

**CITY OF AMERY, WISCONSIN**  
**FINANCIAL STATEMENTS**  
**AND SUPPLEMENTARY INFORMATION**  
**YEAR ENDED DECEMBER 31, 2011**

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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, 2011, 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, 2011, 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.

As discussed in the notes to the basic financial statements, the City adopted the provisions of Governmental Accounting Standards Board Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions for the year ended December 31, 2011. Adoption of the provisions of this statement results in significant changes to the classifications of the components of fund balances.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information as referenced in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's financial statements as a whole. The individual and combining fund statements and the debt repayment and funding schedule are for purposes of additional analysis and are not a required part of the financial statements. This information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. We have also previously audited, in accordance with auditing standards generally accepted in the United States of America, the City's basic financial statements for the year ended December 31, 2010 which are not presented with the accompanying financial statements. In our report dated June 3, 2011, we expressed unqualified opinions on the respective financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information. That audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's financial statements as a whole. The 2010 individual fund statements are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2010 financial statements. The information has been subjected to the auditing procedures applied in the audit of those financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2010 individual fund statements are fairly stated in all material respects in relation to the basic financial statements from which they have been derived.



**CliftonLarsonAllen LLP**

Eau Claire, Wisconsin  
June 26, 2012

**CITY OF AMERY, WISCONSIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2011**

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, 2011. 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, 2011 include the following:

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$9,277,531 (*net assets*). Of this amount, \$8,041,849 represented the City's investment in capital assets, net of related debt, \$1,434,547 was held for restricted purposes, and the remaining negative balance of \$198,865 was shown as unrestricted.
- During the fiscal year, the City's total net assets increased by \$533,964. Net assets related to the governmental activities increased \$538,574, while net assets related to business-type activities of the City decreased \$4,610.
- At the close of the fiscal year, the City's governmental funds reported combined ending fund balances of \$1,183,807, a decrease of \$18,302 from the previous year.
- At the end of 2011, the unassigned general fund balance was \$495,724 or 17.0% of the general fund expenditures and transfers out.
- The City's total long-term obligations decreased by \$588,687 during the current fiscal year. The City issued \$433,450 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, 2011**

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 ten 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, library fund, Tax Incremental District #6 fund and the debt service 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, 2011**

**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 55.

**CITY OF AMERY, WISCONSIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2011**

**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 \$9,277,531 at the close of 2011. Below is a summary of the City's statement of net assets:

**Condensed Statement of Net Assets  
December 31, 2011 and 2010**

	Governmental Activities		Business-Type Activities		Totals	
	2011	2010	2011	2010	2011	2010
Current and Other Assets	\$ 4,167,723	\$ 4,033,961	\$ 933,394	\$ 952,067	\$ 5,101,117	\$ 4,986,028
Capital Assets	7,047,784	6,878,652	5,168,900	5,356,504	12,216,684	12,235,156
Total Assets	11,215,507	10,912,613	6,102,294	6,308,571	17,317,801	17,221,184
Current Liabilities	2,110,011	1,963,067	25,375	20,979	2,135,386	1,984,046
Long-Term Liabilities	4,537,447	4,920,071	1,367,437	1,573,500	5,904,884	6,493,571
Total Liabilities	6,647,458	6,883,138	1,392,812	1,594,479	8,040,270	8,477,617
<b>Net Assets</b>						
Invested in Capital Assets						
Net of Related Debt	4,089,523	3,848,562	3,952,326	3,969,499	8,041,849	7,818,061
Restricted	1,255,984	1,354,639	178,563	178,563	1,434,547	1,533,202
Unrestricted	(777,458)	(1,173,726)	578,593	566,030	(198,865)	(607,696)
Total Net Assets	\$ 4,568,049	\$ 4,029,475	\$ 4,709,482	\$ 4,714,092	\$ 9,277,531	\$ 8,743,567

As shown above, \$8,041,849 of the net assets 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. In addition, \$1,434,547 of the net assets represents resources that are subject to other restrictions as to how they may be used. The remaining negative balance of \$198,865 is reflected as unrestricted. It is important to note that \$578,593 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 \$533,964, or approximately 6%. The increase consisted of an increase in net assets related to governmental activities in the amount of \$538,574 and a decrease in net assets related to business-type activities in the amount of \$4,610.

**CITY OF AMERY, WISCONSIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2011**

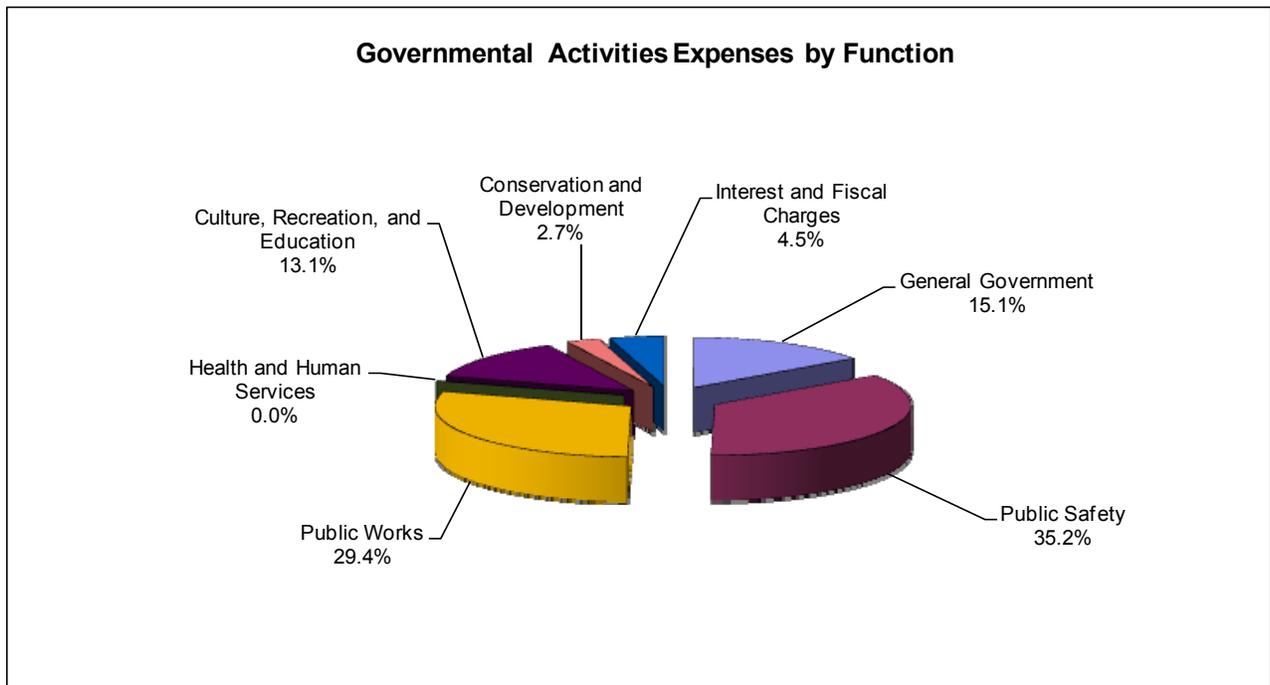
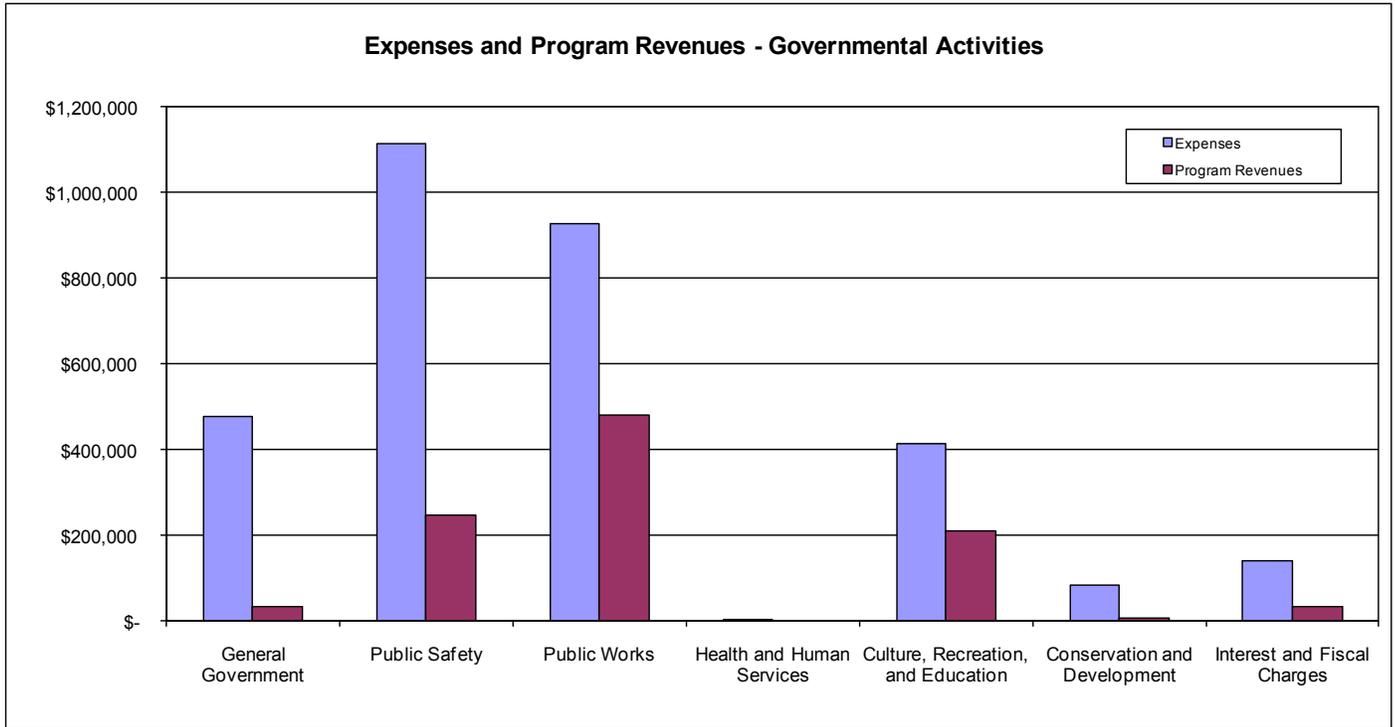
The following is a summary of the changes in the City's net assets for the years ended December 31, 2011 and 2010:

**Condensed Statement of Changes in Net Assets  
Years Ended December 31, 2011 and 2010**

	Governmental Activities		Business-Type Activities		Totals	
	2011	2010	2011	2010	2011	2010
<b>REVENUES</b>						
<u>Program Revenues</u>						
Charges for Services	\$ 416,761	\$ 420,274	\$ 966,533	\$ 969,614	\$ 1,383,294	\$ 1,389,888
Operating Grants and Contributions	467,480	714,562	-	-	467,480	714,562
Capital Grants and Contributions	130,659	73,801	54,071	7,250	184,730	81,051
<u>General Revenues</u>						
Property Taxes	1,775,069	1,745,987	-	-	1,775,069	1,745,987
Other Taxes	75,841	77,068	-	-	75,841	77,068
Grants and Contributions not Restricted for a Particular Purpose	588,086	591,801	-	-	588,086	591,801
Other	151,520	145,152	4,111	11,378	155,631	156,530
Total Revenues	3,605,416	3,768,645	1,024,715	988,242	4,630,131	4,756,887
<b>EXPENSES</b>						
General Government	477,699	464,979	-	-	477,699	464,979
Public Safety	1,112,188	1,160,935	-	-	1,112,188	1,160,935
Public Works	927,920	844,134	-	-	927,920	844,134
Health and Human Services	221	218	-	-	221	218
Culture, Recreation, and Education	413,425	457,109	-	-	413,425	457,109
Conservation and Development	84,005	88,027	-	-	84,005	88,027
Interest and Fiscal Charges	140,335	152,655	-	-	140,335	152,655
Water	-	-	311,389	324,055	311,389	324,055
Sewer	-	-	628,985	654,256	628,985	654,256
Total Expenses	3,155,793	3,168,057	940,374	978,311	4,096,167	4,146,368
<b>TRANSFERS</b>	88,951	84,262	(88,951)	(84,262)	-	-
<b>CHANGE IN NET ASSETS</b>	538,574	684,850	(4,610)	(74,331)	533,964	610,519
Net Assets - Beginning of Year,	4,029,475	3,344,625	4,714,092	4,788,423	8,743,567	8,133,048
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 4,568,049</b>	<b>\$ 4,029,475</b>	<b>\$ 4,709,482</b>	<b>\$ 4,714,092</b>	<b>\$ 9,277,531</b>	<b>\$ 8,743,567</b>

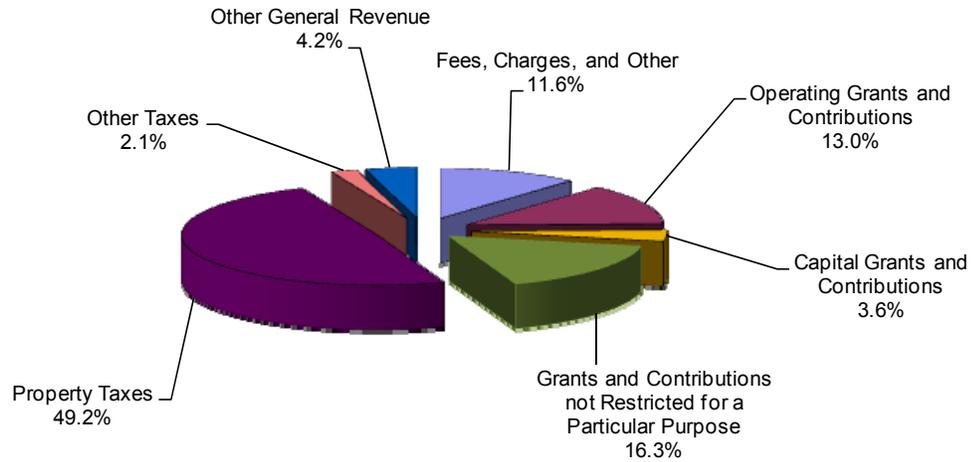
A review of statement of activities can provide a concise picture of how the various functions/programs of the City are funded. The following charts draw data from the statement of activities.

