

CITY OF
GENEVA, ILLINOIS



2021

POPULAR ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDING APRIL 30, 2021

INFORMATION FROM THIS DOCUMENT CAN BE FOUND IN OUR
ANNUAL COMPREHENSIVE FINANCIAL REPORT AT WWW.GENEVA.IL.US

A LETTER FROM MANAGEMENT

Dear Residents,

The City of Geneva is pleased to present the Fiscal Year (FY) 2021 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 for the three largest City funds. The information in this report is based on the City's [FY 2021 Annual Comprehensive Financial Report](#) (ACFR) which represents the City's official audited financial statements and conforms to the generally accepted accounting principles (GAAP). All information in this report and about all other City funds not mentioned in this report can be found in greater detail in the City's ACFR, which is available on the City's website at www.geneva.il.us.

The City received its eighth 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, 2020. The Certificate of Achievement is considered the highest form of recognition in the area of government accounting and financial reporting. Additionally, the City received its eleventh consecutive Distinguished Budget Presentation Award from GFOA for the fiscal year beginning May 1, 2021. For the fifth year in a row, the City was awarded the Outstanding Achievement in Popular Annual Financial Reporting for FY 2020. 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 the information in this document or any City financial report, please contact the Finance Department at 630.232.0854.

Sincerely,



Stephanie K. Dawkins
CITY ADMINISTRATOR



Rita Kruse
FINANCE DIRECTOR



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CONTACT INFORMATION

CITY HALL

630.232.7494

FINANCE

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

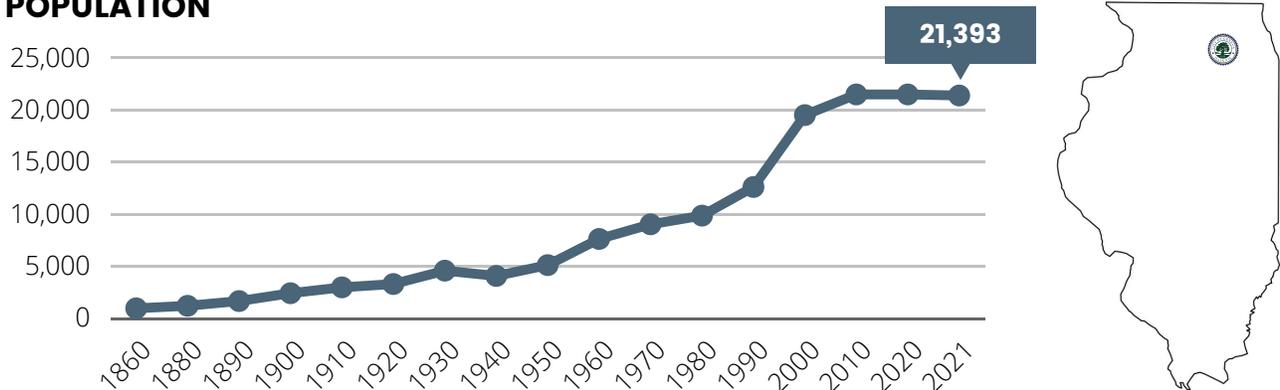
www.geneva.il.us

ABOUT THE CITY OF GENEVA

Founded in 1835 and selected as the Kane County seat, Geneva is located in the Fox River Valley about 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.

POPULATION



TOP TEN EMPLOYERS (2021)

EMPLOYER	EMPLOYEES	EMPLOYER	EMPLOYEES
1. Northwestern Medicine Delnor Hospital	1,600	6. Clarios, LLC	320
2. Geneva School District #304	909	7. Kane County	312
3. Hearthside Food Solution	450	8. Burgess Norton	257
4. Geneva Park District	391	9. Fox Valley Orthopedics	250
5. MSI Express	360	10. FONA International	221

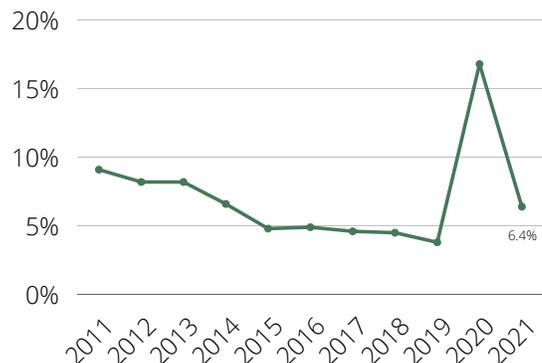
Source: City of Geneva, Economic Development Department, 2021 Illinois Manufacturers Directory, 2021 Illinois Services Directory, and a selective telephone survey.

GENEVA FACTS

Median Household Income	\$111,916
Median Home Value	\$338,300
Per Capita Income	\$53,704
Total Housing Units	8,302
Total Companies	2,768
Persons in Poverty	3.9%
High School Graduate or Higher	96.1%
Full-Time City Positions	151
2019 Equalized Assessed Value	\$1,072,103,159

Source: 2015-2019 American Community Survey 5-year profiles from the U.S. Census Bureau Internet site; and Geneva ACFR FY 2021.

