

CITY OF  
BATAVIA, ILLINOIS

COMPREHENSIVE  
ANNUAL  
FINANCIAL REPORT



FOR THE FISCAL  
YEAR ENDED  
DECEMBER 31, 2007

**CITY OF BATAVIA, ILLINOIS**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FOR THE FISCAL YEAR  
ENDED DECEMBER 31, 2007**

**Prepared By:**

**Finance Department**

**CITY OF BATAVIA, ILLINOIS**

**TABLE OF CONTENTS**

**PAGE**

**INTRODUCTORY SECTION**

List of Principal Officials .....i  
Organizational Chart..... ii  
Letter of Transmittal .....iii - vii

**FINANCIAL SECTION**

**INDEPENDENT AUDITORS' REPORT ..... 1 - 2**

**MANAGEMENT'S DISCUSSION AND ANALYSIS ..... 3 - 17**

**BASIC FINANCIAL STATEMENTS**

**Government-Wide Financial Statements**

Statement of Net Assets ..... 18 - 19  
Statement of Activities ..... 20 - 21

**Fund Financial Statements**

Balance Sheet – Governmental Funds ..... 22 - 23  
Reconciliation of Total Governmental Fund Balance to the  
Statement of Net Assets - Governmental Activities .....24  
Statement of Revenues, Expenditures, and Changes in  
Fund Balances – Governmental Funds ..... 25 - 26  
Reconciliation of the Statement of Revenues, Expenditures, and Changes in  
Fund Balances to the Statement of Activities – Governmental Activities.....27  
Statement of Net Assets – Proprietary Fund..... 28 - 29  
Statement of Revenues, Expenses, and Changes in Net Assets – Proprietary Funds .....30  
Statement of Cash Flows – Proprietary Funds.....31  
Statement of Net Assets – Fiduciary Funds .....32  
Statement of Changes in Net Assets – Fiduciary Funds .....33

Notes to the Financial Statements..... 34 - 67

**REQUIRED SUPPLEMENTARY INFORMATION**

Illinois Municipal Retirement Fund – Schedule of Funding Progress.....68  
Police Pension Fund – Schedule of Funding Progress.....69  
Firefighters' Pension Fund – Schedule of Funding Progress..... 70  
Illinois Municipal Retirement Fund – Employer Contributions .....71  
Police Pension Fund – Employer Contributions.....72  
Firefighters' Pension Fund – Employer Contributions.....73  
General Fund - Schedule of Revenues, Expenditures, and Changes in  
Fund Balance – Budget and Actual .....74

CITY OF BATAVIA, ILLINOIS

TABLE OF CONTENTS

PAGE

FINANCIAL SECTION - Continued

**OTHER SUPPLEMENTARY INFORMATION**

General Fund – Schedule of Revenues – Budget and Actual .....	75 - 76
General Fund – Schedule of Expenditures – Budget and Actual.....	77
General Fund – Schedule of Detailed Expenditures – Budget and Actual .....	78 - 89
Debt Service Fund – Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual.....	90
Debt Service Fund – Schedule of Expenditures – Budget and Actual .....	91
Infrastructure – Capital Projects Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual .....	92
Infrastructure – Capital Projects Fund – Schedule of Expenditures – Budget and Actual .....	93
Capital Projects Fund – Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual.....	94
Perpetual Care Cemetery – Permanent Fund – Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual .....	95
Waterworks – Enterprise Fund - Schedule of Revenues, Expenses And Changes in Net Assets – Budget and Actual.....	96
Waterworks – Enterprise Fund – Schedule of Operating Expenses - Budget and Actual .....	97 - 99
Sewerage – Enterprise Fund – Balance Sheet.....	100 - 101
Sewerage – Enterprise Fund – Schedule of Revenues, Expenses And Changes in Net Assets – Budget and Actual.....	102
Sewerage – Enterprise Fund – Schedule of Operating Expenses – Budget and Actual .....	103 - 105
Sewerage – Enterprise Fund – Schedule of Changes in Net Assets– Restricted – Debt Service .....	106
Electric – Enterprise Fund – Balance Sheet.....	107 - 108
Electric – Enterprise Fund – Schedule of Revenues, Expenses And Changes in Net Assets – Budget and Actual.....	109
Electric – Enterprise Fund – Schedule of Operating Expenses – Budget and Actual .....	110 - 112
Electric – Enterprise Fund – Schedule of Changes in Net Assets – Restricted – Debt Service .....	113
Pension Trust Funds – Combining Statement of Net Plan Assets.....	114
Pension Trust Funds – Combining Statement of Changes in Net Plan Assets.....	115
Police Pension – Pension Trust Fund – Schedule of Changes in Net Plan Assets.....	116
Firefighters’ Pension – Pension Trust Fund – Schedule of Changes in Net Plan Assets .....	117
Agency Funds – Combining Statement of Changes in Assets and Liabilities.....	118 - 119

CITY OF BATAVIA, ILLINOIS

TABLE OF CONTENTS

PAGE

SUPPLEMENTAL SECTION

Long-Term Debt Requirements

Alternate Revenue Source Bond Series of 1995.....	120
Alternate Revenue Source Bond Series of 1996.....	121
Alternate Revenue Source Bond Series of 1998.....	122
Alternate Revenue Source Bond Series of 2006.....	123
General Obligation Refunding Bond Series of 1998.....	124
General Obligation Refunding Bond Series of 2002A – General Portion.....	125
General Obligation Refunding Bond Series of 2002A – Water Portion.....	126
General Obligation Bond Series of 2005.....	127
IEPA Sewer Revenue Bond Series of 1989.....	128
IEPA Sewer Revenue Bond Series of 1990.....	129
IEPA Sewer Revenue Bond Series of 1999.....	130
IEPA Sewer Revenue Bond Series of 1999A.....	131
Revenue Source Bond Series of 2006 - Electric.....	132

STATISTICAL SECTION (Unaudited)

Net Assets by Component – Last Five Fiscal Years.....	133 - 134
Changes in Net Assets – Last Five Fiscal Years.....	135
Fund Balances of Governmental Funds – Last Ten Fiscal Years.....	136 - 137
Changes in Fund Balances for Governmental Funds – Last Ten Fiscal Years.....	138 - 139
Equalized Assessed Value and Actual Value of Taxable Property – Last Ten Fiscal Years.....	140 - 141
Direct and Overlapping Property Tax Rates – Last Ten Fiscal Years.....	142 - 143
Principal Property Tax Payers – Current Year and Nine Years Ago.....	144
Property Tax Levies and Collections – Last Ten Fiscal Years.....	145
Ratios of Outstanding Debt by Type – Last Ten Fiscal Years.....	146
Ratios of General Bonded Debt Outstanding – Last Ten Fiscal Years.....	147
Schedule of Direct and Overlapping Governmental Activities Debt.....	148
Legal Debt Margin – Last Ten Fiscal Years.....	149 - 150
Pledged Revenue Coverage – Last Ten Fiscal Years.....	151
Demographic and Economic Statistics – Last Ten Fiscal Years.....	152
Principal Employers – Current Year and Nine Years Ago.....	153
Full-time Equivalent City Government Employees by Function – Last Ten Fiscal Years.....	154 - 155
Operating Indicators by Function/Program – Last Ten Fiscal Years.....	156 - 157
Capital Assets Statistics by Function/Program – Last Ten Fiscal Years.....	158 - 159

## **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

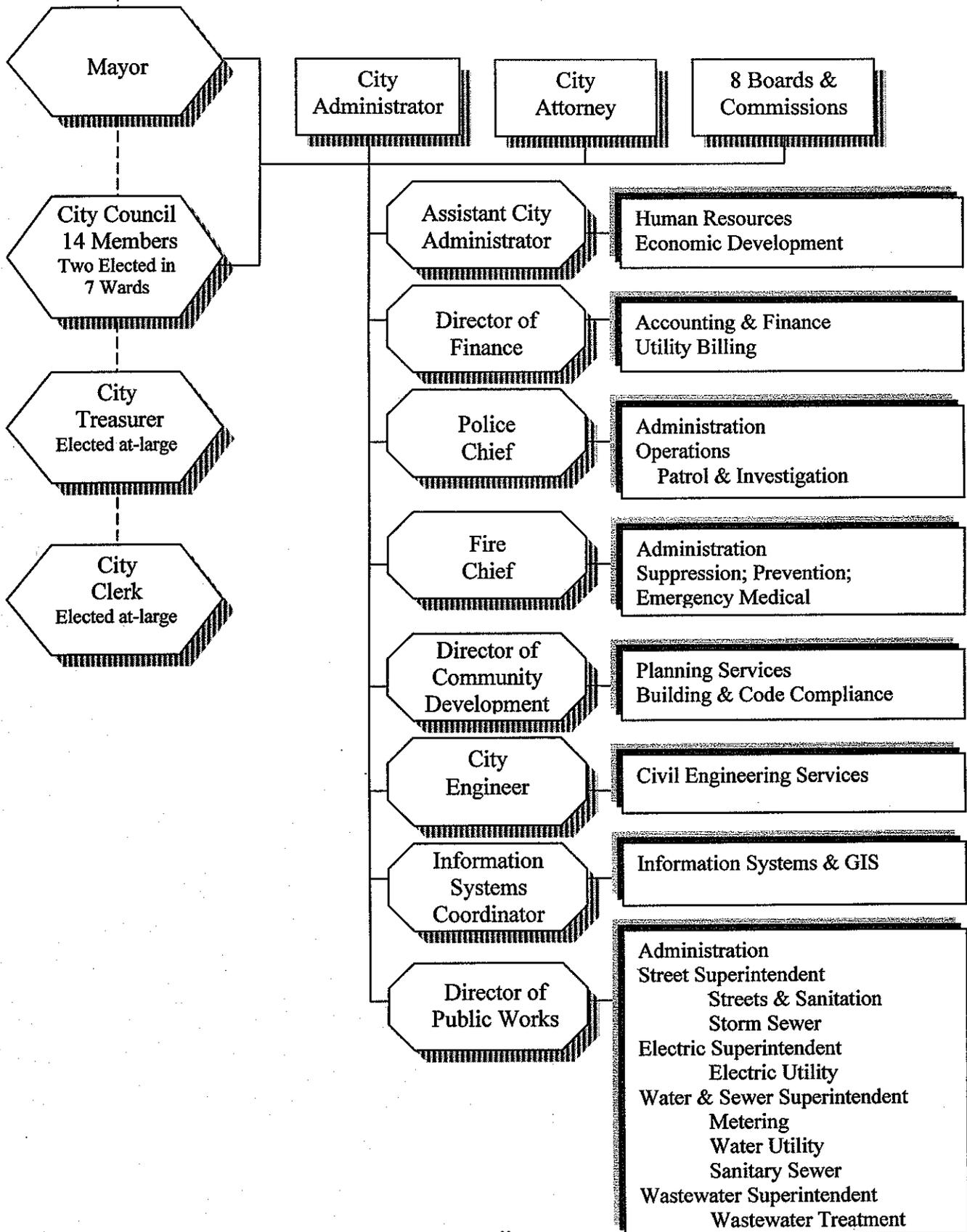
John Noble, City Attorney

\* As of December 31, 2007.

**CITY OF BATAVIA, ILLINOIS**

**Organizational Chart**

**Citizens of Batavia**



June 20, 2008

To the Honorable Mayor Jeffrey D. Schielke  
Members of the City Council and  
Citizens of the City of Batavia:

The comprehensive annual financial report of the City of Batavia for the fiscal year ended December 31, 2007 is hereby submitted. This report consists of the City of Batavia management staff's representations concerning the finances of the City of Batavia. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City of Batavia's financial statements in conformity with generally accepted accounting principles (GAAP). Because the cost of internal controls should not outweigh their benefits, the City of Batavia's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

In 1999, the Governmental Accounting Standards Board (GASB) adopted Statement No. 34, *Basic Financial Statements – Management's Discussion and Analysis – For State and Local Governments*. Beginning with the December 31, 2003 financial statements, the City of Batavia was required to comply with GASB 34. As such, the reader will notice many changes in scope, approach and presentation with reports after this date as compared to financial statements prior to this date.

The City of Batavia's financial statements have been audited by Lauterbach & Amen, LLP, a firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City of Batavia for the fiscal year ended December 31, 2007, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City of Batavia's financial statements for the fiscal year ended December 31, 2007, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The comprehensive annual financial report is presented in three sections: introductory, financial, and statistical (unaudited). GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD &A). This letter of transmittal is designed and intended to complement the MD & A and should be read in conjunction with the MD & A, which can be found immediately following the report of the independent auditors.

### **Profile of the City of Batavia**

The City of Batavia was settled in the early 1830's and is located approximately 35 miles west of downtown Chicago along the banks of the Fox River. The City was incorporated as a village in 1856 and as a City in 1891. Population at the 2000 Census was 23,866 and a special census in 2003 raised it to 24,978. The population for 2007 was estimated at about 26,000. The current land area of Batavia is 9.71 square miles. The City is nicknamed 'The Windmill City', as a result of its industrial role at the turn of the century as the windmill manufacturing capital of the world. Many antique and replicated windmills may be seen throughout the city. The City has good transportation links to the Chicago metropolitan area and the interstate highway system. The City is within a few miles of Interstate 88 within the Illinois Research & Development Corridor. Located within commuting distance of Chicago, the City has experienced strong growth in taxable valuation and new residential, commercial and industrial construction. Although much of the City is developed, there is open space with the potential for future annexation.

The City operates under an aldermanic form of government with 14 aldermen, two from each ward, elected for overlapping four-year terms. The Mayor is elected on an at-large basis and is the chief executive officer of the City. The mayor appoints the members of all standing and special committees. Policymaking and legislative authority are vested in the City Council. The City Council is responsible for passing ordinances, adopting the budget, and hiring the City Administrator. The City Administrator is responsible for carrying out the policies and ordinances of the City Council and for overseeing the day-to day operations of the City. The Mayor, with the consent of the City Council, appoints the Department Heads who work under the direction of the City Administrator.

The City provides a full range of services, including police, fire protection and paramedic services, maintenance of streets, bridges and sewers, building and zoning, code enforcement, water distribution and waste water treatment along with a municipally owned electric distribution system. The financial reporting entity of the City of Batavia, as defined by Governmental Accounting Standards Board Statement No. 14, is comprised of all the funds of the primary government (i.e., the City of Batavia as legally defined).

The annual budget serves as the foundation for the City's financial planning and control. During the month of August City staff officially begin the budget process. Staff meets to review the status of goals and priorities from the current year and to develop goals for the upcoming year. All departments of the City are required to submit their budget requests to the City Administrator during the last week of September each year. The City Administrator and Finance Director then meet with Department Heads to review the requests and to develop the proposed budget which is presented to the City Council in November. The City Council is required to hold a public hearing

on the proposed budget and to adopt a final budget no later than December 31 of each year. A Capital Improvements Plan is prepared in conjunction with the budget as a planning tool. The CIP is not approved as part of the budget process but is provided for informational purposes.

### **Economic Condition and Outlook**

The City continues to maintain a favorable financial position, with sufficient fund balances available for general operations. During this past year, the City has seen experienced some setbacks related to the economy similar to what has been experienced in the State of Illinois and Kane County. Higher prices for consumer purchases such as food and gas have impacted the spending in the area and thus resulted in lower sales tax receipts after many years of sizable increases. The City has seen an increase in State of Illinois shared taxes, which have helped to sustain revenues with the drop off in sales taxes. Overall, the City maintains a strong tax base for all taxes, including income and property taxes. Moody's Investors Service recognizes the City's strong financial condition with the last rating done in 2006 remaining at "Aa3".

### **Major Initiatives**

The largest initiative undertaken by the City in 2007 was the start of reconstruction of the City's only river crossing. The Donovan (Wilson St.) Bridge last constructed in 1911 saw the greater part of reconstruction completed in 2007 but is not expected to reach full completion until mid-2008. The majority of the \$12,000,000 project is being funded through State and Federal funding. The City issued \$2,000,000 in General Obligation bonds in 2005 to help with the funding.

During the 2007 year, the City Council also oversaw the completion of the rebuilding of the City's two fire stations at a cost of just over \$11,000,000. This major initiative was possible as a result of a referendum authorizing the City to pass a 0.50% non-home rule sales tax to allow for the issuance of \$10,000,000 in Alternate Revenue Bonds to pay for the majority of construction.

The year 2007 also had a major electric utility project continue from 2006. The City issued \$26.9 million in Revenue Bonds to fund the construction of two 138kV substations and 8 miles of 138kV transmission lines. When this project is completed in 2008, ratepayers will experience more reliable electric service.

For the Future - For 2008, the City will continue its emphasis on infrastructure and capital improvements. The 2008 budget includes \$1.2 million to complete the bridge reconstruction, \$1.4 million in electric improvements, \$2.1 million in water main, sanitary sewer and wastewater treatment lift station improvements, and \$1.3 million slated for improvements in the City's two active TIF districts. Overall, the City has budgeted over \$7.4 million in capital expenditures for 2008 with all of the projects being funded on a pay-as-we go basis.

City staff continues to place a focus on downtown redevelopment. It is anticipated that projects will begin to move forward with the completion of the bridge reconstruction in 2008.

## **Financial Information**

Management of the City is responsible for establishing and maintaining internal controls designed to ensure that the assets of the government are protected from loss, theft, or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. Internal controls are designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

Cash Management - Cash temporarily idle during the year was invested in demand deposits, certificates of deposit, money market accounts, United States Agency obligations and obligations of the United States Treasury. As of December 31, 2007, the average yield on City investments of 5.02%. The City earned \$2.7 million on all investments for the year ended December 31, 2007. These earnings were higher than average due to bond proceeds that were invested during project construction of the 138kV infrastructure and the fire stations. The City of Batavia has a comprehensive written investment policy, following these certain cash management and investment principles:

- Safety of principal is of foremost importance to the City of Batavia. Each investment transaction will seek first to ensure that capital losses are avoided whether they are from securities defaults or erosion of market value.
- Diversification of investments plays an important part in guaranteeing asset safety. The City maintains diversity in its investments to avoid incurring unreasonable risks from concentrating investments in specific security types and/or particular financial institutions.
- The investment program must serve operating needs of the City. The City's investment portfolio shall remain sufficiently liquid to enable the City to meet all operating requirements that may be reasonably anticipated in any City fund.
- Public confidence in the investment program and practices is essential. In managing its investment portfolio, the City will avoid any transaction that might impair public confidence in the governing body. Investments shall be made based upon standards of care which would, under then current circumstances, be utilized by reasonable, prudent persons in the management of their own affairs. Such standards emphasize proper investment, rather than speculation. Therefore, the safety of capital is more critical to a determination of appropriate investment than the probable income to be derived.

Risk Management - The City of Batavia purchases property and liability insurance through an insurance broker. The City carries deductibles that range between \$10,000 and \$25,000. Each year City staff evaluates the amount of risk with past history and projected premiums to determine the most prudent and cost effective policy. The City is self-insured for both health and workers compensation insurance with policies in place for excess coverage to protect the City in the event of a large claim.

Pension and Other Post-Employment Benefits - The City sponsors a single-employer defined benefit pension plan for its police and fire officers. Each year, an independent actuary engaged by the City and the pension plans calculates the amount of the annual contribution that the City must make to the pension plan to ensure that the plan will be able to fully meet its obligations to retired employees on a timely basis. As a matter of policy, the City fully funds each year's annual required contribution to the respective pension plans as determined by the actuary. As a result of the City's conservative funding policy, the City has succeeded as of December 31, 2007, in funding 63.6% of the Police Pension and 64.5% of the Firefighter's Pension actuarial accrued liabilities. The remaining unfunded liability is being systematically funded through 2033 as part of the annual required contribution calculated by the actuary.

The City also provides pension benefits for its non-public safety employees. These benefits are provided through a statewide plan managed by the Illinois Municipal Retirement Fund (IMRF). The City has no obligation in connection with employee benefits offered through this plan beyond its contractual payments to IMRF.

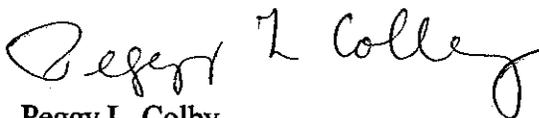
Additional information on the City's pension arrangements can be found in the notes in the financial statements.

Awards and Acknowledgments - This report represents the City's first submittal for the Government Finance Officers Association (GFOA) award for Certificate of Achievement for Excellence in Financial Reporting. In order to be awarded a Certificate of Achievement, the government must publish an easily readable and efficiently organized comprehensive annual financial report. The report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report will meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for the certificate.

The preparation of the comprehensive annual financial report on a timely basis was made possible by the dedicated service of the entire staff of the Finance Department. I would like to express my sincere appreciation to all, as well as the City Administrator, Mayor and City Council who encourage and insist upon the highest standards of excellence in planning and conducting the financial operations of the City.

Sincerely,



Peggy L. Colby,  
Director of Finance

## **FINANCIAL SECTION**

# **INDEPENDENT AUDITORS' REPORT**

## INDEPENDENT AUDITORS' REPORT

May 22, 2008

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, 2007, 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, 2007. 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, 2007, 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 schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements of the City of Batavia, Illinois. Such information, except for that portion marked "unaudited" on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is presented fairly, in all material respects, in relation to the basic financial statements taken as a whole.

City of Batavia, Illinois  
May 22, 2008  
Page 2

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

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



LAUTERBACH & AMEN, LLP

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

## **CITY OF BATAVIA, ILLINOIS**

### **Management's Discussion and Analysis December 31, 2007**

---

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, 2007. 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 2007 were \$156.0 million, an increase of \$8.8 million. Governmental activities net assets were \$74.7 million with \$12.5 million available to meet ongoing obligations and \$4.2 restricted for capital and other projects. Net assets of business-type activities were \$81.3 million of which \$16.7 million is available for operations.
- During the year, \$30.1 million in tax and other revenues was collected in the City's governmental funds resulting in a deficit of \$7.5 million under the \$37.6 million in expenditures, which included \$13.0 million in capital projects.
- Operating revenues for business-type activities were \$43.2 million while operating expenses were \$38.9 million.
- The total cost of all programs was \$25.5 million for governmental activities and \$40.6 for business-type activities. No new programs were added this year.
- The General Fund reported a surplus this year of \$1.8 million mainly as a result of a several state and federal grants totaling \$422,000 and a one-time TIF reimbursement of \$500,000 for a prior land purchase.
- The City of Batavia's total debt decreased by \$2.7 million, with total debt outstanding of \$67.2 million. A decrease of \$1.2 million was for governmental activities. The balance of the decrease of \$1.5 million reduced the balance of debt for business-type activities to \$52.3 million.

### **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.

# CITY OF BATAVIA, ILLINOIS

## Management's Discussion and Analysis December 31, 2007

---

### 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 – 21 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.

## **CITY OF BATAVIA, ILLINOIS**

### **Management's Discussion and Analysis December 31, 2007**

---

#### **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 Fund 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, waterworks and sewerage 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.

## **CITY OF BATAVIA, ILLINOIS**

### **Management's Discussion and Analysis December 31, 2007**

---

#### **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 - 67 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 68 – 74 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 2007, the assets of the City of Batavia exceeded liabilities by \$156.0 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 7.1% of net assets. The remaining 18.8%, or \$29.2 million, represents unrestricted net assets and may be used to meet the government's ongoing obligations to citizens and creditors. Unrestricted net assets in 2006 were \$28.7 million thus ending the year 2007 \$0.5 million over the prior year.

Net assets of the City of Batavia's governmental activities for 2007 were \$74.7 million. Unrestricted net assets, the part of net assets that can be used to finance day-to-day operations without constraints were \$12.5 million at the end this year. Restricted net assets for governmental activities increased to \$4.2 million, up from \$2.7 million in the prior year.

**CITY OF BATAVIA, ILLINOIS**

**Management's Discussion and Analysis  
December 31, 2007**

**Government-Wide Financial Analysis – Continued**

Net assets of business-type activities for 2007 were \$81.3 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 \$16.7 million at the end of 2007. Restricted net assets for business-type activities remained the same at \$7.0 million.

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

	Governmental Activities		Business-type Activities		Total	
	2007	2006	2007	2006	2007	2006
Current and Other Assets	\$ 25.2	32.8	27.9	48.2	53.1	81.0
Capital Assets	73.0	62.0	109.8	87.6	182.8	149.6
Total Assets	98.2	94.8	137.7	135.8	235.9	230.6
Long-Term Debt Outstanding	(14.6)	(15.4)	(50.5)	(52.4)	(65.1)	(67.8)
Other Liabilities	(8.9)	(9.3)	(5.9)	(6.3)	(14.8)	(15.6)
Total Liabilities	(23.5)	(24.7)	(56.4)	(58.7)	(79.9)	(83.4)
Net Assets						
Invested in Capital Assets, Net of Debt	58.0	56.5	57.6	52.3	115.6	108.8
Restricted	4.2	2.7	7.0	7.0	11.2	9.7
Unrestricted	12.5	10.9	16.7	17.8	29.2	28.7
Total Net Assets	74.7	70.1	81.3	77.1	156.0	147.2

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 \$4.6 million in 2007 compared to \$5.3 million in 2006. Business-type activities increased \$4.2 million compared to \$3.1 million the prior year.

