



# 2017 Popular Annual Financial Report

For the Fiscal Year Ending April 30, 2017



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## Contact Information

City Hall	630.232.7494
Finance Div.	630.232.0854
Public Works	630.232.1501
Building Div.	630.262.0280
Community Dev.	630.232.0818
Economic Dev.	630.232.7449
Police	630.232.4736
Fire	630.232.2530
Website	<a href="http://www.geneva.il.us">www.geneva.il.us</a>

## A Letter From Management

Dear Residents,

The City of Geneva is pleased to present the Fiscal Year (FY) 2017 Popular Annual Financial Report (PAFR). 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 2017 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](http://www.geneva.il.us).

The City received its fourth 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, 2016. 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, and for the first time, the City was awarded the Outstanding Achievement in Popular Annual Financial Reporting for FY 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



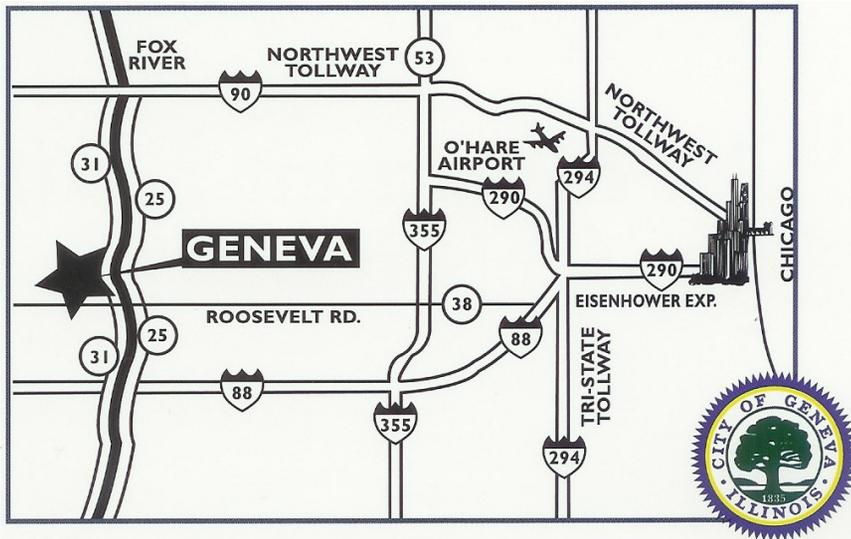
### Full Financial Reporting and more on the City's Website

The Full CAFR is online.  
Plus more financial data is  
available at the City of Geneva  
website at  
[www.geneva.il.us](http://www.geneva.il.us)

## 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 Wins its 1st PAFR Award

The City of Geneva was awarded its first Popular Annual Financial Reporting (PAFR) award for the fiscal year 2016. This was the first year the City prepared a PAFR. The PAFR is a summary of the Comprehensive Annual Financial Report (CAFR) issued by the City and is meant to communicate financial information to residents in an easy, condensed fashion.



## Geneva Facts

Median Household Income	\$97,926
Median Home Value	\$305,400
Per Capita Income	\$44,516
Total Housing Units	8,249
Total Companies	2,768
Persons in Poverty	4.4%
High School Grad or Higher	97.7%
Full-Time City Employees	149
FY 2017 EAV	\$978,064,190

Source: 2011-2015 American Community Survey 5-year profiles and Vintage 2016 Population Estimates from the U.S. Census Bureau Internet site; and Geneva CAFR FY 2017.

### Top Ten Employers (2017)

Employer	Employees
1. Greencore USA	3,000
2. Delnor Hospital	1,650
3. Kane County	1,316
4. Geneva School Dist.	909
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

Source: 2017 Illinois Manufacturers Directory, 2017 Illinois Services Directory, and a selective telephone survey.



*Distinguished  
Budget  
PRESENTATION  
Award*

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.

