

CITY OF AMERY, WISCONSIN
FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
YEAR ENDED DECEMBER 31, 2012

**CITY OF AMERY, WISCONSIN
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YEAR ENDED DECEMBER 31, 2012**

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INDEPENDENT AUDITORS' REPORT

The City Council
City of Amery
Amery, Wisconsin

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Amery, Wisconsin (City) as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.



Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Amery, Wisconsin as of December 31, 2012, and the respective changes in the financial position and, where applicable, cash flows, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Disclaimer of Opinion on Component Unit Financial Statements

Because we were not engaged to audit the financial statements Redevelopment Authority of the City of Amery, we did not extend our auditing procedures to enable us to express an opinion on results of operations for the year ended December 31, 2012. Accordingly, we express no opinion on the results of operations for the year ended December 31, 2012.

Other Matters

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund statements and the debt repayment and funding schedule are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole. We have also previously audited, in accordance with auditing standards generally accepted in the United States of America, the City's basic financial statements for the year ended December 31, 2011 which are not presented with the accompanying financial statements. In our report dated June 26, 2012, 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

City Council
City of Amery

forming opinions on the financial statements that collectively comprise the City's financial statements as a whole. The 2011 individual fund statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2011 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 2011 individual fund statements are fairly stated in all material respects in relation to the basic financial statements from which they have been derived.



CliftonLarsonAllen LLP

Hudson, Wisconsin

May 28, 2013

**CITY OF AMERY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2012**

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, 2012. Please consider this information in conjunction with the City's financial statements, which begin on page 15 following this narrative.

FINANCIAL HIGHLIGHTS

Key financial highlights for the year ended December 31, 2012 include the following:

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$9,263,695 (*net position*). Of this amount, \$8,221,737 represented the City's net investment in capital assets, \$1,230,523 was held for restricted purposes, and the remaining negative balance of \$188,565 was shown as unrestricted.
- During the fiscal year, the City's total net position decreased by \$13,836. Net position related to the governmental activities increased \$25,791, while net position related to business-type activities of the City decreased \$39,627.
- At the close of the fiscal year, the City's governmental funds reported combined ending fund balances of \$1,209,615, an increase of \$25,808 from the previous year.
- At the end of 2012, the unassigned general fund balance was \$459,255 or 16.3% of the general fund expenditures and transfers out.
- The City's total long-term obligations decreased by \$434,319 during the current fiscal year. The City issued \$749,086 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 Position* presents information on all of the City's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position 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 position changed during the most recent fiscal year. All changes in net position 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, 2012**

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 15 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 nine 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, 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 17 of this report.

**CITY OF AMERY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2012**

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 21 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 25 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 27 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 53 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 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, 2012**

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The City's assets exceeded liabilities by \$9,263,695 at the close of 2012. Below is a summary of the City's statement of net position:

**Condensed Statement of Net Position
December 31, 2012 and 2011**

	Governmental Activities		Business-Type Activities		Totals	
	2012	2011	2012	2011	2012	2011
Current and Other Assets	\$ 4,022,317	\$ 4,167,723	\$ 987,344	\$ 933,394	\$ 5,009,661	\$ 5,101,117
Capital Assets	7,084,235	7,047,784	4,925,712	5,168,900	12,009,947	12,216,684
Total Assets	<u>11,106,552</u>	<u>11,215,507</u>	<u>5,913,056</u>	<u>6,102,294</u>	<u>17,019,608</u>	<u>17,317,801</u>
Current Liabilities	2,260,010	2,110,011	25,338	25,375	2,285,348	2,135,386
Long-Term Liabilities	4,252,702	4,537,447	1,217,863	1,367,437	5,470,565	5,904,884
Total Liabilities	<u>6,512,712</u>	<u>6,647,458</u>	<u>1,243,201</u>	<u>1,392,812</u>	<u>7,755,913</u>	<u>8,040,270</u>
Net Position						
Net Investment in Capital Assets	4,337,116	4,089,523	3,884,621	3,952,326	8,221,737	8,041,849
Restricted	1,051,960	1,255,984	178,563	178,563	1,230,523	1,434,547
Unrestricted	(795,236)	(777,458)	606,671	578,593	(188,565)	(198,865)
Total Net Position	<u>\$ 4,593,840</u>	<u>\$ 4,568,049</u>	<u>\$ 4,669,855</u>	<u>\$ 4,709,482</u>	<u>\$ 9,263,695</u>	<u>\$ 9,277,531</u>

As shown above, \$8,221,737 of the net position 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, \$1,230,523 of the net position represents resources that are subject to other restrictions as to how they may be used. The remaining negative balance of \$188,565 is reflected as unrestricted. It is important to note that \$606,671 of this unrestricted net position 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 position 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 position presented on the following page shows that total net position of the City decreased \$13,836, or approximately 0.1%. The decrease consisted of an increase in net position related to governmental activities in the amount of \$25,791 and a decrease in net position related to business-type activities in the amount of \$39,627.

**CITY OF AMERY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2012**

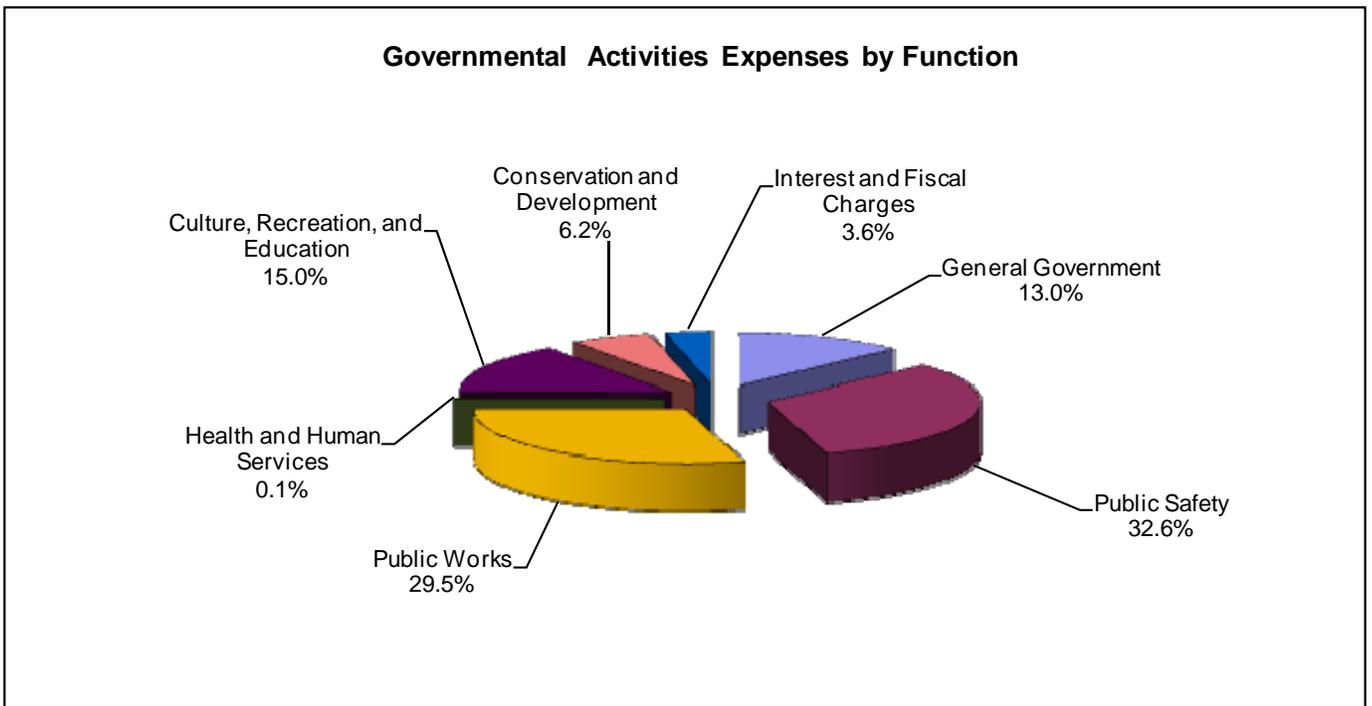
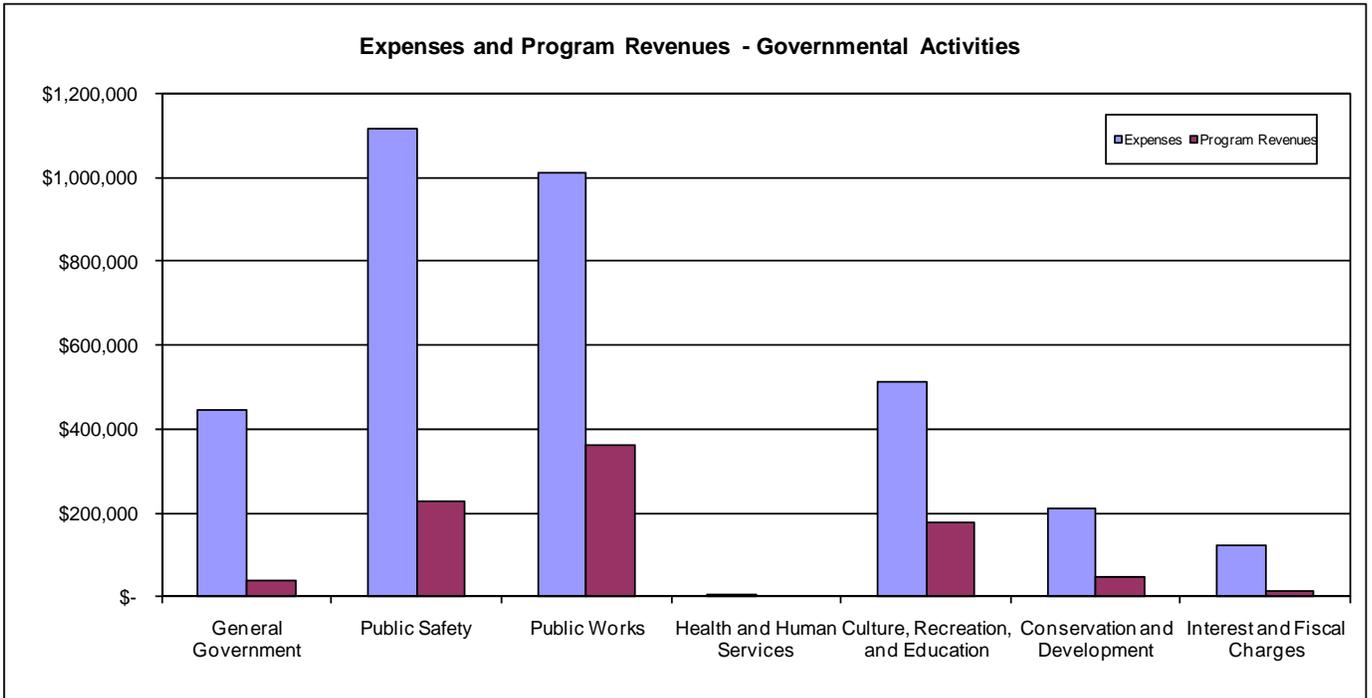
The following is a summary of the changes in the City's net position for the years ended December 31, 2012 and 2011:

