CITY OF BATAVIA, ILLINOIS

ANNUAL FINANCIAL REPORT

YEAR ENDED DECEMBER 31, 2006

CITY OF BATAVIA, ILLINOIS

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INTRODUCTORY SECTION

CITY OF BATAVIA, ILLINOIS

List of Principal Officials*

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, 2006.

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

Lauterbach & Amen, LLP
CERTIFIED PUBLIC ACCOUNTANTS
27W457 WARRENVILLE ROAD • WARRENVILLE, ILLINOIS 60555-3902
(847) 562-9252

INDEPENDENT AUDITORS' REPORT

May 22, 2007

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

We have audited the accompanying basic 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, 2006, which collectively comprise the City of Batavia's basic financial statements as listed in the table of contents. We also have audited the basic 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, 2006. 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 respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Batavia, Illinois as of December 31, 2006, and the respective changes in financial position and cash flows, where applicable 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.

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 ANAYLSIS

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, 2006. 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 $147.1 million. Governmental activities net assets were $70.0 million with $10.6 million available to meet ongoing obligations and $9.2 restricted for capital projects. Net assets of business-type activities were $77.1 million of which $17.9 million is available for operations.

- During the year, $28.6 million in tax and other revenues was collected in the City's governmental funds creating an excess of $1.1 million over the $27.5 million in expenditures.

- Operating revenues for business-type activities were $35.9 million while operating expenses were $33.0 million.

- The total cost of all programs was $23.3 million for governmental activities and $34.2 for business-type activities. No new programs were added this year.

- The General Fund reported a surplus this year of $2.3 million mainly as a result of a new .50% non-home rule sales tax, which generated $1.9 million in revenues. Also contributing to the surplus were delays in purchasing software and other contract items that were delayed until 2007.

- The City of Batavia's total debt increased by $40.1 million, with total debt outstanding of $70.7 million. An increase of $9.1 million in governmental activities was due to a $10 million bond issue to reconstruct the City's two fire stations. The balance of the increase of $31.0 million was related to business-type activities.

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.

Using this Annual Report – Continued

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.

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.

Using this Annual Report – Continued

Fund Financial Statements – Continued

Governmental Funds – Continued

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. This provides more insight into the long-term impact of Batavia's near-term financing decisions.

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 has one proprietary fund type, which is enterprise. The enterprise funds report the same functions presented as business-type activities in the government–wide financial statements. The City's electric, water and sewer activities are accounted for as enterprise funds.

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.

Using this Annual Report – Continued

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 - 68 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City 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 69 – 75 of this report.

Government-Wide Financial Analysis

The review of net assets over time can provide insight to a government's financial position. For the year 2006, the assets of the City of Batavia exceeded liabilities by $147.1 million.

The City of Batavia's investment in capital assets net of debt used to acquire capital assets reflects 74.1% of the City of Batavia's net assets. Capital assets include land, buildings, machinery and equipment, roads and utility infrastructure. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

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 of the City of Batavia, which are subject to external restrictions on how they may be used account for 6.6% of net assets. The remaining 19.3%, or $28.4 million, represents unrestricted net assets and may be used to meet the government's ongoing obligations to citizens and creditors. Unrestricted net assets in 2005 were $26.0 million thus ending the year 2006 $2.4 million over the prior year.

Net assets of the City of Batavia's governmental activities for 2006 were $70.0 million. Unrestricted net assets, the part of net assets that can be used to finance day-to-day operations without constraints were $10.6 million at the end this year. Restricted net assets for governmental activities increased to $2.7 million, up from $2.6 million in the prior year.

Government-Wide Financial Analysis – Continued

Net assets of business-type activities for 2006 were $77.1 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 $17.8 million at the end of 2006. Restricted net assets for business-type activities increased to $7 million, up from $0.6 million in the prior year. The increase provides for bond covenants from the revenue bond issue in 2006 for capital improvements in the electric utility. These restrictions will be in place over the life of the bonds.

City of Batavia Net Assets
(in Millions)

	Governmental Activities		Business-type Activities		Total	
	2006	2005	2006	2005	2006	2005
Current and Other Assets	$ 32.8	20.9	48.2	21.2	81.0	42.1
Capital Assets	62.0	59.1	87.6	79.5	149.6	138.6
Total Assets	94.8	80.0	135.8	100.7	230.6	180.7
Long-Term Debt Outstanding	(15.4)	(7.0)	(52.4)	(22.2)	(67.8)	(29.2)
Other Liabilities	(9.3)	(8.3)	(6.3)	(4.4)	(15.6)	(12.7)
Total Liabilities	(24.7)	(15.3)	(58.7)	(26.6)	(83.4)	(41.9)
Net Assets						
Invested in Capital Assets, Net of Debt	56.4	54.0	52.3	55.5	108.7	109.5
Restricted	2.7	2.6	7.0	0.6	9.7	3.2
Unrestricted	10.9	8.1	17.8	17.9	28.7	26.0
Total Net Assets	70.0	64.7	77.1	74.0	147.1	138.7

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, which was also the case in the prior year.

The City of Batavia's governmental funds had an increase in net assets of $5.3 million in 2006 compared to $2.0 million in 2005. Business-type activities increased $3.1 million compared to $1.9 million the prior year.

Government-Wide Financial Analysis – Continued

Please refer to the following chart for a depiction of revenues, expenditures and change in net assets for the City of Batavia's governmental and business-type activities.

Changes in Net Assets
(in Millions)

	Governmental Activities		Business-type Activities		Total	
	2006	2005	2006	2005	2006	2005
Revenues						
Program Revenues						
Charges for Services	$ 4.9	5.6	35.9	34.8	40.8	40.4
Capital Grants/Contributions	2.1	1.0	0.5	0.9	2.6	1.9
Operating Grants/Contributions	0.2	0.2	0.1	0.3	0.3	0.5
General Revenues						
Property Taxes	5.9	5.3	-	-	5.9	5.3
Sales Taxes	7.5	5.2	-	-	7.5	5.2
Utility Taxes	2.8	2.6	-	-	2.8	2.6
Intergovernmental	2.7	2.4	-	-	2.7	2.4
Interest	1.1	0.3	0.8	0.4	1.9	0.7
Other General Revenues	1.4	1.2	-	-	1.4	1.2
Total Revenues	28.6	23.8	37.3	36.4	65.9	60.2
Expenses:						
General Government	6.6	6.4	-	-	6.6	6.4
Public Safety	10.4	10.1	-	-	10.4	10.1
Public Works	5.6	5.1	-	-	5.6	5.1
Interest on Long-Term Debt	0.7	0.3	-	-	0.7	0.3
Water	-	-	4.0	3.6	4.0	3.6
Sewer	-	-	4.2	4.3	4.2	4.3
Electric	-	-	26.0	26.5	26.0	26.5
Total Expenses	23.3	21.9	34.2	34.4	57.5	56.3
Increase in Net Assets Before Transfers	5.3	1.9	3.1	2.0	8.4	3.9
Transfers	-	0.1	-	(0.1)	-	-
Increase in Net Assets	5.3	2.0	3.1	1.9	8.4	3.9
Net Assets - Beginning	64.7	62.7	74.0	72.1	138.7	134.8
Net Assets - Ending	70.0	64.7	77.1	74.0	147.1	138.7

Government-Wide Financial Analysis – Continued

Governmental Activities

The 2006 revenues for governmental activities were $28.6 million, while total program expenses were $23.3 million. Total revenues for governmental activities for 2006 were $4.8 million higher than 2005 revenues of $23.8 million.

The key factor in the increase was a new .50% non-home rule sales tax implemented in January 2006. This additional sales tax augmented general fund revenues by $1.9 million. The new tax will allow for payment of debt service for $10,000,000 in General Obligation Bonds issued in 2006 for reconstruction of the City's two fire stations.

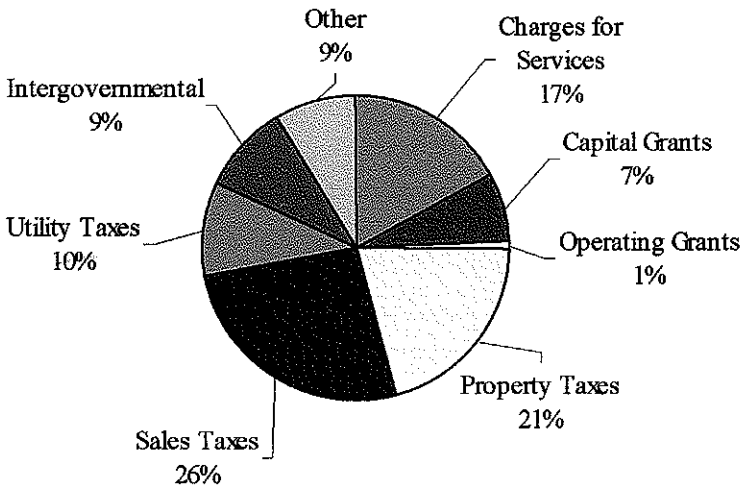
Another new revenue source in 2006 was a host fee from a waste transfer station that opened in December 2005. The host fees provided $212,000 in revenues during the first year of operations.

Also boosting revenues was $1.3 million received in capital grants for bridge reconstruction and fire apparatus. Investment income for governmental activities provided an additional $710,000 in revenues over 2005.

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. Property taxes created an additional $400,000 in revenues due to a prior year adjustment and $171,000 for payment of debt service.

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

Revenues by Source - Governmental Activities



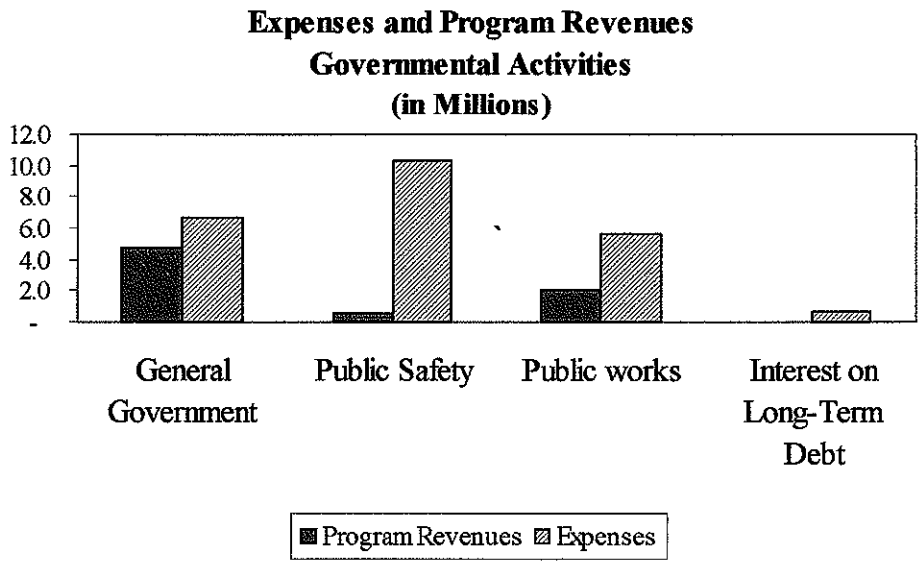
Government-Wide Financial Analysis – Continued

Governmental Activities – Continued

Receipts for income taxes were $170,000 over 2005 and utility taxes provided an additional $200,000 in receipts. Aside from the non-home rule sales tax, general sales taxes for 2006 were $400,000 higher than 2005 collections. The 7.8% increase in sales tax is partly attributable to the opening of a new Wal-Mart store in late 2005.

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 other retail centers are being developed throughout the area.

Sales taxes, while under pressure, still remain strong as new stores continue to open within the City of Batavia's borders; however, 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.



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, especially public safety, are nearly fully supported by general revenues, rather than program revenues.

Since these expenditures are heavily reliant on general revenues, which can be impacted by the economy, management is acutely mindful during the budget process to ensure the necessity of all expenditures.

Government-Wide Financial Analysis – Continued

Business-Type Activities

Revenues for business-type activities were $37.3 million and expenses were $34.2 million.

- The water utility is nearing completion of capital improvements totaling just over $15 million 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, two new deep wells and two new water towers. The treatment plant, cross-town water main and booster station were placed in service in 2005. The two new deep wells and two new water towers were started in 2006 with the larger water tower reaching completion and put into operation during the year.

- The City has received low interest loans from the IEPA to fund nearly 100% of the water projects. The loan proceeds, less repayments made, resulted in $13.6 million in IEPA loans outstanding at the end of 2006. Water rate increases were necessary to fund debt repayment. A rate study resulted in a 20% increase in 2003, a 40% increase in 2004, a 15% increase in 2005 and a final increase of 10% in 2006.

- The 2003 rate study also reviewed the rates for our sewer system and concluded that the current rates were sufficient for the short term. The City's sanitary sewer system has been undergoing an extensive evaluation, which continued through 2006. The results of the study are expected in mid 2007 and will provide a comprehensive analysis of the storm and sanitary sewer lines along with treatment capacity. It is anticipated that the study will assist in prioritizing a long-term capital plan for the sewer system.

- The City of Batavia also operates a municipal electric utility to transmit and distribute electricity for those within the municipal borders. Batavia is under contract to purchase electricity from Commonwealth Edison until June 1, 2007. The City began actively researching how to best meet future power needs in anticipation of the contract end. At the end of 2006, the City had contracts for power supply through 2008. It is anticipated that further contracts to supply power through 2009 will be secured in 2007.

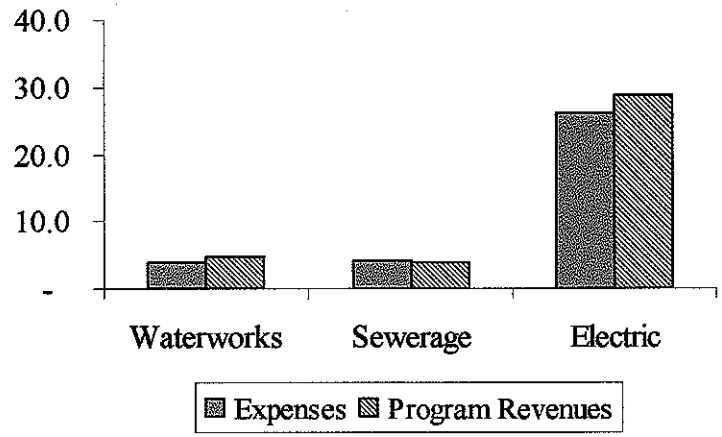
- A 5% electric rate increase was implemented in 2006 and two more are planned at 8.9% each for 2007 and 2008. The increases are necessary due to rising power costs and capital investment that will be required in the coming years. Capital improvements in 2006 included system extension, initiation of a substation upgrade and the commencement of a new infrastructure project to allow power to be received at 138 kV. The City issued $26.9 million in revenue bonds at the end of 2006 to fund the project.

Government-Wide Financial Analysis – Continued

Business-Type activities – Continued

The graph compares program revenues to expenses for electric waterworks and sewerage operations. As evidenced, an increase to sewer rates may be required in coming years.

Expenses and Program Revenues
Business-Type Activities
(in Millions)



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 $24.6 million, in contrast to last year's $13.4 million. Included in this year's total change in fund balance was an increase of $8.6 million in infrastructure capital projects due to the commencement of the reconstruction of the City's two fire stations and the infusion of $10,000,000 in bond proceeds to fund the project. A small decrease of $0.1 million occurred in the capital projects fund, which drew on reserves to augment a federal grant for replacement of the fire department's ladder truck. Aside from the infrastructure capital project, the increase in fund balance resulted from an increase in the general fund, which mirrors the governmental activities analysis highlighted on pages 9 and 10.

