

*City of Geneva, Illinois
Comprehensive Annual Financial Report*



For the fiscal year ended April 30, 2012



Cover Photograph Credit:
Pete Jovanovic

“When It Rains It Pours” is a bronze limited edition sculpture by Miles Metzger from Angwin, California. The sculpture, affectionately known as “The Rain Man” by local residents, stands 7’ 6” in height in Joshel Plaza on Third Street near the Geneva Metra Commuter Station.

City of Geneva, Illinois
Comprehensive Annual Financial Report
Year Ended April 30, 2012

Prepared by Division of Finance

Thomas W. Dahl, CPA
Finance Manager

TABLE OF CONTENTS

INTRODUCTORY SECTION	<u>Page</u>
List of Principal Officials	i
Organizational Chart	ii
Letter of Transmittal	iii - v
FINANCIAL SECTION	
Independent Auditors' Report	1 - 2
Management's Discussion and Analysis	3 - 12
Basic Financial Statements	
Government-wide Financial Statements:	
Statement of Net Position	13
Statement of Activities	14 - 15
Fund Financial Statements:	
Balance Sheet - Governmental Funds	16
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	17
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	18
Statement of Net Assets - Proprietary Funds	19 - 20
Statement of Revenues, Expenses and Changes in Net Assets - Proprietary Funds	21 - 22
Statement of Cash Flows - Proprietary Funds	23 - 24
Statement of Net Assets - Pension Trust Funds	25
Statement of Changes in Net Assets - Pension Trust Fund	26
Index for Notes to Financial Statement	27 - 28
Notes to Financial Statements	29 - 73
Required Supplementary Information (Unaudited)	
Illinois Municipal Retirement Fund	
Schedule of Funding Progress and Employer Contributions	74
Police and Firefighters' Pension Funds	
Schedule of Funding Progress and Employer Contributions	75
Other Post-Employment Benefits Plan	
Schedule of Funding Progress and Employer Contributions	76
Notes to Required Supplementary Information	77
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual:	
General Fund	78

(Continued)

TABLE OF CONTENTS - (Continued)

	Page
SUPPLEMENTARY INFORMATION	
Combining Statements	
Combining Balance Sheet - Nonmajor Governmental Funds	79 - 82
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds	83 - 86
Combining Statement of Net Assets - Nonmajor Enterprise Funds	87
Combining Statement of Revenues, Expenses and Changes in Net Assets - Nonmajor Enterprise Funds	88
Combining Statement of Cash Flows - Nonmajor Enterprise Funds	89
Combining Statement of Net Assets - Pension Trust Funds	90
Combining Statement of Changes in Net Assets - Pension Trust Funds	91
Schedule of Expenditures - Budget and Actual - Nonmajor Governmental Funds and All Enterprise Funds	92
 OTHER SUPPLEMENTARY INFORMATION	
Schedule of Insurance Coverage and Customer Information	93 - 94
 STATISTICAL SECTION (Unaudited)	
Financial Trends	
Net Position by Component	95 - 96
Changes in Net Position	97 - 98
Fund Balances of Governmental Funds	99
Changes in Fund Balances of Governmental Funds	100
Revenue Capacity	
Equalized Assessed Value and Total Direct Tax Rate	101
Direct and Overlapping Property Tax Rates	102
Principal Property Tax Payers	103
Property Tax Levies and Collections	104
Debt Capacity	
Ratios of Outstanding Debt by Type	105 - 106
Ratios of General Bonded Debt Outstanding	107
Schedule of Direct and Overlapping Bonded Debt	108
Schedule of Legal Debt Margin	109
Demographic and Economic Information	
Demographic and Economic Statistics	110
Principal Employers	111

INTRODUCTORY SECTION

CITY OF GENEVA, ILLINOIS

Principal Officials

April 30, 2012

LEGISLATIVE

CITY ALDERMEN

Kevin R. Burns, Mayor

Chuck Brown (Ward 1)

Sam Hill (Ward 1)

Richard Marks (Ward 2)

Donald B. Cummings, Jr. (Ward 2)

Dean Kilburg (Ward 3)

Dawn Vogelsberg (Ward 3)

Dorothy Flanagan (Ward 4)

Ron Singer (Ward 4)

Ralph Dantino (Ward 5)

Craig Maladra (Ward 5)

Lynn Landberg, City Clerk

Pat McQueeney, Treasurer

ADMINISTRATIVE

Mary McKittrick, City Administrator

ADMINISTRATIVE SERVICES DEPARTMENT

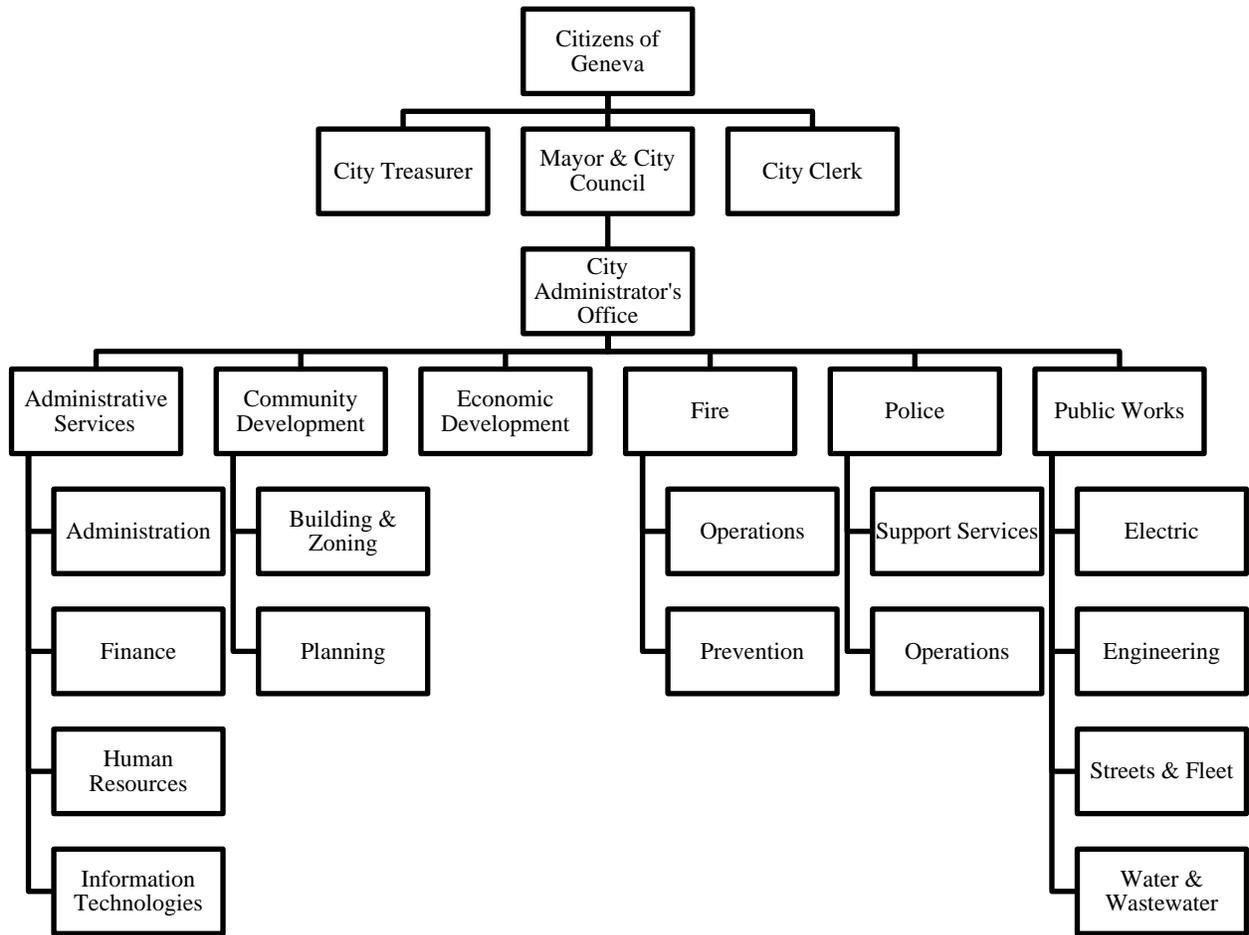
Stephanie Dawkins, Assistant City Administrator

Thomas Dahl, Finance Manager

CITY OF GENEVA, ILLINOIS

Organization Chart

April 30, 2012





Kevin R. Burns, Mayor

September 16, 2012

Lynn Landberg, Clerk
Pat McQueeney, Treasurer

Mayor Kevin R. Burns and City Council
City of Geneva, Illinois

Charles Brown, Ward 1
Sam Hill, Ward 1
Donald B. Cummings, Jr., Ward 2
Richard Marks, Ward 2
Dean Kilburg, Ward 3
Dawn Vogelsberg, Ward 3
Dorothy Flanagan, Ward 4
Ron Singer, Ward 4
Craig Maladra, Ward 5
Ralph Dantino, Ward 5

Mary L. McKittrick
City Administrator

The Annual Financial Report (AFR) of the City of Geneva for the fiscal year ended April 30, 2012 is hereby submitted. State law requires an annual audit for local governments. The audit must be conducted in accordance with generally-accepted auditing standards, include all of the accounts and funds of the City, and be completed within six months after the close of the fiscal year. The City is required to issue a report on its financial position and activity presented in conformance with generally-accepted accounting principles (GAAP). This report presents a comprehensive picture of the City's financial activities and has been published to fulfill the requirements for the fiscal year ended April 30, 2012.

The financial report consists of management's representations concerning the finances of the City of Geneva. Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

The City of Geneva's financial statements have been audited by Costabile & Steffens, P.C., a firm of licensed certified public accountants. The independent auditor issued an unqualified ("clean") opinion on the City's financial statements for the year ended April 30, 2012. The independent auditor's report is located at the beginning of the financial section of this report.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of the government

The City of Geneva, incorporated in 1858, is located in the Fox River Valley 40 miles west of Chicago and serves a population of 21,495. The City of Geneva is empowered to levy a property tax on real property located within its boundaries. It also is empowered by state statute to extend its corporate limits by annexation, which it has done from time to time.

The City of Geneva operates under the mayor-council form of government. Policy-making and legislative authority are vested in the governing council (Council) consisting of the mayor and ten other members. The Mayor is elected at large while the Council is elected by ward. Council member serve four-year terms, with five members elected every two years. The Mayor is elected for a four-year term. The Mayor, with Council approval, appoints the City Administrator as well as several other positions within the City. The City Administrator recommends the appointment of department heads.

The City of Geneva provides a full range of services, including police and fire protection; refuse collection; snow and leaf removal; traffic control; on- and off-street parking; building inspections; licenses and permits; construction and maintenance of streets and other infrastructure; cemetery maintenance; water and sewer service; and electric service.

The City Council is required to adopt an initial budget for the fiscal year no later than April 30 preceding the beginning of the fiscal year on May 1. This annual budget serves as the foundation for the City of Geneva's financial planning and control. The budget is prepared by fund and department. Department heads may transfer resources within a department as they see fit. The City Administrator may transfer resources between departments; however transfers between Funds need approval from the City Council.

Local economy

The City of Geneva is a western suburb of Chicago and is the Kane County seat. Over 1,100 businesses call Geneva home, including many food industry partners including Peacock Engineering, Power Packaging and Flavors of North America. The City of Geneva is also known for its historic downtown business district (over 1.1 mil s.f. of commercial space), the Geneva Commons Lifestyle Shopping Center on Randall Road, the Geneva Business Park and Kane County Cougar (A) minor league baseball.

During the past ten years, the unemployment rate rose from a low of 2.9% (2006) to a high of 7.9% for 2010. Although unemployment rates have risen nationwide over the past few years, the City of Geneva continues to experience unemployment rates consistently lower than national averages.

Long-term financial planning and major initiatives

Unrestricted fund balance (the total of the committed, assigned and unassigned components of fund balance) in the General Fund at year end was 24.6% of General Fund expenditures. This amount was slightly below the policy guidelines set by the Council for budgetary and planning purposes (i.e., three months of General Fund expenditures, 25%).

The fiscal year 2013 Capital Improvement Program anticipates \$12,613,055 in capital projects. Included in this \$12.6 million is \$3.5 million for the addition of a third deck to the Commuter Parking garage, \$2.5 million in street improvements and \$1.2 million for burial of overhead electrical lines. The remainder of the program will finance improvement to City buildings, vehicle and equipment replacement and water and sewer and electrical service upgrades.

Relevant financial policies

The City of Geneva has adopted a comprehensive set of financial policies that set forth the basic framework for the overall fiscal management of the City. These policies assist the decision making process of the City Council and the Administration. The policies provide guidelines for evaluating both current activities and proposals for future programs and budgets.

Financial policies aid the City by improving financial management, financial position and the credit worthiness of the City. They also serve to ensure that all financial transactions conducted by or on behalf of the City shall be made in a manner and method which provides for the most proficient and effective management of the financial resources and funds of the City. Several examples include; Fund Balance Policy (25% of operating expenditures); Investment Policy; Debt Policy and Internal Control Policy.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the City for its annual budget document dated May 1, 2011. To qualify for the Distinguished Budget Presentation Award, the government's budget document had to be judged proficient as a policy document, a financial plan, an operations guide and a communications device.

The preparation of the AFR on a timely basis was made possible by the efficient and dedicated service of the entire staff of the Finance Division and the assistance provided by other staff in the Administrative Services Department. I especially would like to thank the Finance Division staff, Andrea Ferengul, Kim Hillquist, Lauri Johnson and Susan Embry for their dedication and support.

Respectively submitted,



Thomas Dahl
Finance Manager

FINANCIAL SECTION



Costabile & Steffens P.C.

Certified Public Accountants

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, 2012, 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. 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, 2012, 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.

Frank J. Costabile
Frank R. Costabile

(Continued)

Members
American Institute
of Certified Public
Accountants
and Illinois
Society of CPAs



Costabile & Steffens P.C.
Certified Public Accountants

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

(Continued)

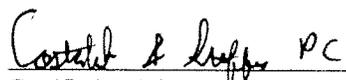
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, the schedules of funding progress, trend information, and notes to RSI on pages 3 through 12 and 70 through 78 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during the audit of the basic financial statements.

We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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 introductory section, combining nonmajor fund financial statements, the schedule of expenditures - budget and actual and statistical section, 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. The combining nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The accompanying other supplementary information, introductory and statistical sections, as listed in the table of contents, have not been subjected to the auditing procedures applied in the audit of basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

COSTABILE & STEFFENS P.C.



Certified Public Accountants

Rolling Meadows, Illinois
September 16, 2012

Management's Discussion and Analysis

As management of the City of Geneva, we offer readers of the City of Geneva's financial statements this narrative overview and analysis of the financial activities of the City of Geneva for the fiscal year ended April 30, 2012. We encourage readers to consider the information presented here in conjunction with the additional information that we have furnished in our letter of transmittal, which can be found on pages iii-v of this report.

Financial Highlights

- The assets of the City exceeded its liabilities at April 30, 2012 by \$145,291,155. Of this amount, \$8,092,435 may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net assets increased by \$647,340, or 0.45% from \$144,643,815 to \$145,291,155 in 2012. Governmental net assets decreased \$1,636,849 or 2.7% to \$59,469,113 and business-type net assets increased \$2,284,189 or 2.7% to \$85,822,042.
- The City's combined governmental funds ending fund balance increased by \$780,407 to \$8,313,304 as of April 30, 2012. Approximately 41% of this amount (\$3,408,505) is available for spending at the government's discretion (unassigned fund balance).
- At the end of the fiscal year, unrestricted fund balance (the total of the committed, assigned and unassigned components of fund balance) for the General Fund was \$3,408,505, or approximately 24.6% of total General Fund expenditures.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-wide Financial Statements

The Government-wide financial statements are designed to emulate the corporate sector in that all governmental and business-type activities are consolidated into columns that add to a total for the Primary Government. The City's Annual Financial 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. Inter-fund 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*. The focus of the Statement of Net Assets, the Unrestricted Net Assets, is designed to be similar to the bottom line results for the City and its governmental and business-type activities. 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 works, development, highways and streets and interest. Business-type activities reflect private sector-type operations where the fee for service typically covers all or most of the cost of operation, including depreciation. The City's business-type activities include electric, water and sewer utilities, refuse, parking, and cemetery. 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 13-15 of this report.

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 funds of the City are divided into three categories: governmental funds, proprietary funds and fiduciary 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.

The City maintains 17 individual governmental funds. Information is presented separately in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund which is the only major fund. Data from the other governmental funds are combined into a single, aggregate presentation. 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 governmental fund financial statements are presented on pages 16-18 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 and charge fees to customers within the City organization such as equipment maintenance or insurance. The City does not currently utilize any internal service funds.

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.

The basic proprietary fund financial statements are presented on pages 19-24 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 fund City programs. Fiduciary fund financial statements are reported similar to proprietary funds.

The basic fiduciary fund financial statements are presented on pages 25-26 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 27 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 74.

Major funds are reported in the basic financial statements as discussed. Combining and individual statements and schedules for non-major funds are presented in a subsequent section of this report beginning on page 79.

Government-Wide Overall Financial Analysis

Statement of Net Assets

As noted earlier, net assets over time, may serve as a useful indicator of a government's financial position. In the case of the City of Geneva, assets exceeded liabilities by \$145,291,155, at the close of the most recent fiscal year.

The following table reflects the condensed Statement of Net Assets:

City of Geneva
Statement of Net Assets as of April 30, 2012

	Governmental Activities		Business-Type Activities		Total	
	2011	2012	2011	2012	2011	2012
Current Assets	\$ 16,319,090	\$ 17,124,567	\$ 12,330,736	\$ 14,028,422	\$ 28,649,826	\$ 31,152,989
Capital Assets	70,986,182	67,485,749	125,074,641	123,050,115	196,060,823	190,535,864
Total Assets	<u>87,305,272</u>	<u>84,610,316</u>	<u>137,405,377</u>	<u>137,078,537</u>	<u>224,710,649</u>	<u>221,688,853</u>
Long-Term Liabilities	15,139,175	13,440,743	47,617,389	43,963,638	62,756,564	57,404,381
Other Liabilities	11,060,135	11,700,460	6,250,135	7,292,857	17,310,270	18,993,317
Total Liabilities	<u>26,199,310</u>	<u>25,141,203</u>	<u>53,867,524</u>	<u>51,256,495</u>	<u>80,066,834</u>	<u>76,397,698</u>
Net Assets						
Invested in Capital Assets,						
Net of Related Debt	55,723,306	54,561,399	74,968,737	76,419,590	130,692,043	130,980,989
Restricted	3,687,613	4,675,423	1,670,684	1,542,308	5,358,297	6,217,731
Unrestricted	1,695,043	232,291	6,898,432	7,860,144	8,593,475	8,092,435
Total Net Assets	<u>\$ 61,105,962</u>	<u>\$ 59,469,113</u>	<u>\$ 83,537,853</u>	<u>\$ 85,822,042</u>	<u>\$ 144,643,815</u>	<u>\$ 145,291,155</u>

The largest portion of net assets (90%) reflects the investment in capital assets including land, buildings, infrastructure and equipment, less any related debt used to acquire those assets that is still outstanding. Although the City's investment in its capital assets is reported net of related debt, resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate the liabilities.

An additional portion of the City of Geneva's net assets (4.3%) represents resources that are subject to external restrictions on how they may be used, for example, Motor Fuel Tax Fund revenues. The remaining balance of \$8,092,435 is unrestricted and may be used to meet the City's ongoing obligations to citizens and creditors or to fund future capital improvements.

At the end of the fiscal year, the City of Geneva is able to report positive balances in all reported categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

Governmental Activities. During the fiscal year, net assets for the governmental activities decreased \$1,636,849 from the prior fiscal year for an ending balance of \$59,469,113. This decrease is mainly due to depreciation expense for infrastructure capital assets. Capital Assets, net of depreciation, decreased \$3,500,433 from the prior year, while Long-Term Liabilities decreased \$1,698,432.

Business-type Activities. For the City of Geneva's business-type activities, the results for the fiscal year were positive in that overall net assets increased to an ending balance of \$85,822,042. The total increase in net assets was \$2,284,189 or 2.7% from the prior fiscal year. The growth is attributable to the continued success of the Electric Fund. Operating revenues in the Electric Fund exceeded operating expenses by \$3,373,173.

Changes in Net Assets

City of Geneva

Changes in Net Assets for the Fiscal Year Ended April 30, 2012

	Governmental Activities		Business-Type Activities		Total	
	2011	2012	2011	2012	2011	2012
Revenues and Net Transfers						
Program Revenues						
Charges for Services	\$ 4,086,758	\$ 4,470,461	\$ 38,704,294	\$ 38,571,443	\$ 42,791,052	\$ 43,041,904
Operating Grants	792,101	934,182	113,043	337,049	905,144	1,271,231
Capital Grants	-	-	-	-	-	-
Total	4,878,859	5,404,643	38,817,337	38,908,492	43,696,196	44,313,135
General Revenues						
Property Taxes	6,665,655	7,040,929	-	-	6,665,655	7,040,929
Other Taxes	2,562,088	2,360,174	-	-	2,562,088	2,360,174
Intergovernmental	8,346,054	8,866,868	-	-	8,346,054	8,866,868
Other Revenue	175,000	12,556	315,060	324,150	490,060	336,706
Net Transfers	351,821	225,106	(351,821)	(225,106)	-	-
Total Revenues	22,979,477	23,910,276	38,780,576	39,007,536	61,760,053	62,917,812
Expenses						
General Governmt	933,183	1,194,569	-	-	933,183	1,194,569
Public Works	909,987	885,751	-	-	909,987	885,751
Development	1,638,834	1,827,441	-	-	1,638,834	1,827,441
Public Safety	12,436,545	13,482,162	-	-	12,436,545	13,482,162
Highways & Streets	8,949,448	7,558,459	-	-	8,949,448	7,558,459
Interest	734,687	598,743	-	-	734,687	598,743
Electric	-	-	30,247,413	28,318,658	30,247,413	28,318,658
Water and Sewer	-	-	7,473,557	7,485,102	7,473,557	7,485,102
Other	-	-	970,233	919,587	970,233	919,587
Total Expenses	25,602,684	25,547,125	38,691,203	36,723,347	64,293,887	62,270,472
Changes in Net Assets	(2,623,207)	(1,636,849)	89,373	2,284,189	(2,533,834)	647,340
Net Assets, May 1	63,729,169	61,105,962	83,448,480	83,537,853	147,177,649	144,643,815
Net Assets April 30	\$ 61,105,962	\$ 59,469,113	\$ 83,537,853	\$ 85,822,042	\$ 144,643,815	\$ 145,291,155

Financial Analysis of Governmental Funds

Governmental Funds

As discussed, governmental funds are reported in the fund statement 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. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the City of Geneva itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the City of Geneva's Council.

