

City of Geneva, Illinois

Annual Financial Report

Year Ended April 30, 2005

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MILLER COOPER & Co., Ltd

ACCOUNTANTS AND CONSULTANTS

INDEPENDENT AUDITORS' REPORT

The Honorable Mayor and
Members of the City Council
City of Geneva, Illinois

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Geneva, Illinois, as of and for the year ended April 30, 2005, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Geneva's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Geneva, Illinois, as of April 30, 2005, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

(Continued)

The Honorable Mayor
Members of the City Council
City of Geneva, Illinois

(Continued)

In accordance with *Government Auditing Standards*, we have also issued our report dated August 3, 2005 on our consideration of the City of Geneva's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis on pages 3 through 9 and budgetary comparison information and the schedules of funding progress of the Illinois Municipal Retirement Fund, Police and Firefighters' Pension Funds trend information, and the notes to the required supplementary information on pages 64 through 69 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquires of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Geneva, Illinois' basic financial statements. The combining nonmajor fund financial statements and the schedule, listed in the table of contents as supplementary information, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The accompanying other supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. This information has not been subjected to the auditing procedures applied in the audit of basic financial statements and, accordingly, we express no opinion on it.

MILLER, COOPER & CO., LTD.



Certified Public Accountants

Northbrook, Illinois
August 3, 2005

MANAGEMENT'S DISCUSSION AND ANALYSIS

APRIL 30, 2005

The City of Geneva is continuing its implementation of Governmental Accounting Standards Board (GASB) statements 34, 37 and 38, and GASB Interpretation 6 for the fiscal year ended April 30, 2005. These new accounting standards are designed to provide two perspectives of the City's financial performance; a focus on the City as a whole (government-wide) and a focus on the major individual funds. Both perspectives (government-wide and major fund) provide a broader basis upon which to compare and judge the City's financial accountability. This improved accountability is in part achieved by consolidating financial transactions (eliminating activities between certain funds and focusing on major funds), allocating specific revenues that finance operations to those expenditures, and displaying information about long-term financial decisions.

The management's discussion and analysis is designed to (1) assist the reader in focusing on significant financial issues, (2) provide an overview of the City's financial activity, (3) identify the City's financial position and ability to address future challenges, (4) identify material deviations from budget, and (5) identify concerns specific to individual funds. Readers are encouraged to review the additional information furnished in the transmittal letter that starts this report.

FINANCIAL HIGHLIGHTS

- The City's total net assets declined 0.33% or \$487 thousand, from \$145.7 million to \$145.2 million in 2005. Governmental net assets decreased 4.9% to \$81.4 million while business type net assets grew 6.1% to \$63.8 million.

REPORTING THE CITY AS A WHOLE

Government-wide Financial Statements

The City's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the City's overall financial status. Financial reporting at this level uses accounting similar to full accrual accounting used in the private sector. Interfund activity is eliminated and the cost of assets with a long service life is spread out over future years so that capital expenditures are amortized (through depreciation) when the benefits are realized.

The first of these government-wide statements is the *Statement of Net Assets*. This is the City-wide statement of position presenting information that includes all of the City's assets and liabilities, with the difference reported as *net assets*. Over time, increases or decreases in net

assets may serve as a useful indicator of whether the financial position of the City as a whole is improving or deteriorating. Evaluation of the overall health of the City would extend to other nonfinancial factors such as diversification of the taxpayer base or the condition of City infrastructure, in addition to the financial information provided in this report.

The second government-wide statement is the *Statement of Activities* which reports how the City's net assets changed during the current fiscal year. All current year revenues and expenses are included regardless of when the cash is received or paid. An important purpose of the design of the statement of activities is to show the financial reliance of the City's distinct activities or functions on revenues provided by the City's taxpayers.

Both government-wide financial statements distinguish governmental activities of the City that are principally supported by taxes and intergovernmental revenues, such as grants, from business-type activities that are intended to recover all or a significant portion of their costs through user fees and charges. Governmental activities include general government, public safety, public services, insurance fund, and internal service funds. Business-type activities include electric, water and sewer utilities, refuse, parking, and cemeteries. Fiduciary activities, such as employee pension plans, are not included in the government-wide statements since these assets are not available to fund City programs.

The government-wide financial statements are presented on pages 10-12 of this report.

REPORTING THE CITY'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The City uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the City's most significant funds rather than the City as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation. Individual fund data for nonmajor funds is provided in the form of combining schedules in a later section of this report.

The City has three kinds of funds:

Governmental funds are reported in the fund financial statements and encompass essentially the same functions reported as governmental activities in the government-wide financial statements. However, governmental fund statements report short-term fiscal accountability, focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of the short-term financing decision. Both the governmental fund balance sheet and the governmental fund statement of revenues,

expenditures, and changes in fund balance provide a reconciliation to assist in understanding the differences between these two perspectives.

Budgetary comparison statements are included in the basic financial statements for the general fund. Budgetary comparison schedules for other funds can be found in a later section of this report. These statements and schedules demonstrate compliance with the City's budget.

The basic government fund financial statements are presented on pages 13-15 of this report.

Proprietary funds reported in the fund financial statements are for those services for which the City charges customers a fee. There are two kinds of proprietary funds, enterprise and internal service. Enterprise funds encompass the same functions reported as business-type activities in the government-wide statements. Enterprise fund services are primarily provided to customers external to the City organization such as those of the electric, water and sewer utilities, and refuse function. Internal service funds provide services such as equipment services and the insurance funds and charge fees to customers within the City organization. Because internal service funds primarily serve the City, they are included within the governmental activities of the government-wide financial statements.

Proprietary fund statements provide both long-term and short-term financial information consistent with the focus provided by the government-wide financial statements, but with more detail for the major enterprise funds. Individual fund information for internal service funds and nonmajor enterprise funds is found in combining statements in a later section of this report.

The basic proprietary fund financial statements are presented on pages 16-21 of this report.

Fiduciary funds such as the employee pension plans are reported in the fiduciary fund financial statements, but are excluded from the government-wide reporting. Fiduciary fund financial statements report resources that are not available to City programs. Fiduciary fund financial statements report similarly to proprietary funds.

The basic fiduciary fund financial statements are presented on pages 22-23 of this report.

Notes to the financial statements

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin on page 26 of this report.

Other information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's funding of pension benefit obligations to its employees and budget information beginning on page 64.

Major funds are reported in the basic financial statements as discussed. Combining and individual statements and schedules for nonmajor and internal service funds are presented in a subsequent section of this report beginning on page 70.

Financial Analysis of the City as a Whole

The City implemented the new financial reporting model (GASB #34) beginning with the prior fiscal year that ended April 30, 2004. Over time, as year-to-year financial information is accumulated on a consistent basis, changes in net assets may be observed and used to discuss the changing financial position of the City as a whole. In future years, historical information will be included in these analyses to improve the usefulness of this data.

STATEMENT OF NET ASSETS (in millions of dollars)

| | Governmental Activities | | Business-type Activities | | Total | |
|-----------------------|----------------------------|-------|-----------------------------|------|----------|-------|
| | 2005 | 2004 | 2005 | 2004 | 2005 | 2004 |
| Current Assets | \$16.1 | 16.0 | \$ 11.7 | 15.0 | \$ 27.8 | 31.0 |
| Capital Assets | 97.8 | 103.0 | 90.0 | 84.0 | 187.8 | 187.0 |
| Total Assets | 113.9 | 119.0 | 101.7 | 99.0 | 215.6 | 218.7 |
| Long-Term Liabilities | 22.5 | 22.6 | 32.0 | 33.4 | 54.5 | 56.0 |
| Other Liabilities | 10.0 | 10.8 | 5.9 | 5.5 | 15.9 | 16.3 |
| Total Liabilities | 32.5 | 33.4 | 37.9 | 38.9 | 70.4 | 72.3 |
| Net Assets | | | | | | |
| Investment in Capital | | | | | | |
| Net of Debt | 74.5 | 79.0 | 50.0 | 23.5 | 124.5 | 102.5 |
| Restricted | 1.5 | 1.6 | 1.0 | 1.0 | 2.5 | 2.6 |
| Unrestricted | 5.4 | 5.0 | 12.8 | 35.6 | 18.2 | 40.6 |
| Total Net Assets | \$ 81.4 | 85.6 | \$ 63.8 | 60.1 | \$ 145.2 | 145.7 |

STATEMENT OF ACTIVITIES
(in millions of dollars)

| | Governmental Activities | | Business-type Activities | | Total | |
|------------------------|----------------------------|-------|-----------------------------|------|----------|-------|
| | 2005 | 2004 | 2005 | 2004 | 2005 | 2004 |
| Charges for Services | \$ 4.3 | 3.6 | \$ 28.7 | 29.4 | \$ 33.0 | 33.0 |
| General Revenues | 16.8 | 16.0 | | | 16.8 | 16.0 |
| Total Revenues | 21.1 | 19.6 | 28.7 | 29.4 | 49.8 | 49.0 |
| Expenses | 25.3 | 22.7 | 25.0 | 26.9 | 50.3 | 49.6 |
| Change in Assets | (4.2) | (3.1) | 3.7 | 2.5 | (.5) | (.6) |
| Net Assets – Beginning | 85.6 | 88.7 | 60.1 | 57.6 | 145.7 | 146.3 |
| Net Assets – Ending | \$ 81.4 | 85.6 | \$ 63.8 | 60.1 | \$ 145.2 | 145.7 |

Financial Analysis of the City's Funds

Governmental Funds

As discussed, governmental funds are reported in the fund financial statements with a short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. Governmental funds reported ending fund balances of \$8.1 million, down \$0.5 million from the prior year. This decrease is due mainly to the construction of the new Tri Com dispatch facility.

Major Governmental Funds

The General Fund is the City's primary operating fund and the largest source of day-to-day service delivery. The fund balance of the General Fund increased from \$3.7 million to \$4.0 million at year-end. The ending cash balance of \$3.5 million was better than budget projections established by Council approval.

Revenues exceeded budget by \$0.5 million, largely from better than anticipated state income tax and municipal tax receipts for the year. State-shared revenues, such as income tax and use tax, have reversed their negative trend with the new census numbers in place. Expenditures were \$2.7 million less than budget due to the deferral of capital projects for the street program, public safety renovation program, and the infrastructure maintenance settlement.

Proprietary Funds

The proprietary fund statements share the same focus as the government-wide statements, reporting both short-term and long-term financial status information.

Major Proprietary Funds

The main proprietary funds operated by the City are the Electric Light and the Waterworks and Sewerage Funds. In the Electric Light Fund, consumption was up almost 6% over the same period last year. With the rate increase in place, revenues showed strong positive growth for the year, mirroring consumption. Capital projects highlighted by the completion of the electric generation project, the prairie state program, and the east side drive substation. In the Waterworks and Sewerage Fund, although consumption was relatively flat compared to the prior year, favorable operating expenses and strong connection fees helped to keep a positive bottom line. Capital projects were highlighted by the wastewater plant phase two and the water treatment facility.

General fund Budgetary Highlights

The original budget was amended for various programs throughout the year. Mosquito control and a foreign fire insurance transfer caused amendments of \$5 thousand and \$10 thousand, respectively, as well as a \$53 thousand adjustment for the public safety renovation project. Carryover budget amendments were made for a fiber study at \$30 thousand and City Hall improvements at \$18 thousand. Finally, the General Fund was amended by \$13 thousand to cover a solar powered flashing system and \$228 thousand to refund a public road escrow account.

Capital Assets

The City established a policy of capitalizing assets with \$5,000 or more in value. The City's investment in capital assets, net of accumulated depreciation, for governmental and business-type activities as of April 30, 2005, was \$188 million with \$98 million in governmental activities and \$90 million in business-type activities. Major capital asset events during the current fiscal year include the new water treatment facility, the electric generation plant, an electric substation, and the wastewater treatment facility.

Long-Term Debt

At the end of the fiscal year, the City had total bonded debt outstanding of \$58.1 million. Of this total, \$22.0 million, or 38%, represents general obligation bonds, \$21.7 million or 37%, in revenue bonds, and \$10.5 million, or 18%, in notes payable. Additions for the year of \$0.4 million are derived mainly from notes payable and are offset by \$2.5 million in reductions. As a non-home rule government, under Illinois law, the City is limited in issuing debt.

Bond Ratings

Moody's Investors Service has reviewed and assigned an A1 rating on the City's general obligation bonds and assigned an A2 rating on its general obligation limited tax bonds.

Economic Factors

The local City economy continues to hold its own in spite of a weak state economy. The City of Geneva is primarily a residential community that relies heavily on property taxes, sales taxes from its two major business districts, and municipal tax from the City's electric and water utilities. Building permits are holding their own but declining as the City builds out.

The City's population increased to 21,901 representing a 12.2% increase from the 2000 census. Growth in the western portion of the community precipitated a special census completed this year.

Contacting the City's Financial Management

This financial report is designed to provide a general overview of the City's finances, comply with finance-related laws and regulations, and demonstrate the City's commitment to public accountability. If you have any questions about this report or would like to request additional information, contact the City's Finance Department at the City of Geneva, 22 S. 1st Street, Geneva, Illinois 60134, or access the website at www.geneva.il.us.

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BASIC FINANCIAL STATEMENTS

City of Geneva, Illinois
STATEMENT OF NET ASSETS
April 30, 2005

| | <u>Governmental Activities</u> | <u>Business-type Activities</u> | <u>Total</u> |
|---|------------------------------------|-------------------------------------|--------------------|
| ASSETS | | | |
| Cash and investments | \$ 8,476,315 | \$ 5,830,831 | \$ 14,307,146 |
| Receivables | | | |
| Property taxes - net | 5,393,047 | - | 5,393,047 |
| Accounts | 267,437 | 2,933,599 | 3,201,036 |
| Other | 448,997 | 1,033,035 | 1,482,032 |
| Prepays | 26,096 | - | 26,096 |
| Internal balances | 1,759 | (1,759) | - |
| Due from other governments | 1,581,096 | - | 1,581,096 |
| Restricted cash and equivalents | - | 852,871 | 852,871 |
| Inventory | 23,218 | 516,077 | 539,295 |
| Capital assets, not being depreciated | 13,957,725 | 21,659,145 | 35,616,870 |
| Capital assets, net of accumulated depreciation | 83,775,185 | 68,518,669 | 152,293,854 |
| Unamortized bond costs | - | 434,985 | 434,985 |
| | <u>113,950,875</u> | <u>101,777,453</u> | <u>215,728,328</u> |
| LIABILITIES | | | |
| Accounts payable | 1,145,491 | 3,003,896 | 4,149,387 |
| Accrued payroll | 336,386 | 76,740 | 413,126 |
| Accrued interest | 280,247 | 579,262 | 859,509 |
| Other unearned revenue | 320,779 | 26,225 | 347,004 |
| Deposits payable | 364,949 | - | 364,949 |
| Other payables | - | 296,996 | 296,996 |
| Unearned property taxes | 5,393,046 | - | 5,393,046 |
| Bond premium | - | 436,917 | 436,917 |
| Noncurrent liabilities | | | |
| Due within one year | 2,204,205 | 1,421,441 | 3,625,646 |
| Due in more than one year | 22,491,983 | 32,013,207 | 54,505,190 |
| | <u>32,537,086</u> | <u>37,854,684</u> | <u>70,391,770</u> |
| NET ASSETS | | | |
| Invested in capital assets, net of related debt | 74,468,531 | 50,121,905 | 124,590,436 |
| Restricted for: | | | |
| Debt service | 272,943 | 503,581 | 776,524 |
| Permanent funds | 378,908 | - | 378,908 |
| Capital projects | 750,170 | 464,201 | 1,214,371 |
| Special revenues | 128,890 | - | 128,890 |
| Unrestricted | 5,414,347 | 12,833,082 | 18,247,429 |
| | <u>81,413,789</u> | <u>63,922,769</u> | <u>145,336,558</u> |

The accompanying notes are an integral part of this statement.