Financial Analysis of the Government's Funds – Continued

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 3 deep wells and 3 shallow wells at a 2006 rate of $2.79 per hundred cubic feet. Water currently has $13.6 million outstanding in IEPA loans for recent capital improvements and $1.5 million in outstanding GO debt issued on behalf of the water fund. A rate structure is in place to ensure debt coverage. The sewer fund currently has $11.9 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 were increased 5% in 2006 with the last increase having been in 2001. The increase was put in place in anticipation of the impending end to 10-year all-requirements purchased power contract. With the knowledge that purchase power prices would be increasing, City staff began researching options for supplying and distributing power. After careful evaluation, it was determined that the City's electric users would benefit from the City constructing infrastructure to receive power at 138 kV. At the end of 2006, the City issued $26.9 million in 30-year revenue bonds to fund the project. A rate increase of 8.9% is planned for both 2007 and 2008 to fund this alternative.

- In addition to the 138 kV project, the City is actively 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 on this power alternative. It is anticipated that this project will move forward in 2007unless there are significant changes to the project. There will be a sizeable debt issue for the project through NIMPA. An investment of this nature will secure a large 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 2006 were $35.2 million compared to $32.4 million at the beginning of the year. The increase reflects increasing revenues in anticipation of funding future debt payments. Net assets for the waterworks fund were $17.9 million compared to $17.2 million and the sewerage fund ended the year with $24.0 million a decreased from the prior year balance of $24.4 million. The sewer fund had sufficient reserves to fund the decrease but it is anticipated that rates will need to increase in the near future. 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. There were only two substantial increases to the City's budget. The first for $150,000 was for Right-of Way acquisition in conjunction with the reconstruction of the City's bridge slated for early 2007. The other increase was for $25,000 for an emergency replacement of some of the fire department hose which was deemed unreliable and needed immediate replacement. The final budget for general fund expenditures ended the year $200,000 less than the original budget due to project carryovers to 2007.

Actual expenditures in 2006 were $0.9 million below budget mainly due to delays for various contractual projects and capital purchases. The only significant variance from budget was $350,000 for street construction that will be completed in 2007. The remaining variances from budget to actual were spread among departments.

Resources available for the general fund revenue budget were $1.7 million above the final budgeted amount. The largest variances were due to higher than anticipated revenues from investment income and for excess health claim reimbursements, which combined amount to $800,000 more than what was budgeted. Taxes were $500,000 more than budgeted mainly due to non-home rule sales tax. The remaining variances in revenues were attributable to overall higher receipts with no one large variance.

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, 2006 was $149.6 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 change for the City of Batavia's investment in capital assets for 2006 was an increase of $11.0 million.

Major additions for 2006 were mostly for business-type activities, with the exception of the start of construction of the City's two fire stations. Following are the major additions (in millions):

Fire Stations Reconstruction - CWIP	$ 1.841
138 kV Substations & Transmission Lines CWIP	6.168
Substation & Distribution Upgrades CWIP	2.940
Deep Wells 10 and 11; East Tower CWIP	1.311
West Water Tower	1.795
	14.055

Capital Assets and Debt Administration – Continued

Capital Assets – Continued

Capital Assets - Net of Depreciation
(in Millions)

	Governmental Activities		Business-type Activities		Total	
	2006	2005	2006	2005	2006	2005
Land	$ 18.0	17.0	1.0	2.2	19.0	19.2
Construction in Progress	-	-	11.4	3.0	11.4	3.0
Structures & Improvements	7.2	6.1	11.0	11.3	18.1	17.4
Wells & Equipment	-	-	1.2	1.3	1.2	1.3
Machinery & Equipment	2.8	1.9	0.7	0.7	3.6	2.6
Electric System	-	-	16.5	15.7	16.5	15.7
Water/Sewer System	-	-	45.7	45.3	45.7	45.3
Infrastructure	34.0	34.1	-	-	34.0	34.1
Total	62.0	59.1	87.6	79.5	149.6	138.6

The electric utility had a decrease in land as a result of the sale of $1.2 million in land that ultimately was not needed due to the implementation of the 138 kV project.

The 2007 capital budget includes $20 million in governmental projects, which include $9 million to complete the fire station reconstruction and $11 million for the City's share of costs for bridge reconstruction. The proprietary funds have $24 million budgeted to complete the 138 kV project and to complete the deep wells and the east side water tower, represented in construction work in progress above. Additional information on capital assets for the City of Batavia can be found in note 3 on pages 49 – 50 of this report.

Debt Administration

At year-end, the City of Batavia had total outstanding bonded debt of $70.7 million as compared to $30.6 million the previous year. The increase is due to the following debt issues:

- $10 million in General Obligation Alternate Revenue Bonds for reconstruction of the City's two fire stations.
- $6.1 million issued through the IEPA for water revenue bonds for radium compliance.
- $26.9 million in electric revenue bonds for the 138 kV project.

Capital Assets and Debt Administration – Continued

Debt Administration – Continued

General Obligation and Revenue Bonds
(in Millions)

	Governmental Activities		Business-Type Activities		Total	
	2006	2005	2006	2005	2006	2005
Installment Contracts	$ 0.1	0.3	-	-	0.1	0.3
General Obligation Bonds	14.5	4.8	1.3	1.6	15.8	6.4
Alternate Revenue Bonds	1.9	2.2	-	-	1.9	2.2
Revenue bonds and notes	-	-	53.0	21.7	53.0	21.7
Total	16.4	7.3	54.3	23.3	70.7	30.6

The City of Batavia follows a pay-as-we-go capital funding policy whenever practical. The issuance of debt is thoroughly evaluated to ensure pay back to bondholders through the life of the bonds and to ensure sufficient long-term value of the capital assets funded with debt. While there was a substantial increase in debt, the amounts are within the City's ability to pay.

The City of Batavia maintained the high rating of Aa3 from Moody's for its general obligation debt. The bond rating for the electric revenue bond was A1 from Moody's and A- from Fitch.

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 2006 is $64.9 million. Additional information on the City of Batavia's long-term debt can be found in Note 3 on pages 52 – 59 of this report.

Economic Factors and Next Year's Budget and Rates

The City's elected and appointed officials considered many factors when planning the 2007 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 average unemployment rate for 2006 for Batavia decreased from 4.6% in 2005 to 3.2%, which was lower than the Kane County rate of 4.3%, the state rate of 4.5% and the national unemployment rate of 4.6%. Historically, Batavia's unemployment and that of the Chicago metro area has been lower than the national average.

Inflation in the Chicago area was less than then the national Consumer Price Index (CPI) increase. The Chicago CPI increase was 2.1% for the year 2006 compared with the average U.S. city rate of 3.2 %. Inflation for the Chicago area and the national average for 2005 were 3.0% and 3.4% respectively.

Economic Factors and Next Year's Budget and Rates – Continued

The lower unemployment rate and smaller increase in prices translates into more spending power; however, it is also expected that the more spending power will be tempered by the high price for gasoline throughout 2007. An additional concern for Batavia is the slowdown in housing sales throughout the region. While it is expected that growth will naturally begin to slow, building permits issued in 2006 were less than expected. When preparing the 2007 budget, the housing recession was factored into the revenue budget for building permits.

All of these indicators were taken into account when adopting the general fund budget for 2007. Amounts budgeted in the general fund budget were $27.0 million, an increase of 14.9% over the final 2006 budget of $23.5 million. The general fund budget increased due to several capital programs, which will be supplemented or paid from the general fund. The budget includes $728,168 for debt service to fund reconstruction of the City's two fire stations. It also includes a one-time transfer to capital projects to cover the expected shortfall in bond funding for the stations of $792,542. Additionally, there is $428,000 budgeted to fund the shortfall expected from reconstruction of the Donovan Bridge. The general fund budget includes funding for one full time position, two part time positions and one temporary position. The second year of a .50% non-home rule sales tax is expected to add $2 million to 2007 revenues. The sales and property tax base are anticipated to remain stable and along with intergovernmental revenues are projected to be sufficient to cover planned expenditures for 2007.

Total 2007 budgeted expenditures for all funds, net of capital spending, are 16.9% over the final 2006 expenditures. The increase is attributable to increases in insurance related expenses, increases in personnel costs and expected inflationary increases on commodity prices. Total salaries are expected to increase an average of 9.1%, including the new hires in the general fund. As mentioned previously, the 2007 budget includes an 8.9% increase in electric rates to offset debt issued at the end of 2006 for capital improvements and to cover increasing power costs.

The City did not add any major new programs or initiatives for the general fund for 2007. As mentioned earlier, the electric utility has $23 million budgeted in 2007 to complete the construction of two 138 kV substations and 138 kV transmission lines. This expense will result in the utility becoming a true transmission and distribution utility. The 2007 budget will focus on successful completion of the reconstruction of the City's two fire stations, completion of the bridge reconstruction and completion of the electric utility 138 kV project. In addition, management will be placing an emphasis on the downtown area throughout the bridge reconstruction and beyond. Management will also be continuing to place an increased focus on economic development in order to maintain and diversify our economic base.

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, 2006

See Following Page

CITY OF BATAVIA, ILLINOIS

Statement of Net Assets
December 31, 2006

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets			
Cash and Investments	$ 24,085,756	35,423,236	59,508,992
Receivables - Net of Allowances			
Property Taxes	5,577,083	-	5,577,083
Other Taxes	2,061,670	-	2,061,670
Accounts	430,677	4,168,251	4,598,928
Accrued Interest	198,196	163,063	361,259
Due from Other Governments	316,864	-	316,864
Inventories and Prepaids	148,396	1,155,039	1,303,435
Restricted Cash and Investments	-	7,280,796	7,280,796
Total Current Assets	32,818,642	48,190,385	81,009,027
Capital Assets			
Cost	81,562,059	115,931,256	197,493,315
Accumulated Depreciation	(19,598,596)	(28,314,943)	(47,913,539)
Total Noncurrent Assets	61,963,463	87,616,313	149,579,776
Total Assets	94,782,105	135,806,698	230,588,803

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

	Governmental Activities	Business-Type Activities	Total
LIABILITIES			
Current Liabilities			
Accounts Payable	513,897	4,558,020	5,071,917
Accrued Payroll	272,235	88,458	360,693
Claims Payable	653,086	-	653,086
Deposits Payable	177,626	124,192	301,818
Accrued Interest Payable	391,031	-	391,031
Unearned Revenue	5,618,922	-	5,618,922
Matured Bonds Payable	599,300	-	599,300
Current Portion Long-Term Debt	1,071,650	-	1,071,650
Payable from Restricted Assets	-	1,525,490	1,525,490
Total Current Liabilities	9,297,747	6,296,160	15,593,907
Noncurrent Liabilities			
Net Pension Obligation Payable	382,545	-	382,545
Revenue Bonds Payable	-	51,124,567	51,124,567
Alternate Revenue Bonds Payable	1,585,000	-	1,585,000
General Obligation Bonds Payable	13,363,450	1,269,900	14,633,350
Unamortized Bond Premium	100,000	-	100,000
Total Noncurrent Liabilities	15,430,995	52,394,467	67,825,462
Total Liabilities	24,728,742	58,690,627	83,419,369
NET ASSETS			
Invested in Capital Assets - Net of Related Debt	56,436,503	52,291,412	108,727,915
Restricted - Special Revenues	1,227,219	-	1,227,219
Restricted - Tax Increment Financing/Debt Service	852,711	6,965,719	7,818,430
Restricted - Capital Projects	530,235	-	530,235
Restricted - Perpetual Care Cemetery	115,349	-	115,349
Unrestricted	10,891,346	17,858,940	28,750,286
Total Net Assets	70,053,363	77,116,071	147,169,434

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, 2006

		Program Revenues		
	Expenses	Charges for Services	Operating Grants/ Contributions	Capital Grants/ Contributions
Governmental Activities				
General Government	$ 6,584,012	4,656,976	-	-
Public Safety	10,402,997	262,228	194,000	-
Highways and Streets	5,582,728	-	-	2,069,115
Interest on Long-Term Debt	753,633	-	-	-
Total Governmental Activities	23,323,370	4,919,204	194,000	2,069,115
Business-Type Activities				
Waterworks	3,966,794	4,364,265	30,199	184,424
Sewerage	4,203,810	3,652,958	78,798	-
Electric	26,008,557	27,914,884	594	285,424
Total Business-Type Activities	34,179,161	35,932,107	109,591	469,848
	57,502,531	40,851,311	303,591	2,538,963

General Revenues
- Taxes - Property Tax
- Taxes - Sales Tax
- Taxes - Utility Tax
- Intergovernmental - Income Tax
- Intergovernmental - Replacement Tax
- Intergovernmental - Other
- Interest Income
- Miscellaneous

Internal Activity - Transfers

Change in Net Assets

Net Assets - Beginning

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
(1,927,036)	-	(1,927,036)
(9,946,769)	-	(9,946,769)
(3,513,613)	-	(3,513,613)
(753,633)	-	(753,633)
(16,141,051)	-	(16,141,051)
-	612,094	612,094
-	(472,054)	(472,054)
-	2,192,345	2,192,345
-	2,332,385	2,332,385
(16,141,051)	2,332,385	(13,808,666)
5,962,071	-	5,962,071
7,464,511	-	7,464,511
2,844,460	-	2,844,460
2,400,894	-	2,400,894
186,896	-	186,896
68,180	-	68,180
1,057,465	793,166	1,850,631
1,449,075	-	1,449,075
40,075	(40,075)	-
21,473,627	753,091	22,226,718
5,332,576	3,085,476	8,418,052
64,720,787	74,030,595	138,751,382
70,053,363	77,116,071	147,169,434

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

CITY OF BATAVIA, ILLINOIS

Balance Sheet - Governmental Funds
December 31, 2006

	General
ASSETS	
Cash and Investments	$ 10,960,707
Receivables - Net of Allowances	
Property Taxes	5,088,193
Other Taxes	2,061,670
Accounts	430,677
Accrued Interest	71,654
Due from Other Governments	261,445
Prepaids	135,369
Inventories	13,027
Total Assets	19,022,742
LIABILITIES AND FUND BALANCES	
Liabilities	
Accounts Payable	338,653
Accrued Payroll	272,235
Claims Payable	653,086
Deposits Payable	177,626
Accrued Interest Payable	-
Unearned/Deferred Revenues	5,130,032
General Obligation Bonds Payable	-
Total Liabilities	6,571,632
Fund Balances	
Reserved - Prepaids/Inventory	148,396
Reserved - Tax Increment Financing	-
Reserved - Debt Service	-
Reserved - Special Revenues	1,227,219
Reserved - Perpetual Care Cemetery	-
Unreserved	11,075,495
Total Fund Balances	12,451,110
Total Liabilities and Fund Balances	19,022,742

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
1,919,279	10,560,186	530,235	115,349	24,085,756
488,890	-	-	-	5,577,083
-	-	-	-	2,061,670
-	-	-	-	430,677
-	126,542	-	-	198,196
-	55,419	-	-	316,864
-	-	-	-	135,369
-	-	-	-	13,027
2,408,169	10,742,147	530,235	115,349	32,818,642
76,237	99,007	-	-	513,897
-	-	-	-	272,235
-	-	-	-	653,086
-	-	-	-	177,626
380,391	-	-	-	380,391
488,890	-	-	-	5,618,922
599,300	-	-	-	599,300
1,544,818	99,007	-	-	8,215,457
-	-	-	-	148,396
495,113	-	-	-	495,113
368,238	-	-	-	368,238
-	-	-	-	1,227,219
-	-	-	115,349	115,349
-	10,643,140	530,235	-	22,248,870
863,351	10,643,140	530,235	115,349	24,603,185
2,408,169	10,742,147	530,235	115,349	32,818,642

