount
General	Nonmajor Governmental	$ 329,487
TOTAL		$ 329,487

Short term interfund loan balances are to cover cash accounts temporarily overdrawn at year end. Repayment is not expected within one year.

c. Transfers to/from Other Funds

Interfund transfers for the fiscal year ended December 31, 2025 were as follows:

Fund	Transfer In	Transfer Out
General	$ -	$ 1,651,489
Debt Service	1,769,200	-
Capital Projects	235,734	-
Nonmajor Governmental		
Naper Settlement	1,020,000	-
Food and Beverage	-	2,014,600
Downtown Maintenance	1,651,489	-
Water Street TIF	-	675,482
Special Service Area #30	-	90,628
Special Service Area #34	-	19,705
Special Service Area #35	-	125,400
Special Service Area #23	-	99,119
TOTAL	$ 4,676,423	$ 4,676,423

5. INTERFUND BALANCES AND ACTIVITY (Continued)

c. Transfers to/from Other Funds (Continued)

The purpose of significant transfers is as follows:

- $1,769,200 was transferred to the Debt Service Fund from various Nonmajor Governmental Funds for debt service payments. This transfer will not be repaid.

- $235,734 was transferred to the Capital Projects Fund from various Nonmajor Governmental Funds for capital improvements and costs. This transfer will not be repaid.

- $1,020,000 was transferred to the Naper Settlement Fund (Nonmajor Governmental Fund) from the Food and Beverage Fund (Nonmajor Governmental Fund) as part of the annual budget process. This transfer will not be repaid.

- $1,651,489 was transferred to the Downtown Maintenance Fund (Nonmajor Governmental Fund) from the General Fund for annual funding. This transfer will not be repaid.

d. Deficit Fund Balances/Net Position

As of December 31, 2025, the following funds had deficit fund balances/net position:

Fund	Deficit
Special Service Area #25	$ 155,371
Special Service Area #31	174,116
Solid Waste Fund	219,536
Self-Insurance Fund	747,780

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, 2025:

Type of Debt	Beginning Balance	Additions	Deductions/ Refundings	Ending Balances	Amounts Due Within One Year
GOVERNMENTAL ACTIVITIES					
Compensated absences*	$ 12,639,295	$ -	$ 439,187	$ 12,200,108	$ 2,179,428
Net pension liability					
IMRF**	11,099,934	-	11,099,934	-	-
Police Pension	70,020,255	-	29,910,271	40,109,984	-
Firefighters' Pension	73,140,066	-	32,343,736	40,796,330	-
OPEB liability	15,200,538	387,927	-	15,588,465	939,213
General obligation bonds	51,318,250	14,265,000	8,803,250	56,780,000	6,040,000
Premium (discount)	3,468,091	811,559	545,930	3,733,720	-
Leases payable	2,488,090	107,587	351,972	2,243,705	340,358
SBITAs payable	5,963,895	1,686,006	2,512,607	5,137,294	1,862,154
Claims and judgments	3,715,390	19,616,205	19,288,943	4,042,652	664,111
TOTAL	$ 249,053,804	$ 36,874,284	$ 105,295,830	$ 180,632,258	$ 12,025,264

Type of Debt	Beginning Balance	Additions	Deductions/ Refundings	Ending Balances	Amounts Due Within One Year
BUSINESS-TYPE ACTIVITIES - ELECTRIC UTILITY					
Compensated absences*	$ 1,976,752	$ -	$ 29,949	$ 1,946,803	$ 343,827
IMRF**	4,685,994	-	4,685,994	-	-
OPEB liability	738,632	-	49,011	689,621	41,550
General obligation bonds	4,506,750	9,505,000	1,656,750	12,355,000	750,000
Premium (discount)	803,435	539,766	226,526	1,116,675	-
SBITAs payable	700,675	626,019	570,659	756,035	348,573
Total electric utility	13,412,238	10,670,785	7,218,889	16,864,134	1,483,950
BUSINESS-TYPE ACTIVITIES - WATER AND WASTEWATER UTILITY					
Compensated absences*	1,300,778	-	125,498	1,175,280	210,552
IMRF**	3,547,759	-	3,547,759	-	-
OPEB liability	722,418	-	46,418	676,000	40,729
Asset retirement obligation	458,056	-	-	458,056	-
General obligation bonds	33,865,000	19,145,000	3,385,000	49,625,000	3,040,000
Premium (discount)	2,720,173	956,895	262,441	3,414,627	-
SBITAs payable	245,081	585,432	263,045	567,468	247,669
Total water and wastewater utility	42,859,265	20,687,327	7,630,161	55,916,431	3,538,950
TOTAL BUSINESS-TYPE ACTIVITIES	$ 56,271,503	$ 31,358,112	$ 14,849,050	$ 72,780,565	$ 5,022,900

6. LONG-TERM OBLIGATIONS (Continued)

Type of Debt	Beginning Balance	Additions	Deductions/ Refundings	Ending Balances	Amounts Due Within One Year
COMPONENT UNIT - NAPERVILLE PUBLIC LIBRARY					
Compensated absences*	$ 1,049,895	$ -	$ 422,260	$ 627,635	$ 126,411
IMRF**	2,777,789	-	2,777,789	-	-
OPEB liability	419,048	-	1,763	417,285	25,142
SBITAs payable	496,436	148,816	145,988	499,264	133,174
TOTAL	$ 4,743,168	$ 148,816	$ 3,347,800	$ 1,544,184	$ 284,727

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

*The amount displayed as additions or reductions represents the net change in the liability.

**The IMRF net pension liability is reported as a net pension asset as of December 31, 2025.

Long-term debt at December 31, 2025 consists of the following:

a. General Obligation Bonds

	Governmental Activities	Business-Type Activities	Total
May 2014, 2.00% to 3.50%, due serially through December 1, 2032	$ 7,500,000	$ -	$ 7,500,000
June 2016, 2.00% to 3.50%, due serially through December 1, 2035	14,210,000	2,285,000	16,495,000
November 2017, 3%, due serially through December 1, 2037	4,675,000	-	4,675,000
November 2018, 3.125% to 5.000%, due serially through December 1, 2038	3,435,000	-	3,435,000
November 2020, 2% to 5%, due serially through December 1, 2040	12,695,000	8,020,000	20,715,000
March 2022, 3% to 4%, due serially through December 1, 2041	-	5,160,000	5,160,000
May 2024, 4% to 5%, due serially through December 1, 2044	-	17,865,000	17,865,000
June 2025, 4.75% to 5%, due serially through December 1, 2045	14,265,000	28,650,000	42,915,000
TOTAL	$ 56,780,000	$ 61,980,000	$ 118,760,000

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, 2024 are as follows:

Fiscal Year	Governmental Activities Principal	Governmental Activities Interest	Business-Type Activities Principal	Business-Type Activities Interest
2026	$ 6,040,000	$ 2,018,519	$ 3,790,000	$ 2,717,588
2027	6,000,000	1,803,919	2,970,000	2,545,738
2028	5,285,000	1,600,731	3,070,000	2,415,088
2029	3,690,000	1,417,806	3,050,000	2,279,438
2030	3,810,000	1,294,281	2,905,000	2,195,088
2031-2035	16,655,000	4,656,424	12,125,000	9,395,390
2036-2040	10,360,000	2,229,922	15,200,000	6,322,040
2041-2044	4,940,000	725,563	18,870,000	2,645,902
TOTAL	$ 56,780,000	$ 15,747,165	$ 61,980,000	$ 30,516,272

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. 2016 Refunding	$ 715,000	$ 1,570,000	$ 14,210,000	$ 16,495,000
G.O. 2020	2,135,000	5,885,000	12,695,000	20,715,000
G.O. 2022	-	5,160,000	-	5,160,000
G.O. 2024	-	17,865,000	-	17,865,000
G.O. 2025	9,505,000	19,145,000	14,265,000	42,915,000

The general obligation bonds outstanding amount for the enterprise funds at December 31, 2025 is $61,980,000.

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.

6. LONG-TERM OBLIGATIONS (Continued)

d. Leases Payable

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

The City entered into various lease arrangements for the right-to-use copiers. Payments ranging from $1,935 to $2,449 are due in monthly installments with various termination dates through November 2029. Total intangible right-to-use assets acquired under these agreements are $367,343.

The City entered into a lease arrangement on March 29, 2023 for the right-to-use cardiac equipment. Payments of $306,339 are due in annual installments through May 31, 2033. Total intangible right-to-use asset acquired under this agreement is $2,772,499.

The City entered into a lease arrangement May 28, 2025 for the right-to-use telecommunications tower. Payments of $21,600 are due in annual installments through May 27, 2030. Total intangible right-to-use asset acquired under this agreement is $107,587.

Annual debt service to maturity requirements are as follows:

Fiscal Year	Governmental Activities Principal	Governmental Activities Interest
2026	$ 340,358	$ 50,140
2027	342,780	42,581
2028	351,224	34,824
2029	330,863	27,276
2030	286,222	20,117
2031-2033	592,258	20,422
TOTAL	$ 2,243,705	$ 195,360

e. Subscriptions (SBITAs) Payable

The City entered into subscription arrangements for public safety software and administrative and financial software. In accordance with GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* (SBITA), the City's SBITA activity is as follows:

The City entered into subscription arrangements for public safety software lasting up to five years. At December 31, 2025, the City reported SBITA assets of $4,295,187 and liabilities in the amount of $1,808,362. Principal reduction of $792,030 was reported for the year ended December 31, 2025.

6. LONG-TERM OBLIGATIONS (Continued)

e. Subscriptions (SBITAs) Payable (Continued)

The City entered into subscription arrangements for administrative and financial software lasting up to five years. At December 31, 2025, the City reported SBITA assets of $7,229,629 and liabilities in the amount of $3,328,932. Principal reduction of $1,720,577 was reported for the year ended December 31, 2025.

The City entered into subscription arrangements for enterprise (water and electric) software lasting up to five years. At December 31, 2025, the City reported SBITA assets of $2,647,046 and liabilities in the amount of $1,323,503. Principal reduction of $833,704 was reported for the year ended December 31, 2025.

The Library entered into subscription arrangements for administrative software lasting up to five years. At December 31, 2025, the Library reported SBITA assets of $761,391 and liabilities in the amount of $499,264. Principal reduction of $145,988 was reported for the year ended December 31, 2025.

Annual debt service to maturity requirements are as follows:

Fiscal	Governmental Activities		Business-Type Activities	
Year	Principal	Interest	Principal	Interest
2026	$ 1,862,154	$ 130,231	$ 596,242	$ 34,157
2027	1,136,390	83,094	304,715	17,980
2028	567,335	54,916	289,423	10,333
2029	442,726	40,634	133,123	3,103
2030	366,615	29,346	-	-
2031-2033	762,074	29,848	-	-
TOTAL	$ 5,137,294	$ 368,069	$ 1,323,503	$ 65,573

Fiscal	Component Unit - Library	
Year	Principal	Interest
2026	$ 133,174	$ 12,749
2027	140,273	9,325
2028	147,668	5,716
2029	55,289	1,916
2030	22,860	533
TOTAL	$ 499,264	$ 30,239

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.

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, 2025, this liability totaled $664,111. The claims liability reported in the Self-Insurance Fund of $4,042,652 at December 31, 2025 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. Settlements have not exceeded coverage limits in the past three years.

Changes in the Self-Insurance Fund's claims liability amount for the fiscal year ended December 31, 2025 and 2024 were:

	2025	2024
CLAIMS LIABILITY, BEGINNING OF YEAR	$ 3,715,390	$ 6,669,441
Incurred claims	19,616,205	18,498,314
Claim payments	(19,288,943)	(21,452,365)
CLAIMS LIABILITY, END OF YEAR	$ 4,042,652	$ 3,715,390

8. COMMITMENTS AND CONTINGENCIES

DuPage Water Commission

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

Illinois Municipal Electric Agency

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, 2025 are $53.9 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.

8. COMMITMENTS AND CONTINGENCIES (Continued)

Naperville Renewable Energy Program (Continued)

The City holds primary responsibility for the program on behalf of its customers. During fiscal year 2025, the City collected $0.29 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 utility fund at December 31, 2025 is $0.31 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 development benchmarks are achieved. During the year ended December 31, 2025, $0.28 million in sales tax and $1.91 million in hotel tax were rebated under these agreements. The remaining $16.41 million will be payable over the next 18 years or sooner if the rebate thresholds are reached.

Brixmor Heritage Square, LLC - Block 59 Business District

The City, pursuant to a business district redevelopment agreement dated March 24, 2023, has agreed to reimburse the developer (Brixmor Heritage Square, LLC) for certain project costs the developer has incurred in the Block 59 Business District. The redevelopment agreement also contains a provision providing for the issuance of a business district revenue note not to exceed $13,400,000. The note, issued on December 19, 2025, is taxable in the par amount of $13,400,000 payable solely from the business district sales taxes generated within the Block 59 Business District. Interest on the notes shall accrue at a fixed rate of 6%. The City's revenue note was issued on December 19, 2025, and interest on the note will begin accruing. Unpaid interest on the note will compound annually. The note matures at the earlier of the expiration date of the business district or the full payment of the note. As of December 31, 2025 the principal balance of the note was $12,389,401.

Heinen's, Inc. - Heinen Business District

The City, pursuant to a business district redevelopment agreement dated August 20, 2024, has agreed to reimburse the developer (Heinen's, Inc.) for certain project costs the developer has incurred in the Heinen Business District. Specifically, the City agreed to reimbursement the developer for approved site development costs up to $275,000, payable solely from the business district sales taxes generated within the Heinen Business District. As of December 31, 2025, the outstanding balance is $231,195.

9. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS

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

The table below is a summary for all pension plans as of and for the year ended December 31, 2025:

	IMRF (City Share)	Police Pension	Firefighters' Pension	Total
Net pension liability (asset)	$ (12,985,589)	$ 40,109,984	$ 40,796,330	$ 67,920,725
Deferred outflows of resources	3,100,382	13,245,638	9,778,181	26,124,201
Deferred inflows of resources	22,004,302	23,572,873	28,666,405	74,243,580
Pension expense	7,407,952	8,445,968	8,700,082	24,554,002

a. Plan Descriptions

Illinois Municipal Retirement Fund

Plan Administration

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

Benefits Provided

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

9. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Benefits Provided (Continued)

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.

Plan Membership

As of December 31, 2025, the following employees were covered by the benefit terms:

Inactive plan members currently receiving benefits	1,023
Inactive plan members entitled to but not yet receiving benefits	895
Active plan members	844
TOTAL	2,762

9. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

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 2025 was 7.04% of covered payroll.

Net Pension Liability

The City's net pension liability was measured as of December 31, 2025. 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, 2025, using the following actuarial methods and assumptions:

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

For nondisabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 108.0%) and Female (adjusted 106.4%) tables, and future mortality improvements projected using scale MP-2021. 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-2021. 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-2021.

9. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

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's 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.

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Portfolio Target Percentage	Long-Term Expected Real Rate of Return
Domestic equity	32.50%	7.35%
International equity	18.00%	7.45%
Fixed income	24.00%	4.75%
Real estate	10.50%	6.25%
Alternative investments	14.00%	3.90% to 8.50%
Cash equivalents	1.00%	3.00%
TOTAL	100.00%	

9. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Long-Term Expected Rate of Return (Continued)

Discount Rate Sensitivity

The following is a sensitivity analysis of the net pension liability (asset) to changes in the discount rate. The table below presents the net pension liability (asset) of the City calculated using the discount rate of 7.25% as well as what the City's net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (6.25%) or 1 percentage point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net pension liability (asset) - City	$ 29,691,492	$ (12,985,589)	$ (47,040,880)
Net pension liability (asset) - Library	4,175,662	(1,826,228)	(6,615,592)
TOTAL	$ 33,867,154	$ (14,811,817)	$ (53,656,472)

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, 2025	$ 448,716,304	$ 426,604,828	$ 22,111,476
Changes for the period			
Service cost	6,181,171	-	6,181,171
Interest	31,862,246	-	31,862,246
Difference between expected and actual experience	(3,019,565)	-	(3,019,565)
Changes in assumptions	-	-	-
Employer contributions	-	5,263,626	(5,263,626)
Employee contributions	-	3,182,798	(3,182,798)
Net investment income	-	65,124,310	(65,124,310)
Benefit payments and refunds	(24,655,273)	(24,655,273)	-
Other (net transfer)	-	(1,623,589)	1,623,589
Net changes	10,368,579	47,291,872	(36,923,293)
BALANCES AT DECEMBER 31, 2025	$ 459,084,883	$ 473,896,700	$ (14,811,817)

	City	Library	Total
Beginning net pension liability at January 1, 2025	$ 19,333,687	$ 2,777,789	$ 22,111,476
Employer contributions - 2025	4,614,646	648,980	5,263,626
Ending net pension liability (asset) at December 31, 2025	(12,985,589)	(1,826,228)	(14,811,817)

9. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

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

For the fiscal year ended December 31, 2025, the City recognized pension expense of $7,407,952 and the Library recognized pension expense of $939,073. At December 31, 2025, the City and Library combined report deferred outflows of 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	$ 3,536,404	$ (2,010,420)	$ 1,525,984
Changes in assumption	-	(20,195)	(20,195)
Net difference between projected and actual earnings on pension plan investments	-	(23,068,261)	(23,068,261)
TOTAL	$ 3,536,404	$ (25,098,876)	$ (21,562,472)

	City	Library	Total
Share of deferred outflows	$ 3,100,382	$ 436,022	$ 3,536,404
Share of deferred inflows	(22,004,302)	(3,094,574)	(25,098,876)
TOTAL	$ (18,903,920)	$ (2,658,552)	$ (21,562,472)

9. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Changes in the Net Pension Liability (Continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to IMRF allocated between the City and Library will be recognized in pension expense in future periods as follows:

Fiscal Year	City	Library	Total
2026	$ 6,642,766	$ 934,205	$ 7,576,971
2027	(11,374,973)	(1,599,719)	(12,974,692)
2028	(8,062,503)	(1,133,870)	(9,196,373)
2029	(6,109,210)	(859,168)	(6,968,378)
2030	-	-	-
Thereafter	-	-	-
TOTAL	$ (18,903,920)	$ (2,658,552)	$ (21,562,472)

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, 2025, the measurement date, membership consisted of the following:

Inactive plan members currently receiving benefits	148
Inactive plan members entitled to but not yet receiving benefits	9
Active plan members	186
TOTAL	343

9. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Benefits Provided

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

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

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

9. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

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, 2025, the City's contribution was 38.97% of covered payroll.

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation performed, as of December 31, 2025, 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.

9. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Discount Rate

The discount rate used to measure the total pension liability at December 31, 2025 and December 31, 2024 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.

Discount Rate Sensitivity

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

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Net pension liability (asset)	$ 89,591,524	$ 40,109,984	$ (314,528)

9. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Changes in the Net Pension Liability

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT JANUARY 1, 2025	$ 336,214,224	$ 266,193,969	$ 70,020,255
Changes for the period			
Service cost	4,903,514	-	4,903,514
Interest	22,523,664	-	22,523,664
Difference between expected and actual experience	1,615,427	-	1,615,427
Changes in assumptions	-	-	-
Changes of benefit terms	-	-	-
Employer contributions	-	9,714,160	(9,714,160)
Employee contributions	-	2,470,550	(2,470,550)
Buy back contributions	657,450	657,450	-
Net investment income	-	46,842,043	(46,842,043)
Benefit payments and refunds	(14,867,652)	(14,867,652)	-
Administrative expense	-	(73,877)	73,877
Net changes	14,832,403	44,742,674	(29,910,271)
BALANCES AT DECEMBER 31, 2025	$ 351,046,627	$ 310,936,643	$ 40,109,984

The plan's fiduciary net position as a percentage of the total pension liability was 88.57% at December 31, 2025.

9. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

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

For the fiscal year ended December 31, 2025, the City recognized pension expense of $8,445,968. At December 31, 2025, the City reported deferred outflows of 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	$ 12,622,961	$ -	$ 12,622,961
Changes in assumption	622,677	-	622,677
Net difference between projected and actual earnings on pension plan investments	-	(23,572,873)	(23,572,873)
TOTAL	$ 13,245,638	$ (23,572,873)	$ (10,327,235)

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
2026	$ 3,156,443
2027	(7,398,237)
2028	(4,482,374)
2029	(3,746,141)
2030	1,912,299
Thereafter	230,775
TOTAL	$ (10,327,235)

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, 2025, the measurement date, membership consisted of the following:

Inactive plan members currently receiving benefits	156
Inactive plan members entitled to but not yet receiving benefits	8
Active plan members	192
TOTAL	356

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 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 firefighter during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Firefighters' salary for the pension purposes is capped at $106,800, plus the lesser of ½ of the annual change in the Consumer Price Index or 3% compounded.

The annual benefit shall be increased by 2.50% of such a salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e., ½% for each month under 55). The monthly benefit of a Tier 2 firefighter shall be increased annually at age 60 on the January 1st after the police office retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3% of ½ of the change in the Consumer Price Index for the proceeding calendar year.

Contributions

Covered employees are required to contribute 9.455% of their base salary to the Firefighters' Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The City is required to contribute the remaining amounts necessary to finance the plan and the administrative costs as actuarially determined by an enrolled actuary. However, effective January 1, 2011, ILCS requires the City to contribute a minimum amount annually calculated using the projected unit credit actuarial cost method that will result in the funding of 90% of the past service cost by the year 2040. However, the City is funding using the entry age normal actuarial cost method to fund 100% of the past service cost by the year 2033. For the fiscal year ended December 31, 2025, the City's contribution was 45.61% 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, 2025, 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-2021.

Discount Rate

The discount rate used to measure the total pension liability at December 31, 2025 and December 31, 2024 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.

9. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

<u>Firefighters' Pension Plan</u> (Continued)

Discount Rate Sensitivity

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

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Net pension liability (asset)	$ 91,093,559	$ 40,796,330	$ (308,376)

Changes in the Net Pension Liability

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT JANUARY 1, 2025	$ 342,261,492	$ 269,121,426	$ 73,140,066
Changes for the period			
Service cost	6,167,541	-	6,167,541
Interest	23,035,305	-	23,035,305
Changes of benefit terms	-	-	-
Difference between expected and actual experience	(733,534)	-	(733,534)
Changes in assumptions	-	-	-
Employer contributions	-	11,742,930	(11,742,930)
Employee contributions	-	2,434,059	(2,434,059)
Net investment income	-	46,750,699	(46,750,699)
Benefit payments and refunds	(14,330,531)	(14,330,531)	-
Administrative expense	-	(114,640)	114,640
Net changes	14,138,781	46,482,517	(32,343,736)
BALANCES AT DECEMBER 31, 2025	$ 356,400,273	$ 315,603,943	$ 40,796,330

9. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Firefighters' 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 88.55% at December 31, 2025.

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

For the fiscal year ended December 31, 2025, the City recognized pension expense of $8,700,082. At December 31, 2025, 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	$ 6,700,332	$ (3,458,327)	$ 3,242,005
Changes in assumption	3,077,849	-	3,077,849
Net difference between projected and actual earnings on pension plan investments	-	(25,208,078)	(25,208,078)
TOTAL	$ 9,778,181	$ (28,666,405)	$ (18,888,224)

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
2026	$ 2,301,934
2027	(9,607,530)
2028	(7,446,904)
2029	(5,020,252)
2030	989,319
Thereafter	(104,791)
TOTAL	$ (18,888,224)

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 and the Library's governmental activities.

	City	Library	Total
Beginning OPEB liability at January 1, 2025	$ 16,661,588	$ 419,048	$ 17,080,636
Ending OPEB liability at December 31, 2025	16,954,086	417,285	17,371,371

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, 2024 (most recent data available), membership consisted of:

Inactive employees currently receiving benefit payments	100
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	1,206
TOTAL	1,306
Participating employers	1

10. OTHER POSTEMPLOYMENT BENEFITS (Continued)

d. Total OPEB Liability

The total OPEB liability of $17,371,371 was measured as of December 31, 2025 and was determined by an actuarial valuation as of December 31, 2024.

e. Actuarial Assumptions and Other Inputs

The total OPEB liability at December 31, 2025, as determined by an actuarial valuation as of December 31, 2024 actuarial valuation, was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified. The total OPEB liability was rolled forward by the actuary using updated procedures to December 31, 2025, including updating the discount rate, as noted below:

Actuarial cost method	Entry-age normal
Actuarial value of assets	Not applicable
Salary increases	Varies by service
Discount rate	4.43%
Healthcare cost trend rates	8.50% Initial 4.00% Ultimate

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, 2025.

All mortality rates were based on the Pub-2010 mortality tables with fully generation improvement using Scale MP-2020.

10. OTHER POSTEMPLOYMENT BENEFITS (Continued)

f. Changes in the Total OPEB Liability

	Total OPEB Liability
BALANCES AT JANUARY 1, 2025	$ 17,080,636
Changes for the period	
Service cost	833,056
Interest	744,543
Difference between expected and actual experience	-
Changes in benefit terms	-
Changes in assumptions	(240,230)
Benefit payments	(1,046,634)
Net changes	290,735
BALANCES AT DECEMBER 31, 2025	$ 17,371,371

Changes in assumptions reflect a change in the discount rate from 4.28% for the reporting period ended December 31, 2024, to 4.43% for the reporting period ended December 31, 2025. There were also changes in the healthcare cost trend rates from the previous measurement date.

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 4.43% 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 (3.43%) or 1 percentage point higher (5.43%) than the current rate:

	1% Decrease (3.43%)	Current Discount Rate (4.43%)	1% Increase (5.43%)
Total OPEB liability - City	$ 18,622,293	$ 16,954,086	$ 15,516,411
Total OPEB liability - Library	458,344	417,285	381,900
TOTAL	$ 19,080,637	$ 17,371,371	$ 15,898,311

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 8.50% 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 (3.00% to 7.50%) or 1 percentage point higher (5.00% to 9.50%) than the current rate:

	1% Decrease	Current Healthcare Rate	1% Increase
Total OPEB Liability - City	$ 15,015,501	$ 16,954,086	$ 19,310,953
Total OPEB Liability - Library	369,571	417,285	475,294
TOTAL	$ 15,385,072	$ 17,371,371	$ 19,786,247

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

For the year ended December 31, 2025, the City and Library recognized OPEB expense of $1,388,156 and $34,166, respectively. At December 31, 2025, 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	$ 35,789	$ (373,095)	$ (337,306)
Changes in assumption	1,661,630	(3,297,703)	(1,636,073)
TOTAL	$ 1,697,419	$ (3,670,798)	$ (1,973,379)

	City	Library	Total
Share of deferred outflows	$ 1,656,645	$ 40,774	$ 1,697,419
Share of deferred inflows	(3,582,620)	(88,178)	(3,670,798)
TOTAL	$ (1,925,975)	$ (47,404)	$ (1,973,379)

10. OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

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

Year Ending December 31,	City	Library	Total
2026	$ (26,271)	$ (647)	$ (26,918)
2027	(194,265)	(4,781)	(199,046)
2028	(770,827)	(18,972)	(789,799)
2029	(674,091)	(16,591)	(690,682)
2030	(37,423)	(921)	(38,344)
Thereafter	(223,098)	(5,492)	(228,590)
TOTAL	$ (1,925,975)	$ (47,404)	$ (1,973,379)

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, 2025:

Balance Sheet

	General Operating	Special Revenue Building Reserve	Special Revenue Gift and Memorial	Total	Adjustment	Statement of Net Position
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES						
ASSETS						
Cash and cash equivalents	$ 2,257,219	$ 952,132	$ 15,972	$ 3,225,323	$ -	$ 3,225,323
Property taxes receivable, net of allowance for uncollectible accounts	17,818,697	-	-	17,818,697	-	17,818,697
Interest receivable	9,071	-	-	9,071	-	9,071
Net pension asset	-	-	-	-	1,826,228	1,826,228
Capital assets (net)						
Capital assets depreciated, net	-	-	-	-	9,301,512	9,301,512
Total assets	20,084,987	952,132	15,972	21,053,091	11,127,740	32,180,831
DEFERRED OUTFLOWS OF RESOURCES						
Deferred items - IMRF	-	-	-	-	436,022	436,022
Deferred items - OPEB	-	-	-	-	40,774	40,774
Total deferred outflows of resources	-	-	-	-	476,796	476,796
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 20,084,987	$ 952,132	$ 15,972	$ 21,053,091	$ 11,604,536	$ 32,657,627

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

Balance Sheet (Continued)

	General Operating	Special Revenue Building Reserve	Special Revenue Gift and Memorial	Special Revenue Total	Adjustment	Statement of Net Position
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES/ NET POSITION						
LIABILITIES						
Accounts payable	$ 309,456	$ 34,310	$ -	$ 343,766	$ -	$ 343,766
Accrued wages and benefits	167,353	-	-	167,353	-	167,353
Interest payable	-	-	-	-	7,243	7,243
Compensated absences	-	-	-	-	627,635	627,635
SBITAs	-	-	-	-	499,264	499,264
OPEB liability	-	-	-	-	417,285	417,285
Total liabilities	476,809	34,310	-	511,119	1,551,427	2,062,546
DEFERRED INFLOWS OF RESOURCES						
Deferred items - IMRF	-	-	-	-	3,094,574	3,094,574
Deferred items - OPEB	-	-	-	-	88,178	88,178
Unavailable/earned property tax revenue	17,818,697	-	-	17,818,697	-	17,818,697
Total deferred inflows of resources	17,818,697	-	-	17,818,697	3,182,752	21,001,449
Total liabilities and deferred inflows of resources	18,295,506	34,310	-	18,329,816	4,734,179	23,063,995
FUND BALANCES/ NET POSITION						
Fund balances						
Committed for culture and recreation	-	917,822	15,972	933,794	(933,794)	-
Unassigned	1,789,481	-	-	1,789,481	(1,789,481)	-
Net position						
Invested in capital assets	-	-	-	-	8,802,248	8,802,248
Restricted for net pension asset	-	-	-	-	1,826,228	1,826,228
Unrestricted	-	-	-	-	(1,034,844)	(1,034,844)
Total fund balances/ net position	1,789,481	917,822	15,972	2,723,275	6,870,357	9,593,632
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES/ NET POSITION	$ 20,084,987	$ 952,132	$ 15,972	$ 21,053,091	$ 11,604,536	$ 32,657,627

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

Statement of Net Position

	General Operating	Special Revenue Building Reserve	Special Revenue Gift and Memorial	Total	Adjustment	Statement of Activities
REVENUES						
Property taxes	$ 17,075,231	$ -	$ -	$ 17,075,231	$ -	$ 17,075,231
Fines and forfeits	49,572	-	-	49,572	-	49,572
Charges for services	19,631	-	-	19,631	-	19,631
Fees	203,212	-	-	203,212	-	203,212
Investment income	103,840	4,614	148	108,602	-	108,602
Contribution	404,983	-	2,610	407,593	779,265	1,186,858
Miscellaneous	19,526	-	-	19,526	-	19,526
Total revenues	17,875,995	4,614	2,758	17,883,367	779,265	18,662,632
EXPENDITURES/EXPENSES						
Current						
Culture and recreation	17,379,553	209,956	26,076	17,615,585	982,795	18,598,380
Debt service						
Principal	145,988	-	-	145,988	(145,988)	-
Interest	12,583	-	-	12,583	-	12,583
Total expenditures/expenses	17,538,124	209,956	26,076	17,774,156	836,807	18,610,963
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	337,871	(205,342)	(23,318)	109,211	(57,542)	51,669
OTHER FINANCING SOURCES (USES)						
Transfers in	-	350,000	-	350,000	(350,000)	-
Transfers (out)	(350,000)	-	-	(350,000)	350,000	-
SBITA issuances	148,816	-	-	148,816	(148,816)	-
Total other financing sources (uses)	(201,184)	350,000	-	148,816	(148,816)	-
NET CHANGE IN FUND BALANCES/NET POSITION	136,687	144,658	(23,318)	258,027	(206,358)	51,669
FUND BALANCES/ NET POSITION AT JANUARY 1, 2025	1,652,794	773,164	39,290	2,465,248	7,076,715	9,541,963
FUND BALANCES/ NET POSITION AT DECEMBER 31, 2025	$ 1,789,481	$ 917,822	$ 15,972	$ 2,723,275	$ 6,870,357	$ 9,593,632

12. LESSOR DISCLOSURES

In accordance with GASB Statement No. 87, *Leases*, the City's lessor activity as of and for the year ending December 31, 2025 is as follows:

	Date Range	Payments	Interest	Total Revenue Collected
DuPage Children's Museum	09/2010 - 10/2060	$5,171 monthly	1.541%	$ 61,506
Trillium Fuel Station land	05/2019 - 05/2029	$1,500 monthly (CPI annual increase)	0.978%	17,817
Cell tower	01/2022 - 12/2036	$3,810 monthly (3% annual increase)	0.330%	46,938
Cell tower	01/1994 - 01/2026	$11,000 annually	0.426%	10,857
Cell tower	09/2005 - 05/2030	$3,992 monthly (CPI annual increase)	0.426%	50,973
Cell tower	09/2005 - 10/2025	$2,798 monthly (15% annual increase)	0.552%	33,581
Cell tower	08/2000 - 08/2025	$4,198 monthly	0.512%	27,984
Parking tower	03/2015 - 12/2047	$29,229 quarterly	1.511%	116,917
TOTAL				$ 366,573

At December 31, 2025, the outstanding lease receivable and related deferred inflows of resources related to the agreements was $4,796,465 and $4,653,748, respectively.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF NAPERVILLE, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
NON-GAAP BUDGETARY BASIS
GENERAL FUND

For the Year Ended December 31, 2025

	Budgeted Amount Original	Budgeted Amount Final	Actual	Variance with Final Budget Under (Over)
REVENUES				
Property taxes	$ 30,377,906	$ 30,377,906	$ 30,175,192	$ 202,714
Utility tax	15,191,048	15,191,048	16,126,901	(935,853)
Other taxes	7,037,695	7,037,695	7,558,087	(520,392)
Intergovernmental	86,493,024	86,493,024	87,905,384	(1,412,360)
Charges for services	19,619,108	19,619,108	20,491,413	(872,305)
Licenses and permits	2,214,000	2,214,000	3,164,985	(950,985)
Fines and forfeitures	1,074,500	1,074,500	1,236,621	(162,121)
Franchise fees	2,486,893	2,486,893	2,287,744	199,149
Investment income	1,633,684	1,633,684	5,591,674	(3,957,990)
Miscellaneous	429,000	429,000	633,442	(204,442)
Total revenues	166,556,858	166,556,858	175,171,443	(8,614,585)
EXPENDITURES				
Current				
General government	22,859,587	22,090,406	20,011,187	2,079,219
Physical environment	10,813,467	10,810,083	10,461,197	348,886
Public safety	101,229,859	103,388,160	103,484,282	(96,122)
Transportation	27,089,690	25,703,954	23,755,292	1,948,662
Culture and recreation	103,299	103,299	86,405	16,894
Debt service				
Principal	2,513,841	2,513,841	2,513,841	-
Interest and fiscal charges	165,956	165,956	165,956	-
Total expenditures	164,775,699	164,775,699	160,478,160	4,297,539
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,781,159	1,781,159	14,693,283	(12,912,124)
OTHER FINANCING SOURCES (USES)				
Transfers (out)	(1,651,489)	(1,651,489)	(1,651,489)	-
Total other financing sources (uses)	(1,651,489)	(1,651,489)	(1,651,489)	-
NET CHANGE IN FUND BALANCE - BUDGETARY BASIS	$ 129,670	$ 129,670	13,041,794	$ (12,912,124)
ADJUSTMENTS TO GAAP BASIS				
SBITA issuance			1,608,895	
Capitalized SBITA assets			(1,608,895)	
Lease issuance			107,587	
Capitalized leased assets			(107,587)	
Total adjustments to GAAP basis			-	
NET CHANGE IN FUND BALANCE - GAAP BASIS			13,041,794	
FUND BALANCE, JANUARY 1			85,473,226	
FUND BALANCE, DECEMBER 31			$ 98,515,020	

(See independent auditor's report.)

CITY OF NAPERVILLE, ILLINOIS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION -
BUDGETARY COMPARISON SCHEDULE

December 31, 2025

Budgets are adopted on a basis consistent with GAAP with the exception of the General Fund. Annual budgets are adopted at the fund level for the Governmental and Proprietary Funds, except for the Heinen Business District Fund. 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. Budget amendments were made during the current fiscal year.

