



# CITY OF GENEVA, ILLINOIS 2023

POPULAR ANNUAL FINANCIAL REPORT

## A Financial Report for the Citizens

As of and for Year Ended April 30, 2023

Information from this document can be found in our  
**Annual Comprehensive Financial Report FY 2023** at [www.geneva.il.us](http://www.geneva.il.us)

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## A Letter from Management

Dear Citizens,

The City of Geneva is pleased to present, A Financial Report for the Citizens 2023, which serves as the Fiscal Year (FY) 2023 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 2023 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 information 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](http://www.geneva.il.us).

The City received its tenth 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, 2022. 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 thirteenth consecutive Distinguished Budget Presentation Award from GFOA for the fiscal year beginning May 1, 2023. For the seventh year in a row, the City was awarded the Outstanding Achievement in Popular Annual Financial Reporting for FY 2022. 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





## About Geneva, Illinois

The City of Geneva, Illinois, a non-home rule community, was 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 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, Chicago Steel hockey, festivals, bike trails, and more.



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), River Park 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.

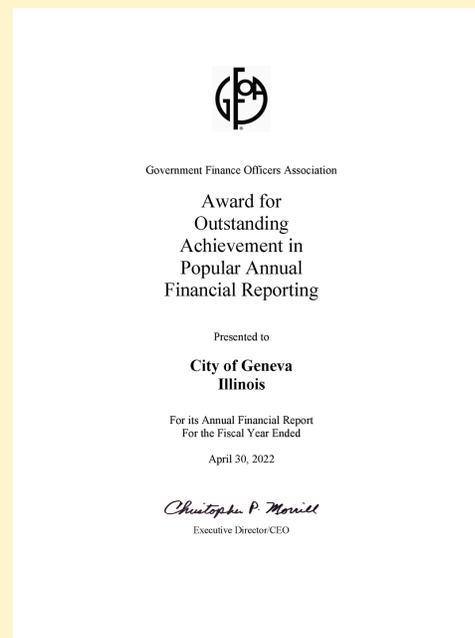
### Geneva Wins its 7th PAFR Award

Government Finance Officers Association of the United States and Canada (GFOA) has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to the City of Geneva for its Popular Annual Financial Report for the fiscal year ended April 30, 2022. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports.

In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government unit must publish a Popular Annual Financial Report, whose contents conform to program standards of creativity, presentation, understandability, and reader appeal.

An Award for Outstanding Achievement in Popular Annual Financial Reporting is valid for a period of one year only. The City of Geneva has received a Popular Award for the last seven consecutive years (fiscal years ended 2016-2022).

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 and City Management

The City of Geneva operates under the mayor-council form of government. The City Council is comprised of a Mayor, City Clerk, City Treasurer, and ten Alderpersons. The Mayor, Clerk, and Treasurer are elected at-large. Alderpersons are elected from five wards (two per ward) who serve four-year terms. The Mayor, with the advice and consent of the Council, appoints a full-time City Administrator and department heads, who are responsible for the day-to-day operations of the City. Together, these individuals lead the City.



**Kevin Burns**  
Mayor



**Vicki Kellick**  
City Clerk



**Jennifer Milewski**  
City Treasurer



**Anaïs Bowring**  
1st Ward



**Mike Bruno**  
1st Ward



**Brad Kosirog**  
2nd Ward



**Richard Marks**  
2nd Ward



**Becky Hruby**  
3rd Ward



**Dean Kilburg**  
3rd Ward



**Amy Mayer**  
4th Ward



**Martha Paschke**  
4th Ward



**Craig Maladra**  
5th Ward



**Robert Swanson**  
5th Ward

### Senior Management Team

**City Administrator**  
Stephanie K. Dawkins  
**Director of Community Development**  
David DeGroot  
**Director of Economic Development**  
Cathleen Tymoszenko  
**Finance Director**  
Rita Kruse

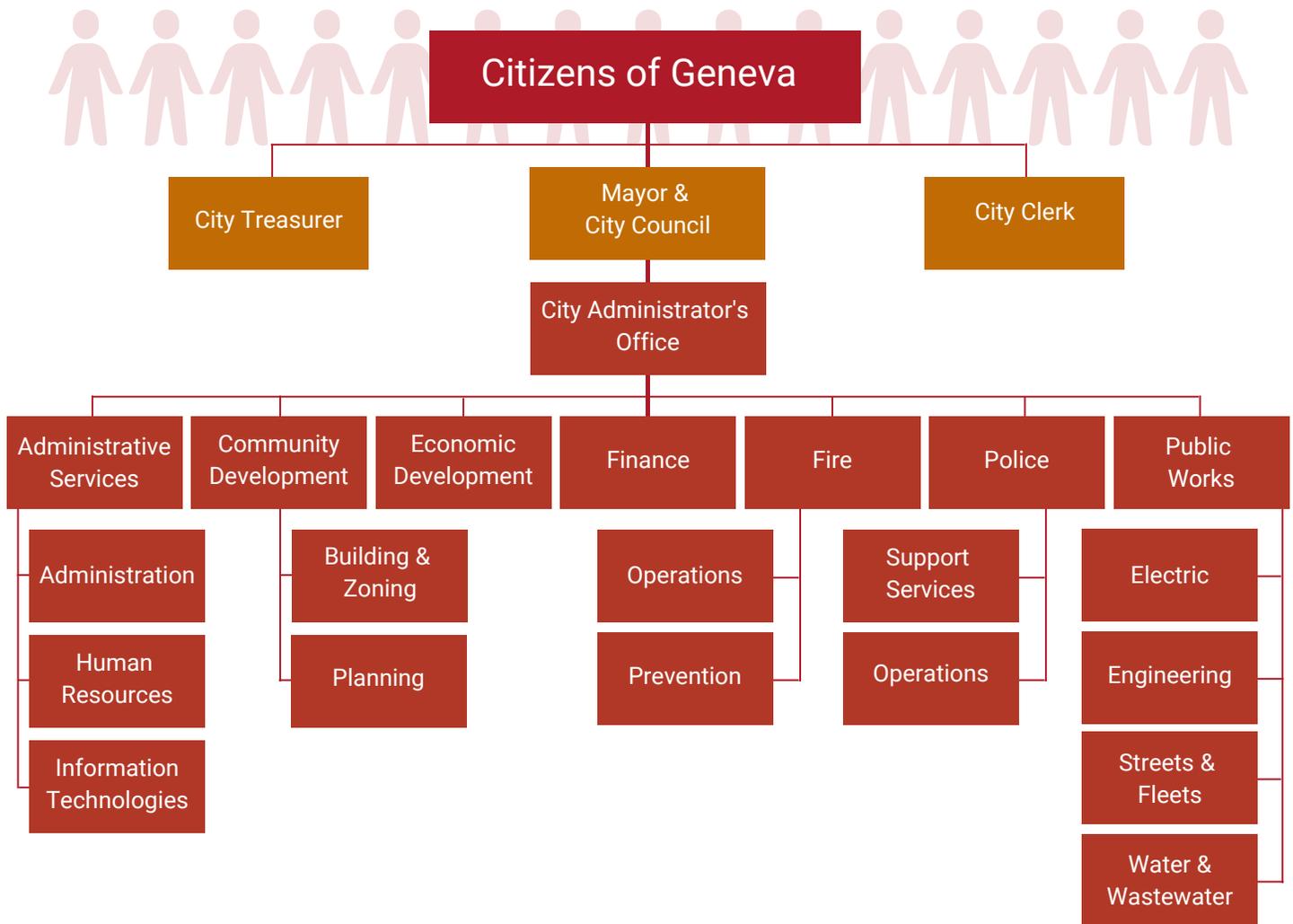
**Assistant City Administrator/Director of Admin Services**  
Ben McCready  
**Director of Public Works**  
Rich Babica  
**Chief of Police**  
Eric Passarelli  
**Fire Chief**  
Mike Antenore

