



**CITY
OF
BATAVIA,
ILLINOIS**

**Comprehensive
Annual
Financial Report**

**For the
Fiscal Year Ended
December 31, 2014**

CITY OF BATAVIA, ILLINOIS

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

For the Year Ended
December 31, 2014

Prepared by the Finance Department

Peggy Colby
Finance Director

CITY OF BATAVIA, ILLINOIS
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INTRODUCTORY SECTION

List of Officials

As of December 31, 2014

Honorable Jeffery D. Schielke, Mayor

City Council

Ward 1:	Carl Fischer	Michael F. O'Brien
Ward 2:	Martin Callahan	Alan P. Wolff
Ward 3:	Dan Chanzit	Kyle Hohmann
Ward 4:	Susan Stark	Jamie Saam
Ward 5:	Lucy Thelin Atac	Steve Vasilion
Ward 6:	Nicolas Cerone	Lisa Clark
Ward 7:	David J. Brown	Drew McFadden

City Administrator

William R. McGrath

City Treasurer

Heidi L. Wetzel

City Treasurer

Gerald R. Miller

City Attorney

Drendel & Jansons Law Group

Department Heads

Director of Finance

Peggy Colby

Director of Public Works

Gary Holm

Director of Information Systems

Howard Chason

Director of Community Development

Scott Buening

Fire Chief

Randy Deicke

Police Chief

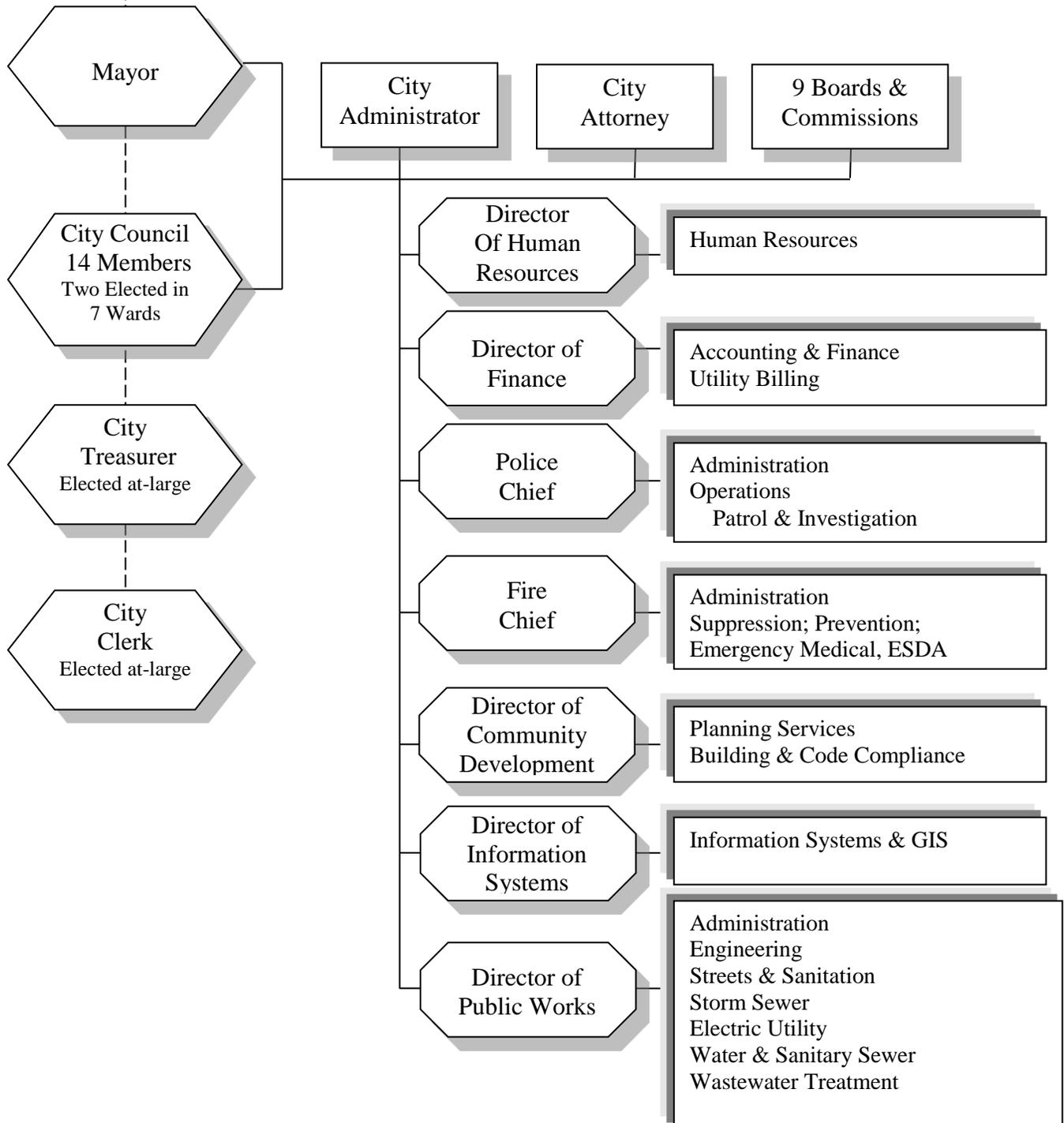
Gary Schira

Director of Human Resources

Vacant

City of Batavia Organizational Structure

Citizens of Batavia





Government Finance Officers Association

**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, 2013

Executive Director/CEO



CITY OF BATAVIA

JEFFERY D. SCHIELKE
Mayor

June 9, 2015

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, 2014 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 Sikich 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, 2014, 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 unmodified opinion that the City of Batavia's financial statements for the fiscal year ended December 31, 2014, 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 10.55 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 superior 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 experienced an average annual growth rate in valuation of 10% from 1990 through 2007. The population has increased 62% since 1990. The last five years have all had decreases in value directly related to the recession when real estate values decreased across the county. It is expected that there could be one or two more years of small declines before the values start rebounding.

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 (CIP) 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.

Factors Affecting Financial Condition

Local Economy

The City has one main retail corridor along Randall Road with other retail following the main arterial streets throughout the City and the downtown. The City has several large retailers including a wholesale club. In addition, there are also many specialty shops available. Goodrich Randall 15 Theatre is home to the only IMAX theatre in the far western suburbs, located in the middle of Batavia's stretch of Randall Road. The corridor is also home to a Wal-Mart Supercenter, Target, Jewel Food Store, Aldi, and many chain and specialty stores including nutrition, apparel, office supplies, furniture and home décor.

New restaurants have located both on Randall Road and in the City's downtown. Significant streetscape projects in the downtown that got underway in 2012 have brought not only enhancements but also new businesses to the area. The downtown portion of the main thoroughfare from east to west was completed in 2013. Houston Street which runs along the bike path and intersects with the Riverwalk will be done in 2015. The relocation and new construction of the current Walgreens store in the downtown is also slated to begin in 2015.

The City employs about 13,000 in the private sector and another 1,000 in the public sector. Another 1,800 are employed at Fermilab, a 6,800-acre campus that is home to the premier national laboratory for particle physics research that borders the City of Batavia. There is an 80-acre industrial park on the City's east side that is home to several large manufacturers with a majority specializing in plastics and metal fabrication, followed by printing, machinery and electronics. Batavia's industry enjoys close location to rail and the interstate highway system. Several new businesses moved into the park in 2014.

Batavia saw lower levels of unemployment with an annual average of 6.1% compared to the Illinois annual average of 7.0%. Nationally, the level of unemployment in 2014 was about the same as Batavia with an average of 6.2%.

The City remains in a favorable financial position for 2014, with sufficient fund balances available for general operations, with an increase to fund balance of \$1.9 million. The increase was the result of two one-time revenues totaling just over \$1.0 million from the sale of land that had previously been donated to the City and from a credit received from the State of Illinois for a refund of an invoice previously paid for the reconstruction of the Donovan Bridge. The refund was the result of the State crediting the City with further grant funds after the close out of the project. The \$672 thousand from the sale of the land are being designated for future capital projects. The remaining difference is a result of various tax revenues coming in \$1 million over budget and expenditures coming in \$1.1 million under budget.

The City implemented an additional ½-cent home rule sales tax mid-year which contributed to the additional tax revenues. The new tax is planned as a short-term replacement for the electric utilities PILOT tax payment and reimbursements to the General Fund for services. The current plan is for a three-year term to reduce expenses in the electric utility to provide rate relief to electric ratepayers.

The City had a 5.6% increase of \$270,000 in regular sales tax revenues in 2014 after realizing a similar increase of 5.4% in the prior year. No new major retailers entered Batavia in 2014 but sales remained strong perhaps as a result of some retailers remodeling and restructuring their interior. The main corridor did see the addition of two large resale businesses in early 2014. The industrial park also saw many new businesses locate there in 2014. Income taxes were lower by \$45,000 while state use tax increased by \$60,000. Utility tax increased by 5.0% adding just under \$200,000 to revenues. Property tax revenues remained level by choice. The new home rule tax added \$1,000,000 to revenues while the elimination of the Pilot payment reduced revenues by \$750,000. The City had originally budgeted to add a small surplus in 2014 but with the significant increase in revenues and lower than expected expenditures mostly due to employee vacancies and lower contractual costs, the surplus was much higher than anticipated.

Major Initiatives

The year 2014 saw changes to construction activity in the residential and multi-family category with a 24% increase in the number of permits issued. Commercial and Industrial permits accounted for the largest increases in permit revenues in the General Fund with collections increasing in total by \$73,000.

Major initiatives for the year 2014 included the following:

- **Walgreens** – City staff finalized a redevelopment agreement with a local developer on the redevelopment of a downtown Walgreens store. The reconstruction of this store in a new location and the addition of a drive through is expected to create increased tax revenues and to draw more people into the downtown area. The negotiations include the use of tax increment finance revenues to help fund the redevelopment. The City Council approved the agreement early in 2014; however, there have been delays in the start of the project and it is expected that construction may not begin until mid 2015.
- **Streetscape** – A major streetscape project along the Wilson Street Corridor reached substantial completion in 2013 and had the finishing amenities completed in 2014. The project included creating pedestrian friendly walkways in the downtown with wider sidewalks. The project also added ornamental lighting, planters, new underground utilities and interconnected traffic signals. This \$5 million project was completed with a majority of state and federal grant funds. No major streetscape project was initiated in 2014 but plans for the next street were fine-tuned with construction planned for 2015.
- **Redevelopment Agreements** – The City had inquiries in 2014 and began initial discussions with a developer on a redevelopment site that the City owns. At the end of the year, no agreement had been completed.
- **TIF Development Grants and Loans** – The City approved two TIF development grants for two restaurants in 2014. In conjunction with the \$25,000 grant provided to each restaurant, each received a \$75,000 low interest loan to be paid back over five years. The first grant and loan brought a new Italian fusion restaurant to the downtown. The second grant and loan was provided to an existing Italian restaurant in the downtown to provide for an expansion for catering and delivery services.

Future Initiatives

For 2015, Capital project initiatives include:

- Continuing of Engineering for reconstruction of the Deerpath Bridge
- Safe Routes to School Walkways
- Pedestrian Crosswalk Improvements
- Transmission Improvements and Pole Replacements
- Houston Street Reconstruction and Streetscape
- Water Meter Replacement Project (Phase 3)
- Sanitary Sewer System Study/Repairs
- Improvements to the Wastewater Treatment Plant

The safe routes to school projects are nearly fully grant funded. The Deerpath Bridge is 80% funded by federal BRRP funds. The pedestrian crosswalk improvements are 80% funded. The electric, water and sewer projects will all be funded on a pay as we go basis, except for the wastewater improvements to the plant which will be funded with an IEPA loan.

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.

The City Council adopted a formal Fund Balance Policy in 2011 to comply with the required standards as outlined in the Governmental Accounting Standards Board Statement 54. The City Council approved an updated policy in 2013. The policy provides guidelines to City Officials to promote continued financial strength and stability. The City Council also approved an updated Bond Record Keeping Policy in 2013. No new policies were adopted in 2014.

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, 2013. This was the seventh year the City has received the award. 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 that reads "Peggy L. Colby".

Peggy L. Colby,
Director of Finance

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT



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Naperville, Illinois 60563

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Certified Public Accountants & Advisors
Members of American Institute of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

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 (the City) as of and for the year ended December 31, 2014 and the related notes to financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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, 2014, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information listed in the table of contents 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 and other auditors 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual fund statements and schedules, supplemental schedules and statistical section as listed in the table of contents are presented for the purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund statements and schedules and supplemental schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion based on our audit, the procedures performed as described above and the report of the other auditors, the information is fairly stated in all material respects in relation to the basic financial statements as a whole. The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.



Naperville, Illinois
May 20, 2015

**GENERAL PURPOSE EXTERNAL
FINANCIAL STATEMENTS**

CITY OF BATAVIA, ILLINOIS

Management's Discussion and Analysis December 31, 2014

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, 2014. 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 position for 2014 was \$192.6 million, an increase of \$2.8 million over the prior year of \$189.8 million.
- There was a prior period adjustment to Governmental Activities of \$0.6 million that resulted in a higher restated January 1 net position of \$97.8 million. Governmental Activities ending net position was \$98.4 million. Of that amount, governmental activities had \$23.3 million available to meet ongoing obligations and \$1.9 million restricted for capital and other projects.
- The net position of business-type activities was \$94.2 million at the end of the year of which \$22.6 million is available for operations.
- The City collected \$28.8 million in tax and other revenues in its governmental funds in 2014 resulting in an increase to net position of \$.6 million over the \$28.2 million in governmental program expenditures. There were no new programs added in 2014.
- Charges for Service for business-type activities were \$58.8 million with total revenues of \$58.9 million. Program expenses for business-type activities were \$57.3 million resulting in a decrease in net position of \$1.6 million.
- The General Fund had an increase to fund balance of \$1.9 million because of \$1.0 million in one-time revenues and higher than expected revenues for sales tax, utility tax and use taxes combined with lower than anticipated expenditures.
- The City of Batavia's total long-term debt decreased by \$3.0 million in 2014 to \$46.3 million in total outstanding debt. A decrease of \$0.9 million was for governmental activities for total debt outstanding of \$8.5 million. The balance of the decrease of \$2.1 million reduced the debt for business-type activities to \$37.8 million.
- The City of Batavia did not issue any new debt in 2014 or do any debt refunding.

CITY OF BATAVIA, ILLINOIS

Management's Discussion and Analysis December 31, 2014

Using this Annual Report

This annual report consists of a series of financial statements. The Statement of Net Position 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.

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 Position reports information on all of the City of Batavia's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position 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 position changed during the most recent fiscal year. All changes in net position 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.

CITY OF BATAVIA, ILLINOIS

Management's Discussion and Analysis December 31, 2014

Using this Annual Report – Continued

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.

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 one major governmental fund and five individual nonmajor 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, a major fund.

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 - 11 of this report.

CITY OF BATAVIA, ILLINOIS

Management's Discussion and Analysis December 31, 2014

Using this Annual Report – Continued

Fund Financial Statements – Continued

Proprietary Funds

The City of Batavia has two proprietary fund types, which are enterprise and internal service. 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. The City's self-insurance fund is reported under proprietary funds in the fund financial statements but is included in the governmental activities in the statement of net position in the government wide financial statements.

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 major funds of the City of Batavia. The basic proprietary fund financial statements can be found on pages 12 – 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.

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 – 58 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City of Batavia's I.M.R.F., police, firefighter's, 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 59 – 64 of this report.

CITY OF BATAVIA, ILLINOIS

**Management's Discussion and Analysis
December 31, 2014**

Government-Wide Financial Analysis

Net position over time may serve as a useful indicator of a government's financial position. For the year 2014, the assets of the City of Batavia exceeded liabilities by \$192.6 million.

The following table represents a condensed statement of net assets for Governmental Activities, Business-type Activities and the Government as a whole.

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

	Governmental Activities		Business-type Activities		Total Primary Government	
	2014	2013	2014	2013	2014	2013
Current and Other Assets	\$ 37.8	\$ 34.5	\$ 38.0	\$ 36.7	\$ 75.8	\$ 71.2
Capital Assets	81.5	84.5	102.2	104.2	183.7	188.7
Deferred Outflows	0.4	0.5	-	-	0.4	0.5
Total Assets & Deferred Outflows	119.7	119.5	140.2	140.9	259.9	260.4
Long-Term Debt Outstanding	(10.1)	(10.8)	(38.5)	(40.6)	(48.6)	(51.4)
Other Liabilities	(4.1)	(4.1)	(7.5)	(7.7)	(11.6)	(11.8)
Deferred Inflows	(7.1)	(7.4)	-	-	(7.1)	(7.4)
Total Liabilities & Deferred Inflows	(21.3)	(22.3)	(46.0)	(48.3)	(67.3)	(70.6)
Net Position						
Net Investment in Capital Assets	73.2	75.3	64.0	63.9	137.2	139.2
Restricted	1.9	2.5	7.6	7.4	9.5	9.9
Unrestricted	23.3	19.4	22.6	21.3	45.9	40.7
Total Net Position	\$ 98.4	\$ 97.2	\$ 94.2	\$ 92.6	\$ 192.6	\$ 189.8

CITY OF BATAVIA, ILLINOIS

Management's Discussion and Analysis December 31, 2014

Government-Wide Financial Analysis – Continued

Normal Impacts - Statement of Net Position - There are six basic (normal) transactions that will affect the comparability of the Statement of Net Position summary presentation.

Net Results of Activities - which will increase or decrease current assets and unrestricted net position.

Borrowing for Capital- which will increase current assets and long-term debt.

Spending Borrowed Proceeds on New Capital -which will reduce current assets and increase capital assets. There is a second impact, an increase in invested capital assets and an increase in related net debt, which will not change the investment in capital assets, net of debt.

Spending of Non-borrowed Current Assets on New Capital -which will (a) reduce current assets and increase capital asset and (b) will reduce unrestricted net position and increase invested in capital assets, net of debt.

Principal Payment on Debt -which will (a) reduce current assets and reduce long-term debt and (b) reduce unrestricted net position and increase net investment in capital assets.

Reduction of Capital Assets through Depreciation -which will reduce capital assets and investment in capital assets, net of debt.

Current Year Impacts -Net Assets

The City of Batavia's total net position increased by \$2.8 million in 2014, increasing from \$189.8 million to \$192.6 million. The increase is the result of higher revenues in both Governmental and Business-Type Activities. The City is reporting unrestricted net position of \$45.9 million as of December 31, 2014 up from \$40.7 million in the prior year. Unrestricted net position may be used to meet the government's ongoing obligations to citizens and creditors.

The City of Batavia's investment in capital assets net of related debt used to acquire capital assets reflects 71.2% of the City of Batavia's net position. 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. Capital assets net of related debt totaled \$137.2 million at the end of 2014, which was a decrease of \$2.0 million from 2013.

CITY OF BATAVIA, ILLINOIS

Management's Discussion and Analysis December 31, 2014

Government-Wide Financial Analysis – Continued

Resources of the City of Batavia, which are subject to external restrictions on how they may be, used account for 4.9% of the City's net position and total \$9.5 million.

Net Assets Restricted for:

Maintenance of Roadways	\$ 710,574
Economic Development	\$1,183,333
Debt Service	<u>\$7,658,540</u>
Total Restricted Net Assets	\$9,552,447

Net position of the City of Batavia's governmental activities for 2014 was \$98.4 million, an increase of \$1.2 million over 2013. The investment in capital assets net of related debt decreased \$2.1 million and restricted net position decreased \$0.6 million. Unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraints was \$23.3 million at the end this year an increase of \$3.9 million from the prior year of \$19.4 million. The increase in net position was due to higher revenues.

Net position of business-type activities for 2014 was \$94.2 million compared to \$92.6 million in 2013. The increase of \$1.6 million was a result of activities during the year related to normal operations, primarily increased rate revenues. Business-type activities net position cannot be used for governmental activities. The City of Batavia generally can only use the net position of these activities to finance the continuing operations of the electric, waterworks and sewerage operations. Unrestricted net position was \$22.6 million at the end of 2014 up \$1.3 million from the prior year. Restricted net position for business-type activities increased \$0.2 million to \$7.6 million and investment in capital assets net of related debt increased \$0.1 million.

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

CITY OF BATAVIA, ILLINOIS

Management's Discussion and Analysis
December 31, 2014

Government-Wide Financial Analysis – Continued

	Changes in Net Position					
	(in Millions)					
	Governmental Activities		Business-type Activities		Total Primary Government	
	2014	2013	2014	2013	2014	2013
Revenues						
Program Revenues						
Charges for Services	\$ 2.3	\$ 2.8	\$ 58.7	\$ 53.6	\$ 61.0	\$ 56.4
Operating Grants/Contributions	1.3	0.4	0.1	-	1.4	0.4
Capital Grants/Contributions	1.7	1.7	-	-	1.7	1.7
General Revenues						
Property Taxes	7.7	7.8	-	-	7.7	7.8
Sales Taxes	8.5	7.1	-	-	8.5	7.1
Utility Taxes	4.0	3.8	-	-	4.0	3.8
Intergovernmental	2.7	2.7	-	-	2.7	2.7
Interest	-	-	0.1	0.1	0.1	0.1
Other General Revenues	0.6	0.2	-	-	0.6	0.2
Total Revenues	28.8	26.5	58.9	53.7	87.7	80.2
Expenses						
General Government	8.1	5.2	-	-	8.1	5.2
Public Safety	13.6	13.4	-	-	13.6	13.4
Highways and Streets	6.2	3.9	-	-	6.2	3.9
Interest on Long-Term Debt	0.3	0.3	-	-	0.3	0.3
Waterworks	-	-	4.2	4.1	4.2	4.1
Sewerage	-	-	4.1	4.3	4.1	4.3
Electric	-	-	49.0	46.4	49.0	46.4
Total Expenses	28.2	22.8	57.3	54.8	85.5	77.6
Change in Net Position Before Transfers	0.6	3.7	1.6	(1.1)	2.2	2.6
Transfers	-	-	-	-	-	-
Change in Net Position	0.6	3.7	1.6	(1.1)	2.2	2.6
Net Position - Beginning	97.2	93.5	92.6	93.7	189.8	187.2
Prior Period Adjustment	0.6	-	-	-	0.6	-
Net Position - Beginning, as Restated	97.8	93.5	92.6	93.7	190.4	187.2
Net Position - Ending	\$ 98.4	\$ 97.2	\$ 94.2	\$ 92.6	\$ 192.6	\$ 189.8

CITY OF BATAVIA, ILLINOIS

Management's Discussion and Analysis December 31, 2014

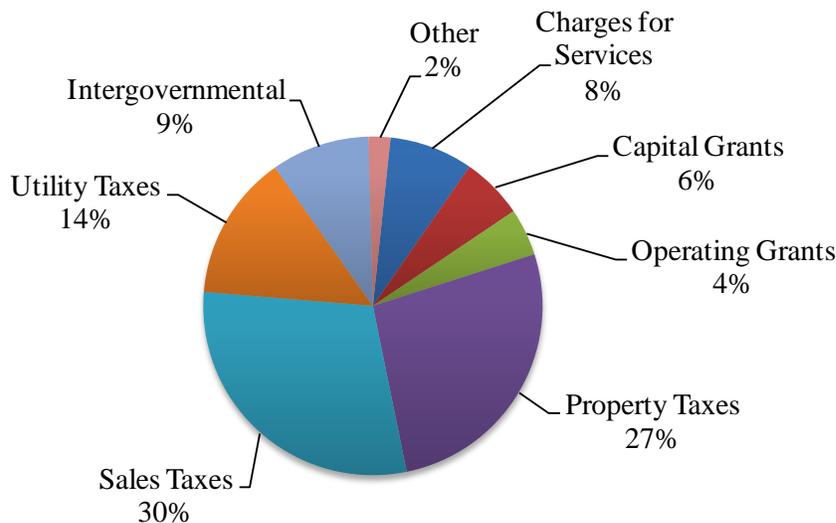
Government-Wide Financial Analysis – Continued

Governmental Activities

The 2014 revenues for governmental activities were \$28.8 million, while the cost of all governmental functions totaled \$28.2 million. Total revenues for governmental activities for 2014 were \$2.3 million more than 2013 revenues of \$26.5 million and program expenses for 2014 were \$5.4 million more than 2013 program expenses of \$22.8 million. This results in an increase in net position before transfers of \$0.6 million in 2014, compared to an increase of \$3.7 in net position in 2013. There was a prior period adjustment in 2014 that resulted in an increase to beginning net position of \$0.6 million. The end result was a \$1.2 million increase over the prior reported net position.

The following chart depicts the major revenue sources of the City of Batavia. Property taxes include restricted revenues from taxes collected from the City's TIF districts. Without TIF property tax revenues, sales taxes would be the largest category of revenue source. Utility taxes also contribute a large share of governmental revenue.

Revenues by Source - Governmental Activities

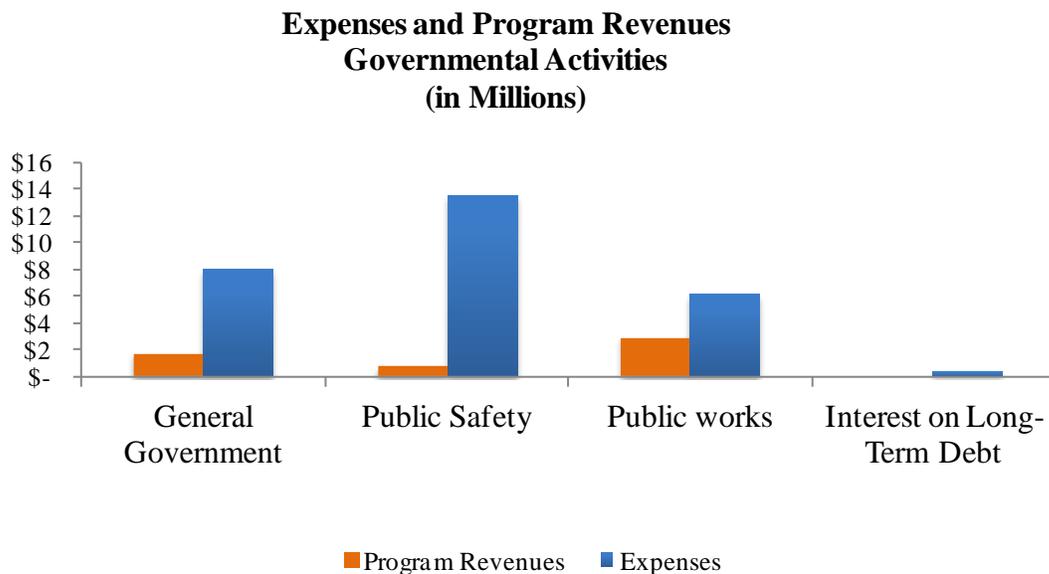


CITY OF BATAVIA, ILLINOIS

Management's Discussion and Analysis December 31, 2014

Government-Wide Financial Analysis – Continued

Governmental Activities – Continued



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

Since these expenses are heavily reliant on general revenues, which can be impacted by the economy, management is acutely mindful during the budget process to ensure the necessity of all spending. Also as in most cities, public safety represents the majority of expenses at 48% followed by general government operations at 29% and Public Works at 22%.

CITY OF BATAVIA, ILLINOIS

Management's Discussion and Analysis December 31, 2014

Government-Wide Financial Analysis – Continued

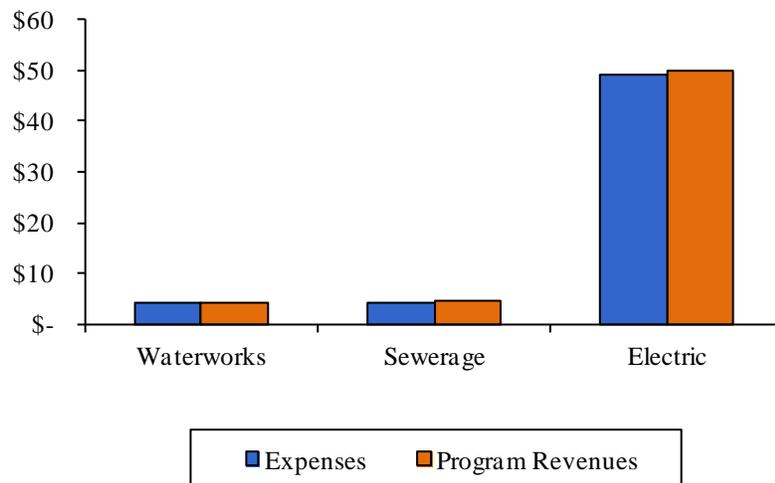
Business-Type Activities

Revenues for business-type activities were \$58.9 million and expenses were \$57.3 million.

- One water main replacement project was completed in 2014 in the City's water utility. The City's wastewater utility completed some rehabilitation work at the treatment plant.
- 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. A majority of the City's power supply is provided through the joint power agency NIMPA that has an ownership share in the Prairie State coalmine.
- Capital improvements of \$2.0 million for the electric utility in 2014 included system improvements and upgrades.

The graph compares program revenues to expenses for electric, waterworks and sewerage operations. The water and sewer utilities met or exceeded operational expenses. The electric utility did not generate enough program revenues due to a City Council decision to utilize reserves to supplement and offset increased costs. The water and sewer utilities had rate increases in 2014 in anticipation of capital and operating needs going forward. The electric utility also had a rate increase in 2014.

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



CITY OF BATAVIA, ILLINOIS

Management's Discussion and Analysis December 31, 2014

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

Governmental Funds - The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. Specifically, unassigned fund balance can be a useful measure of a government's net resources available for spending at the end of the fiscal year. For the fiscal year ended December 31, 2014, the Governmental Funds reported a combined ending fund balance of \$22.8 million. This represents an increase of \$3.2 million from the prior year. The increase is attributable to higher tax revenues and lower spending. The total unassigned fund balance was \$15.9 million.

General Fund - The General Fund is the chief operating fund of the City. It is the only major governmental fund of the City. At the end of the current fiscal year, the City of Batavia had a total General Fund balance of \$16.1 million, of which \$15.9 million is unassigned. It may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures as a measure of liquidity. Unassigned fund balance represents 72% of the total General Fund expenditures, while total fund balance represents 73% of that same amount.

