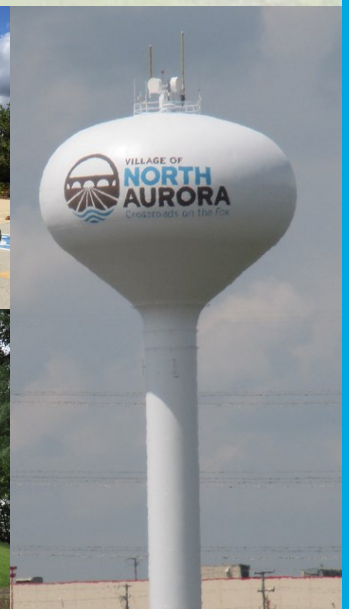


VILLAGE OF NORTH AURORA, ILLINOIS



POPULAR ANNUAL FINANCIAL REPORT

FOR FISCAL YEAR ENDED MAY 31, 2017

northaurora.org



Contents

Village President's Message	2
Community Profile	3
Village Projects	4
Fund Categories & Structure	5
General Fund	6
Other Village Funds	7
Development & Taxes	8
Statement of Net Position	9
Statement of Activities	10
Contact Information	11

The Village of North Aurora Popular Annual Financial Report

As the Village President of North Aurora, I am excited to present the Popular Annual Financial Report (PAFR) for Fiscal Year 2017. This document has been created to provide North Aurora citizens and other stakeholders with a comprehensive, but understandable guide to the Village's financial activities.

The financial information in this report is derived from the Village's 2017 Comprehensive Annual Financial Report (CAFR), which represents the Village's official audited financial statements, and conforms with the generally accepted accounting principles (GAAP). The Village received its 16th consecutive Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association of the United States and Canada (GFOA) for the CAFR as of May 31, 2016. The Certificate of Achievement is considered the highest form of recognition in the area of governmental accounting and financial reporting.

The Village also received the Distinguished Budget Presentation Award from the GFOA for the fiscal year ended May 31, 2018. This represents the 12th consecutive year the Village has received this award.

These awards not only attest to the dedication and professionalism of the entire Finance Department staff, but reflect the Village's strong commitment to fiscal accountability and integrity. All of these financial reports, along with other financial documents are available on the Village's website at northaurora.org/departments/finance/financial-reports-and-budgets.aspx

If you have any questions regarding the information presented on the following pages, or any other Village financial reports, please contact Finance Director Bill Hannah at (630) 906-7374.

North Aurora Facts

Geographic Area

7.24 square miles

Form of Government

Trustee-Administrator

Village President & 6-Trustee Board

Demographics

Residents 17,441

Race and Ethnicity

White	78.1%
Black and African American	6.8%
Asian	5.8%
Some other race (alone)	5.5%
All Other races (alone)	4.6%
Hispanic or Latino (any race)	12.8%

Household Income

Median \$78,948

Bond Rating (S&P)

AA+

Equalized Accessed Valuation (EAV)

EAV- Up 5.8% to \$486,825,058,



Sincerely

Dale Berman

Dale Berman
Village President

Community Profile

Elected Officials



Village President
Dale Berman



Village Trustee
Mark Carroll



Village Trustee
Laura Curtis



Village Trustee
Mark Gaffino



Village Trustee
Mark Guethle



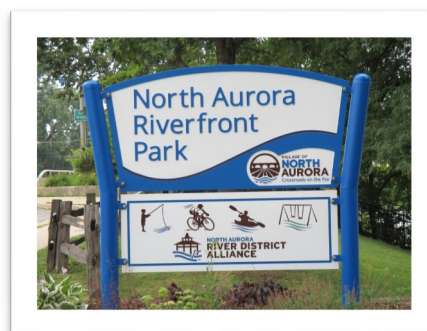
Village Trustee
Michael Lowery



Village Trustee
Tao Martinez

The Village was incorporated in 1905 and operates under the trustee-administrator form of government. The Village Board consists of a Village President and a six-member Board of Trustees. The President and Trustees are elected on an at-large basis with overlapping four-year terms. The Village Administrator is appointed by the Village Board and is responsible for carrying out the policies of the Village Board and for overseeing the day-to-day administration of the Village. The Village is a non-home rule community as defined by the Illinois Constitution. The Village of North Aurora has tripled its population over the past twenty years. Current, official population is 17,441 based upon the 2016 Special Census of the Village. Keeping current land availability in mind the Village population is expected to reach 19,000 residents by 2020 and 22,000 residents by 2025.

