

CITY OF AMERY, WISCONSIN

**AUDITED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

For The Year Ended December 31, 2003

CITY OF AMERY, WISCONSIN

AUDITED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION

For The Year Ended December 31, 2003

TABLE OF CONTENTS

GENERAL PURPOSE FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT	1
EXHIBITS:	
1 Combined Balance Sheet - All Fund Types and Account Group	2 to 3
2 Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types and Expendable Trust Funds	4
3 Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General Fund and Debt Service Funds	5
4 Statement of Revenues, Expenses and Changes in Retained Earnings - Enterprise Fund (Joint Water and Sewer Utility).....	6
5 Statement of Cash Flows - Enterprise Fund (Joint Water and Sewer Utility).....	7
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS.....	8 to 28

SUPPLEMENTARY INFORMATION

INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION	30
---	----

SCHEDULES:

General Fund:

A-1 Detailed Balance Sheet	32
A-2 Detailed Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	33 to 39

Special Revenue Funds:

B-1 Combining Balance Sheet	41
B-2 Combining Statement of Revenues, Expenditures and Changes in Fund Balances.....	42

Debt Service Funds:

C-1 Combining Statement of Revenues, Expenditures and Changes in Fund Balances.....	44
---	----

Capital Projects Funds:

D-1 Combining Balance Sheet	46
D-2 Combining Statement of Revenues, Expenditures and Changes in Fund Balances.....	47

Joint Water and Sewer Utility Enterprise Fund:

E-1 Detailed Balance Sheet	49
----------------------------------	----

Water Department:

E-2 Statements of Revenues, Expenses and Changes in Retained Earnings.....	50
E-3 Detail of Operation and Maintenance Expenses.....	51
E-4 Rates of Return.....	52

Sewer Department:

E-5 Statements of Revenues, Expenses and Changes in Retained Earnings.....	53
E-6 Detail of Operation and Maintenance Expenses.....	54
E-7 Rates of Return.....	55

Fiduciary Funds:

F-1 Combining Balance Sheet	57
-----------------------------------	----

Fire Department Retirement Expendable Trust Fund:

F-2 Statements of Revenues, Expenditures and Changes in Fund Balance.....	58
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Debt Repayment Schedule:

G-1 Promissory Notes Dated August 16, 1997.....	61
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Tracey & Thole, s.c.

certified public accountants

INDEPENDENT AUDITOR'S REPORT

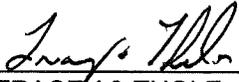
To The City Council
City of Amery
Amery, Wisconsin

We have audited the accompanying general purpose financial statements of the City of Amery, Wisconsin, as of and for the year ended December 31, 2003, as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express an opinion 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 general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The general purpose financial statements referred to above do not include the general fixed assets account group, which should be included to conform with accounting principles generally accepted in the United States of America. As the City has not maintained a record of its general fixed assets, the amount that should be recorded in the general fixed assets account group is not known.

In our opinion, except that the omission of the general fixed assets account group results in an incomplete presentation, as explained in the preceding paragraph, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Amery, Wisconsin, as of December 31, 2003, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with accounting principles generally accepted in the United States of America.



TRACEY & THOLE, S.C.
Certified Public Accountants

May 5, 2004

CITY OF AMERY, WISCONSIN

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUP
December 31, 2003

	Governmental Fund Types					Proprietary Fund Type	Fiduciary Fund Types	Account Group	Totals (Memorandum Only) 12/31/03	12/31/02		
	General	Special Revenue	Debt Service	Capital Projects	Enterprise						Trust and Agency	General
												Long-term Debt
ASSETS AND OTHER DEBITS												
Assets:												
Treasurer's Cash and Investments (Note 1D, 2)	\$ (280,311)	\$ 415,128	\$ -	\$ 467,952	\$ 90,227	\$ 499,622	\$ -	\$ 1,192,618	\$ 1,950,926			
Departmental Cash	7,505							7,505	8,748			
Petty Cash	200							200	200			
Taxes Receivable (Note 3)						3,322,607		3,322,607	3,105,389			
Special Assessments Receivable	124,908							124,908	138,598			
Accounts Receivable	148,483				201,109			349,592	286,754			
Due from Other Governmental Units									109,550			
Due from Other Funds (Note 6)	1,102,721	415,805		143,452	21,280			1,683,258	1,743,730			
Advances to Other Funds (Note 6)	48,698							48,698	106,784			
Deferred Charges								182,819	90,063			
Inventories								31,489	33,364			
Restricted Assets:												
Cash and Investments												
Long-term Receivables (Notes 9, 11)								136,472	134,946			
Fixed Assets (Net of Accumulated Depreciation) (Note 4)		478,582			232,028			710,610	706,939			
Other Debits:												
Amount to be Provided for Retirement					5,108,908			5,108,908	5,256,223			
Long-term Debt							3,271,248	3,271,248	3,051,217			
Total Assets and Other Debits	<u>\$1,152,204</u>	<u>\$1,309,515</u>	<u>\$ -</u>	<u>\$ 611,404</u>	<u>\$ 6,004,332</u>	<u>\$ 3,822,229</u>	<u>\$ 3,271,248</u>	<u>\$ 16,170,932</u>	<u>\$ 16,723,431</u>			

The Notes to Financial Statements Are an Integral Part of This Statement.

CITY OF AMERY, WISCONSIN

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUP
December 31, 2003

	Governmental Fund Types				Proprietary Fund Type	Fiduciary Fund Types	Account Group	Totals (Memorandum Only)	
	General	Special Revenue	Debt Service	Capital Projects				Enterprise	Trust and Agency
LIABILITIES AND FUND EQUITY									
Vouchers and Accounts Payable	\$ 75,035	\$ 10,755	\$ -	\$ 95,624	\$ 21,680	\$ -	\$ -	\$ 203,094	\$ 150,707
Payroll Deductions	2,244							2,244	3,457
Accrued Payables					12,176			12,176	13,299
Due Other Governmental Units	16,442					2,092,869		2,109,311	1,967,878
Due Other Funds (Note 6)						1,683,258		1,683,258	1,743,730
Deferred Revenues (Note 7)	1,268,885	894,387		143,452				2,306,724	2,231,651
Special Deposits	7,505							7,505	8,748
Current Portion of Long-term Debt:									
General Obligation Debt					52,650			52,650	38,244
Revenue Bonds					118,775			118,775	115,090
Advances from Other Funds (Note 6)		48,698						48,698	106,784
General Obligation Notes (Note 5)					58,148		3,024,782	3,082,930	2,837,860
Mortgage Revenue Bonds (Note 5)					1,586,276			1,586,276	1,705,050
Unfunded Retirement Liability (Note 12)							14,071	14,071	14,209
Estimated Landfill Closure Costs Payable (Note 14)									
Other Deferred Credits					50,000		232,395	232,395	259,946
Total Liabilities	1,370,111	953,840	-	239,076	1,899,705	3,776,127	3,271,248	11,510,107	11,196,653
FUND EQUITY:									
Contributed Capital					3,191,912			3,191,912	3,219,876
Retained Earnings:									
Unreserved					912,715			912,715	732,431
Fund Balance: (Note 8)									
Reserved for Delinquent Taxes									1,114
Reserved for Advances to Other Funds	48,698							48,698	106,784
Unreserved:									
Designated	72,133	355,675		372,328		46,102		846,238	1,421,814
Undesignated (Deficit)	(338,738)							(338,738)	44,759
Total Fund Equity	(217,907)	355,675	-	372,328	4,104,627	46,102	-	4,660,825	5,526,778
Total Liabilities and Fund Equity	\$1,152,204	\$1,309,515	\$ -	\$611,404	\$6,004,332	\$3,822,229	\$3,271,248	\$16,170,932	\$16,723,431

The Notes to Financial Statements Are an Integral Part of This Statement.

(Continue to Next Page)

EXHIBIT 2

<u>Fiduciary Fund Type</u> <u>Expendable Trust</u>	<u>Totals (Memorandum Only)</u>	
	<u>2003</u>	<u>2002</u>
\$	\$ 1,688,906	\$ 1,574,669
	14,653	23,562
	993,654	1,083,533
	51,150	66,004
	42,232	37,679
	151,043	203,319
	104,470	115,529
1,620	32,875	13,207
	4,175	5,188
		496,151
	<u>130,193</u>	<u>130,834</u>
<u>1,620</u>	<u>3,213,351</u>	<u>3,749,675</u>
	407,971	303,902
	1,795,733	970,578
	1,293,980	696,214
	170,707	153,486
	2,040	26,453
	433,722	449,883
	260,524	158,250
	653,881	392,265
	<u>114,668</u>	<u>113,445</u>
<u>-</u>	<u>5,133,226</u>	<u>3,264,476</u>
<u>1,620</u>	<u>(1,919,875)</u>	<u>485,199</u>
	901,602	466,275
4,000	998,105	718,691
	<u>(998,105)</u>	<u>(718,691)</u>
<u>4,000</u>	<u>901,602</u>	<u>466,275</u>
5,620	(1,018,273)	951,474
<u>40,482</u>	<u>1,574,471</u>	<u>622,997</u>
<u>\$ 46,102</u>	<u>\$ 556,198</u>	<u>\$ 1,574,471</u>

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EXHIBIT 3

Debt Service Funds		
Budget	Actual	Variance Favorable (Unfavorable)
\$	\$	\$
-	-	-
572,944	653,881	(80,937)
107,731	101,429	6,302
<u>680,675</u>	<u>755,310</u>	<u>(74,635)</u>
<u>(680,675)</u>	<u>(755,310)</u>	<u>(74,635)</u>
680,675	755,310	74,635
<u>680,675</u>	<u>755,310</u>	<u>74,635</u>
-	-	-
-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN RETAINED EARNINGS - ENTERPRISE FUND
(JOINT WATER AND SEWER UTILITY)
For The Year Ended December 31, 2003**

	Water	Sewer	Totals	
	<u>Department</u>	<u>Department</u>	<u>2003</u>	<u>2002</u>
OPERATING REVENUES:				
Charges for Services	\$ 304,112	\$ 565,393	\$869,505	\$860,179
Forfeited Discounts	880	2,575	3,455	3,860
Rentals	12,700		12,700	7,477
Other	13,261	3,134	16,395	5,999
Total Operating Revenues	<u>330,953</u>	<u>571,102</u>	<u>902,055</u>	<u>877,515</u>
OPERATING EXPENSES:				
Operation and Maintenance	156,110	384,872	540,982	501,148
Depreciation	49,960	143,148	193,108	191,317
Taxes	48,724	10,255	58,979	61,911
Total Operating Expenses	<u>254,794</u>	<u>538,275</u>	<u>793,069</u>	<u>754,376</u>
OPERATING INCOME	<u>76,159</u>	<u>32,827</u>	<u>108,986</u>	<u>123,139</u>
NONOPERATING REVENUES (EXPENSES):				
Investment Interest	562	2,898	3,460	3,078
Interest on Advance to Biosolids		8,093	8,093	8,623
Jobbing Income	273		273	127
Interest Expense	(2,323)	(57,885)	(60,208)	(65,034)
Total Nonoperating Revenues (Expenses)	<u>(1,488)</u>	<u>(46,894)</u>	<u>(48,382)</u>	<u>(53,206)</u>
NET INCOME (LOSS) BEFORE CONTRIBUTIONS	<u>74,671</u>	<u>(14,067)</u>	<u>60,604</u>	<u>69,933</u>
CAPITAL CONTRIBUTIONS:				
Hookup Fees	6,730	4,706	11,436	20,141
Plant Contributed by Customers/Developers	63,124	17,156	80,280	
Total Capital Contributions	<u>69,854</u>	<u>21,862</u>	<u>91,716</u>	<u>20,141</u>
NET INCOME	144,525	7,795	152,320	90,074
Amortization of Construction Grants	-	27,964	27,964	27,964
Net Change in Retained Earnings	144,525	35,759	180,284	118,038
RETAINED EARNINGS (DEFICIT), JANUARY 1	<u>1,066,179</u>	<u>(333,748)</u>	<u>732,431</u>	<u>614,393</u>
RETAINED EARNINGS (DEFICIT), DECEMBER 31	<u>\$1,210,704</u>	<u>\$(297,989)</u>	<u>\$912,715</u>	<u>\$732,431</u>

The Notes to Financial Statements Are
an Integral Part of This Statement.