# Strategic Plan

The [2025 City of Geneva Strategic Plan](#) is a framework for guiding decisions that will shape the community's future to ensure Geneva remains a prosperous and vibrant community. The purpose of the strategic plan is to articulate a vision for the community's future. The City's strategic plan includes a roadmap which focuses on: Economic Vitality, Strong Governance, Environmental Stewardship, Excellent Municipal Services, and Quality of Life.



# Organizational Chart

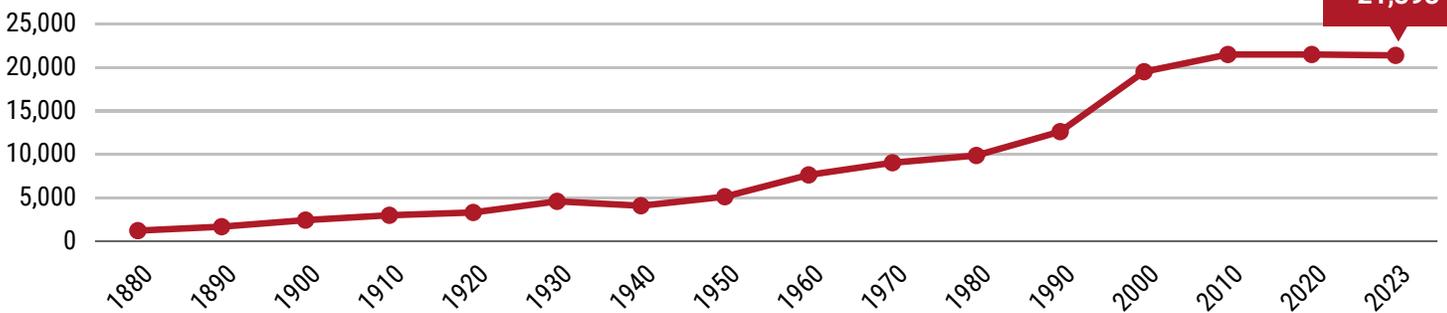


# Local Economy

The local economy is a factor that affects the financial condition of the City. Information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City of Geneva operates. Historically, the City of Geneva has maintained a growing economy. Geneva’s local economy was negatively impacted during COVID-19 but has made a strong comeback. To properly monitor this impact, City staff regularly reviews reports on reserve and revenue balances and cash balances in the enterprise funds. Even though the City has seen a strong recovery, capital expenditures have been delayed due to long lead times and lack of available supply to complete projects.

Nearly 1,200 businesses call Geneva home, including many industry partners such as Hearthside Food Solutions, MSI Express, Clarios, LLC, Burgess Norton, and FONA International. The City of Geneva is also known for its historic downtown business district (over 1.1 million square feet of commercial space), the Geneva Commons Lifestyle Shopping Center on Randall Road, and the Geneva Business Park. The City of Geneva works closely with the Chamber of Commerce to promote Geneva as a wonderful tourist destination.

## Population

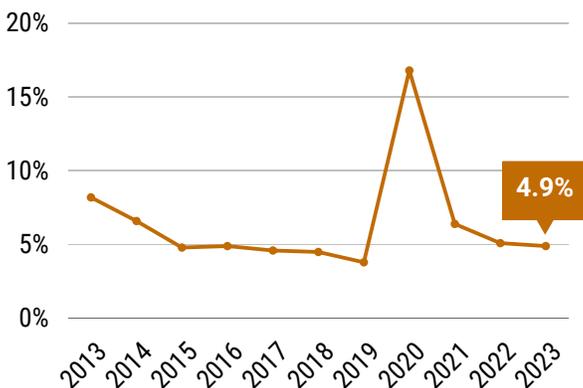


## Top 10 Employers in Geneva

Employer	Employees	Employer	Employees
1. Northwestern Medicine Delnor Community Hospital	1,600	6. Kane County (Departments in Geneva)	312
2. Geneva Community Unit School District #304	775	7. Burgess Norton	257
3. Hearthside Food Solutions	370	8. FONA International	250
4. MSI Express	350	9. On-Cor	161
5. Clarios, LLC	320	10. City of Geneva	155

Source: City of Geneva

## Unemployment Rate



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

**\$116,083**  
Median Household  
Income



**\$52,559**  
Per Capita Personal  
Income

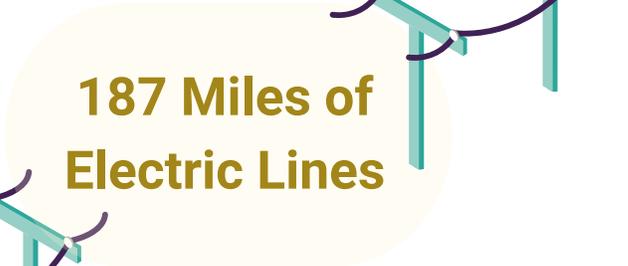
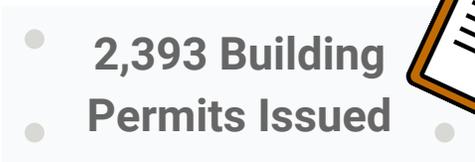
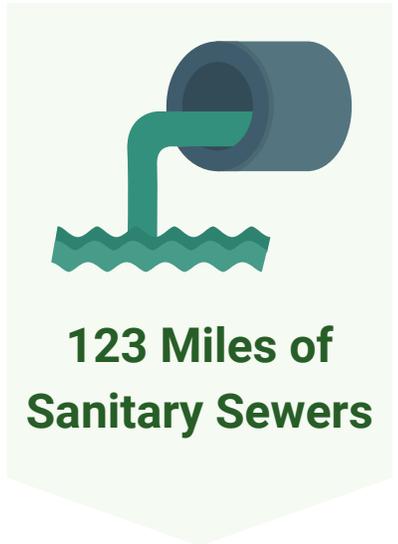


**\$348,700**  
Median Home Value



**Persons 25+ Years**  
97.5% High School Graduate or Higher  
61.3% Bachelor's Degree or Higher

# Geneva by the Numbers



Source: City of Geneva

## Fiscal Condition - Statement of Net Position

The net position presents the City's financial position from a long-term perspective as it demonstrates the condition based on the year's financial activities. The net position is the difference between the City's assets and deferred outflows and the liabilities and deferred inflows. The increases or decreases of net position over time may serve as a useful indicator of a government's financial position as it can indicate whether the financial position is improving or deteriorating. In the case of the City of Geneva, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$175.6 million at the close of the most recent fiscal year. The table below combines information about the City's assets and liabilities to illustrate the net position in millions.