**CITY OF BATAVIA, ILLINOIS**

**Management's Discussion and Analysis  
December 31, 2007**

**Government-Wide Financial Analysis – Continued**

Please refer to the following chart for a depiction of revenues, expenses 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	
	2007	2006	2007	2007	2007	2006
<b>Revenues</b>						
Program Revenues						
Charges for Services	\$ 4.3	4.9	43.2	35.9	47.5	40.8
Operating Grants/Contributions	0.2	0.2	-	0.1	0.2	0.3
Capital Grants/Contributions	1.9	2.1	-	0.5	1.9	2.6
General Revenues						
Property Taxes	6.5	5.9	-	-	6.5	5.9
Sales Taxes	7.6	7.5	-	-	7.6	7.5
Utility Taxes	3.1	2.8	-	-	3.1	2.8
Intergovernmental	2.6	2.7	-	-	2.6	2.7
Interest	1.0	1.1	1.6	0.8	2.6	1.9
Other General Revenues	2.9	1.4	-	-	2.9	1.4
<b>Total Revenues</b>	<b>30.1</b>	<b>28.6</b>	<b>44.8</b>	<b>37.3</b>	<b>74.9</b>	<b>65.9</b>
<b>Expenses</b>						
General Government	6.4	6.6	-	-	6.4	6.6
Public Safety	12.2	10.4	-	-	12.2	10.4
Highways and Streets	6.2	5.6	-	-	6.2	5.6
Interest on Long-Term Debt	0.7	0.7	-	-	0.7	0.7
Waterworks	-	-	4.2	4.0	4.2	4.0
Sewerage	-	-	4.5	4.2	4.5	4.2
Electric	-	-	31.9	26.0	31.9	26.0
<b>Total Expenses</b>	<b>25.5</b>	<b>23.3</b>	<b>40.6</b>	<b>34.2</b>	<b>66.1</b>	<b>57.5</b>
<b>Increase in Net Assets Before Transfers</b>	<b>4.6</b>	<b>5.3</b>	<b>4.2</b>	<b>3.1</b>	<b>8.8</b>	<b>8.4</b>
<b>Transfers</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Increase in Net Assets</b>	<b>4.6</b>	<b>5.3</b>	<b>4.2</b>	<b>3.1</b>	<b>8.8</b>	<b>8.4</b>
<b>Net Assets - Beginning</b>	<b>70.1</b>	<b>64.8</b>	<b>77.1</b>	<b>74.0</b>	<b>147.2</b>	<b>138.8</b>
<b>Net Assets - Ending</b>	<b>74.7</b>	<b>70.1</b>	<b>81.3</b>	<b>77.1</b>	<b>156.0</b>	<b>147.2</b>

# CITY OF BATAVIA, ILLINOIS

## Management's Discussion and Analysis December 31, 2007

### Government-Wide Financial Analysis – Continued

#### Governmental Activities

The 2007 revenues for governmental activities were \$30.1 million, while total program expenses were \$25.5 million. Total revenues for governmental activities for 2007 were \$1.5 million higher than 2006 revenues of \$28.6 million.

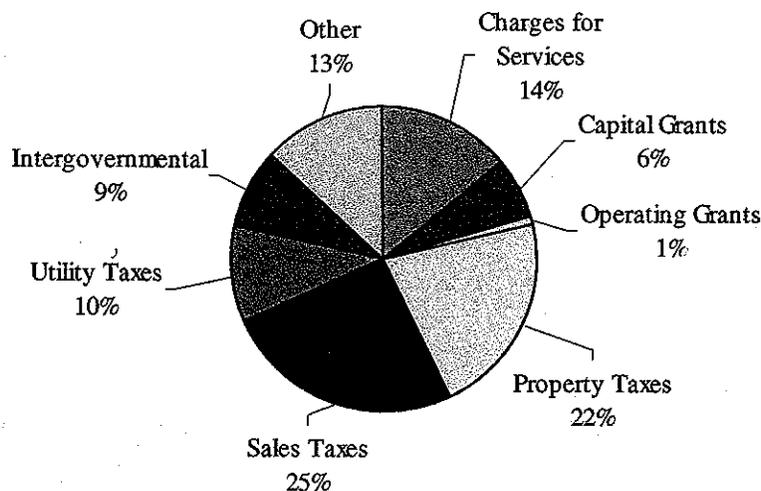
The difference in revenues is attributable to general increases in various revenues, some state and federal grants and a reimbursement from one of the City's TIF funds for a prior year property purchase that became eligible for TIF redevelopment.

Additionally, revenues in the form of host fee from a waste transfer station, which were new in 2006, doubled in 2007 to \$422,000.

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 for governmental activities created an additional \$500,000 in revenues in 2007.

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**



# CITY OF BATAVIA, ILLINOIS

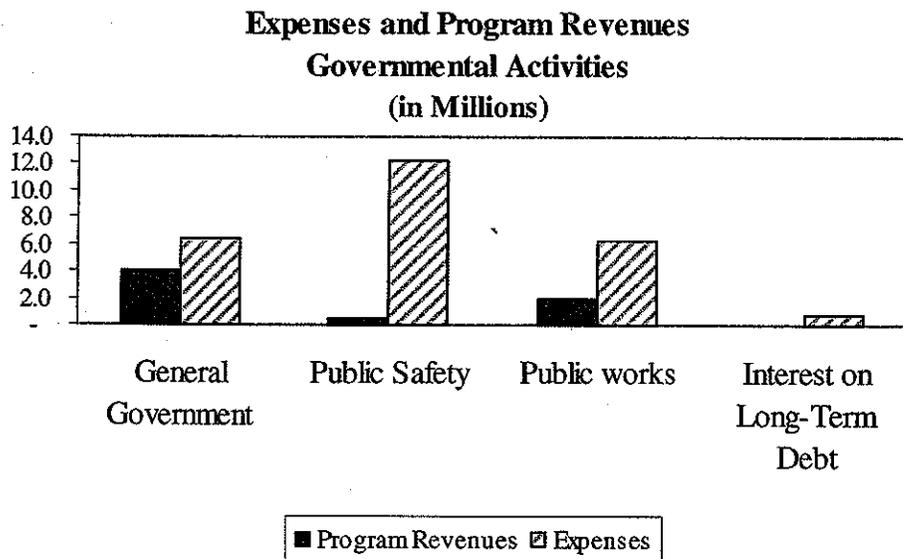
## Management's Discussion and Analysis December 31, 2007

### Government-Wide Financial Analysis – Continued

#### Governmental Activities – Continued

Receipts for income taxes were \$185,000 over 2006 and utility taxes provided an additional \$237,000 in receipts. The City has faced challenges to sales tax receipts with a slight decrease of \$40,000 occurring in 2007 for general sales tax. The decrease may be due to 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 from both outside retail and economic forces, still remain strong and a major revenue source for the city, 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.

## **CITY OF BATAVIA, ILLINOIS**

### **Management's Discussion and Analysis December 31, 2007**

---

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

##### **Business-Type Activities**

Revenues for business-type activities were \$44.8 million and expenses were \$40.6 million.

- The water utility completed the final phase of construction on a multi-year capital improvement plan totaling just under \$16 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, new deep wells and two new water towers. The treatment plant, cross-town water main and booster station were placed in service in 2005. Two new deep wells and two new water towers were started in 2006 with all reaching completion by the end of 2007.
- The City has received low interest loans from the IEPA to fund nearly 100% of the water projects. The loan proceeds, less repayments made, total \$13.2 million in IEPA loans outstanding at the end of 2007. Water rate increases were necessary to fund debt repayment. A rate study resulted in several rate increases with the final increase in 2006.
- The City's sanitary sewer system has been undergoing an extensive evaluation, which continued through 2007. The results of the study are expected in mid 2008 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. An initial rate increase of 5% is planned for 2008 to begin funding the cost of needed improvements.
- The City of Batavia also operates a municipal electric utility to transmit and distribute electricity for those within the municipal borders. The long-term contract that Batavia had in place for purchased power expired in June 2007. In anticipation of the contract end and deregulation, the City began actively researching how to best meet future power needs. At the end of 2007, the City had contracts for power supply through 2010. It is anticipated that further contracts to supply power through 2012 will be secured in 2008.
- An 8.9% electric rate increase was implemented in 2007 with the same increase planned for 2008. The increases were necessary due to rising power costs and capital investment that will be required in the coming years. Capital improvements in 2007 included system extension, progress of a substation upgrade and the majority of construction of a new infrastructure project to allow power to be received at 138 kV. The 138 kV project included the construction of two 138 kV substations and about 8 miles of 138 kV transmission lines. The City issued \$26.9 million in revenue bonds at the end of 2006 to fund the project.

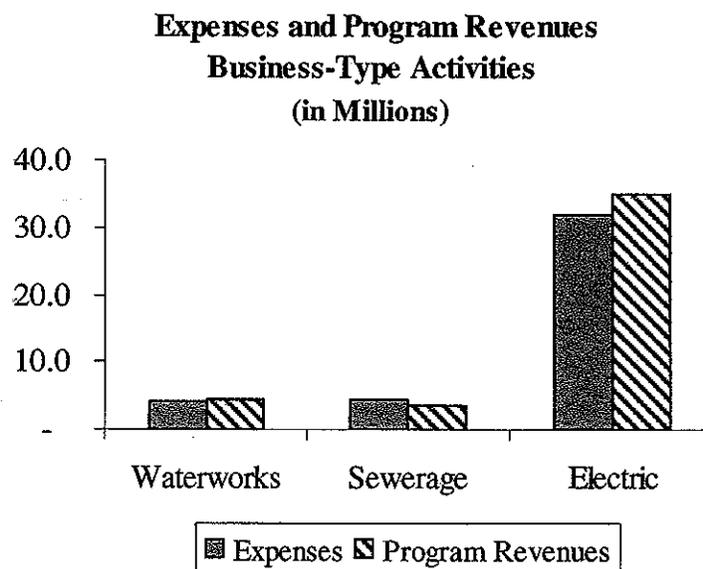
# CITY OF BATAVIA, ILLINOIS

## Management's Discussion and Analysis December 31, 2007

### 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 is needed, therefore a 5% increase is planned for 2008.



### 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 \$17.0 million, in contrast to last year's \$24.6 million. Included in this year's total change in fund balance was a decrease of \$9.6 million in the Infrastructure Capital Projects Fund due to the completion of reconstruction of the City's two fire stations. A small increase of \$0.4 million occurred in the Capital Projects Fund to build funding for future capital equipment purchases. The General Fund balance increase is due to the factors that resulted in an increase to governmental activities that was highlighted on pages 9 and 10.

## **CITY OF BATAVIA, ILLINOIS**

### **Management's Discussion and Analysis December 31, 2007**

---

#### **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 2007 rate of \$2.79 per hundred cubic feet. Water currently has \$13.2 million outstanding in IEPA loans for recent capital improvements and \$1.3 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 \$10.9 million in outstanding debt for prior improvements. The current rate structure of \$2.40 per hundred cubic feet is sufficient to cover this debt but not future projects; therefore a 5% rate increase is planned for 2008.
- Batavia's electric rates were increased 8.9% in 2007. The increase was put in place in anticipation of the impending end to 10-year all-requirements purchased power contract. With the knowledge that purchased 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. An additional rate increase of 8.9% is planned for 2008 to fund this alternative.
- In addition to the 138 kV project, the City has secured an interest in a mine mouth coal power generation plant in Southern Illinois to supply and secure low cost power for a portion of the City's future power needs. The City joined with two other municipalities in 2004 to form Northern Illinois Municipal Power Agency (NIMPA) and is working with another power agency on this power alternative. It is anticipated that this project will continue to move forward in 2008. There was a sizeable debt issue in 2007 for the project through NIMPA. The accounting and reporting for this transaction will be as a purchased power contract through NIMPA.
- Net assets of the electric fund for 2007 were \$39.6 million compared to \$35.1 million at the beginning of the year. The increase is mainly due to the investment in capital assets related to the 138 kV capital project. Net assets for the waterworks fund were \$18.3 million compared to \$17.9 million and the sewerage fund ended the year with \$23.4 million a decrease from the prior year balance of \$24.0 million. As mentioned above, a rate increase of 5% is planned for 2008 to replenish sewer reserves. Other factors concerning the finances of these three funds have already been addressed in the City of Batavia's discussion of business-type activities.

# CITY OF BATAVIA, ILLINOIS

## Management's Discussion and Analysis December 31, 2007

---

### 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 a few substantial increases to the City's budget in 2007. The first was for \$50,000 for additional salt for roadways due to an icy winter. A second increase to the budget was for \$102,000 for a new phone system for the City. The expense however, was delayed until 2008. The last major amendment was an increase for \$147,000 for the purchase of fire equipment but the expense was offset by an amendment to grant revenue, which was used for the purchase, therefore the amendment to the budget was cost neutral. The final budget for general fund expenditures ended the year \$300,000 more than the original budget for these reasons.

Actual expenditures in 2007 were \$0.8 million below budget mainly due to delays in purchases that will occur in 2008. The delay for purchase and implementation of major software and a new telephone system resulted in a \$375,000 budget variance in information systems. A \$250,000 variance in Administration was due to a special census that was budgeted but eliminated as a result of the negative cost benefit of conducting the census. 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 variance was in reimbursements for a \$500,000 reimbursement for a prior year land purchase that became a TIF project. Higher than anticipated revenues from investment income added \$250,000 more than budgeted and taxes were \$500,000 more than budgeted due to utility and income taxes. 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, net of accumulated depreciation, for all activities as of December 31, 2007 was \$182.8 million. Capital assets include land and improvements, buildings and improvements, machinery and equipment, roads, sidewalks, bridges and utility infrastructure. After depreciation, Batavia's investment in capital assets increased \$33.2 million in 2007. Following are the major additions (in millions) for the year:

Fire Stations Reconstruction	\$ 8.813
Donovan (Wilson St.) Bridge - CWIP	2.608
138 kV Substations & Transmission Lines CWIP	22.889
Substation & Distribution Upgrades	1.879
Deep Wells 10 and 11	1.270
East Water Tower	1.725
	<hr/>
	39.184
	<hr/>

# CITY OF BATAVIA, ILLINOIS

## Management's Discussion and Analysis December 31, 2007

### Capital Assets and Debt Administration – Continued

#### Capital Assets – Continued

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

	Governmental Activities		Business-type Activities		Total	
	2007	2006	2007	2006	2007	2006
Land	\$ 18.2	18.0	1.0	1.0	19.2	19.0
Construction in Progress	2.8	-	31.2	11.4	34.0	11.4
Structures & Improvements	15.8	7.2	10.6	11.0	26.4	18.1
Wells & Equipment	-	-	3.0	1.2	3.0	1.2
Machinery & Equipment	2.6	2.8	0.8	0.7	3.4	3.6
Electric System	-	-	17.3	16.5	17.3	16.5
Water/Sewer System Infrastructure	-	-	45.9	45.7	45.9	45.7
	33.6	34.0	-	-	33.6	34.0
Total	73.0	62.0	109.8	87.6	182.8	149.6

The 2008 capital budget provides for \$3.9 million in governmental projects, which includes the City's share of costs for completion of the bridge reconstruction, several TIF projects and replacement of a fire engine. The proprietary funds have \$3.5 million budgeted to complete the 138 kV project, to repaint a water tower and to rehab a major lift station. Also included is a land purchase between the water and electric utility. 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 \$67.2 million as compared to \$69.9 million the previous year. New debt in 2007 was for water construction drawdowns on existing IEPA loans.

- \$0.9 million issued through the IEPA for water revenue bonds for radium compliance.

# CITY OF BATAVIA, ILLINOIS

## Management's Discussion and Analysis December 31, 2007

### Capital Assets and Debt Administration – Continued

#### Debt Administration – Continued

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

	Governmental Activities		Business-Type Activities		Total	
	2007	2006	2007	2006	2007	2006
Installment Contracts	\$ -	0.1	-	-	-	0.1
General Obligation Bonds	4.1	4.5	1.3	1.6	5.4	6.1
Alternate Revenue Bonds	10.8	11.5	-	-	10.8	11.5
Revenue bonds and notes	-	-	51.0	52.2	51.0	52.2
Total	14.9	16.1	52.3	53.8	67.2	69.9

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.

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 bonds 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 2007 is \$82.4 million. Additional information on the City of Batavia's long-term debt can be found in Note 3 on pages 52 – 61 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 2008 budget, including tax rates and fees that will be charged for its governmental and business-type activities. One of those factors is the economy. Batavia's unemployment rate for 2007 increased slightly from 3.2% in 2006 to 3.7%, but remained lower than the Kane County rate of 4.8%, the state rate of 5% and the national rate of 4.6%. Historically, Batavia's unemployment and that of the Chicago metro area has been lower than the national average; however, in 2007 the Chicago metro area rate was slightly higher than the national average with a rate of 4.8%.

Inflation in the Chicago area was slightly higher than the increase in the national Consumer Price Index (CPI). The Chicago CPI increase was 3.3% for the year 2007 compared with the average U.S. city rate of 2.8%. Inflation for the Chicago area and the national average for 2006 were 3.2% and 2.1% respectively. The increase in inflation in the Chicago area may relate to a catch up in price increases since the 2006 Chicago CPI was substantially lower.

## **CITY OF BATAVIA, ILLINOIS**

### **Management's Discussion and Analysis December 31, 2007**

---

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

Overall, Batavia realized tougher economic times much like the rest of the country. The lower unemployment rate provided more spending power but this was tempered by the higher increase in prices for all products and less discretionary income available to stimulate the economy in 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 2007 were less than expected. When preparing the 2008 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 2008. Amounts budgeted in the general fund budget were \$27.3 million, an increase of only 1.1% over the final 2007 budget of \$27.0 million. The general fund budget for 2008 did not provide for any new programs or additions to staff. All expenditures in the 2008 were thoroughly evaluated and cut back in many areas in light of unknown impacts to 2008 revenues. The budget includes \$730,369 for debt service, which began in 2006, to fund reconstruction of the City's two fire stations. It also includes an additional transfer to the construction fund for \$92,736. Additionally, there is \$688,548 budgeted to provide for any shortfalls in federal and state funding for reconstruction of the Donovan Bridge. 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.

Total 2008 budgeted expenditures for all funds, net of capital spending, are 17.9% over the final 2007 expenditures. The increase is mainly attributable to increased purchased power costs in the electric utility, repairs and maintenance in the water utility, increases in personnel costs and fringe benefits as well as expected inflationary increases in commodity prices. As mentioned previously, the 2008 budget includes an 8.9% increase in electric rates and a 5% increase in sewer rates.

The City did not add any major new programs or initiatives for the general fund for 2007. As mentioned earlier, the electric utility is in the process of completing a \$29 million project which included 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 2008 budget will focus on successful completion of that project and the completion of the reconstruction of the Donovan Bridge. In addition, management will be placing an emphasis on the downtown area working with potential developers in the TIF areas. 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, 2007**

---

See Following Page

**CITY OF BATAVIA, ILLINOIS**

**Statement of Net Assets  
December 31, 2007**

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Investments	\$ 16,052,846	13,512,787	29,565,633
Receivables - Net of Allowances			
Property Taxes	5,789,770	-	5,789,770
Other Taxes	2,250,842	-	2,250,842
Accounts	420,978	5,183,685	5,604,663
Accrued Interest	71,323	104,650	175,973
Due from Other Governments	481,733	-	481,733
Inventories and Prepaids	190,559	1,768,779	1,959,338
Restricted Cash and Investments	-	7,361,517	7,361,517
<b>Total Current Assets</b>	<b>25,258,051</b>	<b>27,931,418</b>	<b>53,189,469</b>
<b>Capital Assets</b>			
Nondepreciable	20,945,661	32,148,350	53,094,011
Depreciable	72,987,675	109,251,805	182,239,480
Accumulated Depreciation	(20,941,369)	(31,592,935)	(52,534,304)
<b>Total Noncurrent Assets</b>	<b>72,991,967</b>	<b>109,807,220</b>	<b>182,799,187</b>
<b>Total Assets</b>	<b>98,250,018</b>	<b>137,738,638</b>	<b>235,988,656</b>

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

	Governmental Activities	Business-Type Activities	Total
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Accounts Payable	879,859	3,373,947	4,253,806
Accrued Payroll	360,524	104,013	464,537
Claims Payable	732,559	-	732,559
Deposits Payable	158,837	116,052	274,889
Accrued Interest Payable	265,817	-	265,817
Unearned Revenue	5,826,641	-	5,826,641
Current Portion Long-Term Debt	701,350	-	701,350
<b>Restricted Liabilities</b>			
Accrued Interest Payable	-	649,389	649,389
Current Portion Long-Term Debt	-	1,657,118	1,657,118
<b>Total Current Liabilities</b>	<b>8,925,587</b>	<b>5,900,519</b>	<b>14,826,106</b>
<b>Noncurrent Liabilities</b>			
Net Pension Obligation Payable	369,439	-	369,439
Revenue Bonds Payable	-	49,600,010	49,600,010
Alternate Revenue Bonds Payable	10,555,000	-	10,555,000
General Obligation Bonds Payable	3,692,100	971,550	4,663,650
<b>Total Noncurrent Liabilities</b>	<b>14,616,539</b>	<b>50,571,560</b>	<b>65,188,099</b>
<b>Total Liabilities</b>	<b>23,542,126</b>	<b>56,472,079</b>	<b>80,014,205</b>
<b>NET ASSETS</b>			
Invested in Capital Assets - Net of Related Debt	58,043,517	57,578,542	115,622,059
Restricted - Special Revenues	1,377,485	-	1,377,485
Restricted - Tax Increment Financing/Debt Service	731,317	6,965,719	7,697,036
Restricted - Capital Projects	1,915,394	-	1,915,394
Restricted - Perpetual Care Cemetery	120,580	-	120,580
Unrestricted	12,519,599	16,722,298	29,241,897
<b>Total Net Assets</b>	<b>74,707,892</b>	<b>81,266,559</b>	<b>155,974,451</b>

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

**CITY OF BATAVIA, ILLINOIS**

**Statement of Activities  
Year Ended December 31, 2007**

	Expenses	Program Revenues		
		Charges for Services	Operating Grants/ Contributions	Capital Grants/ Contributions
<b>Governmental Activities</b>				
General Government	\$ 6,451,060	4,049,006	-	-
Public Safety	12,215,741	221,761	238,000	-
Highways and Streets	6,183,985	-	-	1,875,829
Interest on Long-Term Debt	684,256	-	-	-
<b>Total Governmental Activities</b>	<b>25,535,042</b>	<b>4,270,767</b>	<b>238,000</b>	<b>1,875,829</b>
<b>Business-Type Activities</b>				
Waterworks	4,254,129	4,445,495	2,400	-
Sewerage	4,500,057	3,642,300	17,897	-
Electric	31,932,586	35,121,078	-	-
<b>Total Business-Type Activities</b>	<b>40,686,772</b>	<b>43,208,873</b>	<b>20,297</b>	<b>-</b>
	<b>66,221,814</b>	<b>47,479,640</b>	<b>258,297</b>	<b>1,875,829</b>

**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
(2,402,054)	-	(2,402,054)
(11,755,980)	-	(11,755,980)
(4,308,156)	-	(4,308,156)
(684,256)	-	(684,256)
(19,150,446)	-	(19,150,446)
-	193,766	193,766
-	(839,860)	(839,860)
-	3,188,492	3,188,492
-	2,542,398	2,542,398
(19,150,446)	2,542,398	(16,608,048)
6,470,013	-	6,470,013
7,636,826	-	7,636,826
3,081,641	-	3,081,641
2,590,454	-	2,590,454
221,048	-	221,048
455,311	-	455,311
1,042,689	1,628,591	2,671,280
2,186,492	-	2,186,492
20,501	(20,501)	-
23,704,975	1,608,090	25,313,065
4,554,529	4,150,488	8,705,017
70,153,363	77,116,071	147,269,434
74,707,892	81,266,559	155,974,451

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

**CITY OF BATAVIA, ILLINOIS**

**Balance Sheet - Governmental Funds  
December 31, 2007**

	<u>General</u>
<b>ASSETS</b>	
Cash and Investments	\$ 12,516,737
Receivables - Net of Allowances	
Property Taxes	5,302,470
Other Taxes	2,250,842
Accounts	417,679
Accrued Interest	65,886
Due from Other Governments	258,743
Prepays	154,201
Inventories	<u>36,358</u>
 Total Assets	 <u><u>21,002,916</u></u>
<b>LIABILITIES AND FUND BALANCES</b>	
<b>Liabilities</b>	
Accounts Payable	145,132
Accrued Payroll	360,524
Claims Payable	732,559
Deposits Payable	158,837
Accrued Interest Payable	-
Unearned/Deferred Revenues	<u>5,339,341</u>
Total Liabilities	<u>6,736,393</u>
<b>Fund Balances</b>	
Reserved - Prepays/Inventory	190,559
Reserved - Tax Increment Financing	-
Reserved - Debt Service	-
Reserved - Special Revenues	1,377,485
Reserved - Perpetual Care Cemetery	-
Unreserved	<u>12,698,479</u>
Total Fund Balances	<u>14,266,523</u>
 Total Liabilities and Fund Balances	 <u><u>21,002,916</u></u>

