A nighttime photograph of a bridge over a river. The bridge is illuminated with warm yellow lights, and its reflection is visible in the water. In the background, there are city buildings, some of which are lit up. A tall smokestack is visible on the left side of the image. The sky is dark blue.

CITY OF BATAVIA, ILLINOIS

Comprehensive Annual Financial Report

**For the Fiscal Year Ended
December 31, 2015**

CITY OF BATAVIA, ILLINOIS

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

For the Year Ended
December 31, 2015

Prepared by the Finance Department

Peggy Colby
Finance Director

CITY OF BATAVIA, ILLINOIS
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INTRODUCTORY SECTION

List of Officials

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	Paula Mueller
Ward 5:	Lucy Thelin Atac	Kevin Botterman
Ward 6:	Nicholas Cerone	Michael Russotto
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

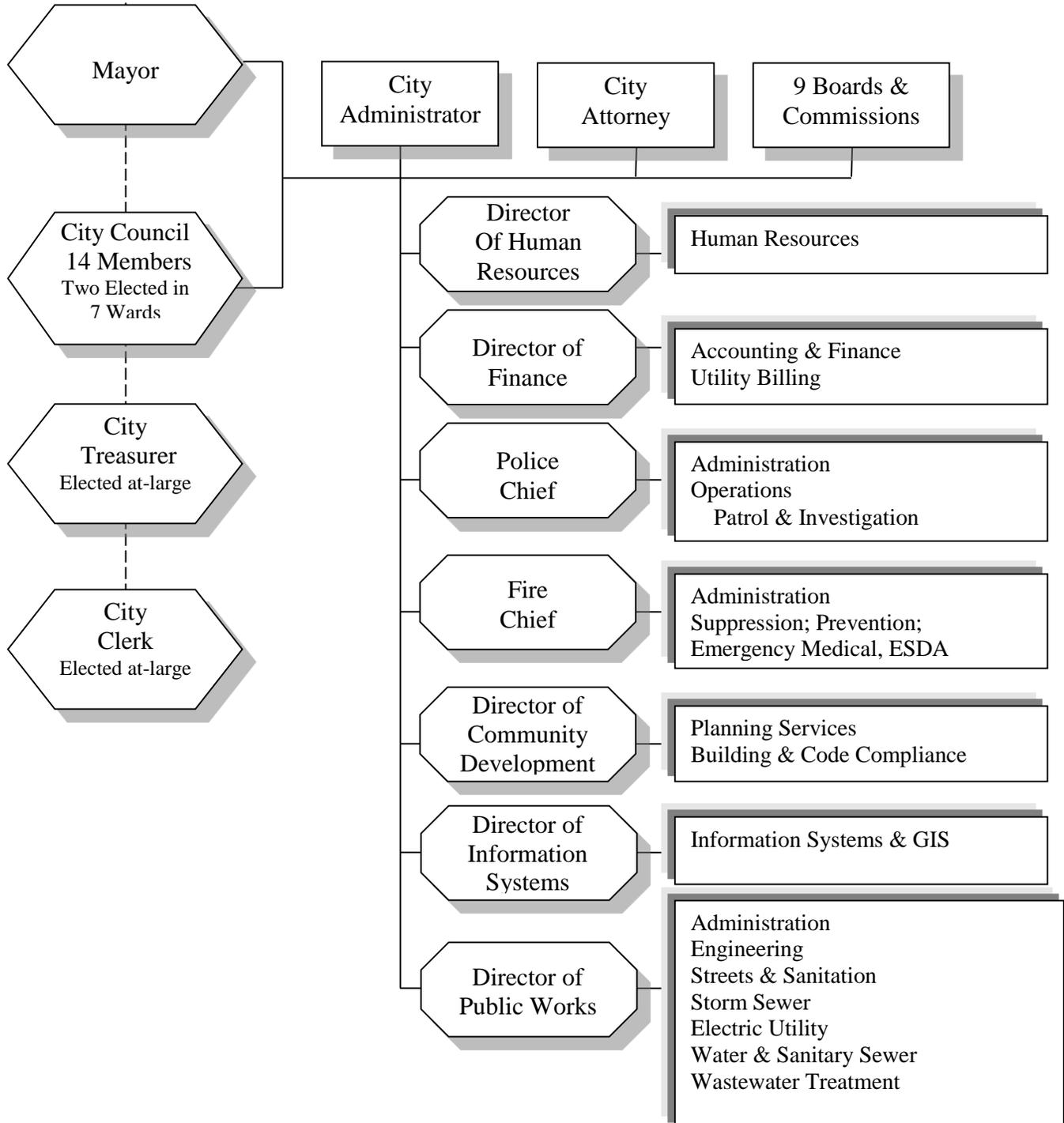
Fire Chief
Randy Deicke

Police Chief
Gary Schira

Director of Human Resources
Wendy Bednarek

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, 2014

Executive Director/CEO



CITY OF BATAVIA

JEFFERY D. SCHIELKE
Mayor

June 10, 2016

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, 2015 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, 2015, 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, 2015, 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 2015 property valuation realized the first increase in value since the recession in 2009. The 2015 EAV increased 2.81%.

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 2014. Houston Street which runs along the bike path and intersects with the Riverwalk was substantially completed in 2015. The relocation and new construction of the current Walgreens store in the downtown began 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 2015.

Batavia saw lower levels of unemployment with an annual average of 5.0% compared to the Illinois annual average of 5.9%. Nationally, the level of unemployment in 2015 was just above Batavia with an average of 5.3%.

The City remains in a favorable financial position for 2015, with sufficient fund balances available for general operations, with an increase to fund balance of \$2.6 million. The increase was the result of result of various tax revenues coming in \$1 million over budget and expenditures coming in \$1.6 million under budget. The largest variance in spending was due to a delayed economic development agreement payment which accounted for \$600,000 in delayed spending.

The City implemented an additional ½-cent home rule sales tax mid-year 2014 and thus received a full year of tax in 2015. The new tax is planned as a three-year replacement for the electric utilities PILOT tax payment and reimbursements to the General Fund for services.

The City had a 1.9% increase of \$100,000 in regular sales tax revenues in 2015 after realizing two years of 5% increases. No new major retailers entered Batavia in 2015 but sales remained strong. Income taxes were significantly higher adding \$350,000 to revenues while state use tax increased by \$70,000. Utility tax decreased by 1.80% coming in \$70,000 less than the prior year. Property tax revenues remained level by choice.

Long-term Financial Planning

The City has adopted a Strategic Plan that calls out Financial Sustainability. The plan includes the development of a five-year financial management plan. A five-year forecast is included in the budget document each year as supplementary information for the evaluation of spending priorities. The forecast identifies revenue and expenditure trends that are expected so that a plan for expenditure cuts or revenue enhancements can be put in place after thoughtful consideration. The budget document also includes a five-year capital plan for all-future capital spending. Each department maintains longer-term capital plans at a macro level. Additionally, each department maintains a ten-year fleet replacement schedule. The City funds a fire and public works fleet fund annually based on the funding needs in the schedule. The Strategic Plan also directs that the budget include the consideration of long-term goals when establishing the current budget.

Major Initiatives

The year 2015 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 2015 included the following:

- **Walgreens** – The reconstruction of this store in a new location and the addition of a drive through got underway in earnest in 2015 with the opening in March of 2016. The initial grant payment of \$450,000 was also made in 2015. Annual payments of about \$65,000 will be made in the years 2017-2027.
- **Streetscape** – A third streetscape project along Houston Street reached substantial completion in 2015. The project included the reconstruction of the street and pedestrian friendly walkways and redoing the bike path. The project also added ornamental lighting, and planters.
- **Redevelopment Agreements** – The City continued discussions with a developer on a redevelopment site that the City owns. At the end of the year, no agreement had been completed. Further work is expected in 2016 with hopes to develop this major intersection in the downtown.
- **TIF Development Grants and Loans** – The City approved some minor TIF grants for a few businesses in the downtown in 2015. The largest grant was for Walgreens which was mentioned above.

Future Initiatives

For 2016, Capital project initiatives include:

- Reconstruction of the Deerpath Bridge
- Safe Routes to School Walkways
- Pedestrian Crosswalk Improvements
- Transmission Improvements and Pole Replacements
- Water Meter Replacement Project
- 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 2012. 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 2015.

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, 2014. 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



1415 W. Diehl Road, Suite 400
Naperville, Illinois 60563

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, 2015 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, 2015, 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.

Change in Accounting Principle

As described in Footnote 12, the City adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, which established standards for measuring and recognizing liabilities, deferred inflows and outflows of resources, and expenses; modified certain disclosures in the notes to financial statements; and the required supplementary information. Our opinion is not modified with respect to this matter.

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 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 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. In our opinion based on our audit, the procedures performed as described above, 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.

A handwritten signature in black ink that reads "Silich LLP". The signature is written in a cursive, flowing style.

Naperville, Illinois
May 26, 2016

**GENERAL PURPOSE EXTERNAL
FINANCIAL STATEMENTS**

CITY OF BATAVIA, ILLINOIS

Management's Discussion and Analysis December 31, 2015

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, 2015. Please read it in conjunction with the City of Batavia's financial statements, which begin on page 4.

Financial Highlights

- The City of Batavia adopted GASB pronouncement 68, which established standards for measuring and recognizing liabilities, deferred outflows and inflows of resources, and expenses for defined-benefit pension plans. To record the liabilities for the City's police, fire and IMRF pensions required change in accounting principle adjustments. Governmental activities recognized a decrease to net position of \$30.6 million. The change to business-type activities was a decrease to net position of \$2.0 million.
- The City of Batavia's total net position for 2015 was \$167.4 million, an increase of \$7.4 million from the restated net position.
- Ending net position for governmental activities increased by \$1.5 million for an ending net position of \$69.3 million compared to the beginning restated net position of \$67.8 million.
- Business-type activities increased by \$5.9 million to \$98.1 million at the end of the year of which \$32.3 million is available for operations.
- The City collected \$28.7 million in tax and other revenues in its governmental funds in 2015. Governmental program expenditures were \$27.2 million. No new programs were added.
- Charges for Service for proprietary funds for business-type activities were \$61.9 million and \$4.3 million for the internal service funds. The business-type activities net position increased by \$5.9 million while the internal service funds net position decreased by \$0.3 million.
- The General Fund had an increase to fund balance of \$2.6 million because of higher than expected revenues for sales tax and income tax combined with lower than anticipated expenditures.
- The City of Batavia's total long-term debt decreased by \$3.9 million in 2015 to \$42.4 million. A decrease of \$0.6 million was for governmental activities for total debt outstanding of \$7.9 million. The balance of the decrease of \$3.3 million reduced the debt for business-type activities to \$34.5 million. No new debt was issued in 2015 but a refunding of electric revenue bonds with general obligation bonds was done at the end of 2015.

CITY OF BATAVIA, ILLINOIS

Management's Discussion and Analysis December 31, 2015

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 4 – 7) 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 8. 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 4 – 7 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, 2015

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 8 - 12 of this report.

CITY OF BATAVIA, ILLINOIS

Management's Discussion and Analysis December 31, 2015

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 13 – 17 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 18 - 19 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 20 – 66 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 67 – 75 of this report.

CITY OF BATAVIA, ILLINOIS

Management's Discussion and Analysis December 31, 2015

Government-Wide Financial Analysis

Net position over time may serve as a useful indicator of a government's financial position. For the year 2015, the assets of the City of Batavia exceeded liabilities by \$167.4 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	
	2015	2014	2015	2014	2015	2014
Current and Other Assets	\$ 37.3	\$ 37.8	\$ 38.0	\$ 38.0	\$ 75.3	\$ 75.8
Capital Assets	83.5	81.5	100.7	102.2	184.2	183.7
Deferred Outflows	5.6	0.4	2.8	-	8.4	0.4
Total Assets & Deferred Outflows	126.4	119.7	141.5	140.2	267.9	259.9
Long-Term Debt Outstanding	(44.1)	(10.1)	(38.4)	(38.5)	(82.5)	(48.6)
Other Liabilities	(3.8)	(4.1)	(4.9)	(7.5)	(8.7)	(11.6)
Deferred Inflows	(9.2)	(7.1)	(0.1)	-	(9.3)	(7.1)
Total Liabilities & Deferred Inflows	(57.1)	(21.3)	(43.4)	(46.0)	(100.5)	(67.3)
Net Position						
Net Investment in Capital Assets	75.7	73.2	65.7	64.0	141.4	137.2
Restricted	1.6	1.9	-	7.6	1.6	9.5
Unrestricted	(8.0)	23.3	32.4	22.6	24.4	45.9
Total Net Position	\$ 69.3	\$ 98.4	\$ 98.1	\$ 94.2	\$ 167.4	\$ 192.6

CITY OF BATAVIA, ILLINOIS

Management's Discussion and Analysis December 31, 2015

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

After accounting for a change in accounting principle, the City of Batavia's total net position increased by \$7.4 million in 2015 to \$167.4 million. The increase is the result of higher revenues in both Governmental and Business-Type Activities. The City is reporting unrestricted net position of \$24.4 million as of December 31, 2015. This amount is significantly less than the prior year due to the change in accounting principle which reduced beginning net position by \$32.6 million. Unrestricted net position may be used to meet the government's ongoing obligations to citizens and creditors. Unrestricted net position decreased as a result of recording the City's unfunded pension liability.

The City of Batavia's investment in capital assets net of related debt used to acquire capital assets reflects 84.5% 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 \$141.4 million at the end of 2015, which was an increase of \$4.2 million over 2014.

CITY OF BATAVIA, ILLINOIS

Management's Discussion and Analysis December 31, 2015

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 0.9% of the City's net position and total \$1.6 million.

Net Assets Restricted for:

Maintenance of Roadways	\$1,400,800
Economic Development	\$ 58,040
Fire Purposes	\$ 117,803
Debt Service	<u>\$ 9,100</u>

Total Restricted Net Position \$1,585,743

Net position of the City of Batavia's governmental activities for 2015 was \$69.3 million, an increase of \$1.5 million over 2014 after the change in accounting principle. The investment in capital assets net of related debt increased \$2.5 million and restricted net position decreased \$0.4 million. The City's governmental activities unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraints, decreased by \$31.3 million. This decrease was a result of recording the City's governmental activities unfunded pension liability. This resulted in a deficit unrestricted net position of \$8.0 million at year-end.

Net position of business-type activities for 2015 was \$98.1 million compared to \$94.2 million in 2014. After the change in accounting principle, the net position increased by \$5.8 million for 2015. The increase 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 \$32.4 million at the end of 2015 up \$9.8 million from the prior year mainly due to a shift from restricted to unrestricted. Restricted net position for business-type activities decreased \$7.6 million and was eliminated as a result of an electric revenue bond refunding done at year-end. Capital assets net of related debt increased \$1.7 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, 2015**

**Government-Wide Financial Analysis – Continued
Changes in Net Position
(in Millions)**

	Governmental Activities		Business-type Activities		Total Primary Government	
	2015	2014	2015	2014	2015	2014
Revenues						
Program Revenues						
Charges for Services	\$ 2.4	\$ 2.3	\$ 61.9	\$ 58.7	\$ 64.3	\$ 61.0
Operating Grants/Contributions	1.0	1.3	-	0.1	1.0	1.4
Capital Grants/Contributions	0.9	1.7	-	-	0.9	1.7
General Revenues						
Property Taxes	7.4	7.7	-	-	7.4	7.7
Sales Taxes	10.4	8.5	-	-	10.4	8.5
Utility Taxes	3.1	4.0	-	-	3.1	4.0
Intergovernmental	2.8	2.7	-	-	2.8	2.7
Interest	0.1	-	0.1	0.1	0.2	0.1
Other General Revenues	0.6	0.6	-	-	0.6	0.6
Total Revenues	28.7	28.8	62.0	58.9	90.7	87.7
Expenses						
General Government	5.2	8.1	-	-	5.2	8.1
Public Safety	15.1	13.6	-	-	15.1	13.6
Highways and Streets	6.7	6.2	-	-	6.7	6.2
Interest on Long-Term Debt	0.2	0.3	-	-	0.2	0.3
Waterworks	-	-	4.2	4.2	4.2	4.2
Sewerage	-	-	4.3	4.1	4.3	4.1
Electric	-	-	47.6	49.0	47.6	49.0
Total Expenses	27.2	28.2	56.1	57.3	83.3	85.5
Change in Net Position Before Transfers	1.5	0.6	5.9	1.6	7.4	2.2
Transfers	-	-	-	-	-	-
Change in Net Position	1.5	0.6	5.9	1.6	7.4	2.2
Net Position - Beginning	98.4	97.2	94.2	92.6	192.6	189.8
Change in Accounting Principle	(30.6)	0.6	(2.0)	-	(32.6)	0.6
Net Position - Beginning, as Restated	67.8	97.8	92.2	92.6	160.0	190.4
Net Position - Ending	\$ 69.3	\$ 98.4	\$ 98.1	\$ 94.2	\$ 167.4	\$ 192.6

CITY OF BATAVIA, ILLINOIS

Management's Discussion and Analysis December 31, 2015

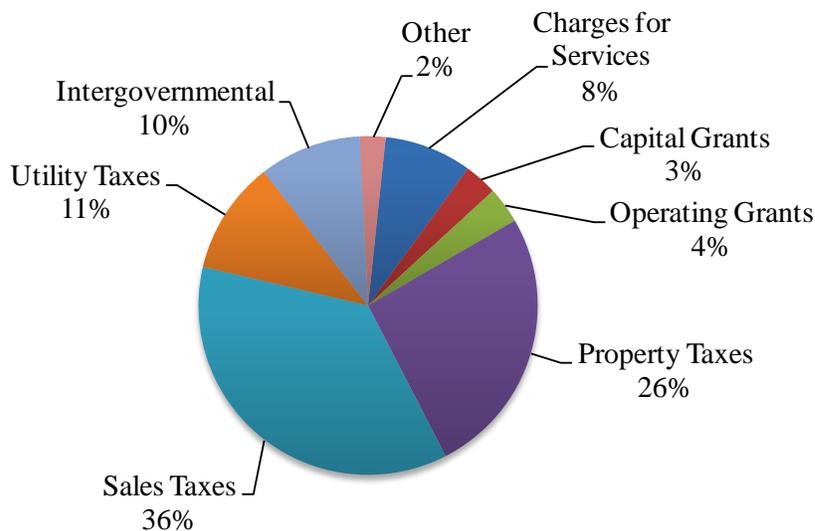
Government-Wide Financial Analysis – Continued

Governmental Activities

The 2015 revenues for governmental activities were \$28.7 million, while the cost of all governmental functions totaled \$27.2 million. Total revenues for governmental activities for 2015 were \$0.1 million less than 2014 revenues of \$28.8 million and program expenses for 2015 were \$1.0 million less than 2014 program expenses of \$28.2 million. This results in an increase in net position \$1.5 million in 2015, compared to an increase of \$0.6 in net position in 2014.

The following chart depicts the major revenue sources of the City of Batavia. Sales taxes account for the largest share of governmental activities revenue. Property taxes include restricted revenues from taxes collected from the City's TIF districts. Utility taxes also contribute a large share of governmental revenue.

Revenues by Source - Governmental Activities

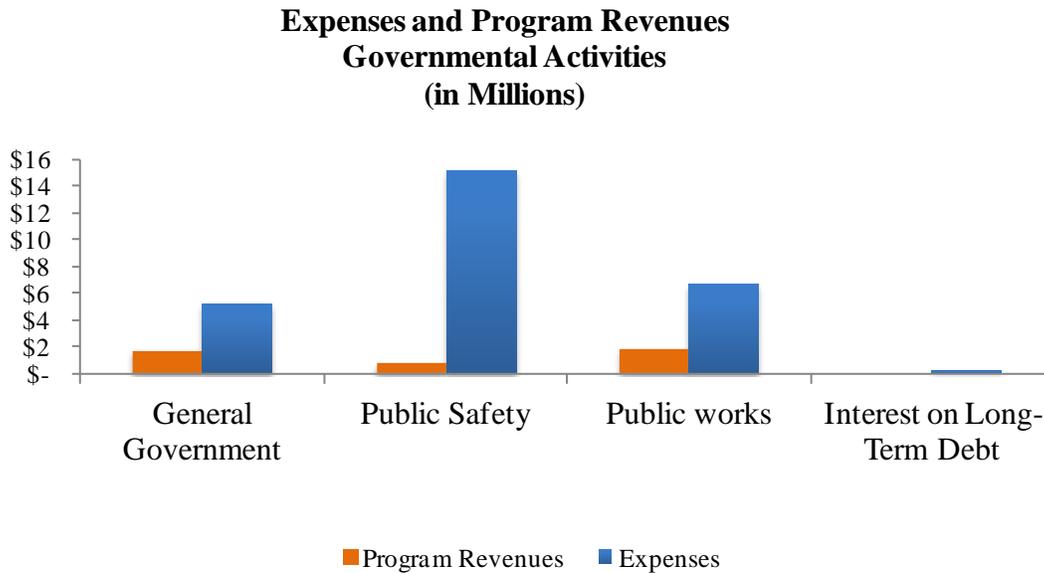


CITY OF BATAVIA, ILLINOIS

Management's Discussion and Analysis December 31, 2015

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 56% followed by public works at 25% and general government operations at 19%.

CITY OF BATAVIA, ILLINOIS

Management's Discussion and Analysis December 31, 2015

Government-Wide Financial Analysis – Continued

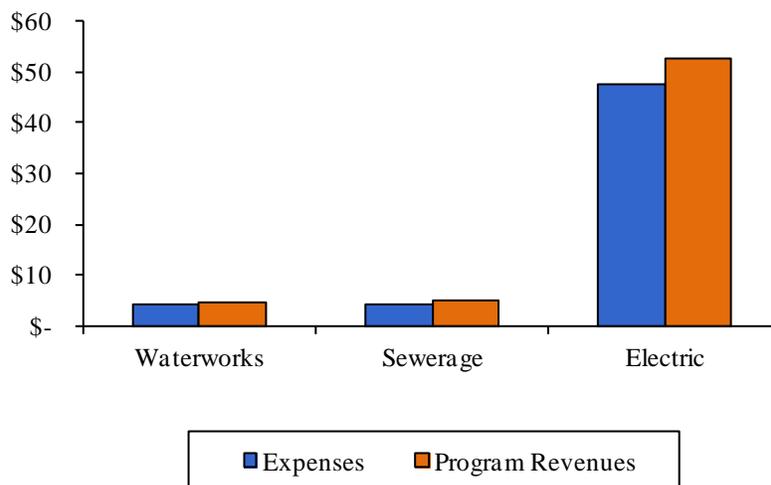
Business-Type Activities

Revenues for business-type activities were \$62.0 million and expenses were \$56.1 million.

- One water main replacement project was completed in 2015 in the City's water utility. The City's wastewater utility continued with design work for rehabilitation of 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 \$1.8 million for the electric utility in 2015 included system improvements and upgrades.

The graph compares program revenues to expenses for electric, waterworks and sewerage operations. All three utilities met or exceeded operational expenses. The water and sewer utilities had rate increases in 2015 in anticipation of capital and operating needs going forward. The electric utility also had a rate increase in 2015.

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



CITY OF BATAVIA, ILLINOIS

Management's Discussion and Analysis December 31, 2015

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, 2015, the Governmental Funds reported a combined ending fund balance of \$22.8 million which was mostly unchanged from the prior year. The total unassigned fund balance was \$15.0 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 \$18.7 million, of which \$16.1 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 74% of the total General Fund expenditures, while total fund balance represents 86% of that same amount.

