

# VILLAGE OF WOODRIDGE

## POPULAR ANNUAL FINANCIAL REPORT

### FOR THE YEAR ENDED DECEMBER 31, 2017



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The Village of Woodridge, Illinois is pleased to present its fifth issue of the Popular Annual Financial Report (PAFR) for the period ending December 31, 2017. 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.

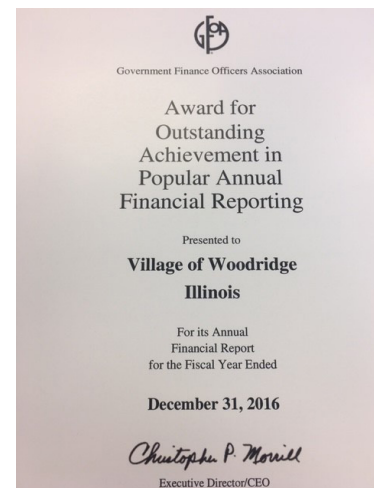


The Village provides a wide range of services, including police protection, water distribution and sewer collection services, construction and maintenance of highway, streets and infrastructure, and planning and development review. Fire protection is provided by independent Fire Protection districts. The Woodridge Library is a separate unit of government. The Library offers 495 programs each year, including children's bilingual storytimes, summer lunch, art shows, and homebound delivery.

Woodridge also 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, 2016 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 2017 PAFR Award.



## WOODRIDGE'S LOCAL ECONOMY

The Village's financial position is strong, but can be impacted by the economic climate and decisions made at the state level, such as property tax freezes and significant reductions in state-shared revenues. In addition, the State of Illinois' economy continues to struggle as it faces numerous fiscal challenges, including outstanding debt, looming pension obligations, budget challenges. Despite the State of Illinois' fiscal condition, Woodridge's economy continues to grow and diversify.

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. In 2017, both Cooper's Hawk Winery & Restaurants and AMS Mechanical Systems relocated their corporate headquarters to Woodridge.

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 \$1.1 billion in 2017, a 4.6% increase in 2017 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 .2760 in 2017. Based on this tax rate, for every \$100,000 in home value, an average homeowner 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 2017, the median home sale price in Woodridge was \$266,621, which is 5% 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)	36.9
Unemployment Rate	3.7%
Median Home Value	\$266,621
Equalized Assessed Value - Tax Year 2017	\$1.2 Billion
Total Number of Households	13,062
Number of Full-time Employees (Village of Woodridge)	120.50

Sources: Village of Woodridge, 2010 U.S. Census, Illinois Department of Employment Security

## 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. The Village Board has voted for no increase in property taxes for the last five tax levies — 2014-2017.



## VILLAGE DEPARTMENT ACCOMPLISHMENTS AND INITIATIVES

Over the past fiscal year, the Village accomplished many of the goals set forth in the 2017 Budget:

- Completed \$2.0 million in roadway improvements, including Janeswood Drive, Woodward Avenue, 71st Street, and Woodridge Drive
- Repaired and repainted one of the Village's water towers north of Hobson Road on Woodridge Drive. Other water towers were also inspected for future repairs and improvements
- Televised and cleaned 180,000 linear feet of sanitary sewers and completed rehabilitation of 35 sanitary manholes
- Created a new streamlined process for business license renewal in conjunction with the implementation of the new ERP system
- Conducted a comprehensive audit of existing phone and alarm lines, resulting in a \$50,000 savings annually
- The Woodridge Village Board approved two shopping center grants for a total of \$99,000 to encourage reinvestment in older shopping centers
- Received several awards from the Government Finance Officers Association, including the Distinguished Budget Presentation award, the Certificate in Excellence in Financial Reporting for the Village's audited financial statements, and the Outstanding Achievement in Popular Annual Financial Reporting
- Implemented the GRIT program to replace DARE to teach students the importance of self-confidence, resiliency, and street smarts
- Relaunched the Citizens Police Academy with 20 participants

## 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, 2017, the Village's net position was \$118 million across all governmental and business-type activities. Of the total net position, \$96 million is the Village's investment in capital assets. These assets include streets, water mains, and sanitary sewers. The \$15 million in unrestricted net position may be used to finance ongoing obligations.

