

**CITY OF BATAVIA, ILLINOIS**

**ANNUAL FINANCIAL REPORT**

**YEAR ENDED DECEMBER 31, 2005**

CITY OF BATAVIA, ILLINOIS

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## **INTRODUCTORY SECTION**

**CITY OF BATAVIA, ILLINOIS**

**List of Principal Officials\***

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**BATAVIA CITY COUNCIL**

Jeffery D. Schielke, Mayor

Garran Sparks

Jodie L. Wollnik

Victor Dietz

Alan P. Wolff

Cathy Barnard

Linnea C. Miller

Thomas L. Schmitz

James T. Volk

Eldon Frydendall

Forrest L. Nelson, Jr.

Robert F. Liva

Lisa Clark

David J. Brown

Nancy S. Vance

William McGrath, City Administrator

Peggy Colby, Finance Director

M. Hannah Volk, City Clerk

Gerald R. Miller, City Treasurer

John Noble, City Attorney

\* As of December 31, 2005.

## **FINANCIAL SECTION**

## **INDEPENDENT AUDITORS' REPORT**

## INDEPENDENT AUDITORS' REPORT

June 1, 2006

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

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information for the City of Batavia, as of and for the year ended December 31, 2005, which collectively comprise the City of Batavia's basic financial statements as listed in the table of contents. We also have audited the financial statements of the of the City of Batavia's nonmajor governmental funds presented in the accompanying combining and individual fund financial statements and schedules as of and for the year ended December 31, 2005. These basic financial statements are the responsibility of the City of Batavia, Illinois' management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; *Government Auditing Standards*, issued by the Comptroller General of the United States; and the provisions of Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the City of Batavia, Illinois as of December 31, 2005, and the results of its operations and the cash flows of its business type activities for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The combining and individual fund schedules, as well as the information listed as supplemental and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements of the City of Batavia, Illinois. Such information, except for that portion marked "unaudited" on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is presented fairly, in all material respects, in relation to the basic financial statements taken as a whole.

City of Batavia, Illinois

June 1, 2006

Page 2

The Management's Discussion and Analysis and the other required supplementary information listed in the accompanying table of contents are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted primarily of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

The introductory and statistical information listed in the table of contents was not audited by us and, accordingly, we do not express an opinion thereon.

*Lauterbach + Amen LLP*  
LAUTERBACH & AMEN, LLP

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

## **CITY OF BATAVIA, ILLINOIS**

### **Management's Discussion and Analysis December 31, 2005**

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As management of the City of Batavia, we offer readers of the City's financial statements this discussion and analysis of the City of Batavia's financial performance. This narrative provides an overview and examination of the financial activities of the City of Batavia for the fiscal year ended December 31, 2005. Please read it in conjunction with the City of Batavia's financial statements, which begin on page 18.

### **Financial Highlights**

- The City of Batavia's total net assets for 2006 were \$138.7 million. Net assets of business-type activities were \$74.0 million and net assets of our governmental activities were \$64.7 million.
- During the year, expenses were \$1.1 million less than the \$23.8 million generated in tax and other revenues for governmental funds.
- Operating revenues for business-type activities were \$34.8 million while operating expenses were \$33.8 million.
- Total cost of all programs was \$21.9 million for governmental activities and \$34.4 for business-type activities. No new programs were added this year.
- The General Fund reported a surplus this year of \$1.5 million due to some one-time reimbursements of \$830,00, higher than anticipated income, use and replacement tax revenues and higher than expected investment earnings.

### **Using this Annual Report**

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities (on pages 18-21) provide information about the activities of the City of Batavia as a whole and present a longer-term view of the City of Batavia's finances. Fund financial statements begin on page 22. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the City of Batavia's operation in more detail than the government-wide statements by providing information about the City of Batavia's most significant funds. The remaining statements provide financial information about activities for which the City of Batavia acts solely as a trustee or agent for the benefit of those outside of the government.

### **Government-Wide Financial Statements**

The government-wide financial statements provide readers with a broad overview of the City of Batavia's finances, in a manner similar to a private-sector business. The government wide financial statements can be found on pages 18 – 33 of this report.

# CITY OF BATAVIA, ILLINOIS

## Management's Discussion and Analysis December 31, 2005

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### Using this Annual Report – Continued

#### Government-Wide Financial Statements – Continued

The Statement of Net Assets reports information on all of the City of Batavia's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City of Batavia is improving or deteriorating. Consideration of other nonfinancial factors, such as changes in the City of Batavia's property tax base and the condition of the City of Batavia's roads and other infrastructure, is needed to assess the overall health of the City of Batavia.

The Statement of Activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods, such as uncollected taxes.

Both of the government-wide financial statements distinguish functions of the City of Batavia that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City of Batavia include general government, public safety, highways and streets, capital outlay and debt service. The business-type activities of the City of Batavia include electric, waterworks, and sewerage.

#### Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Batavia, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Batavia can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

#### Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the City of Batavia's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions.

# **CITY OF BATAVIA, ILLINOIS**

## **Management's Discussion and Analysis December 31, 2005**

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### **Using this Annual Report – Continued**

#### **Fund Financial Statements – Continued**

##### **Governmental Funds – Continued**

Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate the comparison between governmental funds and governmental activities.

The City of Batavia maintains five 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, Debt Service Fund, Infrastructure Capital Projects and the Capital Projects Fund, all of which are considered major funds. Data from the one non-major (permanent) fund is also presented.

The City of Batavia adopts an annual budget for all governmental funds. Compliance with the budget is demonstrated in a budgetary comparison statement for these funds. The basic governmental fund financial statements can be found on pages 22 - 27 of this report.

##### **Proprietary Funds**

The City of Batavia maintains only one type of proprietary fund, which is enterprise. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City of Batavia utilizes enterprise funds to account for its electric, waterworks, and sewerage activities.

Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Electric, Waterworks and Sewerage Fund, which are considered to be major funds of the City of Batavia. The basic proprietary fund financial statements can be found on pages 28 – 31 of this report.

##### **Fiduciary Funds**

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City of Batavia's own programs. The accounting use for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on pages 32 - 33 of this report.

##### **Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 34 - 67 of this report.

# CITY OF BATAVIA, ILLINOIS

## Management's Discussion and Analysis December 31, 2005

### Using this Annual Report – Continued

#### Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City of Batavia's I.M.R.F. and police and firefighters employee pension obligations and the budgetary schedule of revenues, expenditures, and changes in fund balance for the general fund. Required supplementary information can be found on pages 68 – 74 of this report.

#### Government-Wide Financial Analysis

As mentioned previously, over time net assets may serve as a useful indicator of a government's financial position. The following tables show that in the case of the City of Batavia, assets exceeded liabilities by \$138.7 million.

#### City of Batavia Net Assets (in Millions)

	Governmental Activities		Business-type Activities		Total	
	2005	2004	2005	2004	2005	2004
Current and Other Assets	\$ 20.9	16.6	21.2	18.1	42.1	34.7
Capital Assets	59.1	59.1	79.5	76.3	138.6	135.4
Total Assets	80.0	75.7	100.7	94.4	180.7	170.1
Long-Term Debt Outstanding	(7.0)	(5.8)	(22.2)	(18.9)	(29.2)	(24.6)
Other Liabilities	(8.3)	(7.3)	(4.4)	(3.2)	(12.7)	(10.4)
Total Liabilities	(15.3)	(13.0)	(26.6)	(22.0)	(41.9)	(35.1)
Net Assets						
Invested in Capital Assets, Net of Debt	54.0	53.4	55.5	55.9	109.5	109.3
Restricted	2.6	1.7	0.6	0.6	3.2	2.3
Unrestricted (Deficit)	8.1	7.5	17.9	15.9	26.0	23.4
Total Net Assets	64.7	62.7	74.0	72.3	138.7	135.0

Investment in capital assets reflects 79.0% of the City of Batavia's net assets, which include, land, buildings, machinery and equipment, roads and utility infrastructure, less any related outstanding debt used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

**CITY OF BATAVIA, ILLINOIS**

**Management's Discussion and Analysis  
December 31, 2005**

**Government-Wide Financial Analysis – Continued**

Although the capital assets are reported net of related debt, it should be noted that the resources needed to repay the debt must be provided from other sources, since the capital assets cannot be used to liquidate the liabilities. Resources subject to external restrictions on how they may be used are only 2.3% of net assets. The remaining 18.7%, or \$26.0 million, represents unrestricted net assets and may be used to meet the government's ongoing obligations to citizens and creditors.

**Changes in Net Assets  
(in Millions)**

	Governmental		Business-type		Total	
	Activities		Activities			
	2005	2004	2005	2004	2005	2004
<b>Revenues</b>						
<b>Program Revenues</b>						
Charges for Services	\$ 5.6	4.3	34.8	31.4	40.4	35.7
Capital Grants/Contributions	1.0	3.6	0.9	0.7	1.9	4.3
Operating Grants/Contributions	0.2	0.2	0.3	0.3	0.5	0.5
<b>General Revenues</b>						
Property Taxes	5.3	5.3	-	-	5.3	5.3
Sales Taxes	5.2	5.0	-	-	5.2	5.0
Utility Taxes	2.6	2.7	-	-	2.6	2.7
Intergovernmental	2.4	2.1	-	-	2.4	2.1
Interest	0.3	0.1	0.4	0.3	0.7	0.4
Other General Revenues	1.2	0.6	-	-	1.2	0.6
<b>Total Revenues</b>	<b>23.8</b>	<b>23.9</b>	<b>36.4</b>	<b>32.7</b>	<b>60.2</b>	<b>56.7</b>
<b>Expenses:</b>						
General Government	6.4	5.1	-	-	6.4	5.1
Public Safety	10.1	9.7	-	-	10.1	9.7
Public Works	5.1	5.2	-	-	5.1	5.2
Interest on Long-Term Debt	0.3	0.3	-	-	0.3	0.3
Water	-	-	3.6	2.9	3.6	2.9
Sewer	-	-	4.3	3.9	4.3	3.9
Electric	-	-	26.5	22.4	26.5	22.4
<b>Total Expenses</b>	<b>21.9</b>	<b>20.3</b>	<b>34.4</b>	<b>29.2</b>	<b>56.3</b>	<b>49.6</b>
<b>Increase in Net Assets Before Transfers</b>	<b>1.9</b>	<b>3.6</b>	<b>2.0</b>	<b>3.5</b>	<b>3.9</b>	<b>7.1</b>
<b>Transfers</b>	<b>0.1</b>	<b>0.1</b>	<b>(0.1)</b>	<b>(0.1)</b>	<b>-</b>	<b>-</b>
<b>Increase (Decrease) in Net Assets</b>	<b>2.0</b>	<b>3.7</b>	<b>1.9</b>	<b>3.4</b>	<b>3.9</b>	<b>7.1</b>
<b>Net Assets-Beginning as restated</b>	<b>62.7</b>	<b>59.0</b>	<b>72.1</b>	<b>68.9</b>	<b>134.8</b>	<b>127.9</b>
<b>Net Assets-Ending</b>	<b>64.7</b>	<b>62.7</b>	<b>74.0</b>	<b>72.3</b>	<b>138.7</b>	<b>135.0</b>

## **CITY OF BATAVIA, ILLINOIS**

### **Management's Discussion and Analysis December 31, 2005**

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#### **Government-Wide Financial Analysis – Continued**

Net assets of the City of Batavia's governmental activities were \$64.7 million. Unrestricted net assets, the part of net assets that can be used to finance day-to-day operations without constraints were \$8.1 million at the end this year.

Net assets of business-type activities were \$74.0 million. These assets cannot be used for governmental activities. The City of Batavia generally can only use these net assets to finance the continuing operations of the electric, waterworks and sewerage operations. Unrestricted net assets were \$17.9 million at the end of 2005.

At the end of the current fiscal year, the City of Batavia is able to report positive balances as a whole and individually for governmental and business-type activities.

#### **Governmental Activities**

Revenues for governmental activities were \$23.8 million, while total expenses were \$21.9 million. Management did not enact any major changes to revenues sources in 2005.

The 2005 receipts were approximately \$300,000 higher for income taxes. The increase is the result of more income taxes collected by the State and also due to adjustments in the State's Refund Fund. Sales taxes increased 4.5% in 2005, adding an additional \$225,000 to receipts. The pickup in sales tax is attributable to the opening of a Wal-Mart store late in the year. Receipts for personal property replacement taxes and the state use tax saw modest increases while property and telecommunications taxes both had decreases in 2005. Telecommunications taxes ended \$16,000 lower for the year showing a decrease after several years of increasing revenues. The decrease is attributed to lower collections for the City's phone tax. Property taxes decreased in 2005 due to a County error that resulted in an over collection in 2004. Fees for services were only slightly higher in 2005 as fees related to new development came in at a slower pace than in 2004.

The key factor to an increase in revenues over expenditures in 2005 is directly related to some one-time reimbursements totaling \$628,000 for the McKee Tributary detention area that includes the Wal-Mart development. The City also received some one-time reimbursements and fees related to the Waste Transfer Station that opened in December 2005. The opening of the transfer station will result in new revenues in 2006 when the City will begin receiving a host fee that is applied on a per ton basis.

# CITY OF BATAVIA, ILLINOIS

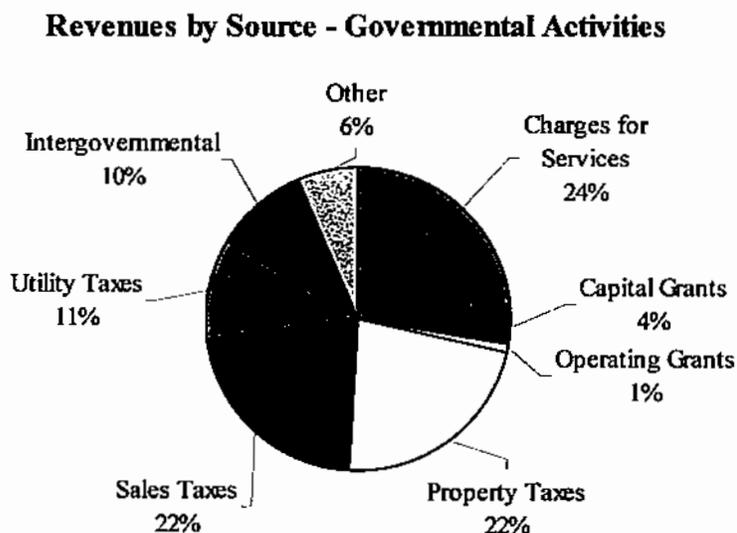
## Management's Discussion and Analysis December 31, 2005

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### Government-Wide Financial Analysis – Continued

#### Governmental Activities – Continued

The following chart depicts the major revenue sources of the City of Batavia. It illustrates very clearly the reliance on property, sales and utility taxes to fund governmental activities.



The City is currently under the Illinois property tax cap for Counties surrounding the Chicago area. As a result the City's tax rate has declined; however, collections have still increased due to new construction and increases in property values. It should be noted that a large percentage of the increased revenue has been designated for police and fire pension contributions, which continue to increase. While not required, it has been City policy to fully fund the pension funds as recommended by an independent actuary.

Sales taxes, which have more than doubled in the last ten years, have provided significant revenues for the City of Batavia. One of the few remaining major intersections in Batavia is near completion of a large retail development. A Wal-Mart store opened there at the end of October 2005. While sales taxes have reflected an increase since the store opened, there is a corresponding sales tax rebate. Additionally, there is the dynamic of transferred sales from other Batavia businesses, which will not be identified until the store has been open for a measurable period of time.

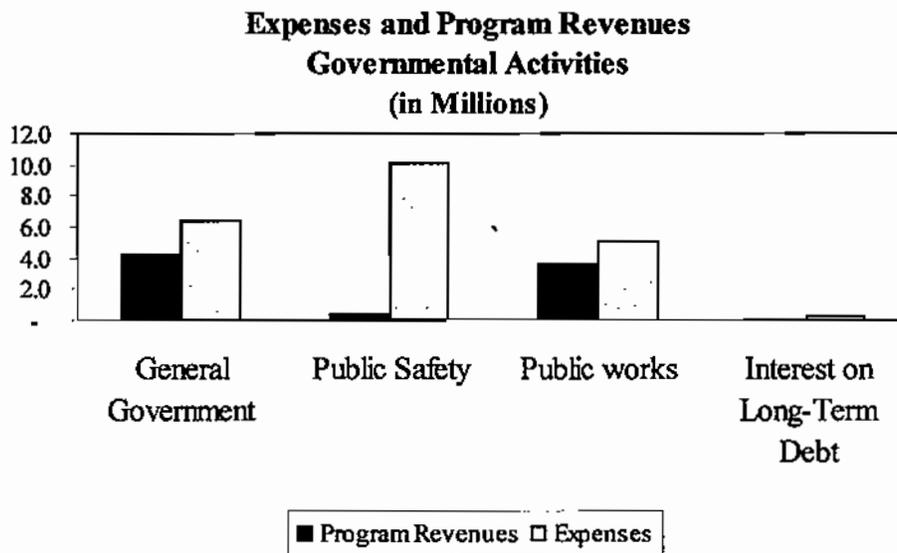
Challenges to the City's sales tax receipts in future years may come from increasing retail development in surrounding communities. Two major malls have opened within miles of Batavia and a large retail center is planned to open in 2006 in a border village. While sales taxes remain strong and new stores continue to open, the focus of economic development is beginning to shift to more diverse and unique sources and away from big box retail as our ability to site these types of stores narrows.

# CITY OF BATAVIA, ILLINOIS

Management's Discussion and Analysis  
December 31, 2005

## Government-Wide Financial Analysis – Continued

### Governmental Activities – Continued



The 'Expenses and Program Revenues' chart displays the total program revenue in relation to the applicable functions. As is typical with governmental activities, these programs are nearly fully supported by general revenues, rather than program revenues.

### Business-Type Activities

Revenues for business-type activities were \$36.3 million and expenses were \$34.4 million.

- The City has undergone extensive capital improvements totaling just over \$15 million for its water system to gain compliance with the EPA standard for radium levels. A plan for the most cost-effective means to accomplish radium elimination included building a water treatment plant and construction of a cross-town water main and pump station and two new deep wells and two new water towers. Aside from a few adjustments, the treatment plant, cross-town water main and booster station were completed at the end of 2005. The two new deep wells and two new water towers got underway in 2005.
- The City has received low interest loans from the IEPA to fund nearly 100% of the water projects. The loan proceeds, less repayments already made, totaled \$8.6 million at the end of 2005. A 2003 rate study resulted in a series of increases to fund the debt repayments. A 20% rate increase was implemented in 2003 with a 40% increase in 2004 and a 15% increase in 2005. One last increase of 10% will be done in 2006.

**CITY OF BATAVIA, ILLINOIS**

**Management's Discussion and Analysis  
December 31, 2005**

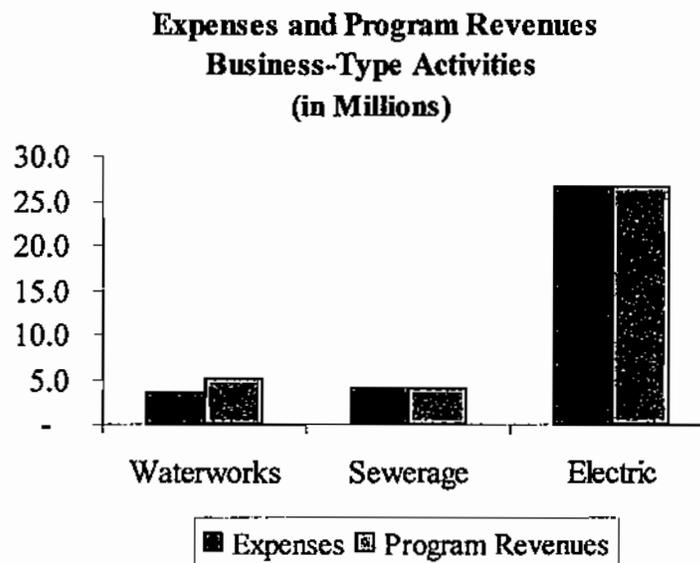
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**Government-Wide Financial Analysis – Continued**

**Business-Type activities – Continued**

- The 2003 rate study also reviewed the rates for our sewer system and concluded that the current rates should be sufficient over the next 5 years. The City's sanitary sewer system began evaluation, which continued through 2005. The study is looking at areas of the City that have infrastructure in excess of 100 years old. The study will result in a 10-year capital improvement plan, which will be available sometime in 2006.
- The City of Batavia transmits and distributes electricity for those within the municipal borders. Batavia is currently under contract to purchase electricity from Commonwealth Edison until 2007. The City is actively researching how to best meet future power needs. Capital improvements done in 2005 consisted mainly new commercial services and duct bank installation in conjunction with the city's cross-town water main project. The duct bank essentially puts conduit in place to allow for installation of electric feeders for system expansion. Due to the fact that the conduit was installed at the same time as the work on the cross-town water main, common costs for excavation and restoration could be shared. Major capital projects are on the horizon for the City's electric utility.

The graph compares program revenues to expenses for electric waterworks and sewerage operations. The increase in water rates, in anticipation of future debt, is reflected in the chart.



## **CITY OF BATAVIA, ILLINOIS**

### **Management's Discussion and Analysis December 31, 2005**

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#### **Financial Analysis of the Government's Funds**

As noted earlier, the City of Batavia uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

##### **Governmental Funds**

The focus of the City's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

- As of the end of the current fiscal year, the governmental funds reported combined ending fund balances of \$13.4 million, contrasting favorably to last year's \$10.1 million. Included in this year's total change in fund balance was a small decrease in the capital projects fund, which drew on reserves to construct a new salt shed. The primary reasons for the increase in fund balance were because of an increase in the general fund, which mirrors the governmental activities analysis highlighted on pages 9 and 10 and because of a bond issue for the City's upcoming bridge reconstruction project. The proceeds were deposited into the infrastructure capital project fund with only minor expenditures occurring in 2005.

##### **Proprietary Funds**

The City of Batavia's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. The City reports the electric, waterworks and sewerage funds as major proprietary funds, which account for all operations of the municipal electric, water and sewer systems.

- Water is currently provided from 4 deep wells and 3 shallow wells at a 2005 rate of \$2.54 per hundred cubic feet. Water is currently in the midst of major capital improvements and in the process of acquiring new debt in addition to \$2.1 million in outstanding GO debt that was issued on behalf of the water fund. A rate structure is in place to ensure debt coverage. The sewer fund currently has \$12.9 million in outstanding debt for prior improvements. The current rate structure of \$2.40 per hundred cubic feet is sufficient to cover this debt.
- Batavia's electric rates have not increased since 2001 and are favorable compared to surrounding communities. However, it is anticipated that rates will increase in 2006 and again in the coming years to offset future purchased power costs. A rate study will be done to facilitate an appropriate rate structure. The City is currently working with consultants and engineers to study the benefits of converting from a 34.5 kV transmission line to a 138 kV transmission line. If the project proves favorable, it is anticipated that the utility will issue debt in late 2006 to finance the construction. A 138 kV system, although costly to implement would result in greater reliability and in lower costs for purchased power over time, offsetting the debt costs associated with implementation.