The Village provides a full range of services including police protection and investigation, maintenance of streets and infrastructure, water provision, treatment and service, water lines and maintenance of sanitary and storm sewer lines, building inspection and code enforcement, and general administrative/finance services. The Village has 57 employees. Solid waste collection and recycling services are administered by the Village through a contract with a private firm. Fire protection services are provided by the North Aurora Fire Protection District and Batavia Fire District, both separate governmental entities. Sanitary sewer treatment service is provided by the Fox Metropolitan Water Reclamation District, an independent unit of government. Recreational services are provided primarily by the Fox Valley Park District.



Village Projects

The Village continues to move forward advancing goals and objectives, planning for needs into the future while maintaining financial strength. Below are the major projects completed in fiscal year 2016-2017 and upcoming projects in fiscal year 2017-2018.

Fiscal year begins June 1st and ends May 31st.

Major Projects Completed in Fiscal Year 2016-2017

1. Installed 10 new Village entryway signs (*image on page 3*)
2. Painted the west-side Auto Mall Water Tower (*image on page 11*)
3. Acquired Riverfront Park from the Fox Valley Park District (*image on page 3*)
4. Issued bonds to fund construction for two new deep wells, new water tower, and water main replacement
5. Completed partial special census that resulted in 4.1% increase for our Village's Population.
6. Demolished the old gas station at 24 S. Lincolnway
7. Reorganized the Public Works department
 - Included the creation and hiring of the Village's first Public Works Director
8. Completed the annual road program
 - Roads included: Hansen Drive, Overland Lane, Airport Road, John Street, Dee Road, and Banbury Road

Major Projects Planned for Fiscal Year 2017-2018

1. Construct a new Village Community sign at the intersection of Route 31 and 56
2. Create a concept plan for the Silo Park
3. Start phase one for converting Village street lights to LED
4. Complete Airport Road, Alder Drive, and Ice Cream Drive road project
5. Begin implementation of the Village's first Geographic Information System (GIS)
6. Begin construction for two new deep wells and new water tower
7. Complete the 2017 Road Program consisting of 2.7 miles
 - Roads planned include: Acorn, Alder Drive, Cherrytree Court, Feltes Lane, Deerpath Road, Magnolia Drive, Mitchell Road, and Seavey Road

Fund Categories & Structure

The Village of North Aurora uses an accounting system known as “fund accounting”. A fund is a separate accounting entity with self-balancing set of accounts. Revenues refer to money that is received. Expenditures/Expenses refers to the amount of money spent on goods and services. Expenditures are used for governmental accounts while expenses are used for business-type accounts. Funds can be divided into three categories: **governmental funds, proprietary funds, and fiduciary funds**. All non-major funds are not in the PAFR, but can be found the CAFR.

Governmental funds use modified accrual basis of accounting which means revenues are recognized when they become measurable and available. Proprietary and fiduciary funds use the accrual basis of accounting which means revenues are recorded when measurable and earned.

Governmental Funds

The Village has four different types of governmental funds; general, special revenue, capital projects, and debt service. The general fund is the largest fund and is utilized to account for all activity that is not accounted for in another fund. Special revenues funds are used to account for and report proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service and capital projects. The Village has eight special revenue funds. The capital projects fund is used to account for projects related to village facilities or infrastructure improvements. The Village also has two debt service funds that are used to account for the payment of principal and interest on debt. The two debt service funds include the library and police station. The Village maintains 12 individual governmental funds which are located in the table below.

Proprietary Funds

The Village has two different types of proprietary funds; the enterprise fund and internal service fund. Enterprise funds are used to account for a government's business-type activities. These activities receive a significant portion of their funding through user charges and fees. The Village's water system fund, the Waterworks fund, is considered an enterprise fund. Internal service funds are used for financing goods and services from one department to another. The Vehicle and Equipment fund is considered an internal service fund.

