

# VILLAGE OF WOODRIDGE

## POPULAR ANNUAL FINANCIAL REPORT

### FOR THE YEAR ENDED DECEMBER 31, 2018

#### MAYOR

Gina Cunningham

#### BOARD OF TRUSTEES

Greg Abbott  
Mary Anne Blair  
Mike Krucek  
Magin "Mike" Martinez  
Kaleshia "Kay" Page  
Cameron Hendricks

#### VILLAGE CLERK

Joseph Kagann

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The Village of Woodridge, Illinois is pleased to present its sixth issue of the Popular Annual Financial Report (PAFR) for the period ending December 31, 2018. The PAFR is an unaudited report that summarizes the most significant data and information on the Village's financial position in a simple and easy to read format. The information contained within this report is based on the Village's Comprehensive Annual Financial Report (CAFR), which is a more detailed, inclusive report. For a complete review of the Village's financial position, please consult the full audit, which is available on the Village's website, [www.vil.woodridge.il.us](http://www.vil.woodridge.il.us), or contact the Finance Department at (630) 719-4717.

#### VILLAGE BACKGROUND

The Village of Woodridge is located in northern Illinois and was incorporated in 1959. It is located about 26 miles southwest of the City of Chicago in DuPage, Will and Cook counties, with a population of 32,971, as of the 2010 census. The Village operates under the Strong Mayor with an Administrator form of government. Policy making and legislative authority are vested in the Village Board, which consists of a Mayor and a six-member Board of Trustees. The Village Administrator oversees the day-to-day operations and appoints the directors of the Village departments.

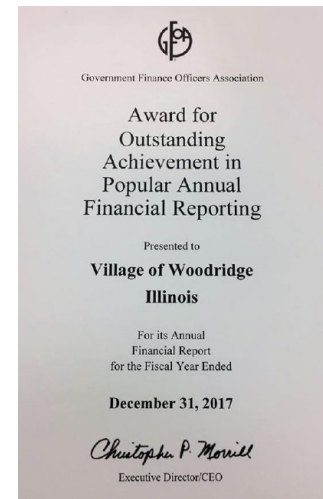


The Village provides a wide range of services, including police protection, water distribution and sewer collection services, construction and maintenance of highway, streets and infrastructure, and planning and development review. Fire protection is provided by independent Fire Protection districts. The Woodridge Library is a separate unit of government.

Woodridge enjoys a healthy business environment, offering diverse shopping opportunities for local and regional customers. Woodridge is home to more than 13 million square feet of warehouse and industrial space, including one of the largest business parks in the Chicago area – International Centre. Edward Don, Home Run Inn Pizza, and Cooper's Hawk are several examples of major industry companies choosing Woodridge as their corporate headquarters.

## WOODRIDGE PAFR RECOGNIZED

The Government Finance Officers Association (GFOA) has given an Award of Outstanding Achievement in Popular Annual Financial Reporting to the Village of Woodridge for its Popular Annual Financial Report for the fiscal year ending December 31, 2017 for the fourth consecutive year. This prestigious national award recognizes conformance with the highest standards for preparations of state and local government financial reports. The Village has submitted this report to the GFOA for consideration of the 2018 PAFR Award.



## WOODRIDGE'S LOCAL ECONOMY

In 2018, we welcomed 35 new businesses and witnessed the completion of 300,000 square feet of new office warehouse development. 2018 saw the start of two new residential developments, Hobson Hill subdivision and Woodview townhomes. The Village's first assisted living community, Cedarhurst Assisted Living and Memory Care, was also completed in 2018. While there was a steady growth this year in residential and warehouse sectors, the Village continues to feel the effect of a struggling retail market.

The Village is home to many major employers with offices in Woodridge including the Morey Corporation, Nestle Waters, Comcast, Follett Educational Services, V3 Companies, Hendrickson International, Home Run Inn Pizza, Allstate Insurance, Bridgestone/Firestone, and Edward Don, Cooper's Hawk Winery & Restaurants and AMS Mechanical Systems.