## CITY OF BATAVIA, ILLINOIS

### Management's Discussion and Analysis December 31, 2005

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#### Financial Analysis of the Government's Funds – Continued

- In addition to the 138 kV project, the City is researching the possibility of securing an interest in a mine mouth coal power generation plant in Southern Illinois to supply and secure a low cost power supply for a portion of the City's future power needs. The City joined with two other municipalities in 2004 to form an intergovernmental agency to research and secure future power supply for all three municipalities. This agency, Northern Illinois Municipal Power Agency (NIMPA), is working with another power agency to determine the feasibility of the coal mine as a power alternative. If the project moves forward, there will be a sizeable debt issue for the project through NIMPA. An investment of this nature would secure a portion of Batavia's long-term power needs. The accounting and reporting for this transaction will be as a purchased power contract through NIMPA.
- Net assets of the electric fund for 2005 were \$32.4 million compared to \$31.9 million at the beginning of the year. The beginning of the year included a minor restatement for a prior period adjustment to the system inventory. Net assets for the waterworks fund were \$17.2 million compared to \$15.7 million and the sewerage fund started the year with \$24.0 million and ended the year with \$24.4 million. Other factors concerning the finances of these three funds have already been addressed in the City of Batavia's discussion of business-type activities.

#### General Fund Budgetary Highlights

Over the course of the year, the budget was revised to reflect project carryovers and intra-department budget changes between line items. Current city policy allows for these actions to be done at the discretion of the Finance Director and City Administrator with an annual report to the City Council. Actual increases to the budget require a Resolution with City Council approval.

There were a few substantial increases to the City's budget for insurance. The increases to the budget included an increase of \$865,000 in expenditures for health care; however, revenues from the City's excess carrier were also increased by \$696,000 to reflect the additional reimbursements. In addition, the City Council voted to become self-insured for workers compensation insurance after the budget was passed. A resolution to establish the budget for both revenues and expenditures for this self-insurance fund was required. Other amendments included changes to City's street program to reflect reimbursements from City utility funds for roadwork related to utility projects and for the delay of two road construction projects. With these adjustments, actual charges to expenditures were under the final budget amounts.

Resources available for the general fund revenue budget were \$1 million above the final budgeted amount. The largest variances were due to higher than anticipated revenues from income and other taxes, which amounted to \$500,000. Estimations for income taxes are made based on projections provided by the State and can vary based on actual receipts by the State. The remaining variances in revenues are attributable to miscellaneous receipts with no one large amount.

**CITY OF BATAVIA, ILLINOIS**

**Management’s Discussion and Analysis  
December 31, 2005**

**Capital Assets and Debt Administration**

**Capital Assets**

The City of Batavia’s investment in capital assets for its governmental and business-type activities as of December 31, 2005 was \$138.6 million (net of accumulated depreciation). This investment in capital assets includes land and improvements, buildings and improvements, machinery and equipment, roads, sidewalks, bridges and utility infrastructure. The total increase in the City of Batavia’s investment in net capital assets for 2005 was \$10.8 million.

This year’s major additions were all for business-type activities and included (in millions):

Electric Duct Bank Conduit & Equipment	\$ 1.64603
Electric Duct Bank & Service Construction in Progress	0.981
Water Main, Booster Pump Station & Treatment Plant	3.397
Water Towers & Wells Construction in Progress	1.891
	<u>7.91503</u>

**Capital Assets - Net of Depreciation  
(in Millions)**

	Governmental Activities		Business-type Activities		Total	
	2005	2004	2005	2004	2005	2004
Land	\$ 17.0	16.7	2.2	2.2	19.2	18.9
Construction in Progress	-	-	3.0	8.6	3.0	8.6
Structures & Improvements	6.1	6.1	11.3	5.3	17.4	11.4
Wells & Equipment	-	-	1.3	4.2	1.3	4.2
Machinery & Equipment	1.9	1.9	0.7	0.6	2.6	2.5
Electric System	-	-	15.7	15.0	15.7	15.0
Water/Sewer System	-	-	45.3	40.4	45.3	40.4
Infrastructure	34.1	34.4	-	-	34.1	34.4
<b>Total</b>	<b>59.1</b>	<b>59.1</b>	<b>79.5</b>	<b>76.3</b>	<b>138.6</b>	<b>135.4</b>

The fiscal year 2006 capital budget includes \$21 million for capital projects for the electric fund, which will be funded through a bond issue. The projects include the start of a 138 kV transmission line and substation and system extension.

As previously mentioned, the water fund began extensive capital improvements for radium removal and represents \$7.7 million of the work in progress in the above chart. The 2006 budget includes \$4.2 million in further capital spending for these projects. Additional information on capital assets for the City of Batavia can be found in note 3 on pages 49 – 51 of this report.

# CITY OF BATAVIA, ILLINOIS

## Management's Discussion and Analysis December 31, 2005

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### Capital Assets and Debt Administration – Continued

#### Debt Administration

At year-end, the City of Batavia had total outstanding bonded debt of \$30.6 million as compared to \$26.2 million the previous year. The increase is due to a \$2 million GO Bond issue for Bridge Reconstruction and also loan proceeds received from the IEPA for water revenue bonds for the City's radium compliance projects. The work is still in process and the loans have not been formalized with a final repayment schedule yet; however the amounts have been included in the following comparative statement of outstanding debt:

#### General Obligation and Revenue Bonds (in Millions)

	Governmental Activities		Business-Type Activities		Total	
	2005	2004	2005	2004	2005	2004
Installment Contracts	\$ 0.3	0.6	-	-	0.3	0.6
General Obligation Bonds	4.8	3.2	1.6	2.1	6.4	5.3
Alternate Revenue Bonds	2.2	2.5	-	-	2.2	2.5
Revenue bonds and notes	-	-	21.7	17.8	21.7	17.8
Total	7.3	6.3	23.3	19.9	30.6	26.2

In addition to the \$8.7 million in water revenue bonds issued in 2004 & 2005, it is anticipated that there will be another \$6-7 million issued by the end of 2006 in order to complete the projects. As mentioned previously, the electric utility may also issue debt in 2006 for a 138 kV transmission line and substation. The City also plans to issue \$10 million in alternative revenue bonds in 2006 to fund major renovations of the City's two fire stations. Both of the City's fire stations are in need of structural repairs. In addition they are in dire need of expansion to house the increase in staff since they were originally constructed.

The City received an upgrade of its bond rating from Moody's during the process of issuing the bridge bonds. The City's general obligation bond rating increased from an A1 to an Aa3. The City of Batavia's legal debt limit is 8.625% of the current EAV. The City's legal debt limit beyond existing debt for 2005 is \$66.6 million. Additional information on the City of Batavia's long-term debt can be found in Note 3 on pages 51 – 59 of this report.

## **CITY OF BATAVIA, ILLINOIS**

### **Management's Discussion and Analysis December 31, 2005**

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#### **Economic Factors and Next Year's Budget and Rates**

The City's elected and appointed officials considered many factors when planning the 2006 budget, including tax rates and fees that will be charged for its governmental and business-type activities. One of those factors is the economy. The unemployment rate for the year ended 2005 for Batavia was 4.6%, which was lower than the state unemployment rate of 5.7% and the national unemployment rate of 5.1%. The unemployment rate for the Batavia decreased slightly from the 2004 rate of 4.7%. Historically, Batavia's unemployment has been lower than the national average, which has been a benefit to the local economy.

Inflation increased in the Chicago area at a slightly lower rate than the national Consumer Price Index (CPI) increase, which was a positive factor for the area. The Chicago CPI increase was 3.0% for the year 2005 compared with the average U.S. city rate of 3.4 %. Inflation for both the Chicago area and the US City rate increased in 2005 up from 2.2% and 2.7% respectively.

Increasing inflation will continue to be a concern in 2006. Increases in short term interest rates are expected to continue in 2006. Moderate increases are also expected for longer-term rates. The lower unemployment in the area translates into more spending power; however, it is also expected that the more spending power will be tempered with continued higher prices for gasoline and most consumer products in general.

These indicators were taken into account when adopting the general fund budget for 2006. Amounts budgeted in the general fund budget were \$24.7 million, an increase of 16.0% over the final 2005 budget of \$21.3 million. The sales tax base of the City of Batavia continues to remain stable. A key factor in balancing the 2006 budget was the inclusion of a non-home rule sales tax of .50%, which was approved by voters in April 2005. The City anticipates receiving \$1.5 million for this tax in 2006.

Total budgeted expenditures for all funds, net of capital spending, are expected to increase 20.2% in 2006. The increase is attributable to increases in insurance related expenses, increases in personnel costs and expected inflationary increases on commodity prices, especially fuel. As mentioned previously, the 2006 budget includes a 10% increase in water rates to help offset planned debt for capital improvements. The budget also includes a 5% increase in electric rates in anticipation of increasing power costs. Total salaries are expected to increase an average of 6.7%, which includes 3.2 FTE new hires to be filled throughout 2006.

The City has added no major new programs or initiatives to the 2006 budget that resulted in additional costs; however, plans to update the City's comprehensive plan will be addressed in 2006. The Comprehensive Plan is the City's policy document that guides the physical growth and redevelopment of the community. In addition, management will be placing an emphasis on implementing a downtown redevelopment plan. The start of the reconstruction of the City's two fire stations will get underway in 2006 along with completion of engineering and finalizing all plans for the bridge reconstruction expected to start in early 2007. Management will also be continuing to place an increased focus on economic development in order to maintain and diversify our economic base.

## **CITY OF BATAVIA, ILLINOIS**

**Management's Discussion and Analysis  
December 31, 2005**

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### **Requests for Information**

This financial report is designed to provide a general overview of the City of Batavia's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be directed to Office of the Finance Director, City of Batavia, 100 N Island Av., Batavia, IL 60510.

## **BASIC FINANCIAL STATEMENTS**

The basic financial Statements include integrated sets of financial statements as required by the GASB. The sets of statements include:

- Government-wide Financial Statements
- Fund Financial Statements
  - Governmental Funds
  - Proprietary Funds
  - Fiduciary Funds

In addition, the notes to the financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.

**CITY OF BATAVIA, ILLINOIS**

**Statement of Net Assets**

**December 31, 2005**

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**See Following Page**

**CITY OF BATAVIA, ILLINOIS**

**Statement of Net Assets  
December 31, 2005**

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Current Assets			
Cash and investments	\$ 12,692,144	14,370,702	27,062,846
Receivables - net of allowances			
Property taxes	5,305,917	-	5,305,917
Other taxes	1,643,857	-	1,643,857
Accounts	688,672	4,545,087	5,233,759
Accrued interest	111,749	152,820	264,569
Due from other governments	260,810	-	260,810
Inventories and prepaids	186,213	1,275,365	1,461,578
Restricted cash and investments	-	837,778	837,778
<b>Total Current Assets</b>	<b>20,889,362</b>	<b>21,181,752</b>	<b>42,071,114</b>
Capital Assets			
Cost	77,894,656	117,630,849	195,525,505
Accumulated depreciation	(18,763,665)	(38,125,159)	(56,888,824)
<b>Total Noncurrent Assets</b>	<b>59,130,991</b>	<b>79,505,690</b>	<b>138,636,681</b>
<b>Total Assets</b>	<b>80,020,353</b>	<b>100,687,442</b>	<b>180,707,795</b>

The notes to the financial statements are an integral part of this statement.

	Governmental Activities	Business-Type Activities	Total
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Accounts payable	589,564	2,325,254	2,914,818
Accrued payroll	229,747	74,889	304,636
Claims payable	811,918	-	811,918
Deposits payable	187,303	119,583	306,886
Accrued interest payable	66,488	-	66,488
Due to other governments	100,000	-	100,000
Unearned revenue	5,309,537	-	5,309,537
Matured bonds payable	208,325	-	208,325
Current portion long-term debt	844,300	-	844,300
Payable from restricted assets	-	1,924,756	1,924,756
Total Current Liabilities	8,347,182	4,444,482	12,791,664
<b>Noncurrent Liabilities</b>			
Net pension obligation payable	372,284	-	372,284
Installment contracts/loans payable	50,000	-	50,000
Revenue bonds payable	-	20,651,765	20,651,765
Alternate revenue bonds payable	1,890,000	-	1,890,000
General obligation bonds payable	4,540,100	1,560,600	6,100,700
Unamortized bond premium	100,000	-	100,000
Total Noncurrent Liabilities	6,952,384	22,212,365	29,164,749
Total Liabilities	15,299,566	26,656,847	41,956,413
<b>NET ASSETS</b>			
Invested in capital assets - net of related debt	54,007,767	55,546,192	109,553,959
Restricted - special revenues	1,359,967	-	1,359,967
Restricted - tax increment financing / debt service	531,244	560,000	1,091,244
Restricted - capital projects	651,350	-	651,350
Restricted - perpetual care cemetery	112,928	-	112,928
Unrestricted	8,057,531	17,924,403	25,981,934
Total Net Assets	64,720,787	74,030,595	138,751,382

The notes to the financial statements are an integral part of this statement.

CITY OF BATAVIA, ILLINOIS

Statement of Activities  
For the Year Ended December 31, 2005

	Expenses	Program Revenues		
		Charges for Services	Operating Grants/ Contributions	Capital Grants/ Contributions
<b>Governmental Activities</b>				
General government	\$ 6,386,249	5,339,196	-	-
Public safety	10,121,222	262,939	190,320	-
Highways and streets	5,067,474	-	-	951,987
Interest on long-term debt	298,690	-	-	-
<b>Total Governmental Activities</b>	<b>21,873,635</b>	<b>5,602,135</b>	<b>190,320</b>	<b>951,987</b>
<b>Business-Type Activities</b>				
Waterworks	3,627,668	4,398,278	44,965	765,457
Sewerage	4,241,377	3,811,702	86,861	145,545
Electric	26,519,599	26,610,687	106,100	-
<b>Total Business-Type Activities</b>	<b>34,388,644</b>	<b>34,820,667</b>	<b>237,926</b>	<b>911,002</b>
	<b>56,262,279</b>	<b>40,422,802</b>	<b>428,246</b>	<b>1,862,989</b>

General Revenues  
 Taxes - property tax  
 Taxes - sales tax  
 Taxes - utility tax  
 Taxes - other  
 Intergovernmental - income tax  
 Intergovernmental - replacement tax  
 Intergovernmental - other  
 Interest income  
 Miscellaneous  
 Internal Activity - Transfers

Change in Net Assets

Net Assets - Beginning as Restated

Net Assets - Ending

The notes to the financial statements are an integral part of this statement.

Net Expense/Revenue		
Governmental Activities	Business-Type Activities	Total
(1,047,053)	-	(1,047,053)
(9,667,963)	-	(9,667,963)
(4,115,487)	-	(4,115,487)
(298,690)	-	(298,690)
(15,129,193)	-	(15,129,193)
-	1,581,032	1,581,032
-	(197,269)	(197,269)
-	197,188	197,188
-	1,580,951	1,580,951
(15,129,193)	1,580,951	(13,548,242)
5,288,191		5,288,191
5,195,982	-	5,195,982
2,587,486	-	2,587,486
28,898	-	28,898
2,189,790	-	2,189,790
172,496	-	172,496
59,322	-	59,322
346,860	433,992	780,852
1,235,041	-	1,235,041
69,912	(69,912)	-
17,173,978	364,080	17,538,058
2,044,785	1,945,031	3,989,816
62,676,002	72,085,564	134,761,566
64,720,787	74,030,595	138,751,382

The notes to the financial statements are an integral part of this statement.

**CITY OF BATAVIA, ILLINOIS**

**Balance Sheet - Governmental Funds  
December 31, 2005**

<b>ASSETS</b>	<u>General</u>
Cash and investments	\$ 9,147,225
Receivables - net of allowances	
Property taxes	4,821,154
Other taxes	1,643,857
Accounts	516,656
Accrued interest	92,140
Due from other governments	260,810
Prepays	135,597
Inventories	50,616
	<u>16,668,055</u>
 <b>LIABILITIES AND FUND BALANCES</b>  	
Liabilities	
Accounts payable	424,531
Accrued payroll	229,747
Claims payable	811,918
Deposits payable	187,303
Accrued interest payable	-
Due to other governments	100,000
Unearned revenue	4,824,774
General obligation bonds payable	-
Total Liabilities	<u>6,578,273</u>
Fund Balances	
Reserved - prepaids/inventory	186,213
Reserved - tax increment financing	-
Reserved - debt service	-
Reserved - special revenues	1,359,967
Reserved - perpetual care cemetery	-
Unreserved	8,543,602
Total Fund Balances	<u>10,089,782</u>
	 <u>16,668,055</u>

The notes to the financial statements are an integral part of this statement.

Debt Service	Infrastructure Capital Projects	Capital Projects	Nonmajor Perpetual Care Cemetery	Total Governmental Funds
804,155	1,974,439	655,588	110,737	12,692,144
484,763	-	-	-	5,305,917
-	-	-	-	1,643,857
-	167,816	4,200	-	688,672
1,902	12,679	2,837	2,191	111,749
-	-	-	-	260,810
-	-	-	-	135,597
-	-	-	-	50,616
<b>1,290,820</b>	<b>2,154,934</b>	<b>662,625</b>	<b>112,928</b>	<b>20,889,362</b>
-	153,758	11,275	-	589,564
-	-	-	-	229,747
-	-	-	-	811,918
-	-	-	-	187,303
15,558	-	-	-	15,558
-	-	-	-	100,000
484,763	-	-	-	5,309,537
208,325	-	-	-	208,325
<b>708,646</b>	<b>153,758</b>	<b>11,275</b>	<b>-</b>	<b>7,451,952</b>
-	-	-	-	186,213
349,664	-	-	-	349,664
232,510	-	-	-	232,510
-	-	-	-	1,359,967
-	-	-	112,928	112,928
-	2,001,176	651,350	-	11,196,128
<b>582,174</b>	<b>2,001,176</b>	<b>651,350</b>	<b>112,928</b>	<b>13,437,410</b>
<b>1,290,820</b>	<b>2,154,934</b>	<b>662,625</b>	<b>112,928</b>	<b>20,889,362</b>

The notes to the financial statements are an integral part of this statement.

**CITY OF BATAVIA, ILLINOIS**

**Reconciliation of Total Governmental Fund Balance to the  
Statement of Net Assets - Governmental Activities**

**December 31, 2005**

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**Total Governmental Fund Balances** **\$ 13,437,410**

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 funds. 59,130,991

Long-term liabilities are not due and payable in the current  
Period and therefore are not reported in the funds.

Net pension obligation payable	(372,284)
Installment contracts payable	(300,000)
General obligation bonds payable	(4,839,400)
Alternate revenue bonds payable	(2,185,000)
Unamortized premium on debt issuance	(100,000)
Accrued interest payable	(50,930)

**Net Assets of Governmental Activities** 64,720,787

**CITY OF BATAVIA, ILLINOIS**

**Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds  
For the Year Ended December 31, 2005**

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See Following Page

**CITY OF BATAVIA, ILLINOIS**

**Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds  
For the Year Ended December 31, 2005**

	<u>General</u>
Revenues	
Taxes	\$ 12,237,979
Intergovernmental	3,396,606
Licenses and permits	504,569
Charges for services	4,654,093
Fines and forfeits	262,939
Interest	278,998
Miscellaneous	1,224,741
Total Revenues	<u>22,559,925</u>
Expenditures	
Current	
General government	6,284,992
Public safety	10,028,916
Highways and streets	4,177,690
Capital outlay	-
Debt service	
Principal retirement	120,000
Interest and fiscal charges	38,218
Total Expenditures	<u>20,649,816</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,910,109</u>
Other Financing Sources (Uses)	
Debt issuance	-
Premium on debt issuance	-
Transfers in	-
Transfers out	(455,958)
	<u>(455,958)</u>
Net Change in Fund Balance	1,454,151
Fund Balance - Beginning as Restated	<u>8,635,631</u>
Fund Balance - Ending	<u><u>10,089,782</u></u>

The notes to the financial statements are an integral part of this statement.

Debt Service	Infrastructure Capital Projects	Capital Projects	Nonmajor Perpetual Care Cemetery	Total Governmental Funds
862,578	-	-	-	13,100,557
-	167,309	-	-	3,563,915
-	-	-	-	504,569
-	-	168,734	11,800	4,834,627
-	-	-	-	262,939
9,694	37,033	18,237	2,898	346,860
1,200	-	9,100	-	1,235,041
873,472	204,342	196,071	14,698	23,848,508
-	-	-	10,000	6,294,992
-	-	-	-	10,028,916
-	-	-	-	4,177,690
-	569,026	527,280	-	1,096,306
763,325	-	-	-	883,325
223,207	-	-	-	261,425
986,532	569,026	527,280	10,000	22,742,654
(113,060)	(364,684)	(331,209)	4,698	1,105,854
-	2,000,000	-	-	2,000,000
-	100,000	-	-	100,000
525,870	-	140,055	-	665,925
(140,055)	-	-	-	(596,013)
385,815	2,100,000	140,055	-	2,169,912
272,755	1,735,316	(191,154)	4,698	3,275,766
309,419	265,860	842,504	108,230	10,161,644
582,174	2,001,176	651,350	112,928	13,437,410

The notes to the financial statements are an integral part of this statement.

**CITY OF BATAVIA, ILLINOIS**

**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances  
to the Statement of Activities - Governmental Activities**

**Year Ended December 31, 2005**

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**Net Change in Fund Balances - Total Governmental Funds** **\$ 3,275,766**

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

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.

Capital outlays	1,349,339
Depreciation expense	(1,311,807)

The net effect of various transactions involving capital assets  
is to decrease net assets

Disposals - Cost	(64,500)
Disposals - Accumulated Depreciation	64,500

The issuance of long-term debt provides current financial resources to  
governmental funds, while the repayment of the principal on long-term  
debt consumes the current financial resources of the governmental funds.

Additions to net pension obligation	(14,573)
Debt issuance	(2,000,000)
Premium on debt issuance	(100,000)
Retirement of debt	883,325

Changes to accrued interest on long-term debt in the statement of activities  
does not require the use of current financial resources and, therefore, are not  
reported as expenditures in the governmental funds.

(37,265)

**Changes in Net Assets of Governmental Activities**

2,044,785

The notes to the financial statements are an integral part of this statement.

**CITY OF BATAVIA, ILLINOIS**

**Statement of Net Assets - Proprietary Funds**  
**December 31, 2005**

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See Following Page

**CITY OF BATAVIA, ILLINOIS**

**Statement of Net Assets - Proprietary Funds  
December 31, 2005**

	Business-Type Activities - Enterprise Funds			
	Waterworks	Sewerage	Electric	Total
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and investments	\$ 910,756	2,378,414	11,081,532	14,370,702
Receivables - net of allowances				
Accounts	1,071,414	473,210	3,000,463	4,545,087
Accrued interest	7,781	34,061	110,978	152,820
Prepays	69,512	74,507	75,781	219,800
Inventories	-	-	1,055,565	1,055,565
Restricted cash and investments	-	837,778	-	837,778
	<u>2,059,463</u>	<u>3,797,970</u>	<u>15,324,319</u>	<u>21,181,752</u>
<b>Capital Assets</b>				
Cost	35,025,413	51,387,463	31,217,973	117,630,849
Accumulated depreciation	(8,277,861)	(17,468,829)	(12,378,469)	(38,125,159)
	<u>26,747,552</u>	<u>33,918,634</u>	<u>18,839,504</u>	<u>79,505,690</u>
<b>Total Assets</b>	<u>28,807,015</u>	<u>37,716,604</u>	<u>34,163,823</u>	<u>100,687,442</u>

The notes to the financial statements are an integral part of this statement.