**CITY OF AMERY, WISCONSIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2011**

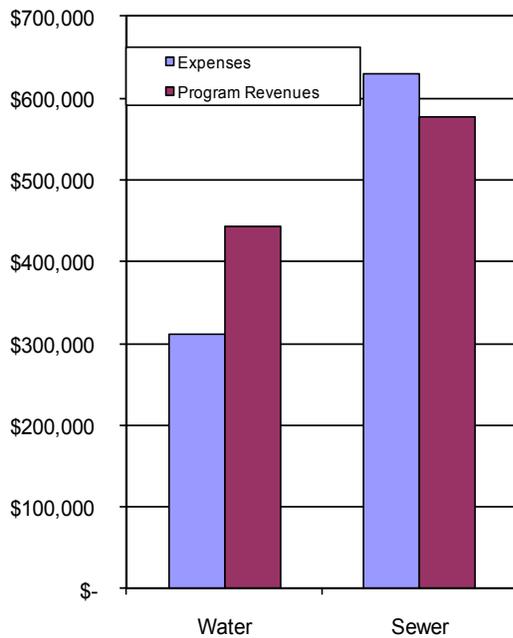


**CITY OF AMERY, WISCONSIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2011**

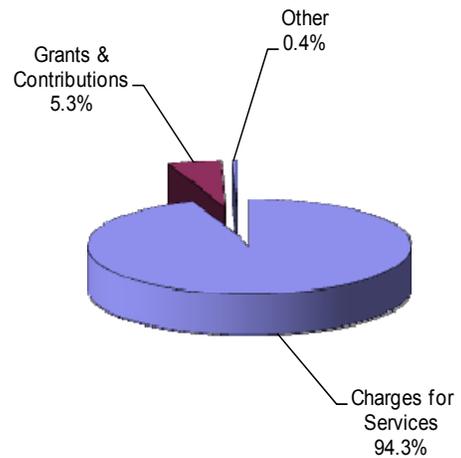
**Governmental Activities Revenues by Source**



**Expenses and Program Revenues - Business-Type Activities**



**Revenue by Source - Business-Type Activities**



**CITY OF AMERY, WISCONSIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2011**

**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 unassigned 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, 2011, the City's governmental funds reported a combined fund balance of \$1,183,807, a decrease of \$18,302 from the previous year. The governmental funds comprising this balance are shown below:

	Fund Balances at December 31, 2011				Current Year Change
	Nonspendable	Restricted	Unassigned	Total	
Major Funds:					
General Fund	\$ 40,083	\$ -	\$ 495,724	\$ 535,807	\$ 42,890
CDBG Housing Revolving Loan Fund	-	-	(2,187)	(2,187)	(19,624)
Library Fund	-	111,745	-	111,745	26,514
Debt Service Fund	-	135,887	-	135,887	(173,921)
Tax Incremental District #6 Fund	-	393,558	-	393,558	98,331
Nonmajor Funds:					
Special Revenue Funds:					
Landfill Contamination and Remediation Fund	-	-	-	-	(3,514)
Community Micro - Loan Fund	-	13,346	-	13,346	(5,685)
Capital Projects Funds:					
Tax Incremental District #5 Fund	-	16,923	-	16,923	1,894
Tax Incremental District #7 Fund	-	-	(21,272)	(21,272)	14,813
Other Capital Improvements Fund	-	-	-	-	-
	<u>\$ 40,083</u>	<u>\$ 671,459</u>	<u>\$ 472,265</u>	<u>\$ 1,183,807</u>	<u>\$ (18,302)</u>

Restricted fund balance represents amounts available for appropriation but intended for a specific use and is legally restricted by outside parties. Committed fund balance represents constraints on spending that the governmental imposes upon itself by high-level action prior to the close of the fiscal period. Assigned fund balance represents resources intended for spending for a purpose set by the government body itself or by some person or body delegated to exercise such authority in accordance with policy established by the board. Unassigned fund balance is the residual classification for the Village's general fund and included all spendable amounts not contained in the other classifications.

The general fund is the primary operating fund used to account for the governmental operations of the Village. As a measure of the general fund's liquidity, it may be useful to compare both total fund balance and unassigned fund balance to measures of operating volume such as fund expenditures or fund revenues. The total year-end general fund balance represented 18.4% of total general fund expenditures and interfund transfers reported on the statement of revenues, expenditures and changes in fund balances while the unassigned balance represented 17.0% of the same amount. The general fund's total fund balance increased \$42,890 during the year, while the unassigned portion of the fund balance increased \$54,966.

**CITY OF AMERY, WISCONSIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2011**

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 negative fund balance of \$2,187 at December 31, 2011.

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, 2011 of \$135,887. This balance consisted entirely of \$135,887 in the library debt service fund. The fire hall construction debt service fund had a zero fund balance at December 31, 2011.

The library fund, a special revenue fund, is used to account for financial resources to be used to support the library. The fund had a fund balance of \$111,745 at December 31, 2011.

The Tax Incremental District #6 fund, a capital projects fund, is used to account for the accumulation and expenditure of resources, including long-term borrowing, for financing capital projects within the scope of the project plan of the tax incremental district. The fund had a fund balance of \$393,558 at December 31, 2011.

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 2011 totaled \$4,709,482, down \$4,610 from the previous year.

**Condensed Statement of Changes in Net Assets for Enterprise Funds  
Years Ended December 31, 2011 and 2010**

	Water Department		Sewer Department		Total	
	2011	2010	2011	2010	2011	2010
Operating Revenues	\$ 405,016	\$ 399,479	\$ 561,517	\$ 570,135	\$ 966,533	\$ 969,614
Operating Expenses						
Depreciation	89,503	89,003	153,173	153,032	242,676	242,035
Other	194,698	206,248	454,493	475,189	649,191	681,437
Operating Income (Loss)	120,815	104,228	(46,149)	(58,086)	74,666	46,142
Net Income (Loss) before						
Contributions & Transfers	94,650	76,313	(64,380)	(73,632)	30,270	2,681
Capital Contributions						
Developers/Customers	12,253	5,000	3,263	2,250	15,516	7,250
Other Village Funds	26,321	-	12,234	-	38,555	-
Transfers	(88,951)	(84,262)	-	-	(88,951)	(84,262)
Change in Net Assets	44,273	(2,949)	(48,883)	(71,382)	(4,610)	(74,331)
Net Assets - End of Year	3,174,940	3,130,667	1,534,542	1,583,425	4,709,482	4,714,092

The water department reflected income from operations in 2011 while the sewer department incurred an operating loss.

**CITY OF AMERY, WISCONSIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2011**

**GENERAL FUND BUDGETARY HIGHLIGHTS**

As shown in the Budgetary Comparison Schedule for the general fund (in required supplementary information), the final 2011 general fund budget differed slightly from the original budget adopted by the City Council. The City's general fund balance increased \$42,890 during 2011. The general fund had a negative variance of \$193,881 between actual and budgeted expenditure and transfers out amounts. The general fund also had a positive variance of \$111,114 between actual and budgeted revenue and transfers in amounts.

**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, 2011 and 2010 was \$12,216,684 and \$12,235,156 respectively, (net of accumulated depreciation) as shown below:

**Capital Assets, Net of Accumulated Depreciation  
December 31, 2011 and 2010**

	Governmental Activities		Business-Type Activities		Totals	
	2011	2010	2011	2010	2011	2010
Not Subject to Depreciation:						
Land and Land Rights	\$ 698,199	\$ 691,199	\$ 51,698	\$ 51,698	\$ 749,897	\$ 742,897
Construction Work in Progress	213,115	-	-	-	213,115	-
Subject to Depreciation:						
Land Improvements	1,359,771	1,359,771	-	-	1,359,771	1,359,771
Buildings and Improvements	4,430,571	4,430,571	-	-	4,430,571	4,430,571
Equipment and Vehicles	2,432,985	2,381,720	-	-	2,432,985	2,381,720
Infrastructure	1,116,278	944,734	-	-	1,116,278	944,734
Water System Plant	-	-	4,081,074	4,042,830	4,081,074	4,042,830
Wastewater System Plant	-	-	4,887,971	4,871,973	4,887,971	4,871,973
Subtotal	10,250,919	9,807,995	9,020,743	8,966,501	19,271,662	18,774,496
Accumulated Depreciation	3,203,135	2,929,343	3,851,843	3,609,997	7,054,978	6,539,340
Total	<u>\$ 7,047,784</u>	<u>\$ 6,878,652</u>	<u>\$ 5,168,900</u>	<u>\$ 5,356,504</u>	<u>\$ 12,216,684</u>	<u>\$ 12,235,156</u>

Some of the more significant additions to the City's capital assets during 2011 included:

Land	\$ 7,000
Construction Work In Progress	213,115
Equipment and vehicles	206,600
City infrastructure additions	171,544
Water distribution system additions	38,574
Sewer collection system additions	15,498

Additional information related to the City's capital assets is reported in Note 4.C following the financial statements.

**CITY OF AMERY, WISCONSIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2011**

**Long-Term Obligations**

At December 31, 2011, the City had outstanding \$5,904,884 of long-term debt and other long-term obligations. A summary detail of this amount is shown below:

**Outstanding Long-Term Obligations  
December 31, 2011 and 2010**

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
<b>LONG-TERM OBLIGATIONS</b>						
Long-Term Debt						
General Obligation Debt	\$ 3,572,663	\$ 3,931,755	\$ 669,000	\$ 713,000	\$ 4,241,663	\$ 4,644,755
Revenue Bonds	-	-	641,295	789,382	641,295	789,382
Other Long-Term Obligations						
WRS Prior Service Liability	8,461	9,384	-	-	8,461	9,384
Compensated Absences	227,365	241,703	57,142	71,118	284,507	312,821
Estimated Landfill Postclosure Liability	728,958	737,229	-	-	728,958	737,229
Total	<u>\$ 4,537,447</u>	<u>\$ 4,920,071</u>	<u>\$ 1,367,437</u>	<u>\$ 1,573,500</u>	<u>\$ 5,904,884</u>	<u>\$ 6,493,571</u>

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, 2011 totaled \$4,241,663, approximately 48% of the maximum legal limit of \$8,777,250.

During 2011 the City issued new debt and related obligations as shown below:

Date	Type of Debt	Amount	Purpose
6/2/11	G.O. Promissory Note	\$ 200,000	Finance TID #7 Project Costs
9/30/11	G.O. Promissory Note	233,450	Debt Refinancing

Additional information related to the City's long-term debt is reported in Note 4.E. following the financial statements.

**CURRENTLY KNOWN FACTS**

The City of Amery Common Council approved a local levy of \$1,602,589 for the 2012 budget. This is an increase of \$32,276 from the 2011 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, 2011**

	Primary Government			Unaudited
	Governmental Activities	Business-Type Activities	Total	Component Unit Redevelopment Authority
<b>ASSETS</b>				
Cash and Investments	\$ 1,565,639	\$ 275,161	\$ 1,840,800	\$ 156
Taxes Receivable	1,584,932	28,214	1,613,146	-
Accounts Receivable	101,929	246,763	348,692	-
Due from Other Governmental Units	5,068	-	5,068	-
Prepayments	-	9,815	9,815	-
Inventories	-	29,504	29,504	-
Special Assessments Receivable	40,309	92,744	133,053	-
Advances to Component Unit	267,816	-	267,816	-
Long-Term Receivables	584,525	71,377	655,902	-
Deferred Charges	17,505	1,253	18,758	-
Restricted Assets:				
Cash and Investments	-	178,563	178,563	-
Capital Assets:				
Capital Assets Not Being Depreciated	911,314	51,698	963,012	356,355
Capital Assets Being Depreciated	9,339,605	8,969,045	18,308,650	-
Accumulated Depreciation	(3,203,135)	(3,851,843)	(7,054,978)	-
Total Assets	11,215,507	6,102,294	17,317,801	356,511
<b>LIABILITIES</b>				
Vouchers and Accounts Payable	224,013	16,497	240,510	-
Accrued Interest Payable	40,819	8,878	49,697	2,287
Payroll Taxes and Withholdings	24,366	-	24,366	-
Due to Other Governmental Units	18,824	-	18,824	-
Unearned Revenue	1,789,377	-	1,789,377	-
Special Deposits	12,612	-	12,612	-
Advances from Primary Government	-	-	-	267,816
Noncurrent Liabilities:				
Amounts Due Within One Year	483,428	209,362	692,790	33,408
Amounts Due in More than One Year	4,054,019	1,158,075	5,212,094	142,528
Total Liabilities	6,647,458	1,392,812	8,040,270	446,039
<b>NET ASSETS</b>				
Invested in Capital Assets, Net of Related Debt	4,089,523	3,952,326	8,041,849	-
Restricted For:				
Debt Service	298,349	-	298,349	-
Capital Projects and Plant Replacement	410,481	178,563	589,044	-
Housing and Business Loan Programs	435,409	-	435,409	-
Other Purposes	111,745	-	111,745	-
Unrestricted	(777,458)	578,593	(198,865)	(89,528)
Total Net Assets	\$ 4,568,049	\$ 4,709,482	\$ 9,277,531	\$ (89,528)

See accompanying Notes to Basic Financial Statements.

**CITY OF AMERY, WISCONSIN  
STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2011**

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	
<b>PRIMARY GOVERNMENT</b>								
<b>GOVERNMENTAL ACTIVITIES</b>								
General Government	\$ 477,699	\$ 35,679	\$ -	\$ -	\$ (442,020)	\$ -	\$ (442,020)	\$ -
Public Safety	1,112,188	206,982	39,673	-	(865,533)	-	(865,533)	-
Public Works	927,920	172,080	217,937	90,659	(447,244)	-	(447,244)	-
Health and Human Services	221	-	-	-	(221)	-	(221)	-
Culture, Recreation, and Education	413,425	2,020	170,059	40,000	(201,346)	-	(201,346)	-
Conservation and Development	84,005	-	7,041	-	(76,964)	-	(76,964)	-
Interest and Fiscal Charges	140,335	-	32,770	-	(107,565)	-	(107,565)	-
Total Governmental Activities	3,155,793	416,761	467,480	130,659	(2,140,893)	-	(2,140,893)	-
<b>BUSINESS-TYPE ACTIVITIES</b>								
Water	311,389	405,016	-	38,574	-	132,201	132,201	-
Sewer	628,985	561,517	-	15,497	-	(51,971)	(51,971)	-
Total Business-Type Activities	940,374	966,533	-	54,071	-	80,230	80,230	-
Total Primary Government	\$ 4,096,167	\$ 1,383,294	\$ 467,480	\$ 184,730	(2,140,893)	80,230	(2,060,663)	-
<b>COMPONENT UNIT</b>								
Redevelopment Authority	\$ 6,997	\$ -	\$ -	\$ -				(6,997)
<b>GENERAL REVENUES</b>								
Taxes								
Property Taxes, Levied for General Purposes					1,570,313	-	1,570,313	-
Property Taxes, Levied for TIF Districts					204,756	-	204,756	-
Other Taxes					75,841	-	75,841	-
Grants and Contributions not Restricted for a Particular Purpose					588,086	-	588,086	-
Interest and Investment Earnings					11,927	1,023	12,950	-
Other Interest Earnings					-	3,088	3,088	-
Miscellaneous					139,260	-	139,260	-
Gain on Sale of Capital Assets					333	-	333	-
TRANSFERS					88,951	(88,951)	-	-
Total General Revenues and Transfers					2,679,467	(84,840)	2,594,627	-
<b>CHANGE IN NET ASSETS</b>								
					538,574	(4,610)	533,964	(6,997)
Net Assets - Beginning of Year					4,029,475	4,714,092	8,743,567	(82,531)
<b>NET ASSETS - END OF YEAR</b>					\$ 4,568,049	\$ 4,709,482	\$ 9,277,531	\$ (89,528)

See accompanying Notes to Basic Financial Statements.