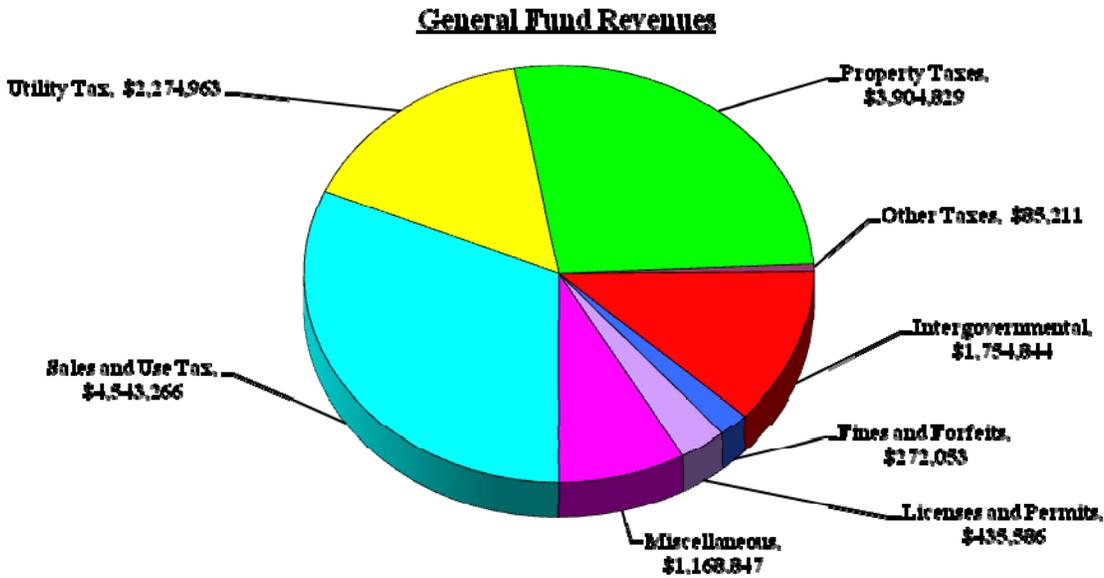
At April 30, 2012, the City of Geneva's governmental funds reported combined ending fund balances of \$8,313,304, an increase of \$780,407 from the prior year. Approximately 41% of this amount (\$3,408,505) constitutes unassigned fund balance, which is available for spending at the government's discretion. The

remainder of the fund balance is either, nonspendable, restricted or assigned to indicate that it is 1) not in spendable form (\$163,445), 2) restricted for particular purposes (\$3,969,241) or 3) assigned for particular purposes (\$772,113).

The General Fund is the chief operating fund of the City of Geneva. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$3,408,505, while total fund balance decreased to \$3,571,950. As a measure of the General Fund’s liquidity it may be useful to compare both unassigned fund balance and total fund balance to total General Fund expenditures. Unassigned fund balance represents approximately 24.6% of total General Fund expenditures while total fund balance represents approximately 25.8% of that same amount.

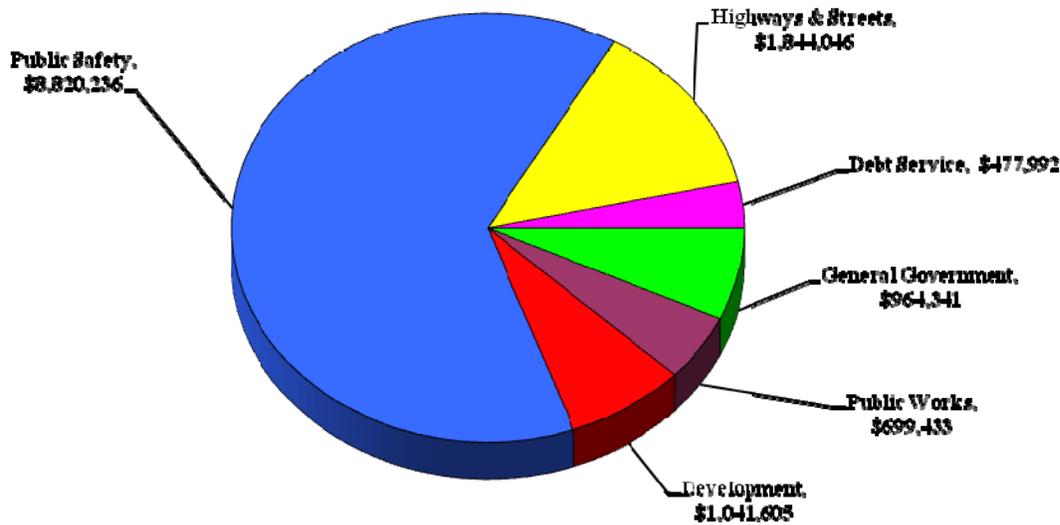
The fund balance of the City of Geneva’s General Fund decreased by \$273,334 during the fiscal year. The decrease can be attributed to a continuing change in accounting practices. The Infrastructure Capital Projects Fund was created on May 1, 2011 to account for the 0.5% Non Home-Rule Sales Tax after it had been recorded in the General Fund. At the close of fiscal year 2011, \$439,031 had been recorded in the General Fund for sales tax receivable. At the close of fiscal year 2012, this amount was correctly recorded in the Infrastructure Capital Projects Fund, resulting in a \$273,334 decrease in General Fund fund balance, rather than a \$165,697 increase. The ending cash balance of \$2,618,201 represents a decrease of \$374,394 from last year’s balance.

Revenues were short of budget expectations by \$757,817, largely from lower than expected Utility Tax, Fines and Forfeits, Telecommunications Tax and the aforementioned Sales Tax Receivable.



Operating expenditures were \$381,362 less than budget because of reduced operating costs due to the general hiring freeze and careful monitoring of expenditures.

General Fund Expenditures



Proprietary Funds. The City of Geneva’s 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 major proprietary funds operated by the City are the Electric and Waterworks & Sewerage Funds. In the Electric Fund, consumption was down 1.6% from the prior fiscal year. This resulted in revenues missing the budget projections even with an increase in electric rates. Reduced operating expenses, including purchased power, however, ended the year with strong positive growth. Significant capital projects included the underground cable replacement program and substation improvements. In the Waterworks and Sewerage Fund, water consumption was increased 0.7% compared to the prior year and revenues were lower than budget expectations. The reduced consumption did lead to lower operating costs, including chemicals and purchased power, however the fund net assets decreased \$547,057 during the year. Some budgeted capital projects were put on hold due to lower than expected revenues.

General Fund Budgetary Highlights

Original budget compared to final budget. During the year there were three amendments to increase the original budgeted appropriations. The first amendment increased appropriations for the removal of trees due to the Emerald Ash Borer infestation. The second amendment increased appropriations to pay off several capital loans early, transfer the remaining SPAC balance to the SPAC Fund, transfer additional funds to the IMRF Fund and increase the Police Department’s fuel budget. The third amendment increased appropriations for a transfer to the General Capital Projects Fund and Police and Fire Department overtime. Budget adjustments were made throughout the year to move appropriations between departments.

Final budget compared to actual results. The most significant differences between estimated revenues and actual revenues were as follows:

<u>Revenue Source</u>	<u>Estimated Revenues</u>	<u>Actual Revenues</u>	<u>Difference</u>
Sales Tax	\$4,912,750	\$4,645,309	\$(267,441)
Utility Tax	2,550,000	2,274,963	(275,037)
Fines and Forfeits	456,500	272,053	(184,447)
Licenses and Permits	331,200	435,586	104,386
Miscellaneous	1,300,886	1,163,367	(137,519)

The shortfall in Sales Tax revenue was due to the previously mentioned adjustment, while the shortfall in Utility Tax can be traced to the 1.6% decrease in electric consumption. Fines and Forfeits were less than expected due to a decrease in Red Light Camera Revenue and lower than expected Court Fines. Licenses and permits performed better than expected based on several large permits for building expansions during the fiscal year.

A review of actual expenditures compared to the appropriations in the final budget reveals no significant variances. All departments had actual expenditures below the final budget appropriations.

Capital Assets and Debt Administration

Capital Assets. The City of Geneva's investment in capital assets for its governmental and business-type activities as of April 30, 2012, amounts to \$190,535,864 (net of accumulated depreciation) with \$67,485,749 in governmental activities and \$123,050,115 in business-type activities. Capital assets include land, buildings, equipment and infrastructure. Capital assets have a useful life greater than one year with an initial, individual cost of more than \$50,000 for streets, bridges and storm sewers, electric and water and sewer infrastructure; \$20,000 for sidewalks; and \$5,000 for all other capital assets. The total decrease in capital assets for the current fiscal year was approximately 2.8%.

City of Geneva's Capital Assets (net of depreciation)

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>
Land	\$13,367,049	\$13,364,749	\$2,003,607	\$2,003,607	\$15,370,656	\$15,368,356
Land Improvements	1,006,433	921,529	131,467	121,705	1,137,900	1,043,234
Buildings	13,171,990	12,877,183	61,380,424	59,681,056	74,552,414	72,558,239
Vehicles	545,999	1,131,752	413,325	522,368	959,324	1,654,120
Machinery & Equipment	1,012,173	894,626	159,667	493,985	1,171,840	1,388,120
Parking Lots			7,282,349	7,100,682	7,282,349	7,100,682
Infrastructure	41,882,538	38,295,910			41,882,538	38,295,910
Production & Distribution Systems			53,703,807	53,076,073	53,703,807	53,076,073
Construction in Progress				50,639		50,639
Total	\$70,986,182	\$67,485,749	\$125,074,646	\$123,050,115	\$196,060,828	\$190,535,864

Major capital asset events during the current fiscal year included the following:

- A new commuter parking garage project, addition of a third deck to the existing garage, was begun with \$50,639 in initial project costs.
- The ongoing burial of electric cable totaled \$644,158 and other electric service projects totaled \$738,222.
- The purchase of various vehicles at a total cost of \$991,102, including \$540,139 for a new Pierce Fire Pumper.
- Fire Station #2 roof was replaced at a total cost of \$33,555.
- Water and Sewer system replacements were completed for \$279,857.

Additional information on the City of Geneva’s capital assets can be found in Note 4 on pages 48 - 50 of this report.

Long-Term Debt. At the end of the current fiscal year, the City of Geneva had \$64,488,266 in long-term debt outstanding. Of this total, \$30,480,000 represents general obligation bonds, \$5,980,000 is from revenue bonds, \$271,777 is from Tax Increment Financing Bonds, \$314,000 is Special Service Area Bonds and \$24,257,166 is in notes payable. Reductions amounted to \$3,853,393 during the year due to principal payments. As a non-home rule government, under Illinois law, the City is limited in issuing debt.

	Governmental Activities		Business-type Activities		Total	
	2011	2012	2011	2012	2011	2012
GO Bonds	\$14,260,000	\$12,924,350	\$7,605,000	\$17,555,650	\$21,865,000	\$30,480,000
Special Service Area Debt	380,000	314,000			380,000	314,000
Revenue Bonds			16,770,000	5,980,000	16,770,000	5,980,000
TIF Bonds	314,809	271,777			314,809	271,777
Notes Payable	308,067		25,730,904	24,257,166	26,038,971	24,257,166
Compensated Absences	2,244,316	2,340,038	845,285	845,285	2,972,879	3,185,323
Deferred Amt on Refunding				(1,162,291)		(1,162,291)
Total	\$17,507,192	\$15,850,165	\$50,834,467	\$47,475,810	\$68,341,659	\$63,325,975

The City of Geneva issued general obligation bonds to refinance previously outstanding revenue and general obligation bonds reported in governmental and business-type activities. This refinancing was done to take advantage of favorable interest rates the result is expected to be a decrease in future debt service payments of \$2,113,522.

Moody’s Investors Service has assigned an Aa2 rating to the City’s bonds.

Additional information on the City of Geneva’s long-term debt can be found in Note 5 on pages 51 - 58 of this report.

Economic Factors and Next Year’s Budgets and Rates

The City of Geneva is primarily a residential community and its General Fund relies heavily on property taxes, sales taxes from its two major business districts, municipal tax from the City’s electric and water utilities and income tax from the State of Illinois. The City’s official population currently stands at 21,495 representing a 1.9% decrease from the 2004 special census.

The overall financial position of the City is sound. The Governmental Funds fund balance increased during the fiscal year in spite of the economic downturn. Expenditure constraints included a hiring freeze, voluntary employee furlough program, limited professional development and deferred capital projects. Utility rates in the City's Proprietary Funds are monitored to ensure operating and capital costs are adequately covered.

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 financial information, contact Tom Dahl, the City's Finance Manager, at the City of Geneva, 15 S. 1st Street, Geneva, Illinois 60134 or access the City's website at www.geneva.il.us.

BASIC FINANCIAL STATEMENTS

City of Geneva, Illinois
STATEMENT OF NET POSITION
April 30, 2012

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Cash and investments	\$ 7,112,838	\$ 7,313,294	\$ 14,426,132
Receivables			
Property taxes - net	6,754,133	-	6,754,133
Accounts	538,082	4,268,994	4,807,076
Other	701,460	319,073	1,020,533
Due from other governments	1,854,609	-	1,854,609
Restricted cash and equivalents	-	1,198,956	1,198,956
Inventory	163,445	661,233	824,678
Capital assets, not being depreciated	13,364,749	2,054,246	15,418,995
Capital assets, net of accumulated depreciation	54,121,000	120,995,869	175,116,869
Unamortized bond costs	-	266,872	266,872
	<u>84,610,316</u>	<u>137,078,537</u>	<u>221,688,853</u>
Total assets			
LIABILITIES			
Accounts payable	1,709,271	2,582,563	4,291,834
Accrued payroll	432,068	186,930	618,998
Accrued interest	141,526	514,015	655,541
Other deferred revenue	228,700	-	228,700
Deposits payable	25,340	-	25,340
Other payables	-	43,097	43,097
Deferred property taxes	6,754,133	-	6,754,133
Bond premium	-	454,080	454,080
Noncurrent liabilities			
Due within one year	2,409,422	3,512,172	5,921,594
Due in more than one year	13,440,743	43,963,638	57,404,381
	<u>25,141,203</u>	<u>51,256,495</u>	<u>76,397,698</u>
Total liabilities			
NET POSITION			
Invested in capital assets, net of related debt	54,561,399	76,419,590	130,980,989
Restricted for:			
Debt service	349,118	1,198,956	1,548,074
Cemetery care	-	343,352	343,352
Capital projects	2,243,983	-	2,243,983
Special revenues	2,148,253	-	2,148,253
Unrestricted	166,360	7,860,144	8,026,504
	<u>59,469,113</u>	<u>85,822,042</u>	<u>145,291,155</u>
Total net position			

The accompanying notes are an integral part of this statement.

City of Geneva, Illinois
STATEMENT OF ACTIVITIES
Year ended April 30, 2012

<u>Functions/Programs</u>	Program Revenues			
	Expenses	Charges for Services	Operating Grants	Capital Grants
Governmental activities:				
General government	\$ 1,194,569	\$ 1,706,331	\$ 159,198	\$ -
Public works	885,751	2,025	-	-
Development	1,827,441	165,775	-	-
Public safety	13,482,162	2,525,863	-	-
Highway and streets	7,558,459	70,467	774,984	-
Interest	598,743	-	-	-
Total governmental activities	25,547,125	4,470,461	934,182	-
Business-Type activities:				
Electric light	28,318,658	31,193,949	168,200	-
Waterworks and sewerage	7,485,102	6,472,706	168,849	-
Commuter Parking Fund	433,258	489,068	-	-
Refuse	382,398	352,905	-	-
Cemetery	103,931	62,815	-	-
Total business-type activities	36,723,347	38,571,443	337,049	-
Total	\$ 62,270,472	\$ 43,041,904	\$ 1,271,231	\$ -

General revenues:

Property taxes
Replacement taxes
Intergovernmental tax
Utility tax
Interest
Miscellaneous
Transfers

Total general revenues and transfers

Change in net position

Net position - beginning

Net position - 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
\$ 670,960	\$ -	\$ 670,960
(883,726)	-	(883,726)
(1,661,666)	-	(1,661,666)
(10,956,299)	-	(10,956,299)
(6,713,008)	-	(6,713,008)
(598,743)	-	(598,743)
<u>(20,142,482)</u>	<u>-</u>	<u>(20,142,482)</u>
-	3,043,491	3,043,491
-	(843,547)	(843,547)
-	55,810	55,810
-	(29,493)	(29,493)
-	(41,116)	(41,116)
<u>-</u>	<u>2,185,145</u>	<u>2,185,145</u>
<u>(20,142,482)</u>	<u>2,185,145</u>	<u>(17,957,337)</u>
7,040,929	-	7,040,929
85,211	-	85,211
8,866,868	-	8,866,868
2,274,963	-	2,274,963
12,556	27,564	40,120
-	296,586	296,586
<u>225,106</u>	<u>(225,106)</u>	<u>-</u>
<u>18,505,633</u>	<u>99,044</u>	<u>18,604,677</u>
<u>(1,636,849)</u>	<u>2,284,189</u>	<u>647,340</u>
<u>61,105,962</u>	<u>83,537,853</u>	<u>144,643,815</u>
<u>\$ 59,469,113</u>	<u>\$ 85,822,042</u>	<u>\$ 145,291,155</u>

City of Geneva, Illinois
BALANCE SHEET
GOVERNMENTAL FUNDS
April 30, 2012

	<u>General</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS			
Cash and investments	\$ 2,618,201	\$ 4,494,637	\$ 7,112,838
Receivables			
Property taxes - net	4,442,080	2,312,053	6,754,133
Accounts	538,082	-	538,082
Other	19,723	681,737	701,460
Due from other governments	1,854,609	-	1,854,609
Inventory	163,445	-	163,445
 Total assets	 <u>\$ 9,636,140</u>	 <u>\$ 7,488,427</u>	 <u>\$ 17,124,567</u>

LIABILITIES AND FUND BALANCES

LIABILITIES			
Accounts payable	\$ 227,568	\$ 190,061	\$ 417,629
Accrued payroll	361,918	70,150	432,068
Deferred property taxes	4,442,080	2,312,053	6,754,133
Other deferred revenue	225,400	3,300	228,700
Deposit payable	25,340	-	25,340
Compensated absences payable	781,884	171,509	953,393
 Total liabilities	 <u>6,064,190</u>	 <u>2,747,073</u>	 <u>8,811,263</u>

FUND BALANCES

FUND BALANCES			
Fund balances			
Non spendable			
Inventory	163,445	-	163,445
Restricted			
Street Maintenance	-	429,369	429,369
Infrastructure	-	1,201,402	1,201,402
Debt Service	-	349,118	349,118
Special Service Areas	-	305,716	305,716
Tri-Com	-	797,303	797,303
Tax Increment Financing	-	886,333	886,333
Assigned			
Special Revenue Funds	-	615,865	615,865
Capital Projects Funds	-	156,248	156,248
Unassigned			
General	3,408,505	-	3,408,505
 Total fund balances	 <u>3,571,950</u>	 <u>4,741,354</u>	 <u>8,313,304</u>
 Total liabilities and fund balances	 <u>\$ 9,636,140</u>	 <u>\$ 7,488,427</u>	

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.	67,485,749
Long-term liabilities, including bonds payable, compensated absences payable and pension obligations are not due and payable in the current period and therefore, are not reported in the governmental funds	(16,329,940)
 Net assets of governmental activities	 <u>\$ 59,469,113</u>

The accompanying notes are an integral part of this statement

City of Geneva, Illinois
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year ended April 30, 2012

	General	Nonmajor Governmental Funds	Total Governmental Funds
Revenues			
Property taxes	\$ 3,904,829	\$ 3,136,100	\$ 7,040,929
Replacement taxes	85,211	-	85,211
Intergovernmental tax	6,298,110	-	6,298,110
Utility tax	2,274,963	-	2,274,963
Motor fuel tax	-	538,948	538,948
Fines and forfeits	272,053	-	272,053
Licenses and permits	435,586	-	435,586
Interest	5,480	7,076	12,556
Miscellaneous	1,163,367	5,452,975	6,616,342
Total revenues	14,439,599	9,135,099	23,574,698
Expenditures			
Current			
Legislative	177,369	-	177,369
Administrative services	589,347	-	589,347
Public works	432,333	-	432,333
Fleet maintenance	267,100	-	267,100
Buildings, planning and zoning	893,482	508,611	1,402,093
Economic development	148,123	-	148,123
Police	5,214,708	-	5,214,708
Fire	3,605,528	-	3,605,528
Streets and walks	1,844,046	1,927,475	3,771,521
Pension - IMRF	-	662,369	662,369
Insurance	-	514,313	514,313
Other	197,625	2,585,658	2,783,283
Capital outlay	-	1,170,255	1,170,255
Debt Service			
Principal retirement	458,737	1,183,539	1,642,276
Interest and fees	19,255	623,486	642,741
Total expenditures	13,847,653	9,175,706	23,023,359
Excess (deficiency) of revenues over expenditures	591,946	(40,607)	551,339
Other financing sources (uses)			
Transfers in	320,106	1,185,386	1,505,492
Bond Proceeds	-	2,530,136	2,530,136
Payment to bond agent	-	(2,526,174)	(2,526,174)
Transfers out	(1,185,386)	(95,000)	(1,280,386)
Total other financing sources (uses)	(865,280)	1,094,348	229,068
Net change in fund balances	(273,334)	1,053,741	780,407
Beginning of year	3,845,284	3,687,613	7,532,897
End of year	\$ 3,571,950	\$ 4,741,354	\$ 8,313,304

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, 2012

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

Net change in fund balances - total governmental funds	\$ 780,407
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.	(3,497,407)
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>1,080,151</u>
Change in net assets of governmental activities	<u>\$ (1,636,849)</u>

The accompanying notes are an integral part of this statement.

