

Popular Annual Financial Report

Fiscal year ended April 30, 2016

City of Geneva, Illinois



LETTER FROM MANAGEMENT

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Dear Residents,

The City of Geneva is pleased to present the FY 2016 Popular Annual Financial Report (PAFR) for the first time. As City staff, we strongly believe in maintaining good communication with our residents to promote transparency and responsible government.

This report is designed to provide a summary view of the City's financial activities. The information in this report is based on the City's FY 2016 Comprehensive Annual Financial Report (CAFR) which represents the City's official audited financial statements, and conforms to the generally accepted accounting principles (GAAP). All information in this report can be found in greater detail in the CAFR, which is available on the City's website at www.geneva.il.us.

The City received its third consecutive Certificate of Achievement for Excellence in Financial Reporting award 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 government accounting and financial reporting. Also, the City received the Distinguished Budget Presentation Award from GFOA for the fiscal year beginning May 1, 2016. These awards show the City's commitment to fiscal accountability and integrity.

We hope upon reading this report, you will have greater insight into the City's financial condition. If you have any questions or comments regarding information in this document, or any City financial report, please contact the Finance Division at 630.232.0854.

Sincerely,

Stephanie K. Dawkins
City Administrator

Rita Kruse
Finance Manager

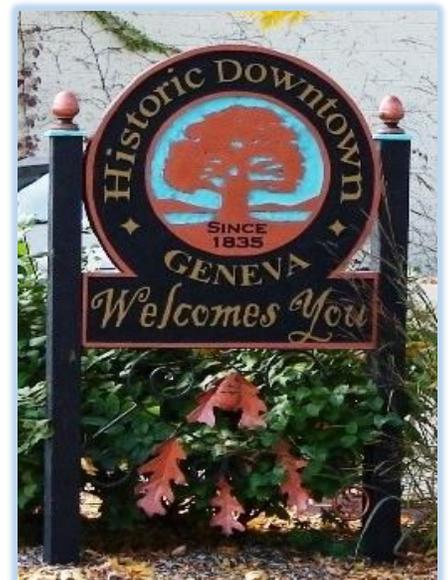


City of Geneva

Contact Information

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Building Div.	630.262.0280
Community Dev.	630.232.0818
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Police	630.232.4736
Fire	630.232.2530
Website	www.geneva.il.us

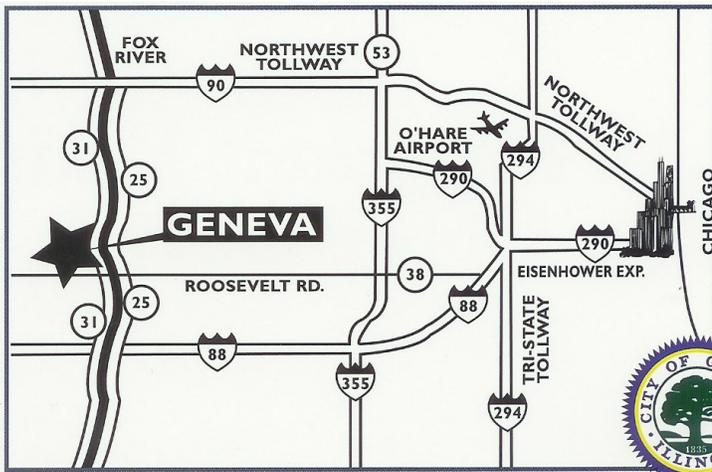
Popular Annual Financial Report



ABOUT THE CITY OF GENEVA

Founded in 1835 and selected as the Kane County seat, Geneva is located in the Fox River Valley 40 miles west of Chicago.

The City of Geneva, a non-home rule community, is known for an exceptional quality of life with abundant recreational opportunities and open space, a full selection of shopping and quality employers. The City is also known for its historic downtown business district, the Geneva Commons Lifestyle Shopping Center, the Geneva Business Park, Kane County Cougar baseball, festivals, bike trails and more.



Geneva Facts

2015 Population Estimate	21,806
Median Household Income	\$93,588
Median Home Value	\$309,300
Per Capita Income	\$44,003
Housing Units (2010)	8,278
Unemployment Rate	4.8%
Full-Time City Employees	143
FY 2015 EAV	\$897,304,587

Source: 2010-2014 American Community Survey 5-year profiles and Vintage 2015 Population Estimates from the U.S. Census Bureau Internet site; and Geneva CAFR FY 2016

Top Ten Employers (2016)

Employer	Employees
1. Delnor Hospital	1,650
2. Kane County	1,260
3. Geneva School Dist.	858
4. Peacock Foods	350
5. Burgess-Norton Mfg.	300
6. Johnson Controls, Inc.	300
7. Houghton-Mifflin	250
8. FONA International	250
9. Power Packaging	200
10. Lineage Logistics	150



OFFICIALS & MANAGEMENT

The City Council is comprised of a Mayor, City Clerk, City Treasurer, and ten aldermen elected from five wards. The Mayor, Clerk, and Treasurer are elected at-large. The Mayor and Council hire a full-time City Administrator who is responsible for day-to-day operations of the City. Together, these individuals lead the City.