- As of the end of the current fiscal year, the General Fund had an ending fund balance of \$18.7 million, in contrast to last year's \$16.1 million.
- Revenues in the General Fund increased in total by \$1.2 million in 2015 due to an increase in the sales tax receipts of \$1.0 million with a full year of collection of a .50% home rule sales tax implemented mid-year 2014. In addition, income taxes increased \$350,000. 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 \$0.2 million lower in 2015 due in part to an economic development agreement that accounted for a \$0.3 million decrease. This was a timing difference. Expenditures were also lower due to vacancies in employment during the year.
- 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, 2015

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 \$4.2 million at the end of 2015, which is \$2.6 million less than the \$6.8 million at the end of 2014.

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 2015 rate of 3.14 per hundred cubic feet. The 2015 Sewer rate was \$3.43 per hundred cubic feet. Water and sewer rates increased 3% and 6% respectively in 2015 to cover needed capital improvements.
- Net position for the waterworks fund was \$20.1 million compared to \$19.9 million to start the year after a \$0.5 million decrease for change in accounting principle. The increase was due to the rate increase.
- The sewerage fund ended the year with a \$23.4 million net position which was an increase of \$0.5 million from the prior year balance after a \$0.4 million decrease for change in accounting principle.
- 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. A varying rate increase was enacted in May of 2015.
- Net position of the electric fund for 2015 was \$54.6 million compared to \$49.5 million at the beginning of the year after a \$1.1 million decrease for change in accounting principle. The increase is due to a rate increase implemented in 2015 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, 2015

General Fund Budgetary Highlights

There were only minor changes to the budget done in 2015 to provide for some minor contract changes. Other changes to the budget included carry-forwards from one budget year to the next to pay for items that had delayed delivery. In particular, a fire engine expenditure budget was carried into 2015 to pay for January delivery of the engine.

General Fund Budgetary Highlights For the Fiscal Year Ended December 31, 2015

	Original Budget	Final Budget	Actual
Revenues			
Taxes	\$ 18,957,327	\$ 18,957,327	\$ 19,140,493
Intergovernmental	3,514,521	3,514,521	3,931,753
Licenses & Permits	253,050	253,050	323,692
Charges for Services	229,937	229,937	436,610
Other	1,814,445	1,814,445	1,940,762
Total Revenues	24,769,280	24,769,280	25,773,310
Expenditures			
General Government	5,858,987	5,885,099	5,045,890
Public Health/Safety	13,708,397	13,730,698	13,298,929
Highways and Streets	3,872,156	3,872,156	3,540,727
Total Expenditures	23,439,540	23,487,953	21,885,546
Other Financing Sources (Uses)			
Transfers Out	(1,328,450)	(1,328,450)	(1,328,450)
Proceeds on sale of assets	-	-	35,069
Total Other Financing Sources (Uses)	(1,328,450)	(1,328,450)	(1,293,381)
Net Change in Fund Balance	\$ 1,290	\$ (47,123)	\$ 2,594,383

Actual expenditures in 2015 were \$1.6 million below budget. Salaries and fringe benefits ended the year with a positive variance of about \$650,000 due to vacancies and the associated benefit costs. In addition, professional services and contractual commitments accounted for a positive variance of \$800,000 while commodities were \$150,000 less than the amended budget.

CITY OF BATAVIA, ILLINOIS

Management's Discussion and Analysis December 31, 2015

General Fund Budgetary Highlights – Continued

Revenue in the general fund was \$1.0 million more than budgeted. The largest budget variances were income tax revenue of \$0.3 million over budget and sales taxes \$0.3 million over budget. The remainder was spread out among all revenues.

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, 2015 was \$184.2 million. Capital assets include land and improvements, buildings and improvements, machinery and equipment, roads, sidewalks, bridges and utility infrastructure. After depreciation, Batavia's investment in capital assets increased \$0.5 million in 2015. Governmental activities capital assets increased by \$1.9 million and business type activities decreased by \$1.4 million.

Capital Assets - Net of Depreciation (in Millions)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2015	2014	2015	2014	2015	2014
Land	\$ 18.5	18.5	\$ 1.1	1.1	\$ 19.6	19.6
Construction in Progress	3.8	4.0	1.4	0.7	5.2	4.7
Structures & Improvements	15.3	14.2	12.4	12.8	27.7	27.0
Wells & Equipment	-	-	2.3	2.3	2.3	2.3
Machinery & Equipment	2.9	2.6	1.1	1.0	4.0	3.6
Electric System	-	-	42.2	43.2	42.2	43.2
Water/Sewer System	-	-	40.2	41.0	40.2	41.0
Infrastructure	43.0	42.3	-	-	43.0	42.3
Total	\$ 83.5	81.6	\$ 100.7	102.1	\$ 184.2	183.7

The increase to capital assets in Governmental Activities was mainly due to the completion of a streetscape project and equipment purchases. Major capital improvements in 2015 for Business-type activities included \$1.8 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. Depreciation offset these increases resulting in a net decrease. 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, 2015

Capital Assets and Debt Administration– Continued

Debt Administration

At year-end, the City of Batavia had total outstanding bonded debt of \$42.4 million as compared to \$46.3 million the previous year. No new debt was issued in 2015 but electric revenue bonds were refunded with general obligation bonds for considerable interest savings.

Bonded and Similar Indebtedness (in Millions)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2015	2014	2015	2014	2015	2014
General Obligation Bonds	\$ 7.9	8.5	\$ 29.3	7.7	\$ 37.2	16.2
Alternate Revenue Bonds	-	-	0.5	0.6	0.5	0.6
Revenue Bonds			-	24.4	-	24.4
IEPA Loans	-	-	4.7	5.1	4.7	5.1
Total	\$ 7.9	8.5	\$ 34.5	37.8	\$ 42.4	46.3

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 \$4.7 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 \$3.2 million in GO Bonds issued to refund one of the IEPA loans in 2013.
- The sewer fund has \$3.5 million in outstanding GO Bonds issued in 2013 to refund two outstanding IEPA loans originally issued for plant improvements and \$0.5 million in Alternate Revenue bonds for Carriage Crest lift station reconstruction.
- The electric utility has \$22.6 million outstanding for bonds originally issued in 2006 and refunded in 2015 to construct two 138 kV substations and associated transmission lines.

As of the end of 2015, the City of Batavia has an Aa1 bond rating from Moody's for its general obligation debt.

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, 2015

Economic Factors and Next Year's Budget and Rates

The City's elected and appointed officials considered many factors when planning the 2016 budget, including tax rates, fees and utility rates for its governmental and business-type activities. Batavia's unemployment rate decreased from 6.1% in 2014 to 5.0% in 2015, and remained lower than the State of Illinois at 5.9% and was about the same as the national average of 5.3%. The Chicago area experienced deflation of 0.3% compared to the national Consumer Price Index (CPI), which increased 0.12% for 2015.

In addition to reduced unemployment, indicators of economic recovery occurred in Batavia in 2015 with new businesses locating in both the retail and industrial sectors and an increase in new construction. A new section of a subdivision of single-family homes is underway and new home permits increased. The per capita income of Batavia continues to exceed the state average. Sales tax has continued to show increases although small it is still positive. Sales tax was up 2.0% in 2015. At the time of preparing the 2016 budget, the projections were that revenues would increase about 1.2% over the prior year collections. Expenditures for the 2016 budget are 9.2% higher than what spending was in 2015. The increase is largely due to a variance in payment of an economic development agreement and several staff vacancies that have since been filled. Wages increased for most employees by 2.5%. Expenditures in 2015 were lower than planned due to employee vacancies in administration, engineering and in 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 2016 budget. The total amount budgeted in the general fund was \$26.7 million for 2016. The general fund budget for 2016 did not provide for any new programs but it did include the addition of a local liquor tax and the increase of one penny to our local gasoline tax. In addition, the leaf and brush fee was increased by \$1.00 per month. These increases will cover normal inflationary increases to spending as the City Council chose to keep property taxes level. In addition, the budget included rate increases for two of the three utilities in the water and sewer funds.

Requests for Information

This financial report is designed to provide a general overview of the City of Batavia's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be directed to Office of the Finance Director, City of Batavia, 100 N Island Av., Batavia, IL 60510.

BASIC FINANCIAL STATEMENTS

CITY OF BATAVIA, ILLINOIS

STATEMENT OF NET POSITION

December 31, 2015

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Investments	\$ 23,390,255	\$ 25,829,641	\$ 49,219,896
Cash with Paying Agent	737,138	-	737,138
Receivables (Net, Where Applicable, of Allowances for Uncollectibles)			
Property Taxes	7,476,594	-	7,476,594
Other Taxes	3,768,391	-	3,768,391
Accounts	248,220	7,980,294	8,228,514
Accrued Interest	27,430	55,870	83,300
Other	77,111	-	77,111
Notes	264,072	-	264,072
Prepaid Expenses	548,039	1,396,950	1,944,989
Inventories	40,478	2,773,280	2,813,758
Due from Other Governments	702,699	-	702,699
Capital Assets			
Not Depreciated	22,336,825	2,548,543	24,885,368
Depreciated (Net of Accumulated Depreciation)	61,228,181	98,178,893	159,407,074
 Total Assets	 120,845,433	 138,763,471	 259,608,904
DEFERRED OUTFLOWS OF RESOURCES			
Unamortized Loss on Refunding	393,061	1,359,805	1,752,866
Pension items	5,202,852	1,410,509	6,613,361
 Total Deferred Outflows of Resources	 5,595,913	 2,770,314	 8,366,227
 Total Assets and Deferred Outflows of Resources	 126,441,346	 141,533,785	 267,975,131

(This statement is continued on the following page.)

CITY OF BATAVIA, ILLINOIS

STATEMENT OF NET POSITION (Continued)

December 31, 2015

	Governmental Activities	Business-Type Activities	Total
LIABILITIES			
Accounts Payable	\$ 1,158,890	\$ 4,443,635	\$ 5,602,525
Retainage Payable	123,455	20,241	143,696
Accrued Payroll	823,770	235,787	1,059,557
Accrued Interest Payable	117,138	24,892	142,030
Deposits Payable	114,729	112,289	227,018
Other Unearned Revenue	-	25,000	25,000
Claims Payable	1,378,184	-	1,378,184
Long-Term Liabilities			
Due Within One Year	820,638	1,615,600	2,436,238
Due in More than One Year	43,351,044	36,841,017	80,192,061
 Total Liabilities	 47,887,848	 43,318,461	 91,206,309
DEFERRED INFLOWS OF RESOURCES			
Deferred Property Taxes	7,476,594	-	7,476,594
Pension Items	1,729,131	137,723	1,866,854
 Total Deferred Inflows of Resources	 9,205,725	 137,723	 9,343,448
 Total Liabilities and Deferred Inflows of Resources	 57,093,573	 43,456,184	 100,549,757
NET POSITION			
Net Investment in Capital Assets	75,743,052	65,724,774	141,467,826
Restricted for			
Maintenance of Roadways	1,400,800	-	1,400,800
Economic Development	58,040	-	58,040
Debt Service	9,100	-	9,100
Fire Purposes	117,803	-	117,803
Unrestricted (Deficit)	(7,981,022)	32,352,827	24,371,805
 TOTAL NET POSITION	 \$ 69,347,773	 \$ 98,077,601	 \$ 167,425,374

See accompanying notes to financial statements.

CITY OF BATAVIA, ILLINOIS

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2015

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT				
Governmental Activities				
General Government	\$ 5,250,941	\$ 1,744,700	\$ -	\$ -
Public Safety	15,061,508	386,313	329,838	-
Highways and Streets	6,671,715	283,641	658,609	903,464
Interest	240,695	-	-	-
Total Governmental Activities	27,224,859	2,414,654	988,447	903,464
Business-Type Activities				
Water	4,190,662	4,429,707	-	-
Sewerage	4,281,296	4,805,119	9,849	-
Electric	47,655,165	52,622,911	-	-
Total Business-Type Activities	56,127,123	61,857,737	9,849	-
TOTAL PRIMARY GOVERNMENT	\$ 83,351,982	\$ 64,272,391	\$ 998,296	\$ 903,464

	Net (Expense) Revenue and Change in Net Position		
	Primary Government		
	Governmental Activities	Business-Type Activities	Total
	\$ (3,506,241)	\$ -	\$ (3,506,241)
	(14,345,357)	-	(14,345,357)
	(4,826,001)	-	(4,826,001)
	(240,695)	-	(240,695)
	<u>(22,918,294)</u>	<u>-</u>	<u>(22,918,294)</u>
	-	239,045	239,045
	-	533,672	533,672
	-	4,967,746	4,967,746
	<u>-</u>	<u>5,740,463</u>	<u>5,740,463</u>
	<u>(22,918,294)</u>	<u>5,740,463</u>	<u>(17,177,831)</u>
General Revenues			
Taxes			
Property	7,455,338	-	7,455,338
Sales and Use	10,411,666	-	10,411,666
Utility	3,062,265	-	3,062,265
Intergovernmental - Unrestricted			
Income Tax	2,816,223	-	2,816,223
Replacement Tax	212,699	-	212,699
Investment Income	53,129	113,495	166,624
Miscellaneous	423,627	-	423,627
Total	<u>24,434,947</u>	<u>113,495</u>	<u>24,548,442</u>
CHANGE IN NET POSITION	<u>1,516,653</u>	<u>5,853,958</u>	<u>7,370,611</u>
NET POSITION, JANUARY 1	98,396,167	94,214,003	192,610,170
Change in accounting principle	<u>(30,565,047)</u>	<u>(1,990,360)</u>	<u>(32,555,407)</u>
NET POSITION, JANUARY 1, RESTATED	<u>67,831,120</u>	<u>92,223,643</u>	<u>160,054,763</u>
NET POSITION, DECEMBER 31	<u>\$ 69,347,773</u>	<u>\$ 98,077,601</u>	<u>\$ 167,425,374</u>

See accompanying notes to financial statements.

CITY OF BATAVIA, ILLINOIS

**BALANCE SHEET
GOVERNMENTAL FUNDS**

December 31, 2015

	<u>General</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS			
Cash and Investments	\$ 14,539,972	\$ 4,886,967	\$ 19,426,939
Cash with Paying Agent	-	737,138	737,138
Receivables (Net, Where Applicable, of Allowances for Uncollectibles)			
Property Taxes	6,192,162	1,284,432	7,476,594
Other Taxes	3,768,391	-	3,768,391
Accounts	248,220	-	248,220
Accrued Interest	17,392	4,376	21,768
Other	1,824	75,287	77,111
Notes	7,190	256,882	264,072
Prepaid Items	479,413	-	479,413
Advances to Other Funds	1,330,151	-	1,330,151
Inventory	40,478	-	40,478
Due from Other Governments	-	702,699	702,699
Due from Other Funds	21,889	-	21,889
	<hr/>	<hr/>	<hr/>
TOTAL ASSETS	\$ 26,647,082	\$ 7,947,781	\$ 34,594,863

(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	\$ 855,476	\$ 303,356	\$ 1,158,832
Retainage Payable	-	123,455	123,455
Accrued Payroll	823,770	-	823,770
Accrued Interest Payable	-	117,138	117,138
Deposits Payable	114,729	-	114,729
Due to Other Funds	-	21,889	21,889
Advances from Other Funds	-	1,330,151	1,330,151
Bonds Payable - Current	-	620,000	620,000
Total Liabilities	1,793,975	2,515,989	4,309,964
DEFERRED INFLOWS OF RESOURCES			
Unavailable Property Taxes	6,192,162	1,284,432	7,476,594
Total Deferred Inflows of Resources	6,192,162	1,284,432	7,476,594
Total Liabilities and Deferred Inflows of Resources	7,986,137	3,800,421	11,786,558
FUND BALANCES			
Nonspendable			
Advances	1,330,151	-	1,330,151
Prepaid Items	479,413	-	479,413
Inventory	40,478	-	40,478
Long-Term Receivables	7,190	-	7,190
Restricted			
Maintenance of Roadways	-	1,400,800	1,400,800
Economic Development	-	58,040	58,040
Debt Service	-	9,100	9,100
Fire Purposes	-	117,803	117,803
Assigned			
Capital Projects	672,325	3,690,756	4,363,081
Unassigned	16,131,388	(1,129,139)	15,002,249
Total Fund Balances	18,660,945	4,147,360	22,808,305
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 26,647,082	\$ 7,947,781	\$ 34,594,863

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, 2015

FUND BALANCES OF GOVERNMENTAL FUNDS	\$ 22,808,305
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	83,565,006
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	393,061
Differences between expected and actual experiences, assumption changes, net differences between projected and actual earnings and contributions subsequent to the measurement date for net pension liabilities are recognized as deferred outflows and inflows of resources on the statement of net position	
Illinois Municipal Retirement Fund	1,776,098
Police Pension Fund	1,579,431
Firefighters' Pension Fund	118,192
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	(1,003,192)
Bonds payable	(7,270,000)
Other postemployment benefit payable	(453,305)
Net pension liability for the Illinois Municipal Retirement Fund	(4,165,857)
Net pension liability for the Police Pension Fund	(23,566,500)
Net pension liability for the Firefighters' Pension Fund	(6,767,813)
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	(325,015)
The net assets of the internal service fund are included in the governmental activities in the statement of net position	<u>2,659,362</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 69,347,773</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, 2015

	General	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES			
Taxes	\$ 19,140,493	\$ 1,264,592	\$ 20,405,085
Intergovernmental	3,931,753	1,373,892	5,305,645
Licenses and Permits	323,692	-	323,692
Charges for Services	436,610	49,517	486,127
Fines and Forfeitures	213,437	-	213,437
Investment Income	46,401	6,728	53,129
Miscellaneous	1,680,924	104,364	1,785,288
Total Revenues	25,773,310	2,799,093	28,572,403
EXPENDITURES			
Current			
General Government	5,045,890	142,978	5,188,868
Public Safety	13,298,929	41,807	13,340,736
Highways and Streets	3,540,727	-	3,540,727
Capital Outlay	-	5,698,342	5,698,342
Debt Service			
Principal Retirement	-	620,000	620,000
Interest and Fiscal Charges	-	234,275	234,275
Total Expenditures	21,885,546	6,737,402	28,622,948
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	3,887,764	(3,938,309)	(50,545)
OTHER FINANCING SOURCES (USES)			
Transfers In	-	1,359,391	1,359,391
Transfers (Out)	(1,328,450)	(30,941)	(1,359,391)
Proceeds on Sale of Assets	35,069	-	35,069
Total Other Financing Sources (Uses)	(1,293,381)	1,328,450	35,069
NET CHANGE IN FUND BALANCES	2,594,383	(2,609,859)	(15,476)
FUND BALANCES, JANUARY 1	16,066,562	6,757,219	22,823,781
FUND BALANCES, DECEMBER 31	\$ 18,660,945	\$ 4,147,360	\$ 22,808,305

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, 2015

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ (15,476)
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	4,143,420
Contributions of capital assets are reported as capital contributions in the statement of activities	169,109
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	620,000
The change in the net pension liabilities are only reported only in the statement of activities	
Illinois Municipal Retirement Fund	(1,388,424)
Police Pension Fund	(2,434,978)
Firefighters' Pension Fund	(232,829)
The change in deferred inflows and outflows of resources for net pension liabilities are reported only in the statement of activities	
Illinois Municipal Retirement Fund	1,776,098
Police Pension Fund	1,579,431
Firefighters' Pension Fund	118,192
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	(2,335,071)
Loss on disposal of capital assets	(581)
Compensated absences	(19,648)
Amortization of bond premium	29,808
Amortization of loss on refunding	(36,228)
Other postemployment benefit	(166,202)
The change in net position of internal service funds is reported with governmental activities	(289,968)
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$ 1,516,653

See accompanying notes to financial statements.

CITY OF BATAVIA, ILLINOIS

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS

December 31, 2015

	Business-Type Activities				Governmental
	Waterworks	Sewerage	Electric	Total	Internal
					Service
					Funds
CURRENT ASSETS					
Cash and Investments	\$ 3,133,622	\$ 2,545,510	\$ 20,150,509	\$ 25,829,641	\$ 3,963,316
Receivables - Net of Allowances					
Accounts	542,069	674,814	6,763,411	7,980,294	-
Accrued Interest	13,825	2,037	40,008	55,870	5,662
Prepaid Expenses	45,709	39,318	1,311,923	1,396,950	68,626
Inventories	-	-	2,773,280	2,773,280	-
Total Current Assets	3,735,225	3,261,679	31,039,131	38,036,035	4,037,604
CAPITAL ASSETS					
Nondepreciable	940,454	997,233	610,856	2,548,543	-
Depreciable	38,121,801	45,309,584	79,678,297	163,109,682	-
Accumulated Depreciation	(13,859,387)	(21,287,113)	(29,784,289)	(64,930,789)	-
Net Capital Assets	25,202,868	25,019,704	50,504,864	100,727,436	-
Total Assets	28,938,093	28,281,383	81,543,995	138,763,471	4,037,604
DEFERRED OUTFLOWS OF RESOURCES					
Unamortized loss on refunding	-	-	1,359,805	1,359,805	-
Pension items - IMRF	344,746	279,617	786,146	1,410,509	-
Total Deferred Outflows of Resources	344,746	279,617	2,145,951	2,770,314	-
Total Assets and Deferred Outflows of Resources	29,282,839	28,561,000	83,689,946	141,533,785	4,037,604
CURRENT LIABILITIES					
Accounts Payable	75,791	285,551	4,082,293	4,443,635	58
Retainage Payable	20,241	-	-	20,241	-
Accrued Payroll	57,372	50,988	127,427	235,787	-
Accrued Interest Payable	13,125	11,767	-	24,892	-
Deposits Payable	13,370	12,245	86,674	112,289	-
Unearned Revenue	-	-	25,000	25,000	-
Compensated Absences Payable	39,979	16,831	36,914	93,724	-
Claims Payable	-	-	-	-	840,426
General Obligation Bonds Payable	325,000	685,000	-	1,010,000	-
Alternate Revenue Bonds Payable	-	94,355	-	94,355	-
IEPA Loans Payable	417,521	-	-	417,521	-
Total Current Liabilities	962,399	1,156,737	4,358,308	6,477,444	840,484

(This statement is continued on the following page.)