Fiduciary Funds

Fiduciary funds account for funds that the Village is holding for someone else and are used to account for resources held for the benefit of parties outside of the government. The Village of North Aurora maintains three fiduciary funds; police pension trust fund, developer's and building escrow, and land cash escrow. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Village's own programs.

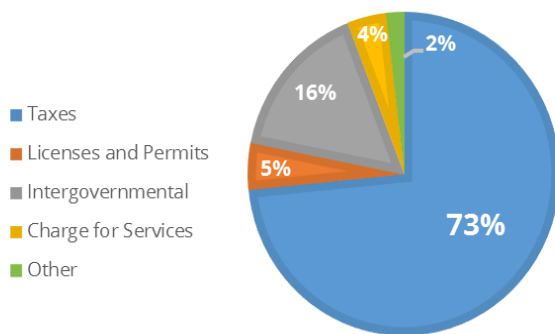
Governmental		Proprietary	Fiduciary
General	Capital Projects	Waterworks	Police Pension Trust
Motor Fuel Tax	Sanitary Sewer	Vehicle and Equipment	Developer's and Building Escrow
Special Service Areas	Route 31 TIF	Compensated Absences	
Insurance	Sperry TIF		Land Cash Escrow
Tourism	North Lincolnway TIF		
Library Debt	Police Station Debt		

General Fund

The General Fund is the major operating fund of the Village. It is used to account for all financial resources except those accounted for in another fund. It provides funding for the majority of operating services to the community including police protection, public works, and Village Hall services including finance, community development and administration. The primary sources of funding for these services are sales taxes, state-shared income taxes and property taxes. The Village has established a fund balance policy for the General Fund at 40% to 50% of annually adopted expenditures and transfers of resources out for the purpose of debt repayment. All graphs are for fiscal year ended May 31, 2017.

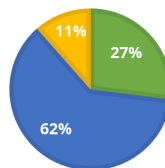
REVENUES BY SOURCE

\$10,136,829



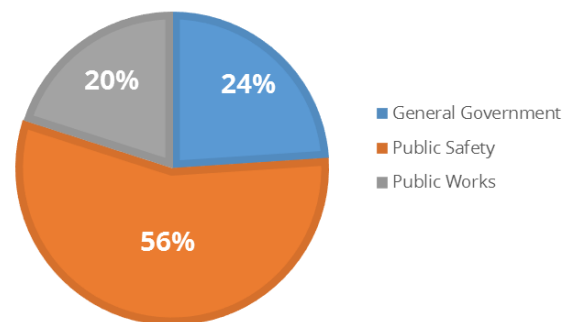
GENERAL FUND TAX REVENUES

■ Property Taxes ■ Sales Tax ■ Other



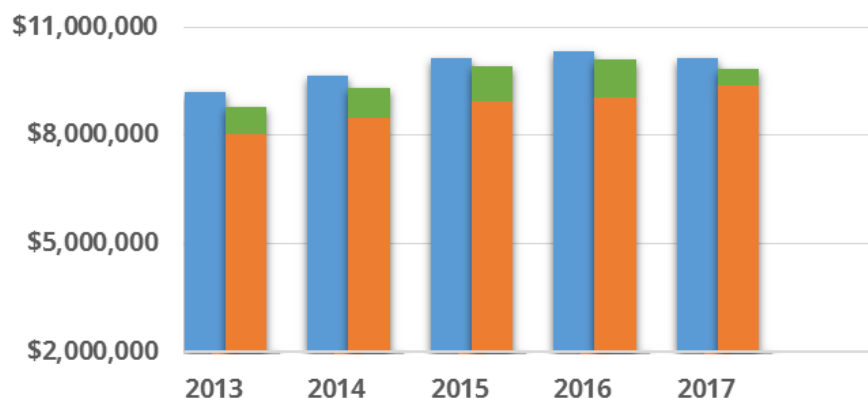
EXPENDITURES BY FUNCTION

\$9,388,868



General Fund Revenues and Expenditures 2013-2017

■ Revenues ■ Expenditures ■ Other Financing Sources/(Uses)