	Business-Type Activities - Enterprise Funds			
	Waterworks	Sewerage	Electric	Total
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Accounts payable	664,377	38,922	1,621,955	2,325,254
Accrued payroll	17,788	13,664	43,437	74,889
Deposits payable	14,053	12,293	93,237	119,583
<b>Restricted liabilities</b>				
Interest payable	33,617	144,006	-	177,623
Revenue bonds payable	-	1,215,458	-	1,215,458
General obligation bonds payable	531,675	-	-	531,675
	<u>1,261,510</u>	<u>1,424,343</u>	<u>1,758,629</u>	<u>4,444,482</u>
<b>Noncurrent Liabilities</b>				
Revenue bonds payable	8,735,622	11,916,143	-	20,651,765
General obligation bonds payable	1,560,600	-	-	1,560,600
	<u>10,296,222</u>	<u>11,916,143</u>	<u>-</u>	<u>22,212,365</u>
<b>Total Liabilities</b>	<u>11,557,732</u>	<u>13,340,486</u>	<u>1,758,629</u>	<u>26,656,847</u>
<b>NET ASSETS</b>				
<b>Invested in Capital Assets - Net of Related Debt</b>				
	15,919,655	20,787,033	18,839,504	55,546,192
<b>Restricted - Debt Service</b>	-	560,000	-	560,000
<b>Unrestricted</b>	1,329,628	3,029,085	13,565,690	17,924,403
	<u>17,249,283</u>	<u>24,376,118</u>	<u>32,405,194</u>	<u>74,030,595</u>

The notes to the financial statements are an integral part of this statement.

**CITY OF BATAVIA, ILLINOIS**

**Statement of Revenues, Expenses, and Changes in Net Assets - Proprietary Funds  
Year Ended December 31, 2005**

	Business-Type Activities - Enterprise Funds			
	Waterworks	Sewerage	Electric	Totals
Operating Revenues				
Charges for services	\$ 4,398,278	3,811,702	26,610,687	34,820,667
Operating Expenses				
Administration	1,149,171	879,385	2,087,041	4,115,597
Operations	1,415,961	1,641,614	23,460,258	26,517,833
Depreciation	834,217	1,330,564	972,300	3,137,081
Total Operating Expenses	3,399,349	3,851,563	26,519,599	33,770,511
Operating Income (Loss)	998,929	(39,861)	91,088	1,050,156
Nonoperating Revenues (Expenses)				
Connection fees	44,965	86,861	106,100	237,926
Intergovernmental - grants	625,003	-	-	625,003
Interest income	35,304	91,264	307,424	433,992
Interest and fiscal charges	(228,319)	(389,814)	-	(618,133)
	476,953	(211,689)	413,524	678,788
Income (Loss) Before Contributions and Transfers	1,475,882	(251,550)	504,612	1,728,944
Capital Contributions	140,454	145,545	-	285,999
Transfers Out	(35,876)	-	(34,036)	(69,912)
Change in Net Assets	1,580,460	(106,005)	470,576	1,945,031
Net Assets - Beginning as Restated	15,668,823	24,482,123	31,934,618	72,085,564
Net Assets - Ending	17,249,283	24,376,118	32,405,194	74,030,595

The notes to the financial statements are an integral part of this statement.

CITY OF BATAVIA, ILLINOIS

Statement of Cash Flows - Proprietary Funds  
Year Ended December 31, 2005

	Business-Type Activities - Enterprise Funds			
	Water	Sewerage	Electric	Totals
Cash flows from operating activities				
Receipts from customers and users	\$ 3,714,859	4,851,071	26,442,341	35,008,271
Payments to employees	(627,209)	(570,951)	(1,707,684)	(2,905,844)
Payments to suppliers	(2,692,527)	(1,850,970)	(23,244,096)	(27,787,593)
	<u>395,123</u>	<u>2,429,150</u>	<u>1,490,561</u>	<u>4,314,834</u>
Cash flows from noncapital financing activities				
Connection fees	44,965	86,861	106,100	237,926
Grants	625,003	-	-	625,003
Capital Contributions	140,454	145,545	-	285,999
Transfers out	(35,876)	-	(34,036)	(69,912)
	<u>774,546</u>	<u>232,406</u>	<u>72,064</u>	<u>1,079,016</u>
Cash flows from capital and related financing activities				
Purchase of capital assets	(4,439,864)	(244,764)	(1,858,580)	(6,543,208)
Interest and fiscal charges	(228,319)	(389,814)	-	(618,133)
Payment of bond principal	(751,767)	(773,366)	-	(1,525,133)
Proceeds of bonds	5,125,733	-	-	5,125,733
	<u>(294,217)</u>	<u>(1,407,944)</u>	<u>(1,858,580)</u>	<u>(3,560,741)</u>
Cash flows from investing activities				
Interest received	35,304	91,264	307,424	433,992
Net change in cash and cash equivalents	910,756	1,344,876	11,469	2,267,101
Cash and Cash Equivalents - Beginning of Year	-	1,871,316	11,070,063	12,941,379
Cash and Cash Equivalents - End of Year	<u>910,756</u>	<u>3,216,192</u>	<u>11,081,532</u>	<u>15,208,480</u>
Reconciliation of operating income to net cash provided (used) by operating activities				
Operating income (loss)	998,929	(39,861)	91,088	1,050,156
Adjustments to reconcile operating income to net income to net cash provided by (used in) operating activities:				
Depreciation and amortization expense	834,217	1,330,564	972,300	3,137,081
Increase (decrease) in current assets	(683,419)	1,039,369	(168,346)	187,604
Increase (decrease) in current liabilities	(754,604)	99,078	595,519	(60,007)
Net Cash Provided by Operating Activities	<u>395,123</u>	<u>2,429,150</u>	<u>1,490,561</u>	<u>4,314,834</u>

The notes to the financial statements are an integral part of this statement.

**CITY OF BATAVIA, ILLINOIS**

**Statement of Trust Net Assets- Fiduciary Funds  
December 31, 2005**

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	Pension Trust	Agency
<b>ASSETS</b>		
Cash and cash equivalents	\$ 2,435,262	243,221
Investments		
Certificate of deposits	23,132	-
U.S. government and agency obligations	8,096,639	-
Insurance company contracts	2,327,851	-
Mutual funds	2,236,722	-
Common stock	4,971,433	-
Receivables		
Accounts	-	27,163
Accrued interest	61,102	-
Total Assets	<u>20,152,141</u>	<u>270,384</u>
<b>LIABILITIES</b>		
Deposits payable	-	262,745
Due to bondholders	-	7,639
Total Liabilities	<u>-</u>	<u>270,384</u>
<b>NET ASSETS</b>		
Held in Trust for Pension Benefits (A schedule of funding progress is presented following the notes to the financial statements)	<u>20,152,141</u>	<u>-</u>

The notes to the financial statement are an integral part of this statement.

**CITY OF BATAVIA, ILLINOIS**

**Statement of Changes in Fiduciary Net Assets - Fiduciary Funds  
Year Ended December 31, 2005**

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	<u>Pension Trust</u>
<b>Additions</b>	
Contributions - employer	\$ 1,125,244
Contributions - plan members	431,111
Total Contributions	<u>1,556,355</u>
Investment income	
Interest earned	979,557
Net change in fair value	<u>(39,752)</u>
	939,805
Less investment expenses	<u>(110,224)</u>
Net investment income	<u>829,581</u>
Total Additions	<u>2,385,936</u>
<b>Deductions</b>	
Administration	33,951
Benefits and refunds	646,055
Total Deductions	<u>680,006</u>
Change in Net Assets	1,705,930
<b>Net Plan Assets Held in Trust for Pension Benefits</b>	
Beginning	<u>18,446,211</u>
Ending	<u>20,152,141</u>

The notes to the financial statements are an integral part of this statement.

**CITY OF BATAVIA, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2005**

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**CITY OF BATAVIA, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2005**

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# CITY OF BATAVIA, ILLINOIS

## Notes to the Financial Statements December 31, 2005

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Batavia, Illinois (City) was incorporated under a charter granted by the Illinois State Legislature in 1896. The City is a non-home rule community that operates under the management form of municipal government as provided in Chapter 65, Article 5 of the Illinois Compiled Statutes. The City's major operations include police and fire protection, water, sewer and electric service, planning and zoning, and general administrative services.

The government-wide financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB Pronouncements. Although the City has the option to apply FASB pronouncements issued after that date to its business-type activities and enterprise funds, the City has chosen not to do so. The more significant of the City's accounting policies established in GAAP and used by the City are described below.

#### REPORTING ENTITY

The City's financial reporting entity comprises the following:

Primary Government:	City of Batavia
Blended Component Units:	Police Pension Employees Retirement System Firefighters' Pension Employees Retirement System

In determining the financial reporting entity, the City complies with the provisions of GASB Statement No. 14, "The Financial Reporting Entity," and includes all component units that have a significant operational or financial relationship with the City.

*Blended Component Units* - 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.

#### Blended Component Units -- Continued

##### Police Pension Employees Retirement System

The City's 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's Mayor, 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 contribution levels. Although it is legally separate from the City, the PPERS is reported as if it were 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.

# **CITY OF BATAVIA, ILLINOIS**

## **Notes to the Financial Statements December 31, 2005**

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### **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

#### **REPORTING ENTITY – Continued**

#### **Blended Component Units – Continued**

##### **Firefighters' Pension Employees Retirement System**

The City's firefighters participate in the Firefighters' Pension Employees Retirement System (FPERS). FPERS functions for the benefit of these employees and is governed by a nine-member pension board. The City's Mayor, Treasurer, Clerk, Attorney and Fire Chief, one elected pension beneficiary, and three elected fire employees constitute the pension board. The City and FPERS participants are obligated to fund all 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 contribution levels. Although it is legally separate from the City, the FPERS is reported as if it were 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.

#### **BASIS OF PRESENTATION**

##### **Government-Wide Statements**

The City's basic financial statements include both government-wide (reporting the City as a whole) and fund financial statements (reporting the City's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The City's police and fire safety, highway and street maintenance and reconstruction, building code enforcement, public improvements, economic development, planning and zoning, and general administrative services are classified as governmental activities. The City's waterworks, sewerage, and electric services are classified as business-type activities.

In the government-wide Statement of Net Assets, both the governmental and business-type activities columns are: (a) presented on a consolidated basis by column, and (b) reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations.

The City's net assets are reported in three parts: invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets. The City first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the City's functions and business-type activities (general government, public safety, highways and streets, etc). The functions are supported by general government revenues (property, sales and use taxes, certain intergovernmental revenues, fines, permits and charges for services, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function (general government, public safety, highways and streets, etc.) or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

# CITY OF BATAVIA, ILLINOIS

## Notes to the Financial Statements December 31, 2005

---

### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

#### BASIS OF PRESENTATION – Continued

##### Government-Wide Statements – Continued

The net costs (by function or business-type activity) are normally covered by general revenue (property, sales and use taxes, certain intergovernmental revenues, permits and charges for services, etc).

The City does not allocate indirect costs. An administrative service fee is charged by the General Fund to the other operating funds that is eliminated like a reimbursement (reducing the revenue and expense in the General Fund) to recover the direct costs of General Fund services provided (finance, personnel, purchasing, legal, technology management, etc.).

This government-wide focus is more on the sustainability of the City as an entity and the change in the City's net assets resulting from the current year's activities.

##### Fund Financial Statements

The financial transactions of the City are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. The emphasis in fund financial statements is on the major funds in either the governmental 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 City electively added funds, as major funds, which either have debt outstanding or a specific community focus. 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 the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The various funds are reported by generic classification within the financial statements. The following fund types are used by the City:

# CITY OF BATAVIA, ILLINOIS

## Notes to the Financial Statements December 31, 2005

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

#### BASIS OF PRESENTATION – Continued

#### Fund Financial Statements – Continued

#### Governmental Funds

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the City:

**General fund** is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund. The General Fund is a major fund.

**Debt service funds** are used to account for the accumulation of funds for the periodic payment of principal and interest on general long-term debt. The Debt Service Fund is treated as a major fund and accounts for all future payments of interest and principal on the City's long-term general obligation debt.

**Capital projects funds** are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by business-type/proprietary funds). The City maintains two major capital projects funds, the Infrastructure Capital Projects Fund, and the Capital Projects Fund. The Infrastructure Capital Projects Fund accounts for all resources used for construction and major improvements to the City's highways and streets and other general infrastructure. The Capital Projects Fund accounts for all resources used for the acquisition of capital assets by a governmental unit except those financed by Proprietary and Trust Funds.

**Permanent funds** are used to report resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs, that is, for the benefit of the government or its citizenry. The City maintains one nonmajor permanent fund, the Perpetual Care Cemetery, which is used to account for perpetual care trust funds to be used for the perpetual care of the City's cemetery.

#### Proprietary Funds

The focus of proprietary fund measurement is upon determination of operating income, changes in net assets, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the proprietary funds of the City:

**Enterprise funds** are required to account for operations for which a fee is charged to external users for goods or services and the activity is (a) financed with debt that is solely secured by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges, or (c) establishes fees and charges based on a pricing policy designed to recover similar costs. The City maintains three major enterprise funds. The Waterworks Fund, a major fund, accounts for the provision of potable water to the residents of the City. The Sewerage Fund accounts for the provision of wastewater treatment services to the residents of the City. The Electric Fund accounts for the provision of electric utility services to the residents of the city.

# CITY OF BATAVIA, ILLINOIS

## Notes to the Financial Statements December 31, 2005

---

### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

#### BASIS OF PRESENTATION – Continued

#### Fund Financial Statements – Continued

#### Fiduciary Funds

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support City programs. The reporting focus is on net assets and changes in net assets and is reported using accounting principles similar to proprietary funds.

**Pension Trust Funds** are used to account for assets held in a trustee capacity for pension benefit payments. The Police Pension Fund accounts for the accumulation of resources to be used for disability and retirement annuity payments to employees covered by the plan. The Firefighters' Pension Fund accounts for the accumulation of resources to be used for disability and retirement payments to employees covered by the plan.

**Agency Funds** are used to account for assets held by the City in a purely custodial capacity. The Special Assessments Fund accounts for the collection of special assessments from property owners and payments of related special assessment debt. The Special Service Areas Fund accounts for the collection of property taxes within special taxing districts and payments of related special service areas debt.

The City's fiduciary funds are presented in the fiduciary fund financial statements by type (pension trust and agency). Since by definition these assets are being held for the benefit of a third party (other local governments, private parties, pension participants, etc.) and cannot be used to address activities or obligations of the City, these funds are not incorporated into the government-wide statements.

#### MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

#### Measurement Focus

On the government-wide Statement of Net Assets and the Statement of Activities, both governmental and business-like activities are presented using the economic resources measurement focus as defined below.

In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate.

All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

# CITY OF BATAVIA, ILLINOIS

## Notes to the Financial Statements December 31, 2005

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

#### MEASUREMENT FOCUS AND BASIS OF ACCOUNTING – Continued

##### Measurement Focus – Continued

All proprietary and pension trust funds utilize an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary and pension trust fund equity is classified as net assets. Agency funds are not involved in the measurement of results of operations; therefore, measurement focus is not applicable to them.

##### Basis of Accounting

In the government-wide Statement of Net Assets and Statement of Activities, both governmental and business-like activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when “measurable and available.” Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after year-end. The City recognizes property taxes when they become both measurable and available in accordance with GASB Codification Section P70. A sixty day availability period is used for revenue recognition for all other governmental fund revenues. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are recognized when due.

In applying the susceptible to accrual concept under the modified accrual basis, those revenues susceptible to accrual are property taxes, sales and use taxes, franchise taxes, licenses, interest revenue, and charges for services. All other revenues are not susceptible to accrual because generally they are not measurable until received in cash.

All proprietary, pension trust and agency funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

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 City’s enterprise funds are charges to customers for sales and services. The City also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

# CITY OF BATAVIA, ILLINOIS

## Notes to the Financial Statements December 31, 2005

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

#### ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY

##### Cash and Investments

Cash and cash equivalents on the Statement of Net Assets are considered to be cash on hand, demand deposits, cash with fiscal agent. For the purpose of the proprietary funds "Statement of Cash Flows", cash and cash equivalents are considered to be cash on hand, demand deposits, cash with fiscal agent, and all highly liquid investments with an original maturity of three months or less.

Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on national exchanges are valued at the last reported sales price. Investments that do not have any established market, if any, are reported at estimated fair value.

##### Interfund Receivables, Payables and Activity

Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

##### Receivables

In the government-wide financial statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivables balances for governmental activities include property taxes, sales and use taxes, franchise taxes, and grants. Business-type activities report utility charges as their major receivables.

##### Inventories

Inventories are valued at cost, which approximates market, using the first-in/first-out (FIFO) method. The costs of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased.

##### Prepays

Payments made to vendors for services that will benefit periods beyond the date of this report are recorded as prepaids.

##### Restricted Assets

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

**CITY OF BATAVIA, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2005**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

**ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY – Continued**

**Capital Assets**

Capital assets purchased or acquired with an original cost of \$10,000 to \$200,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. General capital assets are long-lived assets of the City as a whole. Infrastructure such as streets, traffic signals and signs are capitalized. In the case of the initial capitalization of general infrastructure assets (i.e., those reported by the governmental activities) the government chose to include all such items regardless of their acquisition date. The valuation basis for general capital assets are historical cost, or where historical cost is not available, estimated historical cost based on replacement costs.

Capital assets in the proprietary funds are capitalized in the fund in which they are utilized. The valuation bases for proprietary fund capital assets are the same as those used for the general capital assets. Donated capital assets are capitalized at estimated fair market value on the date donated.

Depreciation on all assets is computed and recorded using the straight-line method of depreciation over the following estimated useful lives:

Buildings and Improvements	10 – 45 Years
Machinery & Equipment	3 – 30 Years
Infrastructure	40 – 50 Years

**Compensated Absences**

The City accrues accumulated unpaid vacation and associated employee-related costs when earned (or estimated to be earned) by the employee. In accordance with GASB Statement No. 16, no liability is recorded for nonvesting accumulation rights to receive sick pay benefits. However, a liability is recognized for that portion of accumulated sick leave that is estimated to be taken as “terminal leave” prior to retirement.

All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

**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, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

# CITY OF BATAVIA, ILLINOIS

## Notes to the Financial Statements December 31, 2005

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

#### ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY – Continued

##### Long-Term Obligations – Continued

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 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.

##### Unearned Revenue

Governmental funds report unearned revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned.

##### 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 legislations.

Unrestricted net assets—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 represent tentative management plans that are subject to change.

## **CITY OF BATAVIA, ILLINOIS**

### **Notes to the Financial Statements December 31, 2005**

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#### **NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

##### **BUDGETARY INFORMATION**

Budgets are adopted on a basis consistent with generally accepted accounting principles. All departments of the City submit requests for their department to the City's Administrator so that a budget may be prepared. The budget is prepared by fund, function, and activity, and includes information on the past year, current year estimates, and requested expenditures for the next fiscal year. The proposed budget is presented to the governing body for review. The governing body holds public hearings and may add to, subtract from, or change designations, but may not change the form of the budget.

The administrator is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the governing body. Expenditures may not legally exceed budgeted expenses at the fund level. During the year a few amendments were necessary.

##### **EXCESS OF ACTUAL EXPENSES OVER BUDGET IN INDIVIDUAL FUNDS**

At December 31, 2005, the Electric Fund had expenses over budget, exclusive of depreciation, of \$275,490.

#### **NOTE 3 – DETAIL NOTES ON ALL FUNDS**

##### **DEPOSITS AND INVESTMENTS**

The City maintains a cash and investment pool that is available for use by all funds except the pension trust funds. Each fund type's portion of this pool is displayed on the financial statements as "cash and investments". In addition, investments are separately held by several of the City's funds. The deposits and investments of the pension trust funds are held separately from those of other funds.

Permitted Deposits and Investments - Statutes authorize the City to make deposits/invest in commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, obligations of States and their political subdivisions, credit union shares, repurchase agreements, commercial paper rated within the three highest classifications by at least two standard rating services, and the Illinois Funds.

The deposits and investments of the 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 of America or by the State of Illinois, 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, or by banks, their subsidiaries or holding companies, in accordance with the laws of the State of Illinois; bonds or tax anticipation warrants of any county, township, or municipal corporation of the State of Illinois; direct obligations of the State of Israel; 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 the portfolio is limited to specified restrictions; general accounts of life insurance companies and separate accounts of life insurance companies provided the investment in separate accounts does not exceed ten percent of the pension fund's net assets.

# CITY OF BATAVIA, ILLINOIS

## Notes to the Financial Statements December 31, 2005

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### NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

#### DEPOSITS AND INVESTMENTS – Continued

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 does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in Illinois Funds are valued at the share price, the price for which the investment could be sold.

#### City – Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk

*Deposits.* At year-end, the carrying amount of the City's deposits for governmental, business-type and agency activities totaled \$23,534,591 and the bank balances totaled \$26,127,674.

*Investments.* At year-end, the City has the following investments and maturities:

Investment Type	Investment Maturities (in Years)				
	Fair Value	Less Than One	One to Five	Six to Ten	More Than Ten
Federal Home Loan Bank	\$ 2,997,777	2,997,777	-	-	-
Illinois Funds	1,611,477	1,611,477	-	-	-
	<u>4,609,254</u>	<u>4,609,254</u>	-	-	-

*Interest Rate Risk.* Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City's investment policy attempts to limit the City's exposure to interest rate risk by matching its investments with anticipated cash flow requirements. The City will not directly invest in securities maturing more than five (5) years from the date of purchase. Reserve funds may be invested in securities exceeding five (5) years if the maturities of such investments are made to coincide as nearly as practicable with the expected use of the funds.

*Credit Risk.* Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City helps limit its exposure to credit risk by primarily investing in securities issued by the United States Government and/or its agencies that are implicitly guaranteed by the United States Government. The City's investment policy also prescribes to the "prudent person" rule which states that, "investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as possible income to be derived." As of December 31, 2005, Standard and Poor's rated all of the City's U.S. Treasury and Agency Obligations AAA. Also, the City's investment in Illinois Funds was rated AAAM by Standard and Poor's.

## CITY OF BATAVIA, ILLINOIS

### Notes to the Financial Statements December 31, 2005

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#### NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

##### DEPOSITS AND INVESTMENTS – Continued

*Custodial Credit Risk – Deposits.* 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 limits custodial credit risk for deposits by not maintaining funds in any institution not willing or capable of pledging required collateral for funds in excess of FDIC insurable limits. The amount of collateral provided shall not be less than 110 percent of the fair market value of the net amount of public funds secured. Pledged collateral will be held in safekeeping by an independent third party depository designated by the City and evidenced by a safekeeping agreement.