Compared to 2016, the Village's combined total net position increased slightly from \$117.3 million to \$118.0 million. A major contributor for this increase is due to the \$2.4 million increase in the Police Pension liability due to changes in actuarial assumptions. The net position from governmental activities decreased \$762,000, which was a smaller variance in revenues and expenses than the 2017 Budget. The net position of business-type activities increased \$1.4 million due to a \$1.1 million increase in revenue from water system capital improvements.

The following pages of this document review the Village funds that make up the Governmental and Business-type activities. Please consult pages five and six of the Management's Discussion and Analysis section of the CAFR for more information on the net position.

Net Position			
	Governmental Activities	Business-type Activities	Total
	Dec-17	Dec-17	Dec-17
Current and Other Assets	\$ 59,444,424	6,555,452	65,999,876
Capital Assets	92,986,024	12,079,587	105,065,611
Total Assets	152,430,448	18,635,039	171,065,487
Deferred Outflows of Resources	10,464,336	737,142	11,201,478
Total Deferred Outflows of Resources	10,464,336	737,142	11,201,478
Long-Term Debt Outstanding	53,729,178	1,658,823	55,388,001
Other Liabilities	4,426,647	931,055	5,357,702
Total Liabilities	58,155,825	2,589,878	60,745,703
Deferred Inflows of Resources	3,480,015	-	3,480,015
Total Deferred Outflows of Resources	3,480,015	-	3,480,015
Net Position			
Net investment in capital assets	84,015,178	12,079,587	96,094,765
Restricted	6,906,351	-	6,906,351
Unrestricted	10,337,416	4,622,261	14,959,677
Total Net Position	101,258,945	16,701,848	117,960,793

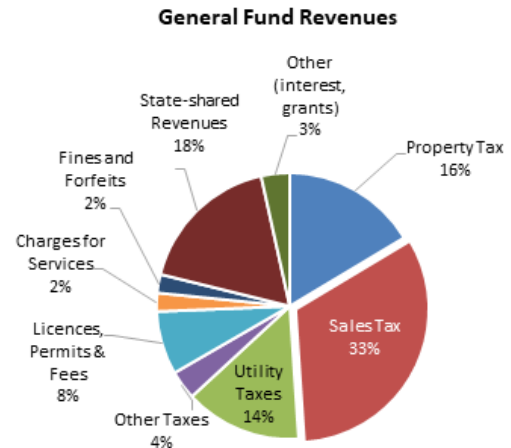
## GENERAL FUND OPERATING RESULTS

### REVENUES

The General Fund is the Village's largest and most vital 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 70 of the CAFR.

FY2017 General Fund revenues, excluding transfers, totaled \$20.3 million in 2017. This is \$1 million less than the year prior due to the elimination of the water utility tax and decreases in reimbursements, licenses, permits and fees and income tax revenues. The four largest revenue sources provided 76% of all revenues in 2017. These sources are as follows:

1. Sales Taxes: \$6.6 million
2. Property Taxes: \$3.3 million
3. Utility Taxes: \$2.9 million
4. Income Taxes: \$2.7 million



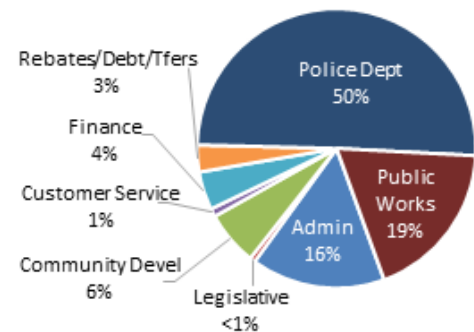
### EXPENDITURES

General Fund expenditures for 2017 totaled \$20.2 million. The expenditures shown here are reported consistent with GAAP and agree with the Governmental Fund Statements on page ten of the Comprehensive Annual Financial Report.

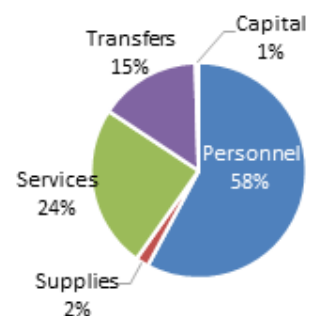
Reviewing expenditures by department, beginning on page 72 of the CAFR, the Police Department represents 50% of the total at \$10.2 million. This amount includes the Village's \$2.2 million contribution to the Police Pension Fund. Public Works is 19% at \$3.7 million. These departments comprise the majority 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 16%, 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 2017, personnel expenditures totaled 58% or \$11.8 million. The second largest expenditure is services at 24%, which include professional services for attorneys, engineering, dispatch, and GIS. Transfers included here are made to the Police Pension Fund and Garage Fund. Rebates totaled \$660,000 and are for economic incentive agreements.