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, 2006

Total Governmental Fund Balances	$ 24,603,185
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.	61,963,463
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Net Pension Obligation Payable	(382,545)
Installment Contracts Payable	(50,000)
General Obligation Bonds Payable	(14,080,100)
Alternate Revenue Bonds Payable	(1,890,000)
Unamortized Premium on Debt Issuance	(100,000)
Accrued Interest Payable	(10,640)
Net Assets of Governmental Activities	70,053,363

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

CITY OF BATAVIA, ILLINOIS

Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds
For the Year Ended December 31, 2006

See Following Page

CITY OF BATAVIA, ILLINOIS

Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds
For the Year Ended December 31, 2006

	General
Revenues	
Taxes	$ 15,188,396
Intergovernmental	3,634,606
Licenses and Permits	481,697
Charges for Services	4,011,231
Fines and Forfeits	262,228
Interest	535,562
Miscellaneous	1,449,075
Total Revenues	25,562,795
Expenditures	
Current	
General Government	6,356,135
Public Safety	10,569,945
Highways and Streets	4,838,314
Capital Outlay	-
Debt Service	
Principal Retirement	130,000
Interest and Fiscal Charges	33,169
Total Expenditures	21,927,563
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,635,232
Other Financing Sources (Uses)	
Debt Issuance	-
Transfers In	-
Transfers Out	(1,345,290)
	(1,345,290)
Net Change in Fund Balances	2,289,942
Fund Balances - Beginning as Restated	10,161,168
Fund Balances - Ending	12,451,110

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
1,082,646	-	-	-	16,271,042
-	699,479	585,000	-	4,919,085
-	-	-	-	481,697
-	-	156,048	8,000	4,175,279
-	-	-	-	262,228
34,824	460,165	22,493	4,421	1,057,465
-	-	-	-	1,449,075
1,117,470	1,159,644	763,541	12,421	28,615,871
119,677	-	-	10,000	6,485,812
-	-	-	-	10,569,945
-	-	-	-	4,838,314
-	2,401,946	1,095,931	-	3,497,877
1,174,300	-	-	-	1,304,300
645,805	114,949	-	-	793,923
1,939,782	2,516,895	1,095,931	10,000	27,490,171
(822,312)	(1,357,251)	(332,390)	2,421	1,125,700
-	10,000,000	-	-	10,000,000
1,631,980	-	200,000	-	1,831,980
(446,615)	-	-	-	(1,791,905)
1,185,365	10,000,000	200,000	-	10,040,075
363,053	8,642,749	(132,390)	2,421	11,165,775
500,298	2,000,391	662,625	112,928	13,437,410
863,351	10,643,140	530,235	115,349	24,603,185

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, 2006

Net Change in Fund Balances - Total Governmental Funds	$ 11,165,775
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	4,799,861
Depreciation Expense	(1,355,825)
The net effect of various transactions Involving capital assets is to decrease net assets.	
Disposals - Cost	(1,132,458)
Disposals - Accumulated Depreciation	520,894
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	(10,261)
Debt Issuance	(10,000,000)
Retirement of Debt	1,304,300
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.	40,290
Changes in Net Assets of Governmental Activities	5,332,576

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, 2006

See Following Page

CITY OF BATAVIA, ILLINOIS

Statement of Net Assets - Proprietary Funds
December 31, 2006

	Business-Type Activities - Enterprise Funds			
	Waterworks	Sewerage	Electric	Total
ASSETS				
Current Assets				
Cash and Investments	$ 3,759,064	1,951,976	29,712,196	35,423,236
Receivables - Net of Allowances				
Accounts	568,308	487,314	3,112,629	4,168,251
Accrued Interest	11,551	18,296	133,216	163,063
Prepaids	65,361	70,485	72,956	208,802
Inventories	-	-	946,237	946,237
Restricted Cash and Investments	-	837,097	6,443,699	7,280,796
	4,404,284	3,365,168	40,420,933	48,190,385
Capital Assets				
Cost	34,349,380	42,546,271	39,035,605	115,931,256
Accumulated Depreciation	(5,102,710)	(9,843,032)	(13,369,201)	(28,314,943)
	29,246,670	32,703,239	25,666,404	87,616,313
Total Assets	33,650,954	36,068,407	66,087,337	135,806,698

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

	Business-Type Activities - Enterprise Funds			
	Waterworks	Sewerage	Electric	Total
LIABILITIES				
Current Liabilities				
Accounts Payable	646,682	20,218	3,891,120	4,558,020
Accrued Payroll	19,837	17,403	51,218	88,458
Deposits Payable	14,789	13,078	96,325	124,192
Restricted Liabilities				
Interest Payable	26,307	129,288	37,980	193,575
Revenue Bonds Payable	-	1,041,215	-	1,041,215
General Obligation Bonds Payable	290,700	-	-	290,700
	998,315	1,221,202	4,076,643	6,296,160
Noncurrent Liabilities				
Revenue Bonds Payable	13,444,284	10,810,283	26,870,000	51,124,567
General Obligation Bonds Payable	1,269,900	-	-	1,269,900
	14,714,184	10,810,283	26,870,000	52,394,467
Total Liabilities	15,712,499	12,031,485	30,946,643	58,690,627
NET ASSETS				
Invested in Capital Assets - Net of Related Debt	14,241,786	20,851,741	17,197,885	52,291,412
Restricted - Debt Service	-	560,000	6,405,719	6,965,719
Unrestricted	3,696,669	2,625,181	11,537,090	17,858,940
Total Net Assets	17,938,455	24,036,922	35,140,694	77,116,071

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, 2006

	Business-Type Activities - Enterprise Funds			
	Waterworks	Sewerage	Electric	Totals
Operating Revenues				
Charges for Services	$ 4,364,265	3,652,958	27,914,884	35,932,107
Operating Expenses				
Administration	839,372	774,559	1,844,037	3,457,968
Operations	1,856,935	1,765,900	22,612,707	26,235,542
Depreciation	923,444	1,311,439	1,038,799	3,273,682
Total Operating Expenses	3,619,751	3,851,898	25,495,543	32,967,192
Operating Income (Loss)	744,514	(198,940)	2,419,341	2,964,915
Nonoperating Revenues (Expenses)				
Connection Fees	30,199	78,798	594	109,591
Intergovernmental - Grants	184,424	-	-	184,424
Interest Income	97,643	132,858	562,665	793,166
Bond Issuance Costs	-	-	(291,150)	(291,150)
Interest and Fiscal Charges	(347,043)	(351,912)	(221,864)	(920,819)
	(34,777)	(140,256)	50,245	(124,788)
Income (Loss) Before Contributions and Transfers	709,737	(339,196)	2,469,586	2,840,127
Capital Contributions	-	-	285,424	285,424
Transfers Out	(20,565)	-	(19,510)	(40,075)
Change in Net Assets	689,172	(339,196)	2,735,500	3,085,476
Net Assets - Beginning	17,249,283	24,376,118	32,405,194	74,030,595
Net Assets - Ending	17,938,455	24,036,922	35,140,694	77,116,071

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, 2006

	Business-Type Activities - Enterprise Funds			
	Water	Sewerage	Electric	Totals
Cash Flows from Operating Activities				
Receipts from Customers and Users	$ 4,867,752	3,658,641	27,892,633	36,419,026
Payments to Employees	(654,900)	(604,299)	(1,863,725)	(3,122,924)
Payments to Suppliers	(2,063,627)	(1,965,058)	(20,275,005)	(24,303,690)
	2,149,225	1,089,284	5,753,903	8,992,412
Cash Flows from Noncapital Financing Activities				
Connection Fees	30,199	78,798	594	109,591
Grants	184,424	-	-	184,424
Bond Issuance Costs	-	-	(291,150)	(291,150)
Capital Contributions	-	-	285,424	285,424
Transfers Out	(20,565)	-	(19,510)	(40,075)
	194,058	78,798	(24,642)	248,214
Cash Flows from Capital and Related Financing Activities				
Purchase of Capital Assets	(3,422,562)	(96,044)	(7,865,699)	(11,384,305)
Interest and Fiscal Charges	(347,043)	(351,912)	(221,864)	(920,819)
Payment of Bond Principal	(1,906,244)	(1,280,103)	-	(3,186,347)
Proceeds of Bonds	6,083,231	-	26,870,000	32,953,231
	407,382	(1,728,059)	18,782,437	17,461,760
Cash Flows from Investing Activities				
Interest Received	97,643	132,858	562,665	793,166
Net Change in Cash and Cash Equivalents	2,848,308	(427,119)	25,074,363	27,495,552
Cash and Cash Equivalents - Beginning of Year	910,756	3,216,192	11,081,532	15,208,480
Cash and Cash Equivalents - End of Year	3,759,064	2,789,073	36,155,895	42,704,032
Reconciliation of Operating Income to Net Cash Provided (used) by Operating Activities.				
Operating Income (Loss)	744,514	(198,940)	2,419,341	2,964,915
Adjustments to Reconcile Operating Income to Net Income to Net Cash Provided by (Used in) Operating Activities.				
Depreciation and Amortization Expense	923,444	1,311,439	1,038,799	3,273,682
Increase (Decrease) in Current Assets	503,487	5,683	(22,251)	486,919
Increase (Decrease) in Current Liabilities	(22,220)	(28,898)	2,318,014	2,266,896
Net Cash Provided by Operating Activities	2,149,225	1,089,284	5,753,903	8,992,412

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, 2006

	Pension Trust	Agency
ASSETS		
Cash and Cash Equivalents	$ 1,242,004	104,458
Investments		
Certificate of Deposits	199,704	-
U.S. Government and Agency Obligations	10,147,644	-
Insurance Company Contracts	2,784,694	-
Mutual Funds	2,628,127	-
Equities	5,511,027	-
Receivables		
Other	16,046	-
Accrued Interest	78,117	-
Total Assets	22,607,363	104,458
LIABILITIES		
Accounts Payable	2,995	-
Deposits Payable	-	103,790
Due to Bondholders	-	668
Total Liabilities	2,995	104,458
NET ASSETS		
Held in Trust for Pension Benefits (A schedule of funding progress is presented following the notes to the financial statements.)	22,604,368	-

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, 2006

	Pension Trust
Additions	
Contributions - Employer	$ 1,206,469
Contributions - Plan Members	537,847
Total Contributions	1,744,316
Investment Income	
Interest Earned	1,721,379
Net Change in Fair Value	-
	1,721,379
Less Investment Expenses	(123,806)
Net Investment Income	1,597,573
Total Additions	3,341,889
Deductions	
Administration	68,003
Benefits and Refunds	821,658
Total Deductions	889,661
Change in Net Assets	2,452,228
Net Plan Assets Held in Trust for Pension Benefits	
Beginning	20,152,140
Ending	22,604,368

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

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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.

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.

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.

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:

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 he 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.

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.

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.

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.

Prepaids

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.

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.

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/Deferred 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.

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

BUDGETARY INFORMATION

Budges 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, 2006 no individual fund had expenses over budget, exclusive of depreciation.

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.

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 $55,803,724 and the bank balances totaled $59,223,430.

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

		Investment Maturities (in Years)			
Investment Type	Fair Value	Less Than One	One to Five	Six to Ten	More Than Ten
Federal Home Loan Bank	$ 995,938	995,938	-	-	-
Federal Home Loan Mortgage Corp.	999,393	999,393	-	-	-
Federal National Mortgage Assn.	1,694,344	-	1,694,344	-	-
Illinois Funds	7,400,847	7,400,847	-	-	-
	11,090,522	9,396,178	1,694,344	-	-

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, 2006, 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.

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

City – Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk – 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, 2006, 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, 2006, 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 $774,479 and the bank balances totaled $738,330.

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.

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 – Continued

Investments. At December 31, 2006, the Fund's investments are as follows:

		Investment Maturities (in Years)			
Investment Type	Fair Value	Less Than One	One to Five	Six to Ten	More Than Ten
U.S. Treasury Notes	$ 869,814	-	756,510	113,304	-
U.S. Treasury Bonds	134,226	-	-	-	134,226
U.S. Treasury Strips	52,944	-	-	-	52,944
Federal Home Loan Mortgage Corp.	266,269	-	209,995	-	56,274
Federal Home Loan Bank	154,467	-	-	-	154,467
Federal National Mortgage Assoc.	6,146,595	276,680	569,419	1,553,968	3,746,528
Domestic Corporate Equities	5,511,027	-	-	-	5,511,027
Insurance Company Contracts	498,433	-	-	-	498,433
Mutual Funds	1,441,936	-	-	-	1,441,936
	15,075,711	276,680	1,535,924	1,667,272	11,595,835

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 $697,229 and the bank balances totaled $699,054. Included in the deposits are certificates of deposit totaling $199,704 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, 2006, the Fund's investments are as follows:

		Investment Maturities (in Years)			
	Fair Value	Less Than One	One to Five	Six to Ten	More Than Ten
Government National Mortgage Assoc.	$ 3,050	-	-	-	3,050
Federal Home Loan Bank	2,370,279	-	1,391,516	200,263	778,500
Federal National Mortgage Assoc.	150,000	-	-	150,000	-
Insurance Company Contracts	2,286,261	-	-	-	2,286,261
Mutual Funds	1,186,191	-	-	-	1,186,191
	5,995,781	-	1,391,516	350,263	4,254,002

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

PROPERTY TAXES

Property taxes for 2006 attach as an enforceable lien on January 1, 2006, 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, 2007, and are payable in two installments, on or about June 1, 2007, and September 1, 2007. 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	$ 16,984,845	1,019,967	-	18,004,812
Other Capital Assets				
Structures and Improvements	8,835,433	1,822,153	1,090,586	9,567,000
Machinery and Equipment	3,640,813	1,136,806	31,138	4,746,481
Infrastructure	48,433,565	820,935	10,734	49,243,766
	60,909,811	3,779,894	1,132,458	63,557,247
Less Accumulated Depreciation				
Structures and Improvements	2,725,723	171,132	492,099	2,404,756
Machinery and Equipment	1,702,410	249,827	18,061	1,934,176
Infrastructure	14,335,532	934,866	10,734	15,259,664
	18,763,665	1,355,825	520,894	19,598,596
Total Other Capital Assets	42,146,146	2,424,069	611,564	43,958,651
Total Capital Assets	59,130,991	3,444,036	611,564	61,963,463

Depreciation expense was charged to governmental activities as follows:

General Government	$ 87,939
Public Safety	115,069
Highways and Streets	1,152,817
	1,355,825

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	Increases/ Transfers	Decreases/ Transfers	Ending Balances
Capital Assets - Nondepreciable				
Land	$ 2,240,068	-	1,213,016	1,027,052
Construction in Progress	2,977,619	8,552,151	99,218	11,430,552
	5,217,687	8,552,151	1,312,234	12,457,604
Other Capital Assets				
Buildings	144,121	-	-	144,121
Structures and Improvements	14,027,194	-	-	14,027,194
Wells and Well Equipment	2,089,182	-	287,504	1,801,678
Machinery and Equipment	1,523,147	139,601	121,322	1,541,426
Electric System	27,392,775	1,866,928	65,363	29,194,340
Water/Sewer System	67,236,743	2,211,143	12,682,993	56,764,893
	112,413,162	4,217,672	13,157,182	103,473,652
Less Accumulated Depreciation				
Buildings	136,154	3,590	-	139,744
Structures and Improvements	2,721,076	341,204	-	3,062,280
Wells and Well Equipment	806,340	37,808	287,503	556,645
Machinery and Equipment	788,056	88,009	77,766	798,299
Electric System	11,751,704	972,778	35,635	12,688,847
Water/Sewer System	21,921,829	1,830,293	12,682,994	11,069,128
	38,125,159	3,273,682	13,083,898	28,314,943
Total Other Capital Assets	74,288,003	943,990	73,284	75,158,709
Total Capital Assets	79,505,690	9,496,141	1,385,518	87,616,313

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	$ 923,444
Sewerage	1,311,439
Electric	1,038,799
	3,273,682

INTERFUND TRANSFERS

Interfund transfers for the year consisted of the following:

	Transfer Out				
	General	Debt Service	Waterworks	Electric	Totals
Transfer In					
Debt Service	$ 1,145,290	446,615	20,565	19,510	1,631,980
Capital Projects	200,000	-	-	-	200,000
	1,345,290	446,615	20,565	19,510	1,831,980

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.