- As of the end of the current fiscal year, the General Fund had an ending fund balance of \$16.1 million, in contrast to last year's \$14.1 million.
- Revenues in the General Fund increased in total by \$1.4 million in 2014 due to an increase in the sales tax receipts of \$1.3 million with the addition of a .50% home rule sales tax implemented mid-year. In addition, utility taxes increased \$190,000 and engineering fees increased \$154,000. Two one-time revenues totaling \$1.1 million boosted revenues in the General Fund. Offsetting these increases was the elimination of payment in lieu of taxes from the City's electric utility. The City is utilizing the additional sales tax to offset that revenue reduction.
- The General Fund expenditures were \$2.5 million higher in 2014 due in part to an economic development agreement that accounted for a \$0.5 million increase. Expenditures were also higher as a result of the elimination of \$0.7 million in expenditure reductions for electric utility services provided by the General Fund. Those costs are being supplemented by the increase in home rule sales tax. Other increases included \$340,000 in wages and benefits. Supplies, capital equipment and contractual services added \$460,000 to the balance of General Fund spending in 2014.
- Other factors that affected the General Fund also affected Governmental Activities and were discussed in the MD&A section on governmental activities.

CITY OF BATAVIA, ILLINOIS

Management's Discussion and Analysis December 31, 2014

Financial Analysis of the Government's Funds – Continued

Governmental Funds - Continued

Nonmajor Governmental Funds – The nonmajor funds of the City include Motor Fuel Tax (MFT), Debt, Capital and Tax Increment Finance (TIF) funds. These had a combined fund balance of \$6.85 million at the end of 2014, which is \$1.3 million over the \$5.5 million at the end of 2013.

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 provided from three deep wells and three shallow wells at a 2014 rate of 3.05 per hundred cubic feet. The 2014 Sewer rate was \$3.17 per hundred cubic feet. Water and sewer rate increases were approved over a four-year period ending in 2014 at an increase of 3% and 8% respectively to cover needed capital improvements. A rate study for future years commenced in 2014 and new recommendations are expected in 2015.
- Net position for the waterworks fund was \$20.4 million compared to \$20.2 million the prior year. The increase was due to increased revenues for operation.
- The sewerage fund ended the year with a \$23.2 million net position which was an increase of \$0.4 million from the prior year balance also \$22.8 million.
- The Electric utility is a transmission and distribution utility. The majority of power is supplied through a power supply contract with Northern Illinois Municipal Power Agency. As a result of increased power costs through that contract, a tiered rate increase was enacted in May of 2014 with the second increase to take effect in May of 2015. In addition, a rate study was contracted for in 2014 to study the next few years of revenue needs for the utility. It is expected that rates will be increased further.
- Net position of the electric fund for 2014 was \$50.6 million compared to \$49.7 million at the beginning of the year. The increase is due to a rate increase implemented in 2014 combined with an expense reduction for payments made to the General Fund.
- Other factors concerning the finances of these three funds have already been addressed in the City of Batavia's discussion of business-type activities.

CITY OF BATAVIA, ILLINOIS

Management's Discussion and Analysis December 31, 2014

General Fund Budgetary Highlights

There were several line item transfers done in 2014 to reflect a change in account numbers for capital spending. These transfers did not represent any change to spending. Amendments that increased the General Fund budget in 2014 included an increase of \$253,000 for spending related to excessive snowfall, \$75,000 for software improvements, \$764,000 for an economic development agreement, and a \$725,000 increase for General Fund Services provided to the electric utility. The increase in those expenditures is offset by new sales tax revenues for which the budget was also amended.

General Fund Budgetary Highlights For the Fiscal Year Ended December 31, 2014

	Original Budget	Final Budget	Actual
Revenues			
Taxes	\$ 16,510,179	\$ 17,460,179	\$ 18,153,111
Intergovernmental	3,428,000	3,428,000	3,539,808
Licenses & Permits	223,937	223,937	307,924
Charges for Services	217,451	217,451	354,622
Other	2,510,826	1,778,826	2,261,447
Total Revenues	22,890,393	23,108,393	24,616,912
Expenditures			
General Government	4,080,156	5,994,373	5,522,336
Public Health/Safety	13,431,147	13,428,919	12,927,030
Highways and Streets	3,609,015	3,862,015	3,631,969
Total Expenditures	21,120,318	23,285,307	22,081,335
Other Financing Sources (Uses)			
Transfers In	-	-	12,257
Transfers Out	(1,768,150)	(1,268,150)	(1,268,150)
Proceeds on sale of assets	-	-	672,325
Total Other Financing Sources (Uses)	(1,768,150)	(1,268,150)	(583,568)
Net Change in Fund Balance	\$ 1,925	\$ (1,445,064)	\$ 1,952,009

Actual expenditures in 2014 were \$1.1 million below budget. Salaries and fringe benefits ended the year with a positive variance of about \$377,000 due to vacancies and the associated benefit costs. In addition, professional services and contractual commitments accounted for a positive variance of \$700,000 while commodities were \$27,000 less than the amended budget.

CITY OF BATAVIA, ILLINOIS

Management's Discussion and Analysis December 31, 2014

General Fund Budgetary Highlights – Continued

Receipts in the general fund revenue budget were \$2.2 million more than budgeted. The majority the variance was in one-time revenues totaling \$1.0 million and the remainder was primarily increased sales, use and utility tax revenues that added \$900,000. The City also collected \$212,000 more than budgeted in permit revenues mainly due to a new subdivision on the City's west side. The sales and utility tax budget were a conservative estimate based on prior years and the one-time revenues were unknown at the time the budget was passed.

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, 2014 was \$183.7 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 decreased \$5.0 million in 2014. Governmental activities capital assets decreased by \$2.9 million and business type activities decreased by \$2.1 million.

Capital Assets - Net of Depreciation (in Millions)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2014	2013	2014	2013	2014	2013
Land	\$ 18.5	19.8	\$ 1.1	1.1	\$ 19.6	20.9
Construction in Progress	4.0	3.7	0.7	5.8	4.7	9.5
Structures & Improvements	14.2	14.7	12.8	16.5	27.0	31.2
Wells & Equipment	-	-	2.3	2.4	2.3	2.4
Machinery & Equipment	2.6	2.5	1.0	0.8	3.6	3.3
Electric System	-	-	43.2	39.4	43.2	39.4
Water/Sewer System	-	-	41.0	38.2	41.0	38.2
Infrastructure	42.3	43.8	-	-	42.3	43.8
Total	\$ 81.6	84.5	\$ 102.1	104.2	\$ 183.7	188.7

There were only minor additions for capital assets in Governmental Activities with the purchase of \$365,000 in equipment. Major capital improvements in 2014 for Business-type activities included \$5.3 million in additions for the electric system primarily due to the close out of construction work in process for distribution improvements. Water and Sewer added \$1.6 million in main improvements and improvements at the wastewater treatment plant. Additional information on capital assets for the City of Batavia can be found in note 4 in the notes to financial statements of this report.

CITY OF BATAVIA, ILLINOIS

Management's Discussion and Analysis December 31, 2014

Capital Assets and Debt Administration– Continued

Debt Administration

At year-end, the City of Batavia had total outstanding bonded debt of \$46.3 million as compared to \$49.3 million the previous year. No new debt was issued in 2014.

Bonded and Similar Indebtedness (in Millions)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2014	2013	2014	2013	2014	2013
General Obligation Bonds	\$ 8.5	9.0	\$ 7.7	8.6	\$ 16.2	17.6
Alternate Revenue Bonds	-	0.4	0.6	0.7	0.6	1.1
Revenue Bonds			24.4	25.1	24.4	25.1
IEPA Loans	-	-	5.1	5.5	5.1	5.5
Total	\$ 8.5	9.4	\$ 37.8	39.9	\$ 46.3	49.3

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

- The City's Governmental Activities debt is for two fire stations completed in 2007 and the City's share of the Donovan Bridge reconstruction.
- Water has \$5.1 million outstanding in IEPA loans for capital improvements including three deep wells, a water treatment plant and a cross-town water main. In addition, the utility has \$3.5 million in GO Bonds issued to refund one of the IEPA loans in 2013.
- The sewer fund has \$4.2 million in outstanding GO Bonds issued in 2013 to refund two outstanding IEPA loans originally issued for plant improvements and \$0.6 million in Alternate Revenue bonds for Carriage Crest lift station reconstruction.
- The electric utility has \$24.4 million outstanding for bonds issued in 2006 to construct two 138 kV substations and associated transmission lines.

As of the end of 2014, the City of Batavia has an Aa1 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 is a home rule community and is not subject to a legal debt limit. Additional information on the City of Batavia's long-term debt can be found in Note 5 in the Notes to the Financial Statements of this report.

CITY OF BATAVIA, ILLINOIS

Management's Discussion and Analysis December 31, 2014

Economic Factors and Next Year's Budget and Rates

The City's elected and appointed officials considered many factors when planning the 2015 budget, including tax rates, fees and utility rates for its governmental and business-type activities. Batavia's unemployment rate decreased from 7.4% in 2013 to 6.1% in 2014, and remained lower than the State of Illinois at 7.0% and was about the same as the national average of 6.2%. The Chicago area experienced inflation of 1.7% compared to the national Consumer Price Index (CPI), which increased 1.6% for 2014.

In addition to reduced unemployment, indicators of economic recovery occurred in Batavia in 2014 with new businesses locating in both the retail and industrial sectors and an increase in new construction. The number of traditional home sales increased in 2014 while the average selling price remained about the same. The number of foreclosures also decreased substantially by year-end. The per capita income of Batavia continues to exceed the state average. Although there should always be careful spending and planning for the future, Batavia is beginning to see increases in spending within the community. Sales tax was up 7.0% in 2014. At the time of preparing the 2015 budget, the projections were that revenues would increase about 1% over the prior year collections. Due to the large increase realized in 2014, the expectations were for a lower increase year-over-year for the 2015 budget. Expenditures for the 2015 budget are 5.8% higher than what spending was in 2014. Wages increased for most employees by 2%. The 2015 budget is 0.9% less than the 2014 amended budget. Expenditures in 2014 were lower than planned due to employee vacancies in administration and the police and fire department. In addition, some contractual and professional services were lower than expected.

The economic forecast for all of these indicators was a consideration when adopting the 2015 budget. The total amount budgeted in the general fund was \$24.8 million for 2015. The general fund budget for 2015 did not provide for any new programs, revenues or taxes. As mentioned prior, there was an increase to the home rule sales tax approved in 2014. In addition, prior approved rate increases for three utilities, electric, water and sewer funds were approved and included in the 2015 budget.

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.

CITY OF BATAVIA, ILLINOIS

STATEMENT OF NET POSITION

December 31, 2014

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Investments	\$ 23,919,311	\$ 18,726,814	\$ 42,646,125
Cash with Paying Agent	723,138	1,179,003	1,902,141
Restricted Cash and Investments	-	7,794,748	7,794,748
Receivables (Net, Where Applicable, of Allowances for Uncollectibles)			
Property Taxes	7,100,191	-	7,100,191
Other Taxes	3,642,696	-	3,642,696
Accounts	462,080	7,510,777	7,972,857
Accrued Interest	30,188	47,044	77,232
Other	121,794	-	121,794
Notes	368,110	-	368,110
Prepaid Expenses	669,587	176,147	845,734
Inventories	32,923	2,664,988	2,697,911
Due from Other Governments	542,604	-	542,604
Net Pension Asset	122,560	-	122,560
Capital Assets			
Not Depreciated	22,540,553	1,770,464	24,311,017
Depreciated (Net of Accumulated Depreciation)	59,047,576	100,355,677	159,403,253
 Total Assets	 119,323,311	 140,225,662	 259,548,973
DEFERRED OUTFLOWS OF RESOURCES			
Unamortized Loss on Refunding	429,289	-	429,289
 Total Deferred Outflows of Resources	 429,289	 -	 429,289
 Total Assets and Deferred Outflows of Resources	 119,752,600	 140,225,662	 259,978,262

(This statement is continued on the following page.)

CITY OF BATAVIA, ILLINOIS

STATEMENT OF NET POSITION (Continued)

December 31, 2014

	Governmental Activities	Business-Type Activities	Total
LIABILITIES			
Accounts Payable	\$ 1,726,440	\$ 6,503,227	\$ 8,229,667
Retainage Payable	64,288	18,458	82,746
Accrued Payroll	748,510	237,765	986,275
Accrued Interest Payable	123,138	552,195	675,333
Other Payables	214,667	-	214,667
Deposits Payable	-	114,526	114,526
Other Unearned Revenue	-	25,000	25,000
Claims Payable	1,262,277	-	1,262,277
Long-Term Liabilities			
Due Within One Year	796,709	2,232,536	3,029,245
Due in More than One Year	9,320,213	36,327,952	45,648,165
Total Liabilities	14,256,242	46,011,659	60,267,901
DEFERRED INFLOWS OF RESOURCES			
Deferred Property Taxes	7,100,191	-	7,100,191
Total Deferred Inflows of Resources	7,100,191	-	7,100,191
Total Liabilities and Deferred Inflows of Resources	21,356,433	46,011,659	67,368,092
NET POSITION			
Net Investment in Capital Assets	73,172,595	64,009,361	137,181,956
Restricted for			
Maintenance of Roadways	710,574	-	710,574
Economic Development	1,183,333	-	1,183,333
Debt Service	7,793	7,650,747	7,658,540
Unrestricted	23,321,872	22,553,895	45,875,767
TOTAL NET POSITION	\$ 98,396,167	\$ 94,214,003	\$ 192,610,170

See accompanying notes to financial statements.

CITY OF BATAVIA, ILLINOIS

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2014

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT				
Governmental Activities				
General Government	\$ 8,068,549	\$ 1,651,963	\$ -	\$ 13,000
Public Safety	13,633,511	354,324	363,803	-
Highways and Streets	6,255,580	335,538	886,472	1,686,523
Interest	263,095	-	-	-
Total Governmental Activities	28,220,735	2,341,825	1,250,275	1,699,523
Business-Type Activities				
Water	4,184,893	4,333,725	-	-
Sewerage	4,076,509	4,489,953	51,849	-
Electric	49,015,476	49,872,268	-	39,977
Total Business-Type Activities	57,276,878	58,695,946	51,849	39,977
TOTAL PRIMARY GOVERNMENT	\$ 85,497,613	\$ 61,037,771	\$ 1,302,124	\$ 1,739,500

	Net (Expense) Revenue and Change in Net Position		
	Primary Government		
	Governmental Activities	Business-Type Activities	Total
	\$ (6,403,586)	\$ -	\$ (6,403,586)
	(12,915,384)	-	(12,915,384)
	(3,347,047)	-	(3,347,047)
	(263,095)	-	(263,095)
	<u>(22,929,112)</u>	<u>-</u>	<u>(22,929,112)</u>
	-	148,832	148,832
	-	465,293	465,293
	-	896,769	896,769
	<u>-</u>	<u>1,510,894</u>	<u>1,510,894</u>
	<u>(22,929,112)</u>	<u>1,510,894</u>	<u>(21,418,218)</u>
General Revenues			
Taxes			
Property	7,732,780	-	7,732,780
Sales and Use	8,460,087	-	8,460,087
Utility	3,960,334	-	3,960,334
Intergovernmental			
Income Tax	2,466,515	-	2,466,515
Replacement Tax	200,254	-	200,254
Investment Income	40,652	82,585	123,237
Miscellaneous	645,950	-	645,950
Total	<u>23,506,572</u>	<u>82,585</u>	<u>23,589,157</u>
CHANGE IN NET POSITION	<u>577,460</u>	<u>1,593,479</u>	<u>2,170,939</u>
NET POSITION, JANUARY 1	97,147,203	92,620,524	189,767,727
Prior Period Adjustment	<u>671,504</u>	<u>-</u>	<u>671,504</u>
NET POSITION, JANUARY 1, AS RESTATED	<u>97,818,707</u>	<u>92,620,524</u>	<u>190,439,231</u>
NET POSITION, DECEMBER 31	<u>\$ 98,396,167</u>	<u>\$ 94,214,003</u>	<u>\$ 192,610,170</u>

See accompanying notes to financial statements.

CITY OF BATAVIA, ILLINOIS

BALANCE SHEET
GOVERNMENTAL FUNDS

December 31, 2014

	<u>General</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS			
Cash and Investments	\$ 12,958,381	\$ 6,911,697	\$ 19,870,078
Cash with Paying Agent	-	723,138	723,138
Receivables (Net, Where Applicable, of Allowances for Uncollectibles)			
Property Taxes	6,185,623	914,568	7,100,191
Other Taxes	3,642,696	-	3,642,696
Accounts	462,080	-	462,080
Accrued Interest	21,092	4,103	25,195
Other	4,014	20,409	24,423
Notes	22,423	345,687	368,110
Prepaid Items	159,062	450,053	609,115
Inventory	32,923	-	32,923
Due from Other Governments	-	542,604	542,604
Due from Other Funds	49,537	500,000	549,537
 TOTAL ASSETS	 <u>\$ 23,537,831</u>	 <u>\$ 10,412,259</u>	 <u>\$ 33,950,090</u>

(This statement is continued on the following page.)

	General	Nonmajor Governmental Funds	Total Governmental Funds
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ 322,469	\$ 1,403,509	\$ 1,725,978
Retainage Payable	-	64,288	64,288
Accrued Payroll	748,510	-	748,510
Accrued Interest Payable	-	123,138	123,138
Other Payables	214,667	-	214,667
Due to Other Funds	-	549,537	549,537
Bonds Payable - Current	-	600,000	600,000
Total Liabilities	<u>1,285,646</u>	<u>2,740,472</u>	<u>4,026,118</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable Property Taxes	<u>6,185,623</u>	<u>914,568</u>	<u>7,100,191</u>
Total Deferred Inflows of Resources	<u>6,185,623</u>	<u>914,568</u>	<u>7,100,191</u>
Total Liabilities and Deferred Inflows of Resources	<u>7,471,269</u>	<u>3,655,040</u>	<u>11,126,309</u>
FUND BALANCES			
Nonspendable			
Prepaid Items	159,062	-	159,062
Inventory	32,923	-	32,923
Long-Term Receivables	22,423	-	22,423
Restricted			
Maintenance of Roadways	-	710,574	710,574
Economic Development	-	1,183,333	1,183,333
Debt Service	-	7,793	7,793
Assigned			
Capital Projects	-	4,855,519	4,855,519
Unassigned	<u>15,852,154</u>	<u>-</u>	<u>15,852,154</u>
Total Fund Balances	<u>16,066,562</u>	<u>6,757,219</u>	<u>22,823,781</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 23,537,831</u>	<u>\$ 10,412,259</u>	<u>\$ 33,950,090</u>

See accompanying notes to financial statements.

CITY OF BATAVIA, ILLINOIS

**RECONCILIATION OF FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET POSITION**

December 31, 2014

FUND BALANCES OF GOVERNMENTAL FUNDS	\$ 22,823,781
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds	81,588,129
Unamortized loss on refunding are other financing uses in governmental funds in the year of issuance, but are capitalized and amortized on the statement of net position	429,289
Long-term liabilities, including bonds payable and accrued interest payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds	
Compensated absences payable	(983,544)
Bonds payable	(7,890,000)
Net pension obligation	(1,452)
Other postemployment benefit payable	(287,103)
Bond premiums (discounts) are other financing sources (uses) in governmental funds in the year of issuance but are capitalized and amortized on the statement of net position	(354,823)
The net assets of the internal service fund are included in the governmental activities in the statement of net position	2,949,330
The net pension asset is not a current financial resource and, therefore, is not reported in the governmental funds	<u>122,560</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 98,396,167</u></u>

See accompanying notes to financial statements.

CITY OF BATAVIA, ILLINOIS

**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS**

For the Year Ended December 31, 2014

	General	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES			
Taxes	\$ 18,153,111	\$ 1,491,261	\$ 19,644,372
Intergovernmental	3,539,808	2,351,532	5,891,340
Licenses and Permits	307,924	-	307,924
Charges for Services	354,622	142,355	496,977
Fines and Forfeitures	218,276	-	218,276
Investment Income	36,047	4,605	40,652
Miscellaneous	2,007,124	-	2,007,124
Total Revenues	24,616,912	3,989,753	28,606,665
EXPENDITURES			
Current			
General Government	5,522,336	1,449,269	6,971,605
Public Safety	12,927,030	-	12,927,030
Highways and Streets	3,631,969	-	3,631,969
Capital Outlay	-	1,357,636	1,357,636
Debt Service			
Principal Retirement	-	910,000	910,000
Interest and Fiscal Charges	-	257,125	257,125
Total Expenditures	22,081,335	3,974,030	26,055,365
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	2,535,577	15,723	2,551,300
OTHER FINANCING SOURCES (USES)			
Transfers In	12,257	3,442,346	3,454,603
Transfers (Out)	(1,268,150)	(2,186,453)	(3,454,603)
Proceeds on Sale of Assets	672,325	-	672,325
Total Other Financing Sources (Uses)	(583,568)	1,255,893	672,325
NET CHANGE IN FUND BALANCES	1,952,009	1,271,616	3,223,625
FUND BALANCES, JANUARY 1	14,114,553	5,485,603	19,600,156
FUND BALANCES, DECEMBER 31	\$ 16,066,562	\$ 6,757,219	\$ 22,823,781

See accompanying notes to financial statements.

CITY OF BATAVIA, ILLINOIS

**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES TO THE
GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF ACTIVITIES**

For the Year Ended December 31, 2014

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ 3,223,625
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlay as expenditures; however, they are capitalized and depreciated in the statement of activities	657,250
Contributions of capital assets are reported as capital contributions in the statement of activities	191,530
The repayment of the principal portion long-term debt is reported as an expenditure when due in governmental funds but as a reduction of principal outstanding in the statement of activities	910,000
Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:	
Depreciation	(2,301,411)
Loss on disposal of capital assets	(1,505,984)
Accrued interest	451
Compensated absences	(111,793)
Amortization of bond premium	29,808
Amortization of loss on refunding	(36,229)
Net pension obligation	48,739
Other postemployment benefit	(137,847)
The change in net position of internal service funds is reported with governmental activities	(418,072)
The change in net pension asset is not a current financial resource and, therefore, is not reported in the governmental funds	<u>27,393</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 577,460</u></u>

See accompanying notes to financial statements.

CITY OF BATAVIA, ILLINOIS

STATEMENT OF NET POSITION
PROPRIETARY FUNDS

December 31, 2014

	Business-Type Activities				Governmental
	Waterworks	Sewerage	Electric	Total	Activities
					Internal Service Funds
CURRENT ASSETS					
Cash and Investments	\$ 3,629,126	\$ 2,140,749	\$ 12,956,939	\$ 18,726,814	\$ 4,049,233
Cash with Paying Agent	-	-	1,179,003	1,179,003	-
Restricted Cash and Investments	-	-	7,794,748	7,794,748	-
Receivables - Net of Allowances					
Accounts	539,208	613,126	6,358,443	7,510,777	97,371
Accrued Interest	7,260	1,375	38,409	47,044	4,993
Prepaid Expenses	21,537	21,537	133,073	176,147	60,472
Inventories	-	-	2,664,988	2,664,988	-
Total Current Assets	4,197,131	2,776,787	31,125,603	38,099,521	4,212,069
CAPITAL ASSETS					
Nondepreciable	944,756	572,814	252,894	1,770,464	-
Depreciable	37,223,109	44,997,957	78,298,438	160,519,504	-
Accumulated Depreciation	(12,883,960)	(19,953,411)	(27,326,456)	(60,163,827)	-
Net Capital Assets	25,283,905	25,617,360	51,224,876	102,126,141	-
Total Assets	29,481,036	28,394,147	82,350,479	140,225,662	4,212,069
CURRENT LIABILITIES					
Accounts Payable	90,189	90,143	6,322,895	6,503,227	462
Retainage Payable	2,265	6,693	9,500	18,458	-
Accrued Payroll	62,724	46,490	128,551	237,765	-
Accrued Interest Payable	14,175	14,017	524,003	552,195	-
Deposits Payable	12,885	12,895	88,746	114,526	-
Unearned Revenue	-	-	25,000	25,000	-
Compensated Absences Payable	37,199	16,692	34,851	88,742	-
Claims Payable	-	-	-	-	821,503
General Obligation Bonds Payable	315,000	675,000	-	990,000	-
Alternate Revenue Bonds Payable	-	91,518	-	91,518	-
Revenue Bonds Payable	-	-	655,000	655,000	-
IEPA Loans Payable	407,276	-	-	407,276	-
Total Current Liabilities	941,713	953,448	7,788,546	9,683,707	821,965

(This statement is continued on the following page.)

CITY OF BATAVIA, ILLINOIS

STATEMENT OF NET POSITION (Continued)
PROPRIETARY FUNDS

December 31, 2014

	Business-Type Activities				Governmental
					Activities
	Waterworks	Sewerage	Electric	Total	Internal Service Funds
LONG-TERM LIABILITIES					
Compensated Absences Payable	\$ 148,795	\$ 66,768	\$ 139,403	\$ 354,966	\$ -
Claims Reserve	-	-	-	-	440,774
General Obligation Bonds Payable	3,315,715	3,644,995	-	6,960,710	-
Alternate Revenue Bonds Payable	-	510,762	-	510,762	-
Revenue Bonds Payable	-	-	23,780,000	23,780,000	-
IEPA Loans Payable	4,721,514	-	-	4,721,514	-
Total Long-Term Liabilities	8,186,024	4,222,525	23,919,403	36,327,952	440,774
Total Liabilities	9,127,737	5,175,973	31,707,949	46,011,659	1,262,739
NET POSITION					
Net Investment in Capital Assets	16,524,400	20,695,085	26,789,876	64,009,361	-
Restricted - Debt Service	-	-	7,650,747	7,650,747	-
Unrestricted	3,828,899	2,523,089	16,201,907	22,553,895	2,949,330
TOTAL NET POSITION	\$ 20,353,299	\$ 23,218,174	\$ 50,642,530	\$ 94,214,003	\$ 2,949,330

See accompanying notes to financial statements.

CITY OF BATAVIA, ILLINOIS

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
 PROPRIETARY FUNDS

For the Year Ended December 31, 2014

	Business-Type Activities				Governmental
					Activities
	Water	Sewerage	Electric	Total	Internal Service Funds
OPERATING REVENUES					
Charges for Services	\$ 4,333,725	\$ 4,489,953	\$ 49,872,268	\$ 58,695,946	\$ 4,249,948
Total Operating Revenues	4,333,725	4,489,953	49,872,268	58,695,946	4,249,948
OPERATING EXPENSES					
Administration	636,255	629,325	479,951	1,745,531	104,760
Operations	2,342,703	2,017,323	44,744,205	49,104,231	4,569,255
Depreciation	989,718	1,336,541	2,510,722	4,836,981	-
Total Operating Expenses	3,968,676	3,983,189	47,734,878	55,686,743	4,674,015
OPERATING INCOME (LOSS)	365,049	506,764	2,137,390	3,009,203	(424,067)
NON-OPERATING REVENUES (EXPENSES)					
Connection Fees	-	51,849	-	51,849	-
Investment Income	8,739	1,990	71,856	82,585	5,995
Disposal of Capital Assets	(6,390)	-	(232,593)	(238,983)	-
Interest and Fiscal Charges	(209,827)	(93,320)	(1,048,005)	(1,351,152)	-
Total Non-Operating Revenues (Expenses)	(207,478)	(39,481)	(1,208,742)	(1,455,701)	5,995
NET INCOME (LOSS) BEFORE CONTRIBUTIONS	157,571	467,283	928,648	1,553,502	(418,072)
CONTRIBUTIONS	-	-	39,977	39,977	-
CHANGE IN NET POSITION	157,571	467,283	968,625	1,593,479	(418,072)
NET POSITION, JANUARY 1	20,195,728	22,750,891	49,673,905	92,620,524	2,695,898
Prior Period Adjustment	-	-	-	-	671,504
NET POSITION, JANUARY 1, AS RESTATED	20,195,728	22,750,891	49,673,905	92,620,524	3,367,402
NET POSITION, DECEMBER 30	\$ 20,353,299	\$ 23,218,174	\$ 50,642,530	\$ 94,214,003	\$ 2,949,330

See accompanying notes to financial statements.

CITY OF BATAVIA, ILLINOIS

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

For the Year Ended December 31, 2014

	Business-Type Activities				Governmental
	Waterworks	Sewerage	Electric	Total	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from Customers and Users	\$ 4,280,779	\$ 4,427,883	\$ 49,292,634	\$ 58,001,296	\$ -
Receipts from Interfund Services Transactions	-	-	-	-	3,361,286
Receipts from Others	-	-	-	-	888,662
Receipts from Miscellaneous	-	51,849	-	51,849	-
Payments to Suppliers	(1,167,676)	(1,231,902)	(42,207,368)	(44,606,946)	(4,690,193)
Payments to Employees	(1,146,798)	(933,329)	(2,585,902)	(4,666,029)	-
Payments to Other Funds	(628,481)	(620,481)	(230,436)	(1,479,398)	-
Net Cash from Operating Activities	1,337,824	1,694,020	4,268,928	7,300,772	(440,245)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
None	-	-	-	-	-
Net Cash from Noncapital Financing Activities	-	-	-	-	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Capital Assets Purchased	(730,458)	(419,850)	(1,956,537)	(3,106,845)	-
Principal Payments on Long-Term Debt	(707,283)	(754,198)	(630,000)	(2,091,481)	-
Interest Payments on Long-Term Debt	(226,931)	(114,702)	(1,073,005)	(1,414,638)	-
Net Cash from Capital and Related Financing Activities	(1,664,672)	(1,288,750)	(3,659,542)	(6,612,964)	-
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of Investments	4,311	-	(225,483)	(221,172)	249,375
Sale of Investments	-	-	-	-	-
Interest Received on Investments	7,631	1,349	70,962	79,942	3,409
Net Cash from Investing Activities	11,942	1,349	(154,521)	(141,230)	252,784
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(314,906)	406,619	454,865	546,578	(187,461)
CASH AND CASH EQUIVALENTS, JANUARY 1	1,949,717	1,234,130	5,557,116	8,740,963	3,237,325
CASH AND CASH EQUIVALENTS, DECEMBER 31	\$ 1,634,811	\$ 1,640,749	\$ 6,011,981	\$ 9,287,541	\$ 3,049,864

(This statement is continued on the following page.)