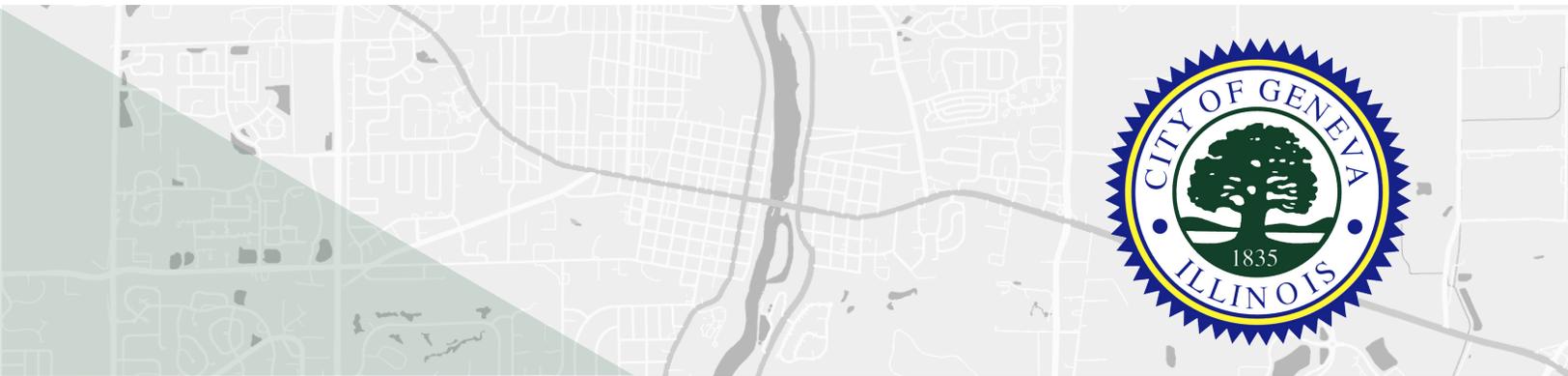
UNEMPLOYMENT RATE



Source: IL Department of Employment Security, Economic Information & Analysis Division.

MORE ABOUT GENEVA

Besides being a popular dining and shopping destination, Geneva is the host of multiple events throughout the year. The largest festival is Swedish Days, which features family-friendly activities, live musical entertainment, a carnival, Kids' Day fun, Sweden Väst, a Grand Parade, and multi-ethnic food. Other events include the Festival of the Vine, Shakespeare in the Park, Concours d'Elegance (featuring classic automobiles), the French Market (Sundays April-November), RiverPark Concerts, and the Geneva Art Fair. 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.



Geneva Wins its 5th PAFR Award!

The City of Geneva was awarded its fifth Popular Annual Financial Reporting (PAFR) award for the fiscal year 2020. This was the fifth consecutive year the City prepared a PAFR. The PAFR is a summary of the Annual Comprehensive Financial Report (ACFR) issued by the City and is meant to communicate financial information to residents in an easy, condensed fashion.

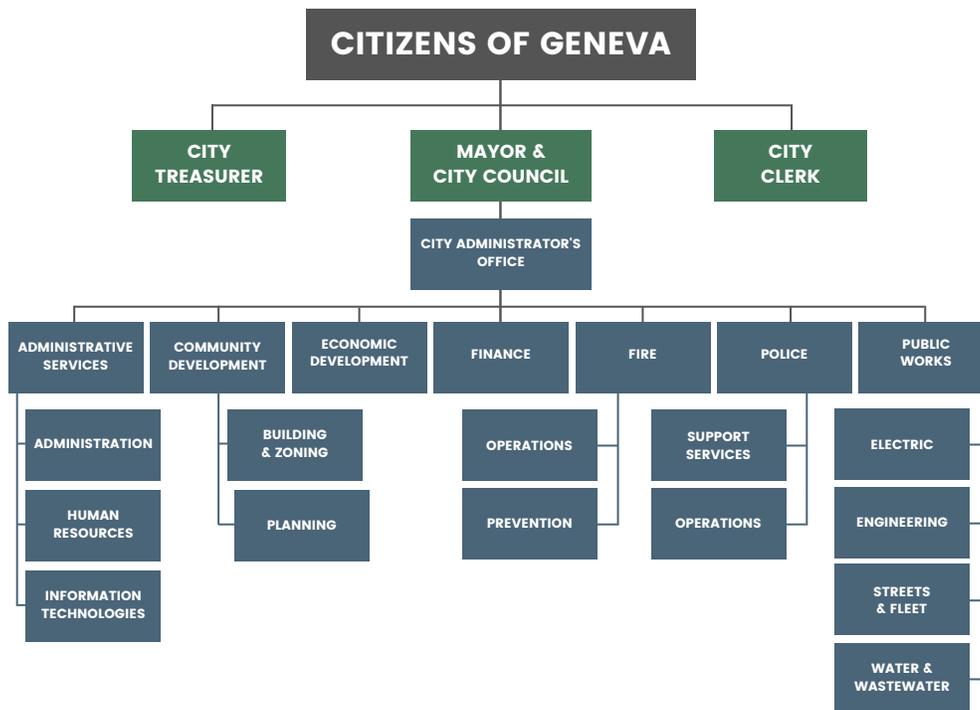
The City received the Certificate of Achievement for Excellence in Financial Reporting award from the Government Finance Officers Association (GFOA) of the United States and Canada, as well as the Distinguished Budget Presentation Award. The City prides itself on its outstanding service delivery and its commitment to providing its residents with quality living.

ELECTED OFFICIALS

The Geneva City Council is comprised of a Mayor, City Clerk, City Treasurer, and ten Alderpersons elected from five wards (serving four-year, staggered terms). The Mayor, Clerk, and Treasurer are elected at-large. Alderpersons 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 the day-to-day operations of the City. Together, these individuals lead the City.