CITY OF BATAVIA, ILLINOIS

STATEMENT OF NET POSITION (Continued)
 PROPRIETARY FUNDS

December 31, 2015

	Business-Type Activities				Governmental
	Waterworks	Sewerage	Electric	Total	Internal Service Funds
LONG-TERM LIABILITIES					
Compensated Absences Payable	\$ 159,917	\$ 67,323	\$ 147,657	\$ 374,897	\$ -
Claims Reserve	-	-	-	-	537,758
Net pension liability - IMRF	729,653	591,808	1,663,873	2,985,334	-
General Obligation Bonds Payable	2,974,644	2,940,828	22,844,913	28,760,385	-
Alternate Revenue Bonds Payable	-	416,408	-	416,408	-
IEPA Loans Payable	4,303,993	-	-	4,303,993	-
Total Long-Term Liabilities	8,168,207	4,016,367	24,656,443	36,841,017	537,758
Total Liabilities	9,130,606	5,173,104	29,014,751	43,318,461	1,378,242
DEFERRED INFLOWS OF RESOURCES					
Pension items - IMRF	33,661	27,302	76,760	137,723	-
Total Deferred Inflows of Resources	33,661	27,302	76,760	137,723	-
Total Liabilities and Deferred Inflows of Resources	9,164,267	5,200,406	29,091,511	43,456,184	1,378,242
NET POSITION					
Net Investment in Capital Assets	17,181,710	20,883,113	27,659,951	65,724,774	-
Unrestricted	2,936,862	2,477,481	26,938,484	32,352,827	2,659,362
TOTAL NET POSITION	\$ 20,118,572	\$ 23,360,594	\$ 54,598,435	\$ 98,077,601	\$ 2,659,362

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, 2015

	Business-Type Activities				Governmental
	Water	Sewerage	Electric	Total	Internal Service Funds
OPERATING REVENUES					
Charges for Services	\$ 4,429,707	\$ 4,805,119	\$ 52,622,911	\$ 61,857,737	\$ 4,294,927
Total Operating Revenues	4,429,707	4,805,119	52,622,911	61,857,737	4,294,927
OPERATING EXPENSES					
Administration	627,882	636,502	331,459	1,595,843	129,697
Operations	2,373,657	2,212,412	43,616,127	48,202,196	4,464,066
Depreciation	1,001,184	1,348,202	2,538,724	4,888,110	-
Total Operating Expenses	4,002,723	4,197,116	46,486,310	54,686,149	4,593,763
OPERATING INCOME (LOSS)	426,984	608,003	6,136,601	7,171,588	(298,836)
NON-OPERATING REVENUES (EXPENSES)					
Connection Fees	-	9,849	-	9,849	-
Investment Income	12,696	3,314	97,485	113,495	8,868
Disposal of Capital Assets	-	-	(57,824)	(57,824)	-
Interest and Fiscal Charges	(187,939)	(84,180)	(510,903)	(783,022)	-
Bond Issuance Costs	-	-	(600,128)	(600,128)	-
Total Non-Operating Revenues (Expenses)	(175,243)	(71,017)	(1,071,370)	(1,317,630)	8,868
CHANGE IN NET POSITION	251,741	536,986	5,065,231	5,853,958	(289,968)
NET POSITION, JANUARY 1	20,353,299	23,218,174	50,642,530	94,214,003	2,949,330
Change in accounting principle	(486,468)	(394,566)	(1,109,326)	(1,990,360)	-
NET POSITION, JANUARY 1, RESTATED	19,866,831	22,823,608	49,533,204	92,223,643	2,949,330
NET POSITION, DECEMBER 31	\$ 20,118,572	\$ 23,360,594	\$ 54,598,435	\$ 98,077,601	\$ 2,659,362

See accompanying notes to financial statements.

CITY OF BATAVIA, ILLINOIS

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS**

For the Year Ended December 31, 2015

	Business-Type Activities				Governmental
	Waterworks	Sewerage	Electric	Total	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from Customers and Users	\$ 4,427,331	\$ 4,742,781	\$ 52,215,871	\$ 61,385,983	\$ -
Receipts from Interfund Services Transactions	-	-	-	-	3,541,078
Receipts from Others	-	-	-	-	851,220
Receipts from Miscellaneous	-	9,849	-	9,849	-
Payments to Suppliers	(1,282,383)	(1,109,572)	(44,813,509)	(47,205,464)	(4,486,416)
Payments to Employees	(1,202,722)	(989,856)	(2,742,058)	(4,934,636)	-
Payments to Other Funds	(614,354)	(621,740)	(74,906)	(1,311,000)	-
Net Cash from Operating Activities	1,327,872	2,031,462	4,585,398	7,944,732	(94,118)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
None	-	-	-	-	-
Net Cash from Noncapital Financing Activities	-	-	-	-	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Capital Assets Purchased	(902,171)	(757,239)	(1,876,539)	(3,535,949)	-
Payments to Escrow Agent	-	-	(1,716,017)	(1,716,017)	-
Principal Payments on Long-Term Debt	(738,347)	(766,518)	(655,000)	(2,159,865)	-
Interest Payments on Long-Term Debt	(188,989)	(105,596)	(1,034,906)	(1,329,491)	-
Net Cash from Capital and Related Financing Activities	(1,829,507)	(1,629,353)	(5,282,462)	(8,741,322)	-
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of Investments	(446,485)	(250,000)	(10,404,025)	(11,100,510)	(511,765)
Sale of Investments	-	-	8,526,990	8,526,990	-
Interest Received on Investments	7,601	2,652	95,886	106,139	9,057
Net Cash from Investing Activities	(438,884)	(247,348)	(1,781,149)	(2,467,381)	(502,708)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(940,519)	154,761	(2,478,213)	(3,263,971)	(596,826)
CASH AND CASH EQUIVALENTS, JANUARY 1	1,634,811	1,890,749	6,326,873	9,852,433	2,550,189
CASH AND CASH EQUIVALENTS, DECEMBER 31	\$ 694,292	\$ 2,045,510	\$ 3,848,660	\$ 6,588,462	\$ 1,953,363

(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, 2015

	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)	\$ 426,984	\$ 608,003	\$ 6,136,601	\$ 7,171,588	\$ (298,836)
Adjustments to Reconcile Operating Income (Loss) to Net Cash from Operating Activities					
Depreciation	1,001,184	1,348,202	2,538,724	4,888,110	-
Receipts from Miscellaneous	-	9,849	-	9,849	-
Changes in Assets and Liabilities					
Accounts Receivable	(2,861)	(61,688)	(404,968)	(469,517)	97,371
Prepaid Expenses	(24,172)	(17,781)	(1,178,850)	(1,220,803)	(8,154)
Inventories	-	-	(108,292)	(108,292)	-
Accounts Payable	(14,398)	195,408	(2,250,099)	(2,069,089)	(406)
Accrued Payroll	(5,352)	4,498	(1,124)	(1,978)	-
Deposits Payable	485	(650)	(2,072)	(2,237)	-
Claims Payable	-	-	-	-	18,923
Claims Reserve	-	-	-	-	96,984
Pension Amounts	(67,900)	(55,073)	(154,839)	(277,812)	-
Compensated Absences	13,902	694	10,317	24,913	-
NET CASH FROM OPERATING ACTIVITIES	\$ 1,327,872	\$ 2,031,462	\$ 4,585,398	\$ 7,944,732	\$ (94,118)
CASH AND INVESTMENTS					
Cash and Cash Equivalents	\$ 694,292	\$ 2,045,510	\$ 3,848,660	\$ 6,588,462	\$ 1,953,363
Investments	2,439,330	500,000	16,301,849	19,241,179	2,009,953
TOTAL CASH AND INVESTMENTS	\$ 3,133,622	\$ 2,545,510	\$ 20,150,509	\$ 25,829,641	\$ 3,963,316
NONCASH TRANSACTIONS					
Issuance of Refunding Bonds	\$ -	\$ -	\$ 22,570,000	\$ 22,570,000	\$ -
Premium on Refunding Bonds	-	-	274,913	274,913	-
Payment to Escrow Agent	-	-	(22,243,183)	(22,243,183)	-
Issuance Costs Paid Through Refunding	-	-	(601,730)	(601,730)	-
TOTAL NONCASH TRANSACTIONS	\$ -	\$ -	\$ -	\$ -	\$ -

See accompanying notes to financial statements.

CITY OF BATAVIA, ILLINOIS

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

December 31, 2015

	Pension Trust	Agency
ASSETS		
Cash and Short-Term Investments	\$ 8,985	\$ 99,668
Investments, at Fair Value		
Money Market Mutual Funds	508,479	-
U.S. Government and Agency Securities	9,535,006	-
Municipal Bonds	680,152	-
Insurance Company Contracts	2,588,350	-
Corporate Bonds	3,941,313	-
Domestic Corporate Equities	3,487,631	-
Equity Mutual Funds	19,013,275	-
Receivables		
Accrued Interest	83,203	-
Prepaid Expenses	1,061	-
Total Assets	<u>39,847,455</u>	<u>\$ 99,668</u>
LIABILITIES		
Accounts Payable	9,974	\$ -
Deposits Payable	-	99,668
Due to Others	-	-
Total Liabilities	<u>9,974</u>	<u>\$ 99,668</u>
NET POSITION RESTRICTED FOR PENSIONS	<u>\$ 39,837,481</u>	

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, 2015

ADDITIONS

Contributions

Employer Contributions	\$ 2,211,376
Employee Contributions	<u>567,726</u>

Total Contributions	<u>2,779,102</u>
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Investment Income

Net Appreciation (Depreciation) in Fair Value of Investments	(1,754,834)
Interest	<u>1,134,170</u>

Total Investment Income	(620,664)
Less Investment Expense	<u>(187,083)</u>

Net Investment Income	<u>(807,747)</u>
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Total Additions	<u>1,971,355</u>
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DEDUCTIONS

Pension Benefits	2,305,685
Administration	<u>118,554</u>

Total Deductions	<u>2,424,239</u>
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NET INCREASE (DECREASE)	(452,884)
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NET POSITION RESTRICTED FOR PENSIONS

January 1	<u>40,290,365</u>
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December 31	<u><u>\$ 39,837,481</u></u>
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See accompanying notes to financial statements.

CITY OF BATAVIA, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

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 average cost method. The cost of governmental funds inventories are recorded as expenditures using the consumption method.

H. 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.

I. 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

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Capital Assets (Continued)

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

J. 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.

K. 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.

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. 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 City 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. Deficit fund balances in other governmental funds are also 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.

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 has two items 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. Deferred outflows are also reported related to pension items.

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 two types of items, which arise 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. Deferred inflows are also reported related to pension items.

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 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 OF BATAVIA, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

2. CASH AND INVESTMENTS (Continued)

City Investments

The following table presents the investments and maturities of the City's debt securities as of December 31, 2015:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
U.S. Agency Securities	\$ 9,804,159	\$ -	\$ 9,804,159	\$ -	\$ -
Municipal Bonds	1,396,033	1,396,033	-	-	-
Negotiable CD's	3,950,135	2,727,835	1,222,300	-	-
TOTAL	\$ 15,150,327	\$ 4,123,868	\$ 11,026,459	\$ -	\$ -

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. Municipal bonds shall be rated at the time of purchase within the four highest journal classifications established by a rating service of nationally recognized expertise. The U.S. agency securities are rated AA+ by Standard and Poor's. The municipal bonds were rated A+ to AA- by Standard and Poor's and AA2 by Moody's. The City's investment in Illinois Funds was rated AAA 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.

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.

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

2. CASH AND INVESTMENTS (Continued)

City Investments (Continued)

- 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, 2015:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
Corporate Bonds	\$ 3,941,313	\$ 40,010	\$ 1,050,527	\$ 1,985,103	\$ 865,673
U.S. Treasuries	2,701,734	214,947	1,375,863	975,670	135,254
U.S. Agencies	1,847,953	-	452,722	-	1,395,231
TOTAL	\$ 8,491,000	\$ 254,957	\$ 2,879,112	\$ 2,960,773	\$ 2,396,158

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. Corporate bonds are required to be managed through an investment advisor. These bonds must be at investment grade by one of the two largest rating services. The U.S. agencies are rated AA+ by Standard and Poor's. The Police Pension Fund's corporate bonds are rated between Aa1 and Baa1 by Moody's and between AAA and BB- by Standard and Poor'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, 2015:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
Municipal Bonds	\$ 680,152	\$ 176,988	\$ 177,553	\$ 254,324	\$ 71,287
U.S. Treasuries	789,906	-	535,806	254,100	-
U.S. Agencies	4,195,413	70,335	1,373,026	2,396,272	355,780
TOTAL	\$ 5,665,471	\$ 247,323	\$ 2,086,385	\$ 2,904,696	\$ 427,067

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 Firefighters' Pension Fund's municipal bonds are also exposed to credit risk and are rated between AA+ and A by Moody's and between Aa1 and A3 by Standard and Poor'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 2015 levy year attach as an enforceable lien on January 1, 2015, 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, 2016 and August 1, 2016, and are payable in two installments, on or about June 1, 2016 and September 1, 2016. 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 2015 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 and Tax Increment Financing #3 Funds.

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				
Performance Chiropractic - \$25,000 CDAP loan dated September 2012, due monthly with interest at 3.25% through September 2012.	\$ 5,769	\$ -	\$ 5,769	\$ -
R Kid's Closet - \$12,500 CDAP loan dated April 2012, due monthly with interest at 3.25% through April 2015.	1,089	-	1,089	-
C-Storm Electronics - \$25,000 CDAP loan dated October 2013, due monthly with interest at 3.25% through October 2016.	15,565	-	8,375	7,190
Total General Fund	22,423	-	15,233	7,190

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.	\$ 41,626	\$ -	\$ 15,157	\$ 26,469
Bruce Harris - \$41,121 TIF loan dated September 2010, due monthly with interest at 3.5% through September 2015.	6,636	-	6,636	-
Robbins Flowers - \$168,000 TIF loan dated December 2010, due monthly starting July 2013 with interest at 2.5% through June 2018.	119,966	-	33,213	86,753
Gaetano's - \$75,000 TIF loan dated May 2014, due monthly starting September 2014 with interest at 2.75% through September 2019.	70,770	-	14,411	56,359
Batavia Art Center - \$85,000 TIF loan dated August 2009, forgivable at 10% per year through July 2019.	42,500	-	8,500	34,000
Total Tax Increment Financing #1 Fund	281,498	-	77,917	203,581
Tax Increment Financing #3 Fund				
Aliano's - \$63,971 TIF loan dated September 2014, due monthly starting March 2015 with interest at 2.75% through February 2020.*	64,189	-	10,888	53,301
Total Tax Increment Financing #3 Fund	64,189	-	10,888	53,301
TOTAL NOTES RECEIVABLE	\$ 368,110	\$ -	\$ 104,038	\$ 264,072

*The note receivable from Aliano's was moved from Tax Increment Financing #1 Fund to Tax Increment Financing #3 Fund during the year end December 31, 2015.

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

4. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2015 was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
GOVERNMENTAL ACTIVITIES				
Capital Assets not Being Depreciated				
Land	\$ 18,528,144	\$ -	\$ 581	\$ 18,527,563
Construction in Progress	4,012,409	3,425,044	3,628,191	3,809,262
Total Capital Assets not Being Depreciated	<u>22,540,553</u>	<u>3,425,044</u>	<u>3,628,772</u>	<u>22,336,825</u>
Capital Assets Being Depreciated				
Structures and Improvements	19,050,052	1,624,805	-	20,674,857
Machinery and Equipment	5,433,055	689,908	348,824	5,774,139
Infrastructure	67,414,778	2,200,963	14,836	69,600,905
Total Capital Assets Being Depreciated	<u>91,897,885</u>	<u>4,515,676</u>	<u>363,660</u>	<u>96,049,901</u>
Less Accumulated Depreciation for				
Structures and Improvements	4,835,971	542,139	-	5,378,110
Machinery and Equipment	2,876,981	322,046	348,824	2,850,203
Infrastructure	25,137,357	1,470,886	14,836	26,593,407
Total Accumulated Depreciation	<u>32,850,309</u>	<u>2,335,071</u>	<u>363,660</u>	<u>34,821,720</u>
Total Capital Assets Being Depreciated, Net	<u>59,047,576</u>	<u>2,180,605</u>	<u>-</u>	<u>61,228,181</u>
GOVERNMENTAL ACTIVITIES				
CAPITAL ASSETS, NET	<u>\$ 81,588,129</u>	<u>\$ 5,605,649</u>	<u>\$ 3,628,772</u>	<u>\$ 83,565,006</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	652,631	1,028,351	250,272	1,430,710
Total Capital Assets not Being Depreciated	<u>1,770,464</u>	<u>1,028,351</u>	<u>250,272</u>	<u>2,548,543</u>
Capital Assets Being Depreciated				
Structures and Improvements	16,692,948	-	-	16,692,948
Wells and Well System	3,634,937	-	-	3,634,937
Machinery and Equipment	2,086,942	235,186	40,257	2,281,871
Electric System	68,358,430	1,326,444	138,713	69,546,161
Water/Sewer System	69,746,245	1,207,520	-	70,953,765
Total Capital Assets Being Depreciated	<u>160,519,502</u>	<u>2,769,150</u>	<u>178,970</u>	<u>163,109,682</u>

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

4. CAPITAL ASSETS (Continued)

	Beginning Balances	Increases	Decreases	Ending Balances
BUSINESS-TYPE ACTIVITIES (Continued)				
Less Accumulated Depreciation for				
Structures and Improvements	\$ 3,868,447	\$ 438,713	\$ -	\$ 4,307,160
Wells and Well System	1,289,169	92,720	-	1,381,889
Machinery and Equipment	1,087,517	151,396	40,257	1,198,656
Electric System	25,183,447	2,202,581	80,889	27,305,139
Water/Sewer System	28,735,245	2,002,700	-	30,737,945
Total Accumulated Depreciation	<u>60,163,825</u>	<u>4,888,110</u>	<u>121,146</u>	<u>64,930,789</u>
Total Capital Assets Being Depreciated, Net	<u>100,355,677</u>	<u>(2,118,960)</u>	<u>57,824</u>	<u>98,178,893</u>
BUSINESS-TYPE ACTIVITIES				
CAPITAL ASSETS, NET	<u>\$ 102,126,141</u>	<u>\$ (1,090,609)</u>	<u>\$ 308,096</u>	<u>\$ 100,727,436</u>

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

GOVERNMENTAL ACTIVITIES

General Government	\$ 105,215
Public Safety	488,811
Highways and Streets Including Depreciation of General Infrastructure Assets	<u>1,741,045</u>

TOTAL DEPRECIATION EXPENSE - GOVERNMENTAL ACTIVITIES \$ 2,335,071

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

BUSINESS-TYPE ACTIVITIES

Waterworks	\$ 1,001,184
Sewerage	1,348,202
Electric	<u>2,538,724</u>

TOTAL DEPRECIATION EXPENSE - BUSINESS-TYPE ACTIVITIES \$ 4,888,110

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:

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

5. LONG-TERM DEBT (Continued)

A. General Obligation Bonds (Continued)

Issue	Fund Debt Retired by	Balances January 1	Issuances	Retirements	Balances December 31	Current Portion
\$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	\$ 7,100,000	\$ -	\$ 485,000	\$ 6,615,000	\$ 500,000
\$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	1,390,000	-	115,000	1,275,000	120,000
\$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	7,675,000	-	990,000	6,685,000	1,010,000
\$22,570,000 General Obligation Refunding Bonds Series of 2015 due in annual installments of \$780,000 to \$1,440,000, plus interest of 3.00% to 3.55% through January 1, 2037.	Electric	-	22,570,000	-	22,570,000	-
TOTAL		\$ 16,165,000	\$ 22,570,000	\$ 1,590,000	\$ 37,145,000	\$ 1,630,000

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 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
\$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	\$ 602,281	\$ -	\$ 91,518	\$ 510,763	\$ 94,355

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. The City refunded the revenue bonds as noted below:

Issue	Fund Debt Retired by	Balance January 1	Issuances	Retirements/ Refundings	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	\$ 24,435,000	\$ -	\$ 24,435,000	\$ -	\$ -

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	\$ 1,849,004	\$ -	\$ 164,922	\$ 1,684,082	\$ 169,070
IEPA Water Series of 2005 due in annual installments of \$32,675 including interest at 2.5% through November 1, 2024.	Waterworks	287,528	-	25,646	261,882	26,291
IEPA Water Series of 2006 due in annual installments of \$191,127 including interest at 2.5% through September 26, 2026.	Waterworks	1,970,925	-	142,740	1,828,185	146,331
IEPA Water Series of 2006 due in annual installments of \$99,042 including interest at 2.5% through September 26, 2026.	Waterworks	1,021,333	-	73,968	947,365	75,829
TOTAL		\$ 5,128,790	\$ -	\$ 407,276	\$ 4,721,514	\$ 417,521

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
2016	\$ 620,000	\$ 223,075	\$ 1,010,000	\$ 506,775
2017	645,000	202,200	1,810,000	824,448
2018	660,000	182,625	1,855,000	780,072
2019	685,000	162,450	1,900,000	734,548
2020	700,000	142,300	1,905,000	687,872
2021	730,000	122,125	1,240,000	640,773
2022	750,000	101,062	1,275,000	606,747
2023	775,000	79,181	1,310,000	571,150
2024	795,000	56,559	1,350,000	527,775
2025	825,000	33,103	995,000	482,975
2026	705,000	10,575	1,025,000	452,675
2027	-	-	1,055,000	421,475
2028	-	-	1,085,000	389,375
2029	-	-	1,120,000	356,300
2030	-	-	1,155,000	321,453
2031	-	-	1,185,000	284,891
2032	-	-	1,225,000	246,469
2033	-	-	1,265,000	206,006
2034	-	-	1,310,000	164,163
2035	-	-	1,345,000	120,178
2036	-	-	1,395,000	73,940
2037	-	-	1,440,000	25,200
TOTAL	\$ 7,890,000	\$ 1,315,255	\$ 29,255,000	\$ 9,425,260

Year Ending December 31,	Alternate Revenue Bonds	
	Business-Type Activities	
	Principal	Interest
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	\$ 510,763	\$ 48,062

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
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	509,330	23,636
2025	277,829	12,341
2026	284,816	5,353
TOTAL	\$ 4,721,514	\$ 655,519

F. Changes in Long-Term Liabilities

The following is a summary of changes in long-term liabilities for the year ended December 31, 2015:

	Balances January 1, Restated	Additions	Reductions	Balances December 31	Current Portion
GOVERNMENTAL					
ACTIVITIES					
General Obligation Bonds	\$ 8,490,000	\$ -	\$ 600,000	\$ 7,890,000	\$ 620,000
Compensated Absences*	983,544	216,357	196,709	1,003,192	200,638
Net Pension Liability - IMRF*	2,777,433	1,388,424	-	4,165,857	-
Net Pension Liability - Police*	21,131,522	2,434,978	-	23,566,500	-
Net Pension Liability - Fire*	6,534,984	232,829	-	6,767,813	-
Net Other Postemployment Benefit*	287,103	166,202	-	453,305	-
Unamortized Premium	354,823	-	29,808	325,015	-
TOTAL GOVERNMENTAL ACTIVITIES	\$ 40,559,409	\$ 4,438,790	\$ 826,517	\$ 44,171,682	\$ 820,638

Beginning balances were restated in accordance with GASB Statement No. 68. See Note 12 for further discussion.

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

5. LONG-TERM DEBT (Continued)

F. Changes in Long-Term Liabilities (Continued)

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

	Balances January 1, Restated	Additions	Reductions/ Refundings	Balances December 31	Current Portion
BUSINESS-TYPE					
ACTIVITIES					
General Obligation Bonds	\$ 7,675,000	\$ 22,570,000	\$ 990,000	\$ 29,255,000	\$ 1,010,000
Alternate Revenue Bonds	602,281	-	91,518	510,763	94,355
Revenue Bonds	24,435,000	-	24,435,000	-	-
IEPA Loans	5,128,790	-	407,276	4,721,514	417,521
Net Pension Liability - IMRF	1,990,360	994,974	-	2,985,334	-
Compensated Absences	443,708	113,655	88,742	468,621	93,724
Unamortized Premium	275,709	274,913	35,237	515,385	-
TOTAL BUSINESS-TYPE					
ACTIVITIES	\$ 40,550,848	\$ 23,953,542	\$ 26,047,773	\$ 38,456,617	\$ 1,615,600

Beginning balances were restated in accordance with GASB Statement No. 68. See Note 12 for further discussion.

H. Alternate Revenue Source Bonds

The Series 2010 Taxable General Obligation Alternate Revenue Source Bond, issued for sewer capital projects, is payable from a pledge of the City's sewer operations revenue. The bond has a remaining total pledge of \$558,825, with the bonds maturing December 15, 2020. During the current fiscal year, the pledge of sewer revenues of \$107,337 was approximately 2.2% of total available pledged revenues.

