

**CITY OF
BATAVIA, ILLINOIS**

**COMPREHENSIVE
ANNUAL
FINANCIAL REPORT**



**FOR THE FISCAL
YEAR ENDED
DECEMBER 31, 2010**

CITY OF BATAVIA, ILLINOIS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR
ENDED DECEMBER 31, 2010

Prepared By:
Finance Department

CITY OF BATAVIA, ILLINOIS

TABLE OF CONTENTS

	PAGE
<u>INTRODUCTORY SECTION</u>	
List of Principal Officials	i
Organizational Chart.....	ii
Letter of Transmittal	iii - vii
Certificate of Achievement for Excellence in Financial Reporting.....	viii
<u>FINANCIAL SECTION</u>	
INDEPENDENT AUDITORS' REPORT	1 - 2
MANAGEMENT'S DISCUSSION AND ANALYSIS	MD&A 1 - 15
BASIC FINANCIAL STATEMENTS	
Government-Wide Financial Statements	
Statement of Net Assets.....	3 - 4
Statement of Activities	5 - 6
Fund Financial Statements	
Balance Sheet – Governmental Funds	7 - 8
Reconciliation of Total Governmental Fund Balance to the Statement of Net Assets - Governmental Activities	9
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	10 - 11
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities – Governmental Activities	12
Statement of Net Assets – Proprietary Fund.....	13 - 14
Statement of Revenues, Expenses and Changes in Net Assets – Proprietary Funds.....	15
Statement of Cash Flows – Proprietary Funds	16
Statement of Net Assets – Fiduciary Funds.....	17
Statement of Changes in Net Assets – Fiduciary Funds.....	18
Notes to the Financial Statements.....	19 - 56
REQUIRED SUPPLEMENTARY INFORMATION	
Illinois Municipal Retirement Fund – Schedule of Funding Progress and Employer Contributions.....	57
Police Pension Fund – Schedule of Funding Progress and Employer Contributions.....	58
Firefighters' Pension Fund – Schedule of Funding Progress and Employer Contributions.....	59

CITY OF BATAVIA, ILLINOIS

TABLE OF CONTENTS

PAGE

FINANCIAL SECTION - Continued

REQUIRED SUPPLEMENTARY INFORMATION – Continued

Other Post-Employment Benefit Plan – Schedule of Funding Progress
and Employer Contributions60

General Fund - Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual 61

OTHER SUPPLEMENTARY INFORMATION

General Fund – Schedule of Revenues – Budget and Actual 62 - 63

General Fund – Schedule of Expenditures – Budget and Actual64

General Fund – Schedule of Detailed Expenditures – Budget and Actual 65 - 76

Debt Service Fund – Schedule of Revenues, Expenditures and
Changes in Fund Balance – Budget and Actual77

Debt Service Fund – Schedule of Expenditures – Budget and Actual 78

Infrastructure – Capital Projects Fund – Schedule of
Revenues, Expenditures and Changes in Fund Balance – Budget and Actual 79

Infrastructure – Capital Projects Fund – Schedule of Expenditures – Budget and Actual80

Capital Projects Fund – Schedule of Revenues, Expenditures and
Changes in Fund Balance – Budget and Actual 81

Perpetual Care Cemetery – Permanent Fund – Schedule of
Revenues, Expenditures and Changes in Fund Balance – Budget and Actual 82

Waterworks – Enterprise Fund - Schedule of Revenues, Expenses and
Changes in Net Assets – Budget and Actual83

Waterworks – Enterprise Fund – Schedule of Operating Expenses - Budget and Actual 84 - 86

Sewerage – Enterprise Fund – Balance Sheet 87 - 88

Sewerage – Enterprise Fund – Schedule of Revenues, Expenses and
Changes in Net Assets – Budget and Actual 89

Sewerage – Enterprise Fund – Schedule of Operating Expenses – Budget and Actual 90 - 91

Sewerage – Enterprise Fund – Schedule of Changes in
Net Assets– Restricted – Debt Service 92

Electric – Enterprise Fund – Balance Sheet 93 - 94

Electric – Enterprise Fund – Schedule of Revenues, Expenses and
Changes in Net Assets – Budget and Actual 95

Electric – Enterprise Fund – Schedule of Operating Expenses – Budget and Actual 96 - 98

Electric – Enterprise Fund – Schedule of Changes in
Net Assets – Restricted – Debt Service99

Pension Trust Funds – Combining Statement of Net Plan Assets100

Pension Trust Funds – Combining Statement of Changes in Net Plan Assets 101

Agency Funds – Combining Statement of Changes in Assets and Liabilities 102 - 103

CITY OF BATAVIA, ILLINOIS

TABLE OF CONTENTS

	PAGE
SUPPLEMENTAL SCHEDULES	
Long-Term Debt Requirements	
General Obligation Refunding Bond Series of 2002A – Water Portion	104
General Obligation Bond Series of 2005	105
General Obligation Refunding Bond Series of 2009B	106
Alternate Revenue Bond Series of 2006	107
Alternate Revenue Bond Series of 2009A	108
IEPA Sewer Revenue Bond Series of 1990	109
IEPA Sewer Revenue Bond Series of 1999	110
IEPA Sewer Revenue Bond Series of 1999A	111
IEPA Water Revenue Bond Series of 2004	112
IEPA Water Revenue Bond Series of 2004	113
IEPA Water Revenue Bond Series of 2005	114
IEPA Water Revenue Bond Series of 2006	115
IEPA Water Revenue Bond Series of 2006	116
Revenue Source Bond Series of 2006 - Electric	117

STATISTICAL SECTION (Unaudited)

Net Assets by Component – Last Seven Fiscal Years	118 - 119
Changes in Net Assets – Last Seven Fiscal Years	120 - 121
Fund Balances of Governmental Funds – Last Ten Fiscal Years	122 - 123
Changes in Fund Balances for Governmental Funds – Last Ten Fiscal Years	124 - 125
Equalized Assessed Value and Actual Value of Taxable Property – Last Ten Fiscal Years	126 - 127
Direct and Overlapping Property Tax Rates – Last Ten Fiscal Years	128 - 129
Principal Property Tax Payers – Current Year and Nine Years Ago	130
Property Tax Levies and Collections – Last Ten Fiscal Years	131
Ratios of Outstanding Debt by Type – Last Ten Fiscal Years	132 - 133
Ratios of General Bonded Debt Outstanding – Last Ten Fiscal Years	134
Schedule of Direct and Overlapping Governmental Activities Debt	135
Legal Debt Margin – Last Ten Fiscal Years	136 - 137
Pledged Revenue Coverage – Last Ten Fiscal Years	138
Demographic and Economic Statistics – Last Ten Fiscal Years	139
Principal Employers – Current Year and Nine Years Ago	140
Full-time Equivalent City Government Employees by Function – Last Ten Fiscal Years	141 - 142
Operating Indicators by Function/Program – Last Ten Fiscal Years	143 - 144
Capital Assets Statistics by Function/Program – Last Ten Fiscal Years	145 - 146

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

Dan Chanzit

Janet Jungles

Thomas L. Schmitz

James T. Volk

Eldon Frydendall

Lucy Thelin-Atac

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

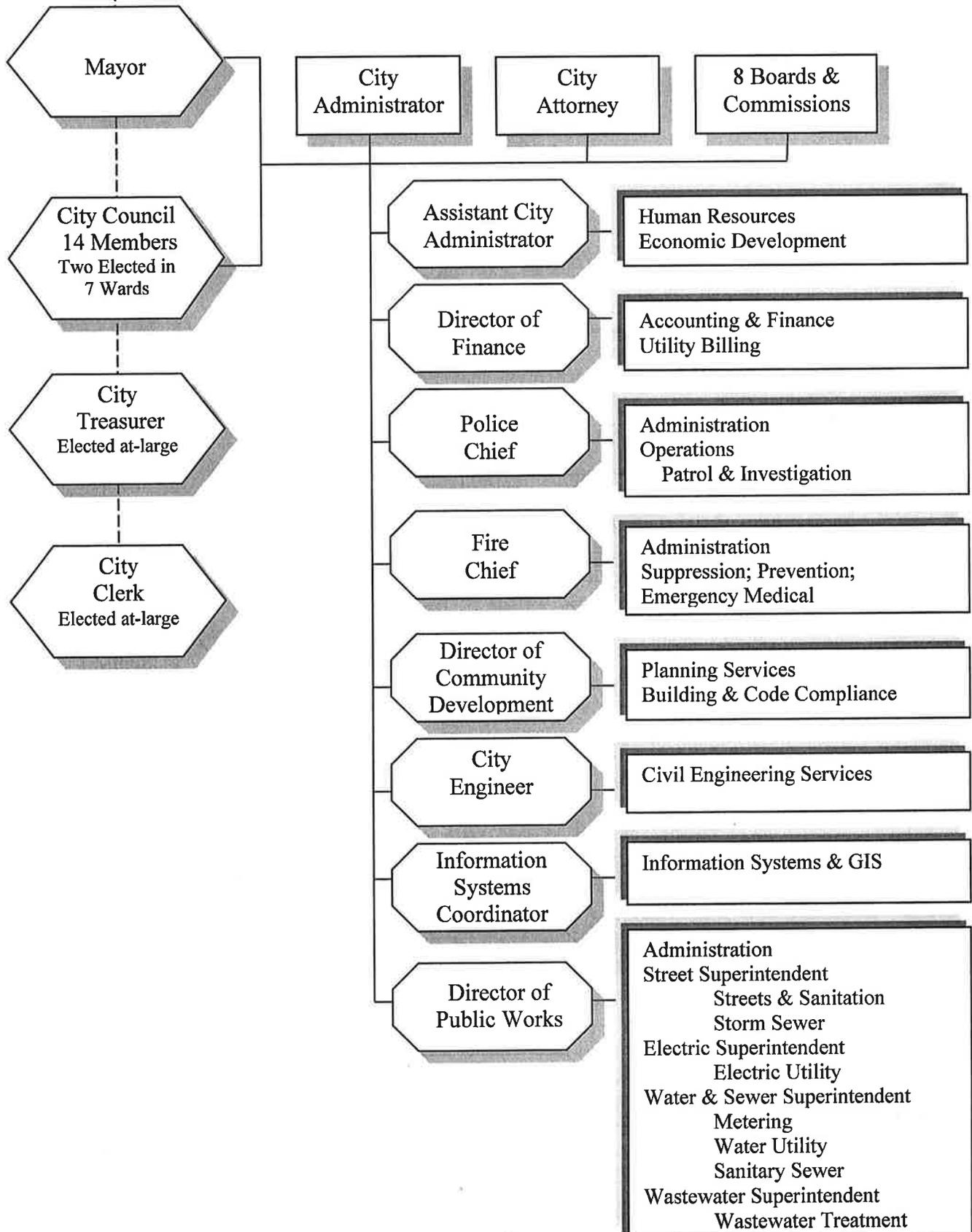
John Noble, City Attorney

*** As of December 31, 2010.**

CITY OF BATAVIA, ILLINOIS

Organizational Chart

Citizens of Batavia





CITY OF BATAVIA

JEFFERY D. SCHIELKE
Mayor

May 31, 2011

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, 2010 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.

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, 2010, 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, 2010, 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 2010 Census was 26,045 and is a home rule community. 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 a 7% annual average growth rate in taxable valuation over the last ten years factoring in a slight decline in value the last two 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.

The annual budget serves as the foundation for the City's financial planning and control. Budget Law governs the City of Batavia's budgetary operations as provided for in the Illinois Compiled Statutes. The budget is administered by the Director of Finance under the appointed title of Budget Officer. Budget Law does not require appropriations to be passed but rather an annual budget must be adopted prior to the year the funds will be expended. The City of Batavia's fiscal year begins January 1. All departments of the City are required to submit their budget requests 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 prior to adoption. A Capital Improvements Plan beyond the current budget year 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.

Local Economy

The City remains in a favorable financial position for 2010, with sufficient fund balances available for general operations, with an increase to fund balance of \$2.5 million and an increase of 3.7% over the prior year. The City had a 14% drop in sales tax revenues in 2009. Receipts for 2010 came in 3% over 2009 demonstrating a slight increase for our local economy in 2010. Conversely, income taxes dropped by 3% in 2010, reflecting slightly lower income for Illinois coinciding with an unemployment level of 10.3%, the highest level since 1983. Batavia saw lower levels of unemployment with an annual average of 8.4%. It is expected that unemployment will improve overall in 2011.

Property tax revenues increased less than 1% over 2009 collections with a tax levy just slightly higher than the prior year. The City took several proactive steps in 2009 and 2010 in anticipation and reaction to reduced revenues. The City had budgeted to utilize reserves in 2010 but it was unnecessary as expenditures ended under budget due to some employee vacancies.

Major Initiatives

City management continued to work on the implementation of a Financial Sustainability Project that began at the end of 2008 during the 2009 budget process. All departments completed a task review to establish a baseline of possible task reassignment or elimination of positions through attrition. At the end of 2010, the City has eliminated or not filled 26 positions. The focus in 2010 was evaluating service levels provided with fewer staff and determining the best means to meet citizen needs with reduced revenues.

The year 2010 did not see a lot of residential new construction activity with only six single-family home permits issued. However, general repair and modification permits saw an increase as well as commercial and industrial permits issued. The total construction value was nearly four times the value conducted in 2009. Revenues increased substantially due to the industrial permits with revenues being \$250,000 over 2009 receipts.

Major initiatives for the year 2010 included the following:

- **Braeburn Marsh** - Drainage improvements were necessary in a marsh area on the City's northwest side to reduce flooding to area homes. The project was 90% complete at the end of 2010.

- **Mooseheart** – City staff have been working with officials from Moose International regarding the possible annexation of 470 acres for residential and commercial development on the City’s southwest side. It is expected that if the property is annexed that it will be a long-term development over many years.
- **Streetscape** – Preliminary work began on a Comprehensive Downtown Streetscape Master Plan. Preliminary ideas include changes to sidewalks and curb alignments, locations for potential gateway features, concepts for lighting and other street furniture pieces incorporating common design elements throughout the downtown. Funding for the project will be through grants and TIF revenues.
- **Implemented a Market Based Electric Rate** - City staff worked to secure a new large power customer for the electric utility. The location of the manufacturer required several upgrades that the company shared costs in completing in 2010. The City also adopted a new rate that will allow the company to obtain market based power rates.
- **Redevelopment Agreements** – The City entered into three redevelopment agreements in 2010 that will provide improvements to buildings within the City’s TIF districts. Loans and grants were made as part of the agreements.
- **Micro Loan Program** – In September 2010, the Batavia City Council approved a Micro Loan Program to assist businesses seeking small loans at below market interest rates. The program is a subsidiary of the city’s existing Revolving Loan Fund (RLF) program that is funded by the State of Illinois through the Department of Commerce and Economic Opportunity (DCEO).

Future Initiatives

For 2011, the City will continue work on Financial Sustainability, which will include further review and prioritization of plans for infrastructure and capital improvements. Capital projects included in the 2011 budget were:

- Completion of drainage improvements for Braeburn Marsh.
- Finalize the Streetscape Master Plan and begin implementation.
- Continued work on reconstruction the Deerpath Bridge.
- Provide funding to assist local businesses through the Micro Loan Program.
- Overhead Distribution Rebuilds in the Electric Utility.
- Rehabilitation of the Carriage Crest Lift Station.

Should the TIF projects for streetscape move ahead as expected, the City will issue TIF revenue bonds in 2011 to fund the project. The Deerpath Bridge is 80% funded by federal BRRP funds. The Carriage Crest lift station is funded through ARRTA bonds issued by Kane County and all other capital projects will be funded on a pay-as-we go basis.

Financial Management Policies

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 Finance department does an annual review of internal control policies. A more thorough review of the City's inventory control procedures was done in 2010. Changes included automating more of the inventory processes.

Although, the City has always had internal policies for fund balance, plans are for the City Council to adopt a formal policy in 2011 to comply with new required standards as outlined in the Governmental Accounting Standards Board Statement 54. The policy will provide guidelines to City Officials to promote continued financial strength and stability.

Other Information

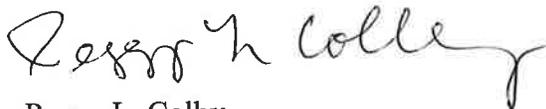
Awards – The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report for the fiscal year ended December 31, 2009. The Certificate of Achievement 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

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, 2009

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.



President

Executive Director

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

INDEPENDENT AUDITORS' REPORT

May 13, 2011

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information for the City of Batavia, Illinois as of and for the year ended December 31, 2010, which collectively comprise the City of Batavia's basic financial statements as listed in the accompanying table of contents. These financial statements are the responsibility of the City of Batavia, Illinois' management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the 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 financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Batavia, Illinois as of December 31, 2010, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards general accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purposes of forming opinions on the financial statements that collectively comprise the City of Batavia, Illinois' financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.



LAUTERBACH & AMEN, LLP

MANAGEMENT'S DISCUSSION AND ANALYSIS

CITY OF BATAVIA, ILLINOIS

Management's Discussion and Analysis December 31, 2010

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, 2010. 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 2010 were \$168.8 million, an increase of \$9.4 million. Governmental activities net assets were \$81.4 million with \$13.3 million available to meet ongoing obligations and \$6.4 restricted for capital and other projects. Net assets of business-type activities were \$87.4 million of which \$19.0 million is available for operations.
- During the year, \$29.6 million in tax and other revenues was collected in the City's governmental funds resulting in a surplus of \$4.9 million over the \$24.7 million in expenditures.
- Operating revenues for business-type activities were \$47.7 million while operating expenses were \$43.1 million resulting in income of \$4.5 million after accounting for non-operating revenues and debt payments totaling \$0.1 million.
- The total cost of all programs was \$24.7 million for governmental activities and \$45.2 for business-type activities. No new programs were added this year.
- The General Fund reported a surplus this year of \$1.6 million as a result of modest increases across most revenues including a new revenue for leaf & brush collection.
- The City of Batavia's total debt decreased by \$3.6 million, with total debt outstanding of \$57.3 million. A decrease of \$1.1 million was for governmental activities for total debt outstanding of \$11.7 million. The balance of the decrease of \$2.5 million reduced the balance of debt for business-type activities to \$45.6 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, 2010

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, 2010

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, 2010

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 - 56 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 57 - 61 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 2010, the assets of the City of Batavia exceeded liabilities by \$168.8 million.

The City of Batavia's investment in capital assets net of debt used to acquire capital assets reflects 72.9% 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 8.0% of net assets. The remaining 19.1%, or \$32.3 million, represents unrestricted net assets and may be used to meet the government's ongoing obligations to citizens and creditors. Unrestricted net assets in 2009 were \$29.2 million thus ending the year 2010 with an increase of \$3.1 million.

Net assets of the City of Batavia's governmental activities for 2010 were \$81.4 million. Unrestricted net assets, the part of net assets that can be used to finance day-to-day operations without constraints were \$13.3 million at the end this year. Restricted net assets for governmental activities increased to \$6.4 million, from \$4.9 million in the prior year.

CITY OF BATAVIA, ILLINOIS

Management's Discussion and Analysis December 31, 2010

Government-Wide Financial Analysis – Continued

Net assets of business-type activities for 2010 were \$87.4 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 \$19.0 million at the end of 2010. 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	
	2010	2009	2010	2009	2010	2009
Current and Other Assets	\$ 28.5	25.8	29.0	27.3	57.5	53.1
Capital Assets	73.3	72.0	107.0	107.2	180.3	179.2
Total Assets	101.8	97.8	136.0	134.5	237.8	232.3
Long-Term Debt Outstanding	(11.2)	(12.1)	(43.2)	(45.7)	(54.4)	(57.8)
Other Liabilities	(9.2)	(9.2)	(5.4)	(5.9)	(14.6)	(15.1)
Total Liabilities	(20.4)	(21.3)	(48.6)	(51.6)	(69.0)	(72.9)
Net Assets						
Invested in Capital Assets, Net of Debt	61.7	59.2	61.4	59.1	123.1	118.3
Restricted	6.4	4.9	7.0	7.0	13.4	11.9
Unrestricted	13.3	12.4	19.0	16.8	32.3	29.2
Total Net Assets	81.4	76.5	87.4	82.9	168.8	159.4

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

The City of Batavia's governmental funds had an increase in net assets of \$4.9 million in 2010 compared to \$1.3 million in 2009. The increase was a result of capital contributions of streets and vacant land. Business-type activities increased \$4.5 million compared to \$0.1 million the prior year, as a result of lower purchased power contracts, reduced spending overall and significant revenue from a cost sharing project with a new customer.