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

Debt Service	Infrastructure Capital Projects	Capital Projects	Nonmajor Perpetual Care Cemetery	Total Governmental Funds
997,134	1,532,837	886,557	119,581	16,052,846
487,300	-	-	-	5,789,770
-	-	-	-	2,250,842
-	3,299	-	-	420,978
-	443	3,995	999	71,323
-	222,990	-	-	481,733
-	-	-	-	154,201
-	-	-	-	36,358
<b>1,484,434</b>	<b>1,759,569</b>	<b>890,552</b>	<b>120,580</b>	<b>25,258,051</b>
-	734,727	-	-	879,859
-	-	-	-	360,524
-	-	-	-	732,559
-	-	-	-	158,837
256,407	-	-	-	256,407
487,300	-	-	-	5,826,641
743,707	734,727	-	-	8,214,827
-	-	-	-	190,559
716,417	-	-	-	716,417
24,310	-	-	-	24,310
-	-	-	-	1,377,485
-	-	-	120,580	120,580
-	1,024,842	890,552	-	14,613,873
740,727	1,024,842	890,552	120,580	17,043,224
<b>1,484,434</b>	<b>1,759,569</b>	<b>890,552</b>	<b>120,580</b>	<b>25,258,051</b>

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

**CITY OF BATAVIA, ILLINOIS**

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

**December 31, 2007**

---

**Total Governmental Fund Balances** **\$ 17,043,224**

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. 72,991,967

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

Net Pension Obligation Payable	(369,439)
General Obligation Bonds Payable	(4,103,450)
Alternate Revenue Bonds Payable	(10,845,000)
Accrued Interest Payable	<u>(9,410)</u>

**Net Assets of Governmental Activities** **74,707,892**

**CITY OF BATAVIA, ILLINOIS**

**Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds  
Year Ended December 31, 2007**

---

---

See Following Page

**CITY OF BATAVIA, ILLINOIS**

**Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds  
Year Ended December 31, 2007**

	<u>General</u>
<b>Revenues</b>	
Taxes	\$ 15,867,064
Intergovernmental	4,293,295
Licenses and Permits	380,021
Charges for Services	3,604,155
Fines and Forfeits	221,761
Interest	645,648
Miscellaneous	2,099,492
<b>Total Revenues</b>	<u><u>27,111,436</u></u>
<b>Expenditures</b>	
<b>Current</b>	
General Government	6,364,376
Public Safety	12,067,288
Highways and Streets	4,447,607
Capital Outlay	-
Debt Service	
Principal Retirement	135,000
Interest and Fiscal Charges	26,375
<b>Total Expenditures</b>	<u><u>23,040,646</u></u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u><u>4,070,790</u></u>
<b>Other Financing Sources (Uses)</b>	
Transfers In	-
Transfers Out	(2,255,377)
	<u><u>(2,255,377)</u></u>
<b>Net Change in Fund Balances</b>	1,815,413
<b>Fund Balances - Beginning</b>	<u><u>12,451,110</u></u>
<b>Fund Balances - Ending</b>	<u><u>14,266,523</u></u>

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

Debt Service	Infrastructure Capital Projects	Capital Projects	Nonmajor Perpetual Care Cemetery	Total Governmental Funds
1,149,710	171,706	-	-	17,188,480
-	948,347	139,000	-	5,380,642
-	-	-	-	380,021
-	-	54,980	9,850	3,668,985
-	-	-	-	221,761
53,869	303,725	34,066	5,381	1,042,689
87,000	-	-	-	2,186,492
1,290,579	1,423,778	228,046	15,231	30,069,070
-	-	-	10,000	6,374,376
-	-	-	-	12,067,288
-	-	-	-	4,447,607
-	12,960,396	42,729	-	13,003,125
936,650	-	-	-	1,071,650
659,111	-	-	-	685,486
1,595,761	12,960,396	42,729	10,000	37,649,532
(305,182)	(11,536,618)	185,317	5,231	(7,580,462)
1,773,200	1,918,320	175,000	-	3,866,520
(1,590,642)	-	-	-	(3,846,019)
182,558	1,918,320	175,000	-	20,501
(122,624)	(9,618,298)	360,317	5,231	(7,559,961)
863,351	10,643,140	530,235	115,349	24,603,185
740,727	1,024,842	890,552	120,580	17,043,224

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, 2007**

---

---

**Net Change in Fund Balances - Total Governmental Funds** **\$ (7,559,961)**

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	12,481,975
Depreciation Expense	(1,385,153)

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

Disposals - Cost	(110,698)
Disposals - Accumulated Depreciation	42,380

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.

Retirement of Net Pension Obligation	13,106
Retirement of Debt	1,071,650

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.

1,230

**Changes in Net Assets of Governmental Activities**

4,554,529

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, 2007**

---

See Following Page

**CITY OF BATAVIA, ILLINOIS**

**Statement of Net Assets - Proprietary Funds  
December 31, 2007**

	Business-Type Activities - Enterprise Funds			
	Waterworks	Sewerage	Electric	Total
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and Investments	\$ 3,722,083	1,484,486	8,306,218	13,512,787
Receivables - Net of Allowances				
Accounts	504,175	469,935	4,209,575	5,183,685
Accrued Interest	21,221	-	83,429	104,650
Prepays	46,693	46,693	69,324	162,710
Inventories	-	-	1,606,069	1,606,069
Restricted Cash and Investments	-	837,097	6,524,420	7,361,517
<b>Total Current Assets</b>	<b>4,294,172</b>	<b>2,838,211</b>	<b>20,799,035</b>	<b>27,931,418</b>
<b>Noncurrent Assets</b>				
Capital Assets				
Nondepreciable	407,733	92,426	31,648,191	32,148,350
Depreciable	34,477,243	42,621,854	32,152,708	109,251,805
Accumulated Depreciation	(6,079,495)	(11,161,108)	(14,352,332)	(31,592,935)
<b>Total Noncurrent Assets</b>	<b>28,805,481</b>	<b>31,553,172</b>	<b>49,448,567</b>	<b>109,807,220</b>
<b>Total Assets</b>	<b>33,099,653</b>	<b>34,391,383</b>	<b>70,247,602</b>	<b>137,738,638</b>

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

	Business-Type Activities - Enterprise Funds			
	Waterworks	Sewerage	Electric	Total
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Accounts Payable	265,259	65,677	3,043,011	3,373,947
Accrued Payroll	25,666	21,847	56,500	104,013
Deposits Payable	11,488	11,276	93,288	116,052
<b>Restricted Liabilities</b>				
Accrued Interest Payable	21,946	57,740	569,703	649,389
Revenue Bonds Payable	-	1,073,768	285,000	1,358,768
General Obligation Bonds Payable	298,350	-	-	298,350
<b>Total Current Liabilities</b>	<b>622,709</b>	<b>1,230,308</b>	<b>4,047,502</b>	<b>5,900,519</b>
<b>Noncurrent Liabilities</b>				
Revenue Bonds Payable	13,213,852	9,801,158	26,585,000	49,600,010
General Obligation Bonds Payable	971,550	-	-	971,550
<b>Total Noncurrent Liabilities</b>	<b>14,185,402</b>	<b>9,801,158</b>	<b>26,585,000</b>	<b>50,571,560</b>
<b>Total Liabilities</b>	<b>14,808,111</b>	<b>11,031,466</b>	<b>30,632,502</b>	<b>56,472,079</b>
<b>NET ASSETS</b>				
<b>Invested in Capital Assets - Net of Related Debt</b>				
	14,321,729	20,678,246	22,578,567	57,578,542
<b>Restricted - Debt Service</b>	-	560,000	6,405,719	6,965,719
<b>Unrestricted</b>	<b>3,969,813</b>	<b>2,121,671</b>	<b>10,630,814</b>	<b>16,722,298</b>
<b>Total Net Assets</b>	<b>18,291,542</b>	<b>23,359,917</b>	<b>39,615,100</b>	<b>81,266,559</b>

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, 2007**

	Business-Type Activities - Enterprise Funds			
	Waterworks	Sewerage	Electric	Totals
Operating Revenues				
Charges for Services	\$ 4,445,495	3,642,300	35,121,078	43,208,873
Operating Expenses				
Administration	899,800	803,600	2,081,861	3,785,261
Operations	2,025,211	2,022,532	27,618,834	31,666,577
Depreciation	976,786	1,323,832	1,092,486	3,393,104
Total Operating Expenses	3,901,797	4,149,964	30,793,181	38,844,942
Operating Income (Loss)	543,698	(507,664)	4,327,897	4,363,931
Nonoperating Revenues (Expenses)				
Connection Fees	2,400	17,897	-	20,297
Interest Income	179,822	133,599	1,315,170	1,628,591
Disposal of Capital Assets	-	-	(29,256)	(29,256)
Interest and Fiscal Charges	(352,332)	(320,837)	(1,139,405)	(1,812,574)
	(170,110)	(169,341)	146,509	(192,942)
Income (Loss) Before Transfers	373,588	(677,005)	4,474,406	4,170,989
Transfers Out	(20,501)	-	-	(20,501)
Change in Net Assets	353,087	(677,005)	4,474,406	4,150,488
Net Assets - Beginning	17,938,455	24,036,922	35,140,694	77,116,071
Net Assets - Ending	18,291,542	23,359,917	39,615,100	81,266,559

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, 2007**

	Business-Type Activities - Enterprise Funds			
	Water	Sewerage	Electric	Totals
<b>Cash Flows from Operating Activities</b>				
Receipts from Customers and Users	\$ 4,518,626	3,701,767	33,417,719	41,638,112
Payments to Employees	(726,450)	(676,137)	(1,978,506)	(3,381,093)
Payments to Suppliers	(2,581,817)	(2,173,442)	(28,036,330)	(32,791,589)
	<u>1,210,359</u>	<u>852,188</u>	<u>3,402,883</u>	<u>5,465,430</u>
<b>Cash Flows from Noncapital Financing Activities</b>				
Connection Fees	2,400	17,897	-	20,297
Transfers Out	(20,501)	-	-	(20,501)
	<u>(18,101)</u>	<u>17,897</u>	<u>-</u>	<u>(204)</u>
<b>Cash Flows from Capital and Related Financing Activities</b>				
Purchase of Capital Assets	(535,597)	(173,765)	(24,903,905)	(25,613,267)
Interest and Fiscal Charges	(352,332)	(320,837)	(1,139,405)	(1,812,574)
Payment of Bond Principal	(1,376,808)	(1,041,215)	-	(2,418,023)
Proceeds of Bonds	855,676	-	-	855,676
	<u>(1,409,061)</u>	<u>(1,535,817)</u>	<u>(26,043,310)</u>	<u>(28,988,188)</u>
<b>Cash Flows from Investing Activities</b>				
Interest Received	179,822	133,599	1,315,170	1,628,591
<b>Net Change in Cash and Cash Equivalents</b>	<u>(36,981)</u>	<u>(532,133)</u>	<u>(21,325,257)</u>	<u>(21,894,371)</u>
<b>Cash and Cash Equivalents - Beginning of Year</b>	<u>3,759,064</u>	<u>2,853,716</u>	<u>36,155,895</u>	<u>42,768,675</u>
<b>Cash and Cash Equivalents - End of Year</b>	<u>3,722,083</u>	<u>2,321,583</u>	<u>14,830,638</u>	<u>20,874,304</u>
<b>Reconciliation of Operating Income to Net Cash Provided (used) by Operating Activities.</b>				
Operating Income (Loss)	543,698	(507,664)	4,327,897	4,363,931
Adjustments to Reconcile Operating Income to Net Income to Net Cash Provided by (Used in) Operating Activities.				
Depreciation and Amortization Expense	976,786	1,323,832	1,092,486	3,393,104
Increase (Decrease) in Current Assets	73,131	59,467	(1,703,359)	(1,570,761)
Increase (Decrease) in Current Liabilities	(383,256)	(23,447)	(314,141)	(720,844)
<b>Net Cash Provided by Operating Activities</b>	<u>1,210,359</u>	<u>852,188</u>	<u>3,402,883</u>	<u>5,465,430</u>

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

**CITY OF BATAVIA, ILLINOIS**

**Statement of Net Assets- Fiduciary Funds  
December 31, 2007**

	Pension Trust	Agency
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 4,670,166	87,784
Investments		
U.S. Government and Agency Obligations	8,565,910	-
Insurance Company Contracts	2,432,470	-
Mutual Funds	5,387,671	-
Equities	3,840,651	-
Receivables		
Other	14,285	-
Accrued Interest	75,162	-
Total Assets	<u>24,986,315</u>	<u>87,784</u>
<b>LIABILITIES</b>		
Accounts Payable	3,538	-
Deposits Payable	-	86,820
Due to Bondholders	-	964
Total Liabilities	<u>3,538</u>	<u>87,784</u>
<b>NET ASSETS</b>		
Held in Trust for Pension Benefits (A schedule of funding progress is presented following the notes to the financial statements.)	<u>24,982,777</u>	-

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

**CITY OF BATAVIA, ILLINOIS**

**Statement of Changes in Net Assets - Fiduciary Funds  
Year Ended December 31, 2007**

---

---

	<u>Pension Trust</u>
<b>Additions</b>	
Contributions - Employer	\$ 1,273,672
Contributions - Plan Members	535,027
Total Contributions	<u>1,808,699</u>
Investment Income	
Interest Earned	1,647,231
Net Change in Fair Value	-
	<u>1,647,231</u>
Less Investment Expenses	(129,563)
Net Investment Income	<u>1,517,668</u>
Total Additions	<u>3,326,367</u>
<b>Deductions</b>	
Administration	37,777
Benefits and Refunds	910,181
Total Deductions	<u>947,958</u>
<b>Change in Net Assets</b>	2,378,409
<b>Net Plan Assets Held in Trust for Pension Benefits</b>	
Beginning	<u>22,604,368</u>
Ending	<u>24,982,777</u>

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

**CITY OF BATAVIA, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2007**

**PAGE**

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

Reporting Entity.....	36 - 37
Basis of Presentation	
Government-Wide Statements .....	37 - 38
Fund Financial Statements .....	38
Governmental Funds.....	38
General Fund.....	38
Debt Service Fund.....	38
Capital Projects Funds .....	39
Permanent Fund.....	39
Proprietary Funds.....	39
Enterprise Funds.....	39
Fiduciary Funds .....	39
Pension Trust Funds.....	39
Agency Funds.....	40
Measurement Focus and Basis of Accounting.....	40
Measurement Focus.....	40
Basis of Accounting .....	41
Assets, Liabilities, and Net Assets or Equity	
Cash and Investments.....	41
Interfund Receivables, Payables and Activity.....	42
Receivables.....	42
Inventories.....	42
Prepays .....	42
Restricted Assets .....	42
Capital Assets.....	42 - 43
Compensated Absences.....	43
Long-Term Obligations.....	43
Unearned/Deferred Revenue .....	43
Fund Equity.....	44

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

Budgetary Information.....	44
Excess of Actual Expenses over Budget in Individual Funds .....	44

**CITY OF BATAVIA, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2007**

**PAGE**

**NOTE 3- DETAIL NOTES ON ALL FUNDS**

Deposits and Investments .....	45
City – Interest Rate Risk, Credit Risk, Custodial Credit Risk, and Concentration Risk .....	45 - 47
Police Pension Fund – Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk.....	47 - 48
Firefighters’ Pension Fund – Interest Rate Risk, Credit Risk, Custodial Credit Risk, and Concentration Risk.....	48 - 49
Property Taxes .....	50
Capital Assets	
Governmental Activities .....	50
Business-Type Activities.....	51
Interfund Transfers .....	52
Long-Term Debt	
Installment Contracts.....	52
General Obligation Bonds.....	53
Alternate Revenue Bonds.....	53 - 54
Revenue Bonds.....	55 - 56
Long-Term Liability Activity.....	56 - 57
Debt Service Requirements to Maturity.....	57 - 58
Revenue Bond Disclosures.....	59 - 60
Legal Debt Margin .....	60
Fund Equity/Fund Balance	
Fund Balance – Reserved for Special Revenues.....	61

**NOTE 4 – OTHER INFORMATION**

Risk Management .....	61
Post-Employment Benefits .....	62
Contingent Liabilities	
Litigation .....	62
Grants .....	62
Employee Retirement System – Defined Benefit Pension Plans.....	62
Plan Descriptions, Provisions and Funding Policies	
Illinois Municipal Retirement System .....	62 - 63
Police Pension Plan.....	63
Firefighters’ Pension Plan .....	64
Summary of Significant Accounting Policies and Plan Assets Matters .....	64 - 65
Annual Pension Cost and Net Pension Obligation.....	65 - 66
Trend Information .....	67

# CITY OF BATAVIA, ILLINOIS

## Notes to the Financial Statements December 31, 2007

---

### 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.

# CITY OF BATAVIA, ILLINOIS

## Notes to the Financial Statements December 31, 2007

---

### 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.

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.).

# CITY OF BATAVIA, ILLINOIS

## Notes to the Financial Statements December 31, 2007

---

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

#### BASIS OF PRESENTATION – Continued

##### Government-Wide Statements – Continued

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:

##### 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.

# CITY OF BATAVIA, ILLINOIS

## Notes to the Financial Statements December 31, 2007

---

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

#### BASIS OF PRESENTATION – Continued

#### Fund Financial Statements – Continued

#### Governmental Funds – Continued

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

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

#### Proprietary Funds

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

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

#### 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.

# CITY OF BATAVIA, ILLINOIS

## Notes to the Financial Statements December 31, 2007

---

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

#### BASIS OF PRESENTATION – Continued

#### Fund Financial Statements – Continued

#### Fiduciary Funds – Continued

**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.

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.

# CITY OF BATAVIA, ILLINOIS

## Notes to the Financial Statements December 31, 2007

---

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

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

##### 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.

#### 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.

# CITY OF BATAVIA, ILLINOIS

## Notes to the Financial Statements December 31, 2007

---

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

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

##### Interfund Receivables, Payables and Activity

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

##### Receivables

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

##### Inventories

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

##### Prepays

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

##### Restricted Assets

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

##### 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.

# CITY OF BATAVIA, ILLINOIS

## Notes to the Financial Statements December 31, 2007

---

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

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

##### Capital Assets – Continued

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.

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.

**CITY OF BATAVIA, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2007**

---

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

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

**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**

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

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

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

At December 31, 2007, the Sewerage Fund and Electric Fund had expenses over budget, exclusive of depreciation, of \$372,163 and \$847,293, respectively. The overexpenses in the Sewerage Fund were funded by available net assets and the overexpenses in the Electric Fund were funded by greater than anticipated operating revenues.

**CITY OF BATAVIA, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2007**

**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.

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 \$32,172,464 and the bank balances totaled \$32,528,401.

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

Investment Type	Investment Maturities (in Years)				
	Fair Value	Less Than One	One to Five	Six to Ten	More Than Ten
Illinois Funds	\$ 3,132,675	3,132,675	-	-	-
Federal Home Loan Bank	1,709,795	-	1,709,795	-	-
	<u>4,842,470</u>	<u>3,132,675</u>	<u>1,709,795</u>	<u>-</u>	<u>-</u>

# CITY OF BATAVIA, ILLINOIS

## Notes to the Financial Statements December 31, 2007

---

### 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

*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, 2007, 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.

*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, 2007, 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.

**CITY OF BATAVIA, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2007**

**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**

At December 31, 2007, 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 \$3,390,014 and the bank balances totaled \$3,390,014.

*Investments.* At December 31, 2007, the Fund’s investments are as follows:

Investment Type	Investment Maturities (in Years)				
	Fair Value	Less Than One	One to Five	Six to Ten	More Than Ten
U.S. Treasury Notes	\$ 1,854,101	490,095	429,443	934,563	-
U.S. Treasury Bonds	747,068	-	-	-	747,068
Federal Farm Credit Bank	37,972	-	-	-	37,972
Federal Home Loan Mortgage Corp.	679,876	-	525,708	-	154,168
Federal National Mortgage Assoc.	2,971,059	-	1,144,251	104,197	1,722,611
Domestic Corporate Equities	3,840,651	-	-	-	3,840,651
Mutual Funds	3,935,664	-	-	-	3,935,664
	<u>14,066,391</u>	<u>490,095</u>	<u>2,099,402</u>	<u>1,038,760</u>	<u>10,438,134</u>

*Interest Rate Risk.* The Fund’s formal investment policy attempts to limit exposure to interest rate risk by having the investment portfolio remain sufficiently liquid to enable the Fund to pay all necessary benefits and meet all operating requirements which might be reasonably anticipated.

*Credit Risk.* The Fund 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 Fund’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, 2007, Standard and Poor’s rated all of the Fund’s U.S. Treasury and Agency Obligations AAA.

*Custodial Credit Risk – Deposits.* The Fund’s investment policy does not limit custodial credit risk for deposits. At December 31, 2007, all deposits are covered by federal depository insurance, or by collateral held by the Pension Fund, or its agent, in the Pension Fund’s name.

**CITY OF BATAVIA, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2007**

**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**

*Custodial Credit – Investments.* The Fund’s investment policy attempts to limit the exposure to custodial credit risk for its investments by requiring that securities be held by a third party custodian designated by the Fund and evidenced by safekeeping receipts. At December 31, 2007, all U.S. Treasury Obligations and Agency Securities are categorized as insured, registered, or held by the Fund or its agent in the Fund’s name.

*Concentration of Credit Risk.* The Fund’s investment policy attempts to limit the exposure to concentration risk by prescribing to the following asset allocation policy:

	<u>Minimum</u>	<u>Target</u>	<u>Maximum</u>
Cash	1%	3%	10%
Fixed Income	42%	62%	100%
Lg. Cap. Domestic Equities	0%	25%	40%
Sm. Cap. Domestic Equities	0%	10%	10%
International Equities	0%	5%	10%

At December 31, 2007, all of the Fund’s investments are in compliance with the guidelines outlined above in the Fund’s investment policy. At year-end, the Fund has the following investments, exclusive of U.S. Government Securities, over 5 percent of net assets available for benefits:

Columbia International Value Fund-Z	\$860,083
Thornburg Invt TR International Value Fund CL R-5	924,619
Wasatch Core Growth Fund	1,574,418

**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 \$1,280,152 and the bank balances totaled \$1,280,152.

*Investments.* At December 31, 2007, the Fund’s investments are as follows:

	<u>Investment Maturities (in Years)</u>				
	<u>Fair Value</u>	<u>Less Than One</u>	<u>One to Five</u>	<u>Six to Ten</u>	<u>More Than Ten</u>
Government National Mortgage Assoc.	\$ 2,940	-	-	-	2,940
Federal Home Loan Bank	1,920,581	-	1,165,564	454,689	300,328
Federal National Mortgage Assoc.	150,000	-	-	150,000	-
Federal Farm Credit Bank	202,313	101,250	101,063	-	-
Insurance Company Contracts	2,432,470	-	-	-	2,432,470
Mutual Funds	1,452,007	-	-	-	1,452,007
	<u>6,160,311</u>	<u>101,250</u>	<u>1,266,627</u>	<u>604,689</u>	<u>4,187,745</u>

# CITY OF BATAVIA, ILLINOIS

## Notes to the Financial Statements December 31, 2007

---

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

#### DEPOSITS AND INVESTMENTS – Continued

##### Firefighters' Pension Fund – Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk – Continued

*Interest Rate Risk.* The Fund's formal investment policy attempts to limit exposure to interest rate risk by having the investment portfolio remain sufficiently liquid to enable the Fund to pay all necessary benefits and meet all operating requirements which might be reasonably anticipated.

*Credit Risk.* The Fund 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 Fund'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, 2007, Standard and Poor's rated all of the Fund's U.S. Treasury and Agency Obligations AAA.

*Custodial Credit Risk – Deposits.* The Fund's investment policy does not limit custodial credit risk for deposits. At December 31, 2007, 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.

*Custodial Credit – Investments.* The Fund's investment policy attempts to limit the exposure to custodial credit risk for its investments by requiring that securities be held by a third party custodian designated by the Fund and evidenced by safekeeping receipts. At December 31, 2007, all U.S. Treasury Obligations and Agency Securities are categorized as insured, registered, or held by the Fund or its agent in the Fund's name.

*Concentration of Credit Risk.* The Fund's investment policy attempts to limit the exposure to concentration risk by requiring that assets be diversified to control the risk of loss resulting from over-concentration in a specific maturity, a specific issuer, or a specific instrument. No more than 40% of the assets shall be concentrated in a single instrument or class of instruments other than U.S. Treasury Obligations.

