

**CITY OF
BATAVIA, ILLINOIS**

**COMPREHENSIVE
ANNUAL
FINANCIAL REPORT**



**FOR THE FISCAL
YEAR ENDED
DECEMBER 31, 2009**

CITY OF BATAVIA, ILLINOIS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

**FOR THE FISCAL YEAR
ENDED DECEMBER 31, 2009**

Prepared By:

Finance Department

CITY OF BATAVIA, ILLINOIS

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INTRODUCTORY SECTION

CITY OF BATAVIA, ILLINOIS

List of Principal Officials*

BATAVIA CITY COUNCIL

Jeffery D. Schielke, Mayor

Garran Sparks

Michael F. O'Brien

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

Dawn Tenuta

William McGrath, City Administrator

Peggy Colby, Finance Director

Heidi Wetzel, City Clerk

Gerald R. Miller, City Treasurer

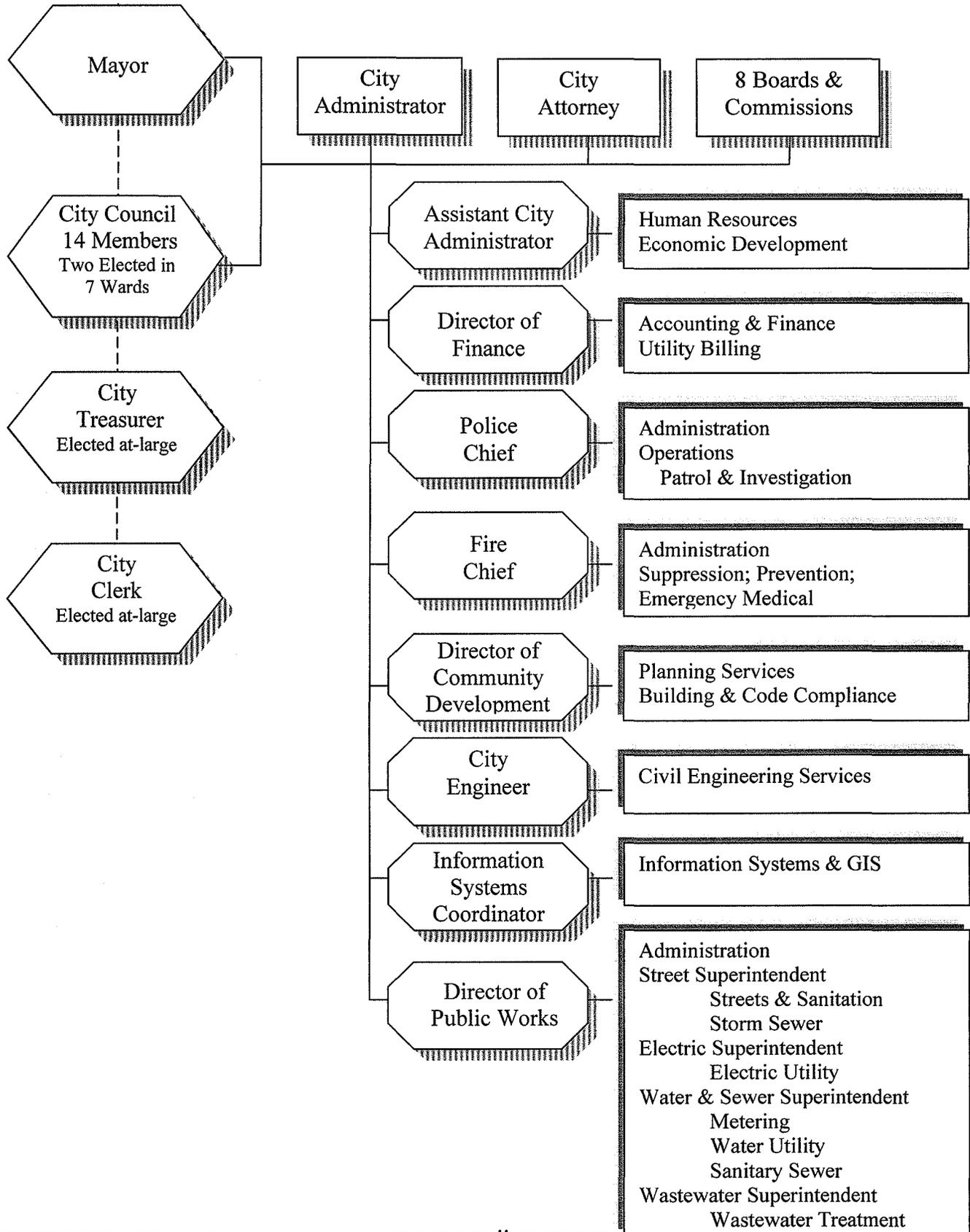
John Noble, City Attorney

* As of December 31, 2009.

CITY OF BATAVIA, ILLINOIS

Organizational Chart

Citizens of Batavia



Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Batavia
Illinois

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2008

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



A stylized handwritten signature in black ink.

President

A handwritten signature in black ink that reads "Jeffrey R. Emmer".

Executive Director



CITY OF BATAVIA

JEFFERY D. SCHIELKE
Mayor

May 17, 2010

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, 2009 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, 2009, 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, 2009, 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 incorporated as a village in 1856 and as a City in 1891. Population at the 2000 Census was 23,866, a special census in 2003 raised it to 24,978 and a partial census in 2006 raised it to 25,264. A change in legislation to recognize partial census counts for the purposes of home rule recognition automatically made Batavia a home rule city in October 2009. The population for 2009 had an estimated count of 26,000. The current land area of Batavia is 9.71 square miles. The City is nicknamed 'The Windmill City', because of its industrial role at the turn of the century as the windmill manufacturing capital of the world. Many antique and replicated windmills are located throughout the city. The City has excellent 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 an 8% annual average growth rate in taxable valuation over the last ten years. 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 council members, 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 wastewater 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 remains in a favorable financial position for 2009, with sufficient fund balances available for general operations; however, during the past year the City experienced some setbacks related to the economy similar to the municipalities across the Country. The City had a substantial drop in sales tax revenues, dropping 14.8% compared to 2008. Income taxes were also lower with a 14% drop from 2008. Property taxes increased 5% over 2008 collections because of a 4.1% CPI and new property. The City was able to weather reduced revenues as a result of the City's good reserves and reduced spending including seven layoffs and some early retirements. In addition, a thorough review of the City's spending on consumables and contracts was done to shave any expense not deemed absolutely necessary by the City Council.

Major Initiatives

The largest initiative undertaken by the City in 2009 was the implementation of our Financial Sustainability Project. All departments completed a task review in order to establish a baseline of possible task reassignment or elimination through attrition. The focus in 2009 centered on doing more with less and how best to meet citizen needs with reduced revenues. No major capital projects for general activities occurred in 2009.

The year 2009 did not see a lot of building activity as new construction came to a virtual standstill with only three single-family home permits issued. General repair and modification permits remained the same in 2009 with 922 permits issued compared to 1,053 in 2008. Revenues declined \$60,000 from 2008.

The economy was a concern for the City's three utilities as well and therefore any major initiatives were delayed to allow for a comprehensive prioritization of all projects. The only capital projects completed in the utilities was in the electric utility where the majority of work related to the City's construction of the 138kV project was closed out from Construction in Process to the appropriate plant accounts.

For the Future - For 2010, the City will continue work on Financial Sustainability, which will include service review and a review and prioritization of plans for infrastructure and capital improvements. In light of the economy, no significant capital projects were included in the 2010 budget. Projects funded with general funds include only grant funded projects including the Deerpath Bridge and the Wilson Street Signal Interconnection project, which are funded 80% and 100% respectively. The 2010 budget also includes \$3.6 million in capital expenditures for improvements in the City's electric and sewer utilities and another \$1.8 million for improvements in the City's two active TIF districts. Overall, the City has budgeted \$7.9 million in capital expenditures for 2010 with all of the projects being funded on a pay-as-we go basis.

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, 2009, the average yield on City investments of 1.2%. The City earned \$435,000 on all investments for the year ended December 31, 2009. These earnings were lower than past years due to the spend down of reserves and considerably lower interest rates. 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 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 coverage through an insurance broker. The City carries deductibles that range between \$5,000 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. The report as of December 31, 2009, reflects funding of the Police Pension at 54.7% and 53.2% for the Firefighter's Pension fund. Both funds dropped 10% in percent funded due to investment losses incurred in 2008. The remaining unfunded liability is being systematically funded 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.

Other Information

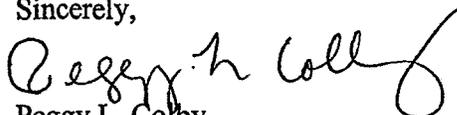
Awards - The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report for the fiscal year ended December 31, 2008. The Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standards for preparation of state and local government financial reports.

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 our current report continues to conform to the Certificate of Achievement program requirements, and therefore, we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgements - The preparation of the comprehensive annual financial report on a timely basis was possible through 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 17, 2010

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, 2009, 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, 2009. 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.

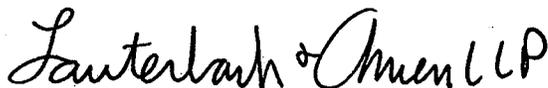
We conducted our audit in accordance with auditing standards generally accepted in the United States of America; *Government Auditing Standards*, issued by the Comptroller General of the United States; and the provisions of Office of Management and Budget Circular A-133, *Audits of States, Local Governments, 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, 2009, 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 statements and 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.

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, 2009

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, 2009. Please read it in conjunction with the City of Batavia's financial statements, which begin on page 3.

Financial Highlights

- The City of Batavia's total net assets for 2009 were \$159.4 million, an increase of \$1.4 million. Governmental activities net assets were \$76.5 million with \$12.4 million available to meet ongoing obligations and \$4.9 restricted for capital and other projects. Net assets of business-type activities were \$82.9 million of which \$16.8 million is available for operations.
- During the year, \$25.9 million in tax and other revenues was collected in the City's governmental funds resulting in a surplus of \$1.9 million over the \$23.9 million in expenditures.
- Operating revenues for business-type activities were \$45.3 million while operating expenses were \$44.8 million resulting in a deficit of \$0.9 million after accounting for non-operating revenues and debt payments totaling \$1.4 million.
- The total cost of all programs was \$24.6 million for governmental activities and \$46.5 for business-type activities. No new programs were added this year.
- The General Fund reported a surplus this year of \$0.8 million mainly as a result of a decreased spending and lower insurance costs.
- The City of Batavia's total debt decreased by \$3.4 million, with total debt outstanding of \$60.9 million. A decrease of \$1.1 million was for governmental activities for total debt outstanding of \$12.8 million. The balance of the decrease of \$2.3 million reduced the balance of debt for business-type activities to \$48.1 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 3 – 6) 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 7. 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, 2009

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 3 – 6 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, 2009

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 7 – 12 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 13 – 16 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 17 – 18 of this report.

CITY OF BATAVIA, ILLINOIS

Management's Discussion and Analysis December 31, 2009

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 19 – 55 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., police, firefighter's 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 56 – 64 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 2009, the assets of the City of Batavia exceeded liabilities by \$159.4 million.

The City of Batavia's investment in capital assets net of debt used to acquire capital assets reflects 74.2% 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 7.5% of net assets. The remaining 18.3%, 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 2008 were also \$29.2 million thus ending the year 2009 in the same position as 2008.

Net assets of the City of Batavia's governmental activities for 2009 were \$76.5 million. Unrestricted net assets, the part of net assets that can be used to finance day-to-day operations without constraints were \$12.4 million at the end this year. Restricted net assets for governmental activities decreased to \$4.9 million, from \$3.9 million in the prior year.

CITY OF BATAVIA, ILLINOIS

Management's Discussion and Analysis December 31, 2009

Government-Wide Financial Analysis – Continued

Net assets of business-type activities for 2009 were \$82.9 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 \$16.8 million at the end of 2009. 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	
	2009	2008	2009	2008	2009	2008
Current and Other Assets	\$ 25.8	24.9	27.3	27.5	53.1	52.4
Capital Assets	72.0	73.3	107.2	108.9	179.2	182.2
Total Assets	97.8	98.2	134.5	136.4	232.3	234.6
Long-Term Debt Outstanding	(12.1)	(13.2)	(45.7)	(48.7)	(57.8)	(61.9)
Other Liabilities	(9.2)	(9.8)	(5.9)	(4.9)	(15.1)	(14.7)
Total Liabilities	(21.3)	(23.0)	(51.6)	(53.6)	(72.9)	(76.6)
Net Assets						
Invested in Capital Assets, Net of Debt	59.2	59.4	59.1	58.5	118.3	117.9
Restricted	4.9	3.9	7.0	7.0	11.9	10.9
Unrestricted	12.4	11.9	16.8	17.3	29.2	29.2
Total Net Assets	76.5	75.2	82.9	82.8	159.4	158.0

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 \$1.3 million in 2009 compared to \$0.5 million in 2008. The higher increase was a result of no major capital projects undertaken and overall decreased spending during the year. Business-type activities increased \$0.1 million compared to \$1.5 million the prior year, as a result of increased costs in the electric utility related to administration and purchased power contracts.

CITY OF BATAVIA, ILLINOIS

**Management's Discussion and Analysis
December 31, 2009**

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	
	2009	2008	2009	2008	2009	2008
Revenues						
Program Revenues						
Charges for Services	\$ 4.1	3.9	45.3	43.5	49.4	47.4
Operating Grants/Contributions	0.2	0.2	-	0.1	0.2	0.3
Capital Grants/Contributions	0.7	1.0	1.0	-	1.7	1.0
General Revenues						
Property Taxes	7.1	6.8	-	-	7.1	6.8
Sales Taxes	6.1	7.1	-	-	6.1	7.1
Utility Taxes	3.1	3.3	-	-	3.1	3.3
Intergovernmental	2.7	3.1	-	-	2.7	3.1
Interest	0.1	0.5	0.3	0.6	0.4	1.1
Other General Revenues	1.8	1.8	-	-	1.8	1.8
Total Revenues	25.9	27.7	46.6	44.2	72.5	71.9
Expenses						
General Government	6.0	8.1	-	-	6.0	8.1
Public Safety	12.3	12.1	-	-	12.3	12.1
Highways and Streets	5.7	6.3	-	-	5.7	6.3
Interest on Long-Term Debt	0.6	0.7	-	-	0.6	0.7
Waterworks	-	-	4.1	4.4	4.1	4.4
Sewerage	-	-	4.1	4.2	4.1	4.2
Electric	-	-	38.3	34.1	38.3	34.1
Total Expenses	24.6	27.2	46.5	42.7	71.1	69.9
Increase in Net Assets Before Transfers	1.3	0.5	0.1	1.5	1.4	2.0
Transfers	-	-	-	-	-	-
Increase in Net Assets	1.3	0.5	0.1	1.5	1.4	2.0
Net Assets - Beginning	75.2	74.7	82.8	81.3	158.0	156.0
Net Assets - Ending	76.5	75.2	82.9	82.8	159.4	158.0

CITY OF BATAVIA, ILLINOIS

Management's Discussion and Analysis December 31, 2009

Government-Wide Financial Analysis – Continued

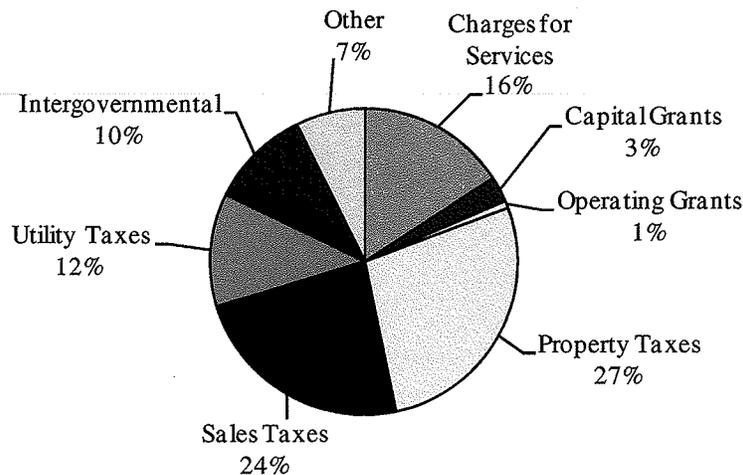
Governmental Activities

The 2009 revenues for governmental activities were \$25.9 million, while total program expenses were \$24.6 million. Total revenues for governmental activities for 2009 were \$1.8 million less than 2008 revenues of \$27.7 million and program expenses for 2009 were \$2.6 million less than 2008 program expenses of \$27.2 million.

The difference in revenues of \$1.8 million is attributable to a decrease in sales tax revenues of \$1.1 million coupled with decreased income and utility taxes along with lower interest revenues due to very low interest rates.

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



Sales taxes declined in 2008 and again in 2009. Sales continue to be under pressure from both outside retail competition and economic forces, which caused sales tax to drop to second place for the largest source of revenue for the City. In 2008, sales tax represented 26% of City revenues while property taxes were at 24%.

Prior to 2009, the City was under the Illinois property tax cap for Counties surrounding the Chicago area. The City became an automatic home rule community in 2009 as a result the City's population. However, the 2009 property taxes were levied prior to becoming home rule and were under the tax cap, which was limited to 0.1% increase outside of new property. This resulted in \$268,000 in additional tax revenues.

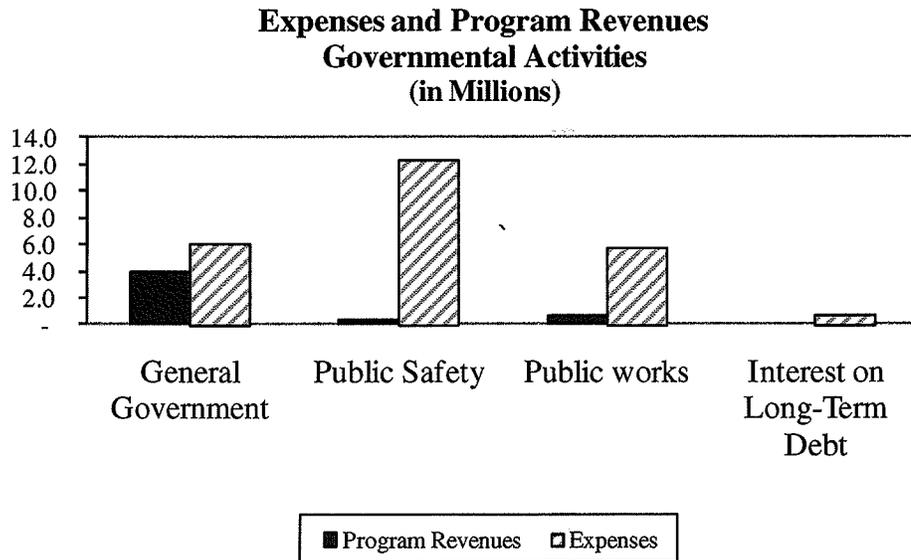
Insurance reimbursements were \$150,000 higher than 2008. Receipts for most other categories remained level or decreased slightly.

CITY OF BATAVIA, ILLINOIS

**Management's Discussion and Analysis
December 31, 2009**

Government-Wide Financial Analysis – Continued

Governmental Activities – Continued



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

Since these expenses 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 expenses. Also as in most cities, public safety represents the majority of expenses at 50% followed by general government operations at 25%.

CITY OF BATAVIA, ILLINOIS

Management's Discussion and Analysis December 31, 2009

Government-Wide Financial Analysis – Continued

Business-Type Activities

Revenues for business-type activities were \$46.6 million and expenses were \$46.5 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 in 2007. No capital improvements were completed in 2009.
- The City's sanitary sewer system has been undergoing an extensive evaluation, which continued through 2009. The results of the study will provided 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. No capital improvements were undertaken in 2009.
- In addition to water and sewer, the City of Batavia operates a municipal electric utility to transmit and distribute electricity for those within the municipal borders. The means of obtaining and providing power has changed significantly since the end of an all-requirements contract in 2007. As a result of deregulation, the City now obtains power through bilateral contracts and the daily market. At the end of 2009, the City had contracts for power supply through 2012. City staff, in conjunction with professional resources, continues to evaluate the City's power supply portfolio. A vast majority of the City's power supply beyond 2012 will be supplied through an ownership share in a southern Illinois coal mine which will be phased into operation beginning in 2012.
- Capital improvements for the electric utility in 2009 included system extension and completion of contracts related to a significant investment in new infrastructure 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. Two rate increases of 8.9% were done in 2007 and 2008 to provide for debt repayment.

CITY OF BATAVIA, ILLINOIS

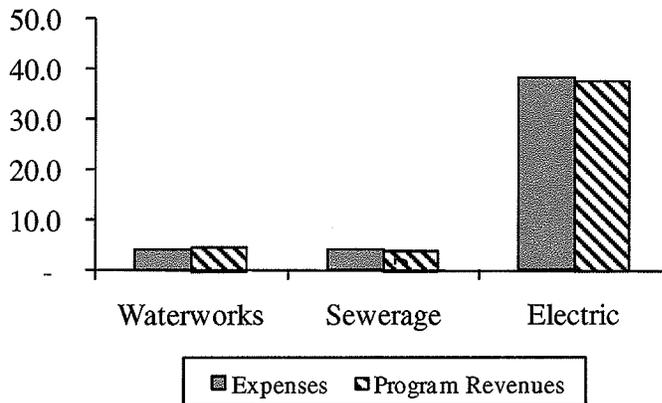
Management's Discussion and Analysis December 31, 2009

Government-Wide Financial Analysis – Continued

Business-Type activities – Continued

The graph compares program revenues to expenses for electric waterworks and sewerage operations. As evidenced, both sewer and electric are lagging slightly behind operational expenses. The electric utility lagged behind because of utilizing its rate stabilization fund. An internal review of the rate structure for all of the utilities is planned for 2010. The review will evaluate the current rate structure to ensure sufficient rates will be in place to meet future operational and capital needs. A significant factor in all of the rate reviews will be the impact to ratepayers and the comparability with surrounding utilities.