(Continue to Next Page)

	Water Department	Sewer Department	Totals	
			<u>2003</u>	<u>2002</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:				
Operating Income	\$ 76,159	\$ 32,827	\$108,986	\$123,139
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:				
Depreciation Accruals	51,769	141,338	193,107	191,317
Amortization Expense	12,365		12,365	12,365
Changes in Assets and Liabilities:				
Decrease in Customer Accounts Receivable	832	2,351	3,183	11,237
Decrease (Increase) in Other Accounts Receivable	1,185	5,796	6,981	(10,398)
Decrease (Increase) in Due from Other Funds	(181)	(908)	(1,089)	9,110
Decrease (Increase) in Inventories	2,466	(591)	1,875	(2,300)
Decrease (Increase) in Prepayments		16,303	16,303	(16,303)
Increase (Decrease) in Accounts Payable	2,650	(2,710)	(60)	(213)
			<u>(60)</u>	<u>(213)</u>
Net Cash Provided by Operating Activities	<u>\$147,245</u>	<u>\$ 194,406</u>	<u>\$341,651</u>	<u>\$317,954</u>

RECONCILIATION OF CASH AND INVESTMENTS TO CASH AND CASH EQUIVALENTS:

Cash and Investments per Exhibit 1:				
Cash and Investments - Unrestricted	\$609,855	\$(519,628)	\$ 90,227	\$ -
Cash and Investments - Restricted	-	136,472	136,472	134,946
			<u>136,472</u>	<u>134,946</u>
Cash and Cash Equivalents per Exhibit 5	<u>\$609,855</u>	<u>\$(383,156)</u>	<u>\$226,699</u>	<u>\$134,946</u>

NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:

Long-term Debt Paid Directly by Biosolids Facility:				
Principal Repaid	\$ -	\$ 16,868	\$ 16,868	\$16,349
Interest Paid	\$ -	\$ 8,182	\$ 8,182	\$8,709

CITY OF AMERY, WISCONSIN

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
For The Year Ended December 31, 2003**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

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

The financial reporting entity for the City is based upon criteria set forth in 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 financial reporting entity is defined by 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 exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

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

Financial statements presented in this report conform to GAAP applicable to governmental units, except that the City's combined balance sheet does not include the general fixed assets account group. The following is a summary of the more significant accounting policies of the City:

A. Fund Accounting

The City uses funds and an account group to report on its financial position and the results of its operations. A fund is a separate accounting entity with a self-balancing set of accounts which is comprised of each fund's assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Financial transactions of the City and the results thereof are presented in the financial statements as follows:

Governmental Funds:

General Fund - The General Fund is the general operating fund of the City. It is used to account for all financial resources which are not required to be accounted for in another fund.

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trust or major capital projects) that are restricted to expenditures for specific purposes. Transactions of the City's library fund, landfill contamination and remediation fund, Wisconsin Development Fund (WDF) revolving loan fund, Tax Incremental District #4 and the Brownfields Redevelopment fund are accounted for as special revenue funds.

Debt Service Funds - Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related charges.

Capital Projects Funds - Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities other than those financed from proprietary funds. Transactions of the City's Tax Incremental District #5 and District Fire Hall Construction fund are accounted for in capital projects funds.

CITY OF AMERY, WISCONSIN

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
For The Year Ended December 31, 2003

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd.)

A. Fund Accounting (cont'd.)

Proprietary Funds:

Enterprise Fund - Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises--where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

Transactions of the City's joint water and sewer utility are accounted for in an enterprise fund. The utility is regulated by the Public Service Commission and maintains its accounting records in accordance with the Uniform Chart of Accounts prescribed by the Commission.

Fiduciary Funds:

Trust and Agency Funds - Trust and Agency Funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds. Expendable trust funds are accounted for in essentially the same manner as governmental funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Transactions related to the annual tax levy of the City are accounted for in an agency fund.

Account Groups:

Accounts groups are not funds as they reflect only financial position as of a certain date and do not involve the measurement of operations. The two account groups are so classified:

General Fixed Assets Account Group - This account group is used to account for fixed assets used in governmental fund type operations. As previously noted a detail of the general fixed assets of the City has not been maintained.

General Long-term Debt Account Group - Outstanding principal balances of long-term liabilities of the City expected to be financed from governmental funds are accounted for in this account group. General obligation debt maturities financed by the enterprise fund are accounted for in that fund and are not included in the general long-term debt account group.

B. Measurement Focus and Basis of Accounting

The accounting and reporting treatment applied to a fund is determined by its measurement focus. All governmental funds and expendable trust funds are accounted for on a spending or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets and their reported fund balance is considered a measure of "available spendable resources". Operating statements of these funds present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

CITY OF AMERY, WISCONSIN

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
For The Year Ended December 31, 2003**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd.)

B. Measurement Focus and Basis of Accounting (cont'd.)

All proprietary funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities (whether current or noncurrent) associated with their activity are included on their balance sheets.

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

All governmental funds and expendable trust funds are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting revenues are recognized when they become both measurable and available (susceptible to accrual). Available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. Revenues from property taxes and special assessments are considered available when due as discussed in Notes 1E and 1F. State shared taxes and state transportation aids are recognized as revenue in the entitlement year. Federal and state aids for reimbursable programs are recognized as revenue in the year related program expenditures are incurred. Fines and forfeits are recognized when received. All other major revenues are susceptible to accrual.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Exceptions to this general rule include: (1) accumulated unpaid vacation, sick pay, and other employee amounts which are not accrued; and (2) principal and interest on general long-term debt which is recognized when due.

All proprietary funds are accounted for using the accrual basis of accounting. Under this basis, revenues are recognized when they are earned and expenses are recognized when they are incurred. The City does not, however, accrue accumulated vacation or sick leave in the enterprise fund but expenses these costs as paid. Water and sewer utility revenues for services are billed and recorded on a quarterly basis. Utility services are billed at rates prescribed by the Wisconsin Public Service Commission.

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

The City applies all GASB pronouncements as well as the Financial Accounting Standards Board pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in accounting and reporting for its proprietary fund types.

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

CITY OF AMERY, WISCONSIN

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
For The Year Ended December 31, 2003**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd.)

C. Budgets

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. Budgetary expenditure control is exercised at the individual account level.

Budget amounts in the financial statements include appropriations authorized in the original budget, any council approved amendments, appropriations of restricted resources received for funding specific expenditures and designated portions of the beginning balance of the general fund's equity expected to finance expenditures of the current fiscal year. Unused appropriations lapse at year end unless specifically carried over for financing subsequent year expenditures.

D. Cash and Investments

The City is required to invest its funds in accordance with Section 66.0603 of the Wisconsin Statutes. Such statute authorizes the City to invest any of its funds not immediately needed in:

- (1) time deposits in any credit union, bank, savings bank, trust company or savings and loan association which is authorized to transact business in this state if the time deposits mature in not more than three years;
- (2) bonds or securities issued or guaranteed as to principal and interest by the federal government, or by a commission, board or other instrumentality of the federal government;
- (3) bonds or securities of any county, city, drainage district, technical college, village, town or school district of this state; and other specified special districts;
- (4) any security which matures or which may be tendered for purchase at the option of the holder within not more than seven years of the date on which it is acquired, if that security has a rating which is the highest or second highest rating category assigned by Standard & Poor's corporation, Moody's investor service or other similar nationally recognized rating agency or if that security is senior to, or on a parity with, a security of the same issuer which has such a rating;
- (5) securities of an open-end management investment company or investment trust, if the investment company or investment trust does not charge a sales load, is registered as specified in the statutes and its portfolio is limited to bonds and securities issued or guaranteed as to principal and interest by the federal government or by a commission, board or other instrumentality of the federal government and to repurchase agreements that are fully collateralized by bonds or securities as described above;
- (6) bonds or securities issued under the authority of the municipality;
- (7) the local government pooled-investment fund as established under Section 25.50 of the Wisconsin Statutes;
- (8) agreements in which a public depository agrees to repay funds advanced to it by the City plus interest, if the agreement is secured by bonds or securities issued or guaranteed as to principal and interest by the federal government.
- (9) any security which matures or which may be tendered for purchase at the option of the holder within not more than seven years of the date on which it is acquired, if that security has a rating which is the highest or second highest rating category assigned by Standard & Poor's corporation, Moody's investor service or other similar nationally recognized rating agency or if that security is senior to, or on a parity with, a security of the same issuer which has such a rating;

Investments of the City are stated at fair value. For purposes of the statement of cash flows, the City considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

CITY OF AMERY, WISCONSIN

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
For The Year Ended December 31, 2003

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd.)

E. Taxes Receivable

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 in the City's agency fund with amounts due other governmental units and other funds of the City recorded as liabilities therein. Since City property taxes are not considered available until January 1 of the year following the levy, they are recorded as deferred revenues in the funds budgeted therefor.

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, except for delinquent special assessments and special charges. Delinquent personal property taxes are retained by the City for collection. A portion of the general fund balance is reserved for the City's investment in delinquent taxes.

F. Special Assessments

Assessments against property owners for public improvements are generally not subject to full settlement in the year levied. Deferred 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 2003 tax roll are recognized as revenue in 2004.) Special assessments of enterprise funds are recorded as contributed capital at the time of assessment if subject to collection.

Uncollected installments placed on prior year tax rolls are held for collection by Polk County and are remitted to the City upon collection by the county. These delinquent installments are financed by the general fund.

G. Inventories

Inventories of governmental funds consist of expendable supplies held for consumption. Such items are considered expenditures when purchased and, accordingly, are not reflected on the Combined Balance Sheet-All Fund Types and Account Group.

Inventories of enterprise funds are valued at cost using the first-in/first-out method and are charged as expenses or capitalized when used.

H. Debt Discounts/Issuance Costs

In governmental fund types, debt discounts and issuance costs are recognized in the current period. Debt discounts and issuance costs for proprietary fund types are deferred and amortized over the life of the debt using the interest method.

CITY OF AMERY, WISCONSIN

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
For The Year Ended December 31, 2003

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd.)

I. **Advances to Other Funds**

Noncurrent portions of general fund long-term interfund loans receivable are reported as advances and are offset equally by a fund balance reserve account which indicates that they do not constitute expendable financial resources and therefore are not available for appropriation.

J. **Fixed Assets**

General Fixed Assets - Fixed assets acquired or constructed for general governmental services are recorded as expenditures in the fund from which the disbursements are made. Generally accepted accounting principles require that these fixed assets be capitalized at cost in the general fixed assets account group. Contributed fixed assets are to be recorded in the general fixed assets account group at fair market value at the time received.

Public domain ("infrastructure") general fixed assets consisting of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems are not capitalized, as these assets are immovable and of value only to the City. As explained previously in this note, the City does not presently maintain a general fixed assets account group.

Proprietary Fund Fixed Assets - Assets in the enterprise fund are capitalized at cost or fair value at date of contribution or acquisition. Normal repairs and maintenance that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining lives of the related assets. Net interest costs incurred for long-term debt issued for construction purposes is capitalized during the period of construction.

Depreciation is charged over the estimated service life of the assets using the straight-line method. Annual depreciation charges are determined using the average utility plant in service and a composite rate of depreciation as determined by the Public Service Commission of Wisconsin.

K. **Long-term Obligations**

Long-term liabilities expected to be financed from proprietary fund type operations are accounted for in those funds. All other long-term liabilities are recorded in the general long-term debt account group.

Proceeds of long-term debt issues not recorded as fund liabilities are reflected as "Other Financing Sources" in the operating statement of the recipient fund. Retirement of these issues is reported as an expenditure of the debt service funds in the year in which the debt matures or is repaid, whichever is earlier.

L. **Fund Equity**

On January 1, 2001, the City adopted the provisions of Governmental Accounting Standards Board Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*. This statement requires that capital contributions from external parties in enterprise funds be presented as revenues beginning in 2001. The balance in Contributed Capital reflects the accumulated contributions from outside parties prior to the adoption of Statement No. 33 and interfund contributions to date. These balances in the enterprise funds will remain until the City adopts Governmental Accounting Standards Board Statement No. 34, effective for the City on January 1, 2004, when it will become part of the Net Assets section.

CITY OF AMERY, WISCONSIN

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
For The Year Ended December 31, 2003**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd.)

L. Fund Equity (cont'd.)

Certain capital grants received in the sewer department of the enterprise fund prior to January 1, 2001 are being amortized over period equal to the lives of the assets acquired with such grants.

Reserves represent those portions of fund equity not appropriable for expenditure or legally segregated for a specific future use. Designated fund balances represent tentative plans for future use of financial resources.

M. Interfund Transactions

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Such transactions include the following:

The water department is charged a tax equivalent due the general fund. In addition, the general fund provides equipment use to the water and sewer utility. The amount charged for equipment use is determined by City management. Charges for the tax equivalent and equipment use are recorded as revenue in the general fund.

The general fund pays a fire protection charge to the water department. In addition, the water and sewer utility provides basic services to the general fund. Charges for fire protection and basic services are recorded as expenditures in the general fund and as operating revenues in the utility enterprise fund.

The sewer department pays an annual meter use charge to the water department in accordance with requirements of the Public Service Commission. The annual charge is recorded as an operating expense of the sewer department and as a reduction of various operating expenses and as operating revenue of the water department based on the components of the charge.

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

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

N. Total Columns on Combined Statements

Total columns on the Combined Statements are captioned Memorandum Only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or cash flows in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

O. Comparative Data

Comparative total data for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the City's financial position and operations. However, comparative (i.e., presentation of prior year totals by fund type) data have not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read.

CITY OF AMERY, WISCONSIN

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
For The Year Ended December 31, 2003**

NOTE 2 - CASH AND INVESTMENTS

The City is required to invest its funds in accordance with Section 66.0603 of the Wisconsin Statutes as previously discussed in Note 1D.

