



# **One Step Closer Pathway to \$100 Million by 2022**

## **Comprehensive Annual Financial Report Year Ended March 31, 2019**

Prepared by  
Department of Finance

Martin D. Moore Ph.D.  
City Manager

Lisa Neary  
Deputy Director of Finance

# **CITY OF BATAVIA, NEW YORK**

## **Comprehensive Annual Financial Report**

**Fiscal Year Ended March 31, 2019**

**Prepared by:**

**City of Batavia**

**Department of Finance**

**Martin D. Moore Ph.D., City Manager**

**Lisa Neary, Deputy Director of Finance**

**ANNUAL FINANCIAL REPORT**  
**Year Ended March 31, 2019**  
**TABLE OF CONTENTS**

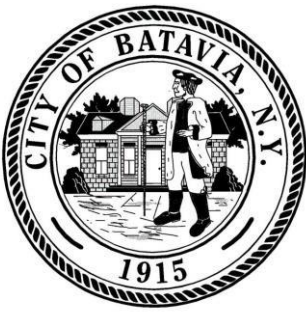
<b>INTRODUCTORY SECTION:</b>	<b>PAGE</b>
Transmittal Letter .....	1
GFOA Certificate of Achievement .....	16
City Council Officials.....	17
Organizational Chart.....	18
Organization Units and Officials .....	19
<b>FINANCIAL SECTION:</b>	
Independent Auditor's Report.....	21
<b>Management's Discussion and Analysis</b> .....	23
<b>Basic Financial Statements:</b>	
Government-wide Financial Statements:	
Statement of Net Position .....	42
Statement of Activities.....	43
Fund Financial Statements:	
Balance Sheet - Governmental Funds .....	45
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.....	47
Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities .....	48
Statement of Net Position - Enterprise Funds .....	49
Statement of Revenues, Expenses and Changes in Net Position - Enterprise Funds.....	50
Statement of Cash Flows - Enterprise Funds.....	51
Statement of Net Position - Fiduciary Funds .....	52
Statement of Changes in Net Position - Fiduciary Funds.....	53
Notes to Basic Financial Statements .....	54
<b>Required Supplementary Information:</b>	
Schedule of the City's Proportionate Share of Net Pension Liability - Employees' and Police and Fire Retirement Systems .....	82
Schedule of City's Pension Contributions - Employees' and Police and Fire Retirement Systems.....	83
Schedule of Change in the City's Total OPEB Liability and Related Ratios.....	84
Budgetary Comparison Schedule for the General Fund.....	85
Notes to Required Supplementary Information .....	86
<b>Supplementary Information:</b>	
<b>Nonmajor Government Funds:</b>	
Combining Balance Sheet – Nonmajor Governmental Funds.....	88
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds.....	89
<b>Self Insurance Fund:</b>	
Schedule of Revenues and Expenditures – Budget and Actual – Self Insurance Fund .....	90
<b>General Fund:</b>	
Schedule of Revenues and Expenditures – Budget and Actual.....	91

**STATISTICAL SECTION:**

Net Position by Component - Last Ten Fiscal Years .....	94
Changes in Net Position - Last Ten Fiscal Years .....	95
Tax Revenues by Source - Last Ten Fiscal Years .....	97
Fund Balances of Governmental Funds - Last Ten Fiscal Years.....	98
Changes in Fund Balances of Governmental Funds - Last Ten Fiscal Years .....	99
General Governmental Tax Revenues by Source - Last Ten Fiscal Years .....	100
Assessed and Taxable Assessed Value of Real Property - Last Ten Fiscal Years.....	101
Property Tax Rates per Thousand, Direct and Overlapping Governments - Last Ten Fiscal Years .....	102
Principal Property Taxpayers - Current Fiscal Year and Nine Years Prior .....	103
Property Tax Levies and Collections - Last Ten Fiscal Years.....	104
Ratios of Outstanding Debt by Type - Last Ten Fiscal Years .....	105
Ratios of General Debt Bonded Outstanding - Last Ten Fiscal Years.....	106
Direct and Overlapping Debt .....	107
Legal Debt Margin Information - Last Ten Fiscal Years .....	108
Demographic Economic Statistics - Last Ten Calendar Years .....	110
Principal Employers in the City of Batavia - Current Year and Nine Years Prior.....	111
Full Time City Employees by Function - Last Ten Fiscal Years .....	112
Operating Indicators by Function - Last Ten Fiscal Years.....	113
Capital Asset Statistics by Function - Last Ten Fiscal Years .....	114

# INTRODUCTION SECTION





August 23, 2019

The City Council  
The City of Batavia, New York

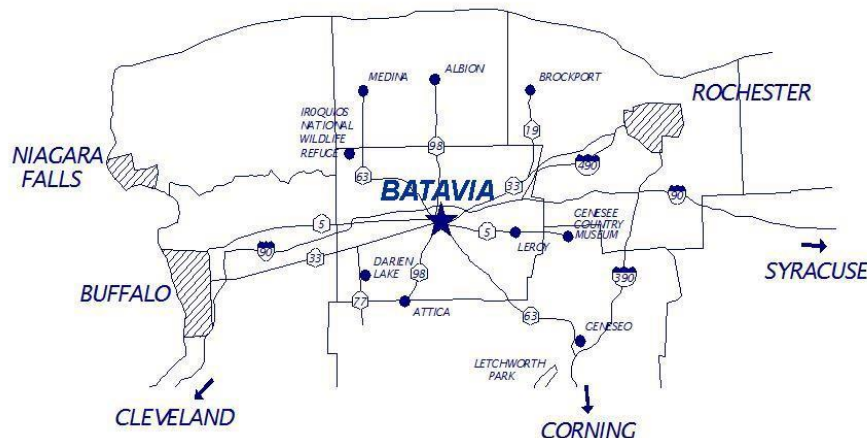
I am pleased to submit the Comprehensive Annual Financial Report of the City of Batavia for the fiscal year ended March 31, 2019. Management assumes full responsibility for the completeness and reliability of the information contained in this report based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Freed Maxick CPAs PC, Certified Public Accountants, have issued an unmodified (“clean”) opinion on the City of Batavia’s financial statements for the year ended March 31, 2019. The independent auditor’s report is located at the front of the financial section of this report.

The Management’s Discussion and Analysis section (MD&A) immediately follows the independent auditor’s report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

## PROFILE OF THE GOVERNMENT

The City of Batavia, the Genesee County seat, occupies a land area of 5.2 square miles with a population of 15,465 (2010 census). Batavia is centrally located in Western New York, midway between (approx. 30 miles) the Cities of Rochester and Buffalo. Batavia is also the center of the Batavia/Genesee Micropolitan area with a population of 60,079. The City serves as the shopping, business and commercial center for the surrounding agricultural area of the Counties of Genesee, Wyoming and Orleans.



Office of the City Manager  
One Batavia City Centre  
Batavia, New York 14020

Phone: 585-345-6330  
Fax: 585-343-8182  
[www.batavianewyork.com](http://www.batavianewyork.com)

The City was incorporated in 1915 by the State of New York as a separate political entity vested with independent taxing and debt authority. Governmental operations of the City are subject to the provisions of the State constitution, City Charter, and various statutes affecting a City operating under a charter form of government. These include the City Law, General Municipal Law and the Local Finance Law. Real property assessment and tax collection procedures are determined by the Real Property Tax Law. The City Charter in its present form was adopted in 1957 and has been amended periodically.

The City operates under the Council-Manager form of government which was established by City Charter adoption in 1957. Under this form of government, the City Council is the legislative and policy-making body of the City, consisting of six council members elected by ward and three council members elected at large, with the Council President (an at-large Council member) serving as the presiding officer. The Council members are elected for 4-year terms. The Council meets twice a month to consider all matters brought to its attention by individual council members, the Council President, City staff, and the public.

The Council is responsible, among other things, for passing local laws, resolutions, adopting the budget and appointing committees. The Council appoints the City Manager, who serves as the Chief Executive Officer and the Director of Finance, Chief Fiscal Officer and enforces the city local laws and City Council policy as well as carries out all day-to-day operations. The City Manager, as the Director of Finance, is responsible for preparing the annual budget for City Council consideration.

The City provides a full range of municipal services, including police and fire protection, public works and inspection services, street lighting, maintenance of streets and other infrastructure, snow removal, maintenance of over 60 acres of parks, water and waste water treatment facilities and conveyance, youth bureau services and general administration services. The City owns an ice arena and baseball stadium, but contracts their operations. Batavia also owns the largest lagoon wastewater plant east of the Mississippi River that provides wastewater treatment for the surrounding community and its industrial and manufacturing employers. The City employs 129 full-time employees.

## **HISTORY OF BATAVIA**

Batavia, located on the Tonawanda Creek at the former junction of two major Indian trails, was founded in 1801 by Joseph Ellicott, resident agent for the Holland Land Company. Four years earlier, the Holland Land Company had purchased 3.5 million acres including the current site of Batavia from Robert Morris, “Financier of the American Revolution,” who had acquired the land from the State of Massachusetts. The Seneca Nation, with the exception of reservations existing still today, in exchange for a payment of \$100,000 ceded its rights to this land in the 1797 Treaty of Big Tree.

The Holland Purchase extended from Lake Ontario to the Pennsylvania border and from Lake Erie to a few miles east of Batavia. Before 1797, with the exception of a relatively few Native American settlements populated mainly by Seneca Indians, the area was largely undeveloped. When Ellicott built his 1801 land office at Batavia and sold thousands of parcels carved from the former Indian land to pioneers principally from the eastern United States, the community became known as “the birthplace of western New York.” As Batavia grew, it first became incorporated as a village in 1823 and then as a city in 1915.

The original Indian trails became the routes of several state highways that were later joined by the New York State Thruway (I-90) in 1954. The first railroad reached Batavia from Rochester in 1836 and was followed by several other rail companies that made the city a railroad center. A modern airport with a 5500 ft. runway is located just north of the city. Over the years, many manufacturing businesses have been attracted to the community by virtue of its superior access to good transportation.

Batavia has been the county seat of Genesee County beginning since its formation in 1802. Among the City's many attractions is the second Holland Land Office, now a museum, built in 1815 as a successor to Joseph Ellicott's first land office. Other historic structures located in Batavia including the 1841 Court House and the former Brisbane Mansion built in 1853.

In the mid 1990's, City leadership made the decision to take action on community and economic development. Several efforts were begun, and a Downtown Development Committee along with a Community Development Department was formed, and the County's Industrial Development Agency became more active. While the efforts of those organizations led to some successful development over the next decade, the City would find itself in a dire financial situation forcing City leaders to maintain a constant focus on fiscal recovery. Economic development efforts ground to a halt, the City's Community Development Department was cut as the City focused on survival measures. The City, like many organizations that choose to temper investment efforts in favor of cost-cutting measures, was unable to apply comprehensive and consistent monetary resources to impact growth. As a result, we saw property values within the City stagnate, while those values in surrounding communities showed growth. Meanwhile, poverty levels rose in the City. In summary, the City greatly reduced and in some cases eliminated the dollars, people, and time devoted to growth initiatives.

Over the last six years, as the financial picture showed signs of improvement, the City has re-focused on growth, mainly through joint efforts with the Batavia Development Corporation (BDC). This has resulted in moderate progress in economic development, and prepared us for an "all-in" support of growth opportunities.

Today, the City and its business community are focused on rebuilding the local economy through capital investment and business expansion. The City's largest employer, United Memorial Medical Center, realized a \$20 million expansion of its surgical wing and, after forming a regional partnership with Rochester Regional Health, embarked on a new \$6.5 million cancer center. These are two examples of a resurgence of wealth creation and job development. We are well-poised to lead and infuse that energy into the rebirth of our City's economic base.

## **ACHIEVEMENTS**

**One of the Healthiest Companies in America.** For the fourth year in a row (2015-2018) Batavia has received national recognition as one of the Healthiest Companies in America by Interactive Health, a national leader known for its personalized wellness solutions. The City is one of 151 companies across the country being recognized for helping employees make significant and sometimes life-saving changes to improve their health. Batavia reached full participation with all its collective bargaining units by 2014 and currently realizes a 99% participation rate among all eligible employees and spouses. Participating City employees and their spouses are measured against an Interactive Health Index (IHI) designed to help members understand where they stand for future risk of coronary heart disease and diabetes. The index is composed of five modifiable risk factors: smoking, glucose, blood pressure, triglycerides and LDL cholesterol – all potential causes of serious health problems. Each year the City of Batavia encourages the employees to improve their scores related to the Interactive Health Index. City employees have maintained their Interactive Health Index with 95% of those who participated receiving maximum amount of credits.



**Certificate of Achievement from the ICMA Center for Performance Analytics.** Since 2016 the City has been recognized for its performance management efforts with a Certificate of Achievement from the ICMA Center for Performance Analytics™. The Center encourages the use and public reporting of comparative performance in order to foster organizational cultures that deliver results that matter. Performance management aids in cost reduction, program prioritization, and quality improvement. It also encourages accountability and transparency. Batavia is among 19 jurisdictions receiving the Certificate of Achievement, and one of 57 recognized overall, and only the second in the State of New York to receive this type of recognition.

**GCEDC Partner of the Year Award.** In March 2016 the City, the Batavia Development Corporation and the Town of Batavia received the Genesee County Economic Development Center (GCEDC) Partner of the Year Award. The City, Batavia Development Corporation (BDC) and Town continue to be tremendous advocates and partners in driving the economic growth that our community has experienced. From the shovel-ready parks in the town to the downtown BOA redevelopment sites in the core of the City, Genesee County's central commerce hub has grown at an amazing rate over the last decade. Investors and developers recognize this success and have been investing millions.

**GFOA Distinguished Budget Presentation Award.** For each of fiscal years 2015/16 through 2018/19, the City of Batavia has received the Government Finance Officers Association of the United States and Canada (GFOA) Distinguished Budget Presentation Award for the City budget. This award reflects the commitment of the City Council and staff to meeting the highest principles of governmental budgeting. In order to receive the budget award, the City had to satisfy nationally recognized guidelines for effective budget presentation. These guidelines are designed to assess how well the City's budget serves as a policy document, a financial plan, an operations guide, and a communications device. Batavia is one of only five municipalities in the State of New York to achieve this award.

**NYCOM Local Government Achievement Award.** In May 2015, the New York Conference of Mayors (NYCOM) recognized the City of Batavia with a Local Government Achievement Award for its Water and Wastewater Infrastructure Renewal and Rate Plan that was developed and adopted by City Council. Batavia was one of four cities and three villages within New York State to receive awards from NYCOM that demonstrate a significant and innovative project that has improved the quality of life within a community or demonstrates shared services and increased government efficiency. The City Council adopted the proposed Water and Wastewater Infrastructure Renewal and Rate Plan in 2015. The Plan calls for \$22 million of capital improvements to the City's water and wastewater plants and systems while projecting an additional per user cost of one dollar a month.

**2014 ICMA Strategic Leadership & Governance Program Excellence Award.** In September 2014, the International City/County Management Association (ICMA) selected the City of Batavia's Strategic Business Plan as a recipient of the 2014 ICMA Strategic Leadership & Governance Program Excellence Award. The ICMA Strategic Leadership & Governance Program Excellence Awards recognizes the innovative and successful local government programs or processes that have significantly affected a local government organization's culture or strategic direction.

## STATE OF THE ECONOMY

**Positives.** Over the past 11 years, the City has managed to replace over \$3 million of antiquated equipment, grow fund balance by over \$8 million, and develop and implement a \$22 million water and sewer capital plan. In addition, the City's strategic and capital planning has been recognized across the State and the Country. Despite the City's financial fallout in 2006 and the Great Recession of 2008, passionate past City Councils and City staff persevered in their commitment to providing the citizenry the best possible service. Their dedicated efforts helped the City establish its identity as good stewards of public resources, engendering a sense of public trust and confidence.

The local economy shows continued signs of moderate growth with lower than average unemployment rates. According to the New York State Department of Labor, Genesee County's unemployment is 3.3% in July 2019 which has dipped lower than the 3.5% in July of 2018. The highest rate over the past decade was 7.5% in 2012. In July, 2019 the unemployment rate for the GLOW (Genesee-Livingston-Ontario-Wyoming) region was 3.4%, down from 4.1% in 2018.

In July, 2019, the Rochester area unemployment rate was 4.1% and 4.3% in the Buffalo area. Nationally, the unemployment rate was 3.7% and for New York State it was 3.8%. Generally speaking, low unemployment rates are positive indicators of economic performance for the region, and declining unemployment is a sign that the economy is growing.

A major factor in the local economy that impacts the City's budget is retail gas prices, which make up approximately 18-20% of the City's sales tax receipts. Sales tax represents 39% of the City's general fund revenue. From 2014 to 2016, retail gas prices plummeted to pre-2009 levels. Anticipating this slow down, the City budgeted for a decrease in sales tax for the 2016/17 year and a generally flat sales tax projection for 2017/18. Retail gas prices have since rebounded and the City has experienced corresponding growth in sales tax compared to prior year results. This further supports healthy market improvement in consumer confidence.

**Negatives.** Continued uncertainty with the City's agreements with Genesee County in regards to Sales Tax and Water remains a significant concern. These agreements expire at the end of 2019 and a successful negotiation which will provide long-term sales tax stability and allow for water to be expanded throughout the County are critical items that have been resolved locally, but still await New York State approval.

**Capital Investment.** The City has implemented a foundational goal of \$100 million in new capital investment by the year 2022. The four priorities include a FOCUS on growth, operational excellence, neighborhood investment and BIG collaborative projects. We recognize the need to address operational needs outside of these priority areas; however, our goal is to FOCUS more time on planning, paying attention to measurements and dialoging with our constituents to help goal move forward. Below is one measurement that we have been using to track new capital investment into the City of Batavia. As of this year, we have over \$32.7 million in new capital investment. We currently have over \$24 million projects in progress and \$70.8 million of projects in the planning stage.

## CITY OF BATAVIA SCORECARD



Planned Investment Total	\$	70,868,508
In-progress Investment Total	\$	24,202,698
Completed Investment Total	\$	32,754,172
<b>POTENTIAL CAPITAL INVESTMENT</b>	<b>\$</b>	<b>127,825,377</b>

A major step toward the \$100 million goal was achieved in 2018 when the City of Batavia was the successful award recipient of a Governor Cuomo Downtown Revitalization Initiative (DRI) Grant, which has presented a unique window of opportunity to accelerate economic revitalization activities. This \$10 million grant plus matching project funds contributes over \$50 million of the PLANNED INVESTMENT TOTAL for new business-related capital investments in Batavia.

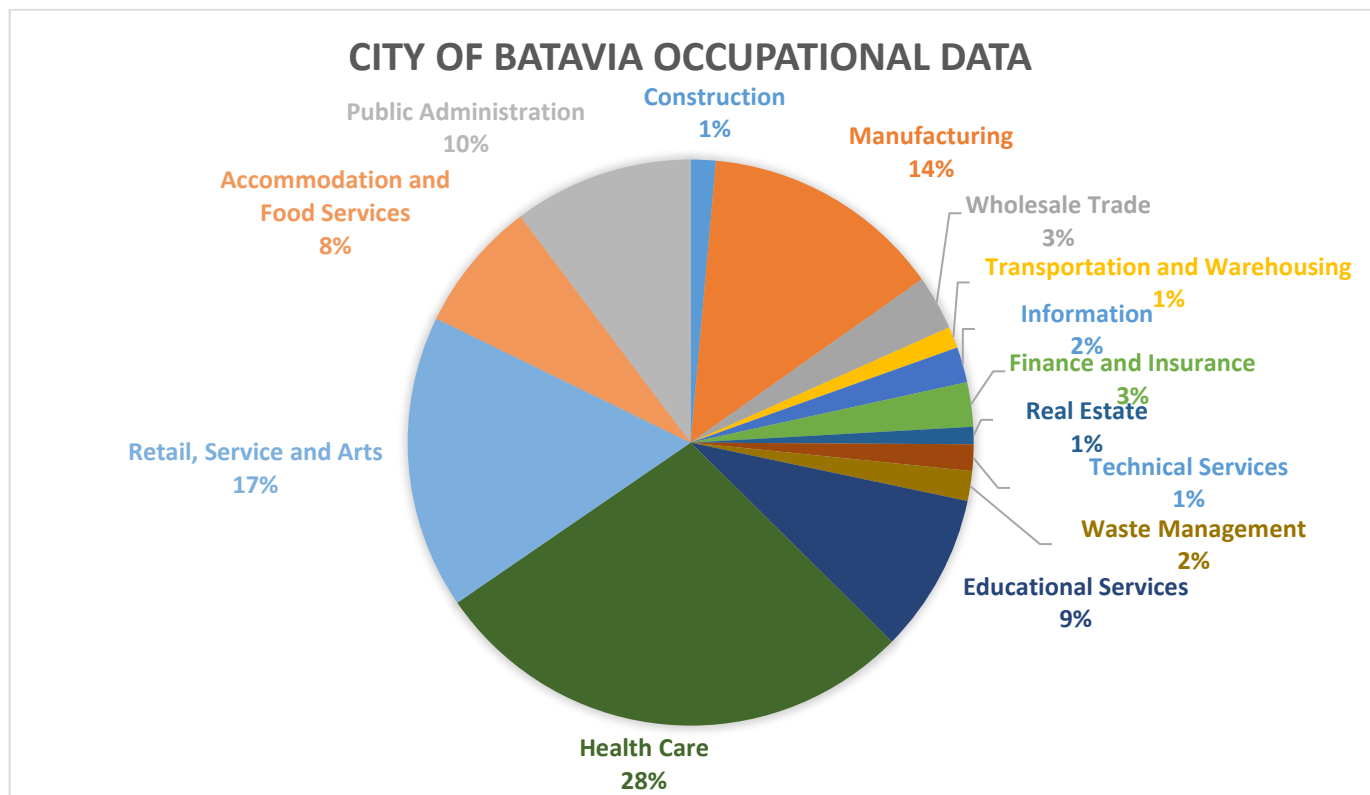
**People.** All of the counties in the western half of this region had a decrease in population between 2000 and 2010, and Batavia’s population has decreased 7.3% since the year 2000. The following table shows population, median household income and per capital income trends in Batavia, Genesee County, New York State and the Nation over the last three decades.

<b>Population</b>				
<u>Year</u>	<u>City of Batavia</u>	<u>Genesee County</u>	<u>New York State</u>	<u>United States</u>
1990	16,310	60,060	17,990,455	249,632,692
2000	16,256	60,379	18,976,457	281,421,902
2010	15,465	60,079	19,378,102	308,745,538
2015	15,188	59,458	19,673,174	316,515,021
<b>Median Household Income</b>				
<u>Year</u>	<u>City of Batavia</u>	<u>Genesee County</u>	<u>New York State</u>	<u>United States</u>
1990	\$26,606	\$30,955	\$32,965	\$30,056
2000	\$33,484	\$40,542	\$43,393	\$41,994
2010	\$38,011	\$51,734	\$57,683	\$53,046
2015	\$41,584	\$50,880	\$59,269	\$53,889
<b>Per Capita Income</b>				
<u>Year</u>	<u>City of Batavia</u>	<u>Genesee County</u>	<u>New York State</u>	<u>United States</u>
1990	\$12,403	\$12,705	\$16,501	\$14,420
2000	\$17,737	\$18,498	\$23,389	\$21,587
2010	\$21,691	\$25,355	\$32,104	\$28,051
2015	\$22,990	\$25,240	\$33,236	\$28,930
Source: US Census Bureau, American Community Survey (5-year Estimates for 2015)				

It should be noted, that the City of Batavia’s Median Household Income has grown more than 3 times that of Genesee County, the State of New York and the United States in recent years. According to the US Census Bureau, American Communities Survey the City of Batavia’s Median Household Income has grown 9.4% when comparing 2015 (\$41,584) to 2010 (\$38,011). This is significantly greater than Genesee County, which has seen a decrease in income (-1.65%), the State of New York growth of only 2.75% and the United States growth of 1.59% over the same period of time

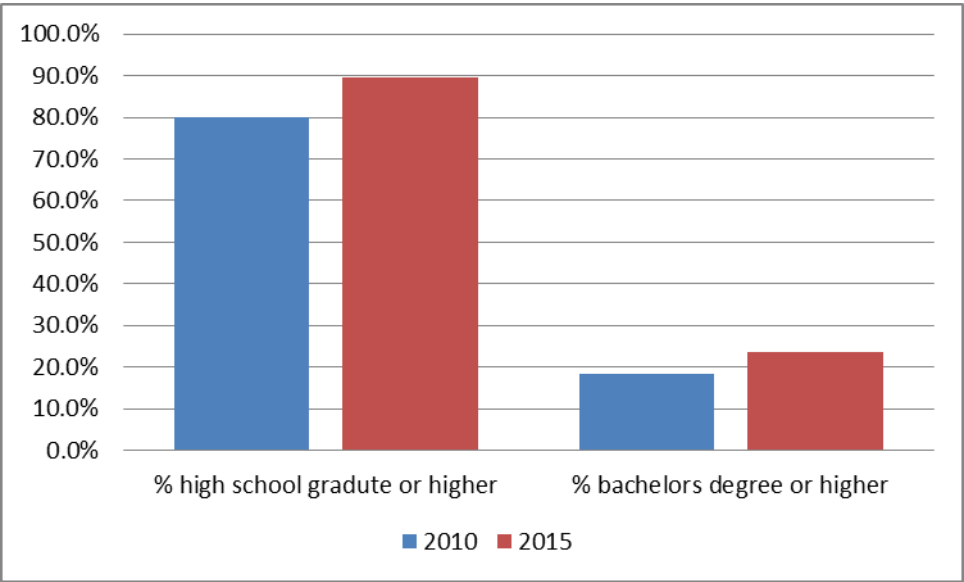
**Labor Force:** Batavia has experienced significant job loss (1,651) since 2002, yet, remains host to one-third (33%) of all jobs in Genesee County. Today, Genesee County unemployment hovers at 3.3%; nevertheless, more than 20% of Batavia residents live in poverty. Through a federal grant 100% of Batavia City School District students qualify for free breakfast and lunch programs.

As of 2015, US Census data shows 9,425 people were employed within the Batavia city limits. Of these jobs, approximately 2,300 are filled by City of Batavia residents while a stunning 7,123 people commute to work in Batavia. It is estimated that more than 2,000 of these jobs are located within the Batavia Business Improvement District or DRI investment area.



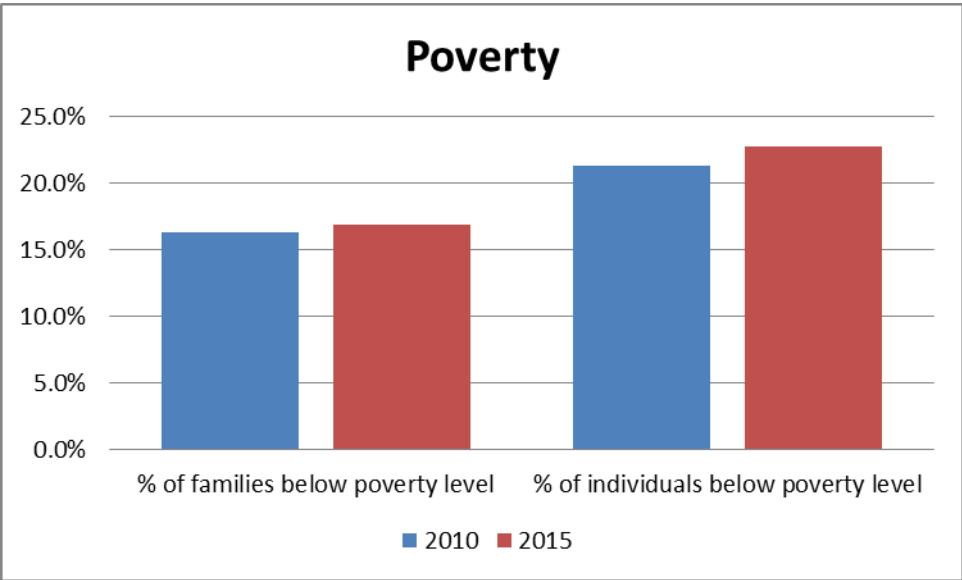
Source: US Census Bureau, On the Map- 2015 Data <https://onthemap.ces.census.gov/>

**Education:** Batavians are becoming better educated at all levels. While high school graduate percentages rose 10%, between 2000 and 2015, the percentage of the population earning college degrees also rose 3% over the same time frame.



The City is fortunate to have access to a breadth of higher learning institutions. Genesee Community College, located in the nearby Town of Batavia, offers Associate’s Degrees and professional certificate programs. In addition, there are 26 colleges and universities within a 50 mile radius of the City that offer Bachelor’s, Master’s and Professional Degree opportunities.