CITY OF BATAVIA, ILLINOIS

**Management's Discussion and Analysis
December 31, 2010**

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	
	2010	2009	2010	2009	2010	2009
Revenues						
Program Revenues						
Charges for Services	\$ 4.2	4.1	47.7	45.3	51.9	49.4
Operating Grants/Contributions	0.3	0.2	-	-	0.3	0.2
Capital Grants/Contributions	3.6	0.7	1.8	1.0	5.4	1.7
General Revenues						
Property Taxes	7.2	7.1	-	-	7.2	7.1
Sales Taxes	6.2	6.1	-	-	6.2	6.1
Utility Taxes	3.2	3.1	-	-	3.2	3.1
Intergovernmental	2.7	2.7	-	-	2.7	2.7
Interest	0.1	0.1	0.2	0.3	0.3	0.4
Other General Revenues	2.1	1.8	-	-	2.1	1.8
Total Revenues	29.6	25.9	49.7	46.6	79.3	72.5
Expenses						
General Government	6.3	6.0	-	-	6.3	6.0
Public Safety	12.7	12.3	-	-	12.7	12.3
Highways and Streets	5.2	5.7	-	-	5.2	5.7
Interest on Long-Term Debt	0.5	0.6	-	-	0.5	0.6
Waterworks	-	-	3.8	4.1	3.8	4.1
Sewerage	-	-	3.8	4.1	3.8	4.1
Electric	-	-	37.6	38.3	37.6	38.3
Total Expenses	24.7	24.6	45.2	46.5	69.9	71.1
Increase in Net Assets Before Transfers	4.9	1.3	4.5	0.1	9.4	1.4
Transfers	-	-	-	-	-	-
Increase in Net Assets	4.9	1.3	4.5	0.1	9.4	1.4
Net Assets - Beginning	76.5	75.2	82.9	82.8	159.4	158.0
Net Assets - Ending	81.4	76.5	87.4	82.9	168.8	159.4

CITY OF BATAVIA, ILLINOIS

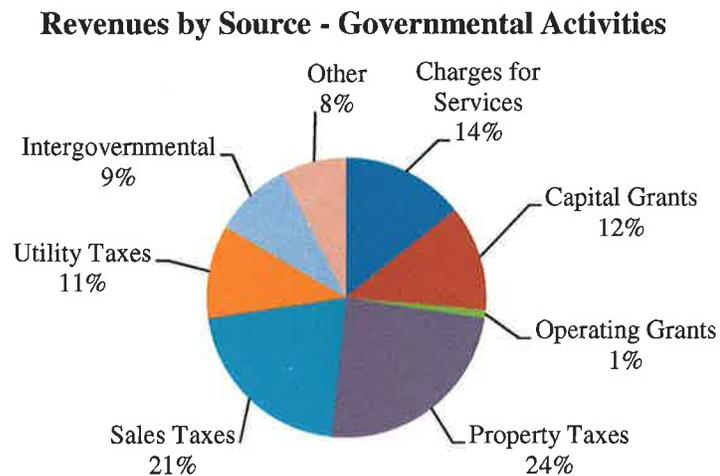
Management's Discussion and Analysis December 31, 2010

Government-Wide Financial Analysis – Continued

Governmental Activities

The 2010 revenues for governmental activities were \$29.6 million, while total program expenses were \$24.7 million. Total revenues for governmental activities for 2010 were \$3.7 million more than 2009 revenues of \$25.9 million and program expenses for 2010 were \$0.1 million more than 2009 program expenses of \$24.6 million.

The difference in revenues of \$3.7 million is mainly attributable to capital contributions for a land parcel and streets constructed by developers in prior years and now accepted by the City Council. The following chart depicts the major revenue sources of the City of Batavia.



Sales taxes declined significantly in 2009 but rebounded some in 2010 with a 3% increase. 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.

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 of the City's population. However, even with new taxing authority, the City Council has chosen to keep the tax levy the same as if we were under the tax cap to minimize the taxing burden on the community during a down economy.

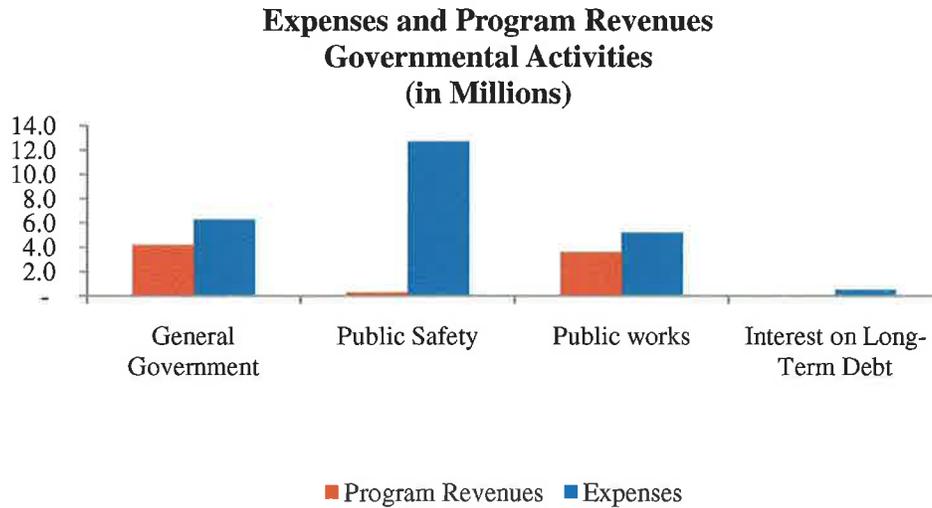
The City Council, however, did choose to implement a new revenue source in 2010, choosing to charge a small fee to offset the costs of the City's leaf and brush program. The new fee added \$269,000 to revenues in 2010. Building permits also added \$250,000 in additional revenue due to permits issued for some of the City's industrial park customers. Receipts for most other categories remained level or increased slightly.

CITY OF BATAVIA, ILLINOIS

**Management's Discussion and Analysis
December 31, 2010**

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 expenditures are heavily reliant on general revenues, which can be impacted by the economy, management is acutely mindful during the budget process to ensure the necessity of all expenditures. Also as in most cities, public safety represents the majority of expenditures at 50% followed by general government operations at 25%.

CITY OF BATAVIA, ILLINOIS

Management's Discussion and Analysis December 31, 2010

Government-Wide Financial Analysis – Continued

Business-Type Activities

Revenues for business-type activities were \$49.7 million and expenses were \$45.2 million.

- No new capital projects were undertaken by the City's water utility. The City's wastewater utility did preparatory research for the rehabilitation of one of its major lift stations. The utility was also able to secure funding through the County at the very end of the year. The rehabilitation will occur in 2011.
- 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 City obtains power through bilateral contracts and the daily market. At the end of 2010, 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. The utility also recently constructed two 138 kV substations to improve reliability.
- Capital improvements for the electric utility in 2010 included system extension to accommodate a new large power customer in our industrial park. The customer shared in the cost of the extension.

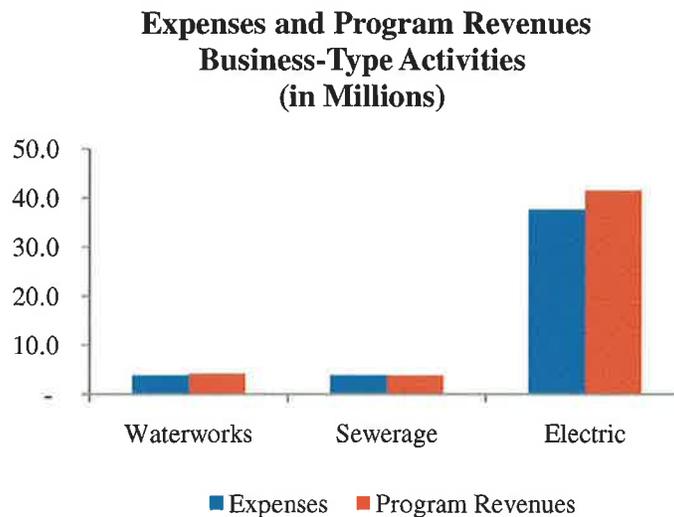
CITY OF BATAVIA, ILLINOIS

Management's Discussion and Analysis December 31, 2010

Government-Wide Financial Analysis – Continued

Business-Type activities – Continued

The graph compares program revenues to expenses for electric waterworks and sewerage operations. As evidenced, all three utilities met or exceeded operational expenses. The electric utility benefited from lower power contracts in the last half of 2010 and also from developer revenues for contribution to the system extension mentioned earlier. An internal review of the rate structure for water and sewer is planned for 2011. Water and wastewater met operating expenses because there were no pay-as-we go capital projects in 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 the rate reviews will be the impact to ratepayers and the comparability with surrounding utilities.



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.

CITY OF BATAVIA, ILLINOIS

Management's Discussion and Analysis December 31, 2010

Financial Analysis of the Government's Funds – Continued

Governmental Funds – Continued

- As of the end of the current fiscal year, the governmental funds reported combined ending fund balances of \$20.3 million, in contrast to last year's \$17.7 million.
- The General Fund portion of the Governmental Fund balances had an increase of \$1.6 million. The increase is attributable to a new revenue source implemented by the City Council in 2010 for leaf and brush collection, which added \$269,000 to revenues. Sales tax regained some momentum boosting revenues another \$188,000 and building permits related to commercial and industrial permits added another \$250,000 to revenues.
- On the expenditure side, there was a \$159,000 increase in costs, which represents an increase of less than 1%. Expenditures held the line as a result of pay cuts and furloughs. Expenditures were lower than the 2009 level if pay-as-we go capital projects and grant funded projects are removed. 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 three deep wells and three shallow wells at a 2010 rate of \$2.79 per hundred cubic feet. Water currently has \$11.5 million outstanding in IEPA loans for recent capital improvements and \$0.3 million in outstanding GO debt issued for the water fund. A rate structure is in place to ensure debt coverage. The sewer fund has \$7.6 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 will be needed to cover lagging revenues and expected capital improvements that will be required by the EPA.
- The electric utility issued \$26.9 million in revenue bonds in 2006 to construct two 138 kV substations and associated transmission lines. The City has also secured an interest in a coal power generation plant (Prairie State) in Southern Illinois for power needs in 2012 and beyond. The City and two other municipalities formed Northern Illinois Municipal Power Agency (NIMPA) in 2004 as a joint action intergovernmental agency for Prairie State and other projects. There was a sizeable debt issue in 2007 and again in 2009 and 2010 through NIMPA. The accounting and reporting for this transaction will be as purchased power contracts through NIMPA.

CITY OF BATAVIA, ILLINOIS

Management's Discussion and Analysis December 31, 2010

Financial Analysis of the Government's Funds – Continued

Proprietary Funds – Continued

- Net assets of the electric fund for 2010 were \$45.2 million compared to \$41.2 million at the beginning of the year. The increase is mainly due to lower operational costs related to lower purchased power contract prices and a significant cost-sharing project that provided a boost to revenues of \$1.8 million.
- Net assets for the waterworks fund were \$19.2 million compared to \$18.8 million as a result of reduced spending. The sewerage fund ended the year with \$23.0 million compared to the prior year balance of \$22.9 million. As mentioned above, a rate increase of 5% was done in 2009 to start building sewer reserves; however, net assets remained essentially unchanged, 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 change to the budget was to reduce expenditures for a traffic signal interconnection project that ended up receiving 100% funding after the budget was passed. The transfer of \$22,000 to the capital project fund was eliminated. The final expenditures budget for the general fund ended \$27,000 less than the original budget.

Actual expenditures in 2010 were \$1.8 million below budget due to a concerted effort by staff to reduce spending wherever possible. The City's street program was cut by \$600,000 in 2010 to boost reserves for an upcoming project. Delayed projects in engineering resulted in a \$200,000 variance. Salaries and overtime ended the year with a positive balance of about \$350,000 due to unplanned vacancies and a diligent effort to reduce overtime. Contractual services in police and streets were lower than budgeted with lower contractual costs for dispatch than anticipated and reductions in the forestry program after the budget passed.

Receipts in the general fund revenue budget \$563,000 over budget. The largest item under budget was a variance of \$328,000 for grant revenues that were not earned due to a delay in the project start date. As mentioned above, engineering expenditures were also lower. Also coming in under budget were interest revenues, which were down significantly. Offsetting these items were building permits coming in \$195,000 over budget, insurance reimbursements coming in \$557,000 over budget, waste transfer host fees \$80,000 over budget and cable franchise fees added \$56,000.

CITY OF BATAVIA, ILLINOIS

Management's Discussion and Analysis December 31, 2010

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, 2010 was \$180.4 million. Capital assets include land and improvements, buildings and improvements, machinery and equipment, roads, sidewalks, bridges and utility infrastructure. After depreciation, Batavia's investment in capital assets increased \$1.2 million in 2010. Governmental activities capital assets increased by \$1.3 million and business type activities decreased by \$0.1 million.

Following are 2010 major additions (in millions).

Land	\$	1.2
Infrastructure - Roads		1.5
Electric Lines & Equipment		5.0
		<u>7.7</u>

Capital Assets - Net of Depreciation (in Millions)

	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
Land	\$ 19.6	18.4	1.1	1.1	20.7	19.5
Construction in Progress	0.1	-	0.9	1.0	1.0	1.0
Structures & Improvements	15.2	15.5	16.9	17.5	32.1	33.0
Wells & Equipment	-	-	2.7	2.8	2.7	2.8
Machinery & Equipment	2.5	2.8	0.7	0.8	3.2	3.6
Electric System	-	-	42.9	40.3	42.9	40.3
Water/Sewer System	-	-	41.9	43.7	41.9	43.7
Infrastructure	35.9	35.3	-	-	35.9	35.3
Total	<u>73.3</u>	<u>72.0</u>	<u>107.1</u>	<u>107.2</u>	<u>180.4</u>	<u>179.2</u>

Capital improvements in 2010 for Governmental funds were all due to capital contributions. The electric utility made a significant investment in infrastructure extension to accommodate a new heavy power user. The costs were offset by \$1.8 million in revenue. The 2011 budget provides for \$9.8 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, 2010**

Capital Assets and Debt Administration– Continued

Debt Administration

At year-end, the City of Batavia had total outstanding bonded debt of \$57.3 million as compared to \$60.9 million the previous year. There was no debt activity during the 2010 year.

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

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
Installment Contracts	\$ -	-	-	-	-	-
General Obligation Bonds	2.8	3.2	0.3	0.7	3.1	3.9
Alternate Revenue Bonds	8.9	9.6	-	-	8.9	9.6
Revenue bonds and notes	-	-	45.3	47.4	45.3	47.4
Total	11.7	12.8	45.6	48.1	57.3	60.9

The City of Batavia follows a pay-as-we-go capital funding policy whenever practical. The issuance of debt is thoroughly evaluated to ensure pay back to bondholders through the life of the bonds and to ensure sufficient long-term value of the capital assets funded with debt.

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

The City of Batavia’s legal debt limit is 8.625% of the current EAV. The City’s legal debt limit beyond existing debt for 2010 is \$92.2 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 2011 budget, including tax rates and fees that will be charged for its governmental and business-type activities. Batavia’s unemployment rate decreased from 8.5% in 2009 to 8.4% in 2010, and remained lower than the Kane County and State of Illinois rate both at 10.3%, and the national rate of 9.6%. Historically, Batavia’s unemployment rate has been lower than the national average.

The Chicago area experienced inflation of 1.4% compared to the national Consumer Price Index (CPI), which increased 1.6% for 2010. The Chicago area experienced deflation of 1.2% in 2009 while the national average CPI increased just .4%.

CITY OF BATAVIA, ILLINOIS

Management's Discussion and Analysis December 31, 2010

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

Overall, Batavia weathered the tough economic years of 2009 and 2010 by reacting quickly and creating and adopting spending plans that were within the City's means. 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 caused the City to operate at a level that is less than ideal. Service levels provided by fewer City employees has had an impact on residents and business customers for response times for some service requests but it has not impacted the core services provided. There were modest increases in some revenues and modest declines in others in 2010. At the time of preparing the 2011 budget, it was projected that revenues would begin to increase somewhat above the 2010 level in all areas. The one uncertainty that is still in flux is whether the State of Illinois will reduce revenue sharing of Income Taxes. The City receives approximately \$2 million a year in Income Tax revenue and any cut to that revenue source will have an impact either on the services provided or on the level of other taxes that will be required to support current services. The 2011 budget was passed expecting the full amount of revenue sharing. Expenditures for the 2011 budget were mostly the same or lower than 2010. In light of reduced staffing, additional workload placed on employees, and contractual commitments, the City Council determined it was appropriate to return 75% of salary cuts that were made in 2010. The total budget for salaries was still lower than 2010 due to a hiring freeze still in place.

The economic forecast for all of these indicators was taken into account when adopting the general fund budget for 2011. The total amount budgeted in the general fund net of insurance and interfund transfers was \$23.7 million, a decrease of 2.1% from the final 2010 budget of \$24.2 million. The general fund budget for 2011 did not provide for any new programs or additions to staff, rather it included a reduction in staff through early retirements for positions that are not being replaced. Property taxes along with sales taxes are expected to be slightly higher than the previous year. The City Council did approve a new fee for leaf and brush pickup as part of the 2010 budget. That fee added \$269,000 to the 2011 revenue budget. It should be noted that the City still has sufficient reserves amounting to approximately 147 days of operating expenses at the end of 2010 and therefore service operation should not be impacted should revenues dip lower than anticipated.

Total 2011 budgeted expenditures for all funds, net of capital spending, are 1% over 2010 final expenditures. The slight increase is attributable to some contractual increases including those for Ambulance and Dispatch services.

