

CITY OF
BATAVIA, ILLINOIS

COMPREHENSIVE
ANNUAL
FINANCIAL REPORT



FOR THE FISCAL
YEAR ENDED
DECEMBER 31, 2011

CITY OF BATAVIA, ILLINOIS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR
ENDED DECEMBER 31, 2011

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 - 14
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 Contributions..... 60

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 Actual 64

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 Actual 77

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 Actual..... 80

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 Actual 83

Waterworks – Enterprise Fund – Schedule of Operating Expenses - Budget and Actual..... 84 - 85

Sewerage – Enterprise Fund – Balance Sheet 86 - 87

Sewerage – Enterprise Fund – Schedule of Revenues, Expenses and
Changes in Net Assets – Budget and Actual 88

Sewerage – Enterprise Fund – Schedule of Operating Expenses – Budget and Actual 89 - 90

Sewerage – Enterprise Fund – Schedule of Changes in
Net Assets– Restricted – Debt Service 91

Electric – Enterprise Fund – Balance Sheet 92 - 93

Electric – Enterprise Fund – Schedule of Revenues, Expenses and
Changes in Net Assets – Budget and Actual 94

Electric – Enterprise Fund – Schedule of Operating Expenses – Budget and Actual 95 - 97

Electric – Enterprise Fund – Schedule of Changes in
Net Assets – Restricted – Debt Service 98

Pension Trust Funds – Combining Statement of Net Plan Assets..... 99

Pension Trust Funds – Combining Statement of Changes in Net Plan Assets..... 100

Agency Funds – Combining Statement of Changes in Assets and Liabilities 101 - 102

CITY OF BATAVIA, ILLINOIS

TABLE OF CONTENTS

PAGE

SUPPLEMENTAL SCHEDULES

Long-Term Debt Requirements

General Obligation Bond Series of 2005	103
General Obligation Refunding Bond Series of 2009B	104
Alternate Revenue Bond Series of 2006.....	105
Alternate Revenue Bond Series of 2009A.....	106
Taxable General Obligation Alternate Revenue Bond Series of 2010	107
IEPA Sewer Revenue Bond Series of 1990.....	108
IEPA Sewer Revenue Bond Series of 1999.....	109
IEPA Sewer Revenue Bond Series of 1999A.....	110
IEPA Water Revenue Bond Series of 2004	111
IEPA Water Revenue Bond Series of 2004	112
IEPA Water Revenue Bond Series of 2005	113
IEPA Water Revenue Bond Series of 2006	114
IEPA Water Revenue Bond Series of 2006	115
Revenue Source Bond Series of 2006 - Electric.....	116

STATISTICAL SECTION (Unaudited)

Net Assets by Component – Last Nine Fiscal Years	117 - 118
Changes in Net Assets – Last Nine Fiscal Years.....	119 - 120
Fund Balances of Governmental Funds – Last Ten Fiscal Years	121 - 122
Changes in Fund Balances for Governmental Funds – Last Ten Fiscal Years.....	123 - 124
Equalized Assessed Value and Actual Value of Taxable Property – Last Ten Fiscal Years	125 - 126
Direct and Overlapping Property Tax Rates – Last Ten Fiscal Years.....	127 - 128
Principal Property Tax Payers – Current Year and Nine Years Ago	129
Property Tax Levies and Collections – Last Ten Fiscal Years.....	130
Ratios of Outstanding Debt by Type – Last Ten Fiscal Years	131 - 132
Ratios of General Bonded Debt Outstanding – Last Ten Fiscal Years	133
Schedule of Direct and Overlapping Governmental Activities Debt	134
Legal Debt Margin – Last Ten Fiscal Years.....	135 - 136
Pledged Revenue Coverage – Last Ten Fiscal Years	137
Demographic and Economic Statistics – Last Ten Fiscal Years	138
Principal Employers – Current Year and Nine Years Ago	139
Full-time Equivalent City Government Employees by Function – Last Ten Fiscal Years	140 - 141
Operating Indicators by Function/Program – Last Ten Fiscal Years	142 - 143
Capital Assets Statistics by Function/Program – Last Ten Fiscal Years.....	144 - 145

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

Susan Stark

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

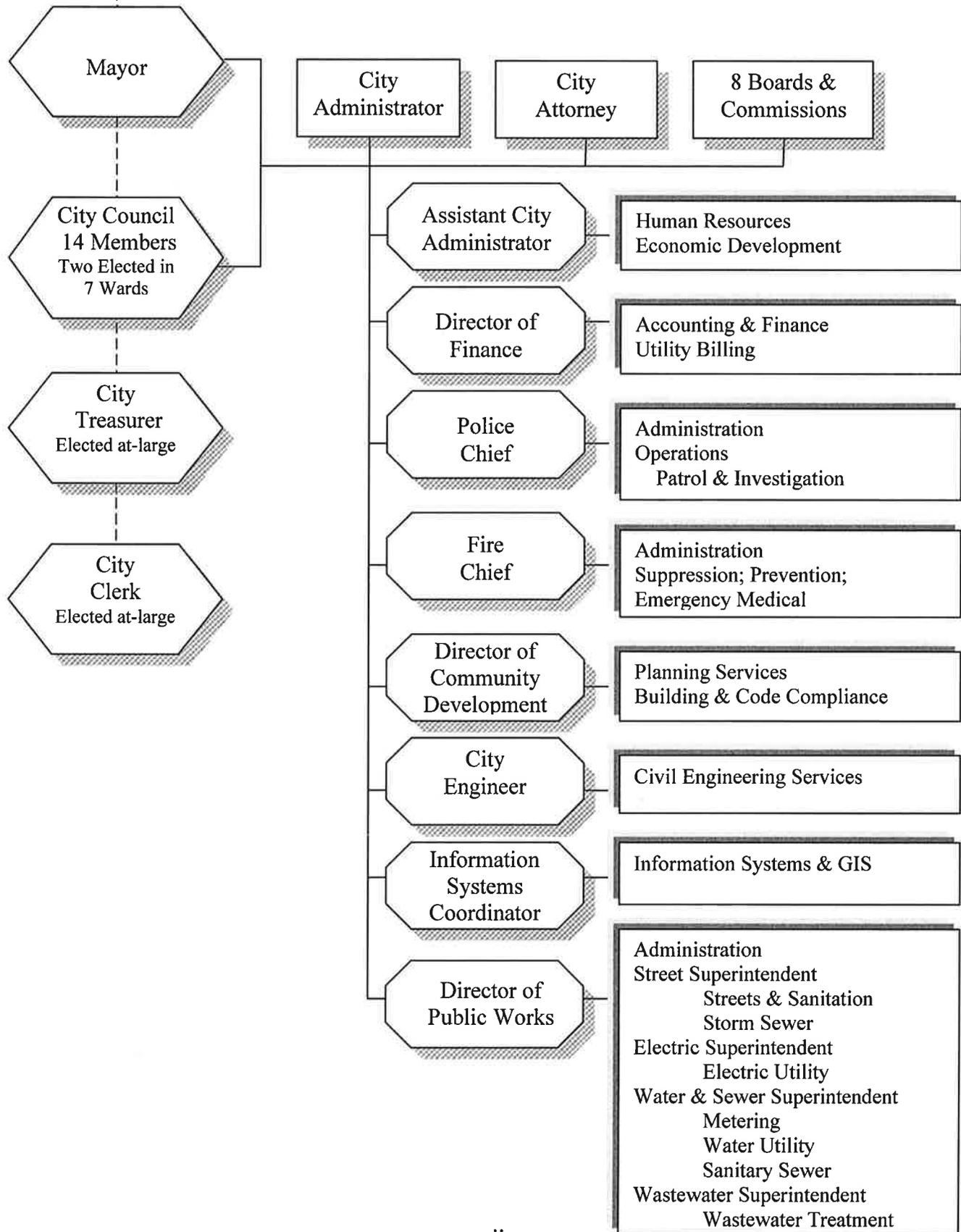
Drendel & Jansons Law Group, City Attorney

* As of December 31, 2011.

CITY OF BATAVIA, ILLINOIS

Organizational Chart

Citizens of Batavia





CITY OF BATAVIA

JEFFERY D. SCHIELKE
Mayor

May 16, 2012

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, 2011 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, 2011, 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, 2011, 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. The City became a home rule community in 2009. The population at the 2010 Census was 26,045. The current land area of Batavia is 9.74 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 2011, with sufficient fund balances available for general operations, with an increase to fund balance of \$0.9 million and an increase of 5.4% over the prior year. The City had a 3.5% increase in sales tax revenues in 2011. Conversely, building permits were 51% lower in 2011, resulting in \$200,000 in less revenue. It should be noted that 2010 had an unusually high level of permit revenue. Income taxes were slightly higher than 2010. Batavia saw lower levels of unemployment with an annual average of 8.4%. It is expected that unemployment will continue to improve in 2012.

Property tax revenues increased less than 2% over 2010 collections with a tax levy just slightly higher than the prior year. The City had budgeted to utilize reserves in 2011 but it was unnecessary as expenditures ended under budget due to some employee vacancies and below average overtime as a result of a warm winter.

Major Initiatives

City management along with the City Council participated in strategic planning workshops to develop a formal strategic plan to ensure the most appropriate allocation of resources. A draft outline of the plan was developed late in the year with plans for continued work on developing goals and an action plan in 2012.

The year 2011 did not see a lot of residential new construction activity with seven single-family home permits issued. The total construction value was lower in 2011 with an estimated \$33 Million in construction compared to \$56 Million in 2010.

Major initiatives for the year 2011 included the following:

- **Mooseheart** – City staff continued working with officials from Moose International regarding the annexation of 470 acres for residential and commercial development on the City's southwest side. It is expected that the property will be annexed in 2012 and that development of the area will occur over many years.
- **Streetscape** – Plans for the first project in the Comprehensive Downtown Streetscape Master Plan were fully underway in 2011. Plans have been developed for River and Houston Streets for construction in 2012. Funding for the project will be through grants and TIF revenues.
- **Redevelopment Agreements** – The City amended one redevelopment agreement that was granted in late 2010 in early 2011. The grant provided for improvements to a building within the City's TIF district. The City provided a low interest loan with the latest agreement.

- **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). Two loans were granted in 2011.

Future Initiatives

For 2012, the City will continue work on implementation of a formalized strategic plan. Future budgets will demonstrate how the budget supports City Council initiatives. Capital project initiatives included in the 2012 budget were:

- Finalize the Streetscape Master Plan and begin implementation.
- Engineering for reconstruction of the Deerpath Bridge.
- Traffic Signal Interconnection Engineering
- Safe Routes to School Walkways
- Overhead Distribution Rebuilds in the Electric Utility.
- Cherry Park Substation Reconstruction
- Rubicon Technology Line Extension and Service
- Water and Sewer work on River St. and Houston St.

The safe routes to school projects are fully grant funded. Current spending plans for the TIF projects may require a short term loan to finance the projects ahead of tax receipts but there are no plans at this time to issue TIF revenue bonds. The Deerpath Bridge is 80% funded by federal BRRP funds. The electric, water and sewer projects will all 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.

Although, the City has always had internal policies for fund balance, the City Council adopted a formal policy in 2011 to comply with new required standards as outlined in the Governmental Accounting Standards Board Statement 54. The policy provides 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, 2010. 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,

A handwritten signature in cursive script, appearing to read "Peggy L. Colby".

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, 2010

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.



Linda C. Davidson

President

Jeffrey R. Emer

Executive Director

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

INDEPENDENT AUDITORS' REPORT

May 16, 2012

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 of the City of Batavia, Illinois as of and for the year ended December 31, 2011, 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 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, 2011, 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 other required supplementary 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 generally 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 individual nonmajor fund financial statements and schedules and other information listed as schedules and other supplementary information in the accompanying table of contents, are presented for purposes of additional analysis and are not a required part of the financial statements. The individual nonmajor fund financial statements and schedules and other information listed as schedules and other supplementary information in the accompanying table of contents 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 by us 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, 2011

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, 2011. 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 2011 were \$181.5 million, an increase of \$12.7 million. Governmental activities net assets were \$91.3 million with \$15.5 million available to meet ongoing obligations and \$4.4 restricted for capital and other projects. Net assets of business-type activities were \$90.2 million of which \$21.1 million is available for operations.
- The City collected \$35.6 million in tax and other revenues in its governmental funds in 2011 resulting in a surplus of \$9.9 million over the \$25.7 million in expenses.
- Operating revenues for business-type activities were \$46.7 million while operating expenses were \$42.3 million resulting in income of \$2.8 million after accounting for non-operating revenues and debt payments totaling \$1.6 million.
- The total cost of all programs was \$25.7 million for governmental activities and \$44.0 million for business-type activities. No new programs were added this year.
- The General Fund reported a surplus this year of \$0.9 million as a result of lower than expected expenditures.
- The City of Batavia's total debt decreased by \$2.5 million, with total debt outstanding of \$54.8 million. A decrease of \$1.0 million was for governmental activities for total debt outstanding of \$10.7 million. The balance of the decrease of \$1.5 million reduced the balance of debt for business-type activities to \$44.1 million.

Using this Annual Report

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities (on pages 3 – 6) provide information about the activities of the City of Batavia as a whole and present a longer-term view of the City of Batavia's finances. Fund financial statements begin on page 7. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the City of Batavia's operation in more detail than the government-wide statements by providing information about the City of Batavia's most significant funds. The remaining statements provide financial information about activities for which the City of Batavia acts solely as a trustee or agent for the benefit of those outside of the government.

CITY OF BATAVIA, ILLINOIS

Management's Discussion and Analysis December 31, 2011

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 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, 2011

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, 2011

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, firefighters', and other post-employment benefit 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 2011, the assets of the City of Batavia exceeded liabilities by \$181.5 million.

The City of Batavia's investment in capital assets net of debt used to acquire capital assets reflects 73.2% of the City of Batavia's net assets. Capital assets include land, buildings, machinery and equipment, roads and utility infrastructure. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

Although the capital assets are reported net of related debt, it should be noted that the resources needed to repay the debt must be provided from other sources, since the capital assets cannot be used to liquidate the liabilities.

Resources of the City of Batavia, which are subject to external restrictions on how they may be, used account for 7.9% of net assets. The remaining 18.9%, or \$34.3 million, represents unrestricted net assets and may be used to meet the government's ongoing obligations to citizens and creditors. Unrestricted net assets in 2010 were \$32.3 million thus ending the year 2011 with an increase of \$2.0 million.

Net assets of the City of Batavia's governmental activities for 2011 were \$91.3 million, an increase of \$9.9 million over 2010. The investment in capital assets net of debt was the main reason for the increase in total assets for governmental activities increasing from \$61.7 million to \$71.4 million in 2011. Unrestricted net assets, the part of net assets that can be used to finance day-to-day operations without constraints was \$15.5 million at the end this year, \$2.2 million higher than the prior year of \$13.3 million. Restricted net assets for governmental activities decreased to \$4.4 million, from \$6.4 million in the prior year. The majority of restricted assets include \$2.2 million of streets and \$1.7 million for tax increment finance (TIF) districts.

CITY OF BATAVIA, ILLINOIS

Management's Discussion and Analysis December 31, 2011

Government-Wide Financial Analysis – Continued

Net assets of business-type activities for 2011 were \$90.2 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 \$21.1 million at the end of 2011. Restricted net assets for business-type activities increased \$0.6 million to \$7.6 million.

City of Batavia Net Assets (in Millions)

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Current and Other Assets	\$ 30.6	28.5	32.6	29.0	63.2	57.5
Capital Assets	82.1	73.3	105.6	107.0	187.7	180.3
Total Assets	112.7	101.8	138.2	136.0	250.9	237.8
Long-Term Debt Outstanding	(10.9)	(11.2)	(42.5)	(43.2)	(53.4)	(54.4)
Other Liabilities	(10.5)	(9.2)	(5.5)	(5.4)	(16.0)	(14.6)
Total Liabilities	(21.4)	(20.4)	(48.0)	(48.6)	(69.4)	(69.0)
Net Assets						
Invested in Capital Assets, Net of Debt	71.4	61.7	61.5	61.4	132.9	123.1
Restricted	4.4	6.4	7.6	7.0	12.0	13.4
Unrestricted	15.5	13.3	21.1	19.0	36.6	32.3
Total Net Assets	91.3	81.4	90.2	87.4	181.5	168.8

The City of Batavia's governmental funds increase in net assets of \$9.9 million in 2011 was a result of capital contributions for the Donovan Bridge. Business-type activities increased \$2.8 million compared to an increase of \$4.5 million the prior year, as a result of some one-time revenues in 2010 and slightly higher operating costs.

CITY OF BATAVIA, ILLINOIS

Management's Discussion and Analysis
December 31, 2011

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	
	2011	2010	2011	2010	2011	2010
Revenues						
Program Revenues						
Charges for Services	\$ 3.3	4.2	46.7	47.7	50.0	51.9
Operating Grants/Contributions	0.3	0.3	-	-	0.3	0.3
Capital Grants/Contributions	10.3	3.6	-	1.8	10.3	5.4
General Revenues						
Property Taxes	7.3	7.2	-	-	7.3	7.2
Sales Taxes	6.5	6.2	-	-	6.5	6.2
Utility Taxes	3.1	3.2	-	-	3.1	3.2
Intergovernmental	2.7	2.7	-	-	2.7	2.7
Interest	-	0.1	0.1	0.2	0.1	0.3
Other General Revenues	2.1	2.1	-	-	2.1	2.1
Total Revenues	35.6	29.6	46.8	49.7	82.4	79.3
Expenses						
General Government	6.4	6.3	-	-	6.4	6.3
Public Safety	12.5	12.7	-	-	12.5	12.7
Highways and Streets	6.3	5.2	-	-	6.3	5.2
Interest on Long-Term Debt	0.5	0.5	-	-	0.5	0.5
Waterworks	-	-	4.1	3.8	4.1	3.8
Sewerage	-	-	3.9	3.8	3.9	3.8
Electric	-	-	36.0	37.6	36.0	37.6
Total Expenses	25.7	24.7	44.0	45.2	69.7	69.9
Increase in Net Assets Before Transfers	9.9	4.9	2.8	4.5	12.7	9.4
Transfers	-	-	-	-	-	-
Increase in Net Assets	9.9	4.9	2.8	4.5	12.7	9.4
Net Assets - Beginning	81.4	76.5	87.4	82.9	168.8	159.4
Net Assets - Ending	91.3	81.4	90.2	87.4	181.5	168.8

CITY OF BATAVIA, ILLINOIS

Management's Discussion and Analysis December 31, 2011

Government-Wide Financial Analysis – Continued

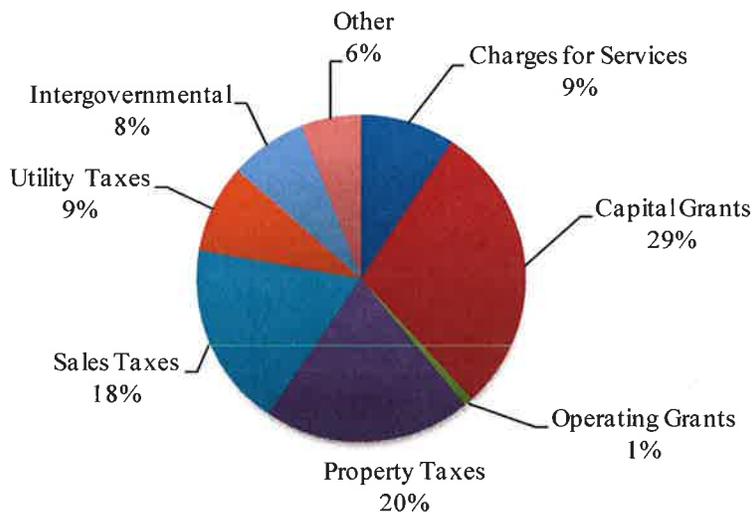
Governmental Activities

The 2011 revenues for governmental activities were \$35.6 million, while total program expenses were \$25.7 million. Total revenues for governmental activities for 2011 were \$6.0 million more than 2010 revenues of \$29.6 million and program expenses for 2011 were \$1.0 million more than 2010 program expenses of \$24.7 million.

The difference in revenues of \$6.0 million is mainly attributable to capital contributions for the reconstruction of the Donovan Bridge which was reconstructed in prior years but not finalized by the State of Illinois until 2011. The following chart depicts the major revenue sources of the City of Batavia.