**CITY OF AMERY, WISCONSIN  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2011**

	General Fund	CDBG Housing Revolving Loan Fund	Library Fund	Debt Service Fund	Tax Incremental District #6 Fund	Other Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>							
Treasurer's Cash and Investments	\$ 844,446	\$ 1,553	\$ 123,953	\$ 135,887	\$ 393,584	\$ 66,216	\$ 1,565,639
Taxes Receivable	1,208,869	-	189,294	-	2,692	184,077	1,584,932
Special Assessments Receivable	40,309	-	-	-	-	-	40,309
Accounts Receivable	103,238	-	-	-	-	1,691	104,929
Due from Other Governmental Units	-	-	-	-	-	5,068	5,068
Due from Other Funds	5,936	-	-	-	-	1,834	7,770
Advances to Other Funds	25,012	-	-	-	-	-	25,012
Advances to Component Unit	114,480	-	-	-	153,336	-	267,816
Long-Term Receivables	-	398,400	-	162,462	-	23,663	584,525
Total Assets	<u>\$ 2,342,290</u>	<u>\$ 399,953</u>	<u>\$ 313,247</u>	<u>\$ 298,349</u>	<u>\$ 549,612</u>	<u>\$ 282,549</u>	<u>\$ 4,186,000</u>
<b>LIABILITIES AND FUND BALANCES</b>							
<b>Liabilities:</b>							
Vouchers and Accounts Payable	\$ 173,175	\$ -	\$ 12,208	\$ -	\$ 26	\$ 38,604	\$ 224,013
Payroll Withholdings	24,366	-	-	-	-	-	24,366
Due to Other Governmental Units	18,824	-	-	-	-	-	18,824
Due to Other Funds	4,834	-	-	-	-	5,936	10,770
Deferred Revenue	1,572,672	398,400	189,294	162,462	156,028	207,740	2,686,596
Advance from Other Funds	-	3,740	-	-	-	21,272	25,012
Special Deposits	12,612	-	-	-	-	-	12,612
Total Liabilities	1,806,483	402,140	201,502	162,462	156,054	273,552	3,002,193
<b>Fund Balances:</b>							
Nonspendable	40,083	-	-	-	-	-	40,083
Restricted	-	-	111,745	135,887	393,558	30,269	671,459
Unassigned	495,724	(2,187)	-	-	-	(21,272)	472,265
Total Fund Balances	<u>535,807</u>	<u>(2,187)</u>	<u>111,745</u>	<u>135,887</u>	<u>393,558</u>	<u>8,997</u>	<u>1,183,807</u>
Total Liabilities and Fund Balances	<u>\$ 2,342,290</u>	<u>\$ 399,953</u>	<u>\$ 313,247</u>	<u>\$ 298,349</u>	<u>\$ 549,612</u>	<u>\$ 282,549</u>	<u>\$ 4,186,000</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF AMERY, WISCONSIN  
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES  
TO NET ASSETS OF GOVERNMENTAL ACTIVITIES  
DECEMBER 31, 2011**

**TOTAL FUND BALANCES FOR GOVERNMENTAL FUNDS** \$ 1,183,807

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	\$ 698,199	
Construction Work in Progress	213,115	
Land Improvements	1,359,771	
Buildings	4,430,571	
Equipment and Vehicles	2,432,985	
Infrastructure	1,116,278	
Accumulated Depreciation	<u>(3,203,135)</u>	7,047,784

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. 897,219

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	1,885,000	
General Obligation Notes Payable	1,687,663	
Accrued Interest on Long-Term Debt	40,819	
WRS Prior Service Liability	8,461	
Compensated Absences Payable	227,365	
Estimated Landfill Postclosure Liability	<u>728,958</u>	(4,578,266)

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. 17,505

**TOTAL NET ASSETS OF GOVERNMENTAL ACTIVITIES** \$ 4,568,049

**CITY OF AMERY, WISCONSIN  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
YEAR ENDED DECEMBER 31, 2011**

	General Fund	CDBG Housing Revolving Loan Fund	Library Fund	Debt Service Fund	Tax Incremental District #6 Fund	Other Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES</b>							
Taxes	\$ 1,430,263	\$ -	\$ 199,268	\$ -	\$ 31,906	\$ 189,472	\$ 1,850,909
Special Assessments	3,320	-	-	-	-	-	3,320
Intergovernmental	841,919	-	170,059	-	5,218	8,653	1,025,849
Licenses and Permits	57,867	-	-	-	-	-	57,867
Fines and Forfeits	26,343	-	-	-	-	-	26,343
Public Charges for Services	180,220	-	-	-	-	-	180,220
Intergovernmental Charges for Services	178,174	-	-	58,173	-	-	236,347
Miscellaneous:							
Interest	10,708	7	-	1,318	-	5	12,038
Rent	68,752	-	-	-	-	-	68,752
Sale of Property	3,195	-	-	-	-	-	3,195
Donations	41,032	-	-	25,000	-	-	66,032
Loan Repayments	-	-	-	-	-	4,354	4,354
Other	23,681	-	5,283	-	18,478	-	47,442
<b>Total Revenues</b>	<b>2,865,474</b>	<b>7</b>	<b>374,610</b>	<b>84,491</b>	<b>55,602</b>	<b>202,484</b>	<b>3,582,668</b>
<b>EXPENDITURES</b>							
General Government	499,839	-	-	-	-	-	499,839
Public Safety	970,252	-	-	-	-	-	970,252
Public Works	664,285	-	-	-	-	332,456	996,741
Health and Human Services	221	-	-	-	-	-	221
Culture, Recreation, and Education	219,780	-	348,096	-	-	-	567,876
Conservation and Development	90,474	19,631	-	-	3,566	35,662	149,333
Debt Service:							
Principal	-	-	-	559,092	-	-	559,092
Interest and Fiscal Charges	3,705	-	-	142,862	-	-	146,567
<b>Total Expenditures</b>	<b>2,448,556</b>	<b>19,631</b>	<b>348,096</b>	<b>701,954</b>	<b>3,566</b>	<b>368,118</b>	<b>3,889,921</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>416,918</b>	<b>(19,624)</b>	<b>26,514</b>	<b>(617,463)</b>	<b>52,036</b>	<b>(165,634)</b>	<b>(307,253)</b>
<b>OTHER FINANCING SOURCES (USES)</b>							
Long-Term Debt Issued	-	-	-	233,450	-	200,000	433,450
Transfers In	92,465	-	-	443,542	93,081	181,128	810,216
Transfers Out	(466,493)	-	-	-	(46,786)	(207,986)	(721,265)
Principal Payments on Refinanced Debt	-	-	-	(233,450)	-	-	(233,450)
<b>Total Other Financing Sources (Uses)</b>	<b>(374,028)</b>	<b>-</b>	<b>-</b>	<b>443,542</b>	<b>46,295</b>	<b>173,142</b>	<b>288,951</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>42,890</b>	<b>(19,624)</b>	<b>26,514</b>	<b>(173,921)</b>	<b>98,331</b>	<b>7,508</b>	<b>(18,302)</b>
Fund Balances - Beginning of Year	492,917	17,437	85,231	309,808	295,227	1,489	1,202,109
<b>FUND BALANCES - END OF YEAR</b>	<b>\$ 535,807</b>	<b>\$ (2,187)</b>	<b>\$ 111,745</b>	<b>\$ 135,887</b>	<b>\$ 393,558</b>	<b>\$ 8,997</b>	<b>\$ 1,183,807</b>

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, 2011**

**NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS** \$ (18,302)

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	\$ 426,675	
Capital Outlays Financed by Other Entities	80,584	
Depreciation Expense Reported in the Statement of Activities	<u>(338,460)</u>	168,799

In the statement of activities, only the gain or loss on the disposal of capital assets is reported whereas in the governmental funds, the proceeds from sales increase, financial resources and trade-ins are not reflected in capital outlays. 333

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. 7,159

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 Notes (433,450)

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 Bonds Principal Retirement	80,000	
General Obligation Notes Principal Retirement	<u>712,542</u>	792,542

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	2,567	
Amortization of Debt Issuance Costs	(4,606)	
Net Change in WRS Prior Service Liability	923	
Net Change in Compensated Absences Payable	14,338	
Net Change in Estimated Landfill Postclosure Liability	<u>8,271</u>	<u>21,493</u>

**CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES** \$ 538,574

**CITY OF AMERY, WISCONSIN  
BALANCE SHEET  
PROPRIETARY FUNDS  
DECEMBER 31, 2011**

	Business-Type Activities - Joint Water and Sewer Enterprise Fund		
	Water Department	Sewer Department	Totals
	<b>ASSETS</b>		
<b>Current Assets:</b>			
Cash and Investments	\$ 1,038,476	\$ (763,315)	\$ 275,161
Customer Accounts Receivable	91,200	132,228	223,428
Other Accounts Receivable	-	23,335	23,335
Accounts Receivable on Tax Roll	11,267	16,947	28,214
Prepayments	3,926	5,889	9,815
Inventories	26,186	3,318	29,504
Total Current Assets	1,171,055	(581,598)	589,457
<b>Restricted Assets:</b>			
Equipment Replacement Fund Investments	-	178,563	178,563
<b>Capital Assets:</b>			
Utility Plant in Service	4,096,432	4,924,311	9,020,743
Less: Accumulated Depreciation	1,387,834	2,464,009	3,851,843
Total Capital Assets	2,708,598	2,460,302	5,168,900
<b>Other Assets and Deferred Charges:</b>			
Special Assessments Receivable	-	92,744	92,744
Unamortized Debt Discount and Expense	1,253	-	1,253
Long-Term Receivables	-	71,377	71,377
Total Assets and Deferred Charges	1,253	164,121	165,374
Total Assets	\$ 3,880,906	\$ 2,221,388	\$ 6,102,294
<b>LIABILITIES</b>			
<b>Current Liabilities:</b>			
Accounts Payable	\$ 8,558	\$ 7,939	\$ 16,497
Accrued Interest Payable	2,035	6,843	8,878
Current Portion of Long-Term Debt:			
Revenue Bonds	-	152,828	152,828
General Obligation Notes	45,000	-	45,000
Accrued Compensated Absences	5,323	6,211	11,534
Total Current Liabilities	60,916	173,821	234,737
<b>Long-Term Liabilities (Net of Current Portion):</b>			
Revenue Bonds	-	488,467	488,467
General Obligation Notes	624,000	-	624,000
Accrued Compensated Absences	21,050	24,558	45,608
Total Long-Term Liabilities	645,050	513,025	1,158,075
Total Liabilities	705,966	686,846	1,392,812
<b>NET ASSETS</b>			
Invested in Capital Assets, Net of Related Debt	2,039,598	1,912,728	3,952,326
Restricted for Equipment Replacement	-	178,563	178,563
Unrestricted	1,135,342	(556,749)	578,593
Total Net Assets	3,174,940	1,534,542	4,709,482
Total Liabilities and Net Assets	\$ 3,880,906	\$ 2,221,388	\$ 6,102,294

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, 2011**

	Business-Type Activities - Joint Water and Sewer Enterprise Fund		
	Water	Sewer	Totals
	Department	Department	
<b>OPERATING REVENUES</b>			
Sales of Water/Sewerage Revenues:			
Residential	\$ 131,556	\$ 314,098	\$ 445,654
Commercial	69,117	162,133	231,250
Industrial	15,605	42,847	58,452
Public Authorities	18,005	38,926	56,931
Private Fire Protection	8,304	-	8,304
Public Fire Protection	142,669	-	142,669
Total Sales of Water/Sewerage Revenues	<u>385,256</u>	<u>558,004</u>	<u>943,260</u>
Other Operating Revenues	19,760	3,513	23,273
Total Operating Revenues	<u>405,016</u>	<u>561,517</u>	<u>966,533</u>
<b>OPERATING EXPENSES</b>			
Operation and Maintenance	194,698	454,493	649,191
Depreciation	89,503	153,173	242,676
Total Operating Expenses	<u>284,201</u>	<u>607,666</u>	<u>891,867</u>
<b>OPERATING INCOME (LOSS)</b>	120,815	(46,149)	74,666
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Interest Revenue	1,023	-	1,023
Interest Expense	(27,188)	(21,319)	(48,507)
Interest on Advance to Biosolids Facility	-	3,088	3,088
Total Nonoperating Revenues (Expenses)	<u>(26,165)</u>	<u>(18,231)</u>	<u>(44,396)</u>
<b>INCOME (LOSS) BEFORE TRANSFERS</b>	94,650	(64,380)	30,270
<b>TRANSFERS:</b>			
Capital Contributions - Customers and Developers	12,253	3,263	15,516
Capital Contributions - Governmental Funds	26,321	12,234	38,555
Transfer to Governmental Funds - Property Tax Equivalent	(88,951)	-	(88,951)
Total Contributions and Transfers	<u>(50,377)</u>	<u>15,497</u>	<u>(34,880)</u>
<b>CHANGE IN NET ASSETS</b>	44,273	(48,883)	(4,610)
Net Assets - Beginning of Year	3,130,667	1,583,425	4,714,092
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 3,174,940</u>	<u>\$ 1,534,542</u>	<u>\$ 4,709,482</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF AMERY, WISCONSIN  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
YEAR ENDED DECEMBER 31, 2011**