As a result of the Village's economic development efforts, over the years the Village's assessed value has increased from \$384 million in 1995 to \$1.2 billion in 2018, a 4.9% increase in 2018 over the prior year. Fortunately, the Village's continued equalized assessed value growth has helped keep property tax rates low. The Village has not increased their tax levy request since 2014; as a result, the Village's tax rate decreased to .2661 in 2018. Based on this tax rate, for every \$100,000 in home value, a property owner pays \$92 in property taxes to support Village operations in the coming year. This amount does not include taxes imposed by other taxing districts such as the schools, fire districts, or the library.

In 2018, the median home sale price in Woodridge was \$269,600, which is 1.1% higher than last year. The community saw a continuation of the housing boom, with five residential housing projects under construction. In addition to new construction, home sales were also strong with relatively short stints on the market compared with neighboring communities. The residential growth and demand demonstrates that Woodridge is a desirable location to build a new home, raise a family or age in place.

### WOODRIDGE AT-A-GLANCE

Population	32,971
Median Household Income	\$76,858
Median Age (years)	37.6
Unemployment Rate	2.6%
Median Home Value	\$269,600
Equalized Assessed Value - Tax Year 2018	\$1.2 Billion
Total Number of Households	13,957
Number of Full-time Employees (Village of Woodridge)	125.75
<i>Sources: Village of Woodridge records, Census Bureau, Bureau of Labor Statistics</i>	

## MAKING CENTS OF PROPERTY TAXES

The dollar bill graphic represents how a typical Woodridge homeowner's property tax dollars are distributed to various taxing bodies. As you can see, the Village receives only 3 cents of every dollar paid in property taxes.

Since the Village has over 25,000 residents, it is a Home Rule Community. As such, it is not bound by property tax caps. However, the Village Board has been cognizant of the impact of property taxes on its residents and has kept their levy at or below the tax cap in an effort to reduce the residential tax burden.



## VILLAGE DEPARTMENT ACCOMPLISHMENTS AND INITIATIVES

Over the past fiscal year, the Village accomplished many of the goals set forth in the 2018 Budget:

- Provided anti-bullying, diversity awareness, and unconscious bias training to all staff; in addition to, supervisory training on ADA, FMLA, and other legal topics.
- Completed various technology improvements, including the replacement of routers to increase connectivity and speed, installed Malwarebytes protection to the network, and upgraded internet lines.
- Completed 500,000 square feet of office-warehouse development.
- Spent \$2.4M on the Village's road improvement program.
- Approved over \$350,000 in grants for the rehabilitation of three shopping centers in the Village.
- Development of a Community Outreach Unit to focus on youth and parent education, the elderly, and community traffic concerns.
- The Village maintained strong bond ratings with Fitch (AAA) and Moody's (Aa1). Both rating agencies cite the Village's diverse revenue base, strong fund balance, and low debt burden as some of the reasons for their rating.

## FINANCIAL HIGHLIGHTS

### *CHANGES IN NET POSITION*

The Statement of Net Position reports information on all of the Village's assets and liabilities, with the difference between them reported as net position. The net position serves as a useful indicator of a government's financial position. Governmental activities include services such as police, street maintenance, construction, forestry, code enforcement, economic development, planning and zoning, and general administrative services. Business-type activities include water and sanitary sewer services.

The table below shows that, as of December 31, 2018, the Village's net position was \$113 million across all governmental and business-type activities. Of the total net position, \$89 million is the Village's investment in capital assets. These assets include streets, water mains, and sanitary sewers. The \$17 million in unrestricted net position may be used to finance ongoing obligations.

Compared to 2017, the Village's combined total net position decreased from \$118.0 million to \$113.5 million. Although still strong, the Village's net position has decreased nearly 4 percent. The major contributors for this decrease are the implementation of GASB Statement 75 which resulted in a growth in liability related to OPEB (Other Post-Employment Benefits) as well as the rising cost to fund police pensions. Because of this, the net position from governmental activities decreased \$2.2 million. The net position of business-type activities increased \$970 thousand due to revenues surpassing expenditures by way of pushing back capital projects.

For more information on the Village's net position, please refer to pages 16 and 17 of the CAFR.