Sales taxes increased by 3.5% in 2011 which followed a 3% increase in 2010 after a double digit decline in 2009. Two consecutive years of increases are favorable but are still subject to the pressures of the economy and competition from surrounding communities. Property taxes are one of the largest revenue source for governmental activities for the City. Property taxes include restricted revenues from taxes collected from the City's TIF districts.

Revenues by Source - Governmental Activities



The City's tax levy remained nearly the same with only a \$123,000 increase in order to minimize the taxing burden on the community as it continues in economic recovery.

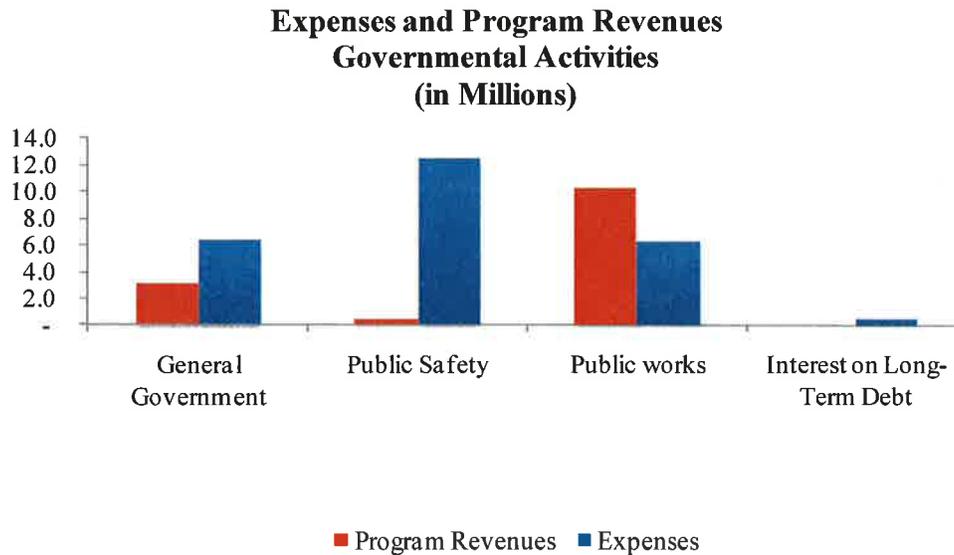
Receipts for most other categories remained level or increased slightly aside from insurance reimbursements which were lower by \$539,000 which when combined with a decrease in building permits of \$200,000 caused total revenues to be lower than 2010 by \$0.7 million. Building permits were unusually high in 2010 and returned to a more normal level in 2011.

CITY OF BATAVIA, ILLINOIS

**Management’s Discussion and Analysis
December 31, 2011**

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 expenses at 50% followed by general government operations and public works both about 25%.

CITY OF BATAVIA, ILLINOIS

Management's Discussion and Analysis December 31, 2011

Government-Wide Financial Analysis – Continued

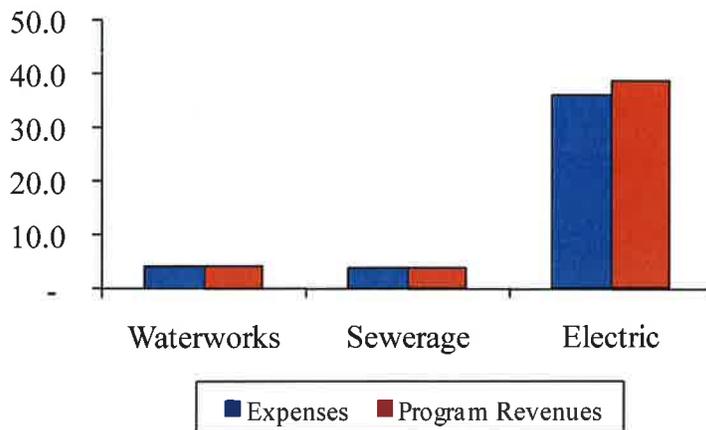
Business-Type Activities

Revenues for business-type activities were \$46.8 million and expenses were \$44.0 million.

- No new capital projects were undertaken by the City's water utility. The City's wastewater utility neared completion on reconstruction of a major lift station expending \$736,000 on the project.
- 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 2011, the City had contracts for power supply through 2014. 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 in 2012.
- Capital improvements of \$2.5 million for the electric utility in 2011 included system improvements and upgrades.

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 and lower market power costs in 2011. Water and wastewater met operating expenses because there were no large maintenance expenses in 2011.

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



CITY OF BATAVIA, ILLINOIS

Management's Discussion and Analysis December 31, 2011

Financial Analysis of the Government's Funds

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

Governmental Funds

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

- As of the end of the current fiscal year, the governmental funds reported combined ending fund balances of \$21.3 million, in contrast to last year's \$20.3 million.
- Total expenditures increased due to spending on capital projects including the final payment for the Donovan Bridge of \$456,000 and TIF expenditures of \$1.0 million for engineering and design of some streetscape projects planned for 2012.
- The General Fund portion of the Governmental Fund balances had an increase of \$0.9 million. The increase is due to expenditures in 2011 being slightly lower than 2010 spending.
- 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 2011 rate of \$2.79 per hundred cubic feet. Water currently has \$10.8 million outstanding in IEPA loans for capital improvements including three deep wells, a water treatment plant and a cross-town water main. A rate structure is in place to ensure debt coverage. The sewer fund has \$6.5 million in outstanding IEPA debt for prior improvements and \$865,000 in Alternate Revenue bonds for the improvements to the Carriage Crest lift station. The current rate is \$2.52 per hundred cubic feet. Increases to both water and sewer rates are planned over four years beginning in 2012 at an increase of 3% and 8% respectively to cover needed capital improvements some of which are being required by the EPA.

CITY OF BATAVIA, ILLINOIS

Management's Discussion and Analysis December 31, 2011

Financial Analysis of the Government's Funds – Continued

Proprietary Funds – Continued

- 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 these transactions will be as purchased power contracts through NIMPA. No debt in relation to this ownership is reported on the financial statements for the electric utility.
- Net assets of the Electric Fund for 2011 were \$48.0 million compared to \$45.2 million at the beginning of the year. The increase is mainly due to lower operational costs related to lower purchased power contract prices and lower capital spending. A grant paid for one-half the cost to install solar panels on our public works building. The solar panels are operational and assisting in our efforts as a green city.
- Net assets for the Waterworks Fund were \$19.3 million compared to \$19.2 million with no significant spending or revenue changes. The Sewerage Fund ended the year with \$22.9 million compared to the prior year balance of \$23.0 million due to slightly higher expenses in 2011. 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 by \$165,000. The amendments included \$122,000 in public works expenditures related to road patching, survey work and equipment. A \$43,000 amendment was also done to increase contractual payments for our inter-governmental agreement for emergency dispatch services which had some unexpected increases in costs.

Actual expenditures in 2011 were \$1.8 million below budget due to a concerted effort to reduce spending. Salaries and overtime ended the year with a positive balance of about \$320,000 due to unplanned vacancies and a diligent effort to reduce overtime, coupled with a reduced number of snow and ice events. Engineering fees were under budget by \$225,000 due to a delay in the safe routes to school projects. The balance and majority of the variance was due to an exceptionally good year for insurance claims which ended \$700,000 under budget.

Receipts in the general fund revenue budget were right on target coming in just \$60,000 under budget. The largest item under budget was \$165,000 of grant revenue related to the safe routes to school expenditures that did not occur. Also under budget were fines and fees at \$90,000 under and an \$83,000 shortage in utility taxes. A \$175,000 surplus in sales tax made up those differences.

CITY OF BATAVIA, ILLINOIS

Management's Discussion and Analysis December 31, 2011

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, 2011 was \$187.7 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 \$7.3 million in 2011. Governmental activities capital assets increased by \$8.8 million and business type activities decreased by \$1.5 million.

Following are 2011 major additions (in millions).

Construction Work in Process	\$	2.1
Infrastruture - Roads/Bridges		10.2
Electric Lines & Equipment		0.9
		<u>13.2</u>

Capital Assets - Net of Depreciation (in Millions)

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Land	\$ 19.6	19.6	1.1	1.1	20.7	20.7
Construction in Progress	0.1	0.1	2.9	0.9	3.0	1.0
Structures & Improvements	15.1	15.2	16.5	16.9	31.6	32.1
Wells & Equipment	-	-	2.6	2.7	2.6	2.7
Machinery & Equipment	2.3	2.5	0.8	0.7	3.1	3.2
Electric System	-	-	41.7	42.9	41.7	42.9
Water/Sewer System	-	-	40.0	41.9	40.0	41.9
Infrastructure	45.0	35.9	-	-	45.0	35.9
Total	82.1	73.3	105.6	107.1	187.7	180.4

Capital improvements in 2011 for Governmental funds were nearly all due to capital contributions for bridge reconstruction and acceptance of a street built by a developer. The 2012 budget provides for \$7.9 million of governmental activities capital projects of which \$6.9 are TIF projects and \$6.8 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 – 34 of this report.

CITY OF BATAVIA, ILLINOIS

Management's Discussion and Analysis December 31, 2011

Capital Assets and Debt Administration– Continued

Debt Administration

At year-end, the City of Batavia had total outstanding bonded debt of \$54.9 million as compared to \$57.3 million the previous year. The sewer fund added just under \$1.0 Million of alternate revenue bonds for lift station reconstruction. The bonds were issued through Kane County to various agencies for regional capital projects.

General Obligation and Revenue Bonds (in Millions)

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Installment Contracts	\$ -	-	-	-	-	-
General Obligation Bonds	2.4	2.8	-	0.3	2.4	3.1
Alternate Revenue Bonds	8.3	8.9	0.9	-	9.2	8.9
Revenue bonds and notes	-	-	43.3	45.3	43.3	45.3
Total	10.7	11.7	44.2	45.6	54.9	57.3

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

As of the end of 2011 the City of Batavia has an Aa2 bond rating 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 2011 is \$89.7 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 2012 budget, including tax rates and fees that will be charged for its governmental and business-type activities. Batavia's unemployment rate decreased from 9% in 2010 to 8.4% in 2011, and remained lower than Kane County at 9.9%, the State of Illinois at 9.8%, and the national average of 9%. The Chicago area experienced inflation of 2.7% compared to the national Consumer Price Index (CPI), which increased 3.1% for 2011.

CITY OF BATAVIA, ILLINOIS

Management's Discussion and Analysis December 31, 2011

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

Some signs of a slow economic recovery are occurring in Batavia with small increases in sales tax and a slight increase in housing sales. The average value of a home though continued to decrease and foreclosures remain about the same. While the per capita income of Batavia exceeds the state average, the impact of job losses or the understanding that job losses could still occur are causing cautionary spending. There were modest increases in some revenues and modest declines in others in 2011. At the time of preparing the 2012 budget, it was projected that revenues would begin to increase somewhat above the 2011 level in all areas. The one uncertainty that is still in flux is whether the State of Illinois will reduce revenue sharing of personal property replacement taxes. Any cut to shared revenues 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 2012 budget was passed expecting the full amount of revenue sharing. Expenditures for the 2012 budget were higher. Wages were increased for most employees by 2% with some union increases higher. Even with wage increases, total salaries are still lower than what they had been in 2009 due to layoffs and retirements that were not replaced.

The economic forecast for all of these indicators was taken into account when adopting the general fund budget for 2012. The total amount budgeted in the general fund net of insurance and inter-fund transfers was \$24.4 million, an increase of 2.1% over the final 2011 budget of \$23.9 million. The general fund budget for 2012 did not provide for any new programs but it does include the replacement of two positions that had been held vacant but must now be filled. The budget included a 7% increase in Property taxes to bridge the gap between revenues and expenditures. The budget also included a new gasoline use tax and a modification to the municipal utility gas tax by converting it to a gas use tax. The increase in property taxes combined with the new revenues boosted the budgeted revenue by \$600,000. It should be noted that the City still has sufficient reserves amounting to approximately 124 days of operating expenses at the end of 2011 and therefore service operation will not be impacted should revenues dip lower than anticipated.

Total 2012 budgeted expenditures for all funds, net of capital spending, are \$8.5 million or 13.4% over 2011 final expenditures. The majority of the increase (\$5.9 million) is due to increased purchased power costs. The increase not including power costs is 7.2%. Wages increased \$650,000 and includes the reinstatement of two supervisory positions. The balance of the increase is attributable to expected increases in health care costs and in contractual obligations.

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, 2011**

See Following Page

CITY OF BATAVIA, ILLINOIS

**Statement of Net Assets
December 31, 2011**

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets			
Cash and Investments	\$ 20,667,009	16,368,204	37,035,213
Receivables - Net of Allowances			
Property Taxes	6,674,849	-	6,674,849
Other Taxes	2,386,688	-	2,386,688
Accounts	260,708	6,194,688	6,455,396
Accrued Interest	3,854	26,762	30,616
Due from Other Governments	402,862	-	402,862
Inventories and Prepaids	178,617	2,073,235	2,251,852
Restricted Cash and Investments	-	7,979,060	7,979,060
Total Current Assets	30,574,587	32,641,949	63,216,536
Capital Assets			
Nondepreciable	19,748,645	3,998,622	23,747,267
Depreciable	88,695,714	149,601,956	238,297,670
Accumulated Depreciation	(26,340,358)	(47,999,480)	(74,339,838)
Total Noncurrent Assets	82,104,001	105,601,098	187,705,099
Total Assets	112,678,588	138,243,047	250,921,635

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

	Governmental Activities	Business-Type Activities	Total
LIABILITIES			
Current Liabilities			
Accounts Payable	791,073	2,556,347	3,347,420
Accrued Payroll	657,835	178,132	835,967
Claims Payable	777,240	-	777,240
Deposits Payable	163,446	173,920	337,366
Accrued Interest Payable	218,355	-	218,355
Unearned Revenue	6,676,348	-	6,676,348
Current Portion Long-Term Debt	1,174,530	78,743	1,253,273
Restricted Liabilities			
Accrued Interest Payable	-	582,781	582,781
Current Portion Long-Term Debt	-	1,949,608	1,949,608
Total Current Liabilities	10,458,827	5,519,531	15,978,358
Noncurrent Liabilities			
Net Pension Obligation Payable	386,872	-	386,872
Net Other Postemployment Benefit Payable	106,025	-	106,025
Compensated Absences Payable	698,120	314,971	1,013,091
Revenue Bonds Payable	-	41,397,464	41,397,464
Alternate Revenue Bonds Payable	7,630,000	778,800	8,408,800
General Obligation Bonds Payable	2,050,000	-	2,050,000
Total Noncurrent Liabilities	10,871,017	42,491,235	53,362,252
Total Liabilities	21,329,844	48,010,766	69,340,610
NET ASSETS			
Invested in Capital Assets - Net of Related Debt	71,424,001	61,475,226	132,899,227
Restricted - Nonexpendable			
Special Revenues			
General Government			
Community Development	258,458	-	258,458
Highways and Streets			
Motor Fuel Tax	2,216,178	-	2,216,178
Tax Increment Financing/Debt Service	1,774,600	7,605,719	9,380,319
Perpetual Care Cemetery	119,155	-	119,155
Unrestricted	15,556,352	21,151,336	36,707,688
Total Net Assets	91,348,744	90,232,281	181,581,025

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

CITY OF BATAVIA, ILLINOIS

**Statement of Activities
Year Ended December 31, 2011**

	Expenses	Program Revenues		
		Charges for Services	Operating Grants/ Contributions	Capital Grants/ Contributions
Governmental Activities				
General Government	\$ 6,374,558	3,126,338	-	-
Public Safety	12,510,380	203,415	244,000	-
Highways and Streets	6,282,067	-	-	10,317,551
Interest on Long-Term Debt	486,149	-	-	-
Total Governmental Activities	25,653,154	3,329,753	244,000	10,317,551
Business-Type Activities				
Waterworks	4,110,503	4,230,203	-	-
Sewerage	3,926,312	3,812,444	10,425	-
Electric	35,934,858	38,665,547	-	-
Total Business-Type Activities	43,971,673	46,708,194	10,425	-
	69,624,827	50,037,947	254,425	10,317,551

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

- 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
(3,248,220)	-	(3,248,220)
(12,062,965)	-	(12,062,965)
4,035,484	-	4,035,484
(486,149)	-	(486,149)
(11,761,850)	-	(11,761,850)
-	119,700	119,700
-	(103,443)	(103,443)
-	2,730,689	2,730,689
-	2,746,946	2,746,946
(11,761,850)	2,746,946	(9,014,904)
7,330,398	-	7,330,398
6,441,947	-	6,441,947
3,096,521	-	3,096,521
2,408,189	-	2,408,189
174,711	-	174,711
123,602	-	123,602
35,239	108,489	143,728
2,073,642	-	2,073,642
21,684,249	108,489	21,792,738
9,922,399	2,855,435	12,777,834
81,426,345	87,376,846	168,803,191
91,348,744	90,232,281	181,581,025

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

CITY OF BATAVIA, ILLINOIS

**Balance Sheet - Governmental Funds
December 31, 2011**

	<u>General</u>
ASSETS	
Cash and Investments	\$ 16,092,283
Receivables - Net of Allowances	
Property Taxes	6,185,950
Other Taxes	2,386,688
Accounts	259,960
Accrued Interest	3,854
Due from Other Funds	2,764
Due from Other Governments	400,098
Prepays	155,523
Inventories	<u>23,094</u>
 Total Assets	 <u><u>25,510,214</u></u>
LIABILITIES AND FUND BALANCES	
Liabilities	
Accounts Payable	205,104
Accrued Payroll	657,835
Claims Payable	777,240
Deposits Payable	163,446
Accrued Interest Payable	-
Due to Other Funds	306,804
Unearned/Deferred Revenues	<u>6,187,449</u>
Total Liabilities	<u><u>8,297,878</u></u>
Fund Balances	
Nonspendable	178,617
Restricted	2,474,636
Assigned	-
Unassigned	<u>14,559,083</u>
Total Fund Balances	<u><u>17,212,336</u></u>
 Total Liabilities and Fund Balances	 <u><u>25,510,214</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
1,992,207	1,171,884	1,291,480	119,155	20,667,009
488,899	-	-	-	6,674,849
-	-	-	-	2,386,688
748	-	-	-	260,708
-	-	-	-	3,854
-	306,804	-	-	309,568
-	2,764	-	-	402,862
-	-	-	-	155,523
-	-	-	-	23,094
2,481,854	1,481,452	1,291,480	119,155	30,884,155
-	585,969	-	-	791,073
-	-	-	-	657,835
-	-	-	-	777,240
-	-	-	-	163,446
216,078	-	-	-	216,078
-	2,764	-	-	309,568
488,899	-	-	-	6,676,348
704,977	588,733	-	-	9,591,588
-	-	-	-	178,617
1,776,877	-	-	119,155	4,370,668
-	892,719	1,291,480	-	2,184,199
-	-	-	-	14,559,083
1,776,877	892,719	1,291,480	119,155	21,292,567
2,481,854	1,481,452	1,291,480	119,155	30,884,155

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, 2011

Total Governmental Fund Balances	\$ 21,292,567
 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.	 82,104,001
 Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Net Pension Obligation Payable	(386,872)
Net Other Postemployment Benefit Payable	(106,025)
Compensated Absences	(872,650)
General Obligation Bonds Payable	(2,430,000)
Alternate Revenue Bonds Payable	(8,250,000)
Accrued Interest Payable	<u>(2,277)</u>
 Net Assets of Governmental Activities	 <u><u>91,348,744</u></u>

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

CITY OF BATAVIA, ILLINOIS

**Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
Year Ended December 31, 2011**

See Following Page

CITY OF BATAVIA, ILLINOIS

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
Year Ended December 31, 2011

	<u>General</u>
Revenues	
Taxes	\$ 15,319,570
Intergovernmental	3,759,896
Licenses and Permits	246,606
Charges for Services	2,854,678
Fines and Forfeits	203,415
Interest	30,165
Miscellaneous	2,064,665
Total Revenues	<u>24,478,995</u>
Expenditures	
Current	
General Government	5,473,040
Public Safety	12,334,555
Highways and Streets	4,292,210
Capital Outlay	-
Debt Service	
Principal Retirement	-
Interest and Fiscal Charges	-
Total Expenditures	<u>22,099,805</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>2,379,190</u>
Other Financing Sources (Uses)	
Transfers In	-
Transfers Out	<u>(1,489,369)</u>
	<u>(1,489,369)</u>
Net Change in Fund Balances	889,821
Fund Balances - Beginning	<u>16,322,515</u>
Fund Balances - Ending	<u><u>17,212,336</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
1,222,889	326,407	-	-	16,868,866
-	36,683	-	-	3,796,579
-	-	-	-	246,606
-	-	19,554	5,500	2,879,732
-	-	-	-	203,415
2,110	1,317	1,378	269	35,239
8,977	-	-	-	2,073,642
1,233,976	364,407	20,932	5,769	26,104,079
-	-	-	10,000	5,483,040
-	-	-	-	12,334,555
-	-	-	-	4,292,210
-	1,527,510	-	-	1,527,510
965,000	-	-	-	965,000
486,945	-	-	-	486,945
1,451,945	1,527,510	-	10,000	25,089,260
(217,969)	(1,163,103)	20,932	(4,231)	1,014,819
971,945	937,993	200,000	-	2,109,938
(620,569)	-	-	-	(2,109,938)
351,376	937,993	200,000	-	-
133,407	(225,110)	220,932	(4,231)	1,014,819
1,643,470	1,117,829	1,070,548	123,386	20,277,748
1,776,877	892,719	1,291,480	119,155	21,292,567

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, 2011

Net Change in Fund Balances - Total Governmental Funds **\$ 1,014,819**

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	10,249,862
Depreciation Expense	(1,491,248)

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

Disposals - Cost	(19,374)
Disposals - Accumulated Depreciation	17,050

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.