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT

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	$ 150,000	-	100,000	50,000
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	150,000	-	150,000	-
		300,000	-	250,000	50,000

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:

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	$ 50,000	-	50,000	-

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
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	$ 2,310,000	-	160,000	2,150,000
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	479,400	-	89,300	390,100
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	1,560,600	-	290,700	1,269,900
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	-	40,000	1,960,000
General Obligation Bond Series of 2006 due in annual installments of $320,000 to $740,000 plus interest at 4.00% to 4.50% through January 1, 2026	Debt Service	-	10,000,000	-	10,000,000
		6,400,000	10,000,000	630,000	15,770,000

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 re 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	$ 425,000	-	75,000	350,000
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	135,000	-	25,000	110,000
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	60,000	-	30,000	30,000
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	1,565,000	-	165,000	1,400,000
		2,185,000	-	295,000	1,890,000

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. A financial payment will not be established on the IEPA Revenue Bonds Series of 2004 through 2006 until construction is complete and final draws on the loan have been made. The final debt will be due semi-annually installments over a 20 year period plus interest. 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	$ 404,672	-	75,043	329,629
IEPA Sewer Revenue Bond Series of 1990 due in annual installments of $497,756 including interest at 3.745% through October 15, 2012	Sewerage	2,848,241	-	394,751	2,453,490
IEPA Sewer Revenue Bond Series of 1999 due in annual installments of $67,044 including interest at 2.535% through May 1, 2020	Sewerage	801,783	-	47,014	754,769
IEPA Sewer Revenue Bond Series of 1999A due in annual installments of $357,327 including interest at 2.535% through February 1, 2021	Sewerage	8,871,128	-	492,875	8,378,253
IEPA Water Revenue Bond Series of 2004 due in annual installments of $179,890 including interest at 2.500% through November 1, 2024	Waterworks	5,374,463	819,365	378,332	5,815,496
IEPA Water Revenue Bond Series of 2004 due in annual installments of $98,676 including interest at 2.500% through November 1, 2024	Waterworks	2,950,797	1,024,662	204,762	3,770,697
IEPA Water Revenue Bond Series of 2005 due in annual installments of $13,723 including interest at 2.500% through November 1, 2024	Waterworks	410,363	79,923	28,476	461,810

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Revenue Bonds – Continued

Issue	Fund Debt Retired By	Balances January 1	Issuances	Retirements	Balances December 31
IEPA Water Revenue Bond Series of 2006 payment schedule not yet established, including interest at 2.500% through December 1, 2024	Waterworks	$ -	2,757,375	-	2,757,375
IEPA Water Revenue Bond Series of 2006 payment schedule not yet established, including interest at 2.500% through December 1, 2024	Waterworks	-	1,401,906	-	1,401,906
Revenue Bond Series of 2006 due in annual installments of $285,000 to $1,630,000 plus interest at 3.5% to 4.5% through January 1, 2037	Electric	-	26,870,000	-	26,870,000
		21,661,447	32,953,231	1,621,253	52,993,425

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
Governmental Activities					
Net Pension Obligation	$ 372,284	10,261		382,545	-
Installment Contracts	300,000	-	250,000	50,000	50,000
General Obligation Bonds	4,839,400	10,000,000	759,300	14,080,100	716,650
Alternate Revenue Bonds	2,185,000	-	295,000	1,890,000	305,000
	7,696,684	10,010,261	1,304,300	16,402,645	1,071,650
Business-Type Activities					
Revenue Bonds	$ 21,661,447	31,947,142	1,378,164	52,230,425	1,041,215
General Obligation Bonds	1,560,600	-	290,700	1,269,900	290,700
	23,222,047	31,947,142	1,668,864	53,500,325	1,331,915

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:

	Governmental Activities					
Fiscal Year Ending	Installment Contracts		General Obligation Bonds		Alternate Revenue Bonds	
December 31	Principal	Interest	Principal	Interest	Principal	Interest
2007	$ 50,000	1,094	716,650	600,702	305,000	87,575
2008	-	-	746,350	573,346	290,000	73,360
2009	-	-	789,875	544,638	310,000	59,780
2010	-	-	822,225	513,706	325,000	45,200
2011	-	-	750,000	481,256	210,000	29,930
2012	-	-	785,000	450,234	220,000	20,480
2013	-	-	820,000	417,632	230,000	10,580
2014	-	-	865,000	382,218	-	-
2015	-	-	570,000	344,706	-	-
2016	-	-	600,000	319,694	-	-
2017	-	-	620,000	293,368	-	-
2018	-	-	650,000	266,194	-	-
2019	-	-	680,000	237,706	-	-
2020	-	-	715,000	207,906	-	-
2021	-	-	745,000	176,582	-	-
2022	-	-	785,000	143,944	-	-
2023	-	-	820,000	109,532	-	-
2024	-	-	860,000	72,750	-	-
2025	-	-	740,000	33,300	-	-
						-
Total	50,000	1,094	14,080,100	6,169,414	1,890,000	326,905

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Debt Service Requirements to Maturity – Continued

	Business-Type Activities			
Fiscal Year Ending Dec. 31	Revenue Bonds		General Obligation Bonds	
	Principal	Interest	Principal	Interest
2007	$ 1,041,215	1,467,148	298,350	43,893
2008	1,358,768	1,434,595	313,650	34,196
2009	1,402,280	1,391,107	325,125	23,689
2010	1,447,183	1,345,880	332,775	12,147
2011	1,402,578	1,300,307	-	-
2012	1,477,284	1,255,699	-	-
2013	1,274,001	1,210,904	-	-
2014	1,315,431	1,169,274	-	-
2015	1,357,278	1,126,227	-	-
2016	1,404,556	1,081,749	-	-
2017	1,447,274	1,035,631	-	-
2018	1,495,445	988,060	-	-
2019	1,544,079	938,826	-	-
2020	1,553,769	888,049	-	-
2021	865,000	840,376	-	-
2022	900,000	804,694	-	-
2023	935,000	766,894	-	-
2024	975,000	727,156	-	-
2025	1,020,000	685,718	-	-
2026	1,060,000	642,368	-	-
2027	1,105,000	597,318	-	-
2028	1,155,000	550,356	-	-
2029	1,205,000	499,826	-	-
2030	1,255,000	447,106	-	-
2031	1,310,000	392,200	-	-
2032	1,370,000	334,888	-	-
2033	1,430,000	274,950	-	-
2034	1,490,000	210,600	-	-
2035	1,560,000	143,550	-	-
2036	1,630,000	73,338	-	-
Total	38,786,141	24,624,794	1,269,900	113,925

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	9,217
Number of Sewer Customers	9,164
Quantity of Sewerage Treated	1,348,883,925
Quantity of Water Pumped	1,144,850,000
Quantity of Water Billed	968,730,000

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 - 2005	$ 930,114,032
Legal Debt Limit - 8.625% of Assessed Value	80,222,335
Amount of Debt Applicable to Limit	
General Obligation Bonds	15,350,000
Legal Debt Margin	64,872,335

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:
General	10,089,782	10,161,168	71,386	Assets and Liabilities
Debt Service	582,174	500,298	(81,876)	Assets and Liabilities
Infrastructure	2,001,176	2,000,391	(785)	Assets and Liabilities
Capital Projects	651,350	662,625	11,275	Assets and Liabilities

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	$ 132,392	-	132,392	-
Street Improvement	959,706	2,190,184	2,197,005	952,885
Community Development Assistance Program	267,869	6,465	-	274,334
	1,359,967	2,196,649	2,329,397	1,227,219

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.

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	$ 811,918
Incurred Claims	3,016,089
Claims Paid	(3,174,921)
Claims Payable - End of Year	653,086

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.

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 2006 was 10.74 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	16
Current Employees Vested and Nonvested	42
	58

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.

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	22
	29

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

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Plan Descriptions, Provisions, and Funding Policies – Continued

Firefighters' Pension Plan – Continued

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.

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 when due, pursuant to formal commitments, as well as statutory or contractual requirements. 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.

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Summary of Significant Accounting Policies and Plan Asset Matters – Continued

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	$ 1,123,288	-
Nationwide Insurance Annuity	-	460,020
Keyport Life Annuity	-	545,389
Sun Life Annuities	-	1,005,852
American Freedom U.S. Government Money Market Account	-	432,593

Related Party Transactions

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

Annual Pension Cost and Net Pension Obligation

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	$ 724,678	400,523	1,125,201
Interest on the NPO	19,984	6,076	26,060
Adjustment to the ARC	(12,082)	(3,673)	(15,755)
Annual Pension Cost	732,580	402,926	1,135,506
Actual Contribution	(721,691)	(403,554)	(1,125,245)
Increase in the NPO	10,889	(628)	10,261
NPO - Beginning of Year	285,488	86,796	372,284
NPO - End of Year	296,377	86,168	382,545

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Annual Pension Cost and Net Pension Obligation – Continued

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
Contribution Rates			
Employer	10.74%	25.25%	27.95%
Employee	4.50%	9.91%	9.455%
Annual Pension Cost	$737,959	$732,580	$402,926
Contributions Made	$737,959	$721,691	$403,554
Actuarial Valuation Date	12/31/2006	12/31/2005	12/31/2005
Actuarial Cost Method	Entry Age Normal	Entry Age Normal	Entry Age Normal
Amortization Method	Level %of Projected Payroll Closed Basis	Level %of Projected Payroll Closed Basis	Level %of Projected Payroll Closed Basis
Remaining Amortization Period	26 Years	28 Years	28 Years
Asset Valuation Method	5-Year Smoothed Market	Market	Market
Actuarial Assumptions			
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%

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Trend Information

Employer annual pension cost (APC), 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)	2003	$ 478,187	$ 647,332	$ 340,865
	2004	564,823	692,704	407,558
	2005	737,959	732,580	402,926
Actual Contributions	2003	478,187	634,657	336,116
	2004	564,823	681,717	403,972
	2005	737,959	721,691	403,554
Percentage of APC Contributed	2003	100.00%	98.04%	98.61%
	2004	100.00%	98.41%	99.12%
	2005	100.00%	98.51%	100.16%
Net Pension Obligation	2003	-	274,501	83,210
	2004	-	285,488	86,796
	2005	-	296,377	86,168

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, 2006

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)
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%
2006	14,984,991	16,691,431	89.78%	1,706,440	6,871,131	24.83%

CITY OF BATAVIA, ILLINOIS

Police Pension Fund

Required Supplementary Information
Schedule of Funding Progress
December 31, 2006

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	$ 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%
2005	14,202,255	23,140,774	61.37%	8,938,519	2,858,700	312.68%

CITY OF BATAVIA, ILLINOIS

Firefighters' Pension Fund

Required Supplementary Information
Schedule of Funding Progress
December 31, 2006

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	$ 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%
2005	5,949,885	8,839,361	67.31%	2,889,476	1,443,988	200.10%

CITY OF BATAVIA, ILLINOIS

Illinois Municipal Retirement Fund

Required Supplementary Information
Employer Contributions
December 31, 2006

Calendar Year	Employer Contributions	Annual Required Contributions	Percent Contributed
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%
2006	737,959	737,959	100.00%

CITY OF BATAVIA, ILLINOIS

Police Pension Fund

Required Supplementary Information
Employer Contributions
December 31, 2006

Year Ended Dec. 31	Employer Contributions	Annual Required Contribution	Percent Contributed
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%
2005	721,691	732,580	98.51%

CITY OF BATAVIA, ILLINOIS

Firefighters' Pension Fund

Required Supplementary Information
Employer Contributions
December 31, 2006

Year Ended Dec. 31	Employer Contributions	Annual Required Contribution	Percent Contributed
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%
2005	403,554	402,926	100.16%

CITY OF BATAVIA, ILLINOIS

General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual Year Ended December 31, 2006

	Budgeted Amounts		Actual
	Original	Final	Amounts
Revenues			
Taxes	$ 14,710,167	14,680,167	15,188,396
Intergovernmental	3,586,633	3,586,633	3,634,606
Licenses and Permits	561,837	561,837	481,697
Charges for Services	3,463,235	3,463,235	4,011,231
Fines and Forfeitures	197,500	197,500	262,228
Interest	179,000	179,000	535,562
Miscellaneous	1,212,211	1,212,211	1,449,075
Total Revenues	23,910,583	23,880,583	25,562,795
Expenditures			
General Government	6,701,209	6,475,209	6,356,135
Public Safety	10,948,274	10,918,274	10,569,945
Highways and Streets	5,273,213	5,293,213	4,838,314
Debt Service			
Principal Retirement	130,000	130,000	130,000
Interest and Fiscal Charges	33,158	33,158	33,169
Total Expenditures	23,085,854	22,849,854	21,927,563
Excess (Deficiency) of Revenues Over (Under) Expenditures	824,729	1,030,729	3,635,232
Other Financing (Uses)			
Transfers Out	(1,330,022)	(1,345,273)	(1,345,290)
Net Change in Fund Balance	(505,293)	(314,544)	2,289,942
Fund Balance - Beginning as Restated			10,161,168
Fund Balance - Ending			12,451,110

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

GENERAL FUND

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

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.

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.

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.

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.