	Business-Type Activities - Joint Water and Sewer Enterprise Fund		
	Water	Sewer	Totals
	Department	Department	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash Received from Utility Customers	\$ 246,414	\$ 577,565	\$ 823,979
Cash Received for Public Fire Protection	142,669	-	142,669
Cash Received (Paid) for Meter Related Charges	18,143	(18,143)	-
Cash Paid to Suppliers for Goods and Services	(124,048)	(263,814)	(387,862)
Cash Paid for Employee Services	(63,791)	(188,345)	(252,136)
Net Cash Provided by (Used for) Operating Activities	<u>219,387</u>	<u>107,263</u>	<u>326,650</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Cash Payments for Tax Equivalent	(88,951)	-	(88,951)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Cash Payments for Capital Assets	(11,253)	(3,764)	(15,017)
Cash Received from Customer Contributions	10,753	3,263	14,016
Principal Paid on Long-Term Debt	(44,000)	(126,430)	(170,430)
Interest Paid on Long-Term Debt	(26,386)	(17,039)	(43,425)
Net Cash Provided by (Used for) Capital and Related Financing Activities	<u>(70,886)</u>	<u>(143,970)</u>	<u>(214,856)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest on Investments	<u>1,023</u>	<u>6,716</u>	<u>7,739</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	60,573	(29,991)	30,582
Cash and Cash Equivalents - Beginning of Year	<u>977,903</u>	<u>(554,761)</u>	<u>423,142</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 1,038,476</u>	<u>\$ (584,752)</u>	<u>\$ 453,724</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF AMERY, WISCONSIN  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS (CONTINUED)  
YEAR ENDED DECEMBER 31, 2011**

	Business-Type Activities - Joint Water and Sewer Enterprise Fund		
	Water Department	Sewer Department	Totals
	<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		
Operating Income (Loss)	\$ 120,815	\$ (46,149)	\$ 74,666
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:			
Depreciation	89,503	153,173	242,676
(Increase) Decrease in Assets:			
Customer Accounts Receivable	2,716	15,195	17,911
Accounts Receivable on Tax Roll	(506)	853	347
Prepayments	(889)	(1,333)	(2,222)
Inventories	1,133	5	1,138
Decrease (Increase) in Liabilities:			
Accounts Payable	6,054	56	6,110
Accrued Compensated Absences	561	(14,537)	(13,976)
Net Cash Provided by (Used for) Operating Activities	\$ 219,387	\$ 107,263	\$ 326,650
<b>RECONCILIATION OF CASH AND INVESTMENTS TO CASH AND CASH EQUIVALENTS</b>			
Cash and Investments per Balance Sheet:			
Cash and Investments	\$ 1,038,476	\$ (763,315)	\$ 275,161
Cash and Investments - Restricted	-	178,563	178,563
<b>CASH AND CASH EQUIVALENTS</b>	<b>\$ 1,038,476</b>	<b>\$ (584,752)</b>	<b>\$ 453,724</b>
<b>NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:</b>			
Capital Assets Financed Directly by Developers/Customers	\$ 1,500	\$ -	\$ 1,500
Capital Assets Financed Directly by Governmental Funds	26,321	12,234	38,555
Principal and Interest Paid Directly by Biosolids Facility	-	24,974	24,974

See accompanying Notes to Basic Financial Statements.

**CITY OF AMERY, WISCONSIN  
STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
DECEMBER 31, 2011**

	Private Purpose Trust Fund Fire Department Retirement Fund	Tax Agency Fund
<b>ASSETS</b>		
Cash and Investments	\$ 78,897	\$ 385,309
Taxes Receivable	-	2,625,676
Due from Other Funds	3,000	-
Total Assets	81,897	\$ 3,010,985
<b>LIABILITIES</b>		
Due to Other Governmental Units:		
State	-	\$ 29,792
County	-	853,150
Special Purpose District	-	7,866
School	-	1,921,137
Technical College	-	199,040
Total Liabilities	-	\$ 3,010,985
<b>NET ASSETS</b>		
Held for Retirement Benefits	\$ 81,897	

See accompanying Notes to Basic Financial Statements.

**CITY OF AMERY, WISCONSIN  
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
YEAR ENDED DECEMBER 31, 2011**

	<u>Private Purpose Trust Fund</u>	<u>Fire Department Retirement Fund</u>
<b>ADDITIONS</b>		
Interest	\$ 1,834	
Contribution from General Fund		5,310
Total Additions		<u>7,144</u>
<b>DEDUCTIONS</b>		
Retirement Benefits Paid		<u>5,310</u>
<b>CHANGE IN NET ASSETS</b>		1,834
Net Assets - Beginning of Year		<u>80,063</u>
<b>NET ASSETS - END OF YEAR</b>	<b>\$</b>	<b><u><u>81,897</u></u></b>

*See accompanying Notes to Basic Financial Statements.*

**CITY OF AMERY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2011**

**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, 2011 consisted of \$267,816 of advances from the City of Amery's general fund and TID #6 fund and long-term debt proceeds in the amount of \$175,936, 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, 2011 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, 2011**

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

**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.

**CITY OF AMERY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2011**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**Fund Financial Statements (Continued)**

The City reports the following major governmental funds:

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

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

**Library Fund** – The Library Fund, a special revenue fund, is used to account for the financial resources that are restricted for the purpose of supporting the library.

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

**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.

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. Water 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:

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

**Private Purpose Trust Fund** – The private purpose trust fund is used to account for a retirement plan established for members of the fire department (see also Note 5.B.).

**CITY OF AMERY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2011**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**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.

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 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.

**CITY OF AMERY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2011**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Measurement Focus and Basis of Accounting (Continued)**

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.

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.

**CITY OF AMERY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2011**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**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.

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

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

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

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, 2011**

**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 classified as nonspendable for the City's investment in delinquent taxes.

**Special Assessments.** Assessments against property owners for public improvements are generally not subject to full settlement in the year levied. 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 2011 tax roll are recognized as revenue in 2012.) Special assessments recorded in proprietary funds and in the government-wide financial statement are recorded as revenue at the time the assessments are subject to collection procedures.

**Accounts Receivable.** Accounts receivable in the community micro-loan fund (\$23,663) are net of an allowance for uncollectible accounts of \$4,452. All other accounts receivable are considered to be collectible in full.

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

**CITY OF AMERY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2011**

**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	\$ 5,000	N/A	N/A
Land Improvements	5,000	Straight-line	10 - 50 Years
Buildings and Improvements	5,000	Straight-line	20 - 50 Years
Machinery and Equipment	5,000	Straight-line	4 - 15 Years
Infrastructure	5,000	Straight-line	20 - 50 Years
Utility Systems	Various	Straight-line	4 - 100 Years

**CITY OF AMERY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2011**

**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 5.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, 2011**

**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 are displayed as unrestricted.

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

Unassigned fund balance is the residual classification for the City's general fund and includes all spendable amounts not contained in the other classifications. The City did not adopt a GASB 54 fund balance policy for the year ended December 31, 2011. Committed fund balance is required to be established, modified, or rescinded by resolution of the City Council prior to each year end.

**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, 2011**

**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, 2011 certain funds had deficit balances as shown below:

CDBG Housing Revolving Loan Fund	\$ (2,187)
Tax Incremental District #7	(21,272)
	\$ (23,459)

The deficit in the CDBG Housing Revolving Loan Fund and the Tax Incremental District #7 fund are financed by advances from the general fund, see Note 4.D. The advances will be repaid as funds become available from tax increment and loan repayment collections.

**NOTE 4 DETAILED NOTES ON ALL FUNDS**

**A. Deposits and Investments**

The City's cash and investments balances at December 31, 2011 as shown in the financial statements as follows:

Governmental Funds	\$ 1,565,639
Proprietary Funds	453,724
Fiduciary Funds	464,206
Total	\$ 2,483,569

The above cash and investments balances consisted of the following:

Deposits at Financial Institutions	\$ 2,482,569
Petty Cash	1,000
Total	\$ 2,483,569

**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.

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, 2011, \$630,385 of the City's deposits were exposed to custodial credit risk.

**CITY OF AMERY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2011**

**NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**B. Receivables/Deferred Revenues**

**Other Receivables**

**Housing Rehabilitation Loans Receivable.** The City was awarded Community Development Block Grants for financing housing rehabilitation loans. At December 31, 2011, the City had twenty-seven (27) outstanding deferred loans totaling \$398,400. The deferred loans become due and payable in full in the event that the maker no longer continues to occupy the premises securing the loan as a full-time residence, or if the maker transfers any legal or equitable interest in the mortgage premises to anyone for any reason.

The deferred loans have been recorded as receivables in the revolving loan special revenue fund and are equally offset by deferred 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 \$24,218 and \$138,244, respectively, for their share of the debt outstanding at December 31, 2011. 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, 2011, the City had \$267,816 due from the Redevelopment Authority of the City of Amery (Authority) for various items financed and/or paid by the City (\$114,480 in the general fund and \$153,336 in the Tax Incremental District #6 fund). These receivables are equally offset by 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, 2011**

**NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**C. Capital Assets**

Capital assets activity for the year ended December 31, 2011 is as follows:

**Governmental Activities**

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Governmental Activities:</b>				
Capital Assets Not Being Depreciated				
Land	\$ 691,199	\$ 7,000	\$ -	\$ 698,199
Construction Work in Progress	-	213,115	-	213,115
Total Capital Assets Not Being Depreciated	<u>691,199</u>	<u>220,115</u>	<u>-</u>	<u>911,314</u>
Capital Assets Being Depreciated				
Land Improvements	1,359,771	-	-	1,359,771
Buildings	4,430,571	-	-	4,430,571
Equipment and Vehicles	2,381,720	206,600	155,335	2,432,985
Infrastructure	944,734	171,544	-	1,116,278
Total Capital Assets Being Depreciated	<u>9,116,796</u>	<u>378,144</u>	<u>155,335</u>	<u>9,339,605</u>
Total Capital Assets	9,807,995	598,259	155,335	10,250,919
Accumulated Depreciation:				
Land Improvements	858,459	26,228	-	884,687
Buildings	836,617	113,062	-	949,679
Equipment and Vehicles	1,182,832	173,807	64,668	1,291,971
Infrastructure	51,435	25,363	-	76,798
Total Accumulated Depreciation	<u>2,929,343</u>	<u>338,460</u>	<u>64,668</u>	<u>3,203,135</u>
Net Capital Assets - Governmental Activities	<u>\$ 6,878,652</u>	<u>\$ 259,799</u>	<u>\$ 90,667</u>	<u>\$ 7,047,784</u>

Depreciation was charged to governmental functions as follows:

General Government	\$ 1,219
Public Safety	135,289
Public Works	136,288
Culture, Recreation and Education	65,664
Total Depreciation - Governmental Activities	<u>\$ 338,460</u>

**CITY OF AMERY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2011**

**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>
<b>Business-Type Activities:</b>				
<b>Joint Water and Sewer Utility:</b>				
<b>Water Department:</b>				
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	3,440,533	38,574	830	3,478,277
General Plant	130,852	500	-	131,352
Total Capital Assets Being Depreciated	<u>4,042,830</u>	<u>39,074</u>	<u>830</u>	<u>4,081,074</u>
Total Capital Assets	4,058,188	39,074	830	4,096,432
Less Accumulated Depreciation	1,299,161	89,503	830	1,387,834
Net Capital Assets - Water Utility	<u>2,759,027</u>	<u>(50,429)</u>	<u>-</u>	<u>2,708,598</u>
<b>Sewer Department:</b>				
Capital Assets Not Being Depreciated				
Land and Land Rights	36,340	-	-	36,340
Capital Assets Being Depreciated:				
Collection System	1,425,398	15,498	-	1,440,896
Pumping System	234,246	-	-	234,246
Treatment and Disposal Plant	3,085,069	-	-	3,085,069
General Plant	127,260	500	-	127,760
Total Capital Assets Being Depreciated	<u>4,871,973</u>	<u>15,998</u>	<u>-</u>	<u>4,887,971</u>
Total Capital Assets	4,908,313	15,998	-	4,924,311
Less Accumulated Depreciation	2,310,836	153,173	-	2,464,009
Net Capital Assets - Sewer Utility	<u>2,597,477</u>	<u>(137,175)</u>	<u>-</u>	<u>2,460,302</u>
Net Capital Assets - Business-Type Activities	<u>\$ 5,356,504</u>	<u>\$ (187,604)</u>	<u>\$ -</u>	<u>\$ 5,168,900</u>

Depreciation was charged to business-type activities as follows:

Water	\$ 89,503
Sewer	153,173
Total Depreciation - Business-Type Activities	<u>\$ 242,676</u>

**CITY OF AMERY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2011**

**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>
<b>Redevelopment Authority:</b>				
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, 2011 was as follows:

**Due to/from Other Funds**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Purposes</u>
General Fund	Capital Projects Fund	\$ 5,936	Finance Cash Deficit
Micro - Loan Fund	General Fund	1,834	Prior Year Tax Roll Item
Fire Department Retirement Fund	General Fund	3,000	Retirement Fund Contribution
		<u>\$ 10,770</u>	

**Advances from/to Other Funds**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Purposes</u>
General Fund	CDBG Housing Revolving Loan Fund	\$ 3,740	Administrative Expense Reimbursement
General Fund	Tax Incremental District #7 Fund	21,272	Cash Flows
		<u>\$ 25,012</u>	

**Interfund Transfers**

The following is a schedule of interfund transfers:

<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>	<u>Purposes</u>
General Fund	Land Contamination and Remediation Fund	\$ 3,514	Finance Project Costs
General Fund	Water Department Fund	88,951	Property Tax Equivalent
Debt Service Fund	General Fund	285,365	Finance Current Maturities
Debt Service Fund	Tax Incremental District #5 Fund	80,391	Finance Current Maturities
Debt Service Fund	Tax Incremental District #6 Fund	46,786	Finance Current Maturities
Debt Service Fund	Tax Incremental District #7 Fund	31,000	Finance Current Maturities
Tax Incremental District #6 Fund	Tax Incremental District #5 Fund	93,081	Finance Project Costs
Capital Projects Fund	General Fund	181,128	Finance Project Costs
		<u>\$ 810,216</u>	

**CITY OF AMERY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2011**

**NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**E. Long-Term Obligations**

**Changes in Long-Term Obligations**

Changes in long-term obligations of the City for the year ended December 31, 2011 were as follows:

	Balance 1/1/11	Issued	Retired	Balance 12/31/11	Amounts Due Within One Year
<b>Primary Government</b>					
<b>Governmental Activities</b>					
General Obligation Bonds	\$ 1,965,000	\$ -	\$ 80,000	\$ 1,885,000	\$ 80,000
General Obligation Notes	1,966,755	433,450	712,542	1,687,663	357,533
WRS Prior Service Liability	9,384	612	1,535	8,461	-
Compensated Absences	241,703	-	14,338	227,365	45,895
Estimated Landfill Postclosure Liability	737,229	-	8,271	728,958	-
	<u>\$ 4,920,071</u>	<u>\$ 434,062</u>	<u>\$ 816,686</u>	<u>\$ 4,537,447</u>	<u>\$ 483,428</u>
Governmental Activities - Long-Term Liabilities					
<b>Business-Type Activities</b>					
General Obligation Notes	\$ 713,000	\$ -	\$ 44,000	\$ 669,000	\$ 45,000
Revenue Bonds	789,382	-	148,087	641,295	152,828
Compensated Absences	71,118	560	14,536	57,142	11,534
	<u>\$ 1,573,500</u>	<u>\$ 560</u>	<u>\$ 206,623</u>	<u>\$ 1,367,437</u>	<u>\$ 209,362</u>
Business-Type Activities - Long-Term Liabilities					
<b>Component Unit</b>					
Bank Mortgage Note	<u>\$ 209,013</u>	<u>\$ 175,936</u>	<u>\$ 209,013</u>	<u>\$ 175,936</u>	<u>\$ 33,408</u>

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 postclosure costs is discussed in Note 5.E.