CITY OF BATAVIA, ILLINOIS

STATEMENT OF CASH FLOWS (Continued)
 PROPRIETARY FUNDS

For the Year Ended December 31, 2014

	Business-Type Activities				Governmental
	Waterworks	Sewerage	Electric	Total	Internal Service Funds
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES					
Operating Income (Loss)	\$ 365,049	\$ 506,764	\$ 2,137,390	\$ 3,009,203	\$ (424,067)
Adjustments to Reconcile Operating Income (Loss) to Net Cash from Operating Activities					
Depreciation	989,718	1,336,541	2,510,722	4,836,981	-
Receipts from Miscellaneous	-	51,849	-	51,849	-
Changes in Assets and Liabilities					
Accounts Receivable	(51,428)	(62,190)	(578,502)	(692,120)	(95,190)
Prepaid Expenses	224	224	11,900	12,348	(5,743)
Inventories	-	-	100,929	100,929	-
Accounts Payable	19,415	(151,732)	47,777	(84,540)	(193)
Accrued Payroll	6,397	6,113	12,271	24,781	-
Deposits Payable	(1,518)	120	(1,132)	(2,530)	-
Claims Payable	-	-	-	-	147,760
Claims Reserve	-	-	-	-	(62,812)
Compensated Absences	9,967	6,331	27,573	43,871	-
NET CASH FROM OPERATING ACTIVITIES	\$ 1,337,824	\$ 1,694,020	\$ 4,268,928	\$ 7,300,772	\$ (440,245)
CASH AND INVESTMENTS					
Cash and Cash Equivalents	\$ 1,634,811	\$ 1,640,749	\$ 6,011,981	\$ 9,287,541	\$ 3,049,864
Investments	1,994,315	500,000	6,944,958	9,439,273	999,369
Restricted Cash and Investments	-	-	7,794,748	7,794,748	-
TOTAL CASH AND INVESTMENTS	\$ 3,629,126	\$ 2,140,749	\$ 20,751,687	\$ 26,521,562	\$ 4,049,233

See accompanying notes to financial statements.

CITY OF BATAVIA, ILLINOIS

**STATEMENT OF FIDUCIARY NET POSITION
PENSION TRUST FUNDS**

December 31, 2014

	Pension		Agency
	Trust		
<hr/>			
ASSETS			
Cash and Short-Term Investments	\$ 10,000	\$	90,591
Investments, at Fair Value			
Money Market Mutual Funds	1,277,077		-
U.S. Government and Agency Securities	8,759,571		-
Municipal Bonds	772,055		-
Insurance Company Contracts	3,005,197		-
Corporate Bonds	3,904,710		-
Domestic Corporate Equities	3,273,898		-
Equity Mutual Funds	19,215,923		-
Receivables			
Accrued Interest	81,723		-
Prepaid Expenses	1,034		-
Total Assets	<hr/> 40,301,188		<hr/> 90,591
LIABILITIES			
Accounts Payable	10,823		-
Deposits Payable	-		90,591
Due to Others	-		-
Total Liabilities	<hr/> 10,823		<hr/> 90,591
NET POSITION HELD IN TRUST FOR PENSION BENEFITS			
	<hr/> <hr/> \$ 40,290,365	\$	<hr/> <hr/> -

See accompanying notes to financial statements.

CITY OF BATAVIA, ILLINOIS

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION TRUST FUNDS**

For the Year Ended December 31, 2014

ADDITIONS

Contributions	
Employer Contributions	\$ 2,046,807
Employee Contributions	<u>608,410</u>
Total Contributions	<u>2,655,217</u>
Investment Income	
Net Appreciation in Fair Value of Investments	932,191
Interest	<u>1,360,502</u>
Total Investment Income	2,292,693
Less Investment Expense	<u>(209,380)</u>
Net Investment Income	<u>2,083,313</u>
Total Additions	<u>4,738,530</u>

DEDUCTIONS

Pension Benefits	2,054,368
Administration	<u>111,405</u>
Total Deductions	<u>2,165,773</u>

NET INCREASE 2,572,757

**NET POSITION HELD IN TRUST
FOR PENSION BENEFITS**

January 1	<u>37,717,608</u>
December 31	<u>\$ 40,290,365</u>

See accompanying notes to financial statements.

CITY OF BATAVIA, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

December 31, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Batavia, Illinois (the City) was incorporated under a charter granted by the Illinois State Legislature in 1896. The City is a 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 financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to government units (hereinafter referred to as generally accepted accounting principles (GAAP)). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

A. Reporting Entity

The City is a municipal corporation governed by an elected mayor and council. As required by GAAP, these financial statements present the City (the primary government) and its component units. As defined by GAAP established by GASB, the financial reporting entity consists of the primary government, as well as its component units, which are legally separate organizations for which the elected officials of the primary government are financially accountable. Financial accountability is defined as:

- 1) Appointment of a voting majority of the component unit's board and either (a) the ability to impose will by the primary government or (b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government; or
- 2) Fiscal dependency on the primary government.

Based on the above criteria, the City does not have any component units.

B. Fund Accounting

The City uses funds to report on its financial position and the changes in its financial position. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Fund Accounting (Continued)

A fund is a separate accounting entity with a self-balancing set of accounts. The minimum number of funds are maintained consistent with legal and managerial requirements. Funds are classified into the following categories: governmental, proprietary and fiduciary.

Governmental funds are used to account for all or most of the City's general activities. Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. Capital projects funds are used to account for and report financial resources that are restricted, committed or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Debt service funds are used to account for and report financial resources that are restricted, committed or assigned to expenditure for principal and interest. The General Fund is used to account for all activities of the general government not accounted for in some other fund.

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities can be provided either to outside parties (enterprise funds) or to other departments or agencies primarily within the government (internal service funds).

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the government. The City utilizes pension trust funds which are generally used to account for assets that the City holds in a fiduciary capacity. The City also utilizes agency funds to account for assets held by the City in a purely custodial capacity.

C. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the City. The effect of material interfund activity has been eliminated from these statements. Interfund services provided and used are not eliminated on these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Government-Wide and Fund Financial Statements (Continued)

The statement of activities demonstrates the degree to which the direct expenses of a given function, segment or program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues 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 standard revenues that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

The General Fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund.

The City reports the following major proprietary funds:

The Waterworks Fund accounts for the provision of water service to the residents of the City. All activity necessary to provide such services is accounted for in this fund including, but not limited to, administration, operation, maintenance, financing and related debt service and billing and collection.

The Sewerage Fund accounts for the provision of wastewater treatment services to the residents of the City. All activity necessary to provide such services is accounted for in this fund including, but not limited to, administration, operation, maintenance, financing and related debt service and billing and collection.

The Electric Fund accounts for the provision of electric utility services to the residents of the City. All activity necessary to provide such services is accounted for in this fund including, but not limited to, administration, operation, maintenance, financing and related debt service and billing and collection.

The City reports Internal Service Funds to account for the City's self-insured health and workers' compensation insurance programs provided to other departments or agencies of the City on a cost reimbursement basis. These are reported as part of the governmental activities on the government-wide financial statements as they provide services to the City's governmental funds/activities.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Government-Wide and Fund Financial Statements (Continued)

The City reports pension trust funds as fiduciary funds to account for the Police Pension Fund and the Firefighters' Pension Fund. The Escrow Deposit, an agency fund, accounts for refundable deposits held by the City to ensure the completion of public improvements by private developers.

D. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues and additions are recorded when earned and expenses and deductions are recorded when a liability is incurred. Property taxes are recognized as revenues in the year for which they are levied (i.e., intended to finance). Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. 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 expense 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 non-operating revenues and expenses.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period except for sales taxes and telecommunication taxes which are 90 days. Expenditures generally are recorded when a fund liability is incurred. However, debt service expenditures are recorded only when payment is due, unless due the first day of the following year.

Property taxes, sales taxes collected by the state at year end, franchise taxes, licenses, charges for services, restaurant and bar taxes and interest revenue associated with the current fiscal period are all considered to be susceptible to accrual and are recognized as revenues of the current fiscal period. Fines and permit revenue are considered to be measurable and available only when cash is received by the City.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**D. Measurement Focus, Basis of Accounting and Financial Statement Presentation
(Continued)**

In applying the susceptible to accrual concept to intergovernmental revenues (i.e., federal and state grants), the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the City; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and are generally revocable only for failure to comply with prescribed eligibility requirements, such as equal employment opportunity. These resources are reflected as revenues at the time of receipt or earlier if they meet the availability criterion.

The City reports deferred/unavailable/unearned revenue on its financial statements. Deferred/unavailable/unearned revenues arise when a potential revenue does not meet both the measurable and available or earned criteria for recognition in the current period. Deferred/unavailable/unearned revenues also arise when resources are received by the City before it has a legal claim to them or prior to the provision of services, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the City has a legal claim to the resources, the liability for deferred/unavailable/unearned revenue is removed from the financial statements and revenue is recognized.

E. Cash and Investments

Cash and Cash Equivalents

For purposes of the statement of cash flows, the City's proprietary funds consider their equity in pooled cash and all highly liquid investments, including restricted cash, cash with paying agent and investments, with an original maturity of three months or less when purchased to be cash equivalents.

Investments

Investments with a maturity of one year or greater at the time of purchase and all investments of the pension funds are stated at fair value except for non-negotiable certificates of deposit which are recorded at cost. Fair value has been based on quoted market prices at December 31 for debt and equity securities and contract values for insurance contracts. Investments in Illinois Funds, a money market pool created by the Illinois State Legislature under the control of the Illinois State Treasurer, is reported at \$1 per share value, which equals the City's fair value of the pool.

CITY OF BATAVIA, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Interfund Receivables/Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds.”

Advances between funds, as reported in the fund financial statements, are offset by nonspendable fund balance in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

G. Inventories

Inventories are valued at cost, which approximates market, using the first-in/first-out (FIFO) method. The cost of governmental funds inventories are recorded as expenditures using the consumption method.

H. Restricted Assets

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

I. Prepaid Items/Expenses

Payments made to vendors for services that will benefit periods beyond the date of this report are recorded as prepaid items/expenses using the consumption method.

J. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost in excess of the following and an estimated useful life in excess of one year.

Asset Class	Capitalization Threshold
Building and Improvements	\$ 50,000
Machinery and Equipment	50,000
Infrastructure	200,000

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Capital Assets (Continued)

Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs, including street overlays that do not add to the value of the asset or materially extend asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. Property, plant and equipment is depreciated using the straight-line method over the following estimated useful lives:

	<u>Years</u>
Buildings and Improvements	10-45
Machinery and Equipment	3-30
Infrastructure	40-50

K. Compensated Absences

Vested or accumulated vacation and sick leave that is owed to retirees or terminated employees is reported as an expenditure and a fund liability of the governmental fund that will pay it in the fund financial statements, and the remainder is reported in governmental activities. Vested or accumulated vacation and sick leave of proprietary funds and governmental activities at the government-wide level is recorded as an expense and liability as the benefits accrue to employees.

L. Long-Term Obligations

In the government-wide financial statements and proprietary funds 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 financial statements. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Long-Term Obligations (Continued)

In the fund financial statements, governmental funds 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 expenditures.

M. Fund Balance/Net Position

In the fund financial statements, governmental funds report nonspendable fund balance for amounts that are either not in spendable form or legally or contractually required to be maintained intact. Restrictions of fund balance are reported for amounts constrained by legal restrictions from outside parties for a specific purpose, or externally imposed by outside entities. None of the restricted fund balance resulted from enabling legislation adopted by the City. Committed fund balance is constrained by formal actions of the City Council, which is considered the City's highest level of decision-making authority. Formal actions include ordinances approved by the Council. Assigned fund balance represents amounts constrained by the City's intent to use them for a specific purpose. The authority to assign fund balance has been delegated to the Finance Director through the direction and consent of the City Administrator through the fund balance policy adopted by the City Council.

The City has assigned fund balances in the Capital Projects Fund for future improvement projects and equipment and vehicle purchases based on approved management expenditures as determined through the annual budget process. Any residual fund balance of the General Fund is reported as unassigned. The City's policy manual states that the General Fund should maintain a minimum unassigned fund balance of 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 City Council or assigned as determined by the City Administrator or Finance Director under the authority of the City Administrator.

The City's flow of funds assumption prescribes that the funds with the highest level of constraint are expended first. If restricted or unrestricted funds are available for spending, the restricted funds are spent first. Additionally, if different levels of unrestricted funds are available for spending, the City considers committed funds to be expended first, followed by assigned and then unassigned funds.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. Fund Balance/Net Position (Continued)

In the government-wide financial statements, restricted net position is legally restricted by outside parties for a specific purpose. Net investment in capital assets represents the City's investment in the book value of capital assets, less any outstanding debt that was issued to construct or acquire the capital asset.

N. Interfund Transactions

Interfund services transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except interfund services transactions and reimbursements, are reported as transfers.

O. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has only one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from one source: property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

P. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows, liabilities and deferred inflows and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

2. CASH 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'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 - The City's investment policy authorizes the City to make deposits/invest in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States Government or agreements to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services and Illinois Funds.

The Police Pension and Firefighters' Pension Funds investment policies also allow for investing in certain non-U.S. obligations, Illinois municipal corporations tax anticipation warrants, veteran's loans, corporate bonds, obligations of the State of Illinois and its political subdivisions, Illinois insurance company general and separate accounts, mutual funds and equity securities.

It is the policy of the City to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting daily cash flow demands and conforming to all state and local statutes governing the investment of public funds, using the "prudent person" standard for managing the overall portfolio. The primary objectives of the policy are safety (preservation of capital and protection of investment principal), liquidity and yield.

CITY OF BATAVIA, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

2. CASH AND INVESTMENTS (Continued)

City Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of a bank's failure, the City's deposits may not be returned to it. The City's investment policy requires pledging of collateral with a fair value of 102% of all bank balances in excess of federal depository insurance with the collateral held by an agent of the City in the City's name. Pledged collateral will be held in safekeeping by an independent third party depository designated by the City and evidenced by a safekeeping agreement.

City Investments

The following table presents the investments and maturities of the City's debt securities as of December 31, 2014:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
U.S. Agency Securities	\$ 5,963,336	\$ -	\$ 5,963,336	\$ -	\$ -
Negotiable CD's	3,995,355	2,747,546	1,247,809	-	-
TOTAL	\$ 9,958,691	\$ 2,747,546	\$ 7,211,145	\$ -	\$ -

Interest rate risk is the risk that change in interest rates will adversely affect the fair value of an investment. In accordance with its investment policy, the City limits its 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.

The City limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing in U.S. Treasury obligations and U.S. Government agency notes. The U.S. agency securities are rated AA+ by Standard and Poor's. The City's investment in Illinois Funds was rated AAAm by Standard and Poor's. The negotiable CD's are not rated but are FDIC insured.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the City will not be able to recover the value of its investments that are in possession of an outside party. To limit its exposure, the City's investment policy requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment (DVP) basis with the underlying investments held by a third party acting as the City's agent separate from where the investment was purchased. Illinois Funds and the money market mutual funds are not subject to custodial credit risk.

CITY OF BATAVIA, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

2. CASH AND INVESTMENTS (Continued)

City Investments (Continued)

Concentration of credit risk 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 Funds investment pool shall not exceed 50% of the investment portfolio.

The City's investment policy does not specifically prohibit the use of or the investment in derivatives.

Police and Firefighters' Pension Funds Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of a bank's failure, the Police and Firefighters' Pension Funds' deposits may not be returned to them. The Police and Firefighters' Pension Funds' investment policies do not require pledging of collateral for bank balances in excess of federal depository insurances, since flow-through FDIC insurance is available for the Police and Firefighters' Pension Funds' deposits with financial institutions.

Police Pension Fund Investments

The following table presents the investments and maturities of the Police Pension Fund's debt securities as of December 31, 2014:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
Corporate Bonds	\$ 3,904,710	\$ 96,639	\$ 812,911	\$ 2,149,779	\$ 845,381
U.S. Treasuries	2,189,915	-	1,326,970	491,990	370,955
U.S. Agencies	2,076,916	431,989	49,872	-	1,595,055
TOTAL	\$ 8,171,541	\$ 528,628	\$ 2,189,753	\$ 2,641,769	\$ 2,811,391

In accordance with its investment policy, the Police Pension Fund limits its exposure to interest rate risk by structuring the portfolio to remain sufficiently liquid to enable the Police Pension Fund to pay all necessary benefits and meet all operating requirements which might be reasonably anticipated.

CITY OF BATAVIA, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

2. CASH AND INVESTMENTS (Continued)

Police Pension Fund Investments (Continued)

The Police Pension Fund limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing in obligations guaranteed by the United States Government, securities issued by agencies of the United States Government that are implicitly guaranteed by the United States Government and high grade corporate bonds. The U.S. agencies are rated AA+ by Standard and Poor's. The Fund's corporate bonds are rated between Aa1 and Ba2 by Moody's.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Police Pension Fund will not be able to recover the value of its investments that are in possession of an outside party. To limit its exposure, the Police Pension Fund's investment policy requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment (DVP) basis with the underlying investments held by a third party acting as the Police Pension Fund's agent separate from where the investment was purchased in the Police Pension Fund's name. The money market mutual funds and mutual funds are not subject to custodial credit risk.

Concentration of credit risk - The Police Pension Fund's investment policy specifies the following preferred asset allocations by investment type:

The Police Pension Fund's investment policy has a stated target that 47% of its portfolio be in fixed income securities, 50% target in equities (further stratified within Domestic Large and Small/Mid Cap, International, Preferred and Tactical AA categories) with the remaining 3% cash and equivalents; actual investment allocations may vary within a range above or below the target specified in the policy.

Firefighters' Pension Fund Investments

The following table presents the investments and maturities of the Firefighters' Pension Fund's debt securities as of December 31, 2014:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
Municipal Bonds	\$ 772,055	\$ -	\$ 278,856	\$ 425,639	\$ 67,560
U.S. Treasuries	942,215	121,200	510,406	310,609	-
U.S. Agencies	3,550,525	101,033	1,600,183	1,849,309	-
TOTAL	\$ 5,264,795	\$ 222,233	\$ 2,389,445	\$ 2,585,557	\$ 67,560

2. CASH AND INVESTMENTS (Continued)

Firefighters' Pension Fund Investments (Continued)

In accordance with its investment policy, the Firefighters' Pension Fund limits its exposure to interest rate risk by structuring the portfolio to remain sufficiently liquid to enable the Firefighters' Pension Fund to pay all necessary benefits and meet all operating requirements which might be reasonably anticipated.

The Firefighters' Pension Fund limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, 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 U.S. agencies are rated AA+ by Standard and Poor's. The Fund's municipal bonds are also exposed to credit risk and are rated between Aaa and A3 by Moody's.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Firefighters' Pension Fund will not be able to recover the value of its investments that are in possession of an outside party. To limit its exposure, the Firefighters' Pension Fund's investment policy requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment (DVP) basis with the underlying investments held by a third party acting as the Firefighters' Pension Fund's agent separate from where the investment was purchased in the Firefighters' Pension Fund's name. The money market mutual funds and mutual funds are not subject to custodial credit risk.

Concentration of credit risk - The Firefighters' Pension 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.

3. RECEIVABLES

A. Property Taxes

Property taxes for the 2014 levy year attach as an enforceable lien on January 1, 2014, 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 the County and issued on or about May 1, 2015 and August 1, 2015, and are payable in two installments, on or about June 1, 2015 and September 1, 2015. The County collects such taxes and remits them periodically.

CITY OF BATAVIA, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

3. RECEIVABLES (Continued)

A. Property Taxes (Continued)

The City has elected, under governmental accounting standards, to match its property tax revenues to the fiscal year that the tax levy is intended to finance. Therefore, the entire 2014 tax levy has been recorded as deferred/unavailable/unearned revenue on the financial statements.

B. Notes Receivable

The City has several loan programs which provide loans to local businesses for developments and improvements, including the Community Development Assistance Program (CDAP). Funding for the CDAP loan program is provided by the Illinois Department of Commerce and Economic Opportunity. The Tax Increment Financing (TIF) loans are funded by monies restricted in the Tax Increment Financing #1 Fund.

The following is a summary of changes in notes receivable during the fiscal year:

Fund/Loan	Balances January 1	Issuances	Repayments	Balances December 31
General Fund				
Confident Air - \$20,000 CDAP loan dated May 2011, due monthly with interest at 3.25% through June 2014.	\$ 3,470	\$ -	\$ 3,470	\$ -
Performance Chiropractic - \$25,000 CDAP loan dated September 2012, due monthly with interest at 3.25% through September 2012.	14,189	-	8,420	5,769
R Kid's Closet - \$12,500 CDAP loan dated April 2012, due monthly with interest at 3.25% through April 2015.	5,357	-	4,268	1,089
Vasilion Architects, Inc. - \$20,000 CDAP loan dated May 2011, due monthly with interest at 3.25% through May 2014.	2,320	-	2,320	-
C-Storm Electronics - \$25,000 CDAP loan dated October 2013, due monthly with interest at 3.25% through October 2016.	23,673	-	8,108	15,565
Total General Fund	49,009	-	26,586	22,423

CITY OF BATAVIA, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

3. RECEIVABLES (Continued)

B. Notes Receivable (Continued)

Fund/Loan	Balances January 1	Issuances	Repayments	Balances December 31
Tax Increment Financing #1 Fund				
Pal Joeys - \$75,000 TIF loan dated August 2012, due monthly with interest at 3.5% through August 2017.	\$ 56,263	\$ -	\$ 14,637	\$ 41,626
Bruce Harris - \$41,121 TIF loan dated September 2010, due monthly with interest at 3.5% through September 2015.	15,217	-	8,581	6,636
Robbins Flowers - \$168,000 TIF loan dated December 2010, due monthly starting July 2013 with interest at 2.5% through June 2018.	152,360	-	32,394	119,966
Gaetano's - \$75,000 TIF loan dated May 2014, due monthly starting September 2014 with interest at 2.75% through September 2019.	-	75,000	4,230	70,770
Aliano's - \$63,971 TIF loan dated September 2014, due monthly starting March 2015 with interest at 2.75% through February 2020.	-	63,971	(218)	64,189
Batavia Art Center - \$85,000 TIF loan dated August 2009, forgivable at 10% per year through July 2019.	51,000	-	8,500	42,500
Total Tax Increment Financing #1 Fund	274,840	138,971	68,124	345,687
TOTAL NOTES RECEIVABLE	\$ 323,849	\$ 138,971	\$ 94,710	\$ 368,110

CITY OF BATAVIA, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

4. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2014 was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
GOVERNMENTAL ACTIVITIES				
Capital Assets not Being Depreciated				
Land	\$ 19,814,962	\$ -	\$ 1,286,818	\$ 18,528,144
Construction in Progress	3,720,199	292,210	-	4,012,409
Total Capital Assets not Being Depreciated	<u>23,535,161</u>	<u>292,210</u>	<u>1,286,818</u>	<u>22,540,553</u>
Capital Assets Being Depreciated				
Structures and Improvements	19,050,052	-	-	19,050,052
Machinery and Equipment	5,135,445	365,040	67,430	5,433,055
Infrastructure	67,467,251	191,530	244,003	67,414,778
Total Capital Assets Being Depreciated	<u>91,652,748</u>	<u>556,570</u>	<u>311,433</u>	<u>91,897,885</u>
Less Accumulated Depreciation for				
Structures and Improvements	4,293,832	542,139	-	4,835,971
Machinery and Equipment	2,647,963	293,821	64,803	2,876,981
Infrastructure	23,699,370	1,465,451	27,464	25,137,357
Total Accumulated Depreciation	<u>30,641,165</u>	<u>2,301,411</u>	<u>92,267</u>	<u>32,850,309</u>
Total Capital Assets Being Depreciated, Net	<u>61,011,583</u>	<u>(1,744,841)</u>	<u>219,166</u>	<u>59,047,576</u>
GOVERNMENTAL ACTIVITIES				
CAPITAL ASSETS, NET				
	<u>\$ 84,546,744</u>	<u>\$ (1,452,631)</u>	<u>\$ 1,505,984</u>	<u>\$ 81,588,129</u>
	Beginning Balances*	Increases	Decreases	Ending Balances
BUSINESS-TYPE ACTIVITIES				
Capital Assets not Being Depreciated				
Land	\$ 1,117,833	\$ -	\$ -	\$ 1,117,833
Construction in Progress	5,776,560	37,023	5,160,952	652,631
Total Capital Assets not Being Depreciated	<u>6,894,393</u>	<u>37,023</u>	<u>5,160,952</u>	<u>1,770,464</u>

CITY OF BATAVIA, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

4. CAPITAL ASSETS (Continued)

	Beginning Balances*	Increases	Decreases	Ending Balances
BUSINESS-TYPE ACTIVITIES (Continued)				
Capital Assets Being Depreciated				
Structures and Improvements	\$ 17,071,981	\$ -	\$ 379,033	\$ 16,692,948
Wells and Well System	3,634,937	-	-	3,634,937
Machinery and Equipment	1,905,203	326,186	144,447	2,086,942
Electric System	63,009,566	6,231,633	882,769	68,358,430
Water/Sewer System	68,146,284	1,599,961	-	69,746,245
Total Capital Assets Being Depreciated	<u>153,767,971</u>	<u>8,157,780</u>	<u>1,406,249</u>	<u>160,519,502</u>
Less Accumulated Depreciation for				
Structures and Improvements	3,798,198	449,282	379,033	3,868,447
Wells and Well System	1,196,449	92,720	-	1,289,169
Machinery and Equipment	1,084,581	140,995	138,059	1,087,517
Electric System	23,627,615	2,181,473	625,641	25,183,447
Water/Sewer System	26,762,734	1,972,511	-	28,735,245
Total Accumulated Depreciation	<u>56,469,577</u>	<u>4,836,981</u>	<u>1,142,733</u>	<u>60,163,825</u>
Total Capital Assets Being Depreciated, Net	<u>97,298,394</u>	<u>3,320,799</u>	<u>263,516</u>	<u>100,355,677</u>
BUSINESS-TYPE ACTIVITIES				
CAPITAL ASSETS, NET	<u>\$ 104,192,787</u>	<u>\$ 3,357,822</u>	<u>\$ 5,424,468</u>	<u>\$ 102,126,141</u>

*Some items have been reclassified among the above categories.

