

CITY OF AMERY, WISCONSIN
FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
YEAR ENDED DECEMBER 31, 2008

**CITY OF AMERY, WISCONSIN
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YEAR ENDED DECEMBER 31, 2008**

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INDEPENDENT AUDITORS' REPORT

The City Council
City of Amery
Amery, Wisconsin

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Amery, Wisconsin (City) as of and for the year ended December 31, 2008, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's Council and management. Our responsibility is to express opinions on these financial statements based on our audit.

Except as discussed in the following paragraph, we conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

The financial statements of the Redevelopment Authority for the City of Amery (Authority) have not been audited, and we were not engaged to audit the Authority's financial statements as part of our audit of the City's basic financial statements. The Authority's financial activities are included in the City's basic financial statements as the City's only discretely presented component unit.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Amery, Wisconsin as of December 31, 2008, and the respective changes in the financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.



City Council
City of Amery

The management's discussion and analysis and budgetary comparison information as listed in the table of contents, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The schedules presented as other supplementary information, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented, in all material respects, in relation to the basic financial statements taken as a whole. The prior year partial comparative supplementary information has been derived from the City's 2007 financial statements, and, our report dated August 21, 2008 on the supplementary information stated such information had been subjected to the auditing procedures applied in the audit of the 2007 basic financial statements taken as a whole.

Larson Allen LLP

LarsonAllen LLP

Eau Claire, Wisconsin
June 1, 2009

**CITY OF AMERY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2008**

As management of the City of Amery, Wisconsin (City), we offer the readers of the City's financial statements this narrative overview and analysis of financial activities of the City for the fiscal year ending December 31, 2008. Please consider this information in conjunction with the City's financial statements, which begin on page 14 following this narrative.

FINANCIAL HIGHLIGHTS

Key financial highlights for the year ended December 31, 2008 include the following:

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$6,986,188 (*net assets*). Of this amount, \$7,085,101 represented the City's investment in capital assets, net of related debt, \$1,046,906 was held for restricted purposes, and the remaining negative balance of \$1,145,819 was shown as unrestricted.
- During the fiscal year, the City's total net assets increased by \$312,967. Net assets related to the governmental activities increased \$370,276, while net assets related to business-type activities of the City decreased \$57,309.
- At the close of the fiscal year, the City's governmental funds reported combined ending fund balances of \$482,922, an increase of \$424,880 from the previous year.
- At the end of 2008, the unreserved, undesignated general fund balance was a negative \$97,887.
- The City's total long-term obligations increased by \$1,960,916 during the current fiscal year. The City issued \$2,480,000 of general obligation debt during the year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The two government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The *Statement of Net Assets* presents information on all of the City's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *Statement of Activities* presents information showing how the City's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

**CITY OF AMERY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2008**

Both of the government-wide financial statements distinguish those functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and service charges (*business-type activities*). The governmental activities of the City include general government, public safety, public works, health and human services, culture, recreation and education, and conservation and development. The business-type activities of the City include the water department and the sewer department of a joint water and sewer utility.

The government-wide financial statements include not only the City of Amery itself (known as the *primary government*), but also a legally separate redevelopment authority for which the City is financially accountable. Financial information for the *component unit* is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found beginning on page 14 of this report.

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other governmental entities, uses fund accounting to ensure and demonstrate compliance with various finance-related legal requirements. All of the funds of the City can be divided into three categories: *governmental funds*, *proprietary funds* and *fiduciary funds*.

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains twelve individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund, the CDBG housing revolving loan fund, the debt service fund, and the Library and Police Department Project fund, which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data is provided in the form of combining statements in the supplementary information section.

The basic governmental fund financial statements can be found beginning on page 16 of this report.

**CITY OF AMERY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2008**

Proprietary Funds. Enterprise funds are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses an enterprise fund to account for its joint water and sewer utility.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for each of the enterprise funds, which are all considered to be major funds of the City.

The basic proprietary fund financial statements can be found beginning on page 20 of this report.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the City's own programs. The accounting used for fiduciary funds is similar to that used for proprietary funds.

The basic fiduciary fund financial statements can be found beginning on page 24 of this report.

Notes to Basic Financial Statements

The notes to basic financial statements provide additional detail that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to basic financial statements can be found beginning on page 26 of this report.

Supplementary Information

In addition to the basic financial statement and accompanying notes, this report presents certain required supplementary information on the City's operating budget. Required supplementary information can be found beginning on page 52 of this report.

Following the basic government-wide and fund financial statements, accompanying notes, and required supplementary information, additional supplementary information has been provided as part of this report. The supplementary information includes combining statements for the nonmajor governmental funds, individual fund statements for selected funds, and various debt repayment schedules. This supplementary information section of the report begins on page 54.

**CITY OF AMERY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2008**

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. The City's assets exceeded liabilities by \$6,986,188 at the close of 2008. The largest portion of these net assets (\$7,085,101) reflect the City's investment in capital assets, including land, land improvements, buildings, machinery and equipment, infrastructure, plant in service and construction in progress, net of related outstanding debt used to acquire the assets. These capital assets are used to provide services to citizens and are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Below is a summary of the City's statement of net assets:

**Condensed Statement of Net Assets
December 31, 2008 and 2007**

	Governmental Activities		Business-Type Activities		Totals	
	2008	2007	2008	2007	2008	2007
Current and Other Assets	\$ 3,488,550	\$ 2,954,601	\$ 917,429	\$ 982,931	\$ 4,405,979	\$ 3,937,532
Capital Assets	6,463,962	4,328,115	5,792,437	6,008,380	12,256,399	10,336,495
Internal Balances	(42,330)	-	42,330	-	-	-
Total Assets	9,910,182	7,282,716	6,752,196	6,991,311	16,662,378	14,274,027
Current Liabilities	2,010,945	1,902,515	24,861	18,823	2,035,806	1,921,338
Long-Term Liabilities	5,708,467	3,559,707	1,931,917	2,119,761	7,640,384	5,679,468
Total Liabilities	7,719,412	5,462,222	1,956,778	2,138,584	9,676,190	7,600,806
Net Assets						
Invested in Capital Assets						
Net of Related Debt	3,003,868	2,731,946	4,081,233	4,143,166	7,085,101	6,875,112
Restricted	846,138	451,947	200,768	196,352	1,046,906	648,299
Unrestricted	(1,659,236)	(1,363,399)	513,417	513,209	(1,145,819)	(850,190)
Total Net Assets	\$ 2,190,770	\$ 1,820,494	\$ 4,795,418	\$ 4,852,727	\$ 6,986,188	\$ 6,673,221

An additional portion of the City's net assets (\$1,046,906) represents resources that are subject to other restrictions as to how they may be used. The remaining negative balance of \$1,145,819 is reflected as unrestricted. It is important to note that \$513,417 of these unrestricted net assets is related to the City's business-type activities. Consequently, they generally may not be used to fund governmental activities. The large negative balance of unrestricted net assets in the governmental activities primarily results from long-term debt and other long-term liabilities outstanding at year end not associated with the financing of capital assets.

The condensed statement of changes in net assets presented on the following page shows that total net assets of the City increased \$312,967, or approximately 4.7%. The increase consisted of an increase in net assets related to governmental activities in the amount of \$370,276 and a decrease in net assets related to business-type activities in the amount of \$57,309.

**CITY OF AMERY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2008**

The following is a summary of the changes in the City's net assets for the years ended December 31, 2008 and 2007:

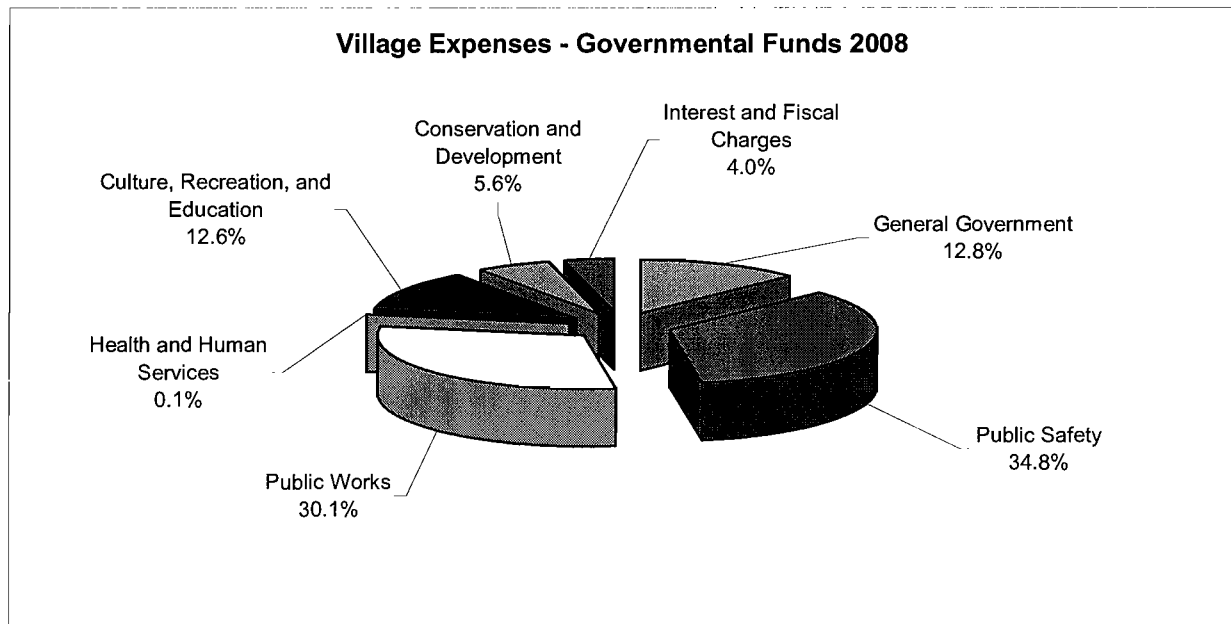
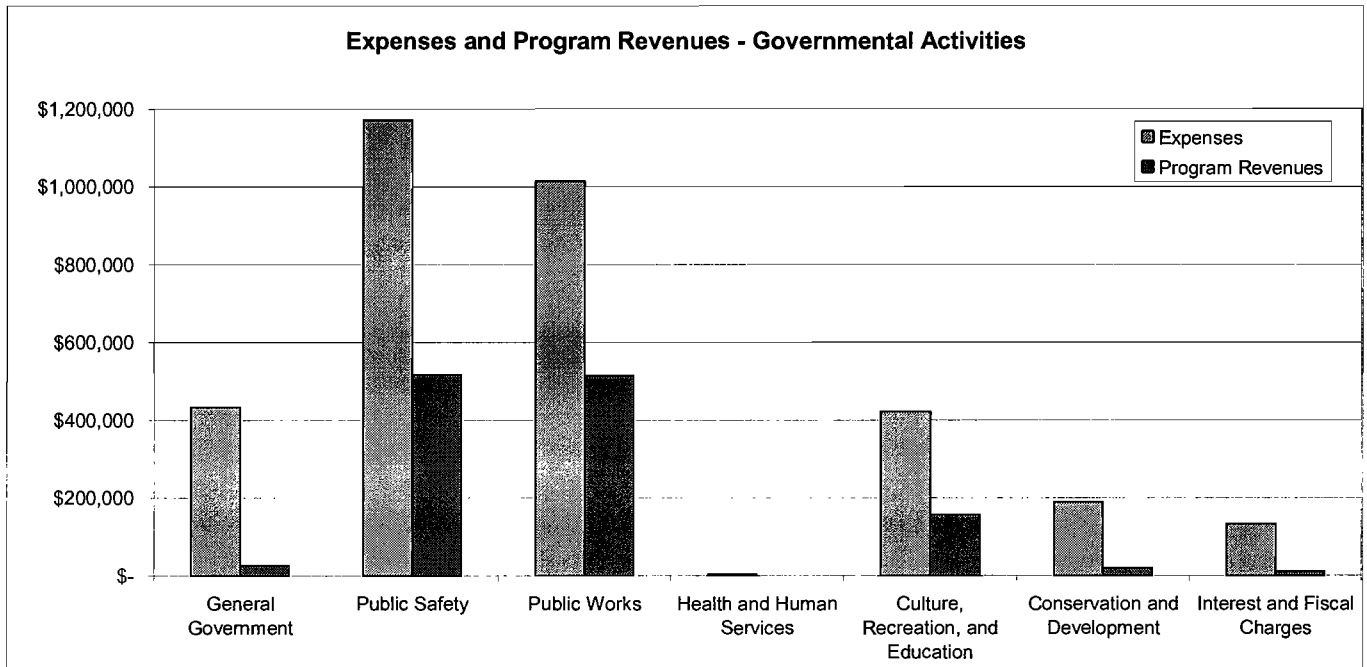
**Condensed Statement of Changes in Net Assets
Years Ended December 31, 2008 and 2007**

	Governmental Activities		Business-Type Activities		Totals	
	2008	2007	2008	2007	2008	2007
REVENUES						
<u>Program Revenues</u>						
Charges for Services	\$ 390,376	\$ 460,980	\$ 997,492	\$ 999,471	\$ 1,387,868	\$ 1,460,451
Operating Grants and Contributions	508,035	912,173	-	-	508,035	912,173
Capital Grants and Contributions	347,030	-	-	74,134	347,030	74,134
<u>General Revenues</u>						
Property Taxes	1,644,171	1,567,877	-	-	1,644,171	1,567,877
Other Taxes	76,745	67,853	-	-	76,745	67,853
Grants and Contributions not Restricted for a Particular Purpose	610,608	555,805	-	-	610,608	555,805
Other	89,794	147,035	16,029	15,067	105,823	162,102
Total Revenues	<u>3,666,759</u>	<u>3,711,723</u>	<u>1,013,521</u>	<u>1,088,672</u>	<u>4,680,280</u>	<u>4,800,395</u>
EXPENSES						
General Government	433,698	417,860	-	-	433,698	417,860
Public Safety	1,170,984	1,069,496	-	-	1,170,984	1,069,496
Public Works	1,014,340	1,534,301	-	-	1,014,340	1,534,301
Health and Human Services	3,587	127	-	-	3,587	127
Culture, Recreation, and Education	422,698	488,189	-	-	422,698	488,189
Conservation and Development	188,806	533,459	-	-	188,806	533,459
Interest and Fiscal Charges	133,722	104,953	-	-	133,722	104,953
Water	-	-	320,904	322,925	320,904	322,925
Sewer	-	-	678,574	646,871	678,574	646,871
Total Expenses	<u>3,367,835</u>	<u>4,148,385</u>	<u>999,478</u>	<u>969,796</u>	<u>4,367,313</u>	<u>5,118,181</u>
TRANSFERS	<u>71,352</u>	<u>70,089</u>	<u>(71,352)</u>	<u>(70,089)</u>	<u>-</u>	<u>-</u>
CHANGE IN NET ASSETS	370,276	(366,573)	(57,309)	48,787	312,967	(317,786)
Net Assets - Beginning of Year	1,820,494	2,187,067	4,852,727	4,803,940	6,673,221	6,991,007
NET ASSETS - END OF YEAR	<u>\$ 2,190,770</u>	<u>\$ 1,820,494</u>	<u>\$ 4,795,418</u>	<u>\$ 4,852,727</u>	<u>\$ 6,986,188</u>	<u>\$ 6,673,221</u>

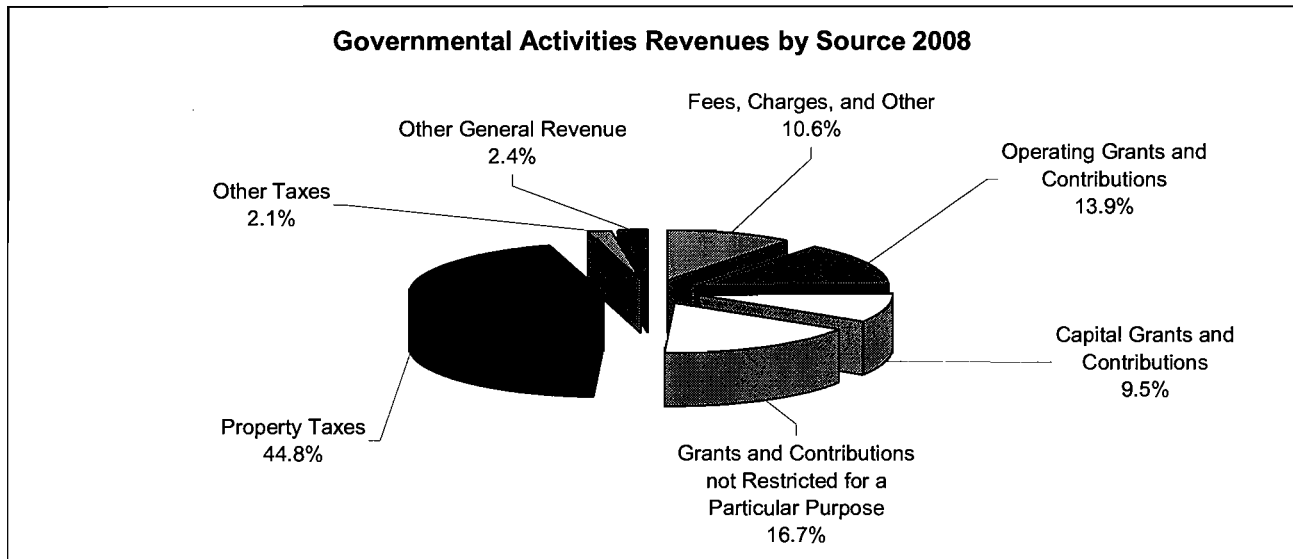
The increase in net assets of the governmental activities included capital related funding of \$347,030 as shown above.