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, 2006

	Budgeted Amounts		Actual
	Original	Final	Amounts
Taxes			
Property Taxes - General	$ 4,828,980	4,828,980	4,879,425
Retailers' Occupation Tax	5,473,858	5,473,858	5,597,430
Non-Home Rule Sales Tax	1,528,610	1,528,610	1,867,081
Foreign Fire Insurance Tax	30,000	-	-
Utility Tax	2,848,719	2,848,719	2,844,460
	14,710,167	14,680,167	15,188,396
Intergovernmental			
Illinois State Income Tax	1,935,695	1,935,695	2,069,964
Illinois State Replacement Tax	151,300	151,300	186,896
Illinois State Maintenance Reimbursement	31,405	31,405	33,348
Motor Fuel Tax	765,235	765,235	751,288
Pace Grant	10,500	10,500	7,993
State and Federal Grant	208,500	208,500	36,458
Township Share	19,500	19,500	23,729
Countryside Fire Protection District	192,000	192,000	194,000
Local Use Tax	272,498	272,498	330,930
	3,586,633	3,586,633	3,634,606
Licenses and Permits			
Licenses	52,000	52,000	56,455
Building Permits	509,837	509,837	425,242
	561,837	561,837	481,697
Charges for Services			
Administrative Support	2,419,284	2,419,284	2,419,284
Engineering Plan Review	34,693	34,693	50,290
Engineering Inspection Fees	59,386	59,386	71,741
Survey Monumentation Fees	14,667	14,667	22,474

CITY OF BATAVIA, ILLINOIS

General Fund

Schedule of Revenues - Budget and Actual
Year Ended December 31, 2006

	Budgeted Amounts		Actual
	Original	Final	Amounts
Charges for Services - Continued			
Sidewalk Inspection Fees	$ 1,000	1,000	665
Planning Commission Fees	3,500	3,500	3,300
Contractual Plan Review	5,000	5,000	10,105
Grave Openings	20,000	20,000	47,500
Snow Removal	2,000	2,000	1,272
Plumbing Inspections	70,000	70,000	70,294
Elevator Inspections	2,800	2,800	3,160
Police Services	110,000	110,000	123,804
Employee Contributions - Insurance	528,798	528,798	523,143
Non-Employee Insurance Premium	114,107	114,107	136,044
Insurance Reimbursements	75,000	75,000	525,058
Miscellaneous	3,000	3,000	3,097
	3,463,235	3,463,235	4,011,231
Fines and Forfeitures			
Court Fines	175,000	175,000	240,282
Parking Fines	22,500	22,500	21,946
	197,500	197,500	262,228
Interest			
Investment Income	179,000	179,000	535,562
Miscellaneous			
City Maps and Publications	5,750	5,750	8,104
Waste Transfer Fee	45,000	45,000	212,716
Cable TV Franchise Fee	251,586	251,586	277,585
River Rain Payment in Lieu of Taxes	10,000	10,000	10,253
Sale of Burial Lots	18,000	18,000	11,850
Reimbursements	75,000	75,000	91,191
Street Recapture	706,875	706,875	754,246
Other	100,000	100,000	83,130
	1,212,211	1,212,211	1,449,075
Total Revenues	23,910,583	23,880,583	25,562,795

CITY OF BATAVIA, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual
Year Ended December 31, 2006

	Budgeted Amounts		Actual
	Original	Final	Amounts
General Government			
Legislative and Administration	$ 2,151,619	2,106,619	1,885,312
Human Resources	287,846	287,846	285,690
Community Development	934,502	934,502	802,495
Public Works Administration	332,569	332,569	321,416
Engineering	606,732	649,232	606,153
Building and Grounds	319,774	319,774	295,937
Finance and Accounting	467,818	467,818	464,388
Information Systems	818,593	595,093	505,086
Utility Billing	353,560	353,560	331,777
Dial-A-Bus	57,450	57,450	57,893
Health Benefit	370,746	370,746	799,988
	6,701,209	6,475,209	6,356,135
Public Safety			
Police	6,596,445	6,596,445	6,451,186
Fire	4,306,914	4,276,914	4,086,311
E.S.D.A.	44,915	44,915	32,448
	10,948,274	10,918,274	10,569,945
Highways and Streets	5,273,213	5,293,213	4,838,314
Debt Service			
Principal Retirement - Motor Fuel Tax	130,000	130,000	130,000
Interest and Fiscal Charges - Motor Fuel Tax	33,158	33,158	33,169
	163,158	163,158	163,169
Total Expenditures	23,085,854	22,849,854	21,927,563

CITY OF BATAVIA, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual
Year Ended December 31, 2006

	Budgeted Amounts		Actual
	Original	Final	Amounts
General Government			
Legislative and Administration			
Regular Wages	$ 514,215	514,215	574,307
Overtime	500	500	-
Group Insurance	67,516	67,516	74,547
IMRF - City Portion	55,280	55,280	53,821
Social Security	39,376	39,376	37,149
Memberships	9,300	14,000	13,729
Training	5,000	2,000	2,515
Business Meetings	2,500	2,000	2,137
Resource Materials	500	500	968
Travel	1,500	500	169
Postage and Shipping	8,000	8,000	8,671
Office Supplies	8,000	15,000	15,297
Printing	27,500	25,000	21,256
Advertisement	1,500	1,500	3,025
Food	750	750	556
Sales Tax Rebate	271,721	226,721	117,675
Economic Development	5,000	5,000	494
Contract Labor	127,600	122,900	97,846
Legal Fees	120,000	120,000	183,403
BATV	150,952	150,952	162,103
Office Equipment	4,000	4,000	78
Land Acquisition	715,000	715,000	500,000
General Liability Insurance	15,160	15,160	14,817
Workmen's Compensation Premium	749	749	749
	2,151,619	2,106,619	1,885,312
Human Resources			
Regular Wages	106,369	106,369	106,446
Part Time Help	18,853	18,853	19,167
Group Insurance	14,985	14,985	19,821
IMRF - City Portion	11,424	11,424	12,942

CITY OF BATAVIA, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued
Year Ended December 31, 2006

	Budgeted Amounts		Actual
	Original	Final	Amounts
General Government - Continued			
Human Resources - Continued			
Social Security	$ 9,579	9,579	9,219
Memberships	600	600	1,452
Training	22,000	22,000	11,988
Business Meetings	400	400	440
Resource Materials	500	500	-
Employee Recruitment	7,500	7,500	6,237
Postage and Shipping	300	300	117
Office Supplies	1,500	1,500	1,295
Printing	3,000	3,000	3,160
Flowers	1,250	1,250	1,603
Recognition Award	42,900	42,900	41,740
Medical Exams	25,000	25,000	29,255
Legal Fees	12,500	12,500	11,089
Contract	7,500	7,500	8,390
Office Furniture	500	500	228
General Liability Insurance	905	905	820
Workmen's Compensation Premium	281	281	281
	287,846	287,846	285,690
Community Development			
Regular Wages	535,622	535,622	520,176
Overtime	6,000	6,000	2,041
Group Insurance	85,438	85,438	90,095
IMRF - City Portion	58,170	58,170	53,947
Social Security	41,434	41,434	38,511
Memberships	2,700	2,700	1,143
Training	6,000	6,000	4,383
Resource Materials	1,000	1,000	1,769
Postage and Shipping	5,500	5,500	4,374
Office Supplies	6,000	6,000	5,368
Printing	3,500	3,500	235
Gasoline	3,000	3,000	2,464

CITY OF BATAVIA, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued
Year Ended December 31, 2006

	Budgeted Amounts		Actual
	Original	Final	Amounts
General Government - Continued			
Community Development - Continued			
Advertising	$ 2,000	2,000	1,799
Telephone	4,250	4,250	2,576
Clothing Allowance	750	750	-
Meals	1,000	1,000	934
Repairs and Maintenance - Vehicle	2,250	2,250	2,433
Plumbing Inspection	37,000	37,000	39,224
Contract Labor	115,000	115,000	13,422
Office Furniture	2,000	2,000	2,051
General Liability Insurance	3,584	3,584	3,246
Workmen's Compensation Premium	12,304	12,304	12,304
	934,502	934,502	802,495
Public Works Administration			
Regular Wages	220,847	220,847	221,104
Overtime	7,500	7,500	9,399
Group Insurance	24,112	24,112	24,113
IMRF - City Portion	24,524	24,524	23,864
Social Security	17,469	17,469	15,952
Memberships	200	200	15
Training	3,000	3,000	1,566
Business Meetings	1,000	1,000	292
Office Supplies	600	600	633
Telephone	1,200	1,200	1,977
Household Hazardous Waste	7,500	7,500	8,771
Contract	22,000	22,000	12,174
Office Furniture	1,250	1,250	291
General Liability Insurance	1,086	1,086	984
Workmen's Compensation Premium	281	281	281
	332,569	332,569	321,416

CITY OF BATAVIA, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued
Year Ended December 31, 2006

	Budgeted Amounts		Actual
	Original	Final	Amounts
General Government - Continued			
Engineering			
Regular Wages	$ 361,422	361,422	365,345
Overtime	4,000	4,000	2,556
Part Time Help	12,000	12,000	11,638
Group Insurance	57,394	57,394	57,932
IMRF - City Portion	39,246	39,246	38,181
Social Security	28,873	28,873	28,063
Memberships	1,100	1,100	956
Training	5,000	5,000	3,828
Resource Materials	350	350	544
Postage and shipping	100	100	355
Office Supplies	3,500	3,500	3,297
Gasoline	3,250	3,250	3,197
Advertising	300	300	1,222
Regulatory Fees	1,000	1,000	1,000
Telephone	3,000	3,000	2,561
Clothing Allowance	500	500	264
Recording Fees	1,000	1,000	229
Repairs and Maintenance - Vehicles	4,000	4,000	3,398
Repairs and Maintenance - Other Equipment	500	500	549
Engineering Fees	70,000	112,500	70,950
Office Furniture	1,000	1,000	1,285
Other Equipment	500	500	263
General Liability Insurance	1,666	1,666	1,509
Workmen's Compensation Premium	7,031	7,031	7,031
	606,732	649,232	606,153

CITY OF BATAVIA, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued
Year Ended December 31, 2006

	Budgeted Amounts		Actual
	Original	Final	Amounts
General Government - Continued			
Building and Grounds			
Regular Wages	$ 24,211	24,211	24,410
Group Insurance	6,346	6,346	6,346
IMRF - City Portion	2,600	2,600	2,194
Social Security	1,852	1,852	1,563
Postage and Shipping	300	300	98
Office Supplies	300	300	259
Building and Maintenance Supplies	11,000	11,000	12,444
Gasoline	250	250	214
Telephone	67,200	67,200	86,295
Utilities	74,500	74,500	53,744
General supplies	6,000	6,000	6,310
Repairs and Maintenance - Vehicles	350	350	209
Repairs and Maintenance - Building	103,000	103,000	84,517
Equipment Rental	15,000	15,000	14,113
Repairs and Maintenance - Other Equipment	5,000	5,000	1,665
Office Equipment	500	500	383
Photo Equipment and Supplies	500	500	325
General Liability Insurance	181	181	164
Workmen's Compensation Premium	684	684	684
	319,774	319,774	295,937
Finance and Accounting			
Regular Wages	306,483	306,483	307,584
Overtime	500	500	245
Group Insurance	42,034	42,034	42,034
IMRF - City Portion	32,970	32,970	31,907
Social Security	23,484	23,484	22,180
Membership	450	450	586
Education Reimbursement	400	400	-
Training and Seminars	500	500	296
Resource Materials	400	400	329

CITY OF BATAVIA, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued
Year Ended December 31, 2006

	Budgeted Amounts		Actual
	Original	Final	Amounts
General Government - Continued			
Finance and Accounting - Continued			
Travel	$ 500	500	262
Postage and Shipping	5,000	5,000	3,814
Office Supplies	8,000	8,000	8,522
Printing	3,200	3,200	2,349
Telephone	300	300	37
Auditing	40,500	40,500	42,300
Office Furniture	1,000	1,000	-
General Liability Insurance	1,629	1,629	1,475
Workmen's Compensation Premium	468	468	468
	467,818	467,818	464,388
Information Systems			
Regular Wages	249,501	249,501	249,705
Group Insurance	30,589	30,589	30,219
IMRF - City Portion	26,796	26,796	26,009
Social Security	19,087	19,087	18,571
Memberships	375	375	300
Training	4,650	4,650	3,931
Resource Materials	500	500	399
Travel	1,400	1,400	814
Postage and Shipping	100	100	147
Office Supplies	1,000	1,000	364
Computer Software	261,150	17,650	8,349
Computer Supplies	10,000	10,000	3,564
Telephone	13,000	13,000	12,711
Computer Maintenance	24,325	24,325	11,446
Contract Labor	60,047	60,047	20,070
Software Training	9,750	19,750	5,353
Software Support	68,825	68,825	68,383
Computer	33,650	43,650	43,257
Office Furniture and Equipment	2,300	2,300	65
General Liability Insurance	1,267	1,267	1,148
Workmen's Compensation Premium	281	281	281
	818,593	595,093	505,086

CITY OF BATAVIA, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued
Year Ended December 31, 2006

	Budgeted Amounts		Actual
	Original	Final	Amounts
General Government - Continued			
Utility Billing			
Regular Wages	$ 162,978	162,978	165,868
Overtime	1,500	1,500	1,935
Part Time Help	14,518	14,518	12,015
Group Insurance	42,050	42,050	35,095
IMRF - City Portion	19,224	19,224	18,048
Social Security	13,693	13,693	12,962
Training and Seminars	3,000	3,000	1,977
Postage and Shipping	52,000	52,000	54,016
Office Supplies	4,500	4,500	2,580
Computer Software	11,500	11,500	11,718
Computer Supplies	12,500	12,500	5,023
Collection Fees	4,500	4,500	1,518
Repairs and Maintenance - Office Equipment	6,200	6,200	5,494
Contract Labor	300	300	213
Office Furniture	500	500	-
General Liability Insurance	1,629	1,629	1,475
Workmen's Compensation Premium	468	468	468
Bad Debt Expense	2,500	2,500	1,372
	353,560	353,560	331,777
Dial-A-Bus			
Printing	400	400	-
Gasoline	4,800	4,800	4,226
Repair and Maintenance - Vehicle	4,500	4,500	5,917
Contracts	47,750	47,750	47,750
	57,450	57,450	57,893
Health Benefit			
Claims Administration Fees	90,329	90,329	92,082
Insurance and Claims, Net	280,417	280,417	707,906
	370,746	370,746	799,988
Total General Government	6,701,209	6,475,209	6,356,135

CITY OF BATAVIA, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued
Year Ended December 31, 2006

	Budgeted Amounts		Actual
	Original	Final	Amounts
Public Safety			
Police Department			
Regular Wages	$ 3,536,733	3,536,733	3,457,917
Overtime	268,375	268,375	324,790
Auxiliary Police, Full-Time	13,500	13,500	11,272
Part Time Help	130,489	130,489	129,267
Group Insurance	708,846	708,846	703,785
IMRF - City Portion	47,554	47,554	46,192
Social Security	85,877	85,877	73,036
Pension Contributions	776,898	776,898	777,012
Board of P & F Commission	14,675	14,675	561
Memberships	7,875	7,875	6,243
Education Reimbursement	13,000	13,000	2,491
Training	28,380	28,380	26,023
Resource Materials	1,200	1,200	1,257
Travel	1,550	1,550	711
Postage and Shipping	4,000	4,000	3,880
Office Supplies	11,000	11,000	14,148
Computer Supplies	3,500	3,500	219
Vehicle Supplies	7,000	7,000	9,484
Printing	9,000	9,000	6,293
Investigative Supplies	5,000	5,000	3,921
Gasoline	89,725	89,725	82,400
Patrol Supplies	15,000	15,000	14,255
Community Relations	3,800	3,800	3,080
Ammunition	9,200	9,200	10,277
Telephone	25,000	25,000	19,925
Clothing Allowance	41,450	41,450	39,674
Food	1,200	1,200	911
Repairs and Maintenance - Vehicle	60,000	60,000	49,442
Equipment Rental	10,500	10,500	10,300
Radio Maintenance	2,000	2,000	883
Repairs and Maintenance - Other Equipment	3,000	3,000	4,983
Contract	444,356	444,356	403,002
Narcotics and Enforcement	5,000	5,000	5,000
Office Equipment	4,300	4,300	3,897
Photo Equipment and Supplies	2,500	2,500	1,435
Communication Equipment	1,180	1,180	-

CITY OF BATAVIA, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued
Year Ended December 31, 2006

	Budgeted Amounts		Actual
	Original	Final	Amounts
Public Safety - Continued			
Police Department - Continued			
Other Equipment	$ 6,600	6,600	7,092
Vehicles	45,344	45,344	46,981
General Liability Insurance	45,067	45,067	42,376
Workmen's Compensation Premium	106,771	106,771	106,771
	6,596,445	6,596,445	6,451,186
Fire Department			
Regular Wages	1,793,000	1,793,000	1,764,201
Overtime	140,000	140,000	141,970
Part Time Help	426,996	426,996	444,852
Group Insurance	335,791	335,791	357,425
IMRF - City Portion	10,198	10,198	8,442
Social Security	63,695	63,695	57,796
Pension Contributions	429,384	429,384	428,874
Memberships	2,600	2,600	3,055
EMS Training	2,000	2,000	390
Training and Seminars	24,000	24,000	23,820
Fire Prevention	2,500	2,500	2,245
Resource Materials	2,000	2,000	1,768
Postage and Shipping	1,800	1,800	1,642
Office Supplies	5,500	5,500	3,621
Vehicle Supplies	24,750	24,750	25,901
Printing	3,600	3,600	3,165
Copier Supplies	-	-	20
Radio Supplies	2,900	2,900	2,694
Investigative Supplies	2,500	2,500	2,554
Gasoline	22,629	22,629	26,434
Telephone	20,000	20,000	18,893
Education Materials	14,000	14,000	14,409
Hazardous Materials	2,900	2,900	2,419
Clothing Allowance	27,500	27,500	27,849
Water Rescue Materials	5,000	5,000	5,220
Medical Supplies	13,000	13,000	10,269
Food	3,400	3,400	5,459
Utilities	26,000	26,000	15,183
General Supplies	7,600	7,600	6,973