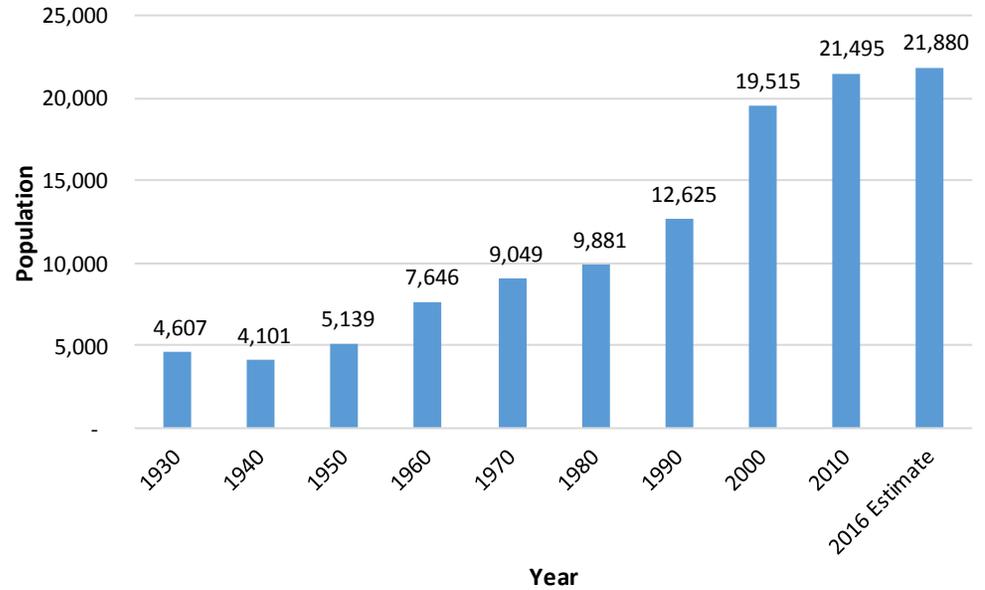


*Certificate  
of Achievement  
FOR EXCELLENCE IN  
Financial Reporting*

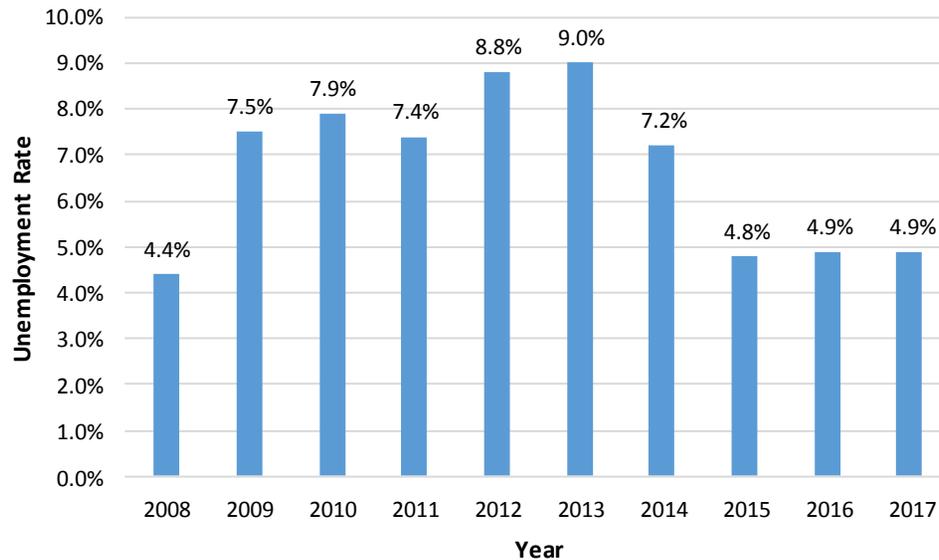
## More About Geneva

Besides being a popular dining and shopping destination, Geneva is host to multiple events throughout the year. The City's largest festival is Swedish Days, which features a host of family-friendly activities with live musical entertainment, a carnival, Kids' Day fun, Sweden Väst, a Grand Parade, and multi-ethnic food. Other events include Festival of the Vine, Geneva Film Festival, Shakespeare in the Park, Concours d'Elégance, which features classic automobiles, the French Market (Sundays April-November), RiverPark Concerts, the Geneva Art Fair, plus more. Contact the City of Geneva (630.232.7494) or the Geneva Chamber of Commerce (630.232.6060) for more information regarding events and festivals in Geneva.

## Population Trend



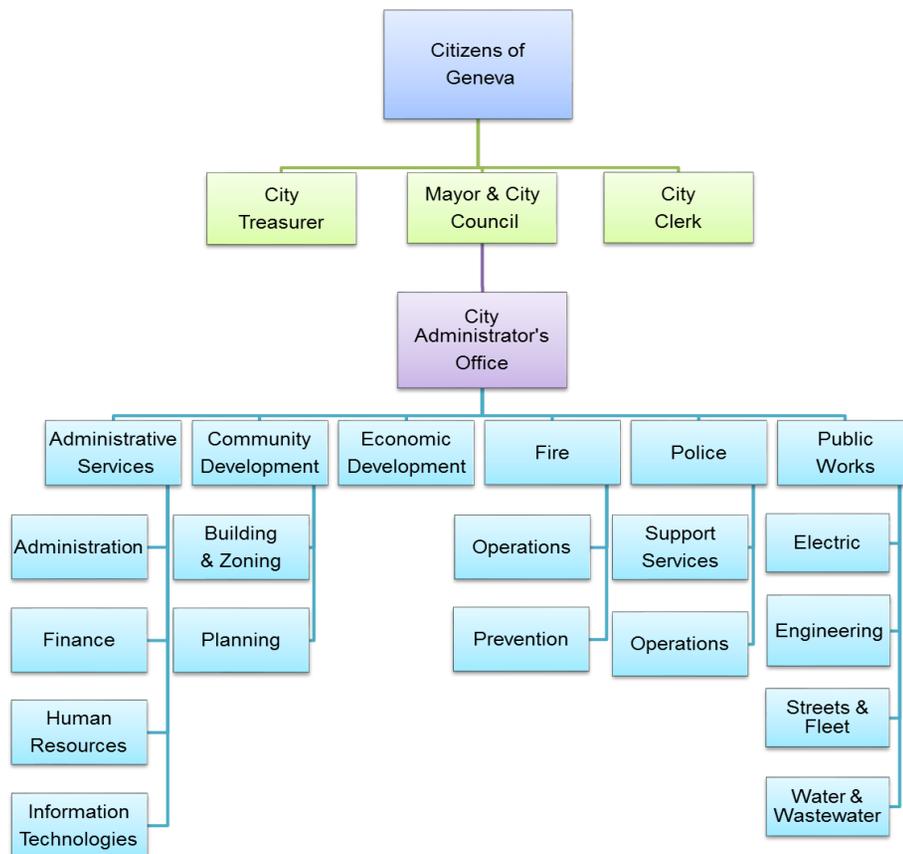
## City of Geneva Annual Average Unemployment Rate



## Elected Officials

The Geneva City Council is comprised of a Mayor, City Clerk, City Treasurer, and ten aldermen elected from five wards (serving four year, staggered terms). The Mayor, Clerk, and Treasurer are elected at-large. Aldermen are elected by ward, two per ward. The Mayor, with the advice and consent of the Council, appoints a full-time City Administrator who is responsible for day-to-day operations of the City. Together, these individuals lead the City.

## Organizational Chart



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

(As of April 30, 2017)

## Senior Management Team

City Administrator	Stephanie Dawkins
Chief of Police	Eric Passarelli
Fire Chief	Mike Antenore
Director of Public Works	Rich Babica
Director of Community Development	David DeGroot
Director of Economic Development	Cathleen Tymoszenko

(As of April 30, 2017)

## Capital Improvement Program

Cities continually face the need to repair and replace worn out and antiquated facilities and infrastructure as well as building new infrastructure to keep pace with the level of citizen need and community growth. In an effort to look beyond the year-to-year budgeting to determine what, when, and where future improvements are to be made, staff prepares a capital improvement plan. The plan is analyzed and updated on an annual basis. The plan helps the City Council and staff prepare for the future needs of the community while ensuring that adequate resources are available to finance those needs. Without this long range planning tool, public improvements may be given the wrong priorities, be poorly located, or be unrealistic due to lack of available financial resources. Below is a partial list of projects planned for fiscal year 2018:

- Begin the multi-year construction of the wastewater treatment plant upgrade to comply with National Pollutant Discharge Elimination System (NPDES) Permit limits for phosphorus discharge.
- Rehabilitate sanitary sewers by lining or replacing deficient structures to comply with new NPDES Permit.
- Replace 25-year-old “Welcome to Geneva” signs.
- Repair or replace deteriorated culverts to restore functionality of the storm sewer system in the Eagle Brook subdivision.
- Repair roof and heating system at the Public Works building.
- Conduct a TIF study and prepare a redevelopment project and plan related to the Southeast Master Plan.
- Install directional kiosk at Joshel Plaza that will include a map of downtown and community information.
- Perform inspections and maintenance on bike paths located in Geneva.
- Begin multi-year process to update City’s tree inventory and diagnosis.
- Update Spill Preventions, Control, and Countermeasure (SPCC) Plan to ensue compliance with Illinois and US codes.
- Update zoning regulations to align with recommendation set forth in the Downtown/Station Area Master Plan.