Front Row (Left to Right) - Lynn Landberg, Clerk; Tara Burghart, Ward 1; Kevin R. Burns, Mayor; Mary Seno, Ward 3; Ron Singer, Ward 4.

Back Row (Left to Right) - Jim Radecki, Ward 4; Mike Bruno, Ward 1; Dean Kilburg, Ward 3; Donald B. Cummings, Jr., Ward 2; Richard Marks, Ward 2; Craig Maladra, Ward 5; Tom Simonian, Ward 5.

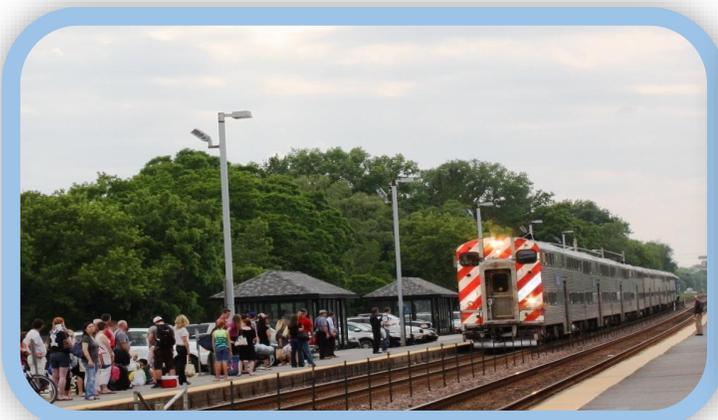
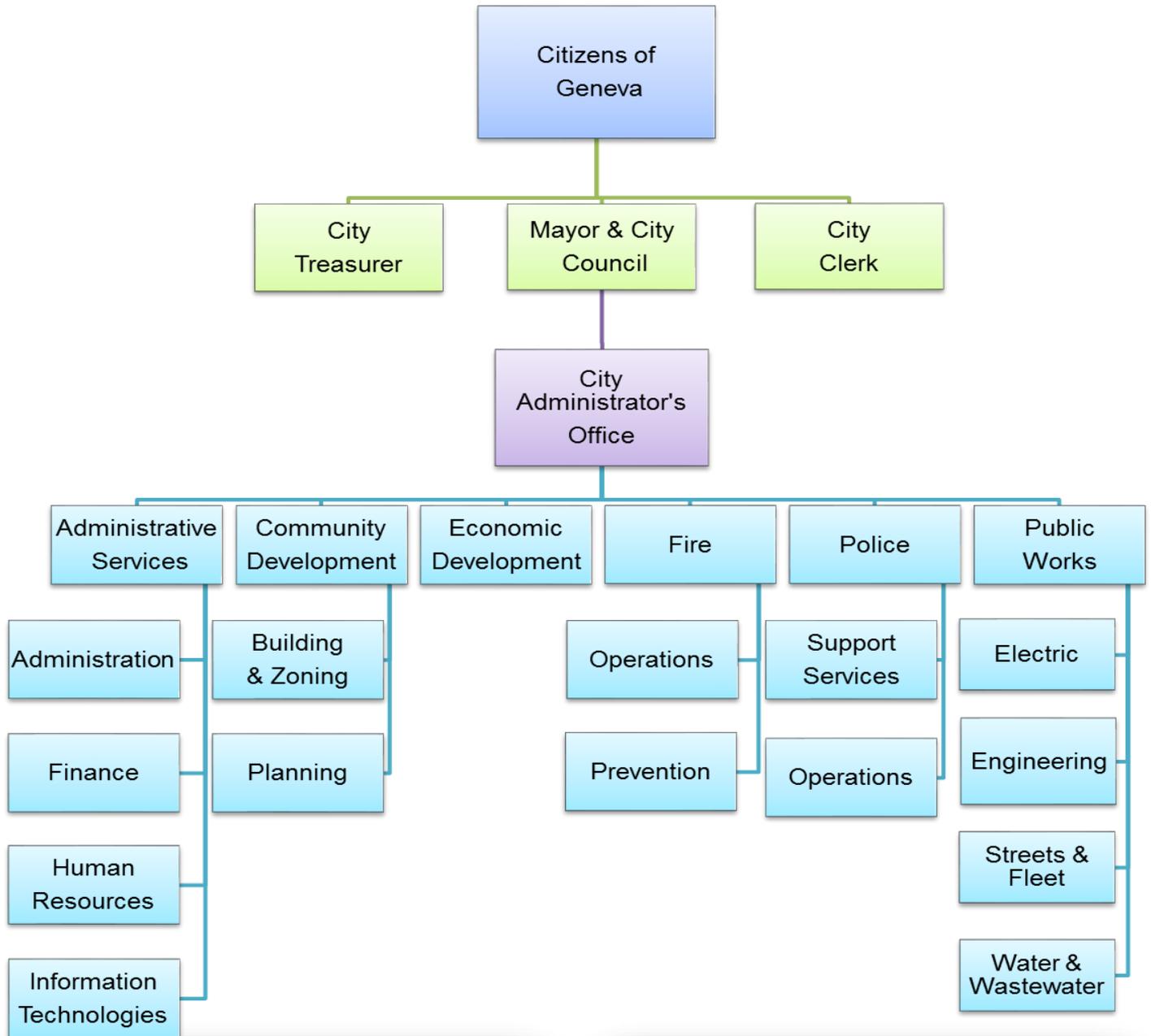
Senior Management Team