City of Geneva, Illinois
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
April 30, 2012

	<u>Business-Type Activities - Enterprise Funds</u>			
	<u>Electric Fund</u>	<u>Waterworks and Sewerage</u>	<u>Nonmajor Funds</u>	<u>Total</u>
CURRENT ASSETS				
Cash and investments	\$ 5,014,599	\$ 1,650,275	\$ 648,420	\$ 7,313,294
Receivables				
Accounts	3,462,848	791,023	15,123	4,268,994
Other	311,897	7,176	-	319,073
Inventory and other current assets	<u>563,400</u>	<u>94,098</u>	<u>3,735</u>	<u>661,233</u>
Total current assets	<u>9,352,744</u>	<u>2,542,572</u>	<u>667,278</u>	<u>12,562,594</u>
RESTRICTED ASSETS				
Cash and investments	<u>1,198,956</u>	<u>-</u>	<u>-</u>	<u>1,198,956</u>
CAPITAL ASSETS				
Land and land improvements	1,042,441	1,190,671	-	2,233,112
Buildings, plant and improvements	17,399,825	56,668,707	8,358,115	82,426,647
Equipment	1,688,806	1,172,415	177,553	3,038,774
Production and distribution systems	<u>39,142,744</u>	<u>53,817,883</u>	<u>-</u>	<u>92,960,627</u>
	59,273,816	112,849,676	8,535,668	180,659,160
Accumulated depreciation	<u>(19,464,297)</u>	<u>(36,859,048)</u>	<u>(1,285,700)</u>	<u>(57,609,045)</u>
Total capital assets	<u>39,809,519</u>	<u>75,990,628</u>	<u>7,249,968</u>	<u>123,050,115</u>
OTHER ASSETS				
Unamortized bond costs	<u>158,393</u>	<u>95,024</u>	<u>13,455</u>	<u>266,872</u>
Total assets	<u>\$ 50,519,612</u>	<u>\$ 78,628,224</u>	<u>\$ 7,930,701</u>	<u>\$ 137,078,537</u>

The accompanying notes are an integral part of this statement.

City of Geneva, Illinois
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
April 30, 2012

	<u>Business-Type Activities - Enterprise Funds</u>			
	<u>Electric Fund</u>	<u>Waterworks and Sewerage</u>	<u>Nonmajor Funds</u>	<u>Total</u>
CURRENT LIABILITIES				
Accounts payable	\$ 2,281,048	\$ 271,195	\$ 30,320	\$ 2,582,563
Accrued payroll	84,686	77,782	24,462	186,930
Accrued interest	256,306	253,225	4,484	514,015
Other payables	42,497	600	-	43,097
Notes payable	-	1,511,374	-	1,511,374
General obligation bonds payable	277,650	93,000	-	370,650
Revenue bonds payable	1,165,000	-	100,000	1,265,000
Total current liabilities	<u>4,107,187</u>	<u>2,207,176</u>	<u>159,266</u>	<u>6,473,629</u>
NONCURRENT LIABILITIES				
Compensated absences payable	456,203	370,518	18,564	845,285
Bond premium, net of amortization	200,357	253,723	-	454,080
Notes payable	-	22,745,792	-	22,745,792
General obligation bonds payable	11,965,000	4,734,093	-	16,699,093
Revenue bond payable	2,693,616	-	1,345,000	4,038,616
Total noncurrent liabilities	<u>15,315,176</u>	<u>28,104,126</u>	<u>1,363,564</u>	<u>44,782,866</u>
Total liabilities	<u>19,422,363</u>	<u>30,311,302</u>	<u>1,522,830</u>	<u>51,256,495</u>
NET ASSETS				
Invested in capital assets, net of related debt	23,708,253	46,906,369	5,804,968	76,419,590
Restricted for debt service	1,198,956	-	-	1,198,956
Restricted for cemetery care	-	-	343,352	343,352
Unrestricted	6,190,040	1,410,553	259,551	7,860,144
Total net assets	<u>\$ 31,097,249</u>	<u>\$ 48,316,922</u>	<u>\$ 6,407,871</u>	<u>\$ 85,822,042</u>

The accompanying notes are an integral part of this statement.

City of Geneva, Illinois
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS
PROPRIETARY FUNDS
Year ended April 30, 2012

	Business-Type Activities - Enterprise Funds			
	Electric Fund	Waterworks and Sewerage	Nonmajor Funds	Total
OPERATING REVENUES				
Charges for services	\$ 29,890,118	\$ 6,410,259	\$ 869,505	\$ 37,169,882
Charges to other funds	994,453	-	-	994,453
Service fees	128,270	26,238	-	154,508
Miscellaneous	181,108	36,209	35,283	252,600
Total operating revenues	<u>31,193,949</u>	<u>6,472,706</u>	<u>904,788</u>	<u>38,571,443</u>
OPERATING EXPENSES				
Purchased power	21,712,864	-	-	21,712,864
Production and storage	-	1,032,951	-	1,032,951
Distribution	-	1,652,185	-	1,652,185
Plant and service	3,344,124	-	24,902	3,369,026
Sewerage treatment	-	805,806	-	805,806
Sewerage collection	-	752,898	-	752,898
Sewerage monitoring	-	102,208	-	102,208
Administration	879,846	-	254,566	1,134,412
Depreciation	1,883,942	2,315,072	193,865	4,392,879
Lease payments	-	-	54,781	54,781
Refuse collection	-	-	336,128	336,128
Total operating expenses	<u>27,820,776</u>	<u>6,661,120</u>	<u>864,242</u>	<u>35,346,138</u>
OPERATING INCOME (LOSS)	<u>3,373,173</u>	<u>(188,414)</u>	<u>40,546</u>	<u>3,225,305</u>
NONOPERATING REVENUES (EXPENSES)				
Interest income	23,929	3,050	585	27,564
Interest expense	(483,201)	(823,982)	(55,345)	(1,362,528)
Amortization of bond costs	(14,681)	-	-	(14,681)
Nonexpendable trust income	-	-	2,591	2,591
New development income	-	-	555	555
Miscellaneous income	-	293,440	-	293,440
Total nonoperating revenues (expenses)	<u>(473,953)</u>	<u>(527,492)</u>	<u>(51,614)</u>	<u>(1,053,059)</u>
INCOME (EXPENSE) BEFORE CONTRIBUTIONS AND TRANSFERS	<u>2,899,220</u>	<u>(715,906)</u>	<u>(11,068)</u>	<u>2,172,246</u>

The accompanying notes are an integral part of this statement.

(Continued)

City of Geneva, Illinois
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS (Continued)
PROPRIETARY FUNDS
Year ended April 30, 2012

	<u>Business-Type Activities - Enterprise Funds</u>			
	<u>Electric Fund</u>	<u>Waterworks and Sewerage</u>	<u>Nonmajor Funds</u>	<u>Total</u>
CAPITAL CONTRIBUTIONS				
Connection fees	\$ 168,200	\$ 168,849	\$ -	\$ 337,049
TRANSFERS IN (OUT)	<u>(225,106)</u>	<u>-</u>	<u>-</u>	<u>(225,106)</u>
CHANGE IN NET ASSETS	2,842,314	(547,057)	(11,068)	2,284,189
NET ASSETS				
Beginning of year	<u>28,254,935</u>	<u>48,863,979</u>	<u>6,418,939</u>	<u>83,537,853</u>
End of year	\$ <u>31,097,249</u>	\$ <u>48,316,922</u>	\$ <u>6,407,871</u>	\$ <u>85,822,042</u>

The accompanying notes are an integral part of this statement.

City of Geneva, Illinois
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year ended April 30, 2012

	Business-Type Activities - Enterprise Funds			
	Electric Fund	Waterworks and Sewerage	Nonmajor Funds	Total
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers and users	\$ 31,012,471	\$ 6,596,819	\$ 940,504	\$ 38,549,794
Payments to suppliers	(23,334,549)	(1,913,208)	(536,195)	(25,783,952)
Payments to employees	(1,971,926)	(1,730,279)	(171,837)	(3,874,042)
Net cash provided by (used in) operating activities	<u>5,705,996</u>	<u>2,953,332</u>	<u>232,472</u>	<u>8,891,800</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Transfers out	(225,106)	-	-	(225,106)
Net cash provided by (used in) noncapital financing activities	<u>(225,106)</u>	<u>-</u>	<u>-</u>	<u>(225,106)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Acquisition and construction of capital assets	(1,694,793)	(637,703)	(50,053)	(2,382,549)
Principal paid on revenue bonds	(1,456,384)	-	(75,000)	(1,531,384)
Interest paid on revenue bonds, general obligation bonds and notes payable	(601,848)	(858,135)	(55,530)	(1,515,513)
Principal paid on note payable	-	(1,473,738)	-	(1,473,738)
Principal paid on general obligation bonds	(174,850)	(295,407)	-	(470,257)
Net cash provided by (used in) capital and related financing activities	<u>(3,927,875)</u>	<u>(3,264,983)</u>	<u>(180,583)</u>	<u>(7,373,441)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest income	23,929	3,050	-	26,979
Nonexpendable trust income	-	-	2,591	2,591
New development income	-	-	554	554
Net cash provided by investing activities	<u>23,929</u>	<u>3,050</u>	<u>3,145</u>	<u>30,124</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,576,944	(308,601)	55,034	1,323,377
CASH AND CASH EQUIVALENTS, including restricted portion				
Beginning of year	<u>4,636,611</u>	<u>1,958,876</u>	<u>593,386</u>	<u>7,188,873</u>
End of year	<u>\$ 6,213,555</u>	<u>\$ 1,650,275</u>	<u>\$ 648,420</u>	<u>\$ 8,512,250</u>
RECONCILIATION				
Cash and cash equivalents				
Unrestricted	\$ 5,014,599	\$ 1,650,275	\$ 648,420	\$ 7,313,294
Restricted	<u>1,198,956</u>	<u>-</u>	<u>-</u>	<u>1,198,956</u>
	<u>\$ 6,213,555</u>	<u>\$ 1,650,275</u>	<u>\$ 648,420</u>	<u>\$ 8,512,250</u>

The accompanying notes are an integral part of this statement.

(Continued)

City of Geneva, Illinois
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year ended April 30, 2012

	Business-Type Activities - Enterprise Funds			
	Electric Fund	Waterworks and Sewerage	Nonmajor Funds	Total
CASH FLOWS FROM OPERATING ACTIVITIES:				
Operating income (loss)	\$ 3,373,173	\$ (188,414)	\$ 40,546	\$ 3,225,305
Adjustments to reconcile operating income (loss) to net cash provided by operating activities				
Depreciation	1,883,942	2,315,072	193,865	4,392,879
Connection fees	168,200	168,849	-	337,049
Miscellaneous income	-	293,440	-	293,440
Change in assets and liabilities				
Accounts receivable	(476,347)	(37,585)	36,538	(477,394)
Prepaid expenses	-	-	(3,735)	(3,735)
Other receivables	126,669	(7,151)	-	119,518
Inventory	(78,402)	(40,714)	-	(119,116)
Unamortized bond costs	105,174	-	1,345	106,519
Accounts payable	624,047	154,872	7,161	786,080
Accrued payroll	(19,722)	(10,428)	15,612	(14,538)
Other payables	8,008	400	(50,700)	(42,292)
Bond premium	(82,360)	253,723	-	171,363
Compensated absences payable	73,614	51,268	(8,160)	116,722
Net cash provided by operating activities	<u>\$ 5,705,996</u>	<u>\$ 2,953,332</u>	<u>\$ 232,472</u>	<u>\$ 8,891,800</u>

The accompanying notes are an integral part of this statement.

City of Geneva, Illinois
STATEMENT OF NET ASSETS
PENSION TRUST FUNDS
April 30, 2012

ASSETS	
Cash and cash equivalents	\$ 173,390
Accrued interest	40,180
Prepaid expenses	15,547
Investments, at fair value:	
Certificates of deposits	486,964
Money market mutual funds	720,317
U.S. government securities	14,116,338
Insurance contracts	2,852,478
Mutual funds and stock equities	<u>7,159,074</u>
 Total assets	 25,564,288
 LIABILITIES	
Accounts payable	<u>3,310</u>
 NET ASSETS	
Held in trust for pension benefits	\$ <u><u>25,560,978</u></u>

The accompanying notes are an integral part of this statement.

City of Geneva, Illinois
STATEMENT OF CHANGES IN NET ASSETS
PENSION TRUST FUNDS
Year ended April 30, 2012

Additions	
Contributions	
Employer	\$ 737,080
Plan member	<u>443,670</u>
Total contributions	<u>1,180,750</u>
Investment Income	
Interest and dividends	532,844
Net change in fair value	<u>(170,757)</u>
Total investment income	362,087
Less investment expenses	<u>(76,514)</u>
Net investment income	<u>285,573</u>
Total additions	<u>1,466,323</u>
Deductions	
Administration	39,201
Benefits	<u>1,037,313</u>
Total deductions	<u>1,076,514</u>
Net increase	389,809
Net assets held in trust for pension benefits	
Beginning of year	<u>25,171,169</u>
End of year	<u>\$ 25,560,978</u>

The accompanying notes are an integral part of this statement.

City of Geneva, Illinois
INDEX FOR NOTES TO FINANCIAL STATEMENTS

	Page
Note 1. Summary of Significant Accounting Policies	
Reporting Entity	29 - 30
Government-Wide and Fund Financial Statement	30 - 31
Measurement Focus, Basis of Accounting and Financial Statement Presentation	31 - 33
Fund Accounting	33 - 35
Cash and Cash Equivalents	35
Investments	35
Interfund Receivables/Payables	35
Property Taxes	36
Receivables	36
Inventories	36
Restricted Assets	36
Capital Assets	37
Compensated Absences	37
Long-Term Obligations	38
Fund Equity	38 - 39
Interfund Transactions	40
Self-Insurance	40
Use of Estimates	40
 Note 2. Reconciliation of Government-Wide and Fund Financial Statements	
Explanation of Certain Differences Between the Governmental Funds Balance Sheet and the Government-Wide Statement of Net Asset	40 - 41
Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances and the Government-Wide Statement of Activities	41 - 42
 Note 3. Deposits with Financial Institutions and Investment	
Cash	42
Certificates of Deposit	43
Investments	43 - 47
Reconciliation	47

City of Geneva, Illinois
INDEX FOR NOTES TO FINANCIAL STATEMENTS

	Page
Note 4. Capital Assets	
Governmental Activities	48
Business-Type Activities	49
Depreciation Expense	50
Note 5. Long-Term Liabilities	
Changes in Long-Term Liabilities	51
General Obligation Bonds	52 - 54
Special Service Area Bonds	54 - 55
Revenue Bonds	55 - 56
Tax Increment Financing Bonds	56 - 57
Notes Payable	57 - 58
Note 6. Restricted Accounts	
Electric Fund	59 - 60
Note 7. Net Assets Classifications	61
Note 8. Intergovernmental Agreement	62
Note 9. Commitments and Contingencies	
Commuter Parking Fund	62
Grants	62
Litigation	62
Economic Incentive Agreement	62
Note 10. Postemployment Health Care Benefit	
Plan Description	63
Benefits Provided	63
Membership	63
Funding Policy	63
Annual OPEB Costs and Net OPEB Obligation	64 - 65
Note 11. Interfund Transfers	
Governmental Funds	66 - 67
Proprietary Funds	67
Note 12. Risk Management	68
Note 13. Pension and Retirement Fund Commitment	
IMRF Plan Description and Contributions	68 - 69
Plan Descriptions	70 - 73

City of Geneva, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2012

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 City's major operations include police and fire protection, highway and street maintenance, building code enforcement, economic development, planning and zoning, waterworks and sewerage services, electricity services, commuter parking facility and general administrative service

The government-wide financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant of the City's accounting policies established in GAAP and used by the City are describe below

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 has two blended component units Police Pension Employees Retirement System and Firefighters' Pension Employee Retirement System.

Blended Component Unit - Blended component units are separate legal entities that meet the component unit criteria described above and whose governing body is the same or substantially the same as the City Council or the component unit provided services entirely to the City. These component units' funds are blended into those of the City's by appropriate activity type to compose the primary government presentation.

City of Geneva, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2012

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

A. Reporting Entity (Continued)

Police Pension Employees Retirement System

The City's sworn police employees participate in the Police Pension Employees Retirement System (PPERS). PPERS functions for the benefit of these employees and is governed by a five member pension board. Two members appointed by the City Council, one elected pension beneficiary and two elected police employees constitute the pension board. The participants are required to contribute a percentage of salary as established by state statute and the City is obligated to fund all remaining PPERS costs based upon actuarial valuations. The State of Illinois is authorized to establish benefit levels and the City is authorized to approve the actuarial assumptions used in the determination of the City's contribution levels. Although it is legally separate from the City, the PPERS is reported as if it was part of the primary City because its sole purpose is to provide retirement benefits for the City's police employees. The PPERS is reported as a pension trust fund.

Firefighters' Pension Employees Retirement System

The City's sworn full time firefighters participate in the Firefighters' Pension Employees Retirement System (FPERS). FPERS functions for the benefit of these employees and is governed by a five member pension board. Two members appointed by the City Council, one elected pension beneficiary and two elected fire employees constitute the pension board. The participants are required to contribute a percentage of salary as established by state statute and the City is obligated to fund all remaining FPERS costs based upon actuarial valuations. The State of Illinois is authorized to establish benefit levels and the City is authorized to approve the actuarial assumptions used in the determination of the City's contribution levels. Although it is legally separate from the City, the FPERS is reported as if it was part of the primary City because its sole purpose is to provide retirement benefits for the City's firefighters. The FPERS is reported as a pension trust fund.

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 primary government and its component units. 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. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

City of Geneva, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2012

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

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

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.

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 informati

C. Measurement Focus, Basis of Accounting and Financial Statement Presentati

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. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been me

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. Property tax revenues are recognized in compliance with GASB Codification Section P70 (Revenue Recognition - Property Taxes) which states that such revenue must be collected within 90 days after the fiscal year to be considered available. 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, sales and use taxes, utility taxes, state income 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 Cit

City of Geneva, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2012

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

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

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 City reports the following major proprietary funds:

The *Electric 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.

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. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

City of Geneva, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2012

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

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

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 charged 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.

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

D. 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. The emphasis in fund financial statements is on the major funds in either the government or business-type activities categories

Nonmajor funds by category are summarized into a single column. GASB Statement No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The nonmajor funds are combined in a column in the fund financial statements. A fund is considered major if it is the primary operating fund of the City or meets the following criteria

Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and

Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined

City of Geneva, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2012

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

D. Fund Accounting (Continued)

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 capital 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.

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)

City of Geneva, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2012

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

D. Fund Accounting (Continued)

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, Investment Trust Funds, Private Purpose Trust Funds and Agency Funds.

Pension Trust Funds

These funds are used to account for assets held in a trustee capacity by the City for pension benefit payments. The Police Pension Fund accounts for the accumulation of resources to pay retirement and other related benefits for sworn members of the City's police force. The Firefighters' Pension Fund accounts for the accumulation of resources to pay retirement and other related benefits for sworn members of the City's Fire department.

E. Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand, deposits in interest-bearing and noninterest-bearing checking accounts, Illinois Funds, 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 fund.

G. 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."

City of Geneva, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2012

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

H. Property Taxes

Property taxes for 2011 attach as an enforceable lien on January 1, 2011 on property values assessed as of the same date. Taxes are levied by December of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are payable in two installments on June 1, 2011 and September 1, 2011 subsequent to the year of levy. Property tax receivable is shown net of an allowance for uncollectible receivables.

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, for the proprietary funds, are valued at average cost, which approximates the lower of cost or market. Inventories, for the governmental funds, are valued at cost, which approximates market, using the first-in/first-out (FIFO) method

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

City of Geneva, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2012

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

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 sewer \$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.

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 Absence*, 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.

City of Geneva, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2012

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

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.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

O. Fund Equity

In the government-wide financial statements, equity is classified as net assets and displayed in three components:

Invested in capital assets, net of related debt - consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets

Restricted net assets - consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation

Unrestricted net assets - consists of all other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt".

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 Council and represent tentative plans that are subject to change.