Decrease in Net Pension Obligation	67,866
Increase in Net Other Postemployment Benefit Obligation	(9,722)
Increase in Compensated Absences	(872,650)
Retirement of Debt	965,000

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

796

Changes in Net Assets of Governmental Activities

9,922,399

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

CITY OF BATAVIA, ILLINOIS

**Statement of Net Assets - Proprietary Funds
December 31, 2011**

See Following Page

CITY OF BATAVIA, ILLINOIS

Statement of Net Assets - Proprietary Funds
December 31, 2011

	Business-Type Activities - Enterprise Funds			
	Waterworks	Sewerage	Electric	Total
ASSETS				
Current Assets				
Cash and Investments	\$ 3,369,680	1,872,497	11,126,027	16,368,204
Receivables - Net of Allowances				
Accounts	500,291	539,408	5,154,989	6,194,688
Accrued Interest	5,725	3,288	17,749	26,762
Prepays	19,997	19,997	64,995	104,989
Inventories	-	-	1,968,246	1,968,246
Restricted Cash and Investments	-	854,722	7,124,338	7,979,060
Total Current Assets	<u>3,895,693</u>	<u>3,289,912</u>	<u>25,456,344</u>	<u>32,641,949</u>
Noncurrent Assets				
Capital Assets				
Nondepreciable	922,700	825,329	2,250,593	3,998,622
Depreciable	35,595,031	42,983,600	71,023,325	149,601,956
Accumulated Depreciation	(9,989,282)	(16,479,280)	(21,530,918)	(47,999,480)
Total Noncurrent Assets	<u>26,528,449</u>	<u>27,329,649</u>	<u>51,743,000</u>	<u>105,601,098</u>
Total Assets	<u>30,424,142</u>	<u>30,619,561</u>	<u>77,199,344</u>	<u>138,243,047</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	65,002	254,705	2,236,640	2,556,347
Accrued Payroll	45,278	34,055	98,799	178,132
Deposits Payable	13,961	46,893	113,066	173,920
Compensated Absences Payable	29,738	13,425	35,580	78,743
Restricted Liabilities				
Accrued Interest Payable	-	28,566	554,215	582,781
Revenue Bonds Payable	676,293	958,315	315,000	1,949,608
Total Current Liabilities	830,272	1,335,959	3,353,300	5,519,531
Noncurrent Liabilities				
Compensated Absences Payable	118,950	53,701	142,320	314,971
Revenue Bonds Payable	10,135,630	6,370,634	25,670,000	42,176,264
Total Noncurrent Liabilities	10,254,580	6,424,335	25,812,320	42,491,235
Total Liabilities	11,084,852	7,760,294	29,165,620	48,010,766
NET ASSETS				
Invested in Capital Assets - Net of Related Debt				
	15,716,526	20,000,700	25,758,000	61,475,226
Restricted - Debt Service	-	600,000	7,005,719	7,605,719
Unrestricted	3,622,764	2,258,567	15,270,005	21,151,336
Total Net Assets	19,339,290	22,859,267	48,033,724	90,232,281

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, 2011

	Business-Type Activities - Enterprise Funds			Totals
	Waterworks	Sewerage	Electric	
Operating Revenues				
Charges for Services	\$ 4,230,203	3,812,444	38,665,547	46,708,194
Operating Expenses				
Administration	649,300	585,220	2,254,275	3,488,795
Operations	2,170,850	1,802,212	30,218,408	34,191,470
Depreciation	1,001,129	1,334,850	2,291,154	4,627,133
Total Operating Expenses	3,821,279	3,722,282	34,763,837	42,307,398
Operating Income	408,924	90,162	3,901,710	4,400,796
Nonoperating Revenues (Expenses)				
Connection Fees	-	10,425	-	10,425
Interest Income	9,922	6,158	92,410	108,490
Disposal of Capital Assets	(6,531)	-	(62,217)	(68,748)
Interest and Fiscal Charges	(282,693)	(204,030)	(1,108,805)	(1,595,528)
	(279,302)	(187,447)	(1,078,612)	(1,545,361)
Change in Net Assets	129,622	(97,285)	2,823,098	2,855,435
Net Assets - Beginning	19,209,668	22,956,552	45,210,626	87,376,846
Net Assets - Ending	19,339,290	22,859,267	48,033,724	90,232,281

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, 2011**

	Business-Type Activities - Enterprise Funds			
	Water	Sewerage	Electric	Totals
Cash Flows from Operating Activities				
Receipts from Customers and Users	\$ 4,221,897	3,836,236	39,732,255	47,790,388
Payments to Employees	(718,885)	(639,451)	(2,008,878)	(3,367,214)
Payments to Suppliers	(1,931,916)	(1,445,887)	(30,045,071)	(33,422,874)
	<u>1,571,096</u>	<u>1,750,898</u>	<u>7,678,306</u>	<u>11,000,300</u>
Cash Flows from Noncapital Financing Activities				
Connection Fees	-	10,425	-	10,425
Cash Flows from Capital and Related Financing Activities				
Purchase of Capital Assets	(54,328)	(736,263)	(2,488,302)	(3,278,893)
Interest and Fiscal Charges	(282,693)	(204,030)	(1,108,805)	(1,595,528)
Payment of Bond Principal	(992,472)	(1,173,829)	(305,000)	(2,471,301)
Proceeds of Bonds	-	951,083	-	951,083
	<u>(1,329,493)</u>	<u>(1,163,039)</u>	<u>(3,902,107)</u>	<u>(6,394,639)</u>
Cash Flows from Investing Activities				
Interest Received	9,922	6,158	92,410	108,490
Net Change in Cash and Cash Equivalents	<u>251,525</u>	<u>604,442</u>	<u>3,868,609</u>	<u>4,724,576</u>
Cash and Cash Equivalents - Beginning of Year	<u>3,118,155</u>	<u>2,122,777</u>	<u>14,381,756</u>	<u>19,622,688</u>
Cash and Cash Equivalents - End of Year	<u><u>3,369,680</u></u>	<u><u>2,727,219</u></u>	<u><u>18,250,365</u></u>	<u><u>24,347,264</u></u>
Reconciliation of Operating Income to Net Cash Provided (used) by Operating Activities.				
Operating Income (Loss)	408,924	90,162	3,901,710	4,400,796
Adjustments to Reconcile Operating Income to Net Income to Net Cash Provided by (Used in) Operating Activities.				
Depreciation Expense	1,001,129	1,334,850	2,291,154	4,627,133
(Increase) Decrease in Current Assets	(8,306)	23,792	1,066,708	1,082,194
Increase (Decrease) in Current Liabilities	169,349	302,094	418,734	890,177
Net Cash Provided by Operating Activities	<u><u>1,571,096</u></u>	<u><u>1,750,898</u></u>	<u><u>7,678,306</u></u>	<u><u>11,000,300</u></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, 2011**

	Pension Trust	Agency
ASSETS		
Cash and Cash Equivalents	\$ 15,467	83,974
Investments		
U.S. Government and Agency Obligations	11,784,180	-
Insurance Company Contracts	3,341,131	-
Municipal Bonds	128,952	-
Corporate Bonds	1,347,456	-
Equities	11,851,546	-
Money Market Mutual Funds	2,480,284	-
Receivables		
Accrued Interest	77,322	-
Prepays	7,877	-
	<hr/>	<hr/>
Total Assets	31,034,215	83,974
	<hr/>	<hr/>
LIABILITIES		
Accounts Payable	2,276	-
Deposits Payable	-	83,974
	<hr/>	<hr/>
Total Liabilities	2,276	83,974
	<hr/>	<hr/>
NET ASSETS		
Held in Trust for Pension Benefits	31,031,939	-
	<hr/> <hr/>	<hr/> <hr/>

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, 2011

	<u>Pension Trust</u>
Additions	
Contributions - Employer	\$ 1,915,839
Contributions - Plan Members	608,254
Total Contributions	<u>2,524,093</u>
Investment Income	
Interest Earned	873,280
Net Change in Fair Value	<u>(381,287)</u>
	491,993
Less Investment Expenses	<u>(180,354)</u>
Net Investment Income	<u>311,639</u>
Total Additions	<u>2,835,732</u>
Deductions	
Administration	82,403
Benefits and Refunds	<u>1,525,743</u>
Total Deductions	<u>1,608,146</u>
Change in Net Assets	1,227,586
Net Plan Assets Held in Trust for Pension Benefits	
Beginning	<u>29,804,353</u>
Ending	<u>31,031,939</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, 2011

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
---------------------	-----------------

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. Based upon the criteria set forth in the GASB Statement No. 39, there are no component units included in the reporting entity.

Police Pension Employees Retirement System

The City's sworn 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 fiduciary fund, and specifically a pension trust fund, due to the fiduciary responsibility exercised over the PPERS.

CITY OF BATAVIA, ILLINOIS

Notes to the Financial Statements December 31, 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

REPORTING ENTITY – Continued

Firefighters' Pension Employees Retirement System

The City's sworn 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 sworn firefighters. The FPERS is reported as a fiduciary fund, and specifically a pension trust fund, due to the fiduciary responsibility exercised over the FPERS.

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, 2011

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, 2011

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, 2011

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, 2011

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, 2011

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, 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY – Continued

Capital Assets – Continued

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

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

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

Compensated Absences

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

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

Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Unearned/Deferred Revenue

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

CITY OF BATAVIA, ILLINOIS

Notes to the Financial Statements December 31, 2011

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”.

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 commitments/assignments, 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.

CITY OF BATAVIA, ILLINOIS

**Notes to the Financial Statements
December 31, 2011**

NOTE 3 – DETAIL NOTES ON ALL FUNDS

DEPOSITS AND INVESTMENTS

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

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

The deposits and investments of the Pension Funds are held separately from those of other City funds. Statutes authorize the Pension Funds to make deposits/invest in interest bearing direct obligations of the United States of America; obligations that are fully guaranteed or insured as to the payment of principal and interest by the United States of America; bonds, notes, debentures, or similar obligations of agencies of the United States of America; savings accounts or certificates of deposit issued by banks or savings and loan associations chartered by the United States of America or by the State of Illinois, to the extent that the deposits are insured by the agencies or instrumentalities of the federal government; State of Illinois Bonds; pooled accounts managed by the Illinois Public Treasurer, or by banks, their subsidiaries or holding companies, in accordance with the laws of the State of Illinois; bonds or tax anticipation warrants of any county, township, or municipal corporation of the State of Illinois; direct obligations of the State of Israel; money market mutual funds managed by investment companies that are registered under the federal Investment Company Act of 1940 and the Illinois Securities Law of 1953 and are diversified, open-ended management investment companies, provided the portfolio is limited to specified restrictions; general accounts of life insurance companies and separate accounts of life insurance companies provided the investment in separate accounts does not exceed ten percent of the pension fund's net assets.

Illinois Funds is an investment pool managed by the Illinois Public Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. Although not registered with the SEC, Illinois Funds does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in Illinois Funds are valued at the share price, the price for which the investment could be sold.

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

Deposits. At year-end, the carrying amount of the City's deposits for governmental, business-type and agency activities totaled \$26,743,540 and the bank balances totaled \$26,227,586.

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	\$ 16,654,707	16,654,707	-	-	-
Federal Home Loan Mortgage	1,700,000	-	1,700,000	-	-
	<u>18,354,707</u>	<u>16,654,707</u>	<u>1,700,000</u>	<u>-</u>	<u>-</u>

CITY OF BATAVIA, ILLINOIS

Notes to the Financial Statements December 31, 2011

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, 2011, 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, \$2,068,194 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, 2011, 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, 2011**

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, 2011, 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’s investment in Illinois Funds is 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 \$10,066 and the bank balances totaled \$10,066.

Investments. At December 31, 2011, 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	\$ 2,513,012	703,880	898,382	910,750	-
U.S. Treasury Bonds	883,004	-	-	-	883,004
Federal Home Loan Mortgage	1,511,368	130,254	167,254	-	1,213,860
Federal National Mortgage Assoc.	3,334,289	-	195,046	382,195	2,757,048
U.S. Government Backed Securities	1,347,456	-	-	-	1,347,456
Equities	3,116,221	3,116,221	-	-	-
Money Market Mutual Funds	2,296,557	2,296,557	-	-	-
	<u>15,001,907</u>	<u>6,246,912</u>	<u>1,260,682</u>	<u>1,292,945</u>	<u>6,201,368</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, 2011, Standard and Poor’s rated all of the Fund’s U.S. Agency Obligations AA+. 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, 2011, 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, 2011**

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, 2011, 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, 2011, 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 \$1,070,173 invested in RMA Government Portfolio that is over 5 percent of 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 \$5,401 and the bank balances totaled \$11,280.

Investments. At December 31, 2011, 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	\$ 1,393,482	-	855,248	538,234	-
Government National Mortgage Assoc.	100	-	-	-	100
Federal Farm Credit Bank	376,634	376,634	-	-	-
Federal Home Loan Mortgage	103,344	-	103,344	-	-
Federal Home Loan Bank	1,457,934	-	849,964	607,970	-
Federal National Mortgage Assoc.	211,013	-	211,013	-	-
Municipal Bonds	128,952	-	-	128,952	-
Insurance Company Contracts	3,341,131	-	-	-	3,341,131
Mutual Funds	2,547,993	-	-	-	2,547,993
Money Market Mutual Funds	183,727	183,727	-	-	-
	<u>9,744,310</u>	<u>560,361</u>	<u>2,019,569</u>	<u>1,275,156</u>	<u>5,889,224</u>

CITY OF BATAVIA, ILLINOIS

**Notes to the Financial Statements
December 31, 2011**

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, 2011, Standard and Poor’s rated all of the Fund’s U.S. Agency Obligations AA+. 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, 2011, 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, 2011, 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, 2011, 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	652,001
Sun Life Annuity	637,347

CITY OF BATAVIA, ILLINOIS

**Notes to the Financial Statements
December 31, 2011**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

PROPERTY TAXES

Property taxes for 2011 attach as an enforceable lien on January 1, 2011, 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	\$ 19,646,978	-	-	19,646,978
Construction in Progress	55,813	45,854	-	101,667
	<u>19,702,791</u>	<u>45,854</u>	<u>-</u>	<u>19,748,645</u>
Depreciable Capital Assets				
Structures and Improvements	18,380,206	-	-	18,380,206
Machinery and Equipment	5,178,973	-	-	5,178,973
Infrastructure	54,951,901	10,204,008	19,374	65,136,535
	<u>78,511,080</u>	<u>10,204,008</u>	<u>19,374</u>	<u>88,695,714</u>
Less Accumulated Depreciation				
Structures and Improvements	3,089,284	171,132	-	3,260,416
Machinery and Equipment	2,642,291	265,114	-	2,907,405
Infrastructure	19,134,585	1,055,002	17,050	20,172,537
	<u>24,866,160</u>	<u>1,491,248</u>	<u>17,050</u>	<u>26,340,358</u>
Total Net Depreciable Capital Assets	<u>53,644,920</u>	<u>8,712,760</u>	<u>2,324</u>	<u>62,355,356</u>
Total Net Capital Assets	<u>73,347,711</u>	<u>8,758,614</u>	<u>2,324</u>	<u>82,104,001</u>

Depreciation expense was charged to governmental activities as follows:

General Government	\$ 74,364
Public Safety	178,473
Highways and Streets	<u>1,238,411</u>
	<u>1,491,248</u>

CITY OF BATAVIA, ILLINOIS

**Notes to the Financial Statements
December 31, 2011**

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	861,759	2,019,030	-	2,880,789
	<u>1,979,592</u>	<u>2,019,030</u>	<u>-</u>	<u>3,998,622</u>
Depreciable Capital Assets				
Buildings	7,841,445	177,260	-	8,018,705
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	210,541	44,952	1,824,404
Electric System	61,000,041	872,062	124,123	61,747,980
Water/Sewer System	60,348,736	-	-	60,348,736
	<u>148,511,168</u>	<u>1,259,863</u>	<u>169,075</u>	<u>149,601,956</u>
Less Accumulated Depreciation				
Buildings	528,987	192,433	-	721,420
Structures and Improvements	4,427,097	341,203	-	4,768,300
Wells and Well Equipment	920,136	90,873	-	1,011,009
Machinery and Equipment	956,011	93,962	38,421	1,011,552
Electric System	18,150,734	2,037,196	61,906	20,126,024
Water/Sewer System	18,489,709	1,871,466	-	20,361,175
	<u>43,472,674</u>	<u>4,627,133</u>	<u>100,327</u>	<u>47,999,480</u>
Total Net Depreciable Capital Assets	<u>105,038,494</u>	<u>(3,367,270)</u>	<u>68,748</u>	<u>101,602,476</u>
Total Net Capital Assets	<u>107,018,086</u>	<u>(1,348,240)</u>	<u>68,748</u>	<u>105,601,098</u>

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

Waterworks	\$ 1,001,129
Sewerage	1,334,850
Electric	<u>2,291,154</u>
	<u>4,627,133</u>

CITY OF BATAVIA, ILLINOIS

**Notes to the Financial Statements
December 31, 2011**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund Balances

The composition of interfund balances as of the date of this report, is as follows:

Receivable Fund	Payable Fund	Amount
General	Infrastructure Capital Projects	\$ 2,764
Infrastructure Capital Projects	General	<u>306,804</u>
		<u><u>309,568</u></u>

Interfund balances are advances in anticipation of receipts.