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



Financial Analysis of the Government's Funds

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

Governmental Funds

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

- As of the end of the current fiscal year, the governmental funds reported combined ending fund balances of \$17.7 million, in contrast to last year's \$16.2 million. Included in this year's total change in fund balance was an increase of \$0.4 million in the City's Debt Service Fund as a result of a debt refunding.

CITY OF BATAVIA, ILLINOIS

Management's Discussion and Analysis December 31, 2009

Financial Analysis of the Government's Funds – Continued

Governmental Funds – Continued

- The General Fund portion of the Governmental Fund balances had an increase of \$0.8 million that is mainly due to decreased expenditures. Sales tax for 2009, which accounts for 25% of General Fund revenues, decreased 17%, which amounted to almost \$1 million less in receipts compared to 2008. Offsetting the decrease to sales tax was an increase of 5% in property taxes, providing an additional \$268,000 and insurance reimbursements provided another \$150,000. On the expenditure side, expenses decreased due to a smaller street program and no investment in capital assets. Salaries and wages were also lower as a result of 7 layoffs and some early retirements. Salaries were also lower due to decreased overtime. Other factors that affected the General Fund also affected Governmental Activities and can be reviewed in the section on governmental activities that was highlighted on pages MD&A 7 and MD&A 8.

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 2009 rate of \$2.79 per hundred cubic feet. Water currently has \$12.1 million outstanding in IEPA loans for recent capital improvements and \$0.7 million in outstanding GO debt issued for the water fund. A rate structure is in place to ensure debt coverage. The sewer fund has \$8.7 million in outstanding debt for prior improvements. The current rate structure of \$2.52 per hundred cubic feet was the result of a 5% increase in 2009. Further increases to rates may still be needed to cover lagging revenues.
- Batavia's electric rates were last increased by 8.9% in 2008. The increase was put in place in anticipation of increased contract power prices and to ensure debt coverage for a \$26.9 million revenue bond issuance to fund the construction of 138 kV infrastructure, which will provide more reliable power in addition to savings in distribution charges.
- In addition to the 138 kV project, the City has secured an interest in a coal power generation plant (Prairie State) in Southern Illinois for the City's future power needs. The City and two other municipalities formed Northern Illinois Municipal Power Agency (NIMPA) in 2004 as a joint action intergovernmental agency for meeting the power needs of all three municipalities for Prairie State and other projects. There was a sizeable debt issue in 2007 and again in 2009 for the project through NIMPA. The accounting and reporting for this transaction will be as a purchased power contract through NIMPA.

CITY OF BATAVIA, ILLINOIS

Management's Discussion and Analysis December 31, 2009

Financial Analysis of the Government's Funds – Continued

Proprietary Funds – Continued

- Net assets of the electric fund for 2009 were \$41.2 million compared to \$41.7 million at the beginning of the year. The decrease is mainly due to the investment in capital assets related to the 138 kV capital project. Net assets for the waterworks fund were \$18.8 million compared to \$18.1 million and the sewerage fund ended the year with \$22.9 million a decrease from the prior year balance of \$23.0 million. As mentioned above, a rate increase of 5% was done in 2009 to replenish sewer reserves; however with depreciation expense, net assets still decreased, therefore further plans to augment wastewater revenues are being evaluated. Other factors concerning the finances of these three funds have already been addressed in the City of Batavia's discussion of business-type activities.

General Fund Budgetary Highlights

Over the course of the year, the budget was revised to reflect minor project carryovers and intra-department budget changes between line items. The only significant changes to the budget were transfers between line items in the street department budget for salt and de-icing materials. There was one increase to the City's budget in 2009 for \$6,850 for map software. The final expenditures budget for the general fund ended \$60,000 more than the original budget due to carryovers from the prior year for land management software implementation.

Actual expenditures in 2009 were \$2.2 million below budget due to a concerted effort by staff to reduce spending wherever possible. While expenditures were mainly on target for salaries and supplies, there were significant variances for contractual spending. Delayed projects in engineering resulted in a \$300,000 variance. Buildings and grounds spent \$145,000 less than budgeted, mainly in building maintenance. Information systems and utility billing came in \$140,000 under budget due to an unfilled vacancies. The police expenditures ended the year \$443,000 less than budgeted with the most significant variance of \$200,000 in wages and overtime. Savings in fuel for the police department also generated a budgetary variance of \$41,000. The fire department had savings of \$50,000 in wages and overtime and a total variance of \$177,000 within the department. The street department ended the year with a \$600,000 variance due to changes in funding for the City's street program.

Receipts in the general fund revenue budget were \$1.5 million under the final budgeted amount. The largest variance was in retailers' occupation taxes, which were \$698,000 less than budgeted, and income taxes came in \$300,000 under budget. The remaining variance was due to grant program expenditures not completed during the year that were re-budgeted in 2010.

CITY OF BATAVIA, ILLINOIS

Management's Discussion and Analysis December 31, 2009

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, 2009 was \$179.2 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 decreased \$3 million in 2009. Governmental activities capital assets decreased by \$1.3 million and business type activities decreased by \$1.7 million.

Following are 2009 major additions (in millions).

Machinery & Equipment	0.2
Electric Lines & Equipment	<u>0.4</u>
	<u>0.6</u>

Capital Assets - Net of Depreciation (in Millions)

	Governmental		Business-type		Total	
	2009	2008	2009	2008	2009	2008
Land	\$ 18.4	18.4	1.1	1.1	19.5	19.5
Construction in Progress	-	3.4	1.0	32.2	1.0	35.6
Structures & Improvements	15.5	15.7	17.5	10.3	33.0	26.0
Wells & Equipment	-	-	2.8	2.9	2.8	2.9
Machinery & Equipment	2.8	2.9	0.8	0.7	3.6	3.6
Electric System	-	-	40.3	17.1	40.3	17.1
Water/Sewer System	-	-	43.7	44.6	43.7	44.6
Infrastructure	35.3	32.9	-	-	35.3	32.9
Total	<u>72.0</u>	<u>73.3</u>	<u>107.2</u>	<u>108.9</u>	<u>179.2</u>	<u>182.2</u>

Capital improvements in 2009 were low compared to prior years and did not include any significant projects aside from completion of projects started in prior years. The 2010 budget provides for \$1.8 million in TIF projects for governmental activities and \$3.6 million in business type activities projects. Additional information on capital assets for the City of Batavia can be found in note 3 on pages 33 – 35 of this report.

CITY OF BATAVIA, ILLINOIS

Management's Discussion and Analysis December 31, 2009

Capital Assets and Debt Administration– Continued

Debt Administration

At year-end, the City of Batavia had total outstanding bonded debt of \$60.9 million as compared to \$64.3 million the previous year. Debt activity during the year included a bond refunding that will result in interest savings over the remaining life of the bonds.

General Obligation and Revenue Bonds (in Millions)

	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
Installment Contracts	\$ -	-	-	-	-	-
General Obligation Bonds	3.2	3.7	0.7	1.0	3.9	4.7
Alternate Revenue Bonds	9.6	10.2	-	-	9.6	10.2
Revenue bonds and notes	-	-	47.4	49.4	47.4	49.4
Total	12.8	13.9	48.1	50.4	60.9	64.3

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 2009 is \$92.9 million. Additional information on the City of Batavia's long-term debt can be found in Note 3 on pages 36 – 44 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 2010 budget, including tax rates and fees that will be charged for its governmental and business-type activities. Batavia's unemployment rate increased from 5.1% in 2008 to 8.5% in 2009, but remained lower than the Kane County rate of 10.3%, the state rate of 10.1% and the national rate of 9.3%. Historically, Batavia's unemployment rate has been lower than the national average.

The Chicago area experienced deflation dropping 1.2% compared to the national Consumer Price Index (CPI), which dropped less than 0.4% for 2009. Inflation for the Chicago area and the national average for 2008 were both 3.8%.

CITY OF BATAVIA, ILLINOIS

Management's Discussion and Analysis December 31, 2009

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

Overall, Batavia experienced tough economic times in 2009, much like the rest of the country. While the per capita income of Batavia residents exceeds the state average, the impact of job losses and the drop in sales taxes collected has not left the City unscathed. It is expected that the City will not see a recovery in revenues until late 2010 or even into 2011 and to what extent it will occur is uncertain. At the time of preparing the 2010 budget, it was projected that revenues would begin to increase somewhat above the losses experienced in 2009. Expenditures in all areas were also trimmed to the fullest extent possible without affecting core services provided. Most salaried employees took a 4.5% pay cut and all administrative employees hours were reduced 5.0%. The majority of front line workers took a 1.5% pay reduction. Plans for beyond 2010 are already in process to ensure the City's long-term economic sustainability.

The economic forecast for all of these indicators was taken into account when adopting the general fund budget for 2010. The total amount budgeted in the general fund net of insurance and interfund transfers was \$24.1 million, a decrease of 1.4% from the final 2009 budget of \$24.4 million. The general fund budget for 2010 did not provide for any new programs or additions to staff, rather it included a reduction in staff through early retirements that are not being replaced. While property taxes are expected to be slightly higher than the previous year, it is unknown how deep the impact of the economy will be on sales tax in 2010. The City Council did approve a new fee for leaf and brush pickup as part of the 2010 budget. That fee added \$300,000 to the budget for revenues. It should be noted that the City still has sufficient reserves amounting to approximately 138 days of operating expenses at the end of 2009 and therefore service operation should not be impacted should revenues dip lower than anticipated.

Total 2010 budgeted expenditures for all funds, net of capital spending, are 1.8% under the final 2009 expenditures. The decrease is mainly attributable to decreased purchased power costs in the electric utility and salary and hour cuts. The reduction would be larger except for some long-time vacancies in the electric utility that were filled in late 2009.

Since the 2010 budget does not include any major capital projects or programs, it will allow for a thorough review of existing processes and policies to ensure that tax dollars are being utilized in the most efficient manner. Management will also continue to 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, 2009**

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets			
Cash and Investments	\$ 16,729,773	11,716,793	28,446,566
Receivables - Net of Allowances			
Property Taxes	6,083,224	-	6,083,224
Other Taxes	2,128,449	-	2,128,449
Accounts	365,229	6,259,849	6,625,078
Accrued Interest	2,131	25,324	27,455
Due from Other Governments	258,485	-	258,485
Inventories and Prepaids	221,255	1,961,716	2,182,971
Restricted Cash and Investments	-	7,362,352	7,362,352
Total Current Assets	25,788,546	27,326,034	53,114,580
Capital Assets			
Nondepreciable	18,406,978	2,055,625	20,462,603
Depreciable	77,002,646	144,231,790	221,234,436
Accumulated Depreciation	(23,396,338)	(39,107,095)	(62,503,433)
Total Noncurrent Assets	72,013,286	107,180,320	179,193,606
Total Assets	97,801,832	134,506,354	232,308,186

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

	Governmental Activities	Business-Type Activities	Total
LIABILITIES			
Current Liabilities			
Accounts Payable	231,921	2,658,162	2,890,083
Accrued Payroll	548,616	156,521	705,137
Claims Payable	803,286	-	803,286
Deposits Payable	147,475	104,896	252,371
Accrued Interest Payable	241,708	-	241,708
Unearned Revenue	6,101,341	-	6,101,341
Current Portion Long-Term Debt	1,157,225	-	1,157,225
Restricted Liabilities			
Accrued Interest Payable	-	619,787	619,787
Current Portion Long-Term Debt	-	2,405,718	2,405,718
Total Current Liabilities	9,231,572	5,945,084	15,176,656
Noncurrent Liabilities			
Net Pension Obligation Payable	388,814	-	388,814
Net Other Postemployment Benefit Payable	65,339	-	65,339
Revenue Bonds Payable	-	45,313,314	45,313,314
Alternate Revenue Bonds Payable	8,850,000	-	8,850,000
General Obligation Bonds Payable	2,795,000	332,775	3,127,775
Total Noncurrent Liabilities	12,099,153	45,646,089	57,745,242
Total Liabilities	21,330,725	51,591,173	72,921,898
NET ASSETS			
Invested in Capital Assets - Net of Related Debt	59,211,061	59,128,513	118,339,574
Restricted - Nonexpendable			
Special Revenues	1,899,500	-	1,899,500
Tax Increment Financing/Debt Service	1,168,984	6,965,719	8,134,703
Perpetual Care Cemetery	125,959	-	125,959
Restricted - Expendable			
Capital Projects	1,654,563	-	1,654,563
Unrestricted	12,411,040	16,820,949	29,231,989
Total Net Assets	76,471,107	82,915,181	159,386,288

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

CITY OF BATAVIA, ILLINOIS

**Statement of Activities
Year Ended December 31, 2009**

	Expenses	Program Revenues		
		Charges for Services	Operating Grants/ Contributions	Capital Grants/ Contributions
Governmental Activities				
General Government	\$ 5,962,374	3,854,860	-	-
Public Safety	12,301,852	226,208	241,750	-
Highways and Streets	5,734,078	-	-	686,975
Interest on Long-Term Debt	616,057	-	-	-
Total Governmental Activities	24,614,361	4,081,068	241,750	686,975
Business-Type Activities				
Waterworks	4,138,840	4,064,180	2,790	755,334
Sewerage	4,138,139	3,753,931	23,759	278,108
Electric	38,272,324	37,487,439	-	-
Total Business-Type Activities	46,549,303	45,305,550	26,549	1,033,442
	71,163,664	49,386,618	268,299	1,720,417

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
(2,107,514)	-	(2,107,514)
(11,833,894)	-	(11,833,894)
(5,047,103)	-	(5,047,103)
(616,057)	-	(616,057)
<u>(19,604,568)</u>	<u>-</u>	<u>(19,604,568)</u>
-	683,464	683,464
-	(82,341)	(82,341)
-	(784,885)	(784,885)
-	<u>(183,762)</u>	<u>(183,762)</u>
<u>(19,604,568)</u>	<u>(183,762)</u>	<u>(19,788,330)</u>
7,116,278	-	7,116,278
6,035,687	-	6,035,687
3,134,179	-	3,134,179
2,363,790	-	2,363,790
186,191	-	186,191
164,237	-	164,237
127,908	307,412	435,320
1,729,656	-	1,729,656
20,895	(20,895)	-
<u>20,878,821</u>	<u>286,517</u>	<u>21,165,338</u>
1,274,253	102,755	1,377,008
<u>75,196,854</u>	<u>82,812,426</u>	<u>158,009,280</u>
<u>76,471,107</u>	<u>82,915,181</u>	<u>159,386,288</u>

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

CITY OF BATAVIA, ILLINOIS

**Balance Sheet - Governmental Funds
December 31, 2009**

	<u>General</u>
ASSETS	
Cash and Investments	\$ 13,518,773
Receivables - Net of Allowances	
Property Taxes	5,598,487
Other Taxes	2,128,449
Accounts	365,229
Accrued Interest	1,381
Due from Other Governments	251,970
Prepays	194,526
Inventories	26,729
	<hr/>
Total Assets	<u>22,085,544</u>
LIABILITIES AND FUND BALANCES	
Liabilities	
Accounts Payable	204,870
Accrued Payroll	548,616
Claims Payable	803,286
Deposits Payable	147,475
Accrued Interest Payable	-
Unearned/Deferred Revenues	5,616,604
Total Liabilities	<hr/> 7,320,851
Fund Balances	
Reserved - Prepays/Inventory	221,255
Reserved - Tax Increment Financing	-
Reserved - Debt Service	-
Reserved - Special Revenues	1,899,500
Reserved - Perpetual Care Cemetery	-
Unreserved	12,643,938
Total Fund Balances	<hr/> 14,764,693
	<hr/>
Total Liabilities and Fund Balances	<u>22,085,544</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
1,410,692	858,983	815,516	125,809	16,729,773
484,737	-	-	-	6,083,224
-	-	-	-	2,128,449
-	-	-	-	365,229
-	-	600	150	2,131
-	6,515	-	-	258,485
-	-	-	-	194,526
-	-	-	-	26,729
1,895,429	865,498	816,116	125,959	25,788,546
-	27,051	-	-	231,921
-	-	-	-	548,616
-	-	-	-	803,286
-	-	-	-	147,475
237,404	-	-	-	237,404
484,737	-	-	-	6,101,341
722,141	27,051	-	-	8,070,043
-	-	-	-	221,255
1,163,611	-	-	-	1,163,611
9,677	-	-	-	9,677
-	-	-	-	1,899,500
-	-	-	125,959	125,959
-	838,447	816,116	-	14,298,501
1,173,288	838,447	816,116	125,959	17,718,503
1,895,429	865,498	816,116	125,959	25,788,546

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, 2009

Total Governmental Fund Balances **\$ 17,718,503**

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. 72,013,286

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

Net Pension Obligation Payable	(388,814)
Net Other Postemployment Benefit Payable	(65,339)
General Obligation Bonds Payable	(3,252,225)
Alternate Revenue Bonds Payable	(9,550,000)
Accrued Interest Payable	<u>(4,304)</u>

Net Assets of Governmental Activities **76,471,107**

CITY OF BATAVIA, ILLINOIS

**Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
Year Ended December 31, 2009**

See Following Page

CITY OF BATAVIA, ILLINOIS

**Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
Year Ended December 31, 2009**

	<u>General</u>
Revenues	
Taxes	\$ 14,786,755
Intergovernmental	3,642,849
Licenses and Permits	196,493
Charges for Services	3,633,813
Fines and Forfeits	226,208
Interest	107,564
Miscellaneous	1,728,623
Total Revenues	<u>24,322,305</u>
Expenditures	
Current	
General Government	5,843,071
Public Safety	12,112,891
Highways and Streets	4,073,379
Capital Outlay	-
Debt Service	
Principal Retirement	120,000
Interest and Fiscal Charges	13,900
Total Expenditures	<u>22,163,241</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>2,159,064</u>
Other Financing Sources (Uses)	
Debt Issuance	-
Payment to Escrow Agent	-
Transfers In	-
Transfers Out	(1,335,707)
	<u>(1,335,707)</u>
Net Change in Fund Balances	823,357
Fund Balances - Beginning	<u>13,941,336</u>
Fund Balances - Ending	<u><u>14,764,693</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
1,211,504	287,885	-	-	16,286,144
-	94	-	-	3,642,943
-	-	-	-	196,493
-	-	13,254	11,300	3,658,367
-	-	-	-	226,208
6,848	5,207	6,870	1,419	127,908
-	-	1,033	-	1,729,656
1,218,352	293,186	21,157	12,719	25,867,719
-	-	-	10,000	5,853,071
-	-	-	-	12,112,891
-	-	-	-	4,073,379
-	419,587	226,079	-	645,666
539,875	-	-	-	659,875
559,580	-	-	-	573,480
1,099,455	419,587	226,079	10,000	23,918,362
118,897	(126,401)	(204,922)	2,719	1,949,357
2,290,000	-	-	-	2,290,000
(2,786,165)	-	-	-	(2,786,165)
1,800,869	264,711	275,000	-	2,340,580
(983,978)	-	-	-	(2,319,685)
320,726	264,711	275,000	-	(475,270)
439,623	138,310	70,078	2,719	1,474,087
733,665	700,137	746,038	123,240	16,244,416
1,173,288	838,447	816,116	125,959	17,718,503

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, 2009

Net Change in Fund Balances - Total Governmental Funds	\$ 1,474,087
 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	226,079
Depreciation Expense	(1,493,367)
 The net effect of various transactions Involving capital assets is to decrease net assets.	
Disposals - Cost	(50,203)
Disposals - Accumulated Depreciation	50,203
 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.	
Increase in Net Pension Obligation	(13,390)
Increase in Net Other Postemployment Benefit Obligation	(32,619)
Retirement of Debt	3,399,875
Debt Issuance	(2,290,000)
 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.	
	<u>3,588</u>
 Changes in Net Assets of Governmental Activities	 <u><u>1,274,253</u></u>

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, 2009**

See Following Page

CITY OF BATAVIA, ILLINOIS

**Statement of Net Assets - Proprietary Funds
December 31, 2009**

	Business-Type Activities - Enterprise Funds			
	Waterworks	Sewerage	Electric	Total
ASSETS				
Current Assets				
Cash and Investments	\$ 2,683,502	1,148,861	7,884,430	11,716,793
Receivables - Net of Allowances				
Accounts	519,849	539,954	5,200,046	6,259,849
Accrued Interest	1,381	-	23,943	25,324
Prepays	15,896	15,896	42,353	74,145
Inventories	-	-	1,887,571	1,887,571
Restricted Cash and Investments	-	837,097	6,525,255	7,362,352
Total Current Assets	3,220,628	2,541,808	21,563,598	27,326,034
Noncurrent Assets				
Capital Assets				
Nondepreciable	907,733	89,066	1,058,826	2,055,625
Depreciable	35,600,622	42,983,600	65,647,568	144,231,790
Accumulated Depreciation	(8,023,268)	(13,815,730)	(17,268,097)	(39,107,095)
Total Noncurrent Assets	28,485,087	29,256,936	49,438,297	107,180,320
Total Assets	31,705,715	31,798,744	71,001,895	134,506,354

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

	Business-Type Activities - Enterprise Funds			
	Waterworks	Sewerage	Electric	Total
LIABILITIES				
Current Liabilities				
Accounts Payable	45,448	79,857	2,532,857	2,658,162
Accrued Payroll	43,643	27,920	84,958	156,521
Deposits Payable	11,120	10,169	83,607	104,896
Restricted Liabilities				
Accrued Interest Payable	11,844	43,228	564,715	619,787
Revenue Bonds Payable	643,509	1,142,084	295,000	2,080,593
General Obligation Bonds Payable	325,125	-	-	325,125
Total Current Liabilities	1,080,689	1,303,258	3,561,137	5,945,084
Noncurrent Liabilities				
Revenue Bonds Payable	11,471,619	7,551,695	26,290,000	45,313,314
General Obligation Bonds Payable	332,775	-	-	332,775
Total Noncurrent Liabilities	11,804,394	7,551,695	26,290,000	45,646,089
Total Liabilities	12,885,083	8,854,953	29,851,137	51,591,173
NET ASSETS				
Invested in Capital Assets - Net of Related Debt				
	15,712,059	20,563,157	22,853,297	59,128,513
Restricted - Debt Service	-	560,000	6,405,719	6,965,719
Unrestricted	3,108,573	1,820,634	11,891,742	16,820,949
Total Net Assets	18,820,632	22,943,791	41,150,758	82,915,181