City of Geneva, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2012

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

O. Fund Equity (Continued)

Fund balance flow assumptions

Sometime the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Fund balance policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The government itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The City council is the highest level of decision-making authority for the government that can, by adoption of an ordinance prior to the end of that fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The City Administrator has authorization to assign fund balance. The council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

City of Geneva, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2012

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

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 estimate

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 \$16,329,940 difference are as follows

City of Geneva, Illinois
 NOTES TO FINANCIAL STATEMENTS
April 30, 2012

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

A. Explanation of Certain Differences Between the Governmental Funds Balance Sheet and the Government-Wide Statement of Net Assets (Continued)

General obligation bonds payable	\$	12,924,350
Special service area bonds		314,000
Tax increment financing bonds		271,777
Notes payable		-
Accrued interest payable		141,526
Accrued pension obligation		1,291,642
Compensated absences payable		<u>1,386,645</u>
Net adjustment to reduce fund-balance total governmental funds to arrive at net assets – governmental activities.	\$	<u><u>16,329,940</u></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 \$3,497,407 decrease are as follows:

Capital outlay	\$	1,258,184
Depreciation expense		<u>(4,755,591)</u>
Net adjustment to decrease net change in fund balances - total governmental funds to arrive at change in net assets of governmental activities	\$	<u><u>(3,497,407)</u></u>

City of Geneva, Illinois
 NOTES TO FINANCIAL STATEMENTS
April 30, 2012

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

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 \$1,080,151 increase are as follows:

Accrued interest	\$	43,998
Compensated absences		(114,352)
Accrued pension obligation		(599,217)
Bond proceeds		(2,530,136)
Payments to escrow agent		2,526,174
Principal payments on long-term liabilities		<u>1,753,684</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>1,080,151</u></u>

NOTE 3. - DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS

A. Cash

The carrying amount of cash was \$9,538,981 at April 30, 2012, including petty cash of \$1,400, while bank balances were \$9,605,442. All account balances at banks were either insured by the Federal Deposit Insurance Corporation (FDIC) or are held in a third party institution in the name of the City. Bank deposits over FDIC insurable limits are secured by collateral to protect deposits in a single financial institution if it were to default. Collateral will have a market value equivalent to at least 100% of deposits at that particular institution. The collateral shall be marked to market and adjusted on at least a monthly basis.

Pension funds

The carrying amount and bank balance of cash for the firefighters' pension fund was \$37,246 and the carrying amount and bank balance of cash for the police pension fund was \$136,144 at April 30, 2012 and all balances were insured or collateralized by investments held by a third party in the pension's name.

City of Geneva, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2012

NOTE 3. - DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS (Continued)

B. Certificates of Deposit

Certificates of Deposit amount to \$4,484,241 at April 30, 2012. All Certificates of Deposit were either insured by the Federal Deposit Insurance Corporation (FDIC) or are held in a third party institution in the name of the City. Certificates of deposit over FDIC insurable limits are secured by collateral to protect deposits in a single financial institution if it were to default. Collateral will have a market value equivalent to at least 100% of deposits at that particular institution. The collateral shall be marked to market and adjusted on at least a monthly basis

Pension funds

Certificates of deposits for the firefighter's pension fund were \$486,964 at April 30, 2012 and all balances were insured or collateralized by investments held by a third party in the pension's name.

C. Investments

The members of the City Council maintain a formal Investment Policy which address the governi provisions of the state law as well as specifying additional guidelines for the investment process. The allowable investments from the City's policy are the same as those specified in the State statue. In general, these investments include instruments issued by the U.S. Government, federal agencies, high grade commercial paper, bank deposits, investment pools created under the State Treasurer's Act, and selected money market mutual funds.

The deposits and investments of the Police and Firefighters Pension Funds are held separately from those of other City funds. Statutes authorize the Pension Funds to make deposits/invest in interest-bearing direct obligations of the United States of America: obligations that are fully guaranteed or insured as to the payment of principal and interest by the United States of America: bonds, notes, debentures, or similar obligations of agencies of the United States of America; savings accounts or certificates of deposit issued by banks or savings and loan associations chartered by the United States or by the state of Illinois, to the extent that the deposits are insured by the agencies or intrumentalities of the federal government; credit unions, to the extent that the deposits are insured by the agencies or instrumentalities of the federal government; state of Illinois bonds; pooled accounts managed by the Illinois Public Treasurer's Investment Pool, or by banks, their subsidiaries, or holding companies, in

City of Geneva, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2012

NOTE 3. - DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS (Continued)

C. Investments (Continued)

accordance with the laws of the state of Illinois; bonds or tax anticipation warrants of any country, township or municipal corporation of the state of Illinois; money market mutual funds managed by investment companies that are registered under the Federal Investment Company Act of 1940 and the Illinois Securities law of 1953 and are diversified, open-ended management investment companies, provided that the portfolio is limited to specified restriction; general accounts of life insurance companies and separate accounts of life insurance companies provided that the investment in separate accounts does not exceed ten percent of the pension funds' net assets. Pension funds with net assets of \$2.5 million or more may invest up to thirty-five percent of plan net assets in a separate account of life insurance companies and mutual funds. In addition, pension funds with net assets of at least \$5 million that have appointed an investment advisor may, through that investment advisor, invest up to thirty five percent of the plan's net assets in common and preferred stocks which meet specific restrictions.

The Illinois Funds is an investment pool managed by the Illinois Public Treasurer's Office which allows governments within the State to pool their funds for investment purposes. Although not registered with the SEC, Illinois Funds operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in the Illinois Funds are valued at the share price, the price for which the investment could be sold.

The following schedule reports the fair values and maturities (using the segmented time distribution method) for the City's investments at April 30, 2012.

Investment Type	Fair Value	Investment Maturities (in years)			Greater than than 5
		Less than 1	1-2	3-5	
Illinois Funds	\$ 1,406,866	\$ 1,406,866	\$ -	\$ -	\$ -
U.S. Treasuries	195,000	90,000	60,000	-	45,000
Total	\$ <u>1,601,866</u>	\$ <u>1,496,866</u>	\$ <u>60,000</u>	\$ <u>-</u>	\$ <u>45,000</u>

City of Geneva, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2012

NOTE 3. - DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS (Continued)

C. Investments (Continued)

The following schedule reports the fair values and maturities (using the segmented time distribution method) for the Firefighters' Pension fund investments at April 30, 2012.

Investment Type	Fair Value	Investment Maturities (in years)			Greater than than 5
		Less than 1	1-2	3-5	
Insurance contracts	1,621,951	-	-	-	1,621,951
GNMA	3,100,813	-	-	-	3,100,813
U.S. Treasuries and Agencies	3,740,958	115,921	358,567	1,844,214	1,422,256
Total	\$ 8,463,722	\$ 115,921	\$ 358,567	\$ 1,844,214	\$ 6,145,020

Mutual funds and
stock equities * \$ 1,757,333

* Not subject to risk categorization. The mutual funds are managed by the financial institution, in which they are held.

The following schedule reports the fair values and maturities (using the segmented time distribution method) for the Police Pension fund investments at April 30, 2012.

Investment Type	Fair Value	Investment Maturities (in years)			Greater than than 5
		Less than 1	1-2	3-5	
Federal Home Loan	\$ 1,203,661	\$ -	\$ -	\$ -	\$ 1,203,661
Federal National Mortgage	4,276,944	-	-	-	4,276,944
Insurance contracts	1,230,527	-	-	-	1,230,527
U.S. Treasuries and Agencies	1,793,962	666,948	-	-	1,127,014
Total	\$ 8,505,094	\$ 666,948	\$ -	\$ -	\$ 7,838,146

Mutual funds and
stock equities * \$ 6,122,058

City of Geneva, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2012

NOTE 3. - DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS (Continued)

C. Investments (Continued)

- * Not subject to risk categorization. The mutual funds are managed by the financial institution, in which they are held.

Interest Rate Risk - As a means of limiting its exposure to fair market value losses arising from rising interest rates, investments of the City shall be limited to instruments maturing no longer than one year from the time of purchase.

The Pension funds' investment policy limits its exposure to interest rate risk by structuring the portfolio to provide liquidity, at the same time, matching investment maturities to projected fund liabilities.

Credit risk - the City's investment policy is to apply the prudent-person rule: Investments are made as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital, and, in general, avoid speculative 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.

At year-end, the City's investments in U.S. Government Agencies are all rated AAA by Standards & Poor's, and the City's investment in the Illinois Funds was rated AAA by Standard & Poor's.

Custodial Credit risk - in the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City's investment policy requires the collateralization of public deposits whenever the amount on the deposit exceeds the Federal Deposit Insurance Corporation's (FDIC) balance limitations. The collateral shall be held by an independent third party institution in the name of the City. A written collateralization agreement shall be executed by the financial institution, the custodial bank and the City. At year-end, the entire amount of the bank balance of deposits were covered by collateral, federal depository, or equivalent insurance.

For an investment, this is the risk that in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. The City's investment policy requires that all investments be held by an independent third party custodian. At year end, the City's investments in U.S. Government Agencies are all insured or registered with the City or its agent in the City's name and the City's investment in Illinois Funds is noncategorizable.

City of Geneva, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2012

NOTE 3. - DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS (Continued)

C. Investments (Continued)

Concentration of Credit Risk - this is the risk of loss attributed to the magnitude of the City's investment in a single issuer. The City places no limits on the amount that may be invested in any one issuer. As of April 30, 2012, 9% of the City's investments are in the Illinois Funds.

In addition to the City investment policy, 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. The Police pension fund had over 5% invested in Smith Barney mutual funds and the Firefighters' pension fund had over 5% invested in American Fund mutual funds.

D. Reconciliation

Reconciliation of deposits and investments from the footnotes to cash and investments on the financial statements:

	Government- Wide	Fiduciary
Carrying value of cash	\$ 9,538,981	\$ 173,390
Carrying value of certificates of deposit	4,484,241	486,964
Carrying value of investments	1,601,866	24,848,207
	\$ 15,625,088	\$ 25,508,561
Cash and investments	\$ 14,426,132	\$ -
Cash and cash equivalents	-	173,390
Cash and investments - restricted	1,198,956	-
Certificates of deposit	-	486,964
U.S. government securities	-	14,116,338
Insurance contracts	-	2,852,478
Mutual funds and stock equities	-	7,879,391
	\$ 15,625,088	\$ 25,508,561

City of Geneva, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2012

NOTE 4. - CAPITAL ASSETS

Capital asset activity for the year ended April 30, 2012 was as follows:

A. Governmental Activities:

	<u>May 1, 2011</u>	<u>Increases</u>	<u>Disposals</u>	<u>April 30, 2012</u>
Capital assets, not being depreciated				
Land	\$ 13,367,049	\$ -	\$ (2,300)	\$ 13,364,749
Total capital assets, not being depreciated	<u>13,367,049</u>	<u>-</u>	<u>(2,300)</u>	<u>13,364,749</u>
Capital assets, being depreciated				
Buildings	18,241,159	62,536	-	18,303,695
Machinery and equipment	2,840,427	122,234	-	2,962,661
Vehicles	4,413,786	769,889	(58,342)	5,125,333
Land improvements	2,911,324	-	-	2,911,324
Infrastructure	<u>123,207,511</u>	<u>303,525</u>	<u>-</u>	<u>123,511,036</u>
Total capital assets, being depreciated	<u>151,614,207</u>	<u>1,258,184</u>	<u>(58,342)</u>	<u>152,814,049</u>
Less accumulated depreciation for				
Buildings	5,069,169	357,343	-	5,426,512
Machinery and equipment	1,828,254	239,781	-	2,068,035
Vehicles	3,867,787	183,410	(57,616)	3,993,581
Land improvements	1,904,891	84,904	-	1,989,795
Infrastructure	<u>81,324,973</u>	<u>3,890,153</u>	<u>-</u>	<u>85,215,126</u>
Total accumulated depreciation	<u>93,995,074</u>	<u>4,755,591</u>	<u>(57,616)</u>	<u>98,693,049</u>
Total capital assets, being depreciated, net	<u>57,619,133</u>	<u>(3,497,407)</u>	<u>(726)</u>	<u>54,121,000</u>
Governmental activities capital assets, net	<u>\$ 70,986,182</u>	<u>\$ (3,497,407)</u>	<u>\$ (3,026)</u>	<u>\$ 67,485,749</u>

City of Geneva, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2012

NOTE 4. - CAPITAL ASSETS (Continued)

B. Business-Type Activities:

	<u>May 1,</u> <u>2011</u>	<u>Increases</u>	<u>Disposals</u>	<u>April 30,</u> <u>2012</u>
Capital assets, not being depreciated				
Land	\$ 2,003,607	\$ -	\$ -	\$ 2,003,607
Construction in progress	<u>-</u>	<u>50,639</u>	<u>-</u>	<u>50,639</u>
 Total capital assets, not being depreciated	 <u>2,003,607</u>	 <u>50,639</u>	 <u>-</u>	 <u>2,054,246</u>
 Capital assets, being depreciated				
Land improvements	303,849	-	-	303,849
Buildings	74,056,045	30,687	-	74,086,732
Vehicles	1,790,038	221,213	(24,000)	1,987,251
Machinery and equipment	674,600	376,922	-	1,051,522
Parking lots	8,214,932	-	-	8,214,932
Production and distribution systems	<u>91,271,741</u>	<u>1,688,887</u>	<u>-</u>	<u>92,960,628</u>
Total capital assets, being depreciated	 <u>176,311,205</u>	 <u>2,317,709</u>	 <u>(24,000)</u>	 <u>178,604,914</u>
 Less accumulated depreciation for				
Land improvements	172,382	9,762	-	182,144
Buildings	12,675,621	1,730,055	-	14,405,676
Vehicles	1,376,713	112,170	(24,000)	1,464,883
Machinery and equipment	514,933	42,604	-	557,537
Parking lots	932,583	181,667	-	1,114,250
Production and distribution systems	<u>37,567,934</u>	<u>2,316,621</u>	<u>-</u>	<u>39,884,555</u>
Total accumulated depreciation	 <u>53,240,166</u>	 <u>4,392,879</u>	 <u>(24,000)</u>	 <u>57,609,045</u>
Total capital assets, being depreciated, net	 <u>123,071,039</u>	 <u>(2,075,170)</u>	 <u>-</u>	 <u>120,995,869</u>
 Business-type activities capital assets, net	 <u>\$ 125,074,646</u>	 <u>\$ (2,024,531)</u>	 <u>\$ -</u>	 <u>\$ 123,050,115</u>

City of Geneva, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2012

NOTE 4. - CAPITAL ASSETS (Continued)

C. Depreciation Expense

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

Governmental activities:

General government	\$ 182,197
Public works	155,810
Public safety	915,261
Highway and streets	<u>3,502,323</u>
	<u>\$ 4,755,591</u>

Business – Type activities:

Electric Fund	\$ 1,883,942
Waterworks and sewerage	2,315,072
Nonmajor business - type activities	<u>193,865</u>
	<u>\$ 4,392,879</u>

City of Geneva, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2012

NOTE 5. - LONG-TERM LIABILITIES

A. Changes in 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	Deferred Amount on Refunding	Total
Business-type activities								
Electric Fund	\$ 12,242,650	\$ -	\$ 4,535,000	\$ -	\$ -	\$ 456,203	\$ (676,384)	\$ 16,557,469
Water and sewerage	5,313,000	-	-	-	24,257,166	370,518	(485,907)	29,454,777
Refuse	-	-	-	-	-	6,648	-	6,648
Commuter Parking Fund	-	-	1,445,000	-	-	11,916	-	1,456,916
Total business-type activities	17,555,650	-	5,980,000	-	24,257,166	845,285	(1,162,291)	47,475,810
Due within one year	370,650	-	1,265,000	-	1,511,374	365,148	-	3,512,172
Governmental fund activities								
All other funds	12,924,350	314,000	-	271,777	-	2,340,038	-	15,850,165
Total governmental fund activities	12,924,350	314,000	-	271,777	-	2,340,038	-	15,850,165
Due within one year	1,339,350	67,000	-	49,679	-	953,393	-	2,409,422
Total all funds	\$ 30,480,000	\$ 314,000	\$ 5,980,000	\$ 271,777	\$ 24,257,166	\$ 3,185,323	\$ (1,162,291)	\$ 63,325,975
Beginning of year	\$ 21,865,000	\$ 380,000	\$ 16,770,000	\$ 314,809	\$ 26,038,971	\$ 2,972,879	\$ -	\$ 68,341,659
Additions	17,540,000	-	-	-	-	1,104,411	(1,162,291)	17,482,120
Deletions	(8,925,000)	(66,000)	(10,790,000)	(43,032)	(1,781,805)	(891,967)	-	(22,497,804)
End of year	\$ 30,480,000	\$ 314,000	\$ 5,980,000	\$ 271,777	\$ 24,257,166	\$ 3,185,323	\$ (1,162,291)	\$ 63,325,975

City of Geneva, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2012

NOTE 5. - LONG-TERM LIABILITIES (Continued)

The outstanding debt consists of the following:

B. 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:

<p>2006B Bonds, \$4,905,000 original amount due in annual installments of \$5,000 to \$510,000, with interest ranging from 4.00% to 5.00%, payable through February 1, 2015. Fund debt retired by Debt Service Fund</p>	<p>\$ 4,875,000</p>
<p>2006C Bonds, \$840,000 original amount due in annual installments of \$5,000 to \$180,000, with interest at 4.00%, 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. Fund debt retired bu Electric Fund, Waterworks and Sewerage Fund and General Fund.</p>	<p>180,000</p>
<p>2012B Bonds, \$5,250,000 original amount due in annual installments of \$30,000 to \$700,000 with interest ranging from 2.00% to 3.50%, payable through February 1, 2030. These bonds are recorded in the Waterworks and Sewerage Fund.</p>	<p>5,250,000</p>
<p>2011 Bonds, \$9,935,000 original amount due in annual installments of \$35,000 to \$785,000 with interest ranging from 2.00% to 3.00%, payable through February 1, 2021. These bonds are recorded in and retired by the Electric Fund.</p>	<p>9,935,000</p>
<p>2012A Bonds, \$2,355,000 original amount due in annual installments of \$95,000 to \$1,340,000, with interest ranging from 2.00% to 3.00%, payable through December 15, 2018. Fund debt retired by Debt Service Fund</p>	<p>2,355,000</p>
<p>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. Fund debt retired by General Fund and Electric Fund.</p>	<p>185,000</p>
<p>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%, payable through March 1, 2019. Fund debt retired by Debt Service Fund.</p>	<p>1,430,000</p>

City of Geneva, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2012

NOTE 5. - LONG-TERM LIABILITIES (Continued)

B. General Obligation Bonds (Continued)

2007 Bonds, \$2,450,000 original amount due in annual installments of \$40,000 to \$430,000, with interest at 4.00%, payable through February 1, 2021. These bonds are recorded in and retired by the Electric Fund. \$ 2,165,000

2008A Refunding Bonds, \$4,580,000 original amount due in annual installments of \$10,000 to \$965,000, with interest ranging from 3.00% to 4.00%, payable through March 1, 2018. These bonds are recorded as Long-Term Debt on the government-wide statement of net assets. Fund debt retired by Debt Service Fund. 4,105,000

Total General Obligation Bonds \$ 30,480,000

On February 23, 2012, the City issued \$5.250 million in 2012B General Obligation Bonds with an average interest rate of 3.0% to advance refund 2005 Series Bonds with an average rate of 4.2%. The net \$5,405,663 were used to purchase U.S. government securities. Those securities were deposited into an irrevocable trust with an escrow agent to provide for some of the future debt service payments. The amount of the 2005 Series Bonds considered defeased and to be paid out of escrow as of April 30, 2012 is \$5,405,663.

The reacquisition price exceeded the net carrying amount of the old debt by \$485,907. This amount is being netted against the new debt and amortized over the remaining life of the refunding debt. The City advanced refunded the 2005 Series A Bonds to reduce its total debt service payments by \$437,060 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of

On September 27, 2011, the City issued \$9.935 million in 2011 General Obligation Bonds with an average interest rate of 2.5% to advance partial refund 2003 Series Bonds with an average rate of 5.2%. The net \$10,208,570 were used to purchase U.S. government securities. Those securities were deposited into an irrevocable trust with an escrow agent to provide for some of the future debt service payments. The amount of the 2003 Series Bonds considered defeased and to be paid out of escrow as of April 30, 2012 is \$9,975,863.

The reacquisition price exceeded the net carrying amount of the old debt by \$676,384. This amount is being netted against the new debt and amortized over the remaining life of the refunding debt. The advance partially refunded the 2003 Series Bonds to reduce its total debt service payments by \$1,264,552 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$1,146,755.

City of Geneva, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2012

NOTE 5. - LONG-TERM LIABILITIES (Continued)

C. Special Service Area Bonds (Continued)

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%. Fund debt retired by Combined Special Service Area Fund.

50,000

Total Special Service Area Bonds

\$ 314,000

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

<u>Year Ending</u> <u>April 30,</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2013	\$ 67,000	\$ 14,979
2014	18,000	12,609
2015	19,000	11,736
2016	20,000	10,795
2017	<u>190,000</u>	<u>9,785</u>
Total	\$ <u><u>314,000</u></u>	\$ <u><u>59,904</u></u>

D. 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:

Commuter Parking Fund

\$1,630,000 Series of 2008 Refunding Revenue Bonds due in annual installments of \$40,000 to \$185,000, payable through October 1, 2021, with interest at 2.75% to 4.05%.

\$ 1,445,000

Electric Fund (see Note 6)

\$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%.

3,075,000

City of Geneva, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2012

NOTE 5. - LONG-TERM LIABILITIES (Continued)

D. Revenue Bonds (Continued)

Electric Fund

2006D Bonds, \$1,515,000 original amount due in annual installments of \$5,000 to \$800,000, with interest ranging from 3.90% to 5.00%, payable through December 15, 2021.