City Administrator	Mary McKittrick
Asst. City Administrator	Stephanie Dawkins
Chief of Police	Steve Mexin
Fire Chief	Steve Olson
Director of Public Works	Rich Babica
Director of Community Development	David DeGroot
Director of Economic Development	Cathleen Tymoszenko

(As of April 30, 2016)



GOVERNMENT ORGANIZATION

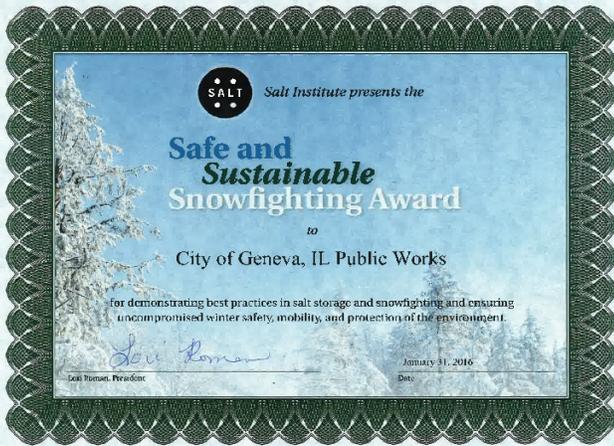


City of Geneva



Popular Annual Financial Report

AWARDS AND RECOGNITIONS



The City of Geneva received multiple awards and recognitions for excellence in the past year. The City's Public Works Department received awards throughout the different divisions. The Electric Division was awarded a Certificate of Excellence in Reliability by the American Public Works Association for outperforming the electric industry national average. The Street Division received the Safe and Sustainable Snowfighting Award by the Salt Institute, and also received an Arbor Day Award. Engineering was awarded Project of the Year, Structures under \$5 million for constructing the 3rd Street Parking Deck. Additionally, the City received the Certificate of Achievement for Excellence in Financial Reporting award from the Government Finance Officers Association (GFOA) of the United States and Canada, as well as the Distinguished Budget Presentation Award. The City prides itself on its outstanding service delivery and its commitment to providing its residents with quality living.



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to
**City of Geneva
 Illinois**

For its Comprehensive Annual
 Financial Report
 for the Fiscal Year Ended

April 30, 2015

Jeffrey R. Egan
 Executive Director/CEO



CERTIFICATE OF EXCELLENCE IN RELIABILITY

This is to acknowledge that

City of Geneva

has achieved excellence in reliability by significantly outperforming the electric industry national average as reported by the Energy Information Administration.



March 3, 2016
 Date

Michael J. Hyland
 Michael J. Hyland
 Senior Vice President,
 Engineering Services

FISCAL CONDITION

Net position over time may serve as a useful indicator of a government's financial position. In the case of the City of Geneva, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$128.8 million, at the close of the most recent fiscal year. The City uses a Statement of Net Position to demonstrate condition based on the year's financial activities. Below is a table that combines information about the City's assets and liabilities to illustrate the net position.

City of Geneva						
Statement of Net Position as of April 30, 2016						
	Governmental Activities		Business-Type Activities		Total	
	2015	2016	2015	2016	2015	2016
Other Assets	\$ 18.4	\$ 31.8	\$ 18.8	\$ 22.1	\$ 37.2	\$ 53.9
Capital Assets	53.0	37.4	121.4	119.2	174.4	156.6
Total Assets	71.4	69.2	140.2	141.3	211.6	210.5
Deferred Outflows	-	6.1	1.1	2.2	1.1	8.3
Total Assets & Deferred Outflows	71.4	75.3	141.3	143.5	212.7	218.8
Long-Term Liabilities	13.9	37.1	38.2	38.9	52.1	76.0
Other Liabilities	1.5	1.7	4.3	4.3	5.8	6.0
Total Liabilities	15.4	38.8	42.5	43.2	57.9	82.0
Deferred Inflows	7.4	8.0	-	0.1	7.4	8.1
Total Liabilities & Deferred Inflows	22.8	46.8	42.5	43.3	65.3	90.1
Net Position						
Net Investment in						
Capital Assets,	13.8	42.7	84.1	85.2	97.9	127.9
Restricted	4.0	3.9	0.2	0.2	4.2	4.1
Unrestricted	0.7	(18.1)	15.4	14.9	16.1	(3.2)
Total Net Position	\$ 18.5	\$ 28.5	\$ 99.7	\$ 100.3	\$ 118.2	\$ 128.8

SALES TAX RATES FOR CITY OF GENEVA (APRIL 2016)

	General Merchandise	Vehicles	Qualifying Food & Drug
State	5.00%	5.00%	1.00%
Municipal	1.00%	1.00%	0.00%
Kane County	0.25%	0.25%	0.00%
Municipal Non-Home Rule	0.50%	0.00%	0.00%
RTA*	0.75%	0.75%	0.75%
Total	7.50%	7.00%	1.75%