**Income:** Across Genesee County, median household incomes (HHI) are below both the state and national averages, and Batavia is no exception with an estimated median HHI of \$41,584. In comparison, the median HHI for Genesee County is \$50,880.

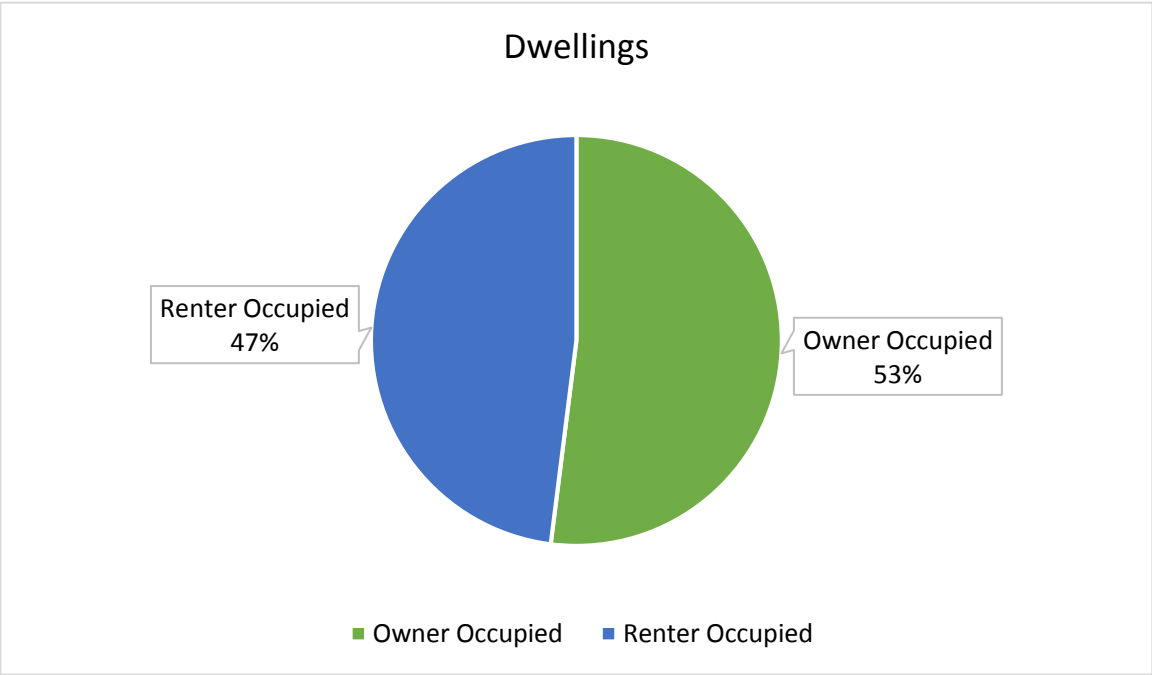


The percentages of both individuals and families below poverty level has increased slightly since 2010 (see chart above). Both percentages of those on public assistance has increased to (by 1.8%) and the mean cash public assistance income has increased (44.2%) to \$2,958. The percentage of total population without health insurance coverage dropped from eight to four percent between 2010 and 2015.

**Housing:** Housing occupancy in Batavia grew by just over four percent from 2000 – 2010. While the number of renter households in Batavia fell during the early 2000s, the City’s home ownership rate remained around 55 percent. Most of Batavia’s housing stock (59%) is comprised of single family homes. Forty percent are multi-family units, roughly half of which are smaller multi-family properties. The City’s vacancy rates remain low; however, the City has seen a steady increase in vacancy rates since 2000.

Total Number of Housing Units	
6,869	

Occupied Housing Units	6,372
Vacant Housing Units	497
Homeowner Vacancy Rate	2.6%
Rental Vacancy Rate	2.0%





## SIGNIFICANT ANNOUNCEMENTS

**Batavia – Genesee ranked No. 3 nationally in micropolitan areas.** Batavia and Genesee County ranked only behind Findlay, OH and Wooster, OH in the March 2019 issue of “Site Selection”, an economic development industry publication. Batavia-Genesee was noted for 13 projects, which required the creation of 20 or more jobs, or 20,000 or more square feet, or \$1 million of investment. The Batavia-Genesee micropolitan area has consistently scored highly in the Site Selection’s rankings of 575 regions with 10,000 to 50,000 people.

**Batavia Pathway to Prosperity.** The Batavia Opportunity Area (BOA) plan is strategic in nature and serves as the priority pathway to prosperity for downtown. Over a two year period, a Steering Committee reviewed market reports, hosted outreach events and discussed community desires resulting in thoughtful redevelopment concepts and investment opportunities. During 2015-2016, collaboration advanced another BOA plan concept. An unprecedented Batavia Pathway to Prosperity (BP2) policy was instituted following months of dialogue between City and County officials. Each taxing jurisdiction has agreed to repurpose 50 percent of future payments in lieu of tax to leverage private investment in the City’s central corridor, the most distressed area of Genesee County. A five partner strategic alliance was born: Genesee County, Genesee County Economic Development Center (GCEDC), Batavia City School District, City of Batavia and the Batavia Development Corporation (BDC). The PILOT Increment Financing (PIF) strategy is the first of its kind in the State of New York.

**Ellicott Station.** Locally known as Della Penna and Santy’s properties on Ellicott Street, together they are identified as a priority redevelopment area in downtown. Following a failed attempt in 2014, the BDC opened a second request for proposals (RFP) process in July 2015 touting an added incentive for investors to reinvent the three-acre site. In response to the development community feedback during the first RFP, the BDC proactively ensured the Della Penna property was accepted into the New York State Brownfield Clean-up Program (BCP). The effort required additional environmental investigation and early 2015 submission of a 643 page application to NYS Department of Environmental Conservation. In June 2015, the site was accepted into the BCP providing access to robust tax credits for those willing to remediate and invest at the site. Upon acceptance, the BDC immediately announced the RFP July 6, 2015.

Media outlets featured the opportunity and BDC hosted site tours throughout July and August, and a deadline extension allowed proposals until August 21st. A dozen quality prospects inquired about the opportunity.

In September, 2015 Savarino Companies of Buffalo was identified as the preferred developer. They submitted a concept in complete alignment with the Brownfield Opportunity Area plan, community desires and demonstrated success navigating complex urban brownfield redevelopment projects. The City completed in rem foreclosure January, 2016 for both the Della Penna and Santy’s properties. By statute, the City was able to turn the properties over to the BDC for economic development purposes. A development agreement is now in place between the BDC and Savarino Companies to advance the project.

In December 2016, two State grants supporting the project equaling \$2.4 million were awarded filling funding gaps needed to complete the project. In July 2016 site plan approval was granted, and the project is currently awaiting one additional grant and financing closing. Construction is expected to begin in 2020.

**freshLAB.** A new downtown entertainment destination was conceptualized and a grant sponsored to address a \$12,000,000 restaurant sales leakage of Genesee County as well as encourage creativity and entrepreneurship for the food and beverage industry. Led by the BDC, the City of Batavia now has a unique business incubator venue to develop restaurants and supply chain relationships much-like tech companies experience.

USDA Rural Development provided a grant to set-up and equip the freshLAB restaurant incubator that sources local ingredients, bringing the bounty of New York State agriculture to the people of Genesee County. Even better, a local restaurateur is mentoring aspiring operators, has designed an upscale food- hall for shared dining space, and launched the first brewery in Batavia opened during the last century.

**Eli Fish Brewing Company.** With the assistance of a \$500,000 grant from the New York State Main Street Downtown local investors have renovated 109-111 Main Street in downtown Batavia. The \$1,175,000 project included an estimated \$900,000 in construction costs to complete exterior improvements and interior renovations to the property consistent with local development plans and downtown corridor initiatives. The renovations have transformed the property to a mixed-use facility, providing seven apartments on the top floors and two food and beverage retail spaces on the first floor with additional space in the rear of the building for future development. 109 Main Street houses freshLAB, a new restaurant incubator concept that has become popular in metropolitan areas across the country. 111 Main Street is now home to Eli Fish Brewing Company (EFBC). The EFBC operates as a New York State farm brewery, a relatively new license class that allows a small production brewery to operate and distribute beer while using a higher percentage of New York State grown ingredients. The EFBC facility features a retail area serving beer that is brewed onsite along with a limited food menu, a tasting room to capitalize on the booming beer tourism market, and a production facility to enable the company to self-distribute. The renovation project included upper floor housing by providing loft style apartments featuring abundant natural lighting, hardwood floors, and modern kitchens and baths. The project was completed in Winter of 2018.

**Small Business Loans & Grants.** The City has three loan or grant options for small business lending which the BDC administers on behalf of the City. While start-up business interest waned regionally, program offerings were strengthened in Batavia. Recapitalization of the Microenterprise program was a priority for 2014 and was achieved. A \$200,000 CDBG grant was awarded to the City in December 2014 to be allocated by December 2016. The BDC was named sub-recipient to ensure proper program delivery. The goal of the program was to support 10 new or expanding businesses and sponsor 10 new jobs. In partnership with GCC, a Small Business class was hosted Spring and Fall 2015 inspiring 18 entrepreneurs to participate. The program achieved at least 6 businesses supported and 10 jobs pledged.

## **INVESTMENTS IN RESIDENTIAL AREAS**

**Community Development Block Grant (CDBG).** In 2010 the City received a \$400,000 CDBG grant that helped 19 single family homeowners with home improvements. In 2014 the City received another \$400,000 CDBG housing rehab grant. The program-eligible improvements included: roof, electrical, heating, plumbing, water heaters, windows, doors, porch replacements, masonry repair, and siding. In addition, nearly all of the rehabilitation work was performed by Genesee County contractors, keeping local dollars in our community. The 2014 program assisted 17 homeowners. The City of Batavia has held its required public hearing and is primed to apply for a new \$500,000 CDBG housing rehab grant in 2019.

**Genesee County Habitat for Humanity.** Since 2010 the City developed a Residential Redevelopment Plan thereby transferring foreclosed residential property directly to Genesee County Habitat for Humanity. Over the past six years Habitat has rehabilitated eleven single family homes, with two more under construction. After Habitat's renovations, the average assessed value increased 38% after completion of construction. On average the City transfers one to two properties to Habitat annually.

**Zombie Home Exemption.** In 2015 the City of Batavia became the only community in the State of New York to offer a Residential Redevelopment Inhibited Property Exemption. This property tax exemption provides tax relief for interested residents and/or investors willing to take on redeveloping abandoned properties by exempting the increase in assessed value for the redevelopment of abandoned properties into owner-occupied single family residences. This in return provides a means for greater investment into abandoned properties, without a property tax burden, and transforms highly distressed properties, many times tax delinquent, into functioning homes. The City School District and Genesee County have all adopted the exemption and the City is currently working with local community banks to develop a mortgage product that recognizes the exemption as a financing tool.

## **LONG-TERM FINANCIAL PLANNING**

The City has been able to maintain a stable, unassigned fund balance in the general fund of at least 10% of total general fund expenditures. That balance as of March 31, 2019 was \$1,981,016, which is up from the March 31, 2018 total of \$1,743,324. This is particularly relevant as the City has worked towards a financial recovery, since 2006, when its unassigned fund balance was a negative \$1,302,857.

The City has accomplished capital projects outlined in the 10-year \$22 million Capital Infrastructure Plan (CIP). In addition, the City has completed several sewer and water infrastructure projects on a cash for capital basis. An Equipment Replacement Plan (ERP) has also been developed to assist with investing in and replacing the City's fleet of vehicles and equipment. The City has adopted a Parking Lot and Sports Surface Management Plan that provides a 10-year outline of annual investments for City parking lots and sport surface improvements. The City is currently developing capital plans for all City facilities.

## **RELEVANT FINANCIAL POLICIES**

The City Council has formally adopted sound fiscal policies. These include Revenue, Operating Budget, Capital Improvement, Accounting, Debt, Fund Balance and Investment policies, as well as a revised Purchasing Manual and monthly financial monitoring.

The City Council annually, by resolution, adopts all updated capital plans as well as approves upcoming projects and estimated budgets.

## **ACKNOWLEDGEMENTS**

The preparation of this report could not be accomplished without the efficient and dedicated staff of the Bureau of Finance and City Manager's Office. This would not have been possible without the dedication and teamwork of the staff. Finally, I would like to thank the City Council for their continued interest and support in planning and conducting the financial operations of the City in a responsible and progressive manner.

Respectfully submitted,

*Martin D. Moore*

Martin D. Moore, Ph.D.  
City Manager



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**City of Batavia  
New York**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**March 31, 2018**

*Christopher P. Morill*

Executive Director/CEO

# CITY OF BATAVIA CITY COUNCIL



Jeremy Karas  
Councilperson-At-Large



Bob Bialkowski  
Councilperson-at-Large



Eugene Jankowski Jr.  
City Council President



Paul Viele  
First Ward/Pres. Pro Temp.



Patti Pacino  
Second Ward



John L. Canale  
Third Ward



Al McGinnis  
Fourth Ward

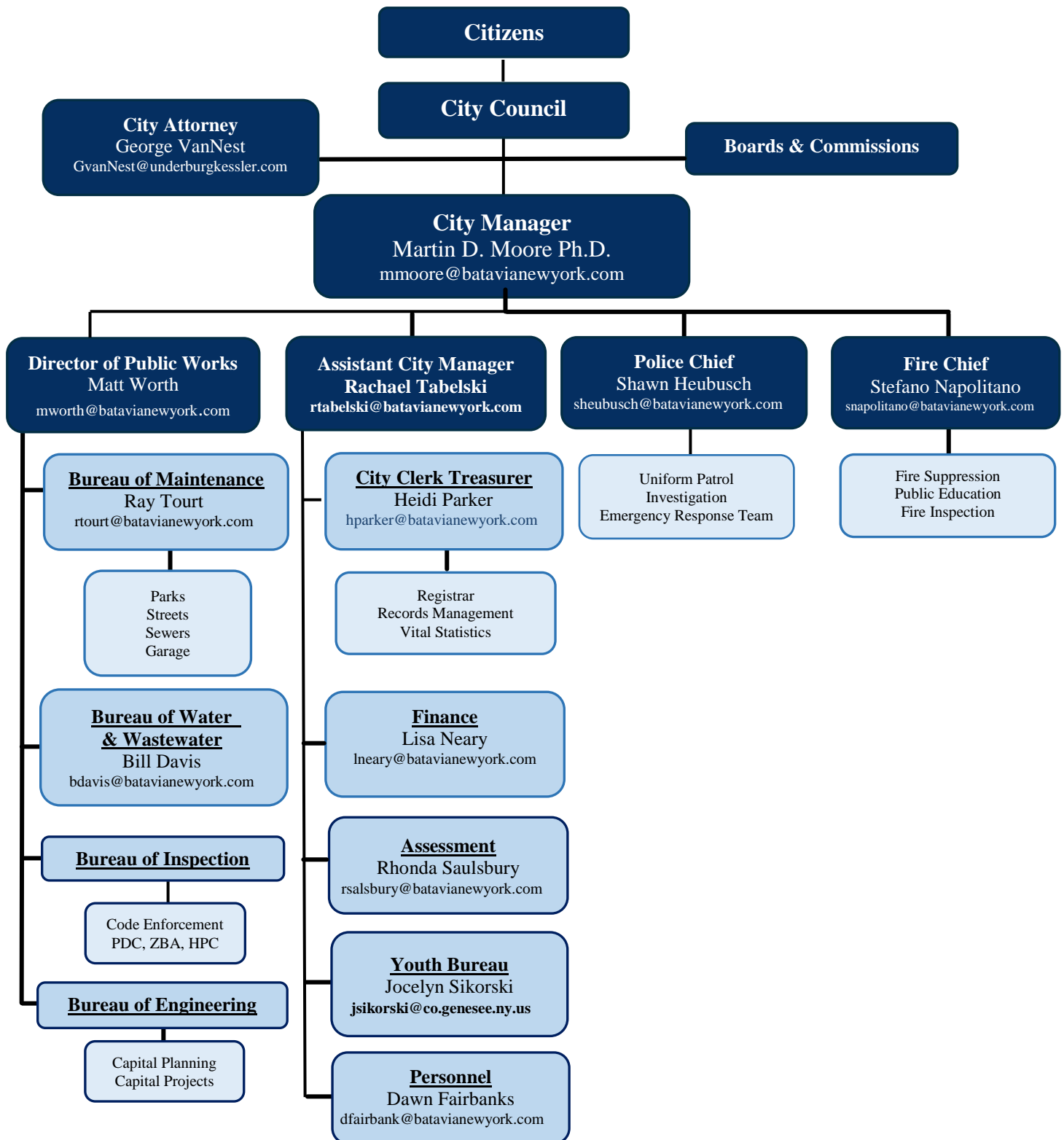


Kathy Briggs  
Fifth Ward



Rose Mary Christian  
Sixth Ward

# CITY OF BATAVIA ORGANIZATIONAL CHART



# **CITY OF BATAVIA**

## **ORGANIZATIONAL UNITS AND OFFICIALS**

### **September 2019**

Martin D. Moore.....	City Manager
Rachael Tabelski.....	Assistant City Manager
Todd Crossett .....	Assistant Chief of Police
Dawn Fairbanks.....	Bureau of Personnel
Bill Davis.....	Superintendent of Water & Wastewater
Shawn Heubusch.....	Police Chief
Stefano Napolitano .....	Fire Chief
Lisa Neary .....	Deputy Director of Finance
Heidi Parker.....	City Clerk/Treasurer
Rhonda Saulsbury.....	City Assessor
Jocelyn Sikorski .....	Executive Director, City Youth Bureau
Ray Tourt.....	Superintendent of Maintenance
George Van Nest .....	City Attorney
Matthew Worth .....	Director of Public Works



# FINANCIAL SECTION



## **INDEPENDENT AUDITOR'S REPORT**

The Honorable Members of the City Council  
City of Batavia, New York

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Batavia, New York (the City), as of and for the year ended March 31, 2019, and the related notes to the 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 from 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 entity'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 entity'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, business-type activities, each major fund, and the aggregate remaining fund information of the City, as of March 31, 2019, and the respective changes in financial position and when applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Emphasis of Matter**

As stated in Note 1, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions* for their year ended March 31, 2019.

**Other Matters***Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and other required supplementary information, as 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 supplementary information, as listed in the table of contents; and the other information, such as the introductory and statistical sections, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information, as listed in the table of contents, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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, the supplementary information, as listed in the table of contents, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The other information, such as the introductory and statistical sections, has 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 it.

*Freed Maxick CPAs, P.C.*

Batavia, New York  
August 23, 2019

## **Management's Discussion and Analysis**

### **City of Batavia, New York**

### **Fiscal Year ended March 31, 2019**

This section of City of Batavia, New York's (the City) annual financial report presents its discussion and analysis of the City's financial performance during the fiscal year ended March 31, 2019. Please read it in conjunction with the City's financial statements, which immediately follow this section. **ALL AMOUNTS ARE EXPRESSED IN THOUSANDS OF DOLLARS, UNLESS OTHERWISE INDICATED.**

#### **Preliminary Summary**

In the fiscal year ending March 31, 2019, the City continued to maintain a healthy and stable financial position. For the eighth consecutive year the City has maintained a positive unassigned fund balance. Despite challenges such as a slow property tax base growth and state mandates (ie., the property tax cap), the City continues to diligently commit one-time surplus funds to restricted fund balance reserves for future capital investments.

While reviewing the attached financial statements, it is important to understand the achievements over the past year that have helped the City improve its financial stability. These points include:

- Continued strength of assigned and unassigned fund balances in the general fund and strong cash balances in water and sewer funds.
- Healthy operations in general, water and sewer funds.
- The commitment of surplus to reserve funds for one-time equipment purchases and infrastructure and facility improvements.
- The continued implementation of fiscal policies such as a Fund Balance Policy, Investment Policy, revised Purchasing Manual and monthly financial monitoring.

These efforts along with continued expense monitoring and revenue improvements have assisted in maintaining long term fiscal solvency, while building fund balance and investing in capital equipment, city facilities, and infrastructure.

#### **Financial Highlights**

- In the current year, there was an excess of revenues over expenditures of \$3,244,014 at March 31, 2019. After net transfers out to other financing sources in the amount of \$2,046,776, there was a positive net change in fund balance of \$1,197,238. Factors contributing to the general fund's net change were an increase in sales tax revenue, state and federal revenue, and intergovernmental revenue; general fund expenditures increased at a nominal rate.

- The City utilized over \$450,000 of reserve and committed funding for capital equipment replacement, facility improvements, sidewalk improvements and retirement costs in the fiscal year ending March 31, 2019. The City also budgeted \$ 760,494 to further build reserves for anticipated liabilities/costs in future years.
- The City's Purchasing Manual revisions, adopted Fund Balance Policy, Investment Policy and the increase in financial reporting to the City Council, supports the City's commitment to strong fiscal planning.

### **Overview of the Financial Statements**

This annual report consists of three parts: management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two statements that present different views of the City:

- The first two statements are government-wide financial statements that provide both short-term and long-term information about the City's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the City, reporting the City's operations in more detail than the government-wide statements.
- The governmental funds statements tell how basic services such as public safety and transportation were financed in the short term as well as what remains for future spending.

Fiduciary fund statements provide information about the financial relationships in which the City acts solely as a trustee or agent for the benefit of others.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the City's budget for the year. Figure A-1 shows how the various parts of this annual report are arranged and related to one another.

**Figure A-1**

***Organization of City of Batavia, New York's Annual Financial Report***

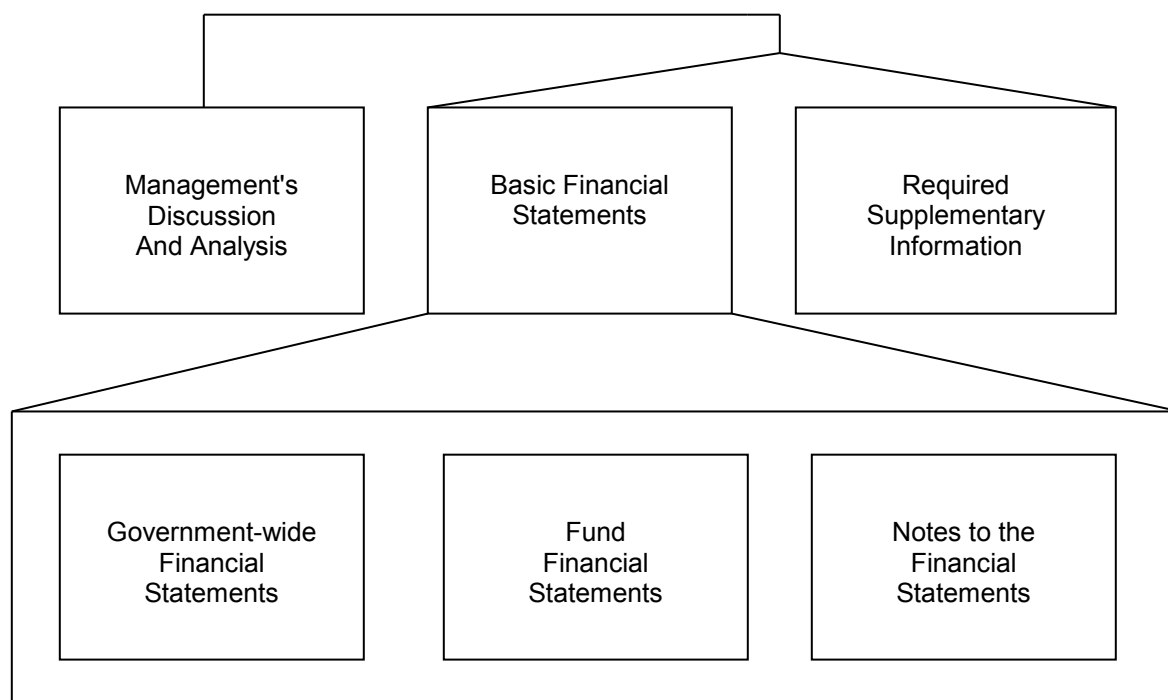


Figure A-2 summarizes the major features of the City's financial statements, including the portion of the City's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

**Figure A-2**

***Major Features of the Government-wide and Fund Financial Statements***

		Fund Financial Statements	
	Government-wide Statements	Governmental Funds	Proprietary Funds
Scope	Entire government (except Fiduciary funds)	The activities of the City that are not proprietary or fiduciary, such as public safety and transportation	The activities of the City in which the City charges for services
Required financial statements	<ul style="list-style-type: none"> <li>• Statement of Net Position</li> <li>• Statement of Activities</li> </ul>	<ul style="list-style-type: none"> <li>• Balance Sheet</li> <li>• Statement of Revenues, Expenditures, and Changes in Fund Balances</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of Net Position</li> <li>• Statement of Revenues, Expenses and Changes in Net Position</li> <li>• Statement of Cash Flows</li> </ul>
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and deferred outflows of resources and liabilities and deferred inflows of resources, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; generally no capital assets or long-term liabilities included	All assets and deferred outflows of resources and liabilities and deferred inflows of resources, both financial and capital, short-term and long-term
Type of inflow/out-flow information	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All revenues and expenses during the year, regardless of when cash is received or paid

## **Government-wide Statements**

The government-wide statements report information about the City as a whole using accounting methods similar to those used by private-sector companies. The government-wide financial statements present the financial position of the City from the economic resources measurement focus using the accrual basis of accounting. They present governmental activities and business type activities separately. These statements include all assets of the City (including infrastructure) as well as all liabilities (including long-term debt).

The two government-wide statements report the City's net position and how they have changed. Net position - the difference between the City's assets and liabilities - is one way to measure the City's financial health or financial position.

- Over time, increases or decreases in the City's net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the City's overall health, one needs to consider additional non-financial factors such as changes in the City's property tax base and the condition of the City's infrastructure and other facilities.

In the Statement of Net Position and the Statement of Activities, the City's activities are separated as follows:

**Governmental activities** - Most of the City's basic services are reported in this category, including the general government, police, fire, public safety, health, transportation, economic assistance, culture and recreation, home and community services, and refuse and recycling. Property and sales taxes, user fees, interest income, franchise fees, and state and federal grants finance these activities.

**Business-type activities** - The City charges a fee to customers to cover all or most of the cost of certain services it provides. The City's water and sewer activities are reported in this category.

## **Fund Financial Statements**

The fund financial statements provide more detailed information about the City's funds, focusing on its most significant or "major" funds - not the City as a whole. Some funds are required to be established by State law. However, the City Council establishes other funds to control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants or other money.

The City has three kinds of funds:

- **Governmental Funds:** Most of the City's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, additional information provided with the governmental funds statements explains the relationship (or differences) between them.



- **Proprietary Funds:** These funds are generally used to account for services for which the City charges customers (both external and internal). These funds use accrual accounting, which is the same method used by the private sector. The City of Batavia has two enterprise funds. The City's enterprise funds are the Water and Sewer Funds. Enterprise funds provide the same type of information as shown in the government-wide financial statements, only in more detail. The enterprise fund financial statements provide separate information for each of the enterprise funds, both of which are considered to be major funds of the City.
- **Fiduciary Funds:** The City is the trustee, or fiduciary, for assets that belong to others, such as deposits. The City is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The City excludes these activities from the government-wide financial statements because it cannot use these assets to finance its operations.

### **Financial Analysis of the City as a Whole**

In recent years the City has focused its efforts on proactive financial management and strategic planning emphasizing the City's financial health, with specific measurable results reviewed every month by City Council. Through these efforts and multi-year financial planning, the City has committed to and prepared for long-term financial stability and investments.

- **The annual budget.** Reflecting on the City's multi-year financial plan, the City has maintained a responsible tax rate. The City continues to closely monitor expenses and conservatively budget revenue. As a result, for the year ending March 31, 2019, revenues exceeded expenditures by \$1,197,238. This was due in part to lower than expected personnel costs that were driven by unexpected position vacancies throughout the City. Also contributing were lower than anticipated retirement and healthcare expenditures. It should be noted that these budget areas have and are subject to changes from year to year. Consistent with the City's budgeting practices of the past, the City continues to commit these surplus funds to decreasing debt or increasing reserve fund balances for future capital acquisitions such as equipment, facilities and infrastructure improvements.
- **Strategic use of unexpected revenues and/or surpluses.** The City uses one-time revenues/surpluses to offset capital project expenses, build fund balance and reserves, purchase equipment and improve infrastructure. The City remains cautiously optimistic and budgetarily conservative as major revenue sources such as sales tax and State aid remain strong, and expenses such as retirement contributions and healthcare costs trend lower. The increase in unassigned fund balance is paired with the City's fund balance policy and one-time surpluses are recommended to be moved to restricted fund balance to support future equipment, facility and infrastructure needs.

It should be noted that the City experienced higher sales tax receipts for fiscal year ending March 31, 2019. This is the third time since March 31, 2015 that the City has experienced an increase in sales tax when compared to the prior year. In addition, healthcare expenditures were under budget for the second year in a row after the prior two years being over budget. These are examples of a tentative positive trend, with the caution that these trends are historically cyclical, and are partially dependent on external factors beyond the control of the City.

