



VILLAGE OF
**NORTH
AURORA**
Crossroads on the Fox

VILLAGE OF NORTH AURORA, ILLINOIS



 <p>VILLAGE OF NORTH AURORA Crossroads on the Fox</p>	 <p>VILLAGE OF NORTH AURORA Crossroads on the Fox</p>	 <p>VILLAGE OF NORTH AURORA Crossroads on the Fox</p>	 <p>VILLAGE OF NORTH AURORA Crossroads on the Fox</p>	 <p>VILLAGE OF NORTH AURORA Crossroads on the Fox</p>	 <p>VILLAGE OF NORTH AURORA Crossroads on the Fox</p>
<h1>POPULAR ANNUAL FINANCIAL REPORT</h1>					
<h2>FOR FISCAL YEAR ENDED MAY 31, 2018</h2>					
 <p>northaurora.org</p>	 <p>northaurora.org</p>	 <p>northaurora.org</p>	 <p>northaurora.org</p>	 <p>northaurora.org</p>	 <p>northaurora.org</p>



Government Finance Officers Association

**Award for
Outstanding
Achievement in
Popular Annual
Financial Reporting**

Presented to

**Village of North Aurora
Illinois**

For its Annual
Financial Report
for the Fiscal Year Ended

May 31, 2017

Christopher P. Morrell

Executive Director/CEO



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 2018. 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 2018 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 17th 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, 2017. 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 13th 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 3.6% to \$504,256,743



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

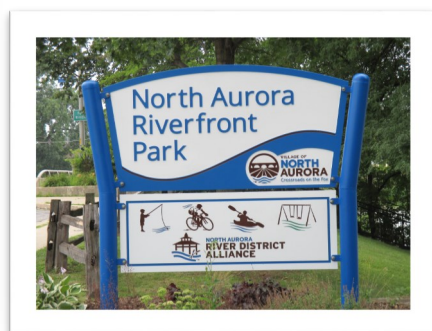


Village Trustee
Tao Martinez

“An Attentive Municipal Organization that Connects with Community, Commerce, and Nature”

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. 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 Accomplishments & Goals

The Village continues to move forward advancing goals and objectives, planning for needs into the future while maintaining financial strength. Below are the major accomplishments completed in fiscal year 2017-2018 and upcoming goals for fiscal year 2018-2019.

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

Major Accomplishments Completed in Fiscal Year 2017-2018

1. Completed the installation of the Village's new community digital sign at the corner of Route 31 and 56
2. Completed phase one for converting Village street lights to LED (144 lights)
3. Began implementation of the Village's Geographic Information System (GIS)
4. Acquired the silo and surrounding land and began discussion on creative concepts for the silo's re-use which includes adaptive lighting
5. Completed Airport Road, Alder Drive, and Ice Cream Drive road reconstruction project
6. Created the Village's first Popular Financial Report (PAFR) which received the PAFR reporting award from the Government Finance Officers Association (GFOA)
7. Completed bid process and awarded drilling contracts for the construction of two (2) new deep water wells (Well #8 & Well #9)
8. Acquired land near John Street and Marvo Street for future construction of additional public parking spaces
9. Completed the 2017 Road Program consisting of 2.7 miles:
 - Roads completed include: Acorn, Alder Dr, Cherrytree Ct, Deerpath Rd, Feltes Ln, Magnolia Dr, Mitchell Rd, and Seavey Rd

Major Goals Planned for Fiscal Year 2018-2019

1. Complete phase two for converting Village street lights to LED (350 lights)
2. Construct a parking lot at the end of Marvo and John Street
3. Continue implementation, layer creation, and mapmaking for the Village's GIS system
4. Complete construction of two (2) new deep water wells (Well #8 & Well #9)
5. Evaluate and create options related to refurbishing and adaptive re-use of the Silo
6. Reconstruct the alley of north of Oak Street towards Monroe Street
7. Oversee the initial phases of construction of Lincoln Valley on the Fox, a 344 unit age targeted residential development
8. Initiate construction of a new 750,000 gallon water tower
9. Complete the 2018 Road Program consisting of 3.1 miles:
 - Roads planned include: Dogwood Dr, Juniper Dr, Oak St, Patterson Ave, West Mooseheart Rd, White Oak Dr, , Wilkerson Ln, and various courts (11 in total)

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	Tourism	Waterworks	Police Pension Trust
Motor Fuel Tax	Special Service Areas	Vehicle and Equipment	Developer/Building Escrow
Route 31 TIF	Sanitary Sewer	Compensated Absences	
Sperry TIF	Capital Projects		Land/Cash Escrow
North Lincolnway TIF	Library Debt		
Insurance	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 administration, community development, and finance. 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, 2018.