*Custodial Credit – Investments.* In the case of investments, 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 the possession of an outside party. The City's investment policy attempts to limit the City's custodial credit risk for its investments by requiring that securities be held by a third party custodian designated by the City and evidenced by safekeeping receipts. At December 31, 2005, all U.S. Treasury Obligations and Agency Securities are categorized as insured, registered, or held by the City or its agent in the City's name. The City's investment in the Illinois Funds is noncategorizable.

*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's investment policy states that in no case shall the following diversification limits be exceeded unless specifically authorized by the City Council:

- a. No financial institution shall hold more than 50% of the City's investment portfolio, exclusive of U.S. Treasury securities in safekeeping.
- b. Monies deposited at a financial institution shall not exceed 65% of the capital stock and surplus of that institution.
- c. Commercial paper shall not exceed 30% of the City's investment portfolio.
- d. Deposits in the Illinois Public Treasurer's Investment Pool shall not exceed 50% of the investment portfolio.

At December 31, 2005, all of the City's investments are in compliance with the guidelines outlined above in the City's investment policy. At year-end, the City does not have any investments, exclusive of U.S. Government Securities, over 5 percent of the total cash and investment portfolio.

##### **Police Pension Fund – Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk**

*Deposits.* At year-end, the carrying amount of the Fund's deposits totaled \$2,286,130 and the bank balances totaled \$2,276,976.

All deposits are covered by federal depository insurance, or by collateral held by the Pension Fund, or its agent, in the Pension Fund's name.

**CITY OF BATAVIA, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2005**

**NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued**

**DEPOSITS AND INVESTMENTS – Continued**

**Police Pension Fund – Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk**

*Investments.* At December 31, 2005, the Fund’s investments are as follows:

Investment Type	Investment Maturities (in Years)				
	Fair Value	Less Than One	One to Five	Six to Ten	More Than Ten
U.S. Treasury Notes	\$ 1,437,891	-	559,972	877,919	-
U.S. Treasury Bonds	413,385	-	-	-	413,385
Federal Home Loan Mortgage Corp.	1,037,984	-	985,340	-	52,644
Federal National Mortgage Assoc.	2,379,242	-	56,861	446,600	1,875,781
Domestic Corporate Equities	4,971,433	-	-	-	4,971,433
Insurance Company Contracts	465,308	-	-	-	465,308
Mutual Funds	1,167,893	-	-	-	1,167,893
	<u>11,873,136</u>	<u>-</u>	<u>1,602,173</u>	<u>1,324,519</u>	<u>8,946,444</u>

**Firefighters’ Pension Fund – Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk**

*Deposits.* At year-end, the carrying amount of the Fund’s deposits totaled \$172,264 and the bank balances totaled \$179,674. Included in the deposits are certificates of deposit totaling \$23,132 with maturities between one to five years. All deposits are covered by federal depository insurance, or by collateral held by the Pension Fund, or its agent, in the Pension Fund’s name.

*Investments.* At December 31, 2005, the Fund’s investments are as follows:

Investment Type	Investment Maturities (in Years)				
	Fair Value	Less Than One	One to Five	Six to Ten	More Than Ten
U.S. Treasury Notes	\$ 330,120	-	-	-	330,120
Government National Mortgage Assoc.	3,256	-	-	-	3,256
Federal Home Loan Bank	2,160,338	-	1,384,180	-	776,158
Federal National Mortgage Assoc.	148,500	-	-	148,500	-
Derivatives - CATS	185,923	-	185,923	-	-
Insurance Company Contracts	1,862,543	-	-	-	1,862,543
Mutual Funds	1,068,829	-	-	-	1,068,829
	<u>5,759,509</u>	<u>-</u>	<u>1,570,103</u>	<u>148,500</u>	<u>4,040,906</u>

**CITY OF BATAVIA, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2005**

**NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued**

**PROPERTY TAXES**

Property taxes for 2005 attach as an enforceable lien on January 1, 2005, 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 prepared by Kane County and are issued on or about May 1, 2006, and are payable in two installments, on or about June 1, 2006, and September 1, 2006. The County collects such taxes and remits them periodically.

**CAPITAL ASSETS**

**Governmental Activities**

Governmental capital asset activity for the year was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Capital Assets- Nondepreciable				
Land	\$ 16,710,663	274,182	-	16,984,845
Other Capital Assets				
Structures and Improvements	8,589,988	245,445	-	8,835,433
Machinery and Equipment	3,541,499	163,814	64,500	3,640,813
Infrastructure	47,767,667	665,898	-	48,433,565
	<u>59,899,154</u>	<u>1,075,157</u>	<u>64,500</u>	<u>60,909,811</u>
Less Accumulated Depreciation				
Structures and Improvements	2,530,356	195,367	-	2,725,723
Machinery and Equipment	1,570,465	196,445	64,500	1,702,410
Infrastructure	13,415,537	919,995	-	14,335,532
	<u>17,516,358</u>	<u>1,311,807</u>	<u>64,500</u>	<u>18,763,665</u>
Total Other Capital Assets	<u>42,382,796</u>	<u>(236,650)</u>	<u>-</u>	<u>42,146,146</u>
Total Capital Assets	<u>59,093,459</u>	<u>37,532</u>	<u>-</u>	<u>59,130,991</u>

Depreciation expense was charged to governmental activities as follows:

General Government	\$ 76,684
Public Safety	135,037
Highways and Streets	1,100,086
	<u>1,311,807</u>

**CITY OF BATAVIA, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2005**

**NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued**

**CAPITAL ASSETS – Continued**

**Business-Type Activities**

Business-type capital asset activity for the year was as follows:

	Beginning Balances As Restated	Increases/ Transfers	Decreases/ Transfers	Ending Balances
<b>Capital Assets - Nondepreciable</b>				
Land	\$ 2,215,068	25,000	-	2,240,068
Construction in Progress	8,593,958	207,935	5,824,274	2,977,619
	<u>10,809,026</u>	<u>232,935</u>	<u>5,824,274</u>	<u>5,217,687</u>
<b>Other Capital Assets</b>				
Buildings	144,121	-	-	144,121
Structures and Improvements	11,197,973	3,538,925	709,704	14,027,194
Wells and Well Equipment	1,899,254	189,928	-	2,089,182
Machinery and Equipment	1,544,266	34,000	55,119	1,523,147
Electric System	25,866,309	1,646,030	119,564	27,392,775
Water/Sewer System	60,873,669	6,655,827	292,753	67,236,743
	<u>101,525,592</u>	<u>12,064,710</u>	<u>1,177,140</u>	<u>112,413,162</u>
<b>Less Accumulated Depreciation</b>				
Buildings	132,293	3,861	-	136,154
Structures and Improvements	3,089,576	341,204	709,704	2,721,076
Wells and Well Equipment	761,298	45,042	-	806,340
Machinery and Equipment	768,406	74,769	55,119	788,056
Electric System	10,893,516	912,180	53,992	11,751,704
Water/Sewer System	20,454,557	1,760,025	292,753	21,921,829
	<u>36,099,646</u>	<u>3,137,081</u>	<u>1,111,568</u>	<u>38,125,159</u>
Total Other Capital Assets	<u>65,425,946</u>	<u>8,927,629</u>	<u>65,572</u>	<u>74,288,003</u>
Total Capital Assets	<u>67,641,014</u>	<u>8,952,629</u>	<u>65,572</u>	<u>79,505,690</u>

**CITY OF BATAVIA, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2005**

**NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued**

**CAPITAL ASSETS – Continued**

**Business-Type Activities – Continued**

Depreciation expense was charged to business-type activities as follows:

Waterworks	\$ 834,217
Sewerage	1,330,564
Electric	972,300
	<u>3,137,081</u>

**INTERFUND TRANSFERS**

Interfund transfers for the year consisted of the following:

	Transfer Out				Totals
	General	Debt Service	Waterworks	Electric	
Transfer In					
Debt Service	\$ 455,958	-	35,876	34,036	525,870
Capital Projects	-	140,055	-	-	140,055
	<u>455,958</u>	<u>140,055</u>	<u>35,876</u>	<u>34,036</u>	<u>665,925</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

**LONG-TERM DEBT**

**General Obligation Bonds**

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both governmental and business-type activities. General obligation bonds issued for business-type activities are reported in the proprietary funds as they are expected to be repaid from propriety revenues. General obligation bonds are direct obligations and pledge the full faith and credit of the City. General obligation bonds currently outstanding are as follows:

**CITY OF BATAVIA, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2005**

**NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued**

**LONG-TERM DEBT -- Continued**

**General Obligation Bonds – Continued**

Issue	Fund Debt Retired By	Balances January 1	Issuances	Retirements	Balances December 31
City Hall Renovation Bond Series of 1996 due in annual installments of \$25,000 to \$50,000 plus interest at 5.6% to 5.85% through January 1, 2007	Debt Service	\$ 95,000	-	45,000	50,000
General Obligation Refunding Bond Series of 1998 due in annual installments of \$20,000 to \$320,000 plus interest at 3.45% to 4.25% through December 15, 2014	Debt Service	2,460,000	-	150,000	2,310,000
General Obligation Refunding Bond Series of 2002A due in annual installments of \$16,450 to \$63,325 plus interest of 2.0% to 3.65% through January 1, 2011	Debt Service	642,725	-	163,325	479,400
General Obligation Refunding Bond Series of 2002A due in annual installments of \$53,550 to \$332,775 plus interest at 2.0% to 3.65% through January 1, 2011	Waterworks	2,092,275	-	531,675	1,560,600
General Obligation Bond Series of 2005 due in annual installments of \$40,000 to \$150,000 plus interest at 3.50% to 5.00% through January 1, 2025	Debt Service	-	2,000,000	-	2,000,000
		<u>5,290,000</u>	<u>2,000,000</u>	<u>890,000</u>	<u>6,400,000</u>

**CITY OF BATAVIA, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2005**

**NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued**

**LONG-TERM DEBT – Continued**

**Alternate Revenue Bonds**

The City has also issued alternate revenue bonds where the City has pledged motor fuel tax and sales tax revenues for the payment of bond principal and interest. Alternate revenue bonds are direct obligations and pledge the full faith and credit of the City. Alternate revenue bonds currently outstanding are as follows:

Issue	Fund Debt Retired By	Balances January 1	Issuances	Retirements	Balances December 31
Alternate Revenue Bond Series of 1995 due in annual installments of \$45,000 to \$95,000 plus interest at 4.7% to 4.8% through December 1, 2010	General	\$ 495,000	-	70,000	425,000
Alternate Revenue Bond Series of 1996 due in annual installments of \$15,000 to \$30,000 plus interest at 5.1% to 5.7% through December 1, 2010	General	160,000	-	25,000	135,000
Alternate Revenue Bond Series of 1997 due in annual installments of \$20,000 to \$30,000 plus interest at 4.5% to 6.0% through December 1, 2007	General	85,000	-	25,000	60,000
Alternate Revenue Bond Series of 1998 due in annual installments of \$115,000 to \$230,000 plus interest at 4.375% to 4.60% 4.6% through December 1, 2013	Debt Service	1,720,000	-	155,000	1,565,000
		<u>2,460,000</u>	<u>-</u>	<u>275,000</u>	<u>2,185,000</u>

**CITY OF BATAVIA, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2005**

**NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued**

**LONG-TERM DEBT – Continued**

**Revenue Bonds**

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

Issue	Fund Debt Retired By	Balances January 1	Issuances	Retirements	Balances December 31
IEPA Sewer Revenue Bond Series of 1989 due in annual installments of \$89,502 including interest at 3.745% through October 9, 2010	Sewerage	\$ 476,981	-	72,309	404,672
IEPA Sewer Revenue Bond Series of 1990 due in annual installments of \$497,756 including interest at 3.745% through October 15, 2012	Sewerage	3,228,613	-	380,372	2,848,241
IEPA Sewer Revenue Bond Series of 1999 due in annual installments of \$67,044 including interest at 2.535% through May 1, 2020	Sewerage	847,628	-	45,845	801,783
IEPA Sewer Revenue Bond Series of 1999A due in annual installments of \$357,327 including interest at 2.535% through February 1, 2021	Sewerage	9,351,743	-	480,615	8,871,128
IEPA Water Revenue Bond Series of 2004 payment schedule not yet established, including interest at 2.500% through December 11, 2024	Waterworks	2,416,324	3,109,643	151,504	5,374,463
IEPA Water Revenue Bond Series of 2004 payment schedule not yet established, including interest at 2.500% through December 1, 2024	Waterworks	1,436,658	1,594,545	80,406	2,950,797
IEPA Water Revenue Bond Series of 2005 payment schedule not yet established, including interest at 2.500% through December 1, 2024	Waterworks	-	421,545	11,182	410,363
		<u>17,757,947</u>	<u>5,125,733</u>	<u>1,222,233</u>	<u>21,661,447</u>

**CITY OF BATAVIA, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2005**

**NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued**

**LONG-TERM DEBT – Continued**

**Installment Contracts**

The City also issues installment contracts to provide funds for the purchase of capital assets. Installment contracts currently outstanding are as follows:

Issue	Fund Debt Retired By	Balances January 1	Issuances	Retirements	Balances December 31
Installment contract of 2002 due in annual installments of \$50,000 to \$100,000 plus interest at 4.35% through June 30, 2007	Debt Service	\$ 250,000	-	100,000	150,00
TIF installment contract of 2002 due in annual installments of \$75,000 plus interest at 3.65% through January 8, 2006 with balloon payment January 8, 2007 of \$450,000	Debt Service	300,000	-	150,000	150,00
		<u>550,000</u>	<u>-</u>	<u>250,000</u>	<u>300,000</u>

**Long-Term Liability Activity**

Changes in long-term liabilities during the fiscal year were as follows:

Type of Debt	Beginning Balances	Additions	Deductions	Ending Balances	Amounts Due within One Year
<b>Governmental Activities</b>					
Net Pension Obligation	\$ 357,711	14,573	-	372,284	-
Installment Contracts	550,000	-	250,000	300,000	250,000
General Obligation Bonds	3,197,725	2,000,000	358,325	4,839,400	299,300
Alternate Revenue Bonds	2,460,000	-	275,000	2,185,000	295,000
	<u>6,565,436</u>	<u>2,014,573</u>	<u>883,325</u>	<u>7,696,684</u>	<u>844,300</u>
<b>Business-type Activities</b>					
Revenue Bonds	17,757,947	5,125,733	1,222,233	21,661,447	1,215,458
General Obligation Bonds	2,092,275	-	531,675	1,560,600	531,675
	<u>19,850,222</u>	<u>5,125,733</u>	<u>1,753,908</u>	<u>23,222,047</u>	<u>1,747,133</u>

**CITY OF BATAVIA, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2005**

**NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued**

**LONG-TERM DEBT – Continued**

**Long-Term Liability Activity – Continued**

Payments on the Net Pension Obligation are made by the General Fund. The Debt Service Fund makes payments on the installment contracts. Payments on the General Obligation/Alternate Revenue Bonds are made by the General, Debt Service and Waterworks Funds. The Water Fund and Sewerage Fund make payments on the revenue bonds.

**Debt Service Requirements to Maturity**

The annual debt service requirements to maturity, including principal and interest, are as follows:

Fiscal Year Ending December 31	Governmental Activities					
	Installment Contracts		General Obligation Bonds		Alternate Revenue Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2006	\$ 250,000	10,979	299,300	113,010	295,000	101,313
2007	50,000	1,094	356,650	101,371	305,000	87,575
2008	-	-	411,350	89,617	290,000	73,360
2009	-	-	429,875	77,107	310,000	59,780
2010	-	-	452,225	63,561	325,000	45,200
2011	-	-	355,000	49,098	210,000	29,930
2012	-	-	375,000	38,028	220,000	20,480
2013	-	-	395,000	26,200	230,000	10,580
2014	-	-	415,000	13,600	-	-
2015	-	-	100,000	-	-	-
2016	-	-	105,000	-	-	-
2017	-	-	110,000	-	-	-
2018	-	-	110,000	-	-	-
2019	-	-	115,000	-	-	-
2020	-	-	120,000	-	-	-
2021	-	-	125,000	-	-	-
2022	-	-	130,000	-	-	-
2023	-	-	140,000	-	-	-
2024	-	-	145,000	-	-	-
2025	-	-	150,000	-	-	-
Total	300,000	12,073	4,839,400	571,592	2,185,000	428,218

**CITY OF BATAVIA, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2005**

**NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued**

**LONG-TERM DEBT – Continued**

**Debt Service Requirements to Maturity – Continued**

Fiscal Year Ending Dec. 31	Business-Type Activities			
	Revenue Bonds		General Obligation Bonds	
	Principal	Interest	Principal	Interest
2006	\$ 1,009,683	349,274	290,700	52,614
2007	1,041,215	327,742	298,350	43,893
2008	1,073,768	295,189	313,650	34,196
2009	1,107,280	261,677	325,125	23,689
2010	1,142,183	226,774	332,775	12,147
2011	1,087,578	191,877	-	-
2012	872,284	158,293	-	-
2013	644,001	137,698	-	-
2014	660,431	121,268	-	-
2015	677,278	104,421	-	-
2016	694,556	87,143	-	-
2017	712,274	69,425	-	-
2018	730,445	51,254	-	-
2019	749,079	32,620	-	-
2020	723,771	13,643	-	-
<b>Total</b>	<b>12,925,826</b>	<b>2,428,298</b>	<b>1,560,600</b>	<b>166,539</b>

**CITY OF BATAVIA, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2005**

**NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued**

**LONG-TERM DEBT – Continued**

**Revenue Bond Disclosures**

Sewerage Fund – The revenue bond ordinance requires that all monies held in the Sewerage Fund be segregated and restricted in separate special reserve accounts, in the priority indicated by the order of the following:

Accounts	Amounts	Nature of Authorized Expenditures
Operations and Maintenance	Sufficient amount to pay reasonable expenses	Expense of operating, maintaining and repairing the system
Bond and Interest	Amount sufficient to pay a portion of the current bond and interest	Paying principal and interest on the bonds
Bond Reserve	\$2,000 per month until the account aggregates \$654,302	Paying principal and interest on the bonds if there is an insufficiency in bond and interest
Depreciation	\$5,000 per month until the account aggregates \$350,000	Paying principal and interest on the bonds if there is insufficient money in the bond and interest account or bond reserve account; cost of extraordinary repairs and replacements to the system
Surplus	The amount remaining after payment into the above four accounts	Improvement and extension of the waterworks and sewerage system, or any other lawful corporate purpose

Supplemental information required under bond ordinance provision, not subject to audit:

Number of water customers	9,253
Number of sewer customers	9,271
Quantity of sewerage treated	1,083,055,177
Quantity of water pumped	1,208,100,000
Quantity of water billed	1,039,570,000

**CITY OF BATAVIA, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2005**

**NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued**

**LONG-TERM DEBT – Continued**

**Legal Debt Margin**

Chapter 65, Section 5/8-5-1 of the Illinois Compiled Statutes provides, "...no municipality having a population of less than 500,000 shall become indebted in any manner or for any purpose, to an amount, including existing indebtedness in the aggregate exceeding 8.625% on the value of the taxable property therein, to be ascertained by the last assessment for state and county purposes, previous to the incurring of the indebtedness or, until January 1, 1983, if greater, the sum that is produced by multiplying the municipality's 1978 equalized assessed valuation by the debt limitation percentage in effect on January 1, 1979."

Assessed Valuation - 2004	<u>\$ 852,472,201</u>
Legal Debt Limit - 8.625% of Assessed Value	<u>73,525,727</u>
Amount of Debt Applicable to Limit	
Installment Contracts	375,000
Alternate Revenue Source Bonds	2,185,000
General Obligation Bonds	<u>4,400,000</u>
	<u>6,960,000</u>
Legal Debt Margin	<u>66,565,727</u>

**FUND EQUITY/FUND BALANCE**

**Restatements**

Beginning fund balance/net assets were restated as follows:

Fund Equity	As Reported	As Restated	Increase (Decrease)	Purpose - To Reflect an Error in Recognition of:
Electric	\$ 32,081,171	31,934,618	(146,553)	Carrying amount of inventories at 12/31/04
Sewerage	24,404,623	24,482,123	77,500	Carrying amount of capital assets at 12/31/04
Waterworks	15,833,247	15,668,823	(164,424)	Carrying amount of inventories and capital assets at 12/31/04
Infrastructure	165,860	265,860	100,000	Classification of a liability related to transfer station
General	8,735,631	8,635,631	100,000	Classification of a liability related to transfer station

**CITY OF BATAVIA, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2005**

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**NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued**

**FUND EQUITY/FUND BALANCE – Continued**

**Fund Balance – Reserved for Special Revenues**

The following is a schedule of fund balance reservations for special or restricted revenues as of the date of this report:

	Beginning Balance	Revenues	Expenses	Ending Balance
General Fund				
Dial-a-Bus	\$ 129,198	56,743	53,549	132,392
Street Improvement	1,019,853	1,627,945	1,688,092	959,706
Community Development Assistance Program	261,623	6,246	-	267,869
	<u>1,410,674</u>	<u>1,690,934</u>	<u>1,741,641</u>	<u>1,359,967</u>

**NOTE 4 – OTHER INFORMATION**

**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; natural disasters; and injuries to the City's employees. These risks are provided for through a limited self-insurance program and private insurance coverage. The City is partially self-insured for medical, dental and life benefits and accounts for these benefits in the General Fund. Under this program, the General Fund provides coverage up to a maximum of \$50,000 per individual's claims paid. These activities and workers compensation are accounted for by setting assets aside for claim settlements. The remainder of the City's risk management activity is also reported in the General Fund and is provided for through private insurance coverage, risks covered include general and other liabilities.

All funds of the City participate and make payments based upon actuarial estimates of the amounts needed to pay prior and current-year claims. Liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount of claims that have been incurred but not reported (IBNR). Claims liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of payouts, and other economic and social factors.

**CITY OF BATAVIA, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2005**

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**NOTE 4 – OTHER INFORMATION – Continued**

**RISK MANAGEMENT – Continued**

Changes in the balances of claims liabilities during the fiscal year are as follows:

Claims Payable - Beginning of Year	\$ 484,096
Incurred Claims	4,060,997
Claims Paid	<u>(3,733,175)</u>
Claims Payable - End of Year	<u>811,918</u>

**POSTEMPLOYMENT BENEFITS**

In addition to providing pension benefits, the City provides certain health care insurance benefits for retired employees. In accordance with the personnel policy 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 retirees pay an annual premium that is equal to the actuarially determined costs for each plan year. Accordingly, no liability has been recorded for post-retirement health care benefits. The City also provides COBRA health and dental benefits to all prior employees as required by federal law. The prior employee pays 100 percent of the premium.

**CONTINGENT LIABILITIES**

**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.

**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 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.

**EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS**

The City contributes to three defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), a defined benefit agent multiple-employer public employee retirement system; the Police Pension Plan which is a single-employer pension plan; and, the Firefighters' Pension Plan, which is also a single-employer pension plan. Separate reports are issued for the Police and Firefighter Pension Plans and may be obtained by writing to the City at 100 North Island Avenue, Batavia, IL 60510. IMRF does issue a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole, but not by individual employer. That report may be obtained by writing to the Illinois Municipal Retirement Fund, 2211 York Road, Suite 500, Oak Brook, Illinois 60523. The benefits, benefit levels, employee contributions, and employer contributions are governed by Illinois Compiled Statutes and can only be amended by the Illinois General Assembly.

