

CITY OF AMERY, WISCONSIN
FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
YEAR ENDED DECEMBER 31, 2016

**CITY OF AMERY, WISCONSIN
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INDEPENDENT AUDITORS' REPORT

The City Council
City of Amery
Amery, Wisconsin

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Amery, Wisconsin (City) as of and for the year ended December 31, 2016, 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.

Auditors' 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 auditors' 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, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Amery, Wisconsin as of December 31, 2016, and the respective changes in the financial position and, where applicable, cash flows, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information and Wisconsin Retirement System pension schedules as referenced in the table of contents, be presented to supplement the basic financial statements. Such information, although not 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.

The City has omitted a management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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 the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this omitted information.

Supplementary 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 combining and individual fund statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information 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. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole. We have also previously audited, in accordance with auditing standards generally accepted in the United States of America, the City's basic financial statements for the year ended December 31, 2015 which are not presented with the accompanying financial statements. In our report dated October 8, 2016, we expressed unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining

City Council
City of Amery

fund information. That audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The 2015 individual fund statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2015 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of those 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 2015 individual fund statements are fairly stated in all material respects in relation to the basic financial statements from which they have been derived.



CliftonLarsonAllen LLP

Hudson, Wisconsin
September 18, 2017

**CITY OF AMERY, WISCONSIN
STATEMENT OF NET POSITION
DECEMBER 31, 2016**

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Investments	\$ 1,952,761	\$ 658,166	\$ 2,610,927
Land Held for Resale	250,780	-	250,780
Taxes Receivable	2,130,457	35,301	2,165,758
Accounts Receivable	105,615	260,836	366,451
Prepayments	49,997	-	49,997
Inventories	-	28,001	28,001
Special Assessments Receivable	33,663	35,000	68,663
Long-Term Receivables	306,420	-	306,420
Restricted Assets:			
Cash and Investments	-	178,563	178,563
Capital Assets:			
Capital Assets Not Being Depreciated	929,255	51,698	980,953
Capital Assets Being Depreciated	11,293,518	9,362,228	20,655,746
Accumulated Depreciation	(4,937,999)	(4,945,027)	(9,883,026)
Total Assets	12,114,467	5,664,766	17,779,233
DEFERRED OUTFLOWS OF RESOURCES			
Wisconsin Retirement System Pension Related	676,505	230,068	906,573
LIABILITIES			
Vouchers and Accounts Payable	114,747	19,874	134,621
Accrued Interest Payable	23,771	3,325	27,096
Payroll Taxes and Withholdings	63,316	-	63,316
Due to Other Governmental Units	14,061	-	14,061
Special Deposits	21,091	-	21,091
Noncurrent Liabilities:			
Amounts Due Within One Year	535,035	112,055	647,090
Amounts Due in More than One Year	3,733,044	671,166	4,404,210
Wisconsin Retirement System Pension Liability	120,640	39,788	160,428
Total Liabilities	4,625,705	846,208	5,471,913
DEFERRED INFLOWS OF RESOURCES			
Succeeding Year's Property Taxes	2,310,285	-	2,310,285
Wisconsin Retirement System Pension Related	252,257	85,392	337,649
Total Deferred Inflows of Resources	2,562,542	85,392	2,647,934
NET POSITION			
Net Investment in Capital Assets	4,793,727	3,788,518	8,582,245
Restricted For:			
Capital Projects and Plant Replacement	917,953	178,563	1,096,516
Housing and Business Loan Programs	351,444	-	351,444
Other Purposes	169,175	-	169,175
Unrestricted	(629,574)	996,153	366,579
Total Net Position	\$ 5,602,725	\$ 4,963,234	\$ 10,565,959

See accompanying Notes to Basic Financial Statements.

**CITY OF AMERY, WISCONSIN
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2016**

FUNCTIONS/PROGRAMS	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>		
		<u>Charges For Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
PRIMARY GOVERNMENT							
GOVERNMENTAL ACTIVITIES							
General Government	\$ 663,984	\$ 44,144	\$ -	\$ -	\$ (619,840)	\$ -	\$ (619,840)
Public Safety	1,271,202	230,696	39,503	-	(1,001,003)	-	(1,001,003)
Public Works	916,811	193,290	202,172	15,922	(505,427)	-	(505,427)
Health and Human Services	375	-	-	-	(375)	-	(375)
Culture, Recreation, and Education	571,135	6,311	180,562	-	(384,262)	-	(384,262)
Conservation and Development	459,962	-	1,489	-	(458,473)	-	(458,473)
Interest and Fiscal Charges	147,689	-	-	-	(147,689)	-	(147,689)
Total Governmental Activities	4,031,158	474,441	423,726	15,922	(3,117,069)	-	(3,117,069)
BUSINESS-TYPE ACTIVITIES							
Water	360,286	445,573	-	-	-	85,287	85,287
Sewer	625,675	658,257	-	-	-	32,582	32,582
Total Business-Type Activities	985,961	1,103,830	-	-	-	117,869	117,869
Total Primary Government	<u>\$ 5,017,119</u>	<u>\$ 1,578,271</u>	<u>\$ 423,726</u>	<u>\$ 15,922</u>	(3,117,069)	117,869	(2,999,200)
GENERAL REVENUES							
Taxes							
Property Taxes, Levied for General Purposes					1,796,900	-	1,796,900
Property Taxes, Levied for TIF Districts					456,921	-	456,921
Other Taxes					87,595	-	87,595
Grants and Contributions not Restricted for a Particular Purpose					595,195	-	595,195
Interest and Investment Earnings					14,775	3,140	17,915
Miscellaneous					153,040	-	153,040
TRANSFERS					92,726	(92,726)	-
Total General Revenues and Transfers					<u>3,197,152</u>	<u>(89,586)</u>	<u>3,107,566</u>
CHANGE IN NET POSITION							
Net Position - Beginning of Year					5,522,642	4,934,951	10,457,593
NET POSITION - END OF YEAR							
					<u>\$ 5,602,725</u>	<u>\$ 4,963,234</u>	<u>\$ 10,565,959</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF AMERY, WISCONSIN
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2016**

	General Fund	CDBG Housing Revolving Loan Fund	Library Fund	Debt Service Fund	Tax Incremental District #5 Fund
ASSETS					
Treasurer's Cash and Investments	\$ 774,186	\$ 26,949	\$ 201,231	\$ 9,819	\$ 917,953
Land Held for Resale	250,780	-	-	-	-
Taxes Receivable	1,296,548	-	193,046	-	175,159
Special Assessments Receivable	33,663	-	-	-	-
Accounts Receivable	105,321	-	294	-	-
Due from Other Funds	204,838	-	-	-	-
Prepayments	-	-	-	-	-
Advances to Other Funds	17,804	-	-	-	-
Long-Term Receivables	-	297,977	-	-	-
Total Assets	\$ 2,683,140	\$ 324,926	\$ 394,571	\$ 9,819	\$ 1,093,112
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Vouchers and Accounts Payable	\$ 82,397	\$ -	\$ 32,350	\$ -	\$ -
Payroll Withholdings	63,316	-	-	-	-
Due to Other Governmental Units	14,061	-	-	-	-
Due to Other Funds	1,834	-	-	22,267	-
Advance from Other Funds	-	3,740	-	-	-
Special Deposits	21,091	-	-	-	-
Total Liabilities	182,699	3,740	32,350	22,267	-
Deferred Inflows of Resources:					
Succeeding Year's Property Taxes	1,476,376	-	193,046	-	175,159
Unavailable Revenue - Special Assessments	37,709	-	-	-	-
Unavailable Revenue - Long-Term Receivables	-	297,977	-	-	-
Total Deferred Inflows of Resources	1,514,085	297,977	193,046	-	175,159
Fund Balances:					
Nonspendable	293,438	-	-	-	-
Restricted	-	23,209	169,175	9,819	917,953
Assigned	-	-	-	-	-
Unassigned	692,918	-	-	(22,267)	-
Total Fund Balances	986,356	23,209	169,175	(12,448)	917,953
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 2,683,140	\$ 324,926	\$ 394,571	\$ 9,819	\$ 1,093,112

See accompanying Notes to Basic Financial Statements.

**CITY OF AMERY, WISCONSIN
BALANCE SHEET (CONTINUED)
GOVERNMENTAL FUNDS
DECEMBER 31, 2016**

	Tax Incremental District #6 Fund	Capital Improvements Fund	Other Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Treasurer's Cash and Investments	\$ -	\$ 2,642	\$ 19,981	\$ 1,952,761
Land Held for Resale	-	-	-	250,780
Taxes Receivable	249,191	163,097	53,416	2,130,457
Special Assessments Receivable	-	-	-	33,663
Accounts Receivable	-	-	-	105,615
Due from Other Funds	-	-	1,834	206,672
Prepayments	-	49,997	-	49,997
Advances to Other Funds	-	-	-	17,804
Long-Term Receivables	-	-	8,443	306,420
	<u>\$ 249,191</u>	<u>\$ 215,736</u>	<u>\$ 83,674</u>	<u>\$ 5,054,169</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Vouchers and Accounts Payable	\$ -	\$ -	\$ -	\$ 114,747
Payroll Withholdings	-	-	-	63,316
Due to Other Governmental Units	-	-	-	14,061
Due to Other Funds	173,680	-	8,891	206,672
Advance from Other Funds	-	-	14,064	17,804
Special Deposits	-	-	-	21,091
	<u>173,680</u>	<u>-</u>	<u>22,955</u>	<u>437,691</u>
Deferred Inflows of Resources:				
Succeeding Year's Property Taxes	249,191	163,097	53,416	2,310,285
Unavailable Revenue - Special Assessments	-	-	-	37,709
Unavailable Revenue - Long-Term Receivables	-	-	8,443	306,420
	<u>249,191</u>	<u>163,097</u>	<u>61,859</u>	<u>2,654,414</u>
Fund Balances:				
Nonspendable	-	49,997	-	343,435
Restricted	-	-	21,815	1,141,971
Assigned	-	2,642	-	2,642
Unassigned	(173,680)	-	(22,955)	474,016
	<u>(173,680)</u>	<u>52,639</u>	<u>(1,140)</u>	<u>1,962,064</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 249,191</u>	<u>\$ 215,736</u>	<u>\$ 83,674</u>	<u>\$ 5,054,169</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF AMERY, WISCONSIN
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2016**

TOTAL FUND BALANCES FOR GOVERNMENTAL FUNDS **\$ 1,962,064**

Total net position reported for governmental activities in the statement of net position is different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:

Land	\$	929,255	
Land Improvements		1,440,663	
Buildings		4,725,172	
Equipment and Vehicles		3,171,025	
Infrastructure		1,956,658	
Accumulated Depreciation		<u>(4,937,999)</u>	7,284,774

Some receivables, including special assessments, are reported as deferred inflows of resources in the fund financial statements but are recognized as revenue when earned in the government-wide statements. 344,129

Net Wisconsin Retirement System pension plan asset/liability and related deferred outflows and inflows are recorded only on the Statement of Net Position. Balances at year-end are:

Deferred Outflows of Resources		676,505	
Net Pension Plan Liability		(120,640)	
Deferred Inflows of Resources		(252,257)	

Some liabilities are not due and payable in the current period and therefore are not reported in the funds. These liabilities consist of:

General Obligation Bonds Payable		2,170,000	
General Obligation Notes Payable		904,580	
Capital Leases Payable		141,679	
Accrued Interest on Long-Term Debt		23,771	
WRS Prior Service Liability		1,834	
Compensated Absences Payable		322,723	
Estimated Landfill Postclosure Liability		<u>678,599</u>	(4,243,186)

The premium on debt issued is deferred in the statement of net assets and amortized over the life of the related debt. In the governmental funds the premium is considered an other financing source when received. (48,664)

TOTAL NET POSITION OF GOVERNMENTAL ACTIVITIES **\$ 5,602,725**

**CITY OF AMERY, WISCONSIN
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2016**

	General Fund	CDBG Housing Revolving Loan Fund	Library Fund	Debt Service Fund	Tax Incremental District #5 Fund
REVENUES					
Taxes	\$ 1,619,283	\$ -	\$ 187,213	\$ -	\$ 175,758
Special Assessments	3,064	-	-	-	-
Intergovernmental	834,989	-	168,169	-	2,156
Licenses and Permits	40,803	-	-	-	-
Fines and Forfeits	39,547	-	-	-	-
Public Charges for Services	225,387	-	-	-	-
Intergovernmental Charges for Services	203,794	-	-	-	-
Miscellaneous:					
Interest	14,130	3	1	-	-
Rent	101,596	-	-	-	-
Sale of Property	686	-	-	-	-
Donations	32,930	-	12,393	-	-
Loan Repayments	-	-	-	-	-
Other	11,308	-	10,101	-	-
Total Revenues	<u>3,127,517</u>	<u>3</u>	<u>377,877</u>	<u>-</u>	<u>177,914</u>
EXPENDITURES					
General Government	624,581	-	-	-	-
Public Safety	1,053,854	-	-	-	-
Public Works	856,012	-	-	-	-
Health and Human Services	375	-	-	-	-
Culture, Recreation, and Education	126,919	-	375,864	-	-
Conservation and Development	68,063	75	-	-	3,350
Debt Service:					
Principal Retirement	-	-	-	474,279	-
Interest and Fiscal Charges	-	-	-	173,340	-
Total Expenditures	<u>2,729,804</u>	<u>75</u>	<u>375,864</u>	<u>647,619</u>	<u>3,350</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	397,713	(72)	2,013	(647,619)	174,564
OTHER FINANCING SOURCES (USES)					
Long-Term Debt Issued	-	-	-	2,235,000	-
Premium on Debt Issued	-	-	-	53,797	-
Transfers In	92,726	-	-	556,715	-
Transfers Out	(485,410)	-	-	-	-
Payment to Refunding Bond Escrow	-	-	-	(2,245,042)	-
Total Other Financing Sources (Uses)	<u>(392,684)</u>	<u>-</u>	<u>-</u>	<u>600,470</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	5,029	(72)	2,013	(47,149)	174,564
Fund Balances - Beginning of Year	981,327	23,281	167,162	34,701	743,389
FUND BALANCES - END OF YEAR	<u>\$ 986,356</u>	<u>\$ 23,209</u>	<u>\$ 169,175</u>	<u>\$ (12,448)</u>	<u>\$ 917,953</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF AMERY, WISCONSIN
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES (CONTINUED)
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2016**