City of Geneva, Illinois
STATEMENT OF ACTIVITIES
Year ended April 30, 2005

| Functions/Programs | Program Revenues | | | |
|---------------------------------------|----------------------|-------------------------|---------------------|-------------------|
| | Expenses | Charges for Services | Operating Grants | Capital Grants |
| Governmental activities: | | | | |
| Legislative | \$ 353,595 | \$ - | \$ - | \$ - |
| Administrative and financial | 709,175 | 1,049,742 | - | - |
| Public works | 331,824 | - | - | - |
| Maintenance | 276,176 | 169,382 | - | - |
| Storm drainage | 47,758 | - | - | - |
| Buildings, planning and zoning | 710,958 | - | - | - |
| Police | 4,583,778 | 358,291 | - | - |
| Fire | 3,168,331 | 27,336 | - | - |
| Police and Fire Commission | 6,510 | - | - | - |
| Streets and walks | 9,673,831 | - | 660,885 | - |
| Tri-Com operating expenditures | 4,255,538 | 1,197,748 | - | 800,000 |
| Interest | 1,130,771 | - | - | - |
| Total governmental activities | 25,248,245 | 2,802,499 | 660,885 | 800,000 |
| Business-type activities: | | | | |
| Electric light | 19,354,675 | 20,905,871 | 729,740 | - |
| Waterworks and sewerage | 5,084,925 | 5,633,385 | 915,396 | - |
| Parking facilities revenue | 249,383 | 348,256 | - | 179,000 |
| Refuse | 141,887 | 141,614 | - | - |
| Cemetery | 80,657 | 50,709 | - | - |
| Total business-type activities | 24,911,527 | 27,079,835 | 1,645,136 | 179,000 |
| Total | \$ 50,159,772 | \$ 29,882,334 | \$ 2,306,021 | \$ 979,000 |

General revenues:
Property taxes
Replacement taxes
Intergovernmental tax
Utility tax
Interest
Miscellaneous
Transfers

Total general revenues and transfers

Change in net assets

Net assets - beginning

Net assets - ending

The accompanying notes are an integral part of this statement.

| Net (Expense) Revenue and Changes in Net Assets | | |
|--|-----------------------------|-----------------------|
| Governmental Activities | Business-type Activities | Total |
| \$ (353,595) | \$ - | \$ (353,595) |
| 340,567 | - | 340,567 |
| (331,824) | - | (331,824) |
| (106,794) | - | (106,794) |
| (47,758) | - | (47,758) |
| (710,958) | - | (710,958) |
| (4,225,487) | - | (4,225,487) |
| (3,140,995) | - | (3,140,995) |
| (6,510) | - | (6,510) |
| (9,012,946) | - | (9,012,946) |
| (2,257,790) | - | (2,257,790) |
| (1,130,771) | - | (1,130,771) |
| <u>(20,984,861)</u> | <u>-</u> | <u>(20,984,861)</u> |
| - | 2,280,936 | 2,280,936 |
| - | 1,463,856 | 1,463,856 |
| - | 277,873 | 277,873 |
| - | (273) | (273) |
| - | (29,948) | (29,948) |
| <u>-</u> | <u>3,992,444</u> | <u>3,992,444</u> |
| <u>(20,984,861)</u> | <u>3,992,444</u> | <u>(16,992,417)</u> |
| 6,481,296 | - | 6,481,296 |
| 66,721 | - | 66,721 |
| 6,618,187 | - | 6,618,187 |
| 3,053,045 | - | 3,053,045 |
| 190,934 | 165,207 | 356,141 |
| - | 46,939 | 46,939 |
| 417,103 | (417,103) | - |
| <u>16,827,286</u> | <u>(204,957)</u> | <u>16,622,329</u> |
| <u>(4,157,575)</u> | <u>3,787,487</u> | <u>(370,088)</u> |
| <u>85,571,364</u> | <u>60,135,282</u> | <u>145,706,646</u> |
| <u>\$ 81,413,789</u> | <u>\$ 63,922,769</u> | <u>\$ 145,336,558</u> |

City of Geneva, Illinois
GOVERNMENTAL FUNDS
BALANCE SHEET
April 30, 2005

| | General | Tri-Com | Nonmajor Governmental Funds | Total Governmental Funds |
|--|---------------------|---------------------|-----------------------------------|--------------------------------|
| ASSETS | | | | |
| Cash and investments | \$ 3,518,074 | \$ 1,033,344 | \$ 3,924,897 | \$ 8,476,315 |
| Receivables | | | | |
| Property taxes - net | 2,568,222 | - | 2,824,825 | 5,393,047 |
| Accounts | 267,437 | - | - | 267,437 |
| Other | - | 365,000 | 83,997 | 448,997 |
| Due from other funds | 379,272 | - | 680 | 379,952 |
| Due from other governments | 1,581,096 | - | - | 1,581,096 |
| Inventory | 23,218 | - | - | 23,218 |
| Total assets | \$ 8,337,319 | \$ 1,398,344 | \$ 6,834,399 | \$ 16,570,062 |
| LIABILITIES AND FUND BALANCES | | | | |
| LIABILITIES | | | | |
| Accounts payable | \$ 482,300 | \$ 533,014 | \$ 130,177 | \$ 1,145,491 |
| Accrued payroll | 281,800 | 25,384 | 29,202 | 336,386 |
| Due to other funds | 680 | - | 377,513 | 378,193 |
| Unearned property taxes | 2,568,222 | - | 2,824,824 | 5,393,046 |
| Other unearned revenue | 128,035 | 192,177 | 567 | 320,779 |
| Deposit payable | 361,449 | - | 3,500 | 364,949 |
| Compensated absences payable | 476,849 | 53,618 | - | 530,467 |
| Total liabilities | 4,299,335 | 804,193 | 3,365,783 | 8,469,311 |
| FUND BALANCES | | | | |
| Fund balances | | | | |
| Reserved for debt service | - | - | 272,943 | 272,943 |
| Reserved for permanent funds | - | - | 378,908 | 378,908 |
| Reserved for capital projects | - | - | 750,170 | 750,170 |
| Reserved for special revenues | - | - | 128,890 | 128,890 |
| Unreserved - designated | 2,583,000 | - | - | 2,583,000 |
| Unreserved - undesignated | 1,454,984 | 594,151 | 1,937,705 | 3,986,840 |
| Total fund balances | 4,037,984 | 594,151 | 3,468,616 | 8,100,751 |
| Total liabilities and fund balances | \$ 8,337,319 | \$ 1,398,344 | \$ 6,834,399 | |
| Amounts reported for governmental activities in the statement of net assets are different because: | | | | |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds. | | | | 97,732,910 |
| Some of the City's expenses are paid before the services have occurred; therefore, these expenses are reported as prepaid assets. | | | | 26,096 |
| Long-term liabilities, including bonds payable and compensated absences payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds. | | | | (24,445,968) |
| Net assets of governmental activities | | | | \$ 81,413,789 |

The accompanying notes are an integral part of this statement.

City of Geneva, Illinois
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
Year ended April 30, 2005

| | General | Tri-Com | Nonmajor Governmental Funds | Total Governmental Funds |
|---|-------------------|------------------|-----------------------------------|--------------------------------|
| Revenues | | | | |
| Property taxes | \$ 2,502,681 | \$ - | \$ 3,978,615 | \$ 6,481,296 |
| Replacement taxes | 43,226 | - | 23,495 | 66,721 |
| Intergovernmental tax | 6,618,187 | - | - | 6,618,187 |
| Utility tax | 2,170,501 | 882,544 | - | 3,053,045 |
| Motor fuel tax | - | - | 660,885 | 660,885 |
| Tri-Com fees | - | 865,972 | - | 865,972 |
| Fines and forfeits | 283,331 | - | - | 283,331 |
| Licenses and permits | 358,506 | - | - | 358,506 |
| Interest | 109,972 | 17,086 | 63,876 | 190,934 |
| Leases | 11,375 | - | - | 11,375 |
| Grants | - | 800,000 | - | 800,000 |
| Miscellaneous | 761,466 | 331,776 | 609,253 | 1,702,495 |
| Total revenues | 12,859,245 | 2,897,378 | 5,336,124 | 21,092,747 |
| Expenditures | | | | |
| Legislative | 336,378 | - | - | 336,378 |
| Administrative and fin | 529,799 | - | - | 529,799 |
| Public works | 275,751 | - | - | 275,751 |
| Maintenance | 241,542 | - | - | 241,542 |
| Storm drainage | 40,699 | - | - | 40,699 |
| Buildings, planning ar | 610,878 | - | - | 610,878 |
| Police | 4,031,108 | - | - | 4,031,108 |
| Fire | 2,607,039 | - | - | 2,607,039 |
| Police and Fire Comm | 6,510 | - | - | 6,510 |
| Streets and walks | 2,955,558 | - | 267,657 | 3,223,215 |
| Pension - IMRF | - | - | 570,879 | 570,879 |
| Police and firefighters | - | - | 495,391 | 495,391 |
| Tri-Com operating ex | - | 1,402,311 | - | 1,402,311 |
| Insurance | - | - | 542,569 | 542,569 |
| Other | - | - | 263,886 | 263,886 |
| Capital outlay | 1,162,058 | 2,476,859 | 263,401 | 3,902,318 |
| Principal retirement | 148,144 | - | 1,611,791 | 1,759,935 |
| Interest and fees | 58,312 | - | 1,300,245 | 1,358,557 |
| Total expenditures | 13,003,776 | 3,879,170 | 5,315,819 | 22,198,765 |
| Deficiency of revenues over expenditures | (144,531) | (981,792) | 20,305 | (1,106,018) |
| Other financing sources (uses) | | | | |
| Transfers in | 887,314 | 313,926 | 1,823,917 | 3,025,157 |
| Transfers out | (538,770) | - | (2,069,284) | (2,608,054) |
| Note proceeds | 120,000 | 85,862 | - | 205,862 |
| Total other financing sources (uses) | 468,544 | 399,788 | (245,367) | 622,965 |
| Net change in fund balances | 324,013 | (582,004) | (225,062) | (483,053) |
| Beginning of year | 3,713,971 | 1,176,155 | 3,693,678 | 8,583,804 |
| End of year | \$ 4,037,984 | \$ 594,151 | \$ 3,468,616 | \$ 8,100,751 |

The accompanying notes are an integral part of this statement.

City of Geneva, Illinois

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

Year ended April 30, 2005

Amounts reported for governmental activities in the statement of activities are different because:

| | |
|---|------------------------------|
| Net change in fund balances - total governmental funds | \$ (483,053) |
| Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense and loss on disposal in the current period. | (5,301,825) |
| Expenditures are recognized at the time of purchase rather than based on consumption and, therefore, prepaids are not reported in the funds. | 26,096 |
| The issuance of long-term debt (e.g. bonds, compensated absences) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt, increases in compensated absences and increases in accrued interest payable consume the current financial resources of governmental funds. | <u>1,601,207</u> |
| Change in net assets of governmental activities | <u><u>\$ (4,157,575)</u></u> |

The accompanying notes are an integral part of this statement.

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City of Geneva, Illinois
PROPRIETARY FUNDS
STATEMENT OF NET ASSETS
Year ended April 30, 2005

| | <u>Business-type Activities - Enterprise Funds</u> | | | |
|-------------------------------------|--|------------------------------------|---------------------------|-----------------------|
| | <u>Electric Light</u> | <u>Waterworks and Sewerage</u> | <u>Nonmajor Funds</u> | <u>Total</u> |
| CURRENT ASSETS | | | | |
| Cash and investments | \$ 1,537,611 | \$ 3,505,264 | \$ 787,956 | \$ 5,830,831 |
| Receivables | | | | |
| Accounts | 2,360,621 | 561,645 | 11,333 | 2,933,599 |
| Other | 440,587 | 592,448 | - | 1,033,035 |
| Inventory | 446,407 | 69,670 | - | 516,077 |
| | <u>4,785,226</u> | <u>4,729,027</u> | <u>799,289</u> | <u>10,313,542</u> |
| RESTRICTED ASSETS | | | | |
| Cash and investments | 852,871 | - | - | 852,871 |
| FIXED ASSETS | | | | |
| Land and land improvements | 1,042,441 | 1,114,176 | - | 2,156,617 |
| Buildings, plant and improvements | 5,341,356 | 8,855,700 | 891,426 | 15,088,482 |
| Equipment | 1,010,933 | 491,956 | 115,193 | 1,618,082 |
| Construction in process | 17,317,886 | 3,118,505 | 207,133 | 20,643,524 |
| Production and distribution systems | 17,716,805 | 64,722,119 | - | 82,438,924 |
| | 42,429,421 | 78,302,456 | 1,213,752 | 121,945,629 |
| Accumulated depreciation | (8,748,817) | (22,695,365) | (323,633) | (31,767,815) |
| | <u>33,680,604</u> | <u>55,607,091</u> | <u>890,119</u> | <u>90,177,814</u> |
| OTHER ASSETS | | | | |
| Unamortized bond costs | 430,772 | - | 4,213 | 434,985 |
| Total assets | <u>\$ 39,749,473</u> | <u>\$ 60,336,118</u> | <u>\$ 1,693,621</u> | <u>\$ 101,779,212</u> |

The accompanying notes are an integral part of this statement.

City of Geneva, Illinois
PROPRIETARY FUNDS
STATEMENT OF NET ASSETS
Year ended April 30, 2005

| | Business-type Activities - Enterprise Funds | | | |
|---|---|----------------------------|---------------------|----------------------|
| | Electric Light | Waterworks and Sewerage | Nonmajor Funds | Total |
| CURRENT LIABILITIES | | | | |
| Accounts payable | \$ 1,474,025 | \$ 1,528,471 | \$ 1,400 | \$ 3,003,896 |
| Accrued payroll | 37,782 | 37,298 | 1,660 | 76,740 |
| Accrued interest | 488,088 | 91,174 | - | 579,262 |
| Other payables | 179,588 | 117,408 | - | 296,996 |
| Due to other funds | - | - | 1,759 | 1,759 |
| Notes payable | - | 515,183 | - | 515,183 |
| Unearned revenue | - | 26,225 | - | 26,225 |
| General obligation bonds payable | 100,350 | 42,000 | - | 142,350 |
| Revenue bonds payable | 635,000 | - | 82,000 | 717,000 |
| | <u>2,914,833</u> | <u>2,357,759</u> | <u>86,819</u> | <u>5,359,411</u> |
| NONCURRENT LIABILITIES | | | | |
| Compensated absences payable | 241,369 | 227,710 | - | 469,079 |
| Bond premium, net of amortization | 436,917 | - | - | 436,917 |
| Notes payable | - | 9,348,286 | - | 9,348,286 |
| General obligation bonds payable | 862,200 | 372,750 | - | 1,234,950 |
| Revenue bond payable | 20,530,000 | - | 477,800 | 21,007,800 |
| | <u>22,070,486</u> | <u>9,948,746</u> | <u>477,800</u> | <u>32,497,032</u> |
| Total liabilities | <u>24,985,319</u> | <u>12,306,505</u> | <u>564,619</u> | <u>37,856,443</u> |
| NET ASSETS | | | | |
| Invested in capital assets, net of related debt | 11,553,054 | 38,266,577 | 302,274 | 50,121,905 |
| Restricted for debt service | 503,581 | - | - | 503,581 |
| Reserve - restricted accounts | - | - | 464,201 | 464,201 |
| Unrestricted | 2,707,519 | 9,763,036 | 362,527 | 12,833,082 |
| Total net assets | <u>\$ 14,764,154</u> | <u>\$ 48,029,613</u> | <u>\$ 1,129,002</u> | <u>\$ 63,922,769</u> |

The accompanying notes are an integral part of this statement.

City of Geneva, Illinois
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS
Year ended April 30, 2005

| | Business-type Activities - Enterprise Funds | | | |
|--|---|----------------------------|-------------------|--------------------|
| | Electric Light | Waterworks and Sewerage | Nonmajor Funds | Total |
| OPERATING REVENUES | | | | |
| Charges for services | \$ 19,301,259 | \$ 4,965,940 | \$ 531,178 | \$ 24,798,377 |
| Charges to other funds | 486,342 | - | - | 486,342 |
| Taxes | 912,072 | - | - | 912,072 |
| Service fees | 25,802 | - | - | 25,802 |
| Miscellaneous | 180,396 | 667,445 | 188,401 | 1,036,242 |
| Total operating revenues | <u>20,905,871</u> | <u>5,633,385</u> | <u>719,579</u> | <u>27,258,835</u> |
| OPERATING EXPENSES | | | | |
| Purchased power | 13,854,676 | - | - | 13,854,676 |
| Production and storage | - | 345,731 | - | 345,731 |
| Distribution | - | 1,652,342 | - | 1,652,342 |
| Plant and service | 1,876,304 | - | 82,028 | 1,958,332 |
| Sewerage treatment | - | 574,907 | - | 574,907 |
| Sewerage collection | - | 619,407 | - | 619,407 |
| Sewerage monitoring | - | 75,788 | - | 75,788 |
| State utility tax | 903,292 | - | - | 903,292 |
| Administration | 914,999 | - | 186,864 | 1,101,863 |
| Depreciation | 710,860 | 1,516,085 | 39,369 | 2,266,314 |
| Lease payments | - | - | 41,899 | 41,899 |
| Public Building Commission fee | 23,428 | - | - | 23,428 |
| Refuse collection | - | - | 86,496 | 86,496 |
| Total operating expenses | <u>18,283,559</u> | <u>4,784,260</u> | <u>436,656</u> | <u>23,504,475</u> |
| OPERATING INCOME | <u>2,622,312</u> | <u>849,125</u> | <u>282,923</u> | <u>3,754,360</u> |
| NONOPERATING REVENUES (EXPENSES) | | | | |
| Interest income | 59,347 | 99,309 | 6,551 | 165,207 |
| Interest expense | (1,044,973) | (300,665) | - | (1,345,638) |
| Amortization of bond costs | (26,143) | - | (35,271) | (61,414) |
| Nonexpendable trust income | - | - | 7,913 | 7,913 |
| New development income | - | - | 6,686 | 6,686 |
| Miscellaneous income | 32,340 | - | - | 32,340 |
| Total nonoperating revenues (expenses) | <u>(979,429)</u> | <u>(201,356)</u> | <u>(14,121)</u> | <u>(1,194,906)</u> |
| INCOME BEFORE CONTRIBUTIONS AND TRANSFERS | <u>1,642,883</u> | <u>647,769</u> | <u>268,802</u> | <u>2,559,454</u> |

(Continued)

The accompanying notes are an integral part of this statement.

