



# Resident's Annual Financial Report

For the Fiscal Year ending **April 30, 2017**



100 Parkers Mill • Oswego, Illinois, 60543 • (630) 554-0864 • Fax: (630) 554-3306  
Website: <http://www.oswegoil.org>



**Resident's Annual  
 Financial Report**

**Fiscal Year Ending  
 April 30, 2017**

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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, 2017. 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 2017 Comprehensive Annual Financial Report (CAFR). 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 CAFR contains more detailed information for those interested. The financial information contained in this PAFR is presented in conformance with generally accepted accounting principles (GAAP). The CAFR, Village Budget and other financial reports are available on the Village website, [www.oswegoil.org](http://www.oswegoil.org).

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, 2016. The Certificate of Achievement is considered the highest form of recognition in the area of governmental accounting and financial reporting. The Village also recently received the Distinguished Budget Presentation Award from the GFOA for the fiscal year budget year beginning May 1, 2016. This is also the 13th consecutive year the Village has received that award. Both of these awards signify the Village's commitment to strong fiscal accountability and integrity.

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***

	2017	2016
Population	33,078	33,078
Per Capital Income	\$33,114	33,114
Total Taxable Assessed Value	\$831,033,315	\$782,841,868
Fiscal Year Revenue	\$29,400,690	\$34,574,252
Fiscal Year Expenditures	\$35,266,363	\$31,516,618
Village Full time/Part Time Employees	110/17	107/15
Village Bond Rating	Aa2 from Moody's	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. 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 33,078 with the 2016 special census.

## 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 four-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 119 full-time equivalent employees providing an array of services for the residents including police protection, water system maintenance, sanitary sewer line administration, storm water collection, public works operations, road and bridge maintenance, community development, economic development, building and zoning services, general administrative services, and tourism.

## ELECTED OFFICIALS



*Left to Right: Village Trustee Ryan Kaufmann, Village President Gail Johnson, Village Trustees Karin McCarty-Lange, Judy Sollinger, Pam Parr, Joe West, and Luis Perez*



## VILLAGE OF OSWEGO VISION, MISSION, AND VALUES



*A view of the Fox River from Hudson Crossing Park*

### ***Vision***

Oswego will continue to be a friendly, caring, and forward-thinking community that provides a high quality of life based upon sustainable growth and a respect for our rich heritage and environment.

### ***Mission***

It is our mission to responsibly grow our community and maintain the public's trust. We do this through the innovative and collaborative delivery of public services that meet the community's quality of life expectations.

### ***Values***

**Integrity:** We are honest, ethical, and we honor our commitments.

**Accountability:** We take responsibility for our actions and are transparent in the fulfillment of our public duties.

**Innovative:** We value creative thinking and problem solving in our service to the public.

**Pride in work performed:** We value a commitment to excellence and pride in the performance of our work.

**Community:** We believe in contributing to something greater than ourselves.

# VILLAGE OF OSWEGO LONG-TERM GOALS AND OBJECTIVES

A Strategic Plan for the years of 2017 through 2020 was adopted by the Village Board during Fiscal Year 2017, involving the services of an outside consultant, employees, and members of the community. The Strategic Plan provides direction for staff on what needs to be accomplished by 2020. The Strategic Plan has five strategic priorities or Long-Term Goals and corresponding initiatives to accomplish those goals.

## Financial Sustainability

- *Conduct Mega Project Analyses*
- *Create Revenue Strategy*
- *Analyze Programs for Cost Effectiveness*  
*\*Focus on Public Engagement*

## Infrastructure Maintenance and Expansion

- *Water Source Decision Process*
- *Water Plan Implementation*
- *Wolf's Crossing Master Plan*
- *CIP Funding Strategy*
- *Metra Study Phase 1*
- *Metra Lobbying Strategy*

## Effective Growth and Development

- *59 S. Adams St. project plan*
- *Old Village Hall Block plan*
- *TIF District marketing plan*
- *Residential development strategy*
- *Economic development plan*