**CITY OF AMERY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2008**

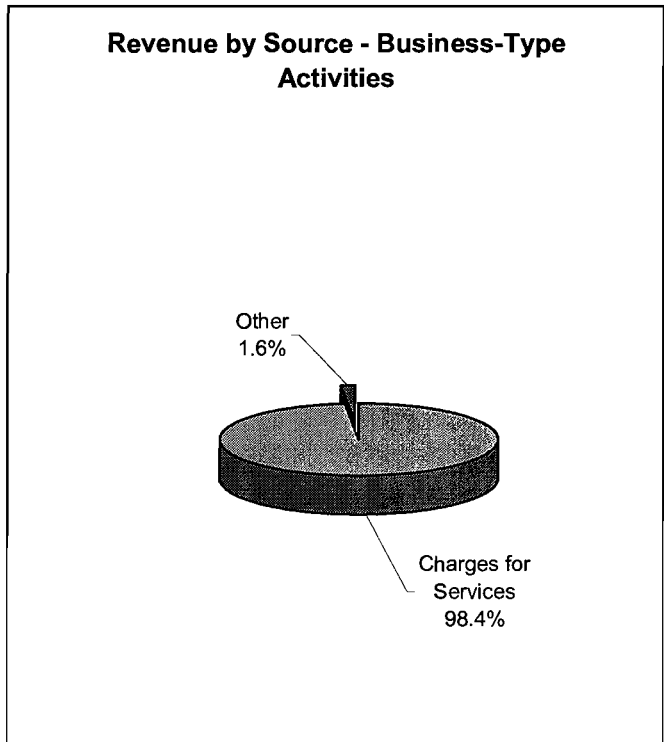
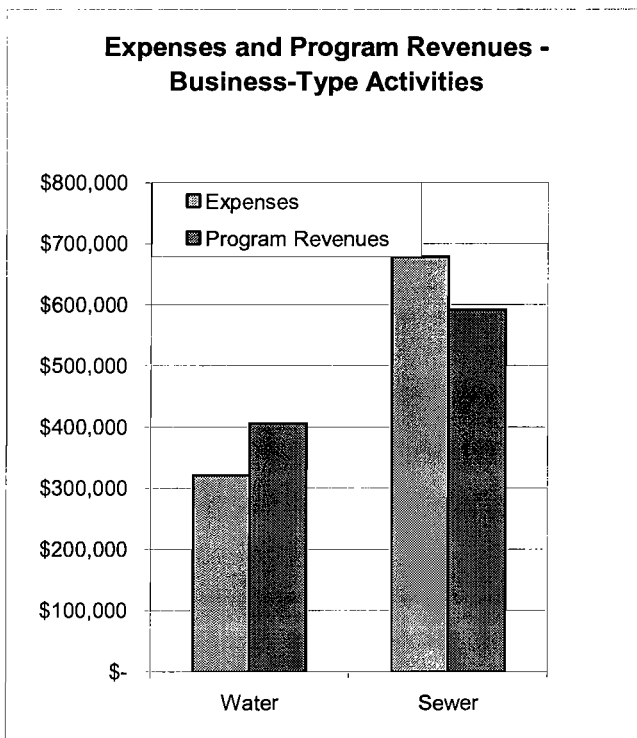
A review of statement of activities can provide a concise picture of how the various functions/programs of the City are funded. The following charts draw data from the statement of activities.



**CITY OF AMERY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2008**



The charts draw data from the statement of activities. For governmental services the City is primarily dependent on property taxes (44.8%) and grants and contributions not restricted for a particular purpose (16.7%).



In the case of business-type activities, the data shows a considerably different picture from that of governmental activities. Charges for services (98.4%) replace property taxes as the primary revenue.

**CITY OF AMERY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2008**

FINANCIAL ANALYSIS OF THE CITY'S MAJOR FUNDS

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the City's governmental funds is to provide information regarding near-term inflows, outflows and balances of spendable resources. Such information can be useful in assessing the City's financing requirements. In particular, the level of unreserved fund balances may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of December 31, 2008, the City's governmental funds reported a combined fund balance of \$482,922, an increase of \$424,880 over the previous year. The governmental funds comprising this balance are shown below:

	Fund Balances at December 31, 2008				Current Year Change
	Reserved	Designated	Undesignated	Total	
Major Funds:					
General Fund	\$ 25,934	\$ -	\$ (97,887)	\$ (71,953)	\$ 163,482
CDBG Housing Revolving Loan Fund	-	14,989	-	14,989	16,066
Debt Service Fund	96,374	-	-	96,374	5,344
Library and Police Project Fund	-	271,027	-	271,027	271,027
Nonmajor Funds:					
Special Revenue Funds:					
Land Contamination and Remediation Fund	-	55,352	-	55,352	(65,878)
Library Fund	-	51,673	-	51,673	11,312
Community Micro - Loan Fund	-	28,134	-	28,134	9,161
Capital Projects Funds:					
Tax Incremental District #5 Fund	-	-	(141,227)	(141,227)	(149,656)
Tax Incremental District #6 Fund	-	178,553	-	178,553	164,022
	<u>\$ 122,308</u>	<u>\$ 599,728</u>	<u>\$ (239,114)</u>	<u>\$ 482,922</u>	<u>\$ 424,880</u>

Reservations of fund balances represent amounts that are not subject to appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance generally represent tentative management plans that are subject to change. The balance of the unreserved fund balance not designated for specific purposes is displayed as undesignated.

The general fund is the primary operating fund used to account for the governmental operations of the City. The general fund's total fund balance increased \$163,482 during the year. The total fund balance of a negative \$71,953 consisted of \$3,740 reserved for advances to other funds, \$3,592 reserved for delinquent taxes, \$18,602 reserved for prepayments and the remaining negative balance of \$97,887 was reflected as unreserved/undesignated. The City had internally designated some of its general fund for future expenditures, however, the negative balance did not provide for such designations and, accordingly, such designations are not reflected in the City's financial statements. The City's 2009 budget did not include any additional funding to finance the unreserved, undesignated negative fund balance at December 31, 2008.

The CDBG revolving loan fund, a special revenue fund, is used to account for the housing rehabilitation loans and for repayments received by the City on these loans that are to be used to finance similar housing rehabilitation loans. The fund had a balance of \$14,989 at December 31, 2008.

**CITY OF AMERY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2008**

For report purposes, the City has combined its various debt service funds into one fund. The debt service fund had a fund balance at December 31, 2008 of \$96,374. This balance consisted entirely of the balance in the fire hall construction debt service fund.

The Library and Police Project fund, a capital projects fund, is used to account for the construction loan proceeds as well as the construction costs associated with the library and police renovation projects. The fund had a balance of \$271,027 at December 31, 2008.

The aggregated other governmental funds column in the City's governmental funds financial statements includes the nonmajor funds as shown above. Transactions of these funds are individually detailed in the supplementary information section of this report.

Proprietary Fund

The City's proprietary fund provides the same type of information found in the government-wide financial statements, but in greater detail. As shown below, the net assets of the enterprise-type proprietary fund at the end of 2008 totaled \$4,795,418, down \$57,309 from the previous year.

**Condensed Statement of Changes in Net Assets for Enterprise Funds
Years Ended December 31, 2008 and 2007**

	Water Department		Sewer Department		Total	
	2008	2007	2008	2007	2008	2007
Operating Revenues	\$ 405,760	\$ 406,692	\$ 591,732	\$ 592,779	\$ 997,492	\$ 999,471
Operating Expenses						
Depreciation	90,622	91,032	151,194	150,513	241,816	241,545
Other	198,306	198,717	485,909	456,338	684,215	655,055
Operating Income (Loss)	116,832	116,943	(45,371)	(14,072)	71,461	102,871
Net Income (Loss) before						
Contributions & Transfers	85,905	84,529	(71,862)	(39,787)	14,043	44,742
Capital Contributions						
Developers/Customers	-	8,865	-	65,269	-	74,134
Transfers	(71,352)	(70,089)	-	-	(71,352)	(70,089)
Change in Net Assets	14,553	23,305	(71,862)	25,482	(57,309)	48,787
Net Assets - End of Year	3,115,915	3,101,362	1,679,503	1,751,365	4,795,418	4,852,727

The City raised the customer user rates effective July 1, 2004 to provide an improved return on the rate base and increase its working capital position.

**CITY OF AMERY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2008**

GENERAL FUND BUDGETARY HIGHLIGHTS

As shown in the Budgetary Comparison Schedule for the general fund (in required supplementary information), the final 2008 general fund budget was the same as the original budget adopted by the City Council. The City's general fund balance increased \$163,482 during 2008. The general fund had a negative variance of \$914,068 between actual and budgeted expenditure/transfers out amounts. The general fund also had a positive variance of \$1,077,550 between actual and budgeted amounts for revenues, transfers in, and debt proceeds amounts. The positive variance in the revenues was caused by fire department federal aid and a larger amount borrowed during the year than initially budgeted for. The negative variance in the expenditures was caused by unplanned capital outlays in the fire department, airport, and in the public works department.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The City's investment in capital assets for its governmental and business-type activities as of December 31, 2008 and 2007 was \$12,256,399 and \$10,336,495 respectively, (net of accumulated depreciation) as shown below:

**Capital Assets, Net of Accumulated Depreciation
December 31, 2008 and 2007**

	Governmental Activities		Business-Type Activities		Totals	
	2008	2007	2008	2007	2008	2007
Not Subject to Depreciation:						
Land and Land Rights	\$ 691,199	\$ 691,199	\$ 51,698	\$ 51,698	\$ 742,897	\$ 742,897
Subject to Depreciation:						
Land Improvements	1,300,107	1,300,107	-	-	1,300,107	1,300,107
Buildings and Improvements	4,410,693	2,563,971	-	-	4,410,693	2,563,971
Equipment and Vehicles	2,160,163	1,755,768	-	-	2,160,163	1,755,768
Infrastructure	308,480	158,961	-	-	308,480	158,961
Water System Plant	-	-	4,020,574	4,020,574	4,020,574	4,020,574
Wastewater System Plant	-	-	4,856,845	4,830,972	4,856,845	4,830,972
Subtotal	8,870,642	6,470,006	8,929,117	8,903,244	17,799,759	15,373,250
Accumulated Depreciation	2,406,680	2,141,891	3,136,680	2,894,864	5,543,360	5,036,755
Total	<u>\$ 6,463,962</u>	<u>\$ 4,328,115</u>	<u>\$ 5,792,437</u>	<u>\$ 6,008,380</u>	<u>\$ 12,256,399</u>	<u>\$ 10,336,495</u>

Some of the more significant additions to the City's capital assets during 2008 included:

Buildings	\$ 1,846,722
Equipment and vehicles	404,395
City infrastructure additions	149,519
Sewer pumping system additions	25,873

Additional information related to the City's capital assets is reported in Note 3.C following the financial statements.

**CITY OF AMERY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2008**

Long-Term Obligations

At December 31, 2008, the City had outstanding \$7,640,384 of long-term debt and other long-term obligations. A summary detail of this amount, together with the net change from the previous year, is shown below:

**Outstanding Long-Term Obligations
December 31, 2008 and 2007**

	Governmental Activities		Business-Type Activities		Total		% Change
	2008	2007	2008	2007	2008	2007	
LONG-TERM OBLIGATIONS							
Long-Term Debt							
General Obligation Debt	\$ 4,733,791	\$ 2,545,665	\$ 796,000	\$ 836,000	\$ 5,529,791	\$ 3,380,665	63.6%
Revenue Bonds	-	-	1,071,918	1,206,648	1,071,918	1,206,648	-11.2%
Other Long-Term Obligations							
WRS Prior Service Liability	11,267	12,206	-	-	11,267	12,206	-7.7%
Compensated Absences	197,336	211,736	63,999	78,113	261,335	289,849	-9.8%
Estimated Landfill Post Closure Liability	766,073	790,100	-	-	766,073	790,100	-3.0%
Total	\$ 5,708,467	\$ 3,569,707	\$ 1,931,917	\$ 2,119,761	\$ 7,640,384	\$ 5,679,468	34.5%

Under Wisconsin State Statutes, the outstanding general obligation long-term debt of a municipality may not exceed 5% of the equalized property value of all taxable property within the jurisdiction. The applicable debt of the City outstanding at December 31, 2008 totaled \$5,529,791, approximately 51% of the maximum legal limit of \$10,793,190.

During 2008, the City issued new debt and related obligations as shown below:

Date	Type of Debt	Amount	Purpose
4/23/08	General Obligation Bonds	\$ 2,040,000	Various Projects
4/23/08	General Obligation Promissory Note	440,000	Library Project

Additional information related to the City's long-term debt is reported in Note 3.E. following the financial statements.

CURRENTLY KNOWN FACTS

The City of Amery Common Council approved a local levy of \$1,507,250 for the 2009 budget. This is an increase of \$70,313 over the 2008 adopted budget.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City of Amery's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the office of the City Administrator, 118 Center Street West, Amery, Wisconsin 54001.

