



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

POPULAR ANNUAL FINANCIAL REPORT

FOR FISCAL YEAR ENDED MAY 31, 2020

VILLAGE OF NORTH AURORA, ILLINOIS



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, 2019

Christopher P. Morrell

Executive Director/CEO



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North Aurora Facts

Geographic Area

7.73 square miles

Form of Government

Trustee-Administrator

Village President & 6-Trustee Board

Demographics (Special Census 2016)

Residents 17,441

Race (ACS* 2018)

White	78.9%
Black and African American	5.2%
Asian	5.2%
Some Other Race	7.5%
Two or More Races	3.2%
Hispanic or Latino (any race)**	16.1%

Household Income (ACS 2018)

Median \$81,096

Bond Rating (S&P) AA+

Equalized Assessed Valuation (EAV)

EAV- Up 4.4% to \$559,300,173

General Merchandise Sales Tax- 7.5%

*ACS is the American Community Survey organized by the U.S.. Census Bureau

** Hispanics or Latinos can identify with any race listed above

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 2020. 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 2020 Comprehensive Annual Financial Report (CAFR), which represents the Village's official audited financial statements, and conforms with generally accepted accounting principles (GAAP). The Village received its 19th 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, 2019. 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 2020-2021. This represents the 15th consecutive year the Village has received this award. The Village also received for the 3rd consecutive year the PAFR Award from GFOA.

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.



Sincerely

Dale Berman

Dale Berman
Village President

Community Profile

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

The above serves as the Village of North Aurora’s vision statement and demonstrates the Village’s dedication to the many things that make up North Aurora.

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-five years. Current, official population is 17,441 based upon the 2016 Special Census of the Village. The Village population is expected to reach 22,000 residents by 2025.



The Fox River is a 202-mile long tributary of the Illinois River. It flows from southeastern Wisconsin to Ottawa, Illinois, and right through North Aurora. Pictured: North Aurora’s State Street Bridge that crosses over the Fox River.

Community Profile

Supporting Organizations

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. As of May 31, 2020, the Village of North Aurora has 62.55 full-time equivalent employees.

In addition to the Village of North Aurora, there are several other organizations that provide additional services to North Aurora residents and the community.

Solid waste collection and recycling services are administered by the Village through a contract with a private firm, at this time **Waste Management**.

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**, which maintains 168 parks and 48 miles of inter-connected regional trails amid 2,500 acres of parkland, including 14 parks in North Aurora.

The **Messenger Public Library of North Aurora** provides library services. The Library reported in Fiscal Year 2020 they had 162,930 items borrowed, 89,000 annual visits, and 15,760 reference questions answered.

The Village of North Aurora is home to many parks and recreational bike and walking trails looked after by the Fox Valley Park District. Two of those parks rest alongside the Fox River: North Aurora Riverfront Park and North Aurora Island Park.



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 2019-2020 and upcoming goals for fiscal year 2020-2021.

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

Major Accomplishments Completed in Fiscal Year 2019-2020

1. Completed third and final phase for converting Village street lights to LED (381 lights)
2. Continued design, considered options, and finalized RFP of adaptive re-use of the Silo
3. Completed drilling of two (2) new deep water wells (Well #8 & Well #9) as well as their well houses, and transmission mains
4. Continued conceptual design for renovation and expansion of facilities at the Village's Public Works facility
5. Completed sanitary sewer televising and cleaning on the remaining areas within Village
6. Facilitated text amendments to allow for one of the first retail sale adult-use cannabis dispensaries in Illinois
7. Completed the implementation of a new police records management system in partnership with the City of Aurora
8. Completed the 2019 Road Program consisting of 3.6 miles

Major Goals Planned for Fiscal Year 2020-2021

1. Initiate and complete the refurbishing and lighting of the Silo by the river
2. Initiate construction of a new 750,000 gallon water tower
3. Oversee the next phase of construction of Lincoln Valley on the Fox, a 374 unit age targeted residential development
4. Replace watermain along Maple and Elm Streets
5. Complete the 2020 Street Improvement Program of 1.8 miles
6. Continue with a comprehensive review of all of the Village's three (3) TIF Districts to determine if changes should be made in order to meet the redevelopment goals of the Village
7. Plan for the hiring of two additional police officers to address adequate patrol staffing needs
8. Initiate the process and hire a Village Engineer
9. Continue the assessment and design of architectural elements and engineering review for improvements to the public works facility

Fund Categories & Structure

The Village of North Aurora uses an accounting system known as “fund accounting.” A fund is a separate accounting entity with a 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 funds while Expenses are used for business-type funds. Funds can be divided into three categories: **governmental funds**, **proprietary funds**, and **fiduciary funds**.