(AS OF APRIL 30, 2021)

ORGANIZATION CHART



CITY COUNCIL

CITY TREASURER

Patrick McQueeney

MAYOR

Kevin Burns

CITY CLERK

Roger Godskesen

1ST WARD

Tara Burghart

Mike Bruno

2ND WARD

Richard Marks

Michael Clements

3RD WARD

Becky Hruby

Dean Kilburg

4TH WARD

Gabriel Kaven

Jeanne McGowan

5TH WARD

Craig Maladra

Robert Swanson

SENIOR MANAGEMENT TEAM

CITY ADMINISTRATOR

Stephanie K. Dawkins

DIRECTOR OF COMMUNITY DEVELOPMENT

David DeGroot

DIRECTOR OF ECONOMIC DEVELOPMENT

Cathleen Tymoszenko

FINANCE DIRECTOR

Rita Kruse

ASST. CITY ADMIN/DIR. OF ADMIN SERVICES

Ben McCready

DIRECTOR OF PUBLIC WORKS

Rich Babica

CHIEF OF POLICE

Eric Passarelli

FIRE CHIEF

Mike Antenore

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 \$150.8 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.

The City is in a better fiscal position than last year due to an increase of \$11.9 million from the total 2020 net position. During this fiscal year, the net position for governmental activities increased by \$7.4 million or 24.34% from the prior fiscal year for an ending balance of \$37.8 million. The increase is mainly due to the CARES Act funding and actual expenditures coming in under budget. The net position for business-type activities increased by \$4.5 million or 4.14% from the prior fiscal year for an ending balance of \$113.3 million. The growth is attributable to the Electric and Waterworks and Sewerage Fund reporting operating income of \$2.5 million.

Condensed Statement of Net Position as of April 30, 2021 (In Millions)

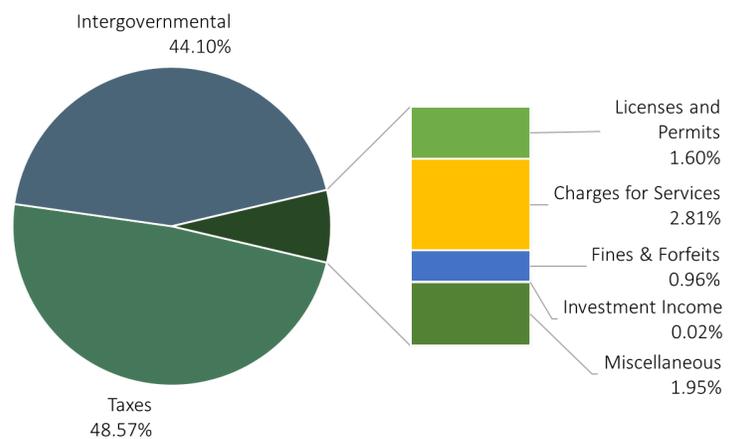
	Governmental Activities		Business-Type Activities		Total	
	2020	2021	2020	2021	2020	2021
Assets						
Current and other assets	\$ 25.6	\$ 49.4	\$ 23.5	\$ 23.1	\$ 49.1	\$ 72.5
Capital assets	48.8	30.0	124.5	124.5	173.3	154.5
Total assets	<u>74.4</u>	<u>79.4</u>	<u>148.0</u>	<u>147.6</u>	<u>222.4</u>	<u>227.0</u>
Deferred outflows	7.0	5.2	1.8	1.8	8.8	7.0
Total assets & Deferred outflows	<u>81.4</u>	<u>84.6</u>	<u>149.8</u>	<u>149.4</u>	<u>231.2</u>	<u>234.0</u>
Liabilities						
Long-term liabilities	37.8	28.8	35.6	29.3	73.4	58.1
Other liabilities	2.2	1.7	4.1	4.7	6.3	6.4
Total liabilities	<u>40.0</u>	<u>30.5</u>	<u>39.7</u>	<u>34.0</u>	<u>79.7</u>	<u>64.5</u>
Deferred inflows	11.0	16.3	1.3	2.4	12.3	18.7
Total liabilities & Deferred inflows	<u>51.0</u>	<u>46.8</u>	<u>41.0</u>	<u>36.4</u>	<u>92.0</u>	<u>83.2</u>
Net position						
Net investment in						
Capital assets	47.2	47.6	94.2	98.9	141.4	146.5
Restricted	5.8	8.0	0.3	-	6.1	8.0
Unrestricted	(22.6)	(17.8)	14.3	14.4	(8.3)	(3.4)
Total net position	<u>\$ 30.4</u>	<u>\$ 37.8</u>	<u>\$ 108.8</u>	<u>\$ 113.3</u>	<u>\$ 139.2</u>	<u>\$ 151.1</u>

General Fund Revenues: Where the Money Comes From

Total General Fund revenues for Fiscal Year 2021 were \$20,468,596. The General Fund is the City’s primary operating fund which supports core municipal services. Various types of taxes provide a majority of the resources for the General Fund. The City’s General Fund tax revenues include property, utility, non-home rule sales, and telecommunication 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.