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, 2009**

	Business-Type Activities - Enterprise Funds			
	Waterworks	Sewerage	Electric	Totals
Operating Revenues				
Charges for Services	\$ 4,064,180	3,753,931	37,487,439	45,305,550
Operating Expenses				
Administration	801,962	727,357	2,399,954	3,929,273
Operations	1,994,862	1,827,882	32,611,605	36,434,349
Depreciation	1,003,306	1,328,700	2,104,543	4,436,549
Total Operating Expenses	3,800,130	3,883,939	37,116,102	44,800,171
Operating Income (Loss)	264,050	(130,008)	371,337	505,379
Nonoperating Revenues (Expenses)				
Connection Fees	2,790	23,759	-	26,549
Interest Income	33,865	24,925	248,622	307,412
Disposal of Capital Assets	-	-	(26,417)	(26,417)
Interest and Fiscal Charges	(338,710)	(254,200)	(1,129,805)	(1,722,715)
	(302,055)	(205,516)	(907,600)	(1,415,171)
Income (Loss) Before Contributions and Transfers	(38,005)	(335,524)	(536,263)	(909,792)
Capital Contributions	755,334	278,108	-	1,033,442
Transfers Out	(20,895)	-	-	(20,895)
Change in Net Assets	696,434	(57,416)	(536,263)	102,755
Net Assets - Beginning	18,124,198	23,001,207	41,687,021	82,812,426
Net Assets - Ending	18,820,632	22,943,791	41,150,758	82,915,181

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, 2009**

	Business-Type Activities - Enterprise Funds			
	Water	Sewerage	Electric	Totals
Cash Flows from Operating Activities				
Receipts from Customers and Users	\$ 4,091,072	3,756,778	36,342,658	44,190,508
Payments to Employees	(725,741)	(731,366)	(1,855,962)	(3,313,069)
Payments to Suppliers	(2,064,730)	(1,812,870)	(32,852,716)	(36,730,316)
	<u>1,300,601</u>	<u>1,212,542</u>	<u>1,633,980</u>	<u>4,147,123</u>
Cash Flows from Noncapital Financing Activities				
Connection Fees	2,790	23,759	-	26,549
Transfers Out	(20,895)	-	-	(20,895)
	<u>(18,105)</u>	<u>23,759</u>	<u>-</u>	<u>5,654</u>
Cash Flows from Capital and Related Financing Activities				
Purchase of Capital Assets	-	-	(1,731,412)	(1,731,412)
Interest and Fiscal Charges	(338,710)	(254,200)	(1,129,805)	(1,722,715)
Payment of Bond Principal	(941,364)	(1,107,380)	(285,000)	(2,333,744)
Proceeds of Bonds	-	-	-	-
	<u>(1,280,074)</u>	<u>(1,361,580)</u>	<u>(3,146,217)</u>	<u>(5,787,871)</u>
Cash Flows from Investing Activities				
Interest Received	33,865	24,925	248,622	307,412
Net Change in Cash and Cash Equivalents	<u>36,287</u>	<u>(100,354)</u>	<u>(1,263,615)</u>	<u>(1,327,682)</u>
Cash and Cash Equivalents - Beginning of Year	<u>2,647,215</u>	<u>2,086,312</u>	<u>15,673,300</u>	<u>20,406,827</u>
Cash and Cash Equivalents - End of Year	<u>2,683,502</u>	<u>1,985,958</u>	<u>14,409,685</u>	<u>19,079,145</u>
Reconciliation of Operating Income to Net Cash Provided (used) by Operating Activities.				
Operating Income (Loss)	264,050	(130,008)	371,337	505,379
Adjustments to Reconcile Operating Income to Net Income to Net Cash Provided by (Used in) Operating Activities.				
Depreciation Expense	1,003,306	1,328,700	2,104,543	4,436,549
Increase (Decrease) in Current Assets	26,892	2,847	(1,144,781)	(1,115,042)
Increase (Decrease) in Current Liabilities	6,353	11,003	302,881	320,237
Net Cash Provided by Operating Activities	<u>1,300,601</u>	<u>1,212,542</u>	<u>1,633,980</u>	<u>4,147,123</u>
Noncash Capital and Related Financing Activities				
Capital Contributions	755,334	278,108	-	1,033,442

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, 2009**

	Pension Trust	Agency
ASSETS		
Cash and Cash Equivalents	\$ 1,752,338	113,013
Investments		
U.S. Government and Agency Obligations	11,428,613	-
Insurance Company Contracts	3,119,689	-
Mutual Funds	4,510,749	-
Equities	5,062,731	-
Money Market Mutual Funds	438,483	
Receivables		
Accrued Interest	59,743	-
	<hr/>	<hr/>
Total Assets	26,372,346	113,013
LIABILITIES		
Accounts Payable	6,660	-
Deposits Payable	-	93,950
Due to Bondholders	-	19,063
	<hr/>	<hr/>
Total Liabilities	6,660	113,013
NET ASSETS		
Held in Trust for Pension Benefits (A schedule of funding progress is presented following the notes to the financial statements.)	<hr/> <hr/>	<hr/> <hr/>
	26,365,686	-

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, 2009**

	<u>Pension Trust</u>
Additions	
Contributions - Employer	\$ 1,544,350
Contributions - Plan Members	607,053
Total Contributions	<u>2,151,403</u>
Investment Income	
Interest Earned	665,818
Net Change in Fair Value	2,158,101
	<u>2,823,919</u>
Less Investment Expenses	(122,840)
Net Investment Income	<u>2,701,079</u>
Total Additions	<u>4,852,482</u>
Deductions	
Administration	53,619
Benefits and Refunds	1,104,564
Total Deductions	<u>1,158,183</u>
Change in Net Assets	3,694,299
Net Plan Assets Held in Trust for Pension Benefits	
Beginning	<u>22,671,387</u>
Ending	<u>26,365,686</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, 2009

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

REPORTING ENTITY

The City's financial reporting entity comprises the following:

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

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

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

Blended Component Units

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, 2009

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, which include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.

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, 2009

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, 2009

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, 2009

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 Service Areas Fund accounts for the collection of property taxes within special taxing districts and payments of related special service areas debt. The Escrow Deposit Fund accounts for refundable deposits held by the City to ensure the completion of public improvements by private developers.

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, 2009

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, 2009

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, 2009**

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

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 and for the amounts that are earned but not yet received.

CITY OF BATAVIA, ILLINOIS

Notes to the Financial Statements December 31, 2009

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, 2009, the Capital Projects Fund and Electric Fund had expenses over budget, exclusive of depreciation, of \$9,354 and \$172,753, respectively.

CITY OF BATAVIA, ILLINOIS

**Notes to the Financial Statements
December 31, 2009**

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 \$26,603,132 and the bank balances totaled \$27,575,069.

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	\$ 7,613,799	7,613,799	-	-	-
Federal Home Loan Bank	1,705,000	-	1,705,000	-	-
	<u>9,318,799</u>	<u>7,613,799</u>	<u>1,705,000</u>	<u>-</u>	<u>-</u>

CITY OF BATAVIA, ILLINOIS

Notes to the Financial Statements December 31, 2009

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, 2009, Standard and Poor's rated all of the City's U.S. 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. At year-end, \$1,973,963 of bank balances of deposits are not covered by third party collateral.

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, 2009, all U.S. 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, 2009**

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, 2009, 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 \$1,244,264 and the bank balances totaled \$1,232,161.

Investments. At December 31, 2009, 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	\$ 2,397,935	458,858	1,213,004	726,073	-
U.S. Treasury Bonds	668,066	-	-	-	668,066
Federal Home Loan Mortgage	1,228,682	116,868	-	-	1,111,814
Federal National Mortgage Assoc.	4,495,898	-	158,531	-	4,337,367
U.S. Government Backed Securities	304,690	-	304,690	-	-
Domestic Corporate Equities	5,062,731	-	-	-	5,062,731
Mutual Funds	2,911,834	-	-	-	2,911,834
	<u>17,069,836</u>	<u>575,726</u>	<u>1,676,225</u>	<u>726,073</u>	<u>14,091,812</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, 2009, Standard and Poor’s rated all of the Fund’s U.S. Agency Obligations AAA.

Custodial Credit Risk – Deposits. The Fund’s investment policy does not limit custodial credit risk for deposits. At December 31, 2009, 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, 2009**

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, 2009, 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, 2009, 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 had the following investments, exclusive of U.S. Government Securities, over 5 percent of net assets available for benefits: UBS/Cambiar \$1,150,069, UBS/Cambridge \$1,213,641 and UBS/Met West \$1,123,203.

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 \$508,074 and the bank balances totaled \$510,554.

Investments. At December 31, 2009, 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. \$	813	-	-	-	813
Federal Home Loan Mortgage	1,176,292	-	-	1,176,292	-
Federal Home Loan Bank	871,519	359,954	511,565	-	-
Federal Farm Credit Bank	284,718	-	-	284,718	-
Insurance Company Contracts	3,119,689	-	-	-	3,119,689
Mutual Funds	1,598,915	-	-	-	1,598,915
Money Market Mutual Funds	438,483	-	-	-	438,483
	<u>7,490,429</u>	<u>359,954</u>	<u>511,565</u>	<u>1,461,010</u>	<u>5,157,900</u>

CITY OF BATAVIA, ILLINOIS

**Notes to the Financial Statements
December 31, 2009**

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, 2009, Standard and Poor's rated all of the Fund's U.S. Agency Obligations AAA.

Custodial Credit Risk – Deposits. The Fund's investment policy does not limit custodial credit risk for deposits. At December 31, 2009, 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, 2009, 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, 2009, 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:

Aviva Annuity	\$498,750
Keyport Life Annuity	618,223
Sun Life Annuities	464,480
Financial Investors U.S. Government Money Market Account	418,665

CITY OF BATAVIA, ILLINOIS

**Notes to the Financial Statements
December 31, 2009**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

PROPERTY TAXES

Property taxes for 2009 attach as an enforceable lien on January 1, 2009, 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, 2010, and are payable in two installments, on or about June 1, 2010, and September 1, 2010. 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
Nondepreciable Capital Assets				
Land	\$ 18,406,978	-	-	18,406,978
Construction in Progress	3,423,995	-	3,423,995	-
	<u>21,830,973</u>	<u>-</u>	<u>3,423,995</u>	<u>18,406,978</u>
Depreciable Capital Assets				
Structures and Improvements	18,380,206	-	-	18,380,206
Machinery and Equipment	5,003,097	226,079	50,203	5,178,973
Infrastructure	50,019,472	3,423,995	-	53,443,467
	<u>73,402,775</u>	<u>3,650,074</u>	<u>50,203</u>	<u>77,002,646</u>
Less Accumulated Depreciation				
Structures and Improvements	2,747,020	171,132	-	2,918,152
Machinery and Equipment	2,128,707	290,315	50,203	2,368,819
Infrastructure	17,077,447	1,031,920	-	18,109,367
	<u>21,953,174</u>	<u>1,493,367</u>	<u>50,203</u>	<u>23,396,338</u>
Total Net Depreciable Capital Assets	<u>51,449,601</u>	<u>2,156,707</u>	<u>-</u>	<u>53,606,308</u>
Total Net Capital Assets	<u>73,280,574</u>	<u>2,156,707</u>	<u>3,423,995</u>	<u>72,013,286</u>

Depreciation expense was charged to governmental activities as follows:

General Government	\$ 76,684
Public Safety	175,571
Highways and Streets	<u>1,241,112</u>
	<u>1,493,367</u>

CITY OF BATAVIA, ILLINOIS

**Notes to the Financial Statements
December 31, 2009**

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
Nondepreciable Capital Assets				
Land	\$ 1,117,833	-	-	1,117,833
Construction in Progress	32,208,490	937,792	32,208,490	937,792
	<u>33,326,323</u>	<u>937,792</u>	<u>32,208,490</u>	<u>2,055,625</u>
Depreciable Capital Assets				
Buildings	144,121	7,697,324	-	7,841,445
Structures and Improvements	14,027,194	-	-	14,027,194
Wells and Well Equipment	3,634,937	-	-	3,634,937
Machinery and Equipment	1,563,220	215,450	119,855	1,658,815
Electric System	31,785,405	25,089,336	154,078	56,720,663
Water/Sewer System	59,315,294	1,033,442	-	60,348,736
	<u>110,470,171</u>	<u>34,035,552</u>	<u>273,933</u>	<u>144,231,790</u>
Less Accumulated Depreciation				
Buildings	144,121	192,433	-	336,554
Structures and Improvements	3,744,689	341,204	-	4,085,893
Wells and Well Equipment	738,390	90,873	-	829,263
Machinery and Equipment	873,966	105,570	119,855	859,681
Electric System	14,670,120	1,835,004	127,663	16,377,461
Water/Sewer System	14,746,778	1,871,465	-	16,618,243
	<u>34,918,064</u>	<u>4,436,549</u>	<u>247,518</u>	<u>39,107,095</u>
Total Net Depreciable Capital Assets	<u>75,552,107</u>	<u>29,599,003</u>	<u>26,415</u>	<u>105,124,695</u>
Total Net Capital Assets	<u>108,878,430</u>	<u>30,536,795</u>	<u>32,234,905</u>	<u>107,180,320</u>

CITY OF BATAVIA, ILLINOIS

**Notes to the Financial Statements
December 31, 2009**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

CAPITAL ASSETS – Continued

Business-Type Activities – Continued

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

Waterworks	\$ 1,003,306
Sewerage	1,328,700
Electric	<u>2,104,543</u>
	<u><u>4,436,549</u></u>

INTERFUND TRANSFERS

Interfund transfers for the year consisted of the following:

	Transfer Out			Totals
	General	Debt Service	Waterworks	
Transfer In				
Debt Service	\$ 1,060,707	719,267	20,895	1,800,869
Capital Projects	275,000	-	-	275,000
Infrastructure	-	264,711	-	<u>264,711</u>
	<u>1,335,707</u>	<u>983,978</u>	<u>20,895</u>	<u><u>2,340,580</u></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.

CITY OF BATAVIA, ILLINOIS

**Notes to the Financial Statements
December 31, 2009**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT

General Obligation Bonds

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

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	\$ 1,690,000	-	1,690,000 *	-
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	202,100	-	99,875	102,225
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	971,550	-	313,650	657,900
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	1,800,000	-	85,000	1,715,000
General Obligation Bond Series of 2009B due in annual installments of \$270,000 to \$310,000 plus interest at 2.50% to 3.50% through December 15, 2014	Debt Service	-	1,435,000	-	1,435,000
*Refunded		4,663,650	1,435,000	2,188,525	3,910,125

CITY OF BATAVIA, ILLINOIS

**Notes to the Financial Statements
December 31, 2009**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Alternate Revenue Bonds

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

Issue	Fund Debt Retired By	Balances January 1	Issuances	Retirements	Balances December 31
Alternate Revenue Bond Series of 1995 due in annual installments of \$45,000 to \$95,000 plus interest at 4.7% to 4.8% through December 1, 2010	General	\$ 185,000	-	90,000	95,000
Alternate Revenue Bond Series of 1996 due in annual installments of \$15,000 to \$30,000 plus interest at 5.1% to 5.7% through December 1, 2010	General	60,000	-	30,000	30,000
Alternate Revenue Bond Series of 1998 due in annual installments of \$115,000 to \$230,000 plus interest at 4.375% to 4.6% through December 1, 2013	Debt Service	1,050,000	-	1,050,000 *	-
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	8,925,000	-	355,000	8,570,000
Alternate Revenue Bond Series of 2009A due in annual installments of \$205,000 to \$225,000 plus interest at 2.50% to 3.00% through December 1, 2013	Debt Service	-	855,000	-	855,000
*Refunded		10,220,000	855,000	1,525,000	9,550,000

CITY OF BATAVIA, ILLINOIS

**Notes to the Financial Statements
December 31, 2009**

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	\$ 170,928	-	83,878	87,050
IEPA Sewer Revenue Bond Series of 1990 due in annual installments of \$497,756 including interest at 3.745% through October 15, 2012	Sewerage	1,618,659	-	441,230	1,177,429
IEPA Sewer Revenue Bond Series of 1999 due in annual installments of \$67,044 including interest at 2.535% through May 1, 2020	Sewerage	657,112	-	50,705	606,407
IEPA Sewer Revenue Bond Series of 1999A due in annual installments of \$714,655 including interest at 2.535% through November 1, 2020	Sewerage	7,354,460	-	531,567	6,822,893
IEPA Water Revenue Bond Series of 2004 due in annual installments of \$179,890 including interest at 2.500% through November 1, 2024	Waterworks	5,371,894	-	276,845	5,095,049
IEPA Water Revenue Bond Series of 2004 due in annual installments of \$98,676 including interest at 2.500% through November 1, 2024	Waterworks	2,756,938	-	142,081	2,614,857
IEPA Water Revenue Bond Series of 2005 due in annual installments of \$13,723 including interest at 2.500% through November 1, 2024	Waterworks	428,719	-	22,094	406,625

CITY OF BATAVIA, ILLINOIS

**Notes to the Financial Statements
December 31, 2009**

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 due in annual installments of \$191,127, including interest at 2.500% through September 26, 2026	Waterworks	\$ 2,756,745	-	122,972	2,633,773
IEPA Water Revenue Bond Series of 2006 due in annual installments of \$99,042, including interest at 2.500% through September 26, 2026	Waterworks	1,428,548	-	63,724	1,364,824
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	-	285,000	26,585,000
		<u>49,414,003</u>	<u>-</u>	<u>2,020,096</u>	<u>47,393,907</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
Governmental Activities					
Net Pension Obligation	\$ 375,424	1,437,651	1,424,261	388,814	-
General Obligation Bonds	3,692,100	1,435,000	1,874,875	3,252,225	457,225
Alternate Revenue Bonds	10,220,000	855,000	1,525,000	9,550,000	700,000
Net Other Post-Employment Benefit Obligation	32,720	32,619	-	65,339	-
	<u>14,320,244</u>	<u>3,760,270</u>	<u>4,824,136</u>	<u>13,256,378</u>	<u>1,157,225</u>
Business-Type Activities					
Revenue Bonds	\$ 49,414,003	-	2,020,096	47,393,907	2,080,593
General Obligation Bonds	971,550	-	313,650	657,900	325,125
	<u>50,385,553</u>	<u>-</u>	<u>2,333,746</u>	<u>48,051,807</u>	<u>2,405,718</u>

CITY OF BATAVIA, ILLINOIS

**Notes to the Financial Statements
December 31, 2009**

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. 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
2010	\$ 457,225	167,720	700,000	398,138
2011	365,000	120,505	600,000	371,945
2012	380,000	105,928	620,000	349,594
2013	390,000	91,950	650,000	325,932
2014	410,000	78,350	445,000	301,118
2015	105,000	62,500	465,000	282,206
2016	110,000	57,250	490,000	262,444
2017	110,000	51,750	510,000	241,618
2018	115,000	46,250	535,000	219,944
2019	120,000	40,500	560,000	197,206
2020	125,000	34,500	590,000	173,406
2021	130,000	28,250	615,000	148,332
2022	140,000	21,750	645,000	122,194
2023	145,000	14,750	675,000	94,782
2024	150,000	7,500	710,000	65,250
2025	-	-	740,000	33,300
Total	3,252,225	929,453	9,550,000	3,587,409

CITY OF BATAVIA, ILLINOIS

**Notes to the Financial Statements
December 31, 2009**

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
2010	\$ 2,080,593	564,715	325,125	11,844
2011	2,052,274	1,644,760	332,775	12,146
2012	1,863,577	1,583,001	-	-
2013	1,942,307	1,521,797	-	-
2014	2,001,178	1,459,987	-	-
2015	2,060,904	1,400,917	-	-
2016	2,121,511	1,339,992	-	-
2017	2,188,020	1,277,183	-	-
2018	2,250,457	1,212,273	-	-
2019	2,318,837	1,145,440	-	-
2020	2,343,769	1,076,458	-	-
2021	1,675,756	1,005,436	-	-
2022	1,732,032	937,011	-	-
2023	1,788,844	880,052	-	-
2024	1,846,202	820,441	-	-
2025	1,252,829	758,342	-	-
2026	1,304,817	698,059	-	-
2027	1,060,000	647,720	-	-
2028	1,105,000	597,318	-	-
2029	1,155,000	550,356	-	-
2030	1,205,000	499,826	-	-
2031	1,255,000	447,106	-	-
2032	1,310,000	392,200	-	-
2033	1,370,000	334,888	-	-
2034	1,430,000	274,950	-	-
2035	1,490,000	210,600	-	-
2036	1,560,000	143,550	-	-
2037	1,630,000	73,338	-	-
Total	47,393,907	23,497,716	657,900	23,990

CITY OF BATAVIA, ILLINOIS

**Notes to the Financial Statements
December 31, 2009**

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, 2009**

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	9,244
Number of Sewer Customers	9,218
Quantity of Sewerage Treated (in Millions of Gallons)	1,427.12
Quantity of Water Pumped (in Millions of Gallons)	1,128.65
Quantity of Water Billed (in Millions of Gallons)	911.59
Electric	
Number of Electric Customers by Class	
Residential	9,512
Commercial	1,275
Industrial	10
Kwh of Energy Purchased	433,253,081
Average cost per kwh	\$ 0.060057

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 - 2008	<u>\$ 1,120,737,093</u>
Legal Debt Limit - 8.625% of Assessed Value	<u>96,663,574</u>
Amount of Debt Applicable to Limit	
General Obligation Bonds	<u>3,807,900</u>
Legal Debt Margin	<u>92,855,674</u>

CITY OF BATAVIA, ILLINOIS

**Notes to the Financial Statements
December 31, 2009**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Bond Defeasances

On April 1, 2009, the City issued \$855,000 par value General Obligation Refunding Bond, Series 2009A to refund \$1,050,000 of the General Obligation Bond, Series 1998. The City defeased bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payment on the old bonds. Since the requirements that normally satisfy defeasance have been met, the financial statements reflect satisfaction of the original liability through the irrevocable transfer to an escrow agent of an amount computed to be adequate to meet the future debt service requirements of the issue. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the government's basic financial statements. Through this refunding, the City restructured debt payments and reduced its total debt service by approximately \$36,106 and obtained an economic savings of \$33,066.