- Investment in City vehicles, equipment, infrastructure and facilities. The City has aggressively accomplished planned capital projects outlined in the Capital Infrastructure Plan (CIP). An Equipment Replacement Plan (ERP) has also been developed for use in guiding reserve funding and replacing the City's fleet. The City has also adopted a Parking Lot and Sports Surface Management Plan that provides a long-term financial projection for the maintenance of these facilities. For the fiscal year ending March 31, 2019, the City planned approximately \$677,604 of equipment improvements, sidewalk improvements, and information technologies improvements that utilized Reserve Funds. Continued planning and investment is needed for long-term stable operations, otherwise one-time equipment and emergency purchases, facilities repairs and infrastructure replacement may force the City to increase property tax rates, water and sewer rates and/or debt service levels to meet service demands.
- The City's Strategic Plan. In 2019 the City's strategic plan is to continue the foundational goal: to achieve \$100 million in additional investments – by the year 2022. As this plan continues to unfold, it is imperative that municipal officials engage in wise and strategic investment of the public's trust and money. In 2019, the discussion of the return on citizen investment took shape in the form of public dollars invested in infrastructure like roads, sidewalks, public buildings, equipment, water supply, and parks. It also evaluated private, external investment by residents, business owners and developers. The four distinct priorities identified to achieve the foundational goal include FOCUS on growth, operational excellence, neighborhood investment and completing collaborative projects. We continue to remain “all in” on our shared journey to \$100 million.
- State Comptroller's Fiscal Stress Initiative. In May 2014, the New York State Comptroller Thomas P. DiNapoli announced the completion of the initial scoring for all local governments and school districts in New York in the Fiscal Stress Monitoring System. With the goal of maintaining a fiscal stress level below 44.9%, the City of Batavia was issued a fiscal stress score of 0% for each year from 2012 to 2017. In 2018, the fiscal stress score modestly increased to 3.3%. Consistently low scores indicate consistency in City planning, budgeting, and fiscal management decisions.
- Bond Rating Upgrade. A bond rating upgrade is an objective outlined in the City's Strategic Plan. Since July 19, 2012, the City has maintained an “A1” bond rating. This rating reflects the City's solid financial position marked by consecutive years of operating surpluses, as well as, the City's practice of conservative budgeting of both revenues and expenditures. The rating also factors in the City's moderately sized tax base, below average wealth levels and average direct debt level.
- Fund Balance Recovery. In fiscal year ending March 31, 2006, the City's total fund balance was a deficit of \$1,302,857. Fiscal year ending March 31, 2019, the City's total fund balance is \$8,586,151. This recovery in fund balance is due to diligent fiscal management and policies that have provided the City with the ability to make needed capital investments, and provide quality services to residents. Continued fiscal prudence also provides the City with the ability to balance better economic times with challenging times.

## **Capital Projects**

The City completed the construction of the Healthy Schools Transportation Alternative Program (TAP) sidewalk project in the fiscal year ending March 31, 2019. This project resulted in a \$1,450,000 investment into the City's sidewalk system, providing improved pathways to several of the City's schools.

The City completed a \$3,450,000 Federal Highway Fund Transportation Improvement Program (TIP) street re-surfacing project. The resurfaced areas included East Avenue, Vine Street, Liberty Street, South Liberty Street, and Clinton Street.

The City invested \$232,054 for a Caterpillar Snow Plow / Loader to replace worn out snow plow equipment.

<b><i>Condensed Statement of Net Position</i></b> <b><i>(in thousands of dollars)</i></b>						
	Governmental Activities			Business-Type Activities		
	2019	Restated 2018	Increase (Decrease)	2019	Restated 2018	Increase (Decrease)
Current and other assets	\$ 15,228	\$ 12,093	\$ 3,135	\$ 18,282	\$ 16,797	\$ 1,485
Capital assets, net	25,142	23,040	2,102	26,600	28,048	(1,448)
Total assets	40,370	35,133	5,237	44,882	44,845	37
Deferred outflows of resources	5,298	4,175	1,123	706	530	176
Long-term liabilities	13,709	16,090	(2,381)	5,851	6,626	(775)
Other liabilities	4,344	2,783	1,561	725	808	(83)
Total liabilities	18,053	18,873	(820)	6,576	7,434	(858)
Deferred inflow of resources	4,432	1,110	3,322	675	153	522
Net investment in capital assets	21,323	19,365	1,958	21,600	22,727	(1,127)
Restricted	5,774	4,819	955	6,595	6,301	294
Unrestricted (deficit)	(3,914)	(4,859)	945	10,142	8,760	1,382
Total net position	\$ 23,183	\$ 19,325	\$ 3,858	\$ 38,337	\$ 37,788	\$ 549

### **Government Activities**

Governmental activities experienced an increase in the City's net position (using the prior year's restated net position, restated in Note 5) by \$3,858,157 for the fiscal year ending March 31, 2019. This large increase is due in large part to:

- a downward restatement of the net position for the year ending March 31, 2018 from \$22,133,726 to \$19,325,008 . This change in net position-beginning was due to the implementation of GASB 75, Accounting and Financial Reporting for Postemployment Benefits Other than Pensions (see Note 5).
- Revenues increased by \$3,939,000 or 23.95% as compared to the prior fiscal year. This was primarily due to capital grants and contributions related to the Healthy Schools project and Federal Highway Fund Transportation Improvement Project and the increase in sales tax received this year..
- Expenses increased by \$824,432 or 5% as compared to the prior fiscal year. This was due in part to an increase in police department expenditures of \$335,445 over the prior year, and an increase in transportation program costs of \$527,047 over the prior year. These increases partially offset by the decrease of approximately \$400,000 in pension expenses.

### **Business-Type Activities**

Business-type activities experienced an increase in net position by \$548,668 for the fiscal year ending March 31, 2019, compared to the prior year's increase of \$450,224 (using the prior year's restated net position, restated in note 5). In the 2018/2019 fiscal year, the City added a new City Centre enterprise fund, which accounted for \$60,654 of the increase in net position.

- Revenues counting all business-type activities increased by \$662,992 or 8.64% when compared to the prior fiscal year. City Centre revenues accounted for \$205,515 of the increase.
- Expenses counting all business-type activities increased by \$181,125 or 2.6% when compared to the prior fiscal year. City Centre expenses accounted for \$144,861 of the increase.

**Changes in Net Position from Operating Results**  
(in thousands of dollars)

	Governmental Activities			Business-Type Activities		
	2019	Restated 2018	Increase (Decrease)	2019	Restated 2018	Increase (Decrease)
<b>Program Revenues:</b>						
Charges for services	\$ 478	\$ 786	\$ (308)	\$ 6,023	\$ 5,275	\$ 748
Operating grants and contributions	1,130	590	540	2,260	2,372	(112)
Capital grants and contributions	2,824	263	2,561	-	-	-
<b>General Revenues:</b>						
Property taxes, special assessments and property tax items	5,716	5,377	339	-	-	-
Non-property taxes	7,122	6,747	375	-	-	-
Interest earnings	104	73	31	48	21	27
State and federal sources	1,945	1,986	(41)	-	-	-
Intergovernmental revenues	247	-	247	-	-	-
Miscellaneous	819	624	195	-	-	-
Total revenues	20,385	16,446	3,939	8,331	7,668	663
<b>Program Expenses:</b>						
General government	2,349	2,437	(88)	-	-	-
Police	4,683	5,330	(647)	-	-	-
Fire	4,728	5,218	(490)	-	-	-
Public safety	284	814	(530)	-	-	-
Health	21	26	(5)	-	-	-
Transportation	3,321	3,101	220	-	-	-
Economic assistance	160	372	(212)	-	-	-
Culture and recreation	1,021	1,181	(160)	-	-	-
Home and community service	348	456	(108)	7,123	6,851	272
Refuse and recycling	75	72	3	-	-	-
Interest on debt	196	164	32	-	-	-
Total expenses	17,186	19,170	(1,984)	7,123	6,851	272
Excess of revenues over expenses	3,199	(2,724)	5,923	1,208	817	391
Transfers	659	276	383	(659)	(276)	(383)
Change in net position	3,858	(2,448)	6,306	549	541	8
Net position-beginning as restated	19,325	21,773	(2,448)	37,788	37,247	541
Net position-ending	\$ 23,183	\$ 19,325	\$ 3,858	\$ 38,337	\$ 37,788	\$ 549

## **Financial Analysis of the City's Funds**

The fiscal year ending March 31, 2019 concluded with an unassigned fund balance of \$1,981,016 after restrictions and assignments for encumbrance, reserves and other fund balance commitments. This is the ninth consecutive year the City has maintained a positive fund balance.

### **The General Fund**

Revenues for the General Fund increased compared to last year by \$1,458,311. This was fairly a sizeable increase over last year. Sales tax increased \$375,555 and Intergovernmental revenue, which consists of the Business Improvement District (BID) capital project funds the City now holds on their behalf, accounts for \$246,802. In addition, Federal and State sources increased \$499,149 over last year due to the receipt of a \$236,000 FEMA grant received by the fire department; the receipt of \$218,000 for past years Arterial Aid due to the city from the state; and \$116,000 received from the state as part of the PAVE NY and Extreme Weather initiative.

Total expenditures were \$1,130,254 lower than the prior year. This decrease is due to the City accounting for employee health benefits in the Self Insurance Fund instead of the General Fund in the prior year. This accounts for \$1,581,911 of the decrease that is offset by some increases in other areas such as the fire department, whose costs increased \$275,200 from expenses related to a FEMA grant they received.

### **Water Fund**

The Water Fund, including depreciation, had a current year increase in net position of \$578,984 compared to last year's increase of \$621,778. The reduced increase in this year's net position was due to an increase in the beginning net position of \$702,022 as restated (Note 5).

Other factors include a decrease in operating expenditures of \$104,531, balanced against an increase in interest expense of \$12,472 and an increase in subsidy payments to governmental funds of \$186,280.

### **Sewer Fund**

The Sewer Fund, including depreciation, experienced a decrease in net position of \$68,129 compared to last year's decrease of \$171,554. The decrease in this year's net position was due in part to an increase in the beginning net position of \$10,324 as restated (Note 5).

Other factors include an increase in operating revenue this year of \$390,947 balanced against an increase in operating expenditures of \$108,905, an increase in interest expense of \$19,418 and an increase in subsidy payments to governmental funds of \$174,240.

### **Self Insurance Fund**

This year's Self Insurance Fund balance increased by \$554,691. This is primarily due to the City creating a health insurance fund in the fiscal year ending March 31, 2019. All transfers from general, water and sewer are income to that fund and all health claims are expensed out of that fund. For financial presentation purposes, the health insurance fund and the workers comp fund are combined into one fund titled the Self Insurance Fund.

### **Capital Projects Fund**

Healthy Schools Transportation Alternative Program (TAP) project started and completed construction in the fiscal year ending March 31, 2019.

<b><i>Revenues, Expenditures/Expenses and Changes in Fund Balance/Net Assets - Governmental and Business-Type Activities Major Funds (in thousands of dollars)</i></b>			
	<b>Year Ended March 31, 2019</b>		
	<u>Revenues</u>	<u>Expenditures/ Expenses</u>	<u>Fund Balance/ Net Assets</u>
General Fund	\$ 17,492	\$ 16,294	\$ 8,586
Capital Projects Funds	3,032	3,230	59
Self Insurance	2,939	2,384	1,350
Water Fund	5,033	4,454	10,916
Sewer Fund	3,092	3,160	27,383
<b>Year Ended March 31, 2018</b>			
	<u>Revenues</u>	<u>Expenditures/ Expenses</u>	<u>Fund Balance/ Net Assets</u>
General Fund	\$ 16,015	\$ 15,731	\$ 7,389
Capital Projects Funds	263	360	257
Water Fund	4,974	2,748	10,257
Sewer Fund	2,673	4,093	27,441

Revenues and Expenditures/Expenses include other financing sources or uses.

## General Fund Budgetary Highlights

Amendments to the budget occur throughout the year for a variety of reasons. Possible factors include encumbrances from the prior year, unexpended purchase orders which are added to the current year budget at the close of the prior year, grants or other forms of financial aid which were received during the year but not anticipated in the original budget, appropriations of fund balances needed to offset unanticipated and unavoidable expenditures, and transfers of appropriations among object classes within department budgets to address particular requirements not anticipated in the original budget. The City Council approves and authorizes the annual budget at the level of object class totals within each department. The City Manager has the authority to transfer appropriations among line items within a department. All transfers between departments and funds must be approved by City Council. The encumbrances on prior year purchase orders are added to the budget as part of the annual financial closing process. All other budget amendments must be authorized by formal resolution of the City Council.

The City General Fund experienced an increase in fund balance over the prior year of \$1,197,238. This was due to both an increase in revenues and a decrease in expenses. The City's unassigned fund balance remains stable, allowing the City to meet its unassigned fund balance objective of 10% of General Fund expenditures while continuing to build several reserve funds for future liabilities.

Revenues experienced some changes over the prior year. These revenues include:

- Sales tax revenue increased by 6.28%, or \$396,341, when compared to the prior year. The City's sales tax revenue is an economically sensitive revenue that is subject to change based on spending patterns. With the exception of sales tax decreases in the years ending March 31, 2017, 2016, and 2010, the City has experienced steady growth since March 31, 2003.

Expenditures that experienced significant change over the prior year were:

- Police Department expenditures increased \$85,815 due to increased overtime pay caused by a shortage of officers.
- Fire Department expenditures increased \$275,200 due to increased equipment associated with a FEMA grant they received in that fiscal year..
- Transportation program expenditures increased over last year by \$171,599 due to increased road maintenance and repair work.

Aside from conservative budgeting and the utilization of one-time revenues to fund capital acquisitions, the City continued the practice of conservative spending and strict expense monitoring throughout the year.

The City's prudent revenue budgeting and expense monitoring has resulted in General Fund surpluses needed to eliminate prior fund balance deficits, grow reserve balances and maintain the unassigned fund balance. While the City has experienced several lower than expected expenditures, these one-time savings are short lived and will not continue in future years. Furthermore, depending on the severity of change, revenue declines and expenditure increases, such as healthcare, retiree healthcare and retirement costs, the City may experience challenges in building the financial resources necessary to improve its financial footing. With the New York State Property Tax Cap, the more limited ability to increase property taxes may also curtail our ability to maintain services to residents at current levels.



## Capital Asset and Debt Administration

### Capital Assets

For the year ending March 31, 2019, the City funded General Fund reserves with an additional \$678,000. The City continues to plan and fund for future equipment and infrastructure improvements, rather than defer funding for these needed improvements. In addition to funding reserves, the City utilized just over \$450,000 of the reserve funds in the General Fund to purchase multiple equipment purchases, several additional facility improvements, install sidewalks and absorb one-time healthcare claims, thereby utilizing reserve funding instead of property tax increases or issuance of debt for these types of expenditures.

<b>Capital Assets Net of Depreciation</b> <b>(in thousands of dollars)</b>				
	Governmental Activities		Business -Type Activities	
	2019	2018	2019	2018
Land	\$ 1,135	\$ 1,135	\$ 42	\$ 42
Construction work in progress	5,594	2,615	171	2,276
Buildings	5,808	6,052	12,746	13,494
Machinery & equipment	3,659	3,538	818	633
Infrastructure	8,946	9,700	12,823	11,603
Total	<u>\$ 25,142</u>	<u>\$ 23,040</u>	<u>\$ 26,600</u>	<u>\$ 28,048</u>

## Long-Term Obligations

The City received a bond rating of “A2” from Moody’s Investors Service in May 2010. At that time Moody’s recalibrated the scale for municipalities to bring their ratings in line with and more comparable to private organizations. Previously the City’s bond rating was “Baa2”. In June 2011, Moody’s affirmed the City’s “A2” bond rating and assigned the City a “positive outlook”. Moody’s assignment of the positive outlook acknowledged a modest financial position by specifically identifying City management’s ability to restore financial health, establish a Retirement, Health Insurance and Employee Benefits Reserves and negotiated manageable settlements with three of its unions, which included wage freezes and healthcare concessions. In July 2012 Moody’s Investors Service upgraded the City’s bond rating from “A2” to “A1”, and has maintained that bond rating. The upgrade reflected the City’s improved financial position marked by five consecutive years of operating surpluses as well as the City’s practice of conservative budgeting of both revenues and expenditures. The rating also factors in the City’s moderately sized tax base, below average wealth levels and average direct debt level.

More detailed information on the City’s capital assets and long-term debt activity is provided in the Notes to the Financial Statements under 3.C, 3.H, and 3.I, respectively.

<b><i>Outstanding Long-Term Obligations</i></b> <b><i>(in thousands of dollars)</i></b>				
	Governmental Activities		Business-Type Activities	
	2019	Restated 2018	2019	Restated 2018
General obligation debt backed by the City	\$ 3,044	\$ 3,215	\$ 4,902	\$ 5,281
Installment purchase debt	353	460	98	155
Other liabilities	267	280	-	-
Compensated absences	2,072	2,089	357	349
Net post employment benefit obligations	6,139	6,243	302	286
Net pension liability	1,834	3,803	192	555
Total	<u>\$ 13,709</u>	<u>\$ 16,090</u>	<u>\$ 5,851</u>	<u>\$ 6,626</u>

### **Factors Bearing on the City's Future**

Following is a description of both short and long-term factors the City will be forced to deal with in the future:

- **General Fund Revenue** – Growth in major revenues has increased this past year after leveling off for several years. The City's major General Fund revenues have increased 9.2% over the past year. However, growth in prior years has been slow, at rates ranging from < 1% to 2.7% per year. With the General Fund generally showing little to no growth, there is greater risk of deferring capital expenditures, cutting services and increasing taxes. A potential buffer against a return to low revenue growth is the City's efforts to broaden its property tax and sales tax base with major Downtown Revitalization (DRI) initiatives, local business expansion, and residential housing revitalization.
- **Sales Tax & Water Agreements** – In 1999 the City and County entered into the Sales Tax Allocation Agreement formalizing the percentage share of County sales tax to be distributed between the City (16%), County (50%), Towns and Villages (34%). This agreement has since expired, with the City and County currently under a one year agreement for a 16% allocation to the City. A new forty year Sales Tax Allocation Agreement that would provide a minimum 14% allocation to the City is currently awaiting the Governor's approval to execute. Should the forty year Sales Tax Allocation Agreement be approved, the City is prepared to enter into a forty year new water services and facilities agreement with Genesee County. If the forty year agreement is not approved, it is likely that the City will seek to negotiate new ten year agreements.
- **Property Tax Cap** – The City continues to be proactive in our response to various NYS budget changes and cuts that affect the City. It is important that the City anticipate these well in advance and remain flexible in our ability to respond during the budget process. However, the adoption of the property tax cap without mandate relief, has significantly hampered the City's ability to levy the necessary funds to support services. In addition, the tax cap is not a tax cap of 2%, it is rather a cap of 2% or inflation, whichever is lowest. The City continues to support changes to state legislation that changes or abolishes the tax cap to increase our ability to pay for government services.
- **Reserve funding** – Funding reserves now for future equipment, infrastructure and facility improvements has been and will continue to be critical in avoiding larger tax burdens in future years. In the fiscal year ending March 31, 2019, the City utilized just over \$450,000 of reserve funding to purchase needed equipment and offset liabilities as they came due. Planning for these improvements/liabilities is a major priority in the City's work plan. Updating capital improvement plans and designated revenue streams to fund these plans are essential to maintaining a safe financial position for the City.
- **Facility Reserve** – The City has developed 5-year capital plans for Dwyer Stadium and Falletti Ice Arena. The City's Strategic Plan has also outlined a key objective for developing a capital facilities improvement plan for each City facility. A capital plan for the Bureau of Maintenance, Fire Station, and City Centre (mall) roof has been completed and has identified approximately \$1,800,000 of needed improvements. In preparation of needed upcoming facility improvements, additional reserve funding will provide the City with greater financial capacity to handle future improvements with each facility. Continuing to build this reserve will also allow the City to avoid additional debt service or the temptation to procrastinate or put off needed investments.
- **Administrative Reserve** – In March 2015 the City Council created the Administrative Service Equipment and Software Reserve to assist with upgrading and meeting the City's equipment, information technology and records management needs. This includes replacing antiquated computer hardware and software utilized by the City, some more than 30 years old and operating on a DOS platform. The City has conducted a review of hardware and software needs, approved the purchase, installation, and development of substantial upgrades. These include network and desktop hardware, as well as all financial software including tax collection, utility billing, payroll, accounts payable, accounts receivable and general ledger, code enforcement, planning and assessment software. Considering these upgrades are similar to capital purchases, utilizing reserve funds will allow these improvements to take place without impacting the City's operating budget. Due to the cost of this project, hardware and software upgrades will be paid for with a combination of reserve funds and general obligation bonds.

- NYS Retirement Costs – Since FY 2009/10, annual fluctuations in actual retirement payments have ranged from single digit decreases to double digit increases. Because the State's projected retirement contributions in past years have not been consistent with actual retirement payments, it is prudent to assume retirement costs will increase in future years until consistent and reliable retirement payments are restored.
- Healthcare Costs – On average, for the past five years the City's healthcare costs have increased approximately 8-10% per year. On an annual basis the City analyzes the option of transitioning from a self-insured plan to an experience-based plan, however the City's ability to maintain manageable annual increases in healthcare costs while maintaining a healthcare reserve balance makes it financially feasible to remain self-insured.
- Retiree Healthcare Costs – Retiree healthcare will continue to increase in the future. The total postemployment health insurance cost to the City for 32 retirees was \$507,022 for the year ending March 31, 2019. While this is a slight decrease when compared to the prior year, retiree healthcare expenses are a large portion of the General Fund expenses, are unpredictable and can be extremely volatile due to one single illness. The City's liability for post employment benefits, as of March 31, 2019 is \$6,441,191, all of which is unfunded. Aggressive labor negotiations to reduce future retiree costs will be essential for maintaining a long term decrease of this liability.
- Union Contracts – While all contracts are current, one contract expires March 31, 2020. The City's negotiations will be focused on manageable benefit packages that will not significantly impact future property tax levels. Strong but fair negotiations will take place to ensure that future benefit packages are reasonable for City employees and affordable for City taxpayers.
- Taxable Assessed Value – The City has realized an average growth of 1.5% in its property tax base annually. With the adoption of the property tax cap without relief from State mandated expenses, the City's ability to levy the necessary funds to support services is significantly hampered. Considering taxable assessed value is the City's most stable source of revenue, the City needs to continue improving the City's property tax base, particularly the non-residential tax base. This makes future commercial and industrial redevelopment a major priority for the foreseeable future; specifically Brownfield Redevelopment, throughout the City's Central Corridor.

A balanced approach to the City budget needs to include strong initiatives that contain costs, but also a strategic direction that will improve quality of life. Growth in tax base and resident income are the lifeblood to supporting municipal services, as well as improved quality of life for City residents.

Over the past eight years the City has experienced decreases in State aid as well as increases in state retirement costs and retiree healthcare costs. In addition, the imposition of the Property Tax Cap further limits the City's ability to combat increasing State mandated costs as the cap imposes a ceiling on the City's ability to levy property taxes. Recently, City of Batavia leadership expressed an "All In" rally-cry setting a goal to achieve \$100 million in public-private investment by 2022, placing emphasis on the central business corridor.

The City's financial improvement over the past several years has been the result of proactive approaches to budgeting and operations for the City. It is critically important that the City continue to plan for the future, most specifically with regards to funding reserves, maintaining and funding capital and equipment replacement plans, and maintaining lower cost, high quality services to residents. In addition, resources need to be focused on encouraging tax base growth through economic development efforts promoting land use redevelopment and job growth within the City.

### **Contacting the City's Financial Management**

This financial report is designed to provide the City's citizens, taxpayers, customers, and investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the City Manager's Office, City of Batavia, Batavia, New York.

## **FINANCIAL DETAIL**

**CITY OF BATAVIA, NEW YORK**  
**STATEMENT OF NET POSITION**  
**MARCH 31, 2019**

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 10,092,290	\$ 15,781,979	\$ 25,874,269
Restricted cash and cash equivalents	1,178,621	-	1,178,621
Property taxes receivable, net	1,666,865	-	1,666,865
Accounts receivable, net	210,758	2,044,183	2,254,941
Loans receivable, net	182,365	-	182,365
State and federal receivables	383,191	6,200	389,391
Due from other governments	1,418,695	545,030	1,963,725
Interfund balances	95,337	(95,337)	-
Capital assets not being depreciated	6,728,313	212,560	6,940,873
Capital assets, net of accumulated depreciation	18,413,765	26,386,793	44,800,558
Total assets	<u>40,370,200</u>	<u>44,881,408</u>	<u>85,251,608</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred pension outflows	5,256,387	690,990	5,947,377
Deferred OPEB outflows	41,927	15,291	57,218
Total deferred outflows of resources	<u>5,298,314</u>	<u>706,281</u>	<u>6,004,595</u>
<b>LIABILITIES</b>			
Accounts payable	222,068	601,903	823,971
Accrued liabilities	556,763	64,766	621,529
Accrued interest	77,701	58,086	135,787
Due to other governments	383,404	-	383,404
Bond anticipation note	1,600,000	-	1,600,000
Unearned revenues	1,503,935	-	1,503,935
Long-term liabilities:			
Due and payable within one year	720,208	487,311	1,207,519
Due and payable after one year	12,989,263	5,363,626	18,352,889
Total liabilities	<u>18,053,342</u>	<u>6,575,692</u>	<u>24,629,034</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred pension inflows	4,432,007	675,133	5,107,140
Total deferred inflows of resources	<u>4,432,007</u>	<u>675,133</u>	<u>5,107,140</u>
<b>NET POSITION (DEFICIT)</b>			
Net investment in capital assets	21,323,270	21,599,508	42,922,778
Restricted for:			
Retirement contribution	329,777	-	329,777
Employee benefit accrued liability	5,240	-	5,240
Insurance	745,334	-	745,334
Capital projects	3,434,868	6,595,439	10,030,307
Repairs	115,967	-	115,967
Small cities	85,751	-	85,751
Special grant	435,486	-	435,486
Workers' compensation	621,346	-	621,346
Unrestricted (deficit)	<u>(3,913,874)</u>	<u>10,141,917</u>	<u>6,228,043</u>
Total net position	<u>\$ 23,183,165</u>	<u>\$ 38,336,864</u>	<u>\$ 61,520,029</u>

**CITY OF BATAVIA, NEW YORK**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED MARCH 31, 2019**

		Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<u>Expenses</u>							
<b><u>Functions/Programs:</u></b>							
Governmental activities:							
General government	\$ 2,348,948	\$ 94,052	\$ -	\$ -	(2,254,896)	\$ -	(2,254,896)
Police	4,683,340	156,197	20,867	-	(4,506,276)	-	(4,506,276)
Fire	4,728,301	-	245,123	-	(4,483,178)	-	(4,483,178)
Public safety	283,492	77,562	345,097	-	139,167	-	139,167
Health	21,418	37,829	-	-	16,411	-	16,411
Transportation	3,320,869	12,460	423,351	2,824,326	(60,732)	-	(60,732)
Economic assistance	160,046	-	75,000	-	(85,046)	-	(85,046)
Culture and recreation	1,020,751	66,202	20,772	-	(933,777)	-	(933,777)
Home and community services	348,397	33,657	-	-	(314,740)	-	(314,740)
Refuse and recycling	74,878	-	-	-	(74,878)	-	(74,878)
Interest on debt	195,702	-	-	-	(195,702)	-	(195,702)
Total governmental activities	17,186,142	477,959	1,130,210	2,824,326	(12,753,647)	-	(12,753,647)
Business-type activities:							
Sewer	2,954,254	3,007,689	56,212	-	-	109,647	109,647
Water	4,024,401	2,811,732	2,202,151	-	-	989,482	989,482
City Centre	144,861	203,609	1,906	-	-	60,654	60,654
Total business-type activities	7,123,516	6,023,030	2,260,269	-	-	1,159,783	1,159,783