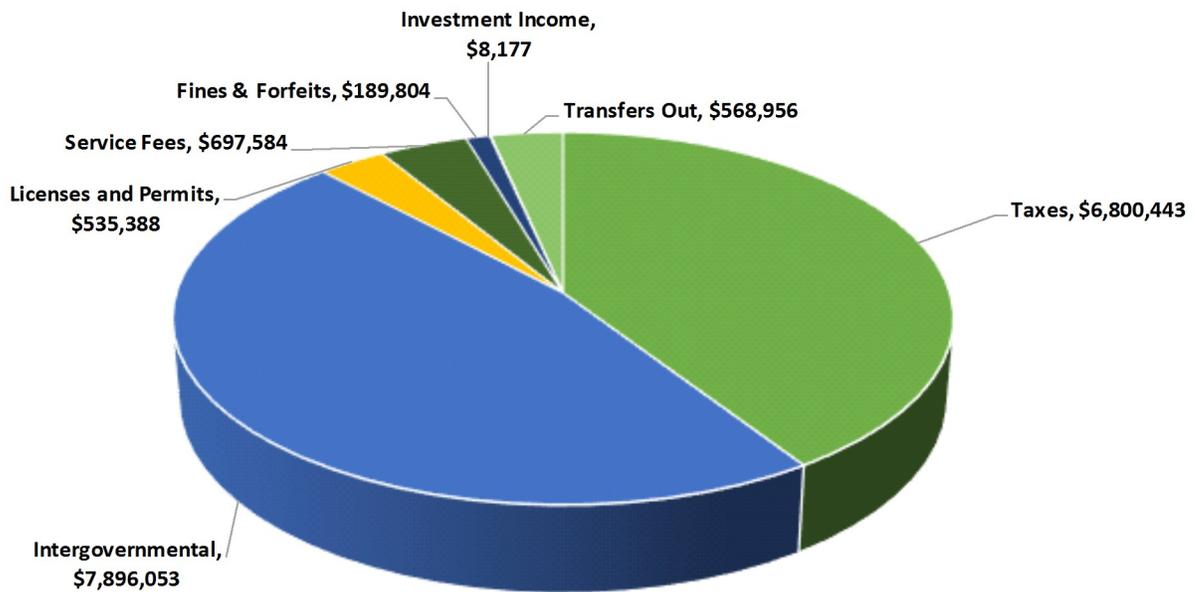
Note: *Regional Transportation Authority