On April 1, 2009, the City issued \$1,435,000 par value General Obligation Alternate Revenue Source Refunding Bond, Series 2009B to refund \$1,690,000 of the General Obligation Refunding Bond, Series 1998A. The City defeased bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payment on the old bonds. Since the requirements that normally satisfy defeasance have been met, the financial statements reflect satisfaction of the original liability through the irrevocable transfer to an escrow agent of an amount computed to be adequate to meet the future debt service requirements of the issue. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the government's basic financial statements. Through this refunding, the City restructured debt payments and reduced its total debt service by approximately \$60,599 and obtained an economic savings of \$55,496.

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:

	<u>Beginning Balance</u>	<u>Revenues</u>	<u>Expenses</u>	<u>Ending Balance</u>
General Fund				
Street Improvement	\$ 1,315,536	1,250,490	956,008	1,610,018
Community Development Assistance Program	288,099	1,383	-	289,482
	<u>1,603,635</u>	<u>1,251,873</u>	<u>956,008</u>	<u>1,899,500</u>

CITY OF BATAVIA, ILLINOIS

**Notes to the Financial Statements
December 31, 2009**

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:

	<u>2009</u>	<u>2008</u>
Claims Payable - Beginning of Year	\$ 1,171,798	732,559
Incurred Claims	3,626,957	3,330,816
Claims Paid	<u>(3,995,469)</u>	<u>(2,891,577)</u>
Claims Payable - End of Year	<u>803,286</u>	<u>1,171,798</u>

CITY OF BATAVIA, ILLINOIS

Notes to the Financial Statements December 31, 2009

NOTE 4 – OTHER INFORMATION – Continued

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, 2009**

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 2009 was 9.75 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	17
Current Employees Vested and Nonvested	<u>45</u>
	<u>62</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, 2009**

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, 2009

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	
UBS/Combiar	\$ 1,150,069	Aviva Annuity	\$ 498,750
UBS/Cambridge	1,213,641	Keyport Life Annuity	618,223
UBS/Met West	1,123,203	Sun Life Annuities	464,480
		Financial Investors U.S. Government Money Market Account	418,665

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	\$ 916,399	512,346	1,428,745
Interest on the NPO	21,819	4,461	26,280
Adjustment to the ARC	(14,425)	(2,949)	(17,374)
Annual Pension Cost	923,793	513,858	1,437,651
Actual Contribution	(913,896)	(510,365)	(1,424,261)
Increase in the NPO	9,897	3,493	13,390
NPO - Beginning of Year	311,699	63,725	375,424
NPO - End of Year	321,596	67,218	388,814

CITY OF BATAVIA, ILLINOIS

**Notes to the Financial Statements
December 31, 2009**

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	9.75%	25.69%	27.26%
Employee	4.50%	9.91%	9.455%
Annual Pension Cost	\$765,299	\$923,793	\$513,858
Contributions Made	\$765,299	\$913,896	\$510,365
Actuarial Valuation Date	12/31/2008	12/31/2008	12/31/2008
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	24 Years	25 Years	25 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, 2009**

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	Municipal Retirement	Police Pension	Firefighters' Pension
Annual Pension Cost (APC)	2006	\$ 737,959	\$ 784,739	\$ 408,623
	2007	789,185	851,853	427,805
	2008	765,299	923,793	513,858
Actual Contributions	2006	737,959	777,012	429,456
	2007	789,185	844,258	429,415
	2008	765,299	913,896	510,365
Percentage of APC Contributed	2006	100.00%	99.02%	105.10%
	2007	100.00%	99.11%	100.38%
	2008	100.00%	98.93%	99.32%
Net Pension Obligation	2006	-	304,104	65,335
	2007	-	311,699	63,725
	2008	-	321,596	67,218

CITY OF BATAVIA, ILLINOIS

**Notes to the Financial Statements
December 31, 2009**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Funded Status and Funding Progress

The City's funded status for the current year and related information for each plan is as follows:

	Illinois Municipal Retirement	Police Pension	Firefighters' Pension
Actuarial Valuation Date	12/31/08	12/31/08	12/31/08
Percent Funded	71.73%	63.70%	53.20%
Actuarial Accrued Liability for Benefits	\$20,412,379	\$28,791,948	\$12,903,438
Actuarial Value of Assets	\$14,641,376	\$15,803,262	\$6,868,129
Over (Under) Funded Actuarial Accrued Liability (UAAL)	(\$5,771,003)	(\$12,988,686)	(\$6,035,309)
Covered Payroll (Annual Payroll of Active Employees Covered by the Plan)	\$7,849,222	\$3,557,722	\$1,872,055
Ratio of UAAL to Covered Payroll	73.52%	365.08%	322.39%

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

CITY OF BATAVIA, ILLINOIS

**Notes to the Financial Statements
December 31, 2009**

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS

Plan Descriptions, Provisions, and Funding Policies

In addition to providing the pension benefits described, the City provides post-employment health care insurance benefits (OPEB) for its eligible retired employees through a single employer defined benefit plan. The benefits, benefit levels, employee contributions and employer contributions are governed by the City and can be amended by the City through its personnel manual and union contracts. The plan is not accounted for as a trust fund, as an irrevocable trust has not been established to account for the plan. The plan does not issue a separate report. The activity of the plan is reported in the City's General Fund.

The City provides post-employment health care benefits to its retirees. To be eligible for benefits, an employee must qualify for retirement under one of the City's retirement plans. Elected officials are eligible for benefits if they qualify for retirement through the Illinois Municipal Retirement Fund.

All health care benefits are provided through the City's health insurance plan. The benefit levels are the same as those afforded to active employees. Benefits include general inpatient and outpatient medial services; mental, nervous, and substance abuse care; vision care; dental care; and prescriptions. Upon a retiree reaching 65 years of age, Medicare becomes the primary insurer and the City's plan becomes secondary.

All retirees contribute 100% of the actuarially determined premium to the plan. For the fiscal year ending December 31, 2009, retirees contributed \$121,555. Active employees do not contribute to the plan until retirement.

At December 31, 2009, membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits and Terminated Employees Entitled to Benefits but not yet Receiving Them	17
Active Employees	<u>253</u>
Total	<u>270</u>
Participating Employers	1

The City does not currently have a funding policy.

CITY OF BATAVIA, ILLINOIS

**Notes to the Financial Statements
December 31, 2009**

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS – Continued

Annual OPEB Costs and Net OPEB Obligation

The net OPEB obligation (NOPEBO) as of December 31, 2009, was calculated as follows:

	<u>OPEB</u>
Annual Required Contribution	\$ 152,538
Interest on the NPO	1,636
Adjustment to the ARC	<u>-</u>
Annual OPEB Cost	154,174
Actual Contribution	<u>121,555</u>
Increase in the NPO	32,619
NPO - Beginning of Year	<u>32,720</u>
NPO - End of Year	<u><u>65,339</u></u>

Trend Information

The City's annual OPEB cost, actual contributions, the percentage of annual OPEB cost contributed and the net OPEB obligation are as follows:

Fiscal Year	Annual OPEB Cost	Actual Contributions	Percentage of OPEB Cost Contributed	Net OPEB Obligation
2007	\$ N/A	\$ N/A	N/A %	\$ N/A
2008	154,275	121,555	78.79%	32,720
2009	154,174	121,555	78.84%	65,339

CITY OF BATAVIA, ILLINOIS

**Notes to the Financial Statements
December 31, 2009**

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS – Continued

Annual OPEB Costs and Net OPEB Obligation – Continued

Funded Status and Funding Progress

The funded status of the plan as of December 31, 2008, the date of the latest actuarial valuation, was as follows:

Actuarial Accrued Liability (AAL)	\$ 3,369,585
Actuarial Value of Plan Assets	-
Unfunded Actuarial Accrued Liability (UAAL)	3,369,585
Funded Ratio (actuarial value of plan assets/AAL)	-
Covered Payroll (active plan members)	15,096,700
UAAL as a percentage of covered payroll	22.32%

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

Actuarial Methods and Assumptions

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

In the December 31, 2008 actuarial valuation the entry age actuarial cost method was used. The actuarial assumptions included a 5.0% investment rate of return (net of administrative expenses and an annual healthcare cost trend rate of 8.0%. Both rates include a 3.0% inflation assumption. The actuarial value of assets was not determined as the City has not advance funded its obligation. The plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at December 31, 2009, was 29 years.

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
 - Other Post-Employment Benefit Plan

- Employer Contributions
 - Illinois Municipal Retirement Fund (IMRF)
 - Police Pension Fund
 - Firefighters' Pension Fund
 - Other Post-Employment Benefit Plan

- 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, 2009

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)
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%
2007	17,123,018	19,813,409	86.42%	2,690,391	7,767,570	34.64%
2008	14,641,376	20,412,379	71.73%	5,771,003	7,849,222	73.52%

CITY OF BATAVIA, ILLINOIS

Police Pension Fund

**Required Supplementary Information
Schedule of Funding Progress
December 31, 2009**

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)
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%
2007	17,522,683	26,670,944	65.70%	9,148,261	3,270,023	279.76%
2008	15,803,262	28,791,948	54.89%	12,988,686	3,557,722	365.08%

CITY OF BATAVIA, ILLINOIS

Firefighters' Pension Fund

Required Supplementary Information

Schedule of Funding Progress

December 31, 2009

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)
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%
2007	7,460,092	11,803,316	63.20%	4,343,224	1,766,514	245.86%
2008	6,868,129	12,903,438	53.23%	6,035,309	1,872,055	322.39%

CITY OF BATAVIA, ILLINOIS

Other Post-Employment Benefit Plan

Required Supplementary Information

Schedule of Funding Progress

December 31, 2009

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)
2004	\$ N/A	\$ N/A	N/A	\$ N/A	\$ N/A	N/A
2005	N/A	N/A	N/A	N/A	N/A	N/A
2006	N/A	N/A	N/A	N/A	N/A	N/A
2007	N/A	N/A	N/A	N/A	N/A	N/A
2008	-	3,369,585	0.00%	3,369,585	-	0.00%
2009	N/A	N/A	N/A	N/A	N/A	N/A

The City Implemented GASB Statement No. 45 for the fiscal year ended December 31, 2008. Information for prior years is not available. The City is required to have the actuarial valuation performed triennially.

CITY OF BATAVIA, ILLINOIS

Illinois Municipal Retirement Fund

Required Supplementary Information

Employer Contributions

December 31, 2009

Calendar Year	Employer Contributions	Annual Required Contributions	Percent Contributed
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%
2007	789,185	789,185	100.00%
2008	765,299	765,299	100.00%

CITY OF BATAVIA, ILLINOIS

Police Pension Fund

Required Supplementary Information

Employer Contributions

December 31, 2009

Year Ended Dec. 31	Employer Contributions	Annual Required Contribution	Percent Contributed
2003	\$ 634,657	\$ 647,332	98.04%
2004	681,717	692,704	98.41%
2005	721,691	724,678	99.59%
2006	777,012	776,898	100.01%
2007	844,258	844,208	100.01%
2008	913,896	916,399	99.73%

CITY OF BATAVIA, ILLINOIS

Firefighters' Pension Fund

Required Supplementary Information

Employer Contributions

December 31, 2009

Year Ended Dec. 31	Employer Contributions	Annual Required Contribution	Percent Contributed
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%
2007	429,415	426,163	100.76%
2008	510,365	512,346	99.61%

CITY OF BATAVIA, ILLINOIS

Other Post-Employment Benefit Plan

Required Supplementary Information

Employer Contributions

December 31, 2009

Year Ended Dec. 31	Employer Contributions	Annual Required Contributions	Percent Contributed
2004	\$ N/A	\$ N/A	N/A
2005	N/A	N/A	N/A
2006	N/A	N/A	N/A
2007	N/A	N/A	N/A
2008	121,555	154,275	78.79%
2009	121,555	152,538	79.69%

The City Implemented GASB Statement No. 45 for the fiscal year ended December 31, 2008. Information for prior years is not available.

CITY OF BATAVIA, ILLINOIS

General Fund

**Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Year Ended December 31, 2009**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Taxes	\$ 15,985,224	15,985,224	14,786,755
Intergovernmental	4,223,176	4,223,176	3,642,849
Licenses and Permits	278,070	278,070	196,493
Charges for Services	3,192,648	3,192,648	3,633,813
Fines and Forfeitures	172,000	172,000	226,208
Interest	320,000	320,000	107,564
Miscellaneous	1,598,722	1,598,722	1,728,623
Total Revenues	<u>25,769,840</u>	<u>25,769,840</u>	<u>24,322,305</u>
Expenditures			
General Government	6,754,734	6,804,269	5,843,071
Public Safety	12,758,253	12,758,253	12,112,891
Highways and Streets	4,674,587	4,685,587	4,073,379
Debt Service			
Principal Retirement	120,000	120,000	120,000
Interest and Fiscal Charges	13,600	13,600	13,900
Total Expenditures	<u>24,321,174</u>	<u>24,381,709</u>	<u>22,163,241</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,448,666	1,388,131	2,159,064
Other Financing (Uses)			
Transfers Out	<u>(1,351,707)</u>	<u>(1,351,707)</u>	<u>(1,335,707)</u>
Net Change in Fund Balance	<u>96,959</u>	<u>36,424</u>	823,357
Fund Balance - Beginning			<u>13,941,336</u>
Fund Balance - Ending			<u>14,764,693</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
- 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, 2009**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Taxes			
Property Taxes - General	\$ 5,611,826	5,611,826	5,616,889
Retailers' Occupation Tax	5,120,967	5,120,967	4,422,689
Non-Home Rule Sales Tax	1,916,890	1,916,890	1,612,998
Utility Tax	3,335,541	3,335,541	3,134,179
	<u>15,985,224</u>	<u>15,985,224</u>	<u>14,786,755</u>
Intergovernmental			
Illinois State Income Tax	2,362,184	2,362,184	2,053,471
Illinois State Replacement Tax	186,943	186,943	186,191
Illinois State Maintenance Reimbursement	36,300	36,300	18,657
Motor Fuel Tax	658,127	658,127	668,224
State and Federal Grant	368,900	368,900	144,359
Township Share	12,500	12,500	19,878
Countryside Fire Protection District	242,000	242,000	241,750
Local Use Tax	356,222	356,222	310,319
	<u>4,223,176</u>	<u>4,223,176</u>	<u>3,642,849</u>
Licenses and Permits			
Licenses	57,140	57,140	52,825
Building Permits	220,930	220,930	143,668
	<u>278,070</u>	<u>278,070</u>	<u>196,493</u>
Charges for Services			
Administrative Support	1,860,940	1,860,940	1,860,940
Engineering Plan Review	37,575	37,575	63,642
Engineering Inspection Fees	50,100	50,100	145,546
Survey Monumentation Fees	5,500	5,500	10,193

CITY OF BATAVIA, ILLINOIS

General Fund

**Schedule of Revenues - Budget and Actual
Year Ended December 31, 2009**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Charges for Services - Continued			
Planning Commission Fees	\$ 30,000	30,000	9,175
Contractual Plan Review	3,500	3,500	12,143
Grave Openings	38,000	38,000	48,484
Plumbing Inspections	35,000	35,000	22,593
Elevator Inspections	3,680	3,680	-
Police Services	135,000	135,000	143,966
Employee Contributions - Insurance	619,967	619,967	636,909
Non-Employee Insurance Premium	173,386	173,386	190,853
Insurance Reimbursements	200,000	200,000	489,369
	<u>3,192,648</u>	<u>3,192,648</u>	<u>3,633,813</u>
Fines and Forfeitures			
Court Fines	150,000	150,000	187,651
Parking Fines	22,000	22,000	38,557
	<u>172,000</u>	<u>172,000</u>	<u>226,208</u>
Interest			
Investment Income	320,000	320,000	107,564
Miscellaneous			
City Maps and Publications	5,250	5,250	2,930
Waste Transfer Fee	435,000	435,000	449,101
Cable TV Franchise Fee	314,000	314,000	313,945
Payment in Lieu of Taxes	712,172	712,172	711,402
Sale of Burial Lots	12,000	12,000	13,050
Reimbursements	47,500	47,500	153,708
Street Recapture	5,000	5,000	-
Other	67,800	67,800	84,487
	<u>1,598,722</u>	<u>1,598,722</u>	<u>1,728,623</u>
Total Revenues	<u>25,769,840</u>	<u>25,769,840</u>	<u>24,322,305</u>

CITY OF BATAVIA, ILLINOIS

General Fund

**Schedule of Expenditures - Budget and Actual
Year Ended December 31, 2009**

	Budgeted Amounts		Actual Amounts
	Original	Final	
General Government			
Legislative and Administration	\$ 1,402,251	1,402,251	1,238,122
Human Resources	316,049	316,049	258,742
Community Development	1,018,812	1,018,812	1,001,215
Public Works Administration	332,715	332,715	354,833
Engineering	925,312	925,312	629,216
Building and Grounds	482,022	482,022	336,863
Finance and Accounting	525,169	525,169	516,558
Information Systems	812,996	862,531	772,751
Utility Billing	393,861	393,861	346,740
Dial-A-Bus	52,000	52,000	45,767
Health Benefit	493,547	493,547	342,264
	<u>6,754,734</u>	<u>6,804,269</u>	<u>5,843,071</u>
Public Safety			
Police	8,003,870	8,003,870	7,560,161
Fire	4,703,238	4,703,238	4,525,280
E.S.D.A.	51,145	51,145	27,450
	<u>12,758,253</u>	<u>12,758,253</u>	<u>12,112,891</u>
Highways and Streets	<u>4,674,587</u>	<u>4,685,587</u>	<u>4,073,379</u>
Debt Service			
Principal Retirement - Motor Fuel Tax	120,000	120,000	120,000
Interest and Fiscal Charges - Motor Fuel Tax	13,600	13,600	13,900
	<u>133,600</u>	<u>133,600</u>	<u>133,900</u>
Total Expenditures	<u>24,321,174</u>	<u>24,381,709</u>	<u>22,163,241</u>

CITY OF BATAVIA, ILLINOIS

General Fund

**Schedule of Detailed Expenditures - Budget and Actual
Year Ended December 31, 2009**

	Budgeted Amounts		Actual Amounts
	Original	Final	
General Government			
Legislative and Administration			
Regular Wages	\$ 578,884	578,884	568,404
Overtime	150	150	21
Part Time Help	5,600	5,600	8,050
Group Insurance	73,812	73,812	73,812
IMRF - City Portion	60,625	60,625	49,595
Social Security	44,725	44,725	39,360
Pension Contributions	9,740	9,740	9,357
State Unemployment	50,000	50,000	-
Memberships	17,000	17,000	17,792
Training	5,000	5,000	1,496
Resource Materials	1,500	1,500	1,070
Travel	300	300	464
Postage and Shipping	3,000	3,000	1,437
Office Supplies	18,000	18,000	7,543
Printing	26,000	26,000	20,934
Advertisement	2,500	2,500	375
Food	2,500	2,500	3,154
Sales Tax Rebate	40,000	40,000	31,015
Economic Development	18,200	18,200	9,918
Contract Labor	111,600	111,600	90,496
Legal Fees	150,000	150,000	120,687
BATV	158,400	158,400	161,191
Office Equipment	500	500	-
General Liability Insurance	23,500	23,500	21,236
Workmen's Compensation Premium	715	715	715
	<u>1,402,251</u>	<u>1,402,251</u>	<u>1,238,122</u>
Human Resources			
Regular Wages	160,690	160,690	158,854
Group Insurance	17,459	17,459	17,459
IMRF - City Portion	16,824	16,824	16,127

CITY OF BATAVIA, ILLINOIS

General Fund

**Schedule of Detailed Expenditures - Budget and Actual - Continued
Year Ended December 31, 2009**

	Budgeted Amounts		Actual Amounts
	Original	Final	
General Government - Continued			
Human Resources - Continued			
Social Security	\$ 12,293	12,293	11,452
Memberships	1,200	1,200	1,045
Training	15,400	15,400	(1,829)
Resource Materials	300	300	-
Employee Recruitment	7,000	7,000	1,256
Postage and Shipping	300	300	21
Office Supplies	1,500	1,500	582
Printing	500	500	-
Flowers	1,600	1,600	1,530
Recognition Award	15,000	15,000	8,991
Medical Exams	35,000	35,000	24,672
Contract Labor	13,000	13,000	9,907
Legal Fees	14,000	14,000	3,937
Office Furniture	3,000	3,000	2,750
General Liability Insurance	625	625	1,630
Workmen's Compensation Premium	358	358	358
	<u>316,049</u>	<u>316,049</u>	<u>258,742</u>
Community Development			
Regular Wages	646,961	646,961	647,104
Overtime	250	250	267
Group Insurance	99,541	99,541	99,713
IMRF - City Portion	67,763	67,763	65,377
Social Security	49,512	49,512	47,684
State Unemployment	-	-	12,334
Memberships	1,500	1,500	1,750
Training	4,710	4,710	1,141
Resource Materials	100	100	174
Postage and Shipping	5,800	5,800	5,040
Office Supplies	4,000	4,000	2,424
Printing	2,000	2,000	120
Gasoline	3,250	3,250	1,461