**CITY OF BATAVIA, NEW YORK**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED MARCH 31, 2019 (Continued)**

		Program Revenues				Net (Expense) Revenue and Changes in Net Position					
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total				
Expenses											
Total governmental and business-type activities	\$	<u>24,309,658</u>	\$	<u>6,500,989</u>	\$	<u>3,390,479</u>	\$	<u>2,824,326</u>	(12,753,647)	1,159,783	(11,593,864)
General revenues:											
Real property taxes and tax items					5,716,100	-	5,716,100				
Non-property taxes:											
Sales tax distribution					6,701,482	-	6,701,482				
Gross utilities					193,260	-	193,260				
Franchise fees					227,557	-	227,557				
Intergovernmental revenue					246,802	-	246,802				
Interest earnings					103,691	48,008	151,699				
State aid not restricted for a specific purpose					1,945,113	-	1,945,113				
Other miscellaneous revenues					818,676	-	818,676				
Transfers:											
Sewer					206,120	(206,120)	-				
Water					430,100	(430,100)	-				
City Centre					22,903	(22,903)	-				
Total general revenues and transfers					16,611,804	(611,115)	16,000,689				
Change in net position					3,858,157	548,668	4,406,825				
Net position - beginning, as restated (Note 5)					19,325,008	37,788,196	57,113,204				
Net position - ending					\$	23,183,165	\$	38,336,864	\$	61,520,029	

**CITY OF BATAVIA, NEW YORK**  
**BALANCE SHEET – GOVERNMENTAL FUNDS**  
**MARCH 31, 2019**

	General	Capital Projects	Special Revenue Fund Self Insurance	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
Cash and cash equivalents	\$ 7,819,849	\$ 363,906	\$ 1,560,596	\$ 347,939	\$ 10,092,290
Restricted cash and cash equivalents	-	1,178,621	-	-	1,178,621
Receivables (net of allowance for uncollectible receivables)					
Property taxes receivable	1,666,865	-	-	-	1,666,865
Accounts receivable	197,726	-	-	13,032	210,758
Loan receivables	-	-	-	182,365	182,365
State and federal receivables	265,338	117,853	-	-	383,191
Due from other governments	1,418,395	-	-	300	1,418,695
Due from other funds	149,458	-	95,118	-	244,576
Total assets	<u>\$ 11,517,631</u>	<u>\$ 1,660,380</u>	<u>\$ 1,655,714</u>	<u>\$ 543,636</u>	<u>\$ 15,377,361</u>
<b>LIABILITIES</b>					
Accounts payable	\$ 167,946	\$ 1,360	\$ 52,762	\$ -	\$ 222,068
Accrued liabilities	373,994	-	182,769	-	556,763
Due to other governments	383,404	-	-	-	383,404
Due to other funds	79,518	-	69,721	-	149,239
Bond anticipation note	-	1,600,000	-	-	1,600,000
Unearned revenues	1,503,935	-	-	-	1,503,935
Total liabilities	<u>2,508,797</u>	<u>1,601,360</u>	<u>305,252</u>	<u>-</u>	<u>4,415,409</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue-property taxes	422,683	-	-	-	422,683
Total deferred inflows of resources	<u>422,683</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>422,683</u>
<b>FUND BALANCES</b>					
Restricted	4,631,186	-	621,346	521,237	5,773,769
Committed	330,450	-	-	-	330,450
Assigned	1,643,499	59,020	729,116	22,399	2,454,034
Unassigned	1,981,016	-	-	-	1,981,016
Total fund balances	<u>8,586,151</u>	<u>59,020</u>	<u>1,350,462</u>	<u>543,636</u>	<u>10,539,269</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 11,517,631</u>	<u>\$ 1,660,380</u>	<u>\$ 1,655,714</u>	<u>\$ 543,636</u>	

**CITY OF BATAVIA, NEW YORK**  
**BALANCE SHEET – GOVERNMENTAL FUNDS**  
**MARCH 31, 2019 (Continued)**

	<u>General</u>	<u>Capital Projects</u>	<u>Special Revenue Fund Self Insurance</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Total governmental activities fund balance from previous page (page 43)					10,539,269
Amounts reported for governmental activities in the Statement of Net Position (page 40) are different because:					
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds, net of accumulated depreciation.					25,142,078
Long-term liabilities, are not due and payable in the current period and therefore are not reported in the funds:					
Serial bonds payable and bond premium					(3,044,397)
Installment purchase debt					(353,032)
Due to other governments					(266,855)
Compensated absences					(2,071,638)
Net pension liabilities					(1,834,424)
Other postemployment benefit liability (OPEB)					(6,139,125)
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds.					422,683
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.					(77,701)
Deferred outflows and inflows are not assets or liabilities of the current period and therefore are not reported in the funds:					
Deferred OPEB outflows					41,927
Deferred pension outflows					5,256,387
Deferred pension inflows					<u>(4,432,007)</u>
Net position of governmental activities					<u>\$ 23,183,165</u>

**CITY OF BATAVIA, NEW YORK**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED MARCH 31, 2019**

	<u>General</u>	<u>Capital Projects</u>	<u>Special Revenue Fund Self Insurance</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>					
Real property taxes	\$ 5,268,392	\$ -	\$ -	\$ -	\$ 5,268,392
Real property tax items	342,984	-	-	-	342,984
Sales and other taxes	7,122,299	-	-	-	7,122,299
Departmental income	260,326	-	-	-	260,326
Intergovernmental revenue	246,802	-	-	-	246,802
Use of money and property	80,205	12,142	6,038	5,306	103,691
Licenses and permits	80,156	-	-	-	80,156
Fines and forfeitures	110,115	-	-	-	110,115
Sale of property and compensation for loss	105,426	-	-	-	105,426
Miscellaneous local sources	578,900	-	181,462	240	760,602
Federal and state sources	3,075,323	2,824,326	-	-	5,899,649
Total revenues	<u>17,270,928</u>	<u>2,836,468</u>	<u>187,500</u>	<u>5,546</u>	<u>20,300,442</u>
<b>EXPENDITURES</b>					
Current:					
General government	1,781,519	-	15,000	-	1,796,519
Police	3,785,223	-	-	-	3,785,223
Fire	3,983,095	-	-	-	3,983,095
Public safety	305,325	-	-	-	305,325
Health	17,875	-	-	-	17,875
Transportation	2,285,205	-	-	-	2,285,205
Economic assistance	154,705	-	-	2,666	157,371
Culture and recreation	744,143	-	-	-	744,143
Home and community services	262,111	-	-	50,511	312,622
Refuse and recycling	74,914	-	-	-	74,914
Employee health benefits	-	-	2,369,218	-	2,369,218
Capital outlay:					
General government	-	1,224	-	-	1,224
Transportation	-	3,183,332	-	-	3,183,332
Debt service:					
Principal	470,102	-	-	-	470,102
Interest	162,697	-	-	-	162,697
Total expenditures	<u>14,026,914</u>	<u>3,184,556</u>	<u>2,384,218</u>	<u>53,177</u>	<u>19,648,865</u>
Excess (deficit) of revenues over expenditures	3,244,014	(348,088)	(2,196,718)	(47,631)	651,577
<b>OTHER FINANCING SOURCES (USES)</b>					
Interfund transfers in	220,510	-	2,751,409	-	2,971,919
Interfund transfers out	(2,267,286)	(45,510)	-	-	(2,312,796)
Serial bond proceeds	-	195,500	-	-	195,500
Total other financing sources (uses)	<u>(2,046,776)</u>	<u>149,990</u>	<u>2,751,409</u>	<u>-</u>	<u>854,623</u>
Net change in fund balances	1,197,238	(198,098)	554,691	(47,631)	1,506,200
Fund balances - beginning	<u>7,388,913</u>	<u>257,118</u>	<u>795,771</u>	<u>591,267</u>	<u>9,033,069</u>
Fund balances - ending	<u>\$ 8,586,151</u>	<u>\$ 59,020</u>	<u>\$ 1,350,462</u>	<u>\$ 543,636</u>	<u>\$ 10,539,269</u>

**CITY OF BATAVIA, NEW YORK**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED MARCH 31, 2019**

Net change in fund balances - total governmental funds (page 45) \$ 1,506,200

Amounts reported for governmental activities in the Statement of Activities (page 41) are different because:

Governmental funds report capital outlays as expenditures. However in the Statement of Activities, the cost of those assets are allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays (\$3,550,897) excluding construction in progress placed in service (\$10,584) exceeded depreciation (\$1,418,659) in the current period. 2,121,654

The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trades) is to decrease net position. (19,990)

Revenues that are not available to pay current obligations are not reported in the fund financial statement, but they are presented as revenues in the Statement of Activities. 104,724

In the Statement of Activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when paid. (36,501)

Change in the proportionate share of the net pension and OPEB liabilities, deferred inflows and outflows reported in the Statement of Net Position during the measurement period between the City's contributions and its proportionate share to the total contributions to the pension systems and OPEB subsequent to the measurement date do not provide for or require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.  
Change in deferred outflows - other postemployment benefits 41,927  
Change in deferred outflows and inflows - pension - proportionate share (2,240,145)

Change in the proportionate share of net pension and OPEB liabilities reported in the Statement of Net Position does not provide for or require the use of current financial resources and therefore is not reported as revenues or expenditures in the governmental funds.  
Other postemployment benefit liability 103,376  
Net pension liability - proportionate share 1,968,292

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has an effect on net position. Additionally, in the Statement of Activities, certain operating expenses are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of the financial resources used (essentially, the amounts actually paid). The net effect of these differences in the treatment of long-term debt and the related items is as follows:

Repayment of serial bonds	\$	363,000	
Serial bond issuance		(195,500)	
Serial bond premium liability		3,496	
Repayment of installment purchase debt		107,102	
Due to other governments		12,968	
Change in compensated absences		17,554	308,620

Change in net position of governmental activities \$ 3,858,157

**CITY OF BATAVIA, NEW YORK**  
**STATEMENT OF NET POSITION – ENTERPRISE FUNDS**  
**MARCH 31, 2019**

	<b>Sewer</b>	<b>Water</b>	<b>Nonmajor Enterprise Fund City Centre</b>	<b>Total Enterprise Funds</b>
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 9,488,863	\$ 6,261,870	\$ 31,246	\$ 15,781,979
Accounts receivable	877,286	1,154,298	12,599	2,044,183
State and federal receivables	-	6,200	-	6,200
Due from other governments	-	545,030	-	545,030
Total current assets	<u>10,366,149</u>	<u>7,967,398</u>	<u>43,845</u>	<u>18,377,392</u>
Noncurrent assets:				
Capital assets not being depreciated	20,000	112,823	79,737	212,560
Capital assets, net of accumulated depreciation	21,173,819	5,212,974	-	26,386,793
Total noncurrent assets	<u>21,193,819</u>	<u>5,325,797</u>	<u>79,737</u>	<u>26,599,353</u>
Total assets	<u>31,559,968</u>	<u>13,293,195</u>	<u>123,582</u>	<u>44,976,745</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred pension outflows	259,121	431,869	-	690,990
Deferred OPEB outflows	4,805	10,486	-	15,291
Total deferred outflows of resources	<u>263,926</u>	<u>442,355</u>	<u>-</u>	<u>706,281</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	33,854	565,728	2,321	601,903
Accrued liabilities	24,805	37,096	2,865	64,766
Accrued interest	42,164	15,922	-	58,086
Due to other funds	6,944	8,656	79,737	95,337
Compensated absences	10,174	25,440	85	35,699
Installment purchase debt	22,114	20,624	-	42,738
Serial bond payables and bond premium	351,937	56,937	-	408,874
Total current liabilities	<u>491,992</u>	<u>730,403</u>	<u>85,008</u>	<u>1,307,403</u>
Noncurrent liabilities:				
Compensated absences	91,570	228,964	761	321,295
Installment purchase debt	16,092	38,791	-	54,883
Total OPEB liability	159,597	142,469	-	302,066
Serial bond payables and bond premium	3,356,675	1,136,675	-	4,493,350
Net pension liability	72,012	120,020	-	192,032
Total noncurrent liabilities	<u>3,695,946</u>	<u>1,666,919</u>	<u>761</u>	<u>5,363,626</u>
Total liabilities	<u>4,187,938</u>	<u>2,397,322</u>	<u>85,769</u>	<u>6,671,029</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred pension inflows	253,175	421,958	-	675,133
Total deferred inflows of resources	<u>253,175</u>	<u>421,958</u>	<u>-</u>	<u>675,133</u>
<b>NET POSITION</b>				
Net investment in capital assets	17,447,001	4,072,770	79,737	21,599,508
Restricted for capital projects	3,750,243	2,845,196	-	6,595,439
Unrestricted	<u>6,185,537</u>	<u>3,998,304</u>	<u>(41,924)</u>	<u>10,141,917</u>
Total net position	<u>\$ 27,382,781</u>	<u>\$ 10,916,270</u>	<u>\$ 37,813</u>	<u>\$ 38,336,864</u>

**CITY OF BATAVIA, NEW YORK**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION – ENTERPRISE FUNDS**  
**FOR THE YEAR ENDED MARCH 31, 2019**

	<u>Sewer</u>	<u>Water</u>	<u>Nonmajor Enterprise Fund City Centre</u>	<u>Total Enterprise Funds</u>
<b>OPERATING REVENUES</b>				
Charges for services	\$ 3,007,689	\$ 2,811,732	\$ 203,609	\$ 6,023,030
County water agreement charges	-	1,426,215	-	1,426,215
Rental of real property	-	550,000	-	550,000
Other operating revenue	56,212	225,936	1,906	284,054
Total operating revenues	<u>3,063,901</u>	<u>5,013,883</u>	<u>205,515</u>	<u>8,283,299</u>
<b>OPERATING EXPENSES</b>				
Salaries, wages and employee benefits	648,360	1,130,607	83,433	1,862,400
Contractual expense	727,556	2,663,453	61,428	3,452,437
Depreciation	1,481,062	194,774	-	1,675,836
Total operating expenses	<u>2,856,978</u>	<u>3,988,834</u>	<u>144,861</u>	<u>6,990,673</u>
Operating income	<u>206,923</u>	<u>1,025,049</u>	<u>60,654</u>	<u>1,292,626</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Investment income	28,344	19,602	62	48,008
Interest expense	(97,276)	(35,567)	-	(132,843)
Total nonoperating revenues (expenses)	<u>(68,932)</u>	<u>(15,965)</u>	<u>62</u>	<u>(84,835)</u>
Income before operating subsidy to governmental funds	137,991	1,009,084	60,716	1,207,791
Operating subsidy to governmental funds	<u>(206,120)</u>	<u>(430,100)</u>	<u>(22,903)</u>	<u>(659,123)</u>
Change in net position	(68,129)	578,984	37,813	548,668
Net position - beginning, as restated (Note 5)	<u>27,450,910</u>	<u>10,337,286</u>	<u>-</u>	<u>37,788,196</u>
Net position - ending	<u>\$ 27,382,781</u>	<u>\$ 10,916,270</u>	<u>\$ 37,813</u>	<u>\$ 38,336,864</u>

**CITY OF BATAVIA, NEW YORK**  
**STATEMENT OF CASH FLOWS – ENTERPRISE FUNDS**  
**FOR THE YEAR ENDED MARCH 31, 2019**

	<b>Sewer</b>	<b>Water</b>	<b>Nonmajor Enterprise Fund City Centre</b>	<b>Total Enterprise Funds</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash received from customers	\$ 2,903,594	\$ 2,777,730	\$ 191,010	\$ 5,872,334
Cash payments for contractual expenses	(859,106)	(2,569,349)	23,495	(3,404,960)
Cash payments to employees for services	(666,282)	(1,105,953)	(82,587)	(1,854,822)
Other operating revenue	56,212	2,202,151	1,906	2,260,269
Net cash provided by operating activities	<u>1,434,418</u>	<u>1,304,579</u>	<u>133,824</u>	<u>2,872,821</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Operating subsidy to governmental funds	(206,120)	(430,100)	(22,903)	(659,123)
Net cash used by noncapital financing activities	<u>(206,120)</u>	<u>(430,100)</u>	<u>(22,903)</u>	<u>(659,123)</u>
<b>CASH FLOWS FROM CAPITAL AND FINANCING ACTIVITIES</b>				
Acquisition and construction of capital assets	(109,882)	(37,793)	(79,737)	(227,412)
Principal payments on debt	(356,331)	(79,069)	-	(435,400)
Interest paid on debt	(131,402)	(37,755)	-	(169,157)
Net cash used by capital and financing activities	<u>(597,615)</u>	<u>(154,617)</u>	<u>(79,737)</u>	<u>(831,969)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest on cash and investments	28,344	19,602	62	48,008
Net cash provided by investing activities	<u>28,344</u>	<u>19,602</u>	<u>62</u>	<u>48,008</u>
Net increase in cash and cash equivalents	659,027	739,464	31,246	1,429,737
Cash and cash equivalents - beginning	<u>8,829,836</u>	<u>5,522,406</u>	<u>-</u>	<u>14,352,242</u>
Cash and cash equivalents - ending	<u>\$ 9,488,863</u>	<u>\$ 6,261,870</u>	<u>\$ 31,246</u>	<u>\$ 15,781,979</u>
<b>Reconciliation of operating income to net cash provided by operating activities:</b>				
Operating income	\$ 206,923	\$ 1,025,049	\$ 60,654	\$ 1,292,626
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	1,481,062	194,774	-	1,675,836
Pension expense	(307)	(511)	846	28
Change in assets and liabilities				
Decrease (increase) in:				
Accounts receivable	(104,095)	(34,521)	(12,599)	(151,215)
State and federal receivables	-	(6,200)	-	(6,200)
Due from other governments	-	6,719	-	6,719
Increase (decrease) in:				
Accounts payable	(133,018)	89,526	2,321	(41,171)
Accrued liabilities	(5,476)	(4,078)	2,865	(6,689)
Due to other funds	6,944	8,656	79,737	95,337
Compensated absences	(5,197)	12,361	-	7,164
Other postemployment benefits	(12,418)	12,804	-	386
Net cash provided by operating activities	<u>\$ 1,434,418</u>	<u>\$ 1,304,579</u>	<u>\$ 133,824</u>	<u>\$ 2,872,821</u>



**CITY OF BATAVIA, NEW YORK**  
**STATEMENT OF NET POSITION – FIDUCIARY FUNDS**  
**MARCH 31, 2019**

---

	<u>Private Purpose Trusts</u>	<u>Agency</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ -	\$ 157,141
Cash and cash equivalents - restricted	<u>21,605</u>	<u>-</u>
Total assets	\$ <u>21,605</u>	\$ <u>157,141</u>
<b>LIABILITIES</b>		
Agency liabilities	\$ <u>-</u>	\$ <u>157,141</u>
<b>NET POSITION</b>		
Restricted trust funds	\$ <u>21,605</u>	

**CITY OF BATAVIA, NEW YORK**  
**STATEMENT OF CHANGES IN NET POSITION – FIDUCIARY FUNDS**  
**FOR THE YEAR ENDED MARCH 31, 2019**

---

	<u>Private Purpose Trusts</u>
<b>ADDITIONS</b>	
Interest	\$ 82
Total additions	<u>82</u>
Change in net position	82
Net position - beginning	<u>21,523</u>
Net position - ending	<u>\$ 21,605</u>

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The basic financial statements of the City of Batavia (the City) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. 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 reports related organizations under the guidance of the Governmental Accounting Standards Board. The Standards define the primary government, and redefines and establishes the criteria for which potential component units are included in the reporting entity. The Standards also define financial accountability of the primary government as being determined on the basis of fiscal dependency, appointment of a voting majority of a governing Council, ability to impose its will or potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on the primary government.

According to GASB Statement No. 14, as amended by GASB Statement No. 61, a related organization of a primary government is defined as one in which the government appoints a voting majority of the board, but is not financially accountable for the organization. The City Manager appoints a voting majority of the Batavia Housing Authority's board; however, no financial burden or benefit relationship exists between the City and the Authority. The Authority maintains and runs a senior citizens' housing unit within the City.

The accompanying basic financial statements include only the operations of the City, since management has determined that there are no other organizations that meet the criteria for inclusion in the reporting entity of the City.

**B. BASIS OF PRESENTATION**

**1. GOVERNMENT-WIDE FINANCIAL STATEMENTS**

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds. 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.

The Statement of Net Position and the Statement of Activities present financial information about the reporting government as a whole. These statements include the financial activities of the overall government in its entirety, except those that are fiduciary. Eliminations have been made to minimize the double counting of internal transactions. Governmental activities generally are financed through taxes, intergovernmental revenues, and other exchange and non-exchange transactions. Operating grants include operating-specific and discretionary (either operation or capital) grants while the capital grants column reflects capital-specific grants. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The Statement of Activities presents a comparison between direct expenses and direct revenues for each function of the City's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Direct revenues include charges paid by the recipients of goods or services offered by the City, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Revenues that are not classified as direct revenues, including all taxes, are presented as general revenues.

The government-wide focus is on the sustainability of the City as an entity and the change in the City's net position resulting from the current year's activities.

## **2. FUND FINANCIAL STATEMENTS**

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and enterprise categories.

### Governmental Funds:

Governmental funds are those through which most governmental functions are financed. The acquisition, use and balances of expendable financial resources and the related liabilities are accounted for through governmental funds. The measurement focus of the governmental funds is based upon determination of financial position and changes in financial position. The following are the City's major governmental fund types:

General Fund – The General Fund is the general operating fund of the City. The fund is used to account for all financial resources except for those required to be accounted for in a separate fund.

Capital Projects Fund – This fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities other than those financed by the Enterprise Funds.

Self-Insurance Fund – This fund is used to account for the City's workers' compensation insurance and health insurance activity.

The City reports the following nonmajor funds consolidated into the nonmajor governmental funds column:

### Special Revenue Funds:

These funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes or for which separate accounting is required by administrative action.

Special Grant Fund – This fund is used to account for community development block grants and other federal and state grants not required to be accounted for in other funds.

Mall Maintenance Fund – This fund is used to account for the maintenance of the Genesee Country Mall.

Small Cities Fund – This fund is used to account for the activity of the City's New York Small Cities Block Grant and U.S. Department of Housing and Urban Development programs.

### Enterprise Funds:

These funds are used to account for ongoing operations or activities, which are similar to those often found in the private sector. The measurement focus is based upon determination of net income, financial position and cash flows. The City applies all applicable GASB pronouncements, as well as, Financial Accounting Standards Board's (FASB) Accounting Standards Codification unless these standards conflict with or contradict GASB pronouncements.

Sewer and Water Funds – These funds are used to account for operations that provide water and sewer services and are financed primarily by user charges.

City Centre Fund – This fund is used to account for the operations and maintenance of the City Centre.

### Other Fund Types:

#### Fiduciary Funds:

These funds are used to account for fiduciary activities, which are those in which the City acts as trustee or agent for resources that belong to others. These activities are not included in the government-wide financial statements because their resources do not belong to the City and are not available for use.

Private-Purpose Trust Fund – This fund is used to account for contributions made by individuals, for the purpose of providing from the income of such contributions, funds to be utilized for fire protection and indigent citizens of the City.

Agency Fund – This fund is used to account for bid deposits, tax redemptions, joint liens and other assets and liabilities that are custodial in nature.

During the course of operations the City has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

### **C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING**

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide and fiduciary fund financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when the liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund 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. For this purpose, the City considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in the governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within sixty days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the City.

The enterprise and private purpose trust funds are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. The agency fund has no measurement focus but utilizes the accrual basis of accounting for reporting its assets and liabilities.

**D. ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND NET POSITION/FUND BALANCE**

**1. CASH AND CASH EQUIVALENTS**

The City's cash and cash equivalents consists of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from date of acquisition.

**2. RESTRICTED CASH AND CASH EQUIVALENTS**

Certain assets are classified on the balance sheet as restricted because their use is limited. Debt proceeds remaining after a project has been completed can only be used to pay down the related debt, and therefore are restricted in use. The proceeds of bond or bond anticipation note (BAN) sales can only be used for the stated purpose of the borrowing and are restricted specifically for that purpose.

**3. RECEIVABLES**

Receivables are carried at their net realizable value. Receivables are written-off as uncollectible after the likelihood of payment is considered remote by management. The allowance for uncollectible receivables has been established by management, using past history of uncollectible receivables. As of March 31, 2019, the provision for uncollectible receivables amounted to \$53,901 and \$13,279 in the Community Development and Small Cities Grant Funds, respectively.

**4. CAPITAL ASSETS**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements.

In the case of the initial capitalization of general infrastructure assets (i.e., those reported by governmental activities), the City chose to include all such items regardless of their acquisition date or amount. The City was able to estimate the historical cost for the initial reporting of these assets through back trending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). As the City constructs or acquires additional capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or increase its estimated useful life.

Land and construction in progress are not depreciated. Capitalization thresholds (the dollar value above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets reported in the government-wide statements are as follows:

	<u>Capitalization Threshold</u>	<u>Depreciation Method</u>	<u>Estimated Useful Life</u>
Infrastructure	\$ 200,000	straight-line	25-50 years
Buildings	50,000	straight-line	25-50 years
Improvements	50,000	straight-line	10-50 years
Furniture and equipment	5,000	straight-line	3-20 years
Vehicles	20,000	straight-line	3-5 years

**5. INSURANCE**

The City is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, personal injury liability, and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Judgments and claims are recorded when it is probable that an asset has been impaired or a liability has been incurred and the amount of loss can be reasonably estimated. Settled claims from these risks have not yet exceeded commercial insurance coverage for the past three fiscal years.

**6. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES**

In addition to assets, the Statement of Net 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 qualify for reporting in this category. They are related to pensions and other postemployment benefits (OPEB) reported in the government-wide Statement of Net Position. They represent the effect of the net change in the City's proportion of the collective net pension liability and OPEB liability, and the difference during the measurement period between the City's contributions and its proportional share of total contributions to the pension systems and OPEB plan not included in pension and OPEB expense. Also included is the City contributions to the pension systems and OPEB plan subsequent to the measurement date. See details of deferred pension outflows in 3.D and deferred OPEB outflows in Note 3.E.

In addition to liabilities, the Statement of Net 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 future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has two of items that qualify for reporting in this category. One item is related to pension activity reported in the government-wide Statement of Net Position. This represents the effect of the net change in the City's proportion of the collective net pension liability and difference during the measurement period between the City's contributions and its proportional share of total contributions to the pension system not included in pension expense. See details of deferred pension inflows in Note 3.E. The other item is unavailable revenue related to property taxes and is reported in the governmental funds Balance Sheet.

**7. NET POSITION FLOW ASSUMPTION**

Sometimes the City will fund outlays for a particular purpose from both restricted (i.e., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and enterprise fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied.

It is the City's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

**8. FUND BALANCE FLOW ASSUMPTION**

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental funds financial statements, a flow assumption must be made about the order in which the resources are considered to be applied.

It is the City's policy that the City Council will assess the current financial condition of the City and then determine the order of application of expenditures to which fund balance classifications will be charged.

**9. FUND BALANCE POLICIES**

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The City itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the City's highest level of decision-making authority. The City Council is the highest level of decision-making authority for the City that can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation.

The City has adopted a formal fund balance policy in which it shall strive to attain and maintain an adequate fund balance in its general fund to provide flexibility and to mitigate current and future risks (e.g., revenue shortfalls and unanticipated expenditures), to ensure stable tax rates, to provide for one-time opportunities and to retain favorable credit ratings. The City will endeavor to maintain unassigned fund balances in its general fund of ten percent (10%) of regular general fund operating expenditures. This amount provides the liquidity necessary to accommodate the City's uneven cash flow, which is inherent in its periodic tax collection schedule, and to respond to contingent liabilities.

If the unassigned fund balance falls below the 10% minimum fund balance percentage, the Audit Advisory Committee will evaluate current fund balance classifications in order to recommend the final distribution of fund balance in any fiscal year in consideration of estimated liabilities of the City and sound financial planning.

Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as committed. The City Council has by resolution authorized the City Manager to assign fund balance. The Council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

## **E. REVENUES AND EXPENDITURES/EXPENSES**

### **1. PROGRAM REVENUES**

Amounts reported as *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 contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

### **2. PROPERTY TAXES**

Real property taxes are levied upon budget adoption and become an enforceable lien on April 1<sup>st</sup>. Taxes are payable in two installments on May 1<sup>st</sup> and August 1<sup>st</sup>. The City assumes enforcement responsibility for all property taxes levied by Genesee County on properties within the City. The City also enforces real property taxes of the Batavia City School District (District), which are unpaid at January 1<sup>st</sup>. The City pays the County the entire levy in two installments and the District the full amount of the property taxes collected on their behalf on a monthly basis. Any amounts which have been collected as of March 31<sup>st</sup> but have not yet been remitted to the District are included in the account "Due to other governments".

In the fund financial statements, property taxes are recorded as revenue in the period levied to the extent they are collected within 60 days of the fiscal year-end. The City is permitted by the New York State Constitution to levy taxes up to 2% of the most recent five-year average full valuation of taxable real property. Principal and interest on long-term debt related to Water and Sewer debt (if application filed with Office of State Comptroller) and budgetary appropriations for capital outlay are excludable. In the 2018-19 year, the five-year average full valuation was \$561,092,868 allowing for a maximum tax limit of \$11,221,857 (includes allowance exclusions). The City tax levy was \$5,235,635 for the year ended March 31, 2019.