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, 2010**

See Following Page

CITY OF BATAVIA, ILLINOIS

**Statement of Net Assets
December 31, 2010**

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets			
Cash and Investments	\$ 19,013,518	12,282,742	31,296,260
Receivables - Net of Allowances			
Property Taxes	6,220,171	-	6,220,171
Other Taxes	2,467,003	-	2,467,003
Accounts	393,764	7,444,237	7,838,001
Accrued Interest	5,791	29,527	35,318
Due from Other Governments	255,569	-	255,569
Inventories and Prepaids	180,533	1,903,115	2,083,648
Restricted Cash and Investments	-	7,339,946	7,339,946
Total Current Assets	28,536,349	28,999,567	57,535,916
Capital Assets			
Nondepreciable	19,702,791	1,979,592	21,682,383
Depreciable	78,511,080	148,511,168	227,022,248
Accumulated Depreciation	(24,866,160)	(43,472,674)	(68,338,834)
Total Noncurrent Assets	73,347,711	107,018,086	180,365,797
Total Assets	101,884,060	136,017,653	237,901,713

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

	Governmental Activities	Business-Type Activities	Total
LIABILITIES			
Current Liabilities			
Accounts Payable	292,268	2,094,739	2,387,007
Accrued Payroll	576,929	176,273	753,202
Claims Payable	753,581	-	753,581
Deposits Payable	173,364	116,404	289,768
Accrued Interest Payable	230,011	-	230,011
Unearned Revenue	6,235,521	-	6,235,521
Current Portion Long-Term Debt	965,000	-	965,000
Restricted Liabilities			
Accrued Interest Payable	-	607,301	607,301
Current Portion Long-Term Debt	-	2,385,049	2,385,049
Total Current Liabilities	9,226,674	5,379,766	14,606,440
Noncurrent Liabilities			
Net Pension Obligation Payable	454,738	-	454,738
Net Other Postemployment Benefit Payable	96,303	-	96,303
Revenue Bonds Payable	-	43,261,041	43,261,041
Alternate Revenue Bonds Payable	8,250,000	-	8,250,000
General Obligation Bonds Payable	2,430,000	-	2,430,000
Total Noncurrent Liabilities	11,231,041	43,261,041	54,492,082
Total Liabilities	20,457,715	48,640,807	69,098,522
NET ASSETS			
Invested in Capital Assets - Net of Related Debt	61,702,711	61,371,996	123,074,707
Restricted - Nonexpendable			
Special Revenues			
General Government			
Community Development	290,134	-	290,134
Highways and Streets			
Motor Fuel Tax	2,208,086	-	2,208,086
Tax Increment Financing/Debt Service	1,640,397	6,965,719	8,606,116
Perpetual Care Cemetery	123,386	-	123,386
Restricted - Expendable			
Capital Projects	2,188,377	-	2,188,377
Unrestricted	13,273,254	19,039,131	32,312,385
Total Net Assets	81,426,345	87,376,846	168,803,191

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

CITY OF BATAVIA, ILLINOIS

**Statement of Activities
Year Ended December 31, 2010**

	Expenses	Program Revenues		
		Charges for Services	Operating Grants/ Contributions	Capital Grants/ Contributions
Governmental Activities				
General Government	\$ 6,266,691	3,964,876	-	-
Public Safety	12,665,417	252,426	240,000	-
Highways and Streets	5,181,816	-	-	3,623,695
Interest on Long-Term Debt	527,177	-	-	-
Total Governmental Activities	24,641,101	4,217,302	240,000	3,623,695
Business-Type Activities				
Waterworks	3,832,685	4,222,211	1,720	-
Sewerage	3,807,081	3,792,108	14,603	-
Electric	37,511,960	39,639,489	1,825,368	-
Total Business-Type Activities	45,151,726	47,653,808	1,841,691	-
	69,792,827	51,871,110	2,081,691	3,623,695

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
(2,301,815)	-	(2,301,815)
(12,172,991)	-	(12,172,991)
(1,558,121)	-	(1,558,121)
(527,177)	-	(527,177)
(16,560,104)	-	(16,560,104)
-	391,246	391,246
-	(370)	(370)
-	3,952,897	3,952,897
-	4,343,773	4,343,773
(16,560,104)	4,343,773	(12,216,331)
7,221,619	-	7,221,619
6,223,857	-	6,223,857
3,157,029	-	3,157,029
2,307,602	-	2,307,602
196,214	-	196,214
213,396	-	213,396
59,145	138,554	197,699
2,115,818	-	2,115,818
20,662	(20,662)	-
21,515,342	117,892	21,633,234
4,955,238	4,461,665	9,416,903
76,471,107	82,915,181	159,386,288
81,426,345	87,376,846	168,803,191

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

CITY OF BATAVIA, ILLINOIS

**Balance Sheet - Governmental Funds
December 31, 2010**

	<u>General</u>
ASSETS	
Cash and Investments	\$ 14,794,267
Receivables - Net of Allowances	
Property Taxes	5,735,367
Other Taxes	2,467,003
Accounts	393,016
Accrued Interest	3,181
Due from Other Governments	254,409
Prepays	152,854
Inventories	<u>27,679</u>
 Total Assets	 <u><u>23,827,776</u></u>
LIABILITIES AND FUND BALANCES	
Liabilities	
Accounts Payable	250,670
Accrued Payroll	576,929
Claims Payable	753,581
Deposits Payable	173,364
Accrued Interest Payable	-
Unearned/Deferred Revenues	<u>5,750,717</u>
Total Liabilities	<u><u>7,505,261</u></u>
Fund Balances	
Reserved - Prepays/Inventory	180,533
Reserved - Tax Increment Financing	-
Reserved - Debt Service	-
Reserved - Special Revenues	2,498,220
Reserved - Perpetual Care Cemetery	-
Unreserved	<u>13,643,762</u>
Total Fund Balances	<u><u>16,322,515</u></u>
 Total Liabilities and Fund Balances	 <u><u>23,827,776</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
1,869,660	1,158,267	1,068,460	122,864	19,013,518
484,804	-	-	-	6,220,171
-	-	-	-	2,467,003
748	-	-	-	393,764
-	-	2,088	522	5,791
-	1,160	-	-	255,569
-	-	-	-	152,854
-	-	-	-	27,679
<u>2,355,212</u>	<u>1,159,427</u>	<u>1,070,548</u>	<u>123,386</u>	<u>28,536,349</u>
-	41,598	-	-	292,268
-	-	-	-	576,929
-	-	-	-	753,581
-	-	-	-	173,364
226,938	-	-	-	226,938
484,804	-	-	-	6,235,521
<u>711,742</u>	<u>41,598</u>	<u>-</u>	<u>-</u>	<u>8,258,601</u>
-	-	-	-	180,533
1,629,418	-	-	-	1,629,418
14,052	-	-	-	14,052
-	-	-	-	2,498,220
-	-	-	123,386	123,386
-	1,117,829	1,070,548	-	15,832,139
<u>1,643,470</u>	<u>1,117,829</u>	<u>1,070,548</u>	<u>123,386</u>	<u>20,277,748</u>
<u>2,355,212</u>	<u>1,159,427</u>	<u>1,070,548</u>	<u>123,386</u>	<u>28,536,349</u>

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, 2010

Total Governmental Fund Balances	\$ 20,277,748
---	----------------------

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.	73,347,711
---	------------

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

Net Pension Obligation Payable	(454,738)
Net Other Postemployment Benefit Payable	(96,303)
General Obligation Bonds Payable	(2,795,000)
Alternate Revenue Bonds Payable	(8,850,000)
Accrued Interest Payable	<u>(3,073)</u>

Net Assets of Governmental Activities	<u>81,426,345</u>
--	--------------------------

CITY OF BATAVIA, ILLINOIS

**Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
Year Ended December 31, 2010**

See Following Page

CITY OF BATAVIA, ILLINOIS

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
Year Ended December 31, 2010

	<u>General</u>
Revenues	
Taxes	\$ 15,038,576
Intergovernmental	3,787,823
Licenses and Permits	445,039
Charges for Services	3,487,515
Fines and Forfeits	252,426
Interest	48,708
Miscellaneous	<u>2,108,666</u>
Total Revenues	<u>25,168,753</u>
Expenditures	
Current	
General Government	6,152,236
Public Safety	12,423,114
Highways and Streets	3,614,205
Capital Outlay	-
Debt Service	
Principal Retirement	125,000
Interest and Fiscal Charges	<u>7,870</u>
Total Expenditures	<u>22,322,425</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>2,846,328</u>
Other Financing Sources (Uses)	
Transfers In	-
Transfers Out	<u>(1,288,506)</u>
	<u>(1,288,506)</u>
Net Change in Fund Balances	1,557,822
Fund Balances - Beginning	<u>14,764,693</u>
Fund Balances - Ending	<u><u>16,322,515</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
1,239,702	324,227	-	-	16,602,505
-	44,650	-	-	3,832,473
-	-	-	-	445,039
-	-	25,672	6,650	3,519,837
-	-	-	-	252,426
1,218	4,682	3,760	777	59,145
7,152	-	-	-	2,115,818
1,248,072	373,559	29,432	7,427	26,827,243
-	-	-	10,000	6,162,236
-	-	-	-	12,423,114
-	-	-	-	3,614,205
-	403,472	-	-	403,472
1,032,225	-	-	-	1,157,225
520,538	-	-	-	528,408
1,552,763	403,472	-	10,000	24,288,660
(304,691)	(29,913)	29,432	(2,573)	2,538,583
1,828,223	309,295	225,000	-	2,362,518
(1,053,350)	-	-	-	(2,341,856)
774,873	309,295	225,000	-	20,662
470,182	279,382	254,432	(2,573)	2,559,245
1,173,288	838,447	816,116	125,959	17,718,503
1,643,470	1,117,829	1,070,548	123,386	20,277,748

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, 2010

Net Change in Fund Balances - Total Governmental Funds **\$ 2,559,245**

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	2,804,247
Depreciation Expense	(1,469,822)

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	(65,924)
Increase in Net Other Postemployment Benefit Obligation	(30,964)
Retirement of Debt	1,157,225

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

1,231

Changes in Net Assets of Governmental Activities

4,955,238

CITY OF BATAVIA, ILLINOIS

**Statement of Net Assets - Proprietary Funds
December 31, 2010**

See Following Page

CITY OF BATAVIA, ILLINOIS

**Statement of Net Assets - Proprietary Funds
December 31, 2010**

	Business-Type Activities - Enterprise Funds			
	Waterworks	Sewerage	Electric	Total
ASSETS				
Current Assets				
Cash and Investments	\$ 3,118,155	1,308,059	7,856,528	12,282,742
Receivables - Net of Allowances				
Accounts	495,816	565,087	6,383,334	7,444,237
Accrued Interest	1,837	1,344	26,346	29,527
Prepays	20,054	20,054	66,034	106,142
Inventories	-	-	1,796,973	1,796,973
Restricted Cash and Investments	-	814,718	6,525,228	7,339,946
Total Current Assets	<u>3,635,862</u>	<u>2,709,262</u>	<u>22,654,443</u>	<u>28,999,567</u>
Noncurrent Assets				
Capital Assets				
Nondepreciable	907,733	89,066	982,793	1,979,592
Depreciable	35,600,622	42,983,600	69,926,946	148,511,168
Accumulated Depreciation	(9,026,574)	(15,144,430)	(19,301,670)	(43,472,674)
Total Noncurrent Assets	<u>27,481,781</u>	<u>27,928,236</u>	<u>51,608,069</u>	<u>107,018,086</u>
Total Assets	<u>31,117,643</u>	<u>30,637,498</u>	<u>74,262,512</u>	<u>136,017,653</u>

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	29,091	51,055	2,014,593	2,094,739
Accrued Payroll	47,378	30,844	98,051	176,273
Deposits Payable	14,966	11,749	89,689	116,404
Restricted Liabilities				
Accrued Interest Payable	12,146	35,602	559,553	607,301
Revenue Bonds Payable	649,696	1,087,578	315,000	2,052,274
General Obligation Bonds Payable	332,775	-	-	332,775
Total Current Liabilities	1,086,052	1,216,828	3,076,886	5,379,766
Noncurrent Liabilities				
Revenue Bonds Payable	10,821,923	6,464,118	25,975,000	43,261,041
Total Liabilities	11,907,975	7,680,946	29,051,886	48,640,807
NET ASSETS				
Invested in Capital Assets - Net of Related Debt				
	15,677,387	20,376,540	25,318,069	61,371,996
Restricted - Debt Service	-	560,000	6,405,719	6,965,719
Unrestricted	3,532,281	2,020,012	13,486,838	19,039,131
Total Net Assets	19,209,668	22,956,552	45,210,626	87,376,846

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, 2010**

	Business-Type Activities - Enterprise Funds			
	Waterworks	Sewerage	Electric	Totals
Operating Revenues				
Charges for Services	\$ 4,222,211	3,792,108	39,639,489	47,653,808
Operating Expenses				
Administration	657,258	602,533	2,241,574	3,501,365
Operations	1,860,747	1,656,601	31,432,710	34,950,058
Depreciation	1,003,306	1,328,700	2,252,945	4,584,951
Total Operating Expenses	3,521,311	3,587,834	35,927,229	43,036,374
Operating Income	700,900	204,274	3,712,260	4,617,434
Nonoperating Revenues (Expenses)				
Connection Fees	1,720	14,603	1,825,368	1,841,691
Interest Income	18,452	13,131	106,971	138,554
Disposal of Capital Assets	-	-	(465,252)	(465,252)
Interest and Fiscal Charges	(311,374)	(219,247)	(1,119,479)	(1,650,100)
	(291,202)	(191,513)	347,608	(135,107)
Income Before Transfers	409,698	12,761	4,059,868	4,482,327
Transfers Out	(20,662)	-	-	(20,662)
Change in Net Assets	389,036	12,761	4,059,868	4,461,665
Net Assets - Beginning	18,820,632	22,943,791	41,150,758	82,915,181
Net Assets - Ending	19,209,668	22,956,552	45,210,626	87,376,846

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, 2010**

	Business-Type Activities - Enterprise Funds			
	Water	Sewerage	Electric	Totals
Cash Flows from Operating Activities				
Receipts from Customers and Users	\$ 4,241,630	3,761,473	38,520,715	46,523,818
Payments to Employees	(694,219)	(646,690)	(1,879,397)	(3,220,306)
Payments to Suppliers	(1,832,260)	(1,644,367)	(32,299,138)	(35,775,765)
	<u>1,715,151</u>	<u>1,470,416</u>	<u>4,342,180</u>	<u>7,527,747</u>
Cash Flows from Noncapital Financing Activities				
Connection Fees	1,720	14,603	1,825,368	1,841,691
Transfers Out	(20,662)	-	-	(20,662)
	<u>(18,942)</u>	<u>14,603</u>	<u>1,825,368</u>	<u>1,821,029</u>
Cash Flows from Capital and Related Financing Activities				
Purchase of Capital Assets	-	-	(4,887,969)	(4,887,969)
Disposal of Capital Assets	-	-	-	-
Interest and Fiscal Charges	(311,374)	(219,247)	(1,119,479)	(1,650,100)
Payment of Bond Principal	(968,634)	(1,142,084)	(295,000)	(2,405,718)
Proceeds of Bonds	-	-	-	-
	<u>(1,280,008)</u>	<u>(1,361,331)</u>	<u>(6,302,448)</u>	<u>(8,943,787)</u>
Cash Flows from Investing Activities				
Interest Received	18,452	13,131	106,971	138,554
Net Change in Cash and Cash Equivalents	<u>434,653</u>	<u>136,819</u>	<u>(27,929)</u>	<u>543,543</u>
Cash and Cash Equivalents - Beginning of Year	<u>2,683,502</u>	<u>1,985,958</u>	<u>14,409,685</u>	<u>19,079,145</u>
Cash and Cash Equivalents - End of Year	<u>3,118,155</u>	<u>2,122,777</u>	<u>14,381,756</u>	<u>19,622,688</u>
Reconciliation of Operating Income to Net Cash Provided (used) by Operating Activities.				
Operating Income (Loss)	700,900	204,274	3,712,260	4,617,434
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	2,252,945	4,584,951
(Increase) Decrease in Current Assets	19,419	(30,635)	(1,118,774)	(1,129,990)
Increase (Decrease) in Current Liabilities	(8,474)	(31,923)	(504,251)	(544,648)
Net Cash Provided by Operating Activities	<u>1,715,151</u>	<u>1,470,416</u>	<u>4,342,180</u>	<u>7,527,747</u>

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

CITY OF BATAVIA, ILLINOIS

**Statement of Net Assets- Fiduciary Funds
December 31, 2010**

	Pension Trust	Agency
ASSETS		
Cash and Cash Equivalents	\$ 12,776	89,593
Investments		
U.S. Government and Agency Obligations	12,937,863	-
Insurance Company Contracts	3,357,728	-
Mutual Funds	3,328,922	-
Equities	6,520,721	-
Money Market Mutual Funds	3,579,916	
Receivables		
Accrued Interest	68,607	-
Prepays	4,745	
Total Assets	<u>29,811,278</u>	<u>89,593</u>
LIABILITIES		
Accounts Payable	6,925	-
Deposits Payable	-	87,447
Due to Bondholders	-	2,146
Total Liabilities	<u>6,925</u>	<u>89,593</u>
NET ASSETS		
Held in Trust for Pension Benefits	<u>29,804,353</u>	-

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

CITY OF BATAVIA, ILLINOIS

**Statement of Changes in Net Assets - Fiduciary Funds
Year Ended December 31, 2010**

	<u>Pension Trust</u>
Additions	
Contributions - Employer	\$ 1,884,523
Contributions - Plan Members	<u>521,126</u>
Total Contributions	<u>2,405,649</u>
Investment Income	
Interest Earned	622,440
Net Change in Fair Value	<u>1,907,241</u>
	<u>2,529,681</u>
Less Investment Expenses	<u>(146,453)</u>
Net Investment Income	<u>2,383,228</u>
Total Additions	<u>4,788,877</u>
Deductions	
Administration	68,886
Benefits and Refunds	<u>1,281,324</u>
Total Deductions	<u>1,350,210</u>
Change in Net Assets	3,438,667
Net Plan Assets Held in Trust for Pension Benefits	
Beginning	<u>26,365,686</u>
Ending	<u><u>29,804,353</u></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, 2010

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. 39, "Determining Whether Certain Organizations are Component Units – an Amendment of GASB Statement No. 14," 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, 2010

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, 2010

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, 2010

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, 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, 2010

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, 2010

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, 2010

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.

Prepays/Inventories

Prepays/inventories are valued at cost, which approximates market, using the first-in/first-out (FIFO) method. The costs of governmental fund-type prepays/inventories are recorded as expenditures when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepays in both the government-wide and fund financial statements.

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, 2010**

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, 2010

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, 2010, the Electric Fund had expenses over budget, exclusive of depreciation, of \$188,302.

CITY OF BATAVIA, ILLINOIS

**Notes to the Financial Statements
December 31, 2010**

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 \$22,942,736 and the bank balances totaled \$22,080,064.

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	\$ 15,783,063	15,783,063	-	-	-

CITY OF BATAVIA, ILLINOIS

Notes to the Financial Statements December 31, 2010

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, 2010, 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, \$1,984,121 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, 2010, 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, 2010**

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, 2010, 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 \$9,891 and the bank balances totaled \$9,891.

Investments. At December 31, 2010, 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	\$ 2,534,785	916,638	808,213	809,934	-
U.S. Treasury Bonds	1,257,551	-	-	168,365	1,089,186
Federal Home Loan Mortgage	1,999,099	-	-	-	1,999,099
Federal National Mortgage Assoc.	3,502,584	151,575	-	-	3,351,009
U.S. Government Backed Securities	355,143	252,285	102,858	-	-
Domestic Corporate Equities	6,520,721	-	-	-	6,520,721
Mutual Funds	3,205,252	-	-	-	3,205,252
	<u>19,375,135</u>	<u>1,320,498</u>	<u>911,071</u>	<u>978,299</u>	<u>16,165,267</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, 2010, Standard and Poor’s rated all of the Fund’s U.S. Agency Obligations AAA. Mutual funds have been rated 2-5 stars by Morningstar.

Custodial Credit Risk – Deposits. The Fund’s investment policy does not limit custodial credit risk for deposits. At December 31, 2010, 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, 2010**

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, 2010, 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, 2010, all of the Fund’s investments are in compliance with the guidelines outlined above in the Fund’s investment policy. At year-end, there were no investments that represent greater than 5% of plan net assets available for benefits.

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 \$2,885 and the bank balances totaled \$2,885.

Investments. At December 31, 2010, 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>
U.S. Treasury Notes	\$ 1,311,828	-	826,343	485,485	-
Government National Mortgage Assoc.	102	-	-	-	102
Federal Home Loan Mortgage	98,243	-	98,243	-	-
Federal Home Loan Bank	1,463,439	259,560	818,141	385,738	-
Federal National Mortgage Assoc.	347,729	145,047	202,682	-	-
Government Bond	67,360	-	-	-	67,360
Insurance Company Contracts	3,357,728	-	-	-	3,357,728
Mutual Funds	123,670	-	-	-	123,670
Money Market Mutual Funds	2,320,644	-	-	-	2,320,644
	<u>9,090,743</u>	<u>404,607</u>	<u>1,945,409</u>	<u>871,223</u>	<u>5,869,504</u>

CITY OF BATAVIA, ILLINOIS

**Notes to the Financial Statements
December 31, 2010**

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, 2010, Standard and Poor's rated all of the Fund's U.S. Agency Obligations AAA. Mutual funds have been rated 2-5 stars by Morningstar.