Interfund Transfers

Interfund transfers for the year consisted of the following:

	Transfer Out		
	General	Debt Service	Totals
Transfer In			
Debt Service	\$ 971,945	-	971,945
Capital Projects	200,000	-	200,000
Infrastructure Capital Projects	<u>317,424</u>	<u>620,569</u>	<u>937,993</u>
	<u><u>1,489,369</u></u>	<u><u>620,569</u></u>	<u><u>2,109,938</u></u>

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

CITY OF BATAVIA, ILLINOIS

**Notes to the Financial Statements
December 31, 2011**

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 \$53,550 to \$332,775 plus interest at 2.0% to 3.65% through January 1, 2011	Waterworks \$	332,775	-	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	1,630,000	-	90,000	1,540,000
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	1,165,000	-	275,000	890,000
		<u>3,127,775</u>	<u>-</u>	<u>697,775</u>	<u>2,430,000</u>

CITY OF BATAVIA, ILLINOIS

**Notes to the Financial Statements
December 31, 2011**

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 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	\$ 8,200,000	-	390,000	7,810,000
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	650,000	-	210,000	440,000
Taxable General Obligation Alternate Revenue Bond Series of 2010 due in annual installments of \$86,031 to \$110,911 plus interest at 1.50% to 4.80% through December 15, 2020	Sewerage	-	951,083	86,252	864,831
		<u>8,850,000</u>	<u>951,083</u>	<u>686,252</u>	<u>9,114,831</u>

CITY OF BATAVIA, ILLINOIS

**Notes to the Financial Statements
December 31, 2011**

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 1990 due in annual installments of \$497,756 including interest at 3.745% through October 15, 2012	Sewerage	\$ 719,521	-	475,218	244,303
IEPA Sewer Revenue Bond Series of 1999 due in annual installments of \$67,044 including interest at 2.535% through May 1, 2020	Sewerage	554,408	-	53,325	501,083
IEPA Sewer Revenue Bond Series of 1999A due in annual installments of \$714,655 including interest at 2.535% through November 1, 2020	Sewerage	6,277,766	-	559,034	5,718,732
IEPA Water Revenue Bond Series of 2004 due in annual installments of \$179,890 including interest at 2.500% through November 1, 2024	Waterworks	4,811,239	-	290,949	4,520,290
IEPA Water Revenue Bond Series of 2004 due in annual installments of \$210,122 including interest at 2.500% through November 1, 2024	Waterworks	2,469,201	-	149,320	2,319,881
IEPA Water Revenue Bond Series of 2005 due in annual installments of \$32,675 including interest at 2.500% through November 1, 2024	Waterworks	383,975	-	23,220	360,755
IEPA Water Revenue Bond Series of 2006 due in annual installments of \$191,127, including interest at 2.500% through September 26, 2026	Waterworks	2,507,708	-	129,237	2,378,471

CITY OF BATAVIA, ILLINOIS

**Notes to the Financial Statements
December 31, 2011**

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 \$99,042, including interest at 2.500% through September 26, 2026	Waterworks	\$ 1,299,497	-	66,971	1,232,526
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	26,290,000	-	305,000	25,985,000
		<u>45,313,315</u>	<u>-</u>	<u>2,052,274</u>	<u>43,261,041</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	\$ 454,738	-	67,866	386,872	-
Net Other Post-Employment Benefit Obligation	96,303	9,722	-	106,025	-
Compensated Absences	-	872,650		872,650	174,530
General Obligation Bonds	2,795,000	-	365,000	2,430,000	380,000
Alternate Revenue Bonds	8,850,000	-	600,000	8,250,000	620,000
	<u>12,196,041</u>	<u>882,372</u>	<u>1,032,866</u>	<u>12,045,547</u>	<u>1,174,530</u>
Business-Type Activities					
Compensated Absences	\$ -	393,714	-	393,714	78,743
General Obligation Bonds	332,775	-	332,775	-	-
Alternate Revenue Bonds	-	951,083	86,252	864,831	86,031
Revenue Bonds	45,313,315	-	2,052,274	43,261,041	1,863,577
	<u>45,646,090</u>	<u>1,344,797</u>	<u>2,471,301</u>	<u>44,519,586</u>	<u>2,028,351</u>

CITY OF BATAVIA, ILLINOIS

**Notes to the Financial Statements
December 31, 2011**

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. Compensated absences are generally liquidated by the General Fund for governmental activities and the Waterworks Fund, Sewerage Fund, and Electric Fund for business-type activities. Payments on the general obligation/alternate revenue bonds are made by the Debt Service, Sewerage, 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
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	2,430,000	641,228	8,250,000	2,817,326

CITY OF BATAVIA, ILLINOIS

**Notes to the Financial Statements
December 31, 2011**

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		Alternate Revenue	
	Bonds		Bonds	
	Principal	Interest	Principal	Interest
2012	\$ 1,863,577	1,583,001	86,031	30,204
2013	1,942,307	1,521,797	87,321	28,914
2014	2,001,178	1,459,987	89,198	27,036
2015	2,060,904	1,400,917	91,518	24,717
2016	2,121,511	1,339,992	94,355	21,880
2017	2,188,020	1,277,183	97,751	18,482
2018	2,250,457	1,212,273	101,662	14,572
2019	2,318,837	1,145,440	106,084	10,150
2020	2,343,770	1,076,458	110,911	5,324
2021	1,675,756	1,005,436	-	-
2022	1,732,032	937,011	-	-
2023	1,788,844	880,052	-	-
2024	1,846,202	820,441	-	-
2025	1,252,829	758,342	-	-
2026	1,304,817	698,059	-	-
2027	1,060,000	647,720	-	-
2028	1,105,000	597,318	-	-
2029	1,155,000	550,356	-	-
2030	1,205,000	499,826	-	-
2031	1,255,000	447,106	-	-
2032	1,310,000	392,200	-	-
2033	1,370,000	334,888	-	-
2034	1,430,000	274,950	-	-
2035	1,490,000	210,600	-	-
2036	1,560,000	143,550	-	-
2037	1,630,000	73,338	-	-
Total	43,261,041	21,288,241	864,831	181,279

CITY OF BATAVIA, ILLINOIS

**Notes to the Financial Statements
December 31, 2011**

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	<p><i>Sewerage</i> \$2,000 per month until the account aggregates \$654,302</p> <p><i>Electric</i> Amount sufficient to provide account aggregate of \$1,705,719</p>	Paying principal and interest on the bonds if there is an insufficiency in bond and interest
Depreciation	<p><i>Sewerage</i> \$5,000 per month until the account aggregates \$350,000</p> <p><i>Electric</i> Initial deposit of \$2,000,000 or \$100,000 per month until the account aggregates \$2,000,000</p>	Paying principal and interest on the bonds if there is insufficient money in the bond and interest account or bond reserve account; cost of extraordinary repairs and replacements to the system
Surplus	The amount remaining after payment into the above four accounts	Improvement and extension of the waterworks and sewerage system, or any other lawful corporate purpose

CITY OF BATAVIA, ILLINOIS

**Notes to the Financial Statements
December 31, 2011**

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	9,254
Number of Sewer Customers	9,137
Quantity of Sewerage Treated (in Millions of Gallons)	1,346.70
Quantity of Water Pumped (in Millions of Gallons)	1,139.50
Quantity of Water Billed (in Millions of Gallons)	903.60
Electric	
Number of Electric Customers by Class	
Residential	9,491
Commercial	1,310
Industrial	12
Kwh of Energy Purchased	462,899,179
Average cost per kwh	\$ 0.078632

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 - 2010	<u>\$ 1,067,923,536</u>
Legal Debt Limit - 8.625% of Assessed Value	<u>92,108,405</u>
Amount of Debt Applicable to Limit	
General Obligation Bonds	<u>2,430,000</u>
Legal Debt Margin	<u>89,678,405</u>

CITY OF BATAVIA, ILLINOIS

**Notes to the Financial Statements
December 31, 2011**

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 \$1,355,000 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, 2011:

Governmental Activities		
Capital Assets - Net of Accumulated Depreciation		\$ 82,104,001
Less Capital Related Debt:		
General Obligation Bonds	(2,430,000)	
Alternate Revenue Bonds	(8,250,000)	<u>(10,680,000)</u>
Investment in Capital Assets - Net of Related Debt		<u>71,424,001</u>
Business-Type Activities		
Capital Assets - Net of Accumulated Depreciation		\$ 105,601,098
Less Capital Related Debt:		
Revenue Bonds	(43,261,041)	
Alternate Revenue Bonds	(864,831)	<u>(44,125,872)</u>
Investment in Capital Assets - Net of Related Debt		<u>61,475,226</u>

CITY OF BATAVIA, ILLINOIS

**Notes to the Financial Statements
December 31, 2011**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

FUND BALANCE CLASSIFICATIONS

The following is a schedule of fund balance classifications for the governmental funds as of the date of this report:

	General	Debt Service	Infrastructure Capital Projects	Capital Projects	<u>Nonmajor Perpetual Care Cemetery</u>	Total
Fund Balances						
Nonspendable	\$ 178,617	-	-	-	-	178,617
Restricted						
Motor Fuel Tax	2,216,178	-	-	-	-	2,216,178
Community Development	258,458	-	-	-	-	258,458
Debt Service	-	1,776,877	-	-	-	1,776,877
Perpetual Care Cemetery	-	-	-	-	119,155	119,155
	<u>2,474,636</u>	<u>1,776,877</u>	<u>-</u>	<u>-</u>	<u>119,155</u>	<u>4,370,668</u>
Assigned						
Capital Improvements	-	-	892,719	1,291,480	-	2,184,199
Unassigned	<u>14,559,083</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,559,083</u>
Total Fund Balances	<u>17,212,336</u>	<u>1,776,877</u>	<u>892,719</u>	<u>1,291,480</u>	<u>119,155</u>	<u>21,292,567</u>

The City implemented the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* for the fiscal year ended December 31, 2011. In the governmental funds financial statements, the City first utilizes restricted resources to finance qualifying activities, then committed, assigned and unassigned fund balance.

Assigned Fund Balance. The City reports assigned fund balance in the Infrastructure Capital Projects and the Capital Projects Funds, both major funds. The City’s management has assigned the funds in these two funds to future improvement projects and equipment and vehicle purchases based on approved management expenditures as determined through the annual budget process.

Minimum Fund Balance Policy. The City’s policy manual states that the General Fund should maintain a minimum unrestricted fund balance no less than two months and no more than six months of budgeted operating expenditures, excluding transfers and capital expenditures. Fund balances in excess of said levels may be transferred to other funds or to capital projects or committed at the discretion of the Council or assigned as determined by the City Administrator or Finance Director under the authority of the City Administrator.

CITY OF BATAVIA, ILLINOIS

**Notes to the Financial Statements
December 31, 2011**

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:

	2011	2010
Claims Payable - Beginning of Year	\$ 753,581	803,286
Incurred Claims	2,665,979	3,371,463
Claims Paid	(2,642,320)	(3,421,168)
Claims Payable - End of Year	<u>777,240</u>	<u>753,581</u>

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.

CITY OF BATAVIA, ILLINOIS

Notes to the Financial Statements December 31, 2011

NOTE 4 – OTHER INFORMATION – Continued

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 online at www.imrf.org. 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. Participating members hired before January 1, 2011 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. For participating members hired on or after January 1, 2011 who retire at or after age 67 with 10 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 96 consecutive months' earnings during the last 10 years) of earnings, for each year of credited service, with a maximum salary cap of \$106,800 at January 1, 2011. The maximum salary cap increases each year thereafter. The monthly pension of a member hired on or after January 1, 2011, shall be increased annually, following the later of the first anniversary date of retirement or the month following the attainment of age 62, by the lesser of 3% or ½ of the consumer price index. Employees with at least 10 years of credited service may retire at or after age 62 and receive a reduced benefit. IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute. Employees participating in the plan are required to contribute 4.50 percent of their annual covered salary to IMRF. The employees' contribution rate is established by state statute. The City is required to contribute the remaining amount necessary to fund the IMRF plan as specified by statute. The employer contribution and annual required contribution rate for calendar year 2011 was 11.96 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.

CITY OF BATAVIA, ILLINOIS

**Notes to the Financial Statements
December 31, 2011**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Plan Descriptions, Provisions and Funding Policies – Continued

Police Pension Plan – Continued

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	21
Current Employees Vested and Nonvested	<u>41</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 hired before January 1, 2011, attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit of ½ 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. Covered employees hired on or after January 1, 2011, attaining the age of 55 with at least 10 years creditable service are entitled to receive an annual retirement benefit of 2.5% of final average salary for each year of service, with a maximum salary cap of \$106,800 as of January 1, 2011. The maximum salary cap increases each year thereafter. The monthly benefit of a police officer hired before January 1, 2011, 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. The monthly pension of a police officer hired on or after January 1, 2011, shall be increased annually, following the later of the first anniversary date of retirement or the month following the attainment of age 60, but the lesser of 3% or ½ of the consumer price index. Employees with at least 10 years but less than 20 years of creditable service may retire at or after age 60 and receive a reduced benefit.

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 2040 the City's contributions must accumulate to the point where the past service cost for the Police Pension Plan is 90% funded.

CITY OF BATAVIA, ILLINOIS

**Notes to the Financial Statements
December 31, 2011**

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	12
Current Employees Vested and Nonvested	<u>22</u>
	<u>34</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 hired before January 1, 2011, attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit of ½ of the monthly salary attached to the rank held 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 salary. Covered employees hired on or after January 1, 2011, attaining the age of 55 with at least 10 years of creditable service are entitled to receive an annual retirement benefit of 2.5% of final average salary for each year of service, with a maximum salary cap of \$106,800 as of January 1, 2011. The maximum salary cap increases each year thereafter. The monthly pension of a firefighter hired before January 1, 2011, 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. The monthly pension of a firefighter hired on or after January 1, 2011, shall be increased annually, following the later of the first anniversary date of retirement or the month following the attainment of age 60, by the lesser of 3% or ½ of the consumer price index. Employees with at least 10 years but less than 20 years of creditable service may retire at or after age 60 and receive a reduced benefit.

Covered employees, if any, 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 2040 the City's contributions must accumulate to the point where the past service cost for the Firefighters' Pension Plan is 90% funded.

CITY OF BATAVIA, ILLINOIS

**Notes to the Financial Statements
December 31, 2011**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Summary of Significant Accounting Policies and Plan Asset Matters

Basis of Accounting

The financial statements are prepared using the accrual basis of accounting. Employee and employer contributions are recognized as revenues when due, pursuant to formal commitments, as well as statutory or contractual requirements. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Method Used to Value Investments

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

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.

<u>Police Pension</u>	
RMA Government Portfolio	\$ 1,070,173
<u>Firefighters' Pension</u>	
Aviva Annuity	\$ 508,652
Keyport Life Annuity	652,001
Sun Life Annuity	637,347

Related Party Transactions

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

CITY OF BATAVIA, ILLINOIS

**Notes to the Financial Statements
December 31, 2011**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Annual Pension Cost and Net Pension Obligation

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

	Illinois Municipal Retirement	Police Pension	Firefighters' Pension
Contribution Rates			
Employer	11.96%	33.61%	39.44%
Employee	4.50%	9.91%	9.455%
Actuarial Valuation Date	12/31/2011	12/31/2010	12/31/2010
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	30 Years	30 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, 2011**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Annual Pension Cost and Net Pension Obligation – Continued

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	\$ 848,140	1,218,262	689,507	2,755,909
Interest on the NPO	4,891	23,484	3,022	31,397
Adjustment to the ARC	(3,753)	(9,200)	(11,884)	(24,837)
Annual Pension Cost	849,278	1,232,546	680,645	2,762,469
Actual Contribution	(914,496)	(1,218,262)	(697,577)	(2,830,335)
Increase (Decrease) in the NPO	(65,218)	14,284	(16,932)	(67,866)
NPO - Beginning of Year	65,218	336,851	52,669	454,738
NPO - End of Year	-	351,135	35,737	386,872

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)	2009	\$ 802,664	\$ 923,793	\$ 513,858
	2010	890,831	1,208,090	677,139
	2011	849,278	1,232,546	680,645
Actual Contributions	2009	802,664	913,896	510,369
	2010	825,613	1,192,835	691,688
	2011	914,496	1,218,262	697,577
Percentage of APC Contributed	2009	100.00%	98.93%	99.32%
	2010	92.68%	98.74%	102.15%
	2011	107.68%	98.84%	102.49%
Net Pension Obligation	2009	-	321,596	67,218
	2010	65,218	336,851	52,669
	2011	-	351,135	35,737

CITY OF BATAVIA, ILLINOIS

**Notes to the Financial Statements
December 31, 2011**

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	12/31/11	12/31/10	12/31/10
Percent Funded	68.50%	60.90%	61.87%
Actuarial Accrued Liability for Benefits	\$21,476,629	\$33,982,872	\$14,725,503
Actuarial Value of Assets	\$14,712,249	\$20,694,374	\$9,109,979
Over (Under) Funded Actuarial Accrued Liability (UAAL)	(\$6,764,380)	(\$13,288,498)	(\$5,615,524)
Covered Payroll (Annual Payroll of Active Employees Covered by the Plan)	\$7,071,937	\$3,549,116	\$1,753,824
Ratio of UAAL to Covered Payroll	95.65%	374.42%	320.19%

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, 2011**

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, 2011, retirees contributed \$207,947. Active employees do not contribute to the plan until retirement.

At December 31, 2011, membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits and Terminated Employees Entitled to Benefits but not yet Receiving Them	19
Active Employees	<u>150</u>
Total	<u>169</u>
Participating Employers	1

The City does not currently have a funding policy.

CITY OF BATAVIA, ILLINOIS

**Notes to the Financial Statements
December 31, 2011**

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, 2011, was calculated as follows:

	<u>OPEB</u>
Annual Required Contribution	\$ 182,848
Interest on the NPO	4,815
Adjustment to the ARC	<u>(2,408)</u>
Annual OPEB Cost	185,255
Actual Contribution	<u>175,533</u>
Increase in the NPO	9,722
NPO - Beginning of Year	<u>96,303</u>
NPO - End of Year	<u><u>106,025</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
2009	\$ 154,174	\$ 121,555	78.84% %	\$ 65,339
2010	152,519	121,555	79.70%	96,303
2011	185,255	175,533	94.75%	106,025

CITY OF BATAVIA, ILLINOIS

Notes to the Financial Statements December 31, 2011

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS – 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	25.64%

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, 2011, was 30 years.

SUBSEQUENT EVENT

On February 7, 2012, the City issued \$1,530,000 of General Obligation Refunding Bonds, Series 2012. The bonds are due in annual installments of \$25,000 to \$270,000, plus interest at 2.00% to 3.00%, through January 1, 2025.

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, 2011**

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)
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%
2011	14,712,249	21,476,629	68.50%	6,764,380	7,071,937	95.65%

Employer Contributions

Year Ended Dec. 31	Employer Contributions	Annual Required Contributions	Percent Contributed
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%
2011	914,496	848,140	107.82%

CITY OF BATAVIA, ILLINOIS

Police Pension Fund

**Required Supplementary Information
Schedule of Funding Progress and Employer Contributions
December 31, 2011**

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)
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%
2010	20,694,374	33,982,872	60.90%	13,288,498	3,549,116	374.42%

Employer Contributions

Year Ended Dec. 31	Employer Contributions	Annual Required Contribution	Percent Contributed
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%
2011	1,218,262	1,218,262	100.00%

CITY OF BATAVIA, ILLINOIS

Firefighters' Pension Fund

Required Supplementary Information
 Schedule of Funding Progress and Employer Contributions
 December 31, 2011

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)
Dec. 31						
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%
2010	9,109,979	14,725,503	61.87%	5,615,524	1,753,824	320.19%

Employer Contributions

Year Ended Dec. 31	Employer Contributions	Annual Required Contribution	Percent Contributed
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%
2011	697,577	689,507	101.17%

CITY OF BATAVIA, ILLINOIS

Other Post-Employment Benefit Plan

**Required Supplementary Information
Schedule of Funding Progress and Employer Contributions
December 31, 2011**

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)
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%
2011	N/A	N/A	N/A	N/A	N/A	N/A

Employer Contributions

Year Ended	Employer Contributions	Annual Required Contribution	Percent Contributed
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%
2011	175,533	182,848	96.00%

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, 2011

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Taxes	\$ 15,240,296	15,240,296	15,319,570
Intergovernmental	3,631,985	3,631,985	3,759,896
Licenses and Permits	278,300	278,300	246,606
Charges for Services	2,956,818	2,956,818	2,854,678
Fines and Forfeitures	290,640	290,640	203,415
Interest	71,000	71,000	30,165
Miscellaneous	2,069,495	2,069,495	2,064,665
Total Revenues	<u>24,538,534</u>	<u>24,538,534</u>	<u>24,478,995</u>
Expenditures			
General Government	6,522,078	6,522,078	5,473,040
Public Safety	12,809,895	12,846,596	12,334,555
Highways and Streets	4,391,041	4,513,114	4,292,210
Total Expenditures	<u>23,723,014</u>	<u>23,881,788</u>	<u>22,099,805</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	815,520	656,746	2,379,190
Other Financing (Uses)			
Transfers Out	<u>(1,206,425)</u>	<u>(1,206,425)</u>	<u>(1,489,369)</u>
Net Change in Fund Balance	<u>(390,905)</u>	<u>(549,679)</u>	889,821
Fund Balance - Beginning			<u>16,322,515</u>
Fund Balance - Ending			<u>17,212,336</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, 2011**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Taxes			
Property Taxes - General	\$ 5,794,095	5,794,095	5,781,102
Retailers' Occupation Tax	4,554,871	4,554,871	4,666,668
Home Rule Sales Tax	1,711,330	1,711,330	1,775,279
Utility Tax	3,180,000	3,180,000	3,096,521
	<u>15,240,296</u>	<u>15,240,296</u>	<u>15,319,570</u>
Intergovernmental			
Illinois State Income Tax	1,950,000	1,950,000	2,031,610
Illinois State Replacement Tax	170,000	170,000	174,711
Illinois State Maintenance Reimbursement	36,300	36,300	40,344
Motor Fuel Tax	652,000	652,000	769,050
State and Federal Grant	250,185	250,185	85,050
Township Share	23,500	23,500	38,552
Countryside Fire Protection District	245,000	245,000	244,000
Local Use Tax	305,000	305,000	376,579
	<u>3,631,985</u>	<u>3,631,985</u>	<u>3,759,896</u>
Licenses and Permits			
Licenses	53,300	53,300	53,841
Building Permits	225,000	225,000	192,765
	<u>278,300</u>	<u>278,300</u>	<u>246,606</u>
Charges for Services			
Administrative Support	1,533,022	1,533,022	1,533,691
Engineering Plan Review	23,000	23,000	13,178
Engineering Inspection Fees	30,000	30,000	27,330
Survey Monumentation Fees	5,500	5,500	2,500
Planning Commission Fees	2,000	2,000	27,825
Contractual Plan Review	9,500	9,500	15,855
Grave Openings	36,000	36,000	37,034
Plumbing Inspections	30,000	30,000	27,410
Police Services	80,000	80,000	93,151
Employee Contributions - Insurance	634,502	634,502	641,552
Non-Employee Insurance Premium	263,294	263,294	207,947
Insurance Reimbursements	310,000	310,000	227,205
	<u>2,956,818</u>	<u>2,956,818</u>	<u>2,854,678</u>