### **3. COMPENSATED ABSENCES**

The City's labor agreements and City Council rules and regulations provide for sick and vacation leave. Upon retirement certain eligible employees qualify for paid medical and dental insurance premiums and/or payment for fractional values of unused sick leave. These payments are budgeted annually.

Consistent with GASB Statement No. 16, Accounting for Compensated Absences, an accrual for accumulated sick leave is included in compensated absences at year-end. The compensated absences liability is calculated based on the contractually negotiated rates in effect at year-end.



Compensated absences for governmental fund type employees are reported as a fund liability and as an expenditure in the government-wide financial statements. A portion of the compensated absences liability recognized is attributed to the value of sick leave converted to pay the employees' share of postemployment health insurance premiums. The compensated absences liability for the Governmental and Enterprise funds at the year-end totaled \$2,071,638 and \$356,994, respectively. A liability for those amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Payment of compensated absences recorded in the government-wide financial statements is dependent upon many factors; therefore, timing of future payments are not readily determinable. However, management believes that sufficient resources will be made available for the payment of compensated absences when such payments become due.

#### **4. ENTERPRISE FUNDS – OPERATING AND NONOPERATING REVENUES AND EXPENSES**

Enterprise funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the water fund and sewer fund are charges to customers for sales and services. The water fund also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. The principal operating revenues of the city centre fund are maintenance fees being charged to the City Centre tenants. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

#### **F. USE OF ESTIMATES**

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

#### **G. ACCOUNTING PRONOUNCEMENTS**

During the fiscal year ended March 31, 2019, the City has implemented Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (OPEB).

In addition, the City evaluated the provisions of GASB Statement No. 85, *Omnibus 2017*; and Statement No. 86, *Certain Debt Extinguishment Issues*, which became effective for the fiscal year ended March 31, 2019. The City determined that these Statements had no significant impact on the City's financial statements in the current fiscal year.

The following are GASB Statements that have been issued recently and are currently being evaluated, by the City, for their potential impact in future years.

- Statement No. 83, *Certain Asset Retirement Obligations*, which will be effective for the year ending March 31, 2020.
- Statement No. 84, *Fiduciary Activities*, which will be effective for the year ending March 31, 2020.
- Statement No. 87, *Leases*, which will be effective for the year ending March 31, 2021.
- Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*, which will be effective for the year ending March 31, 2020.
- Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, which will be effective for the year ending March 31, 2021.
- Statement No. 90, *Majority Equity Interests-an Amendment of GASB Statements No. 14 and 61*, which will be effective for the year ending March 31, 2020.

**CITY OF BATAVIA, NEW YORK**  
**NOTES TO BASIC FINANCIAL STATEMENTS**

---

- Statement No. 91, *Conduit Debt Obligations*, which will be effective for the year ending March 31, 2022.

The City is currently reviewing these statements and plans on adoption, as required.

**NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. LEGAL COMPLIANCE - BUDGETS**

Budgets and Budgetary Accounting – The City follows these procedures in establishing the budgetary data reflected in the financial statements:

- No later than January 15<sup>th</sup>, the Budget Officer/City Manager submits a tentative budget to the City Council for the fiscal year commencing the following April 1<sup>st</sup>. The tentative budget includes proposed expenditures and the proposed means of financing for all funds except Capital Projects and the Fiduciary Funds.
- After public hearings are conducted to obtain taxpayer comments, no later than March 20<sup>th</sup>, the City Council adopts the budget.
- All modifications of the budget must be approved by the City Council, however, the Budget Officer/City Manager is authorized to transfer certain budgeted amounts within departments
- Budgets are prepared for Enterprise Funds to establish the estimated contributions required from other funds and to control expenditures.
- During the fiscal year, the City Council can legally amend the operating budgets and is empowered to implement supplemental appropriations. Budget amendments are required for departmental budgetary control. All budget amendments require City Council approval.

**NOTE 3 - DETAIL NOTES ON ALL ACTIVITIES AND FUNDS**

**A. DEPOSITS AND INVESTMENTS**

The City's investment policies are governed by state statutes. In addition, the City has its own written investment policy. City monies must be deposited in FDIC-insured commercial banks or trust companies located or authorized to do business in New York State. The City Manager is authorized to use interest bearing demand accounts and certificates of deposit. Permissible investments include obligations of the U.S. Treasury and U.S. agencies, repurchase agreements and obligations of the State of New York and its localities.

Collateral is required for demand deposits and certificates of deposits not covered by federal deposit insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the state and its municipalities and school districts and obligations issued by other than New York State rated in one of the three highest rating categories by at least one nationally recognized statistical rating organizations.

The City's aggregate bank balances were fully collateralized at March 31, 2019.

Restricted cash represents cash and cash equivalents where use is limited by legal requirements. These assets represent amounts required by statute to be reserved for various purposes. Restricted cash as of year end includes \$1,178,621 in the Capital Fund from unexpended BAN proceeds, and \$21,605 in the Private Purpose Trust Fund restricted for fire protection and assistance to citizens.

**Investment and Deposit Policy**

The City follows an investment and deposit policy, the overall objective of which is to adequately safeguard the principal amount of funds invested or deposited; conformance with federal, state and other legal requirements; and provide sufficient liquidity of invested funds in order to meet obligations as they become due. Oversight of investment activity is the responsibility of the City Manager.

**Interest Rate Risk**

Interest rate risk is the risk that the fair value of investments will be affected by changing interest rates. The City's investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

**CITY OF BATAVIA, NEW YORK**  
**NOTES TO BASIC FINANCIAL STATEMENTS**

---

Credit Risk

The City's policy is to minimize the risk of loss due to failure of an issuer or other counterparty to an investment to fulfill its obligations. The City's investment policy authorizes the reporting entity to purchase the following types of investments:

- Interest bearing demand accounts.
- Certificates of deposit.
- Obligations of the United States Treasury and United States agencies.
- Obligations of New York State and its localities.

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a failure of a depository financial institution, the reporting entity may not recover its deposits. In accordance with the City's investment and deposit policy, all deposits of the City including interest bearing demand accounts and certificates of deposit, in excess of the amount insured under the provisions of the Federal Deposit Insurance Act (FDIC) shall be secured by a pledge of securities with an aggregate value equal to 100% of the aggregate amount of deposits.

The City's third party custodial financial institution provided the following securities as collateral which are in accordance with the City's investment policy and third party custodial agreement:

- Obligations issued, fully insured or guaranteed as to the payment of principal and interest, by the United States Treasury and United States agencies.
- Obligations issued or fully insured or guaranteed by New York State and its localities.

**B. RECEIVABLES**

Significant revenues accrued by the City at March 31, 2019, include the following:

General Fund:

Franchise fees	\$ 50,807
Miscellaneous	146,919
Total state and federal receivables	<u>\$ 197,726</u>

Arterial Maintenance	\$ 218,540
Miscellaneous	46,798
Total state and federal receivables	<u>\$ 265,338</u>

Capital Fund:

Preventative Maintenance reimbursements	\$ 6,590
Health Schools reimbursements	81,925
Pedestrian Way reimbursements	29,338
Total state and federal receivables	<u>\$ 117,853</u>

Water Fund:

Water rents receivable	\$ 1,135,420
Miscellaneous	18,878
Total receivables	<u>\$ 1,154,298</u>

Total state and federal receivables - CDBG grant	<u>\$ 6,200</u>
--	-----------------

Sewer Fund:

Total receivables - Sewer rents receivable	<u>\$ 877,286</u>
--	-------------------

**CITY OF BATAVIA, NEW YORK**  
**NOTES TO BASIC FINANCIAL STATEMENTS**

Due from other governments represents amounts due primarily from the County, and other governmental entities. Amounts accrued at March 31, 2019, consist of:

General Fund:

NYS sales tax	\$	1,408,710
Fines and forfeitures		9,542
Finance Bureau travel and training		143
Total governmental activities due from other governments	\$	<u>1,418,395</u>

Water Fund:

City/County water agreement	\$	<u>545,030</u>
-----------------------------	----	----------------

**C. CAPITAL ASSETS**

Capital asset activity for the year ended March 31, 2019, was as follows:

	Balance 04/01/18	Increases	Decreases	Balance 03/31/19
<b>Governmental Activities:</b>				
Capital assets not being depreciated:				
Land	\$ 1,134,588	\$ -	\$ -	\$ 1,134,588
Construction work in progress	<u>2,615,117</u>	<u>2,989,192</u>	<u>10,584</u>	<u>5,593,725</u>
Total capital assets not being depreciated	<u>3,749,705</u>	<u>2,989,192</u>	<u>10,584</u>	<u>6,728,313</u>
Capital assets being depreciated:				
Buildings and building improvements	10,105,905	10,584	-	10,116,489
Machinery, equipment & vehicles	7,076,856	551,121	200,794	7,427,183
Infrastructure	<u>14,410,283</u>	<u>-</u>	<u>-</u>	<u>14,410,283</u>
Total capital assets, being depreciated	<u>31,593,044</u>	<u>561,705</u>	<u>200,794</u>	<u>31,953,955</u>
Less accumulated depreciation:				
Buildings and building improvements	4,053,721	254,261	-	4,307,982
Machinery, equipment & vehicles	3,538,914	409,604	180,804	3,767,714
Infrastructure	<u>4,709,700</u>	<u>754,794</u>	<u>-</u>	<u>5,464,494</u>
Total accumulated depreciation	<u>12,302,335</u>	<u>1,418,659</u>	<u>180,804</u>	<u>13,540,190</u>
Total capital assets being depreciated, net	<u>19,290,709</u>	<u>(856,954)</u>	<u>19,990</u>	<u>18,413,765</u>
Governmental activities capital assets, net	<u>\$ 23,040,414</u>	<u>\$ 2,132,238</u>	<u>\$ 30,574</u>	<u>\$ 25,142,078</u>

Depreciation expense was charged to the functions/programs of the governmental activities as follows:

General government	\$	174,442
Public safety		218,510
Transportation		861,878
Culture and recreation		154,885
Home and community service		8,944
Total depreciation expense - governmental activities	\$	<u>1,418,659</u>

**CITY OF BATAVIA, NEW YORK**  
**NOTES TO BASIC FINANCIAL STATEMENTS**

	Balance 04/01/18	Increases	Decreases	Balance 03/31/19
<b>Business-Type Activities:</b>				
Capital assets not being depreciated:				
Land	\$ 41,500	\$ -	\$ -	\$ 41,500
Construction work in progress	2,275,797	198,243	2,302,980	171,060
Total capital assets not being depreciated	2,317,297	198,243	2,302,980	212,560
Capital assets being depreciated:				
Buildings and building improvements	41,799,100	314,337	-	42,113,437
Machinery, equipment & vehicles	1,635,829	296,230	-	1,932,059
Infrastructure	19,189,215	1,721,582	-	20,910,797
Total capital assets, being depreciated	62,624,144	2,332,149	-	64,956,293
Less accumulated depreciation:				
Buildings and building improvements	28,305,147	1,062,450	-	29,367,597
Machinery, equipment & vehicles	1,002,196	112,136	-	1,114,332
Infrastructure	7,586,321	501,250	-	8,087,571
Total accumulated depreciation	36,893,664	1,675,836	-	38,569,500
Total capital assets being depreciated, net	25,730,480	656,313	-	26,386,793
Business-type capital assets, net	\$ 28,047,777	\$ 854,556	\$ 2,302,980	\$ 26,599,353

Depreciation expense was charged to the functions/programs of the business-type activities as follows:

Home and community services	\$ 1,675,836
-----------------------------	--------------

**D. PENSION OBLIGATIONS**

***New York State and Local Employees' Retirement System (ERS) and the New York State and Local Police and Fire Retirement System (PFRS) (the Systems)***

Plan Description

The City participates in the New York State and Local Employees' Retirement System (ERS) and the Local Police and Fire Retirement System (PFRS), which are collectively referred to as New York State and Local Retirement System (the System). This is a cost-sharing multiple-employer defined benefit retirement system. The net position of the System is held in the New York State Common Retirement Fund (the Fund), which was established to hold all net assets and record changes in fiduciary net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. System benefits are established under the provisions of the New York State Retirement and Social Security Law (NYSRSSL). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The City also participates in the Public Employees' Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The System is included in the State's financial report as a pension trust fund. That report, including information with regard to benefit's provided, may be found at [www.osc.state.ny.us/retire/publications/index.php](http://www.osc.state.ny.us/retire/publications/index.php) or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

**CITY OF BATAVIA, NEW YORK**  
**NOTES TO BASIC FINANCIAL STATEMENTS**

Funding Policy

The System is noncontributory, except for employees who joined the ERS after July 27, 1976 who contribute three percent (3%) of their salary for the first ten years of membership, and employees who joined on or after January 10, 2010 (ERS) or January 9, 2010 (PFRS), who generally contribute three percent (3%) to three and one half percent (3.5%) of their salary for their entire length of service. In addition, employee contribution rates under ERS Tier VI vary based on a sliding salary scale. The Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the System's fiscal year ending March 31<sup>st</sup>.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At March 31, 2019, the City reported the following liability for its proportionate share of the net pension liability to the System. The net pension liability was measured as of March 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of April 1, 2017. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. This information was provided by the ERS and PFRS System in reports provided to the City.

	<u>ERS</u>	<u>PFRS</u>
Measurement date	03/31/2018	03/31/2018
Net pension liability	\$ 480,079	\$ 1,546,377
City's portion of the Plan's total net pension liability	0.0148749 %	0.1529920 %
Change in proportion since the prior measurement date	0.0000011	0.0000968

For the year ended March 31, 2019, the City recognized pension expense of \$520,094 for ERS and \$1,364,553 for PFRS, respectively. At March 31, 2019, the City's reported deferred outflows of resources and deferred inflows of resources related to pensions arose from the following sources:

	<u>Deferred Outflows of Resources</u>		<u>Deferred Inflows of Resources</u>	
	<u>ERS</u>	<u>PFRS</u>	<u>ERS</u>	<u>PFRS</u>
Differences between expected and actual experience	\$ 171,229	\$ 636,473	\$ 141,497	\$ 410,908
Change of assumptions	318,332	1,171,660	-	-
Net difference between projected and actual earnings on pension plan investments	697,277	1,251,611	1,376,354	2,520,676
Changes in proportion and differences between the City's contributions and proportionate share of contributions	18,498	68,686	169,981	487,724
City's contributions subsequent to the measurement date	<u>522,141</u>	<u>1,091,470</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 1,727,477</u>	<u>\$ 4,219,900</u>	<u>\$ 1,687,832</u>	<u>\$ 3,419,308</u>

**CITY OF BATAVIA, NEW YORK**  
**NOTES TO BASIC FINANCIAL STATEMENTS**

The City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended March 31, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	ERS	PFRS
<u>Year ended March 31:</u>		
2019	\$ 42,473	\$ 204,001
2020	31,952	168,655
2021	(383,502)	(425,847)
2022	(173,420)	(269,613)
2023	-	31,926
Thereafter	-	-

Actuarial Assumptions

The total pension liability as of the March 31, 2018, was determined by using an actuarial valuation as of April 1, 2017, with update procedures used to roll forward the total pension liability to March 31, 2019. The actuarial valuation used the following actuarial assumptions:

	ERS	PFRS
Inflation	2.5 %	2.5 %
Salary increases	3.8	4.5
Investment rate of return (net of investment expense, including inflation)	7.0	7.0
Cost of living adjustments	1.3	1.3

Annuitant mortality rates are based on April 1, 2010 – March 31, 2015 System's experience with adjustments for mortality improvements based on the Society of Actuaries' Scale MP-2014. The actuarial assumptions used in the April 1, 2016 valuation are based on the results of an actuarial experience study for the period April 1, 2010 – March 31, 2015.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected return, net of investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of March 31, 2018, for both ERS and PFRS are summarized below:

	Target Allocation	Long-Term Expected Real Rate of Return
<u>Asset Class:</u>		
Domestic equity	36.0 %	4.6 %
International equity	14.0	6.4
Private equity	10.0	7.5
Real estate	10.0	5.6
Absolute return strategies	2.0	3.8
Opportunistic funds/portfolio	3.0	5.7
Real assets	3.0	5.3
Bonds and mortgages	17.0	1.3
Cash	1.0	-0.3
Inflation-indexed bonds	4.0	1.3
Total	100.0 %	

**CITY OF BATAVIA, NEW YORK**  
**NOTES TO BASIC FINANCIAL STATEMENTS**

Discount Rate

The discount rate used to calculate the total pension liability was 7.0%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based upon the assumptions, the System'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.

Sensitivity of the Proportionate Share of the Net Pension Liability to the Discount Rate Assumption

The following tables present the City's proportionate share of the net pension liability calculated using the discount rate of 7.0%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.0%) or 1-percentage point higher (8.0%) than the current rate:

	1% Decrease (6.0%)	Current Assumption (7.0%)	1% Increase (8.0%)
<u>ERS</u>			
City's proportionate share of the net pension liability/(asset)	\$ 3,632,406	\$ 480,079	\$ (2,186,664)
<u>PFRS</u>			
City's proportionate share of the net pension liability/(asset)	\$ 7,574,572	\$ 1,546,377	\$ (3,509,865)

Pension Plan Fiduciary Net Position

The components of the current-year net pension liability of the employers as of March 31, 2018, were as follows:

	(Dollars in Thousands)		
	ERS	PFRS	Total
Employers' total pension liability	\$ 183,400,590	\$ 32,914,423	\$ 216,315,013
Plan net position	180,173,145	31,903,666	212,076,811
Employers' net pension liability	\$ 3,227,445	\$ 1,010,757	\$ 4,238,202
Ratio of plan net position to the employers' total pension liability	98.2%	96.9%	98.0%

**E. OTHER POSTEMPLOYMENT BENEFIT LIABILITY (OPEB)**

***City of Batavia Retiree Medical Plan (the Plan)***

Plan Description

The City of Batavia (the City), administers the Plan as a single-employer defined benefit OPEB plan. The Plan provides for continuation of health insurance benefits for certain retirees and their spouses and can be amended by action of the City subject to applicable collective bargaining and employment agreements. The Plan does not issue a standalone financial report since there are no assets legally segregated for the sole purpose of paying benefits under the Plan.

The City provides postemployment health insurance to its retirees in accordance with provisions of the employment contracts negotiated between the City and the Batavia Firefighters Association, I.A.F.F Local 896, the Civil Service Employees Association, CSEA Local 819, the American Federation of State, City and Municipal Employees, AFSCME Local 3632 and the Batavia Police Benevolent Association. Substantially all employees in these bargaining units may become eligible for these benefits if they meet the retirement eligibility requirements under their contracts while working for the City.



**CITY OF BATAVIA, NEW YORK**  
**NOTES TO BASIC FINANCIAL STATEMENTS**

---

Funding Policy

The obligations of the Plan members, employers and other entities are established by action of the City pursuant to applicable collective bargaining and employment agreements. The required contribution rates of the employer and the members vary depending on the applicable agreement. The employer currently contributes enough money to the Plan to satisfy current obligations on a pay-as-you-go basis. The costs of administering the Plan are paid by the City.

At March 31, 2019, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	32
Inactive employees entitled to but not receiving benefit payments	9
Active employees	85
Total	<u>126</u>

Actuarial Assumptions and Other Inputs

The total OPEB liability in the April 1, 2018, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.25 %
Rate of compensation increase	3.00 %
Discount rate	3.42 %
Initial healthcare cost trend rate	5.00-9.50 %
Ultimate healthcare cost trend rate	3.78 %

The discount rate was based on a 20-year high-quality tax-exempt municipal bond index as of the measurement date.

The mortality tables were updated to the RPH-2014 SOA Mortality tables adjusted back to 2006 using MP-2014, and then adjusted for mortality improvements with Scale MP-2017.

Retirement and termination assumptions reflect general published tables based on large-scale retirement plan population data. The Plan's estimated termination and retirement experience is then analyzed, and the base table is adjusted accordingly as necessary. No formal experience study is prepared for this plan.

Changes in the Total OPEB Liability:

	Total OPEB Liability
Balance at April 1, 2018	\$ 6,528,890
Changes for the year:	
Service cost	123,841
Interest	231,012
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes in assumptions or other inputs	64,470
Benefit payments	<u>(507,022)</u>
Net changes	<u>(87,699)</u>
Balance at March 31, 2019	\$ <u>6,441,191</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 3.61 percent on April 1, 2018, to 3.42 percent on March 31, 2019.

**CITY OF BATAVIA, NEW YORK**  
**NOTES TO BASIC FINANCIAL STATEMENTS**

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.42%) or 1 percentage point higher (4.42%) than the current discount rate.

	1% Decrease (2.42%)	Discount Rate (3.42%)	1% Increase (4.42%)
Total OPEB liability	\$ <u>6,808,179</u>	\$ <u>6,441,191</u>	\$ <u>6,092,487</u>

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (4.00%) or 1 percentage point higher (6.00%), using the post-65 medical trend rates, than the current healthcare cost trend rate:

	1% Decrease (4.00% decreasing to 2.78%)	Healthcare Cost Trend Rates (5.00% decreasing to 3.78%)	1% Increase (6.00% decreasing to 4.78%)
Total OPEB liability	\$ <u>6,005,973</u>	\$ <u>6,441,191</u>	\$ <u>6,928,314</u>

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended March 31, 2019, the City recognized OPEB expense of \$339,186. At March 31, 2019, the City reported deferred outflows of resources and deferred inflow of resources related to OPEB from the following sources:

	Deferred Outflows of Resources
Changes of assumptions or other inputs	\$ <u>57,218</u>

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

Year ended March 31:

2020	\$ (7,252)
2021	(7,252)
2022	(7,252)
2023	(7,252)
2024	(7,252)
Thereafter	(20,958)

**CITY OF BATAVIA, NEW YORK**  
**NOTES TO BASIC FINANCIAL STATEMENTS**

---

**F. COMMITMENTS**

Encumbrances

Encumbrances are commitments related to unperformed (executory) contracts for goods or services (i.e., purchase orders, contracts, and commitments). Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations and encumbrances lapse at year end, valid outstanding encumbrances (those for which performance under the executory contract is expended in the next year) are re-appropriated and become part of the subsequent year's budget pursuant to state regulations.

The City considers encumbrances to be significant for amounts that are encumbered in excess of \$50,000. As of March 31, 2019, there were no individual significant encumbrances. The City recorded encumbrances of \$67,110 in the General Fund.

Construction Commitments

The City has ongoing construction capital projects related to various infrastructure throughout the City. For the fiscal year ended March 31, 2019, the City had the following construction commitments outstanding:

<u>Vendor</u>	<u>Project</u>	<u>Remaining Balance</u>
GHD	Fire & BOM Facility Plan	\$ 198,700
Erdman Anthony	TIP - Preventative Maintenance	24,016
D & H Construction	TIP - Preventative Maintenance	186,069
GHD	Water System - Union	177,200
Labella	TAP Pedestrian Way	43,855
Architecture Unlimited	Mall Roof	6,517
Erdman Anthony	TAP - Healthy Schools	2,227
Total \$		<u><u>638,584</u></u>

City Water Agreement

During the year ended March 31, 2008, the City entered into an agreement with the County whereby the City has assumed responsibility for the production, treatment, operation, maintenance and/or supply of municipal water. Under the terms of the agreement, the County has agreed to lease the City's water supply and treatment facilities for a term not to exceed 10 years. The agreement also calls for the transfer of title to, access to, and/or rights to the City for certain machinery and equipment used in connection with the water supply and treatment facility. In addition, the County entered into an operational agreement with the City to operate and maintain the facilities.

In exchange, the City has agreed to purchase water from the County on a wholesale basis. The City rate for city water customers in effect for the fiscal year ended March 31, 2019 was \$5.30 per 1,000 gallons. The rate was increased to \$5.49 per 1,000 gallons effective for water usage subsequent to March 31, 2019.

**G. RISK MANAGEMENT**

**RISK FINANCING AND RELATED INSURANCE**

Health Insurance Plan

The City independently self-insures costs related to an employee health insurance plan (the Plan). The Plan's objectives are to formulate, develop, and administer a health insurance program to obtain lower costs for coverage, and to develop a comprehensive loss control program. The Plan uses reinsurance agreements to reduce exposure to large losses on insured events. Reinsurance permits recovery of a portion of the losses from the reinsurer, although it does not discharge the liability of the Plan as a direct insurer of the risks reinsured.

**CITY OF BATAVIA, NEW YORK**  
**NOTES TO BASIC FINANCIAL STATEMENTS**

Third party insurance is maintained by the City with a stop loss for the health insurance Plan in the amount of \$150,000 per event for the plan's fiscal year.

Since actual claim costs depend on complex factors, the process of computing claim liabilities does not necessarily result in an exact amount. Such liabilities are based on the ultimate cost of claims (including future claim adjustment expenses) that have been incurred but not charged or credited to expense in the periods in which they are made. As of March 31, 2019, the City recorded a liability in the amount of \$122,611 within the self-insurance fund for incurred but not reported insured events.

Workers' Compensation Plan

The City is independently self-insured for costs related to an employee workers' compensation plan (the Plan). The self-insured Plan's objectives are to formulate, develop, and administer a workers' compensation program to obtain lower costs for coverage, and to develop a comprehensive loss control program.

Since actual claim costs depend on complex factors, the process of computing claim liabilities does not necessarily result in an exact amount. Such liabilities are based on the ultimate cost of claims (including future claim adjustment expenses) that have been incurred but not charged or credited to expense in the periods in which they are made. As of March 31, 2019, the City has recorded a liability for future costs associated with open claims of \$60,158. The City has not consulted an actuary and has not estimated a liability for incurred but not reported claim liabilities. Claim activity consists of open claims being revalued and payment on claims.

Changes in the reported liability since March 31, 2017, resulted from the following:

	Health Insurance	Workers' Compensation	Total
Estimated claims March 31, 2017	\$ 136,958	\$ 287,344	\$ 424,302
Claims incurred 2017-18	1,302,841	51,827	1,354,668
Payments 2017-18	(1,349,712)	(97,551)	(1,447,263)
Estimated claims March 31, 2018	\$ 90,087	\$ 241,620	\$ 331,707
Claims incurred 2018-19	1,701,826	45,471	1,747,297
Payments 2018-19	(1,669,302)	(226,933)	(1,896,235)
Estimated claims March 31, 2019	\$ 122,611	\$ 60,158	\$ 182,769

**H. SHORT-TERM DEBT**

The purpose of all of the short-time borrowings was to provide resources for various capital construction or improvement projects. The form of financing used in all cases was bond anticipation notes (BAN). The amounts issued for governmental activities are accounted for in the Capital Projects Fund.

State law requires that bond anticipation notes issued for capital purposes be converted to long-term obligations within five years after the original issue date, if not completely repaid. However, bond anticipation notes issued for assessable improvement projects may be renewed for periods equivalent to the maximum life of the permanent financing, provided that stipulated annual reductions of principal are made.

The schedule below details the changes in short-term capital borrowings during the year ended March 31, 2019:

	Original Issue Date	Interest rate	Balance 04/01/18	Issued	Redemptions	Balance 3/31/2019
<b>Governmental Activities</b>						
Street improvements	2018	2.50%	\$ -	\$ 2,550,000	\$ 1,800,000	\$ 750,000
Sidewalk improvements	2018	2.50%	-	800,000	700,000	100,000
Software system	2018	2.50%	-	750,000	-	750,000
Total governmental activities			\$ -	\$ 4,100,000	\$ 2,500,000	\$ 1,600,000

**CITY OF BATAVIA, NEW YORK**  
**NOTES TO BASIC FINANCIAL STATEMENTS**

**I. LONG-TERM LIABILITIES**

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 are direct obligations and pledge the full faith and credit of the City. General obligation bonds outstanding at March 31, 2019, are as follows:

<u>Issue Description</u>	<u>Original Issue Date</u>	<u>Original Borrowing</u>	<u>Interest Rates to Maturity</u>	<u>Final Maturity</u>	<u>Outstanding Balance 03/31/2019</u>
<b>Governmental Activities</b>					
<u>General Obligation Bonds</u>					
Dwyer and BID - Refunding	2011	\$ 1,200,000	2.0-3.125%	2020	\$ 240,000
City Centre - Refunding	2014	2,856,000	2.0-3.750%	2033	2,340,000
Various Projects	2005	1,795,000	4.0-5.000%	2021	220,000
CAT Loader Acquisition	2018	195,500	1.10-4.15%	2025	195,500
Total governmental activities serial bonds					<u>\$ 2,995,500</u>
<b>Business-Type Activities</b>					
<u>Sewer Obligation Bonds</u>					
State clean water and drinking water	1999	2,165,590	3.5-5.430%	2019	140,000
City Centre - Refunding	2014	357,000	2.0-3.750%	2033	292,500
Various Projects	2017	3,439,600	2.5-3.000%	2037	3,270,000
Total sewer fund serial bonds					<u>\$ 3,702,500</u>
<u>Water Obligation Bonds</u>					
City Centre - Refunding	2014	357,000	2.0-3.750%	2033	292,500
Various Projects	2017	4,376,000	2.5-3.000%	2037	895,000
Total water fund serial bonds					<u>\$ 1,187,500</u>
Total business-type activities serial bonds					<u>\$ 4,890,000</u>
Total primary government					<u>\$ 7,885,500</u>

Legal Debt Margin

The City is subject to a debt limit that is 7.0 percent of the five-year average of the full valuation of taxable real property. At March 31, 2019, that amount was \$39,276,501. As of March 31, 2019, the total outstanding debt applicable to the limit was \$8,748,653, which is 22.27% of the total debt limit.