Custodial Credit Risk – Deposits. The Fund's investment policy does not limit custodial credit risk for deposits. At December 31, 2010, 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, 2010, 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, 2010, 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	\$508,652
Keyport Life Annuity	635,112

CITY OF BATAVIA, ILLINOIS

**Notes to the Financial Statements
December 31, 2010**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

PROPERTY TAXES

Property taxes for 2010 attach as an enforceable lien on January 1, 2010, 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, 2011, and are payable in two installments, on or about June 1, 2011, and September 1, 2011. 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	1,240,000	-	19,646,978
Construction in Progress	-	55,813	-	55,813
	<u>18,406,978</u>	<u>1,295,813</u>	<u>-</u>	<u>19,702,791</u>
Depreciable Capital Assets				
Structures and Improvements	18,380,206	-	-	18,380,206
Machinery and Equipment	5,178,973	-	-	5,178,973
Infrastructure	53,443,467	1,508,434	-	54,951,901
	<u>77,002,646</u>	<u>1,508,434</u>	<u>-</u>	<u>78,511,080</u>
Less Accumulated Depreciation				
Structures and Improvements	2,918,152	171,132	-	3,089,284
Machinery and Equipment	2,368,819	273,472	-	2,642,291
Infrastructure	18,109,367	1,025,218	-	19,134,585
	<u>23,396,338</u>	<u>1,469,822</u>	<u>-</u>	<u>24,866,160</u>
Total Net Depreciable Capital Assets	<u>53,606,308</u>	<u>38,612</u>	<u>-</u>	<u>53,644,920</u>
Total Net Capital Assets	<u>72,013,286</u>	<u>1,334,425</u>	<u>-</u>	<u>73,347,711</u>

Depreciation expense was charged to governmental activities as follows:

General Government	\$ 73,491
Public Safety	176,379
Highways and Streets	<u>1,219,952</u>
	<u>1,469,822</u>

CITY OF BATAVIA, ILLINOIS

**Notes to the Financial Statements
December 31, 2010**

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	937,792	-	76,033	861,759
	<u>2,055,625</u>	<u>-</u>	<u>76,033</u>	<u>1,979,592</u>
Depreciable Capital Assets				
Buildings	7,841,445	-	-	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	1,658,815	-	-	1,658,815
Electric System	56,720,663	4,964,002	684,624	61,000,041
Water/Sewer System	60,348,736	-	-	60,348,736
	<u>144,231,790</u>	<u>4,964,002</u>	<u>684,624</u>	<u>148,511,168</u>
Less Accumulated Depreciation				
Buildings	336,554	192,433	-	528,987
Structures and Improvements	4,085,893	341,204	-	4,427,097
Wells and Well Equipment	829,263	90,873	-	920,136
Machinery and Equipment	859,681	96,330	-	956,011
Electric System	16,377,461	1,992,645	219,372	18,150,734
Water/Sewer System	16,618,243	1,871,466	-	18,489,709
	<u>39,107,095</u>	<u>4,584,951</u>	<u>219,372</u>	<u>43,472,674</u>
Total Net Depreciable Capital Assets	<u>105,124,695</u>	<u>379,051</u>	<u>465,252</u>	<u>105,038,494</u>
Total Net Capital Assets	<u>107,180,320</u>	<u>379,051</u>	<u>541,285</u>	<u>107,018,086</u>

CITY OF BATAVIA, ILLINOIS

**Notes to the Financial Statements
December 31, 2010**

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>2,252,945</u>
	<u><u>4,584,951</u></u>

INTERFUND TRANSFERS

Interfund transfers for the year consisted of the following:

	Transfer Out			Totals
	General	Debt Service	Waterworks	
Transfer In				
Debt Service	\$ 1,052,164	755,397	20,662	1,828,223
Capital Projects	225,000	-	-	225,000
Infrastructure Capital Projects	11,342	297,953	-	309,295
	<u>1,288,506</u>	<u>1,053,350</u>	<u>20,662</u>	<u>2,362,518</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, 2010**

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 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	102,225	-	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	657,900	-	325,125	332,775
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	1,715,000	-	85,000	1,630,000
General Obligation Refunding 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	-	270,000	1,165,000
		<u>3,910,125</u>	<u>-</u>	<u>782,350</u>	<u>3,127,775</u>

CITY OF BATAVIA, ILLINOIS

**Notes to the Financial Statements
December 31, 2010**

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	\$ 95,000	-	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	30,000	-	30,000	-
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	8,570,000	-	370,000	8,200,000
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	-	205,000	650,000
		<u>9,550,000</u>	<u>-</u>	<u>700,000</u>	<u>8,850,000</u>

CITY OF BATAVIA, ILLINOIS

**Notes to the Financial Statements
December 31, 2010**

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	\$ 87,050	-	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	1,177,429	-	457,908	719,521
IEPA Sewer Revenue Bond Series of 1999 due in annual installments of \$67,044 including interest at 2.535% through May 1, 2020	Sewerage	606,407	-	51,999	554,408
IEPA Sewer Revenue Bond Series of 1999A due in annual installments of \$714,655 including interest at 2.535% through November 1, 2020	Sewerage	6,822,893	-	545,127	6,277,766
IEPA Water Revenue Bond Series of 2004 due in annual installments of \$179,890 including interest at 2.500% through November 1, 2024	Waterworks	5,095,049	-	283,810	4,811,239
IEPA Water Revenue Bond Series of 2004 due in annual installments of \$210,122 including interest at 2.500% through November 1, 2024	Waterworks	2,614,857	-	145,656	2,469,201
IEPA Water Revenue Bond Series of 2005 due in annual installments of \$32,675 including interest at 2.500% through November 1, 2024	Waterworks	406,625	-	22,650	383,975

CITY OF BATAVIA, ILLINOIS

**Notes to the Financial Statements
December 31, 2010**

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	\$ 2,633,773	-	126,065	2,507,708
IEPA Water Revenue Bond Series of 2006 due in annual installments of \$99,042, including interest at 2.500% through September 26, 2026	Waterworks	1,364,824	-	65,327	1,299,497
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	26,585,000	-	295,000	26,290,000
		<u>47,393,907</u>	<u>-</u>	<u>2,080,592</u>	<u>45,313,315</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	\$ 388,814	65,924	-	454,738	-
General Obligation Bonds	3,252,225	-	457,225	2,795,000	365,000
Alternate Revenue Bonds	9,550,000	-	700,000	8,850,000	600,000
Net Other Post-Employment Benefit Obligation	65,339	30,964	-	96,303	-
	<u>13,256,378</u>	<u>96,888</u>	<u>1,157,225</u>	<u>12,196,041</u>	<u>965,000</u>
Business-Type Activities					
Revenue Bonds	\$ 47,393,907	-	2,080,592	45,313,315	2,052,274
General Obligation Bonds	657,900	-	325,125	332,775	332,775
	<u>48,051,807</u>	<u>-</u>	<u>2,405,717</u>	<u>45,646,090</u>	<u>2,385,049</u>

CITY OF BATAVIA, ILLINOIS

**Notes to the Financial Statements
December 31, 2010**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Long-Term Liability Activity – Continued

Payments on the net pension obligation and net other post-employment benefit 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 Waterworks 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
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	2,795,000	761,733	8,850,000	3,189,271

CITY OF BATAVIA, ILLINOIS

**Notes to the Financial Statements
December 31, 2010**

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
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	1,846,203	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	45,313,315	22,933,001	332,775	12,146

CITY OF BATAVIA, ILLINOIS

**Notes to the Financial Statements
December 31, 2010**

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, 2010**

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	9,241
Number of Sewer Customers	9,168
Quantity of Sewerage Treated (in Millions of Gallons)	1,368.03
Quantity of Water Pumped (in Millions of Gallons)	1,168.46
Quantity of Water Billed (in Millions of Gallons)	924.45
Electric	
Number of Electric Customers by Class	
Residential	9,455
Commercial	1,295
Industrial	11
Kwh of Energy Purchased	442,519,500
Average cost per kwh	\$ 0.088020

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 - 2009	<u>\$ 1,105,688,081</u>
Legal Debt Limit - 8.625% of Assessed Value	<u>95,365,597</u>
Amount of Debt Applicable to Limit	
General Obligation Bonds	<u>3,127,775</u>
Legal Debt Margin	<u><u>92,237,822</u></u>

CITY OF BATAVIA, ILLINOIS

**Notes to the Financial Statements
December 31, 2010**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Bond Defeasances

In prior years the government defeased general obligation 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 which 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. Defeased bonds of \$1,835,000 remain outstanding as of the date of this report.

NET ASSETS CLASSIFICATIONS

Investment in capital assets – net of related debt, was comprised of the following as of December 31, 2010:

Governmental Activities		
Capital Assets - Net of Accumulated Depreciation		\$ 73,347,711
Less Capital Related Debt:		
General Obligation Bonds	(2,795,000)	
Alternate Revenue Bonds	(8,850,000)	<u>(11,645,000)</u>
Investment in Capital Assets - Net of Related Debt		<u>61,702,711</u>
Business-Type Activities		
Capital Assets - Net of Accumulated Depreciation		107,018,086
Less Capital Related Debt:		
Revenue Bonds	(45,313,315)	
General Obligation Bonds	(332,775)	<u>(45,646,090)</u>
Investment in Capital Assets - Net of Related Debt		<u>61,371,996</u>

CITY OF BATAVIA, ILLINOIS

**Notes to the Financial Statements
December 31, 2010**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

FUND EQUITY/FUND BALANCE

Fund Balance – Reserved for Special Revenues

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

	Beginning Balance	Revenues	Expenses	Ending Balance
General Fund				
Street Improvement	\$ 1,610,018	1,344,504	746,436	2,208,086
Community Development Assistance Program	289,482	652	-	290,134
	<u>1,899,500</u>	<u>1,345,156</u>	<u>746,436</u>	<u>2,498,220</u>

NOTE 4 – OTHER INFORMATION

RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; natural disasters; and injuries to the City’s employees. These risks are provided for through a limited self-insurance program and private insurance coverage. The City is partially self-insured for medical, dental, life, and workers’ compensation benefits and accounts for these benefits in the General Fund. Under this program, the General Fund provides coverage up to a maximum of \$85,000 per individual’s health claims paid and \$450,000 per individual for workers’ compensation 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:

	2010	2009
Claims Payable - Beginning of Year	\$ 803,286	1,171,798
Incurred Claims	3,371,463	3,626,957
Claims Paid	<u>(3,421,168)</u>	<u>(3,995,469)</u>
Claims Payable - End of Year	<u>753,581</u>	<u>803,286</u>

CITY OF BATAVIA, ILLINOIS

Notes to the Financial Statements December 31, 2010

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, 2010**

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 contribution rate calendar year 2010 used by the employer was 11.52 percent of annual covered payroll. The employer annual required contribution rate for calendar year 2010 was 12.43 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	18
Current Employees Vested and Nonvested	<u>44</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, 2010**

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	10
Current Employees Vested and Nonvested	<u>23</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, 2010**

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.

Firefighters' Pension	
Aviva Annuity	\$ 508,652
Keyport Life Annuity	635,112

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

The pension liability was determined in accordance with GASB Statement No. 27, "Accounting for Pensions by State and Local Government Employers." The pension liability for each plan is as follows:

	Illinois Municipal Retirement	Police Pension	Firefighters' Pension	Totals
Annual Required Contribution	\$ 890,831	1,192,707	691,630	2,775,168
Interest on the NPO	-	23,020	3,651	26,671
Adjustment to the ARC	-	(7,637)	(18,142)	(25,779)
Annual Pension Cost	890,831	1,208,090	677,139	2,776,060
Actual Contribution	(825,613)	(1,192,835)	(691,688)	(2,710,136)
Increase in the NPO	65,218	15,255	(14,549)	65,924
NPO - Beginning of Year	-	321,596	67,218	388,814
NPO - End of Year	65,218	336,851	52,669	454,738

CITY OF BATAVIA, ILLINOIS

**Notes to the Financial Statements
December 31, 2010**

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	11.52%	25.85%	32.24%
Employee	4.50%	9.91%	9.455%
Actuarial Valuation Date	12/31/2010	12/31/2009	12/31/2009
Actuarial Cost Method	Entry Age Normal	Entry Age Normal	Entry Age Normal
Amortization Method	Level % of Projected Payroll Open Basis	Level % of Projected Payroll Closed Basis	Level % of Projected Payroll Closed Basis
Remaining Amortization Period	30 Years	24 Years	24 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 10.0%	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, 2010**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Trend Information

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

	Year	Illinois Municipal Retirement	Police Pension	Firefighters' Pension
Annual Pension Cost (APC)	2008	\$ 765,299	\$ 923,793	\$ 513,858
	2009	802,664	956,693	579,861
	2010	890,831	1,208,090	677,139
Actual Contributions	2008	765,299	913,896	510,365
	2009	802,664	949,429	594,921
	2010	825,613	1,192,835	691,688
Percentage of APC Contributed	2008	100.00%	98.93%	99.32%
	2009	100.00%	99.24%	102.60%
	2010	92.68%	98.74%	102.15%
Net Pension Obligation	2008	-	311,699	63,725
	2009	-	321,596	67,218
	2010	65,218	336,851	52,669

CITY OF BATAVIA, ILLINOIS

**Notes to the Financial Statements
December 31, 2010**

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	12/31/10	12/31/09	12/31/09
Percent Funded	73.66%	59.00%	56.90%
Actuarial Accrued Liability for Benefits	\$19,610,717	\$31,122,221	\$14,063,735
Actuarial Value of Assets	\$13,509,606	\$18,360,332	\$8,005,355
Over (Under) Funded Actuarial Accrued Liability (UAAL)	(\$6,101,111)	(\$12,761,889)	(\$6,058,380)
Covered Payroll (Annual Payroll of Active Employees Covered by the Plan)	\$7,166,783	\$3,672,631	\$1,845,520
Ratio of UAAL to Covered Payroll	85.13%	347.49%	328.27%

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, 2010**

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, 2010, retirees contributed \$198,940. Active employees do not contribute to the plan until retirement.

At December 31, 2010, membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits and Terminated Employees Entitled to Benefits but not yet Receiving Them	19
Active Employees	<u>222</u>
Total	<u>241</u>
Participating Employers	1

The City does not currently have a funding policy.

CITY OF BATAVIA, ILLINOIS

**Notes to the Financial Statements
December 31, 2010**

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, 2010, was calculated as follows:

	<u>OPEB</u>
Annual Required Contribution	\$ 152,538
Interest on the NPO	3,267
Adjustment to the ARC	<u>(3,286)</u>
Annual OPEB Cost	152,519
Actual Contribution	<u>121,555</u>
Increase in the NPO	30,964
NPO - Beginning of Year	<u>65,339</u>
NPO - End of Year	<u><u>96,303</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
2008	\$ 154,275	\$ 121,555	78.79% %	\$ 32,720
2009	154,174	121,555	78.84%	65,339
2010	152,519	121,555	79.70%	96,303

CITY OF BATAVIA, ILLINOIS

**Notes to the Financial Statements
December 31, 2010**

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, 2010, the date of the latest actuarial valuation, was as follows:

Actuarial Accrued Liability (AAL)	\$ 3,716,305
Actuarial Value of Plan Assets	-
Unfunded Actuarial Accrued Liability (UAAL)	3,716,305
Funded Ratio (actuarial value of plan assets/AAL)	0%
Covered Payroll (active plan members)	14,496,829
UAAL as a percentage of covered payroll	26%

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, 2010 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 advanced funded its obligation. The plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at December 31, 2010, was 28 years.

CITY OF BATAVIA, ILLINOIS

**Notes to the Financial Statements
December 31, 2010**

NOTE 4 – OTHER INFORMATION – Continued

SUBSEQUENT EVENT

On December 29, 2010, the City issued \$920,000 of General Obligation Alternate Bonds, Series 2010. The bonds are due in annual installments of \$86,031 to \$110,911, plus interest at 1.15% to 4.80%, through December 15, 2020.

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 and 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 and Employer Contributions
December 31, 2010**

Funding Progress

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)
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%
2009	14,053,484	19,078,528	73.66%	5,025,044	7,666,327	65.55%
2010	13,509,606	19,610,717	68.89%	6,101,111	7,166,783	85.13%

Employer Contributions

Year Ended Dec. 31	Employer Contributions	Annual Required Contributions	Percent Contributed
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%
2009	802,664	802,664	100.00%
2010	825,613	890,831	92.68%

CITY OF BATAVIA, ILLINOIS

Police Pension Fund

**Required Supplementary Information
Schedule of Funding Progress and Employer Contributions
December 31, 2010**

Funding Progress

Actuarial Valuation Date	(1) Actuarial Value of Plan Assets	(2) Actuarial Liability (AAL) - Entry Age	(3) Funded Ratio (1) ÷ (2)	(4) Unfunded (Overfunded) Actuarial Liability (2) - (1)	(5) Annual Covered Payroll	(6) Unfunded (Overfunded) Actuarial Liability as a Percentage of Covered Payroll (4) ÷ (5)
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%
2009	18,360,332	31,122,221	58.99%	12,761,889	3,672,631	347.49%

Employer Contributions

Year Ended Dec. 31	Employer Contributions	Annual Required Contribution	Percent Contributed
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%
2009	949,429	949,557	99.99%
2010	1,192,835	1,192,707	100.01%

CITY OF BATAVIA, ILLINOIS

Firefighters' Pension Fund

**Required Supplementary Information
Schedule of Funding Progress and Employer Contributions
December 31, 2010**

Funding Progress

Actuarial Valuation Date	(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)
Dec. 31						
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%
2009	8,005,355	14,063,735	56.92%	6,058,380	1,845,520	328.27%

Employer Contributions

Year Ended Dec. 31	Employer Contributions	Annual Required Contribution	Percent Contributed
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%
2009	594,921	578,370	102.86%
2010	691,688	691,630	100.01%

CITY OF BATAVIA, ILLINOIS

Other Post-Employment Benefit Plan

**Required Supplementary Information
Schedule of Funding Progress and Employer Contributions
December 31, 2010**

Funding Progress

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)
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	15,096,700	22.32%
2009	N/A	N/A	N/A	N/A	N/A	N/A
2010	-	3,716,305	0.00%	3,716,305	14,496,829	25.64%

Employer Contributions

Year Ended Dec. 31	Employer Contributions	Annual Required Contribution	Percent Contributed
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%
2010	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. The City is required to have the actuarial valuation performed biennially.

CITY OF BATAVIA, ILLINOIS

General Fund

**Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Year Ended December 31, 2010**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Taxes	\$ 15,205,091	15,205,091	15,038,576
Intergovernmental	3,930,277	3,930,277	3,787,823
Licenses and Permits	249,000	249,000	445,039
Charges for Services	2,918,267	2,918,267	3,487,515
Fines and Forfeitures	221,500	221,500	252,426
Interest	136,000	136,000	48,708
Miscellaneous	1,945,325	1,945,325	2,108,666
Total Revenues	<u>24,605,460</u>	<u>24,605,460</u>	<u>25,168,753</u>
Expenditures			
General Government	6,617,521	6,626,336	6,152,236
Public Safety	12,757,748	12,743,620	12,423,114
Highways and Streets	4,640,233	4,640,233	3,614,205
Debt Service			
Principal Retirement	125,000	125,000	125,000
Interest and Fiscal Charges	7,870	7,870	7,870
Total Expenditures	<u>24,148,372</u>	<u>24,143,059</u>	<u>22,322,425</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	457,088	462,401	2,846,328
Other Financing (Uses)			
Transfers Out	<u>(1,321,243)</u>	<u>(1,299,243)</u>	<u>(1,288,506)</u>
Net Change in Fund Balance	<u>(864,155)</u>	<u>(836,842)</u>	1,557,822
Fund Balance - Beginning			<u>14,764,693</u>
Fund Balance - Ending			<u>16,322,515</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, 2010**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Taxes			
Property Taxes - General	\$ 5,667,760	5,667,760	5,657,690
Retailers' Occupation Tax	4,704,775	4,704,775	4,516,847
Non-Home Rule Sales Tax	1,700,556	1,700,556	1,707,010
Utility Tax	3,132,000	3,132,000	3,157,029
	<u>15,205,091</u>	<u>15,205,091</u>	<u>15,038,576</u>
Intergovernmental			
Illinois State Income Tax	1,957,560	1,957,560	1,975,298
Illinois State Replacement Tax	180,000	180,000	196,214
Illinois State Maintenance Reimbursement	36,300	36,300	58,204
Motor Fuel Tax	652,000	652,000	772,407
State and Federal Grant	518,064	518,064	186,910
Township Share	23,500	23,500	26,486
Countryside Fire Protection District	230,000	230,000	240,000
Local Use Tax	332,853	332,853	332,304
	<u>3,930,277</u>	<u>3,930,277</u>	<u>3,787,823</u>
Licenses and Permits			
Licenses	50,000	50,000	51,722
Building Permits	199,000	199,000	393,317
	<u>249,000</u>	<u>249,000</u>	<u>445,039</u>
Charges for Services			
Administrative Support	1,573,491	1,573,491	1,573,491
Engineering Plan Review	30,000	30,000	23,600
Engineering Inspection Fees	40,000	40,000	30,993
Survey Monumentation Fees	6,000	6,000	5,481