	Tax Incremental District #6 Fund	Capital Improvements Fund	Other Nonmajor Governmental Funds	Total Governmental Funds
REVENUES				
Taxes	\$ 226,633	\$ 78,000	\$ 54,530	\$ 2,341,417
Special Assessments	-	-	-	3,064
Intergovernmental	3,067	-	657	1,009,038
Licenses and Permits	-	-	-	40,803
Fines and Forfeits	-	-	-	39,547
Public Charges for Services	-	-	-	225,387
Intergovernmental Charges for Services	-	-	-	203,794
Miscellaneous:				
Interest	-	-	181	14,315
Rent	-	-	-	101,596
Sale of Property	-	-	-	686
Donations	-	-	-	45,323
Loan Repayments	-	-	3,971	3,971
Other	-	-	-	21,409
Total Revenues	229,700	78,000	59,339	4,050,350
EXPENDITURES				
General Government	-	-	-	624,581
Public Safety	-	16,917	-	1,070,771
Public Works	-	19,349	-	875,361
Health and Human Services	-	-	-	375
Culture, Recreation, and Education	-	-	-	502,783
Conservation and Development	359,233	-	29,241	459,962
Debt Service:				
Principal Retirement	-	-	-	474,279
Interest and Fiscal Charges	-	-	-	173,340
Total Expenditures	359,233	36,266	29,241	4,181,452
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(129,533)	41,734	30,098	(131,102)
OTHER FINANCING SOURCES (USES)				
Long-Term Debt Issued	-	-	-	2,235,000
Premium on Debt Issued	-	-	-	53,797
Transfers In	-	-	-	649,441
Transfers Out	(71,305)	-	-	(556,715)
Principal Payments on Refinanced Debt	-	-	-	(2,245,042)
Total Other Financing Sources (Uses)	(71,305)	-	-	136,481
NET CHANGE IN FUND BALANCES	(200,838)	41,734	30,098	5,379
Fund Balances - Beginning of Year	27,158	10,905	(31,238)	1,956,685
FUND BALANCES - END OF YEAR	<u>\$ (173,680)</u>	<u>\$ 52,639</u>	<u>\$ (1,140)</u>	<u>\$ 1,962,064</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF AMERY, WISCONSIN
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO
THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2016**

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS **\$ 5,379**

Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays are reported as expenditures in governmental funds. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:

Capital Outlays Reported in Governmental Fund Statements	\$ 201,628	
Depreciation Expense Reported in the Statement of Activities	<u>(425,828)</u>	(224,200)

In the statement of activities, only the gain or loss on the disposal of capital assets is reported whereas in the governmental funds, the proceeds from sales increase, financial resources and trade-ins are not reflected in capital outlays.		(2,530)
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Receivables not currently available are reported as deferred inflows of resources in the fund financial statements, but are recognized as revenue when earned in the government-wide statements.		(31,835)
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Pension expenditures in the governmental funds are measured by current year employee contributions. Pension expenses on the statement of activities are measured by the change in net pension asset, liability and related deferred outflows and inflows of resources.		(65,881)
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Long-term debt incurred in governmental funds is reported as an other financing source, but is reported as an increase in outstanding long-term debt in the statement of net position and does not affect the statement of activities. Long-term debt incurred in the current year is:

General Obligation Bonds	2,235,000	
Bond Premiums	<u>53,797</u>	(2,288,797)

Repayment of long-term debt is reported as an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net position. In the current year, these amounts consist of:

General Obligation Bonds Principal Retirement	1,630,000	
General Obligation Notes Principal Retirement	1,046,246	
Capital Lease Principal Retirement	<u>44,915</u>	2,721,161

Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These activities consist of:

Net Change in Accrued Interest Payable	13,075	
Amortization of Debt Premium	5,133	
Net Change in WRS Prior Service Liability	1,752	
Net Change in Compensated Absences Payable	(58,777)	
Net Change in Estimated Landfill Postclosure Liability	<u>5,603</u>	<u>(33,214)</u>

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES **\$ 80,083**

See accompanying Notes to Basic Financial Statements.

**CITY OF AMERY, WISCONSIN
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2016**

	Business-Type Activities - Joint Water and Sewer Enterprise Fund		
	Water	Sewer	Totals
	Department	Department	Totals
ASSETS			
Current Assets:			
Cash and Investments	\$ 342,891	\$ 315,275	\$ 658,166
Customer Accounts Receivable	105,311	155,525	260,836
Accounts Receivable on Tax Roll	12,441	22,860	35,301
Inventories	24,565	3,436	28,001
Total Current Assets	<u>485,208</u>	<u>497,096</u>	<u>982,304</u>
Restricted Assets:			
Equipment Replacement Fund Investments	-	178,563	178,563
Capital Assets:			
Utility Plant in Service	4,423,923	4,990,003	9,413,926
Less: Accumulated Depreciation	1,742,357	3,202,670	4,945,027
Total Capital Assets	<u>2,681,566</u>	<u>1,787,333</u>	<u>4,468,899</u>
Other Assets:			
Special Assessments Receivable	-	35,000	35,000
Total Assets	<u>3,166,774</u>	<u>2,497,992</u>	<u>5,664,766</u>
DEFERRED OUTFLOWS OR RESOURCES			
Wisconsin Retirement System Pension Related	86,231	143,837	230,068
LIABILITIES			
Current Liabilities:			
Accounts Payable	3,071	16,803	19,874
Accrued Interest Payable	3,325	-	3,325
Current Portion of Long-Term Debt:			
General Obligation Bonds	85,000	-	85,000
Accrued Compensated Absences	5,653	21,402	27,055
Total Current Liabilities	<u>97,049</u>	<u>38,205</u>	<u>135,254</u>
Long-Term Liabilities (Net of Current Portion):			
General Obligation Bonds	580,000	-	580,000
Unamortized Bond Premium	15,381	-	15,381
Accrued Compensated Absences	15,836	59,949	75,785
Wisconsin Retirement System Pension Liability	31,981	7,807	39,788
Total Long-Term Liabilities	<u>643,198</u>	<u>67,756</u>	<u>710,954</u>
Total Liabilities	<u>740,247</u>	<u>105,961</u>	<u>846,208</u>
DEFERRED INFLOWS OR RESOURCES			
Wisconsin Retirement System Pension Related	<u>37,477</u>	<u>47,915</u>	<u>85,392</u>
NET POSITION			
Net Investment in Capital Assets	2,001,185	1,787,333	3,788,518
Restricted for Equipment Replacement	-	178,563	178,563
Unrestricted	474,096	522,057	996,153
Total Net Position	<u>\$ 2,475,281</u>	<u>\$ 2,487,953</u>	<u>\$ 4,963,234</u>

See accompanying Notes to Basic Financial Statements.

CITY OF AMERY, WISCONSIN
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2016

	Business-Type Activities - Joint Water and Sewer Enterprise Fund		
	Water	Sewer	Totals
	Department	Department	Totals
OPERATING REVENUES			
Sales of Water/Sewerage Revenues:			
Residential	\$ 138,466	\$ 343,984	\$ 482,450
Commercial	52,604	134,765	187,369
Industrial	22,926	71,294	94,220
Public Authorities	21,821	51,089	72,910
Multifamily Residential	31,916	53,710	85,626
Private Fire Protection	7,980	-	7,980
Public Fire Protection	145,707	-	145,707
Total Sales of Water/Sewerage Revenues	421,420	654,842	1,076,262
Other Operating Revenues	24,153	3,415	27,568
Total Operating Revenues	445,573	658,257	1,103,830
OPERATING EXPENSES			
Operation and Maintenance	222,446	471,588	694,034
Depreciation	104,643	154,087	258,730
Total Operating Expenses	327,089	625,675	952,764
OPERATING INCOME (LOSS)	118,484	32,582	151,066
NONOPERATING REVENUES (EXPENSES)			
Interest Revenue	160	2,980	3,140
Interest Expense	(34,906)	-	(34,906)
Other	1,709	-	1,709
Total Nonoperating Revenues (Expenses)	(33,037)	2,980	(30,057)
INCOME (LOSS) BEFORE TRANSFERS	85,447	35,562	121,009
TRANSFERS:			
Transfer to Governmental Funds - Property Tax Equivalent	(92,726)	-	(92,726)
CHANGE IN NET POSITION	(7,279)	35,562	28,283
Net Position - Beginning of Year	2,482,560	2,452,391	4,934,951
NET POSITION - END OF YEAR	\$ 2,475,281	\$ 2,487,953	\$ 4,963,234

See accompanying Notes to Basic Financial Statements.

**CITY OF AMERY, WISCONSIN
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2016**

	Business-Type Activities - Joint Water and Sewer Enterprise Fund		
	Water	Sewer	Totals
	Department	Department	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Received from Utility Customers	\$ 274,045	\$ 662,180	\$ 936,225
Cash Received for Public Fire Protection	145,707	-	145,707
Cash Received (Paid) for Meter Related Charges	20,346	(20,652)	(306)
Cash Paid to Suppliers for Goods and Services	(94,724)	(262,547)	(357,271)
Cash Paid for Employee Services	(110,277)	(192,613)	(302,890)
Net Cash Provided by (Used for) Operating Activities	235,097	186,368	421,465
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Cash Payments for Tax Equivalent	(92,726)	-	(92,726)
Net Cash Provided by (Used for) Noncapital Financing Activities	(92,726)	-	(92,726)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Cash Payments for Capital Assets	(872)	-	(872)
Cash Received from Customer Contributions	-	2,090	2,090
Cash Received from Issuance of Debt	728,799	-	728,799
Principal Paid on Long-Term Debt	(791,443)	-	(791,443)
Interest Paid on Long-Term Debt	(35,565)	-	(35,565)
Net Cash Provided by (Used for) Capital and Related Financing Activities	(99,081)	2,090	(96,991)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on Investments	160	2,980	3,140
NET CHANGE IN CASH AND CASH EQUIVALENTS	43,450	191,438	234,888
Cash and Cash Equivalents - Beginning of Year	299,441	302,400	601,841
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 342,891</u>	<u>\$ 493,838</u>	<u>\$ 836,729</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF AMERY, WISCONSIN
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2016**

	Business-Type Activities - Joint Water and Sewer Enterprise Fund		
	Water	Sewer	Totals
	<u>Department</u>	<u>Department</u>	
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES			
Operating Income (Loss)	\$ 118,484	\$ 32,582	\$ 151,066
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:			
Depreciation	104,643	154,087	258,730
Net Change in Wisconsin Pension Asset	13,177	49,922	63,099
Net Change in Wisconsin Pension Deferred Outflow	(72,847)	(93,131)	(165,978)
Net Change in Wisconsin Pension Liability	31,981	7,807	39,788
Net Change in Wisconsin Pension Deferred Inflow	37,477	47,915	85,392
(Increase) Decrease in Assets:			
Customer Accounts Receivable	(1,417)	1,690	273
Accounts Receivable on Tax Roll	(4,058)	2,233	(1,825)
Prepayments	5,208	7,812	13,020
Inventories	114	29	143
Decrease (Increase) in Liabilities:			
Accounts Payable	94	(33,597)	(33,503)
Accrued Compensated Absences	2,241	9,019	11,260
Net Cash Provided by (Used for) Operating Activities	<u>\$ 235,097</u>	<u>\$ 186,368</u>	<u>\$ 421,465</u>
RECONCILIATION OF CASH AND INVESTMENTS TO CASH AND CASH EQUIVALENTS			
Cash and Investments per Statement of Net Position:			
Cash and Investments	\$ 342,891	\$ 315,275	\$ 658,166
Cash and Investments - Restricted	-	178,563	178,563
	<u>342,891</u>	<u>493,838</u>	<u>836,729</u>
CASH AND CASH EQUIVALENTS	<u>\$ 342,891</u>	<u>\$ 493,838</u>	<u>\$ 836,729</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF AMERY, WISCONSIN
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2016**

	Private Purpose Trust Fund	Tax Agency Fund
ASSETS		
Cash and Investments	\$ 107,155	\$ 550,257
Taxes Receivable	-	2,382,454
Total Assets	107,155	\$ 2,932,711
LIABILITIES		
Due to Other Governmental Units:		
State	\$ -	\$ 32,249
County	-	884,605
Special Purpose District	-	21,970
School	-	1,928,728
Technical College	-	65,159
Total Liabilities	-	\$ 2,932,711
NET POSITION		
Held for Retirement Benefits	\$ 107,155	

See accompanying Notes to Basic Financial Statements.

**CITY OF AMERY, WISCONSIN
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
YEAR ENDED DECEMBER 31, 2016**

	<u>Private Purpose Trust Fund</u>	<u>Fire Department Retirement Fund</u>
ADDITIONS		
Contribution from General Fund	\$	8,000
DEDUCTIONS		
Retirement Benefits Paid		<u>-</u>
CHANGE IN NET POSITION		8,000
Net Position - Beginning of Year		<u>99,155</u>
NET POSITION - END OF YEAR	\$	<u>107,155</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2016**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Amery (the "City") have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting principles and policies utilized by the City are described below:

A. Reporting Entity

The City of Amery is governed by a mayor/council form of government. The council consists of four members elected from wards with two members elected at-large.

The financial reporting of the City is defined by the GASB to consist of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that the exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The basic financial statements of the City consist of the primary government. No other organizations were identified for inclusion in the financial reporting entity of the City.

B. Government-Wide and Fund Financial Statements

The City's basic financial statements include both government-wide (reporting the City as a whole) and fund financial statements (reporting the City's major funds) as described below:

Government-Wide Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report financial information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable to a specific function or segment. Program revenues include (a) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment; and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

**CITY OF AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2016**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Fund Financial Statements

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, which constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position, fund equity, revenues, and expenditures/expenses.