**CITY OF BATAVIA, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2005**

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**NOTE 4 – OTHER INFORMATION – Continued**

**EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued**

**Plan Descriptions, Provisions and Funding Policies**

**Illinois Municipal Retirement System**

All employees (other than those covered by the Police and Firefighters' Pension plans) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. Pension benefits vest after eight years of service. Participating members who retire at or after age 60 with 8 years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3 percent of their final rate (average of the highest 48 consecutive months' earnings during the last 10 years) of earnings, for each year of credited service up to 15 years, and 2 percent for each year thereafter. IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute. Employees participating in the plan are required to contribute 4.50 percent of their annual covered salary to IMRF. The employees' contribution rate is established by state statute. The City is required to contribute the remaining amount necessary to fund the IMRF plan as specified by statute. The employer rate for calendar year 2005 was 9.59 percent.

**Police Pension Plan**

The Police Pension Plan is a single-employer defined benefit pension plan that covers all sworn police personnel. 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.

At fiscal year end the Police Pension Plan membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits and Terminated Employees Entitled to Benefits but not yet Receiving Them	15
Current Employees Vested and Nonvested	<u>42</u>
	<u>57</u>

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

The Police Pension Plan provides retirement benefits as well as death and disability benefits. Covered employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit of one-half of the salary attached to the rank held on the last day of service, or for one 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.

**CITY OF BATAVIA, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2005**

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**NOTE 4 – OTHER INFORMATION – Continued**

**EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued**

**Plan Descriptions, Provisions and Funding Policies – Continued**

**Police Pension Plan – Continued**

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. The monthly benefit 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% compounded 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, including administrative costs, as actuarially determined by an enrolled actuary. By the year 2033 the City's contributions must accumulate to the point where the past service cost for the Police Pension Plan is fully funded.

**Firefighters' Pension Plan**

The Firefighters' Pension Plan is a single-employer defined pension plan that covers all sworn fire personnel. 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.

At fiscal year end the Firefighters' Pension Plan membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits and Terminated Employees Entitled to Benefits but not yet Receiving Them	7
Current Employees Vested and Nonvested	<u>22</u>
	<u>29</u>

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. Covered employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit of one-half of the monthly salary attached to the rank at the date of retirement. The pension shall be increased by 1/12 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 benefit. 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 the age of at least 55 years, by 3% of the original pension and 3% compounded annually thereafter.

**CITY OF BATAVIA, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2005**

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**NOTE 4 – OTHER INFORMATION – Continued**

**EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued**

**Plan Descriptions, Provisions, and Funding Policies – Continued**

**Firefighters' Pension Plan – Continued**

Covered employees are required to contribute 9.455% of their base 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. The City is required to contribute the remaining amounts necessary to finance the plan, including administrative costs, as actuarially determined by an enrolled actuary. By the year 2033 the City's contributions must accumulate to the point where the past service cost for the Firefighters' Pension Plan is fully funded.

**Summary of Significant Accounting Policies and Plan Asset Matters**

**Basis of Accounting**

The financial statements are prepared using the accrual basis of accounting. Employee and employer contributions are recognized as revenues in the period in which employee services are performed. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

**Method Used to Value Investments**

Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on national exchanges are valued at the last reported sales price. Investments that do not have any established market, if any, are reported at estimated fair value.

**Significant Investments**

The following investments (other than U.S. Government and Agency Obligations) represent greater than 5% of net assets available for benefits. Information for IMRF is not available.

	Police Pension	Firefighters' Pension
Columbia International Value Fund - Z	\$ 873,842	-
Nationwide Insurance Annuity	-	432,684
Keyport Life Annuity	-	525,688
Sun Life Annuities	-	904,171

**Related Party Transactions**

There are no securities of the employer or any other related parties included in plan assets.

**CITY OF BATAVIA, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2005**

**NOTE 4 – OTHER INFORMATION – Continued**

**EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued**

**Annual Pension Cost and Net Pension Obligation**

The City's annual pension cost for the current year and related information for each plan is as follows:

	Illinois Municipal Retirement	Police Pension	Firefighters' Pension
<b>Contribution Rates</b>			
Employer	9.59%	24.69%	29.31%
Employee	4.50%	9.91%	9.455%
<b>Annual Pension Cost</b>	\$631,250	\$692,704	\$407,558
<b>Contributions Made</b>	\$631,250	\$634,657	\$336,116
<b>Actuarial Valuation Date</b>	12/31/2004	12/31/2004	12/31/2004
<b>Actuarial Cost Method</b>	Entry Age Normal	Entry Age Normal	Entry Age Normal
<b>Amortization Method</b>	Level %of Projected Payroll Closed Basis	Level %of Projected Payroll Closed Basis	Level %of Projected Payroll Closed Basis
<b>Remaining Amortization Period</b>	27 Years	29 Years	29 Years
<b>Asset Valuation Method</b>	5-Year Smoothed Market	Market	Market
<b>Actuarial Assumptions</b>			
Investment Rate of Return	7.50% Compounded Annually	7.00% Compounded Annually	7.00% Compounded Annually
Projected Salary Increases	.4 to 11.6%	5.50%	5.50%
Inflation Rate Included	4.00%	3.00%	3.00%
Cost-of-Living Adjustments	3.00%	3.00%	3.00%

**CITY OF BATAVIA, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2005**

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**NOTE 4 – OTHER INFORMATION – Continued**

**EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued**

**Annual Pension Cost and Net Pension Obligation – Continued**

There was no net pension obligation for the IMRF Plan at year-end. The amount of the pension liability for the Police and Firefighters' Pension plans is as follows:

	Police Pension	Firefighters' Pension	Totals
Annual Required Contribution	\$ 684,793	405,160	1,089,953
Interest on the NPO	19,215	5,825	25,040
Adjustment to the ARC	(11,304)	(3,427)	(14,731)
Annual Pension Cost	692,704	407,558	1,100,262
Actual Contribution	(681,717)	(403,972)	(1,085,689)
Increase in the NPO	10,987	3,586	14,573
NPO - Beginning of Year	274,501	83,210	357,711
NPO - End of Year	285,488	86,796	372,284

**CITY OF BATAVIA, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2005**

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**NOTE 4 – OTHER INFORMATION – Continued**

**EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued**

**Trend Information**

Employer annual required contributions (ARC), actual contributions and the net pension obligation (NPO) are as follows. The NPO is the cumulative difference between the ARC and the contributions actually made.

	Year	Illinois Municipal Retirement	Police Pension	Firefighters' Pension
Annual Pension Cost (APC)	2002	\$ 449,213	\$ 588,409	\$ 301,079
	2003	478,187	647,332	340,865
	2004	564,823	692,704	407,558
Actual Contributions	2002	449,213	579,664	282,336
	2003	478,187	634,657	336,116
	2004	564,823	681,717	403,972
Percentage of APC Contributed	2002	100.00%	98.51%	93.77%
	2003	100.00%	98.04%	98.61%
	2004	100.00%	98.41%	99.12%
Net Pension Obligation	2002	-	206,833	24,681
	2003	-	274,501	83,210
	2004	-	285,488	86,796

**SUBSEQUENT EVENT**

On March 20, 2006, the City issued \$10,000,000 General Obligation, Series 2006 (Sales Tax Alternate Revenue Source) Bonds due in annual installments of \$320,000 to \$740,000 plus interest at 4.00% to 4.50% through January 1, 2026.

## **REQUIRED SUPPLEMENTARY INFORMATION**

Required supplementary information includes financial information and disclosures that are required by the GASB but are not considered a part of the basic financial statements. Such information includes:

- **Schedule of Funding Progress**
  - **Illinois Municipal Retirement Fund (IMRF)**
  - **Police Pension Fund**
  - **Firefighters' Pension Fund**
  
- **Employer Contributions**
  - **Illinois Municipal Retirement Fund (IMRF)**
  - **Police Pension Fund**
  - **Firefighters' Pension Fund**
  
- **Budgetary Comparison Schedules – General Fund**

Notes to the Required Supplementary Information

Budgetary Information – Budgets are adopted on a basis consistent with generally accepted accounting principles.

CITY OF BATAVIA, ILLINOIS

Illinois Municipal Retirement Fund

Required Supplementary Information

Schedule of Funding Progress

December 31, 2005

Actuarial Valuation Date Dec. 31	(1) Actuarial Value of Plan Assets	(2) Actuarial Accrued Liability (AAL) - Entry Age	(3) Funded Ratio (1) ÷ (2)	(4) Unfunded (Overfunded) Actuarial Accrued Liability (2) - (1)	(5) Annual Covered Payroll	(6) Unfunded (Overfunded) Actuarial Accrued Liability as a Percentage of Covered Payroll (4) ÷ (5)
2000	\$ 9,783,055	\$ 9,826,469	99.56%	\$ 43,414	\$ 4,445,492	0.98%
2001	10,486,994	10,520,742	99.68%	33,748	4,712,887	0.72%
2002	11,215,056	11,646,948	96.29%	431,892	5,199,226	8.31%
2003	11,982,163	13,000,858	92.16%	1,018,695	5,534,578	18.41%
2004	12,189,420	14,584,042	83.58%	2,394,622	6,261,896	38.24%
2005	13,293,559	15,396,718	86.34%	2,103,159	6,577,245	31.98%

CITY OF BATAVIA, ILLINOIS

Police Pension Fund

Required Supplementary Information  
 Schedule of Funding Progress  
 December 31, 2005

Actuarial Valuation Date Dec. 31	(1) Actuarial Value of Plan Assets	(2) Actuarial Accrued Liability (AAL) - Entry Age	(3) Funded Ratio (1) ÷ (2)	(4) Unfunded (Overfunded) Actuarial Accrued Liability (2) - (1)	(5) Annual Covered Payroll	(6) Unfunded (Overfunded) Actuarial Accrued Liability as a Percentage of Covered Payroll (4) ÷ (5)
1999	\$ N/A	\$ N/A	N/A	\$ N/A	\$ N/A	N/A
2000	10,011,762	15,887,026	63.02%	5,875,264	2,295,344	255.96%
2001	9,825,755	16,712,910	58.79%	6,887,155	2,310,855	298.03%
2002	9,711,948	17,072,968	56.88%	7,361,020	2,402,664	306.37%
2003	11,570,195	19,388,199	59.68%	7,818,004	2,607,712	299.80%
2004	13,096,951	21,394,196	61.22%	8,297,245	2,760,790	300.54%

N/A - Information is presented for as many of the six prior years as information according to the disclosure parameters is available. Information for these years is not available.

CITY OF BATAVIA, ILLINOIS

Firefighters' Pension Fund

Required Supplementary Information

Schedule of Funding Progress

December 31, 2005

Actuarial Valuation Date Dec. 31	(1) Actuarial Value of Plan Assets	(2) Actuarial Accrued Liability (AAL) - Entry Age	(3) Funded Ratio (1) ÷ (2)	(4) Unfunded (Overfunded) Actuarial Accrued Liability (2) - (1)	(5) Annual Covered Payroll	(6) Unfunded (Overfunded) Actuarial Accrued Liability as a Percentage of Covered Payroll (4) ÷ (5)
1999	\$ N/A	\$ N/A	N/A	\$ N/A	\$ N/A	N/A
2000	3,597,614	5,123,366	70.22%	1,525,752	1,025,770	148.74%
2001	3,842,687	5,914,247	64.97%	2,071,560	1,083,699	191.16%
2002	3,948,894	6,626,122	59.60%	2,677,228	1,255,261	213.28%
2003	4,665,806	6,988,800	66.76%	2,322,994	1,334,885	174.02%
2004	5,349,261	8,071,564	66.27%	2,722,303	1,378,119	197.54%

N/A - Information is presented for as many of the six prior years as information according to the disclosure parameters is available. Information for these years is not available.

**CITY OF BATAVIA, ILLINOIS**

**Illinois Municipal Retirement Fund**

**Required Supplementary Information**

**Employer Contributions**

**December 31, 2005**

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<b>Calendar Year</b>	<b>Employer Contributions</b>	<b>Annual Required Contributions</b>	<b>Percent Contributed</b>
2000	\$ 414,764	\$ 414,764	100.00%
2001	419,918	419,918	100.00%
2002	449,213	449,213	100.00%
2003	478,187	478,187	100.00%
2004	564,823	564,823	100.00%
2005	631,250	631,250	100.00%

**CITY OF BATAVIA, ILLINOIS**

**Police Pension Fund**

**Required Supplementary Information**

**Employer Contributions**

**December 31, 2005**

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<b>Year Ended Dec. 31</b>	<b>Employer Contributions</b>	<b>Annual Required Contribution</b>	<b>Percent Contributed</b>
1999	\$ 297,068	\$ 357,134	83.18%
2000	321,135	384,292	83.57%
2001	407,271	414,187	98.33%
2002	579,664	588,409	98.51%
2003	634,657	647,332	98.04%
2004	681,717	692,704	98.41%

**CITY OF BATAVIA, ILLINOIS**

**Firefighters' Pension Fund**

**Required Supplementary Information**

**Employer Contributions**

**December 31, 2005**

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<b>Year Ended Dec. 31</b>	<b>Employer Contribution</b>	<b>Annual Required Contribution</b>	<b>Percent Contributed</b>
1999	\$ 187,893	\$ 194,366	96.67%
2000	203,332	211,373	96.20%
2001	229,983	229,144	100.37%
2002	282,336	301,079	93.77%
2003	336,116	340,865	98.61%
2004	403,972	407,558	99.12%

**CITY OF BATAVIA, ILLINOIS**

**General Fund**

**Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual  
Year Ended December 31, 2005**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Taxes	\$ 12,211,422	12,211,422	12,237,979
Intergovernmental	2,893,791	2,893,791	3,396,606
Licenses and permits	467,073	467,073	504,569
Charges for services	3,420,484	4,491,072	4,654,093
Fines and forfeitures	149,500	149,500	262,939
Interest	64,000	164,000	278,998
Miscellaneous	1,026,840	1,031,340	1,224,741
Total Revenues	<u>20,233,110</u>	<u>21,408,198</u>	<u>22,559,925</u>
Expenditures			
General government	5,772,502	6,661,862	6,284,992
Public safety	10,254,607	10,254,457	10,028,916
Highways and streets	3,942,807	4,156,807	4,177,690
Debt service			
Principal retirement	145,000	145,000	120,000
Interest and fiscal charges	38,980	38,980	38,218
Total Expenditures	<u>20,153,896</u>	<u>21,257,106</u>	<u>20,649,816</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	79,214	151,092	1,910,109
Other Financing (Uses)			
Transfers out	(456,612)	(456,612)	(455,958)
Net Change in Fund Balance	<u>(377,398)</u>	<u>(305,520)</u>	1,454,151
Fund Balance - Beginning as Restated			<u>8,635,631</u>
Fund Balance - Ending			<u><u>10,089,782</u></u>

The notes to the financial statements are an integral part of this statement.

## **OTHER SUPPLEMENTARY INFORMATION**

Other supplementary information includes financial statements and schedules not required by the GASB, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

Such statements and schedules include:

- Budgetary Comparison Schedules – Major Governmental
- Budgetary Comparison Schedules – Nonmajor Governmental  
Permanent Fund
- Budgetary Comparison Schedules – Enterprise Funds
- Schedules – Fiduciary Funds
- Schedules of Governmental Capital Assets

## **GENERAL FUND**

The General Fund accounts for all financial resources except those required to be accounted for in another fund.

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## **DEBT SERVICE FUND**

Debt Service Funds are created to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

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## **CAPITAL PROJECTS FUNDS**

Capital Projects Funds are created to account for all resources used for the acquisition of capital facilities by a governmental unit except those financed by Proprietary and Trust Funds.

### **Infrastructure Capital Projects Fund**

The Infrastructure Capital Projects Fund is used to account for all resources used for construction and major improvements to the City's highways and streets and other general infrastructure.

### **Capital Projects Fund**

The Capital Projects Fund is used to account for all resources used for the acquisition of capital assets by a governmental unit except those financed by Proprietary and Trust Funds.

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## **PERMANENT FUND**

Permanent Funds are used to report resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs, that is, for the benefit of the government or its citizenry.

### **Perpetual Care Cemetery**

The Perpetual Care Cemetery Fund is used to account for perpetual care trust funds to be used for the perpetual care of the City's cemetery.

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## **ENTERPRISE FUNDS**

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where it has been decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purpose.

### **Waterworks Fund**

The Waterworks Fund is used to account for the provision of potable water 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 and maintenance, financing and related debt service, billing and collection.

### **Sewerage Fund**

The Sewerage Fund is used to account for the provision of wastewater treatment 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 and maintenance, financing and related debt service, billing and collection.

### **Electric Fund**

The Electric Fund is used to account for the provision of electric utility 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 and maintenance, financing and related debt service, billing and collection.

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## **TRUST AND AGENCY FUNDS**

### **PENSION TRUST FUNDS**

#### **Police Pension Fund**

The Police Pension Fund is used to account for the accumulation of resources to be used for disability and retirement annuity payments to employees covered by the plan. Financing is provided by employee contributions, the annual property tax levy and investment income.

#### **Firefighters' Pension Fund**

The Firefighters' Pension Fund is used to account for the accumulation of resources to be used for disability and retirement annuity payments to employees covered by the plan. Financing is provided by employee contributions, the annual property tax levy and investment income.

### **AGENCY FUNDS**

The Agency Funds are used to account for assets held by the City on behalf of others.

#### **Special Service Area Fund**

The Special Service Area Fund is used to account for payments made by property owners on related special service area debt.

#### **Escrow Deposits Fund**

The Escrow Deposits Fund is used to account for refundable deposits held by the City to ensure the completion of public improvements by private developers.

**CITY OF BATAVIA, ILLINOIS**

**General Fund**

**Schedule of Revenues - Budget and Actual  
Year Ended December 31, 2005**

	Budgeted Amounts		Actual Amounts
	Original	Final	
<b>Taxes</b>			
Property taxes - general	\$ 4,431,844	4,431,844	4,425,613
Retailers' occupation tax	5,120,170	5,120,170	5,195,982
Foreign fire insurance tax	30,000	30,000	28,898
Utility tax	2,629,408	2,629,408	2,587,486
	<u>12,211,422</u>	<u>12,211,422</u>	<u>12,237,979</u>
<b>Intergovernmental</b>			
Illinois state income tax	1,579,000	1,579,000	1,900,898
Illinois state replacement tax	115,000	115,000	172,496
Illinois state maintenance reimbursement	30,705	30,705	23,554
Motor fuel tax	737,086	737,086	761,124
Pace grant	11,000	11,000	9,254
Township share	17,000	17,000	20,619
Countryside fire protection district	179,000	179,000	190,320
Local use tax	225,000	225,000	288,892
Reimbursements	-	-	29,449
	<u>2,893,791</u>	<u>2,893,791</u>	<u>3,396,606</u>
<b>Licenses and permits</b>			
Licenses	52,000	52,000	53,347
Building permits	415,073	415,073	451,222
	<u>467,073</u>	<u>467,073</u>	<u>504,569</u>
<b>Charges for services</b>			
Administrative support	2,436,773	2,791,861	2,741,861
Engineering plan review	60,866	60,866	78,905
Engineering inspection fees	93,256	93,256	94,561
Survey monumentation fees	-	-	23,118
Accident reports	4,500	-	-
Zoning hearing fee	500	500	-

**CITY OF BATAVIA, ILLINOIS**

**General Fund**

**Schedule of Revenues - Budget and Actual - Continued  
Year Ended December 31, 2005**

	Budgeted Amounts		Actual Amounts
	Original	Final	
<b>Charges for services - continued</b>			
Sidewalk inspection fees	\$ 2,100	2,100	1,395
Planning commission fees	3,000	3,000	3,650
Contractual plan review	2,500	2,500	12,898
Grave openings	24,000	24,000	29,425
Snow removal	1,500	1,500	1,962
Plumbing inspections	63,260	63,260	82,042
Elevator inspections	2,200	2,200	2,910
Police services	100,000	100,000	114,816
Employee contributions - insurance	506,129	530,129	542,514
Insurance reimbursements	100,000	796,000	900,069
Miscellaneous	19,900	19,900	23,967
	<u>3,420,484</u>	<u>4,491,072</u>	<u>4,654,093</u>
<b>Fines and forfeitures</b>			
Court fines	132,000	132,000	235,591
Parking fines	17,500	17,500	27,348
	<u>149,500</u>	<u>149,500</u>	<u>262,939</u>
<b>Interest</b>			
Investment income	64,000	164,000	278,998
<b>Miscellaneous</b>			
City maps and publications	2,000	6,500	4,806
Waste transfer fee	44,200	44,200	-
Cable TV franchise fee	240,500	240,500	251,023
River Rain payment in lieu of taxes	10,000	10,000	9,499
Sale of burial lots	13,000	13,000	25,100
Reimbursements	642,140	642,140	830,056
Other	75,000	75,000	104,257
	<u>1,026,840</u>	<u>1,031,340</u>	<u>1,224,741</u>
<b>Total Revenues</b>	<u>20,233,110</u>	<u>21,408,198</u>	<u>22,559,925</u>

**CITY OF BATAVIA, ILLINOIS**

**General Fund**

**Schedule of Expenditures - Budget and Actual  
Year Ended December 31, 2005**

	Budgeted Amounts		Actual Amounts
	Original	Final	
<b>General Government</b>			
Legislative and administration	\$ 1,245,059	1,235,059	1,032,231
Human resources	248,277	248,277	267,193
Community development	858,165	858,165	719,143
Public works administration	312,527	312,527	313,907
Engineering	518,186	503,686	578,706
Building and grounds	362,867	347,867	323,666
Finance and accounting	438,878	436,878	428,739
Information systems	837,212	629,187	616,524
Utility billing	331,897	329,197	312,750
Dial-A-Bus	54,925	54,925	53,549
Health benefit	564,509	1,706,094	1,638,584
	<u>5,772,502</u>	<u>6,661,862</u>	<u>6,284,992</u>
<b>Public Safety</b>			
Police	6,258,263	6,258,263	6,165,553
Fire	3,942,722	3,942,722	3,835,973
E.S.D.A.	53,622	53,472	27,390
	<u>10,254,607</u>	<u>10,254,457</u>	<u>10,028,916</u>
<b>Highways and Streets</b>	<u>3,942,807</u>	<u>4,156,807</u>	<u>4,177,690</u>
<b>Debt Service</b>			
Principal retirement - motor fuel tax	145,000	145,000	120,000
Interest and fiscal charges - motor fuel tax	38,980	38,980	38,218
	<u>183,980</u>	<u>183,980</u>	<u>158,218</u>
<b>Total Expenditures</b>	<u>20,153,896</u>	<u>21,257,106</u>	<u>20,649,816</u>