**Condensed Statement of Changes in Net Position
Years Ended December 31, 2012 and 2011**

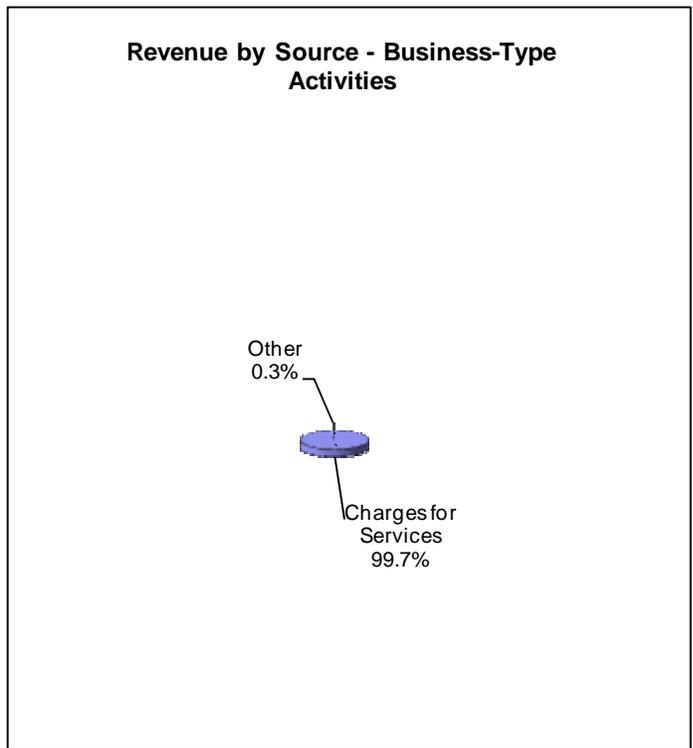
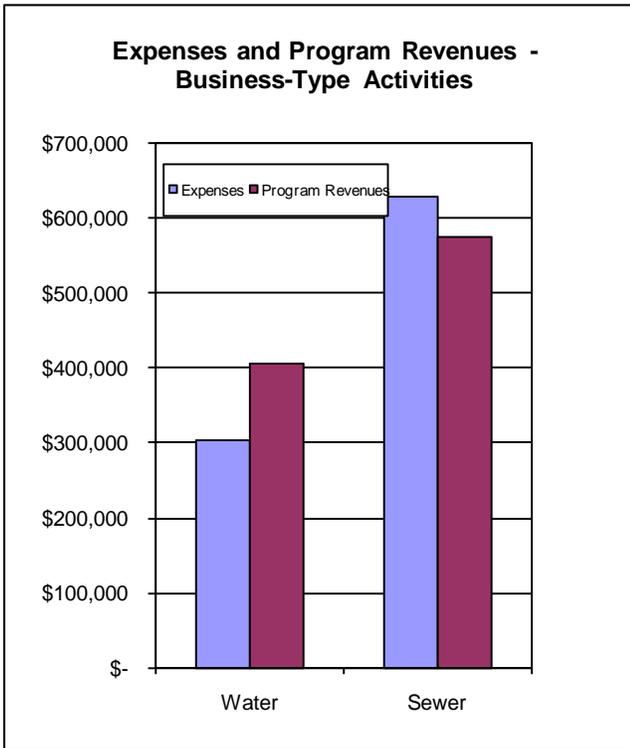
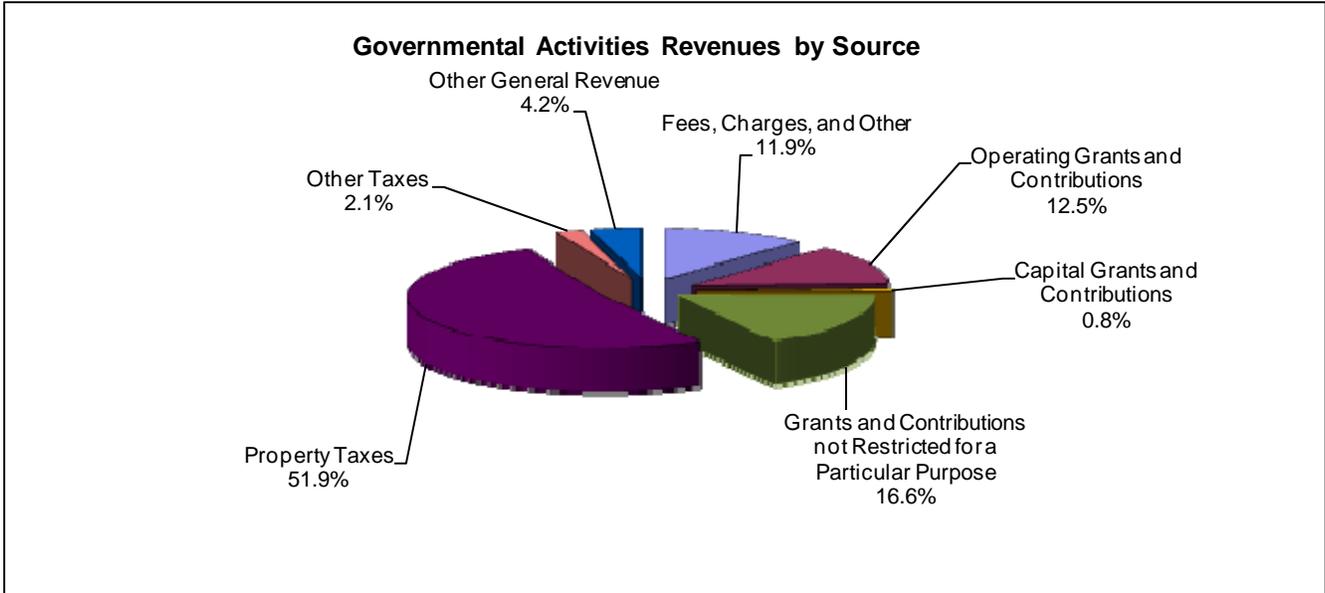
	Governmental Activities		Business-Type Activities		Totals	
	2012	2011	2012	2011	2012	2011
REVENUES						
<u>Program Revenues</u>						
Charges for Services	\$ 411,105	\$ 416,761	\$ 980,446	\$ 966,533	\$ 1,391,551	\$ 1,383,294
Operating Grants and Contributions	430,549	467,480	-	-	430,549	467,480
Capital Grants and Contributions	27,501	130,659	-	54,071	27,501	184,730
<u>General Revenues</u>						
Property Taxes	1,789,359	1,775,069	-	-	1,789,359	1,775,069
Other Taxes	73,401	75,841	-	-	73,401	75,841
Grants and Contributions not Restricted for a Particular Purpose	571,789	588,086	-	-	571,789	588,086
Other	143,739	151,520	3,205	4,111	146,944	155,631
Total Revenues	3,447,443	3,605,416	983,651	1,024,715	4,431,094	4,630,131
EXPENSES						
General Government	446,030	477,699	-	-	446,030	477,699
Public Safety	1,116,720	1,112,188	-	-	1,116,720	1,112,188
Public Works	1,009,560	927,920	-	-	1,009,560	927,920
Health and Human Services	2,380	221	-	-	2,380	221
Culture, Recreation, and Education	512,696	413,425	-	-	512,696	413,425
Conservation and Development	213,200	84,005	-	-	213,200	84,005
Interest and Fiscal Charges	123,244	140,335	-	-	123,244	140,335
Water	-	-	303,486	311,389	303,486	311,389
Sewer	-	-	628,086	628,985	628,086	628,985
Total Expenses	3,423,830	3,155,793	931,572	940,374	4,355,402	4,096,167
SPECIAL ITEM	(89,528)	-	-	-	(89,528)	-
TRANSFERS	91,706	88,951	(91,706)	(88,951)	-	-
CHANGE IN NET POSITION	25,791	538,574	(39,627)	(4,610)	(13,836)	533,964
Net Position - Beginning of Year,	4,568,049	4,029,475	4,709,482	4,714,092	9,277,531	8,743,567
NET POSITION - END OF YEAR	\$ 4,593,840	\$ 4,568,049	\$ 4,669,855	\$ 4,709,482	\$ 9,263,695	\$ 9,277,531

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, 2012**



**CITY OF AMERY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2012**



**CITY OF AMERY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2012**

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, 2012, the City's governmental funds reported a combined fund balance of \$1,209,615, an increase of \$25,808 from the previous year. The governmental funds comprising this balance are shown below:

	Fund Balances at December 31, 2012					Current Year Change
	Nonspendable	Restricted	Assigned	Unassigned	Total	
Major Funds:						
General Fund	\$ 112,911	\$ -	\$ 84,000	\$ 459,255	\$ 656,166	\$ 120,359
CDBG Housing Revolving Loan Fund	-	-	-	(2,187)	(2,187)	-
Debt Service Fund	-	117,840	-	-	117,840	(18,047)
Tax Incremental District #6 Fund	-	136,687	-	-	136,687	(256,871)
Nonmajor Funds:						
Special Revenue Funds:						
Library Fund	-	89,006	-	-	89,006	(22,739)
Community Micro - Loan Fund	-	22,657	-	-	22,657	9,311
Capital Projects Funds:						
Tax Incremental District #5 Fund	-	199,176	-	-	199,176	182,253
Tax Incremental District #7 Fund	-	-	-	(95,139)	(95,139)	(73,867)
Other Capital Improvements Fund	-	-	85,409	-	85,409	85,409
	<u>\$ 112,911</u>	<u>\$ 565,366</u>	<u>\$ 169,409</u>	<u>\$ 361,929</u>	<u>\$ 1,209,615</u>	<u>\$ 25,808</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 City'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 City. 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 23.4% 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 16.3% of the same amount. The general fund's total fund balance increased \$120,359 during the year, while the unassigned portion of the fund balance decreased \$36,469.

**CITY OF AMERY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2012**

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, 2012.

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, 2012 of \$117,840. This balance consisted entirely of \$117,840 in the library debt service fund. The fire hall construction debt service fund had a zero fund balance at December 31, 2012.

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 \$136,687 at December 31, 2012.

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 position of the enterprise-type proprietary fund at the end of 2012 totaled \$4,669,855, down \$39,627 from the previous year.

**Condensed Statement of Changes in Net Position for Enterprise Funds
Years Ended December 31, 2012 and 2011**

	Water Department		Sewer Department		Total	
	2012	2011	2012	2011	2012	2011
Operating Revenues	\$ 406,420	\$ 405,016	\$ 574,026	\$ 561,517	\$ 980,446	\$ 966,533
Operating Expenses						
Depreciation	89,895	89,503	153,293	153,173	243,188	242,676
Other	187,892	194,698	458,341	454,493	646,233	649,191
Operating Income (Loss)	128,633	120,815	(37,608)	(46,149)	91,025	74,666
Net Income (Loss) before Contributions & Transfers						
Contributions & Transfers	103,756	94,650	(51,677)	(64,380)	52,079	30,270
Capital Contributions						
Developers/Customers	-	12,253	-	3,263	-	15,516
Other City Funds	-	26,321	-	12,234	-	38,555
Transfers	(992,601)	(88,951)	900,895	-	(91,706)	(88,951)
Change in Net Position	(888,845)	44,273	849,218	(48,883)	(39,627)	(4,610)
Net Position - End of Year	2,286,095	3,174,940	2,383,760	1,534,542	4,669,855	4,709,482

The sewer department reflected income from operations in 2012 while the water department incurred an operating loss.

**CITY OF AMERY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2012**

GENERAL FUND BUDGETARY HIGHLIGHTS

As shown in the Budgetary Comparison Schedule for the general fund (in required supplementary information), the final 2012 general fund budget differed slightly from the original budget adopted by the City Council. The City's general fund balance increased \$120,359 during 2012. The general fund had a positive variance of \$13,560 between actual and budgeted expenditure and transfers out amounts. The general fund also had a positive variance of \$115,134 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, 2012 and 2011 was \$12,009,947 and \$12,216,684 respectively, (net of accumulated depreciation) as shown below:

**Capital Assets, Net of Accumulated Depreciation
December 31, 2012 and 2011**

	Governmental Activities		Business-Type Activities		Totals	
	2012	2011	2012	2011	2012	2011
Not Subject to Depreciation:						
Land and Land Rights	\$ 868,779	\$ 698,199	\$ 51,698	\$ 51,698	\$ 920,477	\$ 749,897
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	4,699,672	4,430,571	-	-	4,699,672	4,430,571
Equipment and Vehicles	2,515,431	2,432,985	-	-	2,515,431	2,432,985
Infrastructure	1,187,725	1,116,278	-	-	1,187,725	1,116,278
Water System Plant	-	-	4,080,824	4,081,074	4,080,824	4,081,074
Wastewater System Plant	-	-	4,887,871	4,887,971	4,887,871	4,887,971
Subtotal	10,631,378	10,250,919	9,020,393	9,020,743	19,651,771	19,271,662
Accumulated Depreciation	3,547,143	3,203,135	4,094,681	3,851,843	7,641,824	7,054,978
Total	<u>\$ 7,084,235</u>	<u>\$ 7,047,784</u>	<u>\$ 4,925,712</u>	<u>\$ 5,168,900</u>	<u>\$ 12,009,947</u>	<u>\$ 12,216,684</u>

Some of the more significant additions to the City's capital assets during 2012 included:

Land	\$ 40,580
Construction Work In Progress	55,986
Buildings	269,101
Equipment and vehicles	92,205
City infrastructure additions	71,447

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, 2012**

Long-Term Obligations

At December 31, 2012, the City had outstanding \$5,470,565 of long-term debt and other long-term obligations. A summary detail of this amount is shown below:

**Outstanding Long-Term Obligations
December 31, 2012 and 2011**

	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
LONG-TERM OBLIGATIONS						
Long-Term Debt						
General Obligation Debt	\$ 3,275,051	\$ 3,572,663	\$ 624,000	\$ 669,000	\$ 3,899,051	\$ 4,241,663
Revenue Bonds	-	-	488,468	641,295	488,468	641,295
Other Long-Term Obligations						
WRS Prior Service Liability	7,362	8,461	-	-	7,362	8,461
Compensated Absences	251,557	227,365	105,395	57,142	356,952	284,507
Estimated Landfill Postclosure Liability	718,732	728,958	-	-	718,732	728,958
Total	<u>\$ 4,252,702</u>	<u>\$ 4,537,447</u>	<u>\$ 1,217,863</u>	<u>\$ 1,367,437</u>	<u>\$ 5,470,565</u>	<u>\$ 5,904,884</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, 2012 totaled \$3,899,051, approximately 45% of the maximum legal limit of \$8,633,360.

During 2012 the City issued new debt and related obligations as shown below:

Date	Type of Debt	Amount	Purpose
1/4/12	G.O. Promissory Note	\$ 125,086	Debt Refinancing
12/1/12	G.O. Promissory Note	624,000	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 \$1,634,051 for the 2013 budget. This is an increase of \$31,461 from the 2012 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 POSITION
DECEMBER 31, 2012**

	Primary Government			Unaudited
	Governmental Activities	Business-Type Activities	Total	Component Unit Redevelopment Authority
ASSETS				
Cash and Investments	\$ 1,499,016	\$ 345,913	\$ 1,844,929	\$ -
Taxes Receivable	1,774,309	21,807	1,796,116	-
Accounts Receivable	142,892	261,460	404,352	-
Due from Other Governmental Units	22,885	-	22,885	-
Prepayments	-	9,872	9,872	-
Inventories	-	28,661	28,661	-
Special Assessments Receivable	44,509	92,744	137,253	-
Long-Term Receivables	522,926	48,324	571,250	-
Unamortized Debt Issuance Costs	15,780	-	15,780	-
Restricted Assets:				
Cash and Investments	-	178,563	178,563	-
Capital Assets:				
Capital Assets Not Being Depreciated	868,779	51,698	920,477	-
Capital Assets Being Depreciated	9,762,599	8,968,695	18,731,294	-
Accumulated Depreciation	(3,547,143)	(4,094,681)	(7,641,824)	-
Total Assets	11,106,552	5,913,056	17,019,608	-
LIABILITIES				
Vouchers and Accounts Payable	187,040	18,566	205,606	-
Accrued Interest Payable	36,332	6,772	43,104	-
Payroll Taxes and Withholdings	25,491	-	25,491	-
Due to Other Governmental Units	16,969	-	16,969	-
Unearned Revenue	1,983,371	-	1,983,371	-
Special Deposits	10,807	-	10,807	-
Noncurrent Liabilities:				
Amounts Due Within One Year	943,062	235,989	1,179,051	-
Amounts Due in More than One Year	3,309,640	981,874	4,291,514	-
Total Liabilities	6,512,712	1,243,201	7,755,913	-
NET POSITION				
Net Investment in Capital Assets	4,337,116	3,884,621	8,221,737	-
Restricted For:				
Debt Service	191,727	-	191,727	-
Capital Projects and Plant Replacement	335,863	178,563	514,426	-
Housing and Business Loan Programs	435,364	-	435,364	-
Other Purposes	89,006	-	89,006	-
Unrestricted	(795,236)	606,671	(188,565)	-
Total Net Position	\$ 4,593,840	\$ 4,669,855	\$ 9,263,695	\$ -

See accompanying Notes to Basic Financial Statements.