During the year ended December 31, 2025, expenditures exceeded the budget in the following governmental funds:

Fund	Final Budget	Expenditures
Foreign Fire Insurance Tax Fund	$ 532,200	$ 707,204

CITY OF NAPERVILLE, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND

Last Ten Fiscal Years

FISCAL YEAR ENDED DECEMBER 31,	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**
Actuarially determined contributions	$ 6,217,283	$ 6,233,486	$ 6,037,819	$ 5,155,923	$ 6,266,110	$ 6,825,231	$ 5,356,176	$ 5,034,166	$ 4,682,081	$ 4,989,643
Contributions in relation to the actuarially determined contribution	6,217,283	6,233,486	6,037,819	5,155,923	6,266,110	6,825,231	5,356,176	5,034,166	4,682,081	4,989,643
CONTRIBUTION DEFICIENCY (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 51,486,313	$ 52,718,201	$ 52,896,450	$ 53,906,933	$ 56,081,457	$ 59,432,005	$ 60,878,390	$ 63,776,012	$ 68,652,197	$ 70,880,871
Contributions as a percentage of covered payroll	12.08%	11.82%	11.41%	9.56%	11.17%	11.48%	8.80%	7.89%	6.82%	7.04%

Notes to the Required Supplementary Information

Actuarial cost method	Entry-age normal
Amortization method	Level % pay (closed)
Remaining amortization period	18 years
Asset valuation method	Five-year smoothed fair value
Inflation	2.25%
Salary increases	2.75% to 13.75%
Investment rate of return	7.25%
Retirement age	See the notes to financial statements
Mortality	See the notes to financial statements

CITY OF NAPERVILLE, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS
POLICE PENSION FUND

Last Ten Fiscal Years

FISCAL YEAR ENDED DECEMBER 31,	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**
Actuarially determined contributions	$ 5,829,394	$ 6,538,474	$ 7,129,194	$ 7,043,970	$ 7,290,728	$ 7,814,816	$ 8,089,611	$ 7,935,181	$ 8,074,603	$ 8,946,595
Contributions in relation to the actuarially determined contribution	5,829,394	6,538,474	7,129,194	7,043,970	7,290,728	7,814,816	8,089,611	7,935,181	8,074,603	8,946,595
CONTRIBUTION DEFICIENCY (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Additional voluntary contribution	$ 500,194	$ 139,333	$ 95,127	$ 92,532	$ 1,000	$ 70,459	$ 173,112	$ 759,101	$ 823,644	$ 767,565
Total contributions	$ 6,329,588	$ 6,677,807	$ 7,224,321	$ 7,136,502	$ 7,291,728	$ 7,885,275	$ 8,262,723	$ 8,694,282	$ 8,898,247	$ 9,714,160
Covered payroll	$ 17,893,623	$ 18,050,807	$ 17,795,368	$ 18,791,726	$ 19,141,544	$ 21,315,055	$ 20,844,894	$ 21,335,954	$ 22,773,047	$ 24,929,869
Contributions as a percentage of covered payroll	35.37%	36.99%	40.60%	37.98%	38.09%	36.99%	39.64%	40.75%	39.07%	38.97%

Notes to the Required Supplementary Information

Actuarial cost method	Entry-age normal
Amortization method	Level % pay (closed)
Remaining amortization period	10 years
Asset valuation method	Five-year smoothed fair value
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 five years past the valuation date with Scale MP-2021

CITY OF NAPERVILLE, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS
FIREFIGHTERS' PENSION FUND

Last Ten Fiscal Years

FISCAL YEAR ENDED DECEMBER 31,	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**
Actuarially determined contributions	$ 5,871,947	$ 7,237,440	$ 8,896,264	$ 8,939,980	$ 9,711,228	$ 10,255,249	$ 10,619,200	$ 10,011,276	$ 10,327,860	$ 10,999,453
Contributions in relation to the actuarially determined contribution	5,871,947	7,237,440	8,896,264	8,939,980	9,711,228	10,255,249	10,619,200	10,011,276	10,327,860	10,999,453
CONTRIBUTION DEFICIENCY (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Additional voluntary contribution	$ 543,549	$ 100,760	$ 107,960	$ 110,126	$ -	$ 104,812	$ 155,158	$ 762,824	$ 831,551	$ 743,477
Total contributions	$ 6,415,496	$ 7,338,200	$ 9,004,224	$ 9,050,106	$ 9,711,228	$ 10,360,061	$ 10,774,358	$ 10,774,100	$ 11,159,411	$ 11,742,930
Covered payroll	$ 18,576,954	$ 19,262,676	$ 19,168,091	$ 20,110,175	$ 21,705,627	$ 21,366,473	$ 21,211,867	$ 22,310,153	$ 22,596,404	$ 25,743,617
Contributions as a percentage of covered payroll	31.61%	37.57%	46.41%	44.46%	44.74%	48.00%	50.06%	44.87%	49.39%	45.61%

Notes to the Required Supplementary Information

Actuarial cost method	Entry-age normal
Amortization method	Level % pay (closed)
Remaining amortization period	10 years
Asset valuation method	Five-year smoothed fair value
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 five years past the valuation date with Scale MP-2021

(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 Ten Fiscal Years

MEASUREMENT DATE DECEMBER 31,	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
TOTAL PENSION LIABILITY										
Service cost	$ 5,569,481	$ 5,538,779	$ 5,185,160	$ 5,406,119	$ 5,532,729	$ 5,333,756	$ 5,586,570	$ 5,653,251	$ 5,752,478	$ 6,181,171
Interest	21,744,892	22,718,596	23,410,727	24,350,281	25,520,573	26,395,701	28,031,226	29,077,102	30,251,662	31,862,246
Changes in benefit terms	-	-	-	-	-	-	-	-	-	-
Differences between expected and actual experience	(2,265,178)	4,058,008	480,406	2,382,717	1,395,718	9,917,115	1,715,817	4,070,450	9,750,252	(3,019,565)
Change of assumptions	(740,500)	(9,514,997)	9,247,031	-	(2,662,728)	-	-	(244,424)	-	-
Benefit payments, including refunds of member contributions	(11,410,419)	(12,761,262)	(14,029,079)	(15,392,674)	(16,728,260)	(18,503,886)	(19,924,140)	(21,958,030)	(22,852,300)	(24,655,273)
Net change in total pension liability	12,898,276	10,039,124	24,294,245	16,746,443	13,058,032	23,142,686	15,409,473	16,598,349	22,902,092	10,368,579
Total pension liability - beginning	293,627,584	306,525,860	316,564,984	340,859,229	357,605,672	370,663,704	393,806,390	409,215,863	425,814,212	448,716,304
TOTAL PENSION LIABILITY - ENDING	$ 306,525,860	$ 316,564,984	$ 340,859,229	$ 357,605,672	$ 370,663,704	$ 393,806,390	$ 409,215,863	$ 425,814,212	$ 448,716,304	$ 459,084,883
PLAN FIDUCIARY NET POSITION										
Contributions - employer	$ 6,217,283	$ 6,233,486	$ 6,037,819	$ 5,155,923	$ 6,266,110	$ 6,825,231	$ 5,356,176	$ 5,034,166	$ 4,682,081	$ 5,263,626
Contributions - members	2,364,110	2,431,700	2,500,845	2,665,789	2,567,185	2,703,955	2,773,279	3,005,875	3,176,081	3,182,798
Net investment income	17,659,805	46,307,985	(15,495,449)	53,839,947	47,837,703	63,393,933	(54,058,150)	40,541,862	39,886,407	65,124,310
Benefit payments, including refunds of member contributions	(11,410,419)	(12,761,262)	(14,029,079)	(15,392,674)	(16,728,260)	(18,503,886)	(19,924,140)	(21,958,030)	(22,852,300)	(24,655,273)
Other	1,156,632	(3,683,564)	4,271,932	1,033,921	1,399,334	(250,791)	(411,876)	10,051,774	(4,573,903)	(1,623,589)
Net change in plan fiduciary net position	15,987,411	38,528,345	(16,713,932)	47,302,906	41,342,072	54,168,442	(66,264,711)	36,675,647	20,318,366	47,291,872
Plan fiduciary net position - beginning	255,260,282	271,247,693	309,776,038	293,062,106	340,365,012	381,707,084	435,875,526	369,610,815	406,286,462	426,604,828
PLAN FIDUCIARY NET POSITION - ENDING	$ 271,247,693	$ 309,776,038	$ 293,062,106	$ 340,365,012	$ 381,707,084	$ 435,875,526	$ 369,610,815	$ 406,286,462	$ 426,604,828	$ 473,896,700
EMPLOYER'S NET PENSION LIABILITY (ASSET)	$ 35,278,167	$ 6,788,946	$ 47,797,123	$ 17,240,660	$ (11,043,380)	$ (42,069,136)	$ 39,605,048	$ 19,527,750	$ 22,111,476	$ (14,811,817)

MEASUREMENT DATE DECEMBER 31,	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Plan fiduciary net position as a percentage of the total pension liability	88.49%	97.86%	85.98%	95.18%	102.98%	110.68%	90.32%	95.41%	95.07%	103.23%
Covered payroll	$ 51,486,313	$ 52,718,201	$ 52,896,450	$ 53,906,933	$ 56,081,457	$ 59,432,005	$ 60,878,390	$ 63,776,012	$ 68,652,197	$ 70,880,871
Employer's net pension liability as a percentage of covered payroll	68.52%	12.88%	90.36%	31.98%	(19.69%)	(70.79%)	65.06%	30.62%	32.21%	(20.90%)

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.

Measurement Date December 31, 2023 - There was a change with respect to actuarial assumptions. Changes in assumptions related the mortality rate.

CITY OF NAPERVILLE, ILLINOIS

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

Last Ten Fiscal Years

MEASUREMENT DATE DECEMBER 31,	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**
TOTAL PENSION LIABILITY										
Service cost	$ 4,113,967	$ 4,277,831	$ 4,341,621	$ 4,181,667	$ 3,975,082	$ 4,248,416	$ 4,371,545	$ 4,378,221	$ 4,634,402	$ 4,903,514
Interest	13,993,038	14,216,220	15,123,748	15,819,177	17,044,614	17,961,116	18,929,691	20,023,805	20,875,936	22,523,664
Changes in benefit terms	-	-	-	595,481	-	-	-	-	-	-
Differences between expected and actual experience	(11,518,319)	1,578,661	(1,365,474)	529,725	2,077,633	2,955,362	4,237,446	913,646	11,770,669	1,615,427
Change of assumptions	3,016,340	-	-	8,997,231	1,744,714	3,736,061	-	-	-	-
Contributions - buy back	-	-	-	-	32,078	458,679	1,165,117	499,000	1,163,296	657,450
Benefit payments, including refunds of member contributions	(6,365,209)	(6,817,646)	(7,525,979)	(8,484,509)	(9,278,600)	(10,650,950)	(11,846,990)	(13,155,753)	(13,737,618)	(14,867,652)
Net change in total pension liability	3,239,817	13,255,066	10,573,916	21,638,772	15,595,521	18,708,684	16,856,809	12,658,919	24,706,685	14,832,403
Total pension liability - beginning	198,980,035	202,219,852	215,474,918	226,048,834	247,687,606	263,283,127	281,991,811	298,848,620	311,507,539	336,214,224
TOTAL PENSION LIABILITY - ENDING	$ 202,219,852	$ 215,474,918	$ 226,048,834	$ 247,687,606	$ 263,283,127	$ 281,991,811	$ 298,848,620	$ 311,507,539	$ 336,214,224	$ 351,046,627
PLAN FIDUCIARY NET POSITION										
Contributions - employer	$ 6,329,588	$ 6,677,807	$ 7,224,321	$ 7,136,502	$ 7,291,728	$ 7,885,275	$ 8,262,723	$ 8,694,282	$ 8,898,247	9,714,160
Contributions - members	1,773,258	1,788,835	1,763,521	1,862,260	1,896,927	2,112,322	2,065,729	2,114,393	2,256,809	2,470,550
Contributions - other	21,704	-	-	-	32,078	458,679	1,165,117	499,000	1,163,296	657,450
Net investment income	11,562,097	20,204,239	(8,335,403)	28,666,783	24,922,152	27,524,492	(30,462,666)	29,178,702	23,162,495	46,842,043
Benefit payments, including refunds of member contributions	(6,386,913)	(6,817,646)	(7,525,979)	(8,484,509)	(9,278,600)	(10,650,950)	(11,846,990)	(13,155,753)	(13,737,618)	(14,867,652)
Administrative expense	(53,912)	(66,441)	(78,441)	(83,118)	(87,774)	(59,256)	(77,021)	(60,201)	(61,039)	(73,877)
Net change in plan fiduciary net position	13,245,822	21,786,794	(6,951,981)	29,097,918	24,776,511	27,270,562	(30,893,108)	27,270,423	21,682,190	44,742,674
Plan fiduciary net position - beginning	138,908,838	152,154,660	173,941,454	166,989,473	196,087,391	220,863,902	248,134,464	217,241,356	244,511,779	266,193,969
PLAN FIDUCIARY NET POSITION - ENDING	$ 152,154,660	$ 173,941,454	$ 166,989,473	$ 196,087,391	$ 220,863,902	$ 248,134,464	$ 217,241,356	$ 244,511,779	$ 266,193,969	$ 310,936,643
EMPLOYER'S NET PENSION LIABILITY	$ 50,065,192	$ 41,533,464	$ 59,059,361	$ 51,600,215	$ 42,419,225	$ 33,857,347	$ 81,607,264	$ 66,995,760	$ 70,020,255	$ 40,109,984

MEASUREMENT DATE DECEMBER 31,	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Plan fiduciary net position as a percentage of the total pension liability	75.24%	80.72%	73.87%	79.17%	83.89%	87.99%	72.69%	78.49%	79.17%	88.57%
Covered payroll	$ 17,893,623	$ 18,050,807	$ 17,795,368	$ 18,791,726	$ 19,141,544	$ 21,315,055	$ 20,844,894	$ 21,335,954	$ 22,773,047	$ 24,929,869
Employer's net pension liability as a percentage of covered payroll	279.79%	230.09%	331.88%	274.59%	221.61%	158.84%	391.50%	314.00%	307.47%	160.89%

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%.

CITY OF NAPERVILLE, ILLINOIS

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

Last Ten Fiscal Years

MEASUREMENT DATE DECEMBER 31,	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
TOTAL PENSION LIABILITY										
Service cost	$ 5,196,429	$ 5,414,018	$ 5,195,663	$ 5,419,442	$ 5,343,193	$ 5,780,537	$ 5,731,999	$ 5,941,162	$ 6,117,301	$ 6,167,541
Interest	14,032,562	14,813,198	15,645,078	16,654,316	18,019,207	18,972,785	20,105,169	20,796,537	21,587,540	23,035,305
Changes in benefit terms	-	-	-	770,343	-	-	-	-	-	-
Differences between expected and actual experience	(5,954,167)	(96,584)	2,403,795	(1,444,815)	797,795	3,606,171	(3,467,192)	(2,035,319)	7,658,769	(733,534)
Change of assumptions	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	(6,423,714)	(7,535,884)	(8,551,855)	(9,594,725)	(10,393,422)	(10,824,407)	(11,953,787)	(12,719,506)	(13,600,428)	(14,330,531)
Net change in total pension liability	11,490,437	12,610,341	14,715,341	23,704,731	15,605,185	21,492,617	10,416,189	11,982,874	21,763,182	14,138,781
Total pension liability - beginning	198,480,595	209,971,032	222,581,373	237,296,714	261,001,445	276,606,630	298,099,247	308,515,436	320,498,310	342,261,492
TOTAL PENSION LIABILITY - ENDING	$ 209,971,032	$ 222,581,373	$ 237,296,714	$ 261,001,445	$ 276,606,630	$ 298,099,247	$ 308,515,436	$ 320,498,310	$ 342,261,492	$ 356,400,273
PLAN FIDUCIARY NET POSITION										
Contributions - employer	$ 6,415,496	$ 7,338,200	$ 9,004,224	$ 9,050,106	$ 9,711,228	$ 10,360,061	$ 10,774,358	$ 10,774,100	$ 11,159,411	$ 11,742,930
Contributions - members	1,756,451	1,821,286	1,812,343	1,901,417	2,052,267	2,020,200	2,005,582	2,109,425	2,136,490	2,434,059
Contributions buy-back	-	15,593	22,660	-	-	-	-	-	-	-
Net investment income	11,586,944	20,265,831	(9,573,948)	29,456,020	19,784,694	26,677,515	(36,324,924)	32,115,833	26,075,834	46,750,699
Benefit payments, including refunds of member contributions	(6,423,714)	(7,535,884)	(8,551,855)	(9,594,725)	(10,393,422)	(10,824,407)	(11,953,787)	(12,719,507)	(13,600,428)	(14,330,531)
Administrative expense	(123,773)	(126,490)	(109,783)	(131,445)	(112,884)	(130,042)	(112,025)	(91,197)	(97,345)	(114,640)
Net change in plan fiduciary net position	13,211,404	21,778,536	(7,396,359)	30,681,373	21,041,883	28,103,327	(35,610,796)	32,188,654	25,673,962	46,482,517
Plan fiduciary net position - beginning	139,449,442	152,660,846	174,439,382	167,043,023	197,724,396	218,766,279	246,869,606	211,258,810	243,447,464	269,121,426
PLAN FIDUCIARY NET POSITION - ENDING	$ 152,660,846	$ 174,439,382	$ 167,043,023	$ 197,724,396	$ 218,766,279	$ 246,869,606	$ 211,258,810	$ 243,447,464	$ 269,121,426	$ 315,603,943
EMPLOYER'S NET PENSION LIABILITY	$ 57,310,186	$ 48,141,991	$ 70,253,691	$ 63,277,049	$ 57,840,351	$ 51,229,641	$ 97,256,626	$ 77,050,846	$ 73,140,066	$ 40,796,330

MEASUREMENT DATE DECEMBER 31,	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Plan fiduciary net position as a percentage of the total pension liability	72.71%	78.37%	70.39%	75.76%	79.09%	82.81%	68.48%	75.96%	78.63%	88.55%
Covered payroll	$ 18,576,954	$ 19,262,676	$ 19,168,091	$ 20,110,175	$ 21,705,627	$ 21,366,473	$ 21,211,867	$ 22,310,153	$ 22,596,404	$ 25,743,617
Employer's net pension liability as a percentage of covered payroll	308.50%	249.92%	366.51%	314.65%	266.48%	239.77%	458.50%	345.36%	323.68%	158.47%

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%.

CITY OF NAPERVILLE, ILLINOIS

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

Last Eight Fiscal Years

MEASUREMENT DATE DECEMBER 31,	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**
TOTAL OPEB LIABILITY								
Service cost	$ 592,889	$ 530,088	$ 657,205	$ 985,979	$ 953,588	$ 718,508	$ 802,016	$ 833,056
Interest	530,864	602,786	538,707	422,281	483,393	711,080	702,010	744,543
Changes of benefit terms	-	-	-	-	-	-	-	-
Differences between expected and actual experience	-	-	20,112	-	(746,187)	-	39,551	-
Changes of assumptions	(1,040,027)	1,376,979	4,705,917	(792,930)	(4,472,526)	500,846	(707,855)	(240,230)
Benefit payments, including refunds of member contributions	(721,170)	(782,469)	(845,067)	(943,862)	(1,014,652)	(927,305)	(996,853)	(1,046,634)
Net change in total OPEB liability	(637,444)	1,727,384	5,076,874	(328,532)	(4,796,384)	1,003,129	(161,131)	290,735
Total OPEB liability - beginning	15,196,740	14,559,296	16,286,680	21,363,554	21,035,022	16,238,638	17,241,767	17,080,636
TOTAL OPEB LIABILITY - ENDING	$ 14,559,296	$ 16,286,680	$ 21,363,554	$ 21,035,022	$ 16,238,638	$ 17,241,767	$ 17,080,636	$ 17,371,371

MEASUREMENT DATE DECEMBER 31,	2018	2019	2020	2021	2022	2023	2024	2025
Covered-employee payroll	$ 85,747,519	$ 88,525,739	$ 96,082,777	$ 99,858,830	$ 94,853,762	$ 99,112,696	$ 104,884,878	$ 110,129,122
Employer's total OPEB liability as a percentage of covered-employee payroll	16.98%	18.40%	22.23%	21.06%	17.12%	17.40%	16.29%	15.77%

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

December 31, 2025: Changes in assumptions reflect a change in the discount rate from 4.28% to 4.43%. Also reflected as assumption changes are updated health care costs trend rates.

December 31, 2024: Changes in assumptions reflect a change in the discount rate from 4.00% to 4.28%. Also reflected as assumption changes are updated health care costs and premiums and updated health care cost trend rates.

December 31, 2023: Changes in assumptions reflect a change in the discount rate from 4.31% to 4.00%.

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

CITY OF NAPERVILLE, ILLINOIS

SCHEDULE OF INVESTMENT RETURNS
POLICE PENSION FUND

Last Ten Fiscal Years

FISCAL YEAR ENDED DECEMBER 31,	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Annual money-weighted rate of return, net of investment expense	8.41%	13.29%	(4.73%)	16.89%	12.78%	12.57%	(12.30%)	13.70%	9.80%	17.79%

(See independent auditor's report.)

CITY OF NAPERVILLE, ILLINOIS

SCHEDULE OF INVESTMENT RETURNS
FIREFIGHTERS' PENSION FUND

Last Ten Fiscal Years

FISCAL YEAR ENDED DECEMBER 31,	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**
Annual money-weighted rate of return, net of investment expense	8.32%	13.31%	(5.43%)	17.67%	10.03%	12.27%	(15.80%)	15.37%	10.89%	17.53%

(See independent auditor's report.)