**CITY OF AMERY, WISCONSIN
STATEMENT OF NET ASSETS
DECEMBER 31, 2008**

	Primary Government			Unaudited Component Unit
	Governmental Activities	Business-Type Activities	Total	Redevelopment Authority
ASSETS				
Cash and Investments	\$ 766,267	\$ 157,778	\$ 924,045	\$ 156
Taxes Receivable	1,581,498	35,416	1,616,914	-
Accounts Receivable	116,230	253,468	369,698	-
Prepayments	18,602	6,045	24,647	-
Inventories	-	30,613	30,613	-
Special Assessments Receivable	55,421	92,744	148,165	-
Advances to Component Unit	212,631	-	212,631	-
Long-Term Receivables	706,641	136,369	843,010	-
Deferred Charges	31,260	4,228	35,488	-
Internal Balances	(42,330)	42,330	-	-
Restricted Assets:				
Cash and Investments	-	200,768	200,768	-
Capital Assets:				
Capital Assets Not Being Depreciated	691,199	51,698	742,897	356,355
Capital Assets Being Depreciated	8,179,443	8,877,419	17,056,862	-
Accumulated Depreciation	(2,406,680)	(3,136,680)	(5,543,360)	-
Total Assets	9,910,182	6,752,196	16,662,378	356,511
LIABILITIES				
Vouchers and Accounts Payable	190,344	11,002	201,346	-
Accrued Interest Payable	60,609	13,859	74,468	771
Payroll Taxes and Withholdings	18,015	-	18,015	-
Due Other Governmental Units	16,065	-	16,065	-
Deferred Revenue	1,716,403	-	1,716,403	-
Special Deposits	9,509	-	9,509	-
Advances from Primary Government	-	-	-	212,631
Noncurrent Liabilities:				
Amounts Due Within One Year	344,473	197,281	541,754	-
Amounts Due in More than One Year	5,363,994	1,734,636	7,098,630	209,013
Total Liabilities	7,719,412	1,956,778	9,676,190	422,415
NET ASSETS				
Invested in Capital Assets, Net of Related Debt	3,003,868	4,081,233	7,085,101	-
Restricted For:				
Debt Service	411,528	-	411,528	-
Economic Development and Plant Replacement	-	200,768	200,768	-
Housing and Business Loan Programs	434,610	-	434,610	-
Unrestricted	(1,659,236)	513,417	(1,145,819)	(65,904)
Total Net Assets	\$ 2,190,770	\$ 4,795,418	\$ 6,986,188	\$ (65,904)

See accompanying Notes to Basic Financial Statements.

**CITY OF AMERY, WISCONSIN
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2008**

FUNCTIONS/PROGRAMS	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			Unaudited Component Unit Redevelopment Authority
		Charges For Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-Type Activities	Total	
PRIMARY GOVERNMENT								
GOVERNMENTAL ACTIVITIES								
General Government	\$ 433,698	\$ 26,500	\$ 140	\$ -	\$ (407,058)	\$ -	\$ (407,058)	\$ -
Public Safety	1,170,984	225,531	81,605	210,153	(653,695)	-	(653,695)	-
Public Works	1,014,340	137,960	239,416	136,877	(500,087)	-	(500,087)	-
Health and Human Services	3,587	-	-	-	(3,587)	-	(3,587)	-
Culture, Recreation, and Education	422,698	385	157,059	-	(265,254)	-	(265,254)	-
Conservation and Development	188,806	-	18,830	-	(169,976)	-	(169,976)	-
Interest and Fiscal Charges	133,722	-	10,985	-	(122,737)	-	(122,737)	-
Total Governmental Activities	3,367,835	390,376	508,035	347,030	(2,122,394)	-	(2,122,394)	-
BUSINESS-TYPE ACTIVITIES								
Water	320,904	405,760	-	-	-	84,856	84,856	-
Sewer	678,574	591,732	-	-	-	(86,842)	(86,842)	-
Total Business-Type Activities	999,478	997,492	-	-	-	(1,986)	(1,986)	-
Total Primary Government	\$ 4,367,313	\$ 1,387,868	\$ 508,035	\$ 347,030	(2,122,394)	(1,986)	(2,124,380)	-
COMPONENT UNIT								
Redevelopment Authority	\$ 13,273	\$ -	\$ -	\$ -				(13,273)
GENERAL REVENUES								
Taxes								
Property Taxes, Levied for General Purposes					1,436,937	-	1,436,937	-
Property Taxes, Levied for TIF Districts					207,234	-	207,234	-
Other Taxes					76,745	-	76,745	-
Grants and Contributions not Restricted for a Particular Purpose					610,608	-	610,608	-
Interest and Investment Earnings					39,402	10,120	49,522	-
Other Interest Earnings					-	5,909	5,909	-
Miscellaneous					50,392	-	50,392	-
TRANSFERS					71,352	(71,352)	-	-
Total General Revenues and Transfers					2,492,670	(55,323)	2,437,347	-
CHANGE IN NET ASSETS								
					370,276	(57,309)	312,967	(13,273)
Net Assets - Beginning of Year					1,820,494	4,852,727	6,673,221	(52,631)
NET ASSETS - END OF YEAR					\$ 2,190,770	\$ 4,795,418	\$ 6,986,188	\$ (65,904)

See accompanying Notes to Basic Financial Statements.

**CITY OF AMERY, WISCONSIN
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2008**

	General Fund	CDBG Housing Revolving Loan Fund	Debt Service Fund	Library and Police Department Project Fund	Other Governmental Funds	Total Governmental Funds
ASSETS						
Treasurer's Cash and Investments	\$ -	\$ 18,729	\$ 96,374	\$ 271,027	\$ 380,137	\$ 766,267
Taxes Receivable	1,173,904	-	-	-	407,594	1,581,498
Special Assessments Receivable	55,421	-	-	-	-	55,421
Accounts Receivable	119,230	-	-	-	-	119,230
Due from Other Funds	141,227	-	-	-	-	141,227
Prepayments	18,602	-	-	-	-	18,602
Advances to Other Funds	3,740	-	-	-	-	3,740
Advances to Component Unit	61,783	-	-	-	150,848	212,631
Long-Term Receivables	-	384,452	315,154	-	7,035	706,641
Total Assets	\$ 1,573,907	\$ 403,181	\$ 411,528	\$ 271,027	\$ 945,614	\$ 3,605,257
LIABILITIES AND FUND BALANCES						
Liabilities:						
Vouchers and Accounts Payable	\$ 122,084	\$ -	\$ -	\$ -	\$ 68,260	\$ 190,344
Payroll Withholdings	18,015	-	-	-	-	18,015
Due Other Governmental Units	16,065	-	-	-	-	16,065
Due Other Funds	45,330	-	-	-	141,227	186,557
Deferred Revenue	1,434,857	384,452	315,154	-	563,642	2,698,105
Advance from Other Funds	-	3,740	-	-	-	3,740
Special Deposits	9,509	-	-	-	-	9,509
Total Liabilities	1,645,860	388,192	315,154	-	773,129	3,122,335
Fund Balances:						
Reserved for:						
Advances to Other Funds	3,740	-	-	-	-	3,740
Delinquent Taxes	3,592	-	-	-	-	3,592
Prepayments	18,602	-	-	-	-	18,602
Debt Service	-	-	96,374	-	-	96,374
Unreserved:						
Designated Reported In:						
Special Revenue Funds	-	14,989	-	-	135,159	150,148
Capital Projects Funds	-	-	-	271,027	178,553	449,580
Undesignated Reported In:						
General Fund	(97,887)	-	-	-	-	(97,887)
Capital Projects Funds	-	-	-	-	(141,227)	(141,227)
Total Fund Balances	(71,953)	14,989	96,374	271,027	172,485	482,922
Total Liabilities and Fund Balances	\$ 1,573,907	\$ 403,181	\$ 411,528	\$ 271,027	\$ 945,614	\$ 3,605,257

See accompanying Notes to Basic Financial Statements.

**CITY OF AMERY, WISCONSIN
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET ASSETS OF GOVERNMENTAL ACTIVITIES
GOVERNMENTAL FUNDS
DECEMBER 31, 2008**

TOTAL FUND BALANCES FOR GOVERNMENTAL FUNDS \$ 482,922

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

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

Land	\$ 691,199	
Land Improvements	1,300,107	
Buildings	4,410,693	
Equipment and Vehicles	2,160,163	
Infrastructure	308,480	
Accumulated Depreciation	<u>(2,406,680)</u>	6,463,962

Some receivables, including special assessments, are reported as deferred revenue in the fund financial statements but are recognized as revenue when earned in the government-wide statements. 981,702

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

General Obligation Bonds Payable	2,040,000	
General Obligation Notes Payable	2,693,791	
Accrued Interest on Long-Term Debt	60,609	
WRS Prior Service Liability	11,267	
Compensated Absences Payable	197,336	
Estimated Landfill Postclosure Liability	<u>766,073</u>	(5,769,076)

Debt issuance and refinancing costs are deferred in the statement of net assets and amortized over the life of the related debt. In the governmental funds these costs are considered expenditures/other financing uses when incurred. 31,260

TOTAL NET ASSETS OF GOVERNMENTAL ACTIVITIES \$ 2,190,770

**CITY OF AMERY, WISCONSIN
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2008**

	General Fund	CDBG Housing Revolving Loan Fund	Debt Service Fund	Library and Police Department Project Fund	Other Governmental Funds	Total Governmental Funds
REVENUES						
Taxes	\$ 1,303,854	\$ -	\$ -	\$ -	\$ 417,064	\$ 1,720,918
Special Assessments	4,739	-	-	-	-	4,739
Intergovernmental	1,228,265	15,869	-	-	153,014	1,397,148
Licenses and Permits	43,953	-	-	-	-	43,953
Fines and Forfeits	51,729	-	-	-	-	51,729
Public Charges for Services	145,935	-	-	-	-	145,935
Intergovernmental Charges for Services	212,437	-	49,504	-	-	261,941
Miscellaneous:						
Interest	21,478	219	5,344	12,326	301	39,668
Rent	32,665	-	-	-	-	32,665
Sale of Property	127	-	-	-	-	127
Donations	25	-	-	-	12,216	12,241
Loan Repayments	-	-	-	-	9,237	9,237
Other	9,586	-	-	-	-	9,586
Total Revenues	3,054,793	16,088	54,848	12,326	591,832	3,729,887
EXPENDITURES						
General Government	461,479	-	-	-	-	461,479
Public Safety	1,301,501	-	-	427,116	-	1,728,617
Public Works	1,157,592	-	-	-	41,687	1,199,279
Health and Human Services	3,587	-	-	-	-	3,587
Culture, Recreation, and Education	73,065	-	-	1,382,412	348,054	1,803,531
Conservation and Development	46,164	22	-	-	156,555	202,741
Debt Service:						
Principal	-	-	291,874	-	-	291,874
Interest and Fiscal Charges	919	-	126,184	3,525	-	130,628
Debt Issuance Costs	3,685	-	-	30,938	-	34,623
Total Expenditures	3,047,992	22	418,058	1,843,991	546,296	5,856,359
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	6,801	16,066	(363,210)	(1,831,665)	45,536	(2,126,472)
OTHER FINANCING SOURCES (USES)						
Long-Term Debt Issued	304,603	-	35,511	2,139,886	-	2,480,000
Transfers In	108,546	-	333,043	-	130,674	572,263
Transfers Out	(256,468)	-	-	(37,194)	(207,249)	(500,911)
Total Other Financing Sources (Uses)	156,681	-	368,554	2,102,692	(76,575)	2,551,352
NET CHANGE IN FUND BALANCES	163,482	16,066	5,344	271,027	(31,039)	424,880
Fund Balances - Beginning of Year	(235,435)	(1,077)	91,030	-	203,524	58,042
FUND BALANCES - END OF YEAR	<u>\$ (71,953)</u>	<u>\$ 14,989</u>	<u>\$ 96,374</u>	<u>\$ 271,027</u>	<u>\$ 172,485</u>	<u>\$ 482,922</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF AMERY, WISCONSIN
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO
THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2008**

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS \$ 424,880

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

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

Capital Outlays Reported in Governmental Fund Statements	\$ 2,400,636	
Depreciation Expense Reported in the Statement of Activities	<u>(264,789)</u>	2,135,847

Receivables not currently available are reported as deferred revenue in the fund financial statements, but are recognized as revenue when earned in the government-wide statements. (49,193)

Long-term debt incurred in governmental funds is reported as an other financing source, but is reported as an increase in outstanding long-term debt in the statement of net assets and does not affect the statement of activities. Long-term debt incurred in the current year is:

General Obligation Bonds	2,040,000	
General Obligation Notes	<u>440,000</u>	(2,480,000)

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

General Obligation Notes Principal Retirement		291,874
---	--	---------

Debt issuance costs are amortized over the life of the related debt in the statement of activities. Debt issuance costs are considered expenditures/other financing uses in the governmental funds. In the current year these amounts consist of 34,623

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

Net Change in Accrued Interest Payable	(23,758)	
Amortization of Debt Issuance Costs	(3,363)	
Net Change in WRS Prior Service Liability	939	
Net Change in Compensated Absences Payable	14,400	
Net Change in Estimated Landfill Postclosure Liability	<u>24,027</u>	<u>12,245</u>

CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES \$ 370,276

**CITY OF AMERY, WISCONSIN
BALANCE SHEET
PROPRIETARY FUNDS
DECEMBER 31, 2008**

	Business-Type Activities - Joint Water and Sewer Enterprise Fund		
	Water	Sewer	Totals
	Department	Department	
ASSETS			
Current Assets:			
Cash and Investments	\$ 857,990	\$ (700,212)	\$ 157,778
Customer Accounts Receivable	88,893	140,086	228,979
Other Accounts Receivable	-	24,489	24,489
Accounts Receivable on Tax Roll	11,571	23,845	35,416
Due from Other Funds	42,330	-	42,330
Prepayments	2,418	3,627	6,045
Inventories	27,082	3,531	30,613
Total Current Assets	<u>1,030,284</u>	<u>(504,634)</u>	<u>525,650</u>
Restricted Assets:			
Equipment Replacement Fund Investments	-	200,768	200,768
Capital Assets:			
Utility Plant in Service	4,035,932	4,893,185	8,929,117
Less: Accumulated Depreciation	<u>1,131,136</u>	<u>2,005,544</u>	<u>3,136,680</u>
Net Capital Assets	2,904,796	2,887,641	5,792,437
Other Assets and Deferred Charges:			
Special Assessments Receivable	-	92,744	92,744
Unamortized Debt Discount and Expense	4,228	-	4,228
Long-Term Receivables	<u>-</u>	<u>136,369</u>	<u>136,369</u>
Total Assets and Deferred Charges	<u>4,228</u>	<u>229,113</u>	<u>233,341</u>
Total Assets	<u>\$ 3,939,308</u>	<u>\$ 2,812,888</u>	<u>\$ 6,752,196</u>
LIABILITIES			
Current Liabilities:			
Accounts Payable	\$ 2,169	\$ 8,833	\$ 11,002
Accrued Interest	2,421	11,438	13,859
Current Portion of Long-Term Debt:			
Revenue Bonds	-	139,043	139,043
General Obligation Notes	41,000	-	41,000
Accrued Compensated Absences	<u>6,142</u>	<u>11,096</u>	<u>17,238</u>
Total Current Liabilities	51,732	170,410	222,142
Long-Term Liabilities (Net of Current Portion):			
Revenue Bonds	-	932,875	932,875
General Obligation Notes	755,000	-	755,000
Accrued Compensated Absences	<u>16,661</u>	<u>30,100</u>	<u>46,761</u>
Total Long-Term Liabilities	<u>771,661</u>	<u>962,975</u>	<u>1,734,636</u>
Total Liabilities	823,393	1,133,385	1,956,778
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	2,108,796	1,972,437	4,081,233
Restricted for Equipment Replacement	-	200,768	200,768
Unrestricted	<u>1,007,119</u>	<u>(493,702)</u>	<u>513,417</u>
Total Net Assets	<u>3,115,915</u>	<u>1,679,503</u>	<u>4,795,418</u>
Total Liabilities and Net Assets	<u>\$ 3,939,308</u>	<u>\$ 2,812,888</u>	<u>\$ 6,752,196</u>

See accompanying Notes to Basic Financial Statements.

