



Resident's Annual Financial Report



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**Resident's Annual
 Financial
 Report**

**Fiscal Year Ending
 April 30, 2015**

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Dear Residents of the Village of Oswego,

The Village of Oswego is pleased to present the Village's first Resident's Annual Financial Report for the Fiscal Year ended April 30, 2015. This report provides a brief analysis of where the Village's revenues come from and how those dollars are spent, as well as trends in the local economy.

The information in this report is based on the Village's 2015 Comprehensive Annual Financial Report (CAFR), which represents the Village's audited financial statements. The Village received a favorable (unmodified opinion) from the independent auditors affirming that the financial statements are fairly presented in conformity with generally accepted accounting principles.

The Village received its 12th consecutive certificate of Achievement Award for Excellence in Financial Reporting from the Government Finance Officer's Association (GFOA) of the United States and Canada for the fiscal year ending April 30, 2014. The Certificate of Achievement is considered the highest form of recognition in the area of governmental accounting and financial reporting. The Village recently received the Distinguished Budget Presentation Award from the GFOA for the fiscal year budget year beginning May 1, 2015. This is the 12th consecutive year the Village has received the award. Both of these awards signify the Village's commitment to strong fiscal accountability and integrity. The CAFR, Village Budget and other financial reports are available on the Village website; www.oswegoil.org.

We hope reading this report will provide a greater insight into the Village's financial condition. If you have any questions or comments regarding information in this report or any other Village financial report, please contact Village Treasurer/Finance Director, Mark Horton at 630-554-0864.

Respectfully,
Daniel Di Santo
 Village Administrator

Village of Oswego Fast Facts

Population	33,100
Per Capita Personal Income	\$32,488
Total Taxable Assessed Value (2014 Levy)	\$746,521,305
Fiscal Year 2015 Revenues	\$26,579,214
Fiscal Year 2015 Expenditures	\$29,594,973
Village Full time/ Part Time Employees	108/8
Village Outstanding Bonded Debt	\$27,170,000
Village Bond Rating	Aa2 from Moody's

General Information

The first permanent settlers came to the area in 1833. At the time, Waubonsee, principal war chief of the Potawatomi Indians, still lived nearby on the banks of the Fox River. In honor of the Chief, a creek that winds through the Village, an area high school and the area's community college all share the name Waubonsee. In 1835, two businessmen platted Oswego and called the town Hudson, but the name was changed in 1837 when a post office was established. The new name, Oswego, taken from a town in the state of New York, is a Mohawk Indian word for "mouth of the stream" and refers to the Waubonsee Creek flowing into the Fox River. In 1845, the four-year-old Kendall County government was moved to Oswego, but was moved back to Yorkville in 1864 based on the desire of a more central location for the county seat.

Oswego was formally incorporated in 1852. It is a home rule community as defined by the Illinois Constitution and as such is empowered to levy a property tax, at the rate it deems appropriate on all property located within its boundaries. The Village of Oswego is located in the northeastern section of the State of Illinois, approximately 50 miles southwest of Chicago in the northeast corner of Kendall County. The Village population reached 30,355 with the 2010 decennial census.

Elected Officials

Gail Johnson, Village President

Village Trustees

Ryan Kaufmann, Karin McCarty-Lange, Pam Parr, Luis Perez, Judy Sollinger, Joe West



Village Government

The Village operates under the Trustee/Administrator form of government, as defined in Illinois state statutes. A Village President and six trustees are elected at large to overlapping 4 year terms. The Village Board appoints a full-time Village Administrator as the Chief Operating Officer of the Village. The Administrator manages the day-to-day activities of the Village.

The Village of Oswego has 116.55 full time equivalent employees providing an array of services for the residents including; police protection, maintaining the water distribution system, sanitary sewer line administration, storm water collection, public works operations, road & bridge maintenance, community development, economic development, building and zoning services, general administrative services, and tourism.

Local Economy

Commercial growth has followed the increase in population and is providing retail shopping for Village residents as well as many non-residents from many surrounding towns. The Village's Economic Development staff works to retain and attract retail, office, and industrial businesses to the Village.

The Village is a regional shopping and dining destination as national retailers and restaurants have located here. The Route 34 corridor is one of the largest commercial centers in the Fox Valley area now offering over 2.8 million square feet of commercial space. Anchor stores include Best Buy, Dick's Sporting Goods, The Home Depot, Kohl's, Meijer, Target, Wal-Mart and Sears Home Appliance. Many well-known chain restaurants have also located within the shopping centers.