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

MAJOR GOVERNMENTAL FUNDS

GENERAL FUND

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

DEBT SERVICE FUND

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

CAPITAL PROJECTS FUND

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

CITY OF NAPERVILLE, ILLINOIS

DETAILED SCHEDULE OF REVENUES - BUDGET AND ACTUAL
NON-GAAP BUDGETARY BASIS
GENERAL FUND

For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Under (Over)
PROPERTY TAXES				
General	$ 10,431,858	$ 10,431,858	$ 10,361,087	$ 70,771
Police Pension	8,946,595	8,946,595	8,890,696	55,899
Firefighters' Pension	10,999,453	10,999,453	10,923,409	76,044
Total property taxes	30,377,906	30,377,906	30,175,192	202,714
UTILITY TAXES	15,191,048	15,191,048	16,126,901	(935,853)
OTHER TAXES				
Auto rental tax	166,000	166,000	191,919	(25,919)
Real estate transfer tax	4,624,000	4,624,000	4,972,820	(348,820)
Hotel/motel tax	1,986,000	1,986,000	2,167,695	(181,695)
Cannabis tax	261,695	261,695	225,653	36,042
Total other taxes	7,037,695	7,037,695	7,558,087	(520,392)
INTERGOVERNMENTAL REVENUE				
Sales and use tax	58,955,364	58,955,364	59,846,088	(890,724)
State income tax	26,429,598	26,429,598	26,968,690	(539,092)
Personal property replacement tax	699,226	699,226	430,293	268,933
Federal grants	246,000	246,000	209,425	36,575
State grants	162,836	162,836	450,888	(288,052)
Total intergovernmental revenue	86,493,024	86,493,024	87,905,384	(1,412,360)
CHARGES FOR SERVICES				
Operational transfer	5,813,089	5,813,089	5,635,280	177,809
Developer contributions	100,000	100,000	-	100,000
Rental income	5,100	5,100	40,676	(35,576)
Administrative tow fee	200,000	200,000	219,017	(19,017)
DPW - services for DPU	147,813	147,813	420,303	(272,490)
N.F.P.D. - contract	1,504,060	1,504,060	1,417,452	86,608
Ambulance fees	9,200,000	9,200,000	9,333,382	(133,382)
Fire services	220,500	220,500	194,048	26,452
Fire alarm monitoring	872,000	872,000	900,383	(28,383)
Police services	805,646	805,646	873,193	(67,547)
Billable TED service	52,000	52,000	41,903	10,097
TED services	-	-	146,455	(146,455)
Engineering fees	100,000	100,000	571,509	(471,509)
Entitlement fees	90,000	90,000	196,190	(106,190)
Household hazardous waste	160,000	160,000	160,000	-
Department service charges	-	-	94,197	(94,197)
Other charges for services	348,900	348,900	247,425	101,475
Total charges for services	19,619,108	19,619,108	20,491,413	(872,305)

(This schedule is continued on the following pages.)

CITY OF NAPERVILLE, ILLINOIS

DETAILED SCHEDULE OF REVENUES - BUDGET AND ACTUAL (Continued)
NON-GAAP BUDGETARY BASIS
GENERAL FUND

For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Under (Over)
LICENSES AND PERMITS				
Licenses				
Liquor	$ 635,000	$ 635,000	$ 655,794	$ (20,794)
Tobacco	18,000	18,000	16,200	1,800
Business license	1,650	1,650	7,750	(6,100)
Basset	46,000	46,000	4,560	41,440
Electric license	28,750	28,750	31,625	(2,875)
Contractor license	15,600	15,600	15,440	160
Total licenses	745,000	745,000	731,369	13,631
Permits				
Commercial	675,000	675,000	1,096,747	(421,747)
Residential	710,000	710,000	1,167,371	(457,371)
Plan review	-	-	92,192	(92,192)
Fire alarm/sprinkler	63,000	63,000	72,953	(9,953)
Other	21,000	21,000	4,353	16,647
Total permits	1,469,000	1,469,000	2,433,616	(964,616)
Total licenses and permits	2,214,000	2,214,000	3,164,985	(950,985)
FINES AND FORFEITURES				
Traffic	825,000	825,000	733,819	91,181
Ordinance violations	17,500	17,500	41,875	(24,375)
Parking	75,000	75,000	374,860	(299,860)
Other	157,000	157,000	86,067	70,933
Total fines and forfeitures	1,074,500	1,074,500	1,236,621	(162,121)
FRANCHISE FEES				
RCN - cable franchise fee	225,000	225,000	214,358	10,642
RCN - 1% support fee	49,000	49,000	42,872	6,128
Comcast - cable franchise fee	1,382,000	1,382,000	1,255,860	126,140
Comcast - 1% support fee	282,000	282,000	251,172	30,828
Lease revenue	383,893	383,893	399,218	(15,325)
AT&T - cable franchise fee	141,000	141,000	103,553	37,447
AT&T - 1% support fee	24,000	24,000	20,711	3,289
Total franchise fees	2,486,893	2,486,893	2,287,744	199,149
INVESTMENT INCOME	1,633,684	1,633,684	5,591,674	(3,957,990)

(This schedule is continued on the following page.)

CITY OF NAPERVILLE, ILLINOIS

DETAILED SCHEDULE OF REVENUES - BUDGET AND ACTUAL (Continued)
NON-GAAP BUDGETARY BASIS
GENERAL FUND

For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Under (Over)
MISCELLANEOUS				
Late payment charge	$ 32,000	$ 32,000	$ 49,379	$ (17,379)
Sale of surplus property	41,000	41,000	14,538	26,462
Bad debt recovery	50,000	50,000	57,748	(7,748)
Damage to city property	100,000	100,000	74,426	25,574
Rebate programs	55,000	55,000	48,917	6,083
Tree reimbursement	51,000	51,000	161,770	(110,770)
Miscellaneous revenues	100,000	100,000	226,664	(126,664)
Total miscellaneous	429,000	429,000	633,442	(204,442)
TOTAL REVENUES	$ 166,556,858	$ 166,556,858	$ 175,171,443	$ (8,614,585)

(See independent auditor's report.)

CITY OF NAPERVILLE, ILLINOIS

DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
NON-GAAP BUDGETARY BASIS
GENERAL FUND

For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Under (Over)
GENERAL GOVERNMENT				
Legislative				
Mayor and City Council				
Salaries and wages	$ 241,254	$ 241,254	$ 180,414	$ 60,840
Benefits and related	55,969	55,969	39,607	16,362
Contracted services	21,235	21,235	8,663	12,572
Internal services	6,524	6,524	6,528	(4)
Supplies	2,500	2,500	1,738	762
Total Mayor and City Council	327,482	327,482	236,950	90,532
Alcohol and Tobacco Commission				
Contracted services	21,700	21,700	10,728	10,972
Supplies	3,050	3,050	1,466	1,584
Total Alcohol and Tobacco Commission	24,750	24,750	12,194	12,556
Legal				
Legal department				
Salaries and wages	719,687	719,687	755,154	(35,467)
Benefits and related	212,716	212,716	226,248	(13,532)
Contracted services	36,000	36,000	27,916	8,084
Internal services	5,931	5,931	5,928	3
Supplies	15,000	15,000	10,894	4,106
Total legal department	989,334	989,334	1,026,140	(36,806)
Executive				
City Manager’s Office				
Salaries and wages	654,539	654,539	653,823	716
Benefits and related	165,948	165,948	159,305	6,643
Contracted services	200,950	200,950	205,589	(4,639)
Internal services	9,863	9,863	9,864	(1)
Supplies	27,000	27,000	19,466	7,534
Total City Manager’s Office	1,058,300	1,058,300	1,048,047	10,253
Sister Cities Commission				
Contracted services	3,350	3,350	1,195	2,155
Total Sister Cities Commission	3,350	3,350	1,195	2,155
Board of Fire and Police				
Contracted services	215,900	215,900	152,455	63,445
Supplies	4,100	4,100	3,417	683
Total Board of Fire and Police	220,000	220,000	155,872	64,128

(This schedule is continued on the following pages.)

DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (Continued)
NON-GAAP BUDGETARY BASIS
GENERAL FUND

For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Under (Over)
GENERAL GOVERNMENT (Continued)				
Executive (Continued)				
Communications				
Salaries and wages	$ 596,487	$ 596,487	$ 616,007	$ (19,520)
Benefits and related	159,051	159,051	164,182	(5,131)
Contracted services	226,740	226,740	120,558	106,182
Supplies	3,000	3,000	294	2,706
Total communications	985,278	985,278	901,041	84,237
Human resources				
Salaries and wages	823,896	823,896	792,510	31,386
Benefits and related	255,032	255,032	243,141	11,891
Contracted services	399,191	399,191	324,758	74,433
Internal services	5,931	5,931	5,928	3
Supplies	52,500	52,500	24,271	28,229
Total human resources	1,536,550	1,536,550	1,390,608	145,942
City Clerk				
Community Services Department				
Salaries and wages	640,233	640,233	610,097	30,136
Benefits and related	218,560	218,560	217,303	1,257
Contracted services	52,789	52,789	43,045	9,744
Internal services	5,931	5,931	5,928	3
Supplies	118,000	118,000	115,325	2,675
Total Community Services Department	1,035,513	1,035,513	991,698	43,815
Reproduction micrographics service				
Salaries and wages	142,513	142,513	145,356	(2,843)
Benefits and related	60,498	60,498	52,092	8,406
Contracted services	164,225	164,225	80,450	83,775
Supplies	109,550	109,550	73,793	35,757
Total reproduction micrographics service	476,786	476,786	351,691	125,095
Information technology				
Salaries and wages	3,587,178	3,587,178	3,586,712	466
Benefits and related	1,064,696	1,064,696	1,102,919	(38,223)
Contracted services	4,666,257	3,897,076	3,091,600	805,476
Supplies	282,328	282,328	68,301	214,027
Internal services	42,702	42,702	42,708	(6)
Total information technology	9,643,161	8,873,980	7,892,240	981,740

(This schedule is continued on the following pages.)

CITY OF NAPERVILLE, ILLINOIS

DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (Continued)
NON-GAAP BUDGETARY BASIS
GENERAL FUND

For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Under (Over)
GENERAL GOVERNMENT (Continued)				
Financial administration				
Administration				
Salaries and wages	$ 1,176,342	$ 1,176,342	$ 1,103,199	$ 73,143
Benefits and related	350,177	350,177	293,952	56,225
Contracted services	1,003,390	1,003,390	933,308	70,082
Internal services	29,144	29,144	29,148	(4)
Supplies	34,500	34,500	25,271	9,229
Total administration	2,593,553	2,593,553	2,384,878	208,675
Billing and collection				
Salaries and wages	165,435	165,435	161,862	3,573
Benefits and related	50,742	50,742	51,175	(433)
Contracted services	31,850	31,850	33,431	(1,581)
Total billing and collection	248,027	248,027	246,468	1,559
General services	3,717,503	3,717,503	3,372,165	345,338
Total general government	22,859,587	22,090,406	20,011,187	2,079,219
PHYSICAL ENVIRONMENT				
Development review team				
Salaries and wages	2,127,424	2,113,251	2,081,618	31,633
Benefits and related	642,937	642,937	652,260	(9,323)
Contracted services	98,000	98,000	99,147	(1,147)
Capital maintenance	1,300	1,300	-	1,300
Total development review team	2,869,661	2,855,488	2,833,025	22,463
Special projects team				
Salaries and wages	1,426,135	1,472,919	1,492,939	(20,020)
Benefits and related	462,504	462,504	454,997	7,507
Contracted services	188,125	188,125	83,926	104,199
Internal services	78,642	78,642	78,636	6
Supplies	59,700	59,700	52,711	6,989
Total special projects team	2,215,106	2,261,890	2,163,209	98,681
Planning				
Salaries and wages	633,897	620,734	598,986	21,748
Benefits and related	126,092	126,092	129,390	(3,298)
Contracted services	175,000	175,000	31,724	143,276
Total planning	934,989	921,826	760,100	161,726

(This schedule is continued on the following pages.)

DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (Continued)
NON-GAAP BUDGETARY BASIS
GENERAL FUND

For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Under (Over)
PHYSICAL ENVIRONMENT (Continued)				
Public buildings				
Salaries and wages	$ 1,277,687	$ 1,254,855	$ 1,401,291	$ (146,436)
Benefits and related	398,514	398,514	419,555	(21,041)
Contracted services	1,723,500	1,723,500	1,606,973	116,527
Supplies	1,394,010	1,394,010	1,277,044	116,966
Total public buildings	4,793,711	4,770,879	4,704,863	66,016
Total physical environment	10,813,467	10,810,083	10,461,197	348,886
PUBLIC SAFETY				
Police				
Police administration				
Salaries and wages	2,390,676	2,415,821	2,301,053	114,768
Benefits and related	10,282,792	10,282,792	10,236,224	46,568
Contracted services	1,235,318	1,235,318	730,371	504,947
Internal services	801,048	801,048	801,048	-
Supplies	922,034	922,034	832,564	89,470
Total police administration	15,631,868	15,657,013	14,901,260	755,753
Patrol				
Salaries and wages	19,638,442	19,981,767	20,094,214	(112,447)
Benefits and related	3,017,004	3,017,004	2,996,314	20,690
Contracted services	63,125	63,125	79,969	(16,844)
Supplies	114,520	114,520	109,952	4,568
Total patrol	22,833,091	23,176,416	23,280,449	(104,033)
Investigations				
Salaries and wages	9,642,948	9,951,299	9,942,648	8,651
Benefits and related	1,421,784	1,421,784	1,551,579	(129,795)
Contracted services	329,470	329,470	399,092	(69,622)
Supplies	147,650	137,650	146,833	(9,183)
Total investigations	11,541,852	11,840,203	12,040,152	(199,949)
Communications				
Salaries and wages	2,876,083	2,876,083	2,738,896	137,187
Benefits and related	842,101	842,101	866,248	(24,147)
Contracted services	716,585	716,585	801,845	(85,260)
Supplies	38,801	38,801	24,306	14,495
Total communications	4,473,570	4,473,570	4,431,295	42,275

(This schedule is continued on the following pages.)

CITY OF NAPERVILLE, ILLINOIS

DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (Continued)
NON-GAAP BUDGETARY BASIS
GENERAL FUND

For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Under (Over)
PUBLIC SAFETY (Continued)				
Fire				
Fire administration				
Salaries and wages	$ 2,402,962	$ 2,444,465	$ 2,452,878	$ (8,413)
Benefits and related	12,258,452	12,258,452	12,161,021	97,431
Contracted services	1,139,250	1,139,250	962,028	177,222
Internal services	363,664	363,664	363,924	(260)
Supplies	674,000	674,000	636,286	37,714
Total fire administration	16,838,328	16,879,831	16,576,137	303,694
Operations division				
Salaries and wages	25,556,400	27,006,377	27,720,800	(714,423)
Benefits and related	3,551,250	3,551,250	3,829,452	(278,202)
Contracted services	424,600	424,600	373,017	51,583
Supplies	378,900	378,900	331,720	47,180
Total operations division	29,911,150	31,361,127	32,254,989	(893,862)
Total public safety	101,229,859	103,388,160	103,484,282	(96,122)
TRANSPORTATION				
Public works				
Administration				
Salaries and wages	1,794,885	1,648,691	1,671,276	(22,585)
Benefits and related	529,279	529,279	536,720	(7,441)
Contracted services	1,853,500	1,553,500	1,692,087	(138,587)
Internal services	178,157	178,157	178,164	(7)
Supplies	443,850	443,850	157,936	285,914
Total administration	4,799,671	4,353,477	4,236,183	117,294
Operations and maintenance				
Salaries and wages	6,152,243	5,865,027	5,744,647	120,380
Benefits and related	1,749,425	1,708,723	1,616,160	92,563
Contracted services	3,280,585	2,740,585	2,549,827	190,758
Supplies	1,649,500	1,649,500	1,571,211	78,289
Total operations and maintenance	12,831,753	11,963,835	11,481,845	481,990
Fleet services				
Salaries and wages	1,603,712	1,603,712	1,608,339	(4,627)
Benefits and related	526,703	526,703	537,198	(10,495)
Contracted services	990,450	990,450	574,542	415,908
Supplies	2,753,130	2,753,130	2,002,121	751,009
Total fleet services	5,873,995	5,873,995	4,722,200	1,151,795

(This schedule is continued on the following page.)

CITY OF NAPERVILLE, ILLINOIS

DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (Continued)
NON-GAAP BUDGETARY BASIS
GENERAL FUND

For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Under (Over)
TRANSPORTATION (Continued)				
Transportation and engineering				
Administration				
Salaries and wages	$ 1,329,526	$ 1,257,902	$ 1,268,315	$ (10,413)
Benefits and related	386,395	386,395	316,504	69,891
Contracted services	1,672,350	1,672,350	1,554,789	117,561
Supplies	196,000	196,000	175,456	20,544
Total administration	3,584,271	3,512,647	3,315,064	197,583
Total transportation	27,089,690	25,703,954	23,755,292	1,948,662
CULTURE AND RECREATION				
Riverwalk				
Salaries and wages	33,117	33,117	33,147	(30)
Benefits and related	16,822	16,822	12,847	3,975
Contracted services	53,210	53,210	40,411	12,799
Supplies	150	150	-	150
Total riverwalk	103,299	103,299	86,405	16,894
Total culture and recreation	103,299	103,299	86,405	16,894
DEBT SERVICE				
Principal	2,513,841	2,513,841	2,513,841	-
Interest and fees	165,956	165,956	165,956	-
Total debt service	2,679,797	2,679,797	2,679,797	-
TOTAL EXPENDITURES - BUDGETARY BASIS	$ 164,775,699	$ 164,775,699	160,478,160	$ 4,297,539
ADJUSTMENTS TO GAAP BASIS				
Capitalized SBITA assets			1,608,895	
Capitalized leased assets			107,587	
Total adjustments to GAAP basis			1,716,482	
TOTAL EXPENDITURES - GAAP BASIS			$ 162,194,642	

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, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Under (Over)
REVENUES				
Property taxes	$ 7,439,865	$ 7,439,865	$ 7,462,334	$ (22,469)
Investment income	168,173	168,173	430,183	(262,010)
Total revenues	7,608,038	7,608,038	7,892,517	(284,479)
EXPENDITURES				
Debt service				
Principal	7,183,250	8,875,550	8,603,250	272,300
Interest and fiscal charges	1,625,106	1,625,106	1,897,324	(272,218)
Total expenditures	8,808,356	10,500,656	10,500,574	82
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,200,318)	(2,892,618)	(2,608,057)	(284,561)
OTHER FINANCING SOURCES (USES)				
Transfers in	2,075,996	2,075,996	1,769,200	306,796
Total other financing sources (uses)	2,075,996	2,075,996	1,769,200	306,796
NET CHANGE IN FUND BALANCE	$ 875,678	$ (816,622)	(838,857)	$ 22,235
FUND BALANCE, JANUARY 1			5,456,599	
FUND BALANCE, DECEMBER 31			$ 4,617,742	

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, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Under (Over)
REVENUES				
Intergovernmental				
Sales taxes	$ 19,138,000	$ 19,138,000	$ 23,131,931	$ (3,993,931)
Grants	12,800,000	12,800,000	1,029,440	11,770,560
Contributions	2,735,000	2,735,000	1,451,454	1,283,546
Investment income	864,892	864,892	2,079,237	(1,214,345)
Miscellaneous	387,000	387,000	6,899,791	(6,512,791)
Total revenues	35,924,892	35,924,892	34,591,853	1,333,039
EXPENDITURES				
Capital outlay	60,663,206	60,663,206	34,079,083	26,584,123
Debt service				
Principal	306,564	306,564	255,586	50,978
Interest and fiscal charges	-	-	128,863	(128,863)
Total expenditures	60,969,770	60,969,770	34,463,532	26,506,238
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(25,044,878)	(25,044,878)	128,321	(25,173,199)
OTHER FINANCING SOURCES (USES)				
Transfers in	1,310,259	1,310,259	235,734	1,074,525
Bond issuance	14,188,441	14,188,441	14,265,000	(76,559)
Bond premium issuance	811,559	811,559	811,559	-
Total other financing sources (uses)	16,310,259	16,310,259	15,312,293	997,966
NET CHANGE IN FUND BALANCE	$ (8,734,619)	$ (8,734,619)	15,440,614	$ (24,175,233)
FUND BALANCE, JANUARY 1			20,664,708	
FUND BALANCE, DECEMBER 31			$ 36,105,322	

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.