1,460,000

Total Revenue Bonds

\$ 5,980,000

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

Year Ending April 30,	Principal	Interest
2013	\$ 1,360,000	\$ 727,043
2014	1,410,000	197,325
2015	1,105,000	132,350
2016	240,000	88,344
2017	290,000	77,005
2018-2022	<u>1,575,000</u>	<u>176,152</u>
Total	\$ <u><u>5,980,000</u></u>	\$ <u><u>1,398,219</u></u>

E. 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:

2006 Series Tax Increment Revenue Bond for \$450,000 original amount, due in annual installments ranging from \$25,000 to \$50,000 payable through November 1, 2016, with interest at 4.50%. Fund debt retired by TIF East State Street Construction Fund.

\$ 271,777

Total Tax Increment Financing Bonds:

\$ 271,777

City of Geneva, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2012

NOTE 5. - LONG-TERM LIABILITIES (Continued)

E. 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>	
	Principal	Interest
2013	\$ 49,679	\$ 12,230
2014	51,914	9,994
2015	54,250	7,658
2016	56,691	5,217
2017	59,243	2,666
Total	\$ <u>271,777</u>	\$ <u>37,765</u>

F. Notes Payable

Waterworks and Sewerage Fund

In April, 2006, the City was awarded a loan of up to \$3,122,008 from the Illinois Environmental Protection Agency to use for the extension of the City's waterworks and sewerage facilities system, with annual payments including principal and interest of \$105,403. The interest rate is 2.5%. The payments will be made until December 2026. \$ 2,573,851

In June, 2006, the City was awarded a loan of up to \$9,931,439 from the Illinois Environmental Protection Agency to use for the extension of the City's waterworks and sewerage facilities system, with annual payments including principal and interest of \$317,083. The interest rate is 2.5%. The payments will be made until July 2027. 8,107,064

In July, 2007, the City was awarded a loan of up to \$8,617,559 from the Illinois Environmental Protection Agency to use for the extension of the City's waterworks and sewerage facilities system, with annual payments including principal and interest of \$561,066. The interest rate is 2.5% and payments will be made until December 2027. 7,361,544

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. 2,646,347

City of Geneva, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2012

NOTE 5. - LONG-TERM LIABILITIES (Continued)

F. Notes Payable (Continued)

Waterworks and Sewerage Fund (Continued)

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

3,568,360

Total Notes Payable

\$ 24,257,166

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

Year Ending <u>April 30,</u>	<u>Principal</u>	<u>Interest</u>
2013	\$ 1,511,374	\$ 596,416
2014	1,549,943	564,158
2015	1,589,497	524,604
2016	1,630,060	483,948
2017	1,671,658	422,443
2018-2022	8,489,416	1,556,999
2023-2027	6,951,847	557,639
2028-2032	<u>863,371</u>	<u>14,263</u>
Total	\$ <u>24,257,166</u>	\$ <u>4,720,470</u>

City of Geneva, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2012

NOTE 6. - RESTRICTED ACCOUNTS

A. Electric Fund

In November 2002, the Electric 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.

In order to provide for the payment of the Series 2003 revenue bonds, there is established by ordinance the "Electric 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 any of the accounts, the deficiency is to be made up in the following month or months after payments into all accounts with 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.

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.

City of Geneva, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2012

NOTE 6. - RESTRICTED ACCOUNTS - (Continued)

A. Electric 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.

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	\$ 466,423
Bond reserve	262,500
Depreciation account	<u>250,000</u>
Total	978,923

The 2007 Alternative Revenue Bonds required that a portion of the principal and interest be deposited into a subaccount be able to pay the principal and interest the month prior to the due date	42,200
---	--------

The 2006D Alternative Revenue Bonds required that a portion of the principal and interest be deposited into a subaccount be able to pay the principal and interest the month prior to the due date	<u>177,833</u>
--	----------------

Total Restricted Accounts	\$ <u><u>1,198,956</u></u>
---------------------------	----------------------------

City of Geneva, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2012

NOTE 7. - NET ASSETS CLASSIFICATIONS

Investment in capital assets, net of related debt, was comprised of the following as of April 30, 2012

Governmental Activities

Capital assets, net of accumulated depreciator	\$ 67,485,749
Less capital related debt:	
1999 GO Bonds	1,430,000
2008A GO Bonds	4,105,000
2006B GO Bonds	4,875,000
2012A GO Bonds	2,355,000
2002A GO Tax Certificates	101,750
2006C GO Bonds	<u>57,600</u>
	<u>(12,924,350)</u>
Investment in capital assets, net of related deb	<u>\$ 54,561,399</u>

Business-Type Activities

Capital assets, net of accumulated depreciator	\$ 123,050,115
Less capital related debt:	
2002A GO Tax Certificates	83,250
2003 Revenue Bonds	3,075,000
2006C GO Bonds	122,400
2006D Revenue Bonds	1,460,000
2007 GO Bonds	2,165,000
2011 GO Bonds	9,935,000
2012B GO Bonds	5,250,000
2008 Revenue Bonds	1,445,000
IEPA Loan	2,646,346
IEPA Loan	3,568,360
IEPA Loan	2,573,851
IEPA Loan	7,361,544
IEPA Loan	8,107,065
Deferred Amount on Refunding	<u>(1,162,291)</u>
	<u>(46,630,525)</u>
Investment in capital assets, net of related deb	<u>\$ 76,419,590</u>

City of Geneva, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2012

NOTE 8. - INTERGOVERNMENTAL AGREEMENTS

The City participates in the Tri-City Ambulance Agency which is a cooperative agency of several separate taxing bodies, administered by a board made up of those taxing bodies. Tri-City Ambulance provides ambulance services for the cooperative agencies. The City paid \$337,795 to the Agency during the fiscal year.

NOTE 9. - COMMITMENTS AND CONTINGENCIES

A. Commuter Parking Fund

The Commuter Parking Fund leases parking areas from the Union Pacific 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.

B. 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.

C. Litigation

The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the City's attorney, the resolution of these matters will not have a material adverse effect on the financial condition of the City.

D. Economic Incentive Agreements

The City has several economic development incentive agreements outstanding at April 30, 2012, expiring through January, 2023. 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 \$131,081 for fiscal year 2012.

City of Geneva, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2012

NOTE 10. - POSTEMPLOYMENT HEALTH CARE BENEFITS

A. Plan Description

In addition to providing pension benefits, the City provides post-employment health care benefits (OPEB) for retired employees through a single employer defined benefit plan. The benefits, benefit levels, employ contributions and any employer contributions are governed by the City and can be amended by the City through its personnel manual and union contracts. The plan is not accounted for as a trust fund, as an irrevocable trust has not been established to account for the plan. The plan does not issue a separate report. Substantially all of the City's 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 as well as an administrative fee is fully paid by the retirees

B. Benefits Provided

The City provides post-retirement health care benefits to its retirees. To be eligible for benefits, an employee must qualify for retirement under one of the City's retirement plans.

All health care benefits are provided through the City's health plan. The benefit levels are the same as those afforded to active employees.

C. Membership

At April 30, 2010, the membership consisted of:

Retirees and beneficiaries receiving benefits	15
Terminated plan members entitled to but not receiving benefits	-
Active vested plan members	96
Active nonvested plan members	<u>57</u>
 Total	 <u><u>168</u></u>
 Number of participating employers	 <u><u>1</u></u>

D. Funding Policy

The City negotiates the contribution percentages between the City and employees through union contracts and personnel policy. All retirees contribute 100% of the actuarially determined premium to the plan to cover the cost of providing the benefits to the current members via the insured plan which results in an implicit subsidy to the City as defined by the GASB Statement No 45. For the fiscal year ending April 30, 2010, contributions to the plan were \$19,927. The City is not required to and currently does not advance fund the cost of benefits that will become due and payable in the futur

City of Geneva, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2012

NOTE 10. - POSTEMPLOYMENT HEALTH CARE BENEFITS (Continued)

E. Annual OPEB Costs and Net OPEB Obligation

The City first had an actuarial valuation performed for the plan as of April 30, 2010 to determine the funding status of the plan as of that date as well as the employer's annual required contribution (ARC) for the fiscal year ended April 30, 2011. The City's annual OPEB cost (expense) was \$53,264 as of April 30, 2010. The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for April 30, 2010 was as follows

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Employer Contributions</u>	<u>Percentage Of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
4/30/2010	53,264	19,927	37.41%	66,447
4/30/2009	53,036	19,927	37.57%	33,109

The net OPEB obligation (NOPEBO) as of April 30, 2010, was calculated as follows:

Annual required contribution	\$ 52,713
Interest on net pension obligation	1,655
Adjustment to annual required contribution	<u>(1,104)</u>
Annual pension cost	53,264
Contributions made	<u>(19,927)</u>
Increase in net pension obligation (benefit)	33,337
Net pension obligation (benefit) at May 1, 2009	<u>33,109</u>
Net pension obligation (benefit) at April 30, 2010	<u><u>\$ 66,446</u></u>

Funded Status and Funding Progress. The funded status of the plan as of April 30, 2010, was as follows:

Actuarial accrued liability (AAL)	587,824
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	587,824
Funded ratio (actuarial value of plan assets/AAL)	0.00%
Covered payroll (active plan members)	12,945,429
UAAL as a percentage of covered payroll	4.54%

City of Geneva, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2012

NOTE 10. - POSTEMPLOYMENT HEALTH CARE BENEFITS (Continued)

E. Annual OPEB Costs and Net OPEB Obligation (Continued)

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions - Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the April 30, 2010 actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions included a 5.00% investment rate of return (net of administrative expenses) and an annual healthcare trend rate starting at 8.00% declining to 6%. Both rates include a 3% inflation assumption. The actuarial value of assets was not determined as the City has not advanced funded its obligation. The plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at April 30, 2010 was 30 years.

City of Geneva, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2012

NOTE 11. - INTERFUND TRANSFERS

<u>A. Governmental Funds</u>		<u>Transfer Out</u>	<u>Transfer In</u>
General Fund			
Illinois Municipal Retirement	A	\$ 200,000	\$ -
Electric Fund	B	-	225,106
SPAC Fund	C	11,186	-
Combined Special Service Area	D	90,000	-
Debt Service Fund	E	-	95,000
General Capital Projects Fund	G	547,500	-
Tri-Com	F	336,700	-
		<hr/>	<hr/>
Total General Fund		1,185,386	320,106
		<hr/>	<hr/>
Special Revenue Funds			
Combined Special Service Area			
General Fund	D	-	90,000
Illinois Municipal Retirement			
General Fund	A	-	200,000
SPAC Fund			
General Fund	C	-	11,186
Tri-Com			
General Fund	F	-	336,700
		<hr/>	<hr/>
Total Special Revenue		-	637,886
		<hr/>	<hr/>
Capital Projects Funds			
General Capital Projects Fund			
General Fund	G	-	547,500
		<hr/>	<hr/>
Total Capital Projects Funds		-	547,500
		<hr/>	<hr/>

City of Geneva, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2012

NOTE 11. - INTERFUND TRANSFERS (Continued)

	<u>Transfer Out</u>	<u>Transfer In</u>
A. <u>Governmental Funds (Continued)</u>		
Debt Service Fund		
Debt Service Fund		
General Fund	E <u>95,000</u>	<u>-</u>
Total Debt Service Fund	<u>95,000</u>	<u>-</u>
B. <u>Proprietary Funds</u>		
Electric Fund		
General Fund	B <u>225,106</u>	<u>-</u>
Total Proprietary Funds	<u>225,106</u>	<u>-</u>
Total All Funds	1,505,492	1,505,492
Less amounts eliminated during GASB 34 adjustment	<u>(1,280,386)</u>	<u>(1,280,386)</u>
Total internal balances	\$ <u>225,106</u>	\$ <u>225,106</u>

Explanations for transfers:

- A** Transfer to reduce deficit in IMRF Fund
- B** Transfer to abate street light costs
- C** Transfer to provide General Fund contribution to SPAC Fund (\$5,000) and transfer of remaining account balance in General Fund (\$6,186)
- D** Transfer to provide General Fund contribution to SSA #
- E** Transfer of surplus fund balance to prepay outstanding capital loan
- F** Transfer of the City's portion of 911 expense
- G** Transfer to provide General Fund contribution for capital project

City of Geneva, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2012

NOTE 12. - RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; illnesses of employees; and natural disasters. The City purchases insurance from outside carriers for all types of coverage except for dental claims and workers compensation claims up to a maximum of \$400,000 per claim. The City has reinsurance for any claims that exceed the \$400,000 amount. For the dental insurance, the City charges its employees rates based on a rate study provided by Delta Dental. Current year overages or underages are adjusted into subsequent years experience factor for premiums. There were no significant changes in insurance coverage's from the prior year and settlements did not exceed insurance coverage in any of the past three fiscal years.

NOTE 13. - PENSION AND RETIREMENT FUND COMMITMENTS

A. IMRF Plan Description and Contributions

Plan Description - The employer's defined benefit pension plan for regular employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The plan is affiliated with Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. Benefit provisions are established by statute and may only be charged by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained on-line at www.imrf.org.

Funding Policy - As set by statute, your employer regular plan members are required to contribute 4.50 percent of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its employees. The employer contribution rate for calendar year 2011 was 12.06 percent of annual covered payroll. The employer annual required contribution rate for calendar year 2011 was 12.73 percent. The employer also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Annual Pension Cost - For calendar year ending December 31, 2011, the employer's actual contributions for pension cost for Regular were \$974,350. The required contribution for calendar 2011 was \$1,028,481.

City of Geneva, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2012

NOTE 13. - PENSION AND RETIREMENT FUND COMMITMENTS (Continued)

A. IMRF Plan Description and Contributions (Continued)

THREE - YEAR TREND INFORMATION FOR THE REGULAR PLAN

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/11	\$ 1,028,481	95%	\$ 149,822
12/31/10	968,913	90%	63,859
12/31/09	847,266	100%	-

The required contribution for 2011 was determined as part of the December 31, 2009 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2009, included (a) 7.50% investment rate of return (net of administrative and investment expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10.0% 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 spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The plan's unfunded actuarial accrued liability at December 31, 2009 is being amortized as a level percentage of projected payroll on an open 30 year basis.

Funded Status and Funding Progress - As of December 31, 2011, the most recent actuarial valuation date the plan was 72.03 percent funded. The actuarial accrued liability for benefits was \$23,372,696 and the actuarial value of assets was \$16,836,398, resulting in an underfunded actuarial accrued liability (UAAL) of \$6,536,298. The covered payroll (annual payroll of active employees covered by the plan) was \$8,079,189 and the ratio of the UAAL to the covered payroll was 81 percent.

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

City of Geneva, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2012

NOTE 13. - PENSION AND RETIREMENT FUND COMMITMENTS (Continued)

B. 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, 2011 was \$2,769,683.

At April 30, 2011, the Police Pension Plan membership consisted of:

Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them	21
Current employees	
Vested	27
Nonvested	8
Total current employees	35
Total	56

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.

City of Geneva, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2012

NOTE 13. - PENSION AND RETIREMENT FUND COMMITMENTS (Continued)

B. Plan Descriptions (Continued)
Police Pension Fund (Continued)

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.

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 2034, the City's contributions must accumulate to the point where the past service cost for the Police Pension Plan is 90% funded.

For employees hired after January 1, 2011, the Normal Retirement age is attainment of age 55 and completion of 10 years of service; Early Retirement age is attainment of age of 50, completion of 10 years of service and the Early Retirement Factor is 6% per year; the Employee's Accrued Benefit is based on the Employee's final 8-year average salary not to exceed \$106,800 (as indexed); cost of living adjustments are simple increases (not compounded) of the lesser of 3% or 50% of CPI beginning the later of the anniversary date and age 60; Surviving Spouse's Benefits are 66 2/3% of the Employee's benefit at the time of death.

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, 2011 was \$1,652,859. At April 30, 2011 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	<u>5</u>
Current employees	
Vested	15
Nonvested	<u>5</u>
Total current employees	<u>20</u>
Total	<u><u>25</u></u>

City of Geneva, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2012

NOTE 13. - PENSION AND RETIREMENT FUND COMMITMENTS (Continued)

B. Plan Descriptions (Continued)

Firefighters' Pension Fund (Continued)

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

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 9.455% 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 2034, the City's contributions must accumulate to the point where the past service cost for the Firefighters' Pension Plan is 90% funded.

For employees hired after January 1, 2011, the Normal Retirement age is attainment of age 55 and completion of 10 years of service; Early Retirement age is attainment of age of 50, completion of 10 years of service and the Early Retirement Factor is 6% per year; the Employee's Accrued Benefit is based on the Employee's final 8-year average salary not to exceed \$106,800 (as indexed); cost of living adjustments are simple increases (not compounded) of the lesser of 3% or 50% of CPI beginning the later of the anniversary date and age 60; Surviving Spouse's Benefits are 66 2/3% of the Employee's benefit at the time of death.

City of Geneva, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2012

NOTE 13. - PENSION AND RETIREMENT FUND COMMITMENTS (Continued)

B. Plan Descriptions (Continued)

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, 2011) and are as follows:

	Police	Firefighters'
Annual required contribution	\$ 856,588	\$ 338,258
Interest on net pension obligation	44,139	3,003
Adjustment to annual required contribution	(33,526)	(2,281)
Annual pension cost	867,201	338,980
Contributions made	(453,546)	(239,381)
Increase in net pension obligation (benefit)	413,655	99,599
Net pension obligation at May 1, 2010	588,522	40,044
Net pension obligation at April 30, 2011	\$ 1,002,177	\$ 139,643

Three-Year Historical Trend Information

	Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed		Net Pension Obligation (Benefit)
Police	4/30/2011	\$ 867,201	52.3%	\$	1,002,177
	4/30/2010	621,833	69.1%		588,522
	4/30/2009	534,828	77.0%		396,566
Firefighters	4/30/2011	\$ 338,980	70.6%	\$	139,643
	4/30/2010	263,983	93.3%		40,044
	4/30/2009	243,113	100.0%		22,451

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 increase of 3.00% a year. The actuarial notes for both the Police and Firefighters' Pension Funds include (a) valuation date of April 30, 2011, (b) actuarial cost method of entry age normal, (c) amortization method of level percentage of pay, closed, (d) remaining amortization period of 23 years and (e) asset valuation method of fair market value

REQUIRED SUPPLEMENTARY INFORMATION
(Unaudited)

City of Geneva, Illinois
ILLINOIS MUNICIPAL RETIREMENT FUND
SCHEDULE OF FUNDING PROGRESS AND EMPLOYER CONTRIBUTIONS
 April 30, 2012
(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)
12/31/11	\$ 16,836,398	\$ 23,372,696	\$ 6,536,298	72.03%	\$ 8,079,189	80.90%
12/31/10	16,153,203	21,972,620	5,819,417	73.52%	7,994,335	72.79%
12/31/09	15,224,006	22,082,340	6,858,334	68.94%	8,506,692	80.62%
12/31/08	14,848,928	20,601,218	5,752,290	72.08%	8,161,724	70.48%
12/31/07	17,801,091	19,893,803	2,092,712	89.48%	7,597,838	27.54%
12/31/06	16,079,389	18,353,680	2,274,291	87.61%	7,105,642	32.01%

On a market value basis, the actuarial value of assets as of December 31, 2011 is \$15,946,279. On a market basis, the funded ratio would be 68.23%

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Year	Annual Required Contribution	Percentage Contributed	Employer Contribution
2011	\$ 1,028,481	95.0%	\$ 977,057
2010	968,913	90.4%	876,179
2009	847,266	100.0%	847,266
2008	830,863	100.0%	830,863
2007	804,611	100.0%	804,611
2006	751,066	100.0%	751,066

City of Geneva, Illinois
POLICE AND FIREFIGHTERS' PENSION FUNDS
SCHEDULE OF FUNDING PROGRESS AND EMPLOYER CONTRIBUTIONS
April 30, 2012
(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						
4/30/11	\$ 14,928,236	\$ 24,147,305	\$ 9,219,069	61.8%	\$ 2,769,683	332.9%
4/30/10	13,607,007	23,158,240	9,551,233	58.8%	2,765,523	345.4%
4/30/09	12,227,462	21,773,621	9,546,159	56.2%	2,790,382	342.1%
4/30/08	13,573,367	19,702,248	6,128,881	68.9%	2,741,211	223.6%
4/30/07	13,349,570	17,948,345	4,598,775	74.4%	2,654,867	173.2%
4/30/06	12,311,481	16,535,381	4,223,900	74.5%	2,584,198	163.5%
Firefighters' Pension						
4/30/11	\$ 10,242,933	\$ 11,407,571	\$ 1,164,638	89.8%	\$ 1,652,859	70.5%
4/30/10	9,141,167	10,604,354	1,463,187	86.2%	1,686,844	86.7%
4/30/09	7,898,716	9,948,490	2,049,774	79.4%	1,648,355	124.4%
4/30/08	8,094,162	9,028,229	934,067	89.7%	1,556,498	60.0%
4/30/07	7,471,391	8,093,058	621,667	92.3%	1,479,228	42.0%
4/30/06	6,499,206	7,258,545	759,339	89.5%	1,409,709	53.9%

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
2011	\$ 867,201	52.3%	\$ 453,546	\$ 338,980	70.6%	\$ 239,381
2010	621,833	69.1%	429,687	263,983	93.3%	246,390
2009	534,828	77.0%	411,818	243,113	100.0%	243,035
2008	474,927	82.8%	393,280	243,094	98.5%	239,395
2007	459,272	83.7%	384,384	224,194	99.8%	223,801
2006	393,610	78.1%	307,488	228,145	95.9%	218,830

City of Geneva, Illinois
OTHER POST-EMPLOYMENT BENEFITS PLAN
SCHEDULE OF FUNDING PROGRESS AND EMPLOYER CONTRIBUTIONS
April 30, 2012
(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)
4/30/10	\$ -	\$ 587,824	\$ 587,824	0.0%	\$ 12,945,429	4.5%
4/30/09	-	587,824	587,824	0.0%	12,459,433	4.7%
4/30/08	-	587,824	587,824	0.0%	12,459,433	4.7%
4/30/07	N/A	N/A	N/A	N/A	N/A	N/A
4/30/06	N/A	N/A	N/A	N/A	N/A	N/A
4/30/05	N/A	N/A	N/A	N/A	N/A	N/A

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Fiscal Year	Annual Required Contribution	Percentage Contributed	Employer Contribution
2010	\$ 53,264	37.4%	\$ 19,927
2009	53,036	37.6%	19,927
2008	52,713	37.8%	\$ 19,927
2007	N/A	N/A	N/A
2006	N/A	N/A	N/A
2005	N/A	N/A	N/A

The City implemented GASB Statement No.45 for the fiscal year ended April 30, 2008. Information for prior years is not available.