CITY OF BATAVIA, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued
Year Ended December 31, 2006

	Budgeted Amounts		Actual
	Original	Final	Amounts
Public Safety - Continued			
Fire Department - Continued			
Repairs and Maintenance - Vehicle	$ 29,400	29,400	29,368
Repairs and Maintenance - Building	15,000	15,000	15,288
Repairs and Maintenance - Equipment	7,800	7,800	7,958
Foreign Fire Insurance	30,000	-	-
Contract	543,696	543,696	361,054
S.C.B.A. Maintenance	14,000	14,000	15,455
Communication Equipment	13,500	13,500	15,484
Other Equipment	29,650	29,650	31,347
General Liability Insurance	46,590	46,590	40,679
Workmen's Compensation Premium	162,035	162,035	162,135
	4,306,914	4,276,914	4,086,311
E.S.D.A.			
Part Time Help	8,200	8,200	8,778
IMRF - City Portion	627	627	671
Meal Allowance	200	200	281
Training	1,500	1,500	579
Travel	2,000	2,000	3,376
Office Supplies	300	300	129
Printing	300	300	-
Radio Supplies	200	200	-
Gasoline	188	188	431
Patrol Supplies	-	-	140
Telephone	1,500	1,500	1,394
Clothing Allowance	300	300	610
Utilities	1,500	1,500	1,903
Recognition Awards	100	100	-
Repairs and Maintenance - Vehicle	500	500	2,254
Repairs and Maintenance - Building	500	500	1,292
Equipment Rental	1,500	1,500	1,201
Repairs and Maintenance - Other Equipment	3,000	3,000	3,034
Contractual Services	6,000	6,000	5,500
Other Equipment	16,500	16,500	875
	44,915	44,915	32,448
Total Public Safety	10,948,274	10,918,274	10,569,945

CITY OF BATAVIA, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued
Year Ended December 31, 2006

	Budgeted Amounts		Actual
	Original	Final	Amounts
Highways and Streets			
Street and Sanitation			
Regular Wages	$ 1,141,271	1,141,271	1,086,544
Overtime	110,500	110,500	113,821
Part Time Help	25,000	25,000	17,246
Group Insurance	254,425	254,425	239,569
IMRF - City Portion	134,440	134,440	122,820
Social Security	97,673	97,673	88,780
Meal Allowance	2,000	2,000	720
Training	4,000	4,000	3,243
Travel	500	500	2
Supplies for Other Equipment	15,000	15,000	14,313
Office Supplies	1,400	1,400	2,680
Vehicle Supplies	30,000	30,000	33,905
Building and Maintenance Supplies	1,700	1,700	2,510
Materials	95,000	95,000	96,492
Gasoline	57,265	57,265	84,965
Salt Deicers	100,000	100,000	101,745
Advertising	1,500	1,500	1,111
Telephone	8,250	8,250	9,059
Clothing Allowance	14,000	14,000	10,566
Food	1,200	1,200	1,689
Utilities	15,000	15,000	10,690
General Supplies	20,000	20,000	24,552
Landfill Fees	20,000	20,000	3,002
Repairs and Maintenance - Vehicle	7,000	7,000	14,567
Repairs and Maintenance - Building	40,000	40,000	72,468
Equipment Rental	4,000	4,000	705
Repairs and Maintenance - Other Equipment	16,000	16,000	16,350
Contract Labor	593,500	588,500	490,670
Contract Labor - Health Department	75,000	75,000	77,972
Contract Labor - Forestry Department	85,000	85,000	93,386
Street - Other Maintenance	400,000	400,000	467,079
Street - Other Construction	1,755,000	1,755,000	1,356,333

CITY OF BATAVIA, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued
Year Ended December 31, 2006

	Budgeted Amounts		Actual
	Original	Final	Amounts
Highways and Streets - Continued			
Street and Sanitation - Continued			
Office Equipment	$ 11,200	11,200	11,015
Construction Equipment	10,500	10,500	11,252
Safety Equipment	6,000	6,000	18
Communication Equipment	1,200	1,200	3,744
Other Equipment	10,000	35,000	42,690
General Liability Insurance	11,980	11,980	13,332
Workmen's Compensation Premium	96,709	96,709	96,709
Total Highways and Streets	5,273,213	5,293,213	4,838,314
Debt Service			
Debt Service			
Principal Retirement - Motor Fuel Tax	130,000	130,000	130,000
Interest and Fiscal Charges - Motor Fuel Tax	33,158	33,158	33,169
Total Debt Service	163,158	163,158	163,169
Total Expenditures	23,085,854	22,849,854	21,927,563

CITY OF BATAVIA, ILLINOIS

Debt Service Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual Year Ended December 31, 2006

	Budgeted Amounts		Actual
	Original	Final	Amounts
Revenues			
Taxes	$ 972,978	972,978	1,082,646
Interest	3,000	3,000	34,824
Total Revenues	975,978	975,978	1,117,470
Expenditures			
General Government			
Contractual Services	532,292	552,292	119,677
Debt Service			
Principal Retirement	1,174,300	1,174,300	1,174,300
Interest and Fiscal Charges	649,026	649,026	645,805
Total Expenditures	2,355,618	2,375,618	1,939,782
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,379,640)	(1,399,640)	(822,312)
Other Financing Sources (Uses)			
Debt Issuance	17,924,185	17,924,185	-
Transfers In	1,520,348	1,520,348	1,631,980
Transfers Out	(335,000)	(335,000)	(446,615)
	19,109,533	19,109,533	1,185,365
Net Change in Fund Balance	17,729,893	17,709,893	363,053
Fund Balance - Beginning as Restated			500,298
Fund Balance - Ending			863,351

CITY OF BATAVIA, ILLINOIS

Debt Service Fund

Schedule of Expenditures - Budget and Actual
Year Ended December 31, 2006

	Budgeted Amounts		Actual
	Original	Final	Amounts
TIF #1 District			
Debt Service			
Principal Retirement	$ 150,000	150,000	150,000
Interest and Fiscal Charges	10,000	10,000	3,971
	160,000	160,000	153,971
TIF District			
General Government			
Contractual Services	532,292	552,292	119,677
Fire Station			
Debt Service			
Principal Retirement	420,000	420,000	420,000
Interest and Fiscal Charges	318,727	318,727	319,427
	738,727	738,727	739,427
Building Renovation			
Debt Service			
Principal Retirement	210,000	210,000	210,000
Interest and Fiscal Charges	96,848	96,848	101,509
	306,848	306,848	311,509
2002 Refunding Fire and Public Works			
Debt Service			
Principal Retirement	89,300	89,300	89,300
Interest and Fiscal Charges	16,162	16,162	16,162
	105,462	105,462	105,462
Flood Control			
Debt Service			
Principal Retirement	265,000	265,000	265,000
Interest and Fiscal Charges	76,159	76,159	76,177
	341,159	341,159	341,177

CITY OF BATAVIA, ILLINOIS

Debt Service Fund

Schedule of Expenditures - Budget and Actual - Continued
Year Ended December 31, 2006

	Budgeted Amounts		Actual
	Original	Final	Amounts
Donovan Bridge			
Debt Service			
Principal Retirement	$ 40,000	40,000	40,000
Interest and Fiscal Charges	131,130	131,130	128,559
	171,130	171,130	168,559
Total Expenditures	2,355,618	2,375,618	1,939,782

CITY OF BATAVIA, ILLINOIS

Infrastructure - Capital Projects Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual Year Ended December 31, 2006

	Budgeted Amounts		Actual
	Original	Final	Amounts
Revenues			
Intergovernmental	$ 525,145	462,400	699,479
Interest	-	-	460,165
Total Revenues	525,145	462,400	1,159,644
Expenditures			
Capital Outlay	6,142,977	6,060,122	2,401,946
Debt Service			
Interest and Fiscal Charges	-	-	114,949
Total Expenditures	6,142,977	6,060,122	2,516,895
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,617,832)	(5,597,722)	(1,357,251)
Other Financing Sources			
Debt Issuance	10,000,000	10,000,000	10,000,000
Transfers In	15,251	-	-
	10,015,251	10,000,000	10,000,000
Net Change in Fund Balance	4,397,419	4,402,278	8,642,749
Fund Balance - Beginning as Restated			2,000,391
Fund Balance - Ending			10,643,140

CITY OF BATAVIA, ILLINOIS

Infrastructure - Capital Projects Fund

Schedule of Expenditures - Budget and Actual
Year Ended December 31, 2006

	Budgeted Amounts		Actual
	Original	Final	Amounts
Capital Outlay			
Street Improvements/Construction - Route 25	$ 15,000	15,000	23,158
Contractual Services - TIF District #3	-	-	8,221
Engineering Fees - Donovan Bridge Project	819,000	819,000	906,733
Engineering Fees/Improvements - Fire Stations & City Hall	5,308,977	5,226,122	1,463,834
	6,142,977	6,060,122	2,401,946
Debt Service			
Interest and Fiscal Charges	-	-	114,949
Total Expenditures	6,142,977	6,060,122	2,516,895

CITY OF BATAVIA, ILLINOIS

Capital Projects Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual Year Ended December 31, 2006

	Budgeted Amounts		Actual
	Original	Final	Amounts
Revenues			
Charges for Services	$ 299,400	299,400	156,048
Intergovernmental	585,000	585,000	585,000
Interest	8,000	8,000	22,493
Total Revenues	892,400	892,400	763,541
Expenditures			
Capital Outlay	1,588,000	1,588,000	1,095,931
Excess (Deficiency) of Revenues Over (Under) Expenditures	(695,600)	(695,600)	(332,390)
Other Financing Sources			
Transfers In	200,000	200,000	200,000
Net Change in Fund Balance	(495,600)	(495,600)	(132,390)
Fund Balance - Beginning as Restated			662,625
Fund Balance - Ending			530,235

CITY OF BATAVIA, ILLINOIS

Capital Projects Fund

Schedule of Expenditures - Budget and Actual
Year Ended December 31, 2006

	Budgeted Amounts		Actual
	Original	Final	Amounts
Capital Outlay			
Other Equipment - Public Works	$ 270,000	270,000	264,067
Vehicle - Fire Department	1,318,000	1,318,000	831,864
Total Expenditures	1,588,000	1,588,000	1,095,931

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, 2006

	Budgeted Amounts		Actual
	Original	Final	Amounts
Revenues			
Charges for Services			
Care of Cemetery Lots	$ 10,000	10,000	8,000
Interest	2,000	2,000	4,421
Total Revenues	12,000	12,000	12,421
Expenditures			
General Government	10,000	10,000	10,000
Net Change in Fund Balance	2,000	2,000	2,421
Fund Balance - Beginning			112,928
Fund Balance - Ending			115,349

CITY OF BATAVIA, ILLINOIS

Waterworks - Enterprise Fund

Schedule of Revenues, Expenses and Changes in Net Assets - Budget and Actual
Year Ended December 31, 2006

	Budgeted Amounts		Actual
	Original	Final	Amounts
Operating Revenues			
Charges for Services	$ 8,816,600	8,816,600	4,364,265
Operating Expenses			
Administration	847,197	847,197	839,372
Operations	2,017,613	2,017,613	1,856,935
Depreciation	-	-	923,444
Total Operating Expenses	2,864,810	2,864,810	3,619,751
Operating Income	5,951,790	5,951,790	744,514
Nonoperating Revenues (Expenses)			
Connection Fees	116,800	116,800	30,199
Intergovernmental - Grants	179,221	179,221	184,424
Interest Income	40,000	40,000	97,643
Interest and Fiscal Charges	(333,692)	(333,692)	(347,043)
	2,329	2,329	(34,777)
Income Before Transfers	5,954,119	5,954,119	709,737
Transfers Out	(20,565)	(20,565)	(20,565)
Change in Net Assets	5,933,554	5,933,554	689,172
Net Assets - Beginning			17,249,283
Net Assets - Ending			17,938,455

CITY OF BATAVIA, ILLINOIS

Waterworks - Enterprise Fund

Schedule of Operating Expenses - Budget and Actual
Year Ended December 31, 2006

	Budgeted Amounts		Actual
	Original	Final	Amounts
Administration			
General Expenses			
General Liability Insurance	$ 83,436	83,436	75,578
Workers' Compensation Premium	30,116	30,116	30,116
Bad Debt Expense	5,000	5,000	5,033
General Support	628,057	628,057	628,057
Electric Support - Metering	100,588	100,588	100,588
Total Administration	847,197	847,197	839,372
Operations			
Water Production			
Regular Wages	140,368	140,368	190,722
Overtime	30,000	30,000	24,780
Group Insurance	48,918	48,918	49,981
IMRF - City Portion	18,298	18,298	20,815
Social Security	13,033	13,033	15,742
Postage and Shipping	500	500	484
Building and Maintenance Supplies	2,000	2,000	2,945
Materials	5,000	5,000	1,209
Production Electricity	275,000	275,000	215,824
Telephone	8,000	8,000	9,306
Chemical Materials	75,000	75,000	93,405
Utilities	10,000	10,000	35,249
General Supplies	1,500	1,500	1,715
Piping and Fitting	2,000	2,000	1,293
Repairs and Maintenance - Building	50,000	50,000	22,491
Repairs and Maintenance - Other Equipment	17,500	17,500	12,368
Contract Labor	380,000	380,000	264,415
Safety Equipment	500	500	-
Other Equipment	51,000	51,000	52,250
	1,128,617	1,128,617	1,014,994

CITY OF BATAVIA, ILLINOIS

Waterworks - Enterprise Fund

Schedule of Operating Expenses - Budget and Actual - Continued
Year Ended December 31, 2006

	Budgeted Amounts		Actual
	Original	Final	Amounts
Operations - Continued			
Water Distribution			
Regular Wages	$ 395,000	395,000	378,911
Overtime	80,000	80,000	57,237
Part Time Help	6,000	6,000	3,250
Group Insurance	90,030	90,030	88,096
IMRF - City Portion	51,015	51,015	45,412
Social Security	36,797	36,797	31,488
Meal Allowance	500	500	112
Memberships	500	500	1,048
Education Reimbursement	500	500	212
Training and Seminars	5,500	5,500	5,745
Business Meetings	400	400	240
Resource Materials	1,000	1,000	751
Travel	1,400	1,400	630
Office Supplies	1,300	1,300	1,412
Vehicle Supplies	1,800	1,800	2,541
Building and Maintenance Supplies	700	700	255
Materials	10,000	10,000	15,869
Gasoline	15,154	15,154	13,212
Advertising	200	200	57
Telephone	500	500	347
Clothing Allowance	6,000	6,000	3,996
Food	800	800	722
Utilities	6,000	6,000	6,380
General Supplies	10,000	10,000	14,283
Mains	11,000	11,000	7,619
Piping and Fitting	11,000	11,000	16,899
Landfill Fees	3,000	3,000	331
Repairs and Maintenance - Vehicle	2,500	2,500	2,305
Repairs and Maintenance - Building	40,000	40,000	70,885
Repairs and Maintenance - Other Equipment	7,000	7,000	13,114
Contract Labor	73,500	73,500	46,966
Julie System	1,600	1,600	1,527

CITY OF BATAVIA, ILLINOIS

Waterworks - Enterprise Fund

Schedule of Operating Expenses - Budget and Actual - Continued
Year Ended December 31, 2006