**CITY OF AMERY, WISCONSIN
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2012**

FUNCTIONS/PROGRAMS	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Unaudited Component Unit Redevelopment Authority
		Charges For Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-Type Activities	Total	
PRIMARY GOVERNMENT								
GOVERNMENTAL ACTIVITIES								
General Government	\$ 446,030	\$ 39,839	\$ -	\$ -	\$ (406,191)	\$ -	\$ (406,191)	\$ -
Public Safety	1,116,720	186,634	40,821	-	(889,265)	-	(889,265)	-
Public Works	1,009,560	158,292	196,744	8,487	(646,037)	-	(646,037)	-
Health and Human Services	2,380	-	-	-	(2,380)	-	(2,380)	-
Culture, Recreation, and Education	512,696	26,340	148,418	1,014	(336,924)	-	(336,924)	-
Conservation and Development	213,200	-	28,636	18,000	(166,564)	-	(166,564)	-
Interest and Fiscal Charges	123,244	-	15,930	-	(107,314)	-	(107,314)	-
Total Governmental Activities	3,423,830	411,105	430,549	27,501	(2,554,675)	-	(2,554,675)	-
BUSINESS-TYPE ACTIVITIES								
Water	303,486	406,420	-	-	-	102,934	102,934	-
Sewer	628,086	574,026	-	-	-	(54,060)	(54,060)	-
Total Business-Type Activities	931,572	980,446	-	-	-	48,874	48,874	-
Total Primary Government	\$ 4,355,402	\$ 1,391,551	\$ 430,549	\$ 27,501	(2,554,675)	48,874	(2,505,801)	-
COMPONENT UNIT								
Redevelopment Authority	\$ -	\$ -	\$ -	\$ -				-
GENERAL REVENUES								
Taxes								
Property Taxes, Levied for General Purposes					1,602,590	-	1,602,590	-
Property Taxes, Levied for TIF Districts					186,769	-	186,769	-
Other Taxes					73,401	-	73,401	-
Grants and Contributions not Restricted for a Particular Purpose					571,789	-	571,789	-
Interest and Investment Earnings					10,499	822	11,321	-
Other Interest Earnings					-	2,383	2,383	-
Miscellaneous					133,240	-	133,240	-
SPECIAL ITEM								
Transfer of Redevelopment Authority					(89,528)	-	(89,528)	89,528
TRANSFERS								
Total General Revenues, Special Items and Transfers					2,580,466	(91,706)	2,491,965	89,528
CHANGE IN NET POSITION								
Net Position - Beginning of Year					4,568,049	4,709,482	9,277,531	(89,528)
NET POSITION - END OF YEAR					<u>\$ 4,593,840</u>	<u>\$ 4,669,855</u>	<u>\$ 9,263,695</u>	<u>\$ -</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF AMERY, WISCONSIN
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2012**

	General Fund	CDBG Housing Revolving Loan Fund	Debt Service Fund	Tax Incremental District #6 Fund	Other Nonmajor Governmental Funds	Total Governmental Funds
ASSETS						
Treasurer's Cash and Investments	\$ 835,627	\$ 1,553	\$ 117,840	\$ 181,068	\$ 362,928	\$ 1,499,016
Taxes Receivable	1,206,014	-	-	91,913	476,382	1,774,309
Special Assessments Receivable	44,509	-	-	-	-	44,509
Accounts Receivable	96,171	-	-	-	55,721	151,892
Due from Other Governmental Units	-	-	-	-	22,885	22,885
Due from Other Funds	-	-	-	-	1,834	1,834
Advances to Other Funds	98,879	-	-	-	-	98,879
Long-Term Receivables	-	398,400	110,219	-	14,307	522,926
Total Assets	<u>\$ 2,281,200</u>	<u>\$ 399,953</u>	<u>\$ 228,059</u>	<u>\$ 272,981</u>	<u>\$ 934,057</u>	<u>\$ 4,116,250</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Vouchers and Accounts Payable	\$ 95,539	\$ -	\$ -	\$ 44,381	\$ 47,120	\$ 187,040
Payroll Withholdings	25,491	-	-	-	-	25,491
Due to Other Governmental Units	16,969	-	-	-	-	16,969
Due to Other Funds	10,834	-	-	-	-	10,834
Deferred Revenue	1,465,394	398,400	110,219	91,913	490,689	2,556,615
Advance from Other Funds	-	3,740	-	-	95,139	98,879
Special Deposits	10,807	-	-	-	-	10,807
Total Liabilities	1,625,034	402,140	110,219	136,294	632,948	2,906,635
Fund Balances:						
Nonspendable	112,911	-	-	-	-	112,911
Restricted	-	-	117,840	136,687	310,839	565,366
Assigned	84,000	-	-	-	85,409	169,409
Unassigned	459,255	(2,187)	-	-	(95,139)	361,929
Total Fund Balances	<u>656,166</u>	<u>(2,187)</u>	<u>117,840</u>	<u>136,687</u>	<u>301,109</u>	<u>1,209,615</u>
Total Liabilities and Fund Balances	<u>\$ 2,281,200</u>	<u>\$ 399,953</u>	<u>\$ 228,059</u>	<u>\$ 272,981</u>	<u>\$ 934,057</u>	<u>\$ 4,116,250</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF AMERY, WISCONSIN
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2012**

TOTAL FUND BALANCES FOR GOVERNMENTAL FUNDS \$ 1,209,615

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

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

Land	\$ 868,779	
Land Improvements	1,359,771	
Buildings	4,699,672	
Equipment and Vehicles	2,515,431	
Infrastructure	1,187,725	
Accumulated Depreciation	<u>(3,547,143)</u>	7,084,235

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. 573,244

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	1,805,000	
General Obligation Notes Payable	1,470,051	
Accrued Interest on Long-Term Debt	36,332	
WRS Prior Service Liability	7,362	
Compensated Absences Payable	251,557	
Estimated Landfill Postclosure Liability	<u>718,732</u>	(4,289,034)

Debt issuance and refinancing costs are deferred in the statement of net position and amortized over the life of the related debt. In the governmental funds these costs are considered expenditures/other financing uses when incurred. 15,780

TOTAL NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 4,593,840

**CITY OF AMERY, WISCONSIN
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2012**

	General Fund	CDBG Housing Revolving Loan Fund	Debt Service Fund	Tax Incremental District #6 Fund	Other Nonmajor Governmental Funds	Total Governmental Funds
REVENUES						
Taxes	\$ 1,416,749	\$ -	\$ -	\$ 2,692	\$ 443,319	\$ 1,862,760
Special Assessments	3,241	-	-	-	-	3,241
Intergovernmental	795,866	-	-	2,510	179,832	978,208
Licenses and Permits	48,800	-	-	-	-	48,800
Fines and Forfeits	29,551	-	-	-	-	29,551
Public Charges for Services	170,715	-	-	-	25,000	195,715
Intergovernmental Charges for Services	165,461	-	58,173	-	-	223,634
Miscellaneous:						
Interest	10,302	-	-	-	2	10,304
Rent	58,156	-	-	-	-	58,156
Sale of Property	7,368	-	-	-	-	7,368
Donations	1,402	-	10,000	-	43,000	54,402
Loan Repayments	-	-	-	-	9,356	9,356
Other	16,031	-	-	-	6,076	22,107
Total Revenues	<u>2,723,642</u>	<u>-</u>	<u>68,173</u>	<u>5,202</u>	<u>706,585</u>	<u>3,503,602</u>
EXPENDITURES						
General Government	470,457	-	-	-	-	470,457
Public Safety	971,324	-	-	-	65,347	1,036,671
Public Works	847,974	-	-	-	73,173	921,147
Health and Human Services	2,380	-	-	-	-	2,380
Culture, Recreation, and Education	87,857	-	-	-	411,652	499,509
Conservation and Development	47,833	-	-	103,752	16,546	168,131
Debt Service:						
Principal Retirement	-	-	473,548	-	-	473,548
Principal Retirement on Refinanced Debt	-	-	125,086	-	-	125,086
Interest and Fiscal Charges	173	-	136,059	-	-	136,232
Total Expenditures	<u>2,427,998</u>	<u>-</u>	<u>734,693</u>	<u>103,752</u>	<u>566,718</u>	<u>3,833,161</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	295,644	-	(666,520)	(98,550)	139,867	(329,559)
OTHER FINANCING SOURCES (USES)						
Long-Term Debt Issued	-	-	125,086	-	-	125,086
Sale of Capital Assets	-	-	-	138,575	-	138,575
Transfers In	206,185	-	523,387	-	102,500	832,072
Transfers Out	(381,470)	-	-	(296,896)	(62,000)	(740,366)
Total Other Financing Sources (Uses)	<u>(175,285)</u>	<u>-</u>	<u>648,473</u>	<u>(158,321)</u>	<u>40,500</u>	<u>355,367</u>
NET CHANGE IN FUND BALANCES	120,359	-	(18,047)	(256,871)	180,367	25,808
Fund Balances - Beginning of Year	535,807	(2,187)	135,887	393,558	120,742	1,183,807
FUND BALANCES - END OF YEAR	<u>\$ 656,166</u>	<u>\$ (2,187)</u>	<u>\$ 117,840</u>	<u>\$ 136,687</u>	<u>\$ 301,109</u>	<u>\$ 1,209,615</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF AMERY, WISCONSIN
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO
THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2012**

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS **\$ 25,808**

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	\$ 238,507	
Depreciation Expense Reported in the Statement of Activities	<u>(349,864)</u>	(111,357)

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. (208,547)

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. (56,159)

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 position and does not affect the statement of activities. Long-term debt incurred in the current year is:

General Obligation Notes		(125,086)
--------------------------	--	-----------

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

General Obligation Bonds Principal Retirement	80,000	
General Obligation Notes Principal Retirement	<u>518,634</u>	598,634

The governmental funds do not record capital assets or long-term debt. However, in the statement of activities, the excess of long-term debt assumed by the City over capital assets transferred from the Redevelopment Authority, a discrete component unit is recorded as a loss.

Capital Assets	356,355	
Long-term Debt	(175,936)	
Deferred Revenue (Advance from Primary Government)	(267,816)	
Accrued Interest Payable	<u>(2,287)</u>	(89,684)

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	6,774	
Amortization of Debt Issuance Costs	(1,725)	
Net Change in WRS Prior Service Liability	1,099	
Net Change in Compensated Absences Payable	(24,192)	
Net Change in Estimated Landfill Postclosure Liability	<u>10,226</u>	<u>(7,818)</u>

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES **\$ 25,791**

**CITY OF AMERY, WISCONSIN
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2012**

	Business-Type Activities - Joint Water and Sewer Enterprise Fund		
	Water Department	Sewer Department	Totals
	ASSETS		
Current Assets:			
Cash and Investments	\$ 220,371	\$ 125,542	\$ 345,913
Customer Accounts Receivable	96,578	141,074	237,652
Other Accounts Receivable	-	23,808	23,808
Accounts Receivable on Tax Roll	8,995	12,812	21,807
Prepayments	3,949	5,923	9,872
Inventories	25,171	3,490	28,661
Total Current Assets	355,064	312,649	667,713
Restricted Assets:			
Equipment Replacement Fund Investments	-	178,563	178,563
Capital Assets:			
Utility Plant in Service	4,096,182	4,924,211	9,020,393
Less: Accumulated Depreciation	1,477,479	2,617,202	4,094,681
Total Capital Assets	2,618,703	2,307,009	4,925,712
Other Assets:			
Special Assessments Receivable	-	92,744	92,744
Long-Term Receivables	-	48,324	48,324
Total Other Assets	-	141,068	141,068
Total Assets	\$ 2,973,767	\$ 2,939,289	\$ 5,913,056
LIABILITIES			
Current Liabilities:			
Accounts Payable	\$ 2,743	\$ 15,823	\$ 18,566
Accrued Interest Payable	1,560	5,212	6,772
Current Portion of Long-Term Debt:			
Revenue Bonds	-	157,720	157,720
General Obligation Notes	33,655	-	33,655
Accrued Compensated Absences	25,131	19,483	44,614
Total Current Liabilities	63,089	198,238	261,327
Long-Term Liabilities (Net of Current Portion):			
Revenue Bonds	-	330,748	330,748
General Obligation Notes	590,345	-	590,345
Accrued Compensated Absences	34,238	26,543	60,781
Total Long-Term Liabilities	624,583	357,291	981,874
Total Liabilities	687,672	555,529	1,243,201
NET POSITION			
Net Investment in Capital Assets	1,994,703	1,889,918	3,884,621
Restricted for Equipment Replacement	-	178,563	178,563
Unrestricted	291,392	315,279	606,671
Total Net Position	2,286,095	2,383,760	4,669,855
Total Liabilities and Net Position	\$ 2,973,767	\$ 2,939,289	\$ 5,913,056

See accompanying Notes to Basic Financial Statements.