CITY OF BATAVIA, ILLINOIS

General Fund

**Schedule of Revenues - Budget and Actual - Continued
Year Ended December 31, 2011**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Fines and Forfeitures			
Court Fines	\$ 240,000	240,000	168,295
Parking Fines	50,640	50,640	35,120
	<u>290,640</u>	<u>290,640</u>	<u>203,415</u>
Interest			
Investment Income	71,000	71,000	30,165
Miscellaneous			
City Maps and Publications	3,200	3,200	4,176
Waste Transfer Fee	485,000	485,000	504,541
Cable TV Franchise Fee	350,000	350,000	380,271
Leaf and Brush Collection	268,920	268,920	270,024
Payment in Lieu of Taxes	750,000	750,000	762,458
Sale of Burial Lots	12,000	12,000	8,250
Reimbursements	87,875	87,875	94,276
Street Recapture	2,500	2,500	5,741
Other	110,000	110,000	34,928
	<u>2,069,495</u>	<u>2,069,495</u>	<u>2,064,665</u>
Total Revenues	<u>24,538,534</u>	<u>24,538,534</u>	<u>24,478,995</u>

CITY OF BATAVIA, ILLINOIS

General Fund

**Schedule of Expenditures - Budget and Actual
Year Ended December 31, 2011**

	Budgeted Amounts		Actual Amounts
	Original	Final	
General Government			
Legislative and Administration	\$ 1,180,220	1,180,220	1,210,452
Human Resources	304,149	304,149	277,341
Community Development	900,557	900,557	909,490
Public Works Administration	195,933	195,933	190,784
Engineering	800,096	800,096	537,298
Building and Grounds	454,241	454,241	429,550
Finance and Accounting	542,928	542,928	557,592
Information Systems	607,040	607,040	584,930
Utility Billing	247,262	247,262	216,475
Economic Development	-	-	2,592
Dial-A-Bus	50,000	50,000	85,370
Health Benefit	1,239,652	1,239,652	471,166
	<u>6,522,078</u>	<u>6,522,078</u>	<u>5,473,040</u>
Public Safety			
Police	8,011,772	8,007,628	7,654,652
Fire	4,772,562	4,813,407	4,653,944
E.S.D.A.	25,561	25,561	25,959
	<u>12,809,895</u>	<u>12,846,596</u>	<u>12,334,555</u>
Highways and Streets	<u>4,391,041</u>	<u>4,513,114</u>	<u>4,292,210</u>
Total Expenditures	<u>23,723,014</u>	<u>23,881,788</u>	<u>22,099,805</u>

CITY OF BATAVIA, ILLINOIS

General Fund

**Schedule of Detailed Expenditures - Budget and Actual
Year Ended December 31, 2011**

	Budgeted Amounts		Actual Amounts
	Original	Final	
General Government			
Legislative and Administration			
Regular Wages	\$ 516,365	516,365	581,123
Overtime	100	100	-
Group Insurance	61,418	61,418	59,463
IMRF - City Portion	53,104	53,104	56,170
Social Security	35,018	35,018	36,763
Pension Contributions	9,500	9,500	9,497
Memberships	17,000	17,000	14,809
Training and Seminars	3,000	3,000	1,590
Resource Materials	1,500	1,500	1,207
Travel	400	400	900
Postage and Shipping	2,500	2,500	2,610
Office Supplies	9,000	9,000	11,085
Printing	23,500	23,500	18,815
Advertisement	500	500	606
Food	3,000	3,000	1,742
Sales Tax Rebate	35,000	35,000	(2,545)
Economic Development	12,600	12,600	5,161
Contract Labor	91,000	91,000	103,285
Legal Fees	130,000	130,000	123,995
BATV	140,000	140,000	152,013
General Liability Insurance	35,000	35,000	31,447
Workmen's Compensation Premium	715	715	716
	<u>1,180,220</u>	<u>1,180,220</u>	<u>1,210,452</u>
Human Resources			
Regular Wages	160,397	160,397	149,284
Group Insurance	17,941	17,941	9,181
IMRF - City Portion	19,183	19,183	18,869

CITY OF BATAVIA, ILLINOIS

General Fund

**Schedule of Detailed Expenditures - Budget and Actual - Continued
Year Ended December 31, 2011**

	Budgeted Amounts		Actual Amounts
	Original	Final	
General Government - Continued			
Human Resources - Continued			
Social Security	\$ 12,270	12,270	11,223
Memberships	700	700	390
Training and Seminars	19,000	19,000	7,827
Employee Recruitment	2,000	2,000	75
Postage and Shipping	200	200	183
Office Supplies	1,500	1,500	712
Printing	600	600	-
Recognition Award	11,000	11,000	9,944
Medical Exams	15,000	15,000	20,206
Contract Labor	14,000	14,000	8,992
Legal Fees	15,000	15,000	29,006
General Liability Insurance	15,000	15,000	11,091
Workmen's Compensation Premium	358	358	358
	<u>304,149</u>	<u>304,149</u>	<u>277,341</u>
Community Development			
Regular Wages	600,975	600,975	562,018
Overtime	250	250	-
Part Time Help	-	-	8,454
Group Insurance	94,606	94,606	99,039
IMRF - City Portion	71,907	71,907	68,914
Social Security	45,994	45,994	41,422
Memberships	2,000	2,000	1,579
Training and Seminars	2,000	2,000	1,172
Resource Materials	150	150	219
Postage and Shipping	2,500	2,500	1,207
Office Supplies	2,500	2,500	2,547
Printing	500	500	-
Gasoline	1,600	1,600	2,464

CITY OF BATAVIA, ILLINOIS

General Fund

**Schedule of Detailed Expenditures - Budget and Actual - Continued
Year Ended December 31, 2011**

	Budgeted Amounts		Actual Amounts
	Original	Final	
General Government - Continued			
Community Development - Continued			
Advertising	\$ 1,000	1,000	2,995
Telephone	1,500	1,500	1,217
Clothing Allowance	300	300	245
Meals	250	250	118
Repairs and Maintenance - Vehicle	2,000	2,000	887
Plumbing Inspection	25,000	25,000	20,499
Contract Labor	28,000	28,000	77,682
General Liability Insurance	2,125	2,125	1,412
Workmen's Compensation Premium	15,400	15,400	15,400
	<u>900,557</u>	<u>900,557</u>	<u>909,490</u>
Public Works Administration			
Regular Wages	124,710	124,710	125,311
Group Insurance	20,685	20,685	20,678
IMRF - City Portion	14,915	14,915	13,906
Social Security	9,540	9,540	8,298
State Unemployment	-	-	957
Memberships	650	650	701
Training and Seminars	1,000	1,000	50
Office Supplies	500	500	12
Telephone	650	650	718
Contract Labor	22,200	22,200	19,259
General Liability Insurance	725	725	536
Workmen's Compensation Premium	358	358	358
	<u>195,933</u>	<u>195,933</u>	<u>190,784</u>

CITY OF BATAVIA, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued
Year Ended December 31, 2011

	Budgeted Amounts		Actual Amounts
	Original	Final	
General Government - Continued			
Engineering			
Regular Wages	\$ 367,185	367,185	367,771
Overtime	1,000	1,000	1,926
Group Insurance	69,340	69,340	69,015
IMRF - City Portion	44,035	44,035	44,810
Social Security	28,166	28,166	26,502
Memberships	1,200	1,200	671
Training and Seminars	3,000	3,000	888
Resource Materials	500	500	186
Postage and Shipping	350	350	244
Office Supplies	2,500	2,500	2,432
Gasoline	1,545	1,545	2,209
Advertising	600	600	294
Regulatory Fees	1,000	1,000	1,000
Telephone	2,800	2,800	2,526
Clothing Allowance	650	650	582
Recording Fees	400	400	481
Repairs and Maintenance - Vehicles	2,500	2,500	2,752
Contract Labor	5,000	5,000	-
Engineering Fees	232,700	232,700	7,211
Other Equipment	750	750	637
Drainage Projects	30,000	30,000	840
General Liability Insurance	2,125	2,125	1,571
Workmen's Compensation Premium	2,750	2,750	2,750
	<u>800,096</u>	<u>800,096</u>	<u>537,298</u>

CITY OF BATAVIA, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued
Year Ended December 31, 2011

	Budgeted Amounts		Actual Amounts
	Original	Final	
General Government - Continued			
Building and Grounds			
Regular Wages	\$ 54,600	54,600	57,203
Overtime	1,250	1,250	1,970
Group Insurance	14,431	14,431	18,513
IMRF - City Portion	6,680	6,680	7,180
Social Security	4,273	4,273	4,169
Postage and Shipping	50	50	-
Office Supplies	100	100	-
Gasoline	932	932	1,321
Telephone	28,000	28,000	25,401
Utilities	85,000	85,000	68,295
General Supplies	15,000	15,000	8,666
Repairs and Maintenance - Vehicles	1,500	1,500	2,671
Repairs and Maintenance - Building	214,300	214,300	211,929
Equipment Rental	26,000	26,000	20,141
Repairs and Maintenance - Other Equipment	1,500	1,500	1,486
General Liability Insurance	75	75	55
Workmen's Compensation Premium	550	550	550
	<u>454,241</u>	<u>454,241</u>	<u>429,550</u>
Finance and Accounting			
Regular Wages	355,909	355,909	361,655
Group Insurance	44,225	44,225	64,062
IMRF - City Portion	42,567	42,567	44,406
Social Security	27,227	27,227	25,662
Membership	550	550	525
Training and Seminars	200	200	350
Resource Materials	250	250	148
Travel	425	425	322
Postage and Shipping	5,500	5,500	3,147

CITY OF BATAVIA, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued
Year Ended December 31, 2011

	Budgeted Amounts		Actual Amounts
	Original	Final	
General Government - Continued			
Finance and Accounting - Continued			
Office Supplies	\$ 8,000	8,000	5,963
Printing	3,300	3,300	1,878
Auditing	53,500	53,500	48,090
General Liability Insurance	725	725	834
Workmen's Compensation Premium	550	550	550
	<u>542,928</u>	<u>542,928</u>	<u>557,592</u>
Information Systems			
Regular Wages	250,145	250,145	251,184
Group Insurance	41,752	41,752	41,723
IMRF - City Portion	29,917	29,917	29,835
Social Security	19,136	19,136	17,822
Memberships	525	525	300
Training and Seminars	3,200	3,200	903
Resource Materials	800	800	282
Travel	300	300	110
Postage and Shipping	100	100	11
Office Supplies	500	500	372
Computer Software	5,800	5,800	7,866
Computer Supplies	4,000	4,000	2,941
Gasoline	1,000	1,000	163
Telephone	18,230	18,230	9,739
Clothing Allowance	150	150	101
Computer Maintenance	44,555	44,555	36,314
Contract Labor	19,500	19,500	17,239
Software Training	2,000	2,000	635
Software Support	140,055	140,055	126,167
Computer	24,100	24,100	40,137
General Liability Insurance	725	725	536
Workmen's Compensation Premium	550	550	550
	<u>607,040</u>	<u>607,040</u>	<u>584,930</u>

CITY OF BATAVIA, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued
Year Ended December 31, 2011

	Budgeted Amounts		Actual Amounts
	Original	Final	
General Government - Continued			
Utility Billing			
Regular Wages	\$ 107,675	107,675	97,721
Overtime	1,000	1,000	-
IMRF - City Portion	12,998	12,998	12,561
Social Security	8,314	8,314	7,186
Training and Seminars	1,000	1,000	-
Postage and Shipping	52,500	52,500	47,429
Office Supplies	3,500	3,500	1,270
Computer Software	13,400	13,400	13,032
Computer Supplies	10,000	10,000	-
Collection Fees	1,600	1,600	2,518
Repairs and Maintenance - Office Equipment	6,500	6,500	5,904
Contract Labor	25,000	25,000	24,953
General Liability Insurance	725	725	536
Workmen's Compensation Premium	550	550	550
Bad Debt Expense	2,500	2,500	2,815
	<u>247,262</u>	<u>247,262</u>	<u>216,475</u>
Economic Development			
Regular Wages	-	-	2,592
Dial-A-Bus			
Contract Labor	50,000	50,000	85,370
Health Benefit			
Claims Administration Fees	108,000	108,000	98,082
Insurance and Claims, Net	1,131,652	1,131,652	373,084
	<u>1,239,652</u>	<u>1,239,652</u>	<u>471,166</u>
Total General Government	<u>6,522,078</u>	<u>6,522,078</u>	<u>5,473,040</u>

CITY OF BATAVIA, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued
Year Ended December 31, 2011

	Budgeted Amounts		Actual Amounts
	Original	Final	
Public Safety			
Police Department			
Regular Wages	\$ 4,246,952	4,246,952	4,150,431
Overtime	246,638	246,638	181,609
Auxiliary Police, Full-Time	18,000	18,000	19,317
Part Time Help	41,594	41,594	36,729
Group Insurance	905,153	905,153	772,906
IMRF - City Portion	58,527	58,527	60,282
Social Security	98,940	98,940	86,498
Pension Contributions	1,218,262	1,218,262	1,218,262
Board of P & F Commission	22,700	22,700	3,084
Memberships	6,060	6,060	5,746
Training and Seminars	20,600	20,600	13,887
Resource Materials	1,882	1,882	1,225
Travel	600	600	600
Postage and Shipping	4,500	4,500	3,616
Office Supplies	14,550	14,550	14,190
Vehicle Supplies	7,500	7,500	6,003
Printing	8,925	8,925	8,726
Communication Supplies	6,400	6,400	5,635
Investigative Supplies	1,500	1,500	1,437
Gasoline	87,250	87,250	99,547
Patrol Supplies	8,500	7,300	6,695
Community Relations	1,000	1,000	822
Ammunition	14,640	14,640	13,573
Telephone	15,060	15,060	12,118
Clothing Allowance	54,495	49,396	39,461
Food	1,200	1,200	315
Repairs and Maintenance - Vehicle	59,560	59,560	51,419
Equipment Rental	9,162	9,162	10,018
Repairs and Maintenance - Other Equipment	13,340	13,340	8,375
Contract Labor	425,889	428,044	421,474
Narcotics and Enforcement	1,000	1,000	101
Other Equipment	4,200	4,200	3,845
Vehicles	77,193	77,193	75,880

CITY OF BATAVIA, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued
Year Ended December 31, 2011

	Budgeted Amounts		Actual Amounts
	Original	Final	
Public Safety - Continued			
Police Department - Continued			
General Liability Insurance	\$ 60,000	60,000	70,826
Workmen's Compensation Premium	250,000	250,000	250,000
	<u>8,011,772</u>	<u>8,007,628</u>	<u>7,654,652</u>
Fire Department			
Regular Wages	1,949,134	1,949,134	1,942,356
Overtime	195,000	195,000	174,910
Part Time Help	465,736	465,736	446,197
Group Insurance	435,385	435,385	457,135
IMRF - City Portion	6,719	6,719	6,565
Social Security	70,202	70,202	64,487
Pension Contributions	697,577	697,577	697,577
State Unemployment	2,500	2,500	149
Memberships	5,300	5,300	3,948
EMS Training	3,000	3,000	2,595
Training and Seminars	19,725	19,725	11,623
Fire Prevention	1,000	1,000	848
Resource Materials	1,495	1,495	1,054
Postage and Shipping	1,100	1,100	1,037
Office Supplies	4,400	4,400	4,074
Vehicle Supplies	18,000	18,000	13,844
Printing	1,100	1,100	242
Communication Supplies	7,000	7,000	3,147
Gasoline	28,755	28,755	35,416
Telephone	9,445	9,445	7,419
Education Materials	5,000	5,000	2,639
Hazardous Materials	1,970	1,970	1,656
Clothing Allowance	34,120	34,120	24,800
Water Rescue Materials	21,045	21,045	13,224
Medical Supplies	3,620	3,620	3,341
Food	2,715	2,715	2,501
Utilities	46,000	46,000	36,877
General Supplies	7,600	7,600	7,569

CITY OF BATAVIA, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued
Year Ended December 31, 2011

	Budgeted Amounts		Actual Amounts
	Original	Final	
Public Safety - Continued			
Fire Department - Continued			
Repairs and Maintenance - Vehicle	\$ 86,730	86,730	75,631
Repairs and Maintenance - Building	18,000	18,000	9,592
Repairs and Maintenance - Equipment	2,990	2,990	2,853
Contract Labor	380,736	421,581	372,088
S.C.B.A. Maintenance	5,435	5,435	4,090
Other Equipment	16,528	16,528	13,591
General Liability Insurance	40,000	40,000	31,494
Workmen's Compensation Premium	177,500	177,500	177,375
	<u>4,772,562</u>	<u>4,813,407</u>	<u>4,653,944</u>
E.S.D.A.			
Part Time Help	9,741	9,741	9,748
Social Security	745	745	746
Meal Allowance	75	75	74
Memberships	400	400	458
Training and Seminars	275	275	140
Travel	2,000	2,000	946
Office Supplies	100	100	84
Gasoline	250	250	387
Patrol Supplies	100	100	-
Telephone	1,700	1,700	1,220
Clothing Allowance	200	200	-
Utilities	875	875	771
Repairs and Maintenance - Vehicle	2,000	2,000	696
Repairs and Maintenance - Building	100	100	-
Equipment Rental	2,000	2,000	1,011
Repairs and Maintenance - Other Equipment	3,000	3,000	4,026
Contractual Services	1,500	1,500	4,836
Other Equipment	500	500	816
	<u>25,561</u>	<u>25,561</u>	<u>25,959</u>
Total Public Safety	<u>12,809,895</u>	<u>12,846,596</u>	<u>12,334,555</u>

CITY OF BATAVIA, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued
Year Ended December 31, 2011

	Budgeted Amounts		Actual Amounts
	Original	Final	
Highways and Streets			
Street and Sanitation			
Regular Wages	\$ 1,197,672	1,197,672	1,095,658
Overtime	201,000	201,000	154,065
Part Time Help	25,000	25,000	24,091
Group Insurance	279,382	279,382	277,214
IMRF - City Portion	167,281	167,281	155,209
Social Security	108,911	108,911	92,958
Meal Allowance	3,000	3,000	1,675
Training and Seminars	3,000	3,000	2,070
Travel	50	50	310
Supplies for Other Equipment	15,000	15,000	9,297
Postage and Shipping	-	-	382
Office Supplies	2,000	2,000	985
Vehicle Supplies	40,000	40,000	44,474
Communication Supplies	2,000	2,000	634
Materials	80,000	80,000	108,557
Gasoline	68,000	68,000	73,368
Salt De-Icers	200,000	200,000	198,969
Advertising	1,000	1,000	448
Telephone	8,000	8,000	6,299
Clothing Allowance	12,000	12,000	10,190
Food	300	300	347
Utilities	22,000	22,000	18,586
Safety Supplies	2,500	2,500	2,162
General Supplies	26,000	26,000	16,594
Landfill Fees	6,000	6,000	4,473
Ornamental Supplies	10,000	10,000	10,750
Repairs and Maintenance - Vehicle	28,000	28,000	15,008
Repairs and Maintenance - Building	34,000	34,000	15,413
Equipment Rental	2,000	2,000	1,825
Repairs and Maintenance - Other Equipment	13,000	33,400	33,798
Contract Labor	617,500	634,900	536,116
Contract Labor - Health Department	65,000	65,000	51,452
Contract Labor - Forestry Department	150,000	150,000	147,383
Street - Other Construction	819,445	889,445	967,395