City of Geneva, Illinois
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS (Continued)
Year ended April 30, 2005

| | <u>Business-type Activities - Enterprise Funds</u> | | | |
|------------------------------|--|------------------------------------|----------------------------|-----------------------------|
| | <u>Electric Light</u> | <u>Waterworks and Sewerage</u> | <u>Nonmajor Funds</u> | <u>Total</u> |
| CAPITAL CONTRIBUTIONS | | | | |
| Connection fees | \$ 729,740 | \$ 915,396 | \$ - | \$ 1,645,136 |
| Total capital contributions | <u>729,740</u> | <u>915,396</u> | <u>-</u> | <u>1,645,136</u> |
| TRANSFERS OUT | <u>(311,231)</u> | <u>-</u> | <u>(105,872)</u> | <u>(417,103)</u> |
| CHANGE IN NET ASSETS | 2,061,392 | 1,563,165 | 162,930 | 3,787,487 |
| NET ASSETS | | | | |
| Beginning of year | <u>12,702,762</u> | <u>46,466,448</u> | <u>966,072</u> | <u>60,135,282</u> |
| End of year | \$ <u><u>14,764,154</u></u> | \$ <u><u>48,029,613</u></u> | \$ <u><u>1,129,002</u></u> | \$ <u><u>63,922,769</u></u> |

The accompanying notes are an integral part of this statement.

City of Geneva, Illinois
PROPRIETARY AND NONEXPENDABLE TRUST FUND TYPES
STATEMENT OF CASH FLOWS
Year ended April 30, 2005

| | Business-type Activities - Enterprise Funds | | | |
|---|---|----------------------------|-------------------|---------------------|
| | Electric Light | Waterworks and Sewerage | Nonmajor Funds | Total |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| Receipts from customers and users | \$ 20,909,808 | \$ 5,855,337 | \$ 718,742 | \$ 27,483,887 |
| Payments to interfund services | (399,448) | - | (181,866) | (581,314) |
| Payments to suppliers | (16,444,303) | (2,379,519) | (208,789) | (19,032,611) |
| Payments to employees | (869,213) | (817,862) | (186,979) | (1,874,054) |
| Net cash provided by operating activities | <u>3,196,844</u> | <u>2,657,956</u> | <u>141,108</u> | <u>5,995,908</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | | | |
| Transfers out | <u>(311,231)</u> | <u>-</u> | <u>(105,872)</u> | <u>(417,103)</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | | |
| Acquisition and construction of capital assets | (2,736,173) | (5,637,517) | - | (8,373,690) |
| Principal paid on revenue bonds | (45,000) | - | (78,000) | (123,000) |
| Interest paid on revenue bonds, general obligation bonds and capital leases | (1,044,973) | (331,982) | (35,271) | (1,412,226) |
| Principal paid on note payable | - | (503,438) | - | (503,438) |
| Principal paid on general obligation bonds | <u>(96,450)</u> | <u>(40,250)</u> | <u>-</u> | <u>(136,700)</u> |
| Net cash used in capital and related financing activities | <u>(3,922,596)</u> | <u>(6,513,187)</u> | <u>(113,271)</u> | <u>(10,549,054)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | |
| Interest income | 59,347 | 99,309 | 6,551 | 165,207 |
| Nonexpendable trust income | - | - | 7,913 | 7,913 |
| New development income | <u>-</u> | <u>-</u> | <u>6,686</u> | <u>6,686</u> |
| Net cash provided by investing activities | <u>59,347</u> | <u>99,309</u> | <u>21,150</u> | <u>179,806</u> |
| NET DECREASE IN CASH AND CASH EQUIVALENTS | <u>(977,636)</u> | <u>(3,755,922)</u> | <u>(56,885)</u> | <u>(4,790,443)</u> |
| CASH AND CASH EQUIVALENTS, including restricted portion | | | | |
| Beginning of year | <u>3,368,118</u> | <u>7,261,186</u> | <u>844,841</u> | <u>11,474,145</u> |
| End of year | <u>\$ 2,390,482</u> | <u>\$ 3,505,264</u> | <u>\$ 787,956</u> | <u>\$ 6,683,702</u> |
| RECONCILIATION | | | | |
| Cash and equivalents | | | | |
| Unrestricted | \$ 1,537,611 | \$ 3,505,264 | \$ 787,956 | \$ 5,830,831 |
| Restricted | <u>852,871</u> | <u>-</u> | <u>-</u> | <u>852,871</u> |
| | <u>\$ 2,390,482</u> | <u>\$ 3,505,264</u> | <u>\$ 787,956</u> | <u>\$ 6,683,702</u> |

(Continued)

The accompanying notes are an integral part of this statement.

City of Geneva, Illinois
PROPRIETARY AND NONEXPENDABLE TRUST FUND TYPES
STATEMENT OF CASH FLOWS
Year ended April 30, 2005

| | Business-type Activities - Enterprise Funds | | | |
|--|---|----------------------------|-------------------|---------------------|
| | Electric Light | Waterworks and Sewerage | Nonmajor Funds | Total |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| Operating income | \$ 2,622,312 | \$ 849,125 | \$ 282,923 | \$ 3,754,360 |
| Adjustments to reconcile operating income to net cash provided by operating activities | | | | |
| Depreciation | 710,860 | 1,516,085 | 39,369 | 2,266,314 |
| Connection fees | 729,740 | 915,396 | - | 1,645,136 |
| Miscellaneous income | 32,340 | - | - | 32,340 |
| Change in assets and liabilities | | | | |
| Accounts receivable | (345,262) | (127,667) | (837) | (473,766) |
| Other receivables | (412,881) | (592,002) | - | (1,004,883) |
| Unearned revenue | - | 26,225 | - | 26,225 |
| Inventory | 51,979 | 8,101 | - | 60,080 |
| Unamortized bond costs | - | - | 703 | 703 |
| Accounts payable | 187,118 | (68,870) | 931 | 119,179 |
| Due to other funds | (399,448) | - | (181,866) | (581,314) |
| Accrued payroll | 1,974 | 3,288 | (115) | 5,147 |
| Accrued retainage | - | 117,408 | - | 117,408 |
| Bond premium | (25,700) | - | - | (25,700) |
| Compensated absences payable | 43,812 | 10,867 | - | 54,679 |
| Net cash provided by operating activities | <u>\$ 3,196,844</u> | <u>\$ 2,657,956</u> | <u>\$ 141,108</u> | <u>\$ 5,995,908</u> |

The accompanying notes are an integral part of this statement.

City of Geneva, Illinois
PENSION TRUST FUNDS
STATEMENT OF NET ASSETS
April 30, 2005

| | <u>Firefighters' Pension Fund</u> | <u>Police Pension Fund</u> | <u>Total</u> |
|------------------------------------|---|------------------------------------|-----------------------------|
| ASSETS | | | |
| Cash and cash equivalents | \$ 235,901 | \$ 671,818 | \$ 907,719 |
| Accrued interest | - | 13,865 | 13,865 |
| Investments, at fair value: | | | |
| U.S. government securities | 3,478,328 | 5,738,024 | 9,216,352 |
| Insurance contracts | 1,326,917 | 1,086,949 | 2,413,866 |
| Mutual funds and stock equities | <u>833,488</u> | <u>3,679,999</u> | <u>4,513,487</u> |
| Total assets | 5,874,634 | 11,190,655 | 17,065,289 |
| LIABILITIES | | | |
| Accounts payable | <u>425</u> | <u>7,234</u> | <u>7,659</u> |
| NET ASSETS | | | |
| Held in trust for pension benefits | \$ <u><u>5,874,209</u></u> | \$ <u><u>11,183,421</u></u> | \$ <u><u>17,057,630</u></u> |

The accompanying notes are an integral part of this statement.

City of Geneva, Illinois
PENSION TRUST FUNDS
STATEMENT OF CHANGES IN NET ASSETS
Year ended April 30, 2005

| | <u>Firefighters'</u> <u>Pension</u> | <u>Police</u> <u>Pension</u> | <u>Total</u> |
|--|--|---------------------------------|----------------------|
| Additions | | | |
| Contributions | | | |
| Employer | \$ 205,882 | \$ 289,509 | \$ 495,391 |
| Plan member | <u>115,954</u> | <u>244,612</u> | <u>360,566</u> |
| Total contributions | <u>321,836</u> | <u>534,121</u> | <u>855,957</u> |
| Investment income | | | |
| Net change in fair value | 420,119 | 186,273 | 606,392 |
| Interest | <u>40,372</u> | <u>265,815</u> | <u>306,187</u> |
| Net investment income | <u>460,491</u> | <u>452,088</u> | <u>912,579</u> |
| Total additions | <u>782,327</u> | <u>986,209</u> | <u>1,768,536</u> |
| Deductions | | | |
| Administration | 9,193 | 108,675 | 117,868 |
| Benefits | <u>70,156</u> | <u>369,818</u> | <u>439,974</u> |
| Total deductions | <u>79,349</u> | <u>478,493</u> | <u>557,842</u> |
| Net increase | 702,978 | 507,716 | 1,210,694 |
| Net assets held in trust for pension benefits | | | |
| Beginning of year | <u>5,171,231</u> | <u>10,675,705</u> | <u>15,846,936</u> |
| End of year | <u>\$ 5,874,209</u> | <u>\$ 11,183,421</u> | <u>\$ 17,057,630</u> |

The accompanying notes are an integral part of this statement.

City of Geneva, Illinois
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City of Geneva, Illinois
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City of Geneva, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2005

NOTE 1. - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Geneva, Illinois (the City) was founded in 1835. The City has a mayor-council form of government.

The financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The following is a summary of the City's significant accounting policies:

A. Reporting Entity

In evaluating how to define the City for financial reporting purposes, management has considered all potential component units. The financial reporting entity is defined as the primary government and those component units for which the primary government is financially accountable. Financial accountability is defined as appointment of a voting majority of the component unit's board, and either a) the ability to impose will by the primary government, or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government and fiscal dependency on the primary government. Based on these criteria, the City does not have any component units.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the City. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

City of Geneva, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2005

NOTE 1. - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Government-wide and Fund Financial Statements (Continued)

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Nonmajor funds are reported in the supplementary information.

C. Fund Accounting

The City uses funds to report its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types."

Governmental Funds

Governmental funds are used to account for all or most of the City's general activities, including the collection and disbursement of earmarked monies (special revenue funds), the acquisition or construction of general fixed assets (capital projects funds) and the servicing of general long-term debt (debt service funds). The general fund is used to account for all activities of the general government not accounted for in some other fund.

General Fund

The General Fund is used to account for most of the current day-to-day operations of the City which are financed from property taxes and other general revenues. Activities financed by the General Fund include those of all departments within the City which are not accounted for in other funds.

Special Revenue Funds

These Special Revenue funds account for revenues from specific sources, such as taxes and state and federal grants, which by law are designated to finance particular functions or activities.

City of Geneva, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2005

NOTE I. - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Fund Accounting (Continued)

Governmental Funds (Continued)

Debt Service Fund

The Debt Service Fund is used to account for the payment of interest and principal on general obligation bonds and for the payment of rentals under capital lease obligations allocated to general governmental operations.

Capital Projects Funds

The Capital Projects Funds account for all resources used for the acquisition of capital facilities by the City except those financed by the Enterprise Funds.

Proprietary Funds

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities can be provided either to outside parties (enterprise funds) or to other departments or agencies primarily within the government (internal service funds).

Enterprise Funds

These funds are used to account for providing services to the general public where all or most of the costs involved are financed or recovered primarily by charges to users for the services.

Fiduciary Funds

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the City. When these assets are held under the terms of a formal trust agreement, either a pension trust fund, a nonexpendable trust fund or an expendable trust fund is used. The terms "nonexpendable" and "expendable" refer to whether or not the City is under an obligation to account for assets that the City holds on behalf of others as their agent.

Trust and Agency Funds

These funds consist of resources received and held by the City as trustee or agent to be expended or invested in accordance with the conditions of the trust or in its agency capacity. Pension Trust Funds are accounted for in essentially the same manner as Proprietary Funds.

Permanent Fund

Permanent funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the reporting government's programs.

City of Geneva, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2005

NOTE 1. - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. A one-year availability period is used for revenue recognition for all other governmental fund revenues. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded when payment is due.

Property taxes, licenses, interest revenue and charges for services revenues associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

The *General Fund* is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *Tri-Com Fund* is a special revenue fund. It accounts for the operations of a cooperative agreement involving the cities of Geneva, St. Charles and Batavia to provide emergency communications and dispatch.

City of Geneva, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2005

NOTE 1. - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

The City reports the following major proprietary funds:

The *Electric Light Fund* accounts for the provision of electric services to the residents 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* accounts for the provision of potable water services to the residents 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.

Additionally, the City reports the following fund types:

Pension Trust Funds account for the activities of the accumulation of resources to pay pension costs. Resources are contributed by members at rates fixed by state statutes and by the government through an annual property tax levy.

The City's proprietary funds apply all applicable GASB pronouncements as well as relevant Financial Accounting Standards Board (FASB) pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as program revenues include: 1) charges to customers or applicants for goods, services or privileges provided, 2) operating grants and contributions and 3) capital grants and contributions. All taxes are reported as general revenue.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

City of Geneva, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2005

NOTE 1. - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

The City reports unearned revenue on its combined balance sheet. Unearned revenues arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Unearned revenues also arise when resources are received by the City before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the City has a legal claim to the resources, the liability for unearned revenue is removed from the combined balance sheet and revenue is recognized.

E. Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand, deposits in interest-bearing and noninterest-bearing checking accounts, Illinois Public Treasurer's Investment Pool, Government Money Market Portfolio and certificates of deposit with maturities of three months or less from the date of acquisition.

F. Investments

Investments consist of certificates of deposit, treasury obligations and insurance contracts with original maturities greater than three months. Short-term investments are stated at cost or amortized cost, which approximates market. Long-term investments (those with original maturities over one year) are stated at fair value. Investments are stated at fair value for pension funds.

G. Short-term Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet. Short-term interfund loans are also classified as "due from other funds" or "due to other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

H. Property Taxes

Property taxes are levied the first Tuesday in December and attach as an enforceable lien on property on January 1, and are payable in two installments on June 1 and September 1 subsequent to the year of levy. Property tax receivable is shown net of an allowance for uncollectibles. The property tax receivable allowance is equal to 1.5 percent of outstanding property taxes at April 30, 2005.

City of Geneva, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2005

NOTE 1. - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Receivables

The recognition of receivables associated with nonexchange transactions is as follows:

- Derived tax receivables (such as sales, income and motor fuel taxes) are recognized when the underlying exchange has occurred.
- Imposed nonexchange receivables (such as property taxes and fines) are recognized when an enforceable legal claim has arisen.
- Government - mandates or voluntary nonexchange transaction receivables (such as mandates or grants) are recognized when all eligibility requirements have been met.

J. Inventories

Inventories are valued at average cost, which approximates the lower of cost or market. The costs of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased.

K. Restricted Assets

Certain proceeds of enterprise fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants.

L. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g. roads, bridges and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined as having a useful life greater than one year with an initial, individual cost of more than \$50,000 for streets, bridges and storm sewers, \$20,000 for sidewalks, and \$5,000 for all other capital assets. Such assets are recorded at historical cost, or estimated historical cost, if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

City of Geneva, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2005

NOTE 1. - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Capital Assets (Continued)

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

| <u>Description</u> | <u>Years</u> |
|------------------------------------|--------------|
| Buildings | 50 |
| Land improvements | 20 |
| Infrastructure | 20-50 |
| Production and distribution system | 20-50 |
| Machinery and equipment | 4-20 |

M. Compensated Absences

Accumulated vacation and sick leave that are expected to be liquidated with expendable available financial resources are reported as an expenditure and a fund liability of the governmental fund that will pay them. Accumulated vacation and sick leave that are not expected to be liquidated with expendable available financial resources are reported as long-term debt on the government-wide statement of net assets. Accumulated vacation and sick leave of proprietary funds are recorded as expenses and liabilities of those funds as the benefits accrue to employees. In accordance with the provisions of Statement of Financial Accounting Standards No. 43, *Accounting for Compensated Absences*, no liability is recorded for nonvesting accumulating rights to receive sick pay benefits. However, a liability is recognized for that portion of accumulating vacation and sick leave benefits that is estimated will be taken as "terminal leave" prior to retirement.

N. Long-term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or business-type activities statement of net assets. Bond premiums and discounts, as well as issuance costs, are unearned and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as unearned charges and amortized over the term of the related debt.

City of Geneva, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2005

NOTE 1. - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

O. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance are determined by the the Board and represent tentative plans that are subject to change.

P. Interfund Transactions

Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions, except reimbursements, are reported as transfers.

Q. Self-Insurance

The City is self-insured to certain limits for dental and workers' compensation insurance. A liability is recorded when it is probable that a loss has occurred and that the amount of the loss can be reasonably estimated. Claims liabilities are based on estimates of the ultimate cost of reported claims including future claims and adjustment expenses. Dental and workers' compensation claims are paid out of their respective funds.