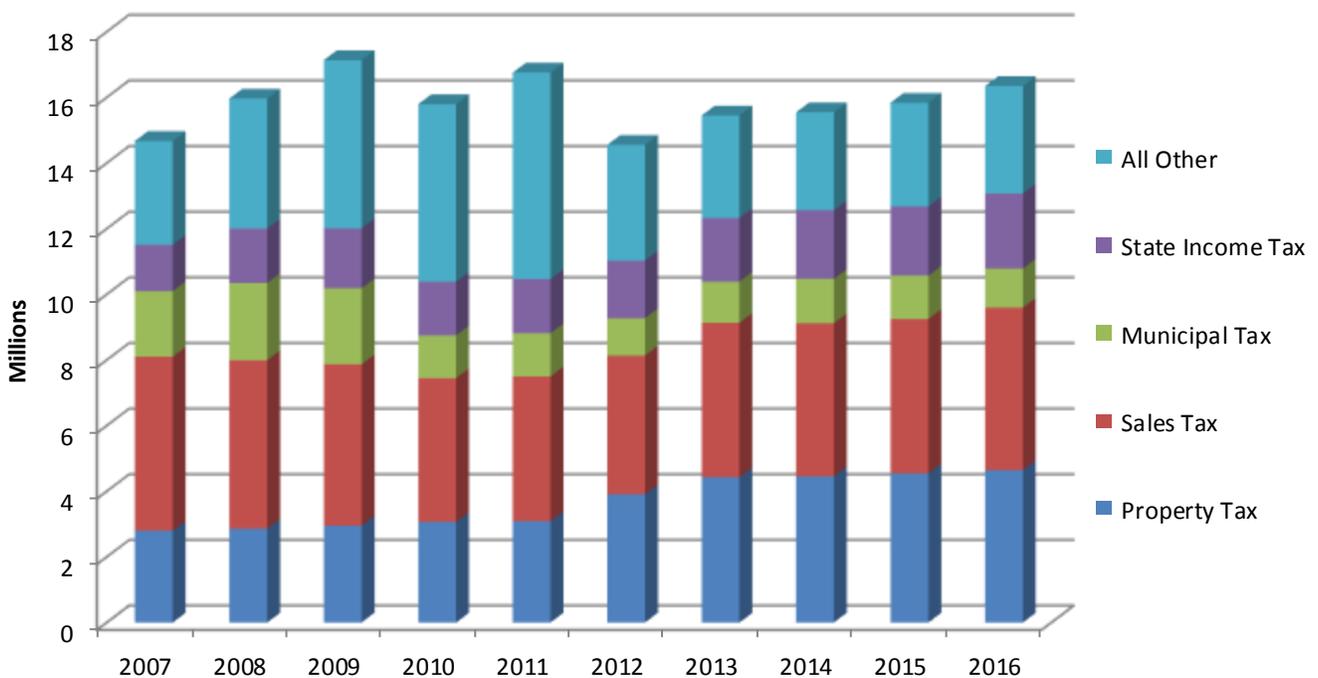
GENERAL FUND REVENUES

The general fund is the City's primary operating fund which supports core municipal services. Various types of taxes provide most of the resources for the general fund. The City's taxes include property, non-home rule sales, municipal utility and telecommunications. Intergovernmental revenues are revenues collected by the state and remitted to the City on a monthly basis, these include state shared sales, state income and local use taxes.

Revenues by Category



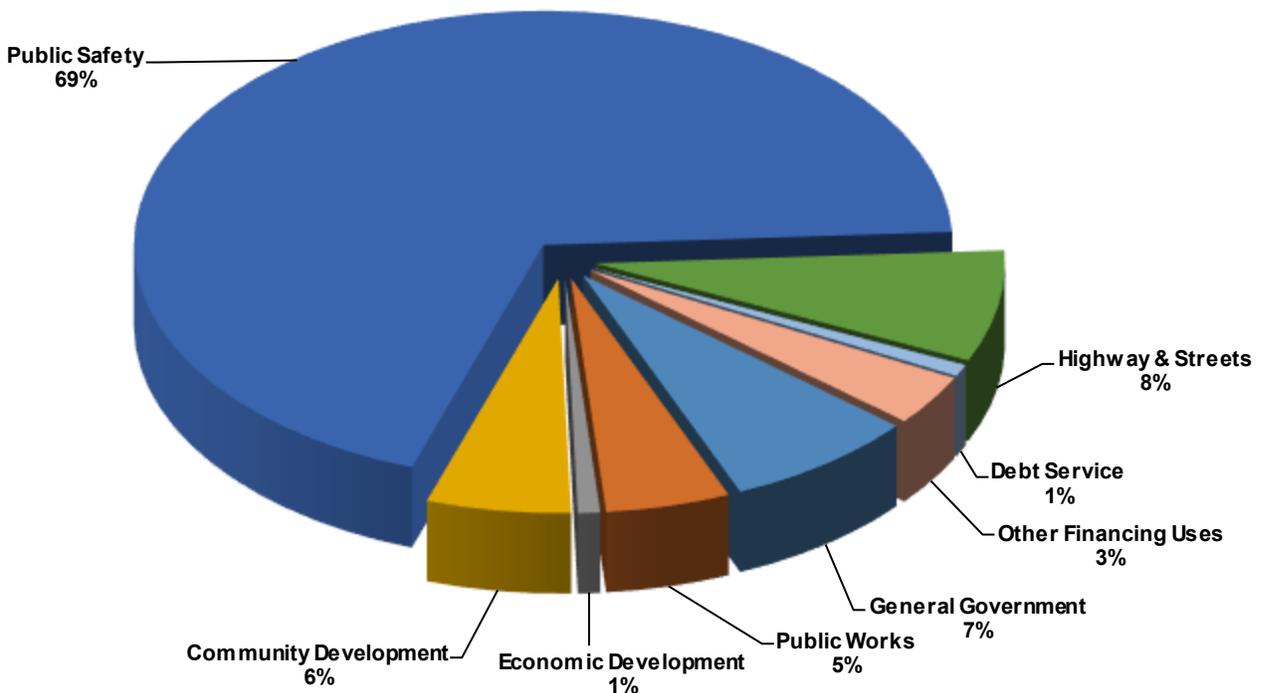
Major Revenue Sources - Last Ten Fiscal Years



GENERAL FUND EXPENDITURES

Functional expenses of the General Fund include: general government, Community Development, Economic Development, Police, Fire, Highway and Streets, and Public Works. A review of actual expenditures compared to the appropriations in the final budget reveals no significant variances other than Highway and Streets. Highway and Streets saw a decrease due to staff turnover and a mild winter. The City's general fund seeks to maintain a minimum of 25% or 3 months of expenditures to provide for cash flow and reserves.