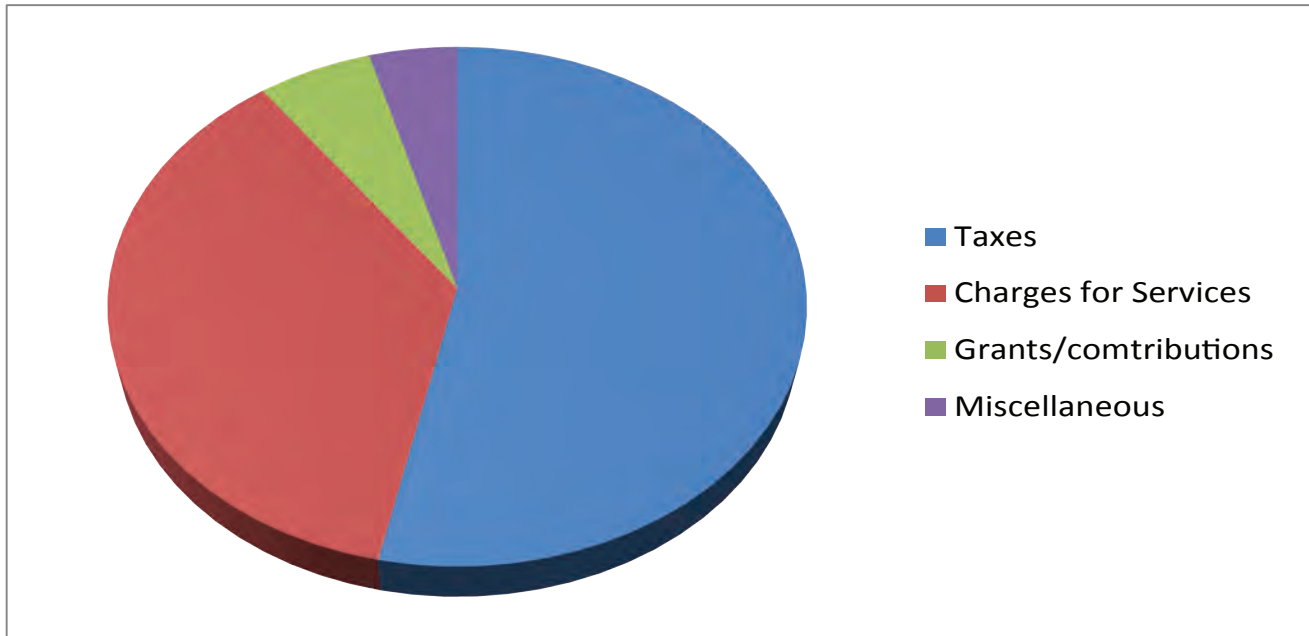


The Orchard Road Corridor is the second largest commercial area within the Village currently home to a large chain grocery, financial institutions, a health care facility, restaurants, a senior residential facility and other retail. Discussions have begun with interested developers for the remaining open areas within the corridor.

The Village has four business parks providing commercial and industrial development. The 300-acre Kendall Point Business Center, the 130-acre Stonehill Business Park, the Highland Business Center and Farmington Lakes Office Campus have all been established providing an abundance of commercial and manufacturing businesses. Proposed industrial and office development areas in the Orchard Road corridor covering more than 200 acres will add to the commercial and industrial base within the community.

All of this development and residential growth has helped the local economy to remain steady and even grow over the past four years. The Village's Sales Tax revenue continued to grow beating budget estimates for the fiscal year and the prior year's totals. The Village's proactive reaction to the economy has helped keep costs down and the Village's finances on track. The local economy remains strong and annual housing starts and commercial developments are increasing as the national economy continues improving.

2015 Village Revenues - \$26.6 Million



Taxes

\$14.2 million

53% of total revenues are from taxes. Sales taxes, income taxes, property taxes, utility taxes and other miscellaneous taxes are included in this category. Sales taxes are 51% of all tax revenue received by the Village.

Charges for Services

\$ 9.7 million

Revenue received from water/sewer billings, garbage collection fees, building inspection and code enforcement fees, plan review fees, licenses and permit fees, fines and violation fees, cable franchise fees and other miscellaneous fees charged to cover operational costs.