At December 31, 2007, all of the Fund's investments are in compliance with the guidelines outlined above in the Fund's investment policy. At year-end, the Fund has the following investments, exclusive of U.S. Government Securities, over 5 percent of net assets available for benefits:

Amerus	\$498,750
Keyport Life Annuity	574,511
Sun Life Annuities	1,072,413
American Freedom U.S. Government Money Market Account	1,176,070

**CITY OF BATAVIA, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2007**

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

**PROPERTY TAXES**

Property taxes for 2007 attach as an enforceable lien on January 1, 2007, 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, 2008, and are payable in two installments, on or about June 1, 2008, and September 1, 2008. 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
<b>Nondepreciable Capital Assets</b>				
Land	\$ 18,004,812	170,000	-	18,174,812
Construction in Progress	-	2,770,849	-	2,770,849
	<u>18,004,812</u>	<u>2,940,849</u>	<u>-</u>	<u>20,945,661</u>
<b>Depreciable Capital Assets</b>				
Structures and Improvements	9,567,000	8,813,206	-	18,380,206
Machinery and Equipment	4,746,481	94,948	-	4,841,429
Infrastructure	49,243,766	632,972	110,698	49,766,040
	<u>63,557,247</u>	<u>9,541,126</u>	<u>110,698</u>	<u>72,987,675</u>
<b>Less Accumulated Depreciation</b>				
Structures and Improvements	2,404,756	171,132	-	2,575,888
Machinery and Equipment	1,934,176	268,779	-	2,202,955
Infrastructure	15,259,664	945,242	42,380	16,162,526
	<u>19,598,596</u>	<u>1,385,153</u>	<u>42,380</u>	<u>20,941,369</u>
<b>Total Net Depreciable Capital Assets</b>	<u>43,958,651</u>	<u>8,155,973</u>	<u>68,318</u>	<u>52,046,306</u>
<b>Total Net Capital Assets</b>	<u>61,963,463</u>	<u>11,096,822</u>	<u>68,318</u>	<u>72,991,967</u>

Depreciation expense was charged to governmental activities as follows:

General Government	\$ 76,684
Public Safety	161,559
Highways and Streets	<u>1,146,910</u>
	<u>1,385,153</u>

**CITY OF BATAVIA, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2007**

**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
<b>Nondepreciable Capital Assets</b>				
Land	\$ 1,027,051	-	-	1,027,051
Construction in Progress	11,430,555	22,892,617	3,201,873	31,121,299
	<u>12,457,606</u>	<u>22,892,617</u>	<u>3,201,873</u>	<u>32,148,350</u>
<b>Depreciable Capital Assets</b>				
Buildings	144,121	-	-	144,121
Structures and Improvements	14,027,194	-	-	14,027,194
Wells and Well Equipment	1,801,678	1,833,258	-	3,634,936
Machinery and Equipment	1,541,426	179,078	89,663	1,630,841
Electric System	29,194,338	1,879,089	54,705	31,018,722
Water/Sewer System	56,764,893	2,031,098	-	58,795,991
	<u>103,473,650</u>	<u>5,922,523</u>	<u>144,368</u>	<u>109,251,805</u>
<b>Less Accumulated Depreciation</b>				
Buildings	139,745	4,377	-	144,122
Structures and Improvements	3,062,280	341,204	-	3,403,484
Wells and Well Equipment	556,644	90,873	-	647,517
Machinery and Equipment	798,299	111,274	88,210	821,363
Electric System	12,688,847	1,013,355	26,902	13,675,300
Water/Sewer System	11,069,128	1,832,021	-	12,901,149
	<u>28,314,943</u>	<u>3,393,104</u>	<u>115,112</u>	<u>31,592,935</u>
<b>Total Net Depreciable Capital Assets</b>	<u>75,158,707</u>	<u>2,529,419</u>	<u>29,256</u>	<u>77,658,870</u>
<b>Total Net Capital Assets</b>	<u>87,616,313</u>	<u>25,422,036</u>	<u>3,231,129</u>	<u>109,807,220</u>

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

Waterworks	\$ 976,786
Sewerage	1,323,832
Electric	<u>1,092,486</u>
	<u>3,393,104</u>

**CITY OF BATAVIA, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2007**

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

**INTERFUND TRANSFERS**

Interfund transfers for the year consisted of the following:

	Transfer Out			Totals
	General	Debt Service	Waterworks	
Transfer In				
Debt Service	\$ 1,091,910	660,789	20,501	1,773,200
Capital Projects	175,000	-	-	175,000
Infrastructure	988,467	929,853	-	1,918,320
	<u>2,255,377</u>	<u>1,590,642</u>	<u>20,501</u>	<u>3,866,520</u>

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

**LONG-TERM DEBT**

**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	\$ 50,000	-	50,000	-

**CITY OF BATAVIA, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2007**

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

**LONG-TERM DEBT – Continued**

**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
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	\$ 2,150,000	-	225,000	1,925,000
General Obligation Refunding Bond Series of 2002A due in annual installments of \$16,450 to \$102,225 plus interest of 2.0% to 3.65% through January 1, 2011	Debt Service	390,100	-	91,650	298,450
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	1,960,000	-	80,000	1,880,000
		<u>6,060,700</u>	<u>-</u>	<u>687,350</u>	<u>5,373,350</u>

**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	\$ 350,000	-	80,000	270,000

**CITY OF BATAVIA, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2007**

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

**LONG-TERM DEBT – Continued**

**Alternate Revenue Bonds – Continued**

Issue	Fund Debt Retired By	Balances January 1	Issuances	Retirements	Balances December 31
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	\$ 110,000	-	25,000	85,000
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	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 4.6% through December 1, 2013	Debt Service	1,400,000	-	170,000	1,230,000
Alternate Revenue 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	9,580,000	-	320,000	9,260,000
		<u>11,470,000</u>	<u>-</u>	<u>625,000</u>	<u>10,845,000</u>

**CITY OF BATAVIA, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2007**

**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	\$ 329,629	-	77,879	251,750
IEPA Sewer Revenue Bond Series of 1990 due in annual installments of \$497,756 including interest at 3.745% through October 15, 2012	Sewerage	2,453,490	-	409,673	2,043,817
IEPA Sewer Revenue Bond Series of 1999 due in annual installments of \$67,044 including interest at 2.535% through May 1, 2020	Sewerage	754,769	-	48,214	706,555
IEPA Sewer Revenue Bond Series of 1999A due in annual installments of \$714,655 including interest at 2.535% through November 1, 2020	Sewerage	8,378,253	-	505,449	7,872,804
IEPA Water Revenue Bond Series of 2004 due in annual installments of \$179,890 including interest at 2.500% through November 1, 2024	Waterworks	5,815,496	391,947	610,868	5,596,575
IEPA Water Revenue Bond Series of 2004 due in annual installments of \$98,676 including interest at 2.500% through November 1, 2024	Waterworks	3,007,697	208,459	332,247	2,883,909
IEPA Water Revenue Bond Series of 2005 due in annual installments of \$13,723 including interest at 2.500% through November 1, 2024	Waterworks	461,810	29,879	46,205	445,484

**CITY OF BATAVIA, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2007**

**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	178,492	64,807	2,871,060
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	46,899	31,981	1,416,824
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
		<u>52,230,425</u>	<u>855,676</u>	<u>2,127,323</u>	<u>50,958,778</u>

**Long-Term Liability Activity**

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

Type of Debt	Beginning Balances	Additions	Deductions	Ending Balances	Amounts Due within One Year
<b>Governmental Activities</b>					
Net Pension Obligation	\$ 382,545	-	13,106	369,439	-
Installment Contracts	50,000	-	50,000	-	-
General Obligation Bonds	4,500,100	-	396,650	4,103,450	411,350
Alternate Revenue Bonds	11,470,000	-	625,000	10,845,000	290,000
	<u>16,402,645</u>	<u>-</u>	<u>1,084,756</u>	<u>15,317,889</u>	<u>701,350</u>
<b>Business-Type Activities</b>					
Revenue Bonds	\$ 52,230,425	855,676	2,127,323	50,958,778	1,358,768
General Obligation Bonds	1,560,000	-	290,100	1,269,900	298,350
	<u>53,790,425</u>	<u>855,676</u>	<u>2,417,423</u>	<u>52,228,678</u>	<u>1,657,118</u>

**CITY OF BATAVIA, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2007**

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

**LONG-TERM DEBT – Continued**

**Long-Term Liability Activity – Continued**

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

**Debt Service Requirements to Maturity**

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

Fiscal Year Ending December 31	Governmental Activities			
	General Obligation Bonds		Alternate Revenue Bonds	
	Principal	Interest	Principal	Interest
2008	\$ 411,350	177,978	290,000	73,360
2009	434,875	162,670	645,000	448,448
2010	452,225	145,938	680,000	420,068
2011	360,000	128,286	580,000	390,299
2012	380,000	113,840	610,000	365,162
2013	395,000	98,450	635,000	338,368
2014	420,000	81,100	425,000	310,150
2015	105,000	62,500	445,000	291,662
2016	110,000	57,250	465,000	272,325
2017	110,000	51,750	490,000	252,031
2018	115,000	46,250	510,000	230,781
2019	120,000	40,500	535,000	208,575
2020	125,000	34,500	560,000	185,306
2021	130,000	28,250	590,000	160,869
2022	140,000	21,750	615,000	135,263
2023	145,000	14,750	645,000	108,488
2024	150,000	7,500	675,000	80,016
2025	-	-	710,000	49,275
2026	-	-	740,000	33,300
<b>Total</b>	<b>4,103,450</b>	<b>1,273,262</b>	<b>10,845,000</b>	<b>4,353,746</b>

**CITY OF BATAVIA, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2007**

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

**LONG-TERM DEBT – Continued**

**Debt Service Requirements to Maturity – Continued**

Fiscal Year Ending Dec. 31	Business-Type Activities			
	Revenue		General Obligation	
	Bonds		Bonds	
	Principal	Interest	Principal	Interest
2008	\$ 1,358,768	1,434,595	298,350	21,946
2009	1,402,280	1,391,107	313,650	34,196
2010	1,447,183	1,345,880	325,125	23,688
2011	1,402,578	1,300,307	332,775	12,146
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	-	-
<b>Total</b>	<b>37,744,926</b>	<b>23,157,646</b>	<b>1,269,900</b>	<b>91,976</b>

**CITY OF BATAVIA, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2007**

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

**LONG-TERM DEBT – Continued**

**Revenue Bond Disclosures**

Sewerage Fund and Electric Fund – The revenue bond ordinance requires that all monies held in the Sewerage Fund and Electric 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	<i>Sewerage</i> \$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
	<i>Electric</i> Amount sufficient to provide account aggregate of \$1,705,719	
Depreciation	<i>Sewerage</i> \$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
	<i>Electric</i> Initial deposit of \$2,000,000 or \$100,000 per month until the account aggregates \$2,000,000	
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

**CITY OF BATAVIA, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2007**

---

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

**LONG-TERM DEBT – Continued**

**Revenue Bond Disclosures – Continued**

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

Sewerage	
Number of Water Customers	9,228
Number of Sewer Customers	9,201
Quantity of Sewerage Treated (in Millions of Gallons)	1,217.13
Quantity of Water Pumped (in Millions of Gallons)	1,098.67
Quantity of Water Billed (in Millions of Gallons)	990.20
Electric	
Number of Electric Customers by Class	
Residential	9,485
Commercial	1,273
Industrial	11
Kwh of Energy Purchased	427,246,470
Average cost per kwh	\$ 0.066668

**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 - 2006	<u>\$ 1,013,801,886</u>
Legal Debt Limit - 8.625% of Assessed Value	<u>87,440,413</u>
Amount of Debt Applicable to Limit	
General Obligation Bonds	<u>5,075,000</u>
Legal Debt Margin	<u>82,365,413</u>

**CITY OF BATAVIA, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2007**

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

**FUND EQUITY/FUND BALANCE**

**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				
Street Improvement	\$ 952,883	1,512,952	1,371,692	1,094,143
Community Development Assistance Program	274,334	9,008	-	283,342
	<u>1,227,217</u>	<u>1,521,960</u>	<u>1,371,692</u>	<u>1,377,485</u>

**NOTE 4 – OTHER INFORMATION**

**RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; natural disasters; and injuries to the City's employees. These risks are provided for through a limited self-insurance program and private insurance coverage. The City is partially self-insured for medical, dental and life benefits and accounts for these benefits in the General Fund. Under this program, the General Fund provides coverage up to a maximum of \$50,000 per individual's claims paid. These activities and workers compensation are accounted for by setting assets aside for claim settlements. The remainder of the City's risk management activity is also reported in the General Fund and is provided for through private insurance coverage, risks covered include general and other liabilities. There were no significant changes in insurance coverages from the prior year and settlements did not exceed insurance coverage in any of the past three fiscal years.

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.

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

	2007	2006
Claims Payable - Beginning of Year	\$ 653,086	811,918
Incurred Claims	3,279,819	3,016,089
Claims Paid	(3,200,346)	(3,174,921)
Claims Payable - End of Year	<u>732,559</u>	<u>653,086</u>

# **CITY OF BATAVIA, ILLINOIS**

## **Notes to the Financial Statements December 31, 2007**

---

### **NOTE 4 – OTHER INFORMATION – Continued**

#### **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.

##### **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.

**CITY OF BATAVIA, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2007**

---

**NOTE 4 – OTHER INFORMATION – Continued**

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

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

**Illinois Municipal Retirement System – Continued**

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 2007 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	<u>43</u>
	<u>59</u>

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

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

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.

**CITY OF BATAVIA, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2007**

---

**NOTE 4 – OTHER INFORMATION – Continued**

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

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

**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	9
Current Employees Vested and Nonvested	<u>24</u>
	<u>33</u>

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

The Firefighters' Pension Plan provides retirement benefits as well as death and disability benefits. Covered employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit of one-half of the monthly salary attached to the rank at the date of retirement. The pension shall be increased by 1/12 of 2.5% of such monthly salary for each additional month over 20 years of service through 30 years of service, to a maximum of 75% of such monthly salary. Employees with at least 10 years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly pension of a firefighter who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original pension and 3% compounded annually thereafter.

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.

**CITY OF BATAVIA, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2007**

**NOTE 4 – OTHER INFORMATION – Continued**

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

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

**Method Used to Value Investments**

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

**Significant Investments**

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

	Police Pension	Firefighters' Pension
Columbia International Value Fund-Z	\$ 860,083	-
Thornburg Invt TR International Value Fund CL R-5	924,619	-
Wasatch Core Growth Fund	1,574,418	-
Amerus	-	498,750
Keyport Life Annuity	-	574,511
Sun Life Annuities	-	1,072,413
American Freedom U.S. Government Money Market Account	-	1,176,070

**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	\$ 776,898	406,343	1,183,241
Interest on the NPO	20,746	6,032	26,778
Adjustment to the ARC	(12,905)	(3,752)	(16,657)
Annual Pension Cost	784,739	408,623	1,193,362
Actual Contribution	(777,012)	(429,456)	(1,206,468)
Increase in the NPO	7,727	(20,833)	(13,106)
NPO - Beginning of Year	296,377	86,168	382,545
NPO - End of Year	304,104	65,335	369,439

**CITY OF BATAVIA, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2007**

**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%	25.00%	26.88%
Employee	4.50%	9.91%	9.455%
Annual Pension Cost	\$737,959	\$784,739	\$408,640
Contributions Made	\$737,959	\$777,012	\$429,456
Actuarial Valuation Date	12/31/2006	12/31/2006	12/31/2006
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	27 Years	27 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%

**CITY OF BATAVIA, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2007**

**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)	2004	\$ 564,823	\$ 692,704	\$ 407,558
	2005	631,250	732,580	402,926
	2006	737,959	784,739	408,623
Actual Contributions	2004	564,823	681,717	403,972
	2005	631,250	721,691	403,554
	2006	737,959	777,012	429,456
Percentage of APC Contributed	2004	100.00%	98.41%	99.12%
	2005	100.00%	98.51%	100.16%
	2006	100.00%	99.02%	105.10%
Net Pension Obligation	2004	-	285,488	86,796
	2005	-	296,377	86,168
	2006	-	304,104	65,335

## **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 Schedule – 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, 2007**

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, 2007**

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	\$ 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%
2006	15,879,599	24,967,981	63.60%	9,088,382	3,107,967	292.42%

**CITY OF BATAVIA, ILLINOIS**

**Firefighters' Pension Fund**

**Required Supplementary Information**

**Schedule of Funding Progress**

**December 31, 2007**

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	\$ 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%
2006	6,724,772	10,418,335	64.55%	3,693,563	1,597,810	231.16%

**CITY OF BATAVIA, ILLINOIS**

**Illinois Municipal Retirement Fund**

**Required Supplementary Information**

**Employer Contributions**

**December 31, 2007**

---

---

<b>Calendar Year</b>	<b>Employer Contributions</b>	<b>Annual Required Contributions</b>	<b>Percent Contributed</b>
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, 2007**

---

---

<b>Year Ended Dec. 31</b>	<b>Employer Contributions</b>	<b>Annual Required Contribution</b>	<b>Percent Contributed</b>
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%
2006	777,012	784,739	99.02%

**CITY OF BATAVIA, ILLINOIS**

**Firefighters' Pension Fund**

**Required Supplementary Information**

**Employer Contributions**

**December 31, 2007**

---

<b>Year Ended Dec. 31</b>	<b>Employer Contributions</b>	<b>Annual Required Contribution</b>	<b>Percent Contributed</b>
2001	\$ 229,983	\$ 229,144	100.37%
2002	282,336	301,079	93.77%
2003	336,116	340,865	98.61%
2004	403,972	405,217	99.69%
2005	403,554	400,523	100.76%
2006	429,456	406,343	105.69%

**CITY OF BATAVIA, ILLINOIS**

**General Fund**

**Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual  
Year Ended December 31, 2007**

	Budgeted Amounts		Actual Amounts
	Original	Final	
<b>Revenues</b>			
Taxes	\$ 15,680,146	15,680,146	15,867,064
Intergovernmental	3,779,502	3,921,651	4,293,295
Licenses and Permits	345,450	345,450	380,021
Charges for Services	3,435,490	3,433,490	3,604,155
Fines and Forfeitures	238,500	238,500	221,761
Interest	396,500	396,500	645,648
Miscellaneous	1,353,477	1,355,477	2,099,492
<b>Total Revenues</b>	<u>25,229,065</u>	<u>25,371,214</u>	<u>27,111,436</u>
<b>Expenditures</b>			
General Government	7,038,831	7,141,364	6,364,376
Public Safety	11,963,020	12,110,985	12,067,288
Highways and Streets	4,414,959	4,464,959	4,447,607
Debt Service			
Principal Retirement	135,000	135,000	135,000
Interest and Fiscal Charges	25,520	25,520	26,375
<b>Total Expenditures</b>	<u>23,577,330</u>	<u>23,877,828</u>	<u>23,040,646</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	1,651,735	1,493,386	4,070,790
<b>Other Financing (Uses)</b>			
Transfers Out	<u>(2,493,348)</u>	<u>(2,493,348)</u>	<u>(2,255,377)</u>
<b>Net Change in Fund Balance</b>	<u>(841,613)</u>	<u>(999,962)</u>	1,815,413
<b>Fund Balance - Beginning</b>			<u>12,451,110</u>
<b>Fund Balance - Ending</b>			<u>14,266,523</u>

## **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 Funds
- Budgetary Comparison Schedule – Nonmajor Governmental Fund
- Budgetary Comparison Schedules – Enterprise Funds
- Combining Statements – Pension Trust Funds
- Budgetary Comparison Schedules – Pension Trust Funds
- Combining Statement of Changes in Assets and Liabilities – Agency 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, 2007**

	Budgeted Amounts		Actual Amounts
	Original	Final	
<b>Taxes</b>			
Property Taxes - General	\$ 5,139,311	5,139,311	5,148,597
Retailers' Occupation Tax	5,612,680	5,612,680	5,555,639
Non-Home Rule Sales Tax	2,045,063	2,045,063	2,081,187
Utility Tax	2,883,092	2,883,092	3,081,641
	<u>15,680,146</u>	<u>15,680,146</u>	<u>15,867,064</u>
<b>Intergovernmental</b>			
Illinois State Income Tax	2,091,798	2,091,798	2,255,335
Illinois State Replacement Tax	186,089	186,089	221,048
Illinois State Maintenance Reimbursement	35,000	35,000	43,979
Motor Fuel Tax	714,115	714,115	744,503
Pace Grant	10,000	10,000	8,587
State and Federal Grant	208,500	350,649	422,703
Township Share	24,000	24,000	24,021
Countryside Fire Protection District	205,000	205,000	238,000
Local Use Tax	305,000	305,000	335,119
	<u>3,779,502</u>	<u>3,921,651</u>	<u>4,293,295</u>
<b>Licenses and Permits</b>			
Licenses	52,000	52,000	62,183
Building Permits	293,450	293,450	317,838
	<u>345,450</u>	<u>345,450</u>	<u>380,021</u>
<b>Charges for Services</b>			
Administrative Support	1,983,811	1,983,811	1,983,811
Engineering Plan Review	113,100	113,100	27,135
Engineering Inspection Fees	150,800	150,800	24,511
Survey Monumentation Fees	30,400	30,400	5,894

**CITY OF BATAVIA, ILLINOIS**

**General Fund**

**Schedule of Revenues - Budget and Actual - Continued  
Year Ended December 31, 2007**

	Budgeted Amounts		Actual Amounts
	Original	Final	
<b>Charges for Services - Continued</b>			
Sidewalk Inspection Fees	\$ 1,000	1,000	315
Planning Commission Fees	3,500	3,500	2,250
Contractual Plan Review	8,000	8,000	5,614
Grave Openings	28,000	28,000	34,250
Snow Removal	2,000	-	-
Plumbing Inspections	70,000	70,000	53,833
Elevator Inspections	3,300	3,300	3,284
Police Services	125,000	125,000	127,871
Employee Contributions - Insurance	553,479	553,479	590,706
Non-Employee Insurance Premium	140,000	140,000	152,873
Insurance Reimbursements	220,000	220,000	589,426
Miscellaneous	3,100	3,100	2,382
	<u>3,435,490</u>	<u>3,433,490</u>	<u>3,604,155</u>
<b>Fines and Forfeitures</b>			
Court Fines	212,500	212,500	201,839
Parking Fines	26,000	26,000	19,922
	<u>238,500</u>	<u>238,500</u>	<u>221,761</u>
<b>Interest</b>			
Investment Income	396,500	396,500	645,648
<b>Miscellaneous</b>			
City Maps and Publications	6,500	6,500	7,683
Waste Transfer Fee	296,293	296,293	421,117
Cable TV Franchise Fee	270,000	270,000	302,764
River Rain Payment in Lieu of Taxes	622,684	622,684	612,184
Sale of Burial Lots	18,000	18,000	14,850
Reimbursements	80,000	82,000	614,969
Street Recapture	-	-	28,383
Other	60,000	60,000	97,542
	<u>1,353,477</u>	<u>1,355,477</u>	<u>2,099,492</u>
<b>Total Revenues</b>	<u><u>25,229,065</u></u>	<u><u>25,371,214</u></u>	<u><u>27,111,436</u></u>

**CITY OF BATAVIA, ILLINOIS**

**General Fund**

**Schedule of Expenditures - Budget and Actual  
Year Ended December 31, 2007**

	Budgeted Amounts		Actual Amounts
	Original	Final	
<b>General Government</b>			
Legislative and Administration	\$ 1,939,817	1,939,817	1,726,480
Human Resources	338,752	338,752	335,948
Community Development	988,954	988,954	954,387
Public Works Administration	354,892	354,892	391,304
Engineering	759,593	769,526	695,882
Building and Grounds	408,455	408,455	393,497
Finance and Accounting	517,426	517,426	509,228
Information Systems	1,299,891	1,392,491	993,794
Utility Billing	404,527	404,527	383,020
Dial-A-Bus	58,975	58,975	59,496
Health Benefit	(32,451)	(32,451)	(78,660)
	<u>7,038,831</u>	<u>7,141,364</u>	<u>6,364,376</u>
<b>Public Safety</b>			
Police	7,460,672	7,460,672	7,472,242
Fire	4,470,567	4,618,532	4,559,147
E.S.D.A.	31,781	31,781	35,899
	<u>11,963,020</u>	<u>12,110,985</u>	<u>12,067,288</u>
<b>Highways and Streets</b>	<u>4,414,959</u>	<u>4,464,959</u>	<u>4,447,607</u>
<b>Debt Service</b>			
Principal Retirement - Motor Fuel Tax	135,000	135,000	135,000
Interest and Fiscal Charges - Motor Fuel Tax	25,520	25,520	26,375
	<u>160,520</u>	<u>160,520</u>	<u>161,375</u>
<b>Total Expenditures</b>	<u><u>23,577,330</u></u>	<u><u>23,877,828</u></u>	<u><u>23,040,646</u></u>

CITY OF BATAVIA, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual  
Year Ended December 31, 2007

	Budgeted Amounts		Actual Amounts
	Original	Final	
<b>General Government</b>			
<b>Legislative and Administration</b>			
Regular Wages	\$ 558,878	573,633	664,654
Overtime	-	-	123
Part Time Help	22,000	7,245	7,245
Group Insurance	109,556	109,556	110,540
IMRF - City Portion	56,782	56,782	57,566
Social Security	44,437	44,437	39,790
Memberships	14,500	14,500	17,691
Training	12,000	12,000	11,482
Business Meetings	2,500	2,500	3,016
Resource Materials	1,000	1,000	1,415
Travel	500	500	34
Postage and Shipping	8,500	8,500	2,256
Office Supplies	15,000	15,000	18,064
Printing	30,000	30,000	20,052
Advertisement	3,500	3,500	3,952
Food	750	750	1,706
Sales Tax Rebate	125,000	125,000	80,685
Economic Development	11,000	11,000	6,000
Contract Labor	127,600	151,600	151,393
Legal Fees	150,000	150,000	158,667
BATV	162,000	162,000	178,052
Office Equipment	3,000	3,000	1,746
Land Acquisition	215,000	191,000	170,682
General Liability Insurance	15,528	15,528	17,640
Workmen's Compensation Premium	786	786	2,029
Other	250,000	250,000	-
	<u>1,939,817</u>	<u>1,939,817</u>	<u>1,726,480</u>
<b>Human Resources</b>			
Regular Wages	115,069	134,959	141,077
Part Time Help	19,890	-	-
Group Insurance	29,128	29,128	30,113
IMRF - City Portion	11,691	11,691	13,654

CITY OF BATAVIA, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued  
Year Ended December 31, 2007