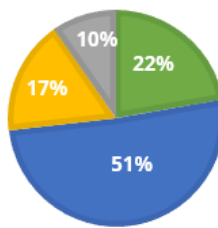
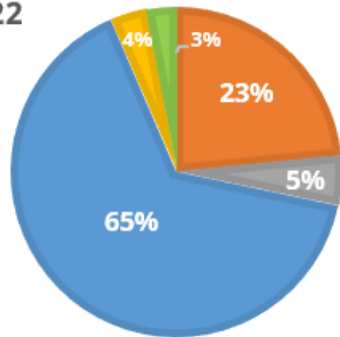
GENERAL FUND TAX REVENUES

■ Property Tax ■ Sales Tax ■ IL Income Tax ■ Other

REVENUES BY SOURCE

\$10,428,222

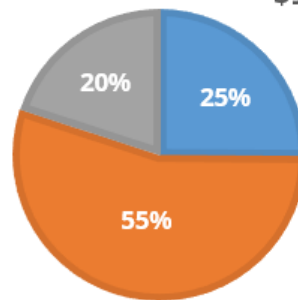
■ Taxes
■ Licenses and Permits
■ Intergovernmental
■ Charge for Services
■ Other



EXPENDITURES BY FUNCTION

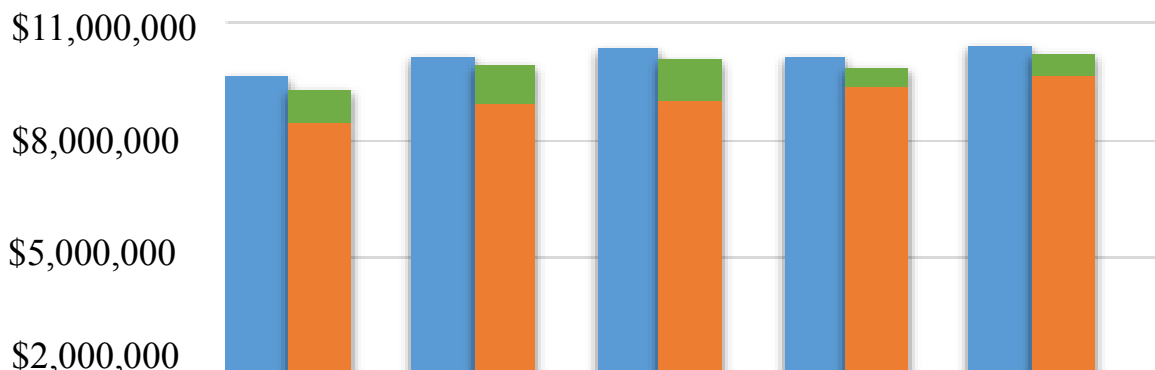
\$9,637,716

■ General Government
■ Public Safety
■ Public Works



General Fund (2014-2018) Revenues and Expenditures

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

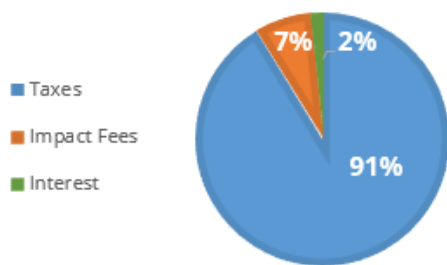


	2014	2015	2016	2017	2018
Revenues	\$ 9,657,772	\$ 10,123,171	\$ 10,342,512	\$ 10,136,829	\$ 10,428,222
Expenditures	\$ 8,471,489	\$ 8,932,298	\$ 9,045,216	\$ 9,388,868	\$ 9,637,716
Other Financing Sources/(Uses)	\$ (857,715)	\$ (968,348)	\$ (1,049,233)	\$ (446,101)	\$ (615,528)
Net Change in Fund Balance	\$ 328,568	\$ 222,525	\$ 248,063	\$ 301,860	\$ 174,978