G. 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 \$140,000 per individual's health claims paid and \$1,000,000 per individual for workers' compensation claims paid. The remainder of the City's risk management activity is also reported in the Self-Insurance Funds 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 Funds 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:

	2015	2014
UNPAID CLAIMS - BEGINNING OF YEAR	\$ 1,262,277	\$ 1,177,329
Incurred Claims (Including IBNR)	3,967,489	4,056,940
Claims Payments	(3,851,582)	(3,971,992)
UNPAID CLAIMS - END OF YEAR	<u>\$ 1,378,184</u>	<u>\$ 1,262,277</u>

7. INDIVIDUAL FUND DISCLOSURES

A. Due From/To Other Funds

	Due From	Due To
General		
Nonmajor Governmental	\$ 21,889	\$ -
Nonmajor Governmental		
General	-	21,889
TOTAL	<u>\$ 21,889</u>	<u>\$ 21,889</u>

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

7. INDIVIDUAL FUND DISCLOSURES (Continued)

A. Due From/To Other Funds (Continued)

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

- \$21,889 due to the General Fund from the Capital Projects 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, 2015 were as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
General		
Nonmajor Governmental	\$ -	\$ 1,328,450
Nonmajor Governmental		
General	1,328,450	-
Nonmajor Governmental	<u>30,941</u>	<u>30,941</u>
TOTAL	<u>\$ 1,359,391</u>	<u>\$ 1,359,391</u>

The purpose of significant transfers is as follows:

- \$1,328,450 transferred from the General Fund to the Nonmajor Governmental Funds and includes, \$703,450 to the Debt Service Fund for debt payments and \$625,000 to the Capital Projects Fund for project funding. These transfers will not be repaid.

C. Advances To/From Other Funds

	<u>Advance To</u>	<u>Advance From</u>
General		
Nonmajor Governmental	\$ 1,330,151	\$ -
Nonmajor Governmental		
General	<u>-</u>	<u>1,330,151</u>
TOTAL	<u>\$ 1,330,151</u>	<u>\$ 1,330,151</u>

7. INDIVIDUAL FUND DISCLOSURES (Continued)

C. Advances To/From Other Funds (Continued)

The purpose of significant advances is as follows:

- \$1,330,151 advance from the General Fund to the Nonmajor Governmental Funds (TIF Fund #1) for project funding. Repayment is not expected after one year.

D. Deficit Fund Balance

Tax Increment Financing Fund #1 had a deficit fund balance of (\$1,129,139) as of December 31, 2015.

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

9. COMMITMENTS (Continued)

Northern Illinois Municipal Power Agency (Continued)

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, 2015, total utility plant assets (exclusive of construction work in progress) were \$466.4 million and accumulated depreciation was approximately \$44.2 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 \$505.3 million as of December 31, 2015.

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.

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

10. OTHER POSTEMPLOYMENT BENEFITS (Continued)

C. Membership

At December 31, 2014 (date of last actuarial valuation), membership consisted of:

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

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, 2015, retirees contributed \$148,157. 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
2013	\$ 282,048	\$ 246,839	87.5%	\$ 149,256
2014	299,990	162,143	54.0%	287,103
2015	312,869	146,667	46.9%	453,305

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

10. OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

The net OPEB obligation (NOPEBO) as December 31, 2015 was calculated as follows:

Annual Required Contribution	\$ 310,955
Interest on Net OPEB Obligation	11,484
Adjustment to Annual Required Contribution (ARC)	<u>(9,570)</u>
Annual OPEB Cost	312,869
Contributions Made	<u>146,667</u>
Increase in Net OPEB Obligation	166,202
Net OPEB Obligation, Beginning of Year	<u>287,103</u>
NET OPEB OBLIGATION, END OF YEAR	<u>\$ 453,305</u>

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.

10. OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

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 (most recent) actuarial valuation, the entry-age actuarial cost method was used. The actuarial assumptions included 4.0% 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 3.0% inflation assumption. The actuarial value of assets was not determined as the City has not advance funded its obligation. The plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on 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

Plan Administration and Benefits Provided

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.

11. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Plan Administration and Benefits Provided (Continued)

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.

Contributions

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 for the fiscal year ended December 31, 2015 was 13.16% of covered payroll.

Plan Membership

At December 31, 2015, IMRF membership consisted of:

Inactive Employees or their Beneficiaries	
Currently Receiving Benefits	75
Inactive Employees Entitled to but not yet Receiving Benefits	53
Active Employees	98
 TOTAL	 226

Net Pension Liability

The City's net pension liability was measured as of December 31, 2015 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of the same date using the following actuarial methods and assumptions.

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

11. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Net Pension Liability (Continued)

Actuarial Valuation Date	December 31, 2015
Actuarial Cost Method	Entry-age Normal
Assumptions	
Inflation	2.75%
Salary Increases	3.75% to 14.50%
Interest Rate	7.50%
Cost of Living Adjustments	3.00%
Asset Valuation Method	Market Value

For nondisabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for nondisabled lives.

For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

Discount Rate

The discount rate used to measure the total pension liability was 7.47%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the IMRF's fiduciary net position was not projected to be available to make all projected future benefit payments of current plan members.

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

11. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Discount Rate (Continued)

Therefore, the long-term expected rate of return on pension plan investments of 7.50% was blended with the index rate of 3.57% for tax exempt general obligation bonds rated AA or better at December 31, 2015 to arrive at a discount rate of 7.47% used to determine the total pension liability.

Changes in the Net Pension Liability

	(A) Total Pension Liability	(B) Plan Fiduciary Net Position	(A) - (B) Net Pension Liability
BALANCES AT JANUARY 1, 2015	\$ 44,603,987	\$ 39,836,194	\$ 4,767,793
Changes for the Period			
Service Cost	819,217	-	819,217
Interest	3,308,444	-	3,308,444
Difference Between Expected and Actual Experience	(291,372)	-	(291,372)
Changes in Assumptions	120,584	-	120,584
Employer Contributions	-	981,899	(981,899)
Employee Contributions	-	335,756	(335,756)
Net Investment Income	-	198,265	(198,265)
Benefit Payments and Refunds	(1,684,236)	(1,684,236)	-
Administrative Expense	-	-	-
Other (Net Transfer)	-	57,555	(57,555)
Net Changes	2,272,637	(110,761)	2,383,398
BALANCES AT DECEMBER 31, 2015	\$ 46,876,624	\$ 39,725,433	\$ 7,151,191

Changes in assumptions related to retirement age and mortality were made since the prior measurement date.

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

11. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended December 31, 2015, the City recognized pension expense of \$316,413. At December 31, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to IMRF from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ -	\$ 329,907
Changes in Assumption	837,966	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	2,540,825	-
TOTAL	\$ 3,378,791	\$ 329,907

Amounts reported as deferred outflows of resources and deferred inflows of resources related to IMRF will be recognized in pension expense as follows:

<u>Period Ending December 31,</u>	
2016	\$ 847,516
2017	847,516
2018	825,711
2019	528,141
2020	-
Thereafter	-
TOTAL	\$ 3,048,884

11. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Discount Rate Sensitivity

The following is a sensitive analysis of the net pension liability to changes in the discount rate. The table below presents the pension liability of the City calculated using the discount rate of 7.47% as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.47%) or 1 percentage point higher (8.47%) than the current rate:

	1% Decrease (6.47%)	Current Discount Rate (7.47%)	1% Increase (8.47%)
Net Pension Liability	\$ 13,714,963	\$ 7,151,191	\$ 1,773,239

Police Pension Plan

Plan Administration

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.

The Police Pension Plan is governed by a five-member Board of Trustees. Two members of the Board of Trustees are appointed by the City's Mayor, one member is elected by pension beneficiaries and two members are elected by active police employees.

The plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required, benefits and refunds are recognized as an expense and liability when due and payable.

11. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Plan Membership

Inactive Plan Members Currently Receiving Benefits	30
Inactive Plan Members Entitled to but not yet Receiving Benefits	2
Active Plan Members	40
 TOTAL	 72

Benefits Provided

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 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.

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

11. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Contributions

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. However, the City contributes based on 100% of the past service cost. For the year ended December 31, 2015, the City's contribution was 34.89% of covered payroll.

Changes in the Net Pension Liability

	(A) Total Pension Liability	(B) Plan Fiduciary Net Position	(A) - (B) Net Pension Liability
BALANCES AT JANUARY 1, 2015	\$ 47,556,045	\$ 26,424,524	\$ 21,131,521
Changes for the Period			
Service Cost	751,477	-	751,477
Interest	3,269,569	-	3,269,569
Difference Between Expected and Actual Experience	244,574	-	244,574
Changes in Assumptions	(992,104)	-	(992,104)
Employer Contributions	-	1,450,502	(1,450,502)
Employee Contributions	-	374,120	(374,120)
Net Investment Income	-	(909,088)	909,088
Benefit Payments and Refunds	(1,695,836)	(1,695,836)	-
Administrative Expense	-	(76,997)	76,997
Net Changes	1,577,680	(857,299)	2,434,979
BALANCES AT DECEMBER 31, 2015	\$ 49,133,725	\$ 25,567,225	\$ 23,566,500

11. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Actuarial Assumptions

The total pension liability above was determined by an actuarial valuation performed as of December 31, 2015 using the following actuarial methods and assumptions.

Actuarial Valuation Date	December 31, 2015
Actuarial Cost Method	Entry-Age Normal
Assumptions	
Inflation	2.50%
Salary Increases	4.50% to 8.00%
Interest Rate	7.00%
Cost of Living Adjustments	3.00%
Asset Valuation Method	Market

Mortality rates were based on the actuary's 2016 Mortality Table for Illinois Police Officers. The actuarial assumptions used in the December 31, 2015 valuation were based on the results of an actuarial experience study conducted by the actuary in 2016.

Discount Rate

The discount rate used to measure the total pension liability was 7%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Police Pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

11. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Discount Rate Sensitivity

The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the pension liability of the City calculated using the discount rate of 7% as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6%) or 1 percentage point higher (8%) than the current rate:

	1% Decrease (6%)	Current Discount Rate (7%)	1% Increase (8%)
Net Pension Liability	\$ 30,909,811	\$ 23,566,500	\$ 17,569,072

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended December 31, 2015, the City recognized police pension expense of \$855,547. At December 31, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to the police pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 205,814	\$ -
Changes in Assumption	-	834,876
Net difference Between Projected and Actual Earnings on Pension Plan Investments	2,208,493	-
TOTAL	\$ 2,414,307	\$ 834,876

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

11. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources (Continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the police pension will be recognized in pension expense as follows:

<u>Year Ending</u> <u>December 31,</u>	
2016	\$ 433,656
2017	433,656
2018	433,656
2019	433,653
2020	(118,468)
Thereafter	<u>(36,722)</u>
 TOTAL	 <u>\$ 1,579,431</u>

Firefighters' Pension Plan

Plan Administration

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.

The Firefighters' Pension Plan is governed by a five-member Board of Trustees. Two members of the Board of Trustees are appointed by the City's Mayor, one member is elected by pension beneficiaries and two members are elected by active firefighter employees.

The plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required, benefits and refunds are recognized as an expense and liability when due and payable.

11. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Plan Membership

At December 31, 2015, the Firefighters' Pension Plan membership consisted of:

Inactive Plan Members Currently Receiving Benefits	11
Inactive Plan Members Entitled to but not yet Receiving Benefits	2
Active Plan Members	23
TOTAL	36

Benefits Provided

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 proceeding calendar year.

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

11. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Contributions

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 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. However, the City funds based on 100% of the past service costs. For the year ended December 31, 2015, the City's contribution was 33.40% of covered payroll.

Changes in the Net Pension Liability

	(A) Total Pension Liability	(B) Plan Fiduciary Net Position	(A) - (B) Net Pension Liability
BALANCES AT JANUARY 1, 2015	\$ 20,400,825	\$ 13,865,841	\$ 6,534,984
Changes for the period			
Service Cost	507,663	-	507,663
Interest	1,406,713	-	1,406,713
Difference Between Expected and Actual Experience	(799,853)	-	(799,853)
Changes in Assumptions	132,570	-	132,570
Employer Contributions	-	760,874	(760,874)
Employee Contributions	-	193,606	(193,606)
Net Investment Income	-	101,341	(101,341)
Benefit Payments and Refunds	(609,849)	(609,849)	-
Administrative Expense	-	(41,557)	41,557
Net Changes	637,244	404,415	232,829
BALANCES AT DECEMBER 31, 2015	\$ 21,038,069	\$ 14,270,256	\$ 6,767,813

See the schedule of changes in the employer's net pension liability and related ratios in the required supplementary information for additional information related to the funded status of the Firefighters' Pension Plan.

11. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Actuarial Assumptions

The total pension liability above was determined by an actuarial valuation performed as of December 31, 2015 using the following actuarial methods and assumptions.

Actuarial Valuation Date	December 31, 2015
Actuarial Cost Method	Entry-Age Normal
Assumptions	
Inflation	2.50%
Salary Increases	4.50% to 8.00%
Interest Rate	7.00%
Cost of Living Adjustments	3.00%
Asset Valuation Method	Market

Mortality rates were based on the actuary's 2016 Illinois Firefighters Mortality Rates table. The actuarial assumptions used in the December 31, 2015 valuation were based on the results of an actuarial experience study conducted by the actuary in 2016.

Discount Rate

The discount rate used to measure the total pension liability was 7%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Firefighters' Pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

11. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Discount Rate Sensitivity

The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the pension liability of the City calculated using the discount rate of 7% as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6%) or 1 percentage point higher (8%) than the current rate:

	1% Decrease (6%)	Current Discount Rate (7%)	1% Increase (8%)
Net Pension Liability	\$ 9,989,231	\$ 6,767,813	\$ 4,130,730

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended December 31, 2015, the City recognized firefighters' pension expense of \$114,637. At December 31, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to the firefighters' pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ -	\$ 702,071
Changes in Assumption	116,363	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	703,900	-
TOTAL	\$ 820,263	\$ 702,071

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

11. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources (Continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the police pension will be recognized in pension expense as follows:

<u>Year Ending</u> <u>December 31,</u>	
2016	\$ 94,401
2017	94,401
2018	94,401
2019	94,397
2020	(81,575)
Thereafter	<u>(177,833)</u>
 TOTAL	 <u>\$ 118,192</u>

12. CHANGE IN ACCOUNTING PRINCIPLE

	<u>Increase</u> <u>(Decrease)</u>
 CHANGE IN ACCOUNTING PRINCIPLE - GOVERNMENTAL ACTIVITIES	
 Change in Accounting Principle	
To write-off the Police Pension Plan Net Pension Obligation	\$ 1,452
To write-off the Firefighters' Pension Plan Net Pension Asset	(122,560)
To record the Firefighters' Pension Plan Net Pension Liability	(6,534,984)
To record the Police Pension Plan Net Pension Liability	(21,131,522)
To record the IMRF Net Pension Liability	<u>(2,777,433)</u>
 TOTAL CHANGE IN ACCOUNTING PRINCIPLE - GOVERNMENTAL ACTIVITIES	 <u>\$ (30,565,047)</u>

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

12. CHANGE IN ACCOUNTING PRINCIPLE (Continued)

	<u>Increase (Decrease)</u>
CHANGE IN ACCOUNTING PRINCIPLE - BUSINESS-TYPE ACTIVITIES	
To record the IMRF Net Pension Liability	<u>\$ (1,990,360)</u>
TOTAL CHANGE IN ACCOUNTING PRINCIPLE - BUSINESS-TYPE ACTIVITIES	<u><u>\$ (1,990,360)</u></u>

With the implementation of GASB Statement No. 68, the City is required to retroactively record the net pension liability and write off any net pension assets/obligations previously reported.

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, 2015

	Original Budget	Final Budget	Actual
REVENUES			
Taxes	\$ 18,957,327	\$ 18,957,327	\$ 19,140,493
Intergovernmental	3,514,521	3,514,521	3,931,753
Licenses and Permits	253,050	253,050	323,692
Charges for Services	229,937	229,937	436,610
Fines and Forfeitures	235,000	235,000	213,437
Interest	32,000	32,000	46,401
Miscellaneous	1,547,445	1,547,445	1,680,924
Total Revenues	24,769,280	24,769,280	25,773,310
EXPENDITURES			
General Government	5,858,987	5,885,099	5,045,890
Public Safety	13,708,397	13,730,698	13,298,929
Highways and Streets	3,872,156	3,872,156	3,540,727
Total Expenditures	23,439,540	23,487,953	21,885,546
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,329,740	1,281,327	3,887,764
OTHER FINANCING SOURCES (USES)			
Transfers (Out)	(1,328,450)	(1,328,450)	(1,328,450)
Proceeds on Sale of Assets	-	-	35,069
Total Other Financing Sources (Uses)	(1,328,450)	(1,328,450)	(1,293,381)
NET CHANGE IN FUND BALANCE	\$ 1,290	\$ (47,123)	2,594,383
FUND BALANCE, JANUARY 1			16,066,562
FUND BALANCE, DECEMBER 31			\$ 18,660,945

(See independent auditor's report.)

CITY OF BATAVIA, ILLINOIS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2015

BUDGETS

Annual budgets are adopted for all governmental (except for the Foreign Fire Insurance Fund and the Special Service Area #57 Fund) 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:

Fund	Final Budget	Actual Expenditures	Excess
Tax Increment Financing #1	\$ 2,783,435	\$ 2,838,564	\$ 55,129
Health Insurance	3,936,250	3,952,430	16,180
Workers' Compensation Insurance	621,650	641,333	19,683

CITY OF BATAVIA, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION
OTHER POSTEMPLOYMENT BENEFIT PLAN

December 31, 2015

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)
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%
2015	N/A	N/A	N/A	N/A	N/A	N/A

Schedule of Employer Contributions

Fiscal Year	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed
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%
2015	146,667	310,955	47.17%

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

(See independent auditor's report.)

CITY OF BATAVIA, ILLINOIS

**SCHEDULE OF EMPLOYER CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND**

December 31, 2015

	<u>2015</u>
Actuarially Determined Contribution	\$ 981,900
Contributions in Relation to the Actuarially Determined Contribution	<u>981,899</u>
CONTRIBUTION DEFICIENCY (Excess)	<u><u>\$ 1</u></u>
Covered-Employee Payroll	\$ 7,461,245
Contributions as a Percentage of Covered-Employee Payroll	13.16%

Notes to Required Supplementary Information

The information presented was determined as part of the actuarial valuations as of December 31 of the prior fiscal year. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of pay, closed and the amortization period was 29 years; the asset valuation method was 5-year smoothed market; and the significant actuarial assumptions were an investment rate of return at 7.50% annually, projected salary increases assumption of 4.40% to 16.00% compounded annually and postretirement benefit increases of 3.00% compounded annually.

(See independent auditor's report.)

CITY OF BATAVIA, ILLINOIS

**SCHEDULE OF EMPLOYER CONTRIBUTIONS
POLICE PENSION FUND**

December 31, 2015

	<u>2015</u>
Actuarially Determined Contribution	\$ 1,327,365
Contributions in Relation to the Actuarially Determined Contribution	<u>1,450,502</u>
CONTRIBUTION DEFICIENCY (Excess)	<u><u>\$ (123,137)</u></u>
Covered-Employee Payroll	\$ 4,156,802
Contributions as a Percentage of Covered-Employee Payroll	34.9%

Notes to Required Supplementary Information

The information presented was determined as part of the actuarial valuations as of January 1 of the prior fiscal year. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of pay, closed and the amortization period was 25 years; the asset valuation method was 5-year smoothed market; and the significant actuarial assumptions were an investment rate of return at 7.00% annually, projected salary increases assumption of 4.50% to 16.00% compounded annually and postretirement benefit increases of 3.00% compounded annually.

(See independent auditor's report.)

CITY OF BATAVIA, ILLINOIS

**SCHEDULE OF EMPLOYER CONTRIBUTIONS
FIREFIGHTERS' PENSION FUND**

December 31, 2015

	<u>2015</u>
Actuarially Determined Contribution	\$ 699,874
Contributions in Relation to the Actuarially Determined Contribution	<u>760,874</u>
CONTRIBUTION DEFICIENCY (Excess)	<u><u>\$ (61,000)</u></u>
Covered-Employee Payroll	\$ 2,277,874
Contributions as a Percentage of Covered-Employee Payroll	33.4%

Notes to Required Supplementary Information

The information presented was determined as part of the actuarial valuations as of January 1 of the prior fiscal year. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of pay, closed and the amortization period was 25 years; the asset valuation method was 5-year smoothed market; and the significant actuarial assumptions were an investment rate of return at 7.00% annually, projected salary increases assumption of between 4.50% to 8.00% compounded annually and postretirement benefit increases of 3.00% compounded annually.

(See independent auditor's report.)

CITY OF BATAVIA, ILLINOIS

SCHEDULE OF CHANGES IN THE EMPLOYER'S
NET PENSION LIABILITY AND RELATED RATIOS
ILLINOIS MUNICIPAL RETIREMENT FUND

December 31, 2015

	<u>2015</u>
TOTAL PENSION LIABILITY	
Service Cost	\$ 819,217
Interest	3,308,444
Changes of Benefit Terms	-
Differences Between Expected and Actual Experience	(291,372)
Changes of Assumptions	120,584
Benefit Payments, Including Refunds of Member Contributions	<u>(1,684,236)</u>
Net Change in Total Pension Liability	2,272,637
Total Pension Liability - Beginning	<u>44,603,987</u>
TOTAL PENSION LIABILITY - ENDING	<u><u>\$ 46,876,624</u></u>
PLAN FIDUCIARY NET POSITION	
Contributions - Employer	\$ 981,899
Contributions - Member	335,756
Net Investment Income	198,265
Benefit Payments, Including Refunds of Member Contributions	(1,684,236)
Other (Net Transfer)	<u>57,555</u>
Net Change in Plan Fiduciary Net Position	(110,761)
Plan Fiduciary Net Position - Beginning	<u>39,836,194</u>
PLAN FIDUCIARY NET POSITION - ENDING	<u><u>\$ 39,725,433</u></u>
EMPLOYER'S NET PENSION LIABILITY	<u><u>\$ 7,151,191</u></u>
Plan Fiduciary Net Position	
as a Percentage of the Total Pension Liability	84.7%
Covered-Employee Payroll	\$ 7,461,245
Employer's Net Pension Liability	
as a Percentage of Covered-Employee Payroll	95.8%

(See independent auditor's report.)

CITY OF BATAVIA, ILLINOIS

SCHEDULE OF CHANGES IN THE EMPLOYER'S
NET PENSION LIABILITY AND RELATED RATIOS
POLICE PENSION FUND

December 31, 2015

	<u>2015</u>
TOTAL PENSION LIABILITY	
Service Cost	\$ 751,477
Interest	3,269,569
Changes of Benefit Terms	-
Differences Between Expected and Actual Experience	244,574
Changes of Assumptions	(992,104)
Benefit Payments, Including Refunds of Member Contributions	<u>(1,695,836)</u>
Net Change in Total Pension Liability	1,577,680
Total Pension Liability - Beginning	<u>47,556,045</u>
TOTAL PENSION LIABILITY - ENDING	<u><u>\$ 49,133,725</u></u>
PLAN FIDUCIARY NET POSITION	
Contributions - Employer	\$ 1,450,502
Contributions - Member	374,120
Net Investment Income	(909,088)
Benefit Payments, Including Refunds of Member Contributions	(1,695,836)
Administrative Expense	<u>(76,997)</u>
Net Change in Plan Fiduciary Net Position	(857,299)
Plan Fiduciary Net Position - Beginning	<u>26,424,524</u>
PLAN FIDUCIARY NET POSITION - ENDING	<u><u>\$ 25,567,225</u></u>
EMPLOYER'S NET PENSION LIABILITY	<u><u>\$ 23,566,500</u></u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	52.0%
Covered-Employee Payroll	\$ 4,156,802
Employer's Net Pension Liability as a Percentage of Covered-Employee Payroll	566.9%

(See independent auditor's report.)