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

On September 30, 2011, the City obtained a \$233,450 loan from the local bank. The proceeds from the general obligation note were used to make the final principal and interest payment for the 2008 promissory note due on October 1, 2011. The 2011 note with interest at 3.75% will be repaid in semiannual payments of principal and interest totaling \$269,992 over ten years with the final payment due in 2020.

**CITY OF AMERY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2011**

**NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**E. Long-Term Obligations (Continued)**

**General Obligation Long-Term Debt**

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

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

Individual general obligation long-term debt issues outstanding at December 31, 2011 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	\$ 1,885,000
General Obligation Notes:					
Landfill Remediation Promissory Notes, Series 2000	5/10/00	5/1/20	0.00%	481,687	220,129
State Trust Fund Loan	10/13/04	3/15/19	5.00%	429,000	285,379
Promissory Notes	8/10/03 thru 3/24/04	6/1/13	3.65%	1,399,000	659,353
Promissory Notes	2/1/05	3/15/12	4.45%	280,000	125,086
State Trust Fund Loan	10/25/05	3/15/20	5.00%	25,000	18,262
Promissory Note	6/2/11	6/2/14	3.25%	200,000	171,004
Promissory Note	9/30/11	2/8/20	3.75%	233,450	208,450
Business-Type Activities:					
General Obligation Notes:					
Promissory Notes	8/20/03 thru 10/14/04	6/1/13	3.65%	969,000	669,000
Total				<u>\$ 6,057,137</u>	<u>\$ 4,241,663</u>

**CITY OF AMERY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2011**

**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	Library Fund	TID #6 Fund	TID #7 Fund	Water Department Fund	Total
2012	\$ 482,533	\$ 155,900	\$ 638,433	\$ 432,281	\$ 27,947	\$ 46,786	\$ 62,000	\$ 69,419	\$ 638,433
2013	1,402,993	118,664	1,521,657	749,437	28,047	46,785	62,000	635,388	1,521,657
2014	221,607	89,761	311,368	179,959	28,047	46,785	56,577	-	311,368
2015	158,889	82,673	241,562	166,729	28,047	46,786	-	-	241,562
2016	166,548	77,014	243,562	168,729	28,047	46,786	-	-	243,562
2017-2021	839,095	290,156	1,129,251	881,785	104,857	142,609	-	-	1,129,251
2022-2026	670,000	148,310	818,310	818,310	-	-	-	-	818,310
2027-2028	299,998	15,960	315,958	315,958	-	-	-	-	315,958
	<u>\$ 4,241,663</u>	<u>\$ 978,438</u>	<u>\$ 5,220,101</u>	<u>\$ 3,713,188</u>	<u>\$ 244,992</u>	<u>\$ 376,537</u>	<u>\$ 180,577</u>	<u>\$ 704,807</u>	<u>\$ 5,220,101</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, 2011, the City's debt limit amounted to \$8,777,250 and indebtedness subject to the limitation totaled \$4,241,663.

**Revenue Bonds**

Outstanding mortgage revenue bonds of the City totaled \$641,295 at December 31, 2011. 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
2012	\$ 152,828	\$ 18,083	\$ 170,911
2013	157,720	13,112	170,832
2014	162,769	7,983	170,752
2015	167,978	2,689	170,667
	<u>\$ 641,295</u>	<u>\$ 41,867</u>	<u>\$ 683,162</u>

**CITY OF AMERY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2011**

**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 \$2,072,892 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, 2011 was \$547,574.

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, 2011. 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 \$93,721.

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 \$210,000 of bank promissory notes on January 5, 2004 to purchase real estate within the City to be used for future development. A bank promissory note in the amount of \$175,936 was issued on September 7, 2011 for the purpose of refinancing the \$210,000 bank notes. The 2011 note, with an interest rate of 3.25%, will be repaid in ten semiannual payments of \$19,145 with the final payment due on August 16, 2016. 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 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, 2011**

**NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**F. Governmental Fund Balances**

The governmental fund balances reported on the fund financial statements at December 31, 2011 consisted of the following:

	<u>Total</u>	<u>Nonspendable</u>	<u>Restricted</u>	<u>Unassigned</u>
<b>Major Funds:</b>				
General Fund				
Advances to Other Funds	\$ 25,012	\$ 25,012	\$ -	\$ -
Delinquent Taxes	15,071	15,071	-	-
Unassigned	495,724	-	-	495,724
Subtotal General Fund	<u>535,807</u>	<u>40,083</u>	<u>-</u>	<u>495,724</u>
CDBG Housing Revolving Loan Fund	(2,187)	-	-	(2,187)
Library Fund	111,745	-	111,745	-
Debt Service Fund	135,887	-	135,887	-
Tax Incremental District #6 Fund	393,558	-	393,558	-
<b>Nonmajor Funds:</b>				
Special Revenue Funds:				
Landfill Contamination and Remediation Fund	-	-	-	-
Community Micro - Loan Fund	13,346	-	13,346	-
Capital Projects Funds:				
Tax Incremental District #5 Fund	16,923	-	16,923	-
Tax Incremental District #7 Fund	(21,272)	-	-	(21,272)
Other Capital Improvements Fund	-	-	-	-
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total Governmental Fund Balances at December 31, 2011	<u>\$ 1,183,807</u>	<u>\$ 40,083</u>	<u>\$ 671,459</u>	<u>\$ 472,265</u>

**G. Tax Incremental Districts**

The City has created six 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.

**CITY OF AMERY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2011**

**NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**G. Tax Incremental Districts (Continued)**

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.

The City had terminated TID #2 and TID #3 during 2001 with closeout of the funds at December 31, 2001, and TID #4 was terminated in 2004. TID #5, TID #6 and TID #7 were still in existence at December 31, 2011. The resolution creating TID #5 was dated September 28, 1992 and the resolution creating TID #6 was dated May 5, 2004. The resolution creating TID #7 was dated September 30, 2010. The project plans, on file in the office of the City Administrator, detail the proposed projects, the estimated years of construction or site acquisition and the estimated costs of the individual project components.

Transactions of TID #5, TID #6 and TID #7 are accounted for in capital projects funds. Project expenditures through December 31, 2011 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, 2011 are summarized as follows:

	<u>TID #5</u>	<u>TID #6</u>	<u>TID #7</u>
Accumulated Project Costs:			
Project Expenditures	\$ 2,365,448	\$ 783,990	\$ 190,272
Debt Expenditures:			
Interest Charges	584,024	157,401	2,004
Transfers Out	403,538	-	-
Total Project Costs	<u>3,353,010</u>	<u>941,391</u>	<u>192,276</u>
Accumulated Project Revenues:			
Tax Increments	1,981,350	325,349	-
Minimum Tax Agreements	-	57,627	-
Intergovernmental Grants and Aids	227,273	226,317	-
Interest on Investments	17,650	-	-
Sale of City Property	315,440	-	-
Other	828,220	422,016	-
Total Project Revenues	<u>3,369,933</u>	<u>1,031,309</u>	<u>-</u>
Future Project Revenues Necessary to Recover Project Costs to Date	<u>\$ (16,923)</u>	<u>\$ (89,918)</u>	<u>\$ 192,276</u>

**CITY OF AMERY, WISCONSIN  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 DECEMBER 31, 2011**

**NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**G. Tax Incremental Districts (Continued)**

The preceding summaries of transactions are reconciled to the fund balances in TID districts at December 31, 2011 as follows:

	<u>TID #5</u>	<u>TID #6</u>	<u>TID #7</u>
Outstanding Long-Term Debt Payable from TID Funds at December 31, 2011	\$ -	\$ 303,640	\$ 171,004
Less Unrecovered Costs Above	16,923	89,918	(192,276)
Fund Balances (Deficits) at December 31, 2011	<u>\$ 16,923</u>	<u>\$ 393,558</u>	<u>\$ (21,272)</u>

**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 6.5% of their salary (3.9% for executives and elected officials, 5.8% for protective occupations with social security, and 4.8% for protective occupations without social security) to the plan for payrolls prior to June 29, 2011. For payrolls beginning on or after June 29, 2011, covered employees in the general/teacher category are required by statute to contribute 5.8% of their salary (6.65% for executives and elected officials, 5.8% for protective occupations with social security, and 5.8% 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, 2011 was \$1,158,922; the employer's total payroll was \$1,276,803. The total required contribution for the year ended December 31, 2011 was \$152,820, which consisted of \$81,492, or 7.03% of payroll from the employer and \$71,328 or 6.15% of payroll from employees. Total contributions for the years ending December 31, 2010 and 2009 were \$153,744 and \$138,437, respectively, equal to the required contributions for each year.

The City's pension related debt at December 31, 2011 (the unfunded actuarial accrued liability for prior service costs) was \$8,461. 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 2011 was 7.8%.

**CITY OF AMERY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2011**

**NOTE 5 OTHER INFORMATION (CONTINUED)**

**A. Employee Retirement Plan (Continued)**

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. Final average earnings are 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.

**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 \$5,310 to the plan for the 2011 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, 2011 was \$81,897.

**CITY OF AMERY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2011**

**NOTE 5 OTHER INFORMATION (CONTINUED)**

**C. Vacation, Sick Leave and Compensatory Time Off Liabilities**

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

Liabilities for accumulated vacation, sick leave and compensatory time are not accrued in the City's governmental fund financial statements but are recorded as expenditures when paid. Such liabilities are accrued in the government-wide and proprietary fund financial statements when earned. The estimated liabilities for unused vacation, sick leave and compensatory time payable from the general fund on a pay-as-you-go basis at December 31, 2011 were \$227,365. The estimated liabilities in the proprietary funds at that date were \$57,142.

**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, 2011 totaling \$93,721 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 \$991 was also recorded therein since the debt is to be funded by the Facility. The total receivable of \$94,712 at December 31, 2011 was classified as \$23,335 current and \$71,377 long-term in the utility's year end statement of net assets.

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

**CITY OF AMERY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2011**

**NOTE 5 OTHER INFORMATION (CONTINUED)**

**E. Landfill Postclosure Care Costs**

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

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

Future costs to be paid by the City at December 31, 2011 have been estimated by an outside consultant at \$728,958. This amount is reflected as a liability in the City's government-wide financial statements.

**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, 2011, the City had no outstanding debt subject to collection from the Golf Club.

**G. Conduit Debt**

The Village was a party to a "joint powers and parity agreement" in 2011 among the Village, City of Amery, the Village of Luck, the Town of Black Brook and the Town of Lincoln (collectively referred to as the Municipalities), Amery Regional Medical Center, Inc. (the Obligor) and Bremer Bank, a national banking association (the Lender) for the purpose of the issuance of \$37.8 million of health care facilities revenue bonds by the Municipalities to the Lender in March 2011 with the proceeds therefrom to be used by the Obligor for capital improvements and debt refinancing. Bonds issued by the City totaled \$8.5 million. The bonds are subject to repayment solely from payments received by the Lender from the Obligor in accordance with underlying mortgage assignments and related agreements. The bonds are special limited obligations of the Municipalities and do not constitute a moral or general obligation of the Municipalities. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. The outstanding balance of the collective debt was \$12,671,910 at June 30, 2011 per audited financial statements of the Obligor.

**CITY OF AMERY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2011**

**NOTE 5 OTHER INFORMATION (CONTINUED)**

**H. Risk Management**

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

**I. Approved Temporary Borrowing**

The City has annually approved a revolving line of credit with a local bank for cash flow purposes. The latest approval was for the period from January 2011 through December 2011 for a total amount up to \$250,000 at 3.31 percent. This line of credit is secured by tax receipts sufficient for repayment. The City did not draw on this line of credit in 2011 and has made no draws to date in 2012.

**REQUIRED SUPPLEMENTARY INFORMATION**

SCHEDULE 1

CITY OF AMERY, WISCONSIN  
 GENERAL FUND  
 BUDGETARY COMPARISON SCHEDULE  
 YEAR ENDED DECEMBER 31, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 1,422,467	\$ 1,438,736	\$ 1,430,263	\$ (8,473)
Special Assessments	5,347	5,347	3,320	(2,027)
Intergovernmental	862,487	862,487	841,919	(20,568)
Licenses and Permits	42,460	38,350	57,867	19,517
Fines and Forfeits	31,950	31,950	26,343	(5,607)
Public Charges for Services	182,005	182,005	180,220	(1,785)
Intergovernmental Charges for Services	159,500	159,500	178,174	18,674
Miscellaneous:				
Interest	4,100	4,100	10,708	6,608
Rent	34,250	34,250	68,752	34,502
Sale of Property	7,000	7,000	3,195	(3,805)
Donations	2,000	2,000	41,032	39,032
Other	13,600	13,600	23,681	10,081
<b>Total Revenues</b>	<b>2,767,166</b>	<b>2,779,325</b>	<b>2,865,474</b>	<b>86,149</b>
<b>EXPENDITURES</b>				
General Government	491,410	496,139	499,839	(3,700)
Public Safety	1,011,796	987,045	970,252	16,793
Public Works	836,722	831,208	664,285	166,923
Health and Human Services	200	200	221	(21)
Culture, Recreation, and Education	63,895	73,600	219,780	(146,180)
Conservation and Development	40,600	40,900	90,474	(49,574)
Debt Service:				
Interest and Fiscal Charges	122,663	122,663	3,705	118,958
<b>Total Expenditures</b>	<b>2,567,286</b>	<b>2,551,755</b>	<b>2,448,556</b>	<b>103,199</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>199,880</b>	<b>227,570</b>	<b>416,918</b>	<b>189,348</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	67,500	67,500	92,465	24,965
Transfers Out	(169,413)	(169,413)	(466,493)	(297,080)
<b>Total Other Financing Sources (Uses)</b>	<b>(101,913)</b>	<b>(101,913)</b>	<b>(374,028)</b>	<b>(272,115)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>97,967</b>	<b>125,657</b>	<b>42,890</b>	<b>(82,767)</b>
Fund Balance - Beginning of Year	492,917	492,917	492,917	-
<b>FUND BALANCE - END OF YEAR</b>	<b>\$ 590,884</b>	<b>\$ 618,574</b>	<b>\$ 535,807</b>	<b>\$ (82,767)</b>