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. Financial information for all non-major funds are not in the PAFR, but can be found the CAFR.

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 funds. 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. The Village also has two internal service funds that are used for financing goods and services from one department to another. The two internal service funds include vehicle and equipment and employee compensated absences. The Village maintains three individual proprietary funds which are listed in the table below.

Fiduciary Funds

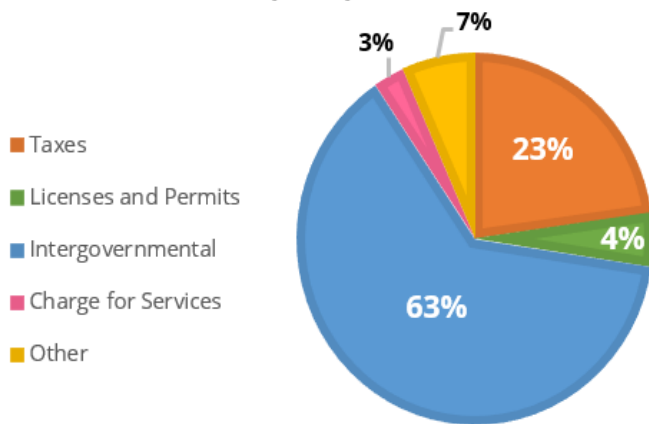
Fiduciary funds account for funds that the Village is holding for someone else and are used to account for resources held for the benefit of parties outside of the government. The Village of North Aurora maintains one fiduciary fund; the police pension trust fund. Fiduciary funds are not reflected in 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	
Route 31 TIF	Sanitary Sewer	Employee Compensated Absences	
Sperry TIF	Capital Projects		
North Lincolnway TIF	Library Debt		
Insurance	Police Station Debt		

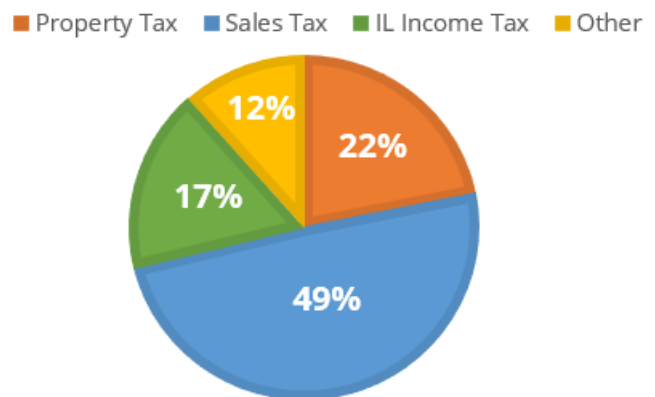
General Fund

All non-major funds are not in the PAFR, but can be found in the CAFR. 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, 2020.