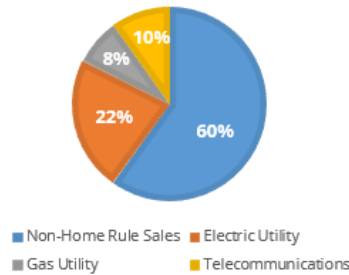
Other Major Village Funds

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. The fund finished the year with a \$913,989 increase in fund balance. The fund balance for the Capital Projects fund is \$2,978,900 which meets the cash flow reserve requirement for the fund.

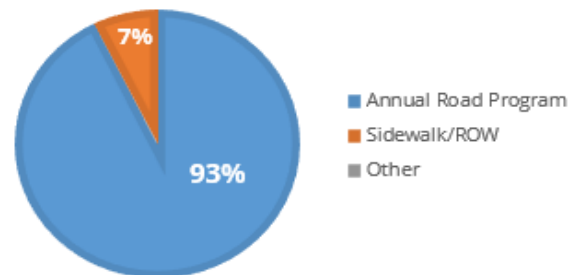
CAPITAL PROJECTS REVENUES
\$1,920,332



CAPITAL PROJECTS TAX REVENUES BREAKDOWN

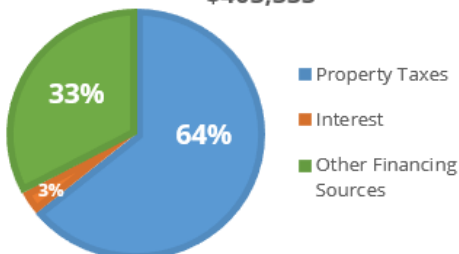


CAPITAL PROJECTS EXPENDITURES
\$1,006,343

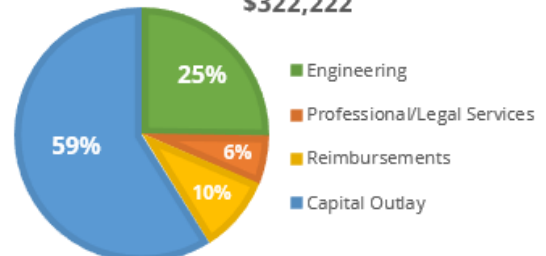


Route 31 TIF Fund. The Route 31 TIF Fund is used to account for the tax increment financing revenues and redevelopment expenditures within the Village's Route 31 TIF District. Over the last several years the Village has targeted the use of TIF reserves to fund the reconstruction of Smoketree Lane in 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 \$278,148 increase in fund balance. The fund balance at May 31, 2018 is \$1,500,435.

ROUTE 31 TIF REVENUES/OFS
\$403,333

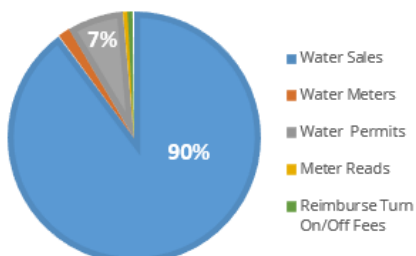


ROUTE 31 TIF EXPENDITURES
\$322,222

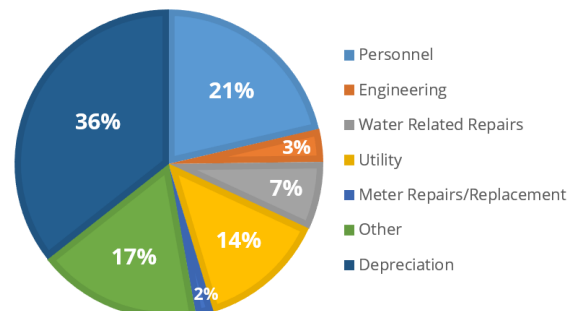


Waterworks Fund. This fund accounts for the revenue and operating and capital expenses associated with the provision of water service to residents and businesses in the Village. The Waterworks fund is what the Village uses to pay for repair and maintenance on the Village's water facility's and infrastructure. 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 \$278,135 positive change in net position for the year, with the total net position at the end of the year \$25,009,069.