See Notes to Required Supplementary Information

**CITY OF AMERY, WISCONSIN  
LIBRARY FUND  
BUDGETARY COMPARISON SCHEDULE  
YEAR ENDED DECEMBER 31, 2011**

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes	\$ 199,268	\$ 199,268	\$ 199,268	\$ -
Intergovernmental	170,000	170,000	170,059	59
Miscellaneous:				
Other	-	-	5,283	5,283
Total Revenues	<u>369,268</u>	<u>369,268</u>	<u>374,610</u>	<u>5,342</u>
<b>EXPENDITURES</b>				
Culture, Recreation, and Education	<u>352,741</u>	<u>370,500</u>	<u>348,096</u>	<u>22,404</u>
<b>NET CHANGE IN FUND BALANCES</b>	16,527	(1,232)	26,514	27,746
Fund Balance - Beginning of Year	<u>85,231</u>	<u>85,231</u>	<u>85,231</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u><u>\$ 101,758</u></u>	<u><u>\$ 83,999</u></u>	<u><u>\$ 111,745</u></u>	<u><u>\$ 27,746</u></u>

**CITY OF AMERY, WISCONSIN  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
DECEMBER 31, 2011**

**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.

**SUPPLEMENTARY INFORMATION**

**COMBINING AND INDIVIDUAL FUND STATEMENTS**

**CITY OF AMERY, WISCONSIN  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
DECEMBER 31, 2011**

	Special Revenue Funds			Capital Projects Funds			Total Nonmajor Governmental Funds	
	Landfill & Remediation Fund	Community Micro - Loan Fund	Total Special Revenue Funds	Tax Incremental District #5 Fund	Tax Incremental District #7 Fund	Other Capital Improvements Fund		Total Capital Projects Funds
<b>ASSETS</b>								
Treasurer's Cash and Investments	\$ -	\$ 11,512	\$ 11,512	\$ 16,923	\$ 37,781	\$ -	\$ 54,704	\$ 66,216
Taxes Receivable	-	-	-	182,213	1,864	-	184,077	184,077
Accounts Receivable	-	-	-	-	-	1,691	1,691	1,691
Due from Other Governmental Units	-	-	-	-	-	5,068	5,068	5,068
Due from Other Funds	-	1,834	1,834	-	-	-	-	1,834
Long-Term Receivables	-	23,663	23,663	-	-	-	-	23,663
<b>Total Assets</b>	<b>\$ -</b>	<b>\$ 37,009</b>	<b>\$ 37,009</b>	<b>\$ 199,136</b>	<b>\$ 39,645</b>	<b>\$ 6,759</b>	<b>\$ 245,540</b>	<b>\$ 282,549</b>
<b>LIABILITIES AND FUND BALANCES</b>								
<b>Liabilities:</b>								
Vouchers and Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ 37,781	\$ 823	\$ 38,604	\$ 38,604
Due Other Funds	-	-	-	-	-	5,936	5,936	5,936
Deferred Revenue	-	23,663	23,663	182,213	1,864	-	184,077	207,740
Advance from Other Funds	-	-	-	-	21,272	-	21,272	21,272
<b>Total Liabilities</b>	<b>-</b>	<b>23,663</b>	<b>23,663</b>	<b>182,213</b>	<b>60,917</b>	<b>6,759</b>	<b>249,889</b>	<b>273,552</b>
<b>Fund Balances:</b>								
Restricted	-	13,346	13,346	16,923	-	-	16,923	30,269
Unassigned	-	-	-	-	(21,272)	-	(21,272)	(21,272)
<b>Total Fund Balances</b>	<b>-</b>	<b>13,346</b>	<b>13,346</b>	<b>16,923</b>	<b>(21,272)</b>	<b>-</b>	<b>(4,349)</b>	<b>8,997</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ -</b>	<b>\$ 37,009</b>	<b>\$ 37,009</b>	<b>\$ 199,136</b>	<b>\$ 39,645</b>	<b>\$ 6,759</b>	<b>\$ 245,540</b>	<b>\$ 282,549</b>

**CITY OF AMERY, WISCONSIN  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
YEAR ENDED DECEMBER 31, 2011**

	Special Revenue Funds			Capital Projects Funds			Total Nonmajor Governmental Funds	
	Landfill Contamination & Remediation Fund	Community Micro - Loan Fund	Total Special Revenue Funds	Tax Incremental District #5 Fund	Tax Incremental District #7 Fund	Other Capital Improvements Fund		Total Capital Projects Funds
<b>REVENUES</b>								
Taxes	\$ -	\$ -	\$ -	\$ 177,472	\$ -	\$ 12,000	\$ 189,472	\$ 189,472
Intergovernmental	-	-	-	1,894	-	6,759	8,653	8,653
Miscellaneous:								
Interest	-	5	5	-	-	-	-	5
Loan Repayments	-	4,354	4,354	-	-	-	-	4,354
<b>Total Revenues</b>	<b>-</b>	<b>4,359</b>	<b>4,359</b>	<b>179,366</b>	<b>-</b>	<b>18,759</b>	<b>198,125</b>	<b>202,484</b>
<b>EXPENDITURES</b>								
Public Works	-	-	-	-	132,569	199,887	332,456	332,456
Conservation and Development	-	10,044	10,044	4,000	21,618	-	25,618	35,662
<b>Total Expenditures</b>	<b>-</b>	<b>10,044</b>	<b>10,044</b>	<b>4,000</b>	<b>154,187</b>	<b>199,887</b>	<b>358,074</b>	<b>368,118</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>-</b>	<b>(5,685)</b>	<b>(5,685)</b>	<b>175,366</b>	<b>(154,187)</b>	<b>(181,128)</b>	<b>(159,949)</b>	<b>(165,634)</b>
<b>OTHER FINANCING SOURCES (USES)</b>								
Long-Term Debt Issued	-	-	-	-	200,000	-	200,000	200,000
Transfers In	-	-	-	-	-	181,128	181,128	181,128
Transfers Out	(3,514)	-	(3,514)	(173,472)	(31,000)	-	(204,472)	(207,986)
<b>Total Other Financing Sources (Uses)</b>	<b>(3,514)</b>	<b>-</b>	<b>(3,514)</b>	<b>(173,472)</b>	<b>169,000</b>	<b>181,128</b>	<b>176,656</b>	<b>173,142</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(3,514)</b>	<b>(5,685)</b>	<b>(9,199)</b>	<b>1,894</b>	<b>14,813</b>	<b>-</b>	<b>16,707</b>	<b>7,508</b>
Fund Balance - Beginning of Year	3,514	19,031	22,545	15,029	(36,085)	-	(21,056)	1,489
<b>FUND BALANCE - END OF YEAR</b>	<b>\$ -</b>	<b>\$ 13,346</b>	<b>\$ 13,346</b>	<b>\$ 16,923</b>	<b>\$ (21,272)</b>	<b>\$ -</b>	<b>\$ (4,349)</b>	<b>\$ 8,997</b>

**CITY OF AMERY, WISCONSIN  
GENERAL FUND  
DETAILED BALANCE SHEET  
DECEMBER 31, 2011  
(WITH COMPARATIVE AMOUNTS AS OF DECEMBER 31, 2010)**

	2011	2010
<b>ASSETS</b>		
Treasurer's Cash and Investments	\$ 844,446	\$ 623,905
Taxes Receivable:		
Current Tax Roll	1,193,798	1,160,304
Delinquent Personal Property Taxes Held by Village	15,071	12,334
Special Assessments Receivable	40,309	43,526
Accounts Receivable	103,238	91,954
Due from Other Governmental Units	-	76,361
Due from Other Funds	5,936	-
Advances to Other Funds	25,012	39,825
Advances to Component Unit	114,480	75,559
	<u>\$ 2,342,290</u>	<u>\$ 2,123,768</u>
<b>LIABILITIES AND FUND BALANCE</b>		
<b>Liabilities:</b>		
Vouchers and Accounts Payable	\$ 173,175	\$ 83,974
Payroll Withholdings	24,366	18,131
Due to Other Governmental Units	18,824	20,045
Due to Other Funds	4,834	4,834
Deferred Revenues:		
Tax Roll Items:		
General Property Taxes	1,413,314	1,371,450
Special Assessments and Charges	4,569	4,765
Deferred Special Assessments	40,309	43,526
Advances to Component Unit	114,480	75,559
Special Deposits	12,612	8,567
Total Liabilities	<u>1,806,483</u>	<u>1,630,851</u>
<b>Fund Balance:</b>		
Nonspendable	40,083	52,159
Unassigned	495,724	440,758
Total Fund Balance	<u>535,807</u>	<u>492,917</u>
Total Liabilities and Fund Balance	<u>\$ 2,342,290</u>	<u>\$ 2,123,768</u>

**CITY OF AMERY, WISCONSIN  
GENERAL FUND  
DETAILED STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2011  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 2010)**

	2011			Variance with Final Budget	2010 Actual
	Original Budget	Final Budget	Actual		
<b>REVENUES</b>					
<b>TAXES</b>					
General Property Taxes	\$ 1,359,037	\$ 1,359,037	\$ 1,359,045	\$ 8	\$ 1,308,385
Mobile Home Fees	26,000	42,269	31,407	(10,862)	31,174
Public Accommodation Taxes	9,000	9,000	10,817	1,817	9,131
Payment in Lieu of Taxes	28,430	28,430	28,994	564	29,274
Total Taxes	<u>1,422,467</u>	<u>1,438,736</u>	<u>1,430,263</u>	<u>(8,473)</u>	<u>1,377,964</u>
<b>SPECIAL ASSESSMENTS</b>					
Street Improvement Projects	5,347	5,347	3,320	(2,027)	3,320
<b>INTERGOVERNMENTAL</b>					
Federal Aid - Fire	-	-	-	-	23,228
Federal Aid - Highway Safety	-	-	7,405	7,405	-
State Shared Taxes	595,528	595,528	576,128	(19,400)	576,922
Fire Insurance Taxes	6,000	6,000	6,131	131	6,054
Exempt Computer Aid	12,000	12,000	4,846	(7,154)	6,074
State General Transportation Aid	226,020	226,020	211,937	(14,083)	223,092
State Aid - MSIP	-	-	10,051	10,051	-
State Aid - Police Training	1,600	1,600	1,800	200	2,098
State Aid - Other Law Enforcement	15,000	15,000	-	(15,000)	18,000
State Aid - Ambulance	5,539	5,539	23,013	17,474	20,440
State Aid - Tank Inspections	800	800	325	(475)	5,630
State Aid - Lake Protection Grant	-	-	-	-	115,354
State Aid in Lieu of Taxes - Conservation	-	-	280	280	-
State Aid - Other	-	-	3	3	-
Airport Improvement Aid	-	-	-	-	7,874
County - Police Reimbursement	-	-	-	-	4,500
Amery Lakes District - Local Grant Match	-	-	-	-	38,451
Total Intergovernmental	<u>862,487</u>	<u>862,487</u>	<u>841,919</u>	<u>(20,568)</u>	<u>1,047,717</u>
<b>LICENSES AND PERMITS</b>					
Licenses:					
Liquor and Malt Beverage	7,240	7,240	7,150	(90)	7,290
Operators	2,905	2,905	2,675	(230)	3,155
Cigarette	450	450	500	50	400
Trailer Park	-	-	278	278	524
Cable Television	15,500	11,390	11,671	281	11,390
Other	3,315	3,315	4,047	732	695
Permits:					
Building	8,500	8,500	27,501	19,001	19,923
Zoning	3,000	3,000	2,375	(625)	2,575
Park	800	800	970	170	860
Other	750	750	700	(50)	850
Total Licenses and Permits	<u>42,460</u>	<u>38,350</u>	<u>57,867</u>	<u>19,517</u>	<u>47,662</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, 2011  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 2010)**

	2011		Actual	Variance with Final Budget	2010 Actual
	Original Budget	Final Budget			
<b>REVENUES (CONTINUED)</b>					
<b>FINES AND FORFEITS</b>					
Law and Ordinance Violations	\$ 31,950	\$ 31,950	\$ 26,343	\$ (5,607)	\$ 32,470
<b>PUBLIC CHARGES FOR SERVICES</b>					
General Government:					
Clerk's Fees	425	425	3,176	2,751	4,558
Public Safety:					
Police Fees	17,280	17,280	3,055	(14,225)	4,799
Fire Protection Fees	1,000	1,000	1,909	909	884
Public Works:					
Transportation Facilities:					
Highway Maintenance and Construction	12,850	12,850	36,300	23,450	24,463
Airport	22,000	22,000	9,025	(12,975)	6,705
Sanitation:					
Refuse and Recycling	125,300	125,300	118,789	(6,511)	122,306
Landfill	400	400	251	(149)	361
Weed and Nuisance Control	2,750	2,750	7,715	4,965	3,439
Total Public Charges for Services	182,005	182,005	180,220	(1,785)	167,515
<b>INTERGOVERNMENTAL CHARGES FOR SERVICES</b>					
General Government:					
Department Administrative Cost Reimbursements	5,000	5,000	5,000	-	9,000
Utility Office Space Rental	18,000	18,000	18,000	-	18,000
Public Safety:					
Law Enforcement	-	-	-	-	21,237
Fire Protection	129,000	129,000	148,174	19,174	165,082
Dam	1,500	1,500	1,000	(500)	1,000
Public Works:					
Transportation Facilities:					
Utility Equipment Rental	6,000	6,000	6,000	-	6,000
Total Intergovernmental Charges for Services	159,500	159,500	178,174	18,674	220,319

**CITY OF AMERY, WISCONSIN  
GENERAL FUND  
DETAILED STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL (CONTINUED)  
YEAR ENDED DECEMBER 31, 2011  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 2010)**