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.

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.

NONMAJOR GOVERNMENTAL FUNDS (Continued)

SPECIAL REVENUE FUNDS (Continued)

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.

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.

NONMAJOR GOVERNMENTAL FUNDS (Continued)

SPECIAL REVENUE FUNDS (Continued)

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.

Special Service Area #34 Fund - to account for a capital project involving the design and construction of improvements to the streetscape in the Central Business District. Work included the installation of new sidewalks, curbs, and parkway features as identified in the Naperville Downtown 2030 Plan. SSA 34 encompasses the north side of Jefferson Avenue between Main and Webster streets. SSA 34 will provide a financing mechanism to reimburse that fund for the property owners' 40% portion of the project over 15 years, beginning in 2023.

Special Service Area #35 Fund - to account for a capital project involving the design and construction of improvements to the streetscape in the Central Business District. Work included the installation of new sidewalks, curbs, and parkway features as identified in the Naperville Downtown 2030 Plan. SSA 35 encompasses the east and west sides of Washington Street from Benton Avenue south to Chicago Avenue. SSA 35 will provide a financing mechanism to reimburse that fund for the property owners' 40% portion of the project over 15 years, beginning in 2024.

Heinen Business District Fund - to account for the private redevelopment of blighted properties located at the 1200 block of Chicago Avenue, between Olesen Drive and Pembroke Road. The establishment of the Heinen Business District included a 0.5% business district sales tax to be collected by merchants operating within the geographic limits of the business district. The City will use the revenue collected from that tax to reimburse the developer of Heinen's for expenses incurred during the project, as defined in a redevelopment agreement.

Block 59 Business District Fund - to account for the private redevelopment of blighted properties located at the northeast corner of Illinois Route 59 and Aurora Avenue. The establishment of the Block 59 Business District included a 1% business district sales tax to be collected by merchants operating within the geographic limits of the business district. The City will use the revenue collected from that tax to reimburse the developer of Block 59 for expenses incurred during the project, as defined in a redevelopment agreement.

NONMAJOR GOVERNMENTAL FUNDS (Continued)

DEBT SERVICE FUNDS

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

Special Service Area #23 Fund - to establish a financing mechanism to collect a portion of the debt service for the Van Buren parking deck expansion.

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.

CITY OF NAPERVILLE, ILLINOIS

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

December 31, 2025

	Special Revenue Funds			
	Motor Fuel Tax Fund	Community Development Block Grant Fund	Road and Bridge Fund	Naper Settlement Fund
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES				
ASSETS				
Cash and investments	$ 9,726,195	$ -	$ 5,053,250	$ 1,179,645
Receivables				
Property taxes	-	-	-	3,994,682
Interest	-	-	36,720	-
Accounts receivable less allowance for doubtful accounts	46,179	18,362	219,447	-
Leases	-	-	-	-
Due from other governments	605,407	119,249	-	-
Total assets	10,377,781	137,611	5,309,417	5,174,327
DEFERRED OUTFLOWS OF RESOURCES				
None	-	-	-	-
Total deferred outflows of resources	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 10,377,781	$ 137,611	$ 5,309,417	$ 5,174,327
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts payable	$ 580,640	$ 96,361	$ 251,696	$ 86,847
Accrued wages and benefits	-	-	25,610	106,647
Due to fiduciary funds	-	-	-	-
Due to other funds	-	15,926	-	-
Advances from other funds	-	-	-	-
Unearned grant revenues and others	46,043	-	18,475	470
Total liabilities	626,683	112,287	295,781	193,964
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - leases	-	-	-	-
Unavailable revenue - property taxes	-	-	-	3,994,682
Unavailable revenue - intergovernmental	489,732	-	-	-
Total deferred inflows of resources	489,732	-	-	3,994,682
Total liabilities and deferred inflows of resources	626,683	112,287	295,781	4,188,646
FUND BALANCES				
Restricted for				
Debt service	-	-	-	-
Economic development	-	-	-	-
Highways, streets, and parking facilities	9,261,366	-	5,013,636	-
Public safety	-	-	-	-
Capital projects	-	-	-	-
Culture and recreation	-	-	-	985,681
Physical environment	-	25,324	-	-
Committed to				
Highways, streets, and parking facilities	-	-	-	-
Unassigned (deficit)	-	-	-	-
Total fund balances (deficit)	9,261,366	25,324	5,013,636	985,681
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	$ 10,377,781	$ 137,611	$ 5,309,417	$ 5,174,327

Special Revenue Funds								
Foreign Fire Insurance Tax Fund	E-911 Surcharge Fund	Food and Beverage Tax Fund	Downtown Maintenance Fund	Test Track Fund	Water Street TIF Fund	Drug Forfeiture Fund	Special Service Area #25 Fund	Special Service Area #30 Fund
$ 477,894	$ 2,036,495	$ 2,737,337	$ 3,777,998	$ 48,240	$ 49,149	$ 1,433,768	$ -	$ 422
-	-	-	1,259,718	-	689,827	-	68,000	93,111
-	-	13,648	24,904	-	-	-	-	-
-	-	650,891	-	42,295	-	-	-	-
-	-	-	-	-	-	-	-	-
-	940,700	-	-	-	-	-	-	-
477,894	2,977,195	3,401,876	5,062,620	90,535	738,976	1,433,768	68,000	93,533
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
$ 477,894	$ 2,977,195	$ 3,401,876	$ 5,062,620	$ 90,535	$ 738,976	$ 1,433,768	$ 68,000	$ 93,533
$ -	$ -	$ 469,905	$ 296,859	$ 134	$ -	$ -	$ -	$ -
-	-	3,220	28,916	-	-	-	-	-
-	-	1,204,682	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	155,371	-
-	-	45,680	-	-	-	-	-	-
-	-	1,723,487	325,775	134	-	-	155,371	-
-	-	-	-	-	-	-	-	-
-	-	-	1,259,718	-	689,827	-	68,000	93,111
-	-	-	-	-	-	-	-	-
-	-	-	1,259,718	-	689,827	-	68,000	93,111
-	-	1,723,487	1,585,493	134	689,827	-	223,371	93,111
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	90,401	-	-	-	-
477,894	2,977,195	-	-	-	-	1,433,768	-	-
-	-	-	-	-	49,149	-	-	-
-	-	1,678,389	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	3,477,127	-	-	-	-	422
-	-	-	-	-	-	-	(155,371)	-
477,894	2,977,195	1,678,389	3,477,127	90,401	49,149	1,433,768	(155,371)	422
$ 477,894	$ 2,977,195	$ 3,401,876	$ 5,062,620	$ 90,535	$ 738,976	$ 1,433,768	$ 68,000	$ 93,533

(This statement is continued on the following pages.)

CITY OF NAPERVILLE, ILLINOIS

COMBINING BALANCE SHEET (Continued)
NONMAJOR GOVERNMENTAL FUNDS

December 31, 2025

	Special Revenue Funds			
	Special Service Area #31 Fund	ETSB Fund	Special Service Area #34 Fund	Special Service Area #35 Fund
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES				
ASSETS				
Cash and investments	$ -	$ 1,806,992	$ 89	$ 582
Receivables				
Property taxes	23,680	-	20,026	125,000
Interest	-	-	-	-
Accounts receivable less allowance for doubtful accounts	-	761,802	-	-
Leases	-	-	-	-
Due from other governments	-	-	-	-
Total assets	23,680	2,568,794	20,115	125,582
DEFERRED OUTFLOWS OF RESOURCES				
None	-	-	-	-
Total deferred outflows of resources	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 23,680	$ 2,568,794	$ 20,115	$ 125,582
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts payable	$ -	$ 199,338	$ -	$ -
Accrued wages and benefits	-	-	-	-
Due to fiduciary funds	-	-	-	-
Due to other funds	-	-	-	-
Advances from other funds	174,116	-	-	-
Unearned grant revenues and others	-	-	-	-
Total liabilities	174,116	199,338	-	-
DEFERRED INFLOWS OF BALANCES				
Unavailable revenue - leases	-	-	-	-
Unavailable revenue - property taxes	23,680	-	20,026	125,000
Unavailable revenue - intergovernmental	-	-	-	-
Total deferred inflows of resources	23,680	-	20,026	125,000
Total liabilities and deferred inflows of resources	197,796	199,338	20,026	125,000
FUND BALANCES				
Restricted for				
Debt service	-	-	-	-
Economic development	-	-	-	-
Highways, streets, and parking facilities	-	-	-	-
Public safety	-	2,369,456	-	-
Capital projects	-	-	-	-
Culture and recreation	-	-	-	-
Physical environment	-	-	-	-
Committed to				
Highways, streets, and parking facilities	-	-	89	582
Unassigned (deficit)	(174,116)	-	-	-
Total fund balances (deficit)	(174,116)	2,369,456	89	582
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	$ 23,680	$ 2,568,794	$ 20,115	$ 125,582

Heinen Business District Fund (Special Revenue Funds)	Block 59 Business District Fund (Special Revenue Funds)	Special Service Area #23 Fund (Debt Service)	Downtown Parking Fund (Debt Service)	Total Nonmajor Governmental Funds
$ 28,278	$ 3,548	$ 109,268	$ 14,070,086	$ 42,539,236
-	-	98,939	-	6,372,983
-	-	-	82,081	157,353
10,602	241,041	-	321,558	2,312,177
-	-	-	2,183,610	2,183,610
-	-	-	-	1,665,356
38,880	244,589	208,207	16,657,335	55,230,715
-	-	-	-	-
-	-	-	-	-
$ 38,880	$ 244,589	$ 208,207	$ 16,657,335	$ 55,230,715
$ 38,756	$ -	$ -	$ -	$ 2,020,536
-	-	-	-	164,393
-	-	-	-	1,204,682
-	-	-	-	15,926
-	-	-	-	329,487
-	-	-	13,139	123,807
38,756	-	-	13,139	3,858,831
-	-	-	2,131,812	2,131,812
-	-	98,939	-	6,372,983
-	-	-	-	489,732
-	-	98,939	2,131,812	8,994,527
38,756	-	98,939	2,144,951	12,853,358
-	-	109,268	14,512,384	14,621,652
124	244,589	-	-	244,713
-	-	-	-	14,365,403
-	-	-	-	7,258,313
-	-	-	-	49,149
-	-	-	-	2,664,070
-	-	-	-	25,324
-	-	-	-	3,478,220
-	-	-	-	(329,487)
124	244,589	109,268	14,512,384	42,377,357
$ 38,880	$ 244,589	$ 208,207	$ 16,657,335	$ 55,230,715

(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, 2025

	Special Revenue Funds			
	Motor Fuel Tax Fund	Community Development Block Grant Fund	Road and Bridge Fund	Naper Settlement Fund
REVENUES				
Property taxes	$ -	$ -	$ 215,437	$ 3,878,053
Other taxes	-	-	2,368,476	-
Intergovernmental	7,402,977	499,243	36,934	-
Charges for services	-	-	-	606,183
Licenses and permits	-	-	68,254	-
Fines and forfeits	-	-	-	-
Contributions	-	-	4,972	-
Investment income	459,657	-	401,243	6,865
Miscellaneous	-	-	2,455	-
Total revenues	7,862,634	499,243	3,097,771	4,491,101
EXPENDITURES				
Current				
General government	-	-	-	-
Physical environment	-	499,243	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	5,504,410
Transportation	7,730,397	-	940,233	-
Capital outlay	-	-	2,684,506	-
Debt service				
Principal	-	-	-	24,876
Interest and fiscal charges	-	-	-	45
Total expenditures	7,730,397	499,243	3,624,739	5,529,331
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	132,237	-	(526,968)	(1,038,230)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	1,020,000
Transfers (out)	-	-	-	-
SBITA issuance	-	-	-	77,111
Total other financing sources (uses)	-	-	-	1,097,111
NET CHANGE IN FUND BALANCES	132,237	-	(526,968)	58,881
FUND BALANCES (DEFICIT), JANUARY 1	9,129,129	25,324	5,540,604	926,800
FUND BALANCES (DEFICIT), DECEMBER 31	$ 9,261,366	$ 25,324	$ 5,013,636	$ 985,681

Special Revenue Funds								
Foreign Fire Insurance Tax Fund	E-911 Surcharge Fund	Food and Beverage Tax Fund	Downtown Maintenance Fund	Test Track Fund	Water Street TIF Fund	Drug Forfeiture Fund	Special Service Area #25 Fund	Special Service Area #30 Fund
$ -	$ -	$ -	$ 1,247,855	$ -	$ 674,893	$ -	$ 68,133	$ 90,617
-	-	6,533,517	-	-	-	-	-	-
531,964	-	-	-	-	-	174,353	-	-
-	3,197,721	-	-	37,352	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	70,605	-	-	-	-	-
-	-	-	-	-	-	-	-	-
14,573	12,394	148,321	271,007	145	2,267	9,460	174	209
-	-	49,078	-	-	-	-	-	-
546,537	3,210,115	6,730,916	1,589,467	37,497	677,160	183,813	68,307	90,826
-	-	-	-	-	4,025	-	-	-
-	-	-	-	-	-	-	-	-
707,204	3,045,129	-	-	-	-	280,153	-	-
-	-	4,325,644	-	-	-	-	-	-
-	-	-	2,757,914	40,316	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
707,204	3,045,129	4,325,644	2,757,914	40,316	4,025	280,153	-	-
(160,667)	164,986	2,405,272	(1,168,447)	(2,819)	673,135	(96,340)	68,307	90,826
-	-	-	1,651,489	-	-	-	-	-
-	-	(2,014,600)	-	-	(675,482)	-	-	(90,628)
-	-	-	-	-	-	-	-	-
-	-	(2,014,600)	1,651,489	-	(675,482)	-	-	(90,628)
(160,667)	164,986	390,672	483,042	(2,819)	(2,347)	(96,340)	68,307	198
638,561	2,812,209	1,287,717	2,994,085	93,220	51,496	1,530,108	(223,678)	224
$ 477,894	$ 2,977,195	$ 1,678,389	$ 3,477,127	$ 90,401	$ 49,149	$ 1,433,768	$ (155,371)	$ 422

(This statement is continued on the following pages.)

CITY OF NAPERVILLE, ILLINOIS

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

For the Year Ended December 31, 2025

	Special Revenue Funds			
	Special Service Area #31 Fund	**ETSB Fund**	**Special Service Area #34 Fund**	**Special Service Area #35 Fund**
REVENUES				
Property taxes	$ 22,479	$ -	$ 19,690	$ 125,012
Other taxes	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	2,574,172	-	-
Licenses and permits	-	-	-	-
Fines and forfeits	-	-	-	-
Contributions	-	-	-	-
Investment income	107	11,124	55	658
Miscellaneous	-	-	-	-
Total revenues	22,586	2,585,296	19,745	125,670
EXPENDITURES				
Current				
General government	-	-	-	-
Physical environment	-	-	-	-
Public safety	-	2,416,460	-	-
Culture and recreation	-	-	-	-
Transportation	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	-	2,416,460	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	22,586	168,836	19,745	125,670
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers (out)	-	-	(19,705)	(125,400)
SBITA issuance	-	-	-	-
Total other financing sources (uses)	-	-	(19,705)	(125,400)
NET CHANGE IN FUND BALANCES	22,586	168,836	40	270
FUND BALANCES (DEFICIT), JANUARY 1	(196,702)	2,200,620	49	312
FUND BALANCES (DEFICIT), DECEMBER 31	$ (174,116)	$ 2,369,456	$ 89	$ 582

Special Revenue Funds		Debt Service		
Heinen Business District Fund	Block 59 Business District Fund	Special Service Area #23 Fund	Downtown Parking Fund	Total Nonmajor Governmental Funds
$ -	$ -	$ 98,941	$ -	$ 6,441,110
-	-	-	942,746	9,844,739
-	241,041	-	945,325	9,831,837
-	-	-	146,434	6,561,862
-	-	-	-	68,254
-	-	-	-	70,605
-	-	-	-	4,972
96	3,548	1,016	891,985	2,234,904
-	-	-	-	51,533
96	244,589	99,957	2,926,490	35,109,816
5,048	538,153	-	-	547,226
-	-	-	-	499,243
-	-	-	-	6,448,946
-	-	-	-	9,830,054
-	-	-	508,303	11,977,163
-	-	-	-	2,684,506
-	-	-	200,000	224,876
-	-	-	11,202	11,247
5,048	538,153	-	719,505	32,223,261
(4,952)	(293,564)	99,957	2,206,985	2,886,555
-	-	-	-	2,671,489
-	-	(99,119)	-	(3,024,934)
-	-	-	-	77,111
-	-	(99,119)	-	(276,334)
(4,952)	(293,564)	838	2,206,985	2,610,221
5,076	538,153	108,430	12,305,399	39,767,136
$ 124	$ 244,589	$ 109,268	$ 14,512,384	$ 42,377,357

(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, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Under (Over)
REVENUES				
Intergovernmental				
Motor fuel tax allotments	$ 7,056,731	$ 7,056,731	$ 7,402,977	$ (346,246)
Investment income	700,000	700,000	459,657	240,343
Total revenues	7,756,731	7,756,731	7,862,634	(105,903)
EXPENDITURES				
Transportation				
Contracted services	7,000,000	7,730,400	7,730,397	3
Total expenditures	7,000,000	7,730,400	7,730,397	3
NET CHANGE IN FUND BALANCE	$ 756,731	$ 26,331	132,237	$ (105,906)
FUND BALANCE, JANUARY 1			9,129,129	
FUND BALANCE, DECEMBER 31			$ 9,261,366	

(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, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Under (Over)
REVENUES				
Intergovernmental				
Grants	$ 535,000	$ 535,000	$ 499,243	$ 35,757
Total revenues	535,000	535,000	499,243	35,757
EXPENDITURES				
Physical environment				
Grants and contributions	535,000	535,000	499,243	35,757
Total expenditures	535,000	535,000	499,243	35,757
NET CHANGE IN FUND BALANCE	$ -	$ -	-	$ -
FUND BALANCE, JANUARY 1			25,324	
FUND BALANCE, DECEMBER 31			$ 25,324	

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, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Under (Over)
REVENUES				
Property tax	$ 299,991	$ 299,991	$ 215,437	$ 84,554
Other taxes				
Local gasoline tax	2,456,000	2,456,000	2,368,476	87,524
Intergovernmental				
Personal property replacement tax	80,679	80,679	36,934	43,745
Licenses and permits	55,000	55,000	68,254	(13,254)
Contributions	-	-	4,972	(4,972)
Investment income	81,684	81,684	401,243	(319,559)
Miscellaneous	2,400	2,400	2,455	(55)
Total revenues	2,975,754	2,975,754	3,097,771	(122,017)
EXPENDITURES				
Transportation				
Salaries and wages	658,977	658,977	701,683	(42,706)
Benefits and related	283,676	283,676	233,422	50,254
Contracted services	3,082	3,082	5,128	(2,046)
Capital outlay	3,500,000	3,500,000	2,684,506	815,494
Total expenditures	4,445,735	4,445,735	3,624,739	820,996
NET CHANGE IN FUND BALANCES	$ (1,469,981)	$ (1,469,981)	(526,968)	$ (943,013)
FUND BALANCE, JANUARY 1			5,540,604	
FUND BALANCE, DECEMBER 31			$ 5,013,636	