**CITY OF BATAVIA, ILLINOIS**

**General Fund**

**Schedule of Expenditures - Budget and Actual  
Year Ended December 31, 2005**

	Budgeted Amounts		Actual Amounts
	Original	Final	
<b>General Government</b>			
<b>Legislative and administration</b>			
Regular wages	\$ 464,456	464,456	399,334
Overtime	500	500	101
Part time help	32,807	32,807	(32,807)
Group insurance	51,131	51,131	58,094
IMRF - city portion	44,589	44,589	46,684
Social security	38,079	38,079	34,684
Memberships	10,500	10,500	14,622
Training	10,000	-	-
Business meetings	3,500	3,500	1,694
Resource materials	500	500	986
Travel	500	500	494
Postage and shipping	8,500	8,500	6,990
Office supplies	8,000	8,000	9,684
Printing	27,500	27,500	27,497
Advertisement	1,500	1,500	3,360
Food	750	750	572
Flowers	350	350	720
Contract labor	256,800	256,800	172,248
Legal fees	117,000	117,000	117,854
Cable (Access TV)	144,300	144,300	147,777
Office equipment	2,500	2,100	2,143
Office furniture	-	400	489
General liability insurance	20,303	20,303	18,014
Workmen's compensation premium	994	994	997
	<u>1,245,059</u>	<u>1,235,059</u>	<u>1,032,231</u>
<b>Human resources</b>			
Regular wages	97,814	97,814	114,721
Overtime	-	-	26
Part time help	17,265	17,265	12
Group insurance	11,116	11,116	12,491
IMRF - city portion	9,380	9,380	10,698

CITY OF BATAVIA, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued  
 Year Ended December 31, 2005

	Budgeted Amounts		Actual Amounts
	Original	Final	
General Government - continued			
Human resources - continued			
Social security	\$ 8,804	8,804	8,533
Membership	500	500	500
Training	10,000	10,000	17,274
Business meetings	400	400	127
Resource materials	500	500	-
Postage and shipping	300	300	89
Office supplies	1,500	1,500	1,549
Printing	600	600	153
Advertising	8,000	8,000	4,939
Recognition award	38,000	38,000	37,940
Medical exams	25,000	25,000	25,358
Legal fees	9,000	9,000	24,740
Contract	8,000	8,000	6,732
Office furniture	750	750	88
General liability insurance	975	975	850
Workmen's compensation premium	373	373	373
	<u>248,277</u>	<u>248,277</u>	<u>267,193</u>
Community development			
Regular wages	447,447	479,381	401,202
Overtime	5,000	5,000	6,481
Part time help	69,481	37,547	36,804
Group insurance	74,604	74,604	57,085
IMRF - city portion	50,053	50,053	40,643
Social security	39,927	39,927	33,062
Unemployment tax	-	-	3,137
Memberships	2,450	2,450	984
Training	4,250	7,250	2,371
Seminars	3,000	-	653
Resource materials	1,450	1,450	992
Postage and shipping	7,500	7,500	5,100
Office supplies	5,000	5,000	4,960
Printing	3,500	3,500	660
Materials	500	500	1,571
Gasoline	2,400	2,400	2,352

**CITY OF BATAVIA, ILLINOIS**

**General Fund**

**Schedule of Expenditures - Budget and Actual - Continued**  
**Year Ended December 31, 2005**

	Budgeted Amounts		Actual Amounts
	Original	Final	
General Government - continued			
Community development - continued			
Advertising	\$ 4,800	4,800	917
Telephone	5,000	5,000	3,343
Clothing allowance	500	500	258
Repairs and maintenance - vehicle	2,000	2,000	1,809
Plumbing inspection	34,580	34,580	39,991
Contract labor	41,380	41,380	37,281
Contract	35,180	35,180	20,017
Office furniture	5,000	5,000	4,337
General liability insurance	2,475	2,475	2,258
Workmen's compensation premium	10,688	10,688	10,875
	<u>858,165</u>	<u>858,165</u>	<u>719,143</u>
Public works			
Regular wages	213,516	213,516	214,490
Overtime	5,500	5,500	10,606
Group insurance	20,094	20,094	20,094
IMRF - city portion	21,004	21,004	20,822
Social security	16,755	16,755	15,406
Memberships	140	140	146
Training	1,500	2,670	460
Seminars	1,170	-	-
Business meetings	1,000	1,000	162
Office supplies	600	600	504
Telephone	1,300	1,300	1,174
Household hazardous waste	7,000	7,000	7,000
Repairs and maintenance - office equipment	350	350	-
Contract	20,000	20,000	21,786
Tools	1,000	1,000	-
Office furniture	250	250	-
General liability insurance	975	975	864
Workmen's compensation premium	373	373	393
	<u>312,527</u>	<u>312,527</u>	<u>313,907</u>

CITY OF BATAVIA, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued  
 Year Ended December 31, 2005

	Budgeted Amounts		Actual Amounts
	Original	Final	
General Government - continued			
Engineering			
Regular wages	\$ 325,023	351,023	363,228
Overtime	2,500	2,500	4,070
Part time help	30,856	4,856	4,097
Group insurance	33,868	33,868	47,778
IMRF - city portion	31,170	31,170	34,221
Social security	27,261	27,261	27,410
Memberships	1,000	1,000	1,275
Training	3,500	3,500	3,260
Resource materials	350	350	532
Postage and shipping	100	100	155
Office supplies	3,000	3,000	3,083
Computer supplies	500	500	500
Gasoline	2,300	2,300	2,651
Advertising	300	300	219
Regulatory fees	-	1,000	1,000
Telephone	3,000	3,000	2,853
Clothing allowance	1,000	1,000	282
Repairs and maintenance - vehicles	4,000	4,000	3,907
Repairs and maintenance - other equipment	500	500	65
Engineering fees	35,000	20,000	65,187
Contract	2,000	2,000	1,200
Office furniture	1,000	1,000	604
Communications equipment	500	-	-
Other equipment	1,000	1,000	1,773
General liability	1,351	1,351	2,278
Workmen's compensation	6,107	6,107	6,334
Recording fees	1,000	1,000	744
	<u>518,186</u>	<u>503,686</u>	<u>578,706</u>

**CITY OF BATAVIA, ILLINOIS**

**General Fund**

**Schedule of Expenditures - Budget and Actual - Continued**  
**Year Ended December 31, 2005**

	Budgeted Amounts		Actual Amounts
	Original	Final	
<b>General Government - continued</b>			
<b>Building and grounds</b>			
Regular wages	\$ 23,382	23,382	23,854
Part time help	-	-	360
Group insurance	6,050	6,050	5,288
IMRF - city portion	2,242	2,242	1,669
Social security	1,789	1,789	1,331
Postage and shipping	300	300	189
Office supplies	300	300	282
Building and maintenance supplies	12,000	12,000	10,941
Materials	5,000	5,000	3,075
Gasoline	100	100	209
Telephone	72,000	72,000	68,625
Utilities	72,500	72,500	71,877
General supplies	3,000	3,000	862
Repairs and maintenance - vehicles	200	200	127
Repairs and maintenance - building	107,000	125,500	107,781
Equipment rental	17,500	17,500	16,523
Repairs and maintenance - other equipment	2,500	2,500	5,294
Contract labor	33,500	-	3,730
Office equipment	1,500	1,500	-
Photo equipment and supplies	400	400	55
General liability	325	325	274
Workmen's compensation	1,279	1,279	1,320
	<u>362,867</u>	<u>347,867</u>	<u>323,666</u>
<b>Finance and accounting</b>			
Regular wages	288,551	288,551	288,822
Overtime	250	250	675
Group insurance	35,018	35,018	35,028
IMRF - city portion	27,696	27,696	26,828
Social security	22,093	22,093	20,692
Membership	400	400	425
Training	2,000	500	715
Seminars	500	-	-
Resource materials	600	600	386

**CITY OF BATAVIA, ILLINOIS**

**General Fund**

**Schedule of Expenditures - Budget and Actual - Continued**  
**Year Ended December 31, 2005**

	Budgeted Amounts		Actual Amounts
	Original	Final	
<b>General Government - continued</b>			
<b>Finance and accounting - continued</b>			
Travel	\$ 500	500	509
Postage and shipping	5,000	5,000	4,275
Office supplies	9,000	9,000	6,323
Printing	3,200	3,200	2,353
Telephone	200	200	247
Auditing	40,500	40,500	38,870
Office furniture	1,000	1,000	442
General liability insurance	1,624	1,624	1,526
Workmen's compensation premium	621	621	623
Surety bonds	125	125	-
	<u>438,878</u>	<u>436,878</u>	<u>428,739</u>
<b>Information systems</b>			
Regular wages	232,830	232,830	237,367
Part time help	28,000	-	-
Group insurance	19,875	19,875	25,519
IMRF - city portion	22,328	22,328	22,275
Social security	17,811	17,811	17,769
Memberships	500	500	550
Training	37,500	7,500	11,081
Conference	2,400	2,400	765
Resource materials	500	500	251
Travel	1,400	1,400	458
Postage and shipping	100	100	231
Office supplies	900	900	718
Computer software	139,500	102,975	102,608
Computer supplies	10,000	10,000	8,518
Telephone	25,065	15,065	12,289
Computer maintenance	33,950	22,650	22,557
Contract labor	145,080	30,080	29,335
Software support	53,675	53,675	48,613

CITY OF BATAVIA, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued  
Year Ended December 31, 2005

	Budgeted Amounts		Actual Amounts
	Original	Final	
General Government - continued			
Information systems - continued			
Computer	\$ 56,350	79,150	68,528
Office equipment	300	300	280
Office furniture	7,800	7,800	5,561
General liability insurance	975	975	878
Workmen's compensation premium	373	373	373
	<u>837,212</u>	<u>629,187</u>	<u>616,524</u>
Utility billing			
Regular wages	162,028	162,028	159,028
Overtime	3,500	3,500	1,691
Group insurance	39,387	39,387	35,042
IMRF - city portion	15,874	15,874	13,804
Social security	12,663	12,663	11,690
Training	2,000	300	75
Seminars	1,000	-	95
Resource materials	100	100	-
Postage and shipping	48,000	48,000	51,525
Office supplies	5,000	5,000	2,911
Computer software	11,000	11,000	11,236
Computer supplies	15,000	13,000	10,643
Collection fees	6,000	6,000	2,756
Repairs and maintenance - office equipment	500	5,300	5,793
Contract labor	5,000	200	133
Office furniture	2,600	2,600	2,088
General liability insurance	1,624	1,624	1,426
Workmen's compensation premium	621	621	622
Bad debt expense	-	2,000	2,192
	<u>331,897</u>	<u>329,197</u>	<u>312,750</u>
Dial-A-Bus			
Printing	400	400	191
Gasoline	3,800	3,800	3,488
Repair and maintenance - vehicle	4,500	4,500	3,645
Contracts	46,225	46,225	46,225
	<u>54,925</u>	<u>54,925</u>	<u>53,549</u>

CITY OF BATAVIA, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued  
Year Ended December 31, 2005

	Budgeted Amounts		Actual Amounts
	Original	Final	
General Government - continued			
Health benefit			
Claims administration fees	\$ 64,356	73,206	92,637
Insurance and claims, net	500,153	1,632,888	1,545,947
	<u>564,509</u>	<u>1,706,094</u>	<u>1,638,584</u>
 Total General Government	 <u>5,772,502</u>	 <u>6,661,862</u>	 <u>6,284,992</u>
Public Safety			
Police department			
Regular wages	3,345,989	3,345,989	3,311,855
Overtime	254,973	254,973	287,112
Auxiliary police, full-time	5,350	5,350	8,928
Auxiliary police, part-time	100	100	-
Part time help	127,189	127,189	120,742
Group insurance	581,669	581,669	590,217
IMRF - city portion	27,533	27,533	39,768
Social security	79,823	79,823	67,565
Pension contributions	724,678	724,678	721,691
Board of P & F commission	40,765	40,765	29,992
Memberships	2,500	8,500	5,642
Training	48,670	42,670	24,174
Resource materials	1,000	1,000	898
Travel	1,550	1,550	98
Postage and shipping	3,700	3,700	3,444
Office supplies	9,000	9,000	10,043
Computer supplies	3,000	3,000	2,857
Vehicle supplies	7,000	7,000	7,465
Printing	6,000	6,000	5,535
Radio supplies	1,000	1,000	1,197
Investigative supplies	5,000	4,280	1,489
Materials	1,200	1,200	691
Gasoline	61,000	61,000	65,013
Patrol supplies	6,500	6,500	6,513
Community relations	2,800	2,800	2,057
Ammunition	8,000	8,000	6,351
Telephone	25,000	25,000	25,472

CITY OF BATAVIA, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued  
Year Ended December 31, 2005

	Budgeted Amounts		Actual Amounts
	Original	Final	
Public Safety - continued			
Police department - continued			
Clothing allowance	\$ 44,500	44,500	37,257
Food	1,200	1,200	1,065
Flowers	600	600	699
Repairs and maintenance - vehicle	56,000	56,000	45,114
Equipment rental	10,500	10,500	9,988
Radio maintenance	1,000	1,000	385
Repairs and maintenance - other equipment	3,000	3,000	2,368
Contract	424,338	424,338	395,206
Narcotics and enforcement	3,500	3,500	3,864
Office equipment	2,000	2,000	1,861
Photo equipment and supplies	4,000	4,000	1,963
Communication equipment	9,300	9,300	6,514
Other equipment	18,800	19,520	19,260
Vehicles	152,522	152,522	146,343
General liability insurance	49,634	49,634	47,955
Workmen's compensation premium	96,380	96,380	98,902
	<u>6,258,263</u>	<u>6,258,263</u>	<u>6,165,553</u>
Fire department			
Regular wages	1,559,226	1,559,226	1,571,850
Overtime	200,000	200,000	251,659
Auxiliary firefighters	-	-	178
Part time help	403,868	403,868	377,553
Group insurance	287,207	287,207	277,549
IMRF - city portion	4,485	4,485	8,017
Social security	59,304	59,304	52,043
Pension contributions	405,160	405,160	403,554
Memberships	2,600	2,600	2,856
EMS training	2,000	2,000	1,511
Training	20,000	20,000	18,685
Fire prevention	2,500	2,500	2,250
Resource materials	2,700	2,700	1,001
Postage and shipping	1,800	1,800	1,890
Office supplies	2,200	2,200	2,101

CITY OF BATAVIA, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued  
 Year Ended December 31, 2005

	Budgeted Amounts		Actual Amounts
	Original	Final	
Public Safety - continued			
Fire department - continued			
Computer supplies	\$ 1,700	1,700	1,716
Vehicle supplies	24,000	24,000	24,747
Building and maintenance supplies	4,400	4,400	3,487
Printing	3,600	3,600	7,085
Copier supplies	1,000	1,000	743
Radio supplies	2,900	2,900	2,874
Investigative supplies	2,500	2,500	818
Gasoline	13,500	13,500	18,318
Telephone	24,000	24,000	18,430
Education materials	14,000	14,000	14,445
Hazardous materials	2,900	2,900	1,731
Clothing allowance	27,500	27,500	26,764
Water rescue materials	6,700	6,700	7,031
Medical supplies	3,000	3,000	2,955
Chemical materials	800	800	769
Food	3,400	3,400	3,623
Utilities	20,500	20,500	22,550
General supplies	3,200	3,200	3,205
Recognition award	500	500	-
Repairs and maintenance - vehicle	28,000	28,000	31,356
Repairs and maintenance - building	29,662	29,662	30,222
Radio maintenance	6,000	6,000	4,538
Repairs and maintenance - copier machine	1,800	1,800	1,604
Contract labor	2,000	2,000	2,107
Fire extinguisher maintenance	800	800	640
Contract	507,336	507,336	370,817
Foreign fire insurance	30,000	30,000	28,898
S.C.B.A. maintenance	12,000	12,000	10,741
Office equipment	350	350	330
Office furniture	2,000	2,000	1,280
Photo equipment and supplies	800	800	874
Communication equipment	12,000	12,000	11,820
Other equipment	15,000	15,000	12,493

CITY OF BATAVIA, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued  
 Year Ended December 31, 2005

	Budgeted Amounts		Actual Amounts
	Original	Final	
Public Safety - continued			
Fire department - continued			
General liability insurance	\$ 34,512	34,512	37,882
Workmen's compensation premium	147,312	147,312	156,383
	<u>3,942,722</u>	<u>3,942,722</u>	<u>3,835,973</u>
 E.S.D.A.			
Regular wages	8,195	8,195	8,482
IMRF - city portion	627	627	649
Meal allowance	650	650	44
Training	1,500	1,500	1,977
Travel	2,000	2,000	2,815
Office supplies	500	500	157
Computer supplies	150	-	36
Printing	500	500	-
Radio supplies	250	250	83
Gasoline	350	350	36
Patrol supplies	1,000	500	175
Telephone	2,500	1,500	851
Clothing allowance	400	400	305
Utilities	-	1,500	2,383
Recognition awards	100	100	6
Repairs and maintenance - vehicle	800	800	78
Repairs and maintenance - building	1,100	1,100	572
Equipment rental	500	500	1,212
Repairs and maintenance - other equipment	4,000	4,000	1,033
Contractual services	12,000	12,000	6,416
Other equipment	16,500	16,500	80
	<u>53,622</u>	<u>53,472</u>	<u>27,390</u>
 Total Public Safety	<u>10,254,607</u>	<u>10,254,457</u>	<u>10,028,916</u>

**CITY OF BATAVIA, ILLINOIS**

**General Fund**

**Schedule of Expenditures - Budget and Actual - Continued**  
**Year Ended December 31, 2005**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Highways and Streets			
Street and sanitation			
Regular wages	\$ 1,089,428	1,062,128	1,056,130
Overtime	104,800	104,800	139,275
Part time help	20,000	20,000	19,760
Group insurance	232,885	232,885	214,439
IMRF - city portion	114,526	114,526	109,985
Social security	92,888	92,888	88,577
Meal allowance	1,000	1,000	2,244
Training	3,000	3,000	2,940
Travel	500	500	47
Supplies for other equipment	15,000	15,000	16,727
Office supplies	1,500	1,500	1,130
Computer supplies	600	600	63
Vehicle supplies	25,000	25,000	32,776
Building and maintenance supplies	1,500	1,500	5,310
Materials	95,000	95,000	90,000
Gasoline	36,000	36,000	49,405
Salt deicers	75,000	100,000	115,890
Advertising	1,000	1,000	1,290
Telephone	7,500	7,500	8,322
Clothing allowance	14,000	14,000	14,214
Food	1,000	1,000	1,268
Utilities	15,000	15,000	9,861
General supplies	25,000	25,000	22,110
Landfill fees	75,000	75,000	53,151
Repairs and maintenance - vehicle	7,000	7,000	5,613
Repairs and maintenance - building	29,000	29,000	34,600
Equipment rental	2,500	2,500	6,602
Repairs and maintenance - construction equip	8,000	8,000	682
Repairs and maintenance - other equipment	8,000	8,000	12,876
Contract labor	428,500	410,800	378,965
Contract labor - health department	75,000	75,000	74,430
Contract labor - forestry department	75,000	75,000	78,721
Contract - sidewalk program	11,000	11,000	19,525
Street - other maintenance	400,000	1,054,000	1,053,672
Street - other construction	651,875	231,875	278,712

**CITY OF BATAVIA, ILLINOIS**

**General Fund**

**Schedule of Expenditures - Budget and Actual - Continued  
Year Ended December 31, 2005**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Highways and Streets - continued			
Street and sanitation - continued			
Office equipment	\$ 11,000	11,000	6,948
Construction equipment	48,000	48,000	50,211
Safety equipment	6,000	6,000	5,539
Communication equipment	1,500	1,500	637
Other equipment	36,000	36,000	11,230
General liability insurance	9,505	9,505	13,535
Workmen's compensation premium	87,800	87,800	90,278
Total Highways and Streets	<u>3,942,807</u>	<u>4,156,807</u>	<u>4,177,690</u>
Debt Service			
Debt Service			
Principal retirement - motor fuel tax	145,000	145,000	120,000
Interest and fiscal charges - motor fuel tax	38,980	38,980	38,218
Total Debt Service	<u>183,980</u>	<u>183,980</u>	<u>158,218</u>
Total Expenditures	<u>20,153,896</u>	<u>21,257,106</u>	<u>20,649,816</u>

**CITY OF BATAVIA, ILLINOIS**

**Debt Service Fund**

**Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual  
Year Ended December 31, 2005**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Taxes	\$ 750,068	750,068	862,578
Interest	-	2,500	9,694
Miscellaneous	-	-	1,200
Total Revenues	<u>750,068</u>	<u>752,568</u>	<u>873,472</u>
Expenditures			
Debt service			
Principal retirement	763,325	763,325	763,325
Interest and fiscal charges	230,267	230,267	223,207
Total Expenditures	<u>993,592</u>	<u>993,592</u>	<u>986,532</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(243,524)</u>	<u>(241,024)</u>	<u>(113,060)</u>
Other Financing Sources (Uses)			
Transfers in	526,524	526,524	525,870
Transfers out	-	-	(140,055)
	<u>526,524</u>	<u>526,524</u>	<u>385,815</u>
Net Change in Fund Balance	<u>283,000</u>	<u>285,500</u>	<u>272,755</u>
Fund Balance - Beginning			<u>309,419</u>
Fund Balance - Ending			<u>582,174</u>

**CITY OF BATAVIA, ILLINOIS**

**Debt Service Fund**

**Schedule of Expenditures - Budget and Actual  
Year Ended December 31, 2005**

	Budgeted Amounts		Actual Amounts
	Original	Final	
<b>TIF District</b>			
Debt service			
Principal retirement	\$ 150,000	150,000	150,000
Interest and fiscal charges	17,000	17,000	10,001
	<u>167,000</u>	<u>167,000</u>	<u>160,001</u>
<b>Building Renovation</b>			
Debt service			
Principal retirement	195,000	195,000	195,000
Interest and fiscal charges	105,068	105,068	105,068
	<u>300,068</u>	<u>300,068</u>	<u>300,068</u>
<b>2002 Refunding Fire and Public Works</b>			
Debt service			
Principal retirement	163,325	163,325	163,325
Interest and fiscal charges	20,654	20,654	20,654
	<u>183,979</u>	<u>183,979</u>	<u>183,979</u>
<b>Flood Control</b>			
Debt service			
Principal retirement	255,000	255,000	255,000
Interest and fiscal charges	87,545	87,545	87,484
	<u>342,545</u>	<u>342,545</u>	<u>342,484</u>
<b>Total Expenditures</b>	<u><u>993,592</u></u>	<u><u>993,592</u></u>	<u><u>986,532</u></u>

**CITY OF BATAVIA, ILLINOIS**

**Infrastructure - Capital Projects Fund**

**Schedule of Revenues, Expenditures  
and Changes in Fund Balance - Budget and Actual  
Year Ended December 31, 2005**

	Budgeted Amounts		Actual Amounts
	Original	Final	
<b>Revenues</b>			
Intergovernmental	\$ 71,911	71,911	167,309
Interest	500	500	37,033
<b>Total Revenues</b>	<u>72,411</u>	<u>72,411</u>	<u>204,342</u>
<b>Expenditures</b>			
Capital outlay	4,094,000	737,000	569,026
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(4,021,589)</u>	<u>(664,589)</u>	<u>(364,684)</u>
<b>Other Financing Sources</b>			
Debt issuance	6,000,000	-	2,000,000
Premium on debt issuance	-	-	100,000
Transfers in	250,000	-	-
	<u>6,250,000</u>	<u>-</u>	<u>2,100,000</u>
<b>Net Change in Fund Balance</b>	<u>2,228,411</u>	<u>(664,589)</u>	1,735,316
<b>Fund Balance - Beginning as Restated</b>			<u>265,860</u>
<b>Fund Balance - Ending</b>			<u>2,001,176</u>