Expenditures by Category



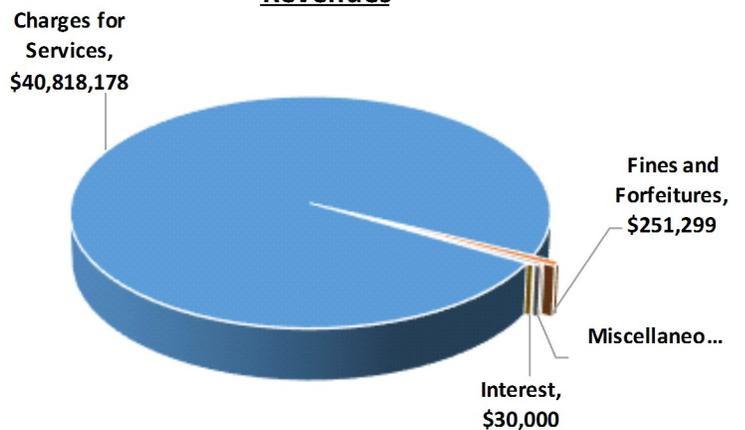
Department	Original Budget	Final Budget	Actual	Difference
General Government	\$1,254,142	\$1,275,424	\$1,206,514	\$(68,910)
Public Works	\$844,091	\$842,591	\$779,508	\$(63,083)
Community Development	\$884,982	\$884,982	\$902,962	\$17,980
Economic Development	\$165,982	\$165,892	\$138,832	\$(27,060)
Police	\$6,711,068	\$6,711,068	\$6,767,686	\$56,618
Fire	\$4,138,451	\$4,138,451	\$4,162,402	\$23,951
Highway & Streets	\$1,975,814	\$1,977,314	\$1,218,056	\$(759,258)
Transfers Out	\$637,040	\$637,040	\$569,971	\$(67,069)

ELECTRIC FUND

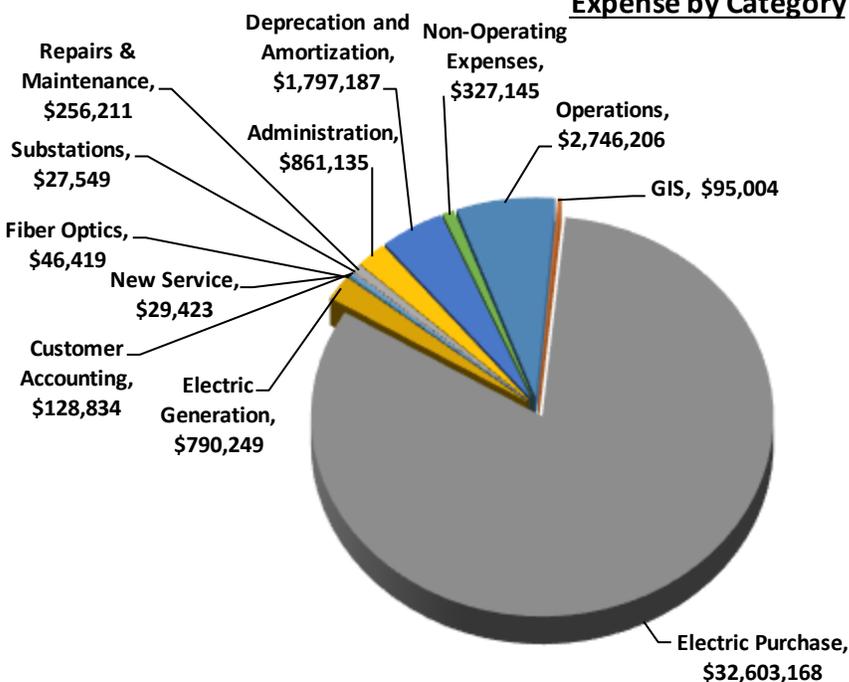
The Electric Fund is the largest proprietary fund operated by the City. Proprietary funds are generally supported by user fees rather than taxes. The fund focuses on revenue collected from the users, which are greater than the expenses of the fund. The Electric Fund's largest revenue is user charges for all types of properties. The Electric Fund's largest expense is purchase of power which is then used and billed to the properties of the city. Depreciation is a non-cash charge that serves to allocate (expense) the cost of capital items over the course of their useful lives.