**CITY OF BATAVIA, NEW YORK**  
**NOTES TO BASIC FINANCIAL STATEMENTS**

Changes in Long-Term Liabilities

Changes in the government's long-term liabilities for the year ended March 31, 2019, are as follows:

	Balance 04/01/2018	Additions	Reductions	Balance 03/31/2019	Due Within One Year
<b>Governmental Activities</b>					
Bonds Payable:					
General obligation bonds	\$ 3,163,000	\$ 195,500	\$ 363,000	\$ 2,995,500	\$ 382,500
Plus unamortized premium	52,393	-	3,496	48,897	3,497
Other liabilities:					
Due to other governments - Landfill	279,823	-	12,968	266,855	19,061
Installment purchase debt	460,134	-	107,102	353,032	107,986
Compensated absences	2,089,192	937,206	954,760	2,071,638	207,164
Net other postemployment benefit obligation	6,242,501	381,113	484,489	6,139,125	-
Net pension liability*	3,802,716	-	1,968,292	1,834,424	-
Total governmental activities	<u>\$ 16,089,759</u>	<u>\$ 1,513,819</u>	<u>\$ 3,894,107</u>	<u>\$ 13,709,471</u>	<u>\$ 720,208</u>
<b>Business-Type Activities</b>					
Bonds Payable:					
General obligation bonds	\$ 5,268,000	\$ -	\$ 378,000	\$ 4,890,000	\$ 408,000
Plus unamortized premium	13,098	-	874	12,224	874
Other liabilities:					
Installment purchase debt	155,021	-	57,400	97,621	42,738
Compensated absences	348,984	129,364	121,354	356,994	35,699
Net other postemployment benefit obligation	286,389	38,210	22,533	302,066	-
Net pension liability*	554,842	-	362,810	192,032	-
Total business-type activities	<u>\$ 6,626,334</u>	<u>\$ 167,574</u>	<u>\$ 942,971</u>	<u>\$ 5,850,937</u>	<u>\$ 487,311</u>
Total primary government	<u>\$ 22,716,093</u>	<u>\$ 1,681,393</u>	<u>\$ 4,837,078</u>	<u>\$ 19,560,408</u>	<u>\$ 1,207,519</u>

\* Reductions to net pension liability are shown net of additions

April 1, 2018 OPEB liability has been restated to reflect the implementation of GASB 75 (see note 5).

As of March 31, 2019, there was \$6,009,000 in authorized but unissued bonds. These bonds were authorized for Union St. Water Project (\$1,358,000), Street Improvements (\$1,710,000) South Main St. & Brooklyn Ave. Water Project (\$933,000), Pedestrian Walkway Project (\$1,258,000) and purchase and installation of management systems computer software (\$750,000).

**CITY OF BATAVIA, NEW YORK**  
**NOTES TO BASIC FINANCIAL STATEMENTS**

**Governmental Activities**

Year ending March 31,	Bonds			Installment Purchase Debt	
	Principal	Interest	Premium	Principal	Interest
2020	\$ 382,500	\$ 98,860	\$ 3,497	\$ 107,986	\$ 6,775
2021	383,000	84,631	3,497	108,923	5,003
2022	170,000	73,956	3,497	108,007	2,582
2023	174,000	69,854	3,497	28,116	471
2024	174,000	65,107	17,483	-	-
2025-2029	848,000	245,218	16,221	-	-
2030-2034	792,000	92,700	1,205	-	-
2035-2036	72,000	4,050	-	-	-
Total	<u>\$ 2,995,500</u>	<u>\$ 734,376</u>	<u>\$ 48,897</u>	<u>\$ 353,032</u>	<u>\$ 14,831</u>

Year ending March 31,	Total Governmental Activities	
	Principal	Interest
2020	\$ 490,486	\$ 105,635
2021	491,923	89,634
2022	278,007	76,538
2023	202,116	70,325
2024	174,000	65,107
2025-2029	848,000	245,218
2030-2034	792,000	92,700
2035-2036	72,000	4,050
Total	<u>\$ 3,348,532</u>	<u>\$ 749,207</u>

**Business-Type Activities**

Year ending March 31,	Bonds			Installment Purchase Debt	
	Principal	Interest	Premium	Principal	Interest
2020	\$ 408,000	\$ 125,460	\$ 874	\$ 42,738	\$ 1,652
2021	267,000	118,416	874	27,696	1,015
2022	280,000	112,441	874	27,187	503
2023	286,000	106,085	874	-	-
2024	291,000	99,502	4,371	-	-
2025-2029	1,537,000	389,325	4,055	-	-
2030-2034	1,453,000	163,576	302	-	-
2035-2038	368,000	27,712	-	-	-
Total	<u>\$ 4,890,000</u>	<u>\$ 1,142,517</u>	<u>\$ 12,224</u>	<u>\$ 97,621</u>	<u>\$ 3,170</u>

Year ending March 31,	Total Business-Type Activities		Total Primary Government Debt	
	Principal	Interest	Principal	Interest
2020	\$ 450,738	\$ 127,112	\$ 941,224	\$ 232,747
2021	294,696	119,431	786,619	209,065
2022	307,187	112,944	585,194	189,482
2023	286,000	106,085	488,116	176,410
2024	291,000	99,502	465,000	164,609
2025-2029	1,537,000	389,325	2,385,000	634,543
2030-2034	1,453,000	163,576	2,245,000	256,276
2035-2038	368,000	27,712	440,000	31,762
Total	<u>\$ 4,987,621</u>	<u>\$ 1,145,687</u>	<u>\$ 8,336,153</u>	<u>\$ 1,894,894</u>

**CITY OF BATAVIA, NEW YORK**  
**NOTES TO BASIC FINANCIAL STATEMENTS**

---

Compensated Absences

As explained in Note 1, the City records the value of governmental and enterprise type compensated absences. The annual budgets of the respective funds of which the employees' payroll is recorded provide funding for these benefits as they become payable throughout the year. Payments by the City to liquidate compensated absences are typically from the funds in which the individuals are employed. These operating funds include General, Sewer, Water, and City Centre funds. Since the payment of compensated absences is dependent upon many factors, the timing of future payments is not readily determinable. While the payments of compensated absences are dependent upon many factors, the City has estimated that \$207,164 and \$35,699 for the governmental activities and business-type activities will be due within one year, respectively.

OPEB Obligation

As explained in Note 3.E., the City records the value of other postemployment benefits. Payments by the City to liquidate other postemployment benefits are typically from the funds in which the individuals are employed. These operating funds include General, Sewer and Water Funds.

Net Pension Liability

The City reported a liability of \$1,834,424 and \$192,032 for the governmental activities and business-type activities, respectively for the year ended March 31, 2019, for its proportionate share of the net pension liability for the Police and Fire Retirement System and the Employee Retirement System. Refer to Note 3.D. for additional information related to the City's net pension liability. Payments by the City for retirement contributions are typically from funds in which the individuals are employed. These operating funds include General, Sewer and Water Funds.

**J. NET POSITION AND FUND BALANCE**

**NET POSITION**

The government-wide financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted and unrestricted.

Net investment in capital assets – This category groups all capital assets, including infrastructure, into one component of net assets. Accumulated depreciation and debt used to fund capital asset purchases reduce the balance in this category. The following presents a reconciliation of capital assets (net of accumulated depreciation), to net investment in capital assets:

	Governmental Activities	Business-type Activities
Capital assets, net of accumulated depreciation	\$ 25,142,078	\$ 26,599,353
Bonds payable used for capital assets	(2,995,500)	(4,890,000)
Unamortized debt premium	(48,897)	(12,224)
Installment purchase debt	(353,032)	(97,621)
Bond anticipation notes	(1,600,000)	-
Unspent debt proceeds	1,178,621	-
Net investment in capital assets	<u>\$ 21,323,270</u>	<u>\$ 21,599,508</u>

Restricted net position – This category presents external restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation. Restricted net position is consistent with restricted fund balances at March 31, 2019.

Unrestricted net position – This category represents net position of the City not restricted for any project or other purpose.



**FUND BALANCE**

In the fund financial statements there are five classifications of fund balance:

Restricted – represents amounts with constraints placed on the use of resources and are either externally imposed by creditors, grantors, contributors or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation.

- *Restricted for retirement contribution* – represents funds set aside for any upcoming retirement contributions required of the City.
- *Restricted for employee benefit accrued liability* – represents funds set aside for compensated absences of City employees.
- *Restricted for insurance* – represents funds set aside for medical, workers' compensation and liability claims.
- *Restricted for capital projects* – represents funds to be used for construction, reconstruction and/or acquisition of capital improvements and equipment.
- *Restricted for repairs* – represents funds set aside to be used for repairs of Dwyer Stadium.
- *Restricted for Special Grant and Small Cities Funds* – represents funds that had restrictions externally imposed by the funding agency that provided funding for the loan programs administered by the City.
- *Restricted for workers' compensation* – represents funds set aside for workers' compensation of City employees.

Committed – represents amounts that are subject to a purpose constraint imposed by a formal action of the City's highest level of decision-making authority.

Assigned – represents amounts that are constrained by the City's intent to be used for the specified purposes noted on next page, but are neither restricted nor committed.

Nonspendable – represents amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. As of March 31, 2019, the City had no nonspendable fund balances.

Unassigned – represents all amounts not included in other spendable classifications. The General Fund is the only fund that would report a positive amount in unassigned fund balance. Residual deficit amounts of other governmental funds would also be reported as unassigned.

**CITY OF BATAVIA, NEW YORK**  
**NOTES TO BASIC FINANCIAL STATEMENTS**

**DETAIL OF FUND BALANCES**

As of March 31, 2019, fund balances were classified as follows:

	General	Capital Projects	Special Revenue Fund Self Insurance	Nonmajor Funds	Total
<u>Restricted:</u>					
Retirement contribution	\$ 329,777	\$ -	\$ -	\$ -	\$ 329,777
Employee benefit accrued liability	5,240	-	-	-	5,240
Insurance	745,334	-	-	-	745,334
Capital projects	3,434,868	-	-	-	3,434,868
Repairs	115,967	-	-	-	115,967
Small cities	-	-	-	85,751	85,751
Special grant	-	-	-	435,486	435,486
Workers' compensation	-	-	621,346	-	621,346
<u>Committed:</u>					
Master plan	100,000	-	-	-	100,000
Vibrant Batavia	27,211	-	-	-	27,211
Habitat architect plans	17,400	-	-	-	17,400
Ellicott trail project	170,839	-	-	-	170,839
Creek Park	15,000	-	-	-	15,000
<u>Assigned:</u>					
Encumbrances:					
General government	49,302	-	-	-	49,302
Public safety	5,533	-	-	-	5,533
Transportation	2,475	-	-	-	2,475
Culture and recreation	6,600	-	-	-	6,600
Home and community	3,200	-	-	-	3,200
Subsequent years' expenditures	276,389	-	-	-	276,389
DPW equipment	220,000	-	-	-	220,000
Sidewalks	50,000	-	-	-	50,000
Administrative services equipment and software	300,000	-	-	-	300,000
Police	20,000	-	-	-	20,000
Fire	35,000	-	-	-	35,000
Facilities	175,000	-	-	-	175,000
Compensated absences	400,000	-	-	-	400,000
Parking Lot	100,000	-	-	-	100,000
Self insurance	-	-	729,116	-	729,116
Mall maintenance	-	-	-	22,399	22,399
Capital projects	-	59,020	-	-	59,020
<u>Unassigned:</u>	-	-	-	-	-
General fund	1,981,016	-	-	-	1,981,016
Total	\$ 8,586,151	\$ 59,020	\$ 1,350,462	\$ 543,636	\$ 10,539,269

**CITY OF BATAVIA, NEW YORK**  
**NOTES TO BASIC FINANCIAL STATEMENTS**

**K. INTERFUND RECEIVABLES AND PAYABLES**

The composition of interfund balances as of March 31, 2019, is as follows:

***Due from /to other funds:***

Receivable Fund	Payable Fund	Amount
General	Self insurance	\$ 69,721
General	City Centre	79,737
Self insurance	General	79,518
Self insurance	Water	8,656
Self insurance	Sewer	6,944
	Total	<u>\$ 244,576</u>

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

**L. INTERFUND TRANSFERS**

The composition of interfund transfers as of March 31, 2019, is as follows:

***Interfund transfers:***

Transfer out:	Transfer in:		
	General	Self Insurance	Total
General	\$ -	\$ 2,267,286	\$ 2,267,286
Water	175,000	255,100	430,100
Sewer	-	206,120	206,120
City Centre	-	22,903	22,903
Capital	45,510	-	45,510
Total	<u>\$ 220,510</u>	<u>\$ 2,751,409</u>	<u>\$ 2,971,919</u>

During the year, transfers were made per the adopted budget for various purposes.

**M. JOINT VENTURES**

The City participates in various joint ventures with other local municipalities for the purpose of providing intermunicipal services. These activities are excluded from the financial statements of all participating municipalities.

**N. AGENCY FUND**

An agency fund exists for the temporary deposit of funds that are custodial in nature. The following is a summary of changes in assets and liabilities for the year ended March 31, 2019:

	Balance 04/01/2018	Additions	Deductions	Balance 03/31/2019
<b>ASSETS</b>				
Cash and cash equivalents	\$ <u>211,824</u>	\$ <u>21,783</u>	\$ <u>76,466</u>	\$ <u>157,141</u>
<b>LIABILITIES</b>				
Agency liabilities	\$ <u>211,824</u>	\$ <u>21,783</u>	\$ <u>76,466</u>	\$ <u>157,141</u>

**O. CONTINGENCIES**

Grants – In the normal course of operations, the City receives grant funds from various Federal and State agencies. These grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting authority. Any disallowed expenditures resulting from such audits could become a liability of the governmental or enterprise funds. While the amount of any expenditures which may be disallowed cannot be determined at this time, management expects any amounts to be immaterial.

The City is also involved in litigation arising in the ordinary course of its operations. The City believes that its ultimate liability, if any, in connection with these matters will not have a material effect on the City's financial condition or results of operations.

**P. LANDFILL CLOSURE COSTS**

The City has been identified by the United States Environmental Protection Agency (EPA) as a responsible party which can be held liable for a portion of the long-term maintenance and operation of a landfill site in the Town of Batavia.

The cost for the long-term maintenance and operation of the landfill has been estimated to be approximately \$355,807. All parties designated as potentially responsible parties by the EPA participated in a Pilot Allocation Program. As a result of the Pilot Allocation Program, 75% of the long-term operation and maintenance costs have been allocated to the City, or \$266,855. As of March 31, 2019, a liability has been recorded in the Governmental activities funds for future maintenance and operation costs.

**NOTE 4 – TAX ABATEMENTS**

The Genesee County Industrial Economic Development Agency d/b/a Genesee County Economic Development Center (the Agency), created by Chapter 565 of the Laws of 1970 of the State of New York pursuant to Title I of Article 18-A of General Municipal Law of the State of New York (collectively “the Act”), has seventeen real property tax abatement agreements with various businesses in the City under Section 412-a of the New York State Real Property Tax Law and Section 874 of the Act for the purpose of economic development in the City.

Generally, these agreements provide for a 100 percent abatement of real property taxes in exchange for a payment in lieu of taxes (PILOT) based on the requirements noted in said individual agreements. Should the property owner not comply with the policies and laws as set forth in each agreement, the PILOT will discontinue as outlined in each agreement.

As a result of these tax abatement agreements, for the year ended March 31, 2019, the City's total tax revenues were reduced by \$93,805.

Copies of the agreements may be obtained from the City Hall, One Batavia City Centre, Batavia, NY 14020.

**NOTE 5 – RESTATEMENT OF NET POSITION**

For the fiscal year ended March 31, 2019, the City implemented GASB 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. The implementation of Statement No. 75 resulted in the reporting of a deferred postemployment outflow of resources, postemployment liability and deferred postemployment inflow of resources related to the City's single-employer defined benefit other postemployment benefit plan.

**CITY OF BATAVIA, NEW YORK**  
**NOTES TO BASIC FINANCIAL STATEMENTS**

---

	Governmental Activities	Business-Type Activities
Net position, beginning as previously stated	\$ 22,133,726	\$ 37,697,628
GASB Statement No. 75 implementation		
Beginning plan liability under GASB Statement No. 75	(6,242,501)	(286,389)
Beginning plan liability under GASB Statement No. 45	3,433,783	376,957
Net position - beginning of year, as restated	<u>\$ 19,325,008</u>	<u>\$ 37,788,196</u>

**NOTE 6 – SUBSEQUENT EVENTS**

On May 2, 2019, the City issued a BAN in the amount of \$3,675,000. BAN proceeds to be used to fund Union St. Water Project (\$1,014,000), South Main St. & Brooklyn Ave. Water Project (\$887,000), Pedestrian Walkway Project (\$1,024,000) and the reissuance of a BAN for the purchase and installation of management systems computer software (\$750,000).

Management has evaluated subsequent events through August 23, 2019 which is the date the financial statements are available for issuance, and have determined there are no subsequent events, other than the event mentioned above, that require disclosure under generally accepted accounting principles.

## **REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF BATAVIA, NEW YORK**  
**SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY –**  
**EMPLOYEES' AND POLICE AND FIRE RETIREMENT SYSTEMS**  
**LAST FIVE FISCAL YEARS\***

**EMPLOYEES' RETIREMENT SYSTEM**

	Year Ended March 31,				
	2015	2016	2017	2018	2019
Measurement date	March 31, 2014	March 31, 2015	March 31, 2016	March 31, 2017	March 31, 2018
City's proportion of the net pension liability	0.0147147%	0.0147147%	0.0159768%	0.0147624%	0.0148749%
City's proportionate share of the net pension liability	\$ <u>664,938</u>	\$ <u>497,099</u>	\$ <u>2,564,323</u>	\$ <u>1,387,104</u>	\$ <u>480,079</u>
City's covered payroll	\$ 3,302,510	\$ 3,622,026	\$ 3,511,306	\$ 3,586,226	\$ 3,617,540
City's proportionate share of the net pension liability as a percentage of its covered payroll	20.13%	13.72%	73.03%	38.68%	13.27%
Plan fiduciary net position as a percentage of the total pension liability	97.2%	97.9%	90.7%	94.7%	98.2%

**POLICE AND FIRE RETIREMENT SYSTEM**

	Year Ended March 31,				
	2015	2016	2017	2018	2019
Measurement date	March 31, 2014	March 31, 2015	March 31, 2016	March 31, 2017	March 31, 2018
City's proportion of the net pension liability	0.1488400%	0.1488400%	0.1513918%	0.1433166%	0.1529920%
City's proportionate share of the net pension liability	\$ <u>619,635</u>	\$ <u>409,696</u>	\$ <u>4,482,389</u>	\$ <u>2,970,454</u>	\$ <u>1,546,377</u>
City's covered payroll	\$ 4,612,109	\$ 4,182,948	\$ 4,432,386	\$ 4,722,442	\$ 5,009,124
City's proportionate share of the net pension liability as a percentage of its covered payroll	13.43%	9.79%	101.13%	62.90%	30.87%
Plan fiduciary net position as a percentage of the total pension liability	100.7%	111.5%	90.2%	93.5%	96.9%

\*Pension Schedules in the Required Supplemental Information are intended to show information for ten years, additional years' information will be displayed as it becomes available.

**CITY OF BATAVIA, NEW YORK**  
**SCHEDULE OF THE CITY'S PENSION CONTRIBUTIONS –**  
**EMPLOYEES' AND POLICE AND FIRE RETIREMENT SYSTEMS**  
**LAST TEN FISCAL YEARS FOR THE YEAR ENDED MARCH 31, 2019**

<b>EMPLOYEES' RETIREMENT SYSTEM</b>										
	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
Contractually required contribution	**	\$ 362,460	\$ 469,774	\$ 606,689	\$ 692,924	\$ 649,211	\$ 612,804	\$ 520,421	\$ 745,907	\$ 522,141
Contributions in relation to the contractually required contribution	**	\$ 362,460	\$ 469,774	\$ 606,689	\$ 692,924	\$ 649,211	\$ 612,804	\$ 520,421	\$ 745,907	\$ 522,141
Contribution deficiency (excess)	**	-	-	-	-	-	-	-	-	-
City's covered payroll	**	\$ 3,567,469	\$ 3,371,941	\$ 3,495,890	\$ 3,302,510	\$ 3,622,026	\$ 3,511,306	\$ 3,586,226	\$ 3,617,540	\$ 3,745,876
Contributions as a percentage of covered payroll	**	10%	14%	17%	21%	20%	17%	15%	21%	14%
<b>POLICE AND FIRE RETIREMENT SYSTEM</b>										
	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
Contractually required contribution	**	\$ 900,035	\$ 740,124	\$ 1,156,334	\$ 677,447	\$ 1,213,742	\$ 877,335	\$ 1,023,988	\$ 1,532,230	\$ 1,091,470
Contributions in relation to the contractually required contribution	**	\$ 900,035	\$ 740,124	\$ 1,156,334	\$ 677,447	\$ 1,213,742	\$ 877,335	\$ 1,023,988	\$ 1,532,230	\$ 1,091,470
Contribution deficiency (excess)	**	-	-	-	-	-	-	-	-	-
City's covered payroll	**	\$ 4,536,284	\$ 4,804,995	\$ 4,517,179	\$ 4,612,109	\$ 4,182,948	\$ 4,432,386	\$ 4,722,442	\$ 5,009,124	\$ 4,627,699
Contributions as a percentage of covered payroll	**	20%	15%	26%	15%	26%	21%	23%	31%	24%

\*\*Pension Schedules in the Required Supplemental Information are intended to show information for ten years, additional years' information will be displayed as it becomes available.



**CITY OF BATAVIA, NEW YORK**  
**SCHEDULE OF CHANGE IN CITY'S TOTAL OPEB LIABILITY AND RELATED RATIOS**  
**FOR THE YEAR ENDED MARCH 31, 2019\***

---

	<u>2019</u>
<b><u>Total OPEB Liability</u></b>	
Service cost	\$ 123,841
Interest	231,012
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes of assumptions or other inputs	64,470
Benefit payments	<u>(507,022)</u>
<b>Net change in total OPEB liability</b>	(87,699)
<b>Total OPEB liability - beginning</b>	<u>6,528,890</u>
<b>Total OPEB liability - ending</b>	<u><u>\$ 6,441,191</u></u>
<b>Covered-employee payroll</b>	\$ 5,877,545
<b>Total OPEB liability as a percentage of covered-employee payroll</b>	110%

\* This Schedule is intended to show information for ten years. Additional years will be included as they become available.

**CITY OF BATAVIA, NEW YORK**  
**BUDGETARY COMPARISON SCHEDULE FOR THE GENERAL FUND**  
**FOR THE YEAR ENDED MARCH 31, 2019**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance From Final Budget</b>
<b>REVENUES</b>				
Real property taxes	\$ 5,389,947	\$ 5,389,947	\$ 5,268,392	\$ (121,555)
Real property tax items	288,570	288,570	342,984	54,414
Sales and other taxes	6,515,000	6,515,000	7,122,299	607,299
Departmental income	212,716	231,716	260,326	28,610
Use of money and property	73,825	73,825	80,205	6,380
Licenses and permits	70,550	70,550	80,156	9,606
Fines and forfeitures	155,500	155,500	110,115	(45,385)
Sale of property and compensation for loss	1,900	7,620	105,426	97,806
Miscellaneous local sources	539,640	548,940	578,900	29,960
Federal and state sources	<u>2,621,797</u>	<u>3,095,528</u>	<u>3,075,323</u>	<u>(20,205)</u>
Total revenues	<u>15,869,445</u>	<u>16,377,196</u>	<u>17,024,126</u>	<u>646,930</u>
<b>EXPENDITURES</b>				
Current:				
General government	2,126,949	2,186,886	1,781,519	405,367
Public safety	7,719,220	8,265,577	8,073,643	191,934
Health	18,920	18,920	17,875	1,045
Transportation	2,460,510	2,486,641	2,285,205	201,436
Economic assistance	130,000	251,205	154,705	96,500
Culture and recreation	864,655	895,467	744,143	151,324
Home and community services	298,850	357,237	262,111	95,126
Refuse and recycling	64,630	78,114	74,914	3,200
Debt service:				
Principal	499,102	499,102	470,102	29,000
Interest	<u>173,273</u>	<u>173,273</u>	<u>162,697</u>	<u>10,576</u>
Total expenditures	<u>14,356,109</u>	<u>15,212,422</u>	<u>14,026,914</u>	<u>1,185,508</u>
Excess (deficit) of revenues over expenditures	1,513,336	1,164,774	2,997,212	1,832,438
<b>OTHER FINANCING SOURCES (USES)</b>				
Interfund transfers in	175,000	180,000	220,510	40,510
Interfund transfers out	<u>(2,217,286)</u>	<u>(2,217,286)</u>	<u>(2,267,286)</u>	<u>(50,000)</u>
Total other financing sources (uses)	<u>(2,042,286)</u>	<u>(2,037,286)</u>	<u>(2,046,776)</u>	<u>(9,490)</u>
Net change in fund balance *	(528,950)	(872,512)	950,436	1,822,948
Fund balance - beginning of year	<u>7,388,913</u>	<u>7,388,913</u>	<u>7,388,913</u>	<u>-</u>
Fund balance - end of year	<u>\$ 6,859,963</u>	<u>\$ 6,516,401</u>	<u>\$ 8,339,349</u>	<u>\$ 1,822,948</u>

\* The net change in fund balance is included in the budget as an appropriation (i.e., spenddown) of fund balance and re-appropriation of prior year encumbrances.

**CITY OF BATAVIA, NEW YORK**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**FOR THE YEAR ENDED MARCH 31, 2019**

---

**NOTE 1 - BUDGETARY BASIS OF ACCOUNTING**

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for the General Fund and the special revenue funds (Self Insurance Fund, a nonmajor fund). The budgetary schedule for the general fund does not include the business improvement district fund (BID) which does not have a legally adopted budget. The Capital Projects Fund is appropriated on a project-length basis. Budgetary comparison schedules are presented for the General Fund and for each major special revenue funds, however, budgetary information for the nonmajor funds is not considered required supplementary information and, therefore, is not presented. The Capital Projects Fund is appropriated on a project-length basis and does not have appropriated budgets since other means control the use of these resources (e.g., grant awards and endowment requirements), which sometimes span a period of more than one fiscal year. The Water and Sewer Enterprise Funds have a budget that is utilized for cost control purposes.

The appropriated budget is prepared by fund, function, and department. The City's department heads may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the city council or, in certain limited circumstances the City Manager. The legal level of budgetary control (e.g., the level at which expenditures may not legally exceed appropriations) is the department level.

Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods or services (i.e., purchase orders, contracts, and commitments). Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations and encumbrances lapse at year end, valid outstanding encumbrances (those for which performance under the executory contract is expected in the next year) are re-appropriated and become part of the subsequent year's budget pursuant to state regulations. The City considers encumbrances to be significant for individual amounts that are encumbered in excess of \$50,000. As of March 31, 2019, there were no individually significant encumbrances.

**NOTE 2 - FACTORS AFFECTING TRENDS IN PENSIONS**

The City's proportionate share of the net pension liability of the pension systems is significantly dependent on the performance of the stock market and the funds that the retirement system invests in. In addition to this factor, the discount factor has varied from 7.5% to 7.0% over the past four years.

**NOTE 3 – FACTORS AFFECTING TRENDS IN RETIREE HEALTH PLAN (OPEB)**

The City's retiree health plan most significant factor affecting the AAL is that the healthcare ultimate rate trend has decreased from a rate of 3.89% to 3.78% as of the most recent actuarial valuation. The actuarial report included healthcare cost trend rates for pre-65 medical trend rates (7.00%), post-65 medical trend rates (5.00%) and prescription drug trend rates (9.50%). Discount factor has decreased from 3.61% to 3.42%.