CITY OF BATAVIA, ILLINOIS

General Fund

**Schedule of Detailed Expenditures - Budget and Actual - Continued
Year Ended December 31, 2011**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Highways and Streets - Continued			
Street and Sanitation - Continued			
Other Equipment	\$ 12,000	26,273	27,977
General Liability Insurance	30,000	30,000	46,078
Workmen's Compensation Premium	140,000	140,000	140,000
Total Highways and Streets	4,391,041	4,513,114	4,292,210
Total Expenditures	23,723,014	23,881,788	22,099,805

CITY OF BATAVIA, ILLINOIS

Debt Service Fund

**Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Year Ended December 31, 2011**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Taxes	\$ 1,521,624	1,521,624	1,222,889
Interest	6,500	6,500	2,110
Miscellaneous	-	-	8,977
Total Revenues	<u>1,528,124</u>	<u>1,528,124</u>	<u>1,233,976</u>
Expenditures			
Debt Service			
Principal Retirement	970,000	970,000	965,000
Interest and Fiscal Charges	483,569	483,569	486,945
Total Expenditures	<u>1,453,569</u>	<u>1,453,569</u>	<u>1,451,945</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>74,555</u>	<u>74,555</u>	<u>(217,969)</u>
Other Financing Sources (Uses)			
Bond Proceeds	7,500,000	7,500,000	-
Transfers In	6,703,285	6,703,285	971,945
Transfers Out	(5,731,340)	(5,731,340)	(620,569)
	<u>8,471,945</u>	<u>8,471,945</u>	<u>351,376</u>
Net Change in Fund Balance	<u>8,546,500</u>	<u>8,546,500</u>	133,407
Fund Balance - Beginning			<u>1,643,470</u>
Fund Balance - Ending			<u>1,776,877</u>

CITY OF BATAVIA, ILLINOIS

Debt Service Fund

Schedule of Expenditures - Budget and Actual
Year Ended December 31, 2011

	Budgeted Amounts		Actual Amounts
	Original	Final	
Fire Station			
Debt Service			
Principal Retirement	\$ 390,000	390,000	390,000
Interest and Fiscal Charges	352,970	352,970	352,969
	<u>742,970</u>	<u>742,970</u>	<u>742,969</u>
Building Renovation			
Debt Service			
Principal Retirement	275,000	275,000	275,000
Interest and Fiscal Charges	35,812	35,812	35,813
	<u>310,812</u>	<u>310,812</u>	<u>310,813</u>
Flood Control			
Debt Service			
Principal Retirement	210,000	210,000	210,000
Interest and Fiscal Charges	18,975	18,975	18,975
	<u>228,975</u>	<u>228,975</u>	<u>228,975</u>
Donovan Bridge			
Debt Service			
Principal Retirement	95,000	95,000	90,000
Interest and Fiscal Charges	75,812	75,812	79,188
	<u>170,812</u>	<u>170,812</u>	<u>169,188</u>
Total Expenditures	<u>1,453,569</u>	<u>1,453,569</u>	<u>1,451,945</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, 2011**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Taxes	\$ -	-	326,407
Intergovernmental	1,637,925	1,637,925	36,683
Interest	4,000	4,000	1,317
Total Revenues	<u>1,641,925</u>	<u>1,641,925</u>	<u>364,407</u>
Expenditures			
Capital Outlay	<u>10,045,005</u>	<u>10,045,005</u>	<u>1,527,510</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(8,403,080)	(8,403,080)	(1,163,103)
Other Financing Sources			
Transfers In	<u>2,150,150</u>	<u>2,150,150</u>	<u>937,993</u>
Net Change in Fund Balance	<u>(6,252,930)</u>	<u>(6,252,930)</u>	(225,110)
Fund Balance - Beginning			<u>1,117,829</u>
Fund Balance - Ending			<u><u>892,719</u></u>

CITY OF BATAVIA, ILLINOIS

Infrastructure - Capital Projects Fund

**Schedule of Expenditures - Budget and Actual
Year Ended December 31, 2011**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Capital Outlay			
Contractual Services - TIF District	\$ 6,816,000	6,816,000	706,806
Contractual Services - TIF District #3	3,056,600	3,056,600	318,047
Engineering Fees - Deerpath Bridge Rehab	172,405	172,405	45,854
Infrastructure Construction - Donovan Bridge Recon	-	-	456,803
Total Expenditures	<u>10,045,005</u>	<u>10,045,005</u>	<u>1,527,510</u>

CITY OF BATAVIA, ILLINOIS

Capital Projects Fund

Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
Year Ended December 31, 2011

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Intergovernmental	\$ 105,400	105,400	-
Charges for Services	20,000	20,000	19,554
Interest	2,600	2,600	1,378
Total Revenues	<u>128,000</u>	<u>128,000</u>	<u>20,932</u>
Expenditures			
Capital Outlay			
Vehicles - Public Works Department	180,000	180,000	-
Vehicle - Fire Capital Development	273,000	273,000	-
Total Expenditures	<u>453,000</u>	<u>453,000</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(325,000)	(325,000)	20,932
Other Financing Sources			
Transfers In	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>
Net Change in Fund Balance	<u>(125,000)</u>	<u>(125,000)</u>	220,932
Fund Balance - Beginning			<u>1,070,548</u>
Fund Balance - Ending			<u>1,291,480</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, 2011

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Charges for Services			
Care of Cemetery Lots	\$ 9,500	9,500	5,500
Interest	500	500	269
Total Revenues	<u>10,000</u>	<u>10,000</u>	<u>5,769</u>
Expenditures			
General Government	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>
Net Change in Fund Balance	<u>-</u>	<u>-</u>	(4,231)
Fund Balance - Beginning			<u>123,386</u>
Fund Balance - Ending			<u><u>119,155</u></u>

CITY OF BATAVIA, ILLINOIS

Waterworks - Enterprise Fund

**Schedule of Revenues, Expenses and Changes in
Net Assets - Budget and Actual
Year Ended December 31, 2011**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Operating Revenues			
Charges for Services	\$ 4,144,988	4,144,988	4,230,203
Operating Expenses			
Administration	661,515	661,515	649,300
Operations	2,158,872	2,158,872	2,170,850
Depreciation	-	-	1,001,129
Total Operating Expenses	2,820,387	2,820,387	3,821,279
Operating Income	1,324,601	1,324,601	408,924
Nonoperating Revenues (Expenses)			
Connection Fees	1,200	1,200	-
Interest Income	30,000	30,000	9,922
Disposal of Capital Assets	-	-	(6,531)
Interest and Fiscal Charges	(282,868)	(282,868)	(282,693)
	(251,668)	(251,668)	(279,302)
Change in Net Assets	1,072,933	1,072,933	129,622
Net Assets - Beginning			19,209,668
Net Assets - Ending			19,339,290

CITY OF BATAVIA, ILLINOIS

Waterworks - Enterprise Fund

**Schedule of Operating Expenses - Budget and Actual
Year Ended December 31, 2011**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Administration			
General Expenses			
General Liability Insurance	\$ 45,000	45,000	33,328
Workers' Compensation Premium	40,000	40,000	40,000
Bad Debt Expense	8,000	8,000	7,457
General Support	454,796	454,796	454,796
Electric Support - Metering	113,719	113,719	113,719
Total Administration	661,515	661,515	649,300
Operations			
Water Production			
IMRF - City Portion	-	-	1,327
Production Electricity	425,000	425,000	295,352
Telephone	7,000	7,000	6,626
Chemical Materials	130,000	130,000	124,384
Utilities	3,850	3,850	2,978
General Supplies	7,500	7,500	5,972
Repairs and Maintenance - Building	10,000	10,000	13,086
Repairs and Maintenance - Other Equipment	229,000	229,000	199,336
Contract Labor	103,500	103,500	75,011
Engineering Fees	15,000	15,000	9,187
Other Equipment	15,000	15,000	15,914
	945,850	945,850	749,173
Water Distribution			
Regular Wages	626,500	626,500	778,745
Overtime	79,500	79,500	81,905
Part Time Help	4,500	4,500	6,923
Group Insurance	153,001	153,001	152,010
IMRF - City Portion	84,438	84,438	84,827
Social Security	54,353	54,353	51,871
Meal Allowance	150	150	34
Memberships	2,100	2,100	872

CITY OF BATAVIA, ILLINOIS

Waterworks - Enterprise Fund

Schedule of Operating Expenses - Budget and Actual - Continued
Year Ended December 31, 2011

	Budgeted Amounts		Actual Amounts
	Original	Final	
Operations - Continued			
Water Distribution - Continued			
Training and Seminars	\$ 3,000	3,000	3,311
Resource Materials	500	500	903
Travel	1,000	1,000	996
Postage and Shipping	300	300	1,586
Office Supplies	1,700	1,700	1,175
Vehicle Supplies	6,000	6,000	6,735
Materials	17,500	17,500	14,685
Gasoline	14,080	14,080	17,284
Telephone	300	300	223
Clothing Allowance	5,000	5,000	4,519
Food	700	700	652
Utilities	8,500	8,500	7,524
General Supplies	10,000	10,000	12,777
Fire Hydrants	6,000	6,000	6,505
Piping and Fitting	35,000	35,000	44,000
Landfill Fees	3,000	3,000	3,224
Repairs and Maintenance - Vehicle	3,000	3,000	13,241
Repairs and Maintenance - Building	33,700	33,700	14,934
Repairs and Maintenance - Other Equipment	3,000	3,000	2,513
Contract Labor	50,000	50,000	73,932
Julie System	1,200	1,200	1,546
Other Equipment	5,000	5,000	32,225
	<u>1,213,022</u>	<u>1,213,022</u>	<u>1,421,677</u>
Water Improvements			
Water Meters	25,000	25,000	-
Engineering Fees	50,000	50,000	14,967
Vehicles	40,000	40,000	39,361
	<u>115,000</u>	<u>115,000</u>	<u>54,328</u>
Less Nonoperating Items			
Capital Assets Capitalized	(115,000)	(115,000)	(54,328)
	<u>-</u>	<u>-</u>	<u>-</u>
Total Operations	<u>2,158,872</u>	<u>2,158,872</u>	<u>2,170,850</u>

CITY OF BATAVIA, ILLINOIS

Sewerage - Enterprise Fund

Balance Sheet

December 31, 2011

See Following Page

CITY OF BATAVIA, ILLINOIS

Sewerage - Enterprise Fund

Balance Sheet

December 31, 2011

	Operations and Maintenance	Restricted Accounts			Totals
		Bond and Interest	Bond Reserve	Depreciation Repair and Replacement	
ASSETS					
Current Assets					
Cash and Investments	\$ 1,872,497	-	-	-	1,872,497
Receivables					
Accounts	539,408	-	-	-	539,408
Accrued Interest	3,288	-	-	-	3,288
Prepays	19,997	-	-	-	19,997
Restricted Cash and Investments	250,000	254,722	-	350,000	854,722
Total Current Assets	<u>2,685,190</u>	<u>254,722</u>	<u>-</u>	<u>350,000</u>	<u>3,289,912</u>
Noncurrent Assets					
Capital Assets					
Nondepreciable	825,329	-	-	-	825,329
Depreciable	42,983,600	-	-	-	42,983,600
Accumulated Depreciation	(16,479,280)	-	-	-	(16,479,280)
Total Noncurrent Assets	<u>27,329,649</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>27,329,649</u>
Total Assets	<u>30,014,839</u>	<u>254,722</u>	<u>-</u>	<u>350,000</u>	<u>30,619,561</u>

	Operations and Maintenance	Restricted Accounts			Totals
		Bond and Interest	Bond Reserve	Depreciation Repair and Replacement	
LIABILITIES					
Current Liabilities					
Accounts Payable	\$ 254,705	-	-	-	254,705
Accrued Payroll	34,055	-	-	-	34,055
Deposits Payable	46,893	-	-	-	46,893
Compensated Absences Payable	13,425	-	-	-	13,425
Restricted Liabilities					
Accrued Interest Payable	-	28,566	-	-	28,566
Revenue Bonds Payable	732,159	226,156	-	-	958,315
Total Current Liabilities	1,081,237	254,722	-	-	1,335,959
Noncurrent Liabilities					
Compensated Absences Payable	53,701	-	-	-	53,701
Revenue Bonds Payable	6,370,634	-	-	-	6,370,634
Total Current Liabilities	6,424,335	-	-	-	6,424,335
Total Liabilities	7,505,572	254,722	-	-	7,760,294
NET ASSETS					
Investment in Capital Assets - Net of Related Debt					
	20,226,856	(226,156)	-	-	20,000,700
Restricted - Debt Service	250,000	-	-	350,000	600,000
Unrestricted	2,032,411	226,156	-	-	2,258,567
Total Net Assets	22,509,267	-	-	350,000	22,859,267

CITY OF BATAVIA, ILLINOIS

Sewerage - Enterprise Fund

**Schedule of Revenues, Expenses and Changes in
Net Assets - Budget and Actual
Year Ended December 31, 2011**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Operating Revenues			
Charges for Services	\$ 3,799,765	3,799,765	3,812,444
Operating Expenses			
Administration	597,541	597,541	585,220
Operations	1,896,981	1,896,981	1,802,212
Depreciation	-	-	1,334,850
Total Operating Expenses	2,494,522	2,494,522	3,722,282
Operating Income	1,305,243	1,305,243	90,162
Nonoperating Revenues (Expenses)			
Connection Fees	12,000	12,000	10,425
Interest Income	16,000	16,000	6,158
Interest and Fiscal Charges	(227,920)	(227,920)	(204,030)
	(199,920)	(199,920)	(187,447)
Change in Net Assets	1,105,323	1,105,323	(97,285)
Net Assets - Beginning			22,956,552
Net Assets - Ending			22,859,267

CITY OF BATAVIA, ILLINOIS

Sewerage - Enterprise Fund

**Schedule of Operating Expenses - Budget and Actual
Year Ended December 31, 2011**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Administration			
General Expenses			
General Liability Insurance	\$ 45,000	45,000	33,275
Workers' Compensation Premium	25,000	25,000	25,000
Bad Debt Expense	7,500	7,500	6,904
General Support	406,322	406,322	406,322
Electric Support - Metering	113,719	113,719	113,719
Total Administration	597,541	597,541	585,220
Operations			
Waste Water Treatment			
Regular Wages	468,785	468,785	530,259
Overtime	76,840	76,840	67,870
Part Time Help	3,840	3,840	3,090
Group Insurance	111,959	111,959	109,860
IMRF - City Portion	65,257	65,257	64,854
Social Security	42,034	42,034	38,794
Membership	250	250	138
Training	1,900	1,900	1,737
Resource Materials	300	300	145
Travel	250	250	324
Office Supplies	800	800	592
Lab Supplies	5,500	5,500	2,896
Gasoline	8,989	8,989	8,584
Regulatory Fees	15,500	15,500	15,500
Telephone	23,000	23,000	30,770
Clothing Allowance	3,000	3,000	2,171
Chemicals	29,000	29,000	29,930
Utilities	500,000	500,000	384,546
Safety Supplies	1,250	1,250	1,669
General Supplies	4,000	4,000	2,448
Landfill Fees	91,000	91,000	89,814
Repairs and Maintenance - Vehicle	4,500	4,500	3,945

CITY OF BATAVIA, ILLINOIS

Sewerage - Enterprise Fund

Schedule of Operating Expenses - Budget and Actual - Continued
Year Ended December 31, 2011

	Budgeted Amounts		Actual Amounts
	Original	Final	
Operations - Continued			
Waste Water Treatment - Continued			
Repairs and Maintenance - Building	\$ 30,000	30,000	2,529
Repairs and Maintenance - Other Equipment	130,000	130,000	86,947
Contract Labor	25,700	25,700	74,362
	<u>1,643,654</u>	<u>1,643,654</u>	<u>1,553,774</u>
Sanitary Sewer Maintenance			
Regular Wages	106,000	106,000	101,213
Overtime	10,500	10,500	4,145
Group Insurance	25,252	25,252	23,569
IMRF - City Portion	13,933	13,933	12,114
Social Security	8,912	8,912	7,327
Training	100	100	120
Materials	5,000	5,000	6,764
Gasoline	2,130	2,130	4,140
Clothing Allowance	800	800	579
General Supplies	1,500	1,500	1,449
Repairs and Maintenance - Vehicle	1,000	1,000	795
Repairs and Maintenance - Other Equipment	4,000	4,000	4,714
Contract Labor	50,000	50,000	64,644
Engineering Fees	5,000	5,000	3,442
Julie System	1,200	1,200	1,546
Other Equipment	18,000	18,000	11,877
	<u>253,327</u>	<u>253,327</u>	<u>248,438</u>
Sewer Improvements			
Contract Labor	943,000	943,000	633,813
Engineering Fees	67,000	67,000	102,450
	<u>1,010,000</u>	<u>1,010,000</u>	<u>736,263</u>
Less Nonoperating Items			
Capital Assets Capitalized	<u>(1,010,000)</u>	<u>(1,010,000)</u>	<u>(736,263)</u>
	<u>-</u>	<u>-</u>	<u>-</u>
Total Operations	<u>1,896,981</u>	<u>1,896,981</u>	<u>1,802,212</u>

CITY OF BATAVIA, ILLINOIS

Sewerage - Enterprise Fund

**Schedule of Changes in Net Assets - Restricted - Debt Service
Year Ended December 31, 2011**

	Operations and Maintenance	Bond and Interest	Bond Reserve	Depreciation Repair and Replacement	Totals
Increases					
Interfund Transfers In	\$ 40,000	1,377,859	-	-	1,417,859
Decreases					
Bond Principal	-	1,173,829	-	-	1,173,829
Bond Interest	-	204,030	-	-	204,030
	-	1,377,859	-	-	1,377,859
Net Increase	40,000	-	-	-	40,000
Account Balances					
January 1	210,000	-	-	350,000	560,000
December 31	250,000	-	-	350,000	600,000

CITY OF BATAVIA, ILLINOIS

Electric - Enterprise Fund

Balance Sheet

December 31, 2011

	Operations and Maintenance	Restricted Accounts			Totals
		Bond and Interest	Bond Reserve	Depreciation Repair and Replacement	
ASSETS					
Current Assets					
Cash and Investments	\$ 11,126,027	-	-	-	11,126,027
Receivables					
Accounts	5,154,989	-	-	-	5,154,989
Accrued Interest	17,749	-	-	-	17,749
Prepays	64,995	-	-	-	64,995
Inventories	1,968,246	-	-	-	1,968,246
Restricted Cash and Investments	3,300,000	118,619	1,705,719	2,000,000	7,124,338
Total Current Assets	21,632,006	118,619	1,705,719	2,000,000	25,456,344
Noncurrent Assets					
Capital Assets					
Nondepreciable	2,250,593	-	-	-	2,250,593
Depreciable	71,023,325	-	-	-	71,023,325
Accumulated Depreciation	(21,530,918)	-	-	-	(21,530,918)
Total Noncurrent Assets	51,743,000	-	-	-	51,743,000
Total Assets	73,375,006	118,619	1,705,719	2,000,000	77,199,344

	Operations and Maintenance	Restricted Accounts			Totals
		Bond and Interest	Bond Reserve	Depreciation Repair and Replacement	
LIABILITIES					
Current Liabilities					
Accounts Payable	\$ 2,236,640	-	-	-	2,236,640
Accrued Payroll	98,799	-	-	-	98,799
Deposits Payable	113,066	-	-	-	113,066
Compensated Absences Payable	35,580	-	-	-	35,580
Restricted Liabilities					
Accrued Interest Payable	461,846	92,369	-	-	554,215
Revenue Bonds Payable	288,750	26,250	-	-	315,000
Total Current Liabilities	3,234,681	118,619	-	-	3,353,300
Noncurrent Liabilities					
Compensated Absences Payable	142,320	-	-	-	142,320
Revenue Bonds Payable	25,670,000	-	-	-	25,670,000
Total Noncurrent Liabilities	25,812,320	-	-	-	25,812,320
Total Liabilities	29,047,001	118,619	-	-	29,165,620
NET ASSETS					
Investment in Capital Assets - Net of Related Debt					
	25,784,250	(26,250)	-	-	25,758,000
Restricted - Debt Service	3,300,000	-	1,705,719	2,000,000	7,005,719
Unrestricted	15,243,755	26,250	-	-	15,270,005
Total Net Assets	44,328,005	-	1,705,719	2,000,000	48,033,724