Depreciation expense was charged to functions/programs of the primary government as follows:

GOVERNMENTAL ACTIVITIES	
General Government	\$ 107,295
Public Safety	476,897
Highways and Streets, Including Depreciation of General Infrastructure Assets	<u>1,717,219</u>
TOTAL DEPRECIATION EXPENSE - GOVERNMENTAL ACTIVITIES	<u>\$ 2,301,411</u>

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

BUSINESS-TYPE ACTIVITIES	
Waterworks	\$ 1,336,541
Sewerage	989,718
Electric	<u>2,510,722</u>
TOTAL DEPRECIATION EXPENSE - BUSINESS-TYPE ACTIVITIES	<u>\$ 4,836,981</u>

CITY OF BATAVIA, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

5. LONG-TERM DEBT

A. 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 proprietary 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	Current Portion
\$1,435,000 General Obligation Refunding Bond Series of 2009B due in annual installments of \$270,000 to \$310,000, plus interest of 2.5% to 3.5% through December 15, 2014.	Debt Service	\$ 310,000	\$ -	\$ 310,000	\$ -	\$ -
\$7,150,000 General Obligation Refunding Bond Series of 2012A due in annual installments of \$10,000 to \$705,000, plus interest of 2% to 4% through January 1, 2026.	Debt Service	7,140,000	-	40,000	7,100,000	485,000
\$1,530,000 General Obligation Refunding Bond Series of 2012 due in annual installments of \$25,000 to \$135,000, plus interest of 2% to 3% through January 1, 2025.	Debt Service	1,505,000	-	115,000	1,390,000	115,000
\$9,120,000 General Obligation Refunding Bonds Series of 2013 due in annual installments of \$355,000 to \$1,070,000, plus interest of 2% to 4% through November 1, 2024.	Waterworks/ Sewerage	8,650,000	-	975,000	7,675,000	990,000
TOTAL		\$ 17,605,000	\$ -	\$ 1,440,000	\$ 16,165,000	\$ 1,590,000

CITY OF BATAVIA, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

5. LONG-TERM DEBT (Continued)

B. Alternate Revenue Bonds

The City has also issued general obligation alternate revenue bonds where the City has pledged sales tax or sewer revenues for the payment of bond principal and interest. Alternate revenue bonds are 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	Current Portion
\$10,000,000 General Obligation Alternate Revenue Bond Series of 2006, due in annual installments of \$320,000 to \$740,000, plus interest of 4.0% to 4.5% through January 1, 2026.	Debt Service	\$ 425,000	\$ -	\$ 425,000	\$ -	\$ -
\$951,083 Taxable General Obligation Alternate Revenue Bond Series of 2010, due in annual installments of \$86,031 to \$110,911, plus interest of 1.15% to 4.80% through December 15, 2020.	Sewerage	691,479	-	89,198	602,281	91,518
TOTAL		\$ 1,116,479	\$ -	\$ 514,198	\$ 602,281	\$ 91,518

C. Revenue Bonds

The City also issues bonds for which the City pledges income derived from the acquired or constructed assets to pay debt service. Revenue bonds currently outstanding are as follows:

Issue	Fund Debt Retired by	Balance January 1	Issuances	Retirements	Balance December 31	Current Portion
\$26,870,000 Revenue Bond Series of 2006, due in annual installments of \$285,000 to \$1,630,000, plus interest at 3.5% to 4.5% rates through January 1, 2037.	Electric	\$ 25,065,000	\$ -	\$ 630,000	\$ 24,435,000	\$ 665,000

CITY OF BATAVIA, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

5. LONG-TERM DEBT (Continued)

D. IEPA Loans

The City, through the Illinois Environmental Protection Agency (IEPA), receives low interest loans for the construction of water and sewer facilities. The final debt is due in semiannual installments over a 20-year period plus interest. IEPA loans currently outstanding are as follows:

Issue	Fund Debt Retired by	Balances January 1	Issuances	Retirements	Balances December 31	Current Portion
IEPA Water Series of 2004 due in annual installments of \$210,122 including interest at 2.5% through November 1, 2024.	Waterworks	\$ 2,009,879	\$ -	\$ 160,875	\$ 1,849,004	\$ 164,922
IEPA Water Series of 2005 due in annual installments of \$32,675 including interest at 2.5% through November 1, 2024.	Waterworks	312,545	-	25,017	287,528	25,646
IEPA Water Series of 2006 due in annual installments of \$191,127 including interest at 2.5% through September 26, 2026.	Waterworks	2,110,162	-	139,237	1,970,925	142,740
IEPA Water Series of 2006 due in annual installments of \$99,042 including interest at 2.5% through September 26, 2026.	Waterworks	1,093,487	-	72,154	1,021,333	73,968
TOTAL		<u>\$ 5,526,073</u>	<u>\$ -</u>	<u>\$ 397,283</u>	<u>\$ 5,128,790</u>	<u>\$ 407,276</u>

CITY OF BATAVIA, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

5. LONG-TERM DEBT (Continued)

E. Debt Service Requirements to Maturity

Year Ending December 31,	General Obligation Bonds			
	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2015	\$ 600,000	\$ 240,275	\$ 990,000	\$ 169,148
2016	620,000	223,075	1,010,000	149,347
2017	645,000	202,200	1,030,000	129,147
2018	660,000	182,625	1,050,000	108,548
2019	685,000	162,450	1,070,000	87,547
2020	700,000	142,300	1,050,000	66,147
2021	730,000	122,125	355,000	45,148
2022	750,000	101,062	365,000	38,048
2023	775,000	79,181	370,000	30,200
2024	795,000	56,559	385,000	15,400
2025	825,000	33,103	-	-
2026	705,000	10,575	-	-
TOTAL	\$ 8,490,000	\$ 1,555,530	\$ 7,675,000	\$ 838,680

Year Ending December 31,	Alternate Revenue Bonds			
	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2015	\$ -	\$ -	\$ 91,518	\$ 15,819
2016	-	-	94,355	14,003
2017	-	-	97,751	11,829
2018	-	-	101,662	9,327
2019	-	-	106,084	9,496
2020	-	-	110,911	3,407
TOTAL	\$ -	\$ -	\$ 602,281	\$ 63,881

CITY OF BATAVIA, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

5. LONG-TERM DEBT (Continued)

E. Debt Service Requirements to Maturity (Continued)

Year Ending December 31,	Revenue Bonds	
	Business-Type Activities	
	Principal	Interest
2015	\$ 655,000	\$ 1,048,006
2016	680,000	1,021,806
2017	710,000	994,606
2018	735,000	966,206
2019	765,000	936,806
2020	795,000	906,206
2021	830,000	874,406
2022	865,000	840,376
2023	900,000	804,694
2024	935,000	766,894
2025	975,000	727,156
2026	1,020,000	685,718
2027	1,060,000	642,368
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	\$ 24,435,000	\$ 14,739,380

CITY OF BATAVIA, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

5. LONG-TERM DEBT (Continued)

E. Debt Service Requirements to Maturity (Continued)

Year Ending December 31,	IEPA Loans	
	Business-Type Activities	
	Principal	Interest
2015	\$ 407,276	\$ 125,690
2016	417,521	115,445
2017	428,024	104,941
2018	438,795	94,172
2019	449,832	83,134
2020	461,146	71,820
2021	472,748	60,218
2022	484,641	48,325
2023	496,832	36,134
2024	509,329	23,636
2025	277,829	12,341
2026	284,816	5,353
TOTAL	\$ 5,128,789	\$ 781,209

F. Changes in Long-Term Liabilities

The following is a summary of changes in long-term liabilities for the year ended December 31, 2014:

	Balances January 1	Additions	Reductions	Balances December 31	Current Portion
GOVERNMENTAL ACTIVITIES					
General Obligation Bonds	\$ 8,955,000	\$ -	\$ 465,000	\$ 8,490,000	\$ 600,000
Alternate Revenue Bonds	425,000	-	425,000	-	-
Compensated Absences*	871,751	286,143	174,350	983,544	196,709
Net Pension Obligation*	50,191	-	48,739	1,452	-
Net Other Postemployment Benefit*	149,256	137,847	-	287,103	-
Unamortized Premium	384,631	-	29,808	354,823	-
TOTAL GOVERNMENTAL ACTIVITIES	\$ 10,835,829	\$ 423,990	\$ 1,142,897	\$ 10,116,922	\$ 796,709

* The General Fund has typically been used in prior years to liquidate the compensated absences liability, the net pension obligation and the other postemployment benefit obligation.

CITY OF BATAVIA, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

5. LONG-TERM DEBT (Continued)

F. Changes in Long-Term Liabilities

	Balances January 1	Additions	Reductions	Balances December 31	Current Portion
BUSINESS-TYPE ACTIVITIES					
General Obligation Bonds	\$ 8,650,000	\$ -	\$ 975,000	\$ 7,675,000	\$ 990,000
Alternate Revenue Bonds	691,479	-	89,198	602,281	91,518
Revenue Bonds	25,065,000	-	630,000	24,435,000	655,000
IEPA Loans	5,526,073	-	397,283	5,128,790	407,276
Compensated Absences	399,837	123,838	79,967	443,708	88,742
Unamortized Premium	310,946	-	35,237	275,709	-
TOTAL BUSINESS-TYPE ACTIVITIES	\$ 40,643,335	\$ 123,838	\$ 2,206,685	\$ 38,560,488	\$ 2,232,536

G. Revenue Bond Disclosures

Electric Fund - The revenue bond ordinances require that all monies held in the Electric Fund be segregated and restricted in 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	Amount sufficient to provide account aggregate of \$1,705,719	Paying principal and interest on the bonds if there is an insufficiency in bond and interest
Depreciation	Initial deposit of \$2,000,000 or \$100,000 per month until the account aggregates \$2,000,000	Paying principal and interest on the bonds if there is insufficient money in the bond and interest account or bond reserve account; cost of extraordinary repairs and replacements to the system
Surplus	The amount remaining after payment into the above four accounts	Improvement and extension of the waterworks and sewerage system or any other lawful corporate purpose

5. LONG-TERM DEBT (Continued)

G. Revenue Bond Disclosures (Continued)

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

Electric

Number of Electric Customers by Class

Residential	9,542
Commercial	1,331
Industrial	11
Kwh of Energy Purchased	490,692,956
Average Cost per kWh	\$ 0.08

H. Alternate Revenue Source Bonds

The Series 2010 Taxable General Obligation Alternate Revenue Source Bond is payable from a pledge of the City’s sewer operations revenue. The bond has a remaining total pledge of \$666,162, with the bonds maturing December 15, 2020. During the current fiscal year, the pledge of sewer revenues of \$106,501 was approximately 2.4% of total available pledged revenues.

I. Legal Debt Margin

The City is a home rule municipality. Chapter 65, Section 5/8-5-1 of the Illinois Compiled Statutes governs computation of the legal debt margin.

“The General Assembly may limit by law the amount and require referendum approval of debt to be incurred by home rule municipalities, payable from ad valorem property tax receipts, only in excess of the following percentages of the assessed value of its taxable property ... (2) if its population is more than 25,000 and less than 500,000 an aggregate of one percent: ... indebtedness which is outstanding on the effective date (July 1, 1971) of this constitution or which is thereafter approved by referendum... shall not be included in the foregoing percentage amounts.”

To date the General Assembly has set no limits for home rule municipalities.

CITY OF BATAVIA, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

6. 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; injuries to employees; illnesses of employees; and natural disasters. The City is partially self-insured for medical, dental, life and workers' compensation benefits and accounts for these benefits in the Health Insurance and Workers' Compensation Insurance Funds. Under this program, the City provides coverage up to a maximum of \$120,000 per individual's health claims paid and \$650,000 per individual for workers' compensation claims paid. The remainder of the City's risk management activity is also reported in the Self-Insurance Fund and is provided for through private insurance coverage, including general and other liabilities.

Funds of the City participate and make payments to the Self-Insurance Fund based upon estimates of the amounts needed to pay prior and current year claims. Liabilities of the Self-Insurance 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 for claims that have been incurred but not reported (IBNR). Claim 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:

	2014	2013
UNPAID CLAIMS - BEGINNING OF YEAR	\$ 1,177,329	\$ 664,171
Incurred Claims (Including IBNR)	3,571,634	4,641,106
Claims Payments	(3,486,686)	(4,127,948)
UNPAID CLAIMS - END OF YEAR	<u>\$ 1,262,277</u>	<u>\$ 1,177,329</u>

7. INTERFUND ASSETS/LIABILITIES

A. Due From/To Other Funds

	Due From	Due To
General		
Nonmajor Governmental	\$ 49,537	\$ -
Nonmajor Governmental		
General	-	49,537
Nonmajor Governmental	500,000	500,000
TOTAL	<u>\$ 549,537</u>	<u>\$ 549,537</u>

CITY OF BATAVIA, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

7. INTERFUND ASSETS/LIABILITIES (Continued)

A. Due From/To Other Funds (Continued)

The purpose of significant due from/to other funds is as follows:

- \$49,537 due to the General Fund from the Capital Projects Fund for short-term cash borrowing. Repayment is expected within one year.
- \$500,000 from one Nonmajor Governmental Fund to another Nonmajor Governmental Fund for short-term cash borrowing. Repayment is expected within one year.

B. Interfund Transfers

Interfund transfers between funds for the year ended December 31, 2014 were as follows:

	Transfers In	Transfers Out
General		
Nonmajor Governmental	\$ 12,257	\$ 1,268,150
Nonmajor Governmental		
General	1,268,150	12,257
Nonmajor Governmental	2,174,196	2,174,196
TOTAL	\$ 3,454,603	\$ 3,454,603

The purpose of significant transfers is as follows:

- \$1,268,150 transferred from the General Fund to the Nonmajor Governmental Funds and includes, \$698,150 to the Debt Service Fund for debt payments and \$570,000 to the Capital Projects Fund for project funding. These transfers will not be repaid.
- \$2,174,195 transferred from the Motor Fuel Tax Fund to the Capital Project Fund to separate out non Motor Fuel Tax Fund contributions formerly deposited in the Motor Fuel Tax Fund, \$13,097 within the Capital Projects Fund. These transfers will not be repaid.

8. CONTINGENT LIABILITIES

A. Litigation

The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the City's attorney that the resolution of these matters will not have a material adverse effect on the financial condition of the City.

B. 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.

9. COMMITMENTS

Northern Illinois Municipal Power Agency

On May 24, 2004, the City entered into a contract with the cities of Rochelle, Geneva and Geneseo to form a municipal power agency called Northern Illinois Municipal Power Agency (NIMPA). NIMPA declared its intent to acquire from Prairie State Generating Company, LLC an undivided ownership interest as a tenant-in-common in an approximately 1,620 mega-watt "mine mouth" coal fired power generating facility located in Washington County, Illinois, along with certain coal reserves, other related tangible and intangible property and related costs. This ownership interest is referred to as the Prairie State Project. On November 4, 2004, the City entered into the Peabody Prairie State Project Committee Agreement along with other NIMPA members for the purpose of allocating the preliminary costs of developing and negotiating the documents and agreements necessary to enable NIMPA to acquire ownership interest in the Prairie State Project. On January 24, 2005, the City agreed to enter into additional agreements with the other NIMPA members in order to participate in the Prairie State Project.

The project was completed and placed in service during 2012. At December 31, 2014, total utility plant assets (exclusive of construction work in progress) were \$464.7 million and accumulated depreciation was approximately \$31.5 million. The City has a 45.83% entitlement share of NIMPA's 7.6% ownership interest in the Prairie State Generating Company, LLC.

NIMPA's outstanding debt service obligation is to be paid by its members through their wholesale power charges through the remainder of the long-term contract, which is \$513.5 million as of December 31, 2014.

10. OTHER POSTEMPLOYMENT BENEFITS

A. Plan Description

In addition to providing pension benefits described, the City provides postemployment health care 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 Self-Insurance Fund.

B. Benefits Provided

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

C. Membership

At December 31, 2014, membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits	26
Active Employees	
Vested	37
Nonvested	133
	<hr/>
TOTAL	196
	<hr/>
Participating Employers	1
	<hr/>

CITY OF BATAVIA, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

10. OTHER POSTEMPLOYMENT BENEFITS (Continued)

D. Funding Policy

The City is not required to and currently does not advance fund the cost of benefits that will become due and payable in the future. The City negotiates the contribution percentages between the City and employees through the union contracts and personnel policy. All retirees contribute 100% percentage of the actuarially determined premium to the plan. For the year ended December 31, 2014, retirees contributed \$209,169. Active employees do not contribute to the plan until retirement.

E. Annual OPEB Costs and Net OPEB Obligation

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for the most recent three years is as follows:

Year Ended	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2012	\$ 183,555	\$ 175,533	95.6%	\$ 114,047
2013	282,048	246,839	87.5%	149,256
2014	299,990	162,143	54.0%	287,103

The net OPEB obligation (NOPEBO) as December 31, 2014 was calculated as follows:

Annual Required Contribution	\$ 298,995
Interest on Net OPEB Obligation	5,970
Adjustment to Annual Required Contribution (ARC)	<u>(4,975)</u>
Annual OPEB Cost	299,990
Contributions Made	<u>162,143</u>
Increase in Net OPEB Obligation	137,847
Net OPEB Obligation, Beginning of Year	<u>149,256</u>
NET OPEB OBLIGATION, END OF YEAR	<u>\$ 287,103</u>

10. OTHER POSTEMPLOYMENT BENEFITS (Continued)

E. Annual OPEB Costs and Net OPEB Obligation (Continued)

Funded Status and Funding Progress. The funded status of the plan as of December 31, 2014 (date of last actuarial valuation) was as follows:

Actuarial Accrued Liability (AAL)	\$ 5,019,010
Actuarial Value of Plan Assets	-
Unfunded Actuarial Accrued Liability (UAAL)	5,019,010
Funded Ratio (Actuarial Value of Plan Assets/AAL)	0.00%
Covered Payroll (Active Plan Members)	11,869,999
UAAL as a Percentage of Covered Payroll	42.28%

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 trend. Amounts determined regarding the funded status of the plan and the ARCs 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 financial statements, presents multi-year 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, 2014 actuarial valuation, the entry-age actuarial cost method was used. The actuarial assumptions included 4% investment rate of return (net of administrative expenses) and an initial annual healthcare cost trend rate of 7.5% with an ultimate healthcare cost trend rate of 5.5%. Both rates include a 3% inflation assumption. The actuarial value of assets was not determined as the City has not advance funded its obligation. The plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at December 31, 2014 was 30 years.

11. DEFINED BENEFIT PENSION PLANS

The City contributes to three defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), an 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. The benefits, benefit levels, employee contributions and employer contributions for all three plans are governed by Illinois Compiled Statutes (ILCS) and can only be amended by the Illinois General Assembly. Separate reports are issued for the Police and Firefighters' Pension Plans and may be obtained by writing to the City at 100 North Island Avenue, Batavia, Illinois 60510. IMRF does issue a publicly available report that includes financial statements and supplementary information for the plan as a whole, but not for individual employers. That report can be obtained online at www.imrf.org.

A. Plan Descriptions

Illinois Municipal Retirement Fund

All employees (other than those covered by the Police or Firefighters' Pension Plans) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members.

IMRF provides two tiers of pension benefits. Employees hired prior to January 1, 2011, are eligible for Tier 1 benefits. For Tier 1 employees, pension benefits vest after eight years of service. Participating members who retire at age 55 (reduced benefits) or after age 60 (full benefits) with eight years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter.

Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating members who retire at age 62 (reduced benefits) or after age 67 (full benefits) with ten years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter.

IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute. Participating members are required to contribute 4.5% of their annual salary to IMRF. The City is required to contribute the remaining amounts necessary to fund IMRF as specified by statute. The employer contribution and annual required contribution rate for calendar year 2014 was 13.53%.

CITY OF BATAVIA, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

11. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Police Pension Plan

Police sworn personnel are covered by the Police Pension Plan. Although this is a single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/3-1) and may be amended only by the Illinois legislature. The City accounts for the Police Pension Plan as a pension trust fund. At December 31, 2014, the Police Pension Plan membership consisted of:

Retiree and Beneficiaries Currently Receiving Benefits	29
Terminated Plan Members Entitled to but not yet Receiving Benefits	1
Active Plan Members	
Vested	28
Nonvested	11
	69
TOTAL	69

The Police Pension Plan provides retirement benefits as well as death and disability benefits. Tier 1 employees (those hired prior to January 1, 2011) attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one-half of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a police officer who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original pension and 3% compounded annually thereafter.

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with ten or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the police officer during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Police officers' salary for pension purposes is capped at \$106,800, plus the lesser of ½ of the annual change in the Consumer Price Index or 3% compounded. The annual benefit 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

11. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Police Pension Plan (Continued)

of 75% of such salary. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e., ½% for each month under 55). The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1st after the police officer retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3% or ½ of the change in the Consumer Price Index for the proceeding calendar year. The City is required to finance the Police Pension Plan.

Employees are required by ILCS 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. Contributions are recognized 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. The costs of administering the Police Pension Plan are financed through investment earnings. The City is required to contribute the remaining amounts necessary to finance the Police Pension Plan as actuarially determined by an enrolled actuary. Effective January 1, 2011, the City has until the year 2040 to fund 90% of the past service cost for the Police Pension Plan. For the year ended December 31, 2014, the City’s contribution was 37.12% of covered payroll.

Firefighters’ Pension Plan

Fire sworn personnel are covered by the Firefighters’ Pension Plan. Although this is a single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/4-1) and may be amended only by the Illinois legislature. The City accounts for the Firefighters’ Pension Plan as a pension trust fund. At December 31, 2014, the Firefighters’ Pension Plan membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits	11
Terminated Plan Members Entitled to but not yet Receiving Benefits	2
Active Plan Members	
Vested	16
Nonvested	6
	<hr/>
TOTAL	<u>35</u>

11. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

The Firefighters' Pension Plan provides retirement benefits as well as death and disability benefits. Tier 1 employees (those hired prior to January 1, 2011) attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one-half of the salary attached to the rank held at the date of retirement. The annual benefit shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least ten years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a covered employee 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.

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with ten or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the firefighter during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Firefighters' salary for pension purposes is capped at \$106,800, plus the lesser of ½ of the annual change in the Consumer Price Index or 3% compounded. The annual benefit shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e., ½% for each month under 55). The monthly benefit of a Tier 2 firefighter shall be increased annually at age 60 on the January 1st after the firefighter retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3% or ½ of the change in the Consumer Price Index for the preceding calendar year.

Covered employees are required to contribute 9.455% of their base salary to the Firefighters' Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. Contributions are recognized 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. The costs of administering the Firefighters' Pension Plan are financed through investment earnings. The City is required to finance the Firefighters' Pension Plan as actuarially

CITY OF BATAVIA, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

11. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

determined by an enrolled actuary. Effective January 1, 2011, the City has until the year 2040 to fund 90% of the past services costs for the Firefighters' Pension Plan. For the year ended December 31, 2014, the City's contribution was 34.13% of covered payroll.

B. Significant Investments

The following are investments (other than U.S. Government guaranteed obligations) in any one organization that represent 5.00% or more of plan net position for either the Police or Firefighters' Pension Plans. Information for IMRF is not available.

Plan	Organization	Amount
Police Pension	ETF Guggenheim Fund	\$ 1,889,035
Police Pension	First Trust Exchange Fund	1,471,682
Police Pension	iShares Russell 3000 Fund	1,703,377
Police Pension	PIMCO All Assets Fund	1,816,777
Firefighters' Pension	Sun Life Insurance Contract	810,453
Firefighters' Pension	T Rowe Price Growth Fund	1,222,379
Firefighters' Pension	Vanguard 500 Index Fund	1,261,542

CITY OF BATAVIA, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

11. DEFINED BENEFIT PENSION PLANS (Continued)

C. Annual Pension Costs

Employer contributions have been determined as follows:

	Illinois Municipal Retirement	Police Pension	Firefighters' Pension
Actuarial Valuation Date	December 31, 2012	December 31, 2012	December 31, 2012
Actuarial Cost Method	Entry-Age Normal	Entry-Age Normal	Entry-Age Normal
Asset Valuation Method	5 Year Smoothed Market	Market	Market
Amortization Method	Level Percentage of Payroll	Level Percentage of Payroll	Level Percentage of Payroll
Amortization Period	29 Years, Open	28 Years, Closed	28 Years, Closed
Significant Actuarial Assumptions			
a) Rate of Return on Present and Future Assets	7.50% Compounded Annually	7.00% Compounded Annually	7.00% Compounded Annually
b) Projected Salary Increase - Attributable to Inflation	4.00% Compounded Annually	5.50% Compounded Annually	5.50% Compounded Annually
c) Additional Projected Salary Increases - Seniority/Merit	.40% to 10.00%	Not Available	Not Available
d) Postretirement Benefit Increases	3.00%	3.00%	3.00%

CITY OF BATAVIA, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

11. DEFINED BENEFIT PENSION PLANS (Continued)

C. Annual Pension Costs (Continued)

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

	Year	Illinois Municipal Retirement	Police Pension	Firefighters' Pension
Annual Pension Cost (APC)	2012	\$ 961,064	\$ 1,136,238	\$ 598,821
	2013	1,014,794	1,150,663	592,673
	2014	1,021,270	1,309,076	661,599
Actual Contribution	2012	\$ 961,064	\$ 1,268,368	\$ 667,656
	2013	1,014,794	1,310,582	655,325
	2014	1,021,270	1,357,815	688,992
Percentage of APC Contributed	2012	100.0%	111.6%	111.5%
	2013	100.0%	113.9%	110.6%
	2014	100.0%	103.7%	104.1%
NPO (Asset)	2012	\$ -	\$ 210,110	\$ (32,515)
	2013	-	50,191	(95,167)
	2014	-	1,452	(122,560)

The NPO (Asset) at December 31, 2014 has been calculated as follows:

	Police Pension	Firefighters' Pension
Annual Required Contribution	\$ 1,307,815	\$ 663,992
Interest on Net Pension Obligation	3,513	(6,662)
Adjustment to Annual Required Contribution	(2,252)	4,269
Annual Pension Cost	1,309,076	661,599
Contributions Made	1,357,815	688,992
Increase (Decrease) in Net Pension Obligation	(48,739)	(27,393)
Net Pension Obligation (Asset), Beginning of Year	50,191	(95,167)
NET PENSION OBLIGATION (ASSET), END OF YEAR	\$ 1,452	\$ (122,560)

CITY OF BATAVIA, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

11. DEFINED BENEFIT PENSION PLANS (Continued)

D. Funded Status

The funded status of the plans based on actuarial valuations performed as of December 31, 2014 for IMRF and the Police and Firefighters' Pension Plans, is as follows. The actuarial assumptions used to determine the funded status of the plans are the same actuarial assumptions used to determine the employer APC of the plans as disclosed in Note 11C:

	Illinois Municipal Retirement	Police Pension	Firefighters' Pension
Actuarial Accrued Liability (AAL)	\$ 25,029,913	\$ 47,556,045	\$ 20,400,825
Actuarial Value of Plan Assets	18,429,476	26,424,524	13,865,841
Unfunded Actuarial Accrued Liability (UAAL)	6,600,437	21,131,522	6,534,984
Funded Ratio (Actuarial Value of Plan Assets/AAL)	73.63%	55.57%	67.97%
Covered Payroll (Active Plan Members)	\$ 7,548,175	\$ 3,658,156	\$ 2,018,760
UAAL as a Percentage of Covered Payroll	87.44%	577.66%	323.71%

See the schedules of funding progress and employer contributions in the required supplementary information immediately following the notes to financial statements for additional information related to the funded status of the plans.

12. PRIOR PERIOD ADJUSTMENT

During the current year, the City restated the fund balance of the Health Insurance Fund by a positive \$671,504 to correct an error to record claims expense in the proper period.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF BATAVIA, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND**

For the Year Ended December 31, 2014

	Original Budget	Final Budget	Actual
REVENUES			
Taxes	\$ 16,510,179	\$ 17,460,179	\$ 18,153,111
Intergovernmental	3,428,000	3,428,000	3,539,808
Licenses and Permits	223,937	223,937	307,924
Charges for Services	217,451	217,451	354,622
Fines and Forfeitures	225,000	225,000	218,276
Interest	20,500	20,500	36,047
Miscellaneous	2,265,326	1,533,326	2,007,124
Total Revenues	22,890,393	23,108,393	24,616,912
EXPENDITURES			
General Government	4,080,156	5,994,373	5,522,336
Public Safety	13,431,147	13,428,919	12,927,030
Highways and Streets	3,609,015	3,862,015	3,631,969
Total Expenditures	21,120,318	23,285,307	22,081,335
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,770,075	(176,914)	2,535,577
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	12,257
Transfers (Out)	(1,768,150)	(1,268,150)	(1,268,150)
Proceeds on sale of assets	-	-	672,325
Total Other Financing Sources (Uses)	(1,768,150)	(1,268,150)	(583,568)
NET CHANGE IN FUND BALANCE	\$ 1,925	\$ (1,445,064)	1,952,009
FUND BALANCE, JANUARY 1			14,114,553
FUND BALANCE, DECEMBER 31			\$ 16,066,562

(See independent auditor's report.)

CITY OF BATAVIA, ILLINOIS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2014

BUDGETS

Annual budgets are adopted for all governmental and proprietary funds. Budgets are adopted on a basis consistent with generally accepted accounting principles. All annual budgets lapse at fiscal year end.

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 City Council holds public hearings and may add to, subtract from or change commitments/assignments but may not change the form of the budget.

The Finance Director, as the budget officer, can transfer amounts between departments within any fund; however, transfers between funds must be approved by the City Council. Expenditures may not legally exceed budgeted amounts at the fund level. During the year, there were several budget transfers.

a) Excess of Actual Expenditures/Expenses over Budget in Individual Funds

The following fund had an excess of actual expenditures/expenses (exclusive of depreciation and amortization) over budget at the fund level for the fiscal year:

<u>Fund</u>	<u>Final Budget</u>	<u>Actual Expenditures</u>	<u>Excess</u>
Health Insurance	\$ 3,529,045	\$ 4,177,160	\$ 648,115

CITY OF BATAVIA, ILLINOIS

**REQUIRED SUPPLEMENTARY INFORMATION
ILLINOIS MUNICIPAL RETIREMENT FUND**

December 31, 2014

Schedule of Funding Progress

Actuarial Valuation Date December 31,	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry-Age	(3) Funded Ratio (1) / (2)	(4) Unfunded AAL (UAAL) (2) - (1)	(5) Covered Payroll	(6) UAAL as a Percentage of Covered Payroll (4) / (5)
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%
2012	15,160,329	22,008,585	68.88%	6,848,256	7,375,778	92.85%
2013	16,462,934	22,846,008	72.06%	6,383,074	7,467,211	85.48%
2014	18,429,476	25,029,913	73.63%	6,600,437	7,548,175	87.44%

Schedule of Employer Contributions

Fiscal Year	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed
2009	\$ 802,664	\$ 802,664	100.00%
2010	825,613	890,831	92.68%
2011	914,496	848,140	107.82%
2012	961,064	961,064	100.00%
2013	1,014,794	1,014,794	100.00%
2014	1,021,270	1,021,270	100.00%

(See independent auditor's report.)

CITY OF BATAVIA, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION
POLICE PENSION FUND

December 31, 2014

Schedule of Funding Progress

Actuarial Valuation Date December 31,	(1) Actuarial Value of Assets	(2) Actuarial Liability (AAL) Entry-Age	(3) Funded Ratio (1) / (2)	(4) Unfunded AAL (UAAL) (2) - (1)	(5) Covered Payroll	(6) UAAL as a Percentage of Covered Payroll (4) / (5)
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%
2011	21,258,165	36,550,130	58.16%	15,291,965	3,445,952	443.77%
2012	23,225,042	40,088,935	57.93%	16,863,893	3,575,344	471.67%
2013	25,013,120	41,881,105	59.72%	16,867,985	3,565,299	473.12%
2014	26,424,524	47,556,045	55.57%	21,131,521	3,658,156	577.65%

Schedule of Employer Contributions

Fiscal Year	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed
2009	\$ 949,429	\$ 949,557	99.99%
2010	1,192,835	1,192,707	100.01%
2011	1,221,174	1,218,262	100.24%
2012	1,268,368	1,126,765	112.57%
2013	1,310,582	1,145,104	114.45%
2014	1,357,815	1,307,815	103.82%

(See independent auditor's report.)

CITY OF BATAVIA, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION
FIREFIGHTERS' PENSION FUND

December 31, 2014

Schedule of Funding Progress

Actuarial Valuation Date December 31,	(1) Actuarial Value of Assets	(2) Actuarial Liability (AAL) Entry-Age	(3) Funded Ratio (1) / (2)	(4) Unfunded AAL (UAAL) (2) - (1)	(5) Covered Payroll	(6) UAAL as a Percentage of Covered Payroll (4) / (5)
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%
2011	9,773,775	15,481,204	63.13%	5,707,429	1,816,406	314.22%
2012	10,954,616	17,140,469	63.91%	6,185,853	1,945,642	317.93%
2013	12,704,488	18,573,350	68.40%	5,868,862	2,022,404	290.19%
2014	13,865,841	20,400,825	67.97%	6,534,984	2,018,760	323.71%

Schedule of Employer Contributions

Fiscal Year	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed
2009	\$ 594,921	\$ 578,370	102.86%
2010	691,688	691,630	100.01%
2011	697,577	689,507	101.17%
2012	667,656	597,816	111.68%
2013	655,325	593,533	110.41%
2014	688,992	663,992	103.77%

(See independent auditor's report.)