City of Geneva, Illinois
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
 April 30, 2012
(Unaudited)

NOTE 1. - BUDGETS

During the current fiscal year, the City Council adopted a budget resolution that follows the "Budget Act" in accordance with Illinois Statutes. In accordance with this resolution, 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 16, 2012.

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. The statements are presented in compliance with generally accepted accounting principles which serves as the budgetary basis.

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

Expenditures exceeded budgets in the following funds for the year ended April 30, 2012:

	<u>Budget</u>	<u>Expenditures</u>	<u>Overage</u>
Beautification Fund	\$ 14,500	\$ 16,244	\$ (1,744)
Refuse	374,880	382,398	(7,518)

Explanations for budget overages:

Beautification Fund - Overage due to the timing of the purchase of flowers.

Refuse - Overages due to higher than expected utility bill printing costs allocated to Refuse and Depreciation Expense was not budgeted.

City of Geneva, Illinois
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
Year ended April 30, 2012
(Unaudited)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues				
Property taxes	\$ 3,911,080	\$ 3,911,080	\$ 3,904,829	\$ (6,251)
Replacement taxes	80,000	80,000	85,211	5,211
Sales tax	4,912,750	4,912,750	4,645,309	(267,441)
State income tax	1,650,000	1,650,000	1,652,801	2,801
Utility tax	2,550,000	2,550,000	2,274,963	(275,037)
Fines and forfeits	456,500	456,500	272,053	(184,447)
Licenses and permits	331,200	331,200	435,586	104,386
Interest	5,000	5,000	5,480	480
Miscellaneous	627,800	1,300,886	1,163,367	(137,519)
	<u>14,524,330</u>	<u>15,197,416</u>	<u>14,439,599</u>	<u>(757,817)</u>
Total revenues				
Expenditures				
Total expenditures	<u>13,724,115</u>	<u>14,229,015</u>	<u>13,847,653</u>	<u>381,362</u>
Excess of revenues over expenditures	<u>800,215</u>	<u>968,401</u>	<u>591,946</u>	<u>(376,455)</u>
Other financing sources (uses)				
Transfers in	240,590	335,590	320,106	(15,484)
Transfers out	<u>(922,200)</u>	<u>(1,185,386)</u>	<u>(1,185,386)</u>	<u>-</u>
Total other financing sources (uses)	<u>(681,610)</u>	<u>(849,796)</u>	<u>(865,280)</u>	<u>(15,484)</u>
Excess of revenues and other financing sources over expenditures and other financing uses	<u>\$ 118,605</u>	<u>\$ 118,605</u>	(273,334)	<u>\$ (391,939)</u>
Fund balances				
Beginning of year			<u>3,845,284</u>	
End of year			<u>\$ 3,571,950</u>	

SUPPLEMENTARY INFORMATION

City of Geneva, Illinois
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
April 30, 2012

	Special Revenue					
	Motor Fuel Tax	Tricom	Combined Special Service Area	Illinois Municipal Retirement	Mental Health	Liability Insurance
<u>ASSETS</u>						
Cash and investments	\$ 387,639	\$ 902,178	\$ 344,834	\$ 29,996	\$ 104,542	\$ 388,400
Receivables						
Property taxes - net	-	-	472,941	-	155,002	-
Other	41,730	140,520	-	-	-	-
Total assets	<u>\$ 429,369</u>	<u>\$ 1,042,698</u>	<u>\$ 817,775</u>	<u>\$ 29,996</u>	<u>\$ 259,544</u>	<u>\$ 388,400</u>
<u>LIABILITIES AND FUND BALANCES</u>						
LIABILITIES						
Accounts payable	\$ -	\$ 30,206	\$ 17,687	\$ -	\$ 293	\$ -
Accrued payroll	-	62,008	6,252	-	-	-
Deferred property taxes	-	-	472,941	-	155,002	-
Other deferred revenue	-	-	-	-	-	-
Compensated absences payable	-	153,181	15,179	-	-	-
Total liabilities	<u>-</u>	<u>245,395</u>	<u>512,059</u>	<u>-</u>	<u>155,295</u>	<u>-</u>
FUND BALANCES						
Restricted						
Street Maintenance	429,369	-	-	-	-	-
Infrastructure	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Special Service Areas	-	-	305,716	-	-	-
Tri-Com	-	797,303	-	-	-	-
Tax Increment Financing	-	-	-	-	-	-
Assigned						
Special Revenue Funds	-	-	-	29,996	104,249	388,400
Capital Projects Funds	-	-	-	-	-	-
Total fund balances	<u>429,369</u>	<u>797,303</u>	<u>305,716</u>	<u>29,996</u>	<u>104,249</u>	<u>388,400</u>
Total liabilities and fund balances	<u>\$ 429,369</u>	<u>\$ 1,042,698</u>	<u>\$ 817,775</u>	<u>\$ 29,996</u>	<u>\$ 259,544</u>	<u>\$ 388,400</u>

(Continued)

<u>Cultural Arts</u>	<u>SPAC Fund</u>	<u>Beautification Fund</u>	<u>Medical and Dental Insurance</u>	<u>Tree Nursery</u>	<u>Total Special Revenue</u>
\$ 45,573	\$ 7,156	\$ 33,534	\$ 19,728	\$ 8,755	\$ 2,272,335
-	-	-	-	-	627,943
-	-	-	266	-	182,516
<u>\$ 45,573</u>	<u>\$ 7,156</u>	<u>\$ 33,534</u>	<u>\$ 19,994</u>	<u>\$ 8,755</u>	<u>\$ 3,082,794</u>
\$ 2,044	\$ 2,363	\$ 3,019	\$ 8,428	\$ 5,938	\$ 69,978
-	-	-	-	-	68,260
-	-	-	-	-	627,943
-	-	-	-	-	-
-	-	-	-	-	168,360
<u>2,044</u>	<u>2,363</u>	<u>3,019</u>	<u>8,428</u>	<u>5,938</u>	<u>934,541</u>
-	-	-	-	-	429,369
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	305,716
-	-	-	-	-	797,303
-	-	-	-	-	-
43,529	4,793	30,515	11,566	2,817	615,865
-	-	-	-	-	-
<u>43,529</u>	<u>4,793</u>	<u>30,515</u>	<u>11,566</u>	<u>2,817</u>	<u>2,148,253</u>
<u>\$ 45,573</u>	<u>\$ 7,156</u>	<u>\$ 33,534</u>	<u>\$ 19,994</u>	<u>\$ 8,755</u>	<u>\$ 3,082,794</u>

(Continued)

City of Geneva, Illinois
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS - (CONTINUED)
April 30, 2012

	Debt Service		Capital Projects		
	Debt Service Fund	TIF East State Street Construction	Infrastructure Capital Projects Fund	General Capital Projects Fund	Prairie Green
ASSETS					
Cash and investments	\$ 349,467	\$ 891,372	\$ 824,597	\$ 90,935	\$ 65,931
Receivables					
Property taxes - net	1,684,110	-	-	-	-
Other	-	-	499,221	-	-
Total assets	<u>\$ 2,033,577</u>	<u>\$ 891,372</u>	<u>\$ 1,323,818</u>	<u>\$ 90,935</u>	<u>\$ 65,931</u>
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ 349	\$ -	\$ 119,116	\$ 618	\$ -
Accrued payroll	-	1,890	-	-	-
Deferred property taxes	1,684,110	-	-	-	-
Other deferred revenue	-	-	3,300	-	-
Compensated absences payable	-	3,149	-	-	-
Total liabilities	<u>1,684,459</u>	<u>5,039</u>	<u>122,416</u>	<u>618</u>	<u>-</u>
FUND BALANCES (DEFICITS)					
Restricted					
Street Maintenance	-	-	-	-	-
Infrastructure	-	-	1,201,402	-	-
Debt Service	349,118	-	-	-	-
Special Service Areas	-	-	-	-	-
Tri-Com	-	-	-	-	-
Tax Increment Financing	-	886,333	-	-	-
Assigned					
Special Revenue Funds	-	-	-	-	-
Capital Projects Funds	-	-	-	90,317	65,931
Total fund balances	<u>349,118</u>	<u>886,333</u>	<u>1,201,402</u>	<u>90,317</u>	<u>65,931</u>
Total liabilities and fund balances	<u>\$ 2,033,577</u>	<u>\$ 891,372</u>	<u>\$ 1,323,818</u>	<u>\$ 90,935</u>	<u>\$ 65,931</u>

<u>Total Capital Projects</u>	<u>Total Nonmajor Governmental Funds</u>
\$ 1,872,835	\$ 4,494,637
-	2,312,053
<u>499,221</u>	<u>681,737</u>
<u>\$ 2,372,056</u>	<u>\$ 7,488,427</u>

\$ 119,734	\$ 190,061
1,890	70,150
-	2,312,053
3,300	3,300
<u>3,149</u>	<u>171,509</u>
<u>128,073</u>	<u>2,747,073</u>

-	429,369
1,201,402	1,201,402
-	349,118
-	305,716
-	797,303
886,333	886,333
-	615,865
<u>156,248</u>	<u>156,248</u>
<u>2,243,983</u>	<u>4,741,354</u>
<u>\$ 2,372,056</u>	<u>\$ 7,488,427</u>

(Concluded)

City of Geneva, Illinois
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year ended April 30, 2012

	Motor Fuel Tax	Tricom	Combined Special Service Area	Illinois Municipal Retirement	Mental Health	Liability Insurance
REVENUES						
Property taxes	\$ -	\$ -	\$ 475,579	\$ 511,799	\$ 152,848	\$ -
Motor fuel tax	538,948	-	-	-	-	-
Interest	205	576	491	-	275	126
Miscellaneous	95,829	2,041,047	1,000	-	-	224,153
Total revenues	634,982	2,041,623	477,070	511,799	153,123	224,279
EXPENDITURES						
Streets and walks	560,000	-	-	-	-	-
Buildings, planning and zoning	-	-	449,259	-	-	-
Pension - IMRF	-	-	-	662,369	-	-
Insurance	-	-	-	-	-	352,262
Capital outlay	-	8,184	-	-	-	-
Debt service						
Principal retirement	-	-	66,000	-	-	-
Interest and fees	-	-	19,622	-	-	-
Other	-	2,240,042	-	-	142,809	-
Total expenditures	560,000	2,248,226	534,881	662,369	142,809	352,262
Excess (deficiency) of revenues over expenditures	74,982	(206,603)	(57,811)	(150,570)	10,314	(127,983)
Other financing sources (uses)						
Transfers in	-	336,700	90,000	200,000	-	-
Bond Proceeds	-	-	-	-	-	-
Payment to bond agent	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	336,700	90,000	200,000	-	-
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	74,982	130,097	32,189	49,430	10,314	(127,983)
FUND BALANCES (DEFICIT)						
Beginning of year	354,387	667,206	273,527	(19,434)	93,935	516,383
End of year	\$ 429,369	\$ 797,303	\$ 305,716	\$ 29,996	\$ 104,249	\$ 388,400

(Continued)

Special Revenue					
Cultural Arts	SPAC Fund	Beautification Fund	Medical and Dental Insurance	Tree Nursery	Total Special Revenue
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,140,226
-	-	-	-	-	538,948
-	-	-	44	1,290	3,007
<u>82,822</u>	<u>6,004</u>	<u>46,759</u>	<u>152,226</u>	<u>-</u>	<u>2,649,840</u>
<u>82,822</u>	<u>6,004</u>	<u>46,759</u>	<u>152,270</u>	<u>1,290</u>	<u>4,332,021</u>
-	-	-	-	-	560,000
-	-	-	-	-	449,259
-	-	-	-	-	662,369
-	-	-	162,051	-	514,313
-	-	-	-	-	8,184
-	-	-	-	-	66,000
-	-	-	-	-	19,622
<u>39,293</u>	<u>12,397</u>	<u>16,244</u>	<u>-</u>	<u>90,000</u>	<u>2,540,785</u>
<u>39,293</u>	<u>12,397</u>	<u>16,244</u>	<u>162,051</u>	<u>90,000</u>	<u>4,820,532</u>
<u>43,529</u>	<u>(6,393)</u>	<u>30,515</u>	<u>(9,781)</u>	<u>(88,710)</u>	<u>(488,511)</u>
-	11,186	-	-	-	637,886
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>11,186</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>637,886</u>
43,529	4,793	30,515	(9,781)	(88,710)	149,375
<u>-</u>	<u>-</u>	<u>-</u>	<u>21,347</u>	<u>91,527</u>	<u>1,998,878</u>
<u>\$ 43,529</u>	<u>\$ 4,793</u>	<u>\$ 30,515</u>	<u>\$ 11,566</u>	<u>\$ 2,817</u>	<u>\$ 2,148,253</u>

(Continued)

City of Geneva, Illinois
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
Year ended April 30, 2012

	Debt Service		Capital Projects		
	Debt Service Fund	TIF East State Street Construction	Infrastructure Capital Projects Fund	General Capital Projects Fund	Prairie Green
REVENUES					
Property taxes	\$ 1,681,976	\$ 313,898	\$ -	\$ -	\$ -
Motor fuel tax	-	-	-	-	-
Interest	3,191	661	119	98	-
Miscellaneous	1,370	-	2,568,758	140,207	92,800
Total revenues	1,686,537	314,559	2,568,877	140,305	92,800
EXPENDITURES					
Streets and walks	-	-	1,367,475	-	-
Buildings, planning and zoning	-	59,352	-	-	-
Pension - IMRF	-	-	-	-	-
Insurance	-	-	-	-	-
Capital outlay	-	-	-	1,146,838	15,233
Debt service					
Principal retirement	1,070,000	47,539	-	-	-
Interest and fees	589,495	14,369	-	-	-
Other	44,873	-	-	-	-
Total expenditures	1,704,368	121,260	1,367,475	1,146,838	15,233
Excess (deficiency) of revenues over expenditures	(17,831)	193,299	1,201,402	(1,006,533)	77,567
Other financing sources (uses)					
Transfers in	-	-	-	547,500	-
Bond Proceeds	2,530,136	-	-	-	-
Payment to bond agent	(2,526,174)	-	-	-	-
Transfers out	(95,000)	-	-	-	-
Total other financing sources (uses)	(91,038)	-	-	547,500	-
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(108,869)	193,299	1,201,402	(459,033)	77,567
FUND BALANCES (DEFICIT)					
Beginning of year	457,987	693,034	-	549,350	(11,636)
End of year	\$ 349,118	\$ 886,333	\$ 1,201,402	\$ 90,317	\$ 65,931

	Total Capital Projects		Total Nonmajor Governmental Funds
\$	313,898	\$	3,136,100
	-		538,948
	878		7,076
	<u>2,801,765</u>		<u>5,452,975</u>
	<u>3,116,541</u>		<u>9,135,099</u>
	1,367,475		1,927,475
	59,352		508,611
	-		662,369
	-		514,313
	1,162,071		1,170,255
	47,539		1,183,539
	14,369		623,486
	<u>-</u>		<u>2,585,658</u>
	<u>2,650,806</u>		<u>9,175,706</u>
	<u>465,735</u>		<u>(40,607)</u>
	547,500		1,185,386
	-		2,530,136
	-		(2,526,174)
	<u>-</u>		<u>(95,000)</u>
	<u>547,500</u>		<u>1,094,348</u>
	1,013,235		1,053,741
	<u>1,230,748</u>		<u>3,687,613</u>
\$	<u><u>2,243,983</u></u>	\$	<u><u>4,741,354</u></u>

(Concluded)

City of Geneva, Illinois
COMBINING STATEMENT OF NET ASSETS
NONMAJOR ENTERPRISE FUNDS
April 30, 2012

	Commuter Parking Fund	Refuse	Cemetery	Total Nonmajor Enterprise Funds
CURRENT ASSETS				
Cash and investments	\$ 187,759	\$ 180,220	\$ 280,441	\$ 648,420
Accounts receivable	-	15,123	-	15,123
Prepaid expenses	-	3,735	-	3,735
Total current assets	187,759	199,078	280,441	667,278
CAPITAL ASSETS				
Buildings, plant and improvements	8,265,571	-	92,544	8,358,115
Equipment	5,975	144,929	26,649	177,553
	8,271,546	144,929	119,193	8,535,668
Accumulated depreciation	(1,117,238)	(109,114)	(59,348)	(1,285,700)
Total capital assets	7,154,308	35,815	59,845	7,249,968
Unamortized bond costs	13,455	-	-	13,455
Total assets	7,355,522	234,893	340,286	7,930,701
CURRENT LIABILITIES				
Accounts payable	4,557	24,425	1,338	30,320
Accrued payroll	3,379	1,240	19,843	24,462
Accrued interest	4,484	-	-	4,484
Other payables	-	-	-	-
Revenue bonds payable	100,000	-	-	100,000
Total liabilities	112,420	25,665	21,181	159,266
NONCURRENT LIABILITIES				
Compensated absences payable	11,916	6,648	-	18,564
Revenue bond payable	1,345,000	-	-	1,345,000
Total noncurrent liabilities	1,356,916	6,648	-	1,363,564
Total liabilities	1,469,336	32,313	21,181	1,522,830
NET ASSETS				
Invested in capital assets, net of related debt	5,709,308	35,815	59,845	5,804,968
Reserved - restricted accounts	-	-	343,352	343,352
Unrestricted	176,878	166,765	(84,092)	259,551
Total net assets	\$ 5,886,186	\$ 202,580	\$ 319,105	\$ 6,407,871

City of Geneva, Illinois
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS
NONMAJOR ENTERPRISE FUNDS
Year ended April 30, 2012

	Commuter Parking Fund	Refuse	Cemetery	Total Nonmajor Enterprise Funds
OPERATING REVENUES				
Charges for services	\$ 456,736	\$ 349,954	\$ 62,815	\$ 869,505
Miscellaneous	32,332	2,951	-	35,283
Total operating revenues	<u>489,068</u>	<u>352,905</u>	<u>62,815</u>	<u>904,788</u>
OPERATING EXPENSES				
Administration	115,965	40,663	97,938	254,566
Plant service	24,902	-	-	24,902
Lease payments	54,781	-	-	54,781
Depreciation	182,265	5,607	5,993	193,865
Refuse collection	-	336,128	-	336,128
Total operating expenses	<u>377,913</u>	<u>382,398</u>	<u>103,931</u>	<u>864,242</u>
OPERATING INCOME (LOSS)	<u>111,155</u>	<u>(29,493)</u>	<u>(41,116)</u>	<u>40,546</u>
NONOPERATING REVENUES (EXPENSES)				
Interest income	585	-	-	585
Interest expense	(55,345)	-	-	(55,345)
Nonexpendable trust income	-	-	2,591	2,591
New development income	-	-	555	555
Total nonoperating revenues (expenses)	<u>(54,760)</u>	<u>-</u>	<u>3,146</u>	<u>(51,614)</u>
INCOME (LOSS) BEFORE TRANSFERS	56,395	(29,493)	(37,970)	(11,068)
TRANSFERS OUT	-	-	-	-
CHANGE IN NET ASSETS	56,395	(29,493)	(37,970)	(11,068)
NET ASSETS				
Beginning of year	<u>5,829,791</u>	<u>232,073</u>	<u>357,075</u>	<u>6,418,939</u>
End of year	<u>\$ 5,886,186</u>	<u>\$ 202,580</u>	<u>\$ 319,105</u>	<u>\$ 6,407,871</u>

City of Geneva, Illinois
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
Year ended April 30, 2012

	Commuter Parking Fund	Refuse	Cemetery	Total Nonmajor Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	\$ 489,068	\$ 388,621	\$ 62,815	\$ 940,504
Payments to suppliers	(167,604)	(347,904)	(20,687)	(536,195)
Payments to employees	(70,590)	(19,960)	(81,287)	(171,837)
Net cash provided by (used in) operating activities	<u>250,874</u>	<u>20,757</u>	<u>(39,159)</u>	<u>232,472</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and construction of capital assets	(50,053)	-	-	(50,053)
Principal paid on revenue bonds	(75,000)	-	-	(75,000)
Interest paid on revenue bonds	(55,530)	-	-	(55,530)
Net cash provided by (used in) capital and related financing activities	<u>(180,583)</u>	<u>-</u>	<u>-</u>	<u>(180,583)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Nonexpendable trust income	-	-	2,591	2,591
New development income	-	-	554	554
Net cash provided by investing activities	<u>-</u>	<u>-</u>	<u>3,145</u>	<u>3,145</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	70,291	20,757	(36,014)	55,034
CASH AND CASH EQUIVALENTS				
Beginning of year	<u>117,468</u>	<u>159,463</u>	<u>316,455</u>	<u>593,386</u>
End of year	<u>\$ 187,759</u>	<u>\$ 180,220</u>	<u>\$ 280,441</u>	<u>\$ 648,420</u>
CASH FLOWS FROM OPERATING ACTIVITIES				
Operating income (loss)	\$ 111,155	\$ (29,493)	\$ (41,116)	\$ 40,546
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities				
Depreciation	182,265	5,607	5,993	193,865
Change in assets and liabilities				
Accounts receivable	-	36,538	-	36,538
Prepaid expenses	-	(3,735)	-	(3,735)
Unamortized bond costs	1,345	-	-	1,345
Accounts payable	859	5,273	1,029	7,161
Compensated absences	7,058	6,648	(21,866)	(8,160)
Other payables	(50,700)	-	-	(50,700)
Accrued payroll	(1,108)	(81)	16,801	15,612
Net cash provided by (used in) operating activities	<u>\$ 250,874</u>	<u>\$ 20,757</u>	<u>\$ (39,159)</u>	<u>\$ 232,472</u>