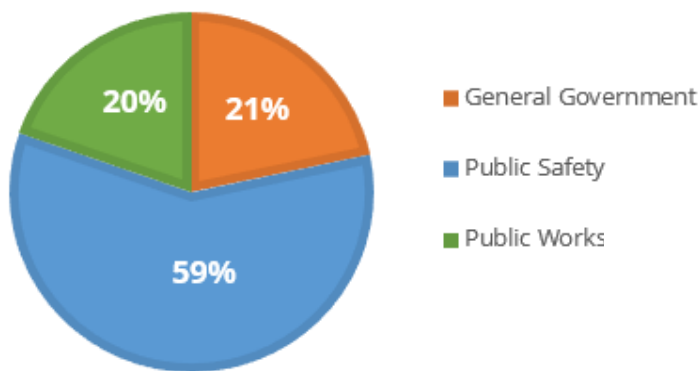
REVENUES BY SOURCE
\$11,569,990



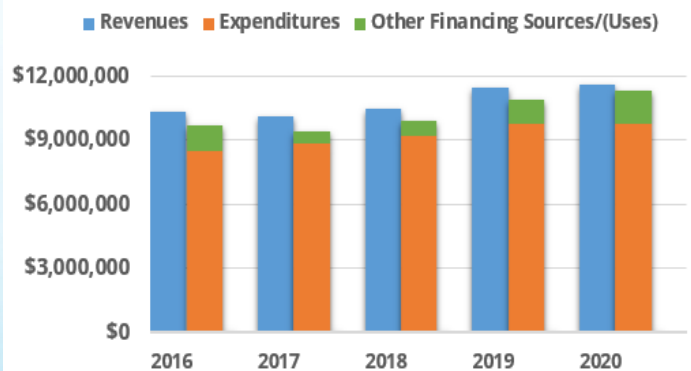
MAJOR GENERAL FUND REVENUES
\$9,948,141



EXPENDITURES BY FUNCTION
\$10,126,712



General Fund (2016-2020)
Revenues and Expenditures

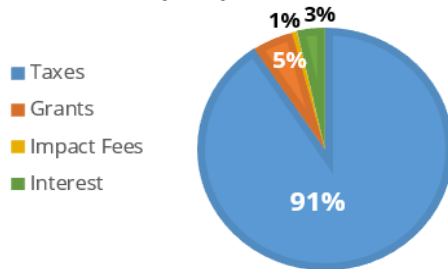


	2016	2017	2018	2019	2020
Revenues	\$10,342,512	\$10,136,829	\$10,428,222	\$11,420,135	\$11,569,990
Expenditures	\$9,045,216	\$9,388,868	\$9,637,716	\$10,120,715	\$10,126,712
Other Financing Sources/(Uses)	\$ (1,049,233)	\$ (446,101)	\$ (615,528)	\$ (981,404)	\$ (1,319,361)
Net Change in Fund Balance	\$248,063	\$301,860	\$174,978	\$318,016	\$123,917

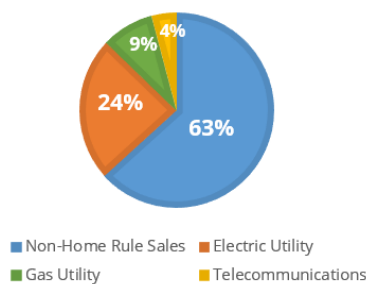
Other Major Village Funds

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 \$542,875 increase in fund balance. The fund balance for the Capital Projects fund is \$3,666,218 which meets the cash flow reserve requirement for the fund.

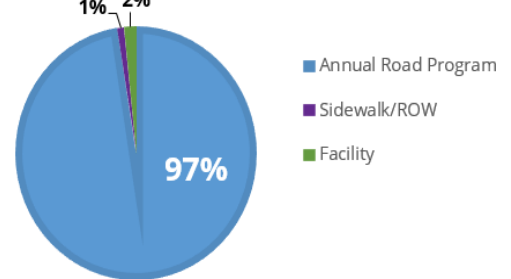
CAPITAL PROJECTS REVENUES
\$1,768,773



CAPITAL PROJECTS TAX REVENUES BREAKDOWN

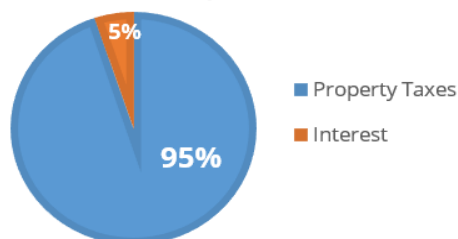


CAPITAL PROJECTS EXPENDITURES
\$1,975,898

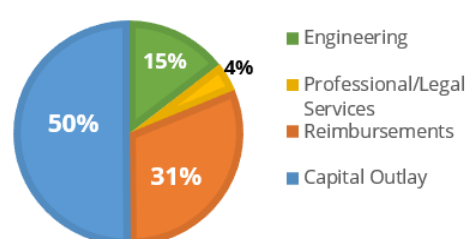


Route 31 TIF Fund. The Route 31 TIF Fund is used to account for the tax increment financing revenues and redevelopment expenditures within the Village's Route 31 TIF District. The Village anticipates using another portion of this reserve in the following year for future redevelopment projects in the TIF area such as the silo repurposing. The Route 31 TIF fund finished the year with a \$293,863 increase in fund balance. The fund balance at May 31, 2020 is \$1,908,123.

ROUTE 31 TIF REVENUES
\$533,808

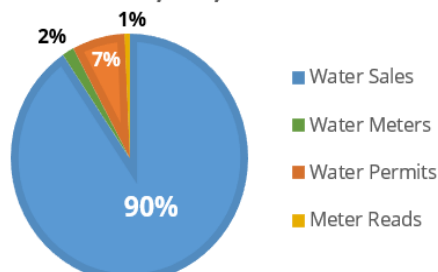


ROUTE 31 TIF EXPENDITURES
\$239,945

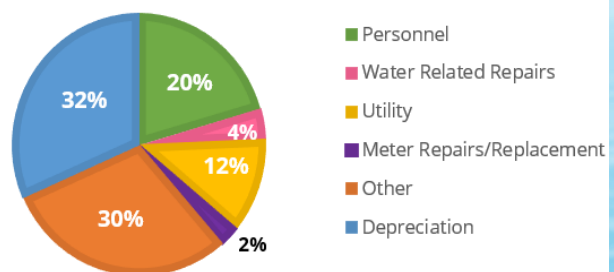


Waterworks Fund. This fund accounts for the revenue and operating and capital expenses associated with the provision of water service to residents and businesses in the Village. The Waterworks fund is what the Village uses to pay for operating, repair and maintenance on the Village's water facility's and infrastructure. In the upcoming year, a water tower will be constructed partially using bond proceeds payable by Waterworks fund revenues. The Waterworks fund had a \$998,691 positive change in net position for the year, with the total net position at the end of the year \$26,654,616.