R. Use of Estimates

In preparing financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

City of Geneva, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2005

NOTE 2. -RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of Certain Differences Between the Governmental Funds Balance Sheet and the Government-wide Statement of Net Assets

The governmental funds balance sheet includes a reconciliation between fund balance – total governmental funds and net assets – governmental activities as reported in the government-wide statement of net assets. One element of that reconciliation explains that “Long-term liabilities, including bonds payable and compensated absences payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds.” The details of this \$24,445,968 difference are as follows:

| | |
|---|----------------------|
| General obligation bonds payable | \$ 20,662,700 |
| Special service area bonds | 510,000 |
| Tax increment financing bonds | 1,479,262 |
| Notes payable | 612,417 |
| Accrued interest payable | 280,247 |
| Compensated absences payable | <u>901,342</u> |
| Net adjustment to reduce fund-balance total governmental funds to arrive at net assets – governmental activities. | <u>\$ 24,445,968</u> |

B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances and the Government-wide Statement of Activities

The government funds statement of revenues, expenditures and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this \$5,301,825 decrease are as follows:

City of Geneva, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2005

NOTE 2. -RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (Continued)

B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances and the Government-wide Statement of Activities (Continued)

| | | |
|--|----|---------------------------|
| Capital outlay | \$ | 846,902 |
| Depreciation expense | | (6,140,780) |
| Loss on disposal | | <u>(7,947)</u> |
| | | |
| Net adjustment to increase net change in fund balances - total governmental funds to arrive at change in net assets of governmental activities | \$ | <u><u>(5,301,825)</u></u> |

Another element of that reconciliation states that "The issuance of long-term debt (e.g. bonds, compensated absences) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt, increases in compensated absences and increases in accrued interest payable consume the current financial resources of governmental funds." The details of this \$1,601,207 increase are as follows:

| | | |
|--|----|-------------------------|
| Accrued interest | \$ | 108,108 |
| Compensated absences | | (61,284) |
| Issuance of notes payable | | (205,862) |
| Principal payments on long-term liabilities | | <u>1,760,245</u> |
| | | |
| Net adjustment to increase net change in fund balances - total governmental funds to arrive at change in net assets of governmental activities | \$ | <u><u>1,601,207</u></u> |

NOTE 3. - COMPLIANCE AND ACCOUNTABILITY

The following funds had a deficit fund balance as of April 30, 2005:

| | | |
|------------------------------------|----|-----------------------|
| Illinois Municipal Retirement Fund | \$ | <u><u>374,271</u></u> |
|------------------------------------|----|-----------------------|

City of Geneva, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2005

NOTE 4. - DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS

The City's investment policy and Illinois Statutes authorize the City to invest in obligations of the U.S. Treasury, agencies and instrumentalities, commercial paper issued by corporations organized in the United States with assets exceeding \$500,000,000, savings accounts and certificates of deposit issued by financial institutions insured by the Federal Deposit Insurance Corporation, repurchase agreements, short-term discount obligations of the Federal National Mortgage Association, dividend or share accounts of a credit union for which accounts are insured, money market mutual funds with portfolios limited to securities guaranteed by the United States and the Illinois Funds.

In addition, the Pension Funds may invest in various accounts of life insurance companies authorized to do business in Illinois. Such investments may be made in general or separate investment accounts. However, the total investment in separate accounts shall not exceed 10% of the aggregate book value of all investments owned by each of the Pension Funds. Also, Pension Funds may invest in equity securities not to exceed 50% of the aggregate book value of all investments owned by each of the Pension Funds.

Pooling of Cash and Investments

Except for cash and investments in certain restricted and special accounts, the City pools the cash of various funds to maximize interest earnings. Interest income is allocated to the various funds based upon their respective participation.

Bank Deposits

At April 30, 2005, the carrying amount of the City's deposits, including cash on hand of \$1,150, was \$13,735,713. The financial institution balances totaled \$14,271,157 and are categorized by level of risk as follows:

| | |
|---|----------------------|
| Category 1 | |
| Deposits insured or collateralized with securities held by the City, or by its agent, in the City's name | \$ 14,271,157 |
| Category 2 | |
| Deposits collateralized with securities held by the pledging financial institution's trust department, or by its agent, in the City's name | - |
| Category 3 | |
| Deposits collateralized with securities not held in the City's name or uncollateralized or uninsured | - |
| | <hr/> |
| Total bank deposits | \$ <u>14,271,157</u> |

City of Geneva, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2005

NOTE 4. - DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS (Continued)

Investments

The City's investments at April 30, 2005 are categorized below to give an indication of the level of risk assumed by the City at year-end.

- Category One includes investments that are insured or registered with the securities held by the City, or by its agent, in the City's name.
- Category Two includes uninsured or unregistered investments for which the securities are held by the counterparty's trust department, or by its agent, in the City's name.
- Category Three includes uninsured or unregistered investments for which the securities are held by the counterparty in its trust department or agent, but not in the City's name.

| | Category | | | Total Carrying and Fair Value |
|-----------------------------------|--------------|------|-------|-------------------------------------|
| | One | Two | Three | |
| U.S. Government Securities | \$ 4,493,715 | \$ - | \$ - | \$ 4,493,715 |
| U.S. Government Agency Securities | 5,065,106 | - | - | 5,065,106 |
| | \$ 9,558,821 | \$ - | \$ - | 9,558,821 |
| * Illinois Funds | | | | 1,117,592 |
| * Insurance contracts | | | | 2,413,866 |
| * Mutual funds | | | | 5,385,449 |
| | | | | \$ 18,475,728 |

* Not subject to risk categorization and carrying amount will always equal the fair value. The Illinois Funds are managed by the Illinois State Treasurer as provided by state statutes. The insurance contracts and mutual funds are managed by the financial institutions in which they are held.

City of Geneva, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2005

NOTE 4. - DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS (Continued)

Investments (Continued)

Reconciliation of deposits and investments to cash and investments:

| | |
|--|----------------------|
| Carrying value of deposits | \$ 13,735,713 |
| Carrying value of investments | <u>18,475,728</u> |
| | <u>\$ 32,211,441</u> |
| | |
| Cash and investments | \$ 14,656,436 |
| Cash and investments - restricted | 503,581 |
| Cash and investments - pension trust funds | <u>17,051,424</u> |
| | <u>\$ 32,211,441</u> |

City of Geneva, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2005

NOTE 5. - CAPITAL ASSETS

Capital asset activity for the year ended April 30, 2005 was as follows:

A. Governmental Activities:

| | <u>Balance May</u> <u>1, 2004</u> | <u>Increases</u> | <u>Disposals</u> | <u>Ending</u> <u>Balance</u> |
|--|--------------------------------------|-----------------------|-------------------|---------------------------------|
| Capital assets, not being depreciated | | | | |
| Land | \$ 13,201,976 | \$ - | \$ - | \$ 13,201,976 |
| Construction in progress | <u>98,010</u> | <u>657,739</u> | <u>-</u> | <u>755,749</u> |
| Total capital assets, not being depreciated | <u>13,299,986</u> | <u>657,739</u> | <u>-</u> | <u>13,957,725</u> |
| Capital assets, being depreciated | | | | |
| Buildings | 11,800,402 | - | - | 11,800,402 |
| Machinery and equipment | 5,115,805 | 189,163 | (26,509) | 5,278,459 |
| Land improvements | 932,254 | - | - | 932,254 |
| Infrastructure | <u>124,090,747</u> | <u>-</u> | <u>-</u> | <u>124,090,747</u> |
| Total capital assets, being depreciated | <u>141,939,208</u> | <u>189,163</u> | <u>(26,509)</u> | <u>142,101,862</u> |
| Less accumulated depreciation for | | | | |
| Buildings | 2,960,132 | 220,248 | - | 3,180,380 |
| Machinery and equipment | 3,470,459 | 373,512 | (18,556) | 3,825,415 |
| Land improvements | 151,952 | 40,838 | - | 192,790 |
| Infrastructure | <u>45,621,910</u> | <u>5,506,182</u> | <u>-</u> | <u>51,128,092</u> |
| Total accumulated depreciation | <u>52,204,453</u> | <u>6,140,780</u> | <u>(18,556)</u> | <u>58,326,677</u> |
| Total capital assets, being depreciated, net | <u>89,734,755</u> | <u>(5,951,617)</u> | <u>(7,953)</u> | <u>83,775,185</u> |
| Governmental activities capital assets, net | <u>\$ 103,034,741</u> | <u>\$ (5,293,878)</u> | <u>\$ (7,953)</u> | <u>\$ 97,732,910</u> |

City of Geneva, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2005

NOTE 5. - CAPITAL ASSETS (Continued)

B. Business-type Activities:

| | Balance May 1, 2004 | Increases | Disposals | Ending Balance |
|---|------------------------|---------------------|-----------------|----------------------|
| Capital assets, not being depreciated | | | | |
| Land | \$ 1,015,621 | \$ - | \$ - | \$ 1,015,621 |
| Construction in progress | 16,871,196 | 3,772,328 | - | 20,643,524 |
| Total capital assets, not being depreciated | 17,886,817 | 3,772,328 | - | 21,659,145 |
| Capital assets, being depreciated | | | | |
| Land improvements | 153,010 | 987,986 | - | 1,140,996 |
| Buildings, plant and improvements | 15,088,482 | - | - | 15,088,482 |
| Equipment | 1,443,147 | 229,935 | (55,000) | 1,618,082 |
| Production and distribution systems | 79,055,485 | 3,383,439 | - | 82,438,924 |
| Total capital assets, being depreciated | 95,740,124 | 4,601,360 | (55,000) | 100,286,484 |
| Less accumulated depreciation for | | | | |
| Land improvements | 113,806 | 2,477 | - | 116,283 |
| Buildings | 5,142,784 | 312,320 | - | 5,455,104 |
| Machinery and equipment | 875,238 | 133,037 | (55,000) | 953,275 |
| Infrastructure | 23,424,673 | 1,818,480 | - | 25,243,153 |
| Total accumulated depreciation | 29,556,501 | 2,266,314 | (55,000) | 31,767,815 |
| Total capital assets, being depreciated, net | 66,183,623 | 2,335,046 | - | 68,518,669 |
| Business-type activities capital assets, net | \$ 84,070,440 | \$ 6,107,374 | \$ - | \$ 90,177,814 |

City of Geneva, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2005

NOTE 5. - CAPITAL ASSETS (Continued)

C. Depreciation Expense

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:

| | |
|--------------------------------|---------------------|
| Administration and financial | \$ 117,268 |
| Public works | 8,590 |
| Police | 86,364 |
| Fire | 214,896 |
| Streets and walks | 5,570,364 |
| Tri-Com operating expenditures | <u>143,298</u> |
| | <u>\$ 6,140,780</u> |

Business -- type activities:

| | |
|-------------------------------------|---------------------|
| Electric light | \$ 710,860 |
| Waterworks and sewerage | 1,516,085 |
| Nonmajor business - type activities | <u>39,369</u> |
| | <u>\$ 2,266,314</u> |

City of Geneva, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2005

NOTE 6. - LONG-TERM LIABILITIES

A summary of changes in long-term liabilities follows:

| | General Obligation Bonds | Special Service Area Bonds | Revenue Bonds | Tax Increment Financing Bonds | Notes Payable | Compensated Absences | Total |
|---|--------------------------------|-------------------------------------|----------------------|--|----------------------|-------------------------|----------------------|
| Business-type activities | | | | | | | |
| Electric light | \$ 962,550 | \$ - | \$ 21,165,000 | \$ - | \$ - | \$ 241,369 | \$ 22,368,919 |
| Water and sewerage | 414,750 | - | - | - | 9,863,469 | 227,710 | 10,505,929 |
| Parking facilities | - | - | 559,800 | - | - | - | 559,800 |
| Total business-type activities | 1,377,300 | - | 21,724,800 | - | 9,863,469 | 469,079 | 33,434,648 |
| Due within one year | 142,350 | - | 717,000 | - | 515,183 | 46,908 | 1,421,441 |
| Governmental fund activities | | | | | | | |
| Tri-Com fund | - | - | - | - | 85,862 | 91,144 | 177,006 |
| All other funds | 20,662,700 | 510,000 | - | 1,479,262 | 526,555 | 1,340,665 | 24,519,182 |
| Total governmental fund activities | 20,662,700 | 510,000 | - | 1,479,262 | 612,417 | 1,431,809 | 24,696,188 |
| Due within one year | 1,022,650 | 68,000 | - | 872,111 | 98,264 | 143,180 | 2,204,205 |
| Total all funds | \$ 22,040,000 | \$ 510,000 | \$ 21,724,800 | \$ 1,479,262 | \$ 10,475,886 | \$ 1,900,888 | \$ 58,130,836 |
| Beginning of year | \$ 23,014,093 | \$ 573,000 | \$ 21,847,800 | \$ 2,275,000 | \$ 10,837,576 | \$ 1,810,461 | \$ 60,357,930 |
| Additions | - | - | - | - | 205,862 | 1,900,888 | 2,106,750 |
| Deletions | (974,093) | (63,000) | (123,000) | (795,738) | (567,552) | (1,810,461) | (4,333,844) |
| End of year | \$ 22,040,000 | \$ 510,000 | \$ 21,724,800 | \$ 1,479,262 | \$ 10,475,886 | \$ 1,900,888 | \$ 58,130,836 |

City of Geneva
NOTES TO FINANCIAL STATEMENTS
April 30, 2005

NOTE 6. - LONG-TERM LIABILITIES (Continued)

The outstanding debt consists of the following:

General Obligation Bonds

The government issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both general government and proprietary activities. These bonds, therefore, are reported in the proprietary funds if they are expected to be repaid from proprietary revenues. In addition, general obligation bonds have been issued to refund general obligation bonds. General obligation bonds are direct obligations and pledge the full faith and credit of the government. General obligation bonds currently outstanding are as follows:

| | |
|--|----------------------|
| 2002 Bonds, \$6,000,000 original amount due in annual installments of \$50,000 to \$680,000, with interest ranging from 4.60% to 5.00%, payable through December 15, 2021. | \$ 5,975,000 |
| 2002A Bonds, \$1,525,000 original amount due in annual installments of \$135,000 to \$185,000, with interest ranging from 3.80% to 4.125%, payable through June 15, 2012. These bonds are recorded in the Electric Fund and as Long-Term Debt on the government-wide statement of net assets. | 1,270,000 |
| 1999 Bonds, \$5,000,000 original amount due in annual installments of \$330,000 to \$1,405,000, with interest ranging from 4.50% to 6.50%, with principal payments beginning March 1, 2011 through March 1, 2019. | 5,000,000 |
| 1998 Bonds, \$9,460,000 original amount due in annual installments of \$2,000,000 to \$975,000, with interest ranging from 4.30% to 4.35%, payable through March 1, 2018. | 8,610,000 |
| 1997 Bonds, \$1,890,000 original amount due in annual installments of \$120,000 to \$180,000, with interest ranging from 5.10% to 5.60%, payable through February 1, 2013. These bonds are recorded in the Waterworks and Sewerage Fund, Electric Fund and as Long-term Debt on the government-wide statement of net assets. | <u>1,185,000</u> |
| Total General Obligation Bonds | <u>\$ 22,040,000</u> |

City of Geneva
NOTES TO FINANCIAL STATEMENTS
April 30, 2005

NOTE 6. - LONG-TERM LIABILITIES (Continued)

General Obligation Bonds (Continued)

Annual debt service requirements to maturity for the general obligation bonds are as follows:

| <u>Year Ending</u> <u>April 30,</u> | <u>Principal</u> | <u>Interest</u> |
|--|----------------------|---------------------|
| 2006 | \$ 1,165,000 | \$ 1,042,804 |
| 2007 | 1,200,000 | 991,428 |
| 2008 | 1,255,000 | 939,018 |
| 2009 | 1,255,000 | 884,141 |
| 2010 | 1,275,000 | 828,867 |
| 2011-2015 | 6,895,000 | 3,135,568 |
| 2016-2020 | 7,655,000 | 1,309,870 |
| 2021-2024 | <u>1,340,000</u> | <u>100,000</u> |
| Total | \$ <u>22,040,000</u> | \$ <u>9,231,696</u> |

Special Service Area Bonds

The government also issues bonds where the government pledges property taxes from a separately created special service area. These bonds are not an obligation of the government and are secured by the levy of an annual tax on the real property within the special service area. Special service area bonds currently outstanding are as follows:

| | |
|---|-------------------|
| 1992 Ad Valorem Special Service Area #12 Bonds for \$578,000 original amount, due in semi-annual installments of \$15,500 to \$27,500 with interest at 6.50%, payable through July 1, 2007. | \$ 145,000 |
| 2001 Ad Valorem Special Service Area #12 Bonds for \$400,000 original amount, due in annual installments of \$13,000 to \$210,000, with interest at 4.10% to 5.15%, payable through August 1, 2016. | <u>365,000</u> |
| Total Special Service Area Bonds | \$ <u>510,000</u> |

City of Geneva
NOTES TO FINANCIAL STATEMENTS
April 30, 2005

NOTE 6. - LONG-TERM LIABILITIES (Continued)

Special Service Area Bonds

Annual debt service requirements to maturity for the special service area bonds are as follows:

| Year Ending April 30, | <u>Governmental Activities</u> | |
|--------------------------|--------------------------------|-------------------|
| | <u>Principal</u> | <u>Interest</u> |
| 2006 | \$ 68,000 | \$ 26,332 |
| 2007 | 72,000 | 22,159 |
| 2008 | 45,000 | 17,726 |
| 2009 | 14,000 | 16,144 |
| 2010 | 15,000 | 15,556 |
| 2011-2015 | 86,000 | 66,809 |
| 2016-2020 | <u>210,000</u> | <u>20,580</u> |
| Total | \$ <u>510,000</u> | \$ <u>185,306</u> |

Revenue Bonds

The government also issues bonds where the government pledges income derived from the acquired or constructed assets to pay debt service. Revenue bonds currently outstanding are as follows:

Electric Light Fund (see Note 7)

\$18,735,000 Series of 2003 Revenue Bonds due in semiannual installments of \$150,000 to \$905,000 payable through May 1, 2021, with interest ranging from 3.00% to 5.00% \$ 18,535,000