Revenues



Expense by Category

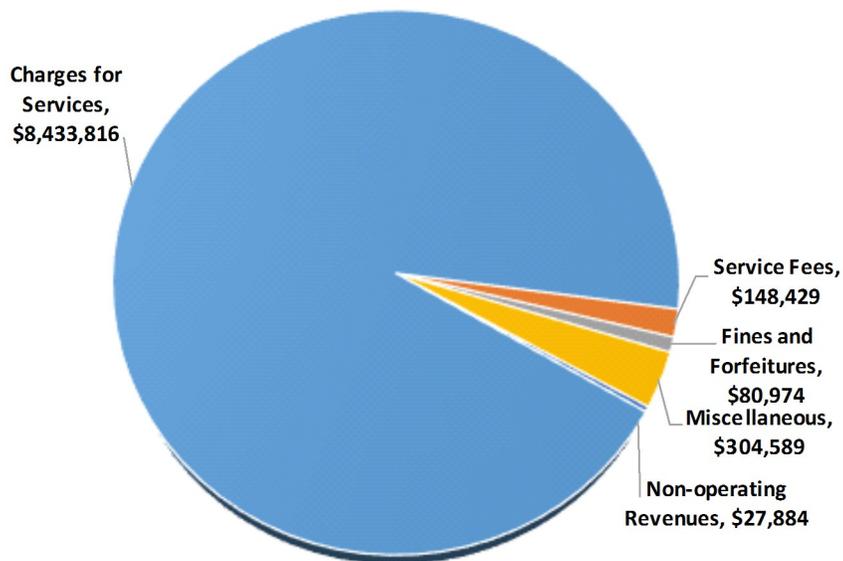


WATERWORKS AND SEWERAGE FUND

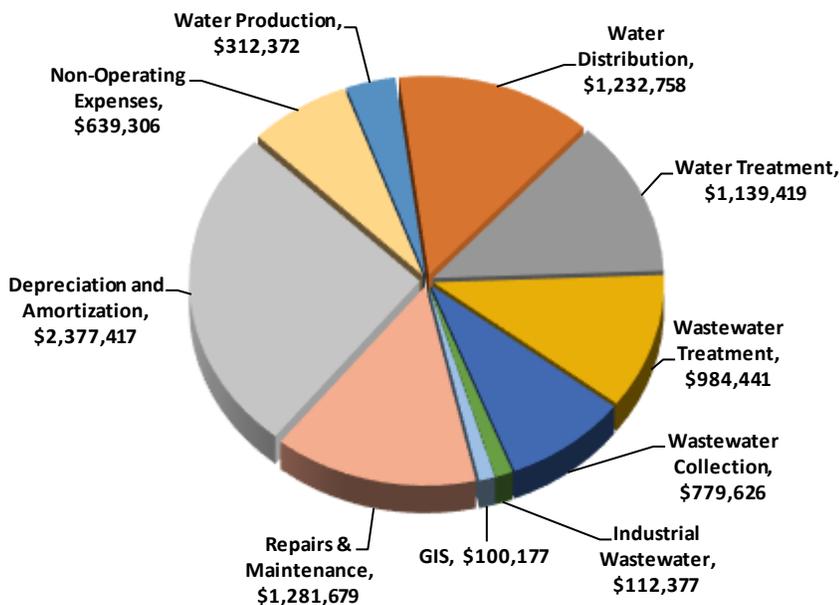
The Waterworks and Sewerage Fund is the other major proprietary fund operated by the City. In the Waterworks and Sewerage Fund, sales of water and sewer went up by \$0.6 million or 7.9%. The water rates were increased in December 2015 to cover costs of production and transportation and include a larger fixed charge component so that the Waterworks and Sewerage Fund would be less dependent on consumption. The rate also includes a fix rate to fund future infrastructure needs. The operating expenses of the Waterworks & Sewerage Fund increased \$0.8 million or 11.1% over the prior fiscal year mainly due to an increase in capital outlay compared to the prior fiscal year.



Revenues by Category



Expense by Category



PROPERTY ASSESSMENT AND TAX INFORMATION

Equalized Assessed Valuation (EAV) has a direct effect on the City's property tax rate. The City's tax rate has an inverse relationship with the City's total EAV. A decline in EAVs would mean an increase in the property tax rate. The chart and graph below show assessment values since 2010.

Key Terms

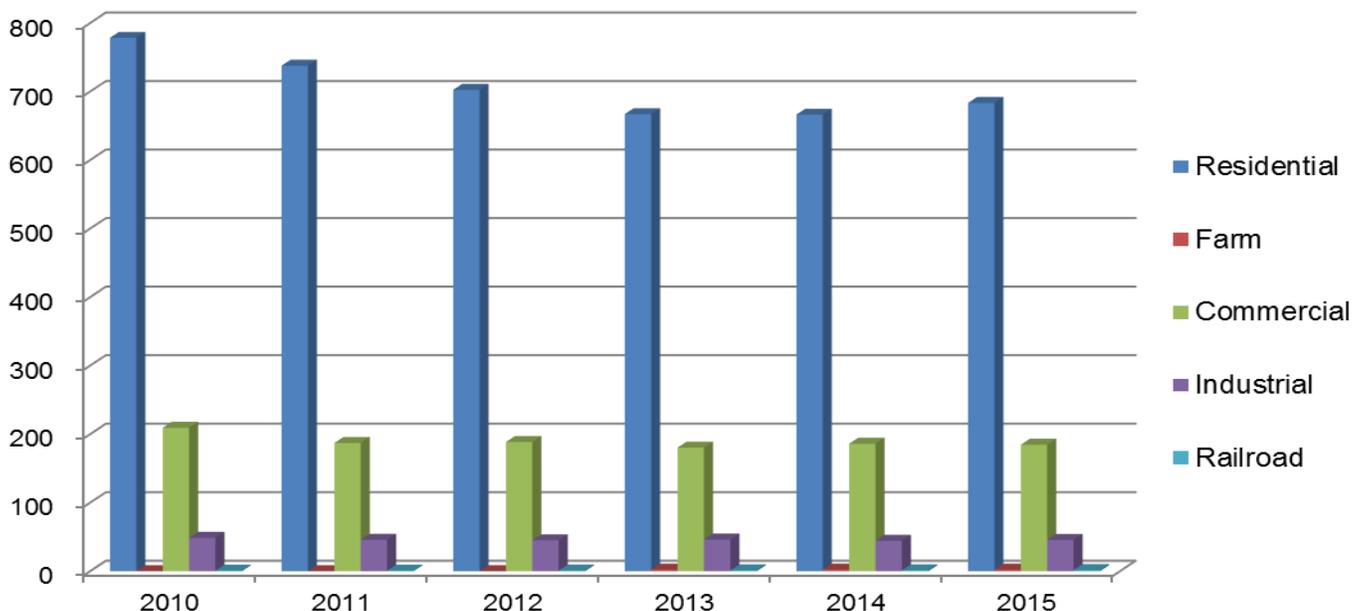
Assessed Value - determined by multiplying the assessment level for a class of property by its fair market value.