CITY OF AMERY, WISCONSIN
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2012

	Business-Type Activities - Joint Water and Sewer Enterprise Fund		
	Water	Sewer	Totals
	Department	Department	
OPERATING REVENUES			
Sales of Water/Sewerage Revenues:			
Residential	\$ 135,598	\$ 314,361	\$ 449,959
Commercial	71,552	171,167	242,719
Industrial	15,811	40,979	56,790
Public Authorities	18,879	40,942	59,821
Private Fire Protection	8,304	-	8,304
Public Fire Protection	147,566	-	147,566
Total Sales of Water/Sewerage Revenues	<u>397,710</u>	<u>567,449</u>	<u>965,159</u>
Other Operating Revenues	8,710	6,577	15,287
Total Operating Revenues	<u>406,420</u>	<u>574,026</u>	<u>980,446</u>
OPERATING EXPENSES			
Operation and Maintenance	187,892	458,341	646,233
Depreciation	89,895	153,293	243,188
Total Operating Expenses	<u>277,787</u>	<u>611,634</u>	<u>889,421</u>
OPERATING INCOME (LOSS)	128,633	(37,608)	91,025
NONOPERATING REVENUES (EXPENSES)			
Interest Revenue	822	-	822
Interest Expense	(25,699)	(16,452)	(42,151)
Interest on Advance to Biosolids Facility	-	2,383	2,383
Total Nonoperating Revenues (Expenses)	<u>(24,877)</u>	<u>(14,069)</u>	<u>(38,946)</u>
INCOME (LOSS) BEFORE TRANSFERS	103,756	(51,677)	52,079
TRANSFERS:			
Transfer from Water Department to Sewer Department	(900,895)	900,895	-
Transfer to Governmental Funds - Property Tax Equivalent	(91,706)	-	(91,706)
Total Contributions and Transfers	<u>(992,601)</u>	<u>900,895</u>	<u>(91,706)</u>
CHANGE IN NET POSITION	(888,845)	849,218	(39,627)
Net Position - Beginning of Year	<u>3,174,940</u>	<u>1,534,542</u>	<u>4,709,482</u>
NET POSITION - END OF YEAR	<u>\$ 2,286,095</u>	<u>\$ 2,383,760</u>	<u>\$ 4,669,855</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF AMERY, WISCONSIN
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2012**

	Business-Type Activities - Joint Water and Sewer Enterprise Fund		
	Water	Sewer	Totals
	Department	Department	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Received from Utility Customers	\$ 248,435	\$ 569,315	\$ 817,750
Cash Received for Public Fire Protection	147,566	-	147,566
Cash Received (Paid) for Meter Related Charges	7,313	(7,313)	-
Cash Paid to Suppliers for Goods and Services	(103,950)	(239,502)	(343,452)
Cash Paid for Employee Services	(55,769)	(188,591)	(244,360)
Net Cash Provided by (Used for) Operating Activities	243,595	133,909	377,504
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Working Capital Provided by Water Department for Sewer Department	(900,895)	900,895	-
Cash Payments for Tax Equivalent	(91,706)	-	(91,706)
Net Cash Provided by (Used for) Noncapital Financing Activities	(992,601)	900,895	(91,706)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Cash Received from Issuance of Debt	624,000	-	624,000
Principal Paid on Long-Term Debt	(669,000)	(130,483)	(799,483)
Interest Paid on Long-Term Debt	(24,921)	(15,464)	(40,385)
Net Cash Provided by (Used for) Capital and Related Financing Activities	(69,921)	(145,947)	(215,868)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on Investments	822	-	822
NET CHANGE IN CASH AND CASH EQUIVALENTS	(818,105)	888,857	70,752
Cash and Cash Equivalents - Beginning of Year	1,038,476	(584,752)	453,724
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 220,371</u>	<u>\$ 304,105</u>	<u>\$ 524,476</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF AMERY, WISCONSIN
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2012**

	Business-Type Activities - Joint Water and Sewer Enterprise Fund		
	Water	Sewer	Totals
	<u>Department</u>	<u>Department</u>	<u>Totals</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Operating Income (Loss)	\$ 128,633	\$ (37,608)	\$ 91,025
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:			
Depreciation	89,895	153,293	243,188
(Increase) Decrease in Assets:			
Customer Accounts Receivable	(5,378)	(8,846)	(14,224)
Accounts Receivable on Tax Roll	2,272	4,135	6,407
Prepayments	(23)	(34)	(57)
Inventories	1,015	(172)	843
Decrease (Increase) in Liabilities:			
Accounts Payable	(5,815)	7,884	2,069
Accrued Compensated Absences	32,996	15,257	48,253
Net Cash Provided by (Used for) Operating Activities	<u>\$ 243,595</u>	<u>\$ 133,909</u>	<u>\$ 377,504</u>
RECONCILIATION OF CASH AND INVESTMENTS TO CASH AND CASH EQUIVALENTS			
Cash and Investments per Statement of Net Position:			
Cash and Investments	\$ 220,371	\$ 125,542	\$ 345,913
Cash and Investments - Restricted	-	178,563	178,563
CASH AND CASH EQUIVALENTS	<u>\$ 220,371</u>	<u>\$ 304,105</u>	<u>\$ 524,476</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:			
Principal and Interest Paid Directly by Biosolids Facility	\$ -	\$ 24,962	\$ 24,962

See accompanying Notes to Basic Financial Statements.

**CITY OF AMERY, WISCONSIN
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2012**

	Private Purpose Trust Fund	Tax Agency Fund
	Fire Department Retirement Fund	
ASSETS		
Cash and Investments	\$ 79,492	\$ 343,134
Taxes Receivable	-	2,495,045
Due from Other Funds	9,000	-
Total Assets	88,492	\$ 2,838,179
LIABILITIES		
Due to Other Governmental Units:		
State	-	\$ 29,302
County	-	833,497
Special Purpose District	-	7,268
School	-	1,769,342
Technical College	-	198,770
Total Liabilities	-	\$ 2,838,179
NET POSITION		
Held for Retirement Benefits	\$ 88,492	

See accompanying Notes to Basic Financial Statements.

**CITY OF AMERY, WISCONSIN
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
YEAR ENDED DECEMBER 31, 2012**

	Private Purpose Trust Fund
	Fire Department Retirement Fund
ADDITIONS	
Interest	\$ 595
Contribution from General Fund	6,000
Total Additions	6,595
DEDUCTIONS	
Retirement Benefits Paid	-
CHANGE IN NET POSITION	6,595
Net Position - Beginning of Year	81,897
NET POSITION - END OF YEAR	\$ 88,492

See accompanying Notes to Basic Financial Statements.

**CITY OF AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2012**

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 was governed by a seven member board appointed by a 4/5 vote of the City Council. The Authority ceased operations effective January 1, 2012. Authority assets totaling \$356,511 and liabilities totaling \$446,039 were assumed by The City's TID #6. Included in the assets total of \$356,511 were capital assets of \$356,355 which are now reported as part of the City's governmental activities capital assets (see Note 4.C). Included in the liabilities total of \$446,039 was a \$153,336 advance from TID #6, \$89,528 of which was written off, and an advance from the City's general fund in the amount of \$114,480 which was settled by TID #6. Also included in the liabilities total was the liability for a promissory note dated September 7, 2011 in the amount of \$175,936. This is now reported as part of the City's governmental activities long-term obligations (see Note 4.E). The transfer of the Authority's assets and liabilities to the City is reported as a special item in the statement of activities. Unaudited financial statements of the Authority for the year ended December 31, 2012 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, 2012**

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

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

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 position, fund equity, revenues, and expenditures/expenses.

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

**CITY OF AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2012**

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.

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, 2012**

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, 2012

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.

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, 2012**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, and Net Position or Equity

1. Deposits and Investments

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

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

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

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

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, 2012**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, and Net Position 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 2012 tax roll are recognized as revenue in 2013.) 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 (\$14,307) 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, 2012**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, and Net Position 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, 2012**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, and Net Position 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 position. In the governmental fund financial statements, the face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**CITY OF AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2012**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, and Net Position 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 position in the government-wide financial statements and is displayed in three components. Net position 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 position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors or laws or regulations of other governments. All other net position is displayed as unrestricted.

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

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

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

NOTE 2 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 position and revenues/expenses shown in the government-wide financial statements are presented on pages 18 and 20, respectively.

**CITY OF AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2012**

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, 2012 certain funds had deficit balances as shown below:

CDBG Housing Revolving Loan Fund	\$ (2,187)
Tax Incremental District #7	<u>(95,139)</u>
	<u>\$ (97,326)</u>

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, 2012 as shown in the financial statements as follows:

Governmental Funds	\$ 1,499,016
Proprietary Funds	524,476
Fiduciary Funds	422,626
Total	<u>\$ 2,446,118</u>

The above cash and investments balances consisted of the following:

Deposits at Financial Institutions	\$ 2,445,118
Petty Cash	1,000
Total	<u>\$ 2,446,118</u>

Deposits at Financial Institutions

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

**CITY OF AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2012**

NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Deposits and Investments (Continued)

Deposits at Financial Institutions (Continued)

Custodial credit risk for deposits is the risk that, in the event of failure, the Village's deposits may not be returned. At December 31, 2012, the Village's deposits were not exposed to custodial credit risk.

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, 2012, 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 \$16,433 and \$93,786, respectively, for their share of the debt outstanding at December 31, 2012. 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.

**CITY OF AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2012**

NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Capital Assets

Capital assets activity for the year ended December 31, 2012 is as follows:

Governmental Activities

	Beginning Balance	Increases	Transfers (1)	Decreases	Ending Balance
Governmental Activities:					
Capital Assets Not Being Depreciated					
Land	\$ 698,199	\$ 40,580	\$ 356,355	\$ 226,355	\$ 868,779
Construction Work in Progress	213,115	55,986	-	269,101	-
Total Capital Assets Not Being Depreciated	<u>911,314</u>	<u>96,566</u>	<u>356,355</u>	<u>495,456</u>	<u>868,779</u>
Capital Assets Being Depreciated					
Land Improvements	1,359,771	-	-	-	1,359,771
Buildings	4,430,571	269,101	-	-	4,699,672
Equipment and Vehicles	2,432,985	92,205	-	9,759	2,515,431
Infrastructure	1,116,278	71,447	-	-	1,187,725
Total Capital Assets Being Depreciated	<u>9,339,605</u>	<u>432,753</u>	<u>-</u>	<u>9,759</u>	<u>9,762,599</u>
Total Capital Assets	10,250,919	529,319	356,355	505,215	10,631,378
Accumulated Depreciation:					
Land Improvements	884,687	26,228	-	-	910,915
Buildings	949,679	117,548	-	-	1,067,227
Equipment and Vehicles	1,291,971	176,153	-	5,856	1,462,268
Infrastructure	76,798	29,935	-	-	106,733
Total Accumulated Depreciation	<u>3,203,135</u>	<u>349,864</u>	<u>-</u>	<u>5,856</u>	<u>3,547,143</u>
Net Capital Assets - Governmental Activities	<u>\$ 7,047,784</u>	<u>\$ 179,455</u>	<u>\$ 356,355</u>	<u>\$ 499,359</u>	<u>\$ 7,084,235</u>

(1) See Note 1.A regarding transfer of Redevelopment Authority operations.

Depreciation was charged to governmental functions as follows:

General Government	\$ 1,221
Public Safety	134,536
Public Works	144,934
Culture, Recreation and Education	69,173
Total Depreciation - Governmental Activities	<u>\$ 349,864</u>

**CITY OF AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2012**

NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Capital Assets (Continued)

Business-Type Activities

	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities:				
Joint Water and Sewer Utility:				
Water Department:				
Capital Assets Not Being Depreciated				
Land and Land Rights	\$ 15,358	\$ -	\$ -	\$ 15,358
Capital Assets Being Depreciated:				
Source of Supply	198,218	-	-	198,218
Pumping Plant	259,772	-	-	259,772
Water Treatment	13,455	-	-	13,455
Transmission and Distribution	3,478,277	-	250	3,478,027
General Plant	131,352	-	-	131,352
Total Capital Assets Being Depreciated	<u>4,081,074</u>	<u>-</u>	<u>250</u>	<u>4,080,824</u>
Total Capital Assets	4,096,432	-	250	4,096,182
Less Accumulated Depreciation	<u>1,387,834</u>	<u>89,895</u>	<u>250</u>	<u>1,477,479</u>
Net Capital Assets - Water Utility	<u>2,708,598</u>	<u>(89,895)</u>	<u>-</u>	<u>2,618,703</u>
Sewer Department:				
Capital Assets Not Being Depreciated				
Land and Land Rights	36,340	-	-	36,340
Capital Assets Being Depreciated:				
Collection System	1,440,896	-	100	1,440,796
Pumping System	234,246	-	-	234,246
Treatment and Disposal Plant	3,085,069	-	-	3,085,069
General Plant	127,760	-	-	127,760
Total Capital Assets Being Depreciated	<u>4,887,971</u>	<u>-</u>	<u>100</u>	<u>4,887,871</u>
Total Capital Assets	4,924,311	-	100	4,924,211
Less Accumulated Depreciation	<u>2,464,009</u>	<u>153,293</u>	<u>100</u>	<u>2,617,202</u>
Net Capital Assets - Sewer Utility	<u>2,460,302</u>	<u>(153,293)</u>	<u>-</u>	<u>2,307,009</u>
Net Capital Assets - Business-Type Activities	<u>\$ 5,168,900</u>	<u>\$ (243,188)</u>	<u>\$ -</u>	<u>\$ 4,925,712</u>

Depreciation was charged to business-type activities as follows:

Water	\$ 89,895
Sewer	153,293
Total Depreciation - Business-Type Activities	<u>\$ 243,188</u>

**CITY OF AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2012**

NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Capital Assets (Continued)

Component Unit

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Transfers (1)</u>	<u>Decreases</u>
Redevelopment Authority:				
Capital Assets Not Being Depreciated				
Land	\$ 356,355	\$ -	\$ 356,355	\$ -

(1) See Note 1.A regarding transfer of Redevelopment Authority operations.