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

The City reports the following major governmental funds:

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

CDBG Housing Revolving Loan Fund – The CDBG Housing Revolving Loan Fund, a special revenue fund, is used to account for the initial CDBG funding and ongoing activities of the revolving loan fund that are restricted for the purpose of financing loans for housing rehabilitation.

Library Fund – The Library Fund is used to account for the accumulation of resources used to support the library operations.

Debt Service Fund – The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, long-term debt principal, interest and related costs of governmental funds.

Tax Incremental District #5 Fund – The Tax Incremental District #5 Fund, a capital projects fund, is used to account for financial resources to be used for funding projects within the scope of the TID #5 project plan.

Tax Incremental District #6 Fund – The Tax Incremental District #6 Fund, a capital projects fund, is used to account for financial resources to be used for funding projects within the scope of the TID #6 project plan.

Capital Improvement Fund – The Capital Improvement fund, a capital projects fund, is used to account for financial resources to be used for funding ongoing capital improvements of the City within the scope of the City plans.

All remaining governmental funds are aggregated and reported as nonmajor funds. The City reports the following major enterprise funds:

Water Utility – This fund accounts for the operations of the water system. Utility operations are subject to regulation by the Wisconsin Public Service Commission.

Sewer Utility – This fund accounts for the operations of the sewer collection system and treatment facilities.

The City had no other enterprise funds to report as nonmajor funds.

**CITY OF AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2016**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Fund Financial Statements (Continued)

Additionally, the City reports the following fiduciary funds:

Agency Fund – The agency fund is used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations and/or other governmental units. The agency fund is primarily used to account for the collection of property taxes for the governmental units.

Private Purpose Trust Fund – The private purpose trust fund is used to account for a retirement plan established for members of the fire department (see also Note 4.B.).

C. Measurement Focus and Basis of Accounting

The government-wide financial statements, the proprietary funds and fiduciary trust fund financial statements, are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Nonexchange transactions, in which the City gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants, entitlements and donations. Property taxes are recognized as revenues in the year for which they are levied. Taxes receivable for the following year are recorded as receivables and deferred inflows of resources. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met. Special assessments are recorded as revenue when earned. Unbilled receivables, if material, are recorded as revenues when services are provided. Fiduciary agency funds do not have a measurement focus.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the government's utility functions and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized as soon as they are both measurable and available. Revenues are deemed 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 generally considers revenues reported in the governmental funds to be available if they are collected within sixty days after the end of the current fiscal period. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

**CITY OF AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2016**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus and Basis of Accounting (Continued)

Property taxes, miscellaneous taxes, public charges for services and interest associated with the current fiscal period are all considered to be susceptible to accrual. Only the portion of special assessment receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are generally considered to be measurable and available only when cash is received by the government.

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in financial statements and accompanying notes. Actual results could differ from those estimates.

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Equity

1. Deposits and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with an original maturities of three months or less from date of acquisition. Cash and investment balances for individual funds are pooled unless maintained in segregated accounts.

Investment of City funds is restricted by state statutes. Available investments are limited to:

- a. Time deposits in any credit union, bank, savings bank or trust company maturing in three years or less
- b. Bonds or securities issued or guaranteed by the federal government
- c. Bonds or securities of any county, city, drainage district, technical college district, village, town, or school district of the state. Also, bonds issued by a local exposition district, a local professional baseball park district, a local professional football stadium district, a local cultural arts district, or by the University of Wisconsin Hospitals and Clinics Authority
- d. Any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency
- e. Securities of an open-end management investment company or investment trust, subject to various conditions and investment options
- f. Bonds or securities issued under the authority of the municipality
- g. The local government investment pool
- h. Repurchase agreements with public depositories, with certain conditions

Additional restrictions may arise from local charters, ordinances, resolutions and grant resolutions.

**CITY OF AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2016**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Equity (Continued)

1. Deposits and Investments (Continued)

Investment of most trust funds is regulated by Chapter 881 of the Wisconsin Statutes. Investment of library trust funds is regulated by Chapter 112. Those sections give broad authority to use such funds to acquire various kinds of investments including stocks, bonds and debentures.

Investments of the City are stated at fair value.

2. Receivables and Payables

Property Taxes. Property taxes are levied prior to the end of the calendar year and are due and collectible in the following year. Property taxes attach an enforceable lien as of January 1. The resulting tax roll is recorded as receivable by the City at year end with amounts due to other governmental units recorded as liabilities in the agency fund. Since City property taxes are not considered available until January 1 of the year following the levy, they are recorded as deferred inflows of resources in the funds budgeted therefore.

Real property taxes are payable in full on or before January 31 or, alternatively, if over \$100, can be paid in two equal installments with the first installment payable on or before January 31 and the second installment payable on or before July 31. Personal property taxes and special assessments, special charges (including delinquent utility billings) and special taxes placed on the tax roll are payable in full on or before January 31. All uncollected items on the current tax roll, except delinquent personal property taxes, are turned over to the Polk County Treasurer for collection in February. Polk County subsequently settles in full with the City in August of the same year, including settlement for uncollected delinquent special assessments and special charges. (The County has the option to settle in full for delinquent special assessments and special charges or to remit them to the City as collections are received.) Delinquent personal property taxes are retained by the City for collection. A portion of the general fund balance is classified as nonspendable for the City's investment in delinquent taxes.

Special Assessments. Assessments against property owners for public improvements are generally not subject to full settlement in the year levied. Special assessments are placed on tax rolls on an installment basis. Revenue from special assessments recorded in governmental funds is recognized as collections are made or as current installments are placed on tax rolls. (Installments placed on the 2016 tax roll are recognized as revenue in 2017.) Special assessments recorded in proprietary funds and in the government-wide financial statement are recorded as revenue at the time the assessments are subject to collection procedures.

Accounts Receivable. Accounts receivable in the community micro-loan fund (\$12,896) are net of an allowance for uncollectible accounts of \$4,452. All other accounts receivable are considered to be collectible in full.

**CITY OF AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2016**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Equity (Continued)

2. Receivables and Payables (Continued)

Interfund Balances. Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statement as "internal balances". Advances between funds, as reported in the fund financial statements, are offset by a nonspendable fund balance account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

3. Inventories and Prepaid Items

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds, if material, are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

4. Restricted Assets

Mandatory segregations of assets are presented as restricted assets. Such segregations are required by bond agreements and other external parties. Current liabilities payable from these restricted assets are so classified.

5. Capital Assets

Government-Wide Statements. 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 columns in the government-wide financial statements. Capital assets are defined by the City as assets with initial, individual costs as shown below and an estimated useful life of two years or greater. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

**CITY OF AMERY, WISCONSIN
 NOTES TO BASIC FINANCIAL STATEMENTS
 DECEMBER 31, 2016**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Equity (Continued)

5. Capital Assets (Continued)

Government-Wide Statements (Continued). Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities, if material, is included as part of the capitalized value of the assets constructed. The City's policy is to prospectively report infrastructure acquired after adoption of GASB Statement No. 34.

Capitalization thresholds (the dollar valued 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:

Assets	Capitalization Threshold	Depreciation Method	Estimated Useful Life
Land	\$ 5,000	N/A	N/A
Land Improvements	5,000	Straight-line	10 - 50 Years
Buildings and Improvements	5,000	Straight-line	20 - 50 Years
Machinery and Equipment	5,000	Straight-line	4 - 15 Years
Infrastructure	5,000	Straight-line	20 - 50 Years
Utility Systems	Various	Straight-line	4 - 100 Years

Fund Financial Statements. In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for in the same manner as in the government-wide statements.

6. Deferred Outflows of Resources

The City would report decreases in net position or fund equity that relate to future periods as deferred outflows of resources in a separate section of its government-wide and proprietary funds statements of net position or governmental fund balance sheet. A deferred outflow of resources is reported in these financial statements for pension related items. The City has deferred outflows relating to pension items.

**CITY OF AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2016**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Equity (Continued)

7. Deferred Inflows of Resources

The City's governmental activities and governmental fund financial statements report a separate section for deferred inflows of resources. This separate financial statement element reflects an increase in net position or fund equity that applies to a future period. The City will not recognize the related revenue until a future event occurs. The City has two types of items which occur related to revenue recognition. The first occurs because property tax receivables are recorded in the current year, but the revenue will be recorded in the subsequent year. The second type of deferred inflow of resources occurs because governmental fund revenues are not recognized until available (collected not later than 60 days after the end of the City's year) under the modified accrual basis of accounting. The City has deferred outflows relating to pension items.

8. Compensated Absences

It is the City's policy to permit employees to accumulate vacation, sick leave and compensatory time off benefits. Liabilities for accumulated vacation, sick leave and compensatory time off are not accrued in the City's governmental fund financial statements but are recorded as expenditures when paid. Such liabilities are accrued in the government-wide and proprietary fund financial statements when earned. The City's policies and estimated liabilities at year end are further discussed in Note 4.C.

9. Wisconsin Retirement System Pension Plan Benefits

For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Wisconsin Retirement System (WRS) and additions to/deductions from WRS' fiduciary net position have been determined on the same basis as they are reported by WRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

10. Long-Term Obligations

In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type statement of net position. In the governmental fund financial statements, the face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**CITY OF AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2016**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Equity (Continued)

11. Defining Operating Revenue and Expense

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the water utility and sewer utility are charges to customers for sales and services. Operating expenses for proprietary 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.

12. Use of Restricted Resources

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

13. Equity Classifications

Fund equity, representing the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources, is classified as follows in the City's financial statements:

Government-Wide and Proprietary Fund Statements. Fund equity is classified as net position in the government-wide and proprietary fund financial statements and is displayed in three components. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement for those assets. Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors or laws or regulations of other governments. All other net position is displayed as unrestricted.

Fund Financial Statements. In the fund financial statements, governmental funds report components of fund balance to provide information about fund balance availability for appropriation. Nonspendable fund balance represents amounts that are inherently nonspendable or assets that will never be converted to cash or will not be converted to cash soon enough to affect the current period. Restricted fund balance represents amounts available for appropriation but intended for a specific use and is legally restricted by outside parties. Committed fund balance represents constraints on spending that the government imposes upon itself by high-level formal action prior to the close of the fiscal period. Assigned fund balance represents resources intended for spending for a purpose set by the government body itself or by some person or body delegated to exercise such authority in accordance with policy established by the City Council. Based on resolution of the City Council, the City Clerk/Treasurer and City Administrator have been authorized to establish or modify assigned fund balance.

**CITY OF AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2016**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Equity (Continued)

13. Equity Classifications (Continued)

Fund Financial Statements (Continued). Unassigned fund balance is the residual classification for the City's general fund and includes all spendable amounts not contained in the other classifications. It is the City's policy that at the end of each fiscal year, the City will maintain a minimum unassigned portion of fund balance between 20% and 30%.

Committed fund balance is required to be established, modified, or rescinded by resolution of the City Council prior to each year end.

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Generally accepted accounting principles require the disclosure of individual funds that have deficit balances at year end. At December 31, 2016 certain funds had deficit balances as shown below:

Tax Incremental District #6	\$ (173,680)
Tax Incremental District #7	(14,064.00)
Tax Incremental District #8	(8,891.00)
Debt Service Fund	<u>(12,448.00)</u>
	<u>\$ (209,083)</u>

The deficit in the Tax Incremental District #6 fund is financed by future property tax revenue levy.

The deficit in the Tax Incremental District #7 fund is financed by an advance from the general fund, see Note 3.D. The advance will be repaid as funds become available from tax increment and loan repayment collections.

The deficit in the Tax Incremental District #8 fund is financed by intergovernmental fund due to/from from the general fund, see Note 3.D. The due to will be repaid as funds become available from tax increment and loan repayment collections.

The deficit in the debt service fund is financed by intergovernmental fund due to/from from the general fund, see Note 3.D. The due to will be repaid as funds become available from tax increment and loan repayment collections.

Expenditures in excess of budget for fiscal year 2016 were as follows:

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
General Fund				
General Government	\$ 624,009	\$ 624,009	\$ 624,581	\$ (572)
Health and Human Services	175	175	375	(200)
Culture, Recreation, and Education	73,300	73,300	126,919	(53,619)
Conservation and Development	53,539	53,539	68,063	(14,524)

**CITY OF AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2016**

NOTE 3 DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

The City's cash and investments balances at December 31, 2016 as shown in the financial statements as follows:

Governmental Funds	\$ 1,952,761
Proprietary Funds	836,729
Fiduciary Funds	657,412
Total	\$ 3,446,902

The above cash and investments balances consisted of the following:

Deposits at Financial Institutions	\$ 3,445,902
Petty Cash	1,000
Total	\$ 3,446,902

Deposits at Financial Institutions

The City's balances at individual financial institutions were subject to coverage under federal depository insurance and amounts appropriated by Sections 20.144(1)(a) and 34.08 of the Wisconsin Statutes (State Guarantee Fund). Federal depository insurance provides for coverage for governmental entities of up to \$250,000 for time and savings deposits and an additional \$250,000 for demand deposits. In addition, funds held for others (such as trust funds) are subject to coverage under the name of the party for whom the funds are held. Coverage under the State Guarantee Fund may not exceed \$400,000 above the amount of coverage under federal depository insurance at any institution and is limited by the availability of the appropriations authorized therein. (Due to the relatively small size of the State Guarantee Fund in relation to the total coverage, total recovery of losses may not be available.) Also, Section 34.07 of the Wisconsin Statutes authorizes the City to collateralize its deposits that exceed the amount of coverage provided by federal depository insurance and the State Guarantee Fund.

Custodial credit risk for deposits is the risk that, in the event of failure, the City's deposits may not be returned. At December 31, 2016, the City's deposits were not exposed to custodial credit risk.

**CITY OF AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2016**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

B. Receivables/Deferred Inflows of Resources

Other Receivables

Housing Rehabilitation Loans Receivable. The City was awarded Community Development Block Grants for financing housing rehabilitation loans. At December 31, 2016, the City had twenty-four (24) outstanding deferred loans totaling \$297,977. The deferred loans become due and payable in full in the event that the maker no longer continues to occupy the premises securing the loan as a full-time residence, or if the maker transfers any legal or equitable interest in the mortgage premises to anyone for any reason.