	Budgeted Amounts		Actual Amounts
	Original	Final	
General Government - Continued			
Human Resources - Continued			
Social Security	\$ 10,324	10,324	10,231
Memberships	1,500	1,500	595
Training	36,000	36,000	21,344
Business Meetings	400	400	403
Resource Materials	500	500	-
Employee Recruitment	18,000	18,000	4,949
Postage and Shipping	300	300	58
Office Supplies	1,500	1,500	1,345
Printing	3,500	3,500	3,235
Flowers	1,250	1,250	1,830
Recognition Award	45,000	45,000	41,348
Medical Exams	20,000	20,000	39,241
Contract Labor	9,000	9,000	11,294
Legal Fees	14,000	14,000	14,176
Office Furniture	500	500	-
General Liability Insurance	905	905	760
Workmen's Compensation Premium	295	295	295
	<u>338,752</u>	<u>338,752</u>	<u>335,948</u>
Community Development			
Regular Wages	565,081	603,081	602,897
Overtime	2,000	2,000	3,492
Group Insurance	132,408	132,408	134,320
IMRF - City Portion	57,615	57,615	59,316
Social Security	43,382	43,382	44,490
Memberships	1,250	1,250	1,453
Training	7,965	7,965	3,360
Resource Materials	1,250	1,250	1,102
Postage and Shipping	5,000	5,000	5,695
Office Supplies	4,250	4,250	3,639
Printing	4,500	4,500	2,036
Gasoline	2,500	2,500	3,401

**CITY OF BATAVIA, ILLINOIS**

**General Fund**

**Schedule of Detailed Expenditures - Budget and Actual - Continued  
Year Ended December 31, 2007**

	Budgeted Amounts		Actual Amounts
	Original	Final	
<b>General Government - Continued</b>			
<b>Community Development - Continued</b>			
Advertising	\$ 2,500	2,500	4,487
Telephone	2,700	2,700	2,425
Clothing Allowance	300	300	144
Meals	750	750	941
Repairs and Maintenance - Vehicle	3,000	3,000	3,100
Plumbing Inspection	37,000	37,000	30,994
Contract Labor	96,000	58,000	30,199
Office Furniture	3,000	3,000	970
General Liability Insurance	3,584	3,584	3,007
Workmen's Compensation Premium	12,919	12,919	12,919
	<u>988,954</u>	<u>988,954</u>	<u>954,387</u>
<b>Public Works Administration</b>			
Regular Wages	235,627	235,627	282,590
Overtime	7,500	7,500	12,103
Group Insurance	35,433	35,433	32,320
IMRF - City Portion	24,702	24,702	29,201
Social Security	18,599	18,599	17,543
Memberships	150	150	30
Training	2,500	2,500	650
Business Meetings	500	500	25
Office Supplies	750	750	432
Telephone	2,000	2,000	1,599
Household Hazardous Waste	7,500	7,500	7,000
Contract Labor	18,000	18,000	5,028
Office Furniture	250	250	-
General Liability Insurance	1,086	1,086	2,488
Workmen's Compensation Premium	295	295	295
	<u>354,892</u>	<u>354,892</u>	<u>391,304</u>

CITY OF BATAVIA, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued  
Year Ended December 31, 2007

	Budgeted Amounts		Actual Amounts
	Original	Final	
General Government - Continued			
Engineering			
Regular Wages	\$ 380,028	402,002	404,010
Overtime	5,000	5,000	4,460
Part Time Help	33,974	12,000	14,988
Group Insurance	85,137	85,137	87,747
IMRF - City Portion	41,351	41,351	40,118
Social Security	32,054	32,054	30,998
Memberships	1,100	1,100	815
Training	7,500	7,500	4,071
Resource Materials	350	350	393
Postage and shipping	300	300	350
Office Supplies	4,000	4,000	4,246
Gasoline	3,400	3,400	3,954
Advertising	300	300	611
Regulatory Fees	1,000	1,000	1,000
Telephone	3,650	3,650	3,535
Clothing Allowance	800	800	785
Recording Fees	500	500	579
Repairs and Maintenance - Vehicles	7,000	7,000	9,016
Repairs and Maintenance - Other Equipment	500	-	-
Contract Labor	10,600	11,100	6,426
Engineering Fees	100,500	110,433	45,059
Office Furniture	5,000	5,000	1,584
Other Equipment	1,500	1,500	891
Vehicles	25,000	25,000	21,107
General Liability Insurance	1,666	1,666	1,756
Workmen's Compensation Premium	7,383	7,383	7,383
	<u>759,593</u>	<u>769,526</u>	<u>695,882</u>

**CITY OF BATAVIA, ILLINOIS**

**General Fund**

**Schedule of Detailed Expenditures - Budget and Actual - Continued  
Year Ended December 31, 2007**

	Budgeted Amounts		Actual Amounts
	Original	Final	
<b>General Government - Continued</b>			
<b>Building and Grounds</b>			
Regular Wages	\$ 26,000	39,000	38,930
Overtime	-	-	1,638
Group Insurance	9,325	9,325	2,492
IMRF - City Portion	2,642	2,642	4,016
Social Security	1,989	1,989	3,100
Postage and Shipping	300	300	35
Office Supplies	450	450	39
Building and Maintenance Supplies	12,600	-	-
Printing and Photo	-	500	209
Gasoline	500	500	345
Telephone	72,000	101,000	100,171
Utilities	78,000	78,000	84,205
General supplies	7,500	20,100	16,088
Repairs and Maintenance - Vehicles	350	350	126
Repairs and Maintenance - Building	164,900	122,900	114,898
Equipment Rental	23,500	23,500	22,982
Repairs and Maintenance - Other Equipment	6,500	6,500	3,357
Office Equipment	500	500	-
Photo Equipment and Supplies	500	-	-
General Liability Insurance	181	181	148
Workmen's Compensation Premium	718	718	718
	<u>408,455</u>	<u>408,455</u>	<u>393,497</u>
<b>Finance and Accounting</b>			
Regular Wages	331,500	331,500	333,211
Overtime	500	500	381
Group Insurance	61,777	61,777	61,775
IMRF - City Portion	33,731	33,731	32,641
Social Security	25,398	25,398	23,633
Membership	500	500	709
Training and Seminars	500	500	153
Resource Materials	500	500	379
Travel	500	500	65
Postage and Shipping	5,000	5,000	4,863

**CITY OF BATAVIA, ILLINOIS**

**General Fund**

**Schedule of Detailed Expenditures - Budget and Actual - Continued**  
**Year Ended December 31, 2007**

	Budgeted Amounts		Actual Amounts
	Original	Final	
<b>General Government - Continued</b>			
<b>Finance and Accounting - Continued</b>			
Office Supplies	\$ 8,000	8,000	6,571
Printing	3,200	3,200	2,313
Telephone	200	200	-
Auditing	43,500	43,500	40,700
Office Furniture	500	500	-
General Liability Insurance	1,629	1,629	1,343
Workmen's Compensation Premium	491	491	491
	<u>517,426</u>	<u>517,426</u>	<u>509,228</u>
<b>Information Systems</b>			
Regular Wages	319,182	319,182	310,456
Part Time Help	-	-	1,930
Group Insurance	44,408	44,408	57,762
IMRF - City Portion	32,429	32,429	30,378
Social Security	24,417	24,417	23,021
Memberships	425	425	360
Training	2,400	2,400	2,440
Resource Materials	500	500	-
Travel	1,600	1,600	310
Postage and Shipping	100	100	20
Office Supplies	750	750	1,039
Computer Software	266,345	280,580	92,385
Computer Supplies	12,500	12,500	10,797
Gasoline	1,000	1,000	205
Telephone	84,500	189,500	56,456
Clothing Allowance	-	-	285
Computer Maintenance	29,100	29,100	17,934
Contract Labor	196,103	197,603	196,119
Software Training	12,500	12,500	6,068
Software Support	91,525	95,630	58,925
Computer	174,545	142,305	121,815
Office Furniture and Equipment	4,000	4,000	3,735
General Liability Insurance	1,267	1,267	1,059
Workmen's Compensation Premium	295	295	295
	<u>1,299,891</u>	<u>1,392,491</u>	<u>993,794</u>

CITY OF BATAVIA, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued  
Year Ended December 31, 2007

	Budgeted Amounts		Actual Amounts
	Original	Final	
General Government - Continued			
Utility Billing			
Regular Wages	\$ 201,055	201,055	207,521
Overtime	1,500	1,500	1,595
Group Insurance	51,577	51,577	38,738
IMRF - City Portion	20,580	20,580	20,480
Social Security	15,495	15,495	15,420
Training and Seminars	2,000	2,000	1,805
Postage and Shipping	55,000	55,000	53,147
Office Supplies	4,000	4,000	3,928
Computer Software	12,000	12,000	12,104
Computer Supplies	12,000	12,000	6,766
Collection Fees	3,000	3,000	1,599
Repairs and Maintenance - Office Equipment	6,200	6,200	2,694
Contract Labor	500	500	134
Office Furniture	15,000	15,000	13,853
General Liability Insurance	1,629	1,629	1,343
Workmen's Compensation Premium	491	491	491
Bad Debt Expense	2,500	2,500	1,402
	<u>404,527</u>	<u>404,527</u>	<u>383,020</u>
Dial-A-Bus			
Gasoline	4,100	4,100	3,943
Repair and Maintenance - Vehicle	5,500	5,500	6,179
Contract Labor	49,375	49,375	49,374
	<u>58,975</u>	<u>58,975</u>	<u>59,496</u>
Health Benefit			
Claims Administration Fees	95,432	95,432	101,817
Insurance and Claims, Net	(127,883)	(127,883)	(180,477)
	<u>(32,451)</u>	<u>(32,451)</u>	<u>(78,660)</u>
Total General Government	<u>7,038,831</u>	<u>7,141,364</u>	<u>6,364,376</u>

**CITY OF BATAVIA, ILLINOIS**

**General Fund**

**Schedule of Detailed Expenditures - Budget and Actual - Continued  
Year Ended December 31, 2007**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Public Safety			
Police Department			
Regular Wages	\$ 3,875,130	3,759,959	3,759,958
Overtime	308,375	436,020	518,523
Auxiliary Police, Full-Time	13,500	13,500	13,680
Part Time Help	123,608	123,608	125,171
Group Insurance	1,030,215	1,017,741	1,017,740
IMRF - City Portion	43,876	52,376	52,259
Social Security	97,088	88,588	87,306
Pension Contributions	844,208	844,208	844,259
Board of P & F Commission	18,000	18,000	7,935
Memberships	7,770	7,770	6,681
Education Reimbursement	10,000	10,000	4,941
Training	47,255	47,255	38,604
Resource Materials	1,550	1,550	1,447
Travel	2,550	2,550	1,632
Postage and Shipping	5,000	5,000	3,290
Office Supplies	15,500	15,500	15,794
Vehicle Supplies	7,500	7,500	6,552
Printing	13,000	16,000	8,177
Communication Supplies	-	5,890	3,916
Investigative Supplies	5,000	5,000	4,800
Gasoline	92,000	92,000	93,519
Patrol Supplies	15,540	15,540	7,251
Community Relations	7,550	7,550	7,989
Ammunition	7,500	7,500	7,485
Telephone	29,600	29,600	19,073
Clothing Allowance	57,675	57,675	42,283
Food	1,200	1,200	1,351
Repairs and Maintenance - Vehicle	58,000	58,000	43,094
Equipment Rental	14,850	14,850	12,814
Radio Maintenance	2,000	2,000	266
Repairs and Maintenance - Other Equipment	8,700	8,700	5,517
Contract Labor	426,715	426,715	443,255
Narcotics and Enforcement	14,600	14,600	11,414
Office Equipment	8,050	8,050	4,504
Photo Equipment and Supplies	3,000	-	-
Communication Equipment	5,890	-	-

**CITY OF BATAVIA, ILLINOIS**

**General Fund**

**Schedule of Detailed Expenditures - Budget and Actual - Continued  
Year Ended December 31, 2007**

	Budgeted Amounts		Actual Amounts
	Original	Final	
<b>Public Safety - Continued</b>			
<b>Police Department - Continued</b>			
Other Equipment	\$ 6,300	6,300	5,955
Vehicles	75,082	75,082	69,693
General Liability Insurance	45,185	45,185	62,004
Workmen's Compensation Premium	112,110	112,110	112,110
	<u>7,460,672</u>	<u>7,460,672</u>	<u>7,472,242</u>
<b>Fire Department</b>			
Regular Wages	1,867,668	1,893,177	1,894,568
Overtime	140,000	140,000	151,482
Part Time Help	489,315	463,806	463,805
Group Insurance	514,910	514,910	537,129
IMRF - City Portion	5,344	5,344	4,625
Social Security	69,805	69,805	62,878
Pension Contributions	429,384	429,384	429,414
Memberships	2,600	2,600	3,320
EMS Training	1,500	1,500	1,098
Training and Seminars	24,000	24,000	23,780
Fire Prevention	2,500	2,500	2,138
Resource Materials	2,000	2,000	1,879
Postage and Shipping	1,800	1,800	2,173
Office Supplies	4,300	4,300	4,567
Vehicle Supplies	24,750	24,750	24,332
Printing	3,600	3,600	4,613
Communication Supplies	2,000	17,000	18,118
Investigative Supplies	2,500	2,500	569
Gasoline	25,651	25,651	34,582
Telephone	20,000	20,000	19,071
Education Materials	14,000	14,000	11,641
Hazardous Materials	3,200	3,200	2,857
Clothing Allowance	27,500	27,500	30,538
Water Rescue Materials	5,000	5,000	5,891
Medical Supplies	2,600	2,600	2,103
Food	6,000	6,000	8,582
Utilities	20,000	20,000	28,024
General Supplies	8,000	8,000	8,182

CITY OF BATAVIA, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued  
Year Ended December 31, 2007

	Budgeted Amounts		Actual Amounts
	Original	Final	
<b>Public Safety - Continued</b>			
<b>Fire Department - Continued</b>			
Repairs and Maintenance - Vehicle	\$ 28,500	28,500	29,426
Repairs and Maintenance - Building	5,000	5,000	4,996
Repairs and Maintenance - Equipment	7,800	7,800	3,712
Contract Labor	442,804	442,804	338,681
S.C.B.A. Maintenance	18,000	165,965	164,556
Office Furniture	6,500	6,500	9,653
Communication Equipment	15,000	-	-
Other Equipment	13,110	13,110	12,957
General Liability Insurance	43,789	43,789	38,806
Workmen's Compensation Premium	170,137	170,137	174,401
	<u>4,470,567</u>	<u>4,618,532</u>	<u>4,559,147</u>
<b>E.S.D.A.</b>			
Part Time Help	8,900	8,900	9,129
IMRF - City Portion	681	681	698
Meal Allowance	250	250	523
Training	1,000	1,000	583
Travel	3,200	3,200	3,623
Office Supplies	250	250	1,459
Communication Supplies	-	-	231
Gasoline	300	300	200
Patrol Supplies	200	200	404
Telephone	1,000	1,000	3,595
Clothing Allowance	500	500	529
Utilities	1,250	1,250	700
Repairs and Maintenance - Vehicle	500	500	4,640
Repairs and Maintenance - Building	250	250	651
Equipment Rental	1,500	1,500	1,621
Repairs and Maintenance - Other Equipment	2,500	2,500	6,068
Contractual Services	8,500	8,500	-
Other Equipment	1,000	1,000	1,245
	<u>31,781</u>	<u>31,781</u>	<u>35,899</u>
<b>Total Public Safety</b>	<u>11,963,020</u>	<u>12,110,985</u>	<u>12,067,288</u>

CITY OF BATAVIA, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued  
Year Ended December 31, 2007

	Budgeted Amounts		Actual Amounts
	Original	Final	
Highways and Streets			
Street and Sanitation			
Regular Wages	\$ 1,244,460	1,201,960	1,201,461
Overtime	112,000	212,700	215,170
Part Time Help	23,000	23,000	22,543
Group Insurance	350,705	350,705	353,603
IMRF - City Portion	137,816	137,816	137,697
Social Security	105,529	105,529	105,405
State Unemployment	-	-	5,694
Meal Allowance	2,000	2,000	3,836
Training	4,000	4,000	4,511
Travel	600	600	46
Supplies for Other Equipment	15,000	15,000	12,082
Office Supplies	1,200	1,200	1,982
Vehicle Supplies	30,000	37,250	37,201
Building and Maintenance Supplies	1,800	-	-
Communication Supplies	-	3,000	1,634
Materials	95,000	115,000	114,576
Gasoline	51,800	74,000	73,958
Salt Deicers	105,000	210,000	209,723
Advertising	1,000	1,000	851
Telephone	9,000	9,000	10,357
Clothing Allowance	12,000	12,000	15,314
Food	1,300	1,300	1,053
Utilities	13,000	13,000	14,773
Safety Supplies	6,000	6,000	1,867
General Supplies	22,000	23,800	27,034
Landfill Fees	10,000	10,000	3,374
Repairs and Maintenance - Vehicle	12,500	27,100	27,029
Repairs and Maintenance - Building	44,000	17,150	15,018
Equipment Rental	3,000	3,000	2,072
Repairs and Maintenance - Other Equipment	16,000	16,000	6,759
Contract Labor	640,800	490,400	448,009
Contract Labor - Health Department	80,000	80,000	80,335
Contract Labor - Forestry Department	115,000	115,000	116,397
Street - Other Maintenance	673,525	673,525	527,604
Street - Other Construction	278,933	278,933	455,321

**CITY OF BATAVIA, ILLINOIS**

**General Fund**

**Schedule of Detailed Expenditures - Budget and Actual - Continued  
Year Ended December 31, 2007**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Highways and Streets - Continued			
Street and Sanitation - Continued			
Office Equipment	\$ 3,500	3,500	125
Communication Equipment	3,000	-	-
Other Equipment	25,000	25,000	15,334
Vehicles	50,000	50,000	52,220
General Liability Insurance	13,947	13,947	24,095
Workmen's Compensation Premium	101,544	101,544	101,544
Total Highways and Streets	4,414,959	4,464,959	4,447,607
Debt Service			
Debt Service			
Principal Retirement - Motor Fuel Tax	135,000	135,000	135,000
Interest and Fiscal Charges - Motor Fuel Tax	25,520	25,520	26,375
Total Debt Service	160,520	160,520	161,375
Total Expenditures	23,577,330	23,877,828	23,040,646

**CITY OF BATAVIA, ILLINOIS**

**Debt Service Fund**

**Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual  
Year Ended December 31, 2007**

	Budgeted Amounts		Actual Amounts
	Original	Final	
<b>Revenues</b>			
Taxes	\$ 1,134,050	1,134,050	1,149,710
Interest	21,200	1,200	53,869
Miscellaneous	-	87,000	87,000
<b>Total Revenues</b>	<u>1,155,250</u>	<u>1,222,250</u>	<u>1,290,579</u>
<b>Expenditures</b>			
<b>Debt Service</b>			
Principal Retirement	936,650	936,650	936,650
Interest and Fiscal Charges	665,026	665,026	659,111
<b>Total Expenditures</b>	<u>1,601,676</u>	<u>1,601,676</u>	<u>1,595,761</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(446,426)</u>	<u>(379,426)</u>	<u>(305,182)</u>
<b>Other Financing Sources (Uses)</b>			
Transfers In	1,767,626	1,117,626	1,773,200
Transfers Out	(650,000)	(650,000)	(1,590,642)
	<u>1,117,626</u>	<u>467,626</u>	<u>182,558</u>
<b>Net Change in Fund Balance</b>	<u>671,200</u>	<u>88,200</u>	<u>(122,624)</u>
<b>Fund Balance - Beginning</b>			<u>863,351</u>
<b>Fund Balance - Ending</b>			<u>740,727</u>

**CITY OF BATAVIA, ILLINOIS**

**Debt Service Fund**

**Schedule of Expenditures - Budget and Actual  
Year Ended December 31, 2007**

	Budgeted Amounts		Actual Amounts
	Original	Final	
<b>Fire Station</b>			
<b>Debt Service</b>			
Principal Retirement	\$ 320,000	320,000	320,000
Interest and Fiscal Charges	408,168	408,168	402,266
	<u>728,168</u>	<u>728,168</u>	<u>722,266</u>
<b>Building Renovation</b>			
<b>Debt Service</b>			
Principal Retirement	225,000	225,000	225,000
Interest and Fiscal Charges	87,888	87,888	87,888
	<u>312,888</u>	<u>312,888</u>	<u>312,888</u>
<b>2002 Refunding Fire and Public Works</b>			
<b>Debt Service</b>			
Principal Retirement	91,650	91,650	91,650
Interest and Fiscal Charges	13,484	13,484	13,484
	<u>105,134</u>	<u>105,134</u>	<u>105,134</u>
<b>Flood Control</b>			
<b>Debt Service</b>			
Principal Retirement	220,000	220,000	220,000
Interest and Fiscal Charges	64,324	64,324	64,311
	<u>284,324</u>	<u>284,324</u>	<u>284,311</u>
<b>Donovan Bridge</b>			
<b>Debt Service</b>			
Principal Retirement	80,000	80,000	80,000
Interest and Fiscal Charges	91,162	91,162	91,162
	<u>171,162</u>	<u>171,162</u>	<u>171,162</u>
<b>Total Expenditures</b>	<u>1,601,676</u>	<u>1,601,676</u>	<u>1,595,761</u>

**CITY OF BATAVIA, ILLINOIS**

**Infrastructure - Capital Projects Fund**

**Schedule of Revenues, Expenditures  
and Changes in Fund Balance - Budget and Actual  
Year Ended December 31, 2007**

	Budgeted Amounts		Actual Amounts
	Original	Final	
<b>Revenues</b>			
Taxes	\$ 150,000	150,000	171,706
Intergovernmental	8,665,962	8,665,962	948,347
Interest	182,500	182,500	303,725
<b>Total Revenues</b>	<b>8,998,462</b>	<b>8,998,462</b>	<b>1,423,778</b>
<b>Expenditures</b>			
Capital Outlay	21,767,124	21,788,541	12,960,396
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(12,768,662)</b>	<b>(12,790,079)</b>	<b>(11,536,618)</b>
<b>Other Financing Sources</b>			
Transfers In	1,221,223	1,221,223	1,918,320
<b>Net Change in Fund Balance</b>	<b>(11,547,439)</b>	<b>(11,568,856)</b>	<b>(9,618,298)</b>
<b>Fund Balance - Beginning</b>			<b>10,643,140</b>
<b>Fund Balance - Ending</b>			<b>1,024,842</b>

**CITY OF BATAVIA, ILLINOIS**

**Infrastructure - Capital Projects Fund**

**Schedule of Expenditures - Budget and Actual  
Year Ended December 31, 2007**

---

---

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>
	<u>Original</u>	<u>Final</u>	
<b>Capital Outlay</b>			
Contractual Services - TIF District	\$ 955,500	983,818	508,257
Land Acquisition - TIF District	470,000	470,000	505,000
Contractual Services - TIF District #3	344,000	337,000	35,896
Engineering Fees - Donovan Bridge Project	11,065,775	11,065,775	2,608,234
Engineering Fees/Improvements - Fire Stations & City Hall	8,931,849	8,931,948	9,303,009
<b>Total Expenditures</b>	<u>21,767,124</u>	<u>21,788,541</u>	<u>12,960,396</u>

**CITY OF BATAVIA, ILLINOIS**

**Capital Projects Fund**

**Schedule of Revenues, Expenditures  
and Changes in Fund Balance - Budget and Actual  
Year Ended December 31, 2007**

	Budgeted Amounts		Actual Amounts
	Original	Final	
<b>Revenues</b>			
Charges for Services	\$ 145,800	145,800	54,980
Intergovernmental	139,000	139,000	139,000
Interest	7,500	7,500	34,066
<b>Total Revenues</b>	<b>292,300</b>	<b>292,300</b>	<b>228,046</b>
<b>Expenditures</b>			
Capital Outlay			
Vehicle - Fire Department	541,000	541,111	42,729
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(248,700)</b>	<b>(248,811)</b>	<b>185,317</b>
<b>Other Financing Sources</b>			
Transfers In	175,000	175,000	175,000
<b>Net Change in Fund Balance</b>	<b>(73,700)</b>	<b>(73,811)</b>	<b>360,317</b>
<b>Fund Balance - Beginning</b>			<b>530,235</b>
<b>Fund Balance - Ending</b>			<b>890,552</b>

**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, 2007**

---

---

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>
	<u>Original</u>	<u>Final</u>	
<b>Revenues</b>			
Charges for Services			
Care of Cemetery Lots	\$ -	-	9,850
Interest	-	-	5,381
<b>Total Revenues</b>	<u>-</u>	<u>-</u>	<u>15,231</u>
<b>Expenditures</b>			
General Government	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>
<b>Net Change in Fund Balance</b>	<u>(10,000)</u>	<u>(10,000)</u>	<u>5,231</u>
<b>Fund Balance - Beginning</b>			<u>115,349</u>
<b>Fund Balance - Ending</b>			<u>120,580</u>