Equalized Assessed Valuation (EAV) - determined by multiplying assessed valuation by the equalization factor.

Equalization Factor - determined by the Illinois Department of Revenue to ensure an equal assessment among the State's counties.

Property Class	Levy Years					
	2010	2011	2012	2013	2014	2015
Residential	\$778,329,312	\$737,753,764	\$702,448,048	\$667,035,145	\$666,227,302	\$683,317,381
Farm	\$141,754	\$84,650	\$90,947	\$2,408,489	\$2,422,086	\$2,279,984
Commercial	\$209,350,259	\$187,145,172	\$188,598,425	\$180,377,219	\$186,130,959	\$184,600,132
Industrial	\$48,648,943	\$45,898,853	\$45,099,838	\$46,200,397	\$44,411,334	\$45,704,458
Railroad	\$863,636	\$917,812	\$1,038,505	\$1,283,337	\$1,403,751	\$1,671,371
Total	\$1,037,333,904	\$971,800,251	\$937,275,763	\$897,304,587	\$900,595,432	\$917,573,326

City Equalized Assessed Valuations



TYPICAL TAX BILL

Market Value of Home: \$350,000

Assessed Valuation: \$116,655

Current Tax Levy: 0.747927

Annual Tax Liability for City Services: \$872.49

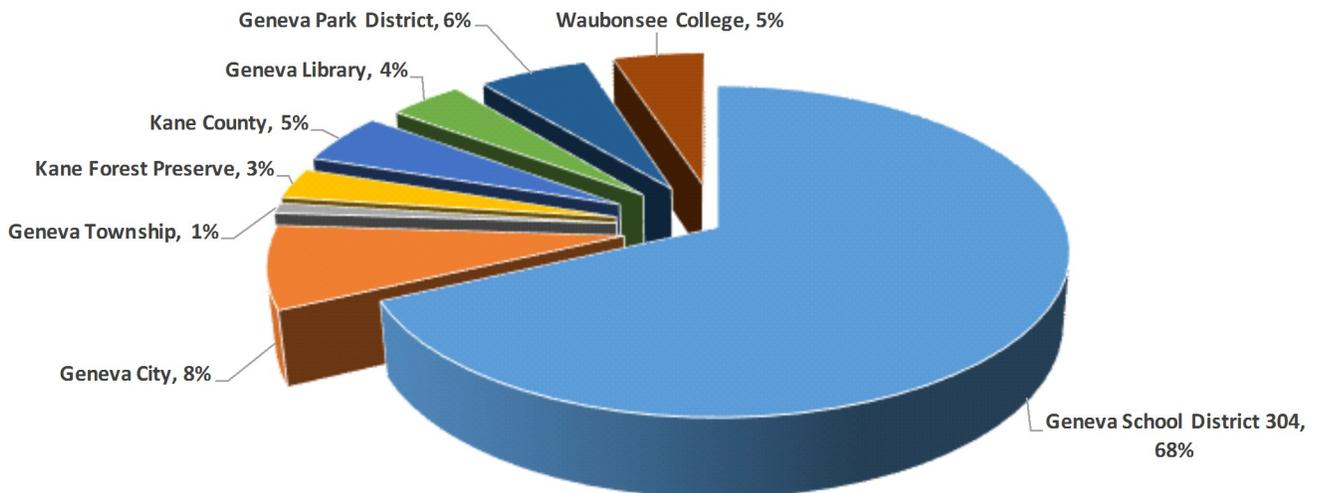
Monthly Expenses for City Services: \$72.70

City of Geneva property owners pay property taxes which generate revenue used to operate the City (including fire and police departments), schools, parks, libraries, and township road districts.

The City of Geneva is under the *Property Tax Extension Limitation Law* which caps increases in property tax extensions for non-home rule taxing districts. Increases in tax extensions are limited to the lesser of 5% or the percentage increase in the Consumer Price Index (CPI) for the year preceding the levy year. This limit slows the growth of property tax revenues to taxing districts when property values and assessments are increasing faster than the rate of inflation.

A common misconception about property taxes is that all of the money goes to the City. The City's portion of a resident's total tax bill is approximately 8%. The City relies more heavily on a combination of sales tax and other miscellaneous tax, than property tax, to provide essential core services to the public. The chart below illustrates the breakdown of a typical residential tax bill.

Typical Tax Bill for a Geneva Resident



LONG-TERM DEBT OBLIGATION

General Obligation Debt: All general obligation notes and bonds payable are backed by the full faith and credit of the City. The chart below illustrates the City's total outstanding debt service and how it can be expected to change over time. Were the City to not issue any more debt, the City's debt would be completely paid off by the year 2030. As a non-home rule government, under Illinois law, the City is limited in issuing debt.

Total Outstanding Debt Service (in Millions)