Grants/donations

\$ 1.5 million

These revenues are received from Federal and State grant programs, contributions from developers, pension fund contributions and employee contributions for health insurance.

Miscellaneous

\$ 1.2 million

All other revenues received from various sources.

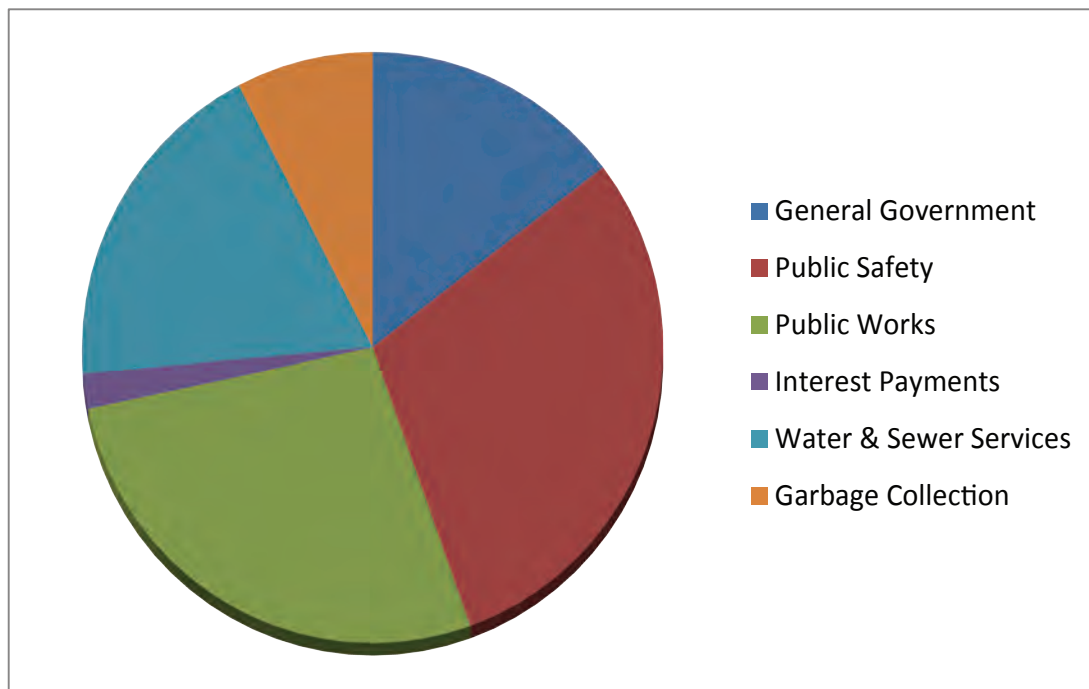
Did you know?

Shop Local = \$0.14 of every \$1.00 you spend at retail stores in Oswego is returned to the Village to pay for operations.



2015 Village Expenditures - \$29.6 Million

General Government	\$4.3 million
Costs for administrative services, building and zoning, community development, maintaining public facilities and financial operations.	
Public Safety	\$8.9 million
All of the costs of operating the Village police department and providing safety to the residents and businesses in Oswego.	
Public Works	\$8.0 million
Costs for the annual maintenance and rehabilitation of the roadways, snow plowing and ice control, street maintenance issues, storm damage pickup, parkway tree maintenance, leaf pickup, roadway right of way maintenance and other miscellaneous tasks.	
Interest Payments	\$.6 million
Payments made for the interest cost on outstanding bond issuances. The Village issues bonds to pay for large capital projects. The widening of Douglas Road from two lanes to four lanes is an example of a large capital project. The Village has \$27.1 million in outstanding debt.	
Water & Sewer Services	\$5.5 million
The Village provides water and sanitary sewer services to 11,000 customers. All the costs to deliver clean water and maintain the 162 miles of water main and 119 miles of sanitary sewer lines are paid from the usage fees charged to customers.	
Garbage Collection	\$2.3 million
The costs for having curbside garbage collection are paid by the residents and businesses at rates established in the negotiated contract between the Village and the vendor selected through competitive bidding to provide the collection service.	