CITY OF AMERY, WISCONSIN
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2008

	Business-Type Activities - Joint Water and Sewer Enterprise Fund		
	Water	Sewer	Totals
	Department	Department	
OPERATING REVENUES			
Sales of Water/Sewerage Revenues:			
Residential	\$ 134,598	\$ 325,536	\$ 460,134
Commercial	65,041	161,128	226,169
Industrial	17,267	59,665	76,932
Public Authorities	17,414	41,852	59,266
Private Fire Protection	8,304	-	8,304
Public Fire Protection	137,327	-	137,327
Total Sales of Water/Sewerage Revenues	<u>379,951</u>	<u>588,181</u>	<u>968,132</u>
Other Operating Revenues	<u>25,809</u>	<u>3,551</u>	<u>29,360</u>
Total Operating Revenues	405,760	591,732	997,492
OPERATING EXPENSES			
Operation and Maintenance	198,306	485,909	684,215
Depreciation	<u>90,622</u>	<u>151,194</u>	<u>241,816</u>
Total Operating Expenses	<u>288,928</u>	<u>637,103</u>	<u>926,031</u>
OPERATING INCOME (LOSS)	116,832	(45,371)	71,461
NONOPERATING REVENUES (EXPENSES)			
Interest Revenue	1,049	9,071	10,120
Interest Expense	(31,976)	(41,471)	(73,447)
Interest on Advance to Biosolids Facility	-	5,909	5,909
Total Nonoperating Revenues (Expenses)	<u>(30,927)</u>	<u>(26,491)</u>	<u>(57,418)</u>
INCOME (LOSS) BEFORE TRANSFERS	85,905	(71,862)	14,043
TRANSFERS:			
Transfer to Governmental Funds - Property Tax Equivalent	<u>(71,352)</u>	-	<u>(71,352)</u>
CHANGE IN NET ASSETS	14,553	(71,862)	(57,309)
Net Assets - Beginning of Year	<u>3,101,362</u>	<u>1,751,365</u>	<u>4,852,727</u>
NET ASSETS - END OF YEAR	<u>\$ 3,115,915</u>	<u>\$ 1,679,503</u>	<u>\$ 4,795,418</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF AMERY, WISCONSIN
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2008**

	Business-Type Activities - Joint Water and Sewer Enterprise Fund		
	Water	Sewer	Totals
	Department	Department	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Received from Utility Customers	\$ 241,357	\$ 589,062	\$ 830,419
Cash Received for Public Fire Protection	137,327	-	137,327
Cash Received (Paid) for Meter Related Charges	25,124	(25,124)	-
Cash Paid to Suppliers for Goods and Services	(115,256)	(261,189)	(376,445)
Cash Paid for Employee Services	(87,817)	(194,828)	(282,645)
Net Cash Provided by Operating Activities	200,735	107,921	308,656
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Working Capital Provided to Governmental Funds	(42,330)	-	(42,330)
Cash Payments for Tax Equivalent	(71,352)	-	(71,352)
Net Cash Used for Noncapital Financing Activities	(113,682)	-	(113,682)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Cash Payments for Capital Assets	-	(25,873)	(25,873)
Principal Paid on Long-Term Debt	(39,000)	(115,010)	(154,010)
Interest Paid on Long-Term Debt	(30,994)	(33,672)	(64,666)
Net Cash Used for Capital and Related Financing Activities	(69,994)	(174,555)	(244,549)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on Investments	1,049	4,413	5,462
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	18,108	(62,221)	(44,113)
Cash and Cash Equivalents - Beginning of Year	839,882	(437,223)	402,659
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 857,990</u>	<u>\$ (499,444)</u>	<u>\$ 358,546</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF AMERY, WISCONSIN
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2008**

	Business-Type Activities - Enterprise Funds		
	Water Utility	Sewer Utility	Total
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Operating Income (Loss)	\$ 116,832	\$ (45,371)	\$ 71,461
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:			
Depreciation	90,622	151,194	241,816
(Increase) Decrease in Assets:			
Customer Accounts Receivable	1,035	2,421	3,456
Other Accounts Receivable	-	7,761	7,761
Accounts Receivable on Tax Roll	(2,987)	(5,091)	(8,078)
Prepayments	2,040	2,898	4,938
Inventories	206	53	259
Decrease (Increase) in Liabilities:			
Accounts Payable	618	539	1,157
Accrued Compensated Absences	(7,631)	(6,483)	(14,114)
Net Cash Provided by Operating Activities	\$ 200,735	\$ 107,921	\$ 308,656
RECONCILIATION OF CASH AND INVESTMENTS TO CASH AND CASH EQUIVALENTS			
Cash and Investments per Balance Sheet:			
Cash and Investments - Unrestricted	\$ 857,990	\$ (700,212)	\$ 157,778
Cash and Investments - Restricted	-	200,768	200,768
CASH AND CASH EQUIVALENTS	\$ 857,990	\$ (499,444)	\$ 358,546
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:			
Principal and Interest Paid Directly by Biosolids Facility	\$ -	\$ 25,005	\$ 25,005

See accompanying Notes to Basic Financial Statements.

**CITY OF AMERY, WISCONSIN
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
DECEMBER 31, 2008**

	Private Purpose Trust Fund	Tax Agency Fund
	Fire Department Retirement Fund	
ASSETS		
Cash and Investments	\$ 67,001	\$ 282,742
Taxes Receivable	-	2,863,775
Due from Other Funds	3,000	-
Total Assets	70,001	\$ 3,146,517
LIABILITIES		
Due to Other Governmental Units:		
State	-	\$ 36,633
County	-	819,427
Special Purpose District	-	5,730
School	-	2,079,275
Technical College	-	205,452
Total Liabilities	-	\$ 3,146,517
NET ASSETS		
Held for Retirement Benefits	\$ 70,001	

See accompanying Notes to Basic Financial Statements.

**CITY OF AMERY, WISCONSIN
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
YEAR ENDED DECEMBER 31, 2008**

	<u>Private Purpose Trust Fund</u>	<u>Fire Department Retirement Fund</u>
ADDITIONS		
Interest	\$ 2,547	
Contribution from General Fund		8,000
Total Additions		<u>10,547</u>
DEDUCTIONS		
Retirement Benefits Paid		<u>4,503</u>
CHANGE IN NET ASSETS		6,044
Net Assets - Beginning of Year		<u>63,957</u>
NET ASSETS - END OF YEAR	\$	<u><u>70,001</u></u>

See accompanying Notes to Basic Financial Statements.

**CITY OF AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2008**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

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

The basic financial statements of the City consist solely of the primary government and a discretely presented component as described below. The discretely presented component is reported in a separate column in the government-wide financial statements (see below for description) to emphasize that it is legally separate from the government. No other organizations were identified for inclusion in the financial reporting entity of the City.

Redevelopment Authority for the City of Amery. The Redevelopment Authority for the City of Amery (Authority) was organized in 2002 by the City for the purpose of carrying out all blight elimination, slum clearance and urban renewal programs and projects within the City of Amery. The Authority is governed by a seven member board appointed by a 4/5 vote of the City Council. Funding for the Authority through December 31, 2008 consisted of \$212,631 of advances from the City of Amery's general fund and TID #6 fund and long-term debt proceeds in the amount of \$209,013, both of which were used for the purpose of obtaining property within the City and funding interest on long-term debt. Unaudited financial statements of the Authority for the year ended December 31, 2008 are presented in this report as a governmental fund type discretely presented component unit.

**CITY OF AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2008**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-Wide and Fund Financial Statements

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

Government-Wide Statements

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

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

Fund Financial Statements

Financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, liabilities, net assets, fund equity, revenues, and expenditures/expenses.

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

The City reports the following major governmental funds:

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

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

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

**CITY OF AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2008**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Fund Financial Statements (Continued)

Library and Police Department Project Fund – The Library and Police Department Project Fund, a capital projects fund, is used to account for the construction loan proceeds as well as the construction costs associated with the library and police renovation projects.

All remaining governmental funds are aggregated and reported as nonmajor funds.

The City reports the following major enterprise fund:

Joint Water and Sewer Utility – These funds account for the operations of the water system and sewage collection and treatment system. Utility operations are subject to regulation by the Wisconsin Public Service Commission.

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

Additionally, the City reports the following fiduciary funds:

- An agency fund is used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations and/or other governmental units. The agency fund is primarily used to account for the collection of property taxes for the governmental units.
- A private purpose trust fund is used to account for a retirement plan established for members of the fire department (see also Note 4.B.).

C. Measurement Focus and Basis of Accounting

The government-wide financial statements, the proprietary funds and fiduciary fund financial statements, are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Nonexchange transactions, in which the City gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants, entitlements and donations. Property taxes are recognized as revenues in the year for which they are levied. Taxes receivable for the following year are recorded as receivables and deferred revenue. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met. Special assessments are recorded as revenue when earned. Unbilled receivables, if material, are recorded as revenues when services are provided.

**CITY OF AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2008**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus and Basis of Accounting (Continued)

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

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

The City reports deferred revenues on its fund balance sheets. 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 balance sheet and revenue is recognized.

Proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as described previously in this note. Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

**CITY OF AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2008**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus and Basis of Accounting (Continued)

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

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the joint water and sewer utility are charges to customers for sales and services. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

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

D. Assets, Liabilities, and Net Assets or Equity

1. Deposits and Investments

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

**CITY OF AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2008**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, and Net Assets or Equity (Continued)

1. Deposits and Investments (Continued)

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

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

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

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

Investments of the City are stated at fair value.

2. Receivables and Payables

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

**CITY OF AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2008**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, and Net Assets or Equity (Continued)

2. Receivables and Payables (Continued).

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

Special Assessments. Assessments against property owners for public improvements are generally not subject to full settlement in the year levied. 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 2008 tax roll are recognized as revenue in 2009.) Special assessments recorded in proprietary funds and in the government-wide financial statement are recorded as revenue at the time the assessments are subject to collection procedures.

Accounts Receivable. All accounts receivable are shown at gross amounts. No allowance for uncollectible accounts has been provided since such allowance would not be material.

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

**CITY OF AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2008**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, and Net Assets or Equity (Continued)

3. Inventories and Prepaid Items

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

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

4. Restricted Assets

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

5. Capital Assets

Government-wide Statements. Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with initial, individual costs as shown below and an estimated useful life of two years or greater. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

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

Capitalization thresholds (the dollar valued above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets reported in the government-wide statements are as follows:

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

**CITY OF AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2008**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, and Net Assets or Equity (Continued)

5. Capital Assets (Continued)

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

6. Other Assets

In governmental funds, debt issuance costs are recognized as expenditures in the current period. For the government-wide and the proprietary fund type financial statements, debt issuance costs are deferred and amortized over the term of the debt issue.

7. Compensated Absences

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

8. Long-Term Obligations

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

**CITY OF AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2008**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, and Net Assets or Equity (Continued)

9. Equity Classifications

Fund equity, representing the difference between assets and liabilities, is classified as follows in the City's financial statements:

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

Fund Financial Statements. Fund equity of governmental funds is classified as fund balance. Reservations of fund balances represent amounts that are not subject to appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change. The balance of the unreserved fund balance not designated for specific purposes is displayed as undesignated. Fund equity in proprietary funds and fiduciary funds is classified in the same manner as in the government-wide statements.

E. Reclassifications

Certain amounts presented in prior year data have been reclassified in order to be consistent with the current year's presentation.

NOTE 2 RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Due to the differences in the measurement focus and basis of accounting used in the governmental fund financial statements and the government-wide financial statements, certain financial transactions are treated differently. Reconciliations of governmental fund balances and changes thereto to the net assets and revenues/expenses shown in the government-wide financial statements are presented on pages 17 and 19, respectively.

**CITY OF AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2008**

NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Generally accepted accounting principles require the disclosure of individual funds that have deficit balances at year end. At December 31, 2008, certain funds had deficit balances as shown below:

General Fund	\$ 71,953
Tax Incremental District #5	141,227
	<u>\$ 213,180</u>

The deficit in the Tax Incremental District fund is financed by advances from the general fund which will be refunded as funds become available as discussed in Note 4.D.

NOTE 4 DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

The City's cash and investments balances at December 31, 2008 totaled \$1,474,556 as shown in the financial statements as follows:

Governmental Funds	\$ 766,267
Proprietary Funds	358,546
Fiduciary Funds	349,743
Total	<u>\$ 1,474,556</u>

The above cash and investments balances totaling \$1,474,556 consisted of the following:

Deposits at Financial Institutions	\$ 1,473,756
Petty Cash	800
Total	<u>\$ 1,474,556</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 Sections 20.144(1)(a) and 34.08 of the Wisconsin Statutes (State Guarantee Fund). Federal depository insurance provides for coverage of up to \$250,000 for time and savings deposits and unlimited coverage for all non-interest bearing transaction accounts (including all demand accounts earning less than 0.5% interest as long as the depository institution has opted out of the FDIC's Temporary Liquidity Guarantee Program). In addition, funds held for others (such as trust funds) are subject to coverage under the name of the party for whom the funds are held. Coverage under the State Guarantee Fund may not exceed \$400,000 above the amount of coverage under federal depository insurance at any institution and is limited by the availability of the appropriations authorized therein. (Due to the relatively small size of the State Guarantee Fund in relation to the total coverage, total recovery of losses may not be available.) Also, Section 34.07 of the Wisconsin Statutes authorizes the City to collateralize its deposits that exceed the amount of coverage provided by federal depository insurance and the State Guarantee Fund.

**CITY OF AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2008**

NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Deposits and Investments (Continued)

Custodial credit risk for deposits is the risk that, in the event of bank failure, the City's deposits may not be returned. At December 31, 2008, the City's deposits were not exposed to custodial credit risk.

B. Receivables/Deferred Revenues

1. Other Receivables

Housing Rehabilitation Loans Receivable. The City was awarded Community Development Block Grants for financing housing rehabilitation loans. At December 31, 2008, the City had twenty-six (26) outstanding deferred loans totaling \$384,452. The deferred loans become due and payable in full in the event that the maker no longer continues to occupy the premises securing the loan as a full-time residence, or if the maker transfers any legal or equitable interest in the mortgage premises to anyone for any reason.

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

New Fire Hall. During 2004 the City completed construction of a new fire hall building. A portion of the debt service used to finance construction is being funded with revenues from the fire districts' participating municipalities and the City recorded receivables for such amounts in 2004. The City had outstanding long-term receivables from the Alden and Lincoln Townships in the amounts of \$52,711 and \$262,443, respectively, for their share of the debt outstanding at December 31, 2008. The amortization schedules of the Townships' allocated share of the debt can be seen on supplementary Schedule E-1 of this report. These receivables are equally offset by deferred revenue which will be recognized as collections are recorded.

Redevelopment Authority. At December 31, 2008, the City had \$212,631 due from the Redevelopment Authority of the City of Amery (Authority) for various items financed and/or paid by the City (\$61,783 in the general fund and \$150,848 in the Tax Incremental District #6 fund). These receivables are equally offset by a deferred revenue since reimbursement is not expected to be in the near future. The amounts due at year end consist of proceeds of a \$130,000 general obligation note advanced to the Authority for purchase of land, principal and interest paid by the City on this note and on a mortgage debt in the Authority's name, and various other expenses paid on behalf of the Authority.