CITY OF BATAVIA, ILLINOIS

General Fund

**Schedule of Detailed Expenditures - Budget and Actual - Continued
Year Ended December 31, 2009**

	Budgeted Amounts		Actual Amounts
	Original	Final	
General Government - Continued			
Community Development - Continued			
Advertising	\$ 2,500	2,500	631
Telephone	2,200	2,200	1,699
Clothing Allowance	300	300	178
Meals	100	100	276
Repairs and Maintenance - Vehicle	3,000	3,000	449
Plumbing Inspection	27,500	27,500	19,981
Contract Labor	80,000	80,000	75,813
General Liability Insurance	2,425	2,425	2,199
Workmen's Compensation Premium	15,400	15,400	15,400
	<u>1,018,812</u>	<u>1,018,812</u>	<u>1,001,215</u>
Public Works Administration			
Regular Wages	216,991	216,991	257,462
Overtime	3,000	3,000	2,801
Group Insurance	34,179	34,179	29,318
IMRF - City Portion	23,033	23,033	20,132
Social Security	16,829	16,829	14,991
State Unemployment	-	-	7,337
Memberships	600	600	921
Training	1,300	1,300	436
Office Supplies	1,000	1,000	176
Telephone	1,800	1,800	719
Household Hazardous Waste	8,800	8,800	-
Contract Labor	24,000	24,000	19,448
General Liability Insurance	825	825	734
Workmen's Compensation Premium	358	358	358
	<u>332,715</u>	<u>332,715</u>	<u>354,833</u>

CITY OF BATAVIA, ILLINOIS

General Fund

**Schedule of Detailed Expenditures - Budget and Actual - Continued
Year Ended December 31, 2009**

	Budgeted Amounts		Actual Amounts
	Original	Final	
General Government - Continued			
Engineering			
Regular Wages	\$ 378,010	378,010	369,073
Overtime	1,000	1,000	1,993
Part Time Help	-	-	1,827
Group Insurance	64,701	64,701	67,313
IMRF - City Portion	39,682	39,682	36,621
Social Security	28,994	28,994	26,791
State Unemployment	-	-	2,679
Memberships	1,200	1,200	676
Training	6,000	6,000	4,938
Resource Materials	500	500	120
Postage and shipping	500	500	49
Office Supplies	4,000	4,000	2,803
Gasoline	3,000	3,000	1,340
Advertising	600	600	-
Regulatory Fees	1,000	1,000	1,000
Telephone	3,200	3,200	2,963
Clothing Allowance	650	650	225
Recording Fees	400	400	519
Repairs and Maintenance - Vehicles	5,000	5,000	1,679
Contract Labor	10,700	10,700	8,016
Engineering Fees	216,000	216,000	6,562
Drainage Projects	155,000	155,000	87,080
General Liability Insurance	2,425	2,425	2,199
Workmen's Compensation Premium	2,750	2,750	2,750
	<u>925,312</u>	<u>925,312</u>	<u>629,216</u>

CITY OF BATAVIA, ILLINOIS

General Fund

**Schedule of Detailed Expenditures - Budget and Actual - Continued
Year Ended December 31, 2009**

	Budgeted Amounts		Actual Amounts
	Original	Final	
General Government - Continued			
Building and Grounds			
Regular Wages	\$ 54,625	54,625	55,038
Overtime	2,200	2,200	2,003
Group Insurance	-	-	7,325
IMRF - City Portion	5,950	5,950	5,798
Social Security	4,347	4,347	4,237
Postage and Shipping	100	100	-
Office Supplies	400	400	14
Gasoline	500	500	331
Telephone	86,500	86,500	24,939
Utilities	84,000	84,000	76,769
General supplies	31,000	31,000	13,335
Repairs and Maintenance - Vehicles	350	350	1,943
Repairs and Maintenance - Building	181,900	181,900	119,397
Equipment Rental	28,000	28,000	24,960
Repairs and Maintenance - Other Equipment	1,500	1,500	150
General Liability Insurance	100	100	74
Workmen's Compensation Premium	550	550	550
	<u>482,022</u>	<u>482,022</u>	<u>336,863</u>
Finance and Accounting			
Regular Wages	345,003	345,003	347,902
Overtime	500	500	98
Group Insurance	48,961	48,961	48,723
IMRF - City Portion	36,174	36,174	35,130
Social Security	26,431	26,431	24,840
Membership	500	500	1,048
Training and Seminars	200	200	50
Resource Materials	350	350	141
Travel	175	175	609
Postage and Shipping	5,500	5,500	4,444

CITY OF BATAVIA, ILLINOIS

General Fund

**Schedule of Detailed Expenditures - Budget and Actual - Continued
Year Ended December 31, 2009**

	Budgeted Amounts		Actual Amounts
	Original	Final	
General Government - Continued			
Finance and Accounting - Continued			
Office Supplies	\$ 9,000	9,000	5,336
Printing	3,000	3,000	1,448
Auditing	48,000	48,000	45,505
General Liability Insurance	825	825	734
Workmen's Compensation Premium	550	550	550
	<u>525,169</u>	<u>525,169</u>	<u>516,558</u>
Information Systems			
Regular Wages	341,909	341,909	293,795
Group Insurance	51,365	51,365	47,168
IMRF - City Portion	35,798	35,798	29,980
Social Security	26,156	26,156	21,918
Memberships	485	485	525
Training	2,400	2,400	1,955
Resource Materials	800	800	778
Travel	700	700	104
Postage and Shipping	100	100	73
Office Supplies	1,000	2,650	2,507
Computer Software	39,600	97,050	97,920
Computer Supplies	5,000	5,000	5,221
Gasoline	2,000	2,000	1,103
Telephone	26,075	26,075	12,261
Clothing Allowance	250	250	-
Computer Maintenance	39,200	37,900	32,778
Contract Labor	62,980	55,065	55,310
Software Training	2,000	2,000	2,250
Software Support	112,453	112,453	106,871
Computer	61,000	61,000	58,950
Office Furniture and Equipment	350	-	-
General Liability Insurance	825	825	734
Workmen's Compensation Premium	550	550	550
	<u>812,996</u>	<u>862,531</u>	<u>772,751</u>

CITY OF BATAVIA, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued
 Year Ended December 31, 2009

	Budgeted Amounts		Actual Amounts
	Original	Final	
General Government - Continued			
Utility Billing			
Regular Wages	\$ 225,311	225,311	190,110
Overtime	750	750	978
Group Insurance	27,527	27,527	19,464
IMRF - City Portion	23,669	23,669	19,774
Social Security	17,294	17,294	14,449
State Unemployment	-	-	9,776
Training and Seminars	750	750	67
Postage and Shipping	60,000	60,000	56,486
Office Supplies	4,000	4,000	1,526
Computer Software	12,718	12,718	15,920
Computer Supplies	10,000	10,000	6,569
Collection Fees	1,600	1,600	1,451
Repairs and Maintenance - Office Equipment	5,867	5,867	5,951
Contract Labor	1,000	1,000	161
General Liability Insurance	825	825	734
Workmen's Compensation Premium	550	550	550
Bad Debt Expense	2,000	2,000	2,774
	<u>393,861</u>	<u>393,861</u>	<u>346,740</u>
Dial-A-Bus			
Contract Labor	52,000	52,000	45,767
Health Benefit			
Claims Administration Fees	96,259	96,259	105,467
Insurance and Claims, Net	397,288	397,288	236,797
	<u>493,547</u>	<u>493,547</u>	<u>342,264</u>
Total General Government	<u>6,754,734</u>	<u>6,804,269</u>	<u>5,843,071</u>

CITY OF BATAVIA, ILLINOIS

General Fund

**Schedule of Detailed Expenditures - Budget and Actual - Continued
Year Ended December 31, 2009**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Public Safety			
Police Department			
Regular Wages	\$ 4,336,880	4,446,880	4,405,929
Overtime	374,885	374,885	219,883
Auxiliary Police, Full-Time	19,950	19,950	12,883
Part Time Help	142,825	32,825	28,793
Group Insurance	821,143	842,143	841,752
IMRF - City Portion	53,125	53,125	55,391
Social Security	116,431	95,431	88,815
Pension Contributions	949,557	949,557	949,557
State Unemployment	-	-	10,010
Board of P & F Commission	33,250	33,250	16,837
Memberships	7,670	7,670	6,831
Education Reimbursement	8,300	8,300	-
Training	26,470	26,470	10,364
Resource Materials	2,430	2,430	1,145
Travel	1,710	1,710	286
Postage and Shipping	5,500	5,500	3,235
Office Supplies	16,000	16,000	14,240
Vehicle Supplies	7,500	7,500	6,695
Printing	8,000	8,000	5,623
Communication Supplies	3,000	3,000	1,228
Investigative Supplies	5,000	5,000	1,417
Gasoline	111,615	111,615	70,050
Patrol Supplies	8,000	8,000	7,749
Community Relations	650	650	409
Ammunition	15,820	15,820	5,038
Telephone	24,100	24,100	13,376
Clothing Allowance	54,465	54,465	42,692
Food	1,900	1,900	918
Repairs and Maintenance - Vehicle	66,000	66,000	44,674
Equipment Rental	11,817	11,817	6,824
Repairs and Maintenance - Other Equipment	9,540	9,540	7,413
Contract Labor	429,837	429,837	365,444
Narcotics and Enforcement	13,000	13,000	12,050
Office Equipment	2,500	2,500	1,429

CITY OF BATAVIA, ILLINOIS

General Fund

**Schedule of Detailed Expenditures - Budget and Actual - Continued
Year Ended December 31, 2009**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Public Safety - Continued			
Police Department - Continued			
General Liability Insurance	\$ 65,000	65,000	51,181
Workmen's Compensation Premium	250,000	250,000	250,000
	<u>8,003,870</u>	<u>8,003,870</u>	<u>7,560,161</u>
Fire Department			
Regular Wages	2,042,731	2,042,731	2,041,118
Overtime	180,000	180,000	156,676
Part Time Help	492,081	492,081	463,970
Group Insurance	431,093	431,093	431,051
IMRF - City Portion	5,957	5,957	5,279
Social Security	73,402	73,402	66,181
Pension Contributions	595,000	595,000	595,000
State Unemployment	-	-	3,204
Memberships	3,600	3,600	3,170
Education Reimbursement	6,606	6,606	6,795
EMS Training	3,200	3,200	2,994
Training and Seminars	19,300	19,300	5,939
Fire Prevention	1,500	1,500	1,430
Resource Materials	1,500	1,500	1,452
Postage and Shipping	2,000	2,000	1,972
Office Supplies	4,000	4,000	3,929
Vehicle Supplies	24,750	24,750	19,390
Printing	2,000	2,000	1,644
Communication Supplies	17,400	17,400	13,291
Gasoline	46,501	46,501	21,455
Telephone	13,000	13,000	10,406
Education Materials	8,000	8,000	4,609
Hazardous Materials	1,500	1,500	1,479
Clothing Allowance	36,000	36,000	22,517
Water Rescue Materials	41,000	41,000	40,921
Medical Supplies	2,500	2,500	2,507
Food	2,500	2,500	1,982
Utilities	43,560	43,560	43,346
General Supplies	8,000	8,000	7,491

CITY OF BATAVIA, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued
Year Ended December 31, 2009

	Budgeted Amounts		Actual Amounts
	Original	Final	
Public Safety - Continued			
Fire Department - Continued			
Repairs and Maintenance - Vehicle	\$ 34,600	34,600	32,998
Repairs and Maintenance - Building	15,000	15,000	14,825
Repairs and Maintenance - Equipment	5,000	5,000	2,659
Contract Labor	304,550	304,550	256,882
S.C.B.A. Maintenance	5,000	5,000	4,544
Other Equipment	14,800	14,800	15,395
General Liability Insurance	40,607	40,607	34,654
Workmen's Compensation Premium	175,000	175,000	182,125
	<u>4,703,238</u>	<u>4,703,238</u>	<u>4,525,280</u>
E.S.D.A.			
Part Time Help	10,000	10,000	9,927
Social Security	765	765	755
Meal Allowance	500	500	39
Memberships	630	630	283
Training	500	500	136
Travel	3,500	3,500	1,848
Office Supplies	1,000	1,000	79
Gasoline	700	700	295
Patrol Supplies	1,000	1,000	24
Telephone	2,500	2,500	1,586
Clothing Allowance	750	750	89
Utilities	900	900	877
Repairs and Maintenance - Vehicle	3,000	3,000	2,767
Repairs and Maintenance - Building	1,000	1,000	89
Equipment Rental	2,500	2,500	1,468
Repairs and Maintenance - Other Equipment	6,000	6,000	6,825
Contractual Services	10,900	10,900	-
Other Equipment	5,000	5,000	363
	<u>51,145</u>	<u>51,145</u>	<u>27,450</u>
Total Public Safety	<u>12,758,253</u>	<u>12,758,253</u>	<u>12,112,891</u>

CITY OF BATAVIA, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued
Year Ended December 31, 2009

	Budgeted Amounts		Actual Amounts
	Original	Final	
Highways and Streets			
Street and Sanitation			
Regular Wages	\$ 1,320,575	1,320,575	1,361,746
Overtime	218,252	218,252	179,133
Part Time Help	25,000	25,000	10,678
Group Insurance	293,387	293,387	298,416
IMRF - City Portion	161,115	161,115	149,308
Social Security	119,633	119,633	109,234
Meal Allowance	3,500	3,500	2,521
Training	5,350	5,350	2,858
Travel	250	250	25
Supplies for Other Equipment	17,000	17,000	14,392
Office Supplies	2,000	2,000	1,731
Vehicle Supplies	40,000	40,000	39,336
Communication Supplies	3,500	3,500	3,692
Materials	105,000	75,000	75,052
Gasoline	108,000	58,000	54,804
Salt De-Icers	175,000	255,000	259,277
Advertising	1,000	1,000	626
Telephone	10,000	10,000	9,057
Clothing Allowance	12,500	12,500	11,277
Food	1,200	1,200	939
Utilities	14,500	14,500	19,932
Safety Supplies	2,500	2,500	2,566
General Supplies	30,000	30,000	20,550
Landfill Fees	5,000	5,000	1,216
Ornamental Supplies	-	5,500	5,553
Repairs and Maintenance - Vehicle	20,000	20,000	20,373
Repairs and Maintenance - Building	21,700	21,700	20,484
Equipment Rental	1,500	1,500	1,970
Repairs and Maintenance - Other Equipment	13,000	13,000	9,769
Contract Labor	456,500	462,000	486,078
Contract Labor - Health Department	75,000	75,000	50,698
Contract Labor - Forestry Department	160,000	160,000	75,820
Street - Other Construction	1,073,125	1,073,125	600,014

CITY OF BATAVIA, ILLINOIS

General Fund

**Schedule of Detailed Expenditures - Budget and Actual - Continued
Year Ended December 31, 2009**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Highways and Streets - Continued			
Street and Sanitation - Continued			
Office Equipment	\$ 1,000	1,000	-
Other Equipment	13,500	13,500	7,102
General Liability Insurance	25,000	25,000	27,152
Workmen's Compensation Premium	140,000	140,000	140,000
	<hr/>	<hr/>	<hr/>
Total Highways and Streets	4,674,587	4,685,587	4,073,379
	<hr/>	<hr/>	<hr/>
Debt Service			
Debt Service			
Principal Retirement - Motor Fuel Tax	120,000	120,000	120,000
Interest and Fiscal Charges - Motor Fuel Tax	13,600	13,600	13,900
	<hr/>	<hr/>	<hr/>
Total Debt Service	133,600	133,600	133,900
	<hr/>	<hr/>	<hr/>
Total Expenditures	24,321,174	24,381,709	22,163,241
	<hr/>	<hr/>	<hr/>

CITY OF BATAVIA, ILLINOIS

Debt Service Fund

**Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Year Ended December 31, 2009**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Taxes	\$ 1,217,364	1,217,364	1,211,504
Interest	10,000	10,000	6,848
Total Revenues	1,227,364	1,227,364	1,218,352
Expenditures			
Debt Service			
Principal Retirement	979,875	959,875	539,875
Interest and Fiscal Charges	592,119	605,519	559,580
Total Expenditures	1,571,994	1,565,394	1,099,455
Excess (Deficiency) of Revenues Over (Under) Expenditures			
	(344,630)	(338,030)	118,897
Other Financing Sources (Uses)			
Debt Issuance	-	-	2,290,000
Payment to Escrow Agent	-	-	(2,786,165)
Transfers In	1,808,574	1,808,574	1,800,869
Transfers Out	(726,972)	(726,972)	(983,978)
	1,081,602	1,081,602	320,726
Net Change in Fund Balance			
	736,972	743,572	439,623
Fund Balance - Beginning			
			733,665
Fund Balance - Ending			
			1,173,288

CITY OF BATAVIA, ILLINOIS

Debt Service Fund

**Schedule of Expenditures - Budget and Actual
Year Ended December 31, 2009**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Fire Station			
Debt Service			
Principal Retirement	\$ 355,000	335,000	355,000
Interest and Fiscal Charges	381,969	395,369	381,969
	<u>736,969</u>	<u>730,369</u>	<u>736,969</u>
Building Renovation			
Debt Service			
Principal Retirement	250,000	250,000	-
Interest and Fiscal Charges	69,830	69,830	51,527
	<u>319,830</u>	<u>319,830</u>	<u>51,527</u>
2002 Refunding Fire and Public Works			
Debt Service			
Principal Retirement	99,875	99,875	99,875
Interest and Fiscal Charges	7,278	7,278	7,278
	<u>107,153</u>	<u>107,153</u>	<u>107,153</u>
Flood Control			
Debt Service			
Principal Retirement	190,000	190,000	-
Interest and Fiscal Charges	47,480	47,480	20,243
	<u>237,480</u>	<u>237,480</u>	<u>20,243</u>
Donovan Bridge			
Debt Service			
Principal Retirement	85,000	85,000	85,000
Interest and Fiscal Charges	85,562	85,562	98,563
	<u>170,562</u>	<u>170,562</u>	<u>183,563</u>
 Total Expenditures	 <u>1,571,994</u>	 <u>1,565,394</u>	 <u>1,099,455</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, 2009**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Taxes	\$ 243,000	243,000	287,885
Intergovernmental	64,000	64,000	94
Interest	7,000	7,000	5,207
Miscellaneous	550,000	550,000	-
Total Revenues	864,000	864,000	293,186
Expenditures			
Capital Outlay	1,997,582	1,997,582	419,587
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,133,582)	(1,133,582)	(126,401)
Other Financing Sources			
Transfers In	16,000	16,000	264,711
Net Change in Fund Balance	<u>(1,117,582)</u>	<u>(1,117,582)</u>	138,310
Fund Balance - Beginning			<u>700,137</u>
Fund Balance - Ending			<u><u>838,447</u></u>

CITY OF BATAVIA, ILLINOIS

Infrastructure - Capital Projects Fund

**Schedule of Expenditures - Budget and Actual
Year Ended December 31, 2009**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Capital Outlay			
Contractual Services - TIF District	\$ 683,600	683,600	278,639
Land Acquisition - TIF District	325,000	325,000	-
Contractual Services - TIF District #3	358,982	358,982	132,804
Land Acquisition - TIF District #3	550,000	550,000	-
Engineering Fees - Deerpath Bridge Rehab	80,000	80,000	8,144
Total Expenditures	<u>1,997,582</u>	<u>1,997,582</u>	<u>419,587</u>

CITY OF BATAVIA, ILLINOIS

Capital Projects Fund

**Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
Year Ended December 31, 2009**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Charges for Services	\$ 20,000	20,000	13,254
Interest	10,000	10,000	6,870
Miscellaneous	-	-	1,033
Total Revenues	30,000	30,000	21,157
Expenditures			
Capital Outlay			
Vehicle - Public Works Department	216,725	216,725	226,079
Excess (Deficiency) of Revenues Over (Under) Expenditures	(186,725)	(186,725)	(204,922)
Other Financing Sources			
Transfers In	275,000	275,000	275,000
Net Change in Fund Balance	88,275	88,275	70,078
Fund Balance - Beginning			746,038
Fund Balance - Ending			816,116

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, 2009

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Charges for Services			
Care of Cemetery Lots	\$ 9,500	9,500	11,300
Interest	2,600	2,600	1,419
Total Revenues	12,100	12,100	12,719
Expenditures			
General Government	10,000	10,000	10,000
Net Change in Fund Balance	2,100	2,100	2,719
Fund Balance - Beginning			123,240
Fund Balance - Ending			125,959

CITY OF BATAVIA, ILLINOIS

Waterworks - Enterprise Fund

**Schedule of Revenues, Expenses and Changes in
Net Assets - Budget and Actual
Year Ended December 31, 2009**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Operating Revenues			
Charges for Services	\$ 4,194,336	4,194,336	4,064,180
Operating Expenses			
Administration	803,933	803,933	801,962
Operations	2,125,659	2,099,959	1,994,862
Depreciation	-	-	1,003,306
Total Operating Expenses	2,929,592	2,903,892	3,800,130
Operating Income	1,264,744	1,290,444	264,050
Nonoperating Revenues (Expenses)			
Connection Fees	1,200	1,200	2,790
Interest Income	100,000	100,000	33,865
Interest and Fiscal Charges	(338,861)	(338,861)	(338,710)
	(237,661)	(237,661)	(302,055)
Income (Loss) Before Contributions and Transfers	1,027,083	1,052,783	(38,005)
Capital Contributions	-	-	755,334
Transfers Out	(20,895)	(20,895)	(20,895)
Change in Net Assets	1,006,188	1,031,888	696,434
Net Assets - Beginning			18,124,198
Net Assets - Ending			18,820,632