The information presented above for the Redevelopment Authority for the year ended December 31, 2012 was unaudited.

D. Interfund Receivables, Payables and Transfers

The composition of interfund balances as of December 31, 2012 was as follows:

Due to/from Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Purposes</u>
Micro - Loan Fund	General Fund	\$ 1,834	Prior Year Tax Roll Item
Fire Department Retirement Fund	General Fund	9,000	Retirement Fund Contribution
		<u>\$ 10,834</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	95,139	Cash Flows
		<u>\$ 98,879</u>	

Interfund Transfers

The following is a schedule of interfund transfers:

<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>	<u>Purposes</u>
General Fund	Water Department Fund	\$ 91,706	Property Tax Equivalent
Debt Service Fund	General Fund	278,970	Finance Current Maturities
Debt Service Fund	Tax Incremental District #6 Fund	182,417	Finance Current Maturities
Debt Service Fund	Tax Incremental District #7 Fund	62,000	Finance Current Maturities
Capital Projects Fund	General Fund	102,500	Finance Project Costs
Sewer Department Fund	Water Department Fund	900,895	Capital Contribution
General Fund	Tax Incremental District #6 Fund	114,479	Finance Redevelopment Authority Advance Repayment
		<u>\$ 1,732,967</u>	

**CITY OF AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2012**

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, 2012 were as follows:

	Balance 1/1/12	Issued	Transfers (1)	Retired	Balance 12/31/12	Amounts Due Within One Year
Primary Government						
Governmental Activities						
General Obligation Bonds	\$ 1,885,000	\$ -	\$ -	\$ 80,000	\$ 1,805,000	\$ 80,000
General Obligation Notes	1,687,663	125,086	175,936	518,634	1,470,051	756,578
WRS Prior Service Liability	8,461	533	-	1,632	7,362	-
Compensated Absences	227,365	24,192	-	-	251,557	106,484
Estimated Landfill Postclosure Liability	728,958	-	-	10,226	718,732	-
Governmental Activities - Long-Term Liabilities	<u>\$ 4,537,447</u>	<u>\$ 149,811</u>	<u>\$ 175,936</u>	<u>\$ 610,492</u>	<u>\$ 4,252,702</u>	<u>\$ 943,062</u>
Business-Type Activities						
General Obligation Notes	\$ 669,000	\$ 624,000	\$ -	\$ 669,000	\$ 624,000	\$ 33,655
Revenue Bonds	641,295	-	-	152,827	488,468	157,720
Compensated Absences	57,142	48,253	-	-	105,395	44,614
Business-Type Activities - Long-Term Liabilities	<u>\$ 1,367,437</u>	<u>\$ 672,253</u>	<u>\$ -</u>	<u>\$ 821,827</u>	<u>\$ 1,217,863</u>	<u>\$ 235,989</u>
Component Unit						
Bank Mortgage Note	<u>\$ 175,936</u>	<u>\$ -</u>	<u>\$ (175,936)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(1) See Note 1.A regarding transfer of Redevelopment Authority operations.

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 January 4, 2012 the City obtained a \$125,086 loan from a local bank for the current refinancing of the outstanding maturities on the general obligation promissory notes dated February 1, 2005. The 2005 note had a balloon payment of \$125,086 that was due in 2012. The new loan carries an interest rate of 3.31% with semiannual maturities from February 2012 through August 2016. The refinancing resulted in an increase in total debt service requirements of \$9,809 in exchange for the extension of the loan term.

On December 1, 2012 the City obtained a \$624,000 loan from a local bank for the current refinancing of the outstanding maturities on the general obligation promissory notes dated October 14, 2004. The 2004 note had a balloon payment of \$624,000 that was due in 2012. The new loan carries an interest rate of 3.00% with semiannual maturities from June 2013 through December 2022. The refinancing resulted in an increase in total debt service requirements of \$135,028 in exchange for the extension of the loan term.

**CITY OF AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2012**

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, 2012 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	\$ 1,805,000
General Obligation Notes:					
Landfill Remediation Promissory Notes, Series 2000	5/10/00	5/1/20	0.00%	481,687	195,670
State Trust Fund Loan	10/13/04	3/15/19	5.00%	429,000	255,492
Promissory Notes	8/10/03 thru 3/24/04	6/1/13	3.65%	1,399,000	557,536
State Trust Fund Loan	10/25/05	3/15/20	5.00%	25,000	16,606
Promissory Note	6/2/11	6/2/14	3.25%	200,000	113,517
Promissory Note	9/7/11	8/1/16	3.25%	175,936	44,138
Promissory Note	9/30/11	2/8/20	3.75%	233,450	186,786
Promissory Note	1/4/12	8/4/16	3.31%	125,086	100,306
Business-Type Activities:					
General Obligation Notes:					
Promissory Notes	12/1/12	12/1/22	3.00%	624,000	624,000
Total				<u>\$ 5,733,159</u>	<u>\$ 3,899,051</u>

**CITY OF AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2012**

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
2013	\$ 870,233	\$ 129,545	\$ 999,778	\$ 772,532	\$ 28,047	\$ 85,075	\$ 62,000	\$ 52,124	\$ 999,778
2014	286,966	109,488	396,454	206,940	28,047	53,486	55,857	52,124	396,454
2015	220,085	100,582	320,667	193,710	28,047	46,786	-	52,124	320,667
2016	229,663	92,994	322,657	195,699	28,047	46,786	-	52,125	322,657
2017	207,310	85,174	292,484	165,529	28,046	46,785	-	52,124	292,484
2018-2022	1,239,795	312,709	1,552,504	881,606	76,669	95,823	-	498,406	1,552,504
2023-2027	685,000	120,560	805,560	805,560	-	-	-	-	805,560
2028	159,999	3,360	163,359	163,359	-	-	-	-	163,359
	<u>\$ 3,899,051</u>	<u>\$ 954,412</u>	<u>\$ 4,853,463</u>	<u>\$ 3,384,935</u>	<u>\$ 216,903</u>	<u>\$ 374,741</u>	<u>\$ 117,857</u>	<u>\$ 759,027</u>	<u>\$ 4,853,463</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, 2012, the City's debt limit amounted to \$8,633,360 and indebtedness subject to the limitation totaled \$3,899,051.

Revenue Bonds

Outstanding mortgage revenue bonds of the City totaled \$488,468 at December 31, 2012. 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
2013	\$ 157,720	\$ 13,112	\$ 170,832
2014	162,769	7,983	170,752
2015	167,979	2,688	170,667
	<u>\$ 488,468</u>	<u>\$ 23,783</u>	<u>\$ 512,251</u>

**CITY OF AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2012**

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, 2012 was \$417,091.

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, 2012. 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 \$71,377.

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 ceased operations in 2012. The liability for a promissory note dated September 7, 2011 was assumed by the City's TID #6. The balance of the note at December 31, 2012 was \$44,138 and is included in the above totals. The information presented above for the Redevelopment Authority for the year ended December 31, 2012 was unaudited.

**CITY OF AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2012**

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, 2012 consisted of the following:

	Total	Nonspendable	Restricted	Assigned	Unassigned
Major Funds:					
General Fund					
Advances to Other Funds	\$ 98,879	\$ 98,879	\$ -	\$ -	\$ -
Delinquent Taxes	14,032	14,032	-	-	-
Public Works Capital Equipment	25,000	-	-	25,000	-
Library Computers	5,000	-	-	5,000	-
City Hall Capital Fund	5,000	-	-	5,000	-
Fire Department Capital Equipment	33,000	-	-	33,000	-
Fire Department Retirement Fund	6,000	-	-	6,000	-
City Employee Retirement Fund	10,000	-	-	10,000	-
Unassigned	459,255	-	-	-	459,255
Subtotal General Fund	656,166	112,911	-	84,000	459,255
CDBG Housing Revolving Loan Fund	(2,187)	-	-	-	(2,187)
Debt Service Fund	117,840	-	117,840	-	-
Tax Incremental District #6 Fund	136,687	-	136,687	-	-
Nonmajor Funds:					
Special Revenue Funds:					
Library Fund	89,006	-	89,006	-	-
Community Micro - Loan Fund	22,657	-	22,657	-	-
Capital Projects Funds:					
Tax Incremental District #5 Fund	199,176	-	199,176	-	-
Tax Incremental District #7 Fund	(95,139)	-	-	-	(95,139)
Other Capital Improvements Fund	85,409	-	-	85,409	-
Total Governmental Fund Balances at December 31, 2012	<u>\$ 1,209,615</u>	<u>\$ 112,911</u>	<u>\$ 565,366</u>	<u>\$ 169,409</u>	<u>\$ 361,929</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.

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

**CITY OF AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2012**

NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Tax Incremental Districts (Continued)

The City had terminated TID #2 and TID #3 during 2001 with closeout of the funds at December 31, 2001, and TID #4 was terminated in 2004. TID #5, TID #6 and TID #7 were still in existence at December 31, 2012. 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, 2012 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, 2012 are summarized as follows:

	<u>TID #5</u>	<u>TID #6</u>	<u>TID #7</u>
Accumulated Project Costs:			
Project Expenditures	\$ 2,368,198	\$ 1,178,157	\$ 204,021
Debt Expenditures:			
Interest Charges	584,024	176,477	6,517
Transfers Out	403,538	-	-
Total Project Costs	<u>3,355,760</u>	<u>1,354,634</u>	<u>210,538</u>
Accumulated Project Revenues:			
Tax Increments	2,163,563	328,041	1,864
Minimum Tax Agreements	-	57,627	-
Intergovernmental Grants and Aids	230,063	228,827	18
Interest on Investments	17,650	-	-
Sale of City Property	315,440	138,575	-
Other	828,220	18,478	-
Transfers In	-	403,538	-
Total Project Revenues	<u>3,554,936</u>	<u>1,175,086</u>	<u>1,882</u>
Future Project Revenues Necessary to Recover Project Costs to Date	<u>\$ (199,176)</u>	<u>\$ 179,548</u>	<u>\$ 208,656</u>

The preceding summaries of transactions are reconciled to the fund balances in TID districts at December 31, 2012 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, 2012	\$ -	\$ 316,235	\$ 113,517
Less Unrecovered Costs Above	199,176	(179,548)	(208,656)
Fund Balances (Deficits) at December 31, 2012	<u>\$ 199,176</u>	<u>\$ 136,687</u>	<u>\$ (95,139)</u>

**CITY OF AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2012**

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 employees, initially employed by a participating WRS employer prior to July 1, 2011, expected to work at least 600 hours a year (440 for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS. All employees, initially employed by a participating WRS employer on or after July 1, 2011, and expected to work at least 1200 hours a year (880 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS. Note: Employees hired to work nine or ten months per year, (e.g. teachers contracts), but expected to return year after year are considered to have met the one-year requirement.

Prior to June 29, 2011, covered employees in the general/teacher/educational support personnel category were required by statute to contribute 6.5% of their salary (3.9% for executive and elected officials, 5.8% for protective occupations with social security, and 4.8% for protective occupations without social security) to the plan. Employers could make these contributions to the plan on behalf of employees. Employers were required to contribute an actuarially determined amount necessary to fund the remaining projected cost of future benefits.

Effective the first day of the first pay period on or after June 29, 2011 the employee required contribution was changed to one-half of the actuarially determined contribution rate for general category employees, including teachers, and executives and elected officials. Required contributions for protective contributions are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement. Contribution rates for 2012 are:

	<u>Employee</u>	<u>Employer</u>
General (including Teachers)	5.90%	5.90%
Executives and Elected Officials	7.05%	7.05%
Protective with Social Security	5.90%	9.00%
Protective without Social Security	5.90%	11.30%

The payroll for City employees covered by the WRS for the year ended December 31, 2012 was \$1,166,811; the employer's total payroll was \$1,302,438. The total required contribution for the year ended December 31, 2012 was \$159,712, which consisted of \$90,870, or 7.79% of payroll from the employer and \$68,842 or 5.90% of payroll from employees. Total contributions for the years ending December 31, 2011 and 2010 were \$152,820 and \$153,744, respectively, equal to the required contributions for each year.

**CITY OF AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2012**

NOTE 5 OTHER INFORMATION (CONTINUED)

A. Employee Retirement Plan (Continued)

The City's pension related debt at December 31, 2012 (the unfunded actuarial accrued liability for prior service costs) was \$7,362. 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 2012 was 7.8%.