City of Geneva, Illinois
COMBINING STATEMENT OF NET ASSETS
PENSION TRUST FUNDS
April 30, 2012

	Firefighters' Pension Fund	Police Pension Fund	Total
ASSETS			
Cash and cash equivalents	\$ 37,246	\$ 136,144	\$ 173,390
Accrued interest	13,690	26,490	40,180
Prepaid expenses	985	14,562	15,547
Investments, at fair value:			
Money market mutual funds	116,398	603,919	720,317
Certificates of deposits	486,964	-	486,964
U.S. government securities	6,841,771	7,274,567	14,116,338
Insurance contracts	1,621,951	1,230,527	2,852,478
Mutual funds and stock equities	<u>1,640,935</u>	<u>5,518,139</u>	<u>7,159,074</u>
Total assets	10,759,940	14,804,348	25,564,288
LIABILITIES			
Accounts payable	<u>1,487</u>	<u>1,823</u>	<u>3,310</u>
NET ASSETS			
Held in trust for pension benefits	<u>\$ 10,758,453</u>	<u>\$ 14,802,525</u>	<u>\$ 25,560,978</u>

City of Geneva, Illinois
COMBINING STATEMENT OF CHANGES IN NET ASSETS
PENSION TRUST FUNDS
Year ended April 30, 2012

	<u>Firefighters' Pension</u>	<u>Police Pension</u>	<u>Total</u>
Additions			
Contributions			
Employer	\$ 250,350	\$ 486,730	\$ 737,080
Plan member	<u>160,752</u>	<u>282,918</u>	<u>443,670</u>
Total contributions	<u>411,102</u>	<u>769,648</u>	<u>1,180,750</u>
Investment Income			
Interest and dividends	166,088	366,756	532,844
Net change in fair value	<u>85,602</u>	<u>(256,359)</u>	<u>(170,757)</u>
Total investment income	251,690	110,397	362,087
Less investment expenses	<u>(4,691)</u>	<u>(71,823)</u>	<u>(76,514)</u>
Net investment income	<u>246,999</u>	<u>38,574</u>	<u>285,573</u>
Total additions	<u>658,101</u>	<u>808,222</u>	<u>1,466,323</u>
Deductions			
Administration	12,835	26,366	39,201
Benefits	<u>129,746</u>	<u>907,567</u>	<u>1,037,313</u>
Total deductions	<u>142,581</u>	<u>933,933</u>	<u>1,076,514</u>
Net increase (decrease)	515,520	(125,711)	389,809
Net assets held in trust for pension benefits			
Beginning of year	<u>10,242,933</u>	<u>14,928,236</u>	<u>25,171,169</u>
End of year	<u>\$ 10,758,453</u>	<u>\$ 14,802,525</u>	<u>\$ 25,560,978</u>

City of Geneva, Illinois
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
NONMAJOR GOVERNMENTAL FUNDS AND ALL ENTERPRISE FUNDS
Year ended April 30, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Government-Type Funds				
Motor Fuel Tax	\$ 750,000	\$ 750,000	\$ 560,000	\$ 190,000
Tricom	2,286,725	2,286,725	2,248,226	38,499
Combined Special Service Area	600,610	636,460	534,881	101,579
Illinois Municipal Retirement	695,505	695,505	662,369	33,136
Mental Health	142,000	143,750	142,809	941
Liability Insurance	177,500	427,500	352,262	75,238
Cultural Arts	54,250	54,250	39,293	14,957
SPAC Fund	20,000	20,000	12,397	7,603
Beautification Fund	14,500	14,500	16,244	(1,744)
Medical and Dental Insurance	136,825	164,800	162,051	2,749
Tree Nursery	30,000	90,000	90,000	-
Infrastructure Capital Projects Fund	2,102,000	2,102,000	1,367,475	734,525
Debt Service Fund	1,700,975	1,795,975	1,704,368	91,607
TIF East State Street Construction	542,715	542,715	121,260	421,455
General Capital Projects Fund	1,078,400	1,158,420	1,146,838	11,582
Prairie Green	60,000	60,000	15,233	44,767
Proprietary-Type Funds				
Electric Fund	32,448,310	32,448,310	28,318,658	4,129,652
Waterworks and Sewerage	8,513,380	8,632,980	7,485,102	1,147,878
Commuter Parking Fund	3,970,685	3,970,685	433,258	3,537,427
Refuse	374,880	374,880	382,398	(7,518)
Cemetery	108,685	108,685	103,931	4,754

OTHER SUPPLEMENTARY INFORMATION

City of Geneva, Illinois
SCHEDULE OF INSURANCE COVERAGE AND
CUSTOMER INFORMATION
April 30, 2012

Risk Covered	Amount of Policy	Name of Insurer	Policy Expiration
Workers' Compensation and Employer's Liability	\$ 2,000,000	Self Insured - City of Geneva Midwest Employers Casualty Co	4/30/12
General Liability			
Occurrence			
General aggregate	\$ 3,000,000	Argonaut Insurance Co (Trident)	4/30/12
Products/completed work	3,000,000		
Each occurrence	1,000,000		
Personal and Advertising injury	1,000,000		
Fire damage legal liability	100,000		
Claims Made			
Law enforcement liability	\$ 1,000,000		
Annual aggregate	3,000,000		
Public Officials Liability	1,000,000		
Annual aggregate	3,000,000		
Sublimit Failure to Supply	1,000,000		
Business/Auto			
Liability	\$ 1,000,000	Argonaut Insurance Co (Trident)	4/30/12
Uninsured motorist	100,000		
Underinsured motorist	100,000		
Commercial Umbrella			
Each occurrence	1,000,000	Argonaut Insurance Co (Trident)	4/30/12
	xs 1,000,000		
General aggregate	1,000,000		
Property			
Bldg & Pers Property & EDF	\$ 72,570,720	Federal Insurance Co (Chubb)	4/30/12
Business Income w/extra expenses	5,000,000		
Radio/TV Towers	316,900		
Transmitting Equip	1,060,150		
Statue	40,000		
Earthquake	5,000,000		
Flood	5,000,000		
Machinery breakdown	5,000,000		

(Continued)

City of Geneva, Illinois
SCHEDULE OF INSURANCE COVERAGE AND
CUSTOMER INFORMATION
April 30, 2012

Risk Covered	Amount of Policy	Name of Insurer	Policy Expiration
Property (Electric Utility)			
Blanket building	\$ 35,578,664	Federal Insurance Co (Chubb)	4/30/12
Business income w/extra expense	5,000,000		
Inland Marine		Federal Insurance Co (Chubb)	4/30/12
Scheduled contractor's equipment	\$ 1,000,935		
Unscheduled equipment	50,000		
Miscellaneous unscheduled equipment	256,018		
Watercraft	17,000		
Crime			
Public employee theft	\$ 100,000	Travelers Casualty & Surety of America	4/30/14
Bond on Officials			
City administrator	\$ 100,000	Ohio Casualty	Indefinite
Fiscal officer	100,000	Ohio Casualty	Indefinite
City treasurer	100,000	Ohio Casualty	Indefinite
City mayor	3,000	Ohio Casualty	4/30/13
Umbrella Excess Liability			
Each Occurrence	\$ 10,000,000	Evanston Insurance Co	4/30/12
General aggregate	10,000,000		
Excess Liability			
Each Occurrence	\$ 10,000,000	American Alternative Insurance Co	4/30/12
	xs Primary		
General aggregate	10,000,000		
Number of Customers Served by the City's Utilities	10,197		

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.

STATISTICAL SECTION
(Unaudited)

CITY OF GENEVA, ILLINOIS

Net Position by Component - Last Nine Fiscal Years
 April 30, 2012

	2004	2005	2006
Governmental Activities			
Invested in Capital Assets, Net of Related Debt	\$ 78,980,740	\$ 74,468,531	\$ 77,100,005
Restricted	1,550,431	1,530,911	859,144
Unrestricted	5,040,193	5,414,347	2,290,192
Total Governmental Activities Net Assets	\$ 85,571,364	\$ 81,413,789	\$ 80,249,341
Business-Type Activities			
Invested in Capital Assets, Net of Related Debt	\$ 23,875,734	\$ 50,121,905	\$ 54,488,114
Restricted	981,383	967,782	947,516
Unrestricted	35,278,165	12,833,082	13,131,574
Total Business-Type Activities Net Assets	\$ 60,135,282	\$ 63,922,769	\$ 68,567,204
Primary Government			
Invested in Capital Assets, Net of Related Debt	\$ 102,856,474	\$ 124,590,436	\$ 131,588,119
Restricted	2,531,814	2,498,693	1,806,660
Unrestricted	40,318,358	18,247,429	15,421,766
Total Primary Government Net Assets	\$ 145,706,646	\$ 145,336,558	\$ 148,816,545

Data Source: City Records

The City implemented GASB 34 in Fiscal Year 2004

2007	2008	2009	2010	2011	2012
\$ 76,156,149	\$ 72,027,030	\$ 62,545,670	\$ 60,003,371	\$ 55,723,306	\$ 54,561,399
998,287	1,137,814	1,274,590	1,396,115	3,699,249	4,675,423
72,431	(1,451,059)	3,633,383	2,329,682	1,683,407	232,291
<u>\$ 77,226,867</u>	<u>\$ 71,713,785</u>	<u>\$ 67,453,643</u>	<u>\$ 63,729,168</u>	<u>\$ 61,105,962</u>	<u>\$ 59,469,113</u>
\$ 62,370,823	\$ 69,573,701	\$ 72,349,114	\$ 74,778,219	\$ 74,968,737	\$ 76,419,590
1,634,039	2,112,531	2,157,132	1,883,764	1,670,684	1,542,308
9,675,671	8,256,835	8,977,755	6,786,497	6,898,432	7,860,144
<u>\$ 73,680,533</u>	<u>\$ 79,943,067</u>	<u>\$ 83,484,001</u>	<u>\$ 83,448,480</u>	<u>\$ 83,537,853</u>	<u>\$ 85,822,042</u>
\$ 138,526,972	\$ 141,600,731	\$ 134,894,784	\$ 134,781,590	\$ 130,692,043	\$ 130,980,989
2,632,326	3,250,345	3,431,722	3,279,879	5,369,933	6,217,731
9,748,102	6,805,776	12,611,138	9,116,179	8,581,839	8,092,435
<u>\$ 150,907,400</u>	<u>\$ 151,656,852</u>	<u>\$ 150,937,644</u>	<u>\$ 147,177,648</u>	<u>\$ 144,643,815</u>	<u>\$ 145,291,155</u>

CITY OF GENEVA, ILLINOIS

Changes in Net Position - Last Nine Fiscal Years
April 30, 2012

	2004	2005	2006	2007	2008	2009
Expenses						
Governmental Activities						
General Government	\$ 2,111,653	\$ 1,069,280	\$ 1,553,090	\$ 2,012,262	\$ 1,980,725	\$ 1,604,626
Public Works	851,508	655,758	858,132	864,144	879,034	888,977
Development	587,775	710,958	711,299	758,792	803,020	1,409,196
Public Safety	8,650,870	12,007,647	10,170,216	11,334,701	11,668,914	11,676,269
Highways and Streets	8,998,133	9,673,831	10,959,491	9,114,585	10,965,260	11,790,968
Interest	1,221,722	1,130,771	1,065,323	969,302	927,930	856,593
Total Governmental Activities Expenses	22,421,661	25,248,245	25,317,551	25,053,786	27,224,883	28,226,629
Business-Type Activities						
Electric Light	19,643,915	19,354,675	23,736,744	28,755,755	28,823,420	28,836,691
Waterworks and Sewerage	7,211,406	5,084,925	5,392,241	5,573,216	6,872,992	7,421,327
Commuter Parking	196,157	249,383	304,426	209,995	495,445	517,141
Refuse	148,572	141,887	168,654	160,225	152,840	292,097
Cemetery	67,470	80,657	102,973	94,983	101,019	92,249
Total Business-Type Activities Expenses	27,267,520	24,911,527	29,705,038	34,794,174	36,445,716	37,159,505
Total Primary Government Expenses	\$ 49,689,181	\$ 50,159,772	\$ 55,022,589	\$ 59,847,960	\$ 63,670,599	\$ 65,386,134
Program Revenues						
Governmental Activities						
Charges for Services						
General Government	1,518,426	1,049,742	1,477,865	1,129,808	1,220,016	1,838,956
Public Works	171,068	169,382	86,893	298,755	424,701	337,778
Development	-	-	-	-	-	-
Public Safety	1,327,954	1,583,375	1,690,338	1,988,155	2,003,625	2,760,687
Highways and Streets	-	-	-	59,583	61,709	67,037
Operating Grants	579,423	660,885	657,261	730,059	634,649	594,276
Capital Grants	-	800,000	125,000	232,214	103,811	-
Total Governmental Activities Program Revenues	3,596,871	4,263,384	4,037,357	4,438,574	4,448,511	5,598,734
Business-Type Activities						
Charges for Services						
Electric Light	19,298,348	20,905,871	26,566,252	31,493,842	29,343,253	31,865,017
Waterworks and Sewerage	4,354,213	5,633,385	6,446,710	5,974,020	6,482,156	6,227,139
Commuter Parking	362,482	348,256	342,532	1,477,492	348,399	437,975
Refuse	137,589	141,614	145,846	147,106	153,244	321,562
Cemetery	50,584	50,709	59,042	80,251	58,450	55,680
Operating Grants	1,974,181	1,645,136	638,475	442,368	273,956	126,613
Capital Grants	3,529,573	179,000	-	-	4,311,941	449,527
Total Business-Type Activities Program Revenues	29,706,970	28,903,971	34,198,857	39,615,079	40,971,399	39,483,513
Total Primary Government Program Revenues	\$ 33,303,841	\$ 33,167,355	\$ 38,236,214	\$ 44,053,653	\$ 45,419,910	\$ 45,082,247
Net (Expense) Revenue						
Governmental Activities	\$ (18,824,790)	\$ (20,984,861)	\$ (21,280,194)	\$ (20,615,212)	\$ (22,776,372)	\$ (22,627,895)
Business-Type Activities	2,439,450	3,992,444	4,493,819	4,820,905	4,525,683	2,324,008
Total Primary Government Net Revenue (Expense)	\$ (16,385,340)	\$ (16,992,417)	\$ (16,786,375)	\$ (15,794,307)	\$ (18,250,689)	\$ (20,303,887)
General Revenues and Other Changes in Net Assets						
Governmental Activities						
Taxes						
Property Taxes	5,752,540	6,481,296	6,884,362	6,081,063	6,241,584	6,355,386
Replacement Taxes	58,580	66,721	84,605	93,466	155,092	99,796
Intergovernmental Taxes	5,752,883	6,618,187	7,243,595	7,466,036	7,637,423	9,116,699
Utility Taxes	2,481,424	3,053,045	2,614,766	1,994,981	2,611,287	2,356,639
Investment Income	231,600	190,934	367,568	371,236	279,111	90,021
Miscellaneous	1,397,984	-	-	-	-	-
Transfers	321,378	417,103	289,376	335,503	338,793	349,212
Total Governmental Activities	15,996,389	16,827,286	17,484,272	16,342,285	17,263,290	18,367,753
Business-Type Activities						
Investment Income	169,086	165,207	315,557	619,572	415,645	116,331
Miscellaneous	206,557	46,939	124,435	8,355	1,659,999	1,449,807
Transfers	(321,378)	(417,103)	(289,376)	(335,503)	(338,793)	(349,212)
Total Business-Type Activities	54,265	(204,957)	150,616	292,424	1,736,851	1,216,926
Total Primary Government	\$ 16,050,654	\$ 16,622,329	\$ 17,634,888	\$ 16,634,709	\$ 19,000,141	\$ 19,584,679
Changes in Net Position						
Governmental Activities	\$ (2,828,401)	\$ (4,157,575)	\$ (3,795,922)	\$ (4,272,927)	\$ (5,513,082)	\$ (4,260,142)
Business-Type Activities	2,493,715	3,787,487	4,644,435	5,113,329	6,262,534	3,540,934
Total Primary Government	\$ (334,686)	\$ (370,088)	\$ 848,513	\$ 840,402	\$ 749,452	\$ (719,208)

Data Source: City Records

The City implemented GASB 34 in Fiscal Year 2004

2010	2011	2012
\$ 1,039,852	\$ 933,183	\$ 1,194,569
884,350	909,987	885,751
1,684,875	1,638,834	1,827,441
11,627,570	12,436,545	13,482,162
8,652,347	8,949,448	7,558,459
815,157	734,687	598,743
<u>24,704,151</u>	<u>25,602,684</u>	<u>25,547,125</u>

28,502,925	30,247,413	28,318,658
7,477,183	7,473,557	7,485,102
413,708	476,111	433,258
266,755	374,125	382,398
92,296	119,997	103,931
<u>36,752,867</u>	<u>38,691,203</u>	<u>36,723,347</u>

\$ 61,457,018 \$ 64,293,887 \$ 62,270,472

1,483,325	1,285,342	1,706,331
2,400	1,451	2,025
129,397	85,140	165,775
2,681,756	2,646,446	2,525,863
66,021	68,379	70,467
582,543	792,101	934,182
-	-	-
<u>4,945,442</u>	<u>4,878,859</u>	<u>5,404,643</u>

29,615,042	31,438,957	31,193,949
6,202,477	6,353,845	6,472,706
404,175	438,448	489,068
326,330	405,244	352,905
63,645	67,800	62,815
113,222	113,043	337,049
-	-	-
<u>36,724,891</u>	<u>38,817,337</u>	<u>38,908,492</u>

\$ 41,670,333 \$ 43,696,196 \$ 44,313,135

\$ (19,758,709)	\$ (20,723,825)	\$ (20,142,482)
(27,976)	126,134	2,185,145
<u>\$ (19,786,685)</u>	<u>\$ (20,597,691)</u>	<u>\$ (17,957,337)</u>

6,512,069	6,665,655	7,040,929
84,978	94,457	85,211
8,209,893	8,346,054	8,866,868
2,305,888	2,453,278	2,274,963
39,858	14,804	12,556
-	175,000	-
319,166	351,821	225,106
<u>17,471,852</u>	<u>18,101,069</u>	<u>18,505,633</u>

78,246	19,384	27,564
233,375	295,676	296,586
(319,166)	(351,821)	(225,106)
<u>(7,545)</u>	<u>(36,761)</u>	<u>99,044</u>

\$ 17,464,307 \$ 18,064,308 \$ 18,604,677

\$ (2,286,857)	\$ (2,622,756)	\$ (1,636,849)
(35,521)	89,373	2,284,189

\$ (2,322,378) \$ (2,533,383) \$ 647,340

CITY OF GENEVA, ILLINOIS

Fund Balances of Governmental Funds - Last Ten Fiscal Years
April 30, 2012

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Fund										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 120,696	\$ 142,787	\$ 163,445
Unreserved	8,537,763	3,713,971	4,037,984	3,417,837	3,288,020	2,761,202	1,397,074	2,478,987	3,702,498	3,408,505
Total General Fund	<u>\$ 8,537,763</u>	<u>\$ 3,713,971</u>	<u>\$ 4,037,984</u>	<u>\$ 3,417,837</u>	<u>\$ 3,288,020</u>	<u>\$ 2,761,202</u>	<u>\$ 1,397,074</u>	<u>\$ 2,599,683</u>	<u>\$ 3,845,285</u>	<u>\$ 3,571,950</u>
All Other Governmental Funds										
Reserved	\$ 764,266	\$ 1,550,431	\$ 1,530,911	\$ 859,144	\$ 998,287	\$ 1,137,814	\$ 1,274,590	\$ 1,396,115	\$ 1,700,371	\$ 2,527,170
Unreserved, Reported in:										
Special Revenue Funds	1,890,379	1,736,914	1,090,372	1,202,661	1,399,805	800,935	1,641,265	1,499,773	1,998,878	2,148,253
Debt Service Funds	-	-	-	-	-	-	-	-	-	-
Capital Projects Funds	1,502,168	1,582,482	1,441,484	1,217,287	1,087,574	461,937	252,812	148,273	(11,636)	65,931
Total All Other Governmental Funds	<u>\$ 4,156,813</u>	<u>\$ 4,869,827</u>	<u>\$ 4,062,767</u>	<u>\$ 3,279,092</u>	<u>\$ 3,485,666</u>	<u>\$ 2,400,686</u>	<u>\$ 3,168,667</u>	<u>\$ 3,044,161</u>	<u>\$ 3,687,613</u>	<u>\$ 4,741,354</u>

Data Source: City Records

CITY OF GENEVA, ILLINOIS

Changes in Fund Balances for Governmental Funds - Last Ten Fiscal Years
April 30, 2012