The City's cash and investments at December 31, 2003 totaled \$1,336,795 as shown on the Combined Balance Sheet - All Fund Types and Account Group (Exhibit 1) and consisted of the following:

Deposits at Financial Institutions:			
Treasurer's Cash and Investments	\$1,192,618		
Departmental Cash	7,505		
Restricted Cash and Investments	<u>136,472</u>	\$1,336,595	
Petty Cash			<u>200</u>
Total Cash and Investments at December 31, 2003			<u>\$1,336,795</u>

Deposits at Financial Institutions. The City's balances at individual financial institutions were subject to coverage under federal depository insurance and amounts appropriated by Section 20.144(1)(a) and 34.08 of the Wisconsin Statutes (State Guarantee Fund). Federal depository insurance provides for coverage of up to \$100,000 for time or savings deposits and up to \$100,000 for demand deposits at any institution. 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 under federal depository insurance and the State Guarantee Fund. The City's coverage on its deposits at December 31, 2003 are summarized as follows:

	<u>Carrying Amount</u>	<u>Bank Balance</u>
Insured (FDIC)	\$ 187,920	\$ 187,920
Uninsured:		
Covered Under Provisions of State Statutes	400,000	400,000
Collateralized	500,000	500,000
Uncollateralized	<u>248,675</u>	<u>285,368</u>
	<u>\$1,336,595</u>	<u>\$1,373,288</u>

CITY OF AMERY, WISCONSIN

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
For The Year Ended December 31, 2003**

NOTE 3 - TAXES RECEIVABLE

Taxes receivable at December 31, 2003 totaled \$3,322,607 as detailed below:

Current Taxes Receivable:

2003 Tax Roll:

General Property Taxes:

State	\$ 31,705
County	579,322
School	1,298,809
Technical College	162,917
Special Districts	20,116
City:	
General Fund	1,082,400
Library	180,132
Tax Increments	<u>379,125</u>
Total General Property Taxes	3,734,526

Special Assessments and Special Charges:

General Fund:

Special Assessments:

Principal	7,713
Interest	5,534

Delinquent Garbage Service Billings:

Due Private Carrier	1,773
General Fund	3,049
Other	2,252

Enterprise Fund

Enterprise Fund	5,122
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Delinquent Utility Charges 16,158

Total 2003 Tax Roll \$3,776,127

Less Collections Prior to January 1, 2004 453,520

Total Taxes Receivable December 31, 2003 \$3,322,607

The 2003 tax roll receivable and collections thereon are accounted for in the City's tax agency fund. Delinquent personal property taxes are recorded in the general fund. A portion of the general fund's equity is reserved for the City's investment in delinquent taxes.

CITY OF AMERY, WISCONSIN

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
For The Year Ended December 31, 2003**

NOTE 4 - FIXED ASSETS

Changes in the joint water and sewer utility enterprise fund fixed assets and related accumulated depreciation balances for the year ended December 31, 2003 were as follows:

	<u>Water Department</u>	<u>Sewer Department</u>	<u>Total</u>
Utility Plant in Service:			
Fixed Assets:			
Balance January 1, 2003	\$2,473,652	\$4,643,516	\$7,117,168
Additions	16,088	29,705	45,793
Retirements	(1,650)	(1,000)	(2,650)
Balance December 31, 2003	<u>2,488,090</u>	<u>4,672,221</u>	<u>7,160,311</u>
Accumulated Depreciation:			
Balance January 1, 2003	726,074	1,134,871	1,860,945
Depreciation Charges	51,769	141,339	193,108
Book Cost of Plant Removed	(1,650)	(1,000)	(2,650)
Balance December 31, 2003	<u>776,193</u>	<u>1,275,210</u>	<u>2,051,403</u>
Net Fixed Assets December 31, 2003	<u>\$1,711,897</u>	<u>\$3,397,011</u>	<u>\$5,108,908</u>
Net Fixed Assets December 31, 2002	<u>\$1,747,578</u>	<u>\$3,508,645</u>	<u>\$5,256,223</u>

NOTE 5 - LONG-TERM DEBT

Summary of Long-term Debt

The following is a summary of long-term debt transactions of the City for the year ended December 31, 2003:

	<u>Balance 1/1/03</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance 12/31/03</u>
General Obligation Debt:				
Account Group:				
General Fund Obligations	\$1,598,328	\$901,602	\$310,148	\$2,189,782
Tax Incremental Districts	<u>1,178,734</u>		343,734	835,000
Total Account Group	2,777,062	901,602	653,882	3,024,782
Enterprise Fund	<u>99,042</u>	50,000	38,244	110,798
Total General Obligation Debt	2,876,104	951,602	692,126	3,135,580
Mortgage Revenue Bonds:				
Enterprise Fund	<u>1,820,140</u>	-	115,089	1,705,051
Total Long-term Debt	<u>\$4,696,244</u>	<u>\$951,602</u>	<u>\$807,215</u>	<u>\$4,840,631</u>

CITY OF AMERY, WISCONSIN

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
For The Year Ended December 31, 2003

NOTE 5 - LONG-TERM DEBT (cont'd.)

General Obligation Debt

Repayment Requirements. Individual general obligation long-term debt issues outstanding at December 31, 2003 and annual requirements for their retirement were as follows:

	<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Refunding bonds, \$1,195,000, issued 6/1/95, final installment 12/1/07, interest at 4.20%-5.40% (general fund)	2004	\$ 40,000	\$ 8,130	\$ 48,130
	2005	40,000	6,090	46,090
	2006	40,000	4,010	44,010
	2007	35,000	1,890	36,890
			<u>155,000</u>	<u>20,120</u>
Promissory Notes, \$1,610,000, issued 8/16/97, final installment 6/1/07, interest at 4.15-4.80% (70.90% TID #5, 20.1% general fund see supplementary Schedule G-1)	2004	70,000	49,885	119,885
	2005	90,000	46,665	136,665
	2006	90,000	42,435	132,435
	2007	795,000	19,080	814,080
			<u>1,045,000</u>	<u>158,065</u>
Landfill Remediation Promissory Notes, Series 2000, \$628,758.12 authorized, drawdowns thru 12/31/02 \$464,616.14, final installment 5/1/20, 0.0% interest (landfill contamination project)	2004	23,392		23,392
	2005	23,392		23,392
	2006	23,392		23,392
	2007	23,392		23,392
	2008	23,392		23,392
	2009-2020	280,701		280,701
		<u>397,661</u>	<u>-</u>	<u>397,661</u>
State trust fund loan, \$513,000, borrowed 1/25/95, final installment due 3/15/04, interest at 5.0% (Staffenson Street - general fund)	2004	58,258	2,921	61,179
State trust fund loan, \$190,000, issued 7/19/00, final installment due 3/15/05, interest at 4.75% (general - Dickey Avenue project)	2004	39,095	3,814	42,909
	2005	40,975	1,946	42,921
		<u>80,070</u>	<u>5,760</u>	<u>85,830</u>
State trust fund loan, \$115,000, issued 1/10/01, final installment due 3/15/05, interest at 5.00% (backhoe, 50% water and 50% sewer)	2004	29,650	3,048	32,698
	2005	31,148	1,557	32,705
		<u>60,798</u>	<u>4,605</u>	<u>65,403</u>
State trust fund loan, \$318,000, issued 7/30/02, final installment due 3/15/09, interest at 4.75% (2001 general fund projects)	2004	40,742	12,359	53,101
	2005	42,609	10,491	53,100
	2006	44,526	8,574	53,100
	2007	46,530	6,570	53,100
	2008	48,612	4,488	53,100
	2009	50,866	2,289	53,155
		<u>273,885</u>	<u>44,771</u>	<u>318,656</u>

CITY OF AMERY, WISCONSIN

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
For The Year Ended December 31, 2003

NOTE 5 - LONG-TERM DEBT (cont'd.)

General Obligation Debt (cont'd.)

Repayment Requirements (cont'd.)

	<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
State trust fund loan, \$158,571, issued 3/27/02 and 1/15/03, final installment due 3/15/09, interest at 4.75% (senior center repairs)	2004	\$ 21,141	\$ 7,312	\$ 28,453
	2005	22,561	5,892	28,453
	2006	23,633	4,820	28,453
	2007	24,755	3,698	28,453
	2008	25,923	2,530	28,453
	2009	27,182	1,291	28,473
			<u>145,195</u>	<u>25,543</u>
State trust fund loan, \$24,421, issued 6/16/02, final installment due 3/15/07, interest at 4.00% (fire equipment)	2004	4,640	791	5,431
	2005	4,828	603	5,431
	2006	5,021	410	5,431
	2007	5,224	208	5,432
			<u>19,713</u>	<u>2,012</u>
Promissory notes, \$1,399,000 authorized, drawdowns thru 12/31/03, \$850,000, final installments due 6/1/13, interest at 3.65% (fire hall \$880,000, city shop \$519,000) [1]	2004	38,000	65,390	103,390
	2005	78,000	49,676	127,676
	2006	80,000	46,830	126,830
	2007	82,000	43,910	125,910
	2008	84,000	40,916	124,916
	2009-2013	1,037,000	143,718	1,180,718
			<u>1,399,000</u>	<u>390,440</u>
Promissory notes, \$969,000 authorized, drawdowns thru 12/31/03, \$50,000, final installments due 6/1/13, interest at 3.65% (water utility improvements) [2]	2004	23,000	45,291	68,291
	2005	36,000	34,529	70,529
	2006	37,000	33,215	70,215
	2007	38,000	31,864	69,864
	2008	39,000	30,477	69,477
	2009-2013	796,000	118,443	914,443
			<u>969,000</u>	<u>293,819</u>
Total General Obligation Debt		4,603,580	\$948,056	\$5,551,636
Less Loan Proceeds Received 2004		<u>1,468,000</u>		
Outstanding at December 31, 2003		3,135,580		
Less Current Portion (Enterprise Fund Only)		<u>52,650</u>		
		<u>\$3,082,930</u>		

[1] Balance of loan proceeds, \$549,000, received March 2004.

[2] Balance of loan proceeds, \$919,000, to be received in 2004 as project completed.

CITY OF AMERY, WISCONSIN

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
For The Year Ended December 31, 2003**

NOTE 5 - LONG-TERM DEBT (cont'd.)

General Obligation Debt (cont'd.)

Repayment Requirements (cont'd.)

Annual requirements for retirement of the above general obligation debt issues are summarized as follows:

<u>Year</u>	<u>Account Group</u>		<u>Water and Sewer Utility</u>	<u>Total</u>
	<u>General Fund</u>	<u>TID #5</u>		
2004	\$ 420,892	\$ 64,978	\$ 100,989	\$ 586,859
2005	389,899	73,828	103,235	566,962
2006	341,469	72,182	70,215	483,866
2007	329,497	757,760	69,864	1,157,121
2008	229,861		69,477	299,338
2009-2020	1,543,047		914,443	2,457,490
	<u>\$3,254,665</u>	<u>\$968,748</u>	<u>\$1,328,223</u>	<u>\$5,551,636</u>

Funding for Debt Retirement. Repayment of general obligation debt included in the general long-term debt account group are recorded in the debt service funds. Installments on the state trust fund loans and promissory notes used to finance project expenditures of the City's Tax Incremental District #5 are to be financed from that fund. Such funding is dependent upon the amount of funds available in the tax incremental district fund (see also Note 10). Repayment schedules for the debt fundable from TID #5 revenues are presented as supplementary information.

Repayments on general obligation notes included in the joint water and sewer utility enterprise fund are recorded within that fund. It is anticipated the operating revenues of the utility will provide sufficient revenues to offset all required principal and interest maturities on the general obligation notes included therein.

Debt Limitation. Section 67.03 of the Wisconsin Statutes restricts city general obligation debt to 5% of the equalized value of all property in the city. At December 31, 2003 the City's debt limit amounted to \$7,926,465 and indebtedness subject to the limitation totaled \$3,135,580.

Mortgage Revenue Bonds

Outstanding mortgage revenue bonds of the City totaled \$1,705,051 at December 31, 2003. The City's full faith and credit do not back the mortgage revenue bonds which are instead backed only by the assets and revenues of the enterprise fund. Outstanding revenue bond issues at December 31, 2003 consisted of two sewerage system mortgage revenue bond issues issued to the State of Wisconsin under the Clean Water Fund Financial Assistance Program as described below:

Sewerage System Revenue Bonds Series 1995. The City authorized the issuance of \$2,076,057 of revenue bonds on October 2, 1995 to fund renovation of its wastewater treatment plant. As of December 31, 2002 the City had drawn \$2,072,891 from the State under this loan authorization. Principal is payable annually on May 1 through the year 2015 and interest is payable semiannually on May 1 and November 1 at an annual rate of 3.206%. The outstanding balance on the bond issue at December 31, 2003 was \$1,455,620. Annual requirements for its retirement are shown on the following page:

CITY OF AMERY, WISCONSIN

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
For The Year Ended December 31, 2003

NOTE 5 - LONG-TERM DEBT (cont'd.)