**CITY OF BATAVIA, ILLINOIS**

**Infrastructure - Capital Projects Fund**

**Schedule of Expenditures - Budget and Actual  
Year Ended December 31, 2005**

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	Budgeted Amounts		Actual Amounts
	Original	Final	
Capital Outlay			
Drainage project - flood/building projects	\$ 105,000	105,000	31,425
Street improvements/construction - Route 25	308,500	58,500	-
Contractual services - Solid waste transfer station	23,500	23,500	26,513
Engineering fees- Donovan bridge project	57,000	215,000	241,008
Engineering fees/improvements - Fire Stations & City Hall	3,600,000	335,000	270,080
Total Expenditures	4,094,000	737,000	569,026

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**CITY OF BATAVIA, ILLINOIS**

**Capital Projects Fund**

**Schedule of Revenues, Expenditures  
and Changes in Fund Balance - Budget and Actual  
Year Ended December 31, 2005**

	Budgeted Amounts		Actual Amounts
	Original	Final	
<b>Revenues</b>			
Charges for services	\$ 286,000	286,000	168,734
Interest	7,500	7,500	18,237
Miscellaneous	-	-	9,100
Total Revenues	293,500	293,500	196,071
<b>Expenditures</b>			
Capital outlay	687,607	786,877	527,280
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(394,107)</b>	<b>(493,377)</b>	<b>(331,209)</b>
<b>Other Financing Sources</b>			
Transfers in	-	-	140,055
Transfers out	(250,000)	-	-
	(250,000)	-	140,055
<b>Net Change in Fund Balance</b>	<b>(644,107)</b>	<b>(493,377)</b>	<b>(191,154)</b>
<b>Fund Balance - Beginning</b>			<b>842,504</b>
<b>Fund Balance - Ending</b>			<b>651,350</b>

CITY OF BATAVIA, ILLINOIS

Capital Projects Fund

Schedule of Expenditures - Budget and Actual  
Year Ended December 31, 2005

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	Budgeted Amounts		Actual Amounts
	Original	Final	
Capital Outlay			
Contracts - TIF district	\$ 322,000	322,000	147,877
Other equipment - public works	340,000	439,270	355,807
Vehicle - public works	-	-	-
Vehicle - fire department	25,607	25,607	23,596
Total Expenditures	687,607	786,877	527,280

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**CITY OF BATAVIA, ILLINOIS**

**Perpetual Care Cemetery - Permanent Fund**

**Schedule of Revenues, Expenditures  
and Changes in Fund Balance - Budget and Actual  
Year Ended December 31, 2005**

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	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Charges for services			
Care of cemetery lots	\$ 5,000	5,000	11,800
Interest	2,000	2,000	2,898
Total Revenues	<u>7,000</u>	<u>7,000</u>	<u>14,698</u>
Expenditures			
General government	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>
Net Change in Fund Balance	<u>(3,000)</u>	<u>(3,000)</u>	4,698
Fund Balance - Beginning			<u>108,230</u>
Fund Balance - Ending			<u>112,928</u>

**CITY OF BATAVIA, ILLINOIS**

**Waterworks - Enterprise Fund**

**Schedule of Revenues, Expenses and Changes in  
Net Assets - Budget and Actual  
Year Ended December 31, 2005**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Operating Revenues			
Charges for services	\$ 3,519,860	3,519,860	4,398,278
Operating Expenses			
Administration	905,520	1,132,757	1,149,171
Operations	1,545,890	1,545,290	1,415,961
Depreciation	-	-	834,217
Total Operating Expenses	2,451,410	2,678,047	3,399,349
Operating Income	1,068,450	841,813	998,929
Nonoperating Revenues (Expenses)			
Connection fees	136,800	136,800	44,965
Intergovernmental - grants	830,691	830,691	625,003
Interest income	20,000	20,000	35,304
Interest and fiscal charges	(302,152)	(302,152)	(228,319)
	685,339	685,339	476,953
Income Before Contributions and Transfers	1,753,789	1,527,152	1,475,882
Capital Contributions	-	-	140,454
Transfers Out	(35,876)	(35,876)	(35,876)
Change in Net Assets	1,717,913	1,491,276	1,580,460
Net Assets - Beginning as Restated			15,668,823
Net Assets - Ending			17,249,283

**CITY OF BATAVIA, ILLINOIS**

**Waterworks - Enterprise Fund**

**Schedule of Operating Expenses - Budget and Actual  
Year Ended December 31, 2005**

	Budgeted Amounts		Actual Amounts
	Original	Final	
<b>Administration</b>			
General expenses			
Group insurance	\$ 100,433	100,433	113,892
General liability insurance	76,304	71,304	68,667
Workers' compensation premium	22,483	22,483	27,366
Bad debt expense	-	5,000	5,709
General support	626,689	626,689	626,689
Street improvement support	-	227,237	227,237
Electric support - metering	79,611	79,611	79,611
<b>Total Administration</b>	<b>905,520</b>	<b>1,132,757</b>	<b>1,149,171</b>
<b>Operations</b>			
Water production			
Regular wages	70,000	70,000	153,907
Overtime	27,000	27,000	32,806
IMRF - City portion	9,302	9,302	16,982
Social security	7,421	7,421	13,548
Training	3,000	-	(26)
Travel	600	-	(507)
Postage and shipping	1,200	1,200	427
Building and maintenance supplies	1,000	1,000	1,149
Materials	700	700	4,050
Production electricity	250,000	250,000	262,023
Telephone	8,000	8,000	8,232
Chemical materials	75,000	75,000	65,065
Utilities	2,500	2,500	3,890
General supplies	1,200	1,200	1,563
Piping and fitting	500	500	1,716
Repairs and maintenance - building	20,500	20,500	20,878
Repairs and maintenance - other equipment	25,000	25,000	12,927
Contract labor	237,000	237,000	46,430
Safety equipment	500	500	446
Other equipment	3,000	3,000	4,910
	<b>743,423</b>	<b>739,823</b>	<b>650,416</b>

**CITY OF BATAVIA, ILLINOIS**

**Waterworks - Enterprise Fund**

**Schedule of Operating Expenses - Budget and Actual - Continued**  
**Year Ended December 31, 2005**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Operations - continued			
Water distribution			
Regular wages	\$ 412,200	412,200	369,991
Overtime	75,800	75,800	67,649
Part time help	7,000	7,000	2,856
IMRF - City portion	46,799	46,799	40,387
Social security	37,868	37,868	32,450
Meal allowance	500	500	78
Memberships	600	600	575
Training	3,500	7,300	8,256
Seminars	1,100	300	(700)
Business meetings	300	300	350
Resource materials	1,100	1,100	712
Travel	1,500	1,500	1,105
Office supplies	1,500	1,500	1,802
Computer software	500	500	44
Vehicle supplies	1,500	1,500	2,052
Building and maintenance supplies	400	400	705
Printing	500	500	182
Materials	15,000	15,000	9,648
Gasoline	13,000	13,000	11,477
Advertising	200	200	118
Telephone	600	600	275
Clothing allowance	6,000	6,000	4,233
Food	800	800	703
Utilities	7,000	7,000	4,023
General supplies	9,000	9,000	16,648
Mains	7,000	7,000	8,862
Piping and fitting	7,000	7,000	8,229
Landfill fees	9,500	9,500	5,562
Repairs and maintenance - vehicle	3,000	3,000	1,705
Repairs and maintenance - building	29,000	29,000	31,487
Repairs and maintenance - other equipment	1,000	1,000	6,922
Contract labor	71,500	71,500	100,626
Julie system	1,900	1,900	1,453

CITY OF BATAVIA, ILLINOIS

Waterworks - Enterprise Fund

Schedule of Operating Expenses - Budget and Actual - Continued  
Year Ended December 31, 2005

	Budgeted Amounts		Actual Amounts
	Original	Final	
Operations - continued			
Water distribution - continued			
Computer	\$ 4,000	4,000	-
Office equipment	14,000	14,000	7,318
Construction equipment	2,500	2,500	2,047
Tools	500	500	295
Office furniture	500	500	74
Safety equipment	800	800	1,983
Communication equipment	1,000	1,000	413
Other equipment	5,000	5,000	3,693
	<u>802,467</u>	<u>805,467</u>	<u>756,288</u>
Water improvements			
Wire and cable	1,200	1,200	-
Water meters	30,000	30,000	30,475
Fire hydrants	15,000	15,000	15,269
Valves	10,000	10,000	8,203
Piping and fitting	7,000	7,000	10,238
Contract labor	5,690,000	5,383,000	4,081,063
Engineering fees	250,000	250,000	138,416
Land acquisition	300,000	300,000	25,000
	<u>6,303,200</u>	<u>5,996,200</u>	<u>4,308,664</u>
Less Nonoperating Items			
Fixed Assets Capitalized	<u>(6,303,200)</u>	<u>(5,996,200)</u>	<u>(4,299,407)</u>
	-	-	9,257
Total Operations	<u>1,545,890</u>	<u>1,545,290</u>	<u>1,415,961</u>

**CITY OF BATAVIA, ILLINOIS**

**Sewerage - Enterprise Fund**

**Balance Sheet**

**December 31, 2005**

	Operations and Maintenance	Restricted Accounts			Totals
		Bond and Interest	Bond Reserve	Depreciation Repair and Replacement	
<b>ASSETS</b>					
<b>Current Assets</b>					
Cash and investments	\$ 2,378,414	-	-	-	2,378,414
<b>Receivables</b>					
Accounts	473,210	-	-	-	473,210
Accrued interest	34,061	-	-	-	34,061
Prepays	74,507	-	-	-	74,507
Restricted cash and investments	210,000	277,778	-	350,000	837,778
	<u>3,170,192</u>	<u>277,778</u>	<u>-</u>	<u>350,000</u>	<u>3,797,970</u>
<b>Capital Assets</b>					
Cost	51,387,463	-	-	-	51,387,463
Accumulated depreciation	(17,468,829)	-	-	-	(17,468,829)
	<u>33,918,634</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>33,918,634</u>
Total Assets	<u>37,088,826</u>	<u>277,778</u>	<u>-</u>	<u>350,000</u>	<u>37,716,604</u>

	Operations and Maintenance	Restricted Accounts			Totals
		Bond and Interest	Bond Reserve	Depreciation Repair and Replacement	
<b>LIABILITIES</b>					
Current Liabilities					
Accounts payable	\$ 38,922	-	-	-	38,922
Accrued payroll	13,664	-	-	-	13,664
Deposits payable	12,293	-	-	-	12,293
	<u>64,879</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>64,879</u>
Restricted Liabilities					
Interest payable	72,003	72,003	-	-	144,006
Revenue bonds payable	1,009,683	205,775	-	-	1,215,458
	<u>1,081,686</u>	<u>277,778</u>	<u>-</u>	<u>-</u>	<u>1,359,464</u>
Noncurrent Liabilities					
Revenue bonds payable	<u>11,916,143</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,916,143</u>
Total Liabilities	<u>13,062,708</u>	<u>277,778</u>	<u>-</u>	<u>-</u>	<u>13,340,486</u>
<b>NET ASSETS</b>					
Investment in Capital Assets - Net of Related Debt					
Restricted - Debt Service	20,992,808	(205,775)	-	-	20,787,033
Unrestricted	210,000	-	-	350,000	560,000
	<u>2,823,310</u>	<u>205,775</u>	<u>-</u>	<u>-</u>	<u>3,029,085</u>
Total Net Assets	<u>24,026,118</u>	<u>-</u>	<u>-</u>	<u>350,000</u>	<u>24,376,118</u>

CITY OF BATAVIA, ILLINOIS

Sewerage - Enterprise Fund

Schedule of Revenues, Expenses and Changes in  
Net Assets - Unreserved - Budget and Actual  
Year Ended December 31, 2005

	Budgeted Amounts		Actual Amounts
	Original	Final	
Operating Revenues			
Charges for services	\$ 3,839,121	3,839,121	3,811,702
Operating Expenses			
Administration	880,338	880,338	879,385
Operations	2,162,402	2,162,402	1,641,614
Depreciation	-	-	1,330,564
Total Operating Expenses	3,042,740	3,042,740	3,851,563
Operating Income (Loss)	796,381	796,381	(39,861)
Nonoperating Revenues (Expenses)			
Connection fees	220,719	220,719	86,861
Interest income	50,000	50,000	91,264
Interest and fiscal charges	(389,816)	(389,816)	(389,814)
	(119,097)	(119,097)	(211,689)
Income (Loss) Before Contributions	677,284	677,284	(251,550)
Capital Contributions	-	-	145,545
Change in Net Assets	677,284	677,284	(106,005)
Net Assets - Beginning as Restated			24,482,123
Net Assets - Ending			24,376,118

CITY OF BATAVIA, ILLINOIS

Sewerage - Enterprise Fund

Schedule of Operating Expenses - Budget and Actual  
Year Ended December 31, 2005

	Budgeted Amounts		Actual Amounts
	Original	Final	
<b>Administration</b>			
General expenses			
Group insurance	\$ 100,276	100,276	101,341
General liability insurance	98,033	89,033	87,459
Workers' compensation premium	11,834	11,834	13,408
Bad debt expense	-	9,000	6,982
General support	590,584	590,584	590,584
Electric support - metering	79,611	79,611	79,611
<b>Total Administration</b>	<b>880,338</b>	<b>880,338</b>	<b>879,385</b>
<b>Operations</b>			
Waste water treatment			
Regular wages	432,809	432,809	432,086
Overtime	71,668	71,668	76,169
IMRF - City portion	48,379	48,379	46,594
Social security	38,592	38,592	37,168
Meal allowance	150	150	-
Membership	600	600	230
Training	3,000	3,000	3,751
Resource materials	300	300	130
Travel	750	750	325
Office supplies	-	3,000	1,841
Lab supplies	6,500	6,500	6,438
Gasoline	3,800	3,800	5,185
Regulatory fees	15,500	15,500	15,500
Telephone	15,600	15,600	14,474
Clothing allowance	5,000	5,000	3,312
Chemicals	35,000	35,000	32,863
Utilities	330,000	330,000	365,109
General supplies	7,500	7,500	7,565
Pumps	11,250	11,250	9,756
Medical exams	450	450	342
Landfill fees	71,500	71,500	79,212
Repairs and maintenance - vehicle	7,000	7,000	7,619

**CITY OF BATAVIA, ILLINOIS**

**Sewerage - Enterprise Fund**

**Schedule of Operating Expenses - Budget and Actual - Continued  
Year Ended December 31, 2005**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Operations - continued			
Waste water treatment - continued			
Repairs and maintenance - building	\$ 5,000	5,000	4,977
Repairs and maintenance - other equipment	95,000	95,000	118,833
Contract labor	16,000	16,000	13,778
Office equipment	3,000	-	-
Safety equipment	3,000	3,000	2,824
	<u>1,227,348</u>	<u>1,227,348</u>	<u>1,286,081</u>
Sanitary sewer maintenance			
Regular wages	112,700	112,700	56,270
Overtime	16,200	16,200	6,426
IMRF - City portion	12,362	12,362	5,748
Social security	9,861	9,861	4,586
Training	3,000	3,000	-
Travel	500	500	-
Vehicle supplies	1,000	1,000	322
Materials	15,000	15,000	6,745
Gasoline	2,000	2,000	238
Clothing allowance	1,100	1,100	619
General supplies	2,500	2,500	1,364
Landfill fees	7,500	7,500	4,193
Repairs and maintenance - vehicle	1,000	1,000	1,111
Repairs and maintenance - construction equip.	-	-	-
Repairs and maintenance - other equipment	2,500	2,500	524
Contract labor	95,000	95,000	252,657
Engineering fees	75,000	75,000	111,386
Julie system	1,800	1,800	1,424
Construction equipment	117,500	117,500	73
Safety equipment	500	500	93
Other equipment	3,000	3,000	973
	<u>480,023</u>	<u>480,023</u>	<u>454,752</u>
Less nonoperating items			
Fixed assets capitalized	(99,219)	(99,219)	(99,219)
	<u>380,804</u>	<u>380,804</u>	<u>355,533</u>

**CITY OF BATAVIA, ILLINOIS**

**Sewerage - Enterprise Fund**

**Schedule of Operating Expenses - Budget and Actual - Continued**  
**Year Ended December 31, 2005**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Operations - continued			
Sewer improvements			
Materials	\$ 1,250	1,250	-
Pumps	12,000	12,000	-
Repairs and maintenance - building	1,000	1,000	-
Contract labor	8,750	341,750	-
Engineering fees	41,500	41,500	-
Contract	333,000	-	-
Equipment	41,750	41,750	-
Vehicles	115,000	115,000	-
	<u>554,250</u>	<u>554,250</u>	-
Total Operations	<u>2,162,402</u>	<u>2,162,402</u>	<u>1,641,614</u>

**CITY OF BATAVIA, ILLINOIS**

**Sewerage - Enterprise Fund**

**Schedule of Changes in Net Assets - Restricted - Debt Service  
Year Ended December 31, 2005**

	Operations and Maintenance	Bond and Interest	Bond Reserve	Depreciation Repair and Replacement	Totals
<b>Increases</b>					
Intrafund transfers in	\$ -	1,368,955	-	-	1,368,955
<b>Decreases</b>					
Bond principal	-	979,141	-	-	979,141
Bond interest	-	389,814	-	-	389,814
	-	1,368,955	-	-	1,368,955
<b>Net Increase</b>	-	-	-	-	-
<b>Account Balances</b>					
January 1	210,000	-	-	350,000	560,000
December 31	210,000	-	-	350,000	560,000

**CITY OF BATAVIA, ILLINOIS**

**Electric - Enterprise Fund**

**Schedule of Revenues, Expenses and Changes in  
Net Assets - Budget and Actual  
Year Ended December 31, 2005**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Operating Revenues			
Charges for services	\$ 27,735,812	27,635,812	26,610,687
Operating Expenses			
Administration	2,000,046	2,040,046	2,087,041
Operations	21,798,179	23,231,763	23,460,258
Depreciation	-	-	972,300
Total Operating Expenses	23,798,225	25,271,809	26,519,599
Operating Income	3,937,587	2,364,003	91,088
Nonoperating Revenues			
Connection fees	200,000	200,000	106,100
Interest income	190,000	190,000	307,424
	390,000	390,000	413,524
Income Before Transfers	4,327,587	2,754,003	504,612
Transfers Out	(34,036)	(111,887)	(34,036)
Change in Net Assets	4,293,551	2,642,116	470,576
Net Assets - Beginning as Restated			31,934,618
Net Assets - Ending			32,405,194

**CITY OF BATAVIA, ILLINOIS**

**Electric - Enterprise Fund**

**Schedule of Operating Expenses - Budget and Actual  
Year Ended December 31, 2005**

	Budgeted Amounts		Actual Amounts
	Original	Final	
<b>Administration</b>			
<b>Meter reader/tester</b>			
Regular wages	\$ 265,300	265,300	261,741
Overtime	40,000	40,000	43,764
IMRF - City portion	27,840	27,840	24,436
Social security	23,355	23,355	21,969
Fuel for Vehicles	2,000	2,000	4,283
Telephone	1,000	1,000	68
Clothing allowance	4,000	4,000	4,033
General supplies	5,500	5,500	4,755
R & M - Vehicles	500	500	216
Vehicles	30,000	30,000	-
	<u>399,495</u>	<u>399,495</u>	<u>365,265</u>
<b>General expenses</b>			
Group insurance	265,886	265,886	252,397
General liability insurance	98,933	87,366	100,253
Workers' compensation premium	26,232	37,799	36,285
General support	1,209,500	1,209,500	1,287,351
Bad debt expense	-	40,000	45,490
	<u>1,600,551</u>	<u>1,640,551</u>	<u>1,721,776</u>
<b>Total Administration</b>	<u><u>2,000,046</u></u>	<u><u>2,040,046</u></u>	<u><u>2,087,041</u></u>
<b>Operations</b>			
<b>Purchased power</b>			
Purchased power	19,024,269	19,024,269	19,242,044
State utility tax	1,141,456	1,141,456	1,140,403
	<u>20,165,725</u>	<u>20,165,725</u>	<u>20,382,447</u>
<b>Electric distribution</b>			
Regular wages	1,260,220	1,260,220	1,229,848
Overtime	115,150	115,150	152,856
Part time help	15,000	15,000	19,475
IMRF - City portion	131,898	131,898	129,140
Social security	106,363	106,363	101,073
Meal allowance	600	600	396
Memberships	21,000	21,000	23,375

**CITY OF BATAVIA, ILLINOIS**

**Electric - Enterprise Fund**

**Schedule of Operating Expenses - Budget and Actual - Continued  
Year Ended December 31, 2005**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Operations - continued			
Electric distribution - continued			
Training	\$ 20,000	20,000	18,398
Seminars	6,000	-	-
Business meetings	500	500	766
Resource materials	2,000	2,000	999
Postage and shipping	2,000	2,000	1,621
Public education	2,500	2,500	2,031
Office supplies	5,000	6,000	4,321
Computer software	6,000	-	2,104
Vehicle supplies	6,000	6,000	4,801
Building and maintenance supplies	1,200	1,200	1,685
Copier supplies	1,800	1,800	1,855
Materials	5,500	5,500	10,268
Gasoline	10,000	10,000	12,763
Advertising	1,200	1,200	264
Telephone	10,000	10,000	12,669
Clothing allowance	12,000	12,000	10,730
Food	1,000	1,000	699
Utilities	19,000	19,000	13,326
Substation maintenance	20,000	20,000	1,924
Street lights	7,000	7,000	7,373
General supplies	4,500	114,300	125,334
Landfill fees	8,000	8,000	9,237
Tree trimming	200,000	110,000	102,803
Repairs and maintenance - vehicle	10,000	10,000	7,538
Repairs and maintenance - building	29,000	29,000	34,438
Equipment rental	600	600	435
Repairs and maintenance - construction equip.	7,500	7,500	2,265
Repairs and maintenance - other equipment	2,500	2,500	3,745
Contract labor	150,000	1,480,054	1,463,936
Contract labor - forestry	20,000	20,000	14,369
Engineering fees	20,000	114,730	94,728
Julie system	1,750	1,750	1,423

**CITY OF BATAVIA, ILLINOIS**

**Electric - Enterprise Fund**

**Schedule of Operating Expenses - Budget and Actual - Continued**  
**Year Ended December 31, 2005**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Operations - continued			
Electric distribution - continued			
Office equipment	\$ 4,000	4,000	4,535
Tools	6,800	6,800	8,275
Office furniture	2,000	2,000	2,117
Safety equipment	9,000	9,000	9,261
Communication equipment	1,000	1,000	9,293
Other equipment	-	-	4,651
Miscellaneous equipment	-	-	47,795
	2,265,581	3,699,165	3,710,938
Less Nonoperating Items			
Fixed assets capitalized	(633,127)	(633,127)	(633,127)
	1,632,454	3,066,038	3,077,811
Electric improvements			
Materials	5,000	5,000	-
Street lights	25,000	25,000	18,011
General supplies	956,250	956,250	288,890
Electric meters	70,000	70,000	41,937
Wire and cable	242,600	242,600	187,927
Electric poles	50,000	50,000	7,307
Contract labor	2,777,050	2,070,966	415,427
Engineering fees	350,000	350,000	-
Construction equipment	-	31,500	31,500
Other equipment	25,000	25,000	-
Vehicles	23,000	-	-
Transformers	70,000	70,000	162,121
	4,593,900	3,896,316	1,153,120
Less Nonoperating Items			
Fixed assets capitalized	(4,593,900)	(3,896,316)	(1,153,120)
	-	-	-
Total Operations	21,798,179	23,231,763	23,460,258