## **SUPPLEMENTARY INFORMATION**

**CITY OF BATAVIA, NEW YORK**  
**COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS**  
**MARCH 31, 2019**

	<b>Special Revenue Funds</b>			<b>Total Nonmajor Governmental Funds</b>
	<b>Mall Maintenance Fund</b>	<b>Small Cities Fund</b>	<b>Special Grant Fund</b>	
<b>ASSETS</b>				
Cash and cash equivalents	\$ 9,367	\$ 20,145	\$ 318,427	\$ 347,939
Accounts receivable	13,032	-	-	13,032
Loan receivables (net of allowance for uncollectible accounts)	-	65,606	116,759	182,365
Due from other governments	-	-	300	300
Total assets	<u>\$ 22,399</u>	<u>\$ 85,751</u>	<u>\$ 435,486</u>	<u>\$ 543,636</u>
<b>FUND BALANCES</b>				
Restricted	-	85,751	435,486	521,237
Assigned	<u>22,399</u>	<u>-</u>	<u>-</u>	<u>22,399</u>
Total fund balances	<u>\$ 22,399</u>	<u>\$ 85,751</u>	<u>\$ 435,486</u>	<u>\$ 543,636</u>

**CITY OF BATAVIA, NEW YORK**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED MARCH 31, 2019**

	<b>Special Revenue Funds</b>			<b>Total Nonmajor Governmental Funds</b>
	<b>Mall Maintenance Fund</b>	<b>Small Cities Fund</b>	<b>Special Grant Fund</b>	
<b>REVENUES</b>				
Use of money and property	\$ 19	\$ 1,836	\$ 3,451	\$ 5,306
Miscellaneous local sources	240	-	-	240
Total revenues	259	1,836	3,451	5,546
<b>EXPENDITURES</b>				
Current:				
Economic assistance and opportunity	2,666	-	-	2,666
Home and community services	-	50,511	-	50,511
Total expenditures	2,666	50,511	-	53,177
Excess (deficit) of revenues over expenditures	(2,407)	(48,675)	3,451	(47,631)
Fund balances - beginning	24,806	134,426	432,035	591,267
Fund balances - ending	\$ 22,399	\$ 85,751	\$ 435,486	\$ 543,636

**City of Batavia**  
Self Insurance Fund  
Schedule of Revenues and Expenditures - Budget and Actual  
For the Year Ending March 31, 2019

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Use of money & property	-	-	6,038	6,038
Refunds of Prior Years Expenditures	-	-	181,462	181,462
Total Revenues	<u>-</u>	<u>-</u>	<u>187,500</u>	<u>187,500</u>
<b>EXPENDITURES</b>				
Contract services	15,000	17,500	15,000	(2,500)
Benefits and claims	286,140	281,628	2,345,807	2,064,179
Workers comp board assessments	22,250	24,262	23,411	(851)
Total expenditures	<u>323,390</u>	<u>323,390</u>	<u>2,384,218</u>	<u>2,060,828</u>
Excess (deficit) of revenues over expenditures	<u>(323,390)</u>	<u>(323,390)</u>	<u>(2,196,718)</u>	<u>(1,873,328)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Interfund transfers in	323,390	323,390	2,751,409	2,428,019
Total other financial sources (uses)	<u>323,390</u>	<u>323,390</u>	<u>2,751,409</u>	<u>2,428,019</u>
Net change in fund balance *	-	-	554,691	554,691
Fund balnce - beginning	<u>795,771</u>	<u>795,771</u>	<u>795,771</u>	<u>-</u>
Fund balance - ending	<u>\$ 795,771</u>	<u>\$ 795,771</u>	<u>\$ 1,350,462</u>	<u>\$ 554,691</u>

\* The net change in fund balance was included in the budget as an appropriation (i.e., spenddown) of fund balance.

**City of Batavia**  
General Fund  
Schedule of Revenues and Expenditures - Budget and Actual  
For the Year Ending March 31, 2019

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Real property taxes	\$ 5,678,517	\$ 5,678,517	\$ 5,611,376	\$ (67,141)
Non-property taxes	6,515,000	6,515,000	7,122,299	607,299
Departmental income:				-
General	40,000	40,000	46,180	6,180
Public safety	38,400	38,400	47,137	8,737
Health	33,000	33,000	37,829	4,829
Transportation	-	-	-	-
Culture & recreation	65,066	69,066	66,202	(2,864)
Home & community services	26,500	26,500	33,657	7,157
Intergovernmental	9,750	24,750	29,321	4,571
Use of money & property	73,825	73,825	80,205	6,380
Licenses & permits	70,550	70,550	80,156	9,606
Fines & forfeitures	155,500	155,500	110,115	(45,385)
Sale of property and compensation for loss	1,900	7,620	105,426	97,806
Miscellaneous	539,640	548,940	578,900	29,960
State Aid	2,617,467	2,735,463	2,776,932	41,469
Federal Aid	4,330	360,065	298,391	(61,674)
Total Revenues	<u>15,869,445</u>	<u>16,377,196</u>	<u>17,024,126</u>	<u>646,930</u>
<b>EXPENDITURES</b>				
General government:				-
Council	48,730	48,730	47,428	(1,302)
City manager	166,290	166,290	152,003	(14,287)
Finance	112,405	118,755	115,575	(3,180)
Administrative services	342,035	360,887	263,609	(97,278)
Clerk-Treasurer	141,780	141,780	122,081	(19,699)
Assessment	142,750	152,350	148,223	(4,127)
Legal services	220,819	264,877	264,877	-
Personnel	140,030	141,383	111,847	(29,536)
Engineering	32,000	52,385	23,120	(29,265)
Elections	24,830	24,830	24,830	-
Public works administration	108,540	108,540	86,968	(21,572)
City facilities	398,440	400,278	327,717	(72,561)
Information systems	123,300	142,139	93,239	(48,900)
Contingency	125,000	63,661	-	(63,661)
Total general government	<u>2,126,949</u>	<u>2,186,886</u>	<u>1,781,519</u>	<u>(405,366)</u>
Public safety:				
Police	3,778,030	3,913,558	3,785,223	(128,335)
Fire	3,622,490	4,033,320	3,983,095	(50,225)
Control of dogs	1,430	1,430	1,057	(373)
Inspection	317,270	317,270	304,268	(13,002)
Total public safety	<u>7,719,220</u>	<u>8,265,577</u>	<u>8,073,643</u>	<u>(191,934)</u>
Health - vital statistics	<u>18,920</u>	<u>18,920</u>	<u>17,875</u>	<u>(1,045)</u>
Transportation:				
Maintenance administration	189,310	192,318	190,298	(2,020)
Street maintenance	604,140	712,489	601,197	(111,292)



Public works garage	451,030	452,765	432,039	(20,726)
Snow removal	522,010	434,749	420,976	(13,773)
Street lighting & traffic signals	282,300	282,601	277,140	(5,460)
Sidewalk repairs	285,720	285,720	282,943	(2,777)
Parking lots	126,000	126,000	80,612	(45,388)
Total transportation	<u>2,460,510</u>	<u>2,486,641</u>	<u>2,285,205</u>	<u>(201,436)</u>
Economic opportunity and development				
Community development	20,000	141,205	44,705	(96,500)
Economic development	110,000	110,000	110,000	-
Total economic opportunity & development	<u>130,000</u>	<u>251,205</u>	<u>154,705</u>	<u>(96,500)</u>
Culture and recreation:				
Council on arts	2,250	6,250	6,250	-
Parks	577,400	575,552	482,859	(92,693)
Summer recreation	78,610	83,894	72,564	(11,330)
Youth service	185,495	208,866	167,491	(41,375)
Historic preservation	5,450	5,450	3,226	(2,224)
Community celebrations	15,450	15,456	11,753	(3,703)
Total culture and recreation	<u>864,655</u>	<u>895,467</u>	<u>744,143</u>	<u>(151,324)</u>
Home and community services:				
Planning & zoning boards	3,100	3,100	1,034	(2,066)
Storm sewer	180,950	244,462	174,367	(70,095)
Street cleaning	114,800	109,675	86,710	(22,965)
Total home and community services	<u>298,850</u>	<u>357,237</u>	<u>262,111</u>	<u>(95,126)</u>
Refuse & recycling	<u>64,630</u>	<u>78,114</u>	<u>74,914</u>	<u>(3,200)</u>
Medical insurance	<u>1,959,720</u>	<u>1,959,720</u>	<u>1,959,720</u>	<u>-</u>
Debt service				
Bonds	466,665	466,665	466,665	-
Bond Anticipation Note	60,750	60,750	50,174	(10,576)
Installment purchase debt	64,843	64,843	35,843	(29,000)
Energy lease	80,117	80,117	80,117	-
Total debt service	<u>672,375</u>	<u>672,375</u>	<u>632,799</u>	<u>(39,576)</u>
Total expenditures	<u>16,315,829</u>	<u>17,172,142</u>	<u>15,986,634</u>	<u>(1,185,508)</u>
Excess (deficit) of revenues over expenditures	<u>(446,384)</u>	<u>(794,946)</u>	<u>1,037,492</u>	<u>1,832,438</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Interfund transfers in	175,000	180,000	220,510	40,510
Interfund transfers out	(257,566)	(257,566)	(307,566)	(50,000)
Total other financial sources (uses)	<u>(82,566)</u>	<u>(77,566)</u>	<u>(87,056)</u>	<u>(9,490)</u>
Net change in fund balance *	(528,950)	(872,512)	950,436	1,822,948
Fund balance - beginning	<u>7,388,913</u>	<u>7,388,913</u>	<u>7,388,913</u>	<u>-</u>
Fund balance - ending	<u>\$ 6,859,963</u>	<u>\$ 6,516,401</u>	<u>\$ 8,339,349</u>	<u>\$ 1,822,948</u>

\* The net change in fund balance was included in the budget as an appropriation (i.e., spenddown) of fund balance.

# STATISTICAL SECTION



**THE CITY OF BATAVIA, NEW YORK**  
**NET POSITION BY COMPONENT**  
**LAST TEN FISCAL YEARS**  
**(accrual basis of accounting)**

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Governmental activities</b>										
Net investment in capital assets	\$ 9,479,379	\$ 9,338,037	\$ 10,581,763	\$ 12,209,993	\$ 11,905,352	\$ 14,570,319	\$ 16,889,932	\$ 19,439,183	\$ 19,364,887	\$ 21,323,270
Restricted	1,464,008	1,652,843	2,753,954	3,235,150	3,934,447	4,544,368	5,352,126	4,942,887	4,818,574	5,773,769
Unrestricted	(1,424,655)	722,455	(438,729)	(1,388,971)	516,085	(646,680)	(1,340,775)	(2,608,532)	(2,049,735)	(3,913,874)
Total governmental activities net position	<u>\$ 9,518,732</u>	<u>\$ 11,713,335</u>	<u>\$ 12,896,988</u>	<u>\$ 14,056,172</u>	<u>\$ 16,355,884</u>	<u>\$ 18,468,007</u>	<u>\$ 20,901,283</u>	<u>\$ 21,773,538</u>	<u>\$ 22,133,726</u>	<u>\$ 23,183,165</u>
<b>Business-type activities</b>										
Net investment in capital assets	\$ 27,870,822	\$ 28,142,035	\$ 26,342,641	\$ 25,783,944	\$ 25,189,741	\$ 24,955,563	\$ 23,794,332	\$ 23,531,062	\$ 22,727,155	\$ 21,599,508
Restricted	3,328,602	3,354,776	3,445,439	3,345,929	3,572,575	3,677,273	5,682,711	5,972,071	6,301,209	6,595,439
Unrestricted	1,580,956	2,066,240	4,043,356	5,050,800	5,630,336	7,838,679	7,391,044	7,744,271	8,669,264	10,141,917
Total business-type activities net position	<u>\$ 32,780,380</u>	<u>\$ 33,563,051</u>	<u>\$ 33,831,436</u>	<u>\$ 34,180,673</u>	<u>\$ 34,392,652</u>	<u>\$ 36,471,515</u>	<u>\$ 36,868,087</u>	<u>\$ 37,247,404</u>	<u>\$ 37,697,628</u>	<u>\$ 38,336,864</u>
<b>Primary government</b>										
Net investment in capital assets	\$ 37,350,201	\$ 37,480,072	\$ 36,924,404	\$ 37,993,937	\$ 37,095,093	\$ 39,525,882	\$ 40,684,264	\$ 42,970,245	\$ 42,092,042	\$ 42,922,778
Restricted	4,792,610	5,007,619	6,199,393	6,581,079	7,507,022	8,221,641	11,034,837	10,914,958	11,119,783	12,369,208
Unrestricted	156,301	2,788,695	3,604,627	3,661,829	6,146,421	7,191,999	6,050,269	5,135,739	6,619,529	6,228,043
Total primary government net position	<u>\$ 42,299,112</u>	<u>\$ 45,276,386</u>	<u>\$ 46,728,424</u>	<u>\$ 48,236,845</u>	<u>\$ 50,748,536</u>	<u>\$ 54,939,522</u>	<u>\$ 57,769,370</u>	<u>\$ 59,020,942</u>	<u>\$ 59,831,354</u>	<u>\$ 61,520,029</u>

**THE CITY OF BATAVIA, NEW YORK**  
**CHANGES IN NET POSITION**  
**LAST TEN FISCAL YEARS**  
**(accrual basis of accounting)**

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Expenses</b>										
<b>Governmental activities:</b>										
General government	\$ 2,087,496	\$ 2,013,196	\$ 2,276,888	\$ 2,105,186	\$ 2,029,611	\$ 3,203,669	\$ 2,555,179	\$ 3,219,816	\$ 2,247,282	\$ 2,348,948
Police	3,674,633	3,592,305	3,488,727	3,678,310	3,660,561	4,002,077	3,977,937	4,462,198	4,347,895	4,683,340
Fire	3,610,959	3,696,009	4,035,627	4,026,563	3,695,556	4,205,951	3,968,773	4,214,695	4,212,024	4,728,301
Public safety	440,933	244,727	315,057	275,453	301,932	392,071	402,590	819,649	729,653	283,492
Health	32,315	31,791	34,375	30,697	20,030	19,813	19,850	22,387	21,341	21,418
Transportation	1,965,119	2,012,647	2,371,102	2,370,839	2,874,042	2,046,376	2,265,625	2,715,952	2,793,822	3,320,869
Economic assistance	274,693	159,906	309,113	375,154	300,387	238,534	258,828	298,977	367,612	160,046
Culture and recreation	1,041,339	918,691	1,028,749	893,044	929,423	1,072,865	1,019,811	1,143,596	1,004,722	1,020,751
Home and community services	249,199	417,182	2,100,300	741,545	603,024	498,437	417,325	893,555	401,750	348,397
Refuse and recycling	989,570	973,865	1,051,574	1,065,484	224,845	56,957	51,510	60,445	71,573	74,878
Interest on debt	405,587	333,648	295,151	244,671	287,564	203,156	109,153	140,426	164,036	195,702
Total governmental activities expenses	14,771,843	14,393,967	17,306,663	15,806,946	14,926,975	15,939,906	15,046,581	17,991,696	16,361,710	17,186,142
<b>Business-type activities:</b>										
Ambulance	1,198,306	-	-	-	-	-	-	-	-	-
Sewer	2,630,672	2,492,484	2,578,846	2,645,296	2,732,914	2,704,554	2,894,971	2,670,056	2,825,931	2,954,254
Water	3,788,922	3,834,050	3,829,075	3,725,993	3,925,812	4,308,559	4,072,389	4,398,114	4,116,460	4,024,401
City Centre	-	-	-	-	-	-	-	-	-	144,861
Total business-type activities expenses	7,617,900	6,326,534	6,407,921	6,371,289	6,658,726	7,013,113	6,967,360	7,068,170	6,942,391	7,123,516
Total primary government expenses	\$ 22,389,743	\$ 20,720,501	\$ 23,714,584	\$ 22,178,235	\$ 21,585,701	\$ 22,953,019	\$ 22,013,941	\$ 25,059,866	\$ 23,304,101	\$ 24,309,658
<b>Program Revenues</b>										
<b>Governmental activities:</b>										
<b>Charges for services:</b>										
General government	\$ 95,928	\$ 143,002	\$ 367,462	\$ 278,081	\$ 284,622	\$ 244,080	\$ 158,331	\$ 287,367	\$ 346,240	\$ 94,052
Police	221,006	189,409	178,542	145,866	136,120	158,706	185,715	183,803	192,717	156,197
Public safety	111,536	66,985	97,758	72,482	81,629	62,506	82,742	69,402	72,294	77,562
Health	40,492	36,758	32,880	32,055	34,247	31,096	37,072	32,582	34,610	37,829
Transportation	22,919	28,485	24,700	18,643	18,423	23,844	11,514	3,734	2,170	12,460
Economic assistance	153,576	179,896	164,003	130,905	130,180	199,110	199,976	-	-	-
Culture and recreation	53,295	47,103	115,033	75,702	69,345	70,825	73,990	74,770	75,832	66,202
Home and community services	18,261	24,887	21,107	36,017	43,724	45,175	28,194	26,458	61,978	33,657
Operating grants and contributions	801,898	749,894	759,656	1,021,687	600,991	451,669	913,961	979,302	589,917	1,130,210
Capital grants and contributions	4,685,926	316,650	1,667,941	319,384	1,482,607	2,081,853	178,979	2,010,056	263,271	2,824,326
Total governmental activities program revenues	6,204,837	1,783,069	3,429,082	2,130,822	2,881,888	3,368,844	1,870,474	3,667,474	1,639,029	4,432,495

Continued

**THE CITY OF BATAVIA, NEW YORK**  
**CHANGES IN NET POSITION**  
**LAST TEN FISCAL YEARS**  
**(accrual basis of accounting)**

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
										Continued
<b>Business-type activities:</b>										
Charges for services:										
Ambulance	\$ 1,042,752	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sewer	2,433,573	2,353,107	2,430,021	2,497,349	2,628,486	4,703,463	2,740,810	2,656,410	2,487,087	3,007,689
Water	2,210,395	2,271,996	2,411,386	2,505,564	2,375,631	2,394,948	2,615,116	2,846,633	2,787,900	2,811,732
City Centre	-	-	-	-	-	-	-	-	-	203,609
Operating grants and contributions	2,174,983	2,787,903	2,165,316	2,065,570	2,170,725	2,175,832	2,311,795	2,259,390	2,372,048	2,260,269
Total business-type activities program revenues	7,861,703	7,413,006	7,006,723	7,068,483	7,174,842	9,274,243	7,667,721	7,762,433	7,647,035	8,283,299
Total primary government program revenues	\$ 14,066,540	\$ 9,196,075	\$ 10,435,805	\$ 9,199,305	\$ 10,056,730	\$ 12,643,087	\$ 9,538,195	\$ 11,429,907	\$ 9,286,064	\$ 12,715,794
<b>Net (expense)/revenue</b>										
Governmental activities	\$ (8,567,006)	\$ (12,610,898)	\$ (13,877,581)	\$ (13,676,124)	\$ (12,045,087)	\$ (12,571,062)	\$ (13,176,107)	\$ (14,324,222)	\$ (14,722,681)	\$ (12,753,647)
Business-type activities	243,803	1,086,472	598,802	697,194	516,116	2,261,130	700,361	694,263	704,644	1,159,783
Total primary government net expense	\$ (8,323,203)	\$ (11,524,426)	\$ (13,278,779)	\$ (12,978,930)	\$ (11,528,971)	\$ (10,309,932)	\$ (12,475,746)	\$ (13,629,959)	\$ (14,018,037)	\$ (11,593,864)
<b>General Revenues and Other Changes in Net Position</b>										
<b>Governmental activities:</b>										
Taxes										
Property taxes	\$ 5,300,391	\$ 5,460,167	\$ 5,928,000	\$ 5,708,856	\$ 5,169,951	\$ 5,323,375	\$ 5,549,620	\$ 5,615,762	\$ 5,376,756	\$ 5,716,100
Non-property taxes	5,890,906	6,248,365	6,190,436	6,354,806	6,426,274	6,489,747	6,441,305	6,289,498	6,746,744	7,122,299
Intergovernmental revenue	-	-	-	-	-	-	-	-	-	246,802
Interest earnings	83,086	75,827	69,505	59,028	68,109	68,484	72,997	63,085	73,452	103,691
State aid not restricted for a specific purpose	1,901,664	1,860,924	1,890,513	1,851,751	1,891,734	1,864,805	1,894,319	1,876,015	1,986,257	1,945,113
Miscellaneous	452,065	825,098	628,880	390,637	433,612	597,884	762,284	1,020,982	623,960	818,676
Gain on sale of capital asset	-	-	-	108,190	37,889	-	-	-	-	-
Transfers	(2,015,136)	335,120	353,900	362,040	317,230	338,890	318,400	331,135	275,700	659,123
Total governmental activities	11,612,976	14,805,501	15,061,234	14,835,308	14,344,799	14,683,185	15,038,925	15,196,477	15,082,869	16,611,804
<b>Business-type activities:</b>										
Interest earnings	16,690	27,687	22,752	15,683	13,093	14,957	23,454	16,189	21,280	48,008
Capital contributions from other funds	-	-	-	-	-	141,666	-	-	-	-
Miscellaneous	-	3,632	731	(1,600)	-	-	-	-	-	-
Transfers	2,015,136	(335,120)	(353,900)	(362,040)	(317,230)	(338,890)	(318,400)	(331,135)	(275,700)	(659,123)
Total business-type activities	2,031,826	(303,801)	(330,417)	(347,957)	(304,137)	(182,267)	(294,946)	(314,946)	(254,420)	(611,115)
Total primary government	\$ 13,644,802	\$ 14,501,700	\$ 14,730,817	\$ 14,487,351	\$ 14,040,662	\$ 14,500,918	\$ 14,743,979	\$ 14,881,531	\$ 14,828,449	\$ 16,000,689
<b>Change in Net Position</b>										
Governmental activities	\$ 3,045,970	\$ 2,194,603	\$ 1,183,653	\$ 1,159,184	\$ 2,299,712	\$ 2,112,123	\$ 1,862,818	\$ 872,255	\$ 360,188	\$ 3,858,157
Business-type activities	2,275,629	782,671	268,385	349,237	211,979	2,078,863	405,415	379,317	450,224	548,668
Total primary government	\$ 5,321,599	\$ 2,977,274	\$ 1,452,038	\$ 1,508,421	\$ 2,511,691	\$ 4,190,986	\$ 2,268,233	\$ 1,251,572	\$ 810,412	\$ 4,406,825

**THE CITY OF BATAVIA, NEW YORK**  
**GOVERNMENTAL ACTIVITIES**  
**TAX REVENUES BY SOURCE**  
**LAST TEN FISCAL YEARS**  
**(accrual basis of accounting)**

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Property tax	\$ 5,274,270	\$ 5,136,060	\$ 5,822,939	\$ 5,341,105	\$ 5,188,402	\$ 4,936,970	\$ 5,434,357	\$ 5,182,070	\$ 4,991,962	\$ 5,373,116
Sales tax	5,000,242	5,353,816	5,713,793	5,935,774	6,014,171	6,082,042	6,069,740	5,927,693	6,305,141	6,701,482
Payment in-lieu of tax	115,399	84,925	88,547	82,822	56,722	61,033	63,346	51,922	55,589	57,943
Utilities gross receipts tax	229,347	264,949	258,128	208,725	214,491	225,304	189,264	170,721	185,041	193,260
Franchise - cable tax	210,388	216,809	218,515	210,307	197,612	182,401	182,301	191,084	256,562	227,557
Interest & penalty on tax	223,624	212,119	438,601	173,733	354,388	258,389	316,938	309,187	182,580	207,698
Other miscellaneous	-	-	1,109	30,373	145,146	13,773	36,277	21,789	1,151	77,343
Total taxes	<u>\$ 11,053,269</u>	<u>\$ 11,268,678</u>	<u>\$ 12,541,633</u>	<u>\$ 11,982,838</u>	<u>\$ 12,170,932</u>	<u>\$ 11,759,913</u>	<u>\$ 12,292,223</u>	<u>\$ 11,854,466</u>	<u>\$ 11,978,026</u>	<u>\$ 12,838,399</u>

**THE CITY OF BATAVIA, NEW YORK**  
**FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(modified accrual basis of accounting)**

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General fund										
Reserved	\$ 1,680,591	\$ 2,374,804	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	1,116,772	1,231,336	-	-	-	-	-	-	-	-
Nonspendable	-	-	26,008	-	-	-	-	-	-	-
Restricted	-	-	2,760,377	2,956,615	3,426,442	3,982,530	4,749,102	4,341,234	4,252,113	4,631,186
Committed	-	-	-	345,000	530,423	186,946	152,611	192,611	339,450	330,450
Assigned	-	-	1,627,213	1,159,978	1,669,645	1,411,714	1,737,634	749,559	1,053,915	1,643,499
Unassigned	-	-	1,098,838	1,344,950	1,648,505	1,556,092	1,849,567	1,821,971	1,743,435	1,981,016
Total general fund	2,797,363	3,606,140	5,512,436	5,806,543	7,275,015	7,137,282	8,488,914	7,105,375	7,388,913	8,586,151
All other governmental funds										
Unreserved, reported in:										
Non major funds	919,341	1,241,190	-	-	-	-	-	-	-	-
Capital projects funds	72,676	145,459	-	-	-	-	-	-	-	-
Restricted, reported in:										
Special revenue fund-Self Insurance	-	-	-	-	-	-	-	-	-	621,346
Non major funds	-	-	-	468,757	508,005	561,838	603,024	601,653	566,461	521,237
Special grant fund	-	-	405,935	-	-	-	-	-	-	-
Assigned, reported in:										
Special revenue fund-Self Insurance	-	-	-	-	-	-	-	-	-	729,116
Non major funds	-	-	645,084	412,000	371,218	460,712	553,775	509,683	1,077,695	22,399
Capital projects funds	-	-	176,740	79,513	-	-	-	104,051	-	59,020
Unassigned, reported in:										
Capital projects funds	-	-	-	-	(202,772)	(32,994)	(30,671)	-	-	-
Total all other governmental funds	992,017	1,386,649	1,227,759	960,270	676,451	989,556	1,126,128	1,215,387	1,644,156	1,953,118
Total all governmental funds	<u>\$ 3,789,380</u>	<u>\$ 4,992,789</u>	<u>\$ 6,740,195</u>	<u>\$ 6,766,813</u>	<u>\$ 7,951,466</u>	<u>\$ 8,126,838</u>	<u>\$ 9,615,042</u>	<u>\$ 8,320,762</u>	<u>\$ 9,033,069</u>	<u>\$ 10,539,269</u>