REVENUES

Taxes	\$9,941,053
Intergovernmental	9,026,108
Licenses and Permits	328,286
Charges for Services	575,302
Fines and Forfeits	196,594
Investment Income	3,138
Miscellaneous	398,115
TOTAL	\$20,468,596

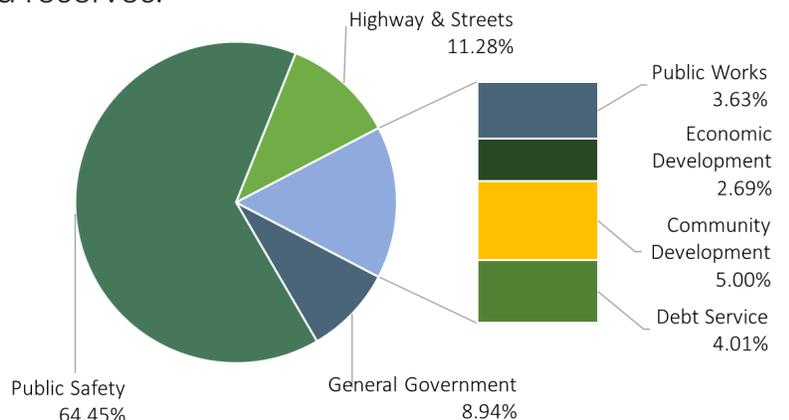


General Fund Expenditures: Where the Money Goes

Total General Fund Expenditures for Fiscal Year 2021 were \$17,119,662. The expenditures of the General Fund include General Government, Community Development, Economic Development, Public Safety, Highway and Streets, and Public Works. Actual total expenditures were \$1.3 million less than the amount appropriated in the final budget as actual costs were less than what was planned. 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

General Government	\$ 1,269,982
Public Works	718,494
Economic Development	88,765
Community Development	966,801
Public Safety	12,730,522
Highway & Streets	1,345,098
TOTAL	\$ 17,119,662

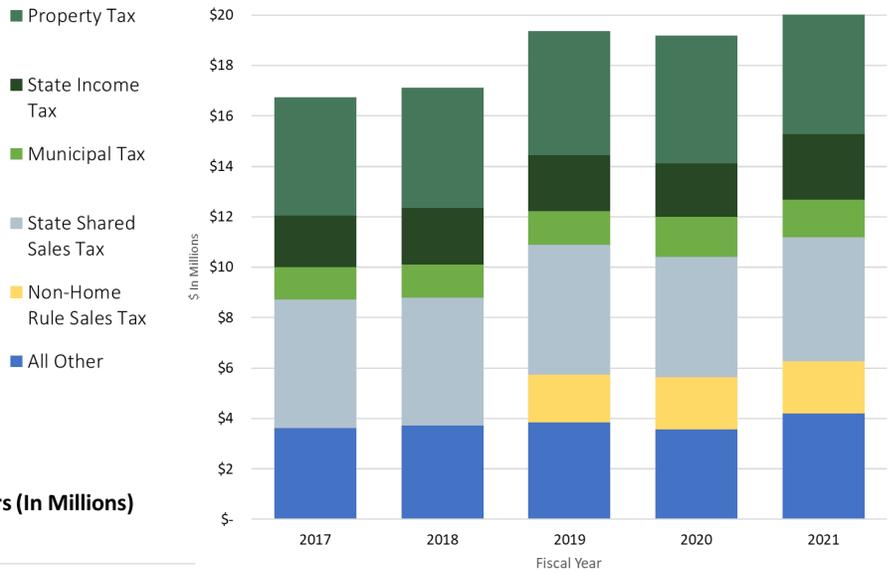


GENERAL FUND

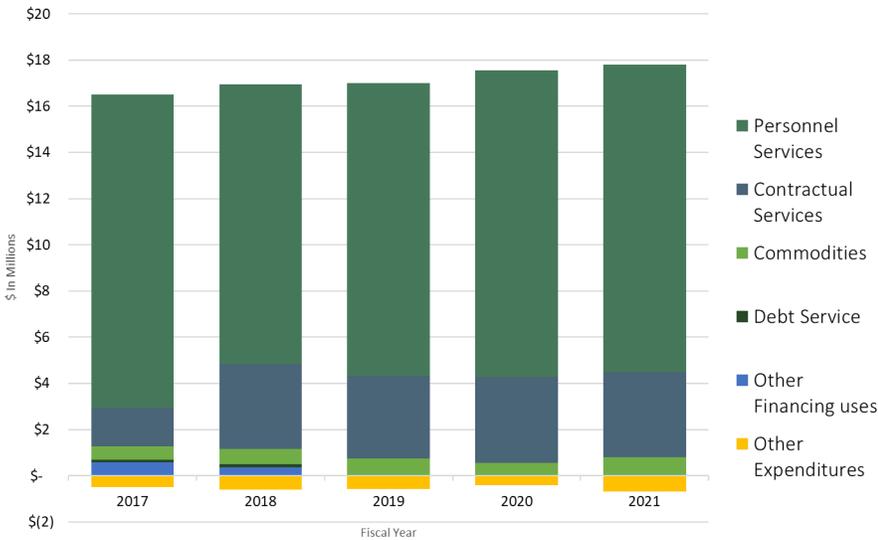
The Last Five Years

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 Revenue Sources - Last Five Fiscal Years (In Millions)



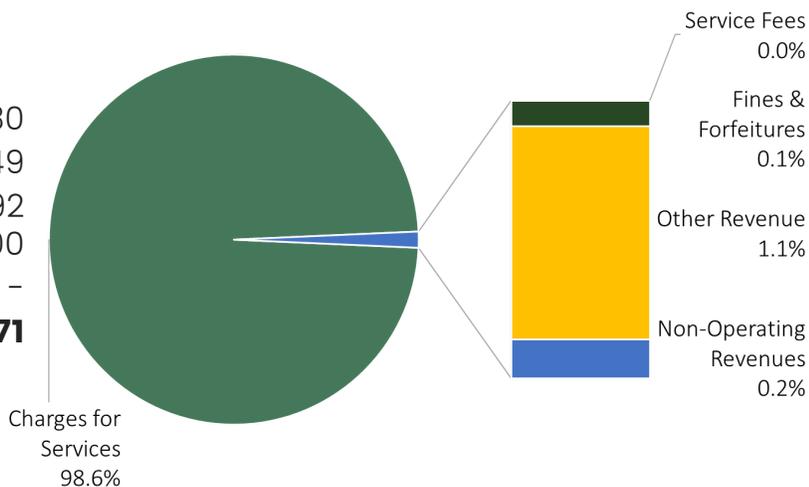
Major Expenditures Sources - Last Five Fiscal Years (In Millions)