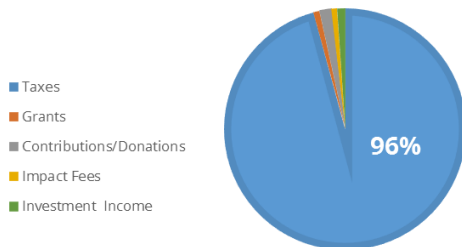


	2013	2014	2015	2016	2017
Revenues	\$ 9,204,374	\$ 9,657,772	\$ 10,123,171	\$ 10,342,512	\$ 10,136,829
Expenditures	\$ 8,032,461	\$ 8,471,489	\$ 8,932,298	\$ 9,045,216	\$ 9,388,868
Other Financing Sources/(Uses)	\$ (746,780)	\$ (857,715)	\$ (968,348)	\$ (1,049,233)	\$ (446,101)
Net Change in Fund Balance	\$ 425,133	\$ 328,568	\$ 222,525	\$ 248,063	\$ 301,860

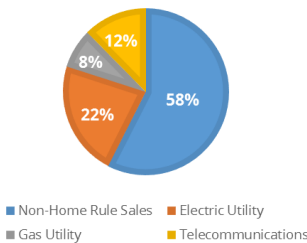
Other Village Funds

Capital Projects Fund. This fund accounts for various tax revenues restricted or committed for roads, infrastructure, or other purposes as well as impact fees and other contributions. This fund accounts for expenditures related to the Village's annual road improvement program, or capital projects related to village facilities or various right-of-way (ROW)/ pedestrian infrastructure improvements. After transfers in of \$212,935, the fund finished the year with a \$90,864 increase in fund balance. The fund balance for the Capital Projects fund is \$2,064,911 which meets the cash flow reserve requirement for the fund.

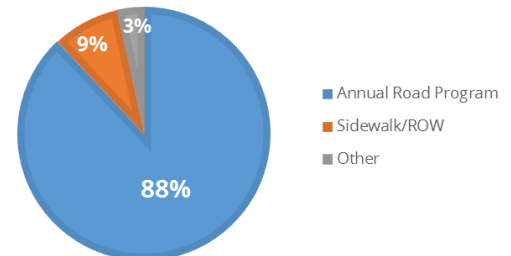
CAPITAL PROJECTS REVENUES
\$1,806,714



CAPITAL PROJECTS TAX REVENUES

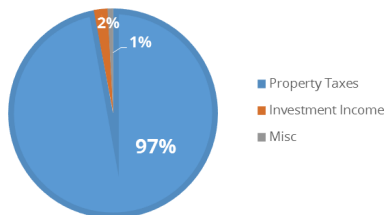


CAPITAL PROJECTS EXPENDITURES
\$1,928,785

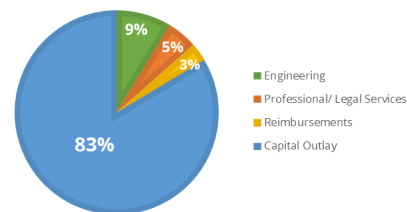


Route 31 TIF Fund. The Route 31 TIF Fund is used to account for the tax increment financing revenues and redevelopment expenditures within the Village's Route 31 TIF District. Over the last several years the Village has targeted the use of TIF reserves to fund the reconstruction of Smoketree Lane in the TIF District. The Village anticipates using another portion of this reserve in the following year for future redevelopment projects in the TIF area. The Route 31 TIF fund finished the year with a \$59,239 increase in fund balance. The fund balance at May 31, 2017 is \$1,222,287.

ROUTE 31 TIF REVENUES
\$386,017

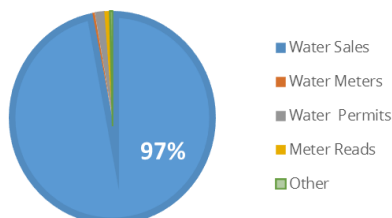


ROUTE 31 TIF EXPENDITURES
\$326,778

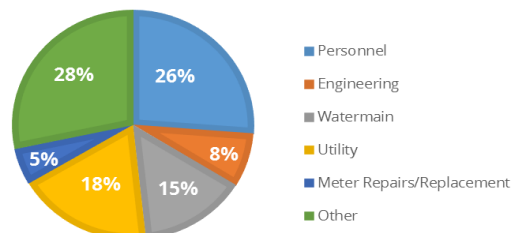


Waterworks Fund. This fund accounts for the revenue and operating and capital expenditures associated with the provision of water service to residents and businesses in the Village. The Waterworks fund is what the Village used to pay for the water tower painting and water main replacement projects during the year. In the upcoming year, two wells and a water tower will be constructed using bond proceeds payable by Waterworks fund revenues. The Waterworks fund had a (\$205,644) change in net position for the year, with the total net position at the end of the year \$24,730,934.