Electric Light Fund

\$2,750,000 Series of 2000 Revenue Bonds due in annual installments of \$50,000 to \$515,000 payable through February 1, 2015, with interest at 6.50% to 5.45% 2,630,000

Parking Facility Fund

\$850,000 Series of 2000 Revenue Bonds due in annual installments of \$82,000 to \$105,000, payable through October 10, 2010, with interest at 5.10% to 5.30% 559,800

Total Revenue Bonds \$ 21,724,800

City of Geneva
NOTES TO FINANCIAL STATEMENTS
April 30, 2005

NOTE 6. - LONG-TERM LIABILITIES (Continued)

Revenue Bonds (Continued)

Annual debt service requirements to maturity for the revenue bonds are as follows:

| <u>Year Ending</u> <u>April 30,</u> | <u>Principal</u> | <u>Interest</u> |
|--|----------------------|----------------------|
| 2006 | \$ 717,000 | \$ 1,043,783 |
| 2007 | 1,036,200 | 1,014,451 |
| 2008 | 1,065,600 | 978,742 |
| 2009 | 1,110,300 | 935,963 |
| 2010 | 1,170,200 | 878,508 |
| 2011-2015 | 6,520,500 | 3,439,302 |
| 2016-2020 | 7,685,000 | 1,694,464 |
| 2021-2022 | <u>2,420,000</u> | <u>116,548</u> |
| Total | \$ <u>21,724,800</u> | \$ <u>10,101,761</u> |

Tax Increment Financing Bonds

The government issues bonds where a tax increment financing district is established and sales tax revenue generated in that district is used to pay the debt. Tax increment financing bonds currently outstanding are as follows:

| | |
|---|---------------------|
| 2002 Series Tax Increment Revenue Bond for \$350,000 original amount, due in annual installments of \$56,057 payable through October 1, 2010, with interest at 2.90%. | \$ 304,262 |
| 1997 Series A and B Ad Valorem Tax Bonds of Special Service Area Number 22 for \$3,850,000 original amount, due in semiannual installments of \$25,000 to \$800,000 through June 30, 2012, with interest varying from 5.25% to 6.25%. | <u>1,175,000</u> |
| Total Tax Increment Financing Bonds | <u>\$ 1,479,262</u> |

City of Geneva
NOTES TO FINANCIAL STATEMENTS
April 30, 2005

NOTE 6. - LONG-TERM LIABILITIES (Continued)

Tax Increment Financing Bonds (Continued)

Annual debt service requirements to maturity for the tax increment financing bonds are as follows:

| Year Ending April 30, | <u>Governmental Activities</u> | |
|--------------------------|--------------------------------|-------------------|
| | <u>Principal</u> | <u>Interest</u> |
| 2006 | \$ 872,111 | \$ 73,853 |
| 2007 | 98,496 | 28,655 |
| 2008 | 99,922 | 24,104 |
| 2009 | 101,377 | 19,524 |
| 2010 | 102,900 | 14,876 |
| 2011-2013 | <u>204,456</u> | <u>17,227</u> |
| Total | \$ <u>1,479,262</u> | \$ <u>178,239</u> |

The notes payable have been excluded from the schedule above as these notes function similarly to a line of credit. Therefore, it is not practical to determine the future maturities.

Notes Payable
 General Fund

| | |
|---|-------------------|
| In June, 2002, the City obtained a loan for \$214,731 to use for Special Service Area #1. Annual installments of \$32,441 are due through June 1, 2010, with interest at 4.35%. | \$ 167,801 |
| In June, 2003, the City obtained a loan for \$278,908 to use for the purchase of a new fire engine. Principal payments of \$39,844 are due annually through June 15, 2010, with interest at 2.30% | 238,754 |
| In October, 2004, the City obtained a loan for \$120,000 to use for the purchase of capital equipment. Principal payments of \$22,441 to \$25,484 are due annually beginning October 30, 2005 through October 30, 2009, with interest at 3.10%. | <u>120,000</u> |
| Total General Fund | \$ <u>526,555</u> |

City of Geneva
NOTES TO FINANCIAL STATEMENTS
April 30, 2005

NOTE 6. - LONG-TERM LIABILITIES (Continued)

Notes Payable (Continued)

Tri-Com Fund

During 2005, the City obtained a loan for \$569,200 to use for the purchase of capital equipment. At April 30, 2005, Tri-Com had drawn \$293,846 on the note. Principal payments of \$81,314 are due annually beginning October 18, 2005 through October 18, 2011, with interest at 3.22%. This note was issued through an intergovernmental cooperative agreement with two other governmental entities. Under the agreement, the City is directly responsible for 29.22% of the overall debt, or \$85,862 at April 30, 2005; however, if the other governments default, the other cities would be liable for the remaining balance.

\$ 85,862

Total Tri-Com Fund

\$ 85,862

Waterworks and Sewerage Fund

In June, 1987, the City was awarded a loan of up to \$1,086,000 from the State of Illinois Department of Commerce and Economic Opportunity to use for the extension of the City's waterworks and sewerage facilities system. This loan is interest free and quarterly payments of \$13,576 are due until February 1, 2009, or until the amount received is repaid. During the year, no additional proceeds were made available to the City.

\$ 158,200

In October, 1998, the City was awarded a loan of up to \$5,400,000 from the Illinois Environmental Protection Agency to use for the extension of the City's waterworks and sewerage facilities system. The interest rate is 2.625% and payments are due until January 1, 2020, or until the amount received is repaid.

4,425,702

In September, 2002, the City was awarded a loan of up to \$5,500,000 from the Illinois Environmental Protection Agency to use for the extension of the City's waterworks and sewerage facilities system. The interest rate is 2.57% with semiannual payments due until November 1, 2024, or until the amount received is repaid.

5,279,567

Total Waterworks and Sewerage Fund

9,863,469

Total Notes Payable

\$ 10,475,886

City of Geneva
NOTES TO FINANCIAL STATEMENTS
April 30, 2005

NOTE 6. - LONG-TERM LIABILITIES (Continued)

Notes Payable (Continued)

Annual debt service requirements to maturity for notes payable are as follows:

| Year Ending April 30, | Principal | Interest |
|--------------------------|----------------------|---------------------|
| 2006 | \$ 626,076 | \$ 270,934 |
| 2007 | 640,240 | 255,387 |
| 2008 | 649,771 | 239,455 |
| 2009 | 605,627 | 223,143 |
| 2010 | 606,096 | 204,066 |
| 2011-2015 | 2,833,527 | 788,498 |
| 2016-2020 | 3,143,211 | 405,614 |
| 2021-2022 | 1,371,338 | 64,673 |
| Total | \$ <u>10,475,886</u> | \$ <u>2,451,770</u> |

1998 General Obligation Bonds

The City issued \$9,460,000 of 1998 General Obligation Bonds on November 2, 1998, to complete a partial in-substance defeasance of the outstanding 1995 General Obligation Bonds. An irrevocable trust was established to handle the partially refunded future principal and interest payments. The partially refunded outstanding principal, at April 30, 2005, was \$450,000 for the 1995 Bonds.

NOTE 7. - ELECTRIC LIGHT FUND

In November 2002, the Electric Light Fund sold \$18,735,000 of Electric Revenue Bonds, Series 2003. The proceeds of the issue were used primarily to improve and extend the existing electric system and to refund the outstanding Electric Revenue Bonds, Series 1995.

City of Geneva
NOTES TO FINANCIAL STATEMENTS
April 30, 2005

NOTE 7. - ELECTRIC LIGHT FUND (Continued)

In order to provide for the payment of the Series 2003 revenue bonds, there is established by ordinance the "Electric Light Fund" of the City. This ordinance requires that the following separate accounts be maintained in the Fund designated as follows:

| | |
|-----------------------------------|-----------------------------|
| Operation and maintenance account | Bond reserve account |
| Interest and redemption account | Surplus account |
| Depreciation account | Capital improvement account |

All monies held in the Fund are to be paid to the various accounts as listed below. If in any month the money in the Fund is insufficient to deposit, transfer or credit the required amount to the credit of any of the accounts, the deficiency is to be made up in the following month or months after payments into all accounts enjoying a claim to revenue have been met in full. The manner specified is as follows:

To the capital improvement account, all bond proceeds remaining and any interest earnings thereon.

To the operation and maintenance account, each month an amount sufficient to cover the estimated expenses of the operation and maintenance of the system under economical management for the next succeeding month, plus an amount equal to five percent (5%) of one-twelfth (1/12) of the total operations and maintenance costs for the most recently audited fiscal year.

To the interest and redemption account, each month a minimum amount equal to 1/6 of the interest coming due on the next succeeding interest date on the then outstanding bonds plus 1/12 of the installment of principal coming due on the bonds on the next succeeding principal maturity date.

To the depreciation account, each year the sum of \$40,000 until said account aggregates the sum of \$200,000 and, thereafter, each year the sum of \$12,500 until said account aggregates the sum of \$275,000. This account shall be used for necessary replacements or emergency repairs, and also may be used to pay interest or principal of outstanding bonds when no other funds are available. Whenever any money is paid out from this account, payments shall be resumed at the yearly rate of \$40,000 until the aggregate amount of \$275,000 is restored.

City of Geneva
NOTES TO FINANCIAL STATEMENTS
April 30, 2005

NOTE 7. - ELECTRIC LIGHT FUND (Continued)

To the bond reserve account, in the first year, an amount equal to \$160,000, and each year thereafter, the sum of \$10,000 until said account aggregates an amount equal to the maximum annual debt service payable in any future year. This account is to be used solely for the purpose of paying principal and interest on the bonds when insufficient money is available in the interest and redemption account. Whenever any money is paid out from this account, payments shall be resumed at the yearly rate of \$10,000 until an amount equal to the maximum annual debt service payable in any future year is restored. Sums in this fund shall not be used to pay bonds called for payment prior to their maturity unless all bonds then outstanding are then retired.

The City may fund the bond reserve account with a reserve account insurance policy. This insurance policy may be deposited in lieu of or in partial substitution for cash to be on deposit in the bond reserve account. The City has purchased a reserve account insurance policy to meet this requirement.

To the surplus account, all money remaining in the Fund at the end of the fiscal year to be held and used for any purpose permitted by law; therefore, surplus money is not restricted.

The reserved cash for purposes other than the expenses of operating, maintaining and repairing the system is as follows:

| | |
|------------------------------------|-------------------|
| Restricted bond ordinance accounts | |
| Bond interest account | \$ 586,031 |
| Depreciation account | <u>266,840</u> |
| Total | <u>\$ 852,871</u> |

City of Geneva, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2005

NOTE 8. - SEGMENT INFORMATION FOR ENTERPRISE FUNDS

The City maintains five enterprise funds which provide electricity, water and sewerage, parking services, refuse collection, and a cemetery. Segment information for the year ended April 30, 2005 is as follows:

| | Combined Totals | Electric Light Fund | Waterworks and Sewerage Fund | Parking Facilities Revenue Fund | Refuse Fund | Cemetery |
|---|--------------------|---------------------------|---------------------------------------|--|----------------|-----------|
| Operating revenues | \$ 27,258,835 | \$ 20,905,871 | \$ 5,633,385 | \$ 527,256 | \$ 141,614 | \$ 50,709 |
| Depreciation | 2,266,314 | 710,860 | 1,516,085 | 34,897 | 2,775 | 1,697 |
| Operating income | 3,754,360 | 2,622,312 | 849,125 | 313,144 | (273) | (29,948) |
| Change in net assets | 3,777,487 | 2,061,392 | 1,553,165 | 178,551 | (273) | (15,348) |
| Plant, property and equipment additions | 8,256,282 | 2,736,173 | 5,520,109 | - | - | - |
| Net working capital | 5,303,421 | 2,219,683 | 2,371,268 | 170,469 | 77,392 | 464,609 |
| Total assets | 101,779,212 | 39,749,473 | 60,336,118 | 1,116,546 | 106,162 | 470,913 |
| Bonds and notes payable - long term | 31,591,036 | 21,392,200 | 9,721,036 | 477,800 | - | - |
| Total equity | 63,922,769 | 14,764,154 | 48,029,613 | 552,652 | 105,437 | 470,913 |

NOTE 9. - COMMITMENTS AND CONTINGENCIES

1. Parking Facilities Revenue

The Parking Facilities Revenue Fund leases parking areas from the Chicago Northwestern Railway Company. Pursuant to the terms of this lease agreement, rental payments are equal to 1/3 of the gross meter receipts. The current lease is on a month-to-month basis, pending a Metra buy-out of the leased facility.

2. Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of the expenditures which may be disallowed by the grantor cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

City of Geneva, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2005

NOTE 9. - COMMITMENTS AND CONTINGENCIES (Continued)

3. Commitments

Construction

The following details commitments outstanding at April 30, 2005 related to construction contracts:

| <u>Fund</u> | <u>Amount</u> |
|-------------------------|---------------------|
| General | \$ 2,451,143 |
| Tri-Com | 47,843 |
| Waterworks and Sewerage | <u>863,337</u> |
| | <u>\$ 3,362,323</u> |

Economic Incentive Agreements

The City has several economic development incentive agreements outstanding at April 30, 2005, expiring through January, 2020. These agreements provide for the City to reimburse the respective companies a percentage of the actual sales taxes collected from these companies. Expenditures related to these agreements were \$267,499 for fiscal year 2005.

NOTE 10. - POSTEMPLOYMENT HEALTH CARE BENEFITS

In addition to providing pension benefits, the City provides certain health care and life insurance benefits for retired public safety employees. Substantially all of the City's public safety employees may become eligible for those benefits if they reach normal retirement age while working for the City. The cost of retiree health care and life insurance benefits is fully paid by the retirees.

NOTE 11. - CONDUIT DEBT

The City has two industrial revenue bond issues outstanding, at April 30, 2005, with an aggregate par value of \$4,635,000. The City has no obligation for this debt. There were no new bond issues during the fiscal year ended April 30, 2005.

City of Geneva, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2005

NOTE 12. - INTERFUND LOANS

| | Due From | Due To |
|---|------------|-----------|
| <u>Governmental Funds</u> | | |
| General Fund | | |
| Illinois Municipal Retirement | \$ 346,581 | \$ - |
| TIF East State Street Construction | 28,487 | - |
| Parking Facilities Revenue | 1,759 | - |
| Tax Increment Allocation | 1,608 | - |
| Combined Special Service Area | 837 | - |
| Firestation Number Two | - | 680 |
| | 379,272 | 680 |
| Special Revenue Funds | | |
| Illinois Municipal Retirement | | |
| General Fund | - | 346,581 |
| Tax Increment Allocation | | |
| General Fund | - | 1,608 |
| Combined Special Service Area | | |
| General Fund | - | 837 |
| | - | 349,026 |
| Capital Projects Funds | | |
| TIF East State Street Construction | | |
| General Fund | - | 28,487 |
| Firestation Number Two | | |
| General Fund | 680 | - |
| | 680 | 28,487 |
| <u>Proprietary Funds</u> | | |
| Parking Facilities Revenue | | |
| General Fund | - | 1,759 |
| | - | 1,759 |
| Total All Funds | 379,952 | 379,952 |
| Less amounts eliminated during GASB 34 adjustments | (378,193) | (378,193) |
| Total internal balances | \$ 1,759 | \$ 1,759 |

City of Geneva, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2005

NOTE 13. - INTERFUND TRANSFERS

| <u>Governmental Funds</u> | <u>Transfer Out</u> | <u>Transfer In</u> |
|---------------------------------------|---------------------|--------------------|
| General Fund | | |
| Illinois Municipal Retirement | \$ 19,610 | \$ - |
| Electric Light | - | 153,246 |
| Tri-Com | 313,926 | - |
| Working Cash | - | 5,000 |
| Combined Special Service Area | 92,000 | - |
| General Obligation | 75,000 | - |
| Special Service Area #12 Construction | 5,000 | - |
| Parking Facilities Revenue | - | 105,872 |
| Tree Nursery | - | 850 |
| Tax Increment Allocation | 33,234 | - |
| Motor Fuel Tax | - | 622,346 |
| | <u>538,770</u> | <u>887,314</u> |
| Special Revenue Funds | | |
| Motor Fuel Tax | | |
| General Fund | 622,346 | - |
| Combined Special Service | | |
| Tax Increment | 1,583 | - |
| General Fund | - | 92,000 |
| Illinois Municipal Retirement | | |
| General Fund | - | 19,610 |
| Liability Insurance | | |
| Working Cash | - | 146,768 |
| Electric | - | 157,985 |
| Tax Increment Allocation | | |
| General Fund | - | 33,234 |
| Combined Special Service Area | - | 1,583 |
| TIF Riverfront Development | 1,082,737 | - |
| Tree Nursery | | |
| General Fund | 850 | - |
| Tri-Com | | |
| General Fund | - | 313,926 |
| | <u>1,707,516</u> | <u>765,106</u> |

City of Geneva, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2005

NOTE 13. - INTERFUND TRANSFERS (Continued)

| | <u>Transfer Out</u> | <u>Transfer In</u> |
|--|---------------------|--------------------|
| <u>Governmental Funds</u> (Continued) | | |
| Capital Projects Funds | | |
| TIF Riverfront Development | | |
| Tax Increment Allocation | \$ - | \$ 1,082,737 |
| Prairie Green | | |
| General Obligation Bond 1994 | 160,000 | - |
| Firestation Number Two | | |
| General Obligation Bond 1994 | 50,000 | - |
| Special Service Area #12 Construction | | |
| General Fund | - | 5,000 |
| | 210,000 | 1,087,737 |
| Debt Service Fund | | |
| General Fund | - | 75,000 |
| Prairie Green | - | 160,000 |
| Firestation Number Two | - | 50,000 |
| | - | 285,000 |
| Permanent Fund | | |
| Working Cash | | |
| General Fund | 5,000 | - |
| Liability Insurance | 146,768 | - |
| | 151,768 | - |
| <u>Proprietary Funds</u> | | |
| Electric light | | |
| General Fund | 153,246 | - |
| Liability Insurance | 157,985 | - |
| Parking Facilities Revenue | | |
| General Fund | 105,872 | - |
| | 417,103 | - |
| Total All Funds | 3,025,157 | 3,025,157 |
| Less amounts eliminated during GASB 34 adjustments | (2,608,054) | (2,608,054) |
| Total internal balances | \$ 417,103 | \$ 417,103 |

City of Geneva, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2005

NOTE 14. - FUND BALANCE DESIGNATION

The General Fund designated fund balance of \$2,583,000 represents amounts for street improvement projects, public safety renovations and IMF Settlement which have been designated for specific capital improvements.