**CITY OF BATAVIA, ILLINOIS**

**Waterworks - Enterprise Fund**

**Schedule of Revenues, Expenses and Changes in  
Net Assets - Budget and Actual  
Year Ended December 31, 2007**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Operating Revenues			
Charges for Services	\$ 4,835,923	4,835,923	4,445,495
Operating Expenses			
Administration	914,008	914,008	899,800
Operations	2,140,414	2,135,414	2,025,211
Depreciation	-	-	976,786
Total Operating Expenses	3,054,422	3,049,422	3,901,797
Operating Income	1,781,501	1,786,501	543,698
Nonoperating Revenues (Expenses)			
Connection Fees	37,600	37,600	2,400
Interest Income	50,000	50,000	179,822
Interest and Fiscal Charges	(255,724)	(255,724)	(352,332)
	(168,124)	(168,124)	(170,110)
Income Before Transfers	1,613,377	1,618,377	373,588
Transfers Out	(20,501)	(20,501)	(20,501)
Change in Net Assets	1,592,876	1,597,876	353,087
Net Assets - Beginning			17,938,455
Net Assets - Ending			18,291,542

**CITY OF BATAVIA, ILLINOIS**

**Waterworks - Enterprise Fund**

**Schedule of Operating Expenses - Budget and Actual  
Year Ended December 31, 2007**

	Budgeted Amounts		Actual Amounts
	Original	Final	
<b>Administration</b>			
General Expenses			
General Liability Insurance	\$ 83,433	83,433	70,391
Workers' Compensation Premium	31,622	31,622	31,622
Bad Debt Expense	6,500	6,500	5,334
General Support	631,493	631,493	631,493
Electric Support - Metering	160,960	160,960	160,960
<b>Total Administration</b>	<b>914,008</b>	<b>914,008</b>	<b>899,800</b>
<b>Operations</b>			
Water Production			
Regular Wages	205,200	155,200	136,746
Overtime	30,000	30,000	26,307
Group Insurance	84,696	54,696	52,442
IMRF - City Portion	23,896	23,896	15,708
Social Security	17,993	17,993	11,828
Postage and Shipping	500	-	-
Building and Maintenance Supplies	1,500	-	-
Materials	5,000	-	-
Production Electricity	300,000	300,000	319,160
Telephone	10,000	10,000	12,119
Chemical Materials	100,000	100,000	88,104
Utilities	10,000	10,000	3,104
General Supplies	1,000	7,500	4,367
Piping and Fitting	2,000	-	-
Repairs and Maintenance - Building	75,000	75,000	33,121
Repairs and Maintenance - Other Equipment	35,000	35,000	13,493
Contract Labor	235,000	210,000	274,043
Other Equipment	40,000	40,000	37,663
	<b>1,176,785</b>	<b>1,069,285</b>	<b>1,028,205</b>

**CITY OF BATAVIA, ILLINOIS**

**Waterworks - Enterprise Fund**

**Schedule of Operating Expenses - Budget and Actual - Continued  
Year Ended December 31, 2007**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Operations - Continued			
Water Distribution			
Regular Wages	\$ 419,200	469,200	474,447
Overtime	75,000	75,000	88,230
Part Time Help	5,000	5,000	720
Group Insurance	116,029	146,029	144,510
IMRF - City Portion	50,211	50,211	53,209
Social Security	38,189	38,189	40,119
Meal Allowance	300	300	223
Memberships	1,500	1,500	1,423
Education Reimbursement	500	500	140
Training and Seminars	6,600	6,600	5,068
Business Meetings	500	500	325
Resource Materials	1,000	1,000	1,144
Travel	1,500	1,500	1,246
Postage and Shipping	-	500	287
Office Supplies	2,000	2,000	1,066
Vehicle Supplies	2,000	2,000	2,911
Building and Maintenance Supplies	800	-	-
Materials	12,000	19,000	15,078
Gasoline	16,000	16,000	14,158
Advertising	-	-	-
Telephone	500	500	406
Clothing Allowance	7,500	7,500	4,905
Food	1,000	1,000	602
Utilities	6,000	6,000	9,361
General Supplies	18,500	19,300	17,743
Mains	9,000	-	-
Piping and Fitting	12,000	36,000	39,263
Landfill Fees	3,000	3,000	2,123
Repairs and Maintenance - Vehicle	2,500	2,500	6,289
Repairs and Maintenance - Building	44,000	44,000	12,913
Repairs and Maintenance - Other Equipment	6,000	6,000	5,191
Contract Labor	70,500	70,500	42,992
Julie System	1,800	1,800	1,398

**CITY OF BATAVIA, ILLINOIS**

**Waterworks - Enterprise Fund**

**Schedule of Operating Expenses - Budget and Actual - Continued  
Year Ended December 31, 2007**

	Budgeted Amounts		Actual Amounts
	Original	Final	
<b>Operations - Continued</b>			
<b>Water Distribution - Continued</b>			
Office Furniture	\$ 3,500	3,500	257
Other Equipment	29,500	29,500	9,259
	<u>963,629</u>	<u>1,066,129</u>	<u>997,006</u>
<b>Water Improvements</b>			
Water Meters	35,000	35,000	20,491
Fire Hydrants	15,000	15,000	-
Valves	10,000	-	-
Piping and Fitting	10,000	-	-
Contract Labor	1,015,000	1,015,000	451,186
Engineering Fees	125,000	75,000	37,810
Vehicles	25,000	25,000	26,110
	<u>1,235,000</u>	<u>1,165,000</u>	<u>535,597</u>
<b>Less Nonoperating Items</b>			
Capital Assets Capitalized	(1,235,000)	(1,165,000)	(535,597)
	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Operations</b>	<u>2,140,414</u>	<u>2,135,414</u>	<u>2,025,211</u>

**CITY OF BATAVIA, ILLINOIS**

**Sewerage - Enterprise Fund**

**Balance Sheet  
December 31, 2007**

	Operations and Maintenance	Restricted Accounts			Totals
		Bond and Interest	Bond Reserve	Depreciation Repair and Replacement	
<b>ASSETS</b>					
<b>Current Assets</b>					
Cash and Investments	\$ 1,484,486	-	-	-	1,484,486
Receivables Accounts	469,935	-	-	-	469,935
Prepays	46,693	-	-	-	46,693
Restricted Cash and Investments	210,000	277,097	-	350,000	837,097
<b>Total Current Assets</b>	<b>2,211,114</b>	<b>277,097</b>	<b>-</b>	<b>350,000</b>	<b>2,838,211</b>
<b>Noncurrent Assets</b>					
<b>Capital Assets</b>					
Nondepreciable	92,426	-	-	-	92,426
Depreciable	42,621,854	-	-	-	42,621,854
Accumulated Depreciation	(11,161,108)	-	-	-	(11,161,108)
<b>Total Noncurrent Assets</b>	<b>31,553,172</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>31,553,172</b>
<b>Total Assets</b>	<b>33,764,286</b>	<b>277,097</b>	<b>-</b>	<b>350,000</b>	<b>34,391,383</b>

	Operations and Maintenance	Restricted Accounts			Totals
		Bond and Interest	Bond Reserve	Depreciation Repair and Replacement	
<b>LIABILITIES</b>					
<b>Current Liabilities</b>					
Accounts Payable	\$ 65,677	-	-	-	65,677
Accrued Payroll	21,847	-	-	-	21,847
Deposits Payable	11,276	-	-	-	11,276
<b>Restricted Liabilities</b>					
Accrued Interest Payable	-	57,740	-	-	57,740
Revenue Bonds Payable	854,411	219,357	-	-	1,073,768
<b>Total Current Liabilities</b>	<b>953,211</b>	<b>277,097</b>	<b>-</b>	<b>-</b>	<b>1,230,308</b>
<b>Noncurrent Liabilities</b>					
Revenue Bonds Payable	9,801,158	-	-	-	9,801,158
<b>Total Liabilities</b>	<b>10,754,369</b>	<b>277,097</b>	<b>-</b>	<b>-</b>	<b>11,031,466</b>
<b>NET ASSETS</b>					
<b>Investment in Capital Assets - Net of Related Debt</b>					
Restricted - Debt Service	20,897,603	(219,357)	-	-	20,678,246
Unrestricted	210,000	-	-	350,000	560,000
	1,902,314	219,357	-	-	2,121,671
<b>Total Net Assets</b>	<b>23,009,917</b>	<b>-</b>	<b>-</b>	<b>350,000</b>	<b>23,359,917</b>

**CITY OF BATAVIA, ILLINOIS**

**Sewerage - Enterprise Fund**

**Schedule of Revenues, Expenses and Changes in  
Net Assets - Budget and Actual  
Year Ended December 31, 2007**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Operating Revenues			
Charges for Services	\$ 3,670,496	3,670,496	3,642,300
Operating Expenses			
Administration	820,722	820,722	803,600
Operations	1,633,247	1,633,247	2,022,532
Depreciation	-	-	1,323,832
Total Operating Expenses	2,453,969	2,453,969	4,149,964
Operating Income (Loss)	1,216,527	1,216,527	(507,664)
Nonoperating Revenues (Expenses)			
Connection Fees	65,800	65,800	17,897
Interest Income	48,000	48,000	133,599
Interest and Fiscal Charges	(327,741)	(327,741)	(320,837)
	(213,941)	(213,941)	(169,341)
Change in Net Assets	1,002,586	1,002,586	(677,005)
Net Assets - Beginning			24,036,922
Net Assets - Ending			23,359,917

**CITY OF BATAVIA, ILLINOIS**

**Sewerage - Enterprise Fund**

**Schedule of Operating Expenses - Budget and Actual  
Year Ended December 31, 2007**

	Budgeted Amounts		Actual Amounts
	Original	Final	
<b>Administration</b>			
General Expenses			
General Liability Insurance	\$ 89,973	89,973	75,264
Workers' Compensation Premium	18,155	18,155	18,155
Bad Debt Expense	7,000	7,000	4,587
General Support	544,634	544,634	544,634
Electric Support - Metering	160,960	160,960	160,960
<b>Total Administration</b>	<b>820,722</b>	<b>820,722</b>	<b>803,600</b>
<b>Operations</b>			
Waste Water Treatment			
Regular Wages	511,221	511,221	501,612
Overtime	88,436	88,436	89,419
Group Insurance	155,441	155,441	151,987
IMRF - City Portion	60,925	60,925	56,268
Social Security	45,874	45,874	42,367
Membership	500	500	349
Training	2,500	2,500	2,856
Resource Materials	300	300	646
Travel	400	400	220
Office Supplies	3,000	3,000	1,206
Lab Supplies	6,500	6,500	4,105
Gasoline	7,000	7,000	11,322
Regulatory Fees	15,500	15,500	15,500
Telephone	15,000	15,000	24,581
Clothing Allowance	4,000	4,000	3,892
Chemicals	20,000	20,000	20,279
Utilities	365,000	365,000	452,115
Safety Supplies	3,000	3,000	489
General Supplies	10,000	10,400	5,755
Pumps	12,000	-	-
Medical Exams	400	-	-
Landfill Fees	85,000	85,000	87,354
Repairs and Maintenance - Vehicle	5,500	5,500	6,277

CITY OF BATAVIA, ILLINOIS

Sewerage - Enterprise Fund

Schedule of Operating Expenses - Budget and Actual - Continued  
Year Ended December 31, 2007

	Budgeted Amounts		Actual Amounts
	Original	Final	
<b>Operations - Continued</b>			
<b>Waste Water Treatment - Continued</b>			
Repairs and Maintenance - Building	\$ 5,000	5,000	4,962
Repairs and Maintenance - Other Equipment	147,000	159,000	174,017
Contract Labor	26,250	26,250	8,677
Other Equipment	37,500	37,500	17,467
	<u>1,633,247</u>	<u>1,633,247</u>	<u>1,683,722</u>
<b>Sanitary Sewer Maintenance</b>			
Regular Wages	58,000	58,000	71,886
Overtime	13,000	13,000	13,220
Group Insurance	21,199	21,199	23,102
IMRF - City Portion	7,214	7,214	8,166
Social Security	5,432	5,432	6,149
Training	2,000	2,000	-
Materials	10,000	10,000	1,639
Gasoline	1,000	1,000	2,191
Clothing Allowance	1,000	1,000	755
General Supplies	2,500	2,500	842
Landfill Fees	3,000	-	-
Repairs and Maintenance - Vehicle	1,200	1,200	447
Repairs and Maintenance - Other Equipment	1,000	1,000	2,052
Contract Labor	142,000	130,000	141,624
Engineering Fees	98,100	98,100	182,838
Julie System	1,600	1,600	1,398
Other Equipment	7,000	7,000	1,857
	<u>375,245</u>	<u>360,245</u>	<u>458,166</u>
<b>Less Nonoperating Items</b>			
Capital Assets Capitalized	(375,245)	(360,245)	(119,356)
	<u>-</u>	<u>-</u>	<u>338,810</u>

**CITY OF BATAVIA, ILLINOIS**

**Sewerage - Enterprise Fund**

**Schedule of Operating Expenses - Budget and Actual - Continued  
Year Ended December 31, 2007**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>
	<u>Original</u>	<u>Final</u>	
Operations - Continued			
Sewer Improvements			
Contract Labor	\$ 306,670	315,670	30,000
Engineering Fees	64,175	64,175	-
Other Equipment	7,000	7,000	7,000
Vehicles	60,000	60,000	17,410
	<u>437,845</u>	<u>446,845</u>	<u>54,410</u>
Less Nonoperating Items			
Capital Assets Capitalized	<u>(437,845)</u>	<u>(446,845)</u>	<u>(54,410)</u>
	-	-	-
Total Operations	<u>1,633,247</u>	<u>1,633,247</u>	<u>2,022,532</u>

**CITY OF BATAVIA, ILLINOIS**

**Sewerage - Enterprise Fund**

**Schedule of Changes in Net Assets - Restricted - Debt Service**

**Year Ended December 31, 2007**

	Operations and Maintenance	Bond and Interest	Bond Reserve	Depreciation Repair and Replacement	Totals
<b>Increases</b>					
Interfund Transfers In	\$ -	1,362,052	-	-	1,362,052
<b>Decreases</b>					
Bond Principal	-	1,041,215	-	-	1,041,215
Bond Interest	-	320,837	-	-	320,837
	-	1,362,052	-	-	1,362,052
<b>Net Increase</b>	-	-	-	-	-
<b>Account Balances</b>					
January 1	210,000	-	-	350,000	560,000
December 31	210,000	-	-	350,000	560,000

**CITY OF BATAVIA, ILLINOIS**

**Electric - Enterprise Fund**

**Balance Sheet**

**December 31, 2007**

---

See Following Page

**CITY OF BATAVIA, ILLINOIS**

**Electric - Enterprise Fund**

**Balance Sheet  
December 31, 2007**

	Operations and Maintenance	Restricted Accounts			Totals
		Bond and Interest	Bond Reserve	Depreciation Repair and Replacement	
<b>ASSETS</b>					
<b>Current Assets</b>					
Cash and Investments	\$ 8,306,218	-	-	-	8,306,218
Receivables					
Accounts	4,209,575	-	-	-	4,209,575
Accrued Interest	83,429	-	-	-	83,429
Prepays	69,324	-	-	-	69,324
Inventories	1,606,069	-	-	-	1,606,069
Restricted Cash and Investments	2,700,000	118,701	1,705,719	2,000,000	6,524,420
	<u>16,974,615</u>	<u>118,701</u>	<u>1,705,719</u>	<u>2,000,000</u>	<u>20,799,035</u>
<b>Noncurrent Assets</b>					
<b>Capital Assets</b>					
Nondepreciable	31,648,191	-	-	-	31,648,191
Depreciable	32,152,708	-	-	-	32,152,708
Accumulated Depreciation	(14,352,332)	-	-	-	(14,352,332)
Total Noncurrent Assets	<u>49,448,567</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>49,448,567</u>
Total Assets	<u>66,423,182</u>	<u>118,701</u>	<u>1,705,719</u>	<u>2,000,000</u>	<u>70,247,602</u>

	Operations and Maintenance	Restricted Accounts			Totals
		Bond and Interest	Bond Reserve	Depreciation Repair and Replacement	
<b>LIABILITIES</b>					
<b>Current Liabilities</b>					
Accounts Payable	\$ 3,043,011	-	-	-	3,043,011
Accrued Payroll	56,500	-	-	-	56,500
Deposits Payable	93,288	-	-	-	93,288
<b>Restricted Liabilities</b>					
Accrued Interest Payable	474,752	94,951	-	-	569,703
Revenue Bonds Payable	261,250	23,750	-	-	285,000
<b>Total Current Liabilities</b>	<b>3,928,801</b>	<b>118,701</b>	<b>-</b>	<b>-</b>	<b>4,047,502</b>
<b>Noncurrent Liabilities</b>					
Revenue Bonds Payable	26,585,000	-	-	-	26,585,000
<b>Total Liabilities</b>	<b>30,513,801</b>	<b>118,701</b>	<b>-</b>	<b>-</b>	<b>30,632,502</b>
<b>NET ASSETS</b>					
Investment in Capital Assets - Net of Related Debt	22,602,317	(23,750)	-	-	22,578,567
Restricted - Debt Service	2,700,000	-	1,705,719	2,000,000	6,405,719
Unrestricted	10,607,064	23,750	-	-	10,630,814
<b>Total Net Assets</b>	<b>35,909,381</b>	<b>-</b>	<b>1,705,719</b>	<b>2,000,000</b>	<b>39,615,100</b>

**CITY OF BATAVIA, ILLINOIS**

**Electric - Enterprise Fund**

**Schedule of Revenues, Expenses and Changes in  
Net Assets - Budget and Actual  
Year Ended December 31, 2007**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Operating Revenues			
Charges for Services	\$ 34,936,417	30,524,506	35,121,078
Operating Expenses			
Administration	2,133,373	2,133,373	2,081,861
Operations	26,749,285	26,749,285	27,618,834
Depreciation	-	-	1,092,486
Total Operating Expenses	28,882,658	28,882,658	30,793,181
Operating Income	6,053,759	1,641,848	4,327,897
Nonoperating Revenues (Expenses)			
Connection Fees	100,000	100,000	-
Interest Income	493,009	493,009	1,315,170
Disposal of Capital Assets	-	-	(29,256)
Interest and Fiscal Charges	(1,135,844)	(1,135,844)	(1,139,405)
	(542,835)	(542,835)	146,509
Change in Net Assets	5,510,924	1,099,013	4,474,406
Net Assets - Beginning			35,140,694
Net Assets - Ending			39,615,100

**CITY OF BATAVIA, ILLINOIS**

**Electric - Enterprise Fund**

**Schedule of Operating Expenses - Budget and Actual  
Year Ended December 31, 2007**

	Budgeted Amounts		Actual Amounts
	Original	Final	
<b>Administration</b>			
<b>Meter Reader/Tester</b>			
Regular Wages	\$ 303,000	278,000	260,085
Overtime	12,500	12,500	11,018
Part Time Help	31,000	56,000	54,999
Group Insurance	119,131	119,131	109,816
IMRF - City Portion	32,055	32,055	25,489
Social Security	26,507	26,507	23,400
Fuel for Vehicles	8,500	8,500	7,019
Telephone	1,000	1,000	-
Clothing Allowance	4,000	4,000	2,824
General Supplies	5,000	5,000	4,165
R & M - Vehicles	500	500	1,788
Other Equipment	10,000	10,000	8,900
Vehicles	25,000	25,000	24,914
	578,193	578,193	534,417
<b>Less Nonoperating Items</b>			
Capital Assets Capitalized	(25,000)	(25,000)	(24,914)
	553,193	553,193	509,503
<b>General Expenses</b>			
General Liability Insurance	93,128	93,128	88,442
Workers' Compensation Premium	42,184	42,184	42,184
General Support	797,684	797,684	797,684
Payments in Lieu of Taxes	612,184	612,184	612,184
Bad Debt Expense	35,000	35,000	31,864
	1,580,180	1,580,180	1,572,358
<b>Total Administration</b>	<b>2,133,373</b>	<b>2,133,373</b>	<b>2,081,861</b>
<b>Operations</b>			
<b>Purchased Power</b>			
Purchased Power	25,382,464	25,382,464	24,403,730
State Utility Tax	1,366,821	1,366,821	1,280,189
	26,749,285	26,749,285	25,683,919

CITY OF BATAVIA, ILLINOIS

Electric - Enterprise Fund

Schedule of Operating Expenses - Budget and Actual - Continued  
Year Ended December 31, 2007

	Budgeted Amounts		Actual Amounts
	Original	Final	
Operations - Continued			
Electric Distribution			
Regular Wages	\$ 1,430,523	1,430,523	1,411,637
Overtime	167,752	167,752	208,446
Part Time Help	35,000	35,000	32,321
Group Insurance	350,489	350,489	346,118
IMRF - City Portion	162,385	162,385	157,376
Social Security	124,946	124,946	119,112
Meal Allowance	600	600	336
Memberships	21,775	21,775	21,141
Training and Seminars	25,200	25,200	9,895
Business Meetings	800	800	560
Resource Materials	1,000	1,000	270
Postage and Shipping	1,500	1,500	1,794
Public Education	2,500	2,500	2,545
Office Supplies	6,800	6,800	7,163
Vehicle Supplies	6,000	6,000	8,965
Building and Maintenance Supplies	1,600	-	-
Communication Supplies	-	1,000	799
Materials	14,500	14,500	6,184
Gasoline	15,625	15,625	18,061
Advertising	1,000	1,000	313
Telephone	15,000	15,000	19,314
Clothing Allowance	13,000	13,000	10,299
Food	1,000	1,000	676
Utilities	18,500	18,500	22,336
Safety Supplies	9,000	9,000	6,156
Substation Maintenance	20,000	20,000	10,865
Street Lights	20,000	20,000	48,958
General Supplies	105,000	116,600	98,427
Landfill Fees	4,000	4,000	3,869
Tree Trimming	175,000	175,000	228,227
Repairs and Maintenance - Vehicle	10,000	10,000	9,293
Repairs and Maintenance - Building	44,000	44,000	15,819
Repairs and Maintenance - Other Equipment	7,500	7,500	6,671
Contract Labor	400,000	400,000	97,992
Contract Labor - Forestry	20,000	20,000	12,315

**CITY OF BATAVIA, ILLINOIS**

**Electric - Enterprise Fund**

**Schedule of Operating Expenses - Budget and Actual - Continued  
Year Ended December 31, 2007**

	Budgeted Amounts		Actual Amounts
	Original	Final	
<b>Operations - Continued</b>			
<b>Electric Distribution - Continued</b>			
Engineering Fees	\$ 20,000	20,000	13,639
Julie System	1,750	1,750	1,398
Tools	10,000	-	-
Office Furniture	2,000	2,000	1,491
Communication Equipment	1,000	1,000	-
Other Equipment	53,630	53,630	-
	<u>3,320,375</u>	<u>3,321,375</u>	<u>2,960,781</u>
Less Nonoperating Items			
Capital Assets Capitalized	(3,320,375)	(3,321,375)	(1,025,866)
	<u>-</u>	<u>-</u>	<u>1,934,915</u>
<b>Electric Improvements</b>			
General Supplies	2,110,000	3,110,000	2,021,758
Electric Meters	54,250	54,250	43,578
Wire and Cable	1,146,000	1,146,000	2,052,328
Electric Poles	2,225,000	2,225,000	1,906,968
Contract Labor	8,788,610	9,813,610	9,601,347
Engineering Fees	310,000	310,000	1,259,933
Vehicles	75,000	75,000	110,644
Off-Site Utilities	4,535,586	4,535,586	6,158,646
Transformers	3,733,973	3,733,973	697,924
	<u>22,978,419</u>	<u>25,003,419</u>	<u>23,853,126</u>
Less Nonoperating Items			
Capital Assets Capitalized	(22,978,419)	(25,003,419)	(23,853,126)
	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Operations</b>	<u><u>26,749,285</u></u>	<u><u>26,749,285</u></u>	<u><u>27,618,834</u></u>

**CITY OF BATAVIA, ILLINOIS**

**Electric - Enterprise Fund**

**Schedule of Changes in Net Assets - Restricted - Debt Service  
Year Ended December 31, 2007**

	Operations and Maintenance	Bond and Interest	Bond Reserve	Depreciation Repair and Replacement	Totals
<b>Increases</b>					
Interfund Transfers In	\$ -	1,139,405	-	-	1,139,405
<b>Decreases</b>					
Bond Interest	-	1,139,405	-	-	1,139,405
Net Increase	-	-	-	-	-
<b>Account Balances</b>					
January 1	2,700,000	-	1,705,719	2,000,000	6,405,719
December 31	2,700,000	-	1,705,719	2,000,000	6,405,719

**CITY OF BATAVIA, ILLINOIS**

**Pension Trust Funds**

**Combining Statement of Net Plan Assets  
December 31, 2007**

	Police Pension	Firefighters' Pension	Totals
<b>Assets</b>			
Cash and Cash Equivalents	\$ 3,390,014	1,280,152	4,670,166
Investments			
U.S. Government and Agency Securities	6,290,076	2,275,834	8,565,910
Insurance Company Contracts	-	2,432,470	2,432,470
Mutual Funds	3,935,664	1,452,007	5,387,671
Equities	3,840,651	-	3,840,651
Receivables			
Other	9,571	4,714	14,285
Accrued Interest	58,401	16,761	75,162
Total Assets	17,524,377	7,461,938	24,986,315
<b>Liabilities</b>			
Accounts Payable	1,690	1,848	3,538
<b>Net Assets</b>			
Held in Trust for Pension Benefits (A schedule of funding progress is presented following the notes to the financial statements.)	17,522,687	7,460,090	24,982,777