WATERWORKS REVENUES
\$2,373,805



WATERWORKS EXPENDITURES
\$2,655,505



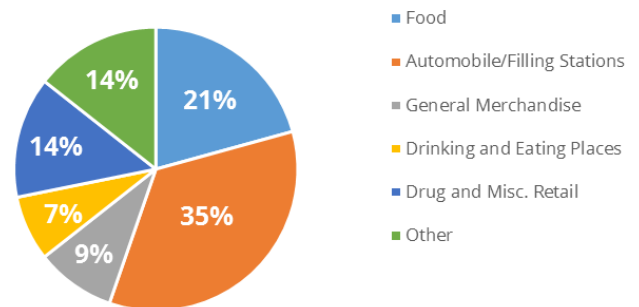
*All graphs on this page are fiscal year ended May 31, 2017

Development & Taxes

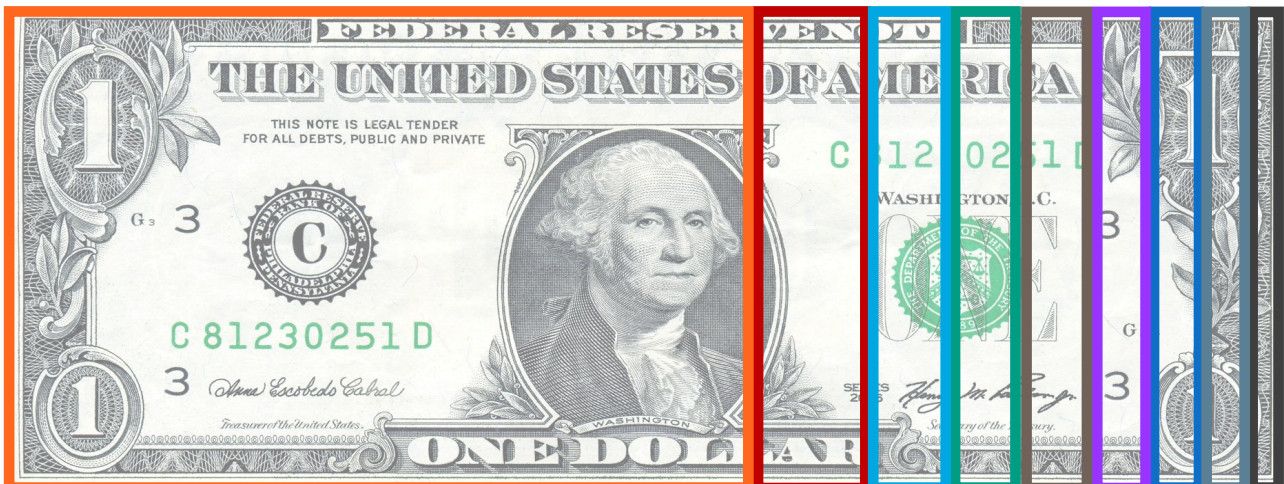
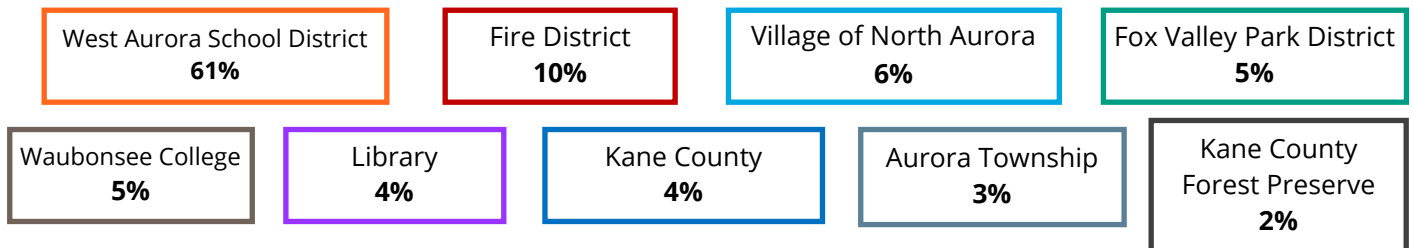
North Aurora has several taxes that fund village operations. Some taxes that the Village receives include property, sales, income, gas & electric, telecommunications, motor fuel, and non-home rule sales tax. Strong economic activity has resulted in sales tax as the largest revenue base for the Village. Sales tax represents comprises 44% of all general fund revenues that funds police protection, public works, and village services. The Village also has fees (building permits, water collection, and sewer collection) which are allocated towards operations and capital projects. Overall the Village has a strong and stable financial position due to these diversified revenues sources.