**CITY OF AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2008**

NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Capital Assets

Capital assets activity for the year ended December 31, 2008 is as follows:

Governmental Activities

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital Assets Not Being Depreciated				
Land	\$ 691,199	\$ -	\$ -	\$ 691,199
Capital Assets Being Depreciated				
Land Improvements	1,300,107	-	-	1,300,107
Buildings	2,563,971	1,846,722	-	4,410,693
Equipment and Vehicles	1,755,768	404,395	-	2,160,163
Infrastructure	158,961	149,519	-	308,480
Total Capital Assets Being Depreciated	<u>5,778,807</u>	<u>2,400,636</u>	<u>-</u>	<u>8,179,443</u>
Total Capital Assets	6,470,006	2,400,636	-	8,870,642
Accumulated Depreciation:				
Land Improvements	769,451	30,896	-	800,347
Buildings	529,238	81,598	-	610,836
Equipment and Vehicles	827,472	143,258	-	970,730
Infrastructure	15,730	9,037	-	24,767
Total Accumulated Depreciation	<u>2,141,891</u>	<u>264,789</u>	<u>-</u>	<u>2,406,680</u>
Net Capital Assets - Governmental Activities	<u>\$ 4,328,115</u>	<u>\$ 2,135,847</u>	<u>\$ -</u>	<u>\$ 6,463,962</u>

Depreciation was charged to governmental functions as follows:

General Government	\$ 1,220
Public Safety	122,128
Public Works	102,668
Culture, Recreation and Education	38,773
Total Depreciation - Governmental Activities	<u>\$ 264,789</u>

**CITY OF AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2008**

NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Capital Assets (Continued)

Business-Type Activities

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-Type Activities:				
Joint Water and Sewer Utility:				
Water Department:				
Capital Assets Not Being Depreciated				
Land and Land Rights	\$ 15,358	\$ -	\$ -	\$ 15,358
Capital Assets Being Depreciated:				
Source of Supply	198,218	-	-	198,218
Pumping Plant	259,772	-	-	259,772
Water Treatment	13,455	-	-	13,455
Transmission and Distribution	3,428,096	-	-	3,428,096
General Plant	121,033	-	-	121,033
Total Capital Assets Being Depreciated	<u>4,020,574</u>	<u>-</u>	<u>-</u>	<u>4,020,574</u>
Total Capital Assets	4,035,932	-	-	4,035,932
Less Accumulated Depreciation	<u>1,040,514</u>	<u>90,622</u>	<u>-</u>	<u>1,131,136</u>
Net Capital Assets - Water Utility	<u>2,995,418</u>	<u>(90,622)</u>	<u>-</u>	<u>2,904,796</u>
Sewer Department:				
Capital Assets Not Being Depreciated				
Land and Land Rights	36,340	-	-	36,340
Capital Assets Being Depreciated:				
Collection System	1,423,248	-	-	1,423,248
Pumping System	208,373	25,873	-	234,246
Treatment and Disposal Plant	3,085,069	-	-	3,085,069
General Plant	114,282	-	-	114,282
Total Capital Assets Being Depreciated	<u>4,830,972</u>	<u>25,873</u>	<u>-</u>	<u>4,856,845</u>
Total Capital Assets	4,867,312	25,873	-	4,893,185
Less Accumulated Depreciation	<u>1,854,350</u>	<u>151,194</u>	<u>-</u>	<u>2,005,544</u>
Net Capital Assets - Sewer Utility	<u>3,012,962</u>	<u>(125,321)</u>	<u>-</u>	<u>2,887,641</u>
Net Capital Assets - Business-Type Activities	<u>\$ 6,008,380</u>	<u>\$ (215,943)</u>	<u>\$ -</u>	<u>\$ 5,792,437</u>

Depreciation was charged to business-type activities as follows:

Water	\$ 90,622
Sewer	151,194
Total Depreciation - Business-Type Activities	<u>\$ 241,816</u>

**CITY OF AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2008**

NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Capital Assets (Continued)

Component Unit

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Redevelopment Authority:				
Capital Assets Not Being Depreciated				
Land	\$ 356,355	\$ -	\$ -	\$ 356,355

D. Interfund Receivables, Payables and Transfers

The composition of interfund balances as of December 31, 2008 was as follows:

Due to/from Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Tax Incremental District #5 Fund	\$ 141,227
Water Department Fund	General Fund	42,330
Fire Department Retirement Fund	General Fund	3,000
		<u>\$ 186,557</u>

The amount due of \$141,227 to the general fund from the TID #5 fund represents the negative fund balance in the TID #5 fund. The \$42,330 due to the water fund from the general fund is to cover the cash deficit in the general fund. The \$3,000 is the general fund's portion of the retirement contribution from the prior year.

Advances from/to Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	CDBG Housing Revolving Loan Fund	\$ 3,740

A long-term interfund advance was recorded from the general fund to the CDBG revolving loan fund at December 31, 2008 in the amount of \$3,740 which represented administrative expenditures paid by the general fund. The balance will be repaid as the cash position of the revolving loan fund allows.

Interfund Transfers

The following is a schedule of interfund transfers:

<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>
General Fund	Library and Police Department Project Fund	\$ 37,194
General Fund	Water Department Fund	71,352
Debt Service Fund	General Fund	256,468
Debt Service Fund	Land Contamination and Remediation Fund	24,459
Debt Service Fund	Tax Incremental District #6 Fund	52,116
Tax Incremental District #6 Fund	Tax Incremental District #5 Fund	130,674
		<u>\$ 572,263</u>

**CITY OF AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2008**

NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)

D. Interfund Receivables, Payables and Transfers (Continued)

Interfund Transfers (Continued)

The transfer of \$37,194 from the Library and Police Department Project fund to the general fund was to reimburse the general fund for prior year project costs. The \$71,352 transfer from the water utility enterprise fund to the general fund consisted of the 2008 property tax equivalent. Amounts transferred to the debt service fund from the funds shown above represent current maturities expected to be financed from revenues of these funds. Also, the \$130,674 transfer between TID #5 fund and TID #6 fund represents a transfer of excess tax increments.

E. Long-Term Obligations

Changes in Long-Term Obligations

Changes in long-term obligations of the City for the year ended December 31, 2008 were as follows:

	Balance 1/1/08	Issued	Retired	Balance 12/31/08	Amounts Due Within One Year
Primary Government					
Governmental Activities					
General Obligation Bonds	\$ -	\$ 2,040,000	\$ -	\$ 2,040,000	\$ -
General Obligation Notes	2,545,665	440,000	291,874	2,693,791	291,320
WRS Prior Service Liability	12,206	815	1,754	11,267	-
Compensated Absences	211,736	-	14,400	197,336	53,153
Estimated Landfill Postclosure Liability	790,100	-	24,027	766,073	-
	<u>\$ 3,559,707</u>	<u>\$ 2,480,815</u>	<u>\$ 332,055</u>	<u>\$ 5,708,467</u>	<u>\$ 344,473</u>
Governmental Activities - Long-Term Liabilities					
	<u>\$ 3,559,707</u>	<u>\$ 2,480,815</u>	<u>\$ 332,055</u>	<u>\$ 5,708,467</u>	<u>\$ 344,473</u>
Business-Type Activities					
General Obligation Notes	\$ 835,000	\$ -	\$ 39,000	\$ 796,000	\$ 41,000
Revenue Bonds	1,206,648	-	134,730	1,071,918	139,043
Compensated Absences	78,113	-	14,114	63,999	17,238
	<u>\$ 2,119,761</u>	<u>\$ -</u>	<u>\$ 187,844</u>	<u>\$ 1,931,917</u>	<u>\$ 197,281</u>
Business-Type Activities - Long-Term Liabilities					
	<u>\$ 2,119,761</u>	<u>\$ -</u>	<u>\$ 187,844</u>	<u>\$ 1,931,917</u>	<u>\$ 197,281</u>
Component Unit					
Bank Mortgage Note	\$ 209,076	\$ -	\$ 63	\$ 209,013	\$ -

**CITY OF AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2008**

NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Long-Term Obligations (Continued)

Changes in Long-Term Obligations (Continued)

The City's estimated liabilities for the City's unfunded WRS liability and employee leave are discussed in Note 5.A. and Note 5.C., respectively. The City's estimated liability for landfill post closure costs is discussed in Note 5.E.

General Obligation Long-Term Debt

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

The purpose of the governmental activities general obligation debt is to finance various capital improvements and tax incremental City planned projects. However, as of December 31, 2008, debt proceeds in the amount of \$421,508 had yet to be spent on capital assets and as such were excluded from the amount of debt netted against the capital assets to determine the capital assets net of related debt.

Individual general obligation long-term debt issues outstanding at December 31, 2008 are as follows:

	Issue Date	Final Maturity Date	Interest Rate	Original Issue	Amount Outstanding
Governmental Activities:					
General Obligation Bonds:					
Corporate Purpose Bonds, Series 2008A	4/23/08	4/1/28	3.00% - 4.20%	\$ 2,040,000	\$ 2,040,000
General Obligation Notes:					
Landfill Remediation Promissory Notes, Series 2000	5/10/00	5/1/20	0.00%	481,687	293,505
State Trust Fund Loan	7/30/02	3/15/09	4.75%	318,000	50,866
State Trust Fund Loan	3/27/02 and 1/15/03	3/15/09	4.75%	158,571	27,182
State Trust Fund Loan	10/13/04	3/15/19	5.00%	429,000	367,206
Promissory Notes	8/10/03 thru 3/24/04	6/1/13	3.65%	1,399,000	1,037,000
Promissory Notes	12/30/04	6/1/11	4.00%	228,000	103,035
Promissory Notes	2/1/05	3/15/12	4.45%	280,000	208,933
State Trust Fund Loan	10/25/05	3/15/20	5.00%	25,000	22,799
Promissory Notes	4/18/06	6/1/10	3.25%	130,000	130,000
Promissory Notes	6/26/06	6/1/11	4.00%	75,000	13,265
Promissory Notes, Series 2008B	4/23/08	10/1/11	3.00%	440,000	440,000
Business-Type Activities:					
General Obligation Notes:					
Promissory Notes	8/20/03 thru 10/14/04	6/1/13	3.65%	969,000	796,000
Total				<u>\$ 6,973,258</u>	<u>\$ 5,529,791</u>

**CITY OF AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2008**

NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Long-Term Obligations (Continued)

General Obligation Long-Term Debt (Continued)

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

Year	Annual Requirements			Funding Sources				
	Principal	Interest	Total	General Fund	Landfill Contamination & Remediation Fund	TID #6 Fund	Water Department Fund	Total
2009	\$ 332,321	\$ 207,458	\$ 539,779	\$ 394,255	\$ 24,459	\$ 51,011	\$ 70,054	\$ 539,779
2010	322,806	189,194	512,000	366,973	24,459	51,010	69,558	512,000
2011	906,744	176,008	1,082,752	809,369	24,459	178,899	70,025	1,082,752
2012	405,809	149,010	554,819	414,155	24,459	46,786	69,419	554,819
2013	1,426,622	110,524	1,537,146	830,515	24,459	46,785	635,387	1,537,146
2014-2018	714,682	362,522	1,077,204	720,980	122,294	233,930	-	1,077,204
2019-2023	705,807	228,053	933,860	835,585	48,916	49,359	-	933,860
2024-2028	715,000	88,695	803,695	803,695	-	-	-	803,695
	<u>\$ 5,529,791</u>	<u>\$ 1,511,464</u>	<u>\$ 7,041,255</u>	<u>\$ 5,175,527</u>	<u>\$ 293,505</u>	<u>\$ 657,780</u>	<u>\$ 914,443</u>	<u>\$ 7,041,255</u>

General Obligation Debt Limit. Section 67.03 of the Wisconsin Statutes restricts general obligation debt to 5% of the equalized value of all property in the City. At December 31, 2008, the City's debt limit amounted to \$10,793,190 and indebtedness subject to the limitation totaled \$5,529,791.

Revenue Bonds

Outstanding mortgage revenue bonds of the City totaled \$1,071,918 at December 31, 2008. 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. Cash flow requirements for retirement of principal and interest on the bonds are as follows:

Year	Principal	Interest	Total
2009	\$ 139,042	\$ 32,089	\$ 171,131
2010	143,494	27,566	171,060
2011	148,087	22,899	170,986
2012	152,827	18,083	170,910
2013	157,720	13,112	170,832
2014-2015	330,748	10,672	341,420
	<u>\$ 1,071,918</u>	<u>\$ 124,421</u>	<u>\$ 1,196,339</u>

**CITY OF AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2008**

NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Long-Term Obligations (Continued)

Revenue Bonds (Continued)

Sewerage System Revenue Bonds Series 1995. The City authorized the issuance of \$2,076,057 of revenue bonds on October 2, 1995 to the State of Wisconsin through its Clean Water Fund program to renovate its wastewater treatment plant. The City has borrowed \$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 and November 1 at an annual rate of 3.206%. The outstanding balance on the bond issue at December 31, 2008 was \$915,204.

The City resolution authorizing the 1995 revenue bonds requires the segregation of sewer revenues into separate accounts. The City had not established these accounts as of December 31, 2008.

Principal and interest on the debt is paid directly from utility operating accounts as they become due.

Sewerage System Revenue Bonds Series 1995A. In 1995, the City also authorized the issuance of \$354,703 of revenue bonds to the State to fund its share of costs associated with the construction of the West Central Wisconsin Biosolids Facility (hereafter Facility - also, see Note 5.D.). 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 utility enterprise fund equal to the outstanding revenue bonds at year end which totaled \$156,714.

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.

Component Unit

The Redevelopment Authority for the City issued bank promissory notes in the amount of \$210,000 on January 5, 2004 to purchase real estate within the City to be used for future development. Future proceeds from the sale of the real estate will be applied to retire the promissory notes. Principal and interest paid on the 2004 note during 2008 totaled \$63 and \$8,541, respectively, and the rate on the note at December 31, 2008 was 5.44%. The promissory note renews every six months by agreement between the Redevelopment Authority and bank. During 2006 the City also issued a general obligation promissory note in the amount of \$130,000 and advanced the proceeds to the Redevelopment Authority which used the funds to purchase property within the City. The advance from the City is accruing interest to the Redevelopment Authority equal to interest accrued on the 2006 promissory note. The Redevelopment Authority anticipates repaying the 2006 note from sales proceeds of the land acquired in 2006.

**CITY OF AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2008**

NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Long-Term Obligations (Continued)

Subsequent Issuance of Debt

On January 15, 2009, the City approved the borrowing of \$152,000 in the form of a promissory note for operational purposes. On April 2, 2009, the City approved the borrowing of \$32,208 in the form of a promissory note for the purchase of a truck for the public works department.

F. Short-Term Note Payable

The City held the following short-term note payable during 2008:

	Issue Date	Maturity Date	Interest Rate
Governmental Activities:			
Short-Term Notes Payable			
Promissory Note	3/18/2008	3/1/09	3.95%

Activity during the year is summarized as follows:

Beginning Balance	\$	-
Incurred		1,500,000
Repaid		(1,500,000)
Ending Balance	\$	-

Interest expense on short-term borrowing for the year totaled \$4,444.

**CITY OF AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2008**

NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Governmental Fund Balances

The governmental fund balances reported on the fund financial statements at December 31, 2008 consisted of the following:

	<u>Total</u>	<u>Reserved</u>	<u>Designated</u>	<u>Undesignated</u>
Major Funds:				
General Fund	\$ (71,953)	\$ -	\$ -	\$ -
Reserved for Interfund Advances		3,740	-	-
Reserved for Delinquent Taxes		3,592	-	-
Reserved for Prepayments		18,602	-	-
Undesignated		-	-	(97,887)
CDBG Housing Revolving Loan Fund	14,989	-	14,989	-
Debt Service Fund	96,374	96,374	-	-
Library and Police Department Project Fund	271,027	-	271,027	-
Nonmajor Funds:				
Special Revenue Funds:				
Landfill Contamination and Remediation Fund	55,352	-	55,352	-
Library Fund	51,673	-	51,673	-
Community Micro - Loan Fund	28,134	-	28,134	-
Capital Projects Funds:				
Tax Incremental District #5 Fund	(141,227)	-	-	(141,227)
Tax Incremental District #6 Fund	178,553	-	178,553	-
 Total Governmental Fund Balances at December 31, 2008	 <u>\$ 482,922</u>	 <u>\$ 122,308</u>	 <u>\$ 599,728</u>	 <u>\$ (239,114)</u>

H. Tax Incremental Districts

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

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

**CITY OF AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2008**

NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)

H. Tax Incremental Districts (Continued)

The City had terminated TID #2 and TID #3 during 2001 with closeout of the funds at December 31, 2001, and TID #4 was terminated in 2004. TID #5 and TID #6 were still in existence at December 31, 2008. The resolution creating TID #6 was dated May 5, 2004 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.