CITY OF BATAVIA, ILLINOIS

**SCHEDULE OF CHANGES IN THE EMPLOYER'S
NET PENSION LIABILITY AND RELATED RATIOS
FIREFIGHTERS' PENSION FUND**

December 31, 2015

	<u>2015</u>
TOTAL PENSION LIABILITY	
Service Cost	\$ 507,663
Interest	1,406,713
Changes of Benefit Terms	-
Differences Between Expected and Actual Experience	(799,853)
Changes of Assumptions	132,570
Benefit Payments, Including Refunds of Member Contributions	<u>(609,849)</u>
Net Change in Total Pension Liability	637,244
Total Pension Liability - Beginning	<u>20,400,825</u>
TOTAL PENSION LIABILITY - ENDING	<u><u>\$ 21,038,069</u></u>
PLAN FIDUCIARY NET POSITION	
Contributions - Employer	\$ 760,874
Contributions - Member	193,606
Net Investment Income	101,341
Benefit Payments, Including Refunds of Member Contributions	(609,849)
Administrative Expense	<u>(41,557)</u>
Net Change in Plan Fiduciary Net Position	404,415
Plan Fiduciary Net Position - Beginning	<u>13,865,841</u>
PLAN FIDUCIARY NET POSITION - ENDING	<u><u>\$ 14,270,256</u></u>
EMPLOYER'S NET PENSION LIABILITY	<u><u>\$ 6,767,813</u></u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	67.8%
Covered-employee payroll	\$ 2,277,874
Employer's net pension liability as a percentage of covered-employee payroll	297.1%

(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, 2015

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Property Taxes - General	\$ 6,253,019	\$ 6,253,019	\$ 6,245,854
Retailers' Occupation Tax	5,039,367	5,039,367	5,206,803
Home Rule Sales Tax	3,707,624	3,707,624	3,794,937
Utility Tax	3,957,317	3,957,317	3,892,899
Total Taxes	18,957,327	18,957,327	19,140,493
Intergovernmental			
Illinois State Income Tax	2,505,214	2,505,214	2,816,223
Illinois State Replacement Tax	194,897	194,897	212,699
Illinois State Maintenance Reimbursement	43,609	43,609	33,523
State and Federal Grants	1,200	1,200	3,112
Township Share	64,000	64,000	40,511
Countryside Fire Protection District	242,000	242,000	246,395
Local Use Tax	463,601	463,601	579,290
Total Intergovernmental	3,514,521	3,514,521	3,931,753
Licenses and Permits			
Licenses	58,050	58,050	64,471
Building Permits	195,000	195,000	259,221
Total Licenses and Permits	253,050	253,050	323,692
Charges for Services			
Engineering Plan Review	10,890	10,890	36,341
Engineering Inspection Fees	23,522	23,522	62,827
Report Copies	-	-	207
Survey Monumentation Fees	11,025	11,025	6,533
Planning Commission Fees	15,000	15,000	12,031
Grave Openings	36,000	36,000	29,534
Engineering Reimbursements	-	-	8,429
Plumbing Inspections	28,500	28,500	38,186
Police Services	105,000	105,000	105,693
Hazardous Waste Fee	-	-	136,829
Total Charges for Services	229,937	229,937	436,610

(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, 2015

	Original Budget	Final Budget	Actual
REVENUES (Continued)			
Fines and Forfeitures			
Court Fines	\$ 185,000	\$ 185,000	\$ 179,242
Parking Fines	50,000	50,000	34,195
	<hr/>		
Total Fines and Forfeitures	235,000	235,000	213,437
	<hr/>		
Interest			
Investment Income	32,000	32,000	46,401
	<hr/>		
Miscellaneous			
Waste Transfer Fee	575,000	575,000	585,489
Cable TV Franchise Fee	448,445	448,445	459,669
Leaf and Brush Collection	270,500	270,500	271,566
Payment in Lieu of Taxes	16,500	16,500	16,991
Sale of Burial Lots	15,000	15,000	15,843
Care of Lots	12,000	12,000	12,100
Reimbursements	80,000	80,000	82,724
Other	130,000	130,000	236,542
	<hr/>		
Total Miscellaneous	1,547,445	1,547,445	1,680,924
	<hr/>		
TOTAL REVENUES	\$ 24,769,280	\$ 24,769,280	\$ 25,773,310

(See independent auditor's report.)

CITY OF BATAVIA, ILLINOIS

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

For the Year Ended December 31, 2015

	Original Budget	Final Budget	Actual
EXPENDITURES			
General Government			
Legislative and Administration	\$ 1,217,378	\$ 1,217,378	\$ 1,025,687
Human Resources	391,399	391,399	313,997
Community Development	987,481	987,481	986,204
Public Works Administration	228,818	228,818	230,438
Engineering	703,342	703,342	578,568
Building and Grounds	399,630	399,630	357,420
Finance and Accounting	590,337	590,337	591,853
Information Systems	772,545	798,657	766,744
Utility Billing	362,772	362,772	352,325
Economic Development	1,391,467	1,391,467	728,836
Less Administrative Expenses	(1,186,182)	(1,186,182)	(886,182)
Total General Government	5,858,987	5,885,099	5,045,890
Public Safety			
Police	8,495,800	8,518,101	8,235,623
Fire	5,158,326	5,158,326	5,014,526
E.S.D.A.	54,271	54,271	48,780
Total Public Safety	13,708,397	13,730,698	13,298,929
Highways and Streets	3,872,156	3,872,156	3,540,727
TOTAL EXPENDITURES	\$ 23,439,540	\$ 23,487,953	\$ 21,885,546

(See independent auditor's report.)

CITY OF BATAVIA, ILLINOIS

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

For the Year Ended December 31, 2015

	Original Budget	Final Budget	Actual
EXPENDITURES			
General Government			
Legislative and Administration			
Regular Wages	\$ 459,379	\$ 459,379	\$ 393,747
Group Insurance	65,582	65,582	45,659
IMRF - City Portion	50,676	50,676	40,417
Social Security	30,535	30,535	26,790
Pension Contributions	9,978	9,978	9,978
Workers Compensation	120	120	120
Memberships	15,000	15,000	16,960
Training and Seminars	2,500	2,500	4,941
Travel	1,500	1,500	822
Resource Materials	850	850	1,449
Postage and Shipping	1,000	1,000	912
Office Supplies	6,000	6,000	5,250
Printing	22,000	22,000	18,537
Advertising	1,000	1,000	-
Telephone	1,875	1,875	1,045
Food	1,500	1,500	2,094
Contract Labor	42,000	42,000	19,502
Legal Fees	165,000	165,000	119,357
BATV	179,378	179,378	215,397
Ride In Kane Program	128,000	128,000	73,117
General Liability Insurance	33,505	33,505	29,593
	<hr/>	<hr/>	<hr/>
Total Legislative and Administration	1,217,378	1,217,378	1,025,687
	<hr/>	<hr/>	<hr/>
Human Resources			
Regular Wages	226,605	226,605	162,812
Group Insurance	28,348	28,348	9,853
IMRF - City Portion	29,821	29,821	19,577
Social Security	17,335	17,335	11,387
Workers Compensation	120	120	120
Medical Exams	12,000	12,000	18,224
Employee Recruitment	1,500	1,500	17,557
Memberships	1,500	1,500	906
Employee Recognition	25,000	25,000	12,357
Training and Seminars	12,000	12,000	12,814
Postage and Shipping	200	200	415
Printing	3,000	3,000	3,707

(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, 2015

	Original Budget	Final Budget	Actual
EXPENDITURES (Continued)			
General Government (Continued)			
Human Resources (Continued)			
Telephone	\$ -	\$ -	\$ 726
Contract Labor	10,000	10,000	9,262
Legal Fees	10,000	10,000	21,878
General Liability Insurance	13,970	13,970	12,402
Total Human Resources	391,399	391,399	313,997
Community Development			
Regular Wages	648,686	648,686	655,286
Overtime	3,000	3,000	340
Group Insurance	110,003	110,003	112,322
IMRF - City Portion	85,762	85,762	82,242
Social Security	49,854	49,854	47,856
Workers Compensation	2,400	2,400	2,400
Memberships	2,622	2,622	2,632
Training and Seminars	4,700	4,700	3,860
Travel - Miles	300	300	269
Resource Materials	1,750	1,750	1,333
Postage and Shipping	2,400	2,400	1,573
Office Supplies	4,000	4,000	3,959
Printing	200	200	-
Gasoline	1,825	1,825	1,367
Advertising	2,750	2,750	4,460
Telephone	2,500	2,500	3,134
Clothing Allowance	550	550	-
Meals	200	200	154
Recording Fees	1,200	1,200	2,436
Repairs and Maintenance - Vehicles	3,000	3,000	2,218
Plumbing Inspection	28,000	28,000	37,110
Contract Labor	29,800	29,800	19,493
General Liability Insurance	1,979	1,979	1,760
Total Community Development	987,481	987,481	986,204

(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, 2015

	Original Budget	Final Budget	Actual
EXPENDITURES (Continued)			
General Government (Continued)			
Public Works Administration			
Regular Wages	\$ 147,625	\$ 147,625	\$ 154,860
Group Insurance	23,478	23,478	23,643
IMRF - City Portion	19,427	19,427	18,528
Social Security	11,293	11,293	9,469
Workers Compensation	120	120	120
Memberships	700	700	740
Training and Seminars	1,500	1,500	257
Telephone	1,000	1,000	780
Contract Labor	23,000	23,000	21,440
General Liability Insurance	675	675	601
	<hr/>	<hr/>	<hr/>
Total Public Works Administration	228,818	228,818	230,438
	<hr/>	<hr/>	<hr/>
Engineering			
Regular Wages	467,079	467,079	359,305
Overtime	1,000	1,000	-
Group Insurance	81,872	81,872	63,490
IMRF - City Portion	61,599	61,599	45,177
Social Security	35,808	35,808	26,197
Workers Compensation	2,400	2,400	2,400
Memberships	1,700	1,700	1,250
Training and Seminars	7,100	7,100	487
Resource Materials	200	200	34
Postage and Shipping	300	300	51
Office Supplies	2,000	2,000	9,216
Gasoline	2,400	2,400	1,463
Advertising	400	400	-
Telephone	2,500	2,500	1,740
Clothing Allowance	650	650	325
Other Equipment	2,355	2,355	-
Recording Fees	500	500	560
Repairs and Maintenance - Vehicles	1,500	1,500	605
Contract Labor	10,000	10,000	37,325
Vehicles	20,000	20,000	27,183
General Liability Insurance	1,979	1,979	1,760
	<hr/>	<hr/>	<hr/>
Total Engineering	703,342	703,342	578,568
	<hr/>	<hr/>	<hr/>

(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, 2015

	Original Budget	Final Budget	Actual
EXPENDITURES (Continued)			
General Government (Continued)			
Building and Grounds			
Regular Wages	\$ 58,580	\$ 58,580	\$ 59,357
Overtime	6,000	6,000	5,954
Part-Time Help	5,000	5,000	3,990
Group Insurance	23,478	23,478	23,643
IMRF - City Portion	8,499	8,499	8,469
Social Security	5,323	5,323	4,780
Workers Compensation	400	400	400
Office Supplies	3,500	3,500	3,284
Gasoline	1,280	1,280	440
Telephone	24,000	24,000	23,130
Utilities	95,000	95,000	91,115
General Supplies	13,000	13,000	18,025
Repairs and Maintenance - Vehicles	1,000	1,000	-
Repairs and Maintenance - Buildings	147,000	147,000	108,390
Equipment Rental	2,500	2,500	2,630
Repairs and Maintenance - Other Equipment	5,000	5,000	3,751
General Liability Insurance	70	70	62
Total Building and Grounds	<u>399,630</u>	<u>399,630</u>	<u>357,420</u>
Finance and Accounting			
Regular Wages	386,300	386,300	380,608
Group Insurance	66,081	66,081	63,916
IMRF - City Portion	50,837	50,837	47,376
Social Security	29,552	29,552	26,601
State Unemployment	-	-	8,094
Workers Compensation	120	120	120
Memberships	650	650	525
Training and Seminars	1,000	1,000	430
Travel	100	100	25
Resource Materials	300	300	225
Postage and Shipping	3,100	3,100	3,421
Office Supplies	5,500	5,500	4,402
Printing	2,000	2,000	2,827
Telephone	800	800	1,149
Auditing	43,000	43,000	51,205
General Liability Insurance	997	997	929
Total Finance and Accounting	<u>590,337</u>	<u>590,337</u>	<u>591,853</u>

(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, 2015

	Original Budget	Final Budget	Actual
EXPENDITURES (Continued)			
General Government (Continued)			
Information Systems			
Regular Wages	\$ 288,841	\$ 288,841	\$ 289,598
Group Insurance	56,553	56,553	56,709
IMRF - City Portion	38,011	38,011	35,661
Social Security	22,096	22,096	20,807
Workers Compensation	120	120	120
Memberships	525	525	250
Training and Seminars	5,150	5,150	2,566
Travel	250	250	177
Resource Materials	1,150	1,150	-
Postage and Shipping	50	50	-
Office Supplies	500	500	232
Computer Software	19,800	27,800	17,550
Computer Supplies	3,000	3,000	1,720
Gasoline	450	450	-
Telephone	14,824	14,824	13,272
Computer Maintenance	30,900	30,900	24,878
Contract Labor	64,600	119,712	117,384
Software Support	147,850	147,850	145,292
Computer	77,200	40,200	39,304
General Liability Insurance	675	675	1,224
	<hr/>	<hr/>	<hr/>
Total Information Systems	772,545	798,657	766,744
Utility Billings			
Regular Wages	176,600	176,600	176,640
Overtime	33,076	-	-
Group Insurance	-	33,076	33,066
IMRF - City Portion	23,241	23,241	22,693
Social Security	13,510	13,510	12,744
Workers Compensation	120	120	120
Training and Seminars	500	500	518
Postage and Shipping	56,500	56,500	54,295
Office Supplies	2,800	2,800	3,052
Computer Software	14,500	14,500	13,702
Repairs and Maintenance - Office Equipment	2,000	2,000	-
Contract Labor	31,750	31,750	25,834
General Liability Insurance	675	675	672
Bad Debt Expense	7,500	7,500	8,989
	<hr/>	<hr/>	<hr/>
Total Utility Billing	362,772	362,772	352,325

(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, 2015

	Original Budget	Final Budget	Actual
EXPENDITURES (Continued)			
General Government (Continued)			
Economic Development			
Memberships	\$ 1,500	\$ 1,500	\$ 850
Training and Seminars	1,500	1,500	-
Postage	100	100	2,021
Office Supplies	200	200	49
Advertisements	1,500	1,500	200
Printing	1,500	1,500	3,225
Contract Labor	121,000	121,000	115,401
Economic Development	1,264,167	1,264,167	607,090
Total Economic Development	1,391,467	1,391,467	728,836
Less Administrative Reimbursements	(1,186,182)	(1,186,182)	(886,182)
Total General Government	5,858,987	5,885,099	5,045,890
Public Safety			
Police Department			
Regular Wages	4,469,791	4,469,791	4,403,831
Overtime	254,962	254,962	201,731
Auxiliary Police, Full-Time	17,847	17,847	14,463
Part Time Help	67,175	67,175	54,821
Group Insurance	839,881	839,881	867,113
IMRF - City Portion	69,139	69,139	59,955
Social Security	106,480	106,480	95,948
Pension Contributions	1,450,502	1,450,502	1,450,502
Workers Compensation	180,000	180,000	180,000
Board of P & F Commission	39,150	39,150	21,986
Memberships	7,805	7,805	6,812
Training and Seminars	32,639	32,639	9,245
Travel	1,200	1,200	256
Resource Materials	1,439	1,439	1,063
Postage and Shipping	5,000	5,000	4,148
Office Supplies	16,800	18,400	18,673
Vehicle Supplies	9,000	9,000	5,757
Printing	12,500	12,900	5,324
Communication Supplies	5,500	2,500	1,089
Investigative Supplies	3,000	4,000	1,727
Gasoline	110,000	110,000	66,377

(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, 2015

	Original Budget	Final Budget	Actual
EXPENDITURES (Continued)			
Public Safety (Continued)			
Police Department (Continued)			
Patrol Supplies	\$ 4,700	\$ 4,700	\$ 1,823
Community Relations	1,325	1,325	1,193
Ammunition	19,310	19,310	17,268
Telephone	14,325	14,325	12,632
Clothing Allowance	49,000	47,487	42,598
Food	800	800	187
Narcotics and Enforcement	1,000	-	-
Other Equipment	5,353	5,353	4,633
Repairs and Maintenance - Vehicle	48,300	48,300	45,534
Equipment Rental	4,000	4,000	142
Repairs and Maintenance - Other Equipment	14,500	10,500	7,952
Contract Labor	452,366	452,366	455,920
Vehicles	92,511	88,286	88,285
General Liability Insurance	88,500	121,539	86,635
Total Police Department	8,495,800	8,518,101	8,235,623
Fire Department			
Regular Wages	2,217,980	2,217,980	2,189,945
Overtime	220,000	220,000	214,113
Part-Time Help	478,952	478,952	480,430
Group Insurance	515,640	515,640	507,633
IMRF - City Portion	8,145	8,145	6,957
Social Security	75,827	75,827	71,608
Pension Contributions	760,874	760,874	760,874
Workers Compensation	68,000	68,000	68,000
Workers Compensation Premium	3,000	3,000	2,550
Memberships	5,500	5,500	4,298
EMS Training	2,400	2,400	1,528
Training and Seminars	19,100	19,100	17,588
Fire Prevention	1,330	1,330	1,457
Resource Materials	1,600	1,600	1,453
Postage and Shipping	900	900	1,017
Office Supplies	4,200	4,200	3,802
Vehicle Supplies	15,900	15,900	11,627
Printing	900	900	619
Communication Supplies	6,000	6,000	4,508
Gasoline	38,000	38,000	21,182

(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, 2015

	Original Budget	Final Budget	Actual
EXPENDITURES (Continued)			
Public Safety (Continued)			
Fire Department (Continued)			
Telephone	\$ 6,700	\$ 6,700	\$ 5,789
Education Materials	3,900	3,900	3,823
Hazardous Materials	2,500	2,500	2,545
Clothing Allowance	31,500	31,500	28,551
Water Rescue Materials	10,000	10,000	9,922
Medical Supplies	6,600	6,600	3,856
Food	3,200	3,200	2,055
Utilities	58,500	58,500	50,340
General Supplies	9,100	9,100	8,902
Other Equipment	21,000	21,000	18,617
Repairs and Maintenance - Vehicle	78,000	78,000	50,157
Repairs and Maintenance - Building	18,400	18,400	19,001
Repairs and Maintenance - Other Equipment	3,200	3,200	1,485
Contract Labor	423,223	423,223	402,725
Office Furniture and Equipment	38,255	-	-
General Liability Insurance	-	38,255	35,569
	<hr/>	<hr/>	<hr/>
Total Fire Department	5,158,326	5,158,326	5,014,526
E.S.D.A.			
Part-Time Help	17,400	17,400	17,217
Social Security	1,331	1,331	1,317
Meal Allowance	300	300	-
Memberships	140	140	333
Training and Seminars	900	900	267
Travel	200	200	-
Office Supplies	200	200	-
Communication Supplies	400	400	-
Gasoline	700	700	262
Patrol Supplies	200	200	-
Telephone	1,300	1,300	1,075
Clothing Allowance	1,100	1,100	282
Utilities	1,800	1,800	2,154
General Supplies	400	400	11
Repairs and Maintenance - Vehicle	1,000	1,000	791

(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, 2015

	Original Budget	Final Budget	Actual
EXPENDITURES (Continued)			
Public Safety (Continued)			
E.S.D.A. (Continued)			
Equipment Rental	\$ 100	\$ 100	\$ -
Repairs and Maintenance - Other Equipment	6,100	6,100	4,700
Other Equipment	20,700	20,700	20,371
Total E.S.D.A.	54,271	54,271	48,780
Total Public Safety	13,708,397	13,730,698	13,298,929
Highways and Streets			
Street and Sanitation			
Regular Wages	1,335,600	1,335,600	1,310,531
Overtime	194,000	194,000	139,492
Part-Time Help	10,000	10,000	3,178
Group Insurance	347,119	347,119	344,711
IMRF - City Portion	201,295	201,295	180,492
Social Security	117,779	117,779	104,726
Workers Compensation	100,000	100,000	100,000
Meal Allowance	2,200	2,200	475
Training and Seminars	3,000	3,000	2,556
Travel	200	200	69
Postage and Shipping	500	500	418
Office Supplies	2,000	2,000	941
Vehicle Supplies	60,000	60,000	76,419
Communication Supplies	700	700	1,360
Materials	100,000	100,000	94,853
Gasoline	92,000	92,000	52,376
Salt and De-Icers	330,000	324,900	231,367
Advertising	1,500	1,500	935
Telephone	6,000	6,000	5,847
Clothing Allowance	11,000	11,000	9,893
Food	700	700	780
Utilities	25,000	25,000	33,246
Safety Supplies	2,500	2,500	2,718
General Supplies	30,000	30,000	24,013
Other Equipment	23,500	28,600	29,535
Landfill Fees	9,000	9,000	9,127
Ornamental Supplies	17,000	17,000	23,354
Repairs and Maintenance - Vehicle	25,000	25,000	25,238

(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, 2015

	Original Budget	Final Budget	Actual
EXPENDITURES (Continued)			
Highways and Streets (Continued)			
Street and Sanitation (Continued)			
Repairs and Maintenance - Building	\$ 30,000	\$ 30,000	\$ 23,788
Equipment Rental	2,000	2,000	1,638
Repairs and Maintenance - Other Equipment	20,000	20,000	18,061
Contract Labor	492,500	492,500	467,086
Contract Labor - Health Department	55,000	55,000	38,739
Contract Labor - Forestry Department	175,000	175,000	154,532
Capital Repairs	-	-	750
General Liability Insurance	50,063	50,063	27,483
Total Highways and Streets	3,872,156	3,872,156	3,540,727
TOTAL EXPENDITURES	\$ 23,439,540	\$ 23,487,953	\$ 21,885,546

(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.

Foreign Fire Insurance Fund - to account for state allotment of charges assessed to insurance companies who insure out of state organizations that do business in the State of Illinois and is restricted for fire department related purposes under the control of the Foreign Fire Insurance Board.

Special Service Area #57 Fund - to account for the restricted tax levy for Special Service Area #57 - Batavia Main Street.