WATERWORKS OPERATING REVENUES
\$2,731,406



WATERWORKS OPERATING EXPENSES
\$2,702,379



*All graphs on this page are fiscal year ended May 31, 2020

The Crossroads On the Fox



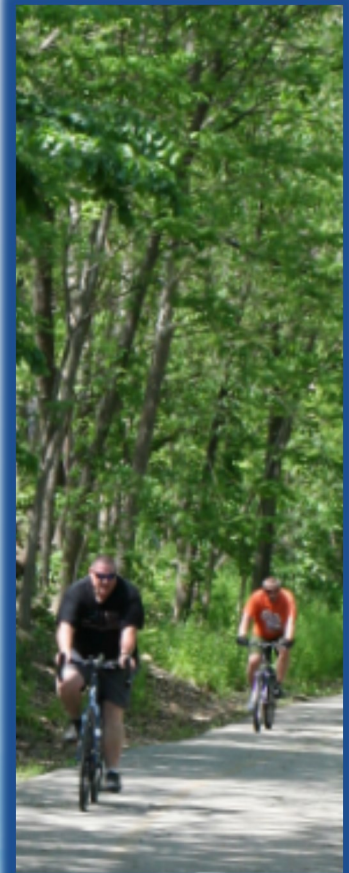
Water Wonders is located at Riverfront Park and encourages residents to splash and play in this attraction.

The Outlook Gazebo is situated above the Fox River by the Fox River Dam and alongside the Fox River Trail.



A Fox statue, in honor of the Fox River, is perched on the State Street Bridge; a main thoroughfare of North Aurora.

A view of State Street Bridge and the Fox River with the Silo rising in the background. The Village has plans to restore and light the silo in the future.



Residents enjoy bike riding and walking the Fox River Trail — which spans 44.6 miles total.

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 source for the Village.

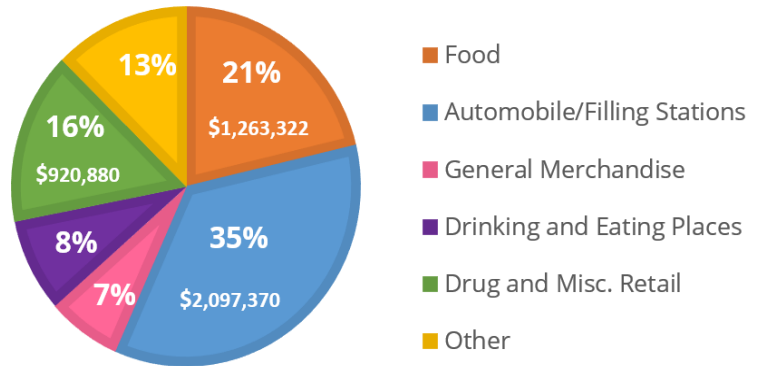
Sales tax comprises 42% of all General Fund revenues that funds police protection, public works, and village services. The Village's top sales tax generating industries are Automotive/Filling Stations and Food. These two industries make up 57% of the Village's sales tax.

The Village also has fees (building permits, sewer collection, and water collection) which are allocated towards operations and capital projects. The Village does not rely significantly on property taxes to fund Village services. Property taxes received in the General Fund for general government services were \$2,174,005 during the year.

Overall the Village has a very strong and stable financial position due in part to these diversified revenues sources.

ALL SALES TAXES BY CATEGORY FISCAL YEAR ENDED MAY 31, 2020

\$5,931,960



Where Do My Property Taxes Go?*

West Aurora School District 60.83%	Fire District 10.13%	Waubensee College 5.81%	Village of North Aurora 5.42%
Fox Valley Park District 5.31%	Kane County 4.04%	Library 3.54%	Aurora Township 3.24%
			Kane County Forest Preserve 1.67%



* 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, 2020. 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). The Village’s reported total unrestricted net position was \$7,157,562 in Fiscal Year 2020.