CITY OF BATAVIA, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION
OTHER POSTEMPLOYMENT BENEFIT PLAN

December 31, 2014

Schedule of Funding Progress

Actuarial Valuation Date December 31,	(1) Actuarial Value of Assets	(2) Actuarial Liability (AAL) Entry-Age	(3) Funded Ratio (1) / (2)	(4) Unfunded AAL (UAAL) (2) - (1)	(5) Covered Payroll	(6) UAAL as a Percentage of Covered Payroll (4) / (5)
2009	N/A	N/A	N/A	N/A	N/A	N/A
2010	\$ -	\$ 3,716,305	0.00%	\$ 3,716,305	\$ 11,030,414	33.69%
2011	N/A	N/A	N/A	N/A	N/A	N/A
2012	-	6,135,319	0.00%	6,135,319	11,476,043	53.46%
2013	N/A	N/A	N/A	N/A	N/A	N/A
2014	-	5,019,010	0.00%	5,019,010	11,869,999	42.28%

Schedule of Employer Contributions

Fiscal Year	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed
2009	\$ 121,555	\$ 152,538	79.69%
2010	121,555	152,538	79.69%
2011	175,533	182,848	96.00%
2012	175,533	182,848	96.00%
2013	246,839	281,288	87.75%
2014	162,143	298,995	54.23%

N/A - The City is required to have the actuarial valuation performed biannually.

(See independent auditor's report.)

**COMBINING AND INDIVIDUAL FUND FINANCIAL
STATEMENTS AND SCHEDULES**

MAJOR GOVERNMENTAL FUND

General Fund - to account for all financial resources of the general government, except those accounted for in another fund.

CITY OF BATAVIA, ILLINOIS

**SCHEDULE OF REVENUES - BUDGET AND ACTUAL
GENERAL FUND**

For the Year Ended December 31, 2014

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Property Taxes - General	\$ 6,254,047	\$ 6,254,047	\$ 6,241,519
Retailers' Occupation Tax	4,802,794	4,802,794	5,105,655
Home Rule Sales Tax	1,822,218	2,772,218	2,845,603
Utility Tax	3,631,120	3,631,120	3,960,334
Total Taxes	16,510,179	17,460,179	18,153,111
Intergovernmental			
Illinois State Income Tax	2,469,000	2,469,000	2,466,515
Illinois State Replacement Tax	187,000	187,000	200,254
Illinois State Maintenance Reimbursement	42,500	42,500	54,783
State and Federal Grants	4,000	4,000	1,044
Township Share	51,500	51,500	58,262
Countryside Fire Protection District	244,000	244,000	250,121
Local Use Tax	430,000	430,000	508,829
Total Intergovernmental	3,428,000	3,428,000	3,539,808
Licenses and Permits			
Licenses	58,000	58,000	63,976
Building Permits	165,937	165,937	243,948
Total Licenses and Permits	223,937	223,937	307,924
Charges for Services			
Engineering Plan Review	12,580	12,580	52,426
Engineering Inspection Fees	23,141	23,141	117,476
Survey Monumentation Fees	3,730	3,730	733
Planning Commission Fees	12,000	12,000	14,556
Grave Openings	34,000	34,000	36,751
Plumbing Inspections	27,000	27,000	31,986
Police Services	105,000	105,000	100,694
Total Charges for Services	217,451	217,451	354,622

(This schedule is continued on the following page.)

CITY OF BATAVIA, ILLINOIS

SCHEDULE OF REVENUES - BUDGET AND ACTUAL (Continued)
GENERAL FUND

For the Year Ended December 31, 2014

	Original Budget	Final Budget	Actual
REVENUES (Continued)			
Fines and Forfeitures			
Court Fines	\$ 180,000	\$ 180,000	\$ 173,655
Parking Fines	45,000	45,000	44,621
Total Fines and Forfeitures	<u>225,000</u>	<u>225,000</u>	<u>218,276</u>
Interest			
Investment Income	20,500	20,500	36,047
Miscellaneous			
Waste Transfer Fee	545,000	545,000	598,019
Cable TV Franchise Fee	420,976	420,976	437,731
Leaf and Brush Collection	270,300	270,300	271,062
Payment in Lieu of Taxes	747,000	15,000	16,959
Sale of Burial Lots	10,000	10,000	21,950
Care of Lots	10,000	10,000	15,450
Reimbursements	132,050	132,050	504,649
Other	130,000	130,000	141,304
Total Miscellaneous	<u>2,265,326</u>	<u>1,533,326</u>	<u>2,007,124</u>
TOTAL REVENUES	<u><u>\$ 22,890,393</u></u>	<u><u>\$ 23,108,393</u></u>	<u><u>\$ 24,616,912</u></u>

(See independent auditor's report.)

CITY OF BATAVIA, ILLINOIS

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND**

For the Year Ended December 31, 2014

	Original Budget	Final Budget	Actual
EXPENDITURES			
General Government			
Legislative and Administration	\$ 1,113,201	\$ 1,113,201	\$ 1,151,228
Human Resources	277,492	277,492	230,763
Community Development	959,087	959,087	941,007
Public Works Administration	225,684	225,684	221,107
Engineering	709,141	709,141	661,727
Building and Grounds	384,148	384,148	346,325
Finance and Accounting	574,721	574,721	568,004
Information Systems	941,057	866,107	819,439
Utility Billing	349,849	349,849	346,947
Economic Development	160,776	1,424,943	1,125,789
Less Administrative Expenses	(1,615,000)	(890,000)	(890,000)
Total General Government	4,080,156	5,994,373	5,522,336
Public Safety			
Police	8,399,091	8,396,863	8,091,876
Fire	4,980,991	4,980,991	4,783,690
E.S.D.A.	51,065	51,065	51,464
Total Public Safety	13,431,147	13,428,919	12,927,030
Highways and Streets	3,609,015	3,862,015	3,631,969
TOTAL EXPENDITURES	\$ 21,120,318	\$ 23,285,307	\$ 22,081,335

(See independent auditor's report.)

CITY OF BATAVIA, ILLINOIS

**SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND**

For the Year Ended December 31, 2014

	Original Budget	Final Budget	Actual
EXPENDITURES			
General Government			
Legislative and Administration			
Regular Wages	\$ 420,484	\$ 420,484	\$ 402,693
Group Insurance	43,411	43,411	43,412
IMRF - City Portion	46,459	46,459	42,937
Social Security	27,387	27,387	27,632
Pension Contributions	9,700	9,700	9,734
Memberships	16,000	16,000	16,118
Training and Seminars	2,500	2,500	3,009
Resource Materials	750	750	681
Travel	1,500	1,500	1,316
Postage and Shipping	2,500	2,500	1,209
Office Supplies	7,000	7,000	3,331
Printing	19,000	19,000	21,168
Advertising	500	500	314
Food	1,500	1,500	1,479
Telephone	1,800	1,800	1,445
Contract Labor	40,000	40,000	35,420
Legal Fees	165,000	165,000	118,896
BATV	168,390	168,390	186,128
Ride In Kane Program	106,000	106,000	116,523
General Liability Insurance	33,200	33,200	29,640
Workmens' Compensation Premium	120	120	120
Other Expense	-	-	88,023
Total Legislative and Administration	1,113,201	1,113,201	1,151,228
Human Resources			
Regular Wages	160,778	160,778	128,304
Group Insurance	9,141	9,141	9,141
IMRF - City Portion	21,753	21,753	17,204
Social Security	12,300	12,300	9,278
Memberships	1,000	1,000	1,129
Training and Seminars	8,500	8,500	5,935
Employee Recruitment	1,000	1,000	2,079
Postage and Shipping	200	200	289
Printing	2,000	2,000	1,566
Recognition Award	15,000	15,000	11,342

(This schedule is continued on the following pages.)

CITY OF BATAVIA, ILLINOIS

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL (Continued)
GENERAL FUND

For the Year Ended December 31, 2014

	Original Budget	Final Budget	Actual
EXPENDITURES (Continued)			
General Government (Continued)			
Human Resources (Continued)			
Medical Exams	\$ 7,500	\$ 7,500	\$ 8,854
Contract Labor	10,000	10,000	9,492
Legal Fees	15,000	15,000	13,532
General Liability Insurance	13,200	13,200	12,498
Workmens' Compensation Premium	120	120	120
	<hr/>	<hr/>	<hr/>
Total Human Resources	277,492	277,492	230,763
Community Development			
Regular Wages	618,024	618,024	634,355
Overtime	250	250	2,094
Part-Time Help	8,000	8,000	-
Group Insurance	108,386	108,386	104,764
IMRF - City Portion	83,652	83,652	81,773
Social Security	47,910	47,910	46,278
Memberships	2,405	2,405	2,380
Training and Seminars	4,000	4,000	2,668
Resource Materials	2,150	2,150	229
Travel - Miles	200	200	48
Postage and Shipping	1,500	1,500	3,823
Office Supplies	2,300	2,300	2,111
Printing	200	200	-
Gasoline	2,500	2,500	1,757
Advertising	2,500	2,500	2,264
Telephone	1,900	1,900	2,559
Clothing Allowance	550	550	125
Meals	200	200	-
Recording Fees	1,000	1,000	1,161
Repairs and Maintenance - Vehicles	3,300	3,300	1,877
Plumbing Inspection	22,500	22,500	29,975
Contract Labor	41,400	41,400	16,596
General Liability Insurance	1,860	1,860	1,770
Workmens' Compensation Premium	2,400	2,400	2,400
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Total Community Development	959,087	959,087	941,007

(This schedule is continued on the following pages.)

CITY OF BATAVIA, ILLINOIS

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL (Continued)
GENERAL FUND

For the Year Ended December 31, 2014

	Original Budget	Final Budget	Actual
EXPENDITURES (Continued)			
General Government (Continued)			
Public Works Administration			
Regular Wages	\$ 144,141	\$ 144,141	\$ 145,639
Group Insurance	22,360	22,360	22,360
IMRF - City Portion	19,502	19,502	17,777
Social Security	11,027	11,027	9,230
Memberships	650	650	766
Training and Seminars	1,500	1,500	10
Telephone	750	750	865
Contract Labor	25,000	25,000	23,736
General Liability Insurance	634	634	604
Workmens' Compensation Premium	120	120	120
	<hr/>	<hr/>	<hr/>
Total Public Works Administration	225,684	225,684	221,107
	<hr/>	<hr/>	<hr/>
Engineering			
Regular Wages	460,957	460,957	465,600
Overtime	1,000	1,000	356
Double Time	-	-	158
Group Insurance	77,731	77,731	75,295
IMRF - City Portion	62,503	62,503	59,653
Social Security	35,340	35,340	33,651
Memberships	1,550	1,550	1,434
Training and Seminars	7,600	7,600	1,842
Resource Materials	300	300	54
Postage and Shipping	200	200	811
Office Supplies	2,000	2,000	1,698
Gasoline	2,650	2,650	2,152
Advertising	400	400	718
Telephone	2,200	2,200	2,544
Clothing Allowance	650	650	500
Recording Fees	400	400	213
Repairs and Maintenance - Vehicles	2,500	2,500	795
Contract Labor	27,500	27,500	2,120
Engineering Fees	10,000	10,000	397
Other Equipment	9,400	9,400	7,566

(This schedule is continued on the following pages.)

CITY OF BATAVIA, ILLINOIS

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL (Continued)
GENERAL FUND

For the Year Ended December 31, 2014

	Original Budget	Final Budget	Actual
EXPENDITURES (Continued)			
General Government (Continued)			
Engineering (Continued)			
General Liability Insurance	\$ 1,860	\$ 1,860	\$ 1,770
Workmens' Compensation Premium	2,400	2,400	2,400
Total Engineering	709,141	709,141	661,727
Building and Grounds			
Regular Wages	52,000	52,000	53,963
Overtime	4,000	4,000	6,152
Part-Time Help	5,000	5,000	3,515
Group Insurance	22,359	22,359	22,360
IMRF - City Portion	7,577	7,577	7,584
Social Security	4,667	4,667	4,462
Office Supplies	4,000	4,000	1,827
Gasoline	1,000	1,000	1,132
Telephone	26,500	26,500	21,521
Clothing Allowance	-	-	62
Utilities	95,000	95,000	90,928
General Supplies	14,000	14,000	13,215
Repairs and Maintenance - Vehicles	2,000	2,000	53
Repairs and Maintenance - Buildings	140,000	140,000	112,282
Equipment Rental	2,580	2,580	2,580
Repairs and Maintenance - Other Equipment	3,000	3,000	4,227
General Liability Insurance	65	65	62
Workmens' Compensation Premium	400	400	400
Total Building and Grounds	384,148	384,148	346,325
Finance and Accounting			
Regular Wages	375,766	375,766	378,994
Overtime	-	-	125
Group Insurance	62,934	62,934	62,934
IMRF - City Portion	50,841	50,841	48,173
Social Security	28,746	28,746	26,728
Memberships	650	650	525
Training and Seminars	1,000	1,000	-
Resource Materials	300	300	187

(This schedule is continued on the following pages.)

CITY OF BATAVIA, ILLINOIS

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL (Continued)
GENERAL FUND

For the Year Ended December 31, 2014

	Original Budget	Final Budget	Actual
EXPENDITURES (Continued)			
General Government (Continued)			
Finance and Accounting (Continued)			
Travel	\$ 250	\$ 250	\$ 10
Postage and Shipping	2,800	2,800	5,620
Office Supplies	6,200	6,200	4,117
Printing	2,200	2,200	1,794
Telephone	850	850	720
Auditing	41,100	41,100	37,055
General Liability Insurance	964	964	902
Workmens' Compensation Premium	120	120	120
	<hr/>	<hr/>	<hr/>
Total Finance and Accounting	574,721	574,721	568,004
	<hr/>	<hr/>	<hr/>
Information Systems			
Regular Wages	281,786	281,786	283,892
Overtime	4,800	6,800	6,940
Group Insurance	45,187	45,187	53,860
IMRF - City Portion	38,126	38,126	35,869
Social Security	21,924	21,924	20,881
Memberships	525	525	300
Training and Seminars	1,000	1,000	500
Resource Materials	1,100	1,100	35
Travel	250	250	207
Postage and Shipping	50	50	48
Office Supplies	500	500	546
Computer Software	36,200	28,200	27,303
Computer Supplies	4,000	4,000	3,263
Gasoline	150	150	278
Telephone	13,040	13,040	12,837
Computer Maintenance	31,280	31,280	18,306
Contract Labor	148,050	79,100	55,309
Software Support	145,735	145,735	132,924
Computer	166,600	166,600	165,365
General Liability Insurance	634	634	656
Workmens' Compensation Premium	120	120	120
	<hr/>	<hr/>	<hr/>
Total Information Systems	941,057	866,107	819,439
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(This schedule is continued on the following pages.)

CITY OF BATAVIA, ILLINOIS

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL (Continued)
GENERAL FUND

For the Year Ended December 31, 2014

	Original Budget	Final Budget	Actual
EXPENDITURES (Continued)			
General Government (Continued)			
Utility Billings			
Regular Wages	\$ 169,037	\$ 169,037	\$ 170,233
Group Insurance	31,500	31,500	31,500
IMRF - City Portion	22,871	22,871	22,092
Social Security	12,931	12,931	12,397
Training and Seminars	550	550	-
Postage and Shipping	52,256	52,256	58,170
Office Supplies	2,200	2,200	2,764
Computer Software	14,250	14,250	14,672
Collection Fees	2,500	2,500	1,507
Repairs and Maintenance - Office Equipment	5,000	5,000	2,591
Contract Labor	30,000	30,000	25,036
General Liability Insurance	634	634	604
Workmens' Compensation Premium	120	120	120
Bad Debt Expense	6,000	6,000	5,261
	<hr/>	<hr/>	<hr/>
Total Utility Billing	349,849	349,849	346,947
Economic Development			
Regular Wages	33,400	33,400	16,254
IMRF - City Portion	4,520	4,520	2,451
Social Security	2,556	2,556	1,387
Memberships	1,500	1,500	950
Training and Seminars	2,000	2,000	495
Postage	100	100	-
Office Supplies	200	200	97
Advertisements	1,000	1,000	4,170
Printing	2,500	2,500	100
Contract Labor	113,000	113,000	100,844
Economic Development	-	1,264,167	999,041
	<hr/>	<hr/>	<hr/>
Total Economic Development	160,776	1,424,943	1,125,789
Less Administrative Reimbursements	(1,615,000)	(890,000)	(890,000)
	<hr/>	<hr/>	<hr/>
Total General Government	4,080,156	5,994,373	5,522,336

(This schedule is continued on the following pages.)

CITY OF BATAVIA, ILLINOIS

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL (Continued)
GENERAL FUND

For the Year Ended December 31, 2014

	Original Budget	Final Budget	Actual
EXPENDITURES (Continued)			
Public Safety			
Police Department			
Regular Wages	\$ 4,464,775	\$ 4,464,775	\$ 4,381,848
Overtime	250,190	250,190	241,713
Auxiliary Police, Full-Time	20,757	20,757	8,203
Part Time Help	46,225	46,225	51,544
Group Insurance	832,903	832,903	798,707
IMRF - City Portion	75,221	75,221	66,024
Social Security	106,674	106,674	98,217
Pension Contributions	1,357,815	1,357,815	1,357,815
Board of P & F Commission	12,875	12,875	17,228
Memberships	7,305	7,305	5,985
Training and Seminars	29,896	29,896	20,664
Resource Materials	1,360	1,360	881
Travel	1,200	1,200	421
Postage and Shipping	5,000	5,000	6,249
Office Supplies	16,595	14,995	11,733
Vehicle Supplies	7,500	7,500	7,324
Printing	11,500	10,100	7,951
Communication Supplies	4,200	4,200	2,629
Investigative Supplies	2,000	2,000	986
Gasoline	122,400	122,400	96,079
Patrol Supplies	9,010	9,010	5,496
Community Relations	1,000	1,000	775
Ammunition	14,902	14,902	13,693
Telephone	9,600	9,600	11,109
Clothing Allowance	49,600	50,372	48,900
Food	800	800	128
Repairs and Maintenance - Vehicle	52,500	52,500	38,387
Equipment Rental	3,000	3,000	-
Repairs and Maintenance - Other Equipment	8,340	8,340	6,968
Contract Labor	498,733	498,733	450,843
Narcotics and Enforcement	1,000	1,000	198
Other Equipment	19,031	19,031	13,681
Vehicles	86,809	86,809	85,373
General Liability Insurance	88,375	88,375	54,124
Workmens' Compensation Premium	180,000	180,000	180,000
Total Police Department	8,399,091	8,396,863	8,091,876

(This schedule is continued on the following pages.)

CITY OF BATAVIA, ILLINOIS

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL (Continued)
GENERAL FUND

For the Year Ended December 31, 2014

	Original Budget	Final Budget	Actual
EXPENDITURES (Continued)			
Public Safety (Continued)			
Fire Department			
Regular Wages	\$ 2,140,427	\$ 2,140,427	\$ 2,096,052
Overtime	220,000	220,000	193,231
Part-Time Help	463,477	463,477	466,949
Group Insurance	496,060	496,060	491,884
IMRF - City Portion	8,169	8,169	7,017
Social Security	73,426	73,426	69,572
Pension Contributions	688,992	688,992	688,992
Memberships	5,400	5,400	4,889
EMS Training	2,600	2,600	1,724
Training and Seminars	19,000	19,000	15,898
Fire Prevention	1,300	1,300	1,166
Resource Materials	1,600	1,600	1,827
Postage and Shipping	1,100	1,100	1,347
Office Supplies	4,200	4,200	3,326
Vehicle Supplies	16,000	16,000	14,303
Printing	940	940	793
Communication Supplies	7,000	7,000	3,973
Gasoline	35,000	35,000	33,935
Telephone	7,000	7,000	5,631
Education Materials	4,500	4,500	1,877
Hazardous Materials	2,500	2,500	2,422
Clothing Allowance	31,000	31,000	30,171
Water Rescue Materials	10,000	10,000	9,070
Medical Supplies	6,600	6,600	10,446
Food	3,200	3,200	1,937
Utilities	50,000	50,000	54,000
General Supplies	8,900	8,900	8,261
Repairs and Maintenance - Vehicle	77,000	77,000	65,569
Repairs and Maintenance - Building	16,000	16,000	15,356
Repairs and Maintenance - Other Equipment	3,200	3,200	2,264
Contract Labor	445,000	445,000	359,012
Office Furniture and Equipment	2,000	2,000	1,635
Other Equipment	21,000	21,000	14,483
General Liability Insurance	37,400	37,400	34,255

(This schedule is continued on the following pages.)

CITY OF BATAVIA, ILLINOIS

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL (Continued)
GENERAL FUND

For the Year Ended December 31, 2014

	Original Budget	Final Budget	Actual
EXPENDITURES (Continued)			
Public Safety (Continued)			
Fire Department (Continued)			
Workmens' Compensation Premium	\$ 68,000	\$ 68,000	\$ 68,000
Workmens' Compensation	3,000	3,000	2,423
Total Fire Department	4,980,991	4,980,991	4,783,690
E.S.D.A.			
Part-Time Help	13,000	13,000	17,357
Social Security	995	995	1,365
Meal Allowance	200	200	161
Memberships	100	100	65
Training and Seminars	1,000	1,000	567
Travel	200	200	-
Office Supplies	270	270	195
Communication Supplies	500	500	-
Gasoline	1,300	1,300	669
Patrol Supplies	300	300	107
Telephone	1,400	1,400	1,178
Clothing Allowance	1,500	1,500	782
Utilities	1,700	1,700	2,074
General Supplies	400	400	274
Repairs and Maintenance - Vehicle	900	900	792
Equipment Rental	300	300	-
Repairs and Maintenance - Other Equipment	2,000	2,000	5,938
Other Equipment	25,000	25,000	19,940
Total E.S.D.A.	51,065	51,065	51,464
Total Public Safety	13,431,147	13,428,919	12,927,030
Highways and Streets			
Street and Sanitation			
Regular Wages	1,291,782	1,291,782	1,277,677
Overtime	174,000	261,000	235,990
Part-Time Help	25,000	25,000	9,702
Group Insurance	351,768	351,768	332,301
IMRF - City Portion	198,320	198,320	195,266

(This schedule is continued on the following page.)

CITY OF BATAVIA, ILLINOIS

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL (Continued)
GENERAL FUND

For the Year Ended December 31, 2014

	Original Budget	Final Budget	Actual
EXPENDITURES (Continued)			
Highways and Streets (Continued)			
Street and Sanitation (Continued)			
Social Security	\$ 114,045	\$ 114,045	\$ 111,216
Meal Allowance	2,200	2,200	552
Training and Seminars	3,000	3,000	2,732
Travel	200	200	110
Postage and Shipping	500	500	836
Office Supplies	2,200	2,200	1,115
Vehicle Supplies	55,000	55,000	67,600
Communication Supplies	700	700	356
Materials	80,000	80,000	97,839
Gasoline	77,500	77,500	93,367
Salt and De-Icers	160,000	290,000	293,200
Advertising	1,000	1,000	1,904
Telephone	6,000	6,000	6,592
Clothing Allowance	11,000	11,000	9,607
Food	700	700	652
Utilities	24,000	24,000	29,871
Safety Supplies	2,500	2,500	3,365
General Supplies	22,000	22,000	26,747
Landfill Fees	9,000	9,000	5,379
Ornamental Supplies	12,000	12,000	19,722
Repairs and Maintenance - Vehicle	20,000	20,000	26,249
Repairs and Maintenance - Building	42,000	42,000	15,865
Equipment Rental	2,000	2,000	1,250
Repairs and Maintenance - Other Equipment	15,000	15,000	16,262
Contract Labor	410,800	446,800	377,431
Contract Labor - Health Department	45,000	45,000	43,266
Contract Labor - Forestry Department	210,000	210,000	125,384
Capital Repairs	75,000	75,000	57,883
Other Equipment	12,000	12,000	10,080
General Liability Insurance	52,800	52,800	34,601
Workmens' Compensation Premium	100,000	100,000	100,000
Total Highways and Streets	3,609,015	3,862,015	3,631,969
TOTAL EXPENDITURES	\$ 21,120,318	\$ 23,285,307	\$ 22,081,335

(See independent auditor's report.)

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Motor Fuel Tax Fund - to account for state gasoline tax allocations restricted for local roadway program expenditures.

DEBT SERVICE FUND

Debt Service Fund - to account for the resources restricted or assigned for the payment of principal and interest on the City's long-term debt obligations.

CAPITAL PROJECTS FUNDS

Capital Projects Fund - to account for the resources assigned for the construction or acquisition of capital assets and other improvements except those financed by proprietary funds.

Tax Increment Financing #1 Fund - to account for the revenue and expenditures associated with the TIF #1 Redevelopment Projects. Financing is being provided by restricted incremental property taxes.

Tax Increment Financing #3 Fund - to account for the revenue and expenditures associated with the TIF #3 Redevelopment Projects. Financing is being provided by restricted incremental property taxes.

CITY OF BATAVIA, ILLINOIS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

December 31, 2014

	Special Revenue	Debt Service
	Motor Fuel Tax	Debt Service
ASSETS		
Cash and Investments	\$ 2,073,299	\$ 7,793
Cash with Paying Agent	-	723,138
Receivables		
Property Taxes	-	152,342
Accrued Interest	-	-
Other	283	-
Notes	-	-
Prepaid Items	-	-
Due from Other Governments	340,515	-
Due from Other Funds	-	-
TOTAL ASSETS	\$ 2,414,097	\$ 883,273
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES		
LIABILITIES		
Accounts Payable	\$ 1,144,895	\$ -
Retainage Payable	58,628	-
Accrued Interest Payable	-	123,138
Due to Other Fund	500,000	-
Bonds Payable - Current	-	600,000
Total Liabilities	1,703,523	723,138
DEFERRED INFLOWS OF RESOURCES		
Unavailable Property Tax Revenue	-	152,342
Total Deferred Inflows of Resources	-	152,342
Total Liabilities and Deferred Inflows of Resources	1,703,523	875,480
FUND BALANCES		
Restricted		
Maintenance of Roadways	710,574	-
Economic Development	-	-
Debt Service	-	7,793
Assigned		
Capital Projects	-	-
Total Fund Balances	710,574	7,793
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 2,414,097	\$ 883,273

Capital Projects	Capital Projects		Total Nonmajor Governmental Funds
	Tax Increment Financing #1	Tax Increment Financing #3	
\$ 4,030,967	\$ 510,290	\$ 289,348	\$ 6,911,697
-	-	-	723,138
-	762,226	-	914,568
4,103	-	-	4,103
14,000	6,126	-	20,409
-	345,687	-	345,687
450,053	-	-	450,053
79,811	122,278	-	542,604
500,000	-	-	500,000
<u>\$ 5,078,934</u>	<u>\$ 1,746,607</u>	<u>\$ 289,348</u>	<u>\$ 10,412,259</u>
\$ 168,218	\$ 90,396	\$ -	\$ 1,403,509
5,660	-	-	64,288
-	-	-	123,138
49,537	-	-	549,537
-	-	-	600,000
<u>223,415</u>	<u>90,396</u>	<u>-</u>	<u>2,740,472</u>
-	762,226	-	914,568
-	762,226	-	914,568
<u>223,415</u>	<u>852,622</u>	<u>-</u>	<u>3,655,040</u>
-	-	-	710,574
-	893,985	289,348	1,183,333
-	-	-	7,793
<u>4,855,519</u>	<u>-</u>	<u>-</u>	<u>4,855,519</u>
<u>4,855,519</u>	<u>893,985</u>	<u>289,348</u>	<u>6,757,219</u>
<u>\$ 5,078,934</u>	<u>\$ 1,746,607</u>	<u>\$ 289,348</u>	<u>\$ 10,412,259</u>

(See independent auditor's report.)

CITY OF BATAVIA, ILLINOIS

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended December 31, 2014

	<u>Special Revenue</u>	<u>Debt Service</u>
	<u>Motor Fuel Tax</u>	<u>Debt Service</u>
REVENUES		
Taxes	\$ -	\$ 472,673
Intergovernmental	2,055,523	-
Charges for Services	29,123	-
Investment Income	1,066	26
Miscellaneous	-	-
	<hr/>	<hr/>
Total Revenues	2,085,712	472,699
	<hr/>	<hr/>
EXPENDITURES		
Current		
General Government	1,331,896	-
Capital Outlay	-	-
Debt Service		
Principal Retirement	-	910,000
Interest and Fiscal Charges	-	257,125
	<hr/>	<hr/>
Total Expenditures	1,331,896	1,167,125
	<hr/>	<hr/>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	753,816	(694,426)
	<hr/>	<hr/>
OTHER FINANCING SOURCES (USES)		
Transfers In	-	698,150
Transfers (Out)	(2,174,196)	(12,257)
	<hr/>	<hr/>
Total Other Financing Sources (Uses)	(2,174,196)	685,893
	<hr/>	<hr/>
NET CHANGE IN FUND BALANCES	(1,420,380)	(8,533)
	<hr/>	<hr/>
FUND BALANCES, JANUARY 1	2,130,954	16,326
	<hr/>	<hr/>
FUND BALANCES, DECEMBER 31	\$ 710,574	\$ 7,793
	<hr/> <hr/>	<hr/> <hr/>

Capital Projects			Total
Capital Projects	Tax Increment Financing #1	Tax Increment Financing #3	Nonmajor Governmental Funds
\$ -	\$ 731,745	\$ 286,843	\$ 1,491,261
147,871	148,138	-	2,351,532
113,232	-	-	142,355
3,322	173	18	4,605
-	-	-	-
264,425	880,056	286,861	3,989,753
-	117,373	-	1,449,269
1,115,606	242,030	-	1,357,636
-	-	-	910,000
-	-	-	257,125
1,115,606	359,403	-	3,974,030
(851,181)	520,653	286,861	15,723
2,744,196	-	-	3,442,346
-	-	-	(2,186,453)
2,744,196	-	-	1,255,893
1,893,015	520,653	286,861	1,271,616
2,962,504	373,332	2,487	5,485,603
\$ 4,855,519	\$ 893,985	\$ 289,348	\$ 6,757,219

(See independent auditor's report.)