WATERWORKS OPERATING REVENUES
\$2,606,783



WATERWORKS OPERATING EXPENSES
\$2,439,527



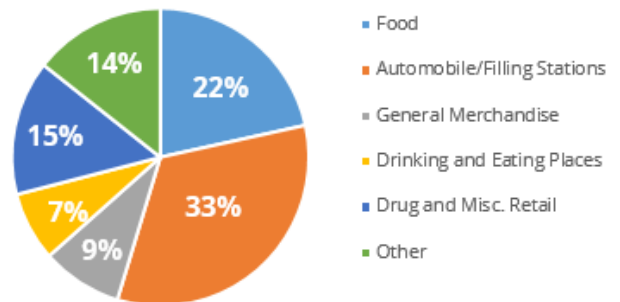
*All graphs on this page are fiscal year ended May 31, 2018

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 comprises 45% of all General Fund revenues that funds police protection, public works, and village services. The Village's top sales tax generating industries are Automotive/Filling Stations and Food. These two industries make up 55% of the Village's sales tax. The Village also has fees (building permits, sewer collection, and water 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	370
2	Aurora Packing Company	300
3	West Aurora School District	250
4	Oberweis Dairy	225
5	Pentair Aurora Pump	165
6	Woodman's Food Market	160
7	One Source Industries	159
8	Euclid Beverages Ltd.	140
9	Dovenmuehle Mortgage	125
10	Target	105

All Sales Taxes by Category
Fiscal Year Ended May 31, 2018
\$5,691,425



Where Do My Property Taxes Go To?*

West Aurora School District 60.82%	Fire District 9.83%	Village of North Aurora 5.90%	Waubonsee College 5.62%
Fox Valley Park District 5.41%	Kane County 4.09%	Library 3.49%	Aurora Township 3.17%
			Kane County Forest Preserve 1.68%



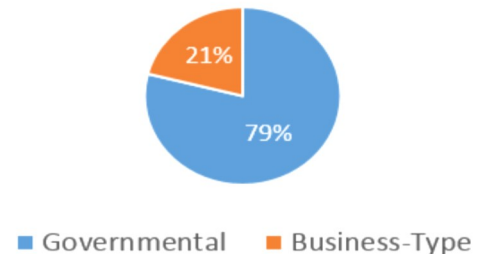
* Property tax allocations are illustrative of typical property tax bills.

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, 2018. 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 primarily to bonds payables, pension liabilities, and other long-term liabilities.

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).

**Total Primary Government 2018
Breakdown of Activities**



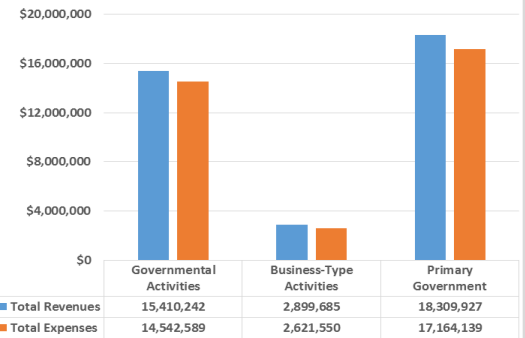
	Governmental Activities 2018	Business-Type Activities 2018	Total Primary Government 2018
Current and Other Assets	\$ 22,283,318	\$ 9,427,201	\$ 31,710,519
Capital Assets	95,687,981	22,136,648	117,824,629
Total Assets	117,971,299	31,563,849	149,535,148
Pension Items	2,772,829	100,955	2,873,784
Unamortized Loss on Refunding	254,405	-	254,405
Deferred Outflows	3,027,234	100,955	3,128,189
Long-Term Liabilities	18,902,494	5,742,026	24,644,520
Current & Other Liabilities	2,683,220	780,899	3,464,119
Total Liabilities	21,585,714	6,522,925	28,108,639
Pension Items	1,586,778	132,810	1,719,588
Deferred Revenue	3,626,518	-	3,626,518
Deferred Inflows	5,213,296	132,810	5,346,106
Net Position:			
Net Investment in Capital Assets	88,427,188	20,927,587	109,354,775
Restricted	3,002,428	-	3,002,428
Unrestricted	2,769,907	4,081,482	6,851,389
Total Net Position	\$ 94,199,523	\$ 25,009,069	\$ 119,208,592

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)).