NOTE 15. - PENSION AND RETIREMENT FUND COMMITMENTS

IMRF Plan Description and Contributions

The City's defined benefit pension plan, Illinois Municipal Retirement Fund (IMRF), provides retirement, disability, annual cost of living adjustments and death benefits to plan members and beneficiaries. IMRF acts as a common investment and administrative agent for local governments and school districts in Illinois. The Illinois Pension Code establishes the benefit provisions of the plan that can only be amended by the Illinois General Assembly. IMRF issues a financial report that includes financial statements and required supplementary information. That report may be obtained at www.imrf.org/pubs/pubs_homepage.htm or by writing to the Illinois Municipal Retirement Fund, 2211 York Road, Suite 500, Oak Brook, Illinois 60523.

Employees participating in IMRF are required to contribute 4.50 percent of their annual covered salary. The member rate is established by state statute. The City is required to contribute at an actuarially determined rate. The employer rate for calendar year 2004 was 9.05 percent of payroll. The employer contribution requirements are established and may be amended by the IMRF Board of Trustees. IMRF's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The amortization period at December 31, 2004 was 28 years.

For December 31, 2004, the City's annual pension cost of \$591,188 was equal to the City's required and actual contributions. The required contribution was determined as part of the December 31, 2001 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) 7.50% investment rate of return (net of administrative expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 11.6% per year depending on age and service, attributable to seniority/merit and (d) post retirement benefit increases of 3% annually. The actuarial value of IMRF assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period with a 15% corridor. The assumptions used for the 2004 actuarial valuation were based on the 1999-2001 experience study.

City of Geneva, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2005

NOTE 15. - PENSION AND RETIREMENT FUND COMMITMENTS (Continued)

IMRF Plan Description and Contributions (Continued)

TREND INFORMATION

| Actuarial Valuation Date | Annual Pension Cost (APC) | Annual Required Contributions (ARC) | Percentage of APC Contributed | Net Pension Obligation |
|--------------------------------|------------------------------------|--|-------------------------------------|------------------------------|
| 12/31/04 | \$ 591,188 | \$ 591,188 | 100% | \$ - |
| 12/31/03 | 405,851 | 405,851 | 100% | - |
| 12/31/02 | 295,807 | 295,807 | 100% | - |
| 12/31/01 | 272,203 | 272,203 | 100% | - |
| 12/31/00 | 266,291 | 266,291 | 100% | - |
| 12/31/99 | 364,473 | 364,473 | 100% | - |
| 12/31/98 | 257,860 | 257,860 | 100% | - |
| 12/31/97 | 356,700 | 356,700 | 100% | - |
| 12/31/96 | 329,392 | 329,392 | 100% | - |
| 12/31/95 | 305,447 | 305,447 | 100% | - |

Plan Descriptions

Police Pension Fund

Police sworn personnel are covered by the Police Pension Plan, which is a defined benefit single-employer pension plan. Although this is a single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois State Statutes and may be amended only by the Illinois legislature. The City accounts for the plan as a pension trust fund. The City's payroll for employees covered by the Police Pension Plan for the year ended April 30, 2005 was \$2,350,677.

City of Geneva, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2005

NOTE 15. - PENSION AND RETIREMENT FUND COMMITMENTS (Continued)

Plan Descriptions (Continued)

Police Pension Fund (Continued)

At April 30, 2005, the Police Pension Plan membership consisted of:

| | |
|--|----|
| Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them | 13 |
| | |
| Current employees | |
| Vested | 24 |
| Nonvested | 12 |
| | |
| Total current employees | 36 |
| | |
| Total | 49 |

The following is a summary of the Police Pension Plan as provided in the Illinois State Statutes.

The Police Pension Plan provides retirement benefits as well as death and disability benefits. Employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive a retirement benefit of one-half of the salary attached to the rank held on the last day of service, or for 1 year prior to the last day, whichever is greater. The pension shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years, to a maximum of 75% of such salary.

Employees with at least 8 years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit of 2.5% of final salary for each year of service. Surviving spouses receive the greater of 50% of final salary or the employee's retirement benefit. Employees disabled in the line of duty receive 65% of final salary.

The monthly pension of a police officer who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original pension and 3% simple interest annually thereafter.

City of Geneva, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2005

NOTE 15. - PENSION AND RETIREMENT FUND COMMITMENTS (Continued)

Plan Descriptions (Continued)

Police Pension Fund (Continued)

Covered employees are required to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The City is required to contribute the remaining amounts necessary to finance the plan, as actuarially determined by an enrolled actuary. By the year 2020, the City's contributions must accumulate to the point where the past service cost for the Police Pension Plan is fully funded.

Firefighter's Pension Fund

Fire sworn personnel are covered by the Firefighters' Pension Plan, which is a defined benefit single-employer pension plan. Although this is a single-employer pension plan, the defined benefits as well as the employee and employer contributions levels are mandated by Illinois State Statutes and may be amended only by the Illinois legislature. The City accounts for the plan as a pension trust fund. The City's payroll for employees covered by the Firefighters' Pension Plan for the year ended April 30, 2005 was \$1,194,764. At April 30, 2005 the Firefighters' Pension Plan membership consisted of:

| | |
|---|----|
| Retirees, beneficiaries, and disabled employees currently receiving benefits and terminated employees entitled to benefits but not yet receiving them | 2 |
| Current employees | |
| Vested | 10 |
| Nonvested | 9 |
| Total current employees | 19 |
| Total | 21 |

The following is a summary of the Firefighters' Pension Plan as provided for in Illinois State Statutes.

The Firefighters' Pension Plan provides retirement benefits as well as death and disability benefits. Employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive a monthly retirement benefit of one-half of the monthly salary attached to the rank held in the fire service at the date of retirement. The monthly pension shall be increased by one-twelfth of 2.5% of such monthly salary for each additional month over 20 years of service through 30 years of service, to a maximum of 75% of such monthly salary.

City of Geneva, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2005

NOTE 15. - PENSION AND RETIREMENT FUND COMMITMENTS (Continued)

Plan Descriptions (Continued)

Firefighters' Pension Fund (Continued)

Employees with at least 10 years but less than 20 years of credited service may retire at or after age 60 and receive a reduced retirement benefit ranging from 15% of final salary for 10 years of service to 45.6% for 19 years of service. Surviving spouses receive 100% of final salary for fatalities resulting from an act of duty, or otherwise 54% of final salary. Surviving children receive 12% of final salary. The maximum family survivor benefit is 75% of final salary. Employees disabled in the line of duty receive 65% of final salary. The monthly pension of a firefighter who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching at least the age of 55 years, by 3% of the pension payable at the time of the increase.

Covered employees are required to contribute 8.455% of their salary to the Firefighters' Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. By the year 2020, the City's contributions must accumulate to the point where the past service cost for the Firefighters' Pension Plan is fully funded.

Contributions and Reserves

The City's annual pension cost and net pension obligation to the Police and Firefighters' pension funds were obtained from the funds' most recent actuarial valuations (April 30, 2004) and are as follows:

| | Police | Firefighters' |
|--|-------------|---------------|
| Annual required contribution | \$ 305,104 | \$ 196,780 |
| Interest on net pension obligation | (5,655) | 154 |
| Adjustment to annual required contribution | 3,546 | (97) |
| Annual pension cost | 302,995 | 196,837 |
| Contributions made | (260,947) | (191,629) |
| Increase in net pension obligation (benefit) | 42,048 | 5,208 |
| Net pension obligation (benefit) at May 1, 2004 | (75,405) | 2,053 |
| Net pension obligation (benefit) at April 30, 2005 | \$ (33,357) | \$ 7,261 |

City of Geneva, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2005

NOTE 15. - PENSION AND RETIREMENT FUND COMMITMENTS (Continued)

Plan Descriptions (Continued)

Contributions and Reserves (Continued)

Three-Year Historical Trend Information

| | <u>Fiscal Year Ended</u> | <u>Annual Pension Cost (APC)</u> | <u>Percentage of APC Contributed</u> | <u>Net Pension Obligation (Benefit)</u> |
|--------------|------------------------------|--|--|---|
| Police | 4/30/2004 | \$ 302,995 | 86.1% | \$ (33,357) |
| | 4/30/2003 | 245,581 | 100.8% | (75,405) |
| | 4/30/2002 | 213,014 | 101.1% | (73,405) |
| Firefighters | 4/30/2004 | \$ 196,837 | 97.4% | \$ 7,261 |
| | 4/30/2003 | 182,886 | 99.8% | 2,053 |
| | 4/30/2002 | 174,173 | 99.7% | 1,761 |

Actuarial Assumptions and Notes

The actuarial assumptions for both the Police and Firefighters' Pension Funds include (a) 7.50% investment rate of return, (b) projected salary increases of 5.00% a year and (c) cost of living increases of 3.00% a year. The actuarial notes for both the Police and Firefighters' Pension Funds include (a) valuation date of April 30, 2004, (b) actuarial cost method of entry age normal, (c) amortization method of level percent closed, (d) remaining amortization period of 29 years and (e) asset valuation method of fair market value.

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REQUIRED SUPPLEMENTARY INFORMATION
(Unaudited)

City of Geneva, Illinois
ILLINOIS MUNICIPAL RETIREMENT FUND
SCHEDULE OF FUNDING PROGRESS
 April 30, 2005
(Unaudited)

| Actuarial Valuation Date | Actuarial Value of Assets (a) | Actuarial Accrued Liability (AAL) --Entry Age (b) | Unfunded AAL (UAAL) (b-a) | Funded Ratio (a/b) | Covered Payroll (c) | UAAL as a Percentage of Covered Payroll ((b-a)/c) |
|--------------------------------|--|---|------------------------------------|--------------------------|---------------------------|---|
| 12/31/04 | \$ 13,583,457 | \$ 15,783,289 | \$ 2,199,832 | 86.06% | \$ 6,532,466 | 33.68% |
| 12/31/03 | 13,585,198 | 14,994,636 | 1,409,438 | 90.60% | 6,302,041 | 22.36% |
| 12/31/02 | 12,973,398 | 13,315,977 | 342,579 | 97.43% | 5,766,225 | 5.94% |
| 12/31/01 | 13,437,561 | 12,260,361 | (1,177,200) | 109.60% | 5,347,793 | 0.00% |
| 12/31/00 | 12,237,387 | 10,578,344 | (1,659,043) | 115.68% | 4,931,325 | 0.00% |
| 12/31/99 | 10,765,602 | 9,340,191 | (1,425,411) | 115.26% | 4,631,172 | 0.00% |
| 12/31/98 | 9,828,955 | 8,803,482 | (1,025,473) | 111.65% | 4,380,167 | 0.00% |
| 12/31/97 | 8,205,849 | 7,933,601 | (272,248) | 103.43% | 4,264,997 | 0.00% |
| 12/31/96 | 6,787,878 | 6,729,595 | (58,283) | 100.87% | 3,813,568 | 0.00% |
| 12/31/95 | 6,030,480 | 6,269,740 | 239,260 | 96.18% | 3,614,006 | 6.62% |

On a market value basis, the actuarial value of assets as of December 31, 2004 is \$13,614,032. On a market basis, the funded ratio would be 86.26%.

City of Geneva, Illinois
POLICE AND FIREFIGHTERS' PENSION FUNDS
 April 30, 2005
 (Unaudited)

SCHEDULE OF FUNDING PROGRESS *

| Actuarial Valuation Date | Actuarial Value of Assets (a) | Actuarial Accrued Liability (AAL) --Entry Age (b) | Unfunded AAL (UAAL) (b-a) | Funded Ratio (a/b) | Covered Payroll (c) | Percentage of Covered Payroll ((b-a)/c) |
|------------------------------|-------------------------------|---|---------------------------|--------------------|---------------------|---|
| Police Pension | | | | | | |
| 4/30/04 | \$ 10,675,705 | \$ 13,849,844 | \$ 3,174,139 | 77.1% | \$ 2,350,677 | 135.0% |
| 4/30/03 | 10,022,450 | 12,310,929 | 2,288,479 | 81.4% | 2,223,622 | 102.9% |
| 4/30/02 | 9,535,153 | 11,166,037 | 1,630,884 | 85.4% | 2,182,016 | 74.7% |
| 4/30/01 | 9,396,911 | 10,219,111 | 822,200 | 92.0% | 1,991,990 | 41.3% |
| 4/30/00 | 9,353,250 | 9,167,151 | (186,099) | 102.0% | 1,842,838 | 0.0% |
| Firefighters' Pension | | | | | | |
| 4/30/04 | \$ 5,171,230 | \$ 5,892,488 | \$ 721,258 | 87.8% | \$ 1,194,764 | 60.4% |
| 4/30/03 | 4,728,280 | 5,301,943 | 573,663 | 89.2% | 1,101,480 | 52.1% |
| 4/30/02 | 4,158,170 | 4,686,967 | 528,797 | 88.7% | 1,026,666 | 51.5% |
| 4/30/01 | 3,940,492 | 4,193,593 | 253,101 | 94.0% | 1,006,676 | 25.1% |
| 4/30/00 | 3,686,585 | 3,742,422 | 55,837 | 98.5% | 903,769 | 6.2% |

SCHEDULE OF EMPLOYER CONTRIBUTIONS *

| Fiscal Year | Police Pension Fund | | | Firefighters' Pension Fund | | |
|-------------|------------------------------|------------------------|-----------------------|------------------------------|------------------------|-----------------------|
| | Annual Required Contribution | Percentage Contributed | Employer Contribution | Annual Required Contribution | Percentage Contributed | Employer Contribution |
| 2005 | \$ 305,104 | 85.5% | \$ 260,947 | \$ 196,780 | 97.4% | \$ 191,629 |
| 2004 | 245,581 | 100.8% | 247,581 | 182,886 | 99.8% | 182,594 |
| 2003 | 213,014 | 101.1% | 215,357 | 174,173 | 99.7% | 173,650 |
| 2002 | 177,388 | 124.2% | 220,316 | 144,550 | 99.3% | 143,538 |
| 2001 | 239,974 | 105.6% | 253,413 | 155,257 | 99.5% | 154,481 |

* Information in this table has been presented for as many years as available.

City of Geneva, Illinois
POLICE AND FIREFIGHTERS' PENSION FUNDS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
April 30, 2005
(Unaudited)

NOTE 1. - BUDGETS

During the current fiscal year, the City Council adopted a budget ordinance that follows the "Budget Act" in accordance with Illinois Statutes. In accordance with this ordinance, all estimated revenues and expenditures, by fund, must be approved by the City Council. All subsequent revisions to the adopted budget must be approved by the City Council. The budget was last amended on April 19, 2005. All funds have legally adopted budgets except for the Police Pension Fund and the Firefighters' Pension Fund.

The level of control (level at which expenditures may not exceed budget) is the fund. All unencumbered annual appropriations lapse at the fiscal year-end.

NOTE 2. - ACTUAL EXPENDITURES IN EXCESS OF BUDGET IN INDIVIDUAL FUNDS

Expenditures exceeded budgets in the following funds for the year ended April 30, 2005:

| | <u>Budget</u> | <u>Expenditures</u> | <u>Overage</u> |
|---------------------------------------|---------------|---------------------|----------------|
| Illinois Municipal Retirement | \$ 562,500 | 570,879 | \$ (8,379) |
| Liability Insurance | 419,000 | 436,828 | (17,828) |
| Medical and Dental Insurance | 78,790 | 105,741 | (26,951) |
| Special Service Area #12 Construction | 62,930 | 63,534 | (604) |
| Cemetery | 79,976 | 80,657 | (681) |

Illinois Municipal Retirement - Overage resulted from excessive labor costs not budgeted.

Liability Insurance - Overage resulted from excessive workers' compensation claims not budgeted.

Medical Dental Insurance - Overage resulted from excessive claims on dental insurance not budgeted.

Special Service Area #12 Construction - Overage due to contract services not budgeted.

Cemetery - Overage due to depreciation expense not budgeted.

City of Geneva, Illinois
POLICE AND FIREFIGHTERS' PENSION FUNDS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
April 30, 2005
(Unaudited)

NOTE 3. - ILLINOIS MUNICIPAL RETIREMENT FUND SCHEDULE OF FUNDING
PROGRESS DIGEST OF CHANGES

Assumptions:

The actuarial assumptions used to determine the actuarial accrued liability for 2004 are based on the 1999-2001 Experience Study.