CITY OF BATAVIA, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
MOTOR FUEL TAX FUND

For the Year Ended December 31, 2014

	Original Budget	Final Budget	Actual
REVENUES			
Intergovernmental			
State Motor Fuel Tax	\$ 735,000	\$ 735,000	\$ 886,472
State Grants	407,145	170,000	1,169,051
Charges for Services	140,000	-	29,123
Investment Income	750	750	1,066
	<hr/>	<hr/>	<hr/>
Total Revenues	1,282,895	905,750	2,085,712
	<hr/>	<hr/>	<hr/>
EXPENDITURES			
Current			
Highways and Streets			
Motor Fuel Tax Projects	2,232,535	1,610,544	1,331,896
	<hr/>	<hr/>	<hr/>
Total Expenditures	2,232,535	1,610,544	1,331,896
	<hr/>	<hr/>	<hr/>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(949,640)	(704,794)	753,816
	<hr/>	<hr/>	<hr/>
OTHER FINANCING (USES)			
Transfer In	500,000	-	-
Transfers (Out)	(44,216)	(2,500,000)	(2,174,196)
	<hr/>	<hr/>	<hr/>
Total Other Financing (Uses)	455,784	(2,500,000)	(2,174,196)
	<hr/>	<hr/>	<hr/>
NET CHANGE IN FUND BALANCE	\$ (493,856)	\$ (3,204,794)	(1,420,380)
	<hr/>	<hr/>	<hr/>
FUND BALANCE, JANUARY 1			2,130,954
			<hr/>
FUND BALANCE, DECEMBER 31			\$ 710,574
			<hr/>

(See independent auditor's report.)

CITY OF BATAVIA, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
DEBT SERVICE FUND**

For the Year Ended December 31, 2014

	Original Budget	Final Budget	Actual
REVENUES			
Taxes	\$ 468,975	\$ 468,975	\$ 472,673
Interest	-	-	26
Total Revenues	468,975	468,975	472,699
EXPENDITURES			
Debt Service			
Principal Retirement	910,000	910,000	910,000
Interest and Fiscal Charges	257,125	257,125	257,125
Total Expenditures	1,167,125	1,167,125	1,167,125
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(698,150)	(698,150)	(694,426)
OTHER FINANCING SOURCES (USES)			
Transfers In	698,150	698,150	698,150
Transfers (Out)	-	-	(12,257)
Total Other Financing Sources (Uses)	698,150	698,150	685,893
NET CHANGE IN FUND BALANCE	\$ -	\$ -	(8,533)
FUND BALANCE, JANUARY 1			16,326
FUND BALANCE, DECEMBER 31			\$ 7,793

(See independent auditor's report.)

CITY OF BATAVIA, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CAPITAL PROJECTS FUND**

For the Year Ended December 31, 2014

	Original Budget	Final Budget	Actual
REVENUES			
Intergovernmental	\$ 508,454	\$ 745,598	\$ 147,871
Charges for Services	156,000	156,000	113,232
Interest	780	780	3,322
Miscellaneous	3,000	3,000	-
Total Revenues	<u>668,234</u>	<u>905,378</u>	<u>264,425</u>
EXPENDITURES			
Capital Outlay	<u>2,469,169</u>	<u>2,609,528</u>	<u>1,115,606</u>
Total Expenditures	<u>2,469,169</u>	<u>2,609,528</u>	<u>1,115,606</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(1,800,935)</u>	<u>(1,704,150)</u>	<u>(851,181)</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	614,216	3,114,216	2,744,196
Transfers (Out)	-	(44,216)	-
Total Other Financing Sources (Uses)	<u>614,216</u>	<u>3,070,000</u>	<u>2,744,196</u>
NET CHANGE IN FUND BALANCE	<u>\$ (1,186,719)</u>	<u>\$ 1,365,850</u>	1,893,015
FUND BALANCE, JANUARY 1			<u>2,962,504</u>
FUND BALANCE, DECEMBER 31			<u>\$ 4,855,519</u>

(See independent auditor's report.)

CITY OF BATAVIA, ILLINOIS

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
CAPITAL PROJECTS FUND**

For the Year Ended December 31, 2014

	Original Budget	Final Budget	Actual
CAPITAL OUTLAY			
Engineering Fees - Deerpath Bridge Rehab	\$ 136,100	\$ 136,100	\$ 65,485
Infrastructure Construction - Miscellaneous	409,319	409,319	54,375
Drainage Projects	268,750	264,775	133,377
Street Capital Projects	80,000	768,085	380,637
Vehicles	560,000	512,549	464,507
Fire	570,000	110,000	-
City Hall Improvements	445,000	408,700	17,225
TOTAL EXPENDITURES	\$ 2,469,169	\$ 2,609,528	\$ 1,115,606

(See independent auditor's report.)

CITY OF BATAVIA, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
TAX INCREMENT FINANCING #1 FUND**

For the Year Ended December 31, 2014

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Property	\$ 775,000	\$ 775,000	\$ 731,745
Intergovernmental			
Grants	223,760	223,760	133,938
Other	61,181	61,181	14,200
Investment Income	50	50	173
	<hr/>	<hr/>	<hr/>
Total Revenues	1,059,991	1,059,991	880,056
	<hr/>	<hr/>	<hr/>
EXPENDITURES			
Current			
General Government			
Contractual Services	203,000	203,000	117,373
Capital Outlay	927,887	927,887	242,030
	<hr/>	<hr/>	<hr/>
Total Expenditures	1,130,887	1,130,887	359,403
	<hr/>	<hr/>	<hr/>
NET CHANGE IN FUND BALANCE	<u>\$ (70,896)</u>	<u>\$ (70,896)</u>	520,653
FUND BALANCE, JANUARY 1			<hr/> 373,332
FUND BALANCE, DECEMBER 31			<hr/> \$ 893,985 <hr/>

(See independent auditor's report.)

CITY OF BATAVIA, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
TAX INCREMENT FINANCING #3 FUND**

For the Year Ended December 31, 2014

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Property	\$ 370,000	\$ 370,000	\$ 286,843
Interest Income	50	50	18
	<hr/>	<hr/>	<hr/>
Total Revenues	370,050	370,050	286,861
	<hr/>	<hr/>	<hr/>
EXPENDITURES			
Capital Outlay	370,050	370,050	-
	<hr/>	<hr/>	<hr/>
Total Expenditures	370,050	370,050	-
	<hr/>	<hr/>	<hr/>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	286,861
			<hr/>
FUND BALANCE, JANUARY 1			2,487
			<hr/>
FUND BALANCE, DECEMBER 31			<u>\$ 289,348</u>

(See independent auditor's report.)

MAJOR ENTERPRISE FUNDS

Waterworks Fund - to account for revenues and expenses relative to the operation of the water utility.

Sewerage Fund - to account for revenues and expenses relative to the operation of the wastewater utility.

Electric Fund - to account for revenues and expenses relative to the operation of the electric utility.

CITY OF BATAVIA, ILLINOIS

SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION - BUDGET AND ACTUAL
WATERWORKS FUND

For the Year Ended December 31, 2014

	Original Budget	Final Budget	Actual
OPERATING REVENUES			
Charges for Services	\$ 4,414,295	\$ 4,414,295	\$ 4,333,725
Total Operating Revenues	4,414,295	4,414,295	4,333,725
OPERATING EXPENSES			
Administration	638,588	638,588	636,255
Operations	2,848,398	2,840,166	2,342,703
Total Operating Expenses	3,486,986	3,478,754	2,978,958
OPERATING INCOME BEFORE DEPRECIATION	927,309	935,541	1,354,767
Depreciation	-	-	989,718
OPERATING INCOME	927,309	935,541	365,049
NON-OPERATING REVENUES (EXPENSES)			
Investment Income	7,500	7,500	8,739
Loss on Disposal of Capital Assets	-	-	(6,390)
Interest and Fiscal Charges	(227,106)	(227,106)	(209,827)
Total Non-Operating Revenues (Expenses)	(219,606)	(219,606)	(207,478)
CHANGE IN NET POSITION	\$ 707,703	\$ 715,935	157,571
NET POSITION, JANUARY 1			20,195,728
NET POSITION, DECEMBER 31			\$ 20,353,299

(See independent auditor's report.)

CITY OF BATAVIA, ILLINOIS

**SCHEDULE OF OPERATING EXPENSES - BUDGET AND ACTUAL
WATERWORKS FUND**

For the Year Ended December 31, 2014

	Original Budget	Final Budget	Actual
ADMINISTRATION			
General Expenses			
General Liability Insurance	\$ 39,600	\$ 39,600	\$ 37,493
Workers' Compensation Premium	20,000	20,000	20,000
Bad Debt Expense	8,000	8,000	7,774
General Support	445,000	445,000	445,000
Electric Support - Metering	125,988	125,988	125,988
TOTAL ADMINISTRATION	\$ 638,588	\$ 638,588	\$ 636,255
OPERATIONS			
Water Production			
Production Electricity	\$ 435,000	\$ 435,000	\$ 460,763
Telephone	7,000	7,000	9,245
Chemical Materials	140,000	140,000	146,217
Utilities	4,400	4,400	3,735
General Supplies	8,500	8,500	4,821
Repairs and Maintenance - Building	10,000	10,000	4,960
Repairs and Maintenance - Other Equipment	190,000	197,258	132,852
Contract Labor	70,000	70,000	35,204
Engineering Fees	10,000	10,000	21,393
Other Equipment	40,000	40,000	9,698
Total Water Production	914,900	922,158	828,888
Water Distribution			
Regular Wages	664,847	664,847	728,994
Overtime	88,800	88,800	99,085
Part-Time Help	9,200	9,200	5,575
Group Insurance	155,848	155,848	166,260
IMRF - City Portion	101,968	101,968	103,436
Social Security	58,358	58,358	59,462
Meal Allowance	200	200	350
Memberships	2,200	2,200	2,344
Training and Seminars	3,300	3,300	3,185
Resource Materials	700	700	1,382
Travel	1,200	1,200	900
Postage and Shipping	3,000	3,000	2,027
Office Supplies	1,500	1,500	1,615
Vehicle Supplies	6,300	6,300	7,948

(This schedule is continued on the following page.)

CITY OF BATAVIA, ILLINOIS

SCHEDULE OF OPERATING EXPENSES - BUDGET AND ACTUAL (Continued)
WATERWORKS FUND

For the Year Ended December 31, 2014

	Original Budget	Final Budget	Actual
OPERATIONS (Continued)			
Water Distribution (Continued)			
Materials	\$ 13,000	\$ 13,000	\$ 12,145
Fuel	17,000	17,000	16,535
Telephone	400	400	-
Clothing Allowance	5,600	5,600	5,633
Food	800	800	1,112
Utilities	9,500	9,500	10,799
General Supplies	14,000	14,000	15,315
Meters	100,000	100,000	103,123
Fire Hydrants	6,400	6,400	9,881
Piping and Fitting	50,000	50,000	51,032
Landfill Fees	4,500	4,500	3,109
Repairs and Maintenance - Vehicle	3,600	3,600	9,697
Repairs and Maintenance - Building	42,000	42,000	13,926
Repairs and Maintenance - Other Equipment	3,000	3,000	2,362
Contract Labor	62,000	46,510	64,855
Julie System	2,000	2,000	1,713
Other Equipment	5,000	5,000	16
Total Water Distribution	1,436,221	1,420,731	1,503,816
Water Improvements			
Contractual Services	1,055,000	1,055,000	649,949
Engineering Fees	125,000	125,000	61,920
Vehicles	50,000	50,000	30,853
Total Water Improvements	1,230,000	1,230,000	742,722
Less Non-Operating Items			
Capital Assets Capitalized	(732,723)	(732,723)	(732,723)
Total Water Improvements	497,277	497,277	9,999
TOTAL OPERATIONS	\$ 2,848,398	\$ 2,840,166	\$ 2,342,703

(See independent auditor's report.)

CITY OF BATAVIA, ILLINOIS

SCHEDULE OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION - BUDGET AND ACTUAL
SEWERAGE FUND

For the Year Ended December 31, 2014

	Original Budget	Final Budget	Actual
OPERATING REVENUES			
Charges for Services	\$ 4,580,677	\$ 4,580,677	\$ 4,489,953
Total Operating Revenues	4,580,677	4,580,677	4,489,953
OPERATING EXPENSES			
Administration	634,588	634,588	629,325
Operations	5,846,646	5,586,525	2,017,323
Total Operating Expenses	6,481,234	6,221,113	2,646,648
OPERATING INCOME (LOSS) BEFORE DEPRECIATION	(1,900,557)	(1,640,436)	1,843,305
Depreciation	-	-	1,336,541
OPERATING INCOME (LOSS)	(1,900,557)	(1,640,436)	506,764
NON-OPERATING REVENUES (EXPENSES)			
Connection Fees	8,000	8,000	51,849
Investment Income	8,000	8,000	1,990
Debt Issuance	2,950,000	2,950,000	-
Interest and Fiscal Charges	(124,436)	(124,436)	(93,320)
Total Non-Operating Revenues (Expenses)	2,841,564	2,841,564	(39,481)
CHANGE IN NET POSITION	\$ 941,007	\$ 1,201,128	467,283
NET POSITION, JANUARY 1			22,750,891
NET POSITION, DECEMBER 31			\$ 23,218,174

(See independent auditor's report.)

CITY OF BATAVIA, ILLINOIS

**SCHEDULE OF OPERATING EXPENSES - BUDGET AND ACTUAL
SEWERAGE FUND**

For the Year Ended December 31, 2014

	Original Budget	Final Budget	Actual
ADMINISTRATION			
General Expenses			
General Liability Insurance	\$ 39,600	\$ 39,600	\$ 37,493
Workers' Compensation Premium	12,000	12,000	12,000
Bad Debt Expense	12,000	12,000	8,844
General Support	445,000	445,000	445,000
Electric Support - Metering	125,988	125,988	125,988
TOTAL ADMINISTRATION	\$ 634,588	\$ 634,588	\$ 629,325
OPERATIONS			
Water Waste Treatment			
Regular Wages	\$ 493,151	\$ 493,151	\$ 514,699
Overtime	78,123	78,123	72,146
Part-Time Help	24,470	24,470	20,608
Group Insurance	124,189	124,189	122,183
IMRF - City Portion	77,293	77,293	73,151
Social Security	45,574	45,574	43,440
Membership	250	250	236
Training	3,000	3,000	1,852
Resource Materials	300	300	416
Travel	1,000	1,000	-
Office Supplies	800	800	396
Lab Supplies	5,000	5,000	4,614
Gasoline	9,500	9,500	8,152
Regulatory Fees	15,500	15,500	15,500
Telephone	52,140	52,140	51,869
Clothing Allowance	3,000	3,000	3,391
Chemicals	33,000	33,000	26,490
Utilities	526,700	526,700	433,402
Safety Supplies	2,500	2,500	792
General Supplies	4,000	4,000	3,084
Landfill Fees	98,000	98,000	105,891
Repairs and Maintenance - Vehicle	3,000	3,000	4,699
Repairs and Maintenance - Building	3,500	3,500	3,141
Repairs and Maintenance - Other Equipment	125,000	125,000	123,384
Contract Labor	24,050	24,050	37,545
Total Waste Water Treatment	1,753,040	1,753,040	1,671,081

(This schedule is continued on the following page.)

CITY OF BATAVIA, ILLINOIS

SCHEDULE OF OPERATING EXPENSES - BUDGET AND ACTUAL (Continued)
SEWERAGE FUND

For the Year Ended December 31, 2014

	Original Budget	Final Budget	Actual
OPERATIONS (Continued)			
Sanitary Sewer Maintenance			
Regular Wages	\$ 115,850	\$ 115,850	\$ 65,117
Overtime	11,500	11,500	5,171
Group Insurance	22,572	22,572	15,180
IMRF - City Portion	17,230	17,230	8,990
Social Security	9,742	9,742	5,088
Training	300	300	-
Materials	4,000	4,000	5,085
Gasoline	4,200	4,200	2,980
Clothing Allowance	600	600	532
General Supplies	1,500	1,500	723
Meters	100,000	100,000	100,756
Repairs and Maintenance - Vehicle	3,000	3,000	-
Repairs and Maintenance - Other Equipment	3,400	3,400	3,261
Contract Labor	5,000	5,000	6,272
Engineering Fees	45,000	45,000	55,889
Julie System	2,000	2,000	1,713
Other Equipment	10,200	10,200	1,037
Sanitary Sewer Capital	600,000	339,879	149,837
	<hr/>	<hr/>	<hr/>
Total Sanitary Sewer Maintenance	956,094	695,973	427,631
	<hr/>	<hr/>	<hr/>
Less Non-Operating Items			
Capital Assets Capitalized	(81,389)	(81,389)	(81,389)
	<hr/>	<hr/>	<hr/>
Electrical Improvements			
Contract Labor	1,810,000	1,810,000	34,955
Engineering Fees	1,600,000	1,600,000	167,545
Vehicles	50,000	50,000	38,599
	<hr/>	<hr/>	<hr/>
Total Electrical Improvements	3,460,000	3,460,000	241,099
	<hr/>	<hr/>	<hr/>
Less Non-Operating Items			
Capital Assets Capitalized	(241,099)	(241,099)	(241,099)
	<hr/>	<hr/>	<hr/>
TOTAL OPERATIONS	\$ 5,846,646	\$ 5,586,525	\$ 2,017,323
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

(See independent auditor's report.)

CITY OF BATAVIA, ILLINOIS

STATEMENT OF NET POSITION
ELECTRIC FUND

December 31, 2014

	Operations and Maintenance	Restricted Accounts			Total
		Bond and Interest	Bond Reserve	Depreciation Repair and Replacement	
CURRENT ASSETS					
Cash and Investments	\$ 12,956,939	\$ -	\$ -	\$ -	\$ 12,956,939
Cash with Paying Agent	1,179,003	-	-	-	1,179,003
Restricted Cash and Investments	3,945,028	144,001	1,705,719	2,000,000	7,794,748
Receivables					
Accounts	6,358,443	-	-	-	6,358,443
Accrued Interest	38,409	-	-	-	38,409
Prepays	133,073	-	-	-	133,073
Inventories	2,664,988	-	-	-	2,664,988
Total Current Assets	27,275,883	144,001	1,705,719	2,000,000	31,125,603
NONCURRENT ASSETS					
Capital Assets					
Nondepreciable	252,894	-	-	-	252,894
Depreciable	78,298,438	-	-	-	78,298,438
Accumulated Depreciation	(27,326,456)	-	-	-	(27,326,456)
Total Noncurrent Assets	51,224,876	-	-	-	51,224,876
Total Assets	78,500,759	144,001	1,705,719	2,000,000	82,350,479
CURRENT LIABILITIES					
Accounts Payable	6,322,895	-	-	-	6,322,895
Retainage payable	9,500	-	-	-	9,500
Accrued Payroll	128,551	-	-	-	128,551
Accrued Interest Payable	436,669	87,334	-	-	524,003
Deposits Payable	88,746	-	-	-	88,746
Unearned Revenue	25,000	-	-	-	25,000
Compensated Absences Payable	34,851	-	-	-	34,851
Revenue Bonds Payable	598,333	56,667	-	-	655,000
Total Current Liabilities	7,644,545	144,001	-	-	7,788,546
NONCURRENT LIABILITIES					
Compensated Absences Payable	139,403	-	-	-	139,403
Revenue Bonds Payable	23,780,000	-	-	-	23,780,000
Total Noncurrent Liabilities	23,919,403	-	-	-	23,919,403
Total Liabilities	31,563,948	144,001	-	-	31,707,949
NET POSITION					
Net Investment in Capital Assets	26,846,543	(56,667)	-	-	26,789,876
Restricted - Debt Service	3,945,028	-	1,705,719	2,000,000	7,650,747
Unrestricted	16,145,240	56,667	-	-	16,201,907
TOTAL NET POSITION	\$ 46,936,811	\$ -	\$ 1,705,719	\$ 2,000,000	\$ 50,642,530

(See independent auditor's report.)

CITY OF BATAVIA, ILLINOIS

SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION - BUDGET AND ACTUAL
ELECTRIC FUND

For the Year Ended December 31, 2014

	Original Budget	Final Budget	Actual
OPERATING REVENUES			
Charges for Services	\$ 47,407,762	\$ 47,155,786	\$ 49,872,268
Total Operating Revenues	47,407,762	47,155,786	49,872,268
OPERATING EXPENSES			
Administration	2,217,358	508,382	479,951
Operations	42,257,597	46,217,847	44,744,205
Total Operating Expenses	44,474,955	46,726,229	45,224,156
OPERATING INCOME (LOSS) BEFORE DEPRECIATION	2,932,807	429,557	4,648,112
Depreciation	-	-	2,510,722
OPERATING INCOME (LOSS)	2,932,807	429,557	2,137,390
NON-OPERATING REVENUES (EXPENSES)			
Investment Income	58,000	58,000	71,856
Loss on Disposal of Capital Assets	-	-	(232,593)
Interest and Fiscal Charges	(1,048,756)	(1,048,756)	(1,048,005)
Total Non-Operating Revenues (Expenses)	(990,756)	(990,756)	(1,208,742)
NET INCOME (LOSS) BEFORE CONTRIBUTIONS	1,942,051	(561,199)	928,648
CONTRIBUTIONS			
Grants	75,000	75,000	39,977
Total Contributions	75,000	75,000	39,977
CHANGE IN NET POSITION	\$ 2,017,051	\$ (486,199)	968,625
NET POSITION, JANUARY 1			49,673,905
NET POSITION, DECEMBER 31			\$ 50,642,530

(See independent auditor's report.)

CITY OF BATAVIA, ILLINOIS

SCHEDULE OF OPERATING EXPENSES - BUDGET AND ACTUAL
ELECTRIC FUND

For the Year Ended December 31, 2014

	Original Budget	Final Budget	Actual
ADMINISTRATION			
Meter Reader/Tester			
Regular Wages	\$ 222,400	\$ 222,400	\$ 226,675
Overtime	7,600	7,600	7,812
Part-Time Help	88,000	88,000	90,759
Group Insurance	60,312	60,312	59,712
IMRF - City Portion	31,119	31,119	29,338
Social Security	24,327	24,327	23,814
Fuel for Vehicles	6,600	6,600	5,753
Telephone	1,000	1,000	853
Clothing Allowance	2,200	2,200	1,948
General Supplies	6,000	6,000	3,229
Repairs and Maintenance - Vehicles	500	500	2,442
Water & Sewer Metering	-	(251,976)	(251,976)
Total Meter Reader/Tester	<u>450,058</u>	<u>198,082</u>	<u>200,359</u>
General Expenses			
General Liability Insurance	91,300	91,300	86,436
Workers' Compensation Premium	144,000	144,000	144,000
General Support	725,000	-	-
Payments in Lieu of Taxes	732,000	-	-
Bad Debt Expense	75,000	75,000	18,008
Other Expense	-	-	31,148
Total General Expenses	<u>1,767,300</u>	<u>310,300</u>	<u>279,592</u>
TOTAL ADMINISTRATION	<u><u>\$ 2,217,358</u></u>	<u><u>\$ 508,382</u></u>	<u><u>\$ 479,951</u></u>
OPERATIONS			
Purchase Power			
Purchase Power	\$ 34,969,767	\$ 38,969,767	\$ 11,779,078
PJM Interconnection	2,405,000	2,405,000	2,556,827
Ancillary Power Costs	125,000	125,000	123,600
State Utility Tax	1,485,000	1,485,000	1,477,925
NIMPA PP ECA	-	-	2,767,634
NIMPA PP Capacity	-	-	24,158,071
Total Purchase Power	<u>38,984,767</u>	<u>42,984,767</u>	<u>42,863,135</u>
Electrical Distribution			
Regular Wages	1,557,877	1,557,877	1,500,391
Overtime	139,000	139,000	101,292
Part-Time Help	25,000	25,000	-
Group Insurance	271,206	271,206	267,887
IMRF - City Portion	229,587	229,587	202,535
Social Security	131,724	131,724	115,531
Memberships	30,000	30,000	28,195
Training and Seminars	19,500	19,500	5,934

(This schedule is continued on the following page.)

CITY OF BATAVIA, ILLINOIS

SCHEDULE OF OPERATING EXPENSES - BUDGET AND ACTUAL (Continued)
ELECTRIC FUND

For the Year Ended December 31, 2014

	Original Budget	Final Budget	Actual
OPERATIONS (Continued)			
Electrical Distribution (Continued)			
Resource Materials	\$ 500	\$ 500	\$ 270
Postage and Shipping	5,000	5,000	2,156
Office Supplies	1,200	1,200	947
Vehicle Supplies	7,000	7,000	6,531
Communication Supplies	50,000	-	-
Materials	7,500	7,500	5,072
Gasoline	21,750	21,750	20,443
Advertising	500	500	184
Telephone	23,400	23,400	22,770
Clothing Allowance	15,000	15,000	7,900
Food	1,000	1,000	652
Utilities	39,480	39,480	47,899
Safety Supplies	5,000	5,000	3,002
Substation Maintenance	83,000	83,000	5,183
General Supplies	125,000	125,000	118,327
Landfill Fees	7,000	7,000	3,285
Tree Trimming	125,000	125,000	117,568
Repairs and Maintenance - Vehicle	12,000	12,000	5,983
Repairs and Maintenance - Building	42,000	42,000	12,374
Repairs and Maintenance - Other Equipment	30,000	30,000	22,955
Contract Labor	390,000	325,250	247,097
Contract Labor - Forestry	15,000	15,000	18,850
Julie System	2,000	2,000	1,713
Other Equipment	20,000	20,000	15,565
Obsolete Inventory	-	-	6,033
Total Electrical Distribution	3,432,224	3,317,474	2,914,524
Less Non-Operating Items			
Capital Assets Capitalized	(1,033,454)	(1,033,454)	(1,033,454)
Electrical Improvements			
General Supplies	367,000	367,000	171,717
Electric Meters	45,000	45,000	32,377
Wire and Cable	153,000	153,000	44,140
Electric Poles	50,000	50,000	36,904
Contract Labor	733,000	808,000	300,370
Vehicles	335,000	335,000	283,337
Transformers	132,000	132,000	72,095
Total Electrical Improvements	1,815,000	1,890,000	940,940
Less Non-Operating Items			
Capital Assets Capitalized	(940,940)	(940,940)	(940,940)
TOTAL OPERATIONS	\$ 42,257,597	\$ 46,217,847	\$ 44,744,205

(See independent auditor's report.)

CITY OF BATAVIA, ILLINOIS

**SCHEDULE OF CHANGES IN NET POSITION - RESTRICTED - DEBT SERVICE
ELECTRIC FUND**

December 31, 2014

	Operations and Maintenance	Bond and Interest	Bond Reserve	Depreciation Repair and Replacement	Total
INCREASES					
Interfund Transfers In	\$ 225,499	\$ 1,847,006	\$ -	\$ -	\$ 2,072,505
DECREASES					
Bond Principal	-	655,000	-	-	655,000
Bond Interest	-	1,048,005	-	-	1,048,005
Total Decreases	-	1,703,005	-	-	1,703,005
NET INCREASE	225,499	144,001	-	-	369,500
NET POSITION					
January 1	3,719,529	-	1,705,719	2,000,000	7,425,248
December 31	\$ 3,945,028	\$ 144,001	\$ 1,705,719	\$ 2,000,000	\$ 7,794,748

(See independent auditor's report.)

INTERNAL SERVICE FUNDS

Health Insurance Fund - to account for all costs associated with self-insurance risks for employee health, dental and life insurance.

Workers' Compensation Insurance Fund - to account for all costs associated with self-insurance risks for employee workers' compensation insurance.

CITY OF BATAVIA, ILLINOIS

**COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS**

December 31, 2014

	Health Insurance	Workers' Compensation Insurance	Total
CURRENT ASSETS			
Cash and Investments	\$ 2,079,154	\$ 1,970,079	\$ 4,049,233
Receivables			
Accounts	97,371	-	97,371
Accrued Interest	3,607	1,386	4,993
Prepaid Expenses	-	60,472	60,472
	<hr/>		
Total Current Assets	2,180,132	2,031,937	4,212,069
	<hr/>		
Total Assets	2,180,132	2,031,937	4,212,069
	<hr/>		
CURRENT LIABILITIES			
Accounts Payable	-	462	462
Claims Payable	743,919	77,584	821,503
	<hr/>		
Total Current Liabilities	743,919	78,046	821,965
	<hr/>		
LONG TERM LIABILITIES			
Claims Reserve	-	440,774	440,774
	<hr/>		
Total Liabilities	743,919	518,820	1,262,739
	<hr/>		
NET POSITION			
Unrestricted	1,436,213	1,513,117	2,949,330
	<hr/>		
TOTAL NET POSITION	\$ 1,436,213	\$ 1,513,117	\$ 2,949,330
	<hr/> <hr/>		

(See independent auditor's report.)

CITY OF BATAVIA, ILLINOIS

**COMBINING SCHEDULE OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION - BUDGET AND ACTUAL
INTERNAL SERVICE FUNDS**

For the Year Ended December 31, 2014

	Health Insurance	Workers' Compensation Insurance	Total Internal Service
OPERATING REVENUES			
Charges for Services			
Contributions	\$ 3,598,579	\$ 651,369	\$ 4,249,948
Total Operating Revenues	<u>3,598,579</u>	<u>651,369</u>	<u>4,249,948</u>
OPERATING EXPENSES			
Administration			
Contractual Services	92,760	12,000	104,760
Insurance			
Premiums	345,950	-	345,950
Claims	3,571,635	484,855	4,056,490
Contractual Services	166,815	-	166,815
Total Operating Expenses	<u>4,177,160</u>	<u>496,855</u>	<u>4,674,015</u>
OPERATING INCOME (LOSS)	<u>(578,581)</u>	<u>154,514</u>	<u>(424,067)</u>
NON-OPERATING REVENUES (EXPENSES)			
Investment Income	5,297	698	5,995
Total Non-Operating Revenues (Expenses)	<u>5,297</u>	<u>698</u>	<u>5,995</u>
CHANGE IN NET POSITION	<u>(573,284)</u>	<u>155,212</u>	<u>(418,072)</u>
NET POSITION, JANUARY 1	1,337,993	1,357,905	2,695,898
Prior Period Adjustment	671,504	-	671,504
NET POSITION, JANUARY 1, AS RESTATED	<u>2,009,497</u>	<u>1,357,905</u>	<u>3,367,402</u>
NET POSITION, DECEMBER 31	<u><u>\$ 1,436,213</u></u>	<u><u>\$ 1,513,117</u></u>	<u><u>\$ 2,949,330</u></u>

(See independent auditor's report.)