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, 2015

	Special Revenue		
	Motor Fuel Tax	Foreign Fire Insurance	Special Service Area #57
ASSETS			
Cash and Investments	\$ 1,342,019	\$ 62,695	\$ -
Cash with Paying Agent	-	-	-
Receivables	-	-	-
Property Taxes	-	-	8,800
Accrued Interest	-	-	-
Other	-	55,108	-
Notes	-	-	-
Due from Other Governments	58,781	-	-
TOTAL ASSETS	\$ 1,400,800	\$ 117,803	\$ 8,800
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ -	\$ -	\$ -
Retainage Payable	-	-	-
Accrued Interest Payable	-	-	-
Due to Other Fund	-	-	-
Advances from Other Funds	-	-	-
Bonds Payable - Current	-	-	-
Total Liabilities	-	-	-
DEFERRED INFLOWS OF RESOURCES			
Unavailable Property Tax Revenue	-	-	8,800
Total Deferred Inflows of Resources	-	-	8,800
Total Liabilities and Deferred Inflows of Resources	-	-	8,800
FUND BALANCES			
Restricted			
Maintenance of Roadways	1,400,800	-	-
Economic Development	-	-	-
Debt Service	-	-	-
Fire Purposes	-	117,803	-
Assigned			
Capital Projects	-	-	-
Unassigned	-	-	-
Total Fund Balances (Deficit)	1,400,800	117,803	-
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 1,400,800	\$ 117,803	\$ 8,800

Debt Service		Capital Projects		Total
Debt Service	Capital Projects	Tax Increment Financing #1	Tax Increment Financing #3	Nonmajor Governmental Funds
\$ 9,100	\$ 3,297,875	\$ 171,690	\$ 3,588	\$ 4,886,967
737,138	-	-	-	737,138
149,905	-	813,779	311,948	1,284,432
-	4,376	-	-	4,376
-	11,250	7,778	1,151	75,287
-	-	203,581	53,301	256,882
-	639,462	4,456	-	702,699
\$ 896,143	\$ 3,952,963	\$ 1,201,284	\$ 369,988	\$ 7,947,781
\$ -	\$ 234,877	\$ 68,479	\$ -	\$ 303,356
-	5,441	118,014	-	123,455
117,138	-	-	-	117,138
-	21,889	-	-	21,889
-	-	1,330,151	-	1,330,151
620,000	-	-	-	620,000
737,138	262,207	1,516,644	-	2,515,989
149,905	-	813,779	311,948	1,284,432
149,905	-	813,779	311,948	1,284,432
887,043	262,207	2,330,423	311,948	3,800,421
-	-	-	-	1,400,800
-	-	-	58,040	58,040
9,100	-	-	-	9,100
-	-	-	-	117,803
-	3,690,756	-	-	3,690,756
-	-	(1,129,139)	-	(1,129,139)
9,100	3,690,756	(1,129,139)	58,040	4,147,360
\$ 896,143	\$ 3,952,963	\$ 1,201,284	\$ 369,988	\$ 7,947,781

(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, 2015

	Special Revenue		
	Motor Fuel Tax	Foreign Fire Insurance	Special Service Area #57
REVENUES			
Taxes	\$ -	\$ 55,108	\$ -
Intergovernmental	658,609	-	-
Charges for Services	-	-	-
Investment Income	676	138	-
Miscellaneous	-	104,364	-
Total Revenues	659,285	159,610	-
EXPENDITURES			
Current			
General Government	-	-	-
Public Safety	-	41,807	-
Capital Outlay	-	-	-
Debt Service			
Principal Retirement	-	-	-
Interest and Fiscal Charges	-	-	-
Total Expenditures	-	41,807	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	659,285	117,803	-
OTHER FINANCING SOURCES (USES)			
Transfers In	30,941	-	-
Transfers (Out)	-	-	-
Total Other Financing Sources (Uses)	30,941	-	-
NET CHANGE IN FUND BALANCES	690,226	117,803	-
FUND BALANCES, JANUARY 1	710,574	-	-
FUND BALANCES (DEFICIT), DECEMBER 31	\$ 1,400,800	\$ 117,803	\$ -

Debt Service		Capital Projects		Total
Debt Service	Capital Projects	Tax Increment Financing #1	Tax Increment Financing #3	Nonmajor Governmental Funds
\$ 152,132	\$ -	\$ 761,556	\$ 295,796	\$ 1,264,592
-	659,651	53,844	1,788	1,373,892
-	49,517	-	-	49,517
-	5,866	40	8	6,728
-	-	-	-	104,364
152,132	715,034	815,440	297,592	2,799,093
-	-	140,978	2,000	142,978
-	-	-	-	41,807
-	2,473,856	2,697,586	526,900	5,698,342
620,000	-	-	-	620,000
234,275	-	-	-	234,275
854,275	2,473,856	2,838,564	528,900	6,737,402
(702,143)	(1,758,822)	(2,023,124)	(231,308)	(3,938,309)
703,450	625,000	-	-	1,359,391
-	(30,941)	-	-	(30,941)
703,450	594,059	-	-	1,328,450
1,307	(1,164,763)	(2,023,124)	(231,308)	(2,609,859)
7,793	4,855,519	893,985	289,348	6,757,219
\$ 9,100	\$ 3,690,756	\$ (1,129,139)	\$ 58,040	\$ 4,147,360

(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, 2015

	Original Budget	Final Budget	Actual
REVENUES			
Intergovernmental			
State Motor Fuel Tax	\$ 655,000	\$ 655,000	\$ 658,609
State Grants	1,563,094	1,563,094	-
Investment Income	750	750	676
	<hr/>		
Total Revenues	2,218,844	2,218,844	659,285
	<hr/>		
EXPENDITURES			
Current			
Highways and Streets			
Motor Fuel Tax Projects	1,693,094	-	-
	<hr/>		
Total Expenditures	1,693,094	-	-
	<hr/>		
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	525,750	2,218,844	659,285
	<hr/>		
OTHER FINANCING (USES)			
Transfer In	-	30,941	30,941
	<hr/>		
Total Other Financing (Uses)	-	30,941	30,941
	<hr/>		
NET CHANGE IN FUND BALANCE	\$ 525,750	\$ 2,249,785	690,226
	<hr/>		
FUND BALANCE, JANUARY 1			710,574
	<hr/>		
FUND BALANCE, DECEMBER 31			\$ 1,400,800
	<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, 2015

	Original Budget	Final Budget	Actual
REVENUES			
Taxes	\$ 150,826	\$ 150,826	\$ 152,132
Total Revenues	150,826	150,826	152,132
EXPENDITURES			
Debt Service			
Principal Retirement	620,000	620,000	620,000
Interest and Fiscal Charges	234,276	234,276	234,275
Total Expenditures	854,276	854,276	854,275
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(703,450)	(703,450)	(702,143)
OTHER FINANCING SOURCES (USES)			
Transfers In	703,450	703,450	703,450
Total Other Financing Sources (Uses)	703,450	703,450	703,450
NET CHANGE IN FUND BALANCE	\$ -	\$ -	1,307
FUND BALANCE, JANUARY 1			7,793
FUND BALANCE, DECEMBER 31			\$ 9,100

(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, 2015

	Original Budget	Final Budget	Actual
REVENUES			
Intergovernmental	\$ 151,026	\$ 241,426	\$ 659,651
Charges for Services	87,326	87,326	49,517
Interest	250	250	5,866
Miscellaneous	3,000	3,000	-
	<hr/>	<hr/>	<hr/>
Total Revenues	241,602	332,002	715,034
EXPENDITURES			
Capital Outlay	2,239,993	4,391,813	2,473,856
	<hr/>	<hr/>	<hr/>
Total Expenditures	2,239,993	4,391,813	2,473,856
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES			
	<hr/>	<hr/>	<hr/>
	(1,998,391)	(4,059,811)	(1,758,822)
OTHER FINANCING SOURCES (USES)			
Transfers In	625,000	647,600	625,000
Transfers (Out)	-	(53,541)	(30,941)
	<hr/>	<hr/>	<hr/>
Total Other Financing Sources (Uses)	625,000	594,059	594,059
NET CHANGE IN FUND BALANCE			
	<hr/>	<hr/>	<hr/>
	\$ (1,373,391)	\$ (3,465,752)	(1,164,763)
FUND BALANCE, JANUARY 1			
			<hr/>
			4,855,519
FUND BALANCE, DECEMBER 31			
			<hr/>
			\$ 3,690,756

(See independent auditor's report.)

CITY OF BATAVIA, ILLINOIS

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

For the Year Ended December 31, 2015

	Original Budget	Final Budget	Actual
CAPITAL OUTLAY			
Engineering Fees - Deerpath Bridge Rehab	\$ -	\$ 113,000	\$ 21,706
Infrastructure Construction - Miscellaneous	113,643	113,643	39,819
Drainage Projects	320,740	324,715	149,447
Street Capital Projects	818,610	2,511,704	1,435,320
Vehicles	385,000	432,451	172,534
Fire	37,000	497,000	486,975
City Hall Improvements	565,000	399,300	168,055
TOTAL EXPENDITURES	\$ 2,239,993	\$ 4,391,813	\$ 2,473,856

(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, 2015

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Property	\$ 732,000	\$ 732,000	\$ 761,556
Intergovernmental			
Grants	23,998	23,998	16,378
Other	91,293	91,293	37,466
Investment Income	50	50	40
Total Revenues	847,341	847,341	815,440
EXPENDITURES			
Current			
General Government			
Contractual Services	224,500	224,500	140,978
Capital Outlay	2,558,935	2,558,935	2,697,586
Total Expenditures	2,783,435	2,783,435	2,838,564
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,936,094)	(1,936,094)	(2,023,124)
OTHER FINANCING SOURCES (USES)			
Loan Proceeds	1,345,300	1,345,300	-
Total Other Financing Sources (Uses)	1,345,300	1,345,300	-
NET CHANGE IN FUND BALANCE	\$ (590,794)	\$ (590,794)	(2,023,124)
FUND BALANCE, JANUARY 1			893,985
FUND BALANCE (DEFICIT), DECEMBER 31			\$ (1,129,139)

(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, 2015

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Property	\$ 297,885	\$ 297,885	\$ 295,796
Intergovernmental			
Reimbursements	-	-	1,788
Interest Income	-	-	8
	<hr/>	<hr/>	<hr/>
Total Revenues	297,885	297,885	297,592
EXPENDITURES			
Current			
General Government			
Contractual Services	-	-	2,000
Capital Outlay	595,000	595,000	526,900
	<hr/>	<hr/>	<hr/>
Total Expenditures	595,000	595,000	528,900
NET CHANGE IN FUND BALANCE	<u>\$ (297,115)</u>	<u>\$ (297,115)</u>	(231,308)
FUND BALANCE, JANUARY 1			<u>289,348</u>
FUND BALANCE, DECEMBER 31			<u><u>\$ 58,040</u></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, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
OPERATING REVENUES			
Charges for Services	\$ 4,544,934	\$ 4,544,934	\$ 4,429,707
Total Operating Revenues	<u>4,544,934</u>	<u>4,544,934</u>	<u>4,429,707</u>
OPERATING EXPENSES			
Administration	629,093	629,093	627,882
Operations	2,804,690	2,872,922	2,373,657
Total Operating Expenses	<u>3,433,783</u>	<u>3,502,015</u>	<u>3,001,539</u>
OPERATING INCOME BEFORE DEPRECIATION	1,111,151	1,042,919	1,428,168
Depreciation	<u>-</u>	<u>-</u>	<u>1,001,184</u>
OPERATING INCOME	<u>1,111,151</u>	<u>1,042,919</u>	<u>426,984</u>
NON-OPERATING REVENUES (EXPENSES)			
Investment Income	8,500	8,500	12,696
Interest and Fiscal Charges	(210,914)	(210,914)	(187,939)
Total Non-Operating Revenues (Expenses)	<u>(202,414)</u>	<u>(202,414)</u>	<u>(175,243)</u>
CHANGE IN NET POSITION	<u>\$ 908,737</u>	<u>\$ 840,505</u>	251,741
NET POSITION, JANUARY 1			20,353,299
Change in Accounting Principle			<u>(486,468)</u>
NET POSITION, JANUARY 1, RESTATED			<u>19,866,831</u>
NET POSITION, DECEMBER 31			<u><u>\$ 20,118,572</u></u>

(See independent auditor's report.)

CITY OF BATAVIA, ILLINOIS

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

For the Year Ended December 31, 2015

	Original Budget	Final Budget	Actual
ADMINISTRATION			
General Expenses			
General Liability Insurance	\$ 43,910	\$ 43,910	\$ 37,171
Bad Debt Expense	8,000	8,000	13,528
General Support	439,398	439,398	439,398
Electric Support - Metering	137,785	137,785	137,785
TOTAL ADMINISTRATION	\$ 629,093	\$ 629,093	\$ 627,882
OPERATIONS			
Water Production			
Production Electricity	\$ 495,000	\$ 495,000	\$ 449,047
Telephone	8,000	8,000	10,265
Chemical Materials	135,000	135,000	140,626
Utilities	6,000	6,000	2,761
General Supplies	8,000	8,000	4,386
Other Equipment	10,000	10,000	4,775
Repairs and Maintenance - Building	10,000	10,000	5,760
Repairs and Maintenance - Other Equipment	195,000	247,742	203,863
Contract Labor	70,000	70,000	40,550
Total Water Production	937,000	989,742	862,033
Water Distribution			
Regular Wages	720,542	720,542	748,411
Overtime	104,100	104,100	101,268
Part-Time Help	8,200	8,200	-
Group Insurance	172,609	172,609	175,991
IMRF - City Portion	108,523	108,523	35,789
Social Security	63,712	63,712	61,340
Workers Compensation	20,000	20,000	20,000
Meal Allowance	300	300	573
Memberships	2,300	2,300	2,081
Training and Seminars	4,500	4,500	4,560
Travel	1,300	1,300	697
Resource Materials	1,000	1,000	579
Postage and Shipping	2,000	2,000	1,404
Office Supplies	1,500	1,500	1,377
Vehicle Supplies	6,800	6,800	10,514

(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, 2015

	Original Budget	Final Budget	Actual
OPERATIONS (Continued)			
Water Distribution (Continued)			
Materials	\$ 12,500	\$ 12,500	\$ 13,835
Fuel	17,450	17,450	13,119
Clothing Allowance	5,800	5,800	5,396
Food	900	900	1,050
Utilities	9,500	9,500	10,778
General Supplies	15,000	15,000	14,629
Meters	100,000	100,000	83,949
Fire Hydrants	5,500	5,500	3,417
Other Equipment	5,000	5,000	1,045
Piping and Fitting	50,000	50,000	70,489
Landfill Fees	5,000	5,000	8,028
Repairs and Maintenance - Vehicle	3,800	3,800	7,184
Repairs and Maintenance - Building	30,000	30,000	20,862
Repairs and Maintenance - Other Equipment	3,000	3,000	3,157
Contract Labor	60,000	75,490	87,631
Julie System	2,000	2,000	2,001
Total Water Distribution	1,542,836	1,558,326	1,511,154
Water Improvements			
Contractual Services	1,095,000	1,095,000	811,372
Engineering Fees	115,000	115,000	65,720
Vehicles	35,000	35,000	43,524
Total Water Improvements	1,245,000	1,245,000	920,616
Less Non-Operating Items			
Capital Assets Capitalized	(920,146)	(920,146)	(920,146)
Total Water Improvements	324,854	324,854	470
TOTAL OPERATIONS	\$ 2,804,690	\$ 2,872,922	\$ 2,373,657

(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, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
OPERATING REVENUES			
Charges for Services	\$ 4,872,645	\$ 4,872,645	\$ 4,805,119
Total Operating Revenues	<u>4,872,645</u>	<u>4,872,645</u>	<u>4,805,119</u>
OPERATING EXPENSES			
Administration	636,879	636,879	636,502
Operations	5,298,124	5,425,350	2,212,412
Total Operating Expenses	<u>5,935,003</u>	<u>6,062,229</u>	<u>2,848,914</u>
OPERATING INCOME (LOSS) BEFORE DEPRECIATION	(1,062,358)	(1,189,584)	1,956,205
Depreciation	-	-	<u>1,348,202</u>
OPERATING INCOME (LOSS)	<u>(1,062,358)</u>	<u>(1,189,584)</u>	<u>608,003</u>
NON-OPERATING REVENUES (EXPENSES)			
Connection Fees	10,000	10,000	9,849
Investment Income	2,000	2,000	3,314
Debt Issuance	2,200,000	2,200,000	-
Interest and Fiscal Charges	(108,816)	(108,816)	(84,180)
Total Non-Operating Revenues (Expenses)	<u>2,103,184</u>	<u>2,103,184</u>	<u>(71,017)</u>
CHANGE IN NET POSITION	<u>\$ 1,040,826</u>	<u>\$ 913,600</u>	536,986
NET POSITION, JANUARY 1			23,218,174
Change in Accounting Principle			<u>(394,566)</u>
NET POSITION, JANUARY 1, RESTATED			<u>22,823,608</u>
NET POSITION, DECEMBER 31			<u><u>\$ 23,360,594</u></u>

(See independent auditor's report.)

CITY OF BATAVIA, ILLINOIS

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

For the Year Ended December 31, 2015

	Original Budget	Final Budget	Actual
ADMINISTRATION			
General Expenses			
General Liability Insurance	\$ 43,910	\$ 43,910	\$ 37,171
Bad Debt Expense	8,400	8,400	14,762
General Support	446,784	446,784	446,784
Electric Support - Metering	137,785	137,785	137,785
TOTAL ADMINISTRATION	\$ 636,879	\$ 636,879	\$ 636,502
OPERATIONS			
Water Waste Treatment			
Regular Wages	\$ 516,924	\$ 516,924	\$ 529,596
Overtime	77,160	77,160	68,092
Part-Time Help	28,094	28,094	23,002
Group Insurance	128,315	128,315	129,153
IMRF - City Portion	78,181	78,181	26,104
Social Security	47,597	47,597	45,237
Workers Compensation	12,000	12,000	12,000
Membership	250	250	251
Training	2,500	2,500	1,543
Travel	1,300	1,300	32
Resource Materials	200	200	197
Office Supplies	700	700	780
Lab Supplies	7,000	7,000	6,725
Gasoline	7,000	7,000	4,828
Regulatory Fees	15,500	15,500	15,500
Telephone	59,550	59,550	63,430
Clothing Allowance	2,800	2,800	3,272
Chemicals	28,000	28,000	19,845
Utilities	531,706	531,706	498,532
Safety Supplies	1,500	1,500	1,382
General Supplies	3,000	3,000	4,403
Landfill Fees	120,350	120,350	118,233
Repairs and Maintenance - Vehicle	2,000	2,000	10,764
Repairs and Maintenance - Building	5,000	5,000	3,911
Repairs and Maintenance - Other Equipment	125,000	125,000	96,903
Contract Labor	35,000	35,000	62,196
Total Waste Water Treatment	1,836,627	1,836,627	1,745,911

(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, 2015

	Original Budget	Final Budget	Actual
OPERATIONS (Continued)			
Sanitary Sewer Maintenance			
Regular Wages	\$ 82,000	\$ 82,000	\$ 78,171
Overtime	6,600	6,600	11,920
Group Insurance	17,904	17,904	19,042
IMRF - City Portion	11,660	11,660	3,680
Social Security	6,778	6,778	5,978
Training	300	300	-
Materials	6,500	6,500	584
Gasoline	3,500	3,500	2,049
Clothing Allowance	700	700	739
General Supplies	1,500	1,500	1,726
Meters	100,000	100,000	79,793
Other Equipment	5,000	5,000	-
Repairs and Maintenance - Vehicle	2,500	2,500	112
Repairs and Maintenance - Other Equipment	4,500	4,500	8,239
Contract Labor	20,000	20,000	22,694
Julie System	2,000	2,000	2,001
Capital Engineering	55,000	55,000	125,175
Sanitary Sewer Capital	450,000	595,086	267,183
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Total Sanitary Sewer Maintenance	776,442	921,528	629,086
	<hr/>	<hr/>	<hr/>
Less Non-Operating Items			
Capital Assets Capitalized	(244,737)	(244,737)	(244,737)
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Electrical Improvements			
Contract Labor	1,900,600	1,882,740	31,288
Engineering Fees	1,500,000	1,500,000	525,978
Vehicles	35,000	35,000	30,694
	<hr/>	<hr/>	<hr/>
Total Electrical Improvements	3,435,600	3,417,740	587,960
	<hr/>	<hr/>	<hr/>
Less Non-Operating Items			
Capital Assets Capitalized	(505,808)	(505,808)	(505,808)
	<hr/>	<hr/>	<hr/>
TOTAL OPERATIONS	\$ 5,298,124	\$ 5,425,350	\$ 2,212,412
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(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, 2015

	Original Budget	Final Budget	Actual
OPERATING REVENUES			
Charges for Services	\$ 51,323,445	\$ 51,323,445	\$ 52,622,911
Total Operating Revenues	51,323,445	51,323,445	52,622,911
OPERATING EXPENSES			
Administration	672,706	647,706	331,459
Operations	47,641,086	47,681,354	43,616,127
Total Operating Expenses	48,313,792	48,329,060	43,947,586
OPERATING INCOME BEFORE DEPRECIATION	3,009,653	2,994,385	8,675,325
Depreciation	-	-	2,538,724
OPERATING INCOME	3,009,653	2,994,385	6,136,601
NON-OPERATING REVENUES (EXPENSES)			
Investment Income	65,000	65,000	97,485
Loss on Disposal of Capital Assets	-	-	(57,824)
Interest and Fiscal Charges	(1,021,806)	(1,021,806)	(510,903)
Bond Issuance Costs	-	-	(600,128)
Total Non-Operating Revenues (Expenses)	(956,806)	(956,806)	(1,071,370)
CHANGE IN NET POSITION	\$ 2,052,847	\$ 2,037,579	5,065,231
NET POSITION, JANUARY 1			50,642,530
Change in Accounting Principle			(1,109,326)
NET POSITION, JANUARY 1, RESTATED			49,533,204
NET POSITION, DECEMBER 31			\$ 54,598,435

(See independent auditor's report.)

CITY OF BATAVIA, ILLINOIS

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

For the Year Ended December 31, 2015

	Original Budget	Final Budget	Actual
ADMINISTRATION			
Meter Reader/Tester			
Regular Wages	\$ 231,810	\$ 231,810	\$ 235,931
Overtime	8,700	8,700	7,805
Part-Time Help	88,000	88,000	83,605
Group Insurance	62,698	62,698	64,146
IMRF - City Portion	31,651	31,651	10,226
Social Security	25,131	25,131	23,805
Fuel for Vehicles	6,400	6,400	4,559
Telephone	1,000	1,000	894
Clothing Allowance	2,200	2,200	1,915
General Supplies	4,000	4,000	2,729
Repairs and Maintenance - Vehicles	500	500	505
Repairs and Maintenance - Field Equipment	5,000	5,000	5,161
Metering Vehicles	25,000	-	-
Water and Sewer Metering	(275,570)	(275,570)	(275,570)
Total Meter Reader/Tester	<u>216,520</u>	<u>191,520</u>	<u>165,711</u>
General Expenses			
General Liability Insurance	96,186	96,186	74,906
General Support	300,000	300,000	-
Bad Debt Expense	60,000	60,000	90,842
Total General Expenses	<u>456,186</u>	<u>456,186</u>	<u>165,748</u>
TOTAL ADMINISTRATION	<u><u>\$ 672,706</u></u>	<u><u>\$ 647,706</u></u>	<u><u>\$ 331,459</u></u>
OPERATIONS			
Purchase Power			
Purchase Power	\$ 13,842,807	\$ 13,842,807	\$ 11,919,600
PJM Interconnection	2,450,000	2,450,000	3,217,331
Ancillary Power Costs	125,000	125,000	182,669
State Utility Tax	1,475,000	1,475,000	1,477,111
NIMPA PP Capacity	25,347,825	25,347,825	24,912,972
Total Purchase Power	<u>43,240,632</u>	<u>43,240,632</u>	<u>41,709,683</u>
Electrical Distribution			
Regular Wages	1,595,000	1,595,000	1,474,216
Overtime	133,000	133,000	99,783
Part-Time Help	10,000	10,000	-
Group Insurance	281,281	281,281	277,970
IMRF - City Portion	227,405	227,405	60,743
Social Security	132,957	132,957	114,182
Workers Compensation	144,000	144,000	144,000
Memberships	31,500	31,500	29,964
Training and Seminars	13,500	13,500	1,661

(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, 2015

	Original Budget	Final Budget	Actual
OPERATIONS (Continued)			
Electrical Distribution (Continued)			
Postage and Shipping	\$ 2,000	\$ 2,000	\$ 2,857
Office Supplies	1,700	1,700	2,137
Vehicle Supplies	8,000	8,000	6,688
Communication Supplies	3,000	53,000	48,778
Materials	6,000	6,000	6,410
Gasoline	22,450	22,450	11,852
Advertising	-	-	83
Telephone	25,500	25,500	25,658
Clothing Allowance	12,500	12,500	10,509
Food	800	800	601
Utilities	45,000	45,000	46,500
Safety Supplies	5,000	5,000	6,435
General Supplies	135,000	135,000	116,259
Other Equipment	20,000	20,000	7,965
Landfill Fees	6,500	6,500	8,102
Repairs and Maintenance - Vehicle	10,000	10,000	16,682
Repairs and Maintenance - Building	30,000	30,000	20,107
Repairs and Maintenance - Distribution System	135,000	135,000	47,147
Repairs and Maintenance - Other Equipment	25,000	25,000	16,871
Contract Labor	227,900	218,168	148,225
Contract Labor - Forestry	135,000	135,000	174,133
Julie System	2,000	2,000	2,001
Obsolete Inventory	-	-	(38,779)
Total Electrical Distribution	3,426,993	3,467,261	2,889,740
Less Non-Operating Items			
Capital Assets Capitalized	(990,323)	(990,323)	(990,323)
Electrical Improvements			
General Supplies	450,000	450,000	180,845
Electric Meters	60,000	60,000	74,655
Wire and Cable	295,000	295,000	69,763
Electric Poles	215,000	215,000	23,595
Contract Labor	1,445,000	1,445,000	267,466
Vehicles	220,000	220,000	192,132
Transformers	165,000	165,000	84,787
Total Electrical Improvements	2,850,000	2,850,000	893,243
Less Non-Operating Items			
Capital Assets Capitalized	(886,216)	(886,216)	(886,216)
TOTAL OPERATIONS	\$ 47,641,086	\$ 47,681,354	\$ 43,616,127

(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, 2015

	Health Insurance	Workers' Compensation Insurance	Total
CURRENT ASSETS			
Cash and Investments	\$ 1,776,507	\$ 2,186,809	\$ 3,963,316
Receivables			
Accrued Interest	3,128	2,534	5,662
Prepaid Expenses	-	68,626	68,626
Total Current Assets	1,779,635	2,257,969	4,037,604
Total Assets	1,779,635	2,257,969	4,037,604
CURRENT LIABILITIES			
Accounts Payable	49	9	58
Claims Payable	562,871	277,555	840,426
Total Current Liabilities	562,920	277,564	840,484
LONG-TERM LIABILITIES			
Claims Reserve	-	537,758	537,758
Total Liabilities	562,920	815,322	1,378,242
NET POSITION			
Unrestricted	1,216,715	1,442,647	2,659,362
TOTAL NET POSITION	\$ 1,216,715	\$ 1,442,647	\$ 2,659,362

(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, 2015

	Health Insurance	Workers' Compensation Insurance	Total Internal Service
OPERATING REVENUES			
Charges for Services			
Contributions	\$ 3,727,813	\$ 567,114	\$ 4,294,927
Total Operating Revenues	3,727,813	567,114	4,294,927
OPERATING EXPENSES			
Administration			
Contractual Services	117,697	12,000	129,697
Insurance			
Premiums	321,389	-	321,389
Claims	3,338,156	629,333	3,967,489
Contractual Services	175,188	-	175,188
Total Operating Expenses	3,952,430	641,333	4,593,763
OPERATING INCOME (LOSS)	(224,617)	(74,219)	(298,836)
NON-OPERATING REVENUES (EXPENSES)			
Investment Income	5,119	3,749	8,868
Total Non-Operating Revenues (Expenses)	5,119	3,749	8,868
CHANGE IN NET POSITION	(219,498)	(70,470)	(289,968)
NET POSITION, JANUARY 1	1,436,213	1,513,117	2,949,330
NET POSITION, DECEMBER 31	\$ 1,216,715	\$ 1,442,647	\$ 2,659,362

(See independent auditor's report.)