The deferred loans have been recorded as receivables in the revolving loan special revenue fund and are equally offset by deferred inflows of resources. Collections on these loans are recognized as revenue in the special revenue fund at the time of their receipt. Proceeds from the collection of the above loans are restricted for financing similar rehabilitation projects.

C. Capital Assets

Capital assets activity for the year ended December 31, 2016 is as follows:

Governmental Activities

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital Assets Not Being Depreciated				
Land	\$ 908,146	\$ 21,109	\$ -	\$ 929,255
Capital Assets Being Depreciated				
Land Improvements	1,440,663	-	-	1,440,663
Buildings	4,725,172	-	-	4,725,172
Equipment and Vehicles	3,126,972	56,025	11,972	3,171,025
Infrastructure	1,832,164	124,494	-	1,956,658
Total Capital Assets Being Depreciated	<u>11,124,971</u>	<u>180,519</u>	<u>11,972</u>	<u>11,293,518</u>
Total Capital Assets	12,033,117	201,628	11,972	12,222,773
Accumulated Depreciation:				
Land Improvements	971,513	30,272	-	1,001,785
Buildings	1,435,448	122,882	-	1,558,330
Equipment and Vehicles	1,867,186	214,642	9,442	2,072,386
Infrastructure	247,466	58,032	-	305,498
Total Accumulated Depreciation	<u>4,521,613</u>	<u>425,828</u>	<u>9,442</u>	<u>4,937,999</u>
Net Capital Assets - Governmental Activities	<u>\$ 7,511,504</u>	<u>\$ (224,200)</u>	<u>\$ 2,530</u>	<u>\$ 7,284,774</u>

Depreciation was charged to governmental functions as follows:

Public Safety	\$ 167,069
Public Works	179,733
Culture, Recreation and Education	77,807
Total Depreciation - Governmental Activities	<u>\$ 425,828</u>

**CITY OF AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2016**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Capital Assets (Continued)

Business-Type Activities

	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities:				
Joint Water and Sewer Utility:				
Water Department:				
Capital Assets Not Being Depreciated				
Land and Land Rights	\$ 15,358	\$ -	\$ -	\$ 15,358
Capital Assets Being Depreciated:				
Source of Supply	198,218	-	-	198,218
Pumping Plant	259,772	-	-	259,772
Water Treatment	13,455	-	-	13,455
Transmission and Distribution	3,803,403	872	-	3,804,275
General Plant	132,845	-	-	132,845
Total Capital Assets Being Depreciated	<u>4,407,693</u>	<u>872</u>	<u>-</u>	<u>4,408,565</u>
Total Capital Assets	4,423,051	872	-	4,423,923
Less Accumulated Depreciation	<u>1,637,714</u>	<u>104,643</u>	<u>-</u>	<u>1,742,357</u>
Net Capital Assets - Water Utility	<u>2,785,337</u>	<u>(103,771)</u>	<u>-</u>	<u>2,681,566</u>
Sewer Department:				
Capital Assets Not Being Depreciated				
Land and Land Rights	36,340	-	-	36,340
Capital Assets Being Depreciated:				
Collection System	1,501,074	-	-	1,501,074
Pumping System	241,636	-	-	241,636
Treatment and Disposal Plant	3,085,069	-	-	3,085,069
General Plant	125,884	-	-	125,884
Total Capital Assets Being Depreciated	<u>4,953,663</u>	<u>-</u>	<u>-</u>	<u>4,953,663</u>
Total Capital Assets	4,990,003	-	-	4,990,003
Less Accumulated Depreciation	<u>3,048,583</u>	<u>154,087</u>	<u>-</u>	<u>3,202,670</u>
Net Capital Assets - Sewer Utility	<u>1,941,420</u>	<u>(154,087)</u>	<u>-</u>	<u>1,787,333</u>
Net Capital Assets - Business-Type Activities	<u>\$ 4,726,757</u>	<u>\$ (257,858)</u>	<u>\$ -</u>	<u>\$ 4,468,899</u>

Depreciation was charged to business-type activities as follows:

Water	\$ 104,643
Sewer	154,087
Total Depreciation - Business-Type Activities	<u>\$ 258,730</u>

**CITY OF AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2016**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

D. Interfund Receivables, Payables and Transfers

The composition of interfund balances as of December 31, 2016 was as follows:

Due to/from Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Purposes</u>
General Fund	Tax Incremental District #6 Fund	\$ 173,680	Finance Cash Deficit
General Fund	Capital Projects Fund	8,891	Finance Cash Deficit
General Fund	Debt Service Fund	22,267	Finance Cash Deficit
Micro - Loan Fund	General Fund	1,834	Prior Year Tax Roll Item
		<u>\$ 206,672</u>	

Advances from/to Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Purposes</u>
General Fund	CDBG Housing Revolving Loan Fund	\$ 3,740	Administrative Expense Reimbursement
General Fund	Tax Incremental District #7 Fund	14,064	Cash Flows
		<u>\$ 17,804</u>	

Interfund Transfers

The following is a schedule of interfund transfers:

<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>	<u>Purposes</u>
General Fund	Water Department Fund	\$ 92,726	Property Tax Equivalent
Debt Service Fund	General Fund	485,410	Finance Current Maturities
Debt Service Fund	Tax Incremental District #6 Fund	71,305	Finance Current Maturities
		<u>\$ 649,441</u>	

**CITY OF AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2016**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Long-Term Obligations

Changes in Long-Term Obligations

Changes in long-term obligations of the City for the year ended December 31, 2016 were as follows:

	Balance 1/1/16	Issued	Retired	Balance 12/31/16	Amounts Due Within One Year
Primary Government					
Governmental Activities					
General Obligation Bonds	\$ 1,565,000	\$ 2,235,000	\$ 1,630,000	\$ 2,170,000	\$ 105,000
General Obligation Notes	1,950,826	-	1,046,246	904,580	299,082
Capital Leases Payable	186,594	-	44,915	141,679	46,051
Bond Premiums	-	53,797	5,133	48,664	-
WRS Prior Service Liability	3,586	-	1,752	1,834	-
Compensated Absences	263,946	58,777	-	322,723	84,902
Estimated Landfill Postclosure Liability	684,202	-	5,603	678,599	-
	<u>\$ 4,654,154</u>	<u>\$ 2,347,574</u>	<u>\$ 2,733,649</u>	<u>\$ 4,268,079</u>	<u>\$ 535,035</u>
Governmental Activities - Long-Term Liabilities					
Business-Type Activities					
General Obligation Bonds	\$ -	\$ 710,000	\$ 45,000	\$ 665,000	\$ 85,000
General Obligation Notes	746,443	-	746,443	-	-
Bond Premiums	-	17,090	1,709	15,381	-
Compensated Absences	91,580	102,840	91,580	102,840	27,055
	<u>\$ 838,023</u>	<u>\$ 829,930</u>	<u>\$ 884,732</u>	<u>\$ 783,221</u>	<u>\$ 112,055</u>
Business-Type Activities - Long-Term Liabilities					

The City's estimated liabilities for the City's unfunded WRS liability and employee leave are discussed in Note 4.A. and Note 4.C., respectively. The City's estimated liability for landfill postclosure costs is discussed in Note 4.E.

The City's liabilities for compensated absences are generally liquidated by the general fund and the joint water and sewer utility.

On May 31, 2016, the City issued \$2,945,000 general obligation refunding bonds. A portion of the bonds advance refund a portion of the existing Series 2008A while the remaining portion of the bonds will be issued for the purpose of current refunding of a number of other promissory notes. The resulting economic gross savings and present value savings amount to \$234,808 and \$222,530 respectively. The refunding bonds carry an interest rate ranging from 3.00% to 4.20% with semiannual maturities beginning October 2016 through April 1, 2028.

**CITY OF AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2016**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Long-Term Obligations (Continued)

General Obligation Long-Term Debt

All general obligation bonds and notes payable are backed by the full faith and credit of the City. Bonds and notes payable will be retired by future property tax levies or tax increments accumulated by the debt service fund. Annual retirement requirements of long-term debt issued to finance expenditures of the tax incremental districts are anticipated to be financed from revenues of the TIDs.

The purpose of the governmental activities general obligation debt is to finance various capital improvements and tax incremental City planned projects.

Individual general obligation long-term debt issues outstanding at December 31, 2016 are as follows:

	Issue Date	Final Maturity Date	Interest Rate	Original Issue	Amount Outstanding
Governmental Activities:					
General Obligation Bonds:					
Refunding Bonds, Series 2016A	6/1/2016	4/1/28	2.00% - 2.05%	\$ 2,945,000	\$ 2,170,000
General Obligation Notes:					
Landfill Remediation Promissory Notes, Series 2000	5/10/00	5/1/20	0.00%	481,687	97,835
State Trust Fund Loan	10/13/04	3/15/19	5.00%	429,000	120,090
State Trust Fund Loan	10/25/05	3/15/20	5.00%	25,000	9,102
Promissory Note	8/8/13	12/1/17	3.50%	557,536	130,704
Promissory Note	1/31/14	1/31/24	4.92%	404,106	319,947
Promissory Note	12/2/15	9/15/15	3.25%	250,000	226,902
Business-Type Activities:					
General Obligation Bonds:					
Refunding Bonds, Series 2016A	6/1/2016	4/1/28	2.00% - 2.05%	2,945,000	665,000
Total					<u>\$ 3,739,580</u>

**CITY OF AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2016**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Long-Term Obligations (Continued)

General Obligation Long-Term Debt (Continued)

Annual requirements for retirement of the above issues, together with the expected funding sources, are shown below:

Year	Annual Requirements			Funding Sources				
	Principal	Interest	Total	General Fund	Library Fund	TID #6 Fund	Water Department Fund	Total
2017	\$ 428,892	\$ 90,796	\$ 519,688	\$ 301,302	\$ 26,900	\$ 93,186	\$ 98,300	\$ 519,688
2018	382,015	79,756	461,771	246,385	26,400	92,386	96,600	461,771
2019	425,719	70,653	496,372	278,985	25,900	91,586	99,900	496,371
2020	385,935	60,023	445,958	275,885	20,400	51,573	98,100	445,958
2021	316,156	51,571	367,727	248,327	-	48,100	71,300	367,727
2022-2026	1,480,863	130,496	1,611,359	1,232,862	-	113,498	265,000	1,611,360
2027-2031	320,000	8,200	328,200	328,200	-	-	-	328,200
	<u>\$ 3,739,580</u>	<u>\$ 491,495</u>	<u>\$ 4,231,075</u>	<u>\$ 2,911,946</u>	<u>\$ 99,600</u>	<u>\$ 490,329</u>	<u>\$ 729,200</u>	<u>\$ 4,231,075</u>

General Obligation Debt Limit. Section 67.03 of the Wisconsin Statutes restricts general obligation debt to 5% of the equalized value of all property in the City. At December 31, 2016, the City's debt limit amounted to \$9,501,075 and indebtedness subject to the limitation totaled \$3,739,580.

Capital Leases

On November 17, 2014 the City entered into a capital lease in the amount of \$230,402 for the purpose of leasing a motor grader for use in the general governmental activities of the City. The lease carries an interest rate of 2.5% with annual maturities from November 2015 through November 2019. The related capital asset is recorded within governmental activities at a cost of \$259,892 and accumulated depreciation at December 31, 2016 of \$48,730.

<u>Year</u>	<u>Amount</u>
2017	\$ 49,634
2018	49,634
2019	49,634
Total Minimum Lease Payments	<u>148,902</u>
Less Amount Representing Interest	7,223
Present Value of Minimum Lease Payments	<u>\$ 141,679</u>

**CITY OF AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2016**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Governmental Fund Balances

The governmental fund balances reported on the fund financial statements at December 31, 2016 consisted of the following:

	Total	Nonspendable	Restricted	Assigned	Unassigned
Major Funds:					
General Fund					
Advances to Other Funds	\$ 17,804	\$ 17,804	\$ -	\$ -	\$ -
Delinquent Taxes	24,854	24,854	-	-	-
Land Held for Resale	250,780	250,780	-	-	-
Unassigned	692,918	-	-	-	692,918
Subtotal General Fund	986,356	293,438	-	-	692,918
CDBG Housing Revolving Loan Fund	23,209	-	23,209	-	-
Library Fund	169,175	-	169,175	-	-
Debt Service Fund	(12,448)	-	9,819	-	(22,267)
Tax Incremental District #5 Fund	917,953	-	917,953	-	-
Tax Incremental District #6 Fund	(173,680)	-	-	-	(173,680)
Capital Improvements Fund	52,639	49,997	-	2,642	-
Nonmajor Funds:					
Special Revenue Funds:					
Community Micro - Loan Fund	21,815	-	21,815	-	-
Capital Projects Funds:					
Tax Incremental District #7 Fund	(14,064)	-	-	-	(14,064)
Tax Incremental District #8 Fund	(8,891)	-	-	-	(8,891)
Total Governmental Fund Balances at December 31, 2016	\$ 1,962,064	\$ 343,435	\$ 1,141,971	\$ 2,642	\$ 474,016

G. Tax Incremental Districts

The City has created seven tax incremental financing districts (TIF districts or TIDs) in accordance with Section 66.1105 of the Wisconsin Statutes. The purpose of that section is to allow a municipality to recover development and improvements costs in a designated area from the property taxes generated on the increased value of the property after creation of the district. The tax on the increased value is called a tax increment.

At the dates of the creation of the districts, the statutes provided that no project costs could be expended later than seven years after the creation date of the district. The statutes further allowed the municipality to collect tax increments for sixteen years after the last project expenditure was made or until the net project cost of the district had been recovered, whichever occurred first. The State enacted several changes relating to tax incremental districts in 2004 (with amending legislation in 2005). One of these changes extended the expenditure period for all current and future districts, effective October 1, 2004, to five years prior to the termination of the district's unextended maximum life. For those districts that had reached the end of its expenditure period prior to October 1, 2004, it allowed a municipality to expend additional project costs included in the project plan (subject to certain conditions). Project costs uncollected at the dissolution date are absorbed by the municipality.