CITY OF BATAVIA, ILLINOIS

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS

For the Year Ended December 31, 2014

	Health Insurance	Workers' Compensation Insurance	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Interfund Services Transactions	\$ 2,709,917	\$ 651,369	\$ 3,361,286
Receipts from Others	888,662	-	888,662
Payments to Suppliers	(4,163,325)	(526,868)	(4,690,193)
Net Cash from Operating Activities	<u>(564,746)</u>	<u>124,501</u>	<u>(440,245)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
None	-	-	-
Net Cash from Noncapital Financing Activities	<u>-</u>	<u>-</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Sale of Investments	249,375	-	249,375
Interest Received on Investments	3,494	(85)	3,409
Net Cash from Investing Activities	<u>252,869</u>	<u>(85)</u>	<u>252,784</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(311,877)	124,416	(187,461)
CASH AND CASH EQUIVALENTS, JANUARY 1	<u>1,641,662</u>	<u>1,595,663</u>	<u>3,237,325</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u><u>\$ 1,329,785</u></u>	<u><u>\$ 1,720,079</u></u>	<u><u>\$ 3,049,864</u></u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES			
Operating Income (Loss)	\$ (578,581)	\$ 154,514	\$ (424,067)
Adjustments to Reconcile Operating Income (Loss) to Net Cash From Operating Activities			
Changes in Assets and Liabilities			
Accounts Receivable	(95,190)	-	(95,190)
Prepaid Expenses	-	(5,743)	(5,743)
Accounts Payable	-	(193)	(193)
Claims Payable	109,025	38,735	147,760
Claims Reserve	-	(62,812)	(62,812)
NET CASH FROM OPERATING ACTIVITIES	<u><u>\$ (564,746)</u></u>	<u><u>\$ 124,501</u></u>	<u><u>\$ (440,245)</u></u>
CASH AND INVESTMENTS			
Cash and Cash Equivalents	\$ 1,329,785	\$ 1,720,079	\$ 3,049,864
Investments	749,369	250,000	999,369
TOTAL CASH AND INVESTMENTS	<u><u>\$ 2,079,154</u></u>	<u><u>\$ 1,970,079</u></u>	<u><u>\$ 4,049,233</u></u>

(See independent auditor's report.)

CITY OF BATAVIA, ILLINOIS

**SCHEDULE OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION - BUDGET AND ACTUAL
HEALTH INSURANCE FUND**

For the Year Ended December 31, 2014

	Original Budget	Final Budget	Actual
OPERATING REVENUES			
Charges for Services			
Employer Contributions	\$ 2,737,867	\$ 2,737,867	\$ 2,679,740
Employee Contributions	566,808	566,808	567,228
Non-Employee Insurance Contributions	202,910	202,910	209,169
Flex Contributions	130,000	130,000	142,442
	<hr/>	<hr/>	<hr/>
Total Operating Revenues	3,637,585	3,637,585	3,598,579
	<hr/>	<hr/>	<hr/>
OPERATING EXPENSES			
Administration			
Contractual Services	99,200	99,200	92,760
Insurance			
Premiums	375,250	375,250	345,950
Claims	2,945,447	2,945,447	4,074,876
Insurance Reimbursements	(50,000)	(50,000)	(503,241)
Contractual Services	159,148	159,148	166,815
	<hr/>	<hr/>	<hr/>
Total Operating Expenses	3,529,045	3,529,045	4,177,160
	<hr/>	<hr/>	<hr/>
OPERATING INCOME (LOSS)	108,540	108,540	(578,581)
NON-OPERATING REVENUES (EXPENSES)			
Investment Income	4,000	4,000	5,297
	<hr/>	<hr/>	<hr/>
CHANGE IN NET POSITION	\$ 112,540	\$ 112,540	(573,284)
	<hr/>	<hr/>	<hr/>
NET POSITION, JANUARY 1			1,337,993
Prior Period Adjustment			<hr/> 671,504
NET POSITION, JANUARY 1, AS RESTATED			<hr/> 2,009,497
			<hr/>
NET POSITION, DECEMBER 31			<hr/>\$ 1,436,213

(See independent auditor's report.)

CITY OF BATAVIA, ILLINOIS

**SCHEDULE OF OPERATING EXPENSES - BUDGET AND ACTUAL
HEALTH INSURANCE FUND**

For the Year Ended December 31, 2014

	Original Budget	Final Budget	Actual
OPERATING EXPENSES			
Administration			
Contractual Services	\$ 99,200	\$ 99,200	\$ 92,760
Insurance			
Premiums	375,250	375,250	345,950
Claims	2,945,447	2,945,447	4,074,876
Insurance Reimbursements	(50,000)	(50,000)	(503,241)
Contractual Services	159,148	159,148	166,815
TOTAL OPERATING EXPENSES	\$ 3,529,045	\$ 3,529,045	\$ 4,177,160

(See independent auditor's report.)

CITY OF BATAVIA, ILLINOIS

**SCHEDULE OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION - BUDGET AND ACTUAL
WORKERS' COMPENSATION INSURANCE FUND**

For the Year Ended December 31, 2014

	Original Budget	Final Budget	Actual
OPERATING REVENUES			
Charges for Services	\$ 539,920	\$ 539,920	\$ 651,369
Total Operating Revenues	<u>539,920</u>	<u>539,920</u>	<u>651,369</u>
OPERATING EXPENSES			
Administration	13,250	13,250	12,000
Insurance Claims	597,000	597,000	484,855
Total Operating Expenses	<u>610,250</u>	<u>610,250</u>	<u>496,855</u>
OPERATING INCOME (LOSS)	(70,330)	(70,330)	154,514
NON-OPERATING REVENUES (EXPENSES)			
Investment Income	<u>500</u>	<u>500</u>	<u>698</u>
CHANGE IN NET POSITION	<u>\$ (69,830)</u>	<u>\$ (69,830)</u>	155,212
NET POSITION, JANUARY 1			<u>1,357,905</u>
NET POSITION, DECEMBER 31			<u><u>\$ 1,513,117</u></u>

(See independent auditor's report.)

CITY OF BATAVIA, ILLINOIS

**SCHEDULE OF OPERATING EXPENSES - BUDGET AND ACTUAL
WORKERS' COMPENSATION INSURANCE FUND**

For the Year Ended December 31, 2014

	Original Budget	Final Budget	Actual
OPERATING EXPENSES			
Administration			
Contractual Services	\$ 13,250	\$ 13,250	\$ 12,000
Insurance			
Stop Loss Premium	75,000	75,000	60,280
Claims	522,000	522,000	424,575
TOTAL OPERATING EXPENSES	\$ 610,250	\$ 610,250	\$ 496,855

(See independent auditor's report.)

FIDUCIARY FUNDS

PENSION TRUST FUNDS

Police Pension Fund - to account for the accumulation of resources to pay pension costs. Resources are contributed by sworn police personnel at rates fixed by state statutes and by the City based upon an annual actuarial valuation.

Firefighters' Pension Fund - to account for the accumulation of resources to pay pension costs. Resources are contributed by sworn fire personnel at rates fixed by state statutes and by the City based upon an annual actuarial valuation.

AGENCY FUND

Escrow Deposits Fund - to account for the refundable deposits held by the City to ensure the completion of public improvements by private developers.

CITY OF BATAVIA, ILLINOIS

**COMBINING STATEMENT OF PLAN NET POSITION
PENSION TRUST FUNDS**

December 31, 2014

	Pension Trust		Total
	Police Pension	Firefighters' Pension	
ASSETS			
Cash and Cash Equivalents	\$ 10,000	\$ -	\$ 10,000
Investments, at Fair Value			
Money Market Mutual Funds	1,139,987	137,090	1,277,077
U.S. Government and Agency Securities	4,266,831	4,492,740	8,759,571
Municipal Bonds	-	772,055	772,055
Insurance Company Contracts	-	3,005,197	3,005,197
Corporate Bonds and Notes	3,904,710	-	3,904,710
Domestic Corporate Equities	3,273,898	-	3,273,898
Equity Mutual Funds	13,774,187	5,441,736	19,215,923
Receivables			
Accrued Interest	56,136	25,587	81,723
Prepaid Expenses	775	259	1,034
Total Assets	<u>26,426,524</u>	<u>13,874,664</u>	<u>40,301,188</u>
LIABILITIES			
Accounts Payable	2,000	8,823	10,823
Total Liabilities	<u>2,000</u>	<u>8,823</u>	<u>10,823</u>
NET POSITION HELD IN TRUST FOR PENSION BENEFITS			
	<u>\$ 26,424,524</u>	<u>\$ 13,865,841</u>	<u>\$ 40,290,365</u>

(See independent auditor's report.)

CITY OF BATAVIA, ILLINOIS

**COMBINING STATEMENT OF CHANGES IN PLAN NET POSITION
PENSION TRUST FUNDS**

For the Year Ended December 31, 2014

	Pension Trust		Total
	Police Pension	Firefighters' Pension	
ADDITIONS			
Contributions			
Employer Contributions	\$ 1,357,815	\$ 688,992	\$ 2,046,807
Employee Contributions	421,125	187,285	608,410
Total Contributions	<u>1,778,940</u>	<u>876,277</u>	<u>2,655,217</u>
Investment Income			
Net Appreciation in Fair Value of Investments	443,358	488,833	932,191
Interest	947,920	412,582	1,360,502
Total Investment Income	1,391,278	901,415	2,292,693
Less Investment Expense	<u>(172,319)</u>	<u>(37,061)</u>	<u>(209,380)</u>
Net Investment Income	<u>1,218,959</u>	<u>864,354</u>	<u>2,083,313</u>
Total Additions	<u>2,997,899</u>	<u>1,740,631</u>	<u>4,738,530</u>
DEDUCTIONS			
Pension Benefits	1,535,002	519,366	2,054,368
Administration	51,493	59,912	111,405
Total Deductions	<u>1,586,495</u>	<u>579,278</u>	<u>2,165,773</u>
CHANGE IN NET POSITION	1,411,404	1,161,353	2,572,757
NET POSITION HELD IN TRUST FOR PENSION BENEFITS			
January 1	<u>25,013,120</u>	<u>12,704,488</u>	<u>37,717,608</u>
December 31	<u>\$ 26,424,524</u>	<u>\$ 13,865,841</u>	<u>\$ 40,290,365</u>

(See independent auditor's report.)

CITY OF BATAVIA, ILLINOIS

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

ESCROW DEPOSIT FUND

For the Year Ended December 31, 2014

	Balances			Balances
	January 1	Additions	Deletions	December 31
Escrow Deposit Fund				
ASSETS				
Cash and Investments	\$ 102,914	\$ 54,232	\$ 66,555	\$ 90,591
TOTAL ASSETS	\$ 102,914	\$ 54,232	\$ 66,555	\$ 90,591
LIABILITIES				
Deposits Payable	\$ 102,914	\$ 54,232	\$ 66,555	\$ 90,591
TOTAL LIABILITIES	\$ 102,914	\$ 54,232	\$ 66,555	\$ 90,591

(See independent auditor's report.)

SUPPLEMENTAL SCHEDULES

CITY OF BATAVIA, ILLINOIS

**LONG-TERM DEBT REQUIREMENTS
GENERAL OBLIGATION REFUNDING BOND SERIES OF 2012**

December 31, 2014

Date of Issue	February 7, 2012
Date of Maturity	January 1, 2025
Authorized Issue	\$1,530,000
Denomination of Notes	\$5,000
Interest Rates	2% to 3%
Interest Dates	January 1 and July 1
Principal Maturity Date	January 1
Payable at	U.S. Bank National Association

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements			Interest Due on			
	Principal	Interest	Total	January 1	Amount	July 1	Amount
2015	\$ 115,000	\$ 30,975	\$ 145,975	2015	\$ 16,563	2015	\$ 14,412
2016	120,000	29,625	149,625	2016	15,413	2016	14,212
2017	120,000	26,625	146,625	2017	14,213	2017	12,412
2018	120,000	23,025	143,025	2018	12,413	2018	10,612
2019	125,000	19,350	144,350	2019	10,613	2019	8,737
2020	125,000	16,225	141,225	2020	8,738	2020	7,487
2021	130,000	13,675	143,675	2021	7,488	2021	6,187
2022	130,000	10,913	140,913	2022	6,188	2022	4,725
2023	135,000	7,931	142,931	2023	4,725	2023	3,206
2024	135,000	4,809	139,809	2024	3,206	2024	1,603
2025	135,000	1,603	136,603	2025	1,603		
	<u>\$ 1,390,000</u>	<u>\$ 184,756</u>	<u>\$ 1,574,756</u>		<u>\$ 101,163</u>		<u>\$ 83,593</u>

(See independent auditor's report.)

CITY OF BATAVIA, ILLINOIS

**LONG-TERM DEBT REQUIREMENTS
GENERAL OBLIGATION REFUNDING BOND SERIES OF 2012A**

December 31, 2014

Date of Issue	July 24, 2012
Date of Maturity	January 1, 2026
Authorized Issue	\$7,150,000
Denomination of Notes	\$5,000
Interest Rates	2% to 4%
Interest Dates	January 1 and July 1
Principal Maturity Date	January 1
Payable at	U.S. Bank National Association

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements			Interest Due on			
	Principal	Interest	Total	January 1	Amount	July 1	Amount
2015	\$ 485,000	\$ 208,300	\$ 693,300	2015	\$ 106,575	2015	\$ 101,725
2016	500,000	193,450	693,450	2016	101,725	2016	91,725
2017	525,000	175,575	700,575	2017	91,725	2017	83,850
2018	540,000	159,600	699,600	2018	83,850	2018	75,750
2019	560,000	143,100	703,100	2019	75,750	2019	67,350
2020	575,000	126,075	701,075	2020	67,350	2020	58,725
2021	600,000	108,450	708,450	2021	58,725	2021	49,725
2022	620,000	90,150	710,150	2022	49,725	2022	40,425
2023	640,000	71,250	711,250	2023	40,425	2023	30,825
2024	660,000	51,750	711,750	2024	30,825	2024	20,925
2025	690,000	31,500	721,500	2025	20,925	2025	10,575
2026	705,000	10,575	715,575	2026	10,575		
	<u>\$ 7,100,000</u>	<u>\$ 1,369,775</u>	<u>\$ 8,469,775</u>		<u>\$ 738,175</u>		<u>\$ 631,600</u>

(See independent auditor's report.)

CITY OF BATAVIA, ILLINOIS

**LONG-TERM DEBT REQUIREMENTS
TAXABLE GENERAL OBLIGATION ALTERNATE REVENUE BOND SERIES OF 2010**

December 31, 2014

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% to 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	Total	June 15	Amount	December 15	Amount
2015	\$ 91,518	\$ 15,819	\$ 107,337	2015	\$ 7,909	2015	\$ 7,910
2016	94,355	14,003	108,358	2016	7,002	2016	7,001
2017	97,751	11,829	109,580	2017	5,914	2017	5,915
2018	101,662	9,327	110,989	2018	4,664	2018	4,663
2019	106,084	9,496	115,580	2019	4,748	2019	4,748
2020	110,911	3,407	114,318	2020	1,703	2020	1,704
	<u>\$ 602,281</u>	<u>\$ 63,881</u>	<u>\$ 666,162</u>		<u>\$ 31,940</u>		<u>\$ 31,941</u>

The City has pledged sewer user charges for the payment of bond principal and interest.

(See independent auditor's report.)

CITY OF BATAVIA, ILLINOIS

**LONG-TERM DEBT REQUIREMENTS
IEPA WATER SERIES OF 2004**

December 31, 2014

Date of Issue	April 26, 2004
Date of Maturity	November 1, 2024
Authorized Issue	\$3,219,875
Interest Rates	2.5%
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	Total
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	206,248	3,873	210,121
	<u>\$ 1,849,004</u>	<u>\$ 252,215</u>	<u>\$ 2,101,219</u>

(See independent auditor's report.)

CITY OF BATAVIA, ILLINOIS

**LONG-TERM DEBT REQUIREMENTS
IEPA WATER SERIES OF 2005**

December 31, 2014

Date of Issue	September 20, 2004
Date of Maturity	November 1, 2024
Authorized Issue	\$439,099
Interest Rates	2.5%
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	Total
2015	\$ 25,646	\$ 7,029	\$ 32,675
2016	26,291	6,384	32,675
2017	26,952	5,722	32,674
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	31,285	1,390	32,675
2024	32,072	603	32,675
	<u>\$ 287,528</u>	<u>\$ 39,221</u>	<u>\$ 326,749</u>

(See independent auditor's report.)

CITY OF BATAVIA, ILLINOIS

**LONG-TERM DEBT REQUIREMENTS
IEPA WATER SERIES OF 2006**

December 31, 2014

Date of Issue	September 15, 2005
Date of Maturity	September 26, 2026
Authorized Issue	\$2,941,668
Interest Rates	2.5%
Interest Dates	March 26 and September 26
Principal Maturity Date	September 26, 2026
Payable at	Illinois Environmental Protection Agency

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements		
	Principal	Interest	Total
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>\$ 1,970,925</u>	<u>\$ 322,599</u>	<u>\$ 2,293,524</u>

(See independent auditor's report.)

CITY OF BATAVIA, ILLINOIS

**LONG-TERM DEBT REQUIREMENTS
IEPA WATER SERIES OF 2006**

December 31, 2014

Date of Issue	August 29, 2005
Date of Maturity	September 26, 2026
Authorized Issue	\$1,519,805
Interest Rates	2.5%
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		
	Principal	Interest	Total
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	97,214	1,828	99,042
	<u>\$ 1,021,333</u>	<u>\$ 167,172</u>	<u>\$ 1,188,505</u>

(See independent auditor's report.)

CITY OF BATAVIA ILLINOIS

**LONG-TERM DEBT REQUIREMENTS
REVENUE BOND SERIES OF 2006 - ELECTRIC**

December 31, 2014

Date of Issue	May 1, 2006
Date of Maturity	January 1, 2037
Authorized Issue	\$26,870,000
Denomination of Notes	\$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	Total	July 1	Amount	January 1	Amount
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>\$ 24,435,000</u>	<u>\$ 14,739,380</u>	<u>\$ 39,174,380</u>		<u>\$ 7,369,696</u>		<u>\$ 7,369,684</u>

(See independent auditor's report.)

CITY OF BATAVIA ILLINOIS

**LONG-TERM DEBT REQUIREMENTS
GENERAL OBLIGATION REFUNDING BOND SERIES OF 2013**

December 31, 2014

Date of Issue	May 8, 2013
Date of Maturity	November 1, 2024
Authorized Issue	\$9,120,000
Denomination of Notes	\$5,000
Interest Rates	2.00% to 2.15%
Interest Dates	May 1 and November 1
Principal Maturity Date	November 1
Payable at	U.S. Bank National Association

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements			Interest Due on			
	Principal	Interest	Total	May 1	Amount	November 1	Amount
2015	\$ 990,000	\$ 169,148	\$ 1,159,148	2015	\$ 84,574	2015	\$ 84,574
2016	1,010,000	149,347	1,159,347	2016	74,674	2016	74,673
2017	1,030,000	129,147	1,159,147	2017	64,574	2017	64,573
2018	1,050,000	108,548	1,158,548	2018	54,274	2018	54,274
2019	1,070,000	87,547	1,157,547	2019	43,774	2019	43,773
2020	1,050,000	66,147	1,116,147	2020	33,074	2020	33,073
2021	355,000	45,148	400,148	2021	22,574	2021	22,574
2022	365,000	38,048	403,048	2022	19,024	2022	19,024
2023	370,000	30,200	400,200	2023	15,100	2023	15,100
2024	385,000	15,400	400,400	2024	7,700	2024	7,700
	<u>\$ 7,675,000</u>	<u>\$ 838,680</u>	<u>\$ 8,513,680</u>		<u>\$ 419,342</u>		<u>\$ 419,338</u>

(See independent auditor's report.)

STATISTICAL SECTION

This part of the City of Batavia, Illinois' statistical 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.

<u>Contents</u>	<u>Page</u>
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.	118-127
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	128-131
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.	132-136
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.	137-138
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.	139-143

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

CITY OF BATAVIA, ILLINOIS

NET POSITION BY COMPONENT

Last Ten Fiscal Years

Fiscal Year	2005	2006	2007	2008
GOVERNMENTAL ACTIVITIES				
Net Investment in Capital Assets	\$ 54,007,767	\$ 56,436,503	\$ 58,043,517	\$ 59,368,474
Restricted	2,655,489	2,725,514	4,144,776	3,898,823
Unrestricted	8,057,531	10,891,346	12,519,599	11,929,557
TOTAL GOVERNMENTAL ACTIVITIES	\$ 64,720,787	\$ 70,053,363	\$ 74,707,892	\$ 75,196,854
BUSINESS-TYPE ACTIVITIES				
Net Investment in Capital Assets	\$ 55,546,192	\$ 52,291,412	\$ 57,578,542	\$ 58,492,879
Restricted	560,000	6,965,719	6,965,719	6,965,719
Unrestricted	17,924,403	17,858,940	16,722,298	17,353,828
TOTAL BUSINESS-TYPE ACTIVITIES	\$ 74,030,595	\$ 77,116,071	\$ 81,266,559	\$ 82,812,426
PRIMARY GOVERNMENT				
Net Investment in Capital Assets	\$ 109,553,959	\$ 108,727,915	\$ 115,622,059	\$ 117,861,353
Restricted	3,215,489	9,691,233	11,110,495	10,864,542
Unrestricted	25,981,934	28,750,286	29,241,897	29,283,385
TOTAL PRIMARY GOVERNMENT	\$ 138,751,382	\$ 147,169,434	\$ 155,974,451	\$ 158,009,280

Data Source

Audited Financial Statements

2009	2010	2011	2012	2013	2014
\$ 59,211,061	\$ 61,702,711	\$ 71,424,001	\$ 72,676,714	\$ 75,247,631	\$ 73,172,595
4,849,006	6,450,380	4,368,391	3,172,867	2,523,099	1,901,700
12,411,040	13,273,254	15,556,352	17,671,347	19,376,473	23,321,872
<hr/>					
\$ 76,471,107	\$ 81,426,345	\$ 91,348,744	\$ 93,520,928	\$ 97,147,203	\$ 98,396,167
<hr/>					
\$ 59,128,513	\$ 61,371,996	\$ 61,475,226	\$ 61,674,302	\$ 63,949,289	\$ 64,009,361
6,965,719	6,965,719	7,605,719	7,719,951	7,425,248	7,650,747
16,820,949	19,039,131	21,151,336	24,279,154	21,245,987	22,553,895
<hr/>					
\$ 82,915,181	\$ 87,376,846	\$ 90,232,281	\$ 93,673,407	\$ 92,620,524	\$ 94,214,003
<hr/>					
\$ 118,339,574	\$ 123,074,707	\$ 132,899,227	\$ 134,351,016	\$ 139,196,920	\$ 137,181,956
11,814,725	13,416,099	11,974,110	10,892,818	9,948,347	9,552,447
29,231,989	32,312,385	36,707,688	41,950,501	40,622,460	45,875,767
<hr/>					
\$ 159,386,288	\$ 168,803,191	\$ 181,581,025	\$ 187,194,335	\$ 189,767,727	\$ 192,610,170
<hr/>					

CITY OF BATAVIA, ILLINOIS

CHANGE IN NET POSITION

Last Ten Fiscal Years

Fiscal Year	2005	2006	2007	2008
EXPENSES				
Governmental Activities				
General Government	\$ 6,386,249	\$ 6,584,012	\$ 6,451,060	\$ 8,146,104
Public Safety	10,121,222	10,402,997	12,215,741	12,121,625
Highways and Streets	5,067,474	5,582,728	6,183,985	6,260,339
Interest on Long-Term Debt	298,690	753,633	684,256	645,989
Total Governmental Activities Expenses	<u>21,873,635</u>	<u>23,323,370</u>	<u>25,535,042</u>	<u>27,174,057</u>
Business-Type Activities				
Waterworks	3,627,668	3,966,794	4,254,129	4,396,820
Sewerage	4,241,377	4,203,810	4,470,801	4,208,916
Electric	26,519,599	26,008,557	31,961,842	34,045,301
Total Business-Type Activities Expenses	<u>34,388,644</u>	<u>34,179,161</u>	<u>40,686,772</u>	<u>42,651,037</u>
TOTAL PRIMARY GOVERNMENT EXPENSES	<u>\$ 56,262,279</u>	<u>\$ 57,502,531</u>	<u>\$ 66,221,814</u>	<u>\$ 69,825,094</u>
PROGRAM REVENUES				
Governmental Activities				
Charges for Services				
General Government	\$ 5,339,196	\$ 4,656,976	\$ 4,049,006	\$ 3,764,086
Public Safety	262,939	262,228	221,761	171,223
Highways and Streets	-	-	-	-
Operating Grants and Contributions	190,320	194,000	238,000	234,567
Capital Grants and Contributions	951,987	2,069,115	1,875,829	1,008,624
Total Governmental Activities Program Revenues	<u>6,744,442</u>	<u>7,182,319</u>	<u>6,384,596</u>	<u>5,178,500</u>
Business-Type Activities				
Charges for Services				
Waterworks	4,398,278	4,364,265	4,445,495	4,087,625
Sewerage	3,811,702	3,652,958	3,642,300	3,691,018
Electric	26,610,687	27,914,884	35,121,078	35,665,614
Operating Grants and Contributions	237,926	109,591	20,297	18,727
Capital Grants and Contributions	911,002	469,848	-	139,164
Total Business-Type Activities Program Revenues	<u>35,969,595</u>	<u>36,511,546</u>	<u>43,229,170</u>	<u>43,602,148</u>
TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES	<u>\$ 42,714,037</u>	<u>\$ 43,693,865</u>	<u>\$ 49,613,766</u>	<u>\$ 48,780,648</u>
NET (EXPENSE) REVENUE				
Governmental Activities	\$ (15,129,193)	\$ (16,141,051)	\$ (19,150,446)	\$ (21,995,557)
Business-Type Activities	1,580,951	2,332,385	2,542,398	951,111
TOTAL PRIMARY GOVERNMENT NET (EXPENSE) REVENUE	<u>\$ (13,548,242)</u>	<u>\$ (13,808,666)</u>	<u>\$ (16,608,048)</u>	<u>\$ (21,044,446)</u>

	2009	2010	2011	2012	2013	2014
\$	5,962,374	\$ 6,266,691	\$ 6,374,558	\$ 5,162,153	\$ 5,184,666	\$ 8,068,549
	12,301,852	12,665,417	12,510,380	12,785,535	13,409,101	13,633,511
	5,734,078	5,181,816	6,282,067	5,858,599	3,932,500	6,255,580
	616,057	527,177	486,149	519,467	299,376	263,095
	24,614,361	24,641,101	25,653,154	24,325,754	22,825,643	28,220,735
	4,138,840	3,832,685	4,110,503	3,970,037	4,061,725	4,184,893
	4,138,139	3,807,081	3,926,312	4,013,735	4,297,406	4,076,509
	38,272,324	37,511,960	35,934,858	41,070,933	46,392,424	49,015,476
	46,549,303	45,151,726	43,971,673	49,054,705	54,751,555	57,276,878
\$	71,163,664	\$ 69,792,827	\$ 69,624,827	\$ 73,380,459	\$ 77,577,198	\$ 85,497,613
\$	3,854,860	\$ 3,964,876	\$ 3,126,338	\$ 2,128,277	\$ 2,121,391	\$ 1,651,963
	226,208	252,426	203,415	298,380	366,525	354,324
	-	-	-	288,836	275,620	335,538
	241,750	240,000	244,000	329,668	349,272	1,250,275
	686,975	3,623,695	10,317,551	1,508,042	1,667,743	1,699,523
	5,009,793	8,080,997	13,891,304	4,553,203	4,780,551	5,291,623
	4,064,180	4,222,211	4,230,203	4,564,944	4,302,000	4,333,725
	3,753,931	3,792,108	3,812,444	3,978,774	4,226,780	4,489,953
	37,487,439	39,639,489	38,665,547	43,893,073	45,107,223	49,872,268
	26,549	1,841,691	10,425	-	-	51,849
	1,033,442	-	-	-	-	39,977
	46,365,541	49,495,499	46,718,619	52,436,791	53,636,003	58,787,772
\$	51,375,334	\$ 57,576,496	\$ 60,609,923	\$ 56,989,994	\$ 58,416,554	\$ 64,079,395
\$	(19,604,568)	\$ (16,560,104)	\$ (11,761,850)	\$ (19,772,551)	\$ (18,045,092)	\$ (22,929,112)
	(183,762)	4,343,773	2,746,946	3,382,086	(1,115,552)	1,510,894
\$	(19,788,330)	\$ (12,216,331)	\$ (9,014,904)	\$ (16,390,465)	\$ (19,160,644)	\$ (21,418,218)

CITY OF BATAVIA, ILLINOIS

CHANGE IN NET POSITION (Continued)