**Expenditures by Department**



**Expenditures by Type**

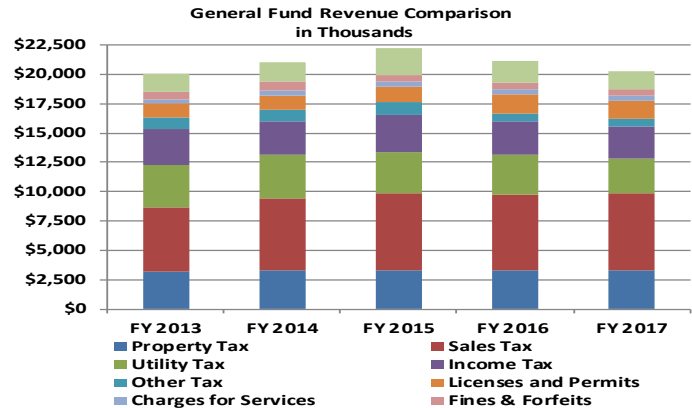


# GENERAL FUND REVENUES VS. EXPENDITURES

## 5 YEAR COMPARISON

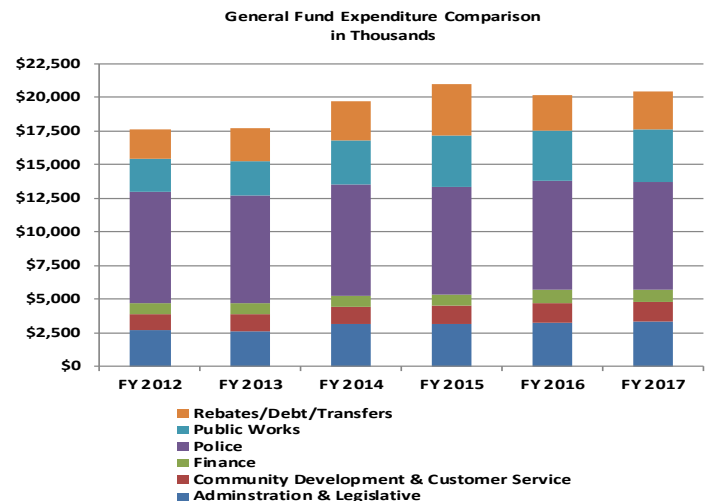
### REVENUES

- As the chart to the right illustrates, revenues are back to 2013 levels, following a peak in 2015
- This decline is due to the elimination of the Water Utility Tax in 2016 and the transfer of the local gas tax to the Village's Motor Fuel Tax Fund
- Income tax revenue, licenses and permits, and reimbursements have also declined
- The Village Board has voted for no increase to the Village's property tax levy in five years



### EXPENDITURES

- Over the past five years, General Fund expenditures have increased \$2.7 million
- Public Works expenditures have increased \$1.5 million since 2012 due to the transfer of Motor Fuel Tax Fund expenditures to the General Fund, including bikepath and street light maintenance, crackseal, and pavement markings.
- The Administration Department's expenditures have also increased \$500,000 due professional services related to IT and GIS support for Village operations
- Rebates, Debt, and Transfers increased \$700,000 since 2012 due to sales tax rebate agreements and increases in police pension contributions.



- 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

The Capital Projects Fund accounts for the acquisition of capital and improvements over \$20,000, engineering services for road construction projects, and debt payments. 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. The Village regularly applies for grants that when awarded reduce the amount of Village funding needed. Page 83 of the CAFR includes information on the Capital Project Fund's revenues and expenditures.

In 2017, revenues totaled \$3.3 million, about \$367,000 more than 2016 primarily related to an increase in Home Rule Sales Tax revenue. Expenditures totaled \$770,445 and consisted of the following projects:



Janeswood Ave Resurfacing	\$75,000
LED Streetlight Improvements	\$110,000
Erosion Control Projects	\$158,000
Storm Sewer Lining	\$19,000
Bicentennial Sign	\$22,000
Route 53 Sidewalk Plan & Engineering	\$49,000

## MOTOR FUEL TAX FUND

The Motor Fuel Tax (MFT) Fund is supported mainly by a per person state allocation which comes from a state gasoline tax on gallons sold. The Village received approximately \$25.43 per resident in 2017; this was a \$6,500 reduction in revenues from 2016. The Village also has a \$.04 per gallon Motor Fuel Tax. Total 2017 MFT revenues were \$1.5 million, approximately \$400,000 lower than 2016 primarily due to the loss of one gas station in Woodridge. This fund pays for the maintenance and construction of Village roads. In 2017, the Village spend \$2.1 on various road projects. See page 60 in the Comprehensive Annual Financial Report for a full breakdown on the MFT fund balance.