Employees who retire at or after age 65 (62 for elected officials and 55 for protective occupation employees) are entitled to receive a retirement benefit. Employees may retire at age 55 (50 for protective occupation employees) and receive actuarially reduced benefits. The factors influencing the benefit are: (1) final average earnings, (2) years of creditable service, and (3) a formula factor. Final average earnings is the average of the employees' three highest years' earnings. Employees terminating covered employment before becoming eligible for a retirement benefit may withdraw their contributions and, by doing so, forfeit all rights to any subsequent benefit. For employees beginning participation after January 1, 1990 and no longer actively employed on or after April 24, 1998, creditable service in each of five years is required for eligibility for a retirement annuity. Participants employed prior to 1990 and on or after April 24, 1998 are immediately vested. Participants who initially became WRS eligible on or after July 1, 2011 must have five year of creditable service to be 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 \$6,000 to the plan for the 2012 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, 2012 was \$88,492.

**CITY OF AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2012**

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, 2012 were \$251,557. The estimated liabilities in the proprietary funds at that date were \$105,395.

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, 2012 totaling \$71,377 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 \$755 was also recorded therein since the debt is to be funded by the Facility. The total receivable of \$72,132 at December 31, 2012 was classified as \$23,808 current and \$48,324 long-term in the utility's year end statement of net position.

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, 2012**

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, 2012 have been estimated by an outside consultant at \$718,732. 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, 2012, 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 \$36,041,641 at April 30, 2012 per audited financial statements of the Obligor.

**CITY OF AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2012**

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 2012 through December 2012 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 2012 and has made no draws to date in 2013.

REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF AMERY, WISCONSIN
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED DECEMBER 31, 2012**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 1,425,189	\$ 1,425,189	\$ 1,416,749	\$ (8,440)
Special Assessments	4,568	4,568	3,241	(1,327)
Intergovernmental	805,694	805,694	795,866	(9,828)
Licenses and Permits	42,705	42,705	48,800	6,095
Fines and Forfeits	36,500	36,500	29,551	(6,949)
Public Charges for Services	158,175	158,175	170,715	12,540
Intergovernmental Charges for Services	175,912	175,912	165,461	(10,451)
Miscellaneous:				
Interest	2,200	2,200	10,302	8,102
Rent	42,200	42,200	58,156	15,956
Sale of Property	30,000	30,000	7,368	(22,632)
Donations	1,000	1,000	1,402	402
Other	23,050	23,050	16,031	(7,019)
Total Revenues	2,747,193	2,747,193	2,723,642	(23,551)
EXPENDITURES				
General Government	527,512	520,917	470,457	50,460
Public Safety	997,903	969,625	971,324	(1,699)
Public Works	806,377	827,179	847,974	(20,795)
Health and Human Services	200	200	2,380	(2,180)
Culture, Recreation, and Education	77,175	134,038	87,857	46,181
Conservation and Development	29,150	28,872	47,833	(18,961)
Debt Service:				
Interest and Fiscal Charges	-	-	173	(173)
Total Expenditures	2,438,317	2,480,831	2,427,998	52,833
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	308,876	266,362	295,644	29,282
OTHER FINANCING SOURCES (USES)				
Transfers In	67,500	67,500	206,185	138,685
Transfers Out	(342,197)	(342,197)	(381,470)	(39,273)
Total Other Financing Sources (Uses)	(274,697)	(274,697)	(175,285)	99,412
NET CHANGE IN FUND BALANCE	34,179	(8,335)	120,359	128,694
Fund Balance - Beginning of Year	535,807	535,807	535,807	-
FUND BALANCE - END OF YEAR	\$ 569,986	\$ 527,472	\$ 656,166	\$ 128,694

**CITY OF AMERY, WISCONSIN
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2012**

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, 2012**

	Special Revenue Funds			Capital Projects Funds			Total Nonmajor Governmental Funds	
	Library 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
ASSETS								
Treasurer's Cash and Investments	\$ 136,126	\$ 20,823	\$ 156,949	\$ 199,176	\$ -	\$ 6,803	\$ 205,979	\$ 362,928
Taxes Receivable	189,294	-	189,294	184,444	72,944	29,700	287,088	476,382
Accounts Receivable	-	-	-	-	-	55,721	55,721	55,721
Due from Other Governmental Units	-	-	-	-	-	22,885	22,885	22,885
Due from Other Funds	-	1,834	1,834	-	-	-	-	1,834
Long-Term Receivables	-	14,307	14,307	-	-	-	-	14,307
Total Assets	\$ 325,420	\$ 36,964	\$ 362,384	\$ 383,620	\$ 72,944	\$ 115,109	\$ 571,673	\$ 934,057
LIABILITIES AND FUND BALANCES								
Liabilities:								
Vouchers and Accounts Payable	\$ 47,120	\$ -	\$ 47,120	\$ -	\$ -	\$ -	\$ -	\$ 47,120
Deferred Revenue	189,294	14,307	203,601	184,444	72,944	29,700	287,088	490,689
Advance from Other Funds	-	-	-	-	95,139	-	95,139	95,139
Total Liabilities	236,414	14,307	250,721	184,444	168,083	29,700	382,227	632,948
Fund Balances:								
Restricted	89,006	22,657	111,663	199,176	-	-	199,176	310,839
Assigned	-	-	-	-	-	85,409	85,409	85,409
Unassigned	-	-	-	-	(95,139)	-	(95,139)	(95,139)
Total Fund Balances	89,006	22,657	111,663	199,176	(95,139)	85,409	189,446	301,109
Total Liabilities and Fund Balances	\$ 325,420	\$ 36,964	\$ 362,384	\$ 383,620	\$ 72,944	\$ 115,109	\$ 571,673	\$ 934,057

**CITY OF AMERY, WISCONSIN
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
YEAR ENDED DECEMBER 31, 2012**

	Special Revenue Funds			Capital Projects Funds			Total Nonmajor Governmental Funds	
	Library 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
REVENUES								
Taxes	\$ 189,294	\$ -	\$ 189,294	\$ 182,213	\$ 1,864	\$ 69,948	\$ 254,025	\$ 443,319
Intergovernmental	148,418	-	148,418	2,790	18	28,606	31,414	179,832
Public Charges for Services	-	-	-	-	-	25,000	25,000	25,000
Miscellaneous:								
Interest	-	2	2	-	-	-	-	2
Donations	-	-	-	-	-	43,000	43,000	43,000
Loan Repayments	-	9,356	9,356	-	-	-	-	9,356
Other	6,076	-	6,076	-	-	-	-	6,076
Total Revenues	343,788	9,358	353,146	185,003	1,882	166,554	353,439	706,585
EXPENDITURES								
Public Safety	-	-	-	-	-	65,347	65,347	65,347
Public Works	-	-	-	-	-	73,173	73,173	73,173
Culture, Recreation, and Education	366,527	-	366,527	-	-	45,125	45,125	411,652
Conservation and Development	-	47	47	2,750	13,749	-	16,499	16,546
Total Expenditures	366,527	47	366,574	2,750	13,749	183,645	200,144	566,718
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(22,739)	9,311	(13,428)	182,253	(11,867)	(17,091)	153,295	139,867
OTHER FINANCING SOURCES (USES)								
Transfers In	-	-	-	-	-	102,500	102,500	102,500
Transfers Out	-	-	-	-	(62,000)	-	(62,000)	(62,000)
Total Other Financing Sources (Uses)	-	-	-	-	(62,000)	102,500	40,500	40,500
NET CHANGE IN FUND BALANCES	(22,739)	9,311	(13,428)	182,253	(73,867)	85,409	193,795	180,367
Fund Balance - Beginning of Year	111,745	13,346	125,091	16,923	(21,272)	-	(4,349)	120,742
FUND BALANCE - END OF YEAR	\$ 89,006	\$ 22,657	\$ 111,663	\$ 199,176	\$ (95,139)	\$ 85,409	\$ 189,446	\$ 301,109

**CITY OF AMERY, WISCONSIN
GENERAL FUND
DETAILED BALANCE SHEET
DECEMBER 31, 2012
(WITH COMPARATIVE AMOUNTS AS OF DECEMBER 31, 2011)**

	2012	2011
ASSETS		
Treasurer's Cash and Investments	\$ 835,627	\$ 844,446
Taxes Receivable:		
Current Tax Roll	1,191,982	1,193,798
Delinquent Personal Property Taxes Held by Village	14,032	15,071
Special Assessments Receivable	44,509	40,309
Accounts Receivable	96,171	103,238
Due from Other Funds	-	5,936
Advances to Other Funds	98,879	25,012
Advances to Component Unit	-	114,480
	\$ 2,281,200	\$ 2,342,290
Total Assets		
LIABILITIES AND FUND BALANCE		
Liabilities:		
Vouchers and Accounts Payable	\$ 95,539	\$ 173,175
Payroll Withholdings	25,491	24,366
Due to Other Governmental Units	16,969	18,824
Due to Other Funds	10,834	4,834
Deferred Revenues:		
Tax Roll Items:		
General Property Taxes	1,409,268	1,413,314
Special Assessments and Charges	11,617	4,569
Deferred Special Assessments	44,509	40,309
Advances to Component Unit	-	114,480
Special Deposits	10,807	12,612
Total Liabilities	1,625,034	1,806,483
Fund Balance:		
Nonspendable	112,911	40,083
Assigned	84,000	-
Unassigned	459,255	495,724
Total Fund Balance	656,166	535,807
Total Liabilities and Fund Balance	\$ 2,281,200	\$ 2,342,290

**CITY OF AMERY, WISCONSIN
GENERAL FUND
DETAILED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2012
(WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 2011)**

	2012			Variance with Final Budget	2011 Actual
	Original Budget	Final Budget	Actual		
REVENUES					
TAXES					
General Property Taxes	\$ 1,343,447	\$ 1,343,447	\$ 1,343,348	\$ (99)	\$ 1,359,045
Mobile Home Fees	42,268	42,268	30,230	(12,038)	31,407
Managed Forest Land Taxes	-	-	19	19	-
Public Accommodation Taxes	10,200	10,200	10,016	(184)	10,817
Payment in Lieu of Taxes	29,274	29,274	33,136	3,862	28,994
Total Taxes	<u>1,425,189</u>	<u>1,425,189</u>	<u>1,416,749</u>	<u>(8,440)</u>	<u>1,430,263</u>
SPECIAL ASSESSMENTS					
Street Improvement Projects	4,568	4,568	3,241	(1,327)	3,320
INTERGOVERNMENTAL					
Federal Aid - Highway Safety	-	-	-	-	7,405
State Shared Taxes	582,301	582,301	562,002	(20,299)	576,128
Fire Insurance Taxes	6,050	6,050	6,554	504	6,131
Exempt Computer Aid	6,000	6,000	4,469	(1,531)	4,846
State General Transportation Aid	190,743	190,743	190,744	1	211,937
State Aid - MSIP	-	-	-	-	10,051
State Aid - Police Training	1,800	1,800	7,702	5,902	1,800
State Aid - Ambulance	18,000	18,000	24,015	6,015	23,013
State Aid - Tank Inspections	800	800	350	(450)	325
State Aid in Lieu of Taxes - Conservation	-	-	27	27	280
State Aid - Other	-	-	3	3	3
Total Intergovernmental	<u>805,694</u>	<u>805,694</u>	<u>795,866</u>	<u>(9,828)</u>	<u>841,919</u>
LICENSES AND PERMITS					
Licenses:					
Liquor and Malt Beverage	7,240	7,240	7,700	460	7,150
Operators	2,600	2,600	2,730	130	2,675
Cigarette	450	450	600	150	500
Trailer Park	300	300	278	(22)	278
Cable Television	11,390	11,390	12,197	807	11,671
Other	2,125	2,125	977	(1,148)	4,047
Permits:					
Building	14,000	14,000	15,040	1,040	27,501
Zoning	3,000	3,000	7,598	4,598	2,375
Park	900	900	740	(160)	970
Other	700	700	940	240	700
Total Licenses and Permits	<u>42,705</u>	<u>42,705</u>	<u>48,800</u>	<u>6,095</u>	<u>57,867</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, 2012
(WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 2011)**

	2012			Variance with Final Budget	2011 Actual
	Original Budget	Final Budget	Actual		
REVENUES (CONTINUED)					
FINES AND FORFEITS					
Law and Ordinance Violations	\$ 36,500	\$ 36,500	\$ 29,551	\$ (6,949)	\$ 26,343
PUBLIC CHARGES FOR SERVICES					
General Government:					
Clerk's Fees	3,985	3,985	4,641	656	3,176
Public Safety:					
Police Fees	4,625	4,625	4,442	(183)	3,055
Fire Protection Fees	3,000	3,000	3,340	340	1,909
Public Works:					
Transportation Facilities:					
Highway Maintenance and Construction	11,040	11,040	14,833	3,793	36,300
Airport	4,100	4,100	9,414	5,314	9,025
Sanitation:					
Refuse and Recycling	122,300	122,300	124,983	2,683	118,789
Landfill	6,525	6,525	6,263	(262)	251
Weed and Nuisance Control	2,600	2,600	2,799	199	7,715
Total Public Charges for Services	<u>158,175</u>	<u>158,175</u>	<u>170,715</u>	<u>12,540</u>	<u>180,220</u>
INTERGOVERNMENTAL CHARGES FOR SERVICES					
General Government:					
Department Administrative Cost Reimbursements	5,000	5,000	5,000	-	5,000
Utility Office Space Rental	18,000	18,000	18,000	-	18,000
Public Safety:					
Fire Protection	144,712	144,712	134,261	(10,451)	148,174
Dam	2,200	2,200	2,200	-	1,000
Public Works:					
Transportation Facilities:					
Utility Equipment Rental	6,000	6,000	6,000	-	6,000
Total Intergovernmental Charges for Services	<u>175,912</u>	<u>175,912</u>	<u>165,461</u>	<u>(10,451)</u>	<u>178,174</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, 2012
(WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 2011)**