Mortgage Revenue Bonds (cont'd.)

Sewerage System Revenue Bonds Series 1995 (cont'd.)

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2004	\$ 101,372	\$ 45,043	\$ 146,415
2005	104,621	41,740	146,361
2006	107,976	38,333	146,309
2007	111,437	34,815	146,252
2008	115,010	31,185	146,195
2009-2015	915,204	106,395	1,021,599
	<u>\$1,455,620</u>	<u>\$297,511</u>	<u>\$1,753,131</u>

The City resolution authorizing the 1995 revenue bonds requires the segregation of sewer revenues into the following separate accounts:

Revenue Fund, to initially hold revenues received which are then to be allocated to funds described below.

Operation and Maintenance Fund, to be used to pay current expenses.

Debt Service Fund, to be used for the payment of the principal and interest on bonds.

Surplus Fund, to be used to remedy any deficiency in the above funds or for any other lawful purpose.

The above accounts had not been established in the utility as of December 31, 2003. Principal and interest on the debt is paid directly from utility operating accounts when due.

Sewerage System Revenue Bonds Series 1995A. In 1995 the City also authorized the issuance of \$354,703 of revenue bonds to fund its share of costs associated with the construction of the West Central Wisconsin Biosolids Facility (hereafter Facility - also, see Note 11). These funds were paid directly to the Facility to fund construction costs. Principal is payable annually on May 1 through the year 2015 and interest is payable semiannually on May 1 and November 1 at an annual rate of 3.173%. Principal and interest installments are being paid directly by the Facility. Accordingly, a receivable has been recorded in the City's sewer utility enterprise fund equal to the outstanding revenue bonds at year end which totaled \$249,431. Future annual requirements for retirement of the revenue bonds at December 31, 2003 were as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2004	\$ 17,404	\$ 7,638	\$ 25,042
2005	17,956	7,077	25,033
2006	18,525	6,498	25,023
2007	19,113	5,901	25,014
2008	19,720	5,285	25,005
2009-2015	156,713	18,025	174,738
	<u>\$249,431</u>	<u>\$50,424</u>	<u>\$299,855</u>

The separate accounts called for in the resolution authorizing bonds issued to finance the City's share of the biosolids facility construction costs are maintained by the Facility as authorized by the State (see also Note 11).

CITY OF AMERY, WISCONSIN

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
For The Year Ended December 31, 2003**

NOTE 6 - INTERFUND RECEIVABLES AND PAYABLES

Current Receivables and Payables

Current interfund receivables and payables were as follows at December 31, 2003:

	<u>Receivable</u>	<u>Payable</u>
General Fund:		
From Tax Agency Fund	\$1,102,721	\$
Special Revenue Funds:		
From Tax Agency Fund:		
TID #4	235,673	
Library	180,132	
Capital Projects Funds:		
TID #5 Capital Projects Fund:		
From Tax Agency Fund	143,452	
Enterprise Fund:		
From Tax Agency Fund	21,280	
Tax Agency Fund:		
To General Fund		1,102,721
To Special Revenue Fund		415,805
To Capital Projects Fund		143,452
To Enterprise Fund		21,280
	<u>\$1,683,258</u>	<u>\$1,683,258</u>

Long-term Advances

A long-term general fund advance to the WDF revolving loan special revenue fund has been recorded in the amount of \$48,698 to reflect the general fund's refinancing of the year end fund deficit in that fund. The City anticipates the advance will be repaid as loan repayments are received.

NOTE 7 - DEFERRED REVENUES

Deferred revenues of the City at December 31, 2003 totaled \$2,306,724 as detailed below:

	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Capital Projects Fund</u>	<u>Total</u>
2003 Tax Roll Items:				
General Property Taxes	\$1,082,400	\$415,805	\$143,452	\$1,641,657
Special Assessments:				
Principal Installments	7,713			7,713
Interest Installments	5,534			5,534
Other	2,252			2,252
2003 Utility Tax Equivalent	46,078			46,078
Long-term Receivables: (Note 9)				
Revolving Loan Fund		478,582		478,582
Deferred Special Assessments	124,908			124,908
	<u>\$1,268,885</u>	<u>\$894,387</u>	<u>\$143,452</u>	<u>\$2,306,724</u>

CITY OF AMERY, WISCONSIN

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
For The Year Ended December 31, 2003**

NOTE 8 - FUND BALANCES

General Fund. The general fund deficit of \$217,907 at December 31, 2003 was allocated as follows:

Reserved:		
Advances to Other Funds (Note 7)		\$ 48,698
Unreserved:		
Designated:		
Police Vehicles	26,781	
Machinery Purchases	41,818	
Park Dedication	<u>3,534</u>	72,133
Undesignated		<u>(338,738)</u>
Total General Fund Balance December 31, 2003		<u><u>\$(217,907)</u></u>

The undesignated balance of the general fund decreased \$383,497 during 2003 resulting in a deficit of \$338,738 at December 31, 2003 as shown below:

Undesignated Balance January 1, 2003		\$ 44,759
Excess of Expenditures and Other Uses Over Revenues and Other Sources (Exhibits 2,3)	\$(477,646)	
Decrease in Amount of Fund Balance Reserved at Year End:		
Delinquent Taxes	1,114	
Advances to Other Funds	58,086	
Decrease in Fund Balance Designated at Year-End	<u>34,949</u>	<u>(383,497)</u>
Undesignated Balance December 31, 2003		<u><u>\$(338,738)</u></u>

Special Revenue Funds. The special revenue funds' net fund balance of \$355,675 at December 31, 2003 consisted of the following individual fund balances (deficits):

Library	\$ 33,827
WDF Revolving Loan Fund	(48,698)
Landfill Contamination and Remediation Fund	<u>370,546</u>
	<u><u>\$355,675</u></u>

Capital Projects Funds. The capital projects funds had total fund balance of \$372,328 at December 31, 2003 and consisted of the following individual fund balances:

TID #5	\$265,593
District Fire Hall Construction	<u>106,735</u>
	<u><u>\$372,328</u></u>

Expendable Trust Fund. The fire department retirement fund had a balance of \$46,102 at December 31, 2003. This fund is further discussed in Note 13.

CITY OF AMERY, WISCONSIN

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
For The Year Ended December 31, 2003**

NOTE 9 - ECONOMIC DEVELOPMENT GRANTS AND REVOLVING LOAN FUND

The City was awarded two Wisconsin Development Fund (WDF) grants by the State in prior years to finance economic development loans to two businesses. The 1990 WDF grant was for \$200,000 and the 1995 WDF grant was for \$508,000. The original 1990 loan has been totally refunded by the original recipient and is now being used by the City to finance similar loans from a revolving loan fund. The 1995 loan was drawn down in full during 1996 and repayments began in 1997. Repayments received on these loans are recognized as revenue by the City when received and are recorded in the revolving loan special revenue fund. The City may retain funds on the 1990 WDF grant, subject to certain limitations and restrictions, for financing future economic development loans. All repayments on the 1995 loan are to be returned to the Wisconsin Development Fund as received by the City. The fund balance of the revolving loan fund at December 31, 2003 was a deficit of \$48,698 and outstanding loans receivable at that date totaled \$478,582. Amounts refunded to the State during 2003 totaled \$133,565. Additional funding in the amount of \$48,698 to cover the yearend fund deficit was advanced from the general fund to the WDF revolving loan fund during 2003 and will be repaid as the balance of the loan fund allows.

NOTE 10 - TAX INCREMENTAL DISTRICTS

The City had created four 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.

Generally, the statutes provide that no project costs may be expended later than seven years after the creation date of the district. The statutes further allow the municipality to collect tax increments for sixteen years after the last project expenditure is made or until the net project cost of the district has been recovered, whichever occurs first. The 1995-97 state budget act changed these timeframes for districts created prior to October 1, 1995. The budget act extended the project expenditure period for these districts from seven years to ten years. Also, the budget act established a maximum life of twenty-seven years on these districts. The State has enacted several changes relating to tax incremental districts in 2004. One of these changes extends 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 have reached the end of its project expenditure period prior to October 1, 2004, it allows a municipality to expend additional project costs included in the project plan beginning October 1, 2004. Project costs uncollected at the dissolution date are absorbed by the municipality.

The City had terminated TID #2 and TID #3 during 2001 with closeout of the funds at December 31, 2001. TID# 4 and TID #5 were still in existence at December 31, 2003. TID #4 was created to provide a site for commercial development on the City's south side and TID #5 to provide a site for commercial development on the City's southeast side. The resolution creating TID #4 was dated September 30, 1986, and the resolution creating TID #5 was dated September 28, 1992. 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. On April 7, 2004 the City Council passed resolution #4-2004 to terminate tax incremental district #4 after collection of the tax increment included on the 2003 tax roll collectible in 2004.

Transactions of TID #5 are accounted for in a capital projects fund. Transactions of TID #4 are accounted for in special revenue fund since the project expenditure period has elapsed. Project expenditures through December 31, 2003 have been financed by a combination of long-term notes and long-term advances from the City's general fund. Accumulated project costs and revenues of the districts through December 31, 2003 are summarized as follows:

CITY OF AMERY, WISCONSIN

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
For The Year Ended December 31, 2003

NOTE 10 - TAX INCREMENTAL DISTRICTS (cont'd.)

	<u>TID #4</u>	<u>TID #5</u>
Accumulated Project Costs (from Inception to 12/31/03):		
Project Costs	\$1,081,776	\$1,997,844
Debt Costs:		
Interest and Fiscal Charges on Debt	352,049	476,737
Interest on Advances from General Fund	17,684	30,430
Transfer of Excess Increments to Other TIDs	<u>656,898</u>	
Total Project Costs	<u>2,108,407</u>	<u>2,505,011</u>
Accumulated Project Revenues:		
Tax Increments	2,086,600	844,651
TEA Grant		215,842
Interest Revenues	21,807	5,054
Sale of Land		276,880
Transfer of Excess Increments from TID #4		<u>593,177</u>
Total Project Revenues	<u>2,108,407</u>	<u>1,935,604</u>
Future Project Revenues Necessary to Recover Net Project Costs to Date	<u>\$ -</u>	<u>\$ 569,407</u>

The preceding summaries of transactions are reconciled to the fund balances in TID #4 fund and TID #5 fund at December 31, 2003 as follows:

	<u>TID #4</u>	<u>TID #5</u>
Outstanding Long-term Indebtedness at 12/31/03	\$ -	\$ 835,000
Less Unrecovered Project Costs Above	<u>-</u>	<u>(569,407)</u>
Fund Balances December 31, 2003:		
Special Revenue Fund	<u>\$ -</u>	
Capital Projects Fund		<u>\$ 265,593</u>

Amendment to TID #4. During 1999 TID #4 was amended to allocate positive tax increments, beginning with the 1999 tax roll, from TID #4 to the other remaining tax incremental districts so to reduce the life of the other districts. During 2003 positive tax increments from TID #4 were transferred to TID #5 in the amount of \$217,453. Through December 31, 2003 positive tax increments transferred to other TIDs from TID #4 totaled \$656,898.

NOTE 11 - 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 former 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.

CITY OF AMERY, WISCONSIN

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
For The Year Ended December 31, 2003**

NOTE 11 - PARTICIPATION IN BIOSOLIDS FACILITY (cont'd.)

Pursuant to an agreement establishing the City's participation in the Facility, the City was required to provide initial funding for its share of the start-up and construction costs of the Facility. Accordingly, the City authorized the issuance of \$354,703 of mortgage revenue bonds to the State of Wisconsin under the Clean Water Fund Financial Assistance Program to fund its share of the costs (see also Note 5). Proceeds of the debt were remitted directly to the Facility. The Facility is expected to fund repayment of the debt and to recover the costs thereof through user charges. The outstanding debt at December 31, 2003 totaling \$249,431 is reflected in the sewer department of the City's enterprise fund. A receivable from the Facility equal to the outstanding debt and related accrued interest of \$1,319 was also recorded therein since the debt is to be funded by the Facility. The total receivable of \$250,750 at December 31, 2003 was classified as \$18,722 current and \$232,028 long-term in the utility's year end balance sheet.

NOTE 12 - EMPLOYEE RETIREMENT PLAN

All eligible City of Amery employees participate in the Wisconsin Retirement System (WRS), a cost-sharing multiple-employer defined benefit public employee retirement system (PERS). All permanent employees expected to work over 600 hours a year are eligible to participate in the WRS. Covered employees in the general category are required by statute to contribute 5.4% of their salary (2.6% for executives and elected officials, 4.0% for protective occupations with social security, and 2.4% for protective occupations without social security) to the plan. Employers may make these contributions to the plan on behalf of the employees. Employers are required to contribute an actuarially determined amount necessary to fund the remaining projected cost of future benefits.

The payroll for City employees covered by the WRS for the year ended December 31, 2003 was \$854,077; the employer's total payroll was \$1,040,046. The total required contribution for the year ended December 31, 2003 was \$91,108, which consisted of \$48,777, or 5.71% of payroll from the employer and \$42,331, or 4.9% of payroll from employees. Total contributions for the years ending December 31, 2002 and 2001 were \$82,598 and \$44,871, respectively, equal to the required contributions for each year.