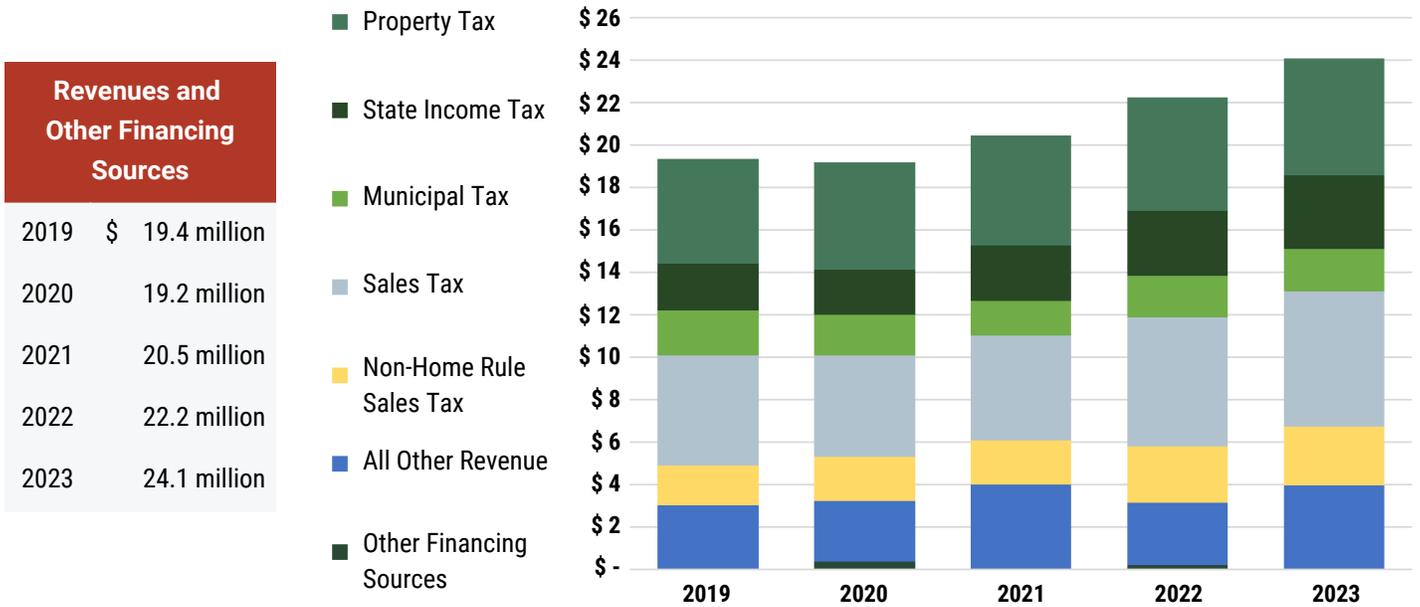
Condensed Statement of Net Position as of April 30, 2023						
(In Millions)						
	Governmental Activities		Business-Type Activities		Total	
	2022	2023	2022	2023	2022	2023
<b>Assets</b>						
Current and Other Assets	\$ 39.4	\$ 46.7	\$ 26.0	\$ 26.6	\$ 65.4	\$ 73.3
Capital Assets	49.7	53.4	124.4	126.2	174.1	179.6
<b>Total Assets</b>	<b>89.1</b>	<b>100.1</b>	<b>150.4</b>	<b>152.8</b>	<b>239.5</b>	<b>252.9</b>
Deferred Outflows	8.5	11.4	2.5	4.4	11.0	15.8
<b>Total Assets &amp; Deferred Outflows</b>	<b>97.6</b>	<b>111.5</b>	<b>152.9</b>	<b>157.2</b>	<b>250.5</b>	<b>268.7</b>
<b>Liabilities</b>						
Current Liabilities	3.1	4.9	4.3	4.8	55.4	9.7
Non-current Liabilities	34.3	41.4	26.6	27.2	6.0	68.6
<b>Total Liabilities</b>	<b>37.4</b>	<b>46.3</b>	<b>30.9</b>	<b>32.0</b>	<b>61.4</b>	<b>78.3</b>
Deferred Inflows	15.2	12.6	4.9	2.2	20.1	14.8
<b>Total Liabilities &amp; Deferred Inflows</b>	<b>52.6</b>	<b>58.9</b>	<b>35.8</b>	<b>34.2</b>	<b>81.5</b>	<b>93.1</b>
<b>Net Position</b>						
Net Investment in						
Capital Assets	49.6	52.3	101.4	105.4	151.0	157.7
Restricted	9.2	11.3	0.3	0.4	9.6	11.7
Unrestricted	(13.8)	(11.0)	15.3	17.2	1.5	6.2
<b>Total Net Position</b>	<b>\$ 45.0</b>	<b>\$ 52.6</b>	<b>\$ 117.1</b>	<b>\$ 123.0</b>	<b>\$ 162.1</b>	<b>\$ 175.6</b>

The City is in a better fiscal position than last year due to an increase of \$13.5 million from the total 2022 net position. The net position for governmental activities increased by \$7.6 million or 16.9% from the prior fiscal year for an ending balance of \$52.6 million. The increase is due to increased governmental funds' fund balance and new additions to capital asset activity. The net position for business-type activities increased by \$6.0 million or 5.1% from the prior fiscal year for an ending balance of \$123.0 million. The growth is due to the Electric and Waterworks and Sewerage Fund reporting operating income of approximately \$3.5 and \$2.5 respectively. The growth in the Electric fund is due to the reduced electric purchases and a decrease in natural gas cost to operate the generation facility.