	2012			Variance with Final Budget	2011 Actual
	Original Budget	Final Budget	Actual		
REVENUES (CONTINUED)					
MISCELLANEOUS					
Interest:					
General Investments	\$ 2,200	\$ 2,200	\$ 8,974	\$ 6,774	\$ 9,264
Special Assessments	-	-	1,328	1,328	1,444
Rent	42,200	42,200	58,156	15,956	68,752
Sale of City Property	30,000	30,000	7,368	(22,632)	3,195
Donations	1,000	1,000	1,402	402	41,032
Other:					
Insurance Recoveries and Dividends	-	-	114	114	1,118
Other Miscellaneous	23,050	23,050	15,917	(7,133)	22,563
Total Miscellaneous	<u>98,450</u>	<u>98,450</u>	<u>93,259</u>	<u>(5,191)</u>	<u>147,368</u>
Total Revenues	2,747,193	2,747,193	2,723,642	(23,551)	2,865,474
EXPENDITURES					
GENERAL GOVERNMENT					
Council	29,328	27,239	24,331	2,908	25,715
Municipal Court	40,327	41,002	38,355	2,647	37,273
Legal Fees	19,389	19,063	9,922	9,141	21,931
Mayor	13,281	13,131	9,887	3,244	10,353
Clerk-Treasurer	220,312	219,228	217,737	1,491	200,299
Elections	14,475	15,934	15,938	(4)	14,533
Special Accounting and Auditing	10,650	10,650	9,800	850	9,600
Assessment of Property	26,250	26,426	27,056	(630)	52,506
City Hall	56,900	51,900	36,957	14,943	39,661
Illegal and Uncollectible Taxes	-	-	748	(748)	500
Property and Liability Insurance	92,000	92,000	72,871	19,129	69,398
Unemployment Expense	1,100	1,100	-	1,100	4,808
Other	3,500	2,860	6,471	(3,611)	5,443
Outlay:					
Council	-	134	134	-	5,020
Clerk-Treasurer	-	250	250	-	-
City Hall	-	-	-	-	2,799
Total General Government	<u>527,512</u>	<u>520,917</u>	<u>470,457</u>	<u>50,460</u>	<u>499,839</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, 2012
(WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 2011)**

	2012				2011 Actual
	Original Budget	Final Budget	Actual	Variance with Final Budget	
EXPENDITURES (CONTINUED)					
PUBLIC SAFETY					
Police Department	\$ 766,532	\$ 766,532	\$ 754,174	\$ 12,358	\$ 762,912
Police Liaison Officer	-	-	-	-	701
Fire Department	154,050	154,250	161,316	(7,066)	150,313
Fire Department Retirement Trust Fund Payment	6,500	6,500	6,000	500	5,310
Ambulance Service	24,000	24,552	28,463	(3,911)	28,893
Building Inspection	12,821	10,817	12,479	(1,662)	15,542
Tank Inspections	1,900	1,900	-	1,900	-
Dams	2,000	40	511	(471)	4,053
Civil Defense	100	113	137	(24)	138
Outlay:					
Police Department:					
Vehicles	-	-	2,722	(2,722)	1,863
Capital Equipment	-	-	5,283	(5,283)	527
Fire Department	30,000	4,921	239	4,682	-
Total Public Safety	997,903	969,625	971,324	(1,699)	970,252
PUBLIC WORKS					
Transportation:					
Public Works Wages and Fringe Benefits	328,972	356,276	372,154	(15,878)	341,532
Safety	5,700	5,700	6,014	(314)	5,017
Machinery and Equipment	18,500	20,009	21,029	(1,020)	17,114
Buildings and Grounds	19,850	24,502	28,685	(4,183)	24,037
Street Maintenance	154,800	144,641	144,075	566	28,135
Snow and Ice Control	25,815	18,815	23,702	(4,887)	25,127
Traffic Control	4,420	3,962	3,166	796	5,186
Bridges	1,300	-	1,109	(1,109)	-
Street Lighting	52,500	50,500	61,412	(10,912)	58,925
Sidewalks	4,000	-	-	-	2,819
Storm Sewers	4,000	4,162	2,070	2,092	547
Airport	20,195	18,983	19,569	(586)	14,447
Other	600	1,579	1,598	(19)	524
Outlay:					
Machinery and Equipment	31,200	49,821	21,021	28,800	5,938

**CITY OF AMERY, WISCONSIN
GENERAL FUND
DETAILED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 2012
(WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 2011)**

	2012				2011 Actual
	Original Budget	Final Budget	Actual	Variance with Final Budget	
EXPENDITURES (CONTINUED)					
PUBLIC WORKS (CONTINUED)					
Sanitation:					
Refuse and Garbage Collection	\$ 123,500	\$ 122,884	\$ 124,380	\$ (1,496)	\$ 122,693
Landfill	10,450	5,345	17,990	(12,645)	12,168
Recycling	535	-	-	-	34
Weed and Nuisance Control	40	-	-	-	42
Total Public Works	806,377	827,179	847,974	(20,795)	664,285
HEALTH AND HUMAN SERVICES					
Cemetery	200	200	273	(73)	221
CULTURE, RECREATION AND EDUCATION					
Community Center	20,000	20,000	27,701	(7,701)	40,891
Parks	29,025	28,134	26,325	1,809	17,777
Recreation Programs and Events	8,650	9,718	9,451	267	10,186
Skating Rink	4,000	4,000	2,500	1,500	-
Cable Television	9,500	9,500	10,220	(720)	10,215
Other	-	-	260	(260)	1,074
Outlay:					
Library Equipment	6,000	6,000	-	6,000	-
Parks	-	56,686	11,400	45,286	139,637
Total Culture, Recreation and Education	77,175	134,038	87,857	46,181	219,780
CONSERVATION AND DEVELOPMENT					
Economic Development	-	-	16,698	(16,698)	18,915
Redevelopment Authority	-	-	-	-	38,922
Advertising and Promotion	12,550	14,143	13,932	211	14,474
Zoning	2,600	573	119	454	4,464
Community Planning	5,000	4,550	5,154	(604)	5,013
Planning Office	9,000	9,606	11,930	(2,324)	8,686
Total Conservation and Development	29,150	28,872	47,833	(18,961)	90,474

**CITY OF AMERY, WISCONSIN
GENERAL FUND
DETAILED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 2012
(WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 2011)**

	2012			Variance with Final Budget	2011 Actual
	Original Budget	Final Budget	Actual		
EXPENDITURES (CONTINUED)					
DEBT SERVICE					
Interest and Fiscal Charges	\$ -	\$ -	\$ 173	\$ (173)	\$ 3,705
Total Expenditures	<u>2,438,317</u>	<u>2,480,831</u>	<u>2,427,998</u>	<u>52,833</u>	<u>2,448,556</u>
EXCESS (DEFICIENCY) OR REVENUES OVER EXPENDITURES	308,876	266,362	295,644	29,282	416,918
OTHER FINANCING SOURCES (USES)					
Transfers In	67,500	67,500	206,185	138,685	92,465
Transfers Out	<u>(342,197)</u>	<u>(342,197)</u>	<u>(381,470)</u>	<u>(39,273)</u>	<u>(466,493)</u>
Total Other Financing Sources (Uses)	<u>(274,697)</u>	<u>(274,697)</u>	<u>(175,285)</u>	<u>99,412</u>	<u>(374,028)</u>
NET CHANGE IN FUND BALANCE	34,179	(8,335)	120,359	128,694	42,890
Fund Balance - Beginning of Year	<u>535,807</u>	<u>535,807</u>	<u>535,807</u>	<u>-</u>	<u>492,917</u>
FUND BALANCE - END OF YEAR	<u>\$ 569,986</u>	<u>\$ 527,472</u>	<u>\$ 656,166</u>	<u>\$ 128,694</u>	<u>\$ 535,807</u>

CITY OF AMERY, WISCONSIN
 DEBT SERVICE FUNDS
 DETAILED BALANCE SHEET
 DECEMBER 31, 2012

	General Long-Term Debt Redemption Fund			Library	Fire Hall Construction Debt	Totals
	General City	TID #6 Debt	TID #6 Debt	\$440,000 G.O. Promissory Notes		
ASSETS						
Treasurer's Cash and Investments	\$ -	\$ -	\$ -	\$ 117,840	\$ -	\$ 117,840
Long-Term Receivables	-	-	-	-	110,219	110,219
Total Assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 117,840</u>	<u>\$ 110,219</u>	<u>\$ 228,059</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Deferred Revenue	\$ -	\$ -	\$ -	\$ -	\$ 110,219	\$ 110,219
Fund Balances:						
Restricted	-	-	-	117,840	-	117,840
Total Liabilities and Fund Balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 117,840</u>	<u>\$ 110,219</u>	<u>\$ 228,059</u>

**CITY OF AMERY, WISCONSIN
DEBT SERVICE FUNDS
DETAILED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
YEAR ENDED DECEMBER 31, 2012**

	General Long-Term Debt Redemption Fund			Library	Fire Hall Construction Debt	Totals
	General City	TID #6 Debt	TID #7 Debt	\$440,000 G.O. Promissory Notes		
REVENUES						
Intergovernmental Charges for Service	\$ -	\$ -	\$ -	\$ -	\$ 58,173	\$ 58,173
Miscellaneous:						
Donations	-	-	-	10,000	-	10,000
Total Revenues	-	-	-	10,000	58,173	68,173
EXPENDITURES						
Debt Service:						
Principal Retirement	165,238	163,341	57,487	21,664	65,818	473,548
Principal Payments on Refinanced Debt	125,086	-	-	-	-	125,086
Interest and Fiscal Charges	92,932	19,076	4,513	6,383	13,155	136,059
Total Expenditures	383,256	182,417	62,000	28,047	78,973	734,693
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(383,256)	(182,417)	(62,000)	(18,047)	(20,800)	(666,520)
OTHER FINANCING SOURCES (USES)						
Long-Term Debt Issued	125,086	-	-	-	-	125,086
Transfers In	258,170	182,417	62,000	-	20,800	523,387
Total Other Financing Sources (Uses)	383,256	182,417	62,000	-	20,800	648,473
NET CHANGE IN FUND BALANCES	-	-	-	(18,047)	-	(18,047)
Fund Balance - Beginning of Year	-	-	-	135,887	-	135,887
FUND BALANCE - END OF YEAR	\$ -	\$ -	\$ -	\$ 117,840	\$ -	\$ 117,840

**CITY OF AMERY, WISCONSIN
WATER UTILITY ENTERPRISE FUND
STATEMENT OF NET POSITION
DECEMBER 31, 2012
(WITH COMPARATIVE AMOUNTS AS OF DECEMBER 31, 2011)**

	2012	2011
ASSETS		
Current Assets:		
Cash and Investments	\$ 220,371	\$ 1,038,476
Customer Accounts Receivable	96,578	91,200
Accounts Receivable on Tax Roll	8,995	11,267
Prepayments	3,949	3,926
Inventories	25,171	26,186
Total Current Assets	355,064	1,171,055
 Capital Assets:		
Utility Plant in Service	4,096,182	4,096,432
Less Accumulated Depreciation	1,477,479	1,387,834
Total Capital Assets	2,618,703	2,708,598
 Other Assets:		
Unamortized Debt Discount and Expense	-	1,253
Total Assets	\$ 2,973,767	\$ 3,880,906
 LIABILITIES		
Current Liabilities:		
Accounts Payable	\$ 2,743	\$ 8,558
Accrued Interest Payable	1,560	2,035
Current Portion of Long-Term Debt:		
General Obligation Notes	33,655	45,000
Accrued Compensated Absences	25,131	5,323
Total Current Liabilities	63,089	60,916
 Long-Term Liabilities (Net of Current Portion):		
General Obligation Notes	590,345	624,000
Accrued Compensated Absences	34,238	21,050
Total Long-Term Liabilities	624,583	645,050
Total Liabilities	687,672	705,966
 NET POSITION		
Net Investment in Capital Assets	1,994,703	2,039,598
Unrestricted	291,392	1,135,342
Total Net Position	2,286,095	3,174,940
Total Liabilities and Net Position	\$ 2,973,767	\$ 3,880,906

CITY OF AMERY, WISCONSIN
WATER UTILITY ENTERPRISE FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEAR ENDED DECEMBER 31, 2012
(WITH COMPARATIVE AMOUNTS FOR YEAR ENDED DECEMBER 31, 2011)

	2012	2011
OPERATING REVENUES:		
Sales of Water:		
Residential	\$ 135,598	\$ 131,556
Commercial	71,552	69,117
Industrial	15,811	15,605
Public Authorities	18,879	18,005
Private Fire Protection	8,304	8,304
Public Fire Protection	147,566	142,669
Total Sales of Water	397,710	385,256
Other Operating Revenues:		
Forfeited Discounts	932	951
Meter Use Charge to Sewer Utility	7,313	18,143
Miscellaneous Operating Revenues	465	666
Total Other Operating Revenues	8,710	19,760
Total Operating Revenues	406,420	405,016
OPERATING EXPENSES		
Operation and Maintenance	187,892	194,698
Depreciation	89,895	89,503
Total Operating Expenses	277,787	284,201
OPERATING INCOME	128,633	120,815
NONOPERATING REVENUES (EXPENSES)		
Interest Revenue	822	1,023
Interest Expense	(25,699)	(27,188)
Total Nonoperating Revenues (Expenses)	(24,877)	(26,165)
INCOME BEFORE CONTRIBUTIONS AND TRANSFERS	103,756	94,650
CAPITAL CONTRIBUTIONS AND TRANSFERS:		
Plant Contributed by Customers and Developers	-	12,253
Plant Contributed by Governmental Funds	-	26,321
Transfer to Sewer Department - Working Capital Contribution	(900,895)	-
Transfer to General Fund - Property Tax Equivalent	(91,706)	(88,951)
Total Contributions and Transfers	(992,601)	(50,377)
CHANGE IN NET POSITION	(888,845)	44,273
Net Position - Beginning of Year	3,174,940	3,130,667
NET POSITION - END OF YEAR	\$ 2,286,095	\$ 3,174,940