CITY OF BATAVIA, ILLINOIS

Electric - Enterprise Fund

**Schedule of Revenues, Expenses and Changes in
Net Assets - Budget and Actual
Year Ended December 31, 2011**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Operating Revenues			
Charges for Services	\$ 36,071,080	36,161,859	38,665,547
Operating Expenses			
Administration	2,294,085	2,294,085	2,254,275
Operations	30,204,262	30,383,557	30,218,408
Depreciation	-	-	2,291,154
Total Operating Expenses	32,498,347	32,677,642	34,763,837
Operating Income	3,572,733	3,484,217	3,901,710
Nonoperating Revenues (Expenses)			
Connection Fees	20,000	20,000	-
Interest Income	150,000	150,000	92,409
Disposal of Capital Assets	-	-	(62,216)
Interest and Fiscal Charges	(1,108,830)	(1,108,830)	(1,108,805)
	(938,830)	(938,830)	(1,078,612)
Change in Net Assets	2,633,903	2,545,387	2,823,098
Net Assets - Beginning			45,210,626
Net Assets - Ending			48,033,724

CITY OF BATAVIA, ILLINOIS

Electric - Enterprise Fund

**Schedule of Operating Expenses - Budget and Actual
Year Ended December 31, 2011**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Administration			
Meter Reader/Tester			
Regular Wages	\$ 197,405	197,405	199,827
Overtime	6,100	6,100	6,470
Part Time Help	88,000	88,000	84,212
Group Insurance	55,812	55,812	55,453
IMRF - City Portion	24,339	24,339	25,145
Social Security	22,300	22,300	21,259
Fuel for Vehicles	5,325	5,325	6,117
Telephone	1,900	1,900	1,025
Clothing Allowance	2,500	2,500	2,028
General Supplies	12,500	12,500	11,875
Repairs and Maintenance - Vehicle	1,000	1,000	346
	<u>417,181</u>	<u>417,181</u>	<u>413,757</u>
General Expenses			
General Liability Insurance	90,000	90,000	70,139
Workers' Compensation Premium	300,000	300,000	300,000
General Support	661,904	661,904	661,904
Payments in Lieu of Taxes	750,000	750,000	750,000
Bad Debt Expense	75,000	75,000	58,475
	<u>1,876,904</u>	<u>1,876,904</u>	<u>1,840,518</u>
Total Administration	<u>2,294,085</u>	<u>2,294,085</u>	<u>2,254,275</u>
Operations			
Purchased Power			
Purchased Power	20,314,632	20,314,632	24,197,197
PJM Interconnection	3,982,000	3,982,000	1,448,708
Ancillary Power Costs	125,000	125,000	106,986
PJM Sub Account	1,533,000	1,533,000	-
State Utility Tax	1,309,784	1,309,784	1,651,871
	<u>27,264,416</u>	<u>27,264,416</u>	<u>27,404,762</u>

CITY OF BATAVIA, ILLINOIS

Electric - Enterprise Fund

Schedule of Operating Expenses - Budget and Actual - Continued
Year Ended December 31, 2011

	Budgeted Amounts		Actual Amounts
	Original	Final	
Operations - Continued			
Electric Distribution			
Regular Wages	\$ 1,455,000	1,455,000	1,730,504
Overtime	169,000	169,000	152,867
Part Time Help	25,000	25,000	12,899
Group Insurance	267,547	267,547	243,303
IMRF - City Portion	194,230	194,230	207,524
Social Security	126,149	126,149	123,664
State Unemployment	-	-	4,679
Meal Allowance	400	400	55
Memberships	32,000	32,000	25,170
Training and Seminars	21,000	21,000	6,512
Resource Materials	750	750	270
Postage and Shipping	1,500	1,500	531
Public Education	1,500	1,500	-
Office Supplies	9,000	9,000	4,403
Vehicle Supplies	15,000	15,000	7,038
Communication Supplies	5,000	5,000	30
Materials	7,500	7,500	8,355
Gasoline	17,445	17,445	22,672
Advertising	500	500	430
Telephone	18,000	18,000	22,551
Clothing Allowance	16,000	16,000	10,361
Food	1,000	1,000	514
Utilities	30,926	30,926	30,346
Safety Supplies	5,000	5,000	5,198
Substation Maintenance	12,000	12,000	34,100
Street Lights	35,000	35,000	17,782
General Supplies	75,000	75,000	100,004
Landfill Fees	2,500	2,500	2,720
Tree Trimming	150,000	150,000	153,405
Repairs and Maintenance - Vehicle	15,000	15,000	18,433
Repairs and Maintenance - Building	27,700	27,700	28,993
Repairs and Maintenance - Other Equipment	7,500	7,500	24,716
Contract Labor	242,500	421,795	658,617
Contract Labor - Forestry	10,000	10,000	26,967

CITY OF BATAVIA, ILLINOIS

Electric - Enterprise Fund

**Schedule of Operating Expenses - Budget and Actual - Continued
Year Ended December 31, 2011**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Operations - Continued			
Electric Distribution - Continued			
Engineering Fees	\$ 10,000	10,000	3,000
Julie System	1,500	1,500	1,546
Other Equipment	100,000	100,000	55,481
Customer Transformers	25,000	25,000	-
	<u>3,133,147</u>	<u>3,312,442</u>	<u>3,745,640</u>
Less Nonoperating Items			
Capital Assets Capitalized	(931,994)	(931,994)	(931,994)
	<u>2,201,153</u>	<u>2,380,448</u>	<u>2,813,646</u>
Electric Improvements			
General Supplies	275,000	275,000	116,712
Electric Meters	45,000	45,000	16,680
Wire and Cable	185,000	185,000	273,232
Electric Poles	105,000	105,000	36,541
Non - Inventory Supplies	-	-	86,074
Contract Labor	1,140,000	1,140,000	955,886
Engineering Fees	50,000	50,000	-
Vehicles	180,000	180,000	-
Transformers	240,000	240,000	71,182
Off - Site Utilities	75,000	75,000	-
	<u>2,295,000</u>	<u>2,295,000</u>	<u>1,556,307</u>
Less Nonoperating Items			
Capital Assets Capitalized	(1,556,307)	(1,556,307)	(1,556,307)
	<u>738,693</u>	<u>738,693</u>	<u>-</u>
Total Operations	<u>30,204,262</u>	<u>30,383,557</u>	<u>30,218,408</u>

CITY OF BATAVIA, ILLINOIS

Electric - Enterprise Fund

**Schedule of Changes in Net Assets - Restricted - Debt Service
Year Ended December 31, 2011**

	Operations and Maintenance	Bond and Interest	Bond Reserve	Depreciation Repair and Replacement	Totals
Increases					
Interfund Transfers In	\$ 600,000	1,413,430	-	-	2,013,430
Decreases					
Bond Principal	-	305,000	-	-	305,000
Bond Interest	-	1,108,430	-	-	1,108,430
	-	1,413,430	-	-	1,413,430
Net Increase	600,000	-	-	-	600,000
Account Balances					
January 1	2,700,000	-	1,705,719	2,000,000	6,405,719
December 31	3,300,000	-	1,705,719	2,000,000	7,005,719

CITY OF BATAVIA, ILLINOIS

Pension Trust Funds

**Combining Statement of Net Plan Assets
December 31, 2011**

	Police Pension	Firefighters' Pension	Totals
Assets			
Cash and Cash Equivalents	\$ 10,066	5,401	15,467
Investments			
U.S. Government and Agency Securities	8,241,673	3,542,507	11,784,180
Insurance Company Contracts	-	3,341,131	3,341,131
Municipal Bonds	-	128,952	128,952
Corporate Bonds	1,347,456	-	1,347,456
Equities	9,303,553	2,547,993	11,851,546
Money Market Mutual Funds	2,296,557	183,727	2,480,284
Receivables			
Accrued Interest	55,383	21,939	77,322
Prepays	4,225	3,652	7,877
Total Assets	21,258,913	9,775,302	31,034,215
Liabilities			
Accounts Payable	750	1,526	2,276
Net Assets			
Held in Trust for Pension Benefits	21,258,163	9,773,776	31,031,939

CITY OF BATAVIA, ILLINOIS

Pension Trust Funds

**Combining Statement of Changes in Net Plan Assets
Year Ended December 31, 2011**

	Police Pension	Firefighters' Pension	Totals
Additions			
Contributions - Employer	\$ 1,218,262	697,577	1,915,839
Contributions - Plan Members	408,961	199,293	608,254
Total Contributions	1,627,223	896,870	2,524,093
Investment Income			
Interest Earned	727,713	145,567	873,280
Net Change in Fair Value	(451,199)	69,912	(381,287)
	276,514	215,479	491,993
Less Investment Expenses	(162,627)	(17,727)	(180,354)
Net Investment Income	113,887	197,752	311,639
Total Additions	1,741,110	1,094,622	2,835,732
Deductions			
Administration	60,417	21,986	82,403
Benefits and Refunds	1,116,904	408,839	1,525,743
Total Deductions	1,177,321	430,825	1,608,146
Change in Net Assets	563,789	663,797	1,227,586
Net Plan Assets Held in Trust for Pension Benefits			
Beginning	20,694,374	9,109,979	29,804,353
Ending	21,258,163	9,773,776	31,031,939

CITY OF BATAVIA, ILLINOIS

Agency Funds

**Combining Statement of Changes in Assets and Liabilities
December 31, 2011**

See Following Page

CITY OF BATAVIA, ILLINOIS

Agency Funds

**Combining Statement of Changes in Assets and Liabilities
December 31, 2011**

	Balances January 1	Additions	Deductions	Balances December 31
All Funds				
ASSETS				
Cash and Investments	\$ 89,593	-	5,619	83,974
LIABILITIES				
Deposits Payable	87,447	-	3,473	83,974
Due to Bondholders	2,146	-	2,146	-
Total Liabilities	89,593	-	5,619	83,974

	Balances January 1	Additions	Deductions	Balances December 31
Special Service Area Fund				
ASSETS				
Cash and Investments	\$ 2,146	-	2,146	-
LIABILITIES				
Due to Bondholders	2,146	-	2,146	-
 Escrow Deposit Fund				
ASSETS				
Cash and Investments	87,447	-	3,473	83,974
LIABILITIES				
Deposits Payable	87,447	-	3,473	83,974

SUPPLEMENTAL SCHEDULES

CITY OF BATAVIA, ILLINOIS

Long-Term Debt Requirements

**General Obligation Bond Series of 2005
December 31, 2011**

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
2010	\$	39,594	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>1,540,000</u>	<u>620,156</u>	<u>2,160,156</u>		<u>290,281</u>		<u>329,875</u>

CITY OF BATAVIA, ILLINOIS

Long-Term Debt Requirements

**General Obligation Refunding Bond Series of 2009B
December 31, 2011**

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
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>890,000</u>	<u>58,800</u>	<u>948,800</u>		<u>29,400</u>		<u>29,400</u>

CITY OF BATAVIA, ILLINOIS

Long-Term Debt Requirements

**Alternate Revenue Bond Series of 2006
December 31, 2011**

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
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>7,810,000</u>	<u>2,797,376</u>	<u>10,607,376</u>		<u>1,398,688</u>		<u>1,398,688</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, 2011**

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
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>440,000</u>	<u>19,950</u>	<u>459,950</u>		<u>9,975</u>		<u>9,975</u>

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

CITY OF BATAVIA, ILLINOIS

Long-Term Debt Requirements

**Taxable General Obligation Alternate Revenue Bond Series of 2010
December 31, 2011**

Date of Issue	December 29, 2010
Date of Maturity	December 15, 2020
Authorized Issue	\$951,083
Denomination of Bonds	\$5,000
Interest Rates	1.15% - 4.80%
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
2012	\$ 86,031	30,204	116,235	2012	15,102	2012	15,102
2013	87,321	28,914	116,235	2013	14,457	2013	14,457
2014	89,198	27,036	116,234	2014	13,518	2014	13,518
2015	91,518	24,717	116,235	2015	12,358	2015	12,359
2016	94,355	21,880	116,235	2016	10,940	2016	10,940
2017	97,751	18,482	116,233	2017	9,241	2017	9,241
2018	101,662	14,572	116,234	2018	7,286	2018	7,286
2019	106,084	10,150	116,234	2019	5,075	2019	5,075
2020	110,911	5,324	116,235	2020	2,662	2020	2,662
	<u>864,831</u>	<u>181,279</u>	<u>1,046,110</u>		<u>90,639</u>		<u>90,640</u>

The City has pledged sewer user charges 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, 2011

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

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

<u>Fiscal Year</u>	<u>Requirements</u>		<u>Totals</u>
	<u>Principal</u>	<u>Interest</u>	
2012	\$ 244,303	4,575	248,878

CITY OF BATAVIA, ILLINOIS

Long-Term Debt Requirements

IEPA Sewer Revenue Bond Series of 1999

December 31, 2011

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	
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	22,476	282	22,758
	501,083	58,027	559,110

CITY OF BATAVIA, ILLINOIS

Long-Term Debt Requirements

**IEPA Sewer Revenue Bond Series of 1999A
December 31, 2011**

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	
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>5,718,732</u>	<u>713,163</u>	<u>6,431,895</u>

CITY OF BATAVIA, ILLINOIS

Long-Term Debt Requirements

**IEPA Water Revenue Bond Series of 2004
December 31, 2011**

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	
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>4,520,290</u>	<u>802,222</u>	<u>5,322,512</u>

CITY OF BATAVIA, ILLINOIS

Long-Term Debt Requirements

**IEPA Water Revenue Bond Series of 2004
December 31, 2011**

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		
	Principal	Interest	Totals
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>2,319,881</u>	<u>411,705</u>	<u>2,731,586</u>

CITY OF BATAVIA, ILLINOIS

Long-Term Debt Requirements

IEPA Water Revenue Bond Series of 2005

December 31, 2011

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	
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>360,755</u>	<u>64,020</u>	<u>424,775</u>

CITY OF BATAVIA, ILLINOIS

Long-Term Debt Requirements

**IEPA Water Revenue Bond Series of 2006
December 31, 2011**

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	
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>2,378,471</u>	<u>488,434</u>	<u>2,866,905</u>

CITY OF BATAVIA, ILLINOIS

Long-Term Debt Requirements

**IEPA Water Revenue Bond Series of 2006
December 31, 2011**

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	
2012	\$ 68,656	30,387	99,043
2013	70,383	28,659	99,042
2014	72,153	26,889	99,042
2015	73,968	25,074	99,042
2016	75,829	23,213	99,042
2017	77,737	21,305	99,042
2018	79,693	19,350	99,043
2019	81,697	17,345	99,042
2020	83,752	15,290	99,042
2021	85,859	13,183	99,042
2022	88,019	11,023	99,042
2023	90,233	8,809	99,042
2024	92,502	6,539	99,041
2025	94,830	4,213	99,043
2026	97,215	1,827	99,042
	<u>1,232,526</u>	<u>253,106</u>	<u>1,485,632</u>

CITY OF BATAVIA, ILLINOIS

Long-Term Debt Requirements

Revenue Bond Series of 2006 - Electric
December 31, 2011

Date of Issue	May 1, 2006
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
2012	\$ 315,000	554,215	869,215			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>25,985,000</u>	<u>17,464,207</u>	<u>43,449,207</u>		<u>8,455,002</u>		<u>9,009,205</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 Nine Fiscal Years
December 31, 2011 (Unaudited)**

See Following Page

CITY OF BATAVIA, ILLINOIS

**Net Assets by Component - Last Nine Fiscal Years*
December 31, 2011 (Unaudited)**

	2003	2004	2005
Governmental Activities			
Invested in Capital Assets, Net of Related Debt	\$ 51,316,177	53,435,734	54,007,767
Restricted	1,383,810	1,706,428	2,655,489
Unrestricted	6,279,243	7,533,840	8,057,531
Total Governmental Activities Net Assets	58,979,230	62,676,002	64,720,787
Business-Type Activities			
Invested in Capital Assets, Net of Related Debt	49,131,314	55,901,461	55,546,192
Restricted	560,000	560,000	560,000
Unrestricted	19,382,799	15,857,580	17,924,403
Total Business-Type Activities Net Assets	69,074,113	72,319,041	74,030,595
Primary Government			
Invested in Capital Assets, Net of Related Debt	100,447,491	109,337,195	109,553,959
Restricted	1,943,810	2,266,428	3,215,489
Unrestricted	25,662,042	23,391,420	25,981,934
Total Primary Government Net Assets	128,053,343	134,995,043	138,751,382

* Accrual Basis of Accounting

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

2006	2007	2008	2009	2010	2011
56,436,503	58,043,517	59,368,474	59,211,061	61,702,711	71,424,001
2,725,514	4,144,776	3,898,823	4,849,006	6,450,380	4,368,391
10,891,346	12,519,599	11,929,557	12,411,040	13,273,254	15,556,352
70,053,363	74,707,892	75,196,854	76,471,107	81,426,345	91,348,744
52,291,412	57,578,542	58,492,879	59,128,513	61,371,996	61,475,226
6,965,719	6,965,719	6,965,719	6,965,719	6,965,719	7,605,719
17,858,940	16,722,298	17,353,828	16,820,949	19,039,131	21,151,336
77,116,071	81,266,559	82,812,426	82,915,181	87,376,846	90,232,281
108,727,915	115,622,059	117,861,353	118,339,574	123,074,707	132,899,227
9,691,233	11,110,495	10,864,542	11,814,725	13,416,099	11,974,110
28,750,286	29,241,897	29,283,385	29,231,989	32,312,385	36,707,688
147,169,434	155,974,451	158,009,280	159,386,288	168,803,191	181,581,025

CITY OF BATAVIA, ILLINOIS

Changes in Net Assets - Last Nine Fiscal Years*
December 31, 2011 (Unaudited)

	2003	2004	2005	2006	2007	2008	2009	2010	2011
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	6,374,558
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	12,510,380
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	6,282,067
Interest on Long-Term Debt	323,873	287,526	298,690	753,633	684,256	645,989	616,057	527,177	486,149
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	25,653,154
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	4,110,503
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	3,926,312
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	35,934,858
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	43,971,673
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	69,624,827
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	3,126,338
Public Safety	134,874	166,104	262,939	262,228	221,761	171,223	226,208	252,426	203,415
Operating Grants/Contributions	198,322	230,637	190,320	194,000	238,000	234,567	241,750	240,000	244,000
Capital Grants/Contributions	893,624	3,563,277	951,987	2,069,115	1,875,829	1,008,624	686,975	3,623,695	10,317,551
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	13,891,304
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	4,230,203
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	3,812,444
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	38,665,547
Operating Grants/Contributions	262,365	249,062	237,926	109,591	20,297	18,727	26,549	1,841,691	10,425
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	46,718,619
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	60,609,923

Net (Expense) Revenue									
Governmental Activities	\$ (14,306,801)	(12,206,277)	(15,129,193)	(16,141,051)	(19,150,446)	(21,995,557)	(19,604,568)	(16,560,104)	(11,761,850)
Business-Type Activities	3,183,769	3,195,483	1,580,951	2,332,385	2,542,398	951,111	(183,762)	4,343,773	2,746,946
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)	(9,014,904)
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	7,330,398
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	6,441,947
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	3,096,521
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	2,408,189
Replacement Tax	113,188	126,698	172,496	186,896	221,048	215,708	186,191	196,214	174,711
Other	112,128	154,143	59,322	68,180	455,311	89,736	164,237	213,396	123,602
Interest Income	122,250	156,581	346,860	1,057,465	1,042,689	427,370	127,908	59,145	35,239
Miscellaneous	787,093	571,039	1,235,041	1,449,075	2,186,492	1,815,544	1,729,656	2,115,818	2,073,642
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	21,684,249
Business-Type Activities									
Interest Income	313,872	314,392	433,992	793,166	1,628,591	615,593	307,412	138,554	108,489
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	108,489
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	21,792,738
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	9,922,399
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	2,855,435
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	12,777,834

* 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, 2011 (Unaudited)

	2002	2003	2004
General Fund			
Reserved	\$ 1,584,553	1,546,180	1,544,849
Unreserved	4,882,632	8,543,602	7,190,782
Nonspendable	-	-	-
Restricted	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
Total General Fund	6,467,185	10,089,782	8,735,631
All Other Governmental Funds			
Reserved	262,964	695,102	417,649
Unreserved, Reported in			
Special Revenue Funds	-	-	-
Debt Service Funds	-	-	-
Capital Projects Funds	1,075,296	2,652,526	1,008,364
Restricted	-	-	-
Assigned	-	-	-
Total All Other Governmental Funds	1,338,260	3,347,628	1,426,013

Note: The City implemented GASB Statement No. 54 for the year ended December 31, 2011.