The City's pension related debt at December 31, 2003 (the unfunded actuarial liability for prior service costs) was \$14,071 as shown in the general long-term debt account group. This debt is being amortized over a 40-year period beginning January 1, 1990 with interest annually accrued on the outstanding balance at year end. The interest rate for 2003 was 7.8%.

Employees who retire at or after age 65 (62 for elected officials and 55 for protective occupation employees) are entitled to receive a retirement benefit. Employees may retire at age 55 (50 for protective occupation employees) and receive actuarially reduced benefits. 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 employees' three highest years earnings. Employees terminating covered employment before becoming eligible for a retirement benefit may withdraw their contributions and, by doing so, forfeit all rights to any subsequent benefit. For employees beginning participation 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 are immediately vested.

The WRS also provides death and disability benefits for employees. Eligibility for and the amount of all benefits is determined under Chapter 40 of the State Statutes. 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.

CITY OF AMERY, WISCONSIN

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
For The Year Ended December 31, 2003**

NOTE 13 - FIRE DEPARTMENT RETIREMENT FUND

The City established a retirement plan in 1991 for the benefit of members in good standing of the City of Amery Fire Department. 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. It is administered by three firefighters chosen by the Department and approved by the City Council.

The Plan is funded by annual contributions from the City as determined annually by the City Council. Transactions of the Plan are accounted for in an expendable trust fund by the City. The balance in the fund at December 31, 2003 was \$46,102. A total of thirty-eight (38) firefighters had a vested interest in the Plan at that date.

NOTE 14 - LANDFILL CLOSURE AND POSTCLOSURE COSTS

The City is primarily responsible for closure and postclosure costs relating to a landfill site owned by the City. The City had been notified by the Wisconsin Department of Natural Resources (WDNR) of the existence of contaminated groundwater beneath and migrating from the landfill site.

The landfill site, owned by the City since the 1950's, served as a waste disposal location for the residences, businesses and industries of the City and the Towns of Lincoln, Black Brook and Garfield. Disposal of municipal and industrial waste continued at the site until 1986, at which time a 3.6 acre area was capped in accordance with an approved WDNR closure plan. Demolition materials were accepted at the site until 1989 when the final cover was completed over the area as approved by WDNR in 1991. In 1994 the City extended municipal water service to residents of an addition within the City where tests of private wells revealed the presence of contaminants that exceeded state guidelines.

In further response to the demands of WDNR, the City developed a preliminary remedial action plan (RAP) which was conditionally approved by WDNR in February 1999, and construction began on a landfill cap in 1999. During 2000 construction was completed with total project costs at \$784,449. As required, the City began monitoring groundwater quality and landfill gases at the site in 2000. All costs are recorded in the City's Landfill Contamination and Remediation special revenue fund. The remedial action plan also includes future monitoring costs which were estimated at \$329,700 at December 31, 1999. The reported estimated costs at December 31, 2003 were \$232,395 (the estimated costs at December 31, 1999 reduced by monitoring costs incurred from December 31, 1999 through December 31, 2003). This amount is included in the general long-term debt account group in the City's general purpose financial statements at December 31, 2003. To assist in defraying the costs of this matter, the City is participating in the Wisconsin Municipal Negotiation/Cost Recovery Process as described in Section 292.35 of the Wisconsin Statutes. Through this process, the City secured a grant from WDNR in 1999 in the amount of \$339,500. In June 1999, the City submitted Offers to Settle to various identified parties that contributed wastes to the landfill totaling an additional \$575,000 of settlement demands. Through December 31, 2003 the City had received settlements from public and intergovernmental sources in the amounts of \$487,127 and \$52,995, respectively. These collections and loan proceeds have been recorded in the special revenue fund referred to above. The balance in that fund at December 31, 2003 totaled \$370,546 and is expected to be used to defray future costs related to the landfill. The City also authorized the sale of up to \$628,758 in General Obligation Land Remediation promissory notes, Series 2000, through the Wisconsin Department of Natural Resources Land Recycling Loan program. Through December 31, 2003 the City had drawn down \$464,616 of the authorized loan.

CITY OF AMERY, WISCONSIN

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
For The Year Ended December 31, 2003**

NOTE 15 - GOLF CLUB

Golf Club Lease Agreement. On September 1, 1999 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, 1999 with annual rental computed as follows:

- a. The annual sum of \$10. (The total 20 year requirement was paid by the Golf Club, Inc. in 1999)
- b. Any and all payments required by the Bremer Bank of Amery, Wisconsin or its assignee on a loan of approximately \$625,000.

At December 31, 2003, the City had no outstanding debt subject to collection from the Golf Club.

Other Borrowing. During 1989, the City Council passed a resolution authorizing golf course property to be pledged as collateral for a first mortgage note to be executed by the Golf Club in an amount not to exceed \$625,000. The City is not liable on the first mortgage note, except to the extent of the real estate pledged as collateral on the note. In the event the Golf Club defaults on the note, the pledged property may be subject to foreclosure. The City had an agreement with the Golf Club and mortgage holder to apply any proceeds of sales of golf course land by the City to the Golf Club loan. The City received proceeds from the land sales in 1998 and 1999 in the amounts of \$5,000 and \$45,000, respectively, and applied those proceeds to the Golf Club loan at Bremer Bank in 1999.

NOTE 16 - DISTRICT FIRE HALL CONSTRUCTION

During 2003 the City continued construction of a new fire hall. Project costs have included site preparation, including the razing of an existing building on the site, and construction of a new fire hall facility. Through December 31, 2003 project costs incurred by the City totaled \$1,026,178. The City anticipates completion of the project in 2004 and has recorded all costs in the District Fire Hall Construction capital projects fund. The project is anticipated to be completed in 2004. The project has been funded by a stock donation received by the City valued at \$500,149 and future long-term borrowing. The long-term debt is expected to be repaid with revenues from the fire district's participating municipalities (including the City). Past participation in funding fire district costs has been the City of Amery at 34%, Town of Lincoln at 47%, Town of Blackbrook at 10% and Town of Alden at 9%.

NOTE 17 - RISK MANAGEMENT AND LITIGATION

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.

The City is defendant in several notices of claims and other litigation matters. These matters have been referred to the City's appropriate insurance carriers. An estimate of the City's net exposure (liability after insurance coverage) is not reasonably determinable.

NOTE 18 - UTILITY RATE INCREASES

Joint Water and Sewer Utility

On May 10, 2004 the Wisconsin Public Service Commission granted the City's joint water and sewer utility a user charge rate increase. The rate increase is expected to provide the joint utility with a 7.00% return on rate base and operating revenues of the water utility and sewer utility are expected to increase in the amount of \$33,379 and \$37,859, respectively. The rate increase is effective as of July 1, 2004.

CITY OF AMERY, WISCONSIN
SUPPLEMENTARY INFORMATION
For The Year Ended December 31, 2003



Tracey & Thole, s.c.

certified public accountants

INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION

To The City Council
City of Amery
Amery, Wisconsin

Our report on our audit of the general purpose financial statements of the City of Amery, Wisconsin as of December 31, 2003 appears on page 1. That audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. Schedules A-1 through G-1 are presented for purposes of additional analysis of the general purpose financial statements and are not a required part of those statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

TRACEY & THOLE, S.C.
Certified Public Accountants

May 5, 2004

GENERAL FUND
CITY OF AMERY, WISCONSIN
For The Year Ended December 31, 2003

**CITY OF AMERY, WISCONSIN
GENERAL FUND
DETAILED BALANCE SHEETS
December 31, 2003 and 2001**

<u>ASSETS</u>	<u>12/31/03</u>	<u>12/31/02</u>
Treasurer's Cash and Investments (Overdraft)	\$ (280,311)	\$ 110,446
Departmental Cash - Courts	7,505	8,748
Petty Cash	200	200
Delinquent Personal Property Taxes Receivable		1,114
Special Assessments Receivable	124,908	138,598
Refuse Accounts Receivable	30,937	30,102
Advance to Redevelopment Authority	20,000	
Other Accounts Receivable	97,546	45,825
Due from Other Funds:		
Capital Projects Fund		134,195
Tax Agency Fund	1,102,721	1,041,423
Advances to Other Funds:		
WDF Revolving Loan Fund	48,698	
Brownfields Redevelopment Special Revenue Fund		21,342
Joint Water and Sewer Enterprise Fund		85,442
	<hr/>	<hr/>
Total Assets	<u>\$1,152,204</u>	<u>\$1,617,435</u>
 <u>LIABILITIES AND FUND BALANCE</u>		
LIABILITIES:		
Vouchers and Accounts Payable	\$ 75,035	\$ 106,201
Payroll Withholdings	2,244	3,457
Court Penalties Due State/County	1,682	838
Mobile Home Fees Due Schools	14,760	15,843
Deferred Revenues:		
Tax Roll Items:		
General Property Taxes	1,082,400	1,024,472
Special Assessments - Principal	7,713	8,676
Special Assessments - Interest	5,534	4,072
Other Items	2,252	805
Utility Tax Equivalent	46,078	45,986
Deferred Special Assessments	124,908	138,598
Special Deposits:		
Municipal Court Cash	7,505	8,748
Total Liabilities	<hr/> <u>1,370,111</u>	<hr/> <u>1,357,696</u>
 FUND BALANCE:		
Reserved for:		
Delinquent Taxes		1,114
Advances to Other Funds	0	106,784
Designated:		
Police Vehicles	26,781	42,045
Machinery Purchases	41,818	61,520
Park Dedication	3,534	3,517
Undesignated (Deficit)	<u>(338,738)</u>	<u>44,759</u>
Total Fund Balance	<hr/> <u>(266,605)</u>	<hr/> <u>259,739</u>
	<hr/>	<hr/>
Total Liabilities and Fund Balance	<u>\$1,103,506</u>	<u>\$1,617,435</u>

**CITY OF AMERY, WISCONSIN
GENERAL FUND
DETAILED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For The Year Ended December 31, 2003
With Comparative Actual Amounts For The Year Ended December 31, 2002**

	2003		Variance Favorable (Unfavorable)	2002 Actual
	<u>Budget</u>	<u>Actual</u>		
REVENUES:				
Taxes:				
Real and Personal Property Taxes:				
General Property Taxes	\$1,024,472	\$1,024,466	\$ (6)	\$ 925,656
Mobile Home Parking Permit Fees	39,000	35,574	(3,426)	37,060
Motel Room Taxes	11,000	12,622	1,622	11,714
Omitted Taxes		1,878	1,878	134
Interest and Penalties on Taxes		43	43	
Payments in Lieu of Taxes:				
Regulated Municipally Owned Utility	42,805	45,986	3,181	42,805
Housing Authority	17,000	16,802	(198)	17,391
Total Taxes	<u>1,134,277</u>	<u>1,137,371</u>	<u>3,094</u>	<u>1,034,760</u>
Special Assessments:				
Street Improvements	12,796	14,415	1,619	23,324
Curb and Gutter	238	238	-	238
Total Special Assessments	<u>13,034</u>	<u>14,653</u>	<u>1,619</u>	<u>23,562</u>
Intergovernmental:				
Federal COPs Grant		35,804	35,804	
Federal Highway Safety		336	336	
State Shared Taxes	663,273	662,907	(366)	661,865
State Exempt Computer Aid	11,000	9,476	(1,524)	11,326
Fire Insurance Tax	4,500	5,667	1,167	4,684
State Aid - Ambulance	4,635	4,754	119	3,884
State Aid - Forest Fire Grant				6,456
State Aid - Tank Inspections	12,000	11,704	(296)	25,909
State Grant - Police Training		839	839	1,289
State General Transportation Aids	177,184	177,193	9	161,268
State Grant - LRIP		5,493	5,493	
Polk County Law Enforcement Grants		600	600	282
Total Intergovernmental	<u>872,592</u>	<u>914,773</u>	<u>42,181</u>	<u>876,963</u>
Licenses and Permits:				
Licenses:				
Liquor and Malt Beverages	6,000	6,882	882	5,590
Operators	2,500	2,225	(275)	1,420
Cigarette	600	594	(6)	300
Business and Occupational	100	83	(17)	195
Mobile Home Park	296	286	(10)	296
Bicycle		12	12	18

**CITY OF AMERY, WISCONSIN
GENERAL FUND
DETAILED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For The Year Ended December 31, 2003
With Comparative Actual Amounts For The Year Ended December 31, 2002**