CITY OF BATAVIA, ILLINOIS

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS

For the Year Ended December 31, 2015

	Health Insurance	Workers' Compensation Insurance	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Interfund Services Transactions	\$ 2,973,964	\$ 567,114	\$ 3,541,078
Receipts from Others	851,220	-	851,220
Payments to Suppliers	(4,133,430)	(352,986)	(4,486,416)
Net Cash from Operating Activities	(308,246)	214,128	(94,118)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
None	-	-	-
Net Cash from Noncapital Financing Activities	-	-	-
CASH FLOWS FROM INVESTING ACTIVITIES			
Sale of Investments	(511,765)	-	(511,765)
Interest Received on Investments	4,490	4,567	9,057
Net Cash from Investing Activities	(507,275)	4,567	(502,708)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(815,521)	218,695	(596,826)
CASH AND CASH EQUIVALENTS, JANUARY 1	1,329,785	1,220,404	2,550,189
CASH AND CASH EQUIVALENTS, DECEMBER 31	\$ 514,264	\$ 1,439,099	\$ 1,953,363
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES			
Operating Income (Loss)	\$ (224,617)	\$ (74,219)	\$ (298,836)
Adjustments to Reconcile Operating Income (Loss) to Net Cash From Operating Activities			
Changes in Assets and Liabilities			
Accounts Receivable	97,371	-	97,371
Prepaid Expenses	-	(8,154)	(8,154)
Accounts Payable	48	(454)	(406)
Claims Payable	(181,048)	199,971	18,923
Claims Reserve	-	96,984	96,984
NET CASH FROM OPERATING ACTIVITIES	\$ (308,246)	\$ 214,128	\$ (94,118)
CASH AND INVESTMENTS			
Cash and Cash Equivalents	\$ 514,264	\$ 1,439,099	\$ 1,953,363
Investments	1,262,243	747,710	2,009,953
TOTAL CASH AND INVESTMENTS	\$ 1,776,507	\$ 2,186,809	\$ 3,963,316

(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, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
OPERATING REVENUES			
Charges for Services			
Employer Contributions	\$ 2,858,918	\$ 2,858,918	\$ 2,818,060
Employee Contributions	605,820	605,820	605,692
Non-Employee Insurance Contributions	172,894	172,894	148,157
Flex Contributions	130,000	130,000	155,904
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Total Operating Revenues	3,767,632	3,767,632	3,727,813
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OPERATING EXPENSES			
Administration			
Contractual Services	135,000	135,000	117,697
Insurance			
Premiums	361,000	361,000	321,389
Claims	3,300,000	3,300,000	4,229,557
Insurance Reimbursements	(25,000)	(25,000)	(891,401)
Contractual Services	165,250	165,250	175,188
	<hr/>	<hr/>	<hr/>
Total Operating Expenses	3,936,250	3,936,250	3,952,430
	<hr/>	<hr/>	<hr/>
OPERATING INCOME (LOSS)	(168,618)	(168,618)	(224,617)
NON-OPERATING REVENUES (EXPENSES)			
Investment Income	4,000	4,000	5,119
	<hr/>	<hr/>	<hr/>
CHANGE IN NET POSITION	<u>\$ (164,618)</u>	<u>\$ (164,618)</u>	(219,498)
NET POSITION, JANUARY 1			<hr/> 1,436,213
NET POSITION, DECEMBER 31			<hr/> \$ 1,216,715 <hr/>

(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, 2015

	Original Budget	Final Budget	Actual
OPERATING EXPENSES			
Administration			
Contractual Services	\$ 135,000	\$ 135,000	\$ 117,697
Insurance			
Premiums	361,000	361,000	321,389
Claims	3,300,000	3,300,000	4,229,557
Insurance Reimbursements	(25,000)	(25,000)	(891,401)
Contractual Services	165,250	165,250	175,188
TOTAL OPERATING EXPENSES	\$ 3,936,250	\$ 3,936,250	\$ 3,952,430

(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, 2015

	Original Budget	Final Budget	Actual
OPERATING REVENUES			
Charges for Services	\$ 534,920	\$ 534,920	\$ 567,114
Total Operating Revenues	534,920	534,920	567,114
OPERATING EXPENSES			
Administration	13,250	13,250	12,000
Insurance Claims	608,400	608,400	629,333
Total Operating Expenses	621,650	621,650	641,333
OPERATING INCOME (LOSS)	(86,730)	(86,730)	(74,219)
NON-OPERATING REVENUES (EXPENSES)			
Investment Income	1,000	1,000	3,749
CHANGE IN NET POSITION	\$ (85,730)	\$ (85,730)	(70,470)
NET POSITION, JANUARY 1			1,513,117
NET POSITION, DECEMBER 31			\$ 1,442,647

(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, 2015

	Original Budget	Final Budget	Actual
OPERATING EXPENSES			
Administration			
Contractual Services	\$ 13,250	\$ 13,250	\$ 12,000
Insurance			
Stop Loss Premium	80,000	80,000	67,134
Claims	528,400	528,400	562,199
TOTAL OPERATING EXPENSES	\$ 621,650	\$ 621,650	\$ 641,333

(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, 2015

	Pension Trust		Total
	Police Pension	Firefighters' Pension	
ASSETS			
Cash and Cash Equivalents	\$ 8,665	\$ 320	\$ 8,985
Investments, at Fair Value			
Money Market Mutual Funds	341,194	167,285	508,479
U.S. Government and Agency Securities	4,549,687	4,985,319	9,535,006
Municipal Bonds	-	680,152	680,152
Insurance Company Contracts	-	2,588,350	2,588,350
Corporate Bonds and Notes	3,941,313	-	3,941,313
Domestic Corporate Equities	3,487,631	-	3,487,631
Equity Mutual Funds	13,181,246	5,832,029	19,013,275
Receivables			
Accrued Interest	56,694	26,509	83,203
Prepaid Expenses	795	266	1,061
Total Assets	25,567,225	14,280,230	39,847,455
LIABILITIES			
Accounts Payable	-	9,974	9,974
Total Liabilities	-	9,974	9,974
NET POSITION RESTRICTED FOR PENSIONS	\$ 25,567,225	\$ 14,270,256	\$ 39,837,481

(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, 2015

	<u>Pension Trust</u>		<u>Total</u>
	<u>Police Pension</u>	<u>Firefighters' Pension</u>	
ADDITIONS			
Contributions			
Employer Contributions	\$ 1,450,502	\$ 760,874	\$ 2,211,376
Employee Contributions	374,120	193,606	567,726
Total Contributions	<u>1,824,622</u>	<u>954,480</u>	<u>2,779,102</u>
Investment Income			
Net Depreciation in Fair Value of Investments	(1,489,787)	(265,047)	(1,754,834)
Interest	733,109	401,061	1,134,170
Total Investment Income	<u>(756,678)</u>	<u>136,014</u>	<u>(620,664)</u>
Less Investment Expense	<u>(152,410)</u>	<u>(34,673)</u>	<u>(187,083)</u>
Net Investment Income	<u>(909,088)</u>	<u>101,341</u>	<u>(807,747)</u>
Total Additions	<u>915,534</u>	<u>1,055,821</u>	<u>1,971,355</u>
DEDUCTIONS			
Pension Benefits	1,695,836	609,849	2,305,685
Administration	76,997	41,557	118,554
Total Deductions	<u>1,772,833</u>	<u>651,406</u>	<u>2,424,239</u>
NET INCREASE (DECREASE)	(857,299)	404,415	(452,884)
NET POSITION RESTRICTED FOR PENSIONS			
January 1	<u>26,424,524</u>	<u>13,865,841</u>	<u>40,290,365</u>
December 31	<u>\$ 25,567,225</u>	<u>\$ 14,270,256</u>	<u>\$ 39,837,481</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, 2015

	Balances			Balances
	January 1	Additions	Deletions	December 31
Escrow Deposit Fund				
ASSETS				
Cash and Investments	\$ 90,591	\$ 103,078	\$ 94,001	\$ 99,668
TOTAL ASSETS	\$ 90,591	\$ 103,078	\$ 94,001	\$ 99,668
LIABILITIES				
Deposits Payable	\$ 90,591	\$ 103,078	\$ 94,001	\$ 99,668
TOTAL LIABILITIES	\$ 90,591	\$ 103,078	\$ 94,001	\$ 99,668

(See independent auditor's report.)

SUPPLEMENTAL SCHEDULES

CITY OF BATAVIA, ILLINOIS

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

December 31, 2015

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
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>\$ 1,275,000</u>	<u>\$ 153,781</u>	<u>\$ 1,428,781</u>		<u>\$ 84,600</u>		<u>\$ 69,181</u>

(See independent auditor's report.)

CITY OF BATAVIA, ILLINOIS

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

December 31, 2015

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
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>\$ 6,615,000</u>	<u>\$ 1,161,475</u>	<u>\$ 7,776,475</u>		<u>\$ 631,600</u>		<u>\$ 529,875</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, 2015

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	December 15	Amount	
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>\$ 510,763</u>	<u>\$ 48,062</u>	<u>\$ 558,825</u>		<u>\$ 24,031</u>		<u>\$ 24,031</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, 2015

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
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>\$ 1,684,082</u>	<u>\$ 207,015</u>	<u>\$ 1,891,097</u>

(See independent auditor's report.)

CITY OF BATAVIA, ILLINOIS

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

December 31, 2015

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
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>\$ 261,882</u>	<u>\$ 32,192</u>	<u>\$ 294,074</u>

(See independent auditor's report.)

CITY OF BATAVIA, ILLINOIS

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

December 31, 2015

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
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>\$ 1,828,185</u>	<u>\$ 274,212</u>	<u>\$ 2,102,397</u>

(See independent auditor's report.)

CITY OF BATAVIA, ILLINOIS

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

December 31, 2015

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
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>\$ 947,365</u>	<u>\$ 142,098</u>	<u>\$ 1,089,463</u>

(See independent auditor's report.)

CITY OF BATAVIA ILLINOIS

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

December 31, 2015

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
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>\$ 6,685,000</u>	<u>\$ 669,532</u>	<u>\$ 7,354,532</u>		<u>\$ 334,768</u>		<u>\$ 334,764</u>

(See independent auditor's report.)

CITY OF BATAVIA ILLINOIS

**LONG-TERM DEBT REQUIREMENTS
GENERAL OBLIGATION REFUNDING BONDS SERIES OF 2015 - ELECTRIC**

December 31, 2015

Date of Issue	December 29, 2015
Date of Maturity	January 1, 2037
Authorized Issue	\$22,570,000
Denomination of Notes	\$5,000
Interest Rates	3.0% to 3.5%
Interest Dates	January 1 and July 1
Principal Maturity Date	January 1
Payable at	The Bank of New York Mellon Trust Company

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements			Interest Due on			
	Principal	Interest	Total	January 1	Amount	July 1	Amount
2016	\$ -	\$ 357,428	\$ 357,428	2016	\$ -	2016	\$ 357,428
2017	780,000	695,300	1,475,300	2017	353,500	2017	341,800
2018	805,000	671,525	1,476,525	2018	341,800	2018	329,725
2019	830,000	647,000	1,477,000	2019	329,725	2019	317,275
2020	855,000	621,725	1,476,725	2020	317,275	2020	304,450
2021	885,000	595,625	1,480,625	2021	304,450	2021	291,175
2022	910,000	568,700	1,478,700	2022	291,175	2022	277,525
2023	940,000	540,950	1,480,950	2023	277,525	2023	263,425
2024	965,000	512,375	1,477,375	2024	263,425	2024	248,950
2025	995,000	482,975	1,477,975	2025	248,950	2025	234,025
2026	1,025,000	452,675	1,477,675	2026	234,025	2026	218,650
2027	1,055,000	421,475	1,476,475	2027	218,650	2027	202,825
2028	1,085,000	389,375	1,474,375	2028	202,825	2028	186,550
2029	1,120,000	356,300	1,476,300	2029	186,550	2029	169,750
2030	1,155,000	321,453	1,476,453	2030	169,750	2030	151,703
2031	1,185,000	284,890	1,469,890	2031	151,703	2031	133,187
2032	1,225,000	246,469	1,471,469	2032	133,188	2032	113,281
2033	1,265,000	206,006	1,471,006	2033	113,281	2033	92,725
2034	1,310,000	164,162	1,474,162	2034	92,725	2034	71,437
2035	1,345,000	120,179	1,465,179	2035	71,438	2035	48,741
2036	1,395,000	73,941	1,468,941	2036	48,741	2036	25,200
2037	1,440,000	25,200	1,465,200	2037	25,200	2037	-
	<u>\$ 22,570,000</u>	<u>\$ 8,755,728</u>	<u>\$ 31,325,728</u>		<u>\$ 4,375,901</u>		<u>\$ 4,379,827</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.	127-136
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	137-140
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.	141-145
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.	146-147
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.	148-152

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	2006	2007	2008	2009
GOVERNMENTAL ACTIVITIES				
Net Investment in Capital Assets	\$ 56,436,503	\$ 58,043,517	\$ 59,368,474	\$ 59,211,061
Restricted	2,725,514	4,144,776	3,898,823	4,849,006
Unrestricted (Deficit)	10,891,346	12,519,599	11,929,557	12,411,040
TOTAL GOVERNMENTAL ACTIVITIES	\$ 70,053,363	\$ 74,707,892	\$ 75,196,854	\$ 76,471,107
BUSINESS-TYPE ACTIVITIES				
Net Investment in Capital Assets	\$ 52,291,412	\$ 57,578,542	\$ 58,492,879	\$ 59,128,513
Restricted	6,965,719	6,965,719	6,965,719	6,965,719
Unrestricted	17,858,940	16,722,298	17,353,828	16,820,949
TOTAL BUSINESS-TYPE ACTIVITIES	\$ 77,116,071	\$ 81,266,559	\$ 82,812,426	\$ 82,915,181
PRIMARY GOVERNMENT				
Net Investment in Capital Assets	\$ 108,727,915	\$ 115,622,059	\$ 117,861,353	\$ 118,339,574
Restricted	9,691,233	11,110,495	10,864,542	11,814,725
Unrestricted	28,750,286	29,241,897	29,283,385	29,231,989
TOTAL PRIMARY GOVERNMENT	\$ 147,169,434	\$ 155,974,451	\$ 158,009,280	\$ 159,386,288

*The City implemented GASB Statement No. 68 for the year ended December 31, 2015.

Data Source

Audited Financial Statements

	2010	2011	2012	2013	2014	2015*
\$	61,702,711	\$ 71,424,001	\$ 72,676,714	\$ 75,247,631	\$ 73,172,595	\$ 75,743,052
	6,450,380	4,368,391	3,172,867	2,523,099	1,901,700	1,585,743
	13,273,254	15,556,352	17,671,347	19,376,473	23,321,872	(7,981,022)
\$	81,426,345	\$ 91,348,744	\$ 93,520,928	\$ 97,147,203	\$ 98,396,167	\$ 69,347,773
\$	61,371,996	\$ 61,475,226	\$ 61,674,302	\$ 63,949,289	\$ 64,009,361	\$ 65,724,774
	6,965,719	7,605,719	7,719,951	7,425,248	7,650,747	-
	19,039,131	21,151,336	24,279,154	21,245,987	22,553,895	32,352,827
\$	87,376,846	\$ 90,232,281	\$ 93,673,407	\$ 92,620,524	\$ 94,214,003	\$ 98,077,601
\$	123,074,707	\$ 132,899,227	\$ 134,351,016	\$ 139,196,920	\$ 137,181,956	\$ 141,467,826
	13,416,099	11,974,110	10,892,818	9,948,347	9,552,447	1,585,743
	32,312,385	36,707,688	41,950,501	40,622,460	45,875,767	24,371,805
\$	168,803,191	\$ 181,581,025	\$ 187,194,335	\$ 189,767,727	\$ 192,610,170	\$ 167,425,374

CITY OF BATAVIA, ILLINOIS

CHANGE IN NET POSITION

Last Ten Fiscal Years

Fiscal Year	2006	2007	2008	2009
EXPENSES				
Governmental Activities				
General Government	\$ 6,584,012	\$ 6,451,060	\$ 8,146,104	\$ 5,962,374
Public Safety	10,402,997	12,215,741	12,121,625	12,301,852
Highways and Streets	5,582,728	6,183,985	6,260,339	5,734,078
Interest on Long-Term Debt	753,633	684,256	645,989	616,057
Total Governmental Activities Expenses	<u>23,323,370</u>	<u>25,535,042</u>	<u>27,174,057</u>	<u>24,614,361</u>
Business-Type Activities				
Waterworks	3,966,794	4,254,129	4,396,820	4,138,840
Sewerage	4,203,810	4,470,801	4,208,916	4,138,139
Electric	26,008,557	31,961,842	34,045,301	38,272,324
Total Business-Type Activities Expenses	<u>34,179,161</u>	<u>40,686,772</u>	<u>42,651,037</u>	<u>46,549,303</u>
TOTAL PRIMARY GOVERNMENT EXPENSES	<u>\$ 57,502,531</u>	<u>\$ 66,221,814</u>	<u>\$ 69,825,094</u>	<u>\$ 71,163,664</u>
PROGRAM REVENUES				
Governmental Activities				
Charges for Services				
General Government	\$ 4,656,976	\$ 4,049,006	\$ 3,764,086	\$ 3,854,860
Public Safety	262,228	221,761	171,223	226,208
Highways and Streets	-	-	-	-
Operating Grants and Contributions	194,000	238,000	234,567	241,750
Capital Grants and Contributions	2,069,115	1,875,829	1,008,624	686,975
Total Governmental Activities Program Revenues	<u>7,182,319</u>	<u>6,384,596</u>	<u>5,178,500</u>	<u>5,009,793</u>
Business-Type Activities				
Charges for Services				
Waterworks	4,364,265	4,445,495	4,087,625	4,064,180
Sewerage	3,652,958	3,642,300	3,691,018	3,753,931
Electric	27,914,884	35,121,078	35,665,614	37,487,439
Operating Grants and Contributions	109,591	20,297	18,727	26,549
Capital Grants and Contributions	469,848	-	139,164	1,033,442
Total Business-Type Activities Program Revenues	<u>36,511,546</u>	<u>43,229,170</u>	<u>43,602,148</u>	<u>46,365,541</u>
TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES	<u>\$ 43,693,865</u>	<u>\$ 49,613,766</u>	<u>\$ 48,780,648</u>	<u>\$ 51,375,334</u>
NET (EXPENSE) REVENUE				
Governmental Activities	\$ (16,141,051)	\$ (19,150,446)	\$ (21,995,557)	\$ (19,604,568)
Business-Type Activities	2,332,385	2,542,398	951,111	(183,762)
TOTAL PRIMARY GOVERNMENT NET (EXPENSE) REVENUE	<u>\$ (13,808,666)</u>	<u>\$ (16,608,048)</u>	<u>\$ (21,044,446)</u>	<u>\$ (19,788,330)</u>

2010	2011	2012	2013	2014	2015
\$ 6,266,691	\$ 6,374,558	\$ 5,162,153	\$ 5,184,666	\$ 8,068,549	\$ 5,250,941
12,665,417	12,510,380	12,785,535	13,409,101	13,633,511	15,061,508
5,181,816	6,282,067	5,858,599	3,932,500	6,255,580	6,671,715
527,177	486,149	519,467	299,376	263,095	240,695
24,641,101	25,653,154	24,325,754	22,825,643	28,220,735	27,224,859
3,832,685	4,110,503	3,970,037	4,061,725	4,184,893	4,190,662
3,807,081	3,926,312	4,013,735	4,297,406	4,076,509	4,281,296
37,511,960	35,934,858	41,070,933	46,392,424	49,015,476	47,655,165
45,151,726	43,971,673	49,054,705	54,751,555	57,276,878	56,127,123
\$ 69,792,827	\$ 69,624,827	\$ 73,380,459	\$ 77,577,198	\$ 85,497,613	\$ 83,351,982
\$ 3,964,876	\$ 3,126,338	\$ 2,128,277	\$ 2,121,391	\$ 1,651,963	\$ 1,744,700
252,426	203,415	298,380	366,525	354,324	386,313
-	-	288,836	275,620	335,538	283,641
240,000	244,000	329,668	349,272	1,250,275	988,447
3,623,695	10,317,551	1,508,042	1,667,743	1,699,523	903,464
8,080,997	13,891,304	4,553,203	4,780,551	5,291,623	4,306,565
4,222,211	4,230,203	4,564,944	4,302,000	4,333,725	4,429,707
3,792,108	3,812,444	3,978,774	4,226,780	4,489,953	4,805,119
39,639,489	38,665,547	43,893,073	45,107,223	49,872,268	52,622,911
1,841,691	10,425	-	-	51,849	9,849
-	-	-	-	39,977	-
49,495,499	46,718,619	52,436,791	53,636,003	58,787,772	61,867,586
\$ 57,576,496	\$ 60,609,923	\$ 56,989,994	\$ 58,416,554	\$ 64,079,395	\$ 66,174,151
\$ (16,560,104)	\$ (11,761,850)	\$ (19,772,551)	\$ (18,045,092)	\$ (22,929,112)	\$ (22,918,294)
4,343,773	2,746,946	3,382,086	(1,115,552)	1,510,894	5,740,463
\$ (12,216,331)	\$ (9,014,904)	\$ (16,390,465)	\$ (19,160,644)	\$ (21,418,218)	\$ (17,177,831)