	2011		Actual	Variance with Final Budget	2010 Actual
	Original Budget	Final Budget			
<b>REVENUES (CONTINUED)</b>					
<b>MISCELLANEOUS</b>					
Interest:					
General Investments	\$ 1,500	\$ 1,500	\$ 9,264	\$ 7,764	\$ 11,410
Special Assessments	2,600	2,600	1,444	(1,156)	1,715
Rent	34,250	34,250	68,752	34,502	50,771
Sale of City Property	7,000	7,000	3,195	(3,805)	6,500
Donations	2,000	2,000	41,032	39,032	135
Other:					
Insurance Recoveries and Dividends	-	-	1,118	1,118	13,604
Other Miscellaneous	13,600	13,600	22,563	8,963	10,953
Total Miscellaneous	60,950	60,950	147,368	86,418	95,088
Total Revenues	2,767,166	2,779,325	2,865,474	86,149	2,992,055
<b>EXPENDITURES</b>					
<b>GENERAL GOVERNMENT</b>					
Council	25,328	25,378	25,715	(337)	25,855
Municipal Court	42,701	42,701	37,273	5,428	42,781
Legal Fees	14,500	16,000	21,931	(5,931)	15,902
Municipal Code	-	-	-	-	138
Mayor	10,439	10,439	10,353	86	13,381
Clerk-Treasurer	190,727	190,395	200,299	(9,904)	171,167
Elections	7,535	7,535	14,533	(6,998)	11,150
Special Accounting and Auditing	12,000	10,500	9,600	900	11,470
Assessment of Property	51,550	51,550	52,506	(956)	28,492
City Hall	29,550	31,650	39,661	(8,011)	32,167
Illegal and Uncollectible Taxes	-	-	500	(500)	-
Property and Liability Insurance	89,880	92,740	69,398	23,342	63,949
Unemployment Expense	200	4,808	4,808	-	514
Other	5,000	5,000	5,443	(443)	3,479
Outlay:					
Council	-	3,443	5,020	(1,577)	-
Clerk-Treasurer	8,000	-	-	-	3,729
City Hall	4,000	4,000	2,799	1,201	-
Total General Government	491,410	496,139	499,839	(3,700)	424,174

**CITY OF AMERY, WISCONSIN  
GENERAL FUND  
DETAILED STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL (CONTINUED)  
YEAR ENDED DECEMBER 31, 2011  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 2010)**

	2011				
	Original Budget	Final Budget	Actual	Variance with Final Budget	2010 Actual
<b>EXPENDITURES (CONTINUED)</b>					
<b>PUBLIC SAFETY</b>					
Police Department	\$ 768,560	\$ 733,442	\$ 762,912	\$ (29,470)	\$ 759,934
Police Liaison Officer	-	-	701	(701)	47,016
Fire Department	152,056	158,864	150,313	8,551	155,148
Fire Department Retirement Trust Fund Payment	8,000	5,579	5,310	269	8,000
Ambulance Service	25,000	23,880	28,893	(5,013)	28,860
Building Inspection	8,650	18,250	15,542	2,708	11,868
Tank Inspections	1,900	1,900	-	1,900	4,924
Dams	1,500	1,500	4,053	(2,553)	3,262
Civil Defense	130	130	138	(8)	334
Outlay:					
Police Department:					
Vehicles	13,500	13,500	1,863	11,637	24,768
Capital Equipment	2,500	-	527	(527)	29,672
Fire Department	30,000	30,000	-	30,000	37,299
Dams	-	-	-	-	9,528
Total Public Safety	1,011,796	987,045	970,252	16,793	1,120,613
<b>PUBLIC WORKS</b>					
Transportation:					
Public Works Wages and Fringe Benefits	395,478	382,272	341,532	40,740	388,999
Safety	6,200	5,725	5,017	708	4,381
Machinery and Equipment	11,500	21,500	17,114	4,386	8,137
Buildings and Grounds	19,695	19,695	24,037	(4,342)	20,818
Street Maintenance	140,800	140,800	28,135	112,665	22,783
Snow and Ice Control	25,765	25,765	25,127	638	26,795
Traffic Control	4,000	4,420	5,186	(766)	4,072
Bridges	1,300	-	-	-	374
Street Lighting	53,000	53,000	58,925	(5,925)	55,671
Sidewalks	7,000	6,620	2,819	3,801	18,678
Storm Sewers	8,500	7,900	547	7,353	3,033
Storm Water Project	-	-	-	-	124,461
Airport	22,894	22,901	14,447	8,454	18,999
Other	600	620	524	96	1,000
Outlay:					
Machinery and Equipment	-	-	5,938	(5,938)	166,566
Streets	-	-	-	-	90,450
Parking Facilities	-	-	-	-	10,926
Traffic Control	-	-	-	-	1,553
Bridges	-	-	-	-	10,802
Airport	-	-	-	-	30,942

**CITY OF AMERY, WISCONSIN  
GENERAL FUND  
DETAILED STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL (CONTINUED)  
YEAR ENDED DECEMBER 31, 2011  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 2010)**

	2011				2010 Actual
	Original Budget	Final Budget	Actual	Variance with Final Budget	
<b>EXPENDITURES (CONTINUED)</b>					
<b>PUBLIC WORKS (CONTINUED)</b>					
Sanitation:					
Refuse and Garbage Collection	\$ 126,700	\$ 126,665	\$ 122,693	\$ 3,972	\$ 122,821
Landfill	13,250	13,250	12,168	1,082	5,099
Recycling	-	35	34	1	34
Weed and Nuisance Control	40	40	42	(2)	36
Total Public Works	<u>836,722</u>	<u>831,208</u>	<u>664,285</u>	<u>166,923</u>	<u>1,137,430</u>
<b>HEALTH AND HUMAN SERVICES</b>					
Cemetery	200	200	221	(21)	218
<b>CULTURE, RECREATION AND EDUCATION</b>					
Community Center	28,470	28,470	40,891	(12,421)	25,877
Parks	15,850	16,350	17,777	(1,427)	23,554
Recreation Programs and Events	8,600	8,600	10,186	(1,586)	6,729
Skating Rink	4,000	10,000	-	10,000	5,431
Cable Television	6,000	8,705	10,215	(1,510)	7,333
Other	975	1,475	1,074	401	1,211
Outlay:					
Parks	-	-	139,637	(139,637)	14,331
Total Culture, Recreation and Education	<u>63,895</u>	<u>73,600</u>	<u>219,780</u>	<u>(146,180)</u>	<u>84,466</u>
<b>CONSERVATION AND DEVELOPMENT</b>					
Economic Development	-	-	18,915	(18,915)	1,027
Redevelopment Authority	10,000	9,500	38,922	(29,422)	6,887
Advertising and Promotion	13,550	13,550	14,474	(924)	11,771
Zoning	1,600	2,900	4,464	(1,564)	9,279
Community Planning	5,450	5,450	5,013	437	5,300
Planning Office	10,000	9,500	8,686	814	4,690
Total Conservation and Development	<u>40,600</u>	<u>40,900</u>	<u>90,474</u>	<u>(49,574)</u>	<u>38,954</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, 2011  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 2010)**

	2011				2010 Actual
	Original Budget	Final Budget	Actual	Variance with Final Budget	
<b>EXPENDITURES (CONTINUED)</b>					
<b>DEBT SERVICE</b>					
Interest and Fiscal Charges	\$ 122,663	\$ 122,663	\$ 3,705	\$ 118,958	\$ -
Total Expenditures	<u>2,567,286</u>	<u>2,551,755</u>	<u>2,448,556</u>	<u>103,199</u>	<u>2,805,855</u>
<b>EXCESS (DEFICIENCY) OR REVENUES OVER EXPENDITURES</b>	199,880	227,570	416,918	189,348	186,200
<b>OTHER FINANCING SOURCES (USES)</b>					
Sale of Capital Assets	-	-	-	-	14,400
Transfers In	67,500	67,500	92,465	24,965	84,262
Transfers Out	<u>(169,413)</u>	<u>(169,413)</u>	<u>(466,493)</u>	<u>(297,080)</u>	<u>(241,726)</u>
Total Other Financing Sources (Uses)	<u>(101,913)</u>	<u>(101,913)</u>	<u>(374,028)</u>	<u>(272,115)</u>	<u>(143,064)</u>
<b>NET CHANGE IN FUND BALANCE</b>	97,967	125,657	42,890	(82,767)	43,136
Fund Balance - Beginning of Year	<u>492,917</u>	<u>492,917</u>	<u>492,917</u>	<u>-</u>	<u>449,781</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 590,884</u>	<u>\$ 618,574</u>	<u>\$ 535,807</u>	<u>\$ (82,767)</u>	<u>\$ 492,917</u>

CITY OF AMERY, WISCONSIN  
 DEBT SERVICE FUNDS  
 DETAILED BALANCE SHEET  
 DECEMBER 31, 2011

	General Long-Term Debt Redemption Fund			Library \$440,000	Fire Hall Construction Debt	Totals
	General City	TID #5 Debt	TID #6 Debt	G.O. Promissory Notes		
<b>ASSETS</b>						
Treasurer's Cash and Investments	\$ -	\$ -	\$ -	\$ 135,887	\$ -	\$ 135,887
Long-Term Receivables	-	-	-	-	162,462	162,462
Total Assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 135,887</u>	<u>\$ 162,462</u>	<u>\$ 298,349</u>
<b>LIABILITIES AND FUND BALANCES</b>						
<b>Liabilities:</b>						
Deferred Revenue	\$ -	\$ -	\$ -	\$ -	\$ 162,462	\$ 162,462
<b>Fund Balances:</b>						
Restricted	-	-	-	135,887	-	135,887
Total Liabilities and Fund Balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 135,887</u>	<u>\$ 162,462</u>	<u>\$ 298,349</u>

**CITY OF AMERY, WISCONSIN  
DEBT SERVICE FUNDS  
DETAILED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
YEAR ENDED DECEMBER 31, 2011**

	General Long-Term Debt Redemption Fund				Library \$440,000	Fire Hall Construction Debt	Totals
	General City	TID #5 Debt	TID #6 Debt	TID #7 Debt	G.O. Promissory Notes		
<b>REVENUES</b>							
Intergovernmental Charges for Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 58,173	\$ 58,173
Miscellaneous:							
Interest	-	-	-	-	-	1,318	1,318
Donations	-	-	-	-	25,000	-	25,000
<b>Total Revenues</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>25,000</b>	<b>59,491</b>	<b>84,491</b>
<b>EXPENDITURES</b>							
Debt Service:							
Principal	168,938	76,532	30,429	28,996	91,550	162,647	559,092
Interest and Fiscal Charges	96,474	3,859	16,357	2,004	6,900	17,268	142,862
<b>Total Expenditures</b>	<b>265,412</b>	<b>80,391</b>	<b>46,786</b>	<b>31,000</b>	<b>98,450</b>	<b>179,915</b>	<b>701,954</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(265,412)</b>	<b>(80,391)</b>	<b>(46,786)</b>	<b>(31,000)</b>	<b>(73,450)</b>	<b>(120,424)</b>	<b>(617,463)</b>
<b>OTHER FINANCING SOURCES (USES)</b>							
Long-Term Debt Issued	-	-	-	-	233,450	-	233,450
Transfers In	265,412	80,391	46,786	31,000	-	19,953	443,542
Principal Payments on Refinanced Debt	-	-	-	-	(233,450)	-	(233,450)
<b>Total Other Financing Sources (Uses)</b>	<b>265,412</b>	<b>80,391</b>	<b>46,786</b>	<b>31,000</b>	<b>-</b>	<b>19,953</b>	<b>443,542</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(73,450)</b>	<b>(100,471)</b>	<b>(173,921)</b>
Fund Balance - Beginning of Year	-	-	-	-	209,337	100,471	309,808
<b>FUND BALANCE - END OF YEAR</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 135,887</b>	<b>\$ -</b>	<b>\$ 135,887</b>

**CITY OF AMERY, WISCONSIN**  
**JOINT WATER AND SEWER UTILITY ENTERPRISE FUND**  
**WATER DEPARTMENT**  
**BALANCE SHEET**  
**DECEMBER 31, 2011**  
(WITH COMPARATIVE AMOUNTS AS OF DECEMBER 31, 2010)

	2011	2010
<b>ASSETS</b>		
<b>Current Assets:</b>		
Cash and Investments	\$ 1,038,476	\$ 977,903
Customer Accounts Receivable	91,200	93,916
Accounts Receivable on Tax Roll	11,267	10,761
Prepayments	3,926	3,037
Inventories	26,186	27,319
Total Current Assets	1,171,055	1,112,936
<b>Capital Assets:</b>		
Utility Plant in Service	4,096,432	4,058,188
Less Accumulated Depreciation	1,387,834	1,299,161
Total Capital Assets	2,708,598	2,759,027
<b>Other Assets and Deferred Charges:</b>		
Unamortized Debt Discount and Expense	1,253	2,189
Total Assets	\$ 3,880,906	\$ 3,874,152
<b>LIABILITIES</b>		
<b>Current Liabilities:</b>		
Accounts Payable	\$ 8,558	\$ 2,504
Accrued Interest Payable	2,035	2,169
Current Portion of Long-Term Debt:		
General Obligation Notes	45,000	44,000
Accrued Compensated Absences	5,323	4,195
Total Current Liabilities	60,916	52,868
<b>Long-Term Liabilities (Net of Current Portion):</b>		
General Obligation Notes	624,000	669,000
Accrued Compensated Absences	21,050	21,617
Total Long-Term Liabilities	645,050	690,617
Total Liabilities	705,966	743,485
<b>NET ASSETS</b>		
Invested in Capital Assets, Net of Related Debt	2,039,598	2,046,027
Unrestricted	1,135,342	1,084,640
Total Net Assets	3,174,940	3,130,667
Total Liabilities and Net Assets	\$ 3,880,906	\$ 3,874,152

**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, 2011**  
(WITH COMPARATIVE AMOUNTS FOR YEAR ENDED DECEMBER 31, 2010)

	2011	2010
<b>OPERATING REVENUES:</b>		
Sales of Water:		
Residential	\$ 131,556	\$ 128,394
Commercial	69,117	65,565
Industrial	15,605	13,383
Public Authorities	18,005	17,605
Private Fire Protection	8,304	8,304
Public Fire Protection	142,669	139,073
Total Sales of Water	385,256	372,324
Other Operating Revenues:		
Forfeited Discounts	951	908
Meter Use Charge to Sewer Utility	18,143	21,186
Miscellaneous Operating Revenues	666	5,061
Total Other Operating Revenues	19,760	27,155
Total Operating Revenues	405,016	399,479
<b>OPERATING EXPENSES</b>		
Operation and Maintenance	194,698	206,248
Depreciation	89,503	89,003
Total Operating Expenses	284,201	295,251
<b>OPERATING INCOME</b>	120,815	104,228
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Interest Revenue	1,023	889
Interest Expense	(27,188)	(28,804)
Total Nonoperating Revenues (Expenses)	(26,165)	(27,915)
<b>INCOME BEFORE CONTRIBUTIONS AND TRANSFERS</b>	94,650	76,313
<b>CAPITAL CONTRIBUTIONS AND TRANSFERS:</b>		
Plant Contributed by Customers and Developers	12,253	5,000
Plant Contributed by Governmental Funds	26,321	-
Transfer to General Fund - Property Tax Equivalent	(88,951)	(84,262)
Total Contributions and Transfers	(50,377)	(79,262)
<b>CHANGE IN NET ASSETS</b>	44,273	(2,949)
Net Assets - Beginning of Year	3,130,667	3,133,616
<b>NET ASSETS - END OF YEAR</b>	\$ 3,174,940	\$ 3,130,667