## Productive and Engaged Workforce

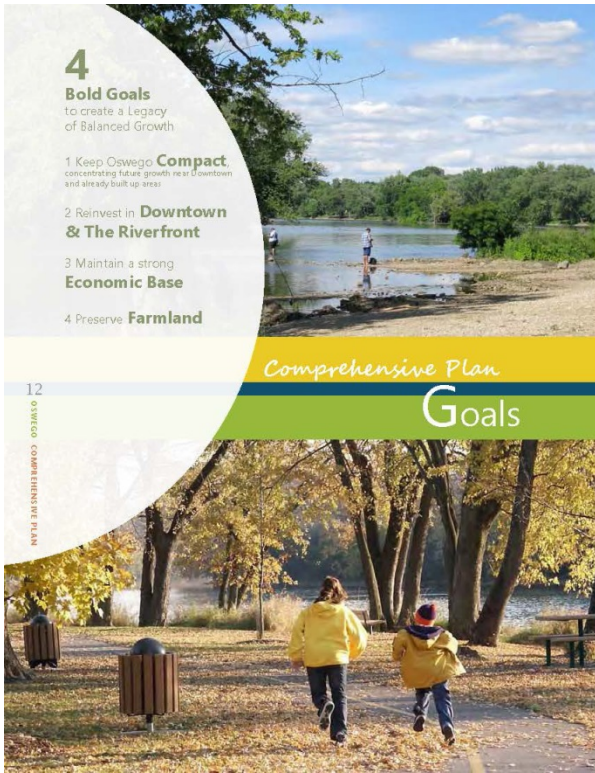
- *Enterprise Resource Planning implementation and best practices*
- *Shared services initiative*
- *Create leadership development program*
- *Conduct employee survey*
- *Connect strategic plan to evaluation system*

## Community Engagement

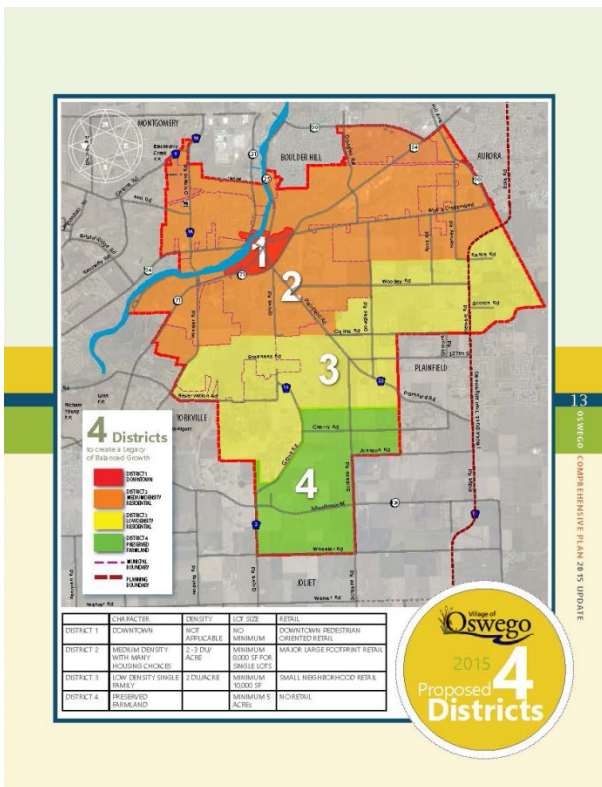
- *Complete and implement Regional Positioning Plan*
- *Implement tourism plan*
- *Develop a marketing plan for Village services*
- *Create internal service response to citizen feedback*

# COMPREHENSIVE PLAN

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: keeping Oswego compact, reinvesting in the downtown and the riverfront, maintaining a strong economic base, and preserving farmland.



The Village of Oswego's Comprehensive Plan is organized around goals relating to compact development, the downtown, the economic base, and farmland preservation.



The plan approaches land use in four districts to achieve smart, compact growth and preserve Oswego's farming heritage.