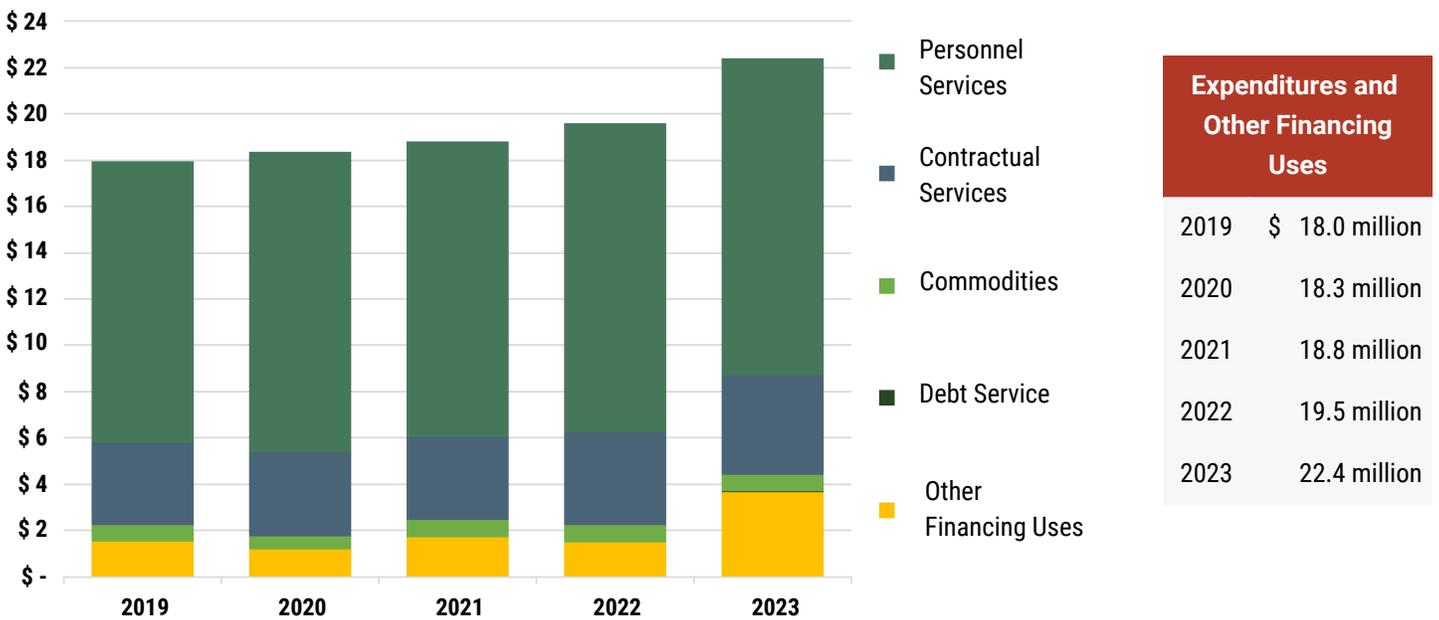
# General Fund: The Last Five Years

The General Fund is the chief operating fund of the City of Geneva which supports core municipal services. The City of Geneva keeps a vigilant eye on income and spending. The General Fund relies on sales taxes from two major business districts, property taxes, municipal tax from the City's electric and water utilities, and income tax from the State of Illinois. 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)**

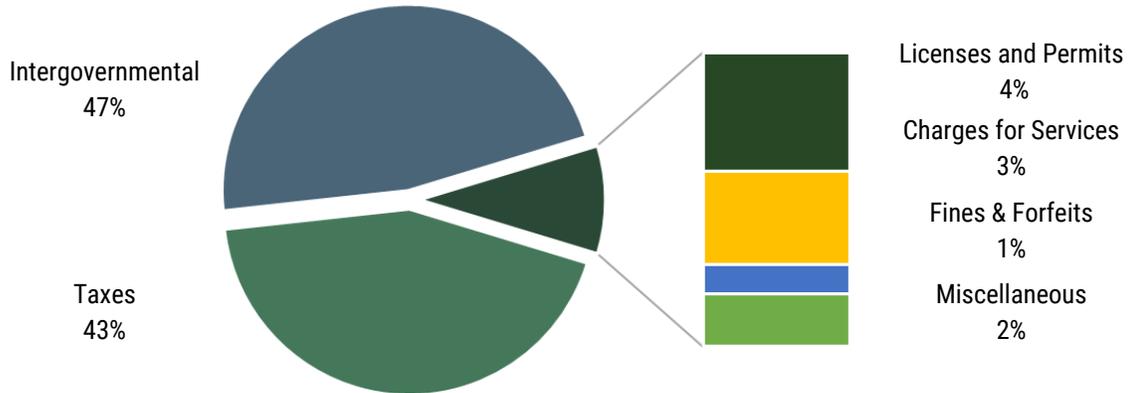


**Major Expenditures Sources - Last Five Fiscal Years (In Millions)**



# General Fund Revenues: Where the Money Comes From

The City of Geneva has to generate revenue to provide and support necessary services for our residents. The total General Fund Revenues for fiscal year 2023 were \$24.1 million. There are various types of revenue sources that provide resources for the General Fund.



**Tax Revenues**, including property taxes, utility taxes, non-home rule sales, and telecommunication taxes, are the largest revenue source.

**Intergovernmental Funds** are revenues that are collected by the State and remitted to the City on a monthly basis, which include state-shared sales, state income, and local use taxes.

**Charges for Services** are revenues that are fees collected from general government fees (such as cable franchise fees and boat ramp fees), community development fees (plan review, inspection, and development), and public safety fees (special police and fire service, employee application, and fire review).

**Licenses and Permits** are revenues that are collected from fees for licenses (such as business and liquor licenses) and permits (such as building permit fees).

**Fines and Forfeits** are revenues that are collected from fines (such as circuit court fines, parking violations, and ordinance fines).

**Other Revenues** include interest income, rental income, insurance and offender recovery payments from damage to City property, donations, and miscellaneous revenue.

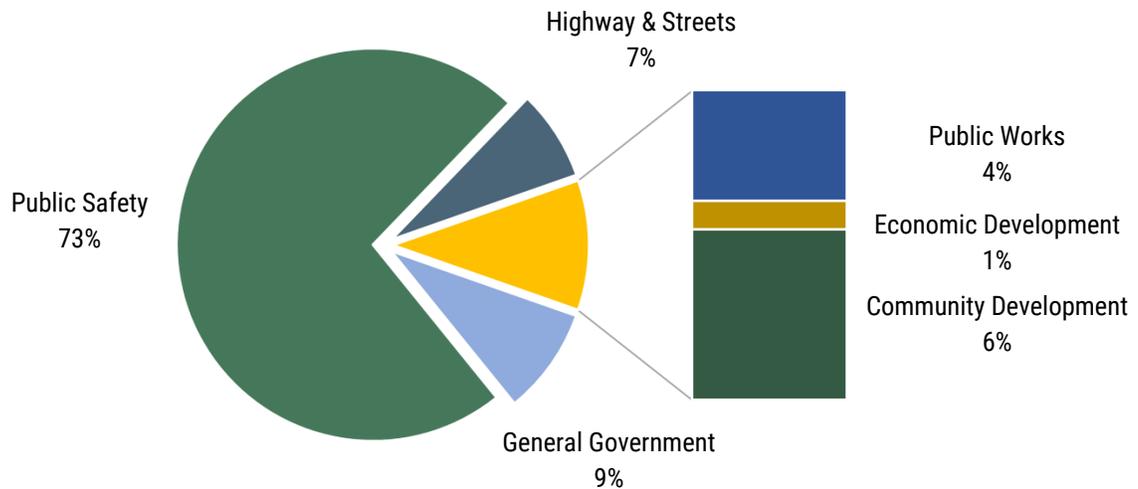
Revenues and Other Financing Sources (In Millions)			
Taxes	\$ 10.4	Intergovernmental	\$ 11.2
Licenses and Permits	0.9	Charges for Services	0.7
Fines and Forfeitures	0.2	Investment Income	0.3
Miscellaneous	0.4	Other Financing Resources	<0.1
<b>Total Revenues and Other Financing Sources</b>			<b>\$ 24.1</b>