Last Ten Fiscal Years

Fiscal Year	2005	2006	2007	2008
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION				
Governmental Activities				
Property Taxes	\$ 5,288,191	\$ 5,962,071	\$ 6,470,013	\$ 6,767,017
Sales Taxes	5,195,982	7,464,511	7,636,826	7,087,893
Utility Taxes	2,587,486	2,844,460	3,081,641	3,300,786
Other Taxes	28,898	-	-	-
Income Tax	2,189,790	2,400,894	2,590,454	2,759,628
Replacement Tax	172,496	186,896	221,048	215,708
Other	59,322	68,180	455,311	89,736
Interest Income	346,860	1,057,465	1,042,689	427,370
Miscellaneous	1,235,041	1,449,075	2,186,492	1,815,544
Transfers	69,912	40,075	20,501	20,837
Total Governmental Activities	17,173,978	21,473,627	23,704,975	22,484,519
Business-Type Activities				
Interest Income	433,992	793,166	1,628,591	615,593
Miscellaneous	-	-	-	-
Transfers	(69,912)	(40,075)	(20,501)	(20,837)
Total Business-Type Activities	364,080	753,091	1,608,090	594,756
TOTAL PRIMARY GOVERNMENT	\$ 17,538,058	\$ 22,226,718	\$ 25,313,065	\$ 23,079,275
CHANGE IN NET POSITION				
Governmental Activities	\$ 2,044,785	\$ 5,332,576	\$ 4,554,529	\$ 488,962
Business-Type Activities	1,945,031	3,085,476	4,150,488	1,545,867
TOTAL PRIMARY GOVERNMENT CHANGE IN NET POSITION	\$ 3,989,816	\$ 8,418,052	\$ 8,705,017	\$ 2,034,829

Data Source

Audited Financial Statements

	2009	2010	2011	2012	2013	2014
\$	7,116,278	\$ 7,221,619	\$ 7,330,398	\$ 7,870,416	\$ 7,818,876	\$ 7,732,780
	6,035,687	6,223,857	6,441,947	6,735,334	7,116,025	8,460,087
	3,134,179	3,157,059	3,096,521	3,633,856	3,770,203	3,960,334
	-	-	-	-	-	-
	2,363,790	2,307,602	2,408,189	2,309,103	2,511,557	2,466,515
	186,191	196,214	174,711	174,966	193,679	200,254
	164,237	213,396	123,602	-	-	-
	127,908	59,145	35,239	21,874	29,369	40,652
	1,729,656	2,115,848	2,073,642	244,123	231,658	645,950
	20,895	20,662	-	-	-	-
	20,878,821	21,515,402	21,684,249	20,989,672	21,671,367	23,506,572
	307,412	138,554	108,489	76,569	59,224	82,585
	-	-	-	7,337	3,445	-
	(20,895)	(20,662)	-	-	-	-
	286,517	117,892	108,489	83,906	62,669	82,585
\$	21,165,338	\$ 21,633,294	\$ 21,792,738	\$ 21,073,578	\$ 21,734,036	\$ 23,589,157
\$	1,274,253	\$ 4,955,298	\$ 9,922,399	\$ 1,217,121	\$ 3,626,275	\$ 577,460
	102,755	4,461,665	2,855,435	3,465,992	(1,052,883)	1,593,479
\$	1,377,008	\$ 9,416,963	\$ 12,777,834	\$ 4,683,113	\$ 2,573,392	\$ 2,170,939

CITY OF BATAVIA, ILLINOIS

FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

	2005	2006	2007	2008
GENERAL FUND				
Reserved	\$ 1,564,244	\$ 1,375,615	\$ 1,568,044	\$ 1,838,047
Unreserved	5,631,610	11,075,495	12,698,479	12,103,289
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
TOTAL GENERAL FUND	\$ 7,195,854	\$ 12,451,110	\$ 14,266,523	\$ 13,941,336
ALL OTHER GOVERNMENTAL FUNDS				
Reserved	\$ 305,936	\$ 978,700	\$ 861,307	\$ 856,905
Unreserved, Reported in Capital Projects Funds	1,215,887	11,173,375	1,915,394	1,446,175
Restricted	-	-	-	-
Assigned	-	-	-	-
TOTAL ALL OTHER GOVERNMENTAL FUNDS	\$ 1,521,823	\$ 12,152,075	\$ 2,776,701	\$ 2,303,080

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

Data Source

Audited Financial Statements

2009	2010	2011	2012	2013	2014
\$ 2,120,755	\$ 2,678,753	\$ -	\$ -	\$ -	\$ -
12,643,938	13,643,762	-	-	-	-
-	-	178,617	173,639	195,863	214,408
-	-	2,216,178	292,465	-	-
-	-	258,458	-	-	-
-	-	14,559,083	11,905,693	13,918,690	15,852,154
\$ 14,764,693	\$ 16,322,515	\$ 17,212,336	\$ 12,371,797	\$ 14,114,553	\$ 16,066,562
\$ 1,299,247	\$ 1,766,856	\$ -	\$ -	\$ -	\$ -
1,654,563	2,188,377	-	-	-	-
-	-	1,896,032	2,880,402	2,523,099	1,901,700
-	-	2,184,199	2,781,395	2,962,504	4,855,519
\$ 2,953,810	\$ 3,955,233	\$ 4,080,231	\$ 5,661,797	\$ 5,485,603	\$ 6,757,219

CITY OF BATAVIA, ILLINOIS

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
REVENUES				
Taxes	\$ 13,100,557	\$ 16,271,042	\$ 17,188,480	\$ 17,155,696
Intergovernmental	3,563,915	4,919,085	5,380,642	4,308,263
Licenses and Permits	504,569	481,697	380,021	263,420
Charges for Services	4,834,627	4,175,279	3,668,985	3,500,666
Fines and Forfeitures	262,939	262,228	221,761	171,223
Investment Income	346,860	1,057,465	1,042,689	427,370
Miscellaneous	1,235,041	1,449,075	2,186,492	1,815,544
Total Revenues	23,848,508	28,615,871	30,069,070	27,642,182
EXPENDITURES				
General Government	6,294,992	6,485,812	6,374,376	8,036,700
Public Safety	10,028,916	10,569,945	12,067,288	11,949,809
Highways and Streets	4,177,690	4,838,314	4,447,607	4,621,617
Capital Outlay	1,096,306	3,497,877	13,003,125	2,169,844
Debt Service				
Principal Retirement	883,325	1,304,300	1,071,650	1,036,350
Interest and Fiscal Charges	261,425	793,923	685,486	647,507
Total Expenditures	22,742,654	27,490,171	37,649,532	28,461,827
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,105,854	1,125,700	(7,580,462)	(819,645)
OTHER FINANCING SOURCES (USES)				
Proceeds on sale of assets	-	-	-	-
Debt Issuance	2,000,000	10,000,000	-	-
Debt Issuance Premium	100,000	-	-	-
Payment to Escrow Agent	-	-	-	-
Transfers In	665,925	1,831,980	3,866,520	2,905,770
Transfers (Out)	(596,013)	(1,791,905)	(3,846,019)	(2,884,933)
Total Other Financing Sources (Uses)	2,169,912	10,040,075	20,501	20,837
NET CHANGE IN FUND BALANCES	\$ 3,275,766	\$ 11,165,775	\$ (7,559,961)	\$ (798,808)
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES	5.29%	9.25%	6.98%	6.33%

Prior to 2012, charges for services included contributions to the Health Insurance Fund and Workers' Compensation Fund. These were previously reported as part of the General Fund and now are reported as Internal Service Funds. In addition, prior to 2012, administrative support to the General Fund was reported as revenue and is now reported as a reduction in expenditures.

Data Source

Audited Financial Statements

	2009	2010	2011	2012 ¹	2013	2014
\$	16,286,144	\$ 16,602,505	\$ 16,868,866	\$ 17,829,676	\$ 18,256,432	\$ 19,644,372
	3,642,943	3,832,473	3,796,579	4,731,707	5,115,674	5,891,340
	196,493	445,039	246,606	234,069	230,775	307,924
	3,658,367	3,519,837	2,879,732	325,638	234,808	496,977
	226,208	252,426	203,415	186,264	249,773	218,276
	127,908	59,145	35,239	21,874	29,369	40,652
	1,729,656	2,115,818	2,073,642	2,213,647	2,279,836	2,007,124
	25,867,719	26,827,243	26,104,079	25,542,875	26,396,667	28,606,665
	5,853,071	6,162,236	5,483,040	4,998,429	4,861,193	6,971,605
	12,112,891	12,423,114	12,334,555	12,753,114	12,711,277	12,927,030
	4,073,379	3,614,205	4,292,210	3,048,391	3,302,998	3,631,969
	645,666	403,472	1,527,510	4,499,112	2,560,749	1,357,636
	659,875	1,157,225	965,000	1,035,000	1,100,000	910,000
	573,480	528,408	486,945	520,361	293,888	257,125
	23,918,362	24,288,660	25,089,260	26,854,407	24,830,105	26,055,365
	1,949,357	2,538,583	1,014,819	(1,311,532)	1,566,562	2,551,300
	-	-	-	-	-	672,325
	2,290,000	-	-	8,680,000	-	-
	-	-	-	414,439	-	-
	(2,786,165)	-	-	(8,926,746)	-	-
	2,340,580	2,362,518	2,109,938	3,498,631	1,853,989	3,454,603
	(2,319,685)	(2,341,856)	(2,109,938)	(3,498,631)	(1,853,989)	(3,454,603)
	(475,270)	20,662	-	167,693	-	672,325
\$	1,474,087	\$ 2,559,245	\$ 1,014,819	\$ (1,143,839)	\$ 1,566,562	\$ 3,223,625
	5.59%	7.85%	9.78%	6.67%	6.70%	4.60%

CITY OF BATAVIA, ILLINOIS

EQUALIZED ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY

Last Ten Levy Years

Levy Year	Fiscal Year	Residential Property	Farm Property	Commercial Property	Industrial Property	Total	Railroad	Total Assessed Value	Total Actual Value	Total Direct Tax Rate
2004	2005	\$ 610,936,400	\$ 4,083,962	\$ 98,100,789	\$ 131,015,821	\$ 844,136,972	\$ 85,113	\$ 844,222,085	\$ 2,532,666,255	0.5530
2005	2006	678,936,687	3,891,078	103,432,157	133,382,625	919,642,547	78,643	919,721,190	2,759,163,570	0.5748
2006	2007	738,200,411	6,071,624	117,181,180	140,512,163	1,001,965,378	84,309	1,002,049,687	3,006,149,061	0.5551
2007	2008	778,454,777	6,074,204	126,010,423	155,805,878	1,066,345,282	94,872	1,066,440,154	3,199,320,462	0.5416
2008	2009	805,260,627	5,356,121	131,481,073	164,271,286	1,106,369,107	109,180	1,106,478,287	3,319,434,861	0.5491
2009	2010	798,427,508	4,763,870	126,663,434	161,149,228	1,091,004,040	132,011	1,091,136,051	3,273,408,153	0.5594
2010	2011	764,707,767	269,482	124,426,791	164,235,277	1,053,639,317	145,143	1,053,784,460	3,161,353,380	0.5924
2011	2012	724,630,079	270,540	116,998,784	155,294,204	997,193,607	172,817	997,366,424	2,992,099,272	0.6720
2012	2013	686,768,933	273,176	114,323,380	155,237,111	956,602,600	185,049	956,787,649	2,870,362,947	0.6959
2013	2014	655,169,599	272,305	109,105,685	149,018,897	913,566,486	201,888	913,768,374	2,741,305,122	0.7318

Data Source

Office of the County Assessor

CITY OF BATAVIA, ILLINOIS

DIRECT AND OVERLAPPING PROPERTY TAX RATES

Last Ten Levy Years

LEVY YEAR	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
FISCAL YEAR	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
DIRECT CITY RATE										
Corporate	0.1913	0.2147	0.2052	0.1947	0.1780	0.1785	0.1890	0.2433	0.2402	0.2426
Bond and Interest	0.0359	0.0525	0.0488	0.0457	0.0448	0.0444	0.0460	0.0490	0.0464	0.0518
Police Pension	0.0858	0.0845	0.0842	0.0859	0.0849	0.1093	0.1156	0.1272	0.1370	0.1485
Fire Pension	0.0480	0.0467	0.0429	0.0480	0.0558	0.0634	0.0662	0.0669	0.0685	0.0754
IMRF	0.0361	0.0326	0.0324	0.0299	0.0290	0.0293	0.0308	0.0326	0.0366	0.0383
Fire Protection	0.0942	0.0871	0.0838	0.0808	0.0875	0.0821	0.0699	0.0818	0.0836	0.0876
Police Protection	0.0617	0.0567	0.0547	0.0507	0.0532	0.0524	0.0749	0.0712	0.0836	0.0876
Street and Bridge	-	-	0.0031	0.0059	0.0159	-	-	-	-	-
Ambulance	-	-	-	-	-	-	-	-	-	-
City of Batavia	0.5530	0.5748	0.5551	0.5416	0.5491	0.5594	0.5924	0.6720	0.6959	0.7318
OVERLAPPING RATES										
Kane County	0.3467	0.3367	0.3451	0.3321	0.3336	0.3398	0.3730	0.3990	0.4335	0.4623
Kane County Forest Preserve District	0.1432	0.1904	0.1747	0.1974	0.1932	0.1997	0.2201	0.2609	0.2710	0.3039
Batavia Township	0.0840	0.0808	0.0792	0.0770	0.0772	0.0720	0.0827	0.0886	0.0961	0.1002
Batavia Township Road District	0.0421	0.0405	0.0397	0.0386	0.0387	0.0392	0.0418	0.0447	0.0473	0.0494
Batavia Park District	0.4506	0.4226	0.4410	0.4389	0.4425	0.4521	0.4529	0.4875	0.5091	0.5228
Batavia Library District	0.2826	0.2850	0.2868	0.2611	0.2833	0.2881	0.3069	0.3289	0.3530	0.3762
Batavia Library 1998 Bond District	0.0427	0.0406	0.0390	0.0349	0.0124	0.0125	0.0089	0.0137	0.0026	0.0754
Batavia Library 1999 Bond District	0.0372	0.0330	0.0297	0.0487	0.0487	0.0498	0.0421	0.0459	0.0488	-
School District #101	4.6508	4.7369	4.6989	4.6989	4.6986	4.6986	4.9033	5.7833	6.0860	6.3725
Community College District #516	0.4099	0.3933	0.3984	0.3950	0.3995	0.4043	0.4069	0.4709	0.5312	0.5807
TOTAL DIRECT AND OVERLAPPING TAX RATE	7.0428	7.1346	7.0876	7.0642	7.0768	7.1155	7.4310	8.5954	9.0745	9.5752

Note: Rates are per \$100 of Assessed Value

Data Source

Office of the County Clerk

CITY OF BATAVIA, ILLINOIS

PRINCIPAL PROPERTY TAXPAYERS

December 31, 2014

Taxpayers	2014 Assessed Valuation	Rank	Percentage of Total Assessed Valuation	2005 Assessed Valuation	Rank	Percentage of Total Assessed Valuation
ALDI, Inc.	\$ 12,861,109	1	1.41%	\$ 4,518,757	5	0.54%
Kir Batavia 051 LLC	8,734,666	2	0.96%	8,736,220	2	1.03%
Partylite Worldwide Inc.	6,096,124	3	0.67%	6,927,544	4	0.82%
Vista Investments Inc.	5,279,276	4	0.58%	4,406,468	6	0.52%
Liberty Illinois LP	5,068,873	5	0.55%	8,794,693	1	1.04%
Kirk Road LLC	4,886,817	6	0.53%			
Wal-Mart	4,652,998	7	0.51%	3,991,958	10	0.47%
Holmstad	4,145,188	8	0.45%	7,215,597	3	0.85%
Menard Inc.	3,867,979	9	0.42%			
MB Fabyan Randall Plaza	3,755,699	10	0.41%			
Prairie Bank Trust Co				4,356,559	7	0.52%
American National Bank				4,166,135	8	0.49%
Reef America Reit Corp				4,074,088	9	0.48%
TOTAL	\$ 59,348,729		6.49%	\$ 57,188,019		6.76%

Data Source

Office of the County Clerk

CITY OF BATAVIA, ILLINOIS

PROPERTY TAX RATES, LEVIES AND COLLECTIONS

Last Ten Levy Years

Levy Year	Fiscal Year	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
2004	2005	\$ 4,668,970	\$ 4,649,284	99.58%	N/A	\$ 4,649,284	99.58%
2005	2006	5,286,412	5,279,945	99.88%	N/A	5,279,945	99.88%
2006	2007	5,561,777	5,551,195	99.81%	N/A	5,551,195	99.81%
2007	2008	5,777,695	5,761,912	99.73%	N/A	5,761,912	99.73%
2008	2009	5,945,945	5,894,998	99.14%	N/A	5,894,998	99.14%
2009	2010	6,104,982	6,101,667	99.95%	N/A	6,101,667	99.95%
2010	2011	6,243,388	6,223,847	99.69%	N/A	6,223,847	99.69%
2011	2012	6,702,671	6,659,124	99.35%	N/A	6,659,124	99.35%
2012	2013	6,653,715	6,650,453	99.95%	N/A	6,650,453	99.95%
2013	2014	6,682,757	6,673,540	99.86%	N/A	6,673,540	99.86%

N/A - Currently Not Available

Data Source

Office of the County Clerk

CITY OF BATAVIA, ILLINOIS

RATIOS OF OUTSTANDING DEBT BY TYPE

Last Ten Fiscal Years

Fiscal Year	Governmental Activities			Business-Type Activities			Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	General Obligation Bonds	Alternative Revenue Bonds	Installment Contracts	General Obligation Bonds	Alternative Revenue Bonds	Revenue Bonds			
2005	\$ 4,839,400	\$ 2,185,000	\$ 300,000	\$ 1,560,600	\$ -	\$ 21,661,447	\$ 30,546,447	4.40%	\$ 1,223
2006	4,500,100	11,890,000	50,000	1,269,900	-	52,230,425	69,940,425	10.08%	2,800
2007	4,103,450	10,845,000	-	971,550	-	50,958,778	66,878,778	9.64%	2,678
2008	3,692,100	10,220,000	-	657,900	-	49,414,003	63,984,003	9.22%	2,562
2009	3,252,225	9,550,000	-	332,775	-	47,393,907	60,528,907	8.62%	2,396
2010	2,795,000	8,850,000	-	-	-	45,313,315	56,958,315	5.61%	2,187
2011	2,430,000	8,250,000	-	-	864,831	43,261,041	54,805,872	5.40%	2,104
2012	9,794,439	1,055,000	-	-	778,800	41,397,462	53,025,701	5.23%	2,036
2013	9,339,631	425,000	-	8,960,946	691,479	30,591,072	50,008,128	4.93%	1,920
2014	8,844,823	-	-	7,950,709	602,281	29,563,790	46,961,603	4.63%	1,803

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

(1) See the schedule of Demographic and Economic Information for personal income and population data.

CITY OF BATAVIA, ILLINOIS

RATIOS OF GENERAL BONDED DEBT OUTSTANDING

Last Ten Fiscal Years

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)
2005	\$ 6,400,000	\$ 500,298	\$ 5,899,702	0.699%	\$ 236
2006	5,770,000	863,351	4,906,649	0.534%	196
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
2012	9,794,439	37,596	9,756,843	0.978%	375
2013	18,300,577	16,326	18,284,251	1.911%	702
2014	16,795,532	7,793	16,787,739	1.838%	645

Note: Details regarding the City's outstanding debt can be found in the notes to 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 Information for population data.

CITY OF BATAVIA, ILLINOIS

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

December 31, 2014

Governmental Unit	Debt Outstanding	Percentage of Debt Applicable to the City¹	City's Share of Debt
City of Batavia	\$ 8,844,823	100.00%	\$ 8,844,823
Overlapping Debt			
School District #101	86,935,000	79.60%	69,200,260
School District #304	146,345,564	7.65%	11,195,436
Community College District #516	74,330,000	10.97%	8,154,001
Kane County	61,325,000	7.38%	4,525,785
Kane County Forest Preserve District	202,291,962	7.38%	14,929,147
Batavia Park District	4,242,617	78.76%	3,341,485
Batavia Public Library District	3,335,000	83.45%	2,783,058
Geneva Park District	<u>19,567,618</u>	14.19%	<u>2,776,645</u>
Subtotal of Overlapping Debt	<u>598,372,761</u>		<u>116,905,817</u>
Total Direct and Overlapping Debt	<u>\$ 607,217,584</u>		<u>\$ 125,750,640</u>

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

Data Source

Office of the County Clerk

CITY OF BATAVIA, ILLINOIS

SCHEDULE OF LEGAL DEBT MARGIN

December 31, 2014

Under the 1970 Illinois Constitution, there is no legal limit for home rule municipalities except as set by the General Assembly.

CITY OF BATAVIA, ILLINOIS

PLEDGED-REVENUE COVERAGE

Last Ten Fiscal Years

Waterworks Revenue Bonds							
Fiscal Year	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage	
				Principal	Interest		
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	
2012	4,564,944	(2,747,879)	1,817,065	676,296	263,848	1.93	
2013	4,302,000	(2,791,860)	1,510,140	689,470	260,658	1.59	
2014	4,333,725	(2,978,958)	1,354,767	707,283	226,931	1.45	

Sewerage Revenue Bonds							
Fiscal Year	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage	
				Principal	Interest		
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	288,021	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	
2012	3,978,774	(2,555,644)	1,423,130	958,314	172,582	1.26	
2013	4,226,780	(2,799,203)	1,427,577	727,294	134,536	1.66	
2014	4,489,953	(2,646,648)	1,843,305	754,198	114,702	2.12	

Electric Revenue Bonds							
Fiscal Year	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage	
				Principal	Interest		
2005	\$ -	\$ -	\$ -	\$ -	\$ -	NA	
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	
2012	43,893,073	(37,658,329)	6,234,744	315,000	1,097,406	4.41	
2013*	46,114,133	(43,158,537)	2,955,596	605,000	1,073,205	1.76	
2014	49,872,268	(45,224,156)	4,648,112	630,000	1,073,005	2.73	

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

* Utility service charges include revenues from the Rate Stabilization Fund for the purposes of calculating debt service coverage as authorized in Ordinance 06-47 and Resolution 09-95-R.

CITY OF BATAVIA, ILLINOIS

DEMOGRAPHIC AND ECONOMIC INFORMATION

Last Ten Fiscal Years

Fiscal Year	Population	Personal Income	Per Capita Personal Income	Unemployment Rate
2005	24,978	\$ 693,963,774	\$ 27,783	4.00%
2006	24,978	693,963,774	27,783	3.00%
2007	24,978	693,963,774	27,783	3.50%
2008	24,978	693,963,774	27,783	4.90%
2009	25,264	701,909,712	27,783	8.70%
2010	26,045	1,014,556,930	38,565	9.50%
2011	26,045	1,014,556,930	38,565	8.30%
2012	26,045	1,014,556,930	38,565	7.80%
2013	26,045	1,014,556,930	38,565	7.40%
2014	26,045	1,014,556,930	38,565	6.10%

Data Source

U.S. Census Bureau

CITY OF BATAVIA, ILLINOIS

PRINCIPAL EMPLOYERS

Current Year and Nine Years Ago

Employer	2014			2005		
	Rank	Employees	% of Total City Employment	Rank	Employees	% of Total City Employment
Fermi National Accelerator Laborator	1	1,800	13.24%	1	2,150	14.75%
Suncast Corporation	2	1,000	7.35%	2	450	3.09%
Unit School District #101	3	670	4.93%	4	400	2.74%
Agco Corporation	4	365	2.68%	3	425	2.92%
Power Packaging	5	300	2.21%	7	250	1.72%
VRW Scientific	6	225	1.65%	9	225	1.54%
Alloyd Brands Printed Products	7	200	1.47%			
Aldi, Inc	8	200	1.47%	10	200	1.37%
Partylite	9	200	1.47%			
Eagle Concrete	10	200	1.47%	6	300	2.06%
Siemens-Furnas Controls				5	300	2.06%
Sealy Mattress				8	250	1.72%
		<u>5,160</u>	<u>37.94%</u>		<u>4,950</u>	<u>33.97%</u>

Data Source

U.S. Census Bureau

CITY OF BATAVIA, ILLINOIS

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES

Last Ten Fiscal Years

Function/Program	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
GENERAL GOVERNMENT										
Administration	10	12	13	13	13	12	11	7	7	8
Finance	10	10	10	9	8	7	7	10	10	10
Building and Zoning	13	15	15	15	13	12	12	12	12	12
PUBLIC SAFETY										
Police										
Officers	45	45	45	45	43	40	40	40	40	40
Civilians	6	7	7	7	6	5	8	8	8	8
Fire										
Firefighters and Officers	23	24	24	24	24	22	22	23	23	23
Civilians	1	1	1	1	1	1	1	1	1	1
HIGHWAY AND STREETS	23	23	23	23	21	20	19	18	18	18
WATERWORKS	10	10	10	10	10	10	10	10	10	10
SEWERAGE	8	8	8	8	7	7	6	6	6	7
ELECTRIC	22	22	23	23	21	22	20	18	18	18
TOTAL	171	177	179	178	167	158	156	153	153	155

Data Source

Various City Departments

CITY OF BATAVIA, ILLINOIS

OPERATING INDICATORS

Last Ten Fiscal Years

Function/Program	2005	2006	2007	2008
GENERAL GOVERNMENT				
Tobacco Licenses	25	25	24	27
Liquor Licenses	38	43	40	39
PUBLIC SAFETY				
Police				
Part I Crimes	624	638	687	701
Part II Crimes*	1,779	2,005	1,608	2,018
Parking Violations	2,955	2,467	2,143	1,928
Traffic Violations	4,016	4,718	3,473	2,162
Fire				
Emergency Responses	2,935	3,146	3,242	3,378
Fires Extinguished	147	112	115	125
Inspections	553	595	605	800
HIGHWAYS AND STREETS				
Parkway Trees Planted	424	433	243	189
Leaves Collected (Cubic Yards)	8,595	7,594	8,115	9,557
Street Resurfacing (Miles)	5	5	5	5
WATERWORKS				
Number of Metered Accounts	9,067	9,177	9,228	9,244
Number of Hydrants Flushed/Inspected	1,560	1,580	1,600	1,615
New Connections	118	110	51	3
Water Average Daily Consumption (Millions of Gallons)	3,221	2,989	3,010	3,000
SEWERAGE				
Number of Metered Accounts	8,899	9,001	9,201	9,218
Average Daily Sewage Treatment (Millions of Gallons)	2,967	3,703	3,335	3,900
ELECTRIC				
Number of Metered Accounts	9,385	9,456	9,458	10,801
MW Hours Sold	40,951	417,738	427,247	416,339

Data Source

Various City Departments

2009	2010	2011	2012	2013	2014
27	27	24	26	26	26
38	39	38	40	40	40
708	557	475	518	374	416
2,359	1,349	1,471	1,670	1,731	1,456
3,583	2,476	1,822	1,941	3,011	2,528
4,327	3,934	2,596	2,859	2,932	3,159
3,139	3,289	3,264	3,458	3,539	3,682
80	82	116	95	83	93
946	1,233	1,013	986	925	882
182	138	135	212	212	149
9,898	7,684	8,495	7,585	8,562	7,912
5	2	3	3	3	3
9,235	9,241	9,254	9,275	9,290	9,298
1,625	1,625	1,600	1,950	1,975	1,975
6	6	7	10	14	14
3,000	2,950	2,799	2,710	2,500	2,600
9,149	9,168	9,137	9,092	9,104	9,115
3,700	3,748	3,690	2,900	3,400	3,500
10,764	10,761	10,813	10,844	10,866	10,877
400,319	428,299	462,899	493,478	451,181	490,693

CITY OF BATAVIA, ILLINOIS

CAPITAL ASSET STATISTICS

Last Ten Fiscal Years

Function/Program	2005	2006	2007	2008
PUBLIC SAFETY				
Police				
Stations	1	1	1	1
Area Patrols	1	1	1	1
Patrol Units	14	13	13	13
Fire				
Fire Stations	2	2	2	2
Fire Engines	6	6	6	6
PUBLIC WORKS				
Urban Street Miles	105	106	106	106
Rural Street Miles	7	7	7	7
Total Street Miles	<u>112</u>	<u>113</u>	<u>113</u>	<u>113</u>
WATERWORKS				
Water Mains (Miles)	113	116	116	116
Fire Hydrants	1,600	1,600	1,600	1,600
SEWERAGE				
Sanitary Sewers (Miles)	122	124	126	126
Storm Sewers (Miles)	107	108	108	108
ELECTRIC				
Over Head (Percentage)	43.0%	43.0%	45.0%	45.0%
Substations	5	5	7	7

Data Source

Various City Departments

2009	2010	2011	2012	2013	2014
1	1	1	1	1	1
1	1	1	1	1	1
14	13	13	13	13	13
2	2	2	2	2	2
6	6	6	6	6	6
106	106	107	107	107	107
7	7	7	7	7	7
113	113	114	114	114	114
116	116	160	160	160	160
1,600	1,600	1,600	1,600	1,600	1,600
126	126	126	126	126	126
108	108	108	108	108	108
45.0%	45.0%	45.0%	45.0%	45.0%	45.0%
7	7	7	7	6	6

COMPLIANCE SECTION



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Certified Public Accountants & Advisors
Members of American Institute of Certified Public Accountants

REPORT OF INDEPENDENT ACCOUNTANT'S ON COMPLIANCE

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

We have examined management's assertion that the City of Batavia, Illinois (the City), complied with the provisions of subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Redevelopment Allocation Act (Illinois Public Act 85-1142) during the year ended December 31, 2014. As discussed in that representation letter, management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on management's assertion about the City's compliance based on our examination.

Our examination was made in accordance with the standards established by the American Institute of Public Accountants and, accordingly, included examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the City's compliance with statutory requirements.

In our opinion, management's assertion that the City of Batavia, Illinois complied with the aforementioned requirements for the year ended December 31, 2014, is fairly stated in all material respects.

This report is intended solely for the information and use of the City Council, management of the City, the joint review board and the Illinois State Comptroller's Office. Accordingly, this communication is not suitable for any other purpose.

Naperville, Illinois
May 20, 2015

A handwritten signature in black ink that reads 'Sikich LLP'.