**CITY OF AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2016**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Tax Incremental Districts (Continued)

The City had terminated TID #2 and TID #3 during 2001 with closeout of the funds at December 31, 2001, and TID #4 was terminated in 2004. TID #5, TID #6, TID #7 and TID #8 were still in existence at December 31, 2016. The resolution creating TID #5 was dated September 28, 1992 and the resolution creating TID #6 was dated May 5, 2004. The resolution creating TID #7 was dated September 30, 2010. The resolution creating TID #8 was dated June 9, 2016. The project plans, on file in the office of the City Administrator, detail the proposed projects, the estimated years of construction or site acquisition and the estimated costs of the individual project components.

Transactions of TID #5, TID #6, TID #7 and TID #8 are accounted for in capital projects funds. Project expenditures through December 31, 2016 have been financed by a combination of long-term debt and long-term advances from the City's general fund. Accumulated project costs and revenues of the districts through December 31, 2016 are summarized as follows:

	TID #5	TID #6	TID # 7	TID #8
Accumulated Project Costs:				
Project Expenditures	\$ 2,381,449	\$ 2,161,036	\$ 269,566	\$ 8,891
Debt Expenditures:				
Interest Charges	584,024	232,547	10,928	-
Transfers Out	403,538	-	-	-
Total Project Costs	<u>3,369,011</u>	<u>2,393,583</u>	<u>280,494</u>	<u>8,891</u>
Accumulated Project Revenues:				
Tax Increments	2,886,934	883,517	264,928	-
Minimum Tax Agreements	-	69,845	-	-
Intergovernmental Grants and Aids	238,720	250,844	1,502	-
Interest on Investments	17,650	-	-	-
Sale of City Property	315,440	138,575	-	-
Other	828,220	22,197	-	-
Transfers In	-	403,538	-	-
Total Project Revenues	<u>4,286,964</u>	<u>1,768,516</u>	<u>266,430</u>	<u>-</u>
Future Project Revenues Necessary to Recover Project Costs to Date	<u>\$ (917,953)</u>	<u>\$ 625,067</u>	<u>\$ 14,064</u>	<u>\$ 8,891</u>

The preceding summaries of transactions are reconciled to the fund balances in TID districts at December 31, 2016 as follows:

	TID #5	TID #6	TID # 7	TID #8
Outstanding Long-Term Debt Payable from TID Funds at December 31, 2016	\$ -	\$ 451,387	\$ -	\$ -
Less Unrecovered Costs Above	917,953	(625,067)	(14,064)	(8,891)
Fund Balances (Deficits) at December 31, 2016	<u>\$ 917,953</u>	<u>\$ (173,680)</u>	<u>\$ (14,064)</u>	<u>\$ (8,891)</u>

**CITY OF AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2016**

NOTE 4 OTHER INFORMATION

A. Wisconsin Retirement System Pension Plan Benefits

General Information about the Pension Plan

Plan Description. The WRS is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, and expected to work at least 1200 hours a year and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS. The WRS issues an annual financial report which may be obtained by writing to the Department of Employee Trust Funds, P.O. Box 7931, Madison, WI 53707-7931.

Vesting. For employees beginning participation on or after January 1, 1990, and no longer actively employed on or after April 24, 1998, creditable service in each of five years is required for eligibility for a retirement annuity. Participants employed prior to 1990 and on or after April 24, 1998, and prior to July 1, 2011, are immediately vested. Participants who initially became WRS eligible on or after July 1, 2011, must have five years of creditable service to be vested.

Benefits Provided. Employees who retire at or after age 65 (54 for protective occupation employees, 62 for elected officials and State executive participants) are entitled to receive an unreduced retirement benefit. The factors influencing the benefit are: (1) final average earnings, (2) years of creditable service, and (3) a formula factor.

Final average earnings is the average of the participant's three highest years' earnings. Creditable service is the creditable current and prior service expressed in years or decimal equivalents of partial years for which a participant receives earnings and makes contributions as required. The formula factor is a standard percentage based on employment category.

Employees may retire at age 55 (50 for protective occupation employees) and receive reduced benefits. Employees terminating covered employment before becoming eligible for a retirement benefit may withdraw their contributions and forfeit all rights to any subsequent benefits.

The WRS also provides death and disability benefits for employees.

**CITY OF AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2016**

NOTE 4 OTHER INFORMATION (CONTINUED)

A. Wisconsin Retirement System Pension Plan Benefits (Continued)

General Information about the Pension Plan (Continued)

Contributions. Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for general category employees, including teachers, and Executives and Elected Officials. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement.

During the fiscal reporting period January 1, 2016 through December 31, 2016, the WRS recognized \$105,885 in contributions from the employer.

Contribution rates as of December 31, 2016 are:

	<u>Employee</u>	<u>Employer</u>
General (including Teachers)	6.60%	6.60%
Executives and Elected Officials	6.60%	6.60%
Protective with Social Security	6.60%	9.40%
Protective without Social Security	6.60%	13.20%

Post-Retirement Adjustments. The Employee Trust Funds Board may periodically adjust annuity payments from the retirement system based on annual investment performance in accordance with s. 40.27, Wis. Stat. An increase (or decrease) in annuity payments may result when investment gains (losses), together with other actuarial experience factors, create a surplus (shortfall) in the reserves, as determined by the system's consulting actuary. Annuity increases are not based on cost of living or other similar factors. For Core annuities, decreases may be applied only to previously granted increases. By law, Core annuities cannot be reduced to an amount below the original, guaranteed amount (the "floor") set at retirement. The Core and Variable annuity adjustments granted during recent years are as follows:

<u>Year</u>	<u>Core Fund Adjustment</u>	<u>Variable Fund Adjustment</u>
2006	0.8%	3.0%
2007	3.0	10.0
2008	6.6	0.0
2009	(2.1)	(42.0)
2010	(1.3)	22.0
2011	(1.2)	11.0
2012	(7.0)	(7.0)
2013	(9.6)	9.0
2014	4.7	25.0
2015	2.9	2.0

**CITY OF AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2016**

NOTE 4 OTHER INFORMATION (CONTINUED)

A. Wisconsin Retirement System Pension Plan Benefits (Continued)

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

At December 31, 2016, the City reported a liability of \$160,428 for its proportionate share of the net pension liability. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2014 rolled forward to December 31, 2015. 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 employers. At December 31, 2015, the City's proportion was 0.00987264 percent, which was a decrease of 0.00015898 percent from its proportion measured as of December 31, 2014.

For the year ended December 31, 2016, the City recognized pension expense of \$194,452. At December 31, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 27,139	\$ (337,619)
Changes of Assumptions	112,243	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	656,840	-
Difference Between Proportionate Share of Actual Employer Contributions	4,466	(30)
City Contributions Subsequent to the Measurement Date	105,885	-
Total	<u>\$ 906,573</u>	<u>\$ (337,649)</u>

**CITY OF AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2016**

NOTE 4 OTHER INFORMATION (CONTINUED)

A. Wisconsin Retirement System Pension Plan Benefits (Continued)

Pension Assets, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

\$105,885 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as an addition to the net pension asset in the year ended December 31, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended December 31:</u>	<u>Pension Expense Amount</u>
2016	\$ 126,097
2017	126,097
2018	126,097
2019	91,813
2020	(7,065)
Thereafter	-

Actuarial assumptions. The total pension liability in the December 31, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2014
Measurement Date of Net Pension Liability (Asset):	December 31, 2015
Actuarial Cost Method:	Frozen Entry Age
Asset Valuation Method:	5-Year Smoothed Value
Long-Term Expected Rate of Return:	7.2%
Discount Rate:	7.2%
Inflation:	2.0% to 2.7% - approximate
Salary Increases:	3.2% to 8.8% including inflation
Inflation	3.2% to 8.8%
Seniority/Merit	0.2% - 5.8%
Mortality:	WRS experience projected to 2017 with scale BB
Post-retirement Adjustments*:	5.0%

*No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. 2.1% is the assumed annual adjustment based on the investment return assumption and the post-retirement discount rate.

**CITY OF AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2016**

NOTE 4 OTHER INFORMATION (CONTINUED)

A. Wisconsin Retirement System Pension Plan Benefits (Continued)

Pension Assets, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Actuarial assumptions are based upon an experience study conducted in 2013 using experience from 2010 – 2012.

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 returns, net of pension plan investment expense 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. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Core Asset Allocation		Variable Asset Allocation	
	Target Allocation	Long-Term Expected Real Rate of Return	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	21%	5.3%	70%	5.3%
International Equity	23%	5.7%	30%	5.7%
Fixed Income	36%	1.7%	N/A	N/A
Inflation Sensitive Assets	20%	2.3%	N/A	N/A
Real Estate	7%	4.2%	N/A	N/A
Private Equity/Debt	7%	6.9%	N/A	N/A
Multi-Asset	6%	3.9%	N/A	N/A
Cash	-20%	0.9%	N/A	N/A
Totals	100%		100%	

Discount rate. A single discount rate of 7.20 percent was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.20 percent and a long term bond rate of 3.56 percent. Because of the unique structure of WRS, the 7.20 percent expected rate of return implies that a dividend of approximately 2.1 percent will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**CITY OF AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2016**

NOTE 4 OTHER INFORMATION (CONTINUED)

A. Wisconsin Retirement System Pension Plan Benefits (Continued)

Pension Assets, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Sensitivity of the City's proportionate share of the net pension liability (asset) to changes in the discount rate. The following presents the City's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.20 percent, as well as what the City's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.20 percent) or 1-percentage-point higher (8.20 percent) than the current rate:

	1% Decrease (6.20%)	Current Discount Rate (7.20%)	1% Increase (8.20%)
City's Proportionate Share of the Net Pension Liability (Asset)	\$ 1,125,248	\$ 160,428	\$ (593,113)

B. Fire Department Retirement Fund

The City established the Amery Fire Department Retirement Plan, a defined contribution retirement plan in 1985, for the benefit of members in good standing of the City of Amery Fire Department. This plan was established with the approval of a City Council resolution. The purpose of the Plan is to reward firefighters who have five years or more of service with the Department and particularly those firemen who put more time in firefighting. The plan is administered by three firefighters chosen by the Department and approved by the City Council. Plan members are not required to make contributions under the plan terms as all plan contributions are at the discretion of the City.

The Plan is a non-qualified plan as defined by the IRS and is funded by annual contributions from the City as determined annually by the City Council. The City contributed \$8,000 to the plan for the 2016 year. Transactions of the Plan are accounted for in a private purpose trust fund by the City. The balance in the fund at December 31, 2016 was \$107,155.

**CITY OF AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2016**

NOTE 4 OTHER INFORMATION (CONTINUED)

C. Vacation, Sick Leave and Compensatory Time Off Liabilities

It is the City's policy to permit employees to accumulate vacation, sick leave and compensatory time off benefits. Vacation is granted to employees in varying amounts based on length of service and terms of employment. Employees earn thirteen (13) sick days per calendar year, with two sick days being credited each January and one day per month for the balance of the year with a maximum accumulation of two hundred-forty days. Upon retirement, if an employee has thirty or more days of sick leave accumulated, the employee shall receive a payout of 80% of the value; if an employee has less than thirty days of sick leave accumulated, the employee shall receive a payout of 50% of the value. To be eligible for the maximum benefit, an employee must retire at an age determined by the Wisconsin Retirement System, or is forced to retire pursuant to a duty related injury or illness. The City also allows the employee to carry over compensatory time off (time off in lieu of immediate overtime pay in cash, at rate of not less than one and one-half for each hour of overtime worked).

Liabilities for accumulated vacation, sick leave and compensatory time are not accrued in the City's governmental fund financial statements but are recorded as expenditures when paid. Such liabilities are accrued in the government-wide and proprietary fund financial statements when earned. The estimated liabilities for unused vacation, sick leave and compensatory time payable from the general fund on a pay-as-you-go basis at December 31, 2016 were \$322,723. The estimated liabilities in the proprietary funds at that date were \$102,840.

D. Participation in Biosolids Facility

The City is a participating member of the West Central Wisconsin Biosolids Facility (Facility), a facility jointly constructed by eleven Wisconsin communities to provide for the treatment, storage and disposal of biosolids (sludge). The communities have created a commission pursuant to Section 66.30 of the Wisconsin Statutes to administer the Facility with said commission to operate as a governmental body under Section 19.82(1) of the Statutes. Costs of operation of the Facility are to be recovered from users of the Facility (both members and nonmembers) based on usage.

Financial statements of the West Central Wisconsin Biosolids Facility can be obtained from its offices at 611 Bio Avenue, Ellsworth, Wisconsin 54011.

CITY OF AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2016

NOTE 4 OTHER INFORMATION (CONTINUED)

E. Landfill Postclosure Care Costs

The City is responsible for postclosure care costs relating to a landfill site owned by the City. The landfill was closed in prior years and covers and monitoring wells were installed. The City also incurred costs to extend water service to nearby residents where tests of private wells revealed the presence of contaminants.

Costs associated with the landfill closure and postclosure care have been accounted for in a separate special revenue fund and have been financed by a state grant, settlements with identified responsible parties and by an interest free loan through the State of Wisconsin.

Future costs to be paid by the City at December 31, 2016 have been estimated by an outside consultant at \$678,599. This amount is reflected as a liability in the City's government-wide financial statements.

F. Golf Club

Golf Club Lease Agreement. On January 1, 2014 the City renewed a lease agreement with the Amery Golf Club, Inc. for the lease of land presently owned by the City and used exclusively by the Amery Golf Club. The term of the new lease is for twenty years effective January 1, 2014 with annual rental computed as follows:

- a. The annual debt service requirements of the debt held by the City. During 2014, the City refinanced the debt in order to obtain a more favorable interest rate, in the amount of \$414,106.
- b. The sum of \$10 per year to be paid by April 1st of each year, to begin after the retirement of the Golf Course debt.

At December 31, 2016, the City outstanding debt subject to collection from the Golf Club was \$319,947 with the final payment due on January 31, 2024.