## General Fund Expenditures: Where the Money Goes

The City of Geneva has operating expenditures to provide and support necessary services for our residents. The expenditures of the General Fund include General Government, Community Development, Economic Development, Public Safety, Highway and Streets, and Public Works. The City's General Fund seeks to maintain a minimum of 25% or 3 months of expenditures to provide for cash flow and reserves.

The total General Fund Expenditures for Fiscal Year 2023 were \$18.7 million. Revenues exceeded expenditures by \$1.7 million in the General Fund. The City transferred \$2.2 million to the General Capital Projects fund and Capital Equipment Funds for equipment purchases.



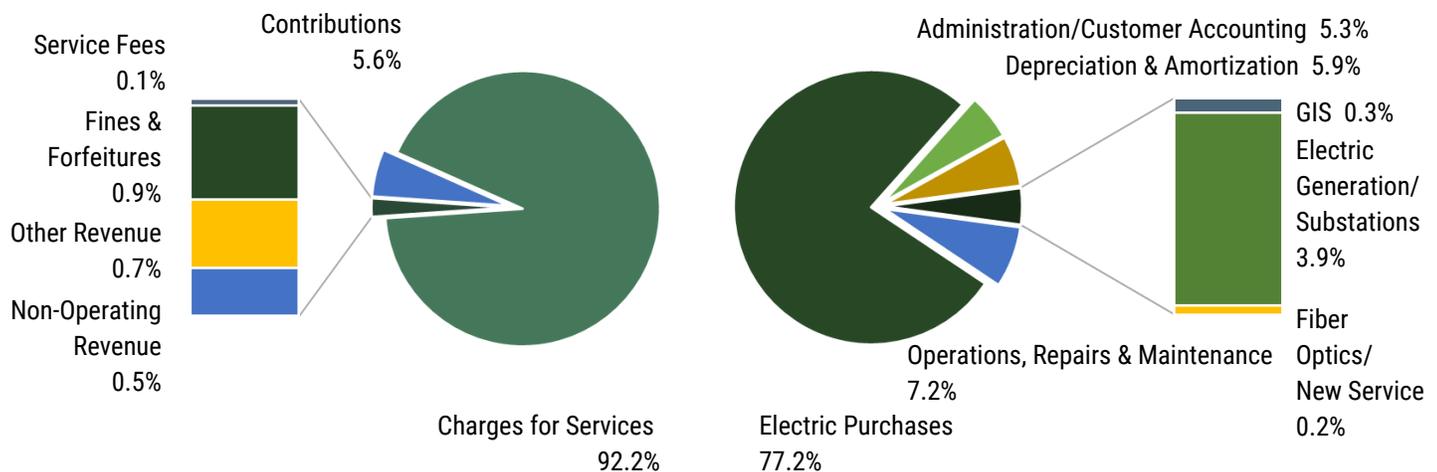
Expenditures and Other Financing Uses (In Millions)			
General Government	\$ 1.6	Public Works	\$ 0.7
Economic Development	0.2	Community Development	1.1
Public Safety	13.7	Highways and Streets	1.4
Debt Service	<0.1	Transfers Out	3.7
<b>Total Expenditures and Other Financing Uses</b>			<b>\$ 22.4</b>



## Electric Fund

The Electric Fund is a major enterprise fund for the City. The Electric Fund accounts for the provision of electric service to the residents and businesses of the City. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service, and billing and collection.

The Electric Fund reported a \$3.5 million increase in net position for fiscal year 2023 compared to the \$1.2 million decrease in the prior fiscal year. The growth in the Electric fund is due to reduced electric purchases costs and a decrease in natural gas cost to operate the generation facility.



Operating Revenues and Non-Operating Revenues (In Millions)			
Charges for Services	\$ 33.8	Fines and Forfeitures	\$ 0.3
Service Fees	0.1	Other Revenues	0.2
Non-Operating Revenues	0.2	Contributions	2.0
<b>Total Operating Revenues and Non-Operating Revenues</b>			<b>\$ 36.6</b>

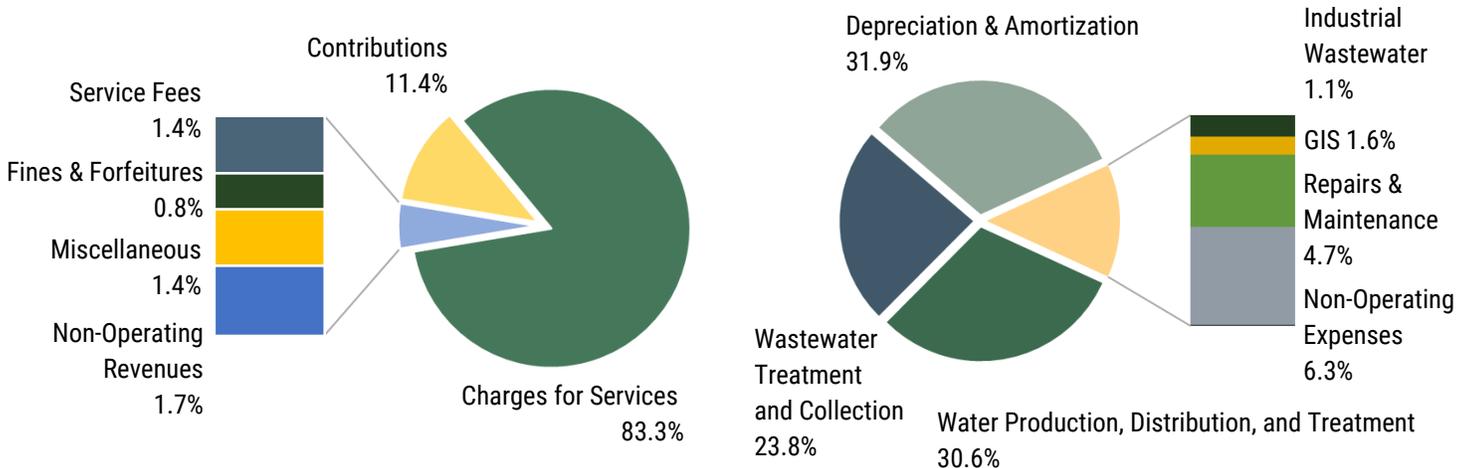
Operating Expenses and Non-Operating Expenses (In Millions)			
Operations/Repairs & Maintenance	\$ 2.4	Electric Purchases	\$ 25.5
Electric Generation/Substations	1.3	GIS	0.1
Administration/Customer Accounting	1.7	Fiber Optics/New Service	0.1
Depreciation and Amortization	2.0	Non-Operating Expenses	<0.1
<b>Total Operating Expenses and Non-Operating Expenses</b>			<b>\$ 33.1</b>



## Waterworks and Sewerage Fund

The Waterworks and Sewerage Fund is a major enterprise fund for the City. The Waterworks and Sewerage Fund accounts for the operations of potable water services to the residents and businesses of the City. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service, and billing and collection.