	2003		Variance Favorable (Unfavorable)	2002 Actual
	<u>Budget</u>	<u>Actual</u>		
REVENUES: (cont'd.)				
Licenses and Permits: (cont'd.)				
Licenses: (cont'd.)				
Cable TV Franchise	\$ 9,500	\$ 13,898	\$ 4,398	\$ 10,846
Dog Licenses Refunded from County		217	217	352
Zoning Permits and Fees	250	550	300	270
Other		80	80	30
Permits:				
Building Permits	12,500	22,446	9,946	43,939
Street Opening Permits	2,000	3,044	1,044	2,475
Garage Sale		48	48	33
Park		785	785	240
Total Licenses and Permits	<u>33,746</u>	<u>51,150</u>	<u>17,404</u>	<u>66,004</u>
Fines and Forfeits:				
Law and Ordinance Violations:				
County Court Penalties and Costs	1,500	97	(1,403)	1,146
Municipal Court Penalties and Costs	38,000	41,449	3,449	35,523
Parking Violations	800	686	(114)	1,010
Total Fines and Forfeits	<u>40,300</u>	<u>42,232</u>	<u>1,932</u>	<u>37,679</u>
Public Charges for Services:				
General Government:				
License Publication Fees	100	639	539	90
Sale of Materials and Supplies	150	232	82	86
Public Safety:				
Police Department Fees	2,500	2,671	171	2,456
Fire Department Fees	500	850	350	1,370
Public Works and Sanitation:				
Sidewalks	2,000	8,125	6,125	920
Street Sweeping				1,808
Private Parking Lot Maintenance	500		(500)	1,122
Taxi Revenues		1,022	1,022	662
Airport	5,000	8,514	3,514	5,836
Weed and Nuisance Control		123	123	
Recycling Bags		3	3	4
Landfill	500	280	(220)	446
Refuse Collection	123,685	123,685	-	120,800
Total Public Charges for Services	<u>134,935</u>	<u>146,144</u>	<u>11,209</u>	<u>135,600</u>

**CITY OF AMERY, WISCONSIN
GENERAL FUND
DETAILED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For The Year Ended December 31, 2003
With Comparative Actual Amounts For The Year Ended December 31, 2002**

	2003		Variance Favorable (Unfavorable)	2002 Actual
	<u>Budget</u>	<u>Actual</u>		
REVENUES: (cont'd.)				
Intergovernmental Charges for Services:				
Counties and Municipalities:				
Fire Protection Services:				
2% State Tax from Townships	\$ 9,189	\$ 9,189	\$ -	\$ 8,453
Subsidy Charges to Townships	93,811	88,381	(5,430)	95,176
Dam	500	500	-	500
Local Departments:				
Utility Equipment Rental	5,000		(5,000)	5,000
Office Space Rental to Utility	6,400	6,400	-	6,400
Total Intergovernmental Charges for Services	<u>114,900</u>	<u>104,470</u>	<u>(10,430)</u>	<u>115,529</u>
Miscellaneous:				
Interest:				
General Investments	10,000	10,084	84	7,092
Special Assessments	3,507	3,741	234	3,077
Interest on Tax Roll Charges	300	382	82	375
Rent:				
City Buildings	2,700	4,175	1,475	5,188
Other:				
Donations:				
Summer Recreation	3,400		(3,400)	3,400
Other				5,263
Sale of Other City Property:				
Fire Trucks				6,150
Compensation for Loss of Fixed Assets		2,093	2,093	8,159
Insurance Dividend	5,000	12,098	7,098	
Miscellaneous		1,357	1,357	1,393
Refund of Prior Years Expenses		3,963	3,963	2,367
Total Miscellaneous	<u>24,907</u>	<u>37,893</u>	<u>12,986</u>	<u>42,464</u>
Total Revenues	<u>2,368,691</u>	<u>2,448,686</u>	<u>79,995</u>	<u>2,332,561</u>

CITY OF AMERY, WISCONSIN
GENERAL FUND
DETAILED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For The Year Ended December 31, 2003
With Comparative Actual Amounts For The Year Ended December 31, 2002

	2003		Variance Favorable (Unfavorable)	2002 Actual
	Budget	Actual		
EXPENDITURES:				
General Government:				
Legislative:				
Council	\$ 10,451	\$ 11,790	\$ (1,339)	\$ 10,992
Publications	2,000	1,952	48	1,806
Executive:				
Mayor	6,418	10,345	(3,927)	5,967
General Administration:				
Clerk-Treasurer	107,860	133,670	(25,810)	105,230
Operating Supplies		1,072	(1,072)	
Elections	2,000	2,693	(693)	6,181
Financial Administration:				
Assessment of Property	18,500	24,268	(5,768)	19,488
Special Accounting and Independent Auditing	6,900	8,454	(1,554)	7,116
Legal:				
Municipal Court	32,000	31,864	136	25,050
City Attorney	7,000	12,789	(5,789)	9,096
Codification of Ordinances	500	6,014	(5,514)	466
Buildings and Plant:				
City Hall	39,340	41,437	(2,097)	31,448
Other General Government:				
Maps	1,000	35	965	8,846
Property, Liability and Workers Compensation Insurance	50,000	108,899	(58,899)	66,625
Illegal Taxes and Refunds				610
Employee Script	2,000	2,235	(235)	2,300
Employee Benefits Administrative Costs		4,305	(4,305)	720
Unemployment Compensation Benefit		6,149	(6,149)	
Additional Expenditures from Prior Years				1,961
Total General Government	<u>285,969</u>	<u>407,971</u>	<u>(122,002)</u>	<u>303,902</u>
Public Safety:				
Police:				
Police Department	481,904	485,970		480,438
Police Liaison Officer		48,495		
Termination Benefit		35,694	(88,255)	
Police Department Outlay	10,200	6,247	3,953	5,214
Police Vehicles	63,045	36,264	26,781	14,955
Bicycle Safety		344	(344)	572

**CITY OF AMERY, WISCONSIN
GENERAL FUND
DETAILED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For The Year Ended December 31, 2003
With Comparative Actual Amounts For The Year Ended December 31, 2002**

	2003		Variance Favorable (Unfavorable)	2002 Actual
	<u>Budget</u>	<u>Actual</u>		
EXPENDITURES: (cont'd.)				
Public Safety: (cont'd.)				
Fire:				
Fire Department	\$ 75,986	\$ 106,359	\$ (30,373)	\$ 91,781
Fire Department Outlay	6,500	11,873	(5,373)	56,347
Fire Department Tent				3,542
Hydrant Rental	101,000	101,476	(476)	101,476
Inspections:				
Building Inspection	9,375	22,647	(13,272)	36,665
Tank Inspections	11,400	13,677	(2,277)	16,234
Control:				
Dams	2,639	1,873	766	2,108
Ambulance	28,450	29,681	(1,231)	19,915
Ambulance Grant Expenditures		4,754	(4,754)	3,884
Civil Defense	38	38	-	38
Total Public Safety	<u>790,537</u>	<u>905,392</u>	<u>(114,855)</u>	<u>833,169</u>
Transportation Facilities:				
General Public Works:				
Machinery and Equipment Maintenance	72,062	84,148	(12,086)	79,401
Machinery and Equipment Outlay:				
Street Sweeper	14,271	14,271	-	14,271
Utility Truck Leases	13,114	13,330	(216)	11,998
Other	65,995	73,774	(7,779)	2,500
Safety	14,813	14,301	512	14,867
Garages and Sheds	21,011	39,651	(18,640)	19,766
Garages and Sheds Outlay	326,786	553,628	(226,842)	
Streets and Related Facilities:				
Street Maintenance	160,819	143,533	17,286	175,045
Road Overlays	150,000	175,710	(25,710)	199,598
Hazard Elimination Site	30,000		30,000	
Snow and Ice Control	56,734	40,935	15,799	41,238
Traffic Control	4,000	3,267	733	4,990
Street Lighting	46,750	49,668	(2,918)	51,108
Bridge Maintenance	500		500	516
Storm Sewers	20,000	14,454	5,546	13,407
Sidewalk/Curb and Gutter Outlay	20,000	35,273	(15,273)	29,223
Dickey Avenue Project		17,467	(17,467)	
Harrison Avenue Project		735	(735)	17,485
Oak Street Project		1,108	(1,108)	

**CITY OF AMERY, WISCONSIN
GENERAL FUND
DETAILED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For The Year Ended December 31, 2003
With Comparative Actual Amounts For The Year Ended December 31, 2002**

	2003		Variance Favorable (Unfavorable)	2002 Actual
	Budget	Actual		
EXPENDITURES: (cont'd.)				
Transportation Facilities: (cont'd.)				
Other Transportation Facilities:				
Airport	\$ 14,500	\$ 16,224	\$ (1,724)	\$ 18,705
Airport Fuel Cleanup	2,000	2,196	(196)	1,760
Taxi Service	600	307	293	336
Total Transportation Facilities	<u>1,033,955</u>	<u>1,293,980</u>	<u>(260,025)</u>	<u>696,214</u>
Sanitation:				
Sanitary Landfill	10,715	17,325	(6,610)	11,569
Refuse Collection	123,685	122,772	913	119,808
Recycling/Miscellaneous Pickups	3,200	3,426	(226)	4,130
Weed Control		32	(32)	28
Total Sanitation	<u>137,600</u>	<u>143,555</u>	<u>(5,955)</u>	<u>135,535</u>
Health and Human Services:				
Animal Pound		458	(458)	352
Cemetery	1,200	175	1,025	1,191
Cemetery Paving				24,910
Housing Authority		1,407	(1,407)	
Total Health and Human Services	<u>1,200</u>	<u>2,040</u>	<u>(840)</u>	<u>26,453</u>
Culture, Recreation and Education:				
Library Study		1,131	(1,131)	
Community Center Subsidy	20,500	17,732	2,768	25,842
Community Center Building/Systems Repairs	51,602	6,949	44,653	77,260
Water Recreation	600	691	(91)	576
Summer Recreation	3,400		3,400	3,400
Celebrations and Entertainment	25,397	30,305	(4,908)	22,046
Parks	47,820	8,562	39,258	55,172
Parks Outlay	11,000	11,000	-	13,250
North Park Lighting	3,500	43,980	(40,480)	
Riverfront Development	550	24,122	(23,572)	7,752
York Park	6,400	993	5,407	
Lakeshore Restoration	5,000	6,000	(1,000)	
Skating Rink	3,325	3,411	(86)	5,403
Cable Television	5,000	8,491	(3,491)	4,117
Total Culture, Recreation and Education				
Education	<u>184,094</u>	<u>163,367</u>	<u>20,727</u>	<u>214,818</u>

**CITY OF AMERY, WISCONSIN
GENERAL FUND
DETAILED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For The Year Ended December 31, 2003
With Comparative Actual Amounts For The Year Ended December 31, 2002**

	2003		Variance Favorable (Unfavorable)	2002 Actual
	<u>Budget</u>	<u>Actual</u>		
EXPENDITURES: (cont'd.)				
Conservation and Development:				
Tree Maintenance and Restoration	\$ 4,000	\$ 2,730	\$ 1,270	\$ 3,995
Advertising and Promotion	4,500	7,646	(3,146)	5,598
Economic Development		324	(324)	175
Planning Commission	4,000	3,523	477	2,094
Planning Office				2,523
Zoning	300	1,208	(908)	585
Total Conservation and Development	<u>12,800</u>	<u>15,431</u>	<u>(2,631)</u>	<u>14,970</u>
Debt Service:				
Interest on Temporary Loans	2,000	1,784	216	1,194
Debt Issuance Costs		9,350	(9,350)	
Total Debt Service	<u>2,000</u>	<u>11,134</u>	<u>(9,134)</u>	<u>1,194</u>
Total Expenditures	<u>2,448,155</u>	<u>2,942,870</u>	<u>(494,715)</u>	<u>2,226,255</u>
Excess of Revenues Over (Under) Expenditures	<u>(79,464)</u>	<u>(494,184)</u>	<u>(414,720)</u>	<u>106,306</u>
OTHER FINANCING SOURCES (USES):				
Proceeds of Long-term Debt:				
General Obligation Notes:				
2001 Projects (Oak St, Birch, Harrison & Riverfront)				318,000
Senior Center Building Repairs	51,602	51,602	-	106,969
Fire Equipment				24,421
City Shop Building	326,786	326,786	-	
Transfers Out:				
Transfer to Special Revenue Fund		(21,342)	(21,342)	
Transfers to Debt Service Fund	(336,969)	(336,508)	461	(317,312)
Transfer to Fire Department Expendable Trust Fund	(4,000)	(4,000)	-	(4,000)
Total Other Financing Sources (Uses)	<u>37,419</u>	<u>16,538</u>	<u>(20,881)</u>	<u>128,078</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses [1]	<u>(42,045)</u>	<u>(477,646)</u>	<u>(435,601)</u>	<u>234,384</u>
FUND BALANCE, JANUARY 1	<u>259,739</u>	<u>259,739</u>	<u>-</u>	<u>25,355</u>
FUND BALANCE, DECEMBER 31	<u>\$ 217,694</u>	<u>\$ (217,907)</u>	<u>\$(435,601)</u>	<u>\$ 259,739</u>

[1] Budget difference of \$42,045 consisted of the beginning balance designated for police vehicles.