	Budgeted Amounts		Actual
	Original	Final	Amounts
Operations - Continued			
Water Distribution - Continued			
Office Equipment	$ 2,500	2,500	1,218
Construction Equipment	2,500	2,500	-
Tools	500	500	-
Office Furniture	500	500	-
Safety Equipment	800	800	-
Communication Equipment	500	500	-
Other Equipment	11,000	11,000	8,871
	888,996	888,996	841,941
Water Improvements			
Wire and Cable	1,000	1,000	-
Water Meters	40,000	40,000	25,444
Fire Hydrants	22,000	22,000	-
Valves	15,000	15,000	-
Piping and Fitting	10,000	10,000	-
Contract Labor	3,961,000	4,268,000	3,295,028
Engineering Fees	208,422	208,422	102,091
	4,257,422	4,564,422	3,422,563
Less Nonoperating Items			
Fixed Assets Capitalized	(4,257,422)	(4,564,422)	(3,422,563)
	-	-	-
Total Operations	2,017,613	2,017,613	1,856,935

CITY OF BATAVIA, ILLINOIS

Sewerage - Enterprise Fund

Balance Sheet
December 31, 2006

	Operations and Maintenance	Restricted Accounts: Bond and Interest	Restricted Accounts: Bond Reserve	Restricted Accounts: Depreciation Repair and Replacement	Totals
ASSETS					
Current Assets					
Cash and Investments	$ 1,951,976	-	-	-	1,951,976
Receivables					
Accounts	487,314	-	-	-	487,314
Accrued Interest	18,296	-	-	-	18,296
Prepaids	70,485	-	-	-	70,485
Restricted Cash and Investments	210,000	277,097	-	350,000	837,097
	2,738,071	277,097	-	350,000	3,365,168
Capital Assets					
Cost	42,546,271	-	-	-	42,546,271
Accumulated Depreciation	(9,843,032)	-	-	-	(9,843,032)
	32,703,239	-	-	-	32,703,239
Total Assets	35,441,310	277,097	-	350,000	36,068,407

	Operations and Maintenance	Restricted Accounts: Bond and Interest	Restricted Accounts: Bond Reserve	Restricted Accounts: Depreciation Repair and Replacement	Totals
LIABILITIES					
Current Liabilities					
Accounts Payable	$ 20,218	-	-	-	20,218
Accrued Payroll	17,403	-	-	-	17,403
Deposits Payable	13,078	-	-	-	13,078
	50,699	-	-	-	50,699
Restricted Liabilities					
Interest Payable	64,644	64,644	-	-	129,288
Revenue Bonds Payable	828,762	212,453	-	-	1,041,215
	893,406	277,097	-	-	1,170,503
Noncurrent Liabilities					
Revenue Bonds Payable	10,810,283	-	-	-	10,810,283
Total Liabilities	11,754,388	277,097	-	-	12,031,485
NET ASSETS					
Investment in Capital Assets - Net of Related Debt	21,064,194	(212,453)	-	-	20,851,741
Restricted - Debt Service	210,000	-	-	350,000	560,000
Unrestricted	2,412,728	212,453	-	-	2,625,181
Total Net Assets	23,686,922	-	-	350,000	24,036,922

CITY OF BATAVIA, ILLINOIS

Sewerage - Enterprise Fund

Schedule of Revenues, Expenses and Changes in Net Assets - Budget and Actual
Year Ended December 31, 2006

	Budgeted Amounts		Actual
	Original	Final	Amounts
Operating Revenues			
Charges for Services	$ 3,725,562	3,725,562	3,652,958
Operating Expenses			
Administration	781,754	781,754	774,559
Operations	1,906,209	1,906,209	1,765,900
Depreciation	-	-	1,311,439
Total Operating Expenses	2,687,963	2,687,963	3,851,898
Operating Income (Loss)	1,037,599	1,037,599	(198,940)
Nonoperating Revenues (Expenses)			
Connection Fees	204,400	204,400	78,798
Interest Income	75,000	75,000	132,858
Interest and Fiscal Charges	(359,274)	(359,274)	(351,912)
	(79,874)	(79,874)	(140,256)
Change in Net Assets	957,725	957,725	(339,196)
Net Assets - Beginning			24,376,118
Net Assets - Ending			24,036,922

CITY OF BATAVIA, ILLINOIS

Sewerage - Enterprise Fund

Schedule of Operating Expenses - Budget and Actual
Year Ended December 31, 2006

	Budgeted Amounts		Actual
	Original	Final	Amounts
Administration			
General Expenses			
General Liability Insurance	$ 89,431	89,431	81,982
Workers' Compensation Premium	17,290	17,290	17,290
Bad Debt Expense	5,000	5,000	5,254
General Support	569,445	569,445	569,445
Electric Support - Metering	100,588	100,588	100,588
Total Administration	781,754	781,754	774,559
Operations			
Waste Water Treatment			
Regular Wages	464,586	464,586	468,539
Overtime	83,247	83,247	79,050
Group Insurance	110,159	110,159	105,583
IMRF - City Portion	58,837	58,837	55,383
Social Security	41,909	41,909	39,371
Meal Allowance	150	150	-
Membership	600	600	224
Training	2,500	2,500	2,908
Resource Materials	300	300	243
Travel	500	500	27
Office Supplies	3,000	3,000	1,486
Lab Supplies	6,500	6,500	5,543
Gasoline	6,663	6,663	7,990
Regulatory Fees	15,500	15,500	15,500
Telephone	15,850	15,850	17,487
Clothing Allowance	4,000	4,000	3,313
Chemicals	28,000	28,000	30,076
Utilities	375,208	375,208	356,419
General Supplies	10,000	10,000	7,493
Pumps	23,000	19,000	17,915
Medical Exams	450	450	302
Landfill Fees	75,750	75,750	85,003
Repairs and Maintenance - Vehicle	7,000	7,000	11,696

CITY OF BATAVIA, ILLINOIS

Sewerage - Enterprise Fund

Schedule of Operating Expenses - Budget and Actual
Year Ended December 31, 2006

	Budgeted Amounts		Actual
	Original	Final	Amounts
Operations - Continued			
Waste Water Treatment - Continued			
Repairs and Maintenance - Building	$ 6,000	6,000	4,768
Repairs and Maintenance - Other Equipment	95,000	95,000	91,698
Contract Labor	16,000	16,000	23,657
Other Equipment	53,500	57,500	54,068
Safety Equipment	3,000	3,000	1,027
	1,507,209	1,507,209	1,486,769
Sanitary Sewer Maintenance			
Regular Wages	67,000	67,000	47,632
Overtime	12,500	12,500	9,078
Group Insurance	11,628	11,628	12,374
IMRF - City Portion	8,538	8,538	5,637
Social Security	6,082	6,082	4,093
Training	2,400	2,400	395
Vehicle Supplies	500	500	-
Materials	5,000	5,000	830
Gasoline	1,250	1,250	1,056
Clothing Allowance	1,000	1,000	590
General Supplies	2,000	2,000	1,429
Landfill Fees	3,000	3,000	-
Repairs and Maintenance - Vehicle	1,000	1,000	905
Repairs and Maintenance - Other Equipment	1,000	1,000	588
Contract Labor	115,000	90,000	10,796
Engineering Fees	260,000	260,000	140,530
Julie System	1,500	1,500	1,485
Construction Equipment	110,000	110,000	117,739
Safety Equipment	500	500	44
Other Equipment	30,000	27,500	27,612
Miscellaneous Equipment	-	-	35,918
	639,898	612,398	418,731
Less Nonoperating Items			
Fixed Assets Capitalized	(639,898)	(612,398)	(139,600)
	-	-	279,131

CITY OF BATAVIA, ILLINOIS

Sewerage - Enterprise Fund

Schedule of Operating Expenses - Budget and Actual
Year Ended December 31, 2006

	Budgeted Amounts		Actual
	Original	Final	Amounts
Operations - Continued			
Sewer Improvements			
Contract Labor	$ 248,000	248,000	-
Engineering Fees	36,000	36,000	-
Vehicles	115,000	115,000	-
	399,000	399,000	-
Total Operations	1,906,209	1,906,209	1,765,900

CITY OF BATAVIA, ILLINOIS

Sewerage - Enterprise Fund

Schedule of Changes in Net Assets - Restricted - Debt Service
Year Ended December 31, 2006

	Operations and Maintenance	Bond and Interest	Bond Reserve	Depreciation Repair and Replacement	Totals
Increases					
Interfund Transfers In	$ -	1,361,597	-	-	1,361,597
Decreases					
Bond Principal	-	1,009,685	-	-	1,009,685
Bond Interest	-	351,912	-	-	351,912
	-	1,361,597	-	-	1,361,597
Net Increase	-	-	-	-	-
Account Balances					
January 1	210,000	-	-	350,000	560,000
December 31	210,000	-	-	350,000	560,000

CITY OF BATAVIA, ILLINOIS

Electric - Enterprise Fund

Balance Sheet
December 31, 2006

See Following Page

CITY OF BATAVIA, ILLINOIS

Electric - Enterprise Fund

Balance Sheet
December 31, 2006

	Operations and Maintenance	Restricted Accounts: Bond and Interest	Restricted Accounts: Bond Reserve	Restricted Accounts: Depreciation Repair and Replacement	Totals
ASSETS					
Current Assets					
Cash and Investments	$ 29,712,196	-	-	-	29,712,196
Receivables					
Accounts	3,112,629	-	-	-	3,112,629
Accrued Interest	133,216	-	-	-	133,216
Prepaids	72,956	-	-	-	72,956
Inventories	946,237	-	-	-	946,237
Restricted Cash and Investments	2,700,000	37,980	1,705,719	2,000,000	6,443,699
	36,677,234	37,980	1,705,719	2,000,000	40,420,933
Capital Assets					
Cost	39,035,605	-	-	-	39,035,605
Accumulated Depreciation	(13,369,201)	-	-	-	(13,369,201)
	25,666,404	-	-	-	25,666,404
Total Assets	62,343,638	37,980	1,705,719	2,000,000	66,087,337

	Operations and Maintenance	Restricted Accounts: Bond and Interest	Restricted Accounts: Bond Reserve	Restricted Accounts: Depreciation Repair and Replacement	Totals
LIABILITIES					
Current Liabilities					
Accounts Payable	$ 3,891,120	-	-	-	3,891,120
Accrued Payroll	51,218	-	-	-	51,218
Deposits Payable	96,325	-	-	-	96,325
	4,038,663	-	-	-	4,038,663
Restricted Liabilities					
Interest Payable	-	37,980	-	-	37,980
Revenue Bonds Payable	-	-	-	-	-
	-	37,980	-	-	37,980
Noncurrent Liabilities					
Revenue Bonds Payable	26,870,000	-	-	-	26,870,000
Total Liabilities	30,908,663	37,980	-	-	30,946,643
NET ASSETS					
Investment in Capital Assets - Net of Related Debt	17,197,885	-	-	-	17,197,885
Restricted - Debt Service	2,700,000	-	1,705,719	2,000,000	6,405,719
Unrestricted	11,537,090	-	-	-	11,537,090
Total Net Assets	31,434,975	-	1,705,719	2,000,000	35,140,694

CITY OF BATAVIA, ILLINOIS

Electric - Enterprise Fund

Schedule of Revenues, Expenses and Changes in Net Assets - Budget and Actual
Year Ended December 31, 2006

	Budgeted Amounts		Actual
	Original	Final	Amounts
Operating Revenues			
Charges for Services	$ 30,524,506	30,524,506	27,914,884
Operating Expenses			
Administration	1,892,193	1,892,193	1,844,037
Operations	23,474,805	23,474,805	22,612,707
Depreciation	-	-	1,038,799
Total Operating Expenses	25,366,998	25,366,998	25,495,543
Operating Income (Loss)	5,157,508	5,157,508	2,419,341
Nonoperating Revenues (Expenses)			
Connection Fees	150,000	150,000	594
Interest Income	200,000	200,000	562,665
Bond Issuance Costs	-	-	(291,150)
Interest and Fiscal Charges	(499,095)	(499,095)	(221,864)
	(149,095)	(149,095)	50,245
Income (Loss) Before Contributions and Transfers	5,008,413	5,008,413	2,469,586
Capital Contributions	-	-	285,424
Transfers Out	(19,510)	(19,510)	(19,510)
Change in Net Assets	4,988,903	4,988,903	2,735,500
Net Assets - Beginning			32,405,194
Net Assets - Ending			35,140,694

CITY OF BATAVIA, ILLINOIS

Electric - Enterprise Fund

Schedule of Operating Expenses - Budget and Actual
Year Ended December 31, 2006

	Budgeted Amounts		Actual
	Original	Final	Amounts
Administration			
Meter Reader/Tester			
Regular Wages	$ 270,903	270,903	270,733
Overtime	41,500	41,500	33,952
Group Insurance	80,801	80,801	81,481
IMRF - City Portion	30,330	30,330	27,656
Social Security	23,899	23,899	21,661
Fuel for Vehicles	4,708	4,708	7,109
Telephone	1,000	1,000	829
Clothing Allowance	3,500	3,500	3,093
General Supplies	16,000	16,000	13,653
R & M - Vehicles	300	300	1,419
Vehicles	30,000	30,000	13,275
	502,941	502,941	474,861
General Expenses			
General Liability Insurance	92,295	92,295	85,528
Workers' Compensation Premium	40,175	40,175	40,365
General Support	1,211,782	1,211,782	1,211,782
Bad Debt Expense	45,000	45,000	31,501
	1,389,252	1,389,252	1,369,176
Total Administration	1,892,193	1,892,193	1,844,037
Operations			
Purchased Power			
Purchased Power	22,146,025	22,146,025	18,966,054
State Utility Tax	1,328,780	1,328,780	1,164,312
	23,474,805	23,474,805	20,130,366
Electric Distribution			
Regular Wages	1,351,825	1,351,825	1,358,838
Overtime	135,475	135,475	165,470
Part Time Help	34,000	34,000	34,732
Group Insurance	218,588	218,588	237,074
IMRF - City Portion	159,736	159,736	156,882
Social Security	116,379	116,379	112,615
Meal Allowance	600	600	285

CITY OF BATAVIA, ILLINOIS

Electric - Enterprise Fund

Schedule of Operating Expenses - Budget and Actual - Continued
Year Ended December 31, 2006

	Budgeted Amounts		Actual
	Original	Final	Amounts
Operations - Continued			
Electric Distribution - Continued			
Memberships	$ 21,000	21,000	20,907
Training and Seminars	24,500	24,500	24,121
Business Meetings	800	800	972
Resource Materials	1,000	1,000	957
Postage and Shipping	1,500	1,500	1,162
Public Education	2,500	2,500	1,836
Office Supplies	5,000	5,000	4,056
Vehicle Supplies	6,000	6,000	6,788
Building and Maintenance Supplies	1,600	1,600	666
Copier Supplies	1,800	1,800	-
Materials	12,500	12,500	13,563
Gasoline	15,625	15,625	15,268
Advertising	1,200	1,200	1,088
Telephone	14,500	14,500	12,252
Clothing Allowance	12,000	12,000	10,765
Food	1,000	1,000	1,074
Utilities	18,000	18,000	14,558
Substation Maintenance	40,000	40,000	11,125
Street Lights	22,000	22,000	18,237
General Supplies	105,100	105,100	79,914
Landfill Fees	8,000	8,000	1,341
Tree Trimming	125,000	125,000	113,137
Repairs and Maintenance - Vehicle	10,000	10,000	6,012
Repairs and Maintenance - Building	40,000	40,000	69,789
Repairs and Maintenance - Construction Equip.	-	-	37
Repairs and Maintenance - Other Equipment	10,000	10,000	4,815
Contract Labor	200,000	200,000	592,220
Contract Labor - Forestry	20,000	20,000	20,187
Engineering Fees	20,000	20,000	37,134
Julie System	1,750	1,750	1,485

CITY OF BATAVIA, ILLINOIS

Electric - Enterprise Fund

Schedule of Operating Expenses - Budget and Actual - Continued
Year Ended December 31, 2006