The Electric Fund accounts for the provision of electric service to the businesses and residents of the City. In the Electric Fund, charge for services revenues returned to pre-pandemic levels in FY 2021. Electric Fund operating expenses decreased .6%, or \$.2 million, when compared to the prior fiscal year. The decrease was mainly due to delay in capital projects due to uncertainty of the pandemic. Capital projects included the overhead/underground cable replacement program, substation improvements and vehicle replacement. For the fiscal year, the Electric Fund reported a \$2.4 million increase in net position compared to \$.9 million decrease in the prior fiscal year.

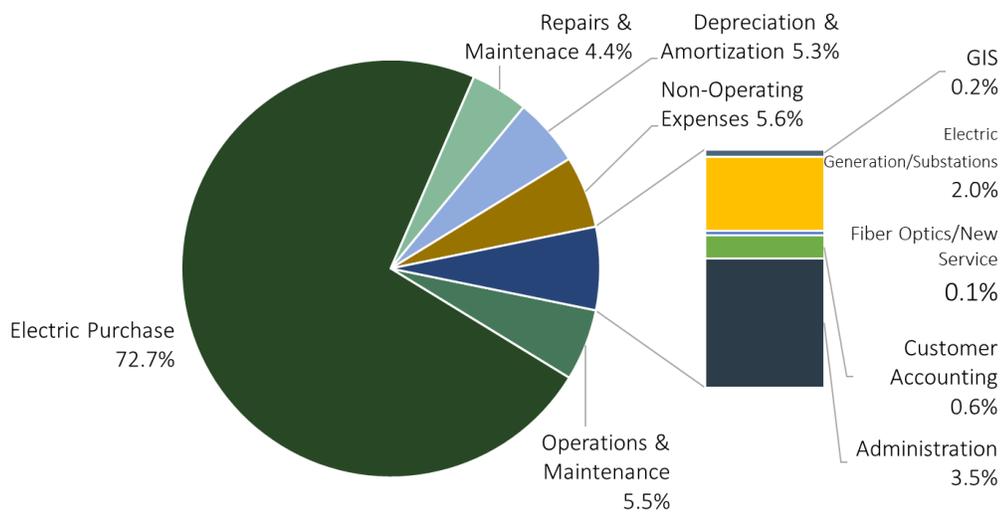
REVENUES

Charges for Services	\$36,023,930
Fines & Forfeitures	46,449
Miscellaneous	393,592
Non-Operating Revenues	72,300
Service Fees	-
TOTAL	\$36,536,271



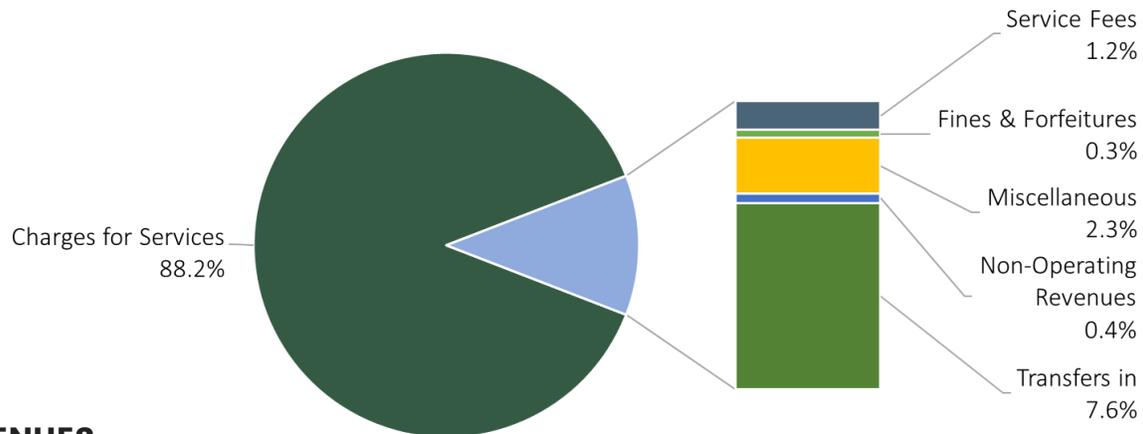
EXPENSES

Operations & Maintenance	\$2,103,407	Fiber Optics/New Service	45,748
Electric Purchases	27,584,584	Customer Accounting	235,818
Electric Generation/Substations	757,625	Repairs and Maintenance	1,682,840
GIS	77,582	Depreciation and Amortization	1,998,700
Administration	1,318,539	Non-Operating Expenses	2,112,730
TOTAL		TOTAL	\$37,917,573



WATERWORKS AND SEWERAGE FUND

In the Waterworks and Sewerage Fund, sales of water and sewer increased by \$2.5 million or 6.7% compared to the fiscal year 2020. The operating expenses of the Waterworks & Sewerage Fund increased \$.5 million or 8.1% over the prior fiscal year mainly due to an increase in depreciation compared to the prior fiscal year.