Beginning Fund Balance	\$2,679,970
Revenues	\$1,545,169
Expenditures	\$2,089,289
Ending Fund Balance	\$2,135,850

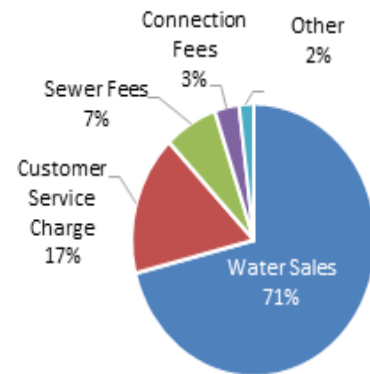
## WATER & SEWER FUND

The Water and Sewer Fund is used to account for the provision of potable water and 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 another part of all the costs associated with providing water.

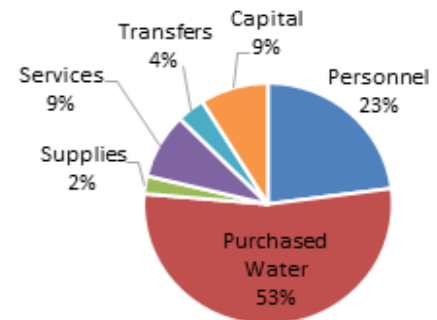
User fees provide the majority of the revenues in this fund. In 2017, the Village charged \$8.18 per 1,000 gallons of water, \$0.90 for sewer maintenance, as well as a customer service charge which varies according to the size of the meter.

In 2017, Water and Sewer Fund revenues totaled \$9.9 million, approximately \$120,000 less than 2016 due to lower water sale revenues and connection fees. Water and Sewer Fund expenses totaled \$8.9 million in 2017, a \$875,000 decrease primarily related to capital projects that were not completed or have been re-budgeted to future years. More information on the Water and Sewer Fund's revenue and expenses begins on page 93 of the CAFR.

**Water Revenues - Total \$9,949,295**



**Expenses by Type - \$8,645,088**



## WATER AND SEWER EQUIPMENT REPLACEMENT FUND

The 2017 Budget established the Water and Sewer Equipment and Replacement Fund to account 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	\$0
Revenues	\$0
Expenses	\$28,943
Transfers	\$1,350,776
Ending Balance	\$1,329,939



## 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	\$1,085,901	\$2,640,926	\$443,933	\$199,128	\$2,362,623	\$854,992	\$32,142,238
Revenues	54,036	486,631	44,359	0	0	855,018	6,563,021
Expenditures	50,603	85,348	1,967	131,483	131,483	878,352	3,162,518
Difference	3,433	401,283	42,392	(131,483)	(131,483)	(12,469)	3,400,503
Ending Fund Balance	\$1,089,334	\$3,042,209	\$484,825	\$154,133	\$2,526,036	\$842,523	\$35,542,741

- 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 pension costs. Resources are contributed by police force members at rates fixed by state statutes and through an annual property tax levy determined by an actuarial analysis

## AAA Community

**Fitch**Ratings

**MOODY's**

- In November 2017, Fitch Ratings affirmed the Village of Woodridge's AAA bond rating, the highest rating using Fitch Ratings' method!
- Also in November 2017, Moody' Investor Services held their Aa1 bond rating.
- Both ratings agencies cited the Village's diverse revenue sources, ample fund balance, and low debt burden as the reasons for their high ratings
- The table below shows the Village's debt burden per resident, which has declined \$8 million or \$240 per resident since 2012.
- This information can be found on page 125 in the CAFR.

Fiscal Year	General Bonded Debt Outstanding	Per Resident
2012	\$24.8 million	\$745
2013	\$22.7 million	\$681
2014	\$20.5 million	\$602
2015	\$19.4 million	\$584
2016	\$17.8 million	\$535
2017	\$16.7 million	\$503

## 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, 2017.