# LOCAL ECONOMY

The Village of Oswego is a regional shopping and dining destination home to several national retailers and restaurants. These businesses and their patrons significantly support the Village's operations. Sales tax is Oswego's largest revenue source, and approximately 60% of all retail sales are from consumers who reside outside of Oswego.

The Route 34 corridor in Oswego offers more than 2.2 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, and are joined by many well-known chain restaurants.

The Orchard Road Corridor is the Village's second-largest commercial corridor, anchored by Jewel-Osco, several financial institutions, a health care facility, restaurants, and a senior residential facility, with additional room for expansion as the Village grows.

Four business parks provide space and amenities for commercial and industrial development in Oswego. The 300-acre Kendall Point Business Center, the 130-acre Stonehill Business Park, the Highland Business Center, and Farmington Lakes Office Campus support many commercial and manufacturing businesses.

The Village continues to be actively engaged in bringing more businesses and activity into charming Downtown Oswego, which already offers unique locally owned shops and service agencies. A purchase and sales agreement signed in March 2017 would develop a long-vacant property in a prime location along Route 34 into a \$30 million mixed-use residential and commercial development in the downtown.

New businesses openings in the past year include: Long Horn Steakhouse, Burlington, Oswego Segway, Five Guys Restaurant, Sages Meat Market, Tide Dry Cleaners, Andy's Frozen Custard, and O'Reilly Auto Parts.



Route 34 is Oswego's largest commercial corridor.



Orchard Road presents additional opportunities for growth.

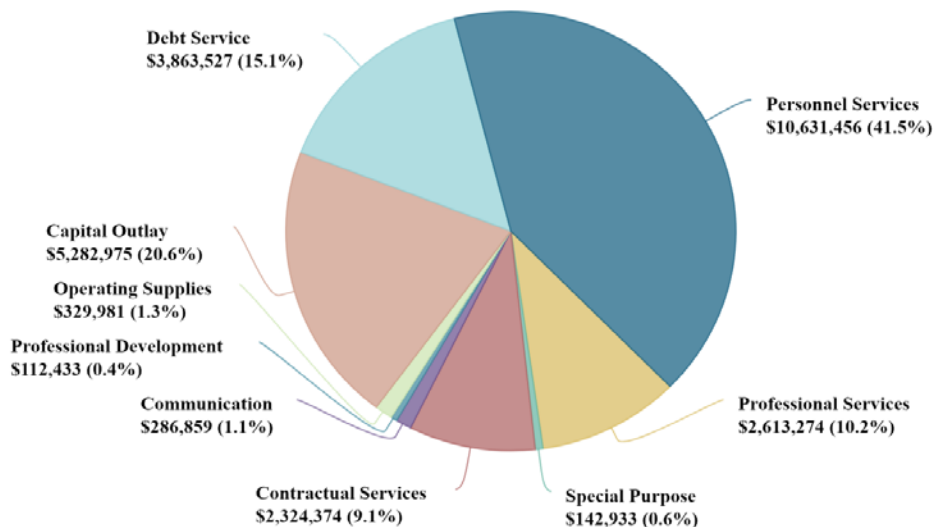
# MAJOR ACCOMPLISHMENTS AND PROJECTS IN PROGRESS

- The Village issued General Obligation Bonds in the amount of \$27.1 million to construct a new Police Headquarters Facility. The groundbreaking occurred in March 2017.
- The Village Board completed all the necessary steps to create a Tax Increment Financing District for the downtown and surrounding area with formal adoption in September 2016.
- Environmental Phase I engineering began on Wolf’s Crossing roadway improvements. This two-lane rural roadway will be reconstructed to a 4- or 5-lane fully improved roadway.
- Roadway improvements totaling \$1.9 million were completed during the fiscal year.
- The Village contracted with Tyler Technologies and began the two-year implementation of an Enterprise Resource Planning System for the Village to help staff accurately track Village resources.
- The Village contracted with an IT consultant to perform daily IT maintenance and support services and joined an IT Consortium for to plan and improve efficiency in technology costs.
- The Village Board completed a Strategic Plan for the years 2017 through 2022.
- The Village Board connected with the community by reaching out to the public through Community Conversations (meetings around the Village), the Community Day of Service (increasing resident involvement), and hosting Oswego Connects (a volunteer forum on available service opportunities).
- The Village contracted with consultant on a regional positioning (branding) plan to use in marketing the Village.