* Modified Accrual Basis of Accounting

2005	2006	2007	2008	2009	2010	2011
1,564,244	1,375,615	1,568,044	1,838,047	2,120,755	2,678,753	-
5,631,610	11,075,495	12,698,479	12,103,289	12,643,938	13,643,762	-
-	-	-	-	-	-	178,617
-	-	-	-	-	-	2,216,178
-	-	-	-	-	-	258,458
-	-	-	-	-	-	14,559,083
7,195,854	12,451,110	14,266,523	13,941,336	14,764,693	16,322,515	17,212,336
305,936	978,700	861,307	856,905	1,299,247	1,766,856	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
1,215,887	11,173,375	1,915,394	1,446,175	1,654,563	2,188,377	-
-	-	-	-	-	-	1,896,032
-	-	-	-	-	-	2,184,199
1,521,823	12,152,075	2,776,701	2,303,080	2,953,810	3,955,233	4,080,231

CITY OF BATAVIA, ILLINOIS

Changes in Fund Balances for Governmental Funds - Last Ten Fiscal Years*
December 31, 2011 (Unaudited)

	2002	2003	2004
Revenues			
Taxes	\$ 11,024,227	11,962,692	12,959,293
Intergovernmental	3,151,540	3,005,092	3,392,332
Licenses and Permits	423,468	556,332	546,906
Charges for Services	2,458,993	3,278,917	3,620,163
Fines and Forfeitures	154,448	134,874	166,104
Interest Income	114,233	122,250	156,581
Miscellaneous	481,682	787,093	571,039
Total Revenues	17,808,591	19,847,250	21,412,418
Expenditures			
General Government	4,813,740	5,497,117	4,896,245
Public Safety	7,141,702	8,552,323	9,562,783
Highways and Streets	2,706,443	3,381,952	3,662,442
Miscellaneous	757,380	-	-
Capital Outlay	2,714,079	596,870	737,453
Debt Service			
Principal Retirement	1,197,450	806,575	881,275
Interest and Fiscal Charges	408,723	330,571	296,971
Total Expenditures	19,739,517	19,165,408	20,037,169
Excess of Revenues Over (Under) Expenditures	(1,930,926)	681,842	1,375,249
Other Financing Sources (Uses)			
Debt Issuance	2,217,025	-	-
Debt Issuance Premium	-	-	-
Payment to Escrow Agent	(944,629)	-	-
Transfers In	621,178	731,558	665,243
Transfers Out	(522,491)	(663,475)	(596,525)
	1,371,083	68,083	68,718
Net Change in Fund Balances	(559,843)	749,925	1,443,967
Debt Service as a Percentage of Noncapital Expenditures	9.43%	6.12%	6.10%

* Modified Accrual Basis of Accounting

2005	2006	2007	2008	2009	2010	2011
13,100,557	16,271,042	17,188,480	17,155,696	16,286,144	16,602,505	16,868,866
3,563,915	4,919,085	5,380,642	4,308,263	3,642,943	3,832,473	3,796,579
504,569	481,697	380,021	263,420	196,493	445,039	246,606
4,834,627	4,175,279	3,668,985	3,500,666	3,658,367	3,519,837	2,879,732
262,939	262,228	221,761	171,223	226,208	252,426	203,415
346,860	1,057,465	1,042,689	427,370	127,908	59,145	35,239
1,235,041	1,449,075	2,186,492	1,815,544	1,729,656	2,115,818	2,073,642
23,848,508	28,615,871	30,069,070	27,642,182	25,867,719	26,827,243	26,104,079
6,294,992	6,485,812	6,374,376	8,036,700	5,853,071	6,162,236	5,483,040
10,028,916	10,569,945	12,067,288	11,949,809	12,112,891	12,423,114	12,334,555
4,177,690	4,838,314	4,447,607	4,621,617	4,073,379	3,614,205	4,292,210
-	-	-	-	-	-	-
1,096,306	3,497,877	13,003,125	2,169,844	645,666	403,472	1,527,510
883,325	1,304,300	1,071,650	1,036,350	659,875	1,157,225	965,000
261,425	793,923	685,486	647,507	573,480	528,408	486,945
22,742,654	27,490,171	37,649,532	28,461,827	23,918,362	24,288,660	25,089,260
1,105,854	1,125,700	(7,580,462)	(819,645)	1,949,357	2,538,583	1,014,819
2,000,000	10,000,000	-	-	2,290,000	-	-
100,000	-	-	-	-	-	-
-	-	-	-	(2,786,165)	-	-
665,925	1,831,980	3,866,520	2,905,770	2,340,580	2,362,518	2,109,938
(596,013)	(1,791,905)	(3,846,019)	(2,884,933)	(2,319,685)	(2,341,856)	(2,109,938)
2,169,912	10,040,075	20,501	20,837	(475,270)	20,662	-
3,275,766	11,165,775	(7,559,961)	(798,808)	1,474,087	2,559,245	1,014,819
5.29%	9.25%	6.98%	6.33%	5.59%	7.85%	9.78%

CITY OF BATAVIA, ILLINOIS

**Equalized Assessed Value and Actual Value of Taxable Property - Last Ten Fiscal Years
December 31, 2011 (Unaudited)**

Fiscal Year	Residential Property	Farm Property	Commercial Property	Industrial Property
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
2011	764,707,767	269,482	124,426,791	164,235,277

Data Source: Office of the County Assessor

Total	Railroad	Total Assessed Value	Total Actual Value	Total Direct Tax Rate
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
1,053,639,317	145,143	1,053,784,460	3,161,353,380	0.5925

CITY OF BATAVIA, ILLINOIS

**Direct and Overlapping Property Tax Rates - Last Ten Fiscal Years*
December 31, 2011 (Unaudited)**

	2002	2003	2004
Direct City Rate			
Corporate	0.2284	0.1919	0.1990
Bond and Interest	0.0473	0.0444	0.0398
Police Pension	0.0928	0.0929	0.0891
Fire Pension	0.0452	0.0492	0.0528
IMRF	0.0427	0.0412	0.0388
Fire Protection	0.0749	0.0954	0.0966
Police Protection	0.0686	0.0605	0.0629
Street and Bridge	0.0548	0.0455	0.0446
Ambulance	0.0000	0.0000	0.0000
City of Batavia	<u>0.6547</u>	<u>0.6210</u>	<u>0.6236</u>
Overlapping Rates			
Kane County	0.4529	0.4292	0.3578
Kane County Forest Preserve District	0.1520	0.1395	0.1270
Batavia Township	0.0981	0.0924	0.0873
Batavia Township Road District	0.0517	0.0464	0.0438
Batavia Park District	0.4380	0.4139	0.4458
Batavia Library District	0.1484	0.2340	0.2533
Batavia Library 1998 Bond District	0.0618	0.0546	0.0480
Batavia Library 1999 Bond District	0.0422	0.0412	0.0396
School District #101	4.3276	4.2412	4.3072
Community College District #516	<u>0.4131</u>	<u>0.4043</u>	<u>0.4134</u>
Total Direct and Overlapping Tax Rate	<u><u>6.8405</u></u>	<u><u>6.7177</u></u>	<u><u>6.7468</u></u>

* Rates are per \$100 of Assessed Value

Data Source: Office of the County Clerk

2005	2006	2007	2008	2009	2010	2011
0.1913	0.2147	0.2052	0.1947	0.1780	0.1785	0.1890
0.0359	0.0525	0.0488	0.0457	0.0448	0.0444	0.0460
0.0858	0.0845	0.0842	0.0859	0.0849	0.1093	0.1156
0.0480	0.0467	0.0429	0.0480	0.0558	0.0634	0.0662
0.0361	0.0326	0.0324	0.0299	0.0290	0.0293	0.0308
0.0942	0.0871	0.0838	0.0808	0.0875	0.0821	0.0699
0.0617	0.0567	0.0547	0.0507	0.0532	0.0524	0.0749
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	0.0000
0.5530	0.5748	0.5551	0.5416	0.5490	0.5595	0.5925
0.3467	0.3367	0.3451	0.3321	0.3336	0.3398	0.3730
0.1432	0.1904	0.1747	0.1974	0.1932	0.1997	0.2201
0.0840	0.0808	0.0792	0.0770	0.0772	0.0782	0.0827
0.0421	0.0405	0.0397	0.0386	0.0387	0.0392	0.0418
0.4506	0.4226	0.4410	0.4389	0.4425	0.4521	0.4529
0.2826	0.2850	0.2868	0.2611	0.2833	0.2881	0.3069
0.0427	0.0406	0.0390	0.0349	0.0124	0.0125	0.0089
0.0372	0.0330	0.0297	0.0487	0.0487	0.0498	0.0421
4.6508	4.7369	4.6989	4.6989	4.6986	4.6986	4.9033
0.4099	0.3933	0.3984	0.3950	0.3995	0.4043	0.4069
7.0428	7.1347	7.0875	7.0643	7.0767	7.1218	7.4311

CITY OF BATAVIA, ILLINOIS

**Principal Property Tax Payers - Current Year and Nine Years Ago
December 31, 2011 (Unaudited)**

Taxpayer	2011			2002		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Kir Batavia 051 LLC	\$ 10,171,600	1	0.97%			
ALDI, Inc.	9,731,864	2	0.92%	\$ 5,238,788	2	1.17%
Liberty Illinois LP	9,467,593	3	0.90%			
The Holmstad	6,053,750	4	0.57%	6,307,895	1	1.41%
Partylite Worldwide Inc.	5,882,451	5	0.56%			
Wal-Mart Real Estate	5,754,539	6	0.55%			
Vista Investments Inc.	5,685,963	7	0.54%			
MB Fabyan Randall Plaza	4,660,760	8	0.44%			
Menard Inc.	4,365,617	9	0.41%			
Batavia Acquisition Corp	4,330,373	10	0.41%			
VWR Scientific				3,299,703	3	0.74%
American National Bank				2,944,055	4	0.66%
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>66,104,510</u>		<u>6.27%</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, 2011 (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
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%
2011	6,243,388	N/A	N/A	N/A	6,223,847	99.69%

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, 2011 (Unaudited)**

Fiscal Year Ended Dec. 31	Governmental Activities			
	General Obligation Bonds	Alternate Revenue Bonds	Installment Contracts	Tax Increment Financing Bonds
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	-	-
2011	2,430,000	8,250,000	-	-

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	Alternate Revenue Bonds	Revenue Bonds			
\$ 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	8.67%	2,409
332,775	-	45,313,315	57,291,090	5.65%	2,200
-	864,831	43,261,041	54,805,872	5.40%	2,104

CITY OF BATAVIA, ILLINOIS

**Ratios of General Bonded Debt Outstanding - Last Ten Fiscal Years
December 31, 2011 (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)
2002	\$ 7,735,000	\$ 262,964	\$ 7,472,036	1.194%	\$ 313
2003	6,451,575	194,501	6,257,074	0.909%	251
2004	5,491,275	309,419	5,181,856	0.674%	207
2005	6,400,000	500,298	5,899,702	0.699%	236
2006	15,350,000	863,351	14,486,649	1.575%	580
2007	5,373,350	740,727	4,632,623	0.462%	185
2008	4,663,650	733,665	3,929,985	0.369%	157
2009	3,910,125	1,173,288	2,736,837	0.247%	108
2010	3,127,775	1,643,470	1,484,305	0.136%	57
2011	2,430,000	1,776,877	653,123	0.062%	25

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, 2011 (Unaudited)**

Governmental Unit	Debt Outstanding	Percentage of Debt Applicable to City (1)	City's Share of Debt
City of Batavia	\$ 10,680,000	100.00%	\$ 10,680,000
Overlapping Debt			
School District #101	99,400,000	79.41%	78,933,540
School District #304	159,430,478	7.70%	12,276,147
Community College District #516	72,207,892	10.53%	7,603,491
Kane County	92,225,000	7.24%	6,677,090
Kane County Forest Preserve District	229,990,866	7.24%	16,651,339
Batavia Park District	5,575,000	78.81%	4,393,658
Batavia Public Library District	4,250,000	91.87%	3,904,475
Geneva Park District	23,284,260	14.45%	3,364,576
Subtotal Overlapping Debt	686,363,496		133,804,315
Total Direct and Overlapping Debt	697,043,496		144,484,315

Data Source: Office of the County Clerk

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

CITY OF BATAVIA, ILLINOIS

**Legal Debt Margin - Last Ten Fiscal Years
December 31, 2011 (Unaudited)**

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Equalized Assessed Value	<u>\$ 625,780,956</u>	<u>688,491,771</u>	<u>768,761,177</u>	<u>844,222,085</u>
Legal Debt Limit				
8.625% of Equalized Assessed Value	53,973,607	59,382,415	66,305,652	72,814,155
Amount of Debt Applicable to Limit	<u>7,755,000</u>	<u>6,145,000</u>	<u>5,290,000</u>	<u>6,400,000</u>
Legal Debt Margin	<u>46,218,607</u>	<u>53,237,415</u>	<u>61,015,652</u>	<u>66,414,155</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	<u>14.37%</u>	<u>10.35%</u>	<u>7.98%</u>	<u>8.79%</u>

2006	2007	2008	2009	2010	2011
930,114,032	1,013,801,886	1,079,650,885	1,120,737,093	1,105,688,081	1,067,923,536
80,222,335	87,440,413	93,119,889	96,663,574	95,365,597	92,108,405
5,769,900	5,075,000	4,461,550	3,807,900	3,127,775	2,430,000
74,452,435	82,365,413	88,658,339	92,855,674	92,237,822	89,678,405
7.19%	5.80%	4.79%	3.94%	3.28%	2.64%

CITY OF BATAVIA, ILLINOIS

Pledged-Revenue Coverage - Last Ten Fiscal Years
December 31, 2011 (Unaudited)

Waterworks Revenue Bonds						
Fiscal Year	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Principal	Interest	Coverage
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
2011	4,230,203	2,820,150	1,410,053	659,697	282,693	1.50

Sewerage Revenue Bonds						
Fiscal Year	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Principal	Interest	Coverage
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
2011	3,812,444	2,387,432	1,425,012	1,087,577	204,030	1.10

Electric Revenue Bonds						
Fiscal Year	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Principal	Interest	Coverage
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
2011	38,665,547	32,472,683	6,192,864	305,000	1,108,805	4.38

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, 2011 (Unaudited)**

Fiscal Year	Population	Personal Income	Per Capita Personal Income	Unemployment Rate
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	25,264	701,909,712	27,783	8.50%
2010	26,045	1,014,556,930	38,954	9.00%
2011	26,045	1,014,556,930	38,954	8.40%

Data Source: U.S. Bureau of the Census

CITY OF BATAVIA, ILLINOIS

**Principal Employers - Current Year and Nine Fiscal Years Ago
December 31, 2011 (Unaudited)**

Employer	2011			2002		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Fermi National Accelerator Laboratory	1,900	1	11.56%	2,150	1	24.44%
Suncast Corporation	800	2	4.87%	450	3	5.11%
Unit School District #101	636	3	3.87%	400	5	4.55%
Agco Corporation	365	4	2.22%	425	4	4.83%
VWR International	225	5	1.37%			
Aldi, Inc.	200	6	1.22%	200	6	2.27%
Waste Management	200	7	1.22%	200	8	2.27%
Power Packaging	197	8	1.20%			
Carlisle Food Service Products, Inc.	190	9	1.16%			
Sealy Mattress Company	160	10	0.97%	200	7	2.27%
Siemens-Furnas Controls				500	2	5.68%
Infilco Degremont				180	9	2.05%
Eagle Concrete				175	10	1.99%
Total	4,873		29.65%	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, 2011 (Unaudited)**

See Following Page

CITY OF BATAVIA, ILLINOIS

**Full-Time Equivalent City Government Employees by Function - Last Ten Fiscal Years
December 31, 2011 (Unaudited)**

	2002	2003	2004
General Government			
Administration	9	9	9
Finance	10	9	10
Building and Zoning	11	13	13
Public Safety			
Police			
Officers	42	45	45
Civilians	6	6	6
Fire			
Firefighters and Officers	23	23	23
Civilians	1	1	1
Highways and Streets	22	23	23
Waterworks	7	9	9
Sewerage	8	8	8
Electric	18	19	19
Total	157	165	166

Data Source: Various City Departments

2005	2006	2007	2008	2009	2010	2011
10	12	13	13	13	12	11
10	10	10	9	8	7	7
13	15	15	15	13	12	12
45	45	45	45	43	40	40
6	7	7	7	6	5	8
23	24	24	24	24	22	22
1	1	1	1	1	1	1
23	23	23	23	21	20	19
10	10	10	10	10	10	10
8	8	8	8	7	7	6
22	22	23	23	21	22	20
171	177	179	178	167	158	156

CITY OF BATAVIA, ILLINOIS

**Operating Indicators by Function/Program - Last Ten Fiscal Years
December 31, 2011 (Unaudited)**

	2002	2003	2004
General Government			
Tobacco Licenses	26	22	21
Liquor Licenses	35	34	34
Public Safety			
Police			
Part I Crimes	640	683	668
Part II Crimes*	2,061	2,215	1,919
Parking Violations	2,318	2,659	2,458
Traffic Violations	2,936	2,464	3,530
Fire			
Emergency Responses	2,773	2,863	3,039
Fires Extinguished	110	131	129
Inspections	560	538	572
Highways and Streets			
Parkway Trees Planted	318	405	445
Leaves Collected (Cubic Yards)	10,692	9,015	7,974
Street Resurfacing (Miles)	4	3	4
Waterworks			
Number of Metered Accounts	8,539	8,763	8,979
Number of Hydrants Flushed/Inspected	1,500	1,520	1,540
New Connections	176	224	186
Water Average Daily Consumption (Millions of Gallons)	3,293	3,095	2,993
Sewerage			
Number of Metered Accounts	8,373	8,515	8,767
Average Daily Sewage Treatment (Millions of Gallons)	3,384	3,005	3,269
Electric			
Number of Metered Accounts	10,032	9,162	9,345
MW Hours Sold	362,654	364,785	380,630

Data Source: Various City Departments

2005	2006	2007	2008	2009	2010	2011
25	25	24	27	27	27	24
38	43	40	39	38	39	38
624	638	687	701	708	557	475
1,779	2,005	1,608	2,018	2,359	1,349	1,471
2,955	2,467	2,143	1,928	3,583	2,476	1,822
4,016	4,718	3,473	2,162	4,327	3,934	2,596
2,935	3,146	3,242	3,378	3,139	3,289	3,264
147	112	115	125	80	82	116
553	595	605	800	946	1,233	1,013
424	433	243	189	182	138	135
8,595	7,594	8,115	9,557	9,898	7,684	8,495
5	5	5	5	5	2	3
9,067	9,177	9,228	9,244	9,235	9,241	9,254
1,560	1,580	1,600	1,615	1,625	1,625	1,600
118	110	51	3	6	6	7
3,221	2,989	3,010	3,000	3,000	2,950	2,799
8,899	9,001	9,201	9,218	9,149	9,168	9,137
2,967	3,703	3,335	3,900	3,700	3,748	3,690
9,385	9,456	9,458	10,801	10,764	10,761	10,813
409,951	417,738	427,247	416,339	400,319	428,299	462,899

CITY OF BATAVIA, ILLINOIS

**Capital Asset Statistics by Function/Program - Last Ten Fiscal Years
December 31, 2011 (Unaudited)**

	2002	2003	2004
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	98	101	103
Rural Street Miles	7	7	7
Total Street Miles	105	108	110
Waterworks			
Water Mains (Miles)	108	110	112
Fire Hydrants	1,450	1,500	1,550
Sewerage			
Sanitary Sewers (Miles)	118	120	120
Storm Sewers (Miles)	100	103	105
Electric			
Over Head (Percentage)	40.0%	41.0%	42.0%
Substations	6	6	6

Data Source: Various City Departments

2005	2006	2007	2008	2009	2010	2011
1	1	1	1	1	1	1
1	1	1	1	1	1	1
14	13	13	13	14	13	13
2	2	2	2	2	2	2
6	6	6	6	6	6	6
105	106	106	106	106	106	107
7	7	7	7	7	7	7
112	113	113	113	113	113	114
113	116	116	116	116	116	160
1,600	1,600	1,600	1,600	1,600	1,600	1,600
122	124	126	126	126	126	126
107	108	108	108	108	108	108
43.0%	43.0%	45.0%	45.0%	45.0%	45.0%	45.0%
5	5	5	5	5	5	5