## Financial Highlights

- The City's governmental activities recognized a decrease of \$1.6 million to a net position of \$26.8 million. The net change to business-type activities was an increase to a net position of \$1.7 million.
- The City's total net position for 2017 was \$128.8 million, an increase of \$26 thousand from the 2016 net position.
- Business-type activities increased to \$102 million at the end of the year of which \$15.9 million is available for operations.
- The City collected \$2.7 million in program revenues and \$20.3 million in general revenues in its governmental activities in 2017. Governmental activities expenses were \$24.6 million.
- Charges for services for business-type activities were \$49.3 million.
- The General Fund has increased in fund balance to \$5 million due to higher than expected local use tax combined with lower than anticipated expenditures due to a milder winter.



### 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 30, 2017  
Date

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

*The City's Electric Division was awarded a Certificate of Excellence in Reliability for significantly outperforming the electric industry national average as reported by the Energy Information Administration.*



## Fiscal Condition

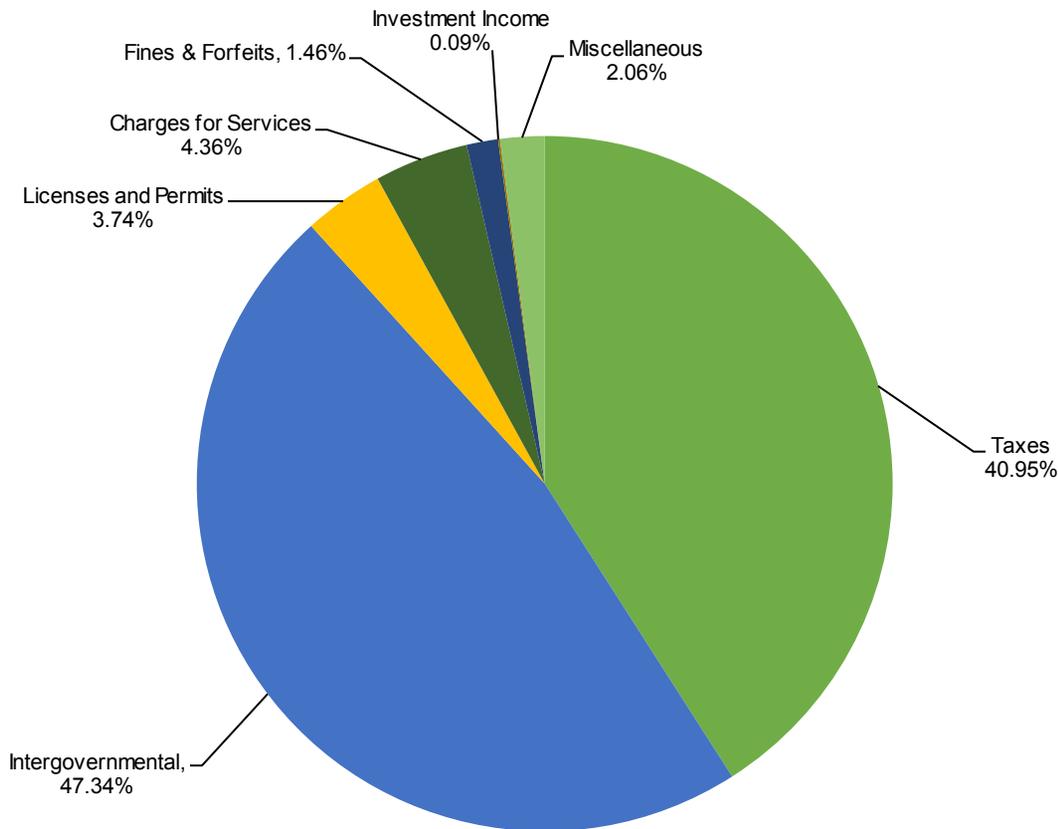
Net position over time may serve as a useful indicator of a government's financial position. In the case of the City of Geneva, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$128.8 million at the close of the most recent fiscal year. The City uses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

<b>City of Geneva</b>							
<b>Statement of Net Position as of April 30, 2017 (in Millions)</b>							
	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>		
	<b>2016</b>	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>	<b>2017</b>	
Other Assets	\$ 18.9	\$ 20.6	\$ 22.1	\$ 22.6	\$ 41.0	\$ 43.2	
Capital Assets	50.2	47.2	119.2	116.1	169.4	163.3	
Total Assets	69.1	67.8	141.3	138.7	210.4	206.5	
Deferred Outflows	6.1	5.0	2.2	2.0	8.3	7.0	
Total Assets & Deferred Outflows	75.3	72.8	143.5	140.7	218.7	213.5	
Long-Term Liabilities	37.1	34.7	38.9	35.3	76.0	70.0	
Other Liabilities	1.7	2.1	4.3	3.3	6.0	5.4	
Total Liabilities	38.8	36.8	43.2	38.6	82.0	75.4	
Deferred Inflows	8.0	9.2	0.1	0.1	8.1	9.3	
Total Liabilities & Deferred Inflows	46.8	46.0	43.3	38.7	90.1	84.7	
<b>Net Position</b>							
Net Investment in							
Capital Assets,	42.7	41.4	85.2	85.8	127.9	127.2	
Restricted	3.9	4.4	0.2	0.2	4.1	4.6	
Unrestricted	(18.1)	(19.0)	14.9	16.0	(3.2)	(3.0)	
Total Net Position	\$ 28.5	\$ 26.8	\$ 100.3	\$ 102.0	\$ 128.8	\$ 128.8	

## General Fund Revenues: Where The Money Comes From

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 General Fund tax revenues include property, municipal utility, and tele-communication taxes. 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. Total General Fund revenues for Fiscal Year 2017 were \$16,727,136.