The principal changes were:

- Fewer members are expected to take refunds early in their career.
- For regular members, fewer normal and early retirements are expected to occur.

City of Geneva, Illinois
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
Year ended April 30, 2005

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance</u> |
|---|------------------------|-----------------------|---------------------|---------------------|
| Operating revenues | | | | |
| Property taxes | \$ 2,498,500 | \$ 2,498,500 | \$ 2,502,681 | \$ 4,181 |
| Replacement taxes | 54,080 | 54,080 | 43,226 | (10,854) |
| Sales tax | 6,343,325 | 6,362,290 | 6,618,187 | 255,897 |
| Utility tax | 1,079,072 | 2,121,500 | 2,170,501 | 49,001 |
| Fines and forfeits | 226,293 | 226,293 | 283,331 | 57,038 |
| Licenses and permits | 385,000 | 523,500 | 358,506 | (164,994) |
| Interest | 40,000 | 40,000 | 109,972 | 69,972 |
| Lease revenue | - | 19,450 | 11,375 | (8,075) |
| Miscellaneous | 467,773 | 656,209 | 761,466 | 105,257 |
| | <u>11,094,043</u> | <u>12,501,822</u> | <u>12,859,245</u> | <u>357,423</u> |
| Total revenues | | | | |
| Expenditures | | | | |
| Total expenditures | <u>10,910,000</u> | <u>15,201,455</u> | <u>13,003,776</u> | <u>2,197,679</u> |
| Deficiency of revenues over expenditures | <u>184,043</u> | <u>(2,699,633)</u> | <u>(144,531)</u> | <u>2,555,102</u> |
| Other financing sources (uses) | | | | |
| Operating transfers in | 347,300 | 238,072 | 887,314 | 649,242 |
| Operating transfers out | (508,315) | (584,255) | (538,770) | 45,485 |
| Note proceeds | - | - | 120,000 | 120,000 |
| | <u>(161,015)</u> | <u>(346,183)</u> | <u>468,544</u> | <u>814,727</u> |
| Total other financing sources (uses) | | | | |
| Deficiency of revenues and other financing uses over expenditures and other financing uses | <u>\$ 23,028</u> | <u>\$ (3,045,816)</u> | 324,013 | <u>\$ 3,369,829</u> |
| Fund balances | | | | |
| Beginning of year | | | <u>3,713,971</u> | |
| End of year | | | <u>\$ 4,037,984</u> | |

City of Geneva, Illinois
TRICOM FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
Year ended April 30, 2005

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance</u> |
|---|------------------------|-----------------------|-------------------|---------------------|
| Operating revenues | | | | |
| Tri-Com fees | \$ 839,597 | \$ 865,973 | \$ 865,972 | \$ (1) |
| Interest | 6,000 | 6,000 | 17,086 | 11,086 |
| Miscellaneous | <u>594,967</u> | <u>1,918,365</u> | <u>2,014,320</u> | <u>95,955</u> |
| Total revenues | <u>1,440,564</u> | <u>2,790,338</u> | <u>2,897,378</u> | <u>107,040</u> |
| Expenditures | | | | |
| Total expenditures | <u>1,440,564</u> | <u>4,803,522</u> | <u>3,879,170</u> | <u>924,352</u> |
| Deficiency of revenues over expenditures | <u>-</u> | <u>(2,013,184)</u> | <u>(981,792)</u> | <u>1,031,392</u> |
| Other financing sources (uses) | | | | |
| Operating transfers in | - | 319,426 | 313,926 | (5,500) |
| Note proceeds | <u>-</u> | <u>-</u> | <u>85,862</u> | <u>85,862</u> |
| Total other financing sources (uses) | <u>-</u> | <u>319,426</u> | <u>399,788</u> | <u>80,362</u> |
| Deficiency of revenues and other financing uses over expenditures and other financing uses | <u>\$ -</u> | <u>\$ (1,693,758)</u> | <u>(582,004)</u> | <u>\$ 1,111,754</u> |
| Fund balances | | | | |
| Beginning of year | | | <u>1,176,155</u> | |
| End of year | | | <u>\$ 594,151</u> | |

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SUPPLEMENTARY INFORMATION

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City of Geneva, Illinois
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
April 30, 2005

| | Special Revenue | | | | |
|--|-------------------|--|-------------------------------------|-------------------|-------------------|
| | Motor Fuel Tax | Combined Special Service Area | Illinois Municipal Retirement | Public Benefit | Mental Health |
| ASSETS | | | | | |
| Cash and investments | \$ 104,486 | \$ 274,394 | \$ - | \$ 89,640 | \$ 257,957 |
| Receivables | | | | | |
| Property taxes - net | - | 212,739 | 383,451 | - | 156,938 |
| Other | 51,997 | - | - | - | - |
| Due from other funds | - | - | - | - | - |
| Total assets | \$ 156,483 | \$ 487,133 | \$ 383,451 | \$ 89,640 | \$ 414,895 |
| LIABILITIES AND FUND BALANCES | | | | | |
| LIABILITIES | | | | | |
| Accounts payable | \$ - | \$ 876 | \$ - | \$ - | \$ - |
| Accrued payroll | - | 435 | 27,690 | - | - |
| Other payables | - | - | - | - | - |
| Due to other funds | - | 837 | 346,581 | - | - |
| Unearned property taxes | - | 212,738 | 383,451 | - | 156,938 |
| Other unearned revenue | - | 567 | - | - | - |
| Deposit payable | - | 3,500 | - | - | - |
| Compensated absences payable | - | - | - | - | - |
| Total liabilities | - | 218,953 | 757,722 | - | 156,938 |
| FUND BALANCES (DEFICITS) | | | | | |
| Reserved for debt service | - | - | - | - | - |
| Reserved for permanent funds | - | - | - | - | - |
| Reserved for capital projects | - | - | - | - | - |
| Reserved for special revenues | - | - | - | - | - |
| Unreserved | 156,483 | 268,180 | (374,271) | 89,640 | 257,957 |
| Total fund balances (deficit) | 156,483 | 268,180 | (374,271) | 89,640 | 257,957 |
| Total liabilities and fund balances | \$ 156,483 | \$ 487,133 | \$ 383,451 | \$ 89,640 | \$ 414,895 |

| | | | | | | Debt Service | |
|----------------------------|-------------------------------------|---------------------------------|---------------------|--------------------------------------|------------------------------|-------------------------------------|--|
| <u>Liability Insurance</u> | <u>Medical and Dental Insurance</u> | <u>Tax Increment Allocation</u> | <u>Tree Nursery</u> | <u>Employer Pension Contribution</u> | <u>Total Special Revenue</u> | <u>General Obligation Bond 1994</u> | |
| \$ 87,293 | \$ 30,749 | \$ 43,881 | \$ 86,617 | \$ - | \$ 975,017 | \$ 272,943 | |
| - | - | - | - | 498,360 | 1,251,488 | 1,548,048 | |
| - | - | - | - | - | 51,997 | - | |
| - | - | - | - | - | - | - | |
| <u>\$ 87,293</u> | <u>\$ 30,749</u> | <u>\$ 43,881</u> | <u>\$ 86,617</u> | <u>\$ 498,360</u> | <u>\$ 2,278,502</u> | <u>\$ 1,820,991</u> | |
| | | | | | | | |
| \$ 9,810 | \$ 10,000 | \$ - | \$ - | \$ - | \$ 20,686 | \$ - | |
| - | - | - | - | - | 28,125 | - | |
| - | - | - | - | - | - | - | |
| - | - | 1,608 | - | - | 349,026 | - | |
| - | - | - | - | 498,360 | 1,251,487 | 1,548,048 | |
| - | - | - | - | - | 567 | - | |
| - | - | - | - | - | 3,500 | - | |
| - | - | - | - | - | - | - | |
| <u>9,810</u> | <u>10,000</u> | <u>1,608</u> | <u>-</u> | <u>498,360</u> | <u>1,653,391</u> | <u>1,548,048</u> | |
| | | | | | | | |
| - | - | - | - | - | - | 272,943 | |
| - | - | - | - | - | - | - | |
| - | - | - | - | - | - | - | |
| - | - | 42,273 | 86,617 | - | 128,890 | - | |
| <u>77,483</u> | <u>20,749</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>496,221</u> | <u>-</u> | |
| <u>77,483</u> | <u>20,749</u> | <u>42,273</u> | <u>86,617</u> | <u>-</u> | <u>625,111</u> | <u>272,943</u> | |
| | | | | | | | |
| <u>\$ 87,293</u> | <u>\$ 30,749</u> | <u>\$ 43,881</u> | <u>\$ 86,617</u> | <u>\$ 498,360</u> | <u>\$ 2,278,502</u> | <u>\$ 1,820,991</u> | |

City of Geneva, Illinois
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET - (CONTINUED)
April 30, 2005

| | Capital Projects | | | | |
|--------------------------------------|--|---------------------------|--|---|---------------------|
| | TIF Riverfront Development Construction | Firestation Number Two | Special Service Area #12 Construction | TIF East State Street Construction | Prairie Green |
| ASSETS | | | | | |
| Cash and investments | \$ 799,201 | \$ 172,237 | \$ 323 | \$ 50,311 | \$ 1,266,178 |
| Receivables | | | | | |
| Property taxes - net | - | - | 25,289 | - | - |
| Other | - | - | - | 32,000 | - |
| Due from other funds | - | 680 | - | - | - |
| | <u>-</u> | <u>680</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total assets | <u>\$ 799,201</u> | <u>\$ 172,917</u> | <u>\$ 25,612</u> | <u>\$ 82,311</u> | <u>\$ 1,266,178</u> |
| LIABILITIES AND FUND BALANCES | | | | | |
| LIABILITIES | | | | | |
| Accounts payable | \$ 101,187 | \$ - | \$ - | \$ 591 | \$ 7,713 |
| Accrued payroll | 1,077 | - | - | - | - |
| Other payables | - | - | - | - | - |
| Due to other funds | - | - | - | 28,487 | - |
| Unearned property taxes | - | - | 25,289 | - | - |
| Other unearned revenue | - | - | - | - | - |
| Deposit payable | - | - | - | - | - |
| Compensated absences payable | - | - | - | - | - |
| | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total liabilities | <u>102,264</u> | <u>-</u> | <u>25,289</u> | <u>29,078</u> | <u>7,713</u> |
| FUND BALANCES (DEFICITS) | | | | | |
| Reserved for debt service | - | - | - | - | - |
| Reserved for permanent funds | - | - | - | - | - |
| Reserved for capital projects | 696,937 | - | - | 53,233 | - |
| Reserved for special revenues | - | - | - | - | - |
| Unreserved | - | 172,917 | 323 | - | 1,258,465 |
| | <u>-</u> | <u>172,917</u> | <u>323</u> | <u>-</u> | <u>1,258,465</u> |
| Total fund balances | <u>696,937</u> | <u>172,917</u> | <u>323</u> | <u>53,233</u> | <u>1,258,465</u> |
| Total liabilities and fund balances | <u>\$ 799,201</u> | <u>\$ 172,917</u> | <u>\$ 25,612</u> | <u>\$ 82,311</u> | <u>\$ 1,266,178</u> |

| <u>Capital Projects</u> | | <u>Permanent</u> | |
|----------------------------|-------------------------------|---------------------|--|
| <u>Street Construction</u> | <u>Total Capital Projects</u> | <u>Working Cash</u> | <u>Total Nonmajor Governmental Funds</u> |
| \$ 9,779 | \$ 2,298,029 | \$ 378,908 | \$ 3,924,897 |
| - | 25,289 | - | 2,824,825 |
| - | 32,000 | - | 83,997 |
| - | 680 | - | 680 |
| <u>\$ 9,779</u> | <u>\$ 2,355,998</u> | <u>\$ 378,908</u> | <u>\$ 6,834,399</u> |

| | | | |
|-----------------|---------------------|-------------------|---------------------|
| \$ - | \$ 109,491 | \$ - | \$ 130,177 |
| - | 1,077 | - | 29,202 |
| - | - | - | - |
| - | 28,487 | - | 377,513 |
| - | 25,289 | - | 2,824,824 |
| - | - | - | 567 |
| - | - | - | 3,500 |
| - | - | - | - |
| - | 164,344 | - | 3,365,783 |
| - | - | - | 272,943 |
| - | - | 378,908 | 378,908 |
| - | 750,170 | - | 750,170 |
| - | - | - | 128,890 |
| <u>9,779</u> | <u>1,441,484</u> | <u>-</u> | <u>1,937,705</u> |
| <u>9,779</u> | <u>2,191,654</u> | <u>378,908</u> | <u>3,468,616</u> |
| <u>\$ 9,779</u> | <u>\$ 2,355,998</u> | <u>\$ 378,908</u> | <u>\$ 6,834,399</u> |

City of Geneva, Illinois
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
Year ended April 30, 2005

| | Special Revenue | | | | |
|---|-------------------|--|-------------------------------------|-------------------|-------------------|
| | Motor Fuel Tax | Combined Special Service Area | Illinois Municipal Retirement | Public Benefit | Mental Health |
| REVENUES | | | | | |
| Property taxes | \$ - | \$ 248,850 | \$ 369,300 | \$ - | \$ 160,490 |
| Replacement taxes | - | - | - | - | - |
| Motor fuel tax | 660,885 | - | - | - | - |
| Interest | 6,129 | 3,414 | 500 | 763 | 3,344 |
| Miscellaneous | - | 64,238 | - | - | - |
| Total revenues | <u>667,014</u> | <u>316,502</u> | <u>369,800</u> | <u>763</u> | <u>163,834</u> |
| EXPENDITURES | | | | | |
| Streets and walks | - | 267,657 | - | - | - |
| Pension - IMRF | - | - | 570,879 | - | - |
| Police and firefighters' pension | - | - | - | - | - |
| Insurance | - | - | - | - | - |
| Capital outlay | - | - | - | - | - |
| Debt service | | | | | |
| Principal retirement | - | 35,960 | - | - | - |
| Interest and fees | - | 26,757 | - | - | - |
| Other | - | 81,739 | - | - | 129,173 |
| Total expenditures | <u>-</u> | <u>412,113</u> | <u>570,879</u> | <u>-</u> | <u>129,173</u> |
| Excess (deficiency) of revenues over expenditures | <u>667,014</u> | <u>(95,611)</u> | <u>(201,079)</u> | <u>763</u> | <u>34,661</u> |
| Other financing sources (uses) | | | | | |
| Transfers in | - | 92,000 | 19,610 | - | - |
| Transfers out | (622,346) | (1,583) | - | - | - |
| Total other financing sources (uses) | <u>(622,346)</u> | <u>90,417</u> | <u>19,610</u> | <u>-</u> | <u>-</u> |
| Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses | 44,668 | (5,194) | (181,469) | 763 | 34,661 |
| FUND BALANCES (DEFICIT) | | | | | |
| Beginning of year | <u>111,815</u> | <u>273,374</u> | <u>(192,802)</u> | <u>88,877</u> | <u>223,296</u> |
| End of year | <u>\$ 156,483</u> | <u>\$ 268,180</u> | <u>\$ (374,271)</u> | <u>\$ 89,640</u> | <u>\$ 257,957</u> |

| Special Revenue | | | | | | Debt Service |
|---------------------|------------------------------|--------------------------|------------------|-------------------------------|-----------------------|------------------------------|
| Liability Insurance | Medical and Dental Insurance | Tax Increment Allocation | Tree Nursery | Employer Pension Contribution | Total Special Revenue | General Obligation Bond 1994 |
| \$ - | \$ - | \$ 1,026,003 | \$ - | \$ 471,896 | \$ 2,276,539 | \$ 1,591,320 |
| - | - | - | - | 23,495 | 23,495 | - |
| - | - | - | - | - | 660,885 | - |
| - | 354 | 326 | 1,117 | - | 15,947 | 3,154 |
| <u>176,372</u> | <u>103,120</u> | <u>21,819</u> | <u>-</u> | <u>-</u> | <u>365,549</u> | <u>92,812</u> |
| <u>176,372</u> | <u>103,474</u> | <u>1,048,148</u> | <u>1,117</u> | <u>495,391</u> | <u>3,342,415</u> | <u>1,687,286</u> |
| - | - | - | - | - | 267,657 | - |
| - | - | - | - | - | 570,879 | - |
| - | - | - | - | 495,391 | 495,391 | - |
| 436,828 | 105,741 | - | - | - | 542,569 | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | 35,960 | 729,093 |
| - | - | - | - | - | 26,757 | 1,145,855 |
| - | - | - | - | - | 210,912 | - |
| <u>436,828</u> | <u>105,741</u> | <u>-</u> | <u>-</u> | <u>495,391</u> | <u>2,150,125</u> | <u>1,874,948</u> |
| <u>(260,456)</u> | <u>(2,267)</u> | <u>1,048,148</u> | <u>1,117</u> | <u>-</u> | <u>1,192,290</u> | <u>(187,662)</u> |
| 304,753 | - | 34,817 | - | - | 451,180 | 285,000 |
| - | - | (1,082,737) | (850) | - | (1,707,516) | - |
| <u>304,753</u> | <u>-</u> | <u>(1,047,920)</u> | <u>(850)</u> | <u>-</u> | <u>(1,256,336)</u> | <u>285,000</u> |
| 44,297 | (2,267) | 228 | 267 | - | (64,046) | 97,338 |
| <u>33,186</u> | <u>23,016</u> | <u>42,045</u> | <u>86,350</u> | <u>-</u> | <u>689,157</u> | <u>175,605</u> |
| <u>\$ 77,483</u> | <u>\$ 20,749</u> | <u>\$ 42,273</u> | <u>\$ 86,617</u> | <u>\$ -</u> | <u>\$ 625,111</u> | <u>\$ 272,943</u> |