## TRANSPARENCY

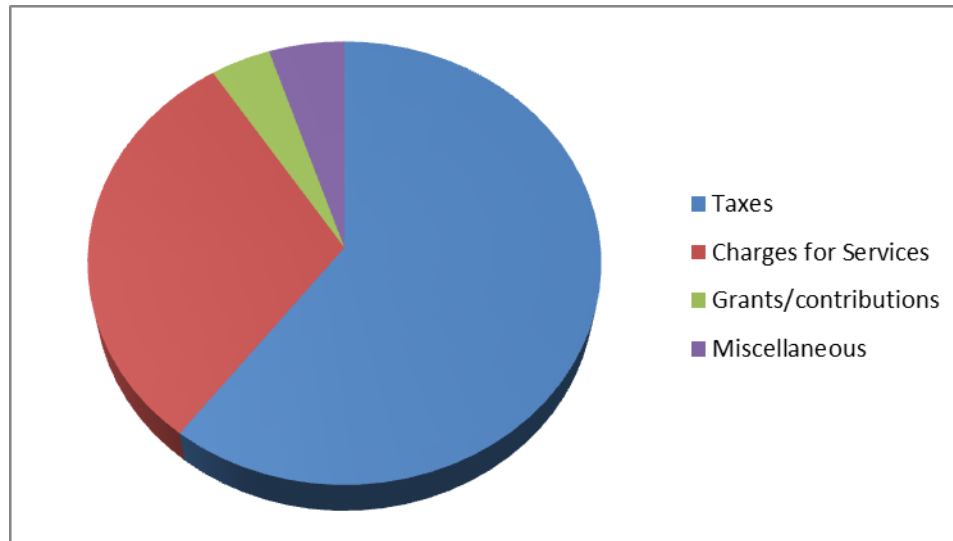
The Village Board is committed to promoting an open and transparent government for the residents of Oswego. The Village website has an entire section on Transparency to hold government and elected officials accountable to the citizens and taxpayers of the Village of Oswego. Added most recently, the Village now has all of the financial information dating back to 2004 including all payments made to vendors. 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 to Village operations. The following chart is an example of what can be found on the site:

Oswego Village  
 Budget and Actual History – Expenses  
 2016–17 Actual  
 Download generated on 10/24/2017





## 2017 VILLAGE REVENUES: \$29.8 MILLION



*Sales taxes are the Village's largest revenue source, bringing in \$10.7 million to pay for Village services.*

### **Taxes**

**\$17.9 million**

Taxes account for 45% of the Village's total revenues. Sales taxes, income taxes, property taxes, utility taxes and other miscellaneous taxes are included in this category. More than half, 54%, of all of the Village's tax revenue are sales taxes.

### **Charges for Services**

**\$ 8.9 million**

This includes 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 and Donations**