	Net Position		
	Governmental	Business-type	Total
	Activities	Activities	
	Dec-18	Dec-18	Dec-18
Current and Other Assets	\$ 59,676,338	7,610,285	67,286,623
Capital Assets	92,398,084	11,484,421	103,882,505
Total Assets	152,074,422	19,094,706	171,169,128
Deferred Outflows of Resources	12,126,624	291,540	12,418,164
Total Deferred Outflows of Resources	12,126,624	291,540	12,418,164
Long-Term Debt Outstanding	56,652,238	886,423	57,538,661
Other Liabilities	5,642,812	627,554	6,270,366
Total Liabilities	62,295,050	1,513,977	63,809,027
Deferred Inflows of Resources	5,660,652	653,137	6,313,789
Total Deferred Outflows of Resources	5,660,652	653,137	6,313,789
Net Position			
Net investment in capital assets	77,884,188	11,484,421	89,368,609
Restricted	7,220,945	-	7,220,945
Unrestricted	11,140,211	5,734,711	16,874,922
Total Net Position	96,245,344	17,219,132	113,464,476



## GENERAL FUND OPERATING RESULTS

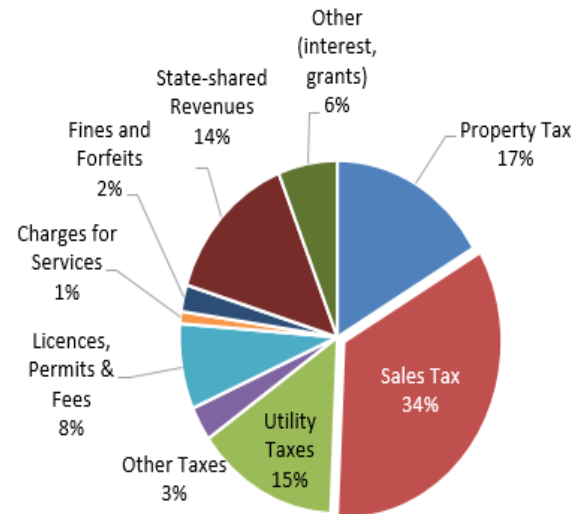
### REVENUES

The General Fund is the Village's largest operating fund. All revenues and expenditures not required to be reported for in another fund are in the General Fund. A breakdown of the General Fund revenues can be found on page 101 of the CAFR.

FY2018 General Fund revenues, excluding transfers, totaled \$20.1 million. This is \$200 thousand less than last year primarily due to the decline in state sales tax revenues. Sales, property, utility, and income taxes are the four largest revenue sources, making up 79% of the total revenue in the General Fund. In 2018, these equaled \$15.8 million as follows:

1. Sales Taxes: \$6.8 million
2. Property Taxes: \$3.3 million
3. Utility Taxes: \$2.9 million
4. Income Taxes: \$2.8 million

**General Fund Revenues**

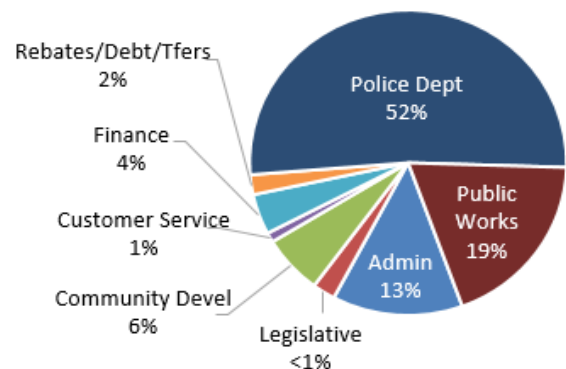


## EXPENDITURES

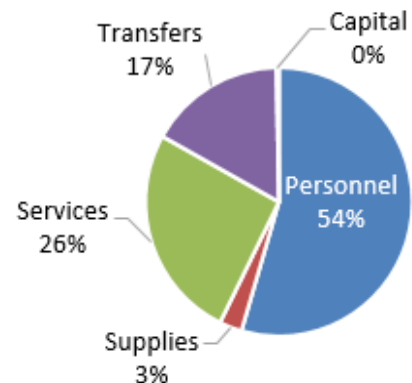
The General Fund spent a total of \$20.3 million in 2018. The Police Department represents 52% of the total at \$10.5 million. This amount includes the Village's \$2.4 million contribution to the Police Pension Fund. Public Works is our second largest with 19%, equaling \$3.9 million. These departments comprise the majority of the General Fund's budget due to the services they provide, including 24/7 police presence, snow removal, engineering, forestry, and stormwater maintenance. Administration is the third largest department at 13%, followed by Community Development.