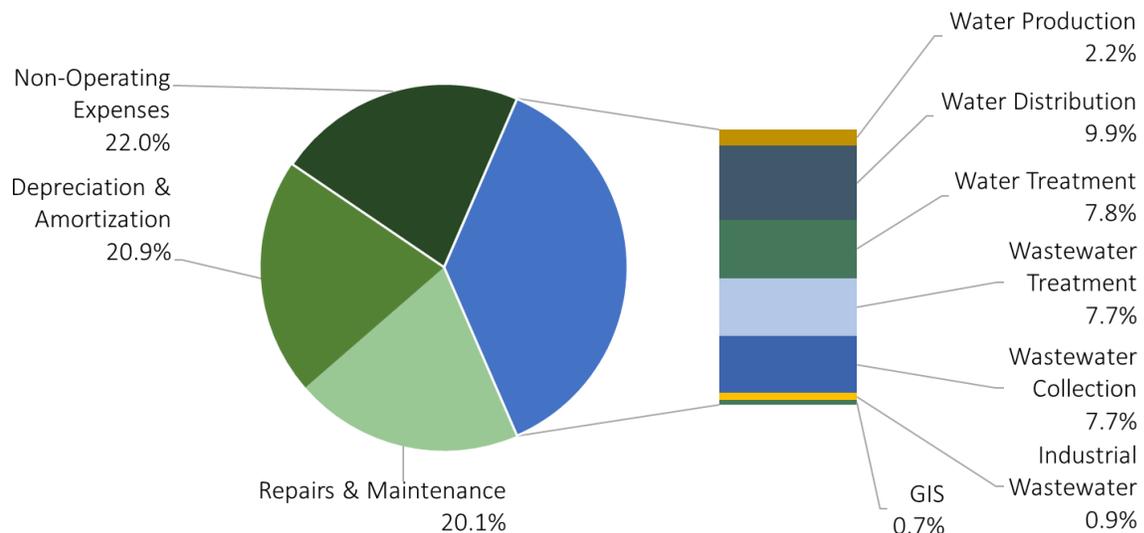


REVENUES

Charges for Services	\$10,256,470	Miscellaneous	263,596
Service Fees	138,668	Non-Operating Revenues	45,362
Fines & Forfeitures	36,646	Transfers in	881,622
		TOTAL	\$11,622,364

EXPENSES

Water Distribution	\$1,343,160	Industrial Wastewater	118,240
Water Production	298,541	GIS	95,051
Water Treatment	1,058,032	Repairs & Maintenance	2,720,287
Wastewater Treatment	1,041,848	Depreciation & Amortization	2,819,595
Wastewater Collection	1,042,500	Non-Operating Expenses	2,974,469
		TOTAL	\$13,511,723



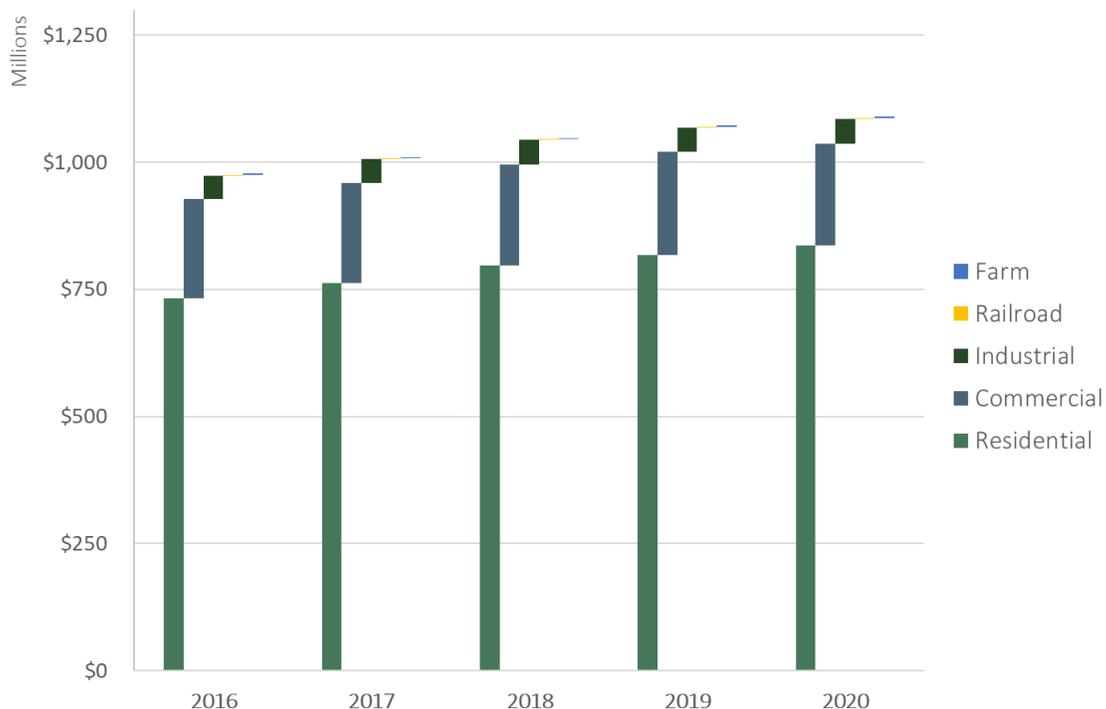
PROPERTY TAX ASSESSMENT

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 Levy Year 2016.