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, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Under (Over)
REVENUES				
Property taxes	$ 3,897,251	$ 3,897,251	$ 3,878,053	$ 19,198
Charges for services				
School services and programs	171,328	171,328	163,444	7,884
Museum tours	9,500	9,500	6,773	2,727
Public program revenue	144,425	144,425	187,735	(43,310)
Gate admissions	44,800	44,800	41,034	3,766
Special events	35,420	35,420	27,850	7,570
Settlement - weddings	84,220	84,220	91,966	(7,746)
Settlement - other	100,715	100,715	87,381	13,334
Investment income	-	-	6,865	(6,865)
Total revenues	4,487,659	4,487,659	4,491,101	(3,442)
EXPENDITURES				
Culture and recreation				
Settlement administration				
Salaries and wages	1,092,410	1,092,410	1,052,709	39,701
Benefits and related	308,125	308,125	292,602	15,523
Contracted services	173,688	173,688	194,750	(21,062)
Supplies	20,051	20,051	31,175	(11,124)
Internal services	163,802	163,802	163,812	(10)
Visitor services				
Salaries and wages	665,793	665,793	431,412	234,381
Benefits and related	165,415	165,415	90,138	75,277
Contracted services	18,640	18,640	17,915	725
Supplies	20,750	20,750	26,523	(5,773)
Building and grounds				
Salaries and wages	175,629	175,629	126,814	48,815
Benefits and related	61,484	61,484	70,487	(9,003)
Contracted services	821,220	821,220	913,197	(91,977)
Internal services	7,728	7,728	7,728	-
Supplies	176,529	176,529	299,666	(123,137)
Capital maintenance	-	500,000	-	500,000
Development				
Salaries	606,676	606,676	559,017	47,659
Employee benefits	196,687	196,687	140,421	56,266

(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, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
EXPENDITURES (Continued)				
Culture and recreation (Continued)				
Artifact and preservation				
Salaries and wages	$ 200,940	$ 200,940	$ 275,333	$ (74,393)
Benefits and related	96,581	96,581	125,671	(29,090)
Contracted services	32,350	32,350	46,483	(14,133)
Supplies	32,669	32,669	148,460	(115,791)
Public relations/marketing				
Salaries and wages	217,074	217,074	226,140	(9,066)
Benefits and related	90,163	90,163	104,382	(14,219)
Contracted services	165,524	165,524	159,548	5,976
Supplies	500	500	27	473
Debt service				
Principal	-	-	24,876	(24,876)
Interest and fiscal charges	-	-	45	(45)
Total expenditures	5,510,428	6,010,428	5,529,331	481,097
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,022,769)	(1,522,769)	(1,038,230)	(484,539)
OTHER FINANCING SOURCES (USES)				
Transfers (out)	1,020,000	1,020,000	1,020,000	-
SBITA issuance	-	-	77,111	(77,111)
Total other financing sources (uses)	1,020,000	1,020,000	1,097,111	(77,111)
NET CHANGE IN FUND BALANCE	$ (2,769)	$ (502,769)	58,881	$ (561,650)
FUND BALANCE, JANUARY 1			926,800	
FUND BALANCE, DECEMBER 31			$ 985,681	

(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, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Under (Over)
REVENUES				
Other taxes				
Insurance tax	$ 460,000	$ 460,000	$ 531,964	$ (71,964)
Investment income	-	-	14,573	(14,573)
Total revenues	460,000	460,000	546,537	(86,537)
EXPENDITURES				
Public safety				
Supplies	476,100	532,200	707,204	(175,004)
Total expenditures	476,100	532,200	707,204	(175,004)
NET CHANGE IN FUND BALANCE	$ (16,100)	$ (72,200)	(160,667)	$ 88,467
FUND BALANCE, JANUARY 1			638,561	
FUND BALANCE, DECEMBER 31			$ 477,894	

(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, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Under (Over)
REVENUES				
Charges for services	$ 3,200,000	$ 3,200,000	$ 3,197,721	$ 2,279
Investment income	19,220	19,220	12,394	6,826
Total revenues	3,219,220	3,219,220	3,210,115	9,105
EXPENDITURES				
Public safety				
Internal services	4,272,122	4,272,122	3,045,129	1,226,993
Total expenditures	4,272,122	4,272,122	3,045,129	1,226,993
NET CHANGE IN FUND BALANCE	$ (1,052,902)	$ (1,052,902)	164,986	$ (1,217,888)
FUND BALANCE, JANUARY 1			2,812,209	
FUND BALANCE, DECEMBER 31			$ 2,977,195	

(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, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Under (Over)
REVENUES				
Other taxes				
Food and beverage tax	$ 6,878,000	$ 6,878,000	$ 6,533,517	$ 344,483
Investment income	72,074	72,074	148,321	(76,247)
Miscellaneous	42,000	42,000	49,078	(7,078)
Total revenues	6,992,074	6,992,074	6,730,916	261,158
EXPENDITURES				
Culture and recreation				
Salaries and wages	69,966	69,966	61,531	8,435
Benefits and related	1,742,378	1,742,378	1,655,633	86,745
Contracted services	517,289	517,289	420,363	96,926
Grants and contributions	2,364,905	2,364,905	2,188,117	176,788
Total expenditures	4,694,538	4,694,538	4,325,644	368,894
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	2,297,536	2,297,536	2,405,272	(107,736)
OTHER FINANCING SOURCES (USES)				
Transfers (out)	(2,236,712)	(2,236,712)	(2,014,600)	(222,112)
Total other financing sources (uses)	(2,236,712)	(2,236,712)	(2,014,600)	(222,112)
NET CHANGE IN FUND BALANCE	$ 60,824	$ 60,824	390,672	$ (329,848)
FUND BALANCE, JANUARY 1			1,287,717	
FUND BALANCE, DECEMBER 31			$ 1,678,389	

CITY OF NAPERVILLE, ILLINOIS

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

For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Under (Over)
REVENUES				
Property taxes	$ 1,252,829	$ 1,252,829	$ 1,247,855	$ 4,974
Charges for services	10,000	10,000	-	10,000
Fines and forfeits	80,000	80,000	70,605	9,395
Investment income	72,074	72,074	271,007	(198,933)
Total revenues	1,414,903	1,414,903	1,589,467	(174,564)
EXPENDITURES				
Transportation				
Salaries and wages	824,258	824,258	774,069	50,189
Benefits and related	200,399	200,399	186,766	13,633
Contracted services	2,139,432	2,139,432	1,499,168	640,264
Supplies	342,010	342,010	223,511	118,499
Internal services	74,398	74,398	74,400	(2)
Total expenditures	3,580,497	3,580,497	2,757,914	822,583
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(2,165,594)	(2,165,594)	(1,168,447)	(997,147)
OTHER FINANCING SOURCES (USES)				
Transfers in	1,651,489	1,651,489	1,651,489	-
Total other financing sources (uses)	1,651,489	1,651,489	1,651,489	-
NET CHANGE IN FUND BALANCE	$ (514,105)	$ (514,105)	483,042	$ (997,147)
FUND BALANCE, JANUARY 1			2,994,085	
FUND BALANCE, DECEMBER 31			$ 3,477,127	

(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, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Under (Over)
REVENUES				
Charges for services	$ 31,200	$ 31,200	$ 37,352	$ (6,152)
Investment income	100	100	145	(45)
Total revenues	31,300	31,300	37,497	(6,197)
EXPENDITURES				
Transportation				
Contracted services	49,640	49,640	34,390	15,250
Supplies	8,100	8,100	5,926	2,174
Total expenditures	57,740	57,740	40,316	17,424
NET CHANGE IN FUND BALANCE	$ (26,440)	$ (26,440)	(2,819)	$ (23,621)
FUND BALANCE, JANUARY 1			93,220	
FUND BALANCE, DECEMBER 31			$ 90,401	

(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, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Under (Over)
REVENUES				
Property taxes	$ 760,345	$ 760,345	$ 674,893	$ 85,452
Investment income	9,610	9,610	2,267	7,343
Total revenues	769,955	769,955	677,160	92,795
EXPENDITURES				
General government				
Contracted services	4,219	4,219	4,025	194
Total expenditures	4,219	4,219	4,025	194
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	765,736	765,736	673,135	92,601
OTHER FINANCING SOURCES (USES)				
Transfers (out)	(760,345)	(760,345)	(675,482)	(84,863)
Total other financing sources (uses)	(760,345)	(760,345)	(675,482)	(84,863)
NET CHANGE IN FUND BALANCE	$ 5,391	$ 5,391	(2,347)	$ 7,738
FUND BALANCE, JANUARY 1			51,496	
FUND BALANCE, DECEMBER 31			$ 49,149	

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, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Under (Over)
REVENUES				
Intergovernmental				
Forfeiture revenues	$ 281,500	$ 281,500	$ 174,353	$ 107,147
Investment income	28,830	28,830	9,460	19,370
Total revenues	310,330	310,330	183,813	126,517
EXPENDITURES				
Public safety				
Contracted services	205,500	205,500	75,952	129,548
Internal services	25,000	25,000	2,050	22,950
Supplies	512,000	512,000	202,151	309,849
Capital maintenance	80,000	80,000	-	80,000
Outside agencies	9,000	9,000	-	9,000
Total expenditures	831,500	831,500	280,153	551,347
NET CHANGE IN FUND BALANCE	$ (521,170)	$ (521,170)	(96,340)	$ (424,830)
FUND BALANCE, JANUARY 1			1,530,108	
FUND BALANCE, DECEMBER 31			$ 1,433,768	

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, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Under (Over)
REVENUES				
Property taxes	$ 68,000	$ 68,000	$ 68,133	$ (133)
Investment income	-	-	174	(174)
Total revenues	68,000	68,000	68,307	(307)
EXPENDITURES				
None	-	-	-	-
Total expenditures	-	-	-	-
NET CHANGE IN FUND BALANCE	$ 68,000	$ 68,000	68,307	$ (307)
FUND BALANCE (DEFICIT), JANUARY 1			(223,678)	
FUND BALANCE (DEFICIT), DECEMBER 31			$ (155,371)	

(See independent auditor's report.)

CITY OF NAPERVILLE, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL SERVICE AREA #30 FUND

For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Under (Over)
REVENUES				
Property taxes	$ 93,111	$ 93,111	$ 90,617	$ 2,494
Investment income	-	-	209	(209)
Total revenues	93,111	93,111	90,826	2,285
EXPENDITURES				
None	-	-	-	-
Total expenditures	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	93,111	93,111	90,826	2,285
OTHER FINANCING SOURCES (USES)				
Transfers (out)	(93,111)	(93,111)	(90,628)	(2,483)
Total other financing sources (uses)	(93,111)	(93,111)	(90,628)	(2,483)
NET CHANGE IN FUND BALANCE	$ -	$ -	198	$ (198)
FUND BALANCE, JANUARY 1			224	
FUND BALANCE, DECEMBER 31			$ 422	

(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, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Under (Over)
REVENUES				
Property taxes	$ 23,680	$ 23,680	$ 22,479	$ 1,201
Investment income	-	-	107	(107)
Total revenues	23,680	23,680	22,586	1,094
EXPENDITURES				
None	-	-	-	-
Total expenditures	-	-	-	-
NET CHANGE IN FUND BALANCE	$ 23,680	$ 23,680	22,586	$ 1,094
FUND BALANCE (DEFICIT), JANUARY 1			(196,702)	
FUND BALANCE (DEFICIT), DECEMBER 31			$ (174,116)	

(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, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Under (Over)
REVENUES				
Charges for services	$ 2,700,000	$ 2,700,000	$ 2,574,172	$ 125,828
Investment income	19,220	19,220	11,124	8,096
Total revenues	2,719,220	2,719,220	2,585,296	133,924
EXPENDITURES				
Public safety				
Grants and contributions	2,700,000	2,700,000	2,416,460	283,540
Total expenditures	2,700,000	2,700,000	2,416,460	283,540
NET CHANGE IN FUND BALANCE	$ 19,220	$ 19,220	168,836	$ (149,616)
FUND BALANCE, JANUARY 1			2,200,620	
FUND BALANCE, DECEMBER 31			$ 2,369,456	

(See independent auditor's report.)

CITY OF NAPERVILLE, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL SERVICE AREA #34 FUND

For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Under (Over)
REVENUES				
Property taxes	$ 20,026	$ 20,026	$ 19,690	$ 336
Investment income	-	-	55	(55)
Total revenues	20,026	20,026	19,745	281
EXPENDITURES				
None	-	-	-	-
Total expenditures	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	20,026	20,026	19,745	281
OTHER FINANCING SOURCES (USES)				
Transfers (out)	(20,026)	(20,026)	(19,705)	(321)
Total other financing sources (uses)	(20,026)	(20,026)	(19,705)	(321)
NET CHANGE IN FUND BALANCE	$ -	$ -	40	$ (40)
FUND BALANCE, JANUARY 1			49	
FUND BALANCE, DECEMBER 31			$ 89	

CITY OF NAPERVILLE, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL SERVICE AREA #35 FUND

For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Under (Over)
REVENUES				
Property taxes	$ 125,000	$ 125,000	$ 125,012	$ (12)
Investment income	-	-	658	(658)
Total revenues	125,000	125,000	125,670	(670)
EXPENDITURES				
None	-	-	-	-
Total expenditures	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	125,000	125,000	125,670	(670)
OTHER FINANCING SOURCES (USES)				
Transfers (out)	(125,000)	(125,000)	(125,400)	400
Total other financing sources (uses)	(125,000)	(125,000)	(125,400)	400
NET CHANGE IN FUND BALANCE	$ -	$ -	270	$ (270)
FUND BALANCE, JANUARY 1			312	
FUND BALANCE, DECEMBER 31			$ 582	

(See independent auditor's report.)

CITY OF NAPERVILLE, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
BLOCK 59 BUSINESS DISTRICT FUND

For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Under (Over)
REVENUES				
Intergovernmental				
Sales tax	$ 291,000	$ 291,000	$ 241,041	$ 49,959
Investment income	-	-	3,548	(3,548)
Total revenues	291,000	291,000	244,589	46,411
EXPENDITURES				
General government				
Reimbursements	500,000	538,200	538,153	47
Total expenditures	500,000	538,200	538,153	47
NET CHANGE IN FUND BALANCE	$ (209,000)	$ (247,200)	(293,564)	$ 46,364
FUND BALANCE, JANUARY 1			538,153	
FUND BALANCE, DECEMBER 31			$ 244,589	

(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, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Under (Over)
REVENUES				
Property taxes	$ 98,939	$ 98,939	$ 98,941	$ (2)
Investment income	-	-	1,016	(1,016)
Total revenues	98,939	98,939	99,957	(1,018)
EXPENDITURES				
None	-	-	-	-
Total expenditures	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	98,939	98,939	99,957	(1,018)
OTHER FINANCING SOURCES (USES)				
Transfers (out)	(98,939)	(98,939)	(99,119)	$ 180
Total other financing sources (uses)	(98,939)	(98,939)	(99,119)	180
NET CHANGE IN FUND BALANCE	$ -	$ -	838	$ (838)
FUND BALANCE, JANUARY 1			108,430	
FUND BALANCE, DECEMBER 31			$ 109,268	

(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, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Under (Over)
REVENUES				
Other taxes				
Food and beverage tax	$ 1,145,000	$ 1,145,000	$ 942,746	$ 202,254
Intergovernmental				
Sales tax	1,145,000	1,145,000	945,325	199,675
Charges for services	148,917	148,917	146,434	2,483
Investment income	240,248	240,248	891,985	(651,737)
Total revenues	2,679,165	2,679,165	2,926,490	(247,325)
EXPENDITURES				
Transportation				
Contracted services	9,064	9,064	11,463	(2,399)
Capital maintenance	234,500	492,300	496,840	(4,540)
Debt service				-
Principal	200,000	200,000	200,000	-
Interest and fiscal charges	18,200	18,200	11,202	6,998
Total expenditures	461,764	719,564	719,505	59
NET CHANGE IN FUND BALANCE	$ 2,217,401	$ 1,959,601	2,206,985	$ (247,384)
FUND BALANCE, JANUARY 1			12,305,399	
FUND BALANCE, DECEMBER 31			$ 14,512,384	

NONMAJOR ENTERPRISE FUNDS

CITY OF NAPERVILLE, ILLINOIS

COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS

December 31, 2025

	Burlington Commuter Fund	Solid Waste Fund	Total
CURRENT ASSETS			
Cash and investments	$ 2,038,416	$ -	$ 2,038,416
Receivables			
Accrued interest	12,617	-	12,617
Accounts receivable less allowance for doubtful accounts	4,474	623,338	627,812
Total current assets	2,055,507	623,338	2,678,845
NONCURRENT ASSETS			
Capital assets (net of accumulated depreciation)			
Capital assets not depreciated	11,794,856	-	11,794,856
Capital assets depreciated, net	669,708	-	669,708
Net capital assets	12,464,564	-	12,464,564
Total assets	14,520,071	623,338	15,143,409
DEFERRED OUTFLOWS OF RESOURCES			
None	-	-	-
Total deferred outflows of resources	-	-	-
Total assets and deferred outflows of resources	14,520,071	623,338	15,143,409
CURRENT LIABILITIES			
Accounts payable	60,707	673,896	734,603
Accrued wages and benefits payable	16,505	-	16,505
Deposits	765	-	765
Due to other funds	-	168,978	168,978
Total current liabilities	77,977	842,874	920,851
Total liabilities	77,977	842,874	920,851
DEFERRED INFLOWS OF RESOURCES			
None	-	-	-
Total deferred inflows of resources	-	-	-
Total liabilities and deferred inflows of resources	77,977	842,874	920,851
NET POSITION			
Net investment in capital assets	12,464,564	-	12,464,564
Unrestricted (deficit)	1,977,530	(219,536)	1,757,994
TOTAL NET POSITION (DEFICIT)	$ 14,442,094	$ (219,536)	$ 14,222,558

(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, 2025

	Burlington Commuter Fund	Solid Waste Fund	Total
OPERATING REVENUES			
Charges for services	$ 1,338,580	$ 7,984,738	$ 9,323,318
Total operating revenues	1,338,580	7,984,738	9,323,318
OPERATING EXPENSES			
Operations	1,404,147	8,083,383	9,487,530
Total operating expenses	1,404,147	8,083,383	9,487,530
OPERATING INCOME (LOSS) BEFORE DEPRECIATION AND AMORTIZATION	(65,567)	(98,645)	(164,212)
Depreciation and amortization	(56,068)	-	(56,068)
OPERATING (LOSS	(121,635)	(98,645)	(220,280)
NON-OPERATING REVENUES (EXPENSES)			
Net investment income	137,115	69	137,184
Total non-operating revenues (expenses)	137,115	69	137,184
CHANGE IN NET POSITION	15,480	(98,576)	(83,096)
NET POSITION (DEFICIT), JANUARY 1	14,426,614	(120,960)	14,305,654
NET POSITION (DEFICIT), DECEMBER 31	$ 14,442,094	$ (219,536)	$ 14,222,558

(See independent auditor's report.)