**CITY OF BATAVIA, ILLINOIS**

**Pension Trust Funds**

**Combining Statement of Changes in Net Plan Assets  
Year Ended December 31, 2007**

	Police Pension	Firefighters' Pension	Totals
<b>Additions</b>			
Contributions - Employer	\$ 844,258	429,414	1,273,672
Contributions - Plan Members	367,216	167,811	535,027
<b>Total Contributions</b>	<b>1,211,474</b>	<b>597,225</b>	<b>1,808,699</b>
<b>Investment Income</b>			
Interest Earned	1,217,994	429,237	1,647,231
Net Change in Fair Value	-	-	-
	1,217,994	429,237	1,647,231
Less Investment Expenses	(129,563)	-	(129,563)
<b>Net Investment Income</b>	<b>1,088,431</b>	<b>429,237</b>	<b>1,517,668</b>
<b>Total Additions</b>	<b>2,299,905</b>	<b>1,026,462</b>	<b>3,326,367</b>
<b>Deductions</b>			
Administration	21,881	15,896	37,777
Benefits and Refunds	634,935	275,246	910,181
<b>Total Deductions</b>	<b>656,816</b>	<b>291,142</b>	<b>947,958</b>
<b>Change in Net Assets</b>	<b>1,643,089</b>	<b>735,320</b>	<b>2,378,409</b>
<b>Net Plan Assets Held in Trust for Pension Benefits</b>			
<b>Beginning</b>	<b>15,879,598</b>	<b>6,724,770</b>	<b>22,604,368</b>
<b>Ending</b>	<b>17,522,687</b>	<b>7,460,090</b>	<b>24,982,777</b>

**CITY OF BATAVIA, ILLINOIS**

**Police Pension Fund**

**Schedule of Changes in Net Plan Assets  
Year Ended December 31, 2007**

---

---

<b>Additions</b>	
Contributions - Employer	\$ 844,258
Contributions - Plan Members	367,216
Total Contributions	<u>1,211,474</u>
<b>Investment Income</b>	
Interest Earned	1,217,994
Net Change in Fair Value	-
	<u>1,217,994</u>
Less Investment Expenses	(129,563)
Net Investment Income	<u>1,088,431</u>
Total Additions	<u>2,299,905</u>
<b>Deductions</b>	
Administration	21,881
Benefits and Refunds	
Benefits	634,935
Total Deductions	<u>656,816</u>
Change in Net Assets	1,643,089
<b>Net Plan Assets Held in Trust for Pension Benefits</b>	
Beginning	<u>15,879,598</u>
Ending	<u>17,522,687</u>

**CITY OF BATAVIA, ILLINOIS**

**Firefighters' Pension Fund**

**Schedule of Changes in Net Plan Assets  
Year Ended December 31, 2007**

---

---

<b>Additions</b>	
Contributions - Employer	\$ 429,414
Contributions - Plan Members	167,811
Total Contributions	<u>597,225</u>
Investment Income	
Interest Earned	429,237
Net Change in Fair Value	-
	<u>429,237</u>
Less Investment Expenses	-
Net Investment Income	<u>429,237</u>
Total Additions	<u>1,026,462</u>
<b>Deductions</b>	
Administration	15,896
Benefits and Refunds	
Benefits	275,246
Total Deductions	<u>291,142</u>
Change in Net Assets	735,320
<b>Net Plan Assets Held in Trust for Pension Benefits</b>	
Beginning	<u>6,724,770</u>
Ending	<u>7,460,090</u>

**CITY OF BATAVIA, ILLINOIS**

**Agency Funds**

**Combining Statement of Changes in Assets and Liabilities  
Year Ended December 31, 2007**

---

---

	<u>Balances January 1</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balances December 31</u>
<b>All Funds</b>				
<b>ASSETS</b>				
Cash and Investments	<u>\$ 104,458</u>	<u>296</u>	<u>16,970</u>	<u>87,784</u>
<b>LIABILITIES</b>				
Deposits Payable	103,790	-	16,970	86,820
Due to Bondholders	<u>668</u>	<u>296</u>	<u>-</u>	<u>964</u>
Total Liabilities	<u>104,458</u>	<u>296</u>	<u>16,970</u>	<u>87,784</u>

**CITY OF BATAVIA, ILLINOIS**

**Agency Funds**

**Combining Schedule of Changes in Assets and Liabilities  
Year Ended December 31, 2007**

---

---

	Balances January 1	Additions	Deductions	Balances December 31
<b>Special Service Area Fund</b>				
<b>ASSETS</b>				
Cash and Investments	\$ 668	296	-	964
<b>LIABILITIES</b>				
Due to Bondholders	668	296	-	964
<b>Escrow Deposit Fund</b>				
<b>ASSETS</b>				
Cash and Investments	103,790	-	16,970	86,820
<b>LIABILITIES</b>				
Deposits Payable	103,790	-	16,970	86,820

## **SUPPLEMENTAL SECTION**

**CITY OF BATAVIA, ILLINOIS**

**Long-Term Debt Requirements**

**Alternate Revenue Bond Series of 1995  
December 31, 2007**

---

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

**CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS**

Fiscal Year	Requirements			Interest Due on			
	Principal	Interest	Totals	June 1	Amount	Dec. 1	Amount
2008	\$ 85,000	12,960	97,960	2008	6,480	2008	6,480
2009	90,000	8,880	98,880	2009	4,440	2009	4,440
2010	95,000	4,560	99,560	2010	2,280	2010	2,280
	<u>270,000</u>	<u>26,400</u>	<u>296,400</u>		<u>13,200</u>		<u>13,200</u>

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

**CITY OF BATAVIA, ILLINOIS**

**Long-Term Debt Requirements**

**Alternate Revenue Bond Series of 1996  
December 31, 2007**

---

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

**CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS**

Fiscal Year	Requirements			Interest Due on			
	Principal	Interest	Totals	June 1	Amount	Dec. 1	Amount
2008	\$ 25,000	4,820	29,820	2008	2,410	2008	2,410
2009	30,000	3,420	33,420	2009	1,710	2009	1,710
2010	30,000	1,710	31,710	2010	855	2010	855
	<u>85,000</u>	<u>9,950</u>	<u>94,950</u>		<u>4,975</u>		<u>4,975</u>

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

**CITY OF BATAVIA, ILLINOIS**

**Long-Term Debt Requirements**

**Alternate Revenue Bond Series of 1998  
December 31, 2007**

---

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

**CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS**

Fiscal Year	Requirements			Interest Due on			
	Principal	Interest	Totals	June 1	Amount	Dec. 1	Amount
2008	\$ 180,000	55,580	235,580	2008	27,790	2008	27,790
2009	190,000	47,480	237,480	2009	23,740	2009	23,740
2010	200,000	38,930	238,930	2010	19,465	2010	19,465
2011	210,000	29,930	239,930	2011	14,965	2011	14,965
2012	220,000	20,480	240,480	2012	10,240	2012	10,240
2013	230,000	10,580	240,580	2013	5,290	2013	5,290
	<u>1,230,000</u>	<u>202,980</u>	<u>1,432,980</u>		<u>101,490</u>		<u>101,490</u>

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

**CITY OF BATAVIA, ILLINOIS**

**Long-Term Debt Requirements**

**Alternate Revenue Bond Series of 2006  
December 31, 2007**

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
2007	\$ 335,000	388,668	723,668	2009	197,684	2009	197,684
2008	355,000	374,868	729,868	2010	190,984	2010	190,984
2009	370,000	360,369	730,369	2011	183,884	2011	183,884
2010	390,000	344,682	734,682	2012	176,485	2012	176,485
2011	405,000	327,788	732,788	2013	168,197	2013	168,197
2012	425,000	310,150	735,150	2014	159,591	2014	159,591
2013	445,000	291,662	736,662	2015	150,559	2015	150,559
2014	465,000	272,325	737,325	2016	141,103	2016	141,103
2015	490,000	252,031	742,031	2017	131,222	2017	131,222
2016	510,000	230,781	740,781	2018	120,809	2018	120,809
2017	535,000	208,575	743,575	2019	109,972	2019	109,972
2018	560,000	185,306	745,306	2020	98,603	2020	98,603
2019	590,000	160,869	750,869	2021	86,703	2021	86,703
2020	615,000	135,263	750,263	2022	74,166	2022	74,166
2021	645,000	108,488	753,488	2023	61,097	2023	61,097
2022	675,000	80,016	755,016	2024	47,391	2024	47,391
2023	710,000	49,275	759,275	2025	32,625	2025	32,625
2024	740,000	33,300	773,300	2026	16,650		16,650
	<u>9,260,000</u>	<u>4,114,416</u>	<u>13,374,416</u>		<u>2,147,725</u>		<u>2,147,725</u>

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

**CITY OF BATAVIA, ILLINOIS**

**Long-Term Debt Requirements**

**General Obligation Refunding Bond Series of 1998  
December 31, 2007**

---



---

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
2007	\$ 235,000	79,112	314,112	2008	39,556	2008	39,556
2008	250,000	69,830	319,830	2009	34,915	2009	34,915
2009	265,000	59,830	324,830	2010	29,915	2010	29,915
2010	270,000	49,098	319,098	2011	24,549	2011	24,549
2011	285,000	38,028	323,028	2012	19,014	2012	19,014
2012	300,000	26,200	326,200	2013	13,100	2013	13,100
2013	320,000	13,600	333,600	2014	6,800	2014	6,800
	<u>1,925,000</u>	<u>335,698</u>	<u>2,260,698</u>		<u>167,849</u>		<u>167,849</u>

**CITY OF BATAVIA, ILLINOIS**

**Long-Term Debt Requirements**

**General Obligation Refunding Bond Series of 2002A - General Portion  
December 31, 2007**

---



---

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
2006	\$ 91,650	6,742	98,392			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
	<u>390,100</u>	<u>28,256</u>	<u>418,356</u>		<u>10,757</u>		<u>17,499</u>

**CITY OF BATAVIA, ILLINOIS**

**Long-Term Debt Requirements**

**General Obligation Refunding Bond Series of 2002A - Water Portion  
December 31, 2007**

---

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
2006	\$ 298,350	21,946	320,296			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
	<u>1,269,900</u>	<u>91,976</u>	<u>1,361,876</u>		<u>35,015</u>		<u>56,961</u>

**CITY OF BATAVIA, ILLINOIS**

**Long-Term Debt Requirements**

**General Obligation Bond Series of 2005  
December 31, 2007**

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
2006	\$ 80,000	45,581	125,581			2008	45,581
2007	80,000	88,362	168,362	2008	44,181	2009	44,181
2008	85,000	85,562	170,562	2009	42,781	2010	42,781
2009	85,000	82,376	167,376	2010	41,188	2011	41,188
2010	90,000	79,188	169,188	2011	39,594	2012	39,594
2011	95,000	75,812	170,812	2012	37,906	2013	37,906
2012	95,000	72,250	167,250	2013	36,125	2014	36,125
2013	100,000	67,500	167,500	2014	33,750	2015	33,750
2014	105,000	62,500	167,500	2015	31,250	2016	31,250
2015	110,000	57,250	167,250	2016	28,625	2017	28,625
2016	110,000	51,750	161,750	2017	25,875	2018	25,875
2017	115,000	46,250	161,250	2018	23,125	2019	23,125
2018	120,000	40,500	160,500	2019	20,250	2020	20,250
2019	125,000	34,500	159,500	2020	17,250	2021	17,250
2020	130,000	28,250	158,250	2021	14,125	2022	14,125
2021	140,000	21,750	161,750	2022	10,875	2023	10,875
2022	145,000	14,750	159,750	2023	7,375	2024	7,375
2023	150,000	7,500	157,500	2024	3,750	2025	3,750
	<u>1,960,000</u>	<u>961,631</u>	<u>2,921,631</u>		<u>458,025</u>		<u>503,606</u>

**CITY OF BATAVIA, ILLINOIS**

**Long-Term Debt Requirements**

**IEPA Sewer Revenue Bond Series of 1989  
December 31, 2007**

---

---

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

**CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS**

Fiscal Year	Requirements		Totals
	Principal	Interest	
2008	\$ 80,823	8,679	89,502
2009	83,878	5,624	89,502
2010	87,049	2,453	89,502
	<u>251,750</u>	<u>16,756</u>	<u>268,506</u>

**CITY OF BATAVIA, ILLINOIS**

**Long-Term Debt Requirements**

**IEPA Sewer Revenue Bond Series of 1990  
December 31, 2007**

---

---

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

**CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS**

Fiscal Year	Requirements		Totals
	Principal	Interest	
2008	\$ 425,158	72,598	497,756
2009	441,130	56,626	497,756
2010	458,008	39,748	497,756
2011	475,218	22,538	497,756
2012	244,303	4,575	248,878
	<u>2,043,817</u>	<u>196,085</u>	<u>2,239,902</u>

**CITY OF BATAVIA, ILLINOIS**

**Long-Term Debt Requirements**

**IEPA Sewer Revenue Bond Series of 1999  
December 31, 2007**

---

Date of Issue	May 1, 2001
Date of Maturity	May 1, 2020
Authorized Issue	\$1,025,139
Interest Rates	2.535%
Interest Dates	May 1 and October 1
Principal Maturity Date	May
Payable at	Illinois Environmental Protection Agency

**CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS**

Fiscal Year	Requirements		Totals
	Principal	Interest	
2008	\$ 49,444	17,600	67,044
2009	50,705	16,339	67,044
2010	51,999	15,045	67,044
2011	53,326	13,718	67,044
2012	54,686	12,358	67,044
2013	56,081	10,963	67,044
2014	57,512	9,532	67,044
2015	58,979	8,065	67,044
2016	60,483	6,561	67,044
2017	62,026	5,018	67,044
2018	63,609	3,435	67,044
2019	65,231	1,813	67,044
2020	22,474	283	22,757
	<u>706,555</u>	<u>120,730</u>	<u>827,285</u>

**CITY OF BATAVIA, ILLINOIS**

**Long-Term Debt Requirements**

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

**December 31, 2007**

---



---

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		Totals
	Principal	Interest	
2008	\$ 518,343	196,312	714,655
2009	531,567	183,088	714,655
2010	545,127	169,528	714,655
2011	559,034	155,621	714,655
2012	573,295	141,360	714,655
2013	587,920	126,735	714,655
2014	602,919	111,736	714,655
2015	618,299	96,356	714,655
2016	634,073	80,582	714,655
2017	650,248	64,407	714,655
2018	666,836	47,819	714,655
2019	683,848	30,807	714,655
2020	701,295	13,360	714,655
	<u>7,872,804</u>	<u>1,417,711</u>	<u>9,290,515</u>

**CITY OF BATAVIA, ILLINOIS**

**Long-Term Debt Requirements**

**Revenue Bond Series of 2006 - Electric**

**December 31, 2007**

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 Year	Requirements			Interest Due on			
	Principal	Interest	Totals	July 1	Amount	Jan. 1	Amount
2007	\$ -	569,703	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
	<u>26,870,000</u>	<u>21,976,067</u>	<u>48,846,067</u>		<u>10,703,188</u>		<u>11,272,879</u>

## **STATISTICAL SECTION**

### **(Unaudited)**

This part of the comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Village's overall financial health.

#### **Financial Trends**

These schedules contain trend information to help the reader understand how the Village's financial performance and well-being have changed over time.

#### **Revenue Capacity**

These schedules contain information to help the reader assess the Village's most significant local revenue sources.

#### **Debt Capacity**

These schedules present information to help the reader assess the affordability of the Village's current levels of outstanding debt and the Village's ability to issue additional debt in the future.

#### **Demographic and Economic Information**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the Village's financial activities take place.

#### **Operating Information**

These schedules contain service and infrastructure data to help the reader understand how the information in the Village's financial report relates to the services the Village provides and the activities it performs.

**CITY OF BATAVIA, ILLINOIS**

**Net Assets by Component  
December 31, 2007 (Unaudited)**

---

**See Following Page**

**CITY OF BATAVIA, ILLINOIS**

**Net Assets by Component - Last Five Fiscal Years\***  
**December 31, 2007 (Unaudited)**

---

---

	<u>2003</u>
<b>Governmental Activities</b>	
Invested in Capital Assets, Net of Related Debt	\$ 51,316,177
Restricted	1,383,810
Unrestricted	<u>6,279,243</u>
<b>Total Governmental Activities Net Assets</b>	<u><u>58,979,230</u></u>
<b>Business-Type Activities</b>	
Invested in Capital Assets, Net of Related Debt	49,131,314
Restricted	560,000
Unrestricted	<u>19,382,799</u>
<b>Total Business-Type Activities Net Assets</b>	<u><u>69,074,113</u></u>
<b>Primary Government</b>	
Invested in Capital Assets, Net of Related Debt	100,447,491
Restricted	1,943,810
Unrestricted	<u>25,662,042</u>
<b>Total Primary Government Net Assets</b>	<u><u>128,053,343</u></u>

\* Accrual Basis of Accounting

2004	2005	2006	2007
53,435,734	54,007,767	56,436,503	58,043,517
1,706,428	2,655,489	2,725,514	4,144,776
7,533,840	8,057,531	10,891,346	12,519,599
<b>62,676,002</b>	<b>64,720,787</b>	<b>70,053,363</b>	<b>74,707,892</b>
55,901,461	55,546,192	52,291,412	57,578,542
560,000	560,000	6,965,719	6,965,719
15,857,580	17,924,403	17,858,940	16,722,298
<b>72,319,041</b>	<b>74,030,595</b>	<b>77,116,071</b>	<b>81,266,559</b>
109,337,195	109,553,959	108,727,915	115,622,059
2,266,428	3,215,489	9,691,233	11,110,495
23,391,420	25,981,934	28,750,286	29,241,897
<b>134,995,043</b>	<b>138,751,382</b>	<b>147,169,434</b>	<b>155,974,451</b>

**CITY OF BATAVIA, ILLINOIS**

**Changes in Net Assets - Last Four Fiscal Years\*  
December 31, 2007 (Unaudited)**

	2003	2004	2005	2006	2007
<b>Expenses</b>					
<b>Governmental Activities</b>					
General Government	5,500,138	5,106,748	6,386,249	6,584,012	6,451,060
Public Safety	8,698,103	9,702,403	10,121,222	10,402,997	12,215,741
Highways and Streets	4,846,756	5,236,687	5,067,474	5,582,728	6,183,985
Interest on Long-Term Debt	323,873	287,526	298,690	753,633	684,256
<b>Total Governmental Activities Expenses</b>	<b>19,368,870</b>	<b>20,333,364</b>	<b>21,873,635</b>	<b>23,323,370</b>	<b>25,535,042</b>
<b>Business-Type Activities</b>					
Waterworks	2,457,911	2,930,784	3,627,668	3,966,794	4,254,129
Sewerage	3,729,470	3,873,299	4,241,377	4,203,810	4,470,801
Electric	22,343,757	22,414,600	26,519,599	26,008,557	31,961,842
<b>Total Business-Type Activities Expenses</b>	<b>28,531,138</b>	<b>29,218,683</b>	<b>34,388,644</b>	<b>34,179,161</b>	<b>40,686,772</b>
<b>Total Primary Government Expenses</b>	<b>47,900,008</b>	<b>49,552,047</b>	<b>56,262,279</b>	<b>57,502,531</b>	<b>66,221,814</b>
<b>Program Revenues</b>					
<b>Governmental Activities</b>					
Charges for Services					
General Government	3,835,249	4,167,069	5,339,196	4,656,976	4,049,006
Public Safety	134,874	166,104	262,939	262,228	221,761
Operating Grants/Contributions	198,322	230,637	190,320	194,000	238,000
Capital Grants/Contributions	893,624	3,563,277	951,987	2,069,115	1,875,829
<b>Total Governmental Activities Program Revenues</b>	<b>5,062,069</b>	<b>8,127,087</b>	<b>6,744,442</b>	<b>7,182,319</b>	<b>6,384,596</b>
<b>Business-Type Activities</b>					
Charges for Services					
Waterworks	2,585,426	3,504,389	4,398,278	4,364,265	4,445,495
Sewerage	3,911,638	3,843,013	3,811,702	3,652,958	3,642,300
Electric	23,485,602	24,096,264	26,610,687	27,914,884	35,121,078
Operating Grants/Contributions	262,365	249,062	237,926	109,591	20,297
Capital Grants/Contributions	1,469,876	721,438	911,002	469,848	-
<b>Total Business-Type Program Revenues</b>	<b>31,714,907</b>	<b>32,414,166</b>	<b>35,969,595</b>	<b>36,511,546</b>	<b>43,229,170</b>
<b>Total Primary Government Program Revenues</b>	<b>36,776,976</b>	<b>40,541,253</b>	<b>42,714,037</b>	<b>43,693,865</b>	<b>49,613,766</b>

Net (Expense) Revenue					
Governmental Activities	\$ (14,306,801)	(12,206,277)	(15,129,193)	(16,141,051)	(19,150,446)
Business-Type Activities	3,183,769	3,195,483	1,580,951	2,332,385	2,542,398
	<u>(11,123,032)</u>	<u>(9,010,794)</u>	<u>(13,548,242)</u>	<u>(13,808,666)</u>	<u>(16,608,048)</u>
Total Primary Government Net Revenue (Expense)					
General Revenues and Other Changes in Net Assets					
Governmental Activities					
Property Taxes	4,610,601	5,273,418	5,288,191	5,962,071	6,470,013
Sales Taxes	4,758,157	4,971,878	5,195,982	7,464,511	7,636,826
Utility Taxes	2,559,210	2,682,374	2,587,486	2,844,460	3,081,641
Other Taxes	34,724	31,623	28,898	-	-
Income Tax	1,687,830	1,866,577	2,189,790	2,400,894	2,590,454
Replacement Tax	113,188	126,698	172,496	186,896	221,048
Other	112,128	154,143	59,322	68,180	455,311
Interest Income	122,250	156,581	346,860	1,057,465	1,042,689
Miscellaneous	787,093	571,039	1,235,041	1,449,075	2,186,492
Transfers	68,083	68,718	69,912	40,075	20,501
Total Governmental Activities	<u>14,853,264</u>	<u>15,903,049</u>	<u>17,173,978</u>	<u>21,473,627</u>	<u>23,704,975</u>
Business-Type Activities					
Interest Income	313,872	314,392	433,992	793,166	1,628,591
Transfers	(68,083)	(68,718)	(69,912)	(40,075)	(20,501)
Total Business-Type Activities	<u>245,789</u>	<u>245,674</u>	<u>364,080</u>	<u>753,091</u>	<u>1,608,090</u>
Total Primary Government	<u>15,099,053</u>	<u>16,148,723</u>	<u>17,538,058</u>	<u>22,226,718</u>	<u>25,313,065</u>
Changes in Net Assets					
Governmental Activities	546,463	3,696,772	2,044,785	5,332,576	4,554,529
Business-Type Activities	3,429,558	3,441,157	1,945,031	3,085,476	4,150,488
Total Primary Government	<u>3,976,021</u>	<u>7,137,929</u>	<u>3,989,816</u>	<u>8,418,052</u>	<u>8,705,017</u>

\* Accrual Basis of Accounting

**CITY OF BATAVIA, ILLINOIS**

**Fund Balances of Governmental Funds - Last Ten Fiscal Years\*  
December 31, 2007 (Unaudited)**

	<u>1998</u>	<u>1999</u>	<u>2000</u>
General Fund			
Reserved	\$ 11,623	15,176	518,088
Unreserved	1,973,152	3,282,395	3,306,378
Total General Fund	<u>1,984,775</u>	<u>3,297,571</u>	<u>3,824,466</u>
All Other Governmental Funds			
Reserved	30,566	30,492	35,947
Unreserved, Reported in			
Special Revenue Funds	939,989	895,382	871,847
Debt Service Funds	199,043	228,810	347,688
Capital Projects Funds	2,500,764	2,086,806	1,961,804
Total All Other Governmental Funds	<u>3,670,362</u>	<u>3,241,490</u>	<u>3,217,286</u>

\* Modified Accrual Basis of Accounting

2001	2002	2003	2004	2005	2006	2007
34,682	1,584,553	1,546,180	1,544,849	1,564,244	1,375,615	1,568,044
3,985,599	4,882,632	8,543,602	7,190,782	5,631,610	11,075,495	12,698,479
4,020,281	6,467,185	10,089,782	8,735,631	7,195,854	12,451,110	14,266,523
28,079	262,964	695,102	417,649	305,936	978,700	861,307
1,541,020	-	-	-	-	-	-
277,674	-	-	-	-	-	-
2,376,263	1,075,296	2,652,526	1,008,364	1,215,887	11,173,375	1,915,394
4,223,036	1,338,260	3,347,628	1,426,013	1,521,823	12,152,075	2,776,701