**THE CITY OF BATAVIA, NEW YORK**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
(modified accrual basis of accounting)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Revenues</b>										
Real property tax	\$ 5,274,270	\$ 5,136,061	\$ 5,822,940	\$ 5,341,105	\$ 5,188,402	\$ 4,936,970	\$ 5,434,357	\$ 5,182,071	\$ 4,991,962	\$ 5,268,392
Real property tax items	339,023	297,043	528,258	286,927	556,256	333,195	416,561	382,899	239,320	342,984
Special assessments	153,576	179,896	164,003	130,905	130,180	199,110	199,976	159,480	171,526	-
Sales tax and other taxes	5,439,977	5,835,574	6,190,436	6,354,806	6,426,274	6,489,747	6,441,305	6,289,498	6,746,744	7,122,299
Departmental income	213,641	218,382	277,873	257,045	272,480	274,611	275,356	241,248	289,237	260,326
Intergovernmental revenue	-	-	-	-	-	-	-	-	-	246,802
Use of money and property	83,086	75,827	69,505	59,028	68,109	68,484	72,997	63,085	73,452	103,691
Licenses and permits	139,239	83,967	100,641	100,329	87,200	71,214	84,622	78,952	85,033	80,156
Fines and forfeitures	215,779	186,695	175,235	105,871	103,480	127,994	154,983	156,720	144,017	110,115
Sale of property and compensation for loss	129,252	401,996	206,918	275,821	164,833	184,859	225,340	248,091	171,475	105,426
Refund of prior years expenditures	-	-	-	-	-	-	-	5,642	-	-
Miscellaneous local sources	484,205	548,926	649,924	477,521	583,838	579,258	601,824	867,910	548,513	760,602
Federal and state sources	7,433,627	2,977,383	4,318,110	3,186,668	3,975,332	4,409,812	2,987,259	4,865,373	2,839,445	5,899,649
Total revenues	<u>19,905,675</u>	<u>15,941,750</u>	<u>18,503,843</u>	<u>16,576,026</u>	<u>17,556,384</u>	<u>17,675,254</u>	<u>16,894,580</u>	<u>18,540,969</u>	<u>16,300,724</u>	<u>20,300,442</u>
<b>Expenditures</b>										
General government	1,761,203	1,804,515	2,041,706	1,915,076	2,038,710	2,153,288	2,283,616	2,322,816	1,840,787	1,796,519
Police	3,031,378	3,333,596	2,915,581	3,365,398	3,088,676	3,418,223	3,304,715	3,615,529	3,699,408	3,785,223
Fire	2,903,902	3,319,849	3,253,304	3,979,195	3,016,680	3,552,490	3,342,777	4,445,579	3,707,895	3,983,095
Public safety	374,737	223,091	259,122	249,352	254,635	317,021	278,550	285,913	318,322	305,325
Health	15,550	15,164	15,568	16,373	17,012	17,224	17,120	17,105	17,815	17,875
Transportation	1,845,093	1,911,616	1,975,438	2,132,726	2,232,129	1,971,476	2,033,546	2,264,454	2,113,606	2,285,205
Economic assistance and opportunity	274,693	159,906	309,113	375,154	300,387	238,534	258,828	298,977	367,862	157,371
Culture and recreation	633,838	596,863	618,981	718,608	771,159	827,867	777,400	805,791	725,651	744,143
Home and community services	202,999	393,396	2,054,984	784,911	564,336	451,134	679,411	820,771	355,686	312,622
Refuse and recycling	989,539	975,205	1,051,173	1,066,420	224,752	57,046	51,569	60,446	71,870	74,914
Employee benefits	1,441,580	1,281,293	1,455,448	1,316,795	1,551,270	1,506,698	1,778,676	2,488,807	1,694,720	2,369,218
Debt service:										
Principal	418,300	425,757	454,320	480,903	492,362	513,278	545,422	575,998	464,609	470,102
Interest	405,587	333,648	295,151	244,671	287,564	73,382	112,650	143,922	126,333	162,697
Issuance costs	-	-	53,285	-	-	204,613	-	-	-	-
Capital outlay:										
General government	259,923	44,479	29,297	35,895	11,851	320,473	204	459	88,455	1,224
Transportation	4,270,320	255,083	389,633	281,040	1,857,438	2,316,365	441,365	2,013,138	267,193	3,183,332
Home and community services	-	-	-	-	-	-	-	6,679	3,905	-
Total expenditures	<u>18,828,642</u>	<u>15,073,461</u>	<u>17,172,104</u>	<u>16,962,517</u>	<u>16,688,961</u>	<u>17,939,112</u>	<u>15,905,849</u>	<u>20,166,384</u>	<u>15,864,117</u>	<u>19,648,865</u>
Excess of revenues over (under) expenditures	1,077,033	868,289	1,331,739	(386,491)	867,423	(263,858)	988,731	(1,625,415)	436,607	651,577
<b>Other financing sources (uses)</b>										
Transfers in	1,293,955	961,400	808,996	685,535	1,036,443	1,787,627	924,699	922,869	851,607	2,971,919
Transfers out	(3,309,091)	(628,280)	(455,096)	(323,495)	(719,213)	(1,448,737)	(606,299)	(591,734)	(575,907)	(2,312,796)
Premium on refunding bond issued	-	-	36,767	-	-	64,340	-	-	-	-
Refunding bonds issued	-	-	1,200,000	-	-	2,856,000	-	-	-	-
Payment on refunding bonds	-	-	(1,175,000)	-	-	(2,820,000)	-	-	-	-
Installment purchase debt proceeds	-	-	-	51,069	-	-	181,073	-	-	-
Serial bond proceeds	-	-	-	-	-	-	-	-	-	195,500
Total other financing sources (uses)	<u>(2,015,136)</u>	<u>335,120</u>	<u>415,667</u>	<u>413,109</u>	<u>317,230</u>	<u>439,230</u>	<u>499,473</u>	<u>331,135</u>	<u>275,700</u>	<u>854,623</u>
Net change in fund balances	<u>\$ (938,103)</u>	<u>\$ 1,203,409</u>	<u>\$ 1,747,406</u>	<u>\$ 26,618</u>	<u>\$ 1,184,653</u>	<u>\$ 175,372</u>	<u>\$ 1,488,204</u>	<u>\$ (1,294,280)</u>	<u>\$ 712,307</u>	<u>\$ 1,506,200</u>
Debt service as a percentage of noncapital expenditures	5.76%	5.14%	4.47%	4.36%	5.26%	3.83%	4.26%	3.97%	3.81%	3.84%



**THE CITY OF BATAVIA, NEW YORK**  
**GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE**  
**LAST TEN FISCAL YEARS**  
**(modified accrual basis of accounting)**

	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
Property tax	\$ 5,274,270	\$ 5,136,061	\$ 5,822,940	\$ 5,341,105	\$ 5,188,402	\$ 4,936,970	\$ 5,434,357	\$ 5,182,071	\$ 4,991,962	\$ 5,268,392
Sales tax	5,439,977	5,835,574	6,190,436	6,354,806	6,426,274	6,489,747	6,441,305	6,289,498	6,746,744	7,122,299
Other taxes *	<u>492,599</u>	<u>476,939</u>	<u>692,261</u>	<u>417,832</u>	<u>686,436</u>	<u>532,305</u>	<u>616,537</u>	<u>542,379</u>	<u>410,846</u>	<u>342,984</u>
Total taxes	<u>\$ 10,714,247</u>	<u>\$ 11,448,574</u>	<u>\$ 12,705,637</u>	<u>\$ 12,113,743</u>	<u>\$ 12,301,112</u>	<u>\$ 11,959,022</u>	<u>\$ 12,492,199</u>	<u>\$ 12,013,948</u>	<u>\$ 12,149,552</u>	<u>\$ 12,733,675</u>

\*Other taxes include Real property tax items such as PILOT, interest and penalty on taxes, and special assessments.

**THE CITY OF BATAVIA, NEW YORK  
 ASSESSED AND TAXABLE ASSESSED VALUE OF REAL PROPERTY  
 LAST TEN FISCAL YEARS**

<b>Fiscal Year</b>	<b>Assessed Value Residential Property</b>	<b>Assessed Value Commercial Property</b>	<b>Assessed Value Utility Property</b>	<b>Assessed Value Vacant Property</b>	<b>Less: Tax-Exempt Property</b>	<b>Total Taxable Assessed Value</b>	<b>Assessed Value as a Percentage of Full Market Value</b>	<b>Total Direct Tax Rate</b>
2010	\$ 387,443,600	\$ 292,418,346	\$ 18,563,393	\$ 4,653,000	\$ 184,543,621	\$ 518,534,718	100%	\$ 10.187076
2011	\$ 390,434,200	\$ 291,673,928	\$ 18,752,547	\$ 4,706,700	\$ 178,813,288	\$ 526,754,087	100%	\$ 10.345259
2012	\$ 392,647,500	\$ 298,658,994	\$ 20,070,149	\$ 4,597,100	\$ 182,794,146	\$ 533,179,597	100%	\$ 10.475878
2013	\$ 393,375,500	\$ 298,014,899	\$ 19,915,971	\$ 4,522,200	\$ 182,583,475	\$ 533,245,095	100%	\$ 10.712323
2014	\$ 395,172,450	\$ 297,919,361	\$ 14,852,070	\$ 4,493,700	\$ 182,455,855	\$ 529,981,726	100%	\$ 9.296845
2015	\$ 396,336,750	\$ 352,045,636	\$ 15,267,314	\$ 9,794,340	\$ 223,333,116	\$ 550,110,924	100%	\$ 9.142748
2016	\$ 396,213,700	\$ 352,566,588	\$ 15,127,314	\$ 9,619,240	\$ 223,044,050	\$ 550,482,792	100%	\$ 9.157968
2017	\$ 395,483,700	\$ 354,817,459	\$ 15,153,761	\$ 9,549,340	\$ 223,349,435	\$ 551,654,825	100%	\$ 9.224506
2018	\$ 396,950,600	\$ 370,683,719	\$ 15,408,111	\$ 9,460,200	\$ 231,339,255	\$ 561,163,375	100%	\$ 9.273124
2019	\$ 408,151,150	\$ 369,079,489	\$ 15,624,077	\$ 10,636,000	\$ 219,247,418	\$ 584,243,298	100%	\$ 8.961395

Source: City of Batavia Assessor, Genesee County Office of Real Property and New York State Department of Taxation and Finance Data Base RPSV4

**THE CITY OF BATAVIA, NEW YORK  
PROPERTY TAX RATES PER THOUSAND  
DIRECT AND OVERLAPPING GOVERNMENTS  
LAST TEN FISCAL YEARS**

Fiscal Year Ending	City of Batavia		Overlapping Rate	Total Direct & Overlapping Rate	
	General Municipal Purposes	Total Direct Rate	Genesee County (1)		School Tax Rate
2010	\$ 10.187076	\$ 10.187076	\$ 9.775124	\$ 19.962200	\$ 23.672516
2011	\$ 10.345259	\$ 10.345259	\$ 9.819814	\$ 20.165073	\$ 23.644703
2012	\$ 10.475878	\$ 10.475878	\$ 9.791946	\$ 20.267824	\$ 24.391287
2013	\$ 10.712323	\$ 10.712323	\$ 9.875689	\$ 20.588012	\$ 24.557307
2014	\$ 9.296845	\$ 9.296845	\$ 9.880104	\$ 19.176949	\$ 23.634006
2015	\$ 9.142748	\$ 9.142748	\$ 10.032580	\$ 19.175328	\$ 24.328447
2016	\$ 9.157968	\$ 9.157968	\$ 9.849124	\$ 19.007092	\$ 24.593325
2017	\$ 9.224506	\$ 9.224506	\$ 9.845676	\$ 19.070182	\$ 23.794385
2018	\$ 9.273124	\$ 9.273124	\$ 10.047348	\$ 19.320472	\$ 22.989327
2019	\$ 8.961395	\$ 8.961395	\$ 10.011015	\$ 18.972410	\$ 22.980637

(1) Source: Genesee County Treasury

Note: The City of Batavia tax bills include the County taxes for the City of Batavia residents. City of Batavia taxes are due in two installments. The first is due May 1 to May 31 without penalty. The second is due August 1 to August 31 without penalty.  
The City of Batavia School District levies taxes in October for that current school year. Any unpaid taxes as of December of that year are turned over to the City for collection.

THE CITY OF BATAVIA, NEW YORK  
 PRINCIPAL PROPERTY TAXPAYERS  
 CURRENT FISCAL YEAR AND NINE YEARS PRIOR  
 March 31, 2019

	2019			2010		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Batavian Realty LLC	\$ 11,280,000	1	1.93%	-	-	-
Niagara Mohawk dba National Grid	10,896,938	2	1.87%	9,920,751	1	1.91%
National Fuel Gas Dist	6,706,922	3	1.15%	7,359,936	3	1.42%
390 WMS, LLC	4,880,000	4	0.84%	-	-	-
Chapin International, Inc.	4,500,000	5	0.77%	3,375,000	6	0.65%
Woodcrest Associates	4,410,000	6	0.75%	3,300,000	7	0.64%
Graham Manufacturing Co, Inc.	4,359,100	7	0.75%	3,157,400	8	0.61%
West Main Associates	4,176,300	8	0.71%	3,988,500	5	0.77%
Batavia Townhouses, LTD	4,000,000	9	0.68%	-	-	-
Seneca Powers Partners	4,000,000	10	0.68%	7,854,000	2	1.51%
Alan Riley/Tops Market	-	-	-	4,700,000	4	0.91%
United Memorial Medical Centre	-	-	-	2,787,000	9	0.54%
Verizon of New York	-	-	-	2,777,624	10	0.54%
Totals	<u>\$ 59,209,260</u>		<u>10.13%</u>	<u>\$ 49,220,211</u>		<u>9.49%</u>

Note:

- 1) The total taxable assessed value of \$584,243,298 was used for fiscal year 2018-19 taxes.
- 2) The total taxable assessed value of \$518,534,718 was used for fiscal year 2009-10 taxes.

Source: Assessment Roll of the City of Batavia

**THE CITY OF BATAVIA, NEW YORK  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS**

Fiscal Year Ended March 31	Total Tax Levy for Fiscal Year (1)	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date		Cancellations and/or Adjustments to Tax Levy	Outstanding Delinquent Taxes (Cumulative)	of Outstanding Delinquent Taxes to Total Tax Levy
		Amount	Percentage of Levy		Amount (2)	Percentage of Levy			
2010	\$ 5,274,769	\$ 5,140,023	97.45%	\$ 117,816	\$ 5,257,840	99.68%	\$ 15,952	\$ 5,865	0.11%
2011	\$ 5,441,630	\$ 5,227,483	96.06%	\$ 192,765	\$ 5,420,247	99.61%	\$ 20,217	\$ 5,141	0.09%
2012	\$ 5,578,354	\$ 5,375,692	96.37%	\$ 183,128	\$ 5,558,821	99.65%	\$ 18,052	\$ 5,037	0.09%
2013	\$ 5,709,109	\$ 5,494,924	96.25%	\$ 198,145	\$ 5,693,068	99.72%	\$ 14,125	\$ 9,179	0.16%
2014	\$ 4,981,181	\$ 4,895,601	98.28%	\$ 57,731	\$ 4,953,333	99.44%	\$ 17,637	\$ 47,764	0.96%
2015	\$ 5,029,525	\$ 4,892,878	97.28%	\$ 47,253	\$ 4,892,878	97.28%	\$ 17,165	\$ 349,761	6.95%
2016	\$ 5,041,304	\$ 4,910,148	97.40%	\$ 16,253	\$ 4,910,148	97.40%	\$ 8,429	\$ 557,584	11.06%
2017	\$ 5,088,744	\$ 5,007,668	98.41%	\$ 11,874	\$ 5,019,542	98.64%	\$ 8,830	\$ 316,129	6.21%
2018	\$ 5,203,736	\$ 5,095,759	97.93%	\$ 17,507	\$ 5,113,266	98.26%	\$ 1,091	\$ 601,079	11.55%
2019	\$ 5,235,635	\$ 5,097,930	97.37%	\$ 23,518	\$ 5,121,448	97.82%	\$ 2,389	\$ 567,755	10.84%

**Notes:**

- (1) Tax exempt properties with an assessed value of \$16,933,500 made payments in lieu of taxes amounting to \$57,943 for the fiscal year ending March 31, 2019. If these properties had been fully taxable, total revenues would have increased by \$93,805. The properties, upon expiration of their agreements will become fully taxable.
- (2) The City begins foreclosure action on properties after taxes are past due for two years for commercial property and three years for residential property. If payment is not made by the deadline to pay, the properties are taken over by the City of Batavia and either sold through auction or kept by the City.

**THE CITY OF BATAVIA, NEW YORK**  
**RATIOS OF OUTSTANDING DEBT BY TYPE**  
**LAST TEN FISCAL YEARS**

<b>Fiscal Year</b>	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total Primary Government</b>	<b>Percentage of Personal Income</b>	<b>Per Capita</b>
	<b>Long Term Debt Instruments</b>	<b>Long Term Debt Instruments</b>			
2010	\$ 6,708,141	\$ 2,491,086	\$ 9,199,227	2.90%	\$ 597
2011	\$ 6,350,634	\$ 2,288,710	\$ 8,639,344	2.62%	\$ 562
2012	\$ 5,996,314	\$ 2,079,384	\$ 8,075,698	2.43%	\$ 527
2013	\$ 5,644,480	\$ 2,065,347	\$ 7,709,827	2.27%	\$ 508
2014	\$ 5,234,618	\$ 1,877,012	\$ 7,111,630	2.08%	\$ 472
2015	\$ 4,906,423	\$ 1,701,271	\$ 6,607,694	1.86%	\$ 440
2016	\$ 4,628,627	\$ 1,493,279	\$ 6,121,906	1.69%	\$ 414
2017	\$ 4,143,633	\$ 1,278,578	\$ 5,422,211	1.56%	\$ 370
2018	\$ 3,675,527	\$ 5,436,119	\$ 9,111,646	N/A	\$ 629
2019	\$ 3,397,429	\$ 4,999,845	\$ 8,397,274	N/A	N/A

Note: Population and Per Capita Personal Income figures for City of Batavia from US Census Bureau, City-Data.com

**THE CITY OF BATAVIA, NEW YORK**  
**RATIOS OF GENERAL BONDED DEBT OUTSTANDING**  
**LAST TEN FISCAL YEARS**

<b>Fiscal Year</b>	<b>Total Primary Government Long Term Debt Instruments</b>	<b>Percentage of Estimated Actual Taxable Value of Property</b>	<b>Per Capita (1)</b>
2010	\$ 9,199,227	1.77%	\$ 597
2011	\$ 8,639,344	1.64%	\$ 562
2012	\$ 8,075,698	1.51%	\$ 527
2013	\$ 7,709,827	1.45%	\$ 508
2014	\$ 7,111,630	1.34%	\$ 472
2015	\$ 6,607,694	1.20%	\$ 440
2016	\$ 6,121,906	1.11%	\$ 414
2017	\$ 5,422,211	0.98%	\$ 370
2018	\$ 9,111,646	1.62%	\$ 629
2019	\$ 8,397,274	1.44%	not yet available

**Notes:**

- 1) Population and Per Capita Personal Income figures for City of Batavia from US Census Bureau, City-Data.cc

**THE CITY OF BATAVIA, NEW YORK  
DIRECT AND OVERLAPPING DEBT  
AS OF MARCH 31, 2019**

<b>Jurisdiction</b>	<b>Debt Outstanding</b>	<b>Percentage Applicable to City of Batavia</b>	<b>Amount Applicable to City of Batavia</b>
County of Genesee <sup>1</sup>	\$ 18,130,000	20.18%	\$ 3,658,634
City of Batavia School District <sup>2</sup>	<u>2,820,000</u>	65.08%	<u>1,835,256</u>
Subtotal, overlapping debt			\$ 5,493,890
City of Batavia direct debt			<u>3,397,429</u>
Total direct and overlapping debt			<u><u>\$ 8,891,319</u></u>

(1) Source: County of Genesee Finance Department, year ending 12/31/18.

(2) Source: NYS - Real Property System for Batavia City School District 2018.

Note: Overlapping governments are those that coincide, at least in part, with geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the property taxpayers of the City of Batavia. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the property taxpayers should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

Overlapping debt for the County of Genesee has been calculated based on the assessed value of the City as a percentage of the County. The overlapping debt of the school district has been calculated based on the assessed value of the City as a percentage of the school district.



**THE CITY OF BATAVIA, NEW YORK  
LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS**

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Debt limit	\$ 34,651,359	\$ 35,531,254	\$ 36,030,035	\$ 36,518,610	\$ 36,965,102	\$ 37,515,244	\$ 37,857,971	\$ 38,155,752	\$ 38,583,283	\$ 39,276,501
Total net debt applicable to limit	<u>7,735,000</u>	<u>7,250,500</u>	<u>6,766,500</u>	<u>6,238,000</u>	<u>5,765,000</u>	<u>5,310,500</u>	<u>4,785,500</u>	<u>4,255,500</u>	<u>7,186,100</u>	<u>8,748,653</u>
Legal debt margin	<u>\$ 26,916,359</u>	<u>\$ 28,280,754</u>	<u>\$ 29,263,535</u>	<u>\$ 30,280,610</u>	<u>\$ 31,200,102</u>	<u>\$ 32,204,744</u>	<u>\$ 33,072,471</u>	<u>\$ 33,900,252</u>	<u>\$ 31,397,183</u>	<u>\$ 30,527,848</u>
Total net debt applicable to the limit as a percentage of debt limit	22.32%	20.41%	18.78%	17.08%	15.60%	14.16%	12.64%	11.15%	18.62%	22.27%

**Legal Debt Margin Calculation for Fiscal Year 2019**

Indebtedness

Borrowings (Bonds and Notes)	\$ 9,492,956 (1)	
Contract liabilities	450,652 (2)	\$ 9,943,608

Deductions and Exclusions

Water Bonds and Notes	1,194,956 (3)	
Appropriation	<u>450,652 (4)</u>	<u>1,645,608</u>
Net indebtedness		<u>8,298,000</u>

Debt limit (7% of five-year average  
full valuation)

39,276,501

Debt Contracting Margin

\$ 30,978,501

Continued

**THE CITY OF BATAVIA, NEW YORK  
LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS**

---

Continued

Notes:

- (1) Represents all bond and note debt of the City. Includes water and sewer debt -- listed above under "Deductions and Exclusions".
- (2) Represents amounts due pursuant to contracts for capital improvements or the acquisition of equipment guaranteed by the City and listed under "Deductions and Exclusions".
- (3) Amounts excluded pursuant to Article VIII, Section 5 of State Constitution and Section 136.00 of Local Finance Law.
- (4) Represents outstanding indebtedness not otherwise excluded to the extent current budgetary appropriation, not yet realized as cash, may be applied to pay such indebtedness. Excluded pursuant to Section 136.00 of the Local Finance Law.

**THE CITY OF BATAVIA, NEW YORK  
DEMOGRAPHIC ECONOMIC STATISTICS  
LAST TEN CALENDAR YEARS**

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Population City of Batavia <sup>1</sup>	15,412	15,385	15,317	15,165	16,063	15,010	14,801	14,661	14,491	N/A
Total Personal Income Genesee County <sup>2</sup>	\$ 2,082,667	\$ 2,168,663	\$ 2,222,992	\$ 2,250,197	\$ 2,311,110	\$ 2,388,827	\$ 2,349,508	2,455,296	N/A	N/A
Per Capita Personal Income City of Batavia <sup>3</sup>	\$ 20,597	\$ 21,406	\$ 21,691	\$ 22,351	\$ 22,715	\$ 23,724	\$ 24,465	23,700	N/A	N/A
School District Enrollment <sup>4</sup>	2,394	2,434	2,416	2,437	2,419	2,394	2,319	2,310	2,392	2,325
Unemployment Rate <sup>5</sup>	8.0%	7.8%	7.9%	6.8%	5.5%	5.0%	4.6%	4.9%	4.2%	N/A
Employment - QCEW <sup>6</sup>	23,148	22,872	22,762	22,700	23,397	23,348	23,299	23,294	23,435	N/A
Employment - CES <sup>7</sup>	29,200	28,500	28,400	28,400	28,500	28,800	28,600	28,300	28,600	N/A

Source:

1) City of Batavia; 2007 - 2008 City-Data.com; 2009 - 2019 from US Census Bureau

2) US Dept. of Commerce Bureau of Economic Analysis ([www.bea.gov](http://www.bea.gov)).

3) US Census Bureau - [census.gov/quickfacts](http://census.gov/quickfacts)

4) Batavia City School District

5) New York State Department of Labor, Local Area Unemployment Statistics Program - Annual Average - Genesee County ([www.labor.ny.gov/stats/laus.asp](http://www.labor.ny.gov/stats/laus.asp))

6) New York State Department of Labor, Quarterly Census of Employment of Wages - Private and Public - Genesee County

7) New York State Department of Labor, Current Employment Statistics - Genesee County

**THE CITY OF BATAVIA, NEW YORK  
PRINCIPAL EMPLOYERS IN THE CITY OF BATAVIA  
CURRENT YEAR AND NINE YEARS PRIOR**

	2019			2010		
	Employees (1)	Rank	Percentage of Total Employment (3)	Employees (2)	Rank	Percentage of Total Employment (3)
United Memorial Medical Center	706	1	3.01%	750	1	3.24%
Genesee County	544	2	2.32%	742	2	3.21%
Batavia Board of Education	440	3	1.88%	440	3	1.90%
U.S. Veterans Hospital	400	4	1.71%	400	4	1.73%
O-at-ka Milk Products	400	5	1.24%	180	10	0.78%
Genesee ARC	300	6	1.71%	300	6	1.30%
Graham Manufacturing	290	7	1.28%	330	5	1.43%
Batavia Downs Gaming	250	8	0.85%	-	-	-
R.E. Chapin	200	9	1.07%	280	7	1.21%
Tops Friendly Market	158	10	0.67%	-	-	-
P.W. Minor	-	-	-	250	8	1.08%
NYS School for the Blind	-	-	-	220	9	0.95%

(1) Source: Genesee County Chamber of Commerce

(2) Source: City of Batavia Official Statement dated June 3, 2010

(3) New York State Department of Labor, Quarterly Census of Employment of Wages - Private and Public - Genesee County

**THE CITY OF BATAVIA, NEW YORK**  
**FULL TIME CITY EMPLOYEES BY FUNCTION**  
**LAST TEN FISCAL YEARS**

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
City Council and Clerk	11	11	11	11	11	11	11	11	11	11
Administration	6	6	5	4	4	4	5	5	5	5
Finance and Assessment	2	3	3	3	3	3	3	3	3	3
Community Development	-	-	-	-	-	-	-	-	-	-
Department of Public Works	4	5	6	5	5	6	6	6	6	6
Bureau of Maintenance	25	25	26	25	25	25	25	25	25	25
Water and Wastewater	21	19	19	19	19	19	19	19	19	19
Police	32	31	31	27	33	33	31	31	32	32
Fire	37	39	38	34	34	35	34	35	36	36
Ambulance and Medics	19	-	-	-	-	-	-	-	-	-
Recreation & Youth Services	1	1	2	2	2	2	2	2	2	2
Total	<u>158</u>	<u>140</u>	<u>141</u>	<u>130</u>	<u>136</u>	<u>138</u>	<u>136</u>	<u>137</u>	<u>139</u>	<u>139</u>

**Note:**

(1) The City of Batavia discontinued employing ambulance personnel April 1, 2010.

**THE CITY OF BATAVIA, NEW YORK  
OPERATING INDICATORS BY FUNCTION  
LAST TEN FISCAL YEARS**

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Police <sup>1</sup>										
Calls for service	15,771	16,719	17,392	17,252	16,805	19,344	19,797	19,275	21,010	19,388
Reported crimes	1,440	1,476	1,551	1,713	1,614	1,747	1,505	1,361	1,332	1,144
Fire <sup>2</sup>										
Emergency Calls for service	1,567	1,645	2,009	2,086	1,998	2,172	2,200	2,224	2,412	2,402
Refuse <sup>3</sup>										
Total tonnage	4,487	4,429	4,433	1,762	N/A	N/A	N/A	N/A	N/A	N/A
Water <sup>4</sup>										
Millions of gallons per day:										
Filtration plant production	2.20	2.44	2.63	2.70	2.85	2.85	2.90	2.93	2.79	2.80
City water demand	2.00	2.02	2.23	2.27	2.38	2.48	2.50	2.22	2.23	1.91
Wastewater <sup>5</sup>										
Sewer consumption	591,516	585,049	584,083	605,000	596,618	581,740	620,915	612,577	574,159	605,950
Youth <sup>6</sup>										
Recreation youths served	452	465	457	449	480	461	378	367	354	348
Youth services provided	2,581	3,000	2,992	2,497	2,450	2,763	1,863	1,793	1,741	1,729
Parks and Recreation <sup>7</sup>										
Pavilion rentals	128	134	131	158	125	121	103	126	112	110
Bureau of Maintenance <sup>8</sup>										
Snow operations	89	122	51	64	123	129	66	80	121	112

1) 2010 - 2019 figures from State of New York DCJS Part I and Part II Crime Counts. Prior years restated due to clerical error. Calls for service from new World Records.

2) City of Batavia Fire Department's Firehouse and Red Alert management software

3) City of Batavia Department of Public works. Note: The City of Batavia discontinued providing refuse services on May 31, 2013

4) Annual Water Quality Report

5) 000's Omitted. Figures obtained from the City of Batavia pre-bill registers run as part of the billing process

6) City of Batavia youth bureau annual reports provided to New York State, based on calendar year, therefore 2019 is estimated

7) City Bureau of Maintenance usage report through 2012 and City Clerk's receipts from 2013 - 2019

8) City of Batavia Bureau of Maintenance snow log

**THE CITY OF BATAVIA, NEW YORK  
CAPITAL ASSET STATISTICS BY FUNCTION  
LAST TEN FISCAL YEARS**

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Miles of streets <sup>1</sup>	48.5	48.5	48.5	48.5	48.5	48.5	48.5	48.5	47.79	47.79
Municipal parking lots <sup>2</sup>	9	9	9	9	9	9	9	9	9	9
Water <sup>3</sup>										
Linear feet water line	319,335	319,335	319,335	319,335	319,335	319,335	319,335	319,335	319,335	319,560
Water tanks	1	1	1	1	1	1	1	1	1	1
Wastewater <sup>4</sup>										
Linear feet gravity line	274,560	274,560	274,560	274,560	274,560	274,560	274,560	274,560	274,560	274,560
Linear feet pressurized line	19,107	19,107	19,107	19,107	19,107	19,107	19,107	19,107	19,107	19,107
Linear feet gravity storm sewer	264,000	264,000	264,000	264,000	264,000	264,000	264,000	264,000	264,000	264,000
Linear feet pressurized storm sewer	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
City-owned street lights <sup>5</sup>	664	664	663	662	662	664	664	664	664	664
Fire hydrants <sup>6</sup>	544	544	544	544	544	544	544	548	548	548

Sources:

- 1) NYSDOT Inventory - GPS Verified Inventory (2017)
- 2) City of Batavia Bureau of Maintenance
- 3) City of Batavia recorded drawings
- 4) City of Batavia Autocad computer program
- 5) National Grid
- 6) City of Batavia Firehouse management software.