**CITY OF BATAVIA, ILLINOIS**

**Pension Trust Funds**

**Combining Schedule of Net Plan Assets  
December 31, 2005**

	Police Pension	Firefighters' Pension	Totals
<b>Assets</b>			
Cash and cash equivalents	\$ 2,286,130	149,132	2,435,262
<b>Investments</b>			
Certificate of deposits	-	23,132	23,132
U.S. government and agency securities	5,268,502	2,828,137	8,096,639
Insurance company contracts	465,308	1,862,543	2,327,851
Mutual funds	1,167,893	1,068,829	2,236,722
Common stock	4,971,433	-	4,971,433
<b>Receivables</b>			
Accrued interest	42,989	18,113	61,102
<b>Net Assets</b>			
Held in trust for pension benefits (A schedule of funding progress is presented following the notes to the financial statements.)	14,202,255	5,949,886	20,152,141

**CITY OF BATAVIA, ILLINOIS**

**Pension Trust Funds**

**Combining Schedule of Changes in Net Plan Assets  
Year Ended December 31, 2005**

	Police Pension	Firefighters' Pension	Totals
<b>Additions</b>			
Contributions - employer	\$ 721,691	403,553	1,125,244
Contributions - plan members	290,060	141,051	431,111
<b>Total Contributions</b>	<b>1,011,751</b>	<b>544,604</b>	<b>1,556,355</b>
<b>Investment income</b>			
Interest earned	761,912	217,645	979,557
Net change in fair value	(45,930)	6,178	(39,752)
	715,982	223,823	939,805
Less investment expenses	(110,224)	-	(110,224)
<b>Net investment income</b>	<b>605,758</b>	<b>223,823</b>	<b>829,581</b>
<b>Total Additions</b>	<b>1,617,509</b>	<b>768,427</b>	<b>2,385,936</b>
<b>Deductions</b>			
Administration	20,346	13,605	33,951
Benefits and refunds	491,858	154,197	646,055
<b>Total Deductions</b>	<b>512,204</b>	<b>167,802</b>	<b>680,006</b>
<b>Change in Net Assets</b>	<b>1,105,305</b>	<b>600,625</b>	<b>1,705,930</b>
<b>Net Plan Assets Held in Trust for Pension Benefits</b>			
Beginning	13,096,950	5,349,261	18,446,211
Ending	14,202,255	5,949,886	20,152,141

**CITY OF BATAVIA, ILLINOIS**

**Police Pension Fund**

**Schedule of Changes in Net Plan Assets  
Year Ended December 31, 2005**

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<b>Additions</b>	
Contributions - employer	\$ 721,691
Contributions - plan members	290,060
Total Contributions	<u>1,011,751</u>
<b>Investment income</b>	
Interest earned	761,912
Net change in fair value	(45,930)
	<u>715,982</u>
Less investment expenses	(110,224)
Net investment income	<u>605,758</u>
Total Additions	<u>1,617,509</u>
<b>Deductions</b>	
Administration	20,346
Benefits and refunds	
Benefits	491,858
Total Deductions	<u>512,204</u>
Change in Net Assets	1,105,305
<b>Net Plan Assets Held in Trust for Pension Benefits</b>	
Beginning	<u>13,096,950</u>
Ending	<u>14,202,255</u>

**CITY OF BATAVIA, ILLINOIS**

**Firefighters' Pension Fund**

**Schedule of Changes in Net Plan Assets  
Year Ended December 31, 2005**

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Additions	
Contributions - employer	\$ 403,553
Contributions - plan members	141,051
Total Contributions	<u>544,604</u>
Investment income	
Interest earned	217,645
Net change in fair value	6,178
	<u>223,823</u>
Less investment expenses	-
Net investment income	<u>223,823</u>
Total Additions	<u>768,427</u>
Deductions	
Administration	13,605
Benefits and refunds	
Benefits	154,197
Total Deductions	<u>167,802</u>
Change in Net Assets	600,625
Net Plan Assets Held in Trust for Pension Benefits	
Beginning	<u>5,349,261</u>
Ending	<u><u>5,949,886</u></u>

**CITY OF BATAVIA, ILLINOIS**

**Agency Funds**

**Combining Schedule of Changes in Assets and Liabilities  
Year Ended December 31, 2005**

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	<u>Balances January 1</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balances December 31</u>
<b>All Funds</b>				
<b>ASSETS</b>				
Cash and investments	\$ 94,584	148,637	-	243,221
Receivables - accounts	-	27,163	-	27,163
Total Assets	<u>94,584</u>	<u>175,800</u>	<u>-</u>	<u>270,384</u>
<b>LIABILITIES</b>				
Deposits payable	93,916	168,829	-	262,745
Due to bondholders	668	6,971	-	7,639
Total Liabilities	<u>94,584</u>	<u>175,800</u>	<u>-</u>	<u>270,384</u>

**CITY OF BATAVIA, ILLINOIS**

**Agency Funds**

**Combining Schedule of Changes in Assets and Liabilities  
Year Ended December 31, 2005**

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	Balances January 1	Additions	Deductions	Balances December 31
<b>Special Service Area Fund</b>				
<b>ASSETS</b>				
Cash and investments	\$ 668	6,971	-	7,639
<b>LIABILITIES</b>				
Due to bondholders	668	6,971	-	7,639
<b>Escrow Deposit Fund</b>				
<b>ASSETS</b>				
Cash and investments	93,916	141,666	-	235,582
Receivables - accounts	-	27,163	-	27,163
Total Assets	93,916	168,829	-	262,745
<b>LIABILITIES</b>				
Deposits payable	93,916	168,829	-	262,745

## **SUPPLEMENTAL SECTION**

**CITY OF BATAVIA, ILLINOIS**

**Long-Term Debt Requirements**

**Installment Contract of 2002**

**December 31, 2005**

Date of Issue	May 2, 2002
Date of Maturity	June 30, 2007
Authorized Issue	\$500,000
Interest Rates	4.350%
Interest Dates	June 30 and December 31
Principal Maturity Date	June 30
Payable at	Harris Bank Batavia, N.A.

**CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS**

Fiscal Year	Requirements			Interest Due on			
	Principal	Interest	Totals	June 30	Amount	Dec. 31	Amount
2006	\$ 100,000	5,504	105,504	2006	3,281	2006	2,223
2007	50,000	1,094	51,094	2007	1,094		
	<u>150,000</u>	<u>6,598</u>	<u>156,598</u>		<u>4,375</u>		<u>2,223</u>

**CITY OF BATAVIA, ILLINOIS**

**Long-Term Debt Requirements**

**TIF Installment Contract of 2002**

**December 31, 2005**

Date of Issue	January 8, 2002
Date of Maturity	January 8, 2007
Authorized Issue	\$750,000
Interest Rates	3.650%
Interest Dates	July 8 and January 8
Principal Maturity Date	January 8
Payable at	Harris Bank Batavia, N.A.

**CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS**

Fiscal Year	Requirements			Interest Due on			
	Principal	Interest	Totals	Jan. 8	Amount	July 8	Amount
2006	\$ 150,000	5,475	155,475			2006	5,475

**CITY OF BATAVIA, ILLINOIS**

**Long-Term Debt Requirements**

**Alternate Revenue Source Bond Series of 1995  
December 31, 2005**

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Date of Issue	December 4, 1995
Date of Maturity	December 1, 2010
Authorized Issue	\$1,000,000
Denomination of Bonds	\$5,000
Interest Rates	4.7% to 4.8%
Interest Dates	December 1 and June 1
Principal Maturity Date	December 1
Payable at	LaSalle National Trust, N.A.

**CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS**

Fiscal Year	Requirements			Interest Due on			
	Principal	Interest	Totals	June 1	Amount	Dec. 1	Amount
2006	\$ 75,000	20,400	95,400	2006	10,200	2006	10,200
2007	80,000	16,800	96,800	2007	8,400	2007	8,400
2008	85,000	12,960	97,960	2008	6,480	2008	6,480
2009	90,000	8,880	98,880	2009	4,440	2009	4,440
2010	95,000	4,560	99,560	2010	2,280	2010	2,280
	<u>425,000</u>	<u>63,600</u>	<u>488,600</u>		<u>31,800</u>		<u>31,800</u>

The City has pledged Motor Fuel Tax revenues for the payment of bond principal and interest.

**CITY OF BATAVIA, ILLINOIS**

**Long-Term Debt Requirements**

**Alternate Revenue Source Bond Series of 1996**

**December 31, 2005**

Date of Issue	July 1, 1996
Date of Maturity	December 1, 2010
Authorized Issue	\$275,000
Denomination of Bonds	\$5,000
Interest Rates	5.1% to 5.7%
Interest Dates	December 1 and June 1
Principal Maturity Date	December 1
Payable at	LaSalle National Trust, N.A.

**CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS**

Fiscal Year	Requirements			Interest Due on			
	Principal	Interest	Totals	June 1	Amount	Dec. 1	Amount
2006	\$ 25,000	7,558	32,558	2006	3,779	2006	3,779
2007	25,000	6,195	31,195	2007	3,098	2007	3,097
2008	25,000	4,820	29,820	2008	2,410	2008	2,410
2009	30,000	3,420	33,420	2009	1,710	2009	1,710
2010	30,000	1,710	31,710	2010	855	2010	855
	<u>135,000</u>	<u>23,703</u>	<u>158,703</u>		<u>11,852</u>		<u>11,851</u>

The City has pledged Motor Fuel Tax revenues for the payment of bond principal and interest.

**CITY OF BATAVIA, ILLINOIS**

**Long-Term Debt Requirements**

**Alternate Revenue Source Bond Series of 1997  
December 31, 2005**

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Date of Issue	December 1, 1997
Date of Maturity	December 1, 2007
Authorized Issue	\$225,000
Denomination of Bonds	\$5,000
Interest Rates	4.5% to 6.0%
Interest Dates	December 1 and June 1
Principal Maturity Date	December 1
Payable at	LaSalle National Trust, N.A.

**CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS**

Fiscal Year	Requirements			Interest Due on			
	Principal	Interest	Totals	June 1	Amount	Dec. 1	Amount
2006	\$ 30,000	2,700	32,700	2006	1,350	2006	1,350
2007	30,000	1,350	31,350	2010	675	2010	675
	<u>60,000</u>	<u>4,050</u>	<u>64,050</u>		<u>2,025</u>		<u>2,025</u>

The City has pledged Motor Fuel Tax revenues for the payment of bond principal and interest.

Bonds due on December 1, 2002 to December 1, 2005 have a mandatory redemption date of December 1, 2005.  
Bonds due on December 1, 2006 to December 1, 2007 have a mandatory redemption date of December 1, 2007.

**CITY OF BATAVIA, ILLINOIS**

**Long-Term Debt Requirements**

**Alternate Revenue Source Bond Series of 1998**

**December 31, 2005**

Date of Issue	May 1, 1998
Date of Maturity	December 1, 2013
Authorized Issue	\$2,500,000
Denomination of Bonds	\$5,000
Interest Rates	4.375% to 4.6%
Interest Dates	December 1 and June 1
Principal Maturity Date	December 1
Payable at	LaSalle National Trust, N.A.

**CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS**

Fiscal Year	Requirements			Interest Due on			
	Principal	Interest	Totals	June 1	Amount	Dec. 1	Amount
2006	\$ 165,000	70,655	235,655	2006	35,327	2006	35,328
2007	170,000	63,230	233,230	2007	31,615	2007	31,615
2008	180,000	55,580	235,580	2008	27,790	2008	27,790
2009	190,000	47,480	237,480	2009	23,740	2009	23,740
2010	200,000	38,930	238,930	2010	19,465	2010	19,465
2011	210,000	29,930	239,930	2011	14,965	2011	14,965
2012	220,000	20,480	240,480	2012	10,240	2012	10,240
2013	230,000	10,580	240,580	2013	5,290	2013	5,290
	<u>1,565,000</u>	<u>336,865</u>	<u>1,901,865</u>		<u>168,432</u>		<u>168,433</u>

The City has pledged sales tax revenues for the payment of bond principal and interest.

**CITY OF BATAVIA, ILLINOIS**

**Long-Term Debt Requirements**

**City Hall Renovation Bond Series of 1996  
December 31, 2005**

Date of Issue	July 1, 1996
Date of Maturity	January 1, 2007
Authorized Issue	\$900,000
Denomination of Bonds	\$5,000
Interest Rates	5.6% to 5.85%
Interest Dates	January 1, and July 1
Principal Maturity Date	January 1
Payable at	LaSalle National Trust, N.A.

**CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS**

Tax Levy Year	Requirements			Interest Due on			
	Principal	Interest	Totals	July 1	Amount	Jan 1.	Amount
2004	\$ 45,000	2,660	47,660			2006	2,660
2005	50,000	2,800	52,800	2006	1,400	2007	1,400
	<u>95,000</u>	<u>5,460</u>	<u>100,460</u>		<u>1,400</u>		<u>4,060</u>

**CITY OF BATAVIA, ILLINOIS**

**Long-Term Debt Requirements**

**General Obligation Refunding Bond Series of 1998  
December 31, 2005**

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Date of Issue	October 1, 1998
Date of Maturity	December 15, 2014
Authorized Issue	\$2,800,000
Denomination of Bonds	\$5,000
Interest Rates	3.45% to 4.25%
Interest Dates	June 15 and December 15
Principal Maturity Date	December 15
Payable at	LaSalle National Trust, N.A.

**CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS**

Tax Levy Year	Requirements			Interest Due on			
	Principal	Interest	Totals	June 15	Amount	Dec. 15	Amount
2005	\$ 160,000	94,048	254,048	2006	47,024	2006	47,024
2006	225,000	87,888	312,888	2007	43,944	2007	43,944
2007	235,000	79,112	314,112	2008	39,556	2008	39,556
2008	250,000	69,830	319,830	2009	34,915	2009	34,915
2009	265,000	59,830	324,830	2010	29,915	2010	29,915
2010	270,000	49,098	319,098	2011	24,549	2011	24,549
2011	285,000	38,028	323,028	2012	19,014	2012	19,014
2012	300,000	26,200	326,200	2013	13,100	2013	13,100
2013	320,000	13,600	333,600	2014	6,800	2014	6,800
	<u>2,310,000</u>	<u>517,634</u>	<u>2,827,634</u>		<u>258,817</u>		<u>258,817</u>

**CITY OF BATAVIA, ILLINOIS**

**Long-Term Debt Requirements**

**General Obligation Refunding Bond Series of 2002A - General Portion  
December 31, 2005**

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Date of Issue	October 1, 2002
Date of Maturity	January 1, 2011
Authorized Issue	\$4,115,000
Denomination of Bonds	\$5,000
Interest Rates	2.00% to 3.65%
Interest Dates	January 1 and July 1
Principal Maturity Date	January 1
Payable at	LaSalle National Trust, N.A.

**CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS**

Tax Levy Year	Requirements			Interest Due on			
	Principal	Interest	Totals	July 1	Amount	Jan. 1	Amount
2004	\$ 163,325	10,327	173,652			2006	10,327
2005	89,300	16,162	105,462	2006	8,081	2007	8,081
2006	91,650	13,483	105,133	2007	6,742	2008	6,742
2007	96,350	10,505	106,855	2008	5,252	2009	5,252
2008	99,875	7,277	107,152	2009	3,639	2010	3,639
2009	102,225	3,731	105,956	2010	1,866	2011	1,866
	<u>642,725</u>	<u>61,486</u>	<u>704,211</u>		<u>25,579</u>		<u>35,906</u>

**CITY OF BATAVIA, ILLINOIS**

**Long-Term Debt Requirements**

**General Obligation Refunding Bond Series of 2002A - Water Portion  
December 31, 2005**

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Date of Issue	October 1, 2002
Date of Maturity	January 1, 2011
Authorized Issue	\$4,115,000
Denomination of Bonds	\$5,000
Interest Rates	2.00% to 3.65%
Interest Dates	January 1 and July 1
Principal Maturity Date	January 1
Payable at	LaSalle National Trust, N.A.

**CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS**

Tax Levy Year	Requirements			Interest Due on			
	Principal	Interest	Totals	July 1	Amount	Jan. 1	Amount
2004	\$ 531,675	33,617	565,292			2006	33,617
2005	290,700	52,614	343,314	2006	26,307	2007	26,307
2006	298,350	43,893	342,243	2007	21,946	2008	21,946
2007	313,650	34,196	347,846	2008	17,098	2009	17,098
2008	325,125	23,689	348,814	2009	11,844	2010	11,844
2009	332,775	12,147	344,922	2010	6,073	2011	6,073
	<u>2,092,275</u>	<u>200,154</u>	<u>2,292,429</u>		<u>83,269</u>		<u>116,886</u>

**CITY OF BATAVIA, ILLINOIS**

**Long-Term Debt Requirements**

**General Obligation Bond Series of 2006  
December 31, 2005**

Date of Issue	July 18, 2005
Date of Maturity	January 1, 2025
Authorized Issue	\$2,000,000
Denomination of Bonds	\$5,000
Interest Rates	3.50% to 5.00%
Interest Dates	January 1 and July 1
Principal Maturity Date	January 1
Payable at	LaSalle National Trust, N.A.

**CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS**

Tax Levy Year	Requirements			Interest Due on			
	Principal	Interest	Totals	July 1	Amount	Jan. 1	Amount
2005	\$ 40,000	131,130	171,130	2006	84,849	2007	46,281
2006	80,000	91,162	171,162	2007	45,581	2008	45,581
2007	80,000	88,362	168,362	2008	44,181	2009	44,181
2008	85,000	85,562	170,562	2009	42,781	2010	42,781
2009	85,000	82,376	167,376	2010	41,188	2011	41,188
2010	90,000	79,188	169,188	2011	39,594	2012	39,594
2011	95,000	75,812	170,812	2012	37,906	2013	37,906
2012	95,000	72,250	167,250	2013	36,125	2014	36,125
2013	100,000	67,500	167,500	2014	33,750	2015	33,750
2014	105,000	62,500	167,500	2015	31,250	2016	31,250
2015	110,000	57,250	167,250	2016	28,625	2017	28,625
2016	110,000	51,750	161,750	2017	25,875	2018	25,875
2017	115,000	46,250	161,250	2018	23,125	2019	23,125
2018	120,000	40,500	160,500	2019	20,250	2020	20,250
2019	125,000	34,500	159,500	2020	17,250	2021	17,250
2020	130,000	28,250	158,250	2021	14,125	2022	14,125
2021	140,000	21,750	161,750	2022	10,875	2023	10,875
2022	145,000	14,750	159,750	2023	7,375	2024	7,375
2023	150,000	7,500	157,500	2024	3,750	2025	3,750
	<u>2,000,000</u>	<u>1,138,342</u>	<u>3,138,342</u>		<u>588,455</u>		<u>549,887</u>

**CITY OF BATAVIA, ILLINOIS**

**Long-Term Debt Requirements**

**IEPA Sewer Revenue Bond Series of 1989  
December 31, 2005**

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Date of Issue	October 9, 1989
Date of Maturity	October 9, 2010
Authorized Issue	\$1,164,355
Interest Rates	3.745%
Interest Dates	April 9 and October 9
Principal Maturity Date	October
Payable at	Illinois Environmental Protection Agency

**CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS**

Fiscal Year	Requirements		Totals
	Principal	Interest	
2006	\$ 75,043	14,459	89,502
2007	77,879	11,623	89,502
2008	80,823	8,679	89,502
2009	83,878	5,624	89,502
2010	87,049	2,453	89,502
	<u>404,672</u>	<u>42,838</u>	<u>447,510</u>

**CITY OF BATAVIA, ILLINOIS**

**Long-Term Debt Requirements**

**IEPA Sewer Revenue Bond Series of 1990**

**December 31, 2005**

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Date of Issue	October 15, 1990
Date of Maturity	October 15, 2012
Authorized Issue	\$6,886,000
Interest Rates	3.745%
Interest Dates	April 15 and October 15
Principal Maturity Date	October
Payable at	Illinois Environmental Protection Agency

**CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS**

Fiscal Year	Requirements		Totals
	Principal	Interest	
2006	\$ 394,751	103,005	497,756
2007	409,673	88,083	497,756
2008	425,158	72,598	497,756
2009	441,130	56,626	497,756
2010	458,008	39,748	497,756
2011	475,218	22,538	497,756
2012	244,303	4,575	248,878
	<u>2,848,241</u>	<u>387,173</u>	<u>3,235,414</u>

**CITY OF BATAVIA, ILLINOIS**

**Long-Term Debt Requirements**

**IEPA Sewer Revenue Bond Series of 1999**

**December 31, 2005**

Date of Issue	May 1, 2001
Date of Maturity	May 1, 2020
Authorized Issue	\$1,025,139
Interest Rates	2.5350%
Interest Dates	May 1 and October 1
Principal Maturity Date	May
Payable at	Illinois Environmental Protection Agency

**CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS**

Fiscal Year	Requirements		Totals
	Principal	Interest	
2006	\$ 47,014	20,030	67,044
2007	48,214	18,830	67,044
2008	49,444	17,600	67,044
2009	50,705	16,339	67,044
2010	51,999	15,045	67,044
2011	53,326	13,718	67,044
2012	54,686	12,358	67,044
2013	56,081	10,963	67,044
2014	57,512	9,532	67,044
2015	58,979	8,065	67,044
2016	60,483	6,561	67,044
2017	62,026	5,018	67,044
2018	63,609	3,435	67,044
2019	65,231	1,813	67,044
2020	22,474	283	22,757
	<u>801,783</u>	<u>159,590</u>	<u>961,373</u>

**CITY OF BATAVIA, ILLINOIS**

**Long-Term Debt Requirements**

**IEPA Sewer Revenue Bond Series of 1999A**

**December 31, 2005**

Date of Issue	November 1, 2001
Date of Maturity	November 1, 2020
Authorized Issue	10938990
Interest Rates	2.535
Interest Dates	May 1 and November 1
Principal Maturity Date	May 1 and November 1
Payable at	Illinois Environmental Protection Agency

**CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS**

Fiscal Year	Requirements		Totals
	Principal	Interest	
2006	\$ 492,875	221,780	714,655
2007	505,449	209,206	714,655
2008	518,343	196,312	714,655
2009	531,567	183,088	714,655
2010	545,127	169,528	714,655
2011	559,034	155,621	714,655
2012	573,295	141,360	714,655
2013	587,920	126,735	714,655
2014	602,919	111,736	714,655
2015	618,299	96,356	714,655
2016	634,073	80,582	714,655
2017	650,248	64,407	714,655
2018	666,836	47,819	714,655
2019	683,848	30,807	714,655
2020	701,295	13,360	714,655
	<u>8,871,128</u>	<u>1,848,697</u>	<u>10,719,825</u>