Top 10 Employers in North Aurora		
Rank	Employer	Number of Employees
1	Dart Container	375
2	Aurora Packing Company	300
3	West Aurora School District	243
4	Oberweis Dairy	225
5	Pentair Aurora Pump	210
6	Woodman's Food Market	175
7	One Source Industries	159
8	Euclid Beverages Ltd.	140
9	Dovenmuehle Mortgages	125
10	Target	110

Sales Taxes by Category
Fiscal Year Ended May 31, 2017
\$5,511,519



Where Do My Property Taxes Go To?*

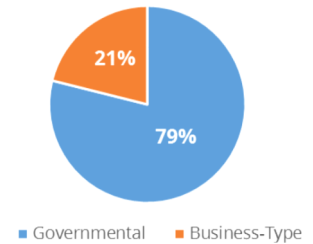


* Property tax allocations are illustrative of typical property tax bills.

Statement of Net Position

The statement of net position provides a “snapshot” of where the Village stood financially at the close of fiscal year May 31, 2017. Net position presents information on all of the Village’s assets and liabilities, along with deferred outflows and inflows of resources. Current assets are usually used within the next year while capital assets refer to longer lived assets such as land, infrastructure, and equipment. Current liabilities are payable within one year (accounts payable, and wages payable) while long-term liabilities refer to bond payables and other long-term liabilities.

Total Primary Government 2017
Types of Activities

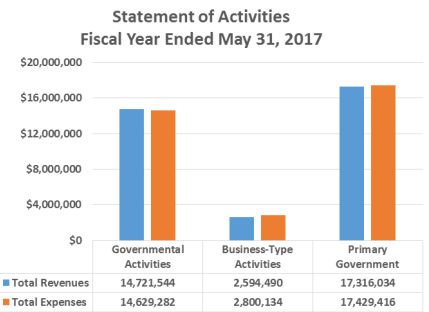


Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Village is improving or deteriorating. Governmental activities are for the operation of the Village that relate to general government, public safety, public works and sanitation. Business-type activities refer to the Village’s water provision operations. Total primary government refers to the entire Village (Governmental and Business-Type Activities).

	Governmental Activities 2017	Business-Type Activities 2017	Total Primary Government 2017
Current and Other Assets	\$ 21,934,934	\$ 8,942,532	\$ 30,877,466
Capital Assets	96,487,318	22,880,213	119,367,531
Total Assets	118,422,252	31,822,745	150,244,997
Pension Items	1,473,278	68,671	1,541,949
Unamortized Loss on Refunding	283,750	-	283,750
Deferred Outflows	1,757,028	68,671	1,825,699
Long-Term Liabilities	19,588,286	6,720,839	26,309,125
Current & Other Liabilities	2,644,259	411,473	3,055,732
Total Liabilities	22,232,545	7,132,312	29,364,857
Pension Items	1,163,636	28,170	1,191,806
Deferred Revenue	3,451,229	-	3,451,229
Deferred Inflows	4,614,865	28,170	4,643,035
Net Investment in Capital Assets	88,313,085	21,830,789	110,143,874
Restricted	2,940,679	-	2,940,679
Unrestricted	2,078,106	2,900,145	4,978,251
Total Net Position	\$ 93,331,870	\$ 24,730,934	\$ 118,062,804