SPECIAL REVENUE FUNDS
CITY OF AMERY, WISCONSIN
For The Year Ended December 31, 2003

CITY OF AMERY, WISCONSIN
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET

December 31, 2003

With Comparative Totals For December 31, 2002

	TID #4	Library	WDF Revolving Loan	Landfill Contamination and Remediation	Totals	
					12/31/03	12/31/02
ASSETS						
Treasurer's Cash and Investments	\$	\$ 41,432	\$	\$ 373,696	\$ 415,128	\$ 568,242
Due from Tax Agency Fund	235,673	180,132			415,805	398,185
Loans Receivable			478,582		478,582	457,507
Total Assets	\$ 235,673	\$ 221,564	\$ 478,582	\$ 373,696	\$ 1,309,515	\$ 1,423,934
LIABILITIES AND FUND BALANCES						
LIABILITIES:						
Accounts Payable	\$	\$ 7,605	\$	\$ 3,150	\$ 10,755	\$ 20,954
Deferred Revenues:						
General Property Taxes	235,673	180,132			415,805	180,132
Tax Increments						218,053
Deferred Loan Proceeds			478,582		478,582	457,507
Advance from General Fund			48,698		48,698	21,342
Total Liabilities	235,673	187,737	527,280	3,150	953,840	897,988
FUND BALANCES (DEFICIT):						
Designated for Fund Purposes	-	33,827	(48,698)	370,546	355,675	525,946
Total Liabilities and Fund Balances	\$ 235,673	\$ 221,564	\$ 478,582	\$ 373,696	\$ 1,309,515	\$ 1,423,934

**CITY OF AMERY, WISCONSIN
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
For The Year Ended December 31, 2003
With Comparative Totals for the Year Ended December 31, 2002**

	IID #4	Library	WDF Revolving Loan	Landfill Contamination and Remediation	Brownfields Redevelopment	Totals
					2003	2002
REVENUES:						
General Property Taxes	\$	\$ 180,132	\$	\$	\$ 180,132	\$ 180,132
Tax Increments	218,053				218,053	210,775
Intergovernmental		78,881			78,881	97,020
Public Charges:						
Landfill Remediation Settlements				4,899	4,899	67,719
Miscellaneous:						
Interest on Investments		161	316	104	581	716
Loan Repayments Received			110,682		110,682	112,765
Total Revenues	218,053	259,174	110,998	5,003	593,228	669,127
EXPENDITURES:						
Sanitation				27,152	27,152	17,951
Culture, Recreation and Education		270,355			270,355	242,817
Conservation and Development:						
New Loans Issued			110,000		110,000	40,000
Refunds to State			133,565		133,565	91,386
Administrative Costs	600		220		820	3,424
Debt Service:						
Paying Agent Charges				2,105	2,105	
Total Expenditures	600	270,355	243,785	29,257	543,997	395,578
Excess of Revenues Over (Under) Expenditures	217,453	(11,181)	(132,787)	(24,254)	49,231	273,549
OTHER FINANCING SOURCES (USES):						
Proceeds of Long-term Debt						16,885
Transfers from General Fund				21,342	21,342	
Transfer to Debt Service Fund	(217,453)			(23,391)	(23,391)	(22,454)
Transfer to Capital Projects Fund					(217,453)	(210,175)
Total Other Financing Sources (Uses)	(217,453)	-	-	(23,391)	(219,502)	(215,744)
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	-	(11,181)	(132,787)	(47,645)	(170,271)	57,805
FUND BALANCES (DEFICIT), JANUARY 1	-	45,008	84,089	418,191	(21,342)	468,141
FUND BALANCES (DEFICIT), DECEMBER 31	\$ -	\$ 33,827	\$ (48,698)	\$ 370,546	\$ -	\$ 525,946

DEBT SERVICE FUNDS
CITY OF AMERY, WISCONSIN
For The Year Ended December 31, 2003

SCHEDULE C-1

CITY OF AMERY, WISCONSIN
 DEBT SERVICE FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 For The Year Ended December 31, 2003

	General City Debt	Landfill Remediation Debt	TID #5 Debt	Totals 2003	Totals 2002
REVENUES	\$ -	\$ -	\$ -	\$ -	\$ -
EXPENDITURES:					
Debt Service:					
General Obligation Notes:					
Principal Retirement	\$ 286,756	\$ 23,391	\$ 343,734	\$ 653,881	\$ 392,265
Interest and Fiscal Charges	49,752		51,677	101,429	112,251
Total Expenditures	336,508	23,391	395,411	755,310	504,516
Excess of Expenditures Over Revenues	(336,508)	(23,391)	(395,411)	(755,310)	(504,516)
OTHER FINANCING SOURCES:					
Operating Transfers From:					
General Fund	336,508			336,508	317,312
Special Revenue Funds		23,391		23,391	22,454
Capital Projects Funds			395,411	395,411	164,750
Total Other Financing Sources	336,508	23,391	395,411	755,310	504,516
Excess of Revenues and Other Sources Over Expenditures	-	-	-	-	-
FUND BALANCES, JANUARY 1	-	-	-	-	-
FUND BALANCES, DECEMBER 31	\$ -	\$ -	\$ -	\$ -	\$ -

CAPITAL PROJECTS FUNDS
CITY OF AMERY, WISCONSIN
For The Year Ended December 31, 2003

**CITY OF AMERY, WISCONSIN
CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
December 31, 2003
With Comparative Totals for December 31, 2002**

<u>ASSETS</u>	<u>TID #5</u>	<u>District Fire Hall Construction</u>	<u>Totals</u>	
			<u>12/31/03</u>	<u>12/31/02</u>
Treasurer's Cash and Investments:				
General Checking and Investments	\$ 265,593	\$ 202,359	\$ 467,952	\$ 290,286
Donated Stock Equities				485,013
Due from State				109,550
Due from Tax Agency Fund	143,452		143,452	153,350
Total Assets	<u>\$ 409,045</u>	<u>\$ 202,359</u>	<u>\$ 611,404</u>	<u>\$ 1,038,199</u>
 <u>LIABILITIES AND FUND BALANCE</u>				
LIABILITIES:				
Vouchers Payable	\$	\$ 95,624	\$ 95,624	2,350
Due to General Fund				134,195
Deferred Revenues	143,452		143,452	153,350
Total Liabilities	<u>143,452</u>	<u>95,624</u>	<u>239,076</u>	<u>289,895</u>
 FUND BALANCES:				
Designated for Fund Purposes	<u>265,593</u>	<u>106,735</u>	<u>372,328</u>	<u>748,304</u>
Total Liabilities and Fund Balance	<u>\$ 409,045</u>	<u>\$ 202,359</u>	<u>\$ 611,404</u>	<u>\$ 1,038,199</u>

**CITY OF AMERY, WISCONSIN
CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
For The Year Ended December 31, 2003
With Comparative Totals for the Year Ended December 31, 2002**

	TID #5	District Fire Hall Construction	Totals	
			2003	2002
REVENUES:				
Tax Increments	\$153,350	\$	\$153,350	\$149,002
Intergovernmental				109,550
Miscellaneous:				
Interest on Investments	1,331		1,331	2,117
Adjustment to Market Value		15,136	15,136	(2,475)
Donation				487,488
Total Revenues	<u>154,681</u>	<u>15,136</u>	<u>169,817</u>	<u>745,682</u>
EXPENDITURES:				
Public Safety		890,341	890,341	135,837
Conservation and Development	708		708	718
Total Expenditures	<u>708</u>	<u>890,341</u>	<u>891,049</u>	<u>136,555</u>
Excess of Revenues Over (Under) Expenditures	<u>153,973</u>	<u>(875,205)</u>	<u>(721,232)</u>	<u>609,127</u>
OTHER FINANCING SOURCES (USES):				
Proceeds of Long-term Debt		523,214	523,214	
Transfer of Positive Tax Increments from TID #4	217,453		217,453	210,175
Transfers to Debt Service Fund	(395,411)		(395,411)	(164,750)
Total Other Financing Sources (Uses)	<u>(177,958)</u>	<u>523,214</u>	<u>345,256</u>	<u>45,425</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>(23,985)</u>	<u>(351,991)</u>	<u>(375,976)</u>	<u>654,552</u>
FUND BALANCES, JANUARY 1	<u>289,578</u>	<u>458,726</u>	<u>748,304</u>	<u>93,752</u>
FUND BALANCES, DECEMBER 31	<u>\$265,593</u>	<u>\$106,735</u>	<u>\$372,328</u>	<u>\$748,304</u>

ENTERPRISE FUND
CITY OF AMERY, WISCONSIN
For The Year Ended December 31, 2003

(Continue to Next Page)

SCHEDULE E-1

<u>LIABILITIES AND FUND EQUITY</u>	Water Department	Sewer Department	<u>Totals</u>	
			<u>12/31/03</u>	<u>12/31/02</u>
LIABILITIES:				
Current Liabilities:				
Accounts Payable	\$ 15,159	\$ 6,521	\$ 21,680	\$ 21,202
Interest Accrued	1,872	10,304	12,176	13,299
Current Portion of Long-term Debt:				
General Obligation Debt	37,825	14,825	52,650	38,244
Revenue Bonds:				
Treatment Plant Renovation		101,372	101,372	98,222
Biosolids Facility		17,403	17,403	16,868
Total Current Liabilities	<u>54,856</u>	<u>150,425</u>	<u>205,281</u>	<u>187,835</u>
Long-term Liabilities:				
Advance from General Fund (Cash Deficit)				85,442
General Obligation Notes	42,574	15,574	58,148	60,798
Revenue Bonds - Treatment				
Plant Renovation		1,354,248	1,354,248	1,455,619
Revenue Bonds - Biosolids Facility		232,028	232,028	249,431
Total Long-term Liabilities	<u>42,574</u>	<u>1,601,850</u>	<u>1,644,424</u>	<u>1,851,290</u>
Deferred Credits:				
CDBG Grant Deferred Revenue	50,000	-	50,000	-
Total Liabilities	<u>147,430</u>	<u>1,752,275</u>	<u>1,899,705</u>	<u>2,039,125</u>
FUND EQUITY:				
Contributed Capital:				
Municipality	711,016	419,350	1,130,366	1,130,366
Customers and Developers	454,897	1,007,687	1,462,584	1,462,584
State/Federal Grants (Net of Amortization)	60,000	538,962	598,962	626,926
Total Contributed Capital	<u>1,225,913</u>	<u>1,965,999</u>	<u>3,191,912</u>	<u>3,219,876</u>
Retained Earnings:				
Unreserved (Deficit)	1,210,704	(297,989)	912,715	732,431
Total Fund Equity	<u>2,436,617</u>	<u>1,668,010</u>	<u>4,104,627</u>	<u>3,952,307</u>
Total Liabilities and Fund Equity	<u>\$2,584,047</u>	<u>\$3,420,285</u>	<u>\$6,004,332</u>	<u>\$5,991,432</u>

**CITY OF AMERY, WISCONSIN
JOINT WATER AND SEWER UTILITY ENTERPRISE FUND
WATER DEPARTMENT
STATEMENTS OF REVENUES, EXPENSES AND
CHANGES IN RETAINED EARNINGS
For The Years Ended December 31, 2003 and 2002**

	<u>2003</u>	<u>2002</u>
OPERATING REVENUES:		
Sales of Water:		
Residential	\$ 111,045	\$ 104,528
Commercial	54,225	54,559
Industrial	14,654	13,275
Public Authorities	16,780	16,918
Public Fire Protection	101,476	101,476
Private Fire Protection	5,932	5,928
Total Sales of Water	<u>304,112</u>	<u>296,684</u>
Other Operating Revenues:		
Forfeited Discounts	880	972
Tower Rents	12,700	7,477
Miscellaneous Revenues	13,261	5,203
Total Other Operating Revenues	<u>26,841</u>	<u>13,652</u>
 Total Operating Revenues	 <u>330,953</u>	 <u>310,336</u>
OPERATING EXPENSES:		
Operation and Maintenance:	156,110	129,769
Depreciation	49,960	48,829
Taxes	48,724	50,325
 Total Operating Expenses	 <u>254,794</u>	 <u>228,923</u>
 OPERATING INCOME	 <u>76,159</u>	 <u>81,413</u>
NONOPERATING REVENUES:		
Interest Revenue	562	384
Jobbing Income	273	127
Interest on Long-term Debt	(2,323)	(2,358)
 Total Nonoperating Revenues	 <u>(1,488)</u>	 <u>(1,847)</u>
 NET INCOME BEFORE CONTRIBUTIONS	 <u>74,671</u>	 <u>79,566</u>
CAPITAL CONTRIBUTIONS:		
Hookup Fees	6,730	13,901
Plant Contributed by Customers\Developers	63,124	
Total Capital Contributions	<u>69,854</u>	<u>13,901</u>
 NET INCOME	 144,525	 93,467
 RETAINED EARNINGS, JANUARY 1	 <u>1,066,179</u>	 <u>972,712</u>
 RETAINED EARNINGS, DECEMBER 31	 <u>\$1,210,704</u>	 <u>\$1,066,179</u>

CITY OF AMERY, WISCONSIN
 JOINT WATER AND SEWER UTILITY ENTERPRISE FUND
 WATER DEPARTMENT
 DETAIL OF OPERATION AND MAINTENANCE EXPENSES
 For The Year Ended December 31, 2003