	Governmental Activities 2020	Business-Type Activities 2020	Total Primary Government 2020
Current and Other Assets	\$ 25,151,460	\$ 7,752,133	\$ 32,903,593
Capital Assets	95,165,638	25,557,054	120,722,692
Total Assets	120,317,098	33,309,187	153,626,285
Pension Items	3,474,622	85,659	3,560,281
Unamortized Loss on Refunding	195,715	-	195,715
Deferred Outflows	3,670,337	85,659	3,755,996
Long-Term Liabilities	21,014,918	4,992,196	26,007,114
Current & Other Liabilities	3,531,105	1,658,097	5,189,202
Total Liabilities	24,546,023	6,650,293	31,196,316
Pension Items	1,022,646	89,937	1,112,583
Deferred Revenue	3,594,261	-	3,594,261
Deferred Inflows	4,616,907	89,937	4,706,844
Net Position:			
Net Investment in Capital Assets	89,821,725	20,923,411	110,745,136
Restricted	3,576,423	-	3,576,423
Unrestricted	1,426,357	5,731,205	7,157,562
Total Net Position	\$ 94,824,505	\$ 26,654,616	\$ 121,479,121

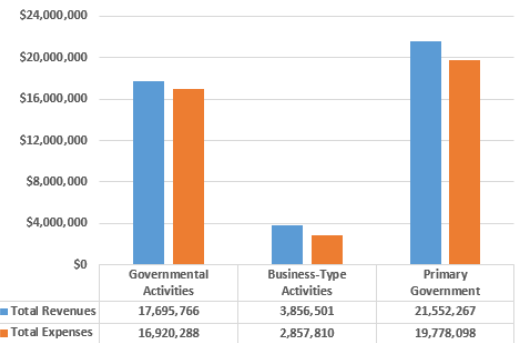
Statement of Activities

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.

Both of the government-wide financial statements distinguish functions of the Village that are principally supported by taxes and inter-governmental 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. The Village's Net Position increased \$1,774,169 in Fiscal Year 2020.

Statement of Activities
Fiscal Year Ended May 31, 2020



REVENUES

Program Revenues:

Charges for Services	\$ 1,287,472	\$ 2,731,406	\$ 4,018,878
Operating Grants	848,314	-	848,314
Capital Grants/Contributions	1,609,289	636,242	2,245,531

General Revenues:

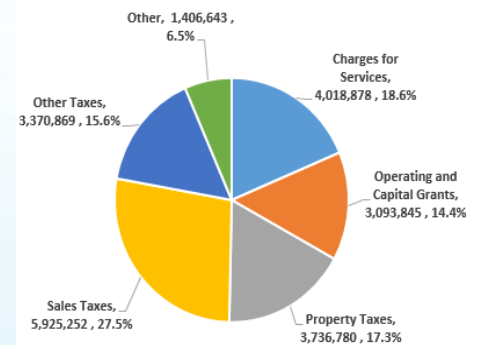
Property & Repl Taxes	3,777,528	-	3,777,528
Sales Taxes	5,925,252	-	5,925,252
Other Taxes	1,614,189	-	1,614,189
Shared Income Taxes	1,715,932	-	1,715,932
Other	917,790	488,853	1,406,643
Total Revenues	17,695,766	3,856,501	21,552,267

EXPENSES

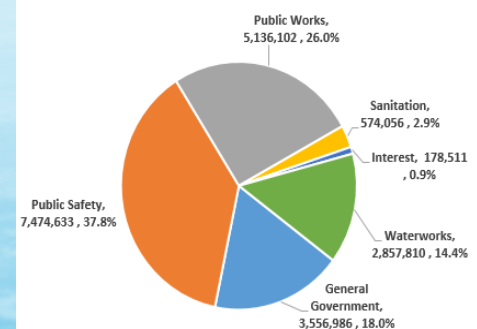
General Government	3,556,986	-	3,556,986
Public Safety	7,474,633	-	7,474,633
Public Works	5,136,102	-	5,136,102
Sanitation	574,056	-	574,056
Interest	178,511	-	178,511
Waterworks	-	2,857,810	2,857,810
Total Expenses	16,920,288	2,857,810	19,778,098

Change in Net Position	\$ 775,478	\$ 998,691	\$ 1,774,169
Net Position, June 1	\$ 94,049,027	\$ 25,655,925	\$119,704,952
Net Position, May 31	\$ 94,824,505	\$ 26,654,616	\$121,479,131

Revenues by Source
Total Primary Government
Fiscal Year Ended May 31, 2020
\$21,552,267



Expenses by Function
Total Primary Government
Fiscal Year Ended May 31, 2020
\$19,778,098





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 2020 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.



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North Aurora Police Department: @NorthAuroraPolice
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