PROPERTY CLASS	LEVY YEAR				
	2016	2017	2018	2019	2020
Residential	\$732,020,594	\$763,046,052	\$796,720,357	\$817,512,422	\$835,791,791
Farm	2,397,767	2,433,801	2,502,797	202,660,270	201,091,555
Commercial	195,310,534	195,696,971	199,193,461	47,510,930	48,396,551
Industrial	46,637,112	47,134,749	47,526,535	2,403,147	2,670,084
Railroad	1,698,183	1,729,996	1,853,124	2,016,390	2,098,452
TOTAL	\$978,064,190	\$1,010,041,569	\$1,047,796,274	\$1,072,103,159	\$1,090,048,433

- **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.

City Equalized Assessed Valuations
(in Millions)

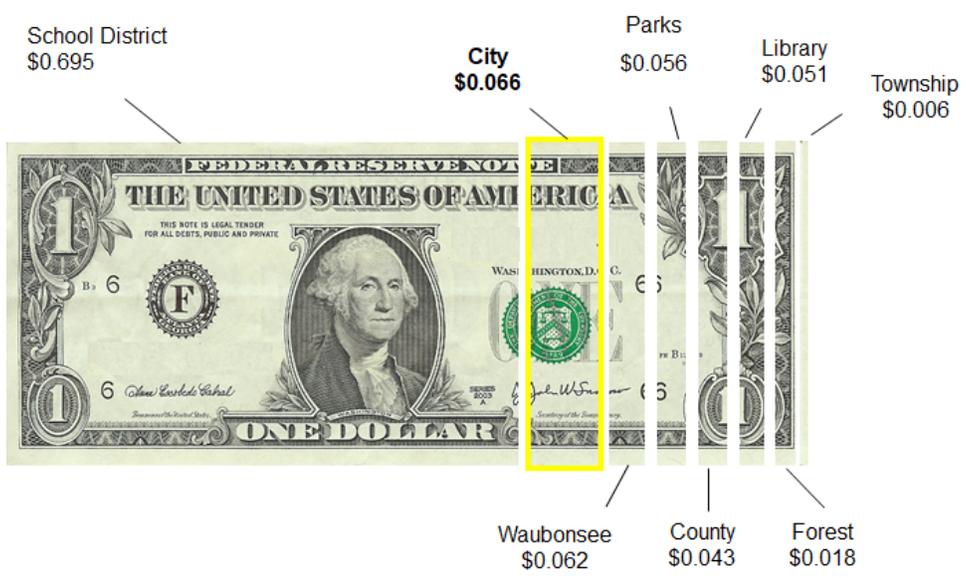


UNDERSTANDING PROPERTY TAX

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 6.6%. The City relies more heavily on a combination of sales tax and other miscellaneous taxes, rather than property tax, to provide essential core services to the public. The chart below illustrates the breakdown of a typical residential tax bill per dollar.



Example

Market Value of Home.....	\$350,000
Assessed Valuation.....	\$116,655
Current Tax Levy	0.56688
Annual Tax Liability for City Services...	\$661.36
Monthly Expenses for City Services.....	\$55.11