	<u>2003</u>	<u>2002</u>
Sources of Supply:		
Operation Labor	\$ 533	\$
Supplies and Expense		94
Maintenance of Source Plant	892	1,066
Total Sources of Supply	<u>1,425</u>	<u>1,160</u>
Pumping:		
Operation Labor	1,511	1,940
Fuel for Pumping	13,114	9,959
Supplies and Expense	2,013	4,148
Maintenance of Pumping Plant	80	479
Total Pumping	<u>16,718</u>	<u>16,526</u>
Water Treatment:		
Operation Labor	820	216
Chemicals	14,302	4,441
Operating Supplies and Expenses	482	
Maintenance of Plant	384	280
Total Water Treatment	<u>15,988</u>	<u>4,937</u>
Transmission and Distribution:		
Operation Labor	567	868
Operation Supplies and Expenses	343	1,771
Maintenance of Reservoirs (Amortization of Water Tower Painting)	14,751	12,365
Maintenance of Mains	5,232	7,153
Maintenance of Services	1,985	3,750
Maintenance of Meters	8,993	8,713
Maintenance of Hydrants	852	2,744
Total Transmission and Distribution	<u>32,723</u>	<u>37,364</u>
Customer Accounts:		
Meter Reading Labor	3,561	3,555
Accounting and Collecting Labor	5,898	7,627
Office Supplies and Expenses	2,229	2,823
Total Customer Accounts	<u>11,688</u>	<u>14,005</u>
Administrative and General:		
Administrative and General Salaries	16,548	14,550
Office Supplies and Expenses	4,902	8,510
Outside Services Employed	22,300	2,882
Property and Liability Insurance	7,087	4,184
Injuries and Damages	5,278	5,774
Employees Pensions and Benefits	15,951	16,047
Miscellaneous General Expenses	2,637	737
Transportation Expenses	2,865	2,980
Maintenance of General Plant		113
Total Administrative and General	<u>77,568</u>	<u>55,777</u>
TOTAL OPERATION AND MAINTENANCE	<u>\$156,110</u>	<u>\$129,769</u>

**CITY OF AMERY, WISCONSIN
JOINT WATER AND SEWER UTILITY ENTERPRISE FUND
WATER DEPARTMENT
RATES OF RETURN
For The Years Ended December 31, 2003 and 2002**

	<u>2003</u>	<u>2002</u>
RATE BASE [AVERAGE BALANCES]:		
Utility Plant in Service	\$ 1,689,771	\$ 2,424,828
Less: Accumulated Depreciation	<u>743,051</u>	<u>703,600</u>
Net Utility Plant In Service	946,720	1,721,228
Add: Materials and Supplies	28,438	28,244
Less: Contributions in Aid of Construction [Exclusive of Contributions from Municipality]	<u>-</u>	<u>751,106</u>
RATE BASE	<u><u>\$ 975,158</u></u>	<u><u>\$ 998,366</u></u>
OPERATING INCOME <i>[regulatory basis]</i>	<u><u>\$ 93,597</u></u>	<u><u>\$ 81,413</u></u>
RATE OF RETURN	<u><u>9.60%</u></u>	<u><u>8.15%</u></u>

The rates of return are computed in accordance with Wisconsin Public Service Commission (PSC) regulatory basis of accounting which differs from accounting principles generally accepted in the United States of America. Effective January 1, 2003 the PSC changed its methodology for computing the rate of return.

CITY OF AMERY, WISCONSIN
JOINT WATER AND SEWER UTILITY ENTERPRISE FUND
SEWER DEPARTMENT
STATEMENTS OF REVENUES, EXPENSES AND
CHANGES IN RETAINED EARNINGS
For The Years Ended December 31, 2003 and 2002

	<u>2003</u>	<u>2002</u>
OPERATING REVENUES:		
Sewerage Revenues:		
Residential	\$ 311,278	\$ 306,194
Commercial	161,030	162,410
Industrial	49,402	46,666
Public Authorities	43,683	48,225
Total Sewerage Revenues	<u>565,393</u>	<u>563,495</u>
Other Operating Revenues:		
Forfeited Discounts	2,575	2,888
Miscellaneous Revenues	3,134	796
Total Other Operating Revenues	<u>5,709</u>	<u>3,684</u>
Total Operating Revenues	<u>571,102</u>	<u>567,179</u>
OPERATING EXPENSES:		
Operation and Maintenance	384,872	371,379
Depreciation	143,148	142,488
Taxes	10,255	11,586
Total Operating Expenses	<u>538,275</u>	<u>525,453</u>
OPERATING INCOME	<u>32,827</u>	<u>41,726</u>
NONOPERATING REVENUES (EXPENSES):		
Interest Income	2,898	2,694
Interest on Advance to Biosolids Facility	8,093	8,623
Interest Expense	<u>(57,885)</u>	<u>(62,676)</u>
Total Nonoperating Revenues (Expenses)	<u>(46,894)</u>	<u>(51,359)</u>
NET LOSS BEFORE CONTRIBUTIONS	<u>(14,067)</u>	<u>(9,633)</u>
CAPITAL CONTRIBUTIONS:		
Hookup Fees	4,706	6,240
Plant Contributed by Customers\Developers	17,156	
Total Capital Contributions	<u>21,862</u>	<u>6,240</u>
NET INCOME (LOSS)	7,795	(3,393)
Amortization of Construction Grants	<u>27,964</u>	<u>27,964</u>
Net Change in Retained Earnings	35,759	24,571
RETAINED EARNINGS (DEFICIT), JANUARY 1	<u>(333,748)</u>	<u>(358,319)</u>
RETAINED EARNINGS (DEFICIT), DECEMBER 31	<u>\$ (297,989)</u>	<u>\$ (333,748)</u>

CITY OF AMERY, WISCONSIN
JOINT WATER AND SEWER UTILITY ENTERPRISE FUND
SEWER DEPARTMENT
DETAIL OF OPERATION AND MAINTENANCE EXPENSES
For The Years Ended December 31, 2003 and 2002

	<u>2003</u>	<u>2002</u>
Operation:		
Salaries and Wages	\$ 90,790	\$ 87,722
Fuel or Power Purchased for Pumping	38,547	38,733
Chemicals	7,893	8,439
Biosolids Facility Expense	64,072	57,786
Outside Testing	8,882	8,994
Operating Supplies and Expenses	20,708	16,425
Transportation Expenses	4,059	3,495
Total Operation	<u>234,951</u>	<u>221,594</u>
Maintenance:		
Sewage Collection System	23,272	38,369
Collection Pumping Equipment	2,477	1,332
Treatment and Disposal Plant Equipment	15,463	11,083
General Plant Equipment	2,539	85
Total Maintenance	<u>43,751</u>	<u>50,869</u>
Customer Accounting and Collection:		
Meter Reading Labor	3,561	3,555
Billing, Collecting and Accounting Salaries	7,442	4,749
Total Customer Accounting and Collection	<u>11,003</u>	<u>8,304</u>
Administrative and General:		
Administrative and General Salaries	11,520	14,550
Office Supplies and Expenses	4,656	5,000
Outside Services Employed	3,493	2,148
Insurance Expense	20,508	15,051
Employee Pensions and Benefits	47,647	42,189
Regulatory Commission Expense		
Miscellaneous General Expenses	4,143	5,974
Rents	3,200	5,700
Total Administrative and General	<u>95,167</u>	<u>90,612</u>
Total Operation and Maintenance Expenses	<u><u>\$ 384,872</u></u>	<u><u>\$ 371,379</u></u>

CITY OF AMERY, WISCONSIN
 JOINT WATER AND SEWER UTILITY ENTERPRISE FUND
 SEWER DEPARTMENT
 RATES OF RETURN
 For The Years Ended December 31, 2003 and 2002

	<u>2003</u>	<u>2002</u>
RATE BASE [AVERAGE BALANCES]:		
Utility Plant in Service	\$ 3,037,708	\$ 4,625,105
Less: Accumulated Depreciation	<u>1,182,500</u>	<u>1,064,711</u>
Net Utility Plant In Service	1,855,208	3,560,394
Add: Materials and Supplies	3,988	3,970
Less: Contributions in Aid of Construction [Exclusive of Contributions from Municipality]	<u>-</u>	<u>1,738,591</u>
RATE BASE	<u><u>\$ 1,859,196</u></u>	<u><u>\$ 1,825,773</u></u>
OPERATING INCOME [Regulatory Basis]	<u><u>\$ 78,905</u></u>	<u><u>\$ 69,690</u></u>
RATE OF RETURN	<u><u>4.24%</u></u>	<u><u>3.82%</u></u>

The rates of return are computed in accordance with Wisconsin Public Service Commission (PSC) regulatory basis of accounting which differs from accounting principles generally accepted in the United States of America. Effective January 1, 2003 the PSC changed its methodology for computing the rate of return.

FIDUCIARY FUNDS
CITY OF AMERY, WISCONSIN
For The Year Ended December 31, 2003

SCHEDULE F-1

CITY OF AMERY, WISCONSIN
 FIDUCIARY FUNDS
 COMBINING BALANCE SHEET

December 31, 2003

With Comparative Totals For December 31, 2002

	<u>Expendable Trust Fund</u>		<u>Agency Fund</u>		<u>Totals</u>	
	<u>Fire Department</u>	<u>Retirement Fund</u>	<u>Tax Agency</u>	<u>Agency</u>	<u>12/31/03</u>	<u>12/31/02</u>
<u>ASSETS</u>						
Cash and Investments	\$ 46,102		\$ 453,520		\$ 499,622	\$ 496,939
Taxes Receivable			3,322,607		3,322,607	3,104,275
Total Assets	<u>\$ 46,102</u>		<u>\$ 3,776,127</u>		<u>\$ 3,822,229</u>	<u>\$ 3,601,214</u>

LIABILITIES AND FUND BALANCES

LIABILITIES:

Due Other Governmental Units:

State	\$	\$ 31,705	\$	31,705	\$	28,858
County		579,322		579,322		541,627
School District		1,298,809		1,298,809		1,206,575
Technical College		162,917		162,917		158,160
Lake Districts		20,116		20,116		15,977
Due Other Funds:						
General Fund		1,102,721		1,102,721		1,041,423
Tax Incremental District #4 Fund		235,673		235,673		218,053
Library Special Revenue Fund		180,132		180,132		180,132
Tax Incremental District #5 Fund		143,452		143,452		153,350
Water and Sewer Utility Enterprise Fund		21,280		21,280		16,577
Total Liabilities		<u>3,776,127</u>		<u>3,776,127</u>		<u>3,560,732</u>

FUND BALANCES:

Reserved for Fund Purposes

	46,102	-	46,102
Total Liabilities and Fund Balances	<u>\$ 46,102</u>	<u>\$ 3,776,127</u>	<u>\$ 3,822,229</u>
			<u>40,482</u>
			<u>\$ 3,601,214</u>

CITY OF AMERY, WISCONSIN
 FIRE DEPARTMENT RETIREMENT EXPENDABLE TRUST FUND

STATEMENTS OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE
 For The Years Ended December 31, 2003 and 2002

	<u>2003</u>	<u>2002</u>
REVENUES:		
Interest on Investments	\$ 1,620	\$ 2,305
EXPENDITURES:		
Retirement Payments	<u>-</u>	<u>1,572</u>
Excess of Revenues Over Expenditures	1,620	733
OTHER FINANCING SOURCES:		
Transfer from General Fund	<u>4,000</u>	<u>4,000</u>
Excess of Revenues and Other Sources Over Expenditures	5,620	4,733
FUND BALANCE, JANUARY 1	<u>40,482</u>	<u>35,749</u>
FUND BALANCE, DECEMBER 31	<u><u>\$46,102</u></u>	<u><u>\$40,482</u></u>

CITY OF AMERY, WISCONSIN
DEBT REPAYMENT SCHEDULE
For The Year Ended December 31, 2003

SCHEDULE G-1

CITY OF AMERY, WISCONSIN
 GENERAL OBLIGATION PROMISSORY NOTES DATED AUGUST 16, 1997
 Outstanding December 31, 2003

Date	Total Issue		General City		TID #5	
	Principal	Interest	Principal	Interest	Principal	Interest
6/1/04	\$ -	\$ 24,942.50	\$ -	\$ 4,953.75	\$ -	\$ 19,988.75
12/1/04	70,000.00	24,942.50	45,000.00	4,953.75	25,000.00	19,988.75
6/1/05	-	23,332.50		3,918.75		19,413.75
12/1/05	90,000.00	23,332.50	55,000.00	3,918.75	35,000.00	19,413.75
6/1/06	-	21,217.50		2,626.25		18,591.25
12/1/06	90,000.00	21,217.50	55,000.00	2,626.25	35,000.00	18,591.25
6/1/07	795,000.00	19,080.00	55,000.00	1,320.00	740,000.00	17,760.00
	<u>\$ 1,045,000.00</u>	<u>\$ 158,065.00</u>	<u>\$ 210,000.00</u>	<u>\$ 24,317.50</u>	<u>\$ 835,000.00</u>	<u>\$ 133,747.50</u>