**General Fund Revenues by Category**



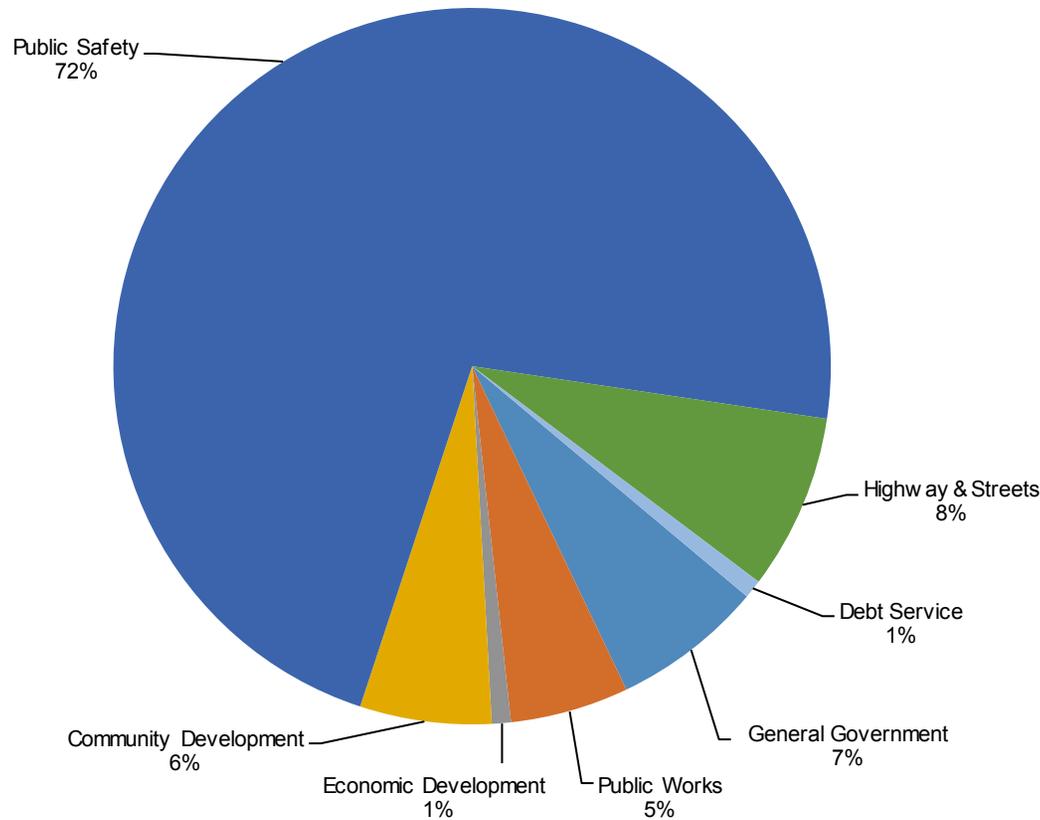
Category	Amount
Taxes	\$6,848,938
Intergovernmental	7,918,658
Licenses and Permits	626,215
Charges for Services	729,973
Fines and Forfeits	244,927
Investment Income	14,629
Miscellaneous	343,796
<b>Total</b>	<b>\$16,727,136</b>



## General Fund Expenditures: Where The Money Goes

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. Total General Fund Expenditures for Fiscal Year 2017 were \$15,462,982.

**General Fund Expenditures by Category**



Category	Amount
General Government	\$1,053,346
Public Works	826,706
Economic Development	132,689
Community Development	916,829
Public Safety	11,178,421
Highway and Streets	1,226,130
Debt Service	128,861
<b>Total</b>	<b>\$15,462,982</b>

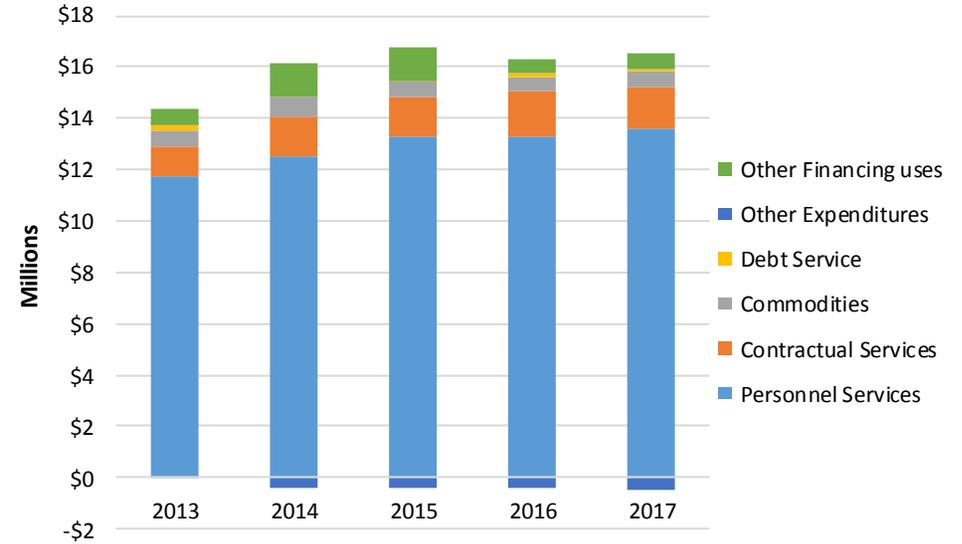


## Financial History

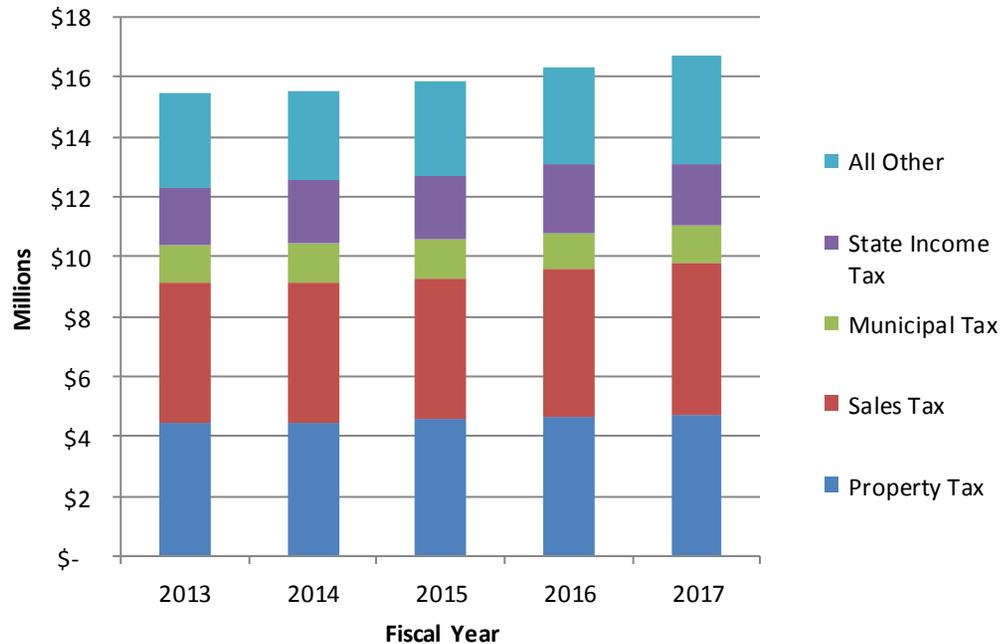
The City of Geneva keeps a vigilant eye on income and spending. The charts on this page show trends of major revenue sources and expenditures by category for the last five years.