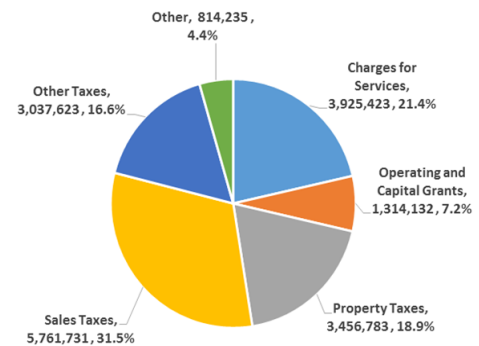
Both of the government-wide financial statements distinguish functions of the Village that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (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.

Statement of Activities
Fiscal Year Ended May 31, 2018



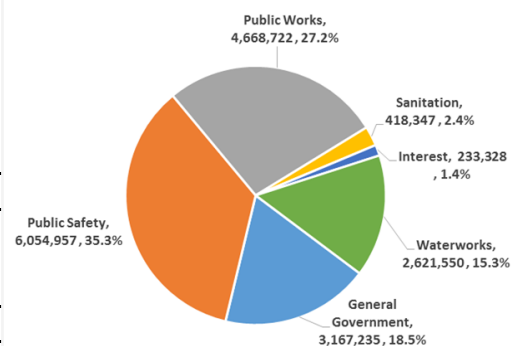
	Governmental Activities 2018	Business-Type Activities 2018	Total Primary Government 2018
REVENUES			
Program Revenues:			
Charges for Services	\$ 1,318,640	\$ 2,606,783	\$ 3,925,423
Operating Grants/Contributions	473,490	-	473,490
Capital Grants/Contributions	840,642	-	840,642
General Revenues:			
Property & Repl Taxes	3,456,783	-	3,456,783
Sales Taxes	5,761,731	-	5,761,731
Other Taxes	1,450,596	-	1,450,596
Shared Income Taxes	1,587,027	-	1,587,027
Other	521,333	292,902	814,235
Total Revenues	15,410,242	2,899,685	18,309,927

Revenues by Source
Total Primary Government
Fiscal Year Ended May 31, 2018
\$18,309,927



EXPENSES			
General Government	3,167,235	-	3,167,235
Public Safety	6,054,957	-	6,054,957
Public Works	4,668,722	-	4,668,722
Sanitation	418,347	-	418,347
Interest	233,328	-	233,328
Waterworks	-	2,621,550	2,621,550
Total Expenses	14,542,589	2,621,550	17,164,139

Expenses by Function
Total Primary Government
Fiscal Year Ended May 31, 2018
\$17,164,139



Change in Net Position	\$ 867,653	\$ 278,135	\$ 1,145,788
Net Position, June 1	\$ 93,331,870	\$24,730,934	\$ 118,062,804
Net Position, May 31	\$ 94,199,523	\$25,009,069	\$ 119,208,592



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

The financial data presented in the PAFR is derived from the Village of North Aurora's Comprehensive Annual Financial Report (CAFR). The information presented in the PAFR is consistent with Generally Accepted Accounting Principles (GAAP). The PAFR presents selected financial information from the CAFR, and additional information on individual funds is available in the CAFR. The CAFR also contains more detailed financial information and note disclosures regarding the Village's financial position for the year and users should review the CAFR for more information.

The CAFR can be located on-line at the following address:

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

In addition to the most current CAFR, users can find an on-line version of the PAFR as well as other documents including the Village's Annual Budget and annual Treasurer's Report.


Thank you for reading the 2018 Popular Annual Financial Report!

If you have any questions regarding the fiscal condition of the Village of North Aurora please contact Finance Director Bill Hannah at (630) 906-7374.



Website | northauroradays.com

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

 Like us on Facebook
@VillageofNorthAurora