**CITY OF AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2016**

NOTE 4 OTHER INFORMATION (CONTINUED)

G. Conduit Debt

The City was a party to a "joint powers and parity agreement" in 2011 among the City of Amery, the Village of Luck, the Town of Black Brook and the Town of Lincoln (collectively referred to as the Municipalities), Amery Regional Medical Center, Inc. (the Obligor) and Bremer Bank, a national banking association (the Lender) for the purpose of the issuance of \$37.8 million of health care facilities revenue bonds by the Municipalities to the Lender in March 2011 with the proceeds therefrom to be used by the Obligor for capital improvements and debt refinancing. Bonds issued by the City totaled \$8.5 million. The bonds are subject to repayment solely from payments received by the Lender from the Obligor in accordance with underlying mortgage assignments and related agreements. The bonds are special limited obligations of the Municipalities and do not constitute a moral or general obligation of the Municipalities. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. The outstanding balance of the collective debt was \$26,732,000 at December 31, 2016 per audited financial statements of the Obligor.

H. Risk Management

The City is exposed to various risks of loss related to torts; theft of, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the City. Settled claims have not exceeded this commercial coverage in any of the last three years.

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE 1

CITY OF AMERY, WISCONSIN
 GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 YEAR ENDED DECEMBER 31, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 1,629,466	\$ 1,629,466	\$ 1,619,283	\$ (10,183)
Special Assessments	2,615	2,615	3,064	449
Intergovernmental	833,064	833,064	834,989	1,925
Licenses and Permits	49,821	49,821	40,803	(9,018)
Fines and Forfeits	51,400	51,400	39,547	(11,853)
Public Charges for Services	193,575	193,575	225,387	31,812
Intergovernmental Charges for Services	189,500	189,500	203,794	14,294
Miscellaneous:				
Interest	8,535	8,535	14,130	5,595
Rent	99,948	99,948	101,596	1,648
Sale of Property	3,000	3,000	686	(2,314)
Donations	500	500	32,930	32,430
Other	68,091	68,091	11,308	(56,783)
Total Revenues	3,129,515	3,129,515	3,127,517	(1,998)
EXPENDITURES				
General Government	624,009	624,009	624,581	(572)
Public Safety	1,128,764	1,128,764	1,053,854	74,910
Public Works	878,220	878,220	856,012	22,208
Health and Human Services	175	175	375	(200)
Culture, Recreation, and Education	73,300	73,300	126,919	(53,619)
Conservation and Development	53,539	53,539	68,063	(14,524)
Total Expenditures	2,758,007	2,758,007	2,729,804	28,203
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	371,508	371,508	397,713	26,205
OTHER FINANCING SOURCES (USES)				
Transfers In	92,726	92,726	92,726	-
Transfers Out	(448,188)	(448,188)	(485,410)	(37,222)
Total Other Financing Sources (Uses)	(355,462)	(355,462)	(392,684)	(37,222)
NET CHANGE IN FUND BALANCE	16,046	16,046	5,029	(11,017)
Fund Balance - Beginning of Year	981,327	981,327	981,327	-
FUND BALANCE - END OF YEAR	\$ 997,373	\$ 997,373	\$ 986,356	\$ (11,017)

See Notes to Required Supplementary Information

**CITY OF AMERY, WISCONSIN
LIBRARY FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED DECEMBER 31, 2016**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 187,213	\$ 187,213	\$ 187,213	\$ -
Intergovernmental	164,452	164,452	168,169	3,717
Miscellaneous:				
Interest	-	-	1	1
Donations	-	-	12,393	12,393
Other	10,000	10,000	10,101	101
	<u>361,665</u>	<u>361,665</u>	<u>377,877</u>	<u>16,212</u>
Total Revenues				
EXPENDITURES				
Culture, Recreation, and Education	<u>342,646</u>	<u>384,156</u>	<u>375,864</u>	<u>8,292</u>
NET CHANGE IN FUND BALANCES	19,019	(22,491)	2,013	24,504
Fund Balance - Beginning of Year	<u>167,162</u>	<u>167,162</u>	<u>167,162</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 186,181</u>	<u>\$ 144,671</u>	<u>\$ 169,175</u>	<u>\$ 24,504</u>

**CITY OF AMERY, WISCONSIN
SCHEDULE OF PROPORTIONATE SHARE OF
WISCONSIN RETIREMENT SYSTEM NET PENSION PLAN (ASSET) LIABILITY
LAST TEN FISCAL YEARS
YEAR ENDED DECEMBER 31, 2016**

	2015	2016
City's proportion of the net pension liability (asset)	0.01003162%	0.00987264%
City's proportionate share of the net pension liability (asset)	\$ (246,404)	\$ 160,428
City's covered-employee payroll	\$ 1,182,104	\$ 1,226,408
City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	-20.84%	13.08%
Plan fiduciary net position as a percentage of the total pension liability (asset)	102.74%	98.20%

*The amounts presented for each fiscal year were determined as of 12/31 that occurred within the fiscal year.

The schedule is presented prospectively since implementation.

SCHEDULE 4

CITY OF AMERY, WISCONSIN
 SCHEDULE OF CONTRIBUTIONS TO
 WISCONSIN RETIREMENT SYSTEM PENSION PLAN
 LAST TEN FISCAL YEARS
 YEAR ENDED DECEMBER 31, 2016

	<u>2015</u>	<u>2016</u>
Contractually Required Contribution	\$ 95,001	\$ 105,885
Contributions in Relation to the Contractually Required Contributions	<u>(95,001)</u>	<u>(105,885)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>
 City's Covered-Employee Payroll	 \$ 1,182,104	 \$ 1,226,408
 Contributions as a Percentage of Covered Employee Payroll	 8.04%	 8.63%

The schedule is presented prospectively since implementation.

**CITY OF AMERY, WISCONSIN
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2016**

BUDGETARY INFORMATION

GASB Statement No. 34 requires the presentation of budgetary comparison schedules for the general fund and each major special revenue fund. Budgetary information is derived from the City's annual operating budget. The City does not formally adopt a budget for its CDBG housing revolving loan fund.

The City's budget is adopted in accordance with Chapter 65 of the Wisconsin Statutes and on a basis consistent with generally accepted accounting principles. Changes to appropriations authorized in the adopted budget generally require a vote of two-thirds of the entire membership of the governing body. The City's legal budget is adopted at the major function level in the general fund (i.e., general government) and at the fund level in all other funds. The City exercises budgetary expenditure control at the department level.

Budget amounts in the financial statements include both original adopted budget and the final budget. Changes to the budget during the year, if any, generally include amendments authorized by the governing body, additions of approved carryover amounts and appropriations of revenues and other sources for specified expenditures/uses. Appropriated budget amounts in the general fund lapse at the end of the year unless specifically carried over for financing subsequent year expenditures.

EXCESS OF EXPENDITURES OVER BUDGET

Comparisons of actual revenues and expenditures to budgeted amounts for the City's general fund and each major special revenue fund are presented as required supplementary information following the notes to the basic financial statements. Expenditures in excess of budgeted amounts at the legally adopted levels for each of these funds are shown in those schedules.

SUPPLEMENTARY INFORMATION

COMBINING AND INDIVIDUAL FUND STATEMENTS

**CITY OF AMERY, WISCONSIN
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2016**

	Special Revenue Fund	Capital Projects Funds			Total Nonmajor Governmental Funds
	Community Micro - Loan Fund	Tax Incremental District #7 Fund	Tax Incremental District #8 Fund	Total Capital Projects Funds	
ASSETS					
Treasurer's Cash and Investments	\$ 19,981	\$ -	\$ -	\$ -	\$ 19,981
Taxes Receivable	-	53,416	-	53,416	53,416
Due from Other Funds	1,834	-	-	-	1,834
Long-Term Receivables	8,443	-	-	-	8,443
Total Assets	\$ 30,258	\$ 53,416	\$ -	\$ 53,416	\$ 83,674
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Due Other Funds	\$ -	\$ -	\$ 8,891	\$ 8,891	\$ 8,891
Advance from Other Funds	-	14,064	-	14,064	14,064
Total Liabilities	-	14,064	8,891	22,955	22,955
Deferred Inflows of Resources:					
Succeeding Year's Property Taxes	-	53,416	-	53,416	53,416
Unavailable Revenue - Long-Term Receivables	8,443	-	-	-	8,443
Total Inflows of Resources	8,443	53,416	-	53,416	61,859
Fund Balances:					
Restricted	21,815	-	-	-	21,815
Unassigned	-	(14,064)	(8,891)	(22,955)	(22,955)
Total Fund Balances	21,815	(14,064)	(8,891)	(22,955)	(1,140)
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 30,258	\$ 53,416	\$ -	\$ 53,416	\$ 83,674

**CITY OF AMERY, WISCONSIN
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
YEAR ENDED DECEMBER 31, 2016**

	Special Revenue Fund	Capital Projects Funds			Total Nonmajor Governmental Funds
	Community Micro - Loan Fund	Tax Incremental District #7 Fund	Tax Incremental District #8 Fund	Total Capital Projects Funds	
REVENUES					
Taxes	\$ -	\$ 54,530	\$ -	\$ 54,530	\$ 54,530
Intergovernmental	-	657	-	657	657
Miscellaneous:					
Interest	181	-	-	-	181
Loan Repayments	3,971	-	-	-	3,971
Total Revenues	4,152	55,187	-	55,187	59,339
EXPENDITURES					
Conservation and Development	-	20,350	8,891	29,241	29,241
NET CHANGE IN FUND BALANCES	4,152	34,837	(8,891)	25,946	30,098
Fund Balance - Beginning of Year	17,663	(48,901)	-	(48,901)	(31,238)
FUND BALANCE - END OF YEAR	<u>\$ 21,815</u>	<u>\$ (14,064)</u>	<u>\$ (8,891)</u>	<u>\$ (22,955)</u>	<u>\$ (1,140)</u>

SCHEDULE B-1

**CITY OF AMERY, WISCONSIN
GENERAL FUND
DETAILED BALANCE SHEET
DECEMBER 31, 2016
(WITH COMPARATIVE AMOUNTS AS OF DECEMBER 31, 2015)**

	2016	2015
ASSETS		
Treasurer's Cash and Investments	\$ 774,186	\$ 923,403
Land Held for Resale	250,780	250,780
Taxes Receivable:		
Current Tax Roll	1,271,694	1,328,782
Delinquent Personal Property Taxes Held by Village	24,854	18,158
Special Assessments Receivable	33,663	33,565
Accounts Receivable	105,321	123,565
Due from Other Funds	204,838	-
Advances to Other Funds	17,804	50,141
	<u>\$ 2,683,140</u>	<u>\$ 2,728,394</u>
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES		
Liabilities:		
Vouchers and Accounts Payable	\$ 82,397	\$ 107,961
Payroll Withholdings	63,316	33,322
Due to Other Governmental Units	14,061	16,321
Due to Other Funds	1,834	32,834
Special Deposits	21,091	21,144
Total Liabilities	<u>182,699</u>	<u>211,582</u>
 Deferred Inflows of Resources:		
Tax Roll Items:		
General Property Taxes	1,476,357	1,498,136
Other Taxes	19	19
Unavailable Revenue - Special Assessments and Charges	4,046	3,765
Unavailable Revenue - Special Assessments	33,663	33,565
Total Deferred Inflows of Resources	<u>1,514,085</u>	<u>1,535,485</u>
 Fund Balances:		
Nonspendable	293,438	319,079
Unassigned	692,918	662,248
Total Fund Balance	<u>986,356</u>	<u>981,327</u>
	<u>\$ 2,683,140</u>	<u>\$ 2,728,394</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 2,683,140</u>	<u>\$ 2,728,394</u>

**CITY OF AMERY, WISCONSIN
GENERAL FUND
DETAILED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2016
(WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 2015)**

	2016				2015 Actual
	Original Budget	Final Budget	Actual	Variance with Final Budget	
REVENUES					
TAXES					
General Property Taxes	\$ 1,531,687	\$ 1,531,687	\$ 1,531,687	\$ -	\$ 1,445,721
Mobile Home Fees	34,000	34,000	28,251	(5,749)	26,142
Managed Forest Land Taxes	-	-	19	19	-
Public Accommodation Taxes	16,500	16,500	12,052	(4,448)	12,212
Payment in Lieu of Taxes	32,211	32,211	36,760	4,549	36,880
Interest on Taxes	15,068	15,068	10,514	(4,554)	280
Total Taxes	1,629,466	1,629,466	1,619,283	(10,183)	1,521,235
SPECIAL ASSESSMENTS					
Street Improvement Projects	2,615	2,615	3,064	449	2,999
INTERGOVERNMENTAL					
State Shared Taxes	602,595	602,595	580,856	(21,739)	577,991
Fire Insurance Taxes	7,700	7,700	8,124	424	7,479
Exempt Computer Aid	4,500	4,500	8,459	3,959	4,790
State General Transportation Aid	196,269	196,269	196,172	(97)	197,663
State Aid - MSIP	-	-	12,939	12,939	-
State Aid - Police Training	1,600	1,600	1,440	(160)	1,440
State Aid - Ambulance	20,000	20,000	22,490	2,490	20,749
State Aid - Tank Inspections	400	400	3,020	2,620	8,520
State Aid in Lieu of Taxes - Conservation	-	-	721	721	757
State Aid - Other	-	-	18	18	3
County - Police Reimbursement	-	-	750	750	-
Total Intergovernmental	833,064	833,064	834,989	1,925	819,392
LICENSES AND PERMITS					
Licenses:					
Liquor and Malt Beverage	7,800	7,800	8,589	789	8,146
Operators	2,750	2,750	2,750	-	2,755
Cigarette	500	500	600	100	500
Trailer Park	1,596	1,596	-	(1,596)	3,225
Cable Television	13,000	13,000	12,597	(403)	24,760
Other	925	925	2,518	1,593	4,298
Permits:					
Building	17,000	17,000	10,614	(6,386)	15,879
Zoning	4,550	4,550	1,455	(3,095)	4,575
Park	950	950	970	20	2,876
Other	750	750	710	(40)	815
Total Licenses and Permits	49,821	49,821	40,803	(9,018)	67,829

SCHEDULE B-2

**CITY OF AMERY, WISCONSIN
GENERAL FUND
DETAILED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 2016
(WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 2015)**