The Waterworks and Sewerage Fund reported a \$2.5 million increase in net position for fiscal year 2023. Sales of water and sewer decreased by under 1% compared to fiscal year 2022. The operating expenses of the Waterworks and Sewerage Fund increased by \$1.0 million or 12.1% over the prior fiscal year mainly due to pension, grant reimbursement, and landfill expenses.



Operating Revenues and Non-Operating Revenues			
Charges for Services	\$ 10.5	Service Fees	\$ 0.2
Fines and Forfeitures	0.1	Miscellaneous	0.2
Non-Operating Revenues	0.2	Contributions	1.4
<b>Total Operating Revenues and Non-Operating Revenues</b>			<b>\$ 12.6</b>

Operating Expenses and Non-Operating Expenses			
Water Production, Distribution, and Treatment	\$ 3.1	Wastewater Treatment and Collection	\$ 2.4
Industrial Wastewater	0.1	GIS	0.1
Repairs and Maintenance	0.5	Depreciation and Amortization	3.2
Transfers Out	0.1	Non-Operating Expenses	0.6
<b>Total Operating Expenses and Non-Operating Expenses</b>			<b>\$ 10.1</b>



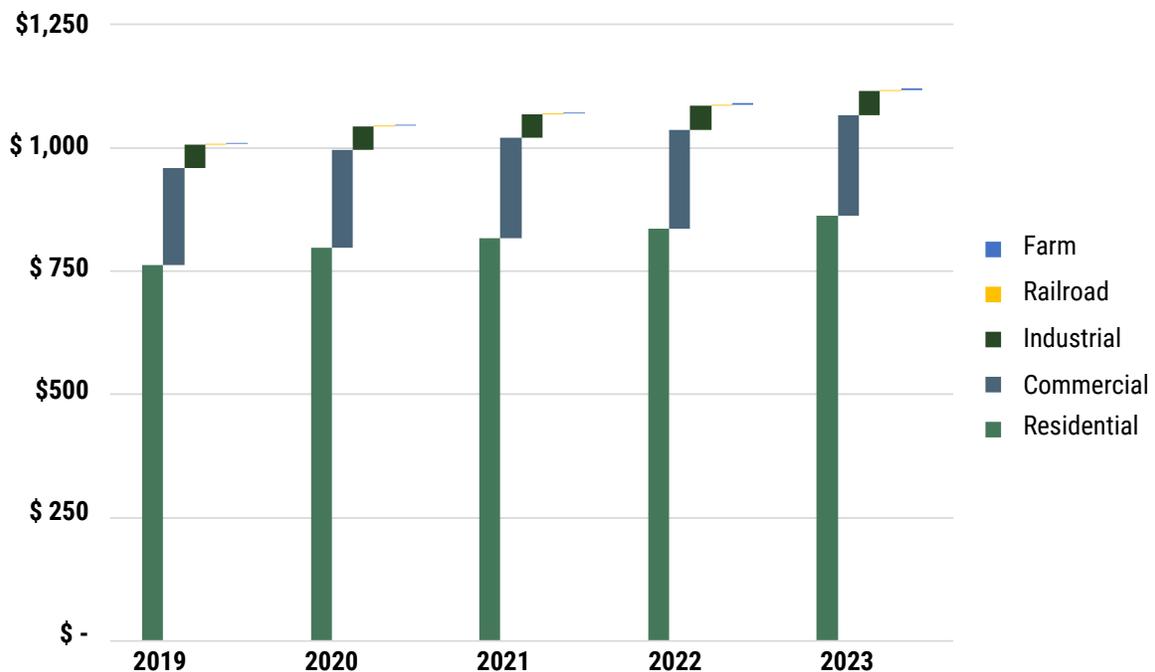
## Property Tax Assessment

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 2019.

City Equalized Assessed Valuations (In Millions)					
Property Class	2019	2020	2021	2022	2023
Residential	\$ 763.0	\$ 796.7	\$ 817.7	\$ 835.8	\$ 862.7
Farm	2.4	2.5	2.4	2.7	2.7
Commercal	195.7	199.2	202.7	201.1	204.1
Industrial	47.1	47.5	47.5	48.4	49.1
Railroad	1.7	1.9	2.0	2.1	2.1
<b>Total</b>	<b>\$ 1,010.0</b>	<b>\$ 1,047.8</b>	<b>\$ 1,072.2</b>	<b>\$ 1,090.1</b>	<b>\$ 1,120.7</b>