**\$ 1.2 million**

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

### **Miscellaneous**

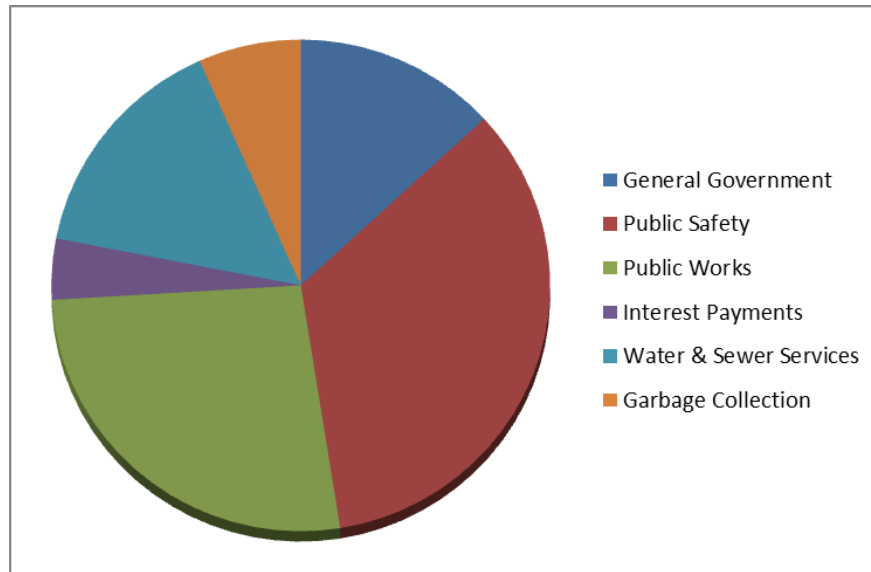
**\$ 1.8 million**

This includes all other revenues received from various sources.



*Two cents of every dollar you spend at a retail store in Oswego is returned to the community to pay for Village services. Shop local!*

## 2017 VILLAGE EXPENSES: \$35.6 MILLION



*The Village of Oswego spent \$284 per resident to pay for all of the services provided by the Public Works Department this fiscal year.*

### **General Government**

**\$5.0 million**

This includes costs for administrative services, building and zoning, community development, maintaining public facilities, and financial operations.

### **Public Safety**

**\$12.1 million**

This includes all of the costs of operating the police department and providing safety to the residents and businesses in Oswego.

### **Public Works**

**\$9.4 million**

These are 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 and services.

### **Interest Payments**

**\$1.4 million**

This includes payments made for interest on outstanding bond issuances (debt). The Village issues bonds to pay for large capital projects, for example, construction projects like widening Douglas Road from two lanes to four. The Village has \$27.1 million in outstanding debt.

### **Water & Sewer Services**

**\$5.7 million**

The Village provides water and sanitary sewer services to 11,000 customers. All of the costs to deliver clean water and maintain the Village's 162 miles of water main and 119 miles of sanitary sewer lines are paid from usage fees charged to customers.

### **Garbage Collection**

**\$2.3 million**

The costs for curbside garbage collection are paid by the residents and businesses at rates established in the negotiated contract between the Village and the vendor (currently Groot), which was selected through competitive bidding to provide the collection service.

# PROPERTY TAXES

## Where do my property taxes go?

The Village of Oswego receives the second-smallest share of property tax of any taxing district to which Oswego residents may be a part. The Village's property tax as a percentage of each property owner's total tax bill is less than 1.5% of the total tax bill, meaning that less than \$0.02 of every dollar paid in property taxes will go to the Village in 2017. When all is said and done, the amount due that appears on your tax bill is based on the following equation:

$$\text{EAV} \div 100 \times \text{Tax Rate} = \text{Taxes Owed}$$

Your EAV, which stands for Equalized Assessed Value, is determined by the Township Assessor, and is equal to one-third of your property's fair market value less any exemption you receive. Therefore, if you own a property with a fair market value of \$300,000 as determined by the township assessor, your EAV would be equal to \$100,000. A homestead exemption of \$6,000 would further reduce this amount to \$94,000. The tax rate is expressed as an amount per \$100 of Equalized Assessed Value. Given these assumptions and assuming a tax rate of 10.4011 per \$100 EAV, your taxes owed in Year 1 would be \$9,777.01 and are calculated as follows:

$$\$94,000 \div 100 \times 10.4011 = \$9,777.01$$

Of this total amount, only \$144.88 is received by to the Village of Oswego. The rest of your local property taxes fund schools, parks, and other units of government. The following graph offers a breakdown of where your property tax money goes:

## Where do your Property Taxes go?



School District 308  
67.02%

Kendall County, 7.19%

Fire Protection District, 7.23%

Jr College #516, 5.38%

Park District, 4.58%

Library District, 2.75%

Road District, 1.84%

Forest Preserve 1.69%

**Village of Oswego, 1.48%**

Oswego Township, 0.82%



# FINANCIAL STATEMENTS

The Village's Comprehensive Annual Financial Report (CAFR) for the fiscal year ending on April 30, 2017, can be accessed via the Village website at [www.oswegoil.org](http://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 2017 to Fiscal Year 2016 offers a basis to determine whether the net position of the Village has improved or not. The Village's total assets and deferred outflows increased as did total liabilities and deferred inflows from 2016 to 2017. The Village's liabilities increased more than its assets resulting in an overall decrease in total net position. Liabilities increased because of a new regulation that requires municipalities to record all of their outstanding pension fund liabilities in annual financial statements. Total assets and deferred outflows minus total liabilities and deferred inflows equals the Village's net position.

## Village of Oswego Statement of Net Position As of April 30, 2017

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2016	2017	2016	2017	2016	2017
<b>Assets:</b>						
Current & other assets	\$13,240,913	\$42,162,204	\$10,661,190	\$10,471,102	\$23,902,103	\$52,633,306
Capital assets	282,173,726	281,382,525	57,801,909	56,350,795	339,975,635	337,733,320
<b>Total assets</b>	<b>295,414,639</b>	<b>323,544,729</b>	<b>68,463,099</b>	<b>66,821,897</b>	<b>363,877,738</b>	<b>390,366,626</b>
Deferred outflows	4,107,063	1,383,677	621,375	517,287	4,728,438	1,900,964
<b>Total assets &amp; deferred outflows</b>	<b>299,521,702</b>	<b>324,928,406</b>	<b>69,084,474</b>	<b>67,339,184</b>	<b>368,606,176</b>	<b>392,267,590</b>
<b>Liabilities:</b>						
Current liabilities	1,557,632	2,864,521	3,071,885	2,895,628	4,629,517	5,760,149
Long-term liabilities	28,914,343	56,709,532	13,426,626	12,081,303	42,340,969	68,790,835
<b>Total liabilities</b>	<b>30,471,975</b>	<b>59,574,053</b>	<b>16,498,511</b>	<b>14,976,931</b>	<b>46,970,486</b>	<b>74,550,984</b>
Deferred inflows	1,450,023	3,301,013	35,089	130,688	1,485,112	3,431,701
<b>Total liabilities &amp; deferred inflows</b>	<b>31,921,998</b>	<b>62,875,066</b>	<b>16,533,600</b>	<b>15,107,619</b>	<b>48,455,598</b>	<b>77,982,685</b>
<b>Net Position:</b>						
Net invested in capital assets	269,710,313	266,143,880	45,499,004	43,955,344	315,209,317	310,099,224
Restricted	3,025,632	2,262,586	654,000	654,000	3,679,632	2,916,586
Unrestricted	(5,136,241)	(6,353,126)	6,397,870	7,622,221	1,261,629	1,269,095
<b>Total Net Position</b>	<b>\$267,599,704</b>	<b>\$262,053,340</b>	<b>\$52,550,874</b>	<b>\$52,231,565</b>	<b>\$320,150,578</b>	<b>\$314,284,905</b>

The majority of the Village of Oswego's net position reflects its investment in capital assets (e.g. land, buildings, machinery and 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 of \$1.2 million represents the amount which would be available to be used for starting new programs, expanding current programs, or allocating to new purchases.

## STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

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). Expenses 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, 2017

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2016	2017	2016	2017	2016	2017
<b>REVENUES</b>						
Program Revenues:						
Charges for Services	\$1,321,146	\$1,264,087	\$7,782,030	\$7,663,260	\$9,103,176	\$8,927,347
Operating Grants/Contrib.	1,117,999	979,002	90,270	84,572	1,208,269	1,063,574
Capital Grants/Contrib.	7,305,199	127,631			7,305,199	127,631
General Revenues:						
Property Taxes	1,326,196	1,326,027			1,326,196	1,326,027
Other Taxes	14,295,965	16,553,394			14,295,965	16,553,394
Other	1,201,582	1,735,837	133,865	21,605	1,335,447	1,757,442
<b>Total Revenues</b>	<b>26,568,087</b>	<b>21,985,978</b>	<b>8,006,165</b>	<b>7,769,437</b>	<b>34,574,252</b>	<b>29,755,415</b>
<b>EXPENSES</b>						
General Government	2,901,661	1,779,446			2,901,661	1,779,446
Building and Zoning	747,864	724,871			747,864	724,871
Community Development	811,923	2,132,879			811,923	2,132,879
Public Safety	9,225,417	12,103,554			9,225,417	12,103,554
Public Works	9,626,504	9,376,444			9,626,504	9,376,444
Interest on Debt	477,036	1,415,148			477,036	1,415,148
Water and Sewer			5,310,304	5,742,268	5,310,304	5,742,268
Garbage			2,415,909	2,346,478	2,415,909	2,346,478
<b>Total Expenses</b>	<b>23,790,405</b>	<b>27,532,342</b>	<b>7,726,213</b>	<b>8,088,746</b>	<b>31,516,618</b>	<b>35,621,088</b>
<b>Change in Net Position</b>	<b>2,777,682</b>	<b>(5,546,364)</b>	<b>279,952</b>	<b>(319,309)</b>	<b>3,057,634</b>	<b>(5,865,673)</b>
<b>Net Position, Beginning of the Year</b>	<b>275,598,179</b>	<b>267,599,704</b>	<b>52,647,441</b>	<b>52,550,874</b>	<b>328,245,620</b>	<b>320,150,578</b>
<b>Change in Accounting Principle</b>	<b>(10,776,157)</b>		<b>(376,519)</b>		<b>(11,152,676)</b>	<b>0</b>
<b>Prior period adjustment</b>					<b>0</b>	
<b>Net Position, Beginning of Year Restated</b>	<b>264,822,022</b>	<b>267,599,704</b>	<b>52,270,922</b>	<b>52,550,874</b>	<b>317,092,944</b>	<b>320,150,578</b>
<b>Net Position, End of the Year</b>	<b>\$267,599,704</b>	<b>\$262,053,340</b>	<b>\$52,550,874</b>	<b>\$52,231,565</b>	<b>\$320,150,578</b>	<b>\$314,284,905</b>

Total revenues decreased by approximately \$4.8 million due to decreases in capital grants and contributions received in fiscal year 2017. Total expenses increased \$4.1 million due to operating cost increases within Community Development, Public Safety, and Public Works, as well as increases on interest on debt. The net position at April 30, 2017, declined \$5.9 million compared to April 30, 2016.

## ACCOUNTABILITY IN FINANCIAL REPORTING

The Village of Oswego is committed to providing its residents, business owners, and other stakeholders with accurate and transparent financial information, and has been recognized numerous times for these efforts.

The Government Finance Officers Association of the United States and Canada (GFOA) has recognized Oswego with an Award for Outstanding Achievement in Popular Annual Financial Reporting for the Village's Resident's Annual Financial Report for the fiscal year ended April 30, 2016. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance to the highest standards for the preparation of state and local government popular reports.

In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government unit must publish a Popular Annual Financial Report, the contents of which conform to program standards of creativity, presentation, understandability, and reader appeal.

An Award for Outstanding Achievement is valid for a period of one year only. Village staff believe that this current report continues to conform to the Popular Annual Financial Reporting requirements, and will submit it to GFOA.

### **Comments or Questions**

Please share your ideas about this report or what types of information you would like to see in this report in the future. Contact the Finance Director; Mark G. Horton at [mhorton@oswegoil.org](mailto:mhorton@oswegoil.org), or call 630-554-3618 to present your thoughts or ask questions regarding this report.



*Oswego earned the GFOA Award for Outstanding Achievement in Popular Annual Financial Reporting for the Fiscal Year 2016 PAFR.*





100 Parkers Mill  
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