As a service delivery organization, personnel costs make up the majority of a local government's budget, as illustrated in the Expenditures by Type graph to the right. In 2018, personnel expenditures totaled 54% or \$10.2 million. The second largest expenditure is services at 26%, which includes professional services for attorneys, engineering, dispatch, and GIS. Transfers included here are made to the Police Pension Fund and Garage Fund. Rebates totaled \$429,000 and are for economic incentive agreements that we entered into in order to bring strong economic development opportunities to the Village.

**Expenditures by Department**



**Expenditures by Type**



# GENERAL FUND REVENUES VS. EXPENDITURES

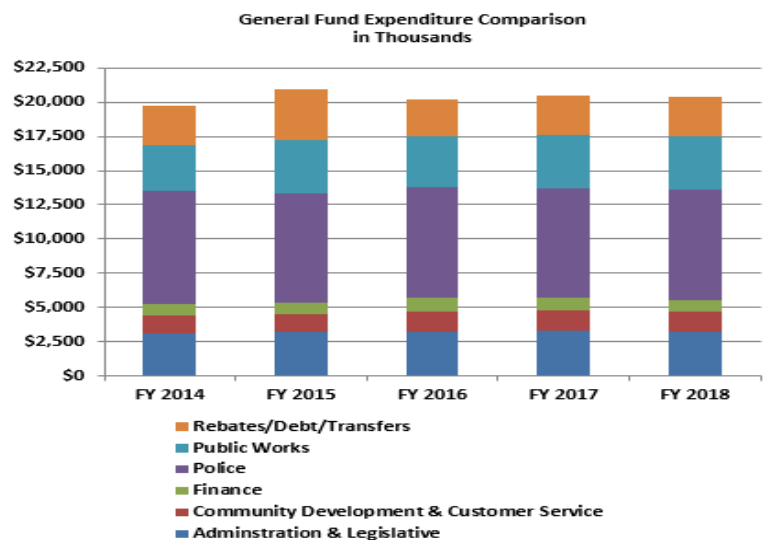
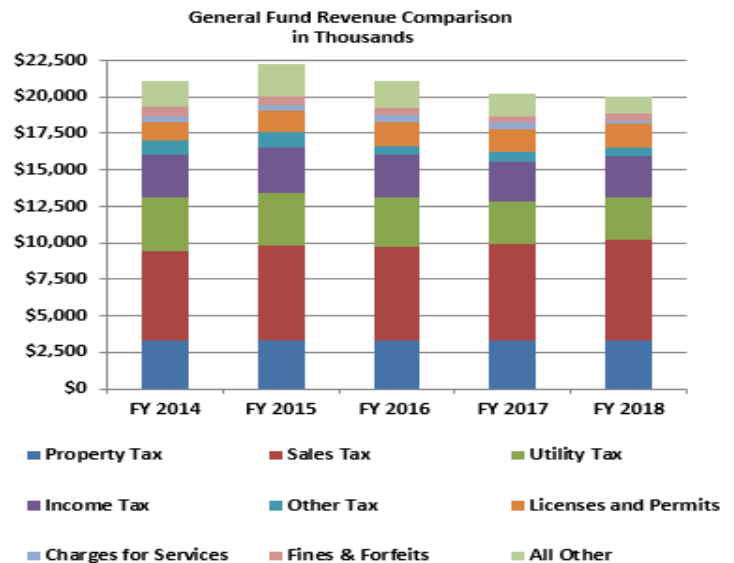
## 5 YEAR COMPARISON

### REVENUES

- As the chart to the right illustrates, revenues are well below 2014 levels, following a peak in 2015
- This decline is primarily due to the elimination of the Water Utility Tax in 2016 and the declining state shared revenue base
- Income tax revenue, licenses and permits, and reimbursements have also declined
- Additionally, there has been limited growth in other areas, such as licenses, permits, and fines/fees

