



Resident's Annual Financial Report





**Resident's Annual
 Financial Report**

**Fiscal Year
 Ending
 April 30,
 2016**

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Dear Residents of the Village of Oswego,

The Village of Oswego is pleased to share the Village's Resident's Annual Financial Report for the Fiscal Year ended April 30, 2016. 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 2016 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 13th consecutive certificate of Achievement Award for Excellence in Financial Reporting from the Government Finance Officers Association (GFOA) of the United States and Canada for the fiscal year ending April 30, 2015. 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 at 4/30/2016

Population	32,901
Per Capita Personal Income	\$33,114
Total Taxable Assessed Value (2015 Levy)	\$782,841,868
Fiscal Year 2016 Revenues	\$34,574,252
Fiscal Year 2016 Expenditures	\$31,516,618
Village Full time/ Part Time Employees	107/15
Village Outstanding Bonded Debt	\$24,840,000
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 Village Administrator manages the day-to-day activities of the Village.

The Village of Oswego has 114.05 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.



Mission Statement

The Village of Oswego provides a vibrant, sustainable community, rich in heritage, prosperity and genuine partnership, for the benefit and enjoyment of present and future generations.

The Village approved the updated Comprehensive Plan in the summer of 2016. This plan will serve as a guide in the development of the Village around four bold goals.

4 Bold Goals
to create a Legacy of Balanced Growth

- 1 Keep Oswego **Compact**
concentrating future growth near downtown and already built up areas
- 2 Reinvest in **Downtown & The Riverfront**
- 3 Maintain a strong **Economic Base**
- 4 Preserve **Farmland**

4 Districts
to create a Legacy of Balanced Growth

DISTRICT	CHARACTER	DENSITY	LOT SIZE	RETAIL
DISTRICT 1	DOWNTOWN	NOT APPLICABLE	NOT MINIMUM	DOWNTOWN PEDESTRIAN ORIENTED RETAIL
DISTRICT 2	MEDIUM DENSITY WITH MIXED HOUSING CHOICES	2 - 3 DU/ACRE	MINIMUM 6,000 SF FOR SINGLE LOTS	MAJOR LARGE FOOTPRINT RETAIL
DISTRICT 3	LOW DENSITY SINGLE FAMILY	2 DU/ACRE	MINIMUM 10,000 SF	SMALL NEIGHBORHOOD RETAIL
DISTRICT 4	PRESERVED FARMLAND	MINIMUM 5 ACRES	MINIMUM 5 ACRES	NO RETAIL

12 OSWEGO COMPREHENSIVE PLAN

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Comprehensive Plan Goals

Local Economy

The Village is a regional shopping and dining destination as national retailers and restaurants have located here. Approximately 60% of all retail sales are from consumers who reside outside of Oswego. These consumers are supporting Village operating costs as sales tax is the Village's largest revenue source.

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, Hobby Lobby, 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. A Jewel/Osco grocery, financial institutions, Edward-Elmhurst Healthcare Center, numerous restaurants and a senior residential facility have opened forming the catalyst for future growth.



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 in the Orchard Road corridor covering more than 200 acres will add to the commercial and industrial base within the community. South Korean yogurt manufacturer Win Soon, Inc. built their second U.S. location in Kendall Point Business Park.



Downtown Oswego is an area of small quaint unique style shops and service agencies. Development of a large parcel of property is under discussion in a prime location. The Village is actively engaged in bringing more businesses and activity to the downtown. During Fiscal Year 2016, the Village worked to establish a Tax Increment Financing (TIF) District in downtown Oswego. TIF districts serve as an economic development tool to bring private investment to a downtown area.