CITY OF NAPERVILLE, ILLINOIS

COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS

For the Year Ended December 31, 2025

	Burlington Commuter Fund	Solid Waste Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	$ 1,338,580	$ 7,959,859	$ 9,298,439
Payments to other funds	(95,736)	-	(95,736)
Payments to suppliers	(797,221)	(8,059,858)	(8,857,079)
Payments to employees	(489,559)	-	(489,559)
Net cash from operating activities	(43,936)	(99,999)	(143,935)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Due to/from other funds	-	99,930	99,930
Net cash from noncapital financing activities	-	99,930	99,930
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
None	-	-	-
Net cash from capital and related financing activities	-	-	-
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment sales or maturities	1,993,771	-	1,993,771
Investment purchases	(2,124,846)	-	(2,124,846)
Investment income/(expense)	270,249	69	270,318
Net cash from investing activities	139,174	69	139,243
NET INCREASE IN CASH AND CASH EQUIVALENTS	95,238	-	95,238
CASH AND CASH EQUIVALENTS, JANUARY 1	1,943,178	-	1,943,178
CASH AND CASH EQUIVALENTS, DECEMBER 31	$ 2,038,416	$ -	$ 2,038,416
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES			
Operating income (loss)	$ (121,635)	$ (98,645)	$ (220,280)
Adjustments to reconcile operating income (loss) to net cash from operating activities			
Depreciation and amortization expense	56,068	-	56,068
Change in assets, liabilities, and deferred items			
Accounts receivable	-	(24,879)	(24,879)
Accounts payable	19,272	23,525	42,797
Accrued payroll	2,359	-	2,359
Total adjustments	77,699	(1,354)	76,345
NET CASH FROM OPERATING ACTIVITIES	$ (43,936)	$ (99,999)	$ (143,935)
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES			
Unrealized investment gains/losses	$ 125,692	$ -	$ 125,692
TOTAL NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES	$ 125,692	$ -	$ 125,692

(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, 2025

	Police Pension	Firefighters' Pension	Total
ASSETS			
Cash and short-term investments	$ 187,909	$ 158,728	$ 346,637
Investments held in the Illinois Firefighters' Pension Investment Fund	-	314,829,672	314,829,672
Investments held in the Illinois Police Officers' Pension Investment Fund	310,153,207	-	310,153,207
Total investments	310,153,207	314,829,672	624,982,879
Due from municipality	602,341	602,341	1,204,682
Prepaids	825	19,243	20,068
Total assets	310,944,282	315,609,984	626,554,266
LIABILITIES			
Accounts payable	7,639	6,041	13,680
NET POSITION RESTRICTED FOR PENSIONS	$ 310,936,643	$ 315,603,943	$ 626,540,586

(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, 2025

	Police Pension	Firefighters' Pension	Total
ADDITIONS			
Contributions			
Employer	$ 9,714,160	$ 11,742,930	$ 21,457,090
Employee	2,470,550	2,434,059	4,904,609
Other	657,450	-	657,450
Total contributions	12,842,160	14,176,989	27,019,149
Investment income			
Net appreciation in fair value of investments	45,533,445	41,858,491	87,391,936
Interest and dividends	1,554,617	5,474,864	7,029,481
Total investment income	47,088,062	47,333,355	94,421,417
Less investment expense	(246,019)	(585,864)	(831,883)
Net investment income	46,842,043	46,747,491	93,589,534
Other income	-	3,208	3,208
Total additions	59,684,203	60,927,688	120,611,891
DEDUCTIONS			
Pension benefits	14,721,850	14,330,531	29,052,381
Refunds of contributions	145,802	-	145,802
Administrative expense	73,877	114,640	188,517
Total deductions	14,941,529	14,445,171	29,386,700
NET INCREASE	44,742,674	46,482,517	91,225,191
NET POSITION RESTRICTED FOR PENSIONS			
January 1	266,193,969	269,121,426	535,315,395
December 31	$ 310,936,643	$ 315,603,943	$ 626,540,586

(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.

Contents	Page(s)
	161-163

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

CITY OF NAPERVILLE, ILLINOIS

NET POSITION BY COMPONENT

Last Ten Fiscal Years
(Amounts expressed in thousands)

Fiscal Year	**2016**	**2017**	**2018**	**2019**
GOVERNMENTAL ACTIVITIES				
Net investment in capital assets	$ 425,260	$ 411,982	$ 413,491	$ 409,050
Restricted	7,993	17,301	16,902	19,684
Unrestricted	(86,883)	(83,615)	(91,112)	(87,250)
TOTAL GOVERNMENTAL ACTIVITIES	$ 346,370	$ 345,668	$ 339,281	$ 341,484
BUSINESS-TYPE ACTIVITIES				
Net investment in capital assets	$ 422,141	$ 416,692	$ 406,121	$ 394,245
Restricted	-	-	-	-
Unrestricted	18,661	34,704	53,107	66,627
TOTAL BUSINESS-TYPE ACTIVITIES	$ 440,802	$ 451,396	$ 459,228	$ 460,872
PRIMARY GOVERNMENT				
Net investment in capital assets	$ 847,401	$ 828,674	$ 819,612	$ 803,295
Restricted	7,993	17,301	16,902	19,684
Unrestricted	(68,222)	(48,911)	(38,005)	(20,623)
TOTAL PRIMARY GOVERNMENT	$ 787,172	$ 797,064	$ 798,509	$ 802,356

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

Data Source

Audited Financial Statements

	2020	2021	2022	2023	2024	2025
	$ 392,642	$ 402,305	$ 409,406	$ 424,682	$ 446,600	$ 457,526
	20,950	25,029	31,203	35,870	37,680	47,171
	(63,176)	(26,631)	(24,654)	(2,714)	(33,612)	(7,904)
	$ 350,416	$ 400,703	$ 415,955	$ 457,838	$ 450,668	$ 496,793
	$ 401,728	$ 406,088	$ 402,320	$ 422,722	$ 429,155	$ 447,339
	-	-	-	-	-	5,431
	66,866	77,025	66,966	61,844	63,449	76,340
	$ 468,594	$ 483,113	$ 469,286	$ 484,566	$ 492,604	$ 529,110
	$ 794,370	$ 808,393	$ 811,726	$ 847,404	$ 875,755	$ 904,865
	20,950	25,029	31,203	35,870	37,680	52,602
	3,690	50,394	42,312	59,130	29,837	68,436
	$ 819,010	$ 883,816	$ 885,241	$ 942,404	$ 943,272	$ 1,025,903

CITY OF NAPERVILLE, ILLINOIS

CHANGES IN NET POSITION

Last Ten Fiscal Years
(Amounts expressed in thousands)

Fiscal Year	**2016**	**2017**	**2018**	**2019**
EXPENSES				
Governmental activities				
General government	$ 14,918	$ 15,250	$ 14,725	$ 15,957
Physical environment	9,996	10,376	10,396	11,706
Public safety	78,039	74,934	87,692	95,907
Culture and recreation	7,516	8,366	8,535	8,452
Transportation	37,830	48,964	41,110	47,730
Interest on long-term debt	3,524	3,122	3,087	2,790
Total governmental activities expenses	151,823	161,012	165,545	182,542
Business-type activities				
Electric	151,588	150,148	154,474	154,110
Water and wastewater	56,926	60,591	64,494	64,141
Burlington commuter parking	1,770	1,423	1,907	2,289
Solid waste	-	-	-	-
Total business-type activities expenses	210,284	212,162	220,875	220,540
TOTAL PRIMARY GOVERNMENT EXPENSES	$ 362,107	$ 373,174	$ 386,420	$ 403,082
PROGRAM REVENUES				
Governmental activities				
Charges for services				
General government	$ 13,151	$ 12,252	$ 13,485	$ 14,699
Physical environment	2,215	2,401	2,143	2,176
Public safety	8,081	10,448	12,232	14,853
Culture and recreation	467	538	439	536
Transportation	195	129	151	127
Operating grants and contributions				
General government				
Physical environment	1,737	968	1,558	1,083
Public safety	1,185	899	1,135	1,473
Culture and recreation	-	-	-	-
Transportation	38	361	316	41
Interest on long-term debt	-	-	-	-
Capital grants and contributions				
Transportation	3,736	3,679	3,814	4,872
Total governmental activities program revenues	30,805	31,675	35,273	39,860
Business-type activities				
Charges for services				
Electric	155,122	157,317	162,771	150,322
Water and wastewater	51,004	53,627	58,755	60,242
Burlington commuter parking	2,298	2,528	2,392	2,369
Solid waste	-	-	-	-
Operating grants and contributions				
Electric	(18)	-	-	-
Water and wastewater	224	307	267	143
Burlington commuter parking	-	-	-	-
Capital grants and contributions				
Electric	3,157	4,070	3,869	3,322
Water and wastewater	1,778	1,978	1,437	1,080
Total business-type activities program revenues	213,565	219,827	229,491	217,478
TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES	$ 244,370	$ 251,502	$ 264,764	$ 257,338

2020*	2021	2022	2023	2024	2025
$ 14,855	$ 9,081	$ 23,356	$ 22,308	$ 45,851	$ 24,803
12,823	14,098	14,241	12,577	13,601	13,218
84,571	82,521	104,748	102,489	124,883	107,773
9,656	9,646	10,430	9,443	10,596	11,049
46,544	34,533	37,642	41,334	35,651	49,143
2,864	2,602	2,257	2,097	1,946	1,863
171,313	152,481	192,674	190,248	232,528	207,849
152,678	146,824	154,575	141,720	152,192	154,938
63,845	60,580	71,303	67,319	69,498	70,696
2,228	1,694	1,166	1,253	1,888	1,460
6,841	7,124	7,331	7,572	7,810	8,083
225,592	216,222	234,375	217,864	231,388	235,177
$ 396,905	$ 368,703	$ 427,049	$ 408,112	$ 463,916	$ 443,026
$ 6,972	$ 7,755	$ 7,647	$ 7,909	$ 9,040	$ 9,378
1,876	2,484	1,954	1,932	3,016	3,161
11,854	17,005	17,620	16,967	16,758	18,310
54	563	434	468	568	606
89	87	102	134	164	139
1,228	1,909	1,664	2,714	696	1,951
8,565	1,350	1,160	1,314	1,736	1,367
39	-	-	-	-	-
702	213	738	105	1,187	1,034
-	-	-	-	-	-
8,945	9,252	9,205	6,938	7,620	8,609
40,324	40,618	40,524	38,481	40,785	44,555
150,717	147,253	142,739	138,541	142,197	160,021
65,129	69,019	70,543	75,799	78,105	86,231
1,062	951	1,175	1,069	1,169	1,339
6,753	7,033	7,255	7,476	7,642	7,985
100	-	-	-	4	7
785	493	-	-	-	-
-	-	-	-	-	-
2,396	3,352	1,749	4,197	4,011	5,439
1,456	1,436	970	839	1,128	1,431
228,398	229,537	224,431	227,921	234,256	262,453
$ 268,722	$ 270,155	$ 264,955	$ 266,402	$ 275,041	$ 307,008

CITY OF NAPERVILLE, ILLINOIS

CHANGES IN NET POSITION (Continued)

Last Ten Fiscal Years
(amounts expressed in thousands)

Fiscal Year	**2016**	**2017**	**2018**	**2019**
NET (EXPENSE) REVENUE				
Governmental activities	$ (121,018)	$ (129,337)	$ (130,272)	$ (130,272)
Business-type activities	3,281	7,665	8,616	8,616
TOTAL PRIMARY GOVERNMENT NET (EXPENSE) REVENUE	$ (117,737)	$ (121,672)	$ (121,656)	$ (121,656)
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION				
Governmental activities				
Taxes				
Property	$ 33,355	$ 34,129	$ 34,495	$ 36,555
Utility	15,137	15,399	16,008	15,775
Real estate transfer	5,221	5,506	4,665	4,845
Food and beverage	4,955	3,907	5,335	5,480
Hotel/motel**	-	-	-	-
Gas**	-	-	-	-
Other**	4,313	6,049	4,442	4,867
Franchise fees	3,230	3,423	3,097	3,119
Intergovernmental - unrestricted				
Sales taxes	44,355	46,082	49,249	54,348
Income taxes	13,809	13,029	13,617	15,694
Replacement taxes***	-	-	-	-
American Rescue Plan Act grant	-	-	-	-
Net investment income (loss)	(109)	355	636	3,390
Miscellaneous	597	756	652	831
Transfers	-	-	-	-
Total governmental activities	124,863	128,635	132,196	144,904
Business-type activities				
Net investment income (loss)	310	580	546	2,810
Miscellaneous	2,057	2,351	1,885	1,896
Gain on sale of capital assets	-	-	-	-
Transfers	-	-	-	-
Total business-type activities	2,367	2,931	2,431	4,706
TOTAL PRIMARY GOVERNMENT	$ 127,230	$ 131,566	$ 134,627	$ 149,610
CHANGE IN NET POSITION				
Governmental activities	$ 3,845	$ (702)	$ 1,924	$ 14,632
Business-type activities	5,648	10,596	11,047	13,322
TOTAL PRIMARY GOVERNMENT CHANGE IN NET POSITION	$ 9,493	$ 9,894	$ 12,971	$ 27,954

*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.
***The City began presenting replacement taxes separately from other taxes during the fiscal year ended December 31, 2024.

Data Source

Audited Financial Statements

2020*	2021	2022	2023	2024	2025
$ (142,682)	$ (111,863)	$ (152,150)	$ (151,767)	$ (191,743)	$ (163,294)
(3,062)	13,315	(9,944)	10,057	2,868	27,276
$ (145,744)	$ (98,548)	$ (162,094)	$ (141,710)	$ (188,875)	$ (136,018)
$ 38,312	$ 40,828	$ 41,483	$ 41,745	$ 43,374	$ 44,079
14,764	14,930	16,208	15,185	14,241	16,127
4,265	7,425	6,638	4,027	4,814	4,973
3,812	5,692	6,557	7,128	7,321	7,476
-	1,567	1,597	1,922	1,789	2,168
-	2,290	2,392	2,401	2,405	2,368
3,385	999	2,136	1,408	427	418
2,909	2,962	2,860	2,655	2,522	2,288
52,044	66,900	69,549	72,050	74,981	84,164
16,023	19,493	24,367	23,884	25,395	26,969
-	-	-	-	596	467
-	-	-	13,309	-	-
3,941	(1,909)	(7,397)	6,979	6,200	10,336
450	972	1,032	957	908	7,584
-	-	-	-	(400)	-
139,905	162,149	167,422	193,650	184,573	209,417
3,366	(958)	(5,647)	3,059	2,227	3,969
1,550	2,162	1,764	2,165	2,544	5,456
-	-	-	-	-	(195)
-	-	-	-	400	-
4,916	1,204	(3,883)	5,224	5,171	9,230
$ 144,821	$ 163,353	$ 163,539	$ 198,874	$ 189,744	$ 218,647
$ (2,777)	$ 50,286	$ 15,272	$ 41,883	$ (7,170)	$ 46,123
1,854	14,519	(13,827)	15,281	8,039	36,506
$ (923)	$ 64,805	$ 1,445	$ 57,164	$ 869	$ 82,629

CITY OF NAPERVILLE, ILLINOIS

FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years
(Amounts expressed in thousands)

Fiscal Year	**2016**	**2017**	**2018**	**2019**
GENERAL FUND				
Nonspendable	$ 32	$ 529	$ 522	$ 521
Restricted	-	-	-	-
Assigned	-	-	-	-
Unassigned	26,826	27,884	27,754	33,666
TOTAL GENERAL FUND	$ 26,858	$ 28,413	$ 28,276	$ 34,187
ALL OTHER GOVERNMENTAL FUNDS				
Nonspendable	$ 35	$ -	$ -	$ -
Restricted	15,723	19,906	22,057	19,684
Committed	638	858	893	891
Assigned	12,076	12,455	18,502	25,410
Unassigned (deficit)	(576)	(543)	(474)	(803)
TOTAL ALL OTHER GOVERNMENTAL FUNDS	$ 27,896	$ 32,676	$ 40,978	$ 45,182

Data Source

Audited Financial Statements

2020		2021		2022		2023		2024		2025
$	521	$	446	$	360	$	512	$	421	$	330
	-		-		62		217		488		388
	-		-		-		-		-		-
	37,482		51,542		66,497		79,047		84,565		97,798
$	38,003	$	51,988	$	66,919	$	79,776	$	85,474	$	98,516
$	-	$	-	$	-	$	-	$	-	$	-
	22,532		25,029		31,141		35,653		37,193		39,229
	1,097		1,430		1,852		2,478		2,994		3,478
	36,177		36,693		32,449		40,255		26,121		40,723
	(989)		(770)		(678)		(512)		(420)		(329)
$	58,817	$	62,382	$	64,764	$	77,874	$	65,888	$	83,101

CITY OF NAPERVILLE, ILLINOIS

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years
(Amounts expressed in thousands)

Fiscal Year	**2016**	**2017**	**2018**	**2019**
REVENUES				
Taxes	$ 63,391	$ 64,990	$ 64,944	$ 67,521
Intergovernmental	64,221	64,462	68,323	77,192
Charges for services	18,741	21,290	24,539	27,890
Licenses and permits	2,685	3,006	2,763	2,970
Fines and forfeitures	1,659	1,473	1,276	1,385
Franchise fees	3,247	3,423	3,097	3,119
Contributions	413	556	1,239	464
Investment income	(125)	338	615	3,352
Miscellaneous	597	756	652	832
Total revenues	154,829	160,294	167,448	184,725
EXPENDITURES				
General government	12,091	12,482	12,064	12,510
Physical environment	8,269	8,247	8,591	8,110
Public safety	72,028	73,845	78,263	81,088
Culture and recreation	6,652	7,302	7,145	7,360
Transportation	28,115	26,443	27,198	28,759
Capital outlay	21,896	19,060	19,306	23,263
Debt service				
Principal	6,920	10,654	10,613	10,485
Interest	3,811	3,306	3,274	3,019
Total expenditures	159,782	161,339	166,454	174,594
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(4,953)	(1,045)	994	10,131
OTHER FINANCING SOURCES (USES)				
Transfers in	5,089	4,594	2,331	6,911
Transfers (out)	(5,089)	(4,594)	(2,331)	(6,911)
Bond issuance	14,334	6,980	4,640	-
Refunding bonds issued	33,900	-	-	-
Bond premium issuance	2,919	179	261	-
Note issuance	-	-	-	-
Lease issuance	-	-	-	-
SBITA issuance	-	-	-	-
Payment to refunded bond escrow agent	(35,679)	-	-	-
Sale of capital assets	769	221	2,270	-
Total other financing sources (uses)	16,243	7,380	7,171	-
NET CHANGE IN FUND BALANCES	$ 11,290	$ 6,335	$ 8,165	$ 10,131
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES	7.85%	9.21%	9.05%	8.19%

Data Source

Audited Financial Statements.