	2016				2015 Actual
	Original Budget	Final Budget	Actual	Variance with Final Budget	
REVENUES (CONTINUED)					
FINES AND FORFEITS					
Law and Ordinance Violations	\$ 51,400	\$ 51,400	\$ 39,547	\$ (11,853)	\$ 37,151
PUBLIC CHARGES FOR SERVICES					
General Government:					
Clerk's Fees	11,525	11,525	11,061	(464)	23,131
Public Safety:					
Police Fees	4,975	4,975	8,816	3,841	6,418
Fire Protection Fees	1,600	1,600	8,854	7,254	2,530
Public Works:					
Transportation Facilities:					
Highway Maintenance and Construction	13,550	13,550	12,378	(1,172)	11,933
Airport	27,000	27,000	32,555	5,555	36,699
Sanitation:					
Refuse and Recycling	123,200	123,200	142,227	19,027	136,665
Landfill	6,075	6,075	5,992	(83)	7,247
Weed and Nuisance Control	650	650	138	(512)	379
Culture, Recreation and Education:					
Parks	5,000	5,000	3,366	(1,634)	-
Total Public Charges for Services	<u>193,575</u>	<u>193,575</u>	<u>225,387</u>	<u>31,812</u>	<u>225,002</u>
INTERGOVERNMENTAL CHARGES FOR SERVICES					
General Government:					
Department Administrative Cost Reimbursements	12,500	12,500	12,500	-	10,000
Utility Office Space Rental	18,000	18,000	18,000	-	18,000
Public Safety:					
Fire Protection	150,000	150,000	162,865	12,865	172,521
Dam	3,000	3,000	4,429	1,429	3,000
Public Works:					
Transportation Facilities:					
Utility Equipment Rental	6,000	6,000	6,000	-	6,000
Total Intergovernmental Charges for Services	<u>189,500</u>	<u>189,500</u>	<u>203,794</u>	<u>14,294</u>	<u>209,521</u>
MISCELLANEOUS					
Interest:					
General Investments	7,535	7,535	13,429	5,894	8,858
Special Assessments	1,000	1,000	701	(299)	1,214
Rent	99,948	99,948	101,596	1,648	100,018
Sale of City Property	3,000	3,000	686	(2,314)	4,993
Donations	500	500	32,930	32,430	18,679
Other:					
Other Miscellaneous	68,091	68,091	11,308	(56,783)	38,776
Total Miscellaneous	<u>180,074</u>	<u>180,074</u>	<u>160,650</u>	<u>(19,424)</u>	<u>172,538</u>
Total Revenues	<u>3,129,515</u>	<u>3,129,515</u>	<u>3,127,517</u>	<u>(1,998)</u>	<u>3,055,667</u>

**CITY OF AMERY, WISCONSIN
GENERAL FUND
DETAILED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 2016
(WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 2015)**

	2016				2015 Actual
	Original Budget	Final Budget	Actual	Variance with Final Budget	
EXPENDITURES					
GENERAL GOVERNMENT					
Council	\$ 25,877	\$ 25,877	\$ 26,179	\$ (302)	\$ 25,088
Municipal Court	43,130	43,130	41,171	1,959	38,892
Legal Fees	10,000	10,000	18,768	(8,768)	10,774
Mayor	12,739	12,739	10,344	2,395	11,818
Clerk-Treasurer	300,012	300,012	307,129	(7,117)	287,578
Elections	16,626	16,626	17,415	(789)	7,809
Special Accounting and Auditing	9,700	9,700	10,350	(650)	10,300
Assessment of Property	27,450	27,450	31,435	(3,985)	31,180
City Hall	39,700	39,700	32,436	7,264	41,696
Illegal and Uncollectible Taxes	-	-	-	-	33,551
Property and Liability Insurance	134,500	134,500	120,630	13,870	95,529
Unemployment Expense	250	250	4,963	(4,713)	445
Other	3,000	3,000	2,636	364	6,394
Outlay:					
Clerk-Treasurer	-	-	-	-	486
Elections	-	-	100	(100)	2,090
City Hall	1,025	1,025	1,025	-	1,249
Total General Government	<u>624,009</u>	<u>624,009</u>	<u>624,581</u>	<u>(572)</u>	<u>604,879</u>
PUBLIC SAFETY					
Police Department	848,841	848,841	817,294	31,547	770,659
Fire Department	160,650	160,650	166,107	(5,457)	177,789
Fire Department Retirement Trust Fund Payment	16,000	16,000	8,000	8,000	8,000
Ambulance Service	75,673	75,673	37,921	37,752	38,077
Building Inspection	11,000	11,000	8,491	2,509	10,757
Tank Inspections	-	-	9,178	(9,178)	9,329
Dams	500	500	3,477	(2,977)	30
Civil Defense	100	100	138	(38)	138
Outlay:					
Police Department:					
Capital Equipment	-	-	1,000	(1,000)	31,329
Fire Department	16,000	16,000	2,248	13,752	417
Total Public Safety	<u>1,128,764</u>	<u>1,128,764</u>	<u>1,053,854</u>	<u>74,910</u>	<u>1,046,525</u>

SCHEDULE B-2

**CITY OF AMERY, WISCONSIN
GENERAL FUND
DETAILED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 2016
(WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 2015)**

	2016				
	Original Budget	Final Budget	Actual	Variance with Final Budget	2015 Actual
EXPENDITURES (CONTINUED)					
PUBLIC WORKS					
Transportation:					
Public Works Wages and Fringe Benefits	\$ 395,704	\$ 395,704	\$ 378,919	\$ 16,785	\$ 360,721
Safety	4,500	4,500	6,376	(1,876)	8,434
Machinery and Equipment	20,500	20,500	16,844	3,656	17,691
Buildings and Grounds	33,250	33,250	24,532	8,718	34,784
Street Maintenance	155,200	155,200	147,273	7,927	174,220
Snow and Ice Control	34,000	34,000	18,112	15,888	9,615
Traffic Control	2,950	2,950	2,711	239	2,520
Bridges	200	200	3,081	(2,881)	5,491
Street Lighting	70,750	70,750	62,933	7,817	66,871
Sidewalks	-	-	450	(450)	384
Storm Sewers	1,850	1,850	417	1,433	4,272
Airport	16,388	16,388	34,630	(18,242)	28,377
Other	2,688	2,688	253	2,435	2,030
Sanitation:					
Refuse and Garbage Collection	122,000	122,000	141,762	(19,762)	126,453
Landfill	18,200	18,200	17,719	481	23,145
Weed and Nuisance Control	40	40	-	40	-
Total Public Works	<u>878,220</u>	<u>878,220</u>	<u>856,012</u>	<u>22,208</u>	<u>865,008</u>
HEALTH AND HUMAN SERVICES					
Cemetery	175	175	375	(200)	223
CULTURE, RECREATION AND EDUCATION					
Community Center	23,450	23,450	29,522	(6,072)	25,967
Parks	27,550	27,550	22,047	5,503	23,183
Recreation Programs and Events	10,000	10,000	7,394	2,606	7,205
Skating Rink	3,000	3,000	-	3,000	5,880
Cable Television	9,300	9,300	6,890	2,410	8,989
Other	-	-	1,845	(1,845)	963
Outlay:					
Parks	-	-	59,221	(59,221)	41,352
Total Culture, Recreation and Education	<u>73,300</u>	<u>73,300</u>	<u>126,919</u>	<u>(53,619)</u>	<u>113,539</u>
CONSERVATION AND DEVELOPMENT					
Economic Development	-	-	20,600	(20,600)	19,419
Advertising and Promotion	14,539	14,539	18,347	(3,808)	13,175
Community Planning	350	350	180	170	484
Planning Office	8,650	8,650	23,894	(15,244)	5,878
Other	10,000	10,000	215	9,785	15
Outlay:					
Industrial Park	20,000	20,000	4,827	15,173	-
Total Conservation and Development	<u>53,539</u>	<u>53,539</u>	<u>68,063</u>	<u>(14,524)</u>	<u>38,971</u>

**CITY OF AMERY, WISCONSIN
GENERAL FUND
DETAILED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 2016
(WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 2015)**

	2016				2015 Actual
	Original Budget	Final Budget	Actual	Variance with Final Budget	
EXCESS (DEFICIENCY) OR REVENUES OVER EXPENDITURES	\$ 371,508	\$ 371,508	\$ 397,713	\$ 26,205	\$ 386,522
OTHER FINANCING SOURCES (USES)					
Long-Term Debt Issued	-	-	-	-	250,000
Premium on Debt Issued	-	-	-	-	-
Discount on Debt Issued	-	-	-	-	-
Insurance Settlement - Landfill	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-
Transfers In	92,726	92,726	92,726	-	92,169
Transfers Out	(448,188)	(448,188)	(485,410)	(37,222)	(456,336)
Total Other Financing Sources (Uses)	<u>(355,462)</u>	<u>(355,462)</u>	<u>(392,684)</u>	<u>(37,222)</u>	<u>(114,167)</u>
NET CHANGE IN FUND BALANCE	16,046	16,046	5,029	(11,017)	272,355
Fund Balance - Beginning of Year	<u>981,327</u>	<u>981,327</u>	<u>981,327</u>	<u>-</u>	<u>708,972</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 997,373</u></u>	<u><u>\$ 997,373</u></u>	<u><u>\$ 986,356</u></u>	<u><u>\$ (11,017)</u></u>	<u><u>\$ 981,327</u></u>

**CITY OF AMERY, WISCONSIN
DEBT SERVICE FUNDS
DETAILED BALANCE SHEET
DECEMBER 31, 2016**

	General Long-Term Debt Redemption Fund		Library \$440,000	Totals
	General City	TID #6 Debt	G.O. Promissory Notes	
ASSETS				
Treasurer's Cash and Investments	\$ 4,876	\$ -	\$ 4,943	\$ 9,819
LIABILITIES				
Due Other Funds	-	22,267	-	22,267
Fund Balances:				
Restricted	4,876	-	4,943	9,819
Unassigned	-	(22,267)	-	(22,267)
Total Fund Balance	4,876	(22,267)	4,943	(12,448)
Total Deferred Inflows of Resources and Fund balances	\$ 4,876	\$ -	\$ 4,943	\$ 9,819

**CITY OF AMERY, WISCONSIN
DEBT SERVICE FUNDS
DETAILED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
YEAR ENDED DECEMBER 31, 2016**

	General Long-Term Debt Redemption Fund		Library \$440,000	Totals
	General City	TID #6 Debt	G.O. Promissory Notes	
EXPENDITURES				
Debt Service:				
Principal Retirement	\$ 390,999	\$ 56,534	\$ 26,746	\$ 474,279
Interest and Fiscal Charges	142,070	28,258	3,012	173,340
Total Expenditures	<u>533,069</u>	<u>84,792</u>	<u>29,758</u>	<u>647,619</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(533,069)	(84,792)	(29,758)	(647,619)
OTHER FINANCING SOURCES (USES)				
Long-Term Debt Issued	1,895,000	340,000	-	2,235,000
Premium on Debt Issued	45,613	8,184	-	53,797
Transfers In	485,410	71,305	-	556,715
Payment to Refunding Bond Escrow	<u>(1,888,078)</u>	<u>(356,964)</u>	<u>-</u>	<u>(2,245,042)</u>
Total Other Financing Sources (Uses)	<u>537,945</u>	<u>62,525</u>	<u>-</u>	<u>600,470</u>
NET CHANGE IN FUND BALANCES	4,876	(22,267)	(29,758)	(47,149)
Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>34,701</u>	<u>34,701</u>
FUND BALANCE - END OF YEAR	<u>\$ 4,876</u>	<u>\$ (22,267)</u>	<u>\$ 4,943</u>	<u>\$ (12,448)</u>

**CITY OF AMERY, WISCONSIN
WATER UTILITY ENTERPRISE FUND
STATEMENT OF NET POSITION
DECEMBER 31, 2016
(WITH COMPARATIVE AMOUNTS AS OF DECEMBER 31, 2015)**

	2016	2015
ASSETS		
Current Assets:		
Cash and Investments	\$ 342,891	\$ 299,441
Customer Accounts Receivable	105,311	103,894
Accounts Receivable on Tax Roll	12,441	8,383
Prepayments	-	5,208
Inventories	24,565	24,679
Total Current Assets	485,208	441,605
Restricted Assets:		
Wisconsin Retirement System Pension Asset	-	13,177
Capital Assets:		
Utility Plant in Service	4,423,923	4,423,051
Less Accumulated Depreciation	1,742,357	1,637,714
Total Capital Assets	2,681,566	2,785,337
Total Assets	3,166,774	3,240,119
DEFERRED OUTFLOWS OF RESOURCES		
Wisconsin Retirement System Pension Related	86,231	13,384
LIABILITIES		
Current Liabilities:		
Accounts Payable	3,071	2,977
Accrued Interest Payable	3,325	2,275
Current Portion of Long-Term Debt:		
General Obligation Bonds	85,000	-
General Obligation Notes	-	75,677
Accrued Compensated Absences	5,653	6,387
Total Current Liabilities	97,049	87,316
Long-Term Liabilities (Net of Current Portion):		
General Obligation Bonds	580,000	-
General Obligation Notes	-	670,766
Unamortized Debt Premium	15,381	-
Accrued Compensated Absences	15,836	12,861
WRS Pension Liability	31,981	-
Total Long-Term Liabilities	643,198	683,627
Total Liabilities	740,247	770,943
DEFERRED INFLOWS OF RESOURCES		
Wisconsin Retirement System Pension Related	37,477	-
NET POSITION		
Net Investment in Capital Assets	2,001,185	2,038,894
Restricted for Pension Plan	-	13,177
Unrestricted	474,096	430,489
Total Net Position	\$ 2,475,281	\$ 2,482,560

SCHEDULE D-2

**CITY OF AMERY, WISCONSIN
 WATER UTILITY ENTERPRISE FUND
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
 YEAR ENDED DECEMBER 31, 2016
 (WITH COMPARATIVE AMOUNTS FOR YEAR ENDED DECEMBER 31, 2015)**