**CITY OF AMERY, WISCONSIN
WATER UTILITY ENTERPRISE FUND
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2012
(WITH COMPARATIVE AMOUNTS FOR YEAR ENDED DECEMBER 31, 2011)**

	<u>2012</u>	<u>2011</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Utility Customers	\$ 248,435	\$ 246,414
Cash Received for Public Fire Protection	147,566	142,669
Cash Received for Sewer Share of Meter Related Expenses	7,313	18,143
Cash Payments to Suppliers for Goods and Services	(103,950)	(124,048)
Cash Payments for Employee Services	(55,769)	(63,791)
Net Cash Provided by (Used for) Operating Activities	<u>243,595</u>	<u>219,387</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Working Capital Paid to Sewer Department	(900,895)	-
Transfers Out - Tax Equivalent	(91,706)	(88,951)
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>(992,601)</u>	<u>(88,951)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Cash Payments for Capital Assets	-	(11,253)
Cash Received from Customer Contributions	-	10,753
Cash Received from Issuance of Debt	624,000	-
Principal Paid on Long-Term Debt	(669,000)	(44,000)
Interest Paid on Long-Term Debt	(24,921)	(26,386)
Net Cash Provided by (Used for) Capital and Related Financing Activities	<u>(69,921)</u>	<u>(70,886)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on Investments	<u>822</u>	<u>1,023</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(818,105)	60,573
Cash and Cash Equivalents - Beginning of Year	<u>1,038,476</u>	<u>977,903</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 220,371</u>	<u>\$ 1,038,476</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating Income	\$ 128,633	\$ 120,815
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities		
Depreciation	89,895	89,503
(Increase) Decrease in Assets:		
Customer Accounts Receivable	(5,378)	2,716
Accounts Receivable on Tax Roll	2,272	(506)
Prepayments	(23)	(889)
Inventories	1,015	1,133
Increase (Decrease) in Liabilities:		
Accounts Payable	(5,815)	6,054
Accrued Compensated Absences	32,996	561
Net Cash Provided by (Used for) Operating Activities	<u>\$ 243,595</u>	<u>\$ 219,387</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:		
Capital Assets Financed Directly by Developers/Customers	\$ -	\$ 1,500
Capital Assets Financed Directly by Governmental Funds	-	26,321

CITY OF AMERY, WISCONSIN
WATER UTILITY ENTERPRISE FUND
SCHEDULE OF OPERATION AND MAINTENANCE EXPENSES
YEAR ENDED DECEMBER 31, 2012
(WITH COMPARATIVE AMOUNTS FOR YEAR ENDED DECEMBER 31, 2011)

	2012	2011
SOURCE OF SUPPLY		
Operation Labor	\$ 152	\$ 197
Maintenance of Source Plant	1,285	821
Total Source of Supply	1,437	1,018
PUMPING		
Operation Labor	1,524	2,100
Fuel or Power Purchased for Pumping	19,066	18,091
Operation Supplies and Expenses	1,114	-
Maintenance of Pumping Plant	803	13,309
Total Pumping	22,507	33,500
WATER TREATMENT		
Operation Labor	610	790
Chemicals	14,208	21,672
Operation Supplies and Expenses	1,188	4,676
Maintenance of Water Treatment Plant	610	790
Total Water Treatment	16,616	27,928
TRANSMISSION AND DISTRIBUTION		
Operation Labor	10,057	13,034
Operation Supplies and Expenses	2,537	1,786
Maintenance of Distribution Reservoirs and Standpipes	3,448	790
Maintenance of Mains	9,395	15,351
Maintenance of Services	3,834	1,503
Maintenance of Meter	2,680	11,796
Maintenance of Hydrants	1,713	276
Maintenance of Other Plant	1,793	4,630
Total Transmission and Distribution	35,457	49,166
CUSTOMER ACCOUNTS		
Meter Reading Labor	3,326	6,107
Accounting and Collecting Labor	6,134	9,973
Total Customer Accounts	9,460	16,080
ADMINISTRATIVE AND GENERAL		
Administrative and General Salaries	15,309	8,305
Office Supplies and Expenses	5,071	4,116
Outside Services Employed	5,146	4,925
Property Insurance	9,555	8,807
Injuries and Damages	2,389	2,202
Employee Pensions and Benefits	51,653	23,846
Miscellaneous General Expenses	11,924	12,707
Maintenance of General Plant	1,133	1,976
Total Administrative and General	102,415	67,006
Total Operation and Maintenance Expenses	\$ 187,892	\$ 194,698

**CITY OF AMERY, WISCONSIN
SEWER UTILITY ENTERPRISE FUND
STATEMENT OF NET POSITION
DECEMBER 31, 2012
(WITH COMPARATIVE AMOUNTS AS OF DECEMBER 31, 2011)**

	2012	2011
ASSETS		
Current Assets:		
Cash and Investments (Overdraft)	\$ 125,542	\$ (763,315)
Customer Accounts Receivable	141,074	132,228
Other Accounts Receivable	23,808	23,335
Accounts Receivable on Tax Roll	12,812	16,947
Prepayments	5,923	5,889
Inventories	3,490	3,318
Total Current Assets	312,649	(581,598)
Restricted Assets:		
Equipment Replacement Fund Investments	178,563	178,563
Capital Assets:		
Utility Plant in Service	4,924,211	4,924,311
Less Accumulated Depreciation	2,617,202	2,464,009
Total Capital Assets	2,307,009	2,460,302
Other Assets:		
Special Assessments Receivable	92,744	92,744
Long-Term Receivables	48,324	71,377
Total Other Assets	141,068	164,121
Total Assets	\$ 2,939,289	\$ 2,221,388
LIABILITIES		
Current Liabilities:		
Accounts Payable	\$ 15,823	\$ 7,939
Accrued Interest Payable	5,212	6,843
Current Portion of Long-Term Debt:		
Revenue Bonds	157,720	152,828
Accrued Compensated Absences	19,483	6,211
Total Current Liabilities	198,238	173,821
Long-Term Liabilities (Net of Current Portion):		
Revenue Bonds	330,748	488,467
Accrued Compensated Absences	26,543	24,558
Total Long-Term Liabilities	357,291	513,025
Total Liabilities	555,529	686,846
NET POSITION		
Net Investment in Capital Assets	1,889,918	1,912,728
Restricted for Equipment Replacement	178,563	178,563
Unrestricted	315,279	(556,749)
Total Net Position	2,383,760	1,534,542
Total Liabilities and Net Position	\$ 2,939,289	\$ 2,221,388

**CITY OF AMERY, WISCONSIN
SEWER UTILITY ENTERPRISE FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEAR ENDED DECEMBER 31, 2012
(WITH COMPARATIVE AMOUNTS FOR YEAR ENDED DECEMBER 31, 2011)**

	2012	2011
OPERATING REVENUES:		
Sewerage Revenues:		
Residential	\$ 314,361	\$ 314,098
Commercial	171,167	162,133
Industrial	40,979	42,847
Public Authorities	40,942	38,926
Total Sewerage Revenues	567,449	558,004
Other Operating Revenues		
Forfeited Discounts	2,518	3,022
Miscellaneous Operating Revenues	4,059	491
Total Other Operating Revenues	6,577	3,513
Total Operating Revenues	574,026	561,517
OPERATING EXPENSES		
Operation and Maintenance	458,341	454,493
Depreciation	153,293	153,173
Total Operating Expenses	611,634	607,666
OPERATING LOSS	(37,608)	(46,149)
NONOPERATING REVENUES (EXPENSES)		
Interest Expense	(16,452)	(21,319)
Interest on Advance to Biosolids Facility	2,383	3,088
Total Nonoperating Revenues (Expenses)	(14,069)	(18,231)
LOSS BEFORE CONTRIBUTIONS AND TRANSFERS	(51,677)	(64,380)
CAPITAL CONTRIBUTIONS AND TRANSFERS:		
Plant Contributed by Customers and Developers	-	3,263
Plant Contributed by Governmental Funds	-	12,234
Transfer from Water Department - Working Capital Contribution	900,895	-
Total Contributions and Transfers	900,895	15,497
CHANGE IN NET POSITION	849,218	(48,883)
Net Position - Beginning of Year	1,534,542	1,583,425
NET POSITION - END OF YEAR	\$ 2,383,760	\$ 1,534,542

**CITY OF AMERY, WISCONSIN
SEWER UTILITY ENTERPRISE FUND
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2012
(WITH COMPARATIVE AMOUNTS FOR YEAR ENDED DECEMBER 31, 2011)**

	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Utility Customers	\$ 569,315	\$ 577,565
Cash Paid for Sewer Share of Meter Related Expenses	(7,313)	(18,143)
Cash Payments to Suppliers for Goods and Services	(239,502)	(263,814)
Cash Payments for Employee Services	(188,591)	(188,345)
Net Cash Provided by (Used for) Operating Activities	133,909	107,263
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Working Capital Provided by Water Department	900,895	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Cash Payments for Capital Assets	-	(3,764)
Cash Received from Customer Contributions	-	3,263
Principal Paid on Long-Term Debt	(130,483)	(126,430)
Interest Paid on Long-Term Debt	(15,464)	(17,039)
Net Cash Provided by (Used for) Capital and Related Financing Activities	(145,947)	(143,970)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on Investments	-	6,716
NET CHANGE IN CASH AND CASH EQUIVALENTS	888,857	(29,991)
Cash and Cash Equivalents - Beginning of Year	(584,752)	(554,761)
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 304,105	\$ (584,752)
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES		
Operating Loss	\$ (37,608)	\$ (46,149)
Adjustments to Reconcile Operating Loss to Net Cash Provided by Operating Activities:		
Depreciation	153,293	153,173
(Increase) Decrease in Assets:		
Customer Accounts Receivable	(8,846)	15,195
Accounts Receivable on Tax Roll	4,135	853
Prepayments	(34)	(1,333)
Inventories	(172)	5
Increase (Decrease) in Liabilities:		
Accounts Payable	7,884	56
Accrued Compensated Absences	15,257	(14,537)
Net Cash Provided by (Used for) Operating Activities	\$ 133,909	\$ 107,263
RECONCILIATION OF CASH AND INVESTMENTS TO CASH AND CASH EQUIVALENTS		
Cash and Investments per Statement of Net Position:		
Cash and Investments	\$ 125,542	\$ (763,315)
Cash and Investments - Restricted	178,563	178,563
Cash and Cash Equivalents	\$ 304,105	\$ (584,752)
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:		
Capital Assets Financed Directly by Governmental Funds	\$ -	\$ 12,234
Principal and Interest Paid Directly by Biosolids Facility	24,962	24,974

**CITY OF AMERY, WISCONSIN
SEWER UTILITY ENTERPRISE FUND
SCHEDULE OF OPERATION AND MAINTENANCE EXPENSES
YEAR ENDED DECEMBER 31, 2012
(WITH COMPARATIVE AMOUNTS FOR YEAR ENDED DECEMBER 31, 2011)**

	<u>2012</u>	<u>2011</u>
OPERATION		
Supervision and Labor	\$ 113,626	\$ 135,149
Power and Fuel for Pumping	6,681	9,407
Power and Fuel for Aeration Equipment	44,671	47,572
Chemicals	5,589	2,727
Biosolids Facility Expenses	94,951	83,360
Supplies and Expenses	21,204	18,680
Transportation Expenses	4,616	5,138
Total Operation	<u>291,338</u>	<u>302,033</u>
MAINTENANCE		
Sewer Collection System	18,864	19,789
Collection System Pumping Equipment	3,130	1,695
Treatment and Disposal Plant Equipment	18,844	21,101
General Plant Structures and Equipment	13	219
Total Maintenance	<u>40,851</u>	<u>42,804</u>
CUSTOMER ACCOUNTING AND COLLECTION		
Billing, Accounting and Collection	8,003	8,879
Meter Expense Allocation	7,313	18,143
Total Customer Accounting and Collection	<u>15,316</u>	<u>27,022</u>
ADMINISTRATIVE AND GENERAL		
Administrative and General Salaries	7,329	9,168
Office Supplies and Expenses	2,289	2,244
Outside Services Employed	4,936	4,800
Insurance Expenses	17,915	16,512
Employee Pensions and Benefits	59,633	35,149
Regulatory Commission Expenses	562	-
Miscellaneous General Expenses	5,846	5,761
Rents	12,326	9,000
Total Administrative and General	<u>110,836</u>	<u>82,634</u>
Total Operation and Maintenance Expense	<u>\$ 458,341</u>	<u>\$ 454,493</u>

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, 2012

Date	Total Receivable			Alden Township			Lincoln Township		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
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>\$ 110,218.69</u>	<u>\$ 6,127.14</u>	<u>\$ 116,345.83</u>	<u>\$ 16,432.76</u>	<u>\$ 905.07</u>	<u>\$ 17,337.83</u>	<u>\$ 93,785.93</u>	<u>\$ 5,222.07</u>	<u>\$ 99,008.00</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