## Major Expenditures - Last Five Fiscal Years



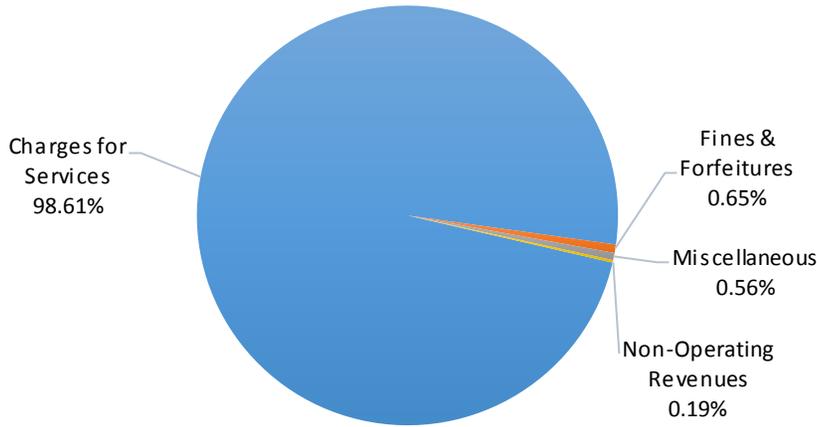
## Major Revenue Sources - Last Five Fiscal Years



# 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 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 consumed 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 by Category**

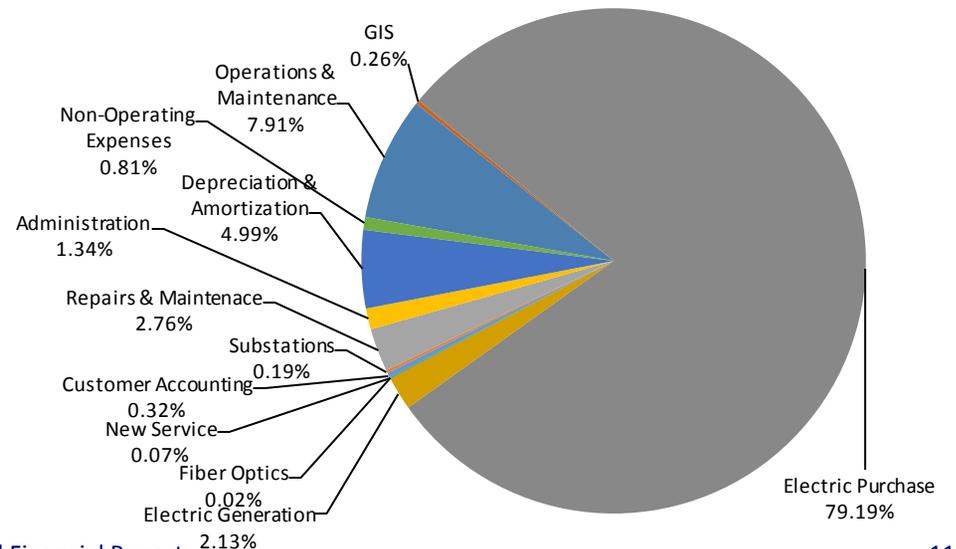


Expense Category	Amount	Expense Category	Amount
Operations & Maintenance	\$2,983,999	GIS	\$97,726
Electric Purchases	29,869,954	Fiber Optics	5,590
Electric Generation	804,296	New Service	27,524
Customer Accounting	122,125	Substations	70,063
Repairs & Maintenance	1,040,257	Administration	507,209
Depreciation & Amortization	1,881,874	Non-Operating Expenses	306,239
<b>Total</b>		<b>\$37,717,216</b>	

Revenue Category	Amount
Charges for Services	\$37,946,165
Fines & Forfeitures	249,500
Miscellaneous	213,594
Non-Operating Revenues	72,813
<b>Total</b>	<b>\$38,482,072</b>



**Expense by Category**



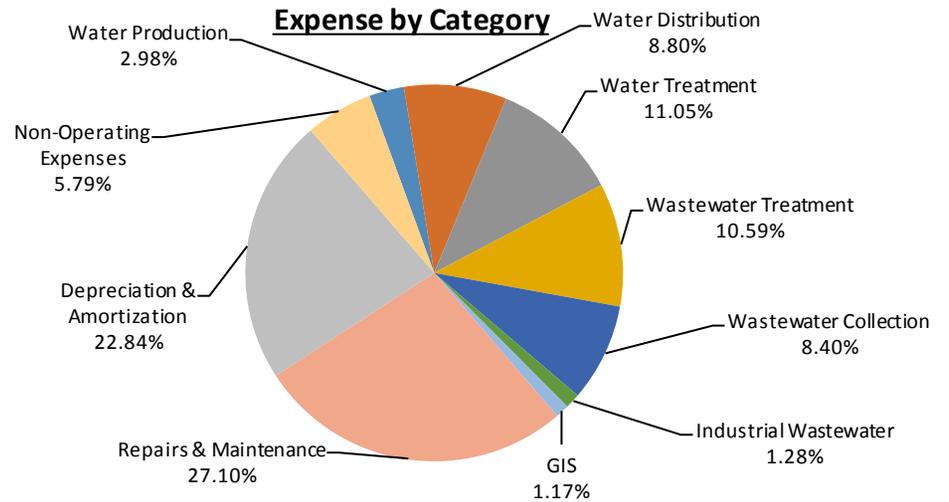
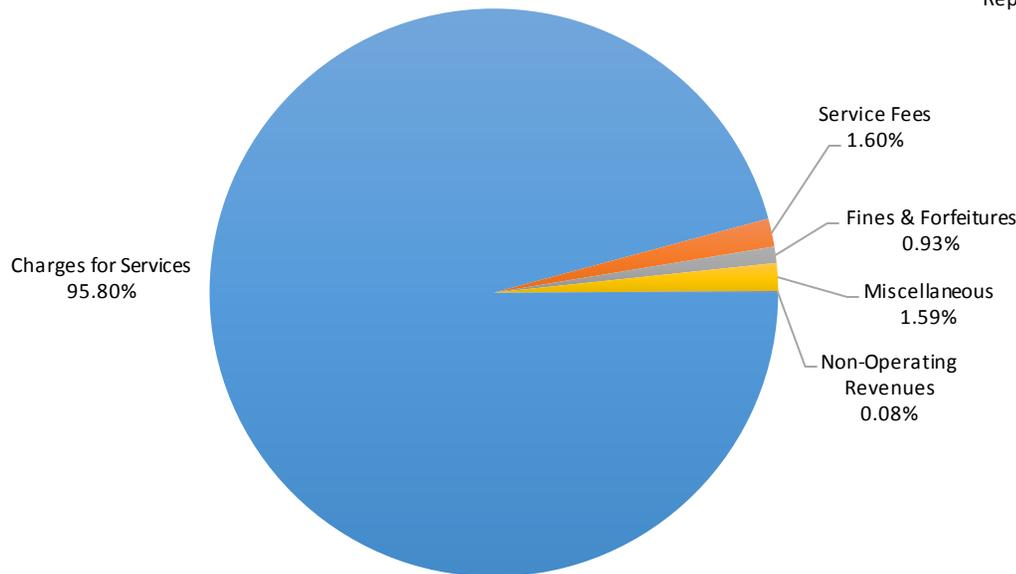
# Waterworks and Sewerage Fund