	Budgeted Amounts		Actual
	Original	Final	Amounts
Operations - Continued			
Electric Distribution - Continued			
Tools	$ 7,000	7,000	9,224
Office Furniture	16,000	16,000	14,614
Safety Equipment	9,000	9,000	6,936
Communication Equipment	4,700	4,700	2,851
Other Equipment	9,500	9,500	7,545
Miscellaneous Equipment	-	-	14,070
	2,805,178	2,805,178	3,206,602
Less Nonoperating Items			
Fixed Assets Capitalized	(2,805,178)	(2,805,178)	(724,261)
	-	-	2,482,341
Electric Improvements			
General Supplies	3,030,814	3,030,814	288,487
Electric Meters	102,000	102,000	25,025
Wire and Cable	851,182	851,182	413,488
Electric Poles	4,158,594	4,158,594	32,306
Contract Labor	8,326,190	8,326,190	1,374,868
Engineering Fees	1,574,005	1,574,005	1,200,732
Vehicles	47,000	70,000	-
Off-Site Utilities	-	-	342,782
Transformers	2,318,500	2,318,500	4,421,072
	20,408,285	20,431,285	8,098,760
Less Nonoperating Items			
Fixed Assets Capitalized	(20,408,285)	(20,431,285)	(8,098,760)
	-	-	-
Total Operations	23,474,805	23,474,805	22,612,707

CITY OF BATAVIA, ILLINOIS

Electric - Enterprise Fund

Schedule of Changes in Net Assets - Restricted - Debt Service
Year Ended December 31, 2006

	Operations and Maintenance	Bond and Interest	Bond Reserve	Depreciation Repair and Replacement	Totals
Increases					
Interfund Transfers In	$ 2,700,000	37,980	1,705,719	2,000,000	6,443,699
Decreases					
Bond Interest	-	37,980	-	-	37,980
Net Increase	2,700,000	-	1,705,719	2,000,000	6,405,719
Account Balances					
January 1	-	-	-	-	-
December 31	2,700,000	-	1,705,719	2,000,000	6,405,719

CITY OF BATAVIA, ILLINOIS

Pension Trust Funds

Combining Schedule of Net Plan Assets
December 31, 2006

	Police Pension	Firefighters' Pension	Totals
Assets			
Cash and Cash Equivalents	$ 744,479	497,525	1,242,004
Investments			
Certificate of Deposits	-	199,704	199,704
U.S. Government and Agency Securities	7,624,315	2,523,329	10,147,644
Insurance Company Contracts	498,433	2,286,261	2,784,694
Mutual Funds	1,441,936	1,186,191	2,628,127
Equities	5,511,027	-	5,511,027
Receivables			
Other	9,959	6,087	16,046
Accrued Interest	51,849	26,268	78,117
Total Assets	15,881,998	6,725,365	22,607,363
Liabilities			
Accounts Payable	2,400	595	2,995
Net Assets			
Held in Trust for Pension Benefits (A schedule of funding progress is presented following the notes to the financial statements.)	15,879,598	6,724,770	22,604,368

CITY OF BATAVIA, ILLINOIS

Pension Trust Funds

Combining Schedule of Changes in Net Plan Assets
Year Ended December 31, 2006

	Police Pension	Firefighters' Pension	Totals
Additions			
Contributions - Employer	$ 777,012	429,457	1,206,469
Contributions - Plan Members	376,445	161,402	537,847
Total Contributions	1,153,457	590,859	1,744,316
Investment Income			
Interest Earned	1,262,391	458,988	1,721,379
Net Change in Fair Value	-	-	-
	1,262,391	458,988	1,721,379
Less Investment Expenses	(123,806)	-	(123,806)
Net Investment Income	1,138,585	458,988	1,597,573
Total Additions	2,292,042	1,049,847	3,341,889
Deductions			
Administration	26,669	41,334	68,003
Benefits and Refunds	588,030	233,628	821,658
Total Deductions	614,699	274,962	889,661
Change in Net Assets	1,677,343	774,885	2,452,228
Net Plan Assets Held in Trust for Pension Benefits			
Beginning	14,202,255	5,949,885	20,152,140
Ending	15,879,598	6,724,770	22,604,368

CITY OF BATAVIA, ILLINOIS

Police Pension Fund

Schedule of Changes in Net Plan Assets
Year Ended December 31, 2006

Additions	
Contributions - Employer	$ 777,012
Contributions - Plan Members	376,445
Total Contributions	1,153,457
Investment Income	
Interest Earned	1,262,391
Net Change in Fair Value	-
	1,262,391
Less Investment Expenses	(123,806)
Net Investment Income	1,138,585
Total Additions	2,292,042
Deductions	
Administration	26,669
Benefits and Refunds	
Benefits	588,030
Total Deductions	614,699
Change in Net Assets	1,677,343
Net Plan Assets Held in Trust for Pension Benefits	
Beginning	14,202,255
Ending	15,879,598

CITY OF BATAVIA, ILLINOIS

Firefighters' Pension Fund

Schedule of Changes in Net Plan Assets
Year Ended December 31, 2006

Additions	
Contributions - Employer	$ 429,457
Contributions - Plan Members	161,402
Total Contributions	590,859
Investment Income	
Interest Earned	458,988
Net Change in Fair Value	-
	458,988
Less Investment Expenses	-
Net Investment Income	458,988
Total Additions	1,049,847
Deductions	
Administration	41,334
Benefits and Refunds	
Benefits	233,628
Total Deductions	274,962
Change in Net Assets	774,885
Net Plan Assets Held in Trust for Pension Benefits	
Beginning	5,949,885
Ending	6,724,770

CITY OF BATAVIA, ILLINOIS

Agency Funds

Combining Schedule of Changes in Assets and Liabilities
Year Ended December 31, 2006

	Balances January 1	Additions	Deductions	Balances December 31
All Funds				
ASSETS				
Cash and Investments	$ 243,221	-	138,763	104,458
Receivables - Accounts	27,163	-	27,163	-
Total Assets	270,384	-	165,926	104,458
LIABILITIES				
Deposits Payable	261,745	-	157,955	103,790
Due to Bondholders	7,639	-	6,971	668
Total Liabilities	269,384	-	164,926	104,458

CITY OF BATAVIA, ILLINOIS

Agency Funds

Combining Schedule of Changes in Assets and Liabilities
Year Ended December 31, 2006

	Balances January 1	Additions	Deductions	Balances December 31
Special Service Area Fund				
ASSETS				
Cash and Investments	$ 7,639	-	6,971	668
LIABILITIES				
Due to Bondholders	7,639	-	6,971	668
Escrow Deposit Fund				
ASSETS				
Cash and Investments	235,582	-	131,792	103,790
Receivables - Accounts	27,163	-	27,163	-
Total Assets	262,745	-	158,955	103,790
LIABILITIES				
Deposits Payable	261,745	-	157,955	103,790

SUPPLEMENTAL SECTION

CITY OF BATAVIA, ILLINOIS

Long-Term Debt Requirements

Installment Contract of 2002
December 31, 2006

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	Requirements			Interest Due on			
Year	Principal	Interest	Totals	June 30	Amount	Dec. 31	Amount
2007	$ 50,000	1,094	51,094	2007	1,094		

CITY OF BATAVIA, ILLINOIS

Long-Term Debt Requirements

Alternate Revenue Source Bond Series of 1995
December 31, 2006

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	Requirements			Interest Due on			
Year	Principal	Interest	Totals	June 1	Amount	Dec. 1	Amount
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
	350,000	43,200	393,200		21,600		21,600

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, 2006

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	Requirements			Interest Due on			
Year	Principal	Interest	Totals	June 1	Amount	Dec. 1	Amount
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
	110,000	16,145	126,145		8,073		8,072

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, 2006

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	Requirements			Interest Due on			
Year	Principal	Interest	Totals	June 1	Amount	Dec. 1	Amount
2007	$ 30,000	1,350	31,350	2007	675	2007	675

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

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, 2006

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	Requirements			Interest Due on			
Year	Principal	Interest	Totals	June 1	Amount	Dec. 1	Amount
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
	1,400,000	266,210	1,666,210		133,105		133,105

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, 2006

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
2005	$ 50,000	1,400	51,400			2007	1,400

CITY OF BATAVIA, ILLINOIS

Long-Term Debt Requirements

General Obligation Refunding Bond Series of 1998
December 31, 2006

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
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
	2,150,000	423,586	2,573,586		211,793		211,793

CITY OF BATAVIA, ILLINOIS

Long-Term Debt Requirements

General Obligation Refunding Bond Series of 2002A - General Portion
December 31, 2006

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
2005	$ 89,300	8,081	97,381			2007	8,081
2006	91,650	13,484	105,134	2007	6,742	2008	6,742
2007	96,350	10,504	106,854	2008	5,252	2009	5,252
2008	99,875	7,278	107,153	2009	3,639	2010	3,639
2009	102,225	3,732	105,957	2010	1,866	2011	1,866
	479,400	43,079	522,479		17,499		25,580

CITY OF BATAVIA, ILLINOIS

Long-Term Debt Requirements

General Obligation Refunding Bond Series of 2002A - Water Portion
December 31, 2006

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
2005	$ 290,700	26,307	317,007			2007	26,307
2006	298,350	43,892	342,242	2007	21,946	2008	21,946
2007	313,650	34,196	347,846	2008	17,098	2009	17,098
2008	325,125	23,688	348,813	2009	11,844	2010	11,844
2009	332,775	12,146	344,921	2010	6,073	2011	6,073
	1,560,600	140,229	1,700,829		56,961		83,268

CITY OF BATAVIA, ILLINOIS

Long-Term Debt Requirements

General Obligation Bond Series of 2005
December 31, 2006

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	46,281	86,281			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
	2,000,000	1,053,493	3,053,493		503,606		549,887

CITY OF BATAVIA, ILLINOIS

Long-Term Debt Requirements

General Obligation Bond Series of 2006
December 31, 2006

Date of Issue	April 6, 2006
Date of Maturity	January 1, 2026
Authorized Issue	$10,000,000
Denomination of Bonds	$5,000
Interest Rates	4.00% - 4.50%
Interest Dates	January 1 and July 1
Principal Maturity Date	January 1
Payable at	Citibank 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	$ 420,000	318,727	738,727			2007	318,727
2006	320,000	408,168	728,168	2007	204,084	2008	204,084
2007	335,000	395,368	730,368	2008	197,684	2009	197,684
2008	355,000	381,968	736,968	2009	190,984	2010	190,984
2009	370,000	367,768	737,768	2010	183,884	2011	183,884
2010	390,000	352,970	742,970	2011	176,485	2012	176,485
2011	405,000	336,394	741,394	2012	168,197	2013	168,197
2012	425,000	319,182	744,182	2013	159,591	2014	159,591
2013	445,000	301,118	746,118	2014	150,559	2015	150,559
2014	465,000	282,206	747,206	2015	141,103	2016	141,103
2015	490,000	262,444	752,444	2016	131,222	2017	131,222
2016	510,000	241,618	751,618	2017	120,809	2018	120,809
2017	535,000	219,944	754,944	2018	109,972	2019	109,972
2018	560,000	197,206	757,206	2019	98,603	2020	98,603
2019	590,000	173,406	763,406	2020	86,703	2021	86,703
2020	615,000	148,332	763,332	2021	74,166	2022	74,166
2021	645,000	122,194	767,194	2022	61,097	2023	61,097
2022	675,000	94,782	769,782	2023	47,391	2024	47,391
2023	710,000	65,250	775,250	2024	32,625	2025	32,625
2024	740,000	33,300	773,300	2025	16,650	2026	16,650
	10,000,000	5,022,345	15,022,345		2,351,809		2,670,536

CITY OF BATAVIA, ILLINOIS

Long-Term Debt Requirements

IEPA Sewer Revenue Bond Series of 1989
December 31, 2006

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		
	Principal	Interest	Totals
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
	329,629	28,379	358,008

CITY OF BATAVIA, ILLINOIS

Long-Term Debt Requirements

IEPA Sewer Revenue Bond Series of 1990
December 31, 2006

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		
	Principal	Interest	Totals
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
	2,453,490	284,168	2,737,658

CITY OF BATAVIA, ILLINOIS

Long-Term Debt Requirements

IEPA Sewer Revenue Bond Series of 1999
December 31, 2006

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		
	Principal	Interest	Totals
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
	754,769	139,560	894,329

CITY OF BATAVIA, ILLINOIS

Long-Term Debt Requirements

IEPA Sewer Revenue Bond Series of 1999A
December 31, 2006

Date of Issue	November 1, 2001
Date of Maturity	November 1, 2020
Authorized Issue	$10,938,990
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		
	Principal	Interest	Totals
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
	8,378,253	1,626,917	10,005,170

CITY OF BATAVIA, ILLINOIS

Long-Term Debt Requirements

Revenue Source Bond Series of 2006 - Sewer
December 31, 2006

Date of Issue	May 1, 1998
Date of Maturity	January 1, 2037
Authorized Issue	$30,000,000
Denomination of Bonds	$5,000
Interest Rates	3.5% to 4.5%
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

Fiscal	Requirements			Interest Due on			
Year	Principal	Interest	Totals	July 1	Amount	Jan. 1	Amount
2006	$ -	37,980	37,980			2007	37,980
2007	-	1,139,406	1,139,406	2007	569,703	2008	569,703
2008	285,000	1,139,406	1,424,406	2008	569,703	2009	569,703
2009	295,000	1,129,430	1,424,430	2009	564,715	2010	564,715
2010	305,000	1,119,106	1,424,106	2010	559,553	2011	559,553
2011	315,000	1,108,430	1,423,430	2011	554,215	2012	554,215
2012	605,000	1,097,406	1,702,406	2012	548,703	2013	548,703
2013	630,000	1,073,206	1,703,206	2013	536,603	2014	536,603
2014	655,000	1,048,006	1,703,006	2014	524,003	2015	524,003
2015	680,000	1,021,806	1,701,806	2015	510,903	2016	510,903
2016	710,000	994,606	1,704,606	2016	497,303	2017	497,303
2017	735,000	966,206	1,701,206	2017	483,103	2018	483,103
2018	765,000	936,806	1,701,806	2018	468,403	2019	468,403
2019	795,000	906,206	1,701,206	2019	453,103	2020	453,103
2020	830,000	874,406	1,704,406	2020	437,203	2021	437,203
2021	865,000	840,376	1,705,376	2021	420,188	2022	420,188
2022	900,000	804,694	1,704,694	2022	402,347	2023	402,347
2023	935,000	766,894	1,701,894	2023	383,447	2024	383,447
2024	975,000	727,156	1,702,156	2024	363,578	2025	363,578
2025	1,020,000	685,718	1,705,718	2025	342,859	2026	342,859
2026	1,060,000	642,368	1,702,368	2026	321,184	2027	321,184
2027	1,105,000	597,318	1,702,318	2027	298,659	2028	298,659
2028	1,155,000	550,356	1,705,356	2028	275,178	2029	275,178
2029	1,205,000	499,826	1,704,826	2029	249,913	2030	249,913
2030	1,255,000	447,106	1,702,106	2030	223,553	2031	223,553
2031	1,310,000	392,200	1,702,200	2031	196,100	2032	196,100
2032	1,370,000	334,888	1,704,888	2032	167,444	2033	167,444
2033	1,430,000	274,950	1,704,950	2033	137,475	2034	137,475
2034	1,490,000	210,600	1,700,600	2034	105,300	2035	105,300
2035	1,560,000	143,550	1,703,550	2035	71,775	2036	71,775
2036	1,630,000	73,338	1,703,338	2036	36,675	2037	36,663
	26,870,000	22,583,750	49,453,750		11,272,891		11,310,859