Transactions of TID #5 and TID #6 are accounted for in capital projects funds. Project expenditures through December 31, 2008 have been financed by a combination of long-term debt and long-term advances from the City's general fund. Accumulated project costs and revenues of the districts through December 31, 2008 are summarized as follows:

	<u>TID #5</u>	<u>TID #6</u>
Accumulated Project Costs:		
Project Expenditures	\$ 2,329,509	\$ 767,124
Debt Expenditures:		
Interest Charges	568,440	100,919
Transfers Out	130,674	-
Total Project Costs	<u>3,028,623</u>	<u>868,043</u>
Accumulated Project Revenues:		
Tax Increments	1,504,963	149,090
Minimum Tax Agreements	-	38,041
Intergovernmental Grants and Aids	221,123	208,786
Interest on Investments	17,650	-
Sale of City Property	315,440	-
Other	828,220	130,674
Total Project Revenues	<u>2,887,396</u>	<u>526,591</u>
Future Project Revenues Necessary to Recover Project Costs to Date	<u>\$ 141,227</u>	<u>\$ 341,452</u>

The preceding summaries of transactions are reconciled to the fund balances in TID districts at December 31, 2008 as follows:

	<u>TID #5</u>	<u>TID #6</u>
Outstanding Long-Term Debt Payable from TID Funds at December 31, 2008	\$ -	\$ 520,005
Less Unrecovered Costs Above	(141,227)	(341,452)
Fund Balances (Deficits) at December 31, 2008	<u>\$ (141,227)</u>	<u>\$ 178,553</u>

**CITY OF AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2008**

NOTE 5 OTHER INFORMATION

A. 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 at least 600 hours a year (440 for teachers) are eligible to participate in the WRS. Covered employees in the general/teacher category are required by statute to contribute 6.0% of their salary (3.0% for executives and elected officials, 5.1% for protective occupations with social security, and 3.4% 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, 2008 was \$1,145,597; the employer's total payroll was \$1,281,680. The total required contribution for the year ended December 31, 2008 was \$143,088, which consisted of \$78,250, or 6.83% of payroll from the employer and \$64,838 or 5.66% of payroll from employees. Total contributions for the years ending December 31, 2007 and 2006 were \$133,878 and \$126,418, respectively, equal to the required contributions for each year.

The City's pension related debt at December 31, 2008 (the unfunded actuarial accrued liability for prior service costs) was \$11,267. 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 2008 was 7.8%.

Employees who retire at or after age 65 (62 for elected officials and 54 for protective occupation employees with less than 25 years of service, 53 for protective occupation employees with more than 25 years of service) 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. A 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 are determined under Chapter 40 of Wisconsin Statutes. The WRS issues an annual financial report that 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 BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2008**

NOTE 5 OTHER INFORMATION (CONTINUED)

B. 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 a non-qualified plan as defined by the IRS and is funded by annual contributions from the City as determined annually by the City Council. The City contributed \$8,000 to the plan for the 2008 year. Transactions of the Plan are accounted for in a private purpose trust fund by the City. The balance in the fund at December 31, 2008 was \$70,001.

C. Vacation, Sick Leave and Compensatory Time Off Liabilities

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

Liabilities for accumulated vacation, sick leave and compensatory time are not accrued in the City's governmental fund financial statements but are recorded as expenditures when paid. Such liabilities are accrued in the government-wide and proprietary fund financial statements when earned. The estimated liabilities for unused vacation, sick leave and compensatory time payable from governmental funds at December 31, 2008 were \$197,336. The estimated liabilities in the proprietary funds at that date were \$63,999.

**CITY OF AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2008**

NOTE 5 OTHER INFORMATION (CONTINUED)

D. Participation in Biosolids Facility

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

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 4 E.). 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 2008 totaling \$156,714 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 \$1,658 was also recorded therein since the debt is to be funded by the Facility. The total receivable of \$158,372 at December 31 2008 was classified as \$22,003 current and \$136,369 long-term in the utility's year end statement of net assets.

E. Landfill Postclosure Care Costs

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

Costs associated with the landfill closure and postclosure care have been accounted for in a separate special revenue fund and have been financed by a state grant, settlements with identified responsible parties and by an interest free loan through the State of Wisconsin. The City is also currently pursuing a settlement with its insurance carrier in prior years for recovery of costs incurred by the City.

Future costs to be paid by the City at December 31, 2008 have been estimated by an outside consultant at \$766,073. This amount is reflected as a liability in the City's government-wide financial statements.

**CITY OF AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2008**

NOTE 5 OTHER INFORMATION (CONTINUED)

F. 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, 2008, 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.

G. Risk Management

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

REQUIRED SUPPLEMENTARY INFORMATION



SCHEDULE 1

**CITY OF AMERY, WISCONSIN
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED DECEMBER 31, 2008**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 1,047,061	\$ 1,047,061	\$ 1,303,854	\$ 256,793
Special Assessments	4,739	4,739	4,739	-
Intergovernmental	828,488	828,488	1,228,265	399,777
Licenses and Permits	55,740	55,740	43,953	(11,787)
Fines and Forfeits	45,600	45,600	51,729	6,129
Public Charges for Services	24,325	24,325	145,935	121,610
Intergovernmental Charges for Services	183,524	183,524	212,437	28,913
Miscellaneous:				
Interest	31,735	31,735	21,478	(10,257)
Rent	32,380	32,380	32,665	285
Sale of Property	-	-	127	127
Donations	-	-	25	25
Other	-	-	9,586	9,586
Total Revenues	2,253,592	2,253,592	3,054,793	801,201
EXPENDITURES				
General Government	425,559	425,559	461,479	(35,920)
Public Safety	993,183	993,183	1,301,501	(308,318)
Public Works	849,025	849,025	1,157,592	(308,567)
Health and Human Services	1,200	1,200	3,587	(2,387)
Culture, Recreation, and Education	81,425	81,425	73,065	8,360
Conservation and Development	36,000	36,000	46,164	(10,164)
Debt Service:				
Interest and Fiscal Charges	4,000	4,000	919	3,081
Debt Issuance Costs	-	-	3,685	(3,685)
Total Expenditures	2,390,392	2,390,392	3,047,992	(657,600)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(136,800)	(136,800)	6,801	143,601
OTHER FINANCING SOURCES (USES)				
Long-Term Debt Issued	69,300	69,300	304,603	235,303
Transfers In	67,500	67,500	108,546	41,046
Transfers Out	-	-	(256,468)	(256,468)
Total Other Financing Sources (Uses)	136,800	136,800	156,681	19,881
NET CHANGE IN FUND BALANCE	-	-	163,482	163,482
Fund Balance - Beginning of Year	(235,435)	(235,435)	(235,435)	-
FUND BALANCE - END OF YEAR	\$ (235,435)	\$ (235,435)	\$ (71,953)	\$ 163,482

**CITY OF AMERY, WISCONSIN
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2008**

BUDGETARY INFORMATION

GASB 34 requires the presentation of budgetary comparison schedules for the general fund and each major special revenue fund. Budgetary information is derived from the City's annual operating budget. The City does not formally adopt a budget for its CDBG housing revolving loan fund.

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

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

EXCESS OF EXPENDITURES OVER BUDGET

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

OTHER SUPPLEMENTARY INFORMATION

COMBINING AND INDIVIDUAL FUND STATEMENTS

**CITY OF AMERY, WISCONSIN
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2008**

	Special Revenue Funds			Capital Projects Funds				Total Nonmajor Governmental Funds
	Landfill Contamination & Remediation Fund	Library Fund	Community Micro - Loan Fund	Total Special Revenue Funds	Tax Incremental District #5 Fund	Tax Incremental District #6 Fund	Total Capital Projects Funds	
ASSETS								
Treasurer's Cash and Investments	\$ 63,760	\$ 77,053	\$ 26,300	\$167,113	\$ 34,446	\$ 178,578	\$213,024	\$ 380,137
Taxes Receivable	-	196,607	1,834	198,441	131,209	77,944	209,153	407,594
Advances to Component Unit	-	-	-	-	-	150,848	150,848	150,848
Long-Term Receivables	-	-	7,035	7,035	-	-	-	7,035
Total Assets	\$ 63,760	\$273,660	\$ 35,169	\$372,589	\$165,655	\$ 407,370	\$573,025	\$ 945,614
LIABILITIES AND FUND BALANCES								
Liabilities:								
Vouchers and Accounts Payable	\$ 8,408	\$ 25,380	\$ -	\$ 33,788	\$ 34,446	\$ 26	\$ 34,472	\$ 68,260
Due Other Funds	-	-	-	-	141,227	-	141,227	141,227
Deferred Revenue	-	196,607	7,035	203,642	131,209	228,791	360,000	563,642
Total Liabilities	8,408	221,987	7,035	237,430	306,882	228,817	535,699	773,129
Fund Balances:								
Unreserved:								
Designated for Fund Purpose	55,352	51,673	28,134	135,159	-	178,553	178,553	313,712
Undesignated	-	-	-	-	(141,227)	-	(141,227)	(141,227)
Total Fund Balances	55,352	51,673	28,134	135,159	(141,227)	178,553	37,326	172,485
Total Liabilities and Fund Balances	\$ 63,760	\$273,660	\$ 35,169	\$372,589	\$165,655	\$ 407,370	\$573,025	\$ 945,614

**CITY OF AMERY, WISCONSIN
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
YEAR ENDED DECEMBER 31, 2008**

	Special Revenue Funds			Capital Projects Funds			Total Nonmajor Governmental Funds	
	Landfill Contamination & Remediation Fund	Library Fund	Community Micro - Loan Fund	Total Special Revenue Funds	Tax Incremental District #5 Fund	Tax Incremental District #6 Fund		Total Capital Projects Funds
REVENUES								
Taxes	\$ -	\$ 202,307	\$ -	\$ 202,307	\$ 133,870	\$ 80,887	\$ 214,757	\$ 417,064
Intergovernmental	-	144,843	-	144,843	2,344	5,827	8,171	153,014
Miscellaneous:								
Interest	268	-	33	301	-	-	-	301
Donations	-	12,216	-	12,216	-	-	-	12,216
Loan Repayments	-	-	9,237	9,237	-	-	-	9,237
Total Revenues	268	359,366	9,270	368,904	136,214	86,714	222,928	591,832
EXPENDITURES								
Public Works	41,687	-	-	41,687	-	-	-	41,687
Culture, Recreation, and Education	-	348,054	-	348,054	-	-	-	348,054
Conservation and Development	-	-	109	109	155,196	1,250	156,446	156,555
Total Expenditures	41,687	348,054	109	389,850	155,196	1,250	156,446	546,296
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(41,419)	11,312	9,161	(20,946)	(18,982)	85,464	66,482	45,536
OTHER FINANCING SOURCES (USES)								
Transfers In	-	-	-	-	-	130,674	130,674	130,674
Transfers Out	(24,459)	-	-	(24,459)	(130,674)	(52,116)	(182,790)	(207,249)
Total Other Financing Sources (Uses)	(24,459)	-	-	(24,459)	(130,674)	78,558	(52,116)	(76,575)
NET CHANGE IN FUND BALANCES	(65,878)	11,312	9,161	(45,405)	(149,656)	164,022	14,366	(31,039)
Fund Balance - Beginning of Year	121,230	40,361	18,973	180,564	8,429	14,531	22,960	203,524
FUND BALANCE - END OF YEAR	\$ 55,352	\$ 51,673	\$ 28,134	\$ 135,159	\$ (141,227)	\$ 178,553	\$ 37,326	\$ 172,485

SCHEDULE B-1

**CITY OF AMERY, WISCONSIN
GENERAL FUND
DETAILED BALANCE SHEET
DECEMBER 31, 2008
(WITH COMPARATIVE AMOUNTS AS OF DECEMBER 31, 2007)**

	<u>2008</u>	<u>2007</u>
ASSETS		
Treasurer's Cash and Investments	\$ -	\$ 55,793
Taxes Receivable:		
Current Tax Roll	1,170,312	985,488
Delinquent Personal Property Taxes Held by Village	3,592	1,645
Special Assessments Receivable	55,421	60,159
Accounts Receivable	119,230	133,749
Due from Other Funds	141,227	-
Prepayments	18,602	25,689
Advances to Other Funds	3,740	3,740
Advances to Component Unit	61,783	53,178
	<u>1,573,907</u>	<u>1,319,441</u>
Total Assets	\$ 1,573,907	\$ 1,319,441
LIABILITIES AND FUND BALANCES		
Liabilities:		
Vouchers and Accounts Payable	\$ 122,084	\$ 162,872
Payroll Withholdings	18,015	12,191
Due to Other Governmental Units	16,065	12,937
Due to Other Funds	45,330	3,000
Deferred Revenues:		
Tax Roll Items:		
General Property Taxes	1,310,643	1,234,629
Special Assessments and Charges	7,010	7,276
Deferred Special Assessments	55,421	60,159
Advances to Component Unit	61,783	53,178
Other	-	775
Special Deposits	9,509	7,859
	<u>1,645,860</u>	<u>1,554,876</u>
Total Liabilities	\$ 1,645,860	\$ 1,554,876
Fund Balances:		
Reserved:		
For Advances to Other Funds	3,740	3,740
For Delinquent Taxes	3,592	1,645
For Prepayments	18,602	25,689
Unreserved:		
Designated for Police Vehicles	10,099	12,290
Designated for Police Vests	-	3,210
Designated for Machinery Purchases	99,988	96,322
Designated for Park Dedication	3,675	3,630
Designated for Bridge Construction	150,481	-
Offset to Above Designations [1]	(264,243)	(115,452)
Undesignated	(97,887)	(266,509)
	<u>(71,953)</u>	<u>(235,435)</u>
Total Fund Balances	\$ (71,953)	\$ (235,435)
Total Liabilities and Fund Balances	\$ 1,573,907	\$ 1,319,441

[1] Total designations limited to available undesignated balance

**CITY OF AMERY, WISCONSIN
GENERAL FUND
DETAILED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2008
(WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 2007)**