CITY OF BATAVIA, ILLINOIS

Waterworks - Enterprise Fund

**Schedule of Operating Expenses - Budget and Actual
Year Ended December 31, 2009**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Administration			
General Expenses			
General Liability Insurance	\$ 52,000	52,000	47,567
Workers' Compensation Premium	40,000	40,000	40,000
Bad Debt Expense	5,000	5,000	7,462
General Support	567,076	567,076	567,076
Electric Support - Metering	139,857	139,857	139,857
Total Administration	803,933	803,933	801,962
Operations			
Water Production			
Regular Wages	148,000	148,000	121,133
Overtime	24,500	24,500	15,639
Group Insurance	29,012	29,012	23,334
IMRF - City Portion	18,061	18,061	13,234
Social Security	13,196	13,196	9,675
Production Electricity	360,500	360,500	423,735
Telephone	8,500	8,500	6,574
Chemical Materials	136,500	136,500	129,009
Utilities	4,500	4,500	3,562
General Supplies	6,000	6,000	3,753
Repairs and Maintenance - Building	23,000	15,000	4,264
Repairs and Maintenance - Other Equipment	30,000	30,000	23,015
Contract Labor	199,500	199,500	182,006
Engineering Fees	20,000	20,000	15,694
Other Equipment	20,000	2,300	14,258
	1,041,269	1,015,569	988,885

CITY OF BATAVIA, ILLINOIS

Waterworks - Enterprise Fund

**Schedule of Operating Expenses - Budget and Actual - Continued
Year Ended December 31, 2009**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Operations - Continued			
Water Distribution			
Regular Wages	\$ 514,604	514,604	508,204
Overtime	81,323	81,323	79,277
Part Time Help	3,000	3,000	1,488
Group Insurance	122,851	122,851	124,589
IMRF - City Portion	62,394	62,394	58,218
Social Security	45,818	45,818	42,670
State Unemployment	-	-	8,213
Meal Allowance	300	300	116
Memberships	2,000	2,000	2,114
Training and Seminars	5,800	5,800	2,852
Resource Materials	500	500	465
Travel	1,200	1,200	220
Postage and Shipping	500	500	111
Office Supplies	1,500	1,500	1,043
Vehicle Supplies	4,500	4,500	7,891
Materials	18,000	18,000	19,828
Gasoline	15,000	15,000	10,305
Telephone	500	500	180
Clothing Allowance	5,000	5,000	4,633
Food	1,000	1,000	576
Utilities	7,500	7,500	10,500
General Supplies	17,000	17,000	8,253
Fire Hydrants	15,000	15,000	4,206
Piping and Fitting	36,000	36,000	30,091
Landfill Fees	2,000	2,000	812
Repairs and Maintenance - Vehicle	3,000	3,000	1,525
Repairs and Maintenance - Building	21,700	21,700	17,519
Repairs and Maintenance - Other Equipment	5,000	5,000	4,062
Contract Labor	84,000	84,000	51,362
Julie System	1,400	1,400	1,268

CITY OF BATAVIA, ILLINOIS

Waterworks - Enterprise Fund

**Schedule of Operating Expenses - Budget and Actual - Continued
Year Ended December 31, 2009**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Operations - Continued			
Water Distribution - Continued			
Office Furniture	\$ 1,000	1,000	-
Other Equipment	5,000	5,000	3,386
	<u>1,084,390</u>	<u>1,084,390</u>	<u>1,005,977</u>
Water Improvements			
Water Meters	25,000	25,000	-
Contract Labor	40,000	40,000	-
Engineering Fees	25,000	25,000	-
	<u>90,000</u>	<u>90,000</u>	<u>-</u>
Less Nonoperating Items			
Capital Assets Capitalized	(90,000)	(90,000)	-
	<u>-</u>	<u>-</u>	<u>-</u>
 Total Operations	 <u>2,125,659</u>	 <u>2,099,959</u>	 <u>1,994,862</u>

CITY OF BATAVIA, ILLINOIS

Sewerage - Enterprise Fund

Balance Sheet
December 31, 2009

	Operations and Maintenance	Restricted Accounts			Totals
		Bond and Interest	Bond Reserve	Depreciation Repair and Replacement	
ASSETS					
Current Assets					
Cash and Investments	\$ 1,148,861	-	-	-	1,148,861
Receivables Accounts	539,954	-	-	-	539,954
Prepays	15,896	-	-	-	15,896
Restricted Cash and Investments	210,000	277,097	-	350,000	837,097
Total Current Assets	1,914,711	277,097	-	350,000	2,541,808
Noncurrent Assets					
Capital Assets					
Nondepreciable	89,066	-	-	-	89,066
Depreciable	42,983,600	-	-	-	42,983,600
Accumulated Depreciation	(13,815,730)	-	-	-	(13,815,730)
Total Noncurrent Assets	29,256,936	-	-	-	29,256,936
Total Assets	31,171,647	277,097	-	350,000	31,798,744

	Operations and Maintenance	Restricted Accounts			Totals
		Bond and Interest	Bond Reserve	Depreciation Repair and Replacement	
LIABILITIES					
Current Liabilities					
Accounts Payable	\$ 79,857	-	-	-	79,857
Accrued Payroll	27,920	-	-	-	27,920
Deposits Payable	10,169	-	-	-	10,169
Restricted Liabilities					
Accrued Interest Payable	-	43,228	-	-	43,228
Revenue Bonds Payable	908,215	233,869	-	-	1,142,084
Total Current Liabilities	1,026,161	277,097	-	-	1,303,258
Noncurrent Liabilities					
Revenue Bonds Payable	7,551,695	-	-	-	7,551,695
Total Liabilities	8,577,856	277,097	-	-	8,854,953
NET ASSETS					
Investment in Capital Assets - Net					
of Related Debt	20,797,026	(233,869)	-	-	20,563,157
Restricted - Debt Service	210,000	-	-	350,000	560,000
Unrestricted	1,586,765	233,869	-	-	1,820,634
Total Net Assets	22,593,791	-	-	350,000	22,943,791

CITY OF BATAVIA, ILLINOIS

Sewerage - Enterprise Fund

**Schedule of Revenues, Expenses and Changes in
Net Assets - Budget and Actual
Year Ended December 31, 2009**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Operating Revenues			
Charges for Services	\$ 3,791,767	3,791,767	3,753,931
Operating Expenses			
Administration	729,955	729,955	727,357
Operations	2,000,044	1,995,044	1,827,882
Depreciation	-	-	1,328,700
Total Operating Expenses	2,729,999	2,724,999	3,883,939
Operating Income (Loss)	1,061,768	1,066,768	(130,008)
Nonoperating Revenues (Expenses)			
Connection Fees	15,000	15,000	23,759
Interest Income	40,000	40,000	24,925
Interest and Fiscal Charges	(261,577)	(261,577)	(254,200)
	(206,577)	(206,577)	(205,516)
Income (Loss) Before Contributions	855,191	860,191	(335,524)
Capital Contributions	-	-	278,108
Change in Net Assets	855,191	860,191	(57,416)
Net Assets - Beginning			23,001,207
Net Assets - Ending			22,943,791

CITY OF BATAVIA, ILLINOIS

Sewerage - Enterprise Fund

**Schedule of Operating Expenses - Budget and Actual - Continued
Year Ended December 31, 2009**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Administration			
General Expenses			
General Liability Insurance	\$ 52,000	52,000	47,567
Workers' Compensation Premium	25,000	25,000	25,000
Bad Debt Expense	5,000	5,000	6,835
General Support	508,098	508,098	508,098
Electric Support - Metering	139,857	139,857	139,857
Total Administration	729,955	729,955	727,357
Operations			
Waste Water Treatment			
Regular Wages	555,620	555,620	541,446
Overtime	94,389	94,389	79,061
Part Time Help	3,840	3,840	-
Group Insurance	128,644	128,644	125,501
IMRF - City Portion	68,056	68,056	62,235
Social Security	50,019	50,019	45,497
Membership	350	350	120
Training	2,856	2,856	1,955
Resource Materials	500	500	124
Travel	150	150	9
Office Supplies	750	750	837
Lab Supplies	4,250	4,250	4,153
Gasoline	14,250	14,250	6,719
Regulatory Fees	15,500	15,500	15,500
Telephone	21,500	21,500	25,324
Clothing Allowance	3,500	3,500	2,478
Chemicals	28,500	28,500	29,271
Utilities	499,913	499,913	461,252
Safety Supplies	1,800	1,800	377
General Supplies	7,500	7,500	3,797
Landfill Fees	102,620	102,620	84,900
Repairs and Maintenance - Vehicle	3,500	3,500	1,478

CITY OF BATAVIA, ILLINOIS

Sewerage - Enterprise Fund

**Schedule of Operating Expenses - Budget and Actual - Continued
Year Ended December 31, 2009**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Operations - Continued			
Waste Water Treatment - Continued			
Repairs and Maintenance - Building	\$ 51,500	51,500	5,818
Repairs and Maintenance - Other Equipment	112,000	112,000	106,628
Contract Labor	18,800	18,800	15,375
	<u>1,790,307</u>	<u>1,790,307</u>	<u>1,619,855</u>
Sanitary Sewer Maintenance			
Regular Wages	72,800	72,800	105,018
Overtime	15,800	15,800	5,841
Group Insurance	21,883	21,883	24,136
IMRF - City Portion	9,276	9,276	10,886
Social Security	6,778	6,778	7,958
Training	500	500	30
Materials	3,000	3,000	5,482
Gasoline	2,500	2,500	1,931
Clothing Allowance	1,000	1,000	563
General Supplies	1,000	1,000	258
Repairs and Maintenance - Vehicle	1,000	1,000	830
Repairs and Maintenance - Other Equipment	5,000	5,000	3,671
Contract Labor	25,000	45,000	27,526
Engineering Fees	40,000	15,000	12,495
Julie System	1,200	1,200	1,268
Other Equipment	3,000	3,000	134
	<u>209,737</u>	<u>204,737</u>	<u>208,027</u>

CITY OF BATAVIA, ILLINOIS

Sewerage - Enterprise Fund

Schedule of Operating Expenses - Budget and Actual - Continued
Year Ended December 31, 2009

	Budgeted Amounts		Actual Amounts
	Original	Final	
Operations - Continued			
Sewer Improvements			
Contract Labor	\$ 630,000	630,000	-
Engineering Fees	67,000	67,000	-
Vehicles	36,000	36,000	-
Land Acquisition	10,000	10,000	-
	<u>743,000</u>	<u>743,000</u>	-
Less Nonoperating Items			
Capital Assets Capitalized	<u>(743,000)</u>	<u>(743,000)</u>	-
	-	-	-
Total Operations	<u>2,000,044</u>	<u>1,995,044</u>	<u>1,827,882</u>

CITY OF BATAVIA, ILLINOIS

Sewerage - Enterprise Fund

**Schedule of Changes in Net Assets - Restricted - Debt Service
Year Ended December 31, 2009**

	Operations and Maintenance	Bond and Interest	Bond Reserve	Depreciation Repair and Replacement	Totals
Increases					
Interfund Transfers In	\$ -	1,361,580	-	-	1,361,580
Decreases					
Bond Principal	-	1,107,380	-	-	1,107,380
Bond Interest	-	254,200	-	-	254,200
	-	1,361,580	-	-	1,361,580
Net Increase	-	-	-	-	-
Account Balances					
January 1	210,000	-	-	350,000	560,000
December 31	210,000	-	-	350,000	560,000

CITY OF BATAVIA, ILLINOIS

Electric - Enterprise Fund

**Balance Sheet
December 31, 2009**

See Following Page

CITY OF BATAVIA, ILLINOIS

Electric - Enterprise Fund

**Balance Sheet
December 31, 2009**

	Operations and Maintenance	Restricted Accounts			Totals
		Bond and Interest	Bond Reserve	Depreciation Repair and Replacement	
ASSETS					
Current Assets					
Cash and Investments	\$ 7,884,430	-	-	-	7,884,430
Receivables					
Accounts	5,200,046	-	-	-	5,200,046
Accrued Interest	23,943	-	-	-	23,943
Prepays	42,353	-	-	-	42,353
Inventories	1,887,571	-	-	-	1,887,571
Restricted Cash and Investments	2,700,000	119,536	1,705,719	2,000,000	6,525,255
	<u>17,738,343</u>	<u>119,536</u>	<u>1,705,719</u>	<u>2,000,000</u>	<u>21,563,598</u>
Noncurrent Assets					
Capital Assets					
Nondepreciable	1,058,826	-	-	-	1,058,826
Depreciable	65,647,568	-	-	-	65,647,568
Accumulated Depreciation	(17,268,097)	-	-	-	(17,268,097)
Total Noncurrent Assets	<u>49,438,297</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>49,438,297</u>
Total Assets	<u>67,176,640</u>	<u>119,536</u>	<u>1,705,719</u>	<u>2,000,000</u>	<u>71,001,895</u>

	Operations and Maintenance	Restricted Accounts			Totals
		Bond and Interest	Bond Reserve	Depreciation Repair and Replacement	
LIABILITIES					
Current Liabilities					
Accounts Payable	\$ 2,532,857	-	-	-	2,532,857
Accrued Payroll	84,958	-	-	-	84,958
Deposits Payable	83,607	-	-	-	83,607
Restricted Liabilities					
Accrued Interest Payable	470,596	94,119	-	-	564,715
Revenue Bonds Payable	269,583	25,417	-	-	295,000
Total Current Liabilities	3,441,601	119,536	-	-	3,561,137
Noncurrent Liabilities					
Revenue Bonds Payable	26,290,000	-	-	-	26,290,000
Total Liabilities	29,731,601	119,536	-	-	29,851,137
NET ASSETS					
Investment in Capital Assets - Net					
of Related Debt	22,878,714	(25,417)	-	-	22,853,297
Restricted - Debt Service	2,700,000	-	1,705,719	2,000,000	6,405,719
Unrestricted	11,866,325	25,417	-	-	11,891,742
Total Net Assets	37,445,039	-	1,705,719	2,000,000	41,150,758

CITY OF BATAVIA, ILLINOIS

Electric - Enterprise Fund

**Schedule of Revenues, Expenses and Changes in
Net Assets - Budget and Actual
Year Ended December 31, 2009**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Operating Revenues			
Charges for Services	\$ 38,972,200	38,972,200	37,487,439
Operating Expenses			
Administration	2,395,109	2,395,109	2,399,954
Operations	32,428,697	32,443,697	32,611,605
Depreciation	-	-	2,104,543
Total Operating Expenses	34,823,806	34,838,806	37,116,102
Operating Income	4,148,394	4,133,394	371,337
Nonoperating Revenues (Expenses)			
Connection Fees	20,000	20,000	-
Interest Income	325,000	325,000	248,622
Disposal of Capital Assets	-	-	(26,417)
Interest and Fiscal Charges	(1,129,830)	(1,129,830)	(1,129,805)
	(784,830)	(784,830)	(907,600)
Change in Net Assets	3,363,564	3,348,564	(536,263)
Net Assets - Beginning			41,687,021
Net Assets - Ending			41,150,758

CITY OF BATAVIA, ILLINOIS

Electric - Enterprise Fund

**Schedule of Operating Expenses - Budget and Actual
Year Ended December 31, 2009**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Administration			
Meter Reader/Tester			
Regular Wages	\$ 263,600	263,600	279,409
Overtime	9,200	9,200	6,650
Part Time Help	77,650	77,650	77,726
Group Insurance	74,450	74,450	63,314
IMRF - City Portion	28,562	28,562	24,515
Social Security	26,809	26,809	23,868
Fuel for Vehicles	8,400	8,400	4,393
Telephone	2,100	2,100	1,801
Clothing Allowance	3,200	3,200	1,878
General Supplies	4,000	4,000	1,380
R & M - Vehicles	1,200	1,200	346
	<u>499,171</u>	<u>499,171</u>	<u>485,280</u>
General Expenses			
General Liability Insurance	85,000	85,000	72,419
Workers' Compensation Premium	300,000	300,000	300,000
General Support	775,766	775,766	775,766
Payments in Lieu of Taxes	700,172	700,172	700,172
Bad Debt Expense	35,000	35,000	66,317
	<u>1,895,938</u>	<u>1,895,938</u>	<u>1,914,674</u>
Total Administration	<u><u>2,395,109</u></u>	<u><u>2,395,109</u></u>	<u><u>2,399,954</u></u>
Operations			
Purchased Power			
Purchased Power	28,728,411	28,728,411	29,493,979
PJM Interconnection	-	-	(28,573)
State Utility Tax	1,394,682	1,394,682	1,275,740
	<u>30,123,093</u>	<u>30,123,093</u>	<u>30,741,146</u>

CITY OF BATAVIA, ILLINOIS

Electric - Enterprise Fund

**Schedule of Operating Expenses - Budget and Actual - Continued
Year Ended December 31, 2009**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Operations - Continued			
Electric Distribution			
Regular Wages	\$ 1,507,178	1,507,178	1,347,412
Overtime	173,952	173,952	121,109
Part Time Help	30,000	30,000	23,656
Group Insurance	265,658	265,658	247,206
IMRF - City Portion	176,014	176,014	145,064
Social Security	130,901	130,901	107,287
Meal Allowance	400	400	66
Memberships	26,100	26,100	23,361
Training and Seminars	25,000	25,000	11,421
Resource Materials	15,750	15,750	15,363
Postage and Shipping	1,500	1,500	1,077
Public Education	1,500	1,500	1,352
Office Supplies	7,000	7,000	5,638
Vehicle Supplies	13,000	13,000	12,496
Communication Supplies	5,000	5,000	3,284
Materials	7,500	7,500	8,462
Gasoline	18,400	18,400	12,155
Advertising	500	500	245
Telephone	19,000	19,000	17,643
Clothing Allowance	16,000	16,000	13,726
Food	1,000	1,000	859
Utilities	22,000	22,000	34,779
Safety Supplies	6,000	6,000	1,834
Substation Maintenance	12,000	12,000	16,828
Street Lights	30,000	30,000	19,691
General Supplies	85,000	85,000	45,237
Landfill Fees	4,000	4,000	812
Tree Trimming	125,000	125,000	118,259
Repairs and Maintenance - Vehicle	12,000	12,000	9,121
Repairs and Maintenance - Building	21,700	21,700	21,831
Repairs and Maintenance - Other Equipment	7,500	7,500	3,396
Contract Labor	157,500	172,500	89,683
Contract Labor - Forestry	10,000	10,000	15,911

CITY OF BATAVIA, ILLINOIS

Electric - Enterprise Fund

**Schedule of Operating Expenses - Budget and Actual - Continued
Year Ended December 31, 2009**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Operations - Continued			
Electric Distribution - Continued			
Engineering Fees	\$ 10,000	10,000	-
Julie System	1,750	1,750	1,268
Office Furniture	2,000	2,000	1,825
Other Equipment	30,000	30,000	15,641
Customer Transformers	-	-	27,660
	<u>2,977,803</u>	<u>2,992,803</u>	<u>2,542,658</u>
Less Nonoperating Items			
Capital Assets Capitalized	(672,199)	(672,199)	(672,199)
	<u>2,305,604</u>	<u>2,320,604</u>	<u>1,870,459</u>
Electric Improvements			
General Supplies	358,000	358,000	21,322
Electric Meters	45,000	45,000	18,877
Wire and Cable	679,500	679,500	55,678
Electric Poles	10,000	10,000	14,766
Non-Inventory Supplies	-	-	90
Contract Labor	1,105,000	1,105,000	206,045
Engineering Fees	20,000	20,000	-
Vehicles	220,000	220,000	215,450
Off-Site Utilities	370,000	370,000	391,511
Transformers	250,000	250,000	135,474
	<u>3,057,500</u>	<u>3,057,500</u>	<u>1,059,213</u>
Less Nonoperating Items			
Capital Assets Capitalized	(3,057,500)	(3,057,500)	(1,059,213)
	<u>-</u>	<u>-</u>	<u>-</u>
Total Operations	<u>32,428,697</u>	<u>32,443,697</u>	<u>32,611,605</u>

CITY OF BATAVIA, ILLINOIS

Electric - Enterprise Fund

**Schedule of Changes in Net Assets - Restricted - Debt Service
Year Ended December 31, 2009**

	Operations and Maintenance	Bond and Interest	Bond Reserve	Depreciation Repair and Replacement	Totals
Increases					
Interfund Transfers In	\$ -	1,139,405	-	-	1,139,405
Decreases					
Bond Interest	-	1,139,405	-	-	1,139,405
Net Increase	-	-	-	-	-
Account Balances					
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, 2009**

	Police Pension	Firefighters' Pension	Totals
Assets			
Cash and Cash Equivalents	\$ 1,244,264	508,074	1,752,338
Investments			
U.S. Government and Agency Securities	9,095,271	2,333,342	11,428,613
Insurance Company Contracts	-	3,119,689	3,119,689
Mutual Funds	2,911,834	1,598,915	4,510,749
Equities	5,062,731	-	5,062,731
Money Market Mutual Funds	-	438,483	438,483
Receivables			
Accrued Interest	51,771	7,972	59,743
Total Assets	18,365,871	8,006,475	26,372,346
Liabilities			
Accounts Payable	5,540	1,120	6,660
Net Assets			
Held in Trust for Pension Benefits (A schedule of funding progress is presented following the notes to the financial statements.)	18,360,331	8,005,355	26,365,686

CITY OF BATAVIA, ILLINOIS

Pension Trust Funds

**Combining Statement of Changes in Net Plan Assets
Year Ended December 31, 2009**

	Police Pension	Firefighters' Pension	Totals
Additions			
Contributions - Employer	\$ 949,429	594,921	1,544,350
Contributions - Plan Members	431,066	175,987	607,053
Total Contributions	1,380,495	770,908	2,151,403
Investment Income			
Interest Earned	575,324	90,494	665,818
Net Change in Fair Value	1,491,803	666,298	2,158,101
	2,067,127	756,792	2,823,919
Less Investment Expenses	(122,396)	(444)	(122,840)
Net Investment Income	1,944,731	756,348	2,701,079
Total Additions	3,325,226	1,527,256	4,852,482
Deductions			
Administration	32,759	20,860	53,619
Benefits and Refunds	735,395	369,169	1,104,564
Total Deductions	768,154	390,029	1,158,183
Change in Net Assets	2,557,072	1,137,227	3,694,299
Net Plan Assets Held in Trust for Pension Benefits			
Beginning	15,803,259	6,868,128	22,671,387
Ending	18,360,331	8,005,355	26,365,686