### EXPENDITURES

- Over the past five years, General Fund expenditures have stayed fairly consistent, increasing only \$610 thousand over that time
- The majority of the increase is in the Public Works department as expenditures have increased \$570 thousand since 2014 due to the transfer of Motor Fuel Tax Fund expenditures to the General Fund so that motor fuel taxes could be used solely for road maintenance improvement projects, including bikepath and street light maintenance, crackseal, and pavement markings
- The Police Department operating expenses have decreased \$210 thousand over the past 5 years mainly due to unfilled positions



### VILLAGE DEPARTMENTS

- Legislative - the Village Board participates in community engagement activities and sets policy and strategic goals for the Village Departments
- Administration - directs the organization's efforts in meeting the policies and goals formulated by the Village Board
- Community Development - administers the orderly growth of the community by following the goals and objectives established by the residents and Village Board
- Finance - conducts the financial affairs of the Village in accordance with Government Accounting Standards Board (GASB) and Generally Accepted Accounting Principles (GAAP)
- Police - provides law enforcement, maintenance of order, and preservation of property and crime prevention
- Public Works - designs, constructs, manages and maintains the Village's infrastructure and related assets, including the Village water system

## CAPITAL PROJECTS FUND

Capital improvement projects over \$20,000 are budgeted for in the Capital Projects Fund. The Fund is supported by a portion of the 0.75% Home Rule Sales Tax, part of which is allocated for future Police and Public Works facility needs and 10% of the state income tax revenues. The Village regularly applies for grants that, when awarded, reduce the amount of Village funding needed. Page 119 of the CAFR includes information on the Capital Project Fund's revenues and expenditures.

In 2018, revenues totaled \$3.7 million, about \$350,000 more than 2017 primarily due to contributions from developers for various projects. Expenditures totaled \$1.0 million which included the following projects:



3214 63rd St. Purchase & Improvements	\$322,000
Crabtree Creek Stabilization	\$174,000
Beehive Software	\$79,000
71st St. Bridge Improvements	\$69,000
Lighting Improvements	\$34,000
Prentiss Creek Stabilization	\$17,000

## MOTOR FUEL TAX FUND

The Motor Fuel Tax (MFT) Fund is supported mainly by a per person state allocation which comes from the 19 cent state tax on gallons sold. The Village received approximately \$26.74 per resident in 2018; this was a \$28,000 increase in revenues from 2017. The Village also has a 4 cent per gallon Motor Fuel Tax in which it received \$555,000 in revenues for the year. Total revenues were \$1.6 million, approximately \$70,000 higher than 2017. This fund pays for the maintenance and construction of Village roads. In 2018, the Village spent \$2.4 million on various road projects. See page 100 in the Comprehensive Annual Financial Report for a full breakdown on the MFT fund balance.



Beginning Fund Balance	\$2,135,850
Revenues	\$1,615,354
Expenditures	\$1,855,726
Ending Fund Balance	\$1,895,478

## WATER & SEWER FUND

The Water and Sewer Fund is used to account for the purchase and resale of water, as well as the transporting of sanitary waste to a county wastewater treatment plant. Qualified personnel, trucks, tools and equipment are needed to maintain and operate these systems. The cost of the water itself – a commodity that has risen in cost significantly over the last several years – is the largest part of all the costs in this fund, making up nearly half of all expenses.

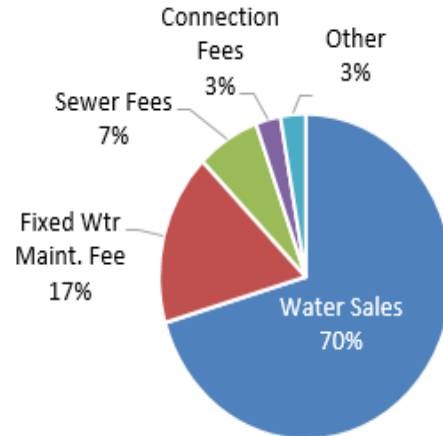
User fees provide the majority of the revenues in this fund. In 2018, the Village charged \$8.18 per 1,000 gallons of water, \$0.90 for sewer maintenance, as well as a fixed water maintenance fee, which varies according to the size of the meter.