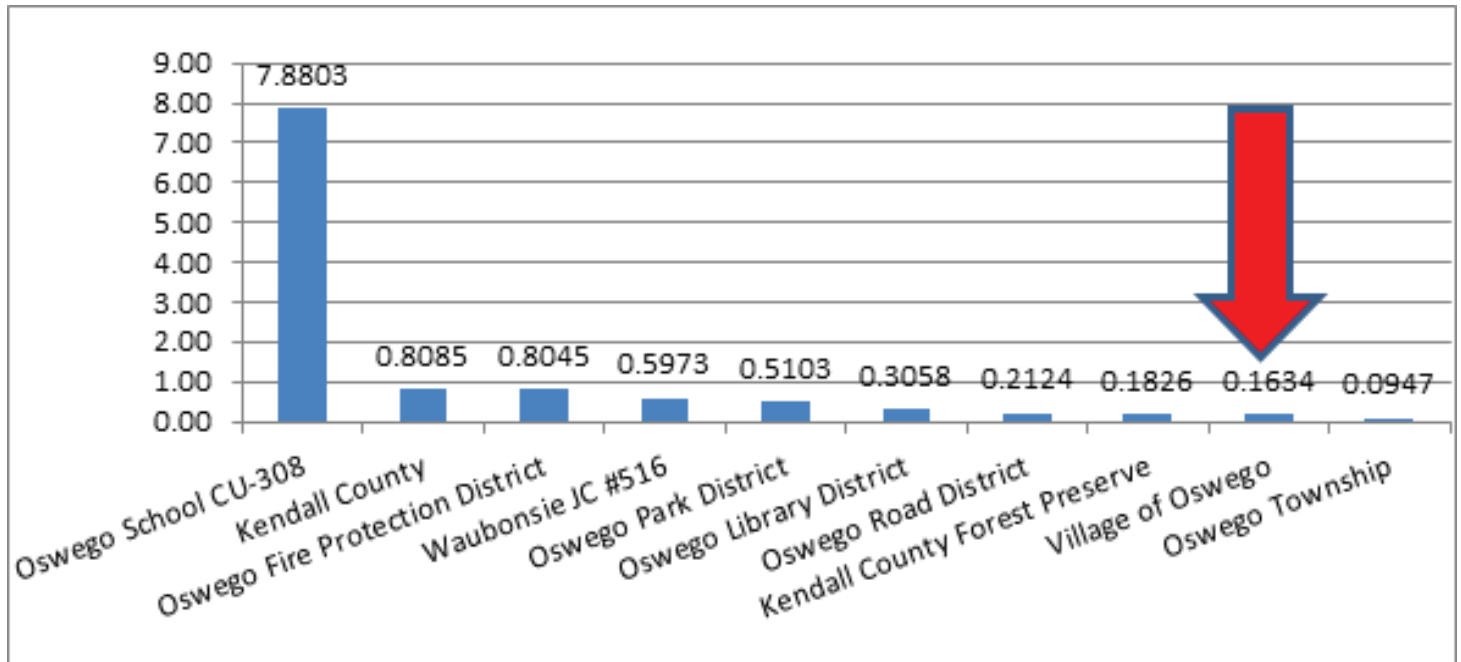
The Village spends about \$293 per person to provide police protection services to the community.