CITY OF BATAVIA, ILLINOIS

Agency Funds

**Combining Statement of Changes in Assets and Liabilities
Year Ended December 31, 2009**

	Balances January 1	Additions	Deductions	Balances December 31
All Funds				
ASSETS				
Cash and Investments	\$ 88,654	24,359	-	113,013
LIABILITIES				
Deposits Payable	87,985	5,965	-	93,950
Due to Bondholders	669	18,394	-	19,063
Total Liabilities	88,654	24,359	-	113,013

CITY OF BATAVIA, ILLINOIS

Agency Funds

**Combining Schedule of Changes in Assets and Liabilities
Year Ended December 31, 2009**

	Balances January 1	Additions	Deductions	Balances December 31
Special Service Area Fund				
ASSETS				
Cash and Investments	\$ 669	18,394	-	19,063
LIABILITIES				
Due to Bondholders	669	18,394	-	19,063
Escrow Deposit Fund				
ASSETS				
Cash and Investments	87,985	5,965	-	93,950
LIABILITIES				
Deposits Payable	87,985	5,965	-	93,950

SUPPLEMENTAL SECTION

CITY OF BATAVIA, ILLINOIS

Long-Term Debt Requirements

**General Obligation Refunding Bond Series of 2002A - General Portion
December 31, 2009**

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
2008	\$	3,639	3,639			2010	3,639
2009	102,225	3,732	105,957	2010	<u>1,866</u>	2011	<u>1,866</u>
	<u>102,225</u>	<u>7,371</u>	<u>109,596</u>		<u>1,866</u>		<u>5,505</u>

CITY OF BATAVIA, ILLINOIS

Long-Term Debt Requirements

**General Obligation Refunding Bond Series of 2002A - Water Portion
December 31, 2009**

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
2008	\$ 325,125	11,844	336,969			2010	11,844
2009	332,775	12,146	344,921	2010	<u>6,073</u>	2011	<u>6,073</u>
	<u>657,900</u>	<u>23,990</u>	<u>681,890</u>		<u>6,073</u>		<u>17,917</u>

CITY OF BATAVIA, ILLINOIS

Long-Term Debt Requirements

**General Obligation Bond Series of 2005
December 31, 2009**

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
2008	\$	42,781	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>1,715,000</u>	<u>784,907</u>	<u>2,499,907</u>		<u>371,063</u>		<u>413,844</u>

CITY OF BATAVIA, ILLINOIS

Long-Term Debt Requirements

**General Obligation Refunding Bond Series of 2009B
December 31, 2009**

Date of Issue	April 1, 2009
Date of Maturity	December 15, 2014
Authorized Issue	\$1,435,000
Denomination of Bonds	\$5,000
Interest Rates	2.50% to 3.50%
Interest Dates	June 15 and December 15
Principal Maturity Date	December 15
Payable at	U.S. Bank National Association

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy Year	Requirements			Interest Due on			
	Principal	Interest	Totals	June 15	Amount	Dec. 15	Amount
2010	\$ 270,000	42,563	312,563	2010	21,281	2010	21,282
2011	275,000	35,812	310,812	2011	17,906	2011	17,906
2012	285,000	28,250	313,250	2012	14,125	2012	14,125
2013	295,000	19,700	314,700	2013	9,850	2013	9,850
2014	310,000	10,850	320,850	2014	5,425	2014	5,425
	<u>1,435,000</u>	<u>137,175</u>	<u>1,572,175</u>		<u>68,587</u>		<u>68,588</u>

CITY OF BATAVIA, ILLINOIS

Long-Term Debt Requirements

Alternate Revenue Bond Series of 1995

December 31, 2009

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
2010	\$ 95,000	4,560	99,560	2010	2,280	2010	2,280

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, 2009

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
2010	\$ 30,000	1,710	31,710	2010	855	2010	855

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 2006

December 31, 2009

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
2009	\$ 370,000	367,768	737,768	2011	183,884	2011	183,884
2010	390,000	352,970	742,970	2012	176,485	2012	176,485
2011	405,000	336,394	741,394	2013	168,197	2013	168,197
2012	425,000	319,182	744,182	2014	159,591	2014	159,591
2013	445,000	301,118	746,118	2015	150,559	2015	150,559
2014	465,000	282,206	747,206	2016	141,103	2016	141,103
2015	490,000	262,444	752,444	2017	131,222	2017	131,222
2016	510,000	241,618	751,618	2018	120,809	2018	120,809
2017	535,000	219,944	754,944	2019	109,972	2019	109,972
2018	560,000	197,206	757,206	2020	98,603	2020	98,603
2019	590,000	173,406	763,406	2021	86,703	2021	86,703
2020	615,000	148,332	763,332	2022	74,166	2022	74,166
2021	645,000	122,194	767,194	2023	61,097	2023	61,097
2022	675,000	94,782	769,782	2024	47,391	2024	47,391
2023	710,000	65,250	775,250	2025	32,625	2025	32,625
2024	740,000	33,300	773,300	2026	16,650	2026	16,650
	<u>8,570,000</u>	<u>3,518,114</u>	<u>12,088,114</u>		<u>1,759,057</u>		<u>1,759,057</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 2009A

December 31, 2009

Date of Issue	April 1, 2009
Date of Maturity	December 1, 2013
Authorized Issue	\$855,000
Denomination of Bonds	\$5,000
Interest Rates	2.50% to 3.00%
Interest Dates	December 1 and June 1
Principal Maturity Date	December 1
Payable at	U.S. Bank National Association

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements			Interest Due on			
	Principal	Interest	Totals	June 1	Amount	Dec. 1	Amount
2010	\$ 205,000	24,100	229,100	2010	12,050	2010	12,050
2011	210,000	18,975	228,975	2011	9,487	2011	9,488
2012	215,000	13,200	228,200	2012	6,600	2012	6,600
2013	225,000	6,750	231,750	2013	3,375	2013	3,375
	<u>855,000</u>	<u>63,025</u>	<u>918,025</u>		<u>31,512</u>		<u>31,513</u>

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

CITY OF BATAVIA, ILLINOIS

Long-Term Debt Requirements

IEPA Sewer Revenue Bond Series of 1989

December 31, 2009

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

<u>Fiscal Year</u>	<u>Requirements</u>		<u>Totals</u>
	<u>Principal</u>	<u>Interest</u>	
2010	<u>\$ 87,050</u>	<u>2,452</u>	<u>89,502</u>

CITY OF BATAVIA, ILLINOIS

Long-Term Debt Requirements

**IEPA Sewer Revenue Bond Series of 1990
December 31, 2009**

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

<u>Fiscal Year</u>	<u>Requirements</u>		<u>Totals</u>
	<u>Principal</u>	<u>Interest</u>	
2010	\$ 457,908	39,748	497,656
2011	475,218	22,538	497,756
2012	244,303	4,575	248,878
	<u>1,177,429</u>	<u>66,861</u>	<u>1,244,290</u>

CITY OF BATAVIA, ILLINOIS

Long-Term Debt Requirements

IEPA Sewer Revenue Bond Series of 1999

December 31, 2009

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 November 1
Principal Maturity Date	May
Payable at	Illinois Environmental Protection Agency

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements		Totals
	Principal	Interest	
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	22,475	282	22,757
	<u>606,407</u>	<u>86,790</u>	<u>693,197</u>

CITY OF BATAVIA, ILLINOIS

Long-Term Debt Requirements

**IEPA Sewer Revenue Bond Series of 1999A
December 31, 2009**

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	
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	701,294	13,361	714,655
	<u>6,822,893</u>	<u>1,038,312</u>	<u>7,861,205</u>

CITY OF BATAVIA, ILLINOIS

Long-Term Debt Requirements

IEPA Water Revenue Bond Series of 2004

December 31, 2009

Date of Issue	June 25, 2004
Date of Maturity	November 1, 2024
Authorized Issue	\$6,221,144
Interest Rates	2.50%
Interest Dates	May 1 and November 1
Principal Maturity Date	November 1
Payable at	Illinois Environmental Protection Agency

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements		Totals
	Principal	Interest	
2010	\$ 283,810	125,613	409,423
2011	290,949	118,474	409,423
2012	298,269	111,155	409,424
2013	305,772	103,651	409,423
2014	313,465	95,959	409,424
2015	321,350	88,074	409,424
2016	329,434	79,990	409,424
2017	337,721	71,702	409,423
2018	346,217	63,207	409,424
2019	354,926	54,497	409,423
2020	363,854	45,568	409,422
2021	373,008	36,415	409,423
2022	382,391	27,032	409,423
2023	392,011	17,413	409,424
2024	401,872	7,550	409,422
	5,095,049	1,046,300	6,141,349

CITY OF BATAVIA, ILLINOIS

Long-Term Debt Requirements

**IEPA Water Revenue Bond Series of 2004
December 31, 2009**

Date of Issue	April 26, 2004
Date of Maturity	November 1, 2024
Authorized Issue	\$3,219,875
Interest Rates	2.50%
Interest Dates	May 1 and November 1
Principal Maturity Date	November 1
Payable at	Illinois Environmental Protection Agency

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements		Totals
	Principal	Interest	
2010	\$ 145,656	64,467	210,123
2011	149,320	60,803	210,123
2012	153,076	57,046	210,122
2013	156,927	53,195	210,122
2014	160,875	49,248	210,123
2015	164,922	45,201	210,123
2016	169,070	41,052	210,122
2017	173,323	36,799	210,122
2018	177,684	32,438	210,122
2019	182,154	27,969	210,123
2020	186,735	23,386	210,121
2021	191,433	18,689	210,122
2022	196,249	13,873	210,122
2023	201,186	8,936	210,122
2024	206,247	3,875	210,122
	<u>2,614,857</u>	<u>536,977</u>	<u>3,151,834</u>

CITY OF BATAVIA, ILLINOIS

Long-Term Debt Requirements

**IEPA Water Revenue Bond Series of 2005
December 31, 2009**

Date of Issue	September 20, 2004
Date of Maturity	November 1, 2024
Authorized Issue	\$493,099
Interest Rates	2.50%
Interest Dates	May 1 and November 1
Principal Maturity Date	November 1
Payable at	Illinois Environmental Protection Agency

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements		Totals
	Principal	Interest	
2010	\$ 22,650	10,025	32,675
2011	23,220	9,455	32,675
2012	23,804	8,871	32,675
2013	24,403	8,272	32,675
2014	25,017	7,658	32,675
2015	25,646	7,029	32,675
2016	26,291	6,384	32,675
2017	26,953	5,722	32,675
2018	27,631	5,044	32,675
2019	28,326	4,349	32,675
2020	29,038	3,637	32,675
2021	29,769	2,907	32,676
2022	30,518	2,157	32,675
2023	31,286	1,390	32,676
2024	32,073	603	32,676
	<u>406,625</u>	<u>83,503</u>	<u>490,128</u>

CITY OF BATAVIA, ILLINOIS

Long-Term Debt Requirements

**IEPA Water Revenue Bond Series of 2006
December 31, 2009**

Date of Issue	September 15, 2005
Date of Maturity	September 26, 2026
Authorized Issue	\$2,941,668
Interest Rates	2.50%
Interest Dates	March 26 and September 26
Principal Maturity Date	September 26
Payable at	Illinois Environmental Protection Agency

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements		Totals
	Principal	Interest	
2010	\$ 126,065	65,061	191,126
2011	129,237	61,890	191,127
2012	132,488	58,639	191,127
2013	135,821	55,306	191,127
2014	139,237	51,889	191,126
2015	142,740	48,387	191,127
2016	146,331	44,795	191,126
2017	150,012	41,114	191,126
2018	153,787	37,341	191,128
2019	157,655	33,472	191,127
2020	161,621	29,506	191,127
2021	165,687	25,441	191,128
2022	169,855	21,273	191,128
2023	174,128	16,999	191,127
2024	178,508	12,619	191,127
2025	182,999	8,128	191,127
2026	187,602	3,525	191,127
	2,633,773	615,385	3,249,158

CITY OF BATAVIA, ILLINOIS

Long-Term Debt Requirements

IEPA Water Revenue Bond Series of 2006

December 31, 2009

Date of Issue	August 29, 2005
Date of Maturity	September 26, 2026
Authorized Issue	\$1,519,805
Interest Rates	2.50%
Interest Dates	March 26 and September 26
Principal Maturity Date	September 26
Payable at	Illinois Environmental Protection Agency

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements		Totals
	Principal	Interest	
2010	\$ 65,328	33,715	99,043
2011	66,970	32,072	99,042
2012	68,656	30,387	99,043
2013	70,383	28,659	99,042
2014	72,153	26,889	99,042
2015	73,968	25,074	99,042
2016	75,829	23,213	99,042
2017	77,737	21,305	99,042
2018	79,693	19,350	99,043
2019	81,697	17,345	99,042
2020	83,752	15,290	99,042
2021	85,859	13,183	99,042
2022	88,019	11,023	99,042
2023	90,233	8,809	99,042
2024	92,502	6,539	99,041
2025	94,830	4,213	99,043
2026	97,215	1,827	99,042
	<u>1,364,824</u>	<u>318,893</u>	<u>1,683,717</u>

CITY OF BATAVIA, ILLINOIS

Long-Term Debt Requirements

**Revenue Bond Series of 2006 - Electric
December 31, 2009**

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
2010	\$ 295,000	564,715	859,715			2010	564,715
2011	305,000	1,119,106	1,424,106	2010	559,553	2011	559,553
2012	315,000	1,108,430	1,423,430	2011	554,215	2012	554,215
2013	605,000	1,097,406	1,702,406	2012	548,703	2013	548,703
2014	630,000	1,073,206	1,703,206	2013	536,603	2014	536,603
2015	655,000	1,048,006	1,703,006	2014	524,003	2015	524,003
2016	680,000	1,021,806	1,701,806	2015	510,903	2016	510,903
2017	710,000	994,606	1,704,606	2016	497,303	2017	497,303
2018	735,000	966,206	1,701,206	2017	483,103	2018	483,103
2019	765,000	936,806	1,701,806	2018	468,403	2019	468,403
2020	795,000	906,206	1,701,206	2019	453,103	2020	453,103
2021	830,000	874,406	1,704,406	2020	437,203	2021	437,203
2022	865,000	840,376	1,705,376	2021	420,188	2022	420,188
2023	900,000	804,694	1,704,694	2022	402,347	2023	402,347
2024	935,000	766,894	1,701,894	2023	383,447	2024	383,447
2025	975,000	727,156	1,702,156	2024	363,578	2025	363,578
2026	1,020,000	685,718	1,705,718	2025	342,859	2026	342,859
2027	1,060,000	642,368	1,702,368	2026	321,184	2027	321,184
2028	1,105,000	597,318	1,702,318	2027	298,659	2028	298,659
2029	1,155,000	550,356	1,705,356	2028	275,178	2029	275,178
2030	1,205,000	499,826	1,704,826	2029	249,913	2030	249,913
2031	1,255,000	447,106	1,702,106	2030	223,553	2031	223,553
2032	1,310,000	392,200	1,702,200	2031	196,100	2032	196,100
2033	1,370,000	334,888	1,704,888	2032	167,444	2033	167,444
2034	1,430,000	274,950	1,704,950	2033	137,475	2034	137,475
2035	1,490,000	210,600	1,700,600	2034	105,300	2035	105,300
2036	1,560,000	143,550	1,703,550	2035	71,775	2036	71,775
2037	1,630,000	73,338	1,703,338	2036	36,675	2037	36,663
	<u>26,585,000</u>	<u>19,702,243</u>	<u>46,287,243</u>		<u>9,568,770</u>		<u>10,133,473</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 City's overall financial health.

Financial Trends

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

Revenue Capacity

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

Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City'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 City's financial activities take place.

Operating Information

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

CITY OF BATAVIA, ILLINOIS

**Net Assets by Component
December 31, 2009 (Unaudited)**

See Following Page

CITY OF BATAVIA, ILLINOIS

Net Assets by Component - Last Seven Fiscal Years*
December 31, 2009 (Unaudited)

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

* Accrual Basis of Accounting

Note: The City implemented GASB No. 34 for fiscal year 2003.

2004	2005	2006	2007	2008	2009
53,435,734	54,007,767	56,436,503	58,043,517	59,368,474	59,211,061
1,706,428	2,655,489	2,725,514	4,144,776	3,898,823	4,849,006
7,533,840	8,057,531	10,891,346	12,519,599	11,929,557	12,411,040
62,676,002	64,720,787	70,053,363	74,707,892	75,196,854	76,471,107
55,901,461	55,546,192	52,291,412	57,578,542	58,492,879	59,128,513
560,000	560,000	6,965,719	6,965,719	6,965,719	6,965,719
15,857,580	17,924,403	17,858,940	16,722,298	17,353,828	16,820,949
72,319,041	74,030,595	77,116,071	81,266,559	82,812,426	82,915,181
109,337,195	109,553,959	108,727,915	115,622,059	117,861,353	118,339,574
2,266,428	3,215,489	9,691,233	11,110,495	10,864,542	11,814,725
23,391,420	25,981,934	28,750,286	29,241,897	29,283,385	29,231,989
134,995,043	138,751,382	147,169,434	155,974,451	158,009,280	159,386,288

CITY OF BATAVIA, ILLINOIS

Changes in Net Assets - Last Seven Fiscal Years*
December 31, 2009 (Unaudited)

	2003	2004	2005	2006	2007	2008	2009
Expenses							
Governmental Activities							
General Government	\$ 5,500,138	5,106,748	6,386,249	6,584,012	6,451,060	8,146,104	5,962,374
Public Safety	8,698,103	9,702,403	10,121,222	10,402,997	12,215,741	12,121,625	12,301,852
Highways and Streets	4,846,756	5,236,687	5,067,474	5,582,728	6,183,985	6,260,339	5,734,078
Interest on Long-Term Debt	323,873	287,526	298,690	753,633	684,256	645,989	616,057
Total Governmental Activities Expenses	19,368,870	20,333,364	21,873,635	23,323,370	25,535,042	27,174,057	24,614,361
Business-Type Activities							
Waterworks	2,457,911	2,930,784	3,627,668	3,966,794	4,254,129	4,396,820	4,138,840
Sewerage	3,729,470	3,873,299	4,241,377	4,203,810	4,470,801	4,208,916	4,138,139
Electric	22,343,757	22,414,600	26,519,599	26,008,557	31,961,842	34,045,301	38,272,324
Total Business-Type Activities Expenses	28,531,138	29,218,683	34,388,644	34,179,161	40,686,772	42,651,037	46,549,303
Total Primary Government Expenses	47,900,008	49,552,047	56,262,279	57,502,531	66,221,814	69,825,094	71,163,664
Program Revenues							
Governmental Activities							
Charges for Services							
General Government	3,835,249	4,167,069	5,339,196	4,656,976	4,049,006	3,764,086	3,854,860
Public Safety	134,874	166,104	262,939	262,228	221,761	171,223	226,208
Operating Grants/Contributions	198,322	230,637	190,320	194,000	238,000	234,567	241,750
Capital Grants/Contributions	893,624	3,563,277	951,987	2,069,115	1,875,829	1,008,624	686,975
Total Governmental Activities Program Revenues	5,062,069	8,127,087	6,744,442	7,182,319	6,384,596	5,178,500	5,009,793
Business-Type Activities							
Charges for Services							
Waterworks	2,585,426	3,504,389	4,398,278	4,364,265	4,445,495	4,087,625	4,064,180
Sewerage	3,911,638	3,843,013	3,811,702	3,652,958	3,642,300	3,691,018	3,753,931
Electric	23,485,602	24,096,264	26,610,687	27,914,884	35,121,078	35,665,614	37,487,439
Operating Grants/Contributions	262,365	249,062	237,926	109,591	20,297	18,727	26,549
Capital Grants/Contributions	1,469,876	721,438	911,002	469,848	-	139,164	1,033,442
Total Business-Type Program Revenues	31,714,907	32,414,166	35,969,595	36,511,546	43,229,170	43,602,148	46,365,541
Total Primary Government Program Revenues	36,776,976	40,541,253	42,714,037	43,693,865	49,613,766	48,780,648	51,375,334

Net (Expense) Revenue							
Governmental Activities	\$ (14,306,801)	(12,206,277)	(15,129,193)	(16,141,051)	(19,150,446)	(21,995,557)	(19,604,568)
Business-Type Activities	3,183,769	3,195,483	1,580,951	2,332,385	2,542,398	951,111	(183,762)
Total Primary Government Net Revenue (Expense)	(11,123,032)	(9,010,794)	(13,548,242)	(13,808,666)	(16,608,048)	(21,044,446)	(19,788,330)
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	6,767,017	7,116,278
Sales Taxes	4,758,157	4,971,878	5,195,982	7,464,511	7,636,826	7,087,893	6,035,687
Utility Taxes	2,559,210	2,682,374	2,587,486	2,844,460	3,081,641	3,300,786	3,134,179
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	2,759,628	2,363,790
Replacement Tax	113,188	126,698	172,496	186,896	221,048	215,708	186,191
Other	112,128	154,143	59,322	68,180	455,311	89,736	164,237
Interest Income	122,250	156,581	346,860	1,057,465	1,042,689	427,370	127,908
Miscellaneous	787,093	571,039	1,235,041	1,449,075	2,186,492	1,815,544	1,729,656
Transfers	68,083	68,718	69,912	40,075	20,501	20,837	20,895
Total Governmental Activities	14,853,264	15,903,049	17,173,978	21,473,627	23,704,975	22,484,519	20,878,821
Business-Type Activities							
Interest Income	313,872	314,392	433,992	793,166	1,628,591	615,593	307,412
Transfers	(68,083)	(68,718)	(69,912)	(40,075)	(20,501)	(20,837)	(20,895)
Total Business-Type Activities	245,789	245,674	364,080	753,091	1,608,090	594,756	286,517
Total Primary Government	15,099,053	16,148,723	17,538,058	22,226,718	25,313,065	23,079,275	21,165,338
Changes in Net Assets							
Governmental Activities	546,463	3,696,772	2,044,785	5,332,576	4,554,529	488,962	1,274,253
Business-Type Activities	3,429,558	3,441,157	1,945,031	3,085,476	4,150,488	1,545,867	102,755
Total Primary Government	3,976,021	7,137,929	3,989,816	8,418,052	8,705,017	2,034,829	1,377,008

* Accrual Basis of Accounting

Note: The City implemented GASB No. 34 for fiscal year 2003.