**CITY OF BATAVIA, ILLINOIS**

**Changes in Fund Balances for Governmental Funds - Last Ten Fiscal Years\*  
December 31, 2007 (Unaudited)**

	1998	1999	2000
<b>Revenues</b>			
Taxes	\$ 7,748,233	8,153,599	9,413,587
Intergovernmental	2,480,359	2,825,230	3,428,265
Licenses and Permits	513,256	428,923	484,027
Charges for Services	768,170	1,347,846	866,522
Fines and Forfeitures	101,587	106,851	99,411
Interest Income	56,476	111,281	236,336
Miscellaneous	469,436	584,387	608,414
<b>Total Revenues</b>	<b>12,137,517</b>	<b>13,558,117</b>	<b>15,136,562</b>
<b>Expenditures</b>			
General Government	2,811,631	2,910,309	3,614,324
Public Safety	5,289,859	5,277,453	6,283,340
Highways and Streets	1,533,993	1,817,631	2,463,940
Miscellaneous	433,019	567,642	564,046
Capital Outlay	1,193,578	1,018,045	918,357
Debt Service			
Principal Retirement	525,000	570,000	730,000
Interest and Fiscal Charges	419,777	581,765	434,564
<b>Total Expenditures</b>	<b>12,206,857</b>	<b>12,742,845</b>	<b>15,008,571</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(69,340)</b>	<b>815,272</b>	<b>127,991</b>
<b>Other Financing Sources (Uses)</b>			
Debt Issuance	5,265,000	-	295,000
Debt Issuance Premium	-	-	-
Payment to Escrow Agent,	(2,699,126)	-	-
Transfers In	993,537	779,324	824,276
Transfers Out	(931,249)	(710,672)	(744,576)
	<b>2,628,162</b>	<b>68,652</b>	<b>374,700</b>
<b>Net Change in Fund Balances</b>	<b>2,558,822</b>	<b>883,924</b>	<b>502,691</b>
<b>Debt Service as a Percentage of Noncapital Expenditures</b>	<b>8.58%</b>	<b>9.82%</b>	<b>8.27%</b>

\* Modified Accrual Basis of Accounting

2001	2002	2003	2004	2005	2006	2007
10,229,158	11,024,227	11,962,692	12,959,293	13,100,557	16,271,042	17,188,480
3,428,855	3,151,540	3,005,092	3,392,332	3,563,915	4,919,085	5,380,642
381,566	423,468	556,332	546,906	504,569	481,697	380,021
2,624,394	2,458,993	3,278,917	3,620,163	4,834,627	4,175,279	3,668,985
91,969	154,448	134,874	166,104	262,939	262,228	221,761
157,852	114,233	122,250	156,581	346,860	1,057,465	1,042,689
494,822	481,682	787,093	571,039	1,235,041	1,449,075	2,186,492
17,408,616	17,808,591	19,847,250	21,412,418	23,848,508	28,615,871	30,069,070
4,662,094	4,813,740	5,497,117	4,896,245	6,294,992	6,485,812	6,374,376
6,823,868	7,141,702	8,552,323	9,562,783	10,028,916	10,569,945	12,067,288
2,061,059	2,706,443	3,381,952	3,662,442	4,177,690	4,838,314	4,447,607
703,264	757,380	-	-	-	-	-
677,797	2,714,079	596,870	737,453	1,096,306	3,497,877	13,003,125
960,000	1,197,450	806,575	881,275	883,325	1,304,300	1,071,650
408,869	408,723	330,571	296,971	261,425	793,923	685,486
16,296,951	19,739,517	19,165,408	20,037,169	22,742,654	27,490,171	37,649,532
1,111,665	(1,930,926)	681,842	1,375,249	1,105,854	1,125,700	(7,580,462)
-	2,217,025	-	-	2,000,000	10,000,000	-
-	-	-	-	100,000	-	-
-	(944,629)	-	-	-	-	-
979,839	621,178	731,558	665,243	665,925	1,831,980	3,866,520
(889,939)	(522,491)	(663,475)	(596,525)	(596,013)	(1,791,905)	(3,846,019)
89,900	1,371,083	68,083	68,718	2,169,912	10,040,075	20,501
1,201,565	(559,843)	749,925	1,443,967	3,275,766	11,165,775	(7,559,961)
8.76%	9.43%	6.12%	6.10%	5.29%	9.25%	6.98%

**CITY OF BATAVIA, ILLINOIS**

**Equalized Assessed Value and Actual Value of Taxable Property - Last Ten Fiscal Years  
December 31, 2007 (Unaudited)**

---

---

<b>Fiscal Year</b>	<b>Residential Property</b>	<b>Farm Property</b>	<b>Commercial Property</b>
1998	\$ 331,850,700	2,788,558	44,897,072
1999	347,400,985	3,700,593	52,998,037
2000	372,283,958	3,696,254	60,486,185
2001	404,849,665	3,694,185	68,893,264
2002	448,091,664	4,080,539	72,461,436
2003	498,817,625	3,792,932	77,531,484
2004	558,692,175	4,277,092	92,226,983
2005	610,936,400	4,083,962	98,100,789
2006	683,901,433	3,981,078	107,668,502
2007	743,997,664	6,071,624	121,969,088

Data Source: Office of the County Assessor

Industrial Property	Total	Railroad	Total Assessed Value	Total Direct Tax Rate
66,864,917	446,401,247	78,029	446,479,276	0.7718
72,638,975	476,738,590	71,770	476,810,360	0.7555
80,773,606	517,240,003	89,861	517,329,864	0.7079
89,353,731	566,790,845	92,326	566,883,171	0.6740
101,047,239	625,680,878	100,078	625,780,956	0.6547
108,244,329	688,386,370	105,401	688,491,771	0.6210
113,477,923	768,674,173	87,004	768,761,177	0.6236
131,015,821	844,136,972	85,113	844,222,085	0.5531
134,484,376	930,035,389	78,643	930,114,032	0.5747
141,679,201	1,013,717,577	84,309	1,013,801,886	0.5550

**CITY OF BATAVIA, ILLINOIS**

**Direct and Overlapping Property Tax Rates - Last Ten Fiscal Years\*  
December 31, 2007 (Unaudited)**

	<u>1998</u>	<u>1999</u>	<u>2000</u>
Direct City Rate			
City of Batavia	0.7718	0.7555	0.7079
Overlapping Rates			
Kane County	0.4972	0.4912	0.4772
Kane County Forest Preserve District	0.1183	0.1171	0.1985
Batavia Township	0.1234	0.1176	0.1099
Batavia Township Road District	0.0712	0.0666	0.0621
Batavia Park District	0.4481	0.4427	0.4339
Batavia Library District	0.1552	0.2699	0.2712
Batavia Library 1998 Bond District	0.0000	0.0000	0.0000
Batavia Library 1999 Bond District	0.0000	0.0000	0.0000
School District #101	4.5484	4.4393	4.6536
Community College District #516	0.4559	0.4459	0.4358
<b>Total Direct and Overlapping Tax Rate</b>	<u><u>7.1895</u></u>	<u><u>7.1458</u></u>	<u><u>7.3501</u></u>

\* Rates are per \$100 of Assessed Value

Data Source: Office of the County Clerk

N/A - This information is not available.

2001	2002	2003	2004	2005	2006	2007
0.6740	0.6547	0.6210	0.6236	0.5531	0.5747	0.5550
0.4677	0.4529	0.4292	0.3578	0.3467	N/A	N/A
0.1634	0.1520	0.1395	0.1270	0.1432	N/A	N/A
0.1034	0.0981	0.0924	0.0873	0.0840	N/A	N/A
0.0572	0.0517	0.0464	0.0438	0.0421	N/A	N/A
0.4266	0.4380	0.4139	0.4458	0.4506	N/A	N/A
0.1482	0.1484	0.2340	0.2533	0.2826	N/A	N/A
0.0657	0.0618	0.0546	0.0480	0.0427	N/A	N/A
0.0471	0.0422	0.0412	0.0396	0.0372	N/A	N/A
4.4264	4.3276	4.2412	4.3072	4.6508	N/A	N/A
0.4295	0.4131	0.4043	0.4134	0.4099	N/A	N/A
7.0092	6.8405	6.7177	6.7468	7.0429	0.5747	0.5550

**CITY OF BATAVIA, ILLINOIS**

**Principal Property Tax Payers - Current Year and Nine Years Ago  
December 31, 2007 (Unaudited)**

Taxpayer	2007			1998		
	Taxable Assessed Value	Rank	Percentage of Total District Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total District Taxable Assessed Value
Liberty Property LP	\$ 8,794,693	1	0.87%			
Kir Batavia 051	8,736,220	2	0.86%			
Holmstad	7,215,597	3	0.71%	\$ 6,307,895	1	1.41%
Partylite Worldwide	6,927,544	4	0.68%			
ALDI, Inc.	4,518,757	5	0.45%	5,238,788	2	1.17%
Vista Investments	4,406,468	6	0.43%			
Prairie Bank Trust Company	4,356,559	7	0.43%			
America National Bank	4,166,135	8	0.41%	2,944,055	4	0.66%
Rreef America Reit II Corp	4,074,088	9	0.40%			
Sam's Real Estate Business	3,991,958	10	0.39%			
VWR Scientific				3,299,703	3	0.74%
Millard Warehouse				2,747,040	5	0.62%
Continental Illinois Nat'l Bank				2,522,232	6	0.56%
American Can Company				2,109,278	7	0.47%
LaSalle Trust				1,922,093	8	0.43%
Assisi Home				1,674,301	9	0.38%
The Northern Trust Company				1,666,500	10	0.37%
	<u>57,188,019</u>		<u>5.64%</u>	<u>30,431,885</u>		<u>6.82%</u>

Data Source: Office of the County Clerk

**CITY OF BATAVIA, ILLINOIS**

**Property Tax Levies and Collections - Last Ten Fiscal Years  
December 31, 2007 (Unaudited)**

Fiscal Year Ended Dec. 31	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
1998	\$ 3,578,161	\$ N/A	N/A	\$ N/A	\$ 3,571,600	99.82%
1999	3,733,024	N/A	N/A	N/A	3,727,671	99.86%
2000	3,820,793	N/A	N/A	N/A	3,782,435	99.00%
2001	3,957,028	N/A	N/A	N/A	3,956,093	99.98%
2002	4,230,032	N/A	N/A	N/A	4,226,766	99.92%
2003	4,275,538	N/A	N/A	N/A	4,311,246	100.84%
2004	4,793,995	N/A	N/A	N/A	4,771,251	99.53%
2005	4,668,970	N/A	N/A	N/A	4,649,284	99.58%
2006	5,286,412	N/A	N/A	N/A	5,353,101	101.26%
2007	5,561,777	N/A	N/A	N/A	5,625,920	101.15%

Data Source: Office of the County Clerk

Note: the

**CITY OF BATAVIA, ILLINOIS**

**Ratios of Outstanding Debt By Type - Last Ten Fiscal Years  
December 31, 2007 (Unaudited)**

Fiscal Year Ended Dec. 31	Governmental Activities			Business-Type Activities			Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	General Obligation Bonds	Alternate Revenue Bonds	Installment Contracts	Tax Increment Financing Bonds	General Obligation Bonds	Revenue Bonds			
1998	\$ 5,420,000	\$ 3,910,000	\$ -	\$ 606,000	\$ 4,220,000	\$ 6,095,701	\$ 20,251,701	5.60%	\$ 1,001
1999	5,070,000	3,655,000	-	476,000	4,060,000	7,606,964	20,867,964	5.77%	1,031
2000	4,695,000	3,440,000	295,000	336,000	3,850,000	14,457,202	27,073,202	4.08%	1,134
2001	4,280,000	3,210,000	236,000	80,000	3,590,000	16,707,789	28,103,789	4.24%	1,178
2002	4,297,025	2,970,000	1,050,000	80,000	3,437,975	15,795,507	27,630,507	4.17%	1,158
2003	3,850,575	2,745,000	800,000	-	2,601,000	14,854,523	24,851,098	3.58%	995
2004	3,399,000	2,460,000	550,000	-	2,092,275	17,757,947	26,259,222	3.78%	1,051
2005	4,839,400	2,185,000	300,000	-	1,560,600	21,661,447	30,546,447	4.40%	1,223
2006	14,080,100	1,890,000	50,000	-	1,269,900	52,230,425	69,520,425	10.02%	2,783
2007	4,103,450	10,845,000	-	-	1,269,900	50,958,778	67,177,128	9.68%	2,689

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

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

**CITY OF BATAVIA, ILLINOIS**

**Ratios of General Bonded Debt Outstanding - Last Ten Fiscal Years  
December 31, 2007 (Unaudited)**

<b>Fiscal Year</b>	<b>Gross General Obligation Bonds</b>	<b>Debt Payable from Other Sources</b>	<b>Net General Obligation Bonds</b>	<b>Percentage of Actual Taxable Value of Property (1)</b>	<b>Per Capita (2)</b>
1998	\$ 5,420,000	\$ 229,609	\$ 5,190,391	1.163%	\$ 256.49
1999	5,070,000	259,302	4,810,698	1.009%	237.73
2000	4,695,000	383,635	4,311,365	0.833%	180.65
2001	4,280,000	305,753	3,974,247	0.701%	166.52
2002	4,297,025	262,964	4,034,061	0.645%	169.03
2003	3,850,575	194,501	3,656,074	0.531%	146.37
2004	3,399,000	309,419	3,089,581	0.402%	123.69
2005	4,839,400	500,298	4,339,102	0.514%	173.72
2006	14,080,100	863,351	13,216,749	1.421%	529.14
2007	4,103,450	740,727	3,362,723	0.332%	134.63

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

(1) See Equalized Assessed Value and Actual Value of Taxable Property Schedule for actual taxable value of property data.

(2) See Demographic and Economic Statistics Schedule for population data.

**CITY OF BATAVIA, ILLINOIS**

**Schedule of Direct and Overlapping Governmental Activities Debt  
December 31, 2007 (Unaudited)**

Governmental Unit	Debt Outstanding	Percentage of Debt Applicable to City	City's Share of Debt
City of Batavia	\$ 14,948,450	100.00%	\$ 14,948,450
<b>Overlapping Debt</b>			
School District #101	46,390,000	81.33%	37,728,987
School District #304	105,898,550	7.53%	7,974,161
Community College District #516	84,875,796	12.41%	10,533,086
Kane County	44,285,000	7.61%	3,370,089
Kane County Forest Preserve District	176,035,000	7.61%	13,396,264
Batavia Park District	9,963,525	81.34%	8,104,331
Batavia Library 1998 Bond District	3,850,000	87.54%	3,370,290
Batavia Library 1999 Bond District	3,050,000	87.54%	2,669,970
Geneva Park District	20,468,601	14.72%	3,012,978
<b>Subtotal Overlapping Debt</b>	<b>494,816,472</b>		<b>90,160,155</b>
<b>Total Direct and Overlapping Debt</b>	<b>509,764,922</b>		<b>105,108,605</b>

Data Source: Office of the County Clerk

(1) Determined by ratio of assessed valuation of property subject to taxation in the Village to valuation of property subject to taxation in overlapping unit.

**CITY OF BATAVIA, ILLINOIS**

**Legal Debt Margin - Last Ten Fiscal Years  
December 31, 2007 (Unaudited)**

---

See Following Page

**CITY OF BATAVIA, ILLINOIS**

**Legal Debt Margin - Last Ten Fiscal Years  
December 31, 2007 (Unaudited)**

	1998	1999	2000	2001
Equalized Assessed Value	<u>\$ 446,479,276</u>	<u>476,810,360</u>	<u>517,329,864</u>	<u>566,883,171</u>
Legal Debt Limit				
8.625% of Equalized Assessed Value	38,508,838	41,124,894	44,619,701	48,893,673
Amount of Debt Applicable to Limit	<u>9,640,000</u>	<u>9,130,000</u>	<u>8,545,000</u>	<u>7,870,000</u>
Legal Debt Margin	<u>28,868,838</u>	<u>31,994,894</u>	<u>36,074,701</u>	<u>41,023,673</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	<u>25.03%</u>	<u>22.20%</u>	<u>19.15%</u>	<u>16.10%</u>

2002	2003	2004	2005	2006	2007
625,780,956	688,491,771	768,761,177	844,222,085	930,114,032	1,013,801,886
53,973,607	59,382,415	66,305,652	72,814,155	80,222,335	87,440,413
7,755,000	6,145,000	5,290,000	6,400,000	5,769,900	5,075,000
46,218,607	53,237,415	61,015,652	66,414,155	74,452,435	82,365,413
14.37%	10.35%	7.98%	8.79%	7.19%	5.80%

CITY OF BATAVIA, ILLINOIS

Pledged-Revenue Coverage - Last Ten Fiscal Years  
December 31, 2007 (Unaudited)

Fiscal Year	Waterworks Revenue Bonds					
	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Principal	Interest	Coverage
1998	\$ -	\$ -	\$ -	\$ -	\$ -	-
1999	-	-	-	-	-	-
2000	-	-	-	-	-	-
2001	-	-	-	-	-	-
2002	-	-	-	-	-	-
2003	-	-	-	-	-	-
2004	3,504,389	2,252,735	1,251,654	-	118,319	10.58
2005	4,398,278	2,565,132	1,833,146	243,092	228,319	3.89
2006	4,364,265	2,696,307	1,667,958	611,570	347,043	1.74
2007	4,445,495	2,925,011	1,520,484	1,086,108	352,332	1.06

Fiscal Year	Sewerage Revenue Bonds					
	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Principal	Interest	Coverage
1998	\$ 2,000,285	\$ 1,542,815	\$ 457,470	\$ 349,137	\$ 225,342	0.80
1999	3,743,526	1,479,910	2,263,616	362,335	222,640	3.87
2000	3,154,647	1,442,663	1,711,984	376,031	208,293	2.93
2001	3,190,587	1,550,926	1,639,661	697,874	563,456	1.30
2002	3,370,721	1,786,262	1,584,459	946,603	483,354	1.11
2003	3,911,638	2,000,690	1,910,948	940,984	435,968	1.39
2004	3,843,013	2,158,224	1,684,789	949,558	413,826	1.24
2005	3,811,702	2,520,999	1,290,703	979,141	389,814	0.94
2006	3,652,958	2,540,459	1,112,499	1,009,683	351,912	0.82
2007	3,642,300	2,826,132	816,168	1,041,215	320,837	0.60

Fiscal Year	Electric Revenue Bonds					
	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Principal	Interest	Coverage
1998	\$ -	\$ -	\$ -	\$ -	\$ -	-
1999	-	-	-	-	-	-
2000	-	-	-	-	-	-
2001	-	-	-	-	-	-
2002	-	-	-	-	-	-
2003	-	-	-	-	-	-
2004	-	-	-	-	-	-
2005	-	-	-	-	-	-
2006	27,914,884	24,456,744	3,458,140	-	221,864	15.59
2007	35,121,078	29,729,951	5,391,127	-	1,139,405	4.73

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

# CITY OF BATAVIA, ILLINOIS

## Demographic and Economic Statistics - Last Ten Fiscal Years December 31, 2007 (Unaudited)

---

---

Fiscal Year	Population	Personal Income	Per Capita Personal Income	Unemployment Rate
1998	20,236	\$ 361,556,612	\$ 17,867	2.30%
1999	20,236	361,556,612	17,867	2.40%
2000	23,866	663,069,078	27,783	2.40%
2001	23,866	663,069,078	27,783	3.30%
2002	23,866	663,069,078	27,783	4.70%
2003	24,978	693,963,774	27,783	4.90%
2004	24,978	693,963,774	27,783	4.60%
2005	24,978	693,963,774	27,783	4.00%
2006	24,978	693,963,774	27,783	N/A
2007	24,978	693,963,774	27,783	N/A

Data Source: U.S. Bureau of the Census

N/A - Information is not available.

**CITY OF BATAVIA, ILLINOIS**

**Principal Employers - Current Year and Nine Fiscal Years Ago  
December 31, 2007 (Unaudited)**

Employer	2007			1998		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Fermi National Accelerator Laboratory	2,000	1	16.47%	2,150	1	24.44%
Suncast Corporation	450	2	3.71%	450	3	5.11%
Agco Corporation	425	3	3.50%	425	4	4.83%
Eagle Contrete	300	4	2.47%	175	10	1.99%
Walmart	300	5	2.47%			
Power Packaging	250	6	2.06%			
Sealy Mattress Company	250	7	2.06%	200	7	2.27%
VWR International	225	8	1.85%			
Aldi	200	9	1.65%	200	6	2.27%
Waste Management	200	10	1.65%	200	8	2.27%
Siemens-Furnas Controls				500	2	5.68%
Unit School District #101				400	5	4.55%
Infilco Degremont				180	9	2.05%
<b>Total</b>	<b>4,600</b>		<b>37.88%</b>	<b>4,880</b>		<b>55.47%</b>

Data Source: U.S. Bureau of the Census

**CITY OF BATAVIA, ILLINOIS**

**Full-Time Equivalent City Government Employees by Function - Last Ten Fiscal Years  
December 31, 2007 (Unaudited)**

---

See Following Page

**CITY OF BATAVIA, ILLINOIS**

**Full-Time Equivalent City Government Employees by Function - Last Ten Fiscal Years  
December 31, 2007 (Unaudited)**

	1998	1999	2000
General Government			
Administration	6	6	9
Finance	9	9	10
Building and Zoning	7	7	11
Public Safety			
Police			
Officers	40	40	42
Civilians	6	6	5
Fire			
Firefighters and Officers	18	18	19
Civilians	1	1	1
Highways and Streets	24	24	24
Waterworks	14	14	14
Sewerage	8	8	8
Electric	17	17	18
<b>Total</b>	<b>150</b>	<b>150</b>	<b>161</b>

2001	2002	2003	2004	2005	2006	2007
7	9	9	7	10	9	9
10	10	9	10	8	8	8
10	11	12	12	11	13	14
42	42	45	45	45	45	45
5	6	5	5	5	5	6
19	23	23	23	23	23	23
1	1	1	1	1	1	1
24	22	23	23	23	24	25
14	14	14	16	10	11	11
8	8	8	8	8	8	8
19	19	19	19	22	22	24
159	165	168	169	166	169	174

**CITY OF BATAVIA, ILLINOIS**

**Operating Indicators by Function/Program - Last Ten Fiscal Years  
December 31, 2007 (Unaudited)**

	1998	1999	2000
<b>General Government</b>			
Tobacco Licenses	24	23	24
Liquor Licenses	25	29	29
<b>Public Safety</b>			
Police			
Part I Crimes	638	582	766
Part II Crimes	1,989	1,837	1,918
Parking Violations	1,862	2,121	2,108
Traffic Violations	3,287	2,569	1,940
Fire			
Emergency Responses	2,690	2,898	2,736
Fires Extinguished	98	106	100
Inspections	575	585	600
<b>Highways and Streets</b>			
Parkway Trees Planted	105	132	154
Leaves Collected (Cubic Yards)	7,650	7,784	9,288
Street Resurfacing (Miles)	3	4	4
<b>Waterworks</b>			
Number of Metered Accounts	7,693	7,916	8,249
Number of Hydrants Flushed/Inspected	1,420	1,440	1,460
New Connections	396	223	333
Water Average Daily Consumption (Millions of Gallons)	2,924	3,085	2,985
<b>Sewerage</b>			
Number of Metered Accounts	7,623	7,866	7,978
Average Daily Sewage Treatment (Millions of Gallons)	3,242	3,313	2,959
<b>Electric</b>			
Number of Metered Accounts	8,069	8,359	9,685
MW Hours Sold	335,109	336,181	325,233

Data Source: Various Village Departments

2001	2002	2003	2004	2005	2006	2007
23	26	22	21	25	25	24
32	35	34	34	38	43	-
706	640	683	668	624	638	687
2,112	2,061	2,215	1,919	1,779	2,005	1,608
2,140	2,318	2,659	2,458	2,955	2,467	2,143
2,035	2,936	2,464	3,530	4,016	4,718	3,473
2,790	2,773	2,863	3,039	2,935	3,146	3,242
114	110	131	129	147	112	115
555	560	538	572	553	595	605
241	318	405	445	424	433	243
9,796	10,692	9,015	7,974	8,595	7,594	8,115
4	4	3	4	5	5	5
8,363	8,539	8,763	8,979	9,067	9,177	9,228
1,480	1,500	1,520	1,540	1,560	1,580	1,600
114	176	224	186	118	110	51
3,035	3,293	3,095	2,993	3,221	2,989	3,010
8,201	8,373	8,515	8,767	8,899	9,001	9,201
2,976	3,384	3,005	3,269	2,967	3,703	3,335
9,795	10,032	9,162	9,345	9,385	9,456	9,458
339,866	362,654	364,785	380,630	409,951	417,738	427,247

**CITY OF BATAVIA, ILLINOIS**

**Capital Asset Statistics by Function/Program - Last Ten Fiscal Years  
December 31, 2007 (Unaudited)**

	1998	1999	2000
<b>Public Safety</b>			
<b>Police</b>			
Stations	1	1	1
Area Patrols	1	1	1
Patrol Units	12	12	12
<b>Fire</b>			
Fire Stations	2	2	2
Fire Engines	6	6	6
<b>Public Works</b>			
Urban Street Miles	86	87	94
Rural Street Miles	7	7	7
Total Street Miles	93	94	101
<b>Waterworks</b>			
Water Mains (Miles)	94	101	103
Fire Hydrants	1,250	1,300	1,350
<b>Sewerage</b>			
Sanitary Sewers (Miles)	110	112	114
Storm Sewers (Miles)	88	89	96
<b>Electric</b>			
Over Head (Percentage)	36.0%	36.0%	39.0%
Substations	6	6	6

Data Source: Various Village Departments

2001	2002	2003	2004	2005	2006	2007
1	1	1	1	1	1	1
1	1	1	1	1	1	1
14	14	14	14	14	13	13
2	2	2	2	2	2	2
6	6	6	6	6	6	6
96	98	101	103	105	106	106
7	7	7	7	7	7	7
103	105	108	110	112	113	113
105	108	110	112	113	116	116
1,400	1,450	1,500	1,550	1,600	1,600	1,600
116	118	120	120	122	124	126
98	100	103	105	107	108	108
40.0%	40.0%	41.0%	42.0%	43.0%	43.0%	45.0%
6	6	6	6	5	5	5