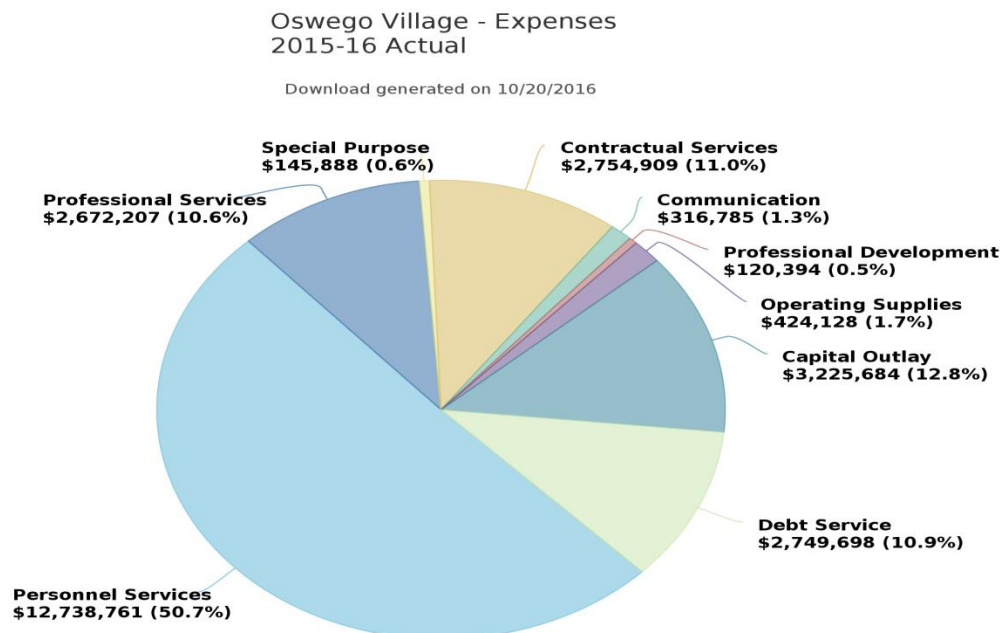
Expansion and renovations at the Riverview Ford Dealership and the Kendall 11 movie theatre were newsworthy commercial investments in the community. Demolition of the old Village Hall on Main Street opened space for further commercial development in the downtown area. Bringing new development to Downtown Oswego is a top priority of the Village Board.

Major Accomplishments and Projects in Progress

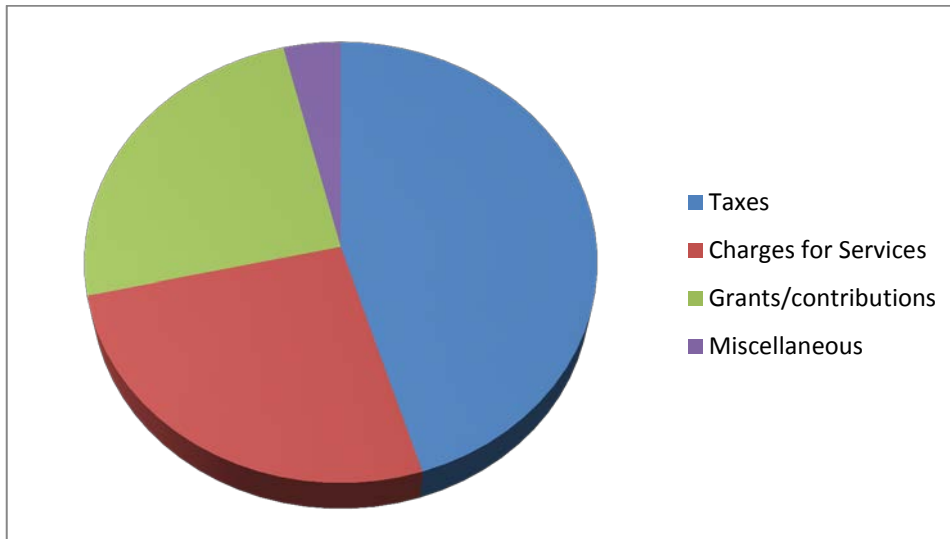
- ❖ Village adopted a Capital Improvement Plan spanning 20 years identifying \$79 million in public infrastructure projects
- ❖ Village committed to spending \$2.0 million on roadway improvements each year. The Village increased the Local sales tax rate to fund the roadway improvements.
- ❖ Began the long process of improving Wolfs Crossing Road from a two lane rural roadway to a four or five lane improved roadway. \$1.8 million in phase 1 engineering is under contract
- ❖ Committed to building a new Police Headquarters Facility at an estimated cost of \$30 million
- ❖ Village Board kept the 2016 property tax levy flat
- ❖ Worked to establish a Tax Increment Financing District for the redevelopment of Downtown Oswego
- ❖ Approved new refuse & recycling contract, adding curbside electronic recycling and organics/yard waste bins while reducing the monthly rate
- ❖ Discussed future water needs for the Village and surrounding areas. Participated in a Sub Regional Water Supply and Treatment Analysis with the Village of Montgomery and the United City of Yorkville
- ❖ Worked with legislator's and other government leaders to get the METRA Feasibility Study back on track for the purpose of bringing a Metra stop and Depot in Oswego
- ❖ Completed a Development Impact Fee Study which reorganized the fees developers pay on new construction to several taxing bodies
- ❖ Adopted an Affordable Housing Plan for the Village of Oswego
- ❖ Joined the Conservation Foundation to promote conservation practices and policies for the Village
- ❖ Participated in a joint study with the Chicago Metropolitan Area Planning Association accepting the findings and framework for collaboration and sharing of services between local agencies for cost savings and greater efficiencies in operations
- ❖ Utilized social media to get information out to residents, promoted See Click Fix for residents to report problems to the Village, promoted the Everbridge system for residents to receive emergency notifications from the Village