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 service went up by \$0.8 million or 8.9%. The water rates were increased in May to cover costs of production and transportation and include a larger fixed charge component so the Waterworks and Sewerage Fund would be less dependent on consumption. The rate also includes a fixed rate to fund future infrastructure needs. The operating expenses of the Waterworks & Sewerage Fund increased \$0.8 million or 10.1% over the prior fiscal year mainly due to an increase in capital outlay.

Revenue Category	Amount
Charges for Services	\$9,365,119
Service Fees	156,657
Fines & Forfeitures	90,596
Miscellaneous	155,046
Non-Operating Revenues	8,091
<b>Total</b>	<b>\$9,775,509</b>



**Revenues by Category**



Expenditure Category	Amount
Water Production	\$307,019
Water Distribution	905,439
Water Treatment	1,137,190
Wastewater Treatment	1,089,964
Wastewater Collection	864,658
Industrial Wastewater	131,283
GIS	120,477
Repairs & Maintenance	2,788,584
Depreciation & Amortization	2,350,693
Non-Operating Expenses	595,821
<b>Total</b>	<b>\$10,291,128</b>



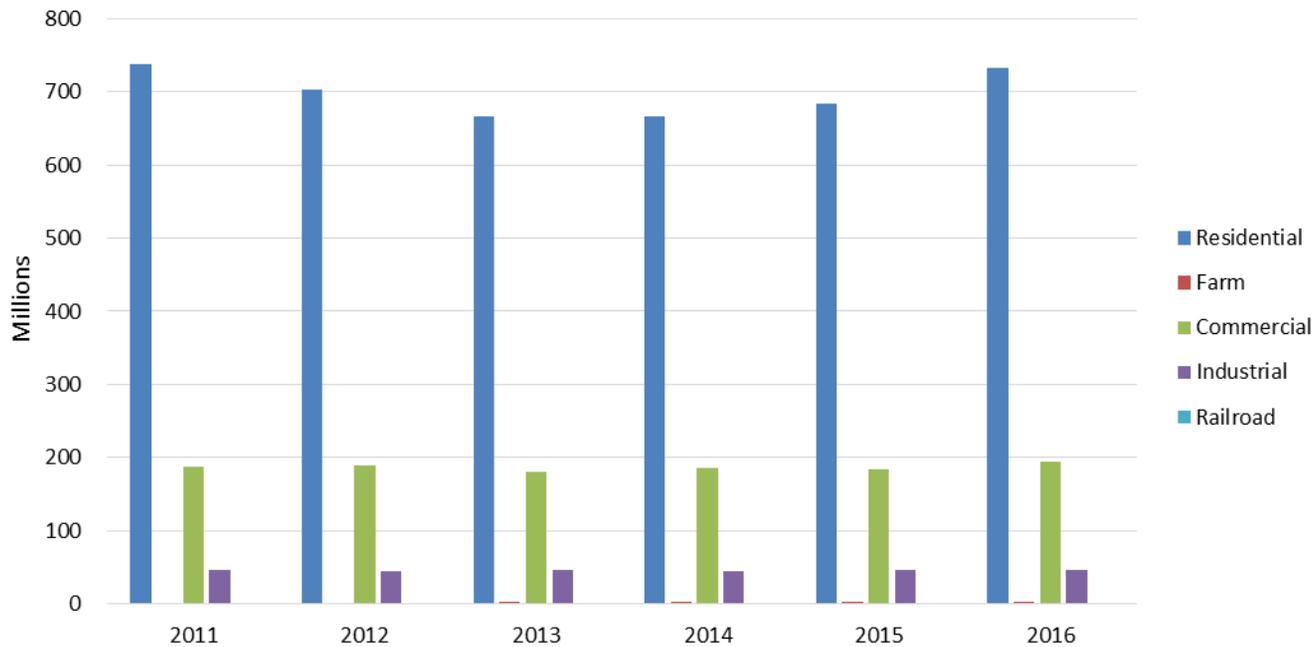
# Property Assessment and Tax Information

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 EAV would mean an increase in the property tax rate. The chart and graph below show assessment values since 2011.

Property Class	Levy Years					
	2011	2012	2013	2014	2015	2016
Residential	\$737,753,764	\$702,448,048	\$667,035,145	\$666,227,302	\$683,317,381	\$732,020,594
Farm	84,650	90,947	2,408,489	2,422,086	2,279,984	2,397,767
Commercial	187,145,172	188,598,425	180,377,219	186,130,959	184,600,132	195,310,534
Industrial	45,898,853	45,099,838	46,200,397	44,411,334	45,704,458	46,637,112
Railroad	917,812	1,038,505	1,283,337	1,403,751	1,671,371	1,698,183
<b>Total</b>	<b>\$971,800,251</b>	<b>\$937,275,763</b>	<b>\$897,304,587</b>	<b>\$900,595,432</b>	<b>\$917,573,326</b>	<b>\$978,064,190</b>