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Revenues										
Property Taxes	\$ 5,303,889	\$ 5,923,608	\$ 6,481,296	\$ 6,884,362	\$ 6,081,063	\$ 6,241,584	\$ 6,355,386	\$ 6,512,069	\$ 6,665,655	\$ 7,040,929
Replacement Taxes	52,764	58,580	66,721	84,605	93,466	155,092	99,796	84,978	94,457	85,211
Intergovernmental Tax	5,133,861	5,752,883	6,618,187	7,243,595	7,466,036	7,637,423	9,116,699	8,209,893	8,346,054	8,866,868
Utility Tax	1,629,743	2,481,424	3,053,045	2,614,766	1,994,981	2,611,287	2,356,639	2,305,888	2,453,278	2,274,963
Motor Fuel Tax	580,830	579,423	660,885	657,261	660,059	634,649	594,276	574,195	575,524	538,948
Fines and Forfeits	283,779	260,739	283,331	263,193	276,526	189,839	204,088	177,766	560,723	272,053
Licenses and Permits	571,201	761,894	358,506	407,640	375,876	432,830	396,147	334,497	373,351	435,586
Interest	270,608	231,600	190,934	367,568	371,236	279,111	90,021	39,858	14,804	12,556
Miscellaneous	3,358,043	3,221,731	3,379,842	2,717,533	3,126,113	3,191,193	4,404,223	3,858,984	3,543,810	4,047,584
Total Revenues	\$ 17,184,718	\$ 19,271,882	\$ 21,092,747	\$ 21,240,523	\$ 20,445,356	\$ 21,373,008	\$ 23,617,275	\$ 22,098,128	\$ 22,627,656	\$ 23,574,698
Expenditures										
Legislative	249,744	351,324	342,888	297,210	392,855	405,738	389,828	179,219	171,750	177,369
Administrative Services	471,770	476,177	529,799	846,453	1,076,387	1,171,870	831,520	645,119	550,928	589,347
Public Works	260,353	284,995	275,751	289,005	80,530	302,302	332,770	370,346	381,798	432,333
Fleet Maintenance	223,040	223,824	241,542	244,729	263,748	274,006	271,386	263,720	246,228	267,100
Storm Drainage	53,100	63,408	40,699	49,826	39,242	42,924	56,618	50,561	46,901	-
Buildings, Planning and Zoning	575,026	587,775	610,878	665,690	707,941	749,609	1,353,608	1,130,343	1,306,831	1,402,093
Economic Development	-	-	-	-	-	-	-	502,419	269,979	148,123
Police	3,519,728	3,895,960	4,031,108	4,296,151	4,622,113	4,612,229	4,702,447	4,461,444	4,731,407	5,214,708
Fire	2,113,356	2,457,968	2,607,039	2,757,274	2,969,501	3,058,174	3,019,122	3,173,117	3,224,840	3,605,528
Streets and Walks	2,058,429	3,621,606	3,223,215	1,607,733	2,173,511	2,204,204	6,488,865	2,701,338	2,419,249	3,771,521
Pension - IMRF	409,133	525,293	570,879	625,944	502,011	550,155	509,757	478,460	642,007	662,369
Police and Firefighters' Pension	-	474,930	495,391	526,318	567,308	632,675	654,729	676,267	692,927	-
Insurance	310,957	346,407	542,569	170,170	292,556	303,611	357,111	234,591	277,118	514,313
Other	1,633,060	1,898,005	1,666,197	1,825,993	2,092,823	2,435,386	2,123,652	2,131,644	2,213,941	2,783,283
Capital Outlay	7,781,643	7,360,424	3,902,318	5,686,438	2,612,341	4,845,077	1,498,743	2,072,059	1,740,848	1,170,255
Debt Service										
Principal Retirement	1,142,922	1,453,206	1,759,935	2,077,440	1,383,627	1,404,402	1,410,803	1,446,232	1,421,358	1,642,276
Interest and Fees	1,067,931	1,352,159	1,358,557	1,097,761	1,001,550	926,237	864,956	822,312	752,313	642,741
Total Expenditures	21,870,192	25,373,461	22,198,765	23,064,135	20,778,044	23,918,599	24,865,915	21,339,191	21,090,423	23,023,359
Excess of Revenues Over (Under) Expenditures	(4,685,474)	(6,101,579)	(1,106,018)	(1,823,612)	(332,688)	(2,545,591)	(1,248,640)	758,937	1,537,233	551,339
Other Financing Sources (Uses)										
Proceeds from Notes	0	278,908	205,862	130,414	73,942	450,000	250,000	-	-	-
Proceeds from Bonds	7,875,000	-	-	-	5,091,000	145,000	4,646,770	-	-	2,530,136
Payment to Escrow Agent	-	-	-	-	(5,091,000)	-	(4,593,489)	-	-	(2,526,174)
Transfers In	2,523,399	3,407,532	3,025,157	2,937,839	2,020,312	1,884,163	1,760,881	1,179,207	2,128,370	1,505,492
Transfers Out	(2,296,499)	(3,086,154)	(2,608,054)	(2,648,463)	(1,684,809)	(1,545,370)	(1,411,669)	(860,041)	(1,776,549)	(1,280,386)
Total Other Financing Sources (Uses)	8,101,900	600,286	622,965	419,790	409,445	933,793	652,493	319,166	351,821	229,068
Net Change in Fund Balance	\$ 3,416,426	\$ (5,501,293)	\$ (483,053)	\$ (1,403,822)	\$ 76,757	\$ (1,611,798)	\$ (596,147)	\$ 1,078,103	\$ 1,889,054	\$ 780,407
Debt Service as a Percentage of Noncapital Expenditures		16%	15%	17%	13%	10%	10%	11%	10%	10%

Data Source: City Records

CITY OF GENEVA, ILLINOIS

Equalized Assessed Value and Total Direct Tax Rate - Last Ten Fiscal Years

April 30, 2012

Tax Levy Year	Residential Property	Farm	Commerical Property	Industrial Property	Railroad	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	% of Taxable Value
2001	454,974,884	72,038	87,944,554	38,883,800	347,576	582,222,852	0.739300	1,746,668,556	33.33%
2002	506,890,263	53,085	95,961,107	41,317,064	413,717	644,635,236	0.741700	1,933,905,708	33.33%
2003	564,284,804	189,170	130,083,182	37,952,515	447,836	732,957,507	0.694900	2,198,872,521	33.33%
2004	598,805,942	242,351	157,473,111	42,008,686	505,041	799,035,131	0.654980	2,397,105,393	33.33%
2005	661,367,664	279,509	183,557,646	42,353,056	475,714	888,033,589	0.620921	2,664,100,767	33.33%
2006	721,523,877	227,653	200,454,817	46,678,932	474,240	969,359,519	0.585864	2,908,078,557	33.33%
2007	770,542,588	237,165	219,204,914	49,797,685	523,886	1,040,306,238	0.555899	3,120,918,714	33.33%
2008	811,651,726	248,482	229,253,879	51,927,913	572,917	1,093,654,917	0.541927	3,280,964,751	33.33%
2009	809,352,036	135,634	221,392,825	52,037,302	690,393	1,083,608,190	0.549903	3,250,824,570	33.33%
2010	778,329,312	141,754	209,350,259	48,648,943	863,636	1,037,333,904	0.603656	3,112,001,712	33.33%

Data Source: Office of the Kane County Clerk

Note: Property in the City is reassessed each year. Property is assessed at 33% of actual value. Tax rates are per \$100 assessed value and are the "Rate Setting EAV."

Note: Tax Levy Year 2010 is payable in Fiscal Year 2012

CITY OF GENEVA, ILLINOIS

Direct and Overlapping Property Tax Rates
April 30, 2012

	Last Ten Tax Levy Years									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
City of Geneva										
General Corporate Rate	0.53650	0.50720	0.47630	0.45829	0.44111	0.42235	0.40598	0.40392	0.40917	0.44122
Debt Service Rate	0.20280	0.23450	0.21860	0.19669	0.17981	0.16352	0.14992	0.13801	0.14074	0.16244
Total Direct Tax Rate	0.73930	0.74170	0.69490	0.65498	0.62092	0.58586	0.55590	0.54193	0.54990	0.60366
Overlapping Rates (1)										
Kane County	0.45290	0.42920	0.35780	0.34668	0.33673	0.34519	0.33216	0.33361	0.33979	0.37298
Kane County Forest Preserve District	0.15200	0.13950	0.12700	0.14320	0.19047	0.17471	0.19743	0.19322	0.19973	0.22010
Geneva Township	0.05170	0.04940	0.04660	0.04473	0.04322	0.04149	0.04009	0.04005	0.04056	0.04222
Geneva Township Road District	0.02640	0.02500	0.02360	0.02253	0.02195	0.02107	0.02036	0.02034	0.02060	0.02145
Geneva Park District	0.46260	0.43760	0.43570	0.46441	0.43845	0.42977	0.41354	0.40973	0.42071	0.45736
Geneva Public Library	0.36520	0.32130	0.30280	0.29266	0.28514	0.27404	0.26488	0.26489	0.26959	0.29185
School District Number 304	4.85990	5.04050	4.96170	5.02545	4.95716	4.80085	4.66259	4.69991	4.84679	5.30384
Waubensee College District Number 516	0.41310	0.40430	0.41340	0.40992	0.39333	0.39836	0.39505	0.39953	0.40428	0.40695
Total Overlapping Rates	6.78380	6.84680	6.66860	6.74958	6.66645	6.48547	6.32609	6.36128	6.54206	7.11675
Total Direct and Overlapping Tax Rates	7.523	7.589	7.364	7.405	7.287	7.071	6.882	6.903	7.092	7.720

N/A - Currently Not Available

Data Source: Office of the Kane County Clerk

(1) Representative tax rates for other government units are from Geneva Township tax code No. 5 which represents the largest portion of the City's 2011 Equalized Assessed Valuation.

Note: Tax Levy Year 2010 is payable in Fiscal Year 2012

CITY OF GENEVA, ILLINOIS

Principal Property Tax Payers - Current Year and Nine Years Ago
 April 30, 2012

Taxpayer	Levy Year 2010			Levy Year 2001		
	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Value
V V2/Geneva Commons, LP	\$ 30,579,171	1	2.95%	\$		
Delnor-Community Health Care	19,050,772	2	1.84%			
In Retail Fund Randall Square LLC (1)	9,196,990	3	0.89%	6,289,602	3	1.08%
SFERS Real Estate Corp	6,282,705	5	0.61%			
Millard Refrigerated Services - Atlanta II, Inc	5,641,292	4	0.54%	6,355,721	2	1.09%
Dodson Property Company LLC	5,349,023	6	0.52%			
Brittany Court Limited Partnership	5,150,000	7	0.50%	4,294,881	4	0.74%
CNL Income Eagl North Golf LLC	4,666,200	8	0.45%			
Geneva Realty LLC	3,894,005	9	0.38%			
Wauconda LLC	3,666,300	10	0.35%			
Pillsbury Company				6,427,099	1	1.10%
Sentry Realty Corp				2,758,955	5	0.47%
Nuevo Hombres LLC				2,623,099	6	0.45%
Credit Suisse Leasing 92A Ltd. Partnership				2,465,917	7	0.42%
Kimco Geneva 822 Inc				2,276,247	8	0.39%
Fabyan Crossing I & II LLC				2,246,264	9	0.39%
Johnson Controls Battery Group Inc				2,234,018	10	0.38%
	<u>\$ 93,476,458</u>		<u>9.01%</u>	<u>\$ 37,971,803</u>		<u>6.52%</u>

Data Source: Office of the Kane County Clerk

Note: Every effort has been made to seek out and report the largest taxpayers. However, many of the taxpayers listed contain multiple parcels and it is possible that some parcels and their valuations have been overlooked. The 2010 EAV is the most current available.

(1) Previously Inland Real Estate Illinois LLC.

Note: Tax Levy Year 2010 is payable in Fiscal Year 2012

CITY OF GENEVA, ILLINOIS

Property Tax Levies and Collections
 April 30, 2012

Fiscal Year Ended April 30	Tax Levy Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2003	2001	4,304,374	4,293,055	99.74%	-	4,293,055	99.74%
2004	2002	4,781,260	4,770,739	99.78%	-	4,770,739	99.78%
2005	2003	5,093,322	5,084,959	99.84%	8,162	5,093,120	100.00%
2006	2004	5,233,520	5,197,997	99.32%	3,853	5,201,850	99.39%
2007	2005	5,513,987	5,484,966	99.47%	5,122	5,490,088	99.57%
2008	2006	5,679,128	5,657,003	99.61%	5,843	5,662,846	99.71%
2009	2007	5,783,052	5,778,501	99.92%	2,620	5,781,121	99.97%
2010	2008	5,926,811	5,892,466	99.42%	5,300	5,897,765	99.51%
2011	2009	5,958,794	5,946,193	99.79%	-	5,946,193	99.79%
2012	2010	6,261,928	6,251,452	99.83%	-	6,251,452	99.83%

Data Source: Office of the Kane County Treasurer and City Records

Note: Levies for all Special Service Areas and TIF Districts have been excluded from this table.

Note: Tax Levy Year 2010 is payable in Fiscal Year 2012

CITY OF GENEVA, ILLINOIS

Ratios of Outstanding Debt By Type - Last Ten Fiscal Years
April 30, 2012

Fiscal Year Ended April 30	Governmental Activities				
	General Obligation Bonds	Notes Payable	Special Service Area Bonds	Tax Increment Financing Bonds	Revenue Bonds
2003	22,269,329	214,731	634,000	2,875,000	22,162,100
2004	21,500,093	470,669	573,000	2,275,000	21,847,800
2005	20,662,700	612,417	510,000	1,479,262	21,724,800
2006	19,640,050	628,152	442,000	607,151	21,007,800
2007	18,669,450	537,564	370,000	508,655	19,720,000
2008	17,562,150	530,387	575,000	608,733	18,725,000
2009	16,478,900	624,869	511,000	515,698	17,765,000
2010	15,361,300	457,669	446,000	419,265	18,130,000
2011	14,260,000	308,067	380,000	314,809	16,770,000
2012	12,924,350	-	314,000	271,777	3,075,000

Data Source: City's Records

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(1) See the Schedule of Demographic and Economic Statistics for personal income and population data.

Business-Type Activities						
General Obligation Bonds	Notes Payable	IEPA Loan	Total Primary Government	Total Equalized Assessed Value (EAV)	Percentage of EAV	Per Capita (1)
3,725,050	-	6,691,453	58,571,663	582,222,852	10.06%	3,001.37
1,514,000	-	10,366,907	58,547,469	644,635,236	9.08%	2,673.28
1,377,300	-	9,863,469	56,229,948	732,957,507	7.67%	2,567.46
6,234,950	-	9,348,286	57,908,389	799,035,131	7.25%	2,644.10
7,590,550	1,668,000	16,923,284	65,987,503	888,033,589	7.43%	3,012.99
9,872,850	1,668,000	28,200,927	77,743,047	969,359,519	8.02%	3,549.75
9,696,100	834,000	28,552,643	74,978,210	1,040,306,238	7.21%	3,423.51
7,838,700	-	27,167,968	69,820,902	1,093,654,917	6.38%	3,248.24
7,605,000	-	25,730,904	65,368,780	1,083,608,190	6.03%	3,041.12
19,015,650		24,257,166	59,857,943	1,037,333,904	5.77%	2,784.74

CITY OF GENEVA, ILLINOIS

Ratios of General Bonded Debt Outstanding - Last Ten Fiscal Years
 April 30, 2012

Fiscal Year Ended April 30	Gross General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Equalized Assessed Value (1)	Per Capita (2)
2003	22,269,329	213,480	22,055,849	3.79%	1,130.20
2004	21,500,093	175,604	21,324,489	3.31%	973.68
2005	20,662,700	272,943	20,389,757	2.78%	931.00
2006	19,640,050	260,318	19,379,732	2.43%	884.88
2007	18,669,450	256,957	18,412,493	2.07%	840.71
2008	17,562,150	285,219	17,276,931	1.78%	788.86
2009	16,478,900	352,414	16,126,486	1.55%	736.34
2010	15,361,300	344,271	15,017,029	1.37%	698.63
2011	14,260,000	457,987	13,802,013	1.27%	642.10
2012	12,924,350	349,118	12,575,232	1.21%	585.03

Data Source: City Records

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(1) See the Ratios of Outstanding Debt by Type Schedule for Equalized Assessed Value data (Actual Taxable Value of Property).

(2) See the Demographic and Economic Statistics Schedule for the Per Capita Income data.

CITY OF GENEVA, ILLINOIS

Schedule of Direct and Overlapping Bonded Debt
 April 30, 2012

Governmental Unit	Gross Debt	Percentage to Debt Applicable to City (1)	City's Share of Debt
City of Geneva	\$ 34,405,000	100.00%	\$ 34,405,000
School District # 304	155,564,341	73.16%	113,810,872
Community College District # 516	39,191,775	10.68%	4,185,682
Total School Districts	<u>194,756,116</u>		<u>117,996,553</u>
Kane County	88,155,000	7.19%	6,338,345
Kane County Forest Preserve District	233,685,866	7.19%	16,802,014
Geneva Township	0	77.71%	0
Geneva Park District	23,284,255	67.72%	15,768,097
Geneva Library District	0	69.89%	0
Special Service Area # 1	247,000	100.00%	247,000
Special Service Area # 12	0	100.00%	0
Special Service Area # 22	50,000	100.00%	50,000
Total Others	<u>345,422,121</u>		<u>39,205,456</u>
Total Overlapping Debt	<u>540,178,237</u>		<u>157,202,009</u>
Total Direct and Overlapping Debt	<u>574,583,237</u>		<u>191,607,009</u>

Data Source: Kane County Clerk

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City. Every resident is not responsible for paying the debt of each overlapping government.

- (1) Determined by the ratio of assessed value of property in the City subject to taxation by the Governmental Unit to the total assessed value of property of the Governmental Unit using the 2011 tax levy year equalized assessed values.

CITY OF GENEVA, ILLINOIS

Schedule of Legal Debt Margin (1)

April 30, 2012

<hr/> <hr/>			
2011 Equalized Assessed Valuation		\$	971,800,251
Statutory Debt Limitation (8.625% of EAV)			83,817,772
General Obligation Debt:			
Series 1999	\$	1,430,000	
Series 2006B		4,875,000	
Series 2006C (2)		180,000	
Series 2006D (2)		1,460,000	
Series 2007 (2)		2,165,000	
Series 2008A		4,105,000	
Series 2011 (2)		9,900,000	
Series 2012A		2,355,000	
Series 2012B (2)		5,250,000	
Less: Alternate Revenue Bonds (2)		(18,955,000)	
Total General Obligation Debt:	\$	<u>12,765,000</u>	
Other Debt:			
Installment Contract Certificates	\$	-	
Series 2002A Debt Certificates		-	
Total Other Debt:	\$	<u>-</u>	
Total Applicable Debt		\$	<u>12,765,000</u>
Legal Debt Margin		\$	<u>71,052,772</u>

(1) Source: The City.

(2) The Series 2006C Bonds, the Series 2006D Bonds, the Series 2007 Bonds, the Series 2011 Bonds and the Series 2012B Bonds are Alternate Revenue Bonds not subject to the Legal Debt Margin calculation.

CITY OF GENEVA, ILLINOIS

Demographic and Economic Statistics - Last Ten Fiscal Years
 April 30, 2012

Fiscal Year Ended April 30	Population	Personal Income (in Thousands)	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate (1)
2003	19,515	644,502	33,026	36.2	6,077	4.70%
2004	21,901	723,302	33,026	36.2	6,077	4.30%
2005	21,901	723,302	33,026	36.2	6,077	4.10%
2006	21,901	930,004	42,464	40	6,189	2.90%
2007	21,901	930,004	42,464	40	6,189	3.40%
2008	21,901	930,004	42,464	40	6,189	4.40%
2009	21,901	930,004	42,464	40	6,189	7.50%
2010	21,495	912,764	42,464	40	6,189	7.90%
2011	21,495	912,764	42,464	40	6,189	7.40%
2012	21,495	912,764	42,464	40	6,189	

Data Sources

US Census Bureau

(1) Illinois Department of Employment Security (using annual averages)

CITY OF GENEVA, ILLINOIS

Principal Employers - Current Fiscal Year and Nine Fiscal Years Ago
 April 30, 2012

Employer	2012 (1)			2003 (2)		
	Employees	Rank	Percentage of Total Village Employment	Employees	Rank	Percentage of Total Village Employment
Delnor-Community Hospital	1,650	1	33.00%	1022	1	25.33%
Peacock Engineering	600	2	12.00%			0.00%
Burgess-Norton Mfg	300	3	6.00%	900	2	22.31%
Johnson Controls, Inc	300	4	6.00%	300	3	7.44%
Houghton Mifflin	250	5	5.00%	160	4	3.97%
FONA International	200	6	4.00%			0.00%
Power Packaging	200	7	4.00%			0.00%
Continental Envelope	125	8	2.50%	150	5	3.72%
Carlton Home Healthcare	125	9	2.50%	125	8	3.10%
Miner Enterprises	120	10	2.40%	130	7	3.22%
Gordon Flesch				150	6	3.72%
Production Packaging				125	9	3.10%
Kane County Chronicle				115	10	2.85%
	<u>3,870</u>		<u>77.40%</u>	<u>3,177</u>		<u>53.42%</u>

(1) 2012 Illinois Manufacturers Directory, 2012 Illinois Services Directory and a selective telephone survey.

(2) 2003 Illinois Manufacturers Directory, 2003 Illinois Services Directory and a selective telephone survey.