- **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)**

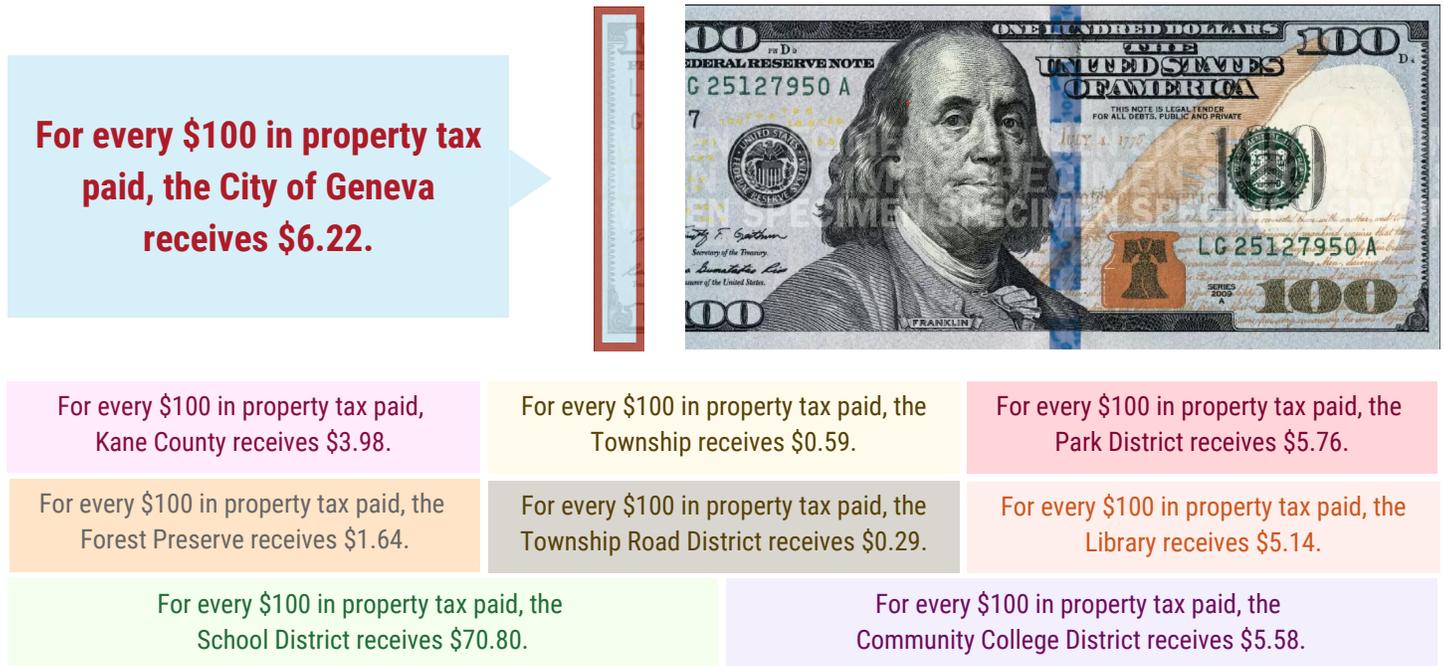


# Understanding Property Tax

Property Taxes are a source of revenue for funding local governments units such as schools, counties, local municipalities, townships, township road districts, libraries, forest preserve districts, and park districts. The City of Geneva receives a proportionate amount of revenue from property tax paid by City of Geneva property owners. The generated revenue is used to operate the City which provides a full range of services, including police and fire protection; snow removal; traffic control; on- and off-street parking; building inspections; licenses and permits; construction and maintenance of streets and other infrastructure.

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 6.22%. 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 hundred dollars.



## How Much Does A Homeowner Pay For City Services?

A homeowner who lives within the City of Geneva pays for City services through their annual property tax. The amount is based upon the current tax levy and the assessed valuation of the property. The assessed valuation is 33% of the market value of the property.

The table shows the monthly expenses for two property owners who own property at median home value and \$550,000. Both of these property owners will pay more monthly for XFINITY Internet\* than City Services.

Monthly Expenses for City Services		
Market Value of Home	\$ 348,700	\$ 550,000
Assessed Valuation	116,233	183,333
Current Tax Levy	0.51903	0.51903
Annual Tax Liability for City Services	603.29	951.56
<b>Total Monthly Expenses for City Services</b>	<b>\$ 50.27</b>	<b>\$ 79.30</b>
XFINITY Internet Difference (\$92.00/mo)	\$ 41.73	\$ 12.70

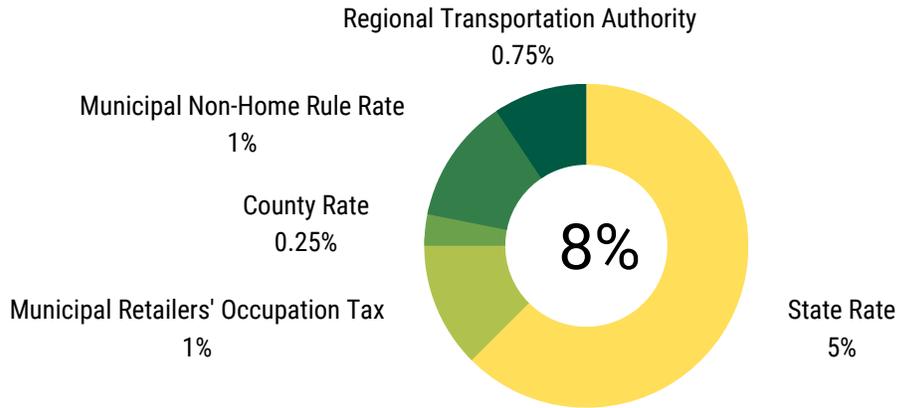
Source: XFINITY Internet (<https://www.xfinity.com>)  
 \* Based on a no term contract agreement 400 Mbps Internet Plan

# Understanding Sales Tax

Sales tax is a large source of revenue for the City's General Fund. Sales tax is a transaction tax imposed upon sales, purchases, and leases of tangible personal property and taxable services sold or leased by persons engaged in business within the City. Sales tax is collected by the state and remitted to the City three months after the liability occurs.

The City's sales and non-home rules sales tax has increased since enacting "Leveling the Playing Field" legislation which required remote retailers to collect and remit the state and local retailer's occupation tax. Fiscal year 2022 was the first full year since the legislation. The City received a 4.69% increase from fiscal year 2022.

Sales Tax for the City of Geneva is broken into five different components to create the total sales tax rate of 8.0%.



**State Rate:** Tax imposed by the State of Illinois on qualifying purchases (5.0%).

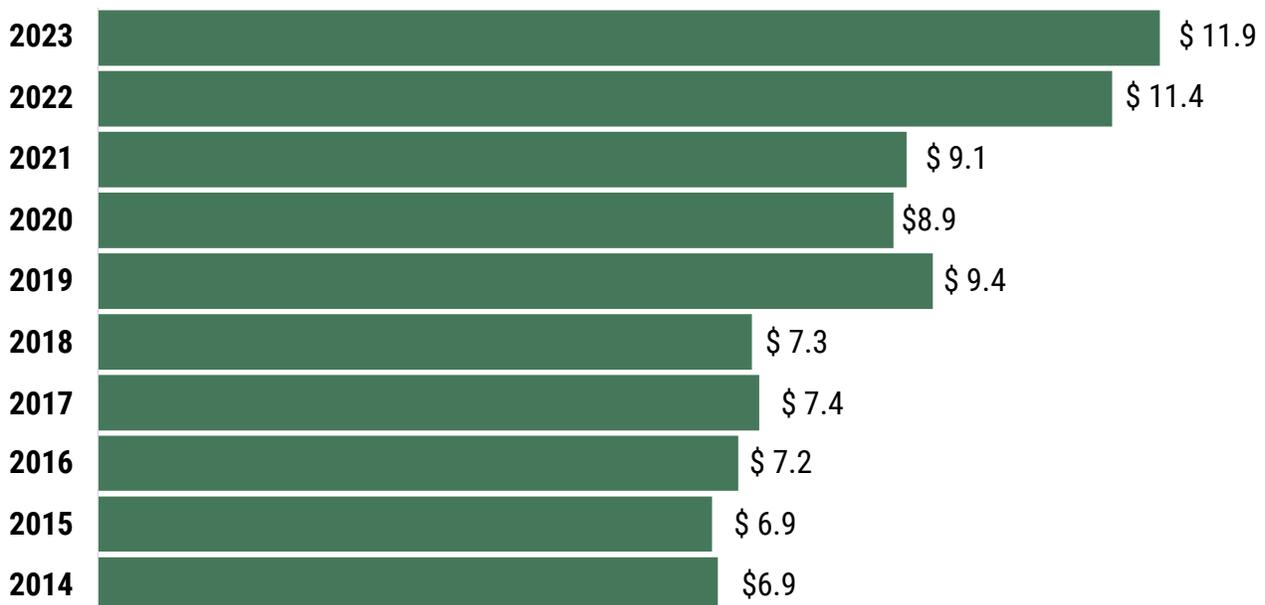
**Municipal Retailers' Occupation Tax:** Tax collected by the State of Illinois on qualifying purchases within a municipality. Geneva collects a portion of this revenue (1.0%).