	2008		Variance with Final Budget	2007 Actual
	Final Budget	Actual		
REVENUES				
TAXES				
General Property Taxes	\$ 984,409	\$ 1,234,630	\$ 250,221	\$ 1,187,194
Mobile Home Fees	29,000	28,573	(427)	29,740
Public Accommodation Taxes	12,382	9,694	(2,688)	11,605
Taxes from Water Utility	-	-	-	66,322
Payment in Lieu of Taxes	21,270	29,560	8,290	20,685
Interest on Taxes	-	1,397	1,397	113
Total Taxes	1,047,061	1,303,854	256,793	1,315,659
SPECIAL ASSESSMENTS				
Street Improvement Projects	4,739	4,739	-	5,693
INTERGOVERNMENTAL				
Federal Aid - Law Enforcement	400	-	(400)	925
Federal Aid - Fire	-	210,153	210,153	13,010
State Shared Taxes	604,538	597,059	(7,479)	551,219
Fire Insurance Taxes	6,475	6,120	(355)	6,475
Exempt Computer Aid	12,000	5,378	(6,622)	4,586
State General Transportation Aid	193,475	206,691	13,216	203,658
State Aid - MSIP	-	-	-	9,398
State Aid - Police Training	1,600	3,100	1,500	2,283
State Aid - Other Law Enforcement	-	9,534	9,534	-
State Aid - Ambulance	-	13,609	13,609	5,245
State Aid - Tank Inspections	2,000	6,426	4,426	7,000
State Aid - Storm Water	-	27,724	27,724	5,784
State Aid in Lieu of Taxes - Conservation	-	298	298	273
State Aid - Other	-	2,803	2,803	391
Airport Improvement Aid	8,000	136,877	128,877	48,073
County - Police Reimbursement	-	2,493	2,493	4,998
Total Intergovernmental	828,488	1,228,265	399,777	863,318
LICENSES AND PERMITS				
Licenses:				
Liquor and Malt Beverage	6,800	7,035	235	7,360
Operators	2,700	2,800	100	3,055
Cigarette	550	550	-	600
Trailer Park	290	56	(234)	290
Cable Television	15,500	9,794	(5,706)	14,892
Other	-	9	9	2,303
Permits:				
Building	28,500	22,480	(6,020)	23,446
Zoning	300	250	(50)	265
Park	500	385	(115)	480
Other	600	594	(6)	423
Total Licenses and Permits	55,740	43,953	(11,787)	53,114
FINES AND FORFEITS				
Law and Ordinance Violations	45,600	51,729	6,129	54,992

**CITY OF AMERY, WISCONSIN
GENERAL FUND
DETAILED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 2008
(WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 2007)**

	2008		Variance with Final Budget	2007 Actual
	Final Budget	Actual		
REVENUES (CONTINUED)				
PUBLIC CHARGES FOR SERVICES				
General Government:				
Clerk's Fees	\$ 600	\$ 652	\$ 52	\$ 1,425
Public Safety:				
Police Fees	7,860	6,047	(1,813)	7,813
Fire Protection Fees	2,000	1,772	(228)	4,075
Public Works:				
Transportation Facilities:				
Highway Maintenance and Construction	2,000	2,711	711	4,379
Airport	10,715	6,875	(3,840)	23,953
Taxi	650	284	(366)	584
Sanitation:				
Refuse and Recycling	-	124,529	124,529	125,159
Landfill	500	415	(85)	509
Weed and Nuisance Control	-	2,650	2,650	-
Total Public Charges for Services	<u>24,325</u>	<u>145,935</u>	<u>121,610</u>	<u>167,897</u>
INTERGOVERNMENTAL CHARGES FOR SERVICES				
General Government:				
Grant Administrative Cost Reimbursements	-	5,610	5,610	-
Utility Office Space Rental	18,000	18,000	-	18,000
Public Safety:				
Law Enforcement	36,024	39,824	3,800	37,924
Fire Protection	124,000	143,503	19,503	121,627
Dam	500	500	-	500
Public Works:				
Transportation Facilities:				
Utility Equipment Rental	5,000	5,000	-	5,000
Total Intergovernmental Charges for Services	<u>183,524</u>	<u>212,437</u>	<u>28,913</u>	<u>183,051</u>
MISCELLANEOUS				
Interest:				
General Investments	29,200	18,941	(10,259)	26,642
Special Assessments	2,535	2,537	2	2,849
Rent	32,380	32,665	285	32,365
Sale of City Property	-	127	127	48,500
Donations	-	25	25	300
Other:				
Insurance Recoveries and Dividends	-	8,572	8,572	7,046
Other Miscellaneous	-	1,014	1,014	2,124
Total Miscellaneous	<u>64,115</u>	<u>63,881</u>	<u>(234)</u>	<u>119,826</u>
Total Revenues	2,253,592	3,054,793	801,201	2,763,550

SCHEDULE B-2

**CITY OF AMERY, WISCONSIN
GENERAL FUND
DETAILED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 2008
(WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 2007)**

	2008		Variance with Final Budget	2007 Actual
	Final Budget	Actual		
EXPENDITURES				
GENERAL GOVERNMENT				
Council	\$ 18,930	\$ 35,707	\$ (16,777)	\$ 20,252
Municipal Court	42,906	51,576	(8,670)	46,228
Legal Fees	12,000	19,210	(7,210)	12,657
Municipal Code	500	2,881	(2,381)	920
Mayor	17,500	12,711	4,789	17,451
Clerk-Treasurer	160,173	179,289	(19,116)	142,782
Elections	10,500	17,745	(7,245)	17,517
Special Accounting and Auditing	9,500	13,088	(3,588)	10,950
Assessment of Property	24,185	26,681	(2,496)	26,508
City Hall	36,635	47,379	(10,744)	36,225
Illegal and Uncollectible Taxes	-	360	(360)	750
Property and Liability Insurance	60,000	49,042	10,958	74,491
Unemployment Expense	-	75	(75)	921
Other	29,730	1,385	28,345	2,647
Outlay:				
Elections	-	4,350	(4,350)	-
City Hall	3,000	-	3,000	-
Total General Government	<u>425,559</u>	<u>461,479</u>	<u>(35,920)</u>	<u>410,299</u>
PUBLIC SAFETY				
Police Department	673,594	733,513	(59,919)	636,927
Police Liaison Officer	72,047	64,702	7,345	63,516
Fire Department	137,600	142,802	(5,202)	172,127
Fire Department Retirement Trust Fund Payment	8,000	8,000	-	8,000
Ambulance Service	26,217	31,463	(5,246)	31,462
Building Inspection	24,225	19,814	4,411	20,591
Tank Inspections	1,900	6,173	(4,273)	6,337
Dams	1,000	200	800	173
Civil Defense	300	151	149	114
Outlay:				
Police Department:				
Vehicles	24,000	26,414	(2,414)	26,726
Capital Equipment	24,300	29,733	(5,433)	1,582
Fire Department	-	238,536	(238,536)	-
Total Public Safety	<u>993,183</u>	<u>1,301,501</u>	<u>(308,318)</u>	<u>967,555</u>

**CITY OF AMERY, WISCONSIN
GENERAL FUND
DETAILED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 2008
(WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 2007)**

	2008		Variance with Final Budget	2007 Actual
	Final Budget	Actual		
EXPENDITURES (CONTINUED)				
PUBLIC WORKS				
Transportation:				
Public Works Wages and Fringe Benefits	\$ 391,214	\$ 353,410	\$ 37,804	\$ 383,318
Safety	5,000	6,158	(1,158)	4,847
Machinery and Equipment	86,836	30,886	55,950	23,711
Buildings and Grounds	22,000	30,626	(8,626)	26,230
Street Maintenance	135,000	119,429	15,571	134,320
Snow and Ice Control	30,000	26,196	3,804	40,061
Traffic Control	2,500	3,733	(1,233)	3,054
Bridges	-	900	(900)	1,904
Street Lighting	51,000	58,457	(7,457)	77,518
Sidewalks	20,000	14,338	5,662	14,152
Storm Sewers	50,000	26,927	23,073	47,179
Airport	45,225	31,789	13,436	53,965
Other	500	1,074	(574)	610
Outlay:				
Machinery and Equipment	-	7,747	(7,747)	168,600
Streets	-	15,508	(15,508)	183,121
Traffic Control	-	149,519	(149,519)	2,134
Bridges	-	496	(496)	5,177
Street Lighting	-	388	(388)	-
Airport	-	147,282	(147,282)	7,662
Sanitation:				
Refuse and Garbage Collection	4,000	124,273	(120,273)	124,494
Landfill	5,750	5,980	(230)	3,580
Recycling	-	2,442	(2,442)	4,190
Weed and Nuisance Control	-	34	(34)	34
Other	-	-	-	20
Total Public Works	849,025	1,157,592	(308,567)	1,309,881
HEALTH AND HUMAN SERVICES				
Cemetery	1,200	741	459	127
Other	-	2,846	(2,846)	1,073
Total Health and Human Services	1,200	3,587	(2,387)	1,200
CULTURE, RECREATION AND EDUCATION				
Library	-	-	-	37,194
Community Center	26,500	33,715	(7,215)	28,658
Parks	39,700	16,360	23,340	23,091
Recreation Programs and Events	6,500	13,313	(6,813)	9,879
Skating Rink	3,325	1,800	1,525	3,925
Cable Television	5,000	6,769	(1,769)	6,075
Other	400	1,108	(708)	(90)
Outlay:				
Parks	-	-	-	8,500
Total Culture, Recreation and Education	81,425	73,065	8,360	117,232

**CITY OF AMERY, WISCONSIN
GENERAL FUND
DETAILED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 2008
(WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 2007)**

	2008		Variance with Final Budget	2007 Actual
	Final Budget	Actual		
EXPENDITURES (CONTINUED)				
CONSERVATION AND DEVELOPMENT				
Economic Development	\$ 1,000	\$ 40	\$ 960	\$ 119
Lake Shore Restoration	-	1,417	(1,417)	11,752
Redevelopment Authority	12,000	8,605	3,395	58,981
Advertising and Promotion	6,000	18,864	(12,864)	3,953
Zoning	500	1,897	(1,397)	970
Community Planning	500	14,705	(14,205)	11,170
Planning Office	15,000	487	14,513	6,953
Other	1,000	149	851	10,612
Total Conservation and Development	<u>36,000</u>	<u>46,164</u>	<u>(10,164)</u>	<u>104,510</u>
DEBT SERVICE				
Interest and Fiscal Charges	4,000	919	3,081	2,350
Debt Issuance Costs	-	3,685	(3,685)	-
Total Debt Service	<u>4,000</u>	<u>4,604</u>	<u>(604)</u>	<u>2,350</u>
Total Expenditures	<u>2,390,392</u>	<u>3,047,992</u>	<u>(657,600)</u>	<u>2,913,027</u>
EXCESS (DEFICIENCY) OR REVENUES OVER EXPENDITURES	(136,800)	6,801	143,601	(149,477)
OTHER FINANCING SOURCES (USES)				
Long-Term Debt Issued	69,300	304,603	235,303	-
Transfers In	67,500	108,546	41,046	160,975
Transfers Out	-	(256,468)	(256,468)	(347,437)
Total Other Financing Sources (Uses)	<u>136,800</u>	<u>156,681</u>	<u>19,881</u>	<u>(186,462)</u>
NET CHANGE IN FUND BALANCES	-	163,482	163,482	(335,939)
Fund Balances - Beginning of Year	<u>(235,435)</u>	<u>(235,435)</u>	-	<u>100,504</u>
FUND BALANCES - END OF YEAR	<u>\$ (235,435)</u>	<u>\$ (71,953)</u>	<u>\$ 163,482</u>	<u>\$ (235,435)</u>

CITY OF AMERY, WISCONSIN
 DEBT SERVICE FUNDS
 DETAILED BALANCE SHEET
 DECEMBER 31, 2008

	General Long-Term Debt Redemption Fund			Fire Hall Construction Debt	Totals
	General City	Landfill Remediation Debt	TID #6 Debt		
ASSETS					
Treasurer's Cash and Investments	\$ -	\$ -	\$ -	\$ 96,374	\$ 96,374
Long-term Receivables	-	-	-	315,154	315,154
Total Assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 411,528</u>	<u>\$ 411,528</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Deferred Revenue	\$ -	\$ -	\$ -	\$ 315,154	\$ 315,154
Fund Balances:					
Reserved for Debt Retirement	-	-	-	96,374	96,374
Total Liabilities and Fund Balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 411,528</u>	<u>\$ 411,528</u>

**CITY OF AMERY, WISCONSIN
DEBT SERVICE FUNDS
DETAILED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
YEAR ENDED DECEMBER 31, 2008**

	General Long-Term Debt Redemption Fund			Fire Hall Construction Debt	Totals
	General City	Landfill Remediation Debt	TID #6 Debt		
REVENUES					
Intergovernmental Charges for Service	\$ -	\$ -	\$ -	\$ 49,504	\$ 49,504
Miscellaneous:					
Interest	-	-	-	5,344	5,344
Total Revenues	-	-	-	54,848	54,848
EXPENDITURES					
Debt Service:					
Principal	188,647	24,459	25,932	52,836	291,874
Interest and Fiscal Charges	74,264	-	26,184	25,736	126,184
Total Expenditures	262,911	24,459	52,116	78,572	418,058
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(262,911)	(24,459)	(52,116)	(23,724)	(363,210)
OTHER FINANCING SOURCES (USES)					
Long-Term Debt Issued	35,511	-	-	-	35,511
Transfers In	227,400	24,459	52,116	29,068	333,043
Total Other Financing Sources (Uses)	262,911	24,459	52,116	29,068	368,554
NET CHANGE IN FUND BALANCES	-	-	-	5,344	5,344
Fund Balance - Beginning of Year	-	-	-	91,030	91,030
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 96,374</u>	<u>\$ 96,374</u>

**CITY OF AMERY, WISCONSIN
JOINT WATER AND SEWER UTILITY ENTERPRISE FUND
WATER DEPARTMENT
BALANCE SHEET
DECEMBER 31, 2008
(WITH COMPARATIVE AMOUNTS AS OF DECEMBER 31, 2007)**

	2008	2007
ASSETS		
Current Assets:		
Cash and Investments	\$ 857,990	\$ 839,882
Customer Accounts Receivable	88,893	89,928
Accounts Receivable on Tax Roll	11,571	8,584
Due from Other Funds	42,330	-
Prepayments	2,418	4,458
Inventories	27,082	27,288
Total Current Assets	1,030,284	970,140
Capital Assets:		
Utility Plant in Service	4,035,932	4,035,932
Less Accumulated Depreciation	1,131,136	1,040,514
Net Capital Assets	2,904,796	2,995,418
Other Assets and Deferred Charges:		
Unamortized Debt Discount and Expense	4,228	5,329
Total Assets	\$ 3,939,308	\$ 3,970,887
LIABILITIES		
Current Liabilities:		
Accounts Payable	\$ 2,169	\$ 1,551
Interest Accrued	2,421	2,540
Current Portion of Long-Term Debt:		
General Obligation Notes	41,000	39,000
Accrued Compensated Absences	6,142	8,404
Total Current Liabilities	51,732	51,495
Long-Term Liabilities (Net of Current Portion):		
General Obligation Notes	755,000	796,000
Accrued Compensated Absences	16,661	22,030
Total Long-Term Liabilities	771,661	818,030
Total Liabilities	823,393	869,525
NET ASSETS		
Invested in Capital Assets, Net of Related Debt	2,108,796	2,160,418
Unrestricted	1,007,119	940,944
Total Net Assets	3,115,915	3,101,362
Total Liabilities and Net Assets	\$ 3,939,308	\$ 3,970,887

CITY OF AMERY, WISCONSIN
JOINT WATER AND SEWER UTILITY ENTERPRISE FUND
WATER DEPARTMENT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2008
(WITH COMPARATIVE AMOUNTS FOR YEAR ENDED DECEMBER 31, 2007)

	<u>2008</u>	<u>2007</u>
OPERATING REVENUES:		
Sales of Water:		
Residential	\$ 134,598	\$ 136,557
Commercial	65,041	66,927
Industrial	17,267	14,957
Public Authorities	17,414	18,176
Private Fire Protection	8,304	8,184
Public Fire Protection	137,327	136,069
Total Sales of Water	<u>379,951</u>	<u>380,870</u>
Other Operating Revenues:		
Forfeited Discounts	685	682
Meter Use Charge to Sewer Utility	25,124	24,490
Miscellaneous Operating Revenues	-	650
Total Other Operating Revenues	<u>25,809</u>	<u>25,822</u>
Total Operating Revenues	405,760	406,692
OPERATING EXPENSES		
Operation and Maintenance	198,306	198,717
Depreciation	90,622	91,032
Total Operating Expenses	<u>288,928</u>	<u>289,749</u>
OPERATING INCOME	116,832	116,943
NONOPERATING REVENUES (EXPENSES)		
Interest Revenue	1,049	764
Interest Expense	(31,976)	(33,178)
Total Nonoperating Revenues (Expenses)	<u>(30,927)</u>	<u>(32,414)</u>
INCOME BEFORE CONTRIBUTIONS AND TRANSFERS	85,905	84,529
CAPITAL CONTRIBUTIONS AND TRANSFERS:		
Plant Contributed by Customers and Developers	-	8,865
Transfer to General Fund - Property Tax Equivalent	(71,352)	(70,089)
Total Contributions and Transfers	<u>(71,352)</u>	<u>(61,224)</u>
CHANGE IN NET ASSETS	14,553	23,305
Net Assets - Beginning of Year	<u>3,101,362</u>	<u>3,078,057</u>
NET ASSETS - END OF YEAR	<u>\$ 3,115,915</u>	<u>\$ 3,101,362</u>