CITY OF BATAVIA, ILLINOIS

General Fund

**Schedule of Revenues - Budget and Actual
Year Ended December 31, 2010**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Charges for Services - Continued			
Planning Commission Fees	\$ 1,000	1,000	6,775
Contractual Plan Review	9,500	9,500	35,195
Grave Openings	47,000	47,000	34,617
Plumbing Inspections	30,000	30,000	33,577
Elevator Inspections	3,680	3,680	-
Police Services	140,000	140,000	123,515
Employee Contributions - Insurance	611,467	611,467	637,458
Non-Employee Insurance Premium	216,129	216,129	216,095
Insurance Reimbursements	210,000	210,000	766,718
	<u>2,918,267</u>	<u>2,918,267</u>	<u>3,487,515</u>
Fines and Forfeitures			
Court Fines	185,000	185,000	203,793
Parking Fines	36,500	36,500	48,633
	<u>221,500</u>	<u>221,500</u>	<u>252,426</u>
Interest			
Investment Income	136,000	136,000	48,708
Miscellaneous			
City Maps and Publications	3,200	3,200	3,872
Waste Transfer Fee	430,000	430,000	510,827
Cable TV Franchise Fee	314,000	314,000	370,625
Leaf and Brush Collection	306,000	306,000	269,041
Payment in Lieu of Taxes	725,000	725,000	736,455
Sale of Burial Lots	14,250	14,250	11,550
Reimbursements	67,875	67,875	66,155
Street Recapture	5,000	5,000	742
Other	80,000	80,000	139,399
	<u>1,945,325</u>	<u>1,945,325</u>	<u>2,108,666</u>
Total Revenues	<u>24,605,460</u>	<u>24,605,460</u>	<u>25,168,753</u>

CITY OF BATAVIA, ILLINOIS

General Fund

**Schedule of Expenditures - Budget and Actual
Year Ended December 31, 2010**

	Budgeted Amounts		Actual Amounts
	Original	Final	
General Government			
Legislative and Administration	\$ 1,230,923	1,230,923	1,167,171
Human Resources	286,335	286,335	276,822
Community Development	922,097	922,097	859,495
Public Works Administration	184,792	184,792	184,954
Engineering	1,120,267	1,120,267	923,868
Building and Grounds	399,488	399,488	364,280
Finance and Accounting	508,480	508,480	506,779
Information Systems	597,785	606,600	546,546
Utility Billing	314,574	314,574	260,109
Dial-A-Bus	50,000	50,000	52,145
Health Benefit	1,002,780	1,002,780	1,010,067
	<u>6,617,521</u>	<u>6,626,336</u>	<u>6,152,236</u>
Public Safety			
Police	8,025,123	8,015,738	7,788,816
Fire	4,695,019	4,690,276	4,615,505
E.S.D.A.	37,606	37,606	18,793
	<u>12,757,748</u>	<u>12,743,620</u>	<u>12,423,114</u>
Highways and Streets	<u>4,640,233</u>	<u>4,640,233</u>	<u>3,614,205</u>
Debt Service			
Principal Retirement - Motor Fuel Tax	125,000	125,000	125,000
Interest and Fiscal Charges - Motor Fuel Tax	7,870	7,870	7,870
	<u>132,870</u>	<u>132,870</u>	<u>132,870</u>
Total Expenditures	<u><u>24,148,372</u></u>	<u><u>24,143,059</u></u>	<u><u>22,322,425</u></u>

CITY OF BATAVIA, ILLINOIS

General Fund

**Schedule of Detailed Expenditures - Budget and Actual
Year Ended December 31, 2010**

	Budgeted Amounts		Actual Amounts
	Original	Final	
General Government			
Legislative and Administration			
Regular Wages	\$ 548,905	548,905	558,332
Overtime	100	100	-
Group Insurance	70,859	70,859	70,609
IMRF - City Portion	63,245	63,245	53,436
Social Security	41,999	41,999	38,785
Pension Contributions	9,500	9,500	8,785
Memberships	17,000	17,000	15,952
Training and Seminars	3,000	3,000	1,146
Resource Materials	1,500	1,500	752
Travel	400	400	681
Postage and Shipping	3,000	3,000	1,849
Office Supplies	12,000	12,000	7,343
Printing	26,000	26,000	26,801
Advertisement	500	500	730
Food	3,000	3,000	926
Sales Tax Rebate	35,000	35,000	12,898
Economic Development	12,600	12,600	10,203
Contract Labor	91,000	91,000	77,019
Legal Fees	130,000	130,000	113,005
BATV	125,600	125,600	139,845
General Liability Insurance	35,000	35,000	27,359
Workmen's Compensation Premium	715	715	715
	<u>1,230,923</u>	<u>1,230,923</u>	<u>1,167,171</u>
Human Resources			
Regular Wages	153,324	153,324	154,477
Group Insurance	16,761	16,761	16,762
IMRF - City Portion	17,663	17,663	17,189

CITY OF BATAVIA, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued
Year Ended December 31, 2010

	Budgeted Amounts		Actual Amounts
	Original	Final	
General Government - Continued			
Human Resources - Continued			
Social Security	\$ 11,729	11,729	11,169
Memberships	700	700	915
Training and Seminars	14,000	14,000	11,328
Employee Recruitment	2,000	2,000	890
Postage and Shipping	200	200	98
Office Supplies	2,500	2,500	493
Printing	600	600	-
Flowers	-	-	81
Recognition Award	10,500	10,500	10,199
Medical Exams	15,000	15,000	28,591
Contract Labor	14,000	14,000	8,992
Legal Fees	12,000	12,000	3,918
General Liability Insurance	15,000	15,000	11,362
Workmen's Compensation Premium	358	358	358
	<u>286,335</u>	<u>286,335</u>	<u>276,822</u>
Community Development			
Regular Wages	573,315	573,315	565,713
Overtime	250	250	-
Part Time Help	-	-	6,624
Group Insurance	88,629	88,629	88,081
IMRF - City Portion	66,075	66,075	62,613
Social Security	43,878	43,878	42,178
State Unemployment	-	-	1,155
Memberships	1,900	1,900	1,713
Training and Seminars	2,000	2,000	1,272
Resource Materials	150	150	353
Postage and Shipping	5,000	5,000	2,060
Office Supplies	3,500	3,500	3,167
Printing	2,000	2,000	-
Gasoline	1,725	1,725	1,670

CITY OF BATAVIA, ILLINOIS

General Fund

**Schedule of Detailed Expenditures - Budget and Actual - Continued
Year Ended December 31, 2010**

	Budgeted Amounts		Actual Amounts
	Original	Final	
General Government - Continued			
Community Development - Continued			
Advertising	\$ 3,000	3,000	1,320
Telephone	1,500	1,500	1,546
Clothing Allowance	300	300	-
Meals	250	250	101
Repairs and Maintenance - Vehicle	1,500	1,500	2,260
Plumbing Inspection	25,000	25,000	24,469
Contract Labor	84,600	84,600	36,190
General Liability Insurance	2,125	2,125	1,610
Workmen's Compensation Premium	15,400	15,400	15,400
	<u>922,097</u>	<u>922,097</u>	<u>859,495</u>
Public Works Administration			
Regular Wages	117,461	117,461	117,651
Group Insurance	19,330	19,330	19,200
IMRF - City Portion	13,532	13,532	11,966
Social Security	8,986	8,986	8,148
State Unemployment	-	-	957
Memberships	650	650	616
Training and Seminars	400	400	193
Office Supplies	500	500	-
Telephone	650	650	564
Contract Labor	22,200	22,200	24,752
General Liability Insurance	725	725	549
Workmen's Compensation Premium	358	358	358
	<u>184,792</u>	<u>184,792</u>	<u>184,954</u>

CITY OF BATAVIA, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued
 Year Ended December 31, 2010

	Budgeted Amounts		Actual Amounts
	Original	Final	
General Government - Continued			
Engineering			
Regular Wages	\$ 350,424	350,424	348,228
Overtime	1,000	1,000	2,038
Group Insurance	64,779	64,779	64,642
IMRF - City Portion	40,484	40,484	37,545
Social Security	26,884	26,884	24,937
Memberships	1,200	1,200	1,226
Training and Seminars	3,000	3,000	1,660
Resource Materials	500	500	589
Postage and shipping	350	350	288
Office Supplies	3,150	3,150	2,061
Gasoline	1,771	1,771	1,411
Advertising	600	600	193
Regulatory Fees	1,000	1,000	1,000
Telephone	2,800	2,800	3,165
Clothing Allowance	650	650	398
Recording Fees	400	400	328
Repairs and Maintenance - Vehicles	2,500	2,500	1,426
Contract Labor	10,700	10,700	848
Engineering Fees	232,700	232,700	38,023
Office Furniture	-	-	98
Other Equipment	500	500	1,139
Drainage Projects	370,000	370,000	388,265
General Liability Insurance	2,125	2,125	1,610
Workmen's Compensation Premium	2,750	2,750	2,750
	<u>1,120,267</u>	<u>1,120,267</u>	<u>923,868</u>

CITY OF BATAVIA, ILLINOIS

General Fund

**Schedule of Detailed Expenditures - Budget and Actual - Continued
Year Ended December 31, 2010**

	Budgeted Amounts		Actual Amounts
	Original	Final	
General Government - Continued			
Building and Grounds			
Regular Wages	\$ 52,528	52,528	51,323
Overtime	2,000	2,000	459
Group Insurance	7,032	7,032	13,487
IMRF - City Portion	6,282	6,282	5,672
Social Security	4,171	4,171	3,767
Postage and Shipping	50	50	-
Office Supplies	100	100	95
Gasoline	300	300	740
Telephone	32,500	32,500	30,396
Utilities	86,000	86,000	83,459
General supplies	20,000	20,000	9,192
Repairs and Maintenance - Vehicles	1,500	1,500	1,264
Repairs and Maintenance - Building	158,900	158,900	139,693
Equipment Rental	26,000	26,000	23,976
Repairs and Maintenance - Other Equipment	1,500	1,500	150
General Liability Insurance	75	75	57
Workmen's Compensation Premium	550	550	550
	<u>399,488</u>	<u>399,488</u>	<u>364,280</u>
Finance and Accounting			
Regular Wages	332,304	332,304	348,341
Overtime	-	-	59
Group Insurance	46,774	46,774	41,330
IMRF - City Portion	38,281	38,281	38,612
Social Security	25,421	25,421	25,226
Membership	550	550	300
Training and Seminars	200	200	19
Resource Materials	250	250	148
Travel	425	425	457
Postage and Shipping	5,500	5,500	3,310

CITY OF BATAVIA, ILLINOIS

General Fund

**Schedule of Detailed Expenditures - Budget and Actual - Continued
Year Ended December 31, 2010**

	Budgeted Amounts		Actual Amounts
	Original	Final	
General Government - Continued			
Finance and Accounting - Continued			
Office Supplies	\$ 8,000	8,000	3,621
Printing	3,000	3,000	1,552
Auditing	46,500	46,500	42,705
General Liability Insurance	725	725	549
Workmen's Compensation Premium	550	550	550
	<u>508,480</u>	<u>508,480</u>	<u>506,779</u>
Information Systems			
Regular Wages	234,951	234,951	236,843
Group Insurance	39,004	39,004	39,021
IMRF - City Portion	27,066	27,066	25,300
Social Security	17,974	17,974	16,811
Memberships	525	525	300
Training and Seminars	1,200	3,200	1,176
Resource Materials	800	800	3,293
Travel	250	250	188
Postage and Shipping	100	100	2
Office Supplies	500	500	494
Computer Software	4,900	5,900	1,382
Computer Supplies	5,000	5,000	1,701
Gasoline	1,300	1,300	249
Telephone	23,590	17,590	12,960
Clothing Allowance	50	50	-
Computer Maintenance	43,650	43,650	41,675
Contract Labor	15,500	27,315	12,018
Software Training	2,000	2,000	909
Software Support	136,150	136,150	122,041
Computer	42,000	42,000	29,084
General Liability Insurance	725	725	549
Workmen's Compensation Premium	550	550	550
	<u>597,785</u>	<u>606,600</u>	<u>546,546</u>

CITY OF BATAVIA, ILLINOIS

General Fund

**Schedule of Detailed Expenditures - Budget and Actual - Continued
Year Ended December 31, 2010**

	Budgeted Amounts		Actual Amounts
	Original	Final	
General Government - Continued			
Utility Billing			
Regular Wages	\$ 159,904	159,904	127,540
Overtime	1,000	1,000	1,198
Group Insurance	13,482	13,482	8,300
IMRF - City Portion	18,536	18,536	14,939
Social Security	12,309	12,309	9,921
State Unemployment	6,000	6,000	-
Training and Seminars	300	300	-
Postage and Shipping	64,000	64,000	65,241
Office Supplies	3,500	3,500	3,010
Computer Software	13,400	13,400	12,900
Computer Supplies	10,000	10,000	3,917
Collection Fees	1,600	1,600	1,056
Repairs and Maintenance - Office Equipment	6,268	6,268	5,952
Contract Labor	500	500	1,681
General Liability Insurance	725	725	549
Workmen's Compensation Premium	550	550	550
Bad Debt Expense	2,500	2,500	3,355
	<u>314,574</u>	<u>314,574</u>	<u>260,109</u>
Dial-A-Bus			
Contract Labor	50,000	50,000	52,145
Health Benefit			
Claims Administration Fees	99,287	99,287	110,578
Insurance and Claims, Net	903,493	903,493	899,489
	<u>1,002,780</u>	<u>1,002,780</u>	<u>1,010,067</u>
Total General Government	<u>6,617,521</u>	<u>6,626,336</u>	<u>6,152,236</u>

CITY OF BATAVIA, ILLINOIS

General Fund

**Schedule of Detailed Expenditures - Budget and Actual - Continued
Year Ended December 31, 2010**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Public Safety			
Police Department			
Regular Wages	\$ 4,302,579	4,302,579	4,405,428
Overtime	282,509	282,509	183,533
Auxiliary Police, Full-Time	21,000	21,000	17,253
Part Time Help	45,626	45,626	37,976
Group Insurance	898,881	898,881	864,270
IMRF - City Portion	57,489	57,489	58,601
Social Security	101,219	101,219	88,362
Pension Contributions	1,192,707	1,192,707	1,192,707
State Unemployment	-	-	122
Board of P & F Commission	4,250	4,250	375
Memberships	7,381	7,381	5,601
Training and Seminars	18,076	18,076	9,975
Resource Materials	1,500	1,500	987
Travel	600	600	204
Postage and Shipping	5,500	5,500	3,381
Office Supplies	16,600	16,600	11,621
Vehicle Supplies	7,500	7,500	5,533
Printing	6,300	6,300	6,622
Communication Supplies	3,000	3,000	2,358
Investigative Supplies	2,500	2,500	1,715
Gasoline	84,000	84,000	82,470
Patrol Supplies	8,000	8,000	6,679
Community Relations	1,000	1,000	631
Ammunition	13,000	8,360	7,264
Telephone	17,000	17,000	12,836
Clothing Allowance	39,500	34,755	31,111
Food	1,500	1,500	352
Repairs and Maintenance - Vehicle	58,000	58,000	46,570
Equipment Rental	10,912	10,912	6,424
Repairs and Maintenance - Other Equipment	7,680	7,680	5,367
Contract Labor	442,644	442,644	371,865
Narcotics and Enforcement	6,500	6,500	5,500
Vehicles	50,170	50,170	-

CITY OF BATAVIA, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued
Year Ended December 31, 2010

	Budgeted Amounts		Actual Amounts
	Original	Final	
Public Safety - Continued			
Police Department - Continued			
General Liability Insurance	\$ 60,000	60,000	64,893
Workmen's Compensation Premium	250,000	250,000	250,230
	<u>8,025,123</u>	<u>8,015,738</u>	<u>7,788,816</u>
Fire Department			
Regular Wages	1,942,050	1,942,050	2,005,723
Overtime	190,000	190,000	167,001
Part Time Help	482,498	482,498	465,059
Group Insurance	404,986	404,986	405,352
IMRF - City Portion	6,226	6,226	5,439
Social Security	71,177	71,177	65,623
Pension Contributions	691,630	691,630	691,630
State Unemployment	2,500	2,500	2,127
Memberships	5,240	5,240	4,089
EMS Training	3,780	3,780	-
Training and Seminars	17,800	17,800	13,439
Fire Prevention	1,000	1,000	858
Resource Materials	1,580	1,580	1,562
Postage and Shipping	2,200	2,200	1,250
Office Supplies	4,200	4,200	3,998
Vehicle Supplies	23,520	23,520	22,896
Printing	2,100	2,100	1,304
Communication Supplies	13,000	13,000	11,443
Gasoline	24,150	24,150	28,495
Telephone	10,700	10,700	8,285
Education Materials	6,000	6,000	4,539
Hazardous Materials	2,000	2,000	2,141
Clothing Allowance	94,284	89,541	72,534
Water Rescue Materials	6,000	6,000	5,655
Medical Supplies	3,000	3,000	3,043
Food	2,500	2,500	1,734
Utilities	49,000	49,000	43,786
General Supplies	8,000	8,000	7,452

CITY OF BATAVIA, ILLINOIS

General Fund

**Schedule of Detailed Expenditures - Budget and Actual - Continued
Year Ended December 31, 2010**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Public Safety - Continued			
Fire Department - Continued			
Repairs and Maintenance - Vehicle	\$ 42,000	42,000	38,477
Repairs and Maintenance - Building	20,000	20,000	12,127
Repairs and Maintenance - Equipment	4,740	4,740	3,818
Contract Labor	318,858	318,858	288,507
S.C.B.A. Maintenance	6,000	6,000	4,445
Other Equipment	14,800	14,800	14,000
General Liability Insurance	40,000	40,000	30,299
Workmen's Compensation Premium	177,500	177,500	177,375
	<u>4,695,019</u>	<u>4,690,276</u>	<u>4,615,505</u>
E.S.D.A.			
Part Time Help	9,550	9,550	9,543
Social Security	731	731	721
Meal Allowance	250	250	-
Memberships	400	400	-
Training and Seminars	275	275	462
Travel	3,200	3,200	1,095
Office Supplies	50	50	134
Gasoline	250	250	212
Patrol Supplies	500	500	14
Telephone	1,800	1,800	1,178
Clothing Allowance	500	500	-
Utilities	875	875	849
Repairs and Maintenance - Vehicle	775	775	2,975
Repairs and Maintenance - Building	250	250	5
Equipment Rental	2,000	2,000	819
Repairs and Maintenance - Other Equipment	3,000	3,000	767
Contractual Services	12,000	12,000	-
Other Equipment	1,200	1,200	19
	<u>37,606</u>	<u>37,606</u>	<u>18,793</u>
Total Public Safety	<u>12,757,748</u>	<u>12,743,620</u>	<u>12,423,114</u>

CITY OF BATAVIA, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued
Year Ended December 31, 2010

	Budgeted Amounts		Actual Amounts
	Original	Final	
Highways and Streets			
Street and Sanitation			
Regular Wages	\$ 1,336,434	1,336,434	1,276,976
Overtime	202,584	202,584	141,502
Part Time Help	20,000	20,000	22,761
Group Insurance	273,955	273,955	272,184
IMRF - City Portion	177,295	177,295	151,888
Social Security	119,265	119,265	101,905
Meal Allowance	3,000	3,000	2,018
Training and Seminars	4,500	4,500	2,554
Travel	250	250	-
Supplies for Other Equipment	15,000	15,000	7,978
Postage and Shipping	-	-	210
Office Supplies	2,500	2,500	1,293
Vehicle Supplies	35,000	35,000	52,356
Communication Supplies	5,000	5,000	3,411
Materials	85,000	85,000	53,605
Gasoline	70,000	70,000	58,954
Salt De-Icers	200,000	200,000	200,613
Advertising	1,000	1,000	723
Telephone	10,000	10,000	6,718
Clothing Allowance	12,000	12,000	12,042
Food	1,000	1,000	327
Utilities	19,250	19,250	20,441
Safety Supplies	2,500	2,500	2,094
General Supplies	30,000	30,000	16,665
Landfill Fees	3,000	3,000	1,413
Ornamental Supplies	6,000	6,000	7,642
Repairs and Maintenance - Vehicle	30,000	30,000	11,167
Repairs and Maintenance - Building	27,700	27,700	14,190
Equipment Rental	2,000	2,000	-
Repairs and Maintenance - Other Equipment	13,000	13,000	3,571
Contract Labor	535,000	535,000	460,034
Contract Labor - Health Department	60,000	60,000	52,053
Contract Labor - Forestry Department	150,000	150,000	91,195
Street - Other Construction	1,000,000	1,000,000	394,669