Village Property Taxes

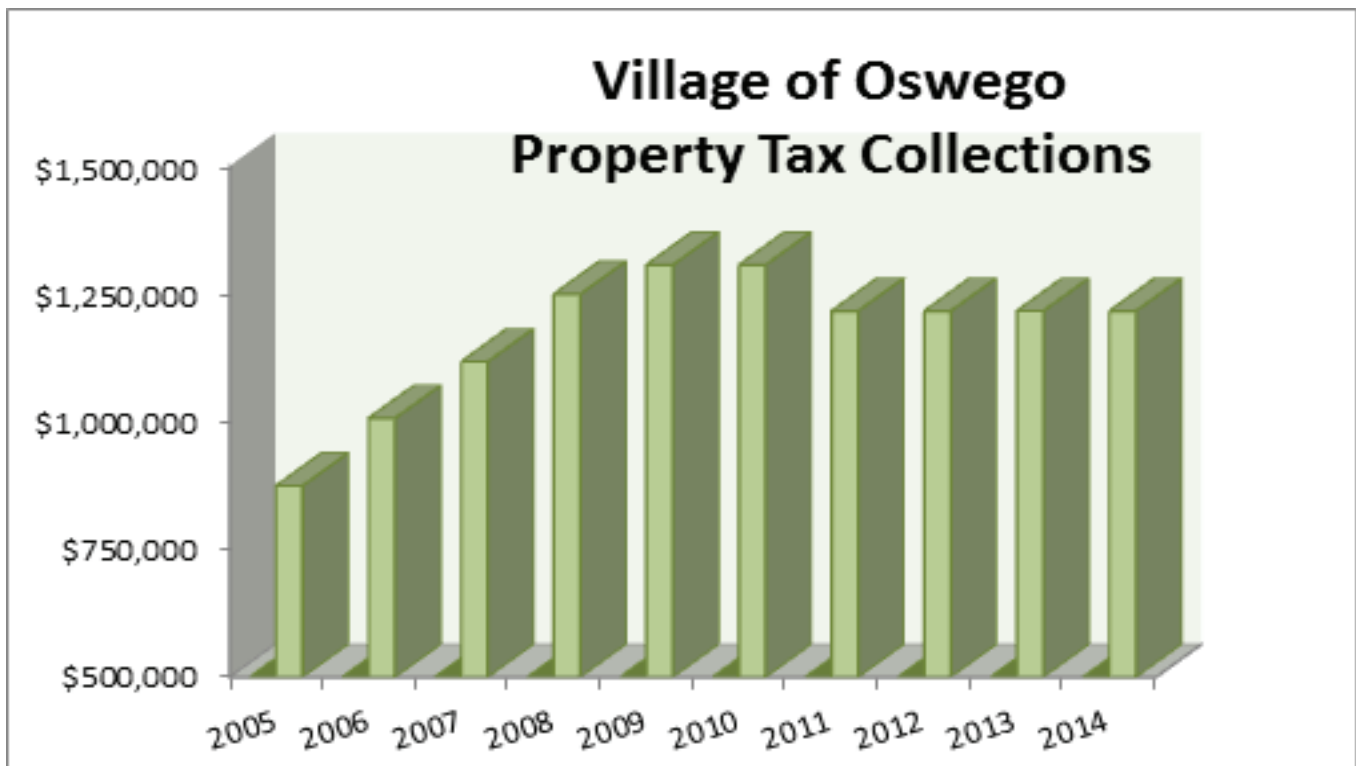
Where do my property taxes go?

Every dollar of property tax paid by Village of Oswego residents and commercial property owners is divided among many different taxing districts. For the property taxes paid between June and November 2015, only 1.4% of the total dollars paid is distributed by the County Treasurer to the Village of Oswego.

Property Tax Rates



The Village tax rate is 16 cents per \$100 of your equalized assessed value on the property you own. The Village has maintained its portion of the yearly tax levy at the same dollar amount for the past four years. The following chart shows yearly property tax collections for the last ten years.



Financial Statements

The Village's Comprehensive Annual Financial Report (CAFR) for the fiscal year just ended April 30, 2015 can be accessed via the Village website at www.oswegoil.org. The CAFR contains detailed financial information on Village finances. Two financial statements from the CAFR are listed here in a condensed version providing an overview of the Village's financial status.

A useful indicator of the Village's financial position may be ascertained by comparing the change in total Net Position from year to year. The Village's total assets/deferred outflows decreased as did total liabilities/deferred inflows from 2014 to 2015 resulting in an overall decrease in total Net Position. The greatest area of change is the decrease in Capital assets and is the reason for the total decrease in Net Position. The following chart reflects the condensed Statement of Net Position:

Village of Oswego Statement of Net Position As of April 30, 2015

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2014	2015	2014	2015	2014	2015
Assets:						
Current & other assets	\$13,401,964	\$13,176,826	\$10,648,010	\$11,066,502	\$24,049,974	\$24,243,328
Capital assets	285,208,008	280,761,126	57,151,400	56,279,747	342,359,408	337,040,873
Total assets	298,609,972	293,937,952	67,799,410	67,346,249	366,409,382	361,284,201
Deferred outflows	1,000,957	1,159,296	485,208	500,692	1,486,165	1,659,988
Total assets & deferred outflows	299,610,929	295,097,248	68,284,618	67,846,941	367,895,547	362,944,189
Liabilities:						
Current liabilities	1,971,973	2,006,411	1,169,661	1,209,372	3,141,634	3,215,783
Long-term liabilities	17,202,153	16,272,983	15,074,282	13,990,128	32,276,435	30,263,111
Total liabilities	19,174,126	18,279,394	16,243,943	15,199,500	35,418,069	33,478,894
Deferred inflows	1,216,099	1,219,675	0	0	1,216,099	1,219,675
Total liabilities & deferred inflows	20,390,225	19,499,069	16,243,943	15,199,500	36,634,168	34,698,569
Net Position:						
Net invested in capital assets	269,462,285	267,114,160	42,143,249	42,852,341	311,605,534	309,966,501
Restricted	3,136,556	2,726,245	654,000	654,000	3,790,556	3,380,245
Unrestricted	6,621,863	5,757,774	9,243,426	9,141,100	15,865,289	14,898,874
Total Net Position	\$279,220,704	\$275,598,179	\$52,040,675	\$52,647,441	\$331,261,379	\$328,245,620