Transparency

The Village Board is committed to promoting an open and transparent government for the residents of Oswego. The Village website has an entire section on Transparency to hold government and elected officials accountable to the citizens and taxpayers of the Village of Oswego. The latest addition to this information is the Village now has all of the financial information dating back to 2004 including all the payments made to vendors. The "Open Books Oswego" allows anybody to look into the Village's financial data, create a report and save or download the information for their use. The Open Books Oswego portal was created to bring visibility, openness and accountability for our operations. The following chart is an example of what can be found on the site.



2016 Village Revenues - \$34.6 million



Sales taxes are the Village's largest source of revenue bringing in just under \$8.5 million to pay for Village services

Taxes

\$15.6 million

45% 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 54% of all tax revenue received by the Village.

Charges for Services

\$ 9.1 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

\$ 8.5 million

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

Miscellaneous

\$ 1.4 million

All other revenues received from various sources.

Did you know?

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



2016 Village Expenditures - \$31.5 million

General Government

\$4.5 million

Costs for administrative services, building and zoning, community development, maintaining public facilities and financial operations.

Public Safety

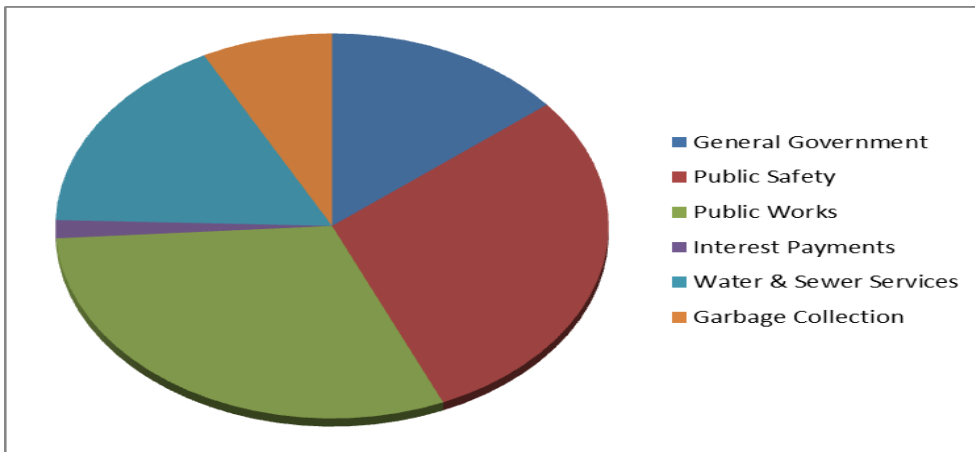
\$9.2 million

All of the costs of operating the Village police department and providing safety to the residents and businesses in Oswego.

Public Works

\$9.6 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.



The Village spent \$317 per resident to pay for all the services provided by the Public Works Department.

Interest Payments

\$0.5 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 is an example of a large capital project. The Village has \$24.8 million in outstanding debt.

Water & Sewer Services

\$5.3 million

The Village provides water and sanitary sewer services to 11,000 customers. All the costs to deliver clean water and maintain the 163 miles of water main and 119 miles of sanitary sewer lines are paid from the usage fees charged to customers.