CITY OF BATAVIA, ILLINOIS

General Fund

**Schedule of Detailed Expenditures - Budget and Actual - Continued
Year Ended December 31, 2010**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Highways and Streets - Continued			
Street and Sanitation - Continued			
Other Equipment	\$ 18,000	18,000	1,274
General Liability Insurance	30,000	30,000	27,752
Workmen's Compensation Premium	140,000	140,000	140,000
Bad Debt Expense	-	-	27
Total Highways and Streets	4,640,233	4,640,233	3,614,205
Debt Service			
Debt Service			
Principal Retirement - Motor Fuel Tax	125,000	125,000	125,000
Interest and Fiscal Charges - Motor Fuel Tax	7,870	7,870	7,870
Total Debt Service	132,870	132,870	132,870
Total Expenditures	24,148,372	24,143,059	22,322,425

CITY OF BATAVIA, ILLINOIS

Debt Service Fund

**Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Year Ended December 31, 2010**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Taxes	\$ 1,169,939	1,169,939	1,239,702
Interest	4,200	4,200	1,218
Miscellaneous	-	-	7,152
Total Revenues	<u>1,174,139</u>	<u>1,174,139</u>	<u>1,248,072</u>
Expenditures			
Debt Service			
Principal Retirement	1,032,225	1,032,225	1,032,225
Interest and Fiscal Charges	520,538	520,538	520,538
Total Expenditures	<u>1,552,763</u>	<u>1,552,763</u>	<u>1,552,763</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(378,624)</u>	<u>(378,624)</u>	<u>(304,691)</u>
Other Financing Sources (Uses)			
Transfers In	1,762,825	1,762,825	1,828,223
Transfers Out	(690,000)	(690,000)	(1,053,350)
	<u>1,072,825</u>	<u>1,072,825</u>	<u>774,873</u>
Net Change in Fund Balance	<u>694,201</u>	<u>694,201</u>	470,182
Fund Balance - Beginning			<u>1,173,288</u>
Fund Balance - Ending			<u>1,643,470</u>

CITY OF BATAVIA, ILLINOIS

Debt Service Fund

**Schedule of Expenditures - Budget and Actual
Year Ended December 31, 2010**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Fire Station			
Debt Service			
Principal Retirement	\$ 370,000	370,000	370,000
Interest and Fiscal Charges	367,768	367,768	367,769
	<u>737,768</u>	<u>737,768</u>	<u>737,769</u>
Building Renovation			
Debt Service			
Principal Retirement	270,000	270,000	270,000
Interest and Fiscal Charges	42,562	42,562	42,562
	<u>312,562</u>	<u>312,562</u>	<u>312,562</u>
2002 Refunding Fire and Public Works			
Debt Service			
Principal Retirement	102,225	102,225	102,225
Interest and Fiscal Charges	3,732	3,732	3,732
	<u>105,957</u>	<u>105,957</u>	<u>105,957</u>
Flood Control			
Debt Service			
Principal Retirement	205,000	205,000	205,000
Interest and Fiscal Charges	24,100	24,100	24,100
	<u>229,100</u>	<u>229,100</u>	<u>229,100</u>
Donovan Bridge			
Debt Service			
Principal Retirement	85,000	85,000	85,000
Interest and Fiscal Charges	82,376	82,376	82,375
	<u>167,376</u>	<u>167,376</u>	<u>167,375</u>
Total Expenditures	<u>1,552,763</u>	<u>1,552,763</u>	<u>1,552,763</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, 2010**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Taxes	\$ 230,000	230,000	324,227
Intergovernmental	88,325	88,325	44,650
Interest	3,000	3,000	4,682
Total Revenues	321,325	321,325	373,559
Expenditures			
Capital Outlay	1,866,405	1,866,405	403,472
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,545,080)	(1,545,080)	(29,913)
Other Financing Sources			
Transfers In	22,080	22,080	309,295
Net Change in Fund Balance	(1,523,000)	(1,523,000)	279,382
Fund Balance - Beginning			838,447
Fund Balance - Ending			1,117,829

CITY OF BATAVIA, ILLINOIS

Infrastructure - Capital Projects Fund

**Schedule of Expenditures - Budget and Actual
Year Ended December 31, 2010**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>
	<u>Original</u>	<u>Final</u>	
Capital Outlay			
Contractual Services - TIF District	\$ 908,000	908,000	319,194
Contractual Services - TIF District #3	498,000	498,000	28,465
Land Acquisition - TIF District #3	350,000	350,000	-
Engineering Fees - Deerpath Bridge Rehab	110,405	110,405	55,813
Total Expenditures	<u>1,866,405</u>	<u>1,866,405</u>	<u>403,472</u>

CITY OF BATAVIA, ILLINOIS

Capital Projects Fund

**Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
Year Ended December 31, 2010**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Intergovernmental	\$ 101,250	101,250	-
Charges for Services	8,000	8,000	25,672
Interest	6,000	6,000	3,760
Total Revenues	<u>115,250</u>	<u>115,250</u>	<u>29,432</u>
Expenditures			
Capital Outlay			
Other Equipment - Public Works Department	180,000	180,000	-
Vehicle - Fire Capital Development	225,000	225,000	-
Total Expenditures	<u>405,000</u>	<u>405,000</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(289,750)	(289,750)	29,432
Other Financing Sources			
Transfers In	225,000	225,000	225,000
Net Change in Fund Balance	<u>(64,750)</u>	<u>(64,750)</u>	254,432
Fund Balance - Beginning			<u>816,116</u>
Fund Balance - Ending			<u>1,070,548</u>

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, 2010**

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>
Revenues			
Charges for Services			
Care of Cemetery Lots	\$ 9,500	9,500	6,650
Interest	1,500	1,500	777
Total Revenues	<u>11,000</u>	<u>11,000</u>	<u>7,427</u>
Expenditures			
General Government	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>
Net Change in Fund Balance	<u>1,000</u>	<u>1,000</u>	(2,573)
Fund Balance - Beginning			<u>125,959</u>
Fund Balance - Ending			<u>123,386</u>

CITY OF BATAVIA, ILLINOIS

Waterworks - Enterprise Fund

**Schedule of Revenues, Expenses and Changes in
Net Assets - Budget and Actual
Year Ended December 31, 2010**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Operating Revenues			
Charges for Services	\$ 4,067,418	4,067,418	4,222,211
Operating Expenses			
Administration	661,354	661,354	657,258
Operations	1,966,780	1,966,780	1,860,747
Depreciation	-	-	1,003,306
Total Operating Expenses	2,628,134	2,628,134	3,521,311
Operating Income	1,439,284	1,439,284	700,900
Nonoperating Revenues (Expenses)			
Connection Fees	1,200	1,200	1,720
Interest Income	50,000	50,000	18,452
Interest and Fiscal Charges	(309,559)	(309,559)	(311,374)
	(258,359)	(258,359)	(291,202)
Income Before Transfers	1,180,925	1,180,925	409,698
Transfers Out	(20,662)	(20,662)	(20,662)
Change in Net Assets	1,160,263	1,160,263	389,036
Net Assets - Beginning			18,820,632
Net Assets - Ending			19,209,668

CITY OF BATAVIA, ILLINOIS

Waterworks - Enterprise Fund

**Schedule of Operating Expenses - Budget and Actual
Year Ended December 31, 2010**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Administration			
General Expenses			
General Liability Insurance	\$ 45,000	45,000	34,087
Workers' Compensation Premium	40,000	40,000	40,000
Bad Debt Expense	-	-	6,817
General Support	465,054	465,054	465,054
Electric Support - Metering	111,300	111,300	111,300
Total Administration	661,354	661,354	657,258
Operations			
Water Production			
Regular Wages	117,582	117,582	116,493
Overtime	20,580	20,580	14,609
Group Insurance	24,998	24,998	23,993
IMRF - City Portion	15,916	15,916	14,826
Social Security	10,569	10,569	9,852
Production Electricity	450,000	450,000	404,321
Telephone	7,500	7,500	6,331
Chemical Materials	136,500	136,500	122,755
Utilities	3,850	3,850	2,031
General Supplies	6,000	6,000	6,490
Repairs and Maintenance - Building	21,000	21,000	6,450
Repairs and Maintenance - Other Equipment	30,000	30,000	11,065
Contract Labor	90,500	90,500	121,271
Engineering Fees	15,000	15,000	5,907
Other Equipment	32,700	32,700	9,346
	982,695	982,695	875,740

CITY OF BATAVIA, ILLINOIS

Waterworks - Enterprise Fund

**Schedule of Operating Expenses - Budget and Actual - Continued
Year Ended December 31, 2010**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Operations - Continued			
Water Distribution			
Regular Wages	\$ 496,979	496,979	501,191
Overtime	60,876	60,876	57,582
Part Time Help	1,960	1,960	4,344
Group Insurance	119,179	119,179	117,656
IMRF - City Portion	64,265	64,265	59,761
Social Security	42,826	42,826	40,047
Meal Allowance	150	150	46
Memberships	2,100	2,100	4,017
Training and Seminars	3,000	3,000	2,714
Resource Materials	500	500	554
Travel	500	500	876
Postage and Shipping	100	100	1,166
Office Supplies	1,700	1,700	1,680
Vehicle Supplies	4,000	4,000	4,969
Materials	16,500	16,500	15,402
Gasoline	11,000	11,000	14,198
Telephone	300	300	201
Clothing Allowance	4,500	4,500	5,489
Food	700	700	463
Utilities	10,050	10,050	9,445
General Supplies	11,000	11,000	9,219
Fire Hydrants	10,000	10,000	7,246
Piping and Fitting	30,000	30,000	37,539
Landfill Fees	3,000	3,000	609
Repairs and Maintenance - Vehicle	2,000	2,000	6,364
Repairs and Maintenance - Building	27,700	27,700	12,180
Repairs and Maintenance - Other Equipment	3,000	3,000	677
Contract Labor	50,000	50,000	42,607
Julie System	1,200	1,200	1,475
Other Equipment	5,000	5,000	25,290
	<u>984,085</u>	<u>984,085</u>	<u>985,007</u>

CITY OF BATAVIA, ILLINOIS

Waterworks - Enterprise Fund

**Schedule of Operating Expenses - Budget and Actual - Continued
Year Ended December 31, 2010**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Operations - Continued			
Water Improvements			
Water Meters	\$ 15,000	15,000	-
Vehicles	50,000	50,000	-
	<hr/> 65,000	<hr/> 65,000	<hr/> -
Less Nonoperating Items			
Capital Assets Capitalized	(65,000)	(65,000)	-
	<hr/> -	<hr/> -	<hr/> -
Total Operations	<hr/> 1,966,780	<hr/> 1,966,780	<hr/> 1,860,747

CITY OF BATAVIA, ILLINOIS

Sewerage - Enterprise Fund

**Balance Sheet
December 31, 2010**

	Operations and Maintenance	Restricted Accounts			Totals
		Bond and Interest	Bond Reserve	Depreciation Repair and Replacement	
ASSETS					
Current Assets					
Cash and Investments	\$ 1,308,059	-	-	-	1,308,059
Receivables					
Accounts	565,087	-	-	-	565,087
Accrued Interest	1,344	-	-	-	1,344
Prepays	20,054	-	-	-	20,054
Restricted Cash and Investments	210,000	254,718	-	350,000	814,718
Total Current Assets	2,104,544	254,718	-	350,000	2,709,262
Noncurrent Assets					
Capital Assets					
Nondepreciable	89,066	-	-	-	89,066
Depreciable	42,983,600	-	-	-	42,983,600
Accumulated Depreciation	(15,144,430)	-	-	-	(15,144,430)
Total Noncurrent Assets	27,928,236	-	-	-	27,928,236
Total Assets	30,032,780	254,718	-	350,000	30,637,498

	Operations and Maintenance	Restricted Accounts			Totals
		Bond and Interest	Bond Reserve	Depreciation Repair and Replacement	
LIABILITIES					
Current Liabilities					
Accounts Payable	\$ 51,055	-	-	-	51,055
Accrued Payroll	30,844	-	-	-	30,844
Deposits Payable	11,749	-	-	-	11,749
Restricted Liabilities					
Accrued Interest Payable	-	35,602	-	-	35,602
Revenue Bonds Payable	868,462	219,116	-	-	1,087,578
Total Current Liabilities	962,110	254,718	-	-	1,216,828
Noncurrent Liabilities					
Revenue Bonds Payable	6,464,118	-	-	-	6,464,118
Total Liabilities	7,426,228	254,718	-	-	7,680,946
NET ASSETS					
Investment in Capital Assets - Net of Related Debt					
	20,595,656	(219,116)	-	-	20,376,540
Restricted - Debt Service	210,000	-	-	350,000	560,000
Unrestricted	1,800,896	219,116	-	-	2,020,012
Total Net Assets	22,606,552	-	-	350,000	22,956,552

CITY OF BATAVIA, ILLINOIS

Sewerage - Enterprise Fund

Schedule of Revenues, Expenses and Changes in
Net Assets - Budget and Actual
Year Ended December 31, 2010

	Budgeted Amounts		Actual Amounts
	Original	Final	
Operating Revenues			
Charges for Services	\$ 3,801,281	3,801,281	3,792,108
Operating Expenses			
Administration	600,591	600,591	602,533
Operations	1,905,053	1,905,053	1,656,601
Depreciation	-	-	1,328,700
Total Operating Expenses	2,505,644	2,505,644	3,587,834
Operating Income	1,295,637	1,295,637	204,274
Nonoperating Revenues (Expenses)			
Connection Fees	31,050	31,050	14,603
Interest Income	26,000	26,000	13,131
Interest and Fiscal Charges	(226,872)	(226,872)	(219,247)
	(169,822)	(169,822)	(191,513)
Change in Net Assets	1,125,815	1,125,815	12,761
Net Assets - Beginning			22,943,791
Net Assets - Ending			22,956,552

CITY OF BATAVIA, ILLINOIS

Sewerage - Enterprise Fund

Schedule of Operating Expenses - Budget and Actual
Year Ended December 31, 2010

	Budgeted Amounts		Actual Amounts
	Original	Final	
Administration			
General Expenses			
General Liability Insurance	\$ 45,000	45,000	40,137
Workers' Compensation Premium	25,000	25,000	25,000
Bad Debt Expense	-	-	6,805
General Support	419,291	419,291	419,291
Electric Support - Metering	111,300	111,300	111,300
Total Administration	600,591	600,591	602,533
Operations			
Waste Water Treatment			
Regular Wages	492,683	492,683	463,065
Overtime	75,721	75,721	70,435
Part Time Help	3,840	3,840	-
Group Insurance	112,461	112,461	104,049
IMRF - City Portion	65,480	65,480	57,936
Social Security	43,777	43,777	38,480
Membership	250	250	120
Training	2,000	2,000	1,543
Resource Materials	500	500	124
Travel	400	400	-
Postage and Shipping	-	-	2
Office Supplies	750	750	671
Lab Supplies	8,000	8,000	4,111
Gasoline	8,500	8,500	3,410
Regulatory Fees	15,500	15,500	15,500
Telephone	25,000	25,000	28,207
Clothing Allowance	3,500	3,500	2,179
Chemicals	29,000	29,000	27,076
Utilities	500,000	500,000	447,521
Safety Supplies	1,800	1,800	1,018
General Supplies	6,500	6,500	3,721
Landfill Fees	90,000	90,000	82,618
Repairs and Maintenance - Vehicle	2,500	2,500	6,255

CITY OF BATAVIA, ILLINOIS

Sewerage - Enterprise Fund

**Schedule of Operating Expenses - Budget and Actual - Continued
Year Ended December 31, 2010**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Operations - Continued			
Waste Water Treatment - Continued			
Repairs and Maintenance - Building	\$ 10,000	10,000	962
Repairs and Maintenance - Other Equipment	130,000	130,000	75,771
Contract Labor	18,800	18,800	23,274
	<u>1,646,962</u>	<u>1,646,962</u>	<u>1,458,048</u>
Sanitary Sewer Maintenance			
Regular Wages	104,074	104,074	107,462
Overtime	12,250	12,250	5,728
Group Insurance	20,999	20,999	23,701
IMRF - City Portion	13,401	13,401	12,315
Social Security	8,899	8,899	8,183
Training	100	100	-
Materials	5,000	5,000	1,927
Gasoline	2,368	2,368	1,881
Clothing Allowance	800	800	559
General Supplies	1,000	1,000	1,552
Repairs and Maintenance - Vehicle	1,000	1,000	744
Repairs and Maintenance - Other Equipment	5,000	5,000	1,300
Contract Labor	25,000	25,000	29,815
Engineering Fees	55,000	55,000	-
Julie System	1,200	1,200	1,475
Other Equipment	2,000	2,000	1,911
	<u>258,091</u>	<u>258,091</u>	<u>198,553</u>
Sewer Improvements			
Contract Labor	660,000	660,000	-
Engineering Fees	67,000	67,000	-
	<u>727,000</u>	<u>727,000</u>	<u>-</u>
Less Nonoperating Items			
Capital Assets Capitalized	(727,000)	(727,000)	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Operations	<u><u>1,905,053</u></u>	<u><u>1,905,053</u></u>	<u><u>1,656,601</u></u>

CITY OF BATAVIA, ILLINOIS

Sewerage - Enterprise Fund

**Schedule of Changes in Net Assets - Restricted - Debt Service
Year Ended December 31, 2010**

	Operations and Maintenance	Bond and Interest	Bond Reserve	Depreciation Repair and Replacement	Totals
Increases					
Interfund Transfers In	\$ -	1,361,331	-	-	1,361,331
Decreases					
Bond Principal	-	1,142,084	-	-	1,142,084
Bond Interest	-	219,247	-	-	219,247
	-	1,361,331	-	-	1,361,331
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, 2010**

	Operations and Maintenance	Restricted Accounts			Totals
		Bond and Interest	Bond Reserve	Depreciation Repair and Replacement	
ASSETS					
Current Assets					
Cash and Investments	\$ 7,856,528	-	-	-	7,856,528
Receivables					
Accounts	6,383,334	-	-	-	6,383,334
Accrued Interest	26,346	-	-	-	26,346
Prepays	66,034	-	-	-	66,034
Inventories	1,796,973	-	-	-	1,796,973
Restricted Cash and Investments	2,700,000	119,509	1,705,719	2,000,000	6,525,228
	<u>18,829,215</u>	<u>119,509</u>	<u>1,705,719</u>	<u>2,000,000</u>	<u>22,654,443</u>
Noncurrent Assets					
Capital Assets					
Nondepreciable	982,793	-	-	-	982,793
Depreciable	69,926,946	-	-	-	69,926,946
Accumulated Depreciation	(19,301,670)	-	-	-	(19,301,670)
Total Noncurrent Assets	<u>51,608,069</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>51,608,069</u>
Total Assets	<u>70,437,284</u>	<u>119,509</u>	<u>1,705,719</u>	<u>2,000,000</u>	<u>74,262,512</u>

	Operations and Maintenance	Restricted Accounts			Totals
		Bond and Interest	Bond Reserve	Depreciation Repair and Replacement	
LIABILITIES					
Current Liabilities					
Accounts Payable	\$ 2,014,593	-	-	-	2,014,593
Accrued Payroll	98,051	-	-	-	98,051
Deposits Payable	89,689	-	-	-	89,689
Restricted Liabilities					
Accrued Interest Payable	466,294	93,259	-	-	559,553
Revenue Bonds Payable	288,750	26,250	-	-	315,000
Total Current Liabilities	2,957,377	119,509	-	-	3,076,886
Noncurrent Liabilities					
Revenue Bonds Payable	25,975,000	-	-	-	25,975,000
Total Liabilities	28,932,377	119,509	-	-	29,051,886
NET ASSETS					
Investment in Capital Assets - Net of Related Debt					
	25,344,319	(26,250)	-	-	25,318,069
Restricted - Debt Service	2,700,000	-	1,705,719	2,000,000	6,405,719
Unrestricted	13,460,588	26,250	-	-	13,486,838
Total Net Assets	41,504,907	-	1,705,719	2,000,000	45,210,626