	2016	2015
OPERATING REVENUES:		
Sales of Water:		
Residential	\$ 138,466	\$ 134,646
Commercial	52,604	51,630
Industrial	22,926	22,282
Public Authorities	21,821	18,482
Multifamily Residential	31,916	31,195
Private Fire Protection	7,980	8,424
Public Fire Protection	145,707	141,701
Total Sales of Water	421,420	408,360
Other Operating Revenues:		
Forfeited Discounts	619	845
Meter Use Charge to Sewer Utility	20,346	20,559
Miscellaneous Operating Revenues	3,188	37,894
Total Other Operating Revenues	24,153	59,298
Total Operating Revenues	445,573	467,658
OPERATING EXPENSES		
Operation and Maintenance	222,446	172,100
Depreciation	104,643	104,619
Total Operating Expenses	327,089	276,719
OPERATING INCOME	118,484	190,939
NONOPERATING REVENUES (EXPENSES)		
Interest Revenue	160	892
Interest Expense	(34,906)	(23,348)
Amortization of Debt Premium	1,709	-
Total Nonoperating Revenues (Expenses)	(33,037)	(22,456)
INCOME BEFORE CONTRIBUTIONS AND TRANSFERS	85,447	168,483
CAPITAL CONTRIBUTIONS AND TRANSFERS:		
Transfer to General Fund - Property Tax Equivalent	(92,726)	(92,169)
CHANGE IN NET POSITION	(7,279)	76,314
Net Position - Beginning of Year	2,482,560	2,406,246
NET POSITION - END OF YEAR	\$ 2,475,281	\$ 2,482,560

**CITY OF AMERY, WISCONSIN
WATER UTILITY ENTERPRISE FUND
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2016
(WITH COMPARATIVE AMOUNTS FOR YEAR ENDED DECEMBER 31, 2015)**

	<u>2016</u>	<u>2015</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Utility Customers	\$ 274,045	\$ 307,631
Cash Received for Public Fire Protection	145,707	141,701
Cash Received for Sewer Share of Meter Related Expenses	20,346	20,559
Cash Payments to Suppliers for Goods and Services	(94,724)	(97,896)
Cash Payments for Employee Services	<u>(110,277)</u>	<u>(123,142)</u>
Net Cash Provided by (Used for) Operating Activities	235,097	248,853
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfers Out - Tax Equivalent	<u>(92,726)</u>	<u>(92,169)</u>
Net Cash Provided by (Used for) Noncapital Financing Activities	(92,726)	(92,169)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Cash Payments for Capital Assets	(872)	-
Cash Received from Issuance of Debt	728,799	-
Principal Paid on Long-Term Debt	(791,443)	(73,358)
Interest Paid on Long-Term Debt	<u>(35,565)</u>	<u>(23,593)</u>
Net Cash Provided by (Used for) Capital and Related Financing Activities	(99,081)	(96,951)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on Investments	<u>160</u>	<u>892</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	43,450	60,625
Cash and Cash Equivalents - Beginning of Year	<u>299,441</u>	<u>238,816</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 342,891</u>	<u>\$ 299,441</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES		
Operating Income (Loss)	\$ 118,484	\$ 190,939
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities		
Depreciation	104,643	104,619
Change in Pension Asset	13,177	(138)
Change in Pension Related Deferred Outflow	(72,847)	-
Change in Pension Liability	31,981	-
Change in Pension Related Deferred Inflow	37,477	-
(Increase) Decrease in Assets:		
Customer Accounts Receivable	(1,417)	(1,133)
Accounts Receivable on Tax Roll	(4,058)	3,366
Prepayments	5,208	(128)
Inventories	114	1,098
Increase (Decrease) in Liabilities:		
Accounts Payable	94	(30)
Accrued Compensated Absences	<u>2,241</u>	<u>(49,740)</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$ 235,097</u>	<u>\$ 248,853</u>
RECONCILIATION OF CASH AND INVESTMENTS TO CASH AND CASH EQUIVALENTS:		
Cash and Investments per Balance Sheet:		
Cash and Investments	<u>\$ 342,891</u>	<u>\$ 299,441</u>

SCHEDULE D-4

CITY OF AMERY, WISCONSIN
WATER UTILITY ENTERPRISE FUND
SCHEDULE OF OPERATION AND MAINTENANCE EXPENSES
YEAR ENDED DECEMBER 31, 2016
(WITH COMPARATIVE AMOUNTS FOR YEAR ENDED DECEMBER 31, 2015)

	2016	2015
SOURCE OF SUPPLY		
Maintenance of Source Plant	\$ 7,912	\$ 7,390
Total Source of Supply	7,912	7,390
PUMPING		
Fuel or Power Purchased for Pumping	21,465	22,314
Operation Supplies and Expenses	1,856	229
Maintenance of Pumping Plant	142	125
Total Pumping	23,463	22,668
WATER TREATMENT		
Chemicals	16,384	13,323
Operation Supplies and Expenses	1,035	819
Total Water Treatment	17,419	14,142
TRANSMISSION AND DISTRIBUTION		
Operation Labor	49,595	25,886
Operation Supplies and Expenses	2,395	5,034
Maintenance of Mains	3,979	6,338
Maintenance of Services	9,738	775
Maintenance of Meter	5,221	3,600
Maintenance of Hydrants	186	122
Maintenance of Other Plant	-	30
Total Transmission and Distribution	71,114	41,785
CUSTOMER ACCOUNTS		
Meter Reading Labor	-	2,653
Accounting and Collecting Labor	7,907	6,832
Total Customer Accounts	7,907	9,485
ADMINISTRATIVE AND GENERAL		
Administrative and General Salaries	20,732	19,225
Office Supplies and Expenses	545	1,763
Outside Services Employed	5,609	5,150
Property Insurance	5,208	12,395
Injuries and Damages	-	3,131
Employee Pensions and Benefits	34,284	18,807
Net Wisconsin Retirement System Pension Expense	9,788	(139)
Regulatory Commission Expenses	217	-
Miscellaneous General Expenses	17,691	14,095
Transportation Expenses	-	18
Maintenance of General Plant	557	2,185
Total Administrative and General	94,631	76,630
Total Operation and Maintenance Expenses	\$ 222,446	\$ 172,100

**CITY OF AMERY, WISCONSIN
SEWER UTILITY ENTERPRISE FUND
STATEMENT OF NET POSITION
DECEMBER 31, 2016
(WITH COMPARATIVE AMOUNTS AS OF DECEMBER 31, 2015)**

	<u>2016</u>	<u>2015</u>
ASSETS		
Current Assets:		
Cash and Investments	\$ 315,275	\$ 123,837
Customer Accounts Receivable	155,525	157,215
Accounts Receivable on Tax Roll	22,860	25,093
Prepayments	-	7,812
Inventories	3,436	3,465
Total Current Assets	<u>497,096</u>	<u>317,422</u>
Restricted Assets:		
Equipment Replacement Fund Investments	178,563	178,563
Wisconsin Retirement System Pension Asset	-	49,922
Total Restricted Assets	<u>178,563</u>	<u>228,485</u>
Capital Assets:		
Utility Plant in Service	4,990,003	4,990,003
Less Accumulated Depreciation	<u>3,202,670</u>	<u>3,048,583</u>
Total Capital Assets	1,787,333	1,941,420
Other Assets:		
Special Assessments Receivable	<u>35,000</u>	<u>37,090</u>
Total Assets	<u>2,497,992</u>	<u>2,524,417</u>
DEFERRED OUTFLOWS OF RESOURCES		
Wisconsin Retirement System Pension Related	143,837	50,706
LIABILITIES		
Current Liabilities:		
Accounts Payable	16,803	50,400
Current Portion of Long-Term Debt:		
Accrued Compensated Absences	<u>21,402</u>	<u>24,001</u>
Total Current Liabilities	38,205	74,401
Long-Term Liabilities (Net of Current Portion):		
Accrued Compensated Absences	59,949	48,331
WRS Pension Liability	7,807	-
Total Long-Term Liabilities	<u>67,756</u>	<u>48,331</u>
Total Liabilities	<u>105,961</u>	<u>122,732</u>
DEFERRED INFLOWS OF RESOURCES		
Wisconsin Retirement System Pension Related	<u>47,915</u>	<u>-</u>
NET POSITION		
Net Investment in Capital Assets	1,787,333	1,941,420
Restricted for Equipment Replacement	178,563	178,563
Restricted for Pension Plan	-	49,922
Unrestricted	<u>522,057</u>	<u>282,486</u>
Total Net Position	<u>\$ 2,487,953</u>	<u>\$ 2,452,391</u>

**CITY OF AMERY, WISCONSIN
SEWER UTILITY ENTERPRISE FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEAR ENDED DECEMBER 31, 2016
(WITH COMPARATIVE AMOUNTS FOR YEAR ENDED DECEMBER 31, 2015)**

	<u>2016</u>	<u>2015</u>
OPERATING REVENUES:		
Sewerage Revenues:		
Residential	\$ 343,984	\$ 336,193
Commercial	134,765	132,260
Industrial	71,294	73,345
Public Authorities	51,089	43,118
Multifamily Residential	53,710	53,512
Total Sewerage Revenues	<u>654,842</u>	<u>638,428</u>
Other Operating Revenues		
Forfeited Discounts	2,813	5,275
Miscellaneous Operating Revenues	602	479
Total Other Operating Revenues	<u>3,415</u>	<u>5,754</u>
Total Operating Revenues	658,257	644,182
OPERATING EXPENSES		
Operation and Maintenance	471,588	501,930
Depreciation	154,087	153,783
Total Operating Expenses	<u>625,675</u>	<u>655,713</u>
OPERATING INCOME (LOSS)	32,582	(11,531)
NONOPERATING REVENUES (EXPENSES)		
Interest Revenue	2,980	487
Interest Expense	-	(1,500)
Total Nonoperating Revenues (Expenses)	<u>2,980</u>	<u>(1,013)</u>
CHANGE IN NET POSITION	35,562	(12,544)
Net Position - Beginning of Year	<u>2,452,391</u>	<u>2,464,935</u>
NET POSITION - END OF YEAR	<u>\$ 2,487,953</u>	<u>\$ 2,452,391</u>

**CITY OF AMERY, WISCONSIN
SEWER UTILITY ENTERPRISE FUND
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2016
(WITH COMPARATIVE AMOUNTS FOR YEAR ENDED DECEMBER 31, 2015)**

	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Utility Customers	\$ 662,180	\$ 661,133
Cash Paid for Sewer Share of Meter Related Expenses	(20,652)	(20,559)
Cash Payments to Suppliers for Goods and Services	(262,547)	(248,871)
Cash Payments for Employee Services	(192,613)	(180,939)
Net Cash Provided by (Used for) Operating Activities	186,368	210,764
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Cash Payments for Capital Assets	-	(39,183)
Cash Received from Customer Contributions	2,090	27,276
Principal Paid on Long-Term Debt	-	(167,979)
Interest Paid on Long-Term Debt	-	(3,292)
Net Cash Provided by (Used for) Capital and Related Financing Activities	2,090	(183,178)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on Investments	2,980	487
NET CHANGE IN CASH AND CASH EQUIVALENTS	191,438	28,073
Cash and Cash Equivalents - Beginning of Year	302,400	274,327
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 493,838	\$ 302,400
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES		
Operating Income (Loss)	\$ 32,582	\$ (11,531)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:		
Depreciation	154,087	153,783
Net Change in Wisconsin Pension Asset	49,922	(525)
Net Change in Wisconsin Pension Deferred Outflow	(93,131)	-
Net Change in Wisconsin Pension Liability	7,807	-
Net Change in Wisconsin Pension Deferred Inflow	47,915	-
(Increase) Decrease in Assets:		
Customer Accounts Receivable	1,690	(5,594)
Other Accounts Receivable	-	24,799
Accounts Receivable on Tax Roll	2,233	(2,254)
Due from Other Governments		
Prepayments	7,812	(192)
Inventories	29	48
Increase (Decrease) in Liabilities:		
Accounts Payable	(33,597)	39,696
Accrued Compensated Absences	9,019	12,534
Net Cash Provided by (Used for) Operating Activities	\$ 186,368	\$ 210,764
RECONCILIATION OF CASH AND INVESTMENTS TO CASH AND CASH EQUIVALENTS		
Cash and Investments per Statement of Net Position:		
Cash and Investments	\$ 315,275	\$ 123,837
Cash and Investments - Restricted	178,563	178,563
	493,838	302,400
Cash and Cash Equivalents	\$ 493,838	\$ 302,400

CITY OF AMERY, WISCONSIN
SEWER UTILITY ENTERPRISE FUND
SCHEDULE OF OPERATION AND MAINTENANCE EXPENSES
YEAR ENDED DECEMBER 31, 2016
(WITH COMPARATIVE AMOUNTS FOR YEAR ENDED DECEMBER 31, 2015)

	2016	2015
OPERATION		
Supervision and Labor	\$ 137,347	\$ 122,354
Power and Fuel for Pumping	5,593	5,413
Power and Fuel for Aeration Equipment	49,240	53,083
Chemicals	3,627	1,113
Biosolids Facility Expenses	72,727	64,792
Supplies and Expenses	25,584	23,194
Transportation Expenses	4,727	4,054
Total Operation	298,845	274,003
MAINTENANCE		
Sewer Collection System	15,811	29,343
Collection System Pumping Equipment	5,831	11,922
Treatment and Disposal Plant Equipment	22,350	49,855
General Plant Structures and Equipment	254	50
Total Maintenance	44,246	91,170
CUSTOMER ACCOUNTING AND COLLECTION		
Billing, Accounting and Collection	10,362	9,582
Meter Expense Allocation	20,652	20,559
Total Customer Accounting and Collection	31,014	30,141
ADMINISTRATIVE AND GENERAL		
Administrative and General Salaries	9,783	9,317
Office Supplies and Expenses	159	768
Outside Services Employed	5,357	5,150
Insurance Expenses	7,812	23,289
Employee Pensions and Benefits	44,140	52,221
Net Wisconsin Retirement System Pension Expense	12,513	(526)
Miscellaneous General Expenses	8,719	7,397
Rents	9,000	9,000
Total Administrative and General	97,483	106,616
Total Operation and Maintenance Expense	\$ 471,588	\$ 501,930