City Equalized Assessed Valuations



### 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.

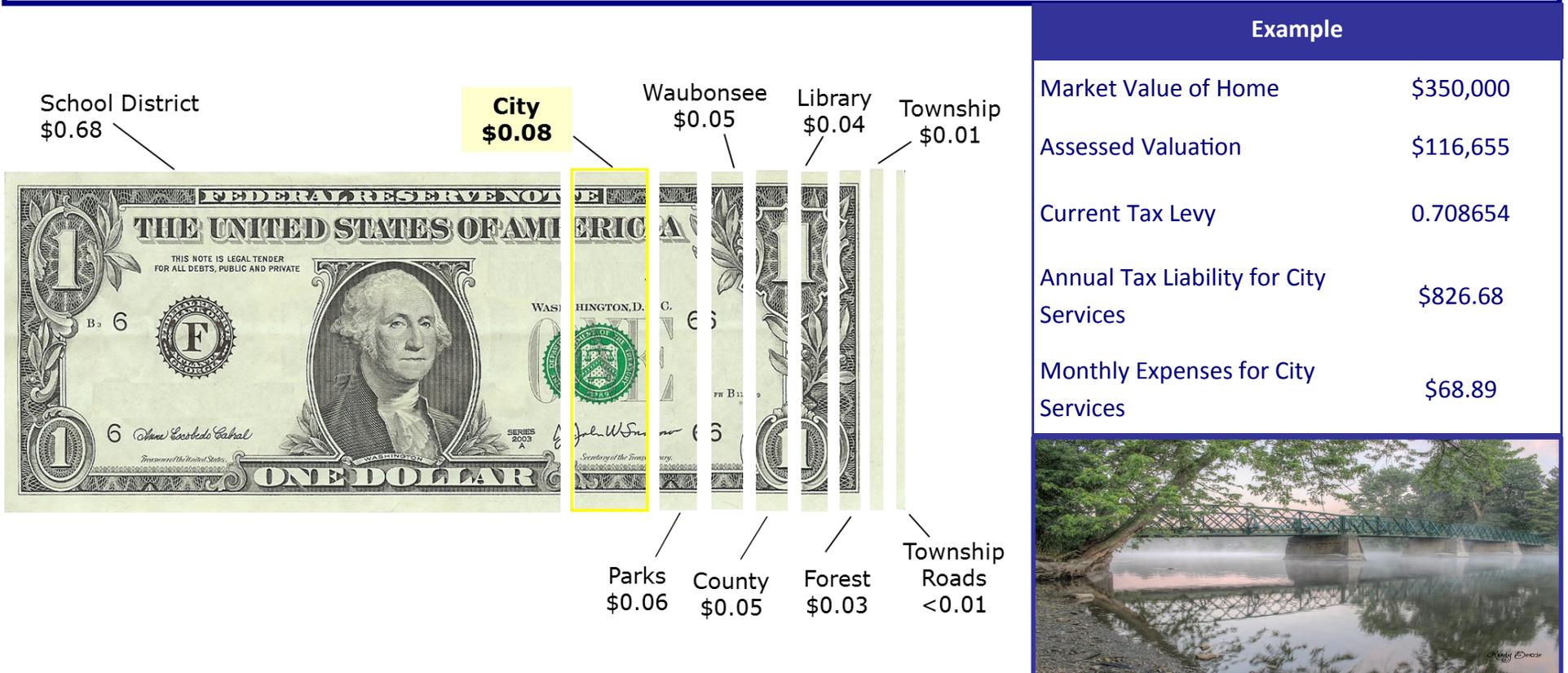
**Equalization Factor** - determined by the Illinois Department of Revenue to ensure an equal assessment among the State’s counties.

# Understanding Property Tax

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 taxes, than property tax, to provide essential core services to the public. The chart below illustrates the breakdown of a typical residential tax bill.



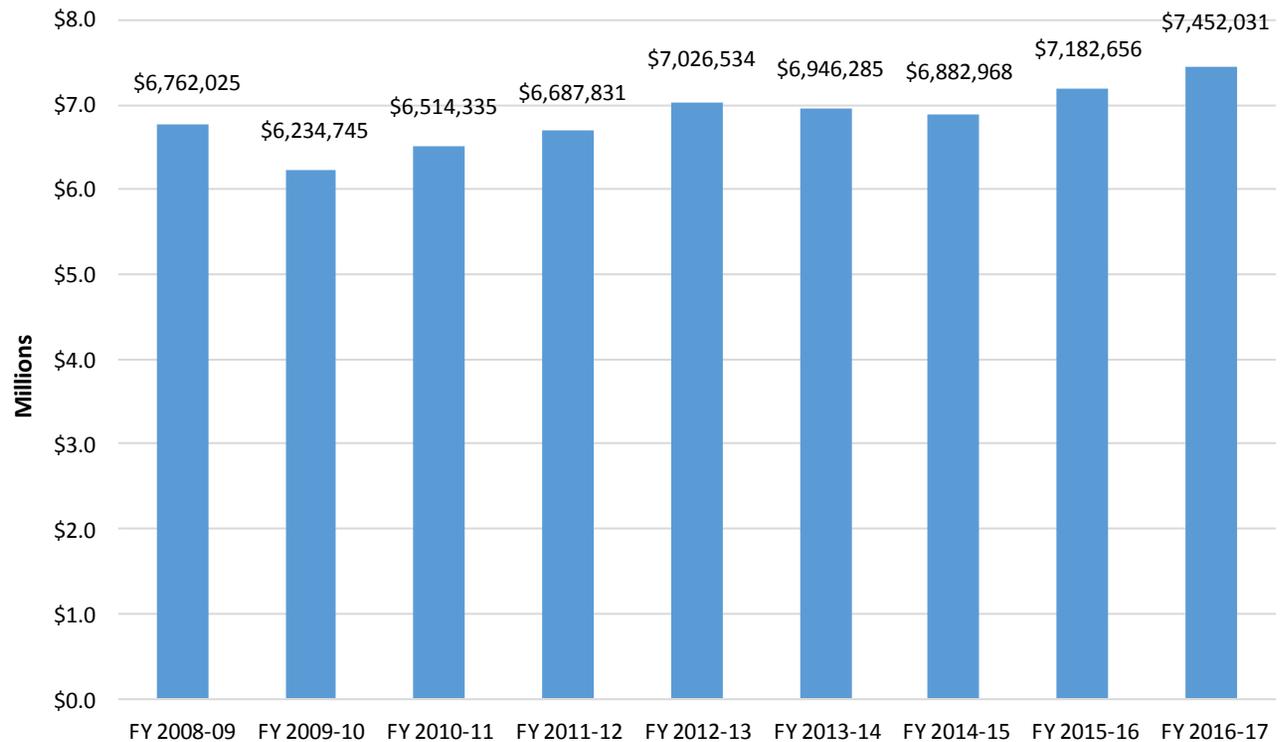
# Understanding Sales Tax

## Sales Tax Breakdown

Sales Tax for the City of Geneva is broken into five different components to create the total sales tax rate:

- **State Rate:** Tax imposed by the State of Illinois on qualifying purchases (5%).
- **Municipal Retailers' Occupation Tax:** Tax collected by the State of Illinois on qualifying purchases within a municipality. Geneva collects a portion of this revenue (1%).
- **County Rate:** Tax imposed by Kane County on qualifying purchases (0.25%).
- **Municipal Non-Home Rule Rate:** Sales tax imposed by the City of Geneva on qualifying purchases (0.50%).
- **Regional Transportation Authority Tax:** Tax collected by the State to support regional public transit operations (0.75%).
- **Total Sales Tax Rate: 7.5%**

## Sales Tax Revenue - FY 2009 to FY 2017

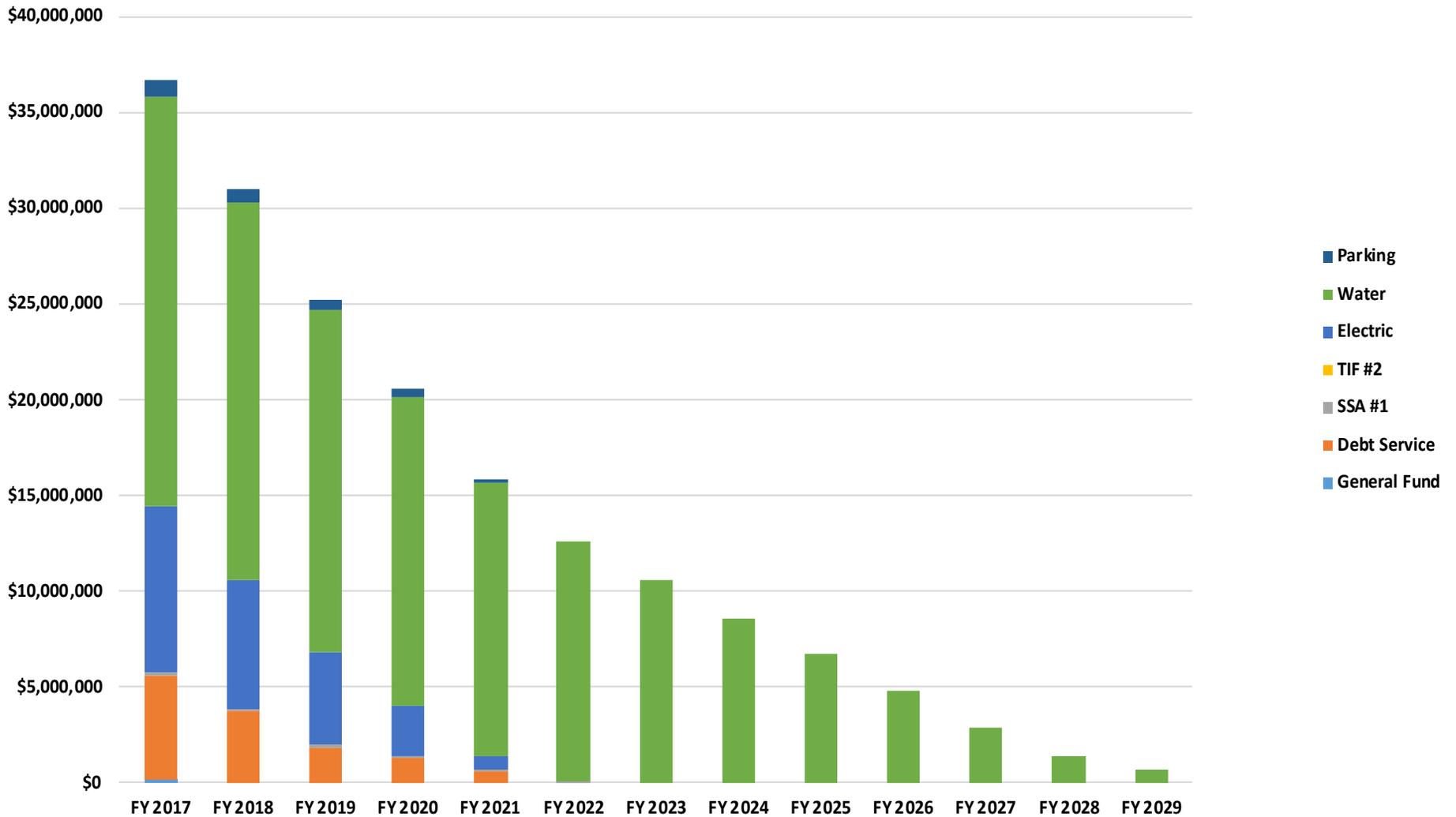


Note: Includes both State-Shared Sales Tax and Non-Home Rule Sales Tax.



## 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.



## Additional Information

City Council meetings are held the 1st and 3rd Mondays of every month and begin at 7:00 PM at City Hall.  
Committee of the Whole meetings are held the 2nd and 4th Mondays of every month and begin at 7:00 PM at City Hall.

### Electronics Recycling

Please refer to the Kane County Recycling webpage at <http://www.countyofkane.org/Recycling/Pages/electronics.aspx> for further information.

### Waste Pick-Up

**Thursdays:** The area east of Western Ave., 7th St., and Anderson Blvd.

**Fridays:** The area west of Western Ave., 7th St., and Anderson Blvd.

### Community Directory

**Geneva City Hall**...22 S. First Street...630.232.7494

**Geneva Police Station**...20 Police Plaza...630.232.4736

**Geneva Fire Station #1**...200 East Side Drive...630.232.2530

**Geneva Fire Station #2**...2530 Fargo Blvd...630.232.2532

**Geneva Public Works**...1800 South Street...630.232.1501

**Geneva Building Division**...109 James Street...630.262.0280

**Geneva Finance Office**...15 S. First Street...630.232.0854

**Geneva Chamber of Commerce**...8 S. 3rd Street...630.232.6060

**Geneva History Museum**...113 S. 3rd Street...630.232.4951

**Geneva Post Office**...26 S. 3rd Street...630.232.6262

**Geneva Township**...400 Wheeler Drive...630.232.3600;

**Geneva Senior Center**...400 Wheeler Drive...630.232.3602

**Geneva Park District**...719 Western Ave...630.232.4542

**Geneva School District**...227 N. 4th Street...630.463.3000

**Geneva Public Library**...127 James Street...630.232.0780

**Kane County Government Center**...719 S. Batavia Ave...630.232.3400

**Kane County Events Center**...34W002 Cherry Lane...630.208.9567

**Kane County Animal Control**...4060 Keslinger Rd...630.232.3555

**NW Delnor Hospital**...300 Randall Road...630.208.3000



City of Geneva