In 2018, Water and Sewer Fund revenues totaled \$9.9 million, approximately \$80,000 less than 2017 due to lower water sale revenues and connection fees.

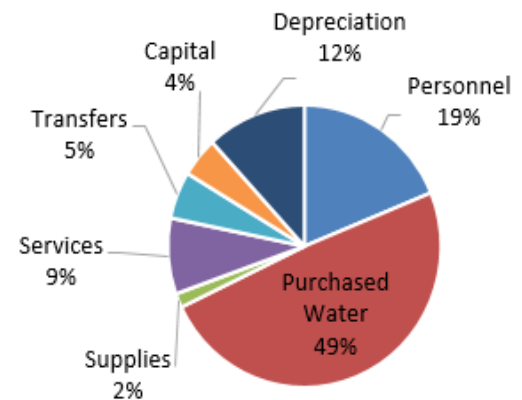
Water and Sewer Fund expenses totaled \$9.1 million in 2018, a \$460,000 increase primarily related to classifying depreciation as an operating expense in 2018.

More information on the Water and Sewer Fund's revenue and expenses begins on page 132 of the CAFR.

### Water Revenues - Total \$9,870,935



### Expenses by Element - \$9,107,637



## WATER AND SEWER EQUIPMENT REPLACEMENT FUND

The Water and Sewer Equipment and Replacement Fund accounts for the funding of vehicles and equipment used in water and sewer operations so that the Village can continue to use a pay-as-you-go approach to ensure that sufficient funds are available to make purchases when needed. A fund breakdown is provided below.

Beginning Fund Balance	\$1,329,939
Revenues	\$25,608
Expenses	\$65,371
Transfers	(\$168,051)
Ending Balance	\$1,122,125





## OTHER VILLAGE FUNDS

The Village has a number of small funds which are summarized below:

	State & Federal Drug Enforcement	TIF #2 - Janes Avenue	Special Service Areas	Debt Service	Equipment Replace- ment	Municipal Garage	Police Pension
Beginning Fund Balance	\$1,089,334	\$3,042,209	\$484,825	\$154,133	\$2,526,036	\$697,198	\$35,542,741
Revenues	178,975	511,930	55,966	1,844,331	325,501	823,081	1,474,171
Expenditures	20,339	64,396	3,587	1,718,536	267,883	1,262,266	3,559,162
Difference	158,636	447,534	52,379	125,795	57,618	(439,185)	(2,084,991)
Ending Fund Balance	\$1,247,970	\$3,489,743	\$537,204	\$279,928	\$2,583,654	\$258,013	\$33,457,750

- State and Federal Drug Enforcement Funds - used to account for monies received and expended for drug enforcement activities within the Village.
- TIF #2 Fund - accounts for monies received and expended under the tax increment financing district by 83rd and Janes Avenue. Incremental property tax dollars from the area support redevelopment of the district.
- Special Service Area Funds - used to account for taxes levied for the maintenance of stormwater management for the areas of Seven Bridges, Richfield Place, and Timber's Edge.
- Debt Service Fund - used to accumulate monies for the payment of the Village's long-standing general obligation bonds.
- Equipment Replacement - accounts for funds designated for the eventual replacement of certain capital equipment.
- Municipal Garage - accounts for the cost of operating a maintenance facility for vehicle equipment used by other Village departments.
- Police Pension - used to account for the accumulation of resources to pay police pension costs. Funding consists of an annual required contribution by the Village from sworn police based on 9.91% of their salary, as well as investment earnings.

## Village Seeks Input for Next Popular Annual Financial Report

The PAFR will be advertised in the Village's E-News and Facebook page. The document will be available for download on the Village's website, and hard copies will be available at Village Hall. If you have questions concerning this report or would like offer your ideas on how to improve the information that is provided in future editions, please feel free to contact the Village of Woodridge Finance Department at (630) 719-2902.

The financial data in this report is derived from Generally Accepted Accounting Principles (GAAP), but is not intended to be a complete financial statement of the Village of Woodridge. The summary financial data provided here in the Popular Annual Financial Report (PAFR) was taken from the Village of Woodridge Comprehensive Financial Report (CAFR) as of the fiscal year ending December 31, 2018.