**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%).

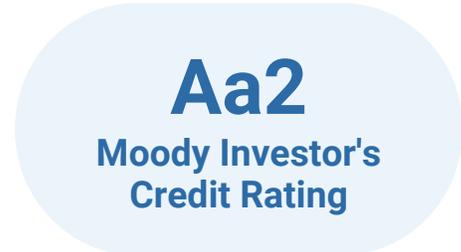
## Sales Tax Revenue (In Millions)



# Long-Term Debt

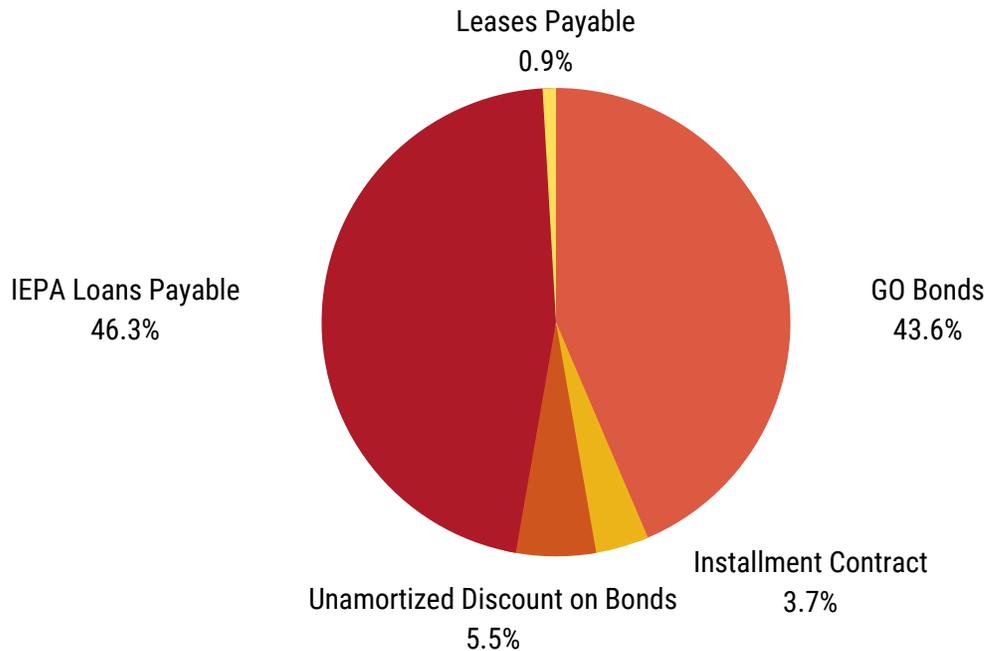
Local governments are often faced with increasing demands for services and infrastructure improvements. These demands often exceed the corresponding revenue necessary to finance the services and improvements producing a need to finance public facilities and infrastructure. Through debt financing, the City can construct improvements in advance of or as the need arises rather than delaying projects. Debt financing more fairly distributes the costs of the improvements to the users of the project over its lifetime.

The City limits the use of long-term borrowing to capital improvement projects that cannot be financed from current revenues. Debt financing shall generally be utilized for projects that benefit the citizens of Geneva and have a useful life that will exceed the term of the financing. The City will not use long-term debt for current operations. As a non-home rule government, under Illinois law, the City is limited in issuing debt. The City's general obligation bonds have received a credit rating of "Aa2" by Moody's Investors Service. Moody's cited the City has a healthy financial position due to an affluent wealth and income profile and a solidly strong tax base. The benefit of having good credit worthiness allows for more favorable financial terms when issuing 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 2040.

At fiscal year-end, the City of Geneva had \$21.8 million in long-term debt outstanding. The outstanding debt is primarily composed of waterworks and sewerage related activities such as the construction of waterworks and sewerage facilities systems.



Long-Term Debt (In Millions)			
GO Bonds	\$ 9.5	IEPA Loans Payable	\$ 10.1
Unamortized Discount (Premium) on Bonds	1.2	Installment Contract	0.8
Leases Payable	0.2		
<b>Total Long-Term Debt</b>			<b>\$ 21.8</b>



## 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 2023:

### Electric

- Conducted a study to analyze electric service rates
- Performed ongoing upgrades and maintenance to the electrical system including Southeastern Master Plan substation and Geneva Business Park III substation and feeder
- Invested in equipment by purchasing additional transformers
- Continued upgrades and maintenance to various substations throughout the City
- Replaced aging underground and overhead electric cables at various locations throughout the City

### Waterworks and Sewerage

- Conducted a study to analyze water and sewer service rates
- Replaced twenty-six lead water service lines
- Facilitated the rehabilitation of Well #6 drinking water well
- Invested in the replacement of aging equipment at the Water Plant
- Invested in the replacement of aging equipment at the Wastewater Plant

### Infrastructure

- Installed and rehabilitated storm sewers in several locations to improve local drainage and usability
- Continued and maintained Street Improvement Program by resurfacing various streets throughout the City
- Continued and maintained Sidewalk Maintenance Program by restoring and replacing aged sidewalks and curbs throughout the City
- Continued to work on road project to extend Kautz Road to Fabyan Road as described in the Southeast Master Plan
- Continued to work on road project in conjunction with St. Charles to improve Kautz Road between IL 38 and IL 64 as a designated truck route



# 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.

## **Capital Improvement Program (CIP)**

A plan for capital expenditures to be incurred each year over a fixed period of years to meet capital needs arising from the long-term work program. It sets forth each project and specifies the full resources estimated to be available to finance the projected expenditures

## **Capital Projects**

Major construction, acquisition, or renovation activities that add value to the City's physical assets or significantly increase their useful life. Also called capital improvements.

## **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 (EAV)**

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.

## **Fund Accounting**

The accounts of the City are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of a fund are accounted for with separate sets of self-balancing accounts that comprise its asset, liability, fund equity, revenue, and expenditure accounts, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are to be controlled.

## **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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GENEVA, IL 60134

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1800 SOUTH STREET  
GENEVA, IL 60134