Garbage Collection

\$2.4 million

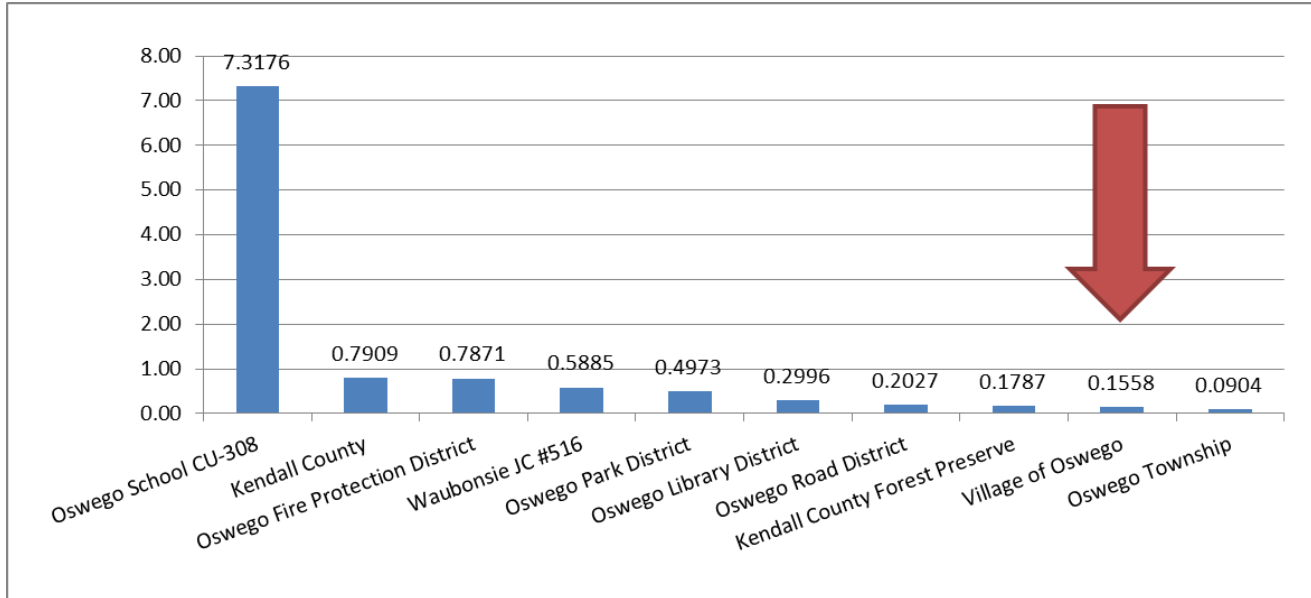
The costs for having curbside garbage collection are paid by the residents and businesses at rates established in the negotiated contract between the Village and the vendor selected through competitive bidding to provide the collection service.

Village Property Taxes

Where do my property taxes go?

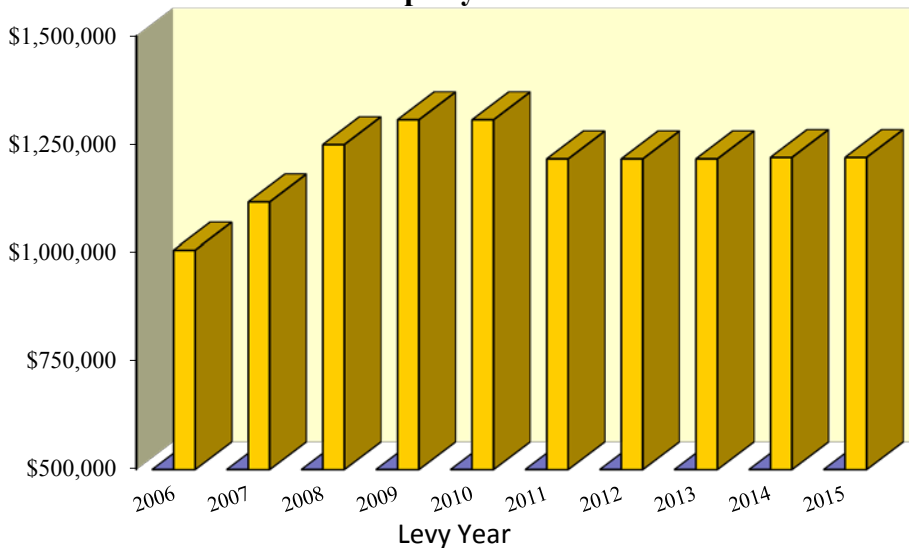
Every dollar of property tax paid by Village of Oswego residents and commercial property owners is divided among many different taxing districts. For the property taxes paid between June and November 2015, only 1.4% of the total dollars paid was distributed by the Kendall and Will County Treasurers to 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 five years. The following chart shows yearly property tax collections for the last ten years.

Village of Oswego Property Tax Collections



Financial Statements

The Village's Comprehensive Annual Financial Report (CAFR) for the fiscal year just ended April 30, 2016 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.

Comparing Fiscal Year 2016 to Fiscal Year 2015 tells us if the Net Position of the Village improved or not. The total net position of the Village decreased \$8 million because of the increase in liabilities. New accounting reporting standards require the village to now show the existing liability (\$12 million) for the pension funds in the financial statements. This can be seen in the Long-term liabilities line in the table.