City of Geneva, Illinois
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - (CONTINUED)
Year ended April 30, 2005

| | Capital Projects | | | | |
|---|--|---------------------------|--|---|---------------------|
| | TIF Riverfront Development Construction | Firestation Number Two | Special Service Area #12 Construction | TIF East State Street Construction | Prairie Green |
| REVENUES | | | | | |
| Property taxes | \$ - | \$ - | \$ 25,421 | \$ 85,335 | \$ - |
| Replacement taxes | - | - | - | - | - |
| Motor fuel tax | - | - | - | - | - |
| Interest | 6,279 | 1,641 | 3 | 404 | 27,673 |
| Miscellaneous | - | 41,346 | 32,722 | - | 76,824 |
| Total revenues | <u>6,279</u> | <u>42,987</u> | <u>58,146</u> | <u>85,739</u> | <u>104,497</u> |
| EXPENDITURES | | | | | |
| Streets and walks | - | - | - | - | - |
| Pension - IMRF | - | - | - | - | - |
| Police and firefighters' pension | - | - | - | - | - |
| Insurance | - | - | - | - | - |
| Capital outlay | 132,721 | - | - | 52,377 | 78,303 |
| Debt service | | | | | |
| Principal retirement | 750,000 | - | 51,000 | 45,738 | - |
| Interest and fees | 105,386 | - | 11,928 | 10,319 | - |
| Other | 52,368 | - | 606 | - | - |
| Total expenditures | <u>1,040,475</u> | <u>-</u> | <u>63,534</u> | <u>108,434</u> | <u>78,303</u> |
| Excess (deficiency) of revenues over expenditures | <u>(1,034,196)</u> | <u>42,987</u> | <u>(5,388)</u> | <u>(22,695)</u> | <u>26,194</u> |
| Other financing sources (uses) | | | | | |
| Transfers in | 1,082,737 | - | 5,000 | - | - |
| Transfers out | - | (50,000) | - | - | (160,000) |
| Total other financing sources (uses) | <u>1,082,737</u> | <u>(50,000)</u> | <u>5,000</u> | <u>-</u> | <u>(160,000)</u> |
| Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses | 48,541 | (7,013) | (388) | (22,695) | (133,806) |
| FUND BALANCES (DEFICIT) | | | | | |
| Beginning of year | <u>648,396</u> | <u>179,930</u> | <u>711</u> | <u>75,928</u> | <u>1,392,271</u> |
| End of year | <u>\$ 696,937</u> | <u>\$ 172,917</u> | <u>\$ 323</u> | <u>\$ 53,233</u> | <u>\$ 1,258,465</u> |

| <u>Capital Projects</u> | | <u>Permanent</u> | |
|----------------------------|-------------------------------|---------------------|--|
| <u>Street Construction</u> | <u>Total Capital Projects</u> | <u>Working Cash</u> | <u>Total Nonmajor Governmental Funds</u> |
| \$ - | \$ 110,756 | \$ - | \$ 3,978,615 |
| - | - | - | 23,495 |
| - | - | - | 660,885 |
| 209 | 36,209 | 8,566 | 63,876 |
| - | 150,892 | - | 609,253 |
| <u>209</u> | <u>297,857</u> | <u>8,566</u> | <u>5,336,124</u> |
| - | - | - | 267,657 |
| - | - | - | 570,879 |
| - | - | - | 495,391 |
| - | - | - | 542,569 |
| - | 263,401 | - | 263,401 |
| - | 846,738 | - | 1,611,791 |
| - | 127,633 | - | 1,300,245 |
| - | 52,974 | - | 263,886 |
| - | 1,290,746 | - | 5,315,819 |
| <u>209</u> | <u>(992,889)</u> | <u>8,566</u> | <u>20,305</u> |
| - | 1,087,737 | - | 1,823,917 |
| - | (210,000) | (151,768) | (2,069,284) |
| - | 877,737 | (151,768) | (245,367) |
| 209 | (115,152) | (143,202) | (225,062) |
| <u>9,570</u> | <u>2,306,806</u> | <u>522,110</u> | <u>3,693,678</u> |
| <u>\$ 9,779</u> | <u>\$ 2,191,654</u> | <u>\$ 378,908</u> | <u>\$ 3,468,616</u> |

City of Geneva, Illinois
NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF NET ASSETS
Year ended April 30, 2005

| | Parking Facilities Revenue | Refuse | Cemetery | Total Nonmajor Enterprise Funds |
|---|----------------------------------|--------------------------|--------------------------|---------------------------------------|
| CURRENT ASSETS | | | | |
| Cash and investments | \$ 256,563 | \$ 66,784 | \$ 464,609 | \$ 787,956 |
| Accounts receivable | - | 11,333 | - | 11,333 |
| | <u>256,563</u> | <u>78,117</u> | <u>464,609</u> | <u>799,289</u> |
| CAPITAL ASSETS | | | | |
| Buildings, plant and improvements | 873,226 | - | 18,200 | 891,426 |
| Equipment | - | 107,194 | 7,999 | 115,193 |
| Construction in process | 207,133 | - | - | 207,133 |
| | <u>1,080,359</u> | <u>107,194</u> | <u>26,199</u> | <u>1,213,752</u> |
| Accumulated depreciation | <u>(224,589)</u> | <u>(79,149)</u> | <u>(19,895)</u> | <u>(323,633)</u> |
| | <u>855,770</u> | <u>28,045</u> | <u>6,304</u> | <u>890,119</u> |
| OTHER ASSETS | | | | |
| Unamortized bond costs | <u>4,213</u> | <u>-</u> | <u>-</u> | <u>4,213</u> |
| Total assets | <u><u>1,116,546</u></u> | <u><u>106,162</u></u> | <u><u>470,913</u></u> | <u><u>1,693,621</u></u> |
| CURRENT LIABILITIES | | | | |
| Accounts payable | 1,400 | - | - | 1,400 |
| Accrued payroll | 935 | 725 | - | 1,660 |
| Due to other funds | 1,759 | - | - | 1,759 |
| Revenue bonds payable | <u>82,000</u> | <u>-</u> | <u>-</u> | <u>82,000</u> |
| | <u>86,094</u> | <u>725</u> | <u>-</u> | <u>86,819</u> |
| NONCURRENT LIABILITIES | | | | |
| Revenue bond payable | <u>477,800</u> | <u>-</u> | <u>-</u> | <u>477,800</u> |
| Total liabilities | <u><u>563,894</u></u> | <u><u>725</u></u> | <u><u>-</u></u> | <u><u>564,619</u></u> |
| NET ASSETS | | | | |
| Invested in capital assets, net of related debt | 295,970 | - | 6,304 | 302,274 |
| Reserved - restricted accounts | - | - | 464,201 | 464,201 |
| Unrestricted | <u>256,682</u> | <u>105,437</u> | <u>408</u> | <u>362,527</u> |
| Total net assets | <u><u>\$ 552,652</u></u> | <u><u>\$ 105,437</u></u> | <u><u>\$ 470,913</u></u> | <u><u>\$ 1,129,002</u></u> |

City of Geneva, Illinois
NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS
Year ended April 30, 2005

| | Parking Facilities Revenue | Refuse | Cemetery | Total Nonmajor Enterprise Funds |
|---|----------------------------------|----------------|-----------------|--|
| OPERATING REVENUES | | | | |
| Charges for services | \$ 348,256 | \$ 132,213 | \$ 50,709 | \$ 531,178 |
| Miscellaneous | 179,000 | 9,401 | - | 188,401 |
| Total operating revenues | 527,256 | 141,614 | 50,709 | 719,579 |
| OPERATING EXPENSES | | | | |
| Plant and service | 82,028 | - | - | 82,028 |
| Administration | 55,288 | 52,616 | 78,960 | 186,864 |
| Depreciation | 34,897 | 2,775 | 1,697 | 39,369 |
| Lease payments | 41,899 | - | - | 41,899 |
| Refuse collection | - | 86,496 | - | 86,496 |
| Total operating expenses | 214,112 | 141,887 | 80,657 | 436,656 |
| OPERATING INCOME (LOSS) | 313,144 | (273) | (29,948) | 282,923 |
| NONOPERATING REVENUES (EXPENSES) | | | | |
| Nonexpendable trust income | - | - | 7,913 | 7,913 |
| New development income | - | - | 6,686 | 6,686 |
| Interest income | 6,550 | - | 1 | 6,551 |
| Interest expense | (35,271) | - | - | (35,271) |
| Total nonoperating revenues (expenses) | (28,721) | - | 14,600 | (14,121) |
| INCOME (LOSS) BEFORE TRANSFERS | 284,423 | (273) | (15,348) | 268,802 |
| TRANSFERS OUT | (105,872) | - | - | (105,872) |
| CHANGE IN NET ASSETS | 178,551 | (273) | (15,348) | 162,930 |
| NET ASSETS | | | | |
| Beginning of year | 374,101 | 105,710 | 486,261 | 966,072 |
| End of year | \$ 552,652 | \$ 105,437 | \$ 470,913 | \$ 1,129,002 |

City of Geneva, Illinois
NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
Year ended April 30, 2005

| | Parking Facilities Revenue | Refuse | Cemetery | Total Nonmajor Enterprise Funds |
|---|----------------------------------|------------------|--------------------|---------------------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| Receipts from customers and users | \$ 527,256 | \$ 140,777 | \$ 50,709 | \$ 718,742 |
| Payments for interfund services | (181,866) | - | - | (181,866) |
| Payments to suppliers | (121,824) | (86,965) | - | (208,789) |
| Payments to employees | (55,379) | (52,640) | (78,960) | (186,979) |
| Net cash provided by (used in) operating activities | <u>168,187</u> | <u>1,172</u> | <u>(28,251)</u> | <u>141,108</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | | | |
| Transfers out | <u>(105,872)</u> | <u>-</u> | <u>-</u> | <u>(105,872)</u> |
| Net cash used in noncapital and related financing activities | <u>(105,872)</u> | <u>-</u> | <u>-</u> | <u>(105,872)</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | | |
| Principal paid on revenue bonds | <u>(78,000)</u> | <u>-</u> | <u>-</u> | <u>(78,000)</u> |
| Net cash used in capital and related financing activities | <u>(78,000)</u> | <u>-</u> | <u>-</u> | <u>(78,000)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | |
| Interest income | 6,550 | - | 1 | 6,551 |
| Interest expense | (35,271) | - | - | (35,271) |
| Nonexpendable trust income | - | - | 7,913 | 7,913 |
| New development income | - | - | 6,686 | 6,686 |
| Net cash provided by investing activities | <u>(28,721)</u> | <u>-</u> | <u>14,600</u> | <u>(14,121)</u> |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | (44,406) | 1,172 | (13,651) | (56,885) |
| CASH AND CASH EQUIVALENTS | | | | |
| Beginning of year | <u>300,969</u> | <u>65,612</u> | <u>478,260</u> | <u>844,841</u> |
| End of year | <u>\$ 256,563</u> | <u>\$ 66,784</u> | <u>\$ 464,609</u> | <u>\$ 787,956</u> |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| Operating income (loss) | \$ 313,144 | \$ (273) | \$ (29,948) | \$ 282,923 |
| Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities | | | | |
| Depreciation | 34,897 | 2,775 | 1,697 | 39,369 |
| Change in assets and liabilities | | | | |
| Accounts receivable | - | (837) | - | (837) |
| Unamortized bond costs | 703 | - | - | 703 |
| Accounts payable | 1,400 | (469) | - | 931 |
| Due to other funds | (181,866) | - | - | (181,866) |
| Accrued payroll | (91) | (24) | - | (115) |
| Net cash provided by (used in) operating activities | <u>\$ 168,187</u> | <u>\$ 1,172</u> | <u>\$ (28,251)</u> | <u>\$ 141,108</u> |

City of Geneva, Illinois
NONMAJOR GOVERNMENTAL FUNDS AND ALL ENTERPRISE FUNDS
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
Year ended April 30, 2005

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance</u> |
|---|------------------------|---------------------|---------------|-----------------|
| Government-type Funds | | | | |
| Motor Fuel Tax | \$ 620,000 | \$ 620,000 | \$ - | \$ 620,000 |
| Combined Special Service Area | 401,175 | 471,825 | 412,113 | 59,712 |
| Illinois Municipal Retirement | 562,500 | 562,500 | 570,879 | (8,379) |
| Public Benefit | 89,850 | 89,850 | - | 89,850 |
| Mental Health | 139,675 | 139,675 | 129,173 | 10,502 |
| Liability Insurance | 199,000 | 419,000 | 436,828 | (17,828) |
| Medical and Dental Insurance | 78,790 | 78,790 | 105,741 | (26,951) |
| Tax Increment Allocation | - | - | - | - |
| Tree Nursery | 850 | 850 | - | 850 |
| Employer Pension Contribution | - | - | 495,391 | (495,391) |
| General Obligation Bond 1994 | 1,876,320 | 1,876,320 | 1,874,948 | 1,372 |
| TIF Riverfront Development Construction | 1,338,338 | 1,338,338 | 1,040,475 | 297,863 |
| Firestation Number Two | 50,000 | 50,000 | - | 50,000 |
| Special Service Area #12 Construction | 62,930 | 62,930 | 63,534 | (604) |
| TIF East State Street Construction | 210,400 | 210,405 | 108,434 | 101,971 |
| Prairie Green | 910,000 | 910,000 | 78,303 | 831,697 |
| Street Construction | - | - | - | - |
| Working Cash | 300,000 | 300,000 | - | 300,000 |
| Proprietary-type Funds | | | | |
| Electric Light | 19,389,588 | 20,393,484 | 18,283,559 | 2,109,925 |
| Waterworks and Sewerage | 5,589,529 | 5,589,529 | 4,784,260 | 805,269 |
| Parking Facilities Revenue | 630,563 | 552,563 | 214,112 | 338,451 |
| Refuse | 151,206 | 151,206 | 141,887 | 9,319 |
| Cemetery | 79,976 | 79,976 | 80,657 | (681) |

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OTHER SUPPLEMENTARY INFORMATION

City of Geneva, Illinois
SCHEDULE OF INSURANCE COVERAGE AND
CUSTOMER INFORMATION
April 30, 2005

| Risk Covered | Amount of Policy | Name of Insurer | Policy Expiration |
|---|---------------------------|---|----------------------|
| Workers' Compensation and Employer's Liability | Statutory \$ 1,000,000 | Self Insured - City of Geneva Midwest Employers Casualty Co. | 4/30/06 |
| General Liability | | | |
| Occurrence | | | |
| General total | \$ 3,000,000 | St. Paul Fire & Marine Insurance Co. | 4/30/06 |
| Products/completed work | 3,000,000 | | |
| Personal injury | 2,000,000 | | |
| Advertising injury | 2,000,000 | | |
| Each occurrence | 2,000,000 | | |
| Premises damage | 100,000 | | |
| Medical expense | 5,000 | | |
| Claims Made | | | |
| General aggregate | \$ 2,000,000 | St. Paul Fire & Marine Insurance Co. | 4/30/06 |
| Each occurrence | 2,000,000 | | |
| Law enforcement liability protection | 2,000,000 | | |
| Each occurrence | 2,000,000 | | |
| Property | | | |
| Blanket building | \$ 34,404,797 | St. Paul Fire & Marine Insurance Co. | 4/30/06 |
| Flood | 5,000,000 | | |
| Earthquake | 5,000,000 | | |
| Crime | | | |
| Public employee dishonesty | \$ 500,000 | St. Paul Fire & Marine Insurance Co. | 4/30/06 |
| Contractor's Equipment Floater | \$ 25,000 | | 4/30/06 |
| Business/Auto | | | |
| Liability | \$ 2,000,000 | St. Paul Fire & Marine Insurance Co. | 4/30/06 |
| Uninsured motorist | 2,000,000 | | |
| Underinsured motorist | 2,000,000 | | |

(Continued)

City of Geneva, Illinois
SCHEDULE OF INSURANCE COVERAGE AND
CUSTOMER INFORMATION

April 30, 2005

| Risk Covered | Amount of Policy | Name of Insurer | Policy Expiration |
|-------------------------------------|---------------------|--------------------------------------|----------------------|
| Bond on Officials | | | |
| City administrator | \$ 100,000 | Ohio Casualty | 4/30/06 |
| Fiscal officer | 100,000 | Ohio Casualty | 4/30/06 |
| City treasurer | 100,000 | Ohio Casualty | 4/30/06 |
| City mayor | 3,000 | Ohio Casualty | 4/30/06 |
| Umbrella Excess Liability | | | |
| General total | \$ 10,000,000 | St. Paul Fire & Marine Insurance Co. | 4/30/06 |
| Products/completed work | 10,000,000 | | |
| Personal injury | 10,000,000 | | |
| Advertising injury | 10,000,000 | | |
| Each occurrence | 10,000,000 | | |
| Number of Customers Serviced | | | |
| by the City's Utilities | 9,735 | | |

Note: The Bond Ordinance requires that the audit report include a list of all insurance policies held by the City pursuant to the Ordinances, and the number of customers serviced by the utilities.

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