CITY OF BATAVIA, ILLINOIS

CHANGE IN NET POSITION (Continued)

Last Ten Fiscal Years

Fiscal Year	2006	2007	2008	2009
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION				
Governmental Activities				
Property Taxes	\$ 5,962,071	\$ 6,470,013	\$ 6,767,017	\$ 7,116,278
Sales Taxes	7,464,511	7,636,826	7,087,893	6,035,687
Utility Taxes	2,844,460	3,081,641	3,300,786	3,134,179
Income Tax	2,400,894	2,590,454	2,759,628	2,363,790
Replacement Tax	186,896	221,048	215,708	186,191
Other	68,180	455,311	89,736	164,237
Interest Income	1,057,465	1,042,689	427,370	127,908
Miscellaneous	1,449,075	2,186,492	1,815,544	1,729,656
Transfers	40,075	20,501	20,837	20,895
Total Governmental Activities	21,473,627	23,704,975	22,484,519	20,878,821
Business-Type Activities				
Interest Income	793,166	1,628,591	615,593	307,412
Miscellaneous	-	-	-	-
Transfers	(40,075)	(20,501)	(20,837)	(20,895)
Total Business-Type Activities	753,091	1,608,090	594,756	286,517
TOTAL PRIMARY GOVERNMENT	\$ 22,226,718	\$ 25,313,065	\$ 23,079,275	\$ 21,165,338
CHANGE IN NET POSITION				
Governmental Activities	\$ 5,332,576	\$ 4,554,529	\$ 488,962	\$ 1,274,253
Business-Type Activities	3,085,476	4,150,488	1,545,867	102,755
TOTAL PRIMARY GOVERNMENT CHANGE IN NET POSITION	\$ 8,418,052	\$ 8,705,017	\$ 2,034,829	\$ 1,377,008

Data Source

Audited Financial Statements

	2010	2011	2012	2013	2014	2015
\$	7,221,619	\$ 7,330,398	\$ 7,870,416	\$ 7,818,876	\$ 7,732,780	\$ 7,455,338
	6,223,857	6,441,947	6,735,334	7,116,025	8,460,087	10,411,666
	3,157,059	3,096,521	3,633,856	3,770,203	3,960,334	3,062,265
	2,307,602	2,408,189	2,309,103	2,511,557	2,466,515	2,816,223
	196,214	174,711	174,966	193,679	200,254	212,699
	213,396	123,602	-	-	-	-
	59,145	35,239	21,874	29,369	40,652	53,129
	2,115,848	2,073,642	244,123	231,658	645,950	423,627
	20,662	-	-	-	-	-
	21,515,402	21,684,249	20,989,672	21,671,367	23,506,572	24,434,947
	138,554	108,489	76,569	59,224	82,585	113,495
	-	-	7,337	3,445	-	-
	(20,662)	-	-	-	-	-
	117,892	108,489	83,906	62,669	82,585	113,495
\$	21,633,294	\$ 21,792,738	\$ 21,073,578	\$ 21,734,036	\$ 23,589,157	\$ 24,548,442
\$	4,955,298	\$ 9,922,399	\$ 1,217,121	\$ 3,626,275	\$ 577,460	\$ 1,516,653
	4,461,665	2,855,435	3,465,992	(1,052,883)	1,593,479	5,853,958
\$	9,416,963	\$ 12,777,834	\$ 4,683,113	\$ 2,573,392	\$ 2,170,939	\$ 7,370,611

CITY OF BATAVIA, ILLINOIS

FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

	2006	2007	2008	2009
GENERAL FUND				
Reserved	\$ 1,375,615	\$ 1,568,044	\$ 1,838,047	\$ 2,120,755
Unreserved	11,075,495	12,698,479	12,103,289	12,643,938
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
TOTAL GENERAL FUND	\$ 12,451,110	\$ 14,266,523	\$ 13,941,336	\$ 14,764,693
ALL OTHER GOVERNMENTAL FUNDS				
Reserved	\$ 978,700	\$ 861,307	\$ 856,905	\$ 1,299,247
Unreserved, Reported in Capital Projects Funds	11,173,375	1,915,394	1,446,175	1,654,563
Restricted	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
TOTAL ALL OTHER GOVERNMENTAL FUNDS	\$ 12,152,075	\$ 2,776,701	\$ 2,303,080	\$ 2,953,810

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

Data Source

Audited Financial Statements

2010	2011	2012	2013	2014	2015
\$ 2,678,753	\$ -	\$ -	\$ -	\$ -	\$ -
13,643,762	-	-	-	-	-
-	178,617	173,639	195,863	214,408	1,857,232
-	2,216,178	292,465	-	-	-
-	258,458	-	-	-	672,325
-	14,559,083	11,905,693	13,918,690	15,852,154	16,131,388
<u>\$ 16,322,515</u>	<u>\$ 17,212,336</u>	<u>\$ 12,371,797</u>	<u>\$ 14,114,553</u>	<u>\$ 16,066,562</u>	<u>\$ 18,660,945</u>
\$ 1,766,856	\$ -	\$ -	\$ -	\$ -	\$ -
2,188,377	-	-	-	-	-
-	1,896,032	2,880,402	2,523,099	1,901,700	1,585,743
-	2,184,199	2,781,395	2,962,504	4,855,519	3,690,756
-	-	-	-	-	(1,129,139)
<u>\$ 3,955,233</u>	<u>\$ 4,080,231</u>	<u>\$ 5,661,797</u>	<u>\$ 5,485,603</u>	<u>\$ 6,757,219</u>	<u>\$ 4,147,360</u>

CITY OF BATAVIA, ILLINOIS

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

	2006	2007	2008	2009
REVENUES				
Taxes	\$ 16,271,042	\$ 17,188,480	\$ 17,155,696	\$ 16,286,144
Intergovernmental	4,919,085	5,380,642	4,308,263	3,642,943
Licenses and Permits	481,697	380,021	263,420	196,493
Charges for Services	4,175,279	3,668,985	3,500,666	3,658,367
Fines and Forfeitures	262,228	221,761	171,223	226,208
Investment Income	1,057,465	1,042,689	427,370	127,908
Miscellaneous	1,449,075	2,186,492	1,815,544	1,729,656
Total Revenues	28,615,871	30,069,070	27,642,182	25,867,719
EXPENDITURES				
General Government	6,485,812	6,374,376	8,036,700	5,853,071
Public Safety	10,569,945	12,067,288	11,949,809	12,112,891
Highways and Streets	4,838,314	4,447,607	4,621,617	4,073,379
Capital Outlay	3,497,877	13,003,125	2,169,844	645,666
Debt Service				
Principal Retirement	1,304,300	1,071,650	1,036,350	659,875
Interest and Fiscal Charges	793,923	685,486	647,507	573,480
Total Expenditures	27,490,171	37,649,532	28,461,827	23,918,362
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,125,700	(7,580,462)	(819,645)	1,949,357
OTHER FINANCING SOURCES (USES)				
Proceeds on sale of assets	-	-	-	-
Debt Issuance	10,000,000	-	-	2,290,000
Debt Issuance Premium	-	-	-	-
Payment to Escrow Agent	-	-	-	(2,786,165)
Transfers In	1,831,980	3,866,520	2,905,770	2,340,580
Transfers (Out)	(1,791,905)	(3,846,019)	(2,884,933)	(2,319,685)
Total Other Financing Sources (Uses)	10,040,075	20,501	20,837	(475,270)
NET CHANGE IN FUND BALANCES	\$ 11,165,775	\$ (7,559,961)	\$ (798,808)	\$ 1,474,087
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES	9.25%	6.98%	6.33%	5.59%

¹ 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

	2010	2011	2012 ¹	2013	2014	2015
\$	16,602,505	\$ 16,868,866	\$ 17,829,676	\$ 18,256,432	\$ 19,644,372	\$ 20,405,085
	3,832,473	3,796,579	4,731,707	5,115,674	5,891,340	5,305,645
	445,039	246,606	234,069	230,775	307,924	323,692
	3,519,837	2,879,732	325,638	234,808	496,977	486,127
	252,426	203,415	186,264	249,773	218,276	213,437
	59,145	35,239	21,874	29,369	40,652	53,129
	2,115,818	2,073,642	2,213,647	2,279,836	2,007,124	1,785,288
	26,827,243	26,104,079	25,542,875	26,396,667	28,606,665	28,572,403
	6,162,236	5,483,040	4,998,429	4,861,193	6,971,605	5,188,868
	12,423,114	12,334,555	12,753,114	12,711,277	12,927,030	13,340,736
	3,614,205	4,292,210	3,048,391	3,302,998	3,631,969	3,540,727
	403,472	1,527,510	4,499,112	2,560,749	1,357,636	5,698,342
	1,157,225	965,000	1,035,000	1,100,000	910,000	620,000
	528,408	486,945	520,361	293,888	257,125	234,275
	24,288,660	25,089,260	26,854,407	24,830,105	26,055,365	28,622,948
	2,538,583	1,014,819	(1,311,532)	1,566,562	2,551,300	(50,545)
	-	-	-	-	672,325	35,069
	-	-	8,680,000	-	-	-
	-	-	414,439	-	-	-
	-	-	(8,926,746)	-	-	-
	2,362,518	2,109,938	3,498,631	1,853,989	3,454,603	1,359,391
	(2,341,856)	(2,109,938)	(3,498,631)	(1,853,989)	(3,454,603)	(1,359,391)
	20,662	-	167,693	-	672,325	35,069
\$	2,559,245	\$ 1,014,819	\$ (1,143,839)	\$ 1,566,562	\$ 3,223,625	\$ (15,476)
	7.85%	9.78%	6.67%	6.70%	4.60%	3.49%

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
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
2014	2015	639,050,717	280,794	111,697,101	149,447,763	900,476,375	204,270	900,680,645	2,702,041,935	0.7153

Data Source

Office of the County Assessor

CITY OF BATAVIA, ILLINOIS

DIRECT AND OVERLAPPING PROPERTY TAX RATES

Last Ten Levy Years

LEVY YEAR FISCAL YEAR	2005 2006	2006 2007	2007 2008	2008 2009	2009 2010	2010 2011	2011 2012	2012 2013	2013 2014	2014 2015
DIRECT CITY RATE										
Corporate	0.2147	0.2052	0.1947	0.1780	0.1785	0.1890	0.2433	0.2402	0.2426	0.2334
Bond and Interest	0.0525	0.0488	0.0457	0.0448	0.0444	0.0460	0.0490	0.0464	0.0518	0.0171
Police Pension	0.0845	0.0842	0.0859	0.0849	0.1093	0.1156	0.1272	0.1370	0.1485	0.1630
Fire Pension	0.0467	0.0429	0.0480	0.0558	0.0634	0.0662	0.0669	0.0685	0.0754	0.0855
IMRF	0.0326	0.0324	0.0299	0.0290	0.0293	0.0308	0.0326	0.0366	0.0383	0.0365
Fire Protection	0.0871	0.0838	0.0808	0.0875	0.0821	0.0699	0.0818	0.0836	0.0876	0.0899
Police Protection	0.0567	0.0547	0.0507	0.0532	0.0524	0.0749	0.0712	0.0836	0.0876	0.0899
Street and Bridge	-	0.0031	0.0059	0.0159	-	-	-	-	-	-
Ambulance	-	-	-	-	-	-	-	-	-	-
City of Batavia	0.5748	0.5551	0.5416	0.5491	0.5594	0.5924	0.6720	0.6959	0.7318	0.7153
OVERLAPPING RATES										
Kane County	0.3367	0.3451	0.3321	0.3336	0.3398	0.3730	0.3990	0.4335	0.4623	0.4623
Kane County Forest Preserve District	0.1904	0.1747	0.1974	0.1932	0.1997	0.2201	0.2609	0.2710	0.3039	0.3039
Batavia Township	0.0808	0.0792	0.0770	0.0772	0.0720	0.0827	0.0886	0.0961	0.1002	0.1002
Batavia Township Road District	0.0405	0.0397	0.0386	0.0387	0.0392	0.0418	0.0447	0.0473	0.0494	0.0494
Batavia Park District	0.4226	0.4410	0.4389	0.4425	0.4521	0.4529	0.4875	0.5091	0.5228	0.5228
Batavia Library District	0.2850	0.2868	0.2611	0.2833	0.2881	0.3069	0.3289	0.3530	0.3762	0.3762
Batavia Library 1998 Bond District	0.0406	0.0390	0.0349	0.0124	0.0125	0.0089	0.0137	0.0026	0.0754	0.0754
Batavia Library 1999 Bond District	0.0330	0.0297	0.0487	0.0487	0.0498	0.0421	0.0459	0.0488	-	-
School District #101	4.7369	4.6989	4.6989	4.6986	4.6986	4.9033	5.7833	6.0860	6.3725	6.3725
Community College District #516	0.3933	0.3984	0.3950	0.3995	0.4043	0.4069	0.4709	0.5312	0.5807	0.5807
TOTAL DIRECT AND OVERLAPPING TAX RATE	7.1346	7.0876	7.0642	7.0768	7.1155	7.4310	8.5954	9.0745	9.5752	9.5587

Note: Rates are per \$100 of Assessed Value

Data Source

Office of the County Clerk

CITY OF BATAVIA, ILLINOIS

PRINCIPAL PROPERTY TAXPAYERS

December 31, 2015

Taxpayers	2015 Assessed Valuation	Rank	Percentage of Total Assessed Valuation	2006 Assessed Valuation	Rank	Percentage of Total Assessed Valuation
ALDI, Inc.	\$ 12,588,982	1	1.38%	\$ 10,633,436	1	1.16%
Kir Batavia 051 LLC	8,570,784	2	0.94%	10,217,827	2	1.11%
Partylite Worldwide Inc.	5,810,850	3	0.64%	6,282,214	4	0.68%
Vista Investments Inc	5,535,355	4	0.61%	5,076,408	7	0.55%
Kirk Road LLC	5,469,955	5	0.60%	5,813,147	6	0.63%
Liberty Illinois LP	5,381,283	6	0.59%	6,796,087	3	0.74%
Walmart	5,282,924	7	0.58%	5,907,918	5	0.64%
Windmill Place Station	4,584,645	8	0.50%			
Holmstad	4,017,917	9	0.44%			
MB Fabyan Randall Plaza	3,845,976	10	0.42%	4,218,711	10	0.46%
Lorlyn of Batavia				4,343,166	8	0.47%
Pasan LLC & Mascot LLC				4,328,733	9	0.47%
TOTAL	\$ 61,088,671		6.70%	\$ 63,617,647		6.91%

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
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%
2014	2015	6,364,597	6,357,380	99.89%	N/A	6,357,380	99.89%

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/IEPA Loan			
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	5.67%	2,187
2011	2,430,000	8,250,000	-	-	864,831	43,261,041	54,805,872	5.46%	2,104
2012	9,794,439	1,055,000	-	-	778,800	41,397,462	53,025,701	5.28%	2,036
2013	9,339,631	425,000	-	8,960,946	691,479	30,591,072	50,008,128	4.98%	1,920
2014	8,844,823	-	-	7,950,709	602,281	29,563,790	46,961,603	4.68%	1,803
2015	8,215,015	-	-	29,770,385	510,763	4,721,514	43,217,677	4.30%	1,659

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)
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	1.864%	645
2015	37,985,400	9,100	37,976,300	4.217%	1,458

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, 2015

Governmental Unit	Debt Outstanding	Percentage of Debt Applicable to the City¹	City's Share of Debt
City of Batavia	\$ 8,215,015	100.00%	\$ 8,215,015
Overlapping Debt			
School District #101	81,530,934	79.60%	64,898,623
School District #304	141,268,694	7.65%	10,807,055
Community College District #516	90,497,619	10.97%	9,927,589
Kane County	50,358,308	7.38%	3,716,443
Kane County Forest Preserve District	176,035,000	7.38%	12,991,383
Batavia Park District	3,111,934	78.76%	2,450,959
Batavia Public Library District	3,578,700	83.45%	2,986,425
Geneva Park District	17,890,711	14.19%	2,538,692
Subtotal of Overlapping Debt	564,271,900		110,317,169
Total Direct and Overlapping Debt	\$ 572,486,915		\$ 118,532,184

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, 2015

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	
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
2015	4,429,707	(3,001,539)	1,428,168	722,276	205,061	1.54

Sewerage Revenue Bonds						
Fiscal Year	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
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
2015	4,805,119	(2,848,914)	1,956,205	766,518	105,596	2.24

Electric Revenue Bonds						
Fiscal Year	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
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
2015	52,622,911	(43,947,586)	8,675,325	655,000	1,034,906	5.13

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
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	1,004,425,425	38,565	9.50%
2011	26,045	1,004,425,425	38,565	8.30%
2012	26,045	1,004,425,425	38,565	7.80%
2013	26,045	1,004,425,425	38,565	7.40%
2014	26,045	1,004,425,425	38,565	6.10%
2015	26,045	1,004,425,425	38,565	5.00%

Data Source

U.S. Census Bureau

CITY OF BATAVIA, ILLINOIS

PRINCIPAL EMPLOYERS

Current Year and Nine Years Ago

Employer	2015			2006		
	Rank	Employees	% of Total City Employment	Rank	Employees	% of Total City Employment
Suncast Corporation	1	800	5.88%	1	450	3.09%
Unit School District #101	2	670	4.93%	2	400	2.74%
Aldi, Inc	3	500	3.68%	9	200	1.37%
Agco Corporation	4	365	2.68%	3	425	2.92%
Power Packaging	5	300	2.21%	6	250	1.72%
Wal-Mart	6	300	2.21%	5	300	2.06%
HOB International	7	225	1.65%			
VRW Scientific	8	221	1.63%	8	250	1.72%
Eagle Concrete	9	200	1.47%	4	300	2.06%
Partylite	10	165	1.21%			
Jewel Food Stores				10	200	1.37%
Sealy Matress				7	250	1.72%
		<u>3,746</u>	<u>27.55%</u>		<u>3,025</u>	<u>20.77%</u>

Data Source

U.S. Census Bureau

CITY OF BATAVIA, ILLINOIS

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES

Last Ten Fiscal Years

Function/Program	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
GENERAL GOVERNMENT										
Administration	12	13	13	13	12	11	7	7	8	8
Finance	10	10	9	8	7	7	10	10	10	10
Building and Zoning	15	15	15	13	12	12	12	12	12	12
PUBLIC SAFETY										
Police										
Officers	45	45	45	43	40	40	40	40	40	40
Civilians	7	7	7	6	5	8	8	8	8	8
Fire										
Firefighters and Officers	24	24	24	24	22	22	23	23	23	23
Civilians	1	1	1	1	1	1	1	1	1	1
HIGHWAY AND STREETS	23	23	23	21	20	19	18	18	18	19
WATERWORKS	10	10	10	10	10	10	10	10	10	10
SEWERAGE	8	8	8	7	7	6	6	6	7	7
ELECTRIC	22	23	23	21	22	20	18	18	18	18
TOTAL	177	179	178	167	158	156	153	153	155	156

Data Source

Various City Departments

CITY OF BATAVIA, ILLINOIS

OPERATING INDICATORS

Last Ten Fiscal Years

Function/Program	2006	2007	2008	2009
GENERAL GOVERNMENT				
Tobacco Licenses	25	24	27	27
Liquor Licenses	43	40	39	38
PUBLIC SAFETY				
Police				
Part I Crimes	638	687	701	708
Part II Crimes	2,005	1,608	2,018	2,359
Parking Violations	2,467	2,143	1,928	3,583
Traffic Violations	4,718	3,473	2,162	4,327
Fire				
Emergency Responses	3,146	3,242	3,378	3,139
Fires Extinguished	112	115	125	80
Inspections	595	605	800	946
HIGHWAYS AND STREETS				
Parkway Trees Planted	433	243	189	182
Leaves Collected (Cubic Yards)	7,594	8,115	9,557	9,898
Street Resurfacing (Miles)	5	5	5	5
WATERWORKS				
Number of Metered Accounts	9,177	9,228	9,244	9,235
Number of Hydrants Flushed/Inspected	1,580	1,600	1,615	1,625
New Connections	110	51	3	6
Water Average Daily Consumption (Millions of Gallons)	2,989	3,010	3,000	3,000
SEWERAGE				
Number of Metered Accounts	9,001	9,201	9,218	9,149
Average Daily Sewage Treatment (Millions of Gallons)	3,703	3,335	3,900	3,700
ELECTRIC				
Number of Metered Accounts	9,456	9,458	10,801	10,764
MW Hours Sold	417,738	427,247	416,339	400,319

Data Source

Various City Departments

2010	2011	2012	2013	2014	2015
27	24	26	26	26	26
39	38	40	40	40	45
557	475	518	374	416	380
1,349	1,471	1,670	1,731	1,456	1,393
2,476	1,822	1,941	3,011	2,528	1,691
3,934	2,596	2,859	2,932	3,159	3,138
3,289	3,264	3,458	3,539	3,682	3,808
82	116	95	83	93	73
1,233	1,013	986	925	882	916
138	135	212	212	149	150
7,684	8,495	7,585	8,562	7,912	8,341
2	3	3	3	3	3
9,241	9,254	9,275	9,290	9,298	9,313
1,625	1,600	1,950	1,975	1,975	2,000
6	7	10	14	14	15
2,950	2,799	2,710	2,500	2,600	2,300
9,168	9,137	9,092	9,104	9,115	9,277
3,748	3,690	2,900	3,400	3,500	3,810
10,761	10,813	10,844	10,866	10,877	10,861
428,299	462,899	493,478	451,181	490,693	494,328

CITY OF BATAVIA, ILLINOIS

CAPITAL ASSET STATISTICS

Last Ten Fiscal Years

Function/Program	2006	2007	2008	2009
PUBLIC SAFETY				
Police				
Stations	1	1	1	1
Area Patrols	1	1	1	1
Patrol Units	13	13	13	14
Fire				
Fire Stations	2	2	2	2
Fire Engines	6	6	6	6
PUBLIC WORKS				
Urban Street Miles	106	106	106	106
Rural Street Miles	7	7	7	7
Total Street Miles	<u>113</u>	<u>113</u>	<u>113</u>	<u>113</u>
WATERWORKS				
Water Mains (Miles)	116	116	116	116
Fire Hydrants	1,600	1,600	1,600	1,600
SEWERAGE				
Sanitary Sewers (Miles)	124	126	126	126
Storm Sewers (Miles)	108	108	108	108
ELECTRIC				
Over Head (Percentage)	43%	45%	45%	45%
Substations	5	7	7	7

Data Source

Various City Departments

2010	2011	2012	2013	2014	2015
1	1	1	1	1	1
1	1	1	1	1	1
13	13	13	13	13	13
2	2	2	2	2	2
6	6	6	6	6	6
106	107	107	107	107	107
7	7	7	7	7	7
113	114	114	114	114	114
116	160	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%	45%	45%	45%	45%	45%
7	7	7	6	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, 2015. 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, 2015, 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.

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

Naperville, Illinois
May 26, 2016