CITY OF BATAVIA, ILLINOIS

**Fund Balances of Governmental Funds - Last Ten Fiscal Years*
December 31, 2009 (Unaudited)**

	<u>2000</u>	<u>2001</u>	<u>2002</u>
General Fund			
Reserved	\$ 518,088	34,682	1,584,553
Unreserved	<u>3,306,378</u>	<u>3,985,599</u>	<u>4,882,632</u>
Total General Fund	<u><u>3,824,466</u></u>	<u><u>4,020,281</u></u>	<u><u>6,467,185</u></u>
All Other Governmental Funds			
Reserved	35,947	28,079	262,964
Unreserved, Reported in			
Special Revenue Funds	871,847	1,541,020	-
Debt Service Funds	347,688	277,674	-
Capital Projects Funds	<u>1,961,804</u>	<u>2,376,263</u>	<u>1,075,296</u>
Total All Other Governmental Funds	<u><u>3,217,286</u></u>	<u><u>4,223,036</u></u>	<u><u>1,338,260</u></u>

* Modified Accrual Basis of Accounting

2003	2004	2005	2006	2007	2008	2009
1,546,180	1,544,849	1,564,244	1,375,615	1,568,044	1,838,047	2,120,755
8,543,602	7,190,782	5,631,610	11,075,495	12,698,479	12,103,289	12,643,938
10,089,782	8,735,631	7,195,854	12,451,110	14,266,523	13,941,336	14,764,693
695,102	417,649	305,936	978,700	861,307	856,905	1,299,247
-	-	-	-	-	-	-
-	-	-	-	-	-	-
2,652,526	1,008,364	1,215,887	11,173,375	1,915,394	1,446,175	1,654,563
3,347,628	1,426,013	1,521,823	12,152,075	2,776,701	2,303,080	2,953,810

CITY OF BATAVIA, ILLINOIS

**Changes in Fund Balances for Governmental Funds - Last Ten Fiscal Years*
December 31, 2009 (Unaudited)**

	2000	2001	2002
Revenues			
Taxes	\$ 9,413,587	10,229,158	11,024,227
Intergovernmental	3,428,265	3,428,855	3,151,540
Licenses and Permits	484,027	381,566	423,468
Charges for Services	866,522	2,624,394	2,458,993
Fines and Forfeitures	99,411	91,969	154,448
Interest Income	236,336	157,852	114,233
Miscellaneous	608,414	494,822	481,682
Total Revenues	15,136,562	17,408,616	17,808,591
Expenditures			
General Government	3,614,324	4,662,094	4,813,740
Public Safety	6,283,340	6,823,868	7,141,702
Highways and Streets	2,463,940	2,061,059	2,706,443
Miscellaneous	564,046	703,264	757,380
Capital Outlay	918,357	677,797	2,714,079
Debt Service			
Principal Retirement	730,000	960,000	1,197,450
Interest and Fiscal Charges	434,564	408,869	408,723
Total Expenditures	15,008,571	16,296,951	19,739,517
Excess of Revenues Over (Under) Expenditures	127,991	1,111,665	(1,930,926)
Other Financing Sources (Uses)			
Debt Issuance	295,000	-	2,217,025
Debt Issuance Premium	-	-	-
Payment to Escrow Agent	-	-	(944,629)
Transfers In	824,276	979,839	621,178
Transfers Out	(744,576)	(889,939)	(522,491)
	374,700	89,900	1,371,083
Net Change in Fund Balances	502,691	1,201,565	(559,843)
Debt Service as a Percentage of Noncapital Expenditures	8.27%	8.76%	9.43%

* Modified Accrual Basis of Accounting

2003	2004	2005	2006	2007	2008	2009
11,962,692	12,959,293	13,100,557	16,271,042	17,188,480	17,155,696	16,286,144
3,005,092	3,392,332	3,563,915	4,919,085	5,380,642	4,308,263	3,642,943
556,332	546,906	504,569	481,697	380,021	263,420	196,493
3,278,917	3,620,163	4,834,627	4,175,279	3,668,985	3,500,666	3,658,367
134,874	166,104	262,939	262,228	221,761	171,223	226,208
122,250	156,581	346,860	1,057,465	1,042,689	427,370	127,908
787,093	571,039	1,235,041	1,449,075	2,186,492	1,815,544	1,729,656
19,847,250	21,412,418	23,848,508	28,615,871	30,069,070	27,642,182	25,867,719
5,497,117	4,896,245	6,294,992	6,485,812	6,374,376	8,036,700	5,853,071
8,552,323	9,562,783	10,028,916	10,569,945	12,067,288	11,949,809	12,112,891
3,381,952	3,662,442	4,177,690	4,838,314	4,447,607	4,621,617	4,073,379
-	-	-	-	-	-	-
596,870	737,453	1,096,306	3,497,877	13,003,125	2,169,844	645,666
806,575	881,275	883,325	1,304,300	1,071,650	1,036,350	659,875
330,571	296,971	261,425	793,923	685,486	647,507	573,480
19,165,408	20,037,169	22,742,654	27,490,171	37,649,532	28,461,827	23,918,362
681,842	1,375,249	1,105,854	1,125,700	(7,580,462)	(819,645)	1,949,357
-	-	2,000,000	10,000,000	-	-	2,290,000
-	-	100,000	-	-	-	-
-	-	-	-	-	-	(2,786,165)
731,558	665,243	665,925	1,831,980	3,866,520	2,905,770	2,340,580
(663,475)	(596,525)	(596,013)	(1,791,905)	(3,846,019)	(2,884,933)	(2,319,685)
68,083	68,718	2,169,912	10,040,075	20,501	20,837	(475,270)
749,925	1,443,967	3,275,766	11,165,775	(7,559,961)	(798,808)	1,474,087
6.12%	6.10%	5.29%	9.25%	6.98%	6.33%	5.59%

CITY OF BATAVIA, ILLINOIS

**Equalized Assessed Value and Actual Value of Taxable Property - Last Ten Fiscal Years
December 31, 2009 (Unaudited)**

Fiscal Year	Residential Property	Farm Property	Commercial Property
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
2008	805,260,627	5,356,121	131,481,073
2009	798,427,508	4,763,870	126,663,434

Data Source: Office of the County Assessor

Industrial Property	Total	Railroad	Total Assessed Value	Total Direct Tax Rate
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
164,271,286	1,106,369,107	109,180	1,106,478,287	0.5417
161,149,228	1,091,004,040	132,011	1,091,136,051	0.5490

CITY OF BATAVIA, ILLINOIS

**Direct and Overlapping Property Tax Rates - Last Ten Fiscal Years*
December 31, 2009 (Unaudited)**

	<u>2000</u>	<u>2001</u>	<u>2002</u>
Direct City Rate			
City of Batavia	0.7079	0.6740	0.6547
Overlapping Rates			
Kane County	0.4772	0.4677	0.4529
Kane County Forest Preserve District	0.1985	0.1634	0.1520
Batavia Township	0.1099	0.1034	0.0981
Batavia Township Road District	0.0621	0.0572	0.0517
Batavia Park District	0.4339	0.4266	0.4380
Batavia Library District	0.2712	0.1482	0.1484
Batavia Library 1998 Bond District	0.0000	0.0657	0.0618
Batavia Library 1999 Bond District	0.0000	0.0471	0.0422
School District #101	4.6536	4.4264	4.3276
Community College District #516	0.4358	0.4295	0.4131
Total Direct and Overlapping Tax Rate	<u>7.3501</u>	<u>7.0092</u>	<u>6.8405</u>

* Rates are per \$100 of Assessed Value

Data Source: Office of the County Clerk

N/A - This information is not available.

2003	2004	2005	2006	2007	2008	2009
0.6210	0.6236	0.5531	0.5747	0.5550	0.5417	0.5490
0.4292	0.3578	0.3467	0.3367	0.3451	0.3321	0.3397
0.1395	0.1270	0.1432	0.1904	0.1747	0.1974	0.1997
0.0924	0.0873	0.0840	0.0808	0.0792	0.0770	0.0781
0.0464	0.0438	0.0421	0.0405	0.0397	0.0386	0.0392
0.4139	0.4458	0.4506	0.4226	0.4410	0.4389	0.4185
0.2340	0.2533	0.2826	0.2850	0.2868	0.2611	0.2667
0.0546	0.0480	0.0427	0.0406	0.0390	0.0349	0.0125
0.0412	0.0396	0.0372	0.0330	0.0297	0.0487	0.0497
4.2412	4.3072	4.6508	4.7369	4.6989	4.6989	4.6986
0.4043	0.4134	0.4099	0.3933	0.3984	0.3950	0.4042
6.7177	6.7468	7.0429	7.1346	7.0874	7.0644	7.0559

CITY OF BATAVIA, ILLINOIS

**Principal Property Tax Payers - Current Year and Nine Years Ago
December 31, 2009 (Unaudited)**

Taxpayer	2009			2000		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City 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>5.63%</u>	<u>30,431,885</u>		<u>6.81%</u>

Data Source: Office of the County Clerk

CITY OF BATAVIA, ILLINOIS

**Property Tax Levies and Collections - Last Ten Fiscal Years
December 31, 2009 (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
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%
2008	5,777,695	N/A	N/A	N/A	5,827,347	100.86%
2009	5,945,945	N/A	N/A	N/A	6,099,935	102.59%

Data Source: Office of the County Clerk

N/A - Currently Not Available

CITY OF BATAVIA, ILLINOIS

**Ratios of Outstanding Debt By Type - Last Ten Fiscal Years
December 31, 2009 (Unaudited)**

Fiscal Year Ended Dec. 31	Governmental Activities			
	General Obligation Bonds	Alternate Revenue Bonds	Installment Contracts	Tax Increment Financing Bonds
2000	\$ 4,695,000	\$ 3,440,000	\$ 295,000	\$ 336,000
2001	4,280,000	3,210,000	236,000	80,000
2002	4,297,025	2,970,000	1,050,000	80,000
2003	3,850,575	2,745,000	800,000	-
2004	3,399,000	2,460,000	550,000	-
2005	4,839,400	2,185,000	300,000	-
2006	14,080,100	1,890,000	50,000	-
2007	4,103,450	10,845,000	-	-
2008	3,692,100	10,220,000	-	-
2009	3,252,225	9,550,000	-	-

Note: Details regarding the City'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.

Business-Type Activities		Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
General Obligation Bonds	Revenue Bonds			
\$ 3,850,000	\$ 14,457,202	\$ 27,073,202	4.08%	\$ 1,134
3,590,000	16,707,789	28,103,789	4.24%	1,178
3,437,975	15,795,507	27,630,507	4.17%	1,158
2,601,000	14,854,523	24,851,098	3.58%	995
2,092,275	17,757,947	26,259,222	3.78%	1,051
1,560,600	21,661,447	30,546,447	4.40%	1,223
1,269,900	52,230,425	69,520,425	10.02%	2,783
1,269,900	50,958,778	67,177,128	9.68%	2,689
971,550	49,414,003	64,297,653	9.27%	2,574
657,900	47,393,907	60,854,032	8.77%	2,436

CITY OF BATAVIA, ILLINOIS

**Ratios of General Bonded Debt Outstanding - Last Ten Fiscal Years
December 31, 2009 (Unaudited)**

Fiscal Year	Gross General Obligation Bonds	Debt Payable from Other Sources	Net General Obligation Bonds	Percentage of Actual Taxable Value of Property (1)	Per Capita (2)
2000	\$ 4,695,000	\$ 383,635	\$ 4,311,365	0.833%	\$ 181
2001	4,280,000	305,753	3,974,247	0.701%	167
2002	4,297,025	262,964	4,034,061	0.645%	169
2003	3,850,575	194,501	3,656,074	0.531%	146
2004	3,399,000	309,419	3,089,581	0.402%	124
2005	4,839,400	500,298	4,339,102	0.514%	174
2006	14,080,100	863,351	13,216,749	1.421%	529
2007	4,103,450	740,727	3,362,723	0.332%	135
2008	3,692,100	733,665	2,958,435	0.267%	118
2009	3,252,225	1,173,288	2,078,937	0.191%	83

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, 2009 (Unaudited)**

Governmental Unit	Debt Outstanding	Percentage of Debt Applicable to City	City's Share of Debt
City of Batavia	\$ 12,802,225	100.00%	\$ 12,802,225
Overlapping Debt			
School District #101	112,320,000	80.50%	90,417,600
School District #304	186,165,535	7.82%	14,558,145
Community College District #516	78,920,796	10.76%	8,491,878
Kane County	82,045,000	7.21%	5,915,445
Kane County Forest Preserve District	260,115,866	7.21%	18,754,354
Batavia Park District	9,519,780	79.51%	7,569,177
Batavia Library 1998 Bond District	3,425,000	84.55%	2,895,838
Batavia Library 1999 Bond District	2,700,000	84.55%	2,282,850
Geneva Park District	27,229,510	14.84%	4,040,859
Subtotal Overlapping Debt	762,441,487		154,926,145
Total Direct and Overlapping Debt	775,243,712		167,728,370

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, 2009 (Unaudited)**

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
Equalized Assessed Value	<u>\$ 517,329,864</u>	<u>566,883,171</u>	<u>625,780,956</u>	<u>688,491,771</u>
Legal Debt Limit				
8.625% of Equalized Assessed Value	44,619,701	48,893,673	53,973,607	59,382,415
Amount of Debt Applicable to Limit	<u>8,545,000</u>	<u>7,870,000</u>	<u>7,755,000</u>	<u>6,145,000</u>
Legal Debt Margin	<u>36,074,701</u>	<u>41,023,673</u>	<u>46,218,607</u>	<u>53,237,415</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	<u>19.15%</u>	<u>16.10%</u>	<u>14.37%</u>	<u>10.35%</u>

2004	2005	2006	2007	2008	2009
768,761,177	844,222,085	930,114,032	1,013,801,886	1,079,650,885	1,120,737,093
66,305,652	72,814,155	80,222,335	87,440,413	93,119,889	96,663,574
5,290,000	6,400,000	5,769,900	5,075,000	4,461,550	3,807,900
61,015,652	66,414,155	74,452,435	82,365,413	88,658,339	92,855,674
7.98%	8.79%	7.19%	5.80%	4.79%	3.94%

CITY OF BATAVIA, ILLINOIS

**Pledged-Revenue Coverage - Last Ten Fiscal Years
December 31, 2009 (Unaudited)**

Waterworks Revenue Bonds						
Fiscal Year	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Principal	Interest	Coverage
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
2008	4,087,625	3,030,622	1,057,003	864,991	358,109	0.86
2009	4,064,180	2,796,824	1,267,356	941,364	338,710	0.99

Sewerage Revenue Bonds						
Fiscal Year	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Principal	Interest	Coverage
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
2008	3,691,018	2,594,942	1,096,076	1,073,767	288,051	0.80
2009	3,753,931	2,555,239	1,198,692	1,107,380	254,200	0.88

Electric Revenue Bonds						
Fiscal Year	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Principal	Interest	Coverage
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
2008	35,665,614	31,721,268	3,944,346	-	1,139,405	3.46
2009	37,487,439	35,011,559	2,475,880	285,000	1,129,805	1.75

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, 2009 (Unaudited)**

Fiscal Year	Population	Personal Income	Per Capita Personal Income	Unemployment Rate
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	3.30%
2007	24,978	693,963,774	27,783	3.80%
2008	24,978	693,963,774	27,783	5.10%
2009	24,978	693,963,774	27,783	8.50%

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, 2009 (Unaudited)**

Employer	2009			2000		
	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%
Power Packaging	250	5	2.06%			
Sealy Mattress Company	250	6	2.06%	200	7	2.27%
VWR International	225	7	1.85%			
Aldi	200	8	1.65%	200	6	2.27%
Waste Management	200	9	1.65%	200	8	2.27%
DuKane Contract Services	160	10	1.32%			
Siemens-Furnas Controls				500	2	5.68%
Unit School District #101				400	5	4.55%
Infilco Degremont				180	9	2.05%
Total	4,460		36.73%	4,880		55.47%

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, 2009 (Unaudited)**

See Following Page

CITY OF BATAVIA, ILLINOIS

**Full-Time Equivalent City Government Employees by Function - Last Ten Fiscal Years
December 31, 2009 (Unaudited)**

	2000	2001	2002
General Government			
Administration	9	7	9
Finance	10	10	10
Building and Zoning	11	10	11
Public Safety			
Police			
Officers	42	42	42
Civilians	5	5	6
Fire			
Firefighters and Officers	19	19	23
Civilians	1	1	1
Highways and Streets	24	24	22
Waterworks	14	14	14
Sewerage	8	8	8
Electric	18	19	19
Total	161	159	165

Data Source: Various City Departments

2003	2004	2005	2006	2007	2008	2009
9	7	10	9	9	9	9
9	10	8	8	8	7	8
12	12	11	13	14	12	13
45	45	45	45	45	44	43
5	5	5	5	6	6	4
23	23	23	23	23	23	23
1	1	1	1	1	1	1
23	23	23	24	25	24	20
14	16	10	11	11	11	11
8	8	8	8	8	8	7
19	19	22	22	23	23	20
168	169	166	169	173	168	159

CITY OF BATAVIA, ILLINOIS

**Operating Indicators by Function/Program - Last Ten Fiscal Years
December 31, 2009 (Unaudited)**

	2000	2001	2002
General Government			
Tobacco Licenses	24	23	26
Liquor Licenses	29	32	35
Public Safety			
Police			
Part I Crimes	766	706	640
Part II Crimes	1,918	2,112	2,061
Parking Violations	2,108	2,140	2,318
Traffic Violations	1,940	2,035	2,936
Fire			
Emergency Responses	2,736	2,790	2,773
Fires Extinguished	100	114	110
Inspections	600	555	560
Highways and Streets			
Parkway Trees Planted	154	241	318
Leaves Collected (Cubic Yards)	9,288	9,796	10,692
Street Resurfacing (Miles)	4	4	4
Waterworks			
Number of Metered Accounts	8,249	8,363	8,539
Number of Hydrants Flushed/Inspected	1,460	1,480	1,500
New Connections	333	114	176
Water Average Daily Consumption (Millions of Gallons)	2,985	3,035	3,293
Sewerage			
Number of Metered Accounts	7,978	8,201	8,373
Average Daily Sewage Treatment (Millions of Gallons)	2,959	2,976	3,384
Electric			
Number of Metered Accounts	9,685	9,795	10,032
MW Hours Sold	325,233	339,866	362,654

Data Source: Various City Departments

2003	2004	2005	2006	2007	2008	2009
22	21	25	25	24	27	27
34	34	38	43	40	39	38
683	668	624	638	687	701	708
2,215	1,919	1,779	2,005	1,608	2,018	2,359
2,659	2,458	2,955	2,467	2,143	1,928	3,583
2,464	3,530	4,016	4,718	3,473	2,162	4,327
2,863	3,039	2,935	3,146	3,242	3,378	3,139
131	129	147	112	115	125	80
538	572	553	595	605	800	946
405	445	424	433	243	189	182
9,015	7,974	8,595	7,594	8,115	9,557	9,898
3	4	5	5	5	5	5
8,763	8,979	9,067	9,177	9,228	9,244	9,235
1,520	1,540	1,560	1,580	1,600	1,615	1,625
224	186	118	110	51	3	6
3,095	2,993	3,221	2,989	3,010	3,000	3,000
8,515	8,767	8,899	9,001	9,201	9,218	9,149
3,005	3,269	2,967	3,703	3,335	3,900	3,700
9,162	9,345	9,385	9,456	9,458	10,801	10,764
364,785	380,630	409,951	417,738	427,247	416,339	400,319

CITY OF BATAVIA, ILLINOIS

**Capital Asset Statistics by Function/Program - Last Ten Fiscal Years
December 31, 2009 (Unaudited)**

	2000	2001	2002
Public Safety			
Police			
Stations	1	1	1
Area Patrols	1	1	1
Patrol Units	12	14	14
Fire			
Fire Stations	2	2	2
Fire Engines	6	6	6
Public Works			
Urban Street Miles	94	96	98
Rural Street Miles	7	7	7
Total Street Miles	101	103	105
Waterworks			
Water Mains (Miles)	103	105	108
Fire Hydrants	1,350	1,400	1,450
Sewerage			
Sanitary Sewers (Miles)	114	116	118
Storm Sewers (Miles)	96	98	100
Electric			
Over Head (Percentage)	39.0%	40.0%	40.0%
Substations	6	6	6

Data Source: Various City Departments

2003	2004	2005	2006	2007	2008	2009
1	1	1	1	1	1	1
1	1	1	1	1	1	1
14	14	14	13	13	13	14
2	2	2	2	2	2	2
6	6	6	6	6	6	6
101	103	105	106	106	106	106
7	7	7	7	7	7	7
108	110	112	113	113	113	113
110	112	113	116	116	116	116
1,500	1,550	1,600	1,600	1,600	1,600	1,600
120	120	122	124	126	126	126
103	105	107	108	108	108	108
41.0%	42.0%	43.0%	43.0%	45.0%	45.0%	45.0%
6	6	5	5	5	5	5