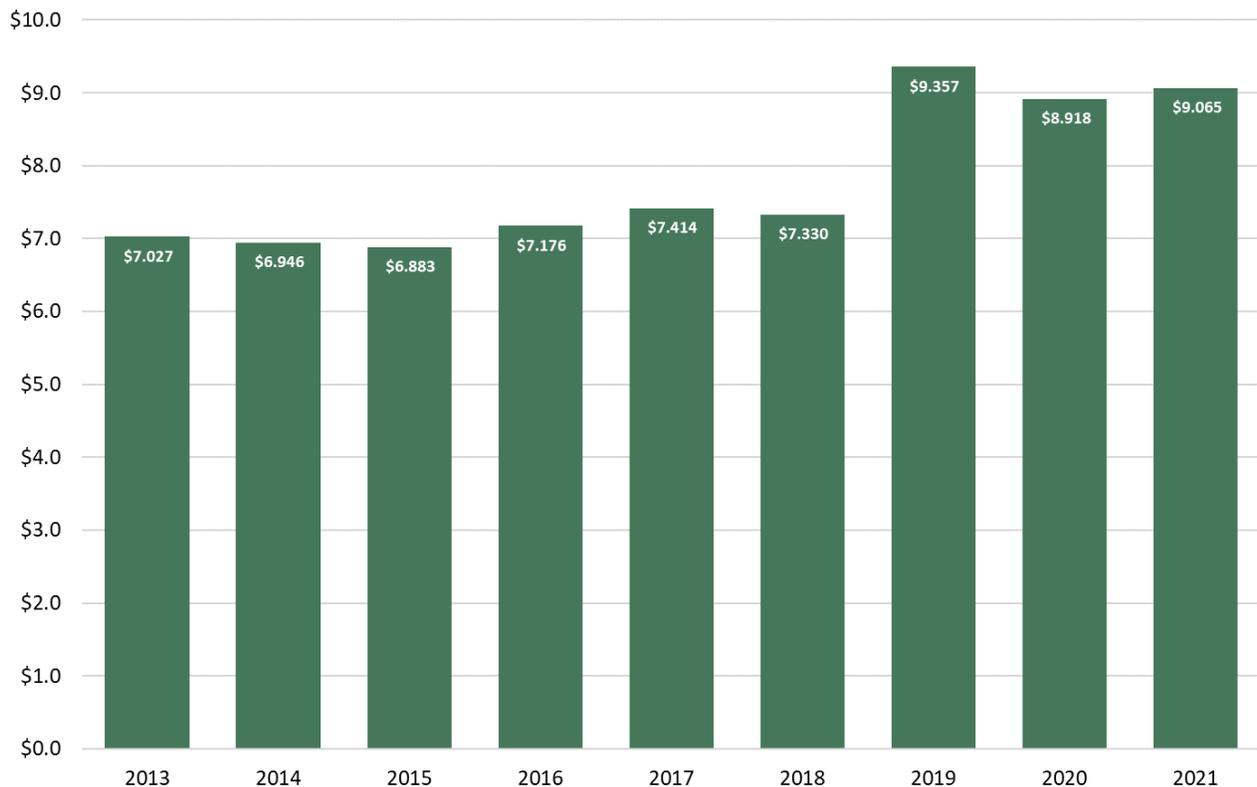
UNDERSTANDING SALES TAX

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 (5.0%).
- **Municipal Retailers' Occupation Tax:** Tax collected by the State of Illinois on qualifying purchases within a municipality. Geneva collects a portion of this revenue (1.0%).
- **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 (1.0%)*.
- **Regional Transportation Authority Tax:** Tax collected by the State to support regional public transit operations (0.75%).
- **Total Sales Tax Rate:** 8.0%*

* Effective July 1, 2018, an additional 0.5% municipal non-home rule sales tax was enacted by referendum.

Sales Tax Revenue
FY 2013 to FY 2021
(In Millions)



LONG TERM DEBT OBLIGATIONS

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. Should the City not issue any more debt, the City's general obligation 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. Moody's Investor Service has assigned an Aa2 rating to the City's bonds.

At the end of the fiscal year, the City has \$27.0 million in long-term debt outstanding. The long-term debt obligation has decreased due to principal payments. The City paid the revenue bonds early due to the lack of parking revenue from the commuter parking fund.



CAPITAL IMPROVEMENT PROGRAM

Municipalities continually face challenges of maintaining, worn down and antiquated, facilities and infrastructure. 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 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 a lack of available financial resources. Below is a partial list of projects completed in the fiscal year 2021:

ELECTRIC

- Continued upgrades and maintenance to various substations throughout the City.
- Replaced aging underground and overhead electric cables at various locations throughout the City.

INFRASTRUCTURE

- Continued to work with the developer on the design phases of a road project to extend Kautz Road to Fabyan Road as described in the Southeast Master Plan.
- Maintained the Annual Roadway Improvement Program by focusing on ADA upgrades and additional streets that required resurfacing.
- Completed the replacement of an old and undersized water main on Andover, Normandy, and Greenwich streets.
- Began the design phases of a road project in conjunction with St. Charles to improve Kautz Road between US RT 38 and US RT 64 to a designated truck route.

WATER

- Replaced several older and non-functioning water meters with radio read meters.
- Rehabilitated three shallow drinking water wells.
- Completed the painting of the Dodson Street Water Tower.
- Replaced the sanitary sewer on W. State Street from River Lane to First Street. The sewer was collapsed in several sections and could not be lined.
- Rehabilitated the sanitary sewers and manholes in the Geneva East Subdivision to eliminate groundwater infiltration which can cause Sanitary Sewer Overflows.

GLOSSARY OF ACCOUNTING TERMS

AMORTIZATION

The reduction of debt through regular payments of principal and interest, of which the principal payments are sufficient to retire the debt instrument at a predetermined date known as maturity.

APPROPRIATION

The legal authorization to incur obligations and to make expenditures for specific purposes.

ASSESSED VALUE

A value set upon real property for use as a basis for levying taxes.

DEBT SERVICE

Expenditures to pay the principal and interest of all bonds and other debt instruments according to a predetermined payment schedule.

DEFERRED INFLOW OF RESOURCES

An acquisition of net assets by the government that is applicable to a future reporting period. For example, deferred revenue and advance collections.

DEFERRED OUTFLOW OF RESOURCES

A consumption of net assets by the government that is applicable to a future reporting period. For example, prepaid items and deferred charges.

DEPRECIATION

A calculation of the estimated decrease in value of physical assets due to usage and passage of time.

EQUALIZED ASSESSED VALUATION

The assessed valuation of real property raised or lowered by an equalizing factor as applied by a countywide and a statewide authority, so that all property is assessed at a consistent level for purposes of levying taxes. In Illinois, equalized valuation of real property is one-third of fair market value.

EXPENDITURE

The actual outlay of or obligation to pay cash. This does not include encumbrances.

EXPENSES

Decreases in net total assets. Expenses represent the total cost of operations during a period regardless of the timing of related expenditures.

GENERAL OBLIGATION BONDS

Bonds in which the full faith and credit of the issuing government are pledged.

INTERGOVERNMENTAL REVENUE

Revenue received from or through the Federal, State or County Government.

OPERATING EXPENSES

Fund expenses that are ordinary, recurring in nature and directly related to the fund's primary service activities.

OPERATING REVENUES

Funds that the City receives as income to pay for ongoing operations. It includes such items as taxes, fees from specific services, interest earnings and grant revenues. Operating revenues are used to pay for day-to-day services.

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22 S. FIRST ST
GENEVA, IL 60134

FINANCE
15 S. FIRST ST.
GENEVA, IL 60134

FIRE
200 EAST SIDE DRIVE
GENEVA, IL 60134

POLICE
20 POLICE PLAZA
GENEVA, IL 60134

PUBLIC WORKS
1800 SOUTH ST.
GENEVA, IL 60134