CITY OF BATAVIA, ILLINOIS

Electric - Enterprise Fund

**Schedule of Revenues, Expenses and Changes in
Net Assets - Budget and Actual
Year Ended December 31, 2010**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Operating Revenues			
Charges for Services	\$ 37,428,321	37,428,321	39,639,489
Operating Expenses			
Administration	2,266,645	2,266,645	2,241,574
Operations	31,219,337	31,219,337	31,432,710
Depreciation	-	-	2,252,945
Total Operating Expenses	33,485,982	33,485,982	35,927,229
Operating Income	3,942,339	3,942,339	3,712,260
Nonoperating Revenues (Expenses)			
Connection Fees	20,000	20,000	1,825,368
Interest Income	315,000	325,000	106,971
Disposal of Capital Assets	-	-	(465,252)
Interest and Fiscal Charges	(1,119,505)	(1,119,505)	(1,119,479)
	(784,505)	(774,505)	347,608
Change in Net Assets	3,157,834	3,167,834	4,059,868
Net Assets - Beginning			41,150,758
Net Assets - Ending			45,210,626

CITY OF BATAVIA, ILLINOIS

Electric - Enterprise Fund

**Schedule of Operating Expenses - Budget and Actual
Year Ended December 31, 2010**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Administration			
Meter Reader/Tester			
Regular Wages	\$ 191,286	191,286	196,298
Overtime	6,100	6,100	6,909
Part Time Help	88,000	88,000	78,784
Group Insurance	52,142	52,142	52,054
IMRF - City Portion	22,739	22,739	21,814
Social Security	21,832	21,832	20,518
Fuel for Vehicles	5,500	5,500	4,423
Telephone	1,900	1,900	1,391
Clothing Allowance	2,500	2,500	2,138
General Supplies	4,500	4,500	1,463
Repairs and Maintenance - Vehicle	1,000	1,000	1,166
	<u>397,499</u>	<u>397,499</u>	<u>386,958</u>
General Expenses			
General Liability Insurance	90,000	90,000	69,294
Workers' Compensation Premium	300,000	300,000	300,000
General Support	679,146	679,146	679,146
Payments in Lieu of Taxes	725,000	725,000	725,000
Bad Debt Expense	75,000	75,000	81,176
	<u>1,869,146</u>	<u>1,869,146</u>	<u>1,854,616</u>
Total Administration	<u><u>2,266,645</u></u>	<u><u>2,266,645</u></u>	<u><u>2,241,574</u></u>
Operations			
Purchased Power			
Purchased Power	28,000,000	28,000,000	25,952,091
PJM Interconnection	-	-	1,818,933
Ancillary Power Costs	-	-	120,597
State Utility Tax	1,309,784	1,309,784	1,348,839
	<u>29,309,784</u>	<u>29,309,784</u>	<u>29,240,460</u>

CITY OF BATAVIA, ILLINOIS

Electric - Enterprise Fund

Schedule of Operating Expenses - Budget and Actual - Continued
Year Ended December 31, 2010

	Budgeted Amounts		Actual Amounts
	Original	Final	
Operations - Continued			
Electric Distribution			
Regular Wages	\$ 1,416,390	1,416,390	1,433,362
Overtime	169,000	169,000	161,564
Part Time Help	25,000	25,000	2,480
Group Insurance	236,495	236,495	249,898
IMRF - City Portion	182,637	182,637	175,765
Social Security	123,195	123,195	116,475
Meal Allowance	400	400	156
Memberships	29,500	29,500	24,722
Training and Seminars	20,700	20,700	9,637
Resource Materials	750	750	478
Postage and Shipping	1,500	1,500	1,569
Public Education	1,500	1,500	-
Office Supplies	9,000	9,000	3,510
Vehicle Supplies	15,000	15,000	8,773
Communication Supplies	5,000	5,000	743
Materials	7,500	7,500	5,585
Gasoline	14,375	14,375	17,059
Advertising	500	500	157
Telephone	18,000	18,000	19,049
Clothing Allowance	16,000	16,000	9,334
Food	1,000	1,000	165
Utilities	30,926	30,926	29,286
Safety Supplies	10,500	10,500	10,472
Substation Maintenance	12,000	12,000	1,115
Street Lights	35,000	35,000	19,675
General Supplies	75,000	75,000	570,165
Landfill Fees	2,500	2,500	609
Tree Trimming	150,000	150,000	149,395
Repairs and Maintenance - Vehicle	15,000	15,000	13,087
Repairs and Maintenance - Building	27,700	27,700	11,955
Repairs and Maintenance - Other Equipment	7,500	7,500	4,742
Contract Labor	167,500	167,500	154,005
Contract Labor - Forestry	10,000	10,000	23,664

CITY OF BATAVIA, ILLINOIS

Electric - Enterprise Fund

**Schedule of Operating Expenses - Budget and Actual - Continued
Year Ended December 31, 2010**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Operations - Continued			
Electric Distribution - Continued			
Engineering Fees	\$ 10,000	10,000	-
Julie System	1,500	1,500	1,475
Other Equipment	75,000	75,000	1,139
Customer Transformers	25,000	25,000	-
	<u>2,948,568</u>	<u>2,948,568</u>	<u>3,231,265</u>
Less Nonoperating Items			
Capital Assets Capitalized	<u>(1,039,015)</u>	<u>(1,039,015)</u>	<u>(1,039,015)</u>
	<u>1,909,553</u>	<u>1,909,553</u>	<u>2,192,250</u>
Electric Improvements			
General Supplies	349,000	349,000	1,131,631
Electric Meters	45,000	45,000	18,584
Wire and Cable	448,500	448,500	473,524
Electric Poles	12,500	12,500	70,724
Contract Labor	1,560,000	1,560,000	1,547,001
Engineering Fees	20,000	20,000	-
Vehicles	180,000	180,000	-
Transformers	165,000	165,000	607,490
	<u>2,780,000</u>	<u>2,780,000</u>	<u>3,848,954</u>
Less Nonoperating Items			
Capital Assets Capitalized	<u>(2,780,000)</u>	<u>(2,780,000)</u>	<u>(3,848,954)</u>
	<u>-</u>	<u>-</u>	<u>-</u>
Total Operations	<u>31,219,337</u>	<u>31,219,337</u>	<u>31,432,710</u>

CITY OF BATAVIA, ILLINOIS

Electric - Enterprise Fund

**Schedule of Changes in Net Assets - Restricted - Debt Service
Year Ended December 31, 2010**

	Operations and Maintenance	Bond and Interest	Bond Reserve	Depreciation Repair and Replacement	Totals
Increases					
Interfund Transfers In	\$ -	1,414,105	-	-	1,414,105
Decreases					
Bond Principal	-	295,000	-	-	295,000
Bond Interest	-	1,119,105	-	-	1,119,105
	-	1,414,105	-	-	1,414,105
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, 2010**

	Police Pension	Firefighters' Pension	Totals
Assets			
Cash and Cash Equivalents	\$ 9,891	2,885	12,776
Investments			
U.S. Government and Agency Securities	9,649,162	3,288,701	12,937,863
Insurance Company Contracts	-	3,357,728	3,357,728
Mutual Funds	3,205,252	123,670	3,328,922
Equities	6,520,721	-	6,520,721
Money Market Mutual Funds	1,259,272	2,320,644	3,579,916
Receivables			
Accrued Interest	50,286	18,321	68,607
Prepays	4,745	-	4,745
Total Assets	20,699,329	9,111,949	29,811,278
Liabilities			
Accounts Payable	4,955	1,970	6,925
Net Assets			
Held in Trust for Pension Benefits (A schedule of funding progress is presented following the notes to the financial statements.)	20,694,374	9,109,979	29,804,353

CITY OF BATAVIA, ILLINOIS

Pension Trust Funds

**Combining Statement of Changes in Net Plan Assets
Year Ended December 31, 2010**

	Police Pension	Firefighters' Pension	Totals
Additions			
Contributions - Employer	\$ 1,192,835	691,688	1,884,523
Contributions - Plan Members	351,060	170,066	521,126
Total Contributions	1,543,895	861,754	2,405,649
Investment Income			
Interest Earned	496,805	125,635	622,440
Net Change in Fair Value	1,354,057	553,184	1,907,241
	1,850,862	678,819	2,529,681
Less Investment Expenses	(143,963)	(2,490)	(146,453)
Net Investment Income	1,706,899	676,329	2,383,228
Total Additions	3,250,794	1,538,083	4,788,877
Deductions			
Administration	50,748	18,138	68,886
Benefits and Refunds	866,003	415,321	1,281,324
Total Deductions	916,751	433,459	1,350,210
Change in Net Assets	2,334,043	1,104,624	3,438,667
Net Plan Assets Held in Trust for Pension Benefits			
Beginning	18,360,331	8,005,355	26,365,686
Ending	20,694,374	9,109,979	29,804,353

CITY OF BATAVIA, ILLINOIS

Agency Funds

**Combining Statement of Changes in Assets and Liabilities
December 31, 2010**

See Following Page

CITY OF BATAVIA, ILLINOIS

Agency Funds

**Combining Statement of Changes in Assets and Liabilities
December 31, 2010**

	Balances January 1	Additions	Deductions	Balances December 31
All Funds				
ASSETS				
Cash and Investments	\$ 113,013	-	23,420	89,593
LIABILITIES				
Deposits Payable	93,950	-	6,503	87,447
Due to Bondholders	19,063	-	16,917	2,146
Total Liabilities	113,013	-	23,420	89,593

	Balances January 1	Additions	Deductions	Balances December 31
Special Service Area Fund				
ASSETS				
Cash and Investments	\$ 19,063	-	16,917	2,146
LIABILITIES				
Due to Bondholders	19,063	-	16,917	2,146
 Escrow Deposit Fund				
ASSETS				
Cash and Investments	93,950	-	6,503	87,447
LIABILITIES				
Deposits Payable	93,950	-	6,503	87,447

SUPPLEMENTAL SCHEDULES

CITY OF BATAVIA, ILLINOIS

Long-Term Debt Requirements

**General Obligation Refunding Bond Series of 2002A - Water Portion
December 31, 2010**

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
2009	\$ 332,775	12,146	344,921	2010	<u>6,073</u>	2011	<u>6,073</u>

CITY OF BATAVIA, ILLINOIS

Long-Term Debt Requirements

**General Obligation Bond Series of 2005
December 31, 2010**

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
2009	\$	41,188	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>1,630,000</u>	<u>700,938</u>	<u>2,330,938</u>		<u>329,875</u>		<u>371,063</u>

CITY OF BATAVIA, ILLINOIS

Long-Term Debt Requirements

**General Obligation Refunding Bond Series of 2009B
December 31, 2010**

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

Fiscal Year	Requirements			Interest Due on			
	Principal	Interest	Totals	June 15	Amount	Dec. 15	Amount
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>1,165,000</u>	<u>94,612</u>	<u>1,259,612</u>		<u>47,306</u>		<u>47,306</u>

CITY OF BATAVIA, ILLINOIS

Long-Term Debt Requirements

**Alternate Revenue Bond Series of 2006
December 31, 2010**

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
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>8,200,000</u>	<u>3,150,346</u>	<u>11,350,346</u>		<u>1,575,173</u>		<u>1,575,173</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, 2010**

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
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>650,000</u>	<u>38,925</u>	<u>688,925</u>		<u>19,462</u>		<u>19,463</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 1990

December 31, 2010

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

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements		Totals
	Principal	Interest	
2011	\$ 475,218	22,538	497,756
2012	244,303	4,575	248,878
	719,521	27,113	746,634

CITY OF BATAVIA, ILLINOIS

Long-Term Debt Requirements

IEPA Sewer Revenue Bond Series of 1999

December 31, 2010

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	
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>554,408</u>	<u>71,745</u>	<u>626,153</u>

CITY OF BATAVIA, ILLINOIS

Long-Term Debt Requirements

**IEPA Sewer Revenue Bond Series of 1999A
December 31, 2010**

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	
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>6,277,766</u>	<u>868,784</u>	<u>7,146,550</u>

CITY OF BATAVIA, ILLINOIS

Long-Term Debt Requirements

**IEPA Water Revenue Bond Series of 2004
December 31, 2010**

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	
2011	\$ 290,949	118,475	409,424
2012	298,269	111,155	409,424
2013	305,772	103,652	409,424
2014	313,465	95,959	409,424
2015	321,350	88,074	409,424
2016	329,434	79,990	409,424
2017	337,721	71,703	409,424
2018	346,217	63,207	409,424
2019	354,926	54,498	409,424
2020	363,854	45,570	409,424
2021	373,008	36,416	409,424
2022	382,391	27,033	409,424
2023	392,011	17,413	409,424
2024	401,872	7,552	409,424
	<u>4,811,239</u>	<u>920,697</u>	<u>5,731,936</u>

CITY OF BATAVIA, ILLINOIS

Long-Term Debt Requirements

**IEPA Water Revenue Bond Series of 2004
December 31, 2010**

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	
2011	\$ 149,320	60,802	210,122
2012	153,076	57,046	210,122
2013	156,927	53,195	210,122
2014	160,875	49,247	210,122
2015	164,922	45,200	210,122
2016	169,070	41,052	210,122
2017	173,323	36,799	210,122
2018	177,684	32,438	210,122
2019	182,154	27,968	210,122
2020	186,735	23,387	210,122
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>2,469,201</u>	<u>472,507</u>	<u>2,941,708</u>

CITY OF BATAVIA, ILLINOIS

Long-Term Debt Requirements

IEPA Water Revenue Bond Series of 2005

December 31, 2010

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	
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	2,906	32,675
2022	30,518	2,157	32,675
2023	31,286	1,389	32,675
2024	32,073	602	32,675
	<u>383,975</u>	<u>73,475</u>	<u>457,450</u>

CITY OF BATAVIA, ILLINOIS

Long-Term Debt Requirements

IEPA Water Revenue Bond Series of 2006

December 31, 2010

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	
2011	\$ 129,237	61,890	191,127
2012	132,488	58,639	191,127
2013	135,821	55,306	191,127
2014	139,237	51,890	191,127
2015	142,740	48,387	191,127
2016	146,331	44,796	191,127
2017	150,012	41,115	191,127
2018	153,787	37,340	191,127
2019	157,655	33,472	191,127
2020	161,621	29,506	191,127
2021	165,687	25,440	191,127
2022	169,855	21,272	191,127
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
	<u>2,507,708</u>	<u>550,324</u>	<u>3,058,032</u>

CITY OF BATAVIA, ILLINOIS

Long-Term Debt Requirements

**IEPA Water Revenue Bond Series of 2006
December 31, 2010**

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	
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	92,503	6,539	99,042
2025	94,830	4,213	99,043
2026	97,215	1,827	99,042
	<u>1,299,497</u>	<u>285,178</u>	<u>1,584,675</u>

CITY OF BATAVIA, ILLINOIS

Long-Term Debt Requirements

**Revenue Bond Series of 2006 - Electric
December 31, 2010**

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
2011	\$ 305,000	559,553	864,553			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>26,290,000</u>	<u>18,577,975</u>	<u>44,867,975</u>		<u>9,009,217</u>		<u>9,568,758</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 - Last Eight Fiscal Years
December 31, 2010 (Unaudited)**

See Following Page

CITY OF BATAVIA, ILLINOIS

Net Assets by Component - Last Eight Fiscal Years*
December 31, 2010 (Unaudited)

	2003	2004
Governmental Activities		
Invested in Capital Assets, Net of Related Debt	\$ 51,316,177	53,435,734
Restricted	1,383,810	1,706,428
Unrestricted	6,279,243	7,533,840
Total Governmental Activities Net Assets	<u>58,979,230</u>	<u>62,676,002</u>
Business-Type Activities		
Invested in Capital Assets, Net of Related Debt	49,131,314	55,901,461
Restricted	560,000	560,000
Unrestricted	19,382,799	15,857,580
Total Business-Type Activities Net Assets	<u>69,074,113</u>	<u>72,319,041</u>
Primary Government		
Invested in Capital Assets, Net of Related Debt	100,447,491	109,337,195
Restricted	1,943,810	2,266,428
Unrestricted	25,662,042	23,391,420
Total Primary Government Net Assets	<u>128,053,343</u>	<u>134,995,043</u>

* Accrual Basis of Accounting

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

2005	2006	2007	2008	2009	2010
54,007,767	56,436,503	58,043,517	59,368,474	59,211,061	61,702,711
2,655,489	2,725,514	4,144,776	3,898,823	4,849,006	6,450,380
8,057,531	10,891,346	12,519,599	11,929,557	12,411,040	13,273,254
64,720,787	70,053,363	74,707,892	75,196,854	76,471,107	81,426,345
55,546,192	52,291,412	57,578,542	58,492,879	59,128,513	61,371,996
560,000	6,965,719	6,965,719	6,965,719	6,965,719	6,965,719
17,924,403	17,858,940	16,722,298	17,353,828	16,820,949	19,039,131
74,030,595	77,116,071	81,266,559	82,812,426	82,915,181	87,376,846
109,553,959	108,727,915	115,622,059	117,861,353	118,339,574	123,074,707
3,215,489	9,691,233	11,110,495	10,864,542	11,814,725	13,416,099
25,981,934	28,750,286	29,241,897	29,283,385	29,231,989	32,312,385
138,751,382	147,169,434	155,974,451	158,009,280	159,386,288	168,803,191

CITY OF BATAVIA, ILLINOIS

Changes in Net Assets - Last Eight Fiscal Years*
December 31, 2010 (Unaudited)

	2003	2004	2005	2006	2007	2008	2009	2010
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	6,266,691
Public Safety	8,698,103	9,702,403	10,121,222	10,402,997	12,215,741	12,121,625	12,301,852	12,665,417
Highways and Streets	4,846,756	5,236,687	5,067,474	5,582,728	6,183,985	6,260,339	5,734,078	5,181,816
Interest on Long-Term Debt	323,873	287,526	298,690	753,633	684,256	645,989	616,057	527,177
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	24,641,101
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	3,832,685
Sewerage	3,729,470	3,873,299	4,241,377	4,203,810	4,470,801	4,208,916	4,138,139	3,807,081
Electric	22,343,757	22,414,600	26,519,599	26,008,557	31,961,842	34,045,301	38,272,324	37,511,960
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	45,151,726
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	69,792,827
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	3,964,876
Public Safety	134,874	166,104	262,939	262,228	221,761	171,223	226,208	252,426
Operating Grants/Contributions	198,322	230,637	190,320	194,000	238,000	234,567	241,750	240,000
Capital Grants/Contributions	893,624	3,563,277	951,987	2,069,115	1,875,829	1,008,624	686,975	3,623,695
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	8,080,997
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	4,222,211
Sewerage	3,911,638	3,843,013	3,811,702	3,652,958	3,642,300	3,691,018	3,753,931	3,792,108
Electric	23,485,602	24,096,264	26,610,687	27,914,884	35,121,078	35,665,614	37,487,439	39,639,489
Operating Grants/Contributions	262,365	249,062	237,926	109,591	20,297	18,727	26,549	1,841,691
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	49,495,499
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	57,576,496

Net (Expense) Revenue	\$ (14,306,801)	(12,206,277)	(15,129,193)	(16,141,051)	(19,150,446)	(21,995,557)	(19,604,568)	(16,560,104)
Governmental Activities	3,183,769	3,195,483	1,580,951	2,332,385	2,542,398	951,111	(183,762)	4,343,773
Business-Type Activities								
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)	(12,216,331)
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	7,221,619
Sales Taxes	4,758,157	4,971,878	5,195,982	7,464,511	7,636,826	7,087,893	6,035,687	6,223,857
Utility Taxes	2,559,210	2,682,374	2,587,486	2,844,460	3,081,641	3,300,786	3,134,179	3,157,029
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	2,307,602
Replacement Tax	113,188	126,698	172,496	186,896	221,048	215,708	186,191	196,214
Other	112,128	154,143	59,322	68,180	455,311	89,736	164,237	213,396
Interest Income	122,250	156,581	346,860	1,057,465	1,042,689	427,370	127,908	59,145
Miscellaneous	787,093	571,039	1,235,041	1,449,075	2,186,492	1,815,544	1,729,656	2,115,818
Transfers	68,083	68,718	69,912	40,075	20,501	20,837	20,895	20,662
Total Governmental Activities	14,853,264	15,903,049	17,173,978	21,473,627	23,704,975	22,484,519	20,878,821	21,515,342
Business-Type Activities								
Interest Income	313,872	314,392	433,992	793,166	1,628,591	615,593	307,412	138,554
Transfers	(68,083)	(68,718)	(69,912)	(40,075)	(20,501)	(20,837)	(20,895)	(20,662)
Total Business-Type Activities	245,789	245,674	364,080	753,091	1,608,090	594,756	286,517	117,892
Total Primary Government	15,099,053	16,148,723	17,538,058	22,226,718	25,313,065	23,079,275	21,165,338	21,633,234
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	4,955,238
Business-Type Activities	3,429,558	3,441,157	1,945,031	3,085,476	4,150,488	1,545,867	102,755	4,461,665
Total Primary Government	3,976,021	7,137,929	3,989,816	8,418,052	8,705,017	2,034,829	1,377,008	9,416,903