**CITY OF AMERY, WISCONSIN  
JOINT WATER AND SEWER UTILITY ENTERPRISE FUND  
WATER DEPARTMENT  
STATEMENT OF CASH FLOWS  
YEAR ENDED DECEMBER 31, 2011  
(WITH COMPARATIVE AMOUNTS FOR YEAR ENDED DECEMBER 31, 2010)**

	<u>2011</u>	<u>2010</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash Received from Utility Customers	\$ 246,414	\$ 240,972
Cash Received for Public Fire Protection	142,669	139,073
Cash Received for Sewer Share of Meter Related Expenses	18,143	21,186
Cash Payments to Suppliers for Goods and Services	(124,048)	(117,183)
Cash Payments for Employee Services	(63,791)	(88,191)
Net Cash Provided by (Used for) Operating Activities	<u>219,387</u>	<u>195,857</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Transfers Out - Tax Equivalent	<u>(88,951)</u>	<u>(84,262)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Cash Payments for Capital Assets	(11,253)	(5,739)
Cash Received from Customer Contributions	10,753	
Principal Paid on Long-Term Debt	(44,000)	(42,000)
Interest Paid on Long-Term Debt	(26,386)	(27,939)
Net Cash Provided by (Used for) Capital and Related Financing Activities	<u>(70,886)</u>	<u>(75,678)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest on Investments	<u>1,023</u>	<u>889</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	60,573	36,806
Cash and Cash Equivalents - Beginning of Year	<u>977,903</u>	<u>941,097</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 1,038,476</u>	<u>\$ 977,903</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		
Operating Income	\$ 120,815	\$ 104,228
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities		
Depreciation	89,503	89,003
(Increase) Decrease in Assets:		
Customer Accounts Receivable	2,716	(2,032)
Accounts Receivable on Tax Roll	(506)	3,784
Prepayments	(889)	282
Inventories	1,133	216
Increase (Decrease) in Liabilities:		
Accounts Payable	6,054	252
Accrued Compensated Absences	561	124
Net Cash Provided by (Used for) Operating Activities	<u>\$ 219,387</u>	<u>\$ 195,857</u>
<b>NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:</b>		
Capital Assets Financed Directly by Developers/Customers	\$ 1,500	\$ 5,000
Capital Assets Financed Directly by Governmental Funds	26,321	-

**CITY OF AMERY, WISCONSIN**  
**JOINT WATER AND SEWER UTILITY ENTERPRISE FUND**  
**WATER DEPARTMENT**  
**SCHEDULE OF OPERATION AND MAINTENANCE EXPENSES**  
**YEAR ENDED DECEMBER 31, 2011**  
(WITH COMPARATIVE AMOUNTS FOR YEAR ENDED DECEMBER 31, 2010)

	2011	2010
<b>SOURCE OF SUPPLY</b>		
Operation Labor	\$ 197	\$ 196
Maintenance of Source Plant	821	1,757
Total Source of Supply	1,018	1,953
<b>PUMPING</b>		
Operation Labor	2,100	1,960
Fuel or Power Purchased for Pumping	18,091	16,530
Operation Supplies and Expenses	-	55
Maintenance of Pumping Plant	13,309	910
Total Pumping	33,500	19,455
<b>WATER TREATMENT</b>		
Operation Labor	790	784
Chemicals	21,672	21,628
Operation Supplies and Expenses	4,676	4,536
Maintenance of Water Treatment Plant	790	1,184
Total Water Treatment	27,928	28,132
<b>TRANSMISSION AND DISTRIBUTION</b>		
Operation Labor	13,034	13,920
Operation Supplies and Expenses	1,786	1,423
Maintenance of Distribution Reservoirs and Standpipes	790	974
Maintenance of Mains	15,351	15,874
Maintenance of Services	1,503	4,224
Maintenance of Meter	11,796	13,032
Maintenance of Hydrants	276	3,641
Maintenance of Other Plant	4,630	784
Total Transmission and Distribution	49,166	53,872
<b>CUSTOMER ACCOUNTS</b>		
Meter Reading Labor	6,107	7,173
Accounting and Collecting Labor	9,973	7,160
Total Customer Accounts	16,080	14,333
<b>ADMINISTRATIVE AND GENERAL</b>		
Administrative and General Salaries	8,305	19,014
Office Supplies and Expenses	4,116	4,221
Outside Services Employed	4,925	5,005
Property Insurance	8,807	7,588
Injuries and Damages	2,202	1,897
Employee Pensions and Benefits	23,846	38,108
Miscellaneous General Expenses	12,707	10,595
Transportation Expenses	-	43
Maintenance of General Plant	1,976	2,032
Total Administrative and General	67,006	88,503
Total Operation and Maintenance Expenses	\$ 194,698	\$ 206,248

**CITY OF AMERY, WISCONSIN  
JOINT WATER AND SEWER UTILITY ENTERPRISE FUND  
SEWER DEPARTMENT  
BALANCE SHEET  
DECEMBER 31, 2011  
(WITH COMPARATIVE AMOUNTS AS OF DECEMBER 31, 2010)**

	<u>2011</u>	<u>2010</u>
<b>ASSETS</b>		
<b>Current Assets:</b>		
Cash and Investments (Overdraft)	\$ (763,315)	\$ (733,324)
Customer Accounts Receivable	132,228	147,423
Other Accounts Receivable	23,335	25,420
Accounts Receivable on Tax Roll	16,947	24,516
Prepayments	5,889	4,556
Inventories	3,318	3,323
Total Current Assets	<u>(581,598)</u>	<u>(528,086)</u>
<b>Restricted Assets:</b>		
Equipment Replacement Fund Investments	178,563	178,563
<b>Capital Assets:</b>		
Utility Plant in Service	4,924,311	4,908,313
Less Accumulated Depreciation	<u>2,464,009</u>	<u>2,310,836</u>
Total Capital Assets	2,460,302	2,597,477
<b>Other Assets and Deferred Charges:</b>		
Special Assessments Receivable	92,744	92,744
Long-Term Receivables	<u>71,377</u>	<u>93,721</u>
Total Assets and Deferred Charges	<u>164,121</u>	<u>186,465</u>
Total Assets	<u>\$ 2,221,388</u>	<u>\$ 2,434,419</u>
<b>LIABILITIES</b>		
<b>Current Liabilities:</b>		
Accounts Payable	\$ 7,939	\$ 7,883
Accrued Interest	6,843	8,423
Current Portion of Long-Term Debt:		
Revenue Bonds	152,828	148,087
Accrued Compensated Absences	<u>6,211</u>	<u>7,363</u>
Total Current Liabilities	173,821	171,756
<b>Long-Term Liabilities (Net of Current Portion):</b>		
Revenue Bonds	488,467	641,295
Accrued Compensated Absences	<u>24,558</u>	<u>37,943</u>
Total Long-Term Liabilities	<u>513,025</u>	<u>679,238</u>
Total Liabilities	686,846	850,994
<b>NET ASSETS</b>		
Invested in Capital Assets, Net of Related Debt	1,912,728	1,923,472
Restricted for Equipment Replacement	178,563	178,563
Unrestricted	<u>(556,749)</u>	<u>(518,610)</u>
Total Net Assets	<u>1,534,542</u>	<u>1,583,425</u>
Total Liabilities and Net Assets	<u>\$ 2,221,388</u>	<u>\$ 2,434,419</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, 2011**  
(WITH COMPARATIVE AMOUNTS FOR YEAR ENDED DECEMBER 31, 2010)

	<u>2011</u>	<u>2010</u>
<b>OPERATING REVENUES:</b>		
Sewerage Revenues:		
Residential	\$ 314,098	\$ 319,635
Commercial	162,133	168,448
Industrial	42,847	39,264
Public Authorities	38,926	39,251
Total Sewerage Revenues	<u>558,004</u>	<u>566,598</u>
Other Operating Revenues		
Forfeited Discounts	3,022	3,168
Miscellaneous Operating Revenues	491	369
Total Other Operating Revenues	<u>3,513</u>	<u>3,537</u>
Total Operating Revenues	561,517	570,135
<b>OPERATING EXPENSES</b>		
Operation and Maintenance	454,493	475,189
Depreciation	153,173	153,032
Total Operating Expenses	<u>607,666</u>	<u>628,221</u>
<b>OPERATING LOSS</b>	(46,149)	(58,086)
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Interest Revenue	-	6,717
Interest Expense	(21,319)	(26,035)
Interest on Advance to Biosolids Facility	3,088	3,772
Total Nonoperating Revenues (Expenses)	<u>(18,231)</u>	<u>(15,546)</u>
<b>LOSS BEFORE CONTRIBUTIONS AND TRANSFERS</b>	(64,380)	(73,632)
<b>CAPITAL CONTRIBUTIONS AND TRANSFERS:</b>		
Plant Contributed by Customers and Developers	3,263	2,250
Plant Contributed by Governmental Funds	12,234	-
Total Contributions and Transfers	<u>15,497</u>	<u>2,250</u>
<b>CHANGE IN NET ASSETS</b>	(48,883)	(71,382)
Net Assets - Beginning of Year	<u>1,583,425</u>	<u>1,654,807</u>
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 1,534,542</u>	<u>\$ 1,583,425</u>

**CITY OF AMERY, WISCONSIN  
JOINT WATER AND SEWER UTILITY ENTERPRISE FUND  
SEWER DEPARTMENT  
STATEMENT OF CASH FLOWS  
YEAR ENDED DECEMBER 31, 2011  
(WITH COMPARATIVE AMOUNTS FOR YEAR ENDED DECEMBER 31, 2010)**

	<u>2011</u>	<u>2010</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash Received from Utility Customers	\$ 577,565	\$ 573,539
Cash Paid for Sewer Share of Meter Related Expenses	(18,143)	(21,186)
Cash Payments to Suppliers for Goods and Services	(263,814)	(265,730)
Cash Payments for Employee Services	(188,345)	(191,822)
Net Cash Provided by (Used for) Operating Activities	<u>107,263</u>	<u>94,801</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Cash Payments for Capital Assets	(3,764)	-
Cash Received from Customer Contributions	3,263	-
Principal Paid on Long-Term Debt	(126,430)	(122,503)
Interest Paid on Long-Term Debt	(17,039)	(23,573)
Net Cash Provided by (Used for) Capital and Related Financing Activities	<u>(143,970)</u>	<u>(146,076)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest on Investments	<u>6,716</u>	<u>6,717</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	(29,991)	(44,558)
Cash and Cash Equivalents - Beginning of Year	<u>(554,761)</u>	<u>(510,203)</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ (584,752)</u>	<u>\$ (554,761)</u>
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES</b>		
Operating Loss	\$ (46,149)	\$ (58,086)
Adjustments to Reconcile Operating Loss to Net Cash Provided by Operating Activities:		
Depreciation	153,173	153,032
(Increase) Decrease in Assets:		
Customer Accounts Receivable	15,195	(6,227)
Other Accounts Receivable	-	(2,543)
Accounts Receivable on Tax Roll	853	9,631
Prepayments	(1,333)	422
Inventories	5	10
Increase (Decrease) in Liabilities:		
Accounts Payable	56	(1,513)
Accrued Compensated Absences	(14,537)	75
Net Cash Provided by (Used for) Operating Activities	<u>\$ 107,263</u>	<u>\$ 94,801</u>
<b>RECONCILIATION OF CASH AND INVESTMENTS TO CASH AND CASH EQUIVALENTS</b>		
Cash and Investments per Balance Sheets:		
Cash and Investments	\$ (763,315)	\$ (733,324)
Cash and Investments - Restricted	<u>178,563</u>	<u>178,563</u>
Cash and Cash Equivalents	<u>\$ (584,752)</u>	<u>\$ (554,761)</u>
<b>NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:</b>		
Capital Assets Financed Directly by Developers/Customers	\$ -	\$ 2,250
Capital Assets Financed Directly by Governmental Funds	12,234	-
Principal and Interest Paid Directly by Biosolids Facility	24,974	24,985

**CITY OF AMERY, WISCONSIN**  
**JOINT WATER AND SEWER UTILITY ENTERPRISE FUND**  
**SEWER DEPARTMENT**  
**SCHEDULE OF OPERATION AND MAINTENANCE EXPENSES**  
**YEAR ENDED DECEMBER 31, 2011**  
(WITH COMPARATIVE AMOUNTS FOR YEAR ENDED DECEMBER 31, 2010)

	2011	2010
<b>OPERATION</b>		
Supervision and Labor	\$ 135,149	\$ 114,027
Power and Fuel for Pumping	9,407	7,049
Power and Fuel for Aeration Equipment	47,572	46,608
Chemicals	2,727	5,090
Biosolids Facility Expenses	83,360	78,808
Supplies and Expenses	18,680	20,640
Transportation Expenses	5,138	2,460
Total Operation	302,033	274,682
<b>MAINTENANCE</b>		
Sewer Collection System	19,789	21,107
Collection System Pumping Equipment	1,695	1,771
Treatment and Disposal Plant Equipment	21,101	42,145
General Plant Structures and Equipment	219	68
Total Operation	42,804	65,091
<b>CUSTOMER ACCOUNTING AND COLLECTION</b>		
Billing, Accounting and Collection	8,879	7,479
Meter Expense Allocation	18,143	21,186
Total Operation	27,022	28,665
<b>ADMINISTRATIVE AND GENERAL</b>		
Administrative and General Salaries	9,168	12,829
Office Supplies and Expenses	2,244	3,083
Outside Services Employed	4,800	4,800
Insurance Expenses	16,512	14,228
Employee Pensions and Benefits	35,149	57,487
Miscellaneous General Expenses	5,761	5,324
Rents	9,000	9,000
Total Administrative and General	82,634	106,751
Total Operation and Maintenance Expense	\$ 454,493	\$ 475,189

**OTHER INFORMATION**

CITY OF AMERY, WISCONSIN  
 DEBT REPAYMENT AND FUNDING SCHEDULE  
 GENERAL OBLIGATION PROMISSORY NOTES, SERIES 2003B  
 DATED AUGUST 20, 2003  
 NEW FIRE HALL PORTION ONLY  
 DUE FROM ALDEN AND LINCOLN TOWNSHIPS AT DECEMBER 31, 2011

Date	Total Receivable			Alden Township			Lincoln Township		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
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>\$ 162,461.75</u>	<u>\$ 12,057.00</u>	<u>\$ 174,518.75</u>	<u>\$ 24,217.73</u>	<u>\$ 1,789.02</u>	<u>\$ 26,006.75</u>	<u>\$ 138,244.02</u>	<u>\$ 10,267.98</u>	<u>\$ 148,512.00</u>

The portion due from the Townships was amortized over ten years ending 12/1/2014, while the actual promissory note has a final payoff dated 6/1/2013