2020	2021	2022	2023	2024	2025
$ 64,538	$ 73,734	$ 77,015	$ 73,817	$ 74,371	$ 77,608
86,904	98,201	105,670	118,074	111,525	121,899
18,041	23,818	24,135	23,990	25,146	27,053
2,006	3,060	2,503	2,326	3,116	3,233
1,012	1,286	1,301	1,324	1,285	1,307
2,909	2,962	2,860	2,655	2,522	2,288
427	645	831	2,010	387	1,456
3,868	(1,840)	(7,397)	6,979	6,200	10,336
450	972	1,032	957	908	7,585
180,155	202,838	207,950	232,132	225,460	252,765
13,713	15,184	15,905	20,506	21,714	21,883
8,422	9,688	9,604	9,703	10,035	10,960
90,104	91,485	93,806	96,533	105,467	110,325
7,456	7,441	8,112	8,447	9,912	9,916
21,762	23,632	23,546	25,312	26,001	35,732
24,241	25,020	27,547	39,000	48,962	36,764
10,233	9,943	9,550	11,951	10,488	11,598
3,042	2,893	2,545	2,263	2,107	2,203
178,973	185,286	190,615	213,715	234,686	239,381
1,182	17,552	17,335	18,417	(9,226)	13,384
4,886	3,667	4,502	4,468	4,693	4,676
(4,886)	(3,667)	(4,502)	(4,468)	(5,093)	(4,676)
15,225	-	-	-	-	14,265
4,465	-	-	-	-	-
1,338	-	-	-	14	812
-	-	-	2,894	-	-
-	-	-	-	148	108
-	-	-	4,655	3,176	1,686
(4,777)	-	-	-	-	-
-	-	-	-	-	-
16,251	-	-	7,549	2,938	16,871
$ 17,433	$ 17,552	$ 17,335	$ 25,966	$ (6,288)	$ 30,255
7.75%	7.77%	7.04%	7.70%	6.29%	6.80%

CITY OF NAPERVILLE, ILLINOIS

GOVERNMENTAL FUNDS TAX REVENUE BY SOURCE

Last Ten Fiscal Years
(Amounts expressed in thousands)

	Intergovernmental Taxes			Taxes				
Fiscal Year	**Sales and Use Tax**	**State Income Tax**	**Total Intergovernmental Taxes**	**Property Tax**	**Utility Tax**	**Other Tax**	**Total Taxes**	**Total**
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
2023	72,050	23,884	95,934	41,745	15,185	12,563	69,493	165,427
2024	74,981	25,395	100,376	43,374	14,241	12,562	70,177	170,553
2025	84,164	26,969	111,133	44,079	16,127	12,867	73,073	184,206

Data Source

Audited Financial Statements

CITY OF NAPERVILLE, ILLINOIS

ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY

Last Ten Levy Years

Levy Year	Residential Property	Farm Property	Commercial and Industrial Property	Railroad Property	Total Taxable Assessed Value	Direct Tax Rate	Estimated Actual Taxable Value	Percent of Assessed Value
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%
2022	6,813,223,558	254,185	1,506,874,967	8,353,467	8,328,706,177	0.6647	24,986,118,531	33.333%
2023	7,245,606,398	102,091	1,409,987,561	8,763,417	8,664,459,467	0.6454	25,993,378,401	33.333%
2024	8,138,926,501	64,512	1,724,580,103	8,166,352	9,871,737,468	0.5985	29,615,212,404	33.333%

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

Data Source

Office of the County Clerk

CITY OF NAPERVILLE, ILLINOIS

PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS

Last Ten Levy Years

Levy Year	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**
CITY DIRECT RATES										
General Corporate	0.1060	0.0789	0.0188	0.0439	0.0739	0.0850	0.0852	0.0841	0.0905	0.0829
Naperville Public Library	0.2288	0.2119	0.2119	0.2055	0.2025	0.1939	0.1935	0.1919	0.1856	0.1745
Police Pension	0.0938	0.0917	0.0961	0.0911	0.0913	0.0949	0.0950	0.0953	0.0913	0.0908
Firefighters' Pension	0.0945	0.1023	0.1218	0.1177	0.1241	0.1266	0.1269	0.1203	0.1168	0.1116
Bond and Interest - General Obligation Bond	0.1249	0.1297	0.1538	0.1591	0.1283	0.1224	0.1107	0.0984	0.0947	0.0762
Illinois Municipal Retirement	0.0441	0.0415	0.0369	0.0305	0.0356	0.0357	0.0280	0.0247	0.0224	0.0229
Naper Settlement	0.0471	0.0444	0.0422	0.0392	0.0380	0.0364	0.0494	0.0500	0.0441	0.0396
Total direct rates	0.7392	0.7004	0.6815	0.6870	0.6937	0.6949	0.6887	0.6647	0.6454	0.5985
OVERLAPPING RATES										
Naperville Park District	0.3317	0.3195	0.3162	0.3149	0.3060	0.2931	0.3013	0.3002	0.2967	0.2835
Unit School #203	5.3549	5.0547	5.0062	4.9259	4.9672	4.8841	4.9142	4.9580	4.9989	4.7092
Unit School #204	5.8505	5.6004	5.4967	5.4589	5.3600	5.2956	5.1346	5.3308	5.1967	4.8183
College of DuPage #502	0.2786	0.2626	0.2431	0.2317	0.2112	0.2114	0.2034	0.1946	0.1907	0.1794
DuPage Forest Preserve	0.1622	0.1514	0.1306	0.1278	0.1242	0.1205	0.1177	0.1130	0.1076	0.1310
DuPage Airport Authority	0.0188	0.0176	0.0166	0.0146	0.0141	0.0148	0.0144	0.1390	0.0132	0.0122
DuPage County	0.1971	0.1848	0.1749	0.1673	0.1655	0.1609	0.1587	0.1428	0.1473	0.1361
Will County	0.6408	0.6182	0.5986	0.5927	0.5842	0.5788	0.5761	0.5620	0.5481	0.5129
Lisle Township	0.0553	0.0528	0.0512	0.0496	0.0428	0.0393	0.0407	0.0411	0.0411	0.0376
Naperville Township	0.0452	0.0435	0.0426	0.0424	0.0419	0.0414	0.0417	0.0412	0.0562	0.0380
Wheatland Township	0.0336	0.0737	0.0738	0.0738	0.0725	0.0727	0.0725	0.0725	0.0219	0.0192

Data Source

Office of the County Clerk

CITY OF NAPERVILLE, ILLINOIS

PRINCIPAL PROPERTY TAXPAYERS

Current Year and Nine Years Ago

	2024 Tax Levy			2015 Tax Levy		
Taxpayer	**Taxable Assessed Value**	**Rank**	**Percentage of Total City Taxable Assessed Valuation**	**Taxable Assessed Value**	**Rank**	**Percentage of Total City Taxable Assessed Valuation**
Ryan Pts	$ 22,731,060	1	0.23%			
Abacus Capital Group	22,430,277	2	0.23%			
Inland Private Capital	19,453,420	3	0.20%			
TGM McDowell Place LLC	18,264,840	4	0.19%			
Moran Canyon Owner LLC	17,498,140	5	0.18%			
Friedkin Property Group	17,351,860	6	0.18%			
BMO Bank NA	17,300,972	7	0.18%			
OPI Notex Properties LLC	16,071,558	8	0.16%			
Amstar Acquisitions LLC	15,684,178	9	0.16%			
Pensam Group LLC	15,251,808	10	0.15%			
PNS Mpg Inc				$ 21,664,500	1	0.35%
Tellabs Inc				15,189,280	2	0.24%
AMLI Residential				14,225,244	3	0.23%
ING Clarion				14,119,240	4	0.22%
Ondeo Nalco Center				12,665,400	5	0.20%
Amoco Oil Company				12,574,810	6	0.20%
BMO Harris Bank Corp Re				12,519,660	7	0.20%
UBS Realty Investors LLC				12,040,110	8	0.19%
TGM McDowell Place LLC				11,838,820	9	0.19%
Moran Canyon Owner LLC				11,192,880	10	0.18%
	$ 182,038,113		1.86%	$ 138,029,944		2.20%

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
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%
2022	57,758,836	57,643,130	99.80%	-	57,643,130	99.80%
2023	59,563,052	59,766,005	100.34%	-	59,766,005	100.34%
2024	61,587,038	61,082,570	99.18%	-	61,082,570	99.18%

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

Data Source

Office of the County Clerk

CITY OF NAPERVILLE, ILLINOIS

SALES TAXES BY CATEGORY

Last Ten Calendar Years

Calendar Year	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**
General merchandise	$ 1,734,850	$ 1,682,829	$ 1,727,680	$ 1,703,036	$ 1,614,668	$ 1,786,154	$ 1,892,063	$ 2,083,721	$ 2,502,399	$ 2,426,667
Food	4,030,651	4,277,657	4,126,200	4,119,877	4,502,795	4,370,417	4,536,041	4,643,368	4,966,795	5,083,305
Drinking and eating places	3,843,978	4,047,681	4,115,550	4,310,007	3,306,793	4,437,113	5,000,516	5,378,268	5,469,503	5,927,348
Apparel	1,210,325	1,203,706	1,174,380	1,155,698	734,756	1,227,069	1,343,490	1,390,685	1,401,589	1,966,897
Furniture, H.H., and radio	1,959,765	1,898,165	1,869,238	1,927,766	1,837,713	2,237,779	1,980,303	1,897,471	1,976,174	2,575,490
Lumber, building hardware	1,667,454	1,694,172	1,739,712	1,747,880	1,920,452	2,407,099	2,490,932	2,138,431	2,018,872	2,373,736
Automobile and filling stations	12,566,087	12,688,204	13,091,973	13,846,632	12,714,540	16,934,243	17,570,813	18,542,451	16,809,292	13,393,364
Drugs and miscellaneous retail	3,904,515	3,904,594	3,561,337	3,753,949	3,717,717	6,827,819	6,195,666	7,190,861	9,817,107	16,329,044
Agriculture and all others	1,866,766	1,997,162	2,220,590	2,223,796	1,917,751	2,282,461	2,753,803	3,455,409	3,641,249	5,768,196
Manufacturers	534,413	478,725	639,803	710,328	652,495	602,943	841,674	823,679	955,337	1,235,194
TOTAL	$ 33,318,804	$ 33,872,895	$ 34,266,463	$ 35,498,969	$ 32,919,680	$ 43,113,097	$ 44,605,301	$ 47,544,344	$ 49,558,317	$ 57,079,241
City's direct sales tax rate	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%

Data Source

Illinois Department of Revenue

CITY OF NAPERVILLE, ILLINOIS

DIRECT AND OVERLAPPING SALES TAX RATES

Last Ten Fiscal Years

Fiscal Year	City Direct Rate	City Home Rule Rate	State Rate	Regional Transportation Authority Rate	County Rate
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%
2023	1.00%	0.75%	5.00%	0.75%	0.25%
2024	1.00%	0.75%	5.00%	0.75%	0.25%
2025	1.00%	0.75%	5.00%	0.75%	0.25%

Data Source

Illinois Department of Revenue

CITY OF NAPERVILLE, ILLINOIS

RATIOS OF OUTSTANDING DEBT BY TYPE

Last Ten Fiscal Years

	Governmental Activities			Business-Type Activities						
Fiscal Year Ended	General Obligation Bonds	Leases Payable	SBITAs Payable	General Obligation Bonds	SBITAs Payable	Revenue Bonds	IEPA Loan	Total Primary Government	Percentage of Personal Income*	Per Capita*
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	97,521	-	28,687,658	-	-	-	112,184,895	1.36%	750.20
2022	73,411,141	74,769	2,240,363	31,373,521	-	-	-	107,099,794	1.16%	718.29
2023	63,170,166	2,637,855	5,056,380	26,104,409	1,295,810	-	-	98,264,620	0.97%	655.38
2024	54,786,341	2,488,090	5,963,895	41,895,358	945,756	-	-	106,079,440	0.99%	706.04
2025	60,513,720	2,243,705	5,137,294	66,511,302	1,323,503	-	-	135,729,524	1.20%	886.46

*See the schedule of Demographic and Economic Information for personal income and population data.

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 Governmental Activities	General Obligation Bonds Business-Type Activities	Less: Amounts Available In Debt Service Funds**	Total	Percentage of Estimated Actual Taxable Value of Property*	Per Capita
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
2023	63,170,166	26,104,409	10,150,295	79,124,280	0.32%	527.72
2024	54,786,341	41,895,358	10,150,294	86,531,405	0.33%	575.94
2025	60,513,720	66,511,302	14,621,652	112,403,370	0.38%	734.12

*See the schedule of Assessed Value and Actual Value of Taxable Property on page 148 for property value data.

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

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, 2025

Governmental Unit	Gross Debt	Percentage Debt Applicable to the City of Naperville (1)	City of Naperville's Share of Debt
City of Naperville	$ 67,894,719	100.00%	$ 67,894,719
School District #200	142,180,000	1.23%	1,747,178
School District #202	45,115,000	1.56%	701,814
School District #203	3,020,000	79.17%	2,390,933
School District #204	185,035,000	59.73%	110,514,224
School District #365	137,774,889	0.00%	253
Community College District (COD) #502	71,680,000	16.80%	12,040,404
Community College District #525	80,305,000	28.00%	224,269
Lisle Park District	3,115,000	47.00%	14,770
Naperville Park District	16,610,000	96.66%	16,056,027
Wheaton Park District	5,900,117	0.24%	14,440
Will County	291,085,000	11.31%	32,917,943
Will County Forest Preserve	85,720,000	11.31%	9,683,822
DuPage County	54,590,000	12.46%	6,799,191
DuPage County Forest Preserve	97,770,000	12.46%	12,177,265
	1,219,900,006		205,282,533
	$ 1,287,794,725		$ 273,177,252

(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, 2025

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

CITY OF NAPERVILLE, ILLINOIS

DEMOGRAPHIC AND ECONOMIC INFORMATION

Last Ten Fiscal Years

Fiscal Year	Population	Personal Income	Per Capita Personal Income	Median Age	Education Level Bachelor's Degree or Higher (% person 25+)	School Enrollment	Unemployment Rate
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
2023	149,936	10,151,566,816	67,706	39.5	70.9%	41,488	4.2
2024	150,245	10,669,047,695	71,011	42.7	71.6%	44,497	4.8
2025	153,114	11,287,717,194	73,721	41.5	72.5%	41,831	3.8

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

2025				2016			
Employer	**Employees**	**Rank**	**% of Total City Population**	**Employer**	**Employees**	**Rank**	**% of Total City Population**
Endeavor Health	4,129	1	2.75%	Edward Hospital & Health Services	4,940	1	3.38%
Naperville School District 203	3,821	2	2.54%	Indian Prairie School District 204	3,022	2	2.07%
City of Naperville	1,005	3	0.67%	Alcatel-Lucent	3,000	3	2.05%
Nokia	970	4	0.65%	Naperville School District 203	2,367	4	1.62%
Nalco	888	5	0.59%	Nicor Gas	2,160	4	1.48%
North Central College	674	6	0.45%	BP America	1,800	6	1.23%
Nicor Gas	630	7	0.42%	Nalco	1,300	7	0.89%
BMO Harris	625	8	0.42%	BMO Harris	1,250	8	0.86%
Keller Williams	350	9	0.23%	City of Naperville	969	9	0.66%
Sikich	325	10	0.22%	Sikich	848	10	0.58%
TOTAL	13,417		8.94%		21,656		14.82%

Data Source

Naperville Development Partnership and Naperville Convention & Visitors Bureau

CITY OF NAPERVILLE, ILLINOIS

FULL-TIME EQUIVALENT EMPLOYEES

Last Ten Fiscal Years

Function/Program	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**
Mayor and Council	11.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00
Legal	13.50	13.50	9.00	9.00	9.00	9.00	9.00	10.00	10.00	10.00
City Manager's Office	11.12	10.13	11.63	12.63	13.63	13.63	15.63	15.63	15.63	15.63
City Clerk	8.00	7.25	6.00	6.00	6.00	7.00	8.00	8.00	8.00	8.00
Special Events and Cultural	0.62	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Community Development Block Grant	0.67	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Information Technology	27.00	26.00	26.00	30.00	35.00	36.00	38.00	36.00	38.00	38.00
Finance	35.63	33.63	33.13	35.13	35.14	46.13	47.14	49.14	51.14	51.14
Human Resources	9.00	9.00	9.00	9.00	9.00	9.00	10.00	10.00	12.00	12.00
Board of Fire and Police	1.00	1.00	1.00	1.00	1.00	1.00	-	-	-	-
TED Business Group	68.66	64.00	63.00	63.00	63.00	63.20	64.10	66.30	69.30	69.30
Riverwalk Commission	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Public Works	109.39	103.63	103.63	100.63	100.63	99.63	99.63	101.13	104.13	105.13
Police	274.90	271.88	268.10	269.12	273.12	265.13	267.13	272.13	278.63	282.63
Fire	202.00	202.00	201.00	201.00	201.00	201.00	201.00	207.00	207.00	207.00
Electric Utility	112.00	106.00	106.00	106.00	103.00	103.00	103.00	103.00	103.00	106.00
Water Utility	83.79	84.50	82.50	83.00	84.00	83.50	85.50	85.50	85.50	86.50
TOTAL	968.78	946.02	933.49	939.01	947.02	950.72	961.63	977.33	995.83	1,004.83

Data Source

City Budget

CITY OF NAPERVILLE, ILLINOIS

OPERATING INDICATORS

Last Ten Fiscal Years

Function/Program	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**
PUBLIC SAFETY										
Police (1)										
Physical arrests (DUI)	312	266	272	295	240	227	224	183	258	287
Parking violations	18,206	17,246	15,488	15,918	5,784	9,004	8,987	9,033	16,226	23,775
Traffic violations	15,831	15,743	15,544	17,763	9,143	11,428	11,081	9,585	19,743	20,445
Fire										
Emergency responses	13,677	14,631	14,583	15,549	14,170	15,938	16,859	17,335	18,198	18,476
Fires extinguished	106	158	192	199	34	25	20	34	40	25
PUBLIC WORKS										
Total curbside refuse collected (tons)	37,405	37,539	36,982	41,227	42,881	40,557	39,195	37,841	38,677	36,117
Total curbside recycling collected (tons)	15,655	15,650	15,503	15,116	14,117	13,368	13,625	13,702	14,268	15,103
Snow and ice control events	29	17	19	25	17	22	16	13	10	21
Tons of salt used	10,908	6,525	9,700	6,344	5,177	12,800	6,243	4,943	6,651	9,368
WATER/WASTEWATER (1)										
New connections	300	733	290	203	209	159	213	181	233	87
Water main breaks	80	81	84	106	90	119	103	98	100	131
Average daily consumption	14.46	41.90	14.65	13.45	14.42	14.85	15.56	14.92	13.50	13.65
Peak daily consumption	25.21	26.20	26.14	26.13	28.83	26.86	26.49	27.16	25.26	23.87
Average daily wastewater treated (million gal)	19.47	26.25	19.74	19.55	20.22	17.28	18.31	17.42	20.00	18.41
ELECTRIC (1)										
Peak monthly demand	352,640	330,946	343,568	341,992	325,810	340,721	340,744	362,963	347,082	320,368
Peak month energy use (million)	154.60	144.60	145.60	150.70	148.90	146.80	134.34	130.73	129.61	143.32

Data Source

Various city departments

CITY OF NAPERVILLE, ILLINOIS

CAPITAL ASSET STATISTICS

Last Ten Fiscal Years

Function/Program	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
PUBLIC SAFETY										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Area patrols	12	12	12	12	12	12	12	12	12	12
Patrol units	89	89	89	89	95	93	101	104	107	106
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	20	20	20
TRANSPORTATION										
Arterial streets (centerline miles)	140	140	140	140	140	140	140	140	102*	105
Traffic signals	165	165	167	168	168	169	169	169	169	169
PUBLIC WORKS										
Streetlights	12,080	12,154	12,254	12,665	12,806	12,820	12,919	13,054	13,001	12,776
Storm sewers (miles)	987	852	855	639	745	745	983	1,086	989	1,025
WATER										
Water mains (miles)	723.2	732.7	735.6	741.0	742.8	747.5	748.2	695.4	699.7	691.6
Fire hydrants	9,378	9,451	9,480	9,522	9,559	9,625	9,641	9,698	9,724	9,728
Storage capacity (million gallons)	43.90	43.90	43.90	43.90	43.90	44.00	43.90	43.90	43.90	43.90
Sanitary sewers (miles)	551.40	553.26	562.31	564.52	565.94	566.00	566.50	569.40	569.26	571.70
Treatment capacity (million gallons per day)	26.25	26.25	26.25	26.25	26.25	26.25	26.25	26.25	26.25	26.25
ELECTRIC										
Number of distribution stations	16	16	16	16	16	16	16	16	16	16
Transmission and distribution line mileage (excluding secondary distribution)	1,007.90	1,017.77	1,017.77	1,028.50	1,028.47	1,030.76	1,031.56	1,041.93	1,280.00	1,281.00

*The City performed a data/software clean up of the public works system, which resulted on a revised number of arterial streets.

<u>Data Source</u>

Various city departments.