* 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, 2010 (Unaudited)

	2001	2002	2003
General Fund			
Reserved	\$ 34,682	1,584,553	1,546,180
Unreserved	3,985,599	4,882,632	8,543,602
Total General Fund	<u>4,020,281</u>	<u>6,467,185</u>	<u>10,089,782</u>
All Other Governmental Funds			
Reserved	28,079	262,964	695,102
Unreserved, Reported in			
Special Revenue Funds	1,541,020	-	-
Debt Service Funds	277,674	-	-
Capital Projects Funds	2,376,263	1,075,296	2,652,526
Total All Other Governmental Funds	<u>4,223,036</u>	<u>1,338,260</u>	<u>3,347,628</u>

* Modified Accrual Basis of Accounting

2004	2005	2006	2007	2008	2009	2010
1,544,849	1,564,244	1,375,615	1,568,044	1,838,047	2,120,755	2,678,753
7,190,782	5,631,610	11,075,495	12,698,479	12,103,289	12,643,938	13,643,762
8,735,631	7,195,854	12,451,110	14,266,523	13,941,336	14,764,693	16,322,515
417,649	305,936	978,700	861,307	856,905	1,299,247	1,766,856
-	-	-	-	-	-	-
-	-	-	-	-	-	-
1,008,364	1,215,887	11,173,375	1,915,394	1,446,175	1,654,563	2,188,377
1,426,013	1,521,823	12,152,075	2,776,701	2,303,080	2,953,810	3,955,233

CITY OF BATAVIA, ILLINOIS

**Changes in Fund Balances for Governmental Funds - Last Ten Fiscal Years*
December 31, 2010 (Unaudited)**

	2001	2002	2003
Revenues			
Taxes	\$ 10,229,158	11,024,227	11,962,692
Intergovernmental	3,428,855	3,151,540	3,005,092
Licenses and Permits	381,566	423,468	556,332
Charges for Services	2,624,394	2,458,993	3,278,917
Fines and Forfeitures	91,969	154,448	134,874
Interest Income	157,852	114,233	122,250
Miscellaneous	494,822	481,682	787,093
Total Revenues	17,408,616	17,808,591	19,847,250
Expenditures			
General Government	4,662,094	4,813,740	5,497,117
Public Safety	6,823,868	7,141,702	8,552,323
Highways and Streets	2,061,059	2,706,443	3,381,952
Miscellaneous	703,264	757,380	-
Capital Outlay	677,797	2,714,079	596,870
Debt Service			
Principal Retirement	960,000	1,197,450	806,575
Interest and Fiscal Charges	408,869	408,723	330,571
Total Expenditures	16,296,951	19,739,517	19,165,408
Excess of Revenues Over (Under) Expenditures	1,111,665	(1,930,926)	681,842
Other Financing Sources (Uses)			
Debt Issuance	-	2,217,025	-
Debt Issuance Premium	-	-	-
Payment to Escrow Agent	-	(944,629)	-
Transfers In	979,839	621,178	731,558
Transfers Out	(889,939)	(522,491)	(663,475)
	89,900	1,371,083	68,083
Net Change in Fund Balances	1,201,565	(559,843)	749,925
Debt Service as a Percentage of Noncapital Expenditures	8.76%	9.43%	6.12%

* Modified Accrual Basis of Accounting

2004	2005	2006	2007	2008	2009	2010
12,959,293	13,100,557	16,271,042	17,188,480	17,155,696	16,286,144	16,602,505
3,392,332	3,563,915	4,919,085	5,380,642	4,308,263	3,642,943	3,832,473
546,906	504,569	481,697	380,021	263,420	196,493	445,039
3,620,163	4,834,627	4,175,279	3,668,985	3,500,666	3,658,367	3,519,837
166,104	262,939	262,228	221,761	171,223	226,208	252,426
156,581	346,860	1,057,465	1,042,689	427,370	127,908	59,145
571,039	1,235,041	1,449,075	2,186,492	1,815,544	1,729,656	2,115,818
21,412,418	23,848,508	28,615,871	30,069,070	27,642,182	25,867,719	26,827,243
4,896,245	6,294,992	6,485,812	6,374,376	8,036,700	5,853,071	6,162,236
9,562,783	10,028,916	10,569,945	12,067,288	11,949,809	12,112,891	12,423,114
3,662,442	4,177,690	4,838,314	4,447,607	4,621,617	4,073,379	3,614,205
-	-	-	-	-	-	-
737,453	1,096,306	3,497,877	13,003,125	2,169,844	645,666	403,472
881,275	883,325	1,304,300	1,071,650	1,036,350	659,875	1,157,225
296,971	261,425	793,923	685,486	647,507	573,480	528,408
20,037,169	22,742,654	27,490,171	37,649,532	28,461,827	23,918,362	24,288,660
1,375,249	1,105,854	1,125,700	(7,580,462)	(819,645)	1,949,357	2,538,583
-	2,000,000	10,000,000	-	-	2,290,000	-
-	100,000	-	-	-	-	-
-	-	-	-	-	(2,786,165)	-
665,243	665,925	1,831,980	3,866,520	2,905,770	2,340,580	2,362,518
(596,525)	(596,013)	(1,791,905)	(3,846,019)	(2,884,933)	(2,319,685)	(2,341,856)
68,718	2,169,912	10,040,075	20,501	20,837	(475,270)	20,662
1,443,967	3,275,766	11,165,775	(7,559,961)	(798,808)	1,474,087	2,559,245
6.10%	5.29%	9.25%	6.98%	6.33%	5.59%	7.85%

CITY OF BATAVIA, ILLINOIS

**Equalized Assessed Value and Actual Value of Taxable Property - Last Ten Fiscal Years
December 31, 2010 (Unaudited)**

Fiscal Year	Residential Property	Farm Property	Commercial Property	Industrial Property
2001	\$ 404,849,665	3,694,185	68,893,264	89,353,731
2002	448,091,664	4,080,539	72,461,436	101,047,239
2003	498,817,625	3,792,932	77,531,484	108,244,329
2004	558,692,175	4,277,092	92,226,983	113,477,923
2005	610,936,400	4,083,962	98,100,789	131,015,821
2006	678,936,687	3,981,078	103,432,157	133,382,625
2007	738,200,411	6,071,624	117,181,180	140,512,163
2008	778,454,777	6,074,204	126,010,423	155,805,878
2009	805,260,627	5,356,121	131,481,073	164,271,286
2010	798,427,508	4,763,870	126,663,434	161,149,228

Data Source: Office of the County Assessor

Total	Railroad	Total Assessed Value	Total Actual Value	Total Direct Tax Rate
566,790,845	92,326	566,883,171	1,700,649,513	0.6740
625,680,878	100,078	625,780,956	1,877,342,868	0.6547
688,386,370	105,401	688,491,771	2,065,475,313	0.6210
768,674,173	87,004	768,761,177	2,306,283,531	0.6236
844,136,972	85,113	844,222,085	2,532,666,255	0.5530
919,732,547	78,643	919,811,190	2,759,433,570	0.5748
1,001,965,378	84,309	1,002,049,687	3,006,149,061	0.5551
1,066,345,282	94,872	1,066,440,154	3,199,320,462	0.5416
1,106,369,107	109,180	1,106,478,287	3,319,434,861	0.5490
1,091,004,040	132,011	1,091,136,051	3,273,408,153	0.5595

CITY OF BATAVIA, ILLINOIS

**Direct and Overlapping Property Tax Rates - Last Ten Fiscal Years*
December 31, 2010 (Unaudited)**

	2001	2002	2003
Direct City Rate			
Corporate	0.2103	0.2284	0.1919
Bond and Interest	0.0532	0.0473	0.0444
Police Pension	0.0711	0.0928	0.0929
Fire Pension	0.0401	0.0452	0.0492
IMRF	0.0811	0.0427	0.0412
Fire Protection	0.1206	0.0749	0.0954
Police Protection	0.0615	0.0686	0.0605
Street and Bridge	0.0000	0.0548	0.0455
Ambulance	0.0361	0.0000	0.0000
City of Batavia	<u>0.6740</u>	<u>0.6547</u>	<u>0.6210</u>
Overlapping Rates			
Kane County	0.4677	0.4529	0.4292
Kane County Forest Preserve District	0.1634	0.1520	0.1395
Batavia Township	0.1034	0.0981	0.0924
Batavia Township Road District	0.0572	0.0517	0.0464
Batavia Park District	0.4266	0.4380	0.4139
Batavia Library District	0.1482	0.1484	0.2340
Batavia Library 1998 Bond District	0.0657	0.0618	0.0546
Batavia Library 1999 Bond District	0.0471	0.0422	0.0412
School District #101	4.4264	4.3276	4.2412
Community College District #516	<u>0.4295</u>	<u>0.4131</u>	<u>0.4043</u>
Total Direct and Overlapping Tax Rate	<u><u>7.0092</u></u>	<u><u>6.8405</u></u>	<u><u>6.7177</u></u>

* Rates are per \$100 of Assessed Value

Data Source: Office of the County Clerk

N/A - This information is not available.

2004	2005	2006	2007	2008	2009	2010
0.1990	0.1913	0.2147	0.2052	0.1947	0.1780	0.1785
0.0398	0.0359	0.0525	0.0488	0.0457	0.0448	0.0444
0.0891	0.0858	0.0845	0.0842	0.0859	0.0849	0.1093
0.0528	0.0480	0.0467	0.0429	0.0480	0.0558	0.0634
0.0388	0.0361	0.0326	0.0324	0.0299	0.0290	0.0293
0.0966	0.0942	0.0871	0.0838	0.0808	0.0875	0.0821
0.0629	0.0617	0.0567	0.0547	0.0507	0.0532	0.0524
0.0446	0.0000	0.0000	0.0031	0.0059	0.0159	0.0000
0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
0.6236	0.5530	0.5748	0.5551	0.5416	0.5490	0.5595
0.3578	0.3467	0.3367	0.3451	0.3321	0.3336	0.3398
0.1270	0.1432	0.1904	0.1747	0.1974	0.1932	0.1997
0.0873	0.0840	0.0808	0.0792	0.0770	0.0772	0.0782
0.0438	0.0421	0.0405	0.0397	0.0386	0.0387	0.0392
0.4458	0.4506	0.4226	0.4410	0.4389	0.4425	0.4521
0.2533	0.2826	0.2850	0.2868	0.2611	0.2833	0.2881
0.0480	0.0427	0.0406	0.0390	0.0349	0.0124	0.0125
0.0396	0.0372	0.0330	0.0297	0.0487	0.0487	0.0498
4.3072	4.6508	4.7369	4.6989	4.6989	4.6986	4.6986
0.4134	0.4099	0.3933	0.3984	0.3950	0.3995	0.4043
6.7468	7.0428	7.1347	7.0875	7.0643	7.0767	7.1218

CITY OF BATAVIA, ILLINOIS

**Principal Property Tax Payers - Current Year and Nine Years Ago
December 31, 2010 (Unaudited)**

Taxpayer	2010			2001		
	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, 2010 (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
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	4,242,436	99.23%
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	5,279,945	99.88%
2007	5,561,777	N/A	N/A	N/A	5,551,195	99.81%
2008	5,777,695	N/A	N/A	N/A	5,761,912	99.73%
2009	5,945,945	N/A	N/A	N/A	5,894,998	99.14%
2010	6,104,982	N/A	N/A	N/A	6,101,667	99.95%

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, 2010 (Unaudited)**

Fiscal Year Ended Dec. 31	Governmental Activities			
	General Obligation Bonds	Alternate Revenue Bonds	Installment Contracts	Tax Increment Financing Bonds
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	-	-
2010	2,795,000	8,850,000	-	-

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			
\$ 3,590,000	\$ 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
332,775	45,313,315	57,291,090	8.26%	2,294

CITY OF BATAVIA, ILLINOIS

**Ratios of General Bonded Debt Outstanding - Last Ten Fiscal Years
December 31, 2010 (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)
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
2010	2,795,000	1,643,470	1,151,530	0.109%	46

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, 2010 (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, 2010 (Unaudited)**

	2001	2002	2003	2004
Equalized Assessed Value	\$ 566,883,171	625,780,956	688,491,771	768,761,177
Legal Debt Limit 8.625% of Equalized Assessed Value	48,893,673	53,973,607	59,382,415	66,305,652
Amount of Debt Applicable to Limit	7,870,000	7,755,000	6,145,000	5,290,000
Legal Debt Margin	41,023,673	46,218,607	53,237,415	61,015,652
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	16.10%	14.37%	10.35%	7.98%

2005	2006	2007	2008	2009	2010
844,222,085	930,114,032	1,013,801,886	1,079,650,885	1,120,737,093	1,105,688,081
72,814,155	80,222,335	87,440,413	93,119,889	96,663,574	95,365,597
6,400,000	5,769,900	5,075,000	4,461,550	3,807,900	3,127,775
66,414,155	74,452,435	82,365,413	88,658,339	92,855,674	92,237,822
8.79%	7.19%	5.80%	4.79%	3.94%	3.28%

CITY OF BATAVIA, ILLINOIS

**Pledged-Revenue Coverage - Last Ten Fiscal Years
December 31, 2010 (Unaudited)**

Waterworks Revenue Bonds						
Fiscal Year	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Principal	Interest	Coverage
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
2010	4,222,211	2,518,005	1,704,206	643,508	311,374	1.78

Sewerage Revenue Bonds						
Fiscal Year	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Principal	Interest	Coverage
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
2010	3,792,108	2,259,134	1,532,974	1,142,084	219,247	1.13

Electric Revenue Bonds						
Fiscal Year	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Principal	Interest	Coverage
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
2010	39,639,489	33,674,284	5,965,205	295,000	1,119,479	4.22

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, 2010 (Unaudited)

Fiscal Year	Population	Personal Income	Per Capita Personal Income	Unemployment Rate
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%
2010	24,978	693,963,774	27,783	8.40%

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, 2010 (Unaudited)**

Employer	2010			2001		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Fermi National Accelerator Laboratory	1,900	1	13.80%	2,150	1	24.44%
Unit School District #101	650	2	4.72%	400	5	4.55%
Suncast Corporation	450	3	3.27%	450	3	5.11%
Agco Corporation	365	4	2.65%	425	4	4.83%
VWR International	225	5	1.63%			
Aldi, Inc.	200	6	1.45%	200	6	2.27%
Waste Management	200	7	1.45%	200	8	2.27%
Power Packaging	197	8	1.43%			
Proex Inc.	190	9	1.38%			
Sealy Mattress Company	160	10	1.16%	200	7	2.27%
Siemens-Furnas Controls				500	2	5.68%
Infilco Degremont				180	9	2.05%
Eagle Concrete				175	10	1.99%
Total	4,537		32.95%	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, 2010 (Unaudited)**

See Following Page

CITY OF BATAVIA, ILLINOIS

**Full-Time Equivalent City Government Employees by Function - Last Ten Fiscal Years
December 31, 2010 (Unaudited)**

	2001	2002	2003
General Government			
Administration	7	9	9
Finance	10	10	9
Building and Zoning	10	11	13
Public Safety			
Police			
Officers	42	42	45
Civilians	5	6	6
Fire			
Firefighters and Officers	19	23	23
Civilians	1	1	1
Highways and Streets	24	22	23
Waterworks	7	7	9
Sewerage	8	8	8
Electric	18	18	19
Total	<u>151</u>	<u>157</u>	<u>165</u>

Data Source: Various City Departments

2004	2005	2006	2007	2008	2009	2010
9	10	12	13	13	13	12
10	10	10	10	9	8	7
13	13	15	15	15	13	12
45	45	45	45	45	43	40
6	6	7	7	7	6	5
23	23	24	24	24	24	22
1	1	1	1	1	1	1
23	23	23	23	23	21	20
9	10	10	10	10	10	10
8	8	8	8	8	7	7
19	22	22	23	23	21	22
166	171	177	179	178	167	158

CITY OF BATAVIA, ILLINOIS

**Operating Indicators by Function/Program - Last Ten Fiscal Years
December 31, 2010 (Unaudited)**

	2001	2002	2003
General Government			
Tobacco Licenses	23	26	22
Liquor Licenses	32	35	34
Public Safety			
Police			
Part I Crimes	706	640	683
Part II Crimes*	2,112	2,061	2,215
Parking Violations	2,140	2,318	2,659
Traffic Violations	2,035	2,936	2,464
Fire			
Emergency Responses	2,790	2,773	2,863
Fires Extinguished	114	110	131
Inspections	555	560	538
Highways and Streets			
Parkway Trees Planted	241	318	405
Leaves Collected (Cubic Yards)	9,796	10,692	9,015
Street Resurfacing (Miles)	4	4	3
Waterworks			
Number of Metered Accounts	8,363	8,539	8,763
Number of Hydrants Flushed/Inspected	1,480	1,500	1,520
New Connections	114	176	224
Water Average Daily Consumption (Millions of Gallons)	3,035	3,293	3,095
Sewerage			
Number of Metered Accounts	8,201	8,373	8,515
Average Daily Sewage Treatment (Millions of Gallons)	2,976	3,384	3,005
Electric			
Number of Metered Accounts	9,795	10,032	9,162
MW Hours Sold	339,866	362,654	364,785

Data Source: Various City Departments

2004	2005	2006	2007	2008	2009	2010
21	25	25	24	27	27	27
34	38	43	40	39	38	39
668	624	638	687	701	708	557
1,919	1,779	2,005	1,608	2,018	2,359	1,349
2,458	2,955	2,467	2,143	1,928	3,583	2,476
3,530	4,016	4,718	3,473	2,162	4,327	3,934
3,039	2,935	3,146	3,242	3,378	3,139	3,289
129	147	112	115	125	80	82
572	553	595	605	800	946	1,233
445	424	433	243	189	182	138
7,974	8,595	7,594	8,115	9,557	9,898	7,684
4	5	5	5	5	5	2
8,979	9,067	9,177	9,228	9,244	9,235	9,241
1,540	1,560	1,580	1,600	1,615	1,625	1,625
186	118	110	51	3	6	6
2,993	3,221	2,989	3,010	3,000	3,000	2,950
8,767	8,899	9,001	9,201	9,218	9,149	9,168
3,269	2,967	3,703	3,335	3,900	3,700	3,748
9,345	9,385	9,456	9,458	10,801	10,764	10,761
380,630	409,951	417,738	427,247	416,339	400,319	428,299

CITY OF BATAVIA, ILLINOIS

**Capital Asset Statistics by Function/Program - Last Ten Fiscal Years
December 31, 2010 (Unaudited)**

	2001	2002	2003
Public Safety			
Police			
Stations	1	1	1
Area Patrols	1	1	1
Patrol Units	14	14	14
Fire			
Fire Stations	2	2	2
Fire Engines	6	6	6
Public Works			
Urban Street Miles	96	98	101
Rural Street Miles	7	7	7
Total Street Miles	103	105	108
Waterworks			
Water Mains (Miles)	105	108	110
Fire Hydrants	1,400	1,450	1,500
Sewerage			
Sanitary Sewers (Miles)	116	118	120
Storm Sewers (Miles)	98	100	103
Electric			
Over Head (Percentage)	40.0%	40.0%	41.0%
Substations	6	6	6

Data Source: Various City Departments

2004	2005	2006	2007	2008	2009	2010
1	1	1	1	1	1	1
1	1	1	1	1	1	1
14	14	13	13	13	14	13
2	2	2	2	2	2	2
6	6	6	6	6	6	6
103	105	106	106	106	106	106
7	7	7	7	7	7	7
110	112	113	113	113	113	113
112	113	116	116	116	116	116
1,550	1,600	1,600	1,600	1,600	1,600	1,600
120	122	124	126	126	126	126
105	107	108	108	108	108	108
42.0%	43.0%	43.0%	45.0%	45.0%	45.0%	45.0%
6	5	5	5	5	5	5