CITY OF AMERY, WISCONSIN
JOINT WATER AND SEWER UTILITY ENTERPRISE FUND
WATER DEPARTMENT
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2008
(WITH COMPARATIVE AMOUNTS FOR YEAR ENDED DECEMBER 31, 2007)

	2008	2007
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Utility Customers	\$ 241,357	\$ 243,489
Cash Received for Public Fire Protection	137,327	136,069
Cash Received for Sewer Share of Meter Related Expenses	25,124	24,490
Cash Payments to Suppliers for Goods and Services	(115,256)	(143,468)
Cash Payments for Employee Services	(87,817)	(64,481)
Net Cash Provided by Operating Activities	200,735	196,099
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Working Capital Provided to General Fund	(42,330)	-
Transfers Out - Tax Equivalent	(71,352)	(70,089)
Net Cash Used for Noncapital Financing Activities	(113,682)	(70,089)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Cash Payments for Capital Assets	-	(1,699)
Principal Paid on Long-Term Debt	(39,000)	(38,000)
Interest Paid on Long-Term Debt	(30,994)	(32,306)
Net Cash Used for Capital and Related Financing Activities	(69,994)	(72,005)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on Investments	1,049	762
NET INCREASE IN CASH AND CASH EQUIVALENTS	18,108	54,767
Cash and Cash Equivalents - Beginning of Year	839,882	785,115
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 857,990	\$ 839,882
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating Income	\$ 116,832	\$ 116,943
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities		
Depreciation	90,622	91,032
(Increase) Decrease in Assets:		
Customer Accounts Receivable	1,035	(2,644)
Accounts Receivable on Tax Roll	(2,987)	-
Prepayments	2,040	(4,458)
Inventories	206	(282)
Increase (Decrease) in Liabilities:		
Accounts Payable	618	(1,869)
Accrued Compensated Absences	(7,631)	(2,623)
Net Cash Provided by Operating Activities	\$ 200,735	\$ 196,099
RECONCILIATION OF CASH AND INVESTMENTS TO CASH AND CASH EQUIVALENTS:		
Cash and Investments per Balance Sheet:		
Cash and Investments - Unrestricted	\$ 857,990	\$ 839,882
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:		
Capital Assets Financed Directly by Developers/Customers	\$ -	\$ 8,865

CITY OF AMERY, WISCONSIN
JOINT WATER AND SEWER UTILITY ENTERPRISE FUND
WATER DEPARTMENT
SCHEDULE OF OPERATION AND MAINTENANCE EXPENSES
YEAR ENDED DECEMBER 31, 2008
(WITH COMPARATIVE AMOUNTS FOR YEAR ENDED DECEMBER 31, 2007)

	2008	2007
SOURCE OF SUPPLY		
Operation Labor	\$ 213	\$ -
Operation Supplies and Expenses	-	241
Maintenance of Source Plant	-	8,182
Total Source of Supply	213	8,423
PUMPING		
Operation Labor	2,984	-
Fuel or Power Purchased for Pumping	17,366	12,323
Maintenance of Pumping Plant	852	-
Total Pumping	21,202	12,323
WATER TREATMENT		
Operation Labor	852	-
Chemicals	16,533	14,351
Operation Supplies and Expenses	3,461	1,843
Maintenance of Water Treatment Plant	1,037	195
Total Water Treatment	21,883	16,389
TRANSMISSION AND DISTRIBUTION		
Operation Labor	16,035	-
Operation Supplies and Expenses	738	400
Maintenance of Mains	13,247	36,392
Maintenance of Services	1,373	1,427
Maintenance of Meter	16,836	20,048
Maintenance of Hydrants	426	202
Maintenance of Other Plant	2,557	4,000
Total Transmission and Distribution	51,212	62,469
CUSTOMER ACCOUNTS		
Meter Reading Labor	9,434	5,514
Accounting and Collecting Labor	7,408	8,321
Total Customer Accounts	16,842	13,835
ADMINISTRATIVE AND GENERAL		
Administrative and General Salaries	19,821	17,162
Office Supplies and Expenses	5,097	5,432
Outside Services Employed	4,400	4,314
Property Insurance	7,417	7,060
Injuries and Damages	1,950	1,856
Employee Pensions and Benefits	31,070	30,861
Miscellaneous General Expenses	9,852	10,712
Transportation Expenses	4,939	5,000
Maintenance of General Plant	2,408	2,881
Total Administrative and General	86,954	85,278
Total Operation and Maintenance Expenses	\$ 198,306	\$ 198,717

**CITY OF AMERY, WISCONSIN
JOINT WATER AND SEWER UTILITY ENTERPRISE FUND
SEWER DEPARTMENT
BALANCE SHEET
DECEMBER 31, 2008
(WITH COMPARATIVE AMOUNTS AS OF DECEMBER 31, 2007)**

	<u>2008</u>	<u>2007</u>
ASSETS		
Current Assets:		
Cash and Investments (Overdraft)	\$ (700,212)	\$ (633,575)
Customer Accounts Receivable	140,086	142,507
Other Accounts Receivable	24,489	28,414
Accounts Receivable on Tax Roll	23,845	14,096
Prepayments	3,627	6,525
Inventories	<u>3,531</u>	<u>3,584</u>
Total Current Assets	(504,634)	(438,449)
Restricted Assets:		
Equipment Replacement Fund Investments	200,768	196,352
Capital Assets:		
Utility Plant in Service	4,893,185	4,867,312
Less Accumulated Depreciation	<u>2,005,544</u>	<u>1,854,350</u>
Net Capital Assets	2,887,641	3,012,962
Other Assets and Deferred Charges:		
Special Assessments Receivable	92,744	92,744
Long-Term Receivables	<u>136,369</u>	<u>156,815</u>
Total Assets and Deferred Charges	<u>229,113</u>	<u>249,559</u>
Total Assets	<u>\$ 2,812,888</u>	<u>\$ 3,020,424</u>
LIABILITIES		
Current Liabilities:		
Accounts Payable	\$ 8,833	\$ 8,294
Interest Accrued	11,438	6,438
Current Portion of Long-Term Debt:		
Revenue Bonds	139,043	134,730
Accrued Compensated Absences	<u>11,096</u>	<u>13,167</u>
Total Current Liabilities	170,410	162,629
Long-Term Liabilities (Net of Current Portion):		
Revenue Bonds	932,875	1,071,918
Accrued Compensated Absences	<u>30,100</u>	<u>34,512</u>
Total Long-Term Liabilities	<u>962,975</u>	<u>1,106,430</u>
Total Liabilities	1,133,385	1,269,059
NET ASSETS		
Invested in Capital Assets, Net of Related Debt	1,972,437	1,982,748
Restricted for Equipment Replacement	200,768	196,352
Unrestricted	<u>(493,702)</u>	<u>(427,735)</u>
Total Net Assets	<u>1,679,503</u>	<u>1,751,365</u>
Total Liabilities and Net Assets	<u>\$ 2,812,888</u>	<u>\$ 3,020,424</u>

CITY OF AMERY, WISCONSIN
JOINT WATER AND SEWER UTILITY ENTERPRISE FUND
SEWER DEPARTMENT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2008
(WITH COMPARATIVE AMOUNTS FOR YEAR ENDED DECEMBER 31, 2007)

	2008	2007
OPERATING REVENUES:		
Sewerage Revenues:		
Residential	\$ 325,536	\$ 326,529
Commercial	161,128	169,492
Industrial	59,665	49,909
Public Authorities	41,852	44,434
Total Sewerage Revenues	588,181	590,364
Other Operating Revenues		
Forfeited Discounts	2,928	2,388
Miscellaneous Operating Revenues	623	27
Total Other Operating Revenues	3,551	2,415
Total Operating Revenues	591,732	592,779
OPERATING EXPENSES		
Operation and Maintenance	485,909	456,338
Depreciation	151,194	150,513
Total Operating Expenses	637,103	606,851
OPERATING LOSS	(45,371)	(14,072)
NONOPERATING REVENUES (EXPENSES)		
Interest Revenue	9,071	8,404
Interest Expense	(41,471)	(40,020)
Interest on Advance to Biosolids Facility	5,909	5,901
Total Nonoperating Revenues (Expenses)	(26,491)	(25,715)
LOSS BEFORE CONTRIBUTIONS AND TRANSFERS	(71,862)	(39,787)
CAPITAL CONTRIBUTIONS AND TRANSFERS:		
Plant Contributed by Customers and Developers	-	65,269
Total Contributions and Transfers	-	65,269
CHANGE IN NET ASSETS	(71,862)	25,482
Net Assets - Beginning of Year	1,751,365	1,725,883
NET ASSETS - END OF YEAR	\$ 1,679,503	\$ 1,751,365

**CITY OF AMERY, WISCONSIN
JOINT WATER AND SEWER UTILITY ENTERPRISE FUND
SEWER DEPARTMENT
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2008
(WITH COMPARATIVE AMOUNTS FOR YEAR ENDED DECEMBER 31, 2007)**

	<u>2008</u>	<u>2007</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Utility Customers	\$ 589,062	\$ 590,507
Cash Paid for Sewer Share of Meter Related Expenses	(25,124)	(24,490)
Cash Payments to Suppliers for Goods and Services	(261,189)	(260,791)
Cash Payments for Employee Services	(194,828)	(195,724)
Net Cash Provided by Operating Activities	<u>107,921</u>	<u>109,502</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Cash Payments for Capital Assets	(25,873)	-
Cash Received from Customer Contributions	-	21,496
Principal Paid on Long-Term Debt	(115,010)	(111,438)
Interest Paid on Long-Term Debt	(33,672)	(34,817)
Net Cash Used for Capital and Related Financing Activities	<u>(174,555)</u>	<u>(124,759)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on Investments	<u>4,413</u>	<u>8,404</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(62,221)	(6,853)
Cash and Cash Equivalents - Beginning of Year	<u>(437,223)</u>	<u>(430,370)</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ (499,444)</u>	<u>\$ (437,223)</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating Loss	\$ (45,371)	\$ (14,072)
Adjustments to Reconcile Operating Loss to Net Cash Provided by Operating Activities:		
Depreciation	151,194	150,513
(Increase) Decrease in Assets:		
Customer Accounts Receivable	2,421	(2,272)
Other Accounts Receivable	7,761	(7,531)
Accounts Receivable on Tax Roll	(5,091)	-
Prepayments	2,898	(6,525)
Inventories	53	538
Increase (Decrease) in Liabilities:		
Accounts Payable	539	(7,045)
Accrued Compensated Absences	(6,483)	(4,104)
Net Cash Provided by Operating Activities	<u>\$ 107,921</u>	<u>\$ 109,502</u>
RECONCILIATION OF CASH AND INVESTMENTS TO CASH AND CASH EQUIVALENTS		
Cash and Investments per Balance Sheets:		
Cash and Investments - Unrestricted	\$ (700,212)	\$ (633,575)
Cash and Investments - Restricted	200,768	196,352
Cash and Cash Equivalents	<u>\$ (499,444)</u>	<u>\$ (437,223)</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:		
Capital Assets Financed Directly by Developers/Customers	\$ -	\$ 31,556
Principal and Interest Paid Directly by Biosolids Facility	25,005	25,014

**CITY OF AMERY, WISCONSIN
 JOINT WATER AND SEWER UTILITY ENTERPRISE FUND
 SEWER DEPARTMENT
 SCHEDULE OF OPERATION AND MAINTENANCE EXPENSES
 YEAR ENDED DECEMBER 31, 2008
 (WITH COMPARATIVE AMOUNTS FOR YEAR ENDED DECEMBER 31, 2007)**

	<u>2008</u>	<u>2007</u>
OPERATION		
Supervision and Labor	\$ 106,840	\$ 104,021
Power and Fuel for Pumping	7,708	3,728
Power and Fuel for Aeration Equipment	46,615	32,067
Chemicals	5,883	5,486
Biosolids Facility Expenses	87,926	84,395
Supplies and Expenses	25,503	22,777
Transportation Expenses	6,967	7,334
Total Operation	<u>287,442</u>	<u>259,808</u>
MAINTENANCE		
Sewer Collection System	21,316	34,560
Collection System Pumping Equipment	1,659	4,678
Treatment and Disposal Plant Equipment	22,342	6,962
General Plant Structures and Equipment	779	2,091
Total Operation	<u>46,096</u>	<u>48,291</u>
CUSTOMER ACCOUNTING AND COLLECTION		
Billing, Accounting and Collection	7,339	8,357
Meter Expense Allocation	25,124	24,490
Total Operation	<u>32,463</u>	<u>32,847</u>
ADMINISTRATIVE AND GENERAL		
Administrative and General Salaries	14,881	14,775
Office Supplies and Expenses	3,852	3,431
Outside Services Employed	4,414	4,164
Insurance Expenses	13,888	13,050
Employee Pensions and Benefits	65,768	64,467
Miscellaneous General Expenses	8,105	6,505
Rents	9,000	9,000
Total Administrative and General	<u>119,908</u>	<u>115,392</u>
Total Operation and Maintenance Expense	<u>\$ 485,909</u>	<u>\$ 456,338</u>

OTHER SCHEDULE

**CITY OF AMERY, WISCONSIN
 GENERAL OBLIGATION PROMISSORY NOTES, SERIES 2003B
 DATED AUGUST 20, 2003
 NEW FIRE HALL PORTION ONLY
 DUE FROM ALDEN AND LINCOLN TOWNSHIPS AT DECEMBER 31, 2008**

Date	Total Receivable			Alden Township			Lincoln Township		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2008	\$ 6,744.96	\$ 1,923.95	\$ 8,668.91	\$ 6,744.96	\$ 1,923.95	\$ 8,668.91	\$ -	\$ -	\$ -
2009	46,915.97	11,256.95	58,172.92	6,991.16	1,677.76	8,668.92	39,924.81	9,579.19	49,504.00
2010	48,628.40	9,544.51	58,172.91	7,246.33	1,422.58	8,668.91	41,382.07	8,121.93	49,504.00
2011	50,403.34	7,769.57	58,172.91	7,510.82	1,158.09	8,668.91	42,892.52	6,611.48	49,504.00
2012	52,243.06	5,929.86	58,172.92	7,784.97	883.95	8,668.92	44,458.09	5,045.91	49,504.00
2013	54,149.93	4,022.99	58,172.92	8,069.12	599.80	8,668.92	46,080.81	3,423.19	49,504.00
2014	56,068.76	2,104.15	58,172.91	8,363.64	305.27	8,668.91	47,705.12	1,798.88	49,504.00
	<u>\$ 315,154.42</u>	<u>\$ 42,551.98</u>	<u>\$ 357,706.40</u>	<u>\$ 52,711.00</u>	<u>\$ 7,971.40</u>	<u>\$ 60,682.40</u>	<u>\$ 262,443.42</u>	<u>\$ 34,580.58</u>	<u>\$ 297,024.00</u>