Village of Oswego Statement of Net Position As of April 30, 2016

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2015	2016	2015	2016	2015	2016
Assets:						
Current & other assets	\$13,176,826	\$13,240,913	\$11,066,502	\$10,661,190	\$24,243,328	\$23,902,103
Capital assets	280,761,126	282,173,726	56,279,747	57,801,909	337,040,873	339,975,635
Total assets	293,937,952	295,414,639	67,346,249	68,463,099	361,284,201	363,877,738
Deferred outflows	1,159,296	4,107,063	500,692	621,375	1,659,988	4,728,438
Total assets & deferred outflows	295,097,248	299,521,702	67,846,941	69,084,474	362,944,189	368,606,176
Liabilities:						
Current liabilities	2,006,411	1,557,632	1,209,372	3,071,885	3,215,783	4,629,517
Long-term liabilities	16,272,983	28,914,343	13,990,128	13,426,626	30,263,111	42,340,969
Total liabilities	18,279,394	30,471,975	15,199,500	16,498,511	33,478,894	46,970,486
Deferred inflows	1,219,675	1,450,023	0	35,089	1,219,675	1,485,112
Total liabilities & deferred inflows	19,499,069	31,921,998	15,199,500	16,533,600	34,698,569	48,455,598
Net Position:						
Net invested in capital assets	267,114,160	269,710,313	42,852,341	45,499,004	309,966,501	315,209,317
Restricted	2,726,245	3,025,632	654,000	654,000	3,380,245	3,679,632
Unrestricted	5,757,774	(5,136,241)	9,141,100	6,397,870	14,898,874	1,261,629
Total Net Position	\$275,598,179	\$267,599,704	\$52,647,441	\$52,550,874	\$328,245,620	\$320,150,578

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. The Unrestricted amount declined considerably because of recording the total pension liabilities in the financials for the first time in 2016. The Unrestricted amount of \$1.2 million represents the amount which would be available to be used for new programs, expanding current programs or allocated to new purchases.

Statement of Revenues, Expenses and Changes in Net Assets

This statement summarizes the reasons behind the change (increase or decrease) 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, 2016

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2015	2016	2015	2016	2015	2016
REVENUES						
Program Revenues:						
Charges for Services	\$1,453,721	\$1,321,146	\$8,272,827	\$7,782,030	\$9,726,548	\$9,103,176
Operating Grants/Contrib.	1,142,991	1,117,999	95,321	90,270	1,238,312	1,208,269
Capital Grants/Contrib.	270,519	7,305,199			270,519	7,305,199
General Revenues:						
Property Taxes	1,327,139	1,326,196			1,327,139	1,326,196
Other Taxes	12,861,733	14,295,965			12,861,733	14,295,965
Other	1,104,998	1,201,582	49,965	133,865	1,154,963	1,335,447
Total Revenues	18,161,101	26,568,087	8,418,113	8,006,165	26,579,214	34,574,252
EXPENSES						
General Government	2,901,044	2,901,661			2,901,044	2,901,661
Building and Zoning	656,478	747,864			656,478	747,864
Community Development	753,815	811,923			753,815	811,923
Public Safety	8,871,896	9,225,417			8,871,896	9,225,417
Public Works	8,034,011	9,626,504			8,034,011	9,626,504
Interest on Debt	566,382	477,036			566,382	477,036
Water and Sewer			5,553,577	5,310,304	5,553,577	5,310,304
Garbage			2,257,770	2,415,909	2,257,770	2,415,909
Total Expenses	21,783,626	23,790,405	7,811,347	7,726,213	29,594,973	31,516,618
Change in Net Position	(3,622,525)	2,777,682	606,766	279,952	(3,015,759)	3,057,634
Net Position, Beginning of the Year	279,220,704	275,598,179	52,040,675	52,647,441	331,261,379	328,245,620
Change in Accounting Principle		(10,776,157)		(376,519)	0	(11,152,676)
Prior period adjustment					0	
Net Position, Beginning of Year Restated	279,220,704	264,822,022	52,040,675	52,270,922	331,261,379	317,092,944
Net Position, End of the Year	\$275,598,179	\$267,599,704	\$52,647,441	\$52,550,874	\$328,245,620	\$320,150,578

Total revenues increased \$9 million due to increases in Capital Grants/contributions and Other Taxes received in fiscal year 2016. Total expenses increased \$2.0 million primarily due to Public Works operating cost increases of \$1.6 million. The Net Position at April 30, 2016 declined \$8.0 million compared to April 30, 2015.

Fiscal Year 2016 financial results were better than expected when comparing final actual numbers with the final budget numbers. The additional non-budgeted expenditures of over \$1.5 million were offset by revenues received from taxes. The increase in the Local Home Rule Sales tax was a significant help in paying the increased expenditures. The change in Net Position was an increase of \$3 million before accounting for the recording of the pension liabilities. Strong economic development and renewed interest in residential & commercial building all point to the continued growth of the Village for years to come.



Village of Oswego

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