Statement of Activities

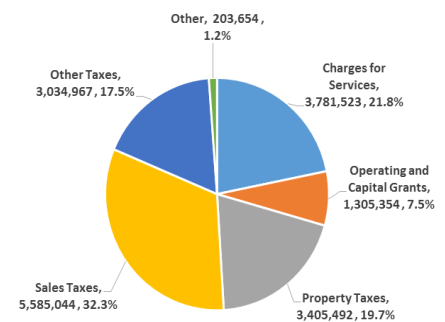
The Statement of Activities presents information showing how the Village's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods. The statement of revenues, expenditures, and changes in net assets summarizes the reasons behind the change in the Village's net position (Governmental and Business-Type Activities (proprietary funds)).



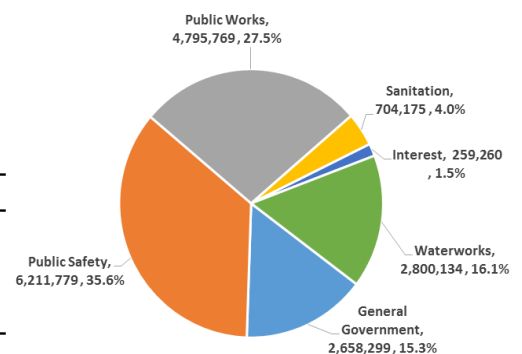
Both of the government-wide financial statements distinguish functions of the Village that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). Governmental activities reflect the Village's basic services, including general government, public safety, public works and sanitation. Business-type activities include the Village's water provision operations.

	Governmental Activities 2017	Business-Type Activities 2017	Total Primary Government 2017
REVENUES			
Program Revenues:			
Charges for Services	\$ 1,222,714	\$ 2,558,809	\$ 3,781,523
Operating Grants	466,331	-	466,331
Capital Grants/Contributions	839,023	-	839,023
General Revenues:			
Property & Replacement Taxes	3,405,492	-	3,405,492
Sales Taxes	5,585,044	-	5,585,044
Other Taxes	1,422,567	-	1,422,567
Shared Income Taxes	1,612,400	-	1,612,400
Other	167,973	35,681	203,654
Total Revenues	14,721,544	2,594,490	17,316,034
EXPENSES			
General Government	2,658,299	-	2,658,299
Public Safety	6,211,779	-	6,211,779
Public Works	4,795,769	-	4,795,769
Sanitation	704,175	-	704,175
Interest	259,260	-	259,260
Waterworks	-	2,800,134	2,800,134
Total Expenses	14,629,282	2,800,134	17,429,416
Change in Net Position	\$ 92,262	\$ (205,644)	\$ (113,382)
Net Position, June 1	\$ 93,239,608	\$ 24,936,578	\$ 118,176,186
Net Position, May 31	\$ 93,331,870	\$ 24,730,934	\$ 118,062,804

Revenues by Source
Total Primary Government
Fiscal Year Ended May 31, 2017
\$17,316,034



Expenses by Function
Total Primary Government
Fiscal Year Ended May 31, 2017
\$17,429,416





Village Department Heads

Village Administrator	Steve Bosco
Community Development Director	Mike Toth
Finance Director	Bill Hannah
Police Chief	David Fisher
Public Works Director	John Laskowski

Additional Financial Data

Thank you for reading the 2017 Popular Annual Financial Report!

The financial data presented in the PAFR is derived from the Village of North Aurora's CAFR (Comprehensive Annual Financial Report) and consistent with Generally Accepted Accounting Principals. The PAFR and other financial reports including the CAFR, Budgets, and Treasurer's Report can be found on the Village's website.

Online location of the 2017 CAFR:


<http://northaurora.org/departments/finance/financial-reports-and-budgets.aspx>

To request a paper copy of the CAFR or the PAFR, or to ask any questions regarding the fiscal condition of the Village of North Aurora, Contact Finance Director Bill Hannah at (630) 906-7374.



Website | northauroradays.com

- * First Friday in August
- * Family Fun and Fireworks!

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@VillageofNorthAurora