The majority of the Village of Oswego's net position reflects its investment in capital assets (e.g. land, buildings, machinery & equipment and infrastructure), less any related outstanding debt used to acquire or construct those assets. The Village of Oswego uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

Statement of Revenues, Expenses and Changes in Net Assets

This statement summarizes the reasons behind the change in the Village's net position. Revenues include program revenues(charges for services and grants received for providing specific Village services) and general revenues (property taxes, sales taxes and other taxes). Expenditures are the costs of providing all of the Village services during the fiscal year.

Village of Oswego Changes in Net Position For the Fiscal Year Ended April 30, 2015

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2014	2015	2014	2015	2014	2015
REVENUES						
Program Revenues:						
Charges for Services	\$1,623,998	\$1,453,721	\$8,321,154	\$8,272,827	\$9,945,152	\$9,726,548
Operating Grants/Contrib.	1,148,407	1,142,991	99,265	95,321	1,247,672	1,238,312
Capital Grants/Contrib.	2,525,807	270,519			2,525,807	270,519
General Revenues:						
Property Taxes	1,326,712	1,327,139			1,326,712	1,327,139
Other Taxes	12,054,686	12,861,733			12,054,686	12,861,733
Other	1,082,496	1,104,998	49,208	49,965	1,131,704	1,154,963
Total Revenues	19,762,106	18,161,101	8,469,627	8,418,113	28,231,733	26,579,214
EXPENSES						
General Government	2,568,401	2,901,044			2,568,401	2,901,044
Building and Zoning	638,618	656,478			638,618	656,478
Community Development	707,665	753,815			707,665	753,815
Public Safety	8,374,812	8,871,896			8,374,812	8,871,896
Public Works	7,119,256	8,034,011			7,119,256	8,034,011
Interest on Debt	580,528	566,382			580,528	566,382
Water and Sewer			5,475,321	5,553,577	5,475,321	5,553,577
Garbage			2,105,583	2,257,770	2,105,583	2,257,770
Total Expenses	19,989,280	21,783,626	7,580,904	7,811,347	27,570,184	29,594,973
Change in Net Position before Transfers	(227,174)	(3,622,525)	888,723	606,766	661,549	(3,015,759)
Transfers					0	0
Change in Net Position	(227,174)	(3,622,525)	888,723	606,766	661,549	(3,015,759)
Net Position, Beginning of the Year	279,285,700	279,220,704	51,151,952	52,040,675	330,437,652	331,261,379
Prior period adjustment	162,178				162,178	
Net Position, Beginning of Year Restated	279,447,878	279,220,704	51,151,952	52,040,675	330,599,830	331,261,379
Net Position, End of the Year	\$279,220,704	\$275,598,179	\$52,040,675	\$52,647,441	\$331,261,379	\$328,245,620

Total revenues declined \$1.6 million due to the lack of Capital Grants/contributions received in fiscal year 2015. Total expenses increased \$2.0 million because of operating cost increases across all departments. The Net Position at April 30, 2015 declined \$3.0 million compared to April 30, 2014.

Fiscal Year 2015 financial results were as expected when comparing final actual numbers with final budget numbers. Revenues were slightly better than expected due to greater sales and home-rule sales tax revenue, greater income tax revenue, greater permit fees collected, and greater connection fees in the Water and Sewer fund. Due to planned spending, total expenditures ended the year greater than revenues. The Village used reserves and grant funds from prior years to complete some capital items that had previously been on hold. Although the Village's net position decreased during the fiscal year, new retail development along with an